ADNOC Drilling

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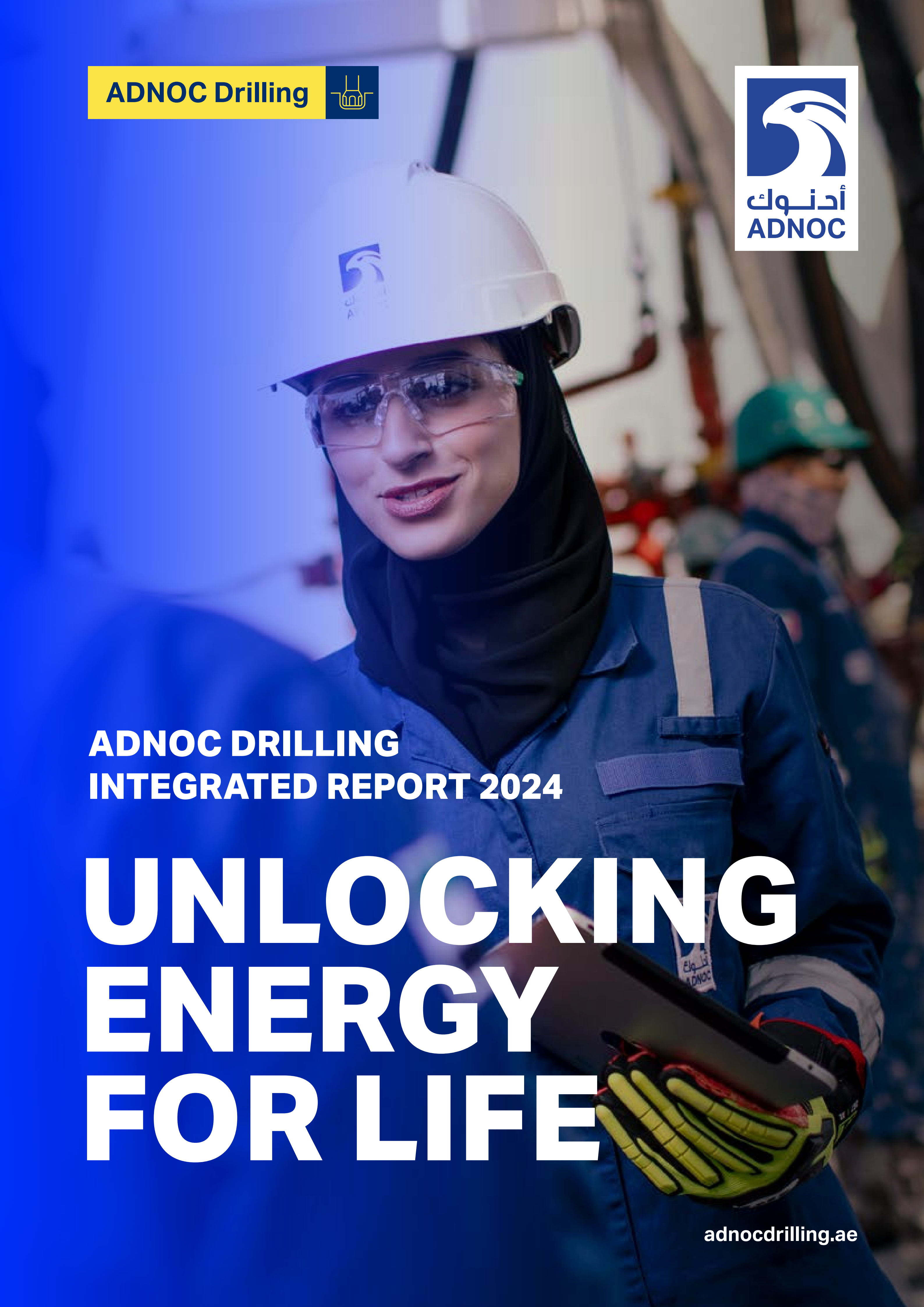
ADNOC



ADNOC DRILLING
INTEGRATED REPORT 2024

UNLOCKING ENERGY FOR LIFE

adnocdrilling.ae

Unlocking Energy For Life

For more than 50 years, ADNOC Drilling has played a vital role in safely, efficiently and effectively unlocking the UAE's energy resources. We remain committed to delivering unparalleled value to ADNOC Group, our shareholders and our diverse stakeholders, while upholding the highest standards of environmental and social responsibility across our growing operations and footprint.

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OVERVIEW

AT A GLANCE

ADNOC Drilling is a leader in start-to-finish wells drilling services

ADNOC Drilling is one of the largest integrated drilling service companies and is the sole provider of drilling and associated rig-related services to the ADNOC Group. Our expertise encompasses the entire spectrum of well drilling and completion, covering both conventional and unconventional reservoirs – on land, at sea and on ADNOC's unique artificial islands off the Abu Dhabi coastline. Differentiated by the quality of our fleet, the dedication of our people and our capacity to offer a comprehensive range of integrated drilling services (IDS), we are well positioned for continued growth and expansion.

Our operations are organized into four operational segments:

Onshore

Our Onshore fleet consists of 95 land rigs of varying specifications including 16 hybrid rigs, and several high-capacity workover rigs. Our rigs drill a wide range of oil and gas wells and handle challenging drilling programs effectively and efficiently.

Total wells drilled

558

Offshore Jack-up

Our Offshore fleet of 37 jack-up rigs, outfitted with high-specification equipment, are capable of drilling wells to maximum depths ranging from 18,000 up to 35,000 feet and in maximum water depths ranging from 110 to 350 feet.

Total wells drilled

91

Offshore Island

We own and operate a fleet of 10 island rigs, based on the Abu Dhabi coast. To enable drilling on artificial islands, we acquired state-of-the-art island rigs with integrated low-pressure hydraulic walking systems that allow our island rigs to move between well sites without the need to dismantle them.

Total wells drilled

27

Oilfield Services

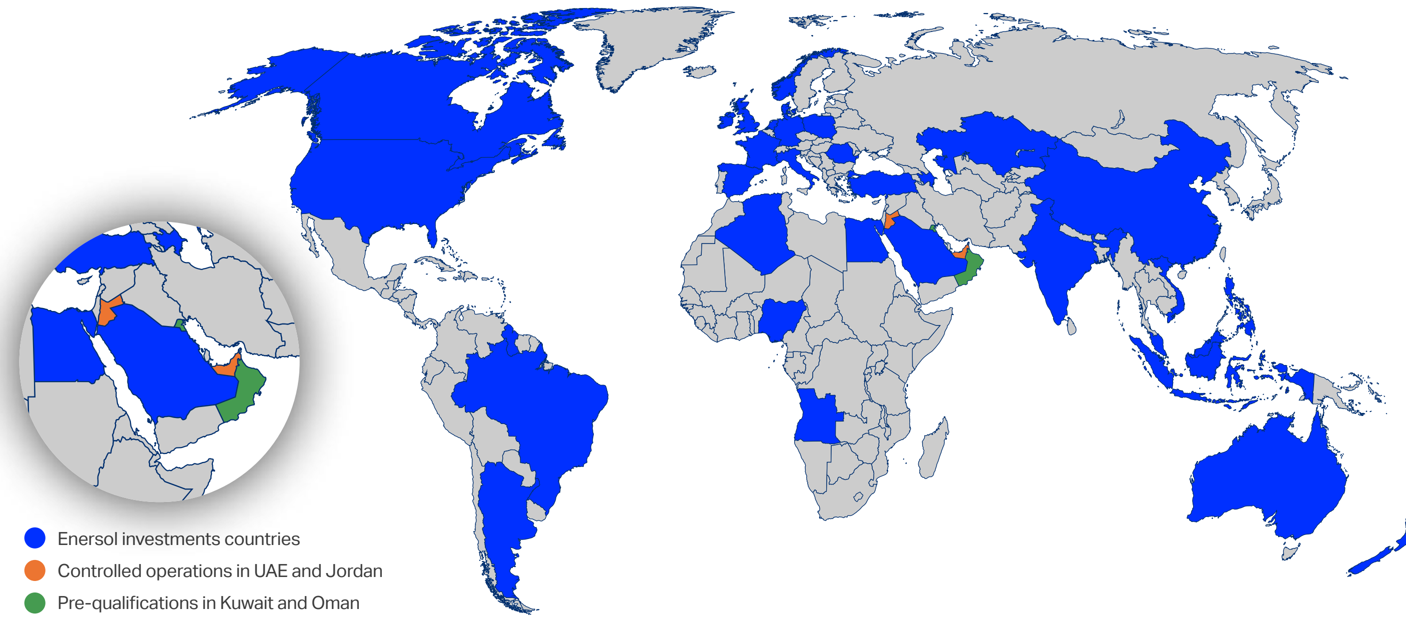
Our Oilfield Services (OFS) division offers comprehensive market-leading drilling and well construction services that span the entire drilling value chain. OFS has facilitated record-breaking performance and efficiency levels and has helped to create savings in well time and cost, for both our Onshore and Offshore clients.

IDS Rigs

57+48*

*IDS rigs, where full services were delivered, totalled 57; in addition to this, one or more discrete services were delivered by OFS to a further 48 rigs.

Our global footprint



Our UAE presence

Our Strategic Areas

Our Aim

Our aim is to deliver even greater value to ADNOC Group, to our shareholders, partners, and customers by efficiently delivering wells that contribute to ADNOC Group's leading position as one of the largest, least carbon intensive and lowest-cost oil producers in the world.

Our Purpose

To continue to build on our competitive position as a responsible and sustainable service provider, to relentlessly push for efficiency and operational excellence using advanced technologies, while maintaining a firm focus on safety, the environment and empowering our people.

Our Vision

To become a leading integrated energy services company.

Our Mission

To sustainably maximize value to our key stakeholders through industry leading, safe, integrated and efficient drilling operations and oilfield services.

Sustainability Pillars

Climate, Emissions and Energy

Health, Safety and Security

Economic and Social Contribution

Environment

Workforce Diversity and Development

Business Sustainability

Our Values

Collaborative
We work in close collaboration with our partners and customers, leveraging collective strengths to deliver mutually beneficial results.

Progressive
We harness the UAE's spirit of innovation to ensure that our business remains at the forefront of the global energy industry.

Responsible
We are committed to identifying ways that can make a difference to our community while maintaining an unwavering commitment to health, safety, and the environment in which we operate.

Efficient
We are a performance-driven company, dedicated to maximizing the value of energy resources for the benefit of our people, our communities, our partners and customers, and our nation.

Respectful
We encourage a culture of inclusivity and mutual respect, and always operate to the highest professional and ethical standards.

OUR HISTORY

For more than 50 years, ADNOC Drilling has enabled ADNOC's growth, becoming one of the largest and most innovative drilling companies in the world

1972 National Drilling Company created by a Decree as the first fully owned ADNOC Group company

1973 First rig acquisition

1975 First offshore rig acquisition

1992 ADNOC Drilling's first female personnel supervisor

1998 20-year water exploration survey project in partnership with U.S. Geological Survey launched

2000 National leadership intensified focus on advancing Emiratis for leadership roles

2004 First four state-of-the-art cluster well drilling rigs acquisition

2008 First artificial island drilling

2014 Drilling Training Center begins operations in Al Dhafra

2018 Transition into a full IDS service provider

2019 Completion of first IDS well

2020 Record broken with delivery of the Middle East's longest well

2021 IPO on the Abu Dhabi Securities Exchange (ADX)

2022 Growth strategy execution and further fleet expansion

2023 Strategic investment partnership JV signed with Alpha Dhabi and first international IDS program

2024

Establishment of key joint ventures Enersol and Turnwell –

pivotal strategic developments enhancing our capabilities and collaboration, and reinforcing our leadership in the global energy landscape

Significant advancements in digitalization and AI –

now permeating our operations, supporting performance, safety and environmental optimization

MSCI Indexes

Inclusion in MSCI's flagship Indexes, providing greater visibility to global investors

Rig fleet expansion

+13 rigs YoY
2024: 142 / **2023:** 129
An essential enabler of production capacity growth and energy security, creating one of the world's largest fleets

Free float increase

Placement by ADNOC of additional 5.5% of ADNOC Drilling shares with institutional investors, increasing the free float by 50%

FINANCIAL, OPERATIONAL AND ESG HIGHLIGHTS

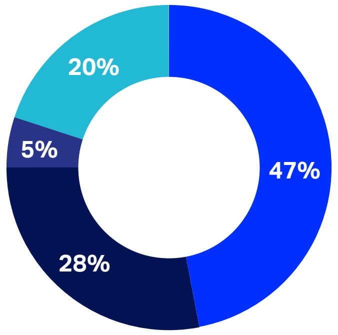
Financial Highlights

Revenue
$4,034m

EBITDA Margin
50%

Net Profit
$1,304m

Revenue breakdown by Operating Segment



- Onshore $1,893m
- Offshore Jack-up $1,116m
- Offshore Island $212m
- Oilfield Services $813m

Operational Highlights

Wells Delivered
676

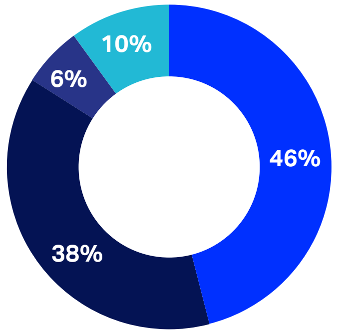
Owned Rigs
142

Rigs Availability
96%

Integrated Drilling Service (IDS) Rigs
57

OFS discrete services
48*

EBITDA by Operating Segment



- Onshore $927m
- Offshore Jack-up $768m
- Offshore Island $128m
- Oilfield Services $192m

Environmental, Social & Governance (ESG) Highlights

GHG Abatement
38.7 ktCO2eq

Energy Intensity
2,565 GJ/$m

ICV Level
90.74%

Number of Employees
11,062

Abbreviations:
EBITDA: Earnings before interest, taxes, depreciation and amortization **IDS:** Integrated Drilling Services **ESG:** Environmental, Social and Governance **ICV:** In-country Value
CO2eq: Carbon dioxide equivalent **OFS:** Oilfield Services **Kt:** Kilotonne **GJ/$m:** Gigajoules per million dollars

* Discrete services are defined as the provision by OFS of 'one or more' services, rather than full IDS.

YEAR IN REVIEW

ADNOC Drilling achieved another year of record-breaking performance and exceptional financial results in 2024, fueled by organic growth across all parts of the business.

We increased our asset base, expanded capabilities, grew geographically and increased market share. Simultaneously we opened up two significant opportunities: the building of a diversified portfolio of technology-enabled companies in the oilfield services and energy sectors through our $1.5 billion Enersol JV, in partnership with Alpha Dhabi; and the establishment of an unconventional drilling arm through our Turnwell JV, with SLB and Patterson-UTI. Both of these innovative strategic ventures are expected to deliver transformative, long-term benefits.

January

Enersol Joint Venture completed first strategic investment

- Alpha Dhabi contributed its 25% equity stake in Gordon Technologies, a leading provider of measurement while drilling ("MWD") technology to the oil and gas industry in the USA

February

Robust full year results for 2023 announced

- Operational growth with new rigs added to the fleet, drove FY 2023 revenue increase by 14% year-on-year to $3.06 billion
- EBITDA increased by 20% to $1,483 million with industry-leading EBITDA margin of 49%
- Net profit increased by 29% year-on-year to $1,033 million with a margin of 34%

March

Shareholder approval for final 2023 dividend

- Increased final dividend amounted to $358 million (8.22 fils/share) bringing total 2023 dividend to $717 million (16.45 fils/share) representing a 5% year-on-year increase versus 2022

Transformational contract to unlock unconventional energy resources

$1.7bn

May

Award by ADNOC of transformational $1.7 billion contract to unlock the UAE's world-class unconventional energy resources

- To service the contract, and explore future opportunities in unconventional resources, ADNOC Drilling incorporated a new company, Turnwell Industries, mandated to deliver 144 unconventional wells

ADNOC successfully completed $935 million institutional placement of ADNOC Drilling shares

- The placement by ADNOC represented 5.5% of ADNOC Drilling's total share capital, increasing the free float by 50%, with ADNOC retaining a majority 78.5% stake

Record first quarter revenue and EBITDA announced

- Robust 24% year-on-year revenue growth to $886 million, propelled by accelerated fleet expansion and oilfield services growth
- Strong operational performance and excellent cost control underpinning 31% year-on-year growth in EBITDA to $437 million with industry-leading margin of 49%
- Net profit grew 26% year-on-year to $275 million

June

Enersol Joint Venture increased its equity stake in Gordon Technologies to 67.2%

- Acquisition of an additional stake of approximately 42.2%. Gordon Technologies established its Abu Dhabi enterprise to commence field operations in MENA

Enhanced dividend policy announced

- New and progressive dividend policy will see dividends grow by at least 10% per annum between 2024 to 2028 translating into at least 61% cumulative growth over the five years

July

Enersol signed agreement to acquire majority 51% stake in NTS AMEGA,

a leading global manufacturer of advanced precision equipment and solutions provider for the energy sector, for approximately $58 million

Award of $733 million contract for three new-build island rigs

- ADNOC Offshore awarded contract for three island drilling rigs in support of growing operations at the Zakum field. Delivery of the rigs and commencement of operations expected during 2026

Contract extension for the AD-137 rig operating in the Kingdom of Jordan, allowing delivery of further wells

August

Enersol signed agreement to acquire leading downhole visualization company, EV Holdings,

a global provider of vision-based diagnostics and analytical services in the global oil and gas sector

- Acquisition of 100% equity stake in EV Holdings for a consideration of $45 million

All-time-record second quarter results

- Record second quarter revenue of $935 million, growing 29% year-on-year, driven by fleet expansion and Oilfield Services

Board of Directors approved interim dividend of $394 million (9.05 fils per share), representing a 10% year-on-year increase, in-line with the Company's new progressive dividend policy

Inclusion in MSCI's flagship Indexes, as the 12th member of the MSCI indexes, providing greater visibility to global investors

September

Completion of the acquisition of 67.2% of Gordon Technologies by Enersol

Signed Turnwell agreements, accelerating initial $1.7 billion unconventionals campaign

October

Record-breaking third quarter results

- Quarterly revenue above $1 billion, rising 32% year-on-year
- Fastest growing drilling company globally, integrating over 20 operational rigs in 2024

November

Completion of the acquisition of EV Holdings by Enersol

Acquisition by Enersol of 95% stake in Deep Well Services,

specialists in high-pressure, long lateral and multi-well completion and intervention operations

December

Completion of the acquisition of majority 51% stake in NTS AMEGA by Enersol

Value of Offshore contract for three new-build island rigs

$733m

Institutional placement of 5.5% of ADNOC Drilling's shares

$935m

Strategy in Action

In support of our corporate strategy priorities – including operational excellence, profitable growth, unconventional development, decarbonization and becoming a national champion – we established two joint venture companies during 2024 that will deliver transformative, long-term benefits to ADNOC Drilling.

Enersol

ADNOC Drilling and Alpha Dhabi established the Enersol joint venture to invest up to $1.5 billion to build a diversified portfolio of technology-enabled companies in the oilfield services (OFS) and energy sectors. These investments are expected to further develop and scale up our integrated drilling services and OFS offerings, enhancing capabilities and operational efficiencies across both conventional and unconventional operations.

Enersol has been set up to support in future-proofing our operations through building our owned IP value chain, as ADNOC Drilling evolves from a buyer of technology to an owner and enabler of the technology. Target companies also are selected for their ability to support the UAE's wider energy transition ambitions – including gas self-sufficiency, the net-zero agenda, and ongoing economic diversification.

During 2024, Enersol announced investments worth around $0.8 billion in four companies. The first investment, completed in two transactions, resulted in a 67.2% stake in US-based Gordon Technologies, one of the few fully integrated providers of measurement while drilling (MWD) technology. Gordon Technologies enables a faster, more robust, and efficient MWD system, allowing operators to achieve superior performance and reliability in both conventional and unconventional, and standard temperature and high-temperature applications.

The next acquisition was the purchase of a 51% stake in UAE-based NTS AMEGA, a leading global provider of advanced manufacturing, complex tool repair, and rental solutions for the oil and gas sector. NTS addresses technically challenging processes, including high-tolerance manufacturing and specialized repair processes, in the drilling industry to help customers improve efficiency and reduce costs.

Also during the year, Enersol acquired a 100% stake in US-based EV Holdings Ltd., a global provider of vision-based diagnostics and analytics services for the oil and gas sector. The company has a global footprint with a presence in 38 countries, including the UAE and Saudi Arabia.

The final announcement was the investment of a 95% stake in US-based Deep Well Services (DWS), a specialist in advanced technologies and services within the energy sector. Its patented Hydraulic Completion Units (HCU) are designed for high-pressure, long lateral, and multi-well completion operations, enabled in part by its data analytics software, BoreSite®. Almost immediately, Enersol has begun adding value to the broader ADNOC Drilling organization. Gordon Technologies has begun supporting our unconventional drilling operations through its MWD technology, which is helping to reduce drilling time, improve well-bore quality, and increase overall drilling efficiency.

Shareholder Structure

ADNOC Drilling: 51%

Alpha Dhabi Holdings: 49%

Enersol: Driving inorganic growth and future readiness

- Value creation
- AI- and advanced technology-enabled growth
- Vertical integration
- Integrated offerings & improved efficiency
- Aiding decarbonization
- Capturing new markets & creating synergies
- Positive financial impact

Investment JV

$1.5 billion: Committed to acquire AI and other advanced technologies

$0.8 billion: Committed in 2024 to acquire four companies

2024 Announced Acquisitions

67.2%: Gordon Technologies
51%: NTS AMEGA
100%: EV Holdings Ltd.
95%: Deep Well Services (transaction subject to final closing)

Turnwell

The joint venture Turnwell has been established to be the unconventional drilling arm of ADNOC Drilling and to lead execution of a $1.7 billion contract, awarded by ADNOC to ADNOC Drilling, to provide drilling and associated services for 144 unconventional oil and gas wells over a two-year period starting from July 2024.

Turnwell is helping to unlock the immense potential of the UAE's world-class unconventional energy resources. Abu Dhabi today holds an estimated 220 billion barrels of unconventional oil and 460 trillion cubic feet of unconventional gas, presenting exceptional scale, with production potentials comparable to some of the largest unconventional energy resources in the United States.

ADNOC Drilling holds a 55% stake in the joint venture, with SLB having a 30% share and Patterson-UTI a 15% stake. This partnership with SLB and Patterson-UTI will leverage their combined expertise, as well as innovative digitalization and advanced technologies, to drive value for the UAE.

Since ADNOC Drilling was awarded the Phase 1 contract for 144 unconventional wells in May 2024, Turnwell has achieved an efficient and successful start-up and operational delivery with an initial fleet of eight rigs. The early program success encouraged ADNOC to accelerate the campaign's completion timeline – a testament to the innovation, collaboration, and pursuit of excellence that will continue to define Turnwell. Ultimately, the goal is to achieve a significant improvement in drilling efficiency by the end of Phase 1.

The successful delivery of Phase 1 may lead to the potential award of Phase 2.

Shareholder Structure

ADNOC Drilling: 55%

SLB: 30%

Patterson-UTI: 15%

Turnwell: Unlocking immense potential

+45%: Drilling efficiency gain by end of Phase 1

8 rigs: Expected to be dedicated to unconventional drilling by end of Phase 1. Eight deployed in 2024

$1.7 billion: Phase 1 unconventional contract value to ADNOC Drilling

144 wells: Total oil and gas wells to be drilled in Phase 1

Key Aspects

Strategic Partners: SLB and Patterson-UTI

Untapped Growth: World-class unconventional resource may require thousands of wells

Exceptional Scale: UAE holds 220 billion barrels and 460 tcf of unconventional oil and gas

INVESTMENT CASE

ADNOC Drilling provides a differentiated value proposition in our region and sector. With a clear vision for the future, long-term mandate from ADNOC Group, and the right combination of scale, capability, and reliability to achieve our strategic ambitions, we are ideally positioned to drive value, yield and growth.

Our investment case is built on three key features:

01

A solid base, as the contractual framework with ADNOC provides the Company with strong revenue visibility and superior profit margins in the industry.

02

A resilient financial performance paired with a strong and prudent balance sheet, providing flexibility to fuel growth.

In 2024 a new, progressive dividend policy was announced, with dividends expected to grow by at least 10% per annum on a dividend per share basis over the next five years (2024-2028).

03

An attractive growth profile in both drilling and Oilfield Services, underpinned by ADNOC's strategic growth strategy:

- Recent addition of Enersol JV as a key growth engine, with strategic vision to become a diversified tech-centric OFS investment platform. Benefits include opportunity for Enersol's OFS tech-enabled acquisitions to further develop the Company's integrated offering and tech ecosystem.
- Plan to increase production capacity from 4 to 5 million barrels per day by 2027.
- Aiming for UAE gas self-sufficiency by 2030 through the development of unconventional resources. Successful startup of Turnwell JV with SLB & Patterson-UTI now unlocking the UAE's world-class unconventional energy resources which are expected to benefit both the Company's short term earnings and long-term growth.

UNLOCKING ENERGY FOR GREATER SHAREHOLDER VALUE

High Return, Limited Risk Proposition

- **Integral position to ADNOC operations driving bespoke contractual position**
- **Attractive returns, high visibility, and strong downside protection**
- **Compelling IRRs generated over a long time, driving significant cash generation**

The unique contractual regime with ADNOC allows long-term de-risked rig investments, generating double-digit unlevered Internal Rate of Return (IRR) for up to 15-years, providing high visibility and strong downside protection.

Compelling contractual IRRs generated on the rigs over long periods of time drive a robust and resilient cash generation.

The contractual framework and associated high return/limited risk terms leads to a special financial profile, with high margins.

Moreover, the Oilfield Services business allows ADNOC Drilling to provide an integrated drilling offering to its clients, further cementing its position as an integral player in the Upstream ecosystem.

Delivering Superior Financial Results

- **Undisputed returns leadership throughout the cycle**
- **Strong cash conversion, robust capital stewardship and solid balance sheet**
- **Attractive progressive dividend policy**

ADNOC Drilling shows undisputed returns leadership through the cycle.

Its unique status within ADNOC Upstream not only provides solidity to the business, but also visibility in top line and margins unheard of in the drilling sector.

The Company's margin profile stands out, both in terms of EBITDA and net income margins, as well as stability, despite volatility in commodity prices.

Significant Opportunities for Growth

- **Key enabler to ADNOC's delivery on its long-term Upstream targets**
- **Strong in-house capability to drive accelerated growth into oilfield services, complemented by the creation of Enersol JV, with the goal of acquiring and investing in companies offering tech-enabled oilfield services solutions**
- **Acceleration of access to unconventional resources through Turnwell JV**
- **Further potential for disciplined domestic and regional expansion**

ADNOC's strategic Upstream targets and planned Upstream activity translate into drilling activity and a significant captive demand for us to provide the necessary infrastructure and services.

The accelerated growth into OFS continues to add further the top line growth. OFS is expected to become a material scale business over the coming years and be a substantial driver of growth going forward. Further potential for disciplined domestic and regional expansion also exists.

STRATEGIC REVIEW

CHAIRMAN'S MESSAGE

ADNOC Drilling plays a key role in supporting the advancement of the United Arab Emirates' (UAE) energy vision, building a future based on innovation and responsibility, and artificial intelligence (AI) and advanced technologies directly supporting the energy needs of tomorrow.

> **Looking forward, 2025 will be a truly transformative year. We are tremendously ambitious and are poised for further significant expansion – both here in the UAE and internationally – paving the way for greater growth and greater shareholder returns.**

The Company's ability to balance the increasing need for energy with its sustainability goals speaks to ADNOC Drilling's commitment to a future of both progress and environmental stewardship.

As we close a landmark year for ADNOC Drilling, it is with immense pride that I reflect on the significant milestones achieved in 2024.

ADNOC Drilling's total revenue grew by 32%, exceeding $4 billion, and its EBITDA reached a record high of $2 billion. Since the Company's listing on ADX in 2021, its full-year net profit has more than doubled, culminating in $1.3 billion in 2024. The strength of its balance sheet will enable the Company to pursue smart growth while achieving robust returns for its shareholders.

We made advancements in digitalization and AI that is evident across our operations, enhancing performance, safety and environmental optimization. Today, we safely and efficiently operate one of the world's largest fleets, with 142 rigs across land, sea and island, enabling us to capitalize on ADNOC's plans to increase production capacity to 5 million barrels per day by 2027.

At the same time our key joint ventures, Enersol and Turnwell, have been pivotal, enhancing capabilities and collaboration, and reinforcing our leadership in the global energy landscape. Together, these achievements underscore our ongoing dedication to enable meeting the world's growing energy demand responsibly and sustainably, while we build a fully integrated energy services company. It is through these strategic initiatives and our market-leading position that we remain primely positioned to generate greater value.

Through concerted efforts, we continue to make excellent progress on the execution of our strategy, and this ongoing transformation is evident across all financial metrics. Characterized by a commitment to driving growth, maximizing value and improving efficiency through the application of AI and advanced technologies, we delivered exceptional financial results and shareholder returns – demonstrative of the strength and resilience of our strategic approach and operational excellence.

Looking forward, 2025 will be a truly transformative year. We are tremendously ambitious and are poised for further significant expansion – both here in the UAE and internationally – paving the way for greater growth and greater shareholder returns.

Enersol, Turnwell and our international business are set to play very significant roles in our growth journey as new income streams as well as pipelines to incorporate transformative technologies and AI into our operations. Our growth strategy combines organic expansion and targeted mergers and acquisitions across key markets that complement our existing portfolio while ensuring a strong regional and global presence in energy service solutions. We will focus on providing next-generation drilling, completions and growing range of oilfield services that drive value for clients internationally.

International expansion will be a cornerstone of our strategy, enabling us to tap into new markets, diversify our revenue streams and leverage global opportunities as we continue to establish a robust international presence.

The continued investment in expanding our offering, coupled with the operational application of AI, digitalization and advanced technologies, will support our vision of ADNOC Drilling becoming a leading international integrated services company in the field of energy.

In conclusion, and as we embark on this transformative journey, the foundations we've laid in 2024 position us to capitalize on the opportunities that lie ahead. Together, we will continue to push the boundaries of innovation and sustainability, ensuring that ADNOC Drilling remains at the forefront of the energy sector.

H.E. Dr. Sultan Ahmed Al Jaber
Chairman

CEO'S MESSAGE

2024 was a year of exceptional growth, resilience, and strategic advancement for ADNOC Drilling. As we reflect on our achievements, I am proud of how our team delivered record-breaking financial performance, expanded our fleet, and enhanced our operational capabilities to continue driving greater value for our stakeholders.

As we look ahead, 2025 promises to be a defining year for ADNOC Drilling. We are targeting continued expansion in Abu Dhabi and beyond our borders, focusing on tapping into new markets, fostering new partnerships, and strengthening our impact across the energy sector.

These outstanding results were made possible by our commitment to innovation, safety, and sustainability across every level of our organization. Every team member of ADNOC Drilling has played a crucial role in our growth journey, as we expand our presence internationally and pioneer a new era of energy solutions by integrating advanced technologies and fostering continuous innovation to stay at the forefront of the energy revolution.

One of our standout achievements this year was the successful integration of over 20 new rigs into our fleet – safely, efficiently, and in line with our customers' requirements. This accomplishment exemplifies our technical expertise and advanced operational capabilities, achieved in partnership with multiple stakeholders. In 2024, we also established two significant joint ventures, Enersol and Turnwell, which are set to play key roles in our growth strategy to further diversify our service offerings and expand our reach into unconventional resources. These partnerships position us at the forefront of the global energy services industry, enabling ADNOC Drilling to meet the growing energy demand while upholding our commitment to sustainability.

Our strong performance and commitment to excellence were further recognized in 2024 with ADNOC Drilling's inclusion in key MSCI Indexes and the ADX FTSE Russell Sharia-compliant index – key milestones that reflect our growing stature in the global investment landscape.

This recognition not only enhances our visibility among international and institutional investors but also reinforces our position as a leading publicly listed energy services company.

As we look ahead, 2025 promises to be a defining year for ADNOC Drilling. We are targeting continued expansion in Abu Dhabi and beyond our borders, focusing on tapping into new markets, fostering new partnerships, and strengthening our impact across the energy sector. Our goals for the coming year remain ambitious: we aim to grow our operations in support of customer needs both in Abu Dhabi and beyond our borders, advance our sustainability commitments, and integrate cutting-edge technologies, including AI-driven tools for operational optimization. These innovations will not only enhance our operational efficiency but also reinforce our commitment to reducing our environmental footprint.

ADNOC Drilling is uniquely positioned to lead in an ever-evolving energy landscape, with a clear vision for growth that aligns with the UAE's energy strategy. I am confident that 2025 will mark another year of progress and achievements as we move forward with purpose, responsibility, and a relentless drive to continue delivering energy solutions for a sustainable future.

Abdulrahman Abdulla Al Seiari
Chief Executive Officer

BUSINESS MODEL

A Truly Integrated Drilling and Completion Services Business

Onshore

Offshore Jack-up

Offshore Island

Oilfield Services

- Drilling & Completion Fluids
- Directional Drilling
- Surface Logging Services
- Wireline Services
- Cased Hole Logging
- Pressure Pumping

Strategic Joint Ventures

Enersol
Energy Solutions

turnwell

Key Differentiators and Competitive Advantages

- **Unique Market Position**
  sole drilling provider in Abu Dhabi and key enabler of ADNOC's expansion plans
- **Financial Strength**
  healthy balance sheet, sustainable cash flow generation and robust revenue pipeline
- **Investment Proposition**
  High guaranteed internal rates of return, limited risk, superior financial performance, progressive dividend policy
- **Operational Excellence**
  world-class operational performance supported by well-maintained assets, advanced technology and continuous innovation
- **Integrated Offering**
  first integrated drilling provider in region, ideally positioned for growth in the oilfield services market
- **Unmatched Scale**
  largest drilling company in Middle East by rig fleet size investing in growing our modern fleet
- **Talented Team**
  experienced leadership supported by a diverse and committed workforce
- **ESG Focus**
  effective corporate governance and risk management models, with keen focus on sustainability

Value Creation for our Stakeholders

Shareholders
High returns, limited risk, superior financial performance, rewarding dividend policy

Customers
ADNOC Upstream operating companies and concession block holders

Employees
Inclusive culture and diverse workforce, local talent development

Partners and Suppliers
Alliances with industry-leading service providers

Community
Strong social responsibility, local community development

STAKEHOLDER ENGAGEMENT

We have identified five main stakeholder groups who are vitally important to the success of the Company. We ensure we are continuously aligned through regular and ongoing communication throughout the year.





	Shareholders	Suppliers and Partners	Customers	Community	Employees
How We Engage	Through IR, Senior Management and Board of Directors on calls, issuing press releases and earnings presentations, participating in conference and non-deal roadshows globally, and at scheduled meetings including the AGM.	Surveys, bids and tenders: discussion emails, meetings (virtual and physical) and contractor grievance mechanism system. We also engage with our strategic partners through formal board meetings, meetings (virtual and physical) to ensure strategic alignment and value creation.	Website, social media, circulars, service call center and customer satisfaction survey.	Through events and initiatives during the year, partnerships with entities including the Ministry of Education.	Through line managers, Group-wide and team-wide internal communications, Hub, camps activity at meetings and key events or celebrations during the year.
Key Issues/ Items Discussed	• Strategy • Financial and operational performance • Opportunities • Business status • Future outlook • Upcoming events and activities • Ad hoc events/activities • Feedback from investors	• Key performance stories • Business development • Quarterly updates • Individual performance • Strategy • Performance reviews	• Performance • Opportunities • Business status • Relationship building	• Fulfilling a need or support for a given initiative • Partnership opportunities	• Key performance stories • Business development • Quarterly updates • Individual performance
Actions to be Implemented	• Operational and strategic action taken depending on the discussion • Keeping shareholders well informed of present and upcoming business activities • Fostering transparency and openness in all communications	• Operational and strategic action taken depending on the discussion • Providing an understanding of our business priorities and how they are best suited to deliver against our business needs	• Operational and strategic action taken depending on the discussion • Providing an understanding of our joint key business imperatives • Ensuring customers are getting the best value	• Provision of support or services when required • Assisting communities in times of need, where and when collaboration and support is most needed	• Develop any areas discussed with employees • Enabling more CEO and Senior Management engagement through live and remote internal comms • Focusing on putting employees at the heart of the organization

MARKET OVERVIEW

The Middle East: A Cornerstone of Global Energy Production

The Middle East has long been a cornerstone of global oil and gas production, with countries like the UAE, Saudi Arabia and Qatar playing pivotal roles. As we move into 2025, the region continues to be a focal point for energy production, with substantial investments in both onshore and offshore drilling activities. With significant investments, technological advancements and the influence of geopolitical factors, the region will continue to play a crucial role in global energy production. As the energy industry navigates these changes, the focus will be on balancing economic growth with environmental sustainability.

Overall Drilling Industry Outlook
The oil and gas drilling industry is poised for significant transformation as it adapts to evolving energy demands and technological advancements. The integration of innovative technologies is driving the sector toward greater efficiency, cost reduction and enhanced safety. As the global demand for energy continues to rise, companies within the drilling industry are increasingly focusing on sustainable and efficient drilling practices.

The Middle East remains a critical region for the drilling industry, given its vast reserves of oil and natural gas. Countries like the UAE, Saudi Arabia and Qatar are investing heavily in drilling technologies, establishing themselves as frontrunners in the global energy market. The region's focus is increasingly on enhancing production efficiency and reducing operational risks, with significant investments in AI and other advanced technologies. Major players such as ADNOC and Saudi Aramco are making substantial investments in offshore projects, with ADNOC expanding its production capacity to ensure long-term energy security. Middle Eastern players have also been making strides in the gas space, to offset any potential drop in oil demand. Major participants in the region have turned to gas as a key driver. Additionally, there is a strong focus on sustainability, with the integration of renewable energy projects and carbon capture technologies, aligning with global efforts to transition to a low-carbon energy future.

Increased collaboration with international firms is facilitating the transfer of innovative technologies and expertise. Partnerships between Middle Eastern national oil companies and global industry leaders are strengthening the region's role in the global drilling landscape.

Advances in AI in the Drilling Industry
Artificial Intelligence is set to play an increasingly pivotal role in the oil and gas drilling industry. By leveraging AI technologies, companies can achieve greater operational efficiency, reduce costs and enhance safety. The integration of AI with other advanced technologies, such as robotics and digital twins, will further drive innovation and transformation in the sector. As the drilling industry continues to evolve, AI will be essential in navigating the complexities of energy production and meeting the growing demand for sustainable and efficient drilling practices.

The global AI in Oil and Gas Market size is estimated to grow from $3.14 billion in 2024 to $5.70 billion by 2029, at a robust CAGR of 12.61%, according to figures from research analyst firm Mordor Intelligence. AI is playing a crucial role in making drilling operations safer by enhancing predictive maintenance, automating safety protocols, providing real-time monitoring and reducing the need for human intervention in hazardous tasks. AI technologies contribute to greater operational efficiency in the drilling industry through automation and optimization. By analyzing vast amounts of data, AI systems can identify patterns and trends that would be impossible for humans to detect. This allows for more precise drilling, reducing waste and improving resource management.

The implementation of AI in drilling operations results in significant cost savings. AI-driven predictive maintenance and real-time monitoring help prevent costly equipment failures and downtime. Additionally, optimizing drilling paths and processes reduces material and labor costs, making operations more economical. As AI technology continues to advance, its impact on safety in the drilling industry is expected to grow, leading to even safer and more efficient operations.

The future of AI in the drilling industry will be marked by increased integration with robotics, advancements in digital twins, improved environmental sustainability, enhanced data analytics, and increased collaboration and innovation. While challenges and considerations remain, the potential benefits of AI in the drilling industry are immense, paving the way for a safer, more efficient and sustainable future.

ADNOC Drilling Expands Through Enersol
In November 2023, ADNOC Drilling and Alpha Dhabi formed a joint venture named Enersol, with the purpose of investing up to $1.5 billion in technology-enabled companies within the oilfield services (OFS) and energy sectors. Under this agreement, ADNOC Drilling holds a 51% ownership stake in the JV, with Alpha Dhabi possessing the remaining 49%. This collaboration unites ADNOC Drilling's expertise in drilling and OFS with Alpha Dhabi's established prowess in business growth across various sectors. The JV, leveraging ADNOC Drilling's scalable technology ecosystem, will be co-managed by both entities and is poised to invest in value-accretive businesses globally within the OFS and energy value chains. This initiative aims to enhance and expand ADNOC Drilling's integrated drilling and OFS offerings, thereby improving operational efficiencies. The inclusion of Enersol's AI, digitization and advanced technology acquisitions is anticipated to yield favorable returns for shareholders.

Enersol executed its inaugural strategic investment in January 2024 by acquiring a 25% stake in Gordon Technologies, a leading US-based provider of 'measurement while drilling' (MWD) technology. Subsequently, in June 2024, Enersol expanded its holdings in Gordon Technologies by acquiring an additional 42.2% equity stake, culminating in a total ownership of 67.2%. In July 2024, Enersol furthered its portfolio by acquiring a 51% stake in NTS Amega, an esteemed global manufacturer of advanced precision equipment and solutions for the energy sector.

In August 2024, Enersol entered into an agreement to acquire a 100% stake in EV Holdings, a preeminent provider of vision-based diagnostics and analytical services within the global oil and gas sector. Furthermore, in November 2024, Enersol announced the acquisition of a 95% equity stake in Deep Well Services, which specializes in leveraging advanced technology, data analytics and automation to optimize performance and sustainability within the energy sector. Enersol companies will support the delivery of ADNOC Drilling's recent $1.7 billion contract award to deliver 144 unconventional wells to ADNOC Group by leveraging the various technologies available to it.

These acquisitions align with Enersol's strategic vision to evolve into a technology-focused investment platform. With these four acquisitions, Enersol has committed nearly $800 million since its inception, effectively investing approximately 50% of its initially committed capital of $1.5 billion.

ADNOC Drilling and Alpha Dhabi's Joint Venture, Enersol – investment target

$1.5bn

Unconventional wells to be delivered to ADNOC Group via Turnwell

144

ADNOC Drilling additions to fleet

2 NEW JACK-UPS

ADNOC Drilling fleet integration

16 HYBRID LAND RIGS

Turnwell instituted as the unconventionals drilling division of ADNOC Drilling

$1.7 BILLION CONTRACT

Regional Drilling Business in 2024: Focus on the Middle East

Offshore Market

Global Upstream Investments
According to Rystad Energy, global upstream investments for 2024 were projected to reach $610 billion, comparable to the level observed in 2023. For 2025, global investments are anticipated to increase marginally by 1%, reaching approximately $615 billion. Within this context, offshore investments are expected to experience growth in both shelf and deepwater markets, by 6% and 4% respectively. Significant drivers of growth in the Middle East include increased gas production from Saudi Arabia, Qatar and Iran. Rystad Energy forecasts that the offshore sector will lead the growth in upstream investments in 2025, while investments in shale and tight oil are expected to decline by approximately 4%.

Jack-up Rig Utilization
A recent analysis by Rystad Energy indicates that in November 2024, the number of jack-up rigs under contract totaled 376, an increase of two units from October, driven by new contracts off Malaysia. The marketed utilization for the global jack-up fleet stood at 84% in November, with committed utilization currently at 87%. As the jack-up fleet ages, there is a marked preference among operators for premium jack-ups. Committed utilization in the premium jack-up market segment is nearing full capacity at 91%. While there are initial signs of softening day rates, the average rate for premium market class jack-ups remains well above $100,000 per day. Standard class jack-ups, depending on the market, are likely to experience further day rate softness. The total supply of jack-ups consists of 493 units, of which 43 are cold stacked. To date, five jack-ups have been delivered this year, with no retirements recorded.

Middle East Market Dynamics
Throughout 2024, demand for jack-up rigs in the Middle East has decreased from over 170 units to 150 units due to Saudi Aramco's suspensions. Some units are anticipated to commence new contracts later this year, with incremental demand expected in the region. Historically, Saudi Aramco has maintained an average of approximately 55 jack-ups under contract annually over the past decade. According to S&P Global, the region commenced 2024 with 98% utilization and 183 contracted units; however, a slowdown by regional NOCs has reduced contracted demand to 169 units with 94% utilization. This trend is expected to persist, further reducing contracted units in 2025.

Global Jack-up Demand
Despite challenges in the Middle East, global jack-up demand is projected to reach 363 rig years in 2024, up from 346 rig years in 2023, driven by increased activity in Southeast Asia and West Africa. Based on the current backlog, 99% of demand for 2024 and 72% for 2025 have already been contracted. While the Middle East has gained market share, growth is decelerating in the UAE and particularly in Saudi Arabia, the latter due to contract suspensions. Global marketed utilization is expected to peak at 82% this year and decline thereafter, assuming no further retirements and the delivery of new builds ordered.

Onshore Market

Westwood Energy projects a modest increase in the global onshore drilling rig count from 4,384 in 2024 to 4,617 by 2028, with wells spud rising from 49,300 to approximately 51,000 over the same period. Global rig demand is expected to remain largely stable year-over-year, with particular attention to developments in the US that could shape overall market dynamics and prospects for US-focused land rig contractors. In contrast to the sharp rise in rig demand seen in 2022, future market changes are anticipated to be more gradual.

The Middle East onshore drilling market is forecasted to experience a positive short-term outlook, with rigs increasing from 412 to 618 and wells from 2,882 to 3,427 between 2024 and 2028. This trend indicates that rig demand in the region is expected to increase at a slow rate over the next few years, in line with the region's production trend. According to S&P Global, even though OPEC has reduced its production and quotas, some of the largest producers in the Middle East have remained consistent over the last several months. Additionally, several countries maintain production levels for national use.

As the trend continues through 2025, S&P Global projects rig demand to increase by 6%. Several Middle Eastern countries have set goals to be more self-sufficient in meeting many of their domestic needs, including natural gas demand. For instance, ADNOC is exploring unconventional gas to meet a 2030 self-sufficiency goal. Similarly, Saudi Aramco aims to increase gas production by 50% between 2021 and 2030 to meet domestic demand. Several other countries are following similar trends. Saudi Arabia has led voluntary decreases in production, although a bulk of the production cut came from offshore, and it has maintained consistent production through 2024. The UAE continues to invest in its unconventional development.

Additionally, in May 2024, ADNOC Drilling announced that it was awarded a $1.7 billion contract from ADNOC for the development of unconventional resources. ADNOC Drilling incorporated a new company, Turnwell Industries LLC, to fulfill the contract, in addition to entering a strategic partnership with Patterson-UTI Energy and Schlumberger Ltd. (SLB) for technical expertise.

Looking into the supply side, a recent study published by S&P Global highlights that high grading is the story of 2024. Suppliers with the most efficient rigs have been much more stable throughout the year. Several regions have no shortage of rigs for onshore operations, but they may lack the quality of rigs to make drilling economically viable. The Middle East is building up capability for unconventional drilling, and China is likely upgrading or building higher-tier rigs to drill ultra-deep wells.

Margins drove rig contractors' actions in 2024, meaning newbuilds are rare, with only the Middle East having announced any newbuild activity. Additionally, the current rig supply needs to last for a long period to accommodate fewer newbuilds. Contractors mention that the economic life of a rig can last 30 years. Larger contractors, in particular, continue to differentiate their fleets by providing technology-based ancillary services, rigs with greater mechanical capabilities and options for packaged services. Onshore rig contractors have culled many rigs within their fleets over the past five years to create more efficient fleets for their areas of operations.

Newbuild economics make little sense in the region while there are still rigs that could be upgraded to meet the demand for high-graded rigs. S&P further reports that the Middle East stands out as it continues to build new capacity. Rigs entering the market largely have high horsepower but are much more advanced technologically than traditional high-power desert rigs. According to the analysis, S&P expects that the new build capacity will continue to grow over the next couple of years as countries aim to increase domestic reliability for oil and gas services and exploration into unconventional resources increases. Newbuilds will not hurt the region's high utilization because the rigs are built with contracts in place.

Turnwell
In May 2024, ADNOC Drilling established 'Turnwell' to execute the awarded contract ($1.7 billion) and formalized a term sheet for potential collaborations with esteemed global industry leaders SLB and Patterson-UTI. Turnwell was instituted as the unconventionals drilling division of ADNOC Drilling, effectuating a $1.7 billion contract bestowed upon ADNOC Drilling to provide drilling and associated services for the execution of 144 unconventional oil and gas wells. To achieve this, Turnwell has implemented batch drilling, a methodology that enhances efficiency and reduces costs. Furthermore, Gordon Technologies, a leading provider of Measurement While Drilling (MWD) technology and an entity of Enersol, will be instrumental in the delivery of these wells. MWD technology mitigates drilling time, augments well-bore quality and amplifies overall drilling efficiency.

The engagement of Enersol companies in this campaign is crucial. The deployment of technology from Enersol companies by Turnwell epitomizes the exceptional opportunities available for Enersol companies to penetrate and expand within the Middle Eastern market, while concurrently fortifying their presence in established markets.

OUR STRATEGY

Our Strategic Areas

We are fully committed to keep our people safe from harm, maintain integrity of our assets and protect the environment for a sustainable future. 100% HSE means making sure that the people who work with us are safe from any damage or hurt, and that the assets and equipment they use are kept and run in a secure and dependable way.

By using technology, digitalization and efficiency to enhance performance, operational and integrated services excellence aims to increase customer satisfaction and ensure business continuity.

We aim to have an engaged and capable workforce that delivers quality services. This requires retaining, attracting, and developing the best and brightest people in our industry, with a focus on local talent to fill the capabilities gap. To build a business and commercial mindset and become the most valued employer in UAE.

ADNOC Drilling seeks to further increase its profitability, generating more value for its shareholders and investing in business opportunities that enhance its value. We are fully dedicated to developing our hydrocarbon resources at the most affordable cost by establishing strategic partnerships that emphasize innovation and technology.

Our goal with the ICV program is to maximize the benefits of our country's oil and gas resources. We want to develop local capacities for key supply chain functions in the oil and gas industry. We also want to diversify our GDP by spending more on a range of local goods and services.

Our goal is to enable production at the lowest cost and become a GCC Regional leader in unconventional development. We will implement our unconventional development growth strategy to conduct cost effective and specialized unconventional drilling activities. We aim to enhance our technical abilities by establishing strategic partnerships with established service providers.

Operate sustainably and responsibly as a Company. We will be a key enabler for ADNOC to become one of the most responsible O&G operators by maintaining low carbon footprint as an O&G operator, reduce GHG emissions and optimize energy efficiency in our operations.

2024 Achievements

- Achieved year-on-year revenue growth across all segments driving 32% year-on-year increase in FY24 revenue to $4,034 million
- FY24 EBITDA up 36% to $2,015 million, with industry-leading EBITDA margin of 50%
- Record results for FY24 with net profit reaching $1,304 million, up 26% year-on-year
- Share performance +41% in 2024, with total shareholder return +46%
- Enersol deployed 55% (~$800 million) of the $1.5 billion committed capital
- 4 deals executed – Gordon Technologies (67.2% stake), EV Holdings (100% stake), NTS Amega Global (51% stake) & Deep Well Services (95% stake)
- Closed Gordon, EV & NTS
- Turnwell established, to execute the awarded contract ($1.7 billion) for Unconventionals, with formalization of term sheet for potential collaborations with global industry leaders SLB and Patterson-UTI. Turnwell successfully delivered first wells to ADNOC in record low time
- Regional expansion progressed in Jordan, pre-qualified in Kuwait with KOC for Drilling & Rig Services
- Rig fleet count reached 142 rigs
- Order for 3 island drilling rigs in support of the growing operations at the offshore Zakum field, with an estimated contract value of $733 million
- New and progressive dividend policy announced to ensure dividend growth of at least 10% per annum between 2024 to 2028, translating into at least $4.8 billion (61% cumulative growth) over those five years
- ADNOC successfully completed $935 million institutional placement representing 5.5% of ADNOC Drilling's share capital. Free float increased by 50%, with ADNOC retaining a majority 78.5% stake
- ADNOC Drilling stock included in the prestigious MSCI EM and MSCI UAE indexes, after meeting the necessary criteria
- 20% overall improvement in Q4 2024 IDS drilling efficiency YTD versus the 2023 benchmark
- OFS performed IDS on 57 rigs, compared to 48 rigs in 2023, and offered at least 1 service to an additional 48 rigs
- Achieved TRIR frequency of 0.46 vs target of 0.63 for 2024

FINANCIAL REVIEW

ADNOC Drilling achieved another year of record-breaking performance and exceptional financial results in 2024, fueled by organic growth across all parts of the business. We increased our asset base, expanded capabilities, grew geographically and increased market share.

Financial highlights
We finished the year with 142 rigs, the largest integrated fleet in the Middle East and North Africa; we've expanded our technology portfolio with several key global investments through Enersol; and signed the transformational 144-well unconventional drilling contract which our joint-venture Turnwell will execute.

At the same time, we delivered shareholder value with financial results that included increased profitability, strong margins, and higher returns on investment capital and on equity.

Our 142-rig fleet increased by 13 units throughout 2024 and consisted of 95 onshore and 47 offshore rigs. We set a record for the number of Integrated Drilling Services (IDS) rigs deployed, growing the total from 48 to 57, a 19% increase on 2023, and offered at least one discrete service to an additional 48 rigs.

Revenue for the year grew to $4.0 billion, compared with $3.1 billion in 2023. This 32% improvement was propelled by accelerated onshore and offshore fleet expansion, OFS growth, and early contributions from the start of operations of Turnwell.

EBITDA was $2,015 million, an increase of 36% from $1,483 million in 2023, resulting in a margin increase to 50% from 49% in the prior year. This reflects our growing rig fleet, increasing market share and expanded breadth of services in the OFS, all with greater economies of scale and higher efficiencies. Net profit was $1,304 million, up 26% from $1,033 million in 2023.

The Board of Directors demonstrated its commitment to delivering highly attractive shareholder returns by announcing a new progressive dividend policy, then approved by the Shareholders, that will see dividends grow by at least 10% annually, on a dividend-per-share basis, over the next five years (2024-2028).

This dividend growth target represents a minimum return. At its discretion, the Board may approve additional dividends after considering free cash flow accretive growth opportunities. The Board has proposed a final dividend of $788 million, +10% versus 2023, in line with the policy.

Finally, in May, ADNOC completed a $935 million institutional placement of ADNOC Drilling shares. This represented 5.5% of ADNOC Drilling's total issued and outstanding share capital and increased the Company's free float to 16.5%, up by 50%.

The placement provided a pathway in September for MSCI to include ADNOC Drilling in the MSCI Emerging Market Index and the MSCI UAE index. This event has boosted liquidity, supported further diversification of the Company's investor base, and provided the stock with significantly greater visibility among global investors.

Businesses deliver strong growth
Businesses across the portfolio delivered stellar performances. Offshore Jack-up led the way with annual revenue that was up 40% year-on-year, reaching $1,116 million, largely due to the contribution of new jack-up rigs that went into operations over the course of 2023 and 2024, while Offshore Island revenue increased 1% and was broadly stable year-on-year.

Onshore revenue reached $1,893 million, an increase of 27% over 2023, mainly driven by the positive contribution from the full integration of 16 new rigs entering operations. Unconventional operations contributed $55 million.

Oilfield Services (OFS) closed the year with total revenue of $813 million, an increase of 47% year-on-year, driven by a strong end-of-year ramp up in IDS rigs and the expanding unconventional business, which contributed $95 million in revenue.

Strategic investments
In 2024, we began implementing our ambitious strategy of acquiring a portfolio of tech-enabled, IP-owning, oilfield services companies. In January, we formally launched Enersol, a strategic joint venture with Alpha Dhabi Holding PJSC, to pursue these acquisitions and create value over time.

During the year, Enersol announced four acquisitions of leading international energy technology companies. This represents a cumulative allocation of more than $700 million, nearly half of the JV's committed amount.

Also, during 2024 we embarked on a historic expansion into unconventional energy resources by establishing Turnwell Industries, a joint venture with global oilfield services firms SLB and Patterson-UTI. ADNOC Drilling holds 55% of the joint venture, while SLB and Patterson-UTI own 30% and 15% respectively.

The new company will help unlock the UAE's world-class unconventional oil and gas resources.

In May, ADNOC awarded ADNOC Drilling $1.7 billion to deliver 144 unconventional oil and gas wells and associated services, which will be executed by Turnwell Industries.

Capital expenditure and liquidity management
Capital expenditure for 2024 was around $0.8 billion, reflecting the rig acquisitions we made.

At year end, cash from operating activities stood at $1,654 million, a 22% increase from the $1,355 million a year earlier. This was driven by higher profits and a continued focus on collections from clients. Operating working capital increased to $322 million, from $239 million a year earlier, mainly driven by an increase of receivables as the activity increased with new rigs becoming operational, partially offset by the phasing of capital expenditure-related payments at year end. The Company's net debt to EBITDA ratio improved to 1.0 in 2024 from 1.2 in 2023, due to significant EBITDA growth in 2024 and is expected to be within a conservative long-term leverage target of up to 2.0.

Future outlook
Following our record-breaking 2024 results, ADNOC Drilling has announced guidance for the full year 2025 and its medium-term targets:

$ billion (unless otherwise stated)	FY2025 Guidance
Revenue	**4.60 – 4.80**
Onshore	1.95 – 2.10
Offshore (Jack-up and Island)[1]	1.35 – 1.45
Oilfield Services Revenue	1.10 – 1.25
EBITDA	**2.15 – 2.30**
EBITDA Margin	*46% – 48%*
Net Profit	**1.35 – 1.45**
Net Profit Margin	*28% – 30%*
CapEx *(excluding M&A)*[2]	**0.35 – 0.55**
FCF *(excluding M&A)*[3]	**1.30 – 1.60**
Leverage Target	**< 2.0x**
Dividend floor *(+10% vs 2024)*	**0.87**

Note: the 2025 guidance excludes the acceleration of unconventional and any additional land rigs (i.e. 2025 capex guidance only includes maintenance capex and island rigs).

[1] Starting from the first quarter of 2025, the Company plans to simplify its reporting structure by reducing the number of segments from four to three.

[2] Maintenance CapEx + CapEx for island rigs. It does not consider CapEx for potential additional land rigs and cash outflows associated with M&A.

[3] Free Cash flow calculated as: EBITDA – CapEx – D Working Capital – taxes. It does not consider cash outflows associated with M&A.

Medium-term guidance is as follows:
- FY 2026 Revenue expected at ~$5 billion
- Around 50% conventional EBITDA margin (conventional 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
- Net working capital as percentage of revenue target of around 12%
- Maintenance CapEx of $200 – $250 million per annum (excluding organic and inorganic growth CapEx)
- 148+ rigs by 2026 and 151+ by 2028

Youssef Salem
Chief Financial Officer

BUSINESS REVIEW

OVERVIEW

2024 was a remarkable year for ADNOC Drilling, driven by strong operational performance which led to record-breaking revenue and profit. We continued executing on our strategy to deliver sustained, long-term growth and profitability based on both high-visibility, contracted revenues in conventional and unconventional drilling in the UAE, together with strategic uncontracted opportunities within the UAE and internationally.

Highlights 2024

HSE/TRIR

0.46

Number of wells drilled

676

Non-Productive Time (NPT) %

0.87%

Total rigs

142

Number of rigs added to fleet

13

We were also awarded a transformational $1.7 billion contract to drill 144 unconventional wells as part of ADNOC's ambition to develop its world-class unconventional resources. To serve this contract, ADNOC Drilling established Turnwell Industries, a joint venture with global oilfield services firms SLB and Patterson-UTI. We successfully drilled the first wells in contract.

We also are futureproofing the Company and pursuing a new growth venue by establishing Enersol, a joint venture with Alpha Dhabi, focused on acquiring tech-enabled, IP owning, oilfield services companies to further develop our integrated offering and tech ecosystem.

One of our most significant operational milestones this year has been the successful integration of 23 new rigs into operations, leading to 142 rigs at the end of the year. The Company is targeting to reach at least 148 rigs by 2026 in support of ADNOC's 5 million barrels/day (mbpd) goal by 2027 and at least 151 by 2028. Even as we added a record number of rigs, we maintained rig availability of 96%, ensuring we met customer demand and delivered strong margins.

We implemented integrated drilling services (IDS) on 57 rigs, a 19% increase on the 48 we achieved in 2023. Moreover, we performed discrete services on a further 48 rigs.

Overall, ADNOC Drilling drilled 676 wells, including a record-breaking 53,000-foot well from an artificial offshore island rig.

At the same time, we continued to deliver an industry leading EBITDA margin of 50% for the year, in part through sustained performance improvements, leading to efficiencies. This has been facilitated by a team of drilling performance engineers working across our operations to drive cost efficiencies by leveraging global best practice, as well as our scale and geographic density in the UAE, to implement improvements such as better allocation of resources, including people, equipment and support services.

During the year, we made notable progress in expanding our regional presence and growing our drilling and oilfield services activities beyond the UAE, with a contract extension in Jordan and successful prequalification in the region (e.g. Kuwait).

Moreover, we are creating new growth opportunities from the execution of our Enersol joint venture with Alpha Dhabi and its initial investments into four leading international energy technology companies. Out of the four companies, three have been effectively acquired (Gordon Technologies, EV and NTS Amega Global) as the respective transactions have been closed, while the remaining transaction has been signed and was undergoing regulatory approval at the end of 2024. Enersol's expansion is geographic, with a footprint from these acquisitions now in 44 countries, but also capability-driven, as it deepens our IP and services expertise with the acquisition of more than 140 patents.

This continued progress in regional expansion, growth in our technology-driven oilfield services portfolio, and launch into unconventional drilling provides a strong basis for future growth.

We achieved all this, while further enhancing our high health, safety and environment (HSE) goals by achieving a lower total recordable incident rate (TRIR) than our target by more than 27%. For the year, we achieved a frequency of 0.46, compared to a target of 0.63, and a lost-time injury frequency (LTIF) of 0.22, versus a target of 0.20.

For 2025, the focus will be on continuing to build on the strong momentum established this year. We will ramp up our operations in unconventionals, expand our fleet of IDS rigs, further bolster our Oilfield Services offerings by incorporating the technologies acquired through Enersol, and expand our operations beyond the UAE. Across the businesses, we will leverage economies of scale, the introduction of artificial intelligence (AI) and other new technology efficiencies, while targeting further improvements of performance and delivery to our customers.

Sustainability

For the year, ADNOC Drilling GHG abatement was set at 26.4 ktons of carbon dioxide equivalent (KtCO2e), which was surpassed by achieving an outcome of 38.7 ktCO2e.

In terms of energy efficiency, the goal for 2024 was to achieve an energy intensity of 2,565 gigajoules per million dollars of revenue (GJ/$M), a target that was successfully met.

During the year, we have completed the integration of our 16 hybrid land rigs, and connected one camp to the grid, which reduces its need for diesel generators. Additionally, we have successfully completed the installation of a solar photovoltaic system at one mobile camp, and one auxiliary system for a land rig. All of the new build hybrid land rigs are equipped with battery electric storage systems and grid connections. Using advanced software, the rigs monitor and optimize the energy intensity of operations, with the goal of delivering a reduction in energy consumption.

In addition, we are working across our operations to enhance operational efficiencies that reduce energy consumption. Through strategic acquisitions and technology integration, Enersol has established itself as an AI, technology-focused, oilfield services investment platform, strengthening our capabilities, allowing us to implement innovative solutions that enhance efficiency and reduce our environmental footprint. For example, by integrating advanced measurement-while-drilling and visual diagnostics, its portfolio companies can support improving operational performance, minimize downtime, and support autonomous well construction, ultimately lowering the carbon footprint and advancing sustainability in the energy sector.

ONSHORE OPERATIONS

Fleet and performance growth

In 2024, ADNOC Drilling's Onshore Division achieved record growth and new levels of operational excellence, reinforcing its position as a critical driver of the Company's success. Highlights included the safe and efficient integration of several land rigs into operations as part of expanding capacity to meet ADNOC's growing production of conventional and unconventional oil and gas.

Our focus on cost efficiency and performance optimization has yielded impressive results in operational metrics and financial performance. The segment's achievements in integrating new technologies, including advanced automation and digital solutions, underscore our commitment to futureproofing our business and maintaining our competitive edge in the evolving energy landscape.

ADNOC Drilling added 11 land rigs to the fleet during the year, bringing the total onshore fleet count to 95 rigs.

By quarter 4, 2024, eight rigs were drilling unconventional wells, including GW-178, which delivered the fastest unconventional oil well in 15.9 days. The first well at the start of the campaign was delivered in 43 days. By the end of 2024, several wells had been drilled out of the total contract for 144 oil and gas wells.

Performance

Despite the significant additions to the onshore rig fleet during 2024, we have seamlessly integrated them into our operations, delivering 558 wells, powered by a significant increase in drilled wells during the second half of the year as more conventional and unconventional rigs came online.

As we harness our scale and geographic rig concentration in Abu Dhabi, we have focused on optimizing rig moves as part of a broader efficiency drive that has also achieved low non-productive time (NPT) and improvements in rig availability.

For the year, NPT was below 1%, a remarkable result given the significant growth in our operations in the year.

In 2024 we re-engineered our rig move activities, which is expected to decrease future rig move duration and increase resource optimization. During the year we registered an industry-leading 96% in rig availability, surpassing 2023.

Onshore Drilling's exceptional performance is built on a series of continuous accomplishments in conventional and unconventional operations. Examples include AD-217* drilling the longest lateral section in unconventional oil with a 6,000-foot interval, nearly twice as long as the previous record of 3,300 feet, and GW-178 delivering the fastest unconventional oil well in 15.9 days. On the conventional side, AD-138 successfully implemented the first casing while drilling (CWD) operation at the Qusahwira onshore oil field.

Beyond the UAE borders, AD-137 completed three wells in Jordan in 2024, including 2 Drilling and 1 Work Over wells drilled as part of a contract extension that will see the rig remain in Jordan into 2025.

These strong operational results reflect our commitment to being a leader in the drilling and oilfield services sectors by consistently exceeding customer expectations and demonstrating best practice onshore and offshore, in both conventional and unconventional oil and gas.

In alignment with ADNOC's sustainability goals, we successfully installed solar mobile power on AD-51 in July and completed the first solar installation for an ADNOC Drilling camp at AD-122. Additionally, Madinat Zayed central camp was connected to the national grid, significantly limiting the need for diesel generators. 3 more camps (Tarif, Habshan and Bu Hasa central camps) are planned for connection to the national grid in 2025.

Financial results

Revenue for the year was $1,893 million, a significant 27% increase from the $1,495 million in 2023, largely driven by the addition of new rigs and the initial contribution from unconventional. EBITDA was $927 million, increasing 28% year on year leading to EBITDA margin expansion at 49%.

* 'AD' stands for 'ADNOC Drilling' and represents the names of the rigs

2025 outlook

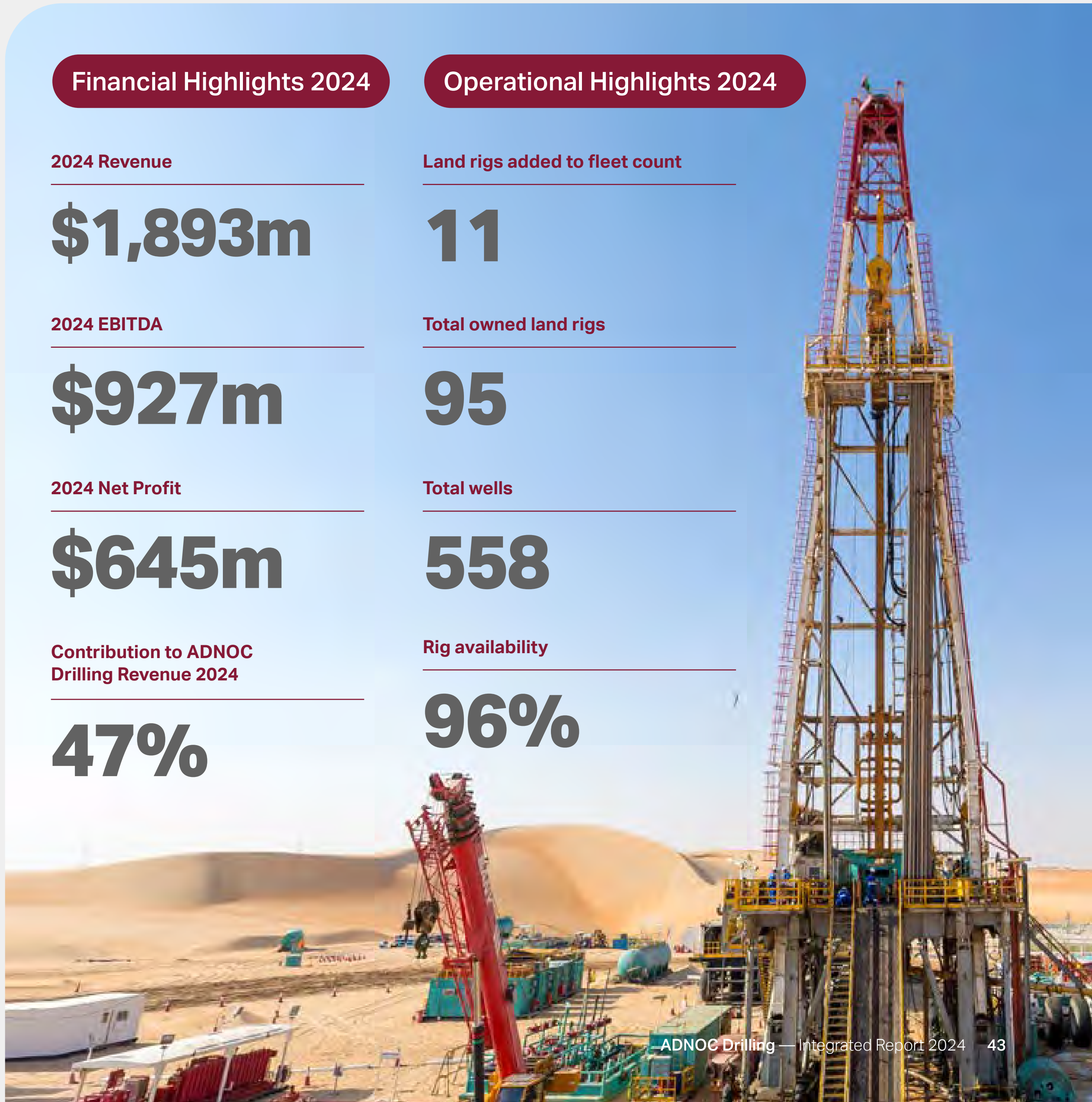
Looking ahead, we anticipate continuing to progress on the unconventional drilling program.

HSE will continue to be a priority. We will again work to exceed our energy intensity and greenhouse gas reduction goals, by continuing to make all new build rigs hybrid. We also look to expand grid connectivity and to deploy more solar photovoltaic systems across our operations.

To drive operational gains, we will target further improvements in key metrics, including the total recordable incident rate (TRIR), invisible lost time (ILT) and NPT occurrences. We will also continue a program to reduce major maintenance outages. By identifying causes and sharing best practices on how to improve these metrics, we can improve productivity, performance and quality, which will accrue to our clients and our shareholders.

Moreover, we will make further progress on our technology roadmap for land rigs by turning to artificial intelligence (AI), data analytics and new technologies to enhance operational capabilities and HSE performance.

And finally, we will build on our successes in cost optimization over the past several years in 2025 and explore additional mechanisms to leverage our economies of scale, deployment of AI, efficiency improvements, safety and quality.



Financial Highlights 2024

2024 Revenue

$1,893m

2024 EBITDA

$927m

2024 Net Profit

$645m

Contribution to ADNOC Drilling Revenue 2024

47%

Operational Highlights 2024

Land rigs added to fleet count

11

Total owned land rigs

95

Total wells

558

Rig availability

96%

OFFSHORE JACK-UP OPERATIONS

New rigs, higher margins

In 2024, ADNOC Drilling's Jack-up Division demonstrated strong performance, contributing significantly to the Company's top line and bottom-line results, driven by the full-year contribution of jack-ups added to the fleet and which entered operations at the end of 2023 and early 2024. This high-margin business continued to generate substantial value, supporting major projects and contributing materially to the Company's overall financial performance.

The segment's growth aligns with ADNOC Drilling's overarching strategy of increasing production capacity while maintaining a focus on operational efficiency and technological advancement.

ADNOC Drilling added two jack-up rigs in December, bringing the total offshore jack-up fleet count to 37 rigs.

Performance
Jack-up Drilling's 2024 accomplishments reflect the intersection of operational excellence and safety. Both our jack-up rig availability and well delivery exceeded plan. We also set records in the drilling industry. For example, we successfully drilled and completed the longest 6-inch lateral maximum reservoir contact (MRC) well.

Meanwhile, our strong HSE performance was seen in the multiple safety milestones we achieved during 2024. For example, Rig Al Hail completed 17 years without a Lost Time Injury (LTI), and Rig Makasib completed 12 years without an LTI. Meanwhile, Rigs Ghallan and Muhaiyimat both surpassed 11 years each without an LTI.

Financial results
Jack-up Drilling revenue for 2024 was $1,116 million, up 40% from the $800 million achieved in the prior year, due to higher activity from rigs entered into operations. EBITDA was significantly higher, reaching $768 million on revenue growth and higher operational efficiency, increasing by 51% and leading to a margin expansion to 69%.

2025 outlook
After the addition of Rigs Al Jurf and Dana to the owned jack-up fleet in the fourth quarter, a top priority will be to fully integrate them into the operations. More broadly, we see 2025 as an opportunity to leverage the economies of scale of our jack-up fleet to drive operational efficiencies and provide a better quality of service to our customers. Furthermore, we will assess key metrics, such as major maintenance outages and non-productive time, as we look to bring even greater efficiencies to the fleet.

Financial Highlights 2024

2024 Revenue
$1,116m

Contribution to ADNOC Drilling Revenue 2024
28%

2024 EBITDA
$768m

2024 Net Profit
$463m

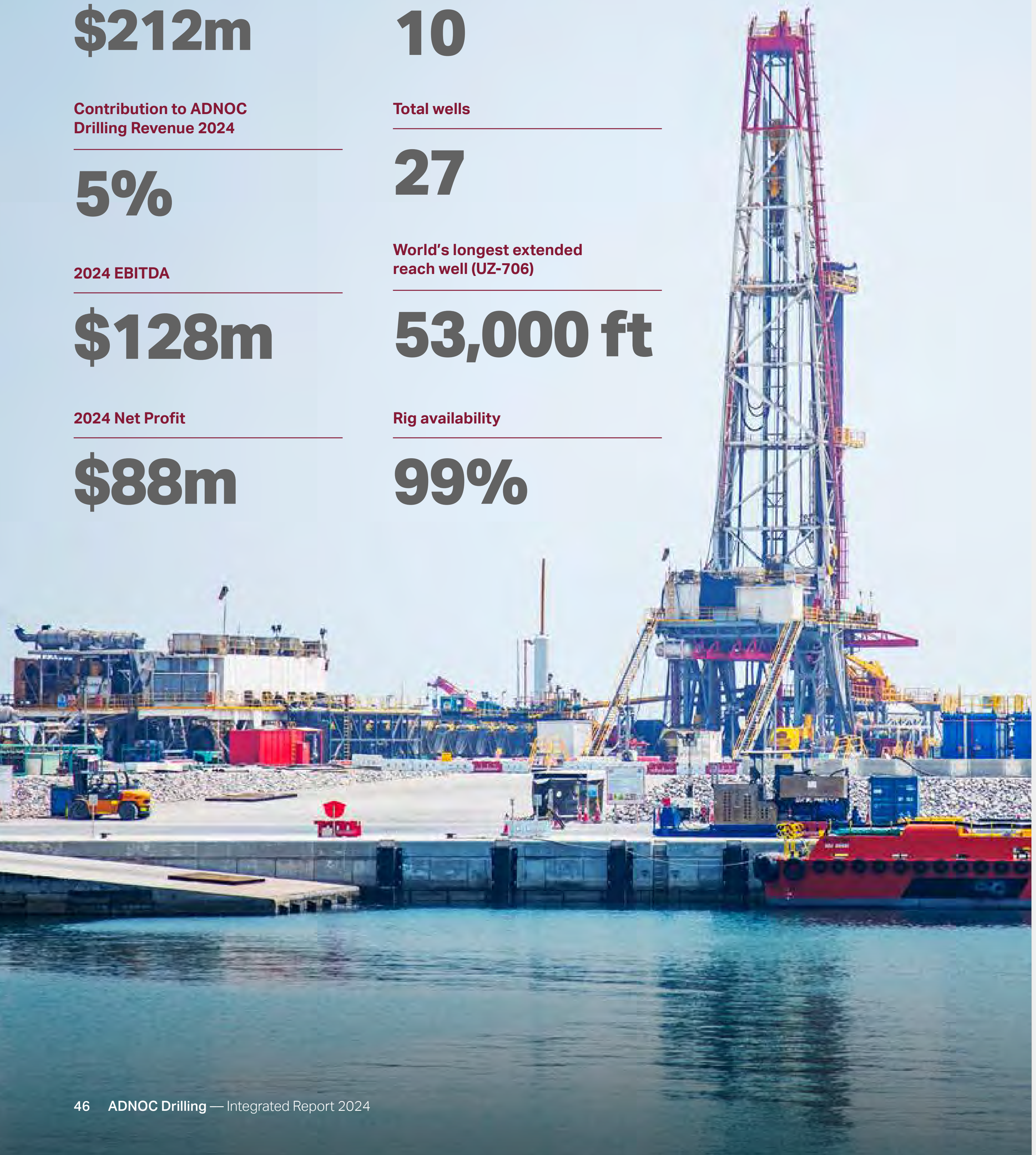
Operational Highlights 2024

Jack-ups added to fleet count
2

Total owned Jack-ups
37

Total wells
91

Rig availability
96%



Financial Highlights 2024

2024 Revenue

$212m

Contribution to ADNOC Drilling Revenue 2024

5%

2024 EBITDA

$128m

2024 Net Profit

$88m

Operational Highlights 2024

Total island rigs

10

Total wells

27

World's longest extended reach well (UZ-706)

53,000 ft

Rig availability

99%

OFFSHORE ISLAND OPERATIONS

Another record

For the second year in a row, Island Drilling delivered a record-breaking well, while broadly stable operations continued to produce high-margin results.

During 2024, we demonstrated our leadership in extended reach drilling (ERD), with AD-68, located on Umm-Al Anbar Island, drilling the longest well in the world, with a total length of 53,000 feet. Through such achievements, our drilling engineering capabilities help clients more cost effectively access their hydrocarbon resources.

In July, we received an order for three new island rigs, with delivery beginning in 2026. These are expected to support the growing operations at the offshore Zakum field. The new rigs will incorporate next-generation automation and AI compatibility to leverage real-time condition, performance and utilization data to generate insights that enhance rig performance and increase efficiency, leading to improvements in safety and well delivery times.

Performance

Reflecting Island Drilling's continued development of capabilities and efficiencies, during the year, AD-66 drilled 4,590 feet in a 24-hour period, the ninth longest result achieved in the history of Upper Zakum operations. Reflecting the intersection of quality and safety at ADNOC Drilling, this rig surpassed two years of injury-free operations during 2024.

AD-66 achieved a new record in 8½ inch section drilling footage, reaching 5,000 feet in 24 hours against the previous record of 4,564 feet. Additionally, AD-69 successfully drilled the longest 12¼ inch section from Al Ghallan Island, reaching a total depth of 17,537 feet.

Financial results

Offshore Island revenue for the year reached $212 million, a 1% increase from the $209 million registered in the prior year.

EBITDA decreased by 4% for the year mainly due to higher reactivation costs, leading to 60% EBITDA margin.

2025 outlook

Offshore Island Drilling will prepare for the addition of three new rigs beginning in 2026 by looking to implement further performance and HSE gains across its operations. Optimizing our new system for assessing NPT, we will drive further operational efficiencies by analysing insights and implementing those enhancements across the business.

Building on our efforts in 2024, we will continue progressing the technology roadmap developed during the year, operationalizing the recommendations when it comes to AI and other advanced technologies. Leveraging our strong HSE track record, we will examine opportunities to make further improvements.

OILFIELD SERVICES

New horizons

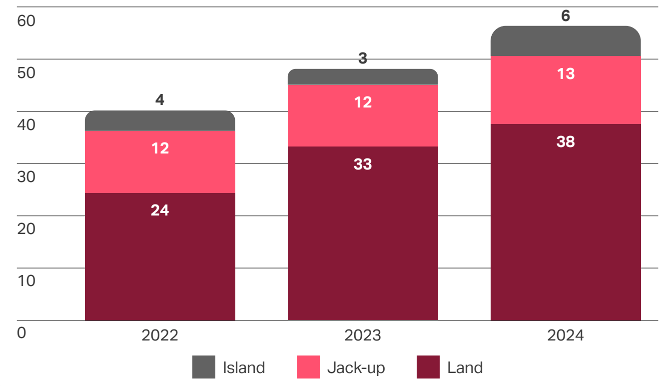
In 2024, ADNOC Drilling's Oilfield Services (OFS) demonstrated remarkable growth in activity, capabilities and reach.

OFS significantly increased its Integrated Drilling Services (IDS) and discrete services offerings to successfully capture a larger market share, while international expansion progressed through the Enersol joint venture, which has operations globally through its investments.

OFS began operations for the unconventional development, solidifying our leadership in a field that remains a strategic priority for ADNOC and will play an important role not only in achieving UAE gas independence but also in providing a fuel that will be key to the energy transition.

At the end of 2024, OFS operated IDS on 57 rigs versus 48 in 2023 and performed one or more discrete services on 48 additional rigs. For the year, OFS saw a 20% overall improvement in IDS drilling efficiency, versus the 2023 benchmark. As at year-end, efficient operations have resulted in cumulative savings of $421 million to ADNOC operating companies since inception in 2019.

IDS Rig Count increased to 57 Rigs



Performance

Reflecting the incorporation of advanced technologies and enhanced efficiencies during 2024, OFS saw AD-120 achieve a "best-of-the-best" rate of penetration (ROP) of 79.02 feet/hour in a 12-inch hole section in Asab field. We also successfully drilled the longest 80-inch section (7,207 feet) in the Bu-Hasa field and then used new technologies to run and cement a 7-inch liner.

Al Hudairiyat jack-up rig, performing batch drilling, achieved the fastest ROP while drilling an 80-inch hole to a depth of 25,100 feet with a standalone bottom hole assembly using a rotary steerable system.

Enersol

Announced in late 2023, Enersol was formally established in January 2024 as a joint venture between ADNOC Drilling and Alpha Dhabi Holding PJSC to invest up to $1.5 billion in innovative technology-enabled companies in the oilfield services and energy sectors. During the year, Enersol announced four acquisitions of leading international energy technology companies. This represents a cumulative allocation of around $800 million, over half of the JV's committed amount. Three companies have already been acquired, as the respective transactions have closed, while one of them has been signed and at the end of 2024 was undergoing regulatory approval.

Through these, and future, investments, Enersol is building a scalable, digital, AI and advanced technologies portfolio that will enhance market value and improve operational efficiencies by further developing ADNOC Drilling's integrated offerings and tech ecosystem.

The next-generation technology portfolio presents Enersol, and OFS more broadly, with an additional avenue for growth across untapped markets, as well as in our domestic market, including by supporting Turnwell's unconventional drilling operations in Phase 1 and a potentially larger Phase 2.

Turnwell Industries

In September, ADNOC Drilling announced the creation of Turnwell Industries, a joint venture with global oilfield services firms SLB and Patterson-UTI. The creation of Turnwell and the awarding earlier in the year of the 144-well unconventional drilling contract, signal a transformational moment for ADNOC Drilling. Accessing these energy resources will potentially require thousands of additional wells.

With operations having launched in the second half of 2024, Turnwell had already made significant progress by the end of the year with the efficient start-up of operations and drilling of the first wells of the Phase 1 program. This progress could pave the way for a Phase 2 potentially requiring thousands of wells over several years.

HSE excellence

For the second consecutive year, OFS recorded improvements in HSE performance, reflecting the impact of ADNOC Drilling's HSE Academy and the focus on HSE within the business. As a result, in 2024, our total recordable incident rate (TRIR) was zero versus the 0.6 target for 2024, and a significant improvement on the 0.5 achieved in 2023.

Financial results

In 2024, we generated revenue of $813 million, an increase of 47% over the $553 million from the prior year. The annual growth was driven by higher revenue through higher IDS rig activity (e.g. drilling and completion fluids, wireline services, cementing, directional drilling), the provision of discrete services and revenue from unconventional.

For the year, EBITDA increased 67% to $192 million, up from $115 million in 2023, mainly driven by higher revenues.

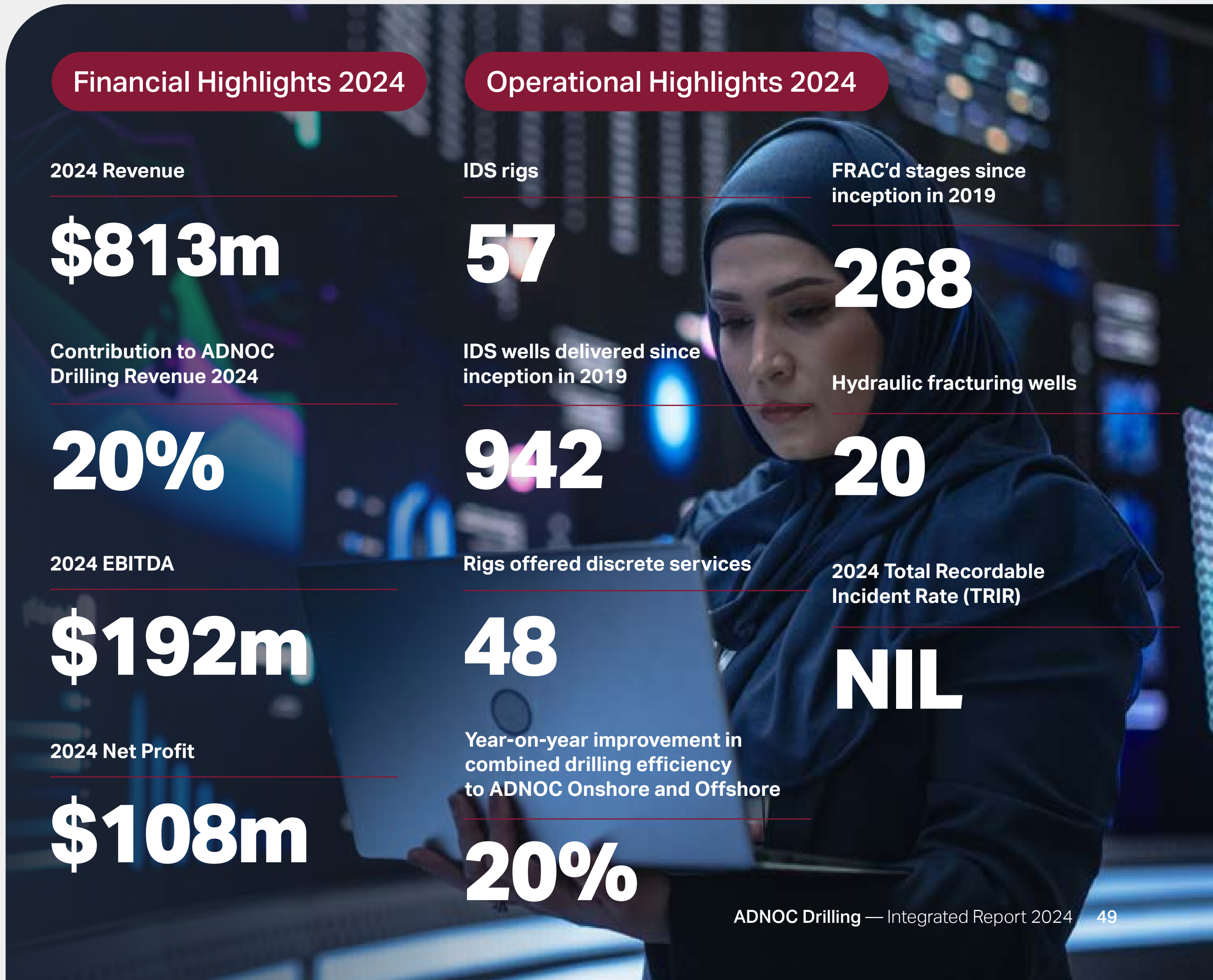
2025 outlook

Oilfield Services has a number of priorities for 2025 and beyond. These include further increasing our market share by outperforming its competitors on performance and cost metrics, in part by integrating and leveraging Enersol's vast portfolio of tech-enabled service capabilities. Through continued expansion of our technology portfolio, we are moving toward our goal of becoming a lump-sum turnkey provider of comprehensive drilling and associated services.

We are looking to expand regionally, building on our success in Jordan and our pre-qualifications in the region (e.g. Kuwait). While performing IDS on a growing share of rigs, we are also looking to increase the number of rigs offering discrete services, a new metric to drive OFS business growth.

Finally, we will support the ongoing rapid improvement in Turnwell's operations towards completion of the 144 wells. This goal will be supported by Turnwell's adoption of batch drilling, a method that improves efficiency and reduces costs, and by incorporating the technologies of Enersol companies. Examples include Gordon Technologies' Measurement While Drilling (MWD) technology, a solution that reduces drilling time, improves well-bore quality, and increases overall drilling efficiency.

As our business and operations expand, OFS will remain committed to the highest HSE standards across all its operations and to further expanding its technological and operational leadership as one of the highest performing and most cost-competitive oilfield services providers in the region and internationally.



ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

Corporate Governance

Sustainability at ADNOC Drilling

Managing our Environmental Impact

Managing our Social Impact

CORPORATE GOVERNANCE

In this section

Our Corporate Governance Overview

On behalf of the Board of Directors ("Board") of ADNOC Drilling Company P.J.S.C ("ADNOC Drilling" or "The Company"), we are pleased to present the 2024 Corporate Governance Report ("Report"). This Report has been prepared in compliance with the requirement of the Securities and Commodities Authority, ("SCA") as set out in SCA Chairman's Decision No. 3 of 2020 on the Joint Stock Companies Governance Guide and its amendments published under Decision No. (2/RM) of 2024 (the "Governance Guide").

This Report offers an overview of ADNOC Drilling's corporate governance related information and procedures as of December 31, 2024. It has been submitted to the SCA and made available on both the Abu Dhabi Stock Exchange ("ADX") website and the Company's official website.

Our approach towards Corporate Governance

ADNOC Drilling's approach towards Corporate Governance ensures transparency in its affairs, the effective functioning of Executive Management and the Board, and accountability toward its stakeholders. We are committed to adhering to sound principles of corporate governance and aim to create sustainable value for shareholders while fulfilling social obligations and complying with regulatory requirements.

We are committed to establishing a governance framework that is compliant with all corporate governance requirements applicable to public joint stock companies in the UAE while also adhering to international best practices. Below is a summary of some key policies under which we operate.

Corporate Governance Framework
Our Corporate Governance Framework provides clear guidance on: (a) ADNOC Drilling's corporate governance structure and the interface between ADNOC Drilling and its stakeholders; (b) the authorities and decision-making mechanisms within ADNOC Drilling and between its stakeholders; and (c) the role and responsibilities of ADNOC Drilling's corporate governance Division.

Code of Conduct
Our Code of Conduct demonstrates ADNOC Drilling's commitment to compliance and ethical behavior in all that it does. Our Code of Conduct sets out the minimum standard of conduct that we expect from anyone working for or on behalf of ADNOC Drilling; and (b) provides a set of basic rules and standards that are designed to ensure that our business is conducted in an ethical and compliant manner and in accordance with our core values.

Dividend Policy
ADNOC Drilling's ability to pay dividends is dependent on several factors, including the availability of distributable reserves, capital expenditure plans and other cash requirements in future periods. Any level or payment of dividends will depend on, among other things, future profits and the business plan of the Company, at the discretion of the Board and ultimately shareholder approvals.

A new, progressive dividend policy was approved at the Company's General Assembly Meeting on June 24, 2024. According to the new policy, dividends are expected to grow by at least 10% per annum on a dividend per share basis over the next five years (2024-2028). Furthermore, the Board, at its discretion, may approve additional dividends over and above the progressive dividend policy after considering free cash flow and accretive growth opportunities. As per the policy, dividends are expected to be paid semi-annually with a final dividend distributed to shareholders in the first half and the payment of the interim dividend in the second half of each fiscal year.

Inside Information and Insider Dealing Standard
The requirement to have fair and transparent dealings in our securities is of paramount importance to us and we take a zero-tolerance approach to insider dealing. Accordingly, we have implemented an Inside Information and Insider Dealing Standard to ensure that the obligations and responsibilities with respect to dealings in our securities are clearly defined.

Related Party Transactions Standard
Our Related Party Transactions Standard is designed to ensure that:

a. Related Party Transactions are conducted on arm's length terms;

b. the Board and Executive Management are aware of the steps required to approve Related Party Transactions; and

c. a legitimate business case supports the related party transactions, including its arm's length nature. In accordance with this policy, we may not enter into a Related Party Transaction unless:

   i. The Board has approved the transaction, where the value of the transaction between the Company and a Related Party does not exceed 5% of the Company's capital; or

   ii. the General Assembly of the Company has approved the transaction, where the value of the transaction between the Company and a Related Party exceeds 5% of the Company's capital.

However, for so long as ADNOC owns more than 50% of our shares, we may not enter into transactions with ADNOC or other ADNOC group companies unless such transactions have been approved by our Board, including a majority of the Independent Members of the Board, subject to applicable exemptions and certain thresholds under our delegation of authority matrix.

Refer to the section on Related Party Transactions in this Report for more information.

Anti-Bribery and Anti-Corruption Standard
We are committed to doing business lawfully, ethically and with integrity, and we expect all our employees and representatives to act accordingly. Consistent with this commitment, we take a zero-tolerance approach to fraud, bribery, and all other forms of corruption. Our Anti-Bribery and Anti-Corruption Standard sets out our requirements to ensure that none of our employees or representatives engage in any of these activities.

Compliance Investigations Standard
Our commitment to operating with integrity includes investigating, where necessary, allegations of ethical misconduct. Our Compliance Investigations Standard and supporting procedures set out our approach to investigations relating to alleged violation of: (a) ethical business practices; (b) integrity in our interactions and arrangements with third parties; and (c) applicable laws, regulations, policies, and procedures relating to ethical business practices and integrity. This standard requires all our personnel to cooperate fully and truthfully with all investigations and avoid engaging in certain activities that may hinder or interfere with an investigation.

Conflict of Interests Standard
We understand that our employees will engage in legitimate social, financial and business activities outside the scope of their work for the Company. Our Conflict of Interests Standard sets out the requirements for the avoidance and management of conflicts of interests that may arise because of these other activities, including the avoidance of situations that have the appearance of a conflict of interests. Under this standard, conflicts of interests must be promptly disclosed so that the appropriate course of action can be taken to protect ADNOC Drilling's interests.

Whistleblowing and Non-Retaliation Standard
Having an open, honest and transparent culture supports our commitment to integrity. Our Whistleblowing and Non-Retaliation Standard encourages our employees to report concerns about potential violations of applicable laws, standards or procedures and unethical behavior in connection with our business by ensuring confidentiality and by protecting good faith whistleblowers from any form of retaliation.

Information Disclosure and Transparency Standard
Our Information Disclosure and Transparency Standard is designed to ensure that the Board and Executive Management are aware of the required steps and time frames to disclose material information that could affect the price of the Company's securities in accordance with all applicable regulatory disclosure requirements.

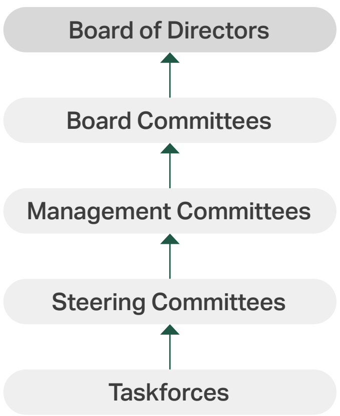
Gender Diversity Standard
We are committed to advancing gender diversity and equality across the organization and are continuing our efforts to recruit more women across our business. We are also developing initiatives designed to advance women's career growth across the Company and have created a Gender Diversity Standard to support our actions. The Company intends to continue its efforts to provide female employees access to necessary training and development to help them achieve their full potential, in line with the standards of high performance we expect from all our employees – both men and women alike.

Board Evaluation Standard
The Board Evaluation Standard has been developed to establish the procedures and criteria for evaluating the performance of the Board, Board Committees, the Chairman and individual Directors. The evaluation process supports the commitment of ADNOC Drilling to improving the overall performance and effectiveness of the Board and Board Committees, to maximize its strengths and take corrective actions where necessary.

Our Governance Structure

We have established a comprehensive corporate governance structure to ensure accountability, transparency, and alignment with our strategic objectives. At the apex of this framework is the Board, entrusted with oversight responsibilities, and assurance of compliance with all applicable legal and regulatory requirements. Supporting the Board are the Board Committees which include the Board Executive Committee, Audit Committee, and Nomination & Remuneration Committee, who focus on critical governance areas and facilitate informed decision-making. Subordinate to the Board Committees are the Management, and Steering Committees, overseeing the execution of strategic initiatives, operational performance and specific projects. The Taskforces are constituted to address specialized or time sensitive challenges.

Governance structure



Recognitions received during 2024

i. ADNOC Drilling's Inclusion in FTSE Russell's globally recognized Indices

ADNOC Drilling has been included in three of Financial Times Stock Exchange (FTSE) Russell's globally recognized indices including the FTSE Emerging Index, FTSE Global Large Cap Index and FTSE All-World Index. Furthermore, in the first quarter of 2023, ADNOC Drilling was also included as an inaugural member of the FTSE ADX 15 (FADX15). The index is uniquely designed by ADX and FTSE Russell to track the performance of the most liquid and largest companies on the ADX main market.

Further, ADNOC Drilling has also been included to the FADX15 Islamic Index (FADXI15) on October 29, 2024. The FADXI15 is a benchmark launched by FTSE Russell, in collaboration with the ADX. This index is designed to cater to the growing demand for Shariah-compliant investment products, offering investors access to a selection of high-performing companies listed on the ADX that adhere to Shariah compliance standards.

ii. ADNOC Drilling's inclusion in MSCI's flagship Indices

On August 13, 2024, ADNOC Drilling announced that its stock has been selected for inclusion in prestigious MSCI Indexes. ADNOC Drilling has been included in the MSCI indexes including MSCI EM, and MSCI UAE becoming the 12th member of MSCI UAE index. The index inclusion followed the successful sale by ADNOC of 880 million shares of ADNOC Drilling representing 5.5 % of its share capital. Inclusion in MSCI indexes provides greater visibility among global investors and is expected to boost liquidity, given the passive inflows as well as potential appetite from active institutional investors tracking MSCI indexes.

Board of Directors

The Board consists of seven members, chaired by H.E. Dr. Sultan Ahmed Al Jaber. The Board plays a pivotal role in upholding Corporate Governance norms and ensuring fairness in decision making. The Board has overall responsibility for the management of the Company. This includes setting the Company's strategic objectives and overseeing their implementation, establishing the governance framework, and guiding corporate culture.

Pursuant to our Articles of Association, every Director shall hold his/her position for a term of three years, after which a Director may be elected to a successive term or terms. During the Annual General Assembly ("AGA") meeting held on March 13, 2024, the shareholders approved the appointment of seven Directors for a term of three years, in accordance with the provisions of the Articles of Association. All Directors are Independent Non-Executive Directors as defined by the Governance Guide and subject to the exemption granted by SCA dated March 04, 2024 regarding paragraphs 1 and 9 of Article 19.

The table below summarizes the details of ADNOC Drilling's Board during Financial Year 2024.

Name	Board Role	Date of first Appointment	Date of Cessation
H.E. Dr. Sultan Ahmed Al Jaber[1]	Chairman	September 5, 2021	-
Abdulmunim Saif Al Kindy[2]	Vice Chairman	September 5, 2021	-
Mohamed Saif Al Aryani[3]	Member	September 5, 2021	-
Musabbeh Helal Al Kaabi	Member	March 13, 2024	-
Khaled Mohammed Al Zaabi	Member	March 13, 2024	-
H.E. Dr. Abdulla Humaid Al Jarwan	Member	March 13, 2024	-
Katherine Wallgren	Member	March 13, 2024	-
Yaser Al Mazrouei	Member	September 5, 2021	March 13, 2024
H.E. Ahmed Jasim Al Zaabi	Member	September 5, 2021	March 13, 2024
Muna Al Mheiri	Member	September 5, 2021	March 13, 2024
H.E. Omar Suwaina Al Suwaidi	Member	September 5, 2021	March 13, 2024

[1] H.E. Dr. Sultan Ahmed Al Jaber was appointed as the Chairman on March 13, 2024, for a second consecutive term of three years.
[2] Abdulmunim Saif Al Kindy was appointed as the Vice Chairman on March 13, 2024, for a second consecutive term of three years.
[3] Mohamed Saif Al Aryani was appointed as Director on March 13, 2024, for a second consecutive term of three years.

BOARD OF DIRECTORS

H.E. Dr. Sultan Ahmed Al Jaber

Chairman

H.E. Dr. Sultan Ahmed Al Jaber has been serving as Minister of Industry and Advanced Technology since July 2020, as the UAE's special climate envoy since November 2020, as a member of Abu Dhabi Supreme Council for Financial and Economic Affairs since December 2020, as Minister of State of the UAE Cabinet from March 2013 to July 2020, as Chairman of the National Media Council from 2016 to July 2020, as Group Chief Executive Officer of ADNOC since February 2016 and additionally Managing Director of ADNOC since February 2021. From January 2014 to February 2016, he served as Chief Executive Officer, Energy, of Mubadala Development Company.

H.E. Dr. Al Jaber is also Chairman of several ADNOC Group companies, Chairman of Masdar, Chairman of Emirates Development Bank, Chairman of FAB Misr and Chairman of the Board of Trustees of Mohammed bin Zayed University of Artificial Intelligence, as well as a member of the Board of Directors of Advanced Technology Research Council, Mubadala Investment Company, Emirates Global Aluminum, Emirates Investment Authority and First Abu Dhabi Bank.

H.E. Dr. Al Jaber holds a PhD in business and economics from Coventry University in the United Kingdom, an MBA from the California State University, and a Bachelor in Chemical Engineering from the University of Southern California, USA.

Abdulmunim Saif Al Kindy

Vice Chairman

Chairman of Board Executive Committee

Abdulmunim Saif Al Kindy joined ADNOC in 1975 and served in various executive roles including as chairman and member of numerous ADNOC subsidiary boards and committees until his retirement in December 2024. Since January 2025, Al Kindy serves as Executive Advisor, ADNOC Managing Director & GCEO's office. He previously held the position of Executive Director, Upstream, from 2016 to early 2020, and from 2022 until the beginning of 2025. From 2020 to 2022, he served as Executive Director of People, Technology & Corporate Support Business. Further, from 2006 to 2016, he was the CEO of ADNOC Onshore.

Educated in the UAE and the UK, Al Kindy graduated in Mechanical Engineering in 1982 and holds an MBA from Brunel University and Henley Management College.

Musabbeh Helal Al Kaabi

Director

Chairman of Nomination and Remuneration Committee

Musabbeh Al Kaabi is the Chief Executive Officer of Upstream at ADNOC, overlooking many of ADNOC's assets including ADNOC Onshore, ADNOC Offshore and ADNOC Drilling. Prior to assuming his current role in January 2025, Al Kaabi was ADNOC's Executive Director, Low Carbon Solutions and International Growth Directorate. With over 27 years of experience in the energy sector and a background in exploration and production, Musabbeh Al Kaabi is well-positioned to drive continued success and value creation as he leads the business forward.

Al Kaabi serves as a Board member of Masdar, Tabreed, ADNOC Gas, ADNOC Drilling and Environment Agency – Abu Dhabi. In the past, he has served on the Boards of several leading organizations including Mubadala Energy, First Abu Dhabi Bank, Dolphin Energy, Al Yah Satellite Communications Company (Yahsat), Emirates Global Aluminum, Borealis, Cepsa, NOVA Chemicals and Cleveland Clinic Abu Dhabi.

Al Kaabi holds a Bachelor of Science degree in Geophysical Engineering from Colorado School of Mines and a Master of Sciences degree in Geoscience from Imperial College, London.

Khaled Mohammed Al Zaabi

Director

Khaled Mohamed Abdulla Alalkeem Al Zaabi is the Group Chief Financial Officer of ADNOC. Al Zaabi oversees the comprehensive financial strategy, investments, planning, performance, operational efficiency, treasury, risk management, and strategic partnerships.

Al Zaabi serves as a Board member of many domestic and international entities, including OMV, ADNOC Distribution, ADNOC Drilling, ADNOC Gas, ADNOC Logistics & Services, Borouge and ADNOC Refining. Previously, he held the position of Senior Vice President of the Financial Planning, Reporting, and Group Performance Management Department at ADNOC from February 2021 to December 2021. Before that, he served as Senior Vice President of the Financial Planning, Budgeting, and Reporting Department at ADNOC from January 2020 to January 2021. He led the execution of accounting and statutory reporting activities which support the realization of business objectives and ensure compliance.

Al Zaabi holds a Bachelor's degree in Finance from Deakin University, Australia.

H.E. Dr. Abdulla Humaid Al Jarwan

Director

Member of Board Executive Committee

Member of Nomination and Remuneration Committee

H.E. Dr. Abdulla Al Jarwan serves as the Chairman of the Abu Dhabi Department of Energy (DoE) and is a member of the Abu Dhabi Executive Council. Prior to his current role, H.E. Dr. Al Jarwan has made significant contributions at ADNOC as the Director of the Executive Office. In this capacity, he provided strategic guidance to the ADNOC Managing Director and Group CEO, and the Executive Leadership Team, spearheading groundbreaking initiatives that elevated ADNOC's global standing. H.E.'s expertise was instrumental on the Board of Directors for ADNOC Drilling and ADNOC Logistics and Services, where he played a key role in driving the companies' growth plans and ensuring maximum value generation.

H.E. Dr. Al Jarwan holds a Doctorate in Business Administration (DBA) with a specialization in Mergers & Acquisitions (M&A) from United Arab Emirates University. He also holds a Master of Science (MSc) in Petroleum Engineering from Khalifa University and a Bachelor of Science (BSc) in Petroleum Engineering from Khalifa University. Additionally, he has completed a Senior Executives Leadership Program in Business Administration and Management from the London School of Economics.

Katherine Wallgren

Director

Member of Audit Committee

Member of Nomination and Remuneration Committee

Katherine Wallgren has more than two decades of industry experience, with technical expertise spanning Drilling, Production and Reservoir Engineering. Wallgren is the Manager of Asset Development, Offshore, at Occidental, an international energy company headquartered in the United States, where she is responsible for the company's assets in the Western Gulf of Mexico. Prior to her current role, Wallgren held various leadership positions within Occidental's international operations, including Project Director in Colombia and Leader of Reservoir Management in Qatar.

Wallgren is a U.S. citizen and holds a Bachelor's degree in Petroleum Engineering from the University of Tulsa.

Mohamed Saif Al Aryani

Director

Chairman of Audit Committee

Member of Board Executive Committee

Mohamed Saif Al Aryani is President, International Growth at XRG, an ADNOC subsidiary. He was previously Executive Vice President, International Growth at ADNOC where he was responsible for developing and implementing strategies for ADNOC's international growth and overseeing the company's expansion in various key regions. Al Aryani also served as the Senior Vice President of Strategic Investments, where he led and managed ADNOC's strategic investments program.

Al Aryani holds both a Bachelor's and a Master's degree in Chemical Engineering from Imperial College London, UK. He is also a Chartered Financial Analyst (CFA) Charterholder.

Women's representation on the Board of Directors
On March 13, 2024, Katherine Wallgren was elected to the Board succeeding Muna Al Mheiri, as a female member on the Board, in compliance with the Governance Guide.

Declaration of Conflict of Interest by Directors
In alignment with Article (11) of the Governance Guide, the Directors declare their interests on a quarterly basis and regularly update the Company with respect to any changes. The Nomination and Remuneration Committee is responsible for the ongoing verification of the independence of Independent Non-Executive Directors.

Directors' Remuneration
The Nomination and Remuneration Committee hase established a policy for the remuneration of Directors, detailing the principles, structure, and governance procedures related to Board remuneration. The remuneration is recommended by the Nomination and Remuneration Committee, and subsequently presented to the shareholders at the AGA for final approval.

At the AGA meeting held on March 13, 2024, the shareholders approved the remuneration of AED 35.46 million for the Board, including Committee fees, for the fiscal year 2023, with the payment executed in 2024.

Statement of Allowances Paid to Board Committee Members in 2024
No allowances, salaries or additional fees were paid to Board Committee members in 2024.

The Secretary to the Board
Mr. Ahmad Ma'abreh was appointed as the Secretary to the Board during the AGA meeting held on March 13, 2024. He brings with him extensive experience as a partner in the corporate team at Allen & Overy's Abu Dhabi office, where he has been based for over 15 years. His expertise spans various areas, including public and private M&A transactions, joint ventures, equity capital markets, and general corporate matters. Ma'abreh regularly advises public listed companies on stock exchange listings, corporate governance, and compliance with listing regulations in the UAE.

Ma'abreh has significant experience advising Boards of publicly listed companies on their continuing obligations, and also serves as Board Secretary for several publicly listed companies in Abu Dhabi. Ma'abreh is an attorney at the Bar Association of Jordan and is admitted as a Solicitor of the Supreme Court of England and Wales.

Board Meetings – Attendance Records
Our Articles of Association require that the Board meets a minimum of four (4) times each year. The quorum for meetings is a simple majority of the Directors, and the quorum for voting during Board meetings is a simple majority of the attendees.

		Board Meeting dates			
Board Member Name	**Position on the Board**	**Feb 12, 2024**	**May 10, 2024**	**Aug 02, 2024**	**Oct 29, 2024**
H.E. Dr. Sultan Ahmed Al Jaber	Chairman	P	P	P	P
Abdulmunim Al Kindy	Vice Chairman Chair of Board Executive Committee (BEC)	P	P	P	P
Mohamed Al Aryani	Board Member Chairman of Audit Committee (AC) Member of BEC	P	P	P	P
Mussabeh Helal Al Kaabi	Board Member Chairman of Nomination and Remuneration Committee (NRC)	-	P	P	P
Khaled Mohamed Al Zaabi	Board Member	-	P	P	P
H.E. Dr. Abdulla Humaid Al Jarwan	Board Member Member of BEC Member of NRC	-	P	P	P
Katherine Wallgren	Board Member Member of AC Member of NRC	-	P	P	P
Yaser Al Mazrouei*	Board Member Member of BEC Member of NRC	P	-	-	-
H.E. Ahmed Jasim Al Zaabi*	Board Member Chairman of AC	P	-	-	-
Muna Al Mheiri*	Board Member Member of BEC Member of NRC	P	-	-	-
H.E. Omar Suwaina Al Suwaidi*	Board Member Chairman of NRC	P	-	-	-

P – Present

* The composition of the Board was revised during the AGA meeting held on March 13, 2024. Former Board Members Yaser Al Mazrouei, H.E. Ahmed Jasim Al Zaabi, Muna Al Mheiri, and H.E. Omar Suwaina Al Suwaidi participated in one Board meeting conducted in 2024, which was dated February 12, 2024.

Key Activities undertaken by the Board during the year
In 2024, the Board held four (4) meetings and carried out various significant activities. The table below outlines the key decisions and approvals made by the Board during the year, among other actions:

Key Activities	Date
Approved the audited financial statements of the Company for the financial year ending December 31, 2023.	February 12, 2024
Approved the agenda of the AGA Meeting of the Company.	February 12, 2024
Approved the recommendation to distribute a cash dividend of AED 1.316 billion for the second half of 2023, subject to shareholder approval.	February 12, 2024
Approved the Company's financial statements for the first quarter of the current financial year 2024.	May 10, 2024
Recommended a new, improved progressive dividends policy, with dividends growing by at least 10% per annum for 5 years, and potential additional dividends over and above at the Board's discretion.	May 10, 2024
Approved the Company's financial statements for the second quarter of the current financial year 2024.	August 02, 2024
Approved the distribution of interim cash dividends to the Company's shareholders for the first half of 2024.	August 02, 2024
Approved the Company's financial statements for the third quarter of the current financial year 2024.	October 29, 2024

For more information, please visit the Company's or the ADX's website.

Board Resolutions approved by Circulation
Our Articles of Association permit the Board to act by circulation. In 2024, the Board adopted resolutions by circulation on twelve (12) occasions.

Resolution	Date
Resolution 1- General business matters	February 28, 2024
Resolution 2- AGM press release	March 13, 2024
Resolution 3- Election of Chairman, Vice Chairman, and Board Committee reconstitution	March 22, 2024
Resolution 4- General business matters	April 3, 2024
Resolution 5- Strategic acquisition	June 3, 2024
Resolution 6- General business matters	July 1, 2024
Resolution 7- Contract award	July 3, 2024
Resolution 8- Strategic acquisition	July 15, 2024
Resolution 9- Strategic acquisition/Unconventional JV	September 29, 2024
Resolution 10- Strategic acquisition	October 28, 2024
Resolution 11- General business matters	November 14, 2024
Resolution 12- General business matters	December 20, 2024

Board Training & Induction
In accordance with Article (12) of the Governance Guide, the Company has an induction and training program in place for newly appointed Directors. Upon appointment, new Directors undergo an induction and familiarization process that provides them with a thorough understanding of their role, responsibilities, duties, and other relevant matters to ensure they are well-equipped to fulfill their responsibilities effectively.

Board Evaluations
In alignment with Article (12) of the Governance Guide, the performance evaluation of the Board, its members, and Committees for 2024 is being externally facilitated.

The Board and Board Committees, along with their individual members, are evaluated on effectiveness in discharging their responsibilities, diligence, and responsiveness to the Board in line with their respective Terms of References. Outcomes and subsequent action plans are reported to the Board, which are actively monitored for effective implementation.

Share Dealings

Our Inside Information and Dealing Standard regulates the purchase, sale, and other transactions involving the Company's shares and securities by employees and representatives. In accordance with this standard, inside information must not be used by any ADNOC Drilling personnel or their connected persons for personal gain. ADNOC Drilling expects all its employees, as well as other individuals with whom the Company transacts, to abide by this standard and, in doing so, adhere to the applicable laws concerning inside information and dealings.

The following table sets out the details of all purchases and sales of our shares undertaken by our Directors, their spouses and their children in 2024.

Director	Position	Shares held as on December 31, 2024	Total Sales Transactions	Total Purchase Transactions
H.E. Dr. Sultan Ahmed Al Jaber	Chairman	-	-	-
Abdulmunim Saif Al Kindy	Vice Chairman	652,173	-	-
Mohamed Saif Al Aryani	Member	434,782	-	-
Mussabeh Helal Al Kaabi	Member	-	-	-
Khaled Mohamed Al Zaabi	Member	85,532	-	-
Dr Abdulla Humaid Al Jarwan	Member	-	-	-
Katherine Wallgren	Member	-	-	-

Related Party Transactions

ADNOC Drilling has implemented a Related Party Transactions Standard to ensure transparency, fairness, and compliance in all dealings involving related parties. 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 Executive Management.

We are, and have been, a party to various agreements and other arrangements with related parties, comprising ADNOC and certain of its other subsidiaries. The value of all related party transactions undertaken by ADNOC Drilling during 2024 (as disclosed in our 2024 financial statements) is as follows:

As per 2024 Financial Statements	USD '000
Revenues — ADNOC group	3,982,910
Purchase — ADNOC group	370,995
Lease payments to a related party	18,969
Finance income	11,608
Finance cost	7,876
Investment in joint ventures	8,490
Sale of property and equipment	3,000

Relationship Agreement with ADNOC
In 2021, we entered into a Relationship Agreement with ADNOC pursuant to which ADNOC agreed, for so long as our shares are listed on the ADX and ADNOC owns or controls more than 50% of the shares, to take or not to take certain specified actions. These include:

a. Not to take certain actions that might interfere with our status as an independent company, including:
   i. ADNOC will not take any action that would interfere with our ability to comply with our obligations under certain ADX and SCA listing and governance rules; and
   ii. ADNOC will conduct all transactions with us on arm's length terms and on a commercial basis, and will allow us to carry out our business independently;
b. Not to terminate, and to renew at our request, any real estate lease or land-use agreement, the Brand Usage Agreement, and the Shareholder Services Agreement, in each case so long as we are not in material default of our obligations under those agreements; and
c. To acquire or lease, on our behalf and at our expense, any real estate needed for the operation of our business, and to enter into a corresponding lease agreement, sub-lease agreement or land- use agreement with us for such land.

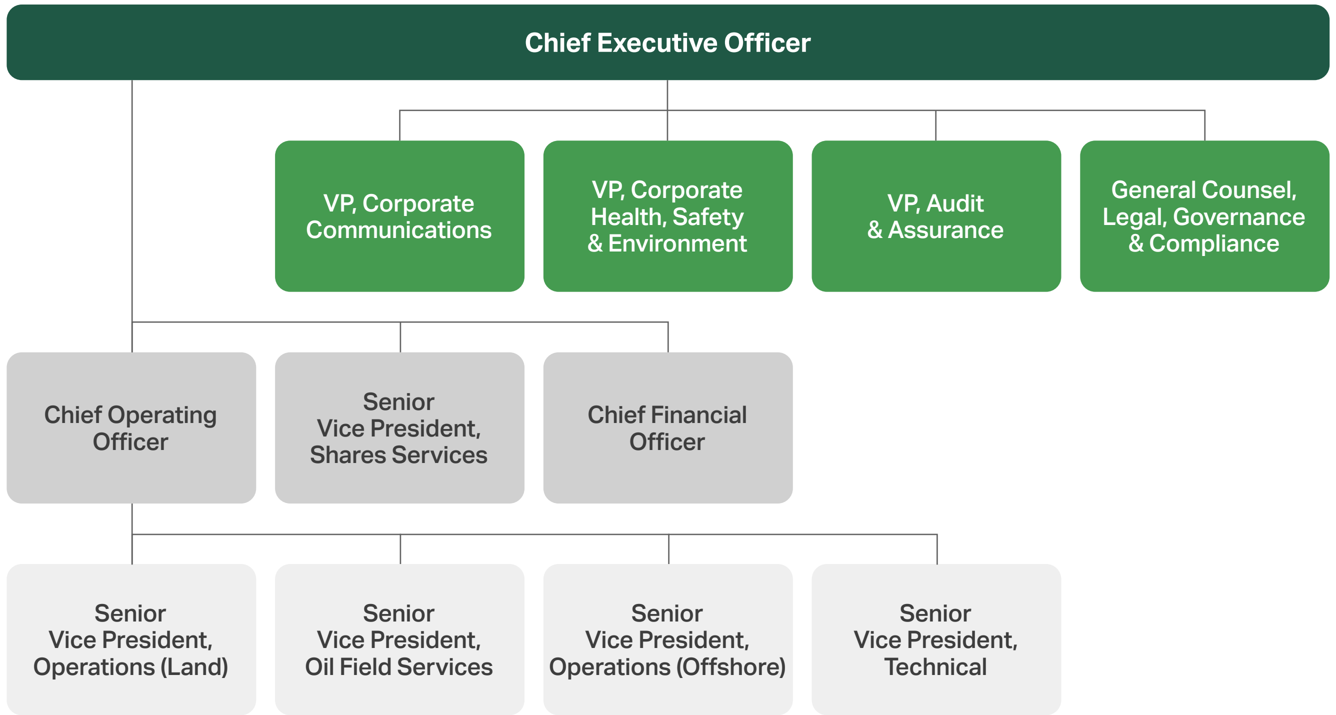
If ADNOC ceases to hold the majority of the Company's shares, it shall continue to adhere to the provisions described in (b) and (c) as if it still held such majority, subject to any instruction or direction from a governmental authority, until such time as an alternative arrangement giving effect to the same can be entered.

Pursuant to the Relationship Agreement, we have also agreed to enter into transactions with ADNOC and other members of the ADNOC group only with the approval of a majority of our Directors, including a majority of the independent Non-Executive Directors (other than transactions that, in accordance with our delegation of authority, do not require Board approval).
Any enforcement of the provisions of the Relationship Agreement against ADNOC requires approval by the Board.

Executive Management

The Executive Management is responsible for overseeing ADNOC Drilling's daily operations and exercising the authorities delegated to it by the Board, in accordance with established practices, governance rules, and regulations. This responsibility encompasses ensuring the effective execution of strategic initiatives, efficient management of organizational resources, and attainment of overall performance objectives.

ADNOC Drilling Organization Chart



Matters Reserved to the Board and Delegated to the Executive Management
The Board has granted a Delegation of Authority to our Chief Executive Officer (CEO), Abdulrahman Al Seiari, empowering him to manage the daily operations of the Company, within specified limits. Any actions that exceed these limits require prior approval from the Board. Under this Delegation of Authority, the CEO is also authorized to sub-delegate certain responsibilities to other members of ADNOC Drilling's Executive Management.

Notwithstanding the Delegation of Authority granted to the CEO, the Board retains oversight over these activities. The CEO is required to regularly report to the Board on the activities carried out under the terms of the Delegation of Authority.

Scope of Authority
Authority to conduct the daily management activities of ADNOC Drilling, subject to appropriate limits as set down by the Board from time to time.

Duration of Authority
Until the authority is revoked by the Board.

Under the Delegation of Authority, and in consultation with the Board, the CEO has sub-delegated some of the powers given to him to members of our Executive Management team.

Details of Delegated Authority – Mr. Abdulrahman Al Seiari (CEO).

MANAGEMENT TEAM

Abdulrahman Abdulla Al Seiari
(CEO)

Abdulrahman Abdulla Al Seari was appointed as the CEO at ADNOC Drilling in 2020. Al Seari has more than 35 years of onshore and offshore drilling experience within ADNOC Upstream group companies. Previously, Al Seari held numerous positions within ADNOC Onshore and Offshore including the role of Senior Vice President and Vice President of various functions along with serving as the HSE advisor.

His major career achievements, amongst others, include empowering a performance-driven culture, leading the "Invisible Lost Time" project at ADNOC Onshore, and developing the "Young UAE Talent" and Gender Equality Plan, which successfully promoted and nationalized over 60% of middle management positions for both male and female UAE Nationals.

Christopher Michael McDonald
(COO)

Christopher McDonald joined ADNOC Drilling in 2023 as Chief Operating Officer. With over 30 years of experience, McDonald has held executive positions at several leading energy service companies, including Halliburton/KBR, Petrofac, and most recently Lamprell.

Youssef Salem
(CFO)

Youssef Salem joined ADNOC Drilling as Chief Financial Officer in 2023. Previously serving as the CFO of AIQ, a leading AI Platform for the energy sector, Salem has over 11 years of investment banking experience, holding several key executive and advisory roles with Moelis & Company and QInvest. He is also a CFA Charterholder, a Fellow of the Society of Actuaries, and a former Adjunct Professor of Practice at the American University in Caro.

Alexander Urquhart
(Senior Vice President – Finance and Control)

Alexander Urquhart joined ADNOC Drilling in 2018 as Deputy CFO and served as Chief Financial Officer from 2020 until his appointment as Senior Vice President of Finance and Control in 2022. Prior to joining ADNOC Drilling, Urquhart worked at BP for 23 years, holding various finance leadership roles in Petrochemicals, Treasury, and Exploration.

Shaikha Al Dhaheri
(Senior Vice President – Shared Services)

Shaikha Al Dhaheri joined ADNOC Drilling in 2022. She has overall responsibility for leading the Company's human capital, procurement, business support and digital functions. Al Dhaheri has been associated with ADNOC since 2004, and served as Senior Vice President, Human Capital and Administration at ADNOC Offshore.

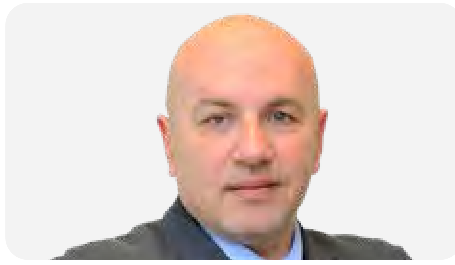
Sultan Saeed Al Mansoori
(Senior Vice President – Operations (Land))

Sultan Saeed Al Mansoori joined ADNOC Drilling in 2022. He has over 20 years of drilling experience at ADNOC and has held many leadership roles across ADNOC Upstream group companies (Offshore and Onshore). As Senior Vice President Operations (Land), he is responsible for the Company's Land Rig Operations Function that includes Land Rigs, Water Well Rigs, Rig Moves, Operations Support and Base Support.

Ali Essa Al Mahri
(Senior Vice President – Operations (Offshore))

Ali Al Mahri currently has oversight and responsibility over our offshore jack-up, island rig and marine service divisions.

He joined the Company in 2018 as Senior Vice President, Technical, with responsibility over Engineering, Projects, Maintenance, Business Development and Asset Integrity Departments. Prior to that, he served as Vice President, Drilling, in ADNOC Offshore with responsibility over their offshore and islands drilling activities in their various field concessions.



Emri Mahmoud Zeineldin
(Senior Vice President – Oilfield Services)

Emri Zeineldin joined ADNOC Drilling in February 2019 as Senior Vice President of Oilfield Services (OFS). Prior to this, he held several senior positions within the Baker Hughes OFS division from 2003 to 2018 and worked with Smith International and Schlumberger from 1995 to 2003. Additionally, he served as an Assistant Lecturer at Ain Shams University from 1992 to 1995.

Elias Tarawneh
(General Counsel)

Elias Tarawneh joined ADNOC Drilling as General Counsel in September 2023. He has over 22 years of experience specializing in legal, compliance, and governance in the energy and capital markets sectors. He previously served as MENATI Executive General Counsel at Baker Hughes and Regional Lead Counsel for the Oil Field Equipment segment at GE Oil & Gas. Earlier in his career, he held various roles in both private practice and in-house, including General Counsel and Board Secretary at National Petroleum Services (NPS). Tarawneh holds a Bachelor's degree in law from the University of Jordan, a High Diploma in Financial Markets from the Arab Academy for Management, Banking and Financial Sciences, and an LLM in Banking and Finance from Queen Mary, University of London. Mr. Tarawneh is a member of the Jordanian Bar Association since 2003.

Executive Management Remuneration 2024[1]

Name	Position	Appointment Date	Salary and Allowances (AED)	Bonuses[2] (AED)	Other Benefits (AED)
Abdulrahman Abdulla Al Seiari	CEO	January 2020	3,422,249	1,925,000	-
Christopher Michael McDonald	Chief Operating Officer	August 2023	3,012,000	613,699	-
Youssef Salem	Chief Financial Officer	October 2023	1,660,600	750,000	-
Alexander Urquhart	Senior Vice President, Finance and Control	January 2020	1,462,203	371,250	-
Shaikha Al Dhaheri	Senior Vice President, Shared Services	May 2022	1,542,480	668,250	-
Sultan Saeed Al Mansoori	Senior Vice President, Operations (Land)	October 2022	1,707,312	750,000	-
Ali Essa Al Mahri	Senior Vice President, Operations (Offshore)	November 2018	1,503,812	739,350	-
Emri Mahmoud Zeineldin	Senior Vice President, Oilfield Services	December 2018	1,610,562	739,350	-

[1] The table above outlines the Executive Management remuneration, encompassing our current Chiefs and Senior Vice Presidents. Further, where applicable, it includes prorated remuneration based on appointment date.
[2] Bonus details related to 2023 bonuses paid in 2024. Bonuses for 2024 that are payable in 2025 are yet to be determined or awarded.

Board Executive Committee

The Board Executive Committee (BEC) consists of six members, all being independent Non-Executive Directors. The BEC was established by the Board to assist the Board in the discharge of its duties.

The role of our BEC is to act on behalf of the Board during the intervals between scheduled Board meetings so that matters that require Board approval during such intervals can be dealt with in a timely and efficient manner. The BEC oversees critical areas such as business operations, financial performance, risk management, and compliance, so that the organization can maintain high standards of governance and sustainability.

In addition to its operational oversight responsibilities, the BEC functions as a vital intermediary between Executive Management and the Board, facilitating the translation of strategic priorities into actionable plans. Through continuous performance monitoring and proactive management of emerging challenges, the BEC ensures the organization remains adaptable and steadfast in delivering sustained value to its stakeholders.

The following table sets out the meetings held by the BEC in 2024:

Member Name	Position	Jan 31, 2024	Apr 30, 2024	Jul 23, 2024	Oct 23, 2024
Abdulmunim Saif Al Kindy[1]	Chairman	P	P	P	P
Khalid Abdul Samad	Member	P	P	P	P
Fahad Al Ameri[2]	Member	-	P	P	P
Mohamed Al Aryani	Member	P	P	P	P
Dr. Abdulla Humaid Al Jarwan[2]	Member	-	A	P	P
Omar Sharaf[2]	Member	-	P	P	P
Yaser Al Mazrouei[3]	Member	P	-	-	-
Muna Al Mehairi[3]	Member	P	-	-	-
Mohamed Al Marzouqi[3]	Member	A	-	-	-

P – Present, A – Absent

[1] Reappointed as Chairman on March 22, 2024
[2] Appointed as Member on March 22, 2024
[3] Ceased to be Members as on March 22, 2024

The Chairman of the BEC acknowledges his responsibility for implementing the requirements and functions set out in the BEC's Terms of Reference, including the review of its methods of operation to ensure its effectiveness.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) is responsible for evaluating the balance of skills, knowledge and experience and the size, structure and composition of the Board and committees of the Board and for monitoring the independent status of the independent Non- Executive Directors. The NRC is responsible for periodically reviewing the Board's structure and identifying potential candidates to be appointed as Directors or committee members as the need may arise. In addition, the NRC assists the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the Company's policy on executive remuneration, setting the over-arching principles, parameters and governance framework of our remuneration policy and determining the individual remuneration and benefits package of our senior management.

The Governance Guide as reflected in the NRC Terms of Reference, requires the NRC to comprise of at least three Non-Executive Directors, at least two of whom must be independent. The Chairman of the NRC must be chosen from amongst the independent committee members, and its other members will be appointed by the Board. The Nomination and Remuneration Committee will meet at least twice per year, or more frequently as required.

The following table sets out the meetings held by the NRC in 2024:

Member Name	Position	Jan 19, 2024	Apr 29, 2024	Oct 17, 2024
Musabbeh Al Kaabi[1]	Chairman	-	P	P
Dr Abdulla Humaid Al Jarwan[2]	Member	-	A	P
Ayesha Al Hammadi	Member	P	P	P
Katherine Wallgren[2]	Member	-	P	P
H.E. Omar Suwaina Al Suwaidi[3]	Chairman	P	-	-
Yaser Saeed Almazrouei[3]	Member	P	-	-
Muna Al Mehairi[3]	Member	P	-	-

P – Present, A – Absent

[1] Appointed as Chairman on March 22, 2024
[2] Appointed as Member on March 22, 2024
[3] Ceased to be Chairman/Members as on March 22, 2024

The Chairman of the NRC acknowledges his responsibility for implementing the requirements and functions set out in the NRC's Terms of Reference including the review of its methods of operation to ensure its effectiveness.

Succession Planning
The Nomination and Remuneration Committee collaborates with the Board on the leadership succession plan to ensure orderly succession in appointments to the Board and Executive Management. The Company strives to maintain an appropriate balance of skills and experience, within the organization and the Board, to encourage new and diverse perspectives, whilst maintaining experience and continuity. By integrating workforce planning with strategic business planning, the Company deploys the necessary financial and human resources to meet its objectives. Succession planning and elevation within the organization fuels the ambitions of its talent force to earn future leadership roles.

Audit Committee

The Audit Committee (AC) assists the Board in discharging its responsibilities regarding financial reporting, external and internal audits and controls.

This includes reviewing and monitoring the integrity of the Company's annual and interim financial statements, reviewing and monitoring the extent of the non-audit work undertaken by external auditors, advising on the appointment of external auditors, overseeing the Company's relationship with its external auditors, reviewing the effectiveness of the external audit process, and reviewing the effectiveness of the Company's internal control activities.

The ultimate responsibility for reviewing and approving the annual report and financial statements remains with the Board. The AC gives due consideration to the applicable laws and regulations of the UAE, governmental authorities and the ADX, including the provisions of the Governance Guide.

The Governance Guide, as reflected in the AC's Terms of Reference, requires that the AC must comprise at least three members who are Non-Executive Directors, at least two of whom must be independent. Further, at least one of the Committee Members should be a Board Member. An ADNOC representative shall be Chairman. The Board of Directors approves the list of nominated members in which at least one of the Independent Non-Executive Directors appointed to the AC will have relevant financial expertise. The chairman of the AC is an Independent Non-Executive Director.

The AC has taken appropriate steps to ensure that the Company's External Auditors are independent, as mandated by the Governance Guide, and has obtained written confirmation from the Company's Auditors that they comply with guidelines on independence issued by the relevant accountancy and auditing bodies.

The AC oversees the Audit and Assurance Division activities, including the review and approval of the overall audit strategies and annual audit work plan, budget, and overseeing the internal audit programs and performance. In addition, the AC ensures that the Audit and Assurance Division has full and unrestricted access to all required sources of information relevant to the performance of its work.

The following table sets out the meetings held by our Audit Committee in 2024:

Member Name	Position	Feb 01, 2024	May 01, 2024	Jul 25, 2024	Oct 23, 2024
Mohamed Al Aryani[1]	Chairman	P	P	P	P
Katherine Wallgren[2]	Member	-	P	P	P
Ayesha Abdul Rahman Al Marzouqi[2]	Member	-	P	P	P
Khalfan Al Dahmani	Member	P	P	P	P
Ahmed K. Matar Abujarad	Member	P	P	P	P
H.E Ahmed Jasim Al Zaabi[3]	Chairman	A	-	-	-
H.E. Abdulla Al Jarwan[3]	Member	P	-	-	-

P – Present, A – Absent

[1] Appointed as Chairman on March 22, 2024
[2] Appointed as Member on March 22, 2024
[3] Ceased to be Chairman/Member as on March 22, 2024

The Chairman of the AC acknowledges his responsibility for implementing the requirements and functions set out in the AC's Terms of Reference including the review of its methods of operation to ensure its effectiveness.

Report from Audit Committee Chairman
The AC has worked diligently to uphold its mandate of supporting the Board in maintaining robust financial reporting, strengthening internal controls, managing risks, and fostering a culture of compliance across the Company, ensuring adherence to the highest standards of governance and safeguarding the integrity and transparency of the Company's operations.

The AC is pleased to present an overview of its significant activities and the matters reviewed and monitored in alignment with the requirements of the Governance Guide.

- **Significant matters considered in relation to the financial statements:**
  Key matters considered by the AC in relation to the 2024 Financial Statements included revenue growth, key accounting issues such as asset classification, IFRS compliance, ICFR actions, asset impairment, controls over related party transactions, and compliance with tax and regulatory requirements, among others. The Committee provided guidance to management on these matters. Additionally, the committee reviewed the top ERM risks and their mitigation measures, IT general controls, business continuity management (BCM), and control over expansion and joint ventures.
- **Monitoring statutory auditors independence, effectiveness, and appointment process:**
  The AC reviewed and endorsed the reappointment of the statutory auditor for 2024 in compliance with SAAR Guidelines and applicable regulatory requirements, ensuring their independence of the statutory auditor. Additionally, the Committee assessed the statutory auditor's audit scope, materiality, financial audit process, quality controls, and the performance of non-audit services, as part of its quarterly review agenda.
- **Measures implemented/to be implemented in case of deficiencies/weaknesses in internal control:**
  As part of its quarterly reviews, the AC examined the top ERM risks and mitigation measures, IT general controls, BCM, internal controls, key audit findings, and the implementation status of audit recommendations.
- **Independence of external auditor and its provision for non-audit services:**
  The AC reviewed the non-audit services provided by the statutory auditors in accordance with SAAR guidelines, adhering to internal review procedures, including ADNOC's due diligence to confirm their independence, and approved the relevant non-audit services as necessary.
- **Committee's review of medium and high-risk reports issued by Internal Audit and identification of the causes of weakness/failure:**
  During the year, the AC reviewed the progress of the Risk-Based Internal Audit (RBIA) Plan, key audit findings and the implementation status of the audit recommendations amongst others, as part of its quarterly reviews.
- **Corrective action plan for risk management and internal control deficiencies:**
  No fundamental deficiencies in risk management and internal control systems were reported in 2024.
- **Related Party Transactions:**
  The AC, in collaboration with the Statutory Auditor, Legal Counsel, and Internal Audit, examined relevant matters, including related party transactions, and ensured compliance with the applicable requirements.

External Auditors

We have entrusted the external audit function for ADNOC Drilling's yearly accounts to Deloitte & Touche (M.E.), which has been ADNOC Drilling's external auditor since 2020.

Number of years Deloitte & Touche (M.E.) has served as the Company's External Auditor:	Five years
Partner name:	Faeza Sohawon (Engagement and Signing Partner)
Number of years the Partner has served as the Company's External Auditor:	Two Years
Total fees for auditing the financial statements of 2024 (in AED), including provision of reasonable assurance report on the effectiveness of internal financial controls over financial reporting:	Total audit fee – AED 1,348,262 Internal controls – AED 218,459
Statement of the other services performed by an external auditor other than ADNOC Drilling's auditor in 2024 (if any):	None
Deloitte & Touche (M.E.) issued an unqualified audit opinion for our annual financial statements for the year ended December 31, 2024:	Yes

Internal Control System

Responsibility of the Board

The Board is responsible for the internal control system within ADNOC Drilling and has established a number of processes and procedures which are designed to ensure the effectiveness of the internal control system.

Our Internal Control System

The key objectives of the internal control system are:

a. creating control mechanisms that ensure efficient business processes and the implementation of ADNOC Drilling's objectives;

b. ensuring the safety of ADNOC Drilling's assets and efficient use of its resources;

c. protecting the interests of ADNOC Drilling's shareholders and preventing and resolving conflicts of interest;

d. creating conditions for timely preparation and submission of reliable reports and other information that is legally required to be publicly disclosed; and

e. ensuring that ADNOC Drilling is compliant with applicable laws and requirements of regulators.

In addition to the functions and remit of the Board, ADNOC Drilling's internal control system is embedded in ADNOC Drilling at three levels:

i. Level 1: The business units and divisions within ADNOC Drilling are responsible for assessing and managing risks and building an efficient control system by complying with the standard and procedures, KPIs, corporate and or divisional performance contracts;

ii. Level 2: appropriate internal divisions and committees (enterprise risk management, quality, and compliance divisions) are responsible for facilitating and guiding the risk assessment process, developing, communicating and monitoring the appropriate standards, processes and procedures; and

iii. Level 3: the Audit and Assurance division conducts independent assessments of the efficiency of the internal control system.

Audit and Assurance Division
The Board has approved and implemented governance functions and structures, including an Audit and Assurance Division that is independent of our Executive Management and reports directly to ADNOC Drilling's Audit Committee. The purpose of the Audit and Assurance Division is to enhance and protect organizational value by providing Risk-Based Internal Audit, Independent and Objective Assurance, Advice, and Insight to the Audit Committee, Board, and the Executive Management. Our Audit and Assurance Division is led by Dr. Eisa Ali Salem Al Hammadi who was appointed as Vice President Audit and Assurance Division in 2017.

The main objective of the Audit and Assurance Division is to provide reasonable assurance in respect of:

a. the risk management framework of the Company;

b. the internal controls within the Company;

c. the corporate governance framework;

d. the arrangements in place to safeguard assets and resources;

e. the efficiency and cost-effectiveness of the use of assets and resources;

f. compliance with applicable laws and regulations, standards as well as the policies and procedures of the Company;

g. the effectiveness of key business processes; and

h. the adherence to high ethical standards specified in the Code of Conduct.

Audit and Assurance's Policies, Procedures, Methodologies and Risk-Based Internal Audit Plans are presented to, and approved by, the Audit Committee.

Our Audit and Assurance Division consists of professionally qualified and experienced employees, who follow a continuous learning and improvement process to maintain the Division's competencies. The Division also provides advisory services to enhance the Governance, Risk Management, and Internal Control Processes of the Company, while maintaining its independence requirements.

Legal, Governance and Compliance Division
The Company has established and maintains an internal control framework that provides our Executive Management and Board with reliable assurances on the health of our internal controls. These controls are designed to ensure that we (a) continually meet the operational and financial objectives of the Company; (b) properly manage risks; (c) ensure the validity and transparency of the information we provide to our stakeholders; and (d) comply with applicable laws and regulations.

Our Legal, Governance and Compliance Division implemented a robust Compliance Program to ensure that the Company conducts its business in full compliance with all relevant laws and regulations, as well as professional standards, accepted business practices and internal standards.

Our compliance and control function performs several tasks that are designed to ensure that our internal control system is effectively implemented and managed. These include:

a. discussing the internal control system with the Board;

b. considering the results of investigations relating to internal control issues;

c. studying internal control reports and following up the implementation of corrective measures arising from the findings of such reports; and

d. setting rules that enable the Company's staff to confidentially report any potential violations in financial reports, internal control, etc.

Elias Tarawneh, in his role as General Counsel, oversees the Legal, Governance and Compliance Division and Youssef Salem, in his role as Chief Financial Officer, oversees the Enterprise Risk Management Division. Both divisions collaborate closely to ensure consistent adherence to the highest international standards.

Identified Issues and Recent Developments
In 2024, our compliance and control systems operated effectively, with no significant issues identified.

Violations Committed During 2024
The Company remained compliant throughout 2024, with no violations recorded.

Enterprise Risk Management (ERM)

Objectives
Managing risks proactively is a key objective for any company to meet its strategic objectives and deliver value to clients and stakeholders. ADNOC Drilling has established a robust enterprise risk management framework that supports the business in the identification of risks and controls, their assessment, measurement, mitigation, and their reporting on a periodic basis.

Our Enterprise Risk Management (ERM) Division helps to enable the achievement of the Company's strategic objectives. ADNOC Drilling stands committed to integrating sustainability into its businesses aligning seamlessly with both ADNOC group's guidelines and various national and international frameworks. Through our continuous drive for improvement and adherence to best practices, we can support our efforts towards sustainable and responsible resource management.

The ERM Framework at ADNOC Drilling has been well aligned with the requirements of globally accepted ERM best practices described in the ISO 31000, and COSO Enterprise Risk Management Integrated Framework. It follows the three Lines of Defense Model of risk management to ensure a holistic and collaborative approach across all levels of the Company.

This ERM system:
- facilitates risk informed strategic planning to achieve business objectives and identify potential business opportunities;
- supports the Company in identifying and managing key strategic, functional, investment and project risks (including the use of an objective driven process);
- assesses the identified risks and the potential impact of such risks on the Company and its key objectives;
- enhances corporate performance as processes become more risk aware and control focused; and
- strengthens ADNOC Drilling's resilience to market disruption and evolving business practices.

Enterprise Risk Management

Risk Governance
ADNOC Drilling has defined an appropriate governance model, which consists of an ERM Steering Committee made up of representatives from top management, as well as an ERM working group which drives ERM operational activities. The Company's Executive Management oversees the implementation of the ERM Framework at ADNOC Drilling. It also advises and guides the ERM Division in integrating ERM with other key business decision making processes and assurance providing functions. The top risks identified and approved through these forums are presented to the AC and the Board on a quarterly basis. To attain better accountability and enhance the risk culture across entity, corporate KPI has been cascaded for timely review and reporting of risks.

Emerging Risks
Emerging risks are periodically identified through discussions with the business and Executive Management. Emerging risks are defined as a systemic issue or business practice that has either not previously been identified, has been identified but has been dormant for an extended period of time or has yet to arise to an area of significant concern. There is typically a high degree of uncertainty around the likelihood of occurrence, severity and/or timescales. These risks are analyzed with PESTEL techniques.

Risk Management Highlights

- **ERM maturity assessment:**
  A comprehensive study on ERM maturity assessment was conducted across the Company. This assessment identified the key areas for improvement towards the ERM framework.
- **Archer system:**
  Significant enhancements have been performed to enhance the ERM maturity and culture on periodic assessment and their reporting of risks.
- **Risk assessment for M&A:**
  Comprehensive risk assessment is now an integral part for any new business projects, mergers, or acquisitions. The ERM team ensures that all projects and new M&A deals are subjected to thorough risk assessments, followed by the development of actionable mitigation plans by collaborating with relevant stakeholders.
- **Training and awareness:**
  Training sessions are provided to new employees, focusing on the fundamentals of ERM as well as the tools and technologies used in the process.

Fraud Risk Management
The primary objective of this program is to identify potential vulnerabilities to fraud within the Company and evaluate the effectiveness of mitigating controls to address these risks.

The existing Fraud Risk Assessment program was enhanced across all operational and support functions. For this year, we improved the proactive fraud risk management initiatives with a comprehensive risk assessment and enhanced control measures. Fraud awareness sessions were conducted for employees to strengthen their understanding of fraud risks and prevention measures.

Data Protection and Cybersecurity

Cybersecurity is a cornerstone of corporate security management, especially with the increasing threat of cyber attacks and data protection worldwide. Therefore, in an increasingly digitalized world, data protection and cybersecurity are critical to maintaining trust and resilience. At ADNOC Drilling, we prioritize safeguarding sensitive information and systems, ensuring the confidentiality, integrity, and availability of our digital assets while staying ahead of emerging cyber threats. Strong data protection and cybersecurity practices reduce the risks of operational disruptions, financial losses, and reputational harm. They also enhance stakeholder confidence, protect intellectual property, and contribute to the broader goal of a secure and resilient digital ecosystem.

We aim to protect ADNOC Drilling's digital assets from cyber-attacks that could harm our stakeholders or disrupt business and operations. We are committed to building a resilient organization that can withstand and recover from any cyber incident.

Our cybersecurity management system has undergone audits and has been certified as compliant with both national and international standards, including the UAE Information Assurance Standards, ISO 27001, and ISO 22301 for Business Continuity.

Our employees play a crucial role in maintaining our cybersecurity, and we are committed to their continuous development through best practices. We offer a variety of training and awareness programs, including regular phishing simulations, e-learning modules, outreach programs for our sites' users focused on cybersecurity awareness, interactive cyber events and cybersecurity dashboards.

At present, we are dedicating resources to enhance our digital infrastructure, ensuring that our security measures are both effective and robust. Additionally, we are expanding our cyber defense coverage to include our supplier network, ensuring that critical components of our supply chain are protected and resilient against cyber threats.

Further, zero customer data breaches were reported for 2024. Since 2021, we have conducted annual digital customer satisfaction surveys with a target of 80% satisfaction. Each year, we have exceeded this target, achieved over 90% satisfaction, and demonstrated an upward trend. Notably, in 2024, we reached a 93% satisfaction rate.

Business Continuity Management (BCM)

Business continuity and risk management are at the center of ADNOC Drilling's ability to adapt, thrive, and deliver value in an ever-changing world. Our comprehensive approach ensures that critical functions remain operational during emergencies, crises, or disruptions, safeguarding the trust of our stakeholders and the resilience of our operations. For us, this goes beyond identifying vulnerabilities. We transform challenges into opportunities by embedding proactive strategies, robust recovery plans, and dynamic response systems across our operations.

Effective business continuity practices minimize the operational, financial, and reputational impact of disruptions, ensuring sustained delivery of services. Risk management enhances decision-making, reduces vulnerabilities, and improves organizational adaptability to external challenges.

Management approach
We developed and implemented a comprehensive Business Continuity Management System (BCMS) to provide for sustainability, uninterrupted operations, and organizational resilience. This system is continuously enhanced, building on prior successes to remain effective and adaptable in a dynamic operating environment.

Our proactive approach to business continuity and risk management begins with the identification and mitigation of risks, coupled with robust preparedness for emergencies, crises, and disruptions. Our full-scale Business Continuity Management (BCM) activities provide a strong foundation for maintaining critical functions during adverse events. The ADNOC Drilling Resilience Committee (ADRC), chaired by the CEO, oversees all BCM activities, ensuring alignment with strategic goals and operational requirements.

To continuously ensure preparedness, we execute four complete BCM life cycles annually, in compliance with the National Emergency Crisis and Disaster Management Authority (NCEMA) and ISO 22301:2019 standards. These cycles include regular updates to our Business Impact Analysis (BIA), which helps refine strategies to address vulnerabilities and maintain operational continuity. Our mitigation efforts are supported by robust response and recovery plans that are systematically reviewed by the Resilience Committee to ensure effectiveness.

By integrating these measures, ADNOC Drilling demonstrates a deep commitment to operational resilience, safeguarding stakeholders, and contributing to long-term sustainability through uninterrupted service delivery.

ADNOC Drilling's progress in 2024
Our current approach relies on a combination of manual processes and digital tools to oversee and monitor continuity activities. Accordingly, as part of our HSE five-year plan for 2025-2029, we will enhance the digitalization of our systems for more efficient and informed decision-making. We will implement the below strategic goals and activities in a phased manner.

a. **Automating the BCM System:** The core of our targets is the implementation of the eGRC software platform to automate all BCM processes and activities. This includes:
   - Automating BIAs and BCPs: Leveraging eGRC to conduct BIAs with greater speed and accuracy, ensuring real-time data collection and analysis. Further, streamlining the development, updating, and distribution of BCPs, making them more accessible and actionable; and
   - Automating action trackers and incident response: Implementing automated tools for tracking actions, incidents, and compliance, providing a single source of truth for all BCM activities.
b. **Annual Exercise Plans:** To test and measure the effectiveness of our BCM strategies, we will:
   - Develop tailored annual exercise plans and create specific scenarios to test different aspects of the BCPs, including response times, decision-making, and recovery actions;
   - Coordinate with plan owners to ensure that plan owners are actively involved in developing, conducting, and evaluating the exercises; and
   - Use simulation tools: Leverage advanced simulation tools within the eGRC/ WebEOC software's* to create realistic, data-driven exercises that accurately reflect potential disruptions.

   * Pertains to governance, risk and compliance/emergency management operations.
c. **Embedding a BCM Culture**: A robust BCM culture will be embedded across the value chain by:
   - Launching awareness campaigns: Regular campaigns to educate employees on BCM principles, roles, and responsibilities;
   - Conducting awareness sessions and quizzes: Engaging employees through interactive sessions, quizzes, and e-learning modules to enhance their understanding and readiness; and
   - Integrating BCM into daily operations: Embedding BCM considerations into daily decision-making processes to foster a culture of resilience.

Asset Integrity and Critical Incident Management

Asset integrity practices prevent equipment failures, mitigate environmental and safety risks, and reduce operational disruptions. Critical incident management systems ensure swift responses to emergencies, protecting lives, reducing environmental damage, and minimizing financial losses. Combined, these efforts result in long-term business resilience, a reputation as a responsible company and strict regulatory compliance. ADNOC Drilling's target for 2025 is to achieve 95% compliance and reliability for HSE Critical Equipment and Systems (HSECES).

Management approach
Our approach to asset integrity focuses on ensuring the functionality and reliability throughout the HSECES lifecycle through our Asset Integrity Management System (AIMS). Through our robust process we proactively monitor and optimize asset performance while safeguarding personnel and equipment.

Comprehensive asset integrity management policies guide every phase of the asset lifecycle, from design and construction to operations, maintenance, and eventual decommissioning. These policies ensure that our practices consistently adhere to industry standards and promote the highest levels of safety and reliability.

We uphold internationally recognized certifications as a testament to our commitment to excellence, including:

- API Q1 Certification for BAO Workshop.
- ISO 55001:2014 for Asset Integrity Management Systems.
- ISO 9001:2015 for Quality Management Systems.

These certifications reinforce our adherence to global best practices in asset integrity and critical incident management, helping our assets operate efficiently and sustainably while protecting the safety and interests of all stakeholders.

ADNOC Drilling's progress in 2024
The following were the areas of progress in 2024:

- Asset Integrity Incidents achieved 0.01 against the set target of 0.09.
- Technical Integrity Verification (TIV): 100% achievement with 177 number of rigs audited for Rig Integrity Audit Plan compliance to 2024.

Further, in 2024, we advanced our commitment to asset integrity with a series of innovative initiatives designed to enhance operational efficiency, safety, and sustainability:

- Advanced Non-Destructive Testing (NDT) techniques were introduced, significantly improving our inspection capabilities and supporting greater precision in asset evaluation.
- Environmentally friendly surface preparation methods for painting were established, demonstrating our dedication to sustainability and reducing environmental impact.
- Process Safety Transformation was designed to strengthen safety standards and further embed safety at the core of our operations.
- Crane passports tailored to client requirements were implemented to ensure compliance, enhance customization, and meet specific service needs.
- Robotic process automation was further integrated for our remaining Integrity systems, streamlining operations and improving reliability.

These advancements reflect ADNOC Drilling's unwavering focus on integrating innovation, safety, and environmental stewardship into asset integrity practices.

In 2025, ADNOC Drilling is set to advance its asset integrity management practices through innovative technologies and streamlined processes. These initiatives reflect our commitment to foster a culture of continuous improvement and proactive risk management. Key planned activities for the upcoming year include:

- Radio Frequency Identification (RFID) tagging for major lifting and drilling equipment to enhance asset traceability and enable efficient inventory and maintenance management.
- Introducing risk register apps to all rigs to streamline risk identification, tracking, and mitigation processes, promoting a proactive safety culture.
- Deployment of AI applications to Rig Eye Systems to provide real-time monitoring, anomaly detection, and operational insights for rig systems.
- Implementation of Asset Integrity Process Safety (AIPS) operating procedure and information standard (Phase II) to standardize operational procedures and improve the accessibility of critical information across teams.
- Large-scale implementation of remote ultrasonic testing to enable efficient, non-invasive inspections, reducing downtime and enhancing asset reliability.
- Integration of historical equipment data for performance benchmarking and AI-driven failure analysis to combine historical data with advanced analytics to benchmark equipment performance and predict failures, optimizing maintenance strategies.

General Information

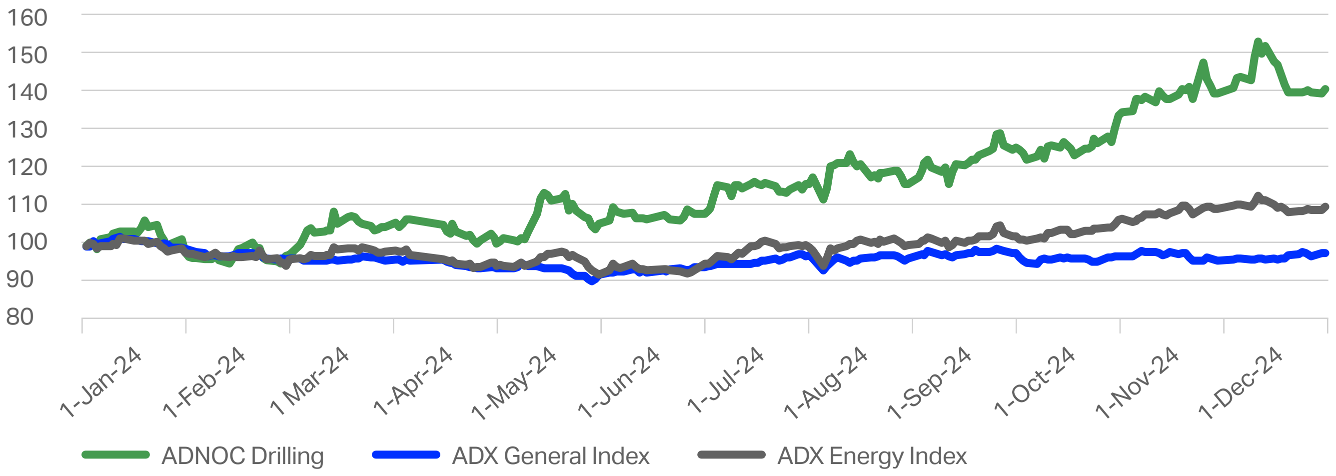
ADNOC Drilling Share Information:

Listing Date	October 3, 2021	**ISIN**	AEA007301012
Exchange	Abu Dhabi Securities Exchange (ADX)	**Market Cap as on December 31, 2024**	AED 85.28 billion
Symbol	ADNOCDRILL	**Closing Share price as on December 31, 2024**	AED 5.33
Share Capital	AED1.6 billion, divided into 16.0 billion shares	**Nominal Value of Share**	AED 0.10

Statement of the Share Price in the Market at the end of each month during the Fiscal Year 2024
The following table sets out the closing price and the high and low share prices of our shares at the end of each month during 2024.

Month	High (AED)	Low (AED)	Close (AED)
January	4.07	3.63	3.67
February	3.82	3.56	3.68
March	4.21	3.66	3.97
April	4.05	3.78	3.86
May	4.60	3.78	4.00
June	4.21	3.96	4.10
July	4.51	4.10	4.40
August	4.77	4.21	4.40
September	5.05	4.39	4.73
October	5.10	4.54	5.07
November	5.60	5.02	5.29
December	5.94	5.28	5.33

Statement of the comparative performance with the general market index and sector index
The figure below sets out our share price performance for 2024 compared to the ADX General Index and the ADX Energy Index.



Statement of the Shareholders' Ownership Distribution by Region
The table below shows the percentage of the shares owned by different categories of shareholders as at the end of 2024.

Shareholders	Individual	Companies	Government	Total
Local	1.7%	86.4%	0.9 %	89.0 %
GCC	0.0%	1.8 %	0.3 %	2.0 %
Foreign	0.1 %	8.8 %	0.0 %	8.9 %
Total	1.8 %	97.0 %	1.2 %	100 %

Statement of the Shareholders' Ownership Distribution by Size of Equity
The table below shows the shareholding percentage to capital as at the end of 2024.

Class	Shareholdings	Number of Shareholders	Number of Shares Held	% of Shares Held
1	More than 5,000,000	103	15,245,244,210	95%
2	From 500,000 to less than 5,000,000	385	573,100,221	4%
3	From 50,000 to less than 500,000	826	139,990,192	1%
4	Less than 50,000	15234	41,665,377	0%

Statement of shareholders who held 5% or more of ADNOC Drilling's capital as on December 31, 2024
The table below shows the name of shareholders who held 5% or more of the Company's capital at the end of 2024 and the percentage of such shareholdings.

Name	Number of Shares Held	% of Shareholding in ADNOC Drilling's Capital
Abu Dhabi National Oil Company	12,560,000,000	78.5%
Baker Hughes Holdings Ltd	800,000,000	5.0%
No other shareholder owns 5% or more of our shares.		

ADNOC, the majority shareholder of the Company, divested 5.5% of its stake, equivalent to 880 million shares, through an institutional placement during 2024. ADNOC retains a majority 78.5% stake in ADNOC Drilling.

The transaction witnessed strong investor demand and was the largest-ever accelerated bookbuild of a publicly listed company in the UAE. The successful offering increased ADNOC Drilling's free float by 50%, enhancing liquidity and providing a pathway for broader indexation.

Our Investor Relations Division, which is overseen by Massimiliano Cominelli, can be contacted at ir@adnocdrilling.ae. Additional investor relations information can be found on our website in English and Arabic at https://adnocdrilling.ae/en/investor-relations.

Treasury Shares
During 2024, 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 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.

General Assembly meetings
The Company held its AGA meeting on March 13, 2024, and a General Assembly meeting was held on June 24, 2024. The invitation, announcement and minutes for both meetings were duly published on the Company's and the ADX's websites.

A special resolution is defined in our Articles of Association as a resolution passed by the shareholders owning not less than three (3) quarters of the shares represented in the General Assembly. In 2024, there were no special resolutions passed by the shareholders.

Corporate Social Responsibility spend in 2024
Our total expenditure on social development and related sponsorship projects for 2024 was approximately AED 238,776 in cash and in kind.

Please refer to the Sustainability section of this Integrated Report for more details on Corporate Social Responsibility.

Emphasis on Emiratization
We emphasize nurturing local talent as a core strategy to build a sustainable workforce, contribute to national development goals, and provide for a strong talent pipeline for the future. In 2024, ADNOC Drilling achieved 14.52% Emiratization and intends to carry on driving representation throughout the Company as part of our Emiratization strategy.

Please refer to the appendix of the Sustainability section of this Integrated Report for more details on Emiratization.

Investor Relations

The Company endeavors to create the best means of communication with its shareholders and the investment community and has established the Investor Relations Division to serve as their main interface. This Division functions through various platforms such as the Company's website and the ADX's website, in which it publishes company-related information such as its financial disclosures, corporate events and developments, Board reports, governance reports, sustainability reports and shareholding structure. In doing so, the Company keeps abreast with the best international practices in this field and complies with the provisions of the Governance Guide.

Management Discussion & Analysis Report
The Company publishes a Management Discussion & Analysis report alongside its financial results, offering management's overview of the Company's financial performance, operations, and outlook. This report aims to provide investors and stakeholders with deeper insights into the Company beyond what is reflected in the financial statements.

Earnings Calls
The Company holds quarterly earnings calls to discuss its financial performance and outlook with investors and analysts. These sessions feature an earnings webcast and a conference call, followed by a Q&A segment for participants. In 2024, the earnings calls were conducted on February 13, May 13, August 5, and October 30. Details including the host, schedule, and access link are published in the Quarterly Management Discussion & Analysis Report. Pursuant to the call, the webcast and transcript of the earnings call are made accessible on the Company's website.

For more details on earnings calls transcripts, please visit the Company's website.

Investor Presentations
The Company employs quarterly investor presentations as a critical communication instrument to convey its financial performance, strategic developments, and operational highlights to stakeholders. These presentations are made along with the quarterly results and are meticulously structured to deliver comprehensive updates, highlighting the Company's growth trajectory through detailed data, visual representations, and explanatory narratives.

For more details on investor presentations, please visit the Company's website.

Press Release
The Company issues news releases to communicate important updates, such as significant business developments and corporate governance changes. The Company disseminates information regarding its financial results and significant events through press releases which are hosted on the Company's website.

Subsidiary Governance

The Company acknowledges the vital role of all subsidiaries in implementing robust Corporate Governance practices within their respective domains. The Company expects each of its subsidiaries to design and implement a comprehensive governance framework tailored to its unique operational needs while adhering to ADNOC Drilling's governance standards and applicable laws.

The Company's governance framework promotes transparency, accountability, and compliance with laws and regulations across the Company and its subsidiaries by providing clear oversight mechanisms and fostering ethical conduct.
The framework enhances risk management, protects stakeholder interests, and supports strategic alignment.

SUSTAINABILITY

In this section

Our approach to Sustainability

Our approach to Environmental Impact

SDGs:

Material Topics

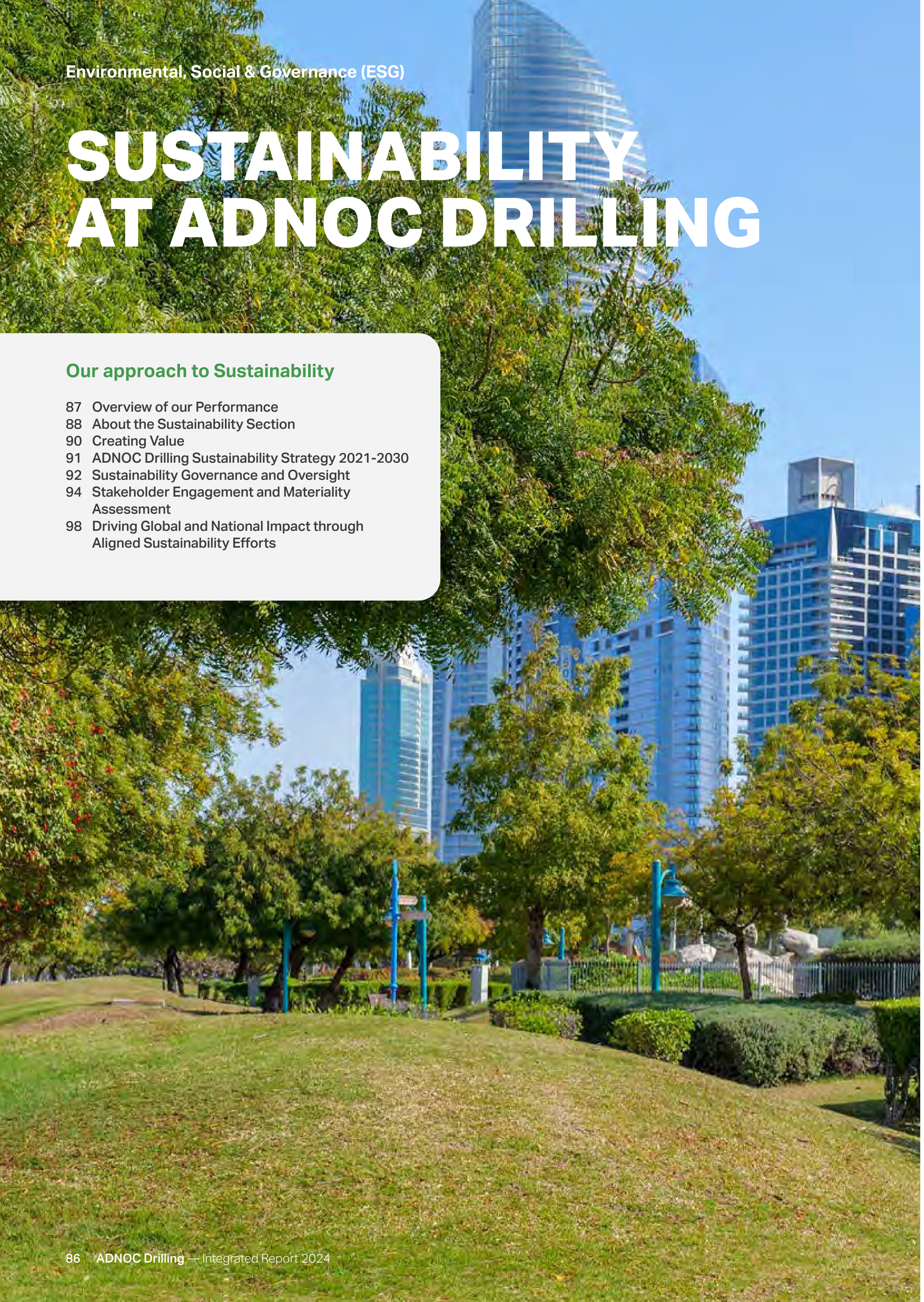
- Emissions Management
- Energy Transition
- Recycling and Circular Economy
- Water Management
- Biodiversity

Our approach to Social Impact

SDGs:

Material Topics

- Health and Safety
- Employee Welfare and Development
- Diversity, Equity and Inclusion



SUSTAINABILITY AT ADNOC DRILLING

Our approach to Sustainability

Overview of our Performance

Governance Oversight, Emissions and Energy

Energy intensity: 2,565 GJ/$m

Contributing to ADNOC Group's Net Zero by 2045 ambition, and reducing emissions intensity by 25% by 2030

GHG abatement: 38.7 ktCO2e[1]

Emissions of NOx: 15.87 kt

Emissions of SOx: 0.136 kt

Methane emissions: 0.032 kt

Volatile Organic Compounds (VOCs): 0.43kt

Business Sustainability

Rig availability: 96%

Number of hybrid rigs: 16 land rigs

11 land rigs and 2 jack-ups added to the fleet

OFS efficiency and growth: 20.2% overall improvement in IDS drilling efficiency in FY2024 compared to the 2023 benchmark. FY2024 revenue growth of 47% year-on-year, reaching $813 million.

Compliance with code of conduct: 100%

Launched the Company Enersol with a clear strategic objective of becoming a tech-centric investment platform and to invest up to $1.5 billion in innovative technology-enabled companies in the oilfield services and energy sectors.

Environment

Freshwater usage: 2.43%

Hazardous waste: 1,317 tonnes

Non-hazardous waste: 3,862 tonnes

Health, Safety and Security

Recorded – 100% HSE days[2]: 341/366

Corporate TRIR: 0.46

Corporate LTIF: 0.22

Workforce Diversity and Development

Number of employees: 11,062

Percentage of women in our workforce: 1.45%

Percentage of women in senior management position: 14.28%

Gender pay ratio: 1:1

Average annual training hours per employee: 40

Economic and Social Contribution

Amount invested in community engagement in cash and in-kind: USD 65,000

Amount spent on local procurement: USD 56 million

Year-on-year revenue growth: 32%

Cyber risks and data protection cases: 0

ESG Rating

ADNOC Drilling holds ESG ratings from reputed rating agencies, including MSCI, Sustainalytics, Bloomberg and ISS ESG. These ratings reflect our steadfast commitment to environmental, social, and governance standards. We conducted gap assessments to identify areas for improvement and developed action plans to address them. The impact of these efforts will be reflected in future reporting cycles.

To view more about our 2024 highlights, please refer to the Financial, Operational and ESG Highlights.

[1] Kilotonnes of CO_2 equivalent
[2] 100% HSE days are days without injuries, motor vehicle accidents, or process safety releases/environmental spills.

About the Sustainability Section

We are pleased to share our first ADNOC Drilling Integrated Report and fourth annual sustainability disclosure. Following our last sustainability report, we aim to integrate the contents of our Annual, Sustainability and Governance Reports. This section of the report provides an overview of our 2024 sustainability achievements, spotlighting our ongoing initiatives and future commitments to drive positive environmental and social impact.

This report covers the Financial Year (FY) 2024 starting on 1 January and ending on 31 December and is characterized by our materiality assessment which was refreshed in 2024. The reporting boundary for sustainability performance data covers all activities for which ADNOC Drilling has responsibility for setting standards and ensuring their implementation.

Sustainability Reporting Frameworks
This report has been prepared with reference to the Global Reporting Initiative (GRI) Standards and Abu Dhabi Securities Exchange (ADX) Environment, Social, and Governance (ESG) Guidelines. It reflects ADNOC's Sustainability Strategic Pillars for 2030, the United Nations Sustainable Development Goals (SDGs), the International Association of Drilling Contractors (IADC) ESG Guidelines, the Sustainability Accounting Standards Board (SASB) standards for the Oil and Gas Exploration and Production industry, and the International Sustainability Standards Board (ISSB) standards.

As the sustainability reporting landscape continues to evolve, we are committed to adopting leading practices, staying aligned with the latest standards and frameworks, and monitoring emerging best practices and regulatory changes. This commitment to integrating advanced globally recognized sustainability reporting frameworks ensures that our reporting remains robust, meeting both current and future stakeholder expectations. Throughout 2024, we will evolve our reporting to reflect reporting principles, and plan to have our 2025 Report externally verified.

Sustainability Reporting Principles
To support high-quality and reliable sustainability reporting, we align with the following principles:

- Accuracy
- Balance
- Clarity
- Comparability
- Completeness
- Sustainability Context
- Timeliness
- Verifiability

Sustainability Assurance
An internal assurance process has been conducted to verify the accuracy and reliability of sustainability performance metrics presented in this report. We uphold high standards of data quality and integrity through rigorous internal reviews.

The development of this report was led by the ADNOC Drilling Investor Relations and Sustainability team, with the input of relevant functionals/divisions. Our sustainability data is reviewed and endorsed by the Sustainability Steering Committee, Executive Management, Board of Directors ADNOC HQ and ADNOC upstream.

The sustainability data is presented at the Annual General Meeting (AGM), offering a formal opportunity to communicate our sustainability performance, key developments, and ongoing commitments alongside broader Company results to our stakeholders.

Contact Point
For any questions regarding our sustainability journey, disclosures, or performance metrics, we invite you to reach out. We welcome inquiries that promote open dialogue and engagement as we work toward our sustainability objectives.

For further information on our sustainability performance, please contact: sustainability.drilling@adnoc.ae

To view our ESG performance data tables based on our material topics and sustainability pillars, and the GRI Index, please refer to ADNOC Drilling Sustainability Appendix Data.

Our approach

Environmental Impact

We are committed to enhancing efficiency, utilizing best-in-class technologies, and reducing our carbon footprint while aligning our operations with sustainability objectives. Our key efforts focus on leveraging innovative solutions to optimize operations, minimize energy consumption, and reduce associated emissions **to support ADNOC's Net Zero by 2045 ambition**. Additionally, we are working to reduce freshwater use, enhance waste management practices, and protect biodiversity through responsible and sustainable operational practices.

Social Impact

As the largest national drilling company in the Middle East, we recognize our role in creating value for society through job creation, skills development, and community investment. Addressing issues such as labor welfare and equitable opportunities remains central to our sustainability approach. Furthermore, **our Corporate Social Responsibility (CSR) initiatives reflect our commitment to fostering a positive societal impact**.

Health & Safety Impact

The health and safety of our workforce remain a top priority. We are committed to maintaining a safe and healthy working environment for all employees by implementing stringent safety protocols, comprehensive training programs, continuous monitoring, and leveraging innovative technologies. **Our goal of zero harm to people and the environment is encapsulated in our ultimate goal of ensuring 100% HSE**. We strive to foster a culture of safety that emphasizes empowerment, responsibility, and accountability across our organization.

AI Integration

We aim to pioneer the adoption of AI, driving transformative advancements to optimize operational efficiency and unlock new opportunities across our business. **Through collaborations, such as the AI-enabled drilling rigs project at the offshore Zakum field, ADNOC Drilling is leveraging advanced technology to optimize performance while trying to reduce our environmental footprint**.

Advancing ESG

The ESG landscape continues to evolve, with pressure for greater transparency and accountability on environmental and social issues. As a responsible operator, we are committed to adhering to these evolving guidelines. **We actively participate in industry initiatives and regularly refine our reporting processes to provide robust and transparent ESG data to stakeholders**.

Creating Value

Sustainability Vision

Our vision *is to provide efficient, reliable, and responsible drilling solutions, to create long-lasting sustainable value for our people, society, and environment across our operations.*

Our commitment *is to embed sustainability across our business activities in line with global industry best practices.*

Strategic Ambition
Our ADNOC Drilling Sustainability Strategy 2021-2030 is designed to help us to achieve our sustainability goals by setting detailed action plans with specific Key Performance Indicators (KPIs), a strong governance structure, and a roadmap that presents initiatives and focus areas planned for the coming years.

As a pivotal link in the upstream value chain, we are committed to reliably and efficiently meeting the growing drilling demands, both regionally and internationally, while striving to minimize our environmental impact and enhance our social responsibilities[4].

At ADNOC Drilling, we believe that sustainability performance is intrinsically linked to a more sustainable and profitable operating model for our stakeholders. Our holistic ADNOC Drilling Sustainability Strategy 2021-2030 is underpinned by our commitment to long-term sustainable growth by:

Mitigating our environmental impact across operations.

Delivering 100% HSE and promoting a diverse, and people-centric culture.

Adopting the highest standards of governance, ethics, and transparency.

[3] To read more about how we are addressing our environmental impact, please refer to the environment section.
[4] To read more about how we are addressing our social impact, please refer to the social section.

ADNOC Drilling Sustainability Strategy 2021-2030

ADNOC Drilling – 2030 Sustainability Targets
Our ambitious goals reinforce our long-standing sustainability commitments and highlight targets related to six sustainability pillars – **key to our Sustainability Strategy 2021-2030**.

Pillar	Ambition
Climate, Emissions & Energy	• To decrease GHG intensity by 25% by 2030 • To reduce energy intensity gradually every year by around 8% • To reduce non-GHG emissions • To enhance the use of alternative clean energies
Environment	• To minimize impacts through best-in-class Environmental Management Systems (EMS) • To achieve zero spill incidents • To conduct a 360-degree review of recycling the water and waste management practices
Economic & Social Contribution	• To improve an In-Country Value (ICV) score across our entire value chain • To engage more with the local community • To improve economic value generated and distributed
Workplace Diversity & Development	• To empower women employees in leadership and technical roles • To enhance the capabilities of our people • To improve Emiratization rate
Health, Safety & Security	• To achieve zero harm everyday • To implement the HSE and performance safety culture at 100% • To improve security practices
Business Sustainability	• To integrate sustainability in the risk assessment process • To strengthen collaboration with our stakeholders • To advance Leadership programs

Sustainability Governance and Oversight

Message from Youssef Salem
Sustainability Steering Committee Chairperson

I am proud to oversee our Company's sustainability strategy, supporting alignment with ESG requirements and integrating these principles into our corporate DNA.

Our Sustainability Steering Committee actively monitors the Company's ESG approach and drives the adoption of impactful practices. This integrated report reflects our commitment to transparency and showcases key sustainability initiatives that define our sustainability journey. In 2024, we achieved various milestones, recording exceptional revenues and operational growth that solidified our standing as the fastest-growing drilling company globally. We believe this achievement demonstrates that financial performance and sustainable leadership are not mutually exclusive but compatible and critical drivers of lasting success.

A robust governance framework underpins our commitment to sustainability. A dedicated Sustainability Steering Committee, chaired by our Chief Financial Officer (CFO), oversees our sustainability strategy, performance, and reporting. This committee comprises senior executives from diverse departments, ensuring a holistic approach to sustainability.

ADNOC Drilling Sustainability Steering Committee

Board of Directors
Board Executive Committee
Sustainability Steering Committee

The committee provides strategic oversight of our sustainability initiatives, including all ESG material topics such as climate, meeting regularly to assess progress and reporting quarterly to both Executive Management and the Board. ESG is discussed at the Board level with particular focus on HSE. Our CFO also plays an active role in ADNOC Group's ESG Task Force Committee, further reinforcing our governance and strategic alignment in sustainability.

Furthermore, the management of sustainability efforts is anchored in the Finance – Treasury and ERM function, which is responsible for developing the sustainability strategy, tracking strategy execution and progress, supporting CSR initiatives, and preparing sustainability reporting and necessary communications.

This year, in place of a standalone sustainability report, we are presenting our sustainability performance within our Integrated Report, showcasing our holistic and integrated approach to sustainability governance. This integration highlights how sustainability is seamlessly embedded within our operations and managed alongside core business functions.

Sustainability focus areas are championed by relevant subject matter experts across our divisions. These divisional and functional owners are responsible for progressing their respective initiatives and reporting on risks and performance.

Aligning Compensation with Sustainability Goals
To accelerate our ESG progress and ensure alignment with ADNOC Drilling's strategic objectives, the Company adopts a structured approach linking a certain portion of executive compensation to measurable ESG performance.

To provide a strong incentive for implementing ESG best practices, the Company's 2024 enterprise performance management system and corporate scorecard, which also influences variable remuneration (i.e. bonuses), incorporates ESG with a balanced approach.

HSE and environmental performance are some of the top priorities.

Key metrics include safety performance, decarbonization efforts, energy intensity, employee engagement, multiple HSE indicators, and operational efficiency.

ESG targets accounted for approximately 13% of the weighted corporate scorecard for the year and are anticipated to remain a key component going forward. ADNOC Drilling's systematic approach underscores management's commitment to sustainable and responsible operations.

Furthermore, certain HSE and ESG targets are classified as "gated KPIs." These ESG-related gated KPIs can significantly affect the overall Company score, potentially reducing it by up to a maximum of 50%.

Supporting ADNOC Group's Sustainability Ambitions
ADNOC Drilling is committed to upholding and advancing sustainability ambitions that align seamlessly with the sustainability objectives of ADNOC Group. ADNOC Group has outlined an ambitious 2030 Sustainability Strategy, addressing global sustainability imperatives and driving economic growth. We take pride in actively contributing and adhering to ADNOC Group's Sustainability Strategy and ambitious targets.

By mirroring and contributing to ADNOC Group's commitment to sustainability, we strive to demonstrate a deep commitment to continuous improvement, adherence to best practices, and strategic foresight. Through our integrated sustainability approach, we contribute positively to our communities and align our operations with the UAE's visionary approach to sustainable development.

ADNOC Drilling aligns its sustainability strategy with ADNOC Group-level sustainability pillars by committing to:

- **Creating Lasting Value:** Commitment to people, profitability, and sustainability.
- **HSE Standards:** Integration of top-tier practices.
- **Clean Energy Investment:** Commitment to investing in clean and new energy sources.
- **Energy Transition:** Significant steps toward cleaner energy today and investments for tomorrow.
- **Community Support:** Contributing positively to communities and enhancing sustainable economic development.
- **Pledge:** Allocation of funds to drive lower-carbon solutions, new energies, and decarbonization technologies.
- **Carbon Intensity Reduction:** Targeting a 25% reduction by 2030.
- **Net Zero Ambition:** Enabling the ADNOC Group goal of Net Zero emissions by 2045.

Stakeholder Engagement and Materiality Assessment

Materiality Assessment
At ADNOC Drilling, we regularly assess our material topics on an annual basis to identify and remain up to date with sustainability related matters, risks and opportunities that might have a direct or indirect impact on the Company, the communities in which we operate and sustainable development as a whole.

In 2024, we refreshed our materiality assessment to ensure it remains relevant and responsive to emerging trends. This process involved consultations with senior management to confirm that previously identified material topics continue to be significant to ADNOC Drilling's operational and sustainability objectives.

The materiality validation approach involved a systematic review of SASB's Oil & Gas Exploration & Production industry topics, consideration of GRI 11 likely material topics, and benchmarking against peer companies. By aligning with global frameworks and best practices, we strive to keep our materiality assessment robust and responsive to industry changes. The validation process concluded with the final endorsement from our Sustainability Steering Committee. This approval helps our sustainability priorities align with ADNOC Drilling's corporate goals and strategic priorities.

As a result of this process, we have identified the following key material topics. By focusing on these material topics, we can drive positive change and create long-term value for our stakeholders.

ADNOC Group and ADNOC Drilling's Sustainability Pillars	Material Topics	Mapping with the SDGs	SDGs Targets ADNOC Drilling is aligned with	Reference
Climate, Emissions & Energy	1. Emissions Management 2. Energy Transition	7, 13	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix 7.3 By 2030, double the global rate of improvement in energy efficiency 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	Please refer to Managing our Environmental Impact section: Climate Change Impact – GHG Management and Energy Management
Environment	1. Water Management 2. Recycling and Circular Economy 3. Biodiversity	6, 12, 15	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse 15.1 By 2030, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements	Please refer to Managing our Environmental Impact sections: • Waste Management • Water Management • Biodiversity Management

ADNOC Group and ADNOC Drilling's Sustainability Pillars	Material Topics	Mapping with the SDGs	SDGs Targets ADNOC Drilling is aligned with	Reference
Economic & Social Contribution	1. Procurement Practices 2. Community Engagement 3. Asset Integrity and Critical Incident Management		1.5 By 2030, reduce the exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high value added and labor-intensive sectors 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value 8.7 Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and by 2025 end child labor in all its forms	Please refer to Managing our Social Impact and Governance sections: • Procurement Practices • Community Engagement • Asset Integrity and Critical Incident Management • HSE – BCM • Governance section
Health & Safety	1. Health and Safety		3.8 Achieve universal health coverage, including financial risk protection, access to quality essential healthcare services and access to safe, effective, quality and affordable essential medicines and vaccines for all 3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination	Please refer to Managing our Social Impact section: Health and Safety
Workforce Diversity & Development	1. Employee Welfare and Development 2. Diversity, Equity and Inclusion		4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	Please refer to Managing our Social Impact sections: • Employee Welfare and Development • Diversity, Equity, and Inclusion • Youth Committee
Business Sustainability	1. Business Ethics and Governance 2. Business Continuity and Risk Management 3. Cybersecurity and Data Protection		16.5 Substantially reduce corruption and bribery in all their forms 16.6 Develop effective, accountable and transparent institutions at all levels 17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships	Please refer to the Governance section of the report

Engaging with our stakeholders

We believe that meaningful engagement with our stakeholders is central to achieving our sustainability goals. We are committed to fostering transparent and collaborative relationships to address shared challenges and drive collective progress. We believe that strong stakeholder relationships are essential to our long-term success. Therefore, we engage with a diverse range of stakeholders, including shareholders, suppliers, partners, customers, community, and employees in order to understand their needs and expectations. We employ a structured approach guided by principles of inclusiveness, accountability, and responsiveness. Through various channels, we actively listen, address concerns, and collaborate on solutions to meet evolving needs.

To learn more about Stakeholder Engagement, please refer to the Stakeholder Engagement section.

Message from Massimiliano Cominelli
Vice President, Investor Relations

We are committed to cultivating strong stakeholder engagement by maintaining open and transparent communication with our investors, analysts, and ESG rating agencies. Our ongoing engagements enable us to both share our sustainability performance and gain insights into evolving stakeholder expectations. This dialogue aligns with our dedication to enhancing our ESG performance.

As part of this effort, we closely track ESG ratings from leading agencies to benchmark our progress and guide our strategic initiatives. Disclosing our ESG priorities and performance remains integral to our approach, underscoring our dedication to accountability and continuous improvement.

We believe that constructive feedback and active collaboration are essential for building sustainable, long-term value. By aligning our initiatives with stakeholder expectations, we reinforce our commitment to operational excellence and sustainability leadership

Driving Global and National Impact through Aligned Sustainability Efforts

Our sustainability efforts are intended to align with both global and national agendas, so that we can help address critical environmental and social challenges.

Aligning with the UN Sustainable Development Goals
Our sustainability strategy focuses on the UN SDGs most relevant to our operations, where we can create positive and lasting impacts. While we recognize the intersection of our operations with all 17 goals, our primary focus remains on those that are most closely aligned with our material topics and core business activities.

Alignment with National Priorities
In all our operations, we aim to create lasting social and economic value for both the UAE and the global communities where we operate. We are committed to advancing key national priorities and actively supporting initiatives that foster economic growth, social progress, and environmental sustainability, in alignment with our shared national vision.

- UAE Net Zero 2050 Strategy
- UAE Energy Strategy 2050
- UAE Biodiversity Strategy
- UAE Water Security Strategy 2036
- UAE Strategy for Talent Attraction and Retention
- National In-Country Value (ICV) Program
- Abu Dhabi Economic Vision (2030)
- Environmental Vision 2030 (Abu Dhabi)

Internal Audit
We conduct regular internal audits to assess the effectiveness of our sustainability management processes. These are aligned with ADNOC established internal audit procedures and best practices in the industry.

These structured audits help support our alignment with regulatory requirements such as the Abu Dhabi Accountability Authority (ADAA) requirements, thus driving continuous improvement across our operations. This process reflects our dedication to building a resilient, ethical, and sustainable organization.

The frequency and scope of our internal audits are determined based on risk assessments and regulatory requirements. The audits are conducted annually, semi-annually, or quarterly, as applicable and cover critical areas as demonstrated in the following table.

Sustainability Pillar	Areas
Climate, Emissions & Energy	• Energy and Emissions
Environment	• Water • Biodiversity • Waste • Environmental Compliance • Materials
Economic & Social Contribution	• Economic Performance • Procurement Practices • Indirect Economic Impact • Tax • Supplier Social Assessment • Socioeconomic Compliance
Health, Safety & Security	• Occupational Health and Safety
Workforce Diversity & Development	• Employment • Labor • Diversity and Inclusion • Training and Education • Non-Discrimination • Security Practices • Rights of Indigenous People • Human Rights Assessment
Business Sustainability	• Anti-Corruption • Anti-Competitive Behavior • Market Presence

MANAGING OUR ENVIRONMENTAL IMPACT

Our approach to Environmental Impact

SDGs:

6 Clean Water and Sanitation
7 Affordable and Clean Energy
12 Responsible Consumption and Production
13 Climate Action
15 Life on Land

Material Topics

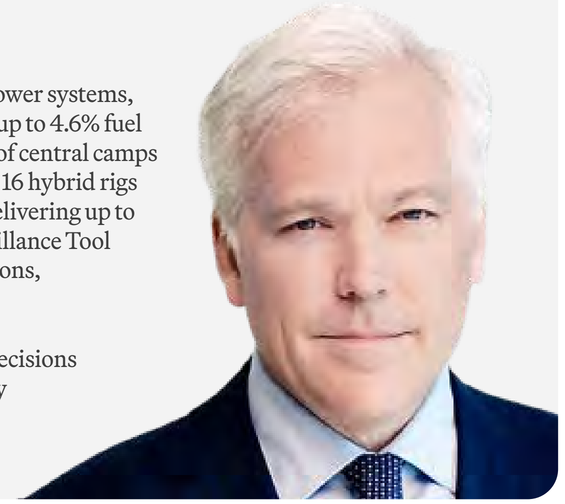
- Emissions Management
- Energy Transition
- Recycling and Circular Economy
- Water Management
- Biodiversity

Overview of our Performance

At ADNOC Drilling, we are dedicated to responsible and sustainable operations, striving to minimize our environmental impact. Our practices are aligned with global sustainability standards and national environmental regulations to support a resilient and sustainable business model.

In alignment with our core value of environmental stewardship, we believe in helping to address climate change while responsibly and sustainably producing the energy the world needs. Our comprehensive approach focuses on pursuing effective low-carbon solutions to support our decarbonization ambitions by increasing efficiency, reducing emissions, and exploring the potential for advanced technologies.

Message from Christopher McDonald
Chief Operating Officer



We are committed to embedding sustainability into every aspect of our operations. We drive sustainable growth through strategic and responsible practices, underpinned by operational excellence and innovation.

We are decarbonizing our operations with impactful solutions such as solar power systems, which integrate with diesel generators to reduce GHG emissions and achieve up to 4.6% fuel savings. Additionally, solar-powered LED streetlights and the electrification of central camps further enhance energy efficiency and reduce our environmental impact. Our 16 hybrid rigs are equipped with advanced energy management and monitoring systems, delivering up to 5.4% emission reductions per rig. We have also developed a robust Fuel Surveillance Tool that leverages data analytics to help optimize fuel consumption across operations, supporting more accurate energy reporting and benchmarking.

By integrating AI into our operations, we hope to drive smarter, sustainable decisions aligned with our long-term environmental goals, enhancing our sustainability performance and reinforcing our commitment to innovation, efficiency, and responsible operations.

Environmental Stewardship Key Highlights

Environment Audits
24
internal and external audits conducted

Spill Cases
0
cases effectively managed to minimize environmental impact

Fire/Smoke Cases
5
incidents addressed with timely interventions

Environment Cases
0
cases resolved to uphold environmental standards

Environment Training
9
trainings conducted, and **35** employees trained

Emissions Intensity
186.71
(tCO2e/$m)

Energy Intensity
2,565
(GJ/$m)

Hazardous Waste
1,317
tonnes

Non-Hazardous Waste
3,862
tonnes

Total Water Consumption from All Areas
1,531
million liters

Total Withdrawal
21,974
million liters

Total Water Discharged
20,443
million liters

ISO
14001
certified

ISO
50001
certified

Environmental Oversight

As a responsible business and a key player in the oil and gas value chain, we are dedicated to reducing the environmental impact of our operations. This commitment aligns with ADNOC's vision to meet global energy needs while emphasizing sustainability, by leveraging innovative technologies and responsible practices.

Environmental Governance

Board Executive Committee (BEC): provides oversight with input from senior management as part of its larger sustainability functions.

Executive Team (ET): provides oversight on HSE reported risk exposure and all HSE related concerns.

HSE Team: addresses all company risk exposures. The HSE team consists of a Senior Environmental Engineer who reports to the Occupational Health and Environment (OH&E) Manager. The OH&E Manager reports to the Vice President of HSE, who, in turn, reports to the CEO. The VP of HSE also presents HSE concerns and issues to the ET during weekly meetings.

Environmental Management System

ADNOC Drilling's Environmental Management System (EMS) is accredited with ISO 14001:2015 and reflects our dedication to sustainable environmental management. This structured framework supports real-time environmental performance monitoring while aligning with our ESG principles.

The EMS is designed to enable transparent tracking, integrating environmental considerations into business decisions and fostering a culture of accountability, safety, teamwork, excellence, and innovation. It plays a key role in driving continuous improvement, enhancing resource efficiency, and reinforcing our commitment to sustainable development.

Environment Commitments

- Setting relevant goals and targets
- Managing risks related to environmental matters, including climate change
- Fulfilling compliance obligations
- Improving continuously by monitoring and measuring our environmental performance
- Providing training on environmental standards, procedures and best practices
- Communicating our environmental commitments and performance to all our stakeholders
- Mitigating significant environmental aspects that may hinder sustainable growth

Environmental Protection Focus

At ADNOC Drilling, we seek to prioritize environmental protection and preserving a sustainable ecosystem. Our policies expect us to adhere to strict Pollution Prevention and Control (PPC) measures across all our operations and implement the Best Available Techniques (BAT) in our facilities, including pre-treatment plants, wastewater treatment plants, pumping stations, and waste management systems. Through these efforts we strive to reduce our environmental impact and support a sustainable future.

Our focus areas include:

- Marine and Land Environments
- Water and Effluents Management
- Waste Management and Circular Economy

Environmental standards:

- Environment Impact Assessment
- Pollution Prevention and Control
- Energy Management System
- Waste Management
- Environment Performance Monitoring
- Biodiversity Assessment
- Air Dispersion Modelling

Environmental Audits

At ADNOC Drilling, we established a well-documented Environment Management System (EMS) as part of the HSE management system, which is implemented across the entire organization. The EMS documentation is regularly reviewed to support compliance with ISO 14001 standards. In 2024, we developed and executed an internal audit plan consisting of three phases: a site walkthrough across the rig, a documentation audit, and interviews with senior rig staff.

Our rig management team is committed to translating our EMS policy into action, providing conformity with the standard requirements. Any Non-Conformance Reports (NCRs) or observations, if identified, are recorded in the Action Tracking System and the rig tracking register. In 2024, we conducted a total of 24 internal and external environmental audits.

Audit objective

- To provide the ADNOC Drilling top management team with sufficient information to attain compliance with relevant EMS legislation and drive continual improvement.
- To demonstrate the extent to which the facilities comply to the ISO standard 14001.

Audit methodology

The audit was conducted based on:

- Interviews with site staff
- On-site visits to verify system implementation
- Document and record reviews
- Random sampling collection

Environmental Trainings

In 2024, we conducted environmental training sessions as part of weekly risk management meetings, complemented by site visits and informative posters. These sessions were designed to enhance staff awareness of environmental best practices and regulatory compliance. The weekly meetings fostered continuous learning and provided opportunities for knowledge sharing among team members. The site visits offered practical, hands-on experiences to reinforce theoretical knowledge, helping staff apply environmental practices effectively in their daily operations. Moreover, there were informative posters placed across facilities to serve as visual reminders, reinforcing key training concepts and supporting adherence to environmental standards. These initiatives collectively contributed to embedding a culture of environmental responsibility.

Climate Change Impact – GHG Management and Energy Management

We believe it is important to mitigate our climate impact and adapt to evolving environmental challenges. Our comprehensive approach aligns with national commitments, and industry best practices, helping us contribute meaningfully to reducing our emissions and promoting long-term sustainability. Through targeted strategies, innovative technologies, and collaborative initiatives, we aim to mitigate the environmental impacts of our operations, adapt to changing climate conditions, and contribute to a sustainable future.

Climate Change Impact

We are dedicated to reducing GHG emissions, directly helping to mitigate climate impacts and align with global climate goals. Through focused initiatives, we optimize operations such as drilling, transportation, and camps by implementing **energy efficient practices, hybrid rigs, and innovative solutions to reduce our carbon footprint**. At the core of our business, we integrate climate management by prioritizing energy efficiency and actively monitoring and optimizing energy consumption through robust energy management systems.

Our management approach
We are committed to **achieving ADNOC's Net Zero scope 1 and 2 emissions target by 2045**, with an interim goal of **reducing emissions intensity by 25% by 2030**. This aligns with the UAE's national Net Zero ambition for 2050 and underscores our role as an energy technology leader driving decarbonization and sustainability in the drilling services sector. Our efforts focus on reducing GHG emissions across all operations by advancing energy efficiency initiatives and adopting cutting-edge technologies to help reduce our carbon footprint. These measures are supported by ongoing monitoring and targeted abatement projects to drive effective emissions management.

In addition, ADNOC is a proud partner of the **Oil and Gas Methane Partnership (OGMP) 2.0 Framework**, a global initiative dedicated to reducing methane emissions across the oil and gas sector. Through this commitment, we monitor, report, and reduce methane emissions throughout our operations, underscoring our dedication to transparency, environmental responsibility, and continuous improvement in emissions management, while supporting ADNOC's initiative to obtain the prestigious OGMP 2.0 Gold Standard.

GHG Management
Under our operational control framework, we work to carefully account for the emissions from our drilling rigs. These emissions are influenced by both us and our customers. This dual involvement can lead to double accounting, where the same emissions are reported by both parties. Despite the risk of double accounting, we categorize emission from our rigs under contract as Scope 1 and Scope 2 emissions, an understanding which is aligned with the stakeholders. This approach prioritizes transparency, supporting our commitment to sustainability and collaboration with our customers to enhance the environmental performance of our shared operations.

Accordingly, we track our GHG emissions footprint to better manage our emissions and identify areas for improvement. Additionally, a growing number of our rigs are powered by the emissions efficient electrical grid, and we strive to utilize our data capabilities to specifically identify the emissions reduction achieved for those rigs.

Energy Management

We are committed to advancing ADNOC Group's vision of meeting global energy demands while minimizing environmental impact. The guiding principle of "more energy with less emissions" reflects our approach to creating energy solutions that are efficient. By embracing this dual approach, we are working towards a future where energy needs, and environmental responsibility are balanced.

Our energy management approach is rooted in continuous improvement, data-driven decision-making, and adherence to globally recognized industry standards. Central to this approach is our comprehensive Energy Management System (EnMS), developed in alignment with ISO 50001:2018 standards.

Our EnMS is instrumental in monitoring, controlling, and optimizing energy consumption across a diverse range of operational facilities, including onshore and offshore rigs, camps, and warehouses. These systems enable us to identify energy-saving opportunities, improve operational efficiency, and reduce GHG emissions. This effort is further reinforced by our alignment with the ADNOC Group-wide Energy Policy, which prioritizes energy efficiency and carbon reduction as critical components of sustainability.

We utilize robust data collection methods to ensure accurate and actionable insights into our energy usage. For onshore rigs, energy consumption data is meticulously tracked through our internal SAP system, allowing for real-time analysis and reporting. For offshore rigs, manual data collection methods are employed, tailored to operational needs and environmental conditions to provide comprehensive coverage and accuracy.

Our Decarbonization Strategy
Our Decarbonization Strategy places a strong emphasis on integrating multiple initiatives to reduce our carbon footprint. **Key pillars of this strategy include advancing energy efficiency across all operations and reducing methane emissions**. Additionally, we are focused on electrifying our central camps, harnessing the power of solar energy to supplement traditional energy sources, and deploying advanced technologies to manage emissions effectively. **To drive the success of this strategy, we seek to establish measurable annual targets, rigorously monitor progress, and implement necessary adjustments to maintain momentum**.

- **Electrification:** In advancing our decarbonization efforts, we achieved significant milestones in electrifying our operations. A notable initiative is transitioning central camps from diesel to cleaner energy sources by commencing the procurement of power from TAQA and ADNOC Onshore. The Madinat Zayed camp electrification project has resulted in significant fuel savings by substituting 302,355 USG of diesel with an electrical power source. This reflected in reducing our carbon footprint by more than 55% through the abatement of 1,875 tCO_2e in 2024.
- **Battery Energy Storage System (BESS):** We equipped 16 hybrid rigs with high-capacity batteries and engine automation to optimize energy use and reduce emissions. These systems combine batteries with energy storage solutions, providing instant extra power during demand surges while lowering noise levels for rig crews and surrounding areas. This hybrid power solution is expected to reduce emissions by up to 4.6% per rig.
- **Energy Management and Monitoring System:** We implemented a new Energy Monitoring System to optimize energy usage across 16 hybrid rigs by monitoring real-time energy consumption and adjusting the power supply as needed. During high-power-demand situations, the system disconnects engines not required for load support, minimizing unnecessary fuel use. This system reduces energy intensity, carbon emissions, and fuel consumption while improving the performance of engines and batteries. This system is expected to reduce emissions by up to 5.4% per rig.
- **Solar Power Integration:** We implemented solar power systems for onshore rig (pilot project) as well as a mobile camp to provide hybrid energy solutions alongside diesel generators. This initiative reduces GHG emissions and fuel consumption and further supports our decarbonization objectives.
- **Fuel surveillance:** The **Fuel surveillance tool** is **driving abatement by enhancing data visibility and communication, ultimately reducing fuel consumption**. This has led to a total of 5,957,127 liters of diesel savings. The tool has the capability of applying statistical analysis, thus enhancing the stewardship of fuel management indication.
  The tool enables:
  - Monitors daily fuel consumption for all segments (onshore, offshore, yard and warehouse & fracturing)
  - Analyses fuel consumption data analytics and identifies trends for fuel optimization
  - Automates fuel consumption reporting
  - Tracks benchmarks and KPIs performance
  - Enhances emissions / energy reporting and visibility and tracking
  - Adopts the standardized GHG emission factors & other conversion factors (as per ADNOC Sustainability criteria)
- **Water Management for Unconventional Fracturing Operations:** Implemented measures to reduce or eliminate water trucking by utilizing water wells (single wells and pad wells) at the location to meet water requirements for fracturing operations. Newly developed fluid chemistry enables the use of high-salinity water from on-site wells. Consequently, a formulation compatible with high-TDS (Total Dissolved Solids) water for fracturing applications was developed. This would eliminate the use of freshwater for fracturing application which was instrumental in accelerating unconventional field monetization.
- **Stage Completion Technology:** Unconventional fracturing operations are conducted using conventional Plug and Perf techniques, utilizing coiled tubing, wireline, and additional fracturing equipment. The stage completion technology significantly reduces equipment requirements by eliminating wireline and coiled tubing and reducing the fracturing equipment footprint.

ADNOC Drilling's progress in 2024
For the year 2024, we set an ambitious goal to reduce our Scope 1 and Scope 2 GHG emissions based on decarbonization projects. Additionally, our targeted GHG abatement for 2024 was set at 26.4 ktons of carbon dioxide equivalent (KtCO2e). We surpassed this by achieving an outcome of 38.7 ktCO2e.

In terms of energy efficiency, our goal for 2024 was to achieve an energy intensity of 2,565 gigajoules per million dollars of revenue (GJ/$m), a target we successfully met. The total energy consumption increased by 35.27% in 2024 due to the operational expansion driven by the addition of new rigs to support increased demand. Furthermore, we aimed to improve energy efficiency by 5% per rig, using 2018 as our baseline year. Through dedicated efforts and innovative solutions, we met this objective, achieving the desired level of efficiency enhancement. Moreover, the total electricity consumption increased by 40.53% in 2024, primarily driven by the implementation of our electrification project under our decarbonization strategy. This shift reflects our commitment to prioritizing alternative energy sources over traditional fuel consumption. These accomplishments reflect our commitment to integrating sustainability principles into our operations, helping us not only meet but exceed industry standards in our decarbonization journey.

Our emissions profile in 2024

GHG Emissions

Scope 1 Emissions (tCO2e):	Scope 2 Emissions (tCO2e):	GHG Emissions Intensity (tCO2e/$m):
748,879.28	4,349.00	186.71

Non-GHG Emissions

Nitrogen Oxides (NOx):	Sulphur Oxides (SOx):	Non-Methane Volatile Organic Compounds (NM-VOCs):
15.87 kt	0.136 kt	0.43 kt

Our energy consumption profile in 2024

Total energy consumption (GJ):	Total electricity consumption (MWh):	Total fuel consumption (million US Gallons):
10,347,036	9,534.62	69.63

Fuel used in process plant (GJ):	Fuel used in transportation (GJ):	Energy intensity (GJ/$m revenue):
8,958,195.81	796,024.51	2,565

Waste Management

At ADNOC Drilling, waste management is not just a compliance obligation but a cornerstone of our commitment to sustainability. Therefore, we believe responsible waste management helps lower the environmental impact of our operations. Through innovative practices and comprehensive systems, we aim to reduce waste generation and capitalize on waste monetization opportunities, demonstrating our dedication to a sustainable future.

Impact
Our waste management practices influence multiple dimensions such as proper segregation, treatment, and disposal to contribute to a cleaner, more sustainable environment. By reducing disposal costs through reuse and recycling, we create opportunities for resource efficiency. Our waste management system safeguards employees and communities by preventing exposure to hazardous materials, promoting workplace safety, and supporting compliance with health and safety standards.

Our management approach
ADNOC Drilling's commitment to environmental stewardship is embodied in our advanced waste management system, designed to achieve operational efficiencies, and mitigate waste generation in our diverse waste streams.

Objectives of Our Waste Management System

- Waste Inventory – Establishing protocols for maintaining waste inventories
- Hierarchical Control Principles – Adhering to structured waste management controls
- Duty of Care – Setting standards for responsible waste management
- Operational Integration – Ensuring waste management is an essential part of operational procedures

Systemic Approach at the Centre of Our Waste Management
Our waste management system applies to onshore and offshore operations, including drilling, workover, base camps, workshops, and warehouses. It is integrated within the ADNOC Drilling HSE Management System.

ADNOC Drilling's waste management strategy is anchored in our understanding of environmental regulations, restrictions, and requirements. By staying abreast of these guidelines, we believe we are able to manage our waste flows more effectively and with greater regulatory compliance and align with a concept of circular economy.

Central to our waste management is the implementation of effective practices that address current waste issues while also anticipating future needs. We place a significant emphasis on source reduction analysis, which enables us to identify and mitigate waste at its origin, reducing the overall impact on the environment.

To support improvement, we are committed to developing and executing innovative waste management initiatives. These initiatives are designed to enhance our waste management system and contribute to our long-term sustainability goals.

Lastly, we recognize that waste management is an evolving discipline. Therefore, we regularly revise and update our procedures to incorporate the latest best practices and technological advancements, to keep our waste management approach effective and responsive to environmental needs.

A crucial aspect of waste management involves the categorization and identification of different waste types. This classification is the foundation upon which we build our waste management practices, allowing us to tailor our approach to the specific nature of each waste stream.

List of most prevalent waste streams

Hazardous Waste	Non-Hazardous Waste
• Batteries	• Domestic kitchen wastes
• Compressed and pressurized gas cylinder aerosols	• Paper
• Contaminated sorbents	• Scrap metals
• Expired pyro techniques	• Tiers
• Grit/ blast materia	• Used cooking oil
• Hydrocarbon contaminated sand (BAOB)	
• Light tube containing mercury	
• Medical wastes	
• Oil filters	
• Paints residue	
• Refrigerant	
• Used smoke detectors	
• Used lube oil – waste oil	

Waste Management Principles
We follow the Waste Management Principles which are based on a hierarchy of management practices fundamental to the development of a sustainable waste management strategy as mentioned in the 2023 sustainability report. Effective management of waste begins with avoidance and pollution prevention. This is achieved by eliminating or modifying practices that result in the release of pollutants into the environment, whether it be to land, air, or water. If elimination of waste is not possible, then the principles of waste minimization are expected to be applied through the application of the hierarchical principles to support responsible waste management.

At the same time, we prioritize waste segregation based on physical and chemical properties to drive safety and streamline storage, treatment, recycling, and disposal. At ADNOC Drilling, we believe waste segregation is key to waste minimization and compliance with local regulations.

We have categorized our waste into four distinct categories, as outlined in the following, to help us to manage each type effectively and in accordance with its specific requirements.

Green	Grey	Blue	Red
Food waste, Seaweed-waste, Expired food	Uncontaminated soil/ Inert/Sweeping	Metal scraps, Plastic Wood-waste, Cardboard-Carton, Tyres, Paper	Paints, Batteries, Chemicals, Waste-oil, Used Oil Rags/ Filters

In addition, we ensure full compliance with applicable federal, local, and internal laws, regulations, and standards at all times, including but not limited to:

- Federal Law No. 24 of 1999 for the Protection and Development of the Environment
- Regulation for Handling Hazardous Materials, Hazardous Wastes and Medical Wastes, 2001
- Law No (21) of 2005 for Waste Management in the Emirate of Abu Dhabi
- FANR-REG-26: Regulation for Pre-disposal Management of Radioactive Waste

Our ADNOC Drilling Waste Management Manual serves as a comprehensive resource for our employees. It is made readily available and is emphasized through regular training and awareness sessions, so that our people are informed and engaged in our waste minimization efforts. Additionally, the Waste Management Campaign was designed to engage and educate our workforce across the board. This campaign included an informative presentation, posters, and an interactive quiz, which were distributed across our rigs as guidance to foster a culture of sustainability.

Moreover, we played a role in the creation of the ADNOC Waste Management Reduction 2030 Roadmap, which is designed to guide all Group Companies. This comprehensive Roadmap includes aligning with government strategies, outlining strategic objectives, defining KPIs, and recognizing the challenges and opportunities that come with integrating advanced technology.

ADNOC Drilling's progress in 2024
In our commitment to effectively managing and minimizing waste, ADNOC Drilling has implemented key waste management metrics for both hazardous and non-hazardous waste.

Hazardous Waste Management
We transfer hazardous waste to the ADNOC Refining Waste Management Unit (BeAAT) Plant located in Ruwais City, which is adept at handling, treating, and disposing of it in accordance with the stringent guidelines established by the Abu Dhabi Waste Management Center (Tadweer).

Non-Hazardous Waste Management
Non-hazardous waste is transferred to facilities approved by Tadweer. The handling and disposal of this waste are conducted in a manner that meets our high standards for environmental responsibility.

Hazardous waste generated 2024

1,317t

Non-Hazardous waste generated 2024

3,862t

Overall, in 2024, our operations produced 1,317 tonnes of hazardous waste and 3,862 tonnes of non-hazardous waste. Compared to 2023, we recorded an increase of 0.15% in hazardous waste and 80.30% in non-hazardous waste. This increase can be attributed to the addition of over 20 new rigs into operations in 2024, alongside an increase in maintenance activities and enhanced reporting quality by rig crew members.

Water Management

Water is a critical resource for our operations at ADNOC Drilling, particularly as a drilling company operating in a region with limited natural water resources. Our approach to water management reflects our commitment to minimizing environmental impacts, supporting regional water conservation efforts, and aligning with ADNOC Group's ambitious sustainability targets.

At ADNOC Drilling, we are aligned with ADNOC Group's objective of minimizing freshwater usage in our operations to less than 0.5%. Our water sourcing strategy is diverse and sustainable, utilizing seawater, groundwater, and water obtained from third-party suppliers.

Impact
Our water management practices have wide-ranging impacts such as resulting in lower operational costs and enhancing resource security. Responsible water sourcing, consumption, and safe discharge practices safeguard marine ecosystems, aquifers, and the broader natural environment. By adopting sustainable water practices, we contribute to regional water security while safeguarding human rights by preventing pollution and maintaining ecological balance.

Our management approach
In line with our regulatory requirements, our approach to water use is rooted in a strong commitment to conservation and sustainability. We have established guiding principles to provide for the responsible management of water resources. During production activities, we implement conservation measures to prevent water wastage. Our efforts are focused on reducing water consumption while finding opportunities for water reuse and recycling, ultimately enhancing our water efficiency.

We follow a water management hierarchy which serves as a structured framework for increasing water efficiency and reducing consumption.

Water Management Hierarchy

- **Avoid –** Water usage
- **Reduce –** Lower water consumption of a process or activity
- **Replace –** Substitute the need of fresh water by a different resource
- **Re-Use –** Use the water again for the same or alternative process
- **Recycle –** Bringing water back into use through treatment to improve water quality
- **Dispose –** Relocate the water

We conduct a systematic assessment to evaluate both direct and indirect water impacts associated with our activities. This assessment focuses on water usage, discharge, and potential pollution sources within our operational boundaries and surrounding ecosystems. To support this, we utilize monitoring systems and databases, such as Environmental Management Information Systems (EMIS), to collect and analyze data, driving alignment with ISO 14001 and its commitment to continuous improvement in environmental performance.

Additionally, we strive to discharge process water in an environmentally safe manner. The water we release is meant to be free from toxic or harmful substances and does not cause significant adverse impacts on the natural water environment.

Responsible Wastewater Management
At ADNOC Drilling, our approach to wastewater management goes beyond simple regulatory compliance. We have implemented a comprehensive wastewater management system, founded on rigorous principles, to support effective treatment and close monitoring of wastewater discharges. This practice not only helps to minimize potential environmental impact but also highlights our steadfast commitment to sustainability and ecological stewardship.

Our system encompasses various types of wastewaters. This includes stormwater, which is often challenging to manage due to its variability. Process effluent and produced water, both by-products of our drilling operations, are treated with specialized processes. Sanitary wastewater, resulting from everyday activities at our facilities, and hydrotesting fluids used in equipment testing, are also integral parts of our wastewater management system. Each type of wastewater is managed with specific treatments and processes tailored to its characteristics.

ADNOC Drilling's progress in 2024

Water consumption	
Total water consumption from all areas	1,531 million liters
Water withdrawal	
Total withdrawal from groundwater sources	534 million liters
Total withdrawal from seawater sources	20,697 million liters
Total withdrawal from third-party water sources	743 million liters
Total withdrawal	21,974 million liters
Water discharge	
Total water discharged to seawater	20,443 million liters

Our water consumption, withdrawal, and discharge increased by 88.08%, 12.62%, and 9.33% respectively in 2024 compared to 2023 primarily due to the addition of over 20 new rigs. Furthermore, maintenance activities increased during the year, contributing to higher water demand. Additionally, improved reporting quality by the rig crews has enhanced the accuracy and comprehensiveness of our water data, resulting in a more precise reflection of our operational impacts.

Notably, our reliance on freshwater sources is minimal. Most of our water needs, accounting for 94%, are met by seawater. Under our processes this seawater is not only used efficiently but is also reclaimed and responsibly discharged back into the sea, reflecting our commitment to sustainable water management practices.

ADNOC Drilling Leads the Way in Reducing Water Use with Sustainable Drilling Fluids

ADNOC Drilling is trying to redefine water conservation in the energy sector by considering adopting sustainable drilling fluids blended with treated sewage water (TSW) instead of freshwater. This approach is expected to significantly reduce the demand for freshwater, helping to preserve valuable water resources.

The concept originated from a dissertation by a student titled "Exploring the Potential Use of Treated Sewage Water (TSW) as a Sustainable Solution for Mixing Drilling Fluids in Oil and Gas Operations". We recruited this student as an intern to help us further research the project. This forward-thinking approach is part of a wider effort across the Company to find solutions that can minimize water use. This is in alignment with the goal to use less than 0.5% of freshwater in our operations by 2030 and promote responsible resource management practices.

Biodiversity Management

We believe in the vital role biodiversity plays in maintaining the ecological balance and supporting sustainable development. As a responsible corporate entity, we endeavor to integrate biodiversity conservation into our operations, and adhere to global and national frameworks to protect the natural environments impacted by our activities.

Impact
Our operations interact with biodiversity in several ways, influencing economic, environmental, and social dimensions. Protecting ecosystems helps ensure the sustainability of natural resources essential for long-term operations. By restoring habitats, preventing land-use impacts, and monitoring species, we can help reduce disruptions to ecological systems and enhance biodiversity which is critical for climate regulation. Conserving biodiversity safeguards communities dependent on these ecosystems for their livelihoods. It also supports the right to a clean and healthy environment.

Our management approach
ADNOC Drilling is guided by stringent environmental policies and best practices that prioritize the preservation of the marine and terrestrial ecosystems that are impacted by our operating footprint. Our commitment to biodiversity is shaped and guided by globally recognized best practices in the field. Notably, we aim to adhere to the Global Biodiversity Standard and follow the guidelines set by the Chartered Institute of Ecology and Environmental Management (CIEEM) for conducting Ecological Impact Assessments (EcIA).

In addition to these global standards, our approach is also steered by various national frameworks and regulations. These include the National Framework for Climate Change and Health, the UAE Green Development Strategy, and the National Green Agenda 2015-2030. Furthermore, our involvement in clean and renewable energy projects, along with our marine conservation efforts, is in line with Federal Law No. 24 of 1999 concerning the Protection, Development and Amendments of the Environment (Law No. 11). These frameworks collectively guide our efforts in maintaining and enhancing the ecological integrity of the environments where we operate.

Our rigs and camps are spread across the UAE, with some located in protected areas. These operations are managed by the Operating Companies (OPCOs), with close oversight as needed. In protected areas, we collaborate closely with UAE environmental authorities to support compliance with applicable regulations. This includes actively participating in rehabilitation programs, monitoring local species, and preventing habitat degradation. In non-protected areas, we take proactive steps such as supporting native plantings and rehabilitating disturbed sites, in alignment with national biodiversity conservation policies and regional ecological standards.

We measure our impact on biodiversity through monitoring programs, impact assessments, and ecological surveys. These regular assessments help us track shifts in flora and fauna populations, identify the presence of invasive species, and monitor habitat degradation.

In line with ADNOC Group's standards, we follow a structured approach to predicting and managing ecological impacts:

- **Predicting Ecological Impacts and Effects:** We carefully assess the direct and indirect impacts on ecosystems, focusing on significant effects while excluding those unlikely to occur. We justify exclusions within our impact assessment process.
- **Characterizing Impacts:** We apply the standard provided in our Environmental Impact Assessment (EIA), considering the magnitude, extent, and nature of the impacts – whether direct, indirect, secondary, or cumulative – and evaluating their duration and reversibility. We assess both positive and negative impacts based on their relevance to the ecological effect.
- **Assessment of Residual Impacts:** After identifying potential impacts and implementing mitigation measures, we assess residual effects. If significant effects remain, we propose compensatory measures, considering ecological objectives and broader implications.

ADNOC Drilling's progress in 2024

ADNOC Drilling Mangrove Forest

In support of the UAE's goal of planting 100 million mangroves by 2030, ADNOC has committed to planting 10 million mangroves by 2030. To contribute to this initiative, ADNOC Drilling launched their own Mangrove Forest project. As part of this project, a mangrove tree was planted for each Rig Owners Seminar participant, fostering a sense of collective responsibility towards environmental conservation. The forest is monitored via CCTV and participants can access the feed through an app and see the mangroves in situ. Over 800 trees have been planted so far, contributing to the restoration and expansion of vital mangrove ecosystems. Mangroves are vital ecosystems for the UAE. They play a crucial role in combating climate change by sequestering carbon dioxide at a rate significantly higher than land-based forests.

Furthermore, mangroves provide vital coastal protection by mitigating erosion and supporting a diverse range of marine life. This significant initiative underscores our commitment to protecting nature and biodiversity and aligns with the UAE's vision for a sustainable future.

To learn more about our Environmental Community Activities, please refer to Community Engagement.

MANAGING OUR SOCIAL IMPACT

Our approach to Social Impact

SDGs:

1, 3, 4, 5, 8

Material Topics

- Health and Safety
- Employee Welfare and Development
- Diversity, Equity and Inclusion
- Community Engagement

Social responsibility lies at the core of our sustainability vision, embodying our commitment to making a meaningful impact on our workforce, communities, and the environment. By implementing advanced safety protocols, fostering diversity, and prioritizing employee development, we ensure our people are integral to our journey toward operational excellence.

Beyond our organization, this commitment extends to the communities we serve. Through targeted programs aligned with the UAE's national priorities, we address local needs, supporting youth development, championing gender equity, and driving impactful social initiatives. These efforts create a ripple effect of progress that transcends our operations, building a sustainable future anchored in shared value, trust, and innovation.

Message from Shaikha Al Dhaheri
Senior Vice President, Shared Services

Our employees are the driving force behind the sustainable success of our business. Their diverse talents and expertise form the foundation of our every successful strategy and project, supporting seamless execution from inception to completion. Recognizing their critical role, we are dedicated to fostering a culture of growth and innovation across our value chain.

By investing in cutting-edge technologies, providing opportunities for professional development, and championing impactful social initiatives, we empower our workforce to excel and make a meaningful difference. Together, we are shaping a resilient organization that not only meets today's challenges but also creates a legacy of positive change for generations to come in the UAE and beyond.

Key highlights

- Total employees (direct-hire and contractors): 11062
- Number of people of determination: 2
- Number of nationalities: 81
- Proportion of spend on local procurement: 53.17%
- Corporate TRIR: 0.46
- Corporate LTIF: 0.22
- Emiratis in the workforce (target positions[5]): 29.55%
- Total man-days trained: 37,708
- Total manhours worked (million manhours): 58.1
- ICV Certificate Score: 90.74%
- Amount invested in the community, as a percentage of Company revenues: 0.008%

[5] Target positions are roles identified as suitable for Emirati employees. Lower-level rig positions are excluded from Emiratization targets.

Health and Safety

Message from Ayman Bahnasawy
Vice President, Health, Safety and Environment (HSE)

HSE stewardship is fundamental to ADNOC Drilling's dedication to operational excellence and sustainable growth.

Through innovation, accountability, and a focus on continuous improvement, we are shaping a future that is safer, healthier, and more sustainable for our employees and the communities we serve.

Ensuring the wellbeing of our workforce is our top priority, demonstrated through comprehensive health initiatives such as employee surveys, targeted programs addressing fatigue, and proactive health screenings to support early intervention and care. Furthermore, we are committed to leveraging emerging technologies, including artificial intelligence, and are currently holding internal discussions on their applications to enhance our HSE performance. Our HSE plans are shaped by the voices of our workforce through our HSE Town Hall meetings, where we listen directly to our valued workforce to understand their challenges and collaboratively develop impactful solutions. With the invaluable efforts of our workforce, we are committed to making every day a 100% HSE day.

Our employees are at the core of delivering our industry-leading drilling services with safety and efficiency. We are committed to fostering a safe, healthy, and inclusive working environment for them, complemented by robust health and safety trainings. Recognizing our workforce as key stakeholders, we actively seek their feedback and engagement to drive continuous improvement in the employee experience and reinforce our commitment to operational excellence.

Impact
Our health and safety practices directly influence employee and contractor wellbeing, operational efficiency, and community trust. By preventing accidents and hazardous conditions, we strive to eliminate harm and create a workplace where everyone feels safe and supported. We empower all employees to take an active role in safeguarding themselves and others by stopping work when conditions are unsafe and openly reporting hazards, near misses, and stop-work events. Through these actions, we foster a culture where safety is not just a requirement but a shared responsibility.

Our management approach
We have a dedicated HSE management division that drives the identification, assessment, and mitigation of health and safety risks, supporting our efforts towards consistent adherence to high safety standards across operations in alignment with ADNOC's unified HSE Policy. This policy, aligned with international standards, is regularly reviewed and updated to address emerging challenges and maintain its effectiveness. The implementation of the unified HSE Policy is overseen by ADNOC Drilling's Board of Directors.

To further embed a strong safety culture, we have established ADNOC's unified **HSE Recognition and Accountability Framework**. This framework provides a structure to foster excellence in safety practices by recognizing exceptional performance and creating accountability at all organizational levels, driving our shared commitment to achieving an incident-free workplace.

Moreover, our **HSE Management System (HSEMS)** provides a comprehensive framework applied across all facilities to uphold health, safety, and environmental standards. It sets objectives, expects compliance with legal and industry requirements, and establishes processes to eliminate hazards and minimize risks. The HSEMS includes 79 HSE Standards covering, among others, Occupational Health, Operational Safety, Risk Management, Crisis Management, and Emergency Response. Aligned with ISO 14001:2015 and ISO 45001:2018, the system monitors performance to enhance safeguards and adapt to evolving challenges. To drive effective implementation, our HSE Compliance & Assurance Function conducts regular monitoring, inspections, and audits of HSE performance across rigs and facilities. This year, 25 internal audits have been conducted as per the Annual Audits Plan. Moreover, quarterly HSE inspections took place at each rig, with improvement actions being monitored closely. As a result, 95% of the audit recommendations and actions have been successfully closed out.

Additionally, we follow **the Case Management and Rehabilitation Framework** to manage workplace injuries and illnesses effectively. This framework helps affected employees receive appropriate care and support, facilitating their recovery and safe return to work. Our health and safety approach is further strengthened by these key initiatives, reflecting our unwavering commitment to protecting our people and maintaining operational excellence.

Advancing a culture of safety: HSE initiatives and trainings and awareness campaigns in 2024

Rig Move Safety
We recently established the Rig Move Safety Manual and deploy lifting specialists in our rig move operations. At the rig level, Field Safety Engineers oversee the rig move process, which includes developing Lifting Plans, implementing the Work Management System, actively monitoring rig move activities, and intervening to stop unsafe practices while offering necessary guidance for safe progress. Lifting specialists are designated to support and supervise the lifting operations during the rig move. Additionally, HSE coaches are assigned to monitor these operations, address unsafe practices, and engage with personnel to provide necessary support.

The 2024 Safety Day: Safety AI: Innovate. Safety. Together
Led by the CEO, SVPs, and VPs, we engaged employees across all locations online, to highlight ADNOC Drilling's commitment to safety and innovation. During the Town Hall meeting, advanced safety technologies, including AI solutions, voice-activated HSE kiosks, and real-time location and gas detection systems were presented.

Safe Eid Month at ADNOC Drilling
We launched a comprehensive safety-focused communication initiative during the Eid period. Under the theme of 'Safe Eid at ADNOC Drilling', the campaign incorporated innovative communication channels and direct engagement to reinforce safety protocols across the organization, particularly during the fasting period when operational demands can be high on our valuable workforce.

With the participation of our CEO Abdulrahman Al Seiari and many employees, we organized a Town Hall meeting to emphasize our dedication to safety. Moreover, daily safety messages from the leadership team on the Viva Engage platform, coupled with additional rig visits to engage directly with frontline teams, reinforced our commitment to ensure safe operational practices.

Safety Meetings
We held bi-weekly meetings on Fridays, bringing together both Head Office and Rig Leadership to address critical HSE topics. Each session focused on a specific, high-priority subject, with subject matter experts developing tailored learning materials for presentation. Rig Leadership then cascaded these insights to the on-site crew. This initiative enhances awareness of essential safety issues and promotes proactive measures to prevent incidents, contributing to a stronger HSE culture. Over the course of the year, more than twenty such meetings were conducted.

Process Safety Awareness
Specialized awareness sessions were conducted to enhance understanding and effective application of process safety fundamentals. These sessions outlined critical actions required to bolster process safety practices and fostered a culture of proactive safety management. During these sessions, the Process Safety Fundamentals (PSF) Observation Card was introduced as a new way for employees to report safety risks in a timely and structured manner.

Falcon State of Mind Bulletin
ADNOC Drilling issued a series of bi-weekly bulletins on 'One ADNOC' with the goal of promoting Falcon State of Mind at workplace. These bulletins aimed to highlight the efforts of different teams in taking ownership of safety and sharing their best practices at their respective sites. The ultimate objective was for others to learn from and implement these practices, thus promoting a culture of safety throughout the organization. Through the year over twenty-three bulletins were circulated across the Company.

HSE Awards and Recognition
The HSE Recognition Program has been strategically developed to acknowledge and reward exceptional contributions to Health, Safety, and Environment (HSE) practices in alignment with ADNOC's overarching goal of achieving 100% HSE. The program is supported by a dedicated budget and operates under clear award categories and selection criteria, carefully designed in accordance with ADNOC guidelines.

A central feature of the program is the ADNOC Way Recognition Platform, an online tool that streamlines the nomination process. Nominators use the platform to propose team members who exemplify safety excellence, with approvals managed by designated approvers. Recognized individuals receive Energy Points, which can be redeemed at a diverse range of retail outlets. Similarly, contractor staff are rewarded with vouchers, adhering to the same award framework.

ADNOC Drilling HSE Campaigns
We implement HSE campaigns as a series of planned activities carried out over a quarterly basis, typically spanning three months. These campaigns are designed to achieve measurable outcomes among employees, to help align with our 100% safety objectives. Each campaign is focused on disseminating critical information to deepen understanding of HSE principles to specific risks and hazards. Through these campaigns we raise awareness and promote best practices tailored to mitigate these risks effectively.

Behavior-Based Safety (BBS) Campaign
Quarterly analyses of HSE Observations and Interventions were conducted, identifying the top five recurring themes to address priority safety concerns. These insights were communicated to rig crews, to help in understanding and action learning points. Additionally, the BBS Group Engagement Board was deployed across all rigs, enhancing engagement sessions and fostering active crew participation. This initiative significantly improved comprehension of lessons learned from incidents and strengthened the implementation of corrective actions based on the analysis of HSE Observations and Interventions.

Hand & Finger Safety Campaign
With the objective to enhance safety measure and prevent injuries related to hands and fingers by sharing best practices, the campaign raised awareness about the common hazards that can lead to hand and finger injuries and presented the leading practices.

Working at Height and Drops Campaign
Aimed at enhancing safety and preventing accidents related to working at heights and dropped objects by educating employees on best practices, the campaign raised awareness about the risks associated with working at heights and the potential hazards of dropped objects.

Lifting Campaign
Promoting safety and preventing accidents related to lifting operations within ADNOC Drilling, the campaign presented the risks associated with lifting activities and to educate employees on best practices to mitigate these risks.

Development of the HSE training matrix
We introduced a comprehensive HSE Training Matrix to serve as a roadmap for technical positions. This matrix outlines the mandatory HSE and technical courses required for achieving critical outcomes such as rig operational certifications, employee technical certifications, and operations safety compliance.

Four-year divisional training plan
A structured four-year divisional training plan was developed to assist operations leaders in proactively managing course enrolments and re-certifications. This plan enables advance course registrations, integrates duty scheduling, and adequate employee backup planning at operational sites.

Certification status dashboard
To improve visibility and management of training progress, we launched a dashboard that tracks the status of courses and employee certifications for our land, offshore, and island teams.

HSE Academics
Our HSE Academics is a training program designed to improve HSE compliance. The program has been successfully delivered to over 700 Drillers and Civil Equipment Operators of the Rig Move Team. This educational initiative was continued in 2024, extending training to Assistant Drillers and Civil Equipment Operators on rigs and reinforcing our commitment to safety and operational excellence.

HSE Coaching Program
We bring external experts and coaches as part of our HSE Coaching Program to facilitate HSE culture advancement. In the successfully completed Phase 1, more than 14,000 of our ADNOC Drilling personnel participated in the program. Further in 2024, the Phase 2 of the HSE Coaching Program was executed with participation of over 13,000 personnel, following the planned strategy with enhanced criteria and a focus on workforce engagement.

ADNOC Drilling's progress in 2024

Health and Safety in figures (H&S KPIs)

Compliance
- HSE Campaigns: 7
- ISO 45001 Audit: 19
- OH Inspection: 25
- Occupational Illness/Diseases: 0
- Road safety and transportation audits: 12
- Compliance with annual HSE drill plan: 100%
- Number of HSE legal and regulatory violations: 0
- 100% HSE Days: 341/366

Corporate Performance
- Total manhours worked (million manhours) – 58.1
- Corporate work-related fatality: 2
- Fatal Accident Rate (FAR) (Nos. per 100 million manhours worked): 3.44
- Corporate Total Recordable Incident Rate (TRIR) – (YTD Frequency): 0.46
- Corporate Lost Time Incident Frequency (LTIF) – (YTD Frequency): 0.22
- Catastrophic event: 0
- Fire/Smoke: 5
- External DROPS Survey on Rigs: 70
- Process Safety Event: 0
- First Aid cases: 19
- Near misses (NM): 846
- High Profile HSE Management Site Visits: 82
- Medical Treatment cases: 2

Employees (Direct Hire)
- Corporate Total Recordable Incident Rate (TRIR) – (YTD Frequency): 0.29
- Corporate Lost Time Incident Frequency (LTIF) – (YTD Frequency): 0.19
- Fatality: 1
- Periodic medical examination completed (employees): 100%

Contractors
- Corporate Total Recordable Incident Rate (TRIR) – (YTD Frequency): 0.67
- Corporate Lost Time Incident Frequency (LTIF) – (YTD Frequency): 0.34
- Fatality: 1
- Contractors Performance Improvement: 100
- Periodic medical examination completed (contractors): 100%

Closer look: Health and Safety Fatal Incidents in 2024
With deep regret we are reporting two fatalities in 2024, one involving our employee and another a contractor.

We have thoroughly investigated the incidents, involving all relevant parties to identify root causes and implement corrective measures. Our heartfelt condolences go out to their families, friends and colleagues.

We are determined to learn from these tragic events and take the necessary steps to prevent similar incidents in the future. We will continue to work closely with all employees and contractors in order to reach the ultimate goal of beyond 100% HSE. These actions underpin our ongoing commitment to achieving our target of zero-harm every day and fostering a safety-first culture to ensure everyone who works at our sites is able to return home safe and sound from work.

Actions taken:
- To improve work control, IOGP Start Work Checks have been incorporated into our Work Management System.
- Launched specialized training program focused on human factors to promote a culture of safety based on behavior.
- Additionally, a behavior monitoring system has been introduced across our operations, and we have revitalized our competency assurance program for frontline workers to enhance their ability to recognize and manage hazards.
- Our rig acquisition process has been upgraded to mandate comprehensive design reviews that integrate lessons learned from previous incidents, ensuring necessary design improvements are implemented.
- Deployed AI monitoring technologies such as real-time monitoring systems for early intervention and prevention of incidents.
- Initiated a behavioral enhancement program focused on road safety for both drivers and rig crew members.
- Commenced the process of installing active fatigue and distraction detection devices in our vehicles.

Employee Welfare and Development

Our workforce is the foundation of our success. At ADNOC Drilling, we are deeply committed to fostering a workplace where employees feel valued, emotionally supported, and professionally empowered. By integrating comprehensive welfare initiatives with dynamic training and development programs, we enhance the wellbeing, skills, and growth of every individual, fostering a culture of care, innovation, and excellence.

Impact
A combined focus on welfare and development has a profound impact on employee morale, performance, and loyalty. Additionally, fostering a supportive environment and providing clear career development pathways strengthens our employer brand, bolsters stakeholder confidence, and contributes to long-term business sustainability.

Our management approach
Our Human Capital Division (HCD) plays a vital role in driving strategic welfare initiatives and training programs aligned with ADNOC's Corporate Strategies and Business Plans. To support employee well-being, we offer a comprehensive suite of competitive benefits and allowances, alongside social gatherings, events, and an employee recognition program that celebrates achievements and fosters a strong sense of community.

Our training programs encompass a wide range of competencies, including business, technical, behavioral, and leadership skills. Delivered through a blend of in-person and virtual formats, these programs are facilitated by external experts and trainers from our ADNOC Drilling Training Centre (DTC), ensuring employees are equipped to excel in their roles.

Our dedication to excellence in employee welfare
Our Head Office includes a dedicated Happiness Centre that simplifies access to personal documentation services, enhancing employee convenience. We also maintain a robust employee grievance mechanism to address concerns effectively. Regular employee engagement and pulse surveys are conducted to gather feedback and drive continuous improvement in welfare activities. To maintain the integrity and effectiveness of these practices, we conduct annual internal audits. Together, these initiatives foster a positive and progressive workplace, improving employee satisfaction and organizational performance.

Most human capital processes have been fully automated with the implementation of SAP, streamlining operations and boosting efficiency. The performance appraisal process has also transitioned from manual to fully digital, enhancing accessibility and ease of use for both employees and management.

We collaborate with the Group Medical & Wellbeing and Human Capital Division to address employees' health insurance, welfare needs, and medical care requirements. Our Employee Assistance Program (EAP) offered through LYRA Wellbeing, provides access to physical and mental health services (which includes counselling, financial & legal guidance and wellness coaching) for the employee and family members. Comprehensive health insurance is provided to all employees, and contractors are required to secure health insurance for their workforce. These efforts reflect our commitment to extending our vision and having a positive impact across the entire value chain.

Because we believe in recognizing the importance of mental wellbeing, we are dedicated to fostering a supportive environment where employees feel empowered to seek help without hesitation, further enhancing workplace wellbeing and resilience. Operating under the guiding principle, "When you don't know where to turn, we're here to guide you", our EAP provides employees with access to confidential psychological and emotional support.

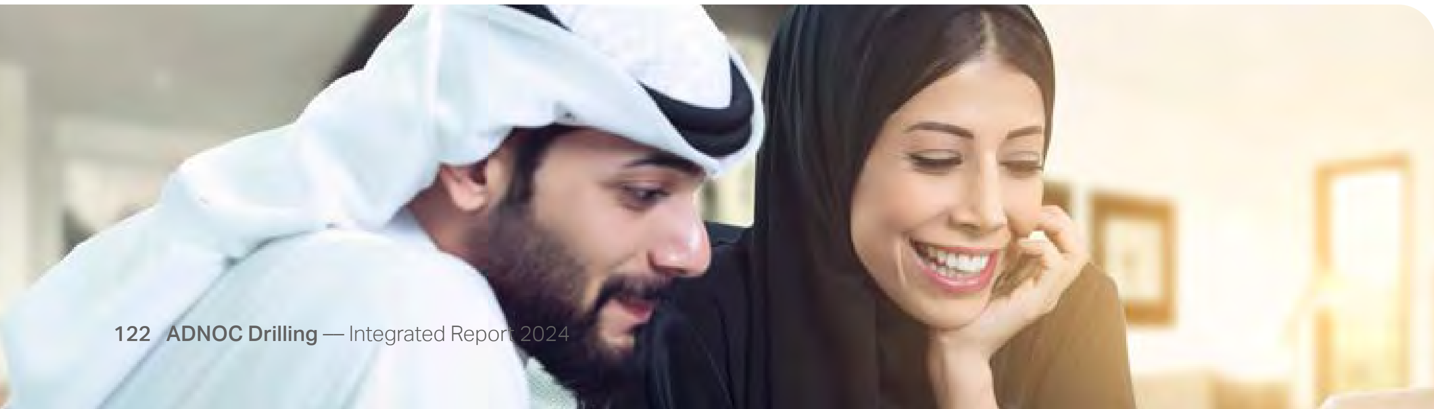
ADNOC Drilling's progress for employee welfare in 2024
- As we continue to grow, with more employees and increased operations, we remain dedicated to fostering a supportive work environment. Against this backdrop, in 2024, we achieved an employee engagement score of 89% and maintained an attrition rate below 2%, reflecting our unwavering commitment to cultivating a supportive workplace and prioritizing employee welfare as a cornerstone of our success.
- We launched a digital platform called "Energy for Wellbeing", which supports effective monitoring and compliance with work-rest cycles and rest provisions for employees. Furthermore, we promoted the renewed and improved ADNOC Employee Assistance Program (EAP), which provides resources and tools to address challenges of a personal nature, mental health concerns and promote overall wellbeing. These implementations were undertaken based on the outcome of the ADNOC Fatigue Survey Assessment conducted in 2023 to better understand and address the issue of fatigue among our workforces.
- The Drilling Model Leader (DML): This program was introduced for leadership employees to identify and encourage exemplary performance. Our leadership colleagues can earn points and the DML label (pin) by demonstrating behaviors such as applying a growth mindset, building effective teams, ensuring a safe and caring environment, and empowering people at all levels.

- We established ADNOC Drilling's Human Capital five-year strategic plan to enhance our human capital in line with ADNOC's corporate vision, which focuses on four pillars: people, performance, profitability, and efficiency.
- We introduced remote work allowance to further support work-life balance for our employees.
- In 2024, 168 employees utilized parental leave in accordance with all applicable legal and regulatory requirements, with 100% successfully returning to the workplace afterward. We remain committed to monitoring the effectiveness of our employee policies and flexible work arrangements to support a balanced and inclusive work environment.
- We partnered with leading health service providers to organize Energize 2025, a comprehensive health and wellness event, to help our employees finish the year in great physical and mental condition. The event will have expert talks on preventing heart disease and mental fitness along with health screening on key biomarkers such as blood sugar and body-mass index among others.
- We organized a "Stay Hydrated" event to remind everyone to prioritize their hydration levels as the weather warmed up. Water dispensers and refreshments were provided in the Head Office reception area and in Central Camps' Majlis Tent. The event saw participation from nearly 2,000 employees, where water and fresh juices were served to help everyone stay refreshed and hydrated.
- To raise awareness about the signs and symptoms of heat-related illnesses and to promote understanding of measures to reduce associated health risks, we distributed ice cream on a regular basis to our employees working in outdoor areas.
- We have undertaken infrastructure enhancements to enhance our workforce experience including camp refurbishments, the establishment of mud labs and gate caravans for new rigs, warehouse and office upgrades, and improvements to central camps and mini markets. Alongside, we implemented similar activities, including improvements to office space aesthetics, upgrading mainland and offshore recreational facilities, optimizing services operational management, ensuring facilities readiness for new rigs, enhancing site accommodation and offices, providing food safety training and certifications, and launching a food waste awareness campaign.

We are proud that we foster a culture of engagement and empowerment to cultivate a positive work environment that makes employees feel appreciated and inspired. To maintain and enhance our dedication to keeping our team engaged, and their needs and concerns properly addressed, we have organized recurring events throughout the year.

Our monthly and weekly initiatives to support employee welfare

- **People Care Monthly Meeting:** Executive management held monthly meetings with site employees to discuss their concerns and welfare, so that employee voices are heard and addressed promptly.
- **Monthly Touchbase Meeting:** HC leadership meeting with division leadership to discuss new updates, and troubleshoot any grievances, resolutions and feedback.
- **Wellbeing Calendar:** Weekly wellbeing Town Hall meetings were held every Thursday on various topics to promote a healthy work-life balance and support employee wellbeing.
- **Engage with Alumni:** Home visits were organized for long-served retirees to maintain connections and reminisce about their contributions to the organization.
- **Maakoum People Connect:** HCD team physical visit to Head office and Site locations to raise employee awareness on recent HC initiatives and updates, and discuss their concerns and welfare. The visit is conducted with team building activities to engage and connect with staff.



Employee Welfare KPIs

- **Total employees (direct-hire and contractors):** 11,062
- **Number of people of determination:** 2
- **Total female employees (direct-hire and contractors):** 161
- **Total new hires (direct-hire and contractors):** 1,394
- **Total direct-hire employees:** 7,083
- **Increase in full-time employees:** 8.4%

Our commitment to employee training and development
The success of our operations is underpinned by the expertise and continuous growth of our workforce. We are committed to providing diverse learning and development opportunities to enhance the professional and technical capabilities of our employees, regardless of their roles or seniority.

Our essential training programs focus on practical, procedural, and personal competence, including business, technical, behavioral, and leadership skills. These programs are offered both in-person and virtually. The trainings are delivered by external, independent training providers and internal DTC trainers. In both cases, the trainers are mentors and well-known industry professionals.

Drilling Training Centre (DTC) Accreditations and Competency
DTC holds 18 prestigious professional accreditations both nationally and internationally in the fields of HSE and Drilling. These accreditations, which include but are not limited to IADC, International Well Control Forum (IWCF), Offshore Petroleum Industry Training Organisation (OPITO), Lifting Equipment Engineers Association (LEEA), American Heart Association (AHA), National Qualification Centre (NQA), American National Standards Institute (ANSI), Scottish Qualifications Authority (SQA), Highfields, American Safety and Health Institute, and Abu Dhabi Centre for Technical and Vocational Education and Training (ACTVET), enable the Centre to offer a comprehensive development path for individuals pursuing careers in drilling and safety.

DTC is the first institution in the country to receive accreditation from the UAE Ministry of Higher Education to offer a Diploma in Drilling. The quality of ADNOC Drilling DTC is also recognized by ADNOC Group HQ. We successfully secured a tender to extend our training services to Group companies, showcasing DTC's expertise and its contribution to profit generation.

DTC has the capability to cover approximately 70% of mandatory and competency training via its internal resources. In 2024, DTC has achieved 106% progression of the year-planned target to cover (1,450) courses by the end of 2024, as per the uncertified list.

With respect to eLearning, our employees completed 9,833 courses in 2024, a 35% decrease compared to the previous year as many courses returned to being classroom-based. These virtual programs covered a wide range of topics, including leadership, management, safety and technical courses.

Drilling Training Centre (DTC) Efficiency Practices
To maintain 100% utilization and cost optimization in employee training and development, the ADNOC DTC continuously implements the following best practices:

- Prioritize offering training programs that address high-demand competencies while balancing costs to maximize value.
- Develop and implement a structured annual training plan so uncertified employees meet certification requirements in a timely manner.
- Regularly update training programs to align with the ADNOC Unified Training Matrix, ensuring consistency and relevance.
- Incorporate key measures such as flexibility in scheduling, advance notice for participants, and strict control over cancellation processes to improve efficiency and minimize disruptions.
- Compare planned training activities with actual outcomes and evaluate their effectiveness continuously to identify and implement improvements.

ADNOC Drilling's progress for employee training and development in 2024

- We initiated the Recognition Leaderboard that tracks and promotes the use of the ADNOC Way recognition platform, including divisional and leadership participation. Monthly statistics of top receivers and givers of recognition are shared to encourage consistent acknowledgment of employee achievements and contributions. In 2024, 6,253 employees were appreciated, with a total of 28,342 recognitions through the platform.
- We successfully completed the annual Performance and Reward Cycle, by rewarding 3,457 of our extraordinary performing employees – representing over one-fourth of our total workforce. This achievement highlights the strength of our high-performing teams and demonstrates our commitment to fostering career progression and professional development across our organization.

Classroom training conducted during 2024, utilizing Drilling Training Centre

Trainings Data	2021	2022	2023	2024
No. of courses	1,401	1,558	2,912	1,737
No. of attendees	20,929	27,338	43,907	24,867
Training man days	33,802	35,315	58,437	37,708

Note: excluding eLearning courses and on-the-job training

This included but was not limited to:

- 835 attended business and behavioral related courses
- 1,224 attended technical courses
- 19,722 attended HSE related courses
- 472 attended leadership related courses

Diversity, Equity and Inclusion

By championing equitable practices and cultivating an inclusive environment that harnesses the diverse perspectives of our youth, ADNOC Drilling strengthens its culture of Diversity, Equity, and Inclusion (DEI). This commitment fuels innovation, enhances operational efficiency, and drives strong financial performance. We believe that a diverse workforce fosters innovation, enhances decision-making, and reflects the global nature of our business. As per our Group Code of Conduct, we have zero tolerance against any form of discrimination. By embracing equitable practices and fostering an inclusive environment, our unyielding focus on an inclusive culture and the perspective of our strong youth position us to continue to drive innovation, operational effectiveness and strong financial performance as we move through the energy transition.

Impact
DEI initiatives drive social and economic value, both within our organization and in the communities in which we operate. By fostering inclusivity, we unlock the potential of our workforce, enhance creativity, and build stronger teams. Externally, our DEI efforts contribute to broader societal goals of equity and representation in line with the UAE agendas such as the National Strategy for Empowerment of Emirati Women.

Management approach
Our efforts are led by the Gender Diversity Steering Committee and Gender Balance Committee, which work collaboratively to elevate practices that support equality of access and opportunity across all sites and units. The Gender Diversity Steering Committee reports to the Board of Directors and is responsible for monitoring progress toward gender diversity targets. This committee oversees the Gender Balance Committee, which develops and implements approved programs and initiatives to advance gender equity within the organization.

To identify opportunities for improvement, we conduct gender balance compliance audits and assess female representation across our facilities. These audits, combined with benchmarking against industry best practices, help us address gaps and refine our approach. Additionally, our committees collaborate with their counterparties at the other ADNOC Group companies to share knowledge, align on initiatives, and foster collective progress in gender balance.

Our structured approach helps us remain committed to empowering diverse talent, improving representation, and embedding gender equity into the foundation of our operations and culture. This aligns with ADNOC Drilling's broader commitment to building a workforce that reflects the diversity of the communities we serve. Accordingly, the Gender Balance Committee established the Gender Diversity Standard.

Key focus areas of Gender Diversity Standard	
Recruitment	Recruitment strategies that help enable equal opportunities for female and male candidates for all vacancies to drive a gender diverse population with a focus on women in leadership and technical areas
Retention	Additional issues and concerns around the retention of women and implementation measures to address them, which may include: • Flexible working arrangements • Family-related leave • Adjustments to working conditions and facilities
Promotion	Promotion of gender diversity across ADNOC Drilling. Some measures may include: • Sponsorship programs • Professional development and coaching • Visible role models • Mentoring and shadow programs • Talent Mobility programs
Representation	Supporting diverse representation of women in: • Leadership positions • Core and supporting functions • Committees
Compensation and Benefits	Assessment of pay and benefit levels to: • Seek pay parity for male and female personnel across roles and job grades • Address any inconsistencies
Diversity of the Board	Meeting the SCA requirements of female representatives on the Board

ADNOC Drilling's progress in 2024

- Gender Pay Parity at ADNOC Drilling: 1:1
- Females in leadership positions: 14%
- Number of nationalities at ADNOC Drilling: 81

Success stories in 2024

The first Emirati Female Trainee Driller

This year marked the successful milestone of an Emirati colleague as the first female drilling trainer. This milestone sets an important precedent for the upcoming local female talent to contribute to the diversity objectives of our organization across different levels and functions.

Top performers of ADNOC Drilling Youth Development Program

Two of the top performers of this year's Youth Development Program cohort were two female colleagues, who both completed the program with outstanding performance.

Nationalization

ADNOC Drilling remains committed to building a sustainable UAE national human capital reserve for the future through our dedicated Recruitment and Talent Development units. These units are instrumental in implementing programs that align with our Emiratization Strategy that defines the target positions suitable for the professional interests and career ambitions of the national population.

In 2024, 127 UAE national trainees were recruited under the nationalization program. Of these, 96 UAE nationals were enrolled in the ongoing two-year Assistant Driller Development Program. Additionally, 47 UAE national trainees from the previous year have been integrated into ADNOC Drilling as full-time employees, reflecting our commitment to empowering Emirati talent and creating meaningful career opportunities.

Moreover, in recent years, we have witnessed a notable increase in the participation of UAE Emirati female graduate engineers in the oil and gas sector. We are dedicated to further enhancing this trend by exploring avenues to increase the inclusion of female engineers in our recruitment efforts and providing them with tailored exposure and career development opportunities. These efforts aim to support their growth into professional engineers across the target positions of the drilling industry, contributing to greater diversity and inclusivity within the sector.

Emiratis in the workforce (target positions) in 2024

29.55%

Assistant Driller Development Program

We have relaunched our two-year Assistant Driller Development Program, welcoming the first cohort of UAE national trainees at our DTC. This program is designed to equip participants with the specialized skills required to excel in this critical role within drilling operations.

Over the next two years, ADNOC Drilling aims to onboard 170 young Emiratis, preparing them to build meaningful careers in the dynamic and demanding drilling industry. Aligned with our Emiratization objectives, the program represents a strategic investment in local talent development, fostering skill-building pathways for emerging leaders and contributing to the sustainable growth of the national workforce.

Youth engagement

Message from Nayef Al Marzooqi
Youth Committee Chairperson

We believe that the energy and innovation of our youth are vital to shaping the future of our organization. ADNOC Drilling Youth Committee empowers our young colleagues to drive transformative change, embrace leadership opportunities, and contribute meaningfully to our shared vision. Through programs like the Rig Eye Smart Glasses project and the Upstream Talent Accelerator Program, we have demonstrated the immense potential of our youth to lead with purpose and deliver exceptional results.

By fostering an environment where young professionals are equipped to elevate practices, disrupt challenges, and amplify their impact, we are building a resilient foundation for ADNOC Drilling's long-term success. Together, we will continue to unlock new possibilities, embrace opportunities, and inspire a future where the potential of our youth drives the progress of our Company and industry.

We are committed to equipping today's workforce with essential skills while fostering a diverse talent pool. Our younger colleagues stand as vital pillars in futureproofing our organization and driving our vision forward.

ADNOC Youth Committee, composed of 14 young members of our Company, is responsible for driving the engagement and development of our young colleagues within the organization to build and maintain the future leaders of the Company. With this responsibility, the Committee organizes and participates in a range of activities around the year with four streams:

- Elevate: To boost existing practices to meet and exceed the ever-evolving needs of ADNOC Youth and raise them to a position where they have the tools and opportunities to build on their skills.
- Disrupt: To foster a culture of positive disruption that sparks transformative change and empowers young leaders to drive progress and create value.
- Impact: To drive optimal performance and accountability within the Group Company Youth Committees through robust performance monitoring mechanisms and regular pulse checks.
- Amplify: To position and magnify the impact of youth initiatives, voices and achievements within the community, unlocking the potential of all ADNOC Youth.

In line with the stream objectives, the Youth Committee organized 4 key initiatives and took active participation in another 12 initiatives organized by the wider ADNOC Drilling team.

Initiatives organized by the ADNOC Drilling Youth Committee

Amplify	Disrupt	Elevate
• X TA'ZIZ Youth Day • Gratitude BAG	• Sports Ground Maintenance	• Power Click

Initiatives participated in by the ADNOC Drilling Youth Committee

Amplify	Disrupt	Elevate
• Labor Day • Flag Day	• ADNOC Visitor Center • ADNOC Facility Tour • ADNOC Safety Day • Finishing the Year Strong • Culture Master Class	• ADIPEC • High Profile Visit • Elastomer Test in the UK • Facilities Audit in Germany • E-Poster Station – AI

2024 success stories from our Youth Committee

Rig Eye Smart Glasses Project

ADNOC Drilling introduced the Rig Eye Smart Glasses to an entire rig fleet. The project was led by the Chairperson of the ADNOC Drilling Youth Committee and supported by colleagues from the Asset Integrity division. Rig Eye provides augmented and virtual reality technology to enhance operational effectiveness. This approach enables us to significantly lower expenses associated with travel and lodging with real-time access to technical expertise remotely.

Upstream Talent Accelerator Program

Five members of the ADNOC Drilling Youth Committee successfully graduated from the Upstream Talent Accelerator Program with upgraded skills to contribute to our shared commitment to operational excellence.

In the year ahead, we aim to further enhance our commitment to the development of youth through the following initiatives:

- To promote physical, mental, and emotional wellbeing through recreational activities.
- To understand and focus on personal development plans.
- To foster a sense of community and public responsibility among our youth.
- To cultivate leadership skills and potential in our youth members.

Community Engagement

Message from Mohammed Al Meheri
Vice President, Business Support Division

I am proud that once again in 2024, we showcased unwavering dedication, innovation, and a deep commitment to creating meaningful and lasting impact. Through our comprehensive approach to corporate social responsibility, we successfully delivered 33 impactful internal events and community engagement initiatives, fostering a culture of care and collaboration.

Our environmental and social initiatives inspired action, mobilizing an incredible 612 volunteers who played a key role in driving transformative contributions within our organization and across the communities we serve. These efforts fostered stronger team bonds, championed employee wellbeing by prioritizing physical and mental health, elevated our environments, and enriched the lives of the communities we proudly serve.

These achievements stand as a testament to the dedication and teamwork of every member of our workforce, embodying our shared values of excellence and sustainability. Together, we continue to lead with purpose, so that our operations positively shape both our people and the planet.

Impact
We see the relationship with our communities as a partnership built on trust, respect, and shared value. Community engagement has a direct social and economic impact on the areas where we operate. By investing in community development programs, we contribute to local development and improve quality of life by demonstrating leadership in social responsibility and sustainability.

Management approach
At ADNOC Drilling, our commitment to the socio-economic development of the UAE is at the heart of our Corporate Social Responsibility (CSR) programs. These programs are strategically aligned with ADNOC's broader approach to foster positive community impact. Through our initiatives, we aim to create long-lasting benefits for the communities where we operate, ensuring that our activities contribute to societal wellbeing, solidarity and resilience.

Throughout 2024, over 30,683 volunteers at ADNOC Drilling participated in the 15 activities organized by the CSR team. We have actively monitored their feedback after each engagement to help us keep improving our positive contribution and building relevant impact.

Social community engagement activities

Meer Ramadan

During the Holy Month of Ramadan, we distributed Ramadan food baskets to third-party staff, ensuring access to essential food items for their families and children. This initiative aimed to provide meaningful support during the sacred month, reinforcing our commitment to community care and wellbeing within the communities in which we operate.

Blood Donation

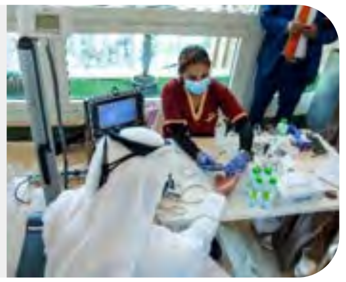
An annual initiative organized by ADNOC Drilling to support the UAE Health Department, the campaign encourages employees to contribute to life-saving efforts by donating blood, which is vital for patients requiring transfusions due to surgeries, accidents, illnesses, or other medical conditions. In 2024, we conducted two blood donation campaigns in 11 camps with a total donor number of over 357 ADNOC Drilling employees.

ADNOC Sports Day

We organized two Sports Day tournaments, which consisted of four games, including Cricket, Football, Volleyball and Badminton, to engage our employees in their preferred health and fun activities. Over 1,900 employees participated in the event, which contributed to their physical health needs and increased morale. The reception of the sports day by employees was highly favorable, prompting us to organize a second event, even though only one was initially planned.

Healthy Together Event

An awareness raising event was held to disseminate information on how to maintain a healthy lifestyle and address common health concerns through lifestyle changes. The session attracted over 300 employees and provided essential knowledge among our workforce on our dedicated EAP-LYRA app for employee-wellbeing along with the health-related medical and wellbeing activities.



Health Screening Campaign

Health screening, covering essential medical tests including but not limited to blood pressure, blood glucose, BMI among others, was performed for our workforce to detect early signs of health problems or disease in individuals. Over 1,960 employees benefited from a comprehensive check-up of their health condition to ensure timely action against emerging health concerns or assurance of their vitality.

Dhabi Happiness Car

Throughout the year, we visited the rig sites every week during after-hours and organized activities such as games, catering, and involvement in shared hobbies to foster a positive and inclusive atmosphere. This weekly initiative, which has occurred over 75 times, enhanced team cohesion and promoted wellbeing among our site staff.

Ramadan Iftar Gathering

We brought our employees and their families together to celebrate the Holy Month through Iftar gatherings at our six central camps. More than 1,000 onshore and offshore employees attended the celebrations at Tarif, Bid'a Al Oshanna, Asab, Madinat Zayed, Habshan, and Bu Hasa central camps, with many joining online from their rigs and homes. These gatherings fostered a sense of intimacy, social spirit, and cohesion among employees. By creating a warm and inclusive environment, the campaign successfully enhanced workplace camaraderie and allowed employees to share in the joy and reflection of Ramadan in a positive and uplifting atmosphere.

53rd UAE National Day Commemoration

On the 53rd commemoration of UAE National Day, ADNOC Drilling gathered together and reaffirmed its commitment to honoring the remarkable legacy of the brave men and women who laid the foundation of the Emirates. The gathering was a poignant reminder of the sacrifices and visionary leadership that transformed the UAE into a beacon of progress and prosperity. By reflecting on the sacrifices and achievements of the past, we were inspired to build a brighter, more sustainable future for the UAE and beyond.

Environmental community activities

Camp Cleaning Campaign

Recognizing the importance of maintaining a clean and healthy environment for our site staff, ADNOC Drilling launched a camp cleaning campaign at the Central Camps and Base Camp. This initiative focused on improving cleanliness around the camps, promoting a healthier living and working environment for our community. By actively engaging employees and creating a cleaner space, the campaign reinforced the significance of environmental hygiene while contributing to overall wellbeing and site sustainability.

Raising Awareness during Earth Day

ADNOC Drilling celebrated Earth Day with a vibrant program of activities designed to draw attention to environmental conservation and sustainability. Employees participated in tree-planting initiatives, an Earth Day poster-making competition, team-building exercises, a quiz competition, and a prize distribution ceremony. These activities were aimed at raising awareness about the climate crisis and encouraging behavioral change to protect the environment. By fostering engagement and collaboration, the event successfully highlighted the importance of individual and collective actions in addressing pressing environmental challenges.

Tree Planting Campaign

ADNOC Drilling organized a tree-planting campaign at the Bida Al Oshaneh base camp. This initiative aimed to enhance biodiversity, promote ecological health, and contribute to environmental preservation. In 2024, 18 dedicated volunteers participated in this effort, planting tree seedlings to support long-term environmental sustainability and improve the natural surroundings of the base camp.

Clean-Up Campaign

ADNOC Drilling spearheaded a clean-up campaign in the areas surrounding the Bida Al Oshaneh base camp to reduce pollution, improve environmental health, and strengthen community spirit. This initiative underscored our commitment to maintaining a clean and healthy environment. In 2024, 48 enthusiastic volunteers joined forces to clean up the area, helping to create a safer and more pleasant space for everyone.

In addition, to promote environmental stewardship we launched initiatives such as a bamboo nursery, food and waste recycling programs, and ghaf tree distributions. To advance social cohesion, we organized gatherings such as shared services wellbeing gatherings, suhail summer star event and celebrations like Eid Al Fitter Fuala, Qerqeaan Day, International Tea Day, Emirati Women's Day, and World Smile Day.

Amount invested in the community, as a percentage of Company revenues: 0.00002% (USD 65,000)

Procurement Practices

At ADNOC Drilling, we work closely with our partners to uphold the highest standards of quality, ethics, and sustainability, as we want our supply chain to reflect our values and contribute to our mission of responsible operations.

Impact
Strong contractor and supplier management practices lead to tangible operational benefits, such as improved service quality, reduced costs, and fewer risks of disruptions. This approach furthers our desire that our business partnerships contribute to our sustainability goals, enhance stakeholder trust, and create long-term value across our value chain.

Management approach
At ADNOC Drilling, we cultivate a culture of ethical excellence that begins with our internal teams and extends to every supplier and partners. From the outset of any engagement, suppliers are contractually mandated to align with the **ADNOC Group Supplier and Partner Code of Ethics**. This establishes a clear expectation of compliance with rigorous standards for ethical behavior, environmental stewardship, and adherence to relevant laws and regulations. We emphasize environmentally responsible practices.

To strengthen trust and transparency, we employ advanced technologies for integrity due diligence, carefully screening third parties to identify potential risks. A robust pre-qualification process further reinforces these standards, integrating social and environmental criteria into supplier technical evaluations. In addition, we maintain dynamic relationships and engage in regular performance assessments of our key suppliers, fostering open communication through meetings, support for registration processes, and timely updates. This collaborative approach helps to support a smooth procurement experience, underpinned by reliability and compliance. In 2024, we successfully conducted performance evaluations for 650 contractors and all the delivered purchase orders.

In-Country Value (ICV)
Since its inception, ADNOC has collaborated with the government, business partners, and the private sector to support economic growth and diversification in the UAE. In 2018, ADNOC introduced the ICV Program to enhance the contribution of the nation's energy sector to the local economy.

Building on its impact, the program has since expanded to include other industries, supporting broader economic integration. In 2021, the UAE Ministry of Industry and Advanced Technology (MoIAT) extended the program at the federal level and assumed the oversight of the ICV certification process.

As part of these efforts, ADNOC Drilling remains committed to contributing to the UAE's economic development by fostering local business growth and enhancing Emirati workforce capabilities. The ICV Program serves as a key driver in advancing economic diversification, strengthening domestic supply chains, and embedding strategic capabilities within the country.

As part of this program, we require all the suppliers to submit ICV documentation with their commercial bids. The ICV certification and an ICV Improvement Plan, when necessary, are considered in our tender evaluation process.

In 2024, ADNOC Drilling achieved a record ICV Certification Score of 90.74%, marking an increase from the previous year's score of 90.63%. More than half of this score (53.7%) was derived from procurement activities, underscoring the Company's commitment to supporting local suppliers and reinforcing sustainable economic growth in the UAE.

Amount spent on local procurement in 2024

USD 56 million

ADX ESG Metrics

Data	Metric	2024 Response
ENVIRONMENT		
E1. GHG Emissions	E1.1) Total amount in CO_2 equivalents, for Scope 1	748,879.28 tCO2e
	E1.2) Total amount, in CO_2 equivalents, for Scope 2 (if applicable)	4,349.00 tCO2e
	E1.3) Total amount, in CO_2 equivalents, for Scope 3 (if applicable)	Not reporting – Scope 3 is reported by ADNOC Group
E2. Emissions Intensity	E2.1) Total GHG emissions per output scaling factor	186.71 tCO2e/$m
	E2.2) Total non-GHG emissions per output scaling factor	0.0051 kt/$m
E3. Energy Usage	E3.1) Total amount of energy directly consumed	10,197,888 GJ
	E3.2) Total amount of energy indirectly consumed	9,534.62 MWh
E4. Energy Intensity	Total direct energy usage per output scaling factor	2,565 GJ/$m
E5. Energy Mix	Percentage: Energy usage by generation type	Total electricity consumption (MWh): 9,534.62 Total fuel consumption (Million US Gallons): 69.63 Total solar production for AD-122 (GJ): 707.81
E6. Water Usage	E6.1) Total amount of water consumed	Total Water Consumption: 1,531 million liters Total Withdrawal: 21,974 million liters Total Water Discharged: 20,443 million liters
	E6.2) Total amount of water reclaimed	
E7. Environmental Operations	E7.1) Does your company follow a formal Environmental Policy? Yes/No	Yes, the organization has a Group-wide Energy Policy and a unified HSE policy.
	E7.2) Does your company follow specific waste, water, energy, and/or recycling polices? Yes/No	Yes, the organization has an Energy policy that sets out its approach and commitment to improve energy performance and integrate best practices in the energy management system.
	E7.3) Does your company use a recognized energy management system?	Yes, the Company has implemented globally recognized and most accepted ISO 50001:2018 Energy Management Systems (EnMS).

Data	Metric	2024 Response
E8. Environmental Oversight	Does your Management Team oversee and/or manage sustainability issues Yes/No	Yes, the Executive Team (ET) oversees HSE-reported risk exposures and all HSE-related concerns. Additionally, the HSE Team addresses all Company risk exposures. The HSE team consists of a Senior Environmental Engineer who reports to the Occupational Health and Environment (OH&E) Manager. The OH&E Manager reports to the Vice President of HSE, who, in turn, reports to the CEO. The VP of HSE also presents HSE concerns and issues to the ET during weekly meetings.
E9. Environmental Oversight	Does your Board oversee and/or manage sustainability issues? Yes/No	Yes, the Board Executive Committee (BEC) provides oversight with input from senior management as part of its larger sustainability functions.
E10. Climate Risk Mitigation	Total amount invested, annually, in climate-related infrastructure, resilience, and product development	USD 10 million
SOCIAL		
S1. CEO Pay Ratio	S1.1) Ratio: CEO total compensation to median Full Time Equivalent (FTE) total compensation	Confidential information
	S1.2) Does your company report this metric in regulatory filings? Yes/No	No
S2. Gender Pay Ratio	Ratio: Median male compensation to median female compensation	1:1
S3. Employee Turnover	S3.1) Percentage: Year-over-year change for full-time employees	8.4%
	S3.2) Percentage: Year-over-year change for part-time employees	Not applicable
	S3.3) Percentage: Year-over-year change for contractors/consultants	18.3%
S4. Gender Diversity	S4.1) Percentage: Total enterprise headcount held by men and women	Male: 98.55% (10,901) Female: 1.45% (161)
	S4.2) Percentage: Entry- and mid-level positions held by men and women	Male: 98.55% (10,895) Female: 1.45% (160)
	S4.3) Percentage: Senior- and executive-level positions held by men and women	Male: 85.71% Female: 14.29%
S5. Temporary Worker Ratio	S5.1) Percentage: Total enterprise headcount held by part-time employees	Not applicable
	S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants	36%
S6. Non- Discrimination	Does your company follow non-discrimination policy? Yes/No	Yes, the organization has a "Zero-tolerance" policy towards any form of discrimination as per ADNOC Group Code of Conduct.

Data	Metric	2024 Response
S7. Injury Rate	Percentage: Frequency of injury events relative to total workforce time	**Employees:** a) Total Recordable Incident Rate (TRIR) – (YTD Frequency): 0.29 b) Lost Time Incident Frequency (LTIF) – (YTD Frequency): 0.19 **Contractors:** a) Total Recordable Incident Rate (TRIR) – (YTD Frequency): 0.67 b) Lost Time Incident Frequency (LTIF) – (YTD Frequency): 0.34
S8. Global Health & Safety	Does your company follow an occupational health and/or global health & safety policy? Yes/No	Yes, ADNOC Drilling follows the group-wide implemented ADNOC Health Safety & Environment (HSE) policy.
S9. Child & Forced Labor	S9.1) Does your company follow a child and/or forced labor policy? Yes/No	ADNOC Drilling is aligned with the UAE Labor laws.
	S9.2) If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No	ADNOC Group's Supplier and Partner Code of Ethics establishes a clear expectation of compliance with rigorous standards for ethical behavior and adherence to relevant laws and regulations.
S.10 Human Rights	S10.1) Does your company follow a human rights policy? Yes/No	ADNOC Drilling is aligned with the UAE Labor Laws.
	S10.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No	ADNOC Group's Supplier and Partner Code of Ethics establishes a clear expectation of compliance with rigorous standards for ethical behavior and adherence to relevant laws and regulations.
S11. Nationalization	Percentage of national employees	14.52%
S12. Community Investment	Amount invested in the community, as a percentage of company revenues	0.00002%
GOVERNANCE		
G.1 Board Diversity	G1.1) Percentage: Total Board seats occupied by men and women	Male: 6 (86%) Female: 1 (14%)
	G1.2) Percentage: Committee chairs occupied by men and women	Male: 3 (100%) Female: 0 (0%)
G2. Board Independence	G2.1) Does company prohibit CEO from serving as Board chair? Yes/No	CEO is not a Board member
	G2.2) Percentage: Total Board seats occupied by independent Board members	100%

Data	Metric	2024 Response
G3. Incentivized Pay	Are executives formally incentivized to perform on sustainability?	To accelerate ESG progress and align with ADNOC Drilling's strategic objectives, the Company integrates ESG into its 2024 enterprise performance management system and corporate scorecard, linking a portion of executive compensation to measurable ESG performance, with key metrics including safety, decarbonization, energy intensity, employee engagement, and operational efficiency; ESG targets comprise approximately 13% of the corporate scorecard, with certain HSE and ESG "gated KPIs" capable of reducing the overall Company score by up to 50%, reinforcing management's commitment to sustainable and responsible operations.
G4. Supplier Code of Conduct	G4.1) Are your vendors or suppliers required to follow a Code of Conduct? Yes/No	Yes, the Company follows the ADNOC Group Supplier Code of Business Ethics, which outlines the minimum standards of compliance and ethical practices that are expected from each of the partners and suppliers. All the suppliers and partners are expected to comply with all applicable laws and regulations, behave ethically, and align themselves with the principles set out in the Code.
	G4.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?	100%
G5. Ethics & Prevention of Corruption	Does your company follow an Ethics and/or Prevention of Corruption policy? Yes/No	Yes, the organization follows an "Anti-Bribery and Anti-Corruption Standard", setting out a zero-tolerance approach to fraud, bribery and any other forms of corruption.
	G5.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?	100%
G6. Data Privacy	G6.1) Does your company follow a Data Privacy policy? Yes/No	Implementation of the recently rolled out Group data protection policy is currently ongoing.

Data	Metric	2024 Response
	G6.2) Has your company taken steps to comply with GDPR rules? Yes/No	Our cybersecurity management system has been audited and certified to be compliant with both national and international cybersecurity standards and frameworks, including UAE Information Assurance Standards, ISO 27001, and ISO 22301 (Business Continuity). We are committed to respecting the privacy of individuals and recognize that processing of personal data may impact on their rights, so we take the utmost care to manage personal data appropriately and in compliance with applicable laws. In November 2021, the UAE issued Federal Law No. 45 of 2021 (the UAE Data Protection Law). In line with the law's requirements, we have undertaken a comprehensive review of our personal data processing activities to ensure we continue to handle personal data in an ethical and lawful manner. Further, we are aligned with ADNOC Group and have zero customer data breaches for 2024.
G7. Sustainability Reporting	Does your company publish a sustainability report? Yes/No	Yes, the Company published its Integrated Report for the year 2024, including a dedicated section for sustainability disclosures and publishes the same on the Company's website.
G8. Disclosure Practices	G8.1) Does your company provide sustainability data to sustainability reporting frameworks? Yes/No	Yes, the Company published its Integrated Report for the year 2024, including a dedicated section for sustainability disclosures and publishes the same on the Company's website.
	G8.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No	Yes
	G8.3) Does your company set targets and report progress on the UN SDGs? Yes/No	The Company has set its sustainability targets aligned to UN SDGs and reported the progress on these targets.
G9. External Assurance	Are your sustainability disclosures assured or verified by a third-party audit firm? Yes/No	The Company follows an internal assurance process to verify the accuracy and reliability of sustainability performance metrics presented in this report. The Company upholds high standards of data quality and integrity through rigorous internal reviews. The sustainability data is reviewed and endorsed by the Sustainability Steering Committee, Executive Management, Board of Directors, ADNOC HQ and ADNOC upstream.

Sustainability Reporting Appendices

Appendix A: 2024 Performance Data Tables

Business Sustainability

Indicators	Unit	2021	2022	2023	2024
Board Diversity					
Percentage of Independent Board members (outside)	%	100	100	100	**100**
Percentage of Board seats occupied by female	%	29	14	14	**14**
Percentage of Board seats occupied by male	%	71	86	86	**86**
Compliance					
Percentage of employees certifying compliance with ethics and anti-corruption policies	%	–	100	100	**100**
Number of operations/business suspensions due to misconduct	#	0	0	0	**0**
Number of cases detected due to bribery or other legal incidents	#	0	0	0	**0**
Percentage of suppliers and partners that the Company's Supplier and Partner Code of Ethics has been communicated to	%	100	100	100	**100**

Economic and Social Contribution

Indicators	Unit	2021	2022	2023	2024
Percentage of Total Procurement Value Spent in the UAE	%	63	60	70.88	

Health and Safety

Indicators	Unit	2021	2022	2023	2024
Compliance					
HSE Campaigns	#	10	10	11	**7**
ISO 45001 Audit	#	7	7	18	**19**
OH Inspection	#	0*	11	26	**25**
Occupational Illness/Diseases	#	0	0	0	**0**
Road safety and transport audits	#	11	12	12	**12**
Compliance with annual HSE drill plan	%	97	98	100	**100**
Number of HSE legal and regulatory violations	#	0	0	0	**0**
Corporate Performance					
Corporate Total Recordable Incident Rate (TRIR)	YTD Frequency	0.82	0.60	0.44	**0.46**
Corporate Lost Time Incident Frequency (LTIF)	YTD Frequency	0.33	0.37	0.09	**0.22**
Catastrophic event	#	0	0	0	**0**
Fire/Smoke	#	6	2	10	**5**
External DROPS Survey on Rigs	#	29	44	44	**70**
Employees (Direct Hire)					
Corporate Total Recordable Incident Rate (TRIR)	YTD Frequency	0.90	0.38	0.26	**0.29**
Corporate Lost Time Incident Frequency (LTIF)	YTD Frequency	0.40	0.25	0.10	**0.19**
Fatality	#	1	2	0	**1**
Periodic Medical examination completed	%	–	73.60	104	**100**
Contractors					
Corporate Total Recordable Incident Rate (TRIR)	YTD Frequency	0.74	0.85	0.70	**0.67**
Corporate Lost Time Incident Frequency (LTIF)	YTD Frequency	0.26	0.50	0.09	**0.34**
Fatality	#	0	2	0	**1**
Contractors Performance Improvement	%	100	100	100	**100**
Periodic Medical examination completed	%		70	100	**100%**

* 2021 was Covid-19 year and hence OH inspections were conducted virtually

Climate, Emissions and Energy

Indicators	Unit	2021	2022	2023	2024
Energy Management					
Total Energy Consumed	GJ	5,454,087	6,763,468	7,649,226	**10,347,036**
Total Electricity Consumed	(MWh)	7,011	7,359	6,785	**9534.62**
Total Fuel Consumption	Million US Gallons	45	50	53	**67**
Energy Intensity	GJ/$m	2,404	2,530	2,502	**2,565**
Fuel Used by On-road Equipment and Vehicles	%	7.1%	7.28%	11.2%	
Energy Consumed Supplied from Renewable/Low-carbon Energy	MM	N/A	0.3%	0.3%	
Emissions					
Gross Direct (Scope 1) Emissions	tCO_2e	421,827	534,361	562,567	**748,879.28**
Gross Location-based Energy Indirect (Scope 2) Emissions	tCO_2e	3,197	403	427	**4,349.00**
Total GHG Emissions	tCO_2e	425,024	534,764	562,994	**753,228.28**
GHG Emission Intensity	tCO_2e/$m	187.32	200.06	184.17	**186.71**

* No flaring as we are in service domain

Environment

Indicators	Unit	2021	2022	2023	2024
Water Management					
Total Water Consumption from All Areas	Million Liters	687	837	814	**1,531**
Total Withdrawal from Groundwater Sources	Million Liters	367	477	424	**534**
Total Withdrawal from Sea Water Sources	Million Liters	26,358	22,841	18,484	**20,697**
Total Withdrawal from Third-party Water Sources	Million Liters	804	811	604	**743**
Total Withdrawal	Million Liters	27,529	24,129	19,512	**21,974**
Total Water Discharged	Million Liters	26,358	23,291	18,698	**20,443**
Waste Management					
Hazardous waste	Tonnes	189.05	2,497	1,315	**1,317**
Non-hazardous waste	Tonnes	2,023.3	2,739	2,142	**3,862**

Workforce Diversity and Development

Indicators	Unit	2021	2022	2023	2024
Employees					
Total employees (excluding trainees, students and outsourced staff)	#	8,240	9,044	10,207	**11,062**
Male employees	#				**10,901**
Female employees	#				**161**
Full-time employees	#	8,240	9,044	10,207	**11,062**
Part-time employees	#	0	0	0	**0**
Employees on a finite term or permanent contract	#	8,240	9,044	10,207	**11,062**
Employees on a fixed term or temporary contract	#	0	0	0	**0**
Outsourced staff	#	1,673	2,446	3,312	**4,137**
Male employees senior management	#				**6**
Female employees senior management	#				**1**
Senior management employees	#	7	8	9	**7**
Middle management employees	#	320	359	420	**440**
Non-management employees	#	7,913	8,677	9,788	**10,615**
Employees age 18-30	#	2,060	2,392	2,680	**2,708**
Employees age 31-50	#	5,591	6,034	6,843	**7,581**
Employees age +51	#	589	618	684	**773**
Trainees and sponsored students	#	60	60	104	**172**
Total new employee hires	#	1,033	1,385	1,776	**1,394**
Male employees new hires	#				**1,381**
Female employees new hires	#				**13**

Indicators	Unit	2021	2022	2023	2024
Total new employee hires (Age 18-30)	#	593	831	2,680	**697**
Total new employee hires (Age 31-50)	#	428	537	6,843	**687**
Total new employee hires (Age +51)	#	12	17	684	**10**
Total employee turnover (voluntary)	#	85	190	274	**307**
Male employees turnover	#				**303**
Female employees turnover	#				**4**
Employee absentee rate	%	2.8	2.5	2.4	**2**
Number of female employees that took parental leave	#	18	18	16	**6**
Number of male employees that took parental leave	#				**162**
Female employees who returned to work after maternity leave	%	100	100	100	**100**
Number of female employees returned from parental leave who were still employed twelve months after return to work (retention)	#	18	18	16	**6**
Return to work rate	%	100	100	100	**100**
Retention rate	%	100	100	98	**100**
Gender pay ratio (female to male)	Ratio		1:20	1:1	**1:1**
Emiratization					
Total number of National Employees	#	1,608	1,636	1,607	**1,606**
Number of Employed Emirati Women	#	157	154	155	**136**
Proportion of Emiratis in Senior Management	%	63	56	56	**57**
Number of Emirates new hires	#				**171**
Proportion of senior management hired from the local community	#				**4:3**
Workforce diversity					
Number of nationalities	#	74	79	84	**81**
Number of people of determination employees	#	6	5	5	**2**
Training and Development					
Average hours of training per employee	Hours				**40**
Average hours of training that the organization has given to Males	Hours				**39.92**
Average hours of training that the organization has given to Females	Hours				**35.30**
Average hours of training that the organization has given to Senior-Management	Hours				**29.85**
Average hours of training that the organization has given to Middle-Management	Hours				**53.6**
Average hours of training on safety for site employees	Hours				**39.94**

Appendix B: Reporting Frameworks

GRI Standard	Page #/Comments	GRS Disclosures	ISSB Disclosures	IADC Disclosures
GRI 2: General Disclosures 2021	04-11	2-1 Organizational details		
	88	2-2 Entities included in the organization's sustainability reporting		
	88	2-3 Reporting period, frequency and contact point		
	-	2-4 Restatements of information		
	139	2-5 External assurance		
	04	2-6 Activities, value chain and other business relationships		
	142	2-7 Employees		
	142	2-8 Workers who are not employees		
	56-59	2-9 Governance structure and composition		
	57-61	2-10 Nomination and selection of the highest governance body		
	57	2-11 Chair of the highest governance body		
GRI 2: General Disclosures 2021	56-61	2-12 Role of the highest governance body in overseeing the management of impacts	Core content – Governance: S1.26, S1.27 Core content – Governance: S2.6, S2.7 Ecological Impact Management: EM-SV-160a.2 Management of the Legal & Regulatory Environment: EM-SV-530a.1	Business Ethics and Payment Transparency
GRI 2: General Disclosures 2021	69-73	2-13 Delegation of responsibility for managing impacts	Core content – Governance: S1.26, S1.27 Core content – Governance: S2.6, S2.7 Ecological Impact Management: EM-SV-160a.2 Management of the Legal & Regulatory Environment: EM-SV-530a.1 Critical Incident Risk Management: EM-SV-540a.1	Critical Incident Risk Management

GRI Standard	Page #/Comments	GRS Disclosures	ISSB Disclosures	IADC Disclosures
	92, 93	2-14 Role of the highest governance body in sustainability reporting		
	55	2-15 Conflicts of interest		
	69-73, 92, 93	2-16 Communication of critical concerns		
	58, 59	2-17 Collective knowledge of the highest governance body		
	55	2-18 Evaluation of the performance of the highest governance body		
	70	2-19 Remuneration policies		
	70	2-20 Process to determine remuneration		
	S1. CEO Pay Ratio	2-21 Annual total compensation ratio		
GRI 2: General Disclosures 2021	91, 93	2-22 Statement on sustainable development strategy		
	152	2-23 Policy commitments		ESG Governance
	152	2-24 Embedding policy commitments		ESG Governance
	78, 113	2-25 Processes to remediate negative impacts	Ecological Impact Management: EM-SV-160a.2 Critical Incident Risk Management: EM-SV-540a.1	Critical Incident Risk Management
	98	2-26 Mechanisms for seeking advice and raising concerns		
	54, 56	2-27 Compliance with laws and regulations		Business Ethics and Payment Transparency
	104	2-28 Membership Associations		Aligned
	28, 29	2-29 Approach to stakeholder engagement		
	NA	2-30 Collective bargaining agreements		
Material topics				
GRI 3: Material Topics 2021	94	3-1 Process to determine material topics		
	94-97	3-2 List of material topics		
Economic performance				
GRI 3: Material Topics 2021	36, 37	3-3 Management of material topics		
GRI 201: Economic Performance 2016	12	201-1 Direct economic value generated and distributed		

GRI Standard	Page #/Comments	GRS Disclosures	ISSB Disclosures	IADC Disclosures
Market presence				
GRI 3: Material Topics 2021	124, 125	3-3 Management of material topics		
GRI 202: Market Presence 2016	121-128	202-1 Ratios of standard entry level wage by gender compared to local minimum wage		
	143	202-2 Proportion of senior management hired from the local community		
GRI 3: Material Topics 2021	19, 133, 134	3-3 Management of material topics		
GRI 203: Indirect Economic Impacts 2016	19, 133, 134	203-1 Infrastructure investments and services supported		
	91	203-2 Significant indirect economic impacts		
Procurement practices				
GRI 3: Material Topics 2021	134	3-3 Management of material topics		
GRI 204: Procurement Practices 2016	115	204-1 Proportion of spending on local suppliers		
Anti-corruption				
GRI 3: Material Topics 2021	55, 138	3-3 Management of material topics	Business Ethics & Transparency: EM-SV-510a.1	Business Ethics and Payment Transparency
GRI 205: Anti-corruption 2016	140	205-1 Operations assessed for risks related to corruption		
	140	205-2 Communication and training about anti-corruption policies and procedures		
	140	205-3 Confirmed incidents of corruption and actions taken		
Energy				
GRI 3: Material Topics 2021	104	3-3 Management of material topics		
GRI 302: Energy 2016	107, 135, 141	302-1 Energy consumption within the organization	Emissions Reduction Services & Fuels Management: EM-SV-110a.1	Energy mix
	41, 104	302-4 Reduction of energy consumption		
	104-107	302-5 Reductions in energy requirements of products and services		

GRI Standard	Page #/Comments	GRS Disclosures	ISSB Disclosures	IADC Disclosures
Water and effluents				
GRI 3: Material Topics 2021	110, 111	3-3 Management of material topics	Water Management Services: EM-SV-140a.1, EM-SV-140a.2 Chemical Impacts: EM-SV-150a.2	Water management
GRI 303: Water and Effluents 2018	110, 111	303-1 Interactions with water as a shared resource		Water management, Spills
	110, 111	303-2 Management of water discharge-related impacts		Water management, Spills
	111, 135, 142	303-3 Water withdrawal		Water management
	111, 135, 142	303-4 Water discharge		
	101, 135, 142	303-5 Water consumption		
Biodiversity				
GRI 3: Material Topics 2021	112	3-3 Management of material topics	Ecological Impact Management: EM-SV-160a.2	
	113	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		
	113	304-2 Significant impacts of activities, products and services on biodiversity		
	113	304-3 Habitats protected or restored		
Emissions				
GRI 3: Material Topics 2021	104	3-3 Management of material topics	Emissions Reduction Services & Fuels Management: EM-SV-110a.2	
GRI 305: Emissions 2016	107, 135, 141	305-1 Direct (Scope 1) GHG emissions	S2.29 – S2.32	Scope 1
	107, 135, 141	305-2 Energy indirect (Scope 2) GHG emissions	S2.29 – S2.32	Scope 2
	Not reporting – Scope 3 is reported by ADNOC Group	305-3 Other indirect (Scope 3) GHG emissions	S2.29 – S2.32	Scope 3
	101, 107, 135, 141	305-4 GHG emissions intensity		Intensity

GRI Standard	Page #/Comments	GRS Disclosures	ISSB Disclosures	IADC Disclosures
	104, 105	305-5 Reduction of GHG emissions		GHG management action plan
	-	305-6 Emissions of ozone-depleting substances (ODS)		Additional air emissions for contractor
	87, 107	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		Additional climate reporting considerations Additional air emissions for contractor Flaring/Venting
Waste				
GRI 3: Material Topics 2021	108	3-3 Management of material topics		Waste Management
GRI 306: Waste 2020	107, 110, 142	306-1 Waste generation and significant waste-related impacts		Waste Management, Hazardous Material Assessment
	108, 109	306-2 Management of significant waste-related impacts		Responsible Asset Recycling Policy, Number of assets recycled during reporting periods, Waste Management, Hazardous Material Assessment
	110, 142	306-3 Waste generated		Waste Management, Hazardous Material Assessment
GRI 3: Material Topics 2021	134	3-3 Management of material topics		
GRI 308: Supplier Environmental Assessment 2016	134	308-1 New suppliers that were screened using environmental criteria		
	134	308-2 Negative environmental impacts in the supply chain and actions taken		

GRI Standard	Page #/Comments	GRS Disclosures	ISSB Disclosures	IADC Disclosures
Employment				
GRI 3: Material Topics 2021	121	3-3 Management of material topics		
GRI 401: Employment 2016	123, 142, 143	401-1 New employee hires and employee turnover		
	121, 122	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		
	143	401-3 Parental leave		
GRI 3: Material Topics 2021	116	3-3 Management of material topics	Workforce Health & Safety: EM-SV-320a.2	Verification Methodology
GRI 403: Occupational Health and Safety 2018	116	403-1 Occupational health and safety management system	Workforce Health & Safety: EM-SV-320a.2	
	120	403-2 Hazard identification, risk assessment, and incident investigation		
	117-120	403-3 Occupational health services		
GRI 403: Occupational Health and Safety 2018	119, 120	403-4 Worker participation, consultation, and communication on occupational health and safety		
	117, 119, 120	403-5 Worker training on occupational health and safety	Workforce Health & Safety: EM-SV-320a.1	Training and competency
	119	403-6 Promotion of worker health		Health and Wellness
	119, 129	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
	116	403-8 Workers covered by an occupational health and safety management system		
	120, 137, 140, 141	403-9 Work-related injuries	Workforce Health & Safety: EM-SV-320a.1	Safety Metrics, Lost Time Safety Metrics
	120, 137, 140, 141	403-10 Work-related ill health	Workforce Health & Safety: EM-SV-320a.1	Safety Metrics, Lost Time Safety Metrics

GRI Standard	Page #/Comments	GRS Disclosures	ISSB Disclosures	IADC Disclosures
Training and education				
GRI 3: Material Topics 2021	121	3-3 Management of material topics		Training and competency
GRI 404: Training and Education 2016	87, 143	404-1 Average hours of training per year per employee		
	123, 124	404-2 Programs for upgrading employee skills and transition assistance programs		
GRI 3: Material Topics 2021	124	3-3 Management of material topics		Information pertaining to efforts to support diversity, equality, and inclusion
GRI 405: Diversity and Equal Opportunity 2016	87, 125	405-1 Diversity of governance bodies and employees		
	87, 125, 136, 143	405-2 Ratio of basic salary and remuneration of women to men		
GRI 3: Material Topics 2021	NA	3-3 Management of material topics		Labor Rights
GRI 407: Freedom of Association and Collective Bargaining 2016	NA	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		
Security practices				
GRI 3: Material Topics 2021	137	3-3 Management of material topics		
GRI 410: Security Practices 2016	137	410-1 Security personnel trained in human rights policies or procedures		

GRI Standard	Page #/Comments	GRS Disclosures	ISSB Disclosures	IADC Disclosures
Local communities				
GRI 3: Material Topics 2021	129	3-3 Management of material topics		
GRI 413: Local Communities 2016	130-133	413-1 Operations with local community engagement, impact assessments, and development programs		
GRI 3: Material Topics 2021	134	3-3 Management of material topics		
GRI 414: Supplier Social Assessment 2016	134	414-1 New suppliers that were screened using social criteria		
	134	414-2 Negative social impacts in the supply chain and actions taken		
GRI 3: Material Topics 2021	NA	3-3 Management of material topics	Management of the Legal & Regulatory Environment: EM-SV-530a.1	
GRI 415: Public Policy 2016	NA	415-1 Political contributions		
Customer privacy				
GRI 3: Material Topics 2021	77	3-3 Management of material topics		Business Ethics and Payment Transparency
GRI 418: Customer Privacy 2016	77	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		

Appendix C: Policies and Procedures

- Energy policy
- Energy manual
- Environment standards
- Corporate ESG Statement
- HSE Policy (Group-wide)
- HSE Standards and Framework
- Business Continuity Management (BCM) Policy
- Disciplinary Policy
- Gender Diversity Standard
- Grievance Process
- Human Rights
- Non-Discrimination
- Youth Development Policy
- Training and Development Capability
- Remote Work Permission
- Part Time Study
- Leaves
- Full-Time Remote Working
- Allowances
- Housing
- Employee Performance Management
- Pension
- Discretionary Performance Bonus
- Performance Based Reward
- End of Employment
- ADNOC Group Communications Standard and Guidelines
- ADNOC Group Vehicle Transportation Guidelines
- Code of Conduct
- Conflict of Interests Standard
- Gifts and Entertainment Standard
- Integrity Due Diligence Standard
- Supplier and Partner Code of Ethics
- Whistleblowing and Non-retaliation Standard
- ADNOC Group Digital and Cybersecurity policy
- ADNOC Group Data Management Standard
- ADNOC Group Procurement Policy
- Anti-Bribery and Anti-Corruption Standard
- Board Evaluation Standard
- Compliance Investigation Standard
- Corporate Governance Manual
- Delegation of Authority
- Dividend Policy
- Ethics and Compliance Standard
- Fraud Risk Management Standard
- Information Disclosure and Transparency Standard
- Inside Information and Insider Dealing Standard
- Related Party Transactions Standard
- Sanctions and International Trade Controls Standard
- ADNOC Compliance Investigations Manual
- ADNOC Group Anti-Bribery and Anti-Corruption Standard
- ADNOC Group Anti-Money Laundering Standard
- ADNOC Group Code of Conduct
- ADNOC Group Competition Compliance Standard
- ADNOC Group Compliance Investigations Procedure
- ADNOC Group Compliance Investigations Standard
- ADNOC Group Conflict of Interests Standard
- ADNOC Group Ethics and Compliance Standard
- ADNOC Group Gifts and Entertainment Standard
- ADNOC Group Integrity Due Diligence Standard
- ADNOC Group Whistleblowing and Non-Retaliation Standard
- ADNOC Group Sanctions and International Trade Controls Policy
- ADNOC Group Claims and Disputes Prevention and Management Guidelines
- ADNOC Group Inside Information and Prevention of Insider Dealing Policy
- ADNOC Group Claims Management Procedures
- ADNOC Group Contract Administration Principles RE. Covid-19 Guidelines
- ADNOC Group Supplier & Partner Code of Ethics
- ADNOC Claims Steering Group Terms of Reference
- ADNOC Corporate Governance Framework
- ADNOC Group Information Protection Guidelines
- Delegation of Authority
- ADNOC Group Ethical Use of AI Standard
- ADNOC Group Privacy and Data Protection Standard

CONSOLIDATED FINANCIAL STATEMENTS

DIRECTORS' REPORT

For the year ended 31 December 2024

The Directors are pleased to submit their report, together with the audited consolidated financial statements of ADNOC Drilling Company P.J.S.C. ("the Company") and its subsidiary ("the Group") for the year ended 31 December 2024.

Board of Directors:

The Directors of the Company are:	
Chairman	H. E. Dr. Sultan Ahmed Al Jaber
Vice Chairman	Abdulmunim Saif Al Kindy
Members	Dr. Abdulla Al Jarwan
	Musabbeh Al Kaabi
	Khaled Al Zaabi
	Mohamed Saif Al Aryani
	Katherine Wallgren

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.

Financial highlights

Consolidated statement of financial position

The Group's consolidated financial position remains very healthy showing net assets at 31 December 2024 of USD 3,810,169 thousand (2023: USD 3,264,221 thousand) with the increase in total net assets mainly due to the profit made in excess of dividend payments in the current year.

Consolidated statement of profit or loss and other comprehensive income

The Group recognised revenue for the year of USD 4,034,222 thousand (2023: USD 3,056,865 thousand). Profit after tax for the year was USD 1,303,566 thousand (2023: USD 1,032,799 thousand). The increase in revenue was due to an increase in rig fleet and additional drilling services provided to ADNOC Onshore and ADNOC Offshore.

Consolidated statement of cash flows

Net cash generated from operating activities amounted to USD 1,653,666 thousand (2023: USD 1,355,056 thousand), the increase is mainly due to movement in trade and other payables and related party balances. Net cash used in investing activities amounted to USD 1,015,153 thousand (2023: USD 1,049,044 thousand) which relates to additions to property and equipment and investments made in joint ventures. Net cash used in financing activities amounted to USD 662,347 thousand (2023: USD 277,404 thousand) which mainly relates to finance cost, dividend payments and net borrowings movement.

The appropriation of the results for the year is follows:

	USD'000
Retained earnings at 1 January 2024	**2,610,714**
Total comprehensive income for the year	**1,303,566**
Dividends	**(752,452)**
RETAINED EARNINGS AT 31 DECEMBER 2024	**3,161,828**

Subsequent events

As of the date of this report, no major events have occurred (except as disclosed in note 31 to the consolidated financial statements) that may have a significant impact on the consolidated financial statements for the year ended 31 December 2024.

Financial reporting framework

The Directors of the Group, to the best of their knowledge, believe that:

- The consolidated financial statements, prepared by the management of the Group, fairly present its state of affairs, the results of its operation, cash flows and changes in equity;
- The Group has maintained proper books of account;
- Appropriate accounting policy information have been consistently applied in the preparation of consolidated financial statements unless otherwise stated, and accounting estimates are based on reasonable and prudent judgment; and
- The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), and comply, where appropriate with the local laws.

For the Board of Directors

Chairman
Abu Dhabi
United Arab Emirates
12 February 2025

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ADNOC DRILLING COMPANY P.J.S.C

Report on the audit of the consolidated financial statements

Opinion
We have audited the consolidated financial statements of ADNOC Drilling Company P.J.S.C. ("the Company) and its subsidiary (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the applicable requirements of Abu Dhabi Accountability Authority (ADAA) Chairman Resolution No. 88 of 2021 Regarding Financial Statements Audit Standards for the Subject Entities. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Group's consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. The key audit matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key audit matter	How our audit addressed the key audit matter
Revenue Recognition The Group reported revenue as disclosed in Note 19 from drilling and oilfield services for the year ended 31 December 2024, of which over 93% is attributable to contracts with its related parties, ADNOC Onshore and ADNOC Offshore. The Group has a large volume of transactions with related parties in the normal course of business. There is inherent risk around occurrence of revenue recognised given over 93% of the transactions are with related parties. Due the materiality of the amounts involved and large volume of transactions we have considered this to be a key audit matter. The Group's accounting policies relating to revenue recognition are presented in note 3 to the consolidated financial statements and details about the Group's revenue are disclosed in note 18 to the consolidated financial statements.	Our audit approach included a combination of test of controls and substantive procedures and included, inter alia, the following: • Understanding the significant revenue processes and identifying the relevant controls related to revenue recognition; • Evaluating the design and testing the operating effectiveness of manual controls over sales to related parties; • Analysing relevant agreements and determining that transactions were recorded in accordance with the substance of the relevant agreements. • Comparing revenue amounts to the prior year. If we identified any unexpected variance, we carried out more focused testing; • Performing test of details on a sample basis to confirm that the revenue was recognised in accordance with the terms of relevant agreements; • Obtaining direct confirmations from related parties of the revenue recognised during the year and reconciling these amounts with the billings and accruals made during the year; • Performing sales cut-off procedures by selecting a sample of invoices before and after year-end to determine if sales are recorded in the appropriate period; • Assessing whether the revenue recognition criteria adopted by the Group is appropriate and is in accordance with the requirements of IFRS Accounting Standards; and • Assessing the adequacy of disclosures in the consolidated financial statements relating to revenue against the requirements of IFRS Accounting Standards.

Other Information
Management is responsible for the other information. The other information comprises the Directors' report, which we obtained prior to the date of this auditor's report, and the Chairman's statement, CEO statement and the other information in the annual report, which are expected to be made available to us after that date. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we will read the Chairman's Message, CEO's Message and the other information in the annual report, if we conclude that there is a material misstatement therein, we will be required to communicate the matter to those charged with governance and consider whether a reportable irregularity exists in terms of the auditing standards, which must be reported.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB and their preparation in compliance with the applicable provisions of the articles of association of the Company and the UAE Federal Decree Law (32) of 2021, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the applicable requirements of ADAA Chairman's Resolution No. 88 of 2021 Regarding Financial Statements Audit Standards for the Subject Entities will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs and the applicable requirements of ADAA Chairman's Resolution No. 88 of 2021 Regarding Financial Statements Audit Standards for the Subject Entities, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ADNOC DRILLING COMPANY P.J.S.C

Report on the audit of the consolidated financial statements *(continued)*

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Further, as required by the UAE Federal Decree Law. (32) of 2021, we report for the year ended 31 December 2024 that:

- We have obtained all the information we considered necessary for the purposes of our audit;
- The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree law (32) of 2021;
- The Group has maintained proper books of account;
- The financial information included in the Directors' report is consistent with the books of account of the Group;
- As disclosed in note 8 to the consolidated financial statements, the Group has made investments during the financial year ended 31 December 2024;
- Note 18 to the consolidated financial statements discloses material related party transactions, balances, and the terms under which they were conducted; and
- Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2024 any of the applicable provisions of the UAE Federal Decree Law. (32) of 2021 or of its Articles of Association which would materially affect its activities or its consolidated financial position as at 31 December 2024.

Further, as required by ADAA Chairman Resolution No. 88 of 2021 Regarding financial statements Audit Standards for the Subject Entities, we report in connection with our audit of the consolidated financial statements for the year ended 31 December 2024, that nothing has come to our attention that causes us to believe that the Group has not complied, in all material respects, with any of the provisions of the following laws, regulations and circulars as applicable, which would materially affect its activities or the consolidated financial statements as at 31 December 2024:

- Its Articles of Association; and
- Relevant provisions of the applicable laws, resolutions and circulars that have an impact on the Group's consolidated financial statements.

Deloitte & Touche (M.E.)

Faeza Sohawon
Registration No. 5508
12 February 2025
Abu Dhabi
United Arab Emirates

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	31 December 2024 USD'000	31 December 2023 USD'000
ASSETS			
Non-current assets			
Property and equipment	5	**5,352,674**	4,847,540
Right-of-use assets	6	**23,310**	173,911
Intangible assets	7	**5,301**	5,432
Deferred tax assets		**1,397**	-
Investment in joint ventures	8	**275,240**	-
Advances		**2,230**	1,654
TOTAL NON-CURRENT ASSETS		**5,660,152**	**5,028,537**
Current assets			
Inventories	9	**223,083**	206,107
Trade and other receivables	10	**185,958**	153,946
Due from related parties	18	**1,361,282**	986,696
Cash and cash equivalents	11	**330,288**	354,122
TOTAL CURRENT ASSETS		**2,100,611**	**1,700,871**
Assets held for sale	12	**5,708**	10,717
		2,106,319	1,711,588
TOTAL ASSETS		**7,766,471**	**6,740,125**
EQUITY AND LIABILITIES			
Equity and reserve			
Share capital	13	**435,671**	435,671
Share premium	14	**504**	-
Treasury shares	14	**(5,670)**	-
Statutory reserve	13	**217,836**	217,836
Retained earnings		**3,161,828**	2,610,714
TOTAL EQUITY		**3,810,169**	**3,264,221**
Non-current liabilities			
Borrowings	15	**1,495,227**	1,992,264
Trade and other payables	17	**64,849**	80,936
Lease liabilities	6	**12,027**	152,378
Provision for employees' end of service benefits	16	**122,853**	105,328
TOTAL NON-CURRENT LIABILITIES		**1,694,956**	**2,330,906**
CURRENT LIABILITIES			
Borrowings	15	**799,523**	-
Trade and other payables	17	**1,175,749**	848,834
Income tax payable		**15,000**	-
Lease liabilities	6	**13,130**	36,833
Due to related parties	18	**250,850**	250,237
Provision for employees' end of service benefits	16	**7,094**	9,094
TOTAL CURRENT LIABILITIES		**2,261,346**	**1,144,998**
TOTAL LIABILITIES		**3,956,302**	**3,475,904**
TOTAL EQUITY AND LIABILITIES		**7,766,471**	**6,740,125**

To the best of our knowledge, the financial information included in the report fairly present in all material respects the financial condition, result of operations and cash flows of the Group as of 31 December 2024, and for the periods presented in the report.

H. E. Dr. Sultan Ahmed Al Jaber
Chairman

Abdulrahman Abdulla Alseiari
Chief Executive Officer

Youssef Samy Salem
Chief Financial Officer

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	31 December 2024 USD'000	31 December 2023 USD'000
REVENUE	19	**4,034,222**	3,056,865
Direct cost	20	**(2,337,407)**	(1,848,729)
GROSS PROFIT		**1,696,815**	**1,208,136**
General and administrative expenses	21	**(155,358)**	(126,334)
Other income – net		**6,388**	9,847
Share of results of joint ventures	8	**8,490**	-
Finance cost	23	**(135,995)**	(74,577)
Finance income		**11,736**	15,727
PROFIT BEFORE TAX		**1,432,076**	**1,032,799**
Income tax	30	**(128,510)**	-
PROFIT AFTER TAX		**1,303,566**	**1,032,799**
Other comprehensive income for the year		**-**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,303,566**	**1,032,799**
EARNINGS PER SHARE			
Basic and diluted	29	**0.081**	**0.065**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	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 2023	435,671	-	-	140,572	2,354,738	2,930,981
Total comprehensive income for the year	-	-	-	-	1,032,799	1,032,799
Transfer to statutory reserve	-	-	-	77,264	(77,264)	-
Dividends (note 24)	-	-	-	-	(699,559)	(699,559)
BALANCE AT 31 DECEMBER 2023	**435,671**	**-**	**-**	**217,836**	**2,610,714**	**3,264,221**
Balance at 1 January 2024	**435,671**	**-**	**-**	**217,836**	**2,610,714**	**3,264,221**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**1,303,566**	**1,303,566**
Own shares acquired in the year	**-**	**504**	**(5,670)**	**-**	**-**	**(5,166)**
Dividends (note 24)	**-**	**-**	**-**	**-**	**(752,452)**	**(752,452)**
BALANCE AT 31 DECEMBER 2024	**435,671**	**504**	**(5,670)**	**217,836**	**3,161,828**	**3,810,169**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	31 December 2024 USD'000	31 December 2023 USD'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**1,432,076**	1,032,799
Adjustments for:		
Depreciation of property and equipment	**426,473**	368,110
Depreciation of right-of-use assets	**28,435**	19,589
Amortisation of intangible assets	**3,544**	3,548
Lost in hole of property and equipment – net	**-**	2,016
Write off of property and equipment – net	**3,235**	-
Gain on disposal of property and equipment	**(510)**	-
Employees end of service benefit charge – net	**22,464**	130
Share of results of joint ventures	**(8,490)**	-
Allowance for slow-moving inventories	**5,495**	1,114
Expected credit loss charge	**9,000**	10,000
Finance cost	**135,995**	74,577
Finance income	**(11,736)**	(15,727)
OPERATING CASH FLOWS BEFORE CHANGES IN WORKING CAPITAL	**2,045,981**	**1,496,156**
Changes in working capital on account of:		
Inventories	**(22,471)**	(53,852)
Advances	**(576)**	3,754
Trade and other receivables	**(32,012)**	(38,519)
Due from related parties	**(380,586)**	(67,650)
Trade and other payables	**164,563**	240,783
Due to related parties	**613**	(216,522)
Cash generated from operating activities	**1,775,512**	1,364,150
Employees' end of service benefit paid	**(6,939)**	(9,094)
Income tax paid	**(114,907)**	-
NET CASH FROM OPERATING ACTIVITIES	**1,653,666**	**1,355,056**
Cash flows from investing activities		
Purchase of property and equipment	**(758,409)**	(1,062,274)
Purchase of intangible assets	**(3,413)**	-
Acquisition of investment in joint ventures	**(266,750)**	-
Finance income received	**13,419**	13,230
NET CASH USED IN INVESTING ACTIVITIES	**(1,015,153)**	**(1,049,044)**
Cash flows from financing activities		
Lease liabilities paid	**(75,055)**	(10,129)
Proceed from borrowings – net	**824,780**	492,264
Repayment of borrowings	**(522,294)**	-
Dividends paid	**(752,452)**	(699,559)
Finance cost paid	**(132,160)**	(59,980)
Purchase of treasury shares	**(273,241)**	-
Sales of treasury shares	**268,075**	-
NET CASH USED IN FINANCING ACTIVITIES	**(662,347)**	**(277,404)**
Net (decrease)/increase in cash and cash equivalents	**(23,834)**	28,608
Cash and cash equivalent at the beginning of the year	**354,122**	325,514
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**330,288**	**354,122**
Non-cash transactions:		
Additions and modifications to right-of-use assets and lease liabilities	**(1,999)**	159,591
Proceed from borrowings	**-**	1,500,000
Repayment of borrowings	**-**	**(1,500,000)**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 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 (U.A.E.). 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.

On 25 April 2024, Turnwell Industries – L.L.C ("Turnwell") was incorporated as a Limited Liability Company, During the year the Company through its wholly owned subsidiary ADH RSC LTD has 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.

These consolidated financial statements comprise 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)

2.1. New and revised IFRSs applied with no material effect on the consolidated financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2024, have been adopted in these consolidated financial statements. 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 and not early adopted

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS 18 Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	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
Amendment to IAS 21 – Lack of Exchangeability	1 January 2025
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	1 January 2026
Annual Improvements to IFRS Accounting Standards — Volume 11 The pronouncement comprises the following amendments: • IFRS 1: Hedge accounting by a first-time adopter • IFRS 7: Gain or loss on derecognition • IFRS 7: Disclosure of deferred difference between fair value and transaction price • IFRS 7: Introduction and credit risk disclosures • IFRS 9: Lessee derecognition of lease liabilities • IFRS 9: Transaction price • IFRS 10: Determination of a 'de facto agent' • IAS 7: Cost method	1 January 2026

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

3. Material accounting policy information

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRSs as issued by the International Accounting Standard Board (IASB) and applicable provision of the UAE Federal Decree Law no. (32) of 2021.

Basis of preparation

The consolidated financial statements have been 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 stated.

These consolidated financial statements have been prepared on historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024 *(continued)*

Going concern
At 31 December 2024, the Group's current liabilities exceed its current assets by 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 and therefore it is concluded that adequate support is available to evidence that the going concern assumption is appropriate for the preparation of these consolidated financial statements.

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the Company and entity controlled by the Company ("its subsidiary"). Control is achieved where the Company has:

- power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

Where necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies in line with those used by the Group. All inter-group transactions, balances, income and expenses are eliminated on consolidation.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Group's equity therein. The interests of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Details of the Company's subsidiary are as follows:

Name of subsidiary	Ownership interest 2024	Ownership interest 2023	Country of incorporation	Principal activities
ADH RSC LTD	**100%**	100%	U.A.E.	Activities of holding Company

Details of the Group's joint ventures are as follows:

Name of joint ventures	Ownership interest 2024	Ownership interest 2023	Country of incorporation	Principal activities
ENERSOL RSC LTD	**51%**	-	U.A.E.	Special Purpose Vehicle (SPV) – holding ownership of equity and non-equity assets, including shares, debentures, bonds, other forms of security. Holding ownership of real property, intellectual property, other tangible and intangible assets
Turnwell Industries – L.L.C	**55%**	-	U.A.E.	Technical maintenance, natural gas and oil well equipment and maintenance, services exploration for oil and natural gas

Investments in equity-accounted investees
The Group's interests in equity-accounted investees comprise interests in joint venture.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024 *(continued)*

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount.

Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture. When the Group retains an interest in the former associate or a joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate or a joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or a joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate or joint venture is disposed of.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The historical cost consists of expenses related directly to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognised in the consolidated statement of profit or loss and other comprehensive income as incurred.

Depreciation is calculated based on the estimated useful lives of the applicable assets on a straight-line basis commencing when the assets are ready for their intended use. The estimated useful lives, residual values and depreciation methods are reviewed at each consolidated statement of financial position date, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Building and yards	10 – 20 years
Drilling rigs and equipment	4 – 30 years
Motor vehicles	4 years
Furniture, fixtures and office equipment	4 years

During the prior year, the Group has revised the useful lives and residual value of the Drilling rigs and equipment based on its strategic objectives, business plan, internal and external assessment, and approval from the management. The financial impact of this re-assessment is disclosed in note 4.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The repair and maintenance expenses are included in the consolidated statement of profit or loss and other comprehensive income when incurred.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of profit or loss and other comprehensive income.

Capital work in progress

Capital work in progress is included in property and equipment at cost. The capital work in progress is transferred to the appropriate asset category and depreciated in accordance with the above policies when construction of the asset is completed and the asset is commissioned and available for uses.

Intangible assets

Intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and impairment losses, if any. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. Intangible assets represent computer software with estimated useful life of 4 years and is amortised on straight-line basis.

The estimated useful lives, residual values and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its property and equipment, intangible assets, and rights-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024 *(continued)*

Inventories
Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and includes invoice value, freight and other expenses incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Leases
The Group as lessee
The Group assesses whether contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use assets and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The lease liability is presented as a separate line item in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revise discount rate is used).
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use of assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the 'Impairment of tangible and intangible assets' policy.

As a practical expedient, IFRS16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

Employee benefits
Provision is made for the estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the reporting date. Provision is made for the full amount of end of service benefits due to employees in accordance with the UAE Labour Law, for their period of service up to the end of the reporting date.

The provision relating to annual leave and leave passage is disclosed as a current liabilities, while that relating to end of service benefit is disclosed as a non-current liability.

Provisions
Provisions are recognised when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Onerous contracts
Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Revenue
Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Drilling and oil field services
The drilling services represent drilling contracts that includes rig packages, including crews and support equipment and providing start to finish drilling and construction services across both conventional and unconventional reservoirs, to its customers. Contracts may be for a single well, multiple wells or a fixed term.

The Group's drilling services provided under each drilling rig contract is a single performance obligation satisfied over time and is comprised of a series of distinct time service periods in which the Group provides drilling services.

Variable consideration is assessed to the extent that it is probable that a significant reversal will not occur during the contract term. When determining if variable consideration should be recognised, management considers whether there are factors outside of the Group's control that could result in a significant reversal of revenue as well as the likelihood and magnitude of a potential reversal of revenue.

Revenue from reimbursable goods and services
Revenue from reimbursable goods and services represents mark-ups on certain equipment, materials and supplies, third party services and other expenses acquired at the request of the customer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024 *(continued)*

Foreign currencies
For the purpose of these consolidated financial statements United States Dollar (USD) is the functional and the presentation currency of the Group.

Transactions in currencies other than USD (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

Financial instruments
Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the consolidated statement of profit or loss and other comprehensive income.

Financial assets
All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. The Group does not currently have any financial assets that are measured at fair value.

Financial assets designated at amortised cost.

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and effective interest rate method
The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in the consolidated statement of profit or loss and other comprehensive income.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on trade receivables and due from related parties. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and due from related parties. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk
In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default;
- The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024 *(continued)*

(ii) Definition of default
The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 365 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Write-off policy
The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments
Classification as debt or equity
Debt and equity instruments are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangement.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recorded at the proceeds received, net of direct issue costs.

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Group's shareholder.

Where the Company purchases the Company's equity instruments, the consideration paid, including any direct attributable incremental external cost is deducted from the equity attributable to the owners until the equity instruments are reissued disposed of or cancelled. Where such shares are disposed of or reissued such consideration received is included in equity." The repurchase of equity instruments issued by the Company is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of equity instruments issued by the Company.

Financial liabilities measured subsequently at amortised cost
All financial liabilities are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments
Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the group has both a legally enforceable right and intention to offset.

Employees' pension
The Group makes pension contributions on behalf of UAE citizens in accordance with the Emirate of Abu Dhabi Law No. 2 of 2000. The contributions are treated as payments to a defined contribution pension plan. A defined contribution plan is a pension plan under which fixed contributions are paid into a separate pension entity fund.

The Group has no legal or constructive obligations to pay further contributions if the Abu Dhabi Retirement Pensions & Benefits Fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Value added tax
Value added tax ('VAT') represents a standard rate of 5% that shall be imposed on any supply or import pursuant to Article (2) of the Federal Decree Law No. (8) of 2017 on the value of the supply or import as specified in the provisions of this Decree Law, effective from 1 January 2018.

- VAT payable, is payable to the Tax Federal Authority upon collection of receivables from customers. VAT on purchases, which have been settled at the date of the consolidated statement of financial position, are deducted from the amount payable.
- VAT receivable, relates to purchases which have not been settled at the date of the consolidated statement of financial position, VAT receivable is reclaimable against sales VAT upon payment of the purchases.

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 CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024 *(continued)*

Non-current assets held-for-sale
The Group classifies non-current assets held-for-sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held-for-sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense. The criteria for held-for-sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification. Property and equipment and intangible assets are not depreciated or amortised once classified as held-for-sale. Assets classified as held-for-sale are presented separately as current items in the consolidated statement of financial position.

The Group measures a non-current assets held-for-sale that ceases to be classified as held for sale at the lower of its:

a. carrying amount before the asset was classified as held for sale adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset (not been classified as held for sale.

b. recoverable amount at the date of the subsequent decision not to sell.

4. Key judgement and source of estimation and uncertainty

The preparation of the consolidated financial statements in compliance with IFRSs requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the consolidated financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting judgments
In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Revenue presentation
Third party rig rental contracts are those which are entered into with third parties for the benefit of related parties. In such contracts, the Group neither has control over the rigs or services provided by the third party nor takes delivery of the rigs prior to its deployment by the related parties. In addition, the Group enters into back-to-back arrangements with related parties on the same term as it does with the third parties (which is contractually acknowledged by the third parties). Consequently, management has concluded that it is acting as an agent in these arrangements. Accordingly, revenue and cost relating to these services are presented on a net basis. Had management concluded that they were acting as principal in these transactions, revenue and direct costs would have been higher by USD 244,116 thousand in the current year (2023: USD 139,833 thousand).

Capitalisation of borrowing costs
As described in note 3, the Group capitalises borrowing costs directly attributable to the acquisition, construction or production of qualifying assets. Qualifying assets are the acquisition of rigs which take substantial period of time to get ready for their intended use or sale. The borrowing cost is capitalised for these rigs, until such time as the rigs is substantially ready for their intended use or sale. Significant judgment is required to determine whether the rigs take a significant period of time to get ready for their intended use based on management's assessment of the various activities that are required before the rigs enter into operation. During the year borrowing costs amounting to USD 13,959 thousand (2023: 34,304 thousand) have been capitalised.

Determining the lease term
Certain leases are entered into with a related party which contain clauses for automatic annual renewal of the lease term unless either party provides a notice to not extend the lease. In determining the lease term, management considers all facts and circumstances that create an economic incentive to not exercise a termination option. Periods after termination options are only included in the lease term if the lease is reasonably certain to be not terminated. Management considers all facts and circumstances that create an economic incentive to not terminate the lease to determine the appropriate lease terms.

During the year ended 31 December 2024, no significant events or significant change in circumstances occurred that caused the management to reassess the lease term of such contracts.

Contract modifications
The Group, from time to time and in the normal course of business, amends its revenue contracts with related parties. Significant judgment is required to determine whether, based on the status of ongoing negotiations, it is highly probable that a significant reversal in the amount of cumulative revenue recognised will occur at the conclusion of such negotiations.

Leases purchase option
Certain leases as disclosed in note 6 were entered with a lessor which contain clauses for purchase options of the leased assets. In determining the lease payments included in the measurement of lease liability, Management has considered the exercise price of purchase options as it is reasonably certain that the Group will exercise these options. The right of-use-assets relating to these leases is being depreciated over the useful life of the underlying assets as the Group is reasonably certain to exercise the purchase option. Management has applied judgment and estimates to determine the incremental borrowing rate (IBR) at the commencement of the lease.

Offsetting of related party balances
Balances due from/to related parties as disclosed in note 18 are reported on a net basis in the accompanying consolidated financial statements. Management has established that a legally enforceable right to set off such amounts exist, and the Group intends to settle on net basis or to realise the assets and settle the liabilities simultaneously.

Key sources of estimation uncertainty
Joint arrangement
For assessing joint control, the Group has considered the contractual agreement of sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. For the purpose of assessing whether a joint arrangement is a joint venture or joint operation, the Group has considered whether it has joint control on the rights to the net assets of the arrangements, in which case these are treated as joint ventures, or rights to the assets and obligations for the liabilities relating to the arrangement, in which case these are treated as joint operations. Management has applied several critical judgements to arrive at the conclusion on joint control, which included the assessment of the substance over legal form in respect of the unanimous approvals of relevant activities by the Joint venture partners. Management has assessed and concluded that there is no material impact on the fair value of the call option compared to its net asset values as of the reporting period and thereby amounts recorded in books carried at its fair values.

Calculation of ECL
Calculation of ECL When measuring ECL the Group uses reasonable and supportable forward-looking information and estimates, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Probability of default constitutes a key input in measuring ECL and is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. As at 31 December 2024, the Group's allowance for expected credit losses amounted to USD 28,004 thousand (2023: USD 19,004 thousand).

Impairment of property and equipment
Property and equipment are assessed for impairment based on assessment of cash flows on individual cash generating units when there is indication of impairment. Management has not identified impairment indicators in the current year for property and equipment. During the year, an impairment /lost in hole amounting to nil (2023: USD 2,016 thousand) has been recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024 *(continued)*

Provision for slow moving or obsolete inventories

When inventories become old or obsolete, an estimate is made of their net realisable value. Inventory items are categorised based on their aging and accordingly for each category are recognised as a provision for obsolete and slow-moving inventories. Provision for obsolete and slow-moving inventories at 31 December 2024 amounted to USD 32,667 thousand (2023: USD 27,172 thousand).

Useful lives and residual values of property and equipment

Management reviews the estimated useful lives and residual values of property and equipment at the end of each annual reporting period in accordance with IAS 16 Property, Plant and Equipment. In the prior year, Management has reassessed the useful life of drilling rigs and equipment and changed it from 8-20 years to 4-30 years in the prior year, the financial impact of the reassessment resulted in the reduction of related depreciation charge on profit and loss due to the increase in useful lives and residual value by USD 28,134 thousand.

Assessment of impairment on re-classification of assets held for sale

The Group upon the revision of its plan regarding the assets previously classified as held for sale performed an assessment of the recoverable amounts of the rigs and determined that the carrying values of the rigs as of the reporting date were lower than their recoverable amounts and hence no impairment existed as of the reclassification date.

5. Property and equipment

	Building and yards USD'000	Drilling rigs and equipment USD'000	Motor vehicles USD'000	Furniture fixtures and office equipment USD'000	Construction work- in -progress USD'000	Pre-delivery payments USD'000	Total USD'000
Cost							
At 1 January 2023	83,688	6,743,699	29,622	63,563	644,912	55,041	7,620,525
Additions during the year	-	266,026	-	913	936,900	131,900	1,335,739
Transfers during the year	13,341	882,045	27,181	23,264	(945,831)	(28,963)	(28,963)
Transfer to held for sale (note 12)	-	(72,017)	-	-	-	-	(72,017)
Write off	-	(15,073)	-	-	-	-	(15,073)
At 1 January 2024	97,029	7,804,680	56,803	87,740	635,981	157,978	8,840,211
Additions during the year	-	224,828	-	3,278	479,720	104,330	812,156
Transfers during the year	-	368,169	-	2,677	(270,975)	(99,871)	-
Transfer from right-of-use assets	-	120,167	-	-	-	-	120,167
Transfer from held for sale (note 12)	-	72,017	-	-	-	-	72,017
Transfer to held for sale (note 12)	-	(34,412)	-	-	-	-	(34,412)
Write off	-	(7,402)	-	(5)	-	-	(7,407)
Disposals	-	(28,174)	-	-	-	-	(28,174)
At 31 December 2024	**97,029**	**8,519,873**	**56,803**	**93,690**	**844,726**	**162,437**	**9,774,558**
Depreciation and impairment							
At 1 January 2023	58,836	3,554,922	27,639	57,521	-	-	3,698,918
Charge for the year	8,300	330,631	14,384	14,795	-	-	368,110
Transfer to held for sale (note 12)	-	(61,300)	-	-	-	-	(61,300)
Eliminated on write off	-	(13,057)	-	-	-	-	(13,057)
At 1 January 2024	67,136	3,811,196	42,023	72,316	-	-	3,992,671
Charge for the year	4,791	411,831	1,224	8,627	-	-	426,473
Transfer from held for sale (note 12)	-	61,300	-	-	-	-	61,300
Transfer to held for sale (note 12)	-	(28,704)	-	-	-	-	(28,704)
Eliminated on write off	-	(4,167)	-	(5)	-	-	(4,172)
Eliminated on disposals	-	(25,684)	-	-	-	-	(25,684)
At 31 December 2024	**71,927**	**4,225,772**	**43,247**	**80,938**	**-**	**-**	**4,421,884**
Carrying amount							
At 31 December 2024	**25,102**	**4,294,101**	**13,556**	**12,752**	**844,726**	**162,437**	**5,352,674**
At 31 December 2023	29,893	3,993,484	14,780	15,424	635,981	157,978	4,847,540

	31 December 2024 USD'000	31 December 2023 USD'000
The depreciation is allocated as follows:		
Direct cost (note 20)	**416,262**	363,860
General and administrative expenses (note 21)	**10,211**	4,250
	426,473	368,110

Property and equipment include assets that are still in use and which are fully depreciated amounting to USD 1,409,840 thousand (2023: USD 1,103,465 thousand).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024 *(continued)*

6. 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:

	31 December 2024 USD'000	31 December 2023 USD'000
Rights-of-use assets		
Balance at the beginning of the year	**173,911**	33,909
Additions during the year	**16,372**	159,591
Remeasurement	**(18,371)**	-
Transferred to property and equipment (note 5)	**(120,167)**	-
Depreciation charge during the year	**(28,435)**	(19,589)
Balance at end of the year	**23,310**	173,911

Rights-of-use assets including the carrying value of rigs of nil (2023: USD 147,481 thousand), warehouse of USD 6,954 thousand (2023: USD 19,717 thousand) and office building of USD 16,356 thousand (2023: USD 6,713 thousand).

	31 December 2024 USD'000	31 December 2023 USD'000
Lease liabilities		
Balance at the beginning of the year	**189,211**	39,749
Additions	**16,372**	159,591
Remeasurement	**(18,371)**	-
Derecognition	**(87,000)**	-
Accretion of interest	**7,236**	3,907
Payments	**(82,291)**	(14,036)
Balance at end of the year	**25,157**	189,211
Disclosed as follows:		
Current	**13,130**	36,833
Non-current	**12,027**	152,378
	25,157	189,211

Amounts recognised in the consolidated statement of profit or loss and other comprehensive income is as follows:

	31 December 2024 USD'000	31 December 2023 USD'000
Direct cost (note 20)	**14,958**	5,912
General and administrative expenses (note 21)	**13,477**	13,677
	28,435	19,589

During the year, the Group opted to exercise the purchase option earlier than the initial arrangement for four rigs and remeasured the lease liability at a revised incremental borrowing rate ("IBR") of 5.97%. This resulted in lease remeasurement amounting to USD 18,371 thousand. Further, The Group acquired ownership of these lease-to-own rigs before year end and has transferred four rigs to property and equipment.

Finance cost (note 23) includes an amount of USD 7,780 thousand (2023: USD 3,498 thousand) for the unwinding of interest on lease liabilities.

7. Intangible assets

	31 December 2024 USD'000	31 December 2023 USD'000
Cost		
Balance at the beginning of the year	**12,649**	12,649
Additions during the year	**3,413**	-
Balance at end of the year	**16,062**	12,649
Accumulated amortisation		
Balance at the beginning of the year	**7,217**	3,669
Amortisation charge for the year (note 21)	**3,544**	3,548
Balance at end of the year	**10,761**	7,217
Carrying amount		
At 31 December	**5,301**	5,432

8. 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, During the year the Company through its wholly owned subsidiary ADH RSC LTD has 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:

	31 December 2024 USD'000	31 December 2023 USD'000
Additions	**266,750**	-
Share of results of joint ventures	**8,490**	-
Carrying amount of the Group's ownership interest in the Joint ventures	**275,240**	-

The additions during the year pertains to investments made of USD 266,709 thousand through ENERSOL RSC LTD and USD 41 thousand in Turnwell.

Joint ventures are accounted for using the equity method in the consolidated financial statements as set out in the Group's accounting policies in note 3.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024 *(continued)*

The latest available financial information in respect of the Group's joint ventures up to the year ended 31 December 2024 are recognised below:

	ENERSOL RSC LTD USD'000	Turnwell Industries – L.L.C USD'000
For the year end 31 December 2024		
Revenue	**74,348**	**141,286**
Profit for the year	**13,255**	**6,583**
As at 31 December 2024		
Non-current assets	**499,507**	**-**
Current assets	**196,613**	**141,361**
Non-current liabilities	**76,088**	**-**
Current liabilities	**38,255**	**134,700**
Total net equity	**581,777**	**6,661**
Company share of profit for the year	**5,090**	**3,400**

9. Inventories

	31 December 2024 USD'000	31 December 2023 USD'000
Inventories	**255,750**	233,279
Less: allowance for slow moving or obsolete inventories	**(32,667)**	(27,172)
	223,083	206,107

The movement in the allowance for slow moving or obsolete inventories during the year was as follows:

	31 December 2024 USD'000	31 December 2023 USD'000
Balance at beginning of the year	**27,172**	26,058
Charge during the year	**5,495**	1,114
Balance at end of the year	**32,667**	27,172

10. Trade and other receivables

	31 December 2024 USD'000	31 December 2023 USD'000
Advances	**93,560**	63,166
Contract assets	**25,915**	14,248
VAT receivables – net	**27,080**	46,080
Prepayments	**16,643**	21,363
Trade receivables	**10,284**	4,384
Other receivables	**12,476**	4,705
	185,958	153,946

11. Cash and cash equivalents

	31 December 2024 USD'000	31 December 2023 USD'000
Cash held by ADNOC Group Treasury Services (AGTS) (note 18)	**329,816**	353,613
Cash in bank	**7**	7
Cash on hand	**465**	502
	330,288	354,122

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.

12. Assets held for sale

	31 December 2024 USD'000	31 December 2023 USD'000
Balance at the beginning of the year	**10,717**	-
Transfer (to)/from property and equipment – net (note 5)	**(10,717)**	10,717
Transfer from property and equipment – net (note 5)	**5,708**	-
Net book value at end of the year	**5,708**	10,717

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. During the year the criteria of classifying these rigs as held for sale is no longer met due to management decision of the alternative use of these rigs hence have been transferred to property and equipment (note 5) on lower of carrying amount before the asset was classified as held for sale and recoverable amount.

During the year, 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 Jackup segment. One rig has already been sold to a related party (note 18) as of 31 December 2024.

13. Share capital and statutory reserve

	31 December 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 (2023 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024 *(continued)*

14. Share Premium and treasury shares

During the 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 31 December 2024, the Market Maker held 3,985 thousand shares (2023: Nil) on behalf of the Company, which are classified under equity as treasury shares at the average purchase price amounting to USD 5,670 thousand (2023; nil). A cumulative net gain of USD 504 thousand has been recognised at 31 December 2024 as Share Premium under equity.

15. Borrowings

	31 December 2024 USD'000	31 December 2023 USD'000
Term loans*	**2,294,750**	1,992,264

* The amount is net of transaction cost.

	31 December 2024 USD'000	31 December 2023 USD'000
Disclosed as follows:		
Current	**799,523**	-
Non-current	**1,495,227**	1,992,264
	2,294,750	1,992,264

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

Type	Currency	Interest rate	Year of maturity	31 December 2024 USD'000	31 December 2023 USD'000
Term Loan (Facility B)	USD	0.8% and Term SOFR	October 2025	**498,735**	498,014
Term Loan (Facility C& D)	USD	0.95 % & Term SOFR	November 2027	**1,796,015**	1,494,250
				2,294,750	1,992,264

On 24 October 2021, the Group entered into a syndicated Term loan 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 PJSC (note 18)	**165,000**	110,000
First Abu Dhabi Bank PJSC (note 18)	**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 31 December 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 (USD: 501,021 thousand) with multiple banks and financial institutions with an initial maturity of 4 years. An amount of AED 1,100,000 thousand and USD1,500,000 thousand was drawn down from facility C and D respectively.

	Facility C – Revolving Loan USD'000	Facility D – Term Loan USD'000
Abu Dhabi Commercial Bank PJSC (note 18)	**690,000**	200,000
First Abu Dhabi Bank PJSC (note 18)	**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, Dubai (DIFC) Branch	**-**	200,000
Gulf Bank K.S.C.P	**-**	150,000
The National Bank of Ras Al-Khaimah	**-**	140,000
Citibank N.A., ADGM Branch	**-**	40,000
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 2024 USD'000	Drawdown USD'000	Repayment USD'000	Others* USD'000	Balance at 31 December 2024 USD'000
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**

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For the year ended 31 December 2024 *(continued)*

	Balance at 1 January 2023 USD'000	Drawdown USD'000	Repayment USD'000	Others* USD'000	Balance at 31 December 2023 USD'000
Syndicated loan	1,500,000	-	-	(1,500,000)	-
Facility B	-	500,000	-	(1,986)	498,014
Facility D	-	-	-	1,494,250	1,494,250
	1,500,000	**500,000**	**-**	**(7,736)**	**1,992,264**

* Others include Transaction cost and non-cash transaction.

16. Provision for employees' end of service benefits

The movement in the provision for employees' end of service benefit is as follows:

	31 December 2024 USD'000	31 December 2023 USD'000
Balance at beginning of the year	**114,422**	123,386
Charge during the year – net (note 22)	**22,464**	130
Paid during the year	**(6,939)**	(9,094)
Balance at end of the year	**129,947**	114,422
Disclosed as follows:		
Current	**7,094**	9,094
Non-current	**122,853**	105,328
	129,947	114,422

17. Trade and other payables

	31 December 2024 USD'000	31 December 2023 USD'000
Accrued expenses	**834,824**	575,713
Trade payables	**203,511**	159,221
Contract liabilities	**140,719**	140,207
Retention payables	**49,050**	33,686
Accrual for employees' benefits	**8,690**	16,895
Pension payable	**3,440**	3,182
Other payables	**364**	866
	1,240,598	929,770
Disclosed as follows:		
Current	**1,175,749**	848,834
Non-current	**64,849**	80,936
	1,240,598	929,770

The average credit period on purchases 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.

18. Related party balances and transactions

Related parties represent the shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties and the Government of the Emirate of Abu Dhabi and its related parties. Pricing policies and terms of these transactions are approved by the Group's management.

The Group's transaction with other entities owned or controlled, either directly or indirectly by the Government of Abu Dhabi, included in the consolidated statement of financial position are as follows:

	31 December 2024 USD'000	31 December 2023 USD'000
(a) Due from related parties	**144,080**	52,764
(b) Other balances due from related parties (i)	**1,245,206**	952,936
Less: expected credit loss allowance	**(28,004)**	(19,004)
	1,361,282	986,696
(a) Due from related parties		
ADNOC Offshore	**132,570**	32,876
Abu Dhabi National Oil Company (ADNOC)	**11,143**	5,573
ADNOC Sour Gas	**159**	14,193
Al Dhafrah JV	**118**	122
ADNOC Refining	**90**	-
	144,080	52,764

At 31 December 2024, the Group had a significant concentration of credit risk, with two of the customer representing 99.7% (2023: two of the customer representing 89.2%) of related parties receivables outstanding at that date.

Management is confident that this concentration of credit risk will not result in any loss to the Group considering the credit history of these customers and the fact that those balances are due from sister companies majority owned by ADNOC, which is wholly owned by the Government of Abu Dhabi.

As at 31 December, the ageing of related party balances was as follows:

	31 December 2024 USD'000	31 December 2023 USD'000
Not past due	**137,341**	48,490
Due from 31 to 60 days	**1,309**	192
Due from 61 to 90 days	**3,345**	707
Due from more than 91 days	**2,085**	3,375
	144,080	52,764

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For the year ended 31 December 2024 *(continued)*

	31 December 2024 USD'000	31 December 2023 USD'000
(b) Other balances due from related parties (i)		
ADNOC Onshore	**806,888**	519,018
ADNOC Offshore	**317,117**	392,678
Turnwell Industries LLC	**62,369**	-
Abu Dhabi National Oil Company (ADNOC)	**55,448**	39,198
ADNOC Logistics & Services plc	**3,000**	-
Al Dhafra JV	**215**	377
ADNOC Sour Gas	**150**	1,665
ADNOC Gas	**19**	-
	1,245,206	952,936

(i) Other balances due from related parties represents revenue generated from providing drilling and oil field services but not yet billed. Billing will occur based on the terms of the contract. The contract assets primarily relate to the Group's rights to consideration for the drilling and oilfield services provided to the Group's clients but not billed at the reporting date.

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

	31 December 2024 USD'000	31 December 2023 USD'000
Balance at beginning of the year	**19,004**	9,004
Charge during the year (note 20)	**9,000**	10,000
Balance at end of the year	**28,004**	19,004

	31 December 2024 USD'000	31 December 2023 USD'000
Due to related parties		
Turnwell Industries LLC	**141,286**	-
ADNOC Onshore	**49,977**	104,553
Abu Dhabi National Oil Company for Distribution PJSC	**38,753**	66,055
Abu Dhabi National Oil Company (ADNOC)	**16,286**	11,590
ADNOC Logistics & Services plc	**4,548**	6,129
ADNOC Offshore	**-**	61,910
	250,850	250,237

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

	31 December 2024 USD'000	31 December 2023 USD'000
Borrowings (note 15)		
Abu Dhabi Commercial Bank PJSC	**422,321**	310,000
First Abu Dhabi Bank PJSC	**399,531**	310,000
	821,852	620,000

	31 December 2024 USD'000	31 December 2023 USD'000
Cash and cash equivalents (note 11)		
ADNOC Group Treasury Services (AGTS)	**329,816**	353,613
First Abu Dhabi Bank PJSC	**7**	7
	329,823	353,620

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

	31 December 2024 USD'000	31 December 2023 USD'000
Revenue		
ADNOC Onshore	**2,208,623**	1,668,437
ADNOC Offshore	**1,559,294**	1,280,729
Abu Dhabi National Oil Company (ADNOC)	**152,039**	55,505
Turnwell Industries LLC	**52,069**	-
ADNOC Sour Gas	**9,715**	15,294
Al Dhafrah JV	**1,170**	179
	3,982,910	3,020,144

	31 December 2024 USD'000	31 December 2023 USD'000
Purchases		
Abu Dhabi National Oil Company for Distribution PJSC	**158,935**	137,598
Turnwell Industries LLC	**141,286**	-
Abu Dhabi National Oil Company (ADNOC)	**55,777**	31,573
ADNOC Logistics & Services plc	**14,997**	13,352
ADNOC Refining	**-**	673
	370,995	183,196
Finance income		
ADNOC Group Treasury Services (AGTS)	**11,608**	15,506
Finance cost		
First Abu Dhabi Bank PJSC	**2,599**	9,382
Abu Dhabi Commercial Bank PJSC	**5,277**	9,382
	7,876	18,764
Investment in Joint ventures		
Share of profit from Joint ventures	**8,490**	-
Lease payments		
Abu Dhabi National Oil Company (ADNOC)	**18,969**	14,036
Sale of Property and equipment		
ADNOC Logistics & Services plc	**3,000**	-
Key management compensation		
Compensation of key management personnel	**6,518**	6,316
Board of Directors members	**7**	7
Key management personnel	**9**	10

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024 *(continued)*

19. Revenue

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

	31 December 2024 USD'000	31 December 2023 USD'000
Drilling and oilfield services	**3,981,574**	3,042,813
Facilitation of rigs rental	**52,648**	14,052
	4,034,222	3,056,865

As at 31 December 2024, the Group has unsatisfied performance obligations amounting to USD 75,872 thousand (2023: to USD 62,373 thousand) that will be recognised as revenue during the next financial year. The amount disclosed above does not include variable consideration which is constrained.

20. Direct cost

	31 December 2024 USD'000	31 December 2023 USD'000
Staff costs (note 22)	**739,280**	643,488
Depreciation of property and equipment (note 5)	**416,262**	363,860
Repairs and maintenance	**382,224**	216,385
Chemicals	**198,200**	172,972
Hire of equipment	**222,875**	162,698
Fuel and lubricants	**160,233**	140,655
Major maintenance charges	**84,250**	71,751
Expected credit loss charge (note 18)	**9,000**	10,000
Depreciation of right-of-use assets (note 6)	**14,958**	5,912
Other direct cost	**110,125**	61,008
	2,337,407	1,848,729

21. General and administrative expenses

	31 December 2024 USD'000	31 December 2023 USD'000
Staff costs (note 22)	**58,230**	75,274
Depreciation of property and equipment (note 5)	**10,211**	4,250
Depreciation of right-of-use assets (note 6)	**13,477**	13,677
Amortisation of intangible assets (note 7)	**3,544**	3,548
Other expenses*	**69,896**	29,585
	155,358	126,334

* Included in other expenses is auditors' remuneration amounting to USD 308 thousand (2023: USD 262 thousand) for audit services and USD 59 thousand (2023: USD 57 thousand) for non-audit services.

The Group has not made any social contribution during the financial year ended 31 December 2024 (2023: nil).

22. Staff cost

	31 December 2024 USD'000	31 December 2023 USD'000
Salaries and allowances	**603,398**	584,459
End of service benefits (note 16)	**22,464**	130
Pension	**22,240**	22,491
Other employees' benefits	**149,408**	111,682
	797,510	718,762

23. Finance cost

	31 December 2024 USD'000	31 December 2023 USD'000
Finance costs on interest bearing loans	**128,215**	71,079
Interest on lease liabilities	**7,780**	3,498
	135,995	74,577

24. Dividends

The Board of Directors proposed a final cash dividend of AED 7.83 fils amounting to USD 341,246 thousand for the year ended 31 December 2022 which was approved by shareholders at the Annual General Meeting held on 3 April 2023. The dividend was paid during the prior year.

On 9 October 2023, the Board of Directors approved an interim cash dividend of AED 8.2244 fils amounting to USD 358,313 thousand for the first half of 2023. The dividend was paid during the prior year.

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 current year.

On 2 August 2024, the Board of Directors approved an interim cash dividend of AED 9.0468 fils amounting to USD 394,142 thousand for the first half of 2024. The dividend was paid during the current year.

25. Commitments and contingencies

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

	31 December 2024 USD'000	31 December 2023 USD'000
Capital commitments – rigs procurement	**77,790**	93,114
Commitment for investment in Joint ventures	**517,541**	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.

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For the year ended 31 December 2024 *(continued)*

26. Financial Instruments by category

	31 December 2024 USD'000	31 December 2023 USD'000
Financial assets		
Trade and other receivables*	**49,840**	55,169
Due from related parties	**144,080**	52,764
Cash and cash equivalents	**330,288**	354,122
	524,208	462,055
Financial liabilities		
Borrowings	**2,294,750**	1,992,264
Trade and other payables**	**1,099,879**	789,563
Due to related parties	**250,850**	250,237
Lease liabilities	**25,157**	189,211
	3,670,636	3,221,275

* Trade and other receivables exclude advances, contract assets and prepayments.
** Trade and other payables exclude contract liabilities.

27. Financial instruments

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Market risk management

Foreign exchange risk

Foreign exchange risk is limited as the Group's transactions are principally in UAE Dirhams or US Dollars. As the UAE Dirham is pegged to the US Dollar, balances in AED are not considered to represent significant currency risk.

Price risk

The Group has no significant direct exposure to commodity price risk. Reduction in oil prices may lead to reduction in the level of future drilling services procured by customers who have significant exposure to oil and gas prices.

Fair value interest rate risk

The following table demonstrates the sensitivity to reasonably possible changes in interest rates, with all other variables held constant, of the Group's profit.

	Effect on profit USD'000
2024	
+10 increase in basis points	**(2,295)**
-10 increase in basis points	**2,295**
2023	
+10 increase in basis points	(1,992)
-10 increase in basis points	(1,992)

The fair values of the Group's financial instruments are not materially different from their carrying amounts.

Credit risk management

Credit risk arises from balances with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables, due from group companies and committed transactions. Management assesses the credit quality of its customers, taking into account financial position, past experience and other factors. Individual risk limits are based on management's assessment on a case-by-case basis. The utilisation of credit limits is regularly monitored.

The Group's policy is to place cash and cash equivalents with reputable banks and financial institutions and the Group's management does not expect any losses from non-performance of its counterparties as it believes that adequate allowance has been created against the impaired receivables.

The Group's trade receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The maximum exposure is the carrying amount of the trade receivables as disclosed in note 10.

Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses for a short term period, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The table below summarises the maturity profile of the Group's financial liabilities at 31 December 2024 and 2023 based on the contractual undiscounted payments.

	Notes	Carrying value USD'000	Contractual cash flows USD'000	1 year or less USD'000	More than 1 year USD'000
31 December 2024					
Lease liabilities	6	**25,157**	**26,872**	**13,163**	**13,709**
Borrowings	15	**2,294,750**	**2,299,523**	**799,523**	**1,500,000**
Trade and other payables	17	**1,099,879**	**1,099,879**	**1,099,879**	**-**
Due to related parties	18	**250,850**	**250,850**	**250,850**	**-**
		3,670,636	**3,677,124**	**2,163,415**	**1,513,709**
31 December 2023					
Lease liabilities	6	189,211	200,641	36,833	163,808
Borrowings	15	1,992,264	2,000,000	-	2,000,000
Trade and other payables	17	789,563	789,563	789,563	-
Due to related parties	18	250,237	250,237	250,237	-
		3,221,275	**3,240,441**	**1,076,633**	**2,163,808**

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for its shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The policies are based on management's assessment of available options, in conjunction with the shareholders.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares.

The Group monitors capital on the basis of its gearing ratio. This ratio is calculated as net debt divided by total equity plus net debt. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as total equity as shown in the consolidated statement of financial position plus net debt.

28. 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. There were no changes in the current year which warranted a reassessment of the operating segments.

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 18 for analysis of revenue from major customers.

31 December 2024	Onshore USD'000	Offshore Jackup USD'000	Offshore Island USD'000	OFS USD'000	Total USD'000
Revenue	**1,892,670**	**1,116,043**	**212,393**	**813,116**	**4,034,222**
Direct cost (excluding depreciation and impairment)	**(894,919)**	**(310,245)**	**(77,756)**	**(623,287)**	**(1,906,207)**
Gross profit (excluding depreciation and impairment)	**997,751**	**805,798**	**134,637**	**189,829**	**2,128,015**
General and administrative expenses (excluding depreciation and amortisation)	**(75,339)**	**(40,603)**	**(6,680)**	**(5,484)**	**(128,106)**
Share of profit	**1,100**	**-**	**-**	**7,390**	**8,490**
Other income, net	**3,714**	**2,375**	**463**	**(164)**	**6,388**
EBITDA	**927,226**	**767,570**	**128,420**	**191,571**	**2,014,787**

EBITDA is reconciled to profit before for the year as follows:

31 December 2024	Onshore USD'000	Offshore Jackup USD'000	Offshore Island USD'000	OFS USD'000	Total USD'000
EBITDA	**927,226**	**767,570**	**128,420**	**191,571**	**2,014,787**
Depreciation included in direct cost	(128,994)	(211,940)	(22,193)	(68,093)	(431,220)
Depreciation and amortisation included in general and administrative expenses	(15,507)	(8,366)	(2,088)	(1,271)	(27,232)
Total depreciation and amortisation	**(144,501)**	**(220,306)**	**(24,281)**	**(69,364)**	**(458,452)**
Finance cost, net	(71,365)	(42,169)	(8,224)	(2,501)	(124,259)
Profit before tax for the year	**711,360**	**505,095**	**95,915**	**119,706**	**1,432,076**

31 December 2023	Onshore USD'000	Offshore Jackup USD'000	Offshore Island USD'000	OFS USD'000	Total USD'000
Revenue	1,495,057	799,726	209,079	553,003	3,056,865
Direct cost (excluding depreciation and impairment)	(714,316)	(261,068)	(67,482)	(436,091)	(1,478,957)
Gross profit (excluding depreciation and impairment)	**780,741**	**538,658**	**141,597**	**116,912**	**1,577,908**
General and administrative expenses (excluding depreciation and amortisation)	(61,355)	(31,911)	(8,402)	(3,191)	(104,859)
Other income, net	5,079	3,321	635	812	9,847
EBITDA	**724,465**	**510,068**	**133,830**	**114,533**	**1,482,896**

EBITDA is reconciled to profit for the year as follows:

31 December 2023	Onshore USD'000	Offshore Jackup USD'000	Offshore Island USD'000	OFS USD'000	Total USD'000
EBITDA	724,465	510,068	133,830	114,533	1,482,896
Depreciation included in direct cost	(109,729)	(178,721)	(13,623)	(67,699)	(369,772)
Depreciation, amortisation and impairment included in general and administrative expenses	(12,806)	(5,682)	(1,718)	(1,269)	(21,475)
Total depreciation, amortisation and impairment	(122,535)	(184,403)	(15,341)	(68,968)	(391,247)
Finance cost, net	(33,861)	(19,980)	(5,009)	-	(58,850)
Profit for the year	**568,069**	**305,685**	**113,480**	**45,565**	**1,032,799**

* Excludes depreciation, amortisation and impairment.

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For the year ended 31 December 2024 *(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
31 December 2024					
Property and equipment	**1,442,018**	**2,832,305**	**223,398**	**854,953**	**5,352,674**
31 December 2023					
Property and equipment	1,242,716	2,726,326	186,674	691,824	4,847,540

29. 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 shares outstanding during the year.

	31 December 2024 USD'000	31 December 2023 USD'000
Profit attributable to shareholders of the Group (USD'000)	**1,303,566**	1,032,799
Weighted average number of shares for the purpose of basic earnings per share (note 13)	**15,998,530**	16,000,000
Earnings per share (USD'000)	**0.081**	0.065

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

30. 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.

	31 December 2024 USD'000
Current income tax expense	**129,907**
Deferred tax credit	**(1,397)**
	128,510

Recognized deferred taxes of the Group relate to the tax effects of the following:

	31 December 2024 USD'000
Net temporary differences arising from carrying values of – provision for employees end of service benefits	**15,525**

The charge for the year can be reconciled to the profit before tax as follows:

	31 December 2024 USD'000
Profit before tax	**1,432,076**
– Applicable tax charge at statutory rates (9%)	**128,887**
– Tax effect of share of results of equity accounted investee	**(764)**
– Impact of permanent difference	**1,785**
Current tax reported in the consolidated statement of profit or loss	**129,907**

The current tax charge includes the impact of taxes from its foreign operations as per laws and regulations of the respective jurisdiction. The Organisation of Economic Cooperation and Development (OECD) has published GloBE Model Rules, which include a minimum 15% tax rate by jurisdiction ("Pillar Two"). Various countries have enacted or intend to enact tax legislation to comply with Pillar Two rules. As of the reporting date, Pillar Two legislation has not been substantively enacted in the UAE. The Group is in the process of an assessment of its impact on its future earnings.

31. Subsequent event

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 394,144 thousand for the year ended 31 December 2024. The proposed dividend is subject to approval of the shareholders at the Annual General Meeting.

32. Approval of the consolidated financial statements

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 12 February 2025.

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