ADNOC Drilling

ADNOC DRILLING RESULTS PRESENTATION FY 2021

Q4 AND 12M ENDED 31 DECEMBER 2021

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AGENDA & PRESENTERS

1. FY 2021 Highlights
2. Strategic Progress
3. Operational Highlights
4. Financial Performance
5. Guidance
6. Summary
7. Appendix

Abdulrahman Abdullah Al Seiari

Chief Executive Officer

Alexander Urquhart

Chief Financial Officer

Emri Zeineldin

Senior Vice President, Oilfield Services

STRONG OPERATIONAL PERFORMANCE SUPPORTING HEALTHY FINANCIAL RESULTS

Highlights from the fourth quarter and twelve months ended 31 December 2021

Safety & environment

- **0.8**
  Total recordable incident rate
- **43.3K**
  GJ/Rig energy intensity, comfortably ahead of 43.9K target
- **100%**
  HSE and performance safety culture established

Operational

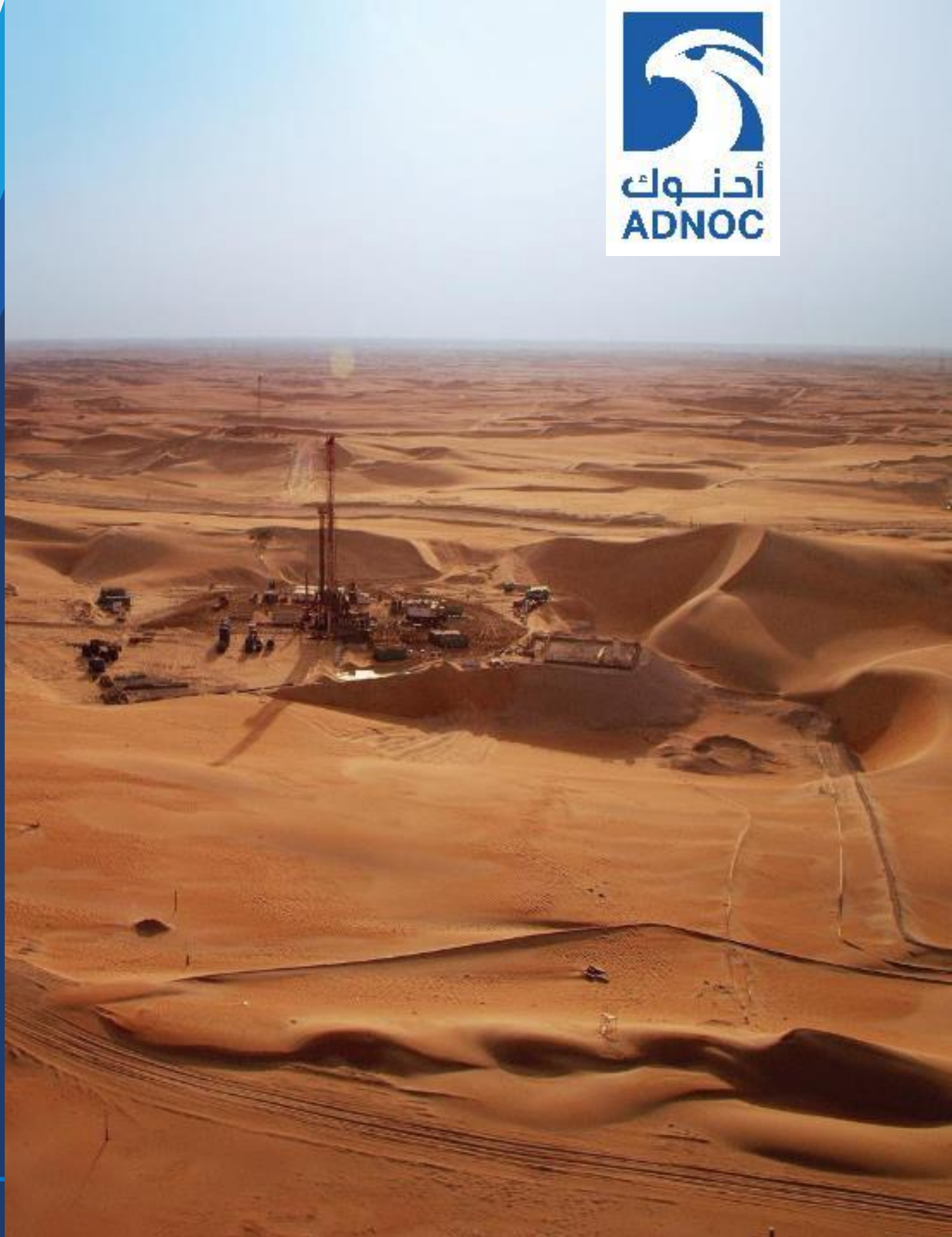
- **549**
  Wells drilled in FY21, and over **4.6 million** feet
- **107**
  Rigs at **96%** utilization
- **45%**
  Integrated Drilling Services market share in FY21, on target

Financial

- **9%**
  EBITDA growth for FY21
- **$2.3bn**
  FY21 revenue at **8%** y-o-y growth
- **$583m**
  Capital investment during the twelve-month period

ADNOC Drilling

STRATEGIC PROGRESS



STRATEGIC PARTNER AT THE HEART OF ADNOC UPSTREAM

Our value creation profile

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

Delivering superior financial results

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

Significant leverage to growth

- Key enabler to ADNOC's delivery on its long-term upstream targets
- Strong in-house capability set drives accelerated growth into oilfield services (OFS)
- Further potential for disciplined domestic and regional expansion

WE ARE EXECUTING ON OUR STRATEGY

Our long-term strategy for growth is focused on four areas

Capitalize on ADNOC increasing production

Capitalize on ADNOC's plans to increase production capacity to 5 million barrels per day and 1bcf of gas by 2030.

▶ **13** additional rigs acquired

Unconventional and biogenic

Become a Middle East regional leader in **unconventional** and **biogenic** development.

▶ **101** FRAC'd stages in FY21

Integrated Drilling Services ramp-up

Launch a major **rig fleet expansion** program to support **upstream growth** plans.

▶ **45%** of ADNOC Drilling-owned fleet

Geographic expansion

Pursue business and operations **outside** of **Abu Dhabi** for **rigs** and **services.**

▶ Progress on **expansion into GCC**

UNLOCKING FUTURE VALUE WITH OUR PARTNERS

*Our strategic partnerships with **Baker Hughes** and **Helmerich & Payne** are primed to advance our value proposition*

Value proposition

- Complete integration of rigs and services
- People on board optimization, maximize productivity
- Carbon footprint reduction, efficient operations
- HSE improvement, reduce risk

Processes

- Rigs: increase asset availability and uptime
- Procurement and business development processes

Operational excellence

- Opex optimization on identified fleet
- Automation, AI and machine learning
- Integrated remote operations and monitoring
- Custom-designed software solutions

Technology

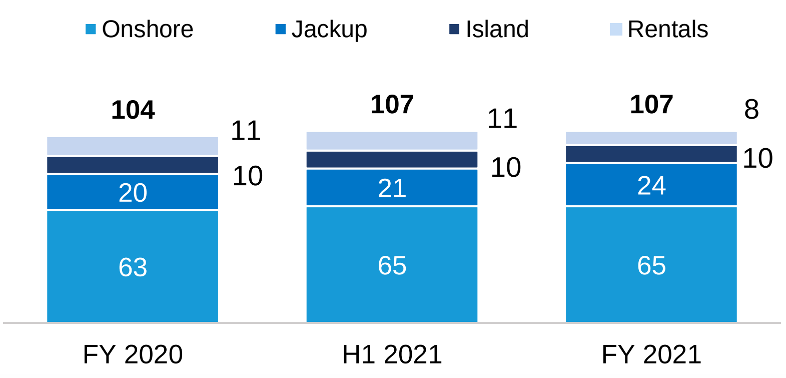
- Faster rig moves
- Automated drilling (AI predict)
- ROP optimization – machine learning

OPERATIONAL HIGHLIGHTS

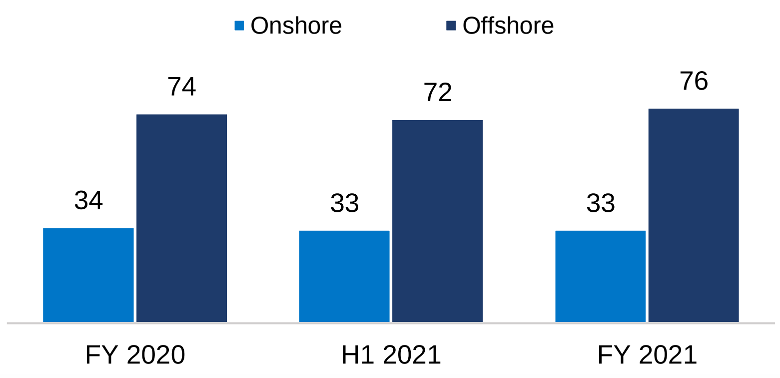
RIG FLEET STABLE WITH HEALTHY UTILIZATION

Key operational highlights for FY21

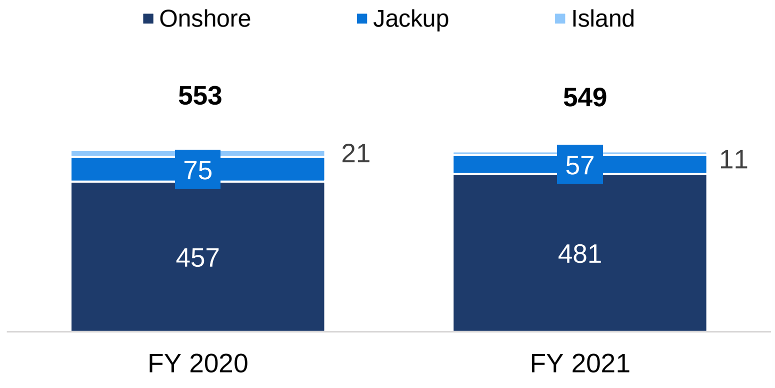
Rigs



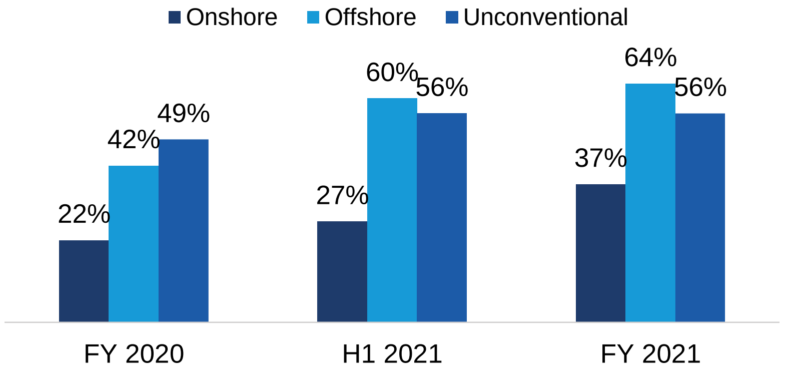
Drilling average duration (days)



Wells drilled



Oilfield services market share



FY21 Commentary

- Fleet utilization at 96% for FY21 (92% in FY20)
- 2x new Onshore rigs added to the fleet in FY21
- 1x new Offshore Jackup rig integrated into operations in December 2021, ahead of plan
- Deployed 15x stacked Onshore rigs and 3x stacked Island rigs
- 549 wells drilled during FY21, compared to 553 in FY20

- Integrated Drilling Services (IDS) on 38 rigs (45%) during FY21
- 160 IDS wells delivered in FY21, 92 ahead of schedule and budget

HIGHER EFFICIENCY, ONSHORE AND OFS GROWTH

Segmental operating highlights in FY21

Onshore

- **Accelerated NOP to 42 rigs** (35 rigs planned) driving significant annual savings
- **Reactivation** of **15 stacked rigs** and **2 new land rigs**
- Enhanced rig move efficiency, **saving $8.5 million**

Offshore and Offshore Islands

- Improved rig outage average **from 110 days to 70 days**
- Breaking records (**longest well in Middle East**, fourth longest in the world)
- Successfully **integrated Al Reem & AD-67** (stacked rig) into Offshore Operations

Oilfield Services

- **277 IDS wells delivered since start-up** in 2019 with 173 wells ahead of schedule and budget
- 11.5 % year-on-year improvement in drilling efficiency during 2021
- FRAC'd 101 stages in FY21 - Zipper FRAC on 2x wells delivering record 6 stages per day

New Operating Philosophy (NOP)

To drive outstanding technical and operational performance

- Skilled personnel, reducing numbers at rig sites and redeploying to new assets
- Better well construction safety
- Improved working conditions
- Consistent performance and higher efficiencies
- Greater profitability

Opex savings of $50 million for Onshore in FY21 as a direct result of NOP implementation

WE CONTINUE TO PURSUE AMBITIOUS ESG GOALS

Our ESG framework and FY21 highlights

Climate, emissions and energy

- Decrease GHG intensity by 25% by 2030
- Energy intensity at a **target of 43.9k versus the current actual of 43.3 GJ/Rig**

Economic and social contribution

- **In-Country Value (ICV) at 62.7% FY21 vs. a target of 60%**

Health, safety and security

- **TRIR at 0.82** vs. a set target of 1.2 for 2021
- Implementation of HSE and performance safety culture at **100%**.

Local environment

- Minimizing impacts through best-in-class environmental management system
- **Zero spill incidents in 20Y21**

Workforce diversity and development

- **Women Empowerment Committee established**, with 14 women employees at leadership level
- **78 nationalities across the workforce**

Business sustainability

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

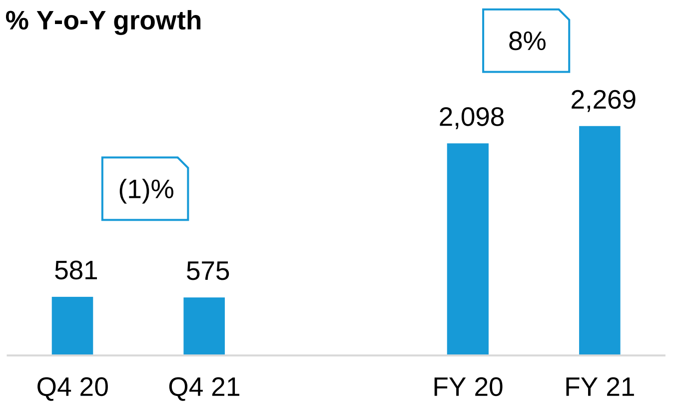
FINANCIAL PERFORMANCE

FINANCIAL HIGHLIGHTS – Q4 and FY21

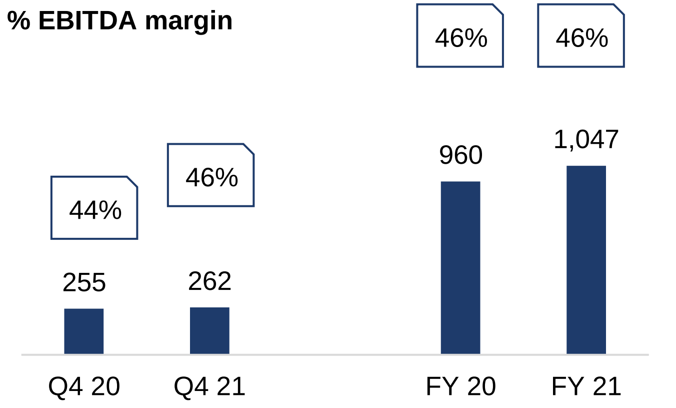
Growth in key segments coupled with cost efficiencies drives healthy bottom-line; Capex ramped up for growth

$ millions

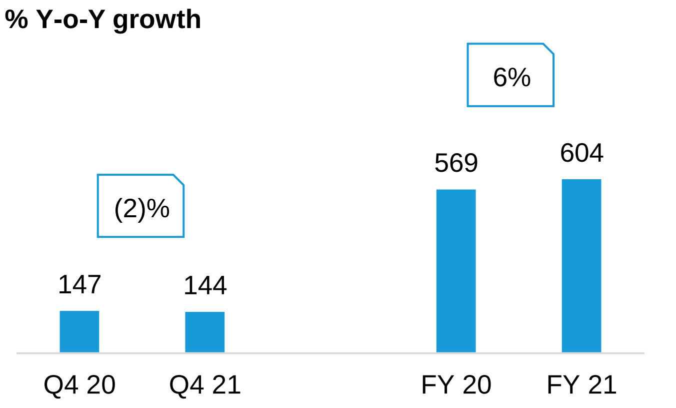
Revenue



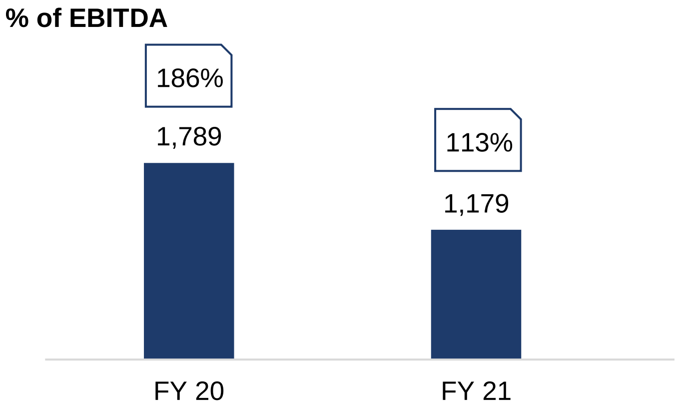
EBITDA



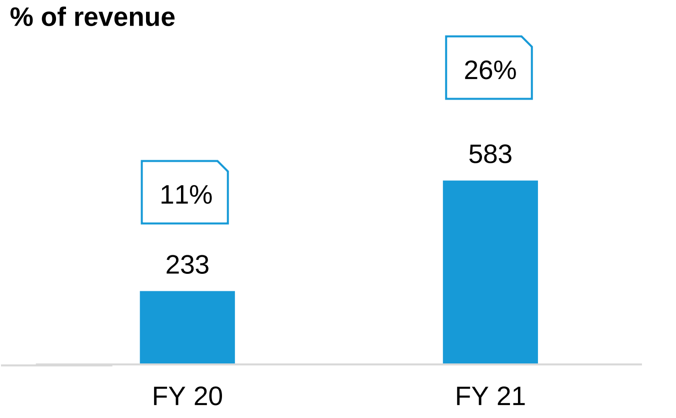
Net income



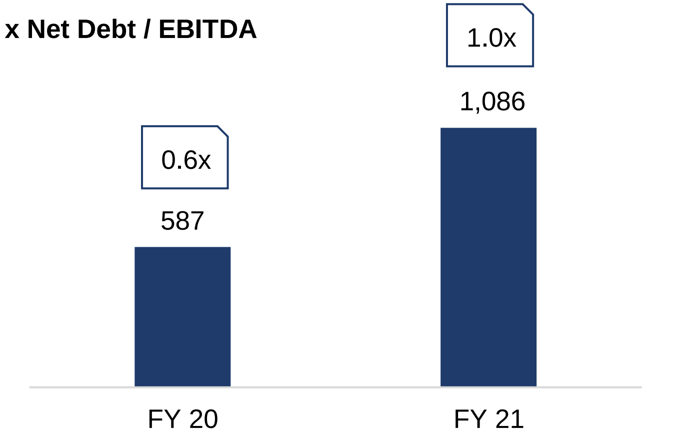
Cash from operations



Capex



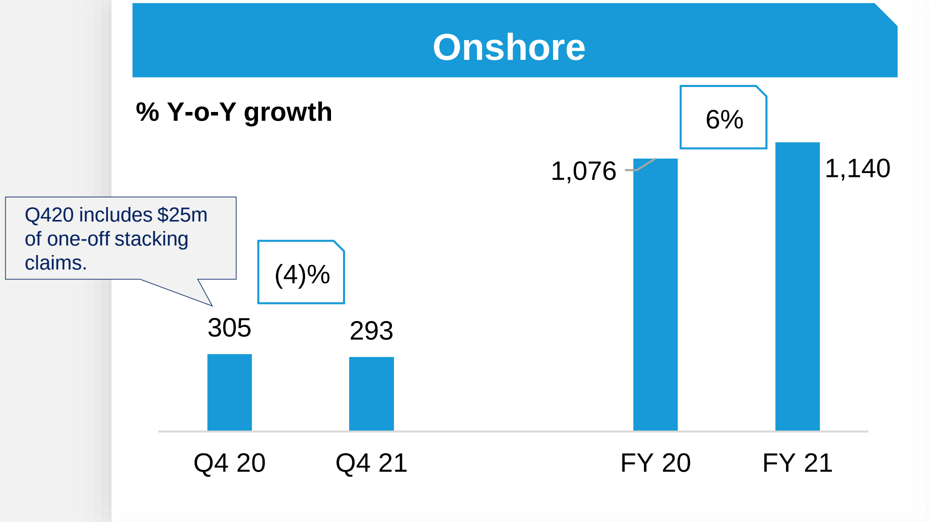
Net debt

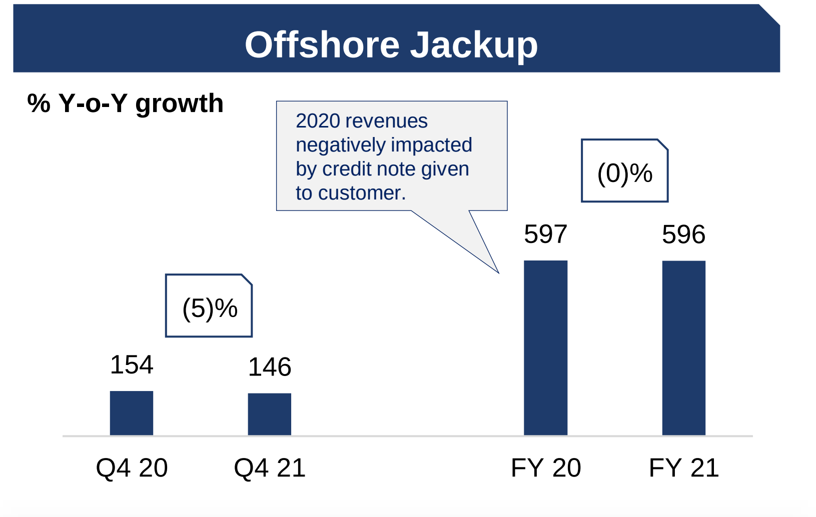


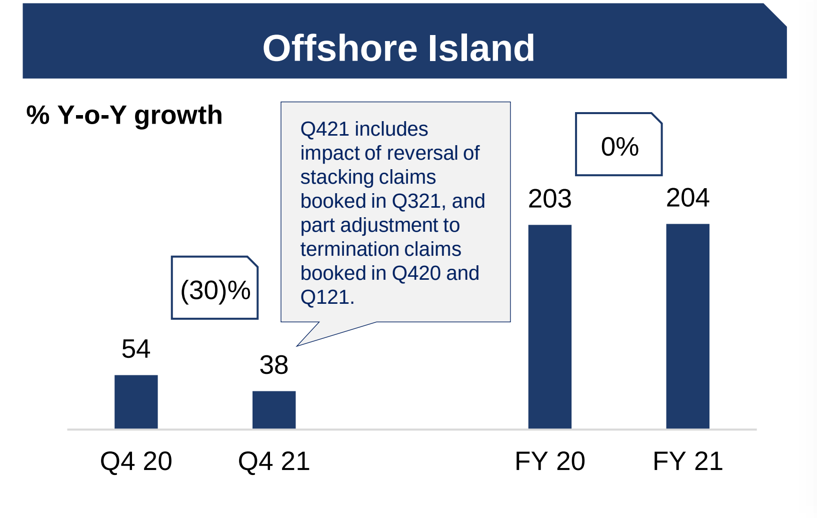
HEALTHY 12-MONTH REVENUES

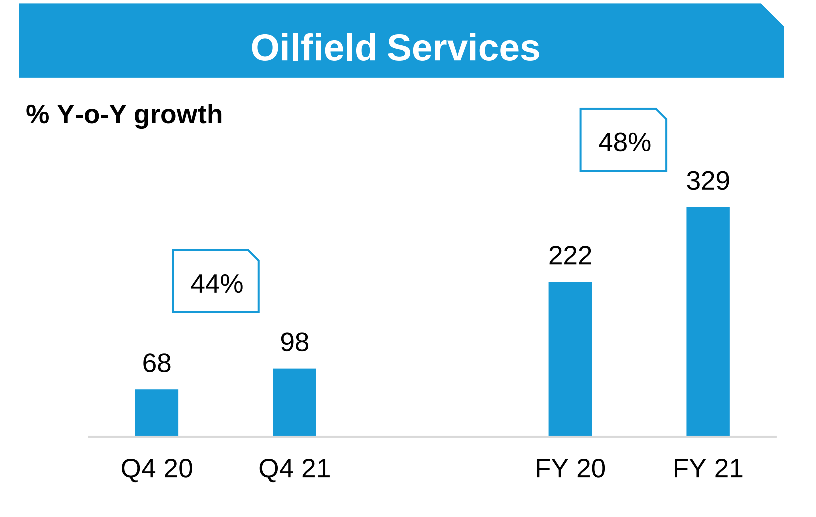
Top-line growth for FY21 driven by Onshore and Oilfield Services

$ millions









FY21 Commentary

Full year revenue increased by $172 million driven primarily by growth in the Onshore and OFS segments.

Onshore: FY revenue growth included $31 million from 2x new rigs and incremental revenue of $24 million from 7x rig reactivations. Q4 revenue was lower due to one off termination claims in the prior year.

Offshore Jackup: Despite lower rig count, revenues flat, reflecting non-recurring revenue impact in prior year comparison.

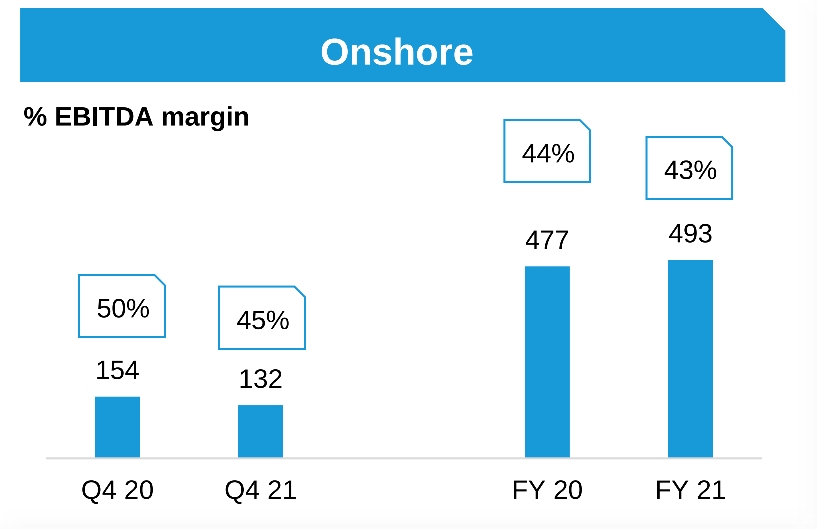
Offshore Island: Q421 revenues include impact of revenue reversals from prior quarters recognised in this quarter.

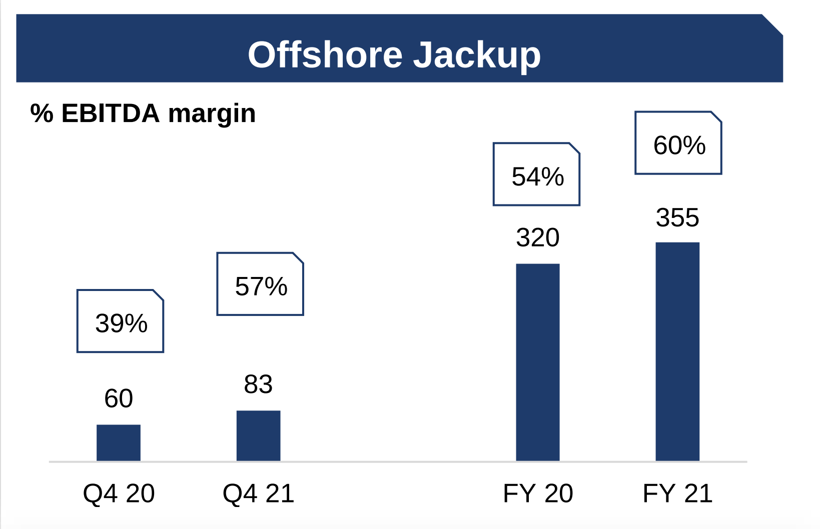
OFS: Revenue increased significantly due to increased activity in Directional Drilling, IDS and Completion Fluids, Cementing & E-logging product lines, with increase in rig count from 22 to 38.

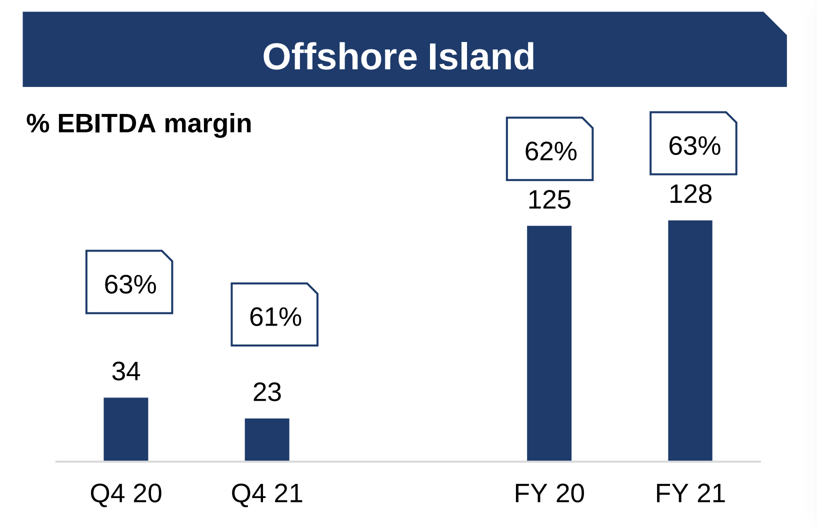
ROBUST EBITDA GENERATION PROFILE

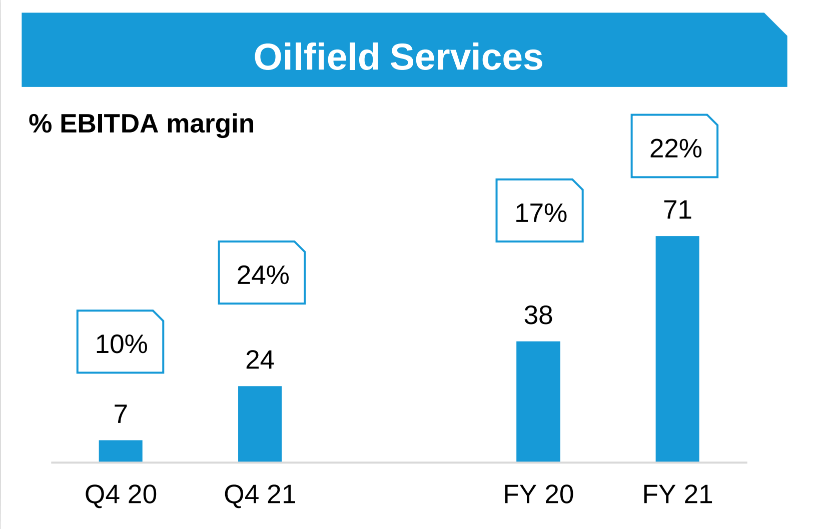
Healthy EBITDA growth with lower Opex and additional other income

$ millions









FY21 Commentary

Full year EBITDA improved by $88 million due to higher revenue from OFS and Onshore. Q4 EBITDA increased by $6 million year-on-year, due to lower Opex and additional other income.

Increase in FY revenue from OFS and Onshore partially offset by increase in Opex, mainly in OFS, due to increased activity.

Other increases in overheads: pandemic, bonus accrual, prior period adjustments.

Higher other income to GR/IR write back in 1H of $3.9 million, liquidated damages of $1.1 million and credit note from HQ of $2.4 million.

Q4 revenue lower year-on-year, largely due to one-off termination claim booked in Q4 2020 and part reversal of claim in Offshore Island in Q4 2021.

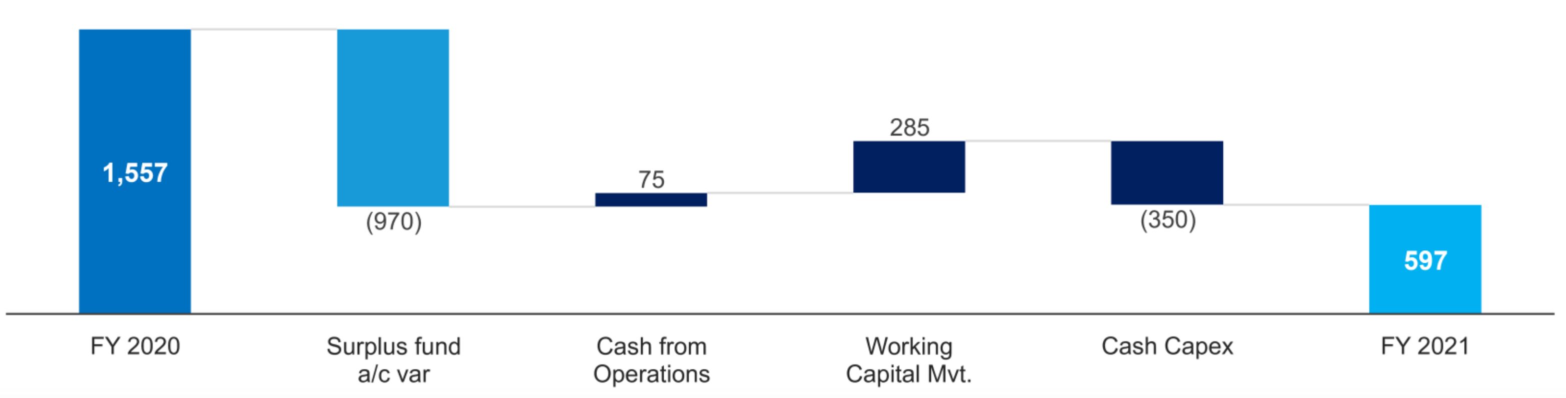
Opex lower due to lower MM costs due to rescheduling MM and cost control measures.

STRONG CASHFLOW AND BALANCE SHEET

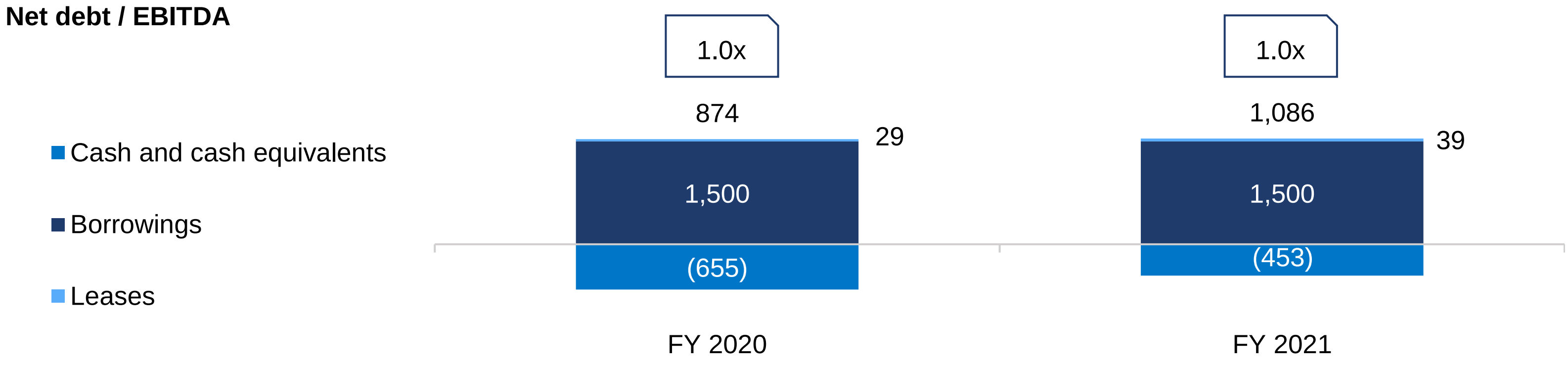
Healthy cashflow growth and maintaining a conservative balance sheet position

$ millions

Free Cashflow



Net Debt



FY21 Commentary

Cash From Operations

Increased FY cash from operations resulted from higher revenues. Free cashflow was lower by $955 million due to the one-off return of $970 million of cash held on the Company's behalf at ADNOC, pre-IPO, which was booked as due from related party.

Underlying positive working capital movement, despite high cash Capex.

Movement in cash flows from operating activities was impacted by an accounting adjustment of a $42 million credit note issued to Offshore, booked in 2020.

Net debt

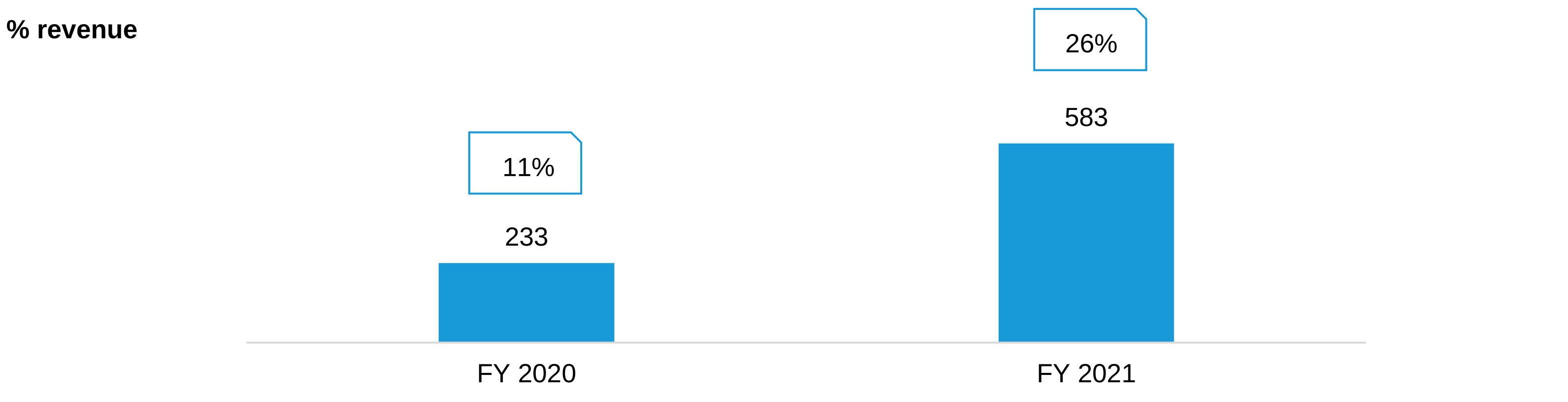
Borrowings did not change during FY21, with the cash position for the period driven by improved collections in Q4 21.

INCREASED CAPEX & IMPROVED WORKING CAPITAL

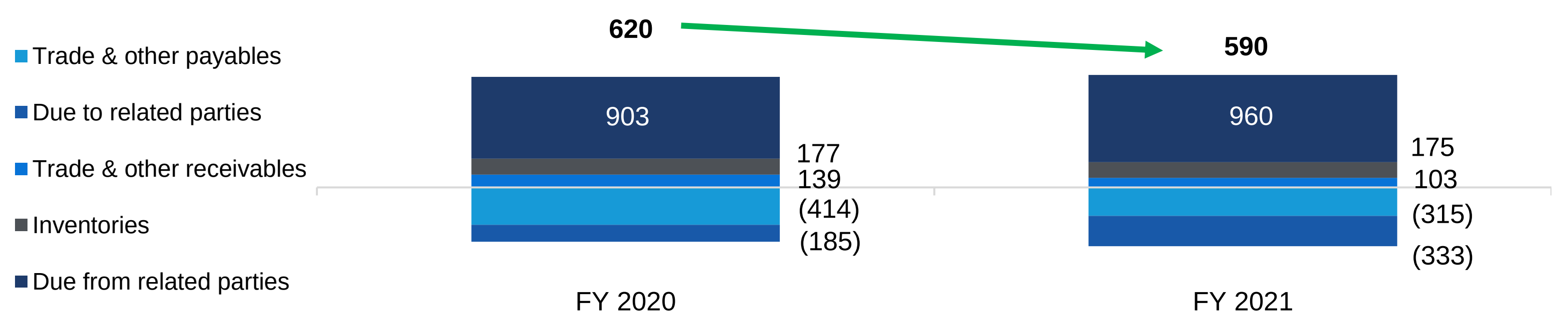
Capex ramped up by 149% to enable rig fleet expansion and growth for OFS

$ millions

Capex



Net Working Capital



FY21 Commentary

Capex

Capex increased due to Onshore and Jackup rig acquisition, partially offset by lower OFS capex

Onshore Capex included acquisition of 8 rigs from H&P. Offshore Capex includes capitalization of Al Reem in Q4 21 and costs associated with acquisition of Al Noof and other Jackups.

Net Working Capital

Working capital for the FY period was lower due to lower receipts from Onshore and Offshore caused by invoicing delays on account of One ERP Wave 2 and 3, and delays in receiving ROs and submitting SES.

Working capital improved in Q4 21 due to significantly higher billing and collections, with net accounts receivable for Q4 21 declining by 26% from Q3 21.

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GUIDANCE

TARGETING GROWTH AND COMPETITIVE RETURNS

Forward-looking guidance confirmed and unchanged

Performance

Revenue

Low to mid-single digit growth for 2021

- Stable drilling revenues maintained in 2021
- OFS revenues mid-50%s growth in 2021

CAGR in low teens for medium term vs 2021

- Drilling revenues high single digit CGAR
- OFS revenues low 20%s CAGR

EBITDA

Drilling margin mid-40%s 2021, high-40%s medium term

OFS margin c. 20% in 2021, low-mid-20%s medium term

Ongoing cost savings to further enhance margin profile

Working Capital

ADNOC OpCos payment terms 30-60 days

- Strong positive cash inflow by 2022
- Targeting net working capital 10-11% of revenue

Growth

Rig Requirement

122 rigs by end of **2024** (56 focused on IDS)

127 rigs by end of **2030** (64 focused on IDS

Capex

Elevated capex 2021-2023 - **$2.5-3.0bn**

Lower capex post-2023 - **$150-200m p.a.**

Financial

Dividend Policy

5-for-5 dividend growth

Annual growth of 5% p.a. on DPS 2022-2026

Annualised dividend $650m for FY21

Capital Structure

Conservative long-term leverage target of up to 2.0x net debt / EBITDA

- For short periods target may be exceeded during high expansionary capex

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SUMMARY

A GOOD YEAR, WELL-POSITIONED FOR GROWTH

Summary of our Q4 and FY21 results

Robust and resilient FY revenue with significant investment to drive future growth.

Impactful cost controls and efficiencies enabling industry-leading EBITDA metrics.

High quality asset base and strategic partnerships provides platform for growth and diversification.

Continued focus on best-in-class HSE and ESG performance across drilling operations.

Delivering competitive returns to shareholders, on track for 5-for-5 annual dividend growth.

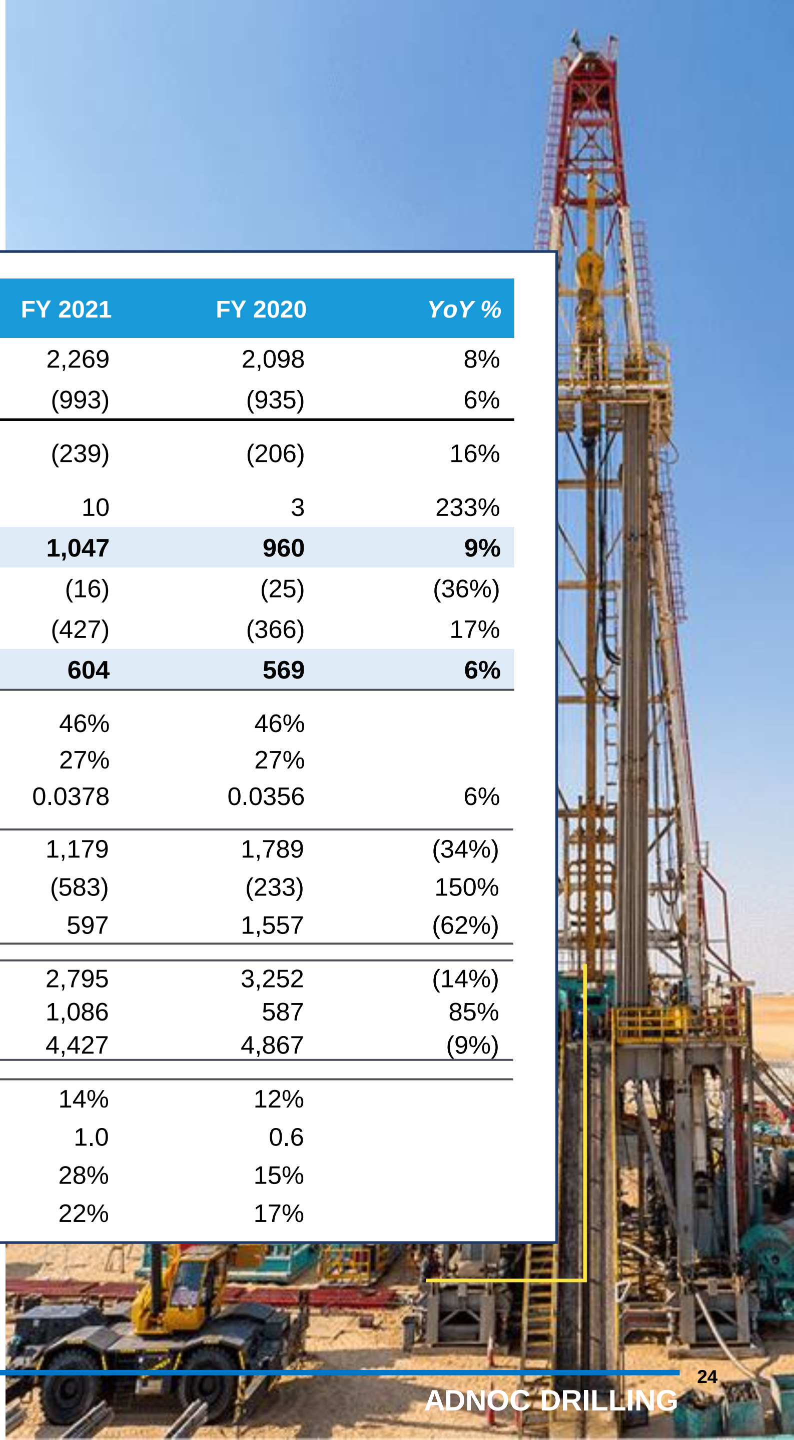
ADNOC Drilling

APPENDIX

FINANCIAL SUMMARY Q4 and FY21

USD Millions	Q4-21	Q3-21	QoQ %	Q4-20	YoY %	FY 2021	FY 2020	YoY %
Revenue	575	571	1%	581	(1%)	2,269	2,098	8%
Direct cost excluding depreciation	(260)	(236)	10%	(275)	(5%)	(993)	(935)	6%
General & administrative expenses (G&A) excluding depreciation and impairment	(53)	(50)	6%	(49)	8%	(239)	(206)	16%
Other Income	-	-	-	(2)	NM	10	3	233%
EBITDA[1]	**262**	**285**	**(8%)**	**255**	**3%**	**1,047**	**960**	**9%**
Finance Cost	(3)	(4)	(25%)	(6)	(50%)	(16)	(25)	(36%)
Depreciation[2]	(115)	(103)	12%	(102)	13%	(427)	(366)	17%
Net Profit	**144**	**178**	**(19%)**	**147**	**(2%)**	**604**	**569**	**6%**
EBITDA Margin	46%	50%		44%		46%	46%	
Net Profit Margin	25%	31%		25%		27%	27%	
Earnings per share[5] (USD per Share)	0.0090	0.0112	(20%)	0.0092	(2%)	0.0378	0.0356	6%
Net cash generated from operating activities	458	242	89%	442	4%	1,179	1,789	(34%)
Capital Expenditure[3]	(129)	(171)	(25%)	(133)	(3%)	(583)	(233)	150%
Free Cash Flow	329	71	363%	308	7%	597	1,557	(62%)
Total equity	2,795	2,652	5%	3,252	(14%)	2,795	3,252	(14%)
Net debt[4]	1,086	1,412	(23%)	587	85%	1,086	587	85%
Capital employed	4,427	4,278	3%	4,867	(9%)	4,427	4,867	(9%)
Return on capital employed	14%	15%		12%		14%	12%	
Net debt to LTM EBITDA	1.0	1.4		0.6		1.0	0.6	
Leverage ratio	28%	35%		15%		28%	15%	
Return on equity	22%	23%		18%		22%	17%	

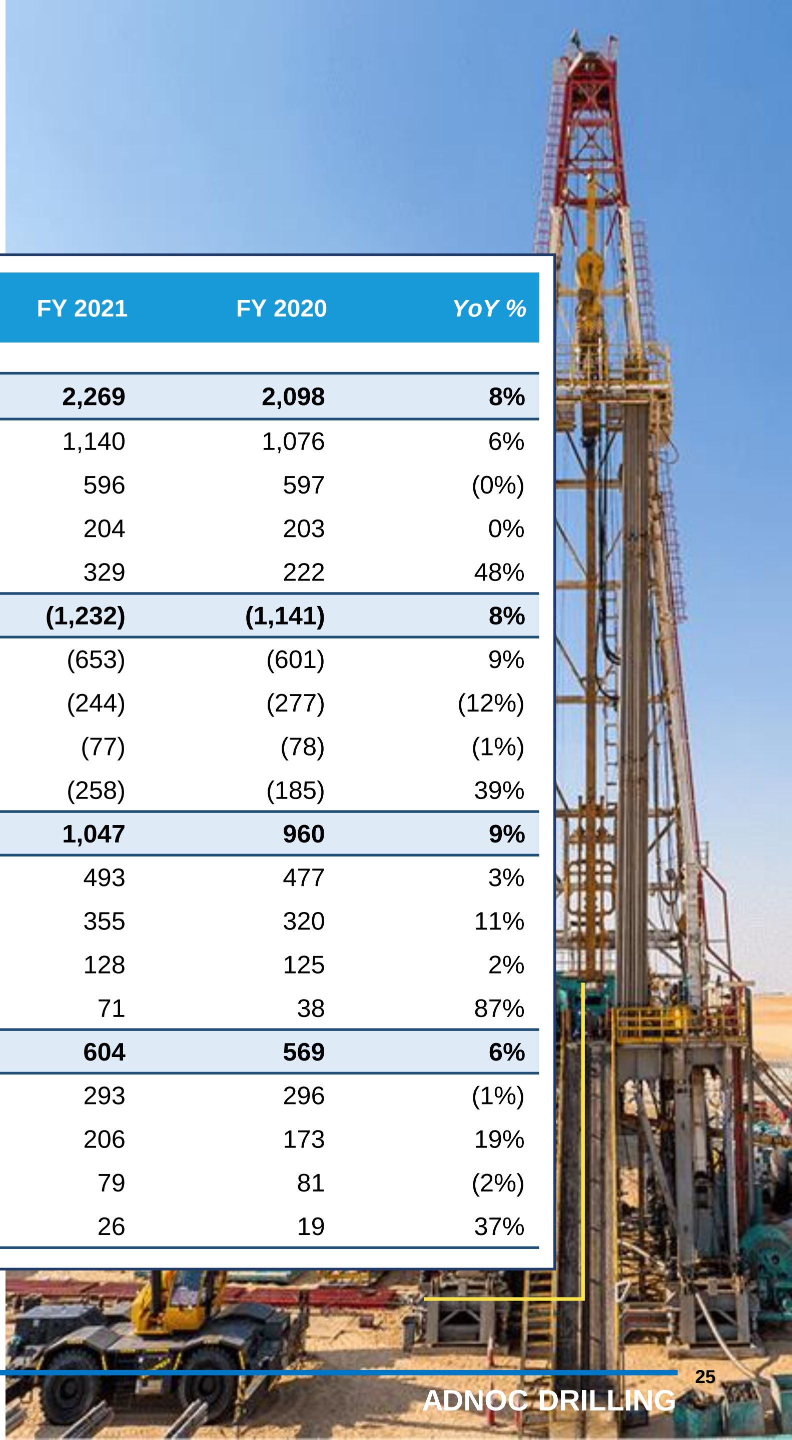
NM: Not meaningful
(1) EBITDA represents earnings before interest tax depreciation and amortization
(2) Depreciation which is directly related to the operations is included in the direct cost. Indirect depreciation is part of G&A.
(3) Payments for purchase of property and equipment
(4) Interest bearing liabilities less cash and cash equivalents
(5) Number of shares for EPS calculation are adjusted as if the share split and capitalization had taken place as at 1 Jan 2020
See Appendix 1 (Glossary) in MD&A for the calculation of certain metrics referred to above



SEGMENTAL RESULTS Q4 and FY21

$ millions	Q4-21	Q3-21	QoQ %	Q4-20	YoY %	FY 2021	FY 2020	YoY %
Revenue	**575**	**571**	**1%**	**581**	**(1%)**	**2,269**	**2,098**	**8%**
Onshore	293	279	5%	305	(4%)	1,140	1,076	6%
Offshore Jackup	146	157	(7%)	154	(5%)	596	597	(0%)
Offshore Island	38	61	(38%)	54	(30%)	204	203	0%
Oilfield Services (OFS)	98	74	32%	68	44%	329	222	48%
Total OPEX[1]	**(313)**	**(286)**	**9%**	**(324)**	**(3%)**	**(1,232)**	**(1,141)**	**8%**
Onshore	(161)	(162)	(1%)	(151)	7%	(653)	(601)	9%
Offshore Jackup	(63)	(58)	9%	(92)	(32%)	(244)	(277)	(12%)
Offshore Island	(15)	(16)	(6%)	(20)	(25%)	(77)	(78)	(1%)
Oilfield Services (OFS)	(74)	(50)	48%	(61)	21%	(258)	(185)	39%
EBITDA[2]	**262**	**285**	**(8%)**	**255**	**3%**	**1,047**	**960**	**9%**
Onshore	132	117	13%	154	(14%)	493	477	3%
Offshore Jackup	83	99	(16%)	60	38%	355	320	11%
Offshore Island	23	45	(49%)	34	(32%)	128	125	2%
Oilfield Services (OFS)	24	24	-	7	243%	71	38	87%
Net Profit	**144**	**178**	**(19%)**	**147**	**(2%)**	**604**	**569**	**6%**
Onshore	78	70	11%	99	(21%)	293	296	(1%)
Offshore Jackup	46	63	(27%)	23	100%	206	173	19%
Offshore Island	10	33	(70%)	23	(57%)	79	81	(2%)
Oilfield Services (OFS)	10	12	(17%)	2	400%	26	19	37%

(1) Operational expenses
(2) Underlying EBITDA includes other income



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