

LAND SEGMENT (continued)

CASE STUDY

UNCONVENTIONAL DRILLING: A NEW CHAPTER OF GROWTH

Arabian Drilling faced a significant challenge during 2024, when Saudi Aramco suspended several offshore rigs, resulting in a 44% reduction in offshore activity with Aramco. This impacted our high-margin offshore revenue streams and created financial pressure for the Company. Additionally, temporary suspensions in the land rig market compounded the operational challenges. The opportunity emerged in the unconventional segment, offering a chance to offset revenue losses and sustain growth despite the downturn.

Pioneering a Rapid and Resilient Response

We acted decisively by pivoting to the unconventional sector, deploying the new land rigs with unprecedented swiftness. From rig delivery to the seaport, mobilization to the first well location, on-site assembly, and commissioning, each rig took an average of 45 days—an industry-leading achievement. By the end of 2024, 11 rigs were operational, with the remaining 2 starting in early first quarter of 2025.

Our teams worked tirelessly to ensure seamless execution, collaborating with Aramco and port authorities to address logistical bottlenecks and expedite rig delivery. Leveraging cross-functional expertise, we guaranteed technical excellence and operational readiness, showcasing our adaptability and alignment with strategic priorities.

Delivering Transformative Impact

This shift to unconventional operations yielded remarkable results, driving ₪ 3.6 billion in revenue despite offshore setbacks. We cemented our position as a market leader in the unconventional segment, with our rigs achieving industry-leading performance metrics in record time.

Operational savings of ₪ 100 million and maintaining a 40% EBITDA margin underscored our financial resilience and ability to innovate under pressure. These outcomes went beyond offsetting our offshore losses - supporting business continuity and strengthening our long-term growth trajectory.

Deploying 13 unconventional rigs in less than one year, a feat unmatched in the industry, demonstrates our agility and commitment to delivering value. Despite significant challenges, we achieved ₪ 3.6 billion in revenue, reflecting the strength of our strategy and resilience of our operations.

