



Media Release:

ADNOC Drilling and Alpha Dhabi's Joint Venture Completes First Strategic Investment

The JV has been incorporated in Abu Dhabi Global Market to pursue global investments in energy technology and bolster tech-enabled energy services.

Alpha Dhabi contributes a 25% holding in Gordon Technologies to the JV, a US-based market leading provider of 'measurement while drilling' technology.

The strategic collaboration between two leading Abu Dhabi entities with complementary capabilities will accelerate domestic economic development and diversification.

Abu Dhabi, UAE – January 9, 2024: ADNOC Drilling Company PJSC (“ADNOC Drilling” or the “Company”) (ADX symbol: ADNOC DRILL / ISIN: AEA007301012) and Alpha Dhabi Holding PJSC (“Alpha Dhabi”) (ADX: ALPHADHABI) announced today the incorporation of its strategic investment JV at Abu Dhabi Global Market. The JV, will pursue global investments in energy technology and bolster tech-enabled energy services.

As the inaugural investment, Alpha Dhabi has contributed its 25% equity stake in Gordon Technologies (“Gordon”), a leading provider of measurement while drilling (“MWD”) technology to the oil and gas industry in the USA. The equity stake has been valued at circa \$180 million.

The establishment of this JV, and the contribution of Gordon's 25% share capital, is expected to bring value accretive returns to both shareholders and will be synergistic with ADNOC Drilling's business. It will also support ADNOC Drilling's long-term dividend growth profile.

Founded in 2014, Gordon is one of the leading MWD technology provider in the USA. With robust positions in its key operating basins and with expected revenue of more than \$230 million in FY2023, Gordon supports efficient drilling operations for its customers through leading performance metrics and cost efficiencies. As one of the industry's few fully integrated MWD players, the company occupies a unique position, particularly in high temperature applications, with reliability measures significantly outperforming the industry average.



Gordon has no leverage, and its acquisition is economically accretive to the JV's shareholders from a profitability, valuation multiple, cash flow generation and dividend potential standpoint, along with a FY2023 expected free cash flow yield of more than 10%.

Abdulrahman Abdullah Al Seiari, Chief Executive Officer of ADNOC Drilling, said: "Through the incorporation of our Joint Venture we are set to accelerate investment in tech-enabled energy solutions. Access to these technologies will support us in our operations, and to accelerate well delivery optimization in the development of unconventional resources as we strive to enable gas self-sufficiency for the nation."

Eng. Hamad Al Ameri, Managing Director and Group CEO of Alpha Dhabi, added: "Since Alpha Dhabi's minority stake acquisition of Gordon Technologies in 2022, we have supported its growth strategy in the US market and put the foundations in place for expansion to the Middle East region. Through this joint venture, and leveraging both Alpha Dhabi and ADNOC Drilling's complimentary capabilities, we look forward to driving further value creation for the benefit of our mutual stakeholders."

As disclosed on 10 November 2023, ADNOC Drilling holds a majority 51% stake in the JV, with the remaining 49% held by Alpha Dhabi, with equal Board representation for both parties. The JV's financial results will be accounted for by ADNOC Drilling through the equity method starting from the Company's 1Q 2024 financial results.

The JV intends to acquire and invest in companies offering tech-enabled oilfield services solutions, subject to the relevant regulatory approvals, and foster a scalable ecosystem that will enhance market value and optimize operational efficiencies. It will be a major driver of investment decisions with the ability to support the UAE's wider energy transition ambitions, net zero agenda and ongoing economic diversification efforts.

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Webcast and Conference Call

ADNOC Drilling will host a webcast and conference call followed by a Q&A session for investors and analysts on Thursday January 11, 2024, at 16:00 pm UAE time / 12:00 pm (noon) UK time.

The call will be hosted by Abdulrahman Alseiri (CEO), Youssef Salem (CFO) and Christopher McDonald (Chief Operating Officer). Interested parties are invited to join the call by clicking [here](#).

A replay and transcript will be made available following the event, accessible from the Investor Relations section of ADNOC Drilling's website.

About ADNOC Drilling

ADNOC Drilling, listed on the Abu Dhabi Securities Exchange (ADX symbol "ADNOCDRILL"; ISIN AEA007301012), is the largest drilling and well completions company in the Middle East by fleet size, owning and operating one of the largest multi-discipline drilling fleets in the world. The Company is a critical link in ADNOC's upstream business, as ADNOC responsibly accelerates its production capacity targets in light of globally increasing demand for energy and enables gas self-sufficiency for the UAE. ADNOC Drilling incorporated Integrated Drilling Services into its portfolio in 2018 and now offers a total solution of start-to-finish wells and associated services that encompass the entire drilling value chain. To find out more, visit: www.adnocdrilling.ae

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About Alpha Dhabi Holding

Alpha Dhabi Holding (ADH), a UAE listed company, was established in 2013 and is one of the fastest growing Abu Dhabi based investment holding companies, with more than 150 businesses spread across healthcare, renewable energy, petrochemicals and other industries such as real estate, construction and hospitality. With over 90,000 employees, ADH is a strategic contributor to the UAE economy and is committed to drive continuous growth for its stakeholders through investments in emerging businesses, supporting innovation and diversity. For more information, please visit www.alphadhabi.com

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