ADNOC Drilling

ADNOC DRILLING COMPANY P.J.S.C.

Second Quarter 2025 Earnings

Management Discussion & Analysis Report

July 30, 2025

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Financial Highlights & Key Events

Financial Summary

ADNOC Drilling Company P.J.S.C. (“ADNOC Drilling” or the “Company”) delivered strong results in the second quarter of 2025 with record revenue of $1,197 million, growing 28% year-on-year, driven by the expansion of its operations. The strong top-line translated into EBITDA of $545 million, an increase of 15% year-on-year with a net profit of $351 million, increasing 19% year-on-year.

Revenue increased 2% sequentially, driven by incremental activity from the unconventional business. As a result, EBITDA grew 2% compared to the first quarter of 2025, and net profit grew 3% sequentially, supported by sequentially lower finance costs.

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 $192 million to revenue in the second quarter, an increase of 26% sequentially, spread between $143 million in OFS and $49 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.

Given the strong acceleration of unconventional in the first half, with revenue at $344 million, and in-line with planning, we expect a lower phasing of unconventional in the second half, particularly on the onshore drilling side, leading to an overall unconventional revenue of around $0.6 billion for the full year 2025. Majority of the remaining $950 million contract value ($1.7 billion total contract value less 2024 and 2025 revenues) will be in 2026 with the remaining in 2027. 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 second quarter of 2025, free cash flow stood at $408 million, compared to $282 million in the same quarter last year, driven by an increase in cash generated from operating activities, supported by EBITDA growth and working capital positive performance.

Revenue for the first half of 2025 increased 30% year-on-year, reaching $2,367 million, and EBITDA grew 19% to $1,078 million, benefiting from the contribution of unconventional, characterized by relatively lower margins but high returns. Net profit increased 21% year-on-year, reaching $692 million, with a margin of 29%. Free cash flow stood at $727 million, a 67% increase from $435 million in the same period last year, driven by an increase in cash generated from operating activities, supported by EBITDA and working capital trends.

On a pro-forma basis, the fleet reached 149 rigs at the end of June 2025, including the rigs in Oman and Kuwait that are part of the recently announced transaction with SLB, which is subject to closing.

The overall owned fleet availability, excluding the 8 rigs part of the transaction, was 96% at the end of the quarter.

During the quarter, the Company sold a non-operating jack-up rig which was not generating revenue and had been booked as held for sale since the second half of 2024, having reached the end of its life. The rig will be converted by the buyer into a production platform. Additionally, one onshore rig began operating on an artificial island for the Hail and Ghasha project during the quarter. Number of onshore rigs is now 102 (including the 8 in Oman & Kuwait), while the number of offshore rigs is 47.

The two jack-up rigs that entered the fleet at the end of December 2024 commenced operations at the end of second quarter of 2025. The additional top-line contribution from these jack-ups in the second half 2025 is expected to offset the lower phasing of unconventional mentioned above.

OFS number of integrated drilling services ("IDS") rigs increased to 58, compared to 50 in second quarter of 2024. Moreover, the segment offered at least one discrete service to an additional 51 rigs in the second quarter. All in all, oilfield services were offered to 109 rigs, and this coverage is expected to increase this year and further over time.

Second quarter 2025 interim dividend

Following the approval of the Board of Directors in May 2025 for dividends to be paid quarterly, the Board of Directors has approved a second quarter dividend payment of $217 million (around 5 fils per share). This dividend is in-line with the Company's progressive dividend policy, for which dividends are expected to grow by at least 10% per annum on a dividend per share basis until 2028. The second quarter interim dividend payment is expected to be in the second half of August 2025, to all shareholders of record as of August 8, 2025. The Company is expected to generate $1.4-$1.6 billion of free cash flow this year (upgraded from original guidance of $1.3-1.6 billion) excluding M&A, and at least $1 billion of free cash flow after the Enersol and Oman & Kuwait investments. As per dividend policy, the Board of Directors, at its discretion, may approve additional dividends over and above the progressive dividend floor (e.g. supported by excess free cash flow). More information and granularity on the progressive dividend policy is available on *page 16*.

Guidance Upgrade

Driven by increased visibility and the strong results of the first six months, ADNOC Drilling upgraded its full year 2025 on key financial metrics *(see page 15)*.

Taxation

The Company is closely monitoring proposed changes in the federal tax framework. Currently, no material impacts are expected for ADNOC Drilling.

ADNOC Drilling Secures $1.15 Billion, 15-Year Contract for Two Jack-up Rigs

On May 27, 2025, ADNOC Drilling announced the award of a $1.15 billion, 15-year contract for two jack-up rigs by ADNOC Offshore in support of its growing offshore operations. The contract will follow existing agreements, bringing accretive rates that generate long-term revenue and attractive returns.

ADNOC Drilling Partners with SLB in their Kuwait and Oman Land Rigs Business

On May 29, 2025, ADNOC Drilling announced that it has signed an agreement to acquire a 70% stake in SLB's land drilling rigs business in Kuwait and Oman, comprising eight fully operational land rigs under contract with the respective national oil companies (NOCs) of both countries. Through this partnership, ADNOC Drilling will gain immediate access to earnings, cash flow, and returns through two operating land drilling rigs in Kuwait and six in Oman, accelerating its expansion into key GCC geographies. This acquisition will enhance the Company's ability to deploy cutting-edge technologies, integrated drilling services, digital solutions, and AI-driven efficiencies, optimizing performance, reducing environmental impact, and driving value for customers across the region.

ADNOC Drilling Awarded Five-Year Contract for Oilfield Services worth $800 Million

On June 30, 2025, ADNOC Drilling announced the award of a contract valued at up to $800 million by ADNOC Onshore for the provision of integrated hydraulic fracturing services for conventional and tight reservoirs. The five-year agreement is set to commence in 3Q 2025, marking another significant milestone in ADNOC Drilling's evolution as a fully integrated technology-enabled energy services company. The economic and financial impact of this contract is included in the guidance.

For subsequent events, please refer to the financial statements available on the Investor Relations section.

ADNOC Drilling

Key Financials

USD Million	2Q25	2Q24	YoY	1Q25	QoQ	1H25	1H24	YoY
Revenue	**1,197**	**935**	**28%**	**1,170**	**2%**	**2,367**	**1,821**	**30%**
Opex[1]	(663)	(464)	43%	(640)	4%	(1,303)	(915)	42%
Share of profit of joint ventures[2]	11	1	1000%	3	267%	14	3	367%
EBITDA[3]	**545**	**472**	**15%**	**533**	**2%**	**1,078**	**909**	**19%**
Depreciation and amortization	(133)	(115)	16%	(130)	2%	(263)	(222)	18%
Finance cost-net	(27)	(33)	-18%	(29)	-7%	(56)	(61)	-8%
Taxes	(34)	(29)	17%	(33)	3%	(67)	(56)	20%
Net profit	**351**	**295**	**19%**	**341**	**3%**	**692**	**570**	**21%**
EBITDA margin	46%	50%	-4%	46%	0%	46%	50%	-4%
Conventional EBITDA margin[4]	51%	50%	1%	51%	0%	51%	50%	1%
Net profit margin	29%	32%	-3%	29%	0%	29%	31%	-2%
Conventional net profit margin[4]	32%	32%	0%	32%	0%	32%	31%	1%
Cash generated from operating activities	649	518	25%	521	25%	1,170	865	35%
Capital expenditure[5]	(244)	(239)	2%	(91)	168%	(335)	(349)	-4%
Investment in joint ventures	-	-	NM	(114)	-100%	(114)	(88)	30%
Free cash flow	408	282	45%	319	28%	727	435	67%
Total equity	3,892	3,476	12%	3,752	4%	3,892	3,476	12%
Net debt[6]	1,964	1,798	9%	2,117	-7%	1,964	1,798	9%
Earnings per share ($ per share)[7]	0.0219	0.0184	19%	0.0213	3%	0.0433	0.0356	21%
Capital employed	6,403	5,792	11%	6,321	1%	6,403	5,792	11%
Return on capital employed	23%	22%	1%	24%	1%	23%	22%	1%
Net debt to LTM EBITDA	0.9	1.0	(0.1)	1.0	(0.1)	0.9	1.0	(0.1)
Leverage ratio	34%	34%	0%	36%	2%	34%	34%	0%
Return on equity	35%	33%	2%	37%	2%	35%	33%	2%

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 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	2Q25	2Q24	YoY	1Q25	QoQ	1H25	1H24	YoY
Revenue	513	441	16%	494	4%	1,007	852	18%
Opex[1]	(256)	(230)	11%	(248)	3%	(504)	(451)	12%
Share of profit of joint venture[2]	3	-	NM	-	NM	3	-	NM
EBITDA[3]	260	211	23%	246	6%	506	401	26%
EBITDA margin	*51%*	*48%*	*3%*	*50%*	*1%*	*50%*	*47%*	*3%*
Net profit	182	141	29%	168	8%	350	271	29%
Net profit margin	*35%*	*32%*	*3%*	*34%*	*1%*	*35%*	*32%*	*3%*

NM = Not Meaningful

(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 Half (Year-on-Year Performance)

Onshore revenue grew 18% year-on-year to $1,007 million in the first half of 2025, mainly driven by the positive revenue impact from the full contribution of rigs commencing operations over the course of last year, coupled with $79 million contribution from unconventional activity related to land drilling in the first half of 2025. In the second half, we expect a lower phasing from the unconventional business.

Operating expenses increased 12% year-on-year to $504 million from $451 million in the prior year period. The increase in operating expenses was driven by the rig fleet expansion and higher unconventional activity, partly offset by cost optimization.

Additionally, the segment recorded a $3 million share of net profit from the joint venture Turnwell (referred to as "Share of profit of joint venture").

Overall, EBITDA increased 26% year-on-year to $506 million with margin expansion by 3 percentage points to 50%. As a result, net profit increased 29% year-on-year to $350 million, with margin expansion by 3 percentage points to 35%.

Second Quarter (Year-on-Year Performance)

Second quarter onshore revenue increased 16% year-on-year to $513 million from $441 million, mainly due to new rigs commencing operations and a $49 million contribution from unconventional activity related to land drilling.

Operating expenses increased relatively less than revenue to $256 million from $230 million in the same quarter last year, mainly due to cost optimization.

For the quarter, the joint venture Turnwell contributed a $3 million share of net profit.

EBITDA increased 23% year-on-year to $260 million, leading to a margin expansion of 3 percentage points to 51%. Net profit also increased 29% year-on-year to $182 million from $141 million in the same quarter last year, with margin expansion of 3 percentage points to 35%.

Second Quarter (Sequential Performance)

Second quarter onshore revenue increased 4% sequentially to $513 million from $494 million, primarily due to increased contribution from the unconventional activity related to land drilling in the second quarter of 2025. As previously mentioned, and in line with planning, in the second half we expect a lower phasing from the unconventional business.

Operating expenses increased by 3% to $256 million from $248 million in the previous quarter, mainly due to major maintenance phasing between the quarters and higher unconventional activity, partly offset by cost optimization.

EBITDA increased 6% sequentially to $260 million, including the aforementioned contribution from Turnwell, with margin expansion by 1 percentage point to 51%.

Net profit grew 8% sequentially to $182 million from $168 million, primarily driven by EBITDA movement.

Offshore (Jack-up & Island)

USD Million	2Q25	2Q24	*YoY*	1Q25	*QoQ*	1H25	1H24	*YoY*
Revenue	337	337	0%	334	1%	671	666	1%
Opex[1]	(104)	(113)	-8%	(98)	6%	(202)	(229)	-12%
EBITDA[2]	233	224	4%	236	-1%	469	437	7%
EBITDA margin	*69%*	*66%*	*3%*	*71%*	*-2%*	*70%*	*66%*	*4%*
Net profit	142	138	3%	146	-3%	288	269	7%
Net profit margin	*42%*	*41%*	*1%*	*44%*	*-2%*	*43%*	*40%*	*3%*

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

Note: as previously disclosed, starting 1Q 2025, the Company consolidated the Offshore Jack-up and Offshore Island businesses into a single "Offshore" segment.

First Half (Year-on-Year Performance)

Offshore revenue in the first half of 2025 grew marginally by 1% year-on-year to $671 million from $666 million, mainly due to reactivation of island rigs, whereas the two new jack-ups which entered the fleet at the end of December 2024 have commenced operations at the end of second quarter of 2025 and will fully contribute to revenue starting from the third quarter.

Operating expenses reached $202 million, a 12% year-on-year reduction, mainly driven by efficiencies.

As a result, EBITDA increased 7% year-on-year to $469 million from $437 million, with margin expansion by 4 percentage points to 70%. Net profit also grew by 7% to $288 million, with margin expansion by 3 percentage points to 43%.

Second Quarter (Year-on-Year Performance)

Second quarter offshore revenue was flat year-on-year at $337 million as the conversion of one rig from Onshore to Offshore and a minor addition coming from two jack-ups that started operations at the end of 2Q 2025 were offset by increased major maintenance activity.

Operating expenses reached $104 million, decreasing 8% year-on-year. This was primarily driven by cost optimization.

As a result, EBITDA grew 4% year-on-year to $233 million, with margin expansion of 3 percentage points to 69%. Net profit grew 3% year-on-year to $142 million, with margin expansion by 1 percentage point to 42%.

Second Quarter (Sequential Performance)

Offshore revenue in the second quarter increased 1% sequentially to $337 million from $334 million, mainly driven by the conversion of one rig from Onshore to Offshore.

Operating expenses increased 6% sequentially to $104 million from $98 million in the prior quarter, mainly due to major maintenance activity phasing. In the third quarter we expect a sequential increase in costs related to major maintenance due to phasing, which is expected to result in an increase in operating expenses versus Q2.

As a result, EBITDA decreased by 1% sequentially to $233 million from $236 million, while net profit decreased 3% sequentially, reaching $142 million.

Oilfield Services

USD Million	2Q25	2Q24	*YoY*	1Q25	*QoQ*	1H25	1H24	*YoY*
Revenue	347	157	121%	342	1%	689	303	127%
Opex[1]	(303)	(121)	150%	(294)	3%	(597)	(235)	154%
Share of profit of joint ventures[2]	8	1	NM	3	NM	11	3	NM
EBITDA[3]	52	37	41%	51	2%	103	71	45%
EBITDA margin	*15%*	*24%*	*-9%*	*15%*	*0%*	*15%*	*23%*	*-8%*
Net profit	27	16	69%	27	0%	54	30	80%
Net profit margin	*8%*	*10%*	*-2%*	*8%*	*0%*	*8%*	*10%*	*-2%*

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 55% of Turnwell's net profit from unconventional business related to OFS operations
(3) Underlying EBITDA includes other income

First Half (Year-on-Year Performance)

The OFS segment continued to deliver significant growth, with the first half revenue up 127% year-on-year to $689 million, on the back of increased activity volume, driven by higher IDS activity and additional discrete services, coupled with $265 million contribution from unconventional business. IDS rigs increased to 58, compared to 50 rigs in the first half of 2024. In the second half, we expect a lower phasing from the unconventional business.

Operating expenses increased 154% year-on-year to $597 million from $235 million, mainly driven by unconventional activity, as well as increased activity mix (i.e. more frac and drilling fluids).

Additionally, the segment recorded an $11 million share of net profit from the joint ventures Enersol and Turnwell (referred to as "Share of profit of joint venture").

EBITDA increased 45% year-on-year to $103 million from $71 million a year ago, reflecting increased activity across the segment and the contribution from the JVs. Net profit grew 80% year-on-year to $54 million, driven by EBITDA growth.

Second Quarter (Year-on-Year Performance)

Second quarter revenue surged 121% year-on-year to $347 million from $157 million in the same period last year, mainly driven by $143 million revenue from the unconventional business, coupled with increased IDS activity and provision of more discrete services. The number of IDS rigs stood at 58, growing from 50 rigs in the same quarter last year. Moreover, the segment offered at least one discrete service to an additional 51 rigs in the second quarter.

Operating expenses increased 150% year-on-year to $303 million from $121 million, driven by the unconventional business and activity mix.

Additionally, the segment reported an $8 million positive contribution from the joint ventures Enersol and Turnwell.

As a result, EBITDA increased 41% year-on-year to $52 million, and net profit increased 69% year-on-year to $27 million from $16 million.

Second Quarter (Sequential Performance)

Second quarter revenue increased 1% sequentially to $347 million from $342 million, driven by higher revenue from unconventional business, marginally offset by conventional activity phasing. As previously mentioned, and in line with planning, in the second half we expect a lower phasing from the unconventional business.

In the second quarter of 2025, the OFS segment revenue included $143 million from unconventional business compared to $122 million in the first quarter of 2025.

Operating expenses amounted to $303 million, a 3% sequential increase, driven by the higher activity from unconventional.

EBITDA increased 2% sequentially to $52 million, including the contribution from the joint ventures, with net profit stable at $27 million compared to last quarter, driven by marginally higher depreciation as the business continues to expand.

Operating Working Capital

USD Million	30 Jun 25	30 Jun 24	YoY %	30 Mar 25	QoQ %
Current Assets[1]	**1,849**	**1,555**	**19%**	**1,913**	**-3%**
Inventories	227	225	1%	244	-7%
Trade & other receivables	203	158	28%	136	49%
Due from related parties	1,419	1,172	21%	1,533	-7%
Current Liabilities[2]	**1,515**	**1,305**	**16%**	**1,575**	**-4%**
Trade & other payables	1,101	1,027	7%	1,226	-10%
Due to related parties	414	278	49%	349	19%
Operating Working Capital	**334**	**250**	**34%**	**338**	**-1%**

(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 $334 million in the second quarter of 2025, a 34% increase year-on-year. The increase in due from and due to related parties was primarily driven by new land rigs commencing operations over the course of last year and by unconventional activity.

Working capital marginally decreased sequentially driven by our continued focus on collections.

Net working capital as a percentage of revenue stood at around 8% at the end of the second 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	2Q25	2Q24	*YoY*	1Q25	*QoQ*	1H25	1H24	*YoY*
Cash from operating activities	649	518	25%	521	25%	1,170	865	35%
Cash used in investing activities[1]	(241)	(236)	2%	(202)	19%	(443)	(430)	3%
Free Cash Flow	**408**	**282**	**45%**	**319**	**28%**	**727**	**435**	**67%**

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 $727 million in the first half of 2025, increasing by 67% from $435 million in the first half of 2024. This was mainly attributable to improved collections in the current period.

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 in the first half of 2025 (specifically in 1Q), whereas the first half of 2024 witnessed a lower cash contribution of $88 million in Enersol for the acquisition of 25% of Gordon Technologies.

Free cash flow improved sequentially from $319 million in the first quarter of 2025 to $408 million in the second quarter of 2025, mainly due to collections.

Balance Sheet

USD Million	30 Jun 25	30 Jun 24	YoY %	31 Mar 25	QoQ %
Total Assets	**7,918**	**7,097**	**12%**	**7,882**	**0%**
Non-current assets	5,739	5,200	10%	5,704	1%
Current assets[1]	1,849	1,555	19%	1,913	-3%
Assets held for sale	0	11	-100%	6	-100%
Cash and cash equivalents	330	331	0%	259	27%
Total Liabilities	**4,026**	**3,621**	**11%**	**4,130**	**-3%**
Non-current liabilities	1,728	2,181	-21%	1,684	3%
Current liabilities	2,298	1,440	60%	2,446	-6%
Total Equity	**3,892**	**3,476**	**12%**	**3,752**	**4%**
Share capital	436	436	0%	436	0%
Treasury shares	(5)	0	NM	(10)	-50%
Share premium	1	0	NM	0	NM
Statutory reserve	218	218	0%	218	0%
Retained earnings	3,242	2,822	15%	3,108	4%
Total Equity and Liabilities	**7,918**	**7,097**	**12%**	**7,882**	**0%**

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

Total assets for the period ended June 30, 2025, amounted to $7,918 million, an increase of 12% year-on-year from $7,097 million. This growth was mainly driven by a 10% increase in non-current assets to $5,739 million from $5,200 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 19% year-on-year increase in current assets from $1,555 million to $1,849 million.

Cash and cash equivalents for the period ended June 30, 2025, were stable year-on-year at $330 million from $331 million.

As of June 30, 2025, the Company's liquidity headroom (including unutilized syndicated term and revolving facilities) was around $1.31 billion.

Total liabilities increased 11% to $4,026 million as of June 30, 2025, from $3,621 million as of June 30, 2024. This increase was primarily driven by a rise in current liabilities from $1,440 million to $2,298 million, which was partially offset by a decrease in non-current liabilities from $2,181 million to $1,728 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 billion against the Company's available facilities have been recorded as current liabilities.

Excluding these loan facilities, current liabilities would have increased by $86 million due to higher trade payables from CapEx accruals and deferred mobilization liabilities for new rigs.

As of June 30, 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 $1,440 million as of June 30, 2024, to $2,298 million as of June 30, 2025. Correspondingly, non-current liabilities decreased from $2,181 million to $1,728 million over the same period.

Total assets for the period ended June 30, 2025, grew sequentially to $7,918 million compared to $7,882 million at the end of March 31, 2025. Non-current assets marginally increased to $5,739 million from $5,704 million, mainly due to rig acquisitions associated with the fleet expansion program. Current assets decreased to $1,849 million from $1,913 million, due to improved collections in the current quarter.

Total liabilities decreased 3% sequentially to $4,026 million from $4,130 million, resulting from a partial repayment of the Emirati dirham revolving credit facility of AED 300 million ($80 million equivalent).

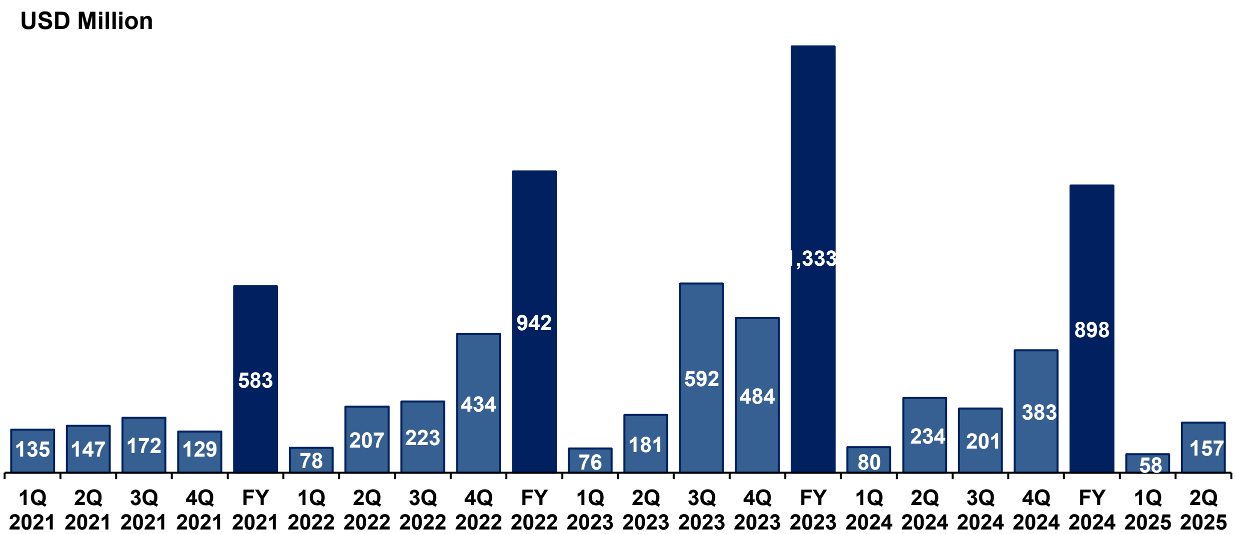
Capital Expenditure

Capital expenditure (CapEx), including accruals, amounted to $157 million in the second quarter of 2025. Cash CapEx excluding accruals amounted to $244 million, as represented in the table on *page 5*.

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 of $0.35 - $0.55 billion for 2025, and this 2025 CapEx guidance only includes maintenance CapEx and new island rigs.

Quarterly and Annual Capital Expenditure



Operational Highlights

Drilling Services

	2Q25	2Q24	YoY	1Q25	QoQ	1H25	1H24	YoY
Fleet	**141**	**140**[1]	**1%**	142	**-1%**	**141**	**140**[1]	**1%**
Onshore	94	95[1]	-1%	95	-1%	94	95[1]	-1%
Offshore	47	45	4%	47	-	47	45	4%
o/w Jack-up	36	35	3%	37	-3%	36	35	3%
o/w Island	11	10	10%	10	10%	11	10	10%
Pro-forma Fleet[2]	**149**[2]	**140**[1]	6%	142	5%	**149**[2]	**140**[1]	6%
Rented rigs	8	14	-43%	11	-27%	8	14	-43%
Rigs Availability*	**96%**	**94%**	**2%**	96%	**-**	**97%**	**94%**	**3%**
Onshore	97%	93%	4%	97%	-	97%	93%	4%
Offshore	96%	97%	-1%	95%	1%	96%	98%	-2%
Number of Wells Drilled*	**203**	**148**	**37%**	184	**10%**	**387**	**287**	**35%**
Onshore	162	120	35%	149	9%	311	237	31%
Offshore	41	28	46%	35	17%	76	50	52%

(1) Includes 4 lease-to-own land rigs.

(2) Includes 8 land rigs that are part of the transaction announced in May 2025, when ADNOC Drilling signed an agreement to acquire a 70% stake in SLB's land drilling rigs business in Kuwait and Oman. The formation of the joint venture (JV) with SLB and the acquisition of a 70% stake, along with the completion of the transaction, are subject to necessary and customary regulatory approvals.

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

On a pro-forma basis, the fleet reached 149 rigs at the end of June 2025, including the rigs in Oman and Kuwait part of the recently announced transaction with SLB, which is subject to closing.

The overall owned fleet availability, excluding the 8 rigs part of the transaction with SLB, was 96% at the end of the quarter.

During the quarter, the Company sold a non-operating jack-up rig which was not generating revenue and had been booked as held for sale since the second half of 2024, having reached the end of its life. The rig will be converted by the buyer into a production platform. Additionally, one onshore rig began operating on an artificial island for the Hail and Ghasha project during the quarter. Number of onshore rigs is now 102 (including the 8 in Oman & Kuwait), while the number of offshore rigs is 47.

Key operational highlights for this period include the following:

- As of the end of the second quarter of 2025, 58 wells of the 144 well program for Phase 1 have been drilled, while over 20 wells have been fractured.
- Two new jack-up rigs which entered the fleet at the end of December 2024 have commenced operations by the end of the first half of 2025.
- The number of IDS rigs increased by 8 rigs from 50 rigs in the second quarter of 2024 to 58 rigs in the second quarter 2025; offered at least one discrete service to an additional 51 rigs.

- Achieved TRIR frequency of 0.54 against a target of 0.61 for 2Q 2025.

2Q 2025 Highlights:

- AD-60 successfully completed the MRC well RA-264 in 51 days, saving 19 days compared to plan. This is the fastest MRC well drilled in the NEB field and ranks second across all ADNOC Onshore wells.
- On Land operations, reduced total NPT by 35% as compared to 2024.

Oilfield Services (OFS)

- The number of IDS rigs increased by 8 to 58 rigs in the second quarter of 2025 from 50 rigs in the second quarter of 2024.
- The segment offered at least one discrete service to an additional 51 rigs between onshore and offshore in the second quarter. All in all, oilfield services are offered to 109 rigs.
- 22% overall improvement in IDS drilling efficiency for 2Q 2025 compared to the 2024 benchmark.
- Efficient operations resulted in cumulative savings of $485 million to ADNOC and its group companies since 2019, out of which $29 million were saved in 2Q 2025.

ADNOC Drilling

Guidance Upgrade

To enable ADNOC's strategic imperative of expanding production capacity to five million barrels per day by 2027, ADNOC Drilling has reached 149 owned rigs, on a pro-forma basis including 8 rigs in Oman and Kuwait part of the recently announced transaction with SLB, which is subject to closing.

Moreover, the Company has ordered an additional six new island rigs that are expected to join the fleet gradually between 2026 and 2028.

Despite recent market dynamics and driven by increased visibility and the strong results of the first six months, the Company upgrades its full year 2025 guidance, demonstrating its resilient and defensive growth.

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

USD Billion (unless otherwise stated)	**FY 2025 Previous Guidance**	**FY 2025 New Guidance**
Revenue	**4.60 - 4.80**	**4.65 - 4.80**
Onshore	1.95 - 2.10	1.95 - 2.10
Offshore (Jack-up and Island)[1]	1.35 - 1.45	1.35 - 1.45
Oilfield Services Revenue	1.10 - 1.25	1.20 - 1.30
EBITDA	**2.15 - 2.30**	**2.15 - 2.30**
EBITDA Margin	*46% - 48%*	*46% - 48%*
Net Profit	**1.35 - 1.45**	**1.375 - 1.45**
Net Profit Margin	*28% - 30%*	*29% - 31%*
CapEx *(excluding M&A)*[2]	**0.35 - 0.55**	**0.35 - 0.55**
FCF *(excluding M&A)*[3]	**1.30 - 1.60**	**1.40 - 1.60**
Leverage Target	**< 2.0x**	**< 2.0x**
Dividend Floor *(+10% vs 2024)*	**0.87**	**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)
- 151+ rigs by 2028

Dividend Policy

The Company's ability to pay dividends is dependent on several factors, including the availability of distributable reserves, capital expenditure plans, and other cash requirements in future periods. Any level or payment of dividends will depend on, among other things, future profits and the business plan of the Company, at the discretion of the Board of Directors and ultimately shareholder approvals.

According to the Company's progressive dividend 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. 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.

On May 7, 2025, the Board of Directors approved dividends to be paid quarterly and announced the first quarterly dividend payment for 2025 for an amount of $217 million (c.5 fils per share). The dividend was paid in the same month.

On July 29, 2025, the Board of Directors approved a $217 million (c.5 fils per share) second quarterly dividend for 2025, which is expected to be paid in the second half of August 2025 to all shareholders of record as of August 8, 2025.

The Company is expected to generate $1.4-$1.6 billion of free cash flow this year (upgraded from original guidance of $1.3-1.6 billion) excluding M&A, and at least $1 billion of free cash flow after the Enersol and Oman & Kuwait investments. As per dividend policy, the Board of Directors, at its discretion, may approve additional dividends over and above the progressive dividend floor (e.g. supported by excess free cash flow).

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 Wednesday, July 30, 2025, at 16:00 pm UAE time / 13:00 pm UK time.

The call will be hosted by Abdulla Ateya Al Messabi (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 June 30, 2025, was AED 5.70. In the period from April 1, 2025, through June 30, 2025, the share price traded in a range between AED 4.31 and AED 5.86. Market capitalization was AED 91.2 billion as of June 30, 2025, and an average of 10.3 million shares traded daily during the second 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.

Third Quarter 2025 Results

We expect to announce third quarter 2025 results in November 2025.

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July 30, 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 earth's 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.