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ADES International Holding PLC
29 November 2019

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ADES International Holding PLC

Q3 2019 Trading Update

London, 29 November 2019

Q3 2019 Trading update - Positive progress, unchanged FY19 expectations.

(London & Dubai, 29 November 2019) ADES International Holding PLC. ("ADES" or the "Group"), a leading oil & gas drilling and production services provider in the Middle East and North Africa (MENA), updates the market on its performance over the third quarter and nine months to 30 September 2019 ("Q3" and "YTD", respectively). The financial information included below is unaudited.

Q3 and 9M 2019 Highlights

- €€€ Significantly improved YTD utilization rate of 95% (9M 2018: 83%).
- €€€ Revenue for YTD 2019 of US\$ 341.7 million, a 169% year on year increase, with revenue for Q3 2019 at US\$ 121.8 million, representing a 157% increase compared to Q3 2018.
- €€€ Profit margins are in line with those of 1H2019.
- €€€ Recordable YTD Injury Frequency Rate (RIFR) of 0.43, versus the IADC worldwide standard rate of 0.73¹.
- €€€ Backlog at US\$ 1.4 billion as of 30 September 2019 (FY 2018: US\$ 1.2 billion).
- €€€ Cash and Cash Equivalents recorded US\$ 112 million as of 30 September 2019 (FY2018: US\$ 130 million), giving a Net Debt at US\$ 616.9 million as of 30 September 2019

- The two rigs in Kuwait that were undergoing refurbishment work have returned to full operations since July and October, respectively.

Recent News Flow

- **A second deepwater drilling campaign in Egypt with Vantage** - Q3 2019 saw ADES enter, through its subsidiary ADES S.A.E., into a second deepwater drilling campaign with a top tier international oil company.
- **Appointment of Khaled Hassan** as Chief Financial Officer
- **Share buyback** - Shareholder approval to undertake share buybacks was received on 31 October 2019. The Board believes that the share price performance does not reflect the significant strategic and operational progress which the Company has made since its IPO in May 2017. Accordingly, it intends to purchase up to US\$ 10 million of ADES' ordinary shares subject to the conditions set out in the Circular to Shareholders dated 15 October 2019.

Dr. Mohamed Farouk, Chief Executive Officer of ADES International said:

"ADES' year-to-date performance remains in line with the trends witnessed during the first half of the year. Thanks to optimal utilisation rates and the growing contribution of recently acquired rigs, we continue to deliver significant top-line growth. Our expectations for FY 2019 are unchanged.

"Overall, I am very pleased with the progress we are making against our strategic objectives and expect the benefits of the recent acquisitions to be more clearly reflected in FY 2020 as we continue to work towards realizing synergies. ADES is well-positioned to meet future growth opportunities and generate ever greater value for shareholders."

1 According to the latest published ISP report by IADC as of announcement date

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About ADES International Holding (ADES)

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 North Africa, offering onshore and offshore contract drilling as well as workover and production services. Its c.4,000 employees serve clients including major national oil companies (“NOCs”) such as Saudi Aramco and Kuwait Oil Company as well as joint ventures of NOCs with global majors including BP and Eni. While maintaining a superior health, safety and environmental record, the Group currently has a fleet of thirty-four onshore drilling rigs, thirteen jack-up offshore drilling rigs, a jack-up barge, and a mobile offshore production unit (“MOPU”), which includes a floating storage and offloading unit. For more information, visit investors.adihgroup.com

Shareholder Information

LSE: ADES INT.HDG

Bloomberg: ADES:LN

Listed: May 2017

Shares Outstanding: 43.8 million

Forward-Looking Statements

This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as "according to estimates", "aims", "anticipates", "assumes", "believes", "could", "estimates", "expects", "forecasts", "intends", "is of the opinion", "may", "plans", "potential", "predicts", "projects", "should", "to the knowledge of", "will", "would" or, in each case their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding business and management, future growth or profitability and general economic and regulatory conditions and other matters affecting the Group.

Forward-looking statements reflect the current views of the Group's management ("Management") on future events, which are based on the assumptions of the Management and involve known and unknown risks, uncertainties and other factors that may cause the Group's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause the Group's actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements.

The Group's business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to differ materially from those expressed or implied by the forward-looking statements contained in this communication. The information, opinions and forward-looking statements contained in this communication speak only as at its date and are subject to change without notice. The Group does not undertake any obligation to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this communication.

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