ADES Holding Company

9M 2024

Trading Update

November 2024

Today's Presenters

Dr. Mohamed Farouk

Group Chief Executive Officer

Hussein Badawy

Group Chief Financial Officer

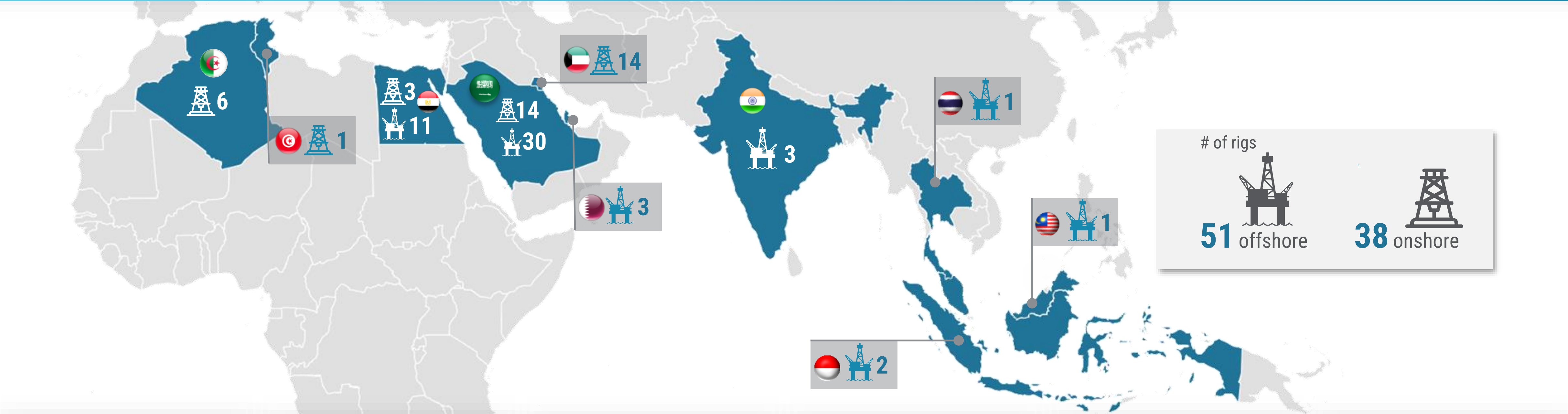
AGENDA

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

Leader in Shallow Water Offshore and Onshore Drilling

ADES

Global Scale Operations with 89 Rigs in 10 Countries



Proven Consolidator Through Cycles

89 rigs[1]

+2.2x[2] since 2018

Leading Scale & Profitability

	9M 23	9M 24
Revenue	SAR 3.1bn	SAR 4.6bn
EBITDA[3]	SAR 1.5bn	SAR 2.3bn
Margin (%)	~48%	~50%

Visible, Contracted Growth

SAR 27.79bn backlog[4]

88.4% with GCC NOCs

Partner of Choice for Critical Energy Suppliers

aramco

QatarEnergy

TotalEnergies

sonatrach

ONGC

Committed to Operational Excellence and Efficiency

98%

9M 2024 Average Utilization

Culture Focused on Safety

0.07 TRIR[5]

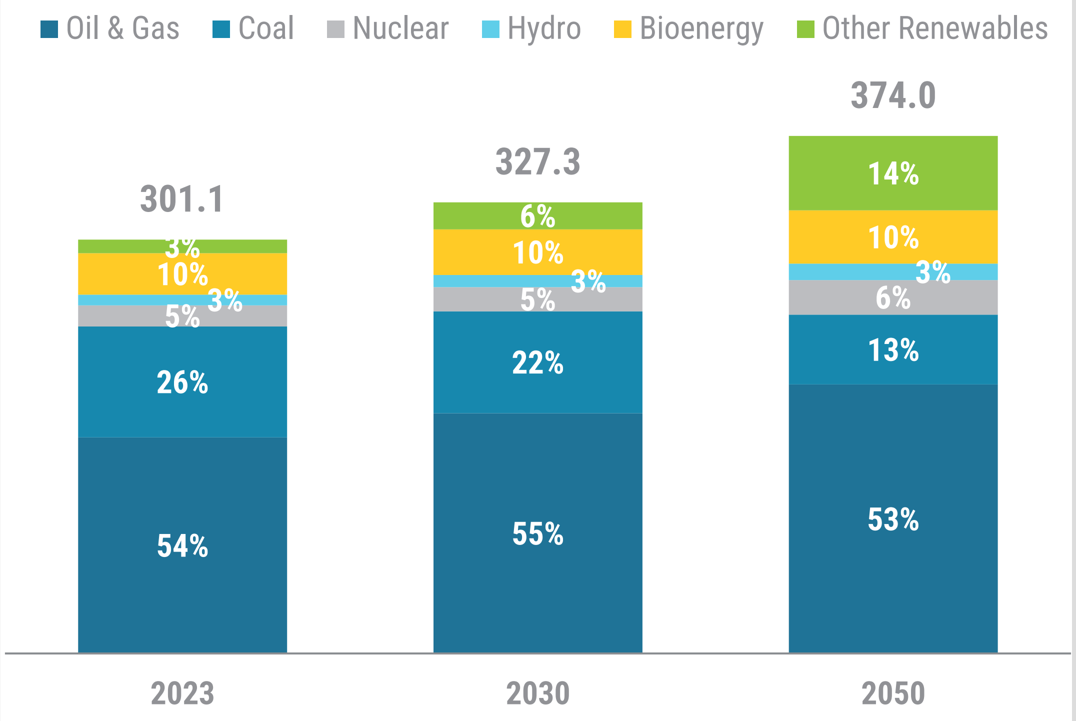
84% below IADC average[6]

Sources: ADES information Note: Financials and KPIs relate to the 30 September 2024, unless otherwise indicated.. [1] Including 4 leased rigs. [2] Growth since December 2018. [3] EBITDA includes a non-cash share-based payments expense and excludes provision for impairment of accounts receivable incurred for the nine months ending 30 September 2024. [4]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. [5] Total recordable injury rate per 200,000 working hours for 1H 2024. [6] International Association of Drilling Contractors 9M 2024 average of 0.44.

Market Update

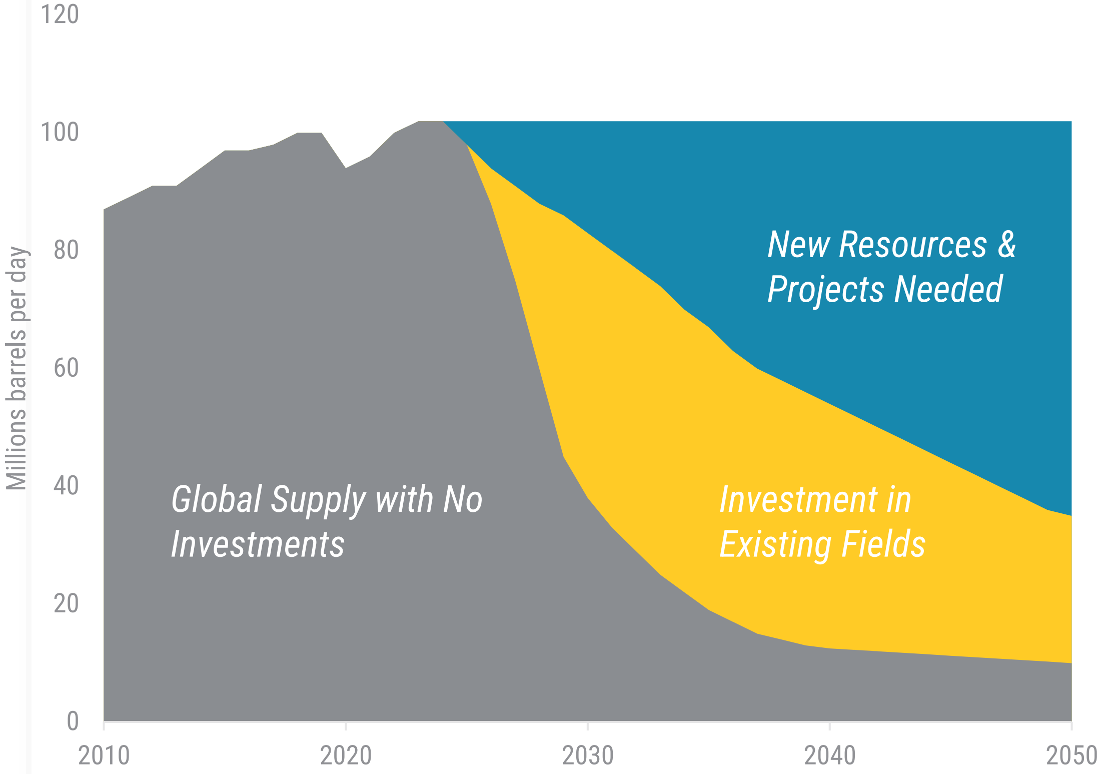
Continued Demand and Investment in Oil & Gas well into 2050

Projected Global Energy Mix (mboe/d, %)*



Oil & gas to remain an essential component in the global energy mix by 2050 at 53%, ensuring long-term demand sustainability

Global Oil Supply Scenarios Outlook*

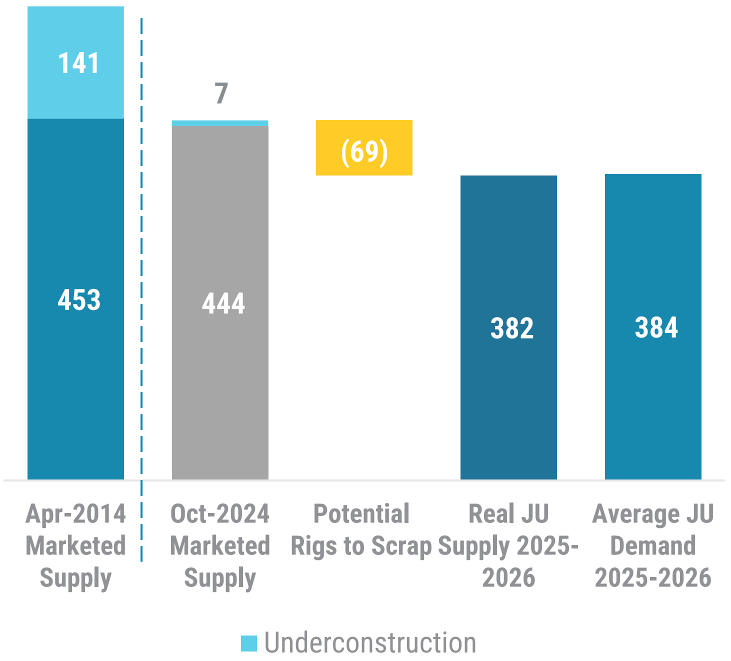


Continued demand for oil will be met only with a sustained level of investment in new resources and projects to maintain global supply

* Source: OPEC, Company Sources

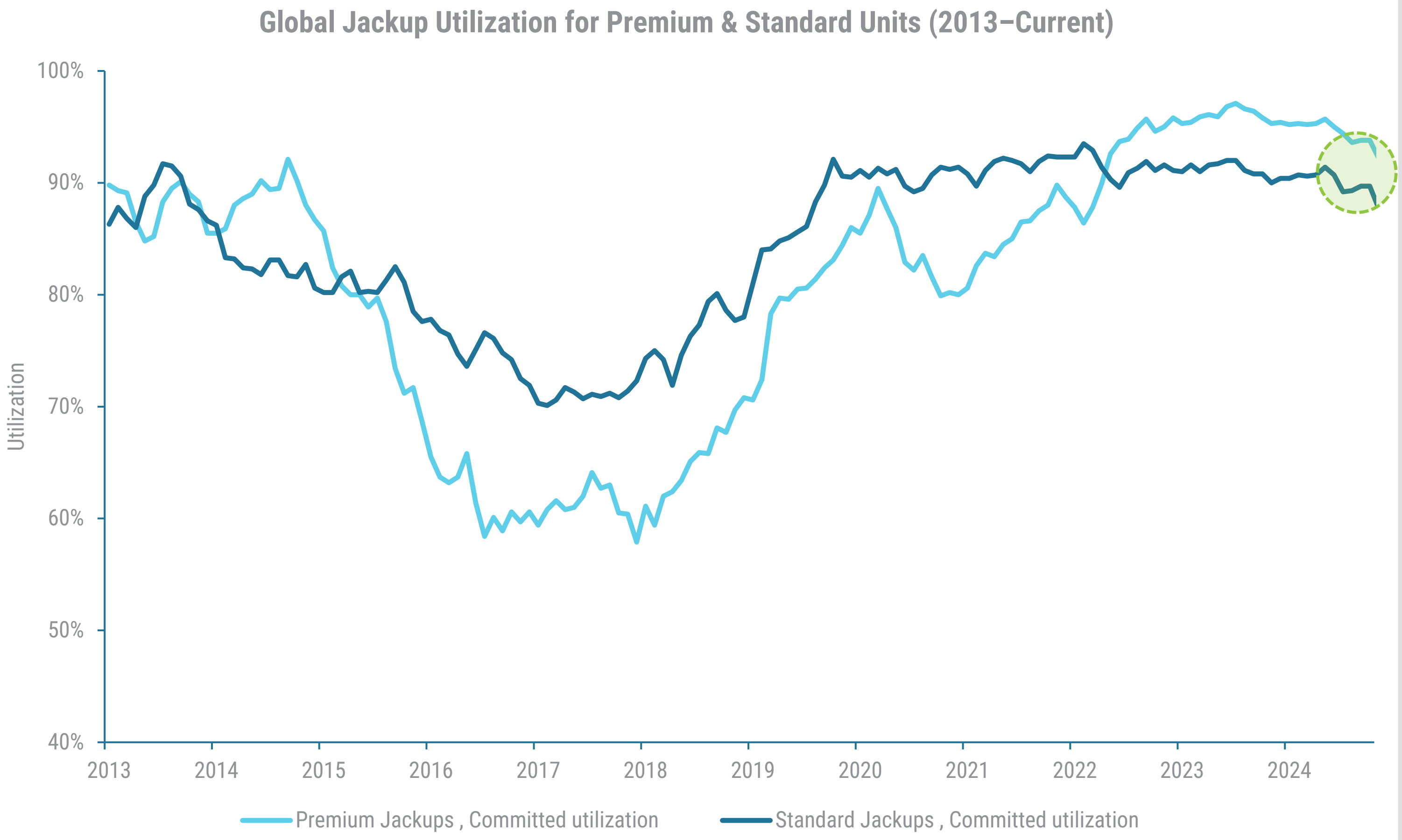
Sustained Tightness in the Offshore Jackup Market

Tight supply-demand dynamics set to continue …



Significant reduction in jackup supply over the previous decade, with very limited new builds in the pipeline

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



Source: 2024 S&P Global Petrodata & Clarksons Securities Research

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Business Update

Operational Highlights

97.7%
in 9M 2024
(vs.98.2% 9M 2023)
Utilization Rate[1]

27.79 SAR bn
as at 9M 2024
(vs. SAR 27.54 bn in FY 2023)
Total Backlog

c.5.1 Years
Weighted Average Remaining Contract Tenor[2]
Tenor

0.07
in 9M 2024
(vs. IADC standard of 0.44)
TRIR[3]

Three of the five suspended rigs in KSA were awarded new contracts and have commenced operations during 3Q-2024 in Qatar, Thailand and Egypt.

The Group closed its acquisition of two contracted premium jackups from Vantage Drilling in Southeast Asia. The transaction marks entry into a new important market in the Malaysia-Thailand Joint Development Area.

The Group secured renewals for three rigs in KSA, including for ADM 657 and ADES 13 & 14 (during Oct-24). The renewals are for a duration of 10 years, adding significant long-term visibility.

In the onshore segment, one additional rig was deployed in Algeria during 3Q 2024, bringing total operational rigs to six units as of end of 3Q.

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	3Q 2024		9M 2024	
Revenue	1,573	+ 45.8%	4,630	+ 51.3%
EBITDA[1]	797	+ 51.5%	2,303	+ 58.0%
As a % of Revenue	*50.7%*	*+ 1.9pp*	*49.8%*	*+2.1pp*
Net Profit	203	+132.7%	606	+114.2%
Operating Cash Flow[2]	793	+ 53.3%	2,364	+ 65.2%

Source: ADES information.
[1]EBITDA includes a non-cash share-based payments expense and excludes provision for impairment of accounts receivable incurred for the nine months ending 30 Sep 2024
[2]Operating cash flow before changes in working capital.

Strong Backlog Providing Revenue and Cash Flow Visibility

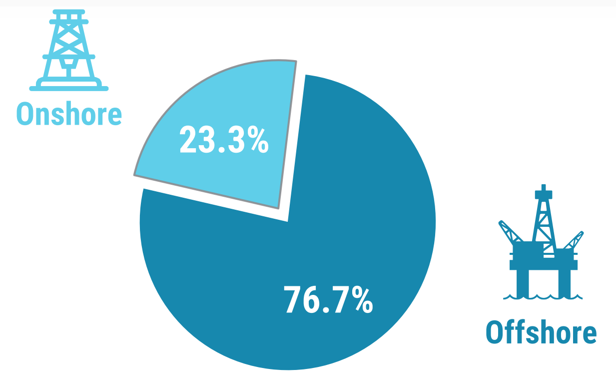
Significant Share from Offshore and GCC countries with Long-Term Contracts

The Group's total backlog stood at SAR 27.79 bn as of 30 Sep 2024, up from SAR 27.54 billion as of 31 December 2023. This comes despite a revenue burn-rate of SAR 4.63 bn during the nine-month period. This translates to **total backlog additions of SAR 4.9bn in 9M-2024, reflecting the impact of renewals at higher daily rates as well as new awards.**

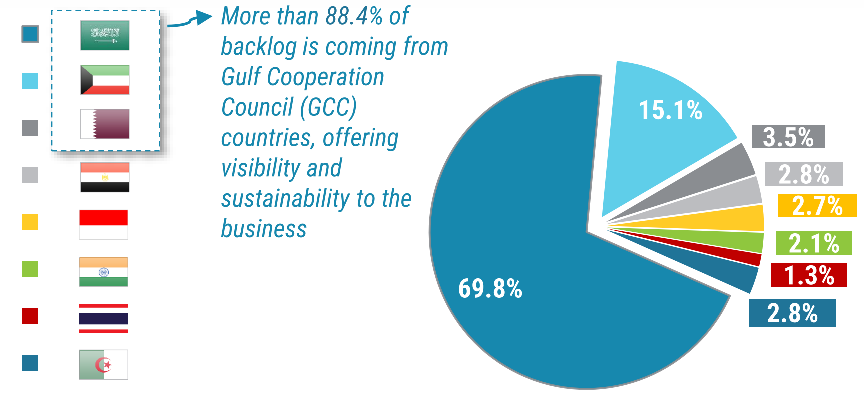
SAR 27.79bn

Backlog
(30 Sep 2024)

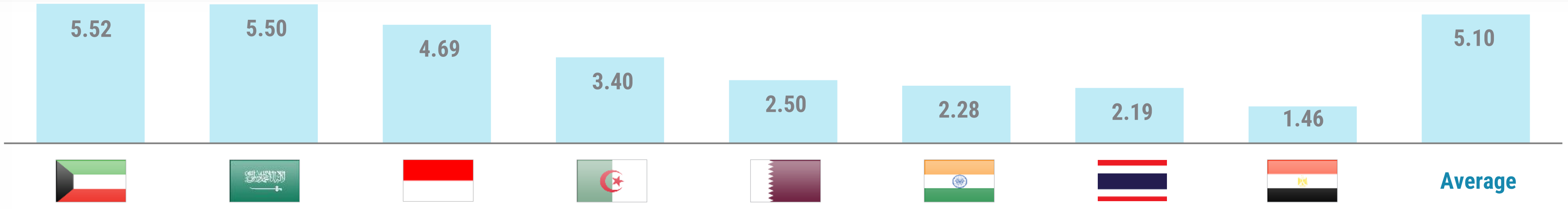
Backlog by Segment



Backlog by Country



Weighted Average Remaining Contract Maturity (Years)

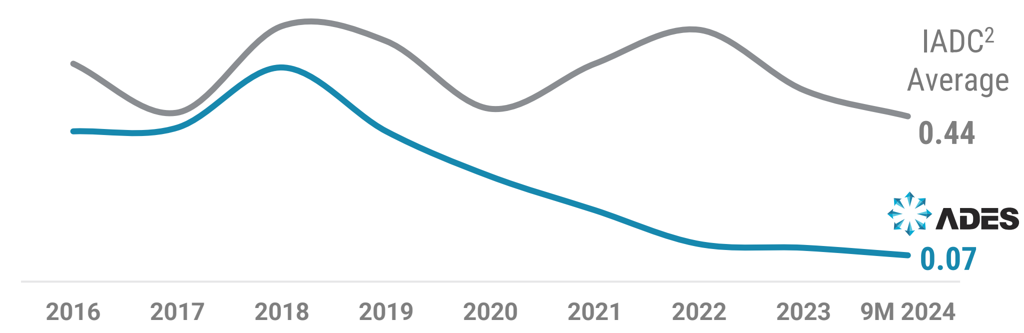


Source: ADES information.

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

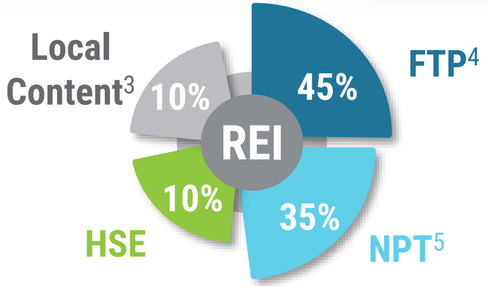
RIG EYE proprietary technology for incident prediction

RIG EYE

The REI Drives Levels of Activity and Renewals with Aramco

aramco

Rig Efficiency Index ("REI") Composition



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REI Performance

90 / 100

Average REI Score[6]

ADES' Sustainability Pillars

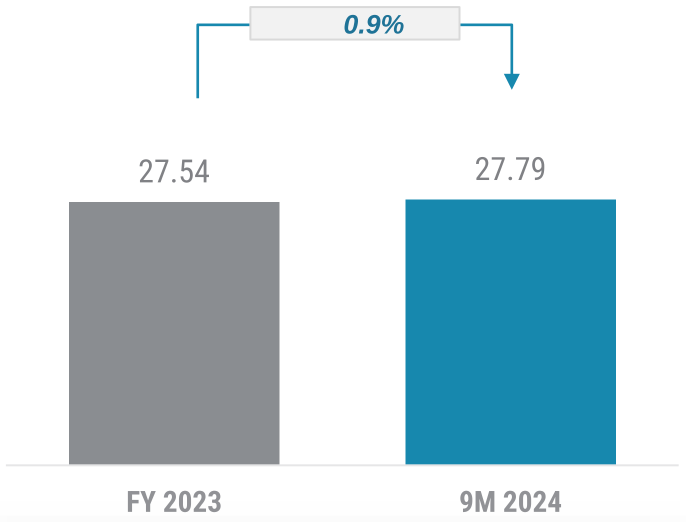
- Governance & Business Ethics
- Climate Change & Energy
- Health, Safety & Security
- Environmental Protection
- Social Responsibility

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

9M 2024 Financial Update

Backlog Maintained Despite Revenue Burn Rate Thanks to Contract Renewals and Awards

Backlog (SAR bn)



- Total backlog stood at SAR 27.79 bn as of 30 Sep 2024, up from SAR 27.54 billion as of 31 December 2023. This comes despite a revenue burn-rate of SAR 4.63 bn during the nine-month period. This translates to total backlog additions of SAR 4.9bn in 9M-2024 (excluding renewals in October 2024 for ADES 13 & ADES 14 totaling c.SAR 1 billion).

Contract Awards and Renewals in 9M-2024

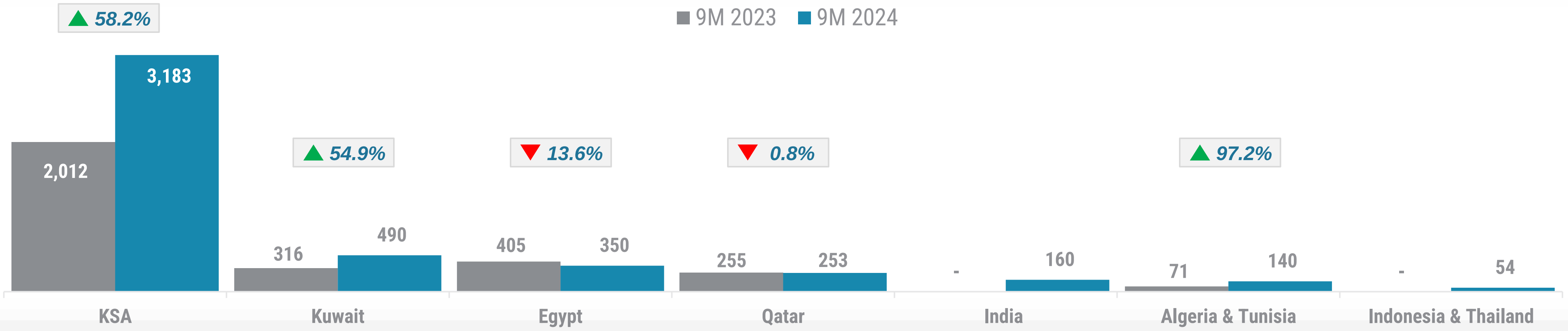
KSA	The newly awarded long-term contract for one offshore rig in KSA in 3Q-2024.
Kuwait	The expansion in Kuwait with an award for six onshore contracts in 2Q-2024.
Egypt	Renewals at higher daily rates for three rigs in Egypt (AD III, AD VI, and AD V) in 1Q-2024; along with the legacy JU rig relocated from KSA to Egypt in 2Q-2024
Thailand & Qatar	Newly awarded contracts in Thailand (1Q-2024) and Qatar (2Q-2024) relocated from KSA at a higher daily rate.
Algeria	Renewals for two rigs in Algeria (ADES 2 and ADES 3) in 1Q-2024.

Source: ADES information.

Strong Ramp-up of Activity Leading to Growth Across Geographies

ADES

Revenue Evolution by Country (SAR mn)



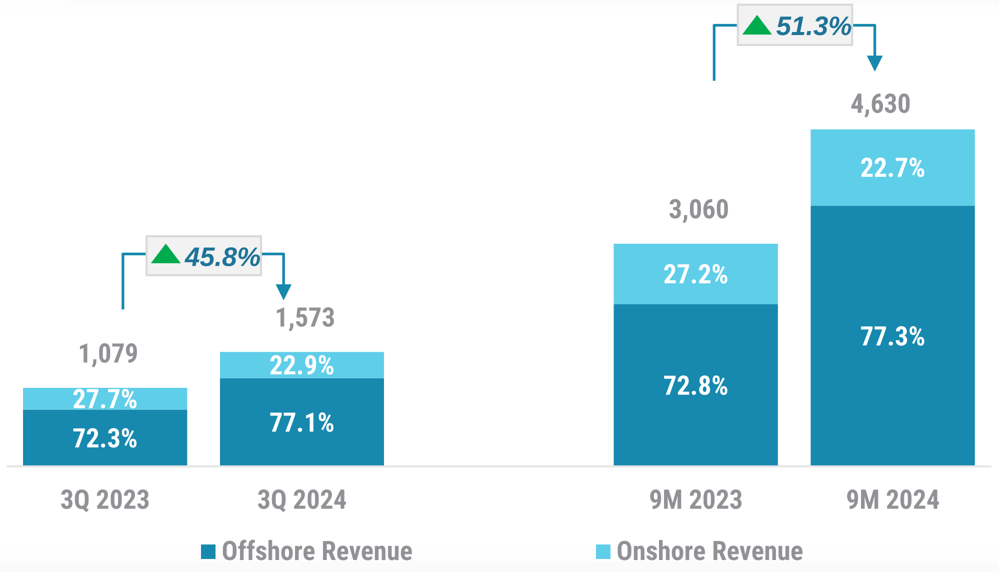
Strong revenue growth of 51.3% y-o-y (+ c.SAR 1,570mn) in 9M 2024 and 45.8% y-o-y in 3Q 2024 (+SAR 494mn) driven by :

- **KSA** growth of 58.2% driven by the contribution of the 19 rigs of the Aramco mega project in 9M 2024 compared to 10 rigs in 9M 2023;
- **Kuwait** growth of 54.9% driven by the contribution of 10 rigs in 9M 2024 amounting to SAR 490mn compared to seven rigs in 9M 2023 amounting to SAR 316mn;
- **Egypt** revenue declined 13.6% y-o-y reflecting the contribution in 9M 2023 of the leased TOPAZ rig, which was no longer leased following the conclusion of its contract in early 3Q 2023. It is worth noting that a newly awarded offshore contract in Egypt was deployed and commenced operations as of 3Q 2024;
- **Qatar** revenue stood at SAR 252.6 million in 9M 2024, remaining largely stable compared to 9M 2023. This slight decline reflects the relocation of the EMERALD rig to Indonesia, which was largely offset following the deployment of the recently awarded contract in Qatar in July 2024, maintaining the Group's three-rig operation;
- **India** contribution of SAR 160mn generated from three rigs gradually deployed, including two in 4Q 2023 and one in 1Q 2024;
- **Algeria & Tunisia** combined revenue growth of 97.2% y-o-y in 9M 2024 on account of contributions from newly awarded contracts for a total of seven rigs compared to three rigs in 9M 2023;
- **Indonesia and Thailand** contribution of SAR 53.65mn reflecting the commencement of operations EMERALD rig in Indonesia in 2Q24 and ADM 502 in Thailand in 3Q24.

Source: ADES information.

Robust Profitability Reflecting Strong Offshore Growth and Lean Cost Structure

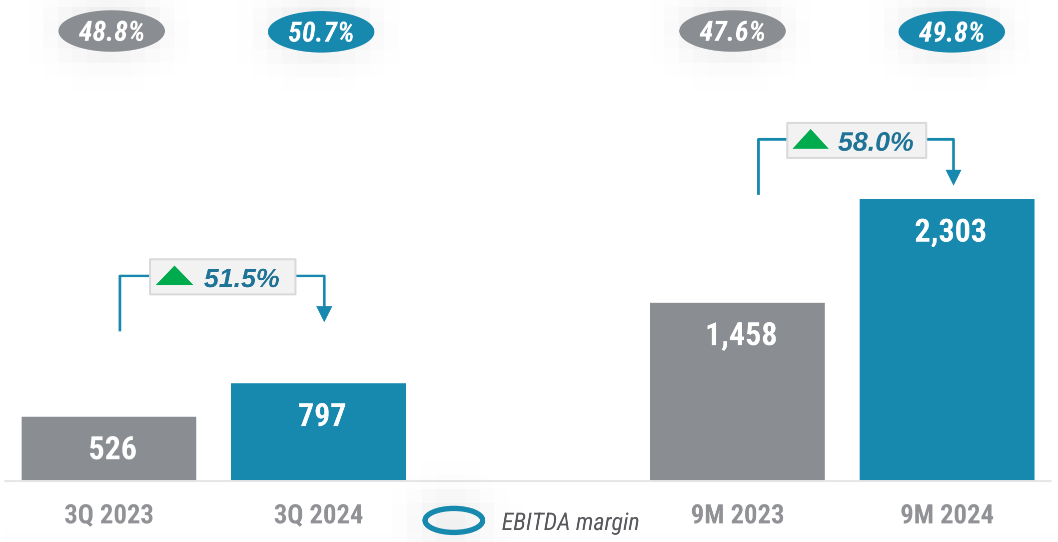
Consolidated Revenue by Segment (SAR bn)



Strong revenue growth of 51.3% y-o-y (+ c.SAR 1,570mn) in 9M 2024 and 45.8% y-o-y in 3Q 2024 (+SAR 494mn) driven by :

- The Group's offshore segment delivered strong growth driven by revenue generated from the 19 deployed rigs awarded in Saudi Arabia (Aramco mega project) starting March 2024, as well as revenue generated from the three offshore rigs in India, one offshore rig in Indonesia, and one offshore rig in Thailand.
- Meanwhile, the onshore segment also benefited from the contribution of three additional rigs in Kuwait as well as four additional rigs in Algeria.

EBITDA (SAR mn)

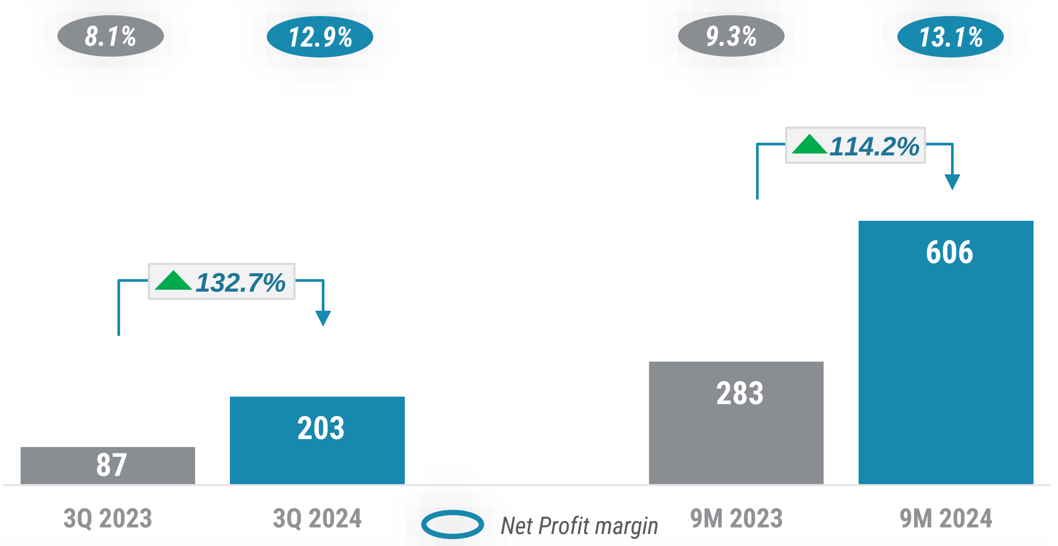


- In line with revenue growth, EBITDA recorded a strong 58.0% y-o-y increase to SAR 2,303 mn in 9M 2024 and a 51.5% y-o-y growth in 3Q 2024, driven by:
  - Operations of the 19 rigs from Aramco mega project compared to 10 rigs in 9M 2023;
  - Operations of the six newly awarded contracts in Kuwait compared to three rigs in 9M 2023;
  - Operation of the three rigs in India, two of which were fully operational throughout 9M 2024, and one rig commenced at the end of 1Q 2024.
  - Operation of six rigs in Algeria compared to two rigs in 9M 2023.
  - Operation of relocated offshore rigs in Indonesia, Thailand and Qatar.
- EBITDA margin improvement from 47.6% in 9M 2023 to 49.8% in 9M 2024 reflects higher effective daily rates along with the Group's lean cost structure.

Source: ADES information.
[1]EBITDA includes a non-cash share-based payments expense and excludes provision for impairment of accounts receivable incurred for the nine months ending 30 September 2024.

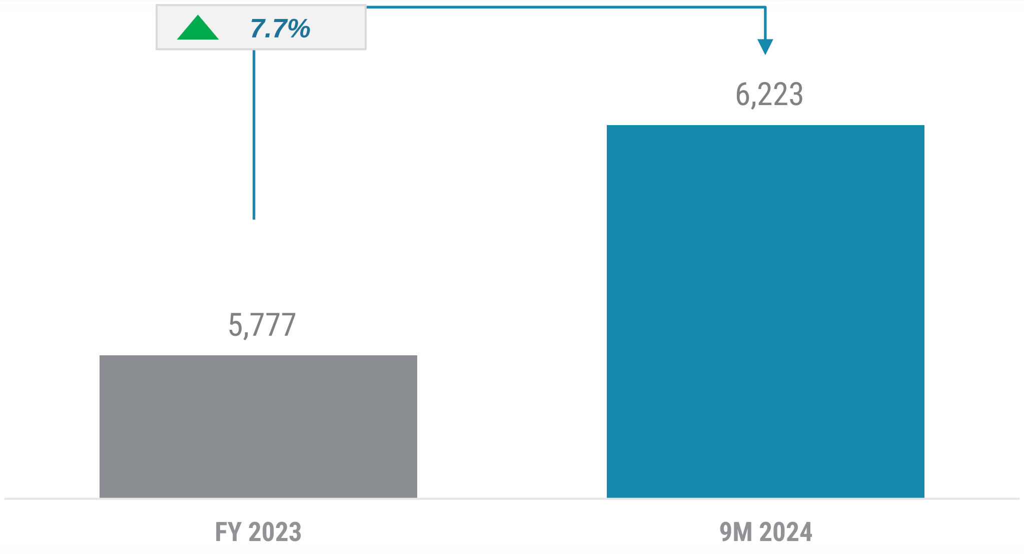
Strong Growth and Margin Enhancement Drive a Significant 132.7% y-o-y Increase in 3Q-2024 Net Profit

Net Profit (SAR mn)



- Net profit recorded a significant 114.2% y-o-y increase to SAR 606mn in 9M 2024 and a 132.7% y-o-y increase in 3Q 2024 to SAR 203mn, reflecting the Group's strong revenue growth during the period as well as margin enhancements at the EBITDA level.
- Net profit margin increased from 9.3% in 9M 2023 to 13.1% in 9M 2024, reflecting higher EBITDA margin (+2.1%) as well as lower interest to revenue (+4.4%), which was partly offset by higher depreciation expense (-2.5%) following the deployment of rigs in KSA, Kuwait and India with better daily rates.

Group Equity[1] (SAR mn)

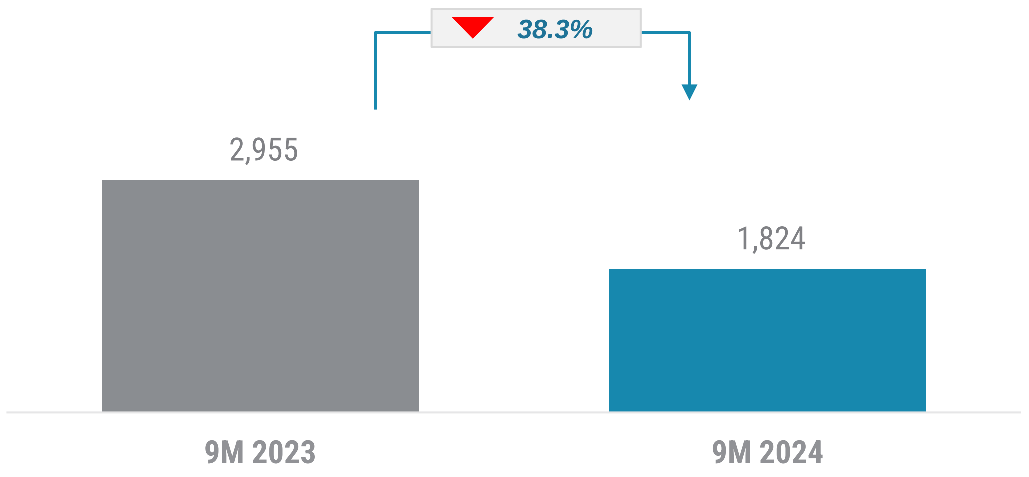


- Group equity increased by 7.7% to SAR 6.2bn as of 30 Sep 2024 compared to SAR 5.8bn as of year-end 2023, driven by the additional net profit contribution in 9M 2024 and dividends declared, along with other reserves movement

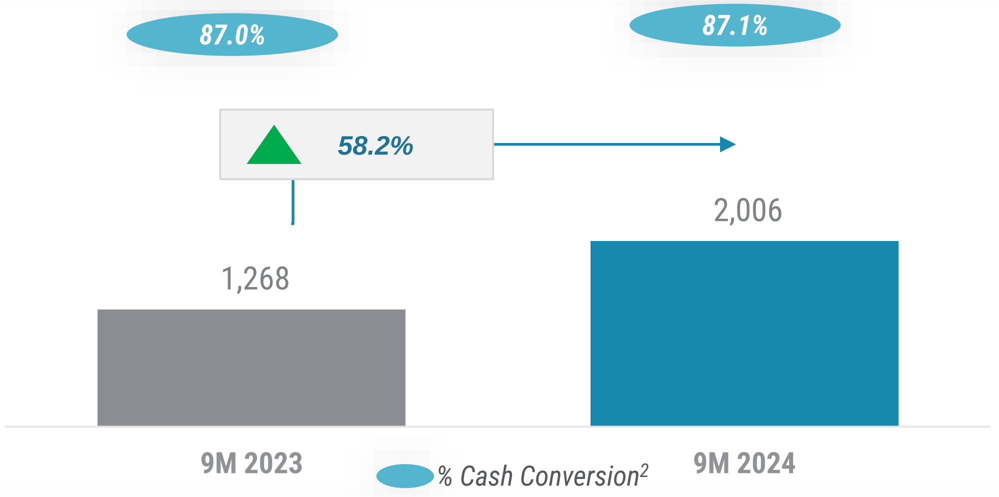
Source: ADES information [1] Other reserves movement includes share base payment reserve and cash flow hedge reserve.

Strong Cash Flow Conversion

Capex (SAR mn)



Free Cash Flow[1] (SAR mn)



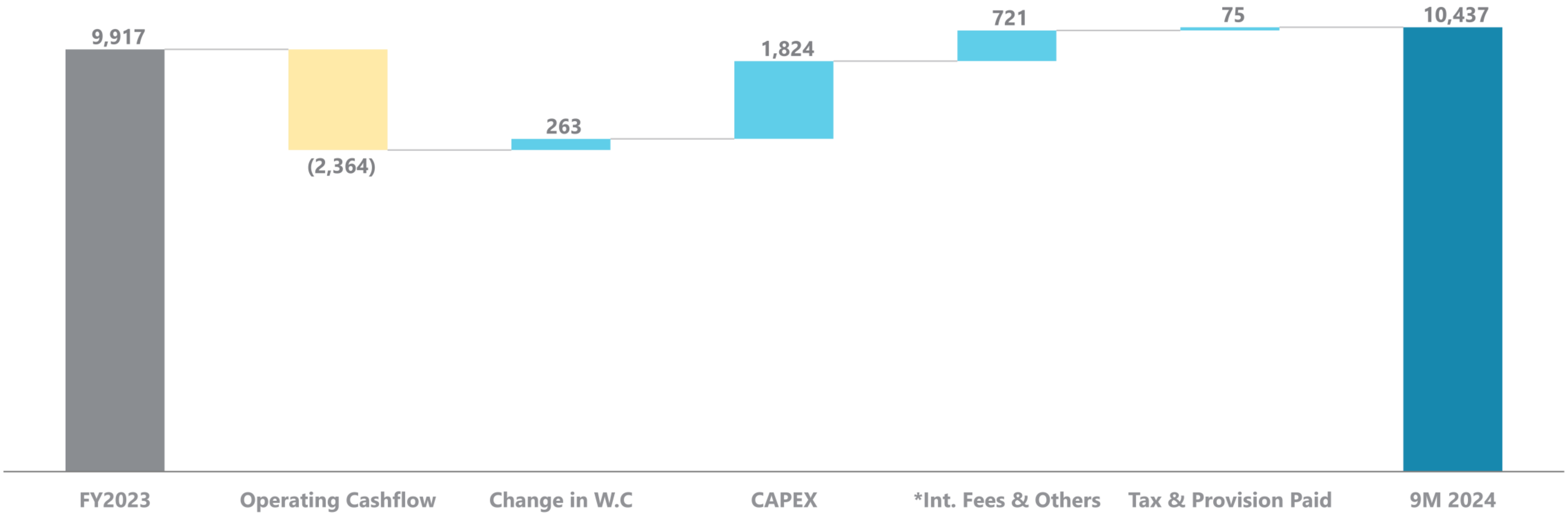
- The Group's CAPEX decreased 38.3% y-o-y, mainly reflecting the completion of the refurbishment projects regarding the group's recent expansions.
- Out of the SAR 1,824 mn, the recurring maintenance CAPEX was SAR 297 mn related to 79 operating rigs during 9M 2024, compared to SAR 189 mn recurring maintenance CAPEX related to 59 operating rigs during 9M 2023, out of a total CAPEX of SAR 2,955 mn for the period.

- The Group's free cash flow increased by 58.2% y-o-y mainly due to the growth in EBITDA by over 58%.
- 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

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

9M 2024 Net Debt Bridge[1] (SAR mn)



- The balance of cash and cash equivalents as of 30 September 2024 amounted to SAR 883 mn.

[1]Net debt equals Interest-bearing loans and borrowings, less cash excluding lease liability.
*The total amount of SAR 721mn includes SAR 529mn for interest expense paid and the remaining SAR 192mn related to lease obligation, investment in securities, and other fees.

FY 2024 Guidance

Management anticipates that **FY 2024 EBITDA will reach the upper end of the previously disclosed guidance range of SAR 2.89-3.04bn.** This performance reflects the successful execution of our strategic initiatives and our ability to capture additional opportunities in the market, positioning us strongly as we close out the year.

Q&A

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