

ADES HOLDING COMPANY
(A SAUDI LISTED JOINT STOCK COMPANY)
UNAUDITED INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE THREE AND SIX-MONTH PERIODS ENDED
30 JUNE 2025
WITH
INDEPENDENT AUDITOR'S REVIEW REPORT

ADES HOLDING COMPANY
(A Saudi Listed Joint Stock Company)
UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE SIX- MONTH PERIOD ENDED 30 JUNE 2025

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KPMG Professional Services Company

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Commercial Registration No 2051062328

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

الطابق ١٦، برج البرعش
٦١٨٩ طريق الأمير تركي، الكرنيش
ص.ب ٤٨٠٣
الخير ٣١٤٦ - ٣٤٤١٢
المملكة العربية السعودية
سجل تجاري رقم ٢٠٥١٠٦٢٣٢٨

المركز الرئيسي في الرياض

Independent auditor's report on review of interim condensed consolidated financial statements

To the Shareholders of ADES Holding Company (A Saudi Listed Joint Stock Company)

Introduction

We have reviewed the accompanying 30 June 2025 interim condensed consolidated financial statements of **ADES Holding Company** ("the Company") and its subsidiaries ("the Group"), which comprises:

- the condensed consolidated statement of financial position as at 30 June 2025;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2025;
- the condensed consolidated statement of changes in equity for the six-month period ended 30 June 2025;
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2025; and
- the notes to the interim condensed consolidated financial statements.

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG Professional Services Company, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with a paid-up capital of SAR110,000,000 and a non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. Commercial Registration of the headquarters in Riyadh is 1010425494.

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية، شركة مهنية مساهمة مغلقة، مسجلة في المملكة العربية السعودية، رأس مالها (١١٠,٠٠٠,٠٠٠) ريال سعودي مدفوع بالكامل، وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة التابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان. رقم السجل التجاري للمركز الرئيسي في الرياض هو ١٠١٠٤٢٥٤٩٤.

Independent auditor's report on review of interim condensed consolidated financial statements

To the Shareholders of ADES Holding Company (A Saudi Listed Joint Stock Company) (continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2025 interim condensed consolidated financial statements of ADES Holding Company ("the Company") and its subsidiaries are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

Other Matter Comparative Information

The interim condensed consolidated financial statements of the Group for the three-month and six-month period ended 30 June 2024, were reviewed by another auditor who expressed an unmodified conclusion on those interim condensed consolidated financial statements on 6 August 2024.

The interim condensed consolidated financial statements of the Group for the three-month period ended 31 March 2025 were reviewed by another auditor who expressed an unmodified conclusion on those interim condensed consolidated financial statements on 4 May 2025.

Furthermore, the consolidated financial statements of the Group as at and for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 3 March 2025.

KPMG Professional Services Company



Mohammed Najeeb Alkhelaiwi
License no. 481



Al Khobar, 9 Safar, 1447H

Corresponding to 03 August 2025G

ADES HOLDING COMPANY

(A SAUDI LISTED JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 30 JUNE 2025**

(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

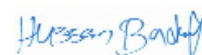
	Notes	30 June 2025 (Unaudited) SAR'000	31 December 2024 (Audited) SAR'000
ASSETS			
Non-current assets			
Property and equipment	8	18,279,253	17,567,622
Intangible assets		3,515	3,956
Right-of-use assets		479,431	494,146
Derivative financial instruments	14	23,604	61,850
Prepayments and other receivables		114,257	215,186
Investments in joint venture		31,176	25,416
Total non-current assets		18,931,236	18,368,176
Current assets			
Inventories	7	587,044	527,273
Trade receivables		892,821	857,833
Contract assets		538,577	524,671
Prepayments and other receivables		462,904	502,391
Due from a related party	12	1,223	1,223
Investments at fair value through other comprehensive income (FVOCI)	14	89,248	102,936
Cash and cash equivalents	6	797,004	744,187
Total current assets		3,368,821	3,260,514
TOTAL ASSETS		22,300,057	21,628,690
EQUITY AND LIABILITIES			
Equity			
Share capital	10	1,129,063	1,129,063
Share premium	10	2,890,367	2,890,367
Treasury shares	10	(28,127)	(28,127)
Cash flow hedge reserve		16,713	52,167
Fair value reserve of financial assets at FVOCI		(10,308)	2,381
Share-based payment reserve		119	119
Retained earnings		2,587,373	2,446,821
Equity attributable to equity holders of the parent		6,585,200	6,492,791
Non-controlling interests		50,796	45,193
Total equity		6,635,996	6,537,984
Liabilities			
Non-current liabilities			
Interest-bearing loans and borrowings	9	11,198,382	10,725,356
Lease liabilities		314,064	352,374
Provisions		208,145	188,571
Deferred revenue		552,568	679,962
Deferred tax, net		116,396	94,068
Total non-current liabilities		12,389,555	12,040,331

ADES HOLDING COMPANY
(A SAUDI LISTED JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2025
(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

	Notes	30 June 2025 (Unaudited) SAR'000	31 December 2024 (Audited) SAR'000
Current liabilities			
Trade and other payables		1,373,080	1,270,308
Deferred revenue		352,365	358,976
Income tax and zakat accrual	5	43,253	82,468
Interest-bearing loans and borrowings	9	1,498,617	1,331,334
Provisions		7,191	7,289
Total current liabilities		3,274,506	3,050,375
Total liabilities		15,664,061	15,090,706
TOTAL EQUITY AND LIABILITIES		22,300,057	21,628,690



Dr. Mohamed Farouk
Vice Chairman



Hussein Badawy
Chief Financial Officer

The accompanying notes 1 through 17 form an integral part of these interim condensed consolidated financial statements.

ADES HOLDING COMPANY

(A SAUDI LISTED JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE AND SIX-MONTH PERIOD ENDED 30 JUNE 2025**

(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

	Notes	Three months period ended		Six months period ended	
		30 June 2025 (Unaudited) SAR'000	30 June 2024 (Unaudited) SAR'000	30 June 2025 (Unaudited) SAR'000	30 June 2024 (Unaudited) SAR'000
Revenue	4	1,578,826	1,525,287	3,048,964	3,057,357
Cost of revenue		(985,993)	(951,263)	(1,865,947)	(1,880,647)
Gross profit		592,833	574,024	1,183,017	1,176,710
General and administrative expenses		(105,341)	(101,960)	(219,920)	(210,515)
End of service employment benefits		(17,256)	(14,696)	(28,919)	(28,339)
Share-based payments expense		-	(32,724)	-	(73,387)
Finance costs, net		(218,632)	(181,139)	(436,350)	(380,592)
Other (expenses)/income, net		(6,178)	489	(15,485)	(8,526)
Profit for the period before income tax and zakat		245,426	243,994	482,343	475,351
Income tax and zakat expenses	5	(53,744)	(41,868)	(93,982)	(72,377)
Profit for the period		191,682	202,126	388,361	402,974
Attributable to:					
Equity holders of the Parent		188,603	198,470	382,758	395,831
Non-controlling interests		3,079	3,656	5,603	7,143
		191,682	202,126	388,361	402,974
Earnings per share basic and diluted attributable to equity holders of the parent (In SAR per share)	11	0.17	0.18	0.35	0.36
OTHER COMPREHENSIVE (LOSS) / INCOME					
<i>Other comprehensive (loss) / income that may be reclassified to profit or loss in subsequent periods (net of any tax)</i>					
Net (loss)/gain on cash flow hedge		(14,037)	(9,863)	(35,454)	56,674
<i>Other comprehensive (loss) / income that will not be reclassified to profit or loss in subsequent periods (net of any tax)</i>					
Net (loss) / gain on equity instruments designated at fair value through other comprehensive income		(8,267)	1,870	(12,689)	1,870
Other comprehensive (loss) / income for the period, net of tax		(22,304)	(7,993)	(48,143)	58,544
Total comprehensive income for the period, net of tax		169,378	194,133	340,218	461,518
Attributable to:		166,299	190,477	334,615	454,375
Equity holders of the Parent		3,079	3,656	5,603	7,143
Non-controlling interests		169,378	194,133	340,218	461,518

The accompanying notes 1 through 17 form an integral part of these interim condensed consolidated financial statements.

ADES HOLDING COMPANY
(A SAUDI LISTED JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

	Attributable to the equity holders of the parent									
	Share capital SAR'000	Share Premium SAR'000	Treasury shares SAR'000	Fair value reserve of financial assets at FVOCI SAR'000	Cash flow hedge reserve SAR'000	Retained earnings SAR'000	Share based payment reserve SAR'000	Total SAR'000	Non-controlling interest SAR'000	Total equity SAR'000
Balance at 1 January 2025 – Audited	1,129,063	2,890,367	(28,127)	2,381	52,167	2,446,821	119	6,492,791	45,193	6,537,984
<i>Profit for the period (Unaudited)</i>	-	-	-	-	-	382,758	-	382,758	5,603	388,361
Other comprehensive loss (Unaudited)	-	-	-	(12,689)	(35,454)	-	-	(48,143)	-	(48,143)
Total comprehensive (loss) / income for the period	-	-	-	(12,689)	(35,454)	382,758	-	334,615	5,603	340,218
<i>Dividends to shareholders (note 15)</i>	-	-	-	-	-	(242,206)	-	(242,206)	-	(242,206)
Balance at 30 June 2025 (Unaudited)	1,129,063	2,890,367	(28,127)	(10,308)	16,713	2,587,373	119	6,585,200	50,796	6,635,996

	Attributable to the equity holders of the parent									
	Share capital SAR'000	Share Premium SAR'000	Treasury shares SAR'000	Fair value reserve of financial assets at FVOCI SAR'000	Cash flow hedge reserve SAR'000	Retained earnings SAR'000	Share based payment reserve SAR'000	Total SAR'000	Non-controlling interest SAR'000	Total equity SAR'000
Balance at 1 January 2024 – Audited	1,129,063	2,890,367	(33,872)	-	41,150	1,721,532	-	5,748,240	28,667	5,776,907
<i>Profit for the period (Unaudited)</i>	-	-	-	-	-	395,831	-	395,831	7,143	402,974
Other comprehensive income (Unaudited)	-	-	-	1,870	56,674	-	-	58,544	-	58,544
Total comprehensive income for the period	-	-	-	1,870	56,674	395,831	-	454,375	7,143	461,518
<i>Share-based payments</i>	-	-	-	-	-	-	73,387	73,387	-	73,387
<i>Exercise of employee's stock</i>	-	-	1,827	-	-	35,115	(36,942)	-	-	-
Balance at 30 June 2024 (Unaudited)	1,129,063	2,890,367	(32,045)	1,870	97,824	2,152,478	36,445	6,276,002	35,810	6,311,812

The accompanying notes 1 through 17 form an integral part of these interim condensed consolidated financial statements.

ADES HOLDING COMPANY
(A SAUDI LISTED JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

	Notes	30 June 2025 (Un-audited) SAR'000	30 June 2024 (Un-audited) SAR'000
Cash flows from operating activities			
Profit for the period before income tax and zakat		482,343	475,351
<i>Adjustments for:</i>			
Depreciation of property and equipment	8	604,074	523,049
Depreciation of right of use assets	8	106,849	90,198
Amortization of intangible assets	8	526	413
End of service employment benefits		28,919	28,339
Share-based payments expense		-	73,387
Finance costs, net		436,350	380,592
Dividend received from financial assets at FVTOCI	14-b	(2,431)	-
Share of results of investment in a joint venture		(5,760)	-
		<u>1,650,870</u>	<u>1,571,329</u>
Changes in working capital			
Inventories		(59,771)	(86,026)
Trade receivable		(34,988)	67,565
Contract assets		(13,906)	(31,417)
Prepayments and other receivables		(162,686)	42,459
Trade and other payables		31,533	(92,268)
Deferred revenue		(134,005)	290,332
Cash flows generated from operating activities		<u>1,277,047</u>	<u>1,761,974</u>
Income tax and zakat paid	5	(107,078)	(53,601)
Provisions paid		(9,441)	(8,923)
Net cash flows generated from operating activities		<u>1,160,528</u>	<u>1,699,450</u>
Investing activities			
Purchase of property and equipment		(948,920)	(1,474,985)
Purchase of intangible assets		(84)	(470)
Payment of the consideration payable for acquisitions*		(18,222)	-
Dividend received from equity instruments	14-b	2,431	-
Purchase of financial instruments		-	(100,368)
Net cash flows used in investing activities		<u>(964,795)</u>	<u>(1,575,823)</u>
Financing activities			
Proceeds from loans and borrowings	9	1,322,387	1,316,179
Repayment of loans and borrowings	9	(693,478)	(648,553)
Finance cost paid, net		(415,735)	(358,080)
Payment of lease liabilities		(113,884)	(97,308)
Dividend payments to equity holders of the parent	15	(242,206)	-
Net cash flows (used in) / generated from financing activities		<u>(142,916)</u>	<u>212,238</u>
Net increase in cash and cash equivalents		<u>52,817</u>	<u>335,865</u>
Cash and cash equivalents at beginning of period	6	<u>744,187</u>	<u>432,282</u>
Cash and cash equivalents at the end of the period	6	<u>797,004</u>	<u>768,147</u>

*This amount is related to the outstanding consideration payable for the acquisition of the Topaz rig and shares of Rig Finance Ltd that were purchased in 2024 and disclosed in the annual financial statements for the year ended 31 December 2024.

The accompanying notes 1 through 17 form an integral part of these interim condensed consolidated financial statements.

ADES HOLDING COMPANY

(A SAUDI LISTED JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025**

(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

1. ORGANIZATION AND ACTIVITIES

ADES Holding Company (the “Company” or the “Parent Company”) was incorporated on 28 December 2022 as a mixed closed joint stock company limited under Saudi laws. ADES Investment Holding Ltd is the ultimate controlling party (the “ultimate controlling party”) of the Company. The Company and its subsidiaries together are referred as the “Group”.

The Group’s head office is located at 7429 Prince Turki Street, Corniche District, Al Khobar, Kingdom of Saudi Arabia.

The Company licensed under foreign investment license number 122114405178894 issued by the Ministry of Investment on 11 Jumada al-Awal 1444H (corresponding to 5 December 2022G) and operating under commercial registration number 2051245446 and unified identification number 7032464070 dated 4 Jumada al-Thani 1444H corresponding to 28 December 2022G).

On 1 Sha’ban 1445H (corresponding to 11 February 2024G), the Company status changed from mixed joint company to listed joint stock company.

On 26 Rabi ul Awal 1445H (corresponding to 11 October 2023G), the Company completed its Initial Public Offering (“IPO”), and its ordinary shares were listed on the Saudi Stock Exchange (“Tadawul”).

<i>Shareholder</i>	As of 30 June 2025			As of 31 December 2024		
	No. of shares’000	Ownership	Nominal value SAR’000	No. of shares’000	Ownership	Nominal value SAR’000
ADES Investments Holding Limited	412,277	36.50%	412,277	412,277	36.50%	412,277
The Public Investment Fund of the Kingdom of Saudi Arabia	268,548	23.80%	268,548	268,548	23.80%	268,548
Zamil Group Investment Company	75,647	6.70%	75,647	75,647	6.70%	75,647
Free Float	344,464	30.5%	344,464	344,464	30.5%	344,464
Treasury Shares	28,127	2.5%	28,127	28,127	2.5%	28,127
	1,129,063	100%	1,129,063	1,129,063	100%	1,129,063

The interim condensed consolidated financial statements were authorised for issue on 9 Safar 1447H (corresponding to 3 August 2025G) by the Board of Directors.

The Group is a leading oil and gas drilling and production services provider in the Middle East, Africa and Southeast Asia. The Group services primarily include offshore and onshore contract drilling and production services. The Group currently operates in Egypt, Algeria, Malaysia, Kuwait, Tunisia, Qatar, India, Indonesia, Thailand, Nigeria and the Kingdom of Saudi Arabia. The Group’s offshore services include drilling and workover services and Mobile Offshore Production Unit (MOPU) production services, as well as accommodation, catering, and other barge-based support services. The Group’s onshore services primarily encompass drilling and work over services. The Group also provides projects services, which mainly includes oil field enhancement (exploration and production).

ADES HOLDING COMPANY
(A SAUDI LISTED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

1. ORGANIZATION AND ACTIVITIES (continued)

The interim condensed consolidated financial statements of the Group include activities of the following subsidiaries:

Name	Principal activities	Country of incorporation	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Advanced Energy Systems (ADES) (S.A.E) ¹	Oil & gas drilling and production services	Egypt	100%	100%
ADES Saudi Limited Company ²	Oil and gas drilling and production services	KSA	100%	100%
Precision Drilling Company ³	Holding company	Cyprus	100%	100%
Kuwait Advanced Drilling Services	Leasing of rigs	Cayman	100%	100%
Prime innovations for Trade S.A. E	Trading	Egypt	100%	100%
ADES International for Drilling	Leasing of rigs	Cayman	100%	100%
AG training	Training	Egypt	70%	70%
Advanced Transport Services	Leasing of transportation equipment	Cayman	100%	100%
Advanced Drilling Services	Trading	Cayman	100%	100%
ADES for Drilling Services Ltd ⁴	Extracting & drilling equipment & machinery rental	UAE	100%	100%
ADES International Holding Ltd	Holding company	UAE	100%	100%
Emerald Driller Company ⁵	Production services oil and gas drilling and production services	Cayman	100%	100%
ADES Drilling Services I Ltd	Leasing of rigs	Bermuda	100%	100%
ADES Drilling Services II Ltd	Leasing of rigs	Bermuda	100%	100%
ADES Drilling Services III Ltd	Leasing of rigs	Bermuda	100%	100%
ADES Advanced Drilling Services Ltd ⁶	Leasing of rigs	Liberia	100%	100%
ADES Drilling Services IV Ltd	Leasing of rigs	Bermuda	100%	100%
ADES Drilling Services V Ltd	Leasing of rigs	Bermuda	100%	100%
ADES Drilling Services Ltd ⁷	Leasing of rigs	Bermuda	100%	100%
ADES GCC For Drilling Ltd ⁸	Oil and gas drilling and production services	Bermuda	100%	100%
ADES Drilling Services Cyprus Ltd.	Oil and gas drilling services	Cyprus	100%	100%
PT ADES Drilling Indonesia	Petroleum oil and natural gas mining supporting activities	Indonesia	100%	100%
RIG FINANCE LTD ⁹	Leasing of rigs	Bermuda	100%	100%
ADRES HR Solution LTD	HR Services	Egypt	60%	60%

The Group holds investment in Egyptian Chinese Drilling Company (ECDC) (Joint Venture) which is accounted for using the equity method of accounting in these interim condensed consolidated financial statements.

- 1 Advanced Energy Systems (ADES) (S.A.E) has branches in Algeria, India, UAE and Iraq.
- 2 ADES Saudi limited Company acquired 8 subsidiaries from Seadrill.
- 3 Precision Drilling Company holds a 47.5% interest in United Precision Drilling Company W.L.L, a Kuwait entity which handles the operations of the rigs in Kuwait.
- 4 ADES for Drilling Services Ltd set up a branch in Tunisia in 2021 and Thailand in 2024, and had changed its name from ADES Holding for Drilling Services Ltd.
- 5 Emerald Driller Company has a Branch in Qatar which handles operations in the country.
- 6 ADES Advanced Drilling Services Ltd has a branch in Congo.
- 7 ADES Drilling Services Ltd. has a branch in Indonesia.
- 8 ADES GCC For Drilling Ltd has a branch in KSA.
- 9 Rig Finance Ltd has a branch in Indonesia.

2. MATERIAL ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (IAS 34) that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants (“SOCPA”) (collectively referred to “IFRS as endorsed in KSA”).

The interim condensed consolidated financial statements have been prepared under the historical cost basis, except for derivative financial instruments carried at fair value which includes interest rate swap contracts designated as hedging instruments and investment at fair value through other comprehensive income.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statement and should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 December 2024.

The interim condensed consolidated financial statements are presented in thousands Saudi Arabian Riyal (“SAR’000”). SAR is the functional currency and presentation currency of the Group.

2.2 NEW STANDARDS AND INTERPRETATIONS

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the ADES Holding Group’s consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards and interpretations as of 1 January 2025.

New and amended standards adopted by the Group:

- Lack of exchangeability – Amendments to IAS 21, effective for annual periods beginning on or after 1 January 2025.

The aforementioned new amendment did not have any impact on the Interim Condensed Consolidated Financial Statements of the Group.

New standards and interpretations not yet adopted:

The Group has not early adopted the following new and revised standards that have been issued but are not yet effective:

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures, effective for annual periods beginning on or after 1 January 2026;
- Annual Improvements to IFRS Accounting Standards – Amendments to:
 - IFRS 1 First-time Adoption of International Financial Reporting Standards;
 - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
 - IFRS 9 Financial Instruments;
 - IFRS 10 Consolidated Financial Statements; and
 - IAS 7 Statement of Cash flows, effective for annual periods beginning on or after 1 January 2026;
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7, effective for annual periods beginning on or after 1 January 2026;
- IFRS 18 Presentation and Disclosure in Financial Statements, effective for annual periods beginning on or after 1 January 2027;
- IFRS 19 Subsidiaries without Public Accountability: Disclosures, effective for annual periods beginning on or after 1 January 2027;
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, the effective date for these amendments was deferred indefinitely. Early adoption continues to be permitted.

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3. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer (CEO) that are used to make strategic decisions. As operationally, the Group is only in the oil and gas production and drilling services, the CEO considers the business from a geographic perspective and has identified eight geographical segments covering eleven countries (31 December 2024: Seven geographical segments covering nine countries). Management monitors the operating results of its segments separately for the purpose of making decisions about resource allocation and performance assessment.

<i>Segment</i>	<i>Egypt</i>	<i>Algeria &</i>	<i>Kingdom of</i>				<i>Southeast</i>		<i>Total</i>		<i>Adjustments and</i>	<i>Total</i>
<i>SAR'000</i>	<i>SAR'000</i>	<i>Saudi Arabia</i>	<i>Kuwait</i>	<i>Qatar</i>	<i>India</i>	<i>Asia*****</i>	<i>Nigeria</i>	<i>Segments</i>	<i>Corporate</i>	<i>Elimination***</i>	<i>SAR'000</i>	<i>SAR'000</i>
For the six months period ended 30 June 2025												
Revenue												
External customers	294,138	99,921	1,817,011	257,794	174,734	119,564	279,189	6,613	3,048,964	-	-	3,048,964
Inter-segment ***	203,450	-	34,563	-	36,822	-	-	-	274,835	-	(274,835)	-
Total Revenue	497,588	99,921	1,851,574	257,794	211,556	119,564	279,189	6,613	3,323,799	-	(274,835)	3,048,964
Income/(expenses)												
Cost of revenue*	(81,902)	(72,127)	(646,752)	(139,578)	(87,215)	(46,410)	(87,710)	(2,110)	(1,163,804)	-	-	(1,163,804)
General and administrative expenses	(19,602)	(8,872)	(118,386)	(19,895)	(7,523)	(7,672)	(7,773)	(56)	(189,779)	(30,141)	-	(219,920)
Finance costs (net)	(18,206)	(4,538)	(366,353)	(19,383)	(7,674)	(6,212)	(12,982)	(281)	(435,629)	(721)	-	(436,350)
Depreciation and amortization	(48,168)	(24,744)	(441,800)	(92,002)	(21,164)	(18,335)	(33,722)	(22,208)	(702,143)	-	-	(702,143)
Other expenses (net)**	3,308	(7,981)	(54,913)	(12,509)	(6,596)	(5,852)	(24,663)	(16)	(109,222)	(29,164)	-	(138,386)
Segment profit / (loss)	129,568	(18,341)	188,807	(25,573)	44,562	35,083	112,339	(18,058)	448,387	(60,026)	-	388,361
Total Assets as at 30 June 2025 (i)	3,938,717	729,605	11,203,114	2,669,152	1,099,091	136,930	2,030,151	-	21,806,760	493,297	-	22,300,057
Total Liabilities as at 30 June 2025	2,348,653	446,651	9,146,800	1,558,333	1,194,647	98,807	842,925	-	15,636,816	27,245	-	15,664,061
Other Segment information												
Capital expenditure as at 30 June 2025 (i)	35,834	51,050	361,969	660,136	23,030	8,129	23,104	152,453	1,315,705	-	-	1,315,705

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3. SEGMENT INFORMATION (Continued)

<i>Segment</i>	<i>Egypt</i>	<i>Algeria and Tunisia</i>	<i>Kingdom of Saudi Arabia</i>	<i>Kuwait</i>	<i>Qatar</i>	<i>India</i>	<i>Indonesia</i>	<i>Total Segments</i>	<i>Corporate</i>	<i>Adjustments and Elimination***</i>	<i>Total</i>
	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>
For the six months period ended 30 June 2024											
Revenue											
External customers	224,733	85,992	2,170,006	319,007	152,083	98,780	6,756	3,057,357	-	-	3,057,357
Inter-segment ***	227,079	-	-	2,850	-	-	-	229,929	-	(229,929)	-
Total Revenue	451,812	85,992	2,170,006	321,857	152,083	98,780	6,756	3,287,286	-	(229,929)	3,057,357
Income/(expenses)											
Cost of revenue*	(76,682)	(50,435)	(874,999)	(152,523)	(77,959)	(39,552)	(2,909)	(1,275,059)	-	-	(1,275,059)
General and administrative expenses	(11,889)	(6,954)	(127,944)	(21,086)	(9,505)	(6,427)	(547)	(184,352)	(26,163)	-	(210,515)
Finance costs (net)	(19,995)	(3,678)	(324,737)	(19,589)	(5,405)	(5,167)	(496)	(379,067)	(1,525)	-	(380,592)
Depreciation and amortization****	(44,432)	(12,212)	(438,120)	(78,310)	(17,085)	(14,072)	(1,357)	(605,588)	-	-	(605,588)
Other expenses (net)**	(1,592)	(2,478)	(46,801)	(14,675)	(4,393)	(5,333)	(701)	(75,973)	(106,656)	-	(182,629)
Segment Profit/(Loss)	70,143	10,235	357,405	32,824	37,736	28,229	746	537,318	(134,344)	-	402,974
Total Assets as at 30 June 2024 (i)	3,827,865	585,810	12,278,561	2,174,593	1,039,577	160,330	52,751	20,119,487	441,401	-	20,560,888
Total Liabilities as at 30 June 2024	1,365,461	148,797	11,793,264	548,522	238,554	108,375	3,680	14,206,653	42,423	-	14,249,076
Other Segment information Capital expenditure as at 30 June 2024 (i)	22,512	101,100	780,455	99,741	13,887	109,180	-	1,126,875	-	-	1,126,875

(i) Management presents the assets in the segment which holds such assets, while the capital expenditure is presented in the segment where such assets are utilised.

* Excluding depreciation and amortisation.

** Other expenses (net) includes end of service employment benefits, other income/(expenses) (net), income and zakat tax expense, share based payment expense and tax provision.

*** Inter-segment revenues and other adjustments are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column.

**** Depreciation and amortisation recorded under cost of revenue.

***** Southeast Asia includes (Indonesia, Thailand and Malaysia).

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4. REVENUES

	<i>For the three-month period ended</i>		<i>For the six-month period ended</i>	
	<i>30 June 2025</i>	<i>30 June 2024</i>	<i>30 June 2025</i>	<i>30 June 2024</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>
<u>Revenue from customer contracts</u>				
Units operations	1,426,913	1,468,954	2,777,595	2,948,175
Catering services	36,052	36,028	72,401	70,440
Projects income*	51,503	6,609	97,725	8,592
Others	37,235	13,696	52,590	29,075
<u>Revenue from lease</u>				
Revenue from lease	27,123	-	48,653	1,075
	1,578,826	1,525,287	3,048,964	3,057,357

Refer Note 3 for segment disclosure. The primary operational revenue stream is drilling services (units operations) and the revenue is recognised over time.

*Project income, which is recognized overtime, primarily relates to the oilfield enhancement (exploration and production) agreement in Egypt.

5. INCOME TAX AND ZAKAT**Interim condensed consolidated statement of comprehensive income:**

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	<i>30 June 2025</i>	<i>30 June 2024</i>	<i>30 June 2025</i>	<i>30 June 2024</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>
Current income tax expense	24,880	7,944	38,936	21,738
Zakat expense	13,967	24,324	28,927	43,930
Deferred tax charge	14,897	9,600	26,119	6,709
	53,744	41,868	93,982	72,377

Interim condensed consolidated statement of financial position:

	<i>30 June 2025 (Unaudited) SAR'000</i>	<i>31 December 2024 (Audited) SAR'000</i>
Income tax and zakat accrual		
Opening balance	82,468	30,218
Charge for the period/year	67,863	126,064
Paid during the period/year	(107,078)	(73,814)
Ending balance	43,253	82,468

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6. CASH AND CASH EQUIVALENTS

	<i>30 June 2025 (Unaudited) SAR'000</i>	<i>31 December 2024 (Audited) SAR'000</i>
Bank balances	796,560	743,803
Cash on hand	444	384
	<u>797,004</u>	<u>744,187</u>

7. INVENTORIES

	<i>30 June 2025 (Unaudited) SAR'000</i>	<i>31 December 2024 (Audited) SAR'000</i>
Spare parts, supplies and consumables at:		
Offshore rigs	435,519	387,356
Warehouse and yards	101,342	90,685
Onshore rigs	50,183	49,232
	<u>587,044</u>	<u>527,273</u>

As at 30 June 2025, the inventories are stated net of provision for impairment of inventory of SAR 98,253 thousand (31 December 2024: SAR 98,253 thousand).

	<i>30 June 2025 (Unaudited) SAR'000</i>	<i>31 December 2024 (Audited) SAR'000</i>
Beginning balance	98,253	65,797
Charge for the period / year	-	1,401
Acquired as part of business combinations	-	33,328
Write off during the period / year	-	(2,273)
	<u>98,253</u>	<u>98,253</u>

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8. PROPERTY AND EQUIPMENT

	Rigs	Furniture and fixtures	Drilling pipes	Tools	Assets under construction	IT equipment	Motor vehicles	Leasehold improvement	Buildings	Leasehold Land	Total
	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000
Cost:											
As at 1 January 2025	18,712,639	18,674	158,663	631,259	458,949	15,036	3,097	694,330	34,450	58,478	20,785,575
Additions	260,278	146	285	42,127	1,011,164	45	-	1,660	-	-	1,315,705
Transfers	804,611	-	13,084	65,432	(884,887)	1,430	266	64	-	-	-
As at 30 June 2025	19,777,528	18,820	172,032	738,818	585,226	16,511	3,363	696,054	34,450	58,478	22,101,280
Accumulated depreciation and impairment:											
As at 1 January 2025	(2,651,702)	(5,700)	(110,038)	(231,014)	(2,870)	(9,186)	(2,095)	(203,945)	(1,403)	-	(3,217,953)
Depreciation	(484,390)	(1,138)	(9,514)	(41,592)	-	(1,044)	(305)	(65,121)	(970)	-	(604,074)
As at 30 June 2025	(3,136,092)	(6,838)	(119,552)	(272,606)	(2,870)	(10,230)	(2,400)	(269,066)	(2,373)	-	(3,822,027)
Net book value:											
At 30 June 2025	16,641,436	11,982	52,480	466,212	582,356	6,281	963	426,988	32,077	58,478	18,279,253
At 31 December 2024	16,060,937	12,974	48,625	400,245	456,079	5,850	1,002	490,385	33,047	58,478	17,567,622

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8. PROPERTY AND EQUIPMENT (Continued)

	Rigs SAR'000	Furniture and fixtures SAR'000	Drilling pipes SAR'000	Tools SAR'000	Assets under construction SAR'000	IT equipment SAR'000	Motor vehicles SAR'000	Leasehold improvement SAR'000	Buildings SAR'000	Leasehold land SAR'000	Total SAR'000
<u>Cost:</u>											
As at 1 January											
2024	13,979,466	17,156	148,545	502,983	2,944,280	11,185	2,235	636,229	20,078	58,478	18,320,635
Additions	736,664	1,306	6,374	27,700	303,952	995	298	49,586	-	-	1,126,875
Transfers	2,905,891	-	-	28,034	(2,933,925)	-	-	-	-	-	-
As at 30 June 2024	17,622,021	18,462	154,919	558,717	314,307	12,180	2,533	685,815	20,078	58,478	19,447,510
<u>Accumulated depreciation and impairment:</u>											
As at 1 January											
2024	(1,826,169)	(3,421)	(85,797)	(173,546)	(2,870)	(6,276)	(1,669)	(71,103)	-	-	(2,170,851)
Depreciation	(414,939)	(1,139)	(12,153)	(26,596)	-	(909)	(145)	(66,556)	(612)	-	(523,049)
As at 30 June 2024	(2,241,108)	(4,560)	(97,950)	(200,142)	(2,870)	(7,185)	(1,814)	(137,659)	(612)	-	(2,693,900)
Net book value:											
At 30 June 2024	15,380,913	13,902	56,969	358,575	311,437	4,995	719	548,156	19,466	58,478	16,753,610

Most of the rigs are pledged to the lenders (banks) against loans and borrowings (note 9).

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8. PROPERTY AND EQUIPMENT (Continued)

Allocation of depreciation charge:

Depreciation and amortization charge is allocated as follows:

	<i>30 June 2025</i> <i>(Unaudited)</i> <i>SAR'000</i>	<i>30 June 2024</i> <i>(Unaudited)</i> <i>SAR'000</i>
Cost of revenue	702,143	605,588
General and administrative expenses	9,306	8,072
Total depreciation and amortization charge*	711,449	613,660

*Total depreciation and amortization charge for the period includes depreciation of property and equipment of SAR 604,074 thousand (30 June 2024: SAR 523,049 thousand), amortization of intangible assets and depreciation of right of use assets of SAR 526 thousand (30 June 2024: SAR 413 thousand) and SAR 106,849 thousand (30 June 2024: SAR 90,198 thousand) respectively.

Assets under construction and transfers:

Assets under construction represents the amounts that are incurred for any purpose of upgrading and refurbishing property and equipment until it is ready to be used in the operation and amount paid for new rigs purchased that are not ready for use. Assets under construction will mainly be transferred to 'Rigs', 'Tools' of the property and equipment after completion. During the six-month period ended 30 June 2025, the Group completed capital projects for the amount of SAR 884,887 thousand (31 December 2024: SAR 3,197,645 thousand) and transferred to the relevant asset categories.

During the six months period ended 30 June 2025, the Group capitalized borrowing costs of SAR 14,766 thousand (30 June 2024: SAR 6,525 thousand) that are related to the capital refurbishment projects of the rigs that require substantial time to prepare such rigs for their intended use. The rate used to determine the amount of borrowing costs eligible for capitalisation was 6.39% (30 June 2024: 7.39%, 31 December 2024: 7.35%) which is the effective interest rate of the related borrowings.

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9. INTEREST BEARING LOANS AND BORROWINGS

		<i>30 June 2025 (Unaudited) SAR'000</i>	<i>31 December 2024 (Audited) SAR'000</i>
Opening balance		12,056,690	10,349,698
Borrowings drawn during the period/year		1,322,387	3,193,562
Borrowings repaid during the period/year		(693,478)	(1,427,773)
Amortised/(Unamortised) arrangement fees, net		11,400	(58,797)
		12,696,999	12,056,690
Current		1,498,617	1,331,334
Non-current		11,198,382	10,725,356
		12,696,999	12,056,690
<i>Type</i>	<i>Original tenor</i>	<i>30 June 2025 (Unaudited) SAR'000</i>	<i>31 December 2024 (Audited) SAR'000</i>
Current loans and borrowings			
Loan 1 Syndication Facility A	8 Years	354,170	295,086
Loan 1 Syndication Facility C	8 Years	210,000	180,000
Loan 1 Syndication Facility D	8 Years	112,700	77,000
Loan 2 BSF	7 Years	152,023	184,924
Loan 3 SNB	8 Years	156,435	133,888
Loan 4 Al-Rajhi	8 Years	142,811	142,782
Loan 5 Al-Inma Ijara	8 Years	315,459	266,157
Loan 6 Al-Mashreq	5 Years	6,605	6,600
Credit Facility 2 – ABK		48,414	38,328
Credit Facility 6 – SAIB		-	4,651
Credit Facility 8 – EGB		-	1,918
Total current loans and borrowings		1,498,617	1,331,334

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9. INTEREST BEARING LOANS AND BORROWINGS (Continued)

<i>Type</i>	<i>Original tenor</i>	<i>30 June 2025 (Unaudited) SAR'000</i>	<i>31 December 2024 (Audited) SAR'000</i>
Non-Current loans and borrowings			
Loan 1 Syndication Facility A	8 Years	2,449,156	2,657,914
Loan 1 Syndication Facility C	8 Years	1,360,000	1,480,000
Loan 1 Syndication Facility D	8 Years	1,440,949	1,022,999
Loan 1 Syndication Facility B	7 Years	375,000	-
Loan 2 BSF	7 Years	1,277,322	1,336,875
Loan 3 SNB	8 Years	1,002,142	1,091,623
Loan 4 AL Rajhi	8 Years	1,063,912	1,135,328
Loan 5 Al Inmaa	8 Years	2,228,244	1,995,667
Loan 6 Al Mashreq	5 Years	1,657	4,950
Total non-current loans and borrowings		11,198,382	10,725,356
Total loans and borrowings*		12,696,999	12,056,690

*The Group's loans and borrowings comprise amount of SAR 11,267,958 thousand (2024: SAR 10,926,768 thousand) under Islamic Banking Facilities (Sharia compliant) and amount of SAR 1,429,041 thousand (2024: SAR 1,129,922 thousand) under conventional facilities.

The secured bank loans are subject to the specific covenants:

The Group existing debt facilities includes certain financial covenants. The financial covenants are tested semi-annually as of end of June and December for each year. Management is proactively monitoring the covenants on looking forward basis. As of 30 June 2025, there has not been any non-compliance observed in relation to the financial covenants.

The financial covenants include minimum tangible net worth, current ratio, debt service coverage ratio and maximum gearing, leverage and net leverage ratios. The definitions used for calculating the financial covenants are based on the debt facilities documentations which may vary from IFRS and includes certain adjustments to the actual amounts.

10. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

	<i>30 June 2025 (Unaudited)</i>	<i>31 December 2024 (Audited)</i>
Authorised shares (in thousands / '000)	1,129,063	1,129,063
Issued shares (in thousands / '000)	1,129,063	1,129,063
Shares par value (SAR)	1	1
Issued capital in SAR'000	1,129,063	1,129,063
Treasury shares in SAR'000	(28,127)	(28,127)
Outstanding share capital in SAR'000	1,100,936	1,100,936
Share premium in SAR'000 *	2,890,367	2,890,367

* Share premium represents the excess amounts received over the par value of the shares issued.

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10. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES (Continued)

The shareholding structure of the Group as at 30 June 2025 is as follows:

	Shareholding %	No of shares '000	Value SAR '000
<i>Shareholders</i>			
ADES Investment Holding Limited	36.5	412,277	412,277
The Public Investment Fund of the Kingdom of Saudi Arabia	23.8	268,548	268,548
Zamil Group Investment Company	6.7	75,647	75,647
Free Float	30.5	344,464	344,464
Treasury Shares	2.5	28,127	28,127
	100	1,129,063	1,129,063

The shareholding structure of the Group as at 31 December 2024 is as follows:

	Shareholding %	No of shares '000	Value SAR '000
<i>Shareholders</i>			
ADES Investment Holding Limited	36.5	412,277	412,277
The Public Investment Fund of the Kingdom of Saudi Arabia	23.8	268,548	268,548
Zamil Group Investment Company	6.7	75,647	75,647
Free Float	30.5	344,464	344,464
Treasury Shares	2.5	28,127	28,127
	100	1,129,063	1,129,063

11. EARNINGS PER SHARE

Basic earnings per share (EPS) amounts are calculated by dividing the profit for the period attributable to the equity holders of the Parent by the weighted average number of ordinary shares outstanding during the period after adjusting the number of ordinary shares by the treasury shares.

Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding assuming conversion of all dilutive potential ordinary shares. As at 30 June 2025, there were no potential dilutive shares and hence the basic and diluted EPS is same.

The information necessary to calculate basic and diluted earnings per share is as follows:

	<i>For the three months period ended</i>		<i>For the six months period ended</i>	
	<i>30 June 2025</i>	<i>30 June 2024</i>	<i>30 June 2025</i>	<i>30 June 2024</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Profit for the period attributable to the ordinary equity holders of the Parent for basic and diluted EPS (SAR'000)	188,603	198,470	382,758	395,831
Weighted average number of ordinary shares outstanding in thousands ('000) – basic and diluted	1,100,936	1,095,994	1,100,936	1,095,592
Earnings per share basic and diluted	0.17	0.18	0.35	0.36

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12. RELATED PARTIES TRANSACTIONS AND BALANCES

The immediate controlling party is ADES Investment Holding Ltd. Note 1 provides information about the Group structure. Related parties represent directors and key management personnel of the Company, the Shareholders and entities controlled, jointly controlled or significantly influenced by such parties.

The Public Investment Fund of the Kingdom of Saudi Arabia is one of the Shareholders which is ultimately controlled by the Government of the Kingdom of Saudi Arabia ("KSA Government"). The entities under the control of the KSA Government are included in the other related parties below.

The entities under common control represent the entities controlled by ADES Investment Holding Ltd or its shareholders. The terms and conditions of the transactions entered into with the related parties are approved by the Group's management.

(a) Following are the significant related party transactions recorded in the interim condensed consolidated statement of comprehensive income:

	<i>For the three months period ended</i>		<i>For the six months period ended</i>	
	<i>30 June 2025 (Unaudited) SAR'000</i>	<i>30 June 2024 (Unaudited) SAR'000</i>	<i>30 June 2025 (Unaudited) SAR'000</i>	<i>30 June 2024 (Unaudited) SAR'000</i>
Revenue from other related parties	918,166	1,064,199	1,817,011	2,170,006
Revenue from the joint venture	-	-	-	1,075
Profit share from the investment in the joint venture	1,873	-	5,760	-
Finance cost from other related parties	(100,628)	(81,097)	(202,967)	(167,842)
Net (loss) / gain on cash flow hedge with other related party	(10,942)	(1,038)	(28,762)	41,104
Net (loss) / gain on remeasurement of equity instruments (FVOCI) with other related party	(8,917)	2,017	(13,688)	2,017
Dividend received from equity instruments (FVOCI) with other related party	1,215	-	2,431	-

The balances with related parties other than the entities controlled by the KSA Government are reported as due to and from related parties on the face of the interim condensed consolidated statement of financial position. The balances with the entities controlled by the KSA Government are disclosed in the note (ii) below.

i) *Due from balances with a related party:*

	<i>30 June 2025 (Unaudited) SAR'000</i>	<i>31 December 2024 (Audited) SAR'000</i>
Entities under common control		
Innovative Energy Holding Ltd	1,223	1,223
	1,223	1,223

The above outstanding balances at the period-end are unsecured, interest free and settled in cash. There have been no guarantees provided or received for any related party receivables or payables. For the period ended 30 June 2025, the Group has not recorded any provision for expected credit losses relating to receivables and amounts owed by related parties. This assessment is undertaken each financial period by examining the financial position of the related party and the market in which the related party operates.

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12. RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

ii) Other significant balances are as follows:

	30 June 2025 (Unaudited) SAR'000	31 December 2024 (Audited) SAR'000
Bank balances and cash with other related parties	162,345	121,621
Interest-bearing loans and borrowings from other related parties	6,233,355	5,934,712
Trade receivables and contract assets from other related parties	513,224	650,518
Trade receivables and contract assets from joint venture	1,067	1,067
Derivative financial instrument with other related parties	7,099	35,860
Trade payables to other related parties	30,188	25,720
Investment in equity securities (FVOCI) of other related parties	89,248	102,936
Investment in joint venture	31,176	25,416

Compensation of key management personnel

The remuneration of key management personnel during the period was as follows:

	For the three months period ended		For the six months period ended	
	30 June 2025 (Unaudited) SAR'000	30 June 2024 (Unaudited) SAR'000	30 June 2025 (Unaudited) SAR'000	30 June 2024 (Unaudited) SAR'000
Total benefits (including salary, bonus and other allowances)	2,039	1,288	6,277	3,889
Directors' remunerations	47	47	100	94

In addition, key management personnel have benefits from the share-based payments vested during the six-month period ended 30 June 2025 amounting to SAR nil (30 June 2024: 64,205).

13. CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities

	30 June 2025 (Unaudited) SAR'000	31 December 2024 (Audited) SAR'000
Letter of guarantees*	1,772,997	1,544,234

Contingent liabilities represent letters of guarantee issued in favor of Saudi Customs, Egyptian General Petroleum Corporation, Kuwait Oil Company, The Gulf of Suez Petroleum Company and others. The cover margin on such guarantees amounted to SAR 16,958 thousand (31 December 2024: SAR 15,005 thousand).

* The Group has the following related party balances included in letter of guarantees above:

- The Group entered into a bilateral agreement with Gulf International Bank dated November 2023 in SAR equivalent to SAR 250,000 thousand available to cover working capital needs including issuance of letters of guarantees. As of 30 June 2025, the Group utilized letter of guarantees for a total amount of SAR 208,596 thousand (31 December 2024: SAR 196,602 thousand).

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13. CONTINGENT LIABILITIES AND COMMITMENTS (CONTINUED)

- The Group entered into a bilateral agreement with Alinma Bank dated April 2019 in SAR equivalent to SAR 37,500 thousand available to cover working capital needs including issuance of letters of guarantees. As of 30 June 2025, the Group utilized letter of guarantees for a total amount of SAR 24,364 thousand (31 December 2024: SAR 24,364 thousand).
- The Group entered into a bilateral agreement with Saudi National Bank in KSA (SNB) dated May 2019 in SAR equivalent to SAR 10,999 thousand available to issuance of letters of guarantees. As of 30 June 2025, the Group utilized letter of guarantees for a total amount of SAR 9,519 thousand (31 December 2024: SAR 9,519 thousand).

Capital commitment

The Group has a capital commitment for SAR 162 million as at 30 June 2025 (31 December 2024: SAR 229 million).

14. FINANCIAL INSTRUMENT AT FAIR VALUES

14-a DERIVATIVE FINANCIAL INSTRUMENTS

Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data.

The fair values of derivative financial instruments are as follows:

	<i>30 June 2025 (Unaudited) SAR'000</i>	<i>31 December 2024 (Audited) SAR'000</i>
Non-current		
Derivative financial instruments designated as hedging instruments – cash flow hedges		
Interest rate swaps	<u>23,604</u>	<u>61,850</u>

14- b INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<i>Number of shares</i>	<i>Fair value of each share 30 June 2025 SAR</i>	<i>Cost SAR'000</i>	<i>As at 30 June 2025 SAR'000</i>
Saudi Arabian Oil Company (Saudi Aramco)	<u>3,669,724</u>	<u>24.32</u>	<u>100,368</u>	<u>89,248</u>

The movement of investment at fair value through other comprehensive income during the period / year:

	<i>30 June 2025 (Unaudited) SAR'000</i>	<i>31 December 2024 (Audited) SAR'000</i>
Opening balance	102,936	-
Additions during the period / year	-	100,368
Unrealized (loss) / gain during period / year (before tax)	<u>(13,688)</u>	<u>2,568</u>
	<u>89,248</u>	<u>102,936</u>

During the period ended 30 June 2025, the Group received cash dividends of SAR 2,431 thousand (30 June 2024: nil) from Saudi Arabian Oil Company (Saudi Aramco).

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14. FINANCIAL INSTRUMENT AT FAIR VALUES (Continued)

14- b INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

The investment is classified as fair value through other comprehensive income basis irrevocable policy choice.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	<i>Total</i> <i>(Unaudited)</i> <i>SAR'000</i>	<i>Level 1</i> <i>(Unaudited)</i> <i>SAR'000</i>	<i>Level 2</i> <i>(Unaudited)</i> <i>SAR'000</i>	<i>Level 3</i> <i>(Unaudited)</i> <i>SAR'000</i>
As at 30 June 2025 (Unaudited)				
<i>Fair value through other comprehensive income</i>				
Derivative financial instrument:				
Interest rate swap	23,604	-	23,604	-
Equity investment in Shares of other related party	89,248	89,248	-	-
As at 31 December 2024 (Audited)				
<i>Fair value through other comprehensive income</i>				
Derivative financial instrument:				
Interest rate swap	61,850	-	61,850	-
Equity investment in Shares of other related party	102,936	102,936	-	-

During the six-month period ended 30 June 2025, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 at fair value measurements. (31 December 2024: Nil).

15. DIVIDENDS TO SHAREHOLDERS

During the six-month period ended 30 June 2025, the Group's Board of Directors approved cash dividends of SAR 0.22 per share totalling to SAR 242.2 million (30 June 2024: Nil). It has been fully paid during the current period.

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16. COMPARATIVE FIGURE

Certain comparative figures have been reclassified to conform with current period presentation. The following table summarises the effect of prior period reclassifications on the interim condensed consolidated financial position. Such reclassifications have not impacted the previously reported profit or equity.

<i>30 June 2024 (Unaudited)</i>			
	<i>As previously reported SAR '000</i>	<i>Reclassification SAR '000</i>	<i>As reported now SAR '000</i>
Interim condensed consolidated Statement of comprehensive income six months period ended 30 June 2024			
Other taxes	(9,896)	9,896	-
Other expenses	(8,480)	8,480	-
Other income	9,850	(9,850)	-
Other(expenses)/income, net	-	(8,526)	(8,526)

<i>30 June 2024 (Unaudited)</i>			
	<i>As previously reported SAR '000</i>	<i>Reclassification SAR '000</i>	<i>As reported now SAR '000</i>
Interim condensed consolidated Statement of comprehensive income three months period ended 30 June 2024			
Other taxes	(4,619)	4,619	-
Other expenses	(1,806)	1,806	-
Other income	6,914	(6,914)	-
Other(expenses)/income, net	-	489	489

17. SUBSEQUENT EVENT

On 1 July 2025G, a towing incident involving Barge Unit Admarine 12 occurred in Egyptian waters. The incident took place while the barge was being towed to a new location, resulting in its capsizing. At the time of the incident, 30 personnel were onboard. A total of 23 people were rescued, but tragically the incident led to four fatalities, and three people remain missing as of the date. ADES is fully cooperating with the authorities, prioritizing the safety and well-being of all personnel, and has launched a thorough investigation. The barge and personnel are fully insured, and no material financial impact is expected on the Group's financial position.

On 3 August 2025G, the Board of Directors of the Company has proposed a cash dividend of SAR 382.75 million (SAR 0.21 per share), in accordance with the authorization granted to the Board of Directors by the Annual General Assembly held on 01 May 2025G to distribute interim dividends on a biannual basis for the fiscal year 2025G.