ADES Holding Company

1Q24

Trading Update

May 2024

Today’s Presenters

Dr. Mohamed Farouk

Group Chief Executive Officer

Hussein Badawy

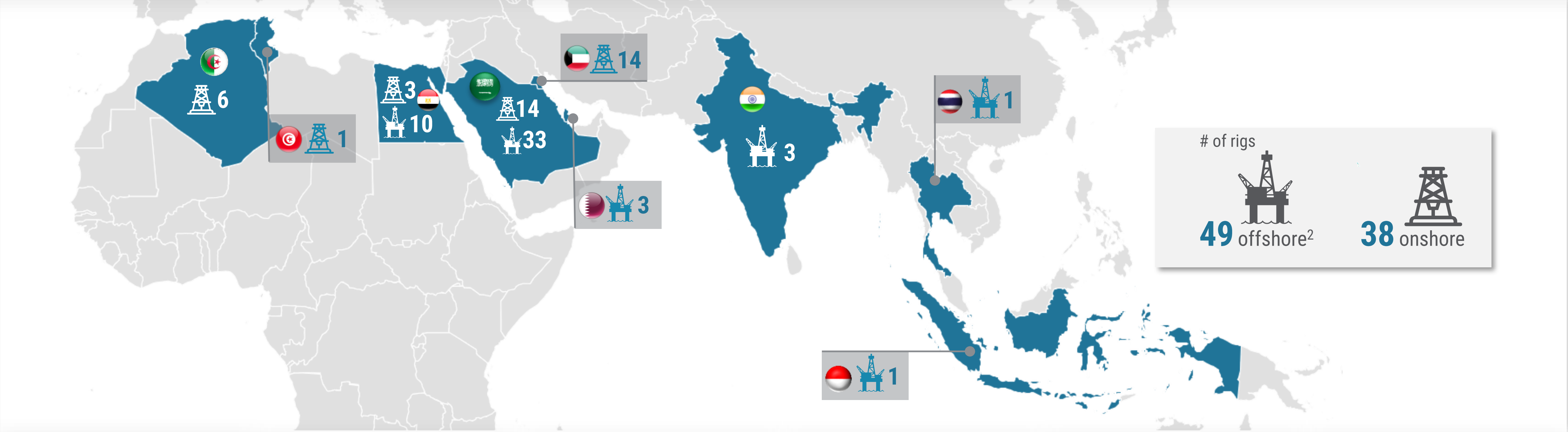
Group Chief Financial Officer

AGENDA

1. Market Update
2. Business Update
3. Financial Update
3. Q&A

Leader in Shallow Water Offshore and Onshore Drilling

Global Scale Operations with 87 Rigs in 9[1] Countries



Proven Consolidator Through Cycles	Leading Scale & Profitability	Visible, Contracted Growth	Partner of Choice for Critical Energy Suppliers	Committed to Operational Excellence and Efficiency	Culture Focused on Safety
87 rigs[3] ▲ **+2.2x**[4] since 2018	1Q 23 / 1Q 24 Revenue **SAR 955mn** / **SAR 1.5bn** EBITDA[5] **SAR 434mn** / **SAR 753mn** Margin (%) **~45%** / **~49%**	**SAR 26.75bn** backlog[6] **86%** with GCC NOCs	aramco, Kuwait Oil Company, QatarEnergy, TotalEnergies, sonatrach, ONGC	**98%** 1Q 24 Average Utilization	**0.03** TRIR[7] **93%** below IADC average[8]

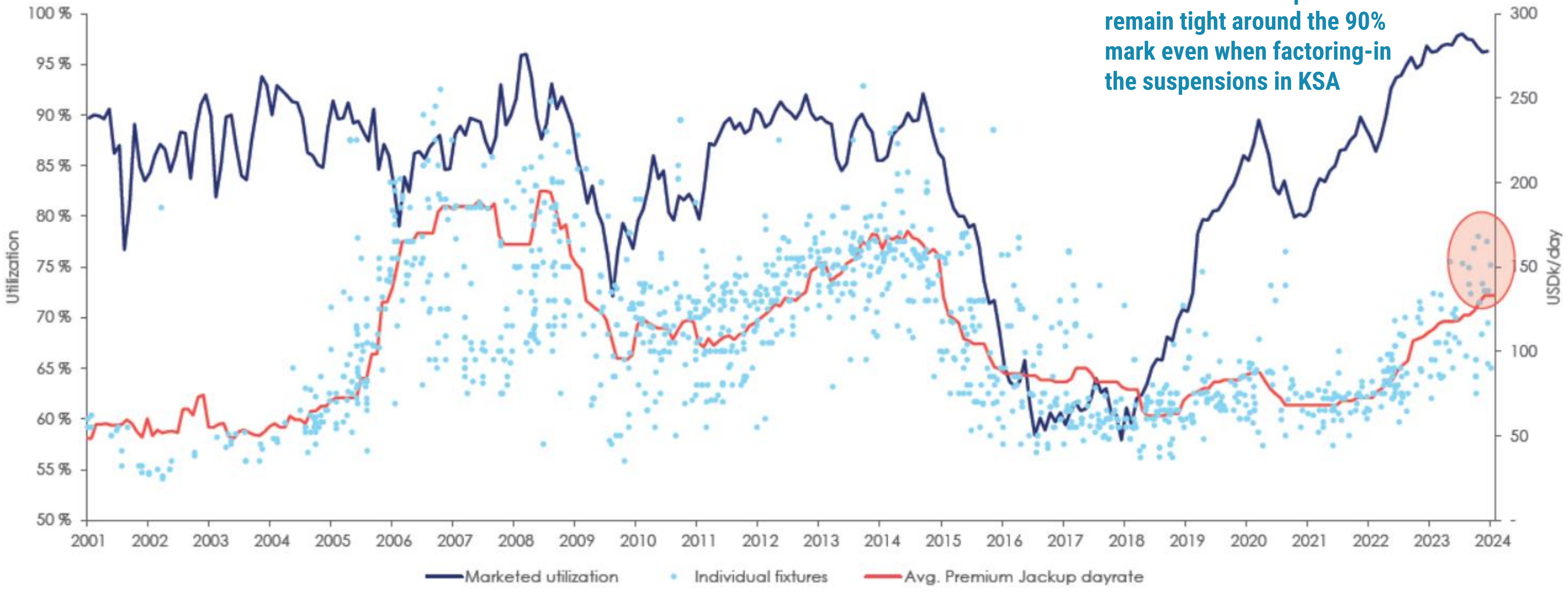
Sources: ADES information Note: Financials and KPIs relate to the 31 March 2024, unless otherwise indicated. [1] Includes Indonesia and Thailand where ADES was awarded two drilling contracts with operations and revenue contribution expected to commence starting the second half of 2024. [2] Including 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. [5] EBITDA includes non-cash share-based payments expense incurred for the 3-month ending 31st March 2024. [6] The 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. [7] Total recordable injury rate per 200,000 working hours for 1Q 24. [8] International Association of Drilling Contractors 1Q 24 average of 0.43.

Market Update

Global utilization for jack-ups >300ft expected to remain tight around 90% despite KSA suspensions

Jack-ups average day rates, individual fixtures and utilization (2001-2024f)

Utilization rates expected to remain tight around the 90% mark even when factoring-in the suspensions in KSA



Source: Clarksons Securities Research

ADES KSA Contracts Update

Key Facts

- Suspension notice received for a total of 5 contracts from the current 33 offshore contracts with Aramco, representing only 15% of our operational offshore fleet in KSA
- Backlog is preserved – the suspended period will be added back to the contract tenor
- New contracts have been secured with higher daily rate and higher profitability
- Global platform solidifies our ability to deploy the remaining 2 Rigs
- Reiterated guidance for 2024 which remains unchanged

Total of 5 Rigs were Suspended

1 Rig
Awarded a New Contract in Thailand

1 Rig
Awarded a New Contract in Qatar

1 Rig
Awarded a New Contract in Egypt

2 Rigs
Actively Tendering

Pillars of ADES' Success in Mitigating the Impact

ADES' DNA and Agility Allowed it to Effectively Weather the Suspensions Storm in KSA

- Well-Positioned with a Global Platform and Reach
- Existing Pre-Qualifications in Target Markets
- Market Insights and Expansion Strategy Allowed the Group to Capitalize on Existing Vacuum
- Customer-Centric Approach with Long-term Relationships with our Partners
- Competitive Pricing and Best-in-Class Operational Performance

Minimal Impact with only 15% of our Contracted Offshore Fleet in Saudi Affected by the Latest Developments

Business Update

Operational Highlights

98.0%
in 1Q 2024
(vs.97% 1Q 2023)
Utilization Rate[1]

26.75 SAR bn
as at 1Q 2024
(vs. SAR 27.54 bn in FY 2023)
Total Backlog

c.5.11 Years
Weighted Average Remaining Contract Tenor[2]
Tenor

0.03
in 1Q 2024
(vs. IADC standard of 0.43)
TRIR[3]

The 19 rigs of the mega tender in Saudi Arabia were operational as of 1Q-2024, with revenue contribution starting in March 2024.

All six onshore rig contracts awarded in Kuwait were operational as of 1Q 2024, as well as three offshore rigs in India.

Contract renewals for two rigs in Egypt at higher daily rates, as well as two rigs in Algeria.

The Group has secured awards for three out of five rigs suspended in KSA, including in Thailand, Qatar, and Egypt, which are expected to commence operations in 2H-2024.

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.

[3] Total Recordable Injury Rate per 200,000 working hours.

Financial Highlights

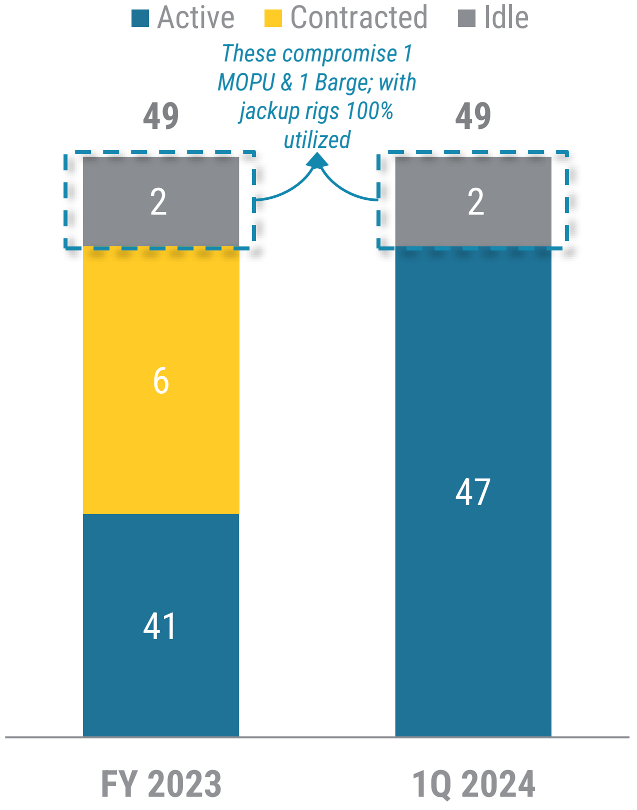
SARmn, % YoY	1Q 2024	1Q 2023	
Revenue	**1,532**	**955**	+ 60.5%
EBITDA[1]	**753**	**434**	+ 73.6%
As a % of Revenue	*49.1%*	*45.4%*	*+ 3.7pp*
Net Profit	**201**	**89**	+124.6%
As a % of Revenue	*13.1%*	*9.4%*	*+ 3.7pp*
Operating Cash Flow[2]	**785**	**428**	+ 83.1%

Source: ADES information.
[1]EBITDA includes non-cash share-based payments expense incurred for the 3-month ending 31st March 2024
[2] Before changes in working capital

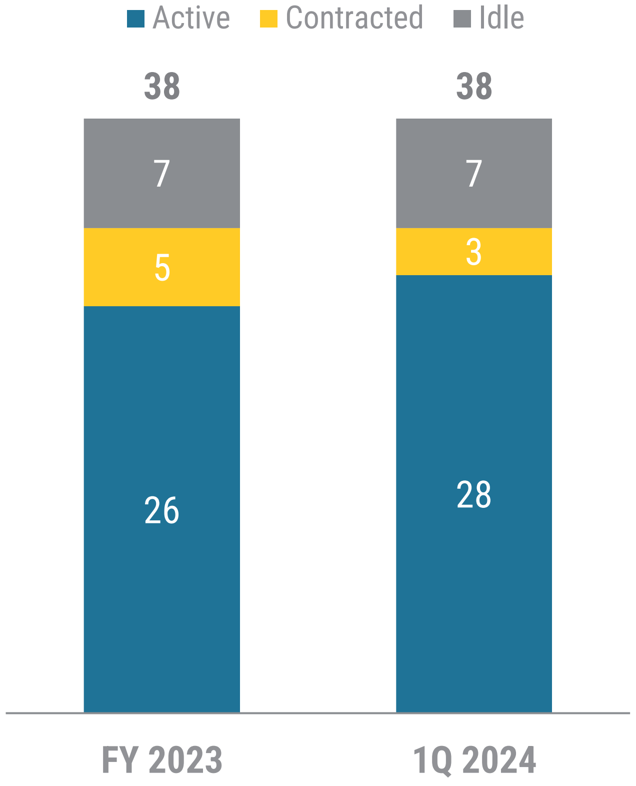
Evolution of Rigs by Status and Geography

Rig Count Evolution

Offshore Rigs by Status (# of rigs)



Onshore Rigs by Status (# of rigs)



Total Rigs by Country

Country	1Q 2024	
	Offshore	Onshore
Algeria	-	6
Egypt	10	3
India	3	-
KSA	33	14
Kuwait	-	14
Qatar	3	-
Tunisia	-	1
Total Rigs	**49**	**38**

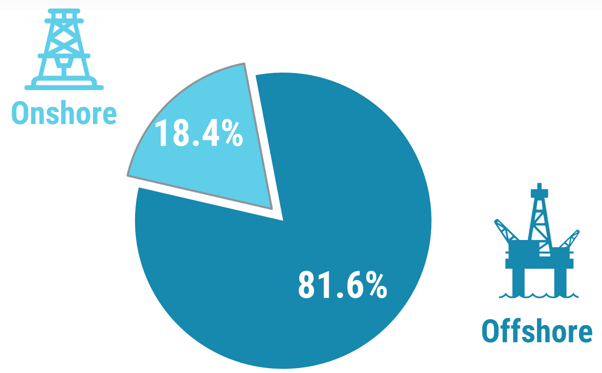
Strong Backlog Providing Revenue and Cash Flow Visibility

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

SAR 26.75bn

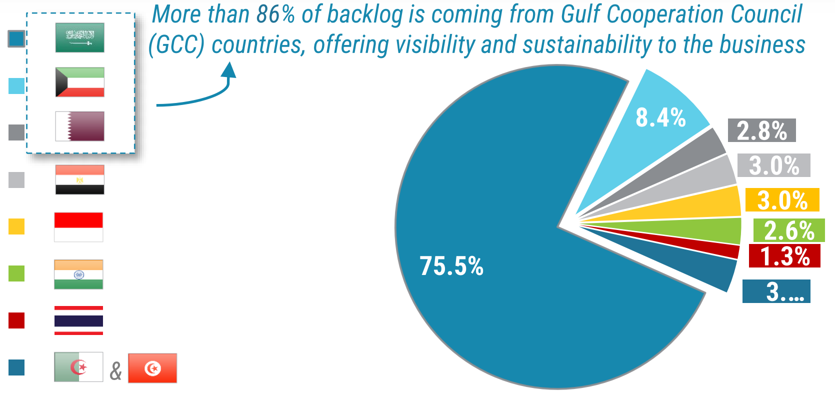
Backlog[1]
(31 March 2024)

Backlog by Segment

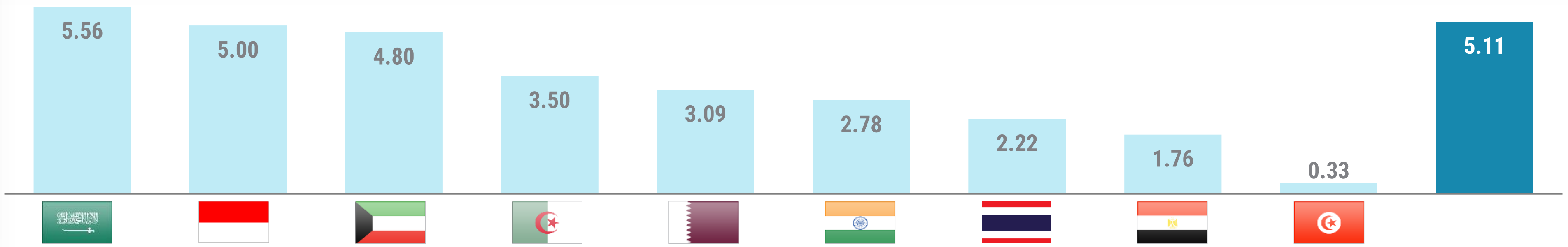


Backlog by Country

More than 86% of backlog is coming from Gulf Cooperation Council (GCC) countries, offering visibility and sustainability to the business



Weighted Average Remaining Contract Maturity (Years)



During 1Q 2024, the Group's total backlog stood at SAR 26.75 bn compared to SAR 27.54 bn as of FY-2023, a decrease of SAR 791 mn despite a revenue burn-rate of SAR 1.53 bn during the quarter. This translates to total backlog additions of SAR 741mn in 1Q-2024, reflecting the impact of renewals at higher daily rates as well as new awards.

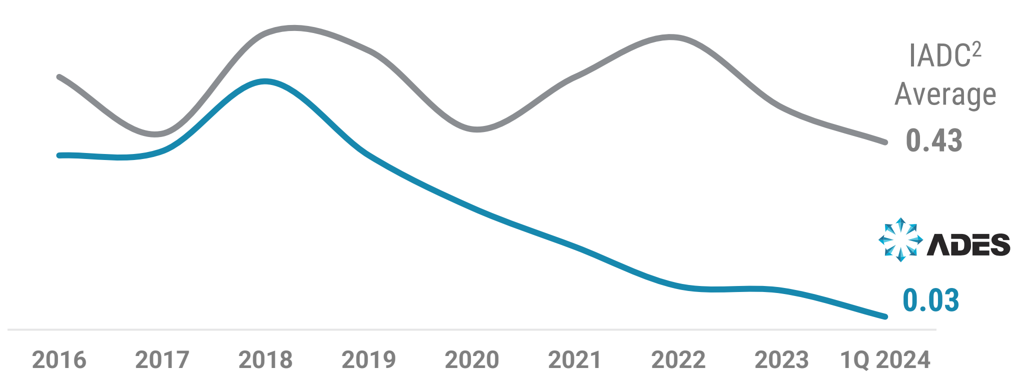
Source: ADES information.

Committed to Operational Excellence & Sustainability

ADES

Best-in-Class Safety Record Supported by Continued Innovation

Total Recordable Injury Rate (TRIR)[1]



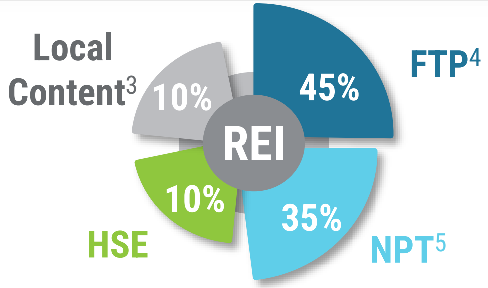
- Ongoing identification, prioritization and control of risks
- **RIG EYE** proprietary technology for incident prediction

RIG EYE

The REI Drives Levels of Activity and Renewals with Aramco

aramco

Rig Efficiency Index ("REI") Composition



ADES

REI Performance

90 / 100

Average REI Score[6]

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

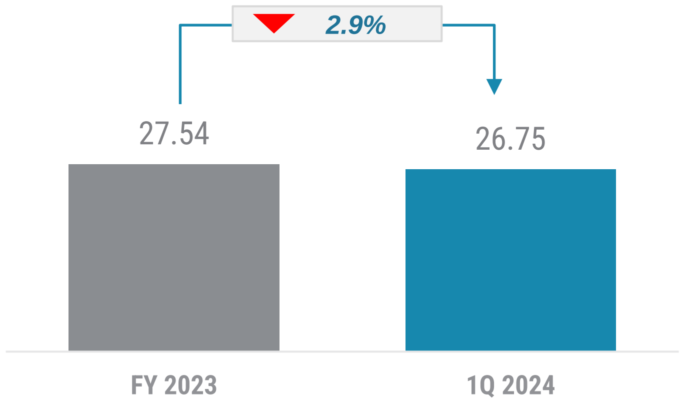
Elevated Quality & Safety Standards
Internationally certified quality, safety and occupational health management

Source: ADES information. Note: Data as of 31 March 2024 unless otherwise indicated. [1] Total Recordable Injury 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 36 Month ended 31 March 2024. for eligible rigs.

1Q 2024 Financial Update

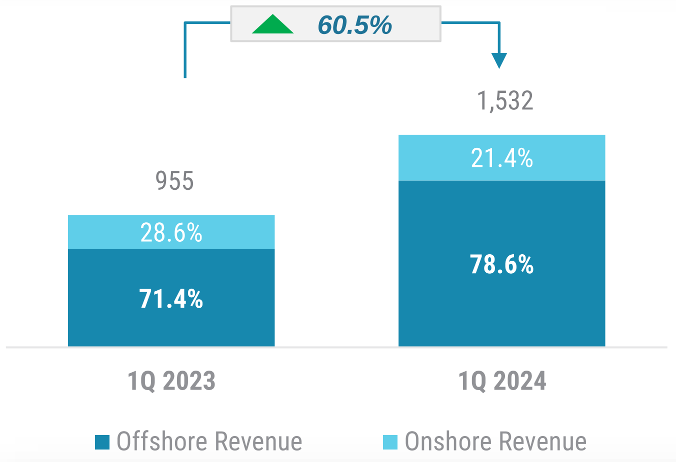
Strong Ramp-up of Activity Leading to Significant Outperformance

Backlog (SAR bn)



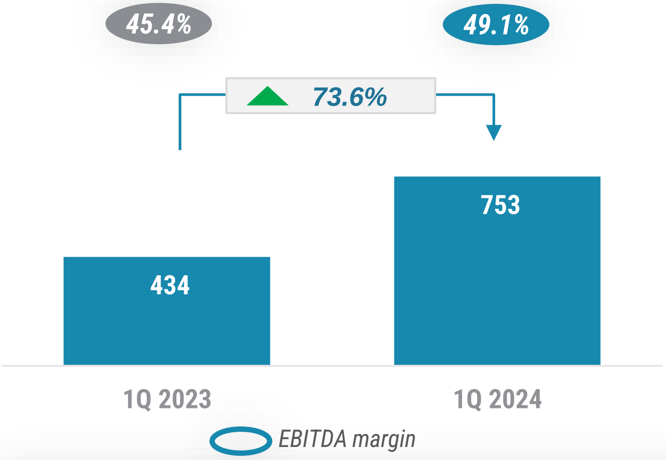
- Total backlog decreased only by SAR 791mn despite a revenue burn-rate of SAR 1.53bn in 1Q 2024, implying total backlog additions during the period of SAR 741mn mainly due to the positive impacts of:
  - Renewals at higher daily rates for three rigs in Egypt;
  - Renewals for two rigs in Algeria;
  - The newly awarded contract in Thailand, which will be relocated from KSA at a higher daily rate.

Revenue (SAR mn)



- Strong revenue growth of 60.5% y-o-y (+ c.SAR 577mn) in 1Q 2024 driven by :
  - Higher revenues from KSA reflecting the start of contribution from the 19 rigs of the Aramco mega project beginning March 2024 compared to contributions from only four rigs in 1Q 2023
  - Revenue generated from three rigs gradually deployed in India (two in 4Q 2023 and one in 1Q 2024);
  - Increase in Kuwait driven by the contribution of 10 rigs in 1Q 2024 amounting to SAR 152 million – following the deployment of all recently awarded contracts with a full run rate as of April 2024

EBITDA (SAR mn)

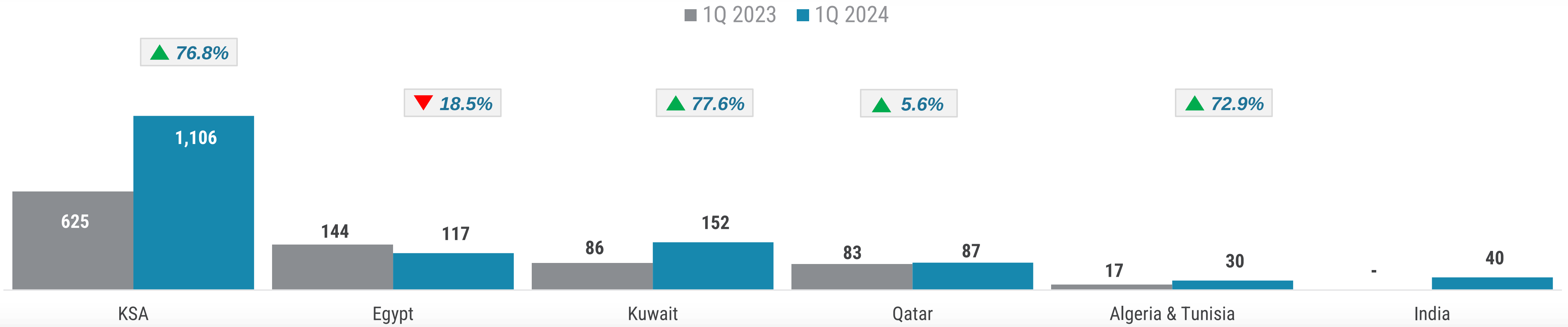


- In line with revenue growth, EBITDA saw a significant 73.6% y-o-y increase from SAR 434mn in 1Q 2023 to SAR 753mn in 1Q 2024, mainly due to :
  - Impact of operations of the 19 rigs from Aramco mega project compared to four rigs in 1Q 2023;
  - Impact of ramp up in operations of the newly awarded contracts in Kuwait during 1Q 2024;
  - Impact of operation of the three rigs in India, two of which are fully operational, and one rig commenced at the end of 1Q 2024.
- EBITDA margin improvement from 45.4% in 1Q 2023 to 49.1% in 1Q 2024 reflects the Group's lean cost structure and higher contribution from offshore segment.

Source: ADES information.

Growth Achieved Across Geographies

Revenue Evolution by Country (SAR mn)



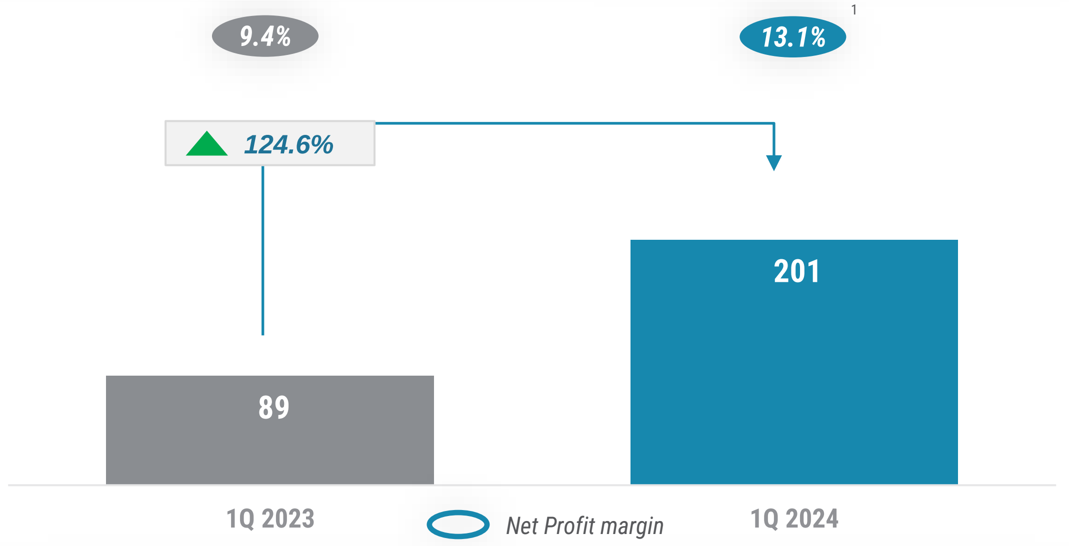
Group revenues increased 60.5% y-o-y in 1Q 2024 on account of:

- **KSA** revenue growth of 76.8% driven by the start of contribution from all 19 rigs of the Aramco mega project beginning March 2024 compared to only four rigs in the same quarter last year. Additionally, KSA revenues were supported by higher effective daily rates.
- **Kuwait** revenue growth of 77.6% driven by the contribution of 10 rigs in 1Q 2024 amounting to SAR 152 million – following the deployment of all recently awarded contracts with a full run rate as of April 2024.
- **India** revenue contribution of SAR 40mn in 1Q 2024 reflecting the contribution of three rigs, two of which started operation in 4Q 2023 and one in 1Q 2024.
- **Qatar** revenue slightly increased by 5.6% due to higher compensating/ reimbursable revenue.
- **Egypt** revenue declined 18.5% y-o-y reflecting the contribution in 1Q 2023 of the leased TOPAZ rig, which was no longer leased in 1Q 2024 following the conclusion of its contract in early 3Q 2023.
- **Algeria & Tunisia** combined revenue growth of 72.9% y-o-y in 1Q 2024 on account of contributions from two new rigs in Algeria.

Source: ADES information.

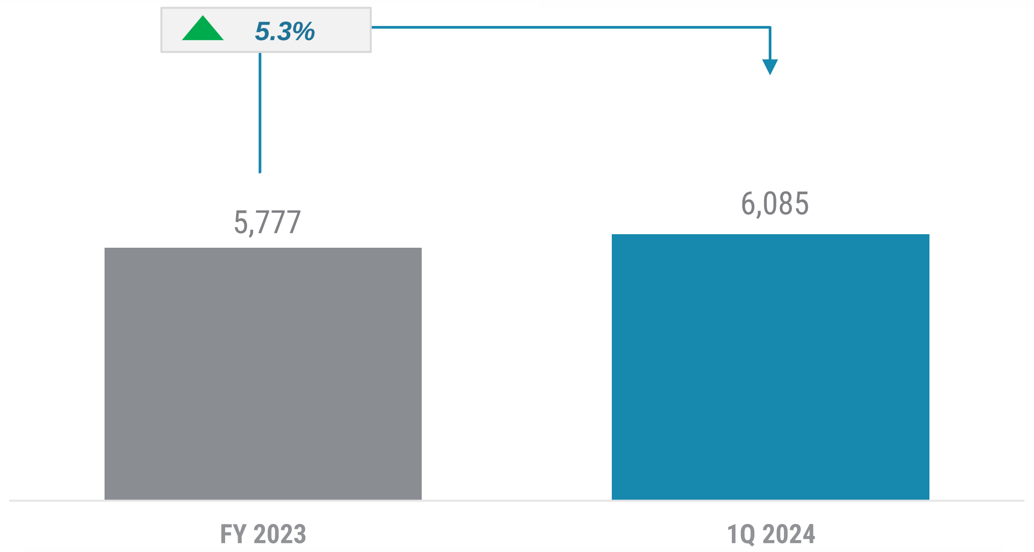
Net Profitability and Equity Movements

Net Profit (SAR mn)



- Net profit for the quarter surged by 124.6% y-o-y to SAR 200.9 million in 1Q 2024, reflecting the Group's strong revenue growth during the quarter as well as margin enhancements at the EBITDA level.
- Net profit margin increased from 9.4% in 1Q 2023 to 13.1% in 1Q 2024, reflecting higher EBITDA margin (+3.7pp) as well as a lower interest expense to revenue ratio – in line with management's guidance that interest expense incurred on the back of refurbishment projects will start to normalize in 2024 after all rigs under project have been deployed. This was partly offset by higher depreciation expense following the deployment of rigs in KSA, Kuwait and India.

Group Equity (SAR mn)

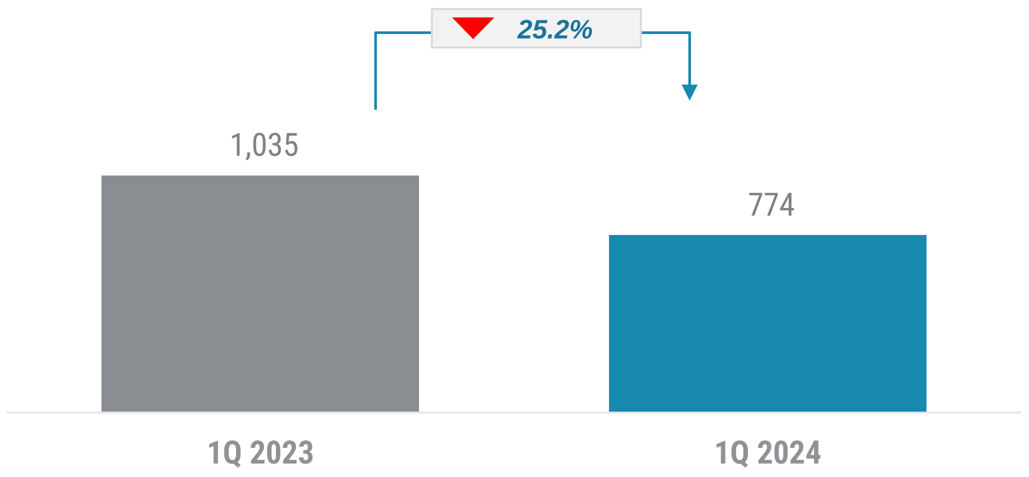


- Group equity increased by 5% to SAR 6.1bn as of 31 March 2024 compared to SAR 5.8bn as of year end 2023, driven by the additional net profit contribution in 1Q 2024, along with other reserves movement[1].

Source: ADES information [1] Other reserves movement includes share base payment reserve and cash flow hedge reserve.

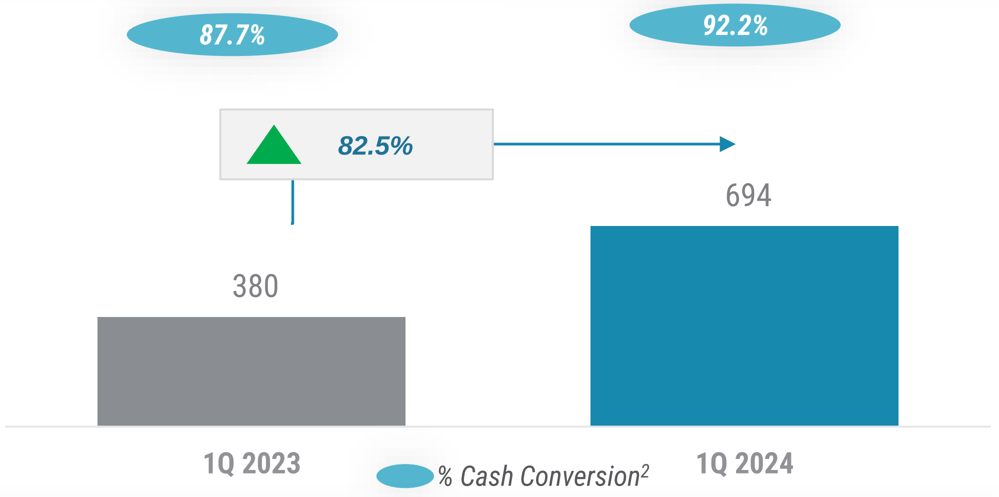
Strong Cash Flow Conversion

Capex (SAR mn)



- The Group's CAPEX decreased 25.2% y-o-y, mainly reflecting the completion of the refurbishment projects related to the Group's recent expansions.
- Out of the SAR 774 million, the recurring maintenance CAPEX was SAR 59 million related to 75 operating rigs during 1Q 2024, compared to SAR 53 million recurring maintenance CAPEX out of a total of SAR 1,035 million related to 51 operating rigs during 1Q 2023.
- It's worth noting that some project CAPEX and mobilization collection was shifted to 1Q 2024, following the successful completion of the rigs' deployment plan.

Free Cash Flow[1] (SAR mn)

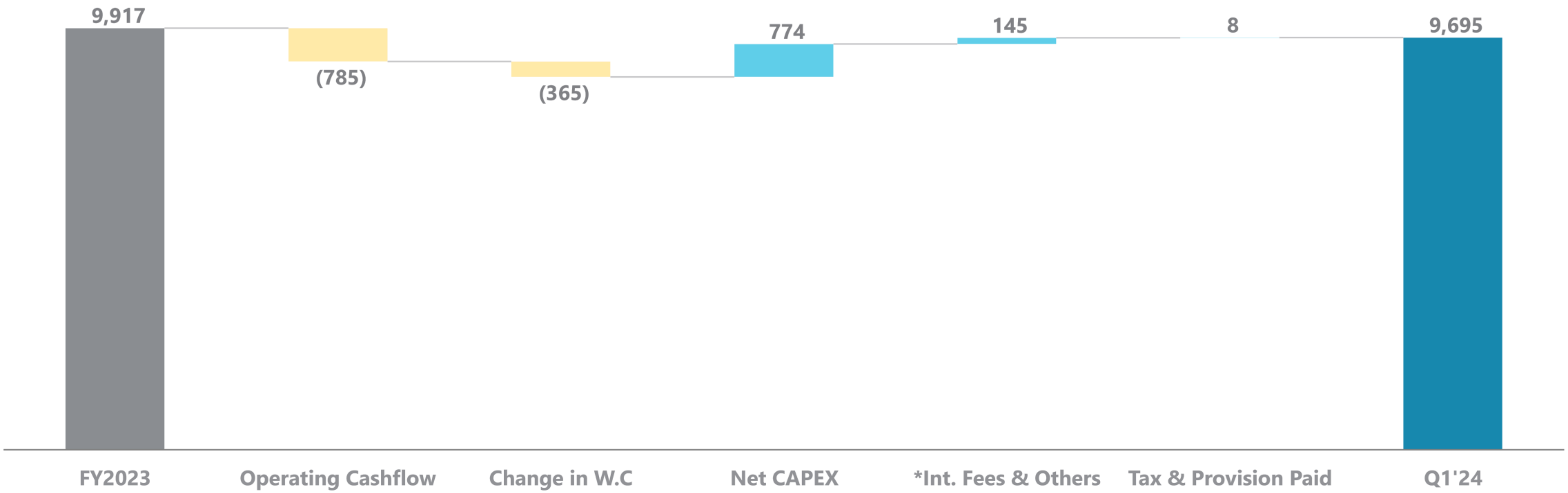


- The Group's free cash flow increased by 82.5% y-o-y mainly due to the growth in EBITDA by over 73%.
- Additionally, continued development of refurbishment and maintenance efficiency initiatives (including in-house capabilities), along with maintenance CAPEX normalization following the deployment of the recent expansions, have translated into into healthy cash conversion rates all while scaling operations.

Source: ADES information [1] Calculated as EBITDA minus maintenance capex; maintenance capex excludes acquisitions and related refurbishment as well as other refurbishment projects [2] Cash Conversion is computed as Free Cash Flow divided by EBITDA

Net Debt Evolution

Q1 2024 Net Debt Bridge[1] (SAR mn)



- The balance of cash and cash equivalents as of 31 March 2024 amounted to SAR 475 mn.

[1]Net debt equals Interest-bearing loans and borrowings, less cash excluding lease liability.
*The total amount of SAR 145mn includes SAR 89mn for interest expense paid, and the remaining amount of SAR 56mn related to lease obligation and other fees.

2024 Outlook and Guidance

Strong outlook for FY 2024, reiterating our EBITDA guidance, ranging from SAR 2.89-3.04bn on account of continued ramp-up of the Group's recent expansions, new deployments, as well as tight market conditions.

- Ramp-up of the Group's recent expansions, including the ***recently deployed rigs in the Kingdom of Saudi Arabia, Kuwait and India***
- Additional deployments and ***newly awarded contracts in Indonesia, Thailand, Qatar and Egypt*** during 2024, which will offset suspensions in KSA
- Tightness in the offshore jack-up market with active ***utilization around the 90% mark and limited new-build activity***
- ***Higher daily rates*** as validated by the Group's recent awards
- ***Vacuum in attractive markets such as India and Southeast Asia, as well as GCC demand*** that will eventually absorb excess supply in Saudi following recent developments
- ***Strong global platform, and a vast fleet of scarce jack-up*** rigs provides significant optionality and competitiveness for ADES

Q&A

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