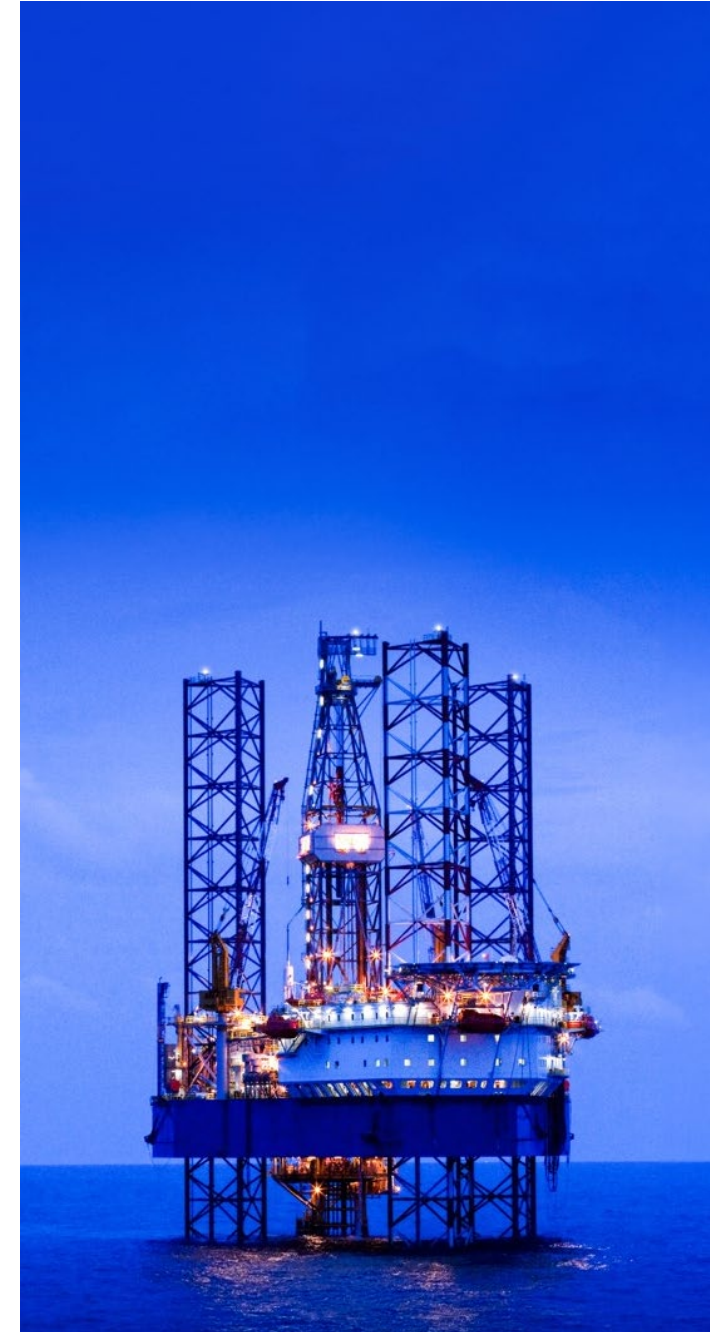
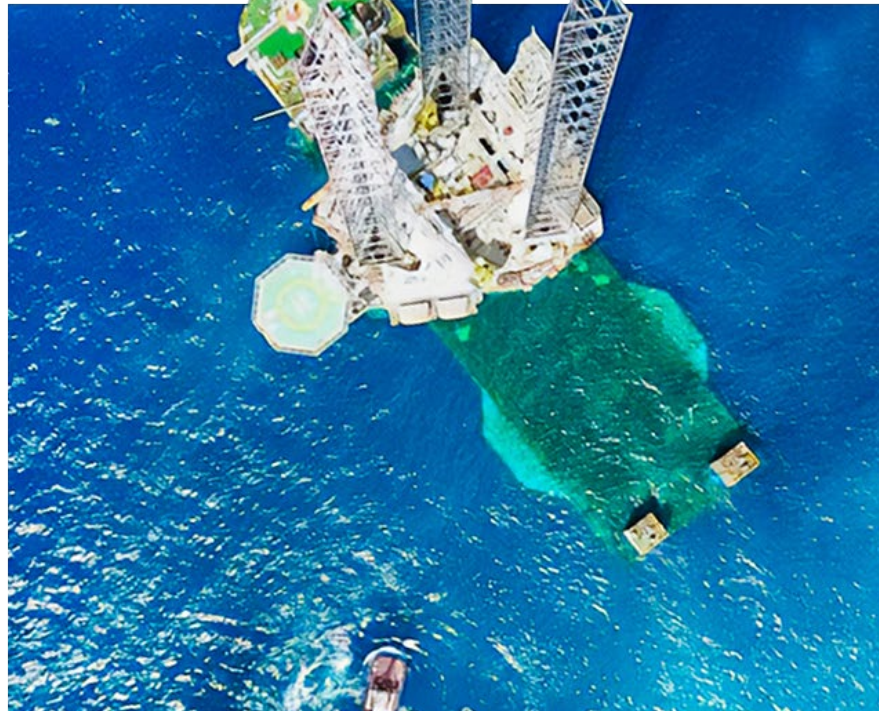




ADES Holding Company

1H 2024
Trading Update

August 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

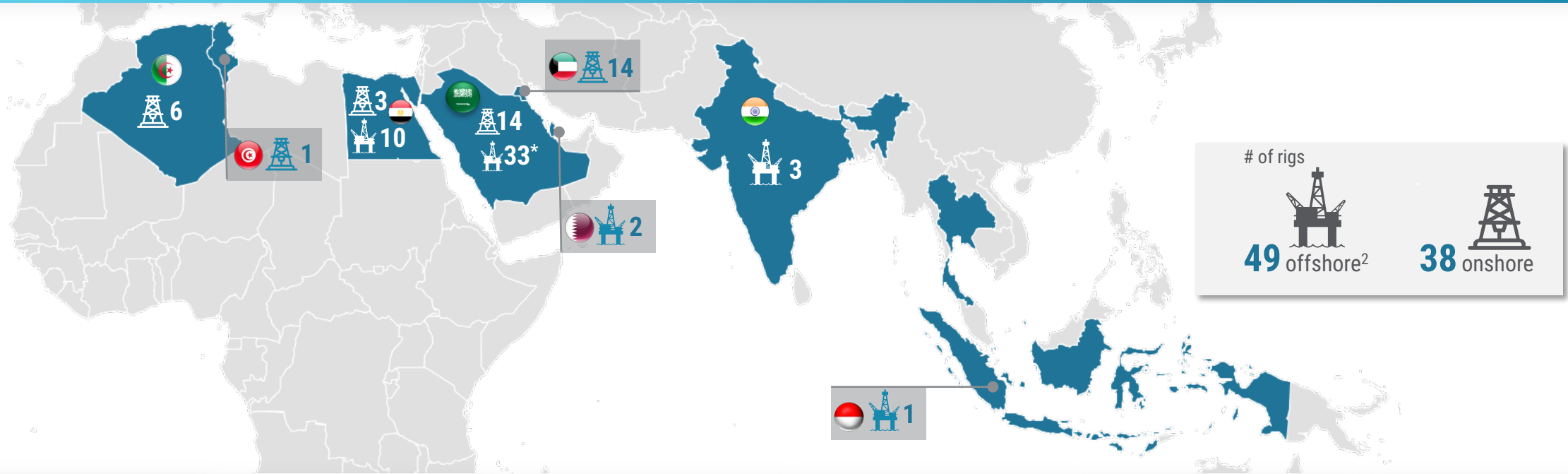
4. Q&A



Leader in Shallow Water Offshore and Onshore Drilling



Global Scale Operations with 87 Rigs in 9¹ 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												
<p>87 rigs³</p> <p>▲ +2.2x⁴ since 2018</p>	<table border="0"> <tr> <td></td> <td style="border-left: 1px dashed black;">1H 23</td> <td style="border-left: 1px dashed black;">1H 24</td> </tr> <tr> <td>Revenue</td> <td style="border-left: 1px dashed black;">SAR 2.0bn</td> <td style="border-left: 1px dashed black;">SAR 3.1bn</td> </tr> <tr> <td>EBITDA⁵</td> <td style="border-left: 1px dashed black;">SAR 932mn</td> <td style="border-left: 1px dashed black;">SAR 1.5bn</td> </tr> <tr> <td>Margin (%)</td> <td style="border-left: 1px dashed black;">~47%</td> <td style="border-left: 1px dashed black;">~49%</td> </tr> </table>		1H 23	1H 24	Revenue	SAR 2.0bn	SAR 3.1bn	EBITDA ⁵	SAR 932mn	SAR 1.5bn	Margin (%)	~47%	~49%	<p>SAR 28.05bn backlog⁶</p> <p>87% with GCC NOCs</p>		<p>98%</p> <p>1H 2024 Average Utilization</p>	<p>0.06 TRIR⁷</p> <p>86% below IADC average⁸</p>
	1H 23	1H 24															
Revenue	SAR 2.0bn	SAR 3.1bn															
EBITDA ⁵	SAR 932mn	SAR 1.5bn															
Margin (%)	~47%	~49%															

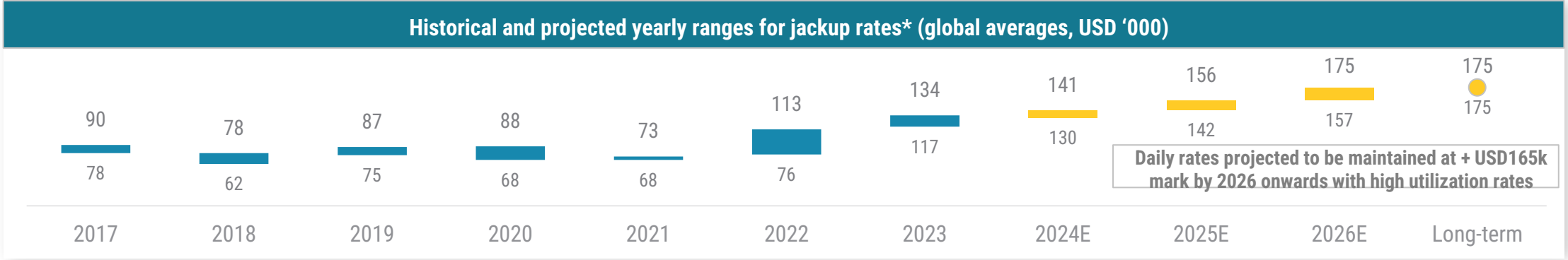
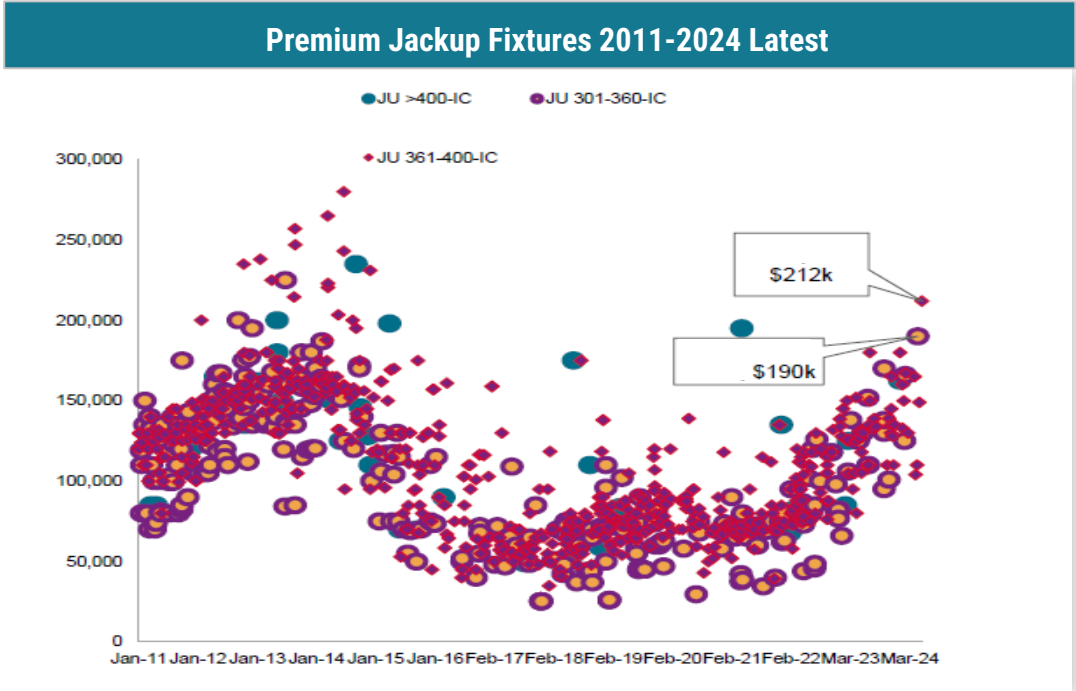
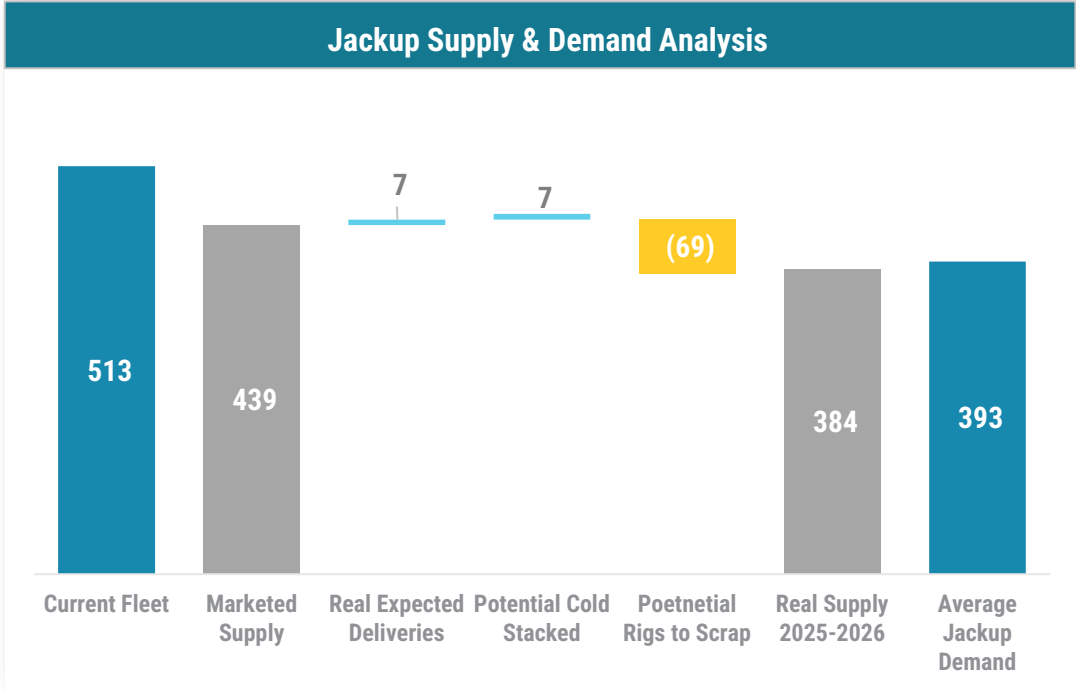
Sources: ADES information Note: Financials and KPIs relate to the 30 June 2024, unless otherwise indicated. ¹ Includes Thailand where ADES was awarded drilling contract with operations and revenue contribution expected to commence starting the second half of 2024. ² Including 46 jack-up drilling rigs, 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 6-month ending 30 June 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 1H 2024. ⁸ International Association of Drilling Contractors 1H 2024 average of 0.44. *Includes three rigs have been mobilized to locations in Qatar, Thailand, and Egypt to fulfill contracts.



Market Update



Jackup Market Dynamics



Source: Clarksons Securities Research and S&P Global



Business Update



Operational Highlights

98.0%

in 1H 2024

(vs. 98.3% 1H 2023)

Utilization Rate¹

28.05 SAR
bn

as at 1H 2024

(vs. SAR 27.54 bn in FY 2023)

Total Backlog

c.5.0 Years

Weighted Average Remaining
Contract Tenor²

Tenor

0.06

in 1H 2024

(vs. IADC standard of 0.44)

TRIR³

All 19 rigs of the mega tender in KSA were operational as of March 2024 compared to 7 rigs in 1H-2023. Three of the five suspended rigs were awarded new contracts, with one commencing in July 2024. Additionally, a long-term contract extension was obtained for a standard jackup rig in Saudi Arabia.

All six onshore rig contracts awarded in Kuwait were operational as of 1H 2024. Additionally, in May 2024, the Group secured six additional contracts in Kuwait for four existing onshore rigs and two newly built rigs.

The Group's expansion into Southeast Asia is on track, with all three rigs deployed in India currently operational, the Emerald rig transferred from Qatar to Indonesia and commenced operations in June 2024, and the new contract in Thailand finalized and expected to commence operations in 2H-2024.

Secured a USD 3 billion multi-tranche, dual-currency upsize to the existing syndicated loan facility, providing ADES with the financial flexibility to capitalize on new potential growth opportunities.



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	2Q 2024	1H 2024
Revenue	1,525 + 48.7%	3,057 + 54.3%
EBITDA¹	754 + 51.3%	1,506 + 61.7%
As a % of Revenue	49.4% + 0.9pp	49.3% +2.2pp
Net Profit	202 +90%	403 +105.9%
Operating Cash Flow	787 + 61.9%	1,571 + 71.8%

Source: ADES information.

¹EBITDA includes a non-cash share-based payments expense incurred for the six months ending 30 June 2024.

²Operating cash flow before changes in working capital.

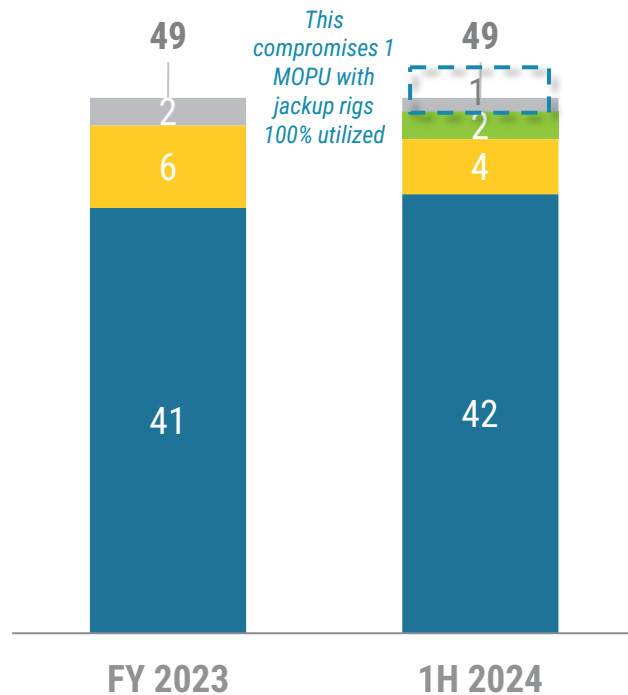




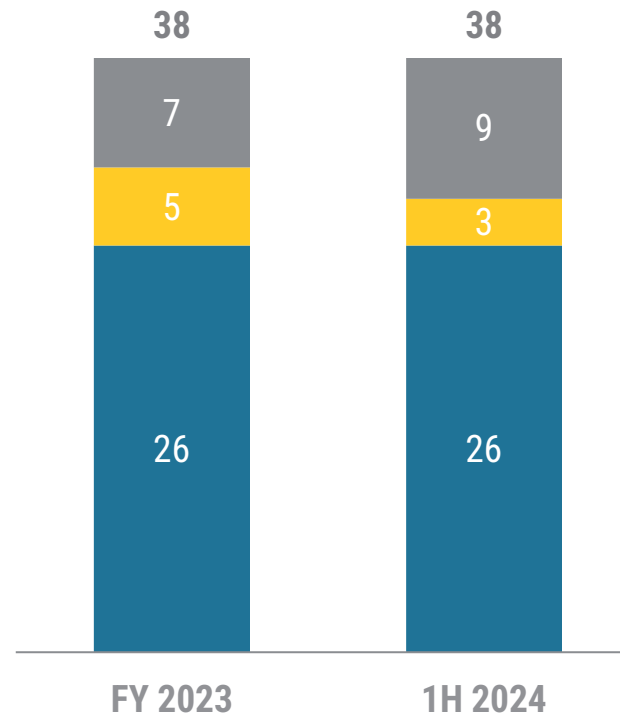
Evolution of Rigs by Status and Geography

Rig Count Evolution as of 1H 2024

Offshore Rigs by Status (# of rigs)



Onshore Rigs by Status (# of rigs)



Total Rigs by Country

Country	1H 2024	
	Offshore	Onshore
Algeria	-	6
Egypt	10	3
India	3	-
KSA	33	14
Kuwait ¹	-	14
Qatar	2	-
Indonesia	1	-
Tunisia	-	1
Total Rigs	49	38

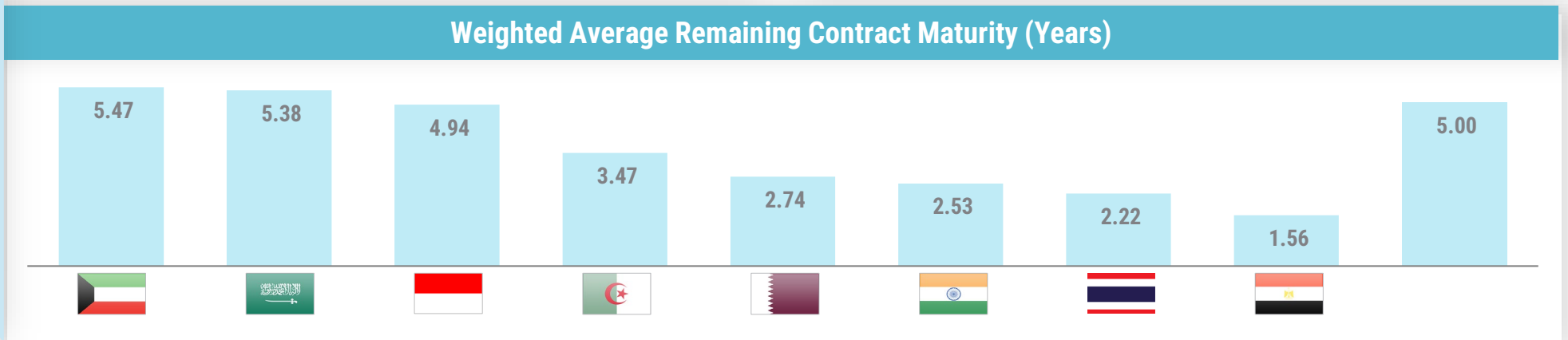
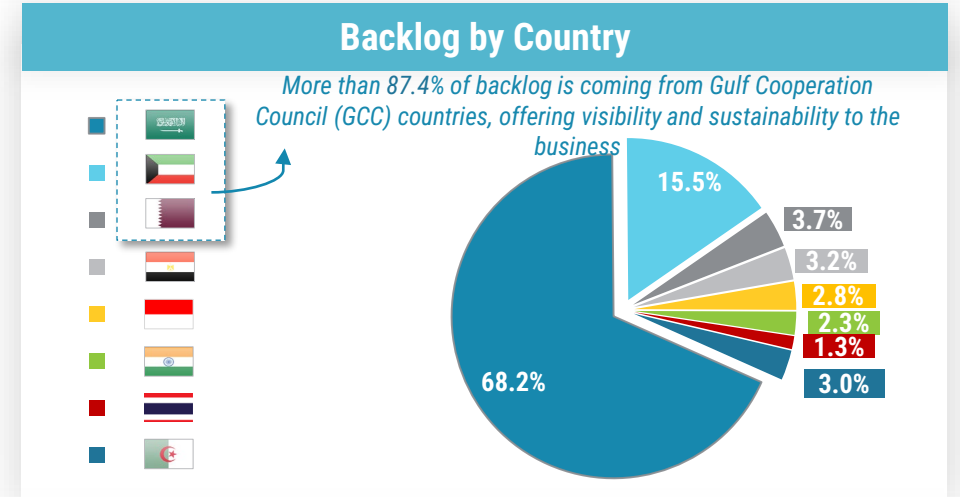
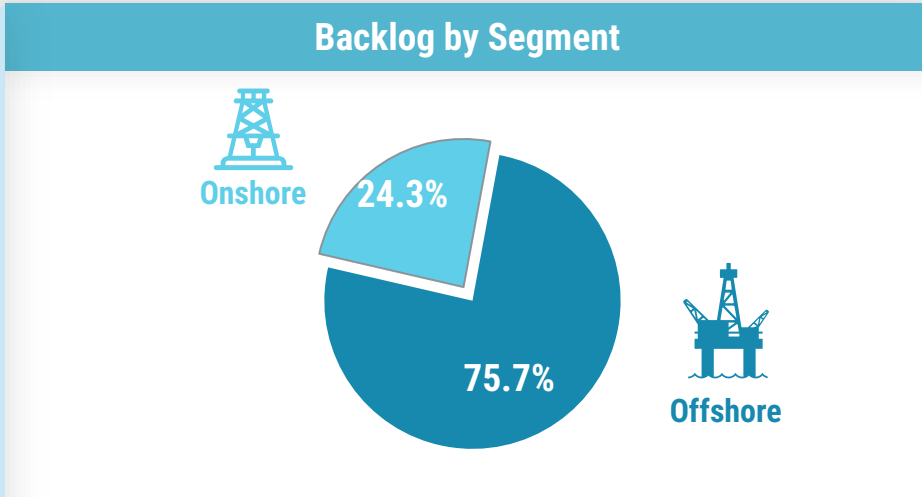
¹Excludes the two newly built and contracted rigs as part of the recent six-contract award in the country.



Strong Backlog Providing Revenue and Cash Flow Visibility

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

SAR 28.05bn
Backlog
(30 June 2024)



During 1H 2024, the Group's total backlog stood at SAR 28.05 bn compared to SAR 27.54 bn as of FY-2023, an increase of SAR 510mn despite a revenue burn-rate of SAR 3.1 bn during the six-month period. This translates to total backlog additions of SAR 3.6bn in 1H-2024, reflecting the impact of renewals at higher daily rates as well as new awards.

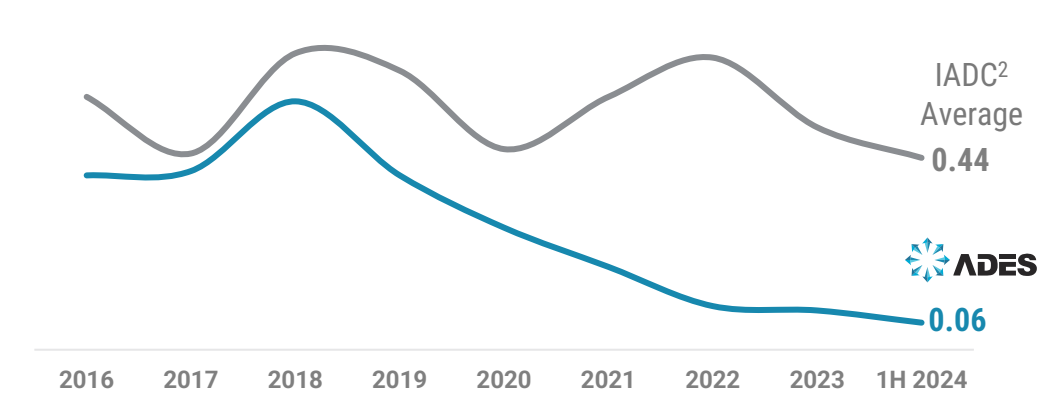
Source: ADES information.



Committed to Operational Excellence & Sustainability

Best-in-Class Safety Record Supported by Continued Innovation

Total Recordable Injury Rate (TRIR)¹

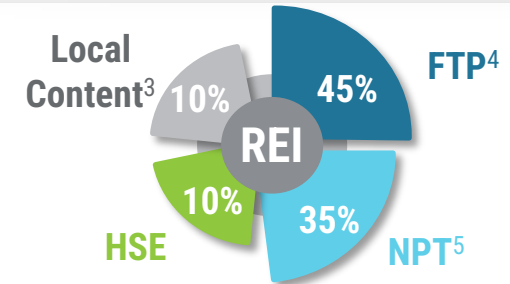


Ongoing identification, prioritization and control of risks

RIG EYE proprietary technology for incident prediction

The REI Drives Levels of Activity and Renewals with Aramco

aramco Rig Efficiency Index ("REI") Composition



REI Performance

90 / 100
Average REI Score⁶

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 30 June 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 3 years ended 31 March 2024.



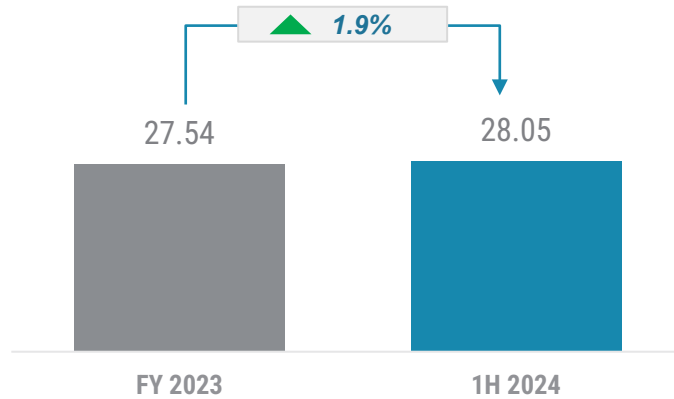
1H 2024 Financial Update



Strong Ramp-up of Activity Leading to Significant Outperformance

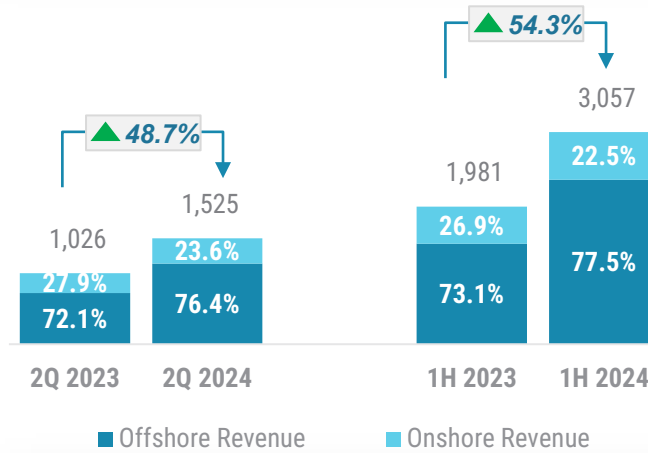


Backlog (SAR bn)



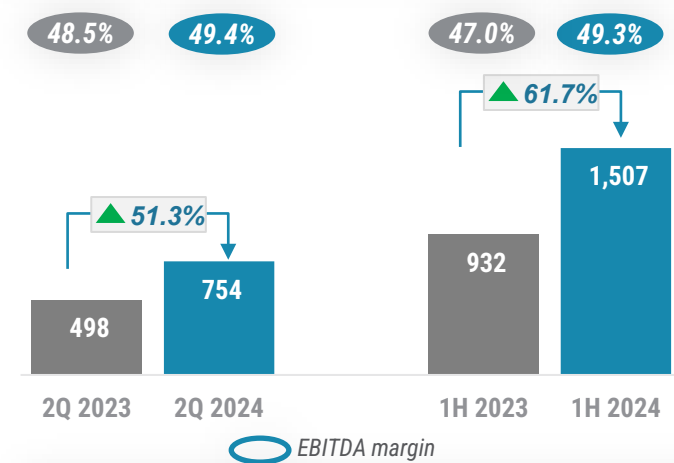
- * Total backlog increased by SAR 510mn despite a revenue burn-rate of SAR 3.06bn in 1H 2024, implying total backlog additions during the period of SAR 3.57bn mainly due to the positive impacts of:
 - Renewals at higher daily rates for three rigs in Egypt;
 - The newly awarded contract in Egypt, which will be relocated from KSA;
 - Renewals for two rigs in Algeria;
 - The newly awarded contracts in Thailand and Qatar, which will be relocated from KSA at a higher daily rate.
 - The expansion in Kuwait with an award for six onshore contracts.

Revenue (SAR mn)



- * Strong revenue growth of 54.3% y-o-y (+ c.SAR 1,076mn) in 1H 2024 and 48.7% y-o-y in 2Q 2024 (+SAR 499mn) driven by :
 - Revenue contribution from the 19 rigs of the Aramco mega project in 1H 2024, compared to contributions from only seven rigs in 1H 2023;
 - Revenue from three rigs gradually deployed in India (two in 4Q 2023 and one in 1Q 2024);
 - Increase in Kuwait revenue in 1H 2024 generated from 10 operational rigs – full run rate as of April 2024 – compared to the contribution of six rigs in 1H 2023.
 - More than threefold increase in revenue from Algeria in 1H-2024, reflecting the contribution from five operational rigs compared to two rigs in 1H 2023.

EBITDA (SAR mn)

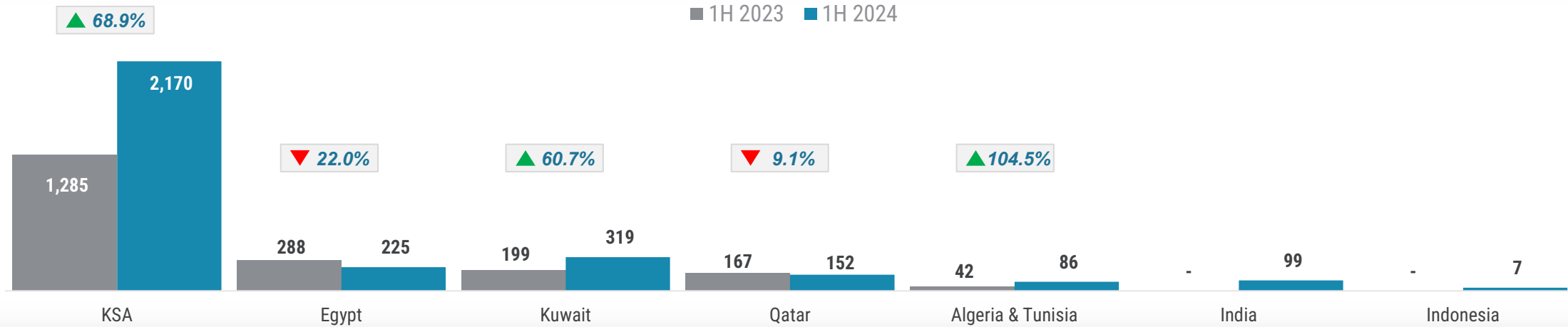


- * In line with revenue growth, EBITDA recorded a strong 61.7% y-o-y increase to SAR 1,507mn in 1H 2024 and a 51.3% y-o-y in 2Q 2024, in line with revenue growth.
- * EBITDA margin improvement from 47.0% in 1H 2023 to 49.3% in 1H 2024 reflects higher effective daily rates along with the Group's lean cost structure.



Growth Achieved Across Geographies

Revenue Evolution by Country (SAR mn)

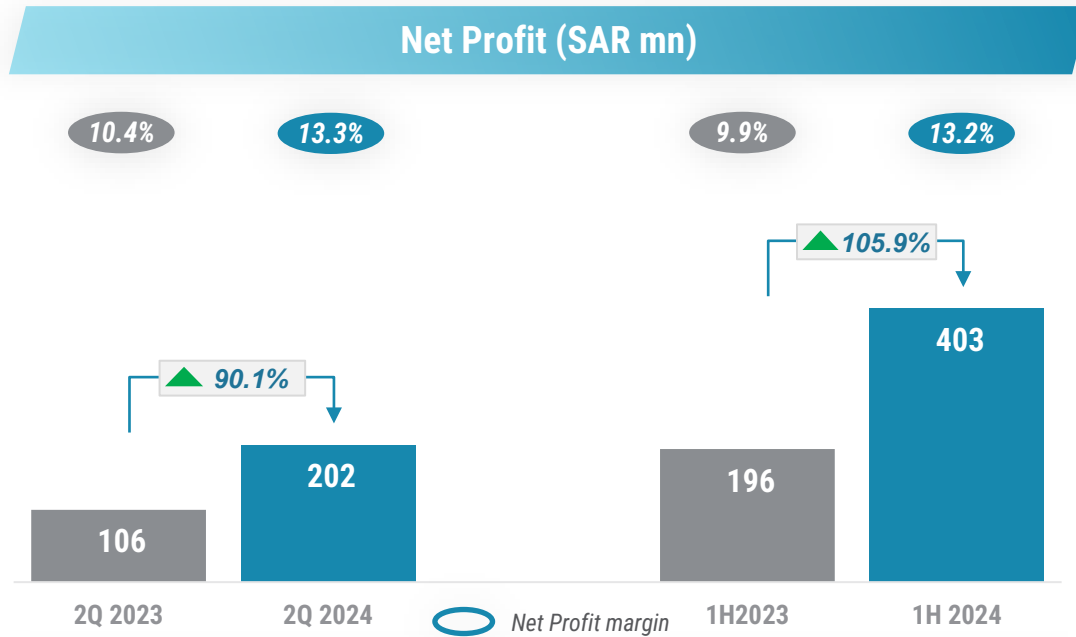


Group revenues increased 54.3% y-o-y in 1H 2024 on account of:

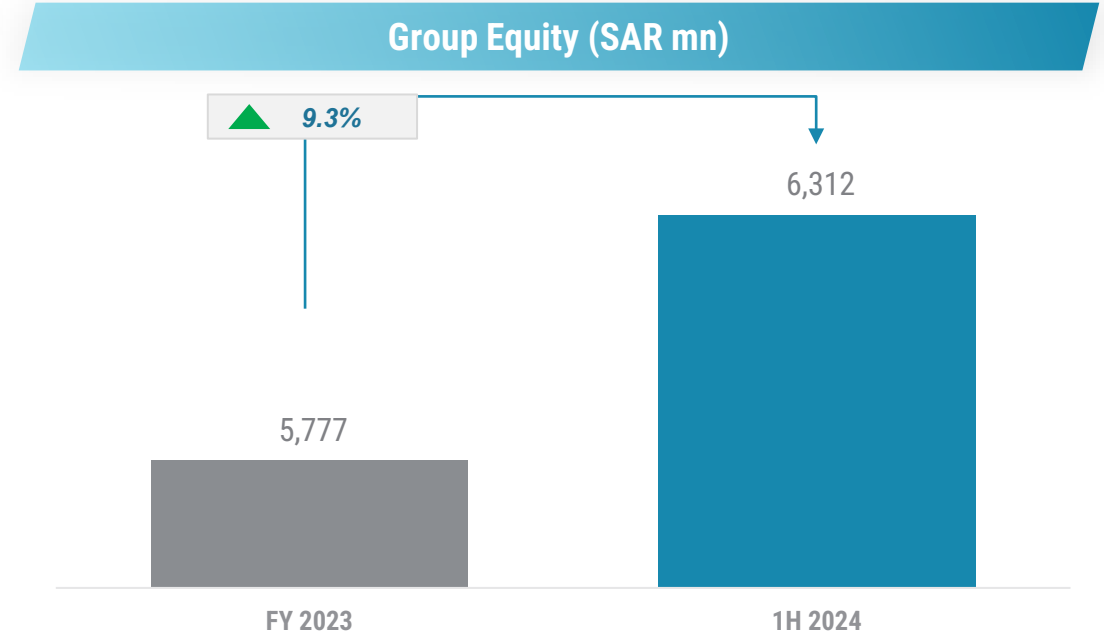
- * **KSA** revenue growth of 68.9% driven by the contribution of the 19 rigs of the Aramco mega project in 1H 2024 compared to only seven rigs in the same period last year.
- * **Kuwait** revenue growth of 60.7% driven by the contribution of 10 rigs in 1H 2024 amounting to SAR 319 compared to contributions from six rigs in 1H 2023 amounting to SAR 199mn.
- * **India** revenue contribution of SAR 99mn in 1H 2024 reflecting the contribution of three rigs, two of which were fully operational throughout the six-month period and one rig starting operations at the end of 1Q 2024.
- * **Indonesia** revenue contribution of SAR 7mn reflecting the commencement of operations of one rig in 2Q 2024.
- * **Qatar** revenue declined by 9.1% y-o-y to SAR 152mn compared to SAR 167mn in 1H 2023, following the relocation of the offshore rig to Indonesia.
- * **Egypt** revenue declined 22.0% y-o-y reflecting the contribution in 1H 2023 of the leased TOPAZ rig, which was no longer leased in 1H 2024 following the conclusion of its contract in early 3Q 2023. Revenue was also impacted by lower utilization of three onshore rigs.
- * **Algeria & Tunisia** combined revenue growth of 104.5% y-o-y in 1H 2024 on account of contributions from a total of six rigs compared to three rigs in 1H 2023.



Net Profitability and Equity Movements



- * Net profit in 1H 2024 recorded a significant 105.9% y-o-y increase to SAR 403mn in 1H 2024 and a 90.1% y-o-y increase in 2Q 2024 to SAR 202, reflecting the Group's strong revenue growth during the period as well as margin enhancements at the EBITDA level.
- * Net profit margin increased from 9.9% in 1H 2023 to 13.2% in 1H 2024, reflecting higher EBITDA margin (+2.3%) as well as lower interest to revenue (+3.8%), which was offset by higher depreciation expense (-2.9%) following the deployment of rigs in KSA, Kuwait and India.

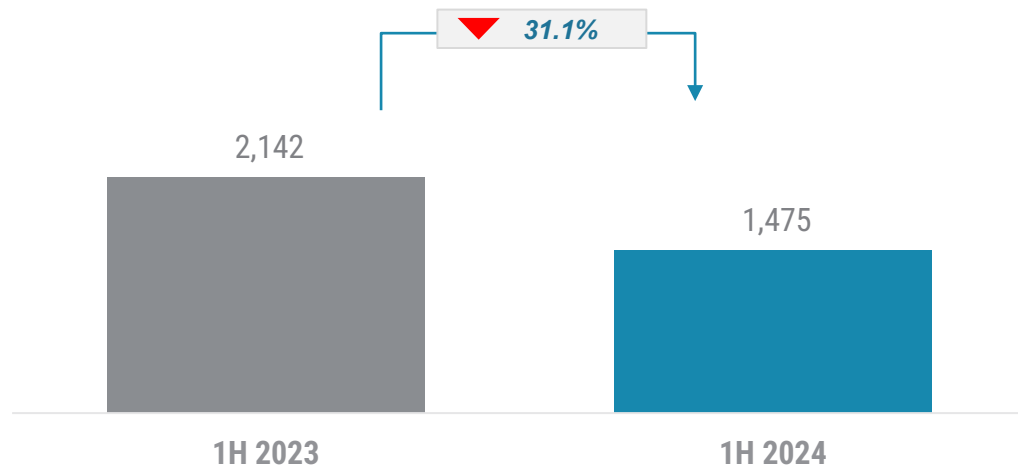


- * Group equity increased by 9.3% to SAR 6.3bn as of 30 June 2024 compared to SAR 5.8bn as of year end 2023, driven by the additional net profit contribution in 1H 2024, along with other reserves movement¹.



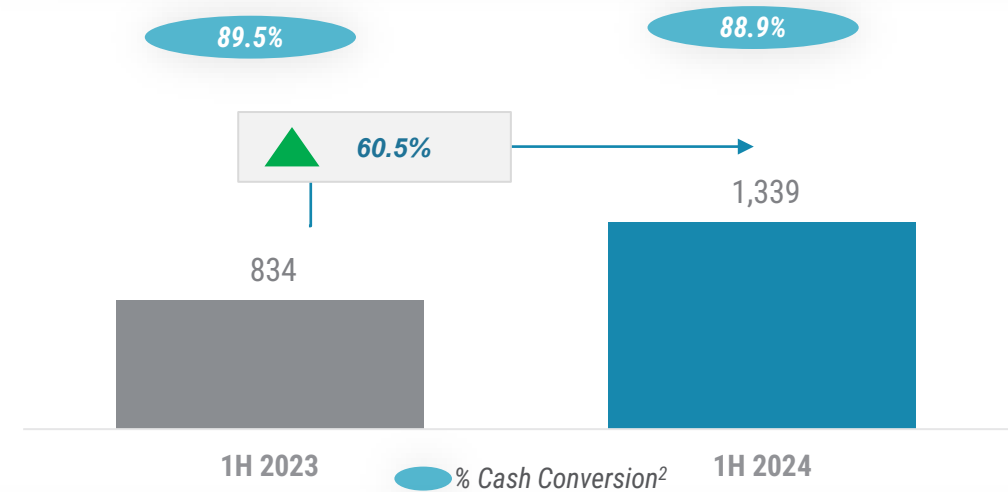
Strong Cash Flow Conversion

Capex (SAR mn)



- ✦ The Group's CAPEX decreased by 31.1% y-o-y, mainly reflecting the completion of the refurbishment projects regarding the group's recent expansions.
- ✦ Out of the SAR 1,475 mn, the recurring maintenance CAPEX was SAR 168 mn related to 77 operating rigs during 1H 2024, compared to SAR 98 mn recurring maintenance CAPEX related to 55 operating rigs during 1H 2023, out of a total of SAR 2,142 mn in CAPEX for the period.

Free Cash Flow¹ (SAR mn)



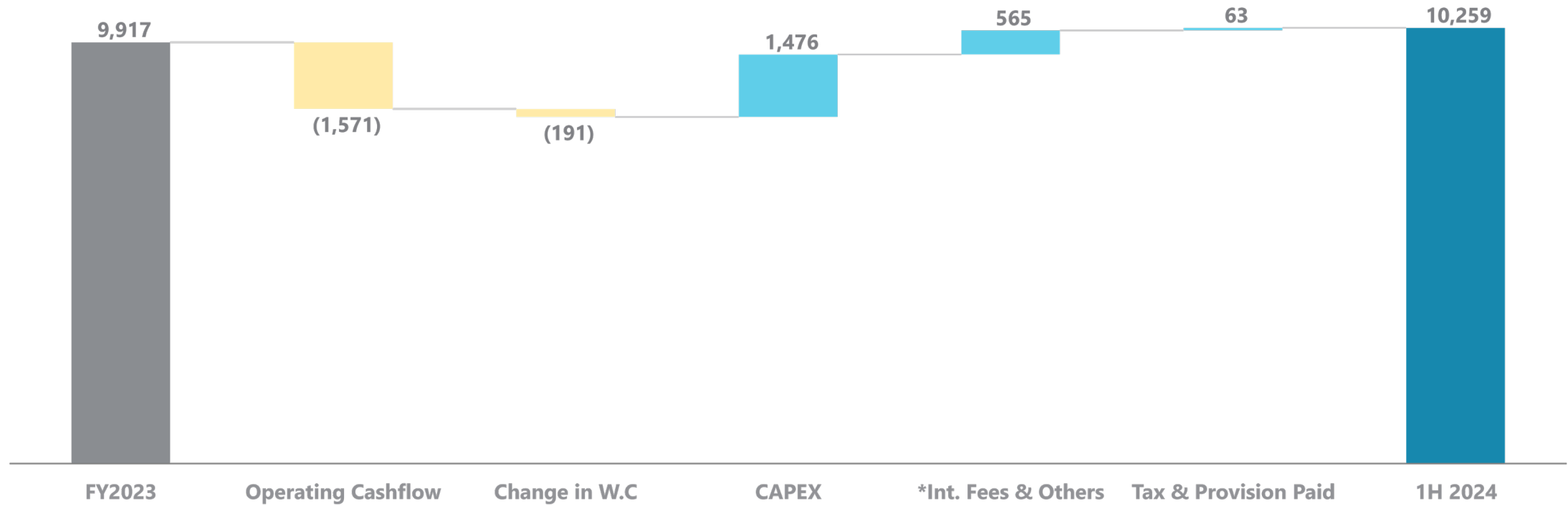
- ✦ The Group's free cash flow increased by 60.5% y-o-y mainly due to the growth in EBITDA by over 61%.
- ✦ Additionally, continued development of refurbishment and maintenance efficiency initiatives (including in-house capabilities), along with maintenance CAPEX normalization following the deployment of the recent expansions translating into healthy cash conversion rates all while scaling operations.



Net Debt Evolution



H1 2024 Net Debt Bridge¹ (SAR mn)



* The balance of cash and cash equivalents as of 30 June 2024 amounted to SAR 768 mn.

¹Net debt equals Interest-bearing loans and borrowings, less cash excluding lease liability.

*The total amount of SAR 565mn includes SAR 358mn for interest expense paid and the remaining SAR 207mn related to lease obligation, purchase of financial instruments, and other fees.



New Financing Overview



To fund ADES' growth prospects, ADES secured USD 3.0bn through upsizing the existing syndication

Transaction Overview

Tranche D&E

The transaction marks one of the largest private sector financing in the region and one of the largest syndicated facilities in the history of KSA

USD 2.7bn

Stand by Facility To finance potential acquisitions and organic growth

USD 300m

Revolving Credit Facility

Dual Currency

38.5% in USD and 61.5% in SAR

8.5yrs

Tenor for Standby term Tranche

8.0yrs

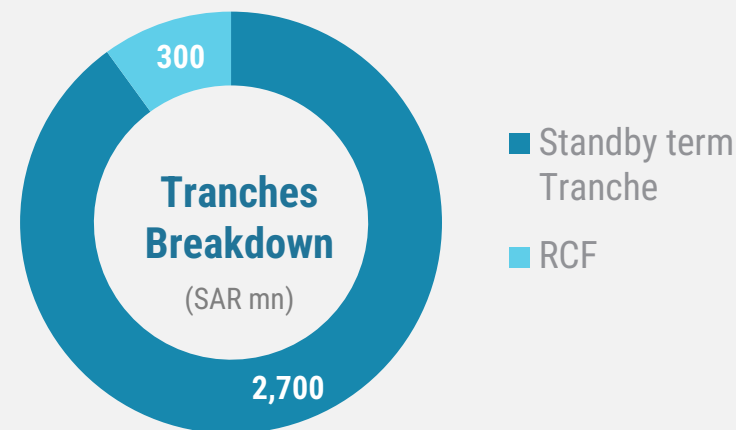
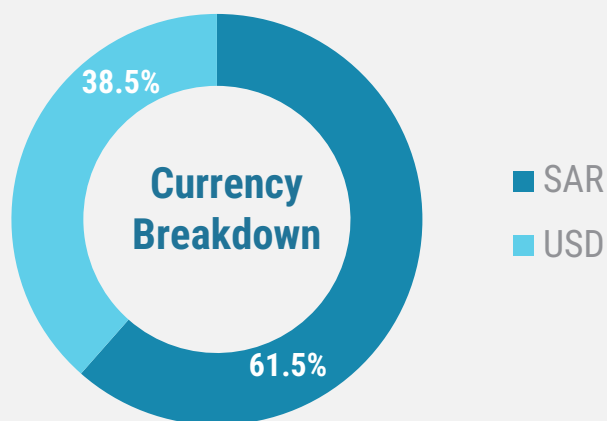
Tenor for RCF tranche

Semi-Annual

Principal Repayment with 12 months grace period

31.5%

Bullet payment at maturity to be paid in the last year





Dividend Distribution and FY 2024 Guidance



The Board of Directors recommends a dividend distribution amounting to **60% of the Group's 1H-2024 net profit attributed to equity holders of the parent**, equivalent to SAR 237.5 million.

SAR 237.5mn

Dividend for
1H-2024

Management reiterates its outlook and guidance for 2024 with an expected EBITDA ranging from SAR 2.89-3.04bn in FY 2024 on account of continued operational growth and the ramp-up of recent expansions – with no anticipated changes to the Group's operating fleet.



Q&A





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