ADES Holding Company Reports 1Q 2025 Results, Delivers Strong EBITDA Performance and Expands Global Footprint to Nigeria and Brazil; Reaffirms Full-Year Guidance

Strategic execution delivers operational resilience and fortifies the Group's global platform amid transitional revenue phase.

Al-Khobar, KSA - 5 May 2025: ADES Holding Company (*"**ADES**", the "**Group**" or the "**Company**"*), a world leading oil and gas drilling services provider, is pleased to announce its financial results for the quarter ended 31 March 2025, highlighting sustained performance in key markets and continued strategic expansion. The Group reported revenues of SAR 1.47 billion for 1Q 2025, representing a slight 4.0% y-o-y decrease primarily driven by ongoing offshore and onshore deployments in existing and new markets. EBITDA expanded by 8.4% y-o-y in 1Q 2025 with EBITDA margin rising 6.4 percentage points y-o-y to 55.5%. The Group recorded a net profit of SAR 196.7 million in 1Q-2025, with a net profit margin of 13.4%.

Key Financial Figures

SAR mn	1Q 2025	1Q 2024	*Change*
Revenues	1,470.1	1,532.1	*-4.0%*
EBITDA	816.3	752.9	*8.4%*
EBITDA Margin	*55.5%*	*49.1%*	*+6.4pp*
Net Profit	196.7	200.9	*-2.1%*
Net Profit Margin	*13.4%*	*13.1%*	*+0.3pp*
CF from Operating Activities before WC	801.9	784.5	*2.2%*

Financial & Operational Highlights

- ADES' total backlog stood at SAR 26.9 billion as of 31 March 2025, one of the highest in the industry. In April 2025, ADES secured new awards totaling SAR 2.08 billion in additional backlog.
- Utilization rates remained strong at 98% for 1Q 2025 with a TRIR[1] of 0.19, well below the IADC[2] average of 0.41.
- Group revenue recorded a slight y-o-y decline by 4.0% to SAR 1.47 billion in 1Q 2025. The drop primarily reflects the temporary impact of lower activities as the Group prepares for new deployments and awards, namely, the ongoing deployment of three onshore rigs in Kuwait part of the six-rig contract awarded in 2024, and the mobilization of offshore rigs to Nigeria, Thailand, and Brazil, which were previously operating in KSA. The decline was partially offset by stronger utilization levels in Southeast Asia, India, and Algeria, as well as the acquisition of two premium contracted offshore rigs in Indonesia and Malaysia from Vantage in 4Q 2024. The Group expects a gradual improvement in revenue performance as rig deployments are completed with a full run rate for all contracted rigs by Q4-2025.
- EBITDA increased by 8.4% y-o-y to SAR 816.3 million in 1Q 2025, with the EBITDA margin rising by 6.4 percentage points to 55.5%. Growth was supported by higher overall contribution from the Group's offshore activities along with better margins for mobilized rigs in their new locations, as well as increased contribution from ADES' production model in Egyptian brownfields in light of healthy oil prices witnessed during 1Q-2025. EBITDA margin also reflects the absence of share-based payments expenses during the quarter and have benefited from the Group's lean cost structure.
- Net profit for the period stood at SAR 196.7 million in 1Q 2025, recording a y-o-y decrease of 2.1% despite the 4% decline in top-line, with net profit margin inching up to 13.4% compared to 13.1% in 1Q-2024. Margin

[1] *Total Recordable Injury Rate per 200,000 working hours.*
[2] *International Association of Drilling Contractors.*

stability despite stronger EBITDA performance reflects the higher ratio of depreciation and interest expense to revenue.

- In the first quarter of 2025, ADES secured two new awards in Nigeria, marking the Group's entry into the 11th country of operations and in line with its strategy to expand into West Africa alongside its existing robust presence in Southeast Asia and the Middle East. The new awards will be operated in collaboration with an in-country partner. Nigeria has significant potential in the oil and gas sector and strong prospects for increased demand for drilling rigs in the coming years, particularly in the offshore drilling segment. As such, ADES will continue to capitalize on the heightened tendering activity with an eye to secure a long-term presence for the recently awarded units.
- ADES continued to expand its global presence and strengthen its core markets in April 2025. The Group entered a 4.5-year tenor charter agreement for its premium jackup rig, Admarine 511, with Constellation to execute a contract with Petrobras in Brazil. This agreement marks ADES' entry into its 12th market, further expanding its global footprint in Latin America through innovative and differentiated business models.
- In Saudi Arabia, ADES renewed a 10-year contract with Saudi Aramco in April 2025 for one of its offshore jackup rigs, reinforcing a longstanding client relationship and adding significant long-term revenue visibility.
- Finally, in Egypt, ADES received notification of extension for the three offshore jackup rigs Admarine III, Admarine V, and Admarine VI with the General Petroleum Company in April 2025, supporting operational continuity and value generation at stable rates and reinforcing its strong market position.
- The Group expects an acceleration in performance over the coming months as new deployments are completed and all contracted rigs ramp up operations. Management thus reaffirms its stated full-year guidance for an expected EBITDA of SAR 3.28-3.39 billion, implying an organic growth rate of approximately 8-12% year-over-year on account of continued operational growth, the ramp-up of recently deployed rigs and the Group's expanding regional presence. ADES continues to benefit from a resilient operating model, a diversified regional and global footprint, and robust financial flexibility, supporting its outlook for continued organic growth.

Dr. Mohamed Farouk, CEO of ADES Holding said, "ADES entered 2025 on solid footing, backed by a strong operational foundation and an unwavering commitment to safety and excellence. Our first quarter results speak to the strength and adaptability of our platform, which allowed us to deliver exceptional performance across our fleet, achieving high utilization rates of 98% alongside outstanding safety records that outpace industry standards. We achieved this as we gradually ramped up preparations for new awards and deployments, setting the stage for accelerated growth over the coming quarters. Our EBITDA is already benefitting from higher day rates and profitability in new and existing geographies, demonstrating a solid underlying momentum and the success of our expansion strategies in strengthening the Group's presence and performance.

Commercially, we reinforced our presence in core markets through re-contracted extensions while successfully penetrating new territories, leveraging the breadth of our global platform. This expansion reflects not only the competitiveness of our offering but also the trust we continue to build with clients across diverse geographies. We secured multiple strategic awards during the first quarter of 2025, including our first in Nigeria and new extensions in Saudi Arabia and Egypt, allowing us to maintain one of the highest backlogs in the industry. The formal launch of our expansion journey to Brazil in April also marks a key milestone in our growing global footprint. These strategic strides reflect ADES' ability to navigate shifting market dynamics with resilience and agility, weathering transitory challenges through our differentiated fleet and extensive global access. Moreover, and complementing our operational achievements, we remained committed to delivering shareholder returns, distributing dividends related to the second half of 2024 profits during this quarter.

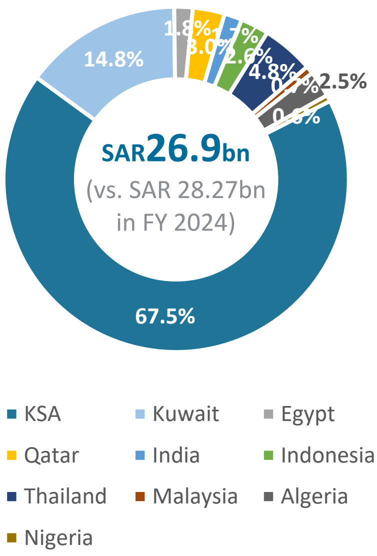
Looking ahead, while we remain mindful of ongoing global economic uncertainties, our strategic focus on long-term fundamentals, operational agility, and financial discipline positions us well to capitalize on emerging opportunities. Management's view is that the underlying long-term supply-demand dynamics will continue to favor our high-performing and highly demanded fleet of optimized assets, with strong tendering activity in key markets across Southeast Asia, the Middle East, and West Africa supporting sustainable growth and profitability over the long term. Our 2025 guidance remains optimistic, with full-year performance expected to strengthen as the deployment plan ramps up. Backed by a solid financial and liquidity position, we have the firepower to execute on accretive growth opportunities as they emerge, deliver solid shareholder returns, and further our global expansion strategy. I am confident in our ability to sustain strong performance through 2025 and beyond."

Utilization Rate

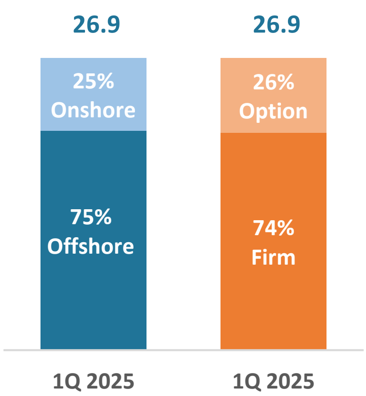
98%

in 1Q 2025
(equivalent to 1Q 2024)

Backlog by Geography
(1Q 2025)



Backlog Composition
1Q 2025 (SAR bn)



TRIR[3]

0.19

in 1Q 2025
(vs.IADC standard of 0.41)

Operational Developments

Sustaining world-class safety and operational excellence during global rig mobilizations

- The Group maintained a Total Recordable Injury Rate (TRIR) of 0.19 in 1Q 2025. It continued to outperform the IADC industry standard of 0.41, a testament to its integrated health and safety management frameworks.
- Utilization levels remained consistently high at 98% for 1Q 2025.
- The Group continued to deliver on its global mobilization plan for rigs previously operating in KSA, including three rigs that were deployed during FY 2024 in Qatar, Thailand, and Egypt, and ongoing preparations for new deployments over the coming months in Thailand, Nigeria and Brazil.
- In Kuwait, seven rigs operated fully during 1Q 2025, with three rigs undergoing contract preparation as part of the six-rig contract awarded in 2024—four of which were for existing units and two for newbuild rigs, all set to commence by 2Q-3Q 2025.
- In India, all three offshore rigs delivered full-quarter contributions in 1Q 2025, compared to 1Q 2024 where two operated fully and one began operating at the end of the quarter.
- In Southeast Asia, operations were strengthened by the 4Q 2024 acquisition of two premium rigs in Indonesia and Malaysia, alongside the relocation of Admarine 502 to Thailand and the Emerald rig to Indonesia.
- In Algeria and Tunisia, six rigs were operational during 1Q 2025, up from four in 1Q 2024, supporting increased activity levels across the region.
- The Group's operating fleet reached 66 rigs in 1Q 2025 compared to 75 rigs in 1Q 2024, reflecting a temporary net reduction of 9 units—at varying intervals and periods during the quarter. These include three rigs mobilized from Saudi Arabia for new contracts and three undergoing contract preparation in Kuwait; two onshore rigs moving from Egypt to Algeria and one onshore rig in Egypt preparing for a new contract; as well as two offshore rigs undergoing planned projects, one of which is bound for the latest award in Brazil. All rigs will commence operations once these deployments and contract preparations are completed.

Maintaining strong backlog momentum

- The Group's total backlog reached SAR 26.9 billion as of 31 March 2025, reflecting a revenue burn rate of SAR 1.47 billion and backlog additions during the quarter of SAR 148 million, including two contracts in Nigeria for Admarine 504 and 501, following their relocation from Saudi Arabia.
- As of 31 March 2025, the Group's weighted average remaining contract tenor stood at 5.0 years, reflecting a continued focus on securing long-term contracts to support revenue stability and business resilience.
- Yet to impact backlog figures are the following awards totaling SAR 2.08 billion, which were completed after the first quarter of 2025:
    - extensions in Egypt for three offshore jackup rigs;

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

- a long-term contract extension for an offshore jackup rig in Saudi Arabia;
- a long-term contract for Admarine 511 in Brazil that will be relocated from Saudi Arabia.

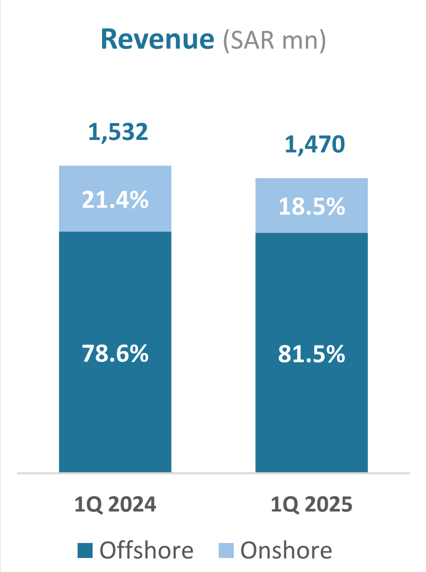
Unlocking new geographies and deepening strategic reach

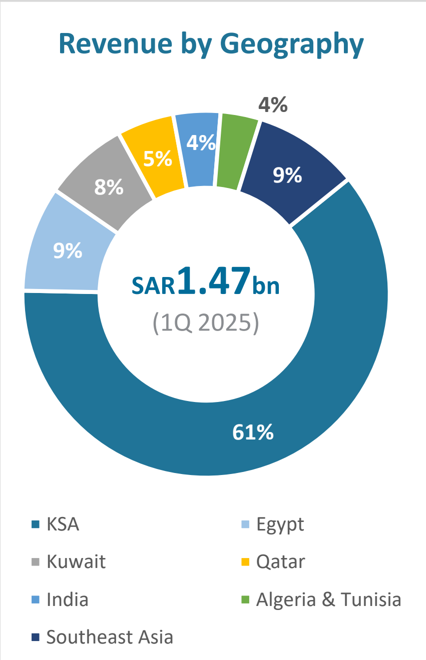
- In the first quarter of 2025 ADES secured two new awards in Nigeria, marking the Group's entry into the 11th country of operations and in line with its strategy to expand into West Africa alongside its existing robust presence in Southeast Asia and the Middle East. The new awards will be operated in collaboration with an in-country partner. Nigeria has significant potential in the oil and gas sector and strong prospects for increased demand for drilling rigs in the coming years, particularly in the offshore drilling segment. As such, ADES will continue to capitalize on the heightened tendering activity with an eye to secure a long-term presence for the recently awarded units.

- ADES continued to strengthen its global positioning in April 2025 by signing a 4.5-year tenor charter agreement for its premium jackup rig, Admarine 511, with Constellation to execute a contract with Petrobras in Brazil. Now the Group's 12th country of operation, Brazil represents a strategic expansion opportunity, offering a large and growing offshore market. The agreement reflects ADES' commitment to innovative and differentiated business models, with the majority of charter revenues expected to contribute directly to EBITDA and profitability. Admarine 511 is currently undergoing contract preparation works at ASRY yard in Bahrain, with operations in Brazil anticipated to commence in the fourth quarter of 2025.

- ADES also signed a 10-year contract renewal with Saudi Aramco in April 2025 for one of its standard offshore jackup rigs, reinforcing a longstanding relationship with the company and strengthening the Group's outlook and long-term positioning in its core KSA market. The contract adds significant revenue visibility and backlog sustainability, aligning with ADES' strategy to secure long-term engagements with strategic partners. The rig is currently fulfilling a medium-term contract in Egypt.

- Finally, ADES received notification of extension for the three offshore jackup rigs Admarine III, Admarine V, and Admarine VI with the General Petroleum Company in April 2025, further reinforcing its strong market position and enhancing backlog visibility. The extensions were signed at rates largely in line with ADES' existing contracts in Egypt, ensuring continued value generation from its operations in the country.





Financial Performance

- ADES reported a 4% y-o-y revenue decline in 1Q 2025 to SAR 1.47 billion, reflecting the temporary impact of lower activities as the Group prepares for new deployments and awards, namely, the ongoing deployment of three onshore rigs in Kuwait, and the mobilization of offshore rigs to Nigeria, Thailand, and Brazil, which were previously operating in KSA. Underlying operational momentum remained strong, supported by new revenue contributions from India, Southeast Asia, and Algeria, and increased contribution from ADES' production model in brownfields in Egypt.

Performance by Geography

SAR mn	1Q 2025	1Q 2024	Change
Saudi Arabia	898.8	1,105.8	-18.7%
Southeast Asia	137.5	-	-
Egypt	136.9	117.5	16.6%
Kuwait	109.6	152.0	-27.9%
Qatar	74.0	87.2	-15.1%
India	61.1	39.8	53.6%
Algeria & Tunisia	52.1	29.7	75.4%
Total	**1,470.1**	**1,532.1**	**-4.0%**

ADES' revenue performance in 1Q 2025 reflects sustained operational strength across existing markets and early contributions from new geographies, despite the transitional impact of strategic rig mobilizations.

- **Saudi Arabia** revenue dropped by 18.7% y-o-y, primarily due to the relocation of suspended rigs to other regions. Slightly reduced utilization levels in the onshore segment also contributed to the decline, along with lower move revenue during the period.

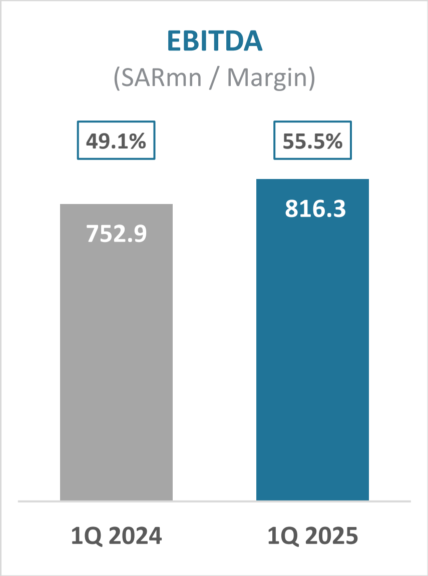
- **Southeast Asia** revenue totaled SAR 137.5 million during 1Q 2025, driven by contributions from the relocation of ADM 502 to Thailand and the Emerald rig to Indonesia, as well as the two premium rigs acquired from Vantage in Indonesia and Malaysia.

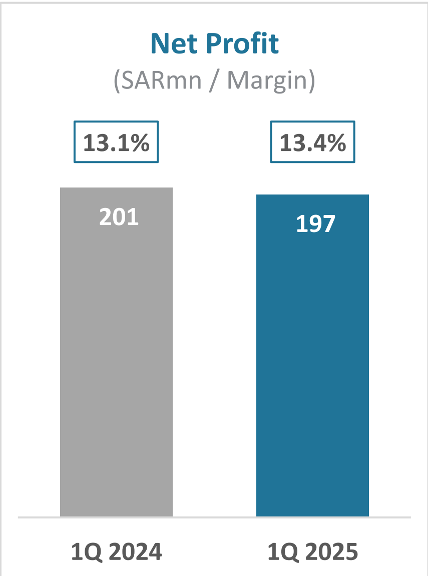
- **Egypt** revenue increased by 16.6% y-o-y, largely driven by incremental contributions from ADES' production model in brownfields during the quarter.

- **Kuwait** revenue declined by 27.9% y-oy, reflecting seven operating rigs during 1Q 2025 compared to ten in 1Q 2024. The three remaining rigs are undergoing contract preparation and are set to commence by 2Q-3Q 2025.

- **Qatar** revenue declined by 15.1% y-o-y, primarily driven by lower contribution from one offshore rig which underwent a scheduled project during the quarter. The remainder of the fleet maintained strong revenue performance throughout 1Q 2025.

- **India** revenue surged by 53.6% y-o-y, driven by full-quarter contributions from three offshore rigs during 1Q 2025, compared to two full and one late contributors in 1Q 2024.





- **Algeria and Tunisia** revenue grew substantially, recording a 75.4% y-o-y increase supported by a higher number of operating units, with six rigs contributing during 1Q 2025 compared to four rigs in 1Q 2024.

Performance by Segment

SAR mn	1Q 2025	1Q 2024	*Change*
Offshore			
Revenue	1,198.2	1,203.9	*-0.5%*
Gross Profit[4]	801.0	757.2	*5.8%*
Gross Profit Margin	*67%*	*63%*	*4pp*
Onshore			
Revenue	271.9	328.1	*-17%*
Gross Profit[4]	125.4	140.8	*-11%*
Gross Profit Margin	*46%*	*43%*	*3pp*

- Despite the suspensions in Saudi Arabia, the Group's offshore segment contracted by only 0.5% in 1Q 2025 compared to 1Q 2024, with the relative stability being driven by growing contributions from India and an expanded presence in Southeast Asia, including the two premium rigs acquired from Vantage, along with the relocation of ADM 502 to Thailand and the Emerald rig to Indonesia.

- The onshore segment was impacted by lower activity in Kuwait as three rigs undergo contract preparations; the mobilization of two rigs from Egypt to Algeria; along with the lower utilization and move revenues in Saudi Arabia.

- The offshore segment now represents 81.5% of total revenue in 1Q 2025, up from 78.6% in 1Q 2024. Higher effective daily rates and continued strong offshore profitability supported solid gross margins for the Group in 1Q 2025.

- Despite a slight decline in revenue, ADES delivered an **EBITDA** increase of 8.4% y-o-y in 1Q 2025, reaching SAR 816.3 million. EBITDA margin also expanded to 55.5% compared to 49.1% 1Q 2024. Growth was supported by an overall higher contribution from the Group's offshore activities along with better margins for the mobilized rigs in their new locations, as well as increased contribution from ADES' production model in Egyptian brownfields in light of healthy oil prices witnessed during 1Q-2025. EBITDA margin also reflects the absence of share-based payments expenses during the quarter and have benefited from the Group's lean cost structure.

- **Net profit** reached SAR 196.7 million for the period, down 2.1% despite the 4% decline in top-line, with net profit margin inching up to 13.4% compared to 13.1% in 1Q-2024. Margin stability despite stronger EBITDA performance reflects the higher ratio of depreciation and interest expense to revenue.

- **Operating cash flow** rose 2.2% y-o-y to SAR 801.9 million in 1Q 2025, compared to SAR 784.5 million in 1Q 2024. This reflects the Group's expanded scale of operations and steady EBITDA growth during the quarter.

[4] *Gross profit excludes depreciation.*

- Total **capital expenditure** in 1Q 2025 reached SAR 475.7 million, of which SAR 94.0 million were recurring maintenance CAPEX related to operating rigs during the quarter. This reflects a y-o-y decrease of 38.6% from SAR 774.2 million during 1Q 2024, out of which SAR 59.0 million were recurring maintenance CAPEX[5].

- **Net debt** stood at SAR 11,580 million as of 31 March 2025, compared to SAR 11,313 million at year-end 2024. The Group's net drawdowns during 1Q-2025 amounted to SAR 268 million. This reflects ADES' ability to fund its debt service obligations, taxes, and the majority of its CAPEX requirements through operating cash flow.

Outlook and Guidance

Looking ahead, ADES is well-positioned to deliver a strong performance in FY 2025, building on its transformative progress and proven global strategy. Building momentum after a transitional start to the year, the completion of deployments and contract preparations is expected to drive an acceleration in activity, reaffirming the Group's full-year outlook with an expected EBITDA of SAR 3.28-3.39 billion, implying an organic growth rate of approximately 8-12% year-over-year on account of continued operational growth, the ramp-up of recently deployed rigs and the Group's expanding regional presence. ADES continues to benefit from a resilient operating model, an increasingly diversified regional and global footprint, and robust financial flexibility, supporting its trajectory of sustained organic growth.

– Ends –

[5] *CAPEX includes SAR 18.2 million related to the outstanding consideration payable for the acquisition of the TOPAZ rig and shares of Rig Finance Ltd that were purchased in FY 2024.*

Results Documents

Documents related to the 1Q 2025 results can be found on ADES Holding Company's IR website section: investors.adesgroup.com

About ADES Holding

ADES Holding Company, headquartered in Al Khobar in the Kingdom of Saudi Arabia, is a world-leading international drilling services provider. The Company has over **8,000** employees and a fleet of **91** rigs across 12 countries, including **40** onshore drilling rigs, **48** jackup offshore drilling rigs, two jackup barges, and one mobile offshore production unit ("MOPU").

For more information, visit investors.adesgroup.com

For investor relation inquiries, please contact: investor.relations@adesgroup.com

Definitions and Abbreviations

Backlog	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.
Weighted Average Remaining Contract Tenor	Represents the remaining contract tenor for our backlog, weighted by backlog value of each contract.
EBITDA	EBITDA is the revenues from contracts with customers after deducting the cost of sales and general & administration expenses while adding back depreciation expense.
Utilization rate	The Group's calculation of the utilization rate refers to its measure of the extent to which contracted assets available in the area of operation generate revenue from customer contracts. The Group calculates these rates for each rig by dividing the days of utilization by the potential days of utilization. Utilization rates depend mainly on the Group's ability to maintain related equipment in working condition and its ability to obtain replacement parts and other spare parts. Since the utilization rate calculation mechanism does not include inactive rigs or those that are being refurbished or equipped, the reported utilization rate does not reflect the overall utilization of the Group's fleet, but only those active and contracted rigs.
Net Debt	Interest-bearing loans and borrowings, excluding lease liabilities and less cash on balance sheet.
IADC	International Association of Drilling Contractors.
Operating Costs	Cost of sales and general and administrative expenses, excluding the cost of depreciation.
TRIR	Total Recordable Injury Rate is calculated per 200,000 working hours.
Year over Year (YoY)	A measure of a company's growth in one time period with the same time period one year earlier.

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