ADNOC Drilling

ADNOC DRILLING RESULTS PRESENTATION 1Q 2022

FOR THE THREE MONTHS ENDED 31 MARCH 2022

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AGENDA & PRESENTERS

1. 1Q 2022 Highlights
2. Strategic Progress
3. Operational Highlights
4. Financial Performance
5. Guidance
6. Summary
7. Appendix

Abdulrahman Abdullah Al Seiari

Chief Executive Officer

Esa Ikaheimonen

Chief Financial Officer

Emri Zeineldin

Senior Vice President, Oilfield Services

STRONG OPERATIONAL PERFORMANCE SUPPORTING HEALTHY FINANCIAL RESULTS

Highlights from the first quarter ended 31 March 2022

Safety & environment

0.63
Total recordable incident rate; industry-leading

109
ktCO2eq GHG emissions, significantly ahead of YTD target of 166 ktCO2eq

100%
HSE and performance safety culture established

Financial

$613m
Operating cashflow; up 226% y-o-y

56%
Reduction in working capital y-o-y

$601m
1Q22 revenue, **15%** y-o-y growth

Operational

145
Wells drilled YTD, and over **1.01 million** feet

104[1]
Rigs at **96%** utilization

40%
Integrated Drilling Services market share YTD

1 Excludes rental rigs

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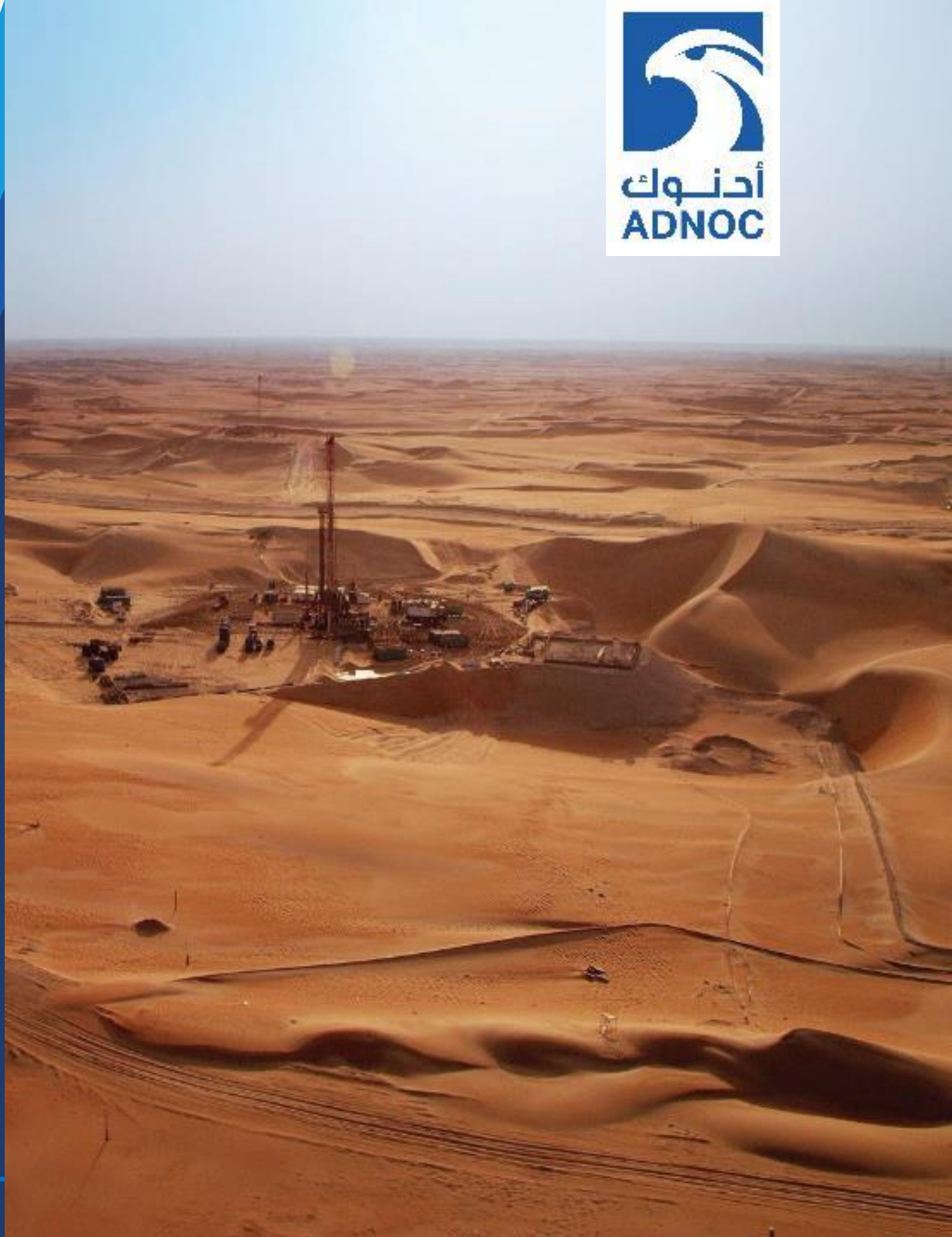
STRATEGIC PROGRESS



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.

► Added 5 rigs to overall fleet

Unconventional and biogenic

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

► **17** FRAC'd stages in 1Q22

Integrated Drilling Services ramp-up

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

► **40%** IDS market share at end of 1Q22

Geographic expansion

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

► Progress on **expansion into GCC**

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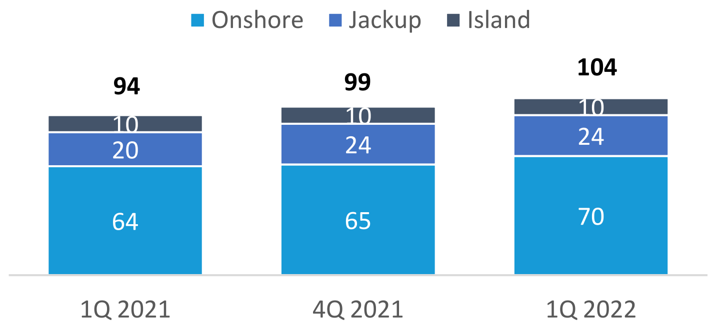
OPERATIONAL HIGHLIGHTS

GROWING RIG FLEET WITH HEALTHY UTILIZATION

Key operational highlights for 1Q22

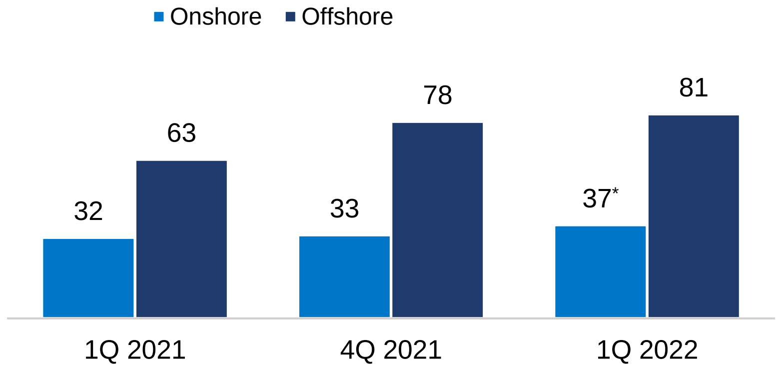
Rigs[1]



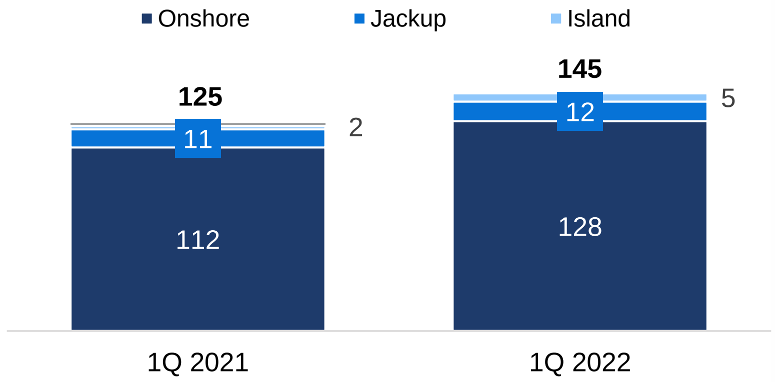
1 Excludes rental rigs

Drilling average duration (days)

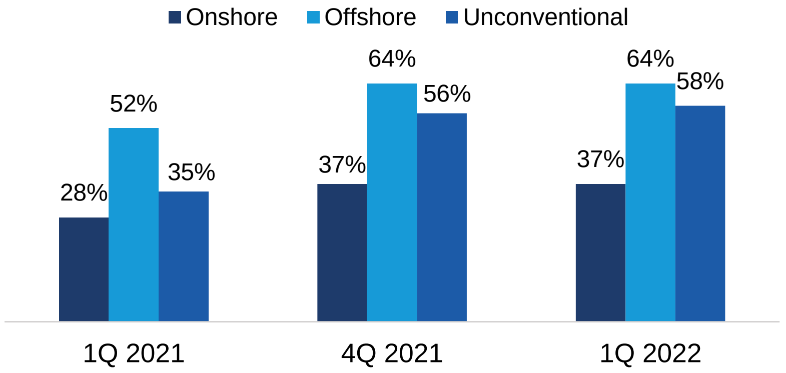
(*) including Lower Completion & Heavy Casing design wells



Wells drilled



Oilfield services market share



1Q22 Commentary

- 2x new Onshore rigs (AD-180 & AD-181) added to the operational fleet in 1Q 2022
- Deployed 2x stacked Island rigs (AD-66 & AD-67) as planned
- Fleet utilization at 96% for 1Q22 (97% in 1Q21)
- 5x new Onshore rigs handed over in the quarter, 2 of which went into operation
- 145 wells drilled during 1Q22, compared to 125 in 1Q21

- 49 IDS wells delivered in 1Q22, With 15 of 16 benchmark wells ahead of schedule, and the remaining being newly type wells drilled.
- 19% y-o-y improvement in drilling efficiency for 1Q22

* Including Lower Completion and Heavy Casing design wells

HIGHER EFFICIENCY, ONSHORE AND OFS GROWTH

Segmental operating highlights in 1Q22

Onshore

- **95% Rig Utilization** for our Onshore rig operations at the end of 1Q22
- **Accelerated NOP** to 42 rigs, recognizing quarterly savings of $9.0m
- **Rig Move Days** of 3.2 days vs. a target of 3.6 days
- **New technology** – Kaizen & NOVOS (drilling optimizer) deployed on rigs AD132 and AD126 (Onshore)

Offshore and Offshore Islands

- **98% Rig Utilization** for our Offshore rig operations at end of Q1 2022
- **New technology** – Remote Operating Vehicle (ROV) on Rig Makasib & Diyina (Offshore)
- **Breaking records** - Middle East ERD record on AD68 island rig, drilling 45,300 ft.
- **Successfully started up** 1 Jackup rig and **reactivated** 2 Island rigs in the Offshore operation

Oilfield Services

- **49 IDS** wells delivered, with **15 of 16 benchmark wells** ahead of schedule, and the remaining being non-benchmarked wells
- **19% IDS efficiency,** delivering savings of $5.2m and 188 days vs. the 2021 benchmark
- **FRAC'd 18 stages YTD,** with HI-006 FRAC delivering a record performance of 18 stages vs. HI-008 by a competitor, only achieved 8 stages
- **Awarded 40% of the ADNOC GPU** Wireline Services mega tender, equivalent to USD $775m revenue over 7 years

SPOTLIGHT: CAPTURING VALUE THROUGH OFS

Integrated Drilling Services (IDS) business is enabling ADNOC Drilling to ***capture more value from every well***

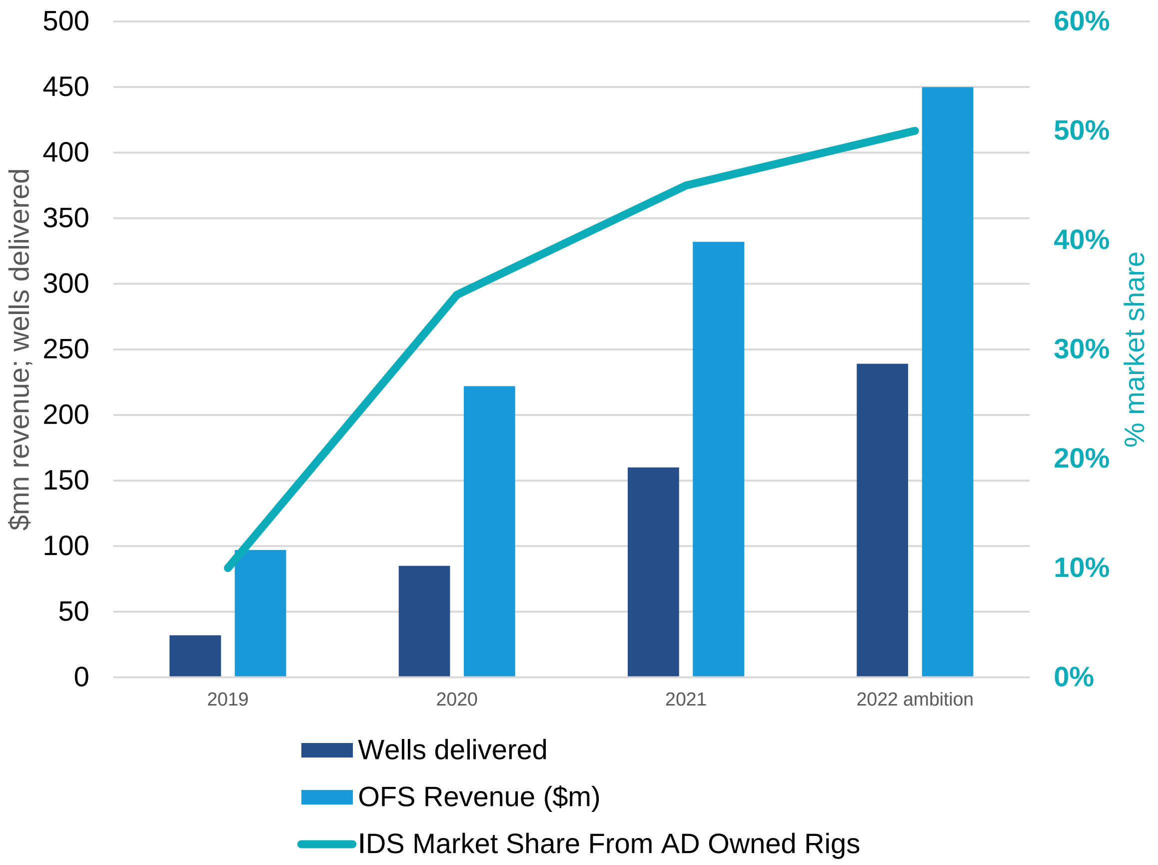
Delivering the entire value chain

- **Integrated drilling services**
- Wireline services
- Directional drilling
- Surface logging services (SLS)
- Pressure pumping
- Drilling & completion fluids

1Q22*

49 wells delivered
$88m revenue
40% market share*

Driving revenue, savings and efficiency for the group



Delivering market-leading services in a competitive market

- Key enabler in ADNOC meeting 5mbpd targe
- Delivered savings of $5.2m for Onshore and Offshore in 1Q22; $262.8m total savings delivered since the start in 2019
- Changing behaviors – from a single service provider to a one-stop shop; significant efficiency and safety benefits
- Broadening product and service mix; increasingly capturing more market share on performance merits
- Commercially-driven by various partners/clients/shareholders, including ADNOC
- Grown from c. 160 employee segment to c. 979 employees in 2022

*IDS Market Share From AD Owned Rigs

WE CONTINUE TO PURSUE AMBITIOUS ESG GOALS

Our ESG framework and 1Q22 highlights

Climate, emissions and energy

- Support ADNOC's target to decrease GHG intensity by **25% by 2030 and 50% by 2050**
- Energy intensity at a target of 52539 GJ/Rig vs. the current actual of 11297 GJ/Rig (1Q 2022)

Economic and social contribution

- **In-country value (ICV) at 54.7%** 1Q 2022 vs. a target of 60%

Health, safety and security

- **Zero recordable incidents** in Offshore and OFS
- **TRIR at 0.63** vs. a target of 1.0 for 2022
- Implementation of HSE and performance safety culture at **100%**.

Local environment

- Minimizing impacts through **best-in-class** environmental management system
- **Zero spill incidents** in 1Q 2022

Workforce diversity and development

- **Women Empowerment Committee established**, with 8* women employees at leadership level
- 77 nationalities across the workforce

*managers and above

Business sustainability

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

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FINANCIAL PERFORMANCE

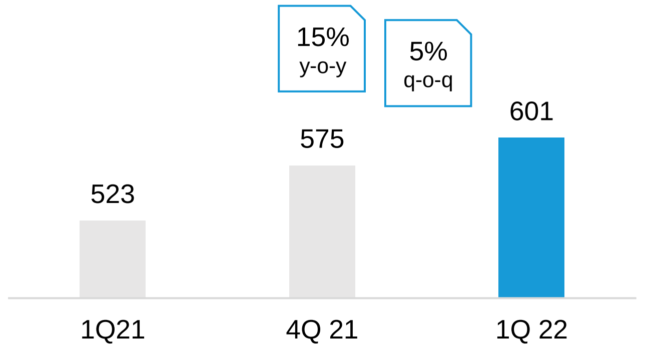
FINANCIAL HIGHLIGHTS | 1Q22

Continued, strong and resilient growth with healthy cash from operations

$ millions

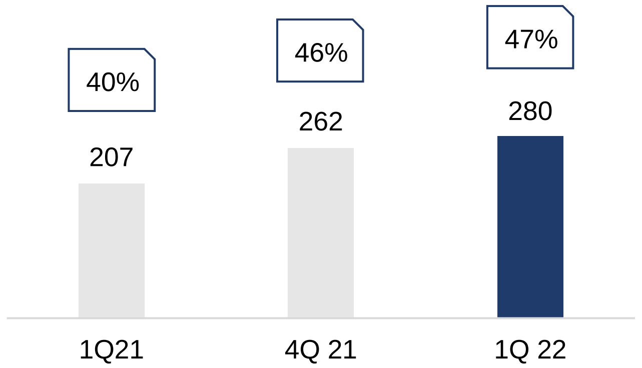
Revenue

% growth



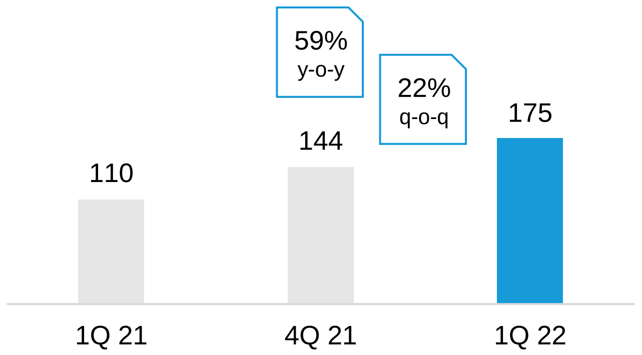
EBITDA

% EBITDA margin



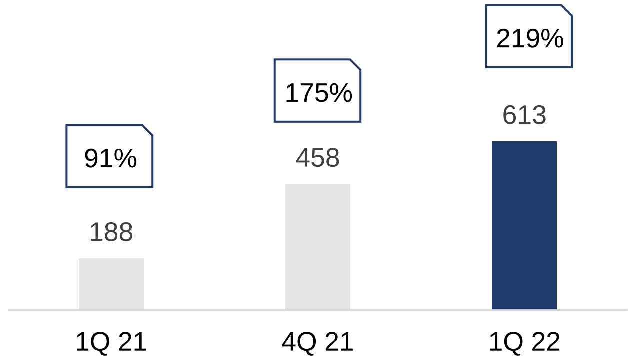
Net income

% growth



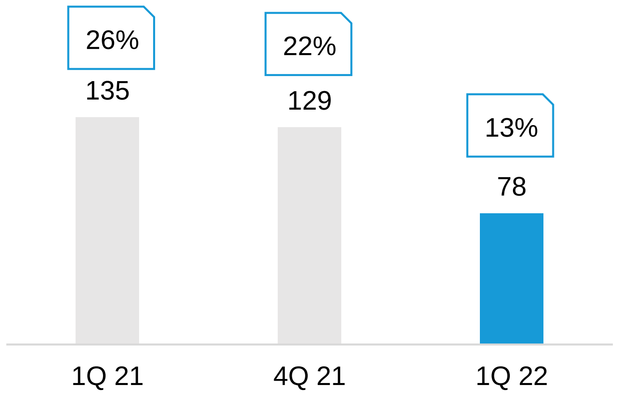
Cash from operations

% of EBITDA



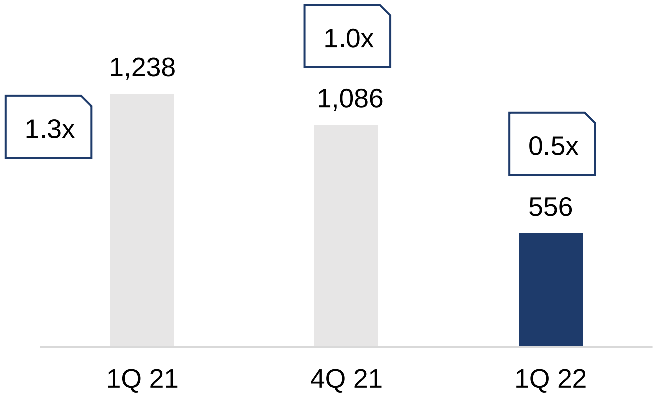
Capex

% of revenue



Net debt

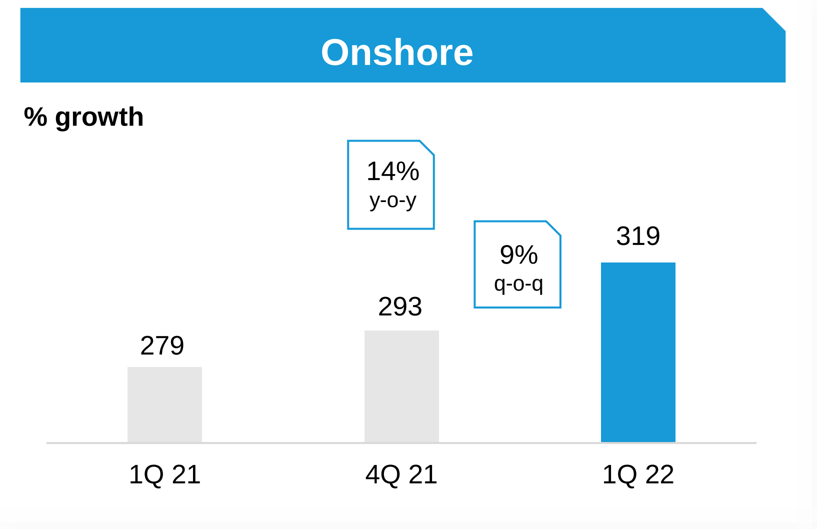
x Net Debt / LTM EBITDA

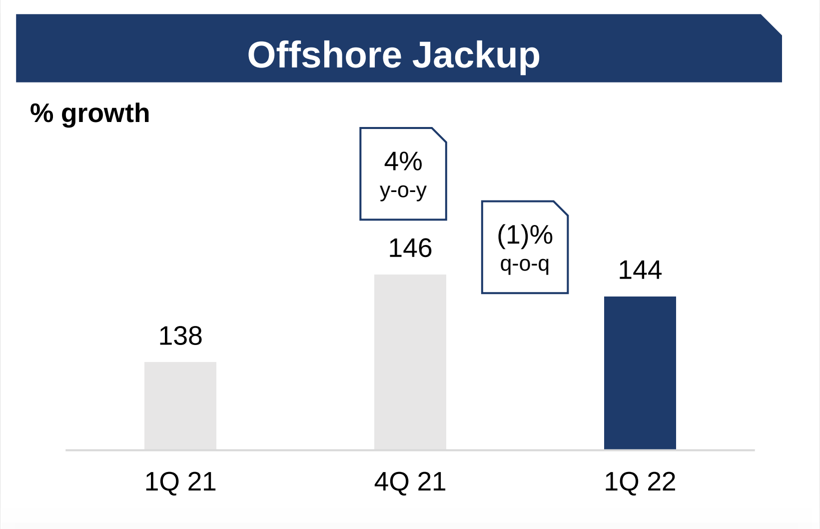


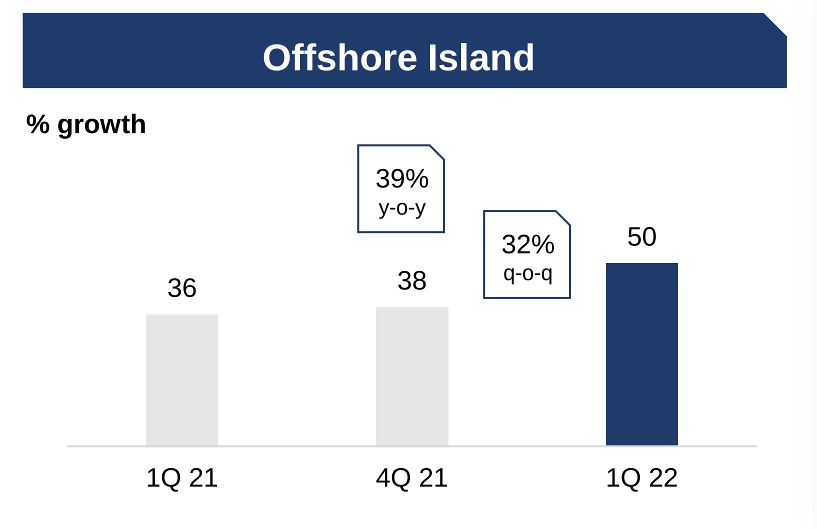
HEALTHY FIRST QUARTER REVENUE GROWTH

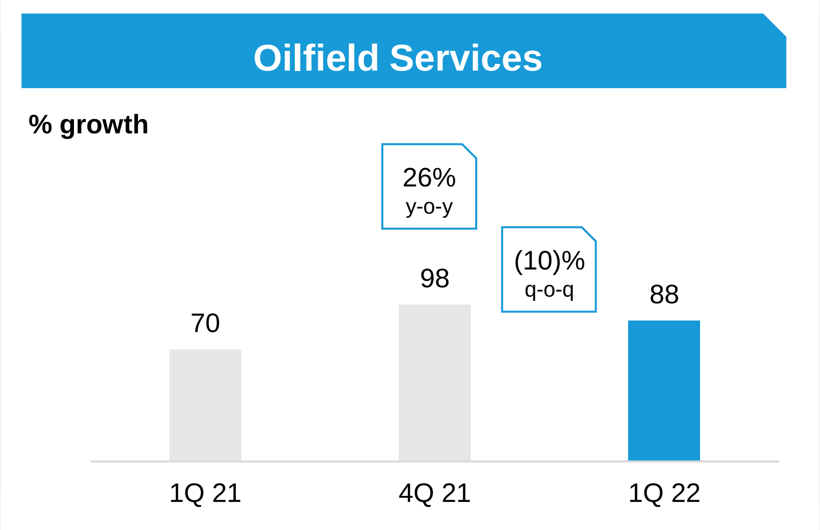
Increasing revenues across segments, with particularly strong growth in Oilfield Services

$ millions









1Q22 Commentary

1Q22 revenue increased by $78m or 15% y-o-y driven primarily by increased activity in OFS and catchup of the Onshore and Offshore Island segments.

Onshore: Higher first quarter revenue due to $38m catchup of 2021 from clearing billing backlogs, with actuals higher than accruals estimates.

Offshore Jackup: 4% increase in y-o-y revenue to $144m, due to the deployment of 1 new rig and improved maintenance schedule, lifting operating days.

Offshore Island: Higher y-o-y revenues, mainly due to $17m standby rate charged on 4 rigs, offset by net of increased operational revenue and lower claims revenue.

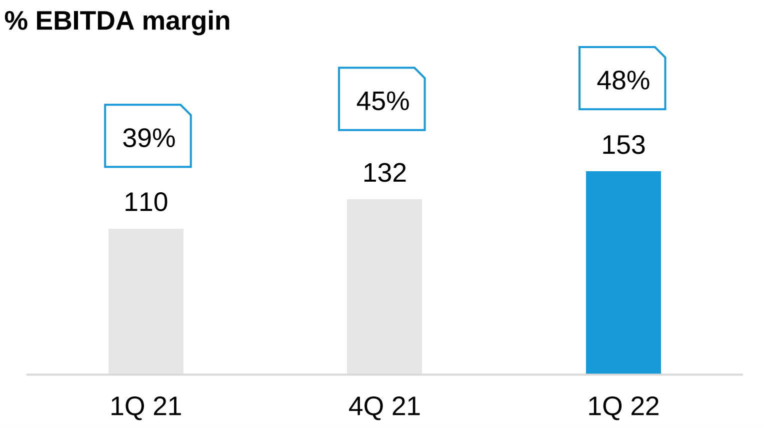
OFS: Revenue improved compared to 1Q21 mainly due to increased rig counts and higher FRAC revenues.

ROBUST EBITDA GENERATION PROFILE

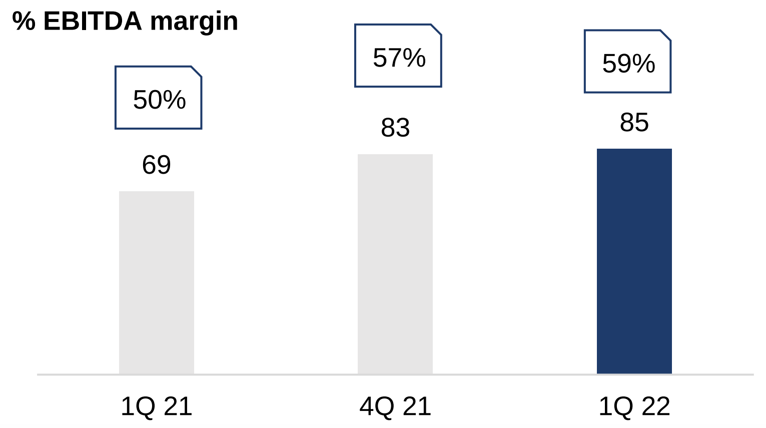
Strong EBITDA growth driven by increase in revenues from Onshore and OFS segments

$ millions

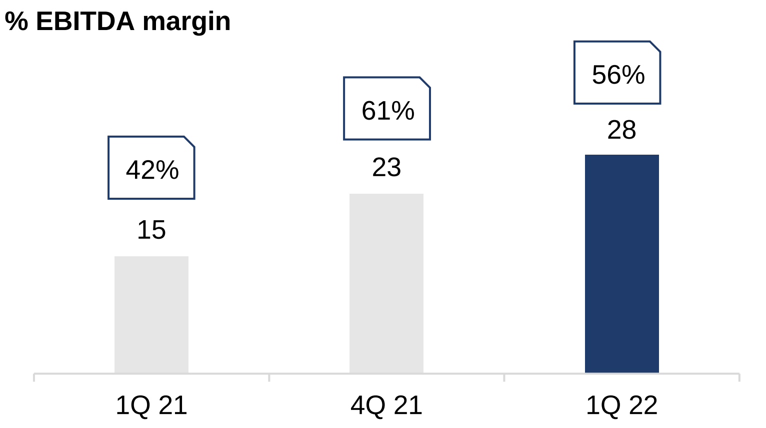
Onshore



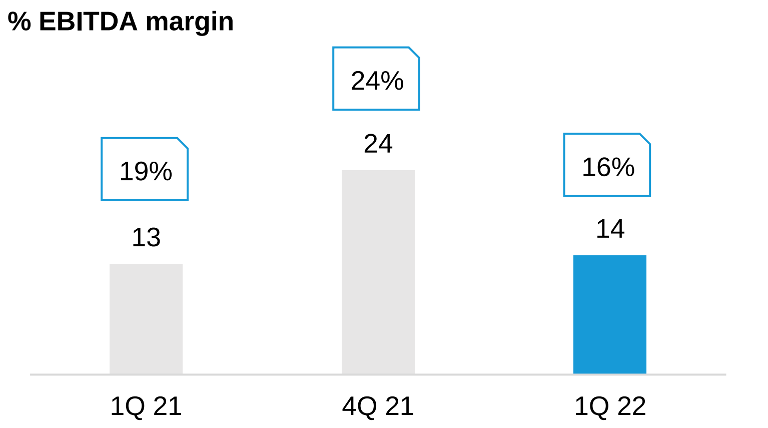
Offshore Jackup



Offshore Island



Oilfield Services



1Q22 Commentary

1Q22 EBITDA increased by $73m or 35% y-o-y due to growth in revenue driven largely by variances in the Onshore and OFS segments.

Higher revenue in the Onshore segment was mainly due to catchup in relation to clearing of unbilled backlog, new rigs and rig reactivations.

Opex was slightly higher on a year-on-year basis, due to growth in OFS operations, offset largely by lower Opex in the Jackup and Onshore segments.

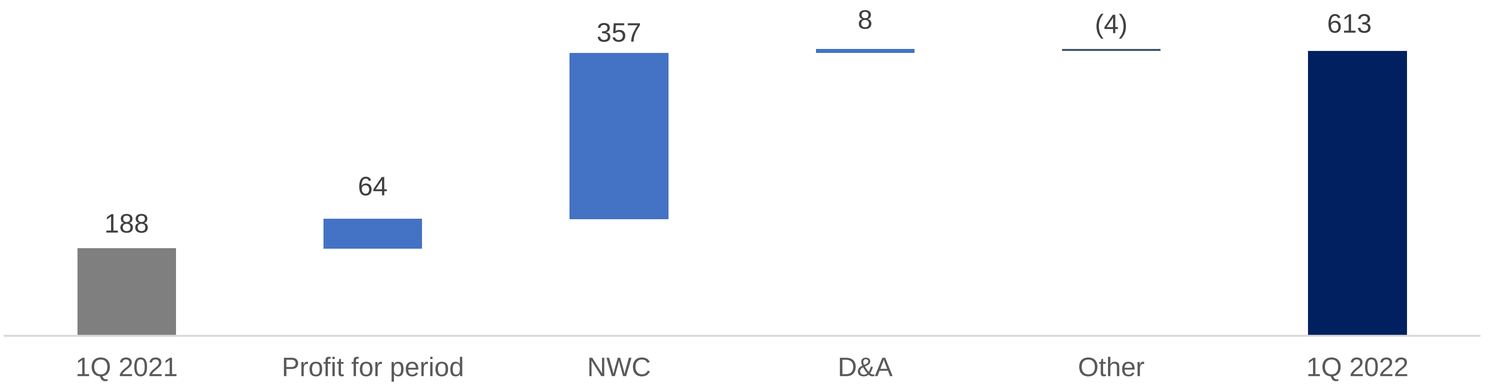
Comparatively higher Opex vs. 4Q21 was mainly due to the fourth quarter benefit of a one-off reversal of $20m related to 2020 migrated year-end accruals.

STRONG CASHFLOW AND BALANCE SHEET

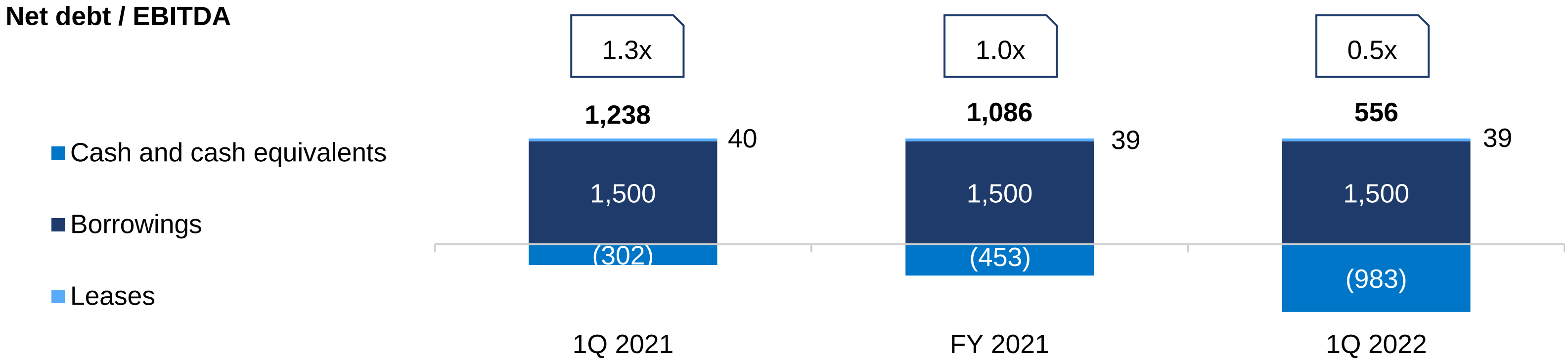
Significant cash generation due to working capital improvement, driven by increased collections of delayed payments

$ millions

Net cash generated from operating activities



Net Debt



1Q22 Commentary

Net cash from operating activities

Net cash from operating activities ended the quarter at $613 million, 226% up on 1Q21 and 34% up on 4Q21, primarily due to working capital improvement. Working capital improved due to the significantly higher billing and collections that have been achieved since 4Q21.

Net Debt

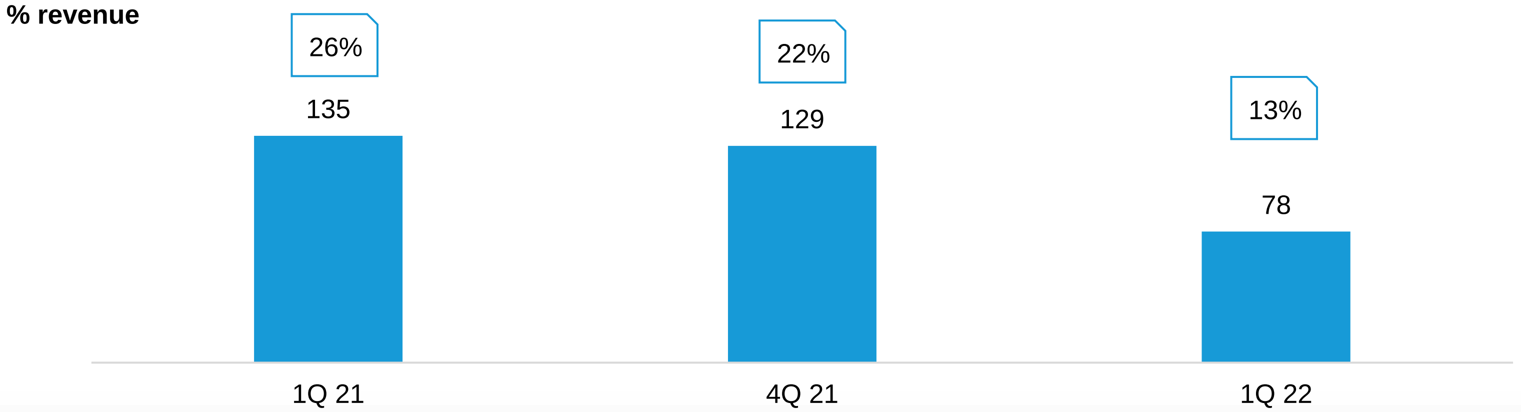
Borrowings did not change during the quarter, with the cash position significantly improved through the collection of outstanding receivables. Net debt / EBITDA improved to 0.5x.

WORKING CAPITAL IMPROVED, CAPEX TO RAMP-UP

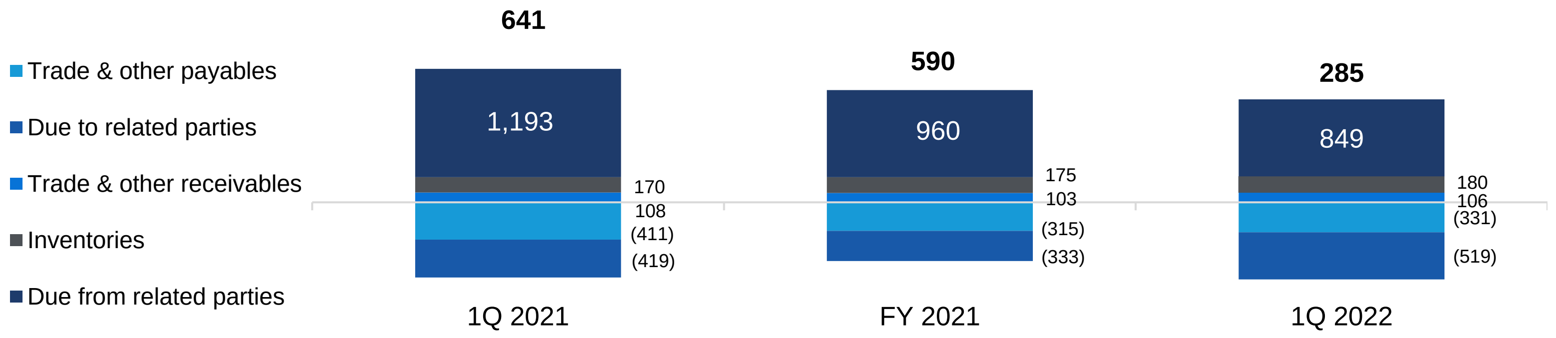
Working capital significantly improved due to higher collections; Capex to accelerate in FY22

$ millions

Capex



Net Working Capital



1Q22 Commentary

Capex

Capex for the first quarter was $57m lower than in 1Q21 due to a comparatively lower rig acquisition spend and delays in 2022 planned Capex caused by delays in the awarding of mega tenders.

It should be noted that in the comparative 1Q21 period, there was a significant ramp-up in IDS rigs from 22 to 38 along with a payment of $62m for the Al Noof Jackup rig, which caused a spike in Capex spend.

Management expects planned Capex to ramp-up during the year, in line with the acceleration of the rig acquisition programme.

Net Working Capital

Working capital improved by $310 million from December 2021 due to clearing of the backlog of unbilled receivables and collections of overdue balances from ADNOC Onshore and ADNOC Offshore.

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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 STRONG START TO A PROMISING YEAR

Summary of our 1Q22 results

Further reduction in TRIR, leading our industry in safety performance

Strong, sustained and diverse operational growth driving top-line performance

OFS offering standing out, capturing value for the business and creating new opportunities

Robust cash generation provides platform for investment and attractive dividend policy

Further growth to come through enabling ADNOC's ambitious production capacity plans

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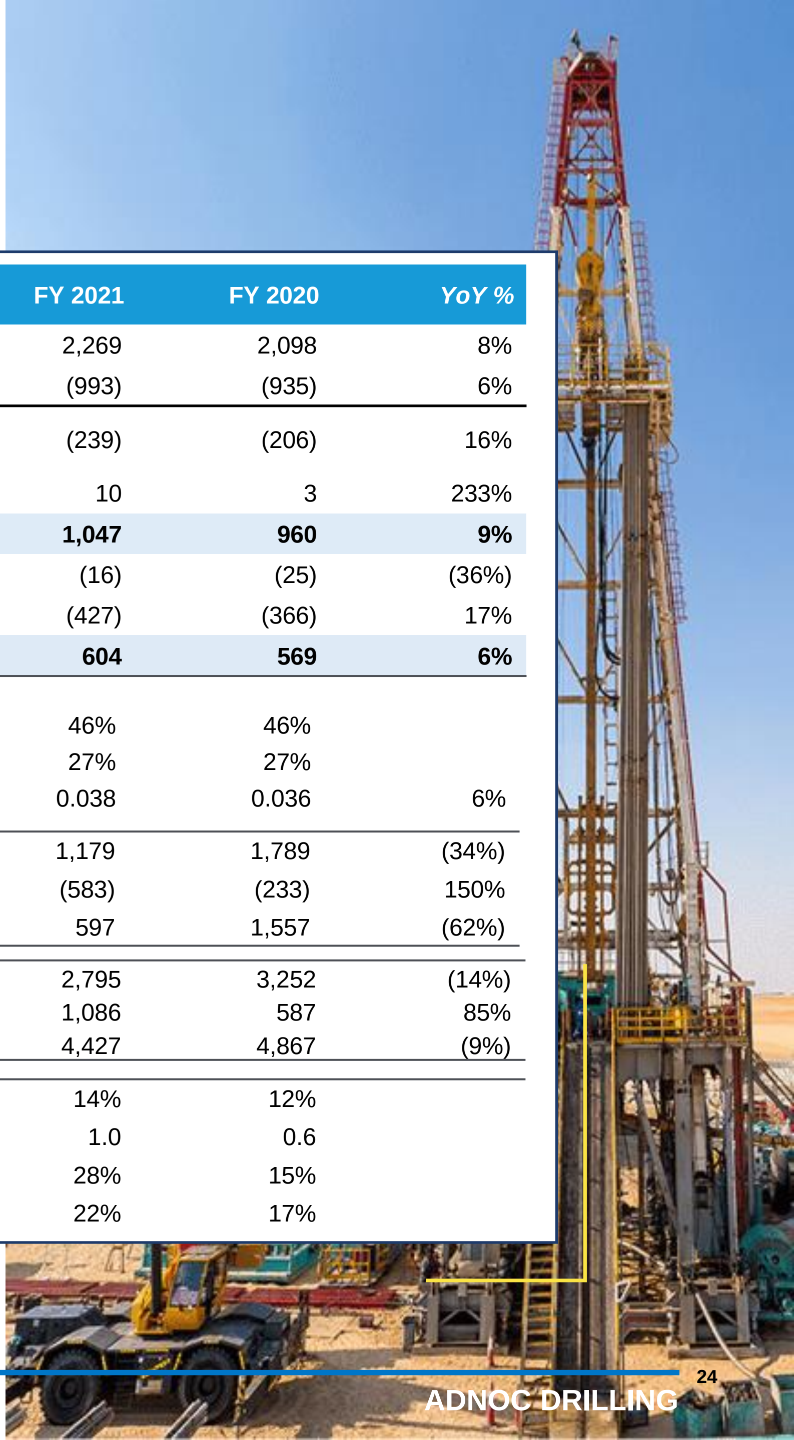
APPENDIX

FINANCIAL SUMMARY 1Q22

USD millions	1Q-22	Q4-21	QoQ %	1Q-21	YoY %	FY 2021	FY 2020	YoY %
Revenue	601	575	5%	523	15%	2,269	2,098	8%
Direct cost excluding depreciation	(265)	(260)	2%	(245)	8%	(993)	(935)	6%
General & Administrative expenses (G&A) excluding depreciation and impairment	(57)	(53)	8%	(72)	-21%	(239)	(206)	16%
Other Income	1	-	NM	1	0%	10	3	233%
EBITDA	**280**	**262**	**7%**	**207**	**35%**	**1,047**	**960**	**9%**
Finance Cost	(4)	(3)	33%	(4)	0%	(16)	(25)	(36%)
Depreciation	(101)	(115)	-12%	(93)	9%	(427)	(366)	17%
Net Profit	**175**	**144**	**22%**	**110**	**59%**	**604**	**569**	**6%**
EBITDA Margin	47%	46%		40%		46%	46%	
Net Profit Margin	29%	25%		21%		27%	27%	
Earnings per Share (USD per Share)	0.011	0.009	22%	0.007	59%	0.038	0.036	6%
Net cash generated from operating activities	613	458	34%	188	226%	1,179	1,789	(34%)
Capital Expenditure	(78)	(129)	-40%	(135)	-42%	(583)	(233)	150%
Free Cash Flow	535	329	63%	53	909%	597	1,557	(62%)
Total equity	2,970	2,795	6%	2,662	12%	2,795	3,252	(14%)
Net debt	556	1,086	-49%	1,238	-55%	1,086	587	85%
Capital employed	4,606	4,427	4%	4,270	8%	4,427	4,867	(9%)
Return on capital employed	15%	14%		13%		14%	12%	
Net debt to LTM EBITDA	0.5	1.0		1.3		1.0	0.6	
Leverage ratio	16%	28%		30%		28%	15%	
Return on equity	23%	22%		20%		22%	17%	

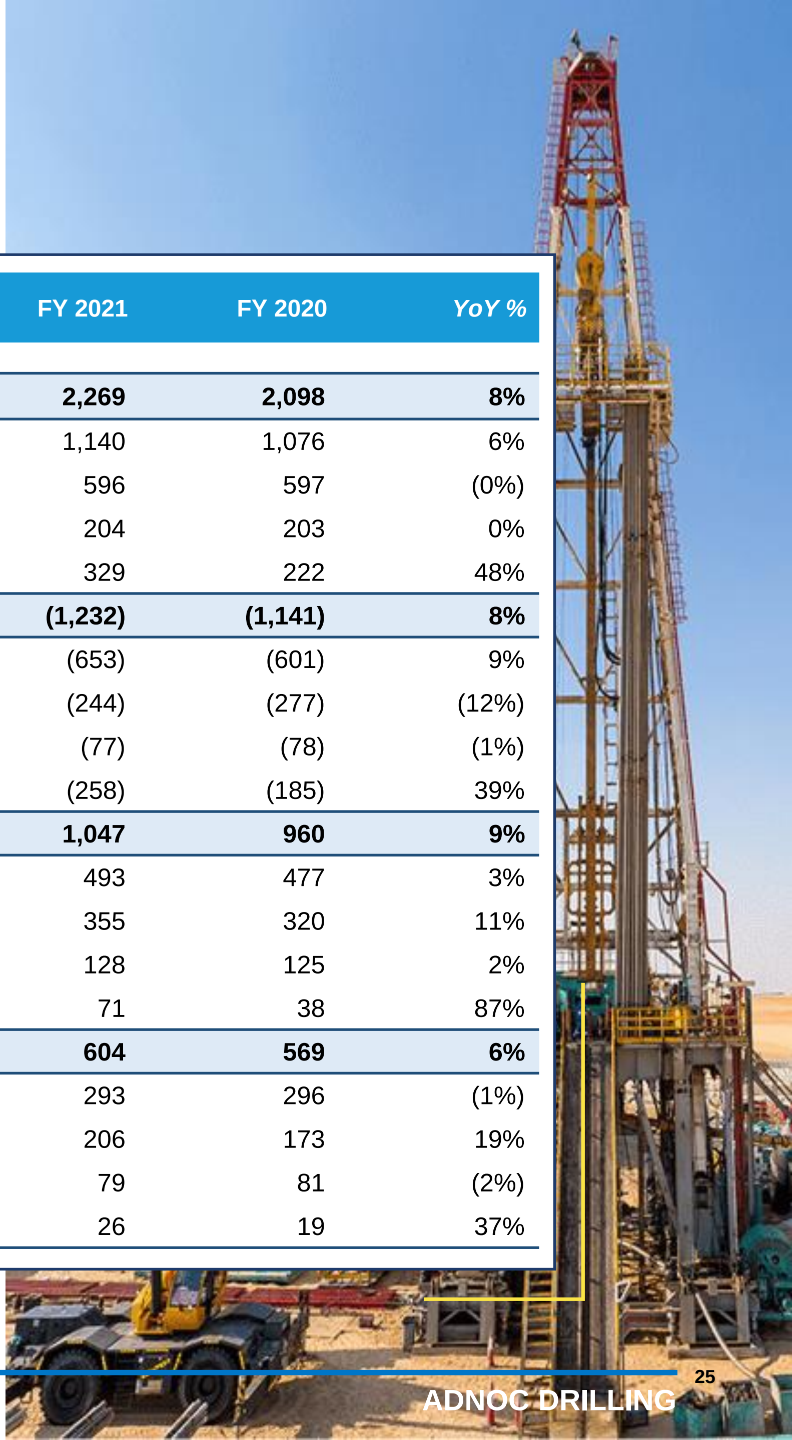
NM: Not meaningful
(1) EBITDA represents earnings before interest tax depreciation and amortization
(2) Depreciation which is directly related to the operations is included in the direct cost. Indirect depreciation is part of G&A.
(3) Payments for purchase of property and equipment
(4) Interest bearing 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 1Q22

USD millions	1Q-22	Q4-21	*QoQ %*	1Q-21	*YoY %*	FY 2021	FY 2020	*YoY %*
Revenue	**601**	**575**	**5%**	**523**	**15%**	**2,269**	**2,098**	**8%**
Onshore	319	293	9%	279	14%	1,140	1,076	6%
Offshore Jackup	144	146	-1%	138	4%	596	597	(0%)
Offshore Island	50	38	32%	36	39%	204	203	0%
Oilfield Services (OFS)	88	98	-10%	70	26%	329	222	48%
Total OPEX	**(322)**	**(313)**	**3%**	**(317)**	**2%**	**(1,232)**	**(1,141)**	**8%**
Onshore	(167)	(161)	4%	(170)	-2%	(653)	(601)	9%
Offshore Jackup	(59)	(63)	-6%	(69)	-14%	(244)	(277)	(12%)
Offshore Island	(22)	(15)	47%	(21)	5%	(77)	(78)	(1%)
Oilfield Services (OFS)	(74)	(74)	0%	(57)	30%	(258)	(185)	39%
EBITDA	**280**	**262**	**7%**	**207**	**35%**	**1,047**	**960**	**9%**
Onshore	153	132	16%	110	39%	493	477	3%
Offshore Jackup	85	83	2%	69	23%	355	320	11%
Offshore Island	28	23	22%	15	87%	128	125	2%
Oilfield Services (OFS)	14	24	-42%	13	8%	71	38	87%
Net Profit	**175**	**144**	**22%**	**110**	**59%**	**604**	**569**	**6%**
Onshore	113	78	45%	67	69%	293	296	(1%)
Offshore Jackup	44	46	-4%	33	33%	206	173	19%
Offshore Island	16	10	60%	4	300%	79	81	(2%)
Oilfield Services (OFS)	2	10	-80%	6	-67%	26	19	37%

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



THANK YOU

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