

LAND SEGMENT

Arabian Drilling ramped up its outstanding progress in the unconventional gas sector in 2024, underscoring the Company's resilience and versatility, with the delivery and deployment of 13 new land rigs in record time. Staunchly supporting Saudi Arabia's sustainability goals for electricity production, switching from oil to gas, and in line with the Company's strategic focus on expansion, the land segment achieved exceptional growth and rig penetration into the unconventional gas market. The land fleet, which now stands at 49 rigs – a 32% rise over 2023 – lays a clear path for regional development. Following the suspension of 3 offshore rig contracts, Arabian Drilling's land segment was instrumental in continuing the Company's growth.



Unconventional Gas Dominates Energy Transition

The increasing significance of unconventional gas in the Kingdom's evolution towards decarbonization has had a profound impact on Arabian Drilling's land segment, substantially expanding both its presence and share of the market. In awarding the Company 13 out of a total 23 contracts, Aramco reinforced its confidence in Arabian Drilling to deliver beyond expectations.

Accordingly, Arabian Drilling completed the assembly of the 13 rigs on location, passed client acceptance tests, and began drilling operations, in record time, underscoring the Company's impressive logistic and procurement efficiencies.

This mass scale start-up project has entailed hiring and onboarding more than 1,000 new crew members with continuous communication, collaboration, and consolidation, a substantial achievement reinforcing the unconventional land rigs program as the cornerstone of Arabian Drilling's growth.

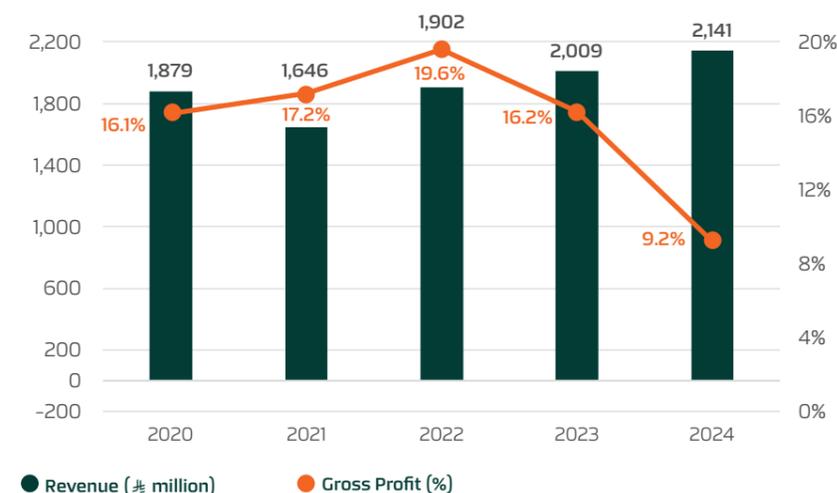
Rapid expansion and operational efficiencies, including record delivery times, are proven major contributing factors in the year-on-year revenue growth of 6.6%, from ₪ 2,009 billion to ₪ 2,141 billion. The revenue contribution of the brand new unconventional rigs is expected to be close to ₪ 800 million per year, accretive to the overall margin profile of the land segment.

In addition to the new rigs, and as a reflection of Arabian Drilling's Rig Efficiency Index (REI) score of 95.1% for land rigs, Saudi Aramco has also extended 2 long-term contracts. This amounts to a total of 15 years rig time, and an associated estimated backlog of ₪ 730 million.

Fleet Expansion, Utilization, and Efficiency

The Arabian Drilling fleet increased by 13 rigs in 2024, a 32% rise compared to the previous year, mainly as a result of the new unconventional gas rigs. At the time of printing, out of a total available fleet of 49 land rigs, 43 were active, 3 were under temporary suspension from Aramco and are expected to resume operations in 2025, and 3 were open for contractual engagements. In 2024, we realized a total of 160 rigs moves, with average net savings of 0.81 days per rig move compared to Aramco's KPI of 8.05, which translates to an additional 129.6 days of rig operating time, significantly boosting productivity.

Land Segment Revenue and Gross Profit



LAND SEGMENT (continued)

OFSAT achieved a top-line revenue of ₪ 236.8 million, a 12% increase compared to 2023, underscoring the strength and demand for its services. Due to continued growth of the operations, net income was reduced year-on-year by 19% which was in line with initial budgetary expectations.

Large Scale Growth and Innovation

With a focus on strategic expansion, OFSAT continued to increase its CAPEX, adding approximately 50 trucks to its fleet, which now includes over 500 specialized heavy oilfield winch trucks, cranes, forklifts, and other machinery, supporting its ability to handle complex rig moves efficiently and safely.

Combined with OFSAT's increased integrated technological innovations, including real-time tracking and predictive maintenance tools, the growth will support reducing downtime and improving overall operational efficiency. In line with its ongoing investment into additional assets and ambitious expansion targets, OFSAT also began bidding for rig moves with third parties in 2024.

OFSAT has once again applied technology to ensure the safety of its people and improve driver safety by deploying over 300 real-time AI cameras that are monitored in the Journey Management Center. Furthermore, OFSAT will initiate a proof of concept gamification

platform to improve driver behavior and engagement and deploy crane and driving simulators to enhance operator competency.

OFSAT Goals for 2025

In line with its expansion aspirations, over the next year OFSAT will continue to drive its digitization program, with the integration of AI and machine learning on a wider platform for predictive maintenance and real-time data analytics.

In terms of sustainability and in line with Vision 2030, carbon reduction remains a key factor in OFSAT's environmental responsibilities.

Accelerating Land Segment Technology

Innovation continues to play an ever-increasing role in all aspects of Arabian Drilling's operations, with the introduction of cutting-edge technology aimed at critical objectives, including enhancing efficiency, safety, and performance.

The Company initiated its new Infinity Innovation Lab last year, streaming essential real-time data to the central operations center, displaying the performance of the rigs, the crews working on them, and team dynamics. The system anticipates challenges and failures, optimizing performance and maintenance requirements, while providing 24/7 support ensuring performance optimization, operational synergy, delivery excellence, and continuous improvement.

The Company's application of artificial intelligence has grown exponentially, including enhancing the Behavior Empowerment Center, the proactive monitoring center, with the primary goal of developing improved organizational behavior and operational safety.

In addition, the upgrade and automation of one of the Company's earliest rigs, AD14, introduced the latest mechanization technologies and digital solutions to the drilling industry in Saudi Arabia.

2025 and Beyond

Our achievements in 2024 are a testament to Arabian Drilling's strategic agility and logistical capabilities. The Company will continue its expansion and penetration into the unconventional

gas market, underscoring its position as the cornerstone of growth, while ensuring timely and safe delivery.

We are committed to adopting cutting-edge innovation and technology which will remain pivotal to our operation. As Arabian Drilling focuses on next generation artificial intelligence and digital solutions, we aim to connect our entire fleet to both the upgraded Behavior Empowerment Center and the Infinity Innovation Lab. As ever, employee welfare is the Company's first priority, and through investing in digitization, our teams will continue to work in a more secure environment than ever.

160

Rig moves

55.8 km

Average rig move distance

0.81

Average days saved

129.6

Additional rig operating days

1.2 million

Kilometers driven per month



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.

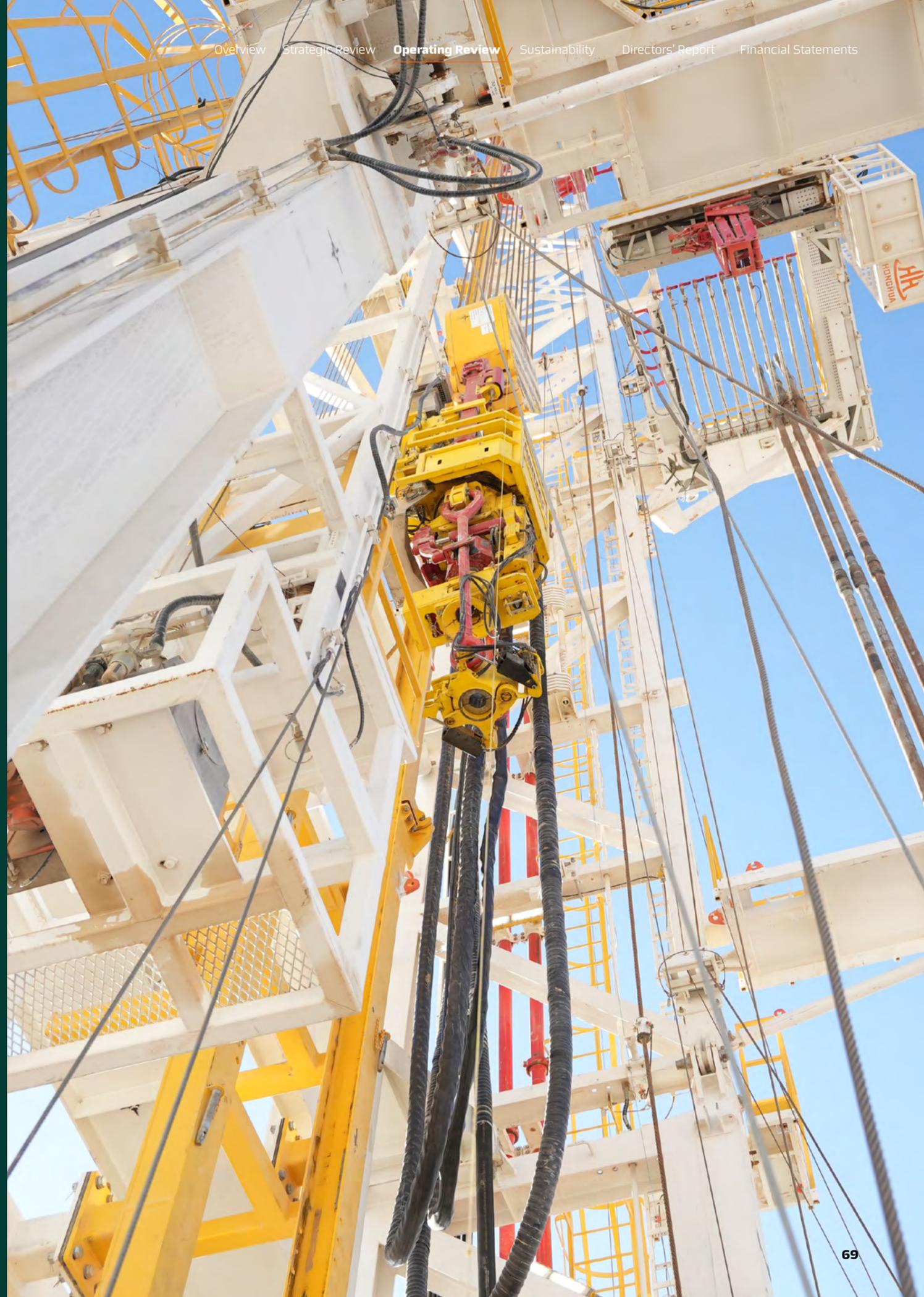
Our teams worked tirelessly to ensure seamless execution, collaborating with Aramco and port authorities to address logistical bottlenecks and expedite rig delivery. Leveraging cross-functional expertise, we guaranteed technical excellence and operational readiness, showcasing our adaptability and alignment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



OFFSHORE SEGMENT

While Arabian Drilling's offshore segment was heavily affected by Saudi Aramco's 12-month suspension of 3 rigs and the non-renewal of another, the Company viewed the challenge as a positive opportunity to expand into new territories for the first time in its history. Reaffirming the Company's trademark resilience, adaptability, and market insight, the suspended rigs are minimizing operational costs while actively being marketed for international contracts.

Proactive and Prepared for Expansion

The Ministry of Energy's decision to revoke the target to increase oil production by 1 million barrels per day has impacted all contractors operating in the Kingdom. However, Arabian Drilling's strategic realignment for the offshore segment was both rapid in its direction and effective in its execution. In order to optimize resource allocation

and manage costs effectively, its 3 suspended rigs are being warm-stacked with a skeleton crew, while undergoing planned maintenance in preparation for immediate deployment.

Rig Efficiency Remains Strong

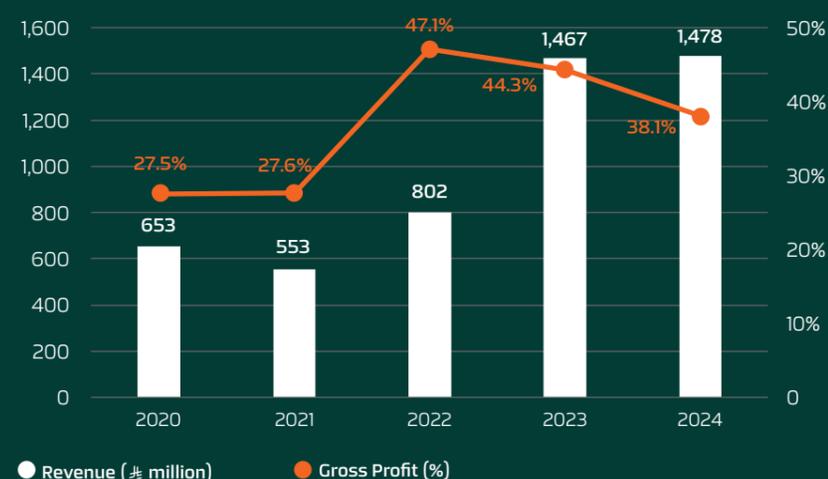
While REI for the offshore segment remained high above 90%, following the non-renewal and suspension of contracts, rig utilization dropped to

8 out of 12, which is reflected in the year-end figures. The direct impact on revenue for the offshore segment resulted in ₪ 1.48 billion in revenue for 2024, compared to ₪ 1.47 billion the previous year, gross profit fell by 13% to ₪ 563.4 million.

Despite its rig suspensions, the Arabian Drilling offshore segment maintained its position as the Kingdom's third largest contractor.



Offshore Segment Revenue and Gross Profit



Adopting Technology to Develop Sustainability

In alignment with Saudi Vision 2030 and its own steadfast commitment to the environment, Arabian Drilling continues to focus on sustainability and innovation in its offshore operations, including implementing eco-friendly practices and integrating advanced technologies to enhance efficiency and reduce its carbon footprint.

Drilling and well testing operations improved significantly, particularly in flaring management, with no environmental incidents throughout 2024. In addition, power systems productivity improved, and CO₂ emissions decreased by integrating advanced Preventive Maintenance System. Subsequent baseline data will act as a critical reference point for future improvements and continued environmental performance tracking.

In a new field of operations, the Company was selected by Aramco to pioneer the drilling of Shallow gas Wells, followed by its first execution of Managed Pressure Drilling (MPD) wells, an advanced process which contains blowouts and leaks, supporting sustainability goals and lowering environmental footprints.

Further reflecting the Company's commitment to green policies, Arabian Drilling was awarded the contract to drill 2 offshore production wastewater disposal wells for the Khafji Field, underscoring its expertise in managing water disposal in the oil industry, while ensuring compliance with stringent environmental standards.

Maintaining Leadership in Contractor Innovation

Arabian Drilling's offshore segment continued to inspire and innovate with the introduction of several new products and technologies aimed at enhancing efficiency, safety, and performance. Arabian Drilling's Infinity Innovation Lab has become an essential tool in providing real time data, focusing on heightened performance, delivery excellence, and team safety.

The Company's cutting-edge Behavior Empowerment Center is constantly reviewed and upgraded to ensure optimum rig efficiency and HSE within the offshore segment and in 2024 its capabilities were significantly strengthened through the integration of AI.

The Future for Arabian Drilling Offshore

There will be a renewed focus on technology and innovation in 2025 and beyond for the offshore segment. As technology in the drilling industry continues to evolve at such a meteoric pace, the scope and capabilities of integrated AI and machine learning plays a vital role in providing maximum efficiency and superior safety. In readiness for international expansion and contracts with new partners, the existing fleet will be fitted with state-of-the-art systems and automation capabilities to be among the most sophisticated and efficient in the Kingdom.

There has been a keen focus on international expansion since Arabian Drilling's IPO, which has been substantially accelerated in light of the rig suspensions. In ramping up its exploration for new contracts and strategic partners in 2025, particularly in emerging markets, the offshore segment will begin international operations for the first time since Arabian Drilling was founded 60 years ago.

As the offshore segment continues to combine its innovation capabilities with its sustainability goals, 2025 will see the implementation of carbon capture and storage technology to reduce the carbon footprint of offshore operations. In addition, adopting eco-friendly practices such as optimizing fuel consumption and reducing emissions from offshore rigs, underscores its commitment to the environment and its vision for a greener future.

Safety has always been a non-negotiable priority for Arabian Drilling and in 2025 the Company will continue to build on its exceptional record by investing in comprehensive training programs for offshore personnel. It will also introduce new safety technologies and protocols to minimize risks and create a safer, more secure working environment.

