

Red Sea International Achieves Significant Revenue Growth and Sustains Upward Profit Trajectory

- ***Continued focus on strategic and operational excellence, reinforcing RSI's leading market position***
- ***Landmark acquisition of First Fix supports robust financial performance during the quarter***
- ***Transformation underway, establishing a solid foundation for RSI to reach greater heights***

Riyadh, 15 May 2024 – Red Sea International (“Red Sea” or the “Company”) (4230 on the Saudi Exchange), a market-leading integrated building solutions provider in the Middle East and worldwide, today announced its financial results for the first quarter ending 31 March 2024 (“1Q24”), recording a significant top and bottom-line growth.

RSI's 1Q2024 results are positive and support the momentum established in 2023. This is driven by the performance of First Fix – the latest acquisition. Complementing this is the continued execution of the company's business model transformation, with a focus on operational efficiencies. The company remains committed to unlocking further value through capitalizing on emerging opportunities for growth, both organically and through strategic partnerships and acquisitions, to solidify its position as a leader in the integrated building solutions market.

Marwan Sayegh, Chief Executive Officer of Red Sea International, commented:

“We are delighted to have started the new year on a positive note. Our efforts continue to focus on business, restructuring, upgrading our manufacturing capabilities across our factories, and charting an enhanced ERP platform, which are all aimed at enhancing business efficiencies and effectiveness. We continue to pursue our planned path to achieve a leadership position as a unique brand that offers a complete and integrated solution to our clients, combining design, manufacturing, and complete MEP services, along with Facility Management services through a one stop shop. This, we believe, is the key competitive advantage of RSI.

Innovation remains a critical component across our industry, and RSI is also dedicated to achieve sustainable growth with the ultimate goal being to deliver excellent value and long-term returns to our shareholders.”

Ghassan Ashkar, Chief Financial Officer of Red Sea International, said:

“We are proud to report a positive turn to the new year and are committed to focusing our efforts on maintaining this strong momentum as the year progresses, driven by the robust results that we have achieved. Foremost on our mind is a focus on cost efficiency and discipline, and building a robust foundation for the upcoming phase of growth and development remains a clear direction for RSI.”

<i>SR millions</i>	Q1 2024	Q1 2023	% Change
Revenue	659	116	466%
Gross Profit	69	2	2,693%
EBITDA	50	4	541%
Net Profit	13	(20)	NM

Income Statement Analysis

Revenue increased substantially by 466% YoY in 1Q24, to SR 659 million, primarily due to the strategic acquisition of First Fix and the continued focus on enhancing efficiencies across the board, through streamlining the supply chain, competitive pricing strategies, and improved procurement techniques.

Our **Cost of Revenue** increased significantly to reach SR 591 million, and **Gross Profit** saw a sharp rise to SR 69 million, compared to SR 2 million in 1Q23. This in turn resulted in a substantial improvement in **EBITDA** which increased to SR 50 million, compared to SR 4 million in the same period last year supported by the continued enhancement in revenues.

RSI achieved a significant turnaround in **Net Profit** in 1Q24, reaching SR 13 million, compared to a net loss of SR 20 million in 1Q23. This is essentially driven by the continued realization of tangible results arising from the business transformation initiated in 2023, through the acquisition of First Fix. Furthermore, Supply Chain optimization and enhanced Procurement Planning, as well as a strategic focus on an effective execution plan have helped with the delivery of projects.

Balance Sheet Analysis

Red Sea International concluded 1Q24 with SR 79 million in **cash and cash equivalents**, while **total loans** decreased to SR 319 million as of 31 March 2024, from SR 327 million at the end of 2023 in line with the committed project schedules.

ESG

RSI's ESG principles are guided by the Omnipreneurship philosophy based on 3 principles of "Giving, Earning and Sustaining". The Company is aiming to contribute to a sustainable society by continuing to embed the principles of sustainability, ethics and innovation. RSI is committed to 'Sustainability' and has already formulated its ESG framework and has set a baseline



to measure annual progress against key ESG targets. The Company is looking to develop its sustainability roadmap for 2030, using a structured problem-solving approach, to ensure that the proposed solutions create tangible value and are truly impactful for all stakeholders.

--- ENDS ---

About Red Sea International

Red Sea International was founded in 1978 and is headquartered in Riyadh, Kingdom of Saudi Arabia. Today, RSI is a global name in designing, planning, producing, managing, and operating temporary or permanent modular buildings that can be used for worker accommodation, hotels, apartments, offices, schools, or medical centers. To complement our wide range of products, RSI offers an array of customizable turnkey hospitality services, including utilities, catering, entertainment, and many more. Through our key divisions - Red Sea Housing Services, Red Sea Facilities Management and MEP / Infrastructure (through First Fix), RSI continues to collaborate with some of the world's leading organizations in a number of sectors such as oil and gas, infrastructure, government, building and construction, and mining, amongst others. Our innovative building techniques and business spread is reflected through the diversified product portfolio and successful imprint across industry sectors. Whilst establishing our footprint in over 65 countries worldwide, we have actively embedded our presence and reputation as the leader in off-site modular construction. For more information, visit <https://redseaintl.com/>

Forward-Looking Statements

This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as "according to estimates", "anticipates", "assumes", "believes", "could", "estimates", "expects", "intends", "is of the opinion", "may", "plans", "potential", "predicts", "projects", "should", "to the knowledge of", "will", "would" or, in each case their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding our business and management, our future growth or profitability and general economic and regulatory conditions and other matters affecting us.

Forward-looking statements reflect our management's ("Management") current views of future events, are based on Management's assumptions, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause our actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements. Our business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to become inaccurate. These risks include fluctuations prices, costs, ability to retain the services of certain key employees, ability to compete successfully, changes in political, social, legal, or economic conditions in Saudi Arabia, worldwide economic trends, the



EARNINGS RELEASE

1Q2024

impact of war and terrorist activity, inflation, interest rate and exchange rate fluctuations and Management's ability to timely and accurately identify future risks to our business and manage the risks mentioned above.

Investor Relations Enquiries

Tel: +966 11 827 4063

Email: IR@redseaintl.com

P.O. Box: 9371

Riyadh 11413, Kingdom of Saudi Arabia

<https://redseaintl.com/>