



Entity Rating Report

Rawabi Holding Company

(Closed Joint Stock Company)

October 2025

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- This credit rating herein was determined in accordance with the principal methodology outlined in our published methodologies, which are available on our website at www.tassnief.com. This methodology, including any significant adjustments or deviations from standard procedures, was applied to arrive at the rating.
- The rating scale, meaning of each rating category, default or recovery definitions, and relevant risk warnings – including a sensitivity analysis of key assumptions – are also available on our website.

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Rating Summary

1.1 TASSNIEF Opinion:

<i>Rawabi Holding Company</i>	
Domicile	<i>Saudi Arabia</i>
Long-Term Rating	<i>BBB+</i>
Outlook	<i>Stable</i>
Short-Term Rating	<i>T-4</i>
Sukuk Rating	<i>A-</i>
Rating Watch	<i>Rating Watch- Negative</i>
Action Type	<i>Downgrade</i>
Initial Rating	<i>September 2023</i>
Rating Type	<i>Solicited</i>

Tassnief has downgraded the long-term entity rating of Rawabi Holding Company ('Rawabi Holding' or 'the Company') from "A-" (Single A Minus) to "BBB+" (Triple B Plus) and short-term rating from "T-3" to "T-4". The rating has been placed on "Rating Watch – Negative" Status. The rating of Sukuk has been downgraded from "A-" (Single A Minus) to "BBB+" (Triple B Plus). Tassnief considers the rated issuer or issuance to hold adequate creditworthiness, thus low credit risk. Risk profile may exhibit high variation with changes in economic or sector conditions.

About the Company: Rawabi Holding is a diversified conglomerate, through its wholly owned subsidiaries, consolidated and managed joint ventures, and affiliated investments, focused primarily on oil and gas services. The company's operations are divided into five sectors: oilfield services, marine services, contracting, industry, and investment. Tassnief believes that the company's focus on

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localization (local manufacturing), Saudization, environmental, social, and corporate governance (ESG), training, and resource capacity enhancement will enhance its competitive advantage.

1.2 TASSNIEF Rating Rationale:

The ratings of Rawabi Holding incorporate its strong market position as the third largest offshore support vessel (OSV) operator globally with youngest fleet and diversified operations across energy, specialized contracting, and industrial manufacturing segments – all of which have depicted growth. Despite exposure to cyclical sectors, the Company's business profile draws comfort from continued favorable industry dynamics, especially marine and oilfield services and lengthy association with Saudi Aramco from which majority of the Company's revenue is generated. Moreover, sizeable order backlog of over SAR 24billion supports revenue visibility over the medium term. Ratings also incorporate Rawabi's sound corporate governance framework.

The rating downgrade takes into account aggressive financial policy as evident from sizeable debt funded expansion of assets (both fixed assets and investments) resulting in low debt servicing cushion and weak coverage indicators. This was aggravated by acceleration of repayment schedule by one of the lenders. Moreover, sizeable exposure to blue chip listed equities results in elevated exposure to market risk. During recent months, sizeable investment holdings have been liquidated to provide liquidity support and reduce debt on balance sheet.

Rawabi has demonstrated strong growth in recent years, with revenue expanding at a three-year CAGR of 37% between 2021 and 2024. Growth has slowed sharply during the current year, with a sequential decline noted in 2Q2025. Management attributes this weaker interim revenue performance primarily to short-term operational and financing headwinds. In particular, (i) delayed delivery of new vessels resulting in lower charter income recognition; (ii) contracting business affected by slower execution of awarded projects; and (iii) temporary operational challenges in oilfield services business. Nevertheless, Tassnief expects recovery in revenue under its base case scenario during the remainder of the year and in 2026 due to significant increase in day rates (relative to existing contract rates) in a structurally tight OSV market coupled with delivery of new vessels.

The Company's aggressive financial policies to capitalize on business opportunities have resulted in low debt servicing cushion, highlighting increased balance sheet and refinancing risk. This is reflected in elevated net-debt-to-adjusted EBITDA of 11.7x at end-2024. Additionally, the DSCR ratios, both FFO-based and EBITDA-based, reflect limited debt servicing cushion. Going forward, sustained deleveraging will depend on the timely execution of vessel deployments, realization of higher-margin contracts, and disciplined financial management over the rating horizon. Moreover, Rawabi Holding, including some of its subsidiaries, is also considering multiple options to reduce debt levels on balance sheet; progress against these initiatives and its impact on leverage and coverage indicators will be tracked by Tassnief.

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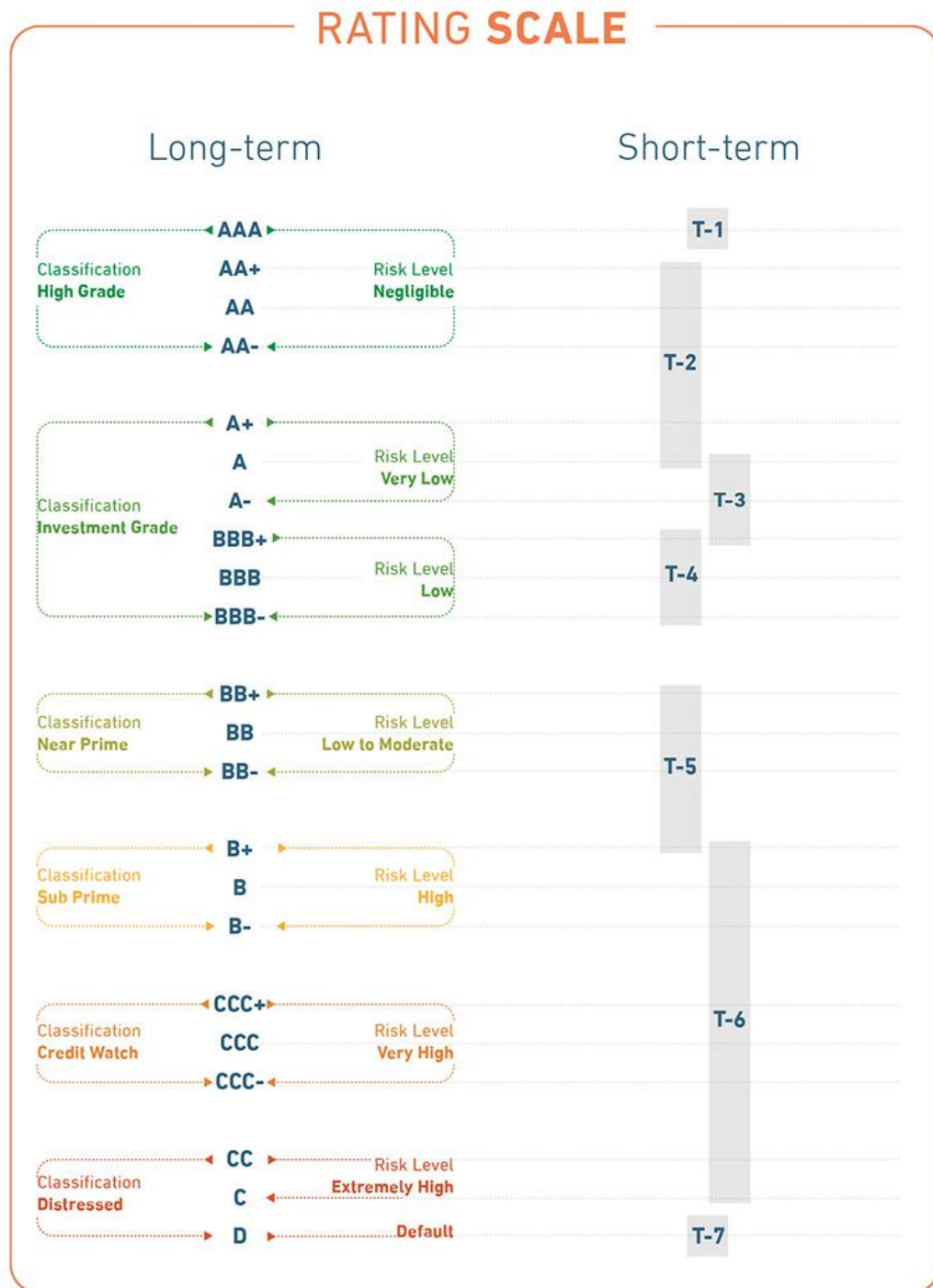
The “Rating Watch – Negative” status reflects the initiation of accelerated repayment of a bilateral term loan facility by one of the local banks, triggered by a covenant breach. In response, Rawabi Holding is actively engaging with financial institutions to refinance this facility. Tassnief has been informed that the refinancing process is expected to be finalized shortly. Tassnief will continue to closely monitor these developments, and if the issue remains unresolved in the near term, a further downgrade of the ratings may be considered.

Ratings also account for sound corporate governance framework in line with those of listed & established Tadawul players despite the Company being a Closed Joint Stock Company. Governance framework draws comfort from board composition being in line with best practices, effective board oversight, formalized succession planning framework, independence of ownership and management (shareholders cannot be CEO), structured decision-making process and sound internal control framework. Transparency and disclosures are satisfactory and provide important information for the stakeholders. Tassnief believes that Company’s focus on localization (local manufacturing), Saudization, ESG and training and strengthening resource capacity in a specialized industry will be a competitive advantage.

1.3 Rating Triggers

Key rating triggers involve increasing debt servicing cushions and improving coverage ratios through reduction in debt levels, a shift towards a more conservative financial policy and timely finalization of the refinancing arrangement.

TASSNIEF's Long-term & Short-term Rating Scale



Long-Term Rating Scale	Definitions
AAA	Extremely Robust ; Tassnief considers the rated issuer or issuance hold the highest creditworthiness , thus negligible credit risk
AA+ AA AA-	Very Robust ; Tassnief considers the rated issuer or issuance hold very high creditworthiness , thus minimal credit risk . Risk profile may vary slightly with changes in economic / sector conditions
A+ A A-	Robust ; Tassnief considers the rated issuer or issuance hold high creditworthiness , thus very low credit risk . Risk profile may vary with changes in economic / sector conditions
BBB+ BBB BBB-	Moderate ; Tassnief considers the rated issuer or issuance hold adequate creditworthiness , thus low credit risk . Risk profile may exhibit moderately high variation with changes in economic / sector conditions
BB+ BB BB-	Tassnief considers the rated issuer or issuance hold low to moderate credit risk . Risk profile may exhibit wide variation with changes in economic / sector conditions.
B+ B B-	Tassnief considers the rated issuer or issuance hold very low creditworthiness , thus high credit risk
CCC+ CCC CCC-	Tassnief considers the rated issuer or issuance hold extremely low creditworthiness , thus very high credit risk
CC C	Highly speculative credit profile , and the default is imminent
D	Tassnief considers the rated issuer or issuance have defaulted or may default soon .

****End of Report****