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11 October 2022G

## Arabian Drilling Company

### Announcement of the Final Offer Price for the IPO of Arabian Drilling

Following the Offer Price Range announcement on 28 September 2022G by Arabian Drilling Company ("**Arabian Drilling**" or the "**Company**"), the leading<sup>1</sup> oil and gas drilling contractor in the Kingdom of Saudi Arabia (the "**Kingdom**" or "**KSA**"), the Company along with Goldman Sachs Saudi Arabia, HSBC Saudi Arabia and SNB Capital Company, as joint financial advisors, announce today the successful completion of the participating parties' book-building process in compliance with the guidelines of the Capital Market Authority ("**CMA**") and the determination of the final offer price (the "**Final Offer Price**") for the initial public offering (the "**IPO**" or the "**Offering**") at SAR 100 per share, implying a market capitalization of SAR 8.9 billion (US\$ 2.4 billion<sup>2</sup>) at listing.

The book-building process generated an order book of SAR 162 billion (US\$ 43 billion) and resulted in a subscription of coverage of around 61x of the total offered shares.

**Ghassan Mirdad, Chief Executive Officer of Arabian Drilling, said:**

"Global investors have come to recognize the significant and integral role we play – and will continue to play – in the oil and gas value chain in the Kingdom. We specialize in both onshore and offshore drilling with a fleet size of 45 rigs serving four key clients and operating principally in KSA. The demand for our services remains high, especially given the elevated commodity price environment and concerns around energy security as a result of the current macro-political and economic landscape. Looking ahead, we also have plans to grow and expand further into the GCC, where we are also witnessing strong demand increases. The investment case is robust, and the demand for our shares has ensured a successful institutional fundraising phase. We now look

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<sup>1</sup> Rystad Market Report (based on fleet size, as of 31 December 2021G)

<sup>2</sup> FX Rate: US\$/SAR 3.75

forward to onboarding the retail investors, who make up a core and important element of our offering and shareholdings.”

## Confirmation of Offer Details

- The Final Offer Price for the Offering has been set at SAR 100 per share, implying a market capitalization at listing of SAR 8.9 billion (US\$ 2.4 billion).
- The total size of the Offering is SAR 2,670,000,000 (US\$ 712,000,000).
- The Offering consists of 26,700,000 Offer Shares (as defined below) comprised of: (i) a secondary offering of 19.89% of the Company's total share capital through the sale of 17,700,000 existing shares by the current shareholders of Arabian Drilling (The Industrialization & Energy Services Company (TAQA) and Services Pétroliers Schlumberger S.A.); and (ii) a primary offering of 10.11% through the issuance of 9,000,000 new shares (collectively, the “**Offer Shares**”). 100% of the Offer Shares have been provisionally allocated to the participating parties having participated in the book-building (“**Participating Entities**”). This may be reduced to 24,030,000 Offer Shares (representing 90% of the total Offer Shares) depending on the level of demand by Individual Investors (as defined below). The final number of Offer Shares allocated to the Participating Entities will be clawed-back accordingly based on subscriptions from Individual Investors.
- Saudi Arabian nationals, foreign residents in the Kingdom and GCC nationals (“**Individual Investors**”) will be able to subscribe for shares in the retail offering between 18-19 October 2022G at the Final Offer Price of SAR 100 per Offer Share through the appointed receiving agents which are The Saudi National Bank, Al-Rajhi Bank and Riyad Bank (collectively, the “**Receiving Agents**”).
- The Offer Shares to Individual Investors will be made as follows:
  - Individual Investors are required to fill and submit a subscription form. Individual Investors who have participated in recent initial public offerings in the Kingdom can also subscribe through the internet, telephone banking or automated teller machines (“**ATMs**”) of any of the Receiving Agents branches that offer any or all such services to its customers, provided that the following requirements are satisfied: (i) the Individual Investor must have a bank account at a Receiving Agent which offers such services; and (ii) there have been no changes in the personal information or data of the Individual Investor (by way of exclusion or addition of any member of his family) since such person last participated in an initial public offering.

## Expected Offering Timeline

Key Events	Date (Gregorian)	Date (Hijri)
Subscription Period for Individual Investors Based on Final Offer Price	18/10/2022G – 19/10/2022G	22/03/1444 – 23/03/1444
Deadline for payment of subscription money by Participating Entities based on their provisionally allocated Offer Shares	17/10/2022G	21/03/1444
Announcement of final allocation of Offer Shares	25/10/2022G	29/03/1444

Refund of excess subscription amounts (if any)	27/10/2022G	02/04/1444
Expected start date of trading on the Saudi Exchange	Trading of the Offer Shares on the Exchange is expected to commence after all relevant legal requirements and procedures have been fulfilled. Trading will be announced in local newspapers and on the Saudi Exchange website ( <a href="http://www.saudiexchange.com">www.saudiexchange.com</a> )	

For more information, including the prospectus, please visit the Capital Market Authority website ([www.cma.org.sa](http://www.cma.org.sa)) or Arabian Drilling Company website ([www.arabdrill.com](http://www.arabdrill.com)).

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This announcement does not contain or constitute an offer of, or the solicitation of an offer to buy, the Offer Shares to any person in the United States, Australia, Canada, South Africa or Japan or in any jurisdiction to whom or in which such offer or solicitation is unlawful. The offer and sale of the Offer Shares has not been and will not be registered under the applicable securities laws of Australia, Canada, South Africa or Japan. Subject to certain exceptions, the Offer Shares may not be offered or sold in Australia, Canada, South Africa or Japan or to, or for the account or benefit of, any national, resident or citizen of Australia, Canada, South Africa or Japan. There will be no public offer of the Offer Shares in the United States, Australia, Canada, South Africa or Japan.

In any member state of the European Economic Area (the "EEA"), this communication is only addressed to and directed at persons in that member state who are "qualified investors" within the meaning of Article 2(e) of Regulation (EU) 2017/1129 (as amended) ("**Qualified Investors**").

In the United Kingdom, this communication is only addressed to and directed at persons who are "qualified investors" within the meaning of Article 2(e) of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, who are also: (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); or (ii) persons falling within Article 49(2)(a) to (d) of the Order (high net worth companies, unincorporated associations, etc.) (all such persons together being referred to as "**Relevant Persons**"). This communication must not be acted or relied on (i) in the United Kingdom, by persons who are not Relevant Persons and (ii) in any member state of the EEA by persons who are not Qualified Investors. Any investment activity to which this communication relates (i) in the United Kingdom is available only to, and may be engaged in only with, Relevant Persons; and (ii) in any member state of the EEA is available only to, and may be engaged only with, Qualified Investors.

This announcement is being distributed subject to the provisions of the Rules on the Offer of Securities and Continuing Obligations ("**OSCO Rules**") issued by the CMA and should not result in any binding undertakings to acquire shares or subscribe in the Offering. This announcement is for information purposes only and under no circumstances shall constitute an offer or invitation, or form the basis for a decision, to invest in any securities of the Company. Neither this announcement nor anything contained herein shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction. Investors may only subscribe in the Offer Shares on the basis of the CMA approved Arabic language prospectus to be issued and published in due course (the "**Local Prospectus**"). The information in this announcement is subject to change. In accordance with Article 33(d) of the OSCO Rules, copies of the Prospectus will, following publication, be available on the websites of the Company at [www.arabdrill.com](http://www.arabdrill.com), the Saudi Exchange at [www.saudiexchange.sa](http://www.saudiexchange.sa), the CMA at [www.cma.org.sa](http://www.cma.org.sa) and each of the Financial Advisors.

This announcement is not an offer document for the purposes of the OSCO Rules and should not be construed as such. The CMA and the Saudi Exchange do not take any responsibility for the contents of this announcement, do not make any representations as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this announcement.

The international offering circular prepared in connection with the Offering (the "**International Offering Circular**") is the sole legally binding document containing information about the Company and the Offering

outside of Saudi Arabia. In the event of any discrepancy between this announcement and the Local Prospectus and/or the International Offering Circular, as the case may be, the Local Prospectus and/or the International Offering Circular will prevail.

This announcement may include statements that are, or may be deemed to be, "forward-looking statements". Any forward-looking statements reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's business, results of operations, financial position, liquidity, prospects, growth or strategies. Many factors could cause the actual results to differ materially from those expressed or implied by any such forward- looking statements, including, among other things, risks specifically related to the Company and its operations, the development of global economic and industry conditions, and the impact of economic, political and social developments in Saudi Arabia. Forward-looking statements speak only as of the date they are made and the Company does not assume any obligations to update any forward-looking statements.

There is no guarantee that the Offering will occur and you should not base your financial decisions on the Company's intentions in relation to the Offering at this stage. Acquiring Offer Shares to which this announcement relates may expose an investor to a significant risk of losing the entire amount invested.

Persons considering investment should consult an investment advisor or an authorized person specializing in advising on such investments.

The Financial Advisors are acting exclusively for the Company and no-one else in connection with the Offering. They will not regard any other person as their respective clients in relation to the Offering and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, arrangement or other matter referred to herein.

The contents of this announcement have been prepared by and are the sole responsibility of the Company. None of the Financial Advisors or any of their affiliates or respective directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.

In connection with the Offering, each of the Financial Advisors and any of their affiliates, may take up a portion of the Offer Shares in connection with the Offering as a principal position and in that capacity may retain, purchase, sell, offer to sell for their own accounts such Offer Shares and other securities of the Company or related investments in connection with the Offering or otherwise.

Accordingly, references in the Local Prospectus or the International Offering Circular, once published, to the Company's shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, the Financial Advisors and any of their affiliates acting in such capacity. In addition, the Financial Advisors and any of their affiliates may enter into financing arrangements (including swaps or contracts for difference) with investors in connection with which the Financial Advisors and any of their affiliates may from time to time acquire, hold or dispose of securities. None of the Financial Advisors intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

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