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ADES International Holding PLC  
08 March 2021

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**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.**

**FOR IMMEDIATE RELEASE**

8 March 2021

**RECOMMENDED CASH OFFER FOR AND PROPOSED DELISTING OF**

**ADES International Holding plc ("ADES International")**

**by**

**Innovative Energy Holding Ltd ("Innovative Energy")**

**a newly formed company to be jointly owned by**

**ADES Investments Holding Ltd ("ADES Investments")**

**and**

**The Public Investment Fund of the Kingdom of Saudi Arabia (the "Public Investment Fund")**

**and**

**Zamil Group Investment Co. ("Zamil Investments")**

**1. Summary**

The independent directors of ADES International (the "**Independent Directors**") and Innovative Energy are pleased to announce the terms of a recommended

cash offer to be made by Innovative Energy for the entire issued and to be issued ordinary share capital of ADES International not already owned or treated as owned by Innovative Energy and its associates for the purposes of the DIFC Companies Law (the "Offer").

Under the terms of the Offer, ADES Shareholders will receive:

**US\$12.50 per share in cash for each ADES Share**  
(the "Offer Price")

The Offer Price values the existing issued share capital (excluding Treasury Shares) of ADES International at approximately US\$516 million and the existing issued share capital (excluding Treasury Shares) not currently owned or treated as owned by Innovative Energy and its associates for the purposes of the DIFC Companies Law at approximately US\$161 million.

The Offer Price to be paid by Innovative Energy represents a premium of:

- €€€€€€€€€€€€€€€€ approximately 40 per cent. to the Closing Price of US\$8.95 per ADES Share on 5 March 2021 (being the last Business Day prior to the date of this announcement);
- €€€€€€€€€€€€€€€€ approximately 36 per cent. to ADES International's volume-weighted average price ("VWAP") of US\$9.20 per ADES Share for the 30 day period ended 5 March 2021;
- €€€€€€€€€€€€€€€€ approximately 32 per cent. to the VWAP of US\$9.49 per ADES Share for the 90 day period ended 5 March 2021; and
- €€€€€€€€€€€€€€€€ approximately 35 per cent. to the VWAP of US\$9.27 per ADES Share for the 12 months ended 5 March 2021.

Pursuant to an implementation agreement entered into between Innovative Energy and ADES International dated 8 March 2021 (the "**Implementation Agreement**") (the terms of which are further described in paragraph 14 of the full text of this announcement), ADES International has agreed that, if the Offer becomes, or is declared, unconditional in all respects, it will make an application to the Financial Conduct Authority (the "**FCA**") for the cancellation of the listing of the ADES Shares from the Standard Segment of the Official List of the FCA (the "**Official List**") and to London Stock Exchange plc (the "**London Stock Exchange**") for the cancellation of the admission to trading of the ADES Shares on the London Stock Exchange's main market for listed securities (the "**Main Market**").

As at the date of this announcement, Innovative Energy is wholly owned by ADES Investments. Subject only to the Offer becoming, or being declared, unconditional in all respects, the Public Investment Fund has agreed to subscribe for shares in Innovative Energy in order to provide Innovative Energy with the financing required to acquire the ADES Shares from ADES Shareholders who accept the Offer in respect of their ADES Shares.

Each of ADES Investments and Zamil Investments has agreed with Innovative Energy that, by not later than the date on which the Offer becomes, or is declared, unconditional in all respects, it will contribute its holdings of ADES Shares to Innovative Energy in exchange for ordinary shares in the capital of Innovative Energy.

As at the date of this announcement:

- (a) 26,349,242 ADES Shares are held by ADES Investments, representing approximately 63.9 per cent. of ADES International's existing issued

share capital (excluding Treasury Shares); and

- (b) 2,033,848 ADES Shares are held by Zamil Investments, representing approximately 4.9 per cent. of ADES International's existing issued share capital (excluding Treasury Shares).

As at the date of this announcement, Innovative Energy and the Public Investment Fund do not hold any ADES Shares.

It is intended that the Offer will be implemented by means of a contractual takeover offer for the purposes of Part 7 of the DIFC Companies Law. Innovative Energy reserves the right, subject to the consent of ADES International, to effect the Offer by way of a scheme of arrangement in accordance with Part 9 of the DIFC Companies Law. The Offer will not extend to any ADES Shares held by ADES Investments or Zamil Investments.

**THE OFFER IS NOT GOVERNED BY THE TERMS OF THE CITY CODE ON TAKEOVERS AND MERGERS OR THE DUBAI FINANCIAL SERVICES AUTHORITY TAKEOVER RULES.**

In connection with the Offer, ADES International will also be seeking the approval of ADES Shareholders in respect of the Disapplication Resolution which will seek the approval of ADES Shareholders for the disapplication of pre-emption rights in relation to the sale, for cash, of the ADES Shares currently held by ADES International as Treasury Shares for the purposes of Part 7 of the DIFC Companies Law. As at the date of this announcement, ADES International holds 2,544,382 ADES Shares as Treasury Shares, representing approximately 5.8 per cent. of the fully diluted share capital of ADES International (including the Treasury Shares).

Pursuant to the Implementation Agreement, ADES International has agreed with Innovative Energy that, subject to the passing of the Disapplication Resolution, it will accept the Offer in respect of the Treasury Shares in accordance with the procedure for acceptance to be set out in the Offer Document as soon as reasonably practicable and in any event by no later than two Business Days after the passing of the Disapplication Resolution. A notice of general meeting, setting out the Disapplication Resolution, is expected to be published by ADES International on or before the date falling 10 days from the date on which the Offer Document is published.

**2. Background to and reasons for the Offer and proposed delisting**

*Offer rationale*

Innovative Energy believes that the Offer represents an attractive opportunity to gain exposure to the oil and gas drilling and production services sector in the Middle East and North Africa ("**MENA**") region. ADES International is well positioned to serve its clients in providing their requirements and value-added solutions to their operations. Innovative Energy sees the merits in ADES International's client relationships, predictable cash flow, significant backlog and low-cost business model.

Innovative Energy recognises the progress achieved by the management team of ADES International in its implementation and current execution of its strategy to become a major oil and gas drilling services provider in the MENA region. Innovative Energy sees the strength in ADES International's value proposition, which will drive further growth opportunities with existing and new clients, while maintaining discipline in its capital allocation and capital structure.

As a long-term and strategic investor, ADES Investments as a shareholder in Innovative Energy is strongly positioned to support ADES International in its continued growth to deliver on its success.

It is intended that, within one year of completion of the Offer, the operational headquarters of the ADES International Group will be relocated to the Kingdom of Saudi Arabia.

Innovative Energy believes that the Offer is in the best interests of ADES Shareholders, as it allows them to realise an upfront attractive cash premium for their ADES Shares. The Offer Price to be paid by Innovative Energy represents a premium of:

- €€€€€€€€€€€€€€€€ approximately 40 per cent. to the Closing Price of US\$8.95 per ADES Share on 5 March 2021 (being the last Business Day prior to the date of this announcement);
- €€€€€€€€€€€€€€€€ approximately 36 per cent. to ADES International's VWAP of US\$9.20 per ADES Share for the 30 day period ended 5 March 2021;
- €€€€€€€€€€€€€€€€ approximately 32 per cent. to the VWAP of US\$9.49 per ADES Share for the 90 day period ended 5 March 2021; and
- €€€€€€€€€€€€€€€€ approximately 35 per cent. to the VWAP of US\$9.27 per ADES Share for the 12 months ended 5 March 2021.

Furthermore, the Offer in cash provides an immediate and certain exit opportunity for ADES Shareholders in an accelerated and de-risked manner.

*Delisting rationale*

ADES International was originally listed on the FCA's Official List and the ADES Shares were admitted to trading on the London Stock Exchange's Main Market in 2017 in order to access a deeper pool of professional investors to raise capital (a) to allow the company to seize an attractive market opportunity, (b) to seize growth in the business by purchasing and refurbishing rigs and other assets, and (c) for general corporate purposes.

ADES International's listing, and its subsequent acquisition of 34 rigs from entities such as Nabors Industry Ltd. and Weatherford Drilling International, enabled it to transform itself from a company that was predominantly focused on offshore services in Egypt (with a smaller presence in the Kingdom of Saudi Arabia and Algeria) into a regional player that provides both offshore and onshore services, with significant market positions in the Kingdom of Saudi Arabia, Kuwait, Egypt and Algeria.

The operational performance of ADES International has been strong in recent years. Revenue increased from US\$157.6 million to US\$477.8 million, EBITDA increased from US\$80.3 million to US\$193.4 million and backlog increased from US\$427 million to US\$1,307 million, in each case from 2017 to 2019. These increases have been achieved through a combination of organic growth and acquisitions. However, the share price performance of ADES International has decreased by 25.5 per cent. during the same period and the average daily trading liquidity (ADTV) has averaged 38,888 shares.

Whilst the listing and admission to trading of the ADES Shares in 2017 has supported the growth of ADES International's business, Innovative Energy believes that the original rationale for listing ADES Shares is now less compelling, and that the long term prospects of ADES International may be better served through private ownership, due to the fact that:

- ADES International attracts negligible trading volumes which do not justify the requirements and associated costs with maintaining its public listing;
- ADES International faces increased challenges in raising capital efficiently and optimally given the aforementioned share price performance and volume levels; and
- as a private company, Innovative Energy believes that the business will benefit from a longer term approach to strategy and decision making and that ADES International will have greater flexibility to pursue strategic opportunities, including in relation to capital allocation and growth. For example, Innovative Energy believes that ADES International will be able to gain further exposure in underserved areas of the Middle East market as well as continuing to compete in its existing markets.

**3. Recommendation**

The Independent Directors of ADES International consider the terms of the Offer to be fair and reasonable so far as the ADES Shareholders are concerned.

Accordingly, the Independent Directors of ADES International intend unanimously to recommend that ADES Shareholders accept the Offer.

The background to and reasons for the Independent Directors intention unanimously to recommend the Offer are set out in paragraph 6 of the full text of this announcement.

As at the date of this announcement, the Independent Directors of ADES International are not interested in any ADES Shares.

**4. ADES Director Intentions**

Those ADES Directors who are also ADES Shareholders intend to (a) accept or procure acceptance of the Offer, and (b) vote in favour of the Disapplication Resolution, in each case in respect of their own beneficial holdings as set out below:

Name of ADES Director	Interest in ADES Shares	Total interest as a percentage of ADES International's issued share capital (excluding Treasury Shares)
<b>Mohamed Farouk Abdelkhalek</b>	912,928	2.2%
<b>Ulf Henriksson</b>	36,363	0.1%
<b>Total</b>	<b>949,291</b>	<b>2.3%</b>

**5. General**

The Offer will be subject to the full terms and conditions to be set out in the Offer Document and, in respect of ADES Shares held in certificated form, the Form of

Acceptance when issued, which will include, inter alia, details of the circumstances in which the conditions to the Offer will be satisfied or may be waived. The conditions to the Offer shall be the following:

- Innovative Energy receiving valid acceptances in respect of not less than 8,768,741 ADES Shares (or such lesser number of ADES Shares as Innovative Energy may decide), which represent not less than approximately 56.9 per cent. of the existing share capital of ADES International, including the Treasury Shares but excluding those ADES Shares which, as at the date of this announcement, are held by ADES Investments and Zamil Investments;
- the Disapplication Resolution being duly passed by the requisite number of ADES Shareholders at a general meeting of ADES International; and
- any antitrust clearance required having been received, or the relevant waiting period having expired, in each case under the merger control regime in the Kingdom of Saudi Arabia with respect to the Offer.

Pursuant to the Implementation Agreement, ADES International has agreed that, if the Offer becomes, or is declared, unconditional in all respects, it will make an application to the FCA for the cancellation of the listing of the ADES Shares from the Standard Segment of the Official List and to the London Stock Exchange for the cancellation of the admission to trading of the ADES Shares on the London Stock Exchange's Main Market. It is anticipated that the cancellation of the listing on the Standard Segment of the Official List and the admission to trading on the London Stock Exchange's Main Market will take effect no earlier than 20 Business Days after the date on which the Offer becomes, or is declared, unconditional in all respects.

Following the Offer becoming, or being declared, unconditional in all respects and the ADES Shares having been delisted, Innovative Energy intends to procure that ADES International be re-registered as a DIFC private limited company.

**The delisting of the ADES Shares and the re-registration of ADES International as a private limited company will significantly reduce the liquidity and marketability of any ADES Shares in respect of which the Offer has not been accepted at that time and their value may be affected as a consequence. Any remaining ADES Shareholders will, in this case, become minority shareholders in a majority controlled private limited company and may therefore be unable to sell their ADES Shares. There can be no certainty that ADES International will pay any further dividends or other distributions in this case, or that such minority ADES Shareholders will again be offered an opportunity to sell their ADES Shares on terms which are equivalent to or no less advantageous than those under the Offer.**

If Innovative Energy, by virtue of acceptances of the Offer, acquires or contracts to acquire not less than nine-tenths ( $\frac{9}{10}$ ) in value of the ADES Shares to which the Offer relates and the Offer becomes, or is declared, unconditional in all respects, Innovative Energy intends to exercise its rights pursuant to Article 98 of the DIFC Companies Law to acquire compulsorily the remaining ADES Shares in respect of which it has not received acceptances of the Offer on the same terms as the Offer (the "**Compulsory Acquisition**"). The acceptance condition to the Offer may be satisfied or waived in circumstances in which the threshold for commencing the Compulsory Acquisition procedure has not yet been reached.

The Offer will become, or be declared, unconditional in all respects only if the conditions to the Offer have been satisfied or, where applicable, waived. Subject to the satisfaction or, where applicable, waiver of the conditions, it is expected

that completion of the Offer will occur during Q2 2021.

The Offer Document, containing the full terms and conditions of the Offer and certain further information about the Offer, together with, in respect of ADES Shares held in certificated form, the Form of Acceptance accompanying the Offer Document, will be sent to ADES Shareholders in due course and the Offer Document will be made available on ADES International's website at <http://investors.adihgroup.com/> as soon as practicable following the announcement that the Offer Document has been posted to ADES Shareholders.

**This summary should be read in conjunction with, and is subject to, the full text of the following announcement (including its Appendices). The Offer will be subject to the full terms and conditions to be set out in the Offer Document and, in respect of ADES Shares held in certificated form, Form of Acceptance. Appendix 1 contains the sources and bases of certain information contained in this summary and the following announcement. Appendix 2 contains the definitions of certain terms used in this summary and the following announcement.**

EFG Hermes UAE Limited ("**EFG Hermes**") is acting as financial adviser to ADES Investments and Innovative Energy in relation to the Offer. Moelis & Company UK LLP ("**Moelis & Company**") is acting as financial adviser to the Public Investment Fund in relation to the Offer.

Ashurst LLP is acting as legal adviser to ADES Investments in relation to the Offer. Allen & Overy LLP is acting as legal adviser to the Public Investment Fund in relation to the Offer. Hill Dickinson LLP is acting as legal adviser to ADES International in relation to the Offer.

Investec Bank plc ("**Investec**") and Canaccord Genuity Limited ("**Canaccord**") act as joint corporate brokers for ADES International.

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### **Important Notice**

This announcement is for information purposes only and is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Offer or otherwise, nor shall there be any sale, issuance or transfer of securities of ADES International in any jurisdiction in contravention of applicable law.

The Offer will be made solely by means of the Offer Document and, in respect of ADES Shares held in certificated form, the Form of Acceptance accompanying the Offer Document, which will contain the full terms and conditions of the Offer including details of how to accept the Offer. Any approval, acceptance, decision or other response to the Offer should be made only on the basis of the information in the Offer Document and, in respect of ADES Shares held in certificated form, the Form of Acceptance. ADES Shareholders are strongly advised to read the formal documentation in relation to the Offer once it has been despatched.

EFG Hermes, which is authorised regulated by the Dubai Financial Services Authority in the Dubai International Financial Centre, is acting as financial adviser exclusively for ADES Investments and Innovative Energy and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters set out in this announcement and will not be responsible to anyone other than ADES Investments and Innovative Energy for providing the protections afforded to clients of EFG Hermes or its affiliates, nor for providing advice in relation to the contents of this announcement or any other matter referred to herein. Neither EFG Hermes nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of EFG Hermes in connection with this announcement, any statement contained herein or otherwise.

Moelis & Company, which is authorised and regulated by the FCA in the United Kingdom, is acting as financial adviser exclusively for the Public Investment Fund and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters set out in this announcement and will not be responsible to anyone other than the Public Investment Fund for providing the protections afforded to clients of Moelis & Company, nor for providing advice in relation to the contents of this announcement or any other matter referred to herein. Neither Moelis & Company nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Moelis & Company in connection with this announcement, any statement contained herein or otherwise.

Investec, which is authorised in the United Kingdom by the Prudential Regulation Authority ("**PRA**") and regulated by the FCA and the PRA, and Canaccord, which is authorised and regulated in the United Kingdom by the FCA, are acting as joint corporate brokers for ADES International and no one else and will not regard any other person as their client in relation to the matters set out in this announcement and will not be responsible to anyone other than ADES International for providing the protections afforded to their respective clients. Neither Investec, Canaccord nor any of their respective subsidiaries, branches or affiliates owe or accept any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person in connection with this announcement, any statement contained herein or otherwise.

### **Overseas Shareholders**

This announcement has been prepared in accordance with English law and the information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England. The statements contained in this announcement are made as at the date of this announcement, unless some other



time is specified in relation to them, and there shall be no implication that there has been no change in the facts set forth in this announcement since such date.

The release, publication or distribution of this announcement and the availability of the Offer in or into jurisdictions other than the United Kingdom may be affected by the laws and regulations of those jurisdictions. Persons who are not resident in the United Kingdom, or who are subject to the laws of any jurisdiction other than the United Kingdom, should inform themselves about, and observe any applicable requirements. Any person (including, without limitation, nominees, trustees and custodians) who would, or otherwise intends to, forward this announcement, the Offer Document or any accompanying document to any jurisdiction outside the United Kingdom should refrain from doing so and seek appropriate professional advice before taking any action. Any failure to comply with the applicable legal or regulatory requirements may constitute a violation of the laws and/or regulations of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Offer disclaim any responsibility and liability for the violation of such restrictions by any person. Further details in relation to Overseas Shareholders will be contained in the Offer Document.

Unless otherwise determined by Innovative Energy, and permitted by applicable law and regulation, the Offer will not be made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (including, without limitation, telephonic or electronic) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, a Restricted Jurisdiction, and no person may accept the Offer by any such use, means, instrumentality or facility or from within a Restricted Jurisdiction. Accordingly, copies of this announcement and the formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded or distributed in, into or from a Restricted Jurisdiction and persons receiving this announcement (including custodians, nominees and trustees) must not distribute or send it into or from a Restricted Jurisdiction.

In accordance with normal United Kingdom market practice and subject to applicable regulatory requirements, including Rule 14e-5 under the US Securities and Exchange Act of 1934, Innovative Energy or its nominees or brokers (acting as agents) may from time to time whilst the Offer remains open for acceptance make certain purchases of, or arrangements to purchase, ADES Shares otherwise than under the Offer, such as in the open market or through privately negotiated purchases. Such purchases, or arrangements to purchase, shall comply with applicable rules in the United Kingdom and the rules of the London Stock Exchange. Details about any such purchases will be available from any Regulatory Information Service.

### **Cautionary note regarding forward looking statements**

This announcement contains certain statements which are, or may be deemed to be, "forward-looking statements" which are prospective in nature. The words "believe", "anticipate", "expect", "intend", "aim", "plan", "predict", "continue", "assume", "positioned", "may", "will", "should", "shall", "risk" and other similar expressions that are predictions of or indicate future events and future trends identify forward-looking statements. These forward-looking statements include all matters that are not current or historical facts. By their nature, forward-looking statements involve risks and uncertainties because such statements relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not indicative of future performance and Innovative Energy's or ADES International's actual results of operations, financial condition and liquidity, and the development of the industry in which Innovative Energy or ADES International sources operates, may differ materially from those made in or suggested by the forward-looking statements contained in this announcement. The cautionary statements set out above should be considered in connection with any subsequent written or oral forward-looking statements that Innovative Energy, or persons acting on its behalf, may issue.

### **No profit forecasts or estimates**

Nothing in this announcement is intended or shall be deemed to be a forecast, projection or estimate of the future financial performance of Innovative Energy or ADES International and no statement in this announcement should be interpreted to mean that

earnings or earnings per share of Innovative Energy or ADES International (where relevant) for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Innovative Energy or ADES International, as appropriate.

**Publication on website**

A copy of this announcement will be available, subject to certain restrictions relating to

persons resident in Restricted Jurisdictions, on ADES International's website at

<http://investors.adihgroup.com/> as soon as practicable following the date of this

announcement. For the avoidance of doubt, the content of the website is not incorporated

into and does not form part of this announcement.

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8 March 2021

**RECOMMENDED CASH OFFER FOR AND PROPOSED DELISTING  
OF**

**ADES International Holding plc ("ADES International")**

**by**

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**a newly formed company to be jointly owned by**

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**and**

**The Public Investment Fund of the Kingdom of Saudi Arabia  
("Public Investment Fund")**

**and**

**Zamil Group Investment Co. ("Zamil Investments")**

**1. Introduction**

The independent directors of ADES International (the "**Independent Directors**") and Innovative Energy are pleased to announce the terms of a recommended cash offer to be made by Innovative Energy for the entire issued and to be issued ordinary share capital of ADES International not already owned or treated as owned by Innovative Energy and its associates for the purposes of the DIFC Companies Law (the "**Offer**").

Innovative Energy is a newly formed company incorporated for the purposes of the Offer. Following completion of the Offer, Innovative Energy will be jointly owned by ADES Investments Holding Ltd ("**ADES Investments**"), the Public Investment Fund of the Kingdom of Saudi Arabia ("**Public Investment Fund**"), and Zamil Group Investment Co. ("**Zamil Investments**").

**2. The Offer and proposed delisting**

The Offer, which will be subject to the full terms and conditions to be set out in the Offer Document and, in respect of ADES Shares held in certificated form, the Form of Acceptance, will be made on the following basis:

**US\$12.50 per share in cash for each ADES Share**  
(the "Offer Price")

The Offer Price values the total existing issued share capital (excluding Treasury Shares) of ADES International at approximately US\$516 million and the existing issued share capital (excluding Treasury Shares) not currently owned or treated as owned by Innovative Energy and its associates for the purposes of the DIFC Companies Law at approximately US\$161 million.

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Each of ADES Investments and Zamil Investments has agreed with Innovative Energy that, by not later than the date on which the Offer becomes, or is declared, unconditional in all respects, it will contribute its holdings of ADES Shares to Innovative Energy in exchange for ordinary shares in the capital of Innovative Energy.

As at the date of this announcement:

- (a) 26,349,242 ADES Shares are held by ADES Investments, representing approximately 63.9 per cent. of ADES International's existing issued share capital (excluding Treasury Shares); and
- (b) 2,033,848 ADES Shares are held by Zamil Investments, representing approximately 4.9 per cent. of ADES International's existing issued share capital (excluding Treasury Shares).

As at the date of this announcement, Innovative Energy and the Public Investment Fund do not hold any ADES Shares.

It is intended that the Offer will be implemented by means of a contractual takeover offer for the purposes of Part 7 of the DIFC Companies Law. Innovative Energy reserves the right, subject to the consent of ADES International, to effect the Offer by way of a scheme of arrangement in accordance with Part 9 of the DIFC Companies Law. The Offer will not extend to any ADES Shares held by ADES Investments or Zamil Investments.

**THE OFFER IS NOT GOVERNED BY THE TERMS OF THE CITY CODE ON TAKEOVERS AND MERGERS OR THE DUBAI FINANCIAL SERVICES AUTHORITY TAKEOVER RULES.**

### **3. Background to and reasons for the Offer and possible delisting**

#### *Offer rationale*

Innovative Energy believes that the Offer represents an attractive opportunity to gain exposure to the oil and gas drilling and production services sector in the Middle East and North Africa ("**MENA**") region. ADES International is well positioned to serve its clients in providing their requirements and value-added solutions to their operations. Innovative Energy sees the merits in ADES International's client relationships, predictable cash flow, significant backlog and low-cost business model.

Innovative Energy recognises the progress achieved by the management team of ADES International in its implementation and current execution of its strategy to become a major oil and gas drilling services provider in the MENA region. Innovative Energy sees the strength in ADES International's value proposition, which will drive further growth opportunities with existing and new clients, while maintaining discipline in its capital allocation and capital structure.

As a long-term and strategic investor, ADES Investments as a shareholder in Innovative Energy is strongly positioned to support ADES International in its continued growth to deliver on its success.

It is intended that, within one year of completion of the Offer, the operational headquarters of the ADES International Group will be relocated to the Kingdom of Saudi Arabia.

Innovative Energy believes that the Offer is in the best interests of ADES Shareholders, as it allows them to realise an upfront attractive cash premium for their ADES Shares. The Offer Price to be paid by Innovative Energy represents a premium of:

- €€€€€€€€€€€€€€€€ approximately 40 per cent. to the Closing Price of US\$8.95 per ADES Share on 5 March 2021 (being the last Business Day prior to the date of this announcement);



- €€€€€€€€€€€€€€€€ approximately 36 per cent. to ADES International's VWAP of US\$9.20 per ADES Share for the 30 day period ended 5 March 2021;
- €€€€€€€€€€€€€€€€ approximately 32 per cent. to the VWAP of US\$9.49 per ADES Share for the 90 day period ended 5 March 2021; and
- €€€€€€€€€€€€€€€€ approximately 35 per cent. to the VWAP of US\$9.27 per ADES Share for the 12 months ended 5 March 2021.

Furthermore, the Offer in cash provides an immediate and certain exit opportunity for ADES Shareholders in an accelerated and de-risked manner.

*Delisting rationale*

ADES International was originally listed on the FCA's Official List and the ADES Shares were admitted to trading on the London Stock Exchange's Main Market in 2017 in order to access a deeper pool of professional investors to raise capital (a) to allow the company to seize an attractive market opportunity, (b) to seize growth in the business by purchasing and refurbishing rigs and other assets, and (c) for general corporate purposes.

ADES International's listing, and its subsequent acquisition of 34 rigs from entities such as Nabors Industry Ltd. and Weatherford Drilling International, enabled it to transform itself from a company that was predominantly focused on offshore services in Egypt (with a smaller presence in the Kingdom of Saudi Arabia and Algeria) into a regional player that provides both offshore and onshore services, with significant market positions in the Kingdom of Saudi Arabia, Kuwait, Egypt and Algeria.

The operational performance of ADES International has been strong in recent years. Revenue increased from US\$157.6 million to US\$477.8 million, EBITDA increased from US\$80.3 million to US\$193.4 million and backlog increased from US\$427 million to US\$1,307 million, in each case from 2017 to 2019. These increases have been achieved through a combination of organic growth and acquisitions. However, the share price performance of ADES International has decreased by 25.5 per cent. during the same period and the average daily trading liquidity (ADTV) has averaged 38,888 shares.

Whilst the listing and admission to trading of the ADES Shares in 2017 has supported the growth of ADES International's business, Innovative Energy believes that the original rationale for listing ADES Shares is now less compelling, and that the long term prospects of ADES International may be better served through private ownership, due to the fact that:

- €€€€€€€€€€€€€€€€ ADES International attracts negligible trading volumes which do not justify the requirements and associated costs with maintaining its public listing;
- €€€€€€€€€€€€€€€€ ADES International faces increased challenges in raising capital efficiently and optimally given the aforementioned share price performance and volume levels; and

- as a private company, Innovative Energy believes that the business will benefit from a longer term approach to strategy and decision making and that ADES International will have greater flexibility to pursue strategic opportunities, including in relation to capital allocation and growth. For example, Innovative Energy believes that ADES International will be able to gain further exposure in underserved areas of the Middle East market as well as continuing to compete in its existing markets.

#### **4. Financing of the Offer and ownership of Innovative Energy**

As at the date of this announcement, Innovative Energy is wholly owned by ADES Investments. Subject only to the Offer becoming, or being declared, unconditional in all respects, the Public Investment Fund has agreed to subscribe for shares in Innovative Energy in order to provide Innovative Energy with the financing required to acquire the ADES Shares from ADES Shareholders who accept the Offer in respect of the ADES Shares. The cash consideration payable to ADES Shareholders under the terms of the Offer will be financed by means of an equity contribution by the Public Investment Fund to Innovative Energy to be satisfied by the cash resources of the Public Investment Fund.

Each of ADES Investments and Zamil Investments has agreed with Innovative Energy that, by not later than the date on which the Offer becomes, or is declared, unconditional in all respects, it will contribute its holdings of ADES Shares to Innovative Energy in exchange for ordinary shares in the capital of Innovative Energy.

#### **5. Recommendation**

The Independent Directors of ADES International consider the terms of the Offer to be fair and reasonable so far as the ADES Shareholders are concerned.

Accordingly, the Independent Directors of ADES International intend unanimously to recommend that ADES Shareholders accept the Offer.

As at the date of this announcement, the Independent Directors of ADES International are not interested in any ADES Shares.

#### **6. Background to and reasons for recommending the Offer**

Following an initial approach from ADES Investments, the board of ADES International formed an independent committee (comprising Hatem Soliman, Mohamed Walid Cherif and Nabil Kassem, each being Independent Directors) in connection with the Offer. This independent committee (together with Yasser Hasem as the remaining Independent Director) agreed with Innovative Energy an Offer Price of US\$12.50 per ADES Share.

The Independent Directors of ADES International believe that the Offer is in the best interests of ADES Shareholders, as it allows them to realise an upfront attractive cash premium for their ADES Shares. The Offer Price to be paid by Innovative Energy represents a premium of:

- approximately 40 per cent. to the Closing Price of US\$8.95 per ADES Share on 5 March 2021 (being the last Business Day prior to the date of this announcement);

- €€€€€€€€€€€€€€€€ approximately 36 per cent. to ADES International's VWAP of US\$9.20 per ADES Share for the 30 day period ended 5 March 2021;
- €€€€€€€€€€€€€€€€ approximately 32 per cent. to the VWAP of US\$9.49 per ADES Share for the 90 day period ended 5 March 2021; and
- €€€€€€€€€€€€€€€€ approximately 35 per cent. to the VWAP of US\$9.27 per ADES Share for the 12 months ended 5 March 2021.

The Independent Directors believe, based on their commercial assessments of the Offer that this is an attractive premium to ADES International's prevailing share price over the past 12 months. Furthermore, the Offer in cash provides an immediate and certain exit opportunity for ADES Shareholders in an accelerated and de-risked manner.

The Independent Directors have taken into consideration the poor performance of ADES International's share price relative to ADES International's operating and financial performance over the past three years and the fact that trading in ADES Shares has been increasingly illiquid, particularly in the past 18 months.

The Offer, if successful, will allow ADES Shareholders to realise, in cash in the near-term, their investment in ADES International at a significant premium to ADES International's current share price as well as create a viable liquidity event that would allow ADES Shareholders to exit an increasingly illiquid stock.

It is for these reasons that the Independent Directors of ADES International believe that the terms of the Offer are fair and reasonable and intend unanimously to recommend ADES Shareholders to accept the Offer.

**7. ADES Director intentions**

The ADES Directors who are also ADES Shareholders intend to (a) accept or procure acceptance of the Offer, and (b) vote in favour of the Disapplication Resolution, in each case in respect of their own beneficial holdings as set out below:

<b>Name of ADES Director</b>	<b>Interest in ADES Shares</b>	<b>Total interest as a percentage of ADES International's issued share capital (excluding Treasury Shares)</b>
<b>Mohamed Farouk Abdelkhalek</b>	912,928	2.2%
<b>Ulf Henriksson</b>	36,363	0.1%
<b>Total</b>	<b>949,291</b>	<b>2.3%</b>

**8. Information relating to Innovative Energy, ADES Investments, the Public Investment Fund and Zamil Investments**

**8.1 Innovative Energy**

Innovative Energy is a newly incorporated company, incorporated in the DIFC, formed for the purposes of implementing the Offer. Innovative Energy is currently a wholly-owned subsidiary of ADES Investments. Innovative Energy was incorporated on 4 March 2021, with registered number 4509. The current directors of Innovative Energy are Mr. Ayman Abbas and Dr. Mohamed Farouk Abdelkhalek. Innovative Energy has not traded since incorporation, has paid no dividends and has not entered into any obligations other than in connection with

the Offer.

## **8.2 ADES Investments**

ADES Investments is a company limited by shares incorporated on 28 July 2016 under the Companies Law - DIFC Law No. 2 of 2009. ADES Investments is owned 67 per cent. by Intro Investments Holding Ltd (which is owned by the Abbas family) and 33 per cent. by Sky Investments Holding Ltd (which is owned by the Hussein family). The nature of the business of ADES Investments is that of an investment holding company. ADES Investments otherwise conducts no business or trade.

As at the date of this announcement, ADES Investments holds 26,349,242 ADES Shares, representing approximately 63.9 per cent. of ADES International's existing issued share capital (excluding Treasury Shares). ADES Investments has agreed with Innovative Energy that, by not later than the date on which the Offer becomes, or is declared, unconditional in all respects, it will contribute its entire holding of ADES Shares to Innovative Energy in exchange for ordinary shares in the capital of Innovative Energy.

## **8.3 The Public Investment Fund**

The Public Investment Fund is one of the largest and most impactful sovereign wealth funds in the world, driving the economic transformation of Saudi Arabia for the benefit of its people while helping shape the future global economy. PIF is building a world-class portfolio through investments in attractive, long-term opportunities across diverse industries and asset classes internationally, while unlocking new sectors at home. PIF works alongside global strategic partners and renowned investment managers, and acts as the Kingdom of Saudi Arabia's primary investment arm aiming toward generating long-term value for the Kingdom of Saudi Arabia in line with Vision 2030.

## **8.4 Zamil Investments**

Zamil Group Investment Co. is the investment arm of Zamil Group, a family-owned holding company founded in 1920 and headquartered in Saudi Arabia. Zamil Group has built a diversified investment portfolio across various industry sectors operating businesses in building materials, manufacturing, ship building and offshore operations, petrochemicals, trade and services, real estate, and investments. With the motto 'Partners in Nation Building', Zamil Group remains dedicated to adding value to all its stakeholders as a proud and responsible corporate citizen.

As at the date of this announcement, Zamil Investments holds 2,033,848 ADES Shares, representing approximately 4.9 per cent. of ADES International's existing issued share capital (excluding Treasury Shares). Zamil Investments has agreed with Innovative Energy that, by not later than the date on which the Offer becomes, or is declared, unconditional in all respects, it will contribute its entire holding of ADES Shares to Innovative Energy in exchange for ordinary shares in the capital of Innovative Energy.

## **9. Information relating to ADES International**

ADES International is a major oil and gas drilling and production services provider in the MENA region, offering onshore and offshore contract drilling as well as workover and production service. ADES International currently operates in the Kingdom of Saudi Arabia, Kuwait, Egypt and Algeria, and has a total workforce of approximately 3,300 employees. Since the establishment of the business of ADES International in 2002, the ADES International Group has grown to become Egypt's largest offshore drilling operator by number of jack-up offshore drilling rigs, with a growing presence in the Kingdom of Saudi Arabia and Algeria. While maintaining a superior health, safety and environmental record, the Group currently has a fleet of 36 onshore drilling rigs, 13 jack-up offshore drilling rigs, a jack-up barge, and a mobile offshore production unit,

which includes a floating storage and offloading unit. ADES International reported a 132 per cent. year-on-year increase in revenue for the year ending 31 December 2019, with revenue totalling US\$477.8 million.

#### **10. Interests in ADES Shares**

As at the date of this announcement:

- (a) 26,349,242 ADES Shares are held by ADES Investments, representing approximately 63.9 per cent. of ADES International's existing issued share capital (excluding Treasury Shares); and
- (b) 2,033,848 ADES Shares are held by Zamil Investments, representing approximately 4.9 per cent. of ADES International's existing issued share capital (excluding Treasury Shares).

As at the date of this announcement, Innovative Energy and the Public Investment Fund do not hold any ADES Shares.

#### **11. Treasury Shares**

Subject to the passing of the Disapplication Resolution, ADES International has undertaken in the Implementation Agreement to accept the Offer in respect of the Treasury Shares in accordance with the procedure for acceptance to be set out in the Offer Document as soon as reasonably practicable and in any event by no later than two Business Days after the passing of the Disapplication Resolution. A notice of general meeting, setting out the Disapplication Resolution, is expected to be published by ADES International on or before the date falling 10 days from the date on which the Offer Document is published. As at the date of this announcement, ADES International holds 2,544,382 ADES Shares as Treasury Shares, representing approximately 5.8 per cent. of the fully diluted share capital of ADES International (including the Treasury Shares).

#### **12. Current trading and outlook**

ADES International expects to announce its year end results for the financial year ended 31 December 2020 ("FY 2020") on or around the last week of March 2021. These results are expected to confirm that, during FY 2020, the group has continued to trade in line with its guidance for the year, with broadly flat performance on a year-on-year basis and no material change to net debt as at 31 December 2020 compared to 30 September 2020.

#### **13. Squeeze out, delisting, cancellation of trading and re-registration**

Pursuant to the Implementation Agreement, ADES International has agreed that, if the Offer becomes, or is declared, unconditional in all respects, it will make an application to the FCA for the cancellation of the listing of the ADES Shares from the Standard Segment of the Official List and to the London Stock Exchange for the cancellation of the admission to trading of the ADES Shares on the London Stock Exchange's Main Market. It is anticipated that the cancellation of the listing on the Standard Segment of the Official List and the admission to trading on the London Stock Exchange's Main Market will take effect no earlier than 20 Business Days after the date on which the Offer becomes, or is declared, unconditional in all respects.

Following the Offer becoming, or being declared, unconditional in all respects and the ADES Shares having been delisted, Innovative Energy intends to procure that ADES International be re-registered as a DIFC private limited company.

**The delisting of the ADES Shares and the re-registration of ADES International as a private limited company will significantly reduce the liquidity and marketability of any ADES Shares in respect of which the**

Offer has not been accepted at that time and their value may be affected as a consequence. Any remaining ADES Shareholders will, in this case, become minority shareholders in a majority controlled private limited company and may therefore be unable to sell their ADES Shares. There can be no certainty that ADES International will pay any further dividends or other distributions in this case, or that such minority ADES Shareholders will again be offered an opportunity to sell their ADES Shares on terms which are equivalent to or no less advantageous than those under the Offer.

If Innovative Energy, by virtue of acceptances of the Offer, acquires or contracts to acquire not less than nine-tenths ( $\frac{9}{10}$ ) in value of the ADES Shares to which the Offer relates and the Offer becomes, or is declared, unconditional in all respects, Innovative Energy intends to exercise its rights pursuant to Article 98 of the DIFC Companies Law to acquire compulsorily the remaining ADES Shares in respect of which it has not received acceptances of the Offer on the same terms as the Offer (the "**Compulsory Acquisition**"). The acceptance condition to the Offer may be satisfied or waived in circumstances in which the threshold for commencing the Compulsory Acquisition procedure has not yet been reached.

The Offer will become, or be declared, unconditional in all respects only if the conditions to the Offer have been satisfied or, where applicable, waived. Subject to the satisfaction or, where applicable, waiver of the conditions, it is expected that completion of the Offer will occur during Q2 2021.

#### 14. **Implementation Agreement**

In connection with the Offer, Innovative Energy and ADES International have entered into an implementation agreement dated 8 March 2021 (the "**Implementation Agreement**") to record their respective obligations relating to steps that they have each agreed to take to implement the Offer. The Implementation Agreement contains undertakings from the parties in connection with the Offer, including, inter alia, (a) undertakings from both ADES International and Innovative Energy to use all reasonable endeavours to prepare the documents required to implement the Offer, and (b) an undertaking from ADES International to apply to (i) the FCA for the cancellation of the listing of the ADES Shares from the Standard Segment of the Official List, and (ii) the London Stock Exchange for the cancellation of the admission to trading of the ADES Shares on the London Stock Exchange's Main Market, in each case subject to the Offer becoming, or being declared, unconditional in all respects. The Implementation Agreement also governs the conduct of the parties pending completion of the Offer.

#### 15. **Waivers under the Relationship Agreement**

In connection with the Offer, ADES Investments and ADES International have entered into a deed of waiver dated 8 March 2021 (the "**Deed of Waiver**"). Under the Deed of Waiver, ADES International has unconditionally and irrevocably agreed to waive the requirements of the following obligations of ADES Investments and its associates under the Relationship Agreement in connection with the Offer:

- the obligation of ADES Investments under the Relationship Agreement not to take any action that would have the effect of preventing ADES International from complying with its obligations under the Listing Rules which arises from a delisting of the ADES Shares following the Offer becoming, or being declared, unconditional in all respects; and

- the obligations of ADES Investments under the Relationship Agreement to abstain from voting on the Disapplication Resolution.

Under the Deed of Waiver, the waivers described above shall cease to have effect if the Offer lapses or is otherwise withdrawn.

In accordance with accepted good practice, the Relationship Agreement was entered into when ADES International listed in 2017 in order to ensure that the company would be run for the benefit of shareholders as a whole following admission and that the ADES Shares remain appropriate for a Main Market listing on an ongoing basis and for so long as ADES International has a controlling shareholder. The Independent Directors consider that it is appropriate to approve the Deed of Waiver in order to procure an offer on terms that the Independent Directors can recommend to ADES Shareholders as a whole (for the reasons set out in paragraph 76 above).

Accordingly, the Independent Directors have approved ADES International waiving these obligations (or any breach thereof) under the Relationship Agreement in order to permit the Offer to be made and implemented in accordance with its terms.

**16. Related party transaction**

The undertaking by ADES International contained within the Implementation Agreement, subject to the passing of the Disapplication Resolution, to accept the Offer in respect of the Treasury Shares will constitute a related party transaction pursuant to the Disclosure Guidance and Transparency Rules as Innovative Energy will initially be a wholly owned subsidiary of ADES Investments (a substantial shareholder of ADES International). The Independent Directors consider the terms of the undertaking to be fair and reasonable insofar as ADES International and its independent shareholders are concerned.

**17. Consents**

EFG Hermes and Moelis & Company have each given and not withdrawn their consent to the publication of this announcement with the inclusion herein of the references to their names in the form and context in which they appear.

**18. Website**

A copy of this announcement will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on ADES International's website at <http://investors.adihgroup.com/> as soon as practicable following the date of this announcement. For the avoidance of doubt, the content of the website is not incorporated into and does not form part of this announcement.

**19. General**

The Offer will be subject to the full terms and conditions to be set out in the Offer Document and, in respect of ADES Shares held in certificated form, the Form of Acceptance when issued, which will include, inter alia, details of the circumstances in which the conditions to the Offer will be satisfied or may be waived. The conditions to the Offer shall be the following:

- Innovative Energy receiving valid acceptances in respect of not less than 8,768,741 ADES Shares (or such lesser number of ADES Shares as Innovative Energy may decide), which represent not less than approximately 56.9 per cent. of the existing share capital of ADES International, including the Treasury Shares but excluding those ADES Shares which, as at the date of this announcement, are held by ADES Investments and Zamil Investments;
- the Disapplication Resolution being duly passed by the requisite number of ADES Shareholders at a general meeting of ADES International; and
- any antitrust clearance required having been received, or the relevant waiting period having expired, in each case under the merger control regime in the Kingdom of Saudi Arabia with respect to the Offer.

The formal Offer Document and, in respect of ADES Shares held in certificated form, the Form of Acceptance will be sent to ADES Shareholders in due course. In deciding whether or not to accept the Offer in respect of their ADES Shares to the Offer, ADES Shareholders should consider the information contained in, and the procedures described in, such documentation.

The bases and sources of certain information contained in this announcement are set out in Appendix 1. Certain terms used in this announcement are defined in Appendix 2.

Save in respect of any Compulsory Acquisition (which shall be governed the DIFC Companies Law), the Offer will be governed by English law and will be subject to the exclusive jurisdiction of the English courts.

This announcement does not constitute an offer or an invitation to purchase or subscribe for any securities.

The availability of the Offer to ADES Shareholders may be affected by the laws of the local jurisdictions in which they reside. Each ADES Shareholder should inform themselves about and observe any applicable requirements.

The Offer will not be communicated, directly or indirectly, in or into or by the use of the mails of, or any means or instrumentality (including, but not limited to, by mail, telephonically or electronically by way of internet or otherwise) of interstate or foreign commerce of, or of any facilities of a national, state or other securities exchange of, the United States or any area subject to its jurisdiction or any political division thereof, nor is it being communicated into any other Restricted Jurisdiction, and the Offer will not be capable of acceptance by any such use, means, instrumentality or otherwise from within the United States or any other Restricted Jurisdiction. Accordingly, copies of this announcement are not being, and must not be, directly or indirectly, mailed or otherwise distributed or sent in, into or from the United States or any other Restricted Jurisdiction. Accordingly, persons receiving this announcement (including, without limitation, custodians, nominees and trustees) must not, directly or indirectly, distribute, mail or send it in, into or from the United States or any other Restricted Jurisdiction, and so doing may render any purported acceptance of the Offer invalid.

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### **Important Notice**

This announcement is for information purposes only and is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Offer or otherwise, nor shall there be any sale, issuance or transfer of securities of ADES International in any jurisdiction in contravention of applicable law.

The Offer will be made solely by means of the Offer Document and, in respect of ADES Shares held in certificated form, the Form of Acceptance accompanying the Offer Document, which will contain the full terms and conditions of the Offer including details of how to accept the Offer. Any approval, acceptance, decision or other response to the Offer should be made only on the basis of the information in the Offer Document and, in respect of ADES Shares held in certificated form, the Form of Acceptance. ADES Shareholders are strongly advised to read the formal documentation in relation to the Offer once it has been despatched.

EFG Hermes, which is authorised regulated by the Dubai Financial Services Authority in the Dubai International Financial Centre, is acting as financial adviser exclusively for ADES Investments and Innovative Energy and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters set out in this announcement and will not be responsible to anyone other than ADES Investments and Innovative Energy for providing the protections afforded to clients of EFG Hermes or its affiliates, nor for providing advice in relation to the contents of this announcement or any other matter referred to herein. Neither EFG Hermes nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of EFG Hermes in connection with this announcement, any statement contained herein or otherwise.

Moelis & Company, which is authorised and regulated by the FCA in the United Kingdom, is acting as financial adviser exclusively for the Public Investment Fund and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters set out in this announcement and will not be responsible to anyone other than the Public Investment Fund for providing the protections afforded to clients of Moelis & Company, nor for providing advice in relation to the contents of this announcement or any other matter referred to herein. Neither Moelis & Company nor any of its subsidiaries, branches or affiliates owes or accepts any duty,

liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Moelis & Company in connection with this announcement, any statement contained herein or otherwise.

Investec, which is authorised in the United Kingdom by the Prudential Regulation Authority ("**PRA**") and regulated by the FCA and the PRA, and Canaccord, which is authorised and regulated in the United Kingdom by the FCA, are acting as joint corporate brokers for ADES International and no one else and will not regard any other person as their client in relation to the matters set out in this announcement and will not be responsible to anyone other than ADES International for providing the protections afforded to their respective clients. Neither Investec, Canaccord nor any of their respective subsidiaries, branches or affiliates owe or accept any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person in connection with this announcement, any statement contained herein or otherwise.

### **Overseas Shareholders**

This announcement has been prepared in accordance with English law and the information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England. The statements contained in this announcement are made as at the date of this announcement, unless some other time is specified in relation to them, and there shall be no implication that there has been no change in the facts set forth in this announcement since such date.

The release, publication or distribution of this announcement and the availability of the Offer in or into jurisdictions other than the United Kingdom may be affected by the laws and regulations of those jurisdictions. Persons who are not resident in the United Kingdom, or who are subject to the laws of any jurisdiction other than the United Kingdom, should inform themselves about, and observe any applicable requirements. Any person (including, without limitation, nominees, trustees and custodians) who would, or otherwise intends to, forward this announcement, the Offer Document or any accompanying document to any jurisdiction outside the United Kingdom should refrain from doing so and seek appropriate professional advice before taking any action. Any failure to comply with the applicable legal or regulatory requirements may constitute a violation of the laws and/or regulations of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Offer disclaim any responsibility and liability for the violation of such restrictions by any person. Further details in relation to Overseas Shareholders will be contained in the Offer Document.

Unless otherwise determined by Innovative Energy, and permitted by applicable law and regulation, the Offer will not be made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (including, without limitation, telephonic or electronic) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, a Restricted Jurisdiction, and no person may accept the Offer by any such use, means, instrumentality or facility or from within a Restricted Jurisdiction. Accordingly, copies of this announcement and the formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded or distributed in, into or from a Restricted Jurisdiction and persons receiving this announcement (including custodians, nominees and trustees) must not distribute or send it into or from a Restricted Jurisdiction.

In accordance with normal United Kingdom market practice and subject to applicable regulatory requirements, including Rule 14e-5 under the US Securities and Exchange Act of 1934, Innovative Energy or its nominees or brokers (acting as agents) may from time to time whilst the Offer remains open for acceptance make certain purchases of, or arrangements to purchase, ADES Shares otherwise than under the Offer, such as in the open market or through privately negotiated purchases. Such purchases, or arrangements to purchase, shall comply with applicable rules in the United Kingdom and the rules of the London Stock Exchange. Details about any such purchases will be available from any Regulatory Information Service.

### **Cautionary note regarding forward looking statements**

This announcement contains certain statements which are, or may be deemed to be, "forward-looking statements" which are prospective in nature. The words "believe", "anticipate", "expect", "intend", "aim", "plan", "predict", "continue", "assume", "positioned", "may", "will", "should", "shall", "risk" and other similar expressions that are predictions of or indicate future events and future trends identify forward-looking statements. These forward-looking statements include all matters that are not current or historical facts. By their nature, forward-looking statements involve risks and uncertainties because such statements relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not indicative of future performance and Innovative Energy's or ADES International's actual results of operations, financial condition and liquidity, and the development of the industry in which Innovative Energy or ADES International sources operates, may differ materially from those made in or suggested by the forward-looking statements contained in this announcement. The cautionary statements set out above should be considered in connection with any subsequent written or oral forward-looking statements that Innovative Energy, or persons acting on its behalf, may issue.

### **No profit forecasts or estimates**

Nothing in this announcement is intended or shall be deemed to be a forecast, projection or estimate of the future financial performance of Innovative Energy or ADES International and no statement in this announcement should be interpreted to mean that earnings or earnings per share of Innovative Energy or ADES International (where relevant) for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Innovative Energy or ADES International, as appropriate.

### **Publication on website**

A copy of this announcement will be available, subject to certain restrictions relating to

persons resident in Restricted Jurisdictions, on ADES International's website at

<http://investors.adihgroup.com/> as soon as practicable following the date of this

announcement. For the avoidance of doubt, the content of the website is not incorporated

into and does not form part of this announcement.

## APPENDIX 1

### SOURCES AND BASES OF INFORMATION

Unless otherwise stated in this announcement:

1. references to the existing issued share capital of ADES International are to the number of ADES Shares in issue as at 5 March 2021, being the last Business Day prior to the date of this announcement, which was 41,249,500 ADES Shares. This figure excludes the Treasury Shares. The ISIN for the ADES Shares is AEDFXA1EN018;
2. all prices for ADES Shares have been derived from the Daily Official List and represent Closing Prices on the relevant date(s);
3. references to the VWAP per ADES Shares for the 30 day, 90 day and 12 month periods ended 5 March 2021 are derived from data provided by Bloomberg; and
4. certain figures included in this announcement have been subject to rounding adjustments.

## APPENDIX 2

### DEFINITIONS

"ADES Directors"	the board of directors of ADES International
"ADES International"	ADES International Holding plc, a company limited by shares under the Companies Law - DIFC Law No. 2 of 2009 and registered in the International Financial Centre, with registered number 2175
"ADES International Group"	ADES International and its subsidiaries and subsidiary undertakings
"ADES Investments"	ADES Investments Holding Ltd, a company limited by shares under the Companies Law - DIFC Law No. 2 of 2009 and registered in the International Financial Centre, with registered number 2226
"ADES Shareholders"	holders of ADES Shares whether such shares are held in certificated form or in uncertificated form as Depositary Interests, as the context so requires, which shall include ADES International in its capacity as the holder of Treasury Shares
"ADES Shares"	the existing unconditionally allotted or issued and fully paid ordinary shares of US\$1.00 each in the capital of ADES International and any further shares which are unconditionally allotted or issued before the date on which the Offer closes (or such earlier date or dates, not being earlier than the date on which the Offer becomes, or is declared, unconditional as to acceptance) or, if later, the Closing Date of the Offer, as Innovative Energy may determine, including (as the context requires) the Treasury Shares and the Depositary Interests in respect of such shares

<b>"Innovative Energy"</b>	Innovative Energy Holding Ltd, a company limited by shares under the Companies Law - DIFC Law No. 2 of 2009 and registered in the International Financial Centre, with registered number 4509
<b>"Business Day"</b>	any day, other than a public holiday, Saturday or Sunday, when generally are open in London for general banking business
<b>"Canaccord"</b>	Canaccord Genuity Limited
<b>"Closing Date"</b>	the closing date of the Offer to be set out in the Offer Document
<b>"Closing Price"</b>	the closing middle market price of an ADES Share as derived from the Official List on any particular date
<b>"Compulsory Acquisition"</b>	where Innovative Energy has, by virtue of acceptances of the offer, acquired or contracted to acquire not less than nine-tenths ( $\frac{9}{10}$ ) in value of ADES Shares to which the Offer relates, the compulsory acquisition by Innovative Energy (on the same terms as the Offer), pursuant to Articles 97 to 100 of the DIFC Companies Law, of the remaining ADES Shares in respect of which it has not received acceptances of the Offer
<b>"CREST"</b>	the system for paperless settlement of trades in securities operated by Euroclear in accordance with CREST Regulations
<b>"CREST Regulations"</b>	the Uncertificated Securities Regulations 2001 (SI2001 No. 3755)
<b>"Daily Official List"</b>	the Daily Official List of the London Stock Exchange
<b>"Deed of Waiver"</b>	the deed of consent and waiver dated 8 March 2021 between ADES International and ADES Investments in relation to the Relationship Agreement
<b>"Depositary"</b>	Link Market Services Trustees Limited
<b>"Depositary Interests" or "DIs"</b>	independent securities constituted under English law and issued, or to be issued, by the Depositary in respect of, and representing on a one-for-one basis, underlying ADES Shares which may be held or transferred through the CREST system
<b>"DIFC"</b>	the Dubai International Financial Centre
<b>"DIFC Companies Law"</b>	the Dubai International Financial Centre Companies Law No. 5 of 2018
<b>"DI Holders"</b>	the holders of Depositary Interests
<b>"Disapplication Resolution"</b>	the resolution to be set out in the notice of extraordinary general meeting (which is expected to be published by ADES International on or before the date falling 10 days from the date on which the Offer Document is published) to approve the disapplication of pre-emption rights in respect of the sale of the Treasury Shares for cash by ADES International pursuant to the Offer
<b>"Disclosure Guidance and Transparency Rules"</b>	the disclosure guidance and transparency rules of the FCA made pursuant to Part VI of FSMA



<b>"EFG Hermes"</b>	EFG Hermes UAE Limited
<b>"Euroclear"</b>	Euroclear UK & Ireland Limited, the operator of CREST
<b>"FCA"</b>	the Financial Conduct Authority
<b>"Form of Acceptance"</b>	the Form of Acceptance, Authority and Election for use by Shareholders who hold their ADES Shares in certificated form in connection with the Offer
<b>"FSMA"</b>	the UK Financial Services and Markets Act 2000 (as modified, amended and re-enacted from time to time)
<b>"FY 2020"</b>	the financial year of ADES International ended 31 December 2020
<b>"Independent Directors"</b>	the following independent non-executive directors of ADES International: Hatem Soliman, Mohamed Walid Cherif, Nabil Kassem and Yasser Hatem
<b>"Investec"</b>	Investec Bank plc
<b>"ISIN"</b>	the International Securities Identification Number
<b>"Listing Rules"</b>	the listing rules of the FCA made under Part VI of FSMA
<b>"London Stock Exchange"</b>	the London Stock Exchange plc or its successor
<b>"Main Market"</b>	the main market for listed securities of the London Stock Exchange
<b>"MENA"</b>	Middle East and North Africa
<b>"Moelis &amp; Company"</b>	Moelis & Company UK LLP
<b>"Offer"</b>	the recommended offer made by Innovative Energy to acquire all the ADES Shares not already owned or treated as owned by Innovative Energy or its associates for the purposes of the DIFC Companies Law on the terms set out in the Offer Document, subject to the conditions to be set out in the Offer Document and, in relation to the redemption of ADES Shares held in certificated form, the Form of Acceptance, Authority and Election, including, where the context so requires, any subsequent revision, variation, extension or renewal of such offer and includes any election available in connection with it
<b>"Offer Document"</b>	the document containing and setting out the terms and conditions of the Offer
<b>"Offer Price"</b>	US\$12.50 per share in cash for each ADES Share
<b>"Official List"</b>	the Official List of the FCA
<b>"Overseas Shareholders"</b>	ADES Shareholders or DI Holders who are resident in, ordinarily resident in or citizens of, jurisdictions outside the United Kingdom
<b>"PRA"</b>	the Prudential Regulation Authority

<b>"Public Investment Fund"</b>	the Public Investment Fund, a government fund established in 1391 regulated by the Law of the Public Investment Fund issued pursuant to Royal Decree No. M/92 dated 12/08/1440H, having its registered office at Alra'idah Digital City, Building MU04, Al Nakhil District, P.O. Box 11452, Riyadh 11452, The Kingdom of Saudi Arabia
<b>"Relationship Agreement"</b>	the relationship agreement between ADES International and Investments dated 8 May 2017
<b>"Restricted Jurisdiction"</b>	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Offer is sent or made available to ADES Shareholders in that jurisdiction
<b>"Treasury Shares"</b>	ADES Shares held or which become held in treasury at any time prior to the date on which the Offer completes and becomes effective
<b>"UK" or "United Kingdom"</b>	the United Kingdom of Great Britain and Northern Ireland
<b>"uncertificated" or "in uncertificated form"</b>	a share or other security title to which is recorded in the relevant register the share or security as being held in uncertificated form, in CREST (through Depositary Interests), and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
<b>"US" or "United States"</b>	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
<b>"US\$" or "US dollars"</b>	the lawful currency of the United States
<b>"VWAP"</b>	volume-weighted average price
<b>"Zamil Investments"</b>	Zamil Group Investment Co., a company incorporated in and under the laws of Saudi Arabia with CR No. 2051041904 and whose registered address is P.O Box 9 Khobar 31952, Saudi Arabia

All times referred to are London time unless otherwise stated.

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