ADNOC Drilling

ADNOC DRILLING COMPANY P.J.S.C.

First Quarter 2025 Earnings

Management Discussion & Analysis Report

May 8, 2025

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Financial Highlights and Post-Period Events

Financial Summary

ADNOC Drilling Company P.J.S.C. (“ADNOC Drilling” or the “Company”) delivered strong results in the first quarter of 2025 with revenue growing 32% year-on-year to $1,170 million, driven by the expansion of its operations. The strong top-line translated into EBITDA of $533 million, an increase of 22% year-on-year with net profit of $341 million, increasing 24% year-on-year.

Revenue increased by c.7% sequentially, after adjusting for fewer calendar days in the first quarter and excluding approximately $80 million from 4Q 2024, previously disclosed, mainly related to activity phasing in the oilfield services (“OFS”) and certain cost reimbursements in Onshore. Under the same assumptions, EBITDA and net profit were broadly stable sequentially.

The Company’s strong performance in the quarter was mainly driven by the full operational impact of rigs commissioned in stages over the course of last year. Moreover, the unconventional business contributed around $152 million to revenue in the first quarter, an increase of 30% sequentially, spread between $122 million in OFS and $30 million in the onshore segment. For phase 1 of the unconventional project (i.e., the $1.7 billion contract awarded to ADNOC Drilling), we anticipate that the cumulative contribution will be around 80% to OFS and 20% to Onshore for land drilling. On a quarterly basis, the performance of unconventional can be subject to variations related to service mix, volume of drilling and services provided, etc.

For the first quarter of 2025, free cash flow stood at $319 million, compared to $153 million in the same quarter last year, driven by an increase in cash generated from operating activities, supported by EBITDA growth and working capital optimization. In the first quarter, the free cash flow included Enersol’s acquisition of 95% equity stake in Deep Well Services for $94 million.

At the end of first quarter of 2025, the fleet consisted of 142 rigs, up from 137 rigs a year ago. Two jack-up rigs entered the fleet at the end of December 2024 and are expected to contribute to revenue upon commencing operations not earlier than the end of the second quarter of 2025. The overall owned fleet availability was 96% at the end of the quarter.

OFS number of integrated drilling services (“IDS”) rigs stood at 57, compared to 49 in first quarter of 2024. Moreover, the segment offered at least one discrete service to an additional 48 rigs between Onshore and Offshore in the first quarter. All in all, oilfield services are offered to 105 rigs, and this coverage is expected to further increase over time.

2024 final dividend distribution, and transition to quarterly dividend distributions

On March 18, 2025, at the Annual General Meeting, Company shareholders approved all the agenda items, including the distribution of the final cash dividend payment for the year ended December 31, 2024. The final shareholder-approved cash dividend payment for 2024 amounted to $394 million (c.9.05 fils per share) and has been made in April 2025. This has brought the total 2024 dividend to $788 million (c.18.1 fils per share), representing a 10% year-on-year increase versus 2023.

On May 7, 2025, the Board of Directors approved dividends to be paid quarterly. The first quarterly dividend payment for 2025 will be for an amount of $217 million (approx. 5 fils per share) and is expected to be paid on or around May 28, 2025, to all shareholders of record as of May 19, 2025. For each of the following three quarterly distributions for 2025, the amount of $217 million will be a floor. As per dividend policy, the Board of Directors, at its discretion, may approve additional dividends over and above the progressive dividend floor after considering free cash flow accretive growth opportunities. *More information on dividends is available on page 16.*

Enersol: Closing of the acquisition of 95% equity stake in Deep Well Services ("DWS")

During the quarter, on March 27, 2025, Enersol completed the acquisition of the 95% equity stake in Deep Well Services ("DWS"). This is the fourth acquisition completed by Enersol since its inception.

Taxation

The Company accrued $33 million in taxes in the first quarter of 2025, following the introduction of a 9% income tax from January 1, 2024, offset by corresponding revenues from clients. The Company is closely monitoring proposed changes in the federal tax framework. Currently, no material impacts are expected for ADNOC Drilling.

Post-Period Events - Subsequent to the First Quarter

ADNOC Drilling Awarded $1.63 Billion, Five-Year Integrated Drilling Services Contract

On April 17,2025, ADNOC Drilling announced it has received a letter of award for a $1.63 billion, five-year contract for Integrated Drilling Services (IDS) from ADNOC Offshore. This contract supports the growing Oilfield Services segment, and its economic impact is already included in the current 2025 and 2026 revenue guidance, underpinning the visibility of future revenue and in support of our financial targets.

ADNOC Drilling Awarded $806 Million Long-Term Contract for 3 Newbuild Island Rigs

On May 5, 2025, ADNOC Drilling announced that it has been awarded a contract for three island rigs by ADNOC Offshore for an estimated total contract value of $806 million to support expanding operations at the offshore Zakum development project. These three rigs are in addition to three ordered in July 2024.

The contract will follow existing agreements that generate long-term revenue and attractive returns. The three new island rigs will operate on ADNOC's existing and newly constructed innovative artificial islands for drilling and completion of wells.

This new generation of island rigs, expected to gradually join the fleet between 2027 and 2028, will be developed through a strategic collaboration between ADNOC Drilling and Honghua Group. The partnership is formed specifically to embed the transformative power of AI, advanced digitalization and real-time analytics into rig design and operations.

The capital expenditure for acquiring these new island rigs is currently expected to be broadly similar to that of the three island rigs announced in July 2024.

Key Financials

USD Million	1Q25	1Q24	*YoY*	4Q24	*QoQ*
Revenue	**1,170**	**886**	**32%**	**1,187**	**-1%**
Opex[1]	(640)	(451)	42%	(594)	8%
Share of profit of joint ventures[2]	3	2	50%	3	0%
EBITDA[3]	**533**	**437**	**22%**	**596**	**-11%**
Depreciation and amortization	(130)	(107)	21%	(120)	8%
Finance cost-net	(29)	(28)	4%	(32)	-9%
Taxes	(33)	(27)	22%	(45)	-27%
Net profit	**341**	**275**	**24%**	**399**	**-15%**
EBITDA margin	46%	49%	-3%	50%	-4%
Conventional EBITDA margin[4]	*51%*	*49%*	*2%*	*55%*	*-4%*
Net profit margin	29%	31%	-2%	34%	-5%
Conventional net profit margin[4]	32%	31%	1%	37%	-5%
Cash generated from operating activities	521	347	50%	474	10%
Capital Expenditure[5]	(91)	(110)	-17%	(215)	-58%
Investment in joint ventures	(114)	(88)	NM	(62)	84%
Free cash flow	319	153	108%	200	60%
Total equity	3,752	3,181	18%	3,810	-2%
Net debt[6]	2,117	2,071	2%	1,990	6%
Earnings per Share ($ per Share)[7]	0.0213	0.0172	24%	0.0249	-15%
Capital employed	6,321	5,690	11%	6,333	0%
Return on capital employed	24%	20%	4%	23%	-1%
Net debt to LTM EBITDA	1.0	1.3	(0.3)	1.0	-
Leverage ratio	36%	39%	-3%	34%	-2%
Return on equity	37%	34%	3%	34%	-3%

NM = Not Meaningful
(1) Opex includes allocation of G&A expenses and other income
(2) Includes ADNOC Drilling's 51% of Enersol's net profit, accounted for in OFS, and the 55% of Turnwell's net profit from unconventional business, related to both land rig operations and OFS
(3) EBITDA represents Earnings Before Interest, Tax, Depreciation and Amortization
(4) Conventional EBITDA and Net Profit margins exclude the contribution from the unconventional business. On a quarterly basis, the performance of unconventional can be subject to variations related to service mix, volume of drilling and services provided, etc.
(5) Cash payments for purchase of property and equipment including prepaid delivery payments, excluding CapEx accruals *(see page 12 for more details)*
(6) Interest bearing liabilities less cash and cash equivalents
(7) Calculated on the weighted average number of shares outstanding, excluding treasury shares

Segmental Results

Onshore

USD Million	1Q25	1Q24	*YoY*	4Q24	*QoQ*
Revenue	494	411	20%	554	-11%
Opex[1]	(248)	(221)	12%	(270)	- 8%
Share of profit of joint venture[2]	0	-	NM	1	NM
EBITDA[3]	246	190	29%	285	-14%
EBITDA margin	*50%*	*46%*	*4%*	*51%*	*-1%*
Net profit	168	130	29%	201	-16%
Net profit margin	*34%*	*32%*	*2%*	*36%*	*-2%*

(1) Opex includes allocation of G&A expenses and other income
(2) Includes ADNOC Drilling's 55% of Turnwell's net profit related to land rig operations for unconventional business
(3) Underlying EBITDA includes other income

First Quarter (Year-on-Year Performance)

First quarter revenue increased 20% year-on-year to $494 million from $411 million, mainly due to new rigs commencing operations and a $30 million contribution from unconventional activity related to land drilling.

Operating expenses increased relatively less than revenue to $248 million from $221 million in the same quarter last year, mainly due to cost optimization.

The combination of the above led to an EBITDA increase of 29% year-on-year to $246 million, with margin expansion by 4-percentage points to 50%. Net profit also increased 29% year-on-year to $168 million from $130 million in the same quarter last year, with margin expansion by 2-percentage points to 34%.

First Quarter (Sequential Performance)

Onshore revenue decreased 11% sequentially to $494 million in the first quarter from $554 million, primarily due to the positive impact from certain cost reimbursements in the fourth quarter, previously disclosed. Moreover, the first quarter of 2025 had two fewer calendar days than the fourth quarter. Adjusted for the elements above, revenue slightly decreased sequentially, driven by the phasing of unconventional activity which posted $30 million revenue in 1Q25 compared to $48 million in 4Q24.

Operating expenses decreased 8% quarter-on-quarter.

EBITDA decreased 14% sequentially to $246 million from $285 million, mainly driven by the revenue trend mentioned earlier which was impacted by certain cost reimbursements in the fourth quarter and fewer calendar days in the first quarter. Adjusted for these elements, EBITDA decreased slightly sequentially.

Net profit decreased 16% sequentially to $168 million from $201 million, primarily driven by the EBITDA movement.

Offshore (Jack-up & Island)

USD Million	1Q25	1Q24	*YoY*	4Q24	*QoQ*
Revenue	334	329	2%	320	4%
Opex[1]	(98)	(116)	-16%	(91)	8%
EBITDA[2]	236	213	11%	229	3%
EBITDA margin	*71%*	*65%*	*6%*	*72%*	*-1%*
Net profit	146	131	11%	138	6%
Net profit margin	*44%*	*40%*	*4%*	*43%*	*1%*

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

Note: as previously disclosed, starting from this quarter, the Company consolidated the Offshore Jack-up and Offshore Island businesses into a single "Offshore" segment.

First Quarter (Year-on-Year Performance)

First quarter revenue increased 2% year-on-year to $334 million from $329 million, mainly due to higher activity from the reactivation of island rigs for Hail and Ghasha project. The two jack-ups added to the fleet in the fourth quarter of 2024 are expected to contribute to revenue not earlier than the end of the second quarter, after commencement of operations.

Operating expenses reached $98 million, a 16% year-on-year reduction. This was primarily driven by the realization of cost optimization initiatives.

As a result, EBITDA grew 11% year-on-year to $236 million, with a margin expansion of 6 percentage points to 71%. Net profit was up 11% to $146 million with a margin expansion by 4 percentage points to 44%.

First Quarter (Sequential Performance)

Revenue in the first quarter increased 4% sequentially to $334 million from $320 million, as the fourth quarter had higher major maintenance for a few rigs.

Operating expenses increased 8% sequentially to $98 million from $91 million in the prior quarter, mainly due to higher repair and maintenance costs compared to the previous quarter.

As a result, EBITDA increased 3% sequentially to $236 million from $229 million.

Net profit increased 6% quarter-on-quarter, reaching $146 million from $138 million, mainly driven by the increase in EBITDA.

Oilfield Services

USD Million	1Q25	1Q24	*YoY*	4Q24	*QoQ*
Revenue	342	146	134%	313	9%
Opex[1]	(294)	(114)	158%	(233)	26%
Share of profit of joint ventures[2]	3	2	NM	2	NM
EBITDA[3]	51	34	50%	82	-38%
EBITDA margin	15%	23%	-8%	26%	-11%
Net profit	27	14	93%	60	-55%
Net profit margin	8%	10%	-2%	19%	-11%

NM = Not Meaningful
(1) Opex includes allocation of G&A expenses and other income
(2) Includes ADNOC Drilling's 51% of Enersol's net profit, and the 55% of Turnwell's net profit from unconventional business related to OFS operations
(3) Underlying EBITDA includes other income

First Quarter (Year-on-Year Performance)

First quarter revenue surged 134% to $342 million from $146 million in the same period last year, mainly driven by $122 million revenue from the unconventional business, coupled with increased IDS activity and provision of more discrete services. The number of IDS rigs stood at 57, growing from 49 rigs in the same quarter last year. Moreover, the segment offered at least one discrete service to an additional 48 rigs in the first quarter.

Operating expenses increased by 158% to $294 million from $114 million, driven by the unconventional business and discrete services activity mix.

Additionally, the segment reported a $3 million positive contribution from the joint ventures Enersol and Turnwell (referred to as "Share of profit of joint ventures").

As a result, EBITDA increased 50% year-on-year to $51 million and net profit increased 93% from $14 million to $27 million.

First Quarter (Sequential Performance)

First quarter revenue increased 9% sequentially to $342 million from $313 million, mainly driven by higher unconventional and IDS activity and despite the positive phasing in the fourth quarter of approximately $50 million related to directional drilling and pressure pumping.

Revenue for phase 1 of unconventional is fully recorded by ADNOC Drilling, with the majority being in OFS and the minority in Onshore. In the first quarter of 2025, the OFS segment revenue included $122 million from unconventional business.

Operating expenses amounted to $294 million, a 26% sequential increase, driven by the higher activity mentioned above.

Overall, EBITDA decreased 38% sequentially to $51 million. Excluding the positive phasing from the fourth quarter, EBITDA would have decreased sequentially by single digit, primarily due to a more favorable activity mix in the fourth quarter (e.g. directional drilling).

Net profit decreased 55% sequentially, with the large majority of the decrease driven by the positive phasing in 4Q2024.

Operating Working Capital

USD Million	31 Mar 25	31 Mar 24	YoY %	31 Dec 24	QoQ %
Current Assets[1]	**1,913**	**1,460**	**31%**	**1,770**	**8%**
Inventories	244	217	12%	223	9%
Trade & other receivables	136	136	0%	186	-27%
Due from related parties	1,533	1,107	38%	1,361	13%
Current Liabilities[2]	**1,575**	**1,119**	**41%**	**1,448**	**9%**
Trade & other payables	1,226	854	44%	1,197	2%
Due to related parties	349	265	32%	251	39%
Operating Working Capital	**338**	**341**	**-1%**	**322**	**5%**

(1) Excludes cash and bank balances
(2) Excludes lease liabilities

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

Operating working capital stood at $338 million in the first quarter of 2025, broadly flat compared to the prior year. The increase in receivables, driven by new operating land rigs and unconventional, was offset by the phasing of capital expenditure-related payments at quarter end.

Working capital increased 5% sequentially, mainly driven by an increase in unconventional business partially offset by our continued focus on collections.

Net working capital as a percentage of revenue stood at around 8% at the end of the first quarter of 2025. The normalized ratio was 12%, adjusted for the impact from phasing of capital expenditure-related payments at quarter-end and for the unwinding of the lease liability to payables at year-end 2024.

The Company expects to maintain a net working capital to revenue ratio broadly stable at around 12% in the medium term.

Free Cash Flow

USD Million	1Q25	1Q24	YoY	4Q24	QoQ
Cash from operating activities	516	347	50%	474	10%
Cash used in investing activities[1]	(202)	(194)	4%	(274)	-26%
Free Cash Flow	**319**	**153**	**108%**	**200**	**60%**

NM = Not Meaningful

See Appendix 1 (Glossary) for the calculation of certain metrics referred to above.
(1) Cash payments for purchase of property and equipment (including prepaid delivery payments, excluding capex accruals), and investments in joint ventures

Free cash flow stood at $319 million in the first quarter of 2025, increasing by 108% from $153 million in the first quarter of 2024. This was mainly attributable to improved collections in the current quarter.

Investing activities were marginally higher year-on-year; the Company contributed $94 million cash to the JV Enersol for the acquisition of the 95% equity stake in Deep Well Services at the end of the first quarter, whereas in the first quarter of 2024 the acquisition of the 25% of Gordon technologies required a lower cash contribution of $88 million in Enersol by the Company.

Free cash flow improved sequentially from $200 million in the fourth quarter of 2024 to $319 million in the first quarter of 2025, mainly due to increased collections and lesser CapEx payments.

Balance Sheet

USD Million	31 Mar 25	31 Mar 24	YoY %	31 Dec 24	QoQ %
Total Assets	**7,882**	**6,809**	**16%**	**7,766**	**2%**
Non-current assets	5,704	5,092	12%	5,660	1%
Current assets[1]	1,913	1,460	31%	1,770	8%
Assets Held for sale	6	11	100%	6	0%
Cash and cash equivalents	259	246	5%	330	-22%
Total Liabilities	**4,130**	**3,628**	**14%**	**3,956**	**4%**
Non-current liabilities	1,684	2,438	-31%	1,695	-1%
Current liabilities	2,446	1,190	106%	2,261	8%
Total Equity	**3,752**	**3,181**	**18%**	**3,810**	**-2%**
Share capital	436	436	0%	436	0%
Treasury shares	(10)	0	NM	(5)	100%
Statutory Reserve	218	218	0%	218	0%
Retained earnings	3,108	2,527	23%	3,161	-2%
Total Equity and Liabilities	**7,882**	**6,809**	**16%**	**7,766**	**1%**

NM = Not Meaningful
(1) Excludes cash and bank balances

Total assets for the period ended March 31, 2025, amounted to $7,882 million, an increase of 16% year-on-year from $6,809 million. This growth is mainly driven by a 12% increase in non-current assets to $5,704 million from $5,092 million from rig acquisitions associated with the fleet expansion program and cash contributions to Enersol to fund its acquisitions. Additionally, the overall increase in activity resulted in a 31% increase in current assets from $1,460 million to $1,913 million.

Cash and cash equivalents were broadly stable year-on-year at $259 million from $246 million.

As of March 31, 2025, the Company's liquidity headroom (including unutilized syndicated term and revolving facilities) was around $1.16 billion.

Total liabilities increased 14% to $4,130 million as of March 31, 2025, from $3,628 million at the end the first quarter 2024. This increase was primarily driven by a rise in current liabilities from $1,190 million to $2,446 million, which was partially offset by a decrease in non-current liabilities from $2,438 million to $1,684 million.

A term loan of $500 million was reclassified in the fourth quarter of 2024 from a non-current liability to a current liability due to its maturity within 12 months. The Company plans to refinance this facility before it matures. Additionally, drawdowns amounting to AED 1,300 million against the Company's available facilities have been recorded as current liabilities.

Excluding these loan facilities, current liabilities would have increased by $402 million due to higher trade payables from CapEx accruals and deferred mobilization liabilities for new rigs.

As of March 31, 2025, the Company has a $1,500 million term loan recorded as a non-current liability.

The reclassification of drawn facilities between non-current and current liabilities resulted in an increase in current liabilities from $1,190 million as of March 2024 to $2,446 million as of March 2025. Correspondingly, non-current liabilities decreased from $2,438 million to $1,684 million over the same period.

Total assets for the period ended March 31, 2025, grew 2% sequentially to $7,882 million from $7,766 million at the end of December 2024. Non-current assets marginally increased to $5,704 million from $5,660 million, driven by Enersol's acquisition of 95% equity stake in Deep Well Services for $94 million in the first quarter of 2025. Current assets rose to $1,913 million from $1,770 million, primarily due to increased activity.

Total liabilities increased 4% sequentially to $4,130 million from $3,956 million, resulting from an increase in activities and partial drawdown of the Emirati dirham revolving credit facility for AED 200 million ($54 million equivalent).

Capital Expenditure

Capital expenditure (CapEx), including accruals, amounted to $58 million in the first quarter of 2025.

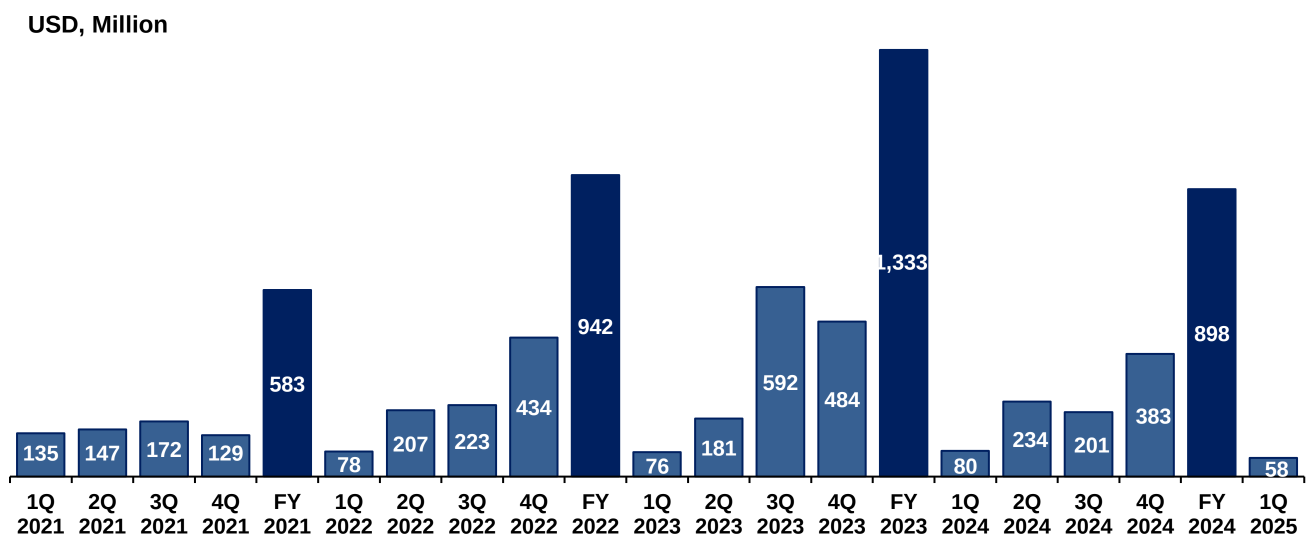
Rig purchases are usually spread out over at least two milestones with the first payment at signing of the sale and purchase agreement, whereas the final payment is then made on transfer of the title of the rig to the Company.

ADNOC Drilling expects CapEx to be in a range between $0.35 - $0.55 billion for 2025, and this 2025 CapEx guidance only includes maintenance CapEx and new island rigs.

The Company anticipates making additional inorganic growth investments in our JV Enersol of close to $0.4 billion for the rest of 2025, assuming the completion of transactions by Enersol totaling $1.5 billion since its inception. As a reminder, a total cumulative cash investment in Enersol of $359 million has been made by ADNOC Drilling as at March 31,2025.

As a directional indication, total CapEx, including mergers and acquisitions (such as the full investment in Enersol and potential regional expansion), could exceed $1 billion in 2025.

Quarterly and Annual Capital Expenditure



ADNOC Drilling

Operational Highlights

Drilling Services

USD Million	1Q25	1Q24	*YoY*	4Q24	*QoQ*
Fleet	142	**137[1]**	**4%**	**142**	**-**
Onshore	95	92[1]	3%	95	-
Offshore	47	45	4%	47	-
o/w Jack-up	37	35	6%	37	-
o/w Island	10	10	0%	10	-
Rented rigs	11	11	0%	13	-15%
Rigs Availability*	96%	**97%**	**-1%**	**96%**	**-**
Onshore	97%	97%	0%	97%	-
Offshore	95%	99%	-4%	94%	1%
Number of Wells Drilled*	184	**139**	**32%**	**214**	**-14%**
Onshore	149	117	27%	180	-17%
Offshore	35	22	60%	34	2%

(1) Includes 4 lease-to-own land rigs. In Q4 2024, the Company agreed with our supplier to purchase four lease-to-own land rigs. These rigs remain in the fleet count but are no longer considered leased assets.

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

The Company had a fleet of 142 rigs with an overall availability of 96% at the end of the first quarter of 2025.

Key operational highlights for this period include the following:

- As of the end of the first quarter of 2025, 34 wells of the 144 well program for Phase 1 have been drilled.
- Two new jack-up rigs which entered the fleet at the end of December 2024 are expected to gradually commence operations in the second quarter of 2025.
- The number of IDS rigs increased by 8 rigs from 49 rigs in the first quarter of 2024 to 57 rigs in the first quarter 2025; offered at least one discrete service to an additional 48 rigs.
- Achieved TRIR frequency of 0.58 against a target of 0.61 for 1Q 2025.

1Q 2025 Highlights:

- AD-88 completed the fastest workover well in 20.27 actual days vs 29.83 planned days, saving 9.56 days.
- Al Hail completed 17 years of LTI free operation.

Oilfield Services (OFS)

- The number of IDS rigs increased by 8 from 49 rigs in the first quarter of 2024 to 57 rigs in the first quarter of 2025.
- The segment offered at least one discrete service to an additional 48 rigs between onshore and offshore in the first quarter. All in all, oilfield services are offered to 105 rigs.
- 23% overall improvement in IDS drilling efficiency for 1Q 2025 compared to the 2024 benchmark.
- Achieved best average ROP of 61.88 feet/hour in 6” section for horizontal gas producer well in BAB Field.
- Drilled deepest well in the Ghasha Field with 6” Production hole reaching a total depth of 27,355 feet.
- Efficient operations resulted in cumulative savings of $456 million to ADNOC and its group companies since inception in 2019, out of which $35 million was saved in 1Q 2025.

Outlook

To enable ADNOC's strategic imperative of expanding production capacity to five million barrels per day by 2027, ADNOC Drilling has reached 142 owned rigs at the end of 2024. The Company has ordered an additional six new island rigs that are expected to join the fleet gradually between 2026 and 2028.

As the Company further grows, it expects the owned rig count to increase to at least 148 by the end of 2026 and at least 151 by the end of 2028.

Unaffected by the recent market volatility, the Company confirms its full-year and medium-term guidance, reaffirming growth. The guidance is underpinned by a unique business model, which provides high visibility on operations and financials.

ADNOC Drilling's full year 2025 financial guidance is presented below:

USD Billions (unless otherwise stated)	**FY2025 Guidance**
Revenue	**4.60 - 4.80**
Onshore	1.95 - 2.10
Offshore (Jack-up and Island)[1]	1.35 - 1.45
Oilfield Services Revenue	1.10 - 1.25
EBITDA	**2.15 - 2.30**
EBITDA Margin	*46% - 48%*
Net Profit	**1.35 - 1.45**
Net Profit Margin	*28% - 30%*
CapEx *(excluding M&A)*[2]	**0.35 - 0.55**
FCF *(excluding M&A)*[3]	**1.30 - 1.60**
Leverage Target	**< 2.0x**
Dividend floor *(+10% vs 2024)*	**0.87**

(1) Starting from the first quarter of 2025, the Company has simplified its reporting structure by reducing the number of segments from four to three. (2) Maintenance CapEx + CapEx for island rigs. It does not consider cash outflows associated with M&A. (3) Free Cash flow calculated as: EBITDA – CapEx – Δ Working Capital – taxes. It does not consider cash outflows associated with M&A.

ADNOC Drilling's medium-term guidance is as follows:

- FY 2026 Revenue expected at ~$5 billion
- Around 50% conventional EBITDA margin (conventional drilling margins exceeding 50% and OFS margin in a range of 22-26% medium-term)
- Conservative long-term leverage target of up to 2.0x Net Debt / EBITDA
- Net working capital as percentage of revenue target of around 12%
- Maintenance CapEx of $200 - $250 million per annum (excluding organic and inorganic growth CapEx)
- 148+ rigs by 2026 and 151+ by 2028

Dividend Policy & Transition to Quarterly Dividend Distributions

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 the Board of Directors and ultimately shareholder approvals.

In March 2025, Shareholders at the Annual General Meeting approved a final dividend payment for the second half of 2024 totaling $394 million (c. 9.05 fils per share), which was distributed to shareholders in April 2025. This brings the total full-year 2024 dividend to $788 million, or c. 18.1 fils per share, a 10% year-on-year increase from 2023 and in-line with the Company's dividend policy.

As a reminder, the enhanced progressive dividend policy has been approved at the Company's General Shareholder Meeting on June 24, 2024. According to the enhanced policy, dividends are expected to grow by at least 10% per annum on a dividend per share basis over the next five years (2024- 2028). The dividend is expected to increase to at least $867 million for 2025 based on the minimum 10% year-on-year increase.

On May 7, 2025, the Board of Directors approved dividends to be paid quarterly.
The first quarterly dividend payment for 2025 will be for an amount of $217 million (c.5 fils per share) and is expected to be paid on or around May 28, 2025, to all shareholders of record as of May 19, 2025. For each of the following three quarterly distributions for 2025, the amount of $217 million will be a floor.

As per dividend policy, the Board of Directors, at its discretion, may approve additional dividends over and above the progressive dividend floor after considering free cash flow accretive growth opportunities.

In line with the progressive policy, the Board considers dividends a capital allocation priority alongside investment in profitable growth and is committed to returning a competitive and growing cash dividend to our shareholders.

Earnings Webcast and Conference Call

ADNOC Drilling will host the earnings webcast and conference call followed by a Q&A session for investors and analysts on Thursday, May 8, 2025, at 16:00 pm UAE time / 13:00 pm UK time.

The call will be hosted by Abdulrahman Alseiari (CEO) and Youssef Salem (CFO). Interested parties are invited to join the call by clicking here.

A replay and transcript will be made available following the event, accessible from the Investor Relations section of ADNOC Drilling's website.

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 March 31, 2025, was AED 5.14. In the period from January 1, 2025, through March 31, 2025, the share price traded in a range between AED 4.90 and AED 6.01. Market capitalization was AED 82.2 billion as of March 31, 2025, and an average of 10.7 million shares traded daily during the first quarter of 2025.

As of December 31, 2024, the Abu Dhabi National Oil Company ("ADNOC") owned a majority 78.5% stake in the Company and Baker Hughes Holding SPV Ltd. ("Baker Hughes") owned 5% stake in the Company, while 16.5% of our outstanding shares were publicly owned by other institutional and retail investors.

ADNOC Drilling has then been included in the MSCI Indexes including MSCI EM, and MSCI UAE, becoming the 12th member of the MSCI UAE index. Moreover, the Company 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 2023, 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.

Second Quarter 2025 Results

We expect to announce second quarter 2025 results in August 2025.

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May 8, 2025
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 or **CapEx** 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. The rig count also includes lease-to-own rigs.

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).

Unconventional drilling refers to a method of extracting hydrocarbons from tight reservoirs using Oil Field Services technologies combined with well stimulation activities.

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 consider 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 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.