

ADNOC Drilling



# ADNOC DRILLING COMPANY P.J.S.C.

Review report and condensed consolidated  
financial information for the three-month  
period ended 31 March 2024



# **ADNOC Drilling Company P.J.S.C.**

**Review report and condensed consolidated financial information  
for the three-month period ended 31 March 2024**

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# ADNOC Drilling Company P.J.S.C.

## Directors' report for the three-month period ended 31 March 2024

The Directors present their report together with the unaudited condensed consolidated financial information of ADNOC Drilling Company P.J.S.C. ("the Company") and its subsidiary ("the Group") for the three-month period ended 31 March 2024.

### Principal activities

The Group is engaged in providing start to finish drilling and construction services across both conventional and unconventional reservoirs, and the hiring out of onshore and offshore drilling rigs to parties involved in onshore and offshore oil and gas exploration and production.

### Review of business

During the period, the Group reported revenue of USD 885,862 thousand (31 March 2023: USD 716,087 thousand). Profit for the period was USD 274,611 thousand (31 March 2023: USD 218,685 thousand).

The appropriation of the results for the period is follows:

	USD '000
Retained earnings at 1 January 2024	2,610,714
Profit for the period	274,611
Dividends	(358,310)
<b>Retained earnings at 31 March 2024</b>	<b>2,527,015</b>

For the Board of Directors



Chairman

10 May 2024  
Abu Dhabi  
United Arab Emirates



## **REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF ADNOC DRILLING COMPANY P.J.S.C.**

### *Introduction*

We have reviewed the accompanying condensed consolidated statement of financial position of ADNOC Drilling Company P.J.S.C. (“the Company”) and its subsidiary (“the Group”), as at 31 March 2024 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended. Management is responsible for the preparation and fair presentation of this condensed consolidated financial information in accordance with International Accounting Standard 34, ‘Interim financial reporting’ as issued by International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on this unaudited condensed consolidated financial information based on our review.

### *Scope of Review*

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

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 as issued by IASB.

Deloitte & Touche (M.E.)

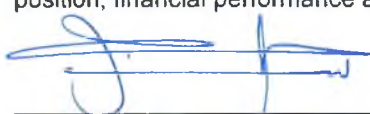


Mohammad Khamees Al Tah  
Registration No. 717  
10 May 2024  
Abu Dhabi  
United Arab Emirates

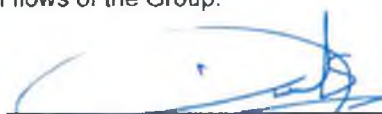
**Condensed consolidated statement of financial position  
as at 31 March 2024**

		31 March 2024 USD '000 (unaudited)	31 December 2023 USD '000 (audited)
	Notes		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	5	4,829,442	4,847,540
Right-of-use assets	7	166,557	173,911
Intangible assets	8	4,550	5,432
Deferred tax asset		559	-
Investment in a joint venture	9	89,590	-
Advances		1,094	1,654
<b>Total non-current assets</b>		<b>5,091,792</b>	<b>5,028,537</b>
<b>Current assets</b>			
Inventories	10	217,301	206,107
Trade and other receivables	11	135,847	153,946
Due from related parties	16	1,107,069	986,696
Cash and cash equivalents	12	245,824	354,122
		<b>1,706,041</b>	<b>1,700,871</b>
Assets held for sale	6	10,717	10,717
<b>Total current assets</b>		<b>1,716,758</b>	<b>1,711,588</b>
<b>Total assets</b>		<b>6,808,550</b>	<b>6,740,125</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity and reserve</b>			
Share capital	13	435,671	435,671
Statutory reserve	13	217,836	217,836
Retained earnings		2,527,015	2,610,714
<b>Total equity</b>		<b>3,180,522</b>	<b>3,264,221</b>
<b>Non-current liabilities</b>			
Borrowings	14	2,156,500	1,992,264
Trade and other payables	15	81,428	80,936
Lease liabilities	7	88,890	152,378
Provision for employees' end of service benefits		111,540	105,328
<b>Total non-current liabilities</b>		<b>2,438,358</b>	<b>2,330,906</b>
<b>Current liabilities</b>			
Trade and other payables	15	826,541	848,834
Income tax payable		17,837	-
Lease liabilities	7	70,729	36,833
Due to related parties	16	265,469	250,237
Provision for employees' end of service benefits		9,094	9,094
<b>Total current liabilities</b>		<b>1,189,670</b>	<b>1,144,998</b>
<b>Total liabilities</b>		<b>3,628,028</b>	<b>3,475,904</b>
<b>Total equity and liabilities</b>		<b>6,808,550</b>	<b>6,740,125</b>

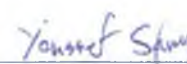
To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed consolidated financial information present fairly in all material respects the financial position, financial performance and cash flows of the Group.



H. E. Dr. Sultan Ahmed Al Jaber  
Chairman



Abdulrahman Abdulla Alsefari  
Chief Executive Officer



Youssef Samy Salem  
Chief Financial Officer

The accompanying notes form an integral part of these condensed consolidated financial information.

**Condensed consolidated statement of profit or loss and  
other comprehensive income  
for the three-month period ended 31 March 2024**

	Notes	Three-month ended 31 March 2024 USD'000 (unaudited)	Three-month ended 31 March 2023 USD'000 (unaudited)
<b>Revenue</b>	<b>17</b>	<b>885,862</b>	(restated) 716,087
Direct cost		(517,577)	(450,382)
<b>Gross profit</b>		<b>368,285</b>	265,705
General and administrative expenses		(41,232)	(36,349)
Share of results of a joint venture	<b>9</b>	<b>1,890</b>	-
Other income		<b>1,006</b>	1,311
Finance cost - net	<b>18</b>	<b>(27,779)</b>	(11,982)
<b>Profit before tax</b>		<b>302,170</b>	218,685
Income tax	<b>19</b>	<b>(27,559)</b>	-
<b>Profit after tax</b>		<b>274,611</b>	218,685
Other comprehensive income for the period		-	-
<b>Total comprehensive income for the period</b>		<b>274,611</b>	218,685
<b>Earnings per share:</b>			
Basic and diluted	<b>24</b>	<b>0.017</b>	0.014

The accompanying notes form an integral part of these condensed consolidated financial information.

**Condensed consolidated statement of changes in equity  
for the three-month period ended 31 March 2024**

	Share capital USD '000	Statutory reserve USD '000	Retained earnings USD '000	Total equity USD '000
Balance at 1 January 2023 (audited)	435,671	140,572	2,354,738	2,930,981
Total comprehensive income for the period	-	-	218,685	218,685
Balance at 31 March 2023 (unaudited)	435,671	140,572	2,573,423	3,149,666
Balance at 1 January 2024 (audited)	435,671	217,836	2,610,714	3,264,221
Total comprehensive income for the period	-	-	274,611	274,611
Dividends (note 20)	-	-	(358,310)	(358,310)
<b>Balance at 31 March 2024 (unaudited)</b>	<b>435,671</b>	<b>217,836</b>	<b>2,527,015</b>	<b>3,180,522</b>

**Condensed consolidated statement of cash flows  
for the three-month period ended 31 March 2024**

	Three-month ended 31 March 2024 USD'000 (unaudited)	Three-month ended 31 March 2023 USD'000 (unaudited)
<b>Cash flows from operating activities</b>		
<b>Profit before tax</b>	<b>302,170</b>	218,685
<i>Adjustments for:</i>		
Depreciation of property and equipment	98,432	98,306
Amortisation of intangible assets	882	875
Depreciation of right-of-use assets	7,354	3,350
Employees end of service benefit charge	9,686	4,608
Allowance for slow-moving inventories charge/(reversal)	956	(136)
Share of results of a joint venture	(1,890)	-
Finance cost	29,852	16,329
Finance income	(2,073)	(4,347)
<b>Operating cash flows before changes in working capital</b>	<b>445,369</b>	337,670
<b>Changes in working capital on account of:</b>		
Inventories	(12,150)	(36,560)
Advance payments	560	497
Trade and other receivables	18,099	3,245
Due from related parties	(120,373)	143,173
Trade and other payables	12,709	(6,081)
Due to related parties	15,232	(213,969)
<b>Cash generated from operating activities</b>	<b>359,446</b>	227,975
Employees' end of service benefit paid	(3,474)	(1,996)
Income tax paid	(9,163)	-
<b>Net cash generated from operating activities</b>	<b>346,809</b>	225,979
<b>Cash flows from investing activities</b>		
Payments for purchase of property and equipment	(109,520)	(75,536)
Purchase of investment in a joint venture	(87,700)	-
Finance income received	3,695	3,013
<b>Net cash used in investing activities</b>	<b>(193,525)</b>	(72,523)
<b>Cash flows from financing activities</b>		
Lease liabilities paid	(29,592)	-
Proceed from borrowings - net	164,236	-
Dividends paid	(358,310)	-
Finance cost paid	(37,916)	(16,381)
<b>Net cash used in financing activities</b>	<b>(261,582)</b>	(16,381)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(108,298)</b>	137,075
Cash and cash equivalents at the beginning of the period	354,122	325,514
<b>Cash and cash equivalents at the end of the period</b>	<b>245,824</b>	462,589

The accompanying notes form an integral part of these condensed consolidated financial information.



## Notes to the condensed consolidated financial information for the three-month period ended 31 March 2024

### 1. General information

ADNOC Drilling Company P.J.S.C. (“the Company”) is a public joint stock company, incorporated in 1972 by a resolution of the Council of Ministers of the Government of Abu Dhabi. On 29 September 2021, Law No. 9 of 2021 was issued amending Law No. 21 of 2018 that was issued on 6 November 2018, replacing Law No. 4 of 1981 in respect of the incorporation of ADNOC Drilling Company PJSC registered with the commercial register in Abu Dhabi under the commercial license number CN-2688881 issued by the Abu Dhabi Department of Economic Development. The Company also holds an industrial license number IN-2003460 jointly issued by the Abu Dhabi Department of Economic Development and Industrial Development Bureau. The Company is a subsidiary of Abu Dhabi National Oil Company (“ADNOC”), which is wholly owned by the Government of Abu Dhabi. The Company’s shares are listed on the Abu Dhabi Securities Exchange.

The registered address of the Company is P.O Box 4017 Abu Dhabi, United Arab Emirates. The Company is engaged in providing start to finish drilling and construction services across both conventional and unconventional reservoirs, and the hiring out of onshore and offshore drilling rigs to parties involved in onshore and offshore oil and gas exploration and production.

The registered address of ADH RSC LTD (“the subsidiary”) is 2705,2, Al Sarab Tower, Abu Dhabi Global Market Square, Abu Dhabi, United Arab Emirates. The subsidiary is engaged in the activities of holding companies. The subsidiary registered a branch in the Kingdom of Jordan under the registration no. 1101 on 28 February 2024.

This condensed consolidated financial information comprises of the assets & liabilities and results of operations of Company and its subsidiary (“the Group”).

### 2. Application of new and revised International Financial Reporting Standards (IFRSs)

The accounting policies used in the preparation of this condensed consolidated financial information are consistent with those used in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2023, except for the one listed below:

#### Tax

Tax is computed in accordance with relevant fiscal agreement and any communication received from the Abu Dhabi Supreme Council for Financial and Economic Affairs. Income tax expense/credit comprise of current and deferred tax. Current and deferred taxes are recognized in the consolidated statement of profit or loss and other comprehensive income except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

#### *Current income tax*

Income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date and generate taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### *Deferred income tax*

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

## Notes to the condensed consolidated financial information for the three-month period ended 31 March 2024 (continued)

### 2. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

#### 2.1 New and revised IFRSs applied with no material effect on the condensed consolidated financial information

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2024, have been adopted in this condensed consolidated financial information. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

- Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 Presentation of Financial Statements - Non-current Liabilities with Covenants
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements
- Amendment to IFRS 16 Leases - Lease Liability in a Sale and Leaseback

#### 2.2 New and revised IFRS in issue but not yet effective

<b><u>New and revised IFRSs</u></b>	<b><u>Effective for annual periods beginning on or after</u></b>
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date not yet decided
Amendment to IAS 21 - Lack of Exchangeability	1 January 2025
IFRS 18 Presentation and Disclosures in Financial Statements	1 January 2027
IFRS Accounting Taxonomy 2023 - Update 2 Common Practice for Financial Instruments, General Improvements and Technology Update	Effective date not yet decided
IFRS Accounting Taxonomy 2023—Update 1 International Tax Reform—Pillar Two Model Rules, Supplier Finance Arrangements and Lack of Exchangeability	Effective date not yet decided
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	Effective date not yet decided by the regulator in the United Arab Emirates
IFRS S2 Climate-related Disclosures	Effective date not yet decided by the regulator in the United Arab Emirates

The above stated new standards and amendments are not expected to have any significant impact on this condensed consolidated financial information of the Group.

There are no other applicable new standards and amendments to published standards or IFRIC interpretations that have been issued that would be expected to have a material impact on the condensed consolidated financial information of the Group.

## Notes to the condensed consolidated financial information for the three-month period ended 31 March 2024 (continued)

### 3. Summary of material accounting policy information

#### 3.1. Statement of compliance

This condensed consolidated financial information for the three-month period ended 31 March 2024 has been prepared in accordance with IAS 34, *Interim Financial Reporting* as issued by IASB.

The condensed consolidated financial information does not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023. In addition, results for the three-month period ended 31 March 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

#### 3.2. Basis of preparation

The condensed consolidated financial information is prepared in United States Dollar (USD), which is the Group's functional and presentation currency, and all values are rounded to the nearest thousands (USD'000) except when otherwise indicated. Where data is labelled as "audited" that indicates that the financial information has been extracted from the Group's audited consolidated financial statements for the year ended 31 December 2023. This condensed consolidated financial information has been prepared on historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets at the time these were acquired.

### 4. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the condensed consolidated financial information requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing this condensed consolidated financial information, the significant judgments made by management in applying the Group's accounting policies, and the key sources of estimates uncertainty were the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2023.

**Notes to the condensed consolidated financial information  
for the three-month period ended 31 March 2024 (continued)**

**5. Property and equipment**

	<b>31 March 2024 USD '000 (unaudited)</b>	<b>31 December 2023 USD '000 (audited)</b>
Net book value at the beginning of the period/year	4,847,540	3,921,607
Additions	80,334	1,335,739
Transfer	-	(28,963)
Depreciation charge for the period/year	(98,432)	(368,110)
Transferred to assets held for sale	-	(10,717)
Write off	-	(2,016)
<b>Net book value at end of the period/year</b>	<b>4,829,442</b>	<b>4,847,540</b>

Property and equipment include capital work in progress amounting to USD 651,820 thousand as at 31 March 2024 (31 December 2023: USD 635,981 thousand).

**6. Assets held for sale**

	<b>31 March 2024 USD '000 (unaudited)</b>	<b>31 December 2023 USD '000 (audited)</b>
Cost	72,017	72,017
Accumulated depreciation	(61,300)	(61,300)
<b>Net book value at end of the period/year</b>	<b>10,717</b>	<b>10,717</b>

The Board of Directors, in their meeting held on 10 February 2023, approved to proceed with the sale of two rigs within the Offshore Jackup segment. The rigs are expected to be sold in the year 2024 upon finalization of the associated negotiations and signing of definitive agreements. There is no impairment required on these rigs as the recoverable amount is higher than the carrying value.

## Notes to the condensed consolidated financial information for the three-month period ended 31 March 2024 (continued)

### 7. Rights-of-use assets and lease liabilities

Rights-of-use assets and lease liabilities include rigs, warehouse, and office building. Amounts recognised in the consolidated statement of financial position are as follows:

#### Rights-of-use assets

	31 March 2024 USD '000 (unaudited)	31 December 2023 USD '000 (audited)
Balance at the beginning of the period/year	173,911	33,909
Additions during the period/year	-	159,591
Depreciation charge during the period/year	(7,354)	(19,589)
<b>Balance at end of the period/year</b>	<b>166,557</b>	<b>173,911</b>

#### Lease liabilities

	31 March 2024 USD '000 (unaudited)	31 December 2023 USD '000 (audited)
Balance at the beginning of the period/year	189,211	39,749
Additions	-	159,591
Accretion of interest	2,150	3,907
Payments	(31,742)	(14,036)
<b>Balance at end of the period/year</b>	<b>159,619</b>	<b>189,211</b>
<i>Disclosed as follows:</i>		
Current	70,729	36,833
Non-current	88,890	152,378
	<b>159,619</b>	<b>189,211</b>

### 8. Intangible assets

	31 March 2024 USD '000 (unaudited)	31 December 2023 USD '000 (audited)
Net book value at the beginning of the period/year	5,432	8,980
Amortisation charge for the period/year	(882)	(3,548)
<b>Net book value at end of the period/year</b>	<b>4,550</b>	<b>5,432</b>

## Notes to the condensed consolidated financial information for the three-month period ended 31 March 2024 (continued)

### 9. Investment in a joint venture

On 2 January 2024, ENERSOL RSC LTD “Joint Venture” was incorporated in Abu Dhabi Global Market. The Company, through its subsidiary ADH RSC Ltd holds 51% shares in the joint venture while Alpha Dhabi Energy Holding LLC holds 49% shares.

Movement in the Group’s investment in a joint venture is as follows.

	31 March 2024 USD '000 (unaudited)	31 December 2023 USD '000 (audited)
Additions	87,700	-
Proportion of the Group’s interest in the joint venture	1,890	-
<b>Carrying amount of the Groups interest in the Joint venture</b>	<b>89,590</b>	<b>-</b>

The latest available financial information in respect of the Group’s joint venture up to the period ended 31 March 2024 are recognised below:

	31 March 2024 USD '000 (unaudited)	31 December 2023 USD '000 (audited)
Total assets	183,828	-
Total liabilities	8,179	-
Total net equity	175,649	-

The share of results of associates recognised during the period are as follows:

	31 March 2024 USD '000 (unaudited)	31 March 2023 USD '000 (unaudited)
Profit for the period	3,669	-
Group’s share of profit for the period	1,890	-

### 10. Inventories

	31 March 2024 USD '000 (unaudited)	31 December 2023 USD '000 (audited)
Inventories	245,429	233,279
Allowance for obsolete and slow-moving inventories	(28,128)	(27,172)
	<b>217,301</b>	<b>206,107</b>

## Notes to the condensed consolidated financial information for the three-month period ended 31 March 2024 (continued)

### 10. Inventories (continued)

Movement in the allowance for obsolete and slow-moving inventories:

	31 March 2024 USD '000 (unaudited)	31 December 2023 USD '000 (audited)
Balance at beginning of the period/year	27,172	26,058
Charge during the period/year	956	1,114
<b>Balance at end of the period/year</b>	<b>28,128</b>	<b>27,172</b>

### 11. Trade and other receivables

	31 March 2024 USD '000 (unaudited)	31 December 2023 USD '000 (audited)
Advances	63,291	63,166
Prepayments	28,943	21,363
VAT receivables - net	18,318	46,080
Accrued revenue	13,716	14,248
Trade receivables	4,304	4,384
Other receivables	7,275	4,705
	<b>135,847</b>	<b>153,946</b>

### 12. Cash and cash equivalents

	31 March 2024 USD '000 (unaudited)	31 December 2023 USD '000 (audited)
Cash held by ADNOC Group Treasury Services (AGTS) (note 16)	245,302	353,613
Cash in bank	7	7
Cash on hand	515	502
	<b>245,824</b>	<b>354,122</b>

Cash held by AGTS are funds held on behalf of the Group and are available on demand and is in nature of nature of cash and cash equivalents.

**Notes to the condensed consolidated financial information  
for the three-month period ended 31 March 2024 (continued)**

**13. Share capital and statutory reserve**

	31 March 2024		31 December 2023	
	Number of shares ('000)	USD '000	Number of shares ('000)	USD '000
Ordinary share capital of USD: 0.0272294 (AED: 0.10) each (2022 USD: 0.0272294 (AED: 0.10) each)	16,000,000	435,671	16,000,000	435,671

In accordance with the "UAE Federal Decree Law (32) of 2021", and the Articles of Association of the Company, 10% of the profit is transferred to a non-distributable statutory reserve. Such transfer is required to be made until the reserve is equal to 50% of the paid-up share capital.

**14. Borrowings**

	31 March 2024 USD '000 (unaudited)	31 December 2023 USD '000 (audited)
Term loans*	2,156,500	1,992,264
	<b>2,156,500</b>	<b>1,992,264</b>

\*The amount is net of transaction cost.

Disclosed as follows:

	31 March 2024 USD '000 (unaudited)	31 December 2023 USD '000 (audited)
Current	-	-
Non-current	2,156,500	1,992,264
	<b>2,156,500</b>	<b>1,992,264</b>

The borrowings presented in the condensed consolidated statement of financial position consist of the following:

Type	Currency	Interest rate	Year of maturity	31 March 2024 USD '000 (unaudited)	31 December 2023 USD '000 (audited)
Term Loan (Facility B)	USD	0.8% and Term SOFR	October 2025	498,014	498,014
Term Loan (Facility C& D)	USD	0.95 % and Term SOFR	November 2027	1,658,486	1,494,250
				<b>2,156,500</b>	<b>1,992,264</b>



## Notes to the condensed consolidated financial information for the three-month period ended 31 March 2024 (continued)

### 14. Borrowings (continued)

On 24 October 2021, the Group entered into a syndicated Term and Revolving Facilities Agreement with multiple banks and financial institutions, for general corporate purpose and without limitation shall include payment of dividends, payments for products and services to develop integrated services abilities and the payment of transaction costs associated with the facilities which is as follows:

#### Term loan (Facility B)

	Facility A – Revolving Loan USD '000	Facility B – Term Loan USD '000
Abu Dhabi Commercial Bank (note 16)	165,000	110,000
First Abu Dhabi Bank (note 16)	165,000	110,000
Emirates NBD Bank PJSC	70,000	140,000
Bank of America Europe Designated Activity Company	60,000	40,000
China Construction bank – DIFC Branch	60,000	20,000
State Bank of India – DIFC Branch	60,000	40,000
Goldman Sachs Bank USA	50,000	-
J.P. Morgan Securities PLC	30,000	-
The National Bank of Ras Al-Khaimah	30,000	-
Agricultural bank of China	30,000	20,000
United Arab Bank P.J.S.C.	30,000	-
Banque MISR- Dubai Branch	-	20,000
	<b>750,000</b>	<b>500,000</b>

The facilities terminate four (4) years from the date of the agreement. An amount of USD 500,000 thousand for facility B was drawn down with facility A unutilized as of 31 March 2024.

#### Term loan (Facility C& D)

On 1 November 2023, the Group entered into a term loan facility of USD 1,500,000 thousand and Revolving Facility up to AED 1,840,000 thousand with multiple banks and financial institutions with an initial maturity of 4 years. The term loan facility was used to repay the syndicated term loan which expired in November 2023, while the new Revolving Credit Facility (in AED) will fund the Group's growth and the associated working capital. During the current period an amount of AED 600,000 thousand (USD: 163,376 thousand) was drawn down for facility C. On 30 April 2024, an amount of AED 300,000 thousand has been repaid by the Group.

	Facility C – Revolving Loan AED '000	Facility D – Term Loan USD '000
Abu Dhabi Commercial Bank PJSC (note 16)	690,000	200,000
First Abu Dhabi Bank (note 16)	550,000	200,000
Emirates NBD Bank PJSC	500,000	-
Arab Bank for Investment & Foreign Trade (Al Masraf)	100,000	100,000
The Saudi National Bank	-	250,000
Bank of China (Dubai) Branch	-	200,000
Industrial and Commercial Bank of China Limited	-	200,000
Gulf Bank K.S.C.P	-	150,000
Citibank N.A., ADGM Branch	-	100,000
The National Bank of Ras Al-Khaimah	-	80,000
JPMorgan Chase Bank, N.A., London Branch	-	20,000
	<b>1,840,000</b>	<b>1,500,000</b>

**Notes to the condensed consolidated financial information  
for the three-month period ended 31 March 2024 (continued)**

**15. Trade and other payables**

	<b>31 March 2024 USD '000 (unaudited)</b>	<b>31 December 2023 USD '000 (audited)</b>
Accrued expenses	582,107	575,713
Trade payables	122,280	159,221
Contract liabilities	147,982	140,207
Retention payables	36,798	33,686
Accrual for employees' benefits	14,248	16,895
Pension payable	3,240	3,182
Other payables	1,314	866
	<b>907,969</b>	<b>929,770</b>
<i>Disclosed as follows:</i>		
Current	<b>826,541</b>	848,834
Non-current	<b>81,428</b>	80,936
	<b>907,969</b>	<b>929,770</b>

The average credit period is 60 days (2023: 60 days). The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

**16. Related party balances and transactions**

Related parties represent the Parent entity and its subsidiaries, directors and key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Balances with related parties at the end of reporting period comprise the following:

	<b>31 March 2024 USD '000 (unaudited)</b>	<b>31 December 2023 USD '000 (audited)</b>
<b>(a) Due from related parties</b>	<b>23,287</b>	52,764
<b>(b) Other balances due from related parties</b>	<b>1,102,786</b>	952,936
Less: expected credit loss allowance	<b>(19,004)</b>	(19,004)
	<b>1,107,069</b>	986,696
<b>(a) Due from related parties</b>		
ADNOC Offshore	12,421	32,876
Abu Dhabi National Oil Company (ADNOC)	7,635	5,573
ADNOC Sour Gas	3,231	14,193
Al Dhafrah JV	-	122
	<b>23,287</b>	52,764

## Notes to the condensed consolidated financial information for the three-month period ended 31 March 2024 (continued)

### 16. Related party balances and transactions (continued)

At 31 March 2024, the Group had a significant concentration of credit risk, with two of the customers representing 86.1% (2023: two customers representing 89.2%) of related parties receivables outstanding at that date.

The ageing of the related party balances was as follows:

	31 March 2024 USD '000 (unaudited)	31 December 2023 USD '000 (audited)
Not past due	21,426	48,490
Due from 31 to 60 days	758	192
Due from 61 to 90 days	55	707
Due from more than 91 days	1,048	3,375
	<b>23,287</b>	<b>52,764</b>

	31 March 2024 USD '000 (unaudited)	31 December 2023 USD '000 (audited)
<b>(b) Other balances due from related parties</b>		
ADNOC Onshore	583,448	519,018
ADNOC Offshore	461,642	392,678
Abu Dhabi National Oil Company (ADNOC)	53,681	39,198
ADNOC Sour Gas	3,587	1,665
Al Dhafra JV	428	377
	<b>1,102,786</b>	<b>952,936</b>

The movement in allowance for expected credit loss during the period/year was as follows:

	31 March 2024 USD '000 (unaudited)	31 December 2023 USD '000 (audited)
Balance at beginning of the period/year	19,004	9,004
Charge during the period/year	-	10,000
<b>Balance at end of the period/year</b>	<b>19,004</b>	<b>19,004</b>

**Notes to the condensed consolidated financial information  
for the three-month period ended 31 March 2024 (continued)**

**16. Related party balances and transactions (continued)**

	<b>31 March 2024 USD '000 (unaudited)</b>	<b>31 December 2023 USD '000 (audited)</b>
<b>Due to related parties</b>		
ADNOC Onshore	99,273	104,553
Abu Dhabi National Oil Company for Distribution	80,475	66,055
ADNOC Offshore	61,910	61,910
Abu Dhabi National Oil Company (ADNOC)	18,134	11,590
ADNOC Logistics & Services	5,677	6,129
	<b>265,469</b>	<b>250,237</b>

The balances due to/from related parties are non-interest bearing and are payable/receivable on demand.

	<b>31 March 2024 USD '000 (unaudited)</b>	<b>31 December 2023 USD '000 (audited)</b>
<b>Loan from related parties (note 14)</b>		
Abu Dhabi Commercial Bank	358,835	310,000
First Abu Dhabi Bank	371,266	310,000
	<b>730,101</b>	<b>620,000</b>

	<b>31 March 2024 USD '000 (unaudited)</b>	<b>31 December 2023 USD '000 (audited)</b>
<b>Cash and cash equivalents (note 12)</b>		
ADNOC Group Treasury Services (AGTS)	245,302	353,613
First Abu Dhabi Bank	7	7
	<b>245,309</b>	<b>353,620</b>

**Notes to the condensed consolidated financial information  
for the three-month period ended 31 March 2024 (continued)**

**16. Related party balances and transactions (continued)**

Significant transactions with related parties during the period are as follows:

	Three-month ended 31 March 2024 USD '000 (unaudited)	Three-month ended 31 March 2023 USD '000 (unaudited)
<b>Revenue</b>		
ADNOC Onshore	465,944	387,329
ADNOC Offshore	379,882	305,840
Abu Dhabi National Oil Company (ADNOC)	27,002	10,209
ADNOC Sour Gas	5,136	120
Al Dhafrah JV	646	31
	<b>878,610</b>	<b>703,529</b>
<b>Purchases</b>		
ADNOC Distribution	33,323	30,679
Abu Dhabi National Oil Company (ADNOC)	14,940	9,471
ADNOC Logistics & Services	4,968	3,256
ADNOC Refining	-	477
	<b>53,231</b>	<b>43,883</b>
<b>Finance Income</b>		
ADNOC Group Treasury Services (AGTS)	2,101	4,926
<b>Investment in a joint venture</b>		
Share of results of a joint venture	1,890	-
<b>Finance cost</b>		
First Abu Dhabi Bank	3,829	1,925
Abu Dhabi Commercial Bank	3,853	1,925
	<b>7,682</b>	<b>3,850</b>
<b>Lease payments</b>		
Abu Dhabi National Oil Company (ADNOC)	6,246	-
	Three-month ended 31 March 2024 USD '000 (unaudited)	Three-month ended 31 March 2023 USD '000 (unaudited)
Key management compensation	1,234	2,902
Board of Director members	7	7
Key management personnel	9	8

**Notes to the condensed consolidated financial information  
for the three-month period ended 31 March 2024 (continued)**

**17. Revenue**

The Group derives its revenue from providing the drilling and oilfield services over time in the following major service lines:

	Three-month ended 31 March 2024 USD'000 (unaudited)	Three-month ended 31 March 2023 USD'000 (unaudited)
Drilling services	874,639	715,065
Facilitation of rigs rental	11,223	1,022
	<b>885,862</b>	<b>716,087</b>

As at 31 March 2024, the Group has unsatisfied performance obligations amounting to USD 69,654 thousand (31 December 2023: USD 62,373 thousand) that will be recognised as revenue during the next financial period. The amount disclosed above does not include variable consideration which is constrained.

**18. Finance cost – net**

	Three-month ended 31 March 2024 USD'000 (unaudited)	Three-month ended 31 March 2023 USD'000 (unaudited)
Finance income	2,073	4,347
Less: finance cost	<b>(29,852)</b>	<b>(16,329)</b>
	<b>(27,779)</b>	<b>(11,982)</b>

## Notes to the condensed consolidated financial information for the three-month period ended 31 March 2024 (continued)

### 19. Income tax

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023.

The Cabinet of Ministers Decision No. 116 of 2022 specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000. The Group had performed an assessment and concluded that it qualifies for an exemption under the Law. However, is subject to Emirates level Income Tax at 9% rate on its taxable income effective from 1 January 2024. The Group complies with the Abu Dhabi Income Tax Decree of 1965, as amended or re-enacted from time to time ('Tax decree'), terms of the fiscal letter issued by Supreme Council for Financial and Economic Affairs (SCFEA) and the procedures appended thereto.

Further, the Group has foreign operations and tax is applicable as per laws and regulations of the respective jurisdiction.

The tax charge for the period ended 31 March 2024 is USD 27,559 thousand (31 March 2023: nil), representing an Effective Tax Rate ("ETR") of 9.15% (31 March 2023: nil).

### 20. Dividends

The Board of Directors, in their meeting held on 12 February 2024, proposed a final cash dividend of AED 8.2244 fils per share amounting to USD 358,310 thousand for the year ended 31 December 2023 which was approved by shareholders at the Annual General Meeting held on 13 March 2024. The dividend was paid during the period.

### 21. Commitments and contingencies

The Group has the following commitments and contingent liabilities outstanding at 31 March 2024 and 31 December 2023:

	31 March 2024 USD '000 (unaudited)	31 December 2023 USD '000 (audited)
Capital commitments – rigs procurement	86,140	93,114
Commitment for investment in Joint venture	677,300	765,000
Bank guarantees	47	47

The above commitments and bank guarantees were issued in the normal course of business. Capital commitments relate to ongoing and proposed projects towards procurement of rigs, cementing, wireline, drilling system, coil tubing and other major projects across all operating segments.

## Notes to the condensed consolidated financial information for the three-month period ended 31 March 2024 (continued)

### 22. Seasonality of results

The Group is not particularly exposed to seasonality of operations. Revenue and operating profits are evenly spread throughout the year.

### 23. Segment reporting

Information regarding the Group's operating segments is set out below in accordance with IFRS 8 *Operating Segments*. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Executive Officer, as the Chief Operating Decision Maker (CODM), in order to allocate resources to the segment and to assess its performance. Information reported to the Chief Executive Officer for the purpose of resource allocation and assessment of segment performance focuses on the financial performance of each business segment and property and equipment only. No information that includes the segments' assets (excluding property and equipment) and liabilities are reported to the Chief Executive Officer.

For management purpose the Group is organised into four operating segments, all of which are referred to as 'business units':

**Onshore** segment is the largest segment with land rigs, water wells, work over rigs deployed mainly across ADNOC Onshore with a few rigs also assigned to other concessions within the ADNOC group.

**Offshore Jackup** with owned jackups and some rentals predominantly meeting the ADNOC Offshore drilling needs with a few rigs also assigned to other concessions within the ADNOC group.

**Offshore Island** rigs is the third largest segment representing the Island part of ADNOC Offshore's requirement.

**Oilfield Services (OFS)** segment was created to provide oil field services through the partnership with Baker Hughes in late 2018.

The Group operates primarily in United Arab Emirates and accordingly no further geographical analysis of revenue, profit, assets and liabilities has been provided.

The revenue reported represents revenue generated from external customers only. There were no inter-segment sales in current or previous year.

Earnings before interest, tax, depreciation and amortisation "EBITDA" is the measure of the profitability being reviewed by the CODM which is the profit for the year before finance cost, net (both of which are as presented in consolidated statement of profit or loss and other comprehensive income) depreciation, amortisation and impairment.

Refer to note 16 for analysis of revenue from major customers.



## Notes to the condensed consolidated financial information for the three-month period ended 31 March 2024 (continued)

### 23. Segment reporting (continued)

	Three-month ended 31 March 2024 (unaudited)					Three-month ended 31 March 2023 (unaudited)				
	Onshore USD '000	Offshore Jackup USD '000	Offshore Island USD '000	OFS USD '000	Total USD '000	Onshore USD '000	Offshore Jackup USD '000	Offshore Island USD '000	OFS USD '000	Total USD '000
Revenue	411,253	277,674	50,900	146,035	885,862	355,030	184,141	50,911	126,005	716,087
Direct cost* (restated)	(202,531)	(83,924)	(17,318)	(112,426)	(416,199)	(165,229)	(69,990)	(17,087)	(101,470)	(353,776)
<b>Gross profit (restated)</b>	<b>208,722</b>	<b>193,750</b>	<b>33,582</b>	<b>33,609</b>	<b>469,663</b>	189,801	114,151	33,824	24,535	362,311
General and administrative expenses* (restated)	(19,962)	(11,955)	(2,663)	(1,362)	(35,942)	(17,163)	(9,634)	(2,308)	(1,319)	(30,424)
Share of results from a joint venture	-	-	-	1,890	1,890	-	-	-	-	-
Other income, net	890	603	118	(605)	1,006	576	395	70	270	1,311
<b>EBITDA</b>	<b>189,650</b>	<b>182,398</b>	<b>31,037</b>	<b>33,532</b>	<b>436,617</b>	173,214	104,912	31,586	23,486	333,198

EBITDA is reconciled to profit before tax for the period as follows:

	Three-month ended 31 March 2024 (unaudited)					Three-month ended 31 March 2023 (unaudited)				
	Onshore USD '000	Offshore Jackup USD '000	Offshore Island USD '000	OFS USD '000	Total USD '000	Onshore USD '000	Offshore Jackup USD '000	Offshore Island USD '000	OFS USD '000	Total USD '000
<b>EBITDA</b>	<b>189,650</b>	<b>182,398</b>	<b>31,037</b>	<b>33,532</b>	<b>436,617</b>	173,214	104,912	31,586	23,486	333,198
Depreciation, amortisation and impairment reversal in direct cost	(27,951)	(50,177)	(5,387)	(17,863)	(101,378)	(36,146)	(36,450)	(10,576)	(13,434)	(96,606)
Depreciation and amortisation in general and administrative expense	(3,103)	(1,471)	(418)	(298)	(5,290)	(3,464)	(1,671)	(466)	(324)	(5,925)
<b>Total depreciation and amortisation</b>	<b>(31,054)</b>	<b>(51,648)</b>	<b>(5,805)</b>	<b>(18,161)</b>	<b>(106,668)</b>	(39,610)	(38,121)	(11,042)	(13,758)	(102,531)
Finance cost, net	(16,235)	(9,199)	(1,806)	(539)	(27,779)	(6,595)	(4,320)	(840)	(227)	(11,982)
<b>Profit before tax for the period</b>	<b>142,361</b>	<b>121,551</b>	<b>23,426</b>	<b>14,832</b>	<b>302,170</b>	127,009	62,471	19,704	9,501	218,685

\*excludes depreciation, amortisation and impairment.

## Notes to the condensed consolidated financial information for the three-month period ended 31 March 2024 (continued)

### 23. Segment reporting (continued)

The following table represents segment assets for the Group's operating segments as reviewed by CODM:

	Onshore USD '000	Offshore Jackup USD '000	Offshore Island USD '000	OFS USD '000	Total USD '000
<b>31 March 2024 (unaudited)</b>					
<b>Property and equipment</b>	<b>1,298,321</b>	<b>2,672,904</b>	<b>180,719</b>	<b>677,498</b>	<b>4,829,442</b>
<b>31 December 2023 (audited)</b>					
<b>Property and equipment</b>	<b>1,242,716</b>	<b>2,726,326</b>	<b>186,674</b>	<b>691,824</b>	<b>4,847,540</b>

### 24. Basic and diluted earnings per share

Earnings per share (EPS) amounts are calculated by dividing the profit attributable to shareholders of the Group by the weighted average number of share outstanding during the period.

	Three-month ended 31 March 2024 USD'000 (unaudited)	Three-month ended 31 March 2023 USD'000 (unaudited)
Profit attributable to shareholders of the Group (USD'000)	<b>274,611</b>	218,685
Weighted average number of shares for the purpose of basic earnings per share	<b>16,000,000</b>	16,000,000
Earnings per share (USD'000)	<b>0.017</b>	0.014

There are no dilutive securities, therefore diluted EPS is the same as basic EPS.

## Notes to the condensed consolidated financial information for the three-month period ended 31 March 2024 (continued)

### 25. Comparative figures

In the current period and as required by IAS 1 “Presentation of Financial Statements” and IAS 8 “Accounting Policies, Change in Accounting Estimates and Errors”, Management has reclassified certain general and administrative expenses which are more direct in nature to direct costs and therefore balances for comparative period was re-classified for consistency with the current presentation, as follows:

- The Group presented general and administrative expenses of USD 70,831 thousand for the three-month period ended 31 March 2023 and in the current period it was reclassified to USD 36,349 thousand due to a reclassification of USD 34,482 thousand which was reported earlier under general and administrative expenses to direct cost. Accordingly, direct cost of USD 415,900 thousand presented for the three months period ended 31 March 2023 was restated to USD 450,382 thousand. Consequently, due to the aforementioned reclassification, reported gross profits of USD 300,187 thousand for the three-month period ended 31 March 2023 restated to USD 265,705 thousand.

The aforementioned reclassification had no impact on the reported results on the Group.

### 26. Subsequent event

Subsequent to the period end the Group incorporated a new company, Turnwell Industries LLC OPC (“Turnwell”). The new company will be primarily engaged in unconventional drilling operations both within the UAE and internationally.

### 27. Approval of condensed consolidated financial information

This condensed consolidated financial information was approved by the Board of Directors and authorised for issue on 10 May 2024.