

STRATEGY **SYNERGY** SCALE

ANNUAL REPORT 2025



ABOUT THIS REPORT

COMPANY

ADES Holding Company, headquartered in Al Khobar, Saudi Arabia, is a world-leading international oil and gas drilling services provider with a broad global footprint spanning 20 countries. The Company operates the largest offshore jack-up fleet in the world, including 81 offshore jack-up rigs (46 premium units), one offshore jack-up barge, and one mobile offshore production unit (MOPU); in addition to 40 onshore rigs. With a workforce of more than 11,500 employees, ADES delivers safe, efficient, and cost-effective drilling and production services to major national and international oil companies across the Middle East, Southeast Asia, India, West & Central Africa, the Mediterranean, and the North Sea. The Group's competitive strengths lie in its premium fleet, operational excellence, and disciplined, value-accretive growth strategy. For more information, visit investors.adesholding.com

REPORT

This Annual Report for the year ended 31 December 2025 (the "Report") presents a comprehensive overview of ADES Holding Company and its subsidiaries (collectively referred to as the "Group"). The Report covers both financial and non-financial information, including the Group's strategy, operational and financial performance, business developments, sustainability initiatives, and the Board of Directors' Report. The Report is intended to provide shareholders and stakeholders with a clear and transparent view of ADES' performance and strategic progress over the reporting period, spanning from 1 January 2025 to 31 December 2025.

THEME

This year's theme reflects ADES' evolution into a scaled global leader, driven by disciplined growth and strategic expansion. The acquisition of Shelf Drilling marks a pivotal milestone, expanding the Group's footprint, fleet, and capabilities. The Report highlights how ADES combines assets, markets, and expertise to build a resilient platform supporting energy production and economic activity across key global markets.

AUDITORS

KPMG conducted the audit of ADES Holding Company's financial statements, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia. The auditors have confirmed that this Report is consistent with the audited financial statements.

SUSTAINABILITY

ADES' Sustainability Strategy embeds governance, social responsibility, and environmental stewardship across the business. Structured around five pillars, it aligns with the Group's strategy, the UN Sustainable Development Goals, and Saudi Vision 2030. Guided by frameworks such as GRI and IPIECA, the approach supports regulatory compliance, reduces environmental impact, and strengthens health and safety through clear policies, responsibilities, and measurable targets.

GOVERNANCE

The Board of Directors' Report included in this Annual Report covers the financial year ended 31 December 2025. It has been prepared in accordance with the Corporate Governance Regulations issued by the Capital Market Authority (CMA) of the Kingdom of Saudi Arabia and has been reviewed and approved by the Board of Directors prior to publication. Where relevant, certain disclosures have been derived from the Group's internal governance documents, including policies, charters, and other governing frameworks. Any undefined or capitalised terms shall be interpreted in accordance with the definitions set out in those documents.

STRATEGIC SHAREHOLDER BASE



SUSTAINABILITY STANDARDS



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|| A world-leading international drilling services provider and the largest owner and manager of offshore jack-up rigs globally. ||

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Who We Are

ADES Holding Company is a world-leading international drilling services provider and the largest owner and manager of offshore jack-up rigs globally. Headquartered in Al Khobar in the Kingdom of Saudi Arabia ("KSA" or the "Kingdom"), ADES operates a diversified onshore and offshore drilling platform underpinned by scale, operational excellence, and disciplined capital allocation, positioning the Group to deliver resilient performance across market cycles.

Following nearly two decades of operational development and geographic expansion, ADES has evolved from a regional operator into a global industry leader. Through a combination of organic growth and value-accretive acquisitions, the Group has built a fit-for-purpose fleet deployed across high-barrier-to-entry markets, enabling consistently high asset utilization, strong safety performance, and durable profitability.

As of 2025, ADES operates a fleet of 83 offshore units and 40 onshore rigs with its footprint extending across 20

countries, representing a significant share of the global competitive jackup fleet and an even higher one when excluding non-competitive units. This scale provides unmatched deployment agility and positions the Group to actively manage fleet allocation across regions, supporting market balance, protecting dayrates, and enhancing returns.

The Group specializes in providing onshore and offshore drilling and workover services, with a core focus on high-barrier markets characterized by structural demand and long-term client relationships. While historically concentrated in non-harsh, shallow-water environments, ADES' expanded platform now spans a broader range of offshore operating conditions following its global scale-up. The Group's footprint extends across the Middle East, North Africa, Southeast Asia, West & Central Africa, Latin America, the Mediterranean, and the North Sea, serving leading national and international oil companies.

Through disciplined execution, a strong safety culture, and an entrepreneurial operating mindset, ADES has reinforced

its position as a trusted long-term partner to global energy producers—delivering reliable performance, scalable solutions, and sustained value for stakeholders.

20

Footprint Countries

(+10 from 2024)

123

Offshore and onshore units

(+32 from 2024)

+11,500

Highly Skilled Team Members

SAR 6.7 bn

Revenues in 2025

up 7.9% y-o-y

SAR 34.7 bn

Backlog as of 31 December 2025

(vs. SAR 28.3 bn at year-end 2024)

Our Values

At ADES, our values define how we operate, enabling us to sustain our growth and maintain a strong reputation in the industry:



Safety

Personal and operational safety are the Group's true north and its license to operate. Our commitment to our people is that everyone should get back home safely.



Integrity

Ensuring that the Group's individual and corporate activities are bounded by honesty and ethical conduct.



Customer Focus

All of the Group's decisions are taken with the Group's customers in focus, with the aim of adding value for the clients.



Agility

Being alert to changes and moving quickly and decisively to meet the challenges that emerge from such changes.



Innovation

Promoting an innovative culture and attitude by applying creative thinking to every segment of the Group's work.



Operational Excellence

Providing a level of service that exceeds the expectations of the Group's clients while remaining environmentally and socially conscious.

Our Services

ADES' core activities centre on the provision of onshore and offshore drilling and workover services, complemented by mobile offshore production unit (MOPU) solutions and barge-based project services. With the ability to deliver both onshore and offshore drilling services across a global platform, ADES is differentiated from many of its peers, enabling the Group to access a broader opportunity set and operate effectively across diverse markets and operating environments.



Offshore Drilling & Workover

ADES operates one of the world's most extensive and versatile offshore drilling fleets, comprising primarily premium jack-up rigs deployed across a wide range of offshore environments. While the Group has historically focused on non-harsh, shallow-water markets, its offshore operations now span a broader set of geographies and operating conditions following the Shelf Drilling acquisition and recent global expansion. ADES' offshore footprint includes Saudi Arabia, Egypt, Qatar, India, Southeast Asia, West & Central Africa, Latin America, the Mediterranean, and the North Sea, providing clients with reliable, scalable drilling solutions across mature and emerging basins.

These operations support the full offshore field lifecycle—from development drilling to production and workover—where ADES' scale, reliability, and deployment speed differentiate it from peers.



Onshore Drilling & Workover

Onshore drilling remains a core pillar of ADES' integrated offering. The Group operates a substantial onshore fleet of 40 rigs across Kuwait, Saudi Arabia, Egypt, Algeria, and Tunisia, providing drilling and workover services to a diversified base of national and international oil companies. ADES' onshore platform benefits from long-term contracts, high utilization, and strong operational track records in mature and brownfield environments.



MOPU Services

ADES' Mobile Offshore Production Unit ("MOPU") offering provides clients with a cost-efficient and flexible alternative to traditional offshore production infrastructure. Since the deployment of Admarine I in the Gulf of Suez, the Group has demonstrated its capability to deliver early production solutions that optimize capital efficiency and accelerate project timelines.



Jack-up Barge and Project Services

ADES complements its drilling portfolio with jackup barge services supporting a range of marine services, including offshore construction, pipe-laying and heavy lifting. These capabilities enhance the Group's ability to provide integrated offshore solutions and support complex project requirements.



Building Innovative & Tailor-fit Solutions

As part of its evolution into a global drilling platform, ADES continues to develop innovative and tailor-fit solutions that extend beyond conventional drilling services. A key milestone in this strategy was the successful deployment of an asset-light, low-CAPEX production model in Egyptian brownfields in 2024—demonstrating the Group's ability to create value through operational innovation while maximizing existing infrastructure. ADES is actively working to expand this offering across the region and has already made progress with its recent entry into Syria.



Other Services

Beyond its core drilling activities, ADES provides a suite of additional services, including manpower supply, well platform installation, maintenance, and catering for offshore rig personnel. The Group also offers specialized equipment rental, allowing clients to optimize their operations with access to high-quality, well-maintained assets on demand.



Elite Qualifications

ADES' extensive prequalification status with leading NOCs and IOCs underpins its ability to compete successfully across global markets. The Group currently holds prequalification with key NOCs and IOCS across global markets, reflecting its strong safety, technical, and operational credentials.

ADES' Prequalifications

Some of ADES' prequalification clients include Aramco, KOC, ENI, TotalEnergies, Chevron, Equinor, ONGC, EGPC, KJO, Sonatrach, PTTEP, Qatar Energy



International Association of Classification Societies' Certificates (IACS Certification)

The Group's offshore drilling units, MOPU and jackup barge are required to be certified by IACS classification societies, independent global providers of safety, risk, integrity and management services. IACS classification societies, such as the American Bureau of Shipping ("ABS") or DNV, are considered an industry standard for offshore rig certifications. All of the operational offshore rigs in its fleet are either IACS certified or pending recertification.



ISO Certifications

ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 Certifications



Memberships

IADC: International Association of Drilling Contractors

Awards & Achievements

Awards and achievements that underscore ADES' continued commitment to delivering safe, reliable, and high-performing operations across an expanding global footprint.

													
													
Ranked among Forbes Middle East Top 100 Listed Companies 2025	HSSE Forum 2025 Recognition Rig of the Year - ADM 691	Received the CEO SSHE Excellence Award at the PTTEP SSHE Forum 2025	NOC Rig of the Year Award - Sapphire Driller	24+ years without LTI - ADES 144	25+ years without LTI - ADES 155	LTI free since Inception for ADM 9, 10 & 11 in India	DHSELI Committee by Aramco - In recognition of ADES' leadership in adopting technologies, specifically Computer Vision and CCTV Monitoring, to enhance operational safety and excellence	Compact Driller ONGC Quarterly HSE Award for Q3	Shelf Drilling Winner IADC Chair's Award 2024 for "Best Safety Performance for Jackups in the North Sea. Second consecutive year SDW has received the award	Shelf Drilling Fortress and Winner recognized by the IADC North Sea Chapter for achieving 10 years without LTI. Only one platform rig exceeds this milestone, with 16 years LTI Free.	Shelf Drilling Enterprise received IADC 2024 Safety Award for Best Incident Rate (Offshore rig)	Shelf Drilling Southeast Asia received the PTTEP CEO SSHE Excellence Award 2024	Shelf Drilling Odyssey - QatarEnergy LNG CEO HSEQ Rig of the year award for 2024

ADES in Numbers

Financial Strength

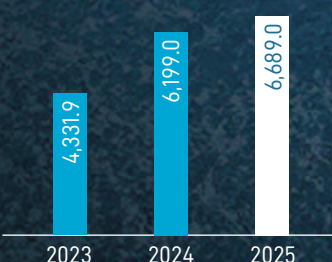
24.3%

Three-Year Revenue CAGR

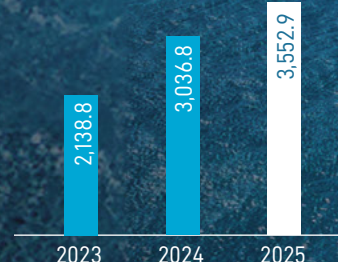
53.1%

2025 EBITDA Margin

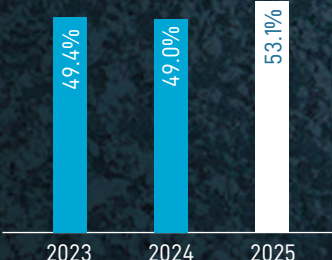
Revenues (SAR mn)



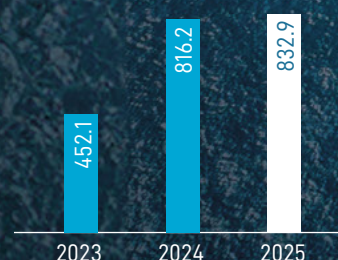
EBITDA (SAR mn)



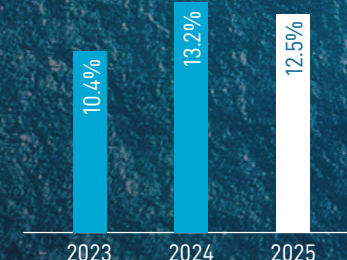
EBITDA Margin (%)



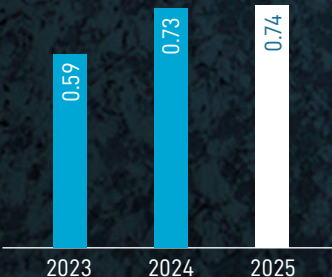
Net Profit (SAR mn)



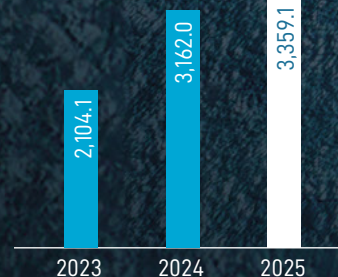
Net Profit Margin (%)



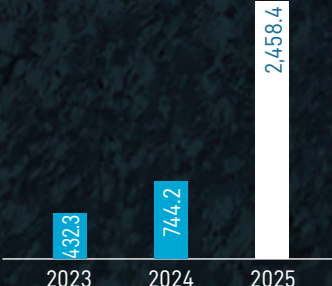
Earnings Per Share (SAR)



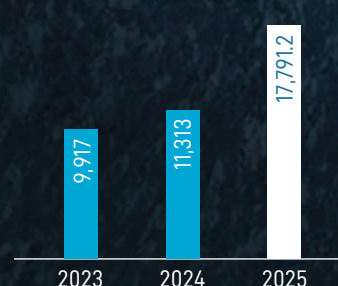
Cash Flow from Operating Activities (SAR mn)



Cash Balances (SAR mn)



Net Debt (SAR mn)



ESG Progress

0.018

GHG Emissions Intensity²
Vs. 0.02 in 2024

1,526

Jobs Created in 2025

SAR 17.1 mn

Total Spend in Social & Community Initiatives in 2025

63%

IKTVA Rate³

64%

Procurement Spend with Local Suppliers vs. 61% in 2024

Operational Excellence

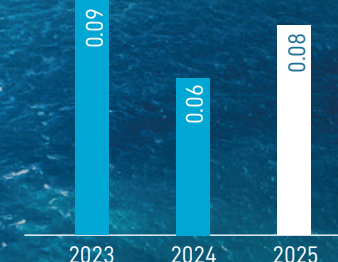
0.08

2025 TRIR

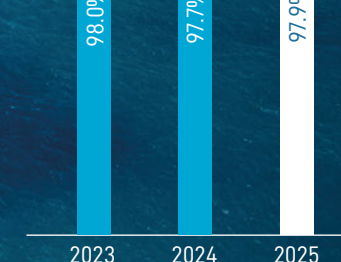
97.9%

2025 Utilization Rate

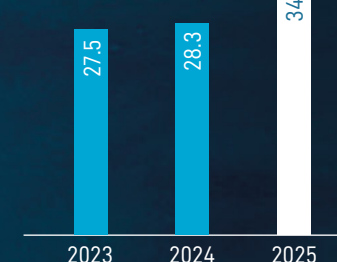
TRIR¹



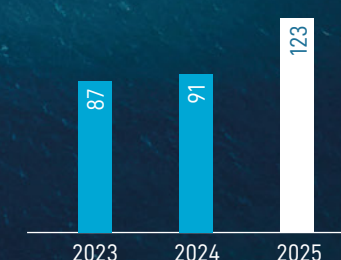
Utilization Rate



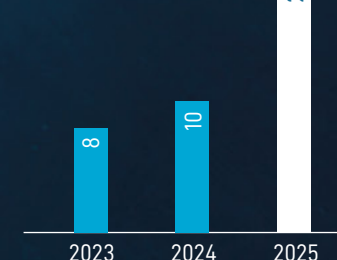
Backlog (SAR bn)



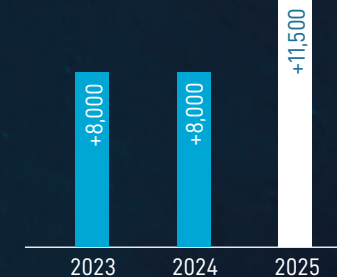
Number of Rigs



Footprint Countries



Employees



¹ Total Recordable Injury Rate per 200,000 working hours.

² (tCO2e/Man-hours worked)

³ In-Kingdom Total Value Add, a new program created by Saudi Aramco to baseline, measure and support increased levels of localization in the Kingdom.

Our Global Platform⁴

ADES operates the world's largest offshore jack-up drilling platform, supported by a complementary onshore fleet, with a presence across 20 countries spanning the Middle East, Southeast Asia, India, West & Central Africa, the Mediterranean, and the North Sea. The Group's unmatched scale and regional clustering enable superior deployment agility, efficient asset allocation, and operational synergies across global markets. This is reinforced by long-standing prequalification status with leading national and international oil companies, positioning ADES as a trusted partner in both established and emerging basins.

Saudi Arabia 01
Offshore Rigs 29
Onshore Rigs 14
Headcount 3,668

Egypt 02
Offshore Rigs 13
Onshore Rigs 1
Headcount 1,752

Kuwait 03
Onshore Rigs 16
Headcount 1,263

Qatar 04
Offshore Rigs 4
Headcount 422

Algeria 05
Onshore Rigs 8
Headcount 635

Tunisia 06
Onshore Rigs 1
Headcount 13

Nigeria 07
Offshore Rigs 8
Headcount 665

Cameroon 08
Offshore Rigs 1
Headcount 2

Angola 09
Offshore Rigs 1
Headcount 150

Brazil 10
Offshore Rigs 1
Headcount⁴ -

United Kingdom 11
Offshore Rigs 1
Headcount 123

Norway 13
Offshore Rigs 1
Headcount 200

Vietnam 17
Offshore Rigs 2
Headcount 237

Italy 12
Offshore Rigs 2
Headcount 235

The Netherlands 14
Offshore Rigs 1
Headcount 104

Malaysia 18
Offshore Rigs 1
Headcount 13

India 15
Offshore Rigs 11
Headcount 1,088

Indonesia 19
Offshore Rigs 2
Headcount 116

Thailand 16
Offshore Rigs 4
Headcount 547

Brunei⁵ 20
Offshore Rigs 1
Headcount⁴ -

2025 Revenue by Geography



2025 Backlog by Geography



⁴ Headcount includes ADES and Shelf Drilling footprint countries and approximately 300 employees in other regions, and excludes Brazil where operations are under charter agreement and Brunei where operations are yet to begin.

⁵ The Group was awarded a contract in Brunei in 2025 which has not yet begun operations.

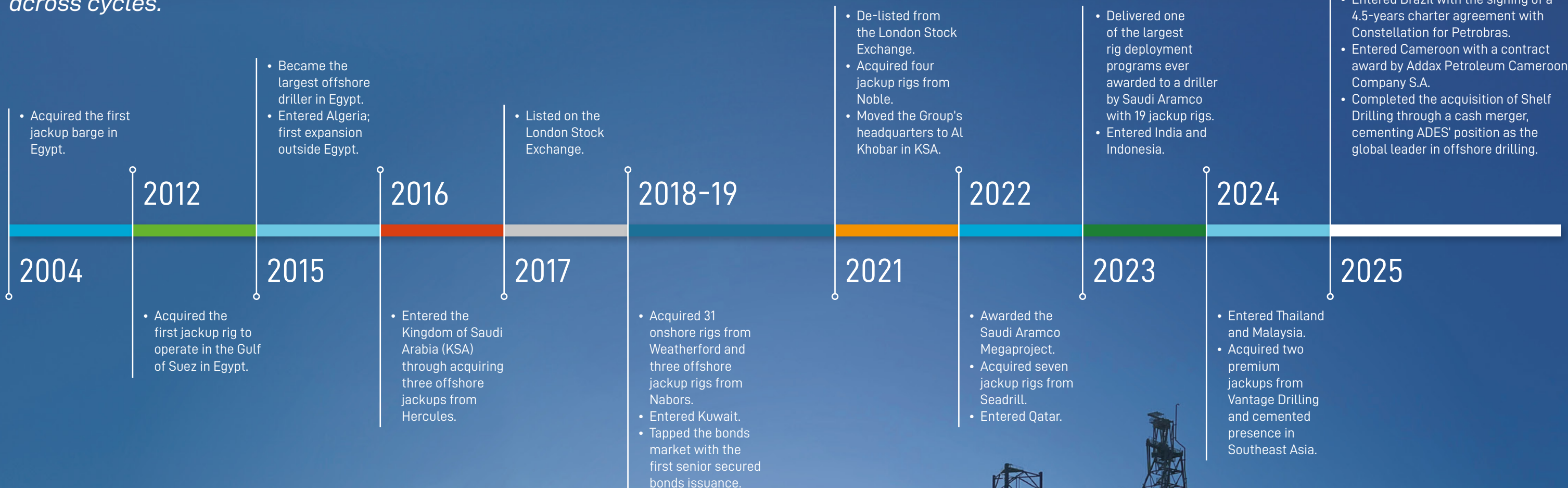
⁶ Southeast Asia revenue includes Indonesia, Thailand, Malaysia and Vietnam, while backlog includes Indonesia, Thailand, Malaysia, Vietnam and Brunei.

⁷ West & Central Africa revenue includes Nigeria and Angola, while backlog includes Nigeria, Angola and Cameroon.

⁸ Other includes Brazil, Italy, the UK and the Netherlands

Our Growth Journey

Global leadership achieved through disciplined growth, operational excellence, and value-accretive expansion across cycles.



Our Value Proposition & Investment Case

ADES' global leadership is built on scale, discipline, and operational excellence. Our strategic positioning, resilient business model, and prudent capital allocation translate directly into predictable cash flows, structural earnings strength, and long-term shareholder value.

Investment Highlight	What this Enables	What this Means for Investors
 Global Leadership in High-Barrier Markets Operating the world's largest offshore jack-up fleet across structurally attractive markets with stringent prequalification standards and durable NOC demand, ADES has become a preferred drilling partner to leading national and international oil companies.	Market influence, fleet flexibility, and commercial strength.	Structural earnings resilience and pricing leverage in tightening markets.
 A Resilient, Through-Cycle Business Model Designed to withstand volatility, ADES prioritizes contract-backed growth, disciplined fleet deployment, and long-term client relationships over speculative exposure.	High utilization and stable performance across oil price cycles.	Downside protection and sustained profitability through market fluctuations.
 Strong Backlog and Revenue Visibility A robust, long-duration backlog anchored by leading NOCs and IOCs underpins predictable revenues and durable cash flow generation.	Multi-year financial visibility aligned with capital structure.	Lower earnings risk and improved forecasting confidence.
 Disciplined, Non-Speculative Growth and Consolidation ADES follows a value-accretive acquisition strategy rooted in capital discipline, counter-cyclical consolidation, and integration capability — positioning the Group as a natural market consolidator.	Accretive scale expansion without diluting returns.	Growth optionality supported by financial prudence.
 Operational Excellence and Safety-First Culture Safety is our license to operate. Robust HSE standards, in-house capabilities, and operational discipline drive reliability and efficiency across the fleet.	Strong client retention and performance differentiation.	Margin durability and reduced operational risk.
 Capital Discipline Supporting Returns A prudent financial framework balances reinvestment, deleveraging, and shareholder distributions while preserving flexibility.	Sustainable expansion and funding capacity for opportunities.	Resilient dividends alongside long-term value creation.
 Experienced Leadership and Strategic Alignment Deep industry expertise and supportive long-term shareholders ensure disciplined decision-making and strategic continuity.	Consistent execution and integration success.	Governance stability and confidence in long-term delivery.

A Year in Review

2025 marked a step-change in ADES' scale and strategic positioning, firmly establishing the Group as the global leader in offshore jack-up drilling.

2025 was a defining year in ADES' evolution, marked by decisive execution across scale, geography, and operations. Through transformational M&A, disciplined global expansion, and the reinforcement of its core markets, the Group advanced its Global Leadership agenda while strengthening visibility, resilience, and long-term value creation.

33

Offshore Jackups Acquired, including 14 premium rigs

c.SAR5.6bn

Firm Backlog Added at Time of Acquisition



Nigeria

Two Contract Awards for Admarine 504 & 501



Cameroon

Two-Year Award for Admarine 501



Brazil

4.5-Year Charter Agreement for Admarine 511



Brunei

Two-Year Award for Compact Driller



KSA

10-Year Renewals for Previously Suspended Rigs

Resumption Notices for Offshore & Onshore Contracts



Qatar

Multi-Year Extension for Sapphire and Aquamarine Drillers



Egypt

Three Extensions for Admarines III, V and VI



Kuwait

Deployment of all rigs as part of the six-rig award, including two newbuilds

Shelf Drilling Acquisition: Cementing ADES' Position as the World's Largest Offshore Jackup Platform

In 2025, ADES completed a pivotal milestone with the successful acquisition of Shelf Drilling, firmly establishing the Group as the global leader in offshore jack-up drilling. The transaction expanded ADES' offshore fleet to 83 offshore units, complemented by 40 onshore rigs, and extended its operational footprint to 20 countries.

Beyond scale, the acquisition enhanced the Group's operating flexibility, broadened exposure to key offshore basins, and strengthened its ability to actively manage fleet allocation across regions, positioning ADES with unmatched reach and deployment agility.

Organic Expansion into High-Potential Global Markets

ADES continued to execute its global expansion strategy by selectively entering new markets through its fit-for-purpose fleet and commercial structures.

The Group marked its first entry into West & Central Africa with offshore contract awards in Nigeria and Cameroon, deploying multiple jack-ups and establishing a scalable foundation for a long-term regional presence. In parallel, ADES entered Latin America through a 4.5-year charter agreement for Admarine 511 to support Petrobras operations in Brazil via Constellation.

Further expanding its footprint through the Shelf platform, ADES also secured a new contract for the Compact Driller in Brunei, reinforcing its growing presence in Southeast Asia and broadening its operating scope.

Reinforcing Core and Regional Strongholds

Alongside global expansion, ADES strengthened its leadership and visibility across core markets.

In Saudi Arabia, the Group secured multiple 10-year renewals for previously suspended offshore jackups and received resumption notices for offshore and onshore contracts, reaffirming long-term confidence in the Kingdom's offshore and onshore drilling outlook.

ADES also extended long-term visibility across the region, signing a multi-year extension for the Sapphire and Aquamarine drillers in Qatar and securing extensions for Admarine III, Admarine V, and Admarine VI in Egypt. These renewals underscore continued client confidence and reinforce backlog sustainability across key regional markets.

13

Total number of rigs deployed in 2025, including six onshore rigs in Kuwait

Active Fleet Redeployments & Optimization

A defining feature of 2025 was ADES' ability to actively deploy assets and convert temporary disruptions into value-accretive opportunities. Leveraging its global platform, the Group successfully redeployed all previously suspended offshore rigs into new international markets, optimizing utilization and extending asset visibility. Additionally, the Group delivered on its multi-rig award in Kuwait, deploying all six onshore rigs including two new builds.

0.08

Industry-Leading TRIR and Commitment to Safety

SAR34.7bn

Stable and Long-term Weighted Backlog

Operational Excellence & Financial Discipline

Throughout the year, ADES maintained strong operational performance, delivering high utilization rates and upholding its industry-leading safety record across an expanding global footprint.

Backlog visibility was reinforced through long-term renewals, new international awards, and strategic redeployments, supporting stable cash flow generation and earnings resilience.



Global fleet leadership with significant share of global competitive jackup supply



Long-term contract base with 4.73 years weighted average contract tenor



Clear pathway to margin enhancements and strong profitability

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Shareholder & Investor Information

ADES' Investor Relations function is committed to transparent, consistent, and timely engagement with shareholders, investors, lenders, and analysts. The function ensures clear and accountable communication of the Group's financial performance, strategic priorities, operational developments, governance framework, and risk management practices through regular disclosures and structured reporting.

Beyond financial reporting, Investor Relations plays a proactive role in articulating ADES' long-term growth strategy, capital allocation discipline, and market positioning, reinforcing confidence in the resilience of its business model and its role as a global drilling leader. Through ongoing dialogue with the investment community, ADES upholds high standards of governance, aligns market expectations, and supports sustainable long-term value creation.

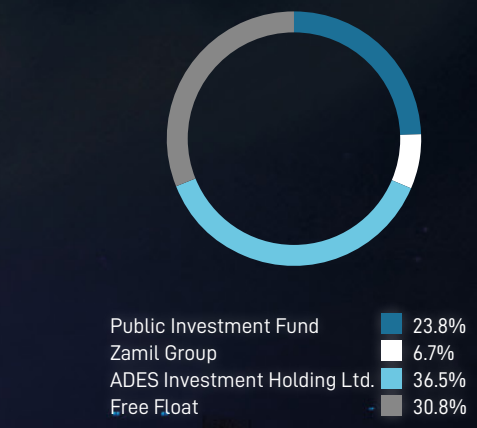
Shareholders' access to and engagement with ADES is facilitated through:

	IR website: investors.adessgroup.com 
	IR contact: investor.relations@adessgroup.com 
	Company profile on the Saudi Exchange 
	Group headquarters: 7429 Prince Turki Road, Al Corniche, Al Khobar, Kingdom of Saudi Arabia

Share Information

Listing Date	11 October 2023
Trading Name	Ades Holding Co.
Tadawul Code	2382
ISIN Code	SA55SG6H5716
Exchange	Tadawul
Sector	Energy
Number of Shares Issued	1,129,062,513
Paid Capital	SAR 1,129,062,513
Par Value/Share	SAR 1
Free Float	30.8%
Closing Price as of 31 December 2025	SAR 17.44
Market Cap as of 31 December 2025	SAR 19.7 billion

Shareholder Structure



Share Performance

Price Performance vs. TASI



Analyst Coverage

Company	Analyst	Country
Al Jazeera	Jassim Al Jabran	KSA
Al Rajhi	Madhu Appissa	KSA
Al Riyadh Capital	Brennan Eatough	KSA
Arqaam	Nour ELDin Sherif	Egypt
Bank of America	Abhishek Kumar	UAE
Bernstein	Abdessamad Raghibi	Morocco
BSF Capital	Asmar Hamoodi Shams	KSA
CI Capital	Boulos Berzy	Egypt
EFG	Ahmed Hazem Maher	Egypt
GIBC	Kunal Doshi	KSA
GS	Faisal Al Azmeh	UAE
HSBC	Ildar Khaziev	United Kingdom
JPM	Alex Comer	United Kingdom
Morgan Stanley	Ricardo Rezende	United Kingdom
SNBC	Iyad Ghullam	KSA

Financial Events Calendar

Event	Date
FY 2024 Annual Financial Results	24 Feb 2025
FY 2024 Earnings Call	24 Feb 2025
Ordinary General Assembly Meeting	01 May 2025
OGM Results Announcement	04 May 2025
Q1 Financial Results (Three Months)	05 May 2025
Q1 Earnings Call	05 May 2025
1H Financial Results (Six Months)	04 Aug 2025
1H Earnings Call	04 Aug 2025
9M Financial Results (Nine Months)	03 Nov 2025
9M Earnings Call	03 Nov 2025

Conferences Attended

Conference	Date	Country
PIF Private Sector Forum	Feb 12-13	Riyadh, KSA
Saudi Capital Markets Forum 2025	Feb 18-20	Riyadh, KSA
EFG Hermes 19th Annual One-on-One Conference	Apr 7-10	Dubai, UAE
J.P. Morgan MENA Global Opportunities Conference	May 7-8	Dubai, UAE
EFG Hermes 11th Annual London Conference	Sept 8-11	London, UK
J.P. Morgan Saudi Arabia Investment Forum	Oct 13-14	New York, USA
2025 BofA Global Research MENA Conference	Nov 4-5	Riyadh, KSA

Through disciplined growth, fleet optimization, and a relentless focus on safety and operational excellence, we create durable value for clients, shareholders, and the markets we serve.

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Chairman's Note

Dear Shareholders,

It is my pleasure to present ADES Holding's 2025 Annual Report, a year that marks a defining milestone in the Group's journey. From humble beginnings nearly two decades ago, ADES has evolved into a global leader in offshore drilling, a position further strengthened by the successful completion of the Shelf Drilling acquisition. Today, our enlarged platform extends across 20 countries with the world's largest offshore jackup fleet, bringing together two highly complementary organizations under one unified global platform. This transformation reflects not only the scale we have achieved, but also the disciplined strategy, operational excellence, and entrepreneurial spirit that have guided ADES since its inception.

The past year has also been one of strong operational and financial performance. Our results for 2025 demonstrate the resilience of our business model and the strength of our long-term strategy. Backed by a record backlog, high fleet utilization, and disciplined capital allocation, the Group delivered robust profitability while continuing to create value for shareholders. Our commitment to shareholder value remains a cornerstone of our capital framework, reflected in our dividend distributions, which totalled SAR 496.2 million for the Group's 2025 financials⁹, and the strong total shareholder return delivered since our listing on the Tadawul Exchange. This performance underscores the market's confidence in ADES' long-term strategy and our ability to deliver sustainable growth.

Safety remains the foundation upon which our entire business is built. Across our global operations, we continue to uphold a culture where safety is our license to operate and the well-being of our people remains our highest priority. Our strong safety record reflects not only rigorous standards and procedures, but also the adoption of innovative technologies designed to prevent incidents before they occur. Initiatives such as RigEye—our proprietary AI-enabled safety monitoring platform—and our newly deployed Operational Command Centre (OCC) allow us to identify potential risks in real time and reinforce safe behaviours across our fleet. By combining advanced technology with a deeply embedded safety culture, ADES continues to set new benchmarks for operational integrity in our industry.

In an increasingly complex global energy landscape, ADES plays an important role in supporting energy security. As demand for reliable hydrocarbon supply continues to grow, the availability of safe, efficient offshore drilling capacity continues to be a critical factor in enabling energy



production. With a modern, fit-for-purpose fleet and a global operational platform, ADES is well positioned to support national and international oil companies in meeting these needs. Our scale, operational expertise, and disciplined approach to fleet deployment allow us to deliver reliable solutions to our clients while contributing to the stability of global energy supply.

At the heart of ADES' success is our people. Today, the ADES family has grown significantly following the acquisition of Shelf Drilling, bringing together a diverse and highly skilled workforce from across the world. The combined organization benefits from deep technical expertise, regional market insight, and a shared commitment to safety and operational excellence. This global pool of talent continues to drive innovation, strengthen our operational capabilities, and enable ADES to compete successfully across multiple markets.

Beyond traditional drilling services, we continue to expand our offering through asset-light operating models designed to deliver additional value to our clients. Our production model, initially deployed in mature onshore fields in Egypt, has demonstrated strong results by enhancing output through capital-efficient solutions that leverage existing infrastructure. Building on this success, we have taken steps to expand this approach regionally, with progress already

“ADES has evolved into a global leader in offshore drilling, a position further strengthened by the successful completion of the Shelf Drilling acquisition. Today, our enlarged platform extends across 20 countries with the world's largest offshore jackup fleet.”

made with the recent entry into Syria. These initiatives reflect ADES' entrepreneurial mindset and our ability to deliver innovative, outcome-driven solutions that go beyond conventional drilling services.

Sustainability and responsible business practices remain integral to our strategy. During the year, we continued to strengthen our ESG framework across key areas including governance and business ethics, environmental stewardship, safety and workforce wellbeing, and community engagement. Our sustainability initiatives are designed not only to mitigate environmental impact but also to enhance operational efficiency and deliver long-term value to stakeholders.

ADES is proud to contribute meaningfully to Saudi Arabia's Vision 2030 ambitions. Through job creation, talent development, and local value chain integration, the Group plays an active role in supporting the Kingdom's economic diversification agenda. Over the past three years, ADES created more than 2,800 highly skilled jobs, and as of year-end 2025 achieved an IKTVA score of 63%, reflecting its continued commitment to localization and supplier development. Our operations contribute to strengthening the domestic energy services ecosystem while enabling the transfer of global expertise and technological knowledge into

the Kingdom. As ADES continues to expand internationally, we also bring new opportunities, capabilities, and economic value back to Saudi Arabia.

Looking ahead, I remain highly optimistic about ADES' future. Our enlarged global platform, strong backlog visibility, disciplined financial framework, and exceptional workforce position the Group to capture the next phase of growth in the offshore drilling industry. As the market continues to tighten following years of underinvestment, ADES is uniquely positioned to lead the sector with scale, operational excellence, and strategic agility.

On behalf of the Board of Directors, I would like to extend my sincere gratitude to our shareholders for their continued trust and support. I also thank our management team and employees across the world for their dedication and hard work. Together, we will continue to build on our achievements and further cement ADES as the global leader in offshore drilling all while delivering long-term value for all stakeholders.

Ayman Abbas
Chairman

63%

IKTVA Rate¹⁰

+2,800

Jobs Created in KSA, 2023-2025

SAR 496.2mn

Dividend Distribution for 2025⁹

⁹ Dividends for 2H-2025 amounting to SAR 265 million were paid in 2026.

¹⁰ In-Kingdom Total Value Add, a new program created by Saudi Aramco to baseline, measure and support increased levels of localization in the Kingdom.

CEO's Note

2025 marked a defining year for ADES as we continued to execute our strategy with discipline while advancing the Group's transformation into a truly global drilling leader. During the year, we strengthened our operational platform, expanded our international footprint, and further reinforced the resilience of our business model through disciplined capital allocation and operational excellence.

Our performance reflects the strength of a platform built for long-term value creation, one that combines high-quality assets, long-duration contracts with leading national and international oil companies, and a scalable operating model capable of adapting to evolving market dynamics. At the same time, the successful completion of the Shelf Drilling acquisition represented a transformational milestone, significantly enhancing our global scale, fleet optionality, and commercial positioning across key offshore basins.

Underpinning these achievements is a clear strategic focus: delivering safe and reliable operations for our clients, maintaining financial and commercial discipline, and building a platform capable of sustaining profitable growth through industry cycles.

Safety and Operational Excellence

Throughout the year, we maintained industry-leading safety standards, recording a Total Recordable Injury Rate (TRIR) of 0.08—materially below the International Association of Drilling Contractors (IADC) benchmark—while sustaining near-full fleet utilization of 97.9%. These results are not incidental; they reflect the consistency of our operating model, the reliability of our fleet, and, most importantly, the commitment and professionalism of our people.

Safety remains at the heart of everything we do, forming the foundation upon which our commercial and financial performance is built. Across our operations, we continue to embed a safety-first culture supported by rigorous processes, advanced monitoring tools, and a continuous improvement mindset.

By integrating digital technologies and AI-enabled solutions into our safety management systems, including our Operational Command Centre (OCC) and advanced monitoring platforms such as RigEye, we are strengthening our ability to anticipate and mitigate risks while maintaining the highest standards of operational integrity across our global fleet.

Financial Delivery Reflecting Platform Scalability

Operational strength translated into solid financial delivery. Revenue increased 7.9% year-on-year to SAR 6.7 billion, while



EBITDA expanded 17.0% to SAR 3.6 billion, with EBITDA margin improving by 4.1 percentage points. This margin expansion reflects the scalability of our platform as offshore operations continue to represent a growing share of activity, combined with increased operating leverage and disciplined cost management.

Our financial performance demonstrates the structural strength of our business model. Long-duration contracts with leading national and international oil companies provide revenue visibility and cash flow stability, while our lean operating structure allows us to convert incremental activity into profitability efficiently. At the same time, our disciplined capital allocation framework ensures that growth initiatives are pursued in a manner that preserves returns and strengthens balance sheet resilience.

Record Backlog and Expanding Global Footprint

During the year, ADES continued to reinforce its long-term revenue visibility and market positioning. Our backlog reached a record SAR 34.71 billion, the highest level in the Group's history, providing multi-year revenue visibility and reinforcing the durability of our cash flow profile.

This milestone reflects a combination of contract renewals, new awards, strategic redeployments across our footprint and the Shelf Drilling acquisition. During the year, we executed

“ Our performance reflects the strength of a platform built for long-term value creation, one that combines high-quality assets, long-duration contracts with leading national and international oil companies, and a scalable operating model capable of adapting to evolving market dynamics. ”

7.9%

YoY Revenue Growth in 2025

17.0%

YoY EBITDA Growth in 2025

97.9%

Average Utilization in 2025

0.08

Total Recordable Injury Rate
vs IADC of 0.41



multiple rig deployments and reactivations organically, demonstrating our ability to reallocate assets efficiently in response to evolving demand dynamics and changing regional market conditions.

In Saudi Arabia, the gradual reactivation of previously suspended rigs signals strengthening offshore fundamentals and the early stages of a broader tightening cycle. This is despite the temporary suspension in early 2026 amid the regional conflict, which we believe are short term in nature.

Across our footprint, we continued expanding both organically and inorganically in a manner that enhances geographic diversification and optimizes fleet allocation across regions where demand and pricing conditions are most compelling. We strengthened our presence in Southeast Asia and West and Central Africa while successfully commencing operations in Brazil with the premium jack-up rig Admarine 511 following its reallocation from Saudi Arabia. This milestone marked our entry into the Latin American offshore market and demonstrates the flexibility of our fleet deployment strategy.

Expanding Our Offering Beyond Traditional Drilling

At the same time, ADES continues to differentiate itself through tailored, value-accretive solutions that extend beyond traditional drilling services. Our production model, initially deployed in mature onshore fields in Egypt, has demonstrated its effectiveness in enhancing output through the capital-efficient utilization of existing infrastructure.

This model allows us to support our clients not only in drilling wells but also in optimizing production performance through integrated solutions. ADES is actively working to expand this offering across the region and has already made progress with its recent entry into Syria. Together, these initiatives reflect our entrepreneurial mindset and our commitment to delivering integrated, outcome-driven solutions that strengthen our partnerships with clients while creating additional value streams for the Group.

A Transformational Milestone: The Shelf Drilling Acquisition

Undoubtedly, the defining milestone of 2025 was the successful completion of the Shelf Drilling acquisition. This landmark transaction created an unprecedented market leader in the jack-up drilling segment, with 81 offshore jackup rigs, including 46 premium units, and 40 onshore units with a footprint extending across 20 countries.

Beyond the numerical scale, the combination enhances our commercial strength with both national oil companies (NOCs) and international oil companies (IOCs), broadens our asset optionality, and strengthens our ability to influence supply-demand dynamics across key offshore basins. It also brings together a deep pool of talent and technical expertise,

reinforcing our operational excellence and enriching the broader ADES family.

We are proud to welcome our Shelf colleagues and look forward to building a unified platform that captures the full potential of this transformational step. Integration is progressing through a structured governance framework that prioritizes safety, operational continuity, and the capture of synergies across procurement, operations, and commercial activities.

The combined company is positioned to deliver value on multiple fronts: scale-driven commercial leverage, operational synergies, cost optimization, and improved capital efficiency. Importantly, this milestone reflects our long-standing philosophy of disciplined, counter-cyclical consolidation.

ADES is not merely an acquirer — we are a natural consolidator within the drilling industry. Our approach to M&A is guided by a clear framework focused on value accretion, cash flow visibility, and long-term strategic alignment. By maintaining this discipline, we have been able to grow the Group responsibly while preserving the financial strength required to support future opportunities.

A Balanced Model Built on Discipline, Operations, and People

At the core of our success lies a clear triangulation: financial and commercial discipline, operational excellence, and the right people. This balanced approach has enabled us to scale responsibly while preserving returns and maintaining resilience through industry cycles. Our people remain the cornerstone of ADES' achievements. Across our global platform, thousands of dedicated professionals work every day to deliver safe and reliable operations for our clients. Their expertise, adaptability,

and commitment to excellence enable us to maintain our reputation as a trusted partner across diverse markets and operating environments.

Structural Tailwinds in the Offshore Drilling Market

The broader industry context reinforces our positioning. Energy security discussions will increasingly shift from the availability of hydrocarbon reserves to the availability of the offshore rigs required to safely extract them. Following years of underinvestment in offshore drilling capacity, supply remains constrained while demand for reliable extraction capacity continues to grow.

In this environment, asset availability, operational reliability, and affordability become decisive factors. Clients increasingly prioritize contractors capable of delivering safe, efficient, and cost-effective solutions across multiple geographies.

ADES is uniquely positioned on both fronts. We combine the right fit-for-market assets with disciplined acquisition costs, competitive pricing, and safe, high-quality operations.

This balance enables us to offer affordability to our clients while maintaining profitability and resilience — allowing us to weather volatility and capture upside as pricing conditions improve.

Looking Ahead

The ongoing conflict in the Middle East has introduced heightened uncertainty across global energy markets. Disruptions to trade flows and supply dynamics, alongside pressures on key transit routes and the drawdown of strategic inventories to meet global demand, have further tightened an already fundamentally constrained market. In this context, a handful of the Group's offshore rigs in the GCC region have recently been subject to temporary suspensions due to ongoing regional tensions. Based on the information currently available, we believe these suspensions are short-term in nature. ADES remains firmly committed to the safety of its personnel and assets, which continues to be our highest priority, while we work closely with our clients and relevant stakeholders to monitor developments and ensure operational readiness.

While the trajectory of these developments remains uncertain, any normalization of current disruptions could reinforce underlying supply tightness, supporting sustained demand for offshore drilling capacity. Importantly, ADES benefits from a naturally diversified operating base, with a growing share of its business generated from international markets following the Shelf acquisition. Favourable day-rate dynamics in selected international markets further support resilience, providing balance across different geographic exposures.

Looking ahead, we remain confident in our outlook supported by the structural fundamentals underpinning the offshore drilling market, the continued ramp-up of recently deployed rigs, improving utilization as suspended rigs in Saudi Arabia return to service, and the early benefits from the integration of the Shelf portfolio.

The integration of Shelf will remain a key focus in the coming months as we unlock operational and financial synergies while strengthening our global footprint and commercial positioning. At the same time, we will continue to pursue disciplined organic growth across our core drilling business while expanding complementary services such as our production model.

With structural tightness in the drilling industry, elevated utilization, and disciplined supply growth, the market environment supports sustainable long-term demand. Backed by record backlog, strong cash generation, and a scaled global platform, ADES enters 2026 from a position of strength — committed to disciplined growth, operational excellence, and long-term value creation while contributing meaningfully to global energy security.

Dr. Mohamed Farouk
Chief Executive Officer

Our Markets

Global Oil & Gas Production

Global oil production (including non-crude) was estimated at 98.5 mmboepd in 2025 – with the GCC region accounting for 22%. Going forward, we expect the GCC market share to grow further to 24% by 2030

Global oil production (including non-crude) was estimated at 98.5 mmboepd in 2025 – an increase of 13% compared to 2020. Looking forward, global oil production is expected to reach 103.4 mmboepd by 2030 – a 4.9% increase compared to 2025. These incremental barrels are expected to mostly come from the GCC area as well as deepwater Latin America production in Brazil and Guyana.

The GCC states have historically provided around 21-24% of global production owing to a stable baseline of supply, thanks to low production costs and prolific reserves, that provide a level of insulation against more cyclical and opportunistic production sources such as US unconventional. Continued production in both onshore and offshore fields across Saudi Arabia, Kuwait, the UAE and Qatar is expected to drive the GCC market share of global supply to 24% by 2030.

Global marketed gas production is estimated at 69.7 mmboepd and is also expected to grow a further 9% to 76.3 mmboepd by 2030. The GCC region has been investing significantly into gas production capacity over the past decade in order to access the global LNG export market – with Qatar being the world's second largest exporter of LNG behind the US.

Offshore Drilling Overview

Over the past decade the drilling market has gone through a significant cycle with the 2012-14 period enjoying high oil prices and average utilisation of offshore rigs at around the 80% range. However, over-investment in oil production capacity (particularly the rise of US shale oil) saw oil prices plummet. This, as well as the delivery of new drilling capacity, saw utilisation rates in 2015 drop to the 60-70% range.

Between 2015 and 2019, the offshore drilling market went through a period of rationalisation with rig managers stacking

and eventually scrapping idle rigs to try and improve their utilization and balance sheets. This rationalisation, along with slowly improving oil prices and activity levels saw utilisation generally improve year-on-year until 2020 when the impact of the COVID-19 pandemic sent shockwaves through the oil & gas industry. Surging oil prices as a result of Russia's incursion into Ukraine in 2022 coupled with years of underinvestment and rationalization led a resurgence in the rig market – with a significant number of jackups mobilising into the GCC, particularly KSA.

Global Jackup Market

Utilization of jackups operating above water depths of 300 ft are at 87.8% - with the premium jackup fleet (delivered after 2005) achieving 89.0%.

There are currently an estimated 492 rigs in the global jackup market with 358 working, 372 contracted and 381 committed. Committed utilisation for jackups operating above water depths of 300 ft are at 87.8% - with the premium jackup fleet (delivered after 2005) achieving 89.0%.

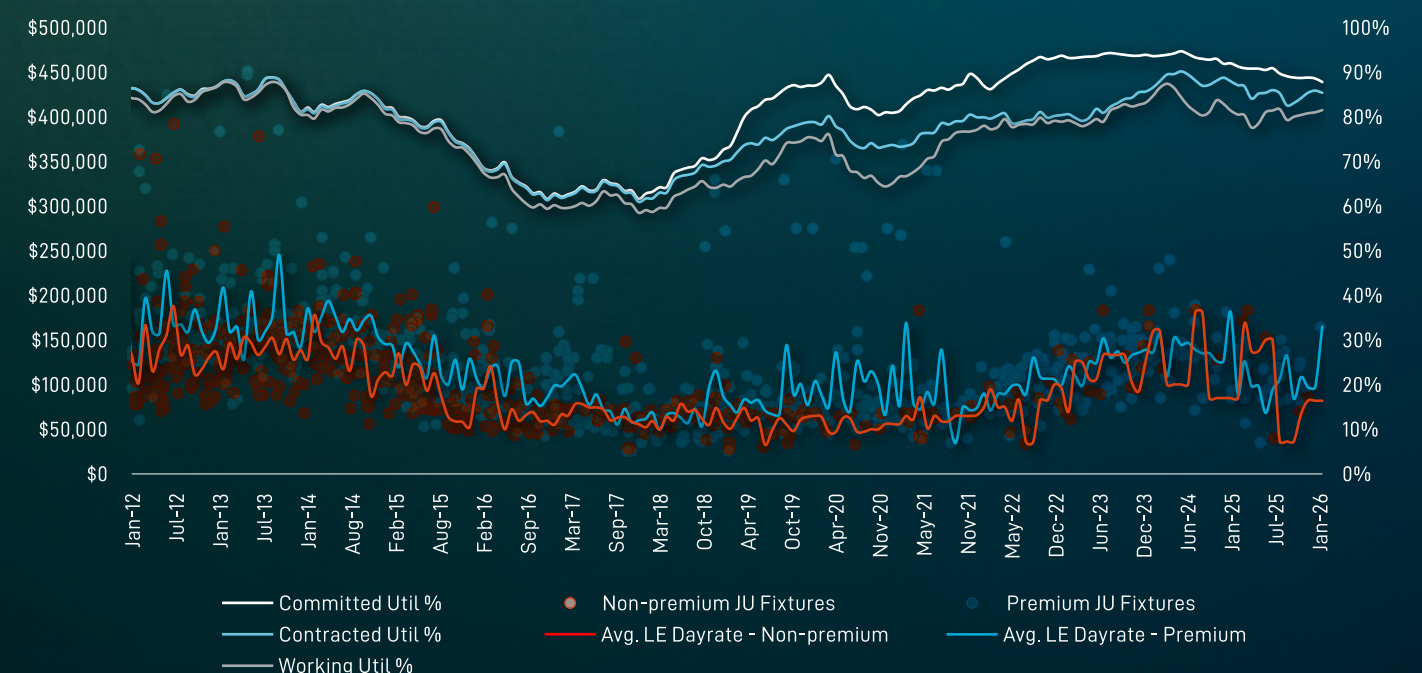
Saudi Arabia working utilisation has increased from 84.6% in Jan 2025 to 92.6% in Jan 2026 for jackups with >300ft maximum water depth. Contracted and committed utilisation both remain elevated at 99.0% and 100.0% respectively as the suspended units remain contracted.

West Africa is currently at 95% committed utilisation – with key countries Angola, Nigeria, Congo and Gabon achieving committed utilisation of 100%.

SouthEast Asia is currently at 82% committed utilisation – with Thailand and Brunei at 100%. Other key countries include Malaysia (82%), Indonesia (89%) and Vietnam (82%).



Global Jack-up Market Utilization and Day Rates >300ft WD (USD/day, Committed Utilization %)



Global Jackup Supply-Demand Outlook

Global jackup marketed utilisation is expected to remain around 91% over the 2026-30 forecast period. Near-term demand is largely locked in by a strong contract backlog along with visible tender requirements.

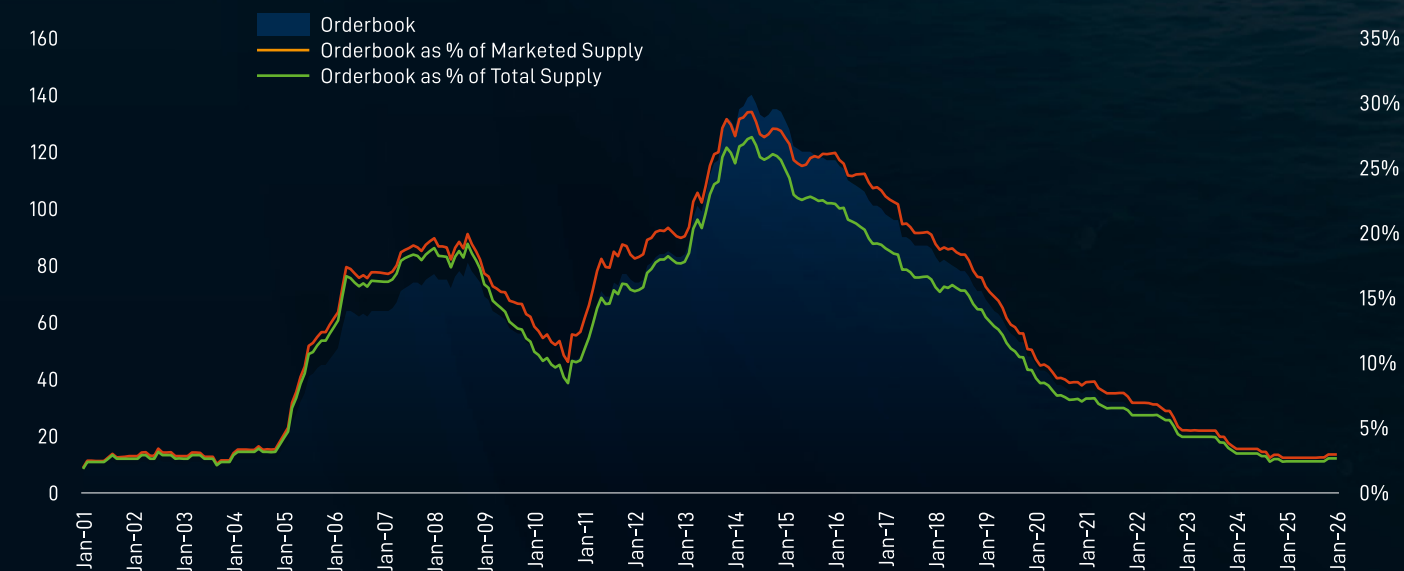
Global marketed utilisation is estimated at 93% in 2026 supported by a strong contract backlog of 303.4 rigs along with an additional 19.8 rigs associated with tender requirements.

Over the 2026-30 forecast period, marketed utilisation is expected to operate around the 90% mark. The GCC, and particularly KSA, will drive demand going forward as Aramco has reversed its rig suspension in late 2025 and began reactivating units by ADES and other peers that were previously suspended. This is expected to hold true even with the ongoing regional tensions and related temporary suspensions. Southeast Asia will also be a key market and has experienced tight market conditions in recent years.

Jackup Marketed Supply Analysis

Despite buoyant contracting activity in recent years, newbuilding remains subdued with the jackup orderbook at

Global Jackup Orderbook
((LHS) No. of rigs; (RHS) Orderbook as % of supply)

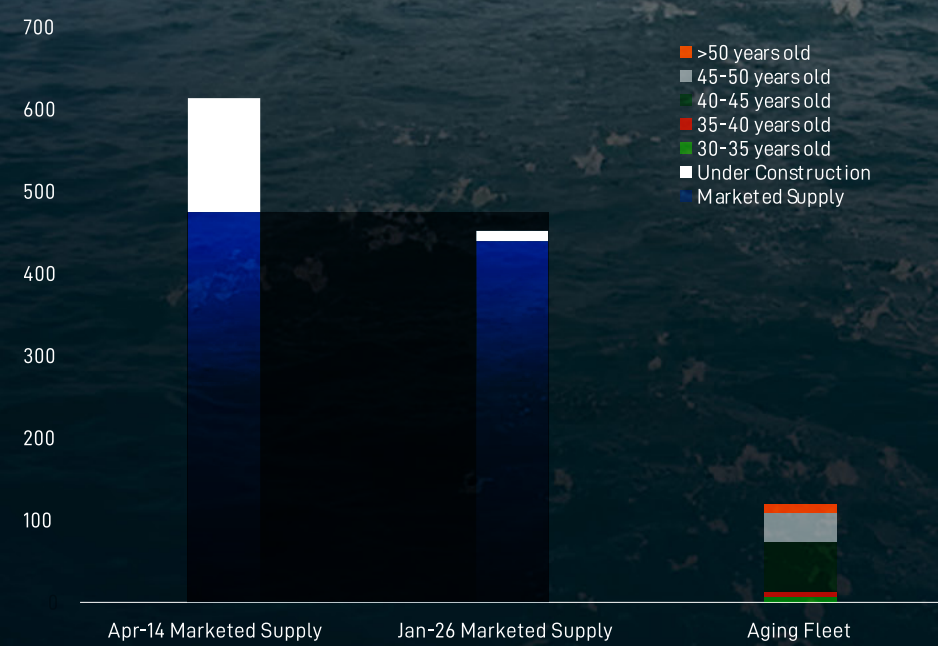


one of the lowest points over the past 2.5 decades. Orderbook as a percentage of global marketed supply is currently estimated at 3.0% - and 2.7% of total supply. Previous newbuild upcycles such as the 2012-14 period enjoyed high structural oil prices above \$100 whilst upstream costs were relatively low. Also, there are currently 155 jackups above the age of 30 years old - representing 32% of the global fleet. The need for fleet replenishment over the medium-to-long term will likely see potential tightness on the supply side.

A significant proportion of old jackups can be found in the India market which likely requires replenishment. However, prevailing dayrates in the country are too low to encourage rig managers to build new units for India.

Ageing Fleets with Subdued Newbuild Activity

There are currently 155 jackups above the age of 30 years old - representing 32% of the global fleet. The need for fleet replenishment over the medium-to-long term will likely see potential tightness on the supply side.



A total of 174 jackups have been scrapped or converted to non-drilling purposes between Apr-14 and Jan-26.

A total of 118 marketed jackups are currently above 30 years old. 89% of these units are above the age of 40 years old which is beyond the average attrition age based on transactions between 2011 and 2024.

ADES Offshore Drilling Markets

ADES holds the largest global jackup market share by both fleet size and contract backlog, surpassing NOC-affiliated rig managers with a total fleet of 81 units – 46 of which as premium jackups.

ADES holds the largest jackup market share by both fleet size and contract backlog. Its jackup fleet of 81 units accounts for 16% of the global fleet, whilst its contract backlog accounts for 24% of the global jackup contracts. This analysis, however, includes NOC-affiliated rig managers where some or most of their fleet work exclusively for respective NOCs and thus do not actively tender in competitive bidding processes. Nevertheless, ADES remains the market leader in both contract backlog and fleet size, whilst maintaining a weighted average contract duration of 4.73 years as of 31 December 2025.

Kingdom of Saudi Arabia

There are currently 61 jackups in the KSA with 70 contracted units and 71 committed units. ADES remains the top jackup rig manager in KSA with 48% of the total jackup fleet in the country and 47% of market share in backlog days.

A total of 37 rigs were suspended by Saudi Aramco since early 2024, however, Aramco has issued notices to several rigs to resume drilling operations since 4Q 2025. A wave of jackup reactivations is driving a strong recovery in the KSA market – with seven jackups confirmed to be back to work for Saudi Aramco. There have also been a few suspensions in 2026 due to the ongoing regional conflict but those are expected to be short-term in nature. Robust tender activity is also expected to drive continued growth in rig demand.

Elevated utilisation above 100% is expected to support healthy dayrate growth over the 2025-30 forecast period. Rig demand is expected to increase 17% from 65 to 76 units.

Rest of MENA (Excluding KSA)

The rest of MENA (excluding KSA) market comprises 101 jackups with ADNOC Drilling and ADES accounting for 36% and 15% of the regional jackup fleet respectively. In terms of commercial rigs, ADES remains a market leader in the rest of MENA market given that ADNOC Drilling's contracts are state-affiliated with the UAE's NOC ADNOC Offshore. There are currently 13 cold-stacked rigs with an average age of 33.6 years.

ADNOC Drilling has the largest fleet of 36 jackups and has the most backlog days (73% of total) owing to its state-owned affiliations and long-term contracts. ADES has the

second largest fleet in the rest of MENA region, with a total of 15 jackups rigs, 11 of which are in Egypt where ADES remains a market leader in backlog days.

Contract backlog for 2026 is estimated at 65.6 rig years with an additional 1.3 rig years in visible tender requirements. A series of EPC packages in both Qatar and the UAE is expected to fuel demand growth over the 2026-30 forecast period. There is also unawarded demand in Kuwait from Al-Khafji Joint Operations.

Southeast Asia

There are currently 49 jackups in SouthEast Asia – with seven warm stacked or undergoing modifications in Malaysia and Vietnam. Thailand and Indonesia have the largest market in the region, accounting for 33% and 30% of the market share by backlog, which translates to 25.6 and 23.4 rig years respectively. The remaining country markets, Vietnam, Malaysia and Brunei have an estimated backlog of 15.7, 7.5 and 5.6 rig years respectively.

With the acquisition of Shelf Drilling, which has the second largest market share by backlog in the region before the acquisition, ADES has cemented itself as the leading jackup rig manager in Southeast Asia with a total of nine jackups and a market share of 29% by backlog or 22.4 rig years.

Southeast Asia remains a net importer of energy with key country markets expressing ambitious production targets over the next few years to improve energy independence. Indonesia is targeting 0.9-1 mmboepd of production by 2028-29 representing a 50% increase from current production. Malaysia aims to sustain and grow Malaysia's domestic oil and gas production to approximately two mmboepd through 2028 whilst Thailand's PTTEP has announced \$34 billion of investments over the 2025-29 period to accelerate exploration activities and maintain existing production.

India

India's fleet is currently estimated at 41 jackups – driven by ADES and ONGC which account for 29% and 15% respectively. The average age in India is higher than its regional counterparts at 35.9 years – with 30 units currently above the age of 30 years old. The acquisition of Shelf Drilling has increased ADES' jackup fleet to a total of 12 jackups in India, with 24% of market share by backlog.

Offshore jackup demand in India was estimated at 32.2 rig years in 2025 – representing a 9% decrease from 2024. Contract backlog in 2025 is estimated at 25.9 rig years in 2026 with an additional 1.5 rig years in visible tender requirements. As India is expected to be a key driver of oil demand over the forecast period, a robust domestic production outlook is expected to fuel rig demand – with demand expected to outpace supply by 2028. As such, while the short-term outlook will likely be muted owing to limited tendering activity, a combination of India's ambitious production outlook, increasingly aging fleet and limited global newbuilding will likely see rates increase in the medium-to-long term.

West Africa

As of the end of 2025, the West African market remained largely fragmented across various smaller countries such as Gabon, Cameroon and Congo – but primarily driven by Nigeria and Angola which accounted for 39% and 35% of outstanding backlog days. ADES leads the West Africa market share by backlog with 51% or 12.8 rig years, of which the majority of 8.4 rig years are driven by contracts in Nigeria.

Rig demand in 2025 closed at an estimated 14.7 rig years compared to 11.0 rig years in 2024. Contract backlog in 2026 is estimated at 13.9 rig years with an additional 1.6 rig years in visible tender requirements. Angola and Nigeria continues to be the key country markets driving rig demand in the region. While Angola aims to maintain its current production and prevent oil production from falling below 1 mmboepd in 2027, Nigeria has a much more ambitious target aiming to increase production from 1.5 mmboepd to 3 mmboepd by 2030. As such, growth over the medium-to-long-term is expected to be driven by Nigeria over the forecast period. Over the 2026-30 forecast period, marketed utilisation is expected to range between 91-99%.

MENA Onshore Drilling

The MENA land drilling market comprises 1,438 rigs with Sonatrach, Algeria's state-owned E&P having the largest number of rigs at 111 units. ADES ranks as the 13th largest player, holding c.3% of the fleet mainly in Saudi Arabia and Kuwait, with additional rigs in Algeria and Egypt.

Of the key GCC states, Kuwait has the largest number of land rigs in the region due to its ambitious plans to ramp up oil production capacity to 3.65 mmboepd by 2035 and 4 mmboed by 2040. The KSA leads behind with 234 rigs and a less fragmented market where nine drilling contractors account for the country's fleet.

Over 2024-30, workover demand is expected to grow 24% from 240 to 296 units (4% CAGR). Drilling rig demand is

expected to increase 42% over the same period from 514 to 719 units (6% CAGR). As such, utilisation is forecasted to increase 13 ppt from 54% to 67%.

KSA

The capable rig fleet in KSA is currently estimated at 234 units with rig demand split between workover and drilling rigs at 41 and 139 rigs, respectively. 2024 demand has been impacted by OPEC+ compliance requirements which has reduced drilling activity with Saudi Aramco suspending rigs, affecting virtually every contractor. However, an ongoing recovery has seen reactivations with the total reactivation count of more than 22 rigs.

Demand is expected to recover in 2026 driven by gas-focused drilling in unconventional plays. Beyond 2026, a further ramp-up in unconventional drilling, coupled with more drilling in conventional oil plays, should see YoY growth through to 2030 – reaching an estimated 253 rigs demand which translates to a 41% increase relative to 2025 levels.

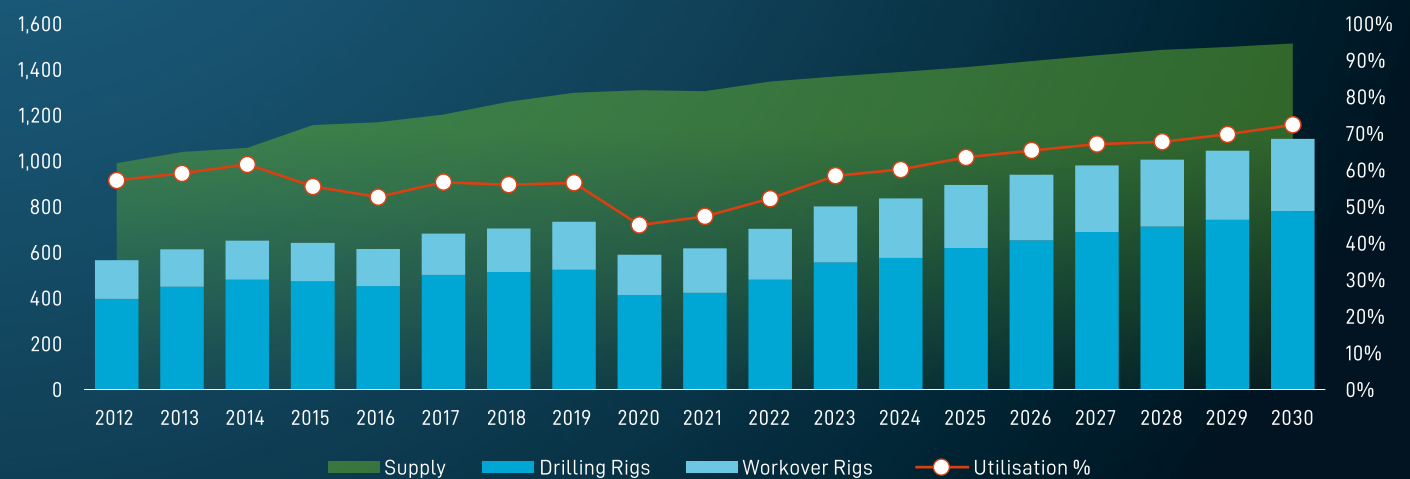
Kuwait

The capable rig fleet in Kuwait is currently estimated at 252 units with rig demand evenly split between workover and drilling rigs at 84 and 85 rigs, respectively. With an ambitious target to reach 4 mmboepd of oil capacity by 2040, KOC has awarded several 5-year multi-rig contracts to various local and international contractors over 2021-24. Incremental demand of 49 rigs are expected over 2024-30, largely driven by drilling rigs which accounts for 82%.

Algeria

The capable rig fleet in Algeria is currently estimated at 160 units with rig demand split between workover and drilling rigs at 44 and 21 rigs, respectively. Over 2025-30, rig demand is expected to increase 20% from 65 to 78 units, with utilisation improving 5ppt from 41% to 46%.

MENA Onshore Supply & Demand (# of Rigs, Utilization %)



Our Strategy

Delivering Global Leadership through Scale, Discipline, and Operational Excellence

At ADES, our strategy is built around achieving and sustaining global leadership in offshore drilling, while reinforcing our role as a national champion in Saudi Arabia. Through disciplined growth, fleet optimization, and a relentless focus on safety and operational excellence, we create durable value for clients, shareholders, and the markets we serve. Our strategic framework is anchored in five interlinked objectives that guide execution, allocation of capital, and performance management across the Group.

Strategy Objective	Strategic Intent	Key Enablers	Tangible Actions in 2025	How Progress is Measured
Expand and Sustain Global Leadership	Establish ADES as the world's leading offshore drilling platform by scale, reach, and execution capability.	- Unmatched fleet scale following the Shelf Drilling acquisition - Broad geographic footprint across core and growth basins - Disciplined M&A and integration capabilities - Long-standing partnerships with global and regional operators	- Completion of the Shelf Drilling acquisition, strengthening ADES' position as the global leader in offshore jackup drilling - Organic expansion into new markets including Brazil, Cameroon, and Brunei - Expansion into new markets through the Shelf acquisition, including the Netherlands, Vietnam, Italy, Angola, Norway and United Kingdom - Strengthening regional clusters across Southeast Asia, West and Central Africa, and the MENA regions - Deployment of a combined fleet strategy to optimize allocation across basins	- Offshore fleet size and composition - Number of operating countries and regions - Fleet utilization and redeployment velocity - Backlog diversification by geography
Optimize Markets and Enhance Competitiveness	Leverage scale and deployment agility to actively manage supply dynamics, protect dayrates, and expand margins.	- Leading market share in core basins - Flexible relocation and redeployment framework - Deep understanding of regional supply-demand dynamics - Strong client relationships and renewal track record	- Redeployment of suspended rigs into higher-margin markets - Long-term renewals and resumptions in Saudi Arabia - Entry into West and Central Africa under charter models to extend asset visibility - Proactive fleet balancing through redeploy, upgrade, or retire decisions	- Effective dayrates and margin per rig - EBITDA per operating unit - Utilization levels across regions - Contract duration and renewal rates
Reinforce ADES as the KSA Drilling Champion	Maintain leadership in Saudi Arabia as ADES' home and anchor market while supporting the Kingdom's energy and localization ambitions.	- Proven track record in Saudi market - Deep local presence and operational scale - Alignment with localization and Vision 2030 objectives - Support from long-term strategic shareholders	- Securing long-term renewals for previously suspended offshore rigs - Receiving resumption notices for offshore and onshore operations - Continued investment in local capabilities, training, and in-country value - Supporting energy security through reliable upstream services	- Share of backlog and revenue from KSA - Contract tenure and renewal success - Saudization and localization metrics - Safety and uptime performance in the Kingdom
Deliver High-Quality, Integrated Services	Provide clients with reliable, safe, and tailored drilling and production solutions across the full asset lifecycle.	- Long-term relationships with NOCs and IOCs - Industry-leading safety performance - Leveraging technology including proprietary RIGEYE solution and Operating Command Centre - Ability to deliver tailored and asset-light solutions - Competitive and disciplined pricing	- Execution of charter and partnership structures in new markets - Consistent delivery of industry-leading safety performance - Enhancement of service offering beyond core drilling	- TRIR and safety KPIs versus peers - Client retention and repeat awards - Contract scope breadth and service mix - Revenue contribution from integrated solutions
Deliver Long-term Sustainable Value	Ensure resilient profitability and responsible growth through disciplined capital allocation and strong governance.	- Non-speculative, cash-flow-driven growth philosophy - Strong balance sheet and funding access - Embedded ESG and safety culture - Robust risk management framework	- Value-accretive acquisitions aligned with strategic fit - Disciplined CAPEX and deleveraging approach - Continued dividend distributions supported by cash generation - Integration of ESG and sustainability into operations and reporting	- Return on invested capital (ROIC) - Free cash flow and leverage metrics - Dividend distributions and payout sustainability - ESG performance indicators and disclosures

Our Business Model

ADES' business model is designed to scale, adapt, and lead. Anchored in disciplined capital allocation, fleet optimization, and operational excellence, it enables the Group to actively shape market dynamics, sustain high utilization, and deliver resilient profitability across cycles.



1 Focus on Structurally Attractive Markets with High Barriers to Entry

ADES focuses on structurally attractive drilling markets characterized by durable demand, high barriers to entry, and long-term client relationships. These markets are defined by limited newbuild supply, stringent prequalification requirements, and strong national oil company participation—creating favorable conditions for sustained utilization and pricing.

~40% of global jack-up demand concentrated in the Middle East

High prequalification thresholds and localization requirements

Long-cycle demand driven by NOCs with multi-decade investment horizons

2 Scaled, Market-Fit Fleet Optimized for Supply Discipline and Value Creation

ADES operates the world's largest offshore jack-up fleet, scaled and configured to match prevailing market demand. Fleet decisions are guided by economics, specification fit, and capital discipline—enabling redeployment, selective upgrades, or relocation to optimize regional supply dynamics and enhance returns.

83 offshore units across 20 global markets

Significant share of competitive global supply

Industry-low average acquisition cost per rig

Buy-to-contract discipline embedded across acquisitions

Target payback: 5–7 years

Balancing Playbook:

Upgrade ► Redeploy ► Relocate

3 Integrated Business Model with In-House Capabilities and Lean Cost Structure

ADES' integrated model combines centralized governance with deep in-house engineering, reactivation, maintenance, and logistics capabilities. This structure reduces downtime, lowers lifecycle costs, and enables rapid execution across geographies.

In-house developed capabilities and lean cost structure



Lean Operations Organization



Unique In-House Engineering and Reactivation Capabilities



Prudent Preventive Maintenance



In-Country Value Prioritization

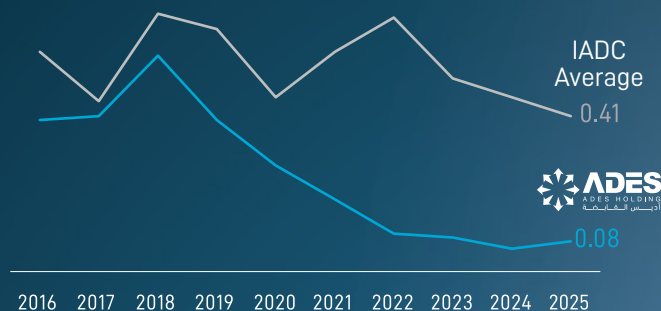


State-of-the-Art Training Programs

4 Impeccable Safety Record and Operational Excellence

An Impeccable Safety Record

Safety is our license to operate and remains the foundation of everything we do at ADES. The Group upholds rigorous HSE standards and procedures, supported by a deeply embedded safety culture across all operations. ADES is an active member of leading industry organizations, including the International Marine Contractors Association (IMCA) and the International Association of Drilling Contractors (IADC), and ensures that all operational offshore rigs are either IACS certified or undergoing recertification. The Group has consistently delivered a strong safety record and a Total Recordable Injury Rate (TRIR) of 0.08 per 200,000 working hours — significantly below the IADC global benchmark of 0.41 as at 31 December 2025.



“RigEye is ADES’ cutting-edge AI-based proprietary technology for incident prediction.”

Supported by Continued Innovation



RigEye is ADES’ cutting-edge AI-based proprietary technology for incident prediction

In-House Developed

AI-Powered

Monitoring
Safety Incidents

Automation of
Safety Reports

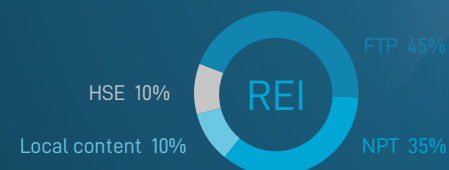
Operational Excellence

ADES has delivered highly efficient operations as evidenced by the Group’s consistently high rating on the key rig efficiency index parameter in Saudi Arabia:

93/100
Average REI Score¹¹



Rig Efficiency Index (“REI”) Composition is used by Saudi Aramco as a factor in determining contract renewals and bid allocations¹²



REI is the main component in ensuring continued contracts and a strong backlog with Aramco

Seamless Rig Deployment

ADES has in place a project management framework structured around four key pillars, program management, shipyards, staffing, and procurement and logistics, to ensure seamless and efficient delivery of future deployments of rigs to its clients.



Program Management
Rig start-up integrated management program and a dedicated taskforce.



Shipyards
Shipyards slots secured globally



Staffing
Securing manpower and retaining the ADES DNA with 1/3 of staff on every new rig sourced from existing ADES rigs



Procurement and Logistics
Full procurement and logistics management program and with materials and service agreements in place with key suppliers

¹¹ Average score in 2025

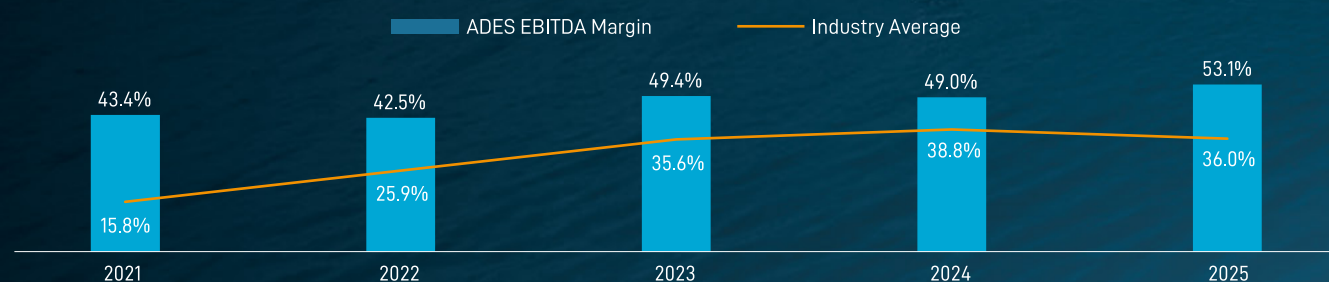
¹² Local Content is defined as “Saudization”, measured as # of employees who are Saudi nationals divided by total workforce. FTP is defined as Flat Time Performance and NPT is Non-productive Time

5

Competitive Day Rates with Above Average-Industry Profitability

Scale, operational efficiency, and disciplined cost control allow ADES to offer competitive day rates while consistently delivering above-average peer margins. Economies of scale and strategic procurement further reinforce margin resilience.

Above-Peer-Average EBITDA Margins¹³



6

Long-Term Backlog with Strong Cash Flow Visibility

ADES' backlog provides long-term revenue visibility and cash flow stability, underpinned by extended contract maturities and a client base dominated by top international and national oil companies.

83%
Offshore Backlog

+72%
GCC Contribution

4.73 years
weighted average remaining
contract life

Key NOC & IOC Clients



7

Prudent Financial Policies and Disciplined Funding

Growth is underpinned by conservative financial policies that prioritize balance sheet strength, liquidity, and flexibility to pursue value-accretive opportunities. These measures ensure that ADES' growth does not come at the expense of present or future financial stability.

~2.0x
Target Backlog / Net Debt Ratio

~3.0x
Target Net Debt-to-adjusted EBITDA

8

Clearly Defined Growth Path with Strategic Optionality

Scale, market access, funding capacity, and a proven integration playbook provide ADES with significant optionality to pursue organic growth and consolidation opportunities globally.

1. Access to Opportunities
2. Innovative & Tailor-fit Service Offerings
3. Funding & Mandate to Grow
4. Significant Asset Base
5. Streamlined Decision Making
6. Access to Talent

9

Experienced Management and Strategic Shareholder Support

ADES is led by a highly experienced management team, supported by long-term strategic shareholders aligned with the Group's growth ambitions and capital discipline.

Highly Capable Management

+230yrs
Combined Years of
Management Experience



Supported by High-Profile and Strategic Shareholders:

PIF
23.8%

Zamil Group
6.7%

**Free Float on
Tadawul**
30.8%



**Zamil
Group**

تداول السعودية
Saudi Exchange

Pre-eminent Saudi shareholders core to the Kingdom's economy

The PIF is the KSA Government's leading investment arm, enabling the growth and diversification of the Kingdom's economy

Strategic shareholders that are and will remain the key supporters of ADES

¹³ Selected peers include Arabian Drilling, ADNOC Drilling, Valaris, Noble Corporation, Borr Drilling and Shelf Drilling (until 2024).

Shelf Drilling Integration

Building a unified global leader

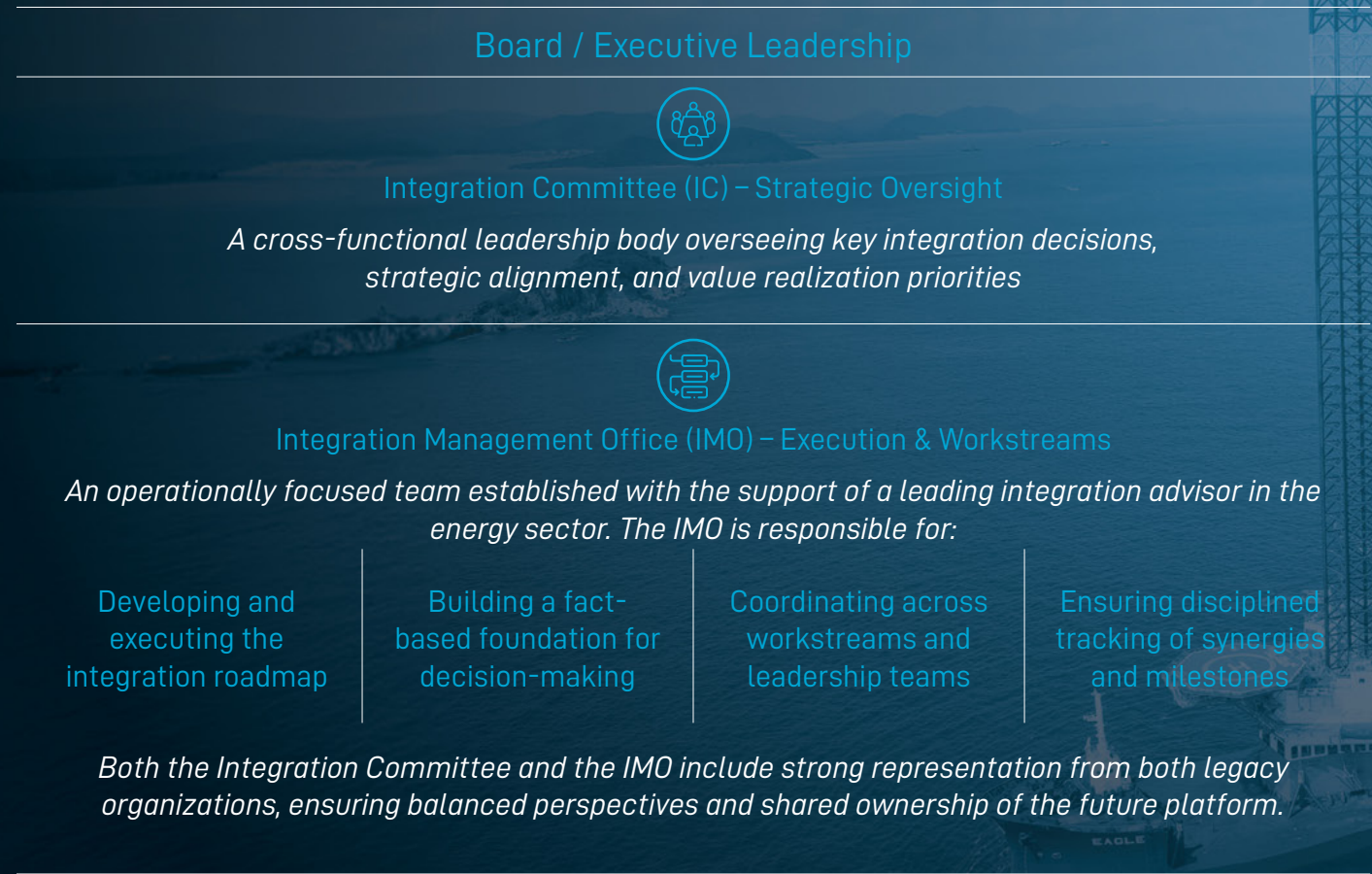


The combination of ADES and Shelf Drilling in 2025 marked a transformational milestone, cementing the Group's position as the world's largest offshore jackup drilling platform and a scaled global drilling services provider with a footprint spanning 20 countries.

Beyond fleet scale, the integration brings together two organizations with complementary strengths, deep technical expertise, and long-standing client relationships. The strategic objective is clear: to build a future-proof operating model that captures the best of both platforms while strengthening safety, operational performance, and long-term value creation. Successful integration is not merely about consolidation, it is about alignment, simplification, and disciplined execution.

Governance Framework for Integration

To ensure a structured and controlled integration process, ADES established a dedicated governance architecture from day one.



Key Integration Themes

The integration is guided by five core priorities:

	Health & Safety First	Maintaining safety as the license to operate across the enlarged platform. Alignment of HSE standards, procedures, reporting systems, and culture is a top priority to ensure no disruption to operational integrity.
	Operational Excellence	Standardizing best-in-class processes, fleet management practices, and performance metrics to enhance uptime, reliability, and efficiency across the combined fleet.
	Bringing the Best of Both Organizations	The integration is not about replacement, but about synthesis. A thorough review of processes, systems, and operating practices is underway to identify what works best in each organization and elevate it across the combined entity.
	Client Satisfaction and Commercial Strength	Ensuring continuity and enhanced value for clients through: • Broader fleet optionality • Expanded geographic coverage • Greater commercial leverage with both NOCs and IOCs
	Synergy and Value Creation	Identified synergy opportunities include: • Procurement optimization • Shared services efficiencies • Operational standardization • Fleet redeployment optimization • Enhanced commercial coordination Targeted Synergies of c.SAR 188-225 million over the medium term.

Cultural and Organizational Alignment

Integration success is fundamentally driven by people. The combined organization brings together deep technical expertise, regional experience, and a shared commitment to safety and operational excellence.

Engagement across both legacy organizations has focused on listening, transparency, and building a common operating philosophy. The objective is to preserve institutional strengths while shaping a unified, performance-driven culture.

Next Steps and 2026 Priorities

As integration progresses, the Group will continue focusing on aligning operations, strengthening collaboration across teams, and capturing the strategic benefits of the combined platform. Key priorities include enhancing operational efficiency, leveraging the Group's expanded global footprint, and further strengthening relationships with clients across core markets.

The integration is progressing in line with expectations and will remain a strategic priority for 2026 and the medium term as ADES continues to unlock the full value of the combined platform, reinforcing its scale, commercial strength, and operational capabilities across global markets.

Stakeholder Engagement & Value Creation

Stakeholder Group	Investors (Shareholders, Lenders, Analysts)	Government Institutions & Regulators	Customers (NOCs & IOCs)	Employees (and Contractors)	Business Partners (Suppliers, Shipyards, In-Country partners, Service providers)	Society & Environment
How We Engage	- Annual Report and interim reporting - Tadawul announcements and disclosures - Earnings calls, investor presentations, roadshows / conferences - One-to-one meetings and group briefings - AGM / EGM and ongoing IR communications channels	- Regulatory filings and compliance reporting - Participation in national programs and industry forums	- Pre-contract engagements such as pre-qualifications and tendering/bidding process - Contract performance reviews and operational governance meetings - HSE alignment sessions and incident-prevention programs - Client satisfaction / feedback loops - Joint planning for mobilizations, redeployments, and campaign execution	- HSE induction, safety programs, and ongoing training - Internal communications and leadership engagement - Performance development and capability-building pathways - Wellbeing initiatives, recognition, and site engagement	- Supplier relationship management and performance reviews - Quality assurance inspections and audits - Contracting and tender processes with defined standards - Collaboration on mobilizations, maintenance, and efficiency initiatives	- Sustainability reporting and public communications - Community initiatives and volunteering - Partnerships (NGOs, educational and local entities) - Site-specific compliance processes
Key Items Discussed	- Financial performance, backlog and cash flow visibility - Strategy execution (organic deployments, fleet optimization, M&A) - Governance, risk management, and capital allocation (dividends, leverage) - Market dynamics and outlook	- Regulatory compliance and governance standards - Localization and workforce development - HSE and environmental compliance - Contributions to national economic priorities	- Safety performance and operational reliability - Efficiency / uptime, rig readiness, and campaign delivery - Cost-effective solutions and fit-for-purpose deployment - Tailored solutions (e.g., brownfield production model) and innovation	- Safety culture and workforce wellbeing - Training, competency, and career development - Diversity, inclusion, and fair workplace practices - Operational readiness for mobilizations and new geographies	- HSE expectations, compliance, and ethical conduct - Quality and delivery performance - Local sourcing and in-country value requirements - Sustainability roadmap in procurement (supplier sustainability assessment/training)	- Environmental stewardship (energy, emissions, waste, water) - Safety, health, and community wellbeing (e.g., Al Nas Hospital) - Local employment and community investment - Biodiversity and ecosystem initiatives (e.g., tree planting program, plastic waste removal)
How We Create Value	- Delivering consistent operational and financial performance - Enhancing transparency through timely disclosures and structured reporting - Supporting forecasting confidence via long-term contracts and disciplined capital allocation	- Maintaining full compliance and strong governance - Supporting local capability building, training, and value creation across markets - Enabling safe, reliable upstream activity through best-practice operations	- Delivering safe, efficient, and dependable drilling and workover services - Providing deployment flexibility across geographies through scale and regional clustering - Enhancing client outcomes through tailored, value-accretive operating models	- Providing a safe workplace with clear standards and continuous improvement - Investing in training and development to build long-term capability - Embedding a culture of operational excellence and accountability	- Building long-term, mutually beneficial relationships across the value chain - Improving reliability and cost efficiency through disciplined procurement and standardization - Supporting local economies through local sourcing and partner development	- Reducing environmental footprint through energy efficiency, investment in clean energy technologies, and improved data tracking - Creating positive socio-economical impact through targeted community investment, volunteering, and local partnerships - Strengthening environmental protection practices (waste, water, spill prevention, biodiversity measures)

|| ADES delivered a strong operational performance in 2025, maintaining high utilization, industry-leading safety standards, and continued progress on its global mobilization and expansion strategy. ||

03 BUSINESS REVIEW

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CFO's Note

I am pleased to present ADES' financial results for 2025, a year that demonstrated the strength and scalability of our financial model during a transformational period for the Group. ADES delivered solid revenue growth, meaningful EBITDA expansion, record backlog levels, and strong operating cash flow, while completing the landmark acquisition of Shelf Drilling and maintaining a disciplined approach to capital allocation.

Strong Revenue Growth and Margin Expansion

Group revenues increased by 7.9% year-on-year to SAR 6.7 billion in 2025, supported by the continued ramp-up of offshore operations, disciplined execution of our global rig deployment strategy, contributions from newly entered markets, and the initial impact of the Shelf Drilling acquisition following completion in late November.

Our revenue base also became more diversified. Saudi Arabia remained our largest market, contributing SAR 3.6 billion in revenues, while international operations gained scale across Southeast Asia, India, West and Central Africa, and new markets added through Shelf. GCC markets continued to provide a stable base, generating 68% of Group revenues, while the growing international contribution reinforced the benefits of our diversification strategy.

EBITDA increased by 17.0% year-on-year to SAR 3.6 billion, outpacing revenue growth and lifting EBITDA margin by 4.1 percentage points to 53.1%. This reflected a higher offshore contribution, healthier margins on mobilized rigs in new locations, increased contribution from our production model in Egyptian brownfields, lower share-based payment expenses compared to the previous year, and the continued strength of our lean operating structure.

Net profit increased by 2.0% year-on-year to SAR 832.9 million, with net profit margin recording 12.5% compared to 13.2% in 2024. This was achieved despite higher depreciation and interest expenses as a percent of revenue, associated with the Group's expanded fleet and global growth, as well as acquisition-related transaction costs linked to Shelf.

Record Backlog and Revenue Visibility

One of the year's most important achievements was the expansion of our backlog to a record SAR 34.7 billion as of 31 December 2025, compared to SAR 28.27 billion at year-end 2024. Of this total, SAR 26.68 billion was generated by ADES' existing operations, while SAR 8.03 billion was contributed through the Shelf acquisition.

This backlog provides strong multi-year revenue visibility and underpins the durability of our cash flow profile. The weighted average remaining contract tenor stood at 4.73 years, or 5.2 years for ADES on a standalone basis, reflecting our ability



to secure and renew long-term contracts across core and growth markets.

During the year, backlog visibility was strengthened through important renewals and awards across Saudi Arabia, Qatar, Egypt, West and Central Africa, and Southeast Asia. These included two 10-year contract renewals with Saudi Aramco, extensions for Sapphire and Aquamarine Driller in Qatar, three offshore jack-up extensions in Egypt, new awards in Nigeria and Cameroon, and Shelf's contract award in Brunei.

Cash Generation and Capital Discipline

Operating cash flow before working capital increased by 6.2% year-on-year to SAR 3.36 billion, highlighting the cash-generative nature of ADES' long-duration contracts, high utilization levels, and disciplined operating model.

Capital deployment in 2025 remained focused on supporting contracted growth, fleet redeployments, and operational readiness across new and existing markets. Total capital expenditure reached SAR 2.92 billion, compared to SAR 3.09 billion in 2024. Of this amount, SAR 1.06 billion related to the Shelf acquisition, while SAR 703.3 million represented recurring maintenance CAPEX for operating rigs. Spending supported contract preparations in Kuwait, including two newbuild units, as well as rigs relocated from Saudi Arabia to Thailand, Brazil, Nigeria, and Cameroon.

Net debt stood at SAR 17.79 billion as of 31 December 2025, compared to SAR 11.31 billion at year-end 2024, with the increase primarily driven by drawdowns to fund the Shelf acquisition and related refinancing activities. Excluding acquisition-related financing, ADES continued to demonstrate its ability to fund debt service obligations, taxes, and recurring CAPEX through operating cash flow — a key feature of our financial model and a reflection of our disciplined cost and capital management.

“ADES delivered solid revenue growth, meaningful EBITDA expansion, record backlog levels, and strong operating cash flow, while completing the landmark acquisition of Shelf Drilling and maintaining a disciplined approach to capital allocation.”

SAR 6.7 bn
Revenues in 2025, +7.9% YoY

SAR 3.6 bn
EBITDA in 2025, 53.1% Margin

SAR 34.7 bn
Backlog as of 31 Dec 2025,
vs. SAR 28.27 bn at year-end 2024

Shelf Drilling Acquisition and Synergy Potential

The Shelf acquisition represents a transformational investment in ADES' long-term earnings capacity and market position. Financially, the transaction expanded backlog by SAR 8.03 billion at year-end, broadened revenue contribution across international markets, and enhanced the resilience of our cash flow profile.

Beyond its immediate contribution to fleet size and backlog, the transaction creates a clear pathway for value creation through operational and financial synergies. These include procurement optimization, shared services efficiencies, operational standardization, fleet redeployment optimization, and enhanced commercial coordination across the combined platform. Over the medium term, the Group is targeting synergies of approximately SAR 188–225 million as integration progresses.

While Shelf's financial contribution in 2025 was limited to the period following completion in late November, the acquisition is expected to contribute more meaningfully from 2026 onward as integration benefits materialize and the combined platform moves toward full operational alignment.

Delivering Shareholder Returns

ADES remains committed to delivering attractive shareholder returns while maintaining the financial flexibility required to fund growth, integrate Shelf, and support long-term strategic priorities. Our financial performance and cash generation supported the Board's decision to distribute total dividends of SAR 496.2 million for the Group's 2025 financials, reflecting our continued commitment to a consistent semi-annual distribution policy.

Since listing, ADES has delivered a compelling total shareholder return. Based on the midpoint of our 2026

EBITDA guidance, we are on track to deliver a c.30% EBITDA CAGR since IPO, driven by disciplined organic expansion and value-accretive M&A, compared to approximately 10% for the broader market. At the same time, ADES has maintained an average dividend yield of approximately 3.0% to 3.5%, providing shareholders with steady income while preserving capacity to reinvest in long-term growth. Combining growth and income, ADES has delivered a total shareholder return exceeding 33% since IPO, more than double that of TASI over the same period.

Outlook

Looking ahead, ADES enters 2026 with a record backlog, an expanded global platform, and strong visibility on future earnings. Our outlook is supported by the continued ramp-up of recently deployed rigs, expected improvements in utilization as suspended rigs in Saudi Arabia return to service, the growing contribution from international markets, and the early benefits of Shelf integration.

The offshore drilling market remains structurally tight, with limited new supply and sustained demand for high-quality, reliable drilling capacity. From a financial perspective, our priorities remain clear: maintain strong cash generation, execute disciplined capital allocation, manage leverage prudently, realize integration synergies, and continue delivering sustainable long-term value to shareholders.

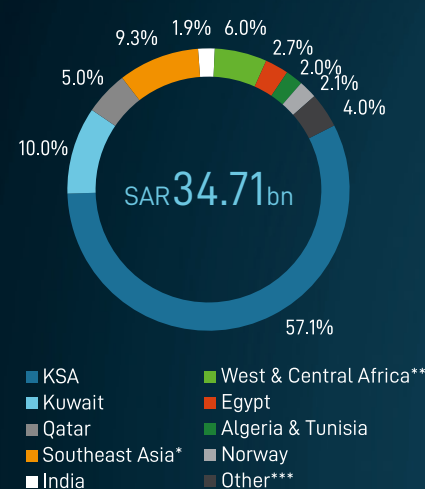
I would like to thank our shareholders, lenders, partners, and employees for their continued confidence and support. As we move into 2026, we remain focused on translating our enlarged scale into stronger earnings, resilient cash flows, and sustainable shareholder value.

Hussein Badawy
Chief Financial Officer

Operational Review

High-quality execution, safety leadership, and disciplined deployment underpin global expansion

Backlog by Geography (2025)



ADES delivered a strong operational performance in 2025, maintaining high utilization, industry-leading safety standards, and continued progress on its global mobilization and expansion strategy. The year was marked by disciplined execution across core and international markets, alongside the successful integration of new assets and the expansion of the Group's geographic footprint.

The Group recorded a Total Recordable Injury Rate (TRIR) of 0.08 in 2025, continuing to outperform the IADC industry standard of 0.41 and underscoring the strength of its integrated health and safety management frameworks. Utilization levels remained high at 97.9% for the year, reflecting sustained demand across key markets and the efficiency of ADES' operating model.

During the year, the Group continued to deliver on its global mobilization plan for rigs previously operating in Saudi Arabia. This included the deployment of two rigs in Nigeria in the second and third quarters of 2025, one rig in Thailand in the third quarter, and one rig in Brazil in the fourth quarter. Preparations are also ongoing for an upcoming deployment in Cameroon, further supporting expansion into new markets.

In Kuwait, six rigs underwent contract preparations at different intervals throughout the year, including two newbuild units. These rigs were part of the six-rig contract awarded in 2024 and were gradually deployed during the second and third quarters of 2025. This brought Kuwait operations to its full run-rate by the third quarter, with a total of 12 rigs in operation.

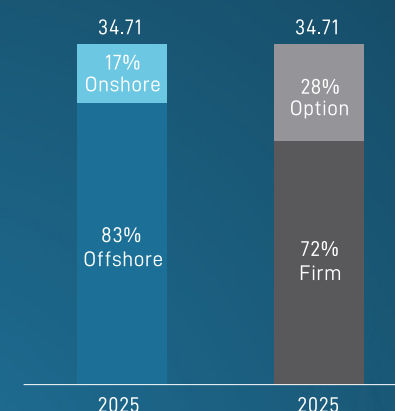
In India, a total of 10 rigs were operational during the year, including three existing ADES rigs and seven rigs added through the Shelf acquisition, which contributed from the end of November 2025. Compared to 2024, where two rigs operated fully and one commenced operations toward the end of the first quarter, the expanded fleet has strengthened utilization across the region.

In Southeast Asia, performance was supported by the addition of two premium rigs acquired in Indonesia and Malaysia in the fourth quarter of 2024, alongside the relocation of Admarine 502 and Admarine 503 to Thailand and the Emerald rig to Indonesia. The integration of Shelf further contributed four additional rigs across Thailand and Vietnam, enhancing the Group's presence in the region.

Operations in Algeria and Tunisia also accelerated during the year, with eight rigs in operation compared to seven in the previous year, supporting higher activity levels across North Africa.

In West and Central Africa, the Group operated a total of eight rigs, including two rigs relocated from Saudi Arabia to Nigeria, deployed during the second and

Backlog Composition 2025 (SAR bn)



third quarters of 2025. The regional fleet also includes six rigs added through the Shelf acquisition, five operating in Nigeria and one in Angola, marking the Group's most recent expansion in the region. This combined fleet has supported improved utilization and strengthened the Group's position in West Africa.

Overall, the Group's operating fleet reached 105 rigs during 2025, comprising 78 rigs from ADES and 27 rigs from Shelf, compared to 81 rigs in 2024, reflecting the significant scale achieved through both organic growth and the transformational acquisition completed during the year.

Exceptional Backlog Strength Reflecting Successful Replenishment and Growth Strategy

Total backlog recorded SAR 34.71 billion as of 31 December 2025, marking the highest in the Company's history, of which SAR 26.68 billion was generated by ADES' existing operations and SAR 8.03 billion was contributed through the acquisition of Shelf, compared to SAR 28.27 billion recorded at year-end 2024.

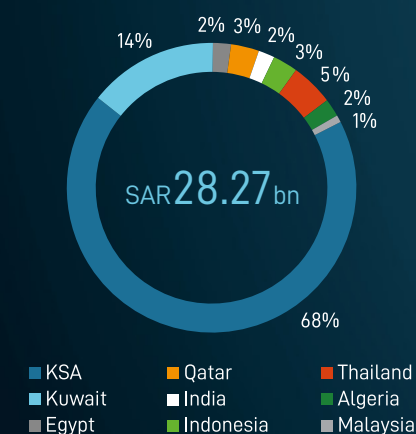
During the year, ADES continued to strengthen its footprint across its core markets in MENA, including two 10-year contract renewals with Saudi Aramco in April and May 2025, reinforcing its leading position in its home market of Saudi Arabia and enhancing long-term backlog visibility. In Qatar, the Group secured multi-year extensions for Sapphire and Aquamarine Driller, while in Egypt, three offshore jackup rigs—Admarine III, Admarine V, and Admarine VI—were extended with the General Petroleum Company, underscoring ADES' sustained client confidence and continued value creation across the region.

Beyond MENA, ADES continued to diversify its global presence with strategic contract wins across new and existing markets. In West & Central Africa, the Group entered Cameroon—its 13th country of operation—through a new contract with Addax Petroleum, complementing the deployments in Nigeria during 2Q and 3Q 2025 that were secured earlier in the year.

Shelf Drilling was awarded a two-year offshore contract for the "Compact Driller" standard jack-up with Brunei Shell Petroleum, valued at approximately SAR 236 million, further strengthening the Group's presence in Southeast Asia.

As of 31 December 2025, ADES' weighted average remaining contract tenor stood at 4.73 years (5.2 years for ADES on a standalone basis), reflecting the Group's continued success in securing long-term contracts that bolster revenue visibility and support sustainable growth.

Backlog by Geography (2024)



*Southeast Asia includes Indonesia, Thailand, Malaysia, Vietnam and Brunei

**West & Central Africa includes Nigeria, Cameroon and Angola

***Other includes Brazil, Italy, the UK and the Netherlands

14 The effective utilization is calculated based on the number of operating days for rigs excluding idle and non-contracted units.

15 Total Recordable Injury Rate per 200,000 working hours.

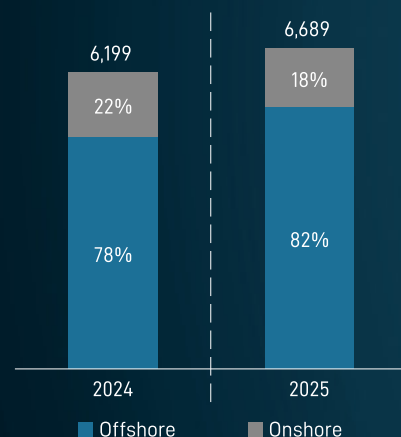
Financial Performance

ADES delivered solid revenue & EBITDA growth in 2025 and achieved a record backlog of SAR 34.71 billion

Key Financial Figures

SAR mn	2025	2024	Change
Revenues	6,689.0	6,199.0	7.9%
EBITDA	3,552.9	3,036.8	17.0%
EBITDA Margin	53.1%	49.0%	+4.1pp
Net Profit	832.9	816.2	+2.0%
Net Profit Margin	12.5%	13.2%	-0.7pp
CF from Operating Activities before WC	3,359.1	3,162.0	+6.2%

Revenue (SAR mn)



Revenues

ADES recorded robust **revenues** of SAR 6.7 billion in 2025, reflecting an increase of 7.9% y-o-y against the same period in 2024. This reflects the Group's operational excellence across its core markets, alongside the initial contributions from recently entered geographies and the acquisition of Shelf Drilling in late November 2025.

Performance by Geography

SAR mn	2025	2024	Change
Saudi Arabia	3,611.5	4,142.7	-12.8%
Kuwait	649.6	615.4	5.6%
Egypt	641.3	486.0	32.0%
Southeast Asia*	610.0	181.0	236.9%
Qatar	309.2	356.1	-13.2%
India	276.8	220.3	25.7%
Algeria & Tunisia	253.5	197.5	28.3%
West & Central Africa**	171.9	-	-
Norway	40.2	-	-
Other***	125.0	-	-
Total	6,689.0	6,199.0	7.9%

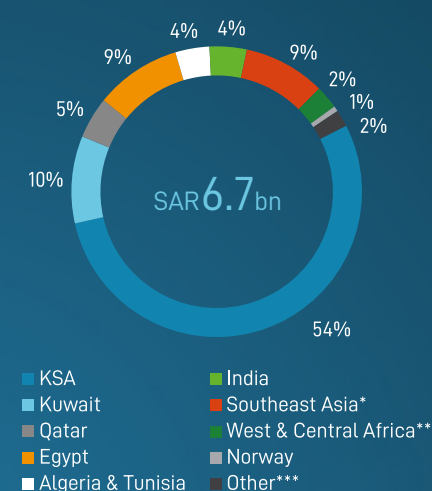
- In **KSA** revenue dropped by 12.8% y-o-y primarily due to the relocation of rigs to other regions.
- In **Kuwait**, revenues increased by 5.6% y-o-y, reflecting the higher number of operating rigs, supported by two newbuild units deployed at the end of 2Q 2025. This growth was achieved despite four of the six rigs awarded under the 2024 contract

* Southeast Asia includes Indonesia, Thailand, Malaysia and Vietnam

** West & Central Africa includes Nigeria and Angola

*** Other includes Brazil, Italy, the UK and the Netherlands

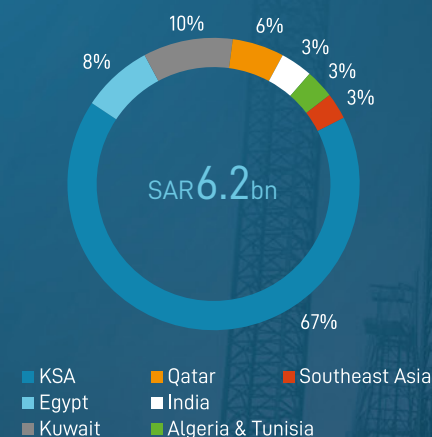
Revenue by Geography 2025



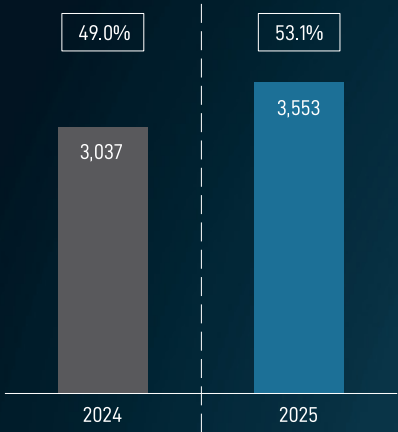
undergoing contract preparations at different intervals, with gradual deployment during 2Q 2025 and one additional rig commencing operations in 3Q 2025.

- In **Egypt**, revenues increased by 32.0% y-o-y, largely driven by incremental contributions from ADES' production model in brownfields during the year. Revenues were further supported by contributions from the Shelf acquisition.
- In **Southeast Asia**, revenues surged to SAR 610.0 million, up 236.9% y-o-y, driven by the Group's acquisition of two premium rigs from Vantage Drilling in 4Q 2024, the relocation of Admarine 502 and Admarine 503 to Thailand and the Emerald rig to Indonesia, as well as the contribution of four rigs from the Shelf acquisition across Thailand and Vietnam.
- In **Qatar**, revenues declined by 13.2% year-over-year, primarily due to one offshore rig undergoing a scheduled project in 1Q 2025 and another rig in contract preparation during the period. Revenues for the year also included the contribution of one rig from the Shelf acquisition.
- Revenues from **India** climbed by 25.7% y-o-y, driven by higher utilization with all three offshore rigs delivering full contributions in 2025, compared to 2024 where two operated fully and one began operations at the end of the first quarter. The increase was further supported by the contribution of the seven Shelf rigs.
- **Algeria & Tunisia** revenue expanded by 28.3% y-o-y driven by a growing number of operating units, with eight rigs contributing during 2025 compared to seven rigs in 2024.
- In **West & Central Africa**, revenues reached SAR 171.9 million during the period, primarily reflecting the contribution of two rigs relocated from Saudi Arabia. One rig was deployed in June 2025 and delivered a full contribution from 3Q 2025 through to year-end, while the second rig was deployed at the end of the third quarter. Revenues were further supported by the contribution of six Shelf rigs, including five operating in Nigeria and one rig representing the Group's entry into Angola.
- The Group's geographic footprint further expanded with its entry into **Norway** through the Shelf acquisition, contributing SAR 40.2 million in revenues.
- **Other markets** contributed SAR 125.0 million in revenues, driven by the commencement of operations in **Brazil** during 4Q 2025 through the reallocation of a rig from KSA, alongside initial contributions from three new European markets — **Italy, the Netherlands, and the UK** — following the Shelf acquisition.

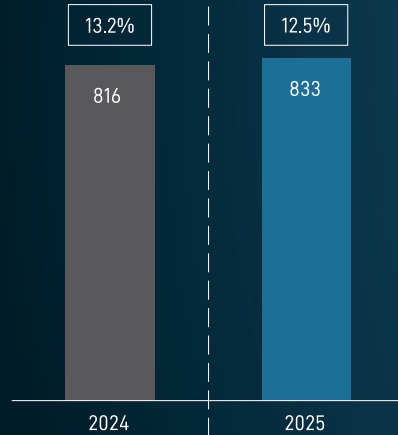
Revenue by Geography 2024



EBITDA
(SARmn / Margin)



Net Profit
(SARmn / Margin)



Performance by Segment

SAR mn	2025	2024	Change
Offshore			
Revenue	5,468.1	4,844.0	12.9%
Gross Profit ¹⁶	3,542.9	3,006.1	17.9%
Gross Profit Margin	64.8%	62.1%	+2.7pp
Onshore			
Revenue	1,220.8	1,355.0	-9.9%
Gross Profit ¹⁶	517.8	603.7	-14.2%
Gross Profit Margin	42.4%	44.5%	-2.1pp

Despite temporary suspensions in Saudi Arabia, the Group's offshore segment expanded by 12.9% y-o-y in 2025 compared to 2024, primarily driven by stronger contributions from India and Southeast Asia during the period, coupled with deployments in Nigeria and Thailand. The increase was further supported by contributions from the Shelf acquisition, in addition to higher revenues from ADES' production model in Egyptian brownfields.

The onshore segment was impacted by lower activity in KSA with a slight reduction in utilization alongside few temporary onshore suspensions received in 2025. However, two onshore rigs have resumed operations during 1Q 2026, while the remaining suspended units are expected to gradually return to operations during 2026.

As of 31 December 2025, the offshore segment accounted for 81.7% of total revenue, compared to 78.1% in 2024. Improved effective day rates and sustained offshore profitability supported strong gross margins for the Group during the period.

EBITDA

EBITDA increased 17.0% year-over-year to SAR 3,552.9 million in 2025, with an EBITDA margin of 53.1%, up 4.1 percentage points from 49.0% in 2024. This growth was driven by higher contribution from offshore activities, healthier margins for mobilized rigs in new locations, increased contribution from the Group's production model in Egyptian brownfields, and the integration of the Shelf portfolio toward the end of the year. Additionally, lower share-based payments expenses (LTIP) versus last year on account of their recognition in 3Q 2025 only, along with the Group's lean cost structure also lifted margins during the period.

Net Profit

Net profit increased by 2.0% year-over-year to SAR 832.9 million in 2025, with net profit margin at 12.5% compared to 13.2% in 2024, reflecting increased depreciation and interest expenses relative to revenue during the year, as well as a gain on equity instruments designated at fair value through profit or loss recognized in the third quarter, which was largely offset by acquisition-related transaction costs.

Operating Cash Flow

Operating cash flow rose 6.2% y-o-y to SAR 3,359.1 million in 2025, compared to SAR 3,162.0 million in 2024. This reflects the Group's substantial efforts on the global expansion front and strong EBITDA growth recorded during the period.

CAPEX

Total capital expenditure in 2025 reached SAR 2,919.2 million of which SAR 1,062.8 million was related to the Shelf acquisition, while SAR 703.3 million represented recurring maintenance CAPEX for operating rigs. The 5.4% decrease from SAR

3,085.6 million in 2024 reflects lower project activity in 2025 compared to 2024, partially offset by higher recurring maintenance CAPEX and acquisitions. Additionally, six rigs in Kuwait underwent contract preparation, including two newly built units. In parallel, preparations commenced for the deployment of rigs relocated from Saudi Arabia to Thailand, Brazil, Nigeria, and Cameroon. These activities also contributed to the increase in recurring maintenance capital expenditure during the period.

Net Debt

Net debt stood at SAR 17,791.2 million as of 31 December 2025, compared to SAR 11,312.5 million at year-end 2024, with net drawdowns during the period amounting to SAR 6,478.7 million. The increase was largely driven by drawdowns to fund the Shelf Drilling acquisition and debt re-finance. Excluding financing for the acquisition, ADES' net debt levels reflect its ability to fund its debt service obligations, taxes, and all of its recurring CAPEX requirements through operating cash flow.

Outlook and Guidance

ADES delivered 2025 results in line with its operational and financial objectives, with EBITDA exceeding the upper end of the guidance range of SAR 3.28–3.39 billion. This performance was driven by contributions from newly deployed rigs, resilient offshore utilization, disciplined cost management, and continued operational excellence across our expanding global platform.

Entering 2026, the Group benefits from strong earnings visibility supported by a record backlog and an enlarged international footprint following the Shelf Drilling acquisition. Integration is progressing in line with plan, with clear medium-term opportunities identified to capture operational synergies of SAR 188–225 million to be realized in full in 2027, along with procurement efficiencies, and enhanced commercial leverage across the combined fleet. For 2026, the Group expects EBITDA to be in the range of SAR 4.50–4.87 billion, representing a c.26–37% y-o-y increase supported by improving utilization across its fleet, the continued ramp-up of recently deployed rigs, and the early benefits from the integration of the Shelf portfolio.

The offshore drilling market remains structurally tight, with global jack-up utilization exceeding 90% and limited new supply entering the market. As previously suspended rigs in Saudi Arabia gradually return to service, activity levels are expected to normalize, further supporting pricing momentum. Meanwhile, energy security considerations are increasingly centered not only on hydrocarbon reserves, but on the availability of offshore

rigs required to safely and efficiently extract them. In this environment, constrained supply and sustained demand create a constructive backdrop for margin expansion as contracts renew and reprice.

At the same time, ongoing regional tensions in the Middle East continue to introduce uncertainty across global energy markets, particularly in a region that accounts for a significant share of global hydrocarbon supply. Importantly, ADES benefits from a diversified operating base, with a growing share of its business generated from international markets following the Shelf acquisition, providing resilience and balance across geographic exposures, further supported by favorable day-rate dynamics in selected international markets.

Against this backdrop, ADES will continue to prioritize disciplined capital allocation, strong cash flow generation, and value-accretive growth. Our focus remains on strengthening our core offshore business, scaling complementary offerings such as the production model, and executing integration to reinforce our leadership position.

With a high-quality fleet, diversified geographic exposure, long-term contracts with leading NOCs and IOCs, and enhanced scale following the Shelf combination, ADES is well positioned to navigate market cycles, capture pricing upside, and deliver sustainable long-term value while contributing meaningfully to global energy security.

¹⁶ Gross profit excludes depreciation.

ADES' Sustainability Strategy is designed to deliver long-term value by embedding strong governance, social responsibility, and environmental stewardship across the business.



04 SUSTAINABILITY

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Sustainability

At ADES, sustainability guides how the business operates — through accountable governance, rigorous protection of employee health and safety, proactive environmental management, and initiatives that support and uplift the communities it serves.

Our Approach to Sustainability

Guided by its Sustainability Policy, ADES integrates sustainability principles across its operations, with a strong emphasis on measuring and managing impact through structured data collection and analysis. By embedding operational data into day-to-day processes, the Group strengthens decision-making and enables timely action to reduce emissions, waste, and resource consumption, supported by investments in lower-intensity energy solutions and continuous improvements in drilling and workover efficiency.

To support this approach, ADES also maintains an internal standard called the Core ADES Management System (CAMS), which is updated annually. CAMS includes a dedicated sustainability component and provides a comprehensive framework covering the full sustainability cycle across the Group. At ADES, health, safety, and security of both the workforce and the environment are a priority, alongside delivering high-quality services. CAMS is a risk-based integrated management system designed to ensure high levels of service, safety, and environmental performance across operations. It governs and controls processes,

identifies areas for improvement, and enhances efficiency. The system complies with leading QHSSE international standards, including ISO 9001, ISO 45001, and ISO 14001.

The Policy further reinforces ADES' commitment to strong governance and business ethics, including compliance with applicable laws and regulations, transparency, accountability, and responsible practices across the supply chain. ADES complies with relevant environmental requirements across its areas of operation and proactively seeks opportunities to minimize its footprint through resource efficiency and responsible waste and emissions management. The Group also supports the UN Sustainable Development Goals, contributes to local economic development through quality employment, and engages stakeholders to inform priorities.

To further benchmark progress and strengthen transparency, ADES participated in the S&P Global Corporate Sustainability Assessment (CSA) in 2025, to help the Group compare ESG performance with industry peers, identify areas of improvement, and support stakeholder engagement.

ADES' Sustainability Journey



Stakeholder Engagement and Materiality

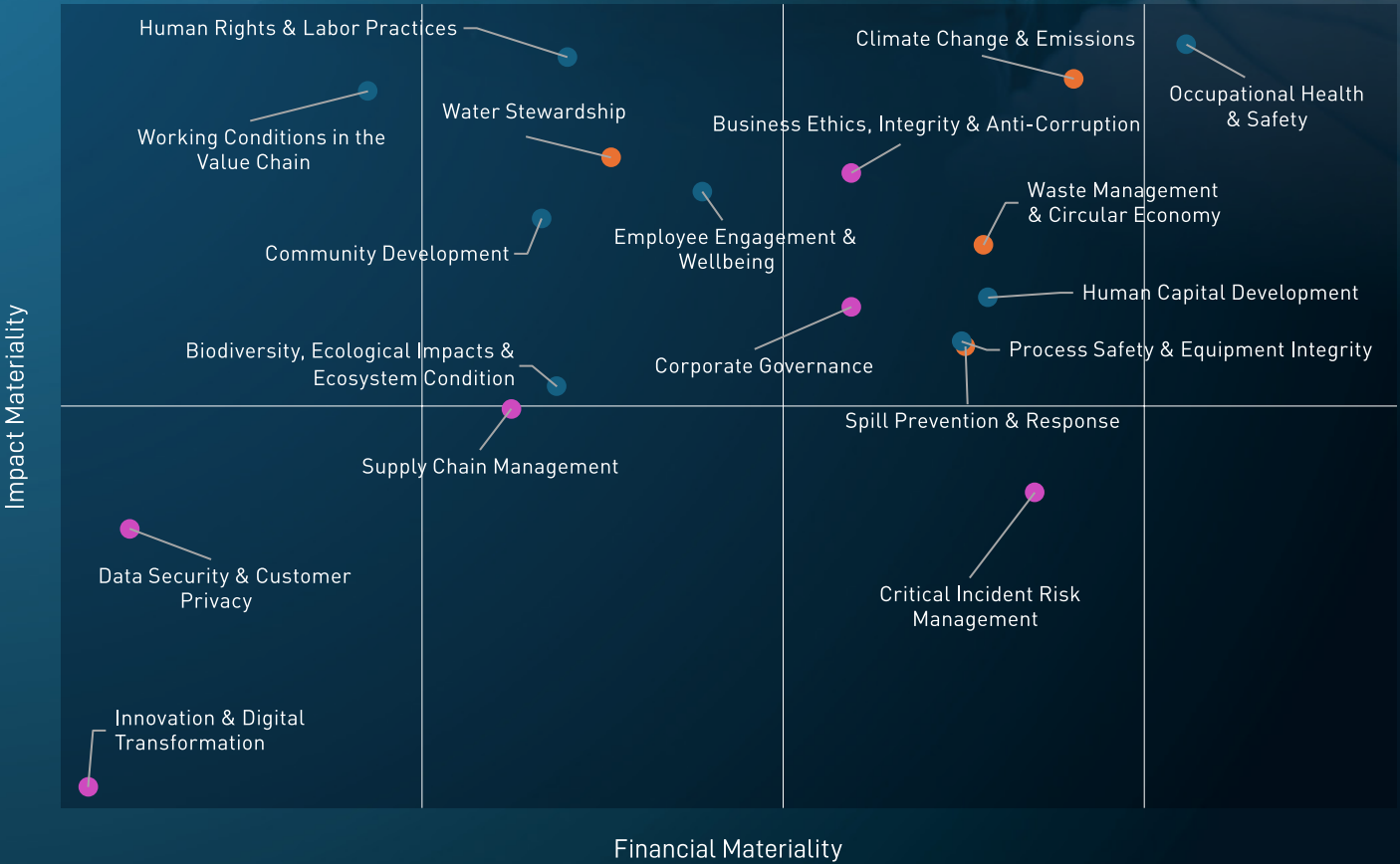
In 2025, ADES refreshed its materiality assessment to ensure its sustainability priorities remain current and aligned with the company's evolving context and stakeholder expectations. The update applied a double materiality approach, assessing topics through two lenses: impact materiality (how ADES' operations may affect people, the environment and other stakeholders) and financial materiality (how sustainability topics could influence ADES' business performance, risk profile and long-term value creation). This approach aligns with emerging best practices for materiality, drawing on a combination of Global Reporting Initiative (GRI), IFRS Foundation standards, as well as the EU's

European Sustainability Reporting Standards (ESRS) under the Corporate Sustainability Reporting Directive (CSRD).

To strengthen this assessment, ADES engaged stakeholders through a dedicated survey, gathering structured input to validate and refine the prioritization of the most relevant sustainability topics. The newly identified material topics and the results of the exercise are presented in the table and the Double Materiality Assessment Matrix below. The visual represents each topic according to its relative significance across both dimensions. Topics positioned higher on the matrix reflect greater impact relevance, while topics positioned further to the right reflect stronger financial relevance to ADES's business.

Material topic

1	Climate Change & Emissions
2	Water Stewardship
3	Spill Prevention & Response
4	Waste Management & Circular Economy
5	Biodiversity, Ecological Impacts & Ecosystem Condition
6	Occupational Health & Safety
7	Process Safety & Equipment Integrity
8	Human Capital Development
9	Employee Engagement & Wellbeing
10	Human Rights & Labor Practices
11	Working Conditions in the Value Chain
12	Community Development
13	Corporate Governance
14	Business Ethics, Integrity & Anti-Corruption
15	Critical Incident Risk Management
16	Supply Chain Management
17	Data Security & Customer Privacy
18	Innovation & Digital Transformation



ADES' Sustainability Strategy

ADES' Sustainability Strategy is designed to deliver long-term value by embedding strong governance, social responsibility, and environmental stewardship across the business. It sets clear priorities and actions to support regulatory compliance, reduce emissions and other environmental impacts, and strengthen workplace health and safety through defined policies, responsibilities, and measurable targets.

The strategy is structured around five pillars and is aligned with our business strategy, the UN Sustainable Development Goals, and Saudi Vision 2030. Our approach is guided by recognized frameworks such as GRI and IPIECA to help ensure consistent reporting and focus on our most material topics.

ADES' Sustainability Pillars



Governance &
Business Ethics



Climate Change
& Energy



Environmental
Protection



Safety, Health
& Security



Social
Responsibility

Aligning with Local and Global Benchmarks



ipieca



Sustainability Committee

ADES' Sustainability Committee steers the implementation of the Sustainability Framework and ensures alignment between sustainability priorities and business execution. Chaired by the CEO, the Committee includes Module Leaders across sustainability pillars, a Reporting and Disclosure Lead, and an administrator. It guides the Sustainability Strategy, oversees reporting and governance processes, and periodically reviews the Framework to ensure it remains fit for purpose and continues to direct the company's sustainability efforts.

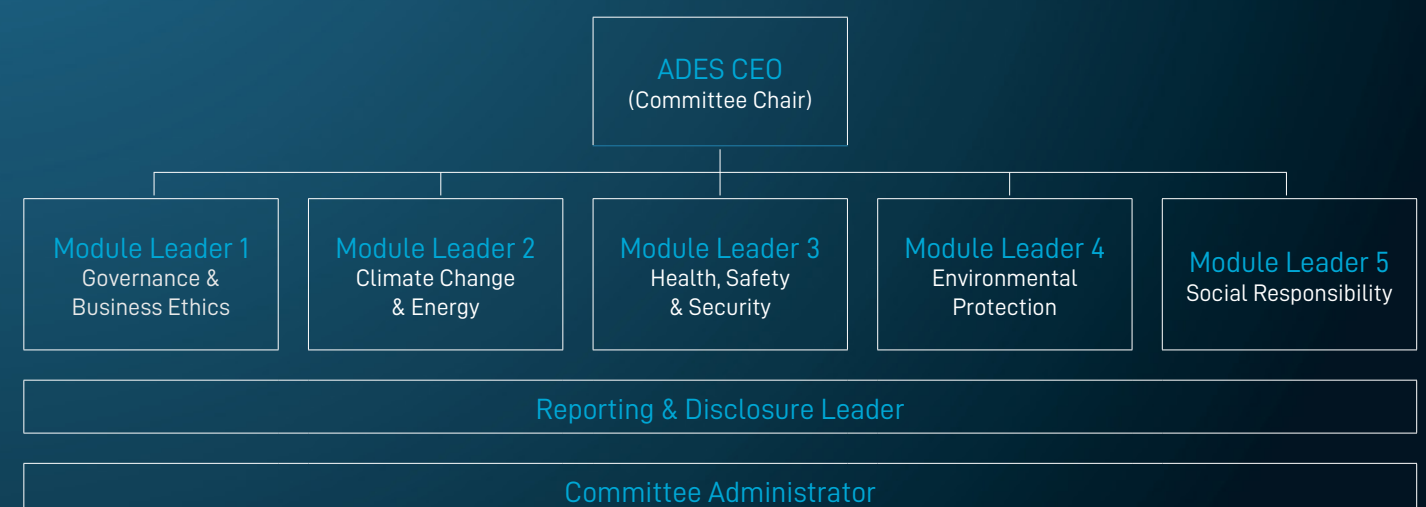
The Committee meets quarterly to review performance across the five Sustainability Pillars and tracks delivery against a defined set of sustainability KPIs. It approves budgets for sustainability projects, evaluates project proposals and any subsequent modifications, and endorses continuous improvement plans. The Committee also approves the annual sustainability report, reviews the outcomes of

third-party audits, and identifies forward-looking material issues and indicators.

In 2025, the Committee moved beyond oversight to drive specific actions and decisions, including endorsing the decarbonization roadmap to scale Battery Energy Storage System (BESS) beyond current deployment, subject to technical and commercial feasibility. It also strengthened tracking and escalation of core operational KPIs (QHSE and environmental performance), enabling consistency in group-level reviews and timely corrective actions as needed.

In addition, the committee advanced governance and KPIs oversight of localization, including local procurement, nationalization of the workforce, and in-country value creation by embedding these indicators into its periodic sustainability performance reviews.

ADES Sustainability Committee





Governance & Business Ethics

At ADES, strong corporate governance is central to building stakeholder trust and protecting the company's reputation. ADES actively upholds the highest ethical standards and ensures that best governance practices are consistently applied across all areas of its operations.

Governance Structure and Board of Directors

Governance at ADES is guided by a Board-led framework that defines oversight, accountability, and regulatory compliance, while embedding risk management and environmental and social considerations into decision-making through regular reviews. These practices are supported by a Corporate Governance Manual aligned with Capital Market Authority requirements, setting clear expectations for employees and business partners, including zero tolerance for corruption. The Board sets strategic direction and is supported by the Nomination and Remuneration and Audit Committees.

In 2025, the Company also carried out an internal evaluation of the Board and its Committees to support strong governance and continuous improvement. The review used a confidential questionnaire completed by Directors to assess performance, highlight strengths, and identify areas for improvement. Results were reviewed by the Nomination and Remuneration Committee, with key findings tracked over time to strengthen Board effectiveness and alignment with evolving governance standards.

Business Ethics

At ADES, ethical conduct is embedded into how the business operates and how people are expected to behave—internally and across the value chain. Strong regulatory compliance, risk analysis, and ongoing monitoring of key indicators underpin this approach and reflect the Group's commitment to responsible, sustainable practices aligned with international standards.

7,580 anti-corruption training hours in 2025.

All employees, suppliers, and business partners are required to comply with ADES' Code of Conduct and Anti-bribery and Corruption policy. Third parties are subject to due diligence, and any suspected breaches are investigated and addressed to maintain transparency and integrity throughout operations.

Whistleblowing

ADES maintains a formal whistleblowing and compliance mechanism that enables employees and relevant stakeholders to seek advice and report concerns related to unethical conduct, regulatory breaches, or violations of internal policies. Operating under the Group's corporate governance framework and anti-corruption policy, the mechanism ensures confidentiality, impartial review, and strict non-retaliation. Reported matters are assessed and investigated through defined escalation channels, with appropriate management oversight.

Overall satisfaction with the mechanism is assessed based on employees' willingness to use the channel, their continued engagement over time, and the absence of retaliation or complaints regarding the process, indicating that the system is considered reliable and responsive.

During 2025, approximately 20 cases were reported through the compliance channel. All reported cases (100%) were acknowledged and addressed.

Risk Management & Compliance

Business Enterprise Risk Management (BRM) is a core priority at ADES, supported by systematic, continuous monitoring across operations to identify, assess, treat, and mitigate risks, with clear reporting and follow-up processes.

The Board provides overall oversight by setting the Group's risk appetite, approving Key Risk Indicators (KRIs), and ensuring policies align with recognized best practice, including ISO 31000 and the COSO ERM framework. This oversight is reinforced through regular reviews and ongoing risk assessments.

Day-to-day coordination is led by the Enterprise Risk Management Team, which works closely with functional leaders (e.g., Finance, Operations, Legal, QHSE, etc.) and the Group Head of Risk Management.

This structure is supported by defined accountabilities, internal committees, audits, and compliance processes to help ensure adherence to applicable laws and regulations.

For further details, please refer to the Risk Management section on page 122.



92% of suppliers have formally certified their compliance with ADES' Third-party Code of Conduct/ Procurement Policy.

Sustainable Supply Chain

At ADES, sustainability is integrated into supply chain practices as well as day-to-day operations. Through its comprehensive sustainable procurement roadmap, the Group aims to incorporate ESG considerations into purchasing decisions. Where feasible, ADES also prioritizes local sourcing to support the development of local economies.

Building on the sustainable procurement roadmap established in 2024, we advanced implementation in 2025 by launching an ESG baseline survey with critical suppliers and receiving their feedback. This has provided an initial view of suppliers' current ESG commitments and readiness, and the results are being used to shape the next steps in the roadmap.

Next, ADES will incorporate ESG performance into vendor registration and supplier audit processes and further embed sustainability requirements into tenders and contracts. Subsequent phases will expand audits to cover areas such as energy use, emissions, and labor standards, alongside a targeted pilot to promote energy-efficient equipment and low-emission logistics, with broader rollout planned in later stages of the roadmap.

Sustainable Economic Growth

Despite a challenging global environment—geopolitical uncertainty, elevated security and cyber risks, macroeconomic volatility, and rising insurance costs—ADES continues to support sustainable growth, driven by the strength and resilience of its operating model. The Group's approach is built on investing in employee development, using environmental resources efficiently, supporting community initiatives, and sourcing locally where feasible, thus strengthening competitiveness and long-term performance.

Average local procurement spend across countries of operation increased to around 64% in 2025 from 61% in 2024.

ADES' ability to sustain performance through market cyclicality is rooted in offering clients competitive day rates, complemented by high utilization, strong cash generation, and a long-term backlog that underpins stability. In 2025, the Group delivered revenue of SAR 6.69 billion (up 7.9% vs. 2024) and net profit of SAR 832.9 million (up 2% vs. 2024), reinforcing the strength of its strategy and its contribution to regional and national economies.

Climate Change & Energy

As a leading global drilling contractor, ADES recognizes that addressing climate change requires a broad, integrated approach that goes beyond energy management alone. ADES has developed a climate strategy and a decarbonization roadmap including targets to reduce GHG emissions and support global climate targets.

As part of this work, and in alignment with IFRS S2, ADES is strengthening its climate governance through a proposed framework that clarifies oversight and enhances sustainability and climate-related roles and responsibilities across all levels of the Group.

ADES has completed an initial climate risk assessment exercise using a structured four-step approach: identifying relevant transition and physical risks for the Group's footprint, assessing each risk's impact and likelihood using ADES' risk assessment methodology, prioritizing the most material risks through scenario analysis, and defining appropriate responses through control measures and mitigation actions. This process provides a clear, evidence-based basis for integrating climate risks into ADES' wider risk management and resilience planning.

Energy Management

Energy management is a key enabler of ADES' decarbonization efforts. Through optimizing energy use and adopting cleaner, more efficient technologies, ADES aims to reduce carbon emissions by 2030. The Group also maintains an Energy Management Policy and is currently focused on establishing and maturing its Energy Management System, which is aligned with ISO 50001 requirements and will serve as the foundation for future certification.

ADES is strengthening its approach to supporting the transition to cleaner energy and is committed to reducing its carbon footprint to meet its emissions-reduction targets. This approach goes beyond incremental upgrades, with a strong focus on operational efficiency, process optimization, equipment reliability, and the deployment of lower-carbon technologies across operations. In 2025, 83 engine overhauls were completed, helping improve engine performance and efficiency across the fleet.

Key initiatives also include technology-led performance monitoring and targeted upgrades. In 2025, ADES tested live engine oil monitoring on an Egypt offshore rig and expanded testing to a Kuwait onshore rig, while live engine vibration monitoring was also being tested on a KSA onshore rig. These

efforts support earlier fault detection, improved maintenance planning, and more efficient engine performance. In parallel, the Group continues to pursue technology upgrades such as battery storage and targeted near-term solar applications for yards and security gates on land rigs, contributing to reduced fuel consumption and improved energy efficiency.

Greenhouse Gas Emissions (GHG)

ADES' Energy Management Policy reinforces the Company's commitment to reducing greenhouse gas emissions across Scopes 1, 2, and 3, with a focus on the most material sources. Work is ongoing to define a decarbonization trajectory and the associated targets –in line with the Paris Agreement– which will be confirmed following validation of ADES' climate strategy and decarbonization roadmap.

ADES comprehensively monitors its Scope 1, Scope 2, and relevant Scope 3 GHG emissions. In 2025, we expanded our inventory to include additional relevant Scope 3 categories, specifically Categories 5, 6, and 7, alongside the existing coverage. Additionally, we obtained independent limited third-party assurance over our GHG emissions accounting procedures in 2025. The assurance was conducted in accordance with ISO 14064-3: 2019. The verification covered scope 1, 2 and 3 GHG emissions in FY 2024 with activities from all locations under ADES operational control.

We also obtained independent third-party limited assurance for two of our GHG reduction initiatives in support of the Saudi Nationally Determined Contribution (NDC) reporting program: the implementation of LED lighting and the BESS. The assurance was conducted in accordance with the IPCC Guidelines for National Greenhouse Gas Inventories, ISO 14064-1:2018, and ISO 14064-3:2019.

GHG Emissions	Unit	2025
Direct GHG emissions (Scope 1) ¹⁷	metric tonnes of CO2eq	524,152
Indirect GHG emissions (Scope 2) ¹⁸	metric tonnes of CO2eq	5,558.3
Indirect GHG emissions (Scope 3) ¹⁹	metric tonnes of CO2eq	307,622.8
Total GHG emissions	metric tonnes of CO2eq	837,333.1
GHG emissions intensity ²⁰	metric tonnes of CO2eq/ Man-Hour Worked	0.018



GHG emissions intensity (tCO2 per man-hour worked) is our most representative operational efficiency indicator, as it normalizes emissions against activity levels and workforce exposure. In 2025, ADES achieved a 10% year-on-year reduction in GHG emissions intensity. Despite business growth and higher total man-hours, this performance reflects ongoing efficiency gains across the global fleet and improved fuel and energy management.

Air Emissions

ADES continually strengthens its approach to air emissions management and reporting across all operational territories. In 2025, the Group continued monthly tracking and reporting of air emissions —primarily based on diesel consumption across operations, including fuel used in ADES-owned generators and other combustion sources— to help identify emission hotspots and inform targeted reduction actions.

In 2025, reported air emissions across key pollutants improved compared to 2024, with a slight reduction recorded year on year. This progress is primarily linked to better fuel and engine performance management enabled by initiatives such as CAT Remote Vision and the wider use of digital tools to strengthen operational discipline and preventive maintenance. These measures help reduce combustion-related emissions and support more targeted interventions where needed.

In addition, ADES implements an annual Air Quality Program that assesses ambient air quality and measures key pollutants, including CO, SOx, NOx, PM2.5, PM10, and total

suspended particulates, to support regulatory compliance and verify alignment with applicable government and authority requirements.

Air Emissions	Unit	2025
SO2	Kg	24,696
NOx	Kg	376,171
PM10	Kg	26,417
CO	Kg	82,162

Energy Initiatives

ADES is advancing a suite of initiatives to improve energy efficiency and reduce fuel consumption across its operations. This includes a live engine monitoring system developed with Caterpillar, that compares actual versus theoretical fuel use to optimize performance and reduce consumption. ADES is also in the final stages of piloting lithium-ion battery storage with power management on selected fleet engines, with deployment planned for 2026, while continuously monitoring engine performance across rigs to prevent deviations from required standards.

In addition, a smart fueling solution is being rolled out to generate accurate, reliable fuel-consumption data for land fleet vehicles and is currently in use across the KSA land fleet. We are also leveraging Internet of Things (IoT) applications that track vibration and temperature to enable early fault detection and help prevent efficiency losses.

17 Scope 1 GHG calculations in 2023 were limited to stationary combustion within the countries of operation. In 2024, the boundary was expanded to include both stationary combustion and refrigerants across all areas of operation.
18 Scope 2 GHG calculations, covering electricity consumption, were introduced in 2024 and applied to all areas of operation.
19 Scope 3 GHG calculations were introduced in 2024 and applied to all areas of operations. In the reporting period, scope 3 emissions cover categories 1, 2, 3, 5, 6, and 7.
20 GHG emissions intensity for 2024 and 2025 includes Scope 1 and Scope 2 emissions, whereas for 2023, it covers Scope 1 emissions only.

Environmental Protection

Our environmental management system is ISO 14001-certified across all our operational sites, reflecting our commitment to environmental stewardship and responsible business practices. We are dedicated to protecting the environment in which we operate and minimizing our environmental footprint by upholding robust environmental management standards and embedding sustainability across all aspects of our operations. This commitment guides how we manage resources, prevent pollution, and continuously improve environmental performance.

Waste Management

Across its operations, ADES implements robust waste management controls to ensure all waste streams are clearly identified, documented, and segregated at source. A rigorous separation process is applied across key categories—including paper, plastic, solid, medical, and food waste—supporting safe handling and effective downstream management. Recyclable materials such as paper, glass, tin, and scrap metal are directed to dedicated recycling channels, while hazardous waste is strictly segregated and disposed of in line with established procedures to minimize potential risks. ADES also reduces plastic consumption by replacing single-use items with greener alternatives, including cotton laundry bags, reusable utensils, and water dispensers.

ADES strengthens waste management through targeted partnerships. In collaboration with Caterpillar through the Reman program, the Group supports a circular approach by returning used components for remanufacturing and recycling and increasing the use of remanufactured parts in selected engine components. Through 2025, this partnership achieved 77.9% Reman utilization, reclaimed 25.9K lbs of material, and delivered USD 1.13 million in savings—an average 39% reduction in parts spend—while contributing to lower energy use and greenhouse-gas emissions associated with new part production. In parallel, we have

also achieved savings of USD 2.4 million by returning used engine parts to Caterpillar through our core return program, CAT Remote Vision, advancing circularity and resource efficiency.

ADES continued its partnership with VeryNile through the Ripples of Change Program, contributing to the removal of 12 metric tons of plastic from the Nile River in 2025 as part of a three-year agreement targeting 60 metric tons by 2029.

In 2025, total waste generated decreased by 37.8% compared to 2024. Alongside our waste management efforts, this reduction was primarily driven by a lower number of operational rigs.

Waste Management	Unit	2025
Non-hazardous Waste Generated	kg	10,144,091.00
Non-hazardous waste diverted from disposal	kg	2,285,713.50
Hazardous Waste Generated	kg	1,140,635.96
Hazardous waste diverted from disposal	kg	163.50

Water and Wastewater

Operating in the oil and gas sector, ADES recognizes that effective control of water use and wastewater disposal is essential to protect ecosystems and safeguard employee health. Any wastewater is managed under strict procedures and treated appropriately before discharge to the environment.

Because many ADES locations are in water-stressed areas, water efficiency is a key focus. Technologies such as smart taps and water colliders are deployed to curb demand and reduce overall consumption.

Water Consumption on Rigs	Unit	2025
Potable water consumption	m3	564,686.42

Biodiversity

As a drilling contractor, ADES operates at client-managed sites and works within the clients' environmental management systems. Clients are responsible for securing the required environmental permits and completing Environmental Impact Assessments (EIAs) before operations begin. Within this context, and in line with the Group's Sustainability Strategy, ADES recognizes the potential environmental impacts of drilling activities and remains committed to protecting biodiversity.

To strengthen biodiversity safeguards, ADES conducts pre-drilling environmental site assessments to identify ecological sensitivities and implement appropriate mitigation measures. Following completion of drilling activities, post-drilling assessments are performed to confirm sites are left in an environmentally sound condition, minimizing habitat disturbance and supporting restoration where required.

Beyond operational controls, ADES is also investing in conservation initiatives supported by digital monitoring capabilities. In 2023, the Company launched a tree-planting program in Saudi Arabia –Branches of Change– targeting 12,500 trees by 2030 to support ecosystem restoration and local biodiversity through new habitats for native species. The strategic program is enabled by a technology platform that registers each planted tree and supports ongoing monitoring of tree health, growth, and estimated CO₂ sequestration. In 2025, ADES met its annual target by planting 2,000 trees.

In 2025, ADES strengthened its environmental partnerships by formalizing a "Ripples of Change" MoU with VeryNile. This collaboration expands ongoing efforts to reduce plastic waste in the Nile, promote recycling, and enhance community engagement—supporting both environmental sustainability and local livelihoods.

Safety, Health and Security

Protecting the health and safety of the workforce is ADES's highest priority. This commitment extends to employees, contractors, and all others working with the Group, and is embedded in its culture, policies, and day-to-day decision-making.

ADES manages health, safety, and environmental risks through its Health, Safety, and Environment Management System (HSEMS), ensuring compliance with applicable local and international requirements across all operations. Continuous improvement is guided by the Group's Quality, Health, Safety, Security and Environmental (QHSSE) Policy, which reinforces safe, efficient operations through non-negotiable commitments such as Stop Work Authority, workforce consultation and participation, competency development through training and evaluation, minimizing environmental footprint, allocating appropriate resources, and consistently meeting stakeholder and client expectations.

HSE commitments, RIGEYE-enabled oversight, and active leadership engagement.

RIGEYE: Advancing Safety
Through AI-Enabled Oversight

As part of its commitment to protecting people and strengthening operational resilience, ADES continues to scale RIGEYE, its proprietary AI-enabled safety monitoring solution. RIGEYE represents a key pillar of the Group's digital transformation strategy, integrating advanced analytics with frontline operations to proactively reduce workplace risk.

Powered by CCTV infrastructure and hands-free wearable helmet cameras, RIGEYE supports near real-time identification of unsafe behaviours, procedural deviations, and high-risk conditions. This capability enables timely interventions, reinforces safe work practices, and enhances day-to-day HSE oversight across rig locations. By shifting from reactive incident response to predictive risk prevention, ADES strengthens its barrier management and safeguards workforce wellbeing.

RIGEYE operates through ADES' 24/7 Operations Command Center (OCC), which continuously monitors live feeds, escalates identified risks to onsite leadership for immediate

corrective action, and consolidates observations into structured digital reporting. Beyond individual interventions, the OCC applies trend analysis to recurring events and behavioural patterns, enabling early identification of emerging risk hotspots. Insights are translated into targeted corrective actions, verification follow-ups, and lessons learned that are embedded into ongoing training programs.

At the Drilling Innovation Forum 2025, sponsored by Pertamina and held in Yogyakarta, Indonesia, ADES showcased RIGEYE as part of its ongoing commitment to safety, innovation, and operational excellence. Following successful deployment across the Group's Saudi Arabia operations and selected rigs in Egypt and Qatar, ADES is implementing a phased expansion plan to extend RIGEYE coverage across additional operating regions. Through this initiative, ADES continues to demonstrate how technology can strengthen safety culture, enhance operational transparency, and support sustainable, responsible energy operations.

Health & Safety Data	Unit	2025
Total Recordable Incident Rate (TRIR)	Rate	0.08

In 2025, ADES maintained strong health and safety performance despite higher employee man-hours. ADES recoded a TRIR of 0.08 (compared to 0.06 in 2024), well below the industry benchmark of 0.41. The increase in incident rates versus 2024 was primarily driven by the higher exposure hours, while ADES continued to strengthen preventive controls through targeted interventions, lessons learned, and expanded monitoring —supported by non-negotiable

Social Responsibility

ADES is dedicated to creating an environment where its people feel supported, valued, and able to grow professionally in a workplace that prioritizes safety and wellbeing. The Group's responsibility extends beyond its workforce, as it seeks to contribute positively to the social fabric of the communities around it.

Through collaboration with educational institutions, NGOs, and local partners, and by encouraging local sourcing, ADES strengthens community ties and supports local development. Its initiatives, particularly those focused on education and sports, are designed to foster inclusion, participation, and long-term community benefit.

Our Workforce

Workforce and people metrics are presented in the Sustainability Report to ensure full context, methodology transparency, and year-on-year comparability as the disclosures mature.

Training & Development

ADES demonstrates a strong and deliberate commitment to developing the capabilities and long-term potential of its workforce through a comprehensive range of learning and development initiatives. These initiatives are structured to strengthen employee competencies, elevate performance, and promote continuous professional growth.

The development journey begins with a robust onboarding program that equips new employees to integrate effectively into the organization. Beyond onboarding, employees benefit from multiple learning pathways, including internal training programs, external certifications, and e-learning opportunities aligned with operational and strategic needs.

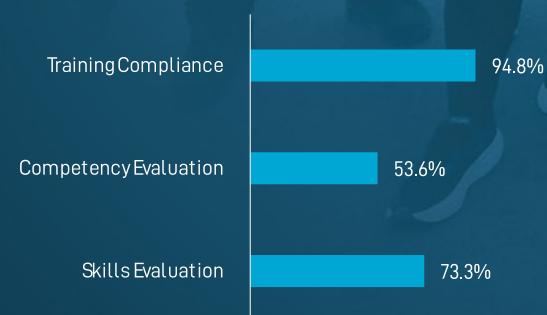
ADES also maintains one of the most advanced competence frameworks in the sector, enabling the organization to assess role-specific capabilities, identify development gaps, and ensure that employees consistently meet required standards while progressing in their careers.

To reinforce impact and accountability, ADES applies a structured performance management approach that measures the effectiveness of training and development activities and aligns individual development objectives with broader business priorities. This integrated approach fosters a

“ 61 different nationalities at ADES as of 2025. ”

culture of continuous improvement, professional excellence, and shared responsibility for growth.

Training & Competency



Diversity & Inclusion

ADES cultivates a professional workplace culture that reflects the diversity of the environment in which it operates, enhancing its ability to engage effectively with customers and stakeholders. Diversity and inclusion are recognized as strategic enablers of collaboration, innovation, and organizational performance, allowing employees to contribute with confidence and authenticity.

This commitment is embedded within recruitment practices that promote equal opportunity and seek talent from a broad range of backgrounds, experiences, and demographics. By valuing diverse perspectives, ADES strengthens its capacity for informed decision-making and innovative problem-solving.

Comprehensive policies on diversity, inclusion, and equitable treatment, supported by fair compensation and benefits, underpin this approach. The Group enforces a strict zero-tolerance stance toward harassment, discrimination, and bullying, with clear and confidential mechanisms to address concerns. Regular training and awareness programs further reinforce a culture of professionalism, respect, and accountability across the organization

Our Community

As part of its corporate social responsibility strategy, ADES strategically invests in the communities in which it operates. In 2025, the Group's community investments reached SAR 17.06 mn (USD 4.55 mn), a 16.9% increase compared to 2024, underscoring its commitment to sustainable development and the empowerment of local communities.

Social Initiatives

ADES continued to advance its social initiatives by investing in youth development and supporting local community needs across its areas of operation. Additionally, we are supporting ecosystem restoration and local biodiversity through our Branches of Change tree-planting program in Saudi Arabia. See the 'Biodiversity' section.

Summer Internship Program 2025 (SIP'25) launch

In 2025, the Group concluded its one-month SIP'25 internship program across Saudi Arabia, Egypt, India, and Indonesia. The program was designed to give students hands-on exposure across functions including Operations, Quality, Health & Safety, Projects & Engineering, Finance, and Investor Relations, while also providing mentorship and real-world learning opportunities. This initiative reflects ADES's investment in youth employability and in building a stronger talent pipeline for the energy sector.

ADES also reinforced its long-term commitment to young professionals through four tailored development programs, which have engaged more than 470 participants to date and continue to expand year on year.

"Etaam" Initiative

Building on last year's community support, ADES maintained its Ramadan partnership with the Saudi Food Bank through the "Etaam" initiative, with employees volunteering to prepare and pack food boxes for families in need.

Breast Cancer Awareness Initiative

ADES conducted Breast Cancer Awareness sessions across its offices in Egypt, Saudi Arabia, and Kuwait as part of its ongoing commitment to employee wellbeing and preventive healthcare awareness.

VeryNile Partnership

Through our collaboration with VeryNile, in 2025, ADES employees volunteered to help remove 12 metric tons of waste from the River Nile, supporting local fishermen's livelihoods while promoting environmental stewardship and awareness.

Youth Empowerment and Talent Development

ADES continued to support youth empowerment and future workforce development by engaging students and young professionals through industry exposure initiatives linked to the IADC Middle East Drilling Conference. During 2025, students from regional drilling academies and university

chapters visited the Company's Saudi office, where they interacted with ADES management and gained insight into drilling operations, technologies, and workplace culture. These engagements reflect ADES' commitment to developing national talent and inspiring the next generation of energy professionals across its operating geographies.

Events & Sponsorships

Supporting the Foundation for Children in Bangkok

In 2025, ADES advanced its social responsibility efforts in Thailand through a community initiative supporting the Foundation for Children in Bangkok. Led by the ADES Thailand team, the initiative provided support to children in need and reflected the strong culture of unity, compassion, and community engagement across both the Company's onshore and offshore teams. Funded through voluntary employee contributions, the effort highlights ADES's

commitment to creating positive social impact in the communities where it operates.

PEAKS 2025 Sponsorship

In 2025, ADES reinforced its commitment to youth empowerment and knowledge-sharing by sponsoring **PEAKS 2025**, a petroleum engineering summit that connected students with industry professionals and leaders. As part of its support, ADES offered **four internships** to competition winners, helping create pathways for early-career development and strengthening engagement between academia and the energy sector.

Platinum sponsor at Syria Oil & Gas Exhibition

ADES participated as a Platinum Sponsor at the Syria International Oil, Gas, and Energy Exhibition (SOG), reflecting the Group's confidence in the long-term potential of the

Syrian energy sector and its commitment to supporting the development of regional energy markets.

IPA 2025

ADES was a Gold Sponsor at the 2025 IPA Convex, Indonesia: Aligns with regional energy sustainability efforts, driving conversations on clean energy and innovation in Southeast Asia.

EGYPES 2025

ADES participated in EGYPES 2025: Contributed to the development of energy policy in Egypt and supported the growth of sustainable energy in the region, demonstrating commitment to sustainable development.

|| ADES is committed to maintaining a robust corporate governance framework that supports transparency, accountability and effective oversight. ||

05 CORPORATE GOVERNANCE

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Corporate Governance Structure

ADES Holding Company ("ADES," the "Company," or the "Group") is committed to maintaining a robust corporate governance framework that supports transparency, accountability and effective oversight. Its governance practices are designed to comply with the Corporate Governance Regulations issued by the Capital Market Authority (CMA) (the "CGRs") and to align with recognised international standards. The Board regularly reviews and enhances the Company's governance arrangements to ensure their continued effectiveness.

The Company has adopted a comprehensive set of governance policies implemented across the Group, establishing clear roles and responsibilities between the Board of Directors and executive management. The framework also addresses key governance matters, including shareholders' rights, the responsibilities of the Board and its Committees, the Corporate Culture and Business Ethics Policy (which serves as the Company's code of conduct), as well as policies governing related party transactions, conflicts of interest and disclosure practices.

The Board retains overall responsibility for the Company's strategic direction and oversight of its operations, including its international expansion and long-term business strategy. To support the effective discharge of its responsibilities, the

Board has three (3) established standing committees: (i) the Audit Committee (ii) the Nomination and Remuneration Committee and (iii) the Investment Committee. Each committee operates in accordance with its terms of reference that defines its authority, responsibilities and scope of work, and reports regularly to the Board on matters within its remit.

The Board and its Committees seek to maintain a balanced composition of skills, expertise and experience, supporting effective decision-making and oversight while promoting sustainable long-term value for shareholders and stakeholders.

Board Structure, Term, Duties And Independence

The Company is governed by a Board of Directors comprising nine (9) members with broad experience across regional and international business sectors. The Board includes three (3) independent directors, five (5) non-executive directors – including the Chairman – and one (1) executive director, who serves as Vice-Chairman and Chief Executive Officer.

The Board operates in accordance with the Companies Law, the Corporate Governance Regulations (CGRs), the Company's Bylaws and its Internal Corporate Governance Manual. Within this framework, the Board is responsible for overseeing the management of the Company's affairs, setting its strategic direction and supervising the performance of management. While certain responsibilities are delegated to Board Committees and executive management, the Board retains ultimate responsibility for the Company's governance, long-term performance and sustainability.

The Company maintains a clear separation between the roles of Chairman and Chief Executive Officer in compliance with the Corporate Governance Regulations. The Chairman is responsible for leading the Board, ensuring its effectiveness and facilitating constructive engagement among directors – while the Chief Executive Officer is responsible for the day-to-day management of the Company, implementation of the approved strategy and the development of proposals for the Board's consideration. The CEO also serves as an Executive Director, supporting alignment between operational management and Board oversight.

The Board's principal responsibilities include, but are not limited to, establishing the strategic objectives of ADES and its subsidiaries (the "ADES Group"); promoting the Group's values, ethical standards and corporate culture; overseeing the effectiveness of internal control, risk management and governance frameworks; monitoring management performance and operational results against approved strategies and objectives; and safeguarding the long-term interests of shareholders and other stakeholders.

Through these responsibilities, the Board seeks to ensure disciplined governance, sustainable growth and the creation of long-term shareholder value.

Pursuant to the Companies law, Board members, including the Chairman, are appointed for a four-year term. However, the inaugural Board was appointed for an initial five-year term, running from 02/06/1444H (26 December 2022) to 28/07/1449H (26 December 2027), in accordance with the Companies Law then in force.



The Board of Directors

(The 'Board')

The following table includes the names, positions, membership classification and appointment dates of each member of the Board.

Name	Title	Membership Classification	Date of Appointment
Mr. Ayman Mamdouh Mohamed Fathy Abbas	Chairman	Non-executive	26/12/2022
Dr. Mohamed Farouk Abdelmeguid Abdelkhalek	Vice-chairman	Executive	26/12/2022
Mr. Hatem Ahmed Elsayed Soliman	Member	Non-executive	26/12/2022
Mr. Muteb Mohammed Saad Alshathri	Member	Non-executive	09/03/2023
Mr. Fadi Adel Mohamed Al Said	Member	Non-executive	09/03/2023
Mr. Abdulrahman Khalid Abdullah Al Zamil	Member	Non-executive	26/12/2022
Dr. Kamel Bennaceur	Member	Independent	20/02/2024
Mr. Haitham Muhammed Abdulrhman AlFayez	Member	Independent	20/02/2024
Mr. Mohamed Walid Taoufik Cherif	Member	Independent	20/02/2024

The Board of Directors brings together distinguished professionals with extensive expertise across diverse sectors, providing strategic oversight, guiding management, and ensuring robust governance. Non-Executive Directors offer independent judgment, while the collective experience of members from both public and private sectors – enhanced by international exposure – enables informed decision-making, constructive challenge, and the effective development and execution of the Company's strategic objectives.



Ayman Abbas

Chairman

Ayman Abbas has been involved in ADES Group's Board since inception and has held position of Chairman since 2003. He has played a key role in transforming the Company into a global player.

In addition to his positions on the Board of ADES Group, Mr. Abbas has held executive positions in several organizations, including Director General for Schneider Electric Engineering Services, and Executive Chairman for ADES International Holding Ltd. He was also previously Chairman for Tenth of Ramadan for Pharmaceutical Industries and Diagnostic Reagents (Rameda) SAE, an Egyptian joint stock company listed on the EGX, and ADES Egypt.

Mr. Abbas holds a bachelor's degree in business administration from the American University in Cairo, Egypt.

Current and Previous Positions:

Company	Membership	Location	Legal Entity
Chairman of ADES Holding Company	Current	Inside KSA	Public joint stock company
Chairman of the Board of Directors of ADES Drilling Services Ltd.	Current	Outside KSA	limited liability company
Director of Shelf Drilling Ltd	Current	Outside KSA	limited liability Company

Company	Membership	Location	Legal Entity
Chairman of ADES GCC	Current	Inside KSA	Joint Stock company
Chairman of ADES Production Services	Current	Outside KSA	Joint Stock company
Chairman of Advansys Intelligent Solutions (AIS)	Current	Outside KSA	Joint Stock company
Director of ADES Production Holding Ltd	Current	Outside KSA	Private Company
Director of Inventive Investments Holding Ltd	Current	Outside KSA	Private Holding Company
Director of Array Investments Ltd	Current	Outside KSA	Private Holding Company
Director of ADES International for Drilling	Current	Outside KSA	limited liability company
Director of Advanced Transport Services	Current	Outside KSA	limited liability company
Director of Kuwait Advanced Drilling Services	Current	Outside KSA	limited liability company
Chairman of Intro Investments Holding Ltd.	Current	Outside KSA	Private company
Director of Intro Sustainable Resources Holding Ltd	Current	Outside KSA	Private holding company
Director of Intro Sustainable Power and Utilities Holding Ltd	Current	Outside KSA	Private holding company
Director of Intro Renewable Energy Holding Ltd	Current	Outside KSA	Private holding company
Director of Intro Energy Solutions Holding Ltd	Current	Outside KSA	Private holding company
Director of Intro Resources Recovery Holding Ltd	Current	Outside KSA	Private holding company
Director of Intro Material Recovery Holding Ltd	Current	Outside KSA	Private holding company
Director of Intro Waste Management Holding Ltd	Current	Outside KSA	Private holding company
Director of TBS Holding Ltd	Current	Outside KSA	Private holding company
Director of Intro Projects Holding Ltd	Current	Outside KSA	Private holding company
Director of Intro Sports Holding Ltd	Current	Outside KSA	Private holding company
Director of Intro Data Centers Holding Ltd	Current	Outside KSA	Private holding company
Director of A Ventures Holding Ltd	Current	Outside KSA	Private holding company
Director of ADES Investments Holding Ltd.	Current	Outside KSA	Private company
Director of ADES International Holding Ltd.	Current	Outside KSA	Private holding company
Director of Advansys Technology	Current	Outside KSA	closed joint stock company
Chairman of Advanced Energy Systems ADES S.A.E	Current	Outside KSA	closed joint stock company
Director of Advantage for Drilling S.A.E	Current	Outside KSA	closed joint stock company
Director of Egyptian Chinese Drilling Company S.A.E	Current	Outside KSA	closed joint stock company
Director of Intro for Trading and Contracting Co.	Current	Outside KSA	closed joint stock company
Director of Bariq for Advanced Industries S.A.E	Current	Outside KSA	closed joint stock company
Chairman of Advansys for Integrated Projects	Current	Outside KSA	closed joint stock company
Director General and Chairman of Fagr Agricultural and Development Project Company	Current	Outside KSA	closed joint stock company
Director of Intro Solar S.A.E	Current	Outside KSA	closed joint stock company
Director of The National Company for CCHP At DAMFI S.A.E	Current	Outside KSA	closed joint stock company
Director of Intro Utilities S.A.E	Current	Outside KSA	closed joint stock company
Director of Al-Tawakkol for Electricity Distribution S.A.E	Current	Outside KSA	closed joint stock company
Director of Environ Adapt for Recycling Industries S.A.E	Current	Outside KSA	closed joint stock company
Director of Intro Energy S.A.E	Current	Outside KSA	closed joint stock company
Director of Intro Energy Distribution and Management S.A.E	Current	Outside KSA	closed joint stock company
Director of Advansys Engineering Services & Consultancy	Current	Outside KSA	closed joint stock company
Director of Hills Integrated Construction Services	Current	Outside KSA	closed joint stock company
Chairman of Tenth of Ramadan for Pharmaceutical Industries and Diagnostic Reagents (Rameda) SAE	Current	Outside KSA	joint stock company
Director of M2 Facilities Management	Current	Outside KSA	closed joint stock company
Manager of A Ventures LLC	Current	Outside KSA	Limited liability company
Chairman of Leil Entertainment S.A.E	Current	Outside KSA	Closed joint stock company
Partner at Compass Capital for Financial Investments SAE	Pervious	Outside KSA	closed joint stock company



Mohamed Farouk
Vice-chairman

Dr. Mohamed Farouk has been a member of the ADES Group's Boards and has served as Chief Executive Officer since 2012, during which he has led the Company's expansion into new markets and services as ADES transforms into a leading global rig operator, headquartered in Al Khobar- Saudi Arabia since 2022.

Dr. Farouk joined the Group from Invensys Operations Management (IOM), a FTSE 100 company, where he was most recently senior vice president for global delivery and operations based in Texas. He served earlier with Invensys as Director of Invensys Global Engineering Excellence Centers in Egypt, India, China and Argentina, prior to which he was the General Manager of Invensys Engineering and Services in Egypt. He began his career in 1991 as a Project Engineer

at ConiSys Egypt, a provider of control and instrumentation systems technology.

Dr. Farouk holds a PhD in Systems Engineering and Control from Case Western Reserve University of Ohio, USA. He was subsequently an associate professor of electrical engineering at Cairo University. He holds a Master's degree in Electrical Engineering and Control from Cairo University, Egypt and a Bachelor's degree in Electrical Engineering from Cairo University, Egypt.

Current and Previous Positions:

Company	Membership	Location	Legal Entity
Vice-chairman of ADES Holding Company	Current	Inside KSA	Public Joint Stock Company
Director of Shelf Drilling Ltd	Current	Outside KSA	limited liability Company
Vice-Chairman of ADES GCC	Current	Inside KSA	Joint Stock company
Director of ADES Production Holding Ltd	Current	Outside KSA	Private Company
Director of Advansys Intelligent solutions (AIS)	Current	Outside KSA	Joint Stock company
Director of ADES Drilling Services Labuan Ltd	Current	Outside KSA	Limited Liability Company
Managing Director of Advanced Energy Systems (ADES) SAE	Current	Outside KSA	Closed Joint Stock Company
Director of ADES Drilling Services I Ltd.	Current	Outside KSA	Limited by Shares Company
Director of ADES Drilling Services II Ltd.	Current	Outside KSA	Limited by Shares Company
Director of ADES Drilling Services III Ltd.	Current	Outside KSA	Limited by Shares Company
Director of ADES Drilling Services IV Ltd.	Current	Outside KSA	Limited by Shares Company
Director of ADES Drilling Services V Ltd.	Current	Outside KSA	Limited by Shares Company
Director of ADES Drilling Services Ltd.	Current	Outside KSA	Limited by Shares Company
Director of ADES GCC for Drilling Ltd.	Current	Outside KSA	Limited by Shares Company
Director of ADES Advanced Drilling Services Ltd.	Current	Outside KSA	Limited by Shares Company
Partner of Misk Holding Ltd.	Current	Outside KSA	Private Company
Director of Advanced Drilling Services	Current	Outside KSA	Limited Liability Company
Director of ADES International for Drilling	Current	Outside KSA	Limited Liability Company
Director of Advanced Transport Services Co	Current	Outside KSA	Limited Liability Company
Director of Kuwait Advanced Drilling Services	Current	Outside KSA	Limited Liability Company
Director of United Precision Drilling Company	Current	Outside KSA	Limited Liability Company
Director of Precision Drilling Company	Current	Outside KSA	Limited Liability Company
Director of Intro Investments Holding Ltd.	Current	Outside KSA	Private Company
Director of ADES International Holding Ltd	Current	Outside KSA	Private Holding Company
Director of ADES Investments Holding	Current	Outside KSA	Private Company
Director of Inventive Investments Holding Ltd	Current	Outside KSA	Private Company
Director of Rig Finance Ltd.	Current	Outside KSA	Limited Liability Company
Director of ADES Drilling Services Cyprus Ltd	Current	Outside KSA	Limited Liability Company
Director of Compass Capital for Financial Investments,	Current	Outside KSA	Closed Joint Stock Company
Director of Tenth of Ramadan for Pharmaceutical Industries and Diagnostic Reagents (Rameda) SAE	Current	Outside KSA	Joint Stock Listed Company
Director of Egyptian Chinese Drilling Company	Current	Outside KSA	Closed Joint Stock Company
Senior Vice President of Invensys Operation Management	Previous	Outside KSA	Public Company
Project Engineer at CONISYS Egypt	Previous	Outside KSA	Private Company



Hatem Soliman
Non-Executive Director

Hatem Soliman is a highly experienced sector professional who serves as a Non-Executive Board Member at the Company. He is also a Director for several companies including OEC, a leading Brazilian company operating in the engineering, procurement, and construction field, ABYSS Services, an Australian Company operating in the Artificial Intelligence (AI) sector, and an Independent Director on the Board of Rameda, an Egyptian company listed on the Egyptian Stock Exchange (EGX) operating in Pharmaceuticals.

Mr. Soliman has previously served as Board Member at Exten, ADES International and Ocyan, a Brazilian deep water drilling company. He was also Senior Advisor to Schlumberger's Global CEO between 2017 and 2018 and has also served as Director

at Intro Group. Prior to that, he served as Executive President of the Middle East, Asia, Pacific regions and Latin America at Schlumberger, and he also served as Global Executive President of Schlumberger Testing Services.

Mr. Soliman holds a Bachelor's degree in Electrical Engineering from Helwan University.

Current and Previous Positions:

Company	Membership	Location	Legal Entity
Non-Executive Director of ADES Holding Company	Current	Inside KSA	Public Joint Stock Company
Director of OEC	Current	Outside KSA	Brazilian company
Director of ABYSS Services	Current	Outside KSA	Australian Company
Director of Bonyan	Current	Outside KSA	Listed Company
Independent Director at Tenth of Ramadan for Pharmaceutical Industries and Diagnostic Products (Rameda) SAE	Current	Outside KSA	Joint Stock Company
Director of Ocyan	Previous	Outside KSA	Brazilian company
Director at Exten	Previous	Outside KSA	Listed Company
Director at Intro Group	Previous	Outside KSA	Limited liability company
Director at ADES International Holding Ltd.	Previous	Outside KSA	Private company
CEO Advisor at Schlumberger Global	Previous	Outside KSA	Limited company
President at Schlumberger Middle East, Asia & Pacific	Previous	Outside KSA	Limited company
President at Schlumberger Latin America	Previous	Outside KSA	Limited company
President at Schlumberger Testing Services	Previous	Outside KSA	Limited company



Muteb Alshathri
Non-Executive Director

Muteb Alshathri brings extensive industry experience to his role as Board Member at ADES Group. He joined the Public Investment Fund in 2018 and currently serves as a Senior Director leading the MENA Private Equity Funds section, in addition to the regional investment companies. He also sits on the board of listed companies and non-listed companies across MENA. He previously served as an Advisor at Saudi Aramco and Manager at RICC.

Mr. Alshathri graduated from Northwest University with a bachelor's degree in industrial engineering, and holds an MBA from Harvard University.

Current and Previous Positions:

Company	Membership	Location	Legal Entity
Non-executive Director of ADES Holding Company	Current	Inside KSA	Public Joint Stock Company
Non-executive Chairman of Depa PLC	Current	Outside KSA	Listed Company
Non-executive Vice Chairman of Saudi Jordanian Investment Company	Current	Inside KSA	Closed Joint Stock Company
Non-executive Vice Chairman of Saudi Jordanian Investment Fund	Current	Outside KSA	Limited Public Liability
Non-executive Vice Chairman of Saudi Sudanese Investment Company	Current	Inside KSA	Closed Joint Stock Company
Non-executive Vice Chairman of Saudi Iraqi Investment Company	Current	Inside KSA	Closed Joint Stock Company
Non-executive Director of Capital Bank of Jordan	Current	Outside KSA	Joint Stock Listed company
Non-executive Director of Saudi Egyptian Investment Company	Current	Inside KSA	Closed Joint Stock Company
Non-executive Director of Saudi Tourism Investment Company (Asfar)	Current	Inside KSA	Closed Joint Stock Company
Non-executive Chairman of Saudi Omani Investment Company	Current	Inside KSA	Closed Joint Stock Company
Non-executive Director of Masdar	Current	Inside KSA	Closed Joint Stock Company
Non-executive Director of Gulf Coast Real Estate Development Company GCDC	Current	Inside KSA	Closed Joint Stock Company
Senior Director at Public Investment Fund (PIF)	Current	Inside KSA	Governmental Fund
Non-executive Vice Chairman of Qassim Cement Company	Previous	Inside KSA	Listed Company
Non-executive Vice Chairman of Saudi Bahrain Investment Company	Previous	Inside KSA	Closed Joint Stock Company
Non-executive Director of Saudi Ceramic Company	Previous	Inside KSA	Listed Company
Director at RICC	Previous	Inside KSA	Joint Stock Company
Advisor at Saudi Aramco	Previous	Inside KSA	Listed Joint Stock Company



Fadi Al Said
Non-Executive Director

Fadi Al Said is a non-executive director of the Board of Directors of the Company, bringing a wealth of experience to ADES Board.

Mr. Al Said is an investment professional with extensive experience in the MENA region. He currently serves as a Senior Director in the MENA investments division at the Saudi Public Investment Fund (PIF), a role he has held since 2020.

Mr. Al Said also holds several other board memberships and leadership roles. He is a Board member of the Saudi Jordanian Investment Fund (SJIF), and the Saudi Jordanian Investment Company (SJIC). He also serves as the Chairman of Kingdom of Health and

Vice-chairman of DEPA. Mr. Al Said was appointed as Non-Executive Director of B.TECH for Trade and Distribution on August 2022.

Prior to his current roles, Mr. Al Said held senior investment management positions, including acting as a Managing Director and Lead Portfolio Manager at Lazard Asset Management from 2014 to 2020, as well as a Senior Investment Manager and Head of MENA investments at ING Investment Management from 2008 to 2014.

Mr. Al Said holds an Executive Master of Business Administration from Cass Business School, City University of London, and a Bachelor Degree in Economics from the University of Jordan. He is also a CFA charter holder.

Current and Previous Positions:

Company	Membership	Location	Legal Entity
Non-executive Director of ADES Holding Company	Current	Inside KSA	Public Joint Stock Company
Nomination & Remuneration Committee and Investment Committee member at ADES Holding Company	Current	Inside KSA	Public Joint Stock Company
Senior Director at Public Investment Fund (PIF)	Current	Inside KSA	Governmental Fund
Non-executive Director of B.TECH Company	Current	Outside KSA	Closed Joint Stock Company
Non-executive Director of Depa PLC	Current	Outside KSA	Listed Company
Non-executive Director of Saudi Jordanian Investment Fund (SJIF)	Current	Inside - Outside KSA	Limited Company
Board Member at Saudi Jordanian Investment Company (SJIC)	Current	Inside - Outside KSA	Limited Company
Committee Member at Saudi Egyptian Investment Company (SEIC)	Current	Inside - Outside KSA	Limited Company
Committee Member at Saudi Iraqi Investment Company (SIIC)	Current	Inside - Outside KSA	Limited Company
Committee Member at Saudi Omani Investment Company (SOIC)	Current	Inside - Outside KSA	Limited Company
Board Member at Capital Bank of Jordan	Current	Outside KSA	Listed Company
Managing Director and Head of MENA Investments at Lazard Asset Management	Previous	Outside KSA	Listed Company
Director and Head of MENA at ING Investment Management	Previous	Outside KSA	Listed Company



Abdulrahman Khalid Al Zamil

Non-Executive Director

Abdulrahman Khalid Al Zamil is a non-executive member of the Board of Directors of the Company; he is also the Chairman of the Board at Al Zamil Food Industries and sits as President and Executive Board of Directors on the Board of Zamil Group Investment Company.

In addition, Mr. Al Zamil is also a board member at the Asharqia Chamber, as well as many renowned companies, including Innovative Energy, MLM Investments, Goldman Sachs Saudi Arabia, Metito Utilities Company, Dhahran International Exhibitions, Gulf Stabilizers Industries, and Yamama Red Bricks Factories. In addition to being the Chairman of Zamil Food Industries, he is also the chairman of the company's Executive Committee.

Mr. Al Zamil holds a bachelor's degree in finance and economics from King Fahd University, as well as a master's degree in executive MBA from London Business School.

Current and Previous Positions:

Company	Membership	Location	Legal Entity
Non-executive Director of ADES Holding Company	Current	Inside KSA	Public Joint Stock Company
Non-executive Board of Directors at Asharqia Chamber, "Eastern Province Chamber of Commerce and Industry".	Current	Inside KSA	Non-profit entity
Non-executive Board of Directors at Metito Utilities Company.	Current	Outside KSA	Limited Liability Company
Independent Board of Directors member at Goldman Sachs Saudi Arabia.	Current	Inside KSA	Closed Joint-Stock Company
Executive Director of MLM Investments Limited	Current	Inside KSA	Limited Liability Company
Non-executive Board of Directors at Innovative Energy Holding Ltd.	Current	Outside KSA	Limited Liability Company
Non-executive Director of Dhahran International Exhibitions Company	Current	Inside KSA	Closed joint Stock Company
Non-Executive Director of Arabian Aminate	Current	Inside KSA	Limited Liability Company
Vice-chairman of Gulf Stabilizers Industries (GSI)	Current	Inside KSA	Closed joint Stock Company
Non-executive Director of Yamama Red Bricks Factories	Current	Inside KSA	Limited Liability Company
Executive Board of Director and President of Zamil Group Investment Company	Current	Inside KSA	Limited Liability Company
Chairman of Zamil Food Industries Ltd.	Current	Inside KSA	Limited Liability Company
Chairman of the Executive Committee of Zamil Food Industries Ltd.	Current	Inside KSA	Limited Liability Company
Non-executive Board of Director at National Power Company	Previous	Inside KSA	Limited Liability Company
Treasury and Project Finance Manager at Zamil Group Holding Company	Previous	Inside KSA	Closed joint Stock Company
Project Finance Analyst at Zamil Group Holding Company	Previous	Inside KSA	Closed joint Stock Company
Financial Analyst at HSBC Middle East	Previous	Outside KSA	Limited Liability Company



Kamel Bennaceur

Independent Member

Kamel Bennaceur is an independent member of the Board of Directors of the Company, he is also the Chairman of DAMORPHE Company, a nano-technology focused start-up developing and selling high-value products for the energy sector, and Chief Executive Officer of Nomadia Energy, Abu Dhabi.

Dr. Bennaceur brings over 45 years of experience in the fields of oil and gas, alternative energy, innovation, research and development, energy markets economics and outlooks and presiding worldwide engineering association. His previous roles include serving as the Minister of Industry, Energy and Mines Government of Tunisia, President of Society of Petroleum Engineers (SPE), Dallas - a leading global professional energy organization and

Chief Economist at ADNOC Abu Dhabi, and Chief Economist as Schlumberger, Paris/Houston.

Dr. Bennaceur holds a bachelor's degree in in Mathematics from the University of Paris, a Masters Degree Engineering/ Applied Math from Ecole Polytechnique Paris and an Aggregation in Mathematics from Ecole Normale Supérieure, France.

Current and Previous Positions:

Company	Membership	Location	Legal Entity
Independent Director of ADES Holding Company	Current	Inside KSA	Public Joint Stock Company
Non-executive Chairman of Damorphe	Current	Outside KSA	Private Company
Chief Executive Officer of Nomadia Energy	Current	Outside KSA	Private Free Zone Company
Minister of Industry, Energy and Mines	Previous	Outside KSA	Government of Tunisia
President of Society of Petroleum Engineers	Previous	Outside KSA	Global Organisation
Chief Economist at ADNOC	Previous	Outside KSA	Public Company
Director Sustainability, Technology and Outlooks at International Energy Agency	Previous	Outside KSA	Intergovernmental Organisation
Technology Center President at Schlumberger	Previous	Outside KSA	Public Company
Chief Economist at Schlumberger	Previous	Outside KSA	Public Company
Manager/ Senior Manager/ Senior Vice President at Schlumberger	Previous	Outside KSA	Public Company



Haitham AlFayez
Independent Member

Haitham AlFayez is an independent member of the Board of Directors of the Company. Mr. AlFayez is currently the Chief Executive Officer of Sulaiman AlRajhi Holding Company and is a Board Member of several organizations, including Bank Albilad, Umm Al Qura Development and Construction Company, JADA Fund of Funds Company, and Ekhaa Charitable Foundation for Orphans Care.

He also serves as Chairman of the Investment Committee and a member of the Executive Committee at Arriyadh Holding Company.

Previously, Mr. AlFayez held several senior leadership and investment roles, including Chief Executive Officer of Awqaf Investment Company, Executive Director of Local Investment at Kingdom Holding, Head of Direct Investment Department at Saudi Aramco's Investment Department, Director Proprietary Investment at Jadwa Investments, Economic Policy Associate at United Nations Development Programme (UNDP), and Senior Credit Analyst at Saudi Industrial Development Fund.

Mr. AlFayez holds a Bachelor's degree in Management Information Systems from King Fahd University of Petroleum & Minerals (KFUPM) in Saudi Arabia and an MBA from Imperial College London , United Kingdom.

Current and Previous Positions:

Company	Membership	Location	Legal Entity
Independent Director of ADES Holding Company	Current	Inside KSA	Public Joint Stock Company
Chief Executive Officer of Sulaiman Al-Rajhi Holding Company	Current	Inside KSA	Closed Joint Stock Company
Independent Board Member, Chairman of Nomination & Remuneration Committee and Risk Committee Member at Albilad Bank	Current	Inside KSA	Listed Joint Stock Company
Independent Board Member and Remuneration & Nomination Committee Member at JADA Fund of Funds Company	Current	Inside KSA	Closed Joint Stock Company
Board Member at Umm Al Qura Development and Construction	Current	Inside KSA	Closed Joint Stock Company
Member at Ekhaa Charity of Orphans Care Board of Trustees and Chairman of the Investment Committee	Current	Inside KSA	Charity Association
Executive Committee Member at Arriyadh Holding Company	Current	Inside KSA	Closed Joint Stock Company
Investment Committee Member at Special Integrated Logistic Zone Company	Current	Inside KSA	Closed Joint Stock Company
Chief Executive Officer of Awqaf Investment Company	Previous	Inside KSA	Closed Joint Stock Company
Executive Director Local Investment at Kingdom Holding	Previous	Inside KSA	Public Company
Head Of Direct Investment Department at Saudi Aramco Investment Department	Previous	Inside KSA	Listed Company
Director Proprietary Investment at Jadwa Investment	Previous	Inside KSA	Closed Joint Stock Company
Economic Policy Associate at United Nations Development Programme	Previous	Outside KSA	United Nations Agency
Senior Credit Analyst at Saudi Industrial Development Fund	Previous	Inside KSA	Government Financial Institution



Mohamed Walid Cherif
Independent Member

Mohamed Walid Cherif serves as an Independent Member of the Board and Chairman of the Audit Committee and Remuneration & Nomination Committee of the Company. Mr. Cherif is Founder & Managing Partner of BluePeak Private Capital. Mr. Cherif has more than 28 years of experience in international finance in Emerging Markets. He has raised and invested more than US\$ 1 billion of capital and has structured and executed 40 transactions on the investment and divestment sides.

Mr. Cherif was an independent director of several companies including ADES International Holding Ltd, a previously LSE-listed oil and gas servicing company, and several other businesses operating in the Middle East and Africa region.

Mr. Cherif is currently the Managing Partner and founder of BluePeak Private Capital, an asset management firm focused on private markets in Africa. Prior to that, he founded the private credit business of Gulf Capital in 2011, focused on structured investments across Africa, the Middle East, and Turkey, and previously headed the GSC Group - NBK Capital Mezzanine Fund operating in the Middle East and Turkey. Before joining NBK Capital in 2007, Mr. Cherif spent 10 years at the International Finance Corporation in Washington, D.C., Istanbul, and Dubai.

Mr. Cherif holds a bachelor's degree in Finance from the Higher Institute of Management in Tunisia and an MBA in Finance and Investments from George Washington University in USA.

Current and Previous Positions:

Company	Membership	Location	Legal Entity
Independent Director of ADES Holding Company	Current	Inside KSA	Public Joint Stock Company
Founder and Managing Partner of BluePeak Private Capital	Current	Outside KSA	Private Debt Fund
Audit Committee Chairman and Nomination & Remuneration Committee Chairman at ADES Holding Company	Current	Inside KSA	Public Joint Stock Company
Director at Carbon Holdings	Previous	Outside KSA	Private Company
Director at iSON Xperiences	Previous	Outside KSA	Private Company
Senior Managing Director at Gulf Capital	Previous	Outside KSA	Private Company
Senior Manager and Fund Head at Watani investment Company (NBK Capital)	Previous	Outside KSA	Subsidiary of NBK
Senior Investment Officer at IFC – World Bank Group	Previous	Outside KSA	Member of World Bank Group

Evaluation of the Board and its Committees

For the year 2025, the Company conducted an internal evaluation of the Board of Directors and its Committees as part of its commitment to efficient governance and continuous improvement. The assessment, aligned with regulatory requirements and international best practices, aimed to evaluate overall effectiveness, recognise key strengths and identify areas for enhancement. It was carried out through a structured process, including a confidential online questionnaire completed by Directors. The results were analysed internally and consolidated to the Nomination and Remuneration Committee, which reviews Board and Committee performance within the scope of its responsibilities. Key findings are monitored over time to identify trends and development priorities, supporting ongoing enhancement of Board effectiveness and alignment with evolving governance standards.

Board Meetings Held During 2025 and Attendance Sheet

in line with the Corporate Governance Regulations (CGRs), the Board convenes on a regular basis to ensure effective oversight and informed decision-making. Meetings are held at least once every quarter to review strategic priorities, financial performance, proposed investments, and other matters critical to the Company's operations. Directors receive comprehensive updates ahead of each session, and all members may consult the Group's General Counsel for guidance as required.

During 2025, the Board held eight meetings. The table below provides details of these meetings, including each Director's attendance.

Name	Position	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	Total
		Meeting 23/02/2025	Meeting 04/05/2025	Meeting 27/05/2025	Meeting 22/07/2025	Meeting 03/08/2025	Meeting 07/09/2025	Meeting 02/11/2025	Meeting 14/12/2025	
Mr. Ayman Abbas	Chairman	✓	✓	✓	✓	✓	✓	✓	✓	8
Dr. Mohamed Farouk	Vice-chairman	✓	✓	✓	✓	✓	✓	✓	✓	8
Mr. Hatem Soliman	Board Member	✓	✓	✓	✓	✓	✓	✓	✓	8
Mr. Muteb Alshathri	Board Member	✓	✓	✓	✓	✓	✓	✓	✓	8
Mr. Fadi Al Said	Board Member	✓	✓	✓	✓	✗	✓	✓	✓	7
Mr. Abdulrahman Al Zamil	Board Member	✓	✓	✓	✓	✓	✓	✓	✓	8
Mr. Mohamed Walid Cherif	Independent Board Member	✓	✓	✓	✓	✗	✗	✓	✓	6
Dr. Kamel Bennaceur	Independent Board Member	✓	✓	✓	✓	✓	✗	✓	✓	7
Mr. Haitham AlFayez	Independent Board Member	✓	✓	✓	✗	✓	✓	✓	✓	7

✓ Present
✗ Absent

Board Committees

Audit Committee and Its Report for the year 2025

The Audit Committee was duly established by resolution of the Board and operates pursuant to a formally approved charter by the Board and subsequently ratified by the Extraordinary General Assembly. The Committee comprises three non-executive members Two of whom are external to the Board and including an independent chairman – with none holding executive management positions. Its term of office is four years, extendable with the approval of the Board.

The Audit Committee provides independent oversight of the Company's financial reporting, internal controls, and compliance framework, ensuring integrity, transparency, and alignment with regulatory and international standards. It oversees Internal and External Audit, monitors controls, reviews findings, and ensures timely corrective action, safeguarding assets, mitigating risks, and supporting effective governance.The Committee's key responsibilities are categorized as follows:

Financial Reporting:

- Review the Company's interim and annual financial statements prior to submission to the Board, providing recommendations to ensure accuracy, fairness, and transparency.
- Provide technical assessments, upon request of the Board, on whether the Board's report and financial statements are balanced, clear, and sufficiently informative for shareholders and investors to evaluate the Company's financial position, performance, business model, and strategy.
- Investigate significant or unusual matters identified in the financial statements.
- Examine concerns raised by the Chief Financial Officer (CFO) or the external auditor.
- Verify the accuracy of accounting estimates relating to material items in the financial statements.
- Review the Company's accounting policies and provide recommendations to the Board as appropriate.

Internal Audit:

- Assess the design and effectiveness of the Company's internal control systems, financial controls, and risk management procedures.
- Review internal audit reports and monitor the implementation of corrective actions arising from audit observations.
- Supervise and evaluate the performance of the Internal Audit Department and its personnel to ensure they have adequate resources and are fulfilling their responsibilities effectively.
- Approve key decisions concerning the appointment, removal, performance evaluation, and compensation of the Head of Internal Audit. The Committee also approves the overall resources allocated to the Internal Audit Department and the compensation levels of internal audit staff.

External Auditors:

- Recommend to the Board the appointment or dismissal of external auditors, approve their fees, and evaluate their performance, ensuring independence and reviewing the scope of work and contractual terms.
- Safeguard the independence, objectivity, and fairness of the external auditor and assess the overall effectiveness of the audit process in line with relevant standards and regulations.
- Review the external auditor's audit plan and ensure that the auditor does not provide technical, administrative, or advisory services beyond the scope of the audit, while providing guidance and insights on related matters.
- Respond to inquiries from the external auditor as required.
- Examine the auditor's report and any findings relating to the financial statements and monitor the implementation of corrective actions in response to identified issues.

Compliance and Regulatory Oversight:

- Review regulatory reports and verify that the Company has implemented necessary corrective measures in response to any findings.
- Ensure the Company's compliance with applicable laws, regulations, policies, and guidelines.
- Review and provide guidance on transactions and contracts involving related parties, submitting recommendations to the Board for approval.
- Identify and escalate matters to the Board that the Audit Committee considers requiring attention, providing recommendations on appropriate measures to address such matters.

Audit Committee Members

The Audit Committee is composed of independent members who possess extensive expertise in finance, governance, and related areas. The table below summarizes the Committee's membership and structure:

NAME	POSITION
Mohamed Walid Cherif	Chairman – Independent Member
Ahmad Kordi	Committee Member
Omar Saleh	Committee Member

Mohamed Walid Cherif Audit Committee Chairman

Please refer to the member's biography provided on page 95.

Ahmad Kordi

Member

Ahmad Kordi serves as a member of the Audit Committee of the Company. Mr. Kordi is a distinguished investment professional, currently serving as the Head of Investment Research & Decision Support at the Public Investment Fund (PIF), with over a decade of experience in fundamental analysis research and investment management. At PIF since April 2019, Mr. Kordi has played a pivotal role in establishing and leading a world-class buy-side research team covering MENA markets. Mr. Kordi's leadership extends to performance analytics and business support functions, where he has successfully implemented advanced analytics tools including artificial intelligence applications to enhance the investment decision-making processes.

Additionally, Mr. Kordi serves on various committees and boards including being a Director at at Abu Qir Fertilizers Company, Egyptian joint stock company listed on the Egyptian Stock Exchange. He previously served as a Director at Alexandria Container and Cargo Handling Company.

Prior to his tenure at PIF, Mr. Kordi was a Senior Manager at GIB Capital, and a founding member of their asset management capabilities in Saudi Arabia. His earlier experience includes serving as an Equity Research Analyst at HSBC Saudi Arabia.

Mr. Kordi is an Executive MBA candidate at HEC Paris and holds an Msc in Financial Analysis and Fund Management from the University of Exeter. He earned his Bachelor in Accounting and Finance from the University of Aberdeen. He is also a CFA Charterhodler, and served multiple positions including the chairmanship of CFA Society Saudi Arabia.

Current and Previous Positions:

Company	Membership	Location	Legal Entity
Head of Equity Research, Securities Investments Department - Middle East and North Africa at the Public Investment Fund	Current	Inside KSA	Sovereign Wealth Fund
Audit Committee Member at ADES Holding Company	Current	Inside KSA	Public Joint Stock Company
Director at Abu Qir Fertilizers Company	Current	Outside KSA	Public Joint Stock Company
Director at Alexandria Container and Cargo Handling Company	Previous	Outside KSA	Public Joint Stock Company
Vice President, Senior Investment Manager at GIB Capital	Previous	Inside KSA	Closed Joint Stock Company
Equity Research Analyst at HSBC Saudi Arabia	Previous	Inside KSA	Closed Joint Stock Company

Omar Saleh

Member

Omar Saleh serves as a member of the Audit Committee of the Company. Mr. Saleh is the co-founder and Chief Executive Officer of Khazna, a financial technology company offering digital-based financial services, founded with the vision of improving the financial well-being of underserved individuals and micro-businesses by providing simple, user-centric and technology driven financial services. Khazna Group operates through entities across the Netherlands, Egypt, Saudi Arabia, and Qatar.

Prior to founding Khazna, Mr. Saleh was head of Middle East and North Africa at WorldRemit, a leading cross-border payment company, where he led the company's expansion into the region. Prior to that, he was head of business development and strategy at ADES International, where he led the post IPO growth phase including the direct investment of ~\$400M across the Middle East.

Mr. Saleh holds a Bachelor of Chemical Engineering from Cairo University and a Master of Business Administration from Stanford University.

Current and Previous Positions:

Company	Membership	Location	Legal Entity
Chief Executive Officer at Khazna	Current	Inside -Outside KSA	Private Company
General Manager at Khazna Digital	Current	Inside KSA	Limited Liability Company
Audit Committee Member at ADES Holding Company	Current	Inside KSA	Public Joint Stock Company
Regional Director at World Remit	Previous	Outside KSA	Closed Joint Stock Company
Head of Business Development and Strategy at ADES International	Previous	Outside KSA	Private Company

Audit Committee Meetings Held During 2025

In accordance with the Corporate Governance Regulations (CGRs), the Audit Committee meets periodically to perform its oversight responsibilities, holding at least four meetings each financial year.

During 2025, the Audit Committee convened Nine (9) times, as detailed in the schedule below:

Name	Position	1 st Meeting	2 nd Meeting	3 rd Meeting	4 th Meeting	5 th Meeting	6 th Meeting	7 th Meeting	8 th Meeting	9 th Meeting	Total
		06/01/2025	23/02/2025	03/03/2025	26/03/2025	04/05/2025	30/06/2025	03/08/2025	02/11/2025	10/11/2025	
Mohamed Walid Cherif	Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
Ahmad Kordi	Committee Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
Omar Saleh	Committee Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	9

✓ Present

* Absent

Results of the Annual Audit of the Effectiveness of the Company's Internal Control Procedures and the Audit Committee's Opinion on the Sufficiency of the Company's Internal Control System

This report summarizes the activities and oversight conducted by the Audit Committee during 2025, in accordance with the responsibilities set out in the Committee's charter. Throughout the year, the Committee performed its duties as follows:

- External Auditor Oversight: Reviewed the independence, scope of responsibilities, strategy, and audit plan of the external auditor on a quarterly basis. The Committee also examined the results of financial audits, relevant audit documentation, and any correspondence directed to management.
- Financial Statement Review: Evaluated reports and notes submitted by the external auditor, meeting with them to discuss financial statements prior to Board approval. The Committee addressed all inquiries and confirmed that no issues would impede the audit process.
- Interim and Annual Financial Statements: Reviewed interim financial statements for the periods ending 31 March, 30 June, and 30 September, as well as the annual consolidated financial statements for the year ending 31 December 2025. The Committee ensured these statements were fair, transparent, and presented in accordance with International Financial Reporting Standards (IFRS) as approved in the Kingdom of Saudi Arabia, along with other standards endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA). The Committee also recommended approval of the annual consolidated financial statements to the Board prior to their publication on the Company's Tadawul page and presentation at the Annual General Assembly.
- Internal Audit Planning: Reviewed and approved the Internal Audit Department's annual audit plan for 2025.
- Internal Audit Reports: Examined internal audit reports, holding discussions to ensure a thorough understanding before approval. Verified the relevance of corrective action plans and reviewed follow-up reports to ensure timely implementation of agreed-upon measures.
- Internal Controls and Risk Management: Assessed the Company's internal control systems, and enterprise risk management framework to ensure they are effective, adequate, and in line with best practices.
- Reviewed the Company's risk management responsibilities and actions presented by the internal Audit department.

The Audit Committee discussed the risk management framework and the internal control framework, as well as the high and moderate risks presented by the internal audit function. This discussion included an assessment of the effectiveness of the Group's internal controls for the financial year covered by the Annual Report and accounts, up to the date of their approval by the Board of Directors. The scope of the review encompassed financial, operational, and compliance controls, in addition to risk management processes, with the objective of ensuring the accuracy and effectiveness of reporting, financial statements, and internal control systems. No material weaknesses were identified that would have a material adverse effect on the Company's internal control systems.

Remuneration & Nomination Committee

The Remuneration and Nomination Committee was established by resolution of the Board and operates under a formally approved charter, adopted by the Extraordinary General Assembly. In accordance with the charter, members serve a term of four years, which may be extended with Board approval. The charter also provides that the majority of Committee members shall be non-executive directors, with at least one serving as an independent director.

In line with the Corporate Governance Regulations (CGRs) and the committee charter, an independent director serves as Chairman of the Committee. The Committee comprises three (3) non-executive directors, including the independent Chairman, all appointed by the Board.

Remuneration & Nomination Committee Members

The Nomination and Remuneration Committee is composed of three members from the Board (with the Chair serving as an Independent Director on the Board). The table below summarizes the Committee's membership and structure:

NAME	POSITION
Mohamed Walid Cherif	Chairman – Independent Member
Fadi Al Said	Committee Member
Abdulrahman Khalid Al Zamil	Committee Member

Mohamed Walid Cherif

Remuneration and Nomination Committee Chairman

Please refer to the member's biography provided on page 95.

Fadi Al Said

Member

Please refer to the member's biography provided on page 91.

Abdulrahman Khalid Al Zamil

Member

Please refer to the member's biography provided on page 92.

Remuneration & Nomination Committee Duties

Pursuant to its charter, the Remuneration and Nomination Committee is responsible for evaluating and advising on the structure, composition, and effectiveness of the Company's Board, its Committees, and senior management. This includes regular assessment of members' skills, experience, expertise, and diversity, with recommendations provided for both current and future appointments. The Committee also reviews and advises on benefits and remuneration packages for Board and Committee members.

The Committee sets clear policies for Board membership and maintains a comprehensive remuneration framework, ensuring director independence where required. It oversees succession planning for the Board and key executive positions, making recommendations to ensure continuity of leadership and alignment with the Company's strategic objectives.

In addition, the Committee reviews the design and implementation of employee share option plans and provides guidance to the Board on remuneration for directors, Committee members, and senior executives in accordance with the approved remuneration policy. It develops the remuneration policy for Board members and senior management, recommending it for approval by the Board and the General Assembly.

When determining remuneration, the Committee considers applicable laws, market benchmarks, and long-term shareholder interests, ensuring a clear link between pay and performance. It also monitors the alignment of actual remuneration with the approved policy, identifies significant deviations if any, and periodically reviews the ongoing relevance and effectiveness of the remuneration framework.

Finally, the Committee evaluates employee share option plans and submits recommendations for approval to the Board and the General Assembly as appropriate, supporting transparency, fairness, and alignment with the Company's long-term objectives.

Remuneration & Nomination Committee Meetings Held During 2025

In accordance with the Corporate Governance Regulations (CGRs), the Remuneration and Nomination Committee meets periodically and as required, at least once every six (6) months.

During 2025, the Committee convened four (4) times, as detailed in the schedule below:

Name	Position	1 st Meeting	2 nd Meeting	3 rd Meeting	4 th Meeting	Total
		18/03/2025	25/03/2025	03/08/2025	15/12/2025	
Mohamed Walid Cherif	Chairman	✓	✓	✓	✓	4
Fadi Al Said	Committee Member	✓	✓	✓	✓	4
Abdulrahman Khalid Al Zamil	Committee Member	✓	✓	✓	✓	4

✓ Present
✖ Absent

Investment Committee

The Investment Committee was established by the Board with effect from 1 January 2025 for the purposes undertaking a detailed review and evaluation of prospective business and investment opportunities. This includes consideration of such opportunities strategic, commercial and financial implications, as well as their overall suitability for the Group. The Committee supports and enhances the Board's decision-making process by presenting its comprehensive assessments and recommendations for the Board's consideration.

The Committee comprises three (3) members drawn from the Board, including one executive director and two non-executive directors. This balanced composition ensures that the Committee benefits from both in-depth operational insight and independent oversight, enabling a well-rounded and objective assessment of investment opportunities and informed recommendations to the Board.

Investment Committee Members

The Investment Committee is composed of three members from the board (with the Chair serving as an Executive Director on the board). The table below summarizes the Committee's membership and structure:

NAME	POSITION
Mohamed Farouk	Chairman – Executive Director
Muteb Alshathri	Committee Member
Fadi Al Said	Committee Member

Mohamed Farouk

Investment Committee Chairman

Please refer to the member's biography provided on page 88.

Muteb Alshathri

Committee Member

Please refer to the member's biography provided on page 90.

Fadi Al Said

Committee Member

Please refer to the member's biography provided on page 91.

Investment Committee Duties

The Investment Committee is responsible for supporting the Board in the evaluation of business and investment opportunities. In carrying out its role, the Committee shall:

- review and assess proposed investment and business opportunities, including mergers, acquisitions, joint ventures and other strategic transactions.
- evaluate the strategic rationale and alignment of such opportunities with the Group's objectives and long-term strategy.
- consider the commercial and financial implications of proposed investments.
- assess the overall suitability of opportunities for the Group, taking into account risk, value creation potential and stakeholder impact.
- ensure that material investment proposals are supported by appropriate analysis and documentation.
- submit its recommendations, together with supporting analysis, to the Board for consideration and decision.

Investment Committee Meetings Held During 2025

The Investment Committee shall convene as business requirements dictate, and in any event shall meet no less than once every six months. Meetings may be held as and when necessary to consider specific investment opportunities or matters within the Committee's mandates.

During 2025, the Committee convened three (3) times, as detailed in the schedule below:

Name	Position	1 st Meeting	2 nd Meeting	3rd Meeting	Total
		27/05/2025	03/08/2025	07/09/2025	
Dr. Mohamed Farouk	Chairman	✓	✓	✓	3
Muteb Alshathri	Committee Member	✓	✓	✓	3
Fadi Al Said	Committee Member	✓	✓	✓	3

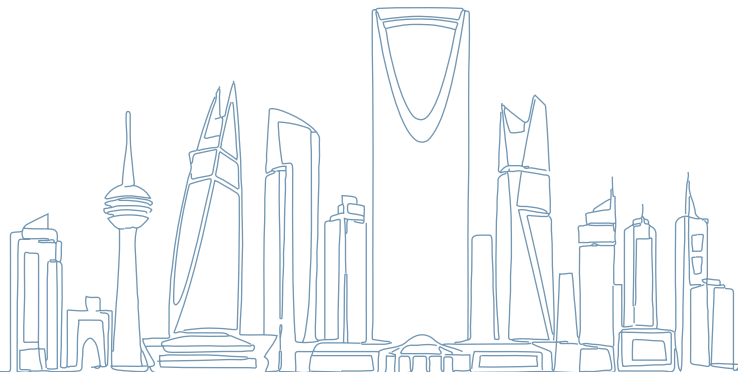
✓ Present
✗ Absent



Executive Management



Dr. Mohamed Farouk
Chief Executive Officer
Please refer to the director's biography provided on page 88.



Hussein Badawy
Chief Financial Officer
Hussein Badawy has served as Group Chief Financial Officer since December 2021, overseeing the Group's financial strategy and operations. Prior to his appointment as CFO, he held key roles including Investor Relations and Corporate Finance Director. With over 17 years of experience, Mr. Badawy has been instrumental in driving sustainable capital growth, strengthening the Group's financial stability, and delivering strategic investments supported by robust capital structures. In addition to finance, he leads the Strategic Planning and Decision Support function, providing the Group with analytics, foresight, and actionable strategies. Before joining ADES, Mr. Badawy was Senior Relationship Manager for the Corporate & Investment Banking Group at Arab International Bank.

He holds a Bachelor's degree in International Business Administration from Sadat Academy for Management Sciences in collaboration with the University of New Brunswick, Canada, and a Professional Certification in Credit Risk and Risk Management from the American University in Cairo (AUC) School of Business.

Current and Previous Positions:

Company	Membership	Location	Legal Entity
Chief Financial Officer of ADES Holding Company	Current	Inside KSA	Public Joint Stock Company
Director of ADES Drilling Services Labuan Ltd	Current	Outside KSA	Limited Liability Company
Director of ADES GCC	Current	Inside KSA	Joint Stock company
Director of ADES Production Services	Current	Outside KSA	Joint Stock company
Director at MOPCO	Current	Outside KSA	Listed Company
Audit Committee member and Investment Committee member at MOPCO	Current	Outside KSA	Listed Company
Director at Khazna	Current	Inside - Outside KSA	Private Company
Audit Committee member and Risk and Credit Committee member at Khazna Digital	Current	Inside KSA	Limited Liability Company
Director at ADRES HR Solutions Ltd	Current	Outside KSA	Private Company
Director of Emerald Driller Company	Current	Outside KSA	limited company
Director of Advansys Intelligent solutions (AIS)	Current	Outside KSA	Joint Stock company
Director at Advanced Energy Systems ADES SAE	Current	Outside KSA	Joint Stock Company
Director of Compass Capital Financial Investments	Current	Outside KSA	Joint Stock Company
Chairman of the Audit Committee of Compass Capital Financial Investments	Current	Outside KSA	Joint Stock Company
Member of the Risk Committee of Compass Capital Financial Investments	Current	Outside KSA	Joint Stock Company
Senior Relationship Manager at the Corporate and Investment Banking Group, Arab International Bank	Previous	Outside KSA	Bank



Morcos William
Group General Counsel
Morcos William serves as the Group General Counsel and Company Secretary at ADES Holding Company, overseeing all legal and governance matters. With over 22 years of experience, Mr. William has played a pivotal role in shaping the legal framework that supports the company's strategic growth and global expansion.

As Group General Counsel, Mr. William leads ADES' legal and compliance functions, ensuring alignment with international regulations and best practices. His areas of expertise include capital markets, corporate restructuring, acquisitions, and project financing. He has been instrumental in navigating ADES through its major milestones, including successfully leading multiple strategic acquisitions, expansion into new markets, securing syndicated loans to support the Company's continued growth, and leading capital market projects. His leadership has been crucial in managing legal risks, negotiating high-value transactions, and ensuring corporate governance excellence.

Prior to joining ADES, Mr. William held key legal positions, including Head of Legal Affairs at Orascom Telecom Media and Technology Holding and Principal Lawyer for Mobinil (now Orange), where he gained extensive expertise in the telecommunications, media, and technology sectors. His legal proficiency spans across multiple industries, including real estate, maritime, oil and gas, and complex corporate transactions.

Mr. William holds a Bachelor of Law and a Master of International Commercial Transactions and Logistics from the Arab Academy for Science and Technology.

Current and Previous Positions:

Company	Membership	Location	Legal Entity
Group General Counsel of ADES Holding Company	Current	Inside KSA	Public Joint Stock Company
Director of ADES Drilling Services Labuan Ltd	Current	Outside KSA	Limited Liability Company
Non-executive Board Member at Advanced Energy Systems (ADES) SAE	Current	Outside KSA	Joint Stock Company
Non-executive Board Member of Advansys Intelligent Solutions (AIS)	Current	Outside KSA	Joint Stock company
Director of United Precision Drilling	Current	Outside KSA	Limited Liability Company
Director at ADRES HR Solutions Ltd	Current	Outside KSA	Private Company
Legal Advisor in the International Companies Division and Director at Muriya Tourism Development	Previous	Outside KSA	Joint Venture
Head of Legal Affairs at Orascom Telecom, Media & Technology	Previous	Outside KSA	Listed Company
Senior Legal Advisor at Mobinil Egypt	Previous	Outside KSA	Listed Company



Manoj Parmesh

Chief People Officer

Manoj Parmesh is the Chief People Officer, leading the Group's People, Learning & Communication functions. He has over 29 years of experience in strategic human resources, talent and capability development, large-scale workforce mobilization, organizational development, and leadership programs.

Mr. Parmesh has extensive knowledge of the upstream oil and gas sector, having held HR leadership roles across E&P, oilfield services, and drilling services businesses in Asia, the Middle East, and North Africa. His prior roles include senior positions at Reliance Industries' Offshore E&P business, Weatherford International's Drilling Rigs division, and with Muscat-based listed company Renaissance Services.

An alumnus of MIT Sloan School of Management and the Indian Institute of Management Kozhikode (IIM-K), Mr. Parmesh is also a Chartered Fellow of the UK's CIPD.

He actively engages with professional bodies including IADC, SPE, and CIPD. He holds a bachelor's degree in physics from the University of Calicut, India, a Postgraduate Diploma in Personnel Management from the National Institute of Personnel Management, Kolkata, a Postgraduate Certificate from IIM Kozhikode, and an Executive Program in General Management certificate from MIT Sloan School of Management, USA.

Current and Previous Positions:

Company	Membership	Location	Legal Entity
Chief People Officer at ADES Holding Company	Current	Inside KSA	Public Joint Stock Company
Global Lead HR-Integrated Services & Projects at Weatherford International	Previous	Outside KSA	Listed Company
Chief People Officer at Renaissance Services SAOG	Previous	Outside KSA	Listed Company
Vice President HR/HR Director at Weatherford Drilling International	Previous	Outside KSA	Subsidiary of a Listed Company
HR Manager at Weatherford Drilling International	Previous	Outside KSA	Subsidiary of a Listed Company
Region HR Manager – Training & Talent Acquisition at Weatherford Oil Tool Middle East Limited	Previous	Outside KSA	Subsidiary of a Listed Company
Head of HR Offshore Operations at Reliance Industries Ltd	Previous	Outside KSA	Listed Company
Region HR Manager at Weatherford GmbH	Previous	Outside KSA	Branch of a Listed Company
Country HR Manager at Weatherford Oil Tool Middle East Limited	Previous	Outside KSA	Limited Liability Company
HR Manager at Vallabhdas Kanji Limited	Previous	Outside KSA	Limited Liability Company
Assistant Manager of HR at Thejo Engineering Limited	Previous	Outside KSA	Listed Company



Montasser Samy

Chief Operations Officer

Montasser Samy serves as Chief Operations Officer, leading ADES' operations in the Kingdom of Saudi Arabia and playing a key role on the Group's leadership team. He began his career in Fracturing & Stimulation at Schlumberger and has held a variety of senior leadership positions across Europe, the Middle East, Russia, and the United States. His most recent role at Schlumberger was Global Vice President of Integrated Production Services, based in the UK. He has also served as Vice President of Well Services for the Middle East & Asia and as Vice President of Deepwater Well Integrity.

Mr. Samy holds a Bachelor's degree in Mechanical Engineering from the American University in Cairo.

Current and Previous Positions:

Company	Membership	Location	Legal Entity
Chief Operations Officer at ADES Holding Company	Current	Inside KSA	Public Joint Stock Company
Vice President - Saudi Arabia at ADES Holding Company	Previous	Inside KSA	Public Joint Stock Company
Vice President Integrated Production Services, Global at Schlumberger	Previous	Outside KSA	Listed Company
Vice President for Well Services - Middle East and Asia at Schlumberger	Previous	Outside KSA	Listed Company



Ahmed Abdelhady

Chief Commercial and Strategy Officer

Ahmed Abdelhady serves as Chief Commercial and Strategy Officer, overseeing the development and execution of the Group's business objectives and strategic initiatives, in addition to leading the marketing activities across the Group's fleet.

Mr. Abdelhady brings more than 25+ years of industry experience, having held senior management and leadership roles across Marketing and Contracts, Drilling Operations, Projects, Asset Management, and QHSE with prominent industry players, including legacy GlobalSantaFe and Transocean. He began his offshore drilling career with SantaFe in 2001.

In his role, Mr. Abdelhady leads the Commercial and Strategy functions. Prior to joining ADES Group, he spent over a decade with Shelf Drilling in Dubai, United Arab Emirates, where he most recently held the position of Director of Marketing for the Middle East, Europe, and North Africa regions.

He holds a bachelor's degree in civil engineering from Cairo University, complemented by studies in Project Management.

Current and Previous Positions:

Company	Membership	Location	Legal Entity
Chief Commercial and Strategy Officer of ADES Holding Company	Current	Inside KSA	Public Joint Stock Company
Director of Marketing at Shelf Drilling	Previous	Outside KSA	Listed Joint Stock Company
Division Manager, Sales & Marketing at Transocean	Previous	Outside KSA	Listed Joint Stock Company
Manager, HR Special Projects at Transocean	Previous	Outside KSA	Listed Joint Stock Company
Projects Manager at Transocean	Previous	Outside KSA	Listed Joint Stock Company
Safety Development Program Manager at Transocean	Previous	Outside KSA	Listed Joint Stock Company
Offshore Safety Development Program at Transocean	Previous	Outside KSA	Listed Joint Stock Company
Rig Manager at Transocean	Previous	Outside KSA	Listed Joint Stock Company
Division Contracts Engineer at Transocean	Previous	Outside KSA	Listed Joint Stock Company
Offshore Positions (Roustabout – Driller) at Global Santa Fe	Previous	Outside KSA	Listed Joint Stock Company



Mehdi Hamel

Vice president QHSSE & Sustainability

Mehdi Hamel serves as Vice President of QHSSE & Sustainability, where he is responsible for fostering a strong culture of Quality, Health, Safety, Security, Environment, and Sustainability across the Group's global operations.

With over 24 years of international experience, Mr. Hamel has held a variety of senior leadership roles, including Senior Chief Geophysicist, Senior Operations Manager, Supply Chain Director, and QHSSE Director at Schlumberger Ltd. (SLB).

He holds a Master's degree in Geophysics Engineering and a Bachelor's degree in Earth Sciences, both from Houari Boumediene University, Algeria.

Current and Previous Positions:

Company	Membership	Location	Legal Entity
Vice president QHSSE & Sustainability at ADES Holding Company	Current	Inside KSA	Public Joint Stock Company
Senior QHSSE Manager at Saudi Aramco Rowan Offshore Drilling	Previous	Inside KSA	Mixed Limited Liability Company
Senior Geophysicist QHSSE Manager, Supply Chain Operation at Schlumberger Ltd. (SLB)	Previous	Outside KSA	Private Company
Director of Quality, Health, Safety, Security and Environment Department at Schlumberger Ltd. (SLB)	Previous	Outside KSA	Private Company
Supply Chain Operations Manager at Schlumberger Ltd. (SLB)	Previous	Outside KSA	Private Company



Wissam Al Adany
Chief Information Officer

Wissam Al Adany serves as Chief Information Officer at ADES, bringing nearly 31 years of experience in leading digital transformation across multinational organizations. He has driven technology and operational innovation across diverse geographies, including Brazil and Kazakhstan, where he led large-scale digital initiatives to modernize operations and enhance organizational agility.

Prior to joining ADES, Mr. Al Adany held senior executive positions, including Regional Chief Information Officer for the United Nations, where he oversaw technology strategies across Eastern Europe, Central Asia, and the MENA region. He has also held leadership roles at Lafarge, a global building materials leader, and GB Auto, where he championed

digital innovation and operational excellence.

Mr. Al Adany's contributions have been widely recognized, receiving multiple accolades such as the CIO200 Award as CIO Legend in Africa and MENA (2021–2024), Best CIO of Automotive in MENA by the Global CIO Forum, and IDC's "CIO of the Year" for 2020, 2021, and 2022. He was also listed among the Top 20 CIOs in 2023 and 2024.

He holds a master's degree in finance and Operations Management from the American University in Cairo (AUC) and a Bachelor's degree in Communication and Electronics Engineering from Ain Shams University, Faculty of Engineering.

Current and Previous Positions:

Company	Membership	Location	Legal Entity
Chief Information Officer at ADES Holding Company	Current	Inside KSA	Public Joint Stock Company
Regional Chief Information Officer at the United Nations	Previous	Outside KSA	Governmental Organisation
Regional Chief Information Officer at GB Auto	Previous	Outside KSA	Listed Company
Chief Information Officer & Board Member at Americana International Restaurants PLC	Previous	Inside – Outside KSA	Listed Company
IT Director at Americana International Restaurants PLC	Previous	Inside – Outside KSA	Listed Company
IT Director at Lafarge	Previous	Outside KSA	Listed Company
Board Member at Cairo Feed	Previous	Outside KSA	Closed Joint Stock Company
IT Section Head at GlaxoSmithKline PLC	Previous	Outside KSA	Listed Company



Ammar Abbas
Vice President - Supply Chain

Ammar Abbas serves as Vice President of Supply Chain, drawing on 27 years of progressive experience across global supply chain operations. His professional expertise encompasses end-to-end supply chain management, including procurement and sourcing strategy, logistics and customs, materials and inventory control, global traceability, product lifecycle planning, and sales and operations planning (S&OP). He has developed deep operational insight into the oilfield industry, with a strong understanding of both its technical demands and multi-regional execution.

Mr. Abbas has held senior supply chain leadership positions across the Middle East, Europe, Africa, and North America. His career includes long-standing service with

Schlumberger Ltd. (SLB), where he supported large-scale regional and global operations, followed by executive and champion-level supply chain roles at NESR.

He holds a Bachelor's degree in Economics, Accounting, and Business Administration from Aleppo University in Syria. Mr. Abbas has also completed multiple advanced professional development programs and certifications in supply chain management from recognized institutions in Europe and the United States, including executive training in strategic supply chain management from the Massachusetts Institute of Technology.

Current and Previous Positions:

Company	Membership	Location	Legal Entity
Vice President of Supply Chain at ADES Holding Company	Current	Inside KSA	Public Joint Stock Company
Director of Supply Chain at National Energy Services Reunited Corp.	Previous	Outside KSA	Listed Company
Vice President of Supply Chain for North America at Schlumberger Technology Corporation	Previous	Outside KSA	Listed Company
Corporate Transformation-Product planning & Global Traceability Manager at Schlumberger Technology Corporation	Previous	Outside KSA	Listed Company
Regional Logistics Director for Europe and Africa at Schlumberger Service Technology	Previous	Outside KSA	Listed Company
GeoMarket Supply Chain Services Director for the Kingdom of Saudi Arabia, Kuwait, Bahrain and Pakistan and neutral zone at Schlumberger Middle East SA	Previous	Inside KSA	Listed Company
Supply Chain services Director for Oman at Schlumberger Ltd. (SLB)	Previous	Outside KSA	Listed Company
Global Supply Chain supervisor for Sedco-Forex at Schlumberger Ltd. (SLB)	Previous	Outside KSA	Listed Company



Mohamed Saad

Vice President - Asset Management

Mohamed Saad serves as Vice President of Asset Management, where he leads the Group's engineering and maintenance operations across its fleet of offshore jackup rigs, onshore rigs, barges, MOPUs, and FSOs. In this role, he drives the implementation of robust technical and maintenance strategies, sets high-quality standards, and ensures the optimal performance of company assets. Notably, Mr. Saad oversaw one of the largest projects in the drilling sector, managing and delivering 19 rigs in Saudi Arabia.

With over 25+ years of industry experience, Mr. Saad began his career at Transocean-Egypt as a Tour Mechanic and progressed through a series of technical and managerial roles, culminating as Asset Manager at Transocean-Malta in 2015.

He holds a bachelor's degree in mechanical Power Engineering and has completed numerous technical certifications and professional development programs throughout his career.

Current and Previous Positions:

Company	Membership	Location	Legal Entity
Vice President of Asset Management at ADES Holding Company	Current	Inside KSA	Public Joint Stock Company
Director of Asset Management of Advanced Energy Systems (ADES) SAE	Current	Outside KSA	Closed Joint Stock Company
Asset Manager at Transocean	Previous	Outside KSA	Public Joint Stock Company
Mechanical Superintendent at Transocean	Previous	Outside KSA	Public Joint Stock Company

Remuneration Policy for the Board of Directors, Board Committee Members, and Executive Management

The Company maintains a Remuneration Policy applicable to the Board of Directors, Board Committees, and Executive Management, developed in compliance with the Corporate Governance Regulations (CGRs), the Companies Law, and the Implementing Regulations of the Companies Law for Listed Joint Stock Companies. This policy sets out a clear framework governing the determination, oversight, and control of remuneration, ensuring alignment with applicable legal and regulatory requirements.

In line with the CGRs and relevant legislation, the remuneration granted to any Director shall be equitable and commensurate with the nature and scope of the duties performed, the responsibilities undertaken, and the Company's activities, operational sector, and management requirements. Remuneration levels are designed to be competitive and adequate to attract, motivate, and retain qualified and experienced individuals. All remuneration arrangements are determined based on the recommendations of the Nomination and Remuneration Committee, subject to Board approval and final approval by the General Assembly.

The remuneration of Board and Committee members may differ according to factors such as professional experience, assigned responsibilities, independence status, and attendance at Board and Committee meetings, as well as other relevant considerations. The Board may propose additional or special remuneration for the Chairperson, subject to the approval of the General Assembly.

Members of the Board, Committees, and the Board Secretariat are entitled to reimbursement for actual expenses incurred in the course of performing their duties, including travel, accommodation, and other related costs associated with attending Board and Committee meetings.

Board Remuneration During Year 2025

The details of the remuneration and allowances payable to the members of the Board for the financial year 2025, in accordance with the approved remuneration policy, are set out in the schedule below.

All Amounts are in SAR

	FIXED REMUNERATIONS								VARIABLE REMUNERATIONS						End of Service Awar	Aggregate Amount	Expenses Allowance
	Fixed Amount	Board Meetings Attendance Allowance	Total Committee Meetings Attendance Allowance	In-Kind Benefits	Technical, Managerial & Consultative work Remuneration	Remunerations of the Chairman, Managing Director or Secretary, If a member	Total		Percentage of the Profit	Periodic Remunerations	Short-Term Incentive Plans	Long-Term Incentive Plans	Granted Shares	Total			
First	INDEPENDENT DIRECTOR								INDEPENDENT DIRECTOR								
Haitham AlFayez	400,000	14,000	-	-	-	-	414,000		-	-	-	-	-	-	-	-	-
Kamel Bennaceur	400,000	14,000	-	-	-	-	414,000		-	-	-	-	-	-	-	-	-
Mohamed Walid Cherif	400,000	12,000	26,000	-	-	-	438,000		-	-	-	-	-	-	-	-	-
Total	1,200,000	40,000	26,000				1,266,000		-	-	-	-	-	-	-	-	-
Second	NONEXECUTIVE DIRECTORS								NONEXECUTIVE DIRECTORS								
Ayman Abbas	450,000	16,000	-	-	-	-	466,000		-	-	-	-	-	-	-	-	-
Hatem Soliman	400,000	16,000	-	-	-	-	416,000		-	-	-	-	-	-	-	-	-
Muteb Alshathri	400,000	16,000	6,000	-	-	-	422,000		-	-	-	-	-	-	-	-	-
Fadi Al Said	400,000	14,000	14,000	-	-	-	428,000		-	-	-	-	-	-	-	-	-
Abdulrahman Khalid Al Zamil	400,000	16,000	8,000	-	-	-	424,000		-	-	-	-	-	-	-	-	-
Total	2,050,000	78,000	28,000				2,156,000		-	-	-	-	-	-	-	-	-
Third	EXECUTIVE DIRECTORS								EXECUTIVE DIRECTORS								
Mohamed Farouk Abdelkhalek	400,000	16,000	6,000	-	-	-	422,000		-	-	-	-	-	-	-	-	-
Total	400,000	16,000	6,000				422,000		-	-	-	-	-	-	-	-	-

Remuneration of the Board of Directors and Committee Members

In accordance with the Company's Remuneration Policy for the Board of Directors, Board Committees, and Executive Management, the remuneration of Board and Committee members comprises annual fixed compensation and attendance fees for participation in Board and Committee meetings, in compliance with applicable laws and regulatory requirements. Members of the Board and Committees are not permitted to participate in or vote on resolutions concerning their own remuneration at the General Assembly.

A member of the Board of Directors may be entitled to additional remuneration for performing executive, technical, managerial, or advisory duties beyond their role as a Board or Committee member. Any such remuneration shall be determined separately and independently from their Board or Committee compensation and shall be subject to the relevant approvals in accordance with applicable regulations.

Board of Directors and Board Committees' Remuneration Structure

Pursuant to the approved Remuneration Policy, the remuneration framework for the Board of Directors and Board Committees consists of a fixed annual fee in addition to meeting attendance allowances, as determined in accordance with the policy and relevant regulatory requirements.

Committees Members' Remuneration During Year 2025

All Amounts are in SAR

	Fixed Remuneration (excluding meetings attendance allowance)	Meetings Attendance Allowance	Total
Audit Committee Members			
Mohamed Walid Cherif	150,000	18,000	168,000
Ahmad Kordi	150,000	18,000	168,000
Omar Saleh	150,000	18,000	168,000
Total	450,000	54,000	504,000
Nomination & Remuneration Committee Members			
Mohamed Walid Cherif	150,000	8,000	158,000
Fadi Al Said	150,000	8,000	158,000
Abdulrahman Khalid Al Zamil	150,000	8,000	158,000
Total	450,000	24,000	474,000
Investment Committee Members			
Mohamed Farouk	150,000	6,000	156,000
Muteb Alshathri	150,000	6,000	156,000
Fadi Al Said	150,000	6,000	156,000
Total	450,000	18,000	468,000

Remuneration of the Executive Management

The Remuneration and Nomination Committee is responsible for periodically reviewing the salary structure and incentive schemes applicable to all employees, including Executive Management, and for submitting its recommendations to the Board of Directors. The Board retains the authority to approve the remuneration of Executive Management members and may delegate this authority in accordance with the approved internal authority matrix, excluding the remuneration of the Chief Executive Officer.

The remuneration framework for Executive Management may comprise a fixed base salary, variable remuneration, allowances, annual performance-based bonuses, and short-term and/or long-term incentive plans, as determined by the Board.

Executive Management Remuneration During the Year 2025

The aggregate remuneration paid during the year 2025 to the Company's five highest-paid members of Executive Management, including the Chief Executive Officer (who also serves as an Executive member of the Board) and the Chief Financial Officer, comprising salaries, benefits, and allowances, is presented in the table below.

All Amounts are in SAR

Fixed Remuneration	Salaries	7,593,023
	Allowances	1,903,994
	In-kind benefits	-
	Total	9,497,017
Variable Remunerations	Periodic remunerations	22,674,125
	Profits	-
	Short-term incentive plan	-
	Long-term incentive plan	-
	Granted shares	38,333,887
	Total	61,008,012
End of service award		-
Total remuneration of Board executives, if any		520,000
Aggregate Amount		71,025,029

The remuneration of the Executive Management was determined in accordance with the Company's approved Remuneration Policy applicable to the Board of Directors, Board Committees, and Executive Management. There were no material deviations between the remuneration granted and the provisions of the approved policy.

Financial Information

Summarized Consolidated Statement of Financial Position

All amounts in thousands SAR	2023	2024	2025
Total Assets	19,422,452	21,628,690	31,411,709
Total Liabilities	13,645,545	15,090,706	24,598,715
Total Equity	5,776,907	6,537,984	6,812,994

Summarized Consolidated Cash Flow Statement

All amounts in thousands SAR	2023	2024	2025
Net Cash Flows from Operating Activities	2,282,704	2,995,912	2,980,723
Net Cash Flows Used in Investing Activities	(3,736,485)	(3,182,435)	(2,732,219)
Net Cash Flows From Financing Activities	1,886,063	498,428	1,465,758

Summarized Consolidated Statement of Comprehensive Income

All amounts in thousands SAR	2023	2024	2025
Revenue from Contracts with Customers	4,331,903	6,199,022	6,688,959
Cost of Revenue	(2,620,778)	(3,841,373)	(4,155,868)
Gross Profit	1,711,125	2,357,649	2,533,091
Profit for the Period Before Income Tax and Zakat	529,379	970,846	1,044,928
Income Tax and Zakat Expense	(77,301)	(154,651)	(212,067)
Profit for the Period	452,078	816,195	832,861
Profit for the Period Attributable to Equity Holders of the Parent	442,097	802,498	818,016

Further Disclosures

Description of the Main Scope of Business of the Company and its Affiliates.

ADES Holding Company is a world-leading international drilling services provider and the largest owner and manager of offshore jack-up rigs globally. Headquartered in Al Khobar in the Kingdom of Saudi Arabia ("KSA" or the "Kingdom"), ADES operates a diversified onshore and offshore drilling platform underpinned by scale, operational excellence, and disciplined capital allocation, positioning the Group to deliver resilient performance across market cycles.

Following nearly two decades of operational development and geographic expansion, ADES has evolved from a regional operator into a global industry leader. Through a combination of organic growth and value-accretive acquisitions, the Group has built a fit-for-purpose fleet deployed across high-barrier-to-entry markets, enabling consistently high asset utilization, strong safety performance, and durable profitability.

As of 2025, ADES operates a fleet of 83 offshore units and 40 onshore rigs with its footprint extending across 20 countries, representing a significant share of the global competitive jackup fleet and an even higher one when excluding non-competitive units. This scale provides unmatched deployment agility and positions the Group to actively manage fleet allocation across regions, supporting market balance, protecting dayrates, and enhancing returns.

The Group specializes in providing onshore and offshore drilling and workover services, with a core focus on high-barrier markets characterized by structural demand and long-term client relationships. While historically concentrated in non-harsh, shallow-water environments, ADES' expanded platform now spans a broader range of offshore operating conditions following its global scale-up. The Group's footprint extends across the Middle East, North Africa, Southeast Asia, West & Central Africa, Latin America, the Mediterranean, and the North Sea, serving leading national and international oil companies.

Through disciplined execution, a strong safety culture, and an entrepreneurial operating mindset, ADES has reinforced its position as a trusted long-term partner to global energy producers—delivering reliable performance, scalable solutions, and sustained value for stakeholders.

Our Services: Offshore Drilling & Workover

ADES operates one of the world's most extensive and versatile offshore drilling fleets, comprising primarily premium jack-up rigs deployed across a wide range of offshore environments. While the Group has historically focused on non-harsh, shallow-water markets, its offshore operations now span a broader set of geographies and operating conditions following the Shelf Drilling acquisition and recent global expansion. ADES' offshore footprint includes Saudi Arabia, Egypt, Qatar, India, Southeast Asia, West & Central Africa, Latin America, the Mediterranean, and the North Sea, providing clients with reliable, scalable drilling solutions across mature and emerging basins.

These operations support the full offshore field lifecycle—from development drilling to production and workover—where ADES' scale, reliability, and deployment speed differentiate it from peers.

Onshore Drilling & Workover

Onshore drilling remains a core pillar of ADES' integrated offering. The Group operates a substantial onshore fleet of 40 rigs across Kuwait, Saudi Arabia, Egypt, Algeria, and Tunisia, providing drilling and workover services to a diversified base of national and international oil companies. ADES' onshore platform benefits from long-term contracts, high utilization, and strong operational track records in mature and brownfield environments.

MOPU Services

ADES' Mobile Offshore Production Unit ("MOPU") offering provides clients with a cost-efficient and flexible alternative to traditional offshore production infrastructure. Since the deployment of Admarine I in the Gulf of Suez, the Group has demonstrated its capability to deliver early production solutions that optimize capital efficiency and accelerate project timelines.

Jack-up Barge and Project Services

ADES complements its drilling portfolio with jackup barge services supporting a range of marine services, including offshore construction, pipe-laying and heavy lifting. These capabilities enhance the Group's ability to provide integrated offshore solutions and support complex project requirements.

Building Innovative & Tailor-fit Solutions

As part of its evolution into a global drilling platform, ADES continues to develop innovative and tailor-fit solutions that extend beyond conventional drilling services. A key milestone in this strategy was the successful deployment of an asset-light, low-CAPEX production model in Egyptian brownfields in 2024—demonstrating the Group's ability to create value through operational innovation while maximizing existing infrastructure. ADES is actively working to expand this offering across the region and has already made progress with its recent entry into Syria.

Other Services

Beyond its core drilling activities, ADES provides a suite of additional services, including manpower supply, well platform installation, maintenance, and catering for offshore rig personnel. The Group also offers specialized equipment rental, allowing clients to optimize their operations with access to high-quality, well-maintained assets on demand.

Description of the Company's Significant Plans and Decisions (Including Changes to the Structure, Expanding the Company's Operations or Halting Them) and the Future Expectation

2025 was a defining year in ADES' evolution, marked by decisive execution across scale, geography, and operations. Through transformational M&A, disciplined global expansion, and the reinforcement of its core markets, the Group advanced its Global Leadership agenda while strengthening visibility, resilience, and long-term value creation.

Clearly Defined Growth Strategy

At ADES, our strategy is built around achieving and sustaining global leadership in offshore drilling, while reinforcing our role as a national champion in Saudi Arabia. Through disciplined growth, fleet optimization, and a relentless focus on safety and operational excellence, we create value for clients, shareholders, and the markets we serve. Our strategic framework is anchored in five interlinked objectives that guide execution, allocation of capital, and performance management across the Group. These objectives are:

1. Expand and Sustain Global Leadership
2. Optimize Markets and Enhance Competitiveness
3. Reinforce ADES as the KSA Drilling Champion
4. Deliver High-Quality, Integrated Services
5. Deliver Long-term Sustainable Value

ADES continued to execute its strategy in 2025 with a clear focus on disciplined growth, operational excellence, and long-term value creation. During the year, the Group achieved a transformational milestone through the acquisition of Shelf Drilling, expanding its operating fleet to 123 rigs (from 90 rigs pre-acquisition) and extending its geographic footprint to 20 countries (from 13 countries previously), while growing its number of employees from over 8,000 to more than 11,500, adding valuable technical expertise and expanding its pool of talent. This transaction firmly positions ADES as the leading global offshore jackup driller with the largest fleet of premium rigs, providing it with enhanced scale, fleet optionality, and a stronger client base across top-tier national and international oil companies. In parallel, ADES expanded its innovative brownfield production model beyond Egypt through the entry into Syria, marking an important step in scaling its integrated, asset-light service offering into new regional markets.

Strengthening Backlog Visibility and National Contribution

The Group's backlog remains a cornerstone of its financial stability, providing long-term revenue visibility and supporting sustainable cash flow generation. Total backlog increased from SAR 28.27 billion in 2024 to SAR 34.71 billion as of year-end 2025, supported by a combination of renewals, new awards, strategic redeployments across our footprint and the Shelf Drilling acquisition. Average contract tenor stood at 4.73 years, reflecting the expanded scale of the Group's operations and long-term visibility. Backlog composition continued to reflect a strong core presence in GCC markets, representing approximately 72% of total backlog, while increasing the contribution from Southeast Asia, West & Central Africa, India, the Mediterranean and the North Sea. This balanced portfolio aligns with ADES' strategy of combining stable, long-term contracts in core markets with growth opportunities across global offshore basins.

ADES' international expansion supports Saudi Arabia's Vision 2030 objectives by positioning a Saudi company as a global energy services leader, contributing to foreign currency inflows, exporting Saudi capabilities, and reinforcing the Kingdom's role in the global energy value chain. This is complemented by the Group's strong local impact, reflected in the creation of 431 jobs in the Kingdom in 2025, a Saudization rate of 67%, and an IKTV¹ score of 63%, underscoring ADES' commitment to developing local talent, strengthening the domestic value chain, and supporting sustainable economic growth.

Safety and Operational Excellence

Safety and operational excellence remain fundamental to ADES' business model and long-term success. The Group continues to maintain industry-leading safety performance, recording a Total Recordable Injury Rate (TRIR) of 0.08 in 2025, significantly below the IADC industry average of 0.41, supported by a strong safety culture and robust governance frameworks. During the year, ADES further enhanced its safety capabilities through the strengthening of its advanced digital and AI-driven solutions, including its proprietary RigEye system and the Operations Command Center (OCC), enabling real-time monitoring, predictive risk identification, and continuous performance improvement across its fleet.

These initiatives reinforce ADES' commitment to protecting its workforce, ensuring operational reliability, with average utilization standing at 97.9% in 2025 and delivering best-in-class performance for its clients.

Forward-Looking Expectations

Entering 2026, the Group benefits from strong earnings visibility supported by a record backlog and an enlarged international footprint following the Shelf Drilling acquisition. Integration is progressing in line with plan, with clear medium-term opportunities identified to capture operational synergies of SAR 188-225 million to be realized in full in 2027, along with procurement efficiencies, and enhanced commercial leverage across the combined fleet. For 2026, the Group expects to continue its strong performance supported by improving utilization across its fleet, the continued ramp-up of recently deployed rigs, and the early benefits from the integration of the Shelf portfolio.

The offshore drilling market remains structurally tight, with global jack-up utilization exceeding 90% and limited new supply entering the market. As previously suspended rigs in Saudi Arabia gradually return to service, activity levels are expected to normalize, further supporting pricing momentum. Meanwhile, energy security considerations are increasingly centered not only on hydrocarbon reserves, but on the availability of offshore rigs required to safely and efficiently extract them. In this environment, constrained supply and sustained demand create a constructive backdrop for margin expansion as contracts renew and reprice.

At the same time, ongoing regional tensions in the Middle East continue to introduce uncertainty across global energy markets, particularly in a region that accounts for a significant share of global hydrocarbon supply. Importantly, ADES benefits from a diversified operating base, with a growing share of its business generated from international markets following the Shelf acquisition, providing resilience and balance across geographic exposures, further supported by favorable day-rate dynamics in selected international markets.

Against this backdrop, ADES will continue to prioritize disciplined capital allocation, strong cash flow generation, and value-accretive growth. Our focus remains on strengthening our core offshore business, scaling complementary offerings such as the production model, and executing integration to reinforce our leadership position.

With a high-quality fleet, diversified geographic exposure, long-term contracts with leading NOCs and IOCs, and enhanced scale following the Shelf combination, ADES is well positioned to navigate market cycles, capture pricing upside, and deliver sustainable long-term value while contributing meaningfully to global energy security.

Explanation of Any Material Differences in the Operational Results Compared to the Previous Year's Results or any Expectations Announced by the Company:

SAR mn	2025	2024	Change
Revenues	6,689.0	6,199.0	7.9%
EBITDA	3,552.9	3,036.8	17.0%
EBITDA Margin	53.1%	49.0%	+4.1pp
Net Profit	832.9	816.2	+2.0%
Net Profit Margin	12.5%	13.2%	-0.7pp

ADES recorded robust revenues of SAR 6.7 billion in 2025, reflecting an increase of 7.9% y-o-y against the same period in 2024. This reflects the Group's operational excellence across its core markets, alongside the initial contributions from recently entered geographies and the acquisition of Shelf Drilling in late November 2025.

EBITDA increased 17.0% year-over-year to SAR 3,552.9 million in 2025, with an EBITDA margin of 53.1%, up 4.1 percentage points from 49.0% in 2024. This growth was driven by higher contribution from offshore activities, healthier margins for mobilized rigs in new locations, increased contribution from the Group's production model in Egyptian brownfields, and the integration of the Shelf portfolio toward the end of the year. Additionally, lower share-based payments expenses (LTIP) versus last year on account of their recognition in 3Q 2025 only, along with the Group's lean cost structure also lifted margins during the period.

Net profit increased by 2.0% year-over-year to SAR 832.9 million in 2025, with net profit margin at 12.5% compared to 13.2% in 2024, reflecting increased depreciation and interest expenses relative to revenue during the year, as well as a gain on equity instruments designated at fair value through profit or loss recognized in the third quarter, which was largely offset by acquisition-related transaction costs.

Please also refer to the 2025 Earnings Release that was published on Tadawul on 30 March 2026 as part of the Annual Financial Results Announcement. The Report is also available on the company website.

Geographic Analysis of the Group's Revenue from Continuing Operations

SAR mn	2025	2024	Change
Saudi Arabia	3,611.5	4,142.7	-12.8%
Kuwait	649.6	615.4	5.6%
Egypt	641.3	486.0	32.0%
Southeast Asia ²	610.0	181.0	236.9%
Qatar	309.2	356.1	-13.2%
India	276.8	220.3	25.7%
Algeria & Tunisia	253.5	197.5	28.3%
West & Central Africa ³	171.9	-	-
Norway	40.2	-	-
Other ⁴	125.0	-	-
Total	6,689.0	6,199.0	7.9%

² Southeast Asia includes Indonesia, Thailand, Malaysia and Vietnam
³ West & Central Africa includes Nigeria and Angola
⁴ Other includes Brazil, Italy, the UK and the Netherlands

¹ In-Kingdom Total Value Add, a new program created by Saudi Aramco to baseline, measure and support increased levels of localization in the Kingdom.

Risk Management

ADES may encounter risks related to its industry and commercial activities, in addition to any economic and political risks arising from the Group's activities conducted outside the borders of Saudi Arabia. Effective risk management is crucial to ADES's strategic direction and for the realization of its long-term objectives. The Group's success is reliant on its capacity to recognize and capitalise on opportunities within its business and market sectors. ADES adopts an integrated approach to risk management which prioritize risk at the core of the Board's responsibilities and competencies seeing that a culture of prudent risk-taking and effective risk management underpins the Group's operations and activities.

Approach to Enterprise Risk Management

ADES had established an Enterprise Risk Management (ERM) department to embed a risk-aware culture and a value-driven risk management approach across the Group, ensuring that risks are effectively identified, assessed, and managed to support decision-making, strategic objectives and sustainable growth of the Group in alignment with ISO 31000 and COSO ERM principles. The enterprise risk management function at ADES is built on the following core values:

- **Integration:** Embedding risk management into all organizational processes and decision-making at every level.
- **Structured and Comprehensive Approach:** Adopting a systematic and structured process that ensures consistent risk management practices across the Group.
- **Customization:** Tailoring risk management practices to align with ADES's specific context, culture, and business objectives.
- **Informed Decision-Making:** Ensuring that risk information enhances the quality and effectiveness of strategic and operational decisions.
- **Continuous Improvement:** Regularly reviewing and enhancing the risk management framework to adapt to emerging risks and changes in the internal and external environment.

Enterprise Risk Management Framework

The (ERM) framework serves as a comprehensive set of principles that ADES utilizes to manage the wide range of risks inherent in its business and operational activities. It empowers the Group to achieve its strategic objectives by providing a structured approach to risk management. The framework applies to all types of risks and is designed to foster a strong risk-aware culture across the Group. Additionally, it establishes a platform through which policies, procedures, and risk limits are effectively communicated to stakeholders, ensuring that material risks are identified, and appropriate controls are implemented to manage them within the defined risk appetite. The (ERM) framework aims to achieve the following objectives:

- **Risk Identification and Assessment:** Utilizing both top-down and bottom-up approaches to identify and evaluate a wide range of risks that could potentially hinder the achievement of ADES's strategic goals and operational objectives.
- **Ownership and Accountability:** Establishing clear ownership and accountability for risks, ensuring that designated risk owners implement appropriate mitigation and monitoring measures to manage risks effectively.
- **Risk Management and Reporting:** Equipping senior management with critical risk-related insights to support informed decision-making for enhanced operational resilience.

Three Lines of Defence Model

For effective Enterprise Risk Management governance, ADES adopts the three Lines of Defence (3LOD) approach. It is essential that all three lines work towards a common goal of fostering a strong risk culture within the Group, supported by open communication channels.

- **First line of defence (FLOD) - All Businesses as well as Support Functions / Process Owners:** They are responsible for owning and managing risks and controls within their respective business units and functions ensuring that risk levels remain within the approved risk appetite. Vice Presidents (VPs) and departments' heads are accountable for overseeing key risks and controls. All (FLODs), including business and support functions, must comply with Board-approved (ERM) frameworks and policies and escalate risks when they exceed appetite levels or if emerging threats or trends are identified.
- **Second line of defence (SLOD) - Enterprise Risk Management (ERM) & Other Control Functions:** ERM is responsible for proposing the company's risk appetite for Board approval and setting risk tolerance limits in collaboration with the First Line of Defence. It periodically reviews these limits to align with changing economic and business conditions. ERM's other **key** responsibilities include:
 - supports senior management in monitoring key risk indicators (KRIs) and addressing emerging and significant risks.
 - Receiving and assessing incident reports and trigger events from business units, recommending corrective actions, and tracking issue resolution.
 - Maintaining records and overseeing the implementation of risk mitigation actions until completion.
 - Providing expert advice and guidance on risk-related matters to the (FLOD).
 - Providing recommendations to address identified weaknesses during the risk assessment process.
- **Third line of defence (TLOD) – Internal Audit:** Provides independent and objective assurance to the Board Audit Committee regarding the effectiveness of risk management, internal controls, and governance processes across the company. The (TLOD)

operates independently from the First and Second Lines of Defence, offering an unbiased perspective to ensure that ADES's risk management practices are robust, efficient, and aligned with industry's best practices such as ISO 31000 and COSO ERM.

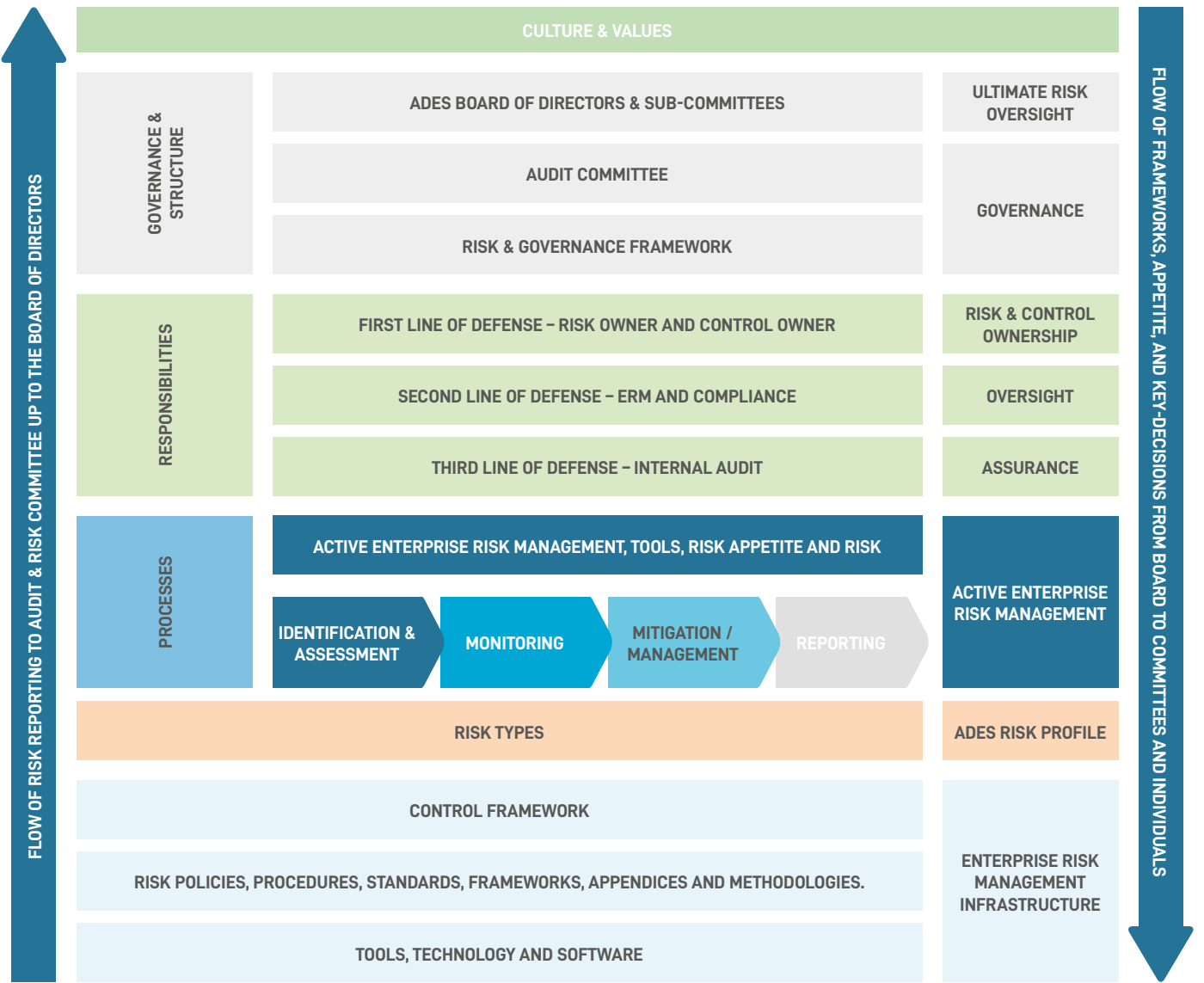
Key Components of ERM

The Group's Board of Directors is responsible for establishing the Group's strategy, risk appetite, governance structure, risk culture, policies, and corporate objectives. In fulfilling this role, the Board plays a crucial part in setting the **"Tone from the Top"** to embed a strong risk culture across the Group. The **"Tone from the Top"** refers to the ethical environment fostered by ADES's leadership, which influences risk awareness and behaviour at all levels of the Group.

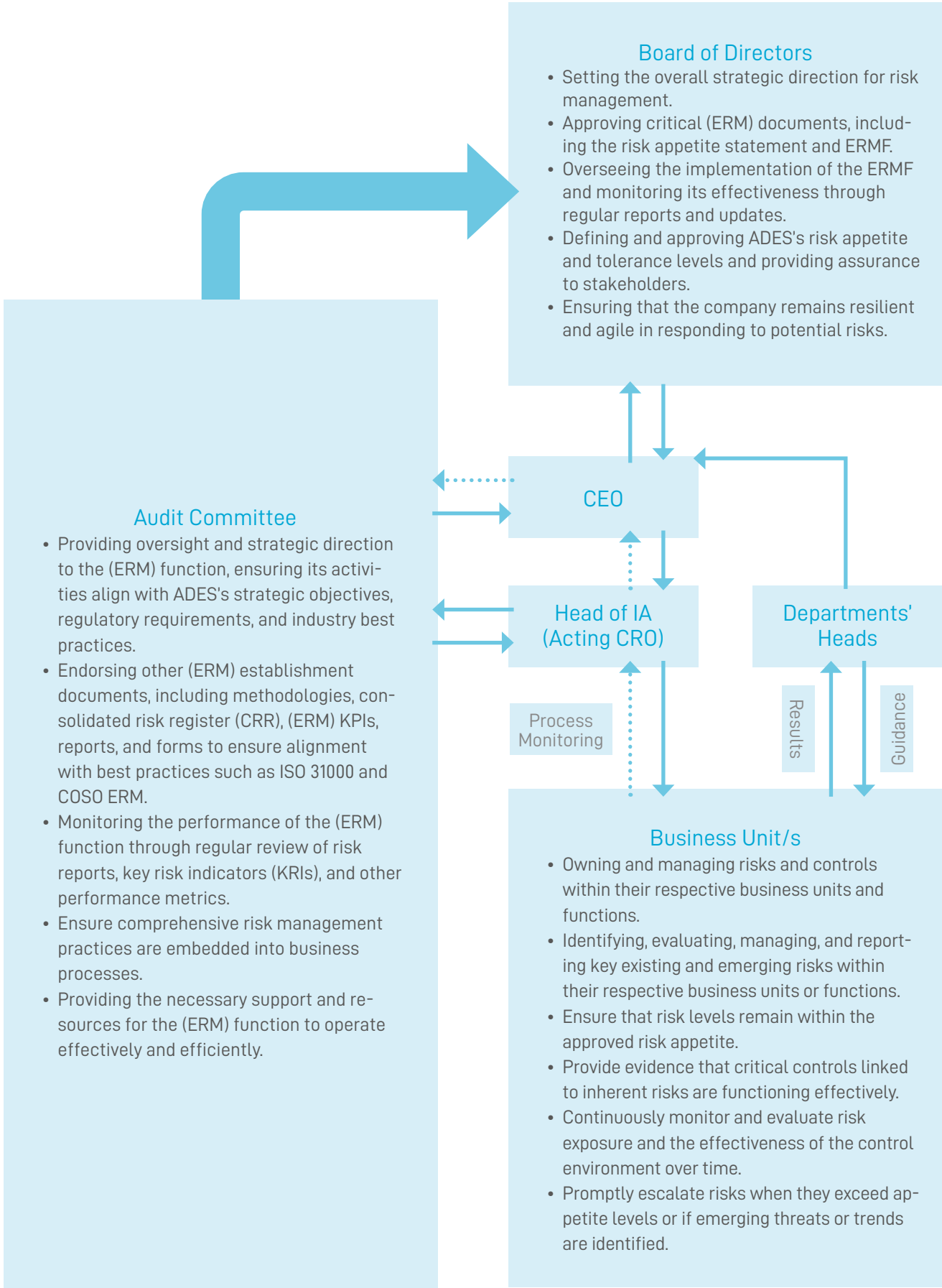
The identification, measurement, monitoring, and reporting of risks are critical components that support both day-to-day operations and strategic decision-making. These processes are reinforced by a robust system of internal controls to ensure compliance with policies and regulations. Risk management is a collective responsibility, and all employees play an integral role in maintaining a risk-aware culture within ADES.

A cornerstone of the (ERM) framework is the implementation and operation of the **Three Lines of Defence (3LOD)** model, which clearly defines management's accountability and responsibilities over risk management and the control environment. This structured approach enhances risk oversight and helps ADES effectively manage inherent risks across its operations.

A visual representation of the (ERM) framework is provided in the below diagram for a comprehensive understanding of its structure and components.



ADES ERM – Reporting lines



Key Risks Relating to the Group

Risk Type	Risk	Description
Key Risks Relating to the Group's Business and Operations	Risks related to the level of business activity in the oil and gas industry.	Demand for the Group's services depends on the level of business activity in oil and gas exploration as well as on the development and production activities in existing and potential markets.
	Risks related to the certification of the rigs and its pre-qualification.	Should overall levels of exploration, development and production activities of the Group's client base fall short of the Group's expectations, this could have a material adverse effect on the Group's business, results of operations, financial condition or future prospects.
		The Group has taken steps in furtherance of its strategy to expand into new jurisdictions, including seeking pre-qualification status in certain jurisdictions that have oil and gas clients. If the Group lost pre-qualification status in any jurisdiction, the Group may face obstacles to enter new contracts in such jurisdictions.
		Similarly, the Group is required to maintain class certification to operate its offshore rigs. In the event that any of the Group's offshore rigs is unable to renew its IACS Certification, which clients require to be in place, existing contracts may be suspended or terminated, and the Group may face obstacles in the renegotiation of existing contracts or entry into new contracts or the Group may incur significant capital expenditures to achieve IACS re-certification.
	Risks related to operating hazards in the Group' business, including environmental damage.	Oil and gas drilling is a business activity that involves a degree of hazardous risks. These hazards include blowouts, reservoir damage, loss of production, loss of well control, punch-throughs, lost or stuck drill strings, equipment defects, cratering, fires, explosions, oil spills, release of toxic or hazardous substances or gases, power shortages or failures, and pollution. These hazards can cause personal injury or loss of life, severe damage to or destruction of property and equipment, pollution or environmental damage, claims by third parties or clients and suspension of operations. The Group's vessel fleet is also subject to hazards inherent in onshore and offshore operations, either while on site or during mobilisation, such as capsizing, sinking, grounding, collision, piracy, damage from severe weather and marine life infestations.
		If any of the above risks materialises, this could have a material adverse effect on the Group's business, results of operations, financial condition or future prospects.
	Risks related to the Group's backlog.	The Group's contract backlog may fail to be realised in whole or in part if the option to extend is not exercised or if clients cancel or renegotiate their contracts or any other of the Group's assumptions in calculating the backlog estimate do not materialise. The inability to realise a substantial amount of the Group's contract backlog would have a material adverse effect on the Group's business, results of operations, financial condition or future prospects.
	Risks Related to Concentration of Revenue from the Group's Relatively Small Number of Clients	The Group relies on a small number of clients, currently the Group's three largest clients comprised more than 86.9% of Dec-2024 Backlog.
		In certain cases, a single client may have engaged more than one of the Group's assets. Loss of, or underperformance under, a client contract may have a knock-on impact on contracts for the same client on other rigs and may thereby have a corresponding material adverse effect on the Group's other contracts, business, financial condition, results of operations or future prospects.
	Risks related to rig upgrade and refurbishment projects, rig relocations and acquisitions of additional rigs, including delays and cost overruns.	As part of creating value for the businesses, the Group's strategy includes purchasing drilling rigs and refurbishing, maintaining and repairing the rigs using mostly the Group's own workforce, namely its in-house refurbishment and maintenance team, in order to reduce costs.
		Any delays or overruns in the future could reduce utilization rates, result in the Group not achieving the expected returns on its investments and otherwise have a material adverse effect on the Group's business, results of operations, financial condition or future prospects.

Risk Type	Risk	Description
Key Risks Relating to the Group's Business and Operations (continued)	Risks related to the Group's customer contracts.	Early termination of contracts, contract renegotiations or discount of day rates, or a failure of a client to pay amounts to the Group when due, could have a negative impact on the Group's ability to generate anticipated revenue and could have a material adverse effect on the Group's business, results of operations, financial condition or future prospects.
	Risks related to public health issues and pandemics, such as the COVID-19 pandemic.	The outbreak of infectious diseases in the Kingdom of Saudi Arabia, the MENA region or globally might have a materially negative impact on the relevant country's economy and business environment and may have broader impacts. It could also have a material impact on the supply chain and delivery infrastructure, including access to ports and key export points used by the Group. In addition, it could impact third-party vendors and other counterparties of the Group and their ability to comply with their obligations towards the Group. The aforementioned might affect the business operations of the Group and the demand for oil and gas and therefore have a material adverse effect on the Group's business, results of operations, financial condition or future prospects.
	Risks related to renewing or obtaining new and favourable drilling contracts.	There can be no assurance that the Group will renew or secure drilling contracts with rates and terms that will provide a reasonable rate of return on the Group's investments in the rigs the Group acquires and refurbishes. Any failure to secure profitable drilling contracts in the future would have a material adverse effect on the Group's business, results of operations, financial condition or future prospects.
	Risks related to failure to secure adequate insurance coverage.	The Group maintains insurance against certain hazards including in relation to its assets, rig operations and employees. However, no assurance can be given that any of the Group's existing insurance policies will be sufficient to cover losses arising from certain events or will be renewed on equivalent, commercially reasonable terms or at all. The Group may become subject to additional risks in the future, which could result in material risk of losses. In the event that the Group incurs losses due to lost revenue or other eventualities in the future, which are not covered by its insurance policies, such losses will be incurred by the Group with no recourse to the insurers and, hence, would have a material adverse effect on the Group's business, results of operations, financial condition or future prospects.
	Risks related to fluctuating interest rates of the Group's borrowings.	The applicable interest rates could rise significantly in the future, thereby increasing the Group's interest expenses associated with its obligations, reducing cash flow available for capital expenditures which would have a material adverse effect on the Group's business, results of operations, financial condition or future prospects.
	Risks related to incurring capital and operating expenditures and securing related funds.	Any failure to obtain the funds for necessary future operational expenses on acceptable terms, in time, or at all, in order to cover the outlined instances where capital expenditure and operational expenditure is not in proportion to operating revenues, or where unforeseen capital expenditures arise, could have a material adverse effect on the Group's business, results of operations, financial condition or future prospects.
	Risks related to legal disputes.	If the Group is subject to any judicial or administrative action that results in any judgment or set of judgments against the Group, and such judgment or combined judgments entail substantial amounts of damages, this could have a material adverse effect on the Group's business, financial condition, results of operations or future prospects.

Risk Type	Risk	Description
Risks Related to the Market, Industry and Regulatory Environment	Risks related to the contract drilling industry being highly competitive and cyclical, with periods of low demand and excess rig availability.	The fluctuating demand in the oil production industry may affect demand for the Group's assets and services and any reduction in demand for the Group's drilling rigs that results in rigs becoming idle could have a material adverse effect on the Group's business, results of operations, financial condition or future prospects.
	Risks related to new laws and government regulations, changes to existing laws and government regulations and uncertainty of legal systems.	The Group is heavily regulated and is subject to a range of laws and regulations that are applicable in the Kingdom of Saudi Arabia and all other jurisdictions in which it operates. The Group's operations are affected by laws and regulations relating to the oil and gas industry. Accordingly, the Group would be directly affected by the adoption of new laws and regulations limiting or curtailing exploration and development drilling for oil and gas for economic, environmental, health, safety or other policy reasons. Any of these events or similar legislative or regulatory activity would adversely affect the Group's operations by limiting drilling opportunities or significantly increasing the Group's operating costs, which would have a material adverse effect on the Group's business, results of operations, financial condition or future prospects.
	Risks related to compliance with environmental regulations.	The Group's operations are or may become subject to laws and regulations, including applicable international conventions, controlling the discharge of materials into the environment, pollution, contamination and hazardous waste disposal or otherwise relating to the protection of the environment. Failure to comply with these statutes and regulations may subject the Group to civil or criminal enforcement action, which may not be covered by contractual indemnification or insurance and would have a material adverse effect on the Group's business, results of operations, financial condition or future prospects.

Risk Type	Risk	Description
Risks Related to the Market, Industry and Regulatory Environment (continued)	Risks Related to Continued Political and Economic Instability, Social Disorder and Terrorism in the Middle East and North Africa Region	The Group's operations are subject to political and economic risks and uncertainties, including instability resulting from civil unrest, political demonstrations, mass strikes, or an escalation or additional outbreak of armed hostilities or other crises in oil or gas producing areas, which may result in extended business interruptions, suspended operations and danger to the Group's employees, or result in claims by clients of a force majeure situation and payment disputes. Additionally, the Group may be subject to risks of terrorism, piracy, political instability, hostilities, expropriation, confiscation or deprivation of the Group's assets or military action impacting the Group's operations, assets or financial performance in many of the Group's areas of operations. The MENA region, including countries in which the Group operates or plans to operate, has experienced various degrees of political and economic instability in recent times. Instability and unrest in the MENA region may significantly affect the economies in which the Group does business, including the financial markets and the real economy generally. Such impacts could occur through a decrease in foreign direct investment into the region, capital outflows or increased volatility in the global and regional oil and gas markets. It remains unclear what long-term impact any unrest may have on any of the countries in which the Group does business or will do business in the future. There can be no assurance that such growth or stability will continue, or that the Group's potential clients will not be affected by the political environment in or around the MENA region. The Group's business, financial condition, results of operations, cash flows and prospects may be materially adversely affected if and to the extent that regional volatility has an impact upon the MENA region, and specifically on the Group's business, and, in particular, the countries in which the Group operates, such as the Kingdom of Saudi Arabia, Kuwait, Egypt, Qatar, Tunisia and Algeria. Any unexpected changes in the political, social, economic or other relevant conditions in such countries, or in neighbouring countries, could also have a material adverse effect on the Group's business, results of operations, financial condition or future prospects and therefore the Company's share price. Furthermore, MENA region has experienced and continues to experience terrorist attacks and occasional civil disorder. There can be no assurance that extremists or terrorist groups in the region will not escalate or engage in violent activities in the MENA region, or expand their operations to include more targets, and that domestic order and stability will be successfully secured. Any continuation or escalation of such events may discourage or deter investment in the MENA region, which would lead to a deterioration of the macroeconomic climate, a further strain on net international reserves and, in turn, a worsening of the political and social environment. The effects of any such terrorist activities and security concerns could disrupt the Group's operations or negatively impact the market for the Group's services and would have a material adverse effect on the Group's business, results of operations, financial condition or future prospects and therefore the Company's share price as well as investor confidence in investing in the MENA region.
	Risks related to changes in accounting principles or policies.	The Group has prepared its consolidated financial statements in accordance with IFRS-KSA. Since these accounting standards are issued or updated either by the International Accounting Standards Board (IASB) that are endorsed in the Kingdom of Saudi Arabia or by the board of directors of SOCPA, some of these publications or updates may adversely and materially affect the Group's business, financial position, results of operations and prospects.

Our Community

As part of its corporate social responsibility strategy, ADES strategically invests in the communities in which it operates. In 2025, the Group's community investments reached SAR 17.06 mn (USD 4.55 mn), a 16.9% increase compared to 2024, underscoring its commitment to sustainable development and the empowerment of local communities.

Social Initiatives

ADES continued to advance its social initiatives by investing in youth development and supporting local community needs across its areas of operation. In 2025, the Group concluded its one-month SIP'25 internship program across Saudi Arabia, Egypt, India, and Indonesia, providing students with hands-on training, mentorship, and exposure to ADES' culture of safety, operational excellence, and innovation.

ADES also reinforced its long-term commitment to young professionals through four tailored development programs, which have engaged more than 470 participants to date and continue to expand year on year. In parallel, and building on last year's community support, ADES maintained its Ramadan partnership with the Saudi Food Bank through the "Etaam" initiative, with employees volunteering to prepare and pack food boxes for families in need.

Through our collaboration with VeryNile, in 2025, ADES employees volunteered to help remove 12 metric tons of waste from the River Nile, supporting local fishermen's livelihoods while promoting environmental stewardship and awareness.

Interests, Contractual Securities, or Rights Issues of Board Members, Senior Executives, and Their Relatives in the Company's Shares or Debt Instruments During the Year 2025

Apart from the number of awarded shares awarded to employees, including senior executives, outlined in the Treasury Shares section, during the year 2025, none of the members of the Board of Directors, senior executives, or their relatives held any interests, contractual securities, subscription rights, or debt instruments in the Company or any of its affiliates.

Shareholders Register Requests

Shareholders register requests by the Company during the year 2025.

No. of Requests	Date of Requests	Purpose
1	15 January 2025	Conducting Share Performance Analysis
1	12 March 2025	Conducting Share Performance Analysis
1	17 April 2025	Conducting Share Performance Analysis
1	1 May 2025	General Assembly
1	2 June 2025	Conducting Share Performance Analysis
1	24 June 2025	Conducting Share Performance Analysis
1	1 July 2025	Conducting Share Performance Analysis
7	10 August 2025	Conducting Share Performance Analysis
1	22 August 2025	Distribution of Dividends
1	2 September 2025	Conducting Share Performance Analysis
1	6 October 2025	Conducting Share Performance Analysis
1	11 November 2025	Conducting Share Performance Analysis

Description of Any Deal Between the Company and Related Parties

In the interest of transparency and compliance with applicable disclosure requirements, a summary of significant related party transactions, consistent with those disclosed in the consolidated financial statements, is presented below. All related party transactions are carried out on an arm's-length basis and at prevailing market terms, without any preferential treatment or conditions.

Related Party Transactions

The Public Investment Fund of the Kingdom of Saudi Arabia is one of the Company's shareholders and is ultimately controlled by the Government of the Kingdom of Saudi Arabia ("KSA Government"). Accordingly, entities controlled by the KSA Government are classified under the category of other related parties.

Entities under common shareholder refer to entities that are owned by ADES Investments Holding Ltd. or by its shareholders. The terms and conditions of the transactions entered into with the related parties are approved by the group's management.

(A) Syndication Facility Agreement

ADES Holding Company and ADES Saudi Limited Company (a subsidiary of the Group) are jointly parties to a syndication term loan facility agreement with a facility total amount of USD 310 million (SAR 1,162.5 million) and USD 1,290 million (SAR 4,837.5 million) divided over eight banks which include Goldman Sachs Bank USA, Riyad Bank, Arab Petroleum Investments Corporation (APICORP), Banque Saudi Fransi, Gulf International Bank B.S.C., The Saudi National Bank, Al Rajhi Banking and Investment Corporation and Arab National Bank. During 2022, additional lender Saudi Awwal Bank (formerly known as The Saudi British Bank) ('SAB') acceded to the agreement as the ninth lender.

On 14 July 2024, the Group signed an amendment to its existing syndicated facility, securing an additional USD 3 billion, with the majority of existing lenders participating along with new, leading local and regional financial institutions (Alinma Bank, Bank Aljazira and Commercial Bank of Dubai PSC). The new USD 3 billion upsized financing is predominantly intended as a standby facility for the Group's ambitious expansion plans, divided into the equivalent of a USD 2.7 billion standby term tranche (Facility D). and additional USD 300 million Revolving Credit Facility (RCF) (Facility E).

The syndicated facility includes five facilities, Facility A, B, C, D and E.

(B) Saudi National Bank (SNB)

The Company (as parent of the borrower) and ADES Saudi Limited (as borrower) are parties to a Facility Agreement with the Saudi National Bank (as lender) for the purpose of financing the acquisition of premium jack-up rigs and equipment required for the upgrading of the rigs upon initial acquisition.

(C) Alinma Bank

The Company (as parent of the borrower) and ADES Saudi Limited (as borrower) are parties to an Ijara Facility Agreement with Alinma Bank (as lender) for the purpose of financing the acquisition of rigs, any additional capital expenditure needed to bring the relevant purchased rigs into operational condition, and refurbishment of the relevant acquired rigs; and a Murabaha Facility Agreement intended to finance short working capital requirements.

The total Finance Cost related to other related parties mentioned under paragraphs (A), (B) and (C) above during 2025 amounted to SAR 424,902 thousand (as at 2024 amounted to SAR 381,458 thousand).

(D) Hedge Arrangements:

- SNB - During the year ended 31 December 2022, the Group entered into three Interest Rate Swap (IRS) agreements with Saudi National Bank (SNB) in relation to Al- Rajhi Bank facility (SAR 937,500,000), Saudi National Bank (SNB), (SAR 870,331,250) and Banque Saudi Fransi (BSF) (SAR 1,078,680,000) the objective of the cash flow hedge is to protect against cash outflows variability related to floating-rate interest payments on the hedged portion of the credit facility using the 3-month SAIBOR rate. Such cash outflows variability results from changes which may occur on the 3-month SAIBOR market rate (i.e. the designated benchmark interest rate).
- SNB - During the year ended 31 December 2022, the Group entered into Interest Rate Swap (IRS) agreements with Saudi National Bank (SNB) to partially hedge Syndication Facility A SAR portion (SAR 1,066,250,000). The objective of the cash

flow hedge is to protect against cash outflows variability related to floating-rate interest payments on the hedged portion of the credit facility using the 6-month SAIBOR rate. Such cash outflows variability results from changes which may occur on the 6-month SAIBOR market rate (i.e. the designated benchmark interest rate).

- Gulf International Bank (GIB) - During the year ended 31 December 2022, the Group entered into Interest Rate Swap (IRS) agreements with GIB to partially hedge Syndication Facility A SAR portion (SAR 1,066,250,000). The objective of the cash flow hedge is to protect against cash outflows variability related to floating-rate interest payments on the hedged portion of the credit facility using the 6-month SAIBOR rate. Such cash outflows variability results from changes which may occur on the 6-month SAIBOR market rate (i.e. the designated benchmark interest rate).

(E) Drilling Contracts with Aramco

The Group is party to 47 onshore and offshore drilling contracts with Aramco, including 36 onshore and offshore drilling contracts through ADES Saudi, and 4 offshore drilling contracts through branch of Shelf Drilling Egypt Limited, while the branch of ADES GCC for Drilling Limited is party to 7 offshore drilling contracts (each as a contractor). Pursuant to these contracts, the contractor carries out onshore and offshore drilling works for oil and/or gas for the benefit of Saudi Aramco in the locations it specifies, according to the day rates indicated in the contracts. The Group's total revenue from drilling contracts entered into with Saudi Aramco for the financial year ended 31 December 2025 amounted to SAR 3,611,510 thousand (as at 2024, it amounted to SAR 4,142,669 thousand).

(F) Rig Rental Agreement

Advanced Energy Systems (ADES) S.A.E (as lessor) is party to a rig rental agreement with the Egyptian Chinese Drilling Company – ECDC (as lessee) for chartering land rigs 810 and 815 for conducting drilling operations in the Arab Republic of Egypt. The contract was completed in June 2024 and The Group's other gain from the investment in joint venture for the financial year ended 31 December 2025 amounted to SAR 8,597 thousand (as at 2024, it amounted to SAR 26,491 thousand).

(G) Aramco Secondary Offering Participation

During the year 2024, the Company acquired a number of 3,669,724 at Aramco's Secondary Public Offering. During the year ended 31 December 2025, the Group received cash dividends of SAR 4,254 thousand (2024: SAR 3,534 thousand) from Saudi Arabian Oil Company (Saudi Aramco).

Loans and Borrowings

The Group has secured loans and borrowings as follows:

- Syndication Loan (Facility A, B, C and D)

ADES Holding Company and ADES Saudi Limited Company (a subsidiary of the Group) are jointly parties to a syndication term loan facility agreement with a facility total amount of USD 310 million (SAR 1,162.5 million) and USD 1,290 million (SAR 4,837.5 million) divided over eight banks which include Goldman Sachs Bank USA, Riyadh Bank, Arab Petroleum Investments Corporation (APICORP), Banque Saudi Fransi, Gulf International Bank B.S.C., The Saudi National Bank, Al Rajhi Banking and Investment Corporation and Arab National Bank. During 2022, additional lender Saudi Awwal Bank (formerly known as The Saudi British Bank) ('SAB') acceded to the agreement as the ninth lender.

The syndicated facility includes five facilities, Facility A, B, C, D and E.

Facility A is repayable in half-yearly instalments effective from June 2022 to December 2029. Facility C is repayable in half-yearly instalments effective from June 2023 to December 2029. As at 31 December 2025, the principal amount outstanding is USD 735 million (equals to SAR 2.756 billion) (31 December 2024: USD 819 million (equals to SAR 3.07 billion)) and USD 395 million (equals to SAR 1,480 million) (31 December 2024: USD 442 million (equals to SAR 1,660 million)) of Facility A and C, respectively. During the year ended 31 December 2025, the Group has repaid SAR 315 million (31 December 2024: SAR 315 million) and SAR 180 million (31 December 2024: SAR 180 million) of Facility A and C, respectively.

Facility B is a revolving credit facility ("RCF") with the original total amount of USD 150 million (equals to SAR 562.5 million). During the period ended 31 December 2023, one of the existing lenders under the syndicated facility increased their participation with additional USD 150 million (equals to SAR 562.5 million) under Facility B which has increased Facility B total commitments to USD 300 million (equals to SAR 1,125 million). RCF facility is valid till 31 December 2028 with a requirement to clean down the balance once in each calendar year. As at 31 December 2025, the principal amount outstanding is Nil (31 December 2024: nil)

On 14 July 2024, the Group signed an amendment to its existing syndicated facility, securing an additional USD 3 billion, with the majority of existing lenders participating along with new, leading local and regional financial institutions (Alinma Bank, Bank Aljazira and Commercial Bank of Dubai PSC). The new USD 3 billion upsized financing is predominantly intended as a standby facility for the Group's ambitious expansion plans, divided into the equivalent of a USD 2.7 billion standby term tranche (Facility D). and additional USD 300 million Revolving Credit Facility (RCF) (Facility E). The USD 2.7 billion standby term tranche has 8.5 years term with a final maturity in December 2032, including a 12-month grace period. The amount to be utilized under the standby term tranche shall be repaid on a semi-annual basis at the final maturity date. RCF (Facility E) has 8 years with a final maturity in June 2032. During year 31 December 2025, the Group has utilized from tranche of USD 2,58 billion (equals to SAR 9,706 billion) (31 December 2024: USD 293 million (equals to SAR 1,099 million). During the year ended 31 December 2025, the Group has repaid SAR 419 million (31 December 2024: Nil).

- BSF Loan

ADES Saudi Limited Company signed a loan agreement with total amount of USD 380 million (equals to SAR 1,425 million) with Banque Saudi Francis. The loan is repayable in 27 Quarterly instalments effective from March 2023 to September 2029. During 2024, BSF facility was upsized with additional SAR 824 million which long-term. As at 31 December 2025, the principal amount outstanding is USD 468 million (equals to SAR 1,755 million) (31 December 2024: USD 407 million (equals to SAR 1,530 million)) and the proceeds were used for acquisition and refurbishment of rigs and acquisition of equipment. The facility includes additional limit to be utilized for the issuance of letter of guarantees amounting to SAR 187.5 million, additional overdraft limit with SAR 30 million and additional multipurpose limit to cover working capital needs including issuance for letter of guarantees and short-term loans with total amount of SAR 150 million (31 December 2024: SAR Nil). During the year ended 31 December 2025, the Group has repaid SAR 187 million (31 December 2024: SAR 153 million).

- SNB Loan

ADES Saudi Limited Company signed a loan agreement with total amount of USD 400 million (equals to SAR 1,500 million) with the Saudi National Bank. The loan is repayable in 29 Quarterly instalments effective from April 2023 to April 2030. As of 31 December 2025, the principal amount outstanding is USD 292 million (equals to SAR 1,095 million) (31 December 2024: USD 328 million

(equals to SAR 1,230 million)) and the proceeds were used for the acquisition and refurbishment of the rigs and acquisition of equipment. During the year ended 31 December 2025, the Group has repaid SAR 135 million (31 December 2024: SAR 135 million).

- AL Rajhi Loan

In June 2022, ADES Saudi Limited Company signed a loan agreement with total amount of SAR 937.5 million (USD 250 million) with Al Rajhi Banking & Investment Corporation. The loan is repayable in 29 quarterly instalments effective from July 2023 to July 2030. During 2022, ADES Saudi Limited Company and the bank agreed to increase the total loan amount to reach SAR 1,500 million (USD 400 million). As at 31 December 2025, the principal amount outstanding is USD 304 million (equals to SAR 1,140 million) (31 December 2024: USD 342 million (equals to SAR 1,284 million)) and used the proceeds for the acquisition and refurbishment of rigs and acquisition of equipment. During the year ended 31 December 2025, the Group has repaid SAR 144 million (31 December 2024: SAR 144 million).

- Al Inmaa Loan

In July 2022, ADES Saudi Limited Company jointly signed a loan agreement in the amount of SAR 2,693 million (USD 718 million) with Al Inmaa Bank. The loan is repayable in 15 Semi-annual instalments effective from September 2023 to September 2030. During 2022, the Company utilized SAR 2,500 million (equals to USD 666.7 million). As at 31 December 2025, the principal amount outstanding is USD 639 million (equals to SAR 2,396 million) (31 December 2024: USD 607 million (equals to SAR 2,277 million) and used the proceeds for the acquisition and refurbishment of rigs and acquisition of equipment. The Al Inma facility includes a separate line amounting to SAR 150 million for the purpose of covering short-term working capital needs, During the year ended 31 December 2025, the Group has repaid SAR 296 million (31 December 2024: Nil) related to the long-term loan, and Nil (31 December 2024: Nil) related to working capital line. This is due to rescheduling the contract with new terms and agreed on one year grace period from 1st April 2024 to 1st April 2025.

- Mashreq Loan

During 2021, the Group obtained a loan facility of KWD 2.7 million (equals to SAR 33 million) from Mashreq Bank PSC to facilitate the purchase of usufruct land and construction of the administrative building. This loan is repayable in 18 quarterly equal instalments effective from June 2022. The loan is denominated in Kuwaiti Dinar. As at 31 December 2025, the principal amount outstanding is SAR 5 million (31 December 2024: SAR 11,5 million). During the year ended 31 December 2025, the Group has repaid SAR 6.6 million (31 December 2024: SAR 6.6 million).

Banks Short Term Credit Facilities

Advanced Energy Systems ADES SAE, a subsidiary of the Group, is a party to the following Short Term Credit Facilities:

- Al Ahli Bank of Kuwait (ABK) with an overdraft facility limit amounting to USD 15 million equivalent to SAR 56 million which is secured by promissory note & is renewable. As of 31 December 2025 the amount outstanding is SAR 47.1 million, noting that it's a revolving facility with a tenor of 180 days.
- Société Arabe International De Banque – Egypt (SAIB) with a total amount of USD 5 million as equivalent to SAR 18,7 million for overdrafts which is secured by promissory note & is renewable. As of 31 December 2025, no amount is outstanding, noting that it's a revolving facility with a tenor of 180 days.
- Egyptian Gulf Bank (EGB) with an overdraft facility limit amounting to USD 17.5 million equivalent to SAR 65.7 million available for overdrafts and/or Letters of Guarantee, which is renewable and secured by promissory note. As of 31 December 2025, no amount is outstanding, noting that it's a revolving facility with a tenor of 180 days
- Export Development Bank of Egypt (EBE) with a non-secured facility limit amounting to USD 12 million equivalent to SAR 45 million available for overdrafts &/or Letters of Guarantee which is secured by promissory note & is renewable. As of 31 December 2025, no amount is outstanding, noting that it's a revolving facility with a tenor of 180 days.
- Emirates National Bank of Dubai S.A.E with a total amount of USD 20 million equivalent to SAR 75 million available for overdrafts &/or Letters of Guarantee which is secured by promissory note & is renewable. As of 31 December 2025, no amount is outstanding, noting that it's a revolving facility with a tenor of 180 days.
- Abu Dhabi Commercial Bank – Egypt (ADCB) with a total amount of USD 4 million equivalent to SAR 15 million available for overdrafts &/or Letters of Guarantee which is secured by promissory note & is renewable. As of 31 December 2025, no amount is outstanding, noting that it's a revolving facility with a tenor of 180 days.
- Suez Canal Bank (SCB) with an overdraft facility limit amounting to USD 18 million equivalent to SAR 67.5 million available for overdrafts &/or Letters of Guarantee available for overdraft. It is secured by promissory note & is renewable. As of 31 December 2025, no amount is outstanding, noting that it's a revolving facility with a tenor of 180 days.

Statutory Payments

The Company and its subsidiaries have settled all outstanding 2025 obligations in accordance with the rules and regulations of the Zakat, Tax and Customs Authority. The Company and the subsidiaries listed below are in the process of preparing and filing their 2025 tax and zakat returns in April 2026. Any resulting tax or zakat liabilities will be paid to the Zakat, Tax and Customs Authority upon completion of the filing, in compliance with applicable laws and regulations.

ADES Holding Company	Amount (SAR)	Description
VAT (Input) Paid to Suppliers	4,004,273	Value added tax (VAT) paid by ADES to suppliers and service providers resulting from VAT imposed on invoices issued to ADES against purchases of goods or services rendered, in line with VAT regulations as defined by Zakat, Tax and Customs Authority ("ZATCA").
	Nil.	
VAT Paid to ZATCA	All supplies made by the Company are either zero-rated or exempt from VAT	Value added tax (VAT) paid by ADES to Zakat, Tax and Customs Authority ("ZATCA") resulting from net difference between VAT paid to suppliers and service providers and VAT collected from customers.
Zakat & Income Tax	67,836,759	ADES is subject to Zakat at rate of 2.5% which is computed on the Saudi shareholders' zakat base as per the New Zakat Regulations which are principally comprised of the difference between book net profit and adjusted net profit plus Equity and the likes plus non-current liabilities and current liabilities in excess of current Assets (limited to deductible assets) less Deductions. In addition, the zakat base is subject to a minimum and maximum cap as specified under the New Zakat Regulations. In addition, ADES is subject to Income tax rate of 20% which are computed on the foreign shareholders' share of book net income for the year in line with the income tax regulations as defined by Zakat, Tax and Customs Authority ("ZATCA").
Withholding Tax	196,127	ADES withholds taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required under Saudi Arabian Income Tax Law. Withholding taxes paid on behalf of non-resident parties, which are not recoverable from such parties, are expensed in line with the income tax regulations as defined by Zakat, Tax and Customs Authority ("ZATCA").
General Organisation for Social Insurances (GOSI)	595,266	ADES contribution to The General Organization for Social Insurance (GOSI) on behalf of ADES's employees as a defined end of service benefit plans for the Kingdom-based employees which are majority governed under the Kingdom's Saudi Labor Law.
Total Payments	72,632,425	

ADES Saudi Limited	Amount (SAR)	Description
Zakat & Income Tax	4,514,094 No cash payment made; the liability settled through offset against prepaid tax balance with ZATCA	ADES is subject to Zakat at rate of 2.5% which is computed on the Saudi shareholders' zakat base as per the New Zakat Regulations which are principally comprised of the difference between book net profit and adjusted net profit plus Equity and the likes plus non-current liabilities and current liabilities in excess of current Assets (limited to deductible assets) less Deductions. In addition, the zakat base is subject to a minimum and maximum cap as specified under the New Zakat Regulations. In addition, ADES is subject to Income tax rate of 20% which are computed on the foreign shareholders' share of book net income for the year in line with the income tax regulations as defined by Zakat, Tax and Customs Authority ("ZATCA").
Withholding Tax	17,937,334	ADES withholds taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required under Saudi Arabian Income Tax Law. Withholding taxes paid on behalf of non-resident parties, which are not recoverable from such parties, are expensed in line with the income tax regulations as defined by Zakat, Tax and Customs Authority ("ZATCA").
VAT (Input) Paid to Suppliers	107,109,002	Value added tax (VAT) paid by ADES to suppliers and service providers resulting from VAT imposed on invoices issued to ADES against purchases of goods or services rendered, in line with VAT regulations as defined by Zakat, Tax and Customs Authority ("ZATCA").
VAT (Output) Collected from Customers	440,787,580	Value added tax (VAT) collected by ADES from customers resulting from VAT imposed on invoices issued by ADES against purchases of goods or services rendered, in line with VAT regulations as defined by Zakat, Tax and Customs Authority ("ZATCA")
VAT Paid to ZATCA	333,678,577	Value added tax (VAT) paid by ADES to Zakat, Tax and Customs Authority ("ZATCA") resulting from net difference between VAT paid to suppliers and service providers and VAT collected from customers.
General Organisation for Social Insurances (GOSI)	44,488,443	ADES contribution to The General Organization for Social Insurance (GOSI) on behalf of ADES's employees as a defined end of service benefit plans for the Kingdom-based employees which are majority governed under the Kingdom's Saudi Labor Law.
Customs Payment	14,573,548	ADES payments to Zakat, Tax and Customs Authority ("ZATCA") against goods imported from outside the Kingdom in line with Customs regulations as defined by Zakat, Tax and Customs Authority ("ZATCA").
Total Payments	415,191,997	
Customs LG Issued in 2025	431,687	ADES Issued letter of guarantee in favor of Zakat, Tax and Customs Authority ("ZATCA") against goods and equipment imported from outside Kingdom in line with Customs regulations as defined by Zakat, Tax and Customs Authority ("ZATCA")
Total (Including LGs)	415,623,684	

ADES GCC For Drilling Ltd	Amount (SAR)	Description
Withholding Tax	566,155	ADES withholds taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required under Saudi Arabian Income Tax Law. Withholding taxes paid on behalf of non-resident parties, which are not recoverable from such parties, are expensed in line with the income tax regulations as defined by Zakat, Tax and Customs Authority ("ZATCA").
VAT (Input) Paid to Suppliers	23,597,141	Value added tax (VAT) paid by ADES to suppliers and service providers resulting from VAT imposed on invoices issued to ADES against purchases of goods or services rendered, in line with VAT regulations as defined by Zakat, Tax and Customs Authority ("ZATCA").
VAT (Output) Collected from Customers	59,997,071	Value added tax (VAT) collected by ADES from customers resulting from VAT imposed on invoices issued by ADES against purchases of goods or services rendered, in line with VAT regulations as defined by Zakat, Tax and Customs Authority ("ZATCA")
VAT Paid to ZATCA	36,399,930	Value added tax (VAT) paid by ADES to Zakat, Tax and Customs Authority ("ZATCA") resulting from net difference between VAT paid to suppliers and service providers and VAT collected from customers.
General Organisation for Social Insurances (GOSI)	10,461,399	ADES contribution to The General Organization for Social Insurance (GOSI) on behalf of ADES's employees as a defined end of service benefit plans for the Kingdom-based employees which are majority governed under the Kingdom's Saudi Labor Law.
Zakat & Income Tax	6,873,569	ADES is subject to Zakat at rate of 2.5% which is computed on the Saudi shareholders' zakat base as per the New Zakat Regulations which are principally comprised of the difference between book net profit and adjusted net profit plus Equity and the likes plus non-current liabilities and current liabilities in excess of current Assets (limited to deductible assets) less Deductions. In addition, the zakat base is subject to a minimum and maximum cap as specified under the New Zakat Regulations. In addition, ADES is subject to Income tax rate of 20% which are computed on the foreign shareholders' share of book net income for the year in line with the income tax regulations as defined by Zakat, Tax and Customs Authority ("ZATCA").
Customs Payment	1,362,013	ADES payments to Zakat, Tax and Customs Authority ("ZATCA") against goods imported from outside the Kingdom in line with Customs regulations as defined by Zakat, Tax and Customs Authority ("ZATCA").
Total Payments	55,663,066	
Customs LG Issued in 2025	Nil	ADES Issued letter of guarantee in favor of Zakat, Tax and Customs Authority ("ZATCA") against goods and equipment imported from outside Kingdom in line with Customs regulations as defined by Zakat, Tax and Customs Authority ("ZATCA")
Total (Including LGs)	55,663,066	

General Assemblies Held in 2025

The table below lists the General Assemblies convened during year 2025 and attendance of board members.

Type of General Assembly	Date	Board of Directors Attendance
Ordinary General Assembly	01/05/2025	Dr. Mohamed Farouk Abdelkhalek – Vice-chairman
		Mr. Abdulrahman Khalid Al Zamil – Board member
		Mr. Hatem Ahmed Soliman – Board member
		Mr. Haitham Muhammed AlFayez – Independent Board Member
		Mr. Omar Saleh –Audit Committee Member

Dividend Distribution Policy

Dividends may be distributed to the Company's shareholders based on a recommendation from the Board of Directors and subject to approval by the General Assembly. The Board may, upon authorization from the Ordinary General Assembly, declare and distribute interim cash dividends on a quarterly or semi-annual basis. The Ordinary General Assembly may also resolve to retain a portion of the Company's profits as reserves to support the Company's financial position or to promote dividend stability. In addition, the General Assembly may allocate a portion of net profits for social or welfare initiatives benefiting the Company's employees.

The dividend distribution policy is reviewed periodically and may be amended to reflect any material changes in the Company's strategy, financial position, or operating environment, ensuring that the policy remains aligned with the Company's objectives and long-term sustainability.

Pursuant to a resolution passed on 1 May 2025, the annual General Assembly authorized the Board of Directors to distribute interim cash dividends to shareholders on a semi-annual basis for the financial year 2025.

The table below sets out a summary of the interim dividends distributed for the year 2025:

All amounts are in SAR

Period	Paid	Per Share	Percentage of Dividend to the Share per value
H1-2025	231,196,446	0.21	21%
H2-2025	264,995,841.8	0.24	24%
Total	496,192,287.8	0.45	45%

Treasury Shares

Pursuant to the approval of the Extraordinary General Assembly held on 7 May 2023, the Company allocated a total of 33,871,875 shares, representing 3% of the Company's capital, to be held as treasury shares. Subject to the approval of the Nomination and Remuneration Committee, these treasury shares may be utilized for the purpose of awarding shares to selected employees of the Company.

The Extraordinary General Assembly further delegated authority to the Board of Directors and the Nomination and Remuneration Committee to take all necessary actions in connection with the allocation of treasury shares to eligible employees pursuant to their discretion, by virtue of a committee resolutions issued for each share award.

As at 31 December 2025, the Company held an aggregate of 24,913,172 treasury shares, representing approximately 2.2% of the Company's issued share capital. During the year 2025, the Nomination and Remuneration Committee approved the award of 3,217,649 shares to eligible employees. Out of the total number of awarded shares,, 10,492 shares remained unallotted as at year-end and continue to be included within the treasury shares balance as of 31 December 2025.

Procedures Taken by the Board to Inform Members, Including Non-Executives, of Shareholders' Feedback on Company Performance

The Company continues to place significant importance on shareholder proposals and feedback regarding its performance. The Board of Directors actively collaborates with the Company's Investor Relations team to ensure that all feedback, questions, and suggestions received from shareholders—whether via email at investor.relations@adesgroup.com or through other communication channels. The Investor Relations team continuously collects shareholder queries, concerns, and proposals and promptly reports them to the Board of Directors, including non-executive members, for consideration in decision-making and oversight.

Implemented and Unimplemented Corporate Governance Provisions and Justifications for Non-Implementation

The Company has implemented all mandatory provisions contained in the Corporate Governance Regulations issued by the CMA, to the extent applicable to it in light of the Bylaws, except the provision noted below:

Article No.	Article Text	Non-implementation Justification
Article 67	Formation of Risk Management Committee	These are guiding articles.
Article 68	Competencies of the Risk Management Committee	The Audit Committee supports the Board in embedding a sound system of internal control and risk management systems and in monitoring and reviewing their effectiveness; and review and approve all statements to be included in the financial statements and/or on the Company's website concerning internal controls and risk management.
Article 69	Meetings of the Risk Management Committee	
Article 84	Social Responsibility	
Article 85	Social Initiative	The Company constantly contributes to different social activities aimed at developing and enhancing the social and economic conditions in the Group's operating jurisdictions.
Article 92	Formation of the Corporate Governance Committee	This is a guiding article.
		The Company, and Board, complies with and monitors the implementation of the corporate governance regulations and ensure the effectiveness, and amendment thereof, as may be necessary from time to time.

Declarations

- The Company confirms the following for the fiscal year 2025:
- No sanctions, penalties, precautionary actions, or preventive measures were imposed on the Company by the Capital Market Authority or by any other supervisory, regulatory, or judicial authority.
 - There were no instances where the Audit Committee's recommendations conflicted with, or were disregarded by, the Board of Directors in relation to the appointment, dismissal, evaluation, or determination of the remuneration of the external auditor.
 - The Company's financial reporting and audit practices were fully compliant with the standards approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA).
 - No persons have notified the Company of any interests in a class of voting shares pursuant to Article 85 of the Rules on the Offer of Securities and Continuing Obligations.
 - Except for the awarded shares transferred to employees, including senior executives, in accordance with the resolution of the Remuneration & Nomination Committee described in page 137 (Treasury Shares), neither the members of the Board of Directors, Senior Executives, nor their relatives held any interests, contractual securities, subscription rights, or debt instruments in the Company or any of its affiliates, nor were there any changes to such interests during the fiscal year.
 - The Company did not issue or grant any convertible debt instruments, contractual securities, pre-emptive rights, or similar rights during the fiscal year.
 - No conversion or subscription rights under any convertible debt instruments, contractually based securities, warrants, or similar instruments were outstanding during the year.
 - The Company did not redeem, purchase, or cancel any redeemable debt instruments during the fiscal year.
 - The Company was not a party to any business arrangements or contracts in which any member of the Board of Directors, Senior Executive, or any related party had a direct or indirect interest.
 - There were no arrangements or agreements under which any Director or Senior Executive waived any remuneration.
 - There were no arrangements or agreements under which any shareholder waived their rights to dividends.
 - The Board of Directors did not issue any recommendations to replace the external auditor prior to the expiration of its appointed term.
 - No member of the Board of Directors was engaged in, or had been engaged in, any business that competes with the Company or any of its activities.

Acknowledgments

- The Board of Directors hereby acknowledged the following:
- Proper books of accounts have been maintained.
 - The system of internal control is sound in design and has been effectively implemented.
 - There are no significant doubts on the Company's ability to continue its activities.

ADES GROUP COMPANIES

The Company wholly owns a principal subsidiary, which, directly or indirectly, holds stakes in various domestic and international subsidiaries and joint ventures. These entities together form the Group through which ADES conducts its operations across multiple jurisdictions.

No	Subsidiary Name	Primary Activity	State of Incorporation	Capital	Company's Direct Ownership Percentage	Company's Indirect Ownership Percentage
1	ADES International Holding Ltd	Holding Company	United Arab Emirates	USD 43,793,882	100%	100%
2	ADES Saudi Limited Company	Oil & Gas Drilling and Production Services	Kingdom of Saudi Arabia	SAR 500,000	0%	99.99%
3	ADES for Drilling Services Ltd. ⁵	Investment in Oil & Gas Projects	United Arab Emirates	USD 500	0%	100%
4	Advanced Energy Systems (ADES) SAE ⁶	Oil & Gas Drilling and Production Services	Arab Republic of Egypt	USD 32,000,000	0%	99.99%
5	Advantage Drilling Services SAE ⁷	Oil & Gas Drilling and Production Services	Arab Republic of Egypt	USD 2,410,790	0%	48%
6	Egyptian Chinese Drilling Company ⁸	Leasing and Storing Drilling Rigs and Equipment	Arab Republic of Egypt	USD 4,000,000	0%	48.75%
7	Prime Innovations for Trade SAE	Trading	Arab Republic of Egypt	USD 15,000	0%	99.99%
8	AG Academy	Trading	Arab Republic of Egypt	EGP 1,000,000	0%	70%
9	Kuwait Advanced Drilling Services	Leasing of Rigs	Cayman Islands	USD 10,000	0%	100%
10	Emerald Driller Company (EDC) ⁹	Oil & Gas Drilling and Production Services	Cayman Islands	USD 50,000	0%	100%
11	ADES International for Drilling	Leasing of Rigs	Cayman Islands	USD 10,000	0%	100%
12	Advanced Drilling Services	Trading	Cayman Islands	USD 10,000	0%	100%
13	Advanced Transport Services	Leasing of Transportation Equipment	Cayman Islands	USD 10,000	0%	100%
14	United Precision Drilling Company (UPDC)	Trading of Oil & Gas Equipment	State of Kuwait	KD 2,000,000	0%	47.5%
15	ADES Drilling Services Ltd. ¹⁰	Leasing of Rigs	Bermuda	USD 50,000	0%	99.99%
16	ADES Drilling Services I Ltd.	Leasing of Rigs	Bermuda	USD 36,000,000	0%	99.99%
17	ADES Drilling Services II Ltd.	Leasing of Rigs	Bermuda	USD 36,000,000	0%	99.99%
18	ADES Drilling Services III Ltd.	Leasing of Rigs	Bermuda	USD 100	0%	99.99%
19	ADES Drilling Services IV Ltd.	Leasing of Rigs	Bermuda	USD 1,000	0%	99.99%
20	ADES Drilling Services V Ltd.	Leasing of Rigs	Bermuda	USD 100	0%	99.99%
21	ADES GCC for Drilling Limited ¹¹	Oil & Gas Drilling and Production Services	Bermuda	USD 12,000	0%	99.99%
22	Precision Drilling (Cyprus) Limited	Holding Company	Republic of Cyprus	EUR 1,000,353	0%	100%
23	ADES Advanced Drilling Services Ltd. ¹²	Leasing of Rigs	Republic of Liberia	USD 500,000	0%	99.99%
24	ADES Drilling Services Cyprus Ltd	Drilling Services & Operations of Drilling Rigs	Cyprus	EUR 10.000	0%	100%

⁵ ADES for Drilling Services Ltd has branches in Tunisia, Thailand and Cameroon.
⁶ Advanced Energy Systems (ADES) SAE has branches in Algeria, India, UAE, Libya and Iraq.
⁷ Advantage Drilling Service SAE is a joint-venture which the Group holds a 49% equity interest in through its subsidiary, Advanced Energy Systems ADES SAE
⁸ Egyptian Chinese Drilling Company is a joint-venture which the Group holds a 48.75% equity interest in through its subsidiary, Advanced Energy Systems ADES SAE
⁹ Emerald Driller Company (EDC) has a branch in Qatar.
¹⁰ ADES Drilling Services Ltd has a branch in Indonesia
¹¹ ADES GCC for Drilling Limited has a branch in KSA
¹² ADES Advanced Drilling Services Ltd has a branch in Congo.

No	Subsidiary Name	Primary Activity	State of Incorporation	Capital	Company's Direct Ownership Percentage	Company's Indirect Ownership Percentage
25	Rig Finance Ltd. ¹³	Leasing of Rigs	Bermuda	USD 38,487,027	0%	100%
27	PT ADES Drilling Indonesia	Supporting Activities for Oil & Natural gas Mining	Indonesia	Rupiah 12 Billion	0%	100%
28	ADES HR Solutions Ltd.	Human Resources Consultancies, Executive Search, Labor Recruitment Brokerage Office, Services Management Consultancies & Employment Agency	United Arab Emirates	USD 10,000	0%	60%
29	ADRES Production Holding Ltd.	Holding Company	United Arab Emirates	USD 50,000	0%	100%
30	ADES Production Services	Oil & Gas Drilling and Production Services	Arab Republic of Egypt	USD 250,000	0%	99.99%
31	ADES Drilling Services Labuan Ltd.	Trading	Labuan	USD 1	0%	100%
32	Shelf Drilling Ltd.	Holding Company	Cayman Islands	USD 0.01	0%	100%
33	Shelf Drilling Midco, Ltd.	Holding Company	Cayman Islands	USD 0.01	0%	100%
34	Shelf Drilling Intermediate, Ltd. ¹⁴	Holding Company	Cayman Islands	USD 0.01	0%	100%
35	Shelf Drilling Holdings, Ltd.	Holding Company	Cayman Islands	USD 0.01	0%	100%
36	Shelf Drilling Asset III Holdings, Ltd.	Holding Company	Cayman Islands	USD 5,000	0%	100%
37	Shelf Drilling Rigco IIII, Ltd.	Dormant	Cayman Islands	USD 1,000	0%	100%
38	Shelf Drilling (KSA), Ltd.	Dormant	Cayman Islands	USD 1	0%	100%
39	Shelf Drilling Distribution, Inc.	US Procurement Company	Delaware, United States of America	USD 1	0%	100%
40	Shelf Drilling (Gabon), Ltd. ¹⁵	Dormant	Cayman Islands	USD 0.01	0%	100%
41	Shelf Drilling Rigco I, Ltd.	Dormant	Cayman Islands	USD 1,000	0%	100%
42	Shelf Drilling Rigco II, Ltd.	Dormant	Cayman Islands	USD 1,000	0%	100%
43	Shelf Drilling (North Sea), Ltd.	Holding Company	Bermuda	USD 600,000	0%	100%
44	Shelf Drilling (North Sea) Intermediate, Ltd.	Holding Company	Cayman Islands	USD 1	0%	100%
45	Shelf Drilling (North Sea) Holdings, Ltd.	Holding Company	Cayman Islands	USD 1	0%	100%
46	Shelf Drilling (Northern Europe) Holdings, Ltd.	Holding Company	Cayman Islands	USD 1	0%	100%
47	Shelf Drilling (Northern Europe), Ktf.	Leasing of Rigs	Hungary	USD 12,000	0%	100%
48	Shelf Drilling (Norway), AS	Shallow water drilling contractor	Norway	NOK 30,000	0%	100%
49	Shelf Drilling (Western Europe), Ltd.	Leasing of Rigs	Cayman Islands	USD 1	0%	100%
50	Shelf Drilling (Europe), Ltd.	Leasing of Rigs	Cayman Islands	USD 1	0%	100%
51	Shelf Drilling (UK), Ltd.	Shallow water drilling contractor	Scotland	GBP 1	0%	100%
52	Shelf Drilling (Scandinavia), Ltd.	Dormant	Cayman Islands	USD 1	0%	100%
53	Shelf Drilling (Eurasia), Ltd. ¹⁶	Shallow Water drilling contractor	Cayman Islands	USD 1	0%	100%

¹³ Rig Finance Ltd has a branch in Indonesia.
¹⁴ Shelf Drilling Intermediate, Ltd. has a branch in Hungary.
¹⁵ Shelf Drilling (Gabon), Ltd. has a branch in Gabon
¹⁶ Shelf Drilling (Eurasia), Ltd. has a branch in Qatar, Netherlands and a permanent establishment in Denmark.

No	Subsidiary Name	Primary Activity	State of Incorporation	Capital	Company's Direct Ownership Percentage	Company's Indirect Ownership Percentage
54	Shelf Drilling (Eastern Hemisphere), Ltd.	Leasing of Rigs	Hungary	USD 12,000	0%	100%
55	Shelf Drilling Ron Tappmeyer, Ltd. ¹⁷	Shallow water drilling contractor	Cayman Islands	USD 0.01	0%	100%
56	Shelf Drilling J.T Angel, Ltd. ¹⁸	Shallow water drilling contractor	Cayman Islands	USD 0.01	0%	100%
57	Shelf Drilling Trident XII, Ltd. ¹⁹	Shallow water drilling contractor	Cayman Islands	USD 0.01	0%	100%
58	Shelf Drilling F.G. McClintock, Ltd. ²⁰	Shallow water drilling contractor	Cayman Islands	USD 0.01	0%	100%
59	Shelf Drilling C.E. Thorton, Ltd. ²¹	Shallow water drilling contractor	Cayman Islands	USD 0.01	0%	100%
60	Shelf Drilling (Qatar), Ltd.	Holding Company	Cayman Islands	USD 0.01	0%	100%
61	Shelf Drilling Offshore (Malaysia), Sdn. Bhd ²²	Shallow water drilling contractor	Malaysia	MYR 500,000	0%	40%
62	Shelf Drilling Ventures (Malaysia), Sdn. Bhd ²³	Shallow water drilling contractor	Malaysia	MYR 500,000	0%	40%
63	Shelf Drilling (Far East) operations, Ltd.	Holding Company	Cayman Islands	USD 5,000	0%	100%
64	Shelf Drilling (Singapore) PTE, Ltd.	Dormant	Singapore	USD 100,000	0%	100%
65	Shelf Drilling Asset I, Ltd.	Holding Company	Cayman Islands	USD 5,000	0%	100%
66	Shelf Drilling Asset II, Ltd.	Holding Company	Cayman Islands	USD 5,000	0%	100%
67	Shelf Drilling Asset TBN I, Ltd.	Leasing of Rigs	Mauritius	USD 5,000	0%	100%
68	Shelf Drilling Asset TBN II, Ltd.	Leasing of Rigs	Mauritius	USD 5,000	0%	100%
69	Shelf Drilling (Southeast Asia) Limited ²⁴	Shallow water drilling contractor	Hong Kong	HKD 1	0%	100%
70	Shelf Drilling Offshore Services Limited ²⁵	Employment Company	Nigeria	NGN 10,000,000	0%	80%
71	Shelf Drilling (Nigeria) Limited ²⁶	Shallow water drilling contractor	Nigeria	NGN 24,965,977	0%	49%
72	Shelf Drilling (Labuan) Ltd.	Dormant	Labuan	USD 1,000	0%	100%
73	Shelf Drilling International, Inc. ²⁷	Shallow water drilling contractor & Leasing of Rigs	Cayman Islands	USD 10,000	0%	100%
74	Shelf Drilling Resources Limited	Expat Employment Company	Cayman Islands	USD 1	0%	100%
75	Shelf Drilling Offshore Resources Limited	Dormant	Cayman Islands	USD 1	0%	100%
76	PT Hitek Nusantara Offshore Drilling ²⁸	Shallow water drilling contractor	Indonesia	USD 4,000,000	0%	80%
77	Shelf Drilling Ventures Limited	Leasing of Rigs	Cayman Islands	USD 100	0%	100%
78	Adriatic 1 Limited	Leasing of Rigs	Cayman Islands	USD 100	0%	100%
79	Trident VIII Limited	Leasing of Rigs	Cayman Islands	USD 100	0%	100%

17 Shelf Drilling Ron Tappmeyer, Ltd. – has a project office in India.
18 Shelf Drilling J.T Angel, Ltd. has a project in India.
19 Shelf Drilling Trident XII, Ltd. has a project office in India.
20 Shelf Drilling F.G. McClintock, Ltd. has a project office in India.
21 Shelf Drilling C.E. Thorton, Ltd. has a project office in India.
22 Shelf Drilling Offshore (Malaysia) Sdn Bhd is 60% owned by a 3rd party, however the company is managed and controlled by Shelf Drilling
23 Shelf Drilling Ventures (Malaysia), Sdn. Bhd is 60% owned by a 3rd party, however the company is managed and controlled by Shelf Drilling.
24 Shelf Drilling (Southeast Asia) Limited has a branch in Thailand.
25 Shelf Drilling Offshore Services Limited is 20% owned by 3rd parties, however the company is managed and controlled by Shelf Drilling.
26 Shelf Drilling (Nigeria) Limited is 51% owned by 3rd parties, however the company is managed and controlled by Shelf Drilling.
27 Shelf Drilling International, Inc has project offices in India & Vietnam and a representative office in Vietnam.
28 PT Hitek Nusantara Offshore Drilling -20% owned by 3rd party, however, the company is managed and controlled by Shelf Drilling

No	Subsidiary Name	Primary Activity	State of Incorporation	Capital	Company's Direct Ownership Percentage	Company's Indirect Ownership Percentage
80	Shelf Drilling Achiever Limited	Leasing of Rigs	Cayman Islands	USD 1,000	0%	100%
81	Shelf Drilling Main Pass IV Limited	Leasing of Rigs	Cayman Islands	USD 1	0%	100%
82	Shelf Drilling High Island II Limited	Leasing of Rigs	Cayman Islands	USD 1	0%	100%
83	Victory Rig Limited	Leasing of Rigs	Cayman Islands	USD 1	0%	100%
84	Shelf Drilling Services Limited ²⁹	Shallow water drilling contractor	Cayman Islands	USD 1	0%	100%
85	Shelf Drilling (Angola) Limited	Leasing of Rigs	Cayman Islands	USD 1	0%	100%
86	Shelf Drilling (Angola) Lda. ³⁰	Shallow water drilling contractor	Angola	AOA 12,478,100	0%	51%
87	Shelf Drilling Offshore Services (India) Private Limited	Shallow water drilling contractor	India	INR 22,500,000	0%	100%
88	Shelf Drilling Services FZE	Fleet Spares	UAE	AED 50,000	0%	100%
89	Shelf Drilling Key Hawaii Limited	Dormant	Cayman Islands	USD 1,000	0%	100%
90	Shelf Drilling Management Services FZCO	Headquarters	UAE	AED 50,000	0%	100%
91	Shelf Drilling Support Services Limited	Employment Company	Ireland	EUR 1	0%	100%
92	Shelf Drilling (Mediterranean) Limited ³¹	Dormant	Cayman Islands	USD 1,000	0%	100%
93	Shelf Drilling (Egypt) Limited p Free Zone LLC ³²	Leasing of Rigs and Shallow water drilling contractor	Egypt	USD 1,000,000	0%	100%
94	Shelf Drilling Egypt Technical Limited	Employment Company	Egypt	EGP 250,000	0%	100%
95	Offshore Holdings Limited	Holding Company	Cayman Islands	USD 1	0%	100%
96	Shelf Drilling Galloway Limited	Leasing of Rigs	Cayman Islands	USD 1	0%	100%
97	Adriatic 10 Limited	Dormant	Cayman Islands	USD 100	0%	100%
98	Adriatic 9 Limited	Dormant	Cayman Islands	USD 100	0%	100%
99	Shelf Drilling Adriatic Services Kft ³³	Shallow water drilling contractor	Hungary	USD 17,000	0%	100%
100	Shelf Drilling Mexico S. de R.L de C.V	In Process for liquidation	Mexico	MXN 3,000	0%	100%
101	Shelf Drilling Trident XIV Limited	Dormant	Cayman Islands	USD 1	0%	100%
102	Shelf Drilling (Central Europe) Kft. ³⁴	Leasing of Rigs and Shallow water drilling contractor	Hungary	USD 16,000	0%	100%
103	Shelf Drilling (Italy) S.r.l	Dormant	Italy	EUR 10,000	0%	100%
104	Shelf Drilling Asset III Ltd.	Leasing of Rigs	Cayman Islands	USD 5,000	0%	100%
105	Shelf Drilling Offshore Holdings Limited	Holding Company	Cayman Islands	USD 1	0%	100%
106	Shelf Drilling Offshore Resources Limited II	Shallow water drilling contractor & Leasing of Rigs	Cayman Islands	USD 1	0%	100%

29 Shelf Drilling Services Limited has a branch in the UAE, Bahrain and Ghana and permanent establishment in Oman
30 Shelf Drilling (Angola) Lda. - 49% owned by 3rd party, however the company is managed and controlled by Shelf Drilling.
31 Shelf Drilling (Mediterranean) Limited has a branch in Egypt.
32 Shelf Drilling (Egypt) Limited Free Zone LLC has a branch in KSA.
33 Shelf Drilling Adriatic Services Kft. has a branch in Tunisia and Italy.
34 Shelf Drilling (Central Europe), Kft has a project office in India

06 FINANCIAL STATEMENTS

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KPMG Professional Services Company
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Al Khobar, 34412 - 3146
Kindom of Saudi Arabia
Commercial Registration No 2051062328

Headquarters in Riyadh

Independent Auditor's Report

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of ADES Holding Company ("the Company") (and its subsidiaries) ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia, as applicable to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report

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

Report on the Audit of the Consolidated Financial Statements (continued)

Acquisition Accounting of Shelf Drilling Limited

Refer to Note 2.1 for the accounting policy relating to business combination and Note 5.1 for the related disclosures in the accompanying consolidated financial statements

Key audit matter	How the matter was addressed in our audit
On 25 November 2025, the Group acquired an additional 83.5% shares in Shelf Drilling Limited ("Shelf"), increasing its ownership from 16.5% to 100%, which also resulted in the Group obtaining control over Shelf. As per the relevant accounting standards, the Group is required to determine the fair value of the net identifiable assets acquired in the business combination (purchase price allocation). As the purchase price allocation exercise is not yet complete, the Group has recognized the provisional amounts as required by the relevant accounting standards, resulting in a provisional bargain purchase gain of SAR 21 million in the statement of comprehensive income. We identified the acquisition of Shelf as a key audit matter as a result of the level of judgments applied and estimates made by management in arriving the provisional fair value of the net identifiable assets at the date of acquisition and the level of audit effort required.	We performed the following procedures to address the key audit matter: • Obtained and analysed the corresponding underlying documents including share purchase agreement to corroborate the overall deal structure and compared the value of the total consideration to the supporting documentation. • Assessed the date on which the control is obtained by evaluating the underlying assessments and corroborating with the supporting documentation. • Evaluated the design and implementation of key controls within the process of business combination accounting. • Engaged our own valuation specialists to assess and challenge the appropriateness of the valuation methodologies and the reasonableness of the key assumptions used by the Group in estimating the provisional fair values of the acquired net identifiable assets and to assess whether the best available information has been used when estimating those provisional fair values. • Tested the completeness and accuracy of the data inputs used in the underlying models, on a sample basis, for determining the provisional fair value • Assessed the adequacy of disclosures included in the consolidated financial statements related to the business combination.

Other Matter

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 (corresponding to 3 Ramadan 1446H).

Independent Auditor's Report

To the Shareholders of ADES Holding Company (A Saudi Listed Joint Stock Company)
Report on the Audit of the Consolidated Financial Statements (continued)

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS accounting standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies and Company's By-laws and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, the Board of directors, are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 'Reasonable assurance' is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Independent Auditor's Report

To the Shareholders of ADES Holding Company (A Saudi Listed Joint Stock Company)
Report on the Audit of the Consolidated Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of ADES Holding Company ("the Company") (and its subsidiaries) ("the Group").

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Professional Services Company



Mohammed Najeeb Alkhelaiwi
License No: 481
Al Khobar, on 29 March 2026
Corresponding to: 10 Shawwal 1447H

ADES HOLDING COMPANY (Listed Joint Stock Company) AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF
FINANCIAL POSITION

As at 31 December 2025

(All amounts in thousands Saudi Arabia Riyal (SAR), unless otherwise stated)

	Notes	31 December 2025 SAR'000	31 December 2024 SAR'000
ASSETS			
Non-current assets			
Property and equipment	16	25,030,984	17,567,622
Intangible assets		6,157	3,956
Right of use assets	17-a	460,887	494,146
Derivative financial instruments	28-a,25	8,378	61,850
Prepayments and other receivables	14	189,446	215,186
Investments in joint venture	15	34,013	25,416
Trade and other receivables	13	11,983	-
Total non-current assets		25,741,848	18,368,176
Current assets			
Inventories	12	947,501	527,273
Trade and other receivables	13	1,690,838	1,382,504
Prepayments and other receivables	14	571,850	502,391
Due from related parties	25	1,223	1,223
Investments at fair value through other comprehensive income (FVOCI)	28-b,25	-	102,936
Cash and cash equivalents	11,25	2,458,449	744,187
Total current assets		5,669,861	3,260,514
TOTAL ASSETS		31,411,709	21,628,690
EQUITY AND LIABILITIES			
Equity			
Share capital	22	1,129,063	1,129,063
Share premium	22	2,890,367	2,890,367
Treasury shares	22	(24,913)	(28,127)
Cash flow hedge reserve		528	52,167
Fair value reserve of financial assets at FVOCI		-	2,381
Share-based payment reserve		166	119
Retained earnings		2,784,952	2,446,821
Equity attributable to equity holders of the Parent Company		6,780,163	6,492,791
Non-controlling interests		32,831	45,193
Total equity		6,812,994	6,537,984
Liabilities			
Non-current liabilities			
Interest-bearing loans and borrowings	20,25	17,959,462	10,725,356
Lease liabilities	17-b	262,932	352,374
Provisions	21	484,146	188,571
Deferred revenue	19	436,254	679,962
Deferred tax, net	10	144,740	94,068
Income tax accrual	10	36,767	-
Other payables	18	18,354	-
Total non-current liabilities		19,342,655	12,040,331

ADES HOLDING COMPANY (Listed Joint Stock Company) AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF
FINANCIAL POSITION (continued)

As at 31 December 2025

(All amounts in thousands Saudi Arabia Riyal (SAR), unless otherwise stated)

	Notes	31 December 2025 SAR'000	31 December 2024 SAR'000
Current liabilities			
Trade and other payables	18	2,133,993	1,270,308
Deferred revenue	19	360,206	358,976
Income tax and zakat accrual	10	144,986	82,468
Interest-bearing loans and borrowings	20,25	2,290,203	1,331,334
Provisions	21	326,672	7,289
Total current liabilities		5,256,060	3,050,375
Total liabilities		24,598,715	15,090,706
TOTAL EQUITY AND LIABILITIES		31,411,709	21,628,690

The attached notes 1 to 31 form an integral part of these consolidated financial statements.


Dr. Mohamed Farouk
Vice Chairman

Mr. Hussein Badawy
Chief Financial Officer

ADES HOLDING COMPANY (Listed Joint Stock Company) AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

(All amounts in thousands Saudi Arabia Riyal (SAR), unless otherwise stated)

	Notes	For the year ended	
		31 December 2025 SAR'000	31 December 2024 SAR'000
Revenue	6	6,688,959	6,199,022
Cost of revenue	7	(4,155,868)	(3,841,373)
Gross profit		2,533,091	2,357,649
General and administrative expenses	8	(486,949)	(424,340)
End of service employment benefits	21-b	(53,436)	(51,504)
Share-based payments expense	24	(40,381)	(110,647)
Finance costs, net	9	(940,536)	(803,915)
Gain on equity instruments designated at fair value through profit and loss	5	88,778	-
Other income, net		3,250	32,693
Bargain purchase gain	5	21,209	7,500
Acquisition transaction cost		(79,225)	(6,142)
Provision for other taxes	21-a	(873)	(30,448)
Profit for the year before income tax and zakat		1,044,928	970,846
Income tax and zakat expenses	10	(212,067)	(154,651)
Profit for the year		832,861	816,195
Attributable to:			
Equity holders of the Parent Company		818,016	802,498
Non-controlling interests		14,845	13,697
		832,861	816,195
Earnings per share basic and diluted attributable to equity holders of the parent company (In SAR per share)	23	0.74	0.73
Other comprehensive (loss)/income			
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods (net of any tax):			
Net (loss)/gain on cash flow hedge		(51,639)	11,017
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods (net of any tax)			
Net remeasurement gain /(loss) on defined benefit plans		(45,730)	68,316
Net (loss)/gain on equity instruments designated at fair value through other comprehensive income		(13,762)	2,381

ADES HOLDING COMPANY (Listed Joint Stock Company) AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

For the year ended 31 December 2025

(All amounts in thousands Saudi Arabia Riyal (SAR), unless otherwise stated)

	Notes	For the year ended	
		31 December 2025 SAR'000	31 December 2024 SAR'000
Other comprehensive (loss)/income for the year, (net of tax)		(111,131)	81,714
Total comprehensive income for the year, (net of tax)		721,730	897,909
Attributable to:			
Equity holders of the Parent Company		720,395	871,402
Non-controlling interests		1,335	26,507
		721,730	897,909

The attached notes 1 to 31 form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

(All amounts in thousands Saudi Arabia Riyal (SAR), unless otherwise stated)

	Attributed to the equity holders of the Parent Company								Non-controlling interest	Total equity
	Share capital	Share premium	Treasury shares	Fair value reserve of financial assets at FVOCI	Cash flow hedge reserve	Retained earnings	Share based payment reserve	Total		
	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000
Balance at 1 January 2025	1,129,063	2,890,367	(28,127)	2,381	52,167	2,446,821	119	6,492,791	45,193	6,537,984
Profit for the year	-	-	-	-	-	818,016	-	818,016	14,845	832,861
Other comprehensive income	-	-	-	(13,762)	(51,639)	(32,220)	-	(97,621)	(13,510)	(111,131)
Total comprehensive income	-	-	-	(13,762)	(51,639)	785,796	-	720,395	1,335	721,730
Share-based payments (note 24)	-	-	-	-	-	-	40,381	40,381	-	40,381
Exercise of employee's stock (note 24)	-	-	3,214	-	-	37,120	(40,334)	-	-	-
Transfer of Fair value reserve of financial assets at FVOCI	-	-	-	11,381	-	(11,381)	-	-	-	-
Dividends (note 29)	-	-	-	-	-	(473,404)	-	(473,404)	(13,697)	(487,101)
Balance at 31 December 2025	1,129,063	2,890,367	(24,913)	-	528	2,784,952	166	6,780,163	32,831	6,812,994

The attached notes 1 to 31 form an integral part of these consolidated financial statements.

Consolidated Statement Of changes in equity (continued)

For the year ended 31 December 2025

(All amounts in thousands Saudi Arabia Riyal (SAR), unless otherwise stated)

	Attributed to the equity holders of the Parent Company								Non-controlling interest	Total equity
	Share capital	Share premium	Treasury shares	Fair value reserve of financial assets at FVOCI	Cash flow hedge reserve	Retained earnings	Share based payment reserve	Total		
	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000
Balance at 1 January 2024	1,129,063	2,890,367	(33,872)	-	41,150	1,721,532	-	5,748,240	28,667	5,776,907
Profit for the year	-	-	-	-	-	802,498	-	802,498	13,697	816,195
Other comprehensive income	-	-	-	2,381	11,017	55,506	-	68,904	12,810	81,714
Total comprehensive income	-	-	-	2,381	11,017	858,004	-	871,402	26,507	897,909
Share-based payments (note 24)	-	-	-	-	-	-	110,647	110,647	-	110,647
Exercise of employee's stock (note 24)	-	-	5,745	-	-	104,783	(110,528)	-	-	-
Dividends (note 29)	-	-	-	-	-	(237,498)	-	(237,498)	(9,981)	(247,479)
Balance at 31 December 2024	1,129,063	2,890,367	(28,127)	2,381	52,167	2,446,821	119	6,492,791	45,193	6,537,984

The attached notes 1 to 31 form an integral part of these consolidated financial statements.

ADES HOLDING COMPANY (Listed Joint Stock Company) AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT
OF CASH FLOWS

For the year ended 31 December 2025

(All amounts in thousands Saudi Arabia Riyal (SAR), unless otherwise stated)

		For the year ended	
	Notes	31 December 2025 SAR'000	31 December 2024 SAR'000
Cash flows from operating activities			
Profit for the year before income tax and zakat		1,044,928	970,846
Adjustments for:			
Depreciation of property and equipment	16	1,325,416	1,086,015
Depreciation of right of use assets	17	220,559	181,703
Amortisation of intangible assets		1,145	913
End of service employment benefits	21-b	53,436	51,504
Share-based payments expense	24	40,381	110,647
Finance costs, net	9	940,536	803,915
Reversal for impairment of investment in a joint venture		-	(6,815)
Share of results of investment in a joint venture		(8,597)	(18,601)
Dividend received from financial assets at FVTOCI	28-b/25	(4,254)	(3,534)
Bargain purchase gain	5	(21,209)	(7,500)
Gain on remeasurement of equity instruments at FVTPL		(88,778)	-
Income from insurance claim		(93,749)	-
Provision for other taxes	21-a	2,103	30,448
(Reversal)/allowance for inventories	7	(6,900)	1,401
Impairment and retirement/(reversal) of Property and equipment		28,123	(38,913)
Fair value gain of derivative		(2,071)	-
Other income		(71,963)	
		3,359,106	3,162,029
Changes in working capital			
Inventories		(84,560)	(184,463)
Trade and other receivables		391,999	(138,151)
Due from related parties		-	3,882
Prepayments and other receivables		(150,140)	6,654
Trade and other payables		(106,473)	72,444
Deferred revenue		(246,063)	171,277
Cash flows generated from operating activities		3,163,869	3,093,672
Income tax and zakat paid	10	(157,388)	(73,814)
Provisions paid	21	(25,758)	(23,946)
Net cash flows generated from operating activities		2,980,723	2,995,912
Investing activities			
Purchase of property and equipment		(1,837,878)	(2,375,110)

ADES HOLDING COMPANY (Listed Joint Stock Company) AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT
OF CASH FLOWS (continued)

For the year ended 31 December 2025

(All amounts in thousands Saudi Arabia Riyal (SAR), unless otherwise stated)

	Notes	For the year ended	
		31 December 2025 SAR'000	31 December 2024 SAR'000
Purchase of intangible assets		(253)	(1,225)
Purchase of equity instruments	28-b	-	(100,368)
Acquisition of business, net of cash acquired	5	(1,062,856)	(709,266)
Dividend received from equity instruments	25-a	4,254	3,534
Insurance proceed received		93,749	
Payment of the consideration payable for acquisitions*		(18,222)	-
Cash proceeds from sale financial instruments		88,987	-
Net cash flows used in investing activities		(2,732,219)	(3,182,435)
Financing activities			
Proceeds from loans and borrowings	20	10,727,743	3,193,562
Repayment of loans and borrowings	20	(7,652,658)	(1,427,773)
Finance cost paid		(883,622)	(818,934)
Principal element of lease payment		(203,141)	(161,071)
Interest element of lease payment		(35,463)	(39,877)
Dividend paid to equity holders of the parent company	29-a	(473,404)	(237,498)
Dividend paid to non-controlling interests	29-b	(13,697)	(9,981)
Net cash flows generated from financing activities		1,465,758	498,428
Net increase in cash and cash equivalents		1,714,262	311,905
Cash and cash equivalents at beginning of year	11	744,187	432,282
Cash and cash equivalents at the end of the year	11	2,458,449	744,187

*This 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.

Refer Notes 5, 12 and 17 for significant non-cash transactions.

The attached notes 1 to 31 form an integral part of these consolidated financial statements.

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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 under Saudi laws. The Company and its subsidiaries together are referred as the "Group".

The company'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 2024), 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").

Shareholder	As of 31 December 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 Ltd	412,277	36.5%	412,277	412,277	36.5%	412,277
The Public Investment Fund of the Kingdom of Saudi Arabia	268,548	23.8%	268,548	268,548	23.8%	268,548
Zamil Group Investment Company	75,647	6.7%	75,647	75,647	6.7%	75,647
Free Float	347,678	30.8%	347,678	344,464	30.5%	344,464
Treasury Shares	24,913	2.2%	24,913	28,127	2.5%	28,127
	1,129,063	100%	1,129,063	1,129,063	100%	1,129,063

The consolidated financial statements were authorised and approved for issue on 10 Shawwal 1447H (corresponding to 29 March 2026) by the Board of Directors.

The Group is a leading oil and gas drilling and production services provider in the Middle East, Africa, Southeast Asia and Europe. The Group services primarily include offshore and onshore contract drilling and production services. The Group currently operates across multiple jurisdictions. 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).

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1 ORGANIZATION AND ACTIVITIES (continued)

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

Name	Principal activities	Country of incorporation	31 December 2025	31 December 2024
Advanced Energy Systems (ADES) (S.A.E) 1	Oil & gas drilling and production services	Egypt	100%	100%
ADES Saudi Limited Company2	Oil and gas drilling and production services	KSA	100%	100%
Precision Drilling Company3	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 transportation equipment	Cayman	100%	100%
Advanced Drilling Services	Leasing of rigs	Cayman	100%	100%
ADES for Drilling Services Ltd4	Investment in Oil & Gas Projects	UAE	100%	100%
ADES International Holding Ltd	Holding company	UAE	100%	100%
Emerald Driller Company5	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 Ltd6	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 Ltd7	Leasing of rigs	Bermuda	100%	100%
ADES GCC For Drilling Ltd8	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 Ltd9	Leasing of rigs	Bermuda	100%	100%
ADRES HR Solution Ltd	HR Services	UAE	60%	60%
ADES Production Services	Oil & gas drilling and production services	Egypt	100%	-
ADES Production Holding Ltd	Holding Company	UAE	100%	-
ADES Drilling Services Labuan Ltd	Trading	Labuan	100%	-
Shelf Drilling Ltd and it's subsidiaries10	Holding Company	Cayman	100%	-

The Group holds investment in Egyptian Chinese Drilling Company (ECDC) (Joint Venture) which is accounted for using the equity method of accounting in these 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 eight 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, Thailand in 2024 and Cameroon in 2025, 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.
10 On 25 November 2025, the Company acquired 100% of the issued shares of Shelf Drilling Limited ("Shelf"), an international offshore drilling contractor specializing in shallow-water drilling services using jack-up rigs. Subsequent to the acquisition Shelf was delisted from Oslo stock exchange and all legal formalities in this regards has been completed. For further details refer note 5.

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2 MATERIAL ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

These consolidated financial statements of the Group have been prepared in accordance with the IFRS accounting standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") (collectively referred "to "IFRS as endorsed in "KSA").

The 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 and foreign exchange rate contracts designated as hedging instruments, investment at fair value through other comprehensive income, investment at fair value through profit or loss and end of service benefits which are measured using the Projected Unit Credit Method.

The consolidated financial statements are presented in Saudi Arabian Riyal and all values are rounded to the nearest thousand ("SAR'000"), except when otherwise indicated. Saudi Arabian Riyal ("SAR") is the functional currency of the Company and presentation currency of the Group.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- (a) Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee).
- (b) Exposure, or rights, to variable returns from its involvement with the investee, and
- (c) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) The contractual arrangement with the other vote holders of the investee
- (b) Rights arising from other contractual arrangements.
- (c) The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the consolidated financial statements of a member in the Group to bring its accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

ADES HOLDING COMPANY (Listed Joint Stock Company) AND ITS SUBSIDIARIES

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2 MATERIAL ACCOUNTING POLICIES (continued)

2.1 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities;

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in the "Acquisition transaction cost" line-item in the consolidated statement of comprehensive income.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Contingent consideration, resulting from business combinations, is measured at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss as a 'bargain purchase gain'.

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2 MATERIAL ACCOUNTING POLICIES (continued)

2.1 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

Business combinations (continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions in IAS 37 Provisions, Contingent Liabilities and Contingent Assets or the amount initially recognised less (when appropriate) cumulative amortisation recognised in accordance with the requirements for revenue recognition.

Group reorganisation and business combinations under common control

In the absence of guidance in IFRS for the Group reorganisation and business combinations under common control, IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors requires to use judgement in developing and applying an accounting policy that provides reliable and more relevant information. As such group reorganisation has no economic substance and is outside the scope of IFRS 3 Business Combinations.

Business combination under common control is accounted for using the pooling of interests method as follows:

- assets and liabilities of Existing Group Entities transferred to the Company are reflected at their carrying amounts and no adjustments are made to reflect fair values, or recognise any new assets or liabilities, at the date of the reorganisation that would otherwise be done under the acquisition method;
- no goodwill is recognised as a result of the reorganisation. Any difference between the consideration transferred and the equity of the entities acquired as at the date of the combination is reflected within equity;
- the consolidated statement of comprehensive income reflects the results of the Existing Group Entities transferred to the Company from the effective date of reorganisaiton.

The Group applied the accounting policy with no restatement of periods prior to the reorganistion (prospective approach) and accordingly has not reported the financial information of the Existing Group Entities acquired before the reorganisation.

Interest in joint ventures and associates

The Group's investments in the joint venture and associate are both accounted for using the equity method. Under the equity method, the investment is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the investee since the acquisition date. Goodwill relating to the joint venture or associate is included in the carrying amount of the investment and is not tested for impairment separately.

The consolidated statement of comprehensive income reflects the Group's share of the results of operations of the joint venture and associate. Any change in the other comprehensive income (OCI) of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture or associate, the Group recognises its share of any changes, when applicable, directly in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture or associate are eliminated to the extent of the interest in the joint venture or associate unrelated to the Group.

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2 MATERIAL ACCOUNTING POLICIES (continued)

2.1 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

Interest in joint ventures and associates (continued)

The aggregate of the Group's share of profit or loss of a joint venture and associate is shown on the face of the consolidated statement of comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture or associate.

The financial statements of the joint venture and associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring their accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in joint venture or associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture or associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture or associate and its carrying value, and then recognises the loss as 'Share of results of an associate and a joint venture' in the consolidated statement of comprehensive income.

Upon loss of joint control over a joint venture or significant influence over an associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture or associate upon loss of joint control or significant influence, and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated statement of comprehensive income.

NEW STANDARDS, AMENDMENT TO STANDARDS AND INTERPRETATION

The accounting policies adopted in the preparation of the 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.

The Group has applied the following standards and amendments, where applicable, for the first time for their annual reporting period commencing 1 January 2025.

- 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 Consolidated Financial Statements of the Group.

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2 MATERIAL ACCOUNTING POLICIES (continued)

2.2 NEW STANDARDS, AMENDMENT TO STANDARDS AND INTERPRETATION (continued)

New standards and interpretations not yet adopted:

A number of new accounting standards are effective for annual reporting periods beginning on or after 1 January 2026 and earlier application is permitted. However, the Group has not early adopted the following new or amended accounting standards in preparing these consolidated financial statements.

A. IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new accounting standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

B. Other accounting standards

The following new and amended accounting standards are not expected to have a significant impact on the Group's consolidated financial statements:

Forthcoming requirements

Effective date	New accounting standards or amendments
1 January 2026	Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7
1 January 2026	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7
1 January 2026	Annual Improvements to IFRS Accounting Standards – Volume 11
1 January 2027	IFRS 18 Presentation and Disclosure in Financial Statements
1 January 2027	IFRS 19 Subsidiaries without Public Accountability: Disclosures
To be determined	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28

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2 MATERIAL ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period; or Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- The liability is due to be settled within twelve months after the reporting Or
- It does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable in the ordinary course of the Group's activities. Revenue from performance of services is recognized in the accounting period in which the services are rendered. The Group has concluded that it is the principal in its revenue arrangement since it is the prime obligor and is exposed to credit risk.

The Group recognizes revenue based on a five-step model as set out in IFRS 15.

IFRS 15 requires that revenue is recognized from contracts with customers based on the following five step model as follows:

- Identification of contracts with customer;
- Identification of performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to performance obligations in the contract; and
- Recognition of revenue when the Company satisfies the performance obligation.

The Group has following revenue streams:

(a) Unit operations

Revenue from unit operations, primarily relating to drilling services, is recognized over time as the customer simultaneously receives and consumes the benefits of the services provided. The Group measures progress using an output method based on services rendered. Revenue is determined using the contractual day rates specified in the underlying agreements and invoiced to customers accordingly.

(b) Mobilization revenue and costs

Mobilization revenue within unit operations represents fees for initial mobilization of rigs. These activities do not constitute delivery of a separate service to the customers but are necessary to fulfil the drilling services mentioned above.

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2 MATERIAL ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Accordingly, mobilization revenues are recognized as deferred revenue and are amortized over the term of the respective contracts with customers for drilling services. Mobilization costs represent costs incurred for the initial mobilization of rigs. Such costs are recognized as prepaid mobilization costs and are amortized over the term of the respective contracts with customers for drilling services.

(c) Catering and other service revenue

The Group provides catering and other services to its customers based on pre-agreed unit rates. Catering and services are satisfied over time as the customer simultaneously receives and consumes the benefits as the services are performed. Revenue is determined using the rate specified in the underlying agreements and invoiced to customers accordingly.

(d) Project Revenue

Project income primarily relates to oilfield enhancement services performed under contractual arrangement. These contracts are assessed as comprising a single performance obligation to deliver integrated project services. The performance obligation is satisfied over time as the customer simultaneously receives and consumes the benefits of the services provided. Accordingly, revenue is recognised over time using an appropriate measure of progress that reflects the value of services rendered during the period.

Dividends

Dividend income is recognised when the Group's right to receive the payment is established, which is when shareholders approve the dividend.

Finance income

Finance income is recognised as the interest accrues using the effective interest rate method, under which the rate used exactly discounts, estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Trade and other receivables

A trade receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before the payment of the consideration is due). An unbilled receivable represents the Group's right to an amount of consideration that is unconditional however only the passage of time is required before the billing. Refer to the accounting policies of financial assets in section financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability (includes deferred revenue) is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Borrowing costs

Specific borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. General borrowing (if any) utilized for acquisition, construction or production of an qualifying assets are capitalized as part of the cost of that asset until the asset is complete for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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2 MATERIAL ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Bank balances and cash

Bank balances and cash in the consolidated statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts if they are considered an integral part of the Group's cash management.

Taxes

Current taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxes

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associate, and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

ADES HOLDING COMPANY (Listed Joint Stock Company) AND ITS SUBSIDIARIES

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2 MATERIAL ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Taxes (continued)

Deferred taxes (continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Sales taxes

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Withholding Tax (WHT)

The Group withholds taxes on certain transactions with non-resident parties in respect to applicable tax laws and regulations of Kingdom of Saudi Arabia and the respective countries in which Group operates. Such withholding taxes suffered as a result of the transactions between the group companies are recorded as other taxes in the consolidated statement of comprehensive income.

Value Added Tax (VAT)

The Group is subject to a value added tax ("VAT") for providing services. The amount of VAT liability is determined by applying the applicable tax rate to the invoiced amount of services provided (output VAT) less VAT paid on purchases made / services received with the relevant supporting invoices (input VAT).

Zakat

Zakat is levied based on adjusted income subject to zakat or the zakat base in accordance with the Regulations of the ZATCA in the Kingdom of Saudi Arabia. The Group computes its zakat by using the zakat base. The zakat provision is charged to the consolidated statement of comprehensive income. Differences, if any, resulting from the final assessments are adjusted in the period of their finalization.

Foreign currencies

The Group's consolidated financial statements are presented in Saudi Arabian Riyal and all values are rounded to the nearest thousand ("SAR 000"), except when otherwise indicated, which is also the Company's functional currency. For each entity, the Group determines the functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to consolidated statement of comprehensive income reflects the amount that arises from using this method.

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2 MATERIAL ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in consolidated statement of comprehensive income with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in the consolidated statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense, or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into SAR at the rate of exchange prevailing at the reporting date and their consolidated statements of comprehensive income are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

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2 MATERIAL ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Inventories

Inventories are initially measured at cost and subsequently at lower of cost and net realisable value using weighted average method. For consumables and spare parts, net realisable value is determined based on their replacement cost and expected consumption in operations.

At each reporting date, spare parts and consumables are assessed for impairment. If spare parts and consumables are impaired, their carrying amount is reduced to written down value; the impairment losses are recognized immediately in the consolidated statement of profit or loss and other comprehensive income.

An allowance (if necessary) is made for obsolete and damaged inventories in accordance with the Group's policy.

Property and equipment

Assets under construction, property and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the consolidated statement of comprehensive income as incurred.

For all the years presented in the consolidated financial statements, depreciation on property and equipment except for leasehold land which has indefinite useful life, is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	2025 Years	2024 Years
Rigs	27	27
Furniture and fixtures	10	10
Drilling pipes	5	5
Tools	5-10	5-10
Building	20	20
IT equipment	5	5
Motor vehicles	5	5
Leasehold improvements*	5	5

* Or lease term, whichever is lower

Rigs include major maintenance and upgrades that are capitalised and depreciated over 5 years (2024: 5 years).

No depreciation is charged on assets under construction. The useful lives and depreciation method are reviewed annually to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets. Any change in estimated useful life is applied prospectively effective from the beginning of period. Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognised in the consolidated statement of comprehensive income as the expense is incurred.

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of property and equipment may not be recoverable.

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2 MATERIAL ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Property and equipment (continued)

Whenever the carrying amount of property and equipment exceeds their recoverable amount, an impairment loss is recognised in the consolidated statement of comprehensive income. The recoverable amount is the higher of fair value less costs to sell of property and equipment and the value in use. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. While value in use is the present value of estimated future cash flows expected to arise from the continuing use of property and equipment and from its disposal at the end of its useful life.

Reversal of impairment losses recognised in the prior years are recorded when there is an indication that the impairment losses recognised for the property and equipment no longer exist or have reduced.

An item of property and equipment is derecognised upon disposal or when no further economic benefits are expected from its use or disposal. Any gain or loss arising on de recognition is included in the consolidated statement of comprehensive income.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets are not capitalized, and expenditure is reflected in the consolidated statement of comprehensive income in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end.

Intangible assets are amortized using the straight-line method over their estimated useful lives over 5 years (2024: 5 years).

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade and other receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade and other receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

2 MATERIAL ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(a) Financial assets (continued)

Initial recognition and measurement (continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments):

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include trade receivables and due from related parties.

Financial assets designated at fair value through OCI (equity instruments):

These assets are subsequently measured at fair value. Dividends are recognized as income in the consolidated statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to the consolidated statement of profit or loss.

The Group's financial assets at fair value through OCI include hedge instruments, and financial assets at fair value through OCI.

Financial assets at fair value through profit or loss:

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the consolidated statement of profit or loss.

2 MATERIAL ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(a) Financial assets (continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass- through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade and other receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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2 MATERIAL ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(a) Financial assets (continued)

Impairment of financial assets (continued)

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 365 days past due.

However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and other financial liabilities.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(i) Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not. These are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

(ii) Interest-bearing loans and borrowings

This is the category most relevant to the Group. After initial recognition, loans and borrowings are subsequently measured at amortised cost using the effective interest rate "EIR" method. Gains and losses are recognised in the consolidated statement of comprehensive income, when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of comprehensive income. This category generally applies to loans and borrowings.

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2 MATERIAL ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(b) Financial liabilities (continued)

Subsequent measurement (continued)

(iii) Other financial liabilities at amortised cost

Other financial liabilities are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of comprehensive income.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(d) Derivative financial instrument

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The Group uses derivative financial instruments, such as interest rate swap, to hedge its interest rate risks. These interest rate swaps are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivative financial instruments at fair value through profit or loss (FVTPL)

The Group entered into foreign exchange forward contracts to manage its exposure to foreign currency risk. These contracts are not designated in qualifying hedge relationships under IFRS 9 and are therefore classified as derivative financial instruments at fair value through profit or loss (FVTPL). Such instruments are initially recognized at fair value and subsequently remeasured at fair value, with all changes in fair value recognized in profit or loss.

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2 MATERIAL ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(e) Hedge accounting

For the purpose of hedge accounting, as part of the Group risk management policies, Interest Rate Swap contracts (IRS), whether plain vanilla, collars, or IRS with cap-spreads, may be used to either change the floating-interest rate of a debt instrument into fixed rate or vice versa (whether that debt instrument is measured at amortized cost or fair value). When entering into derivatives in order to hedge risk of changes in fair value or cash flows, management ensure that the hedging relationship meets all of the 3-fold criteria in paragraph 6.4.1(c) of IFRS 9 for hedge effectiveness requirements. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

(f) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated statement of comprehensive income. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period.

This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

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2 MATERIAL ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating units (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses of continuing operations are recognised in the consolidated statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

Assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the assets or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods. Such reversal is recognised in the consolidated statement of comprehensive income.

The Group identified individual rigs along with related assets as CGU for the purposes of impairment assessment of non-financial assets. Further disclosures relating to impairment of non-financial assets are also provided in note 3 (significant accounting estimates, judgements, and assumptions) and note 16 (property and equipment).

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. For years presented, right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

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2 MATERIAL ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

Right-of-use assets (continued)

	2025 years	2024 years
Rigs	Up to 5	Up to 5
Yards and warehouse	4	4
Office premises	5	5
Motor vehicles	3	3
Other equipment	5	5
Furniture and fixture	10	10
Building	20	20

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (i.e., below SAR18,750). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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2 MATERIAL ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Cost of revenue

Cost of revenue includes staff cost, maintenance, depreciation, catering costs, rig move, direct and indirect overheads related to provision of services.

General and administrative expenses

All other expenses, excluding cost of revenue, financial charges, expenses/(gains) related to the acquisitions and other expenses are classified as general and administrative expenses. Allocations of common expenses between cost of revenue and general and administrative expenses, when required, are made on a consistent basis.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount can be reliably estimated. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in consolidated statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period, using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Provisions are reviewed at each consolidated statement of financial position date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Contingencies

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Treasury shares

Own equity instruments issued that are reacquired, or issued and held by the Company (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the consolidated statement of comprehensive income on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the consolidated statement of changes in equity.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Group.

ADES HOLDING COMPANY (Listed Joint Stock Company) AND ITS SUBSIDIARIES

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2 MATERIAL ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. For assets traded in an active market, fair value is determined by reference to quoted market bid prices. The fair value of items is estimated based on discounted cash flows using interest rates for items with similar terms and risk characteristics. For unquoted assets, fair value is determined by reference to the market value of a similar asset or is based on the expected discounted cash flows. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Cash dividend and non-cash distribution to equity holders of the Parent Company

The Group recognises a liability to make cash or non-cash distributions to equity holders of the Parent Company when the distribution is authorised and the distribution is no longer at the discretion of the Group. A distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. Non-cash distributions are measured at the fair value of the assets to be distributed with fair value remeasurement recognised directly in equity. Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the consolidated statement of comprehensive income.

Defined benefit plans (pension benefits)

The cost of the defined benefit pension plan and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates for the respective countries.

Share-based payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised in share-based payment expense, together with a corresponding increase in equity (other capital reserves).

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3 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

Judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the Group's accounting policies, management has made certain judgements, estimates and assumptions in relation to the accounting for the businesses acquired, trade receivables, customer credit periods and doubtful debts provisions, useful lives and impairment of property and equipment, income taxes and various other policy matters. These judgements have the most significant effects on the amounts recognised in the consolidated financial statements.

Consolidation of an entity in which the Group holds less than a majority of voting right (de facto control)

The Group considers that it controls United Precision Drilling Company W.L.L ("UPDC") even though it owns less than 50% of the voting rights. This is mainly because (a) the Group has a substantive right to direct conclusion of revenue contracts, capital expenditures and operational management; (b) the Group has a significantly higher exposure to variability of returns than its voting rights; (c) the Group is the owner of all drilling rigs and equipment and charters the drilling rigs to UPDC on exclusive basis.

The lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms of three to five years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The Group included the renewal period as part of the lease term for leases of property and equipment due to the significance of these assets to its operations. These leases have a short non-cancellable period (i.e., three to five years) and there will be a significant negative effect on operation if a replacement is not readily available.

Judgement in determining whether assets and entity acquired qualify as a business combination

During 2024, the Group acquired rigs and related assets and liabilities (refer to note 5 for details). The Group performed an extensive analysis of the terms of the agreements entered into to give effect to the above transactions and applied the requirements of IFRS 3. Management's evaluation resulted in these transactions qualifying as a business combination.

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3 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS (continued)

Judgement in determining whether assets and entity acquired qualify as a business combination (continued)

Key sources of estimation uncertainty

Fair valuation of the acquired assets as part of business combinations

During 2025 for fair valuation of the identified assets acquired (refer to note 5) which mainly include rigs and inventories, a valuation methodology based on a discounted cash flow (DCF) model was used, as there is a lack of reliable and comparable market data because of the nature of the assets. Key assumptions and estimates used to determine the fair value of the rigs and inventories include the following forecasted information:

- Forecasted day rates and rig utilisation
- Forecasted earnings before interest, tax and depreciation (EBITDA) margin
- Forecasted capital expenses
- Remaining useful life
- Discount factor based on weighted average cost of capital

Impairment of trade and other receivables

The Group recognises an allowance for expected credit losses (ECLs). The Group applies a simplified approach in calculating ECLs with respect to trade and other receivables. Therefore, the Group track changes in credit risk which is assumed as the risk of default in meeting the debt obligation by the Country of respective customers. A forward-looking macroeconomic information is assessed to approximate the result of recognising lifetime expected credit losses. At the consolidated statement of financial position date, gross trade and other receivables were SAR 1,911,776 thousand (2024: SAR 1,528,465 thousand) and the provision for impairment in trade and other receivables was SAR 470,206 thousand (2024: SAR 470,206 thousand), refer to Note 13 for details.

Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the consolidated statement of comprehensive income.

Taxes

The Group is exposed to income and other taxes in certain jurisdictions. Significant judgement is required to determine the total tax liability. Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The tax liability is established, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which the Group-entities operate.

The amount of such liability is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences in interpretation may arise for a wide variety of issues depending on the conditions prevailing in the respective domicile of the Group companies. At the reporting date, the current income tax and zakat payable was SAR 181,753 thousand (2024: SAR 82,468 thousand). and the provision for tax of SAR 507,751 thousand (2024: SAR 36,718 thousand), refer to Note 21-a for details.

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3 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS (continued)

Key sources of estimation uncertainty (continued)

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets for each CGU at each reporting date. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

Management identified each rig along with the related assets as a CGU as generally each rig is contracted to the customer based on a separate customer contract.

Management uses the value in use calculation for impairment testing at each CGU level which is based on a discounted cash flow (DCF) model. The forecasted cash flows are estimated based on the historical performance and current contracted rates. The key assumptions used to determine the recoverable amount for the different CGUs are disclosed and further explained in note 16.

Useful lives of property and equipment

The Group's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Write-down of inventories to net realisable value (NRV)

Inventories are carried at the lower of cost and net realisable value. At the reporting date, gross inventories were SAR 999,105 thousand (2024: SAR 592,198 thousand). At the reporting date, the cumulative allowance for inventories stands at SAR 56,336 thousand (2024: SAR 64,925 thousand). Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in profit or loss in the consolidated statement of comprehensive income.

Defined benefit plans (pension benefits)

The cost of the defined benefit pension plan and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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4 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 eleven geographical segments (31 December 2024: Eight geographical segments). Management monitors the operating results of its segments separately for the purpose of making decisions about resource allocation and performance assessment.

Segment	Egypt SAR'000	Algeria & Tunisia SAR'000	Kingdom of Saudi Arabia SAR'000	Kuwait SAR'000	Qatar SAR'000	India SAR'000	Southeast Asia**** SAR'000	West/Central Africa***** SAR'000	Norway SAR'000	Other ***** SAR'000	Total Segments SAR'000	Corporate SAR'000	Adjustments and Eliminations*** SAR'000	Total equity SAR'000
For the year ended 31 December 2025														
Revenue	644,328	253,465	3,611,510	649,637	309,216	276,780	609,952	171,891	40,163	125,017	6,688,959	-	-	6,688,959
External customers														
Inter-segment****	354,164	-	111,717	-	74,255	-	-	-	-	-	540,136	-	(540,136)	-
Total Revenue	995,492	253,465	3,723,227	649,637	383,471	276,780	609,952	171,891	40,163	125,017	7,229,095	-	(540,136)	6,688,959
Income/ (expenses)														
Cost of revenue*	(204,748)	(169,745)	(1,294,505)	(325,886)	(151,331)	(115,474)	(195,583)	(108,870)	(36,262)	(25,888)	(2,628,292)	-	-	(2,628,292)
General and administrative expenses	(41,141)	(19,003)	(232,653)	(39,545)	(14,212)	(16,581)	(20,592)	(4,271)	(1,290)	(3,599)	(392,887)	(94,062)	-	(486,949)
Finance costs (net)	(33,286)	(15,607)	(780,232)	(43,858)	(15,361)	(14,199)	(31,521)	(4,053)	-	-	(938,117)	(2,419)	-	(940,536)
Depreciation and amortization****	(123,839)	(58,253)	(877,085)	(224,254)	(44,807)	(38,666)	(86,502)	(62,975)	(2,627)	(8,568)	(1,527,576)	-	-	(1,527,576)
Other expenses (net) **	80,500	(16,396)	(120,170)	(13,827)	(17,912)	(13,433)	(44,041)	(16,300)	(4,693)	(4,703)	(170,975)	(122,979)	-	(293,954)
Bargain purchase gain	-	-	-	-	-	-	-	-	-	-	-	21,209	-	21,209
Segment Profit / (Loss)	318,814	(25,539)	306,865	2,267	65,593	78,427	231,713	(24,578)	(4,709)	82,259	1,031,112	(198,251)	-	832,861
Property and equipment	1,375,797	596,281	10,021,975	2,218,650	1,490,702	1,293,388	2,619,144	3,124,124	851,685	1,439,238	25,030,984	-	-	-25,030,984

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Segment	Egypt SAR'000	Algeria & Tunisia SAR'000	Kingdom of Saudi Arabia SAR'000	Kuwait SAR'000	Qatar SAR'000	India SAR'000	Southeast Asia SAR'000	Total Segments SAR'000	Corporate SAR'000	Adjustments and Eliminations*** SAR'000	Total equity SAR'000
For the year ended 31 December 2024											
Revenue	486,016	197,466	4,142,669	615,425	356,135	220,266	181,045	6,199,022	-	-	6,199,022
External customers	448,254	-	33,581	2,850	41,501	-	-	526,186	-	(526,186)	-
Inter-segment ***											
Total Revenue	934,270	197,466	4,176,250	618,275	397,636	220,266	181,045	6,725,208	-	(526,186)	6,199,022
Income/ (expenses)											
Cost of revenue*	(154,555)	(117,396)	(1,699,918)	(290,403)	(176,516)	(89,776)	(60,678)	(2,589,242)	-	-	(2,589,242)
General and administrative expenses	(23,792)	(14,869)	(251,858)	(40,546)	(19,534)	(13,671)	(5,422)	(369,692)	(54,648)	-	(424,340)
Finance costs (net)	(31,135)	(8,297)	(692,055)	(36,709)	(12,846)	(10,912)	(8,732)	(800,686)	(3,229)	-	(803,915)
Depreciation and amortization****	(99,884)	(29,117)	(879,161)	(154,411)	(36,356)	(32,729)	(20,473)	(1,252,131)	-	-	(1,252,131)
Bargain purchase gain	-	-	-	-	-	-	-	-	7,500	-	7,500
Other expenses (net) **	(10,891)	33,896	(103,932)	(23,883)	(13,706)	(9,847)	(11,943)	(140,306)	(180,393)	-	(320,699)
Segment Profit / (Loss)	165,759	61,683	515,745	69,473	97,177	63,331	73,797	1,046,965	(230,770)	-	816,195
Property and equipment	1,091,389	576,800	11,265,380	1,660,430	1,199,929	623,127	1,150,567	17,567,622	-	-	17,567,622

(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) include end of service employment benefits, other expenses (net), income and zakat tax expense, share based payment expense and gain from equity remeasurement FVTPL.
*** 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, Malaysia and Vietnam).
***** West/Central Africa includes (Nigeria and Angola)
***** Others include (Brazil, Italy, Netherlands and UK)
Following the acquisition of Shelf Drilling Ltd, management has reassessed and updated its presentation of segment reporting disclosure.

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5 BUSINESS COMBINATIONS

As part of the Group's strategy to expand its fleet and operations, the Group has acquired new businesses which are accounted for as business combinations.

5.1 Acquisition of Shelf Drilling LTD and its Subsidiaries in 2025

On 25 November 2025, the Group acquired 100% of the issued shares and voting interests in Shelf Drilling Limited, an international offshore drilling contractor specializing in shallow water drilling services using jack-up rigs.

Prior to obtaining control, the Group had acquired an equity interest of approximately 16.5% in Shelf Drilling Limited in August 2025, which was accounted for as a financial asset measured at fair value through profit or loss (FVTPL) in accordance with IFRS 9.

Upon obtaining control of Shelf Drilling Limited, the Group remeasured its previously held interest to fair value in accordance with IFRS 3 – Business Combinations. The resulting remeasurement gain of SAR 88,778 thousand was recognized in profit or loss for the period. The total carrying amount of the investment immediately prior to obtaining control amounted to SAR 320,138 thousand.

The acquisition significantly enhanced the Group's operational scale and geographic presence by adding a fleet of jack-up drilling rigs and expanding operations across multiple offshore markets. Following the transaction, the Group operates an enlarged offshore fleet across several international jurisdictions, strengthening its market position in shallow water drilling services.

Identifiable net assets acquired

The provisional fair values of the identifiable assets and liabilities as at acquisition date were:

	Provisional fair values recognized on acquisition SAR,000
Property and equipment	6,701,242
Inventories	328,768
Accounts receivable and prepayments	940,645
Cash and cash equivalents	379,267
Total assets (provisional)*	8,349,922
Borrowings	5,096,826
Accounts payable and accruals	595,027
Employees' end of service benefits	67,827
Deferred Revenue	75,550
Tax Provisions	470,027
Income tax	70,869
Deferred tax liability	30,030
Total liabilities (provisional)*	6,406,156
Total identifiable net assets at fair value (provisional)*	1,943,766
Gain from bargain purchase	(21,209)
Purchase consideration	1,922,557

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5 BUSINESS COMBINATIONS (continued)

5.1 Acquisition of Shelf Drilling LTD and its Subsidiaries in 2025 (continued)

	Provisional fair values recognized on acquisition SAR,000
Analysis of purchase consideration:	
Cash consideration for acquired interest	1,210,763
Cash consideration relating to previously held interest	231,360
Net cash paid	1,442,123
Outstanding consideration payable**	391,656
Fair value gain of previously held interest	88,778
Purchase consideration	1,922,557
Analysis of cash flow on acquisition (included in cash flows from investing activities)	
Net Cash paid	(1,442,123)
Cash and cash equivalent acquired	379,267
Net cash out flows on acquisition	(1,062,856)

* Additional clarifications and analysis are required to determine the acquisition date fair value of the assets acquired and liabilities assumed. Thus, the assets and liabilities may be subsequently adjusted, with a corresponding adjustment to gain from bargain purchase prior to 25 November 2026 (within one year from the transaction date).
** Outstanding consideration payable amounting to SAR 391,656 thousand is included in trade and other payables (Note 18).

From the date of acquisition, the acquired assets contributed SAR 388,923 thousand of revenue from continuing operations of the Group and reported net profit of SAR 93,280 thousand.

If the combination had taken place at the beginning of the year the acquired business would have contributed SAR 3,871,760 thousand of revenue of continuing operations and would have reported net profit SAR 461,620 thousand.

5.2 Acquisition of Topaz rig along with customer contract and Rig Finance Ltd company in 2024

The Group acquired two jackup rigs along with customer contracts based in Southeast Asia from Vantage. The acquisition date is determined as 30 October 2024. The transaction involves the direct acquisition of the Topaz rig, which is contracted to work in the offshore Malaysia-Thailand joint development area, and the shares of Rig Finance Ltd., which owns the Soehanah jackup based in Indonesia. These acquisitions are accounted for as business combinations in accordance with IFRS 3 Business Combinations. This transaction resulted in gain on bargain purchase because the fair value of identifiable assets and liabilities acquired exceeded the total fair value of the consideration paid. The Group utilised its position as one of the largest jack-up operator and available liquidity position. These have given added synergies to the Group to negotiate a favorable deal with a seller leading to the gain on bargain purchase supported with the management estimate of the fair value.

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5 BUSINESS COMBINATIONS (continued)

5.2 Acquisition of Topaz rig along with customer contract and Rig Finance Ltd company in 2024 (continued)

The group performed an extensive analysis of the terms of the agreements entered into to give effect to these transactions, applying the 'inputs, processes, and outputs' approach required by IFRS 3. Additionally, the group consulted their legal advisor regarding the enforceability of the rights and obligations under these agreements, leading to the evaluation that transaction qualify as business combinations.

Identifiable net assets acquired

The fair values of the identifiable assets and liabilities as at the acquisition were:

	Fair values recognized on acquisition SAR,000
Property and equipment	698,245
Inventories	12,319
Accounts receivable and prepayments	28,439
Cash and cash equivalents	1,864
Total assets	740,867
Accounts payable and accruals	5,902
Employees' end of service benefits	1,387
Total liabilities	7,289
Total identifiable net assets at fair value	733,578
Gain from bargain purchase	(7,500)
Purchase consideration	726,078
Analysis of purchase consideration	
Net cash paid	711,130
Purchase price adjustment	14,948
Purchase consideration	726,078
Analysis of cash flow on acquisition (included in cash flows from investing activities)	
Net Cash paid	(711,130)
Cash and cash equivalent acquired	1,864
Net cash out flows on acquisition	(709,266)

From the date of acquisition to 31 December 2024, the acquired assets contributed SAR 40,542 thousand of revenue from continuing operations of the Group and reported the profit of SAR 22,173 thousand.

If the combination had taken place at the beginning of 2024, the acquired business would have contributed SAR 243,253 thousand of revenue of continuing operations and would have reported profit SAR 133,039 thousand.

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6 REVENUES

	For the year ended	
	31 December 2025 SAR '000	31 December 2024 SAR '000
Revenue from customer contracts		
Units operations	6,037,994	5,919,699
Projects income*	223,625	35,878
Catering services	155,996	150,873
Others	107,048	77,494
Revenue from lease		
Revenue from lease	164,296	15,078
	6,688,959	6,199,022

Refer to note 4 for segment disclosure. The primary operational revenue stream is drilling services (units operations) and the revenue is recognised over the time of service.
*Project income, which is recognized overtime, primarily relates to the oilfield enhancement (exploration and production) agreement in Egypt.
Refer to note 13 and note 19 for trade and other receivables and deferred revenue balances with respect to the customer contracts.

7 COST OF REVENUE

	For the year ended	
	31 December 2025 SAR '000	31 December 2024 SAR '000
Depreciation and amortization (note 16)	1,527,576	1,252,131
Staff cost	1,165,599	1,152,378
Maintenance costs	545,021	547,350
Catering costs	210,097	203,887
Move cost	138,340	119,276
Project direct costs	70,311	15,491
Crew change costs	71,253	78,934
Insurance	51,238	55,014
Rental costs (note 17)	51,093	73,022
Training cost	45,311	52,814
(Reversal)/allowance for inventories (note 12)	(6,900)	1,401
Other costs	286,929	289,675
	4,155,868	3,841,373

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GENERAL AND ADMINISTRATIVE EXPENSES

	For the year ended	
	31 December 2025	31 December 2024
	SAR '000	SAR '000
Staff cost	323,208	288,989
Professional fees	31,692	25,386
Business travel expenses	28,289	22,412
Depreciation and amortisation (note 16)	19,543	16,500
Free zone expenses	16,026	16,711
Communication expenses	7,007	9,871
Bank services charges	5,913	2,169
Rental cost (Note 17)	2,237	2,396
Other expenses	53,034	39,906
	486,949	424,340

Auditor's fee for the statutory audit and review of the Group's consolidated financial statements (including financial statements of certain subsidiaries) for the year ended 31 December 2025 amounted to SAR 5.950 million (2024: SAR 3.855 million).

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FINANCE COSTS, NET

	For the year ended	
	31 December 2025	31 December 2024
	SAR '000	SAR '000
Interest cost:		
Loan interest expenses*	841,481	762,828
Amortisation of loan transaction costs	76,824	46,223
Interest on lease liabilities (note 17)	35,464	39,877
Interest rate swap related finance income	(34,965)	(79,351)
Interest on overdraft facilities	8,449	10,870
Unwinding on a long-term receivable	(2,302)	(5,380)
Other finance cost:		
Guarantees related finance costs	21,009	20,867
Other finance (income)/cost, net	(5,424)	7,981
	940,536	803,915

* During the year ended 31 December 2025, the gross interest is SAR 851,275 thousand (2024: SAR 784,076 thousand) and the Group capitalized borrowing costs of SAR 9,794 thousand (2024: SAR 21,248 thousand) that is related to the capital refurbishment projects of the rigs that require substantial time to prepare such rigs for their intended use.

Loan interest expenses comprise amount of SAR 739,823 thousand (2024: SAR 709,238 thousand) under Islamic Banking Facilities (Sharia compliant) and amount of SAR 101,658 thousand (2024: SAR 53,590 thousand) under conventional facilities.

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10

INCOME TAX AND ZAKAT

Consolidated statement of comprehensive income:

	For the year ended	
	31 December 2025	31 December 2024
	SAR '000	SAR '000
Current income tax	109,546	50,859
Deferred tax charge	26,263	28,587
	135,809	79,446
Zakat expense	76,258	75,205
	212,067	154,651

	For the year ended	
	31 December 2025	31 December 2024
	SAR '000	SAR '000
Profit before income tax	1,044,928	970,846
Tax calculated at domestic tax rates applicable to profits in the primary jurisdiction of 8.89 % (2024: 8.89 %)	92,868	86,284
Effect of different tax rates in countries in which the Group operates	108,439	70,162
Non-deductible expenses	59,390	13,389
Non-taxable income	(133,630)	(90,389)
Adjustments in respect of current income tax of previous years	8,742	-
Income tax expense recognized in the consolidated Statement of comprehensive income	135,809	79,446

The effective tax rate is 20.3% (2024: 15.9%)

The Group operates across multiple jurisdictions which are subject to tax rates different than the effective statutory corporate tax rate of 8.89% (2024: 8.89%) (including Zakat tax rate of 2.5%) the mainly reason for the change the domestic's tax base which subject to income tax has been reduced.

Consolidated statement of financial position:

	For the year ended	
	31 December 2025	31 December 2024
	SAR '000	SAR '000
Opening balance	82,468	30,218
Acquired as part of business combination (Note 5)	70,869	-
Charge for the year	185,804	126,064
Paid during the year	(157,388)	(73,814)
	181,753	82,468
Current	144,986	82,468
Non-current	36,767	-
	181,753	82,468

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10 INCOME TAX AND ZAKAT (continued)

Deferred tax recognise during the year relates to the following:

	For the year ended	
	31 December 2025 SAR '000	31 December 2024 SAR '000
Deferred tax assets/(liabilities)		
Property and equipment	(60,048)	(27,538)
Withholding Tax credit	29,429	-
Provision and others	3,969	943
Provision for employee terminal benefits	387	(1,992)
Derivative financial instruments – cash flow hedges (Note 28-a)	3,903	684
Remeasurement on defined benefit plans (Note 21-b)	1,531	(4,647)
Fair value reserve of financial assets at FVOCI (Note 28-b)	187	(187)
	<u>(20,642)</u>	<u>(32,737)</u>

Reconciliation of deferred tax liabilities, net:

	31 December 2025 SAR '000	31 December 2024 SAR '000
Opening balance	(94,068)	(61,331)
Acquired as part of business combination (Note 5)	(30,030)	-
Movement for the year	(20,642)	(32,737)
	<u>(144,740)</u>	<u>(94,068)</u>

Deferred tax (expense)/benefit for the year is charged to consolidated statement of comprehensive income:

	For the year ended	
	31 December 2025 SAR '000	31 December 2024 SAR '000
Profit or loss - income tax and zakat expense	(26,263)	(28,587)
Other comprehensive gain/(loss)	5,621	(4,150)
	<u>(20,642)</u>	<u>(32,737)</u>

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10 INCOME TAX AND ZAKAT (continued)

Components of zakat base

The Group and its local subsidiary registered under the Saudi Arabian law, file their zakat and income tax declaration on a standalone basis. The significant components of the zakat base of the Group, as per the new zakat regulations, are principally comprised of the difference between book net profit and adjusted net profit plus equity and equivalents plus non-current liabilities and current liabilities in excess of current assets (limited to deductible assets) less deductions. In addition, the zakat base is subject to a minimum and maximum cap as specified under the new zakat regulations.

Income tax and zakat assessments

The Company, along with certain affiliates are subject to zakat and tax review and audits in the jurisdictions where they operate.

For the Saudi Arabia domestic entities, the zakat and tax declarations for up to the year 2024 have been filed. However, the final assessments have not yet been raised by tax authorities. During 2024 and 2025, the General Authority of Zakat, Tax, and Customs ("ZATCA") initiated tax audit by requesting specific information and analysis for year 2023 for both ADES Holding Company and the KSA Branch of ADES GCC For Drilling. ADES Holding Tax inspection has been finalized and accepted with no material differences. Branch of ADES GCC tax inspection is still ongoing.

For other international entities, the examination of tax returns for certain prior years is still pending or ongoing. However, the Group is not aware of any material claims that may result in material additional tax payments and, as such, no provisions have been recorded in the consolidated financial statements.

Pillar two rules

The Organisation for Economic Co-operation and Development (OECD) / G20 Inclusive Framework on Base Erosion and Profit Shifting has issued the Pillar Two global minimum tax rules ("GloBE Rules"), which are designed to ensure that large multinational enterprise groups are subject to a minimum effective tax rate of 15 percent in each jurisdiction in which they operate.

The Group is within the scope of the Pillar Two legislation as it exceeds the consolidated revenue threshold of EUR 750 million and operates across multiple jurisdictions. Certain jurisdictions in which the Group operates have enacted or substantively enacted Pillar Two legislation, including rules relating to the Income Inclusion Rule ("IIR") and Domestic Minimum Top-up Tax ("DMTT").

For the year ended 31 December 2025, the Group recognised a current tax expense of SAR 25,421 thousand (31 December 2024: Nil) in respect of the Pillar Two global minimum top-up tax, which has been presented within income tax expense in the consolidated statement of profit or loss.

In accordance with the amendments to IAS 12 – International Tax Reform (Pillar Two Model Rules), the Group has applied the mandatory temporary exception from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. Accordingly, the top-up tax is recognised as current tax in the period in which it arises.

The Group continues to monitor the implementation of Pillar Two legislation across the jurisdictions in which it operates and will update its assessment as further legislation becomes effective.

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11 CASH AND CASH EQUIVALENTS

	31 December 2025 SAR'000	31 December 2024 SAR'000
Bank balances	1,586,647	743,803
Time deposits*	871,188	-
Cash on hand	614	384
	<u>2,458,449</u>	<u>744,187</u>

* The average rate on time bank deposits during 2025 is 3.84 % per annum with an average maturity of less than one month.

12 INVENTORIES

	31 December 2025 SAR'000	31 December 2024 SAR'000
Spare parts, supplies and consumables at:		
Offshore rigs	678,021	387,356
Warehouse and yards	201,247	90,685
Onshore rigs	68,233	49,232
	<u>947,501</u>	<u>527,273</u>

As at 31 December 2025, the inventories are stated net of provision for impairment of inventory amounting to SAR56,336 thousand (31 December 2024: SAR 64,925 thousand).

	31 December 2025 SAR'000	31 December 2024 SAR'000
Opening balance	64,925	65,797
Charge during the year	18,502	1,401
Reversal during the year	(25,402)	-
Write off during the year	(1,689)	(2,273)
	<u>56,336</u>	<u>64,925</u>

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13 TRADE AND OTHER RECEIVABLES

	31 December 2025 SAR'000	31 December 2024 SAR'000
Trade receivables	1,178,586	1,003,794
Provision for impairment of trade receivables	(470,206)	(470,206)
	<u>708,380</u>	<u>533,588</u>
Unbilled receivables*	733,190	524,671
Invoice retention**	261,251	324,245
	<u>1,702,821</u>	<u>1,382,504</u>
Current	1,690,838	1,382,504
Non-current	11,983	-
	<u>1,702,821</u>	<u>1,382,504</u>

Trade receivables are non-interest bearing and are generally on 30 to 90 days terms, except for one customer balance which is fully impaired, after which trade receivables are considered to be past due. Unimpaired trade receivables are expected to be fully recoverable based on the past experience. It is not the practice of the Group to obtain collateral over receivables and the vast majority are, therefore, unsecured.

* There was no impairment of unbilled receivable and hence no ECL has been recorded (31 December 2024: Nil). Unbilled receivables are neither overdue nor impaired.
**This represents the amounts retained by the customers on the sales invoices as per the terms of the customer contracts.

As at 31 December, the aging analysis of trade receivables (net of impairment) are as follows:

		Past due but not impaired				
	Neither past due nor impaired SAR'000	<30 days SAR'000	30 – 60 days SAR'000	61 - 90 days SAR'000	>90 days SAR'000	Total SAR'000
2025	<u>535,376</u>	<u>97,562</u>	<u>20,756</u>	<u>4,683</u>	<u>50,003</u>	<u>708,380</u>
2024	<u>333,493</u>	<u>92,448</u>	<u>45,788</u>	<u>27,464</u>	<u>34,395</u>	<u>533,588</u>

ADES HOLDING COMPANY (Listed Joint Stock Company) AND ITS SUBSIDIARIES

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PROPERTY AND EQUIPMENT (continued)

31 December 2024	Rigs	Furniture and fixtures	Drilling pipes	Tools	Assets under construction	IT equipment	Motor vehicles	Leasehold improvement	Building	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	SAR '000
Cost:											
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	934,964	1,454	7,047	48,699	712,314	3,818	298	58,101	-	-	1,766,695
Acquisitions through business combinations (Note 5)	698,245	-	-	-	-	-	-	-	-	-	698,245
Transfers	3,099,964	64	3,071	79,577	(3,197,645)	33	564	-	14,372	-	-
As at 31 December 2024	18,712,639	18,674	158,663	631,259	458,949	15,036	3,097	694,330	34,450	58,478	20,785,575
Accumulated depreciation and impairment:											
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	(864,446)	(2,279)	(24,241)	(57,468)	-	(2,910)	(426)	(132,842)	(1,403)	-	(1,086,015)
Reversal of impairment	38,913	-	-	-	-	-	-	-	-	-	38,913
As at 31 December 2024	(2,651,702)	(5,700)	(110,038)	(231,014)	(2,870)	(9,186)	(2,095)	(203,945)	(1,403)	-	(3,217,953)
Net book value:											
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

Most of the rigs are pledged to the lenders (banks) against loans and borrowings (note 20).

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PROPERTY AND EQUIPMENT (continued)

Impairment assessment and key assumptions used in value in use calculations.

Based on the impairment assessment, Management concluded that recoverable values are higher than the net carrying values of all individual assets. The calculation of value in use is most sensitive to the following assumptions:

- Day rates, EBITDA margins and utilisation days of rigs
- Discount rates
- Remaining useful lives of rigs and estimated future capital expenditures.

Day rates, gross margins and utilisation days – Day rates, gross margins and utilisation days of rigs are estimated based on historical results and the current customer contracts. These are increased over the budget period due to efficiency improvements.

Allocation of depreciation charge:

Depreciation and amortization charge is allocated as follows:

	For the year ended	
	31 December 2025	31 December 2024
	SAR '000	SAR '000
Cost of revenue (note 7)	1,527,576	1,252,131
General and administrative expenses (note 8)	19,543	16,500
Total depreciation and amortization charge*	1,547,119	1,268,631

* Total depreciation and amortization charge for the year includes depreciation of property and equipment of SAR 1,325,416 thousand (31 December 2024: SAR 1,086,015 thousand), amortization of intangible assets and depreciation of right of use assets of SAR 1,145 thousand (31 December 2024: SAR 913 thousand) and SAR 220,558 thousand (31 December 2024: SAR 181,703 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 year ended 31 December 2025, the Group completed capital projects for the amount of SAR 1,437,859 thousand (31 December 2024: SAR 3,197,645 thousand) and transferred to the relevant asset categories.

During the year ended 31 December 2025, the Group capitalized borrowing costs of SAR 9,794 thousand (2024: SAR 21,248 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% (31 December 2024: 7.35%) which is the effective interest rate of the related borrowings.

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17 LEASES

17-a Right of use assets

Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the year:

	Rigs	Yards and warehouse	Office premises	Motor vehicles	Other equipment	Total
31 December 2025	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000
Cost:						
As at 1 January 2025	618,828	20,656	25,165	32,762	126,609	824,020
Additions	-	8,257	9,533	30,010	116,008	163,808
Acquisitions through business combinations (Note 5)	4,726	15,964	11,593	4,195	90	36,568
Terminated *	-	(10,516)	(1,598)	(8,525)	(16,249)	(36,888)
Other adjustments	-	-	-	(7,316)	(1,226)	(8,542)
As at 31 December 2025	623,554	34,361	44,693	51,126	225,232	978,966
Accumulated Depreciation						
As at 1 January 2025	(210,574)	(17,666)	(11,622)	(22,091)	(67,921)	(329,874)
Depreciation (note 16)	(124,220)	(6,943)	(9,055)	(12,829)	(67,511)	(220,558)
Terminated *	-	10,516	1,542	6,564	5,260	23,882
Other adjustments	-	(7)	-	8,504	(26)	8,471
As at 31 December 2025	(334,794)	(14,100)	(19,135)	(19,852)	(130,198)	(518,079)
Net Book Value						
At 31 December 2025	288,760	20,261	25,558	31,274	95,034	460,887

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17 LEASES (continued)

17-a Right of use assets (continued)

Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the year (continued):

	Rigs	Yards and warehouse	Office premises	Motor vehicles	Other equipment	Total
31 December 2024	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000
Cost:						
As at 1 January 2024	610,655	20,084	23,619	30,277	113,143	797,778
Additions	8,173	982	1,546	5,963	18,703	35,367
Terminated *	-	(56)	-	(3,137)	(4,964)	(8,157)
Other adjustments	-	(354)	-	(341)	(273)	(968)
As at 31 December 2024	618,828	20,656	25,165	32,762	126,609	824,020
Accumulated Depreciation						
As at 1 January 2024	(85,750)	(14,104)	(6,560)	(13,577)	(34,170)	(154,161)
Depreciation (note 16)	(124,824)	(3,463)	(4,989)	(10,672)	(37,755)	(181,703)
Terminated *	-	56	-	2,158	3,739	5,953
Other adjustments	-	(155)	(73)	-	265	37
As at 31 December 2024	(210,574)	(17,666)	(11,622)	(22,091)	(67,921)	(329,874)
Net Book Value						
At 31 December 2024	408,254	2,990	13,543	10,671	58,688	494,146

* Leases terminated during the years ended 31 December 2025 and 2024 have no impact on the cashflows of the Group. Accordingly, these are considered as non-cash transactions in the consolidated statement of cash flows.

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17 LEASES (continued)

17-b Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	31 December 2025 SAR'000	31 December 2024 SAR'000
Opening balance	515,489	643,826
Acquired as part of business combination	21,532	-
Additions	163,808	35,004
Lease modification-Terminations	(12,818)	(2,204)
Lease modification-Other adjustments	66	(66)
Accretion of interest	35,464	39,877
Payments	(238,604)	(200,948)
	484,937	515,489
Current (note 18)	222,005	163,115
Non-current	262,932	352,374
	484,937	515,489

The following are the amounts recognised in the consolidated statement of comprehensive income for year:

	For the year ended	
	31 December 2025 SAR'000	31 December 2024 SAR'000
Depreciation expense of right-of-use assets	220,558	181,703
Interest expense on lease liabilities (note 9)	35,464	39,877
Expense relating to short-term leases (Included in Cost of revenue as rental costs) (note 7)	51,093	73,022
Expense relating to short-term lease (Included in General and administrative expenses as rental costs) (note 8)	2,237	2,396
Total amount in the consolidated statement of comprehensive income	309,352	296,998

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18 TRADE AND OTHER PAYABLES

	31 December 2025 SAR'000	31 December 2024 SAR'000
Trade payables*	957,303	736,576
Accrued expenses	404,889	221,591
Lease liabilities (note 17-b)	222,005	163,115
Outstanding acquisition consideration payable	391,656	18,222
Accrued interest	41,892	43,243
Other payables	134,602	87,561
	2,152,347	1,270,308
Current	2,133,993	1,270,308
Non-current	18,354	-
	2,152,347	1,270,308

* Trade payables are non-interest bearing and are normally settled by the Group within 60-180 day terms.

19 DEFERRED REVENUE

	31 December 2025 SAR'000	31 December 2024 SAR'000
Opening balance	1,038,938	867,661
Acquired as part of business combination (Note 5)	75,550	-
Additions	138,410	567,319
Revenue recognized	(456,438)	(396,042)
	796,460	1,038,938
Current	360,206	358,976
Non-current	436,254	679,962
	796,460	1,038,938

Deferred revenue mainly represents the amounts collected from the customers for mobilization of the rigs which is recognized over time.

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20 INTEREST BEARING LOANS AND BORROWINGS

	31 December 2025 SAR'000	31 December 2024 SAR'000
Opening balance	12,056,690	10,349,698
Acquired as part of business combination (Note 5)	5,096,826	-
Borrowings drawn during the year	10,727,743	3,193,562
Borrowings repaid during the year*	(7,652,658)	(1,427,773)
Amortised/(unamortised) arrangement fees, net	21,064	(58,797)
	20,249,665	12,056,690
Current	2,290,203	1,331,334
Non-current	17,959,462	10,725,356
	20,249,665	12,056,690

* This includes settlement of the full outstanding bond balance acquired through the business combination.

Type	Original tenor	31 December 2025 SAR'000	31 December 2024 SAR'000
Current loans and borrowings			
Loan 1 Syndication Facility A	8 Years	413,631	295,086
Loan 1 Syndication Facility C	8 Years	240,000	180,000
Loan 1 Syndication Facility D	8 Years	724,943	77,000
Loan 2 BSF	7 Years	217,446	184,924
Loan 3 SNB	8 Years	179,002	133,888
Loan 4 AL Rajhi	8 Years	142,845	142,782
Loan 5 Al Inmaa	8 Years	320,294	266,157
Loan 6 Al Mashreq	5 Years	4,950	6,600
Credit Facility 1 – ABK		47,092	38,328
Credit Facility 2 – SAIB		-	4,651
Credit Facility 3 – EGB		-	1,918
Total current loans and borrowings		2,290,203	1,331,334

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20 INTEREST BEARING LOANS AND BORROWINGS (continued)

Type	Original tenor	31 December 2025 SAR'000	31 December 2024 SAR'000
Non-current loans and borrowings			
Loan 1 Syndication Facility A	8 Years	2,242,300	2,657,914
Loan 1 Syndication Facility C	8 Years	1,240,000	1,480,000
Loan 1 Syndication Facility D	8 Years	8,981,236	1,022,999
Loan 2 BSF	7 Years	1,527,465	1,336,875
Loan 3 SNB	8 Years	912,627	1,091,623
Loan 4 AL Rajhi	8 Years	992,485	1,135,328
Loan 5 Al Inmaa	8 Years	2,063,349	1,995,667
Loan 6 Al Mashreq	5 Years	-	4,950
Total non-current loans and borrowings		17,959,462	10,725,356
Total loans and borrowings*		20,249,665	12,056,690

* The Group's loans and borrowings comprise amount of SAR 17,170,066 thousand (2024: SAR 10,926,768 thousand) under Islamic Banking Facilities (Sharia compliant) and amount of SAR 3,079,599 thousand (2024: SAR 1,129,922 thousand) under conventional facilities.

Loans and borrowings carries coupon interest, based on SOFR and SAIBOR with average margin range of 0.9%-1.5% p.a. (2024: 0.9%-1.5% p.a).

The Group has secured loans and borrowings as follows:

- Loan 1 Syndication Facility A, B, C, D and E

In November 2021, ADES Arabia Holding Company (an entity under common control) and ADES Saudi Limited Company (a subsidiary of the Group) jointly signed a syndication term loan facility agreement with a facility total amount of USD 310 million (SAR 1,162.5 million) and USD 1,290 million (SAR 4,837.5 million) divided over eight banks which include Goldman Sachs Bank USA, Riyadh Bank, Arab Petroleum Investments Corporation (APICORP), Banque Saudi Fransi, Gulf International Bank B.S.C., The Saudi National Bank, Al Rajhi Banking and Investment Corporation and Arab National Bank. During 2022, additional lender Saudi Awwal Bank (formerly known as The Saudi British Bank) ('SAB') acceded to the agreement as the ninth lender.

Facility A is repayable in half-yearly instalments effective from June 2022 to December 2029. Facility C is repayable in half-yearly instalments effective from June 2023 to December 2029. As at 31 December 2025, the principal amount outstanding is USD 735 million (equals to SAR 2.756 billion) (31 December 2024: USD 819 million (equals to SAR 3.07 billion)) and USD 395 million (equals to SAR 1,480 million) (31 December 2024: USD 442 million (equals to SAR 1,660 million)) of Facility A and C, respectively. During the year ended 31 December 2025, the Group has repaid SAR 315 million (31 December 2024: SAR 315 million) and SAR 180 million (31 December 2024: SAR 180 million) of Facility A and C, respectively.

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20 INTEREST BEARING LOANS AND BORROWINGS (continued)

- Loan 1 Syndication Facility A, B, C, D and E (continued)

Facility B is a revolving credit facility ("RCF") with the original total amount of USD 150 million (equals to SAR 562.5 million). During the period ended 31 December 2023, one of the existing lenders under the syndicated facility increased their participation with additional USD 150 million (equals to SAR 562.5 million) under Facility B which has increased Facility B total commitments to USD 300 million (equals to SAR 1,125 million). RCF facility is valid till 31 December 2028 with a requirement to clean down the balance once in each calendar year. As at 31 December 2025, the principal amount outstanding is Nil (31 December 2024: nil).

On 14 July 2024, the Group signed an amendment to its existing syndicated facility, securing an additional USD 3 billion, with the majority of existing lenders participating along with new, leading local and regional financial institutions (Alinma Bank, Bank Aljazira and Commercial Bank of Dubai PSC). The new USD 3 billion upsized financing is predominantly intended as a standby facility for the Group's ambitious expansion plans, divided into the equivalent of a USD 2.7 billion standby term tranche (Facility D). and additional USD 300 million Revolving Credit Facility (RCF) (Facility E). The USD 2.7 billion standby term tranche has 8.5 years term with a final maturity in December 2032, including a 12-month grace period. The amount to be utilized under the standby term tranche shall be repaid on a semi-annual basis at the final maturity date. RCF (Facility E) has 8 years with a final maturity in June 2032. During year 31 December 2025, the Group has utilized from tranche of USD 2,58 billion (equals to SAR 9,706 billion) (31 December 2024: USD 293 million (equals to SAR 1,099 million). During the year ended 31 December 2025, the Group has repaid SAR 419 million (31 December 2024: Nil). The loan 1 Syndication Facility is secured against pledge over certain rigs, assignment of proceeds over the rigs related to customer contracts, pledge over related collection accounts, and assignments of related insurance claims.

- Loan 2 BSF

In March 2022, ADES Saudi Limited Company signed a loan agreement with total amount of USD 380 million (equals to SAR 1,425 million) with Banque Saudi Francis. The loan is repayable in 27 Quarterly instalments effective from March 2023 to September 2029. During 2024, BSF facility was upsized with additional SAR 824 million which long-term. As at 31 December 2025, the principal amount outstanding is USD 468 million (equals to SAR 1,755 million) (31 December 2024: USD 407 million (equals to SAR 1,530 million)) and the proceeds were used for acquisition and refurbishment of rigs and acquisition of equipment. The facility includes additional limit to be utilized for the issuance of letter of guarantees amounting to SAR 187.5 million, additional overdraft limit with SAR 30 million and additional multipurpose limit to cover working capital needs including issuance for letter of guarantees and short-term loans with total amount of SAR 150 million (31 December 2024: SAR Nil). During the year ended 31 December 2025, the Group has repaid SAR 187 million (31 December 2024: SAR 153 million). The Loan 2 BSF is secured against pledge over certain rigs, assignment of proceeds over the rigs related to customer contracts, pledge over related collection accounts, and assignments of related insurance claims.

- Loan 3 SNB

In April 2022, ADES Saudi Limited Company signed a loan agreement with total amount of USD 400 million (equals to SAR 1,500 million) with the Saudi National Bank. The loan is repayable in 29 Quarterly instalments effective from April 2023 to April 2030. As of 31 December 2025, the principal amount outstanding is USD 292 million (equals to SAR 1,095 million) (31 December 2024: USD 328 million (equals to SAR 1,230 million)) and the proceeds were used for the acquisition and refurbishment of the rigs and acquisition of equipment. During the year ended 31 December 2025, the Group has repaid SAR 135 million (31 December 2024: SAR 135 million). Loan 3 SNB is secured against pledge over certain rigs, assignment of proceeds over related clients' contracts, pledge over certain collection accounts, and assignments of related insurance claims.

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20 INTEREST BEARING LOANS AND BORROWINGS (continued)

- Loan 4 AL Rajhi

In June 2022, ADES Saudi Limited Company signed a loan agreement with total amount of SAR 937.5 million (USD 250 million) with Al Rajhi Banking & Investment Corporation. The loan is repayable in 29 quarterly instalments effective from July 2023 to July 2030. During 2022, ADES Saudi Limited Company and the bank agreed to increase the total loan amount to reach SAR 1,500 million (USD 400 million). As at 31 December 2025, the principal amount outstanding is USD 304 million (equals to SAR 1,140 million) (31 December 2024: USD 342 million (equals to SAR 1,284 million)) and used the proceeds for the acquisition and refurbishment of rigs and acquisition of equipment. During the year ended 31 December 2025, the Group has repaid SAR 144 million (31 December 2024: SAR 144 million). The Loan 4 AL Rajhi is secured against pledge over certain rigs, assignment of proceeds over related clients' contracts, pledge over certain collection accounts, and assignments of certain insurance claims.

- Loan 5 Al Inmaa Facility

In July 2022, ADES Saudi Limited Company jointly signed a loan agreement in the amount of SAR 2,693 million (USD 2,693 million) with Al Inmaa Bank. The loan is repayable in 15 Semi-annual instalments effective from September 2023 to September 2030. During 2022, the Company utilized SAR 2,500 million (equals to USD 666.7 million)). As at 31 December 2025, the principal amount outstanding is USD 639 million (equals to SAR 2,396 million) (31 December 2024: USD 607 million (equals to SAR 2,277 million)) and used the proceeds for the acquisition and refurbishment of rigs and acquisition of equipment. The Al Inma facility includes a separate line amounting to SAR 150 million for the purpose of covering short-term working capital needs, During the year ended 31 December 2025, the Group has repaid SAR 296 million (31 December 2024: Nil) related to the long-term loan, and Nil (31 December 2024: Nil) related to working capital line. This is due to rescheduling the contract with new terms and agreed on one year grace period from 1st April 2024 to 1st April 2025. Facility is secured against pledge over certain rigs, assignment of proceeds over clients' contracts, pledge over collection accounts, and assignments of insurance claims.

- Loan 6 Mashreq Loan

During 2021, the Group obtained a loan facility of KWD 2.7 million (equals to SAR 33 million) from Mashreq Bank PSC to facilitate the purchase of usufruct land and construction of the administrative building. This loan is repayable in 18 quarterly equal instalments effective from June 2022. The loan is denominated in Kuwaiti Dinar. As at 31 December 2025, the principal amount outstanding is SAR 5 million (31 December 2024: SAR 11.5 million). During the year ended 31 December 2025, the Group has repaid SAR 6.6 million (31 December 2024: SAR 6.6 million). The facility is secured by a first-degree mortgage over the usufruct land and building under capital work in progress.

Bank credit facilities

Credit Facility 1 is granted by Al Ahli Bank of Kuwait (ABK) with an overdraft facility limit amounting to USD 15 million equivalent to SAR 56 million which is secured by promissory note & is renewable.

Credit Facility 2 is granted by Société Arabe International De Banque – Egypt (SAIB) with a total amount of USD 5 million as equivalent to SAR 18,7 million for overdrafts which is secured by promissory note & is renewable.

Credit Facility 3 is granted by Egyptian Gulf Bank (EGB) with an overdraft facility limit amounting to USD 17.5 million equivalent to SAR 65.7 million available for overdrafts and/or Letters of Guarantee, which is renewable and secured by promissory note.

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20 INTEREST BEARING LOANS AND BORROWINGS (continued)

Bank credit facilities (continued)

Credit Facility 4 is granted by the Export Development Bank of Egypt (EBE) with a non-secured facility limit amounting to USD 12 million equivalent to SAR 45 million available for overdrafts &/or Letters of Guarantee which is secured by promissory note & is renewable.

Credit Facility 5 is granted by Emirates National Bank of Dubai S.A.E with a total amount of USD 20 million equivalent to SAR 75 million available for overdrafts &/or Letters of Guarantee which is secured by promissory note & is renewable.

Credit Facility 6 is granted by Abu Dhabi Commercial Bank – Egypt (ADCB) with a total amount of USD 4 million equivalent to SAR 15 million available for overdrafts &/or Letters of Guarantee which is secured by promissory note & is renewable.

Credit Facility 7 is granted by Suez Canal Bank (SCB) with an overdraft facility limit amounting to USD 18 million equivalent to SAR 67.5 million available for overdrafts &/or Letters of Guarantee available for overdraft. It is secured by promissory note & is renewable.

The bank overdrafts do not form part of the cash and cash equivalents as these are not integral part of the Group's liquidity management.

The secured bank loan is 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, while management is proactively monitoring the covenants on looking forward basis. As of 31 December 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.

21 PROVISIONS

	31 December 2025 SAR'000	31 December 2024 SAR'000
Tax provision*	507,751	36,718
Employees end of service benefit	303,067	159,142
	810,818	195,860
Current	326,672	7,289
Non-Current	484,146	188,571
	810,818	195,860

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21 PROVISIONS (continued)

21-a Tax Provisions:

	31 December 2025 SAR'000	31 December 2024 SAR'000
Opening balance*	36,718	10,286
Acquired as part of business combination (note 5) **	470,027	-
Unwinding of interest	1,230	-
Charge during year	873	30,448
Paid during year	(1,097)	(4,016)
	507,751	36,718
Current	326,672	7,289
Non-current	181,079	29,429
	507,751	36,718

* Tax provisions primarily represent provision made for withholding taxes which are borne by the Group. The Group is subject to withholding taxes on intercompany lease agreements entered into between its subsidiaries in different countries. The Group is reasonably certain that the portion of withholding taxes suffered can be claimed as tax refund which is contingent upon successful completion of the required registrations under the relevant double tax treaties. The Group does not expect any further liability and is confident that the tax refund will be obtained for the future withholding taxes to be paid upon settlement of the lease related liabilities between the subsidiaries.

** The provisions recognized as part of the business combination represent the fair value of tax exposures assumed on acquisition of Shelf Drilling Limited, including matters relating to VAT, transfer pricing and other indirect taxes across certain jurisdictions

21-b Employees end of service benefit:

Provision is made for the full amount of end of service benefits in accordance with Local Labour Laws of each relevant jurisdiction. These benefits are unfunded. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

	31 December 2025 SAR'000	31 December 2024 SAR'000
Present value of defined benefit obligation	303,067	159,142
Charged on the consolidated statement of comprehensive income is as follows:		
Current service cost	45,493	42,140
Interest cost on benefit obligation	7,943	9,364
Net benefit expense	53,436	51,504

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21 PROVISIONS (continued)

21-b Employees end of service benefit: (continued)

Movement in employees' end of service benefit during the year is as follows:

	31 December 2025	31 December 2024
	SAR '000	SAR '000
Opening balance	159,142	199,144
Acquired as part of business combinations (Note 5)	67,827	1,387
Net benefit expense	53,436	51,504
Remeasurement loss/(gain) on defined benefit plans	47,323	(72,963)
Benefits paid	(24,661)	(19,930)
	303,067	159,142

Principal actuarial assumptions	31 December 2025	31 December 2024
1- KSA		
Weighted average duration of defined benefit obligation	6 years and 9 years	7 years and 11 years
Discount factor used	4.6% - 5%	5.2% - 5.4%
Salary increases rate	3%	3%
Mortality rate	100%WHO SA19	100%WHO SA19
Rates of employee's turnover	5% - 16%	9% - 22%
2- Kuwait		
Weighted average duration of defined benefit obligation	10 years	10 years
Discount factor used	4.20%	4.55%
Salary increases rate	5%	3%
Mortality rate	100% WHO Ku19	100% WHO Ku19
Rates of employee's turnover	1.5% - 3%	1.5% - 2.5%
3- Qatar		
Weighted average duration of defined benefit obligation	5 years	6 years
Discount factor used	4%	4.80%
Salary increases rate	3%	3%
Mortality rate	75% of WHO Qa19	75% of WHO Qa19
Rates of employee's turnover	11% - 12%	8% - 12%
4- India		
Weighted average duration of defined benefit obligation	2 years	9 years
Discount factor used	5.7%	7%
Salary increases rate	5%	5%
Mortality rate	100% IALM 2012-14	100% IALM 2012-14
Rates of employee's turnover	2% - 12%	8%
5- Thailand		
Weighted average duration of defined benefit obligation	3 years	6 years
Discount factor used	3%	4.4%
Salary increases rate	3%	3%
Mortality rate	100% WHO Th19	100% WHO Th19
Rates of employee's turnover	2% - 5%	5%

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22 SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

	31 December 2025	31 December 2024
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	(24,913)	(28,127)
Outstanding share capital in SAR'000	1,104,150	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.

The shareholding structure of the Company as at 31 December 2025 is as follows:

Shareholders	Shareholding %	No. of shares '000	Value SAR'000
ADES Investment Holding LTD	36.5	412,277	412,277
Public Investment Fund	23.8	268,548	268,548
Zamil Investments	6.7	75,647	75,647
Free Float	30.8	347,678	347,678
Treasury Shares	2.2	24,913	24,913
	100	1,129,063	1,129,063

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

Shareholders	Shareholding %	No. of shares '000	Value SAR'000
ADES Investment Holding LTD	36.5	412,277	412,277
Public Investment Fund	23.8	268,548	268,548
Zamil Investments	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

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23 EARNINGS PER SHARE

Basic earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to the equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the year 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 31 December 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:

	For the year ended	
	31 December 2025	31 December 2024
	SAR '000	SAR '000
Profit for the year attributable to the ordinary equity holders of the Parent Company for basic and diluted EPS (SAR '000)	818,016	802,498
Weighted average number of ordinary shares outstanding in thousands ('000) – basic and diluted	1,101,446	1,097,325
Earnings per share – basic and diluted (in SAR per share)	0.74	0.73

24 EQUITY SETTLED SHARE-BASED PAYMENTS

During the year ended 31 December 2025, the Directors resolved to grant 3,218 thousand ordinary shares, (31 December 2024: 5,752 thousand ordinary shares), with a par value of SAR1.00 each to certain employees of the Group from the treasury shares held by the Company. The effective date of the awards are 3 August 2025. According to the approved terms of the granted shares, the shares vested as granted and are not subject to performance or any other conditions.

For the year ended 31 December 2025, as a result of the awards discussed above, the Group has recognized expense arising from equity-settled share-based payment transactions amounting to SAR40,381 thousand (2024: SAR110,647 thousand) in the consolidated statement of comprehensive income, with a corresponding increase in share-based payment reserve account in the consolidated statement of changes in equity. The amount of expense recognized represents the fair value of the shares at the award dates.

Out of the total awarded shares 3,214 thousand shares amounting to SAR40,334 thousand have been allotted from the treasury shares held by the Company and accordingly have been transferred from the treasury shares and share payment reserve to retained earnings in the consolidated statement of changes in equity. The remaining awarded shares will remain as treasury shares until they are allotted to the respective employees. After the transfer of the awarded shares that have been allotted from treasury shares, share based payment reserve amounted to SAR166 thousand as at 31 December 2025, (31 December 2024: SAR119 thousand).

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25 RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties represent the shareholders that have control or significant influence over the Group, directors, affiliates (representing entities directly or indirectly controlled by the Group's shareholders) and key management personnel.

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 constitute 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 consolidated statement of comprehensive income:

	For the year ended	
	31 December 2025	31 December 2024
	SAR '000	SAR '000
Revenue from other related parties	3,611,510	4,142,669
Revenue from the joint venture	8,597	26,491
Finance cost from other related parties	(424,902)	(381,458)
Dividends received from equity instruments (FVOCI)	4,254	3,534

(b) 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 consolidated statement of financial position. The balances with the entities controlled by the KSA Government are disclosed in the note (ii) below.

i) from balances with the related parties:

	31 December 2025	31 December 2024
	SAR '000	SAR '000
Entities under common control		
Innovative Energy Holding Ltd	1,223	1,223
	1,223	1,223

The above outstanding balances at the year-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 year ended 31 December 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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25 RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

ii) Other significant balances are as follows:

	31 December 2025 SAR'000	31 December 2024 SAR'000
Bank balances and cash with other related parties	120,384	121,621
Interest-bearing loans and borrowings from other related parties	8,925,803	5,934,712
Trade receivables and unbilled receivables from other related parties	412,154	650,518
Trade receivables from joint venture*	1,067	1,067
Derivative financial instrument (liability)/assets with other related parties	(1,813)	35,860
Trade payables to other related parties	-	25,720
Investment in equity securities (FVOCI) of other related parties	-	102,936
Investment in joint venture	34,013	25,416

Refer to the respective disclosure notes for the terms and conditions of the interest-bearing loans and other balances above with the related parties. Further, refer to note 27 for guarantees issued by the related parties.

* Trade receivables from the joint venture have been fully impaired in accordance with the Group's expected credit loss assessment.

The management applies the exemption in IAS 24 and has accordingly complied with disclosure requirements applicable to transactions with government-related entities.

Compensation of key management personnel

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

	For the year ended	
	31 December 2025 SAR'000	31 December 2024 SAR'000
Total benefits (including salary, bonus and other allowances)	22,803	10,028
Directors' remuneration	4,748	2,833

In addition, key management personnel have benefits from the share-based payments vested during the year ended 31 December 2025 amounting to SAR 35,329 thousand (31 December 2024: SAR 96,804 thousand).

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26 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Overview

The Group's principal financial liabilities comprise trade and other payables and loans borrowings. The main purpose of these financial liabilities is to finance the Group's operations and to provide support to its operations. The Group's principal financial assets include cash in hand and at banks, including highly liquid investments with maturity less than 90 days, derivative instruments, trade and other receivables, due from related parties and other receivables.

The Group is exposed to market risk, credit risk and liquidity risk. The Board of Directors of the Company oversees the management of these risks. The Board of Directors of the Company are supported by senior management that advises on financial risks and the appropriate financial risk governance framework for the Group. The Group's senior management provides assurance to the Board of Directors of the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group policies and Group risk appetite. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

The Group has exposure to the following risks from its use of financial instruments:

- a) Credit risk,
- b) Market risk:
 - i. Interest rate risk
 - ii. Foreign currency risk
 - iii. Price risk
- c) Liquidity risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade and other receivables and due from related parties) and from its financing activities, including letter of guarantees with banks foreign exchange transactions and other financial instruments. As at 31 December 2025, the top three debtors of the Group represent 32% (2024:59%) of trade receivable.

Trade and other receivables

Customer credit risk is managed by the Group's established policy, procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

The requirement for impairment is analysed at each reporting date on an individual basis for major clients. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security.

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26 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Other financial assets and bank balances

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. The Group's exposures are maintained with a diversified portfolio of reputable financial institutions with credit ratings ranging from "AA to B-". The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments. The Group's exposure to credit risk for the components of the consolidated statement of financial position is the carrying amounts of these assets. The Group limits its exposure to credit risk by only placing balances with international banks and reputable local banks. Management does not expect any counterparty in failing to meet its obligations.

Due from related parties

Due from related parties relates to transactions arising in the normal course of business with minimal credit risk, with a maximum exposure equal to the carrying amount of these balances.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, such as interest rate risk and currency risk. Financial instruments affected by market risk include loans and borrowings.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on loans and borrowings. With all other variables held constant, the Group's net profit is affected through the impact on floating rate borrowings as follows:

	Increase / decrease in basis points	Effect on profit before income tax Increase / (Decrease)
31 December 2025		
SAR ('000)	+100	(23,999)
SAR ('000)	-100	23,999
31 December 2024		
SAR ('000)	+100	(13,640)
SAR ('000)	-100	13,640

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency which is Saudi Riyal ("SAR") or United States Dollar ("USD") to which functional currency is currently pegged). The Group is not significantly exposed to foreign currency risk as major transactions are denominated in USD.

The following tables demonstrate the sensitivity to a reasonably possible change in SAR exchange rates, with all other variables held constant. The impact on the Group's profit is due to changes in the value of monetary assets and liabilities.

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26 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

	Change in rate	Effect on profit before income tax SAR ('000)
31 December 2025		
EGP	+10%	5,743
EGP	-10%	(5,743)
NGN	+10%	1,561
NGN	-10%	(1,561)
31 December 2024		
EGP	+10%	2,046
EGP	-10%	(2,046)

Liquidity risk

The cash flows, funding requirements and liquidity of the Group are monitored by Group management. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of banks overdraft and bank loans. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Financial liabilities

	Less than 3 months SAR '000	3 to 12 months SAR '000	1 to 5 years SAR '000	Over 5 years SAR '000	Total SAR '000
As at 31 December 2025					
Loans and borrowings	582,267	2,957,241	15,888,240	5,933,856	25,361,604
Trade and other payables*	444,665	1,245,320	18,354	-	1,708,339
Lease liability	56,276	154,079	387,164	-	597,519
Total undiscounted financial liabilities	1,083,208	4,356,640	16,293,758	5,933,856	27,667,462
As at 31 December 2024					
Loans and borrowings	434,886	1,736,168	10,158,533	3,114,078	15,443,665
Trade and other payables*	409,854	541,516	29,429	-	980,799
Lease liability	51,505	145,287	378,274	-	575,066
Total undiscounted financial liabilities	896,245	2,422,971	10,566,236	3,114,078	16,999,530

* Excluding lease liability.

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26 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management

Capital includes share capital, share premium, reserves, treasury shares and retained earnings.

The primary objective of the Group's capital management is to ensure that it will be able to continue as a going concern while maintaining a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Group's strategy remains unchanged since inception. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or return capital to shareholders. The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. The Group's policy is to keep the gearing ratio between 30% and 85%.

	2025 SAR'000	2024 SAR'000
Loans and borrowings (note 20)	20,249,665	12,056,690
Lease liabilities (note 17)	484,937	515,489
Bank balances and cash (note 11)	(2,458,449)	(744,187)
Net debt	18,276,153	11,827,992
Total equity	6,812,994	6,537,984
Total capital	25,089,147	18,365,976
Gearing ratio	73%	64%

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a industry.

The Group's 2 customers (2024: 2 customers) drive more than 10% revenue from contract with customers and contribute to 64% (2024: 77%) revenue from contract with customer pertaining to Kuwait and Kingdom of Saudi Arabia segment.

27 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities

	31 December 2025 SAR'000	31 December 2024 SAR'000
Letter of guarantees	1,719,734	1,544,234
Letter of guarantees acquired as part of business combination	408,320	-

Contingent liabilities represent letters of guarantee issued in favour of Saudi Customs, Egyptian General Petroleum Corporation, Suze Abu Zenima Petroleum Company (Petro Zenima), Kuwait Oil Company, The Gulf of Suez Petroleum Company and others. The cover margin on such guarantees amounted to SAR 47,822 thousand (2024: SAR 15,005 thousand).

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27 CONTINGENT LIABILITIES AND COMMITMENTS (continued)

Following are the facilities of the Group:

- The Group entered into a bilateral Unfunded Trade Finance Facility Agreement with Arab Petroleum Investments Corporation (APICORP) in July 2019 for total facility amounting to SAR 112,500 thousand for the issuance of Letters of Credit and Letters of Guarantees. As of 31 December 2025, the Group utilized letter of guarantees for a total amount of SAR 78,163 thousand (2024: SAR 86,228 thousand).
- The Group entered into bilateral agreement with Arab National Bank of KSA "ANB" bank dated Oct 2022 amounting to SAR 412,500 thousand available to cover working capital needs including issuance of letters of guarantees as of 31 December 2025, the Group utilized letter of guarantees for a total amount of SAR 688,588 thousand (2024: SAR 493,989 thousand).
- The Group entered into a bilateral agreement with Al Ahli Bank of Kuwait Egypt "ABK" a facility dated on May 2019 amounted of USD 12,000 thousand equivalent to SAR 45,000 thousand for the purpose of Working capital, Letter of guarantees and Letter of credit as of 31 December 2025, the Group utilized Letters of Credit for a total amount of nil (2024: SAR 5,270 thousand).
- The Group entered into a bilateral agreement with Suez Canal Bank "SCB" amounted dated on October 2018 of USD 18,000 thousand equivalent to SAR 67,500 thousand for the purpose of Working capital, Letter of guarantees as of 31 December 2025, the Group utilized letter of guarantees for a total amount of SAR 35,239 thousand (2024: SAR 43,991 thousand).
- The Group entered into bilateral agreement with EG Bank "EGB with Letter of guaranteed facility dated February 2021 amounted of USD 10,000 thousand and EGP 50,000 thousand equivalent to SAR 40,899 thousand as of 31 December 2023, which was the same agreements as 2021, As of 31 December 2025, the Group utilized letter of guarantees for a total amount of SAR 47,842 thousand (2024: SAR 40,051 thousand).
- The Group entered into bilateral agreement with Export Development Bank of Egypt "EBE" bank dated July 2018 amounted of USD 12,000 thousand equivalent to SAR 45,000 thousand for the purpose of Working capital, Letter of guarantees as of 31 December 2025, the Group utilized letter of guarantees for a total amount of SAR 25,872 thousand (2024: SAR 26,139 thousand).
- The Group entered into a bilateral agreement with Emirates National Bank of Dubai S.A.E "ENBD" dated July 2021 amounted of USD 20,000 thousand equivalent to SAR 75,000 thousand for the purpose of Working capital, Letter of guarantees and Letter of credit as of 31 December 2025, the Group utilized letter of credit for a total amount of SAR 9,938 thousand (2024: SAR 9,938 thousand).
- The Group has letter of guarantees of SAR 375 thousand (2024: SAR 375 thousand) with Arab International bank.
- The Group entered into a bilateral agreement with AL Rajhi bank dated May 2023 amounting to SAR 450,000 thousand. As of 31 December 2025, The Group utilized letter of guarantees for a total amount of SAR 428,896 thousand (2024: SAR 447,685 thousand).
- The Group entered into a bilateral agreement with Banque Saudi Francis bank (BSF) dated March 2022 "Loan 2 BSF". The facility agreement includes additional bonding limit to be utilized for the issuance of Letter of guarantees with total amount of SAR 187.5 million, additional overdraft limit with SAR 30 million and additional multipurpose limit to cover working capital needs including issuance for letter of guarantees and short-term loans with total amount of SAR 150 million. As of 31 December 2025, The Group utilized letter of guarantees for a total amount of SAR 163,323 thousand (2024: SAR 160,083 thousand).

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27 CONTINGENT LIABILITIES AND COMMITMENTS (continued)

Additional facility agreement with Banque Saudi Fransi (BSF) entered in March 2024 and amendment in May 2025, for total facility amounting to SAR 50,000 thousand. As of 31 December 2025, the Group utilized letter of guarantees for a total amount of SAR 32,801 thousand.

- Facility agreement with Guaranty Trust bank limited (GTB) entered in February 2025 for total facility amounting to NGN 150,000,000 thousand equivalent to SAR 391,913 thousand for the issuance of Guarantees. As of 31 December 2025, the Group utilized letter of guarantees for a total amount of SAR 318,742 thousand.
- Facility Agreement with JPMorgan Chase, NA, London Branch (JPM) entered in December 2025 for total facility amounting to USD 25,000 thousand equivalent to SAR 93,750 a thousand for the issuance of Guarantees. As of 31 December 2025, the Group utilized letter of guarantees for a total amount of SAR 55,748 thousand.
- Facility Agreements with Standard Chartered Bank (SCB) entered in September 2022 and January 2023 for total facilities amounting to USD 35,000 thousand equivalent to SAR 131,250 thousand and USD 5,000 thousand equivalent to SAR 18,750 thousand, respectively, for the issuance of guarantees. As of 31 December 2025, the Group utilized letters of guarantee amounting to SAR 55,661 thousand.
- The Group has letter of guarantees of USD 5 thousand equivalent to SAR 19 thousand with Kotak Mahindra Bank Limited.
- The Group has letter of guarantees of USD 500 thousand equivalent to SAR 1,875 thousand with Vietcom bank.
- The Group has letter of guarantees of USD 3,084 thousand equivalent to SAR 11,565 thousand with Bangkok Bank.

Transactions with the related parties:

- The Group entered into a bilateral agreement with National Commercial Bank in KSA (SNB) dated May 2019 amounted of SAR 10,999 thousand available to issuance of letters of guarantees. As of 31 December 2025, the Group utilized letter of guarantees for a total amount of SAR 9,519 thousand (31 December 2024: SAR 9,519 thousand).
- The Group entered into a bilateral agreement with Alinma Bank dated April 2019 amounted of SAR 37,500 thousand available to cover working capital needs including issuance of letters of guarantees. As of 31 December 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 Gulf International Bank dated Nov 2023 amounted of 250,000 thousand available to cover working capital needs including issuance of letters of guarantees. As of 31 December 2025, the Group utilized letter of guarantees for a total amount of SAR 207,616 thousand (31 December 2024: SAR 196,602 thousand).

Capital commitment

The Group has a capital commitment for SAR 225 million as at 31 December 2025 (31 December 2024: SAR 229 million).

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28 FINANCIAL INSTRUMENTS AT FAIR VALUES

28-a DERIVATIVE FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group has entered into an interest rate swap contract to manage its exposure to fluctuations in interest rates. The counterparty is generally a bank/financial institution. These financial exposures are managed in accordance with the Group's risk management policies and procedures.

The Group enters into interest rate swaps agreements, mainly to manage exposure on its variable rate loans and borrowings. The Group uses interest rate swap contracts to hedge exposure to variable interest rate fluctuations on interest payments for borrowings denominated in functional currency or currency pegged to functional currency of the Company.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap matches the terms of the variable rate loans and borrowings (i.e., notional amount, maturity, payment and reset dates). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the interest rate swap is identical to the hedged risk component.

To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instrument against the changes in fair value of the hedged item attributable to the hedged risk.

The hedge ineffectiveness can arise from:

- Different interest rate curve applied to discount the hedged item and hedging instrument.
- Differences in timing of cash flows of the hedged item and hedging instrument.
- The counterparties' credit risk differently impacting the fair value movements of the hedging instrument and hedged item.

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:

	31 December2025 SAR'000	31 December 2024 SAR'000
Derivative financial instruments assets:		
Non-current		
Interest rate swaps	6,307	61,850
Foreign exchange rate*	2,071	-
	<u>8,378</u>	<u>61,850</u>

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28 FINANCIAL INSTRUMENTS AT FAIR VALUES (continued)

28-a DERIVATIVE FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Derivative financial instruments designated as hedging instruments

In 2022, the Group entered into three Interest Rate Swap (IRS) agreements with Banqe Saudi Fransi (BSF), Gulf International Bank (GIB), and Saudi National Bank (SNB) in relation to Loan 1 Syndication Facility A SAR portion (SAR 3,198,750 thousand). The objective of the cash flow hedge is to protect against cash outflows variability related to floating-rate interest payments on the hedged portion of the credit facility using the 6-month SAIBOR rate (as shown in the following table). Such cash outflows variability results from changes which may occur on the 6-month SAIBOR market rate (i.e. the designated benchmark interest rate).

In 2022, the Group entered into Interest Rate Swap (IRS) agreement with Banqe Saudi Fransi in relation to Loan 1 Syndication Facility A USD portion (USD 197,000 thousand – equals to SAR 738,750 thousand). The objective of the cash flow hedge is to protect against cash outflows variability related to floating rate interest payments on the hedged portion of the credit facility using the 6-month SOFR rate (as shown in the following table). Such cash outflows variability results from changes which may occur on the 6-month SOFR market rate (i.e. the designated benchmark interest rate).

In 2022, the Group entered into three Interest Rate Swap (IRS) agreements with Saudi National Bank (SNB) in relation to Al- Rajhi Bank facility (SAR 937,500 thousand), Saudi National Bank (SNB), (SAR 870,331 thousand) and Banqe Saudi Fransi (BSF) (SAR 1,078,680 thousand) the objective of the cash flow hedge is to protect against cash outflows variability related to floating-rate interest payments on the hedged portion of the credit facility using the 3-month SAIBOR rate (as shown in the following table). Such cash outflows variability results from changes which may occur on the 3-month SAIBOR market rate (i.e. the designated benchmark interest rate).

* During the year ended 31 December 2025, the Group entered into two foreign exchange forward contracts with Banque Saudi Fransi (BSF) and Al Rajhi Bank. These contracts were entered into to manage the Group's exposure to foreign currency risk arising from forecast USD-denominated cash outflows. Under the terms of the agreements, the Group will sell USD and buy SAR at fixed forward rates on predetermined settlement dates. The total notional amounts of the contracts are USD 360 million with Banque Saudi Fransi (BSF) and USD 115 million with Al Rajhi Bank. These contracts are not designated in qualifying hedge relationships under IFRS 9

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28 FINANCIAL INSTRUMENTS AT FAIR VALUES (continued)

28-a DERIVATIVE FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Derivative financial instruments designated as hedging instruments (continued)

Borrowing (hedged item)	Type	Notional amount (‘000)	Hedged interest rate	Effective date	Maturity date
Loan 1 Syndication Facility A	Syndicated loan	SAR1,066,250	Floating (6m-SAIBOR)	01-Jun-22	31-Dec-29
Loan 1 Syndication Facility A	Syndicated loan	SAR1,066,250	Floating (6m-SAIBOR)	01-Jun-22	31-Dec-29
Loan 1 Syndication Facility A	Syndicated loan	SAR1,066,250	Floating (6m-SAIBOR)	01-Jun-22	31-Dec-29
Loan 1 Syndication Facility A	Syndicated loan	SAR738,750 (USD 197,000)	Floating (6m-SOFR)	01-Jun-22	31-Dec-29
Al- Rajhi Bank facility – fully hedged	Bank facility	SAR 937,500	Floating (3m-SAIBOR)	30-Jun-22	01-Jul-30
Saudi National Bank – SNB partially hedged	Bank facility	SAR 870,331	Floating (3m-SAIBOR)	28-Apr-22	30-Apr-30
Bank Saudi Fransi – BSF partially hedged	Bank facility	SAR 1,078,680	Floating (3m-SAIBOR)	13-Apr-22	30-Apr-30
Al- Rajhi Bank- Foreign exchange rate	Series of foreign exchange	SAR 431,250 (USD 115,000)	NA	12-May-25	23-Mar-27
Banqe Saudi Fransi (BSF) - Foreign exchange rate	Series of foreign exchange	SAR 1,350,000 (USD 360,000)	NA	20-May-25	20-Apr-27

During the year ended December 2025, the Group entered into agreement with Goldman Sachs International Bank, in relation to foreign exchange transaction NOK/USD par forward rates. The objective of the cash flow hedge is to protect the Group against fluctuations in foreign exchange rate in related to the purchase consideration of the Shelf Drilling acquisition. Under the terms of the agreement, the Group to sell USD and buy NOK at a fixed forward rate, with a total notional amount of NOK 4.3 billion. The forward contract was fully settled during the year.

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28 FINANCIAL INSTRUMENTS AT FAIR VALUES (continued)

28-b INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Movement in investment at fair value through other comprehensive income during the year

	31 December 2025 SAR'000	31 December 2024 SAR'000
Opening balance	102,936	-
Additions during the year	-	100,368
Unrealized loss during year (before tax)	(13,949)	2,568
Disposal during year	(88,987)	-
	-	102,936

During the year, the Group sold its entire holding of 3,669,724 shares in Saudi Arabian Oil Company (Saudi Aramco).

During the year ended 31 December 2025, the Group received cash dividends of SAR 4,254 thousand (2024: SAR 3,534) from Saudi Arabian Oil Company (Saudi Aramco).

The investment was 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:

	Total SAR'000	Level 1 SAR'000	Level 2 SAR'000	Level 3 SAR'000
31 December 2025				
Fair value through other comprehensive income				
Derivative financial instrument -Interest rate swaps	6,307	-	6,307	-
Fair value through profit or loss				
Derivative financial instrument - Foreign exchange rate	2,071	-	2,071	-

	Total SAR'000	Level 1 SAR'000	Level 2 SAR'000	Level 3 SAR'000
31 December 2024				
<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 year ended 31 December 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).

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29 DIVIDENDS

29-a DIVIDENDS TO SHAREHOLDERS

Dividends declared and paid on ordinary shares are as follows:

	For the year ended		For the year ended	
	2025 SAR'000	2024 SAR'000	2025 SAR per share	2024 SAR per share
Dividends declared in the quarter:				
March	242,206	-	0.22	-
September	231,198	237,498	0.21	0.216
Total dividends declared and paid	473,404	237,498	0.43	0.216

29-b DIVIDENDS TO NON-CONTROLLING INTEREST

During 2025, dividends of SAR 13,697 thousand (2024: SAR 9,981 thousand) have been paid by UPDC, one of the Group's subsidiaries, to its non-controlling shareholders in respect of 2024 profits.

30 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 consolidated statement of financial position and comprehensive income. Such reclassifications have not impacted the previously reported profit or equity.

	31 December 2024		
	As previously reported SAR'000	Reclassification SAR'000	As reported now SAR'000
Consolidated Statement of comprehensive income for the year ended 31 December 2024			
Cost of revenue	(3,839,972)	(1,401)	(3,841,373)
Other income, net	31,292	1,401	32,693

	31 December 2024		
	As previously reported SAR'000	Reclassification SAR'000	As reported now SAR'000
Consolidated Statement of financial position as of 31 December 2024			
Trade receivables	857,833	(857,833)	-
Unbilled receivables	524,671	(524,671)	-
Trade receivables and other receivables	-	1,382,504	1,382,504

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31 SUBSEQUENT EVENTS

During March 2026, and in light of the evolving regional situation, the Group experienced temporary suspensions affecting a handful of offshore rigs operating in the GCC with immaterial impact on the group financial position. Based on current visibility, these suspensions are expected to be short-term in nature, with the Group maintaining close coordination with clients and relevant stakeholders to monitor developments and ensure operational readiness.

In response, the Group continues to leverage its scale, geographic diversification and broadened operational platform to effectively navigate such developments. With a presence across more than 20 countries and a well-diversified earnings base, ADES remains resilient to localized disruptions.

On 29 March 2026G, the Board of Directors of the Company has approved a cash dividend of SAR 265 million (SAR 0.24 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 dividends on a biannual basis for the fiscal year 2025G.

Except for the above, no other significant subsequent events have occurred between 31 December 2025 and the date of approval of these consolidated financial statements.

Disclaimer

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