

ADNOC Drilling



ADNOC DRILLING COMPANY P.J.S.C.

**Review report and condensed consolidated
financial information for the six-month period
ended 30 June 2025**



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ADNOC Drilling Company P.J.S.C.

Directors' report for the six-month period ended 30 June 2025

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 six-month period ended 30 June 2025.

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 2,366,572 thousand (30 June 2024: USD 1,821,264 thousand). Profit for the period was USD 691,901 thousand (30 June 2024: USD 569,638 thousand).

The appropriation of the results for the period is follows:

	USD '000
Retained earnings at 1 January 2025	3,161,828
Profit for the period	691,901
Dividends paid	(611,130)
Retained earnings at 30 June 2025	3,242,599

For the Board of Directors



Chairman

29 July 2025
Abu Dhabi
United Arab Emirates



**INDEPENDENT AUDITOR'S REPORT ON REVIEW OF THE
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 30 June 2025 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and other explanatory notes. 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 ("IAS 34"). Our responsibility is to express a conclusion on this 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 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 interim financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte & Touche (M.E.)



Faeza Sohawon
Registration No. 5508
29 July 2025
Abu Dhabi
United Arab Emirates

Condensed consolidated statement of financial position as at 30 June 2025

	Notes	30 June 2025 USD '000 (unaudited)	31 December 2024 USD '000 (audited)
ASSETS			
Non-current assets			
Property and equipment	5	5,308,241	5,352,674
Right-of-use assets	7	17,809	23,310
Intangible assets	8	7,101	5,301
Deferred tax assets		707	1,397
Investment in joint ventures	9	402,840	275,240
Advances		1,667	2,230
Total non-current assets		5,738,365	5,660,152
Current assets			
Inventories	10	227,215	223,083
Trade and other receivables	11	203,244	185,958
Due from related parties	17	1,418,805	1,361,282
Cash and cash equivalents	12	330,100	330,288
Total current assets		2,179,364	2,100,611
Assets held for sale	6	-	5,708
		2,179,364	2,106,319
Total assets		7,917,729	7,766,471
EQUITY AND LIABILITIES			
Equity and reserve			
Share capital	13	435,671	435,671
Share premium	14	806	504
Treasury shares	14	(4,670)	(5,670)
Statutory reserve	13	217,836	217,836
Retained earnings		3,242,599	3,161,828
Total equity		3,892,242	3,810,169
Non-current liabilities			
Borrowings	15	1,498,090	1,495,227
Trade and other payables	16	85,548	64,849
Lease liabilities	7	12,539	12,027
Provision for employees' end of service benefits		131,685	122,853
Total non-current liabilities		1,727,862	1,694,956
Current liabilities			
Borrowings	15	772,294	799,523
Trade and other payables	16	1,071,007	1,175,749
Income tax payable		22,524	15,000
Lease liabilities	7	10,711	13,130
Due to related parties	17	413,995	250,850
Provision for employees' end of service benefits		7,094	7,094
Total current liabilities		2,297,625	2,261,346
Total liabilities		4,025,487	3,956,302
Total equity and liabilities		7,917,729	7,766,471

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



Abdulla Ateya Al Messabi
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 six-month period ended 30 June 2025

	Notes	Three-month ended 30 June		Six-month ended 30 June	
		2025 USD'000 (unaudited)	2024 USD'000 (unaudited)	2025 USD'000 (unaudited)	2024 USD'000 (unaudited)
Revenue	18	1,196,774	935,402	2,366,572	1,821,264
Direct cost		(752,613)	(539,281)	(1,475,631)	(1,056,858)
Gross profit		444,161	396,121	890,941	764,406
General and administrative expenses		(44,548)	(41,118)	(93,405)	(82,350)
Share of results of joint ventures	9	11,000	1,200	14,000	3,090
Other income		946	996	3,001	2,002
Finance cost	19	(30,244)	(35,788)	(61,340)	(65,640)
Finance income		3,444	2,529	5,212	4,602
Profit before tax		384,759	323,940	758,409	626,110
Income tax	20	(33,801)	(28,913)	(66,508)	(56,472)
Profit after tax		350,958	295,027	691,901	569,638
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		350,958	295,027	691,901	569,638
Earnings per share:					
Basic and diluted	25	0.0219	0.0184	0.0433	0.0356

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

**Condensed consolidated statement of changes in equity
for the six-month period ended 30 June 2025**

	Share capital USD '000	Share premium USD '000	Treasury shares USD '000	Statutory reserve USD '000	Retained earnings USD '000	Total equity USD '000
Balance at 1 January 2024 (audited)	435,671	-	-	217,836	2,610,714	3,264,221
Total comprehensive income for the period	-	-	-	-	569,638	569,638
Dividends (note 21)	-	-	-	-	(358,310)	(358,310)
Balance at 30 June 2024 (unaudited)	435,671	-	-	217,836	2,822,042	3,475,549
Balance at 1 January 2025 (audited)	435,671	504	(5,670)	217,836	3,161,828	3,810,169
Total comprehensive income for the period	-	-	-	-	691,901	691,901
Own shares acquired in the period	-	302	1,000	-	-	1,302
Dividends (note 21)	-	-	-	-	(611,130)	(611,130)
Balance at 30 June 2025 (unaudited)	435,671	806	(4,670)	217,836	3,242,599	3,892,242

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

Condensed consolidated statement of cash flows for the six-month period ended 30 June 2025

	Three-month ended 30 June 2025 USD'000 (unaudited)	Three-month ended 30 June 2024 USD'000 (unaudited)	Six-month ended 30 June 2025 USD'000 (unaudited)	Six-month ended 30 June 2024 USD'000 (unaudited)
Cash flows from operating activities				
Profit before tax	384,759	323,940	758,409	626,110
<i>Adjustments for:</i>				
Depreciation of property and equipment	129,963	106,636	255,799	205,068
Amortisation of intangible assets	1,019	882	2,264	1,764
Depreciation of right-of-use assets	2,758	7,292	5,501	14,646
Expected credit loss allowance	-	9,000	-	9,000
Gain on disposal of assets held for sale	(1,292)	-	(1,292)	-
Employees end of service benefit charge	8,208	4,409	12,229	14,095
Allowance for slow-moving inventories	2,000	-	2,000	956
Share of results of joint ventures	(11,000)	(1,200)	(14,000)	(3,090)
Finance cost	30,244	35,788	61,340	65,640
Finance income	(3,444)	(2,529)	(5,212)	(4,602)
Operating cash flows before changes in working capital	543,215	484,218	1,077,038	929,587
Changes in working capital on account of:				
Inventories	14,294	(7,557)	(6,132)	(19,707)
Advance payments	250	(1,690)	563	(1,130)
Trade and other receivables	(53,990)	(22,803)	(3,671)	(4,704)
Due from related parties	114,597	(73,669)	(57,523)	(194,042)
Trade and other payables	14,594	166,086	58,261	178,795
Due to related parties	43,983	13,306	163,145	28,538
Cash generated from operating activities	676,943	557,891	1,231,681	917,337
Employees' end of service benefit paid	(2,782)	(1,329)	(3,397)	(4,803)
Income tax paid	(24,597)	(38,027)	(58,294)	(47,190)
Net cash generated from operating activities	649,564	518,535	1,169,990	865,344
Cash flows from investing activities				
Payments for purchase of property and equipment	(250,652)	(239,083)	(341,491)	(348,603)
Purchase of investment in joint ventures	-	-	(113,600)	(87,700)
Proceed from disposal of assets held for sale	7,000	-	7,000	-
Finance income received	2,599	2,630	5,182	6,325
Net cash used in investing activities	(241,053)	(236,453)	(442,909)	(429,978)

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

**Condensed consolidated statement of cash flows
for the six-month period ended 30 June 2025 (continued)**

	Three-month ended 30 June 2025 USD'000 (unaudited)	Three-month ended 30 June 2024 USD'000 (unaudited)	Six-month ended 30 June 2025 USD'000 (unaudited)	Six-month ended 30 June 2024 USD'000 (unaudited)
Cash flows from financing activities				
Lease liabilities paid	(2,059)	(11,312)	(2,059)	(40,904)
Proceed from borrowings- net	165,433	613	302,387	164,849
Repayment of borrowings	(245,065)	(163,380)	(326,753)	(163,380)
Advance paid (note 14)	(13,615)	-	(13,615)	-
Purchase of treasury shares	(128,067)	-	(311,410)	-
Sale of treasury shares	133,987	-	312,712	-
Dividends paid	(216,751)	-	(611,130)	(358,310)
Finance cost paid	(31,396)	(22,494)	(77,401)	(60,410)
Net cash used in financing activities	(337,533)	(196,573)	(727,269)	(458,155)
Net increase/(decrease) in cash and cash equivalents	70,978	85,509	(188)	(22,789)
Cash and cash equivalent at the beginning of the period	259,122	245,824	330,288	354,122
Cash and cash equivalents at the end of the period	330,100	331,333	330,100	331,333
Non-cash transaction:				
Modifications to right-of-use assets and lease liabilities	-	13,515	-	13,515

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

Notes to the condensed consolidated financial information for the six-month period ended 30 June 2025

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 2024.

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 2025, 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.

Amendment to IAS 21— Lack of Exchangeability

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows.

Notes to the condensed consolidated financial information for the six-month period ended 30 June 2025 (continued)

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

2.2 New and revised IFRS in issue but not yet effective

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	1 January 2026
Amendments IFRS 9 and IFRS 7 - <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
Annual improvements to IFRS Accounting Standards — Volume 11	1 January 2026
IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
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.

3. Summary of material accounting policy information

3.1. Statement of compliance

This condensed consolidated financial information for the six-month period ended 30 June 2025 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 2024. In addition, results for the six-month period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

**Notes to the condensed consolidated financial information
for the six-month period ended 30 June 2025 (continued)****3. Summary of material accounting policy information (continued)****3.2 Going concern**

At 30 June 2025, the Group's current liabilities exceed its current assets by USD 118,261 thousand (31 December 2024: USD 160,735 thousand). Management has assessed liquidity forecast under different scenarios and no material uncertainties over going concern were identified. The Group has sufficient liquidity through the Company's undrawn borrowing facilities (note 15) as well as the Group's forecasted cash flows from operations to meet ongoing commitments. Also, the Company plans to refinance this facility before it matures and therefore it is concluded that adequate support is available to evidence that the going concern assumption is appropriate for the preparation of these condensed consolidated financial information.

3.3 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 2024. 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 2024.

**Notes to the condensed consolidated financial information
for the six-month period ended 30 June 2025 (continued)**

5. Property and equipment

	30 June 2025 USD '000 (unaudited)	31 December 2024 USD '000 (audited)
Net book value at the beginning of the period/year	5,352,674	4,847,540
Additions	215,430	812,156
Transfer to intangible assets	(4,064)	-
Transfer from right-of-use assets	-	120,167
Depreciation charge for the period/year	(255,799)	(426,473)
Transfer from assets held for sale	-	10,717
Transfer to assets held for sale	-	(5,708)
Write off	-	(3,235)
Disposals	-	(2,490)
Net book value at end of the period/year	5,308,241	5,352,674

Property and equipment include capital work in progress amounting to USD 647,684 thousand as at 30 June 2025 (31 December 2024: USD 844,726 thousand).

6. Assets held for sale

	30 June 2025 USD '000 (unaudited)	31 December 2024 USD '000 (audited)
Balance at the beginning of the year	5,708	10,717
Transfer to property and equipment – net (note 5)	-	(10,717)
Transfer from property and equipment – net (note 5)	-	5,708
Disposal of assets held for sale	(5,708)	-
Net book value at end of the period/year	-	5,708

The Board of Directors, in their meeting held on 10 February 2023, approved to proceed with the sale of two rigs within the Offshore segment. In the prior year, the criteria for classifying these rigs as held for sale was no longer met due to management decision of the alternative use of these rigs; hence these were transferred to property and equipment (note 5) at the lower of the carrying amount before these assets were classified as held for sale and their recoverable amount.

The Board of Directors, in their meeting held on 29 October 2024, approved to proceed with the sale of two new rigs within the Offshore segment. One rig was sold to a related party as of 31 December 2024 while the other rig was sold in the current period.

Notes to the condensed consolidated financial information for the six-month period ended 30 June 2025 (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 condensed consolidated statement of financial position are as follows:

Rights-of-use assets

	30 June 2025 USD '000 (unaudited)	31 December 2024 USD '000 (audited)
Balance at the beginning of the period/year	23,310	173,911
Additions during the period/year	-	16,372
Remeasurement	-	(18,371)
Transfer to property and equipment (note 5)	-	(120,167)
Depreciation charge during the period/year	(5,501)	(28,435)
Balance at end of the period/year	17,809	23,310

Lease liabilities

	30 June 2025 USD '000 (unaudited)	31 December 2024 USD '000 (audited)
Balance at the beginning of the period/year	25,157	189,211
Additions	-	16,372
Remeasurement	-	(18,371)
Derecognition	-	(87,000)
Accretion of interest	152	7,236
Payments	(2,059)	(82,291)
Balance at end of the period/year	23,250	25,157
<i>Disclosed as follows:</i>		
Current	10,711	13,130
Non-current	12,539	12,027
	23,250	25,157

8. Intangible assets

	30 June 2025 USD '000 (unaudited)	31 December 2024 USD '000 (audited)
Net book value at the beginning of the period/year	5,301	5,432
Additions	-	3,413
Transfer from property and equipment (note 5)	4,064	-
Amortisation charge for the period/year	(2,264)	(3,544)
Net book value at end of the period/year	7,101	5,301

Notes to the condensed consolidated financial information for the six-month period ended 30 June 2025 (continued)

9. Investment in joint ventures

On 2 January 2024, ENERSOL RSC LTD ("ENERSOL") was incorporated in the 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.

On 25 April 2024, Turnwell Industries – L.L.C ("Turnwell") was incorporated as a Limited Liability Company, and in the prior year, the Company through its wholly owned subsidiary ADH RSC LTD signed shareholder agreements for the creation of Turnwell joint venture (JV) with Eastern Echo FZE and Patterson-UTI UAE LLC. The Company, through its wholly owned subsidiary, holds a 55% equity stake.

Movement in the Group's investment in joint ventures is as follows:

	30 June 2025 USD '000 (unaudited)	31 December 2024 USD '000 (audited)
Balance at beginning of the period/year	275,240	-
Additions	113,600	266,750
Share of results of joint ventures	14,000	8,490
Carrying amount of the Groups interest in the Joint ventures	402,840	275,240

The additions during the period pertain to investments made of USD 94,350 thousand (31 December 2024: USD: 266,709 thousand) in ENERSOL and USD 19,250 thousand (31 December 2024: USD: 41 thousand) in Turnwell.

The latest available financial information in respect of the Group's joint ventures up to the period ended 30 June 2025 are recognised below:

	30 June 2025 USD '000 (unaudited)	31 December 2024 USD '000 (audited)
Total assets	1,252,558	837,481
Total liabilities	402,335	249,043
Total net equity	850,223	588,438

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

	30 June 2025 USD '000 (unaudited)	30 June 2024 USD '000 (unaudited)
Profit for the period	35,672	6,059
Group's share of profit for the period	14,000	3,090

Notes to the condensed consolidated financial information for the six-month period ended 30 June 2025 (continued)

10. Inventories

	30 June 2025 USD '000 (unaudited)	31 December 2024 USD '000 (audited)
Inventories	261,882	255,750
Less: allowance for slow moving or obsolete inventories	(34,667)	(32,667)
	227,215	223,083

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

	30 June 2025 USD '000 (unaudited)	31 December 2024 USD '000 (audited)
Balance at beginning of the period/year	32,667	27,172
Charge during the period/year	2,000	5,495
Balance at end of the period/year	34,667	32,667

11. Trade and other receivables

	30 June 2025 USD '000 (unaudited)	31 December 2024 USD '000 (audited)
Advances	75,130	93,560
Contract assets	34,563	25,915
Prepayments	31,140	16,643
VAT receivables - net	26,515	27,080
Trade receivables	9,529	10,284
Other receivables	26,367	12,476
	203,244	185,958

12. Cash and cash equivalents

	30 June 2025 USD '000 (unaudited)	30 June 2024 USD '000 (unaudited)	31 December 2024 USD '000 (audited)
Cash held by ADNOC Group Treasury Services (AGTS) (note 17)	329,702	330,850	329,816
Cash in bank	37	7	7
Cash on hand	361	476	465
	330,100	331,333	330,288

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 six-month period ended 30 June 2025 (continued)

13. Share capital and statutory reserve

	30 June 2025		31 December 2024	
	Number of shares (‘000)	USD '000	Number of shares (‘000)	USD '000
	(unaudited)		(audited)	
Ordinary share capital of USD: 0.0272294 (AED: 0.10) each (2024 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. Share Premium and treasury shares

In the prior year, the Company appointed Al Ramz Capital a licensed Market Maker on the Abu Dhabi Securities Exchange (ADX) that offers liquidity provision services, to place buy and sell orders of the Company's shares with the objective of reducing bid/ask spreads as well as reducing price and volume volatility.

The Market Maker trades and operates within the predetermined parameters approved by the Company. The Company has provided the funding to the Market Maker to trade the Company's shares and it carries all risks and rewards associated with the arrangement. Given the nature and substance of the arrangement, the shares have been classified as "Treasury Shares" in Equity.

At 30 June 2025, the Market Maker held 3,006 thousand shares (31 December 2024: 3,985 thousand) on behalf of the Company, which are classified under equity as treasury shares at the average purchase price amounting to USD 4,670 thousand (31 December 2024: USD 5,670 thousand). A cumulative net gain of USD 122 thousand and dividend of USD 180 thousand has been recognised at 30 June 2025 (31 December 2024: gain of USD 504 thousand) as Share Premium under equity. During the period an advance of USD 13,615 thousand (30 June 2024: nil) was paid to the Market Maker.

15. Borrowings

	30 June 2025 USD '000 (unaudited)	31 December 2024 USD '000 (audited)
Term loans*	2,270,384	2,294,750

*The amount is net of transaction cost.

Disclosed as follows:

Current	772,294	799,523
Non-current	1,498,090	1,495,227
	2,270,384	2,294,750

Notes to the condensed consolidated financial information for the six-month period ended 30 June 2025 (continued)

15. Borrowings (continued)

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

Type	Currency	Interest rate	Year of maturity	30 June 2025 USD '000 (unaudited)	31 December 2024 USD '000 (audited)
Term Loan (Facility B)	USD	0.8% and Term SOFR	October 2025	499,500	498,735
Term Loan (Facility C & D)	USD	0.95 % & Term SOFR	November 2027	1,770,884	1,796,015
				2,270,384	2,294,750

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 17)	165,000	110,000
First Abu Dhabi Bank PJSC (note 17)	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	-
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	-
J.P. Morgan Securities PLC	15,000	-
Al Ahli Bank of Kuwait K.S.C.P.(Dubai Branch)	15,000	-
Banque MISR- Dubai Branch	-	20,000
	750,000	500,000

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 30 June 2025.

Notes to the condensed consolidated financial information for the six-month period ended 30 June 2025 (continued)

15. Borrowings (continued)

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 (USD: 501,021 thousand) with multiple banks and financial institutions with an initial maturity of 4 years. An amount of AED 1,000,000 thousand (31 December 2024: AED 1,100,000 thousand) and USD1,500,000 thousand (31 December 2024: USD1,500,000 thousand) was drawn down from facility C and D respectively.

	Facility C – Revolving Loan AED '000	Facility D – Term Loan USD '000
Abu Dhabi Commercial Bank PJSC (note 17)	690,000	200,000
First Abu Dhabi Bank PJSC (note 17)	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	-	40,000
The National Bank of Ras Al-Khaimah	-	140,000
JPMorgan Chase Bank, N.A., London Branch	-	20,000
	1,840,000	1,500,000

The movement in borrowings is as follows:

	Balance at 1 January 2025 USD'000 (audited)	Drawdown USD'000	Repayment USD'000	Others* USD'000	Balance at 30 June 2025 USD'000 (unaudited)
Facility B	498,735	-	-	765	499,500
Facility C	299,523	299,524	(326,753)	-	272,294
Facility D	1,496,492	-	-	2,098	1,498,590
	2,294,750	299,524	(326,753)	2,863	2,270,384

	Balance at 1 January 2024 USD'000 (audited)	Drawdown USD'000	Repayment USD'000	Others* USD'000	Balance at 31 December 2024 USD'000 (audited)
Facility B	498,014	-	-	721	498,735
Facility C	-	821,817	(522,294)	-	299,523
Facility D	1,494,250	-	-	2,242	1,496,492
	1,992,264	821,817	(522,294)	2,963	2,294,750

*Others include Transaction cost and non-cash transaction.

**Notes to the condensed consolidated financial information
for the six-month period ended 30 June 2025 (continued)**

16. Trade and other payables

	30 June 2025 USD '000 (unaudited)	31 December 2024 USD '000 (audited)
Accrued expenses	748,381	834,824
Trade payables	226,980	203,511
Contract liabilities	127,686	140,719
Retention payables	51,398	49,050
Pension payable	2,110	3,440
Accrual for employees' benefits	-	8,690
Other payables	-	364
	1,156,555	1,240,598
<i>Disclosed as follows:</i>		
Current	1,071,007	1,175,749
Non-current	85,548	64,849
	1,156,555	1,240,598

The average credit period is 60 days (2024: 60 days). The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

17. 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:

	30 June 2025 USD '000 (unaudited)	31 December 2024 USD '000 (audited)
(a) Due from related parties	74,030	144,080
(b) Other balances due from related parties	1,372,779	1,245,206
Less: expected credit loss allowance	(28,004)	(28,004)
	1,418,805	1,361,282
(a) Due from related parties		
ADNOC Offshore	70,890	132,570
Abu Dhabi National Oil Company (ADNOC)	3,100	11,143
Al Dhafrah JV	40	118
ADNOC Sour Gas	-	159
ADNOC Refining	-	90
	74,030	144,080

Notes to the condensed consolidated financial information for the six-month period ended 30 June 2025 (continued)

17. Related party balances and transactions (continued)

At 30 June 2025, the Group had a significant concentration of credit risk, with two of the customers representing 99.9% (2024: two customers representing 99.7%) of related parties receivables outstanding at that date.

The ageing of the related party balances was as follows:

	30 June 2025 USD '000 (unaudited)	31 December 2024 USD '000 (audited)
Not past due	74,030	137,341
Due from 31 to 60 days	-	1,309
Due from 61 to 90 days	-	3,345
Due from more than 91 days	-	2,085
	74,030	144,080

(b) Other balances due from related parties

ADNOC Onshore
ADNOC Offshore
Abu Dhabi National Oil Company (ADNOC)
Turnwell Industries L.L.C
ADNOC Sour Gas
Al Dhafra JV
ADNOC Logistics & Services plc
ADNOC Gas

	30 June 2025 USD '000 (unaudited)	31 December 2024 USD '000 (audited)
ADNOC Onshore	772,316	806,888
ADNOC Offshore	405,420	317,117
Abu Dhabi National Oil Company (ADNOC)	108,601	55,448
Turnwell Industries L.L.C	85,754	62,369
ADNOC Sour Gas	520	150
Al Dhafra JV	168	215
ADNOC Logistics & Services plc	-	3,000
ADNOC Gas	-	19
	1,372,779	1,245,206

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

	30 June 2025 USD '000 (unaudited)	31 December 2024 USD '000 (audited)
Balance at beginning of the period/year	28,004	19,004
Charge during the period/year	-	9,000
Balance at end of the period/year	28,004	28,004

**Notes to the condensed consolidated financial information
for the six-month period ended 30 June 2025 (continued)**

17. Related party balances and transactions (continued)

	30 June 2025 USD '000 (unaudited)	31 December 2024 USD '000 (audited)
Due to related parties		
Turnwell Industries L.L.C	274,841	141,286
ADNOC Onshore	72,351	49,977
Abu Dhabi National Oil Company for Distribution PJSC	46,044	38,753
Abu Dhabi National Oil Company (ADNOC)	18,093	16,286
ADNOC Logistics & Services plc	2,631	4,548
ADNOC Refining	35	-
	413,995	250,850

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

	30 June 2025 USD '000 (unaudited)	31 December 2024 USD '000 (audited)
Borrowings (note 15)		
Abu Dhabi Commercial Bank PJSC	412,110	422,321
First Abu Dhabi Bank PJSC	391,393	399,531
	803,503	821,852

	30 June 2025 USD '000 (unaudited)	31 December 2024 USD '000 (audited)
Cash and cash equivalents (note 12)		
ADNOC Group Treasury Services (AGTS)	329,702	329,816
First Abu Dhabi Bank PJSC	37	7
	329,739	329,823

Notes to the condensed consolidated financial information for the six-month period ended 30 June 2025 (continued)

17. Related party balances and transactions (continued)

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

	Three-month ended 30 June 2025 USD '000 (unaudited)	Three-month ended 30 June 2024 USD '000 (unaudited)	Six-month ended 30 June 2025 USD '000 (unaudited)	Six-month ended 30 June 2024 USD '000 (unaudited)
Revenue				
ADNOC Onshore	690,674	485,392	1,366,115	951,336
ADNOC Offshore	414,331	400,746	819,218	780,628
ADNOC	47,444	35,894	92,896	62,896
Turnwell Industries L.L.C	33,967	-	67,810	-
ADNOC Sour Gas	288	5,192	368	10,328
Al Dhafrah JV	69	404	132	1,050
	1,186,773	927,628	2,346,539	1,806,238
Purchases				
Turnwell Industries L.L.C	218,656	-	317,006	-
ADNOC Distribution	37,853	39,833	81,203	73,156
ADNOC	14,317	15,756	28,519	30,696
ADNOC Logistics & Services	1,225	4,084	4,225	9,052
ADNOC Sour Gas	2,798	-	2,798	-
	274,849	59,673	433,751	112,904
Finance Income				
ADNOC Group Treasury Services (AGTS)	3,391	2,497	5,067	4,598
Investment in joint ventures				
Share of results of joint ventures	11,000	1,200	14,000	3,090
Finance cost				
First Abu Dhabi Bank PJSC	3,397	1,482	6,922	5,311
Abu Dhabi Commercial Bank	5,446	1,355	8,027	5,208
	8,843	2,837	14,949	10,519
Lease payments				
Abu Dhabi National Oil Company (ADNOC)	-	-	-	6,246

Notes to the condensed consolidated financial information for the six-month period ended 30 June 2025 (continued)

17. Related party balances and transactions (continued)

	Three-month ended 30 June 2025 USD '000 (unaudited)	Three-month ended 30 June 2024 USD '000 (unaudited)	Six-month ended 30 June 2025 USD '000 (unaudited)	Six-month ended 30 June 2024 USD '000 (unaudited)
Key management compensation	2,187	2,970	3,563	4,204
Board of Director members	7	7	7	7
Key management personnel	9	9	9	9

18. Revenue

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

	Three-month ended 30 June 2025 USD '000 (unaudited)	Three-month ended 30 June 2024 USD '000 (unaudited)	Six-month ended 30 June 2025 USD '000 (unaudited)	Six-month ended 30 June 2024 USD '000 (unaudited)
Drilling and oilfield services	1,189,108	927,254	2,341,220	1,801,893
Facilitation of rigs rental	7,666	8,148	25,352	19,371
	1,196,774	935,402	2,366,572	1,821,264

As at 30 June 2025, the Group has unsatisfied performance obligations amounting to USD 55,548 thousand (31 December 2024: USD 75,872 thousand) that will be recognised as revenue during the next financial period. The amount disclosed above does not include variable consideration which is constrained.

19. Finance cost

	Three-month ended 30 June 2025 USD '000 (unaudited)	Three-month ended 30 June 2024 USD '000 (unaudited)	Six-month ended 30 June 2025 USD '000 (unaudited)	Six-month ended 30 June 2024 USD '000 (unaudited)
Finance cost on interest bearing	30,244	33,779	61,188	60,937
Interest on lease liabilities	-	2,009	152	4,703
	30,244	35,788	61,340	65,640

Notes to the condensed consolidated financial information for the six-month period ended 30 June 2025 (continued)

20. Income tax

The Group is subject to income tax at 9% on its taxable profits in accordance with the fiscal arrangement (the "Fiscal Arrangement") with Abu Dhabi Supreme Council for Financial and Economic Affairs effective 1 January 2024.

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 30 June 2025 is USD 66,508 thousand (30 June 2024: USD: 56,472), representing an Effective Tax Rate ("ETR") of 9.07% (30 June 2024: 9.07%).

The Group is closely monitoring further developments that could impact its overall Pillar Two tax position on a going-forward basis. As part of the wider ADNOC group, the Group applies the IAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

21. 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 prior period.

The Board of Directors, in their meeting held on 12 February 2025, proposed a final cash dividend of AED 9.0468 fils per share amounting to USD 394,379 thousand for the year ended 31 December 2024 which was approved by shareholders at the Annual General Meeting held on 17 March 2025. The dividend was paid during the current period.

The Board of Directors, in their meeting held on 7 May 2025, approved a quarterly cash dividend of AED 4.976 fils per share amounting to USD 216,751 thousand. The dividend was paid during the current period.

22. Commitments and contingencies

The Group has the following commitments and contingent liabilities outstanding at 30 June 2025 and 31 December 2024:

	30 June 2025 USD '000 (unaudited)	31 December 2024 USD '000 (audited)
Capital commitments – rigs procurement	87,151	77,790
Commitment for investment in Joint venture	403,900	517,541
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 six-month period ended 30 June 2025 (continued)****23. Seasonality of results**

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

24. 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 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. It also includes the Island rigs as part of ADNOC Offshore's requirements.

During the period, management have reassessed the operating segments and thereby have combined the offshore jackup and Island segment into offshore segment as these are reviewed on combined basis by CODM.

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 condensed consolidated statement of profit or loss and other comprehensive income) depreciation, amortisation and impairment.

Refer to note 17 for analysis of revenue from major customers.

Notes to the condensed consolidated financial information for the six-month period ended 30 June 2025 (continued)

24. Segment reporting (continued)

	Three-month ended 30 June 2025 (unaudited)				Three-month ended 30 June 2024 (unaudited)			
	Onshore USD '000	Offshore USD '000	OFS USD '000	Total USD '000	Onshore USD '000	Offshore USD '000	OFS USD '000	Total USD '000
Revenue	512,631	337,879	346,264	1,196,774	441,084	337,327	156,991	935,402
Direct cost*	(235,292)	(88,912)	(299,617)	(623,821)	(209,986)	(100,079)	(119,695)	(429,760)
Gross profit	277,339	248,967	46,647	572,953	231,098	237,248	37,296	505,642
General and administrative expenses*	(19,528)	(17,070)	(3,002)	(39,600)	(20,276)	(14,038)	(1,515)	(35,829)
Share of results from joint ventures	3,000	-	8,000	11,000	-	-	1,200	1,200
Other income, net	(331)	1,370	(93)	946	893	85	18	996
EBITDA	260,480	233,267	51,552	545,299	211,715	223,295	36,999	472,009

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

	Three-month ended 30 June 2025 (unaudited)				Three-month ended 30 June 2024 (unaudited)			
	Onshore USD '000	Offshore USD '000	OFS USD '000	Total USD '000	Onshore USD '000	Offshore USD '000	OFS USD '000	Total USD '000
EBITDA	260,480	233,267	51,552	545,299	211,715	223,295	36,999	472,009
Depreciation and amortisation in direct cost	(45,730)	(60,857)	(22,205)	(128,792)	(34,281)	(57,885)	(17,355)	(109,521)
Depreciation and amortization in general and administrative expense	(2,413)	(2,159)	(376)	(4,948)	(3,101)	(1,889)	(299)	(5,289)
Total depreciation and amortisation	(48,143)	(63,016)	(22,581)	(133,740)	(37,382)	(59,774)	(17,654)	(114,810)
Finance cost, net	(16,289)	(10,556)	45	(26,800)	(18,363)	(13,266)	(1,630)	(33,259)
Profit before tax	196,048	159,695	29,016	384,759	155,970	150,255	17,715	323,940

Notes to the condensed consolidated financial information for the six-month period ended 30 June 2025 (continued)

24. Segment reporting (continued)

	Six-month ended 30 June 2025 (unaudited)				Six-month ended 30 June 2024 (unaudited)			
	Onshore USD '000	Offshore USD '000	OFS USD '000	Total USD '000	Onshore USD '000	Offshore USD '000	OFS USD '000	Total USD '000
Revenue	1,006,567	671,351	688,654	2,366,572	852,337	665,901	303,026	1,821,264
Direct cost*	(462,511)	(168,492)	(590,955)	(1,221,958)	(412,517)	(201,321)	(232,121)	(845,959)
Gross profit	544,056	502,859	97,699	1,144,614	439,820	464,580	70,905	975,305
General and administrative expenses*	(41,231)	(35,971)	(6,312)	(83,514)	(40,238)	(28,656)	(2,877)	(71,771)
Share of results from joint ventures	3,000	-	11,000	14,000	-	-	3,090	3,090
Other income, net	300	2,161	540	3,001	1,783	806	(587)	2,002
EBITDA	506,125	469,049	102,927	1,078,101	401,365	436,730	70,531	908,626

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

	Six-month ended 30 June 2025 (unaudited)				Six-month ended 30 June 2024 (unaudited)			
	Onshore USD '000	Offshore USD '000	OFS USD '000	Total USD '000	Onshore USD '000	Offshore USD '000	OFS USD '000	Total USD '000
EBITDA	506,125	469,049	102,927	1,078,101	401,365	436,730	70,531	908,626
Depreciation and amortisation in direct cost	(85,657)	(127,028)	(40,988)	(253,673)	(62,232)	(113,449)	(35,218)	(210,899)
Depreciation and amortisation in general and administrative expense	(4,841)	(4,305)	(745)	(9,891)	(6,204)	(3,778)	(597)	(10,579)
Total depreciation and amortisation	(90,498)	(131,333)	(41,733)	(263,564)	(68,436)	(117,227)	(35,815)	(221,478)
Finance cost, net	(30,965)	(23,125)	(2,038)	(56,128)	(34,598)	(24,271)	(2,169)	(61,038)
Profit before tax for the period	384,662	314,591	59,156	758,409	298,331	295,232	32,547	626,110

*excludes depreciation, amortisation and impairment.

Notes to the condensed consolidated financial information for the six-month period ended 30 June 2025 (continued)

24. Segment reporting (continued)

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

	Onshore USD '000	Offshore USD '000	OFS USD '000	Total USD '000
30 June 2025 (unaudited)				
Property and equipment	1,401,114	3,065,291	841,836	5,308,241
31 December 2024 (audited)				
Property and equipment	1,442,018	3,055,703	854,953	5,352,674

25. 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 30 June 2025 USD'000 (unaudited)	Three-month ended 30 June 2024 USD'000 (unaudited)	Six-month ended 30 June 2025 USD'000 (unaudited)	Six-month ended 30 June 2024 USD'000 (unaudited)
Profit attributable to shareholders of the Company (USD'000)	350,958	295,027	691,901	569,638
Weighted average number of shares for the purpose of basic earnings per share	15,997,564	16,000,000	15,997,564	16,000,000
Earnings per share (USD'000)	0.0219	0.0184	0.0433	0.0356

The weighted average number of ordinary shares takes into account the weighted average effect of changes in treasury shares (note 14) during the period.

26. Subsequent events

On 24 July 2025, a new entity, SLDC HOLDING RSC LTD was incorporated in Abu Dhabi Global Market ("ADGM") as a Restricted Scope Company. The Company, through its subsidiary ADH RSC Ltd holds 100% shares in the entity.

The Board of Directors, in their meeting held on 29 July 2025, approved a quarterly cash dividend of AED 4.976 fils per share amounting to a total of USD 216,778 thousand.

The Board of Directors, in their meeting held on 29 July 2025, approved to proceed with the sale of one rig within the Onshore segment.

27. Approval of condensed consolidated financial information

This condensed consolidated financial information was approved by the Board of Directors and authorised for issue on 29 July 2025.