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ADES International Holding

23 March 2018

## ADES signs a US\$450 million syndicated credit facility

**(London & Dubai, 23 March 2018)** ADES International Holding Ltd. ("ADES" or the "Company") (LON: ADES), the London-listed Company providing offshore and onshore oil and gas drilling and production services in the Middle East and Africa through its subsidiaries, is pleased to announce that it has signed a US\$450 million syndicated credit facility (the "Facility") to provide the Company with greater flexibility to pursue further acquisitions, in line with its previously outlined post-IPO growth strategy of scaling up operations in existing and targeted markets.

In addition to funding potential acquisitions, the Facility will also be used to refinance the Company's existing debt (which comprises two facilities maturing in 2020 and 2021) and to finance anticipated future working capital. The Facility comprises three separate tranches, all of which have a 5-year maturity. The Facility will carry an interest rate per annum of LIBOR plus 5%, broadly in line with the applicable rates on the Company's existing facilities.

### **Tranche A (US\$200 million)**

- €€€€€ Will be used to refinance ADES' existing loans, enabling the Company to simplify and consolidate its borrowings into one facility, as well as extending their maturity
- €€€€€ Tranche A has a repayment grace period of 18 months following which 75.25% of the principal amount will then be amortised on a straight line basis semi-annually, with the remaining 24.75% repayable on maturity

### **Tranche B (US\$41.5 million)**

- €€€€€ Will be used to refinance the Company's existing overdraft facilities under which approximately US\$21 million was drawn as at 31 December 2017. The remaining funds will be allocated to additional working capital to support further contract wins
- €€€€€ Bullet repayment on the maturity date of the facility

### **Tranche C (US\$208.5 million)**

- €€€€€ Will be used to partially finance new acquisitions with respect to ADES' acquisition programme in addition to any rig refurbishment work associated with newly acquired assets

- €€€€€ Includes a US\$35 million Islamic Murabaha Tranche which has a repayment grace period of 18 months following which 67.72% of the principal amount drawn will then be amortised on a straight line basis semi-annually, with the remaining 32.28% repayable on maturity
- €€€€€ The remaining balance of Tranche C (excluding the Islamic Murabaha Tranche) has a repayment grace period of 18 months following which 75.25% of the principal amount drawn will then be amortised on a straight line basis semi-annually, with the remaining 24.75% repayable on maturity

The Facility was jointly arranged by the Bank of America Merrill Lynch and the European Bank for Reconstruction and Development, and was successfully signed with participation from 11 multi-lateral, regional and local banks. EFG Hermes Investment Banking acted as the Company's financial advisor.

**Commenting on the Facility agreement, Dr. Mohamed Farouk, Chief Executive Officer of ADES International Holding, said:**

"As previously communicated in our recent 2017 results announcement, this Facility, together with the proceeds of ADES' May 2017 initial public offering on the London Stock Exchange, will allow us to consolidate our borrowings and enhance ADES' purchasing power.

"At a time when ADES is participating in a number of tenders and screening accretive acquisitions across our core MENA markets, this Facility provides further financial flexibility and expands the range of opportunities that we are able to consider and act upon swiftly."

The Facility also builds on our longstanding relationships with regional and international financial institutions and ultimately strengthens ADES' leading position in the GCC oilfield services market. We also continue to look at additional local financing options, in particular in the GCC market"

-Ends-

## Enquiries

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**NOTES TO EDITORS**

## About ADES International Holding

ADES International Holding extends oil and gas drilling and production services through its subsidiaries and is a leading service provider in the Middle East and Africa, offering onshore contract drilling as well as

workover and production services in MENA. Its over 1,200 employees serve clients including major national oil companies ("NOCs") such as Saudi Aramco and Sonatrach as well as joint ventures of NOCs with global majors including BP and Eni. While maintaining a superior health, safety and environmental record, the Company currently has a fleet of nine jack-up offshore drilling rigs, three onshore drilling rigs, a jack-up barge, and a mobile offshore production unit ("MOPU"), which includes a floating storage and offloading unit. [investors.adihgroup.com](http://investors.adihgroup.com)

## About Bank of America Merrill Lynch

Bank of America Merrill Lynch" is the marketing name for the global banking and global markets businesses of Bank of America Corporation. Lending, derivatives, and other commercial banking activities are performed globally by banking affiliates of Bank of America Corporation, including Bank of America, N.A., member FDIC. Securities, strategic advisory, and other investment banking activities are performed globally by investment banking affiliates of Bank of America Corporation ("Investment Banking Affiliates"), including, in the United States, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Merrill Lynch Professional Clearing Corp., both of which are registered broker-dealers and Members of SIPC, and, in other jurisdictions, by locally registered entities. Merrill Lynch, Pierce, Fenner & Smith Incorporated and Merrill Lynch Professional Clearing Corp. are registered as futures commission merchants with the CFTC and are members of the NFA. Investment products offered by Investment Banking Affiliates: Are Not FDIC Insured \* May Lose Value \* Are Not Bank Guaranteed. ©2018 Bank of America Corporation.

<http://www.bofaml.com>

## About The European Bank for Reconstruction and Development (EBRD)

The European Bank for Reconstruction and Development (the "EBRD") is a multilateral developmental investment bank founded in 1991. The EBRD is owned by 65 countries and two EU institutions and invests in private enterprises, together with commercial partners. Headquartered in London, the EBRD provides project financing for the financial sector and the real economy, using investment as a tool to build market economies and support development in more than 30 countries from central Europe to central Asia. <http://www.ebrd.com>

## About EFG Hermes

With a current footprint spanning seven countries in the Middle East and North Africa, EFG Hermes started in Egypt and has grown over 30 years of success to become the region's leading investment bank. Drawing on our proven track-record and a team of more than 870 talented employees, we provide a wide spectrum of financial services that include investment banking, asset management, securities brokerage, research and private equity to the entire region.

In 2016, EFG Hermes announced the launch of EFG Hermes Finance, a finance platform that includes activities in the non-banking finance field through EFG Hermes Leasing and Tanmeyah Microfinance as the firm focuses on product diversification and geographic expansion into frontier markets.

Combining our strengths and expertise in the region, we offer our clients best-in-class products and services that are tailored to help them achieve their investment goals in a rapidly changing environment. [www.efghermes.com](http://www.efghermes.com)

## Forward-looking statements

Certain statements contained in this announcement, including any information as to the Group's strategy, plans or future financial or operating performance constitute "forward looking statements". These forward-looking statements can be identified by the use of forward looking terminology, including the terms "believes", "estimates", "anticipates", "projects", "expects", "intends", "aims", "plans", "predicts", "may", "will", "seeks" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this announcement and include statements regarding the intentions, beliefs or current expectations of the Directors of the Company concerning, amongst other things, the Group's results of operations, financial condition and performance, prospects, growth and strategies and the industry in which the Group operates.

By their nature, forward looking statements address matters that involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward looking statements are not guarantees of future performance and the Group's actual results of operations and financial condition, and the development of the business sector in which the Group operates, may differ materially from those suggested by the forward-looking statements contained in this announcement. In addition, even if the Group's results of operations and financial condition, and the development of the industry in which the Group operates, are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of results or developments in subsequent periods.

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