ADNOC Drilling

ADNOC DRILLING RESULTS PRESENTATION Q3 2021

THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2021

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AGENDA & PRESENTERS

1. Q3 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 three and nine months ended 30 September 2021

Safety & environment

- **0.9**
  Total recordable incident rate
- **32.5K**
  GJ/Rig energy intensity, significantly ahead of target
- **100%**
  HSE and performance safety culture established

Operational

- **396**
  Wells drilled YTD, and over **3.4 million** feet
- **105**
  Rigs at **95.5%** utilization
- **36%**
  Integrated Drilling Services market share YTD

Financial

- **50%**
  EBITDA margin for Q3 21
- **$571m**
  Q3 21 revenue at **11%** y-o-y growth
- **$454m**
  Capital investment during the nine-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.

► 8 Land, 5 Offshore rigs purchased YTD 2021

Unconventional and biogenic

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

► Zipper FRAC on XN 44 and 47 delivering record 6 stages/day

Integrated Drilling Services ramp-up

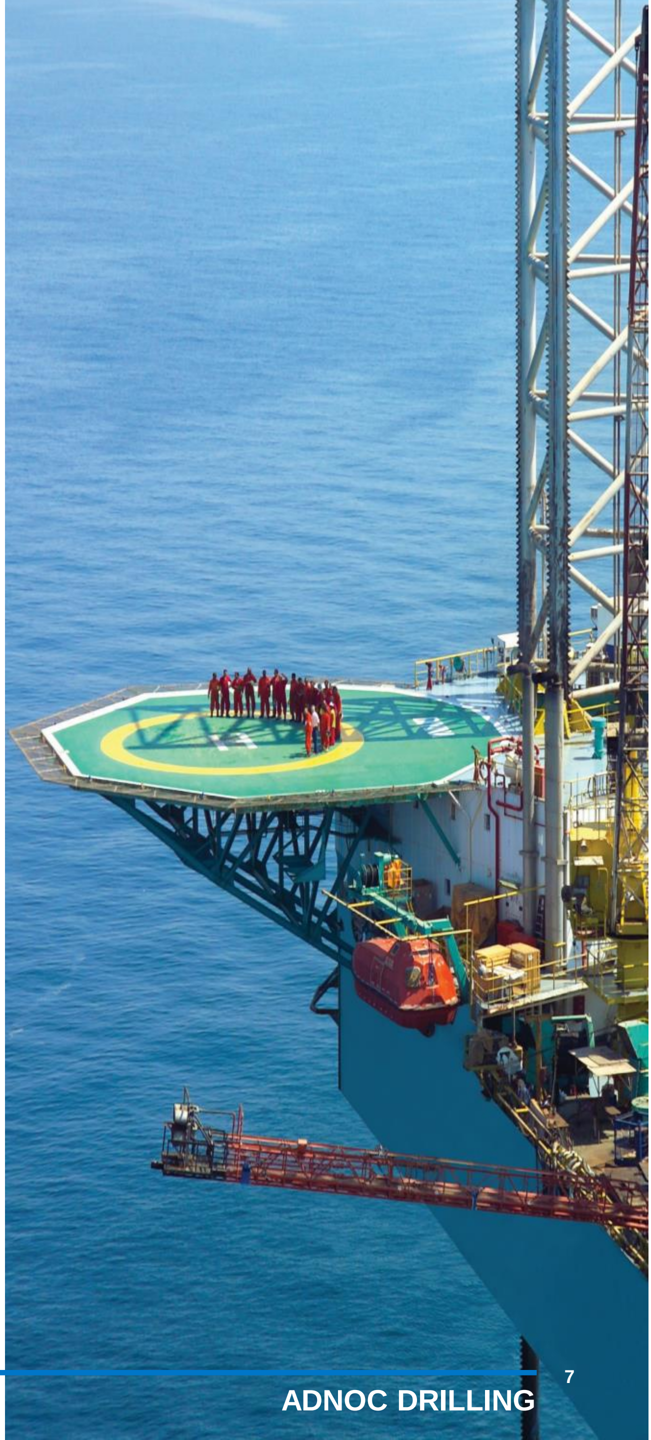
Launch a major **rig fleet expansion** program to support **upstream growth** plans.

► On track for 45% of ADNOC Drilling operating owned rigs by FY21

Geographic expansion

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

► Finalizing expansion plans in Kuwait and Saudi Arabia



STRENGTH IN OUR STRATEGIC PARTNERSHIPS

Our strategic partnerships with international blue chips Baker Hughes and Helmerich & Payne continue to support our pursuit of operational excellence and growth

Baker Hughes

Significant contribution to operational excellence & technology advancement

- Technology and manpower enablement
- Partner for regional expansion
- Joint bidder for mega tenders
- Improved financial modelling
- Business development

H&P Inc.

A framework for leveraging technology and operational best practice to pursue expansion

- Operating cost optimization
- Maintenance cost effectiveness
- Manufacturing and rig design
- Technology and solutions
- International and regional expansion

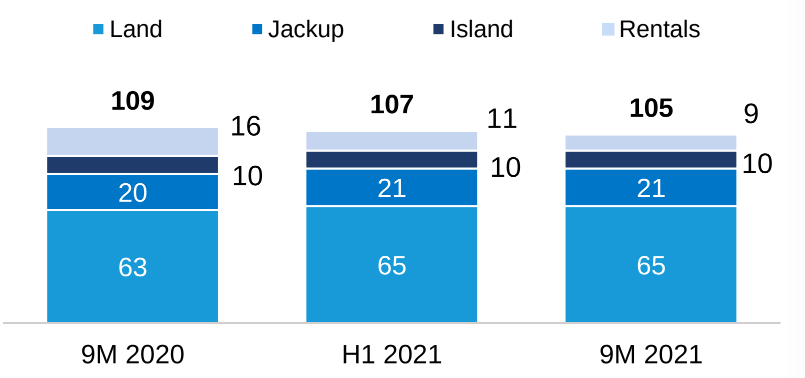
ADNOC Drilling

OPERATIONAL HIGHLIGHTS

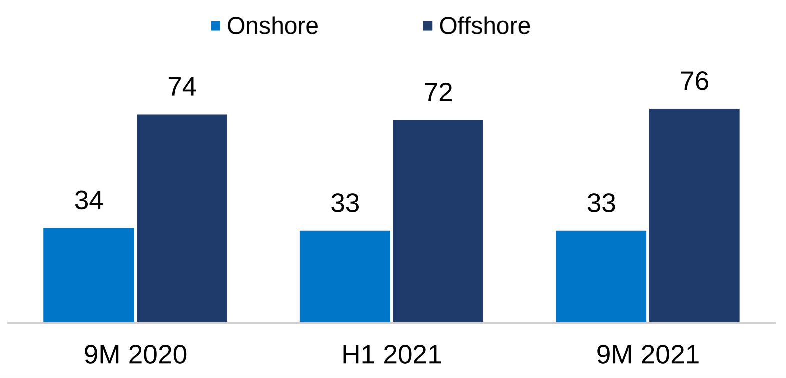
RIG FLEET STABLE WITH HEALTHY UTILIZATION

Key operational highlights for Q3 and 9M 2021

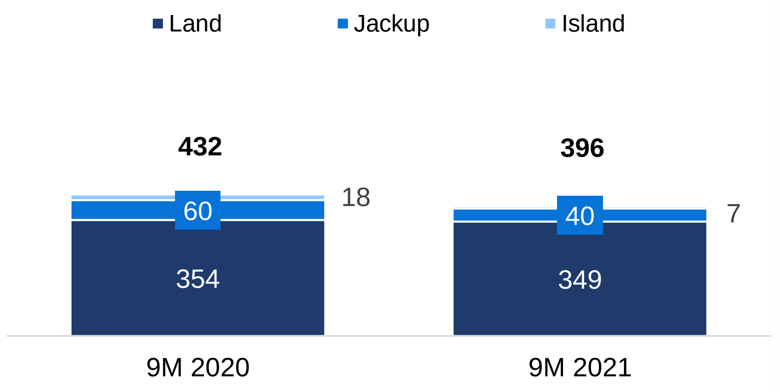
Rigs



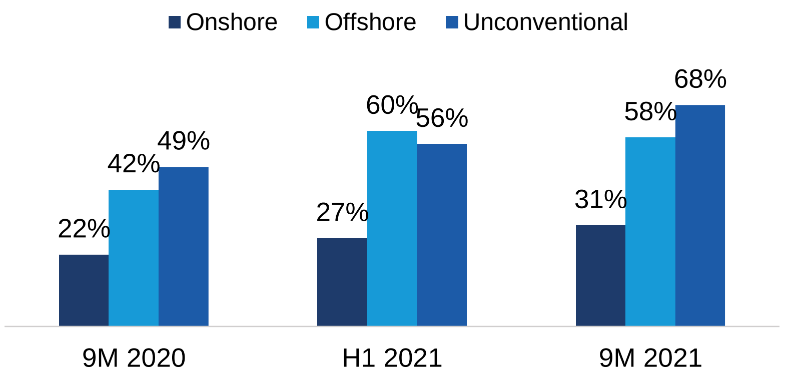
Drilling average duration (days)



Wells drilled



Oilfield services market share



Q3 2021 Commentary

- Fleet utilization at 95.5% at 9M 2021
- 2x new Onshore rigs and 1x Offshore rig added to fleet from ‘20
- 396 wells drilled during period, compared to 432 for 9M 2020 (decrease of 8%), due to Covid-19 disruption and phasing of Upstream projects in 2021

- Integrated Drilling Services (IDS) on 31 rigs during 9M period increasing to 38 by YE
- 112 IDS wells delivered during 9M period

ADNOC

POSITIVE EFFICIENCY IMPACT & OFS GROWTH

Segmental operating highlights in Q3 2021

Onshore

- **New Operating Philosophy** (NOP) recognizing annual **savings of $50m** for 2021-22
- Deployed 15 stacked Land Rigs & 2 new Land Rigs **with new clients** – OXY and JODCO
- Increased competition in tubular purchase tender, resulting in recognized **savings of $34m**
- Enhanced **rig move efficiency, $5.7m savings** YTD

Offshore and Offshore Islands

- **Saved 14 days** operational time through **Remotely Operated Vehicles** (ROV)
- Drilled **longest well in Middle East**, 4th longest in the world
- Project Align delivered additional **revenue of $11.8m** and **savings of $4.2m**
- Reduced Top Drive associated NPT by **32%**

Oilfield Services

- **45% of ADNOC Drilling rigs by FY 2021**, to **50% in 2022**
- **$39.2m** savings and **351 days** to customers during 9M period
- FRAC'd **54 stages delivered** during 9M period
- Awarded 30% of ADNOC **Offshore IRS work** for five years, **total value $228m**

Remote Operations Services Centre

- AI & Digital Drilling are driving outstanding results through our **Remote Operations Services Centre (ROS)**
  - Skilled personnel at RO, reduces number at rig sites
  - Better well construction safety
  - Improved working conditions
  - Consistent performance
  - Higher profitability
  - Reduced carbon footprint

Opex for OFS has improved $6.2m from implementing the latest digital technology in the services segment

WE CONTINUE TO PURSUE AMBITIOUS ESG GOALS

Our ESG framework and Q3 2021 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 [32.5K GJ/Rig]**

Economic and social contribution

- **In-Country Value (ICV) at 67% YTD vs. a target of 60%**

Health, safety and security

- **TRIR at 0.9** 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 YTD**

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

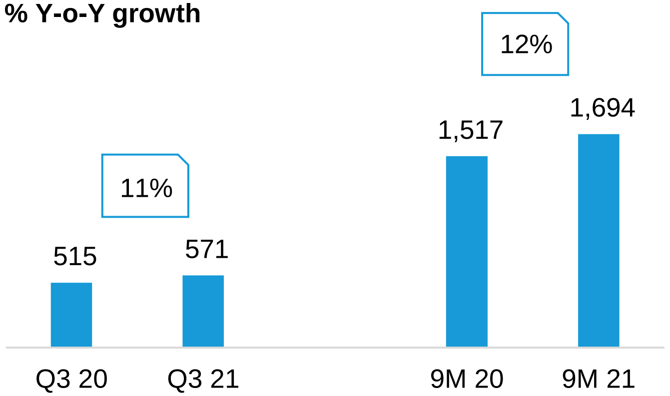
FINANCIAL HIGHLIGHTS – Q3 21 AND 9M 21

Continued growth across the business despite challenging environment

$ millions

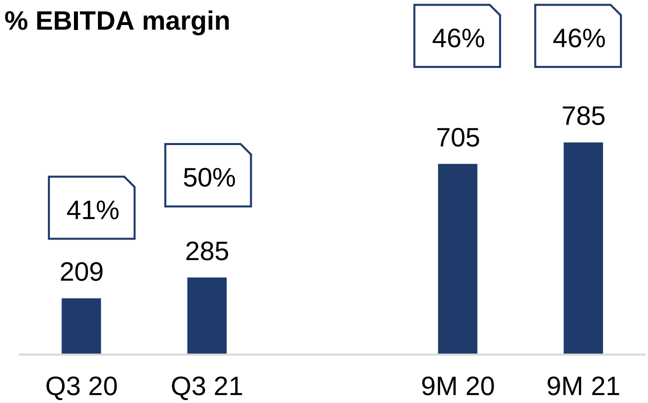
Revenue

% Y-o-Y growth



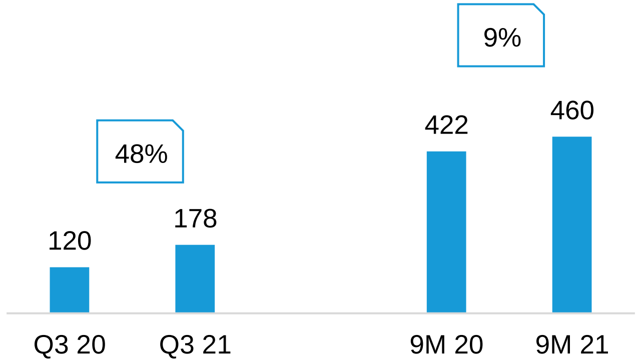
EBITDA

% EBITDA margin



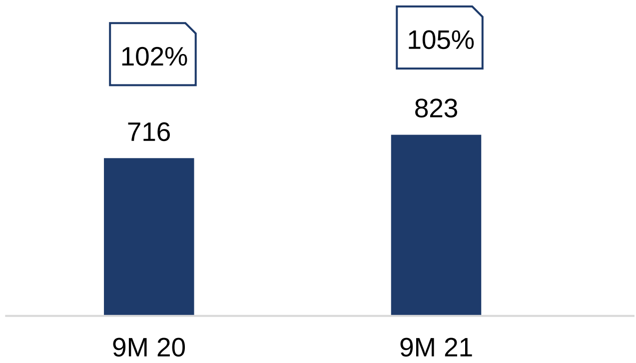
Net income

% Y-o-Y growth



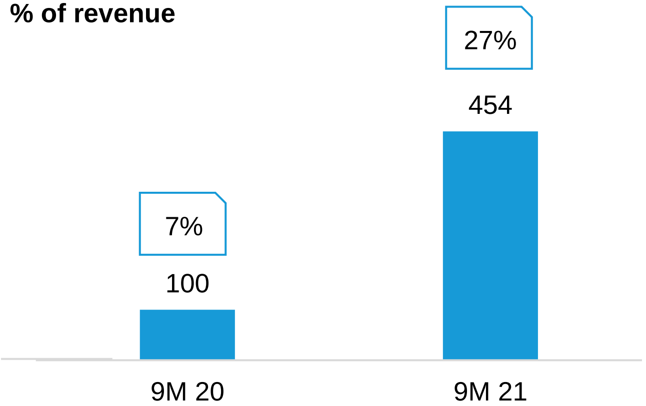
Cash from operations

% of EBITDA



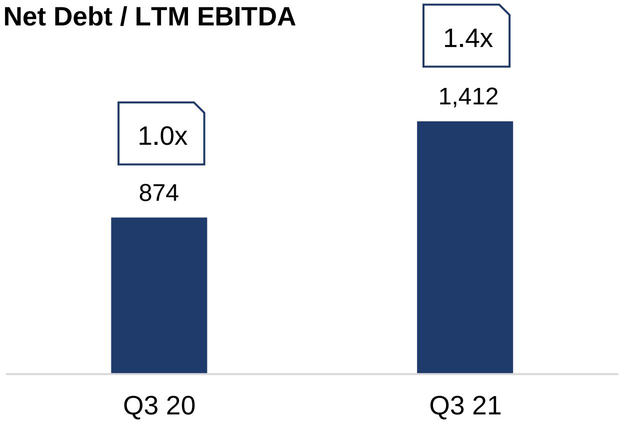
Capex

% of revenue



Net debt

x Net Debt / LTM EBITDA

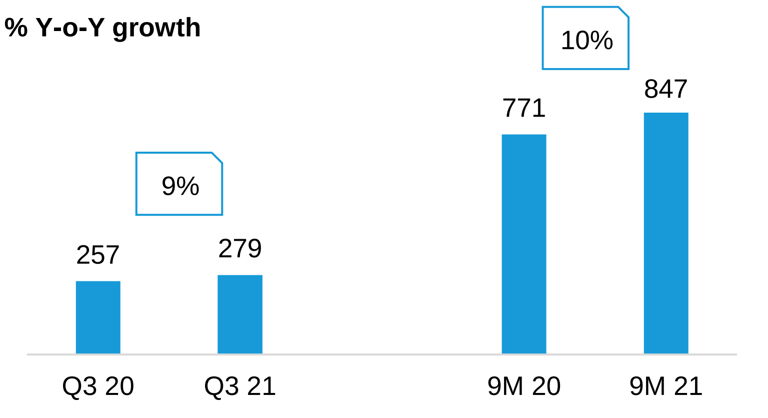


RESILIENT REVENUE GROWTH

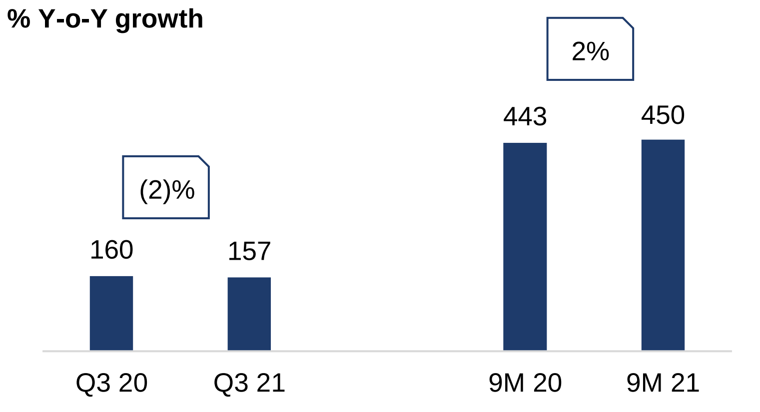
Year-on-year revenue growth driven by Onshore and Oilfield Services

$ millions

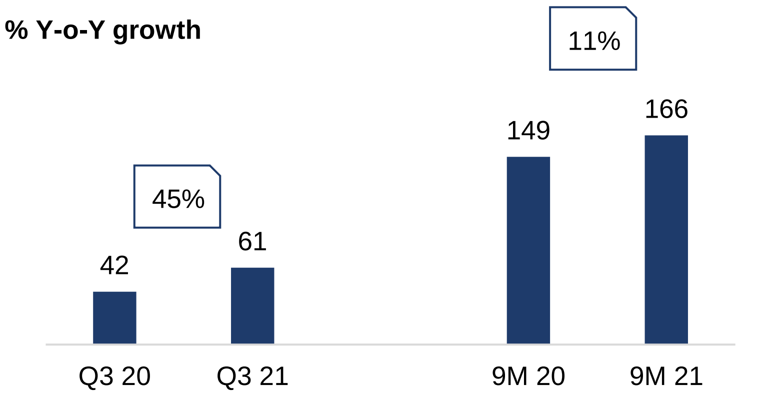
Onshore



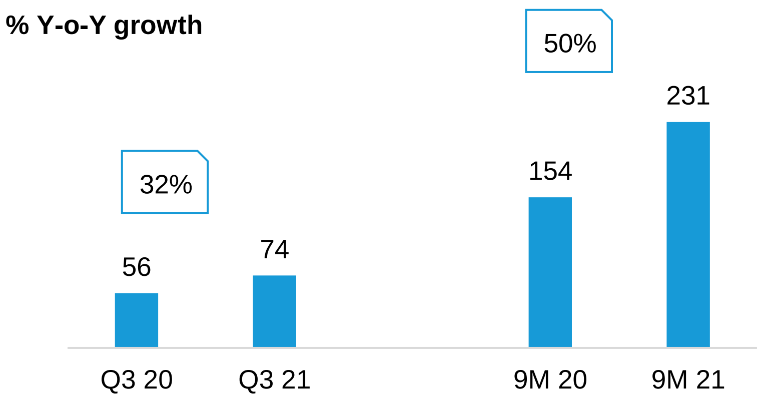
Offshore Jackup



Offshore Island



Oilfield Services



Q3 2021 Commentary

Total revenue increased by 11% to $571m, demonstrating continued growth and resilience, driven by Onshore and OFS.

Onshore: Revenue growth mainly driven by higher operating and lower maintenance days as well as contribution from new rigs and reactivations in 2021.

Offshore Jackup: Marginal revenue decrease mainly driven by reduced rig count in Q3 2021.

Offshore Island: Revenue increase driven by seven rigs remaining on the non-operating rate (90% of operating rate) in 3Q 2021.

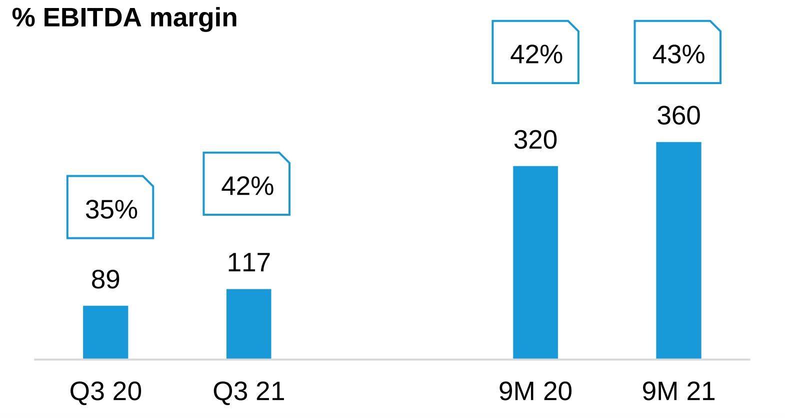
OFS: Significant growth in revenue driven by higher activity as the business unit continues its expansion throughout the period.

ROBUST EBITDA GENERATION PROFILE

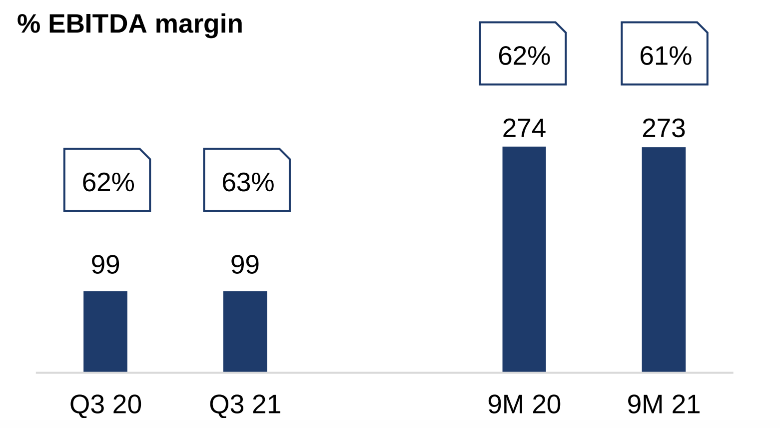
Continued resilience across our drilling operations

$ millions

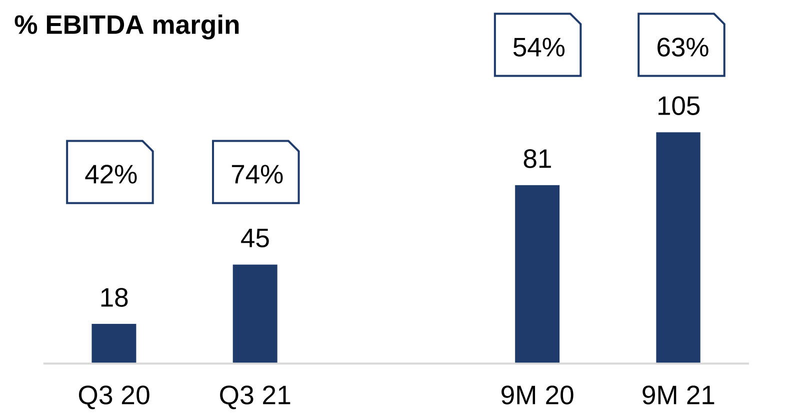
Onshore



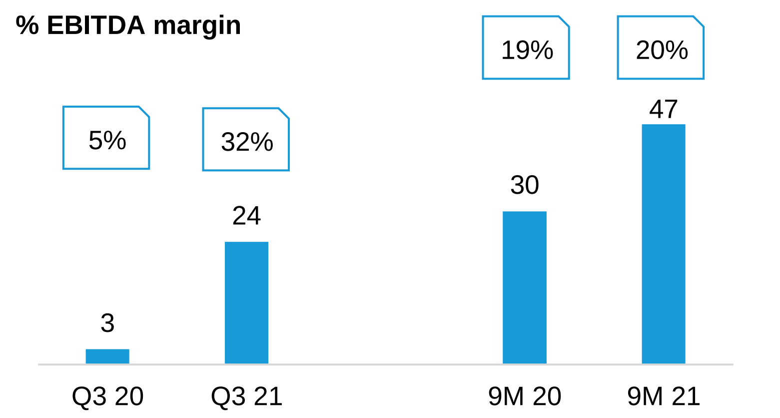
Offshore Jackup



Offshore Island



Oilfield Services



Q3 2021 Commentary

Total EBITDA remains robust and ahead of 1H guidance at $285mn, demonstrating continued resilience during 3Q 2021.

Onshore: Margins have improved due to efficiencies (higher revenue for similar costs).

Offshore Island: Margins significantly improving due to standby revenue being earned on seven rigs with limited operational costs.

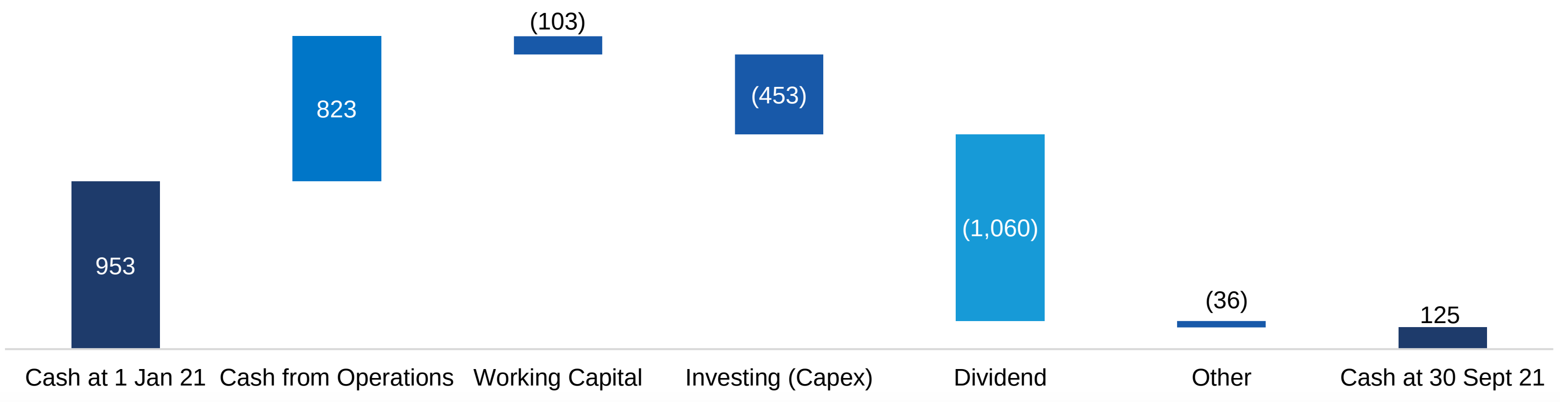
OFS: EBITDA increase due to significant increase in OFS business across multiple product lines and from the settlement of $16M costs in projects (capex).

STRONG CASHFLOW AND BALANCE SHEET

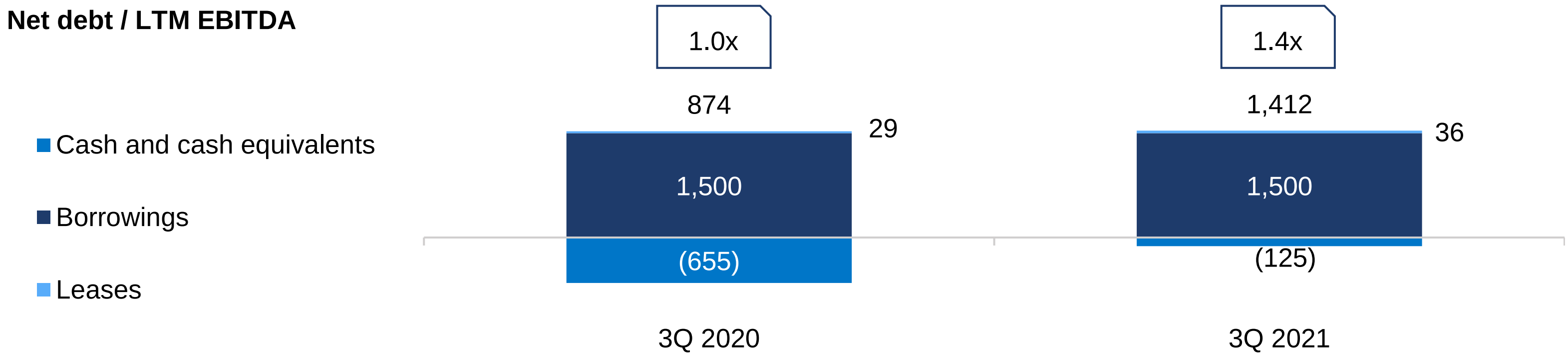
Good cashflow growth and conservative balance sheet position

$ millions

Cashflow



Net Debt



Q3 2021 Commentary

Cash From Operations

Generated higher funds from operations compared to last year despite market conditions and Covid-19 related disruptions.

Net debt

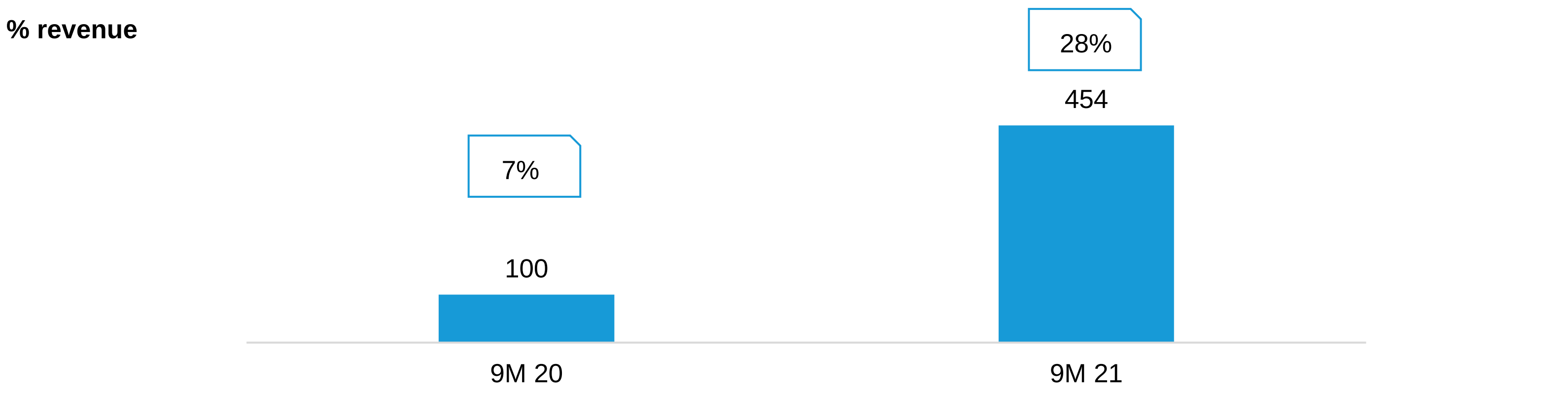
Maintaining conservative balance sheet position, with net leverage increase due to reduction in cash on balance sheet which was driven by $1,060mn dividend payment in 2021.

INCREASED CAPEX & IMPROVED WORKING CAPITAL

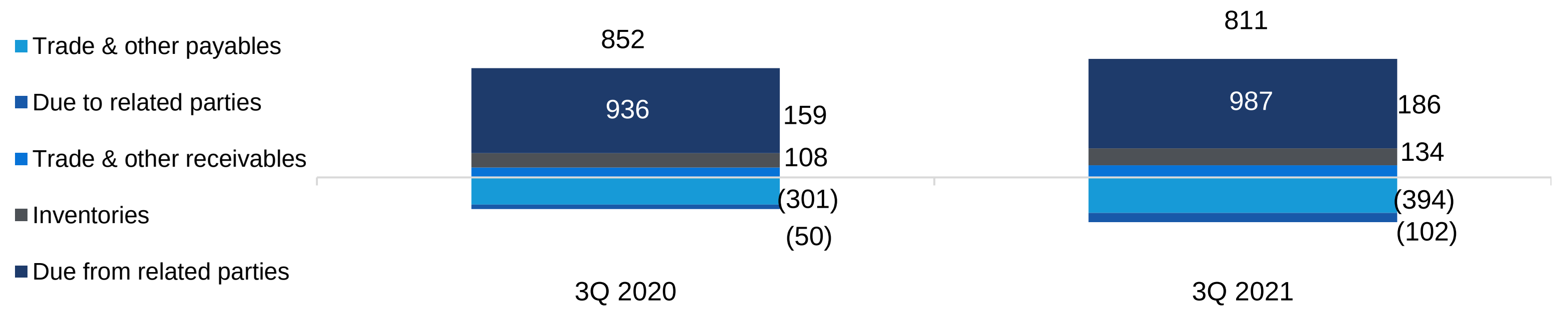
Four-fold increase in Capex to support OFS expansion and rig acquisition

$ millions

Capex



Net Working Capital



Q3 2021 Commentary

Capex

Capex build up is due to OFS expansion and rig acquisition program with majority of new rigs to go online in 2022.

Net Working Capital

Improvement primarily driven by increase in trade and other payables due to higher level of accruals as a result of increase in Opex and Capex spending during the year, partially offset by increase in inventory balances (higher levels maintained to insulate operations from Covid-19 related supply disruptions) and higher dues from customers in OFS business segment.

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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 20201
- OFS revenues mid50%s growth in 2021

CAGR in low teens for medium terms 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

SUMMARY

A SOLID QUARTER, WELL POSITIONED FOR GROWTH

Summary of our Q3 and 9M 2021 results

Excellence in **HSE** and **Sustainability,** industry-leading indicators

Robust financial performance, double-digit EBITDA growth, healthy revenues

Commitment to **strategy execution,** investment is fuelling growth

Strong **cash flow generation** to support future investment and dividend distribution

Confident in outlook, focused on **shareholder returns**

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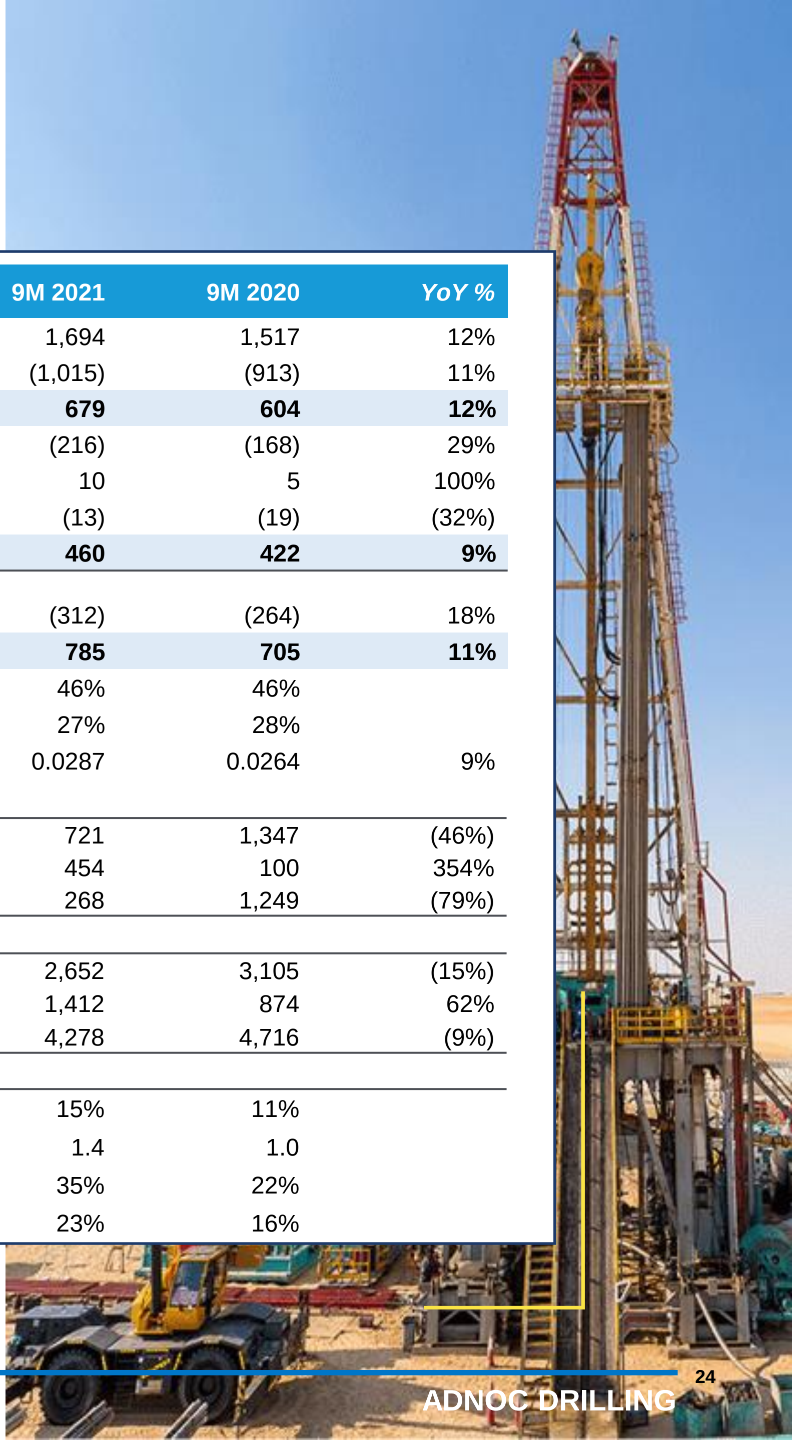
APPENDIX

FINANCIAL SUMMARY Q3 & 9M 2021

USD Millions	Q3-21	Q2-21	QoQ %	Q3-20	YoY %	9M 2021	9M 2020	YoY %
Revenue	571	601	(5%)	515	11%	1,694	1,517	12%
Direct Cost	(332)	(351)	(5%)	(335)	(1%)	(1,015)	(913)	11%
Gross Profit	**239**	**250**	**(4%)**	**181**	**32%**	**679**	**604**	**12%**
General & administrative expenses (G&A)	(57)	(81)	(30%)	(58)	(2%)	(216)	(168)	29%
Other Income	-	8	NM	-	NM	10	5	100%
Finance Cost	(4)	(5)	(20%)	(3)	33%	(13)	(19)	(32%)
Net Profit	**178**	**172**	**3%**	**120**	**48%**	**460**	**422**	**9%**
Depreciation[1]	(103)	(115)	(10%)	(86)	20%	(312)	(264)	18%
EBITDA[2]	**285**	**292**	**(2%)**	**209**	**36%**	**785**	**705**	**11%**
EBITDA Margin	50%	49%		41%		46%	46%	
Net Profit Margin	31%	29%		23%		27%	28%	
Earnings per share (USD per Share)	0.0112	0.0108	4%	0.0075	49%	0.0287	0.0264	9%
Net cash generated from operating activities	242	291	(17%)	369	(34%)	721	1,347	(46%)
Capital Expenditure[3]	171	148	16%	21	714%	454	100	354%
Free Cash Flow	71	143	(50%)	350	(80%)	268	1,249	(79%)
Total equity	2,652	2,833	(6%)	3,105	(15%)	2,652	3,105	(15%)
Net debt[4]	1,412	1,118	26%	874	62%	1,412	874	62%
Capital employed	4,278	4,459	(4%)	4,716	(9%)	4,278	4,716	(9%)
Return on capital employed	15%	13%		11%		15%	11%	
Net debt to LTM EBITDA	1.4	1.2		1.0		1.4	1.0	
Leverage ratio	35%	28%		22%		35%	22%	
Return on equity	23%	20%		16%		23%	16%	

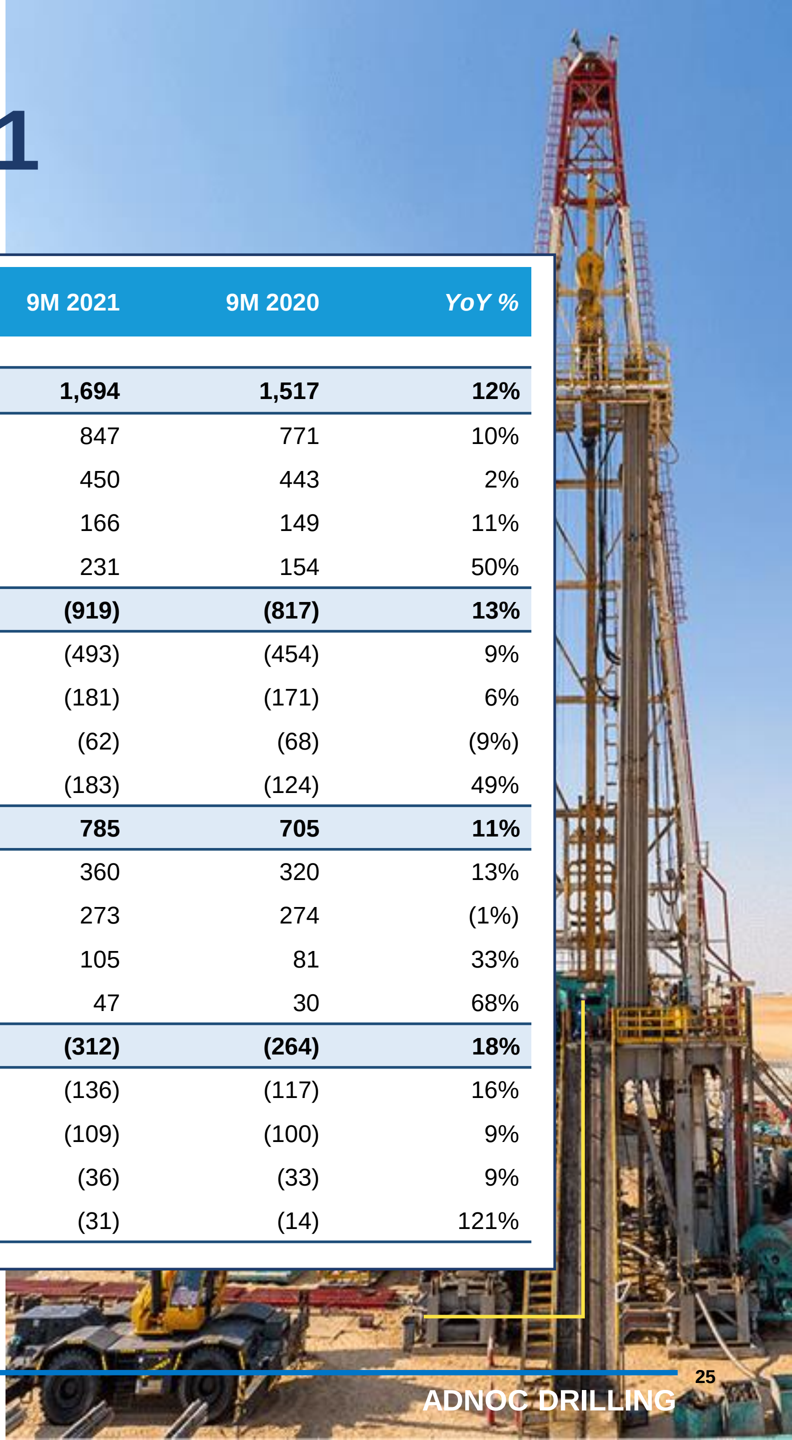
NM: Not meaningful
(1) Depreciation which is directly related to the operations is included in the direct cost. Indirect depreciation is part of G&A.
(2) EBITDA represents earnings before interest tax depreciation and amortization
(3) Payments for purchase of property and equipment
(4) Interest bearing liabilities less cash and cash equivalents
See Appendix 1 (Glossary) for the calculation of certain metrics referred to above



SEGMENTAL RESULTS Q3 and 9M 2021

$ millions	Q3-21	Q2-21	QoQ %	Q3-20	YoY %	9M 2021	9M 2020	YoY %
Revenue	**571**	**601**	***(5%)***	**515**	***11%***	**1,694**	**1,517**	**12%**
Onshore	279	289	(3%)	257	9%	847	771	10%
Offshore Jack-up	157	156	1%	160	(2%)	450	443	2%
Offshore Island	61	69	(12%)	42	45%	166	149	11%
Oilfield Services (OFS)	74	87	(15%)	56	32%	231	154	50%
OPEX[1]	**(286)**	**(317)**	**(10%)**	**(306)**	**(7%)**	**(919)**	**(817)**	**13%**
Onshore	(161)	(157)	3%	(168)	(4%)	(493)	(454)	9%
Offshore Jackup	(59)	(57)	4%	(61)	(3%)	(181)	(171)	6%
Offshore Island	(16)	(25)	(36%)	(24)	(33%)	(62)	(68)	(9%)
Oilfield Services (OFS)	(50)	(78)	(36%)	(53)	(5%)	(183)	(124)	49%
EBITDA[2]	**285**	**292**	**(2%)**	**209**	**36%**	**785**	**705**	**11%**
Onshore	117	137	(15%)	89	31%	360	320	13%
Offshore Jackup	99	101	(2%)	99	-	273	274	(1%)
Offshore Island	45	45	-	18	150%	105	81	33%
Oilfield Services (OFS)	24	9	167%	3	NM	47	30	68%
Depreciation	**(103)**	**(115)**	**(10%)**	**(86)**	**20%**	**(312)**	**(264)**	**18%**
Onshore	(43)	(56)	(23%)	(37)	16%	(136)	(117)	16%
Offshore Jackup	(35)	(36)	(3%)	(32)	9%	(109)	(100)	9%
Offshore Island	(12)	(11)	9%	(11)	9%	(36)	(33)	9%
Oilfield Services (OFS)	(13)	(12)	8%	(6)	117%	(31)	(14)	121%

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



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