

ADES HOLDING COMPANY
(A SAUDI LISTED JOINT STOCK COMPANY)
UNAUDITED INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE THREE -MONTH PERIOD ENDED
31 MARCH 2026
WITH
INDEPENDENT AUDITOR'S REVIEW REPORT

ADES HOLDING COMPANY
(A Saudi Listed Joint Stock Company)
UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026

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KPMG Professional Services Company

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Kingdom of Saudi Arabia
Commercial Registration No 2051062328

Headquarters in Riyadh

شركة كي بي إي للاستشارات المهنية مساهمة مهنية

الطابق ١٦، برج البطحاش
٦١٨٩ طريق الأمير تركي، الكورنيش
ص.ب. ٤٨٠٣
الخبير ٣١٤٦ - ٣٤٤١٢
المملكة العربية السعودية
سجل تجاري رقم ٢٠٥١٠٦٢٣٢٨

المركز الرئيسي في الرياض

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

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

Introduction

We have reviewed the accompanying 31 March 2026 interim condensed consolidated financial statements of ADES Holding Company ("the Company") and its subsidiaries ("the Group"), which comprises:

- the condensed consolidated statement of financial position as at 31 March 2026;
- condensed consolidated statement of comprehensive income for the three-month period ended 31 March 2026;
- the condensed consolidated statement of changes in equity for the three-month period ended 31 March 2026;
- the condensed consolidated statement of cash flows for the three-month period ended 31 March 2026; and
- the notes to the condensed consolidated interim financial statements.

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

Scope of Review

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

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2026 condensed consolidated interim financial statements of ADES Holding Company ("the Company") and its subsidiaries ("the Group") are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

Other Matter - Comparative Information

The condensed consolidated interim financial statements of the Group for the three-month period ended 31 March 2025, were reviewed by another auditor who expressed an unmodified conclusion on those condensed consolidated interim financial statements on 6 Dhu al- Qidah 1446H (corresponding to 4 May 2025G).

For KPMG Professional Services Company



Mohammed Najeeb Alkhelaiwi
License No: 481

Al Khobar, 23 Dhu al- Qidah, 1447H
Corresponding to 10 May 2026G

ADES HOLDING COMPANY
(A SAUDI LISTED JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026
(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

		31 March 2026	31 December 2025
		(Unaudited)	(Audited)
	Notes	ﷲ'000	ﷲ'000
ASSETS			
Non-current assets			
Property and equipment	9	24,954,539	25,030,984
Intangible assets		6,102	6,157
Right-of-use assets		678,960	460,887
Derivative financial instruments	15	26,109	8,378
Prepayments and other receivables		188,468	189,446
Investments in joint venture		35,946	34,013
Trade and other receivables		12,620	11,983
Total non-current assets		25,902,744	25,741,848
Current assets			
Inventories	8	967,301	947,501
Trade and other receivables		1,724,600	1,690,838
Prepayments and other receivables		614,850	571,850
Due from a related party	13	1,223	1,223
Cash and cash equivalents	7	2,435,773	2,458,449
Total current assets		5,743,747	5,669,861
TOTAL ASSETS		31,646,491	31,411,709
EQUITY AND LIABILITIES			
Equity			
Share capital	11	1,129,063	1,129,063
Share premium	11	2,890,367	2,890,367
Treasury shares	11	(24,913)	(24,913)
Cash flow hedge reserve		16,965	528
Share-based payment reserve		166	166
Retained earnings		2,756,398	2,784,952
Equity attributable to equity holders of the parent		6,768,046	6,780,163
Non-controlling interests		37,242	32,831
Total equity		6,805,288	6,812,994
Liabilities			
Non-current liabilities			
Interest-bearing loans and borrowings	10	17,726,813	17,959,462
Lease liabilities		472,109	262,932
Provisions		489,083	484,146
Deferred revenue		365,141	436,254
Deferred tax, net		150,025	144,740
Income tax accrual	6	36,767	36,767
Other payables		4,864	18,354
Total non-current liabilities		19,244,802	19,342,655

ADES HOLDING COMPANY
(A SAUDI LISTED JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)
AS AT 31 MARCH 2026
(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

		31 March 2026	31 December 2025
		(Unaudited)	(Audited)
	Notes	ﷲ'000	ﷲ'000
Current liabilities			
Trade and other payables		2,218,001	2,133,993
Deferred revenue		329,866	360,206
Income tax and zakat accrual	6	170,738	144,986
Interest-bearing loans and borrowings	10	2,289,222	2,290,203
Provisions		323,578	326,672
Dividends payable	16	264,996	-
Total current liabilities		5,596,401	5,256,060
Total liabilities		24,841,203	24,598,715
TOTAL EQUITY AND LIABILITIES		31,646,491	31,411,709



Dr. Mohamed Farouk
Vice Chairman



Mr. Hussein Badawy
Chief Financial Officer

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

ADES HOLDING COMPANY
(A SAUDI LISTED JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

	Notes	Three-month period ended	
		31 March 2026 (Unaudited) S'000	31 March 2025 (Unaudited) S'000
Revenue	5	2,390,736	1,470,138
Cost of revenue		(1,511,887)	(879,954)
Gross profit		878,849	590,184
General and administrative expenses		(203,582)	(114,579)
End of service employment benefits		(12,349)	(11,663)
Finance costs, net		(313,112)	(217,718)
Other expenses, net		(46,548)	(9,307)
Profit for the period before income tax and zakat		303,258	236,917
Income tax and zakat expenses	6	(62,405)	(40,238)
Profit for the period		240,853	196,679
Attributable to:			
Equity holders of the Parent		236,442	194,155
Non-controlling interests		4,411	2,524
		240,853	196,679
Earnings per share basic and diluted attributable to equity holders of the parent (In S per share)	12	0.21	0.18
<u>OTHER COMPREHENSIVE INCOME/(LOSS)</u>			
Net gain/(loss) on cash flow hedge		16,437	(21,417)
Net loss on equity instruments designated at fair value through other comprehensive income		-	(4,422)
Other comprehensive income/(loss) for the period, net of tax		16,437	(25,839)
Total comprehensive income for the period, net of tax		257,290	170,840
Attributable to:			
Equity holders of the Parent		252,879	168,316
Non-controlling interests		4,411	2,524
		257,290	170,840

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

ADES HOLDING COMPANY
(A SAUDI LISTED JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

	Attributable to the equity holders of the parent								Total equity #’000
	Share capital	Share Premium	Treasury shares	Cash flow hedge reserve	Retained earnings	Share based payment reserve	Total	Non-controlling interest	
	#’000	#’000	#’000	#’000	#’000	#’000	#’000	#’000	
Balance at 1 January 2026 – Audited	1,129,063	2,890,367	(24,913)	528	2,784,952	166	6,780,163	32,831	6,812,994
<i>Profit for the period</i>	-	-	-	-	236,442	-	236,442	4,411	240,853
<i>Other comprehensive income for the period</i>	-	-	-	16,437	-	-	16,437	-	16,437
Total comprehensive income	-	-	-	16,437	236,442	-	252,879	4,411	257,290
<i>Dividends to shareholders (note 16)</i>	-	-	-	-	(264,996)	-	(264,996)	-	(264,996)
Balance at 31 March 2026 (Unaudited)	1,129,063	2,890,367	(24,913)	16,965	2,756,398	166	6,768,046	37,242	6,805,288

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

ADES HOLDING COMPANY
(A SAUDI LISTED JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

	Attributable to the equity holders of the parent							Total	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			
	ﷲ'000	ﷲ'000	ﷲ'000	ﷲ'000	ﷲ'000	ﷲ'000	ﷲ'000			
Balance at 1 January 2025 – Audited	1,129,063	2,890,367	(28,127)	2,381	52,167	2,446,821	119	6,492,791	45,193	6,537,984
<i>Profit for the period</i>	-	-	-	-	-	194,155	-	194,155	2,524	196,679
<i>Other comprehensive loss for the period</i>	-	-	-	(4,422)	(21,417)	-	-	(25,839)	-	(25,839)
Total comprehensive income	-	-	-	(4,422)	(21,417)	194,155	-	168,316	2,524	170,840
<i>Dividends to shareholders (note 16)</i>	-	-	-	-	-	(242,206)	-	(242,206)	-	(242,206)
Balance at 31 March 2025 (Unaudited)	1,129,063	2,890,367	(28,127)	(2,041)	30,750	2,398,770	119	6,418,901	47,717	6,466,618

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

ADES HOLDING COMPANY
(A SAUDI LISTED JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

	Notes	31 March 2026 (Un-audited) S'000	31 March 2025 (Un-audited) S'000
Cash flows from operating activities			
Profit for the period before income tax and zakat		303,258	236,917
<i>Adjustments for:</i>			
Depreciation of property and equipment	9	414,174	289,285
Depreciation of right of use assets	9	59,966	51,176
Amortization of intangible assets	9	225	262
End of service employment benefits		12,349	11,663
Finance costs, net		313,112	217,718
Dividends from investment in financial instruments		-	(1,215)
Share of results of investment in a joint venture		(1,933)	(3,887)
Tax provisions		764	-
Other income		(12,665)	-
		1,089,250	801,919
Changes in working capital			
Inventories		(19,801)	(35,307)
Trade and other receivables		(21,737)	120,520
Prepayments and other receivables		(41,385)	(85,747)
Trade and other payables		(103,893)	(67,416)
Deferred revenue		(101,454)	(88,904)
		800,980	645,065
Cash flows generated from operating activities			
Income tax and zakat paid	6	(32,662)	(14,819)
Provisions paid		(7,411)	(4,759)
		760,907	625,487
Investing activities			
Purchase of property and equipment		(363,412)	(457,485)
Purchase of intangible assets		(169)	-
Payment of the consideration payable for acquisitions*		-	(18,222)
Dividends from investment in financial instruments		-	1,215
		(363,581)	(474,492)
Net cash flows used in investing activities			

ADES HOLDING COMPANY
(A SAUDI LISTED JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

	Notes	31 March 2026 (Un-audited) S'000	31 March 2025 (Un-audited) S'000
Financing activities			
Proceeds from loans and borrowings	10	85,604	12,921
Repayment of loans and borrowings	10	(323,949)	(199,805)
Finance cost paid, net		(113,757)	(114,375)
Payment of lease liabilities		(67,900)	(55,487)
Dividend paid to shareholders	16	-	(242,206)
Net cash flows used in financing activities		(420,002)	(598,952)
Net decrease in cash and cash equivalents			
		(22,676)	(447,957)
Cash and cash equivalents at beginning of period	7	2,458,449	744,187
Cash and cash equivalents at the end of the period	7	2,435,773	296,230

*This amount is related to the outstanding consideration payable for the acquisition of the Topaz Rig and shares of Rig finance limited that were purchased in financial year ended 31 December 2024. Subsequently, in first quarter ended 31 March 2025, the outstanding balance was paid and settled in full.

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

ADES HOLDING COMPANY
(A SAUDI LISTED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

1. ORGANIZATION AND ACTIVITIES

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

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

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

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

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

	As of 31 March 2026			As of 31 December 2025		
	No. of shares’000	Ownership	Nominal value #’000	No. of shares’000	Ownership	Nominal value #’000
<i>Shareholder</i>						
ADES Investments Holding Limited	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	347,678	30.8%	347,678
Treasury Shares	24,913	2.2%	24,913	24,913	2.2%	24,913
	1,129,063	100%	1,129,063	1,129,063	100%	1,129,063

The interim condensed consolidated financial statements were authorised for issue on 23 Dhu al - Qidah 1447H (corresponding to 10 May 2026G) 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).

ADES HOLDING COMPANY
(A SAUDI LISTED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

1. ORGANIZATION AND ACTIVITIES (CONTINUED)

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

Name	Principal activities	Country of incorporation	31 March 2026	31 December 2025
Advanced Energy Systems (ADES) (S.A.E) ¹	Oil & gas drilling and production services	Egypt	100%	100%
ADES Saudi Limited Company ²	Oil and gas drilling and production services	KSA	100%	100%
Precision Drilling Company ³	Holding company	Cyprus	100%	100%
Kuwait Advanced Drilling Services	Leasing of rigs	Cayman	100%	100%
Prime innovations for Trade S.A. E	Trading	Egypt	100%	100%
ADES International for Drilling	Leasing of rigs	Cayman	100%	100%
AG training	Training	Egypt	70%	70%
Advanced Transport Services	Leasing transportation equipment	Cayman	100%	100%
Advanced Drilling Services	Leasing of rigs	Cayman	100%	100%
ADES for Drilling Services Ltd ⁴	Investment in Oil & Gas Projects	UAE	100%	100%
ADES International Holding Ltd	Holding company	UAE	100%	100%
Emerald Driller Company ⁵	Production services oil and gas drilling and production services	Cayman	100%	100%
ADES Drilling Services I Ltd	Leasing of rigs	Bermuda	100%	100%
ADES Drilling Services II Ltd	Leasing of rigs	Bermuda	100%	100%
ADES Drilling Services III Ltd	Leasing of rigs	Bermuda	100%	100%
ADES Advanced Drilling Services Ltd ⁶	Leasing of rigs	Liberia	100%	100%
ADES Drilling Services IV Ltd	Leasing of rigs	Bermuda	100%	100%
ADES Drilling Services V Ltd	Leasing of rigs	Bermuda	100%	100%
ADES Drilling Services Ltd ⁷	Leasing of rigs	Bermuda	100%	100%
ADES GCC For Drilling Ltd ⁸	Oil and gas drilling and production services	Bermuda	100%	100%
ADES Drilling Services Cyprus Ltd.	Oil and gas drilling services	Cyprus	100%	100%
PT ADES Drilling Indonesia	Petroleum oil and natural gas mining supporting activities	Indonesia	100%	100%
RIG FINANCE Ltd ⁹	Leasing of rigs	Bermuda	100%	100%
ADRES HR Solution Ltd	HR Services	UAE	60%	60%
ADES Production Services	Oil & gas drilling and production services	Egypt	100%	100%
ADES Production Holding Ltd	Holding Company	UAE	100%	100%
ADES Drilling Services Labuan Ltd	Trading	Labuan	100%	100%
Shelf Drilling Ltd and it's subsidiaries ¹⁰	Holding Company	Cayman	100%	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 interim condensed consolidated financial statements.

1 Advanced Energy Systems (ADES) (S.A.E) has branches in Algeria, India, UAE and Iraq.

2 ADES Saudi limited Company acquired 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 and Thailand in 2024, and had changed its name from ADES Holding for Drilling Services Ltd.

5 Emerald Driller Company has a Branch in Qatar which handles operations in the country.

6 ADES Advanced Drilling Services Ltd has a branch in Congo.

7 ADES Drilling Services Ltd. has a branch in Indonesia.

8 ADES GCC For Drilling Ltd has a branch in KSA.

9 Rig Finance Ltd has a branch in Indonesia.

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.

ADES HOLDING COMPANY
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

2. MATERIAL ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

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

The interim condensed consolidated financial statements have been prepared under the historical cost basis, except for derivative financial instruments carried at fair value which includes interest rate swap contracts and foreign exchange rate contracts designated as hedging instruments and end of service benefit which are measured using the Projected Unit Credit Method.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statement and should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 December 2025. The interim condensed consolidated financial statements are presented in Saudi Arabian Riyal and all values are rounded to the nearest thousand (“ﷲ’000”), except when otherwise indicated. Saudi Arabian Riyal (“ﷲ”) is the functional currency of the Company and presentation currency of the Group.

2.2 USE OF JUDGEMENTS AND ESTIMATES

In preparing these interim condensed consolidated financial statements, management has made judgments and estimates that affect determination and application of accounting policies and the reported amounts of assets and liabilities, income and expense and accompanying disclosures. Uncertainty about assumptions and estimates could result in outcomes that require material adjustment to the carrying amount of the asset or liability affected in future periods.

The significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty are the same as those that applied to the Group’s audited consolidated financial statements as at and for the year ended 31 December 2025.

ADES HOLDING COMPANY
(A SAUDI LISTED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

2.3 NEW STANDARDS AND INTERPRETATIONS

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2025.

New standards and interpretations not yet adopted:

(a) New and revised standards with no material effect on the condensed consolidated interim financial statements

The following revised IFRSs have been adopted. The application of these revised IFRSs did not have any material impact on the amounts reported for current and prior periods:

- Classification and Measurement of Financial Instruments - Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures, effective for annual periods beginning on or after 1 January 2026;
- Annual Improvements to IFRS Accounting Standards, effective for annual periods beginning on or after 1 January 2026 - Amendments to:
 - IFRS 1 First-time Adoption of International Financial Reporting Standards;
 - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
 - IFRS 9 Financial Instruments;
 - IFRS 10 Consolidated Financial Statements; and
 - IAS 7 Statement of Cash flows
- Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7, effective for annual periods beginning on or after 1 January 2026.

(b) New and revised standards issued but not yet effective

The amendments to existing standards that are issued, but not yet effective, up to the date of issuance of the Group's condensed consolidated interim financial statements are disclosed below. The Group intends to adopt these amendments to existing standards, if applicable, when they become effective:

- IFRS 18 Presentation and Disclosure in Financial Statements, effective for annual periods beginning on or after 1 January 2027.
- IFRS 19 Subsidiaries without Public Accountability: Disclosures, effective for annual periods beginning on or after 1 January 2027; and
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28, effective date deferred indefinitely. The above-mentioned standards are not expected to have a significant impact on the condensed consolidated interim financial statements.

ADES HOLDING COMPANY
(A SAUDI LISTED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

3. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer (CEO) that are used to make strategic decisions. As operationally, the Group is only in the oil and gas production and drilling services, the CEO considers the business from a geographic perspective and has identified eleven geographical segments (31 December 2025: eleven geographical segments). Management monitors the operating results of its segments separately for the purpose of making decisions about resource allocation and performance assessment.

<i>Segment</i>	<i>Egypt</i>	<i>Algeria & Tunisia</i>	<i>Kingdom of Saudi Arabia</i>	<i>Kuwait</i>	<i>Qatar</i>	<i>India</i>	<i>Southeast Asia *****</i>	<i>West/Central Africa*****</i>	<i>Norway</i>	<i>Other *****</i>	<i>Total Segments</i>	<i>Corporate</i>	<i>Adjustments and Eliminations***</i>	<i>Total equity</i>
	<i>ﷲ '000</i>	<i>ﷲ '000</i>	<i>ﷲ '000</i>	<i>ﷲ '000</i>	<i>ﷲ '000</i>	<i>ﷲ '000</i>	<i>ﷲ '000</i>	<i>ﷲ '000</i>	<i>ﷲ '000</i>	<i>ﷲ '000</i>	<i>ﷲ '000</i>	<i>ﷲ '000</i>	<i>ﷲ '000</i>	<i>ﷲ '000</i>
For the period ended 31 March 2026														
Revenue	230,350	65,881	853,515	203,556	75,772	159,473	256,878	290,051	122,474	132,786	2,390,736	-	-	2,390,736
External customers	82,115													
Inter-segment ***		-	30,038	-	11,087	-	-	-	-	-	123,240	-	(123,240)	-
Total Revenue	312,465	65,881	883,553	203,556	86,859	159,473	256,878	290,051	122,474	132,786	2,513,976	-	(123,240)	2,390,736
Income/(expenses)														
Cost of revenue*	(92,928)	(46,217)	(346,910)	(100,363)	(36,909)	(60,907)	(102,114)	(140,975)	(71,462)	(46,667)	(1,045,452)	-	-	(1,045,452)
General and administrative expenses	(13,987)	(5,679)	(64,061)	(10,932)	(4,532)	(10,624)	(12,368)	(13,424)	(4,299)	(10,794)	(150,700)	(52,882)	-	(203,582)
Finance costs (net)	(58,678)	(8,173)	(157,183)	(13,320)	(9,257)	(17,155)	(33,922)	(17,482)	-	(35)	(315,205)	2,093	-	(313,112)
Depreciation and amortization****	(38,187)	(13,514)	(209,196)	(70,564)	(15,120)	(12,384)	(36,258)	(36,100)	(6,326)	(28,786)	(466,435)	-	-	(466,435)
Other expenses (net) **	4,854	(2,035)	(63,632)	(384)	(5,080)	(4,413)	(9,231)	(12,412)	(1,518)	(2,810)	(96,661)	(24,641)	-	(121,302)
											-	-	-	-
Segment Profit/(loss)	31,424	(9,737)	12,533	7,993	4,874	53,990	62,985	69,658	38,869	43,694	316,283	(75,430)	-	240,853
Property and equipment	1,347,335	591,970	10,627,665	2,177,896	1,477,423	1,031,949	2,600,256	2,818,775	674,785	1,606,485	24,954,539	-	-	24,954,539

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3. SEGMENT INFORMATION (CONTINUED)

<i>Segment</i>	<i>Egypt</i> # '000	<i>Algeria & Tunisia</i> # '000	<i>Kingdom of Saudi Arabia</i> # '000	<i>Kuwait</i> # '000	<i>Qatar</i> # '000	<i>India</i> # '000	<i>Southeast Asia</i> # '000	<i>Total Segments</i> # '000	<i>Corporate</i> # '000	<i>Adjustments and Eliminations***</i> # '000	<i>Total equity</i> # '000
For the period ended 31 March 2025											
Revenue	136,928	52,141	898,845	109,571	74,042	61,145	137,466	1,470,138	-	-	1,470,138
External customers											
Inter-segment ***	102,258	-	33,585	-	18,309	-	-	154,152	-	(154,152)	-
Total Revenue	<u>239,186</u>	<u>52,141</u>	<u>932,430</u>	<u>109,571</u>	<u>92,351</u>	<u>61,145</u>	<u>137,466</u>	<u>1,624,290</u>	<u>-</u>	<u>(154,152)</u>	<u>1,470,138</u>
Income/(expenses)											
Cost of revenue*	(38,523)	(32,880)	(303,672)	(55,188)	(43,297)	(25,314)	(44,904)	(543,778)	-	-	(543,778)
General and administrative expenses	(9,517)	(5,092)	(60,820)	(9,526)	(3,508)	(3,953)	(3,587)	(96,003)	(18,576)	-	(114,579)
Finance costs (net)	(7,450)	(1,925)	(189,566)	(7,986)	(2,286)	(2,814)	(4,991)	(217,018)	(700)	-	(217,718)
Depreciation and amortization****	(26,092)	(9,147)	(226,043)	(39,837)	(10,192)	(8,960)	(15,905)	(336,176)	-	-	(336,176)
Other expenses (net) **	3,544	(3,291)	(26,153)	(4,260)	(951)	(2,564)	(11,635)	(45,310)	(15,898)	-	(61,208)
Segment Profit / (loss)	<u>58,890</u>	<u>(194)</u>	<u>92,591</u>	<u>(7,226)</u>	<u>13,808</u>	<u>17,540</u>	<u>56,444</u>	<u>231,853</u>	<u>(35,174)</u>		<u>196,679</u>
Property and equipment	<u>1,076,366</u>	<u>592,585</u>	<u>11,566,858</u>	<u>1,862,383</u>	<u>785,380</u>	<u>621,909</u>	<u>1,176,904</u>	<u>17,682,385</u>	<u>-</u>	<u>-</u>	<u>17,682,385</u>

(i) Management presents the assets in the segment in which the asset operates.

* Excluding depreciation and amortisation.

** Other expenses (net) include end of service employment benefits, other expenses/income (net) and zakat tax expense.

*** 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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4 BUSINESS COMBINATIONS

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 ₪ 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 ₪ 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:

	<i>Provisional fair values recognized on acquisition ₪ ,000</i>
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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4 BUSINESS COMBINATIONS (CONTINUED)

	<i>Provisional fair values recognized on acquisition # ,000</i>
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 # 391,656 thousand is included in trade and other payables.

5. REVENUES

	<i>Three-month period ended</i>	
	<i>31 March 2026 (Unaudited) #’000</i>	<i>31 March 2025 (Unaudited) #’000</i>
<i>Revenue from customer contracts</i>		
Units operations	2,148,232	1,350,682
Catering services	61,640	36,349
Projects income*	74,814	46,222
Others	44,823	15,355
<i>Revenue from lease</i>		
Revenue from lease	61,227	21,530
	2,390,736	1,470,138

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

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

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6. INCOME TAX AND ZAKAT

Interim condensed consolidated statement of comprehensive income:

	<i>Three-month period ended</i>	
	<i>31 March 2026</i> <i>(Unaudited)</i> <i>₹'000</i>	<i>31 March 2025</i> <i>(Unaudited)</i> <i>₹'000</i>
Current income tax expense	48,082	14,056
Deferred tax charge	3,991	11,222
	52,073	25,278
Zakat expense	10,332	14,960
	62,405	40,238

Interim condensed consolidated statement of financial position:

	<i>31 March 2026</i> <i>(Unaudited)</i> <i>₹'000</i>	<i>31 December 2025</i> <i>(Audited)</i> <i>₹'000</i>
	Income tax and zakat accrual	
Opening balance	181,753	82,468
Acquired as part of business combination	-	70,869
Charge for the period/year	58,414	185,804
Paid during the period/year	(32,662)	(157,388)
Ending balance	207,505	181,753
Current	170,738	144,986
Non-current	36,767	36,767
	207,505	181,753

7. CASH AND CASH EQUIVALENTS

	<i>31 March 2026</i> <i>(Unaudited)</i> <i>₹'000</i>	<i>31 December 2025</i> <i>(Audited)</i> <i>₹'000</i>
Bank balances	1,734,639	1,586,647
Time deposits*	700,203	871,188
Cash on hand	931	614
	2,435,773	2,458,449

* The average rate on time bank deposits during the period ended 31 March 2026 is 4.13 % per annum (2025: 3.84 %) with an average maturity of less than one month.

8. INVENTORIES

	<i>31 March 2026</i> <i>(Unaudited)</i> <i>₹'000</i>	<i>31 December 2025</i> <i>(Audited)</i> <i>₹'000</i>
Spare parts, supplies and consumables at:		
Offshore rigs	750,222	678,021
Warehouse and yards	153,835	201,247
Onshore rigs	63,244	68,233
	967,301	947,501

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9. PROPERTY AND EQUIPMENT

	Rigs	Furniture and fixtures	Drilling pipes	Tools	Assets under construction	IT equipment	Motor vehicles	Leasehold improvement	Buildings	Leasehold Land	Total
	ﷲ'000	ﷲ'000	ﷲ'000	ﷲ'000	ﷲ'000	ﷲ'000	ﷲ'000	ﷲ'000	ﷲ'000	ﷲ'000	ﷲ'000
Cost:											
As at 1 January 2026	27,197,369	19,396	186,528	874,856	436,085	56,548	3,475	697,847	37,198	63,719	29,573,021
Additions	100,745	-	102	25,104	213,363	-	-	913	-	-	340,227
Transfers	138,619	-	514	18,556	(158,776)	1,087	-	-	-	-	-
Retirements and disposal	(9,777)	-	-	-	-	-	-	-	-	-	(9,777)
As at 31 March 2026	27,426,956	19,396	187,144	918,516	490,672	57,635	3,475	698,760	37,198	63,719	29,903,471
Accumulated depreciation and impairment:											
As at 1 January 2026	(3,708,106)	(8,039)	(130,185)	(324,534)	(19,480)	(11,659)	(2,627)	(334,047)	(3,360)	-	(4,542,037)
Depreciation	(356,412)	(567)	(5,932)	(28,332)	-	(2,693)	(113)	(19,605)	(520)	-	(414,174)
Retirements and disposal	7,279	-	-	-	-	-	-	-	-	-	7,279
As at 31 March 2026	(4,057,239)	(8,606)	(136,117)	(352,866)	(19,480)	(14,352)	(2,740)	(353,652)	(3,880)	-	(4,948,932)
Net book value:											
At 31 March 2026	23,369,717	10,790	51,027	565,650	471,192	43,283	735	345,108	33,318	63,719	24,954,539
At 31 December 2025	23,489,263	11,357	56,343	550,322	416,605	44,889	848	363,800	33,838	63,719	25,030,984

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9. PROPERTY AND EQUIPMENT (CONTINUED)

	Rigs	Furniture and fixtures	Drilling pipes	Tools	Assets under construction	IT equipment	Motor vehicles	Leasehold improvement	Buildings	Leasehold Land	Total
	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000
Cost:											
As at 1 January 2025	18,712,639	18,674	158,663	631,259	458,949	15,036	3,097	694,330	34,450	58,478	20,785,575
Additions	76,720	67	99	25,350	301,067	45	-	700	-	-	404,048
Transfers	25,291	-	-	9,821	(35,578)	200	266	-	-	-	-
As at 31 March 2025	18,814,650	18,741	158,762	666,430	724,438	15,281	3,363	695,030	34,450	58,478	21,189,623
Accumulated depreciation and impairment:											
As at 1 January 2025	(2,651,702)	(5,700)	(110,038)	(231,014)	(2,870)	(9,186)	(2,095)	(203,945)	(1,403)	-	(3,217,953)
Depreciation	(229,962)	(568)	(4,583)	(20,472)	-	(521)	(183)	(32,511)	(485)	-	(289,285)
As at 31 March 2025	(2,881,664)	(6,268)	(114,621)	(251,486)	(2,870)	(9,707)	(2,278)	(236,456)	(1,888)	-	(3,507,238)
Net book value:											
At 31 March 2025	15,932,986	12,473	44,141	414,944	721,568	5,574	1,085	458,574	32,562	58,478	17,682,385

Most of the rigs are pledged to the lenders (banks) against loans and borrowings (note 10).

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9. PROPERTY AND EQUIPMENT (CONTINUED)

Allocation of depreciation charge:

Depreciation and amortization charge is allocated as follows:

	<i>Three-month period ended</i>	
	<i>31 March 2026</i> <i>(Unaudited)</i> <i>₹'000</i>	<i>31 March 2025</i> <i>(Unaudited)</i> <i>₹'000</i>
Cost of revenue	466,434	336,176
General and administrative expenses	7,931	4,547
Total depreciation and amortization charge*	474,365	340,723

*Total depreciation and amortization charge for the period includes depreciation of property and equipment of ₹ 414,174 thousand (31 March 2025: ₹ 289,285 thousand), amortization of intangible assets and depreciation of right of use assets of ₹ 225 thousand (31 March 2025: ₹ 262 thousand) and ₹ 59,966 thousand (31 March 2025: ₹ 51,176 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 three-month period ended 31 March 2026, the Group completed capital projects for the amount of ₹ 158,776 thousand (31 December 2025: ₹ 1,437,859 thousand) and transferred to the relevant asset categories.

10. INTEREST BEARING LOANS AND BORROWINGS

	<i>31 March 2026</i> <i>(Unaudited)</i> <i>₹'000</i>	<i>31 December 2025</i> <i>(Audited)</i> <i>₹'000</i>
Opening balance	20,249,665	12,056,690
Acquired as part of business combination	-	5,096,826
Borrowings drawn during the period/year	85,604	10,727,743
Borrowings repaid during the period/year	(323,949)	(7,652,658)
Amortised arrangement fees, net	4,715	21,064
	20,016,035	20,249,665
Current	2,289,222	2,290,203
Non-current	17,726,813	17,959,462
	20,016,035	20,249,665

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10. INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

<u>Type</u>	<u>Original tenor</u>	<u>31 March 2026 (Unaudited) #’000</u>	<u>31 December 2025 (Audited) #’000</u>
Current loans and borrowings			
Loan 1 Syndication Facility A	8 Years	413,578	413,631
Loan 1 Syndication Facility C	8 Years	240,000	240,000
Loan 1 Syndication Facility D	8 Years	724,943	724,943
Loan 2 BSF	7 Years	221,596	217,446
Loan 3 SNB	8 Years	179,035	179,002
Loan 4 AL Rajhi	8 Years	142,859	142,845
Loan 5 Al Inmaa	8 Years	320,335	320,294
Loan 6 Al Mashreq	5 Years	3,300	4,950
Credit Facility 1 – ABK		43,576	47,092
Total current loans and borrowings		2,289,222	2,290,203
Non-Current loans and borrowings			
Loan 1 Syndication Facility A	8 Years	2,245,243	2,242,300
Loan 1 Syndication Facility C	8 Years	1,240,000	1,240,000
Loan 1 Syndication Facility D	8 Years	8,981,236	8,981,236
Loan 2 BSF	7 Years	1,452,480	1,527,465
Loan 3 SNB	8 Years	867,854	912,627
Loan 4 AL Rajhi	8 Years	956,763	992,485
Loan 5 Al Inmaa	8 Years	1,983,237	2,063,349
Total non-current loans and borrowings		17,726,813	17,959,462
Total loans and borrowings*		20,016,035	20,249,665

*The Group’s loans and borrowings comprise amount of # 16,940,770 thousand (2025: # 17,170,066 thousand) under Islamic Banking Facilities (Sharia compliant) and amount of # 3,075,265 thousand (2025: # 3,079,599 thousand) under conventional facilities.

The secured bank loans are subject to the specific covenants:

The Group existing debt facilities includes certain financial covenants. The financial covenants are tested semi-annually as of end of June and December for each year. Management is proactively monitoring the covenants on looking forward basis. As of 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 documentation which may vary from IFRS and includes certain adjustments to the actual amounts.

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11. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

	<i>31 March 2026</i> <i>(Unaudited)</i>	<i>31 December 2025</i> <i>(Audited)</i>
Authorised shares (in thousands / '000)	1,129,063	1,129,063
Issued shares (in thousands / '000)	1,129,063	1,129,063
Shares par value (ﷲ)	1	1
Issued capital in ﷲ'000	1,129,063	1,129,063
Treasury shares in ﷲ'000	(24,913)	(24,913)
Outstanding share capital in ﷲ'000	1,104,150	1,104,150
Share premium in ﷲ'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 Group as at 31 March 2026 is as follows:

	Shareholding %	<i>No of</i> <i>shares '000</i>	<i>Value</i> <i>ﷲ '000</i>
<i>Shareholders</i>			
ADES Investment Holding LTD	36.5	412,277	412,277
The Public Investment Fund of the Kingdom of Saudi Arabia	23.8	268,548	268,548
Zamil Investment	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 Group as at 31 December 2025 is as follows:

	Shareholding %	<i>No of</i> <i>shares '000</i>	<i>Value</i> <i>ﷲ '000</i>
<i>Shareholders</i>			
ADES Investment Holding LTD	36.5	412,277	412,277
The Public Investment Fund of the Kingdom of Saudi Arabia	23.8	268,548	268,548
Zamil Group Investment Company	6.7	75,647	75,647
Free Float	30.8	347,678	347,678
Treasury Shares	2.2	24,913	24,913
	100	1,129,063	1,129,063

12. EARNINGS PER SHARE

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

Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding assuming conversion of all dilutive potential ordinary shares. As at 31 March 2026, there were no potential dilutive shares and hence the basic and diluted EPS is same.

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12. EARNINGS PER SHARE (CONTINUED)

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

	<i>Three-month period ended</i>	
	<i>31 March 2026</i> <i>(Unaudited)</i>	<i>31 March 2025</i> <i>(Unaudited)</i>
Profit for the period attributable to the ordinary equity holders of the Parent for basic and diluted EPS (ﷲ'000)	236,442	194,155
Weighted average number of ordinary shares outstanding in thousands ('000) – basic and diluted	1,104,150	1,100,936
Earnings per share basic and diluted	0.21	0.18

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

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

	<i>Three-month period ended</i>	
	<i>31 March 2026</i> <i>(Unaudited)</i> <i>ﷲ'000</i>	<i>31 March 2025</i> <i>(Unaudited)</i> <i>ﷲ'000</i>
Revenue from other related parties	853,515	898,845
Profit share from the investment in the joint venture	1,933	3,887
Finance cost from other related parties	(134,290)	(102,339)
Dividend received from equity instruments (FVOCI) with other related party	-	1,215

- (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 interim condensed consolidated statement of financial position. The balances with the entities controlled by the KSA Government are disclosed in the note (ii) below.

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13. RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

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

	<i>31 March 2026</i> <i>(Unaudited)</i> <i>₹'000</i>	<i>31 December 2025</i> <i>(Audited)</i> <i>₹'000</i>
<i>Entities under common shareholding</i>		
Innovative Energy Holding Ltd	1,223	1,223
	1,223	1,223

The above outstanding balances at the period-end are unsecured, interest free and settled in cash. There have been no guarantees provided or received for any related party receivables or payables. For the period ended 31 March 2026, 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.

ii) *Other significant balances are as follows:*

	<i>31 March 2026</i> <i>(Unaudited)</i> <i>₹'000</i>	<i>31 December 2025</i> <i>(Audited)</i> <i>₹'000</i>
Bank balances and cash with other related parties	241,013	120,384
Interest-bearing loans and borrowings from other related parties	8,799,995	8,925,803
Trade receivables and unbilled receivables from other related parties	369,489	412,154
Trade receivables from joint venture *	1,067	1,067
Derivative financial instrument liability with other related parties	12,561	1,813
Investment in joint venture	35,946	34,013

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 14 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 period was as follows:

	<i>Three month period ended</i>	
	<i>31 March 2026</i> <i>(Unaudited)</i> <i>₹'000</i>	<i>31 March 2025</i> <i>(Unaudited)</i> <i>₹'000</i>
Total benefits (including salary, bonus and other allowances)	2,923	4,238
Directors' remunerations	89	53

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14. CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities

	<i>31 March 2026</i> <i>(Unaudited)</i> <i>ﷲ'000</i>	<i>31 December 2025</i> <i>(Audited)</i> <i>ﷲ'000</i>
Letter of guarantees*	2,058,360	2,128,054

Contingent liabilities represent letters of guarantee issued in favor of Saudi Customs, Egyptian General Petroleum Corporation, Kuwait Oil Company, The Gulf of Suez Petroleum Company and others. The cover margin on such guarantees amounted to ﷲ 46,189 thousand (31 December 2025: ﷲ 47,822 thousand).

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

- The Group entered into a bilateral agreement with Gulf International Bank dated November 2023 in ﷲ equivalent to ﷲ 250,000 thousand available to cover working capital needs including issuance of letters of guarantees. As of 31 March 2026, the Group utilized letter of guarantees for a total amount of ﷲ 196,392 thousand (31 December 2025: ﷲ 207,616 thousand).
- The Group entered into a bilateral agreement with Alinma Bank dated April 2019 in ﷲ equivalent to ﷲ 37,500 thousand available to cover working capital needs including issuance of letters of guarantees. As of 31 March 2026, the Group utilized letter of guarantees for a total amount of ﷲ 24,364 thousand (31 December 2025: ﷲ 24,364 thousand).
- The Group entered into a bilateral agreement with Saudi National Bank in KSA (SNB) dated May 2019 in ﷲ equivalent to ﷲ 10,999 thousand available to issuance of letters of guarantees. As of 31 March 2026, the Group utilized letter of guarantees for a total amount of ﷲ 9,519 thousand (31 December 2025: ﷲ 9,519 thousand).

Capital commitment

The Group has a capital commitment for ﷲ 188 million as at 31 March 2026 (31 December 2025: ﷲ 225 million).

15. FINANCIAL INSTRUMENT AT FAIR VALUES

DERIVATIVE FINANCIAL INSTRUMENTS

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

The fair values of derivative financial instruments are as follows:

	<i>31 March 2026</i> <i>(Unaudited)</i> <i>ﷲ'000</i>	<i>31 December 2025</i> <i>(Audited)</i> <i>ﷲ'000</i>
<i>Derivative financial instruments assets:</i>		
Non-current		
Interest rate swaps	24,038	6,307
Foreign exchange rate	2,071	2,071
	26,109	8,378

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15. FINANCIAL INSTRUMENT AT FAIR VALUES (CONTINUED)

DERIVATIVE FINANCIAL INSTRUMENTS

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

	<i>Total</i> <i>(Unaudited)</i> #’000	<i>Level 1</i> <i>(Unaudited)</i> #’000	<i>Level 2</i> <i>(Unaudited)</i> #’000	<i>Level 3</i> <i>(Unaudited)</i> #’000
As at 31 March 2026 (Unaudited)				
<i>Fair value through other comprehensive income</i>				
Derivative financial instrument:				
Interest rate swap	24,038	-	24,038	-
<i>Fair value through profit or loss</i>				
Derivative financial instrument:				
Interest rate swap	2,071	-	2,071	-
	<i>Total</i> <i>(Audited)</i> #’000	<i>Level 1</i> <i>(Audited)</i> #’000	<i>Level 2</i> <i>(Audited)</i> #’000	<i>Level 3</i> <i>(Audited)</i> #’000
As at 31 December 2025 (Audited)				
<i>Fair value through other comprehensive income</i>				
Derivative financial instrument:				
Interest rate swap	6,307	-	6,307	-
<i>Fair value through profit or loss</i>				
Derivative financial instrument:				
Interest rate swap	2,071	-	2,071	-

During the three-month period ended 31 March 2026, 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 2025: Nil).

16. DIVIDENDS TO SHAREHOLDERS

During the three-month period ended 31 March 2026, the Group’s Board of Directors approved cash dividends of # 0.24 per share totalling to # 265 million (31 March 2025: # 0.22 per share totalling to # 242.2 million). It has been fully paid subsequent to the period end.

17. GEOPOLITICAL DEVELOPMENTS

During March 2026, the geopolitical tensions in certain parts of the Middle East, resulted in temporary suspensions for certain rigs operating within the GCC region. Based on management’s current assessment and available information, these disruptions are expected to be temporary in nature and are not anticipated to have a material impact on the Group’s overall operations, financial position, or liquidity.

Management continues to closely monitor the evolving regional developments and has assessed the potential implications on the Group’s operations, including related revenue streams, asset recoverability, and contractual commitments. The Group’s diversified geographical footprint across more than 20 countries and operational flexibility continue to support the resilience of its business model against localized disruptions.