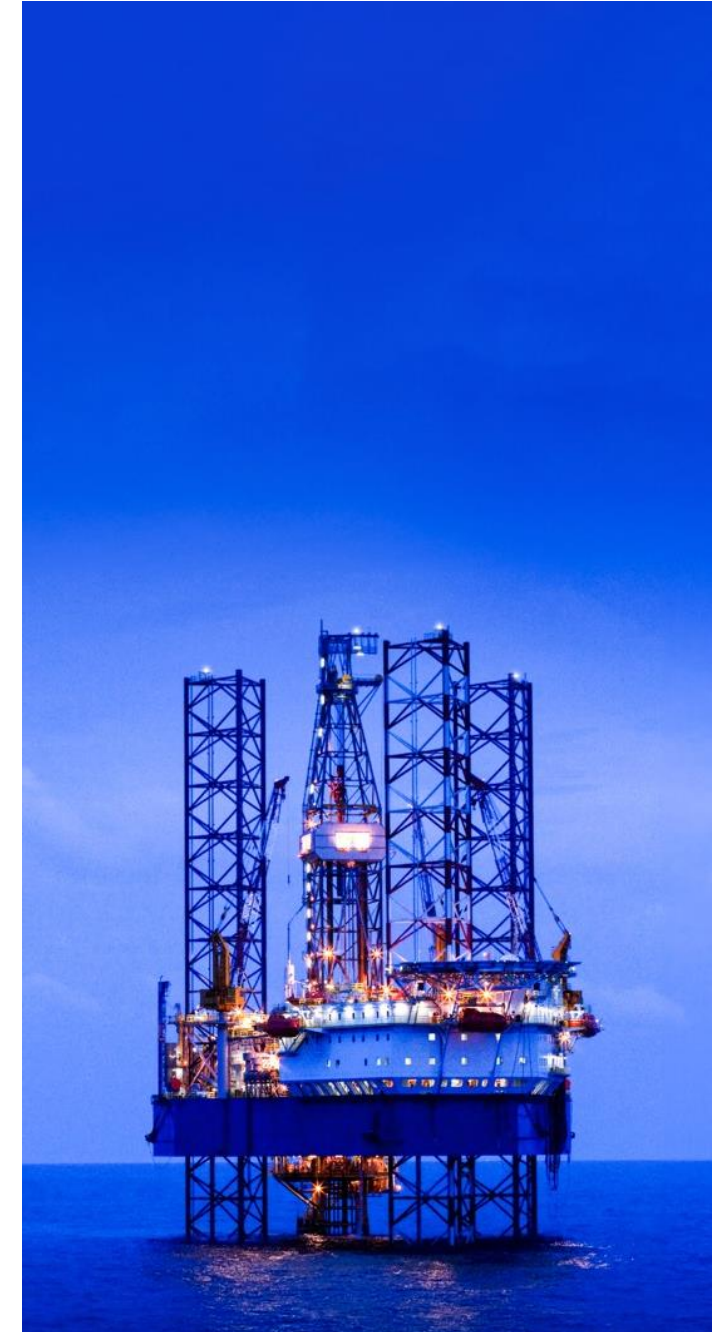




ADES Holding Company

9M 2023
Trading Update

November 2023



Today's Presenters



Dr. Mohamed Farouk

➤ *Group Chief Executive Officer*



Hussein Badawy

➤ *Group Chief Financial Officer*

AGENDA

1. JU Market Update

2. Business Update

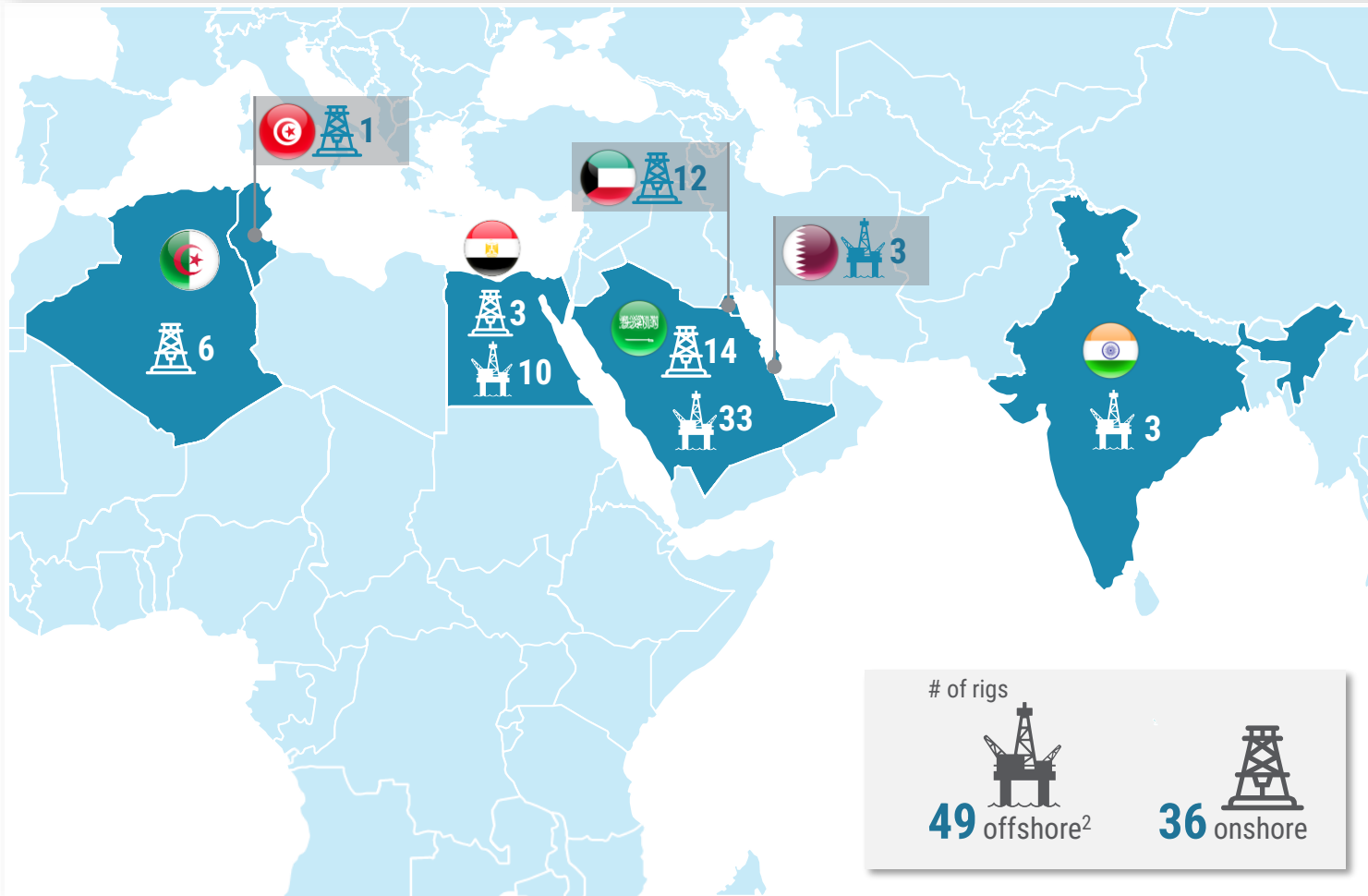
3. Financial Update

3. Q&A

Leader in Shallow Water Offshore and Onshore Drilling



Global Scale Operations with 85 Rigs in 7¹ Countries



Proven Consolidator Through Cycles

85 rigs³

▲ **+2.1x⁴** since 2018

Visible, Contracted Growth

SAR 28bn backlog⁵

93% with GCC NOCs

▲ **+6.0x⁴** since 2018

Committed to Operational Excellence and Efficiency

98%

2022 & YTD average utilization

Vs. MENA average of **82%⁶**

Leading Scale & Profitability

	9M-22	9M-23
Revenue	SAR 1.7bn	SAR 3.1bn
EBITDA	SAR 0.7bn	SAR 1.5bn
Margin (%)	~42%	~48%

Partner of Choice for Critical Energy Suppliers

Culture Focused on Safety

0.08 RIFR⁷

86% below IADC average⁸

Sources: ADES information, Westwood Global Energy Group (March 2023). Note: Financials and KPIs relate to the 30 September 2023, unless otherwise indicated. ¹ Including 3 offshore rigs in India that are expected to start operations in Q4-2023. ² Including 46 jack-up drilling rigs, 2 jack-up barges and 1 Mobile Offshore Production Unit (MOPU). ³ Including 4 leased rigs. ⁴ Growth since December 2018. ⁵The total amount payable to the Group during the remainder of the current relevant contract in addition to any optional extension to the customer stipulated in the contract. As of September 2023, ⁶ 2022 average offshore jack-up rig utilization in MENA (Westwood Global Energy Group estimate). ⁷ Recordable injury frequency rate per 200,000 working hours as of Sep-23. ⁸ International Association of Drilling Contractors Sep-23 average of 0.57.



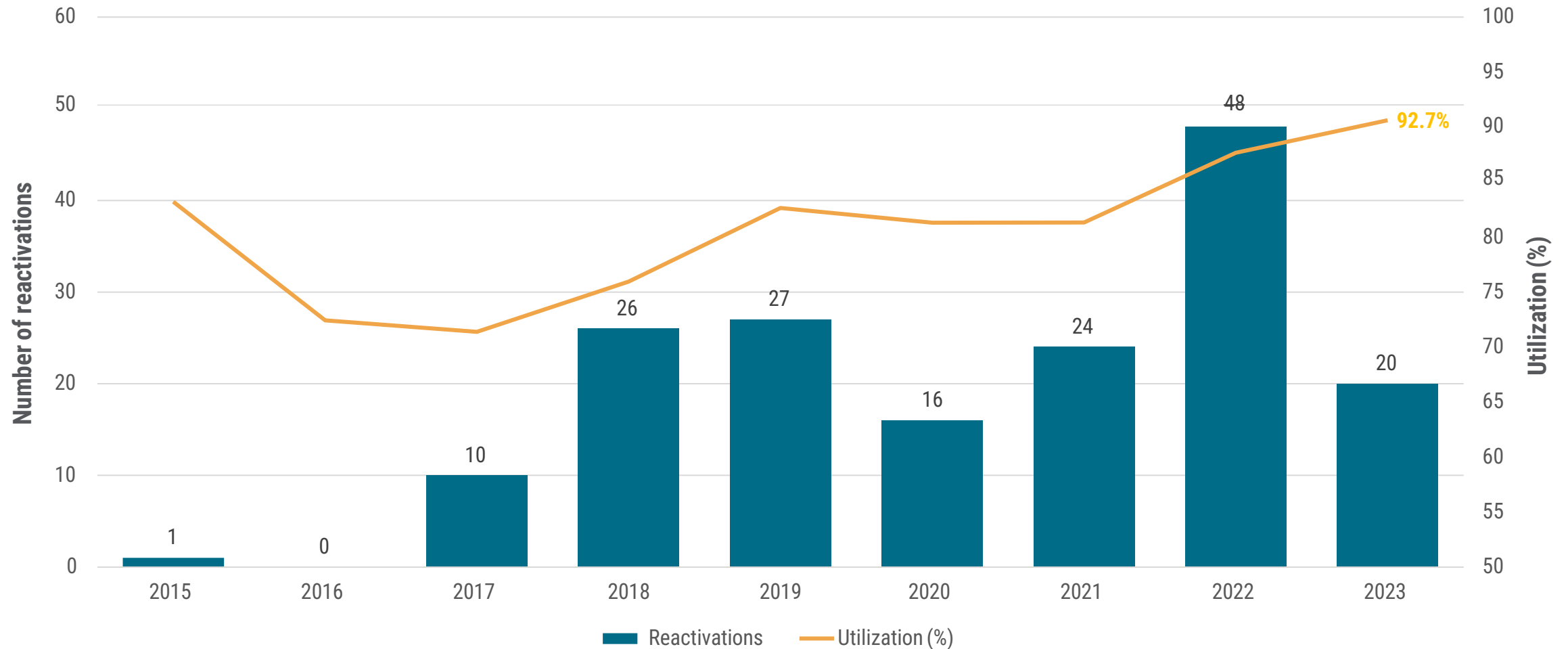
Jackup Market Update



Global Net Number of Reactivations Increased With Utilization



Global Offshore Rig Reactivations and Utilization 2015-2023

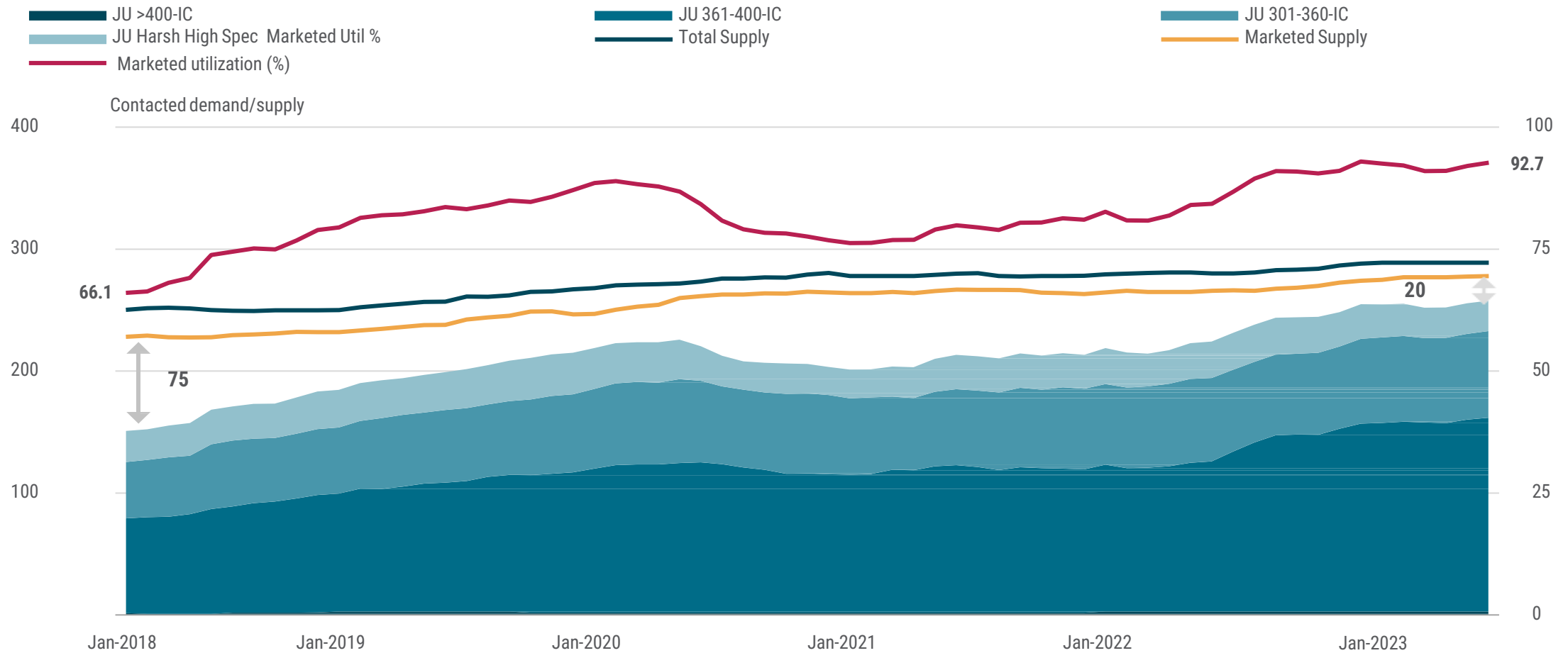


Steady Growth in the High-Spec Jackup Market



Global Higher-Spec Jackup Demand Jan 2018-May 2023

Significant market tightness (from 75 rigs supplied in 2018 to 20 in 2023) resulting in higher marketed utilization (from 66.1% in 2018 and 92.7% in 2023)



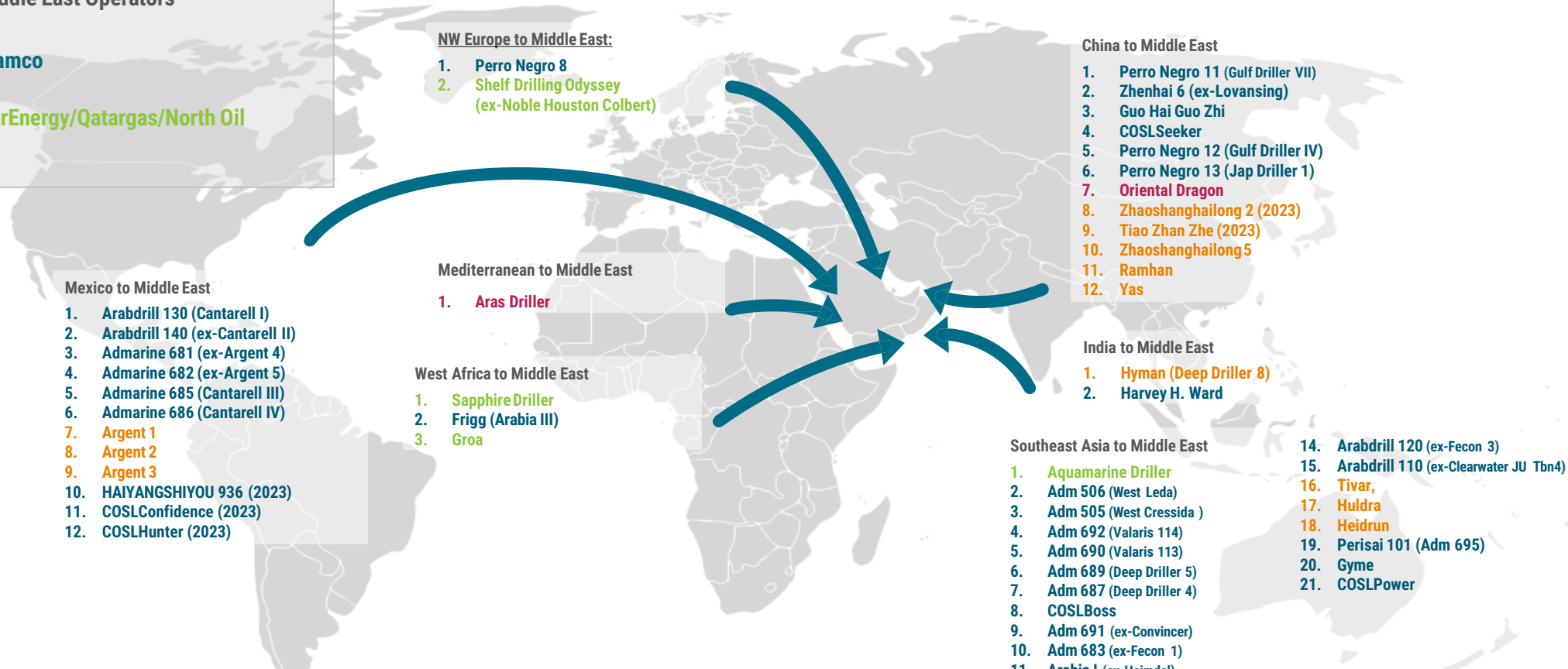
Source: S&P Global Commodity Insights upstream E&P data (Petrodata Rigs)

Significant Jackup Movement to the Middle East

53 rigs moves from 2022 to 2023, creating tightness in other markets



- Rigs Transferred to Middle East Operators**
- **35 (66%) to Saudi Aramco**
 - **12 (22%) to ADNOC**
 - **4 (8%) to Qatar (QatarEnergy/Qatargas/North Oil Company)**
 - **2 (4%) others**



- NW Europe to Middle East:**
1. **Perro Negro 8**
 2. **Shelf Drilling Odyssey (ex-Noble Houston Colbert)**

- China to Middle East**
1. **Perro Negro 11 (Gulf Driller VII)**
 2. **Zhenhai 6 (ex-Lovansing)**
 3. **Guo Hai Guo Zhi**
 4. **COSLSeeker**
 5. **Perro Negro 12 (Gulf Driller IV)**
 6. **Perro Negro 13 (Jap Driller 1)**
 7. **Oriental Dragon**
 8. **Zhaoshanghailong 2 (2023)**
 9. **Tiao Zhan Zhe (2023)**
 10. **Zhaoshanghailong5**
 11. **Ramhan**
 12. **Yas**

- Mexico to Middle East**
1. **Arabdrill 130 (Cantarell I)**
 2. **Arabdrill 140 (ex-Cantarell II)**
 3. **Admarine 681 (ex-Argent 4)**
 4. **Admarine 682 (ex-Argent 5)**
 5. **Admarine 685 (Cantarell III)**
 6. **Admarine 686 (Cantarell IV)**
 7. **Argent 1**
 8. **Argent 2**
 9. **Argent 3**
 10. **HAIYANGSHIYOU 936 (2023)**
 11. **COSLConfidence (2023)**
 12. **COSLHunter (2023)**

- Mediterranean to Middle East**
1. **Aras Driller**

- West Africa to Middle East**
1. **Sapphire Driller**
 2. **Frigg (Arabia III)**
 3. **Groa**

- India to Middle East**
1. **Hyman (Deep Driller 8)**
 2. **Harvey H. Ward**

- Southeast Asia to Middle East**
1. **Aquamarine Driller**
 2. **Adm 506 (West Leda)**
 3. **Adm 505 (West Cressida)**
 4. **Adm 692 (Valaris 114)**
 5. **Adm 690 (Valaris 113)**
 6. **Adm 689 (Deep Driller 5)**
 7. **Adm 687 (Deep Driller 4)**
 8. **COSLBoss**
 9. **Adm 691 (ex-Convincer)**
 10. **Adm 683 (ex-Fecon 1)**
 11. **Arabia I (ex-Heimdal)**
 12. **Arabia II (ex-Hermod)**
 13. **Admarine 684 (ex-Fecon 2)**
 14. **Arabdrill 120 (ex-Fecon 3)**
 15. **Arabdrill 110 (ex-Clearwater JU Tbn4)**
 16. **Tivar,**
 17. **Huldra**
 18. **Heidrun**
 19. **Perisai 101 (Adm 695)**
 20. **Gyme**
 21. **COSLPower**

ADES successfully relocated 16 rigs mainly from Mexico and South East Asia to the Middle East

Source: S&P Global Commodity Insights



Business Update

Operational Highlights

98.2%

in 9M 2023

(vs. 98.5% 9M 2022)

Utilization Rate¹

27.9 SAR
bn

as at 9M 2023

(vs. SAR 27.4 bn in FY 2022)

Total Backlog

c.5,4 Years

Weighted Average Remaining
Contract Tenor²

Tenor

0.08

in 9M 2023

(vs. IADC standard of 0.57)

RIFR

**10 rigs were operational out of the 19 rigs mega tender in KSA during 9M 2023.
To date 13 rigs have been deployed, and working to deliver the remaining 6 before year end.**

**3 rigs started operations in Kuwait during
9M 2023 with 4 rigs to date from the 6
awarded contracts with KOC, while working
to deliver the remaining 2 before year end.**

**2 additional contracts were awarded in
India during 9M 2023, and working on
delivering all of the 3 rigs before year end.**

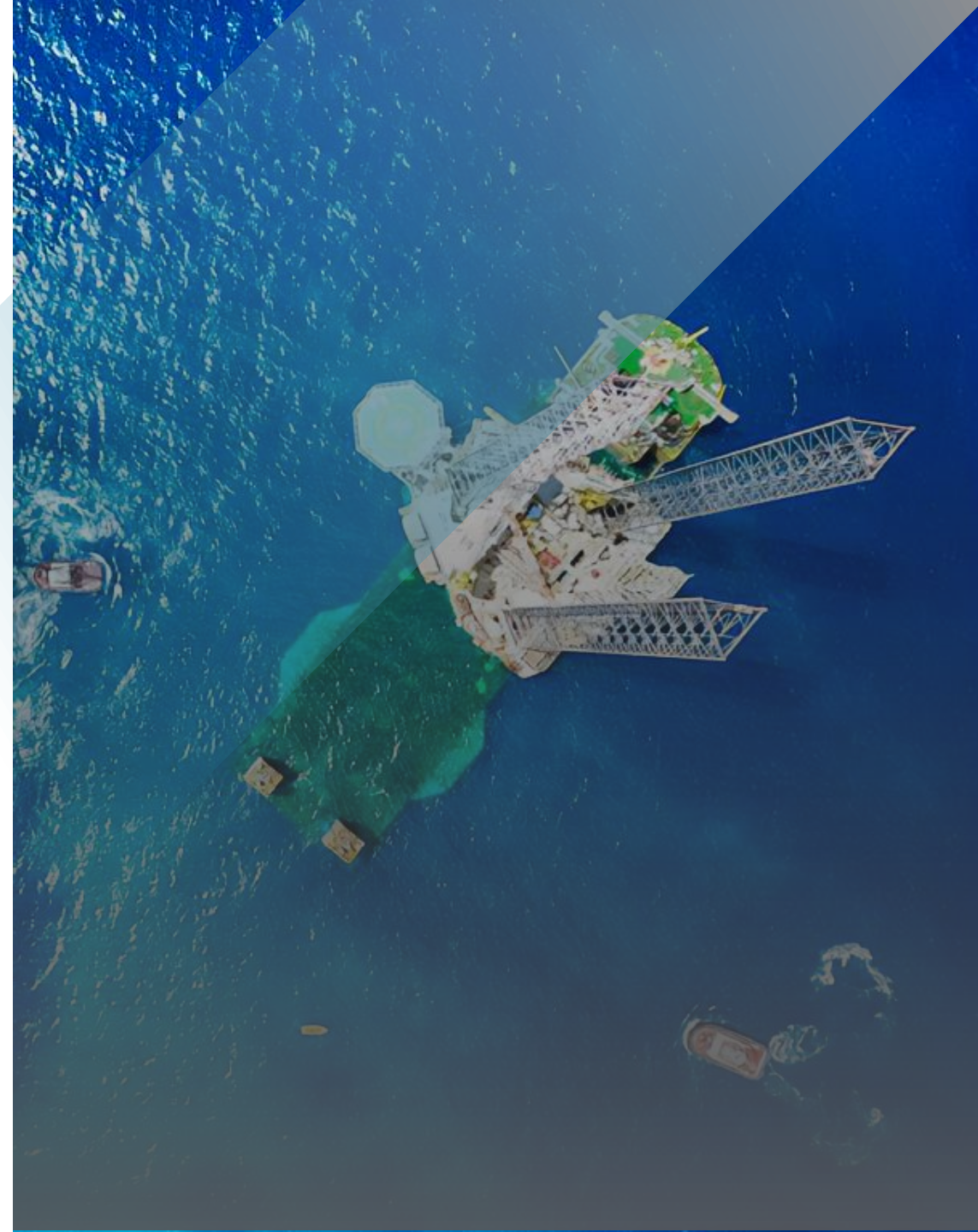


Source: ADES information. ¹ The effective utilization is calculated based on the number of operating days for rigs excluding idle, non-contracted rigs.

² Represents the remaining contract tenor for our backlog, weighted by backlog value of each contract.

Financial Highlights

SARmn, % YoY	3Q 2023	9M 2023
Revenue	1,079 + 82.7%	3,060 + 83.2%
EBITDA	526 + 121.5%	1,458 + 108.0%
As a % of Revenue	48.8% + 8.6pp	47.7% + 5.7pp
Net Profit	87.4 + 282.8%	283 + 61.1%
Normalized Net Profit¹	87.4 + 99.5%	283 + 39.3%



Source: ADES information. ¹ Calculated as the reported net profit after deducting the bargain purchase gain and adding back the Provision for impairment of trade receivables, Provision for impairment of inventories and Other provisions.

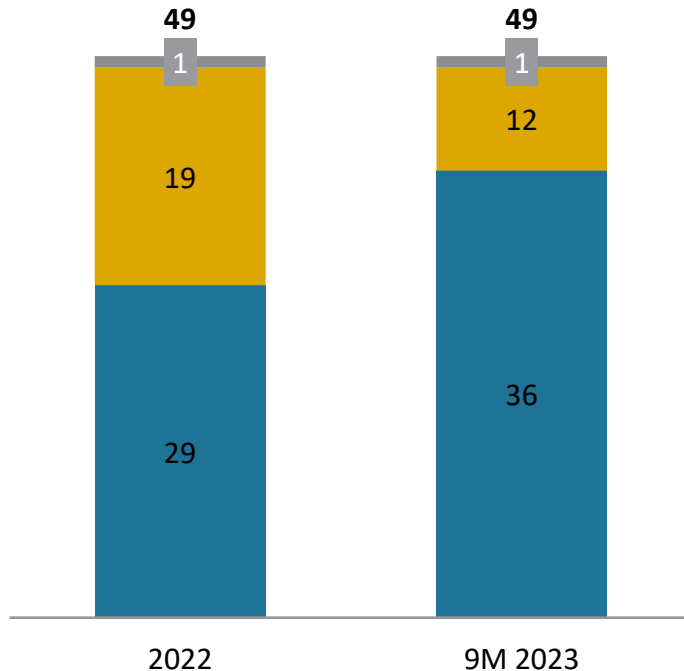
Evolution of Rigs by Status and Geography



Rig Count Evolution

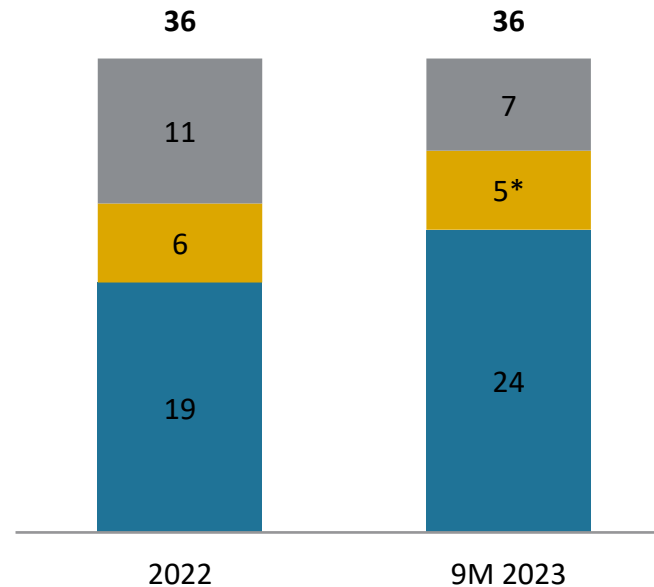
Offshore Rigs by Status (# of rigs)

- Uncontracted / idle
- Contracted, yet to commence operations
- Active



Onshore Rigs by Status (# of rigs)

- Uncontracted / idle
- Contracted, yet to commence operations
- Active



Total Rigs by Country

Country	9M 2023	
	Offshore	Onshore
Algeria	-	6
Egypt	11	3
India	2	-
KSA	33	14
Kuwait	-	12
Qatar	3	-
Tunisia	-	1
Total Rigs	49	36

Operating Rigs YoY

Reporting Period	Offshore	Onshore	Total
9M 2023	36	24	60
9M 2022	22	17	39
Incremental Rigs Deployed	14	7	21

▲ 53.8%

Source: ADES information.

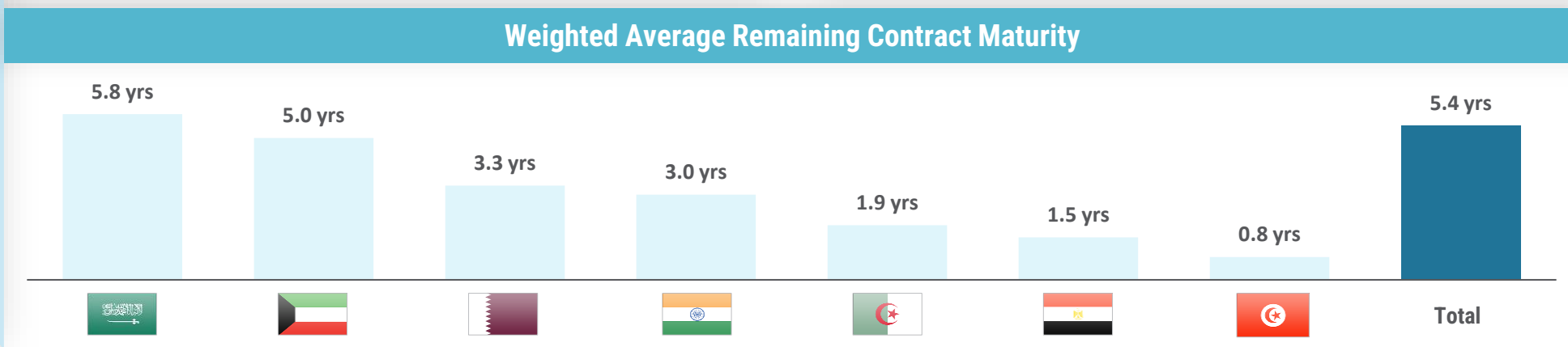
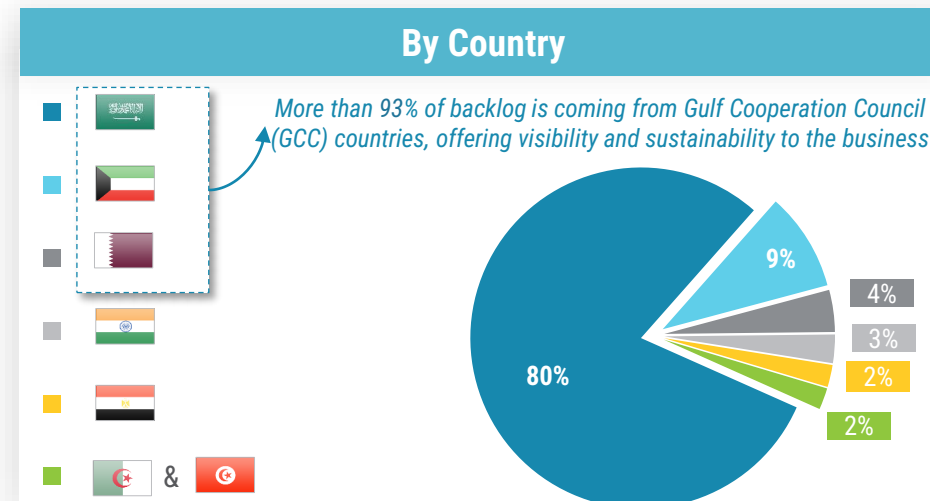
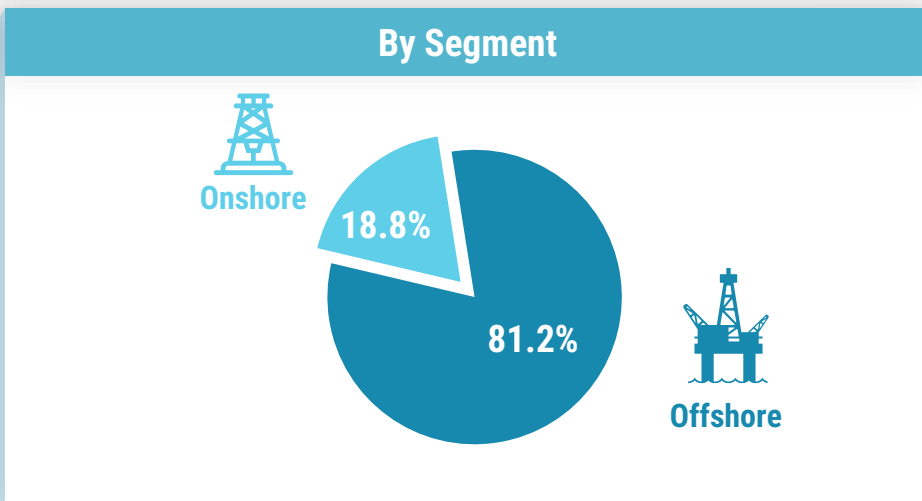
* Excludes the 2 new built contracted rigs that we are working to deliver in Kuwait before yearend, as part of the 6 contracts award in the country

Strong Backlog Providing Revenue and Cash Flow Visibility



Significant Share from Offshore and GCC countries with Long-Term Contracts

SAR 27.9bn
Backlog
(September 2023)



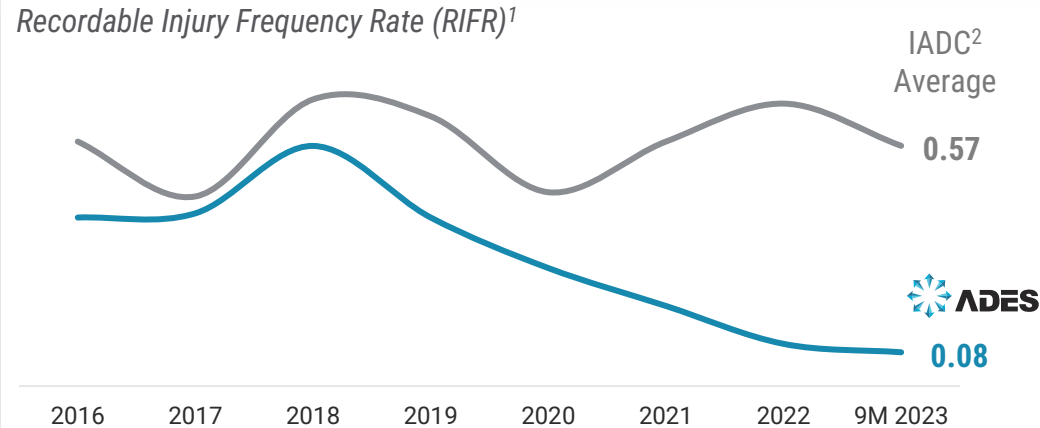
During 9M'23, we were able to further grow the net backlog by SAR 482 mn due to contract renewals at a higher daily rates and new contracts, despite the revenue consumed during the period.

Source: ADES information.

Committed to Operational Excellence & Sustainability



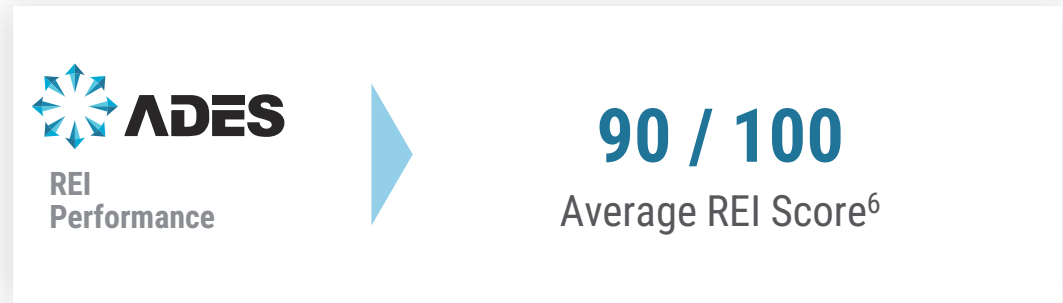
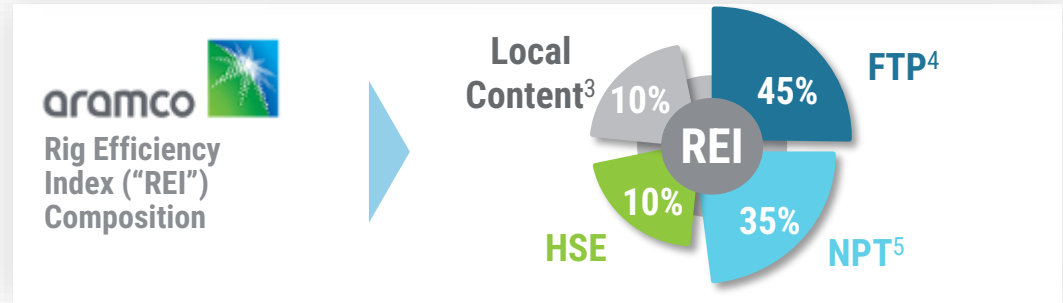
Best-in-Class Safety Record Supported by Continued Innovation



Ongoing identification, prioritization and control of risks

RIG EYE proprietary technology for incident prediction

The REI Drives Levels of Activity and Renewals with Aramco



Selected ESG Initiatives

Rig Engine Emission Reduction
Measurement of engine parameters & corrective actions

Energy Consumption optimization
Hybrid power with battery storage installed on land rigs

Main Sponsor for Al Nas Hospital
Funding one of the largest children's hospitals in Africa

Elevated Quality & Safety Standards
Internationally certified quality, safety and occupational health management

Source: ADES information. Note: Data as of September 30 unless otherwise indicated. ¹ Recordable Injury Frequency Rate per 200,000 working hours. ² International Association of Drilling Contractors. ³ Local Content is defined as "Saudization", measured as # of employees who are Saudi nationals divided by total workforce. ⁴ Flat Time Performance. ⁵ Non-productive Time. ⁶ Score related to the 3 years ended 30 September 2023..



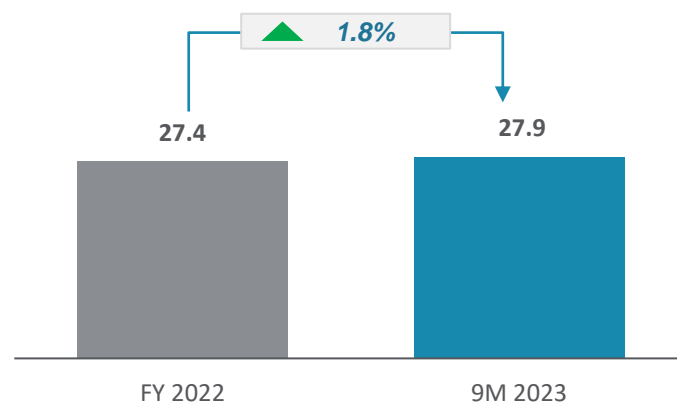
Financial Update



Strong ramp-up of activity leading to significant outperformance

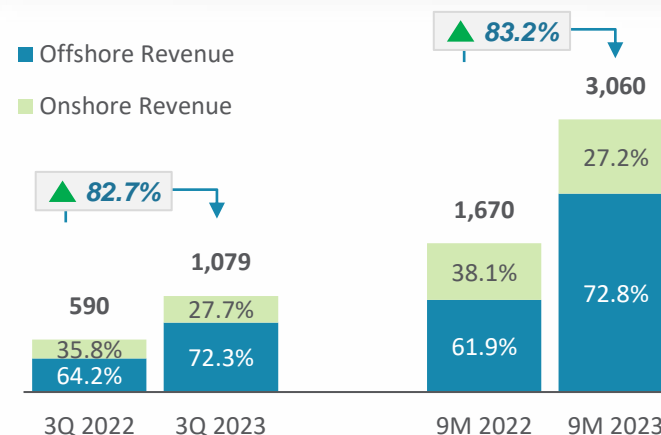


Backlog (SAR bn)



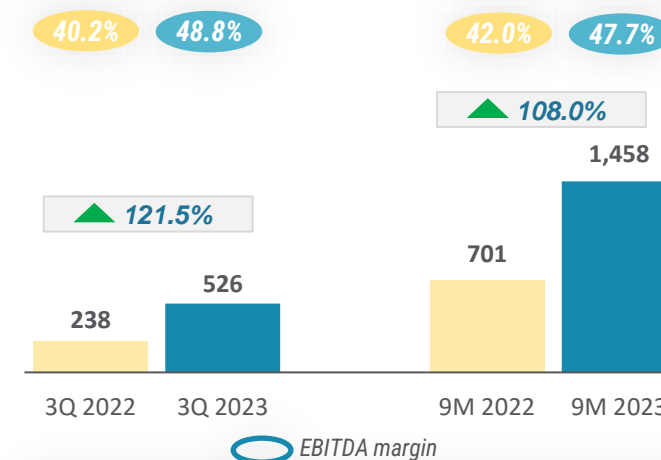
- ❖ Backlog further grew by SAR 482 mn; mainly due to positive impacts from:
 - Mobilization impact for the ongoing rigs deployment plan
 - Extension/daily rate increase for 2 offshore rigs in KSA
 - Daily rate increase for most Egypt rigs, as well as the addition of a new contract
 - The addition of 2 contracts in India
 - The addition of 4 contracts in Algeria
 - Less 9M 2023 revenue

Revenue (SAR mn)



- ❖ Significant growth in revenues was largely driven by the offshore segment:
 - Contribution of the Seadrill acquisition that closed on 4Q 22
 - Revenues being generated from 10 deployed rigs of the 19 additional contracts awarded in the KSA (Aramco mega project)
 - As for Qatar, revenue generated was SAR 255 mn in 9M 2023 vs SAR 110 mn last year
 - Higher utilization rate in KSA and Egypt coupled with higher effective daily rates
- ❖ The Onshore segment benefited from the slight contribution of three from the newly awarded contracts in Kuwait

EBITDA (SAR mn)

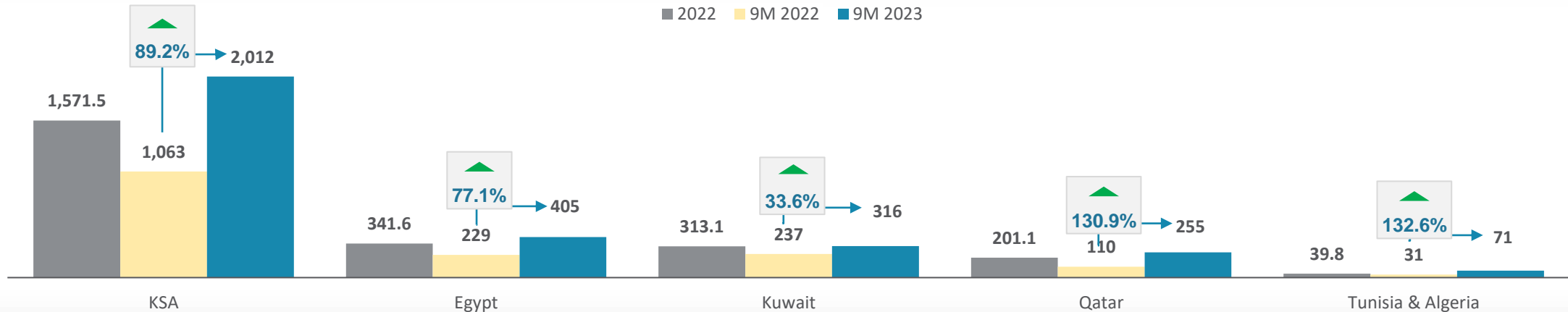


- ❖ As aligned with revenue growth, EBITDA saw a significant growth in 9M 2023; with the largest contributing factors being:
 - Impact of Seadrill acquisition and the operations of 10 of the 19 additional contracts won in the KSA
 - Effect of the acquisition in Qatar
 - Higher effective daily rates (mainly for the offshore segment in KSA and Egypt)
- ❖ Larger growth in EBITDA compared to revenues, as reflective of lean cost structure and higher contribution from the offshore segment

Growth Achieved Across Geographies



Revenue Evolution by Country (SAR mn)



❖ The total revenues increased 83.2% yoy in 9M 2023

❖ **KSA**

- the 89.2% rise in revenue is largely attributable to the contribution of Seadrill rigs that were acquired in Q4 2022, in addition to the partial contributions of 10 rigs that were operational as part of the 19-rig mega project award., This was also driven by higher daily rates and improved utilization.

❖ **Egypt**

- Revenue increased c.77.1%, mainly driven by higher effective daily rates and utilization

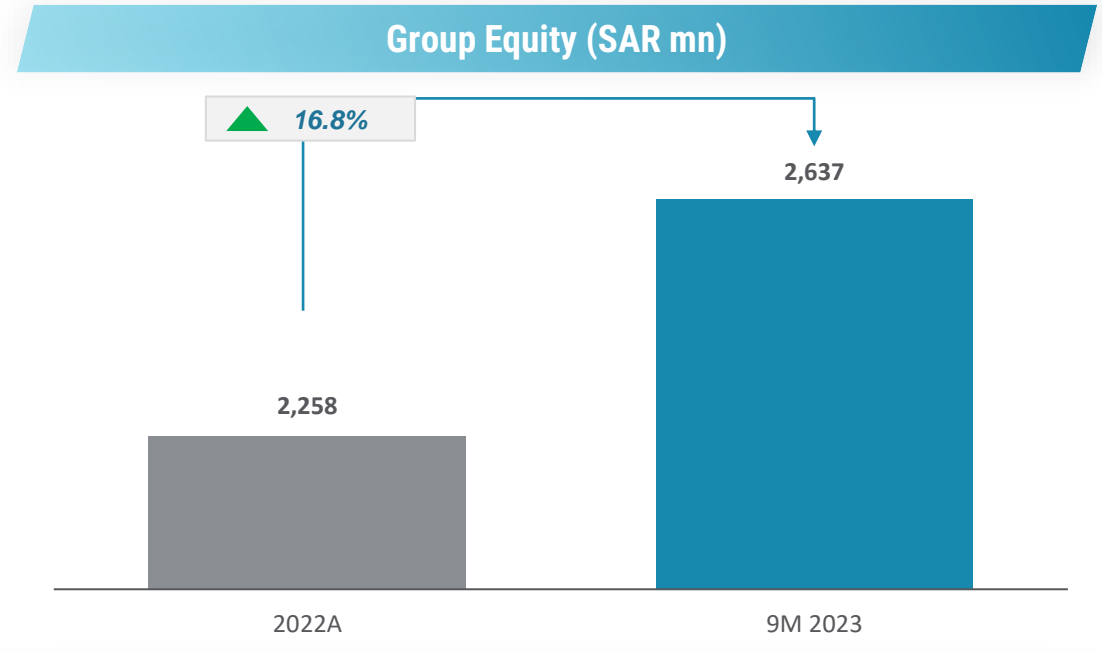
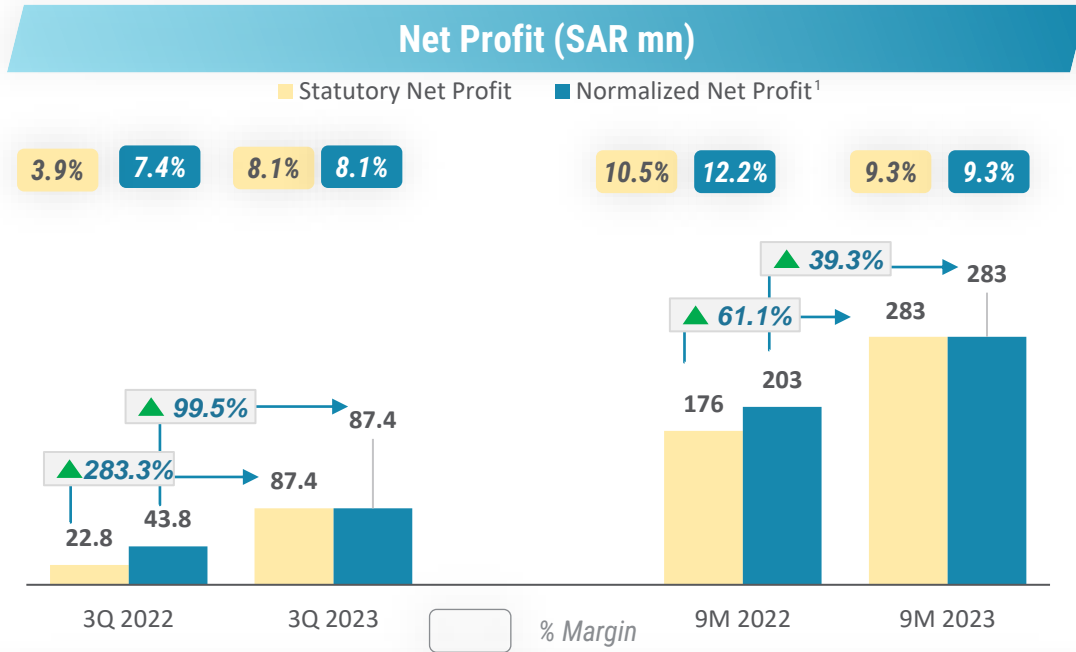
❖ **Kuwait**

- Revenue increased by SAR 80 mn on the back of the commencement of 3 onshore rigs from the 6-rigs awarded contracts during last year.

❖ **Qatar**

- Revenue generated was SAR 255 mn in 9M 2023 vs SAR 110 mn last year.

Net Profitability and Equity Movements



- ❖ The increase in net profit was primarily driven by growth in generated revenue and EBITDA margin enhancements
- ❖ That was partly offset by interest expenses incurred on the back of the refurbishment projects that shall normalize in 2024 following the annualization of the rigs

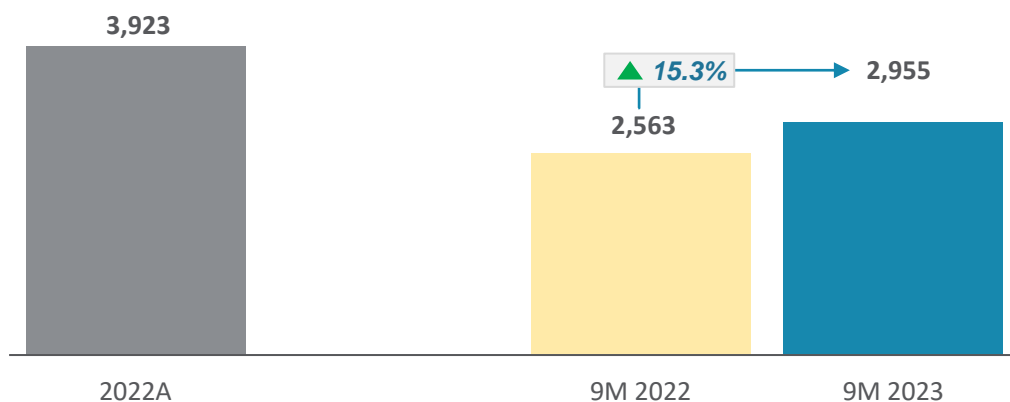
- ❖ Group equity increased by 16.8% vs FY 2022 driven by the additional net profit contribution in 9M 2023 (SAR 283 mn)
- ❖ Other reserves movements also contributed to the change in equity

Source: ADES information. ¹ Calculated as the reported net profit after deducting the bargain purchase gain and adding back the Provision for impairment of trade receivables, Provision for impairment of inventories and Other provisions.

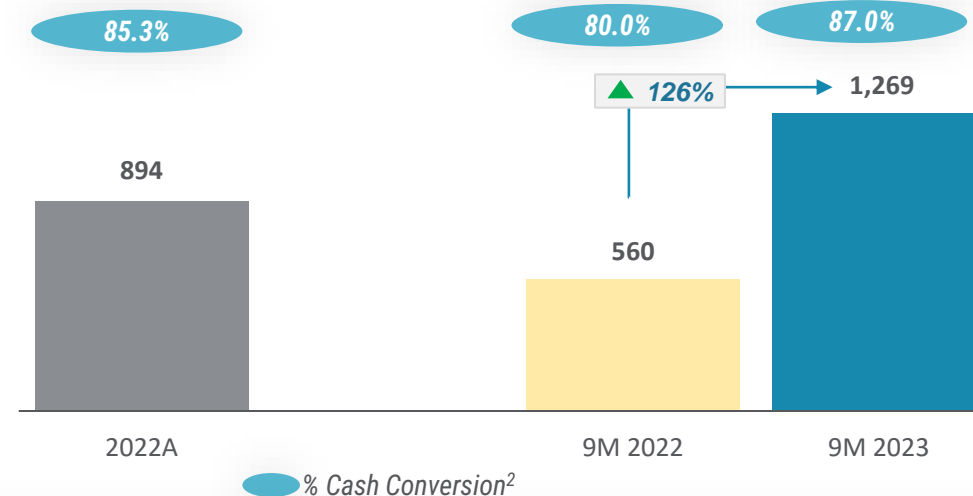
Strong Cash Flow Conversion



Capex (SAR mn)



Free Cash Flow¹ (SAR mn)



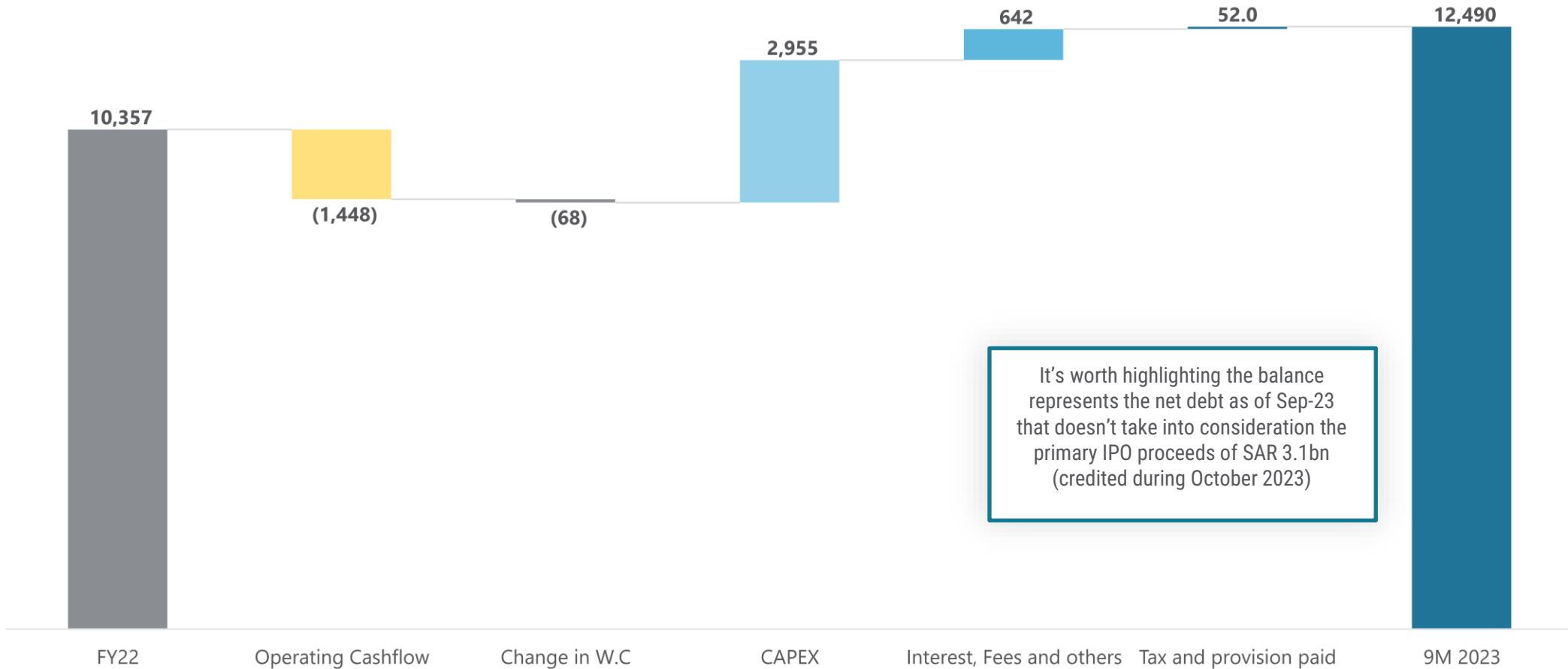
✦ The Group's capex has increased YoY 9M 2023 by 15.3% in-line with Management's expansion strategy and the growing overall fleet

- ✦ The Group has enhanced its working capital management abilities and has continued to develop its refurbishment and maintenance efficiency initiatives (including in-house capabilities), translating to maintaining healthy cash conversion rates in the face of scaling operations
- ✦ The Groups free cash flow increased YoY 9M 2023 mainly due to increase in EBITDA +108%

Net Debt as of 30-Sep-2023



9M 2023 Net Debt Bridge (SAR mn)



It's worth highlighting the balance represents the net debt as of Sep-23 that doesn't take into consideration the primary IPO proceeds of SAR 3.1bn (credited during October 2023)

Source: ADES information. Net debt equals Interest-bearing loans and borrowings, less cash excluding lease liability.



Q&A



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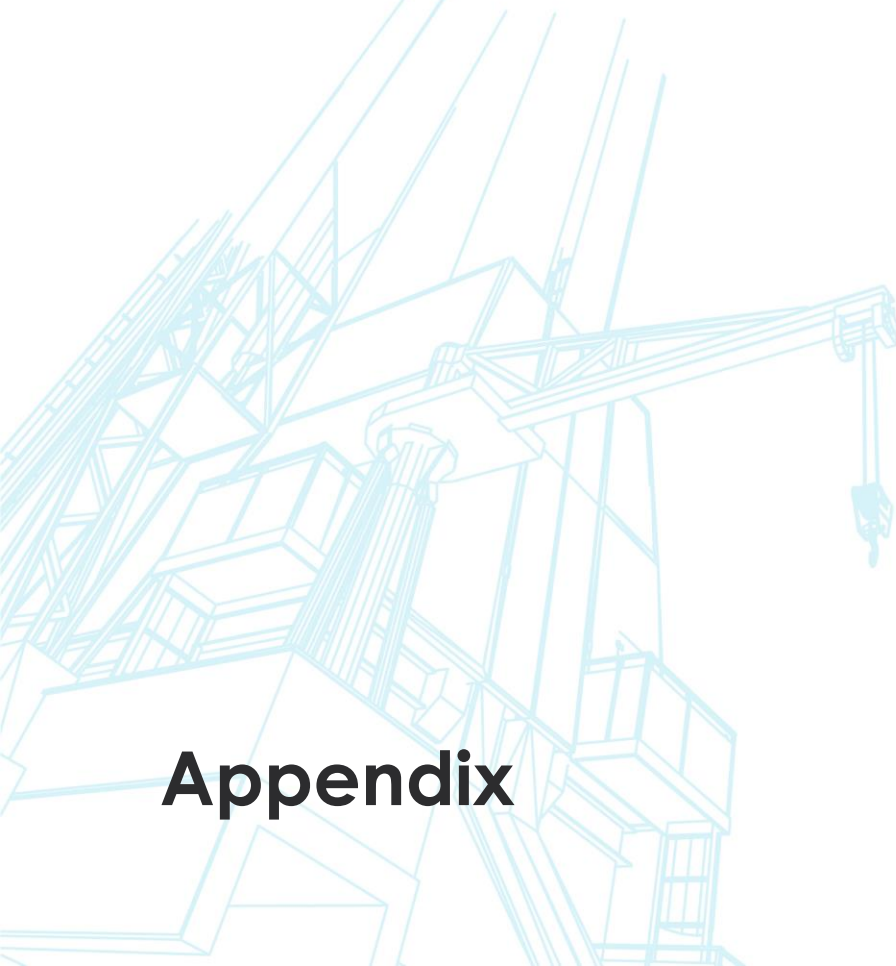
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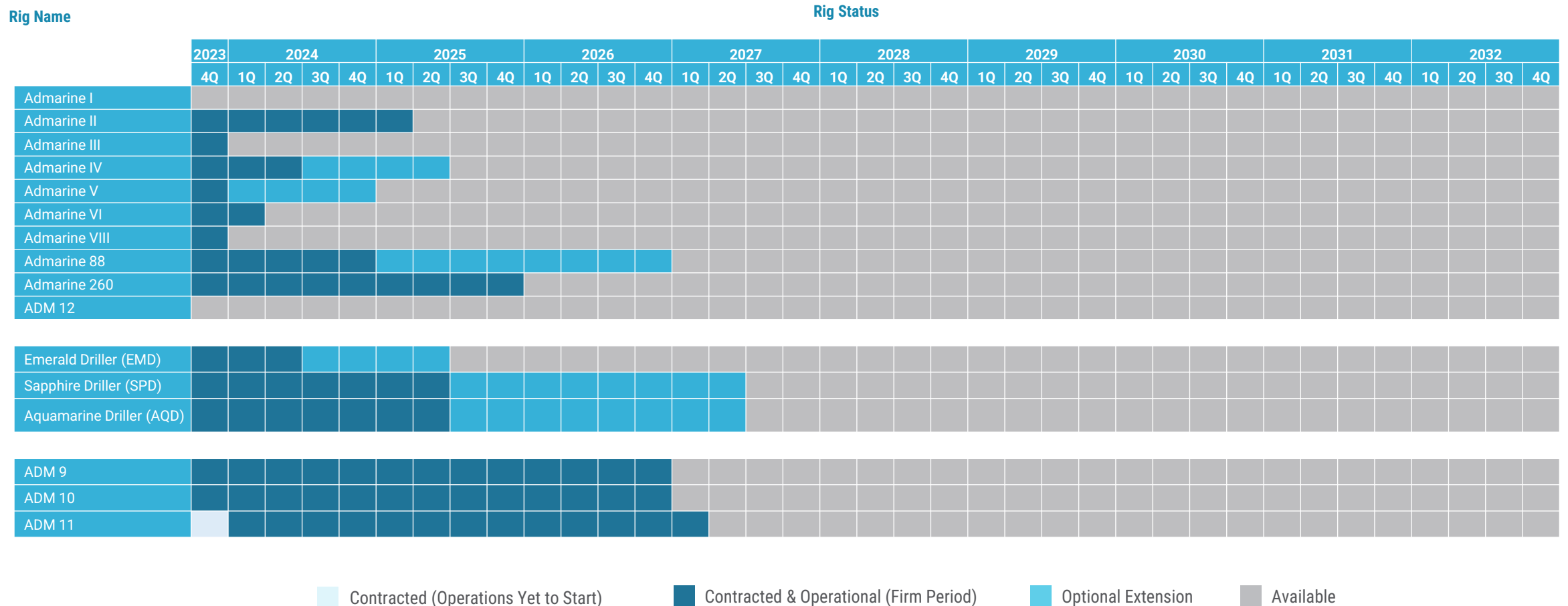
Appendix



Fleet Status – Offshore (2/2)



Backlog Overview by Rig



Source: ADES information. Note: Data as of 30 September 2023.

