ADNOC

ADNOC Drilling

FULL YEAR 2023 RESULTS PRESENTATION

12 FEBRUARY 2024

DISCLAIMER

This presentation has been prepared by ADNOC Drilling Company PJSC (the "**Company**") based on publicly available information and non-public information to assist you in making a preliminary analysis of the content referenced herein solely for informational purposes. It should not be construed as an offer to sell or a solicitation of an indication of interest to purchase any equities, security, option, commodity, future, loan or currency including a private sale of shares in the Company (the "**Financing Instruments**").

It is not targeted to the specific investment objectives, financial situation or particular needs of any recipient. It is not intended to provide the basis for any third-party evaluation of any Financing Instrument or any offering of them and should not be considered as a recommendation that any recipients should subscribe for or purchase any Financing Instruments.

The recipient agrees to keep confidential any information contained herein and any other written or oral information otherwise made available in connection with any potential transaction related to this presentation and shall not reproduce, publish, distribute or otherwise divulge such information to any other person(s) other than in accordance with any applicable non-disclosure agreements executed by the recipient with the Company.

None of the Company or any of its affiliates or advisors make any representation or warranty as to the fairness, accuracy, adequacy or completeness of the information, the assumptions on which it is based, the reasonableness of any projections or forecasts contained herein or any further information supplied or the suitability of any investment for your purpose. None of the Company or any of its affiliates or advisors, or their respective directors, officers or employees, share any responsibility for any loss, damage or other result arising from your reliance on this information. Each of the Company, its affiliates and advisors therefore disclaim any and all liability relating to this presentation including without limitation any express or implied representations or warranties for statements contained in, and omissions from, the information herein. No recipient of this presentation should rely upon any information contained in this presentation, including but not limited to any historical financial data, forward looking statements, forecasts, projections or predictions.

The Company, its affiliates, representatives and advisors are acting solely in the capacity of an arm's length counterparty and not in the capacity of your financial advisor or fiduciary. Such information is represented as of the date and, if applicable, time indicated and the Company, its affiliates and advisors do not accept any responsibility for updating any such information.

Nothing in this presentation should be construed as an advice of, amongst others, legal, tax, regulatory, accounting or investment nature. The recipients should seek and rely upon the advice of its own professionals and other advisors for such matters.

This presentation may be recorded, and the Company will assume that by attending this presentation the recipient consents to such recording.

AGENDA & PRESENTERS

- Strategic Overview
- Operational Highlights
- Financial Performance
- Closing Remarks
- Appendix

Abdulrahman Abdullah Al Seiari
Chief Executive Officer

Christopher McDonald
Chief Operating Officer

Youssef Salem
Chief Financial Officer

ADNOC Drilling

1. STRATEGIC OVERVIEW

STRATEGY OVERVIEW

STRATEGIC PILLARS UNDERPINNING LONG-TERM VALUE CREATION

Profitable Growth

Seeking to increase profitability through value-enhancing opportunities, inside and outside of Abu Dhabi for rigs, services and technology.

GCC regional leader in unconventional development, by producing at the most affordable cost, while establishing strategic partnerships

- Efficiently develop hydrocarbon resources
- Enable production at lowest costs

National Champion

Maximizing benefits of the UAE resources through maximizing in country value (ICV) and attracting, retaining, and upskilling the best talent with a focus on locals.

Developing local capabilities for key supply chain functions in the oil and gas industry diversifying GDP and spending more on a
range of local goods and services.

- Develop local supply chain
- Attract & nurture top talent

Operational Excellence

Utilizing technology and digitalization to improve operational performance and enhance efficiency to ensure business continuity.

Further integration of services by increasing OFS offering to increase customer satisfaction and grow share of the wallet

- Best-in-class operational capabilities
- Prioritize beyond 100% HSE

Decarbonization

Operating sustainably and responsibly, through low carbon footprint, reduced GHG emissions and optiming energy efficiency.

Becoming an integral part of ADNOC's 2045 net zero journey by undertaking a variety of initiatives and driving an ambitious ESG agenda

- Operate sustainably & responsibly
- Execute on ambitious ESG agenda

ROBUST GROWTH
FULL YEAR 2023 KEY HIGHLIGHTS

Safety & Environment

- **54,438 GJ/Rig**
  Energy intensity vs target of 54,499 GJ/Rig in FY23
- **0.44 TRIR**
  Vs target of 0.70 for FY23
- **563 ktCO2eq**
  GHG absolute emissions vs target of 593 ktCO2eq

Financial

- **14% YoY**
  FY 2023 revenue increase
- **49% EBITDA margin**
  FY 2023, industry leading level
- **$1,033m Net profit**
  FY 2023, growing +28%YoY

Operational

- **1st International rig**
  Started operation in Jordan for integrated drilling program
- **+14 Rigs added**
  Added 10 land rigs and 4 jack-ups to rig fleet count
- **129 Owned rigs**
  Including 4 lease-to-own land rigs, on track to target of 142 by 2024

ADNOC Drilling

2. OPERATIONAL HIGHLIGHTS

QUARTERLY PROGRESS
DELIVERING ON GROWTH

ADNOC Production Increasing

Capitalize on ADNOC's plans to increase production capacity to 5 million barrels per day and 1bcf of gas

▶ **Added 5 hybrid land rigs to the fleet count in 4Q23**

Unconventional Development

Become a Middle East regional leader in **unconventional** development

▶ **5 rigs drilling unconventional wells during 4Q23**

Integrated Drilling Services (IDS) Ramp-up

Major **rig fleet expansion** program to support **upstream growth** plans

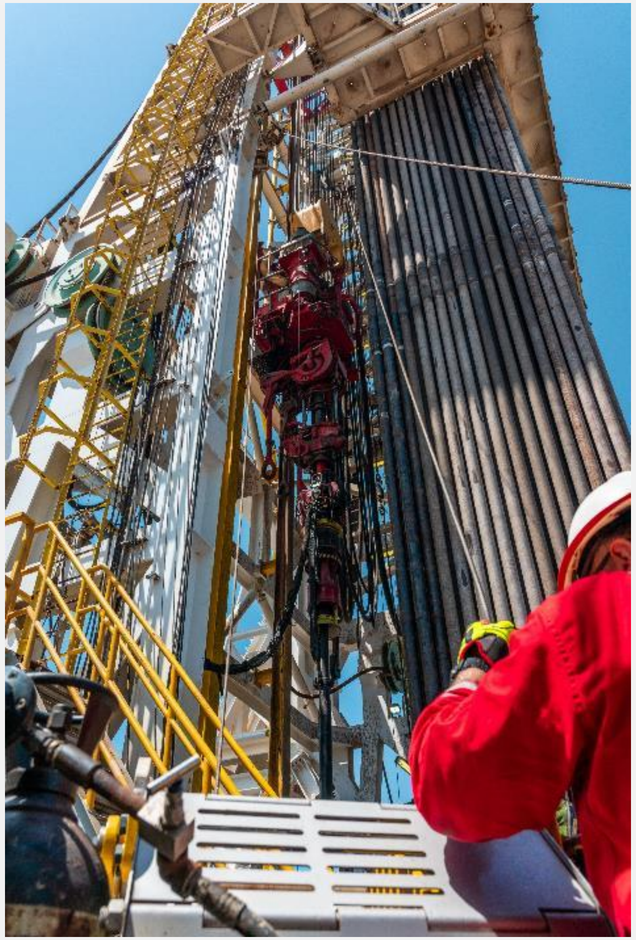
▶ **Performed IDS on 48 rigs in 4Q23**

New Revenue Streams

Pursue new business **inside and outside** of **Abu Dhabi** for **rigs, services and technology**

▶ **JV established and completed first investment[1]**

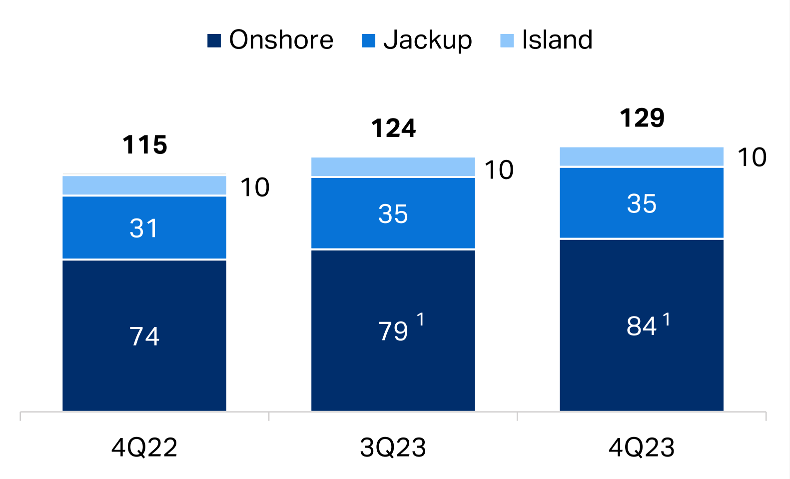
(1) Post-period event, January 9, 2024.



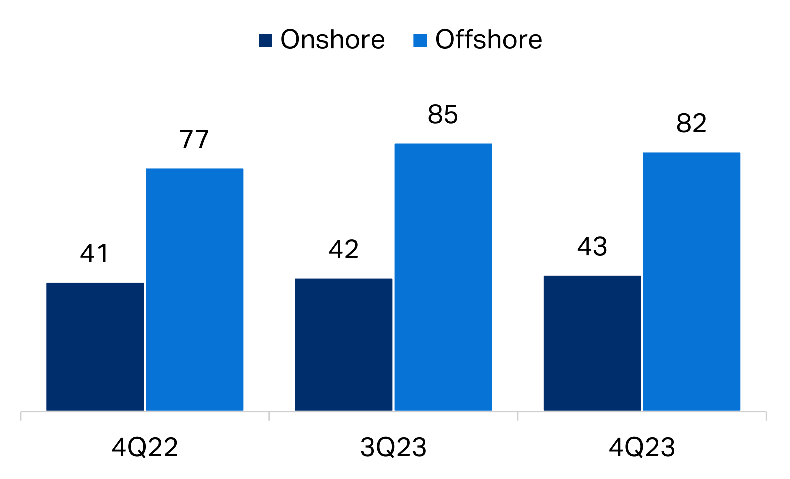
EXPANDING FLEET, GROWING WELL COUNT

KEY OPERATIONAL HIGHLIGHTS

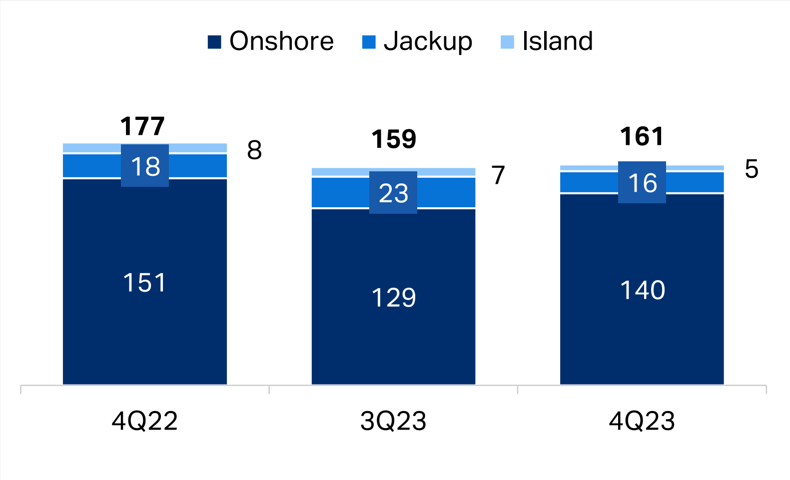
Owned Rigs



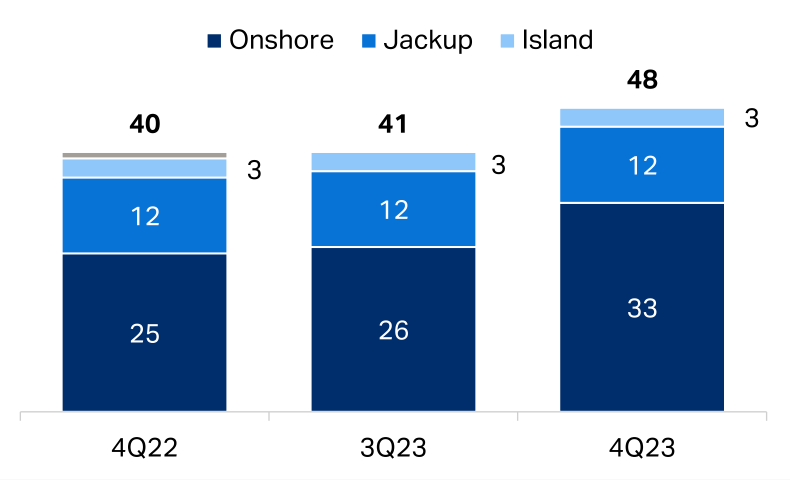
Drilling Average Durations (Days)



Wells Drilled



IDS Rigs



Commentary

- **613 wells drilled** in FY23, with 161 well drilled in 4Q23.
- **Added a total of 14 rigs over FY23,** 4 jack-ups and 10 land rigs (includes four lease-to-own land rigs).
- **First international rig** started operations in Jordan.
- **OFS** performed **IDS on 48 rigs** in FY23, compared to 40 rigs in FY22.
- **15.5% overall improvement** in FY2023 **IDS drilling efficiency** versus the 2022 benchmark.
- **Continued to expand our OFS offering** with new services added driving share growth, solid control equipment, liquid mud plants and tubular running services.

(1) Includes 4 lease-to-own land rigs

ACCRETIVE OFS INVESTMENTS

EXPEDITED PROGRAM, CAPTURED SYNERGIES, & ENHANCED RETURNS

November 2023

- **ADNOC Drilling and Alpha Dhabi signed** the creation of strategic investment Joint Venture ("JV" or "Enersol") to **invest up to USD 1.5 billion**
- **JV mandated to target global investments** in technology-enabled oilfield and energy service companies with ambition of accessing technology with attractive financial profile

January 2024

- Successful incorporation of **Enersol**.
- **Completion of the JV's first transaction,** with Alpha Dhabi contributing **25% stake in Gordon Technologies,** US based leading "measurement while drilling" (MWD) provider, for c. USD 180 million[1]
- **Comprehensive governance structure in place** with a fully functional Board of Directors

Way Forward

- Evaluate, execute and integrate transactions in line with the investment mandate from the **10+ / USD1.3 billion pipeline[2] of value-accretive transactions**
- **Deliver various value creation initiatives** as planned pursuant to the JV's strategy
- **Further support ADNOC Drilling's decarbonization and futureproofing strategy** through investment in innovative and efficient technologies

(1) 25% equity value of USD 180 million includes stake adjusted net cash of USD 15m, resulting in an 100% Enterprise Value of c. USD 660 million; USD 8 million of the consideration is deferred and is expected to be paid in 2Q 2024
(2) Only includes transactions post preliminary evaluation stage; potential transactions execution subject to, among others, relevant regulatory approvals

DECARBONIZATION INITIATIVES DRIVING ESG AGENDA

PURSUING AMBITIOUS GOALS

Camps Emission Abatement

Base Camp Grid Connectivity

- Madinat Zayed camp: obtained final approval for power energization
- Tarif camp: scheduled to be connected in 1Q24
- Habshan & Bu Hasa camps: set to be connected in 2Q24

Solar for Mobile Camps

- First solar camp installation completed

Rigs Emission Abatement

Green Rig

- Acquired a total of 16 newbuild hybrid rigs in FY2023
- Two of the newbuild hybrid rigs were deployed in December 2023
- Remaining 14 rigs will be deployed throughout 2024

Battery Energy Storage System

- BESS to be installed on new-build rigs and select existing rigs

Sustainability Initiatives

Rigs Energy Optimization

- Monitoring consumption to identify gaps and areas of development
- Optimize diesel consumption to meet reduction target
- Further electrification initiatives for our operations are under evaluation

Diesel optimization

- Fuel additive to improve combustion efficiency, trial under preparation

Enersol to support decarbonization agenda

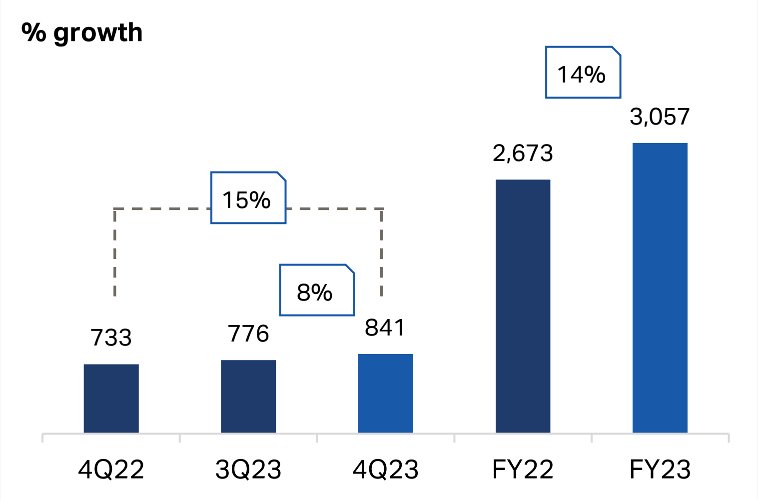
ADNOC Drilling

3. FINANCIAL PERFORMANCE

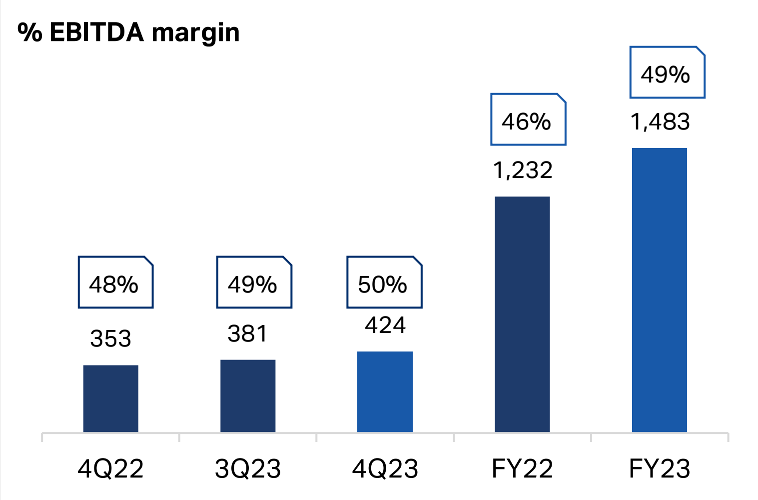
FINANCIAL HIGHLIGHTS

FULL YEAR 2023 OVERVIEW

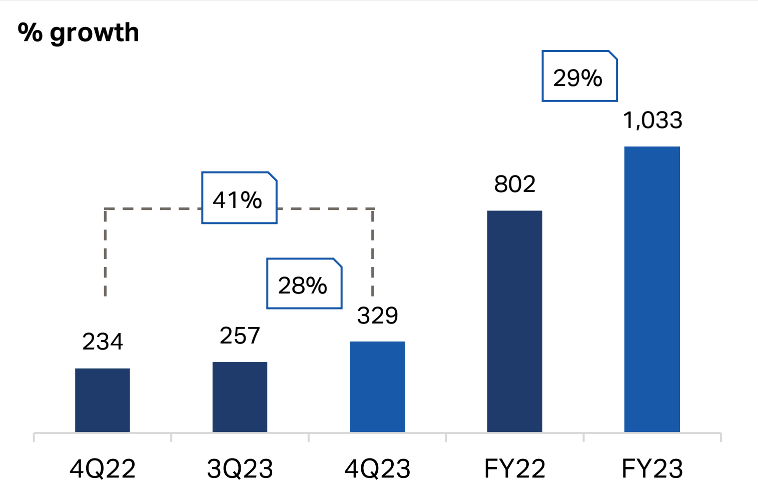
Revenue ($ Million)



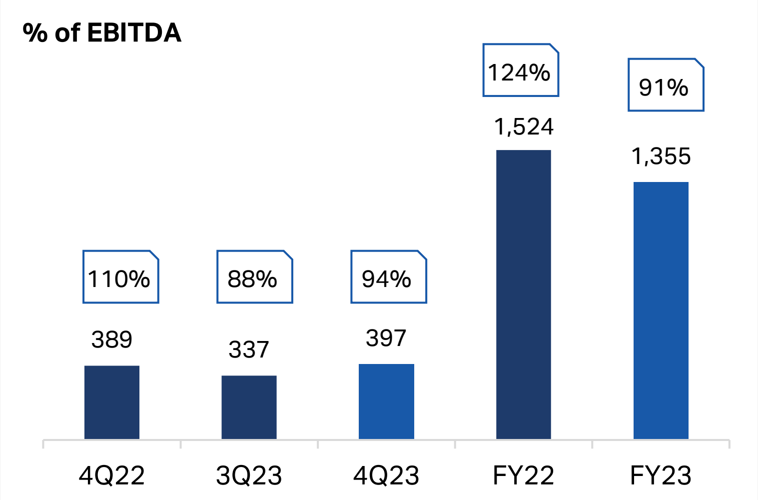
EBITDA ($ Million)



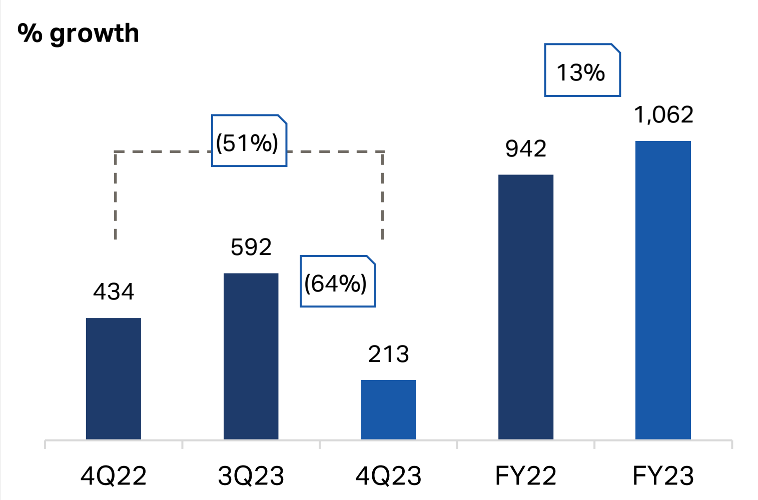
Net Income ($ Million)



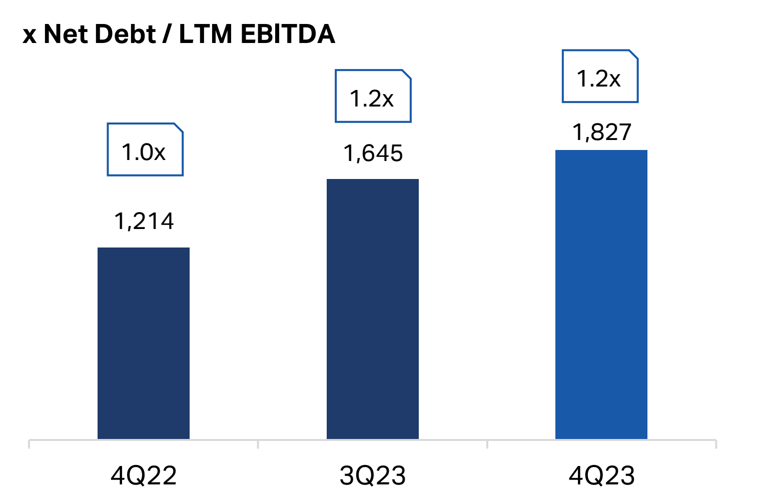
Cash from Operations ($ Million)



CapEx[1] ($ Million)



Net Debt ($ Million)

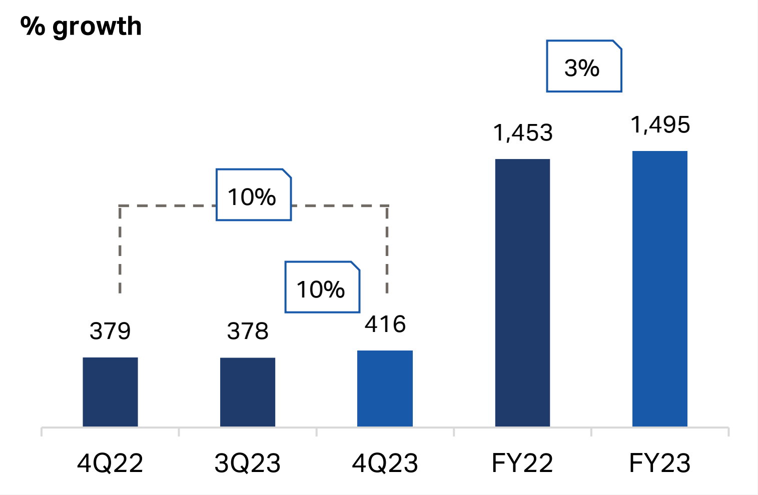


(1) Cash payments for purchase of property and equipment including prepaid delivery payments, excluding CapEx accruals

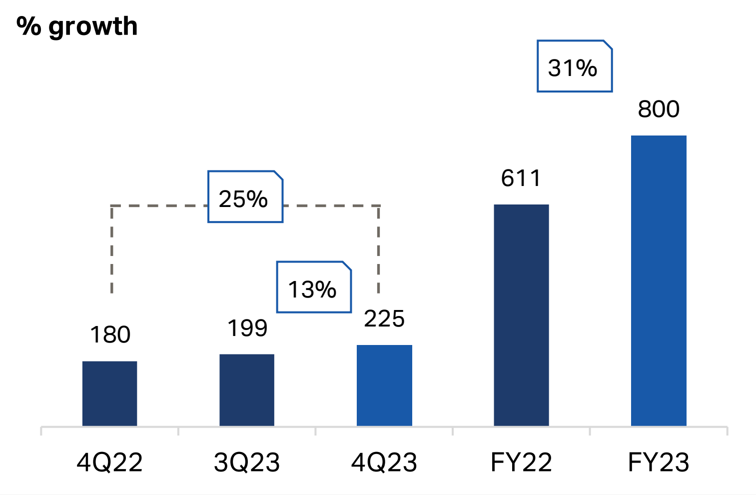
SEGMENTAL REVENUE

TOP-LINE YEAR-ON-YEAR GROWTH ACROSS ALL BUSINESS SEGMENTS

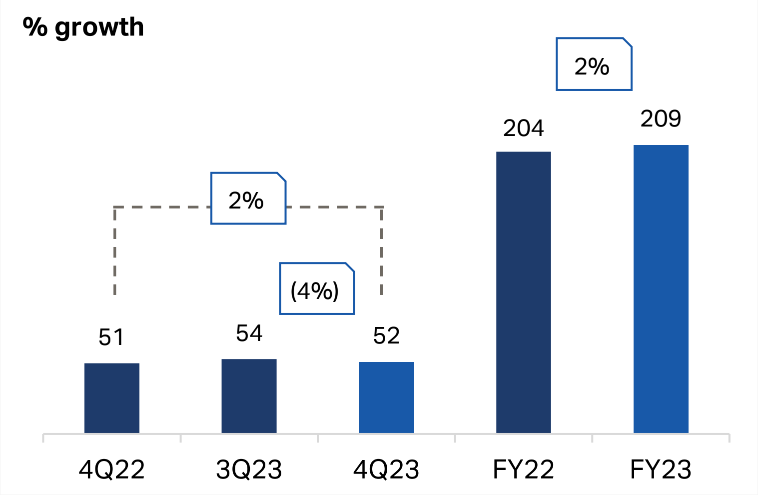
Onshore ($ Million)



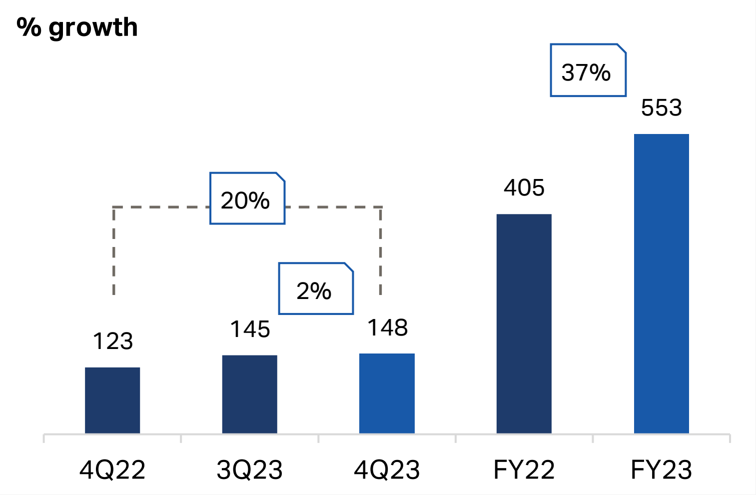
Offshore Jack-up ($ Million)



Offshore Island ($ Million)



Oilfield Services ($ Million)



Commentary

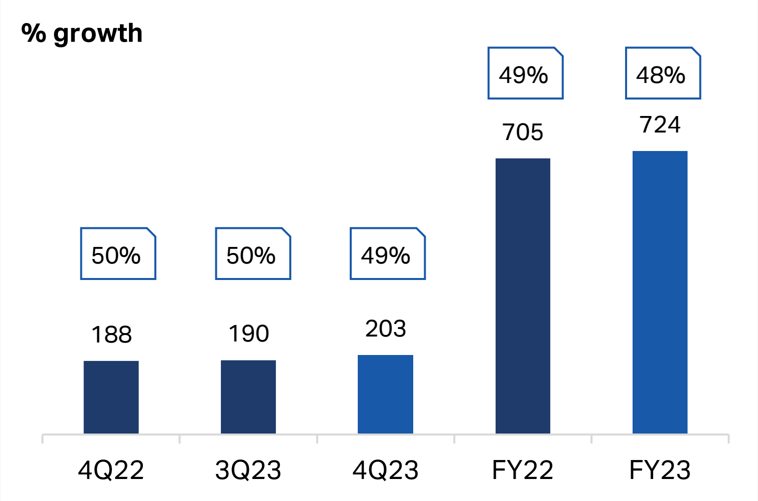
Growth across segments drives 14% YoY increase in FY23 revenue to $3,057 million

- **Onshore:** 4Q23 revenue increased 10% YoY due to increased activity. QoQ up 10% driven by full contribution from four lease-to-own rigs and supported by long-range rig moves.
- **Offshore Jack-up**: 4Q23 revenue up 25% YoY due to higher activity and lower major maintenance. QoQ increased 13% driven by new jack-up rigs starting operations.
- **Offshore Island:** 4Q23 revenue up 4% YoY due to increased activity. QoQ decreased 4% driven by a rig undergoing major maintenance.
- **OFS:** 4Q23 revenue increased 20% YoY due to increased activity. QoQ increased 2%, supported by addition of seven IDS rigs close to year-end.

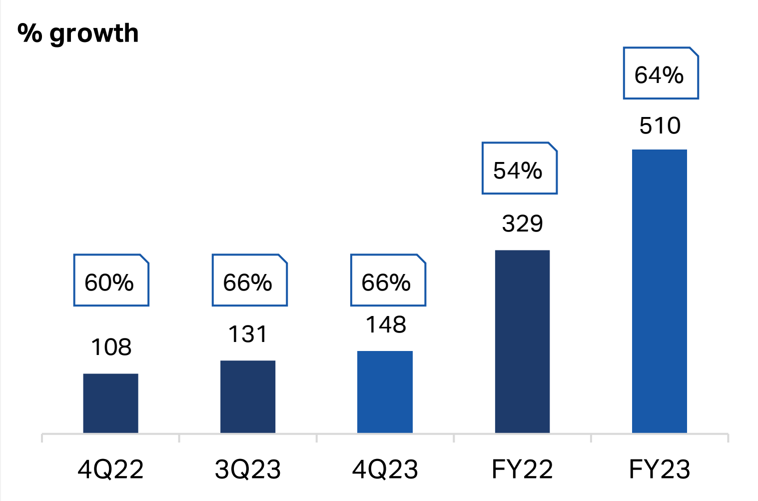
EBITDA GENERATION

INDUSTRY-LEADING MARGINS

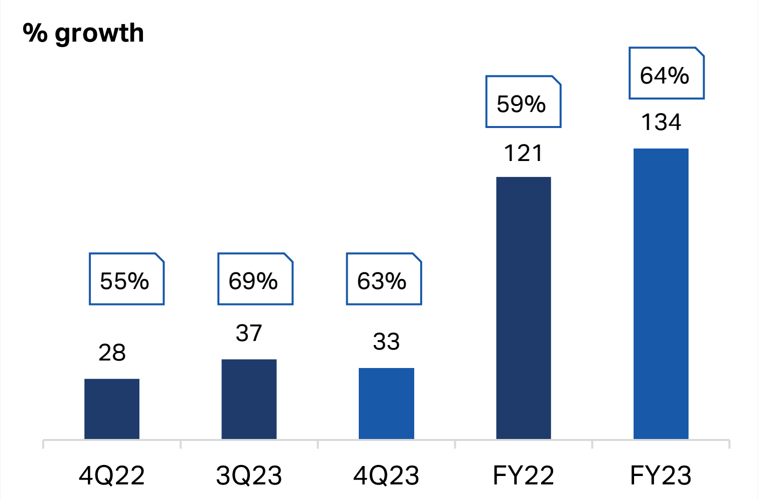
Onshore ($ Million)



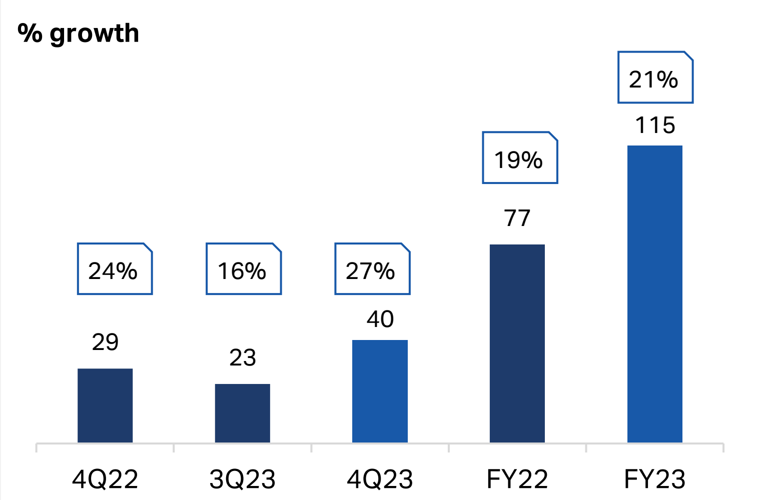
Offshore Jack-up ($ Million)



Offshore Island ($ Million)



Oilfield Services ($ Million)



Commentary

FY23 EBITDA up 20% to $1,483 million, with industry leading margin of 49%.

- **Onshore:** 4Q23 EBITDA up 8% YoY due to higher revenue which was slightly offset by a planned increase in major maintenance. QoQ increased 7% YoY due to similar reasons.
- **Offshore Jack-up**: 4Q23 EBITDA up 37% YoY on the back of the increase in revenue and lower major maintenance activity. QoQ increased 13% due to higher revenue and stable operating expenses.
- **Offshore Island:** 4Q23 EBITDA up 18% YoY due to higher revenue and lower operating expenses. QoQ decreased 11% due to a rig undergoing major maintenance.
- **OFS:** 4Q23 EBITDA up 38% YoY due to higher revenue coupled with a lower increase in operating expenses. QoQ increased 78% driven by a larger contribution of higher margin product lines.

ACCELERATED GROWTH TARGETS

FULL YEAR 2024 GUIDANCE ANNOUNCED, MEDIUM-TERM GUIDANCE UPDATED

(USD, Millions)	FY2024 Guidance
Revenue	**3,600 – 3,800**
Onshore Revenue	1,600 –1,700
Offshore Jack-up Revenue	1,000 – 1,100
Offshore Island Revenue	200 – 250
Oilfield Services Revenue	700 – 800
EBITDA	**1,700 – 1,900**
EBITDA Margin	*48% – 50%*
Net Profit	**1,050 – 1,250**
Net Profit Margin	*30% – 33%*
CapEx	**750 – 950**
Leverage Target	**< 2.0x**

Medium-Term Guidance

- Revenue CAGR in the 12-16% range from FY2023 base
- EBITDA margin around 50% with drilling margins exceeding 50% and OFS margin in a range of 22-26% medium-term
- Conservative long-term leverage target of up to 2.0x Net Debt / EBITDA, excluding material M&A
- Net working capital as percentage of revenue target of around 12%
- Maintenance CapEx post-2024 of $200 - $250 million per annum

ADNOC Drilling

5. CLOSING REMARKS

CLOSING REMARKS

Strong earnings growth driven by expanding fleet and cost efficiencies

New technology partnership and first step into regional expansion with IDS

Delivering on our ESG agenda by pursuing ambitious goals

Enabling ADNOC's accelerated production capacity targets

Paving the way for further growth

ADNOC Drilling

APPENDIX

WE CONTINUE TO PURSUE AMBITIOUS ESG GOALS

ESG FRAMEWORK & PERFORMANCE HIGHLIGHTS

Climate, Emissions and Energy

- Support ADNOC's target to decrease GHG intensity by 25% by 2030 and 50% by 2045
- Energy intensity at a target of 54,438 GJ/Rig in 9M23 versus the current actual of 54,499 GJ/Rig

Economic and Social Contribution

- Economic performance of the Company improved with the increase in number of rigs
- In-country value at 70.71% versus target of 60%

Health, Safety and Security

- **24 recordable incidents** across the business in 2023
- **TRIR at** 0.44 versus target of 0.70 for 2023

Local Environment

- Minimizing impacts through **best-in-class** environmental management system
- **Zero spill incidents** in 2023

Workforce Diversity and Development

- Company commitment to **gender diversity and development** at **all levels** of the organization
- 82 nationalities across the workforce

Business Sustainability

- Integrate risk management across operations and business planning
- Strengthen collaboration in environmental protection, conservation and sustainable development

STRONG OPERATIONAL PERFORMANCE

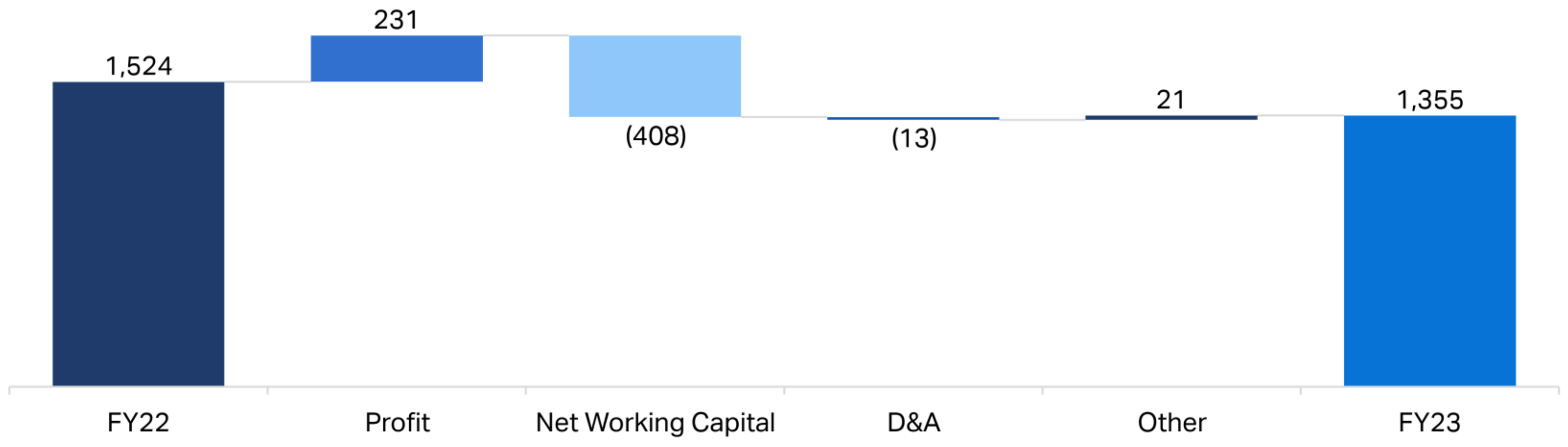
SEGMENTAL OPERATING HIGHLIGHTS

Segment	2023 Highlights
Onshore	› Completed ADNOC Drilling's first injection CO_2 well utilizing AD 64. › Lost time incident ("LTI") of 0.12 versus a target of 0.22 by the end of 2023. › Achieved TRIR of 0.54 against a target of 0.70 for 2023. › Mobilized and operated rig in Jordan during the fourth quarter of 2023. › AD122 mobile camp was installed with solar panels to power mobile camp.
Offshore Jack-up & Offshore Island	› LTI frequency of 0.07 against a target of 0.22 by end of 2023. › Achieved TRIR frequency of 0.42 against a target of 0.70 for 2023. › Introduced engine power management system to optimize power consumption and lower emissions. › Achieved world's longest extended reach well (UZ- 685), utilizing AD-68 at 51,000 feet from Umm Al Anbar Island, tapping into a previously unreachable part of the reservoir.
Oilfield Services	› IDS rigs increased to 48 Rigs at the end of 2023 versus 40 IDS rigs in 2022. › 15.5% overall improvement in FY2023 IDS drilling efficiency versus the 2022 benchmark. › TRIR of 0.5 versus a target of 0.70 by the end of 2023. › Efficient operations resulted in cumulative savings of over $320 million to ADNOC since inception in 2019. › Delivered 204 IDS wells at the end of 2023, ahead of target.

STRONG CASHFLOW & BALANCE SHEET

HEALTHY CASH POSITION WITH AMPLE LIQUIDITY TO POWER RIG FLEET GROWTH

Net Cash from Operating Activities ($ Million)

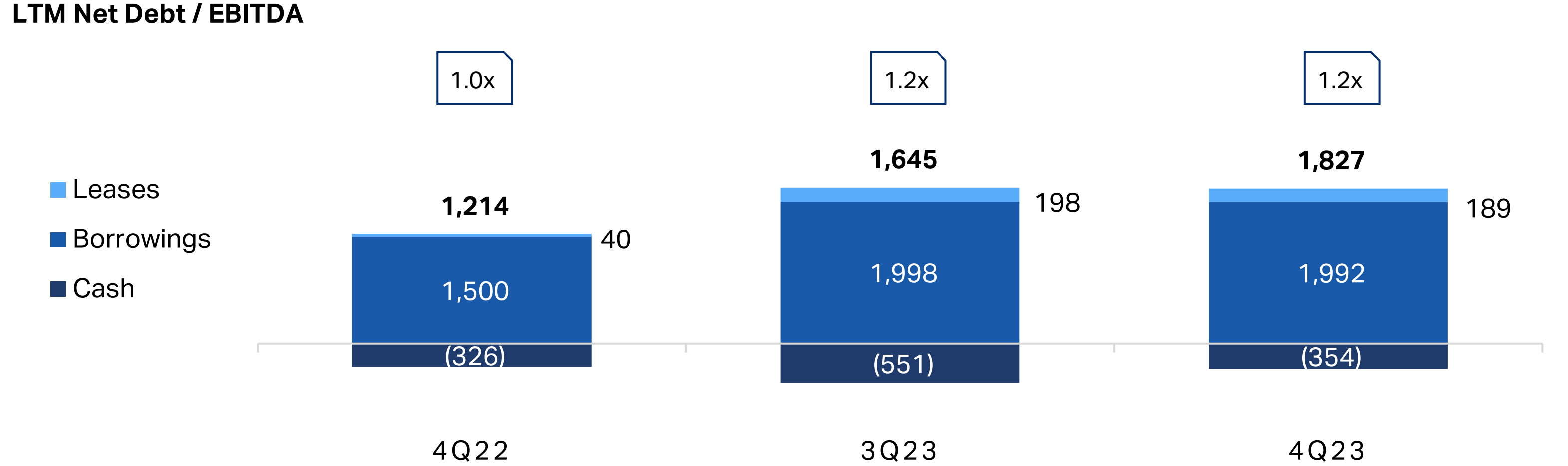


Commentary

Cash from Operating Activities

- Cash from operating activities stood at $1,355 million in FY23.
- Net profit increased 29% or $231 million YoY, driven by higher activity and a positive impacted of around $55 million due to reduction in depreciation.
- Working capital trend driven by phasing of payments for rig acquisitions and collections.

Net Debt ($ Million)



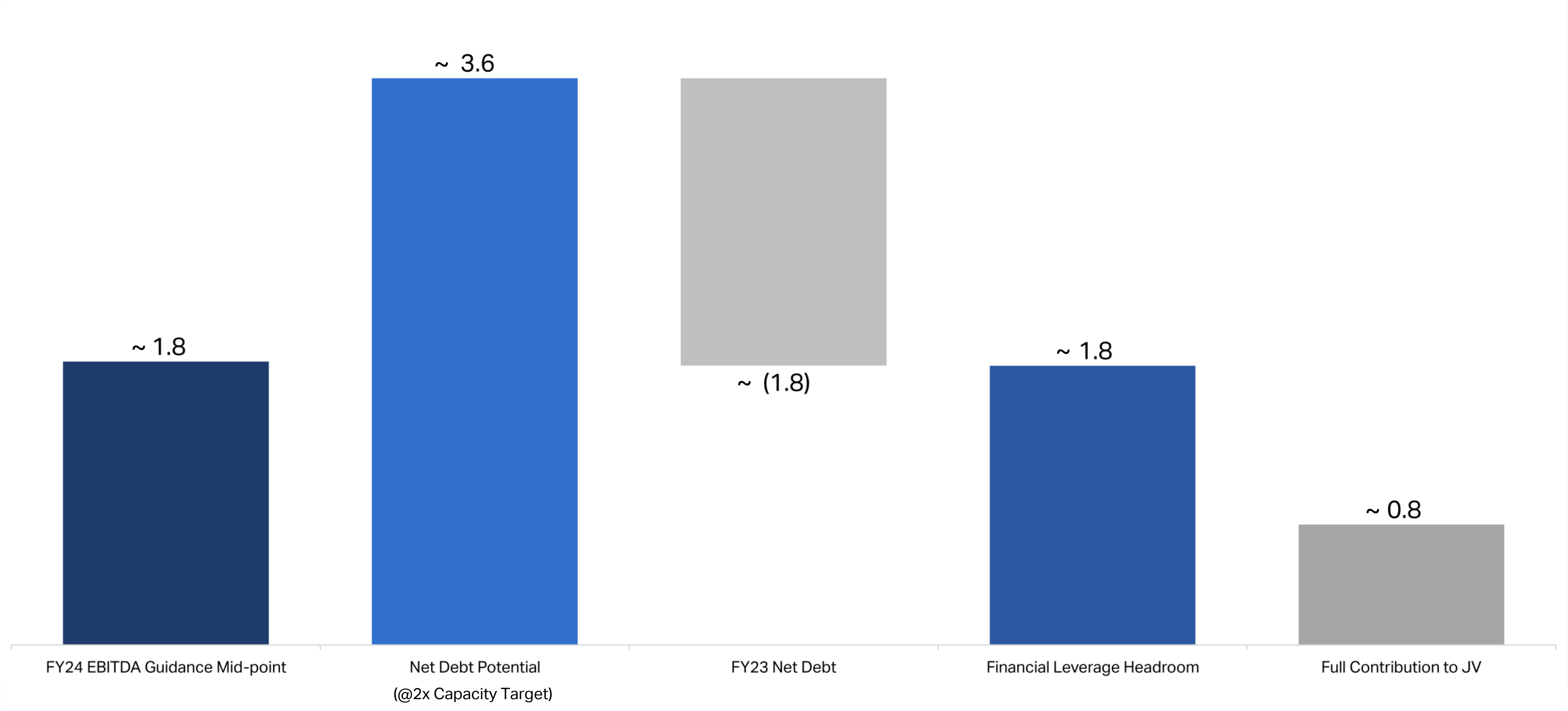
Net Debt

- Net Debt / EBITDA ratio increased YoY from 1.0x to 1.2x as the Company continues executing its CapEx program
- Cash & cash equivalents stood at $354 million in 4Q23
- As of December 31, 2023, the Company's liquidity headroom (including unutilized syndicated term and revolving facilities) was around $1,600 million.

AMPLE FINANCIAL HEADROOM

FLEXIBILITY FOR GROWTH AND CAPITAL ALLOCATION

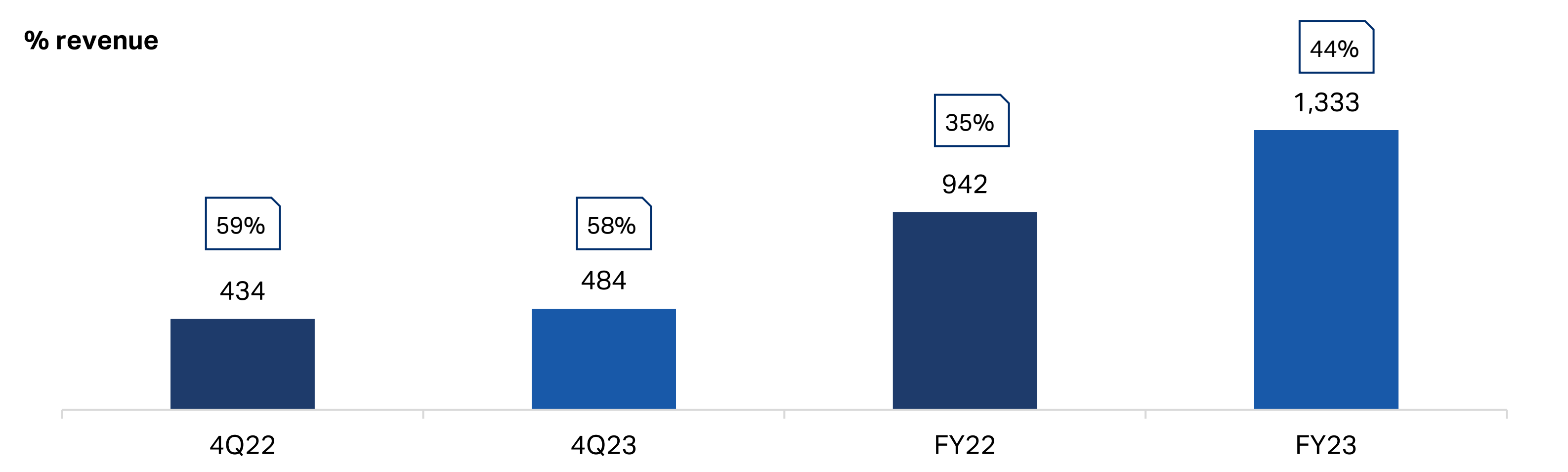
Financial Headroom ($ Billion), indicative figures for illustrative purposes only



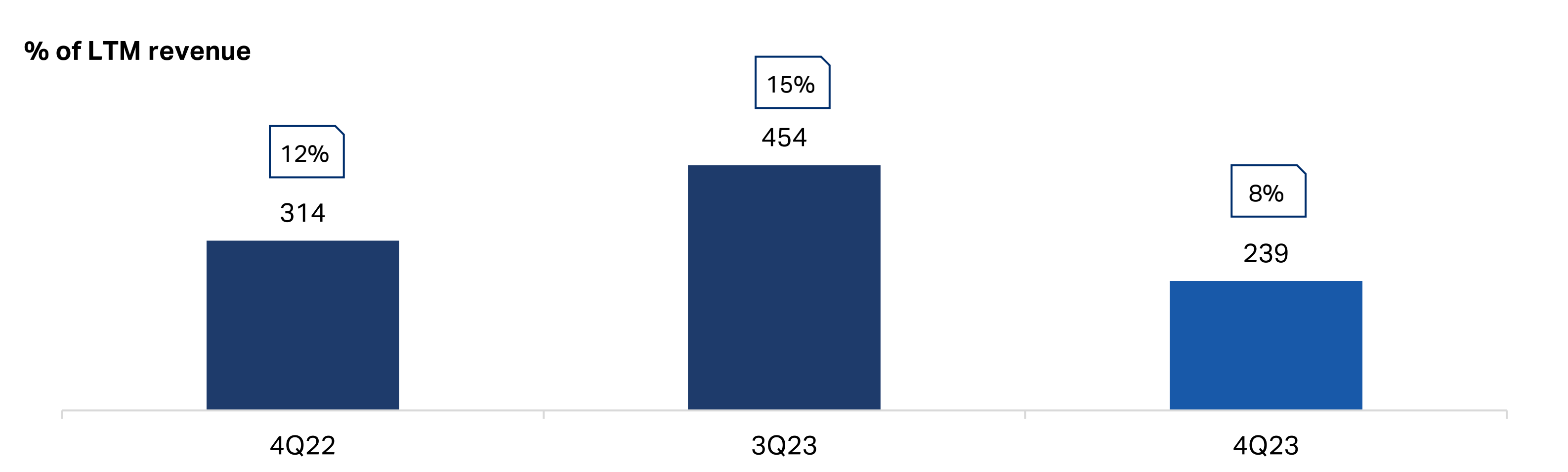
CAPEX SUPPORTS FLEET EXPANSION

DELIVERING ON THE ANTICIPATED INVESTMENT RAMP-UP

CapEx[1] ($ Million)



Operating Working Capital ($ Million)



Commentary

CapEx

- FY23 CapEx of $1,333 million, in line with the expected ramp-up in rig acquisitions
- Rig fleet expansion program progressing, supported by 14 rigs added to the rig fleet count, 10 land rigs[2] and 4 jack-ups throughout the year.
- As anticipated, the four jack-ups added to the fleet count in 3Q23 commenced operations in December.

Operating Working Capital

- Operating working capital improved over during 4Q23 at $239 million, a decrease of 24% YoY and 47% QoQ, due to continued focus on collections from related parties and phasing of CapEx related payments at year-end.
- Net working capital as a percentage of revenue stood at 8% in FY23. Net of the above mentioneded phasing, the normalized ratio would have been 12%.

(1) CapEx including prepayments and accruals; (2) Includes 4 lease-to-own land rigs

FINANCIAL SUMMARY FY23

(USD, Millions)	4Q23	4Q22	YoY	3Q23	QoQ	FY23	FY22	YoY
Revenue	**841**	**733**	**15%**	**776**	**8%**	**3,057**	**2,673**	**14%**
Opex[1]	(417)	(380)	10%	(395)	6%	(1,574)	(1,441)	9%
EBITDA[2]	**424**	**353**	**20%**	**381**	**11%**	**1,483**	**1,232**	**20%**
Depreciation and amortization	(75)	(110)	-32%	(111)	-32%	(391)	(401)	-2%
Finance cost - net	(20)	(9)	122%	(13)	54%	(58)	(29)	100%
Net Profit	**329**	**234**	**41%**	**257**	**28%**	**1,033**	**802**	**29%**
EBITDA Margin	50%	48%	2%	49%	1%	49%	46%	2%
Net Profit Margin	39%	32%	7%	33%	6%	34%	30%	4%
Net cash generated from operating activities	397	389	2%	337	18%	1,355	1,524	-11%
Capital Expenditure[3]	(213)	(434)	-51%	(592)	-64%	(1,062)	(942)	13%
Free Cash Flow	187	(42)	-545%	(252)	-174%	306	588	-48%
Total Equity	3,265	2,931	11%	3,294	-1%	3,265	2,931	11%
Net Debt[4]	1,827	1,214	50%	1,645	11%	1,827	1,214	50%
Earnings per Share ($)[5]	0.0206	0.0146	41%	0.0161	28%	0.0646	0.0501	29%
Capital employed	5,633	4,610	22%	5,621	0%	5,633	4,610	22%
Return on capital employed	19%	18%	1%	18%	-1%	19%	18%	1%
Net Debt to LTM EBITDA	1.2	1.0	0.2	1.2	-	1.2	1.0	0.2
Leverage ratio	36%	29%	7%	33%	-3%	36%	29%	7%
Return on equity	32%	27%	5%	28%	-4%	32%	27%	5%

NM: Not meaningful
(1) Opex includes allocation of G&A expenses and other income
(2) EBITDA represents Earnings Before Interest, Tax, Depreciation and Amortization
(3) Cash payments for purchase of property and equipment including prepaid delivery payments, excluding CapEx accruals
(4) Interest bearing liabilities less cash and cash equivalents

SEGMENTAL RESULTS FY23

(USD, Millions)	4Q23	4Q22	YoY	3Q23	QoQ	FY23	FY22	YoY
Revenue	**841**	**733**	**15%**	**776**	**8%**	**3,057**	**2,673**	**14%**
Onshore	416	379	10%	378	10%	1,495	1,453	3%
Offshore Jack-up	225	180	25%	199	13%	800	611	31%
Offshore Island	52	51	2%	54	-4%	209	204	2%
Oilfield Services (OFS)	148	123	20%	145	2%	553	405	37%
Total OPEX[1]	**(417)**	**(380)**	**10%**	**(395)**	**6%**	**(1,574)**	**(1,441)**	**9%**
Onshore	(213)	(191)	12%	(188)	13%	(771)	(748)	3%
Offshore Jack-up	(77)	(72)	7%	(68)	13%	(290)	(282)	3%
Offshore Island	(19)	(23)	-17%	(17)	12%	(75)	(83)	-10%
Oilfield Services (OFS)	(108)	(94)	15%	(122)	-11%	(438)	(328)	34%
EBITDA[2]	**424**	**353**	**20%**	**381**	**11%**	**1,483**	**1,232**	**20%**
Onshore	203	188	8%	190	7%	724	705	3%
Offshore Jack-up	148	108	37%	131	13%	510	329	55%
Offshore Island	33	28	18%	37	-11%	134	121	11%
Oilfield Services (OFS)	40	29	38%	23	74%	115	77	49%
Net Profit	**329**	**234**	**41%**	**257**	**28%**	**1,033**	**802**	**29%**
Onshore	194	145	34%	136	43%	568	537	6%
Offshore Jack-up	75	60	25%	86	-13%	306	168	82%
Offshore Island	47	15	213%	26	81%	113	73	55%
Oilfield Services (OFS)	13	14	-7%	9	44%	46	24	92%

(1) Operational expenses including allocated G&A
(2) Underlying EBITDA includes other income

ADNOC

ADNOC Drilling

THANK YOU

www.adnocdrilling.ae

ir@adnocdrilling.ae