

ADNOC Drilling Q1 2022 Net Income Grows to \$175 Million, Exceeding Market Expectations

Strong and sustained operational growth drives Q1 2022 revenue to \$601 million, up 15% year-on-year

Fleet growth and industry-leading fleet utilization sees robust EBITDA increase to \$280 million, up 35% year-on-year

Ambitious rig acquisition program remains on track as owned fleet grows to 104 rigs with new Helmerich & Payne FlexRigs commencing operations

Abu Dhabi, UAE – May [10], 2022: ADNOC Drilling Company PJSC (ADNOC Drilling or the Company) (ADX symbol: ADNOCDRILL / ISIN: AEA007301012) today announced its financial results for the three-month period ended March 31, 2022.

ADNOC Drilling reported significant revenue growth for the period, increasing to \$601 million, up 14.9% on the same period last year. Year-on-year revenue growth was delivered across all business segments with the Company firmly on track to deliver on its ambitious plans. The Company's revenue increased due to new rigs joining the fleet, with the owned rig fleet reaching 104 as new Helmerich & Payne FlexRigs commenced operations. The first quarter also saw continued growth in the Oilfield Services (OFS) business, with healthy market share.

EBITDA in Q1 2022 increased to a robust \$280 million, a margin of 46.6%, as the company also continued to make solid progress in delivering cost efficiencies. Net profit for the first quarter increased substantially, by 59.1% year-on-year to \$175 million.

Strong Growth Across Business Segments

- **Onshore:** Revenue for Q1 2022 of \$319 million, up 14.3% over Q1 2021, driven by the commencement of operations of two new land rigs, AD180 and AD181
- **Offshore Jackup:** Revenue for Q1 2022 of \$144 million, up 4.3% over Q1 2021, due to the start up of the new Jackup rig Al Reem and higher operating days due to lower major maintenance days from changes made in the maintenance schedule.
- **Offshore Island:** Revenue for Q1 2022 of \$50 million, up 38.9% over Q1 2021 due to standby arrangements for the four Island rigs accounted for in Q2 2021.
- **Oilfield Services:** Revenue for Q1 2022 of \$88 million, up 25.7% over Q1 2021, with strong growth in hydraulic fracturing activity, e-logging, wireline and tubular running services along with growth in brine, blending and liquid mudplant. The company's market share of Integrated Drilling Services stood at 45% at 31 March 2022.

For the three month period, ADNOC Drilling reported a strong fleet utilization rate of 96%, with a total of 145 wells drilled year-to-date, totaling 0.95 million feet.

Abdulrahman Abdullah Al Seiri, Chief Executive Officer of ADNOC Drilling, commented: “I am very pleased with ADNOC Drilling’s performance in the first three months of 2022, where we reported strong and sustained revenue and earnings growth, increased our fleet to 104 owned rigs and were included in ADX’s new FADX 15 Index, underpinning the importance and attractiveness of ADNOC Drilling as a key constituent of Abu Dhabi’s capital market and the region’s drilling leader focused on achieving attractive shareholder returns.”

“As our revenues have grown, our profitability metrics have remained equally strong, with a market-leading EBITDA margin that is almost twice the industry average. At the same time, we are continuing to leverage our differentiated offering across the entire drilling value chain to further increase our share in the Integrated Drilling Services market, which stood at 45% at the end of the quarter. We look forward with confidence to the year ahead, as we deliver on our rig acquisition program and our investment in technology to unlock further growth.”

ADNOC Drilling remains a key enabler of ADNOC’s ambitious growth targets, which will deliver 5 million barrels daily production capacity by 2030 and realize gas self-sufficiency for the UAE. The company continues to focus on delivering the safe and efficient operations to which its customers have become accustomed, and this is resulting in continued improvements in safety performance and fleet utilization.

In March 2022, it was announced that ADNOC Drilling would become an inaugural member of FADX 15, a new tradable index created by ADX and FTSE Russell, marking another significant milestone in the Company’s history. 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.

Key Financial Metrics

USD Millions	Q1 2022	Q1 2021	% Change	Q4 2021	% Change
Revenue	601	523	15%	575	5%
EBITDA	280	207	35%	262	7%
Net Profit	175	110	59%	144	22%
Earnings per share (USD/share)	0.011	0.007	59%	0.009	22%
Capital Expenditure ³	78	135	-42%	129	-40%
Cash from Operating Activities ¹	612	188	226%	458	34%

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About ADNOC Drilling

¹Cash from Operations – Net profit for the period adjusted for non cash items before working capital changes

²Utilization rate based on rig availability - Cumulative of (Rig days less actual maintenance days less rig related non-productive time less actual rig move days) divided by Cumulative of (Rig days less planned maintenance days less planned rig move days).

³Capital expenditure – Additions to property and equipment



ADNOC Drilling, listed on the Abu Dhabi Securities Exchange (ADX symbol “ADNOCDRILL”; ISIN AEA007301012), is the largest national drilling company in the Middle East by rig fleet size, with 100 owned rigs as of 31 March 2022, as well as the sole provider of drilling rig hire services and certain associated rig-related services to ADNOC Group. ADNOC Drilling is also the first national Integrated Drilling Services (IDS) company in the region, offering start-to-finish wells and services that encompass the entire drilling value chain. The company is a critical link in ADNOC’s upstream business, as ADNOC continues to move towards its oil production capacity target of 5 million barrels per day by 2030 and enables gas self-sufficiency for the UAE. To find out more, visit: www.adnocdrilling.ae

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