ADNOC DRILLING COMPANY P.J.S.C.

Fourth Quarter and Year End 2022 Earnings

Management Discussion & Analysis Report

February 13, 2023

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Financial Highlights

Financial Summary

ADNOC Drilling Company P.J.S.C. ("ADNOC Drilling" or the "Company") delivered its highest ever quarterly revenue of $733 million, which translated into a 35% increase in EBITDA to $353 million and net profit growth of 61% to $234 million from the year-ago period.

For the year ending December 31, 2022, the Company generated total revenue of $2,673 million, achieving a year-on-year increase of 18% from $2,269 million. Top line performance also led to an 18% jump in EBITDA to $1,232 million from $1,047 million in the prior year period with reported net profit of $802 million in 2022, an increase of 33% from $604 million in 2021.

ADNOC Drilling achieved a robust EBITDA margin of 46% and net profit margin of 30% in fiscal year 2022. This despite the macroeconomic headwinds that led to inflationary impacts on costs. The Company's continued efforts to realize efficiencies and various cost optimization initiatives were integral in managing a strong margin performance in the fiscal year.

4Q22	3Q22	*QoQ %*	4Q21	*YoY %*	USD Million	FY22	FY21	*YoY %*
733	670	9%	575	27%	Revenue	**2,673**	2,269	18%
(380)	(371)	2%	(313)	21%	Opex[1]	**(1,441)**	(1,222)	18%
353	299	18%	262	35%	**EBITDA[2]**	**1,232**	1,047	18%
234	189	24%	145	61%	**Net Profit**	**802**	604	33%
48%	45%	3%	46%	2%	EBITDA Margin	**46%**	46%	0%
32%	28%	4%	25%	7%	Net Profit Margin	**30%**	27%	3%
389	317	23%	458	-15%	Net cash generated from operating activities	**1,524**	1,179	29%
(434)	(223)	95%	(129)	236%	Capital Expenditure[3]	**(942)**	(583)	62%
(42)	97	-143%	329	-113%	Free Cash Flow	**588**	597	-2%
2,931	2,697	9%	2,795	5%	Total Equity	**2,931**	2,795	5%
1,214	1,146	6%	1,086	12%	Net debt[4]	**1,214**	1,086	12%
0.015	0.012	24%	0.009	63%	Earnings per Share ($)[5]	**0.050**	0.038	33%
4,610	4,353	6%	4,427	4%	Capital employed	**4,610**	4,427	4%
16%	17%	-1%	14%	2%	Return on capital employed	**16%**	14%	2%
1.0	1.0	0%	1.0	0%	Net debt to LTM EBITDA	**1.0**	1.0	0%
29%	30%	-1%	28%	1%	Leverage ratio	**29%**	28%	1%
24%	26%	-2%	22%	2%	Return on equity	**24%**	22%	2%

(1) Opex includes allocation of G&A expenses and other income
(2) EBITDA represents Earnings Before Interest, Tax, Depreciation and Amortization
(3) Payments for purchase of property and equipment including prepaid delivery payments
(4) Interest bearing liabilities less cash and cash equivalents
(5) Number of shares for Earnings per Share calculation in the comparatives are adjusted as if the share spilt and capitalization had taken place as at January 1, 2021.

Fiscal year 2022 was a year of accelerating our fleet expansion strategy as we continue to enable our client's strategic imperative to increase production capacity from four to five million barrels per day by 2027. The Company's success in delivering on our promises was assisted through our strategic partnership with US-based Helmerich & Payne (H&P). ADNOC Drilling acquired eight world-class H&P FlexRigs©, which were delivered and commissioned in stages over the course of 2022. Moreover, we successfully integrated five of the seven newly purchased jack-up rigs into operations and acquired an additional land rig over the course of 2022. This resulted in 16 rigs being added to the fleet for a total of 115 owned rigs with a fleet availability of 95% as of the end of December 2022.

Oilfield Services (OFS) continued to be a focus area for growth in 2022 as the business experienced continued expansion with an increase in the number of Integrated Drilling Services (IDS) capable owned rigs and the introduction of several new product lines and services to the portfolio. We expect to continue leveraging on our expanding business and expertise to win a significant share of future tenders as we build on the successes of 2022, namely the $1.15 billion of incremental awards above and beyond the IPO guidance on projects such as the Hail and Ghasha mega-project which was officially launched in the final quarter of 2022.

Segmental Results

Onshore

4Q22	3Q22	QoQ %	4Q21	YoY %	USD Million	FY22	FY21	YoY %
379	372	2%	293	29%	*Revenue*	**1,453**	1,140	27%
(191)	(195)	-2%	(161)	19%	*OPEX*[1]	**(748)**	(647)	16%
188	177	6%	132	42%	*EBITDA*[2]	**705**	493	43%
145	130	12%	78	86%	*Net Profit*	**537**	293	83%

(1) Opex includes allocation of G&A expenses and other income
(2) Underlying EBITDA includes other income

Fiscal Year ending December 31, 2022

Onshore revenue increased to $1,453 million in the period, up 27% from $1,140 million in 2021. The increase was mainly attributable to:

(i) Increased drilling activity driven by the addition and integration of eight H&P rigs throughout the year as well as the phased reactivation of stacked rigs in fiscal year 2022.

(ii) Reimbursement of cost escalation claims in-line with the contractual framework agreement between the Company and its client ADNOC Onshore, which states that increases beyond a specifically agreed upon benchmark price in diesel, consumables and materials costs are recoverable through an escalation claim mechanism.

Operating expenses increased 16% from $647 million in the prior year period to $748 million in the year ending December 31, 2022. The increase in operating expenses grew in-line with the rig fleet expansion and associated cost increases in diesel which nearly doubled year-on-year.

In an effort to create efficiencies and offset increasing costs, we have introduced a new initiative to optimize the number of crew on each rig. As a result, we expect manpower to reduce on rigs generally, and specifically our incremental manpower per new rig to decrease while our rig fleet expands in 2023 and beyond, which will ultimately contribute to an improvement in our operating margin going forward.

Despite the increase in operating expenses, Onshore delivered $705 million in EBITDA, an increase of 43% or $212 year-on-year. As explained above, the jump was largely attributable to incremental drilling activity, as new rigs commenced operations combined with the reimbursement received in relation to the increase in various variable costs.

Fourth Quarter ending December 31, 2022

Revenue increased by 29% in the quarter to $379 million from $293 million in the prior year due to additional rigs joining the fleet and commencing operations.

Quarterly EBITDA increased by 42% year-on-year to $188 million, which aligns with the segment's increased activity levels and materialized cost savings.

Offshore Jack-up

4Q22	3Q22	*QoQ %*	4Q21	*YoY %*	USD Million	FY22	FY21	*YoY %*
180	143	26%	146	23%	*Revenue*	**611**	596	3%
(72)	(73)	-1%	(63)	14%	*OPEX*[1]	**(282)**	(241)	17%
108	70	54%	83	30%	*EBITDA*[2]	**329**	355	-7%
60	32	88%	46	30%	*Net Profit*	**168**	206	-18%

(1) Opex includes allocation of G&A expenses and other income
(2) Underlying EBITDA includes other income

Fiscal Year ending December 31, 2022

During the period, the Offshore Jack-up segment reported a 3% increase in segmental revenue to $611 million from $596 million a year ago. The year-on-year increase was due to the integration of five new jack-up rigs into fleet operations. This incremental performance, however, was muted by reduced realized day rates for the higher number of rigs undergoing maintenance.

As in other business segments, efforts to create efficiencies and offset increasing costs have been introduced. A new major maintenance plan was introduced in fiscal year 2021 and implemented in 2022 with the intention to reduce the frequency with which rigs undergo major maintenance. This will ultimately lead to a decrease in associated maintenance costs and increase revenue as fewer rigs go off operating day rate.

In line with this strategy, five rigs underwent planned maintenance in fiscal year 2022. One rig experienced extended downtime resulting in reduced realized day rates and impacting the final quarter of 2022.

Segmental operating expenses rose 17% to $282 million in 2022 from $241 million a year-ago on the back of the increased size of the rig fleet and impacts of inflation on maintenance activity in the period. In addition, the Company incurred running costs in the pre-operational phase for the five new jack-up rigs prior to their full integration into the fleet and ahead of any revenue generation.

As a result, EBITDA decreased to $329 million in the year ending December 31, 2022. This 7% decrease from $355 million in the prior year was attributable to lower-than-expected revenue from the five rigs undergoing maintenance while incurring the associated maintenance costs combined with the incremental costs in the ramp up phase for the five new jack-up rigs before they entered operations and started earning revenue.

Fourth Quarter ending December 31, 2022

Offshore reported segmental revenue of $180 million in the fourth quarter, a 23% increase from $146 million a year-ago. This led to a corresponding increase in EBITDA from $83 million in the last quarter of 2021 to $108 million this year. The performance in the quarter was mainly driven by increased activity from the five additional jack-ups integrated into fleet operations.

Offshore Island

4Q22	3Q22	*QoQ %*	4Q21	*YoY %*	USD Million	FY22	FY21	*YoY %*
51	52	-2%	38	34%	*Revenue*	**204**	204	0%
(23)	(17)	35%	(15)	53%	*OPEX[1]*	**(83)**	(76)	9%
28	35	-20%	23	22%	*EBITDA[2]*	**121**	128	-5%
15	23	-35%	10	50%	*Net Profit*	**73**	79	-8%

(1) Opex includes allocation of G&A expenses and other income
(2) Underlying EBITDA includes other income

Fiscal Year ending December 31, 2022

Offshore Island activity levels remained stable over the course of fiscal year 2022 leading to revenue of $204 million, flat year-on-year as segment operations remained the same in both years. One of the Company's stacked Island rigs was successfully reactivated at the end of the year due to the commencement of the Hail and Ghasha project. Three remaining stacked Island rigs are expected to be reactivated over the course of 2023 as the Hail and Ghasha project ramps-up.

Segmental EBITDA decreased marginally from $128 million at the end of 2021 to $121 million in 2022. The decline was mostly attributable to a slight increase in consumables costs due to previously mentioned inflationary pressures.

Fourth Quarter ending December 31, 2022

Quarterly revenue increased 34% to $51 million from $38 million in the year-ago period, mainly due to the reversal of claims to ADNOC Offshore in the prior year period. EBITDA posted a healthy increase of 22%, coming in at $28 million from $23 million a year ago for the same reasons explained above.

Oilfield Services

4Q22	3Q22	QoQ %	4Q21	YoY %	USD Million	FY22	FY21	YoY %
123	103	19%	98	26%	*Revenue*	**405**	329	23%
(94)	(86)	9%	(74)	27%	*OPEX*[1]	**(328)**	(258)	27%
29	17	71%	24	21%	*EBITDA*[2]	**77**	71	8%
14	4	250%	10	40%	*Net Profit*	**24**	26	-8%

(1) Opex includes allocation of G&A expenses and other income
(2) Underlying EBITDA includes other income

Fiscal Year ending December 31, 2022

The OFS segment continued to deliver strong top-line growth posting $405 million in the year ending December 31, 2022. This increase of 23% from $329 million in 2021 was attributable to increased activity volume across the portfolio including the commencement of unconventional offshore activity and the introduction of Tubular Running Services which further contributed to the segment's expansion plans. The number of (IDS) rigs increased from 38 rigs in fiscal year 2021 to 40 rigs in the reported period.

Operating expenses increased from $258 million in fiscal year 2021 to $328 million in the current period, an increase of 27% mainly due to an increase in:

(i) Materials cost inflation;

(ii) Labor cost increases ahead of the commencement of major projects and a drive to capture incremental market share.

The increase was partially offset by various cost savings programs which realized savings in repair and cementing costs alongside bringing various capabilities in-house.

EBITDA increased to $77 million in the period, an increase of 8% from $71 million in 2021, reflecting increased activity volumes across the segment partially offset by the activity mix. The EBITDA growth offset in activity mix related specifically to lower margin workover activity awarded to our Drilling Services and Drill Bits service lines.

Fourth Quarter ending December 31, 2022

Revenue increased to $123 million in the final quarter of 2022, increasing 26% from $98 million in the year-ago period with EBITDA rising to $29 million from $24 million over the same period. This was mainly driven by increased activity volumes and the introduction of new services to the portfolio.

Operating Working Capital

USD Million	31 Dec 22	30 Sep 22	QoQ %	31 Dec 21	YoY %
Current Assets[1]	**1,197**	**1,351**	**-11%**	**1,238**	-3%
Inventories	**153**	169	**-9%**	175	-13%
Trade & other receivables	**115**	112	**3%**	103	12%
Due from related parties	**929**	1,070	**-13%**	960	-3%
Current Liabilities[2]	**883**	**966**	**-9%**	**649**	36%
Trade & other payables	**416**	365	**14%**	315	32%
Due to related parties	**467**	601	**-22%**	334	40%
Operating Working Capital	**314**	**385**	**-18%**	**589**	-47%

(1) Excludes cash and bank balances
(2) Excludes lease liabilities
See Appendix 1 (Glossary) for the calculation of certain metrics referred to above.

The Company's continued focus on improving working capital delivered the desired results. Operating working capital improved considerably over the course of the last quarter of 2022 ending at $314 million, a decrease of 18% quarter-on-quarter and 47% year-on-year as a result of the continued focus on collections from related parties and effective inventory management.

Working capital came in at 11.8% of revenue for the year ending December 31, 2022, the lowest level since the IPO. We expect to further decrease working capital to reach our target of 10% -11% of annual revenue.

Free Cash Flow

4Q22	3Q22	QoQ %	4Q21	YoY %	USD Million	FY22	FY21	YoY %
389	317	23%	458	-15%	Net cash generated from operating activities	**1,524**	1,179	29%
(431)	(220)	96%	(129)	234%	Net cash used in investing activities	**(936)**	(582)	61%
(42)	**97**	**-143%**	**329**	**-113%**	**Free Cash Flow**	**588**	**597**	**-2%**

See Appendix 1 (Glossary) for the calculation of certain metrics referred to above.

Cash generated from operating activities was $1,524 million for the year ending December 31, 2022, a 29% increase from $1,179 million in the prior year. The increase was mainly attributable to the growth in the OFS and Onshore business segments coupled with improvements in working capital management. Cash used in investing activities increased by 61% to $936 million for the year as the Company continues to invest in the rig acquisition program and expand the rig fleet.

Balance Sheet

USD Million	31 Dec 22	30 Sep 22	QoQ %	31 Dec 21	YoY %
Total Assets	**5,493**	**5,320**	3%	**5,096**	**8%**
Non-current assets	**3,970**	3,586	11%	3,405	**17%**
Current Assets[1]	**1,197**	1,351	-11%	1,238	**-3%**
Cash and cash equivalents	**326**	383	-15%	453	**-28%**
Total Liabilities	**2,562**	2,623	-2%	**2,301**	**11%**
Non-current liabilities	**160**	1,639	-90%	1,632	**-90%**
Current liabilities	**2,402**	984	144%	669	**259%**
Total Equity	**2,931**	2,697	9%	**2,795**	**5%**
Share capital	**436**	436	0%	436	**0%**
Statutory reserve	**140**	60	133%	60	**133%**
Retained earnings	**2,355**	2,201	7%	2,299	**2%**
Total Equity and Liabilities	**5,493**	**5,320**	3%	**5,096**	**8%**

(1) Excludes cash and bank balances
NM: Not meaningful

Total Assets increased by $397 million, or 8%, to $5,493 million as of December 31, 2022, from $5,096 million at the end of December 2021. This was mainly due to an increase in our non-current assets by 17% to $3,970 million in 2022 from $3,405 million in 2021 on the back of the Company acquiring new rigs due to the fleet expansion program.

The increase in non-current assets was offset by a decrease in cash and cash equivalent balance to $326 million from $453 million. Cash was utilized to support ADNOC Drilling's rig acquisition plans. As of December 31, 2022, our cash headroom (unutilized syndicated term and revolving facilities) amounted to $1,576 million.

Total liabilities increased by 11% to $2,562 million as of December 31, 2022, from $2,301 million in 2021. This was mainly due to an increase in current liabilities from $669 million a year-ago to $2,402 million offset by a corresponding decrease in non-current liabilities from $1,632 million to $160 million in the same periods respectively. The utilized syndicated loan of $1,500 million has been reclassified from a non-current liability to a current liability as the facility will mature in less than 12 months. The Company intends to put another facility into place which would replace the existing debt before maturity. Excluding the reclassification of the loan facility, current liabilities increased due to related parties and trade and other payables.

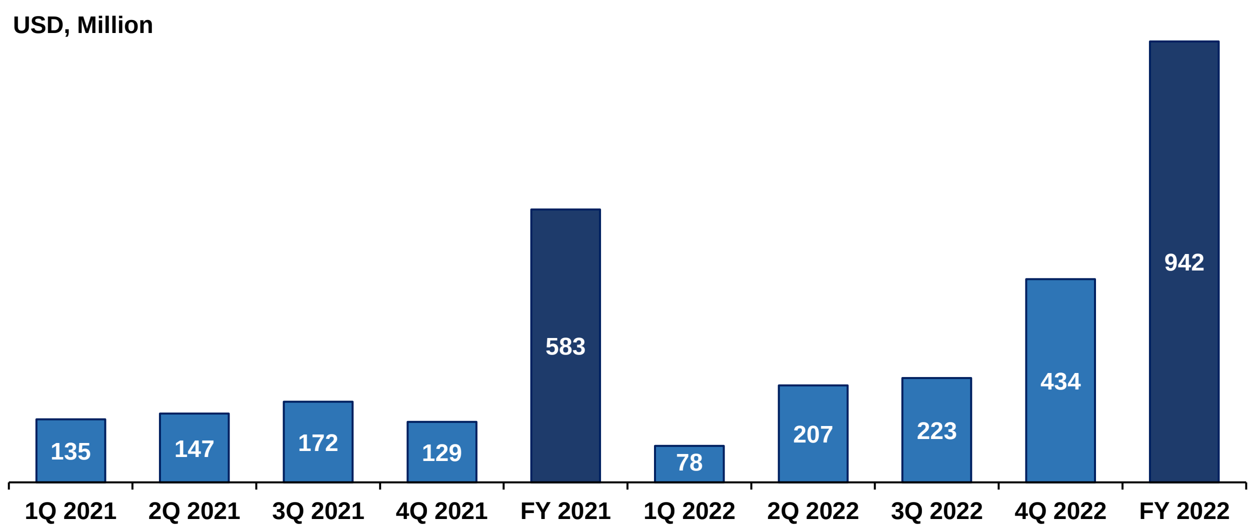
Capital Expenditure

Capital expenditure (CapEx), including prepayments, totaled $942 million for the year ending December 31, 2022, which was in-line with the targeted acceleration of the rig fleet expansion program. Pre-payments in the period were mostly associated with the purchase of offshore jack-up rigs and payments for equipment to support the expected increase in OFS activity in the coming year.

Rig purchases are usually spread out over at least two milestones with the first payment at signing of the sale and purchase agreement, whereas the final payment is then made on transfer of the title of the rig to the Company.

Over the course of the year, the Company added eight H&P rigs, one other land rig and seven jack-up rigs to the fleet, of which five have been integrated into operation, and have already shown a positive impact to the Company's financial results especially in the fourth quarter. Executing on our rig acquisition plans will further accelerate and continue throughout 2023 in support of ADNOC's accelerated production capacity ambitions.

Quarterly and Annual Capital Expenditure



Operational Highlights

Drilling Services

4Q22	3Q22	*QoQ %*	4Q21	*YoY %*	USD Million	FY22	FY21	*YoY %*
115	**108**	**6%**	**99**	**16%**	**Fleet**	**115**	**99**	**16%**
74	73	1%	65	14%	*Onshore*	74	65	14%
31	25	24%	24	29%	*Offshore Jack-up*	31	24	29%
10	10	0%	10	0%	*Offshore Island*	10	10	0%
6	8	-25%	8	-25%	*Rented rigs*	6	8	-25%
94%	**92%**	**2%**	**96%**	**-2%**	**Rigs Availability***	**95%**	**96%**	**-1%**
91%	91%	*0%*	95%	*-4%*	Onshore	94%	95%	-1%
98%	91%	*7%*	100%	*-2%*	Offshore Jack-up	97%	98%	-1%
100%	100%	*0%*	100%	*0%*	Offshore Island	100%	100%	0%
177	**152**	**16%**	**153**	**16%**	**Number of Wells Drilled***	**620**	**549**	**13%**
151	130	*16%*	132	*14%*	Onshore	528	481	*10%*
18	15	*20%*	17	*6%*	Offshore Jack-up	65	57	*14%*
8	7	*14%*	4	*100%*	Offshore Island	27	11	*145%*

* See Appendix 1 (Glossary) for the calculation of certain metrics referred to above.

Through the end of December, the Company had a fleet of 115 owned rigs with availability of 95% compared to a fleet of 99 owned rigs with 96% availability in the corresponding period of 2021. Operational highlights of note during the period as follows:

- Two new H&P FlexRigs were integrated into Onshore operations during the fourth quarter. This brings the total to eight units throughout 2022, following the addition of six H&P FlexRigs in the first nine months of 2022.
- One Great Wall land rig was successfully acquired in the fourth quarter of 2022 and is expected to commence operations in early 2023. We expect to integrate seven additional rigs into operations over the course of 2023.
- Delivered the longest lateral section drilled onshore of 17,148 feet, 6.79 days ahead of schedule.
- Drilled record footage of 3,799 feet in a single day in a 6-inch section, the best daily ROP record across ADNOC Onshore
- Two new jack-up rigs were integrated into operations during the fourth quarter. We expect to integrate an additional nine jack-up rigs into operations over the course of 2023.
- In the year ending December 31, 2022, the Company drilled 620 wells (5.2 million feet) compared to 549 wells in corresponding period last year (4.6 million feet) from owned rigs.
- On July 27, 2022, ADNOC Drilling was awarded a ten-year contract totaling $700 million for the provision of four Island segment drilling units for ADNOC's Hail and Ghasha Development Project. The project was officially launched towards the end of 2022
- In the fourth quarter of 2022, one of the four stacked island rigs was re-activated to commence operations in the Hail and Ghasha Development Project. The remaining three are expected to be re-activated gradually over the course of 2023.

Oilfield Services (OFS)

- On November 2, 2022, the OFS business was awarded a five-year framework agreement valued at up to $1.6 billion for Integrated Drilling Fluids Services.

- OFS performed IDS on 40 rigs in the year ending December 31, 2022, which led to a temporary decrease in market share from 45% in 2021 to 39% in 2022 due to the number of new rigs entering the fleet.

- 482 IDS wells were delivered since 2019 with 251 benchmarked wells delivered of which 190 wells were completed ahead of schedule and below budget.

- 205 wells were delivered in the year ending December 31, 2022, with 56 benchmarked wells were completed ahead of schedule and budget.

- Drilling efficiency improved 14.3% year-on-year.

- During the fourth quarter, 19 frac stages were performed, which compares to 12 stages in the third quarter and 13 stages in the second quarter.

Outlook

To enable ADNOC's strategic imperative of expanding production capacity from four to five million barrels per day by 2027, ADNOC Drilling has accelerated its own growth plans.

The Company now expects peak owned rig count to total 142 by the end of 2024, which compares to IPO guidance of 127 rigs by the end of 2030.

The additional rigs require investment above the Company's previously disclosed medium term CapEx guidance of $2.5 - $3.0 billion between 2021 and 2023 of which just over $1.5 billion was spent by year-end 2022. We now expect additional CapEx over the coming two-year period ending 2024 between $2.0 - $2.5 billion, a net increase of some $1 billion over and above the original guidance.

ADNOC Drilling's fiscal year 2023 financial guidance is presented below:

USD Million	FY 2023 Guidance
Revenue	**3,000 - 3,200**
Onshore Revenue	1,500 - 1,600
Offshore Jack-up Revenue	800 – 900
Offshore Island Revenue	200- 250
Oilfield Services Revenue	500- 550
EBITDA	**1,350 - 1,500**
EBITDA Margin	*45% - 47%*
Net Income	**850 - 1,000**
Net Income Margin	*28% - 31%*
CapEx	**1,300-1,750**
Leverage Target	**< 2.0x**

ADNOC Drilling also refreshes its medium-term guidance as follows:

- Revenue CAGR in the 12-16% range.
- EBITDA Margins around 50% with drilling margins exceeding 50% and OFS Margin in a range of 22-26% medium term versus 2021.
- Conservative long-term leverage target of up to 2.0x net debt / EBITDA, excluding material M&A.
- Net working capital as percentage of revenue target of 10% -11%.
- Maintenance CapEx post-2024 of $200 - $250 million per annum.

The Company's longer-term growth remains supported by the maintenance of production capacity, the UAE's goal to achieve gas self-sufficiency and the development of its vast unconventional resources, continued expansion of the OFS segment's Integrated Drilling Solutions and the pursuit of both regional expansion opportunities and new revenue streams such as complimentary services, manufacturing opportunities and technology, including entry to renewables technology and solutions. ADNOC Drilling continues to strive to make strong progress on delivering growth and maximizing returns for our shareholders. The immediate focus remains on meeting robust financial targets, whilst maintaining operational excellence.

Dividend Policy

The Company'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 our Board of Directors and ultimately shareholder approvals.

As per the Company's announced policy, dividends are to be paid semi-annually with a final annual dividend distributed to shareholders in the first half and the payment of the interim dividend in the second half of each fiscal year. The dividend policy is progressive, reflecting robust underlying cash flow, and the annual distribution is expected to grow by at least 5% per annum on a dividend per share basis over the next four years (2023-2026).

This policy is designed to reflect our strong and visible long-term cash flow and our expected long-term earnings potential, while allowing us to retain sufficient cash to fund ongoing operating requirements and continued investment for long-term growth. The policy is subject to consideration by our Board of Directors and will cover the cash management requirements of our business for operating expenses, interest expense, anticipated capital expenditures and market conditions. In line with the progressive policy, the Board considers dividend a capital allocation priority alongside investment in profitable growth and is committed to returning a competitive and growing cash dividend to our shareholders.

Subject to the foregoing, shareholders at the Annual General Meeting in April of 2022 approved a dividend payment for the second half of 2021 totaling $325 million which was distributed to shareholders in May 2022. Furthermore, the Board of Directors announced an interim cash dividend for the first half of fiscal year 2022 totaling $341.25 million, or 7.83 fils per share, which was distributed to shareholders in September 2022. The interim payment was 5% higher than the final dividend payment of fiscal year 2021, which is in-line with the Company's dividend policy.

Share Price and Ownership

Our shares are traded on the Abu Dhabi Securities Exchange (ADX) under the symbol ADNOCDRILL. The closing share price as of December 31, 2022, was AED 2.98. In the period from October 1, 2022, through December 31, 2022, the share price traded in a range between AED 2.85 and AED 3.53. Market capitalization was AED 47.68 billion as of December 31, 2022, and an average of 7.4 million shares traded daily during the fourth quarter of 2022.

As of December 31, 2022, the Abu Dhabi National Oil Company ("ADNOC") owned a majority 84% stake in the Company and Baker Hughes Holding SPV Ltd. ("Baker Hughes") owned 5% stake in the Company, while 11% of our outstanding shares are publicly owned by other institutional and retail investors.

ADNOC Drilling is included in three of 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 2022, ADNOC Drilling was also included as an inaugural member of the FADX 15 Index. 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.

First Quarter 2023 Results

We expect to announce our first quarter 2023 results on or around May 11, 2023.

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February 13, 2023
ADNOC Drilling Company P.J.S.C.

Appendix: Glossary

Financial Terms

EBITDA represents Earnings Before Interest, Tax, Depreciation and Amortization

Net debt is calculated as total interest-bearing debt less cash and bank balances (including term deposits with banks) adjusted for lease liabilities.

Net debt to EBITDA ratio is calculated as interest-bearing net debt as of the end of the period presented, divided by EBITDA for the twelve months ended on the last day of the period presented.

Capital employed is calculated as the sum of total assets minus non-interest-bearing current liabilities.

Return on capital employed is calculated as operating profit for the twelve months ended on the last day of the period presented divided by capital employed on the last day of the period presented. Operating Profit is defined as profit excluding financing, tax and income and expenses from investments.

Leverage ratio is calculated as (a) interest-bearing net debt, divided by (b) the sum of interest-bearing net debt plus total equity.

Return on equity is calculated as profit for the period for the twelve months ended on the last day of the period presented divided by total equity on the last day of the period presented.

Operating Working capital is calculated as current assets excluding cash and bank balances minus current liabilities excluding lease liabilities.

Operating Cashflows are Net cash generated from operating activities as stated in the cash flow statement.

Free cash flow is calculated as net cash generated from operating activities less payments for purchase of property & equipment and advances to contractors and finance income received.

Opex represents Operating expenditure that includes direct cost and general and administrative expenses excluding depreciation, amortization and impairment as stated in the statement of profit or loss and other comprehensive income

Capital expenditure is total cash capital expenditure for payments made for purchase of property and equipment including prepaid delivery payments as stated in the cash flow statement.

All financial terms have meaning as defined in the International Financial Reporting Standards ("IFRS") unless otherwise stated.

IFRS are accounting standards issued by the IFRS Foundation and the International Accounting Standards Board (IASB). They constitute a standardized way of describing the company's financial performance and position so that company financial statements are understandable and comparable across international boundaries.

Industry Terms

Rig means a drilling unit and equipment package and is an integrated system that drills Oil and gas wells, in the earths subsurface.

Standby is period when the works are unable to proceed and when the rig is put on standby for various reasons, waiting-on-weather or inspection, or any other reason based on the mutual understanding between the Company and the customer and as defined in the contract.

Planned Maintenance is a scheduled Turnaround maintenance. and it varies based on built year, class and design. Usually drilling rigs undergo major maintenance every five years subject to HSE and Asset Integrity Protocols. However, jack-up rigs may require outages during the intermediate two and half years for class renewal surveys.

Owned Rig includes rigs acquired through rig-built project or purchased from market, the title of which is transferred to ADNOC Drilling.

Rented Rigs are rigs rented from 3rd party rig providers on the basis of back-to-back contracts with customers with minimal mark-up to cover for administrative overheads.

Rig availability is 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).

Cautionary Statement Regarding Forward-Looking Statements

This communication includes forward-looking statements which relate to, among other things, our plans, objectives, goals, strategies, future operational performance, and anticipated developments in markets in which we operate and in which we may operate in the future. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond our control and all of which are based on management's current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "would", "intends", "estimates", "plans", "targets", or "anticipates" or the negative thereof, or other comparable terminology. These forward-looking statements and other statements contained in this communication regarding matters that are not historical facts involve predictions and are based on the beliefs of our management, as well as the assumptions made by, and information currently available to, our management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure you that such expectations will prove to be correct. Given these uncertainties, you are cautioned not to place undue reliance on such forward-looking statements. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to: our reliance on ADNOC Onshore and ADNOC Offshore for deploying rigs as per existing terms and conditions; failure to successfully implement our operating initiatives and growth plans, including our cost savings initiatives, due to general economic conditions, our reliance on information technology to manage our business; laws and regulations pertaining to environmental protection, operational safety, the extent of our related party transactions with ADNOC Group; the introduction of VAT and other new taxes in the UAE; failure to successfully implement new policies, practices, systems and controls that we implemented in connection with or following our IPO; any inadequacy of our insurance to cover losses that we may suffer; general economic, financial and political conditions in Abu Dhabi and elsewhere in the UAE; instability and unrest in regions in which we operate; the introduction of new laws and regulations in Abu Dhabi and the UAE; and other risks and uncertainties detailed in our International Offering Memorandum dated September 6, 2021 relating to our initial public offering and the listing of our shares on the Abu Dhabi Securities Exchange, and from time to time in our other investor communications. Except as expressly required by law, we disclaim any intent or obligation to update or revise these forward-looking statements.