

ADNOC Drilling



ADNOC DRILLING COMPANY P.J.S.C.

Review report and condensed financial
information for the nine-month period ended
30 September 2022



ADNOC Drilling Company P.J.S.C.

**Review report and condensed financial information
for the nine-month period ended 30 September 2022**

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ADNOC Drilling Company P.J.S.C.

Directors' report for the nine-month period ended 30 September 2022

The Directors present their report together with the unaudited condensed financial information of ADNOC Drilling Company P.J.S.C. ("the Company") for the nine-month period ended 30 September 2022.

Principal activities

The principal activities of the Company are providing drilling services and supporting marine equipment, and the hiring out of onshore and offshore drilling rigs on behalf of related parties involved in onshore and offshore oil and gas exploration.

Review of business

During the period, the Company reported revenue of USD 1,940,062 thousand (30 September 2021: USD 1,694,336 thousand). Profit for the period was USD 568,105 thousand (30 September 2021: USD 459,996 thousand).

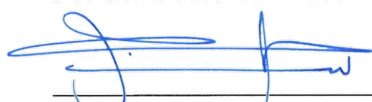
The appropriation of the results for the period is follows:

Retained earnings at 1 January 2022
Profit for the period
Dividends

Retained earnings at 30 September 2022

USD '000
2,299,362
568,105
(666,250)
2,201,217

For the Board of Directors


Chairman

11 November 2022
Abu Dhabi, United Arab Emirates



REPORT ON REVIEW OF CONDENSED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF ADNOC DRILLING COMPANY P.J.S.C.

Introduction

We have reviewed the accompanying condensed statement of financial position of ADNOC Drilling Company P.J.S.C. ("the Company"), as at 30 September 2022 and the related condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the nine-month period then ended. Management is responsible for the preparation and fair presentation of this condensed financial information in accordance with International Accounting Standard 34, '*Interim financial reporting*' as issued by International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on this unaudited condensed financial information based on our review.

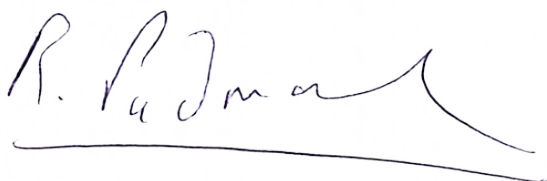
Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of condensed financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 as issued by IASB.

Deloitte & Touche (M.E.)



Rama Padmanabha Acharya
Registration No. 701
11 November 2022
Abu Dhabi
United Arab Emirates

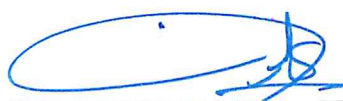
**Condensed statement of financial position
as at 30 September 2022**

	Notes	30 September 2022 USD '000 (unaudited)	31 December 2021 USD '000 (audited)
ASSETS			
Non-current assets			
Property and equipment	5	3,552,985	3,363,443
Right-of-use assets	6	22,023	34,384
Intangible assets	7	5,505	-
Advances		5,965	7,634
Total non-current assets		3,586,478	3,405,461
Current assets			
Inventories	8	168,373	175,025
Trade and other receivables	9	112,154	102,454
Due from related parties	14	1,070,436	960,400
Cash and cash equivalents	10	382,607	453,101
Total current assets		1,733,570	1,690,980
Total assets		5,320,048	5,096,441
EQUITY AND LIABILITIES			
Equity			
Share capital	11	435,671	435,671
Statutory reserve	11	60,391	60,391
Retained earnings		2,201,217	2,299,362
Total equity		2,697,279	2,795,424
Non-current liabilities			
Borrowings	12	1,500,000	1,500,000
Trade and other payables	13	20,431	-
Lease liabilities	6	10,677	19,031
Provision for employees' end of service benefits		108,132	113,360
Total non-current liabilities		1,639,240	1,632,391
Current liabilities			
Trade and other payables	13	352,739	314,913
Lease liabilities	6	17,273	20,317
Due to related parties	14	601,299	333,396
Provision for employees' end of service benefits		12,218	-
Total current liabilities		983,529	668,626
Total liabilities		2,622,769	2,301,017
Total equity and liabilities		5,320,048	5,096,441

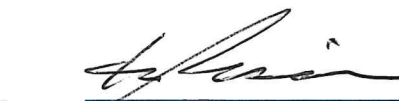
To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed financial information present fairly in all material respects the financial position, financial performance and cash flows of the Company.



H. E. Dr. Sultan Ahmed Al Jaber
Chairman



Abdulrahman Abdulla Alseiri
Chief Executive Officer



Esa Ikaheimonen
Chief Financial Officer

The accompanying notes form an integral part of these condensed financial information.

**Condensed statement of profit or loss and other comprehensive income
for the nine-month period ended 30 September 2022**

	Notes	Three-month ended 30 September 2022 USD'000 (unaudited)	Three-month ended 30 September 2021 USD'000 (unaudited)	Nine-month ended 30 September 2022 USD'000 (unaudited)	Nine-month ended 30 September 2021 USD'000 (unaudited)
Revenue	15	670,423	570,861	1,940,062	1,694,336
Direct cost		(405,022)	(331,997)	(1,160,746)	(1,015,692)
Gross profit		265,401	238,864	779,316	678,644
General and administrative expenses		(69,243)	(56,962)	(197,051)	(215,502)
Other income - net		1,358	555	5,343	9,565
Finance cost - net	16	(8,722)	(4,049)	(19,503)	(12,711)
Profit for the period		188,794	178,408	568,105	459,996
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		188,794	178,408	568,105	459,996
Earnings per share:					
Basic and diluted	21	0.0118	0.0112	0.0355	0.0287

The accompanying notes form an integral part of these condensed financial information.

**Condensed statement of changes in equity
for the nine-month period ended 30 September 2022**

	Share capital USD '000	Statutory reserve USD '000	Retained earnings USD '000	Total equity USD '000
Balance at 1 January 2021 (audited)	108,918	-	3,142,893	3,251,811
Capitalisation	326,753	-	(326,753)	-
Total comprehensive income for the period	-	-	459,996	459,996
Dividends (note 17)	-	-	(1,060,300)	(1,060,300)
Balance at 30 September 2021 (unaudited)	435,671	-	2,215,836	2,651,507
Balance at 1 January 2022 (audited)	435,671	60,391	2,299,362	2,795,424
Total comprehensive income for the period	-	-	568,105	568,105
Dividends (note 17)	-	-	(666,250)	(666,250)
Balance at 30 September 2022 (unaudited)	435,671	60,391	2,201,217	2,697,279

The accompanying notes form an integral part of these condensed financial information.

Condensed statement of cash flows for the nine-month period ended 30 September 2022

	Three-month ended 30 September 2022 USD'000 (unaudited)	Three-month ended 30 September 2021 USD'000 (unaudited)	Nine-month ended 30 September 2022 USD'000 (unaudited)	Nine-month ended 30 September 2021 USD'000 (unaudited)
Cash flows from operating activities				
Profit for the period	188,794	178,408	568,105	459,996
<i>Adjustments for:</i>				
Depreciation of property and equipment	97,524	98,230	284,672	292,538
Amortisation of intangible assets	553	-	1,641	-
Impairment of property and equipment - net	7,291	-	(274)	-
Depreciation of right-of-use assets	3,432	4,406	12,361	19,369
Employees end of service benefit charge	4,067	3,295	13,814	30,110
Allowance for slow-moving inventories	(623)	2,581	3,310	8,617
Finance cost	12,549	4,286	23,624	13,385
Finance income	(3,827)	(237)	(4,121)	(674)
Operating cash flows before changes in working capital	309,760	290,969	903,132	823,341
Changes in working capital on account of:				
Inventories	(21,270)	(25,231)	3,342	(17,077)
Advance payments	559	368	1,669	1,116
Trade and other receivables	6,464	(10,221)	(9,074)	5,485
Due from related parties	(225,121)	(756,241)	(110,036)	(876,531)
Trade and other payables	41,182	35,307	85,182	81,136
Due to related parties	208,931	708,363	267,903	707,548
Employees' end of service benefit paid	(3,146)	(1,654)	(6,824)	(4,380)
Cash generated from operating activities	317,359	241,660	1,135,294	720,638
Cash flows from investing activities				
Payments for purchase of property and equipment	(223,650)	(171,142)	(508,321)	(454,055)
Finance income received	3,201	237	3,495	674
Net cash used in investing activities	(220,449)	(170,905)	(504,826)	(453,381)

The accompanying notes form an integral part of these condensed financial information.

**Condensed statement of cash flows
for the nine-month period ended 30 September 2022 (continued)**

	Three-month ended 30 September 2022 USD'000 (unaudited)	Three-month ended 30 September 2021 USD'000 (unaudited)	Nine-month ended 30 September 2022 USD'000 (unaudited)	Nine-month ended 30 September 2021 USD'000 (unaudited)
Cash flows from financing activities				
Lease liabilities paid	70	(1,175)	(11,398)	(23,197)
Dividends paid	(341,250)	(360,300)	(666,250)	(1,060,300)
Finance cost paid	(12,178)	(3,928)	(23,314)	(12,627)
Net cash used in financing activities	(353,358)	(365,403)	(700,962)	(1,096,124)
Net decrease in cash and cash equivalents	(256,448)	(294,648)	(70,494)	(828,867)
Cash and cash equivalent at the beginning of the period	639,055	419,246	453,101	953,465
Cash and cash equivalents at the end of the period	382,607	124,598	382,607	124,598
Non-cash transactions:				
Additions and modification to right-of-use assets and lease liabilities	-	-	-	18,858
Capitalisation of retained earnings	-	326,753	-	326,753

The accompanying notes form an integral part of these condensed financial information.

Notes to the condensed financial information for the nine-month period ended 30 September 2022

1. General information

ADNOC Drilling Company P.J.S.C. ("the Company") is a public joint stock company, incorporated in 1972 by a resolution of the Council of Ministers of the Government of Abu Dhabi. On 29 September 2021, Law No. 9 of 2021 was issued amending Law No. 21 of 2018 that was issued on 6 November 2018, replacing Law No. 4 of 1981 in respect of the incorporation of ADNOC Drilling Company PJSC registered with the commercial register in Abu Dhabi under the commercial license number CN-2688881 issued by the Abu Dhabi Department of Economic Development. The Company also holds an industrial license number IN-2003460 jointly issued by the Abu Dhabi Department of Economic Development and Industrial Development Bureau. The Company is a subsidiary of Abu Dhabi National Oil Company ("ADNOC"), which is wholly owned by the Government of Abu Dhabi. The Company's shares are listed on the Abu Dhabi Securities Exchange.

Federal Law No. 32 of 2021 on Commercial Companies was issued on 20 September 2021 and came into effect on 2 January 2022, to entirely replace Federal Law No. 2 of 2015 on Commercial Companies, as amended. The Company is in the process of reviewing the new provisions and will apply the requirements thereof no later than one year from the date on which the amendments came into effect.

The registered address of the Company is P.O Box 4017 Abu Dhabi, United Arab Emirates. The principal activities of the Company are providing drilling services and supporting marine equipment, and the hiring out of onshore and offshore drilling rigs on behalf of related parties involved in onshore and offshore oil and gas exploration.

2. Application of new and revised International Financial Reporting Standards (IFRSs)

The accounting policies used in the preparation of this condensed financial information are consistent with those used in the preparation of the Company's annual financial statements for the year ended 31 December 2021, and the notes, except for the adoption of certain new and revised standards, that became effective in the current period as set out below:

2.1. New and amended standard adopted by the Company

In the current period, the Company has applied the following amendments to IFRSs issued by the International Accounting Standards Board ("IASB") that are mandatorily effective for an accounting period that begins on or after 1 January 2022. The application of these amendments to IFRSs has not had any material impact on the amounts reported for the current period but may affect the accounting for the Company's future transactions or arrangements.

- Amendments to IAS 16 Property, Plant and Equipment related to proceeds before intended use.
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets related to Onerous Contracts-Cost of Fulfilling a Contract.
- Annual Improvements to IFRS Standards 2018-2020: The Annual Improvements include amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments and IFRS 16 Leases.

Other than the above, there are no other material IFRSs and amendments that were effective for the first time for the financial year beginning on or after 1 January 2022.

Notes to the condensed financial information for the nine-month period ended 30 September 2022 (continued)

2. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.2. New and revised IFRS in issue but not yet effective and not early adopted

The Company has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective from 1 January 2023).
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) (effective from 1 January 2023)
- Definition of Accounting Estimates (Amendments to IAS 8) (effective from 1 January 2023)
- Annual Improvements to IFRS Standards 2018-2020: The Annual Improvements include amendments to (effective date not yet decided) and
- Amendments to IAS 1 and IFRS Practice Statement 2 related to Disclosure of Accounting Policies (effective from 1 January 2023).

The above stated new standards and amendments are not expected to have any significant impact on the financial statements of the Company.

3. Summary of significant accounting policies

3.1. Statement of compliance

This condensed financial information for the nine-month period ended 30 September 2022 has been prepared in accordance with IAS 34, *Interim Financial Reporting* as issued by IASB.

The condensed financial information does not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2021. In addition, results for the nine-month period ended 30 September 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

3.2. Basis of preparation

The condensed financial information is prepared in United States Dollar (USD), which is the Company's functional and presentation currency, and all values are rounded to the nearest thousands (USD'000) except when otherwise indicated. Where data is labelled as "audited" that indicates that the financial information has been extracted from the Company's audited financial statements for the year ended 31 December 2021. This condensed financial information has been prepared on historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets at the time these were acquired.

Notes to the condensed financial information for the nine-month period ended 30 September 2022 (continued)

4. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the condensed financial information requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing these condensed financial information, the significant judgments made by management in applying the Company's accounting policies, and the key sources of estimates uncertainty were the same as those applied in the Company's financial statements as at and for the year ended 31 December 2021.

5. Property and equipment

	30 September 2022 USD '000 (unaudited)	31 December 2021 USD '000 (audited)
Net book value at the beginning of the period/year	3,363,443	3,261,436
Additions	481,086	504,801
Reclassification to intangible assets*	(7,146)	-
Depreciation charge for the period/year	(284,672)	(392,473)
Impairment reversal/(charge) for the period/year**	274	(10,321)
Net book value at end of the period/year	3,552,985	3,363,443

Property and equipment include capital work in progress amounting to USD 330,705 thousand as at 30 September 2022 (31 December 2021: USD 389,062 thousand).

* Assets included in property and equipment in the previous year in the nature of intangible assets have been reclassified to intangible assets in accordance with the requirements of IAS 38 (note 7).

** The Company performed an impairment assessment and concluded that for certain assets, the recoverable amount was lower than the carrying value of the assets. In 2021, the Company recognised an impairment of USD 10,321 thousand. Impairment of certain assets amounting to USD 7,565 thousand have been reversed in the current period and charge amounting to USD 7,291 thousand resulting in a net reversal of USD 274 thousand.

6. Rights-of-use assets and lease liabilities

Rights-of-use assets

	30 September 2022 USD '000 (unaudited)	31 December 2021 USD '000 (audited)
Balance at the beginning of the period/year	34,384	39,301
Additions during the period/year	-	11,115
Lease modification*	-	7,743
Depreciation charge during the period/year	(12,361)	(23,775)
Balance at end of the period/year	22,023	34,384

**Notes to the condensed financial information
for the nine-month period ended 30 September 2022 (continued)**

6. Rights-of-use assets and lease liabilities (continued)

Lease liabilities

	30 September 2022 USD '000 (unaudited)	31 December 2021 USD '000 (audited)
Balance at the beginning of the period/year	39,348	40,112
Additions	-	11,115
Lease modification*	-	7,743
Accretion of interest	211	783
Payments	(11,609)	(20,405)
Balance at end of the period/year	27,950	39,348
<i>Disclosed as follows:</i>		
Current	17,273	20,317
Non-current	10,677	19,031
	27,950	39,348

* In 2021, the Company and the lessor agreed to amend the annual lease payments for an additional period of 2 years from the original contract period for lease of hire equipment. The Company accounted it as a lease modification and remeasured the lease liability to reflect the modified lease payments discounted at a revised incremental borrowing rate ("IBR") of 1.5%. This resulted in lease modification amounting to USD 7,743 thousand.

7. Intangible assets

	30 September 2022 USD '000 (unaudited)	31 December 2021 USD '000 (audited)
Net book value at the beginning of the period/year	-	-
Reclassified from property and equipment (note 5)	7,146	-
Amortisation charge for the period/year	(1,641)	-
Net book value at end of the period/year	5,505	-

Notes to the condensed financial information for the nine-month period ended 30 September 2022 (continued)

8. Inventories

	30 September 2022 USD '000 (unaudited)	31 December 2021 USD '000 (audited)
Inventories	196,841	200,183
Allowance for obsolete and slow-moving inventories	(28,468)	(25,158)
	168,373	175,025

Movement in the allowance for obsolete and slow-moving inventories:

	30 September 2022 USD '000 (unaudited)	31 December 2021 USD '000 (audited)
Balance at beginning of the period/year	25,158	20,377
Charge during the period/year	3,310	4,781
Balance at end of the period/year	28,468	25,158

9. Trade and other receivables

	30 September 2022 USD '000 (unaudited)	31 December 2021 USD '000 (audited)
Trade receivables	32,684	28,613
Advances	35,290	36,280
Accrued revenue	19,960	18,554
Prepayments	11,513	5,665
Other receivables	12,707	13,342
	112,154	102,454

10. Cash and cash equivalents

	30 September 2022 USD '000 (unaudited)	31 December 2021 USD '000 (audited)
Cash in bank	382,231	452,795
Cash on hand	376	306
	382,607	453,101

Included within cash in bank is an amount of USD 380,370 thousand (2021: USD 451,752 thousand) held by ADNOC. Cash held by ADNOC are funds held on behalf of the Company and are available on demand.

**Notes to the condensed financial information
for the nine-month period ended 30 September 2022 (continued)**

11. Share capital and statutory reserve

Ordinary share capital of USD: 0.0272294 (AED: 0.10) each

30 September 2022 USD '000 (unaudited)	31 December 2021 USD '000 (audited)
435,671	435,671

The movement in ordinary share capital and fully paid is as follows:

	30 September 2022		31 December 2021	
	Number of shares (‘000)	USD ‘000 (unaudited)	Number of shares (‘000)	USD ‘000 (audited)
Balance at beginning of the period/year	16,000,000	435,671	4,000	108,918
Share split (AED 100 to AED 0.10)	-	-	3,996,000	-
Capitalisation	-	-	12,000,000	326,753
Balance at end of the period/year	16,000,000	435,671	16,000,000	435,671

In 2021, the shareholders resolved to increase the ordinary share capital by USD 326,753 thousand by issuance of 12,000,000 thousand ordinary shares of AED 0.10 (USD: 0.0272294) each by way of capitalisation of retained earnings.

In accordance with the UAE Federal Law No. 2 of 2015 (as amended), and the Articles of Association of the Company, 10% of the profit is transferred to a non-distributable statutory reserve. Such transfer is required to be made until the reserve is equal to 50% of the paid up share capital.

12. Borrowings

Non-current
Syndicated loan

30 September 2022 USD '000 (unaudited)	31 December 2021 USD '000 (audited)
1,500,000	1,500,000

The borrowings presented in the condensed statement of financial position consist of the following:

Type	Currency	Interest rate	Year of maturity	30 September 2022 USD '000 (unaudited)	31 December 2021 USD '000 (audited)
Syndicated loan	USD	0.9% and one month LIBOR	2023	1,500,000	1,500,000

**Notes to the condensed financial information
for the nine-month period ended 30 September 2022 (continued)**

12. Borrowings (continued)

	30 September 2022 USD '000 (unaudited)	31 December 2021 USD '000 (audited)
First Abu Dhabi Bank (note 14)	375,000	375,000
Abu Dhabi Commercial Bank (note 14)	375,000	375,000
Sumitomo Mitsui Banking Corporation	375,000	375,000
Bank of American Merrill Lynch International Limited	75,000	75,000
Citibank	75,000	75,000
Mizuho Bank	75,000	75,000
Sgbsci SA	75,000	75,000
UniCredit Bank Austria AG	75,000	75,000
	1,500,000	1,500,000

On 24 October 2021, the Company entered into a syndicated Term and Revolving Facilities Agreement with multiple banks and financial institutions, for general corporate purpose and without limitation shall include payment of dividends, payments for products and services to develop integrated services abilities and the payment of transaction costs associated with the facilities.

The facilities carry a fixed margin of 0.8% over six-month LIBOR interest rate. The facilities terminate four (4) years from the date of the agreement. No drawdown has been made as at 30 September 2022 against these facilities.

	Facility A – Revolving Loan USD '000	Facility B – Term Loan USD '000
Abu Dhabi Commercial Bank	165,000	110,000
First Abu Dhabi Bank	165,000	110,000
J.P. Morgan Securities PLC	90,000	60,000
HSBC Bank Middle East	90,000	60,000
Bank of America Europe Designated Activity Company	60,000	40,000
Societe Generale	60,000	40,000
Emirates NBD Capital Limited	60,000	40,000
Goldman Sachs Bank USA	60,000	40,000
	750,000	500,000

Pursuant to the above-mentioned Term and Revolving Facilities Agreement, ADNOC, on 23 November 2021, terminated the Shareholder Loan of USD 1,250,000 thousand which was entered into by the Company via Shareholder Loan Agreement dated 16 August 2021.

**Notes to the condensed financial information
for the nine-month period ended 30 September 2022 (continued)**

13. Trade and other payables

	30 September 2022 USD '000 (unaudited)	31 December 2021 USD '000 (audited)
Accrued expenses	198,077	177,167
Trade payables	109,359	107,831
Retention payables	17,803	11,895
Deferred revenue	34,069	-
Accrual for employees' benefits	9,622	12,072
Pension payable	3,083	4,685
Other payables	1,157	1,263
	373,170	314,913
<i>Disclosed as follows:</i>		
Current	352,739	314,913
Non-current	20,431	-
	373,170	314,913

The average credit period is 60 days (2021: 60 days). The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

14. Related party balances and transactions

Related parties represent the Parent entity and its subsidiaries, directors and key management personnel of the Company and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

Balances with related parties at the end of reporting period comprise the following:

	30 September 2022 USD '000 (unaudited)	31 December 2021 USD '000 (audited)
Due from related parties (a)	15,719	81,607
Unbilled balances (b)	1,054,717	878,793
	1,070,436	960,400
(a) Due from related parties		
ADNOC Offshore	15,286	81,099
Abu Dhabi National Oil Company (ADNOC)	331	280
ADNOC Sour Gas	72	55
Al Dhafrah JV	20	21
ADNOC Refining	6	134
ADNOC Gas Processing	4	18
	15,719	81,607

**Notes to the condensed financial information
for the nine-month period ended 30 September 2022 (continued)**

14. Related party balances and transactions (continued)

(a) Due from related parties (continued)

At 30 September 2022, the Company had a significant concentration of credit risk, with one of the customer representing 97.2% (2021: one customer representing 99.4%) of related parties receivables outstanding at that date.

The ageing of the related party balances was as follows:

	30 September 2022 USD '000 (unaudited)	31 December 2021 USD '000 (audited)
Not past due	-	49,181
Due from 31 to 60 days	5,998	3,977
Due from 61 to 90 days	1,184	3,004
Due from more than 91 days	8,537	25,445
	15,719	81,607

(b) Unbilled balances

	30 September 2022 USD '000 (unaudited)	31 December 2021 USD '000 (audited)
ADNOC Onshore	846,188	653,799
ADNOC Offshore	206,286	223,776
ADNOC Sour Gas	1,864	863
Al Dhafra JV	379	355
	1,054,717	878,793

Due to related parties

	30 September 2022 USD '000 (unaudited)	31 December 2021 USD '000 (audited)
ADNOC Onshore	501,450	231,154
Abu Dhabi National Oil Company for Distribution	78,507	76,403
Abu Dhabi National Oil Company (ADNOC)	16,536	19,580
ADNOC Logistics & Services	2,411	5,244
ADNOC Refining	2,395	1,015
	601,299	333,396

The balances due to/from related parties are non-interest bearing and are payable/receivable on demand.

Notes to the condensed financial information for the nine-month period ended 30 September 2022 (continued)

14. Related party balances and transactions (continued)

	30 September 2022 USD '000 (unaudited)	31 December 2021 USD '000 (audited)
Loan from related parties (note 12)		
First Abu Dhabi Bank	375,000	375,000
Abu Dhabi Commercial Bank	375,000	375,000
	750,000	750,000

	30 September 2022 USD '000 (unaudited)	31 December 2021 USD '000 (audited)
Cash and cash equivalents (note 10)		
Abu Dhabi National Oil Company (ADNOC)	380,370	451,752
First Abu Dhabi Bank	1,773	932
Abu Dhabi Commercial Bank	88	111
	382,231	452,795

Significant transactions with related parties during the period are as follows:

	Three-month ended 30 September 2022 USD '000 (unaudited)	Three-month ended 30 September 2021 USD '000 (unaudited)	Nine-month ended 30 September 2022 USD '000 (unaudited)	Nine-month ended 30 September 2021 USD '000 (unaudited)
Revenue				
ADNOC Onshore	406,873	304,510	1,177,565	930,821
ADNOC Offshore	277,886	234,103	730,177	664,901
ADNOC Sour Gas	34	-	464	246
Al Dhafrah JV	68	85	123	205
ADNOC	-	18,147	-	54,739
	684,861	556,845	1,908,329	1,650,912
Purchases				
ADNOC Distribution	46,897	25,052	111,156	57,235
ADNOC	8,683	3,505	24,454	14,895
ADNOC Logistics & Services	1,963	2,232	8,066	6,698
	57,543	30,789	143,676	78,828
Lease payments				
ADNOC	-	-	10,438	10,559

Notes to the condensed financial information for the nine-month period ended 30 September 2022 (continued)

14. Related party balances and transactions (continued)

	Three-month ended 30 September 2022 USD '000 (unaudited)	Three-month ended 30 September 2021 USD '000 (unaudited)	Nine-month ended 30 September 2022 USD '000 (unaudited)	Nine-month ended 30 September 2021 USD '000 (unaudited)
Key management compensation	1,124	625	5,643	3,252

15. Revenue

The Company derives its revenue from providing the drilling and oilfield services over time in the following major service lines:

	Three-month ended 30 September 2022 USD'000 (unaudited)	Three-month ended 30 September 2021 USD'000 (unaudited)	Nine-month ended 30 September 2022 USD'000 (unaudited)	Nine-month ended 30 September 2021 USD'000 (unaudited)
Drilling and oilfield services	669,766	565,757	1,933,676	1,686,224
Facilitation of rigs rental	657	5,104	6,386	8,112
	670,423	570,861	1,940,062	1,694,336

As at 30 September 2022, the Company doesn't have any unsatisfied performance obligations that will be recognised as revenue during the next financial period. The amount disclosed above does not include variable consideration which is constrained.

16. Finance cost – net

	Three-month ended 30 September 2022 USD'000 (unaudited)	Three-month ended 30 September 2021 USD'000 (unaudited)	Nine-month ended 30 September 2022 USD'000 (unaudited)	Nine-month ended 30 September 2021 USD'000 (unaudited)
Finance income	3,827	237	4,121	674
Less: finance cost	(12,549)	(4,286)	(23,624)	(13,385)
	(8,722)	(4,049)	(19,503)	(12,711)

Notes to the condensed financial information for the nine-month period ended 30 September 2022 (continued)

17. Dividends

On 16 March 2021, the shareholders approved a declaration of dividend amounting to USD 700,000 thousand pertaining to 2020, in accordance with the Shareholders' Agreement in the relevant shareholding portions of USD 665,000 thousand for ADNOC and USD 35,000 thousand for Baker Hughes Holdings SPV LTD. The dividend was paid during the prior period.

On 21 August 2021, the shareholders approved declaration of interim dividend for 2021 amounting to USD 360,300 thousand in accordance with the Shareholders' Agreement in the relevant shareholding portions of USD 342,285 thousand for ADNOC and USD 18,015 thousand for Baker Hughes Holdings SPV LTD. The dividend was fully paid on 30 August 2021.

The Board of Directors, in their meeting held on 10 February 2022, proposed a final cash dividend of AED 7.46 fils per share amounting to USD 325,000 thousand for the year ended 31 December 2021 which was approved by shareholders at the Annual General Meeting held on 20 April 2022. The dividend was paid during the current period.

The Board of Directors, in their meeting held on 8 August 2022, approved an interim cash dividend of 7.83275 fils per share amounting to USD 341,250 thousand. The dividend was paid during the current period.

18. Commitments and contingencies

The Company has the following commitments and contingent liabilities outstanding at 30 September 2022 and 31 December 2021:

	30 September 2022 USD '000	31 December 2021 USD '000
Capital commitments – rigs procurement	267,416	89,659
Bank guarantees	90	87

The above commitments and bank guarantees were issued in the normal course of business. Capital commitments relate to ongoing and proposed projects towards procurement of rigs, cementing, wireline, drilling system, coil tubing and other major projects across all operating segments.

19. Seasonality of results

The Company is not particularly exposed to seasonality of operations. Revenue and operating profits are evenly spread throughout the year.

20. Segment reporting

Information regarding the Company's operating segments is set out below in accordance with IFRS 8 *Operating Segments*. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the Chief Executive Officer, as the Chief Operating Decision Maker (CODM), in order to allocate resources to the segment and to assess its performance. Information reported to the Chief Executive Officer for the purpose of resource allocation and assessment of segment performance focuses on the financial performance of each business segment and property and equipment only. No information that includes the segments' assets (excluding property and equipment) and liabilities are reported to the Chief Executive Officer.

Notes to the condensed financial information for the nine-month period ended 30 September 2022 (continued)

20. Segment reporting (continued)

For management purpose the Company is organised into four operating segments, all of which are referred to as 'business units':

Onshore segment is the largest segment with land rigs, water wells, work over rigs deployed mainly across ADNOC Onshore with a few rigs also assigned to other concessions within the ADNOC group.

Offshore Jackup with owned jackups and some rentals predominantly meeting the ADNOC Offshore drilling needs with a few rigs also assigned to other concessions within the ADNOC group.

Offshore Island rigs is the third largest segment representing the Island part of ADNOC Offshore's requirement.

Oilfield Services (OFS) segment was created through the partnership with Baker Hughes in late 2018 and provides other services.

The Company operates solely in United Arab Emirates and accordingly no further geographical analysis of revenue, profit, assets and liabilities has been provided.

The revenue reported represents revenue generated from external customers only. There were no inter-segment sales in current or previous period.

Earnings before interest, tax, depreciation and amortisation "EBITDA" is the measure of the profitability being reviewed by the CODM which is the profit for the period before finance cost, net (both of which are as presented in condensed statement of profit or loss and other comprehensive income) depreciation, amortisation and impairment.

Refer to note 14 for analysis of revenue from major customers.

Notes to the condensed financial information
for the nine-month period ended 30 September 2022 (continued)

20. Segment reporting (continued)

	Three-month ended 30 September 2022					Three-month ended 30 September 2021				
	Onshore		Offshore		Total	Onshore		Offshore		Total
	USD '000	Jackup USD '000	Island USD '000	OFS USD '000		USD '000	Jackup USD '000	Island USD '000	OFS USD '000	
Revenue	372,215	142,924	52,050	103,234	670,423	279,670	156,835	60,683	73,673	570,861
Direct cost*	(159,101)	(52,832)	(9,897)	(85,778)	(307,608)	(131,953)	(43,203)	(10,836)	(49,651)	(235,643)
Gross profit	213,114	90,092	42,153	17,456	362,815	147,717	113,632	49,847	24,022	335,218
General and administrative expenses*	(37,733)	(20,561)	(6,854)	-	(65,148)	(30,234)	(14,024)	(6,422)	-	(50,680)
Other income, net	1,080	209	69	-	1,358	369	63	103	20	555
EBITDA	176,461	69,740	35,368	17,456	299,025	117,852	99,671	43,528	24,042	285,093

EBITDA is reconciled to profit for the period as follows:

	Three-month ended 30 September 2022					Three-month ended 30 September 2021				
	Onshore USD '000	Offshore Jackup USD '000	Offshore Island USD '000	OFS USD '000	Total USD '000	Onshore USD '000	Offshore Jackup USD '000	Offshore Island USD '000	OFS USD '000	Total USD '000
EBITDA	176,461	69,740	35,368	17,456	299,025	117,852	99,671	43,528	24,042	285,093
Depreciation, amortisation and impairment reversal in direct cost	(38,180)	(34,320)	(11,093)	(13,821)	(97,414)	(39,647)	(33,054)	(10,865)	(12,788)	(96,354)
Depreciation and amortisation in general and administrative expense	(2,373)	(1,292)	(430)	-	(4,095)	(3,088)	(2,204)	(990)	-	(6,282)
Total depreciation and amortisation	(40,553)	(35,612)	(11,523)	(13,821)	(101,509)	(42,735)	(35,258)	(11,855)	(12,788)	(102,636)
Finance cost, net	(5,235)	(2,615)	(872)	-	(8,722)	(3,488)	(354)	(207)	-	(4,049)
Profit for the period	130,673	31,513	22,973	3,635	188,794	71,629	64,059	31,466	11,254	178,408

*excludes depreciation, amortisation and impairment.

Notes to the condensed financial information for the nine-month period ended 30 September 2022 (continued)

20. Segment reporting (continued)

	Nine-month ended 30 September 2022					Nine-month ended 30 September 2021				
	Onshore USD '000	Offshore Jackup USD '000	Offshore Island USD '000	OFS USD '000	Total USD '000	Onshore USD '000	Offshore Jackup USD '000	Offshore Island USD '000	OFS USD '000	Total USD '000
Revenue	1,073,993	431,072	153,312	281,685	1,940,062	847,173	450,236	166,268	230,659	1,694,336
Direct cost*	(447,002)	(152,673)	(41,164)	(233,651)	(874,490)	(385,139)	(123,294)	(41,071)	(183,631)	(733,135)
Gross profit	626,991	278,399	112,148	48,034	1,065,572	462,034	326,942	125,197	47,028	961,201
General and administrative expenses*	(114,018)	(58,635)	(19,545)	-	(192,198)	(107,507)	(57,673)	(20,972)	-	(186,152)
Other income, net	3,686	1,243	408	6	5,343	5,864	2,699	982	20	9,565
EBITDA	516,659	221,007	93,011	48,040	878,717	360,391	271,968	105,207	47,048	784,614

EBITDA is reconciled to profit for the period as follows:

	Nine-month ended 30 September 2022					Nine-month ended 30 September 2021				
	Onshore USD '000	Offshore Jackup USD '000	Offshore Island USD '000	OFS USD '000	Total USD '000	Onshore USD '000	Offshore Jackup USD '000	Offshore Island USD '000	OFS USD '000	Total USD '000
EBITDA	516,659	221,007	93,011	48,040	878,717	360,391	271,968	105,207	47,048	784,614
Depreciation, amortisation and impairment reversal in direct cost	(109,766)	(105,466)	(32,981)	(38,043)	(286,256)	(118,087)	(100,485)	(32,561)	(31,424)	(282,557)
Depreciation and amortisation in general and administrative expense	(2,636)	(1,663)	(554)	-	(4,853)	(17,832)	(8,447)	(3,071)	-	(29,350)
Total depreciation and amortisation	(112,402)	(107,129)	(33,535)	(38,043)	(291,109)	(135,919)	(108,932)	(35,632)	(31,424)	(311,907)
Finance cost, net	(11,703)	(5,850)	(1,950)	-	(19,503)	(8,683)	(2,954)	(1,074)	-	(12,711)
Profit for the period	392,554	108,028	57,526	9,997	568,105	215,789	160,082	68,501	15,624	459,996

*excludes depreciation, amortisation and impairment.

**Notes to the condensed financial information
for the nine-month period ended 30 September 2022 (continued)**

20. Segment reporting (continued)

The following table represents segment assets for the Company's operating segments as reviewed by CODM:

	Onshore USD '000	Offshore Jackup USD '000	Offshore Island USD '000	OFS USD '000	Total USD '000
30 September 2022 (unaudited)					
Property and equipment	1,012,909	1,695,763	186,014	507,632	3,402,318
31 December 2021 (audited)					
Property and equipment	940,129	1,669,016	251,156	503,142	3,363,443

21. Basic and diluted earnings per share

Earnings per share (EPS) amounts are calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of share outstanding during the period.

	Three-month ended 30 September 2022 USD'000 (unaudited)	Three-month ended 30 September 2021 USD'000 (unaudited)	Nine-month ended 30 September 2022 USD'000 (unaudited)	Nine-month ended 30 September 2021 USD'000 (unaudited)
Profit attributable to shareholders of the Company (USD'000)	188,794	178,408	568,105	459,996
Weighted average number of shares for the purpose of basic earnings per share	16,000,000	16,000,000	16,000,000	16,000,000
Earnings per share (USD'000)	0.0118	0.0112	0.0355	0.0287

There are no dilutive securities, therefore diluted EPS is the same as basic EPS. The weighted average number of shares outstanding at 30 September 2021 are adjusted proportionately as if the share split and capitalisation had taken place at the start of the earliest period for which EPS is presented.

22. Approval of condensed financial information

These condensed financial information were approved by the Board of Directors and authorised for issue on 11 November 2022.