

**ADNOC DRILLING  
INTEGRATED REPORT 2025**

**أدنوك للحفر  
ADNOC DRILLING**



# UNLOCKING ENERGY FOR LIFE

[adnocdrilling.ae](http://adnocdrilling.ae)



# Contents

## An integrated tech-enabled energy services company

For more than 50 years, ADNOC Drilling has played a vital role in safely, efficiently and effectively unlocking the UAE's energy resources.

We remain committed to delivering unparalleled value to ADNOC Group, our shareholders and our diverse stakeholders, while upholding the highest standards of environmental and social responsibility across our growing operations and footprint, and empowering our people to deliver world-class performance.

As the region's largest drilling and integrated drilling services company by fleet size, we play a key role in enabling ADNOC's growth and energy strategy. We are powering progress through technology, innovation and the expertise of our people.

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# OVERVIEW

# ADNOC Drilling is an integrated tech-enabled energy services company

ADNOC Drilling is the region's largest drilling and integrated drilling services (IDS) company by fleet size, the sole provider of drilling and provider of associated rig-related services to ADNOC.

Our expertise spans the entire well life cycle, drilling, completion and advanced well construction, across both conventional and unconventional reservoirs on land, offshore and on ADNOC's artificial islands off the Abu Dhabi coastline. Differentiated by the quality of our fleet, the dedication of our people and our ability to deliver a comprehensive range of IDS services, we are well positioned to enable future growth through technology, efficiency and operational excellence.

## Our global footprint



Our operations are organized into three segments:

### Onshore



Our onshore fleet consists of 92 land rigs of varying specifications, including 16 hybrid rigs and several high-capacity workover rigs.

Our rigs drill a wide range of oil and gas wells and handle challenging drilling programs effectively and efficiently while deploying technologies that enhance performance and safety.

In 2025 the Company announced 2 transactions to acquire onshore operations in the GCC, totalling 29 rigs: firstly an agreement to acquire a 70% stake in a JV with SLB (SLDC) regarding a land drilling rigs business in Kuwait and Oman, which closed in January 2026; secondly, a definitive agreement, which remains subject to completion, to acquire 80% of MB Petroleum Services (MBPS), a leading drilling and oilfield services provider with operations in the key regional markets of Oman, Kuwait, Saudi Arabia and Bahrain.

Total Onshore wells drilled

**666**

### Offshore (Jack-ups and Island)



Our offshore fleet of 36 jack-up rigs, outfitted with high-specification equipment, are capable of drilling wells to maximum depths ranging from 18,000 up to 35,000 feet and in maximum water depths ranging from 110 to 350 feet.

We also own and operate a fleet of 12 island rigs, based on the Abu Dhabi coast. To enable drilling on artificial islands, we acquired state-of-the-art island rigs with integrated low-pressure hydraulic walking systems that allow our island rigs to move between well sites without the need to dismantle them, boosting efficiency and minimizing downtime.

Total Offshore wells drilled

**170**

### Oilfield Services



Our Oilfield Services (OFS) division offers comprehensive market-leading drilling and well construction services that span the entire drilling value chain.

OFS has facilitated record-breaking operational performance, delivered significant efficiencies and helped reduce well time and cost across our onshore and offshore operations.

OFS also benefits from the development of the Company's unconventional business.

IDS Rigs

**60+58\***

\*IDS rigs, where full services were delivered, totalled 60; in addition to this, one or more discrete services were delivered by OFS to a further 58 rigs.

## Our UAE presence



# Our guiding principles

## Our Aim

Our aim is to deliver sustainable, high-impact value to ADNOC, our shareholders, partners and customers by efficiently delivering wells that contribute to ADNOC's leading position as one of the largest, least carbon-intensive and lowest-cost oil producers in the world.



## Our Vision

To lead the future of technology-enabled, integrated energy services through empowered people, innovation and operational excellence.



## Our Purpose

To continue building on our competitive position as a responsible and sustainable service provider, relentlessly driving efficiency and operational excellence through advanced technologies and digital solutions while maintaining a firm focus on safety, the environment and empowering our people.



## Our Mission

To sustainably maximize value for our key stakeholders through industry-leading, safe and efficient integrated drilling operations and oilfield services.



# Our values



### Collaborative

We work in close collaboration with our partners and customers, leveraging collective strengths to deliver mutually beneficial results.



### Progressive

We harness the UAE's spirit of innovation to ensure that our business remains at the forefront of the global energy industry.



### Responsible

We are committed to identifying ways that can make a difference to our community while maintaining an unwavering commitment to health, safety and the environment in which we operate.



### Efficient

We are a performance-driven company, dedicated to maximizing the value of energy resources for the benefit of our people, our communities, our partners and customers, and our nation.



### Respectful

We encourage a culture of inclusivity and mutual respect, and always operate to the highest professional and ethical standards.

# Our dynamic evolution

For over 50 years, ADNOC Drilling has enabled ADNOC's growth, becoming one of the largest and most innovative integrated drilling companies in the world and a key driver of the UAE's energy leadership.



### Partnered with SLB in their Kuwait and Oman Land Drilling Rigs Business

Agreement to acquire a 70% stake in the JV with SLB (SLDC), marking a pivotal milestone in the Company's ambitious growth strategy to expand beyond the UAE.

Providing stable, promising regional growth through operating land drilling rigs and contracts with Kuwait and Oman NOCs.

The transaction closed in January 2026.

### Partnered with MB Petroleum Services in their GCC Land Drilling and OFS Business

Agreement to acquire an 80% stake in MB Petroleum Services (MBPS), marking the second accretive acquisition as the Company accelerated regional expansion.

Partnership expected to provide stable, promising regional growth through 21 rigs as well as OFS contracts with Oman, Kuwait, Saudi and Bahrain NOCs.

The transaction remains subject to completion.

# A year of continued growth

## Financial

Revenue

**\$4,903m**

EBITDA Margin

**45%**

EBITDA Margin (Conventional)

**51%**

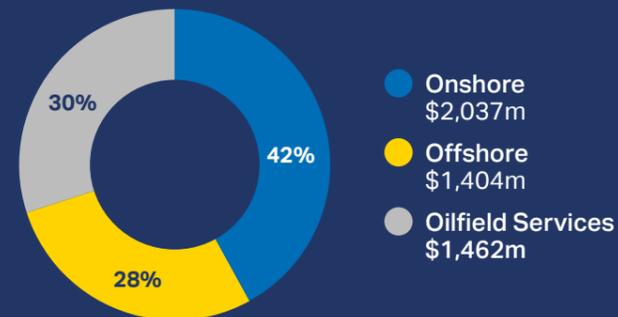
Net Profit

**\$1,449m**

Free Cash Flow

**\$1,242m**

Revenue breakdown by Operating Segment



## Operational

Wells Delivered

**836**

Owned Rigs

**169**

Rigs Availability

**98%**

Integrated Drilling Services (IDS) Rigs

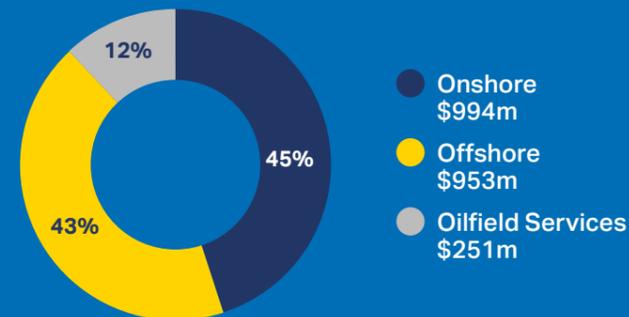
**60**

OFS Discrete Services

**58\***

\* Discrete services are defined as the provision by OFS of 'one or more' services, rather than full IDS.

EBITDA by Operating Segment



## Environmental, Social & Governance (ESG)

GHG Abatement

**47.72** ktCO<sub>2</sub>eq

ICV Score

**90.78%**

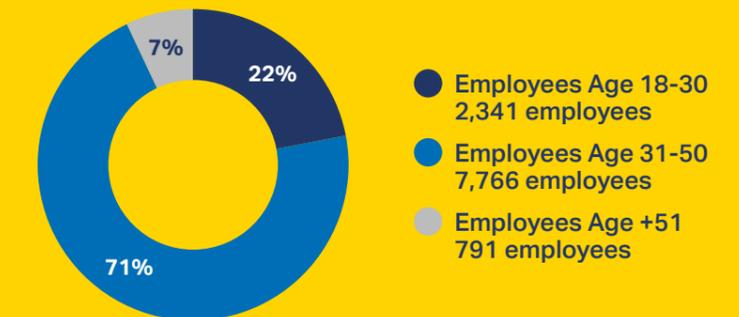
Energy Intensity

**2,298** GJ/\$m

Number of Employees

**10,898**

Employees by Age



**Abbreviations:**  
 EBITDA: Earnings before interest, taxes, depreciation and amortization; IDS: Integrated Drilling Services; ESG: Environmental, Social and Governance; ICV: In-country Value; CO<sub>2</sub>eq: Carbon dioxide equivalent; OFS: Oilfield Services; Kt: Kilotonne; GJ/\$m: Gigajoules per million dollars

# Progress across the business

**ADNOC Drilling achieved another year of record-breaking performance and exceptional financial results in 2025, driven by organic growth, strategic acquisitions, and accelerated investment and deployment of advanced technologies across our operations.**

We continued to expand our asset base, broaden our service offering, grow internationally and increase market share. We also further advanced our diversified portfolio of technology-enabled energy service companies through Enersol, in partnership with Alpha Dhabi; and we set new records in driving forward our unconventional drilling business through Turnwell, with SLB and Patterson-UTI.

## February

### Record Full Year 2024 Results with \$1.3 Billion Net Profit

- 2024 revenue over \$4 billion, up by 32%, resulting in all-time high of over \$2 billion EBITDA with a 50% margin
- Fastest growing drilling company globally, integrating 23 new rigs into operations and reaching 142 owned rigs at year-end
- Company issued 2025 and mid-term guidance, with revenue reaching c. \$5 billion by 2026 and 151+ rigs by 2028

## March

### Approval of \$788 Million 2024 Dividend

- 2024 dividend up 10% year-on-year to \$788 million (c.18.1 fils per share)
- Annual dividend to grow to at least \$1.15 billion by 2028; Board retained discretion for additional dividends over time

## April

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

- Significant contract award reinforced ADNOC Drilling's energy services market leadership
- Contract underscored confidence in ADNOC Drilling's operational excellence and end-to-end service offerings and completion services
- Long-term contracting model consistently delivers sustainable value for shareholders, with fleet and energy services expansion driving growth

## May

### Awarded \$806 Million Long-Term Contract for Three Newbuild Island Rigs

- Award marked six island rig contracts awarded since July 2024, reinforcing path to 151+ rigs by 2028 in Abu Dhabi and beyond
- ADNOC Drilling and Honghua Group partnered to embed AI in rig design, elevating safety, efficiency and future-readiness

### Exceptional First Quarter Performance and Enersol Acquisition Set the Stage for a Year of Growth

- Revenue increased 32% year-on-year to \$1.17 billion, EBITDA grew 22% to \$533 million and net profit rose 24% to \$341 million reflecting resilient financial performance
- Conventional business delivered record 51% EBITDA margin and 32% net income margin, driving global industry-best 37% RoE and 24% ROC
- Acquisition of DWS by Enersol accelerated AI-driven energy services, and breakthrough in unconventional well delivery times by Turnwell enhanced resource recovery
- Board of Directors approved quarterly dividend distributions, resulting in \$217 million 1Q 2025 payment

### Enersol Launched UAE Energy Challenge to Fuel Next-Generation Energy Solutions

- Bold new program targeting early-stage startups developing breakthrough technologies in energy services

### Secured \$1.15 Billion, 15-Year Contract for Two Jack-up Rigs

- Long-term contract offering resilient earnings, securing growth and returns through 2040 and beyond
- Advanced jack-up rigs, equipped with AI and digitalization capabilities, to drive operational efficiencies
- Third major contract in just over a month brought total awards to \$3.6 billion, extending ADNOC Drilling's long-term revenue pipeline

### First Regional Acquisition: Partnered with SLB in their Kuwait and Oman Land Drilling Rigs Business

- Agreement to acquire a 70% stake in the JV with SLB (SLDC), marking a pivotal milestone in the Company's ambitious growth strategy to expand beyond the UAE
- Providing stable, promising regional growth through operating land drilling rigs and contracts with Kuwait and Oman NOCs
- Transaction completed in January 2026

## June

### Announced Appointment of Abdulla Ateya Al Messabi as CEO

- New CEO with deep operational expertise and a proven leadership track record across ADNOC's value chain, ideally positioned to advance the Company's strategy of delivering profitable growth and long-term value creation, while ensuring continued efficiency and performance across all operations

### Awarded Five-Year Contract for Oilfield Services worth up to \$800 Million

- Fifth major and accretive contract in just over 2 months totaling up to \$4.8 billion, extending the Company's long-term revenue pipeline
- Award covered fracturing services, building on ADNOC Drilling's success as a provider of integrated energy services

## July

### Delivered Record 1H 2025 Results, Revenue Grew +30% to \$2.37bn

- Record first half net profit, +21% YoY, and free cash flow, +67% YoY, delivering industry-best 35% ROE and 23% ROCE
- Board of Directors approved \$217mn 2Q 2025 dividend distribution
- Contract additions of \$4.8bn in 1H 2025 and disciplined accretive new market entry to secure resilient growth into 2040 and beyond
- Growing contribution from unconventional wells with over 40% of wells drilled, paving the way for potential further expansion

## October

### Delivered Record 3Q and 9M 2025 Results, Reinforced Transformational Growth

- Revenue up 27% to \$3.63 billion, net profit up 17% to \$1.06 billion, free cash flow up 174% to \$1.2 billion
- EBITDA: \$1.64 billion, +15% year-on-year, Return on Equity (ROE): 36%, Return on Capital Employed (ROCE): 25%
- Board of Directors approved \$250mn 3Q 2025 dividend distribution; enhanced dividend policy targets at least \$6.8bn through 2030

### Debt Refinancing

- Signed a Term Loan Facility of \$500 million and a Revolving Credit Facility of \$1.5 billion
- Term Loan Facility will be utilized to refinance the existing syndicated term loan of an equivalent amount, which matured in October 2025
- Revolving Credit Facility will be used to support the Company's growth initiatives and related working capital requirements

## October

### Investor Majlis Announcements

#### New Progressive Dividend Policy:

- Distribution floor to be increased by 27% year-on-year to AED3.7 billion (\$1 billion) in 2025 (c.23 fils per share)
- Dividends to be increased by at least 5% per annum from 2026 to at least 2030
- Dividend distribution floor of AED25 billion (\$6.8 billion, c.AED1.6 per share) by 2030

#### Unconventionals:

- Rapidly advancing unconventional energy program, with strong early results from initial wells in the Ruwais Diyab Concession
- Gas production expected to reach 300 million standard cubic feet per day (scf), with a target up to 1 billion scf achieving gas self-sufficiency and increasing exports

#### Integrated Drilling Services (IDS):

- 13 new IDS packages, expected to be delivered by year end 2026, as part of long-term contracts for the expansion to 70 IDS rigs
- Offshore expansion: potential deployment of additional island rigs in the 2029-2030 timeframe

#### Artificial Intelligence (AI):

- AI now supercharging ADNOC Drilling, cutting non-productive time by up to 20%, boosting drilling precision, and enabling real-time rig optimization, thereby delivering faster wells, safer operations, and lower costs as a core enabler of ADNOC's upstream growth strategy

## November

### Partnered with MB Petroleum Services in their GCC Land Drilling and OFS Business

- Agreement to acquire an 80% stake in MB Petroleum Services (MBPS), marking the second accretive acquisition as the Company accelerated regional expansion
- Partnership expected to provide stable, promising regional growth through 21 rigs as well as OFS contracts with Oman, Kuwait, Saudi and Bahrain NOCs
- The transaction remains subject to completion

## Post-Period Events

- Partnership with SLB on regional land drilling business via SLDC joint venture, closed in January 2026
- Record FY 2025 results announced, dividend proposal totaling \$1 billion (+27% year-on-year) for full-year 2025

# Enersol

From Well Construction to Production – Driving Technology, Efficiency and Growth



Enersol is a fully autonomous energy technology investment platform, jointly owned by ADNOC Drilling (51%) and Alpha Dhabi Holding (49%). Operating independently, Enersol is charting its own course as a next-generation energy asset services company, with a mandate to invest up to \$1.5 billion in innovative, technology-enabled businesses across the oilfield services and energy sectors.

Enersol's strategy is bold and clear: to create a fully integrated technology ecosystem that connects every phase of the well lifecycle, from construction to production, by harnessing the power of data, intelligence and AI. Enersol's competitive edge is its ability to capture, interpret and leverage operational data at scale, transforming insight into performance and recurring value for customers across the globe.

**A transformational year**

Since its launch in early 2024, Enersol has rapidly executed its vision, deploying \$700 million to acquire four world-class companies, each a leader in its field:

- **Gordon Technologies (67.2%)** – a pioneer in Measurement While Drilling (MWD) technology, now with a UAE-based manufacturing subsidiary exporting advanced equipment to Azerbaijan, reinforcing the UAE's status as a global technology hub
- **NTS Amega (51%)** – a UAE-headquartered leader in advanced manufacturing, precision tool repair and rental solutions, supporting complex drilling operations worldwide
- **EV (100%)** – a global provider of vision-based diagnostics and analytics, operating in 36 countries. EV's AI-driven platform, AIVA, delivers real-time, actionable insights for wellbore integrity and production optimization
- **Deep Well Services (95%)** – a U.S.-based specialist in high-pressure, long-lateral completions and workover technologies, including patented Hydraulic Completion Units (HCU) and BoreSite® analytics software

By the end of 2025, all four Enersol portfolio companies were operational in the UAE, supporting both conventional and unconventional programs. Their technologies are already delivering measurable impact, reducing drilling time, improving well integrity, and enhancing safety across ADNOC Drilling's operations, including Turnwell's unconventional campaign.

Deep Well Services (DWS) has been awarded 12 wells by Petronas in the UAE and 11 wells by ADNOC, marking a major milestone in Enersol's regional expansion. Notably, DWS is working in close collaboration with EV, combining advanced completion technologies with real-time diagnostics and analytics. This partnership exemplifies Enersol's objective to create a connected ecosystem, where portfolio companies work together to deliver integrated, data-driven solutions across the well lifecycle.

**Robotics & Automation: Accelerating the future of energy services**

Enersol is pioneering the integration of robotics and automation across its portfolio, transforming how wells are drilled, completed and maintained. In 2024, automated rig systems and remote monitoring reduced manual interventions and improved safety. EV's vision-based diagnostics enabled robotic pipeline inspections, while Gordon Technologies' MWD telemetry powered autonomous drilling optimization. Looking ahead, Enersol will deploy AI-driven robotics for real-time intervention, predictive maintenance and autonomous field operations, targeting a 25% reduction in manual tasks and a step-change in operational uptime.

**Built in the UAE, designed for the world**

Enersol was conceived in the UAE but operates with a global mindset. Its UAE manufacturing footprint, established via NTS Amega, is already exporting advanced equipment internationally. Enersol's reach now spans North America, Europe, the Middle East and Asia, with over 100 patents across its portfolio companies.

**Enersol's strategic focus: Data, Intelligence, Performance**

Enersol is redefining energy asset services by placing data at the center of its model. Each portfolio company captures unique datasets, visual, mechanical, and performance, which are interpreted and will be enhanced through the latest developments in AI. This intelligence enables Enersol companies to:

**See (EV)**

Capture and analyze visual data for predictive well and pipeline management

**Measure (Gordon Technologies)**

Convert downhole MWD data into actionable drilling insight

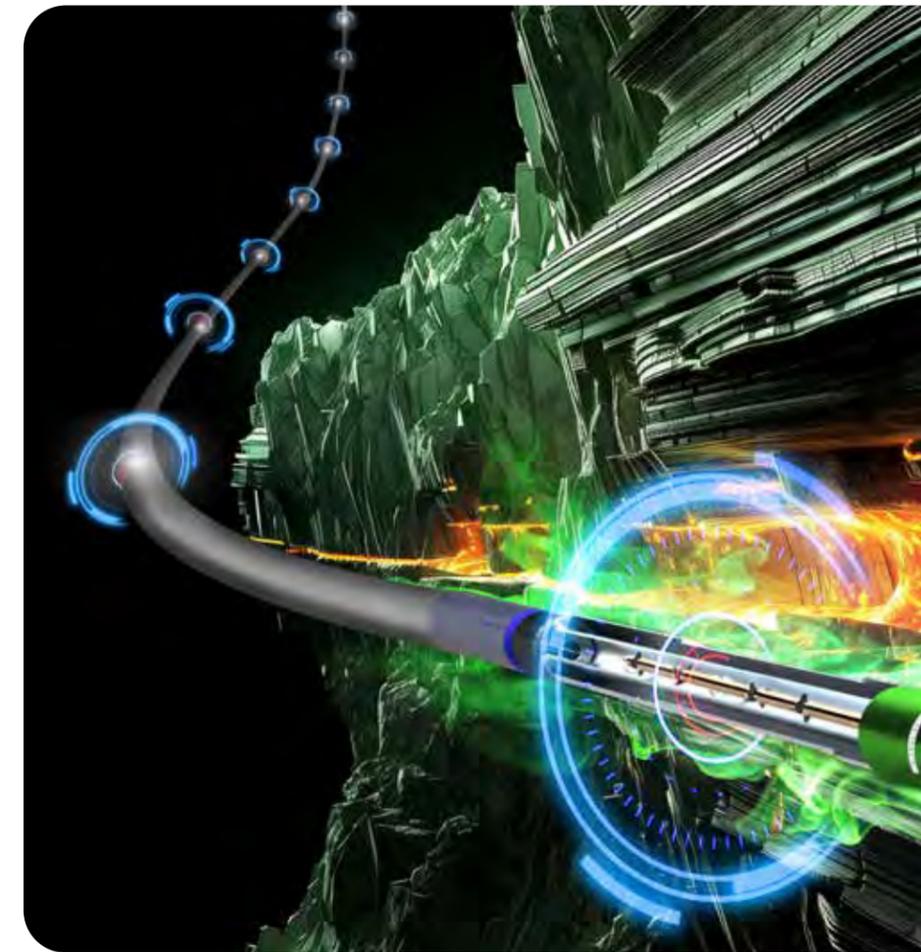
**Predict (NTS Amega)**

Use decades of repair and testing data to forecast wear and maximize equipment reliability

**Execute (Deep Well Services)**

Apply AI-guided intervention and completion operations for optimal field performance

This intelligence-driven approach links drilling, intervention and production in a continuous cycle of learning and improvement, delivering safer, faster and smarter wells, and unlocking recurring value for customers.



**Why it matters**

For ADNOC Drilling, Enersol is a strategic growth engine, not a subsidiary, but a true investment in the future of energy services. Enersol delivers:

- **Technology ownership** and operational efficiency
- **Synergies with ADNOC Drilling's integrated services** and unconventional programs
- **Financial upside** through accretive acquisitions and global market expansion
- **Alignment with national priorities:** energy security, decarbonization and economic diversification

Enersol is not just building technology, it is orchestrating a digital ecosystem of intelligence, performance and recurring value, from well construction to production.

# Turnwell

Powering the UAE's Unconventional Energy



Turnwell is more than a joint venture, it is a bold statement of intent. Created by ADNOC Drilling in partnership with SLB and Patterson-UTI, Turnwell is the unconventional energy services arm that is unlocking Abu Dhabi's vast unconventional oil and gas resources. These resources, estimated at 220 billion barrels of oil and 460 trillion cubic feet of gas, represent one of the most significant energy opportunities anywhere in the world. Developing them will strengthen the UAE's energy security, diversify supply and create long-term value for generations to come.

In 2025, Turnwell continued to deliver on this promise with unprecedented speed, efficiency and innovation. The joint venture is executing a \$1.7 billion Phase 1 contract awarded to ADNOC Drilling to drill unconventional wells, to a timeline that reflects both the confidence placed in Turnwell's capabilities by its customer and the UAE's commitment to energy leadership.

**From arc lighting to AI: A journey of transformation**

Turnwell's success story is built on a relentless pursuit of excellence. It began with a simple but powerful innovation: arc lighting across night operations. By improving visibility and safety during multi-shift activity, crews reduced hazards, improved workflow and cut non-productive time. This commitment to safety became the foundation for a cascade of efficiency gains that have redefined what is possible in unconventional drilling:

- **Batch drilling and pad optimization** streamlined rig moves and minimized downtime
- **AI-driven well planning and predictive analytics** enabled real-time decision-making, reducing design iterations and optimizing drilling parameters
- **Advanced rotary steerable systems**, high-performance bits and digital execution platforms delivered faster penetration rates and fewer trips
- **Integrated partner expertise from SLB and Patterson-UTI** brought unconventional best practices from North America, adapted for Abu Dhabi's geology

These innovations have pushed performance beyond expectations: Turnwell is now consistently delivering wells in under 15 days, a milestone that sets a new benchmark for efficiency in the region and positions ADNOC Drilling as a global leader in unconventional operations.

Turnwell's operational backbone is its ability to deliver wells at scale. Since launching operations in 2024, the joint venture has steadily increased drilling activity, supported by a fleet of high-spec land rigs equipped with advanced safety systems, digital monitoring and optimized lighting for 24/7 operations. As Phase 1 accelerates and Phase 2 potentially unlocks thousands of wells, Turnwell is positioned to significantly expand drilling throughput and deliver the wells required to develop the UAE's unconventional resources.

Every well represents more than steel and horsepower: it is a symbol of progress, powered by technology and guided by a vision to make the UAE a global leader in unconventional energy development.



## Key metrics

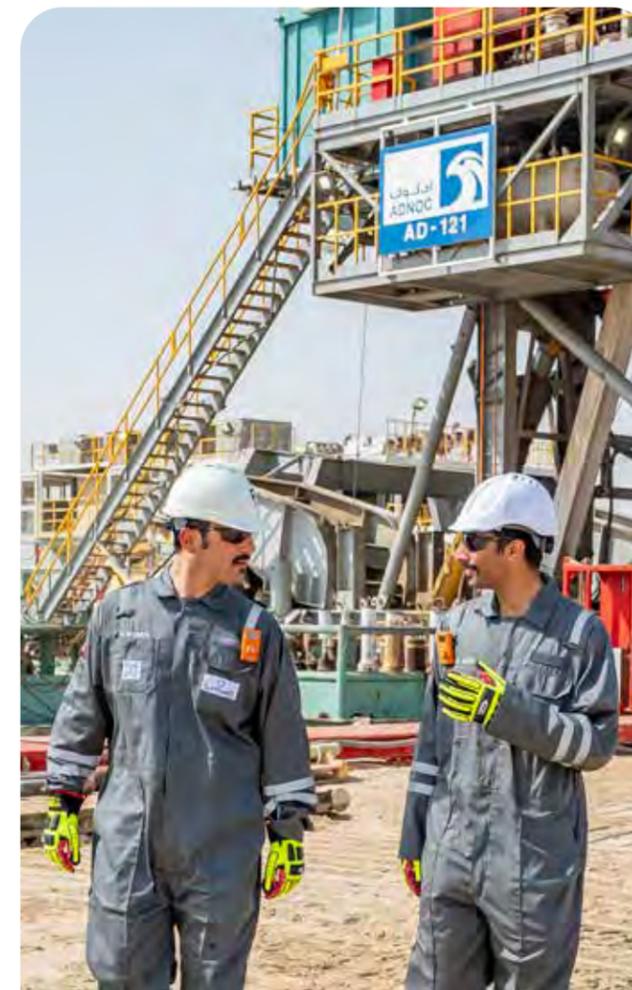
**\$1.7 billion Phase 1 contract value to ADNOC Drilling**

**Fastest wells: sub-15 days thanks to AI and advanced technology**

**Total wells (Phase 1 to-date): 87 drilled, 61 fractured\***

\*As of 13 March 2026

**Efficiency gains: >50% reduction in pad-level cycle time**



## Outlook

**Phase 1 is only the beginning. With a potential for thousands of wells required to fully develop Abu Dhabi's unconventional resources, operations will leverage digitalization, automation and AI to deliver world-class performance.**

**This is a story of partnership, innovation and national progress – a story that will define the next chapter of ADNOC Drilling's growth and the UAE's energy future.**

**Company:**  
EV (an Enersol portfolio company)

**Location:**  
Utah FORGE, United States

**Sector:**  
Advanced Well Diagnostics | Geothermal & Energy Transition

**The Challenge**

As Enhanced Geothermal Systems (EGS) move from pilot projects toward scalable energy solutions, subsurface verification becomes mission-critical.

At the Utah FORGE site – a flagship geothermal research program supported by the U.S. Department of Energy – operators needed to validate plug isolation integrity and perforation erosion following high-temperature stimulation of a primary injection well.

Conventional diagnostics tools provided partial answers, but the project required clear, high-confidence visual and quantitative confirmation to assess fracture uniformity and reservoir performance in an active EGS environment.

# Enersol: Visualizing the Subsurface

## First-Ever Combined Video and Ultrasound Evaluation in an Enhanced Geothermal System

**The Innovation**

EV deployed its ClearVision™ platform to deliver a world-first combined downhole video and ultrasonic evaluation in an EGS well.

**By integrating:**

- High-resolution downhole video
- Advanced ultrasonic measurements

ClearVision™ enabled the Utah FORGE team to simultaneously visualize and precisely measure:

- Bridge plug placement and isolation
- Perforation condition and erosion
- Post-stimulation wellbore integrity

This marked the first time video and ultrasound technologies were combined to evaluate perforations and plugs within an active geothermal reservoir, establishing a new standard for high-temperature, high-complexity evaluation workflows.

**The Impact**

**The deployment delivered unprecedented subsurface insight, allowing operators to:**

- Verify plug isolation with visual certainty
- Quantify perforation erosion linked to stimulation effectiveness
- Better understand fracture uniformity and reservoir response
- Reduce uncertainty in post-stimulation evaluation

**The result:** faster, more confident data-driven operational decisions and a new benchmark for geothermal well diagnostics.

**Strategic Relevance for ADNOC Drilling**

This milestone highlights how Enersol portfolio companies are extending advanced well-construction and diagnostics expertise into next-generation energy systems.

**For ADNOC Drilling, the implications are clear:**

- Advanced subsurface imaging and analytics developed for hydrocarbons are directly transferable to geothermal and unconventional energy applications
- Proprietary technology platforms such as ClearVision™ reinforce ADNOC Drilling’s positioning as a technology-enabled, AI-driven energy services leader
- Enersol continues to unlock new growth pathways by backing technologies that improve capital efficiency, reduce subsurface risk and support energy diversification

**Looking Ahead**

As global investment in geothermal and unconventional energy accelerates, EV’s ClearVision™ platform demonstrates how precision well diagnostics can de-risk projects, improve reservoir performance and enable scalable, reliable energy solutions.

This case underscores Enersol’s role in bringing world-class technology to complex energy challenges, while reinforcing ADNOC Drilling’s leadership across the full spectrum of modern well construction – from hydrocarbons to geothermal and beyond.

# Delivering a clear vision

**ADNOC Drilling provides a differentiated value proposition in our region and sector. With a clear vision for the future, a long-term mandate from ADNOC, and the right combination of scale, capability, and reliability to achieve our strategic ambitions, we are ideally positioned to drive value, yield and growth.**

**Our investment case is built on three key features:**

## 01

**A solid base, as the contractual framework with ADNOC provides the Company with highly visible and stable drilling revenue and superior returns in the drilling industry.**

## 02

**The secure delivery of a resilient financial performance paired with a strong and prudent balance sheet, providing flexibility to fuel growth.**

New, progressive dividend policy: \$1 billion base dividends for FY 2025, up 27% year-on-year. Dividend to grow by at least 5% to at least 2030. As per dividend policy, the Board of Directors, at its discretion, may approve additional dividends over and above the progressive dividend floor (supported by excess free cash flow and strong balance sheet).

## 03

**An attractive growth profile in both drilling and Oilfield Services, underpinned by ADNOC's strategic growth strategy:**

- Recent addition of Enersol JV as a new growth engine, with strategic vision to become a diversified tech-centric OFS investment platform. Benefits include opportunity for Enersol's OFS tech-enabled acquisitions to further develop the Company's integrated offering and tech ecosystem
- Plan to increase ADNOC's oil production capacity to 5 million barrels per day by 2027, and increase unconventional gas production to 1 billion cubic feet per day, supporting the UAE gas self-sufficiency goal
- Turnwell JV with SLB & Patterson-UTI now unlocking the UAE's world-class unconventional energy resources which are expected to benefit both the Company's short term earnings and long-term growth
- Acquisition of 70% stake in the JV with SLB (SLDC) regarding a land rig business in Oman and Kuwait brings first platform in regional markets. 8 operational land rigs contracted with National Oil Companies. Transaction completed in January 2026
- Agreement to acquire an 80% stake in MB Petroleum Services (MBPS), marking the second accretive acquisition as the Company accelerated regional expansion. Partnership expected to provide stable, promising regional growth through 21 rigs as well as OFS contracts with Oman, Kuwait, Saudi and Bahrain NOCs. The transaction remains subject to completion
- IDS fleet growth to 60 rigs, with awards expected in 2026 to bring the number up to 70. Expansion to drive higher productivity, faster well delivery and lower costs
- Island drilling expanding with 3 rigs expected to join in 2026, another 3 rigs between 2027 and 2028, and potential further deployments in 2029 and 2030

# Unlocking Energy for Greater Shareholder Value



## High Returns, Limited Risk Proposition

- **Integral position to ADNOC operations driving bespoke contractual position**
- **Attractive returns, high visibility and strong downside protection**
- **Compelling IRRs generated over a long time, driving significant cash generation**

The unique contractual regime with ADNOC allows long-term de-risked rig investments, generating double-digit unlevered Internal Rates of Return (IRRs) for up to 15-years, providing high visibility and strong downside protection.

Compelling contractual IRRs generated on the rigs over long periods of time drive a robust and resilient cash generation.

The contractual framework and associated high return/limited risk terms leads to a special financial profile, with high and stable margins.

Moreover, the Oilfield Services business allows ADNOC Drilling to provide an integrated drilling offering to its clients, further cementing its position as an integral player in the upstream ecosystem.



## Delivering Superior Financial Results

- **Undisputed returns leadership throughout the cycle**
- **Strong cash conversion, robust capital stewardship and solid balance sheet**
- **Attractive progressive dividend policy**

ADNOC Drilling shows undisputed returns leadership through the cycle.

Its unique status within ADNOC Upstream not only provides solidity to the business, but also visibility in top line and margins unheard of in the drilling sector.

The Company delivers best-in-class returns with strong return on equity and return on invested capital. ADNOC Drilling's long-term contracts provide unmatched earnings visibility, underpinning stability despite commodity price volatility.



## Significant Opportunities for Growth

- **Key enabler to ADNOC's delivery on its long-term upstream targets**
- **Strong in-house capability to drive accelerated growth into oilfield services, complemented by the creation of Enersol JV, with the goal of acquiring and investing in companies offering tech-enabled oilfield services solutions**
- **Acceleration of access to unconventional resources**
- **Profitable and value accretive regional expansion**

ADNOC's strategic upstream targets and planned upstream activity translate into drilling activity and a significant captive demand for the Company to provide the necessary infrastructure and services.

The accelerated growth into OFS continues to add further top line growth. OFS is expected to become a material scale business over the coming years and be a substantial driver of growth going forward. Further potential for disciplined domestic and regional expansion also exists.

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# STRATEGIC REVIEW

# 2025 was a defining year for ADNOC Drilling.

We delivered record performance. And we advanced a strategy that expands our growth horizon, while advancing: safety, discipline and growing returns.

We operate in a world that is changing fast. But some fundamentals do not change.

Execution, efficiency, technology and capital discipline create long-term value.

In 2025, we did exactly that.

Revenue reached \$4.9 billion, up 22% year on year.

Net profit rose to \$1.45 billion, up 11% year on year, the strongest results in our history.

Strong free cash flow improved our ability to invest through the cycle while sustaining attractive, reliable shareholder returns.

Put simply: we are turning scale into cash generation, and cash generation into shareholder returns.

For 2025, ADNOC Drilling delivered a total dividend of \$1.0 billion. In line with the Company's dividend policy, the Company has set an annual dividend floor of \$1.05 billion for 2026, representing a minimum 5% year-on-year increase.



ADNOC Drilling is built to deliver growth and yield, not one or the other, but both, through the cycle.

Our strategy is clear: strengthen our core, extend our platform and compound value through disciplined growth.

In the next phase of transformation, Abu Dhabi remains as our heartland. It is where our operational heritage is built and where our long-term partnerships are anchored.

But the next phase of value creation requires us to build scale beyond the UAE.

That is why we are executing a regional strategy to extend opportunity, and accelerate value creation.

Regional expansion is the disciplined extension of our strategy,

During the year, we closed the SLDC transaction, expanding our market.

In parallel, we signed an agreement expressing our intention to acquire 80% of MBPS, reflecting our ambition to build scale.

Both SLDC and MBPS have independently demonstrated strong momentum in 2025, outperforming their respective businesses and securing new awards.

Furthermore, in 1Q 2026, MBPS, operating entirely independently, announced the award of 4 new long-term contracts for three rigs in Kuwait and one rig in Oman, highlighting the significant potential to expand, while continuing to operate independently until approvals are obtained and completion is achieved.

These developments demonstrate our portfolio and M&A strategy is transformational by design.

Selective by intent, disciplined in execution and governed by returns.

We are entering an era where unconventional will increasingly shape our growth.

We are building scalable, repeatable unconventional capabilities, with the potential for up to 300 wells annually subject to market conditions and customer award.

That is transformational, a new level of scale, and a new level of opportunity.

But growth at scale only matters if it is high-quality growth.

Unconventionals development is energy addition, executed with a clear focus on value accretion.

Reducing well costs and lifting margins is imperative and central to our strategy.

To drive success we will execute safely and at scale to capture more value per well.

We will deploy AI and technology that deliver measurable performance improvements.

And we will maintain capital discipline, so growth strengthens returns, resilience, and cash generation.

We will turn complexity into advantage, activity into margins, strengthening shareholder value.

Technology and AI are core to ADNOC Drilling's operating model and a competitive advantage.

We continue to develop local talent, expand career pathways, and build national capability.

I want to thank our people, for their discipline, professionalism, and focus on safety.

As the UAE marks the Year of the Family in 2026, we reaffirm our commitment to wellbeing, development, and opportunity for our people.

Shareholders, the message is clear.

We have delivered record results, have a clear strategy, multiple growth engines and the discipline to convert ambition into value.

Abu Dhabi remains our heartland. Our regional platform extends our reach.

Unconventionals add a new layer of scale.

Our mandate remains unchanged: deliver growth and yield with discipline.

Thank you for your trust and partnership. Thank you to our people, who continue to deliver every day.

**H.E. Dr. Sultan Al Jaber**  
Chairman

**ADNOC Drilling exists to solve a defining challenge: how to deliver energy services that are reliable, scalable and responsible, while improving efficiency, safety and discipline every year.**

**In 2025, as I stepped into the role of Chief Executive Officer, my priority was not to change our purpose, but to strengthen how we deliver on it consistently, at scale, and with clear accountability.**



**2025 has been a year of momentum and execution. As the Chairman sets out in his foreword, ADNOC Drilling delivered the strongest financial performance in its history, reflecting the resilience of our long-term model and the strength of our delivery. Behind these results is something more fundamental: a culture that turns strategy into performance through discipline, clarity and an unwavering focus on what matters most.**

From day one, my approach has been simple: listen, learn and act. Spending time with our teams across operations reinforced a powerful truth, our people are not only our greatest strength; they are our competitive advantage. Their skill, judgement and commitment enable safe, consistent execution in complex and demanding environments. Their discipline is what transforms plans into outcomes, day after day.

Operationally, 2025 was about scaling what works. We continued to embed technology, artificial intelligence, digital systems and automation at the heart of how we operate, practically and with purpose. These capabilities are not future ambitions. They are already improving safety, enhancing reliability, reducing downtime and enabling faster, data-driven decision-making across our fleet. Our approach remains disciplined: deploy proven, value-accretive capability where it delivers measurable operational impact, and scale it systematically across the business.

We also strengthened our ability to deliver across a broader share of the energy services value chain. The continued expansion of integrated solutions and oilfield services is enhancing ADNOC Drilling's resilience and growth optionality. At the same time, our progress in unconventional energy delivery continues to deepen national capability in complex resource development. Together, this means we are building a more integrated, more technologically enabled company, designed to perform with consistency, efficiency and discipline at scale.

Beyond the UAE, we continued to build a selective and disciplined regional platform. Partnerships and operating footprints in Oman and Kuwait reflect a deliberate approach, closely aligned with ADNOC's objectives and grounded in value-accretive growth. This is how we expand: thoughtfully, with clear strategic logic, and with a focus on long-term capability building and returns.

Responsibility underpins everything we do. Safety remains non-negotiable and is the foundation of performance. We continued to strengthen governance and standards, while advancing initiatives that support lower emissions intensity through smarter asset utilization and improved operational efficiency. For ADNOC Drilling, responsible operations are not a trade-off; they are fundamental to resilience, trust and long-term value creation.

As we look ahead, our priorities are clear:

- Scale technology and AI deployment that improves safety, reliability and performance
- Grow integrated services and our regional footprint with capital and operational discipline
- Strengthen execution quality, cash generation and long-term value creation
- Protect and advance a culture rooted in safety, respect, accountability and empowerment

As the UAE marks the Year of the Family in 2026, this focus on people matters more than ever. Our progress, whether in technology, operational performance or growth, is driven by individuals and teams who care deeply about what they do and who they do it for. Creating an environment where our people can perform, develop and feel valued remains central to our responsibilities as leaders.

I am confident in the path ahead. ADNOC Drilling has the talent, capabilities and clarity of purpose required to meet rising expectations and increasing complexity. Together, we will continue to enable ADNOC's success, strengthen the UAE's leadership in energy and industry, and deliver enduring value, today and for generations to come.

**Abdulla Najj Ateya Al Messabi**  
Chief Executive Officer

# Fully committed to all our stakeholders

## A Truly Integrated Drilling and Completion Services Business



**Onshore**



**Offshore**



**Oilfield Services**

Drilling & Completion Fluids

Directional Drilling

Surface Logging Services

Wireline Services

Cased Hole Logging

Pressure Pumping

**Strategic Joint Ventures**



**turnwell**

**Regional Joint Ventures**

**SLDC\***   **MBPS\*\***

\* Transaction completed in January 2026  
\*\* Transaction subject to completion

## Key Differentiators and Competitive Advantages

- **Unique Market Position**  
Sole drilling provider in Abu Dhabi and key enabler of ADNOC's expansion plans
- **Financial Strength**  
Healthy balance sheet, sustainable cash flow generation and robust revenue pipeline
- **Investment Proposition**  
High guaranteed internal rates of return, high visibility, superior financial performance, progressive dividend policy
- **Operational Excellence**  
World-class operational performance supported by well-maintained assets, advanced technology and continuous innovation
- **Integrated Offering**  
First integrated drilling provider in region, ideally positioned for growth in the oilfield services market
- **Unmatched Scale**  
Largest drilling company in Middle East by rig fleet size, investing in growing our modern fleet
- **Talented Team**  
Experienced leadership supported by a diverse and committed workforce
- **ESG Focus**  
Effective corporate governance and risk management models, with keen focus on sustainability

## Value Creation for our Stakeholders



**Shareholders**  
High returns, high visibility, superior financial performance, rewarding and visible dividend policy.



**Suppliers and Partners**  
Alliances with industry-leading service providers.



**Customers**  
ADNOC Upstream operating companies and concession block holders.



**Community**  
Strong social responsibility, local community development.



**Employees**  
Inclusive culture and diverse workforce, local talent development.

# A detailed communications program

We have identified five main stakeholder groups who are vitally important to the success of the Company. We ensure we are continuously aligned through regular and ongoing communication throughout the year.



**Shareholders** 



**Suppliers and Partners** 



**Customers** 



**Community** 



**Employees** 

## How We Engage

Investor Relations, together with Senior Management and the Board, maintain proactive and transparent engagement with shareholders through earnings calls, regulatory disclosures, investor presentations, global conferences, non-deal roadshows and formal meetings, including the AGM.

Surveys, bids and tenders, discussion emails, meetings (virtual and physical) and contractor grievance mechanism system. We also engage with our strategic partners through formal board meetings, meetings (virtual and physical) to ensure strategic alignment and value creation.

Website, social media, circulars, service call center and customer satisfaction survey.

Through events and initiatives during the year, partnerships with entities including the Ministry of Education.

Through line managers, Group-wide and team-wide internal communications, Hub, camps activity at meetings and key events or celebrations during the year.

## Key Issues/ Items Discussed

- Strategy
- Financial and operational performance
- Opportunities
- Business status
- Future outlook
- Upcoming events and activities
- Ad hoc events/activities
- Feedback from investors

- Key performance stories
- Business development
- Quarterly updates
- Individual performance
- Strategy
- Performance reviews

- Performance
- Opportunities
- Business status
- Relationship building

- Fulfilling a need or support for a given initiative
- Partnership opportunities

- Key performance stories
- Business development
- Quarterly updates
- Individual performance

## Actions to Be Implemented

- Operational and strategic action taken depending on the discussion
- Keeping shareholders well informed of present and upcoming business activities
- Fostering transparency and openness in all communications

- Operational and strategic action taken depending on the discussion
- Providing an understanding of our business priorities and how they are best suited to deliver against our business needs

- Operational and strategic action taken depending on the discussion
- Providing an understanding of our joint key business imperatives
- Ensuring customers are getting the best value

- Provision of support or services when required
- Assisting communities in times of need, where and when collaboration and support is most needed

- Develop any areas discussed with employees
- Enabling more CEO and Senior Management engagement through live and remote internal comms
- Focusing on putting employees at the heart of the organization

Strategy in action:

# Growth

## Scaling for Rising Global Energy Demand with Excellence

In 2025, ADNOC Drilling strengthened its position as an industrial-scale energy leader. The Company's growth reflects disciplined execution, deliberate long-term planning and a strong commitment to reliability as the development of conventional and unconventional energy resources accelerates.

Rather than focusing on asset expansion alone, the Company prioritized a strategy centered on efficiency, standardization and repeatability. Output per rig increased through stronger planning and logistics integration, while standardized operating models reduced variability and enhanced consistency across operations. Continuous learning, improved resource planning and the application of proven operational playbooks shortened delivery cycles and enabled performance to scale predictably.

This disciplined approach strengthens ADNOC Drilling's ability to absorb operational complexity and deliver consistently at pace, maintaining high levels of safety, reliability and capital efficiency. Growth is driven by disciplined rig expansion and the development of sustainable, scalable capabilities aligned with national energy security priorities. ADNOC Drilling's model ensures the Company can continue delivering at industrial pace while remaining resilient in a rapidly evolving global energy environment.



**Growth is driven by disciplined rig expansion and the development of sustainable, scalable capabilities aligned with national energy security priorities.**

Strategy in action:

# Innovation

## Embedding Technology into Everyday Operations

Innovation at ADNOC Drilling is defined by practical application and measurable impact. In 2025, the Company integrated new tools into day-to-day operations, strengthening execution and enhancing operational consistency across both conventional and unconventional activity.

Using digitalization, automation and AI integration, the Company delivered \$150 million in cumulative savings, reduced well duration by 4.5 days, improved ROP by 20%, and lowered operational risk exposure by 75%. AI-enabled rigs and hybrid solutions are enhancing efficiency by 15%, while cutting emissions by ~30 ktCO<sub>2</sub>e and improving HSE performance through 100% hazard monitoring. Together, these initiatives demonstrate tangible financial, operational and sustainability returns from ADNOC Drilling's technology-led transformation.

A significant development during the year was the pilot of AI enhanced CCTV analytics. These systems strengthen situational awareness by identifying unsafe conditions and behaviors in real time, enabling earlier intervention and supporting a proactive, intelligence-led safety culture.

Innovation is also supported by ADNOC Drilling's technology ecosystem, including Enersol and its portfolio of specialist companies. Through locally developed tools and advanced equipment solutions from companies such as Gordon Technologies, the Company continues to build national capability, improve performance and enhance equipment reliability.

By embedding technology directly into operational workflows, rather than treating innovation as a standalone initiative, ADNOC Drilling ensures that advancements scale across the organization, translating into repeatable performance improvement, stronger reliability and long-term operational excellence.



**The Company continues to build national capability, improve performance and enhance equipment reliability.**

# The Middle East: Sustaining Global Energy Leadership

In 2025, the Middle East remained the cornerstone of global oil and gas production, with the UAE, Saudi Arabia and Qatar continuing to shape industry dynamics. The region's energy landscape is undergoing strategic recalibration. While dynamics in Saudi Arabia have moderated offshore expansion, the UAE – led by ADNOC Drilling – continues to sustain robust investment in both onshore and offshore capacity.

National oil companies (NOCs) are balancing energy security, economic growth and environmental stewardship by leveraging advanced technologies and forging global partnerships to drive efficiency and sustainability. This approach ensures the region's continued leadership amid shifting market dynamics.

In 2025, oil markets experienced notable volatility. Brent crude averaged in the mid-to-high \$60 per barrel range for most of the year, with prices fluctuating in response to supply dynamics and geopolitical developments. While prices softened toward year-end, they rebounded periodically on heightened regional tensions, underscoring the market's sensitivity to global events.

This volatility has curtailed drilling in higher-cost regions, particularly U.S. shale, while the Middle East and Asia-Pacific remain resilient. Efficiency gains, digitalization and operational discipline have helped offset lower prices, enabling ADNOC Drilling and peers to maintain strong production and profitability.

**Technology and AI: Transforming drilling operations**  
The rapid digital transformation of ADNOC Drilling and the broader oil and gas sector is ongoing. ADNOC Drilling has positioned itself as a pioneer in the region by embedding artificial intelligence (AI) and automation technologies across its operations. These advancements are not just incremental, they represent a fundamental shift in how drilling is planned, executed and optimized.



Key elements of ADNOC Drilling's transformation include:

- **AI-Native operations:** ADNOC Drilling has integrated advanced analytics and AI-driven automation throughout its fleet. This enables real-time optimization of drilling parameters, predictive maintenance of critical equipment and enhanced safety protocols. By leveraging machine learning, the Company can anticipate equipment failures before they occur, minimizing downtime and reducing operational risk
- **Automation and robotics:** Automation is now central to ADNOC Drilling's workflows, from automated pipe handling to remote-controlled drilling systems. These innovations improve consistency, reduce human error and enhance safety in high-risk environments
- **Sustainability and decarbonization:** Technology is also supporting ADNOC Drilling's sustainability agenda. AI-powered solutions are being used to optimize energy consumption, reduce emissions and support the Company's broader decarbonization goals

ADNOC Drilling's transformation is not only about adopting new tools but also about building a culture of innovation and continuous improvement. By investing in digital capabilities and fostering partnerships with technology leaders, ADNOC Drilling is setting new benchmarks for operational excellence and future-proofing its business in a rapidly evolving energy landscape.

**Enersol: Technology-driven acquisitions**

Enersol, the joint venture between ADNOC Drilling and Alpha Dhabi, continued its aggressive acquisition strategy in 2025, allocating \$700 million for new transactions and targeting a total of \$1.5 billion in acquisitions by year-end. Recent transactions include majority stakes in Gordon Technologies, NTS Amega, EV Holdings and Deep Well Services, all of which bring advanced AI, diagnostics and automation capabilities to ADNOC Drilling's portfolio. These investments are central to ADNOC Drilling's ambition to become a global leader in technology-enabled oilfield services.

**Turnwell: Accelerating unconventional resource development**

Turnwell Industries, ADNOC Drilling's joint venture with SLB and Patterson-UTI, was established in 2024 and has rapidly scaled operations in 2025. Tasked with delivering unconventional wells under a \$1.7 billion contract awarded to ADNOC Drilling, Turnwell has adopted batch drilling and leveraged Enersol's technology to accelerate project timelines and reduce costs. The success of this campaign has positively impacted ADNOC Drilling's 2025 earnings and sets the stage for a potential second phase involving thousands of additional wells.

**Accelerating growth across the GCC**

In 2025, ADNOC Drilling made significant strides in its regional expansion strategy, reinforcing its position as a leading energy services provider in the Gulf. The Company announced two landmark transactions: the acquisition of an 80% stake in MB Petroleum Services (MBPS), which remains subject to completion; and a 70% stake in the JV with SLB (SLDC) regarding a land drilling rigs business in Kuwait and Oman, which completed in January 2026. These moves marked ADNOC Drilling's second and third major acquisitions outside the UAE, rapidly scaling its operational footprint and capabilities across Oman, Kuwait, Saudi Arabia and Bahrain.



# The Middle East: Sustaining Global Energy Leadership (continued)

## Strategic acquisitions and partnerships

### MB Petroleum Services (MBPS):

The acquisition of MBPS brings 21 drilling and workover rigs, production service units and a robust portfolio of contracts with NOCs across four Gulf countries. This transaction, valued at \$204 million, is expected to be immediately accretive to earnings, cashflow, and returns upon completion. It significantly enhances ADNOC Drilling's scale, operational resilience and access to high-growth markets, positioning the Company to deliver high-performance solutions and unlock further shareholder value. The transaction remains subject to closing.

### SLB land drilling JV (SLDC) (Kuwait and Oman):

The partnership with SLB involves acquiring a 70% stake in a joint venture operating eight fully contracted land rigs – two in Kuwait and six in Oman. This transaction provides ADNOC Drilling with immediate access to stable, long-term contracts and strengthens its ability to deploy advanced technologies, integrated drilling services and digital solutions across the region. The transaction completed in January 2026, with full consolidation into ADNOC Drilling's financials thereafter.

ADNOC Drilling's disciplined, value-driven approach to expansion is underpinned by operational excellence, integrated services and a diversified fleet. These acquisitions not only diversify the Company's revenue streams but also enhance its resilience to market cycles and evolving client needs. By partnering with established regional leaders and leveraging cutting-edge technologies, ADNOC Drilling is strategically positioned to capture surging demand for energy services across the GCC, deliver sustainable growth and reinforce its status as a regional powerhouse in drilling and oilfield services.

## Market dynamics

### Offshore drilling and utilization

The offshore drilling market in 2025 showed cautious optimism amid a complex global energy environment. Global upstream investments were projected at approximately \$615 billion, with offshore spending rising modestly by 1–2% over 2024. Growth was strongest in shelf and deepwater segments, expected to expand by 6% and 4% respectively, driven by major projects in the Middle East, Brazil, West Africa and Southeast Asia as NOCs and international majors pursued long-term energy security and gas development.

Rig utilization remained robust, with global marketed utilization averaging 83–85% and committed utilization at 86–88%. Premium jack-up rigs were in high demand, nearing full capacity, and commanding day rates above \$100,000 per day. However, early signs of softening appeared in standard jack-up rates, particularly in regions impacted by contract suspensions such as Saudi Arabia. The global fleet stood at roughly 495 units, with cold-stacked rigs and new deliveries offset by limited retirements.

### Middle East offshore drilling

The region remains a global leader in offshore activity, though demand has softened, reducing units from over 170 to about 148. Despite this, utilization rates remain high, and incremental demand is anticipated as suspended units return to service. Ongoing investments in gas and LNG projects, especially in the UAE and Qatar, continue to support activity.

### Onshore drilling

The global onshore drilling market in 2025 was characterized by a cautious environment shaped by lower oil prices, supply-demand imbalances and efficiency gains. The rig count remains below historical averages, but technological advancements and operational improvements mean similar or greater results are being achieved with fewer rigs. Onshore exploration and production spending declined by 7% in 2025, with North America and Asia-Pacific contributing most to the reduction. Despite these headwinds, the market is seeing increased efficiency through longer laterals, automation and high-spec rig deployments, allowing operators to maximize output while controlling costs.

Globally, the power balance between buyers and suppliers has shifted toward equilibrium, with suppliers retaining a slight edge in the high-end rig market. The top 10 suppliers now account for nearly half of the global rig supply, and high-spec rigs make up about 60% of the fleet, especially in North America. Mergers, acquisitions and partnerships have continued, with notable deals such as ADNOC Drilling's planned expansion into Kuwait and Oman and Nabors' acquisition of Parker Wellbore. Contracting models remain diverse, with a mix of day-rate and performance-based contracts, and international rates have generally held firmer than those in North America. Cost-saving measures and technology upgrades are helping contractors maintain margins despite lower activity.

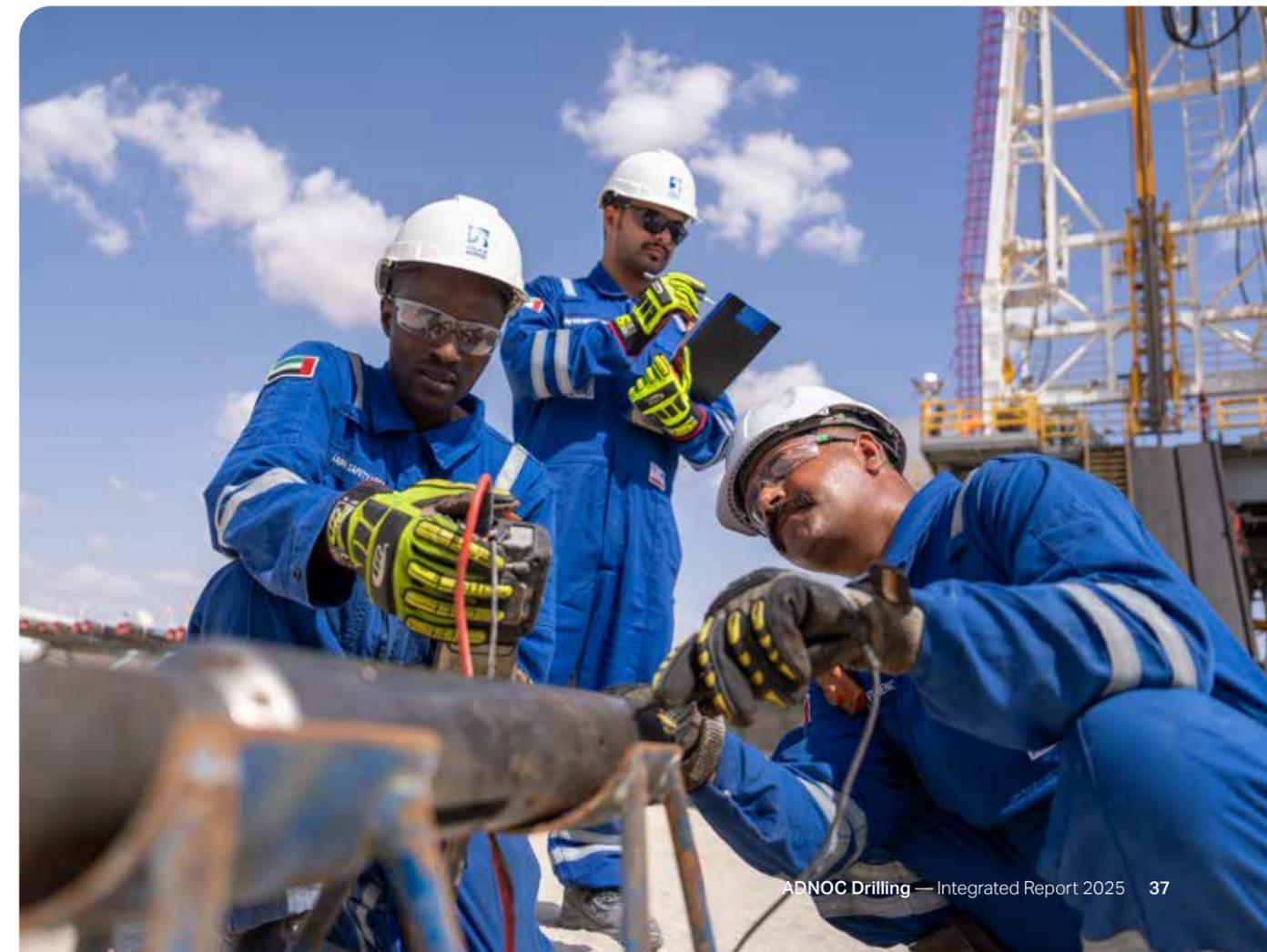
### Middle East onshore drilling

The Middle East onshore drilling market stands out for its resilience and ongoing capacity expansion. While the region saw a moderate 3% decrease in rig demand in 2025, it is expected to see a 2% increase in 2026 as countries pursue unconventional gas and new OPEC quotas.

The Middle East continues to build new capacity, with new rigs entering the market featuring advanced technology and high horsepower. These new-builds are typically backed by contracts, ensuring high utilization rates. Saudi Arabia remains the most competitive market, with a diverse supplier base and a growing focus on unconventional gas. SANAD is steadily increasing its fleet, and other regional players are investing in high-tier rigs and automation. Similarly, ADNOC Drilling is expanding its market share in Oman and Kuwait through acquisitions and partnerships. The region's stable activity, high utilization and focus on technological advancement make it a desirable market for both domestic and international contractors.

### Look ahead

ADNOC Drilling is well positioned to capitalize on evolving industry dynamics and rising global energy demand. The Company's focus on technology, operational excellence and disciplined expansion supported by a robust balance sheet and a progressive dividend policy reinforces its role as a growth engine for ADNOC and a leader in the evolving energy landscape.



Strategy in action:

# Safety

## Enhancing Safety Through Design and Intelligence

**Safety remains the foundation of ADNOC Drilling's operating model. As activity levels increase and operations become more complex, the Company continues to advance its industry-leading safety performance through enhanced design, automation and real-time intelligence.**

In 2025, ADNOC Drilling expanded the use of automation systems that reduce manual handling and physical exposure. Digital monitoring platforms strengthened visibility and control across multi-site operations, enabling faster decision-making and improved oversight. AI-enabled tools, including CCTV analytics, helped identify potential hazards proactively, shifting the Company's safety approach from reactive response to predictive prevention.

A consistent standard of safety leadership across shifts and operational areas reinforced the culture of accountability and ownership that underpins ADNOC

Drilling's performance. Safety is integrated into equipment design, operational planning and workflow architecture, ensuring that reliability and protection are built into every stage of execution.

This intelligence-driven model allows ADNOC Drilling to sustain higher levels of activity while maintaining strong and best-in-class HSE performance. For the Company, safety is not a trade-off, it is a prerequisite for operational excellence and a critical enabler of reliable, sustainable growth.



**This intelligence-driven model allows ADNOC Drilling to sustain higher levels of activity while maintaining strong and best-in-class HSE performance.**

Strategy in action:

# Wellbeing

## Creating the Conditions for Rest, Recovery and Belonging

**ADNOC Drilling recognizes that sustained operational excellence depends on people who are rested, supported and engaged. For crews working in demanding 24/7 environments, wellbeing extends beyond the worksite. It is shaped by the quality of their living conditions, the services that support them and the sense of community they experience.**

Central camps play a critical role in providing these foundations. In 2025, ADNOC Drilling continued to invest in enhancing accommodation environments, ensuring they remain safe, modern and conducive to rest and recovery. Facilities that support physical and mental wellbeing, including recreation, fitness and communal spaces, contribute directly to a healthier, more resilient workforce.

The Company's Business Support teams play a vital role behind the scenes, ensuring that every aspect of camp life runs smoothly, from transportation and catering to welfare and recreation services. Their work ensures crews have the essential support and stability needed to perform at their best.

A strong sense of belonging reinforces wellbeing further. Throughout the year, ADNOC Drilling celebrated UAE National Day, as well as the national days of employees' home countries and other cultural occasions. These moments of recognition reflect the Company's inclusive culture and its commitment to its diverse workforce. By investing in both the physical environment and the social fabric of its operations, ADNOC Drilling continues to create the conditions for long-term wellbeing, supporting safe, sustainable and high-performing operations.



**In 2025, ADNOC Drilling continued to invest in enhancing accommodation environments, ensuring they remain safe, modern and conducive to rest and recovery.**

# Overview

ADNOC Drilling's core strategy comprises 3 interconnected pillars, each critical to its success:



## Identity

People are our strength. We are powering our workforce to drive transformation and growth, fostering a culture of empowerment, engagement and continuous learning.

Our identity is defined by our commitment to talent development, diversity and being the preferred employer.



## Excellence

This is our license to grow. It underpins ADNOC Drilling's long-term competitiveness, credibility and ability to scale responsibly.

Through consistently safe, reliable and high performance delivery, excellence enables disciplined growth and strengthens leadership capability. By embedding efficiency, cost discipline and continuous improvement across operations, systems, and culture, excellence converts operational strength into sustained value creation.



## Growth

Unlocking new opportunities, expanding our service offerings and diversifying revenue streams. Growth is about scaling impact, both domestically and regionally, and setting new benchmarks for the industry.

The three strategic pillars: Identity, Excellence and Growth represent an evolution, not a reset from the earlier seven strategic areas. These are fully embedded within these pillars, preserving strategic intent while sharpening focus. The new framework simplifies execution, reinforces accountability and strengthens alignment between people, performance and value creation across the business.

# Strategy

Leading in technology, efficiency and value creation

## Our Vision

ADNOC Drilling's ambition is to strengthen its position as a globally recognized leader for pioneering technological innovation, operational excellence and sustainable value creation across the energy services landscape.



Identity

- Cultivate a distinctive brand that reflects our values, vision and commitment
- Empower our people as ambassadors of growth, innovation and transformation
- Continue to be the preferred partner for rigs and services in our domestic market, while solidifying our role as the GCC market leader in drilling and integrated services



Excellence

- Deliver safe, reliable high-performance operations through efficiency, cost discipline and operational excellence
- Leverage technology and innovation to continuously improve productivity, reliability and value creation
- Decarbonization initiatives to improve efficiency, reliability and reduce environmental impact



Growth

- Strengthen the UAE platform by leading unconventional development through fit-for-purpose rigs, expanded integrated services and technology-driven delivery
- Scale selectively across the GCC, using joint ventures to extend integrated drilling and well-delivery model beyond the domestic market
- Advance capability depth through disciplined scope expansion and targeted inorganic opportunities, evolving into a technology-enabled energy services platform

## Foundational Enablers

- **People:** Investment in workforce, ensuring they have the skills, tools and support to excel
- **Safety:** A condition of doing business and thus non-negotiable. It is embedded in every process, every decision and every operation
- **Customers:** Relentless focus on delivering value and satisfaction to customers, building long-term partnerships based on trust and performance



# Identity

The Identity pillar is central to ADNOC Drilling's ambition to accelerate growth by empowering people and building a culture that attracts and retains top talent, and to continue its positioning as the preferred partner for rigs and services. This will help shape ADNOC Drilling's brand through its people, culture and customer-centric approach.

In a rapidly evolving energy landscape, our clients and stakeholders expect not only operational excellence but also proactive, value-driven partnership. In our approach, the customer is at the heart of every decision, process and interaction. These changes are designed to address new business needs, optimize resources and ensure that the organization is structured to deliver proactive, customer-focused service.

Our people remain the cornerstone of ADNOC Drilling's customer-centric journey. To stay ahead in a dynamic market, we continue investing in targeted upskilling, internal mobility and succession planning, complemented by digital tools that enhance on-the-job effectiveness – such as data-driven insights, real time operational visibility and AI-enabled HSE platforms that support better decision making at the front line. These initiatives ensure employees have both the technical expertise and business acumen to anticipate client needs, deliver exceptional service and operate safely every day.



**In practical terms, this includes scaling automation and AI on the rig floor and across island operations – such as the acquisition of six island rigs with a digital backbone and enhanced hazard monitoring, alongside increased use of autonomous/robotics-enabled capabilities to reduce human exposure during critical activities. Complementing this, AI CCTV/video analytics and AI safety camera deployments strengthen proactive risk detection (e.g. PPE compliance, unsafe acts/conditions, red-zone monitoring) and enable earlier intervention to prevent incidents – supporting ADNOC's broader momentum in real time AI safety event detection across sites.**



# Excellence

The Excellence pillar represents the operational and performance backbone of ADNOC Drilling's long-term strategy and serves as its enduring "license to grow." It is focused on delivering sustainable value through disciplined execution, continuous improvement and the systematic application of technology and innovation across the organization. Excellence is positioned as an ongoing journey aimed at embedding efficiency, accountability and value creation into everyday operations.

Technology, digitalization and data-driven decision making remain the central enablers of this pillar. By integrating advanced digital capabilities into operational workflows, ADNOC Drilling will enhance productivity, reduce variability and improve consistency across its assets and service lines. The use of real time insights, automation and predictive capabilities enables faster responses, better planning and more informed decision making, while maintaining human oversight. This approach supports safer operations, higher reliability and improved asset utilization.

Operational improvements are designed to enhance internal performance and deliver shared benefits to customers. By improving reliability, efficiency and service quality, ADNOC Drilling strengthens long-term partnerships and reinforces its role as a trusted and value-adding service provider. This collaborative approach ensures alignment between operational excellence and customer success.

Sustainability and responsible operations are embedded within the Excellence agenda. Efforts to optimize energy use, reduce environmental impact and enhance health and safety outcomes are closely linked to operational efficiency and cost effectiveness. By integrating sustainability considerations into performance management, ADNOC Drilling reinforces its commitment to long-term value creation while supporting broader environmental and social objectives.

Excellence provides a structured and holistic framework for driving performance across ADNOC Drilling which enables the Company to enhance efficiency, strengthen competitiveness and deliver sustainable value for all stakeholders.



# Growth

ADNOC Drilling's growth will be driven by the following 3 key areas:

## Core Focus for Growth in the UAE

A key driver of growth in the UAE is the rapid development of Unconventional (UC) oil and gas resources. ADNOC Drilling aims to become the preferred UC service provider in Abu Dhabi, leveraging fit-for-purpose rigs and expanding the IDS fleet. Strategic partnerships and technology are key enablers to help achieve the UC ambitions for ADNOC and the UAE.

The UAE is ADNOC Drilling's home base and will continue to be the strategic priority for rigs and services. The growth will capture domestic demand and deploy new technologies to reinforce this leadership – excelling at home (through expanded services, rig upgrades and cost-efficient operations) provides stability and builds capabilities for regional expansion.

## Regional Growth: Expanding Footprint

ADNOC Drilling's regional growth ambition is to scale beyond its UAE stronghold and become the GCC's preferred integrated drilling and well-delivery partner. Regional growth focus will be underpinned by operational excellence, industry leading safety standards and AI-enabled technologies.

This will complement ADNOC Drilling's long-term strategy of market diversification, resilience and value creation, positioning the Company as a future-ready, technology-led energy services champion. Regional growth in Kuwait and Oman will be driven by leveraging SLDC and MBPS Joint Ventures (JVs) as a platform for market entry.

## Building Capabilities: Scope Expansion and M&A/JVs

ADNOC Drilling's inorganic growth strategy focuses on continuing to evolve from a rig-led contractor to an integrated energy services platform.

This is anchored in disciplined growth across rigs, OFS scope expansion and targeted M&A via the Enersol technology investment platform.

Through Enersol, ADNOC Drilling acquires and scales tech-enabled OFS businesses, embedding differentiated capabilities into its core offering. Selective acquisitions and/or strategic partnerships will accelerate portfolio breadth, internalize value and improve margins. The inorganic strategy underpins capital-efficient growth, technology leadership and a sustainable pathway to become a full-spectrum regional champion.

ADNOC Drilling's growth strategy is anchored in three complementary pillars. Domestically, growth is driven by the development of UAE unconventional resources, reinforcing leadership through fit-for-purpose rigs, expanded services, technology and partnerships. Regionally, the Company pursues selective GCC expansion, leveraging JVs to scale as a preferred integrated drilling and well delivery partner. Capability building underpins both, with disciplined scope expansion and selective M&A through the Enersol platform to evolve into an integrated, technology-led energy services provider.

# Advancing technology transformation

In 2025, ADNOC Drilling advanced its technology transformation through targeted deployment of AI, digital workflows, robotics and automation across its operations.

While several major ADNOC AI platforms matured significantly during the year, ADNOC Drilling focused on technologies directly supporting safe, efficient and high-performance drilling, with selective pilots and controlled deployments underway to evaluate future integration of Group-level systems.

**Strengthening AI foundations and Group alignment**  
Across ADNOC, enterprise AI platforms, such as ENERGYai and other digital systems, expanded considerably. These initiatives are designed to enable AI-driven insights,

operational optimization and enterprise-wide data harmonization. While these platforms currently support Group-level operational domains, ADNOC Drilling is actively assessing, together with ADNOC and AIQ, where drilling-specific integration could add tangible value in the future.

This approach ensures that ADNOC Drilling aligns with, and benefits from, Group digital architecture while deploying AI where it directly enhances operational consistency, safety and performance.

## AI and digitalization in drilling operations



### DrillOps™ deployment in Turnwell

In 2025, Turnwell, ADNOC Drilling's unconventional division, continued rolling out DrillOps™, an advanced digital drilling automation platform used for:

- **Pre-spud** well engineering
- **Real-time** operational guidance
- **Performance consistency** across multi-well, multi-rig campaigns
- **Enabling** batch drilling efficiency

DrillOps™ supports Turnwell's mandate to deliver high-efficiency unconventional well programs by improving decision quality, reducing non-productive time and enhancing repeatability across well pads.



### AI-supported CCTV monitoring

ADNOC Drilling initiated a pilot program using AI applied to CCTV camera feeds to automatically flag safety-related behaviors and site-level anomalies. The system is being tested across selected rigs and facilities to:

- **Enhance** hazard recognition
- **Identify** potential unsafe actions in real time
- **Improve** response times
- **Strengthen** adherence to Life Saving Rules

This pilot reflects ADNOC Drilling's commitment to increasing human supervision with AI-based and intelligence-enabled situational awareness tools.



### Digital tools and predictive insights

2025 also saw continued adoption of digital tools across the fleet, including:

- **Predictive** maintenance analytics for rig equipment
- **Remote** operations connectivity improving oversight and specialist support
- **Data-driven** performance benchmarking across IDS rigs
- **Enhanced** drilling planning software and digital twins used in well-engineering workflows

These systems are improving consistency and enabling faster, data-driven decisions at every stage of well delivery.



### Robotics and advanced inspection technologies

ADNOC's robotics expansion in 2025, particularly through new agreements with leading global providers, created opportunities for ADNOC Drilling to explore similar applications within rig and equipment inspection.

ADNOC Drilling is evaluating robotics for:

- **Autonomous** operations
- **Tubular and BHA** integrity scanning
- **High-resolution** rig structure inspection
- **Reducing** human exposure in elevated or confined-space environments
- **Creating digital records** for maintenance planning

These assessments align with global trends, where robotics is becoming a critical enabler of safer and more efficient operations.

## Technology through Enersol and Turnwell

### Enersol (ADNOC Drilling technology platform)

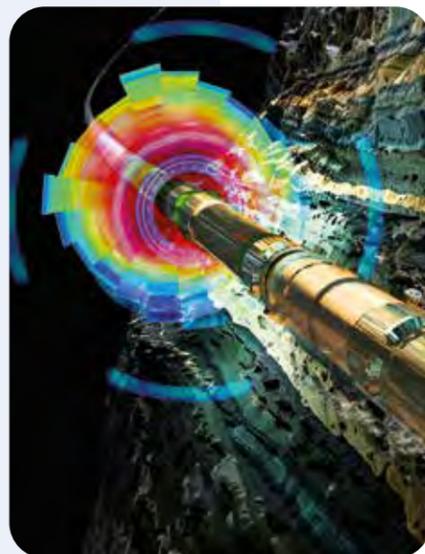
In 2025, Enersol continued expanding its portfolio of technologies, including:

- **High-performance** Measurement-While-Drilling (MWD) systems via Gordon Technologies
- **Tools** improving directional accuracy and drilling consistency
- **Technology-led** efficiency enhancements across complex wells

This strengthens ADNOC Drilling's access to next-generation capabilities that improve well delivery performance.

### Turnwell (Unconventionals)

Turnwell's operational model, supported by DrillOps™, advanced analytics and efficiency-focused workflows, continued to establish ADNOC Drilling as a technology-enabled unconventionals provider for the UAE.



## 2025 AI, Advanced Technology and Robotics achievements



### AI and digitalization

- **Deployment of DrillOps™ across Turnwell operations** to enhance efficiency and repeatability
- **Pilot of AI-based CCTV analytics** to improve real-time safety monitoring
- **Expansion of predictive maintenance**, digital well-planning and rig performance analytics
- **Alignment with ADNOC** on future pathways to integrate Group systems such as ENERGYai

### Robotics and inspection

- **Evaluation of robotics solutions** for autonomous operations, rig integrity, tubular inspection and remote inspection tasks
- **Alignment discussions** with Group robotics programs launched in 2025

### Technology platforms

- **Enersol technologies**, particularly advanced MWD tools, continued enabling performance improvements
- **Turnwell leveraged digital systems** and advanced workflows to support unconventional well delivery

## Strategic outlook

ADNOC Drilling ended 2025 with a clear strategic pathway for continuing to scale AI, digitalization, robotics and advanced technologies across all stages of drilling and well-construction. As ADNOC intensifies its enterprise-wide AI and robotics deployment, ADNOC Drilling is positioned to integrate Group platforms, adopt drilling-specific automation and expand robotics-supported inspection to further enhance fleet performance and operational safety.

The Company expects to advance its digital rig capabilities, broaden the application of AI-supported decision tools within Turnwell and IDS operations, and mature pilots such as AI CCTV monitoring into full operational programs. Robotics and high-resolution inspection technologies are anticipated to play a larger role in rig integrity and reliability management, reducing manual intervention and strengthening uptime. Enersol's portfolio will continue to introduce next-generation technologies, reinforcing ADNOC Drilling's performance leadership in both conventional and unconventional markets.

Together, these developments mark the next phase of ADNOC Drilling's transformation, one where automation, advanced analytics and robotics become core performance drivers, enabling safer operations, faster well delivery and more efficient service offerings for the UAE's evolving energy landscape.

# Another year of record returns

In 2025, ADNOC Drilling again delivered record results, powered by resilient organic and inorganic growth, deep investments in artificial intelligence and digitalization, continued efficiency gains and a robust and growing portfolio of long-term contracts. As a result, the Company achieved industry-leading profitability, return on capital employed and on equity, and dividend growth.



Reflecting the Company's reliable business model, resilience and long-term visibility, during the year ADNOC Drilling was awarded four major multi-year drilling contracts with a combined value of nearly \$4.4 billion. We announced two major value-accretive M&A transactions that will expand our regional footprint into key Gulf markets such as Oman, Kuwait, Saudi Arabia and Bahrain. These transactions, while adding materially to our rig count, are expected to generate attractive returns.

As a result, on a pro-forma basis our rig count grew by 27 to 169 rigs, including 121 land rigs and 48 offshore rigs. Meanwhile, at the end of 2025 Oilfield Services (OFS) operated 118 rigs, including 60 Integrated Drilling Services (IDS) rigs and 58 offering discrete services.

### Financial highlights

The four new contracts awarded included: a \$1.63 billion five-year integrated drilling contract; an \$806 million, long-term contract for three island rigs; a \$1.15 billion, 15-year contract for two jack-up rigs; and an up to \$800 million, five-year contract for integrated hydraulic fracturing services.

As a result of these developments, as well as the contribution of high-return unconventional business, and the ongoing implementation of AI-powered automation and digitalization that are driving efficiency gains, ADNOC Drilling achieved another year of record returns.

Revenue rose 22% to \$4.9 billion from \$4.0 billion in 2024. EBITDA was \$2,198 million, an increase of 9% from \$2,015 million in the prior year, with the conventional business EBITDA margin at 51%, a high margin for the industry. The strong business fundamentals resulted in sector-leading return on capital employed (ROCE) at 23% and return on equity (ROE) at 35%.

The strong operational execution, coupled with resilient long-term contracts and AI-powered technology adoption across the business, led to net profit of \$1,449 million, up 11% from \$1,304 million in the prior year.

### Stellar business performance

Onshore revenue in 2025 grew 8% to \$2,037 million from \$1,893 million in 2024, mainly driven by the positive revenue impact from the full contribution of rigs commencing operations over the course of the previous years, coupled with a \$158 million contribution from unconventional business. As a result, Onshore net profit increased 10% year-on-year to \$712 million.

Offshore revenue in 2025 grew by 6% year-on-year to \$1,404 million from \$1,328 million a year earlier, mainly due to the reactivation of island rigs, in addition to the positive impact from the two jack-ups which commenced operations during the year and began to fully contribute to revenue from the third quarter. Net profit grew by 7% to \$588 million.

Oilfield Services continued to deliver significant growth, with 2025 revenue soaring 80% to \$1,462 million from \$813 million a year earlier. Results were powered by higher IDS activity, additional discrete services and a \$534 million contribution from unconventional business. Net profit significantly increased between 2024 and 2025, rising 38% to \$149 million, aided by increased segment activity and joint venture contributions.

### Strategic investments

During 2025, we made two strategic investments that supported our long-term growth, our rigorous capital discipline and our commitment to operational and financial resilience. In May, we announced an agreement to acquire a 70% stake in a JV with SLB (SLDC) regarding a land drilling rigs business in Kuwait and Oman, a business that is well-established, profitable and operating with long-term contracts from the respective national oil companies. Named SLDC Holding, this joint venture is expected to provide immediate access to earnings, cash flow and returns through two operating land drilling rigs in Kuwait and six in Oman.

In November, we announced a definitive agreement to acquire 80% of MB Petroleum Services (MBPS), a leading drilling and oilfield services provider with operations in the key regional markets of Oman, Kuwait, Saudi Arabia and Bahrain. The portfolio consists of 21 drilling and workover rigs, and production service units. It also brings several pre-qualifications, subsidiaries and an established presence across these geographies.

The SLDC transaction was completed in January 2026, while the MBPS acquisition is still subject to closing, subject to customary approvals and conditions.

### Dividend policy

Reflecting our commitment to shareholders, the Board approved a new dividend policy during 2025 that will see distributions of at least \$1 billion for the year 2025 and set a minimum growth of 5% per year through at least 2030. That dividend floor is up 27% from last year and yields a 26% minimum guaranteed return to shareholders, based on the share price close as at 31 December 2025.

At the end of 2025, total shareholder return was approximately 165% since our IPO in 2021.

By 2030, the total minimum shareholder payout will be approximately \$6.8 billion, or AED 1.6 per share. However, this is only the floor. At the Board's discretion, it may approve additional dividends, as supported by excess free cash flow and a strong balance sheet.

### Capital structure, expenditure and liquidity management

Reinforcing our strategic approach to our capital structure, ADNOC Drilling announced a \$500 million term loan facility to refinance a similarly sized syndicated term loan that matured in October 2025, and a \$1.5 billion revolving credit facility to support growth initiatives and related working capital requirements on improved pricing terms compared to previous facilities.

Capital expenditure for 2025 was approximately \$604 million, compared with \$898 million in 2024, mainly connected to maintenance CapEx and new island rigs.

At year end, cash from operating activities stood at \$2,226 million, a 35% increase from the \$1,654 million a year earlier. This was driven in part by a continued multi-year focus on collections from clients. Operating working capital was broadly flat at \$321 million compared to \$322 million a year earlier. The Company's net debt to EBITDA ratio improved to 0.9 in 2025 from 1 in 2024, due to significant EBITDA growth. It is expected that this ratio will remain within a conservative long-term leverage target of up to 2.0.

### 2026 guidance and mid-term outlook (disclosed on 12 February 2026)

Driven by increased visibility on operations, earnings and profitability, ADNOC Drilling has announced its full year 2026 and medium-term guidance, reaffirming continued growth.

\$ billion (unless otherwise stated)	FY2026 Guidance
<b>Revenue</b>	<b>~5</b>
<i>Onshore</i>	~2
<i>Offshore (Jack-up and Island)</i>	~1.5
<i>Oilfield Services</i>	~1.5
<b>EBITDA</b>	<b>2.2 – 2.3</b>
EBITDA Margin	44% – 45%
<b>Net Profit</b>	<b>1.45 – 1.50</b>
Net Profit Margin	29% – 30%
<b>Cash CapEx (excluding M&amp;A)</b>	<b>0.6 – 0.8</b>
<b>Free Cash Flow (excluding M&amp;A)</b>	<b>1.2 – 1.3</b>
<b>Leverage Target</b>	<b>&lt; 2.0x</b>
<b>Dividend Floor</b>	<b>1.05 (+5% YoY)</b>

The forward outlook remains strong, anchored by sustained development in both unconventional and conventional drilling, the latter including six new island rigs scheduled for delivery between 2026 and 2028. This is complemented by ongoing expansion in Oilfield Services (OFS) and attractive regional growth avenues.

ADNOC Drilling targets to deploy approximately 70 IDS rigs by the end of 2026, reinforcing its operational scale and future OFS earnings visibility.

In the medium-term, management is focused on preserving a healthy EBITDA margin of circa 50% from the domestic conventional business (conventional drilling margins exceeding 50% and OFS margin in a range of 23-26% medium-term).

Maintenance CapEx is expected at around \$250 million per annum.

Guidance for 2027 and beyond will be provided as the phasing for additional rigs (conventional and unconventional) and OFS volumes (IDS, discrete services, unconventional) is finalized.

### Recent updates (March 2026)

Despite the current regional environment, there has been no material impact on the Company's core drilling operations, which contributed approximately 90% of the full-year 2025 net income. For the Oilfield Services segment, the Company has been able to absorb the impact through the first quarter 2026 and remains on track to deliver performance broadly in line with quarterly directional guidance. The Company will continue to monitor developments closely, apply targeted mitigation measures where required, and provide further updates should any material changes arise to the second quarter onwards.

**Youssef Salem**  
Chief Financial Officer

Context and Challenge

Operating day and night across diverse environments, our crews routinely work in complex, high-activity zones where clarity matters. Traditional floodlighting can create uneven illumination, hard shadows and glare, conditions that can reduce visual accuracy, affect depth perception and contribute to fatigue during extended night operations. We set out to design a lighting solution that is simple to install, energy-efficient and, most importantly, engineered to enhance human performance and reinforce safe operations.

Solution

The “halo lighting” system is a ring-form LED configuration mounted around critical work areas (rig floor, wellhead, catwalks and perimeter walkways). The geometry produces even, shadow-minimized illumination, with color rendering optimized to support accurate visual cues, safer hand-signal recognition and improved situational awareness. The units are robust, low-maintenance and compatible with existing power and control systems; they also deliver lower energy consumption and improved reliability compared to legacy floodlights.

# Halo Lighting Seeing Safety in a New Light

Halo Lighting

Key Design Features

- **Uniform illumination** that reduces hard shadows and glare
- **Human-factors optimization** (CRI and color temperature) for better depth perception and reduced visual strain
- **Modular retrofit kits** for fast installation and minimal operational disruption
- **Energy-efficient LEDs** with extended service life, lowering both maintenance requirements and power consumption

Implementation

Pilots were conducted across assets in 2025, prioritizing high-traffic work zones and night operations. Installation was coordinated with routine maintenance windows to avoid downtime. Crews received briefings on the lighting’s characteristics and HSE teams were engaged early to ensure alignment with line-of-fire management, task-specific risk controls and eyes-on-path protocols.

Outcomes

**While we continue to gather long-run data, results and crew feedback are positive:**

- **Improved situational awareness:** clearer sightlines and consistent illumination in task-critical zones
- **Enhanced comfort:** reduced glare and eye strain during extended night shifts
- **Operational performance:** supervisors report more precise task execution during night operations
- **Energy and maintenance benefits:** lower power draw and reduced component replacements versus legacy floodlights

What Made It Work

- **Human-centered design:** lighting calibrated to how people actually see and work in such environments
- **Scalable engineering:** modular kits enabling rapid retrofit across varied assets
- **Frontline engagement:** incorporating crew feedback to optimize placement and intensity
- **HSE integration:** seamless alignment with existing procedures to reinforce hazard recognition and control

Looking Ahead

The halo lighting program is now being standardized for new deployments and prioritized retrofits in 2026, with a focus on high-activity zones and night-dominant operations. We will continue to refine specifications and measure impact through HSE analytics, energy monitoring and structured crew feedback, advancing our commitment to safer, smarter and more sustainable operations.

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# BUSINESS REVIEW

# Overview

In 2025, ADNOC Drilling delivered another year of record-breaking results and sustained growth across every key metric. We continued to secure new long-term contracts. We began delivering on our ambitions for geographic expansion through two regional acquisitions. We made significant progress in deploying AI, automation and digitalization across our operations, resulting in major efficiency gains, shorter cycle times, lower costs and improved safety.

## Highlights 2025

HSE/TRIR

0.52

Number of wells drilled

836

Total rigs

169

Number of rigs added to fleet

29

Non-Productive Time (NPT) %

1.32% (ALL INCLUSIVE)

Growth was the defining characteristic of the Company's performance during 2025. Financially, we achieved record revenues, which surged 22% to \$4,903 million, with thousands of conventional and unconventional wells at the heart of this momentum. Between 2021, the year of IPO, and full-year 2025, revenue increased at a 21% CAGR.

EBITDA increased to \$2,198 million, a new record, partly supported by contributions from high-return OFS and unconventional business.

The EBITDA margin this year was 45%, among the highest in the industry. Net income also jumped 11% to \$1,449 million.

### Resilient business model

The Company's strong financial performance in 2025, despite regional and global market volatility, highlights the resilient and defensive nature of the ADNOC Drilling business model – including our take-or-pay contracts, up to 15-year contract terms with guaranteed IRR. All contracts signed this year reflect a long time horizon. Our resilience is also supported by ADNOC's ambition to reach 5 million barrels per day of oil capacity by 2027, 15 million tonnes per annum of LNG, and 13 billion cubic feet per day of gas capacity by 2030.

### Geographic expansion

We also grew geographically, achieving a major strategic goal by making two acquisitions that extend ADNOC Drilling into the key Gulf markets (including Kuwait, Oman, Saudi Arabia and Bahrain).

The first was an agreement to acquire a 70% stake in a JV with SLB (SLDC) regarding a land drilling rigs business in Kuwait and Oman. These well-established and profitable operations include long-term contracts from the countries' respective national oil companies. The joint venture, called SLDC Holding, includes two operating land drilling rigs in Kuwait and six in Oman. The transaction has been completed in January 2026.

The second agreement was for the acquisition of an 80% stake in Oman-headquartered MB Petroleum Services (MBPS), a leading regional drilling and oilfield services provider. With operations in Oman, Kuwait, Saudi Arabia and Bahrain, the company's portfolio comprises 21 drilling and workover rigs, as well as production service units. It also brings several pre-qualifications, subsidiaries and an established presence across those countries. The transaction remains subject to completion.

### Rigs and wells

We saw growth in operations too, both onshore and offshore, in conventional and unconventional. The pro-forma<sup>1</sup> fleet size by the end of 2025 was 169 rigs. This included 121 land rigs and 48 offshore rigs, while Oilfield Services now operates 118 rigs, including 60 Integrated Drilling Services (IDS) rigs and 58 offering discrete services.

Additionally, by the end of the year, 68 wells of ADNOC's two-year Phase 1 unconventional drilling program had been drilled, while 45 wells had been fractured.

<sup>1</sup> Including 8 land rigs from the acquisition completed in January 2026 to acquire SLB's land drilling business in Kuwait and Oman, and 21 land rigs as part of the transaction to acquire an 80% stake in MBPS business across the GCC region (transaction still subject to completion).

### Unconventional business

During 2025, our unconventional business gained significant momentum, driven by the strong performance of our Turnwell subsidiary. While delivering record-breaking unconventional well times through cluster drilling and automation, Turnwell drilled 87 wells comprising the Phase 1 unconventional drilling contract with ADNOC. Of these, 61 wells have been fractured, as of 13 March 2026.

Given these encouraging results, we expect that once our unconventional drilling operations are fully and successfully derisked, there is the potential to drill more than 300 wells per year (in line with global benchmarks) across Abu Dhabi's unconventional program over time. Underscoring the confidence in our capabilities, in June we were awarded a five-year integrated hydraulic fracturing services agreement for ADNOC Onshore conventional and tight reservoirs.

### Technology drives efficiencies

Service lines, in areas such as AI-powered solutions, unconventional drilling, and sustainability, also expanded significantly during 2025, driven by our commitment to becoming an AI-native company. As a result of our focus on new digital domains, we saw a continued increase in the use of predictive maintenance, autonomous rig moves, and intelligent workflows that not only lowered costs and drove efficiencies but also enhanced safety.

Across six AI-enabled island rigs that the Company is building, which are expected to join the fleet between 2026 and 2028, the Company anticipates a significant improvement in operational efficiency compared to standard rigs. Likewise, by leveraging our expanding digital backbone for drilling operations, we saw autonomous drilling technologies deliver a 4.5-day reduction in well drilling, a 20% improvement in the rate of penetration, and shorter unconventional operation cycle times, down to 15 days from 40, through AI-driven efficiencies. By the end of 2025, remote operations optimization since 2019 had saved the Company \$70 million.

Some of this technology is adopted via Enersol, the joint venture established with Alpha Dhabi to invest in technology-enabled companies operating in oilfield services and the broader energy sector. Embracing these technologies will help future-proof our business growth, margin expansion and service development. Through Enersol, ADNOC Drilling has grown its patent portfolio to around 140 patents.



### Progressive dividend policy

We also delivered growth in shareholder returns. As of year-end 2025, total shareholder returns since the 2021 IPO had reached approximately 165%. The guaranteed progressive dividend policy has become more generous, as the Board of Directors has adopted a "more for longer" approach. This led to a substantial increase in the committed dividend floor, which will be \$1 billion in 2025. Additionally, the medium-term target has been raised from \$4 billion over 2025-2028 to \$6.8 billion over 2025-2030, with a minimum annual dividend growth rate of 5%. Since 2025, dividends are paid quarterly rather than semi-annually.

### Sustainability

ADNOC Drilling is supporting ADNOC Group's goal of reducing scope 1 and scope 2 GHG emissions intensity by 25% by 2030.

During 2025, the Company achieved a significant reduction in energy intensity, achieving 2,298 gigajoules per million dollars of revenue (GJ/\$M), down more than 10.4% from 2,565 GJ/\$M in the prior year. For 2025, it achieved a GHG emission reduction abatement of 47.72 KtCO<sub>2e</sub>.

These environmental accomplishments were achieved by expanding the deployment of hybrid- and solar PV-equipped rigs and camps. On average, hybrid rigs are around 15% more energy efficient than conventional rigs. The implementation of digitalization and AI-powered software is helping to speed drilling and completion, resulting in more efficient use of equipment and inputs, and reducing the environmental footprint and GHG emission intensity of operations.

Additionally, the best-in-class environment management system deployed across onshore and offshore operations resulted in the Company recording zero spill incidents during the year.

# Onshore Operations

## Pushing performance



Sultan Saeed Al Mansoori  
(Senior Vice President – Operations (Land))

**In 2025, ADNOC Drilling’s Onshore segment set new benchmarks in well delivery, driven by a focus on performance efficiency and the strategic adoption of digital transformation initiatives. Building on the momentum from 2024, the segment delivered a record 666 additional wells.**

**A disciplined focus on cost efficiency and performance optimization delivered strong gains across both operational and financial metrics. The successful integration of advanced automation and digital technologies further demonstrated the Company’s commitment to future-proofing the business and sustaining a competitive advantage in an evolving energy sector.**

### Performance

Onshore delivered an exceptional 666 wells, surpassing our plans by 10%. This outstanding achievement was made possible by targeted performance improvements across key operational areas such as rig moves, Non-Productive Time (NPT) and major maintenance activities. These initiatives, combined with a relentless focus on maximizing rig availability, which reached an industry-leading 98%, demonstrated the Company’s commitment to operational excellence and its ability to consistently surpass ambitious targets.

The outstanding well delivery was powered by three major initiatives. Firstly, the rig move processes were comprehensively re-engineered, resulting in streamlined and optimized logistics that significantly reduced mobilization times. Secondly, the installation of Halo lights markedly improved visibility and safety standards during rig moves lifting activities at night. Thirdly, the implementation of effective pre-move activities ensured that all preparatory steps were completed in advance, with the fleet delivering positive results against its pre-move targets.

Maintaining repair NPT below 1% was a remarkable achievement considering the record number of wells delivered during the year. This outcome underscores the effectiveness of the Company’s robust planning and proactive issue resolution. Notably, NPT was reduced by approximately 38% compared to 2024, as a result of targeted initiatives to minimize operational disruptions.

Onshore achieved significant improvements in major maintenance performance through enhanced practices and strategic changes, including outsourcing selected major maintenance operations that allowed us to execute multiple projects concurrently.

Rig efficiency reached an exceptional 98% in 2025, setting a new benchmark for operational performance, and delivering substantial value to clients through efficiency-related savings.

Demonstrating a strong commitment to safety and operational excellence, the Company equipped 30 onshore rigs with advanced AI-powered HSE cameras. By delivering real-time monitoring and analytics, these systems empower proactive hazard identification and ensure rigorous adherence to the highest safety standards.

Onshore further elevated its operational safety and efficiency by equipping several rigs with Halo lighting systems. These high-visibility solutions significantly improved illumination during rig moves and night operations, reducing risks and enabling crews to maintain peak performance. The deployment of Halo lights underscores the Company’s ongoing commitment to innovative technologies that foster a safe and productive workplace.

### Financial results

For the full year 2025, Onshore revenue grew 8% year-on-year to \$2,037 million, mainly driven by the positive revenue impact from the full contribution of rigs commencing operations over the course of last year, coupled with a \$158 million contribution from unconventional activity related to land drilling. These drivers more than offset the initial impact from the repurposing of some onshore rigs from the fourth quarter of 2025 and the conversion of two rigs from onshore to offshore in the second and third quarters.

Additionally, the segment recorded a \$3 million share of net profit from the joint venture Turnwell related to the unconventional business.

Overall, EBITDA increased 7% year-on-year to \$994 million with the margin stable year-on-year at 49%. As a result, net profit increased 10% year-on-year to \$712 million, with margin expansion by 1 percentage point to 35%, also benefiting from a \$17 million reduction in finance costs.

### Look ahead

Onshore Operations will continue to place the highest priority on HSE performance. This commitment will be advanced through a comprehensive back-to-basics program, designed to reinforce foundational safety practices across all operations. The segment will further scale up the installation of AI HSE cameras to all Land rigs, enhancing real-time monitoring and proactive risk management. Complemented by additional initiatives to capitalize on organizational knowledge and foster a culture of continuous learning, these efforts are designed to achieve best-in-class HSE metrics and set new industry benchmarks for safety and operational excellence.

Building on the strong operational performance achieved in 2025, Onshore will further embed a culture of continuous improvement that places customer focus and stakeholder value at the forefront. By leveraging lessons learned and best practices from recent successes, Onshore will pursue ongoing enhancements in efficiency, technology adoption and service delivery. We will advance the implementation of our technology roadmap, with targeted initiatives identified and expected to drive revenue growth, optimize OPEX and deliver additional value to clients.

Lastly, going forward we expect to build on our successes in cost optimization over the past several years and explore additional mechanisms to leverage our economies of scale, the deployment of AI, efficiency improvements, safety and quality.

### Financial Highlights 2025

2025 Revenue

**\$2,037m**

2025 Net Profit

**\$712m**

2025 EBITDA

**\$994m**

Contribution to ADNOC Drilling Revenue 2025

**42%**

### Operational Highlights 2025

Total owned land rigs

**121**

Total wells

**666**

Rig availability

**98%**

Unconventional wells drilled Phase 1-to-date

**87\***

\*As of 13 March 2026

# Offshore Operations

## Additional rigs, fully operational fleet



Adel Al Marzooqi  
(Senior Vice President – Operations (Offshore))

**In 2025, ADNOC Drilling’s Offshore segment reached a significant milestone by successfully operating its fully expanded jack-up fleet, demonstrating exceptional operational capability and consistently exceeding client expectations. The efficient integration of new rigs was executed with meticulous planning and execution, ensuring immediate value delivery and reinforcing ADNOC Drilling’s reputation for operational excellence, reliability and client satisfaction.**

The Offshore segment continued its outstanding track record, achieving a record-setting well for the third consecutive year while maintaining the highest standards of safety and operational consistency. Notably, ADNOC Drilling’s expertise in extended reach drilling was exemplified by rig AD-68 on Umm-Al Anbar Island, which set a new world record by drilling a 54,000 foot well, surpassing its own previous record from 2024. These achievements underscore the Company’s advanced engineering capabilities and commitment to enabling clients to access hydrocarbon resources more efficiently and cost-effectively.

**Performance**

Offshore’s HSE performance was exceptional, reflecting the Company’s steady commitment to safety. Notably, rig AD67 achieved an impressive milestone of eight years without a single hurt incident, rig Al Yasat completed 1,500 hurt-free days, and rig AD69 surpassed 1,000 hurt-free days.

The segment maintained its focus on performance throughout the year, resulting in a remarkable rig availability rate of 97%. This success was driven by firm management of Non-Productive Time (NPT), especially in jack-up operations, where NPT fell by approximately 44% compared to 2024. This achievement is particularly significant given the learning curve associated with integrating new rigs into operations, underscoring the effectiveness of our onboarding strategies and the adaptability of our teams.

Significant reductions in major maintenance outages and efficient relocations also enhanced availability. For example, three rigs undergoing major maintenance in the second half of the year completed their work on schedule, while rig AD79 was efficiently relocated from Sarb Field to Upper Zakum Field, while undergoing a comprehensive offline major maintenance to ensure it was in optimal condition for its upcoming program.

In 2025, the Offshore segment delivered strong results supported by two additional jack-up rigs that commenced operations at the end of Q2 2025. The segment delivered additional wells beyond those planned, driven by exceptional operational efficiencies as highlighted above. Island rigs consistently executed well completions safely and efficiently, delivering results ahead of planned days. Among these, AD131 delivered well UZ-729 an impressive 28.2 days ahead of schedule, while AD69 set a benchmark for drilling performance on well UZ-724 with a remarkable saving of 18 days. Additionally, jack-up rig Yas achieved a significant milestone by saving 42 days on its operations in 2025. These achievements exemplify Offshore’s commitment to operational excellence, safety and delivering exceptional value to our clients.

To drive AI transformation, the Company developed the AI Safe Mind agent in-house to streamline the creation of Job Safety Analyses (JSA). Leveraging advanced AI, this tool enables the rapid generation of high-quality, compliant safety documents with minimal input, enhancing efficiency and strengthening our safety culture.

As part of our drive to accelerate artificial intelligence and digital transformation (AIDT) across key business areas, jack-up teams initiated trials of autonomous solutions such as Kaizen for rig Hudairiyat and Drill Ops for Jubail. These trials delivered promising results, demonstrating the potential to enhance operational efficiency and performance. Building on this success, plans are in place to scale these advanced technologies across applicable rigs in 2026.

**Financial results**

For the full year 2025, Offshore revenue grew 6% year-on-year to \$1,404 million from \$1,328 million, mainly due to the conversion of two rigs from Onshore to Offshore segment (offshore island) during the year, in addition to the positive impact from the two jack-ups which commenced operations at the end of Q2 2025.

EBITDA increased 6% year-on-year to \$953 million from \$896 million, with margin expansion of 1 percentage point to 68%. Net profit also grew 7% to \$588 million, with margin of 42%.

**Look ahead**

Offshore’s highest priority in the year ahead will be to sustain and further strengthen HSE performance across all operations. This commitment will be realized through the implementation of back-to-basics programs and a renewed focus on reinforcing foundational safety practices. By embedding these principles into our daily operations, Offshore aims to uphold its exemplary safety record and ensure the continued well-being of our workforce and stakeholders.

Another focus for 2026 will be the strategic expansion of our rig fleet to meet the increasing demands of the offshore Zakum field. We expect to integrate six island rigs into the fleet between 2026 and 2028. These state-of-the-art assets will incorporate next-generation automation and AI compatibility, enabling the use of real-time condition, performance and utilization data to generate actionable insights. This approach will drive further improvements in safety, rig performance, efficiency, revenue generation and optimized well delivery times, while advancing the delivery of our technology roadmap.

Additionally, we aim to drive and deliver the Artificial Intelligence and Digital Transformation (AIDT) mandate. In support of this, the technology roadmap includes targeted initiatives to generate additional revenue, optimize operating expenditures and deliver enhanced value to our clients. Simultaneously, we will continue to drive and explore additional mechanisms to generate new revenue streams and optimize operating costs to support our economic and financial targets.

**Financial Highlights 2025**

2025 Revenue

**\$1,404m**

2025 Net Profit

**\$588m**

2025 EBITDA

**\$953m**

Contribution to ADNOC Drilling Revenue 2025

**28%**

**Operational Highlights 2025**

Total owned rigs

**48**

Total wells

**170**

Rig availability

**96%**

World’s longest extended reach well

**54,000 ft**



# Oilfield Services

## Record performance, strong momentum ahead

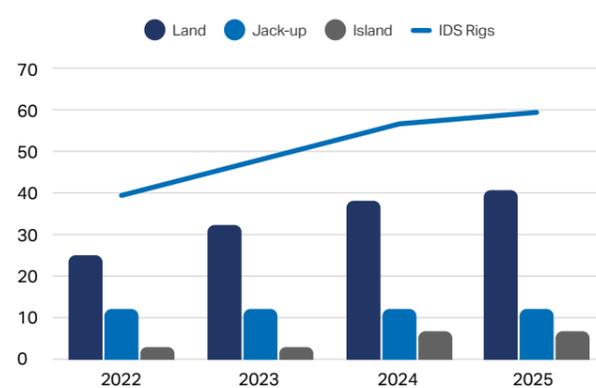


Emri Mahmoud Zeineldin  
(Senior Vice President – Oilfield Services)

**ADNOC Drilling’s Oilfield Services segment (OFS) continued delivering remarkable growth in 2025, with revenue and profits significantly increasing year-on-year, driven by enhanced activity, capabilities and reach.**

OFS continued increasing its Integrated Drilling Services (IDS) and discrete services activity, successfully capturing a larger market share. At the end of 2025, OFS operated IDS on 60 rigs versus 57 at the end of 2024 and performed one or more discrete services on 58 additional rigs. All in all, oilfield services were offered to 118 rigs, and this coverage is expected to further increase over time.

OFS began operations for unconventional development, solidifying our leadership in a field that remains a strategic priority for ADNOC and which will play an important role not only in achieving UAE gas independence but also in providing a fuel that will be key to the energy transition. Moreover, international expansion progressed through the Enersol joint venture, which has operations globally through its investments.



**Performance**

For the year, OFS saw a 22.3% overall improvement in IDS drilling efficiency, versus the 2024 benchmark. As at year-end, efficient operations have resulted in cumulative savings of \$621 million to ADNOC operating companies since inception in 2019.

**Enersol**

Announced in late 2023, Enersol was formally established in January 2024 as a joint venture between ADNOC Drilling and Alpha Dhabi Holding PJSC to invest up to \$1.5 billion in innovative technology-enabled companies in the oilfield services and energy sectors. Enersol has announced four acquisitions of leading international energy technology companies, all of which have closed. This represents a

cumulative allocation of around \$700 million, nearly half of the JV’s committed amount.

Through these, and future, investments, Enersol is building a scalable, digital, AI and advanced technologies portfolio that will enhance market value and improve operational efficiencies by further developing ADNOC Drilling’s integrated offerings and tech ecosystem.

The next-generation technology portfolio presents Enersol, and OFS more broadly, with an additional avenue for growth across untapped markets, as well as in our domestic market, including by supporting Turnwell’s unconventional drilling operations.

**Turnwell Industries**

In September 2024, ADNOC Drilling announced the creation of Turnwell Industries, a joint venture with global oilfield services firms SLB and Patterson-UTI. The creation of Turnwell and the awarding earlier in 2024 of the unconventional drilling contract signalled a transformational moment for ADNOC Drilling. Accessing these energy resources would potentially require thousands of additional wells.

Having launched operations in the second half of 2024, Turnwell has already made significant progress; by year-end 2025 68 unconventional wells had been drilled, with fracture activity on 45 wells, paving the road to a more enhanced program drilling longer laterals, and with more fracture stages per well up to 50 per 10,000 ft lateral.

**HSE excellence**

For the second consecutive year, OFS recorded improvements in HSE performance, reflecting the impact of ADNOC Drilling’s HSE Academy and the focus on HSE within the business. As a result, in 2025 our total recordable incident rate (TRIR) was 0.03 versus the 0.6 target for the year.

**Financial results**

The OFS segment continued to deliver significant growth, with full-year revenue up 80% year-on-year to \$1,462 million, on the back of increased activity volume, driven by higher IDS activity and additional discrete services. Moreover, the contribution from unconventional business increased

year-on-year by \$439 million from \$95 million in 2024 to \$534 million in 2025.

Additionally, the segment recorded a \$26 million share of net profit from the joint ventures Enersol and Turnwell, up from \$7 million in 2024.

EBITDA increased 31% year-on-year to \$251 million, reflecting increased activity across the segment and the contribution from the JVs. Net profit grew 38% year-on-year to \$149 million, driven by EBITDA growth, partly offset by an overall increase in D&A as the OFS asset base expanded.

**Look ahead**

Oilfield Services has a number of priorities for its future development. These include further increasing our market share by outperforming our competitors on performance and cost metrics, in part by integrating and leveraging Enersol’s vast portfolio of tech-enabled service capabilities. Through continued expansion of our technology portfolio, we are moving toward our goal of becoming a lump-sum turnkey provider of comprehensive drilling and associated services.

We are looking to expand regionally, building on our recent acquisitions in the region. While performing IDS on a growing share of rigs, we are also looking to increase the number of rigs offering discrete services, a new metric to drive OFS business growth.

Finally, we will support the ongoing rapid improvement in Turnwell’s program to drill and complete wells. This goal will be supported by Turnwell’s adoption of batch drilling, a method that improves efficiency and reduces costs, and by incorporating the technologies of Enersol companies. Examples include Gordon Technologies’ Measurement While Drilling (MWD) technology, a solution that reduces drilling time, improves wellbore quality and increases overall drilling efficiency.

As our business and operations expand, OFS will remain committed to the highest HSE standards across all its operations and to further expanding its technological and operational leadership as one of the highest performing and most cost-competitive oilfield services providers in the region and internationally.

**Financial Highlights 2025**

2025 Revenue

**\$1,462m**

2025 Net Profit

**\$149m**

2025 EBITDA

**\$251m**

Contribution to ADNOC Drilling Revenue 2025

**30%**

**Operational Highlights 2025**

IDS rigs

**60**

IDS wells delivered since inception in 2019

**1,277**

Rigs offered discrete services

**58**

Year-on-year improvement in combined drilling efficiency to ADNOC Onshore and Offshore

**22.3%**

2025 Total Recordable Incident Rate (TRIR)

**0.03**

Unconventional wells fractured Phase 1-to-date

**61\***

\*As of 13 March 2026



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# CORPORATE GOVERNANCE

On behalf of the Board of Directors (“Board”) of ADNOC Drilling Company P.J.S.C (“ADNOC Drilling” or “the Company”), we are pleased to present the 2025 Corporate Governance Report (“Report”). This Report has been prepared in compliance with the requirements of our market regulator, the United Arab Emirates (“UAE”) Capital Market Authority\* (“CMA”) Chairman’s Decision No. 3 of 2020 on the Joint Stock Companies Governance Guide (“Governance Guide”) as amended from time to time and takes into consideration Global Reporting Initiatives (“GRI”) reporting standards. The format of this report is as prescribed by the CMA.

This report gives an overview of ADNOC Drilling’s Corporate Governance framework and practices as of 31 December 2025 and has been disclosed on the Abu Dhabi Securities Exchange (“ADX”) website and the Company’s website.

## 01. Introduction

ADNOC Drilling remains steadfast in its commitment to upholding the highest standards of Corporate Governance to support compliance with applicable laws and regulations and to embody the principles of transparency, integrity and accountability. The Company’s governance framework aligns with the requirements applicable to public joint stock companies in the UAE and integrates international best practices. Through this robust framework, ADNOC Drilling aims to deliver long-term and sustainable value to its stakeholders, uphold sound governance principles and fulfil its social obligations while complying with regulatory requirements.

In adherence to ADNOC’s overarching commitment to excellence, the Company continues its efforts to strengthen management accountability, enhance operational efficiency and safeguard the interests of its stakeholders and the wider community it serves. By integrating strong governance mechanisms across the organization, we believe the Company remains well-positioned to navigate challenges and seize new opportunities in the rapidly evolving business environment.

## 02. Our corporate governance overview

Our policies and standards are designed to ensure compliance with regulatory requirements, support effective risk management and uphold the highest ethical standards. In 2025, the Company continued to strengthen its established governance environment by further enhancing and refining its policies, procedures and practices to promote transparency, accountability and integrity. As part of our ongoing commitment to sound governance, the Company regularly reviews and updates its policies to remain aligned with evolving regulatory requirements and recognized best practices. The following section outlines key governance and compliance policies in place at ADNOC Drilling.

### Code of Conduct

Our Code of Conduct reflects ADNOC Drilling’s unwavering commitment to integrity, compliance and ethical behaviour across its operations. It establishes the minimum standards of conduct expected of those working for or on behalf of the Company and provides a defined framework of principles, rules and behaviors to guide decision-making. Embedding these standards into daily operations helps ensure that ADNOC Drilling conducts its business responsibly, transparently and in alignment with its core values.

### Inside Information and Insider Dealing Standard

Ensuring fair and transparent dealings in the Company’s securities is of paramount importance to us, and we adopt a zero-tolerance approach to any activity that could compromise market integrity. To uphold this commitment, an Inside Information and Insider Dealing Standard has been implemented that clearly defines the obligations and responsibilities of employees, officers and directors when dealing in the Company’s securities. Oversight of the ongoing implementation and adherence of this standard is conducted by the Insider Dealing Committee.

\* Effective since 1 January 2026, the Securities and Commodities Authority (SCA) was renamed and reconstituted as the Capital Market Authority (CMA) under Federal Decree-Law No. (32) of 2025 and Federal Decree-Law No. (33) of 2025.

### Related Party Transactions Standard

Our Related Party Transactions Standard is designed to help ensure that:

- a. Related Party Transactions are conducted on arm’s length terms;
- b. the Board and Executive Management are aware of the steps required to approve Related Party Transactions; and
- c. a legitimate business case supports the Related Party Transactions, including its arm’s length nature.

In accordance with this standard, we may not enter into a Related Party Transaction unless:

- i. the Board has approved the transaction, where the value of the transaction between the Company and a Related Party does not exceed 5% of the Company’s capital; or
- ii. the General Assembly of the Company has approved the transaction, where the value of the transaction between the Company and a Related Party exceeds 5% of the Company’s capital.

However, for so long as ADNOC owns more than 50% of our shares, we may not enter into transactions with ADNOC or other ADNOC companies unless such transactions have been approved by our Board, including a majority of the Independent Members of the Board, subject to applicable exemptions and stipulated thresholds under our delegation of authority matrix.

Refer to the section on Related Party Transactions in this Report for more information.

### Anti-Bribery and Anti-Corruption Standard

We are committed to doing business lawfully, ethically and with integrity, and we expect all our employees and representatives to act accordingly. Consistent with this commitment, we take a zero-tolerance approach to fraud, bribery and all other forms of corruption. Our Anti-Bribery and Anti-Corruption Standard sets out our requirements to ensure that none of our employees or representatives engage in any of these activities.

### Anti-Money Laundering Standard

We are committed to conducting business in an ethical and transparent manner, and in full compliance with applicable anti-money laundering and counter-terrorist financing laws and regulations. Our Anti-Money Laundering Standard embeds mechanisms to detect and prevent the use of ADNOC Drilling operations for money laundering, or any activity that facilitates money laundering, or the funding of terrorist or other criminal activities.

### Competition Compliance Standard

Our Competition Compliance Standards set out the Company’s requirements in relation to competition law compliance. We are committed to conducting our business in accordance with all applicable antitrust and competition laws and regulations. We maintain and implement appropriate policies, procedures, training and internal controls designed to promote compliance with competition law requirements, prevent anticompetitive practices, and ensure adherence to applicable merger control and related regulatory obligations.

### Compliance Investigations Standard

Our commitment to operating with integrity includes investigating, where necessary, allegations of ethical misconduct. Our Compliance Investigations Standard and supporting procedures set out our approach to investigations relating to alleged violations of: (a) ethical business practices; (b) integrity in our interactions and arrangements with third parties; and (c) applicable laws, regulations, policies and procedures relating to ethical business practices and integrity. This standard requires all our personnel to cooperate fully and truthfully with all investigations and avoid engaging in certain activities that may hinder or interfere with an investigation.

### Conflict of Interests Standard

We understand that our employees will engage in legitimate social, financial and business activities outside the scope of their work for the Company. Our Conflict of Interests Standard sets out the requirements for the avoidance and management of conflicts of interests that may arise because of these other activities, including the avoidance of situations that have the appearance of a conflict of interests. Under this standard, conflicts of interests must be promptly disclosed so that the appropriate course of action can be taken to protect ADNOC Drilling’s interests. This includes ensuring that all members of the Board of Directors, Executive Management and other employees serve the best interests of the Company, independently from any other roles they may hold.

### Whistleblowing and Non-Retaliation Standard

Having an open, honest and transparent culture supports our commitment to integrity. Our Whistleblowing and Non-Retaliation Standard encourages our employees to report concerns about potential violations of applicable laws, standards or procedures and unethical behavior in connection with our business by ensuring confidentiality and by protecting good faith whistleblowers from any form of retaliation.

**Supplier and Partner Code of Ethics**

Our commitment to conducting business with integrity and the highest standards of ethical conduct extends to our suppliers and partners. We seek to work with those who share our values and demonstrate the same commitment to responsible and ethical business practices. Our Supplier and Partner Code of Ethics set out the minimum standards of conduct and integrity expected from all suppliers and partners engaged with ADNOC Drilling.

**Gender Diversity Standard**

We are committed to advancing gender diversity and equality across the organization and continue efforts to recruit more women across our business. We are also developing initiatives designed to advance women’s career growth across the Company and have created a Gender Diversity Standard to support our actions. The Company intends to continue its efforts to provide female employees with access to necessary training and development to help them achieve their full potential, in line with the standards of high performance we expect from all our employees – both men and women alike.

**Dividend Policy**

ADNOC Drilling maintains a clear and disciplined dividend framework aimed at delivering attractive, predictable and sustainable shareholder returns, while supporting the Company’s long-term growth and capital requirements. Dividend distributions are determined based on the Company’s financial performance, availability of distributable reserves, capital expenditure plans, and future cash requirements, and are approved by the Board in accordance with applicable laws and shareholder approvals. A progressive dividend policy underpins the Company’s shareholder return strategy. Under this policy, dividends are expected to grow by at least 10% per annum on a dividend per share basis over the five year period from 2024 to 2028. The Board may also approve dividends in excess of the progressive policy, taking into account free cash flow generation and value accretive growth opportunities.

During 2025, ADNOC Drilling further strengthened its dividend framework by increasing the dividend distribution floor by 27% year on year to AED 3.7 billion (\$1 billion), compared to the prior target increase of 10% per annum. In the same year, the Company transitioned to quarterly dividend payments, enhancing the visibility and regularity of shareholder returns. From 2026 onwards, the Company expects to increase dividends by at least 5% per annum through to at least 2030, subject to the relevant approvals. The combination of a higher dividend floor and quarterly distributions reinforces ADNOC Drilling’s commitment to delivering long-term shareholder value.

**Board Evaluation Standard**

The Board Evaluation Standard has been developed to establish the procedures and criteria for evaluating the performance of the Board, Board Committees, the Chairman and individual Directors. The evaluation process supports the commitment of ADNOC Drilling to improving the overall performance and effectiveness of the Board and Board Committees, maximizing strength and enabling corrective actions where necessary.

**2.1 Governance Structure**

ADNOC Drilling’s Corporate Governance structure is designed to promote effective oversight, clear accountability and disciplined decision making, in alignment with the Company’s strategic priorities and regulatory obligations. At the core of this framework is the Board of Directors, which retains ultimate responsibility for the stewardship of the Company. The Board provides strategic direction, oversees management performance and ensures compliance with applicable legal and regulatory requirements, while safeguarding the interests of shareholders and other stakeholders.

To support the discharge of its responsibilities, the Board has established dedicated committees, including the Board Executive Committee, Audit Committee and Nomination & Remuneration Committee. Each committee operates under clearly defined terms of reference and focuses on specific areas of governance, enabling more detailed oversight, review and informed recommendations to the Board.

Execution and day to day management are overseen by the Management Committees, which are responsible for implementing the Company’s strategy, driving operational performance and managing designated initiatives and projects. These committees operate within the authority delegated by the CEO and report to the relevant Board Committees and, where appropriate, to the CEO, supporting transparency, escalation and alignment across all levels of governance.

*Corporate Governance structure layout*



**2.2 Governance and Ethical use of Artificial Intelligence**

Artificial Intelligence (AI) has become a cornerstone of ADNOC Drilling’s transformation journey, driving operational efficiency, enhancing safety and promoting sustainability. The Company continues to invest in AI, digitalization and advanced technology solutions to optimize its integrated drilling services and achieve operational excellence. As AI increasingly supports and shapes business operations and strategic initiatives, the Company recognizes the importance of ensuring that the use, development and deployment of AI is subject to robust governance and ethical oversight.

ADNOC Drilling adheres to ADNOC Group Ethical Use of AI Standard, which provides comprehensive guidelines and principles for the responsible and ethical development, deployment and use of AI systems. The standard emphasizes key considerations such as the thoughtful and purposeful application of AI, adherence to confidentiality and data privacy, responsible use of AI in decision-making, maintenance of appropriate records and audit trails, and continuous monitoring of AI systems to ensure integrity and compliance.

Building on these principles, ADNOC Drilling is committed to strengthening its ethical AI governance in alignment with global standards and evolving best practices. By embedding ethical AI governance into its operational framework, the Company ensures that technological innovation advances alongside its core values of responsibility, transparency and sustainability. This approach underpins the Company’s commitment to being a technology-driven, safety-focused and ethically grounded leading participant within the global drilling industry.

**2.3 Subsidiary Governance**

ADNOC Drilling recognizes the vital role of its subsidiaries in implementing robust Corporate Governance practices within their respective domains. The Company guides each of its subsidiaries to design and implement a comprehensive governance framework tailored to its unique operational needs while adhering to ADNOC Drilling’s governance standards and applicable laws.

Subsidiaries operate with independent decision-making authority within their defined mandates, supported by appropriate oversight mechanisms to promote accountability and ethical conduct. UAE-based subsidiaries, being locally regulated, maintain governance structures tailored to their business activities, while international subsidiaries are required to comply with the regulatory frameworks of their respective jurisdictions, promoting consistent adherence to ADNOC Drilling’s commitment to transparency, accountability and integrity.

**03. Board of Directors**

The Board of Directors provides strategic leadership to the Company by setting its overall direction and shaping a culture of integrity, accountability and ethical conduct. Through effective oversight of executive management in executing the Company’s strategy, the Board can help ensure that the Company is managed in a manner that supports long-term value creation. The Board is expected to uphold sound Corporate Governance principles and promote fairness and transparency in decision-making, while retaining overall responsibility for strategic oversight, risk management, financial governance and compliance across the Company.

The Board comprises seven members who are appointed for a three-year term in accordance with the Articles of Association. The Board is chaired by H.E. Dr. Sultan Ahmed Al Jaber, who provides leadership and is responsible for ensuring the Board’s overall effectiveness. The Chairman plays a key role in driving decision-making on a sound and well-informed basis, fostering a culture of accountability and strategic focus.

All Directors are Independent Non-Executive Directors as defined by the Governance Guide and avail of the exemption granted by the CMA on 4 March 2024 to paragraphs 1 and 9 of Article (19) of the Governance Guide. The composition of the Board remained consistent during the year ended 31 December 2025.

The table below summarizes the details of ADNOC Drilling’s Board during Financial Year 2025

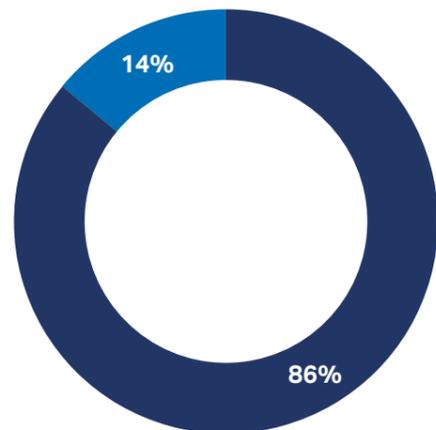
Name	Position	Appointment Date
H.E. Dr. Sultan Ahmed Al Jaber	Chairman	5 September 2021 <sup>1</sup>
Musabbeh Al Kaabi	Vice Chairman	13 March 2024 <sup>2</sup>
Abdulmunim Al Kindy	Member	5 September 2021 <sup>3</sup>
Mohamed Al Aryani	Member	5 September 2021 <sup>3</sup>
Khaled Al Zaabi	Member	13 March 2024
H.E. Dr. Abdulla Al Jarwan	Member	13 March 2024
Katherine Wallgren	Member	13 March 2024

<sup>1</sup> H.E. Dr. Sultan Ahmed Al Jaber was elected as the Chairman of the Board of Directors of ADNOC Drilling on 5 September 2021. He was re-elected as Chairman of the Board on 13 March 2024, for a second consecutive term.

<sup>2</sup> Musabbeh Al Kaabi was elected as the Vice Chairman of the Board on 7 May 2025.

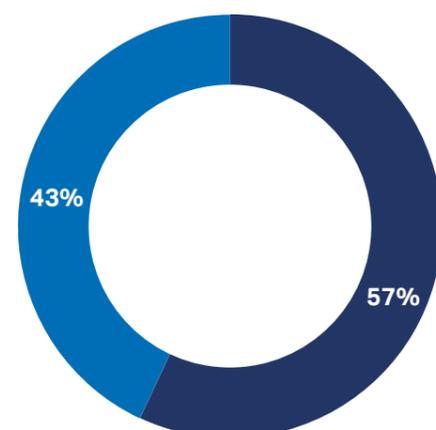
<sup>3</sup> Abdulmunim Al Kindy and Mohamed Al Aryani were appointed to the Board on 5 September 2021, and were re-appointed on 13 March 2024, for a second consecutive term.

**Board Nationality**



■ UAE nationals ■ Other nationality

**Board Tenure**



■ 0-2 years (4) members ■ 2-5 years (3) members



3.1 Profile of Board Members



H.E. Dr. Sultan Ahmed Al Jaber

Chairman

His Excellency Dr. Sultan Al Jaber is the UAE Minister of Industry and Advanced Technology, contributing to the advancement of the country's industrial development, diversification and competitiveness. Dr. Al Jaber also holds prominent positions across the UAE's energy and investment landscape, serving as Managing Director & Group CEO of ADNOC, Executive Chairman of XRG and Chairman of Masdar.

Dr. Al Jaber is driving the integration of energy and AI. He is Chairman of Presight, one of the region's leading generative AI companies, and serves on Abu Dhabi's AI and Advanced Technology Council and Advanced Technology Research Council.

In addition, he serves as Chairman of Emirates Development Bank, Chairman of FAB Misr, Alterra, and RIQ, while also holding board positions on the Abu Dhabi Supreme Council for Financial and Economic Affairs, the Mubadala Investment Company, First Abu Dhabi Bank (FAB), Emirates Investment Authority (EIA), and Emirates Global Aluminium (EGA). Dr. Al Jaber is also Chairman of IMI, a privately-owned, global media group with operations across 19 countries.

Dr. Al Jaber received a Bachelor of Science in chemical engineering from the University of Southern California in 1997. He received a Master of Science in Business Administration (MBA) from California State University, Los Angeles in 2001, and he was awarded the degree of Doctor of Philosophy in Economics by Coventry University in 2007.



Musabbeh Al Kaabi

Vice Chairman

Chairman of Board Executive Committee

Mr. Musabbeh Al Kaabi serves as the Chief Executive Officer of Upstream at ADNOC, overlooking many of ADNOC's assets including ADNOC Onshore, ADNOC Offshore and ADNOC Drilling. With over 27 years of experience in the energy sector and a background in exploration and production, he is well-positioned to drive continued success and value creation as he leads the business forward.

Mr. Al Kaabi serves as a board member of Masdar, Tabreed and ADNOC Gas. In the past, he has served on the boards of several leading organizations including Mubadala Energy, First Abu Dhabi Bank, Dolphin Energy, Al Yah Satellite Communications Company (Yahsat), Emirates Global Aluminium, Borealis, Cepsa, NOVA Chemicals, Cleveland Clinic Abu Dhabi, Environment Agency – Abu Dhabi and was a member of the Investment Committee of Mubadala Investment Company.

Mr. Al Kaabi holds a Bachelor of Science degree in Geophysical Engineering from Colorado School of Mines and a Master of Sciences degree in Geoscience from Imperial College, London.



Abdulmunim Al Kindy

Director

Chairman of Nomination & Remuneration Committee

Mr. Abdulmunim Al Kindy joined ADNOC in 1975 and served in various executive roles, including as chairman and board member of numerous ADNOC subsidiary boards and committees. Since January 2025, he serves as Executive Advisor in the Office of ADNOC's Managing Director and Group Chief Executive Officer.

Mr. Al Kindy previously held the position of Executive Director, Upstream, from 2016 to early 2020, and from 2022 until the beginning of 2025. From 2020 to 2022, he served as Executive Director of People, Technology & Corporate Support Business. During his tenure, he oversaw several ADNOC subsidiaries, including ADNOC Drilling and ADNOC Onshore. Mr. Al Kindy also served as Deputy Chairman of Petroleum Institute and Board Member of Khalifa University.

Mr. Al Kindy holds a degree in Mechanical Engineering, obtained in 1982, and an MBA from Brunel University and Henley Management College, having completed his education in both the UAE and the United Kingdom.



Khaled Al Zaabi

Director

Mr. Al Zaabi is ADNOC's Chief Financial Officer and oversees the formulation and execution of comprehensive financial strategy, investments, planning, performance, operational efficiency, treasury, risk management, and strategic partnerships. In his role, he provides visionary leadership, driving the execution of ADNOC's investment strategy, and advancing the company's sustainability agenda in alignment with its financial strategy. Mr. Al Zaabi ensures effective regulatory compliance, facilitating domestic and international growth across diverse energy sectors, including oil, gas, LNG, chemicals, refining, distribution, low carbon solutions, renewables, drilling, logistics, and shipping services.

He has successfully managed major equity market transactions, publicly listed several ADNOC companies, completed M&As, and secured ADNOC's first green financing. Mr. Al Zaabi led the issuance of ADNOC's Murban first corporate bond, establishment of the region's first large-scale in-house bank, and execution of financial restructuring deals.

Mr. Al Zaabi serves on the boards of several domestic and international entities, including OMV, ADNOC Distribution, ADNOC Gas, ADNOC Logistics & Services, and ADNOC Refining.

He holds a Bachelor's degree in finance from Deakin University, Australia.



H.E. Dr. Abdulla Al Jarwan

Director

Member of Nomination & Remuneration Committee  
Member of Board Executive Committee

H.E. Dr. Abdulla Humaid Al Jarwan is a visionary leader in the energy sector, driving strategic innovation both locally and globally. As Chairman of the Abu Dhabi Department of Energy and a member of the Executive Council, he plays a central role in shaping Abu Dhabi's energy future with an unwavering commitment to efficiency and financial sustainability.

Prior to this, Dr. Al Jarwan served as Director of the Executive Office at ADNOC, where he led Group strategy and business development, supporting international expansion, portfolio optimisation, and major transformation initiatives across the value chain. He serves on several government committees, including the Higher Committee for the Water and Electricity Sector, the Infrastructure Committee, and the Government Affairs Committee of the Executive Council. He is also a Board member of ADNOC Logistics & Services.

Dr. Al Jarwan has led major advancements in technology, sustainability, and regulatory reform across the energy sector by driving digital and AI-enabled transformation, supporting initiatives aligned with the UAE Net Zero 2050 strategy, modernizing energy policies to enhance investment readiness and market resilience, and representing Abu Dhabi globally to strengthen its position in energy security, sustainability, and innovation.

Dr. Al Jarwan holds a Doctorate in Business Administration (DBA) with a specialization in Mergers & Acquisitions (M&A) from United Arab Emirates University. He also holds a Master of Science (MSc) in Petroleum Engineering from Khalifa University and a Bachelor of Science (BSc) in Petroleum Engineering from Khalifa University.



Katherine Wallgren

Director

Member of Audit Committee  
Member of Nomination & Remuneration Committee

Ms. Katherine Wallgren brings more than two decades of industry experience, with technical expertise spanning Drilling, Production, and Reservoir Engineering. She currently serves as Manager of Asset Development, Offshore, at Occidental, an international energy company headquartered in the United States, where she oversees the company's assets in the U.S. Gulf of America.

Prior to her current role, Ms. Wallgren held various leadership positions within Occidental's international operations, including Project Director in Colombia and Leader of Reservoir Management in Qatar.

Ms. Wallgren is a U.S. citizen, and holds a Master's degree in Energy Business and a Bachelor's degree in Petroleum Engineering, both from the University of Tulsa, where she also serves on the Engineering and Computer Science Advisory Board.



Mohamed Al Aryani

Director

Chairman of Audit Committee  
Member of Board Executive Committee

Mr. Mohamed Al Aryani serves as President – International Growth at XRG, a subsidiary of ADNOC. He also serves as a Board member of Fertigllobe PLC and TAZIZ (an ADQ-AGP joint venture). He previously held the position of Executive Vice President, International Growth at ADNOC where he was responsible for developing and implementing strategies for ADNOC's international growth and overseeing the company's expansion in various key regions. Mr. Al Aryani also served as the Senior Vice President of Strategic Investments, where he led and managed ADNOC's strategic investments program.

Mr. Al Aryani holds both a Bachelor's and a Master's degree in Chemical Engineering from Imperial College London, UK. He is also a Chartered Financial Analyst (CFA) Charterholder.

**3.2 Women’s Representation on Board**

Ms. Katherine Wallgren currently serves as the sole female member of the Board, in compliance with Clause (3) of Article (9) of the Governance Guide, which requires that female representation on the Board shall not be less than one member. The Company remains committed to increasing female representation by considering all qualified candidates on a merit basis, while recognizing that director appointments are solely within the authority of the Company’s shareholders.

**3.3 Board Skills & Experience**

The Board is composed of members with varied professional backgrounds and competencies, reflecting the Company’s focus on diversity, inclusivity and forward-looking leadership. Through strategic succession planning and adherence to leading governance practices, the Company continues to enhance the Board’s composition.

**3.4 Communication of Significant Concerns**

ADNOC Drilling maintains a structured and transparent process for communicating significant concerns between the Board, its Committees, and Executive Management to ensure effective oversight, timely decision-making and accountability. This is designed to ensure that significant matters on strategic, operational, financial or compliance are promptly escalated and addressed at the appropriate governance level.

Conversely, the Board may direct specific matters or concerns to relevant committees or Executive Management for detailed review, further investigation or implementation of corrective measures. This two-way communication ensures that decisions are informed by robust analysis, that accountability is maintained across all levels of governance, and that responses to critical concerns are both timely and effective.

**3.5 Declaration of Conflict of Interest and Related Party Transactions by Directors**

ADNOC Drilling maintains transparent practices to ensure proper management of Directors’ interests and potential conflicts. Directors are expected to refrain from any activities that may give rise to actual, potential or perceived conflicts of interest and must promptly disclose such matters to the Board and the Board Secretary. Upon appointment, Directors must submit a declaration of their interests and relationships and continue to provide quarterly declarations, in line with Article (11) of the Governance Guide. Any transaction in which a Director or a Related Party may have a potential interest is subject to thorough review and requires approval by the Board. Directors with an interest in a particular transaction are prohibited from participating in the discussion of, or voting on, that transaction.

The Board Secretary maintains a register that records Directors’ conflicts of interests and Related Party transactions, which contains relevant details of all declarations of interests made by the Directors. To further safeguard independence, the Nomination and Remuneration Committee conducts ongoing assessments to verify the continued independence of Independent Non-Executive Directors. These measures help to ensure that all members of the Board of Directors are committed to serving the best interests of the Company, independently from any other roles they may hold.

**3.6 Directors’ Remuneration**

The Nomination and Remuneration Committee has established a policy governing the remuneration of Directors. This policy outlines the principles, structure and governance procedures related to Board remuneration. Any proposed remuneration is recommended by the Nomination and Remuneration Committee and subsequently presented to the shareholders at the Annual General Assembly (“AGA”) meeting for final approval.

At the AGA held on 17 March 2025, the shareholders approved the remuneration of AED 48.82 million for the Board, including committee fees, for the fiscal year 2024, with the payment executed during 2025. For the financial year ended 31 December 2025, the proposed Board remuneration will be submitted to the AGA for approval at its meeting scheduled for 1 April 2026.

**3.7 Statement of Allowances Paid to Board Committee Members in 2025**

No allowances, salaries or additional fees were paid to Board Committee members in 2025.

**3.8 The Secretary to the Board**

Mr. Ahmad Ma’abreh was appointed Secretary to the Board of Directors (the Board) at the Annual General Assembly meeting held on 13 March 2024. He brings more than 15 years of UAE-based experience as a Corporate Partner at Allen & Overy Shearman Sterling LLP (AOS) in Abu Dhabi, advising on complex public and private M&A transactions, joint ventures, equity capital markets and general corporate advisory. Mr. Ma’abreh’s practice includes regular counsel to publicly listed companies on stock exchange listings, Corporate Governance frameworks, and compliance with UAE listing regulations and continuing obligations.

Mr. Ma’abreh has extensive experience advising Boards of publicly listed companies on their ongoing regulatory and governance responsibilities and serves as Board Secretary to several Abu Dhabi-listed companies. Mr. Ma’abreh is admitted to the Jordan Bar Association and is a Solicitor of the Senior Court of England and Wales.

In his capacity as Board Secretary, Mr. Ma’abreh ensures effective governance support to the Board through accurate and timely documentation of meetings and resolutions, the maintenance of statutory and corporate records, and provides advisory support on governance, policies and practices. He also assists the Directors in identifying and managing potential conflicts of interest and contributes to the Board evaluation process.

**3.9 Board Meetings – Attendance Records**

Our Articles of Association require that the Board meets a minimum of four (4) times each year. The quorum for meetings is a simple majority of the Directors, and the quorum for voting during Board meetings is a simple majority of the attendees.

Board Member Name	Position on the Board	Board Meeting dates			
		12 Feb 2025	7 May 2025	29 Jul 2025	27 Oct 2025
H.E. Dr. Sultan Ahmed Al Jaber	Chairman of the Board	P	P	P	P
Musabbeh Al Kaabi	Vice Chairman of the Board	P	P	P	P
Abdulmunim Al Kindy	Board Member	P	P	P	P
Mohamed Al Aryani	Board Member	P	P	P	P
Khaled Al Zaabi	Board Member	P	P	P	P
H.E. Dr. Abdulla Al Jarwan	Board Member	P	P	A	P
Katherine Wallgren	Board Member	P	P	P	P

P – Present, A- Absent

**3.10 Key Activities Undertaken by the Board During the Year**

In 2025, the Board held four (4) meetings and carried out various significant activities. The table below outlines the key decisions and approvals made by the Board during the year, among other activities:

Key Activities	Date
<ul style="list-style-type: none"> <li>Approved the audited financial statements of the Company for the financial year ending 31 December 2024</li> <li>Proposed a cash dividend distribution of \$394 million, for the second half of the financial year ended on 31 December 2024</li> <li>Amended the composition of the Board Executive Committee and the Nomination and Remuneration Committee</li> </ul>	12 February 2025
<ul style="list-style-type: none"> <li>Approved the Company’s financial statements for the first quarter of the current financial year 2025</li> <li>Election of Mr. Musabbeh Al Kaabi as Vice Chairman of the Company’s Board of Directors</li> <li>Amendment of interim dividend distribution frequency to a quarterly basis in place of the previous semi-annual distribution schedule</li> </ul>	7 May 2025
<ul style="list-style-type: none"> <li>Approved the Company’s financial statements for the second quarter of the current financial year 2025</li> <li>Approved the distribution of an interim cash dividend to shareholders for the second quarter of the financial year 2025 in an amount of \$216 million</li> </ul>	29 July 2025
<ul style="list-style-type: none"> <li>Approved the Company’s financial statements for the third quarter of the current financial year 2025</li> <li>Approved the distribution of an interim cash dividend to shareholders for the third quarter of the financial year 2025 in an amount of \$250 million</li> </ul>	27 October 2025

For more information, please visit the Company’s or the ADX’s website.

**3.11 Board Resolutions Approved by Circulation**

Our Articles of Association permit the Board to act by circulation. In 2025, the Board adopted resolutions by circulation on fourteen (14) occasions.

Resolution	Date
Resolution 1 – Approval of 2024 Integrated Annual Report	5 March 2025
Resolution 2 – Annual General Assembly matters	15 March 2025
Resolution 3 – Liquidity Provider Mandate Adjustment	9 April 2025
Resolution 4 – Media Release on Three Newbuild Island Rigs	5 May 2025
Resolution 5 – Press Release on Two Jack-up Rigs	26 May 2025
Resolution 6 – General Business Matters	28 May 2025
Resolution 7 – CEO Succession (Appointment & PoA)	16 June 2025
Resolution 8 – Press Release on ADNOC Onshore Contract Award	30 June 2025
Resolution 9 – Extension of Liquidity Provision Agreement – Al Ramz Capital	17 July 2025
Resolution 10 – General Business Matters	8 September 2025
Resolution 11 – Approval of FY2025 Dividend Proposal and Amendment to Progressive Dividend Policy and General Business Matters	8 October 2025
Resolution 12 – General Business Matters	31 October 2025
Resolution 13 – General Business Matters	4 November 2025
Resolution 14 – Appointment of SVP’s and General Business Matters	11 December 2025

**3.12 Board Training and Induction**

In accordance with Article (12) of the Governance Guide, the Company has an induction and training program in place for newly appointed Directors. Upon appointment, new Directors undergo an induction and familiarization process that provides them with a thorough understanding of their role, responsibilities, duties and other relevant matters to ensure they are well-equipped to fulfil their responsibilities effectively.

**3.13 Board Evaluations**

Board evaluations are conducted to assess the effectiveness, performance and composition of the Board and its Committees. The process ensures that the Board continues to function efficiently, uphold sound governance practices, and effectively discharge its strategic and oversight responsibilities. It also enables the identification of areas for enhancement and ensures continued alignment with leading governance standards and best practices.

In accordance with Article (12) of the Governance Guide, the Nomination and Remuneration Committee (“NRC”) commissioned an externally facilitated Board evaluation for the year ended 2024.

The evaluation focused on four main areas:

- Board composition (diversity, skillset, experience and attributes)
- Board operations and dynamics
- Board committees (composition and reporting to the Board)
- Effectiveness of communication and collaboration between management and the Board/Board Committees

The evaluation process involved observing Board meetings, administering questionnaires, and conducting structured interviews with individual members of the Board/Board Committees and the Executive Management to assess overall efficiency, decision-making effectiveness and the quality of interaction between the Board and management. The assessment covered multiple dimensions, including strategy, risk management, Board Committee performance and stakeholder engagement. The evaluation report was presented and discussed in the NRC meeting, noting recommendations and action plans.

**3.14 Share Dealings**

Our Inside Information and Insider Dealing Standard regulates the purchase, sale and other transactions involving the Company’s shares and securities by employees and representatives. In accordance with this standard, inside information must not be used by any ADNOC Drilling personnel or their connected persons for personal gain. ADNOC Drilling expects all its employees, as well as other individuals with whom the Company transacts, to abide by this standard and, in doing so, adhere to the applicable laws concerning inside information and dealings.

The following table sets out the details of all purchases and sales of our shares undertaken by our Directors, their spouses and their children in 2025.

Director	Position	Shares held as on 31 December 2025	Total Sales Transactions	Total Purchase Transactions
H.E. Dr. Sultan Ahmed Al Jaber	Chairman	-	-	-
Musabbeh Al Kaabi	Vice Chairman	-	-	-
Mohamed Al Aryani	Member	434,782	-	-
Abdulmunim Al Kindy	Member	652,173	-	-
Khaled Al Zaabi	Member	85,532	-	-
H.E. Dr. Abdulla Al Jarwan	Member	-	-	-
Katherine Wallgren	Member	-	-	-

**Insider Dealing Committee**

Our Insider Dealing Committee is established to supervise and enforce the terms of the Company’s Inside Information and Insider Dealing Standard. In accordance with the Inside Information and Insider Dealing Standard, all directors, officers and employees who are in possession of inside information are prohibited from dealing in ADNOC Drilling’s shares during restricted periods and are required to obtain approval from the Insider Dealing Committee to purchase, sell or otherwise deal in the Company’s shares during permitted periods. Approval may only be granted when the Committee is satisfied that the individual seeking to trade in ADNOC Drilling’s shares is not, at that time, in possession of inside information.

The Insider Dealing Committee comprises three members, with the Associate General Counsel serving as Chairperson, and the Chief Financial Officer and Vice President – Investor Relations serving as Members. The Committee reports to the Board Executive Committee of ADNOC Drilling and provides quarterly reports on its activities. During the year the Committee considered requests from employees to trade in the Company’s shares.

**04. Related Party Transactions**

ADNOC Drilling has implemented a Related Party Transactions Standard to ensure transparency, fairness and compliance in all dealings involving related parties. Related Parties represent the parent entity and its subsidiaries, directors and key management personnel of the Group and entities controlled, jointly controlled, or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by Executive Management.

We are, and have been, a party to various agreements and other arrangements with Related Parties, comprising ADNOC and certain of its other subsidiaries. The value of all Related Party transactions undertaken by ADNOC Drilling during 2025 (as disclosed in our 2025 financial statements) is as follows:

As per 2025 Financial Statements	US\$ '000
Revenues – ADNOC Group	4,882,033
Purchase – ADNOC Group	869,467
Lease payments to a Related Party	11,661
Finance income	11,005
Finance cost	31,976
Investment in joint ventures	161,850
Sale of property and equipment	36,000
Recharges	4,719

**Relationship Agreement with ADNOC**

In 2021, we entered into a Relationship Agreement with ADNOC pursuant to which ADNOC agreed, for so long as our shares are listed on the ADX and ADNOC owns or controls more than 50% of the shares, to take or not to take certain specified actions. These include:

- a. Not to take certain actions that might interfere with our status as an independent company, including:
  - i. ADNOC will not take any action that would interfere with our ability to comply with our obligations under certain ADX and CMA listing and governance rules; and
  - ii. ADNOC will conduct all transactions with us on arm’s length terms and on a commercial basis, and will allow us to carry out our business independently;
- b. Not to terminate, and to renew at our request, any real estate lease or land-use agreement, the Brand Usage Agreement, and the Shareholder Services Agreement, in each case so long as we are not in material default of our obligations under those agreements; and
- c. To acquire or lease, on our behalf and at our expense, any real estate needed for the operation of our business, and to enter into a corresponding lease agreement, sub-lease agreement or land-use agreement with us for such land.

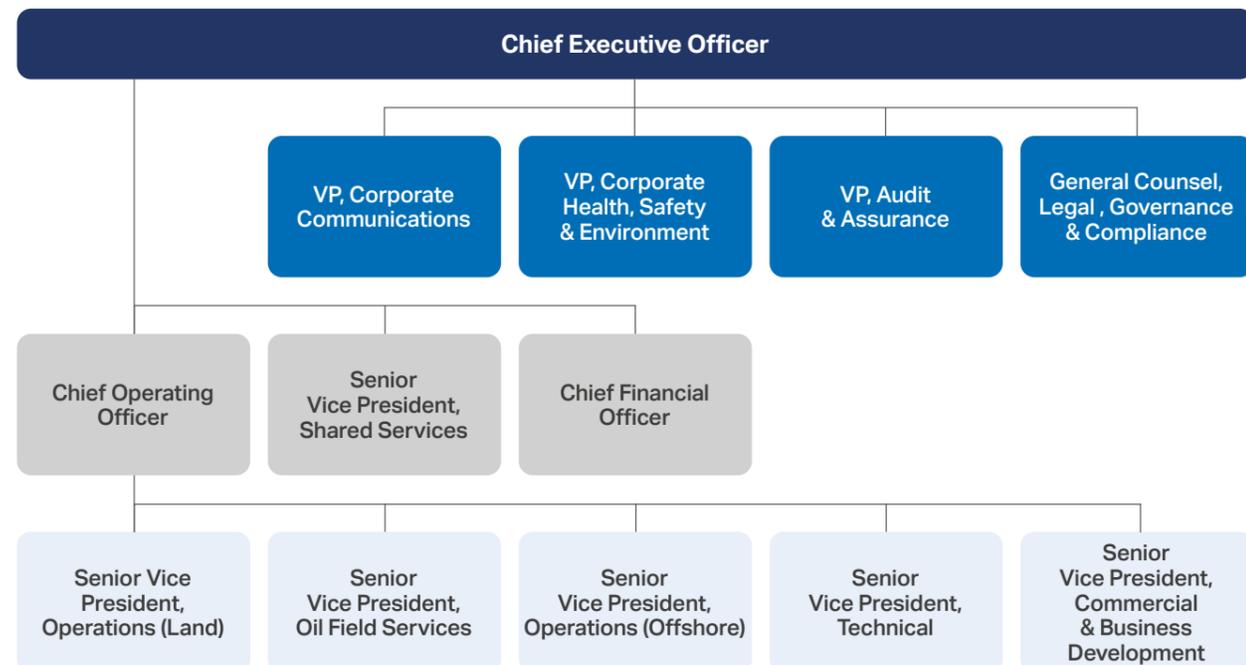
If ADNOC ceases to hold the majority of the Company’s shares, it shall continue to adhere to the provisions described in (b) and (c) as if it still held such majority, subject to any instruction or direction from a governmental authority, until such time as an alternative arrangement giving effect to the same can be entered into.

Pursuant to the Relationship Agreement, we have also agreed to enter into transactions with ADNOC and other members of the group only with the approval of a majority of our Directors, including a majority of the independent Non-Executive Directors (other than transactions that, in accordance with our delegation of authority, do not require Board approval). Any enforcement of the provisions of the Relationship Agreement against ADNOC requires approval by the Board.

**05. Executive Management**

The Executive Management is responsible for overseeing ADNOC Drilling’s daily operations and exercising the authorities delegated to it by the Board, in accordance with established practices, governance rules and regulations. This responsibility encompasses driving the effective execution of strategic initiatives, efficient management of organizational resources and attainment of overall performance objectives.

**ADNOC Drilling Organization Chart**



*Note: 1. The position of SVP – Commercial & Business development was introduced in 2025 and remained vacant during the reporting period. Ms. Manal Ali Al Mazrouei was subsequently appointed to this position in January 2026.  
 2. The SVPs reporting to the CFO are the SVP – Finance & Control and the SVP – Investment, Transformation & Strategy.  
 3. The position of SVP – Investment, Transformation & Strategy was introduced in 2025 and remained vacant during the reporting period. Ms. Neha Chaudhari was subsequently appointed to this position in January 2026.*

**Matters Reserved to the Board and Delegated to the Executive Management**

ADNOC Drilling’s approach to Corporate Governance defines the roles, responsibilities and delegated authorities of the Board, its committees and Executive Management. This structured delegation framework supports streamlined decision-making and enhances operational efficiency across the Company.

The Board has granted a Delegation of Authority to our Chief Executive Officer (CEO), Abdulla Ateya Al Messabi, empowering him to manage the daily operations of the Company, within specified limits. Any actions that exceed these limits require prior approval from the Board. Under this Delegation of Authority, the CEO is also authorized to sub-delegate certain responsibilities to other members of ADNOC Drilling’s Executive Management.

Notwithstanding the Delegation of Authority granted to the CEO, the Board retains oversight over these activities. The CEO is required to regularly report to the Board on the activities carried out under the terms of the Delegation of Authority. In alignment with this framework, and in consultation with the Board, the CEO has further sub-delegated certain authorities to members of the Executive Management to help support effective and efficient operational decision-making.

**Scope of Authority**

Authority to conduct the daily management activities of ADNOC Drilling, subject to appropriate limits as set down by the Board from time to time.

**Duration of Authority**

Until the authority is revoked by the Board.

**Details of Delegated Authority – Mr. Abdulla Ateya Al Messabi (CEO).**



Management team



**Abdulla Ateya Al Messabi**  
(CEO)

Abdulla Ateya Al Messabi was appointed Chief Executive Officer of ADNOC Drilling in June 2025. With nearly three decades of experience within the ADNOC ecosystem, he previously held the positions of Chief Executive Officer at ADNOC Sour Gas and ADNOC Refining. He has a proven track record of leading large, complex organizations with a focus on operational excellence, safety and disciplined value creation. As the CEO of ADNOC Drilling, he is committed to strengthening governance and accountability, ensuring disciplined capital deployment, and delivering resilient performance and sustainable long-term value for shareholders.



**Youssef Salem**  
(CFO)

Youssef Salem joined ADNOC Drilling as Chief Financial Officer in 2023. Previously serving as the CFO of AIQ, a leading AI Platform for the energy sector, he has over 15 years of experience, holding several key executive and advisory roles with Moelis & Company and QInvest. He is also a CFA Charterholder, a Fellow of the Society of Actuaries, and a former Adjunct Professor of Practice at the American University in Cairo.



**Sultan Saeed Al Mansoori**  
(Senior Vice President – Operations (Land))

Sultan Saeed Al Mansoori joined ADNOC Drilling in 2022. He has over 23 years of drilling experience at ADNOC and has held many leadership roles across ADNOC Upstream group companies (Offshore and Onshore). As Senior Vice President Operations (Land), he is responsible for the Company's Land Rig Operations Function that includes Land Rigs, Water Well Rigs, Rig Moves, Operations Support and Base Support.



**Adel Al Marzooqi**  
(Senior Vice President – Operations (Offshore))

Adel Al Marzooqi serves as the Senior Vice President Operations (Offshore) of the Company, with over 26 years of experience in drilling engineering and operations. Throughout his career, he has held various senior roles within the ADNOC Upstream group companies. In his current capacity, he is responsible for the strategic direction and operational management of the Jack-Ups, Island Rigs, and Marine Services divisions, while also supporting regional growth initiatives and the advancement of AIDT-driven operational excellence in alignment with ADNOC Drilling's long-term strategy.



**Emri Mahmoud Zeineldin**  
(Senior Vice President – Oilfield Services)

Emri Zeineldin joined ADNOC Drilling in February 2019 as Senior Vice President of Oilfield Services (OFS). Prior to this, he held several senior positions within Baker Hughes OFS division from 2003 to 2018 and worked with Smith International and Schlumberger from 1995 to 2003. Additionally, he served as an Assistant Lecturer at Ain Shams University from 1992 to 1995.



**Ali Essa Al Mahri**  
(Senior Vice President – Technical)

Ali Al Mahri currently has oversight and responsibility of Engineering, Projects, Maintenance, Technologies and Asset Integrity Departments as Senior Vice President of the Technical function. He joined the Company in 2018 as Senior Vice President, Technical, with responsibility over Engineering, Projects, Maintenance, Business Development and Asset Integrity Departments. Prior to that, he served as Vice President, Drilling, in ADNOC Offshore with responsibility over their offshore and islands drilling activities in their various field concessions.



**Mariam S Al Suwaidi**  
(Senior Vice President – Human Capital & Shared Services)

Mariam Salem Al Suwaidi is the Senior Vice President, Human Capital & Shared Services at ADNOC Drilling, responsible for enabling the business through integrated leadership of Human Capital, Digital Enablement, Procurement and Corporate Support functions. With nearly 22 years of professional experience, she has led strategic initiatives focused on organizational transformation, operational efficiency, talent development and business performance across ADNOC and other public-sector entities.



**Dr. Yousuf Alkhoodri**  
(Senior Vice President – Finance and Control)

Dr. Yousuf Alkhoodri brings over 16 years of distinguished experience within ADNOC. As Senior Vice President, Finance & Control, he leads key functions including Treasury Operations, Enterprise Risk Management, Financial Reporting and Corporate Planning & Performance. Previously, Dr. Alkhoodri served as Vice President of Group Treasury & Risk Management at ADNOC, where he was responsible for overseeing treasury operations and financing strategies.



**Elias Tarawneh**  
(General Counsel)

Elias Tarawneh joined ADNOC Drilling as General Counsel in September 2023. He brings more than 23 years of experience in legal, compliance and corporate governance with a focus on the energy and capital markets sectors. Prior to joining ADNOC Drilling, he served as MENATI Executive General Counsel at Baker Hughes and as Regional Lead Counsel for the Oil Field Equipment segment at GE Oil & Gas. Earlier in his career, he held a range of senior leadership roles in private practice and in-house, including General Counsel and Board Secretary at National Petroleum Services. He holds a Bachelor of Laws (LL.B.) from the University of Jordan, a High Diploma in Financial Markets from the Arab Academy for Management, Banking and Financial Sciences, and an LL.M. in Banking and Finance from Queen Mary University of London. He has been a member of the Jordanian Bar Association since 2003.

**Executive Management Remuneration 2025\***

Name	Position	Total Annual Salary (AED)	Appointment Date	2025 Pro-rata Salaries & Allowances (AED)	Bonus** (AED)	Other Benefits (AED)
Abdulla Ateya Al Messabi	CEO	2,660,436	June 2025	1,897,846	-	-
Youssef Salem	Chief Financial Officer	2,040,000	October 2023	1,943,285	1,000,000	-
Dr. Yousuf Alkhoori	Senior Vice President, Finance and Control	1,282,920	August 2025	846,513	-	-
Mariam S Al Suwaidi	Senior Vice President – Human Capital & Shared Services	1,561,704	December 2025	146,121	-	-
Sultan Saeed Al Mansoori	Senior Vice President, Operations (Land)	1,848,276	October 2022	2,033,913	650,000	-
Adel Al Marzooqi	Senior Vice President, Operations (Offshore)	1,829,976	August 2025	2,049,013	-	-
Emri Mahmoud Zeineldin	Senior Vice President, Oilfield Services	1,695,480	December 2018	1,806,327	650,000	-
Ali Essa Al Mahri	Senior Vice President, Technical	1,753,812	June 2025	1,432,954	550,000	-

Name	Former Position	Appointment Date	Salaries & Allowances (AED)	Bonus** (AED)	Other Benefits (AED)
Abdulrahman Abdulla Al Seiri	CEO	January 2020 – June 2025	2,076,511	2,000,000	-
Christopher Michael McDonald	Chief Operating Officer	August 2023 – May 2025	2,293,715	1,600,000	-
Shaikha Al Dhaheri	Senior Vice President, Shared Services	November 2022 – October 2025	1,445,457	660,000	-

\* The table above outlines the Executive Management remuneration, encompassing our Chiefs and Senior Vice Presidents during the FY 2025.

\*\* Bonus details related to 2024 performance, paid in 2025.

**06. Board Committees**

**Board Executive Committee**

The Board Executive Committee ("BEC") consists of six members, all being independent Non-Executive Directors. The BEC was established by the Board to assist the Board in the discharge of its duties.

The role of the BEC is to act on behalf of the Board during the intervals between scheduled Board meetings so that matters that require Board approval during such intervals can be dealt with in a timely and efficient manner. In addition, the BEC reviews audited financial statements and audit outcomes, oversees dividend policy recommendations, capital structure, financing arrangements and credit metrics, and reviews the Company's business plans and key assumptions prior to Board consideration. The Committee also prepares advisory notes and recommendations on matters referred or delegated by the Board, including items scheduled for Board agendas, ensuring informed and timely decision making.

In addition to its operational oversight responsibilities, the BEC functions as a vital intermediary between Executive Management and the Board, facilitating the translation of strategic priorities into actionable plans. Through regular performance monitoring and proactive management of emerging challenges, the committee keeps the organization adaptable and steadfast in delivering sustained value to its stakeholders.

The following table sets out the meetings held by the Board Executive Committee in 2025:

Member Name	Position	30 Jan 2025	30 Apr 2025	17 Jul 2025	17 Oct 2025
Musabbah Al Kaabi <sup>1</sup>	Chairman	P	P	P	P
Khalid Abdul Samad	Member	P	P	P	P
Fahad Al Ameri	Member	P	P	P	P
Mohamed Al Aryani	Member	P	P	A	P
H.E. Dr. Abdulla Al Jarwan	Member	P	P	P	P
Omar Sharaf	Member	P	P	P	P

P – Present, A – Absent

<sup>1</sup> Appointed as Chairman of BEC in 2025, succeeding Abdulmunim Al Kindy.

**Key Activities of BEC During the Year**

During 2025, BEC continued to play a pivotal role in supporting the Board through focused oversight of operational performance and key strategic initiatives. The Committee met quarterly in alignment with its mandate and received comprehensive updates from Executive Management across all major business functions.

The BEC consistently reviewed key standing agenda items across the meetings held during the year, including CEO updates, HSE performance, operational updates, people and culture matters, financial performance and communications updates. The Committee also monitored follow-up actions from previous meetings to support continued oversight of strategic, operational and safety-related priorities. During the year, the Committee endorsed several important matters, including quarterly dividends, public announcements of financial results, and the Company's business plan and budget for 2026–2030, amongst other items.

**The Chairman of the Board Executive Committee acknowledges his responsibility for implementing the requirements and functions set out in the Committee's terms of reference, including the review of its methods of operation to ensure its effectiveness.**

**Nomination and Remuneration Committee**

The Nomination and Remuneration Committee (“NRC”) is responsible for assessing the appropriate balance of skills, knowledge and experience on the Board and its committees, as well as their size, structure and composition, and for monitoring the independence of independent Non Executive Directors. The NRC is responsible for periodically reviewing the Board’s structure and identifying potential candidates to be appointed as Directors or committee members as the need may arise. In addition, the NRC assists the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the Company’s policy on executive remuneration, setting the over-arching principles, parameters and governance framework of our remuneration policy and determining the individual remuneration and benefits package of our senior management.

The Governance Guide, as reflected in the NRC terms of reference, requires the NRC to comprise of at least three Non-Executive Directors, at least two of whom must be independent. The Chairman of the NRC must be chosen from amongst the independent committee members, and its other members will be appointed by the Board. The Nomination and Remuneration Committee will meet at least twice per year, or more frequently as required.

The following table sets out the meetings held by the Nomination and Remuneration Committee in 2025:

Member Name	Position	17 Jun 2025	4 Aug 2025	13 Oct 2025
Abdulmunim Al Kindy <sup>1</sup>	Chairman	P	P	P
H.E. Dr. Abdulla Al Jarwan	Member	P	P	P
Ayesha Al Hammadi	Member	P	P	P
Katherine Wallgren	Member	P	P	P

P – Present, A – Absent

<sup>1</sup> Appointed as Chairman of NRC in 2025, succeeding Musabbeh Al Kaabi.

**Key Activities of NRC During the Year**

During the year, the Committee met three times and reviewed a range of matters relating to executive recruitment, appointment and compensation. These endorsements helped support effective leadership resourcing, ensure alignment with organizational priorities, and reinforce adherence to the Company’s broader talent and remuneration frameworks.

In addition to executive matters, the NRC reviewed several people and remuneration policies, including the salary structures, leave provisions, graduate and trainee schemes and contracts, and duty travel allowances amongst others. These reviews drove continued alignment with regulatory expectations, and ADNOC standards, while supporting a consistent and equitable approach to people management across the Company. The NRC also took note and reviewed the Board evaluation conducted for year ended 2024.

**Succession Planning**

The Nomination and Remuneration Committee collaborates with the Board on the leadership succession plan to ensure orderly succession in appointments to the Board and Executive Management. The Company strives to maintain an appropriate balance of skills and experience, within the organization and the Board, to encourage new and diverse perspectives, whilst maintaining experience and continuity. By integrating workforce planning with strategic business planning, the Company can deploy the necessary financial and human resources to meet its objectives. Succession planning and elevation within the organization fuels the ambitions of its talent to earn future leadership roles.

**The Chairman of the Nomination and Remuneration Committee acknowledges his responsibility for implementing the requirements and functions set out in the Committee’s terms of reference including the review of its methods of operation to ensure its effectiveness.**

**Audit Committee**

The Audit Committee (“AC”) assists the Board in fulfilling its oversight responsibilities for Corporate Governance, financial reporting, internal controls, risk management, and internal and external audit activities.

The Committee oversees the appointment, independence and performance of the statutory auditor, including the review of the audit scope, materiality, effectiveness of the audit process, and the nature and extent of non-audit services.

The Committee reviews the effectiveness of the Company’s internal control framework, compliance arrangements and risk management systems, including internal controls over financial reporting, fraud risk management, IT controls and business continuity arrangements. It also oversees the confidential reporting mechanisms for suspected misconduct and ensures their appropriate investigation and follow-up.

The Committee oversees the activities of the Audit and Assurance division, including approval of the annual risk-based internal audit plan and budget, review of key audit findings and monitoring the implementation of audit recommendations. The AC ensures that Internal Audit has unrestricted access to information and maintains its independence.

The Audit Committee comprises five independent Non-Executive Directors, including the Chairman, and operates in accordance with its terms of reference and the Governance Guide requirements. Members collectively possess expertise in finance, accounting, risk management, internal controls and governance.

The following table sets out the meetings held by the Audit Committee in 2025:

Member Name	Position	13 Jan 2025	28 Apr 2025	23 Jul 2025	20 Oct 2025
Mohamed Al Aryani	Chairman	P	P	P	P
Ahmed K. Matar Abujarad	Member	P	P	P	P
Khalfan Al Dahmani	Member	P	P	P	P
Ayesha Abdul Rahman Al Marzouqi	Member	P	P	P	P
Katherine Wallgren	Member	P	P	A	P

P – Present, A – Absent

**Report from Audit Committee Chairman**

The Audit Committee is pleased to present its annual report for financial year 2025, in accordance with the requirements of the Governance Guide, highlighting the key activities undertaken during the year as follows:

- Reviewed the Company’s quarterly, interim and annual financial statements and discussed key matters with Management and the statutory auditor, including revenue performance, significant accounting judgments, asset impairment considerations, Related Party transactions, compliance with IFRS and internal controls over financial reporting
- Considered the applicable laws and regulations of the UAE, including those issued by the CMA, the ADAA and the ADX in discharge of its duties
- Reviewed and recommended the reappointment of the statutory auditor Deloitte & Touche (M.E.) and confirmed the firm’s independence and effectiveness
- Reviewed the appointment of the statutory auditor as external auditors for ADNOC Drilling’s subsidiaries (ADH RSA) and Joint Ventures (Enersol & Turnwell), while also reviewing the permissible non-audit services performed by the statutory auditor in line with applicable regulatory and governance requirements
- Reviewed significant internal audit reports and monitored progress against the approved Risk-Based Internal Audit Plan, including the implementation of audit recommendations. Further, key enterprise risks, mitigation actions and control enhancements were also assessed and reviewed
- Assessed the effectiveness of the Company’s risk management or internal control systems, with no material deficiencies identified during the year
- Reviewed Related Party transactions requiring approval in accordance with the requirements of the Governance Guide and confirmed compliance with the applicable provisions
- Reviewed key financial reporting matters, including revenue recognition, adequacy of provisions and ICFR Controls. Oversaw the integrity of the Company’s annual and interim financial statements, reviewed significant accounting judgments and estimates, and monitored compliance with International Financial Reporting Standards and applicable regulatory requirements. There were no significant adjustments required, and the auditor’s reports were discussed with the Committee to its satisfaction

**The Chairman of the Audit Committee acknowledges his responsibility for implementing the requirements and functions set out in the Committee’s terms of reference including the review of its methods of operation to ensure its effectiveness.**

**07. External Auditors**

The responsibility for ADNOC Drilling’s external audit of annual accounts 2025 was entrusted to Deloitte & Touche (M.E.). Deloitte & Touche has been ADNOC Drilling’s external auditor since 2020.

Deloitte & Touche (M.E.) (DME) is an affiliated sublicensed partnership of Deloitte NSE LLP and has no legal ownership interest in Deloitte Touche Tohmatsu Limited (DTTL). Deloitte North South Europe LLP (NSE) is a licensed member firm of DTTL. DME is a leading professional services organization established in the Middle East region, with an uninterrupted presence since 1926. DME’s presence in the Middle East is delivered through its affiliated independent legal entities, which are licensed to operate and provide services in accordance with the applicable laws and regulations of each relevant country.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Building on its 175-plus-year history, Deloitte spans more than 150 countries and territories.

Details of the fees paid to Deloitte & Touche (M.E.) for the 2025 auditing services are provided in the following table:

Number of years Deloitte & Touche (M.E.) has served as the Company’s External Auditor:	Six years
Partner name:	Faeza Sohawon (engagement and signing Partner)
Number of years the Partner has served as the Company’s External Auditor:	Three years
Total fees for auditing the financial statements of 2025 including provision of reasonable assurance report on the effectiveness of internal financial controls over financial reporting:	Total audit fee – \$337,000 (excluding Internal Controls) Internal controls – \$82,000
Statement of the other services performed by an external auditor other than ADNOC Drilling’s auditor in 2025 (if any):	None

**Deloitte & Touche (M.E.) issued an unqualified audit opinion on annual financial statements for the year ended 31 December 2025.**

**08. Internal Control System**

The Company has established and maintains an internal control framework that provides the Executive Management and Board with reliable assurances on the effectiveness of the Company’s internal controls. These controls are designed to ensure the Company consistently achieves its operational and financial objectives, effectively manages risks, maintains the accuracy and transparency of information provided to stakeholders and complies with all applicable laws and regulations.

The key objectives of the internal control system are:

- a. creating control mechanisms that ensure efficient business processes and the implementation of the Company’s objectives
- b. ensuring the safety of the Company’s assets and efficient use of its resources
- c. protecting the interests of the Company’s shareholders and preventing and resolving conflicts of interest
- d. creating conditions for timely preparation and submission of reliable reports and other information that is legally required to be publicly disclosed
- e. ensuring that the Company is compliant with applicable laws and requirements of regulators

ADNOC Drilling’s internal control system is embedded across the organization at three levels:

**Level 1:** The business units and divisions within ADNOC Drilling are responsible for assessing and managing risks and building an efficient control system by complying with the standard and procedures, KPIs, corporate and/or divisional performance contracts

**Level 2:** Appropriate internal divisions and committees (enterprise risk management, quality and compliance divisions) are responsible for facilitating and guiding the risk assessment process, developing, communicating and monitoring the appropriate standards, processes and procedures

**Level 3:** The Audit and Assurance division conducts independent assessments of the efficiency of the internal control system

**Responsibility of the Board of Directors:** The Board of Directors is responsible for the internal control system within ADNOC Drilling and has established a number of processes and procedures which are designed to ensure the effectiveness of our internal control system.

**A. Internal Audit and Assurance**

ADNOC Drilling’s Internal Audit function is dedicated to providing independent and objective assurance and consulting services, with a focus on adding value to enhance Company operations. Through a systematic and disciplined approach, it aims to assess and improve the effectiveness of organizational governance, risk management and internal control. The Audit and Assurance division (A&AD) maintains its independence by reporting directly to the Audit Committee, ensuring it operates autonomously from the Executive Management.

The main objective of the Audit and Assurance division is to provide reasonable assurance in respect of:

- a. risk management framework of the Company
- b. internal controls within the Company
- c. Corporate Governance framework
- d. arrangements in place to safeguard assets and resources
- e. efficiency and cost-effectiveness of the use of assets and resources
- f. compliance with applicable laws and regulations, standards as well as the policies and procedures of the Company
- g. effectiveness of key business processes
- h. adherence to high ethical standards specified in the Code of Conduct

The policies, procedures, methodologies and risk-based internal audit plans of the A&AD, including its budget, are presented to and approved by the Audit Committee. The A&AD comprises professionally qualified and experienced employees who are committed to continuous learning and improvement, ensuring that the division's competencies are maintained at the highest standards.

The A&AD is led by Mr. Farhan Khan, a highly accomplished professional with over 25 years of experience across multiple countries and industries. Prior to joining ADNOC Drilling, he served as Head of the Internal Audit Function at ADNOC Sour Gas and ADNOC Onshore.

During 2025, the division continued to strengthen ADNOC Drilling's governance, internal control environment and risk management capabilities while fully aligning with the new Global Internal Audit Standards. The division delivered a high impact assurance cycle, supporting both operational excellence and ADNOC Drilling's expanding regional and international growth.

### Highlights of Activities Conducted by Internal Audit Division During 2025:

- Successfully completed 100% of the 2025 Risk Based Internal Audit (RBIA) Plan, encompassing 30 assurance audits, 7 advisory reviews, 1 expansion review and 2 Joint Venture (JV) audits. This has enhanced organizational governance, quality, improved standards and stronger ownership of internal controls across the organization
- A total of 308 findings were issued during the year, including 158 ineffective controls, 127 inadequate controls and 23 improvement opportunities, demonstrating deeper audit coverage and maturing controls within the organization. Advisory engagements were mainly in areas such as Technical Integrity, Contract Governance, Process Efficiency and Scrap Management
- Revised and updated the division's governing documents including the Internal Audit Charter, Audit Committee terms of reference, Internal Audit Manual, and Follow Up & Escalation Procedure. Assurance delivery was supported by continued integration of data analytics and readiness for AI-enabled audit methods
- Provided assurance oversight for ADNOC Drilling's growing Joint Venture (JV) portfolio. governance, compliance in alignment with the stakeholder expectations and that of ADNOC's broader strategic direction
- Exceeded its key performance targets (TOT Score of 9.6 against target 8.5) reflecting strong audit execution, improved collaboration and resolution of audit findings through timely implementation of its recommendations

**Outlook for 2026:** A&AD will focus on strengthening assurance over cybersecurity, resilience, governance and liquidity risks, while scaling the use of AI, automation and data analytics within audit workflows. The division will also continue to enable agile and technology-driven assurance practices to support ADNOC Drilling's global expansion and growth objectives.

## B. Ethics and Compliance

ADNOC's Ethics and Compliance Program establishes a structured and comprehensive approach to identifying and managing compliance obligations, mitigating compliance risks and upholding the highest standards of ethical conduct across the organization. ADNOC Drilling's Compliance program operates as informed by the Group's compliance program in accordance with ISO 37001 (Anti-Bribery Management Systems) and ISO 37301 (Compliance Management Systems), reflecting the Group's commitment to incorporating internationally recognized best practices in ethics, integrity and regulatory compliance.

ADNOC Drilling has adopted and implemented corporate compliance policies, standards and procedures aligned with ADNOC Group compliance requirements across its key compliance risk areas. These must be applied consistently across the organization and are subject to ongoing review and enhancement to confirm they remain appropriate for the Company's scale, organizational structure, and the nature and complexity of the industries in which it operates. Please refer to section two of the Governance report for compliance policies and standards implemented at ADNOC Drilling.

The Compliance division at ADNOC Drilling is responsible for the development, implementation and periodic review of the Company's compliance program, including the supporting processes, in accordance with applicable laws, regulations and leading practices that reflect ADNOC Drilling's values, strategic objectives and business strategy. Its responsibilities include establishing and implementing internal processes, procedures and standards, as well as routinely monitoring their

effectiveness to assess compliance with regulatory requirements applicable to ADNOC Drilling and its group companies. In fulfilling its mandate, the Compliance function undertakes a range of activities, including advising on regulatory compliance and strategic business matters, delivering relevant training and awareness programs, conducting ongoing monitoring, and facilitating internal investigations to mitigate compliance risks and uphold internal standards.

The Compliance division is also responsible for the following:

- Encompassing the design, implementation and ongoing maintenance of the compliance program in alignment with ADNOC Drilling's Compliance Standard and risk management framework
- Providing guidance on compliance risks and issues, including anti-bribery, business ethics, integrity due diligence, conflicts of interest, gifts and entertainment, insider trading and sanctions
- Preparation of periodic compliance reports, including required submissions to ADNOC, and close coordination with business divisions to proactively manage and resolve compliance matters
- Delivery and execution of projects and initiatives within the compliance program, as necessary to support its effective implementation

The Compliance division is led by John White Jr., who is appointed as Compliance Manager. He is a United States qualified lawyer with more than twenty years of experience in legal advisory, regulatory compliance and financial crime risk management. The Compliance Manager reports to the General Counsel. Elias Tarawneh, in his role as General Counsel, oversees the Legal, Governance and Compliance division.

### Training and Awareness

Compliance training and awareness initiatives are delivered across ADNOC Drilling, including targeted programs designed around identified compliance risks and specific business needs. These initiatives are coordinated with ADNOC at Group level to support alignment with broader compliance training and development programs. The compliance program includes risk-based training covering key topics such as conflicts of interest, gifts and entertainment, anti-corruption, adherence to applicable laws and regulations, and the protection of the Company's interests.

The Compliance training program also includes mandatory training on the Code of Conduct that is conducted annually. All employees are required to complete this training. In 2025, ADNOC Drilling achieved 100% training completion percentage for targeted employees. Further, new joiners are required to complete an induction program that includes dedicated training sessions presented by the Compliance division. To reinforce employee awareness of their compliance obligations, employees are required to sign an annual Ethics and Compliance declaration. In addition, all compliance policies, procedures and standards are available through an online portal accessible to ADNOC Drilling employees.

All third-party service providers engaged by ADNOC Drilling are required to comply with ADNOC Drilling's Supplier & Partner Code of Ethics. The Company works collaboratively with its partners, suppliers, customers and relevant government entities to combat corruption, embedding integrity and transparency across its operations. Addressing corruption both internally and through collective action reflects the Company's core values. As part of the Company's compliance framework, all suppliers, customers and other third parties are subject to integrity due diligence, including anti-bribery and corruption exposure risk assessments. During the reporting period, 100% adherence to the Company's Supplier & Partner Code of Ethics by third-party service providers was achieved.

### Raising Concerns

ADNOC maintains a confidential platform to foster a transparent culture in which areas of concern are identified in relation to ADNOC people, entities or business activities. The "Takallam" platform is an independently administered platform that is designed to promote transparency, integrity and accountability across the Group. The platform enables employees, contractors, suppliers, business partners and external stakeholders to confidentially and anonymously report concerns relating to unethical conduct, non-compliance, misconduct or breaches of applicable laws, regulations or ADNOC policies. The Group maintains a strict Non Retaliation Policy under which any form of retaliation against individuals who raise concerns in good faith is strictly prohibited. Reports can be submitted through multiple channels, including the online portal and a telephone hotline. All concerns raised through Takallam are expected to be reviewed, assessed and addressed in accordance with ADNOC's established investigation and escalation procedures. Cases are initially assessed by Group Ethics and Compliance and, where appropriate, are assigned to the relevant Group company based on the nature and ownership of the case for further action and resolution.

### Ethics Review

Ethics is a key pillar of our Company's governance framework and forms an integral part of the governance audit scope. In line with the ADAA methodology, ethics is subject to periodic review and is assessed on a biennial basis. This assessment focuses on evaluating the adequacy of the Company's ethics and compliance framework, as well as the extent to which ethical principles are effectively communicated, implemented and embedded across the functions of the Company.

**Identified Issues and Recent Developments**

In 2025, the compliance systems operated effectively, with no significant issues identified.

**Violations Committed During 2025**

The Company remained compliant throughout 2025, with no regulatory violations recorded.

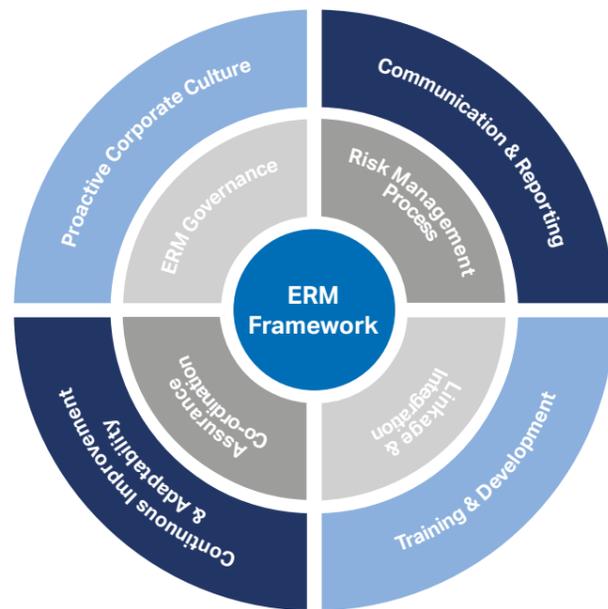
**C. Enterprise Risk Management (ERM)**

**Enterprise Risk Management at ADNOC Drilling**

Risk management is a cornerstone of ADNOC Drilling's long-term success. It enables the organization to proactively identify, assess and mitigate uncertainties that may impact strategic objectives, operational efficiency and stakeholder value while supporting navigation through an increasingly dynamic and complex business environment. Our Enterprise Risk Management (ERM) framework is aligned with internationally recognized standards, including ISO 31000 Risk Management Guidelines and COSO's Enterprise Risk Management guidance. It is fully integrated with strategy setting and performance management processes to drive a holistic approach to risk oversight. The ERM framework consolidates risks across key domains: health, safety, environment, climate, financial and operational into a unified management system. This includes a comprehensive Risk Breakdown Structure (RBS) that defines risk categories applicable across all business operations.

Our approach is systematic and data-driven, encompassing the full risk lifecycle: identification, analysis, evaluation, prioritization, monitoring and response. These processes are supported by a digital risk management platform, serving as a single source of truth for risk-related data and decisions. Key tools and enablers within the ERM system include:

- A unified corporate risk matrix for consistent risk evaluation
- Clearly defined risk attitude statements to guide decision-making
- Established interfaces across all risk assurance functions designed to support alignment and coordination



People at different levels shall identify and manage the risks within their purview. Identification of risks and their escalation to the right decision makers shall be actively encouraged and different forums shall be provided for such discussions. The corporate risk matrix is utilized to consistently assess and prioritize risk based on its potential impact and likelihood against five impact types: HSE, society and reputation, financial, investment value and objectives. While a top-down mandate is required to implement ERM, having a conducive risk culture will help ingrain it into various parts of the organization. To achieve that, ELT shall demonstrate the benefits of having an effective ERM program and encourage business leaders to proactively identify risks or challenges. There are free and open forums at various levels in the organization to discuss risks or challenges to the business, with matters escalated to the appropriate level of leadership.

The ERM system delivers value by:

- Facilitating risk-informed strategic planning to achieve business objectives and uncover potential opportunities
- Supporting the identification and management of strategic, functional, investment and project risks through an objective-driven process
- Assessing the impact of risks on the Company's key goals and performance indicators
- Enhancing corporate performance by embedding risk awareness and control consciousness into core processes
- Strengthening organizational resilience against market disruptions and evolving business practices

**Governance Model for Enterprise Risk Management at ADNOC Drilling**

ADNOC Drilling has established a robust enterprise risk governance framework to ensure that risks are identified, assessed and managed in a disciplined and transparent manner, in support of the Company's strategic objectives and long-term value creation.

The Board of Directors retains ultimate responsibility for the oversight of enterprise risk management. The Board is supported by the Audit Committee, which oversees the effectiveness of the Company's risk management framework, internal controls and governance processes, and receives regular updates on key and emerging risks, mitigation actions and control enhancements.

Executive Management is responsible for the implementation and day to day operation of the ERM framework, ensuring that material risks are managed within the Company's defined risk appetite and that appropriate mitigation measures are in place. Key risks and material developments are escalated through established governance channels and reported to the Audit Committee and the Board on a regular basis.

As part of the ADNOC Group, ADNOC Drilling operates within the ADNOC ERM framework, ensuring consistency in risk management practices across the Group while maintaining a risk profile and controls tailored to the Company's business, scale and operating environment. This alignment supports effective oversight, comparability and disciplined risk governance across ADNOC's portfolio.

Through this governance structure, ADNOC Drilling ensures that enterprise risks, including strategic, operational, financial and sustainability related risks, are managed proactively and transparently, reinforcing the Company's resilience and supporting sustainable long-term shareholder value.

**Emerging Risks**

Emerging risks are periodically identified through discussions with business and Executive Management. Emerging risks are defined as systemic issues or business practices that have either not previously been identified, have been identified but have been dormant for an extended period of time, or have yet to arise as area of significant concern. There is typically a high degree of uncertainty around the likelihood of occurrence, severity and/or timescales. These risks are analyzed using PESTEL techniques.

**Risk Management Highlights**

During the year, our focus was on the effective adoption of the ERM system across the organization and strengthening the risk management program, by assessing our business momentum relative to our competitive position in the market.

Necessary system level enhancements have been performed to enhance the ERM maturity and culture through periodic assessment and the reporting of risks. Also, during this year, we performed a comprehensive risk assessment for any new business projects, mergers or acquisitions. The ERM team is responsible for reviewing that all projects and new M&A deals are subject to thorough risk assessments, followed by the development of actionable mitigation plans by collaborating with relevant stakeholders.

**Fraud Risk Management**

The primary objective of this program is to identify potential vulnerabilities to fraud within the Company and evaluate the effectiveness of mitigating controls to address these risks. The existing fraud risk assessment program was enhanced across operational and support functions. During this year, we improved the proactive fraud risk management initiatives with a comprehensive risk assessment and enhanced control measures. Fraud awareness sessions were conducted for employees to strengthen their understanding of fraud risks and prevention measures.

**D. Data Protection and Cybersecurity**

Cybersecurity has become a fundamental pillar of corporate security, driven by the rapid rise in cyber threats and the growing need to safeguard sensitive information. As organizations operate in an increasingly digital world, robust data protection and cyber-resilience are essential not only to defend against attacks but also to preserve stakeholder trust, enable business continuity and reinforce long-term operational resilience. Effective cybersecurity and data protection practices mitigate the risk of operational disruption, financial loss and reputational harm. Beyond safeguarding systems and information, they help secure intellectual property, enable continued service delivery, and build confidence among customers, partners and regulators. At ADNOC Drilling, we are committed to building a resilient organization that can withstand and recover from any cyber incident.

Our cybersecurity management system seeks to instil an agile and proactive mindset that aims to keep us ahead of cyber threats. The system has been audited and certified compliant with both national and international standards, including the UAE Information Assurance Standards, ISO 27001, and ISO 22301 for Business Continuity. Additionally, our practices align with the ADNOC Group’s Digital and Cybersecurity Policy, ensuring consistency, preparedness and resilience across the broader Group ecosystem.

Our people are the strongest link in our cyber defence and data protection. We continue to invest in training them to prevent, protect against and respond to emerging cyber threats and risks, as well as handling data securely by supporting their continuous development through best practices. Building on this commitment, we deliver a wide range of capacity-building initiatives, from regular phishing simulations and mandatory e-learning modules to site-based outreach sessions, interactive cyber events and real-time cybersecurity dashboards. These initiatives promote safe digital behavior across the organization and help embed cybersecurity awareness into daily operations.

**ADNOC Cyber Aware Program:** In 2025, ADNOC Drilling participated in ADNOC Group’s Cyber Aware program, which is designed to equip employees with essential cybersecurity skills. The program reinforces our commitment to building a cyber-resilient workforce by strengthening digital safety awareness and promoting practical cyber resilience through teamwork and real-time problem-solving. It also supports the development of future talent and contributes to the UAE’s national cybersecurity agenda.

At ADNOC Drilling, protecting the privacy and security of personal data is a core ethical commitment and a regulatory obligation. In line with the ADNOC Group Data Management Policy Statement, we are committed to respecting individual privacy and handling personal information with care. We apply practices and controls that reflect the requirements of applicable laws, including the UAE Personal Data Protection Law (PDPL) and the EU General Data Protection Regulation (GDPR), and take great care in managing data in a responsible and compliant manner.

Alongside capability development, we continue to strengthen and modernize our digital infrastructure so that our security systems remain robust, effective and capable of adapting to evolving threats. This effort also extends to our wider ecosystem, as we expand cyber defence considerations across our supplier network, supporting the protection of critical supply chain partners and contributing to comprehensive resilience across our value chain.

**In 2025, zero customer data breaches were reported.** Since 2021, our annual digital customer satisfaction surveys have aimed to achieve an 80% satisfaction score. We have outperformed this target every year, recording results above 90% and demonstrating steady improvement. In 2025, we proudly achieved a 95% satisfaction rate.

**E. Business Continuity Management (BCM)**

At ADNOC, business continuity and risk management are fundamental to our organizational resilience, safeguarding operations, finances and reputation while enabling agile, informed decision-making. Our structured approach is designed to keep critical functions operational during disruptions, turning challenges into opportunities for improvement.

We maintain a Business Continuity Management System (BCMS) guided by the National Emergency Crisis and Disaster Management Authority (NCEMA) 7000:2021 and ISO 22301:2019 standards. The BCMS evolves regularly, drawing on lessons learned and operational experience to remain effective and relevant in a dynamic business environment. Oversight is provided by the ADNOC Drilling Resilience Committee (ADRC), chaired by the CEO, which drives alignment with business priorities. Key activities include annual updates to the Business Impact Analysis (BIA), refinement of response and recovery plans, and four full BCMS life cycles each year.

Our BCMS approach focuses on three pillars:

**Pillar I**

**Digital and Automated BCM Processes**

- The Enterprise Governance, Risk and Compliance (eGRC) platform automates BCM processes, including Business Impact Analysis (BIAs) and Business Continuity Plans (BCPs), enabling faster, more accurate data collection and streamlined plan development. The system provides a centralized source of truth for action tracking and incident response, supporting efficient decision-making during disruptions
- In 2025, Phase 1 of platform enhancements was completed, with training initiated and continuing into 2026 to maximize adoption and effectiveness

**Pillar II**

**Exercises and Preparedness**

- We conduct structured business continuity exercises to test readiness and refine response capabilities
- Tabletop exercises with division champions simulate crisis scenarios, assess responses and validate continuity plans; 12 exercises were successfully completed in 2025, with ongoing exercises planned for 2026
- Large-scale drills are executed with onshore and offshore clients to test end-to-end crisis response and coordination; 14 drills were completed in 2025

**Pillar III**

**Embedding a BCM Culture**

- Organizational resilience is strengthened by embedding a robust BCM culture across the value chain
- Targeted awareness campaigns, interactive training and engagement activities integrate BCM considerations into daily operations
- In 2026, we plan to conduct BCM awareness campaigns at our central camps to further reinforce this culture and equip stakeholders for an effective response

Through these measures, ADNOC Drilling reinforces its operational strength, protects stakeholders and supports long-term sustainability by preserving the continuity of services. Under our HSE Five-Year Plan (2025–2029), we are further advancing digital capabilities to enhance workflow efficiency, real-time monitoring and informed decision-making across business continuity activities.

**F. Asset Integrity and Critical Incident Management**

At ADNOC Drilling, asset integrity practices are designed to proactively prevent equipment malfunctions, minimize operational downtime, and address potential environmental and safety risks before they escalate. In parallel, critical incident management systems are designed to provide the capability for swift emergency response, safeguarding lives, limiting environmental impact and reducing financial exposure. Together, these approaches reinforce operational resilience, support regulatory compliance and help us maintain a strong industry standing. For 2026, ADNOC Drilling targets attaining 95% compliance and reliability across all HSE Critical Equipment and Systems (HSECES).

We maintained asset integrity through the Asset Integrity Management System (AIMS), which is designed to preserve the operational reliability and performance of HSECES across the lifecycle. This structured framework enables ongoing monitoring, assessment and optimization of assets, protecting both personnel and equipment. Detailed management procedures govern each stage of the asset lifecycle, spanning design, construction, operation, maintenance and decommissioning, providing clear guidance to drive alignment with established industry standards and the highest benchmarks for safety and dependable performance.

Our internationally recognized certifications reflect our dedication to excellence, including:

- API Q1 Certification for BAO Workshop
- ISO 55001:2014 for Asset Integrity Management Systems
- ISO 9001:2015 for Quality Management Systems

These certifications underscore our alignment with global best practices in asset integrity and critical incident management, so our assets can operate efficiently, sustainably and with the utmost regard for stakeholder safety and interests.

**Our Performance in 2025**

- Asset Integrity Incidents achieved 0.02 incidents/rig against the set target of 0.09 incidents/rig
- Technical Integrity Verification (TIV): 100% achievement with 223 number of rigs audited for Rig Integrity Audit Plan compliance to 2025

Further, in 2025, we advanced our commitment to asset integrity with a series of innovative initiatives designed to enhance operational efficiency, safety and sustainability:

- Drone-based Ultrasonic Thickness Measurement was deployed as a non-destructive testing (NDT) technique, combining ultrasonic gauging and remote visual inspection with drone technology to safely and efficiently assess material thickness and general conditions in hard-to-reach and hazardous areas
- Corrosion Management was integrated to standardize prevention, monitoring and mitigation practices across assets. This helps support compliance with international standards and ADNOC Drilling policies, enhances structure and equipment reliability, minimizes operational risks as low as reasonably practicable (ALARP) and optimizes maintenance costs through systematic corrosion management
- Maintenance and inspection practices are implemented across the ADNOC Drilling fleet, as they are a critical aspect of asset management. This supports equipment and infrastructure reliability, efficiency and longevity. Diverse maintenance philosophies and certification schedules are applied to accommodate varying requirements of manufacturers, OEMs and rig builders, with ongoing alignment to standardize practices across stakeholders
- Alarm management systems across oil rigs are implemented, where alarm systems are effectively designed, implemented, maintained and regularly improved to promptly identify abnormal conditions, enhance operational safety, and support reliable and efficient drilling operations
- Lifting plans are upskilled and resource reservation systems are applied

These advancements reflect ADNOC Drilling's continued focus on integrating innovation, safety and environmental stewardship into asset integrity practices. In 2026, we plan to enhance our asset integrity management practices by leveraging innovative technologies and optimized processes. These initiatives aim to promote a culture of continuous improvement and proactive risk management. We expect that the upcoming year will feature the following focus areas:

- Radio Frequency Identification (RFID) tagging for major lifting and drilling equipment to enhance asset traceability and enable efficient inventory and maintenance management
- Introducing guidelines for DGS risk assessment in order to have accurate risk assessments and clear determination of risk levels
- Conducting a study on extending equipment life overhauls beyond the recommended OEM schedules

**09. General Information**

**ADNOC Drilling Share Information:**

<b>Listing Date</b>	October 3, 2021	<b>ISIN</b>	AEA007301012
<b>Exchange</b>	Abu Dhabi Securities Exchange (ADX)	<b>Market Cap as on 31 December 2025</b>	AED 85.4 billion
<b>Symbol</b>	ADNOCDRILL	<b>Closing Share price as on 31 December 2025</b>	AED 5.34
<b>Share Capital</b>	AED1.6 billion, divided into 16.0 billion shares	<b>Nominal Value of Share</b>	AED 0.10

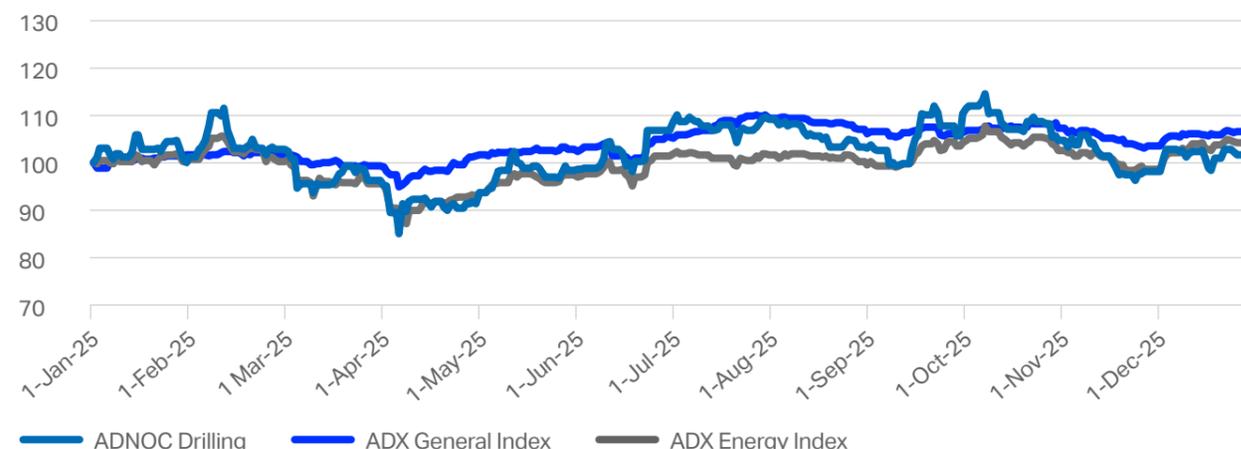
**Statement of share price in the market at the end of each month during the fiscal year 2025**

The following table sets out the closing price and the high and low share prices of our shares at the end of each month during 2025.

Month	High (AED)	Low (AED)	Close (AED)
January	5.74	5.30	5.40
February	6.01	5.36	5.49
March	5.56	4.90	5.14
April	5.40	4.31	4.90
May	5.48	4.88	5.25
June	5.86	5.19	5.70
July	5.95	5.56	5.84
August	5.87	5.44	5.51
September	6.07	5.26	5.63
October	6.34	5.53	5.58
November	5.70	5.14	5.23
December	5.57	5.21	5.34

**Statement of comparative performance with the general market index and sector index**

The figure below sets out our share price performance for 2025 compared to the ADX General Index and the ADX Energy Index.



**Statement of shareholders' ownership distribution by region**

The table below shows the percentage of the shares owned by different categories of shareholders as at the end of 2025.

Shareholders	Companies	Individuals	Total
Arab	121,532	11,637,631	11,759,163
Foreign	1,594,064,669	14,949,799	1,609,014,468
GCC	213,957,178	889,449	214,846,627
Local	13,881,736,689	282,643,053	14,164,379,742
<b>Total</b>	<b>15,689,880,068</b>	<b>310,119,932</b>	<b>16,000,000,000</b>

**Statement of the shareholders' ownership distribution by size of equity**

The table below shows the shareholding percentage to capital as at the end of 2025.

Class	Shareholdings	Number of Shareholders	Number of Shares Held	% of Shares Held
1	More than 5,000,000	100	15,166,570,082	94.8%
2	From 500,000 to less than 5,000,000	408	628,283,452	3.9%
3	From 50,000 to less than 500,000	919	159,069,278	1.0%
4	Less than 50,000	18,080	46,077,188	0.3%

**Statement of shareholders who held 5% or more of ADNOC Drilling's capital as at 31 December 2025**

The table below shows the name of shareholders who held 5% or more of the Company's capital at the end of 2025 and the percentage of such shareholdings.

Name	Number of Shares Held	% of Shareholding in ADNOC Drilling's Capital
XRG PJSC	12,560,000,000	78.5%
Baker Hughes Holdings Ltd	800,000,000	5.0%

No other shareholder owns 5% or more of our shares

ADNOC Drilling forms part of the MSCI Indices, including MSCI Emerging Markets (EM) and MSCI UAE, and is also represented in three FTSE Russell indices namely the FTSE Emerging Index, FTSE Global Large Cap Index and FTSE All-World Index. In addition, ADNOC Drilling is also a member of the FADX 15 Index, a joint ADX-FTSE Russell index designed to track the performance of the largest and most liquid companies listed on the ADX main market.

**Shareholders' Rights**

The Company's Articles of Association formally recognize and safeguard the rights of its shareholders. In line with the principles of fairness, transparency and equal treatment, they provide that each share carries equal rights, without any distinction among shareholders. Accordingly, every shareholder is entitled to:

- A proportionate interest in the Company's assets upon liquidation or dissolution, after all liabilities have been settled
- Participation in the Company's profits, including dividends and other lawful distributions
- The right to attend and participate in General Assembly meetings
- The right to vote on resolutions presented to the General Assembly

**General Assembly Meetings**

The Company held its AGA meeting on 17 March 2025. The invitation, announcement and minutes for both meetings were duly published on the Company's and ADX's websites. A special resolution is defined in our Articles of Association as a resolution passed by the shareholders owning not less than three (3) quarters of the shares represented in the General Assembly. In 2025, there were no special resolutions passed by the shareholders.

**Corporate Social Responsibility spend in 2025**

Our total expenditure on social development and related sponsorship projects for 2025 was approximately AED 67,100.

Please refer to the Sustainability section of this Integrated Report for more details on Corporate Social Responsibility.

**Emphasis on Emiratization**

Developing and nurturing local talent is central to our strategy to build a sustainable workforce, advance national development goals and secure a robust future talent pipeline. In 2025, ADNOC Drilling achieved an Emiratization rate of 14.53% and continues to actively drive increased national representation across the Company as part of its long-term Emiratization strategy.

Please refer to the appendix of the Sustainability section of this Integrated Report for more details on Emiratization.

**Statement of significant events**

**A. Reconstituting of the Board Committees**

On 12 February 2025, the Board amended the composition of the following Board Committees:

**Board Executive Committee**

- Musabbah Al Kaabi – Chairperson
- Dr. Abdulla Al Jarwan- Member
- Khalid Abdul Samad- Member
- Mohamed Al Aryani- Member
- Omar Alsayed Sharaf- Member
- Fahed Al Ameri- Member

**Nomination and Remuneration Committee**

- Abdulmunim Al Kindy – Chairperson
- H.E. Dr. Abdulla Al Jarwan – Member
- Katherine Wallgren – Member
- Ayesha Al Hammadi – Member

**B. Election of Vice Chairman of Board of Directors**

On 7 May 2025, the Board elected Mr. Musabbah Al Kaabi as Vice Chairman of the Company's Board of Directors, succeeding Mr. Abdulmunim Al Kindy.

**C. Cessation of Office – Chief Operating Officer**

On 23 May 2025, Mr. Christopher Michael McDonald left his position as Chief Operating Officer of the Company.

**D. Leadership Transition at ADNOC Drilling**

On 16 June 2025, the Board of Directors appointed Abdulla Ateya Al Messabi as the new Chief Executive Officer of ADNOC Drilling, succeeding Abdulrahman Abdulla Al Seiri, who retired following a distinguished career of more than 45 years with ADNOC and ADNOC Drilling. During his tenure as CEO, Mr. Al Seiri led ADNOC Drilling through a historic transformation, including the Company's landmark initial public offering on the ADX, which was 31 times oversubscribed, a record at the time. Under his leadership, ADNOC Drilling evolved into a high-performing, technology-enabled and future-focused energy services company.

## 10. Investor Relations

The Company endeavors to create the best means of communication with its shareholders and the investment community and has established the Investor Relations division to serve as their main interface. This division functions through various platforms such as the Company's website and the ADX's website, in which it publishes Company-related information such as its financial disclosures, corporate events and developments, Board reports, governance reports, sustainability reports and shareholding structure. In doing so, the Company keeps abreast with the best international practices in this field and complies with the provisions of the Governance Guide.

**Our Investor Relations division, which is overseen by Massimiliano Cominelli, can be contacted at [ir@adnocdrilling.ae](mailto:ir@adnocdrilling.ae). Additional investor relations information can be found on our website in English and Arabic at <https://adnocdrilling.ae/en/investor-relations>**

### Management Discussion & Analysis Report

The Company publishes a Management Discussion & Analysis report alongside its financial results, offering management's overview of the Company's financial performance, operations and outlook. This report aims to provide investors and stakeholders with deeper insights into the Company beyond what is reflected in the financial statements.

### Earnings Calls

The Company holds quarterly earnings calls to discuss its financial performance and outlook with investors and analysts. These sessions feature an earnings webcast and a conference call, followed by a Q&A segment for participants. In 2025, the earnings calls were conducted on 13 February, 8 May, 30 July, and 28 October. Details including the host, schedule and access link are published in the Quarterly Management Discussion & Analysis Report. Pursuant to the call, the webcast and transcript of the earnings call are made accessible on the Company's website.

*For more details on earnings calls transcripts, please visit the Company's website.*

### Investor Presentations

The Company employs quarterly investor presentations as a critical communication instrument to convey its financial performance, strategic developments and operational highlights to stakeholders. These presentations are made along with the quarterly results and are meticulously structured to deliver comprehensive updates, highlighting the Company's growth trajectory through detailed data, visual representations and explanatory narratives.

*For more details on investor presentations, please visit the Company's website.*

### Press Releases

The Company issues news releases to communicate important updates, such as significant business developments and Corporate Governance changes. The Company disseminates information regarding its financial results and significant events through press releases which are hosted on the Company's website.

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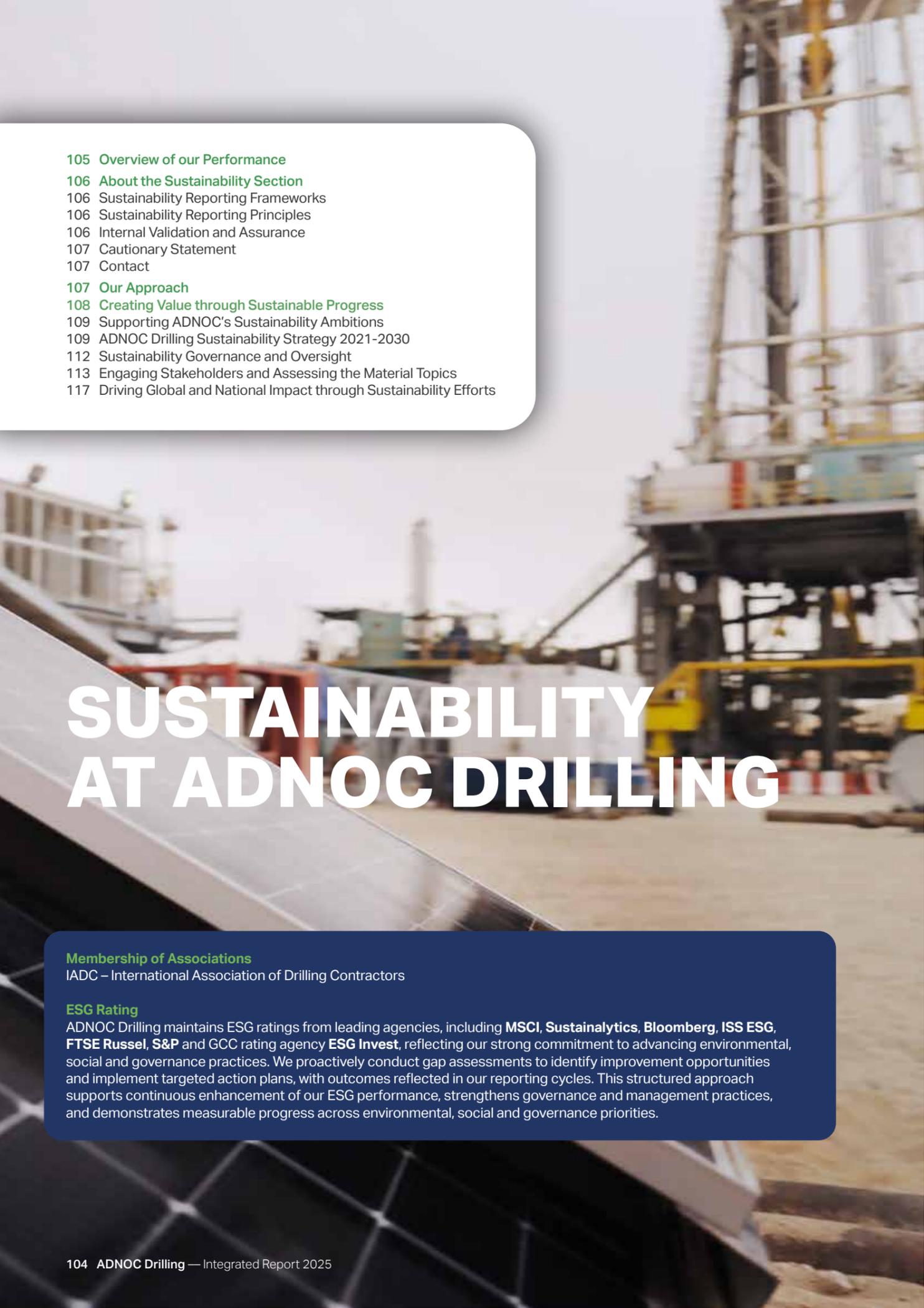
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# SUSTAINABILITY AT ADNOC DRILLING

## Membership of Associations

IADC – International Association of Drilling Contractors

## ESG Rating

ADNOC Drilling maintains ESG ratings from leading agencies, including **MSCI**, **Sustainalytics**, **Bloomberg**, **ISS ESG**, **FTSE Russel**, **S&P** and GCC rating agency **ESG Invest**, reflecting our strong commitment to advancing environmental, social and governance practices. We proactively conduct gap assessments to identify improvement opportunities and implement targeted action plans, with outcomes reflected in our reporting cycles. This structured approach supports continuous enhancement of our ESG performance, strengthens governance and management practices, and demonstrates measurable progress across environmental, social and governance priorities.

## Overview of our Performance

### Sustainability Pillar

### 2025 Highlights

#### Climate, Emissions & Energy

- Achieved a 25% reduction in Greenhouse Gas (GHG) emissions intensity ahead of the 2030 target (2019<sup>1</sup> baseline)
- Attained 23.8% reduction in energy intensity, approaching the 2030 target of 25% from (2019<sup>2</sup> baseline)
- Increased GHG abatement by 23.29% compared to 2024



#### Environment

- Achieved 7.90% of Non-hazardous waste diverted from landfill (recycled, sold to third party, recovered/reused), meeting the target, and increased Hazardous waste diverted from landfill (Waste diverted from disposal and waste directed to treatment Facilities) to 100%, exceeding the target, for 2025
- Recycled 71.2 million liters of water, exceeding the target by 1.71% in 2025



#### Economic and Social Contribution

- Delivered revenue growth of 22% in 2025
- Achieved highest-ever ICV score of 90.78%, exceeding prior performances
- Achieved a 53.73% local procurement spend, surpassing the 2025 target of 50%



#### Health, Safety and Security

- Achieved zero catastrophic events<sup>3</sup>
- Recognized and rewarded 1,476 direct-hire personnel (total awards amounting to AED 576,400) and 2,188 contractor personnel (total awards amounting to AED 696,200) under the 2025 HSE Recognition Awards program
- Launched MiHealth+ app, a digital platform for health and safety management



#### Workforce Diversity and Development

- Achieved 30% growth in senior management representation
- Attained an Emiratization rate of 28.90%
- Successfully conducted 1,903 training courses through the Drilling Training Center
- Achieved over 22,000 recognitions, 180+ nominations and 830,000+ HSE rewards through the Taqdeer Recognition Program



#### Business Sustainability

- Successfully operated 16 hybrid rigs and brought 2 jack-up rigs into service in 2025, advancing energy efficiency and minimizing environmental impact across the fleet
- Maintained 100% compliance with the Code of Conduct, ensuring full adherence across the organization
- Maintained zero cyber risk and data protection incidents throughout 2025
- Established a clear separation of powers between executive management and Board oversight by ensuring the Chief Executive Officer (CEO) does not hold a Board member position



➤ For more information about our 2025 highlights, please refer to the Financial, Operational and ESG Highlights

<sup>1</sup> ADNOC Drilling measures the performance of GHG emissions intensity to achieve a 25% reduction by 2030, using 2019 as the baseline year  
<sup>2</sup> ADNOC Drilling measures the performance of energy intensity to achieve a 25% reduction by 2030, using 2019 as the baseline year  
<sup>3</sup> A Catastrophic Event is an incident involving a single public fatality or permanent disability, or multiple worker fatalities (up to 10), with wide-spread environmental damage; triggering visible public complaints, NGO and authority involvement, and international negative interest that impacts business strategy and stakeholder relations. It results in financial loss of USD \$432-1080M, reduces NPV by 15-20%, threatens capital investment value, and causes disruption to strategic objectives, warranting external investigation and potential radical reform.

## About the Sustainability Section

We are proud to present ADNOC Drilling's second Integrated Report and fifth annual sustainability disclosure, reaffirming our commitment to transparency, accountability and sustainable value creation. This report combines our strategic review, business review, governance and sustainability disclosures, showcases our 2025 achievements, ongoing initiatives and forward-looking commitments to delivering measurable environmental and social impact. It also outlines our approach to embedding sustainability within our operations and strategic commitments, with a focus on the most material sustainability topics.

The report covers Financial Year (FY) 2025 (1 January – 31 December) and reflects insights from our latest materiality assessment. The reporting boundary includes all operations under ADNOC Drilling's operational control, excluding joint ventures. All financial figures are reported in US Dollars (\$) and AED.

## Sustainability Reporting Frameworks

This report has been prepared with consideration of leading environment, social and governance frameworks, standards and guidelines. It has been developed with reference to the Global Reporting Initiative (GRI) Standards and Abu Dhabi Securities Exchange (ADX) Environment, Social and Governance (ESG) Guidelines. It aligns with ADNOC Group's (ADNOC's) Sustainability Strategic Commitments 2030, the United Nations Sustainable Development Goals (UN SDGs), the International Association of Drilling Contractors (IADC) ESG Guidelines, the Sustainability Accounting Standards Board (SASB) standards for the Oil and Gas Exploration and Production industry and the International Sustainability Standards Board (ISSB) standards.

As the sustainability reporting landscape evolves, we remain dedicated to embracing leading practices and aligning with the latest global standards and frameworks. We monitor emerging best practices and regulatory developments, allowing our disclosures to remain comprehensive and forward-looking. Through this report, we reaffirm our commitment to advancing our reporting approach in line with these evolving expectations.

## Sustainability Reporting Principles

To support high-quality and reliable sustainability reporting, we refer to the following GRI reporting principles:

Accuracy	Balance	Clarity	Comparability
Completeness	Sustainability Context	Timeliness	Verifiability

## Internal Validation and Assurance

The information has been sourced from ADNOC Drilling's internal reporting systems, where it is captured, verified and endorsed by relevant business units and subject matter experts.

To confirm the accuracy, consistency and completeness of our disclosures, we undertook external limited assurance for key performance indicators, including Energy Intensity, Scope 1 and Scope 2 GHG Emissions, Lost Time Incident Frequency (LTIF), Total Recordable Incident Rate (TRIR), Fatality Rate, Completion Rate of Code of Conduct training and awareness. The assurance engagement is conducted in accordance with internationally recognized non-financial assurance standards, namely International Standard on Assurance Engagements (ISAE) 3000 (Revised) and, where applicable, ISAE 3410 for GHG emissions-related disclosures. Together, these standards provide a robust framework for assessing the reliability, accuracy and completeness of the sustainability information presented in this report.

The assurance provider adheres to these standards, supported by internal reviews and quality control processes to uphold high levels of data integrity. Any material restatements of data are transparently disclosed in the ESG Data Index, ensuring clarity and comparability over time.

The development of this report was led by the ADNOC Drilling Investor Relations and Sustainability team, with contributions from relevant functions and operational divisions across the organization. Sustainability data and key narratives are reviewed and endorsed through ADNOC Drilling's established governance structure, including the Sustainability Steering Committee, Executive Management, the Board of Directors, ADNOC and ADNOC Upstream. The final report, including performance results and progress against commitments, is also presented at the Annual General Meeting (AGM), ensuring transparent communication with shareholders and stakeholders on our sustainability performance, strategic developments and long-term value creation.

## Cautionary Statement

This report contains certain forward-looking statements (statements related to the future and not to past events with respect to businesses of ADNOC Drilling, including plans and objectives with respect to these items). These statements can be identified by the use of forward-looking terminology such as 'targets', 'aims', 'plans', 'beliefs', or similar wording or variations of it that refer to future actions, events, results or outcomes. It should be noted that forward-looking statements and data presented herein are not guarantees of future performance and ADNOC Drilling's actual performance may differ from those made in, or suggested by, these forward-looking statements and data.

These forward-looking statements are to be read as qualified statements, as they refer to or involve risks and uncertainties related to future expectations or future impact beyond ADNOC Drilling's control. Actual events, results or outcomes may differ materially from how they are stated or implied in these forward-looking statements. Historical, current and forward-looking sustainability-related statements included in this report are based on evolving standards and methodologies for measuring and reporting ESG matters. Their inclusion reflects the Company's commitment to transparency and stakeholder engagement but does not imply that such information is considered material to the Company.

Where we mention industry collaboration or partnerships, we do not control and may not always agree with the positions taken by these organizations, but we believe our participation is nonetheless important to have an informed exchange of views on various issues.

## Contact

We encourage collaboration and dialogue with our stakeholders as we advance our sustainability journey. For any questions about our sustainability strategy, disclosures or performance metrics, we welcome you to reach out. We value inquiries that foster transparency, engagement and shared progress toward our sustainability goals.

➤ For further information on our sustainability performance, please contact: [sustainability.drilling@adnoc.ae](mailto:sustainability.drilling@adnoc.ae)

➤ To view our ESG performance data tables based on our material topics and sustainability pillars, and the GRI, ADX, ISSB and IADC Index, please refer to ADNOC Drilling Sustainability Appendix Data.

## Our Approach

<p><b>Environmental Impact</b> We are dedicated to improving operational efficiency, adopting advanced technologies and lowering our carbon footprint in line with our sustainability objectives. Our efforts entail deploying innovative solutions that optimize performance, reduce energy use and cut emissions in support of ADNOC's Net Zero by 2045 ambition. We are taking further steps to minimize freshwater consumption, strengthen waste management and safeguard biodiversity through responsible and sustainable practices.</p>	<p><b>Social Impact</b> As the largest national drilling company in the Middle East, we understand our responsibility to generate long-term value for society through employment opportunities, skills development and community investment. Promoting labor welfare and ensuring equitable opportunities are key pillars of our sustainability approach. Our Corporate Social Responsibility (CSR) initiatives further demonstrate our dedication to driving meaningful social impact. We strive to create a lasting positive impact by enhancing community wellbeing and fostering long-term social value.</p>	<p><b>Health &amp; Safety Impact</b> The health and safety of our workforce remain our highest priority. We are dedicated to providing a safe and healthy work environment through strict safety standards, ongoing training, continuous monitoring and the use of advanced technologies. Our commitment to protecting people and the environment drives our goal of achieving 100% HSE<sup>4</sup>. We continue to improve our health and safety performance and promote a strong safety culture built on empowerment, responsibility and accountability across all levels of the organization.</p>
<p><b>AI Integration</b> We are embracing Artificial Intelligence (AI) as a driver for transformation, using it to enhance efficiency, performance and innovation across our operations. By advancing projects such as the AI-enabled drilling rigs at the offshore Zakum field, we are leveraging cutting-edge technologies to optimize results and reduce our environmental footprint, reinforcing our commitment to sustainable growth.</p>	<p><b>Advancing ESG</b> The ESG landscape is rapidly evolving, bringing increased expectations for transparency and accountability in environmental and social matters. As a responsible organization, we remain committed to meeting these rising standards. We regularly enhance our reporting practices and engage in key industry initiatives to support the delivery of accurate, transparent and reliable ESG information to our stakeholders.</p>	

<sup>4</sup> 100% HSE days are days without injuries, motor vehicle accidents or process safety releases/environmental spills

Creating Value through Sustainable Progress

At ADNOC Drilling, we understand the critical role energy plays in driving innovation, supporting industries and shaping global growth. As markets expand and technological advancements accelerate, the demand for reliable energy continues to rise. We are committed to meeting this demand responsibly by delivering efficient, carbon-conscious drilling solutions and supporting the global energy transition through sustainable innovations. We continue to create long-term value for stakeholders, empower communities and positively contribute to society and the environment, leading to growth in an ever-evolving industry landscape.

Sustainability Vision

Our vision is to provide efficient, reliable and responsible drilling solutions to create long-lasting, sustainable value for our people, society and environment across our operations.

Our commitment is to integrate sustainability across all business activities in alignment with the Group-wide Sustainability Policy, reinforcing our contribution to the UAE's national sustainability agenda while ensuring alignment with leading global industry practices and standards.

Strategic Ambition

We are committed to creating long-term value by embedding sustainability across our operations. Our ADNOC Drilling Sustainability Strategy 2021-2030 is structured to support the achievement of our sustainability objectives by outlining clear action plans, defined Key Performance Indicators (KPIs), a robust governance framework and a roadmap detailing initiatives and priority focus areas for the coming years. Inspired by the vision of the UAE's Founding Father, the late Sheikh Zayed bin Sultan Al Nahyan, we continue to pursue a balanced approach that supports economic progress while safeguarding the environment.

As a pivotal link in the upstream value chain, we are committed to reliably and efficiently meeting the growing drilling demands, both regionally and internationally, while striving to reduce our environmental impact<sup>5</sup> and enhance our social responsibilities<sup>6</sup>.

At ADNOC Drilling, we believe that sustainability performance is intrinsically linked to a more sustainable and profitable operating model for our stakeholders. Our sustainability priorities are shaped through a materiality assessment, regularly refreshed in consultation with stakeholders and, for each sustainability pillar, we aim to establish clear, measurable ambitions. Our holistic ADNOC Drilling Sustainability Strategy 2021-2030 is underpinned by our commitment to long-term sustainable growth by:

Mitigating our environmental impact across operations

Delivering 100% HSE and promoting a diverse and people-centric culture

Adopting the highest standards of governance, ethics and transparency

Our 2030 Sustainability Plan reflects ADNOC Drilling's firm commitment to responsible growth and our dedication to embedding sustainable practices across all aspects of our operations.

Fully aligned with ADNOC's strategic direction, the strategy focuses on our most material priorities and integrates the best global practices to strive towards resilience, efficiency and long-term value creation. It reinforces our commitment to generating positive environmental, social and economic impact while supporting the UAE's national vision for sustainable development, energy transition and climate leadership.

Neha Chaudhari, Senior Vice President, Investment, Strategy & Transformation



<sup>5</sup> To read more about how we are addressing our environmental impact, please refer to the Environment section  
<sup>6</sup> To read more about how we are addressing our social impact, please refer to the Social section

Supporting ADNOC's Sustainability Ambitions

ADNOC Drilling remains firmly aligned with ADNOC's ambitious 2030 Sustainability Strategy<sup>7</sup>, which addresses global sustainability challenges while supporting economic growth. We continue to actively contribute to the Group's sustainability objectives and targets, reflecting our commitment to continuous improvement, best practices and long-term value creation. Through our integrated approach, we aim to create positive impact for our communities and support the UAE's vision for sustainable development.

ADNOC Drilling adopted the ADNOC Group Sustainability Policy, actively supporting the Group's sustainability objectives and commitments. ADNOC's Group Sustainability Policy reinforces Group-wide commitments to the UAE's Net Zero 2050 and ADNOC's Net Zero 2045 ambitions through GHG reduction, climate risk management and resource efficiency. The policy promotes human rights, diversity and inclusion, employee wellbeing, Emiratisation and local socioeconomic development, while emphasizing safety, ethical operations, transparent ESG reporting and strong governance. It also strengthens innovation and collaboration, leveraging emerging technologies, including AI and partnerships with academia, industry and international organizations to advance sustainability. Implementation is governed by the ADNOC Group Sustainability and Climate Framework, supporting performance tracking, transparent reporting and continuous improvement across all Group companies.

ADNOC Drilling Sustainability Strategy 2021-2030

Our ambitious objectives underscore our enduring commitment to sustainability and emphasize targets across six key pillars, forming the core of our Sustainability Strategy 2021-2030.

Pillar	Material Topics	Focus Areas	2025 Performance	Status
Climate, Emissions & Energy	<ul style="list-style-type: none"> <li>Energy and Emissions</li> <li>Climate Adaptation, Resilience and Transition</li> </ul>	<ul style="list-style-type: none"> <li>To decrease GHG intensity by 25% by 2030, considering 2019 as the baseline year</li> <li>To reduce energy intensity by 25% by 2030, considering 2019 as the baseline year<sup>8</sup></li> <li>To reduce non-GHG emissions</li> <li>To enhance the use of alternative clean energies</li> </ul>	<ul style="list-style-type: none"> <li>Achieved the 2030 target of a 25% reduction in GHG emissions compared to the baseline year 2019, while also delivering a 7.79% reduction in GHG intensity compared to 2024</li> <li>Achieved a 23.80% reduction in energy intensity compared to the 2019 baseline, nearing the 2030 target of a 25% reduction, while also delivering a 10.41% reduction compared to 2024, exceeding the annual target</li> <li>25.49% reduction in non-GHG emission intensity compared to 2024</li> <li>Energy from renewable and lower-carbon sources: 0.67%</li> <li>Climate change risk assessment pilot launched in 2025</li> </ul>	Advancing
Environment	<ul style="list-style-type: none"> <li>Water and Effluent Management</li> <li>Waste Management</li> <li>Spill Prevention and Emergency Response</li> <li>Biodiversity Management</li> </ul>	<ul style="list-style-type: none"> <li>To minimize impacts through best-in-class Environmental Management Systems (EMS)</li> <li>To achieve zero spill incidents</li> <li>To conduct a 360-degree review of water recycling and waste management practices</li> </ul>	<ul style="list-style-type: none"> <li>100% of operations are covered under an ISO 14001:2015, Environmental Management System (currently under recertification), supported by regular internal audits, management reviews and systematic closure of corrective actions</li> <li>Zero reportable spill incidents</li> <li>100% of the Hazardous waste diverted from landfill (Waste diverted from disposal and waste directed to treatment facilities) in 2025, surpassing the yearly target of 90%</li> <li>7.90% of the Non-hazardous waste diverted from landfill (recycled, sold to third party, recovered/reused) in 2025, exceeding the yearly target of 5%</li> <li>Recycled 71.2 million liters of water in 2025, exceeding the 2025 target of 70 million liters by 1.71%</li> </ul>	On track

<sup>7</sup> To read more about ADNOC's 2030 Sustainability Strategy, please refer to <https://www.adnoc.ae/en/2030-sustainability-strategy>

<sup>8</sup> Restated from 2024

Pillar	Material Topics	Focus Areas	2025 Performance	Status
<b>Economic &amp; Social Contribution</b>	<ul style="list-style-type: none"> <li>Sustainable Supply Chain and Procurement Practices</li> <li>Asset Integrity and Critical Incident Management</li> <li>Local Communities and Impact</li> <li>Economic Performance</li> </ul>	<ul style="list-style-type: none"> <li>To improve an In-Country Value (ICV) score across our entire value chain, considering 2018 as the baseline year</li> <li>To engage more with the local community</li> <li>To improve the economic value generated and distributed</li> </ul>	<ul style="list-style-type: none"> <li>ICV performance stood at 90.78%, surpassing all previous performances</li> <li>The proportion of spend on local procurement was 53.73%, exceeding the 2025 target of 50%</li> <li>Economic value generated amounted to \$4,903 million</li> <li>Economic value distributed amounted to \$4,085 million</li> <li>Invested AED 67,100 in community engagement (internal and external) through cash and in-kind contributions</li> <li>Successfully delivered impactful community engagement events with internal and external stakeholders, strengthening relationships</li> </ul>	Achieved
<b>Workplace Diversity &amp; Development</b>	<ul style="list-style-type: none"> <li>Employment Practices</li> <li>Non-Discrimination and Equal Opportunity</li> </ul>	<ul style="list-style-type: none"> <li>To empower women employees in leadership and technical roles</li> <li>To enhance the capabilities of our people</li> <li>To achieve the Emiratization rate of 29.30% by 2030, considering 2025 as the baseline year</li> </ul>	<ul style="list-style-type: none"> <li>Women representation across the organization reached 1% in technical roles and 2.30% in middle management, above the yearly targets of 0.90% and 1.40%</li> <li>Fourfold increase in e-learning by employees compared to 2024</li> <li>Achieved Emiratization rate of 28.90%</li> <li>Surpassed the annual training man-days target by 17.67% in 2025, demonstrating a strong commitment to capability development</li> <li>Maintained gender pay equity across the workforce, sustaining a 1:1 pay ratio</li> <li>Strengthened workforce diversity with representation from 83 nationalities in 2025</li> <li>Strengthened inclusive employment by engaging 2 People of Determination within the workforce</li> </ul>	On track

Pillar	Material Topics	Focus Areas	2025 Performance	Status
<b>Health, Safety &amp; Security</b>	<ul style="list-style-type: none"> <li>Occupational Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>To achieve zero harm every day</li> <li>To implement the HSE and performance safety culture at 100%</li> <li>To improve security practices</li> </ul>	<ul style="list-style-type: none"> <li>Achieved a TRIR of 0.52 in 2025, exceeding the annual target of 0.61 and reflecting our continued commitment to workplace safety and injury prevention</li> <li>100% of operations are covered under an ISO 45001: 2018 Occupational Health and Safety Management System (currently under recertification), supported by regular internal audits, management reviews, systematic closure of corrective actions and continuous improvement</li> <li>Continued to implement HSE and safety performance culture across our operations</li> <li>Continued to strengthen security practices across operations</li> <li>Completed 90 high-profile HSE management site visits in 2025, reflecting senior management's commitment to safety and operational excellence</li> </ul>	Advancing
<b>Business Sustainability</b>	<ul style="list-style-type: none"> <li>Ethics and Compliance</li> <li>Corporate Governance</li> <li>Risk Management</li> <li>AI and Cybersecurity and Data Protection</li> <li>Responsible Business Conduct</li> </ul>	<ul style="list-style-type: none"> <li>To integrate sustainability in the risk assessment process</li> <li>To strengthen collaboration with our stakeholders</li> <li>To advance Leadership programs</li> </ul>	<ul style="list-style-type: none"> <li>Continued to integrate ESG considerations into the risk management system</li> <li>Maintained continuous stakeholder engagement through regular consultations and updates</li> <li>Maintained 100% compliance with the Code of Conduct</li> <li>Obtained limited external assurance in 2025</li> </ul>	On track

**Sustainability Governance and Oversight**

**We advance our sustainability agenda through robust governance, clear oversight, and disciplined implementation, ensuring that roles and responsibilities are well defined and supported by diverse organizational capabilities.**

We work to maintain the highest levels of transparency and accountability, reinforcing governance principles and demonstrating that strong sustainability performance underpins operational excellence and long-term value creation. By integrating sustainability considerations into our strategic and operational decision making, we affirm that responsible environmental and social stewardship goes hand in hand with operational reliability, business resilience, and financial strength.

**Youssef Salem, Chief Financial Officer,  
Chairperson, Sustainability Steering Committee**



Sustainability governance is led by the Sustainability Steering Committee, chaired by our Chief Financial Officer (CFO) and supported by senior executives across the organization. The committee provides strategic oversight, reviews progress regularly and reports quarterly to the Executive Leadership Team (ELT). To reinforce accountability, a portion of executive compensation is directly linked to sustainability performance.

The Sustainability Steering Committee plays a central role in guiding ADNOC Drilling’s sustainability agenda, with a strong focus on environmental and social priorities. It convenes regularly to assess performance so that sustainability, particularly Health, Safety and Environment (HSE), receives focused and consistent attention at the highest levels of governance.

Our CFO also serves as a representative on the ADNOC Group ESG Task Force Committee, ensuring strong governance integration and alignment with the Group’s overarching sustainability objectives and aligning with financial aspects. This participation reinforces consistent implementation of ADNOC’s sustainability priorities and supports coordinated decision-making across the Group’s businesses.

Operational responsibility for sustainability is embedded within the Finance and Corporate Support Division’s Sustainability function. This team leads the development and implementation of the sustainability strategy, monitors performance, supports CSR initiatives and manages sustainability reporting and related communications. Key sustainability focus areas are managed by subject matter experts within each division, who drive initiatives and report on performance, impacts and associated risks.

ADNOC Drilling has established a structured, future-ready sustainability process framework that aligns with ADNOC directives, UAE national strategies and global ESG standards.

**The ADNOC Drilling Audit & Assurance Division conducts independent, risk-based reviews to support our sustainability practices, covering environmental stewardship, workforce health and safety and ethical governance, which are aligned with applicable industry standards, ADNOC requirements and relevant regulatory expectations. Through regular audits and targeted assurance activities, we assess the effectiveness of our sustainability controls and identify opportunities for enhancement. This rigorous approach supports our commitment to responsible operations, continual improvement and upholding the highest standards of integrity, compliance and social responsibility across the organization.**

**Sustainability-Linked Compensation**

To accelerate sustainability progress and alignment with ADNOC Drilling’s strategic objectives, we have adopted a structured approach that links a portion of executive compensation to measurable sustainability performance. Sustainability considerations are embedded into the enterprise performance management system and corporate scorecard, which also influences the benefits for our executives. This integrated approach creates a strong incentive to implement sustainability best practices across the organization.

Key priorities include:

- HSE performance
- GHG abatement projects
- Energy intensity
- Employee engagement
- Operational efficiency

In 2025, sustainability targets accounted for approximately 11% of the weighted Corporate Scorecard. While this reflects a 2% reduction compared to 2024, the change is attributed to an increase in the total number of Corporate KPIs, from 14 KPIs in 2024 to 24 KPIs in 2025, while the number of sustainability-related KPIs remained unchanged. Although sustainability continues to hold the same level of strategic importance, the proportional weighting has been adjusted to accommodate the expanded Corporate Scorecard.

Sustainability KPIs carry significant influence on the overall corporate score. These KPIs encompass core people, environmental and climate performance indicators (along with core operational KPIs) that are fundamental to ADNOC Drilling’s sustainability strategic alignment and long-term value creation.

**Engaging Stakeholders and Assessing the Material Topics**

**Engaging with our Stakeholders**

**We recognize that continuous stakeholder engagement is central to our sustainability journey. By maintaining an open dialogue with investors, analysts and ESG rating agencies, we not only communicate our performance but also gather insights that inform and strengthen our strategy.**

Our commitment to transparent disclosure and proactive monitoring of ESG indicators contributes towards accountability, enables continuous improvement and reinforces our dedication to delivering long-term value for ADNOC Drilling.

**Massimiliano Cominelli, Vice President,  
Investor Relations**





We believe that meaningful stakeholder engagement and strategic partnerships are fundamental to achieving our sustainability goals. Our commitment is to build transparent, collaborative relationships that address shared challenges and foster collective progress.

We engage regularly with a diverse range of stakeholders, both internal and external, including investors, analysts, rating agencies, customers, suppliers, employees and ADNOC. These interactions help us understand expectations and guide our approach for managing the environmental, social and governance priorities.

Our engagement process is structured, inclusive and accountable. Through multiple channels, we actively listen, respond to concerns and collaborate on solutions. We tailor our approach to each stakeholder group, ensuring ongoing, constructive dialogue across all operations.

**Materiality Assessment 2025**

Identifying the most relevant sustainability priorities is essential for shaping a strategy that is both impactful and resilient. At ADNOC Drilling, we conduct regular materiality assessments to stay informed about emerging sustainability issues, risks and opportunities that may influence our operations, communities and broader sustainable development objectives.

In 2025, we conducted an Impact Materiality Assessment to align our priorities with evolving trends. This process involved extensive stakeholder engagement:

- **Internal:** Employees, workers and senior management
- **External:** Investors, analysts, suppliers and partners, regulatory bodies, clients and group companies

Our assessment followed a structured, data-driven approach, including:

- Review of SASB Oil & Gas Exploration and Production topics
- Consideration of GRI 11 (Oil and Gas Sector 2021) for likely material topics
- Benchmarking against industry peers

The results were endorsed by the chairperson of the Sustainability Steering Committee, confirming alignment between our sustainability priorities and ADNOC Drilling’s corporate objectives.

This process enabled us to identify the material topics that matter most to our business and stakeholders, ensuring our efforts create meaningful impact and drive long-term sustainable value.

Overview	Strategic Review	Business Review	Environmental, Social & Governance (ESG)	Consolidated Financial Statements
<b>ADNOC Drilling’s Sustainability Pillars</b>	<b>Mapping with the UN SDGs</b>	<b>Material Topics</b>	<b>Alignment with UN SDGs Targets</b>	<b>Reference</b>
<b>Climate, Emissions and Energy</b>	 	<ul style="list-style-type: none"> <li>• Energy and Emissions</li> <li>• Climate Adaptation, Resilience and Transition</li> </ul>	<p>7.2 By 2030, substantially increase the share of renewable energy in the global energy mix</p> <p>7.3 By 2030, double the global rate of improvement in energy efficiency</p> <p>13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</p>	<p>Please refer to Climate Change, Energy and Emissions sections:</p> <ul style="list-style-type: none"> <li>• Energy Management – Optimizing Energy Use</li> <li>• Managing our GHG Emissions</li> </ul>
<b>Environment</b>	  	<ul style="list-style-type: none"> <li>• Water and Effluent Management</li> <li>• Waste Management</li> <li>• Spill Prevention and Emergency Response</li> <li>• Biodiversity Management</li> </ul>	<p>6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing the release of hazardous chemicals and materials, halving the proportion of untreated wastewater, and substantially increasing recycling and safe reuse globally</p> <p>12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p> <p>15.1 By 2030, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements</p>	<p>Please refer to Advancing Environmental Stewardship sections:</p> <ul style="list-style-type: none"> <li>• Managing Waste</li> <li>• Redefining Water Responsibility</li> <li>• Biodiversity Management</li> </ul>

ADNOC Drilling's Sustainability Pillars	Mapping with the UN SDGs	Material Topics	Alignment with UN SDGs Targets	Reference
<b>Economic and Social Contribution</b>	 	<ul style="list-style-type: none"> <li>Sustainable Supply Chain and Procurement Practices</li> </ul>	<p>1.5 By 2030, reduce exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters</p>	<p>Please refer to Creating Sustainable Social Value and Governance sections:</p>
		<ul style="list-style-type: none"> <li>Asset Integrity and Critical Incident Management</li> <li>Local Communities and Impact</li> <li>Economic Performance</li> </ul>	<p>8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value-added and labor-intensive sectors</p> <p>8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services</p> <p>8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities and equal pay for work of equal value</p> <p>8.7 Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers and by 2025 end child labor in all its forms</p>	<ul style="list-style-type: none"> <li>Sourcing and Supplier Management</li> <li>Connecting with Internal and External Communities</li> <li>Asset Integrity and Critical Incident Management</li> <li>Business Continuity Management Governance section</li> </ul>
<b>Health and Safety</b>		<ul style="list-style-type: none"> <li>Occupational Health and Safety</li> </ul>	<p>3.8 Achieve universal health coverage, including financial risk protection, access to quality essential healthcare services and access to safe, effective, quality and affordable essential medicines and vaccines for all</p> <p>3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination</p>	<p>Please refer to Creating Sustainable Social Value section:</p> <ul style="list-style-type: none"> <li>Health, Safety and Resilience</li> </ul>

ADNOC Drilling's Sustainability Pillars	Mapping with the UN SDGs	Material Topics	Alignment with UN SDGs Targets	Reference
<b>Workforce Diversity and Development</b>	 	<ul style="list-style-type: none"> <li>Employment Practices</li> <li>Non-Discrimination and Equal Opportunity</li> </ul>	<p>4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship</p> <p>5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life</p>	<p>Please refer to Creating Sustainable Social Value section:</p> <ul style="list-style-type: none"> <li>Employee Welfare and Empowerment</li> <li>Building a Diverse, Inclusive and Equitable Workplace</li> </ul>
<b>Business Sustainability</b>	 	<ul style="list-style-type: none"> <li>Ethics and Compliance</li> <li>Corporate Governance</li> <li>Risk Management</li> <li>AI and Cybersecurity and Data Protection</li> <li>Responsible Business Conduct</li> </ul>	<p>16.5 Substantially reduce corruption and bribery in all their forms</p> <p>16.6 Develop effective, accountable and transparent institutions at all levels</p> <p>17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships</p>	<p>Please refer to the Governance section of the report</p>

**Driving Global and National Impact through Sustainability Efforts**

Our sustainability initiatives are closely aligned with global frameworks and national priorities, enabling us to contribute effectively to addressing key environmental and social challenges while supporting long-term sustainable development.

**Aligning with the UN Sustainable Development Goals**

Our sustainability strategy is aligned with the UN Sustainable Development Goals (UN SDGs), focusing on those most relevant to our operations and strategic priorities, where we can create the greatest positive impact. While our activities contribute to all 17 Goals, we prioritize the ones most closely linked to our material topics and core business areas to strive towards meaningful and measurable progress.

**Alignment with National Priorities**

Across all our operations, we aim to create lasting social, economic and environmental value for the UAE and the communities in which we operate. We actively contribute to national priorities such as economic diversification, decarbonization and innovation, while supporting initiatives that drive inclusive growth, social development and environmental protection. Through these efforts, we help advance the UAE's sustainability agenda and contribute to achieving its long-term national vision.

- UAE Net Zero 2050 Strategy
- UAE Energy Strategy 2050
- UAE Biodiversity Strategy
- UAE Water Security Strategy 2036
- UAE Strategy for Talent Attraction and Retention
- National In-Country Value (ICV) Program
- Abu Dhabi Economic Vision (2030)
- Environmental Vision 2030 (Abu Dhabi)
- Federal Decree-Law No. (11) of 2024 On the Reduction of Climate Change Effects



# ADVANCING ENVIRONMENTAL STEWARDSHIP

**UN SDGs**



**Material Topics**

- Climate Adaptation, Resilience and Transition
- Energy and Emissions
- Waste Management
- Water and Effluent Management
- Spill Prevention and Emergency Response
- Biodiversity Management

## Environment

As a responsible business and a key contributor to the oil and gas upstream value chain, we are committed to minimizing the environmental impact of our operations. Our efforts align with ADNOC's vision to meet the world's growing energy demand sustainably by harnessing innovative technologies, advancing operational efficiency and embedding responsible practices across every aspect of our business.

### Environmental Governance

Our environmental governance framework spans all levels of the organization, ensuring accountability and effective oversight. This structured governance framework facilitates the effective management of environmental risks, supports compliance with requirements and embeds sustainability initiatives across all operations.

**Board Executive Committee (BEC)**

Oversees environment initiatives and incorporates insights from senior management as part of its broader governance responsibilities

**Executive Team (ET)**  
Monitors all HSE-reported risk exposures and addresses any HSE-related concerns

**Health, Safety and Environment Team (HSE Team)**

Manages company-wide risk exposures, led by a Senior Environmental Engineer reporting to the Occupational Health and Environment (OH&E) Manager. The OH&E Manager reports to the Vice President of HSE, who in turn reports directly to the CEO. The Vice President of HSE regularly presents HSE-related issues and updates to the Executive Team during weekly meetings

### Our Commitments Towards Environmental Stewardship

**Environmental Strategy and Objectives**

- To identify, document and regularly review environmental objectives and targets
- To establish measurable goals to reduce environmental impacts while enhancing sustainability performance

**Risk Management and Performance Monitoring**

- To manage climate-related risks and mitigate Greenhouse Gas (GHG) and non-GHG air emissions
- To minimize risks associated with environmental aspects, including energy, emissions, water and waste
- To conduct regular monitoring and seek continual improvement in environmental performance

**Environmental Management and Compliance**

- To implement the Environmental Management System (EMS) in accordance with ISO 14001:2015 standards
- To drive continuous operational improvements to minimize waste and emissions, while optimizing the use of natural resources

**Capacity Building and Accountability**

- To develop employee capabilities and clearly define roles and responsibilities
- To promote awareness and adherence to environmental standards, procedures and best practices

**Reporting and Stakeholder Engagement**

- To provide comprehensive reporting on environmental matters through Sustainability Reports and Environmental Performance Reports
- To support transparent communication on environmental performance with both internal and external stakeholders

**Environmental Management System**

Our Environmental Management System (EMS) serves as a robust framework that drives proactive and responsible environmental management across our operations. Anchored in ADNOC Group’s Health, Safety and Environment (HSE) Policy, which fully integrates environmental considerations and aligns with ISO 14001:2015 standards, the EMS provides a structured framework to govern operations, monitor performance and drive continuous improvement. For ISO 14001, we cover 100% of our drilling operations required for exploration and field development, as well as undertaking work-over and maintenance operations and oilfield services in both onshore and offshore areas. By embedding environmental accountability into every business decision, it fosters a culture of responsibility, safety, collaboration, excellence and innovation, while enhancing resource efficiency. The recertification is underway to maintain alignment with global best practices.

**Environmental Audits**

In 2025, our internal audit program was executed through three well-planned phases:

**1. Comprehensive Rig Site Walkthroughs**

In-depth inspections of operational areas to verify compliance and identify opportunities for improvement

**2. Rigorous Documentation Reviews**

Detailed audits of operational procedures, records and compliance documentation to strive towards accuracy and adherence to standards

**3. Structured Leadership Interviews**

Engaging senior rig personnel to validate processes, strengthen accountability and reinforce best practices

The rig management team demonstrated its commitment to the full implementation of the EMS, proactively addressing all Non-Conformance Reports (NCRs) and observations via the Action Tracking System and Rig Tracking Register.

In 2025, a total of 26 environmental audits, covering both internal and external assessments, were completed, surpassing the planned 2025 target of 24. These efforts underscore our steadfast dedication to:

- Driving continuous improvement
- Ensuring regulatory compliance
- Championing environmental stewardship

The 2025 environmental audit was designed to present ADNOC Drilling’s top management with clear, actionable insights into environmental performance and compliance with all applicable EMS legislation. A key objective was to confirm the extent to which operational facilities conform to the stringent requirements of ISO 14001:2015, ensuring alignment with international best practices.

To achieve these objectives, the audit employed a structured, systematic methodology that included:

- **Targeted Personnel Interviews** – Evaluating EMS awareness and competency across all organizational levels
- **Comprehensive On-Site Inspections** – Verifying the practical implementation of environmental controls and procedures
- **Detailed Document and Record Reviews** – Confirming compliance, validating accuracy and identifying opportunities for continuous improvement
- **Random Sampling Techniques** – Ensuring the integrity, reliability and consistency of environmental practices

This robust approach provided a holistic assessment of environmental management effectiveness, reinforcing ADNOC Drilling’s commitment to regulatory compliance, operational excellence and sustainability leadership.

**Environmental Awareness and Trainings**

As part of our ongoing risk management strategy, ADNOC Drilling integrated environmental training into weekly operational meetings, complemented by interactive site visits and strategically placed educational visuals across facilities. These initiatives were designed to strengthen employee understanding of environmental regulations and embed best practices into daily operations.

Weekly Training Sessions fostered active participation and knowledge sharing, creating a culture of environmental responsibility. On-Site Visits provided practical, real-world context to reinforce theoretical learning, enabling employees to translate knowledge into effective action. Visual Aids and Educational Posters, positioned throughout the premises, served as continuous reminders of key environmental guidelines, supporting compliance and behavioral alignment.

ADNOC Drilling delivered both online and classroom-based environmental training, including Certified Environmental Professional (CEP) programs, to strengthen the capabilities of employees in environment-related roles. These initiatives enhanced awareness, supported regulatory compliance and promoted environmentally responsible behavior, reinforcing ADNOC Drilling’s commitment to sustainability and operational excellence.

In 2025, we trained 1,291 employees by conducting 35 environment-related training sessions, covering topics such as noise management, ISO 14001, risk management, NEBOSH, monitoring standards and reporting and radiation safety. Through these programs, employees were equipped with relevant certifications and practical knowledge to effectively manage environmental risks and performance.

Collectively, these measures enhanced awareness, improved regulatory adherence and empowered employees to adopt environmentally responsible behaviors, reinforcing ADNOC Drilling’s commitment to sustainability and excellence.

**Our environmental training programs are purposefully designed to translate knowledge into actionable outcomes, equipping every employee with the tools and insights required to actively contribute to environmental protection.**

These programs foster a deep understanding of sustainable practices, empowering individuals to implement practical, high-impact solutions that safeguard natural resources and minimize environmental footprint. By embedding sustainability into the organizational culture, we aim to drive lasting positive change, strengthen operational resilience, and uphold our unwavering commitment to environmental stewardship and global best practices.

**Dr. Sara Khalifa Abdulla Yousef Alsalmi, Manager, Environment and Occupational Health**



**Air Quality Management**

ADNOC Drilling places air quality management at the core of our environmental priorities, fully recognizing the vital importance of protecting public health, safeguarding ecosystems and ensuring responsible drilling operations. Air emissions, including Nitrogen Oxides (NOx), Sulfur Oxides (SOx) and Non-methane Volatile Organic Compounds (NMVOCs), are recorded and closely monitored to manage potential environmental and health impacts, especially in proximity to drilling sites and communities.

We implement corporate practices to maintain consistently high indoor air quality across our central camps, mobile camps and rig areas, including proper ventilation, regular maintenance of air-conditioning systems, routine cleaning schedules and monitoring potential sources of indoor air pollution through periodic testing to ensure a safe and healthy environment for staff.

**Managing Waste**

At ADNOC Drilling, we are committed to minimizing environmental impact through a comprehensive Integrated Waste Management System built on the principles of reduction, reuse and recycling. Our approach leverages efficient processes and advanced technologies to reduce waste generation and promote waste valorization wherever possible. We focus on proper segregation, treatment and disposal of all waste streams to maintain environmental compliance and operational efficiency.

This framework prioritizes minimizing exposure to hazardous materials and protecting the environment by adhering to stringent health, safety and environmental regulations.

**Objectives of Our Waste Management System**

**Waste Inventory**  
Implementing robust protocols for maintaining accurate waste inventories

**Hierarchical Control Principles**  
Applying structured waste management controls based on global best practices

**Duty of Care**  
Establishing standards for responsible and ethical waste handling

**Operational Integration**  
Embedding waste management into core operational procedures

Our strategy is fully integrated within the HSE Management System and applies across all onshore and offshore operations, including drilling, workover, base camps, workshops and warehouses. It aligns with the key environmental regulations:

- Federal Law No. 24 of 1999 on Environmental Protection
- The 2001 Regulation on Hazardous and Medical Waste
- Law No. 21 of 2005 governing Waste Management in Abu Dhabi
- FANR-REG-26 for Radioactive Waste Management

We also adhere to ADNOC corporate practices, including Waste Management. These corporate practices guide ADNOC entities and projects on effective waste management by outlining the framework for Waste Management Plans (WMPs) and establishing principles for waste handling and disposal. The framework defines waste types and their management requirements, mandates waste inventories and tracking, supports strategies based on a hierarchical control approach, establishes a Duty of Care, integrates waste management into operational procedures and addresses legacy waste issues through corrective actions.

**Strategic Focus**

Our waste management approach emphasizes source reduction analysis, enabling us to identify and control waste at its origin. We continuously enhance our system by adopting innovative initiatives aligned with long-term sustainability objectives. Recognizing the dynamic nature of waste management, we refine procedures to incorporate cutting-edge technologies and emerging best practices. This commitment aims that our system remains robust, adaptive and aligned with evolving environmental priorities, supporting both regulatory compliance and our sustainability vision.

**Waste Categorization**

Accurate categorization of waste is critical for tailoring handling, treatment and disposal processes.

- **Hazardous Waste:** Batteries, compressed gas cylinders, contaminated sorbents, expired pyrotechnics, grit/blast material, hydrocarbon-contaminated sand (BAOB), mercury-containing light tubes, medical waste, oil filters, paint residues, refrigerants, smoke detectors, used lube oil
- **Non-Hazardous Waste:** Domestic kitchen waste, paper, scrap metals, tires and used cooking oil

**Segregation Framework**

Green	Grey	Blue	Red
Food waste, seaweed waste, expired food	Uncontaminated soil, inert materials, sweeping waste	Metal scraps, plastics, wood waste, cardboard, tires, paper	Paints, batteries, chemicals, waste oil, used oil rags/ filters

**Guiding Values in Waste Stewardship**

We adhere to a hierarchical waste management framework, starting with elimination or modification of practices, followed by minimization strategies.

Segregation based on physical and chemical properties focuses on safety and optimizes storage, treatment, recycling and disposal processes.

Our Waste Management Manual<sup>9</sup> serves as a key reference for all personnel and contractors, reinforced through regular training and awareness programs. This manual provides ADNOC Drilling and our contractors with technical guidance and practical advice for the identification, inventory, characterization, minimization, treatment and disposal of all solid and liquid waste, and hazardous waste generated from onshore, offshore and support operations. Additionally, it summarizes typical waste streams, suggests best management practices and outlines a systematic approach covering regulatory requirements, waste categorization, source reduction, method selection and waste management initiatives, to promote pollution prevention, minimize waste, and aim towards environmentally safe handling and disposal as part of the ADNOC Drilling HSE Management System. Initiatives such as the Waste Management Campaign, featuring presentations, posters and interactive quizzes, promote a sustainability mindset across rigs.

**Our Performance in 2025**

- **Hazardous Waste:** The hazardous waste generated from our operations is safely transported by Al Wazan Transporter to licensed treatment facilities. These facilities form part of Abu Dhabi's certified waste management ecosystem, regulated by Tadweer and support the UAE's broader waste management and circularity principles
- **Non-Hazardous Waste:** Non-hazardous waste is transferred to Tadweer-approved facilities, ensuring environmentally responsible handling, treatment and disposal

In 2025, our operations generated a total of 1,320.90 tonnes of hazardous waste and 19,508.48 tonnes of non-hazardous waste. The increase in non-hazardous waste compared to previous period is primarily due to revisions in the reporting boundaries. In the past, general waste reporting was limited to selected locations, mainly central camps and certain operational areas.

During 2025, the waste reporting scope was expanded to encompass all operational locations, including rigs, rig camps, and central camps.

**Food Waste Awareness**

ADNOC Drilling launched a focused Food Waste Awareness initiative aimed at promoting a culture of mindful consumption among employees and contractors. The program sought to reduce unnecessary food disposal by encouraging conscious decision-making and promoting personal accountability. It also highlighted the environmental, social and economic consequences of excessive food waste, linking everyday behaviors to broader sustainability goals. Through engaging communication, practical tips and awareness activities, the initiative inspired employees to adopt responsible consumption habits, embedding sustainability and accountability as core values across the organization.

**Food Waste Digester Placed on ASAB Camp – Avoid Sending Food Waste to Landfills**

ADNOC Drilling implemented an on-site Food Waste Digester at the ASAB camp to significantly reduce the amount of food waste sent to landfills. This innovative system processes food waste into liquid form directly at the camp, ensuring efficient and environmentally responsible disposal. The liquid byproduct is safely discharged into the camp's sewage network and subsequently treated at the Sewage Treatment Plant (STP). Through the treatment process, the waste is transformed into water suitable for irrigation, supporting sustainable landscaping practices and closing the loop on waste management. This initiative not only minimizes landfill dependency and associated emissions but also reinforces ADNOC Drilling's commitment to circular economy principles and sustainability.

**Waste-to-Value: Monetizing Hazardous Waste Streams**

At BAO base camp, we implemented a waste-to-value initiative that redirects recyclable and hazardous waste to licensed recycling contractors, transforming potential disposal liabilities into valuable revenue streams. This approach not only recovers costs but also contributes to sustainable resource management, ensuring strict compliance with HSE regulations. The program delivered measurable operational efficiencies while reinforcing the organization's environmental responsibility. Its success was further enabled by the dedicated efforts of three volunteers, who collectively invested 39 hours to support and oversee the recycling operations.

Furthermore, during the year we launched a pilot program to further monetize waste streams by ensuring that all sellable waste is directed at authorized recycling partners. The initiative focused on hazardous materials, including waste oil and sandblast residue, transforming these byproducts from disposal challenges into value-generating resources. Through this waste-to-value approach, the program supported environmentally responsible disposal, reduced landfill dependency and aligned with circular economic principles. Following the successful outcomes of the pilot, ADNOC Drilling plans to expand and enhance the initiative in 2026 to further maximize environmental, operational and economic benefits.

<sup>9</sup> For more details on ADNOC Drilling's waste management approach, please refer to the ADNOC Drilling Integrated Report 2024, pages 107-110

**Redefining Water Responsibility**

Operating in a region with limited natural water resources, ADNOC Drilling places strong emphasis on responsible water management. In alignment with ADNOC’s sustainability goals, we implement a diversified and sustainable water sourcing strategy that includes seawater, groundwater and water supplied by external parties. We also strive to keep freshwater use below 0.50%, demonstrating our commitment to efficient consumption and responsible water stewardship.

Our advanced water management approach delivers significant benefits, enhancing resource reliability, reducing operational costs and safeguarding ecosystems. Through responsible sourcing, efficient utilization and safe discharge practices, we actively protect marine environments, aquifers and surrounding habitats. This commitment strengthens regional water security, prevents pollution and preserves ecological balance, while upholding human rights principles.

We implement a structured approach to achieve effective water use across all operations by:

- Reducing, reusing and recycling water wherever possible
- Prioritizing non-freshwater sources, including treated wastewater, whenever feasible
- Adopting innovative technologies and advanced water management solutions
- Ensuring safe and compliant water discharge practices

This tiered strategy systematically improves water efficiency and curbs consumption across all operational areas.

For 2025, we targeted a 5% reduction in our water consumption compared to 2024.

**Water Management Hierarchy**



**Systematic Assessment & Monitoring**

We conduct comprehensive assessments to evaluate both direct and indirect water impacts, focusing on usage, discharge and potential pollution sources within operational boundaries and adjacent ecosystems. Leveraging EMS, we collect and analyze data to strive towards compliance with ISO 14001 standards and drive continuous improvement in sustainable practices.

Our wastewater management goes beyond compliance, integrating sustainability principles into every stage. All wastewater undergoes thorough treatment and monitoring to meet environmental standards.

We tailor treatment processes to the unique characteristics of each stream:

- **Storm water** – Managed to minimize unpredictable impacts
- **Process effluent & produced water** – Treated using specialized technologies for safe disposal or reuse
- **Sanitary wastewater** – Managed to maintain hygiene standards
- **Hydrotesting fluids** – Carefully processed to prevent contamination

This holistic approach balances resource utilization with environmental protection.



**Water Management for Unconventional Fracturing Operations**

We have reduced reliance on water trucking for unconventional fracturing operations by utilizing on-site water wells, including single and pad wells, to meet water requirements. Through the development of fluid chemistries compatible with high-salinity, high-TDS<sup>10</sup> water from these wells, the use of freshwater in fracturing has been minimized. This approach supports sustainable water use, lowers logistical needs and improves operational efficiency in the development of unconventional fields.

**Our Performance in 2025**

In 2025, total water consumption decreased by 6.73% compared to 2024, while water withdrawal and discharge increased by 4.35% and 5.19%, respectively. These changes were primarily driven by the significant expansion of central camps, which increased operational water handling requirements.

Despite the higher demand, reliance on freshwater remained minimal, with approximately 94.54% of total water requirements met through seawater. Seawater is efficiently utilized across operations and responsibly treated and reclaimed prior to discharge back into the marine environment.

**Reusing Treated Sewage Effluent (TSE) Water for OFS/Fracking**

In October 2025, ADNOC Drilling initiated a program to reuse TSE water from the Sewage Treatment Plant (STP) in oilfield services and fracturing operations. Currently, an average of 1,249.19 m<sup>3</sup>/day<sup>11</sup> of treated water is supplied to fracturing sites, reducing the need for freshwater and improving resource efficiency.

A planned scale-up by the end of 2025 will aim to maximize the use of STP water across operations within the Bab field, increasing supply volumes to meet operational demands. This initiative is projected to reduce costs by approximately \$3 million annually, while supporting ADNOC Drilling’s objectives for sustainable water management and operational efficiency. By aligning water reuse practices with field requirements, the program contributes to both environmental responsibility and cost-effective operations.

**Reusing Treated STP Water in Camps for Irrigation**

We have implemented an initiative to treat all STP water generated at camp facilities to meet required quality standards and repurpose it for irrigation purposes. By utilizing treated water for landscaping and green area maintenance, the program reduces reliance on freshwater resources, enhances resource efficiency and supports sustainable environmental management within operational sites. This approach not only focuses on responsible water reuse but also aligns with ADNOC Drilling’s broader sustainability objectives.

<sup>10</sup> High-TDS stands for high Total Dissolved Solids, referring to water with elevated levels of dissolved minerals, salts and other inorganic/organic substances (measured in ppm or mg/L)

<sup>11</sup> Cubic meters per day

**Spill Prevention and Emergency Response**

For ADNOC Drilling, maintaining strict control over environmental safety is vital to protect both natural ecosystems and operational integrity. Spill prevention and emergency response are crucial components of sustainable and responsible drilling practices, enabling accidental releases of hydrocarbons or other hazardous materials to be minimized and swiftly addressed. This approach not only safeguards marine and terrestrial environments but also ensures compliance with regulatory requirements, protects company assets, and upholds community trust.

To uphold optimal operational safety, we adhere to the ADNOC Emergency Preparedness & Crisis Management Manual, which outlines the requirements and principles essential for maintaining an optimal level of emergency readiness at every operating site.

For ADNOC, its Group companies, and their contractors, compliance with this manual is enabled by implementing the relevant corporate practices. These include:

- ADNOC and Group companies must provide the relevant details necessary to fulfill the requirements outlined in this manual.
- Serve as guidelines for entities or organizations other than ADNOC, Group companies, and their contractors that wish to use them for reference, guidance, or adoption.

The Oil Spill Response Corporate Practices document provides guidance for the preparation, planning, and execution of response measures to oil spills of any scale, tailored to address the specific risks faced by the organization. This CP outlines the requirements set by ADNOC for developing oil spill contingency plans and response strategies, enabling compliance with applicable legal and regulatory frameworks in all countries where ADNOC’s Group Companies and affiliates operate, while aligning with industry best practices.

Additionally, the Fire and Rescue Operations Corporate Practices document specifies mandatory requirements, thereby enabling Fire and Rescue operations to be conducted at all times in a safe, effective, and efficient manner by competent and suitably equipped Tactical Response Teams (TRT).

In 2025, we recorded zero reportable spill incidents and experienced no catastrophic events, demonstrating our continued focus on operational safety and environmental care.



**Biodiversity Management**

SASB: EM-EP-160a.1

**ADNOC Drilling is committed to protecting natural resources and promoting biodiversity in alignment with ADNOC Group’s Sustainability Policy, working closely with clients to safeguard ecosystems, maintain ecological balance and minimize land-use changes that impact economic, environmental and social systems. Our efforts include continuous species monitoring and supporting communities that rely on these ecosystems, ensuring that conservation benefits both nature and society.**

Our approach aligns with internationally recognized frameworks, including the Global Biodiversity Standard and incorporates Ecological Impact Assessments (EclA) in accordance with guidelines from the Chartered Institute of Ecology and Environmental Management (CIEEM). Through these measures, we uphold the highest standards of ecological stewardship. In 2025, we initiated the development of our Biodiversity Framework to guide environmental and conservation efforts.

Our initiatives are shaped by key national policies and laws, such as the National Framework for Climate Change and Health, the UAE Green Development Strategy and the National Green Agenda 2015–2030. We aim that our clean energy and marine conservation programs comply with Federal Law No. 24 of 1999 on environmental protection and sustainable development, as well as subsequent updates under Law No. 11 on Environmental Development and Amendments. By integrating these regulations and frameworks, we actively enhance environmental quality across regions influenced by our operations, reaffirming our commitment to both global and local sustainability goals.

Operating Companies (OPCOs), as designated custodians, hold primary responsibility for securing biodiversity permits and ensuring full regulatory compliance, including for sites within protected areas, under stringent oversight protocols. We conduct timely reviews of all Impact Assessment and HSEIA reports developed by the OPCOs to align with regulatory requirements and client expectations. In 2025, these reviews confirmed zero negative impacts or fines on biodiversity across all operating company HSEIA studies, demonstrating the effectiveness of our conservation and compliance efforts.



**Earth Day & Planting in BAO**

As part of our ongoing commitment to environmental stewardship, ADNOC Drilling marked Earth Day with a Ghaf tree planting ceremony at the Musaffah Base. The Ghaf tree, recognized as the UAE’s national tree, is a symbol of resilience, peace and deep cultural heritage. By planting this iconic tree, we not only contribute to environmental preservation but also reaffirm our respect for the traditions and values that shape our identity as a nation. This initiative serves as a meaningful reminder of the intrinsic connection between nature, heritage and sustainability, strengthening our bond with the environment while honoring the cultural legacy of the UAE.



**ADNOC Drilling Mangrove Forest**

In December, we organized a mangrove planting and eco-kayaking event at Al Jubail Mangrove Park, bringing together employees and their families for a meaningful year-end activity. Participants actively contributed to local biodiversity preservation by planting mangroves in coastal trees that protect shorelines, enhance marine habitats and capture carbon. The experience was complemented by eco-kayaking, allowing attendees to explore and connect with the unique mangrove ecosystem.

This initiative not only promoted sustainable environmental practices but also encouraged social engagement, highlighting the powerful connection between people, nature and community wellbeing. The event reinforced ADNOC Drilling’s commitment to protecting natural ecosystems while strengthening bonds among employees and their families.

[To learn more about our Environmental Community Activities, please refer to Community Engagement](#)

## Climate Change, Energy and Emissions

### Climate Change Governance

At ADNOC Drilling, climate change governance is led by the Sustainability Team, operating under the Corporate Support function led by the Senior Vice President (SVP), Investment, Transformation and Strategy and reporting to the CFO. The CFO, in their capacity as Chair of the Sustainability Committee, provides oversight of climate-related strategies at the highest level, promoting accountability, transparency and alignment with ADNOC Drilling’s corporate objectives.

ADNOC Drilling is integrating the framework into our ERM system, establishing a robust governance to initiate the physical climate risk assessments that will be conducted across the ADNOC Drilling asset portfolio. This foundation supports the identification of climate-related hazards’ exposure and informed decision-making of appropriate adaptation measures.

### Climate Change Management

We are committed to aligning with ADNOC’s strategic vision for responsible energy leadership by proactively mitigating climate-related risks and capitalizing on opportunities emerging from global energy transformation. In line with this commitment, ADNOC Drilling is advancing our efforts to integrate a comprehensive climate change risk management framework into its key processes. The framework establishes a structured, enterprise-wide methodology for the identification, assessment and management of climate-related risks and opportunities across operations, assets and future investments.

The framework’s scope encompasses both physical and transition climate-related risks, featuring a comprehensive taxonomy of climate hazards and opportunities. It is supported by prioritization criteria and assessment guidelines, the foundation for effective risk management. The framework includes the following key components:

- **Impact Evaluation:** Systematic assessment of potential impacts, timescales, exposure and organizational readiness to manage identified risks, considering both the magnitude and likelihood of effects
- **Vulnerability and Capacity Assessment:** Evaluation of business segment vulnerabilities and the organization’s overall capacity to respond to climate-related risks

Moreover, the framework is designed to provide multiple scenario-based analyses using the latest Intergovernmental Panel on Climate Change (IPCC) Assessment Report (AR6) scenarios (SSP1-26, SSP2-45, SSP5-85) for physical risks and the Network for Greening the Financial System (NGFS) models (2024) for transition risks. Assessments are conducted at 10-year intervals to ensure forward-looking resilience planning.

ADNOC Drilling is embedding the framework into our Enterprise Risk Management (ERM) system, establishing robust governance to initiate physical climate risk assessments across our asset portfolio. This integration supports the systematic identification of climate-related hazard exposure and enables informed decision-making on appropriate adaptation measures.

These efforts aim to ensure that our assets and operations remain resilient under a range of future climate scenarios, supporting our long-term sustainable growth and value creation objectives.

### Climate Strategy

Following the climate change risk management framework, identification and assessment of top climate change hazards and prospects were conducted.

Below is an overview of the identified hazards that indicate key areas of risk and that require detailed asset-level studies.

#### Top Climate Physical Hazards

Hazard	Type	Risk	Mitigation
Flash Flooding	Acute	Increased risk of operational disruptions	Early warning system
Sandstorms	Acute	Poor visibility	Logistic strategy for low-visibility events

#### Top Climate Transition Hazard

Hazard	Type	Risk	Mitigation
Market	Chronic	Demand of services	Transition plan/ decarbonization roadmap

#### Top Climate Transition Prospects

Prospect	Type	Opportunity	Capitalization
Technology – Energy Demand	Chronic	Lower energy demand through energy efficiency technologies	Double-down on energy related strategies

### Climate Related Risks and Opportunities

Following the guidelines set out in the framework, the hazards and prospects identification is carried out using a screening tool that assesses the relative impact and exposure of climate change based on a comprehensive climate taxonomy composed of 80 physical and transition hazards and prospects.

#### Strengthening Climate Resilience through Climate Risk Assessment Pilots

ADNOC Drilling showcased industry leadership in 2025 by piloting a Climate Risk Assessment (CRA) for its onshore drilling operations in the Bab/Habshan region. Focusing on a representative onshore rig, its maintenance yard and an associated accommodation camp, the assessment identified how physical climate change hazards could impact drilling activities and delineated adaptive measures to safeguard people and assets, guided by ADNOC’s group-wide Climate Change Risk Framework and aligned with TCFD recommendations and the principles of ISO 14090. The result is a forward-looking, solution-oriented roadmap that enhances ADNOC Drilling’s climate resilience, reinforcing its position at the forefront of climate risk management in the oil and gas upstream sector.



## Methodology: A Structured, Inclusive Climate Risk Assessment

ADNOC Drilling's CRA pilot was executed using a structured five-step methodology derived from ADNOC's Climate Change Risk Framework (CCRF). This provided a clear and systematic process, broadly in line with ISO 14090's adaptation planning cycle, that can be scaled across all assets.

Key elements of the approach included:

### Hazard Screening

Analysts began by reviewing the CCRF taxonomy of 40 climate hazards, spanning acute events and chronic trends. Each hazard's potential impact, timeframe and the asset's exposure and adaptive capacity were scored, yielding a shortlist of priority hazards for each site. This ensured focus on the most relevant climate threats.

### Vulnerability Matrix & Risk Modeling

Using data from hazards, receptors and site input, the team developed a vulnerability matrix for each asset – mapping which asset components are exposed to which hazard, after factoring the existing controls in place.

### Receptor Analysis

In parallel, asset-specific receptors, the critical systems, infrastructure and operations that could be affected by climate hazards were assessed.

### Adaptation Planning

For each high-ranked identified risk, the team identified potential adaptation measures and qualitatively rated their feasibility, effectiveness, lead time and cost intensity following the CCRF criteria.

Throughout this process, stakeholder engagement was a cornerstone. Internal stakeholders from Operations, HSE, Maintenance, Risk and Finance were consulted; moreover, the project had backing from ADNOC's higher management, which ensured that results would be integrated into future strategic planning and mainstreamed into ADNOC Drilling's operational DNA.

## Energy Management – Optimizing Energy Use

At ADNOC Drilling, we are committed to delivering reliable energy while minimizing environmental impact through a robust, data-driven energy management approach. Anchored in continuous improvement and aligned with the ISO 50001:2018 Standard, our strategy focuses on optimizing energy use, enhancing efficiency and advancing sustainability across all operations. Under ISO 50001, our scope covers 100% of drilling operations required for exploration and field development, as well as undertaking work-over and maintenance operations and oilfield services in both onshore and offshore areas. These certifications are currently under renewal.

The Engineering and Projects Division (EPD) plays a pivotal role in managing energy data collection, reporting and analysis, working closely with senior leadership to drive energy efficiency and renewable energy initiatives. Energy performance updates are presented during quarterly Board meetings, where energy management is recognized as a critical corporate performance indicator supporting our sustainability strategy.

Our Energy Management System (EMS) is central to monitoring and optimizing energy consumption across diverse facilities, including onshore and offshore rigs, camps and warehouses. We leverage advanced data collection methods for actionable insights:

- **Onshore sites:** Real-time tracking and analysis through our internal System Applications and Products in Data Processing (SAP) system
- **Offshore rigs:** Tailored manual data gathering to address unique operational and environmental conditions

This integrated approach enables us to identify efficient opportunities, improve operational performance and reduce greenhouse gas emissions.

Our commitment is reinforced by strict adherence to ADNOC Group's Energy Management Policy, which prioritizes energy efficiency and carbon reduction. By combining advanced systems, precise monitoring and proactive initiatives, we deliver on our pledge to minimize environmental impact and contribute to global sustainability goals.

## Our Performance in 2025

In 2025, we advanced toward our 2030 target of a 25% reduction in energy intensity relative to the 2019 baseline, achieving a 23.8% reduction. During the year, we set an energy intensity target of 2,302 GJ/\$m<sup>12</sup> and delivered a 10.41% reduction compared to 2024, exceeding both the annual target and our 10.25% energy efficiency improvement goal. Notably, this performance was achieved despite an 8.88% increase in total energy consumption driven by expanded operational activity. The improvement reflects the effective deployment of innovation, targeted investments and disciplined operational execution, reinforcing our continued progress in energy efficiency and sustainability.

The increase in total energy consumption during 2025 was primarily attributable to higher drilling activity and the execution of deeper wells. As a result, fuel consumption rose in line with these operational demands. Fuel consumption in the process plant was recorded to consume 10,062,211.24 GJ energy, whereas transportation activities consumed 1,128,313.52 GJ energy.

In addition, total electricity consumption increased by 26.77% in 2025, mainly due to a higher number of assets being connected to the grid during the year compared to 2024.

## Managing our GHG Emissions

SASB: EM-EP-110a.3

At ADNOC Drilling, we are committed to reducing GHG emissions to mitigate climate change impacts and support global climate objectives. Our strategy integrates advanced energy-saving technologies, hybrid rigs and innovative solutions to enhance operational efficiency across drilling, transport and camp activities, minimizing our environmental footprint. In line with our decarbonization commitments, we have set ambitious targets to achieve Net Zero emissions for Scope 1 and Scope 2 by 2045, with an interim goal of reducing emissions intensity by 25% by 2030. Through the adoption of AI-powered energy efficiency measures and cutting-edge technologies, we are driving consistent GHG reductions across all areas of our operations.

These efforts are spearheaded by the EPD, allowing accurate monitoring and reporting of emissions to internal teams and external stakeholders. Working closely with senior leadership, the EPD aligns GHG abatement projects with organizational goals and compliance standards. Progress updates are presented during quarterly Board meetings, where emissions management is recognized as a key corporate performance indicator. To accelerate progress, a dedicated Project Management Office (PMO) was established in 2025 to address gaps, enhance efficiency and strengthen oversight of GHG reduction initiatives.

We systematically monitor emissions from drilling rigs, camps and warehouses within our operational control framework, including emissions from both ADNOC Drilling operations and those of our customers. To strive towards transparency and avoid double-counting, emissions from contracted rigs are categorized as Scope 1 and Scope 2 in line with stakeholder agreements. By collaborating with customers, we prioritize accountability in emissions reporting and drive continuous improvements in the environmental performance of joint operations.

Our emissions footprint is actively tracked to refine management practices and identify reduction opportunities. As a result of our integrated governance and operational measures, we achieved total GHG abatement of 47.72 ktCO<sub>2e</sub> surpassing the established target and demonstrating the effectiveness of our structured performance management system and strong governance and oversight. Our strong governance framework builds on the results achieved in previous years and is structured to institutionalize, scale and sustain emissions reduction performance over the long-term. We continue to track our emissions footprint actively to identify reduction opportunities. Many of our rigs are now powered by electricity sourced from low-emission grids, contributing significantly to decarbonization efforts. Leveraging advanced data analytics, we precisely measure emissions savings from these initiatives, ensuring steady progress toward our carbon reduction goals. Additionally, we are actively exploring plans to incorporate Scope 3 emissions in the near future.

## Our Performance in 2025

In 2025, we achieved our 2030 target of a 25% reduction in GHG emissions intensity relative to the 2019 baseline, ahead of schedule within our operational-control reporting boundary. GHG emissions intensity improved from 186.71 to 172.17 tCO<sub>2e</sub>/\$m revenue. During the year, we set an abatement target of 14 ktCO<sub>2e</sub> and significantly exceeded it, delivering a total reduction of 47.72 ktCO<sub>2e</sub>. This performance contributed to a 7.79% decrease in GHG emissions intensity compared to 2024. This progress was driven by practical decarbonization measures, including camp electrification, deployment of solar PV and battery solutions to enable hybrid rigs and enhanced energy management and monitoring systems to reduce fuel consumption and emissions while maintaining operational efficiency.

This performance reflects our strong commitment to operational sustainability and demonstrates the tangible results of our focused abatement initiatives, technology adoption and continuous efficiency improvements.

<sup>12</sup> Gigajoules per million dollars

**Decarbonization Strategy – Driving a Lower-Carbon Future**

Our decarbonization strategy reflects our pursuit of responsible growth through strategic foresight, operational excellence and continuous innovation. Focused on reducing our environmental footprint while ensuring resilient, sustainable development in line with evolving regulations, our efforts deliver tangible results.

From expanding solar power systems to 30 mobile camps by 2025 to optimizing fuel use with the advanced Fuel Surveillance Tool powered by data analytics and upcoming flow sensor integration, we prioritize precision and efficiency. Additionally, our fleet of 16 hybrid rigs, equipped with advanced energy management systems, achieves up to a 10% reduction in emissions per rig, reinforcing our commitment to sustainability, innovation and responsible energy leadership.

Dr. Abdulaziz Alremeithi, Vice President, Engineering & Projects



Our Decarbonization Strategy is designed to reduce our carbon footprint across all aspects of ADNOC Drilling’s operations. At the core of this strategy is the integration of advanced technologies, including AI-driven solutions, to enhance energy efficiency and optimize performance. We are delivering impactful changes through initiatives such as electrifying central camps, leveraging solar energy alongside conventional power sources and deploying state-of-the-art systems to monitor and manage emissions effectively.

To support successful implementation, we set measurable annual targets, conduct rigorous performance evaluations and continuously refine our initiatives to maintain momentum. By prioritizing precision, transparency and accountability, our decarbonization efforts underscore our commitment to sustainability and responsible energy leadership, paving the way for a cleaner, more resilient future.

**Key Initiatives and Achievements**

**Electrification**

In 2025, the expansion of central camps prompted a reassessment of evolving operational requirements, ensuring strategies remain forward-looking and impactful. Plans are underway to electrify additional camps in 2026 and 2027, reinforcing our commitment to clean energy adoption



**Battery Energy Storage System (BESS) & Energy Monitoring**

The successful utilization of 16 hybrid rigs integrated high-capacity batteries and advanced engine automation to maximize energy efficiency and reduce emissions. These hybrid systems deliver instant supplementary power during peak demand while lowering noise levels for rig personnel and the surrounding environments. Complementing this, an advanced Energy Monitoring System was deployed to optimize energy usage through real-time monitoring and dynamic power adjustments, intelligently disconnecting non-essential engines to cut fuel consumption. Together, these innovations achieved a 10% reduction in emissions per rig, advancing sustainability goals and operational excellence.

**Solar Power Integration**

Following the successful pilot project in 2025, we expanded solar integration to cover more mobile camps, with scale-up actively underway, demonstrating our commitment to broadening the impact of renewable energy solutions.

**Fuel Surveillance**

Phase 2 of our fuel optimization project introduced flow sensors for precise, real-time monitoring of fuel consumption. This technology enhances visibility and accuracy, enabling improved analysis and optimization of fuel efficiency across operations. The implementation of Phase 2 is planned for 2026–2027.

**Operational Efficiency and Emissions Reduction**

ADNOC Onshore enhanced drilling efficiency through strategic planning, optimized rig movements, advanced drilling technologies and a sharp focus on reducing non-productive time. These efforts enabled the early release of 11 rigs, marking a notable improvement in operational timelines. Efficiency gains were driven by streamlining well execution to cut down flat time and invisible lost time, using digital tools for real time performance tracking and strengthening rig crew capabilities through standardized practices and shared learnings. Data-driven insights also played a vital role in refining processes and boosting overall performance. In addition to operational gains, the reduction in rig days delivered environmental benefits by lowering fuel consumption through decreased engine hours, equipment operation and site logistics, which in turn reduced CO<sub>2</sub> emissions.

**Pilot Projects and Emerging Technologies**

**Supercapacitor Energy Storage System (AD-186 Camp)**

A UAE-made supercapacitor energy storage system was piloted at AD-186, demonstrating its ability to stabilize and support power supply in renewable energy setups. Unlike traditional batteries, supercapacitors deliver rapid bursts of energy, withstand numerous cycles without degradation and perform reliably under extreme conditions, offering a durable, eco-friendly alternative for modern power needs. Through this pilot project, we successfully reduced fuel consumption by 17% at 1 camp.

**Dynamic Gas Blending (2025–2026)**

This initiative optimizes fuel use by blending natural gas and diesel in engines to improve efficiency, reduce emissions and lower fuel costs. The system automatically adjusts the fuel mix to maximize natural gas utilization while maintaining engine performance, supporting the UAE’s sustainability goals and enabling a cleaner energy transition. The project is still under pilot study.

ADNOC Drilling has committed AED 4.80 million toward decarbonization initiatives, demonstrating our dedication to reducing emissions and advancing sustainable growth across our operations.

**AI Initiatives: AI-Powered Video Analytics**

ADNOC Drilling is deploying AI-powered video analytics across our drilling operations to strengthen HSE performance. Leveraging advanced machine learning and computer vision technologies, the system continuously analyzes live video feeds from operational areas to detect unsafe behaviors and potential hazards in real time. These insights drive proactive safety interventions, enhance situational awareness and support data-informed decisions that improve operational efficiency, optimize costs, align towards regulatory compliance and maintain continuous monitoring.

The initiative has already been implemented on more than 20 rigs and is being rolled out in a structured three-phase program scheduled from 2025 to 2027, enabling progressive scaling and integration across all relevant sites.



**Smart Petrol Stations**

ADNOC Drilling’s Smart Petrol Stations set a new benchmark in fuel management by integrating advanced automation with strict safety standards. They feature explosion-proof tanks, Smart Fill and Smart Tags to monitor fuel in real-time and enable automated refueling, boosting efficiency. Trained staff enforce robust HSE protocols, including fire safety systems, grounding cables and spill response measures, to focus on secure operations. From July to September 2025, Bahasa Central Camp achieved the highest fuel throughput, demonstrating the system’s efficiency. Teams addressed challenges such as spills and equipment malfunctions through regular maintenance, advanced detection systems and enhanced staff training. Through innovation and sustainability, ADNOC Drilling’s Smart Petrol Stations set new standards for safe, efficient and responsible fuel solutions, delivering up to 10% petrol savings.

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# CREATING SUSTAINABLE SOCIAL VALUE

### UN SDGs



### Material Topics

- Occupational Health and Safety
- Employment Practices
- Non-Discrimination and Equal Opportunity
- Local Communities and Impact

**ADNOC Drilling's dedication to sustainable practices is deeply rooted in our firm commitment to social responsibility. We strive to create a lasting, positive impact for our employees, the communities where we operate and society at large by championing innovative safety practices, fostering an inclusive and equitable workplace, and investing in continuous professional development, with the aim that people remain at the heart of our pursuit of long-term success and operational excellence.**

Our responsibility extends beyond organizational boundaries to uplift and empower the communities we serve. Through initiatives aligned with the UAE's national priorities, we address local needs, promote youth empowerment, advance diversity and equality, and contribute meaningfully to social wellbeing. These efforts create value that transcends day-to-day operations, helping to shape a sustainable future built on trust, innovation and shared prosperity.

### Health, Safety and Resilience

SASB: EM-EP-320a.2

Our people are the cornerstone of our success, driving safety, efficiency and operational excellence. We are committed to fostering a safe, healthy and inclusive workplace, equipping employees with the tools and training they need to thrive. Health and safety are embedded in our culture, emphasizing proactive risk management, prevention and shared responsibility to safeguard the wellbeing of our workforce, contractors and the communities we serve.



### Health, Safety, Environment Governance

Our HSE governance framework establishes clear accountability and effective oversight across all levels of the organization, supporting robust risk management, regulatory compliance and the systematic integration of HSE initiatives into business operations. Oversight is embedded within the broader governance structure to ensure alignment between operational execution and strategic decision-making. The BEC provides oversight of HSE priorities and considers HSE-related insights from senior management as part of its governance responsibilities. The ET monitors HSE risk exposures and addresses HSE-related matters based on regular updates from the VP of HSE, who reports directly to the Chief Executive Officer. This governance structure supports informed decision-making, reinforces accountability and promotes a strong HSE culture across the organization.

**ADNOC Drilling continues to set new benchmarks in HSE excellence through disciplined execution, proactive leadership engagement and cutting-edge digital innovation.**

We maintained the industry's lowest TRIR, IADC benchmark averages. Our ongoing investment in advanced technologies and leadership visibility has further strengthened operational reliability, reinforced critical safety barriers and embedded a culture of resilience and accountability across all operations.

**Ayman Bahnasawy, Vice President, Health, Safety & Environment**



**Health, Safety, Environment Management System**

ADNOC Drilling upholds the highest standards of HSE through a dedicated management division focused on identifying, assessing and mitigating health and safety risks. Our approach strives towards strict compliance with robust safety practices across all operations. Guided by ADNOC Group’s unified HSE Policy, updated in 2025, aligned with international benchmarks, the policy undergoes continuous review to address emerging challenges and maintain its effectiveness. Oversight by ADNOC Drilling’s Board of Directors reinforces accountability and a culture of excellence in safety.

To strengthen this commitment, we have adopted ADNOC Group’s unified HSE Recognition and Accountability Framework, which promotes a culture of excellence by rewarding outstanding performance and ensuring accountability at every level.

**Certifications and Standards**

Our Health, Safety and Environment Management System (HSEMS) integrates a comprehensive suite of Corporate Practices (CP) documents and manuals. The HSEMS provides a structured framework covering key risk and performance areas, including HSE Management Systems, Occupational Health, Personal Safety, Transportation Safety, Environment and Social Performance, Asset Integrity and Process Safety, Business Continuity, Contractor HSE and Welfare Management and Emergency Preparedness and Crisis Management. This integrated approach strengthens risk management and ensures compliance across all operations. We maintain full compliance with:

- ISO 45001:2018 for Occupational Health and Safety
- ISO 14001:2015 for Environmental Management

100% of operations are covered under these standards, including our drilling operations required for exploration and field development, as well as undertaking work-over and maintenance operations and oilfield services in both onshore and offshore areas. These certifications are currently under renewal.

**Employee Care and Rehabilitation**

We adhere to the Case Management and Rehabilitation Framework to manage workplace injuries and illnesses effectively. This allows impacted employees to receive comprehensive care and support, enabling swift recovery and safe reintegration into the workforce.

- **Elevating Standards Through Achievement:** Our approach to health and safety is exemplified by industry-leading results, reflecting our unwavering commitment to workforce wellbeing and operational excellence
- **Record-Breaking Performance:** Achieved the lowest Total Recordable Incident Rate (TRIR) in ADNOC Drilling’s history, surpassing IADC benchmark standards
- **Hurt-Free Operations:** 68% of rigs successfully completed one full year of Hurt-Free operations, reinforcing our proactive safety culture
- **LTI-Free Milestone:** 85% of rigs achieved one year of Lost Time Injury (LTI)-Free operations, with 20 rigs exceeding 10 consecutive years without LTIs
- **Zero Critical Incidents:** Maintained zero recordable motor vehicle crashes, occupational health incidents and environmental events across all operations
- **Leadership Engagement:** Conducted 50 high-profile leadership field visits, strengthening safety ownership and reinforcing visible commitment at every level

ADNOC Drilling is accelerating the integration of artificial intelligence into HSE operations, deploying cutting-edge solutions such as AI-enabled cameras, Active Fatigue & Distraction Detection systems, voice-assisted HSE observations and the Safe Mind AI platform. These innovations streamline critical processes, including automated Permit-to-Work systems and Job Safety Analysis, driving efficiency and precision in safety management.

Our commitment to cultivating a stronger safety culture is reinforced through strategic initiatives such as the Back-to-Basics program, the HSE LEAP framework (Leadership, Empowerment, Accountability & Performance) and the HSE & Process Safety (HSEPS) Assurance frameworks. Together, these programs strive towards safe, reliable and sustainable operations across ADNOC Drilling’s expanding portfolio, solidifying our leadership in global HSE best practices.

**Key HSE Initiatives and Awareness Efforts in 2025**

**1. AI-Driven Health and Safety**

- ADNOC Drilling’s MIHealth+ is a groundbreaking digital platform that transforms HSE management through Proactive Risk Intelligence. It combines automated risk analysis, site-specific insights, real-time alerts and a mobile-friendly interface to enable seamless reporting, automated tracking and data-driven decision making for both field and headquarters teams. A standout feature, the Real-Time Heat Stress Indicator, powered by the scientifically validated Thermal Work Limit (TWL), monitors and enforces safe working conditions across all rigs by capturing standardized TWL readings four times daily. Fully integrated with email and Microsoft Teams, the system automates data collection, risk level monitoring, compliance enforcement and instant health and safety alerts. By shifting from reactive incident handling to proactive, predictive oversight, MIHealth+ enhances operational safety, boosts efficiency, aims towards compliance and positions ADNOC Drilling as a leader in digital health innovation across the region



- Safety Day 2025 was held under the theme “Safety by Choice, Not by Chance”, led by the CEO, SVPs and VPs, with a strong focus on visible leadership engagement. Senior leaders visited operational sites and interacted with employees across the fleet to reinforce ADNOC Drilling’s safety standards and expectations. Key discussions emphasized strengthening the Back-to-Basics Program, applying Human Performance principles to better understand the causes of incidents and implement more effective controls, and highlighting the value of leaders being visible, approachable and consistent in their actions. The event underscored the principle of Doing the Right Thing Always, even when no one is watching. To maintain momentum, a structured schedule of monthly leadership visits was introduced to allow consistent engagement and coverage across all operational sites

- We proudly supported ADNOC’s annual ‘Beat the Heat’ campaign, designed to promote safety, health and wellbeing during the summer months while reinforcing our positive safety culture. Through targeted awareness sessions and on-site programs, we equipped employees with practical strategies to manage extreme temperatures, including staying hydrated, preventing dehydration and adopting simple, effective habits that protect their health throughout the season

**2. Safety Leadership and Governance Initiatives**

- Our Back-to-Basics initiative has strengthened our procedural discipline, enhanced supervision quality and reinforced leadership accountability across our fleet. By focusing on our foundational practices through targeted training and leadership involvement, the program supports consistent adherence to operational standards, supporting a culture of safety, reliability and excellence at ADNOC Drilling

- The HSE LEAP Program enhanced governance maturity and standardization, improved contractor onboarding and welfare management, strengthened process safety fundamentals and promoted environmental responsibility through focused initiatives and awareness campaigns



- Detailed, rig-specific rig-move procedures were enhanced to address variations in rig designs and operational configurations. ADNOC Drilling lifting specialists continued to be deployed in the field to verify lifting plans, support improvements, oversee lifting operations and provide real-time guidance during critical activities. Field Safety Engineers were assigned across rigs to support effective implementation of the Work Management System, support the development of lifting plans, monitor rig-move activities, intervene in unsafe practices and actively engage with the workforce to enhance awareness and compliance throughout rig-move operations

- A high-level visit was organized by ADNOC, Business Support Division (BSD) and the Safety team to BAO, aiming to strengthen safety practices and operational excellence. The visit focused on assessing current safety protocols, sharing best practices and reinforcing ADNOC’s commitment to a culture of safety and accountability across all levels of operation

**3. HSE-related Training and Development Initiatives**

- HSE training metrics for operational teams were revised and strengthened to strive towards continuous competency assurance. The updated metrics were fully aligned with the ADNOC Group Unified HSE Training Matrix and prepared for implementation, supporting consistent compliance with mandatory HSE, technical and operational certification requirements across the fleet

- We launched ONETALENT, an initiative that transformed long-duration training programs by shifting from a fixed, predefined structure to a dynamic annual planning model, guided by business priorities and reviewed by the respective line managers. Consequently, all training requests are aligned with the divisional budget and evaluated against available resources

- To strengthen visibility and oversight of training progress, the Amal Dashboard and ADNOC Drilling Training Centre (DTC) Dashboard were implemented to monitor course completion and employee certifications across land, offshore and island teams



- The HSE Coaching Program was completed in Q3 2025, with over 6,700 personnel trained across the fleet throughout the year. Following its completion, in-house HSE engagement and coaching initiatives continued through structured meetings, safety stand-downs and targeted workshops, aimed at sustaining workforce engagement and reinforcing safety culture across all operations

#### 4. Recognition and Motivation

- ADNOC Drilling is implementing an online platform for HSE recognitions, with standardized governance and selection criteria, which contributed to a 6% increase in awards in 2025 compared to 2024. Following an internal analysis to refine the recognition process, we plan to significantly expand its scope in 2026, ensuring a broader segment of the workforce is acknowledged
- HSE Recognition Program budget was augmented in 2025, enabling targeted enhancements through the ADNOC Group Way Recognition Platform. Key refinements included expanding the pool of nominators under each approver and improving the precision and clarity of selection criteria. The updated program was introduced through dedicated workforce engagement sessions to strive towards transparent and consistent acknowledgment of high-performing contributors, aligned with the objective of achieving 100% HSE. In 2025, we recognized and rewarded 1,476 direct-hire personnel (Total Award Value: 576,400) and 2,188 contractor personnel (Total Award Value: 696,200) through the 2025 HSE Recognition Awards, reaffirming the Company's strong commitment to health, safety and environmental excellence across both direct and contractor workforces

#### 5. HSE-related Communication and Engagement Initiatives

- A structured quarterly HSE Campaign Plan was developed in alignment with client requirements, with each campaign deployed alongside comprehensive learning packs and targeted engagement activities. The initiative aimed to deepen crew awareness, ensuring thorough understanding and application of best practices, proactive hazard identification and the effective implementation of appropriate controls across all operational activities
- Weekly Operations HSE Meetings were held, bringing together operational and HSE leadership from land, offshore jack-up and island operations. The sessions followed a structured agenda encompassing leadership insights, recognition of achievements, review of HSE highlights and required actions, analysis of HSE observations, CCTV-based learning materials from operational activities, incident learnings and updates on ongoing campaigns. Additionally, each operational team conducted their own weekly meetings to maintain consistent engagement and alignment across the fleet

#### 6. Process and Compliance Initiatives

- ADNOC Safety Day was organized to reinforce a strong safety culture across operations, featuring awareness sessions and activities that highlighted key HSE practices. The event witnessed active participation from both employees and contractors, demonstrating their collective commitment to safety excellence
- Under the HSEPS Assurance Program, we have established a comprehensive system of structured verification and self-assessment mechanisms to effectively monitor compliance, identify gaps and address them promptly. This approach drives ongoing progress and strengthens our organizational framework
- Process Safety Fundamentals were implemented across all rigs, with particular focus on those recently integrated into operations. Dedicated awareness sessions were delivered to strengthen comprehension of these fundamentals, reinforce critical controls and elevate workforce awareness of process safety risks

#### 7. Safety Campaigns and Awareness

- During the Ramadan and Eid period, we conducted focused engagements and workshops to reinforce safety, with special attention to driving and operational practices, recognizing the unique considerations of this season, such as altered working hours and fasting-related safety risks. We hosted Iftar gatherings at central camps, where senior leadership actively communicated HSE expectations, encouraged healthy habits and strengthened team connections. The sessions also featured interactive activities and quizzes to recognize participation, promote collaboration and prioritize safety throughout the festive period
- Weekly HSE observation analyzes were carried out by onshore and offshore teams to identify key focus areas and recurring trends. Quarterly reviews highlighted high-risk activities and critical learnings, which were disseminated across the fleet to mitigate unsafe practices and reduce incident potential. Behavior-Based Safety (BBS) engagement boards were introduced on all rigs to facilitate structured incident discussions, particularly involving junior crew, to strengthen understanding and reinforce corrective actions
- Hand and finger safety was addressed as a key element of a broader injury prevention campaign, with specific emphasis on related hazards. Dedicated learning packs and safety posters were distributed across operations to reinforce awareness and promote preventive practices
- The Lifting Safety Campaign was executed as part of the broader Injury Prevention Campaign, supported by comprehensive learning packs, interactive engagement sessions, safety posters and on-site verification of effectiveness during field visits
- ADNOC Drilling organized five joint road safety campaign workshops across central camps, mobile camps and rig bases to enhance road safety practices. The sessions brought together drivers, transportation management, road safety specialists and Executive Management to collaborate and share insights. The workshops focused on reinforcing the message "Safety by Choice, Not by Chance," aiming to promote proactive safety measures and instill a culture of responsibility across all operations. Additionally, we visited 21 rigs, including AD-11, AD-60, AD-121, AD-51 and others, to further promote road safety awareness

#### Incident Review: Fatal Incidents 2025

In 2025, ADNOC Drilling experienced a work-related fatality. The Board and Executive Management extended their deepest condolences and led a thorough investigation focusing on full accountability and learning. The findings drove strengthened safety controls to prevent recurrence and reinforce our zero-harm commitment.

Key measures implemented included:

- **Control of Work Enhancements:** Reinforced compliance with the Work Management System (WMS) and Permit to Work (PTW) processes, ensuring that 100% of water pit and pump-related activities undergo formal risk assessment and work authorization
- **Strengthened Supervisory Assurance:** Increased leadership field verifications and communication touchpoints to improve operational oversight and hazard identification
- **Updated Site-Specific Safety Planning:** All location plans were revised to incorporate water pit hazard assessments, critical controls and mitigation procedures
- **Asset Integrity and Rig Acceptance:** Rig acceptance and inspection protocols were updated to require explicit verification of water pit controls and engineered safeguards prior to deployment
- **Engineering and Process Standardization:** Water transfer systems and pump selection practices were standardized, eliminating the need for personnel entry into water pits for pump-related issues
- **Monitoring and Emergency Response Preparedness:** Requirements for monitoring, including CCTV evaluation where feasible, and emergency response preparedness were enhanced
- **Safety Culture Reinforcement:** Stop Work Authority and hazard reporting processes were strengthened to improve the quality of reporting and increase workforce empowerment across operations

These actions reinforce ADNOC Drilling's commitment to safeguarding our workforce and continuously improving safety performance.

#### Our Performance in 2025

In 2025, the rise in the TRIR and LTIF was due to several operational factors, including onboarding of new employees, expansion of oilfield services and ongoing major rig maintenance activities. These changes temporarily elevated risk exposure, leading to a higher number of lost-time injuries and recordable incidents during the year.

We maintained 100% HSE compliance for 331 days in 2025, reflecting our dedication to the highest standards of health, safety and environmental performance.

We achieved a significant milestone, zero Tier 1 or Tier 2 process safety events, underscoring the strength of our management systems and the effectiveness of critical safety barriers.

Our HSE Compliance & Assurance Function focuses on rigorous oversight through routine monitoring, inspections and audits across rigs and facilities. In line with the Annual Audit Plan:

- 24 internal audits were completed, complemented by quarterly rig inspections
- 80 external audits covered key domains such as Dropped Objects Prevention Scheme (DROPS), HSE cases, LUX compliance, Hazard and Operability Analysis (HAZOP) assessments and noise evaluations. Improvement actions were diligently tracked, resulting in the successful closure of 88% of audit recommendations

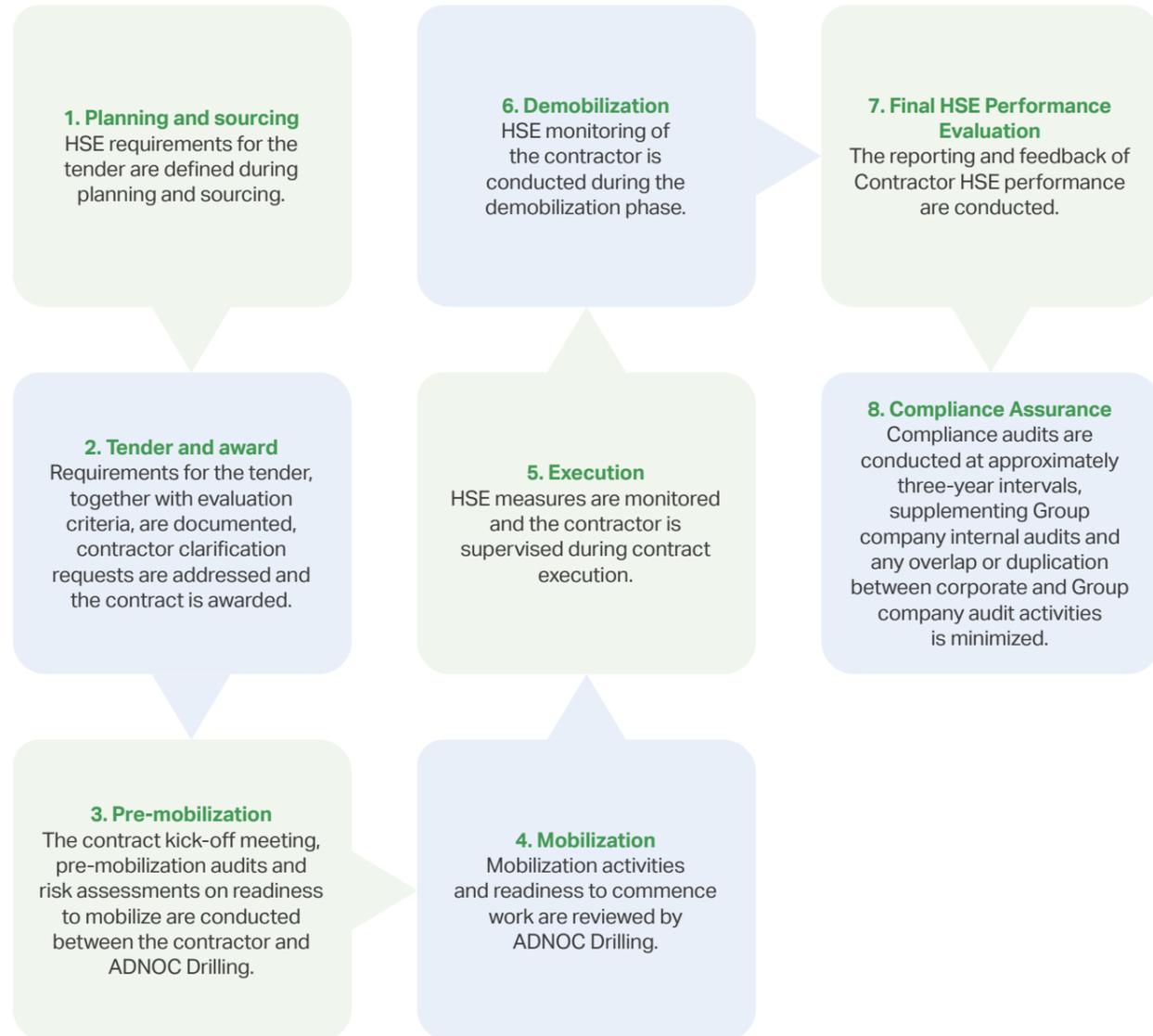
Between 2024 and 2025, HSE audit and safety performance data show a 42.10% reduction in ISO 45001 audits. This decline in audit frequency is primarily attributed to the revision of the quarterly HSE Rig Inspection template, which now incorporates ISO 45001 requirements. As a result, the need for separate, dedicated internal ISO 45001 audits has decreased.

Starting in 2026, we will implement a Comprehensive HSE Assurance and Compliance Audit Framework, replacing the current selected rig audit methodology. This enhanced approach will support the inclusion of operating rigs and facilities within the audit scope, thereby strengthening overall compliance and assurance efforts.

**Contractor HSE and Welfare Performance Management Framework**

ADNOC Drilling adopts the ADNOC Group’s Contractor HSE and Welfare Performance Management Framework, which establishes the requirements and guiding principles for contractor health, safety, environment and welfare management systems. The Framework defines the mandatory requirements for HSE and welfare standards applicable throughout the contract lifecycle, from pre-award to contract execution. It sets clear objectives for each contract phase, promotes a proactive HSE approach and continuous improvement, defines roles and responsibilities, support towards compliance monitoring and prescribes corrective actions, including temporary suspension of activities when necessary.

The influence and inclusion of HSE requirements in tender and contract preparation are addressed across defined project phases:



This approach helps in systematic incorporation of HSE requirements throughout all contract stages and project phases, providing a structured framework for effective contractor management, continuous performance improvement and compliance with ADNOC standards.

**Employee Welfare and Empowerment**

At ADNOC Drilling, empowerment and support are at the heart of our commitment to our people. We prioritize holistic growth by integrating wellness initiatives with practical development programs that drive both personal and professional advancement. This approach not only equips our employees to succeed and contribute to shared achievements but also has a profound impact on their morale, performance and loyalty. By fostering a culture rooted in trust, creativity and collaboration, and by providing clear career development pathways, we strengthen our employer brand, build stakeholder confidence and contribute to the long-term sustainability of our business.

**Human Capital Governance**

Human Capital governance at ADNOC Drilling is anchored in a structured framework that supports employee wellbeing, capability development and long-term organizational performance, in alignment with ADNOC’s corporate strategy, business plans and employee welfare standards. The Human Capital Division (HCD) is led by the Vice President of HCD and reports to the Senior Vice President of Shared Services, who provides strategic oversight to ensure that people-related initiatives are effectively integrated with corporate priorities and value-creation objectives.

ADNOC Drilling is committed to fostering a safe, inclusive and supportive workplace through competitive benefits, employee allowances and community-focused initiatives. These commitments are underpinned by robust welfare governance mechanisms, including regular compliance audits, site inspections and structured engagement led by Wellbeing Champions. Oversight by the Board of Directors and ELT ensures that progress is systematically reviewed, gaps are addressed and employee welfare-related risks are identified, monitored and mitigated through the corporate risk register.

HCD operates a customer-focused operating model that places employee welfare, engagement and development at the core of ADNOC Drilling’s people strategy. This approach is reinforced through employee recognition programs that strengthen engagement, promote unity and support a high-performance culture. Employee capability development is delivered through a comprehensive portfolio of business, technical, behavioral and leadership training programs, provided through both in-person and virtual platforms by subject matter experts and ADNOC Drilling Training Centre (DTC) instructors. These programs equip employees with the skills and capabilities required to perform effectively and adapt to a dynamic and evolving operating environment.

**Empowering Our People, Driving Our Future**

The true strength of ADNOC Drilling lies in the passion, expertise and commitment of our workforce. Their dedication fuels progress, sparks innovation and supports towards the delivery of impactful outcomes. By fostering a culture that champions growth, embraces diversity and prioritizes meaningful impact, we create opportunities for individuals to excel and lead with purpose.

Through continuous investment in advanced technologies, professional development and community-focused initiatives, we are shaping a workforce that thrives today while building a future defined by resilience, collaboration and sustainable progress.

**Mariam Al Suwaidi, Senior Vice President, Shared Services**



Employee wellbeing is a cornerstone of our operations, reinforced through initiatives that prioritize convenience, care and engagement. The Happiness Centre at our Head Office provides seamless access to personal documentation, while our efficient grievance system focuses on addressing the concerns promptly and transparently. Regular surveys and engagement activities capture employee feedback, enabling continuous improvement of welfare programs. Annual audits safeguard the integrity of these practices, fostering a supportive workplace that drives satisfaction and organizational success.

The implementation of SAP has automated numerous human capital processes, enhancing efficiency and accuracy. Additionally, our digital performance appraisal platform improves accessibility for employees and management, streamlining evaluations and promoting fairness.

**Comprehensive Health and Wellbeing**

Our approach to employee health and wellness is rooted in collaboration and holistic care. In partnership with Group Medical & Wellbeing and the Human Capital Division, we actively manage health insurance, welfare needs and medical care requirements. To further support our workforce, we have strengthened the Employee Assistance Program (EAP) through LYRA Wellbeing, offering employees and their families confidential, 24/7 access to physical and mental health resources. These include counseling, wellness coaching and specialized support such as financial and legal guidance. This robust model empowers employees to proactively manage their wellbeing, address personal and work-related challenges and receive timely professional assistance.

We provide comprehensive health insurance coverage for all employees and mandate contractors to provide equivalent coverage for their workforce. Recognizing that mental health is integral to a thriving workplace, our EAP delivers discreet, professional psychological support, helping employees build resilience and navigate challenges. By fostering a culture of care and openness, we empower our workforce to prioritize emotional wellbeing and thrive both personally and professionally.

**Welfare Initiatives in 2025**

With the expansion of our workforce and operations, our focus on creating a positive and supportive work environment remains stronger than ever. In 2025, we proudly achieved an employee engagement score of 89% and kept our attrition rate at 1.90%. These outcomes highlight our steadfast dedication to employee wellbeing, reinforcing our role as a key driver of our continued success.

**1. Digital Wellbeing, Fatigue Management and Employee Support**

Digital solutions continue to elevate ADNOC Drilling’s wellbeing and safety culture through smart, data-driven innovations that enhance employee health, fatigue awareness and overall support. Our key initiatives include Enhanced Digital Employee Self Service portals, comprehensive workforce upskilling programs and targeted wellbeing activities that empower employees to thrive both professionally and personally. Safety efforts leverage AI-enabled wearables for real-time monitoring, HSE video analytics for hazard detection and the In-Vehicle Monitoring System (IVMS) integrated with Active Fatigue & Distraction Detection (AFDD) to strengthen proactive risk management. For us, employee support was a cornerstone of 2025, with robust recognition programs such as Energy Points and Employee Recognition initiatives celebrating achievements and appreciating efforts across multiple channels, including email communications, live events, Viva Engage and the corporate recognition platform. We continually refine our systems and processes by actively incorporating employee insights gathered through structured feedback mechanisms like Member Experience Surveys, Employee Voice & Engagement initiatives, People Pulse Surveys and additional channels.

**2. Strengthening Human Capital Strategy**

- Our Drilling Model Leader (DML) Program is an ongoing initiative that recognizes leadership employees who exhibit exemplary performance through behaviors such as applying a growth mindset, building effective teams, promoting a safe and supportive work environment and empowering individuals at all levels. Participants may earn points and receive the DML label (pin) as part of the recognition process
- Our Human Capital Five Year Strategic Plan is aimed at strengthening ADNOC Drilling’s workforce in alignment with ADNOC’s corporate vision. It is structured around four key pillars, namely people, performance, profitability and efficiency and serves as a framework to guide current and future initiatives that support sustainable growth and organizational effectiveness

**3. Promoting Work-life Balance through Flexible Working Culture Initiatives**

- Remote work arrangement was implemented to provide greater flexibility and promote improved work-life balance for employees<sup>13</sup>
- In 2025, 224 employees availed parental leave in full compliance with all applicable legal and regulatory frameworks, with an impressive 100% returning seamlessly to the workplace. This outcome reflects our commitment to fostering an inclusive, supportive and flexible work environment, ensuring employees can achieve balance in both their personal and professional lives. We continuously assess and refine our policies to uphold the highest standards of employee wellbeing and inclusiveness

**4. Health, Wellness and Preventive Care Initiatives**

- We collaborated with leading health service providers to host Energize 2025, a comprehensive health and wellness initiative designed to help our employees conclude the year in strong physical and mental shape. The event featured expert sessions on heart disease prevention and mental wellbeing, as well as health screenings covering key biomarkers such as blood sugar and body mass index, among others
- As part of our commitment to ensuring the health, safety and wellbeing of our workforce, we successfully implemented periodic medical checkups for our site employees. This proactive initiative reinforces our dedication to maintaining a healthy work environment by enabling early detection and management of potential health concerns



**5. Uplifting Employee Motivation**

- To support employee wellbeing and foster a positive workplace culture, the BSD implemented the “Happy Monday Initiatives”, delivering small wellness gestures and engagement activities across the organization. These included healthy snacks like green apple distributions, celebrating Muffins Day, distributing sambos and sweets like ice cream and cream caramel, discounted food and beverage offerings, snack trolley services and traditional Dalla services providing Arabic coffee and Karak tea across office floors. Additionally, BSD organized staff birthday celebrations and social gatherings to encourage inclusion and interaction. Collectively, these initiatives strengthened a sense of belonging and supported overall employee wellbeing

**6. Infrastructure Enhancements and Facility Upgrades**

- In 2025, strategic infrastructure upgrades were implemented to enhance employee experience and living conditions. These included camp expansions, upgraded site accommodation and offices, new facilities to support additional rigs, modernization of warehouses and offices, along with improvements to recreational and social spaces. Complementary initiatives focused on service efficiency, food safety training and certification and a food waste awareness campaign. These enhancements contributed to improved employee satisfaction, wellbeing and overall quality of life across onshore and offshore operations

<sup>13</sup> Restated from 2024

**7. Employee Engagement Events and Site Wellbeing Programs**

- The Mazaya Winter Roadshow, held at ADNOC Drilling on 9 October 2025, featured an array of vibrant kiosks that brought energy, excitement and a wealth of exclusive benefits to ADNOC Drilling employees. This engaging event created a lively atmosphere, offering unique experiences and tailored advantages that resonated with the workforce
- A weekly visit by the Dhabi Happiness Car to various sites was organized to bring joy and uplift the morale of site staff. The initiative included a catering buffet service, interactive games and engaging activities, creating a sense of community and enhancing employee satisfaction. Additionally, the AlNaham initiative was introduced to visit offshore rigs, spreading happiness and appreciation to the crew, ensuring their wellbeing remains a top priority. This year, both the Dhabi Happiness Car and AlNaham initiatives were held at Abu Dhabi International Petroleum Exhibition & Conference (ADIPEC), extending their reach and impact
- Engaging activities, including fun games, sports and awards, were organized in Musaffah to uplift morale and enhance staff wellbeing. These initiatives created an energetic and positive environment, encouraging teamwork, enthusiasm and a stronger sense of camaraderie among employees
- Environmental Day and ADNOC Safety Day were celebrated with active participation from employees and contractors, aiming to promote environmental awareness, sustainability and a strong safety culture across all operations. The program included awareness sessions, sapling planting activities and interactive quiz competitions to engage participants and reinforce key messages on HSE practices and environmental protection
- A FIFA 25 gaming competition on PlayStation (PS5) consoles was arranged across all ADNOC Drilling camps, providing both direct-hire and third-party employees with an opportunity to demonstrate their skills and engage in friendly competition
- A barbecue night was hosted at Buhasa central camp, providing an inviting outdoor ambience where colleagues could engage in meaningful social exchange, promoting a spirit of camaraderie
- Events celebrating the richness of Indian, Egyptian and Pakistani cultures were held at Habshan central camp, featuring themed decor, traditional music and authentic cuisine to create an immersive cultural experience. The gatherings attracted substantial attendance from ADNOC Drilling staff and management, fostering cultural appreciation, inclusion and employee engagement



**8. Leadership Alignment and Strategic Engagement Initiatives**

- A leadership offsite was hosted at the Al Forsan International Sport Resort, dedicated to advancing ADNOC Drilling's transformation journey. The event encompassed dynamic collaborative activities, immersive team-building exercises and compelling presentations that showcased the progress and strategic vision of the Drilling 2.0 program, inspiring alignment and innovation among the leadership team



**9. Sports, Health and Wellbeing Activities**

- In 2025, ADNOC Drilling took an active role in headquarters-led initiatives aimed at promoting sports and wellness for current and future generations. These efforts included inter-camp tournaments across half a dozen camps, featuring cricket, football, basketball and volleyball, cultivating camaraderie and teamwork. The Company also proudly participated in the ADNOC Sports Day in June, celebrating athleticism and community spirit. The ADNOC Drilling team participated in the ADNOC Sports Tournament in July and emerged as the champions in basketball, volleyball and handball. Further reinforcing our commitment to a culture of healthy living, ADNOC Drilling organized a Sports Tournament in December, cultivating engagement, teamwork and a shared passion for wellness across the organization

**Our Performance in 2025**

In 2025, the planned retirement of several rigs from operations prompted a strategic workforce optimization initiative. Through targeted restructuring and enhanced operational efficiencies, the full-time employee headcount was reduced by 1.48%, ensuring sustained productivity and optimal resource utilization. In line with this strategy, the total direct-hire employee headcount also decreased from 7,083 in 2024 to 6,785 in 2025, reflecting continued alignment of workforce capacity with operational requirements.

**Nurturing Talent and Building Capability**

At ADNOC Drilling, we invest in diverse learning and development opportunities to strengthen professional and technical competencies across all roles and levels. Our training programs, covering business, behavioral and leadership skills, are delivered both in-person and virtually by industry experts and internal mentors, ensuring employees receive world-class guidance for their growth.

**Drilling Training Centre (DTC) Excellence**

DTC is a cornerstone of workforce development, holding 20 prestigious national and international accreditations in HSE and drilling disciplines. These include globally recognized organizations such as:

- International Association of Drilling Contractors (IADC)
- International Well Control Forum (IWCF)
- Offshore Petroleum Industry Training Organization (OPITO)
- Lifting Equipment Engineers Association (LEEA)
- American Heart Association (AHA)
- National Qualification Centre (NQA)
- American National Standards Institute (ANSI)
- Scottish Qualifications Authority (SQA)
- Highfields
- Abu Dhabi Centre for Technical and Vocational Education and Training (ACTVET)

These accreditations empower the Centre to provide an extensive and accredited development pathway for aspiring professionals in drilling and safety.

DTC is the first institution in the UAE accredited by the Ministry of Higher Education to offer a Diploma in Drilling. Its excellence has been recognized by ADNOC awarding DTC the mandate to expand training services across Group companies.

For 2025, DTC set a target to deliver 1,460 courses based on the uncertified list provided by the Talent Management Division. DTC has exceeded expectations, successfully conducting 1,903 courses, achieving 130% of the planned 2025 target. These courses have benefited 23,934 attendees and accounted for 32,785 training man-days, demonstrating DTC's commitment to advancing workforce development and exceeding annual objectives. DTC has the capability to cover approximately 70% of mandatory and competency training via its internal resources.

In 2025, ADNOC Drilling implemented a mandatory training matrix aligned with ADNOC, requiring all employees to complete defined compliance training programs. To support effective rollout, most trainings were transitioned from classroom delivery to online formats, improving accessibility, standardization and completion tracking. The mandatory training scope included Beat the Heat, Human Performance, Noise Management, HSE Induction and Life-Saving and Electrical Safety, with completion closely monitored across the workforce.

Following implementation, e-learning uptake increased significantly in 2025, with 43,271 courses completed, more than 4 times higher than in 2024.

ADNOC Drilling has developed a dedicated training module focused on mental health awareness and stress management. The program is scheduled to be rolled out across the organization in 2026, reinforcing our commitment to employee wellbeing and a supportive workplace culture.

**Optimizing DTC Efficiency**

DTC drives 100% utilization and cost efficiency in employee training and development through a series of strategic actions. We deliver targeted training programs that close critical skill gaps while optimizing costs for maximum impact. We implement a structured annual training calendar to certify employees within required timelines and continuously update training modules to align with the ADNOC Group Unified Training Matrix, ensuring relevance and standardization. We enhance operational efficiency by incorporating flexible scheduling, timely communication with participants and strict management of cancellations to minimize disruptions. Our teams regularly compare planned training objectives with actual outcomes to evaluate effectiveness, identify improvement opportunities and strive towards continuous advancement in workforce capabilities.

**Our Performance in 2025**

- We introduced the Recognition Leaderboard to track and promote the use of the ADNOC Group Way Recognition Platform, capturing participation across divisions and leadership. Each month, we share statistics showcasing the top recipients and givers of recognition to encourage consistent acknowledgment of employee achievements and contributions. In 2025, a total of 40,421 employees were recognized, with 1,020 individual recognitions recorded through the platform
- We completed the Annual Performance and Reward Cycle, recognizing 9,980 high-performing employees, representing more than 91% of the total workforce. This milestone reflects the strength of the organization’s top-performing teams and underscores the focus on supporting career progression and professional development across ADNOC Drilling
- In 2025, we delivered a comprehensive classroom-based training program through DTC, conducting 1,903 courses for a total of 23,934 participants, amounting to 32,785 training man-days. The curriculum spanned a broad range of competencies, with 1,893 participants attending technical courses, 20,540 completing HSE-related training and 734 undertaking leadership programs. This initiative underscores our continued commitment to developing workforce capabilities and driving operational excellence
- ADNOC Drilling achieved 100% completion of targeted employee compliance training in 2025. New joiners completed an induction program that included compliance-led sessions, while all employees annually reaffirmed their commitment by signing an ethics and compliance declaration. Employees also have 24/7 access to compliance policies, procedures and standards via the online portal. In addition, 100% of contractors, suppliers and partners successfully completed the compliance training, ensuring full alignment with our ethics and compliance standards



**Building a Diverse, Inclusive and Equitable Workplace**

At ADNOC Drilling, we believe that diversity and inclusion are catalysts for innovation, stronger decision-making and sustainable growth. By fostering an environment that embraces diverse perspectives and promotes equity, we reflect our global outlook and empower our workforce to lead with purpose. Our zero-tolerance policy on discrimination, aligned with the Group Code of Conduct, reinforces this commitment and drives progress across all levels of the organization. These efforts align with national priorities, including the UAE Strategy for Emirati Women Empowerment, generating both social and economic value.

**Structured Governance for Gender Equity**

Gender equity is championed through a robust governance framework that combines strategic oversight with focused program implementation. The Gender Balance Committee, reporting to the Board of Directors, designs and executes initiatives that promote equal access and opportunity across all sites and business units. Oversight is further strengthened by the Gender Diversity Steering Committee, which monitors performance and focuses on accountability.

We conduct gender balance audits to assess female representation across facilities, identify improvement opportunities and benchmark against industry best practices. These audits inform targeted actions to close gaps and enhance inclusivity. Collaboration with other ADNOC companies enables knowledge sharing, alignment of initiatives and collective progress toward gender balance.

**Embedding Equity into Our Culture**

Our structured approach aims towards embedding diversity and gender equity in ADNOC Drilling’s culture and operations. The Gender Balance Committee introduced the Gender Diversity Standard, reinforcing our commitment to fostering diverse talent, promoting inclusivity and building a workforce that reflects the communities we serve. In 2025, female representation across the organization reached 1% in technical roles and 2.3% in middle management, exceeding the annual targets of 0.90% and 1.40%, respectively.

**Foundational Elements of the Gender Diversity Standard**

<b>Recruitment</b>	Implementing recruitment strategies that provide equal opportunities for both male and female candidates across all roles, with an emphasis on fostering gender diversity and advancing women in leadership and technical fields
<b>Retention</b>	Addressing additional challenges related to retention of women and introducing measures to mitigate them, which include: <ul style="list-style-type: none"> <li>• Flexible working arrangements</li> <li>• Family-related leave</li> <li>• Adjustments to working conditions and facilities</li> </ul>
<b>Promotion</b>	Promotion of gender diversity across ADNOC Drilling. Measures include: <ul style="list-style-type: none"> <li>• Sponsorship programs</li> <li>• Professional development and coaching</li> <li>• Visible role models</li> <li>• Mentoring and shadow programs</li> <li>• Talent mobility programs</li> </ul>
<b>Representation</b>	Ensuring diverse representation of women in: <ul style="list-style-type: none"> <li>• Leadership positions</li> <li>• Core and supporting</li> <li>• Committees</li> </ul>
<b>Compensation and Benefits</b>	Assessment of pay and benefit levels to: <ul style="list-style-type: none"> <li>• Seek pay parity for male and female personnel across roles and job grades</li> <li>• Address any inconsistencies</li> </ul>
<b>Diversity of the Board</b>	Meeting the SCA requirements for female representation on the Board

**Enhancing Diversity**

**Recognition Week – Empowering Inclusion**

In April 2025, ADNOC Drilling launched Recognition Week, powered by the Taqdeer Recognition Program, to celebrate diverse contributions and cultivate an inclusive culture across all employee levels. Spanning categories like Star of the Month, HSE Champion and Youth Changemaker, the initiative recorded over 22,000 recognitions, 180+ nominations and 830,000+ HSE rewards through the ADNOC Way platform. By addressing challenges such as field-level participation with mobile access and consistent nominations via dashboards, the initiative strengthened morale, engagement and cross-functional collaboration. Recognition Week reinforced ADNOC Drilling’s commitment to enhancing a culture of equity and belonging while aligning with our strategic goals for inclusive leadership and operational excellence.

**Launch of 60-Minute Allotted Time**

ADNOC Drilling launched the 60-Minute Allotted Time initiative at Sheikh Khalifah Energy Complex 2 (SKEC2) to promote employee wellbeing, work-life balance and overall productivity for staff on a standard 5/2 work schedule. This program provided employees with a structured 60-minute break during core working hours, enabling them to manage personal needs, reduce stress and recharge, without affecting compliance or operational performance. Implementation included the issuance of clear guidelines on break usage and targeted communication through official emails and the ASK HC Helpdesk<sup>14</sup> to support clarity and ease of adoption. By fostering flexibility and trusting employees to manage their time responsibly, the initiative improved morale, strengthened engagement and maintained seamless operations. It also underscored our drive towards Energy for Wellbeing values, embedding care, flexibility and sustainable productivity into the workplace culture.

**Female Prayer Rooms in HQ and Musaffah**

We allocated dedicated prayer spaces for female employees at our Headquarters and Musaffah facilities to provide a private, accessible and convenient environment for religious observance. This initiative reflects our commitment to fostering inclusivity and respecting diverse cultural and spiritual needs, while enhancing workplace comfort and employee satisfaction. By ensuring that female employees have designated areas to practice their faith without disruption, we not only support their wellbeing but also strengthen a respectful, accommodating and cohesive workplace culture.

**Pink Awareness Session**

ADNOC Drilling organized a Breast Cancer Awareness session at SKEC2, emphasizing the importance of collective efforts in promoting women’s health and encouraging proactive measures. Spearheaded by the ADNOC Drilling Gender Balance Committee, in collaboration with ADNOC Drilling Business Support, ADNOC Medical Services and the TAZIZ Gender Balance Committee, this initiative aimed to advance breast cancer awareness, promote early detection and inspire proactive health and wellness practices throughout the workforce. Targeting all employees within ADNOC Drilling and TAZIZ, the program featured a comprehensive awareness seminar covering breast cancer prevention, early warning signs and the critical importance of timely screenings. A dedicated nutrition segment further emphasized the importance of healthy eating habits and lifestyle optimization to support long-term wellbeing.



To enhance engagement, interactive booths hosted by leading health and wellness partners provided educational materials, hands-on activities and thoughtfully curated giveaways to reinforce key messages. The initiative successfully achieved a measurable increase in employee awareness of breast cancer, improved understanding of nutritional balance and disease prevention, and encouraged active participation. In doing so, it cultivated a supportive and informed workplace culture aligned with ADNOC Drilling’s commitment to the health and wellbeing of our people.

**#IAmRemarkable Workshop**

In July, more than 20 female employees from ADNOC Drilling participated in the global #IAmRemarkable workshop, a distinguished program focused on developing self-promotion skills and building confidence. The session equipped participants with practical strategies to express their achievements clearly and confidently, enhancing their professional visibility and supporting career progression across the organization. Through interactive exercises and peer discussions, attendees gained valuable insights into overcoming barriers to self-advocacy, contributing to their personal and professional growth.

**Number of Nationalities**

In 2025, our workforce comprised of a total of 83 nationalities working as one family at ADNOC Drilling.

<sup>14</sup> Ask HC Helpdesk is a digital platform designed to enable employees to submit inquiries, request Human Capital support and report issues concerning HR-related matters

**Emiratization: Empowering National Talent**

ADNOC Drilling’s Emiratization Strategy is designed to align key roles with the aspirations and career goals of the UAE’s national workforce. Through close collaboration between our Recruitment and Talent Development teams, we focus on the sustainable development of Emirati talent, creating opportunities that shape the future of the oil and gas industry.

In alignment with the guidance of the Nomination and Remuneration Committee (NRC) and the Board of Directors, ADNOC Drilling’s Human Capital Function works hand-in-hand with ADNOC’s Human Capital Directorate to design and implement a robust nationalization program. Progress is reviewed periodically by the Board, ensuring strategic alignment with business objectives and future workforce needs.

- Recruited 73 UAE nationals as trainees under the nationalization program
- 144 trainees enrolled in the comprehensive two-year Assistant Driller Development Program, equipping them with critical technical skills
- 24 trainees from previous cohorts successfully transitioned into full-time roles, reinforcing our commitment to meaningful career pathways

We are witnessing remarkable growth in Emirati female graduate engineers entering the oil and gas sector. ADNOC Drilling is committed to building on this momentum by enhancing recruitment efforts for Emirati women, delivering customized development programs tailored to engineering roles and equipping female talent with the skills and confidence to excel in critical technical positions.

These initiatives strengthen diversity and inclusion across the drilling sector while contributing to the UAE’s national priorities and ADNOC Drilling’s long-term sustainability.



Emiratization: A Legacy of Progress and Pride

Emiratization is the vital link between the UAE’s bold ambitions and the exceptional capabilities of its people. It represents a strategic, purposeful approach to cultivating homegrown talent and empowering Emiratis to assume pivotal roles that drive economic growth and innovation. By aligning national aspirations with individual potential, ADNOC Drilling creates opportunities for meaningful contributions, fostering a skilled workforce ready to lead the energy sector into the future.

This initiative is more than a program, it is a foundation for building a future rooted in progress, prosperity and pride. It is a legacy that will resonate across generations, strengthening the UAE’s position as a global leader and ensuring sustainable success for decades to come.

Dr. Adel Mohamed Al Hosani, Vice President, Human Capital



Our Performance in 2025

Our Emiratization rate reached 28.90%, surpassing the 2025 target of 28.40%, reflecting our strong commitment to the UAE’s national workforce development agenda. Building on this momentum, we have set an Emiratization target of 29.30% by 2030, using 2025 as the baseline year in line with our workforce planning and national talent development objectives. Emiratization targets focus on roles identified for Emirati employees, lower-level rig positions are excluded from the target.

Assistant Driller Development Program

This two-year program is designed to equip participants with specialized competencies essential for success in critical drilling operations roles. In 2025, ADNOC Drilling plans to onboard 81 young Emiratis, enabling them to gain the technical and operational expertise required for careers in the dynamic and challenging drilling industry. As a strategic initiative aligned with Emiratization objectives, the program establishes structured skill-building pathways for emerging professionals and supports the expansion of the national workforce.

Celebrating Emirati Women’s Day

In August, ADNOC Drilling’s Head Office hosted a vibrant celebration to honor Emirati Women’s Day, paying tribute to the invaluable contributions and achievements of Emirati women across diverse fields. The event served as a powerful acknowledgment of their dedication, talent and impact in shaping progress and success within the organization and beyond.



Driving the Energy of Youth

Our ADNOC Drilling Youth Committee, comprising 14 talented young professionals from within the organization, plays a critical role in cultivating the skills and potential of our youth. Committed to shaping future leaders, the committee drives a variety of initiatives throughout the year. These activities are designed around four core focus areas, aiming to inspire and empower young talent to thrive in their careers. In 2025, the committee undertook various activities across the following aspects:

Elevate

Enhancing current practices to adapt to the changing needs of ADNOC youth, ensuring they are equipped with the resources and opportunities necessary to develop and advance their skills

Disrupt

Cultivating an environment of innovative disruption that inspires transformative change, enabling young leaders to lead progress and deliver meaningful impact

Impact

Establishing strong performance monitoring systems and conducting regular pulse checks to maintain accountability and strive for peak performance across the Group company Youth Committees

Amplify

Amplifying the impact of youth initiatives, voices and accomplishments within the community, while unlocking the full potential of ADNOC Youth

Youth are the driving force behind progress and innovation at ADNOC Drilling. Through our Youth Committee, we are committed to equipping the next generation with the tools, opportunities and platforms they need to lead meaningful change.

Their fresh perspectives and creative energy are shaping new possibilities, redefining practices and tackling challenges with bold, forward-thinking solutions. Together, we are not only envisioning a brighter future for ADNOC Drilling, we are actively building it. The contributions of our youth are propelling the Company and the industry toward unprecedented success, ensuring resilience and sustainability for generations to come.

Salem Awadh Ali Ahmed Almuqadam Al Mahri, Youth Committee Chairperson



The ADNOC Drilling Youth Committee serves as a platform to drive youth engagement and channel youth energy toward creating meaningful impact both within the organization and the wider community. The committee leads and coordinates a range of internal and external initiatives, either independently or in collaboration with other functions. These activities are designed to strengthen youth participation across diverse areas, including HSE, leadership development, community service, management engagement and technical capacity building. In addition, the committee supports youth empowerment by organizing technical and leadership development sessions aimed at enhancing both soft and professional skills.

The list below outlines the initiatives and participation associated with the Youth Committee. These include activities directly led by the committee, as well as collaborative efforts where the committee played a coordinating or supporting role.

**Initiatives undertaken in 2025**

**1. Employee Engagement & Workplace Culture**

- Motivational talks were conducted across diverse platforms, including on-site sessions at rigs, virtual discussions via MS Teams and interactive meetings. Led by enthusiastic youth members alongside seasoned experts, these sessions helped create an energetic and inclusive atmosphere. The initiative contributed to boosting employee morale, enhancing engagement and strengthening a positive workplace culture by encouraging open dialogue and the sharing of inspiring stories and experiences
- Informal gatherings were organized as part of ongoing efforts to promote employee wellbeing, foster stronger interpersonal connections and create an open atmosphere for dialogue. These casual meetups provided employees with opportunities to interact beyond formal work settings, helping to build trust, encourage the exchange of ideas and nurture a sense of community within the workplace
- Seasonal gatherings were organized during winter and the holy month of Ramadan, providing opportunities to celebrate cultural values and traditions while strengthening team spirit. These events brought employees together in a warm and inclusive setting, encouraging participation from all backgrounds. Through shared celebrations, the initiative enhanced employee engagement, promoted a culture of inclusivity and deepened the sense of community across the organization



- The Employee Appreciation Initiative introduced youth-led efforts to recognize and celebrate employees through interactive acknowledgment activities and positive engagement moments. These appreciation touchpoints highlighted contributions across different teams, fostering a culture of gratitude and mutual respect. The initiative helped boost morale, increase motivation and reinforce a supportive and encouraging work environment where employees feel valued and connected
- An internal celebration was held to mark Emirati Children's Day, bringing together employees and their families in a joyful and engaging environment. The event provided opportunities for meaningful interaction, cultural appreciation and family-oriented activities, cultivating a deeper sense of connection within the workplace community. It also promoted family inclusion, highlighted ADNOC Drilling's social responsibility and strengthened community engagement among employees and their loved ones
- An internal celebration was held to honor fathers within the organization, featuring appreciation activities and engaging events. This initiative reinforced family values, uplifted employee morale and promoted a culture of recognition and inclusivity across the workplace
- Eid greetings were shared in multiple languages across internal platforms to celebrate the organization's diversity and inclusivity. This initiative promoted cultural awareness, enhanced employee engagement and nurtured a sense of belonging among teams from varied backgrounds
- Visits to operational rigs were organized with higher management as part of the Youth Committee initiative, aimed at assessing employee wellbeing, engaging in direct interactions and offering positive feedback and encouragement. This approach strengthened workplace relationships, boosted morale and fostered a supportive organizational culture

**2. Youth Empowerment & Leadership**

- A dedicated workshop was conducted to strengthen leadership skills among youth members, equipping them with the tools and confidence to show initiative and lead positive changes within the organization. The session encouraged innovative thinking, collaborative problem-solving and active participation in driving strategic initiatives. As a result, it enhanced leadership capabilities and reinforced the valuable role youth play in contributing to the organization's overall goals
- ADNOC Drilling Youth Committee took part in Abu Dhabi Sustainability Week 2025, engaging in key discussions and activities that underscored our focus on sustainability. The participation highlighted the role of youth in driving environmental and social initiatives and elevated our presence on a prominent global platform. This engagement facilitated meaningful interactions with international stakeholders, fostering collaboration and knowledge exchange on innovative approaches to a sustainable future
- A Youth Committee member took part in the AGP trainee graduation ceremony, joining in the celebration of newly trained professionals and showing support for our achievements. The participation highlighted the active role of the youth in talent development initiatives and contributed to strengthening connections with emerging professionals. By engaging in such milestones, the Youth Committee continues to promote a culture of encouragement and collaboration between experienced employees and the next generation of industry talent



- Our Youth Committee members took part in the Upstream 2.0 event, actively engaging in discussions focused on innovation and future energy trends. Their participation highlighted ADNOC Drilling's leadership in advancing upstream transformation and reinforced our strong industry presence. The event also served as a platform to promote youth involvement in strategic initiatives, showcasing our contributions to shaping the future of the energy sector



- The Youth Committee members from ADNOC Drilling's Enersol team participated in Gas & Oil Technology Showcase and Conference (GOTECH) 2025, where they presented cutting-edge technologies and creative solutions aimed at advancing the energy sector. Their involvement provided a platform to highlight ADNOC Drilling's capabilities, foster knowledge exchange and engage with industry peers, ultimately contributing to our growing presence and reputation within technology-driven forums



- ADNOC Drilling and Dragon Oil youth committees held a collaborative session focused on exchanging ideas, insights and experiences. The engagement developed stronger inter-company relationships, facilitated valuable knowledge sharing and inspired innovative thinking by leveraging the creativity and energy of youth representatives from both organizations
- Youth Committee members participated in Turnaround Activities at ADNOC Sour Gas, gaining firsthand exposure to essential operational processes and industry best practices. This experience broadened their technical expertise, reinforced collaboration across ADNOC and encouraged active youth engagement in significant operational initiatives
- The Youth Committee represented ADNOC at the Make it in the Emirates forum, presenting flagship projects and showcasing the "Make it with ADNOC" program to emphasize innovation and in-country value efforts. Their presence reinforced ADNOC's dedication to supporting local manufacturing, encouraged active youth participation in national development and elevated ADNOC Drilling's profile within strategic industry platforms
- In celebration of International Youth Day, a special gathering was organized for ADNOC Drilling staff. The event was honored by the presence of the CEO and the Drilling Management team, highlighting its significance and reinforcing the commitment to empowering and appreciating the contributions of youth within the organization. Activities and campaigns were organized to celebrate Youth Day, showcasing the contributions and potential of young professionals within ADNOC Drilling. The initiative boosted youth engagement, promoted empowerment and reinforced the organization's dedication to developing future leaders



### 3. Health & Wellbeing Initiatives

- A dynamic health and wellbeing program was organized in BAO on 26 February 2025 to promote an active lifestyle and positive energy among participants, reinforcing the importance of overall wellness. By offering opportunities to engage in various activities, the program supported physical wellbeing, teamwork and a balanced approach to work and life, helping create an energetic and supportive environment where employees could connect, stay active and build positive habits
- An initiative centered on mental health and stress management was delivered through interactive sessions and engaging activities designed to promote mindfulness and balance. The program enhanced employee wellbeing, encouraged the adoption of healthy coping strategies, and contributed to cultivating a positive and supportive workplace culture

### 4. Sustainability & Environmental Responsibility

- A sustainability initiative was carried out in which employees participated in planting mangroves to support environmental conservation and protect biodiversity. The activity strengthened ADNOC Drilling's commitment to sustainable environmental practices, raised sustainability awareness and contributed to the UAE's ecological objectives
- An awareness campaign on the proper disposal and recycling of electronic waste was organized, featuring collection drives and educational sessions. The initiative promoted sustainable practices, increased employee engagement and reinforced ADNOC Drilling's reputation for environmental and social responsibility
- The ADNOC Drilling Youth Committee, in partnership with the Asset Integrity Division, deployed Rig Eye Smart Glasses across the rig fleet. This innovative use of augmented and virtual reality enables real-time remote technical support, improving efficiency, speeding troubleshooting, enhancing safety and reducing travel and lodging costs

### 5. Community & Social Responsibility

- As part of ADNOC Drilling's community outreach efforts, Iftar meals were distributed during the holy month of Ramadan, reflecting the spirit of generosity and togetherness. This initiative brought employees and community members closer, fostering goodwill and mutual respect. By engaging in such meaningful acts, we strengthen our community relations while further enhancing our positive corporate reputation
- Social media campaigns and internal awareness sessions were conducted to highlight ADNOC Drilling's achievements, core values and community-focused initiatives. This effort enhanced brand visibility, developed employee pride and positively influenced external perceptions of our social responsibility
- International Women in Engineering Day was celebrated through awareness activities and recognition of the contributions made by female engineers. The initiative promoted gender diversity, encouraged inclusive practices and showcased the vital role of women in driving engineering innovation and excellence

## Human Rights and Labor Practices

SASB: EM-EP-210a.3

### Our Human Rights Approach

At ADNOC Drilling, respect for human rights underpins how we operate and how we engage with employees, contractors, suppliers and other business partners. Our approach is guided by the ADNOC Group Sustainability Policy Statement, which emphasizes promoting human rights, fostering an inclusive environment based on respect, fairness and dignity, and maintaining a zero-tolerance stance on discrimination, harassment and modern slavery, including forced and child labor.

Across our operations and business relationships, the focus is on practical, responsible conduct: dignified treatment, prevention of harassment and intimidation, and a culture in which concerns can be raised in good faith without fear of retaliation. These expectations are reinforced through our Code of Conduct and ADNOC Drilling's ethics standards that apply to employees and those working with or on behalf of the Company.

To enable this, ADNOC Drilling maintains formal channels for raising concerns and seeking guidance. Issues may be raised through management and established internal processes, and Takallam provides a confidential route for reporting concerns in good faith. Retaliation against good-faith reporting is not acceptable, consistent with our Code of Conduct expectations.

### Labor Rights

ADNOC Drilling upholds labor rights and aims to operate in alignment with applicable UAE requirements and ADNOC standards. Consistent with the ADNOC Group Sustainability Policy Statement's position on modern slavery, including forced and child labor, our labor-rights expectations are designed to prevent severe labor harms and reinforce fair and respectful treatment. These expectations are underpinned by our Code of Conduct and supported through the ADNOC Drilling Supplier and Partner Code of Ethics.

Key labor rights expectations include:

- Prohibition of forced labor and practices associated with forced labor
- Prohibition of child labor
- Protection of workers' personal documents (e.g. no retention of passports/IDs)
- Respectful, dignified treatment, including a workplace free from harassment, and a clear stance that retaliation is not acceptable

Workers and relevant stakeholders are expected to raise concerns where labor rights or working conditions may be compromised.

Takallam is available as a confidential channel for raising concerns in good faith.

**Sustainable Supply Chain**

A sustainable supply chain is important to support responsible operations and protect people across business relationships. This includes proactive identification of supply chain risks, diversification of critical suppliers and integration of supply chain planning into operational decision-making. ADNOC Drilling seeks to work with reputable and responsible suppliers and partners and to encourage responsible business practices through clear expectations communicated through procurement and contracting processes, including the ADNOC Drilling Supplier and Partner Code of Ethics.

In this context, we communicate that suppliers and partners are expected to:

- Comply with applicable laws and regulatory requirements relevant to the goods and services they provide and operate in line with responsible conduct expectations
- Respect labor and human-rights related expectations, including prohibitions on forced labor and child labor, and safeguard workers' personal documents
- Maintain a respectful working environment where harassment and retaliation are not acceptable
- Apply these expectations within their own operations and, where relevant and practicable, in the subcontracting arrangements used to deliver ADNOC Drilling-related work

Accessible reporting channels reinforce responsible practices across our business relationships. Suppliers and partners are expected to report concerns in good faith, including suspected breaches or unethical conduct, and Takallam provides a confidential route for submitting such reports.

**Responsible Conduct and Workplace Culture Training**

In 2025, ADNOC Drilling achieved a 100% completion rate for assigned employee training covering core expectations for responsible conduct and workplace behavior. The training reinforced practical principles relevant to day-to-day operations, including our Code of Conduct standards, speak-up and whistleblowing awareness, and non-discrimination.

**Human Rights Grievances**

During 2025, no human-rights-related grievances were reported through our established reporting channels, including Takallam.

**Connecting with Internal and External Communities**

ADNOC Drilling places strong emphasis on advancing the UAE's socio-economic growth through dynamic CSR initiatives. These programs are thoughtfully designed to align with ADNOC's overarching vision and focus on creating meaningful, lasting impact in the communities we serve. By championing initiatives that foster unity, resilience and progress, we aim to deliver enduring benefits that strengthen societal wellbeing. CSR initiatives are governed by the Business Support Division, led by the Vice President, Business Support and reporting to the Senior Vice President, Shared Services.

In 2025, our CSR team organized 15 events, engaging an impressive 2,141 volunteers throughout the year. Each initiative was followed by comprehensive feedback collection and analysis to strive towards continuous improvement and maximize positive contributions. Demonstrating our commitment to community development, ADNOC Drilling invested AED 67,100 into impactful programs that drive social and economic value.

**A Year of Purpose and Impact**

The year 2025 stands as a testament to our passion for creating meaningful change through innovation, dedication and care. By organizing 15 diverse initiatives, spanning internal engagement and community programs, we embraced opportunities to connect, support and inspire progress.

Our approach to CSR reflects a deep-rooted commitment to driving long-lasting impact and nurturing a culture where collaboration and compassion thrive. Guided by purpose, our environmental and social programs in 2025 united 2,141 passionate volunteers, who played a pivotal role in delivering transformative outcomes.

These initiatives went beyond creating impact, they fostered unity, promoted wellness by prioritizing mental and physical health, enhanced the spaces we inhabit and left a positive mark on the communities we are privileged to serve. Together, we are building a legacy of care, resilience and shared progress.

**Nayef Ali Yousef Alali, Vice President, Business Support**



**Social Community Engagement**

**1. Community Wellbeing and Volunteerism**

- In June 2025, ADNOC Drilling conducted a series of Blood Donation Campaigns across our Drilling central camps in collaboration with the Abu Dhabi Blood Bank, reflecting our commitment to community wellbeing and life-saving initiatives. The campaigns were successfully held at BAO camp with 57 donors, Madinat Zayed camp with 30 donors, Asab central camp with 33 donors, Habshan central camp with 35 donors, Buhasa central camp with 29 donors, Tarif central camp with 27 donors and Al Waha central camp with 34 donors. In total, 245 donors participated in this remarkable initiative, showcasing the collective dedication of ADNOC Drilling employees to supporting critical healthcare needs and saving lives



- ADNOC Drilling's Business Support Division, in collaboration with the Khubza Foundation, organized an event held on 16 October 2025 at Head Office as part of the Year of the Community and World Food Day initiatives. The event emphasized food awareness and community engagement through a meaningful and unique bread-selling experience, highlighting the importance of collective participation in promoting social responsibility and sustainability
- The ADNOC Drilling BSD team organized a meaningful and spiritually enriching Friday Prayer and Khutbah (sermon) at the SKEC2 Masjid. This initiative aimed to provide an opportunity for employees and community members to come together in reflection and spiritual connection. By a sense of unity and shared values, the event highlighted the team's commitment to supporting spiritual wellbeing and strengthening community ties within the organization and beyond

- As part of ADNOC Drilling’s commitment to nurturing national identity values among future generations, a comprehensive awareness program called Fualat Al Dhaha was introduced for trainees across all drilling camp sites, offering weekly interactive educational sessions tailored to different age groups and focused on key aspects of the UAE’s national identity. The program engaged 30 trainees at the BAO base camp, enhancing a deeper sense of cultural understanding and pride



**2. Cultural Celebrations and Heritage**

- ADNOC Drilling organized a series of Iftar gatherings in March 2025, celebrating the spirit of togetherness and inclusivity during the holy month of Ramadan. On 11 March, an Iftar gathering was held for ADNOC Drilling staff and their families, providing an opportunity for connection and gratitude. Additionally, on 20 March Iftar gatherings were conducted across all ADNOC Drilling camps in the presence of the CEO and SVPs, underscoring leadership’s commitment to engaging with employees. To promote inclusiveness, special Iftar gatherings were also organized for night-shift employees, recognizing their dedication and commitment outside regular working hours. These events served as a platform to strengthen bonds, appreciate the contributions of the workforce and celebrate the essence of Ramadan
- ADNOC Drilling celebrated Eid Al Adha 2025 with a series of meaningful and festive events, reflecting a strong commitment to cultural traditions and employee recognition. On 9 June 2025, BSD organized a special Eid Al Adha celebration at Head Office, bringing staff together to strengthen team bonds and recognize the dedication and contributions of all employees. The event featured engaging cultural activities and the distribution of traditional foods, creating a warm and inclusive environment. Additionally, a festive food distribution initiative was held at the Musaffah Warehouse, ensuring staff across different locations were included in the celebrations. These efforts highlighted ADNOC Drilling’s dedication to fostering a positive workplace culture while honoring the spirit of Eid Al Adha and appreciating the unwavering contributions of our workforce
- As part of our commitment to honoring national heritage, a patriotic celebration was organized to instill and showcase pride in the UAE’s rich legacy. The initiative featured a dignified ceremonial hoisting of the UAE flag, accompanied by breakfast gatherings that cultivated a sense of community and togetherness among participants. To commemorate the occasion and symbolize unity, special commemorative scarves were distributed to all attendees



- On the 54<sup>th</sup> UAE National Day, ADNOC Drilling proudly joined the celebrations at ADNOC’s Headquarters in the Abu Dhabi Energy Center. The event brought together all ADNOC companies under one roof to honor the nation’s remarkable journey and achievements. The celebration featured cultural activities, traditional displays and a spirit of unity that reflects ADNOC’s commitment to national pride and heritage. In addition to the National Day festivities, ADNOC Drilling marked UAE Flag Day with a special gathering at Head Office. A traditional Emirati breakfast was arranged for all staff across each floor, creating an atmosphere of togetherness and cultural appreciation. The breakfast featured authentic Emirati dishes, reinforcing our dedication to preserving and celebrating the UAE’s rich traditions. Additionally, we celebrated UAE National Day at Bida Al Oshanah base camps with cultural activities, vibrant décor and traditional treats, honoring the spirit of unity with a large gathering of attendees



- As part of our ongoing efforts to celebrate and promote cultural heritage, the Best Emirati Outfit Competition for Kids was held on 4 June 2025. This meaningful initiative brought together staff from diverse locations and divisions, showcasing their enthusiastic participation and dedication to nurturing unity and appreciation of Emirati traditions
- An engaging cultural and educational activity highlighting the traditions of Arabic coffee preparation and serving was featured at ADNOC Drilling’s Head Office during the Ramadan and winter celebrations. The interactive session offered attendees an opportunity to explore heritage practices and ask questions about cultural customs. The event attracted significant participation, with attendance including approximately 40 families, 26 children and an overall turnout of 200–300 visitors, comprising both staff and management



- In July 2025, a visit to the Heritage Village in Ras Al Khaimah offered participants an engaging opportunity to gain insights into the UAE’s archaeological sites and cultural legacy. The activation featured interactive games and a Q&A session, fostering exploration of heritage and traditions in an educational setting. The session brought together 20 students alongside 2 representatives from ADNOC, creating a dynamic environment for cultural learning and exchange

**3. Wellness Initiatives**

- ADNOC proudly served as the title partner of the ADNOC Abu Dhabi Marathon, held in collaboration with the Abu Dhabi Sports Council. ADNOC Drilling's participation reflects our strong engagement in community sporting events and highlights our ongoing commitment to fostering a culture of wellness across our workforce

**Environmental Community Engagement**

**1. Environmental Preservation and Sustainability**

- ADNOC Drilling organized an Environmental Awareness Event in Musaffah to promote sustainability and encourage eco-friendly practices among staff. The event featured a range of impactful activities, including tree planting and engaging sustainability workshops, aimed at raising awareness about environmental responsibility. This initiative not only highlighted ADNOC Drilling's commitment to environmental preservation but also empowered employees to contribute to a greener and more sustainable future
- As part of ADNOC Drilling's commitment to sustainability and environmental protection, Earth Day was celebrated across our operational sites, including Musaffah base and BAO camp. The initiative aimed to raise awareness about protecting natural environments and encourage employees to take active steps toward preserving our planet
- A Ghaf tree-planting ceremony was organized at Musaffah base, symbolizing national identity and environmental responsibility. Additionally, Earth Day was celebrated on 22 April 2025 at BAO, focusing on environmental awareness and supporting ADNOC's 2030 strategy under the Energy for Life sustainability pillar. The event featured interactive discussions on protecting the environment and fostering a cleaner, greener future, ensuring employees remain informed, engaged and aligned with ADNOC's vision for a sustainable energy sector
- The Palm Seedling Distribution initiative, held on 11 December 2025 in Al Dhafra, brought together BSD staff to distribute 300 palm seedlings, fostering the expansion of green spaces. This activity aligns with ADNOC's Culture & Community CSR pillar, reinforcing our engagement with local communities, enhancing environmental wellbeing and contributing to greener, healthier surroundings



**2. Community and Landscape Clean-Up**

- On 27 February 2025, ADNOC Drilling launched the Desert Cleanup Campaign to combat the rising challenge of litter and pollution across desert landscapes. Bringing together 130 volunteers, the initiative focused on removing waste and restoring the natural beauty and ecological balance of these fragile environments. Beyond its environmental impact, the campaign served as a powerful platform to strengthen the ADNOC brand and reinforce our commitment to giving back to the community, highlighting the organization's role as a responsible and engaged corporate citizen



**3. Cultural Heritage and Community Support**

- We celebrated the Liwa Date Festival by collaborating with local date producers to showcase and promote the rich cultural heritage of the UAE. As part of the initiative, a selection of locally produced dates was served at both Head Office and Musaffah, offering staff the opportunity to experience and appreciate this iconic symbol of Emirati tradition. This initiative highlighted ADNOC Drilling's support for local producers while celebrating the nation's cultural legacy



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# CREATING VALUE THROUGH RESPONSIBLE ECONOMIC GROWTH

## UN SDGs



## Material Topics

- Economic Performance

**ADNOC Drilling continues to create a sustained economic impact by supporting national energy security, generating skilled employment and enabling local value creation through our operations and supply chain. Our activities contribute directly to economic diversification, industrial development and long-term growth in the UAE.**

## Sourcing and Supplier Management

Ethics, sustainability and responsible business conduct sit at the core of ADNOC Drilling’s supply chain operations. These values guide not only how we manage our internal processes but also how we engage and collaborate with our suppliers and business partners. Every partnership begins with a shared commitment to integrity, environmental responsibility and legal compliance. Supply chain resilience, supplier capability development and multi-tier risk visibility are core elements of our operational reliability model. All suppliers are contractually bound by the ADNOC Group Supplier and Partner Code of Ethics, ensuring that our relationships drive meaningful progress while safeguarding the environment and promoting responsible practices. In 2025, our Purchasing and Contracts procedures underwent a comprehensive update to align with evolving organizational needs and industry best practices. These enhancements streamlined processes, improved efficiency and reinforced compliance with the latest standards, underscoring ADNOC Drilling’s commitment to operational excellence. Under the updated organizational structure, experienced Line Managers now lead these functions, ensuring greater accountability, optimized decision-making and enhanced collaboration across teams.

We redefined procurement practices by embedding innovation, accountability and collaboration at every stage. Leveraging advanced technologies, we implemented strict risk assessments to aim towards third-party integrity and reliability. Our supplier selection framework incorporated environmental and social benchmarks, raising the bar for responsible sourcing. Through structured performance management, supplier risk assessment and joint planning, we strengthen continuity of supply, reduce execution risk and improve total cost of ownership. In 2025, we completed evaluations for 256 contractors and oversaw all purchase orders, setting a new standard for excellence in procurement operations. To strengthen supplier engagement, initiatives such as Supplier Majlis and Supplier Open Day were held at the ADNOC level, offering guidance on registration, pre-qualification and addressing challenges. These platforms foster transparency and collaboration, equipping suppliers with tools to build strong, efficient partnerships.

## In-Country Value (ICV)

ADNOC Drilling remains committed to advancing the UAE’s socio-economic development through the In-Country Value (ICV) Program, a cornerstone of ADNOC’s strategy to strengthen local supply chains and empower Emirati talent. Established in 2018 and elevated to a national level under the UAE Ministry of Industry and Advanced Technology (MoIAT) in 2021, the program drives economic diversification and embeds strategic capabilities within the country.

As part of this program:

- All suppliers are required to submit ICV documentation with their commercial bids
- ICV certification and Improvement Plans are key factors in tender evaluations

### Our Performance in 2025

- In 2025, ADNOC Drilling achieved the highest-ever ICV certification score of 90.78% compared to past performances, surpassing the previous record of 90.74% achieved in 2024 and marking a 21.63% improvement in ICV score compared to the 74.64% score recorded during the original issue date in 2018. This milestone reflects our deep commitment to national value creation and the effectiveness of our strategic initiatives. Increased third-party spending contributed 34.78% of the total ICV score, reinforcing procurement’s role as a major driver of value creation

Notably:

- 85.05% of procurement activities were conducted with companies based in Abu Dhabi
- 53.73% of procurement spending supported local suppliers, demonstrating our commitment to strengthening local industry in the UAE, supported by effective supply chain risk management, long-term supplier partnerships, and the localization of critical equipment and services

ADNOC Drilling also works closely with high spend suppliers to enhance their ICV performance through targeted improvement programs. These efforts not only help suppliers secure better tendering opportunities but also contribute to the UAE’s wider vision of building advanced, competitive and self-sustaining industrial capabilities.

- Amount spent on local procurement: \$552.34 million

➤ For more details on our economic performance, please refer to the Annual Report section.

ADX ESG Metrics

Data	Metric	2025 Response
<b>ENVIRONMENT</b>		
<b>E1. Environmental Operations</b>	E1.1) Does your company follow a formal Environmental Policy? Yes/No	Yes, refer to page 120
	E1.2) Does your company follow specific waste, water, energy and/or recycling policies? Yes/No	Yes, refer to pages 120-133
	E1.3) Does your company use a recognized energy management system? Yes/No	Yes, refer to pages 130, 131
<b>E2. Water Usage</b>	E2.1) Total amount of water consumed	Total Water Consumption: 1,428 million liters Total Water Withdrawal: 22,931 million liters Total Water Discharged: 21,503 million liters
	E2.2) Total amount of water reclaimed	Total Water Reclaimed: 71.20 million liters
<b>E3. Waste Generation</b>	E3.1) Total waste generated, per waste type	Total Hazardous Waste Generated: 1,320.90 tonnes Total Non-Hazardous Waste Generated: 19,508.48 tonnes
	E3.2) Percentage of waste recycled, per waste type	Hazardous Waste Diverted from Landfill (Waste Diverted from Disposal and Waste Directed to Treatment Facilities): 100% Non-Hazardous Waste Diverted from Landfill (Recycled, Sold to Third Party, Recovered/Reused): 7.90%
<b>E4. Energy Usage</b>	E4.1) Total amount of energy directly consumed	11,266,230 GJ <sup>15</sup>
	E4.2) Total amount of energy indirectly consumed	12,086.70 MWh <sup>16</sup>
<b>E5. Energy Intensity</b>	E5.1) Total direct energy usage per output scaling factor	2,298 GJ/\$m
<b>E6. Energy Mix</b>	E6.1) Percentage: Energy usage by generation type	Total electricity consumption (MWh): 12,086.70 Total fuel consumption (Million US Gallons): 81.24 Total solar production for AD-122 (GJ): 22,515.59
<b>E7. GHG Emissions</b>	E7.1) Total amount, in CO <sub>2</sub> equivalents, for Scope 1	841,484.85 tCO <sub>2</sub> e <sup>17</sup>
	E7.2) Total amount, in CO <sub>2</sub> equivalents, for Scope 2 (if applicable)	2,682.75 tCO <sub>2</sub> e
	E7.3) Total amount, in CO <sub>2</sub> equivalents, for Scope 3 (if applicable)	ADNOC Drilling is exploring plans to incorporate Scope 3 emissions in the near future

<sup>15</sup> Gigajoules  
<sup>16</sup> Megawatt-hour  
<sup>17</sup> Tonnes of CO<sub>2</sub> equivalent

Data	Metric	2025 Response
<b>E8. Emissions Intensity</b>	E8.1) Total GHG emissions per output scaling factor	172.17 tCO <sub>2</sub> e/\$m <sup>18</sup>
	E8.2) Total non-GHG emissions per output scaling factor	0.0038 kt/\$m <sup>19</sup>
<b>E9. Climate Strategy</b>	E9.1) Describe the climate-related risks and opportunities that could reasonably be expected to affect your organization's prospects. Also explain, for each climate-related risk your organization has identified, whether your organization considers the risk to be a climate-related physical risk or transition risk	Refer to pages 128-130
	E9.2) Describe the current and anticipated impacts of climate-related risks and opportunities on your organization's business model and value chain	
	E9.3) How has your organization responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including the plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation?	
	E9.4) What are the current effects (during the reporting period) of climate-related risks and opportunities on your organization's financial position, financial performance and cash flows for the reporting period (current financial effects)?	
<b>E10. Climate Related Risks and Opportunities</b>	E10.1) Describe the processes and policies your organization uses to identify, assess, prioritize and monitor climate-related risks and the inputs and parameters used in these processes	Refer to pages 129, 130
	E10.2) Whether and how does your organization use climate-related scenario analysis to inform the identification of climate-related risks?	

<sup>18</sup> Tonnes of carbon dioxide equivalent per million dollars  
<sup>19</sup> Kilotonnes per million dollars

Data	Metric	2025 Response
<b>E11. Climate Governance</b>	E11.1) Which governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) is responsible for oversight of climate-related risks and opportunities?	Refer to pages 128-130
	E11.2) How does the body or individual consider climate-related risks and opportunities when overseeing your organization's strategy?	
	E11.3) Are performance metrics related to climate targets included in remuneration policies? If so, how?	Yes, the ADNOC Group Remuneration Policy defines salaries according to grades, while bonuses are determined based on operational performance. However, to accelerate sustainability progress, ADNOC Drilling has a structured approach that links a portion of executive compensation to measurable sustainability performance. Refer to pages 112, 113
	E11.4) Has your organization delegated the role of overseeing climate-related risks and opportunities to a specific management-level position or committee and how is oversight over this role or committee exercised?	Refer to the response E11.1
<b>E12. Climate Targets</b>	E12.1) Disclose any quantitative and qualitative climate-related targets to monitor progress towards strategic goals, including any GHG emissions targets. Specify the metric used to set the target	Refer to the response E11.3
<b>SOCIAL</b>		
<b>S1. CEO Pay Ratio</b>	S1.1) Ratio: CEO total compensation to median Full Time Equivalent (FTE) total compensation	Confidential information
	S1.2) Does your company report this metric in regulatory filings? Yes/No	No
<b>S2. Gender Pay Ratio</b>	S2.1) Ratio: Median male compensation to median female compensation	1:1
<b>S3. Employee Turnover</b>	S3.1) Percentage: Year-over-year change for full-time employees	1.90%
	S3.2) Percentage: Year-over-year change for part-time employees	Not applicable
	S3.3) Percentage: Year-over-year change for contractors/consultants	1.88%

Data	Metric	2025 Response
<b>S4. Gender Diversity</b>	S4.1) Percentage: Total enterprise headcount held by men and women	Male: 98.53% (10,738) Female: 1.47% (160)
	S4.2) Percentage: Entry- and mid-level positions held by men and women	Male: 98.47% (10,731) Female: 1.44% (157)
	S4.3) Percentage: Senior- and executive-level positions held by men and women	Male: 70% Female: 30%
<b>S5. Temporary Worker Ratio</b>	S5.1) Percentage: Total enterprise headcount held by part-time employees	Not applicable
	S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants	37.73%
<b>S6. Nationalization</b>	S6.1) Percentage of national employees, per employment category	28.90%
<b>S7. Non-Discrimination</b>	S7.1) Does your company follow non-discrimination policy? Yes/No	Yes, refer to pages 147, 155, 156
<b>S8. Health, Safety and Wellbeing</b>	S8.1) Does your company follow an occupational health and/or health & safety policy? Yes/No	Yes, refer to page 136
<b>S9. Injury Rate</b>	S9.1) Percentage: Frequency of injury events relative to total workforce time	Employees: a) Total Recordable Incident Rate (TRIR) – (YTD Frequency): 0.29 b) Lost Time Incident Frequency (LTIF) – (YTD Frequency): 0.17 Contractors: a) Total Recordable Incident Rate (TRIR) – (YTD Frequency): 0.78 b) Lost Time Incident Frequency (LTIF) – (YTD Frequency): 0.52
<b>S10. Child &amp; Forced Labor</b>	S10.1) Does your company follow a child and/or forced labor policy? Yes/No	ADNOC Drilling is aligned with the UAE Labor laws and Federal Decree-Law No. (33) of 2021 Federal 2021. This is also covered in our Code of Conduct
	S10.2) If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No	ADNOC Group's Supplier and Partner Code of Ethics establishes a clear expectation of compliance with rigorous standards for ethical behavior and adherence to relevant laws and regulations

Data	Metric	2025 Response
<b>S11. Human Rights</b>	S11.1) Does your company follow a human rights policy? Yes/No	We are committed to respecting human rights and upholding the highest ethical standards across all our activities in alignment with the ADNOC Group Code of Conduct and Federal Decree-Law No. (33) of 2021. Refer to pages 155, 156
	S11.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No	The ADNOC Group Supplier and Partner Code of Ethics establishes a clear expectation of compliance with rigorous standards for ethical behavior and adherence to relevant laws and regulations. All suppliers are contractually bound by the ADNOC Group Supplier and Partner Code of Ethics
<b>S12. Community Investment</b>	S12.1) Amount invested in the community, as a percentage of company revenues	AED 67,100
<b>GOVERNANCE</b>		
<b>G1. Board Independence</b>	G1.1) Does your company prohibit CEO from serving as Board chair? Yes/No	Yes. The CEO is not a Board member
	G1.2) Percentage: Total Board seats occupied by independent Board members	100%
<b>G.2 Board Diversity</b>	G2.1) Percentage: Total Board seats occupied by men and women	<ul style="list-style-type: none"> <li>• Male: 6 (86%)</li> <li>• Female: 1 (14%)</li> </ul>
	G2.2) Percentage: Committee chairs occupied by men and women	<p>Audit Committee</p> <ul style="list-style-type: none"> <li>• Male: 3 (60%)</li> <li>• Female: 2 (40%)</li> </ul> <p>Nomination and Remuneration Committee</p> <ul style="list-style-type: none"> <li>• Male: 2 (50%)</li> <li>• Female: 2 (50%)</li> </ul> <p>Board Executive Committee</p> <ul style="list-style-type: none"> <li>• Male: 6 (100%)</li> <li>• Female: 0 (0%)</li> </ul>

Data	Metric	2025 Response
<b>G3. Supplier Code of Conduct</b>	G3.1) Are your vendors or suppliers required to follow a Code of Conduct? Yes/No	Yes, the Company follows the ADNOC Group Supplier Code of Business Ethics, which outlines the minimum standards of compliance and ethical practices that are expected from each of the partners and suppliers. All the suppliers and partners are expected to comply with all applicable laws and regulations, behave ethically and align themselves with the principles set out in the Code. Refer to pages 155, 163
	G3.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?	100%
<b>G4. Ethics &amp; Prevention of Corruption</b>	G4.1) Does your company follow an Ethics and/or Prevention of Corruption policy? Yes/No	Yes, the organization follows an "Anti-Bribery and Anti-Corruption Standard", setting out a zero-tolerance approach to fraud, bribery and any other forms of corruption. Refer to page 67
	G4.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?	100%
<b>G5. Data Privacy</b>	G5.1) Does your company follow a Data Privacy policy? Yes/No	Yes. Our practices incorporate the ADNOC Group Data Management Policy and comply with applicable laws, including the UAE Personal Data Protection Law (PDPL) and the EU General Data Protection Regulation (GDPR). Refer to page 94
	G5.2) Has your company taken steps to comply with GDPR rules? Yes/No	Refer to page 94
<b>G6. Sustainability Strategy</b>	G6.1) Describe the sustainability-related risks and opportunities that could reasonably be expected to affect your organization's prospects	Refer to pages 109-111, 128-130
	G6.2) Describe the current and anticipated impacts of sustainability-related risks and opportunities on your organization's business model and value chain	
	G6.3) Describe how your organization responded to, and plans to respond to, sustainability-related risks and opportunities in its strategy and decision-making	
	G6.4) Describe the current and anticipated effects (during the reporting period) of sustainability-related risks and opportunities on your organization's business model, financial position, performance and cash flows. How are these risks considered in financial planning (current financial effects)?	

Data	Metric	2025 Response
<b>G7. Sustainability Risks Management</b>	G7.1) Describe the processes and policies your organization uses to identify, assess, prioritize and monitor sustainability-related risks and the inputs and parameters used in these processes	Refer to pages 128-130
	G7.2) How are the processes for identifying, assessing, prioritizing and monitoring sustainability-related risks and opportunities integrated into and informing your organization's overall enterprise risk management process?	
<b>G8. Sustainability Governance</b>	G8.1) Which governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) is responsible for oversight of sustainability-related risks and opportunities?	Sustainability governance is led by the Sustainability Steering Committee, chaired by our CFO and supported by senior executives across the organization. Refer to page 112
	G8.2) How does the body or individual consider sustainability-related risks and opportunities when overseeing your organization's strategy?	
	G8.3) Are performance metrics related to these targets included in remuneration policies? If so, how?	Refer to the response E11.3
	G8.4) Has your organization delegated the role of overseeing sustainability-related risks and opportunities to a specific management-level position or committee and how is oversight over this role or committee exercised?	Yes, Sustainability Steering Committee
<b>G9. Sustainability Targets</b>	G9.1) What metrics does your organization use to measure and monitor each sustainability-related risk or opportunity identified above?	Refer to pages 105, 109-111, 120, 131, 145, 150
<b>G10. Disclosure Practices</b>	G10.1) Does your company publish a sustainability report? Yes/No	Yes, ADNOC Drilling publishes our Sustainability performance every year. The Integrated Report for the year 2025, including a dedicated section for sustainability disclosures, is published on the Company's website
	G10.2) Does your company publish a GRI, IFRS, CDP, SASB, IIRC, or UNGC based report?	Yes, refer to page 106

Data	Metric	2025 Response
<b>G11. External Assurance</b>	G11.1) Are your sustainability disclosures assured or verified by a third-party audit firm? Yes/No	Yes, to confirm the accuracy, consistency and completeness of our disclosures, we undertook external limited assurance for key performance indicators, including Energy Intensity, Scope 1 and Scope 2 GHG Emissions, Lost Time Incident Frequency (LTIF), Total Recordable Incident Rate (TRIR), Fatality Rate, Completion Rate of Code of Conduct training and awareness. The assurance engagement is conducted in accordance with internationally recognized non-financial assurance standards, namely International Standard on Assurance Engagements (ISAE) 3000 (Revised) and, where applicable, ISAE 3410 for GHG emissions-related disclosures
	<b>I1. Sustainability Reporting</b>	I1.1) Does your company publish a sustainability report? Yes/No
<b>I2. ESG Rating</b>	I2.1) Has your company received an ESG rating (solicited or unsolicited)? Yes/No	Yes. ADNOC Drilling received ESG ratings from MSCI, Sustainalytics, Bloomberg, ISS ESG, FTSE Russel and S&P
	I2.2) If yes, provide the latest overall ESG score	Confidential information
<b>I3. Stakeholder Engagement</b>	I3.1) Does your company engage with stakeholders on ESG/sustainability topics? Yes/No	We engage regularly with a diverse range of stakeholders, both internal and external, including investors, analysts, rating agencies, customers, suppliers, employees and ADNOC. These interactions help us understand expectations and guide our approach for managing the environmental, social and governance priorities. Refer to pages 113-117
	I3.2) If yes, report on frequency and effectiveness of engagement	We maintain continuous engagement with our stakeholders throughout the year through a structured, inclusive and accountable process. Utilizing multiple channels, we actively listen to feedback, address concerns and collaborate on practical solutions. Refer to pages 113-117

**ADNOC Drilling Sustainability Reporting Appendix**

**Appendix A: 2025 Performance Data Tables**

**Business Sustainability**

Indicators	Unit	2022	2023	2024	2025
<b>Board Diversity</b>					
Percentage of Independent Board Members (outside)	%	100	100	100	<b>100</b>
Percentage of Board seats occupied by Female	%	14	14	14	<b>14</b>
Percentage of Board seats occupied by Male	%	86	86	86	<b>86</b>
<b>Compliance</b>					
Percentage of Employees Certifying Compliance with Ethics and Anti-Corruption Policies	%	100	100	100	<b>100</b>
Number of Operations/Business Suspensions due to Misconduct	#	0	0	0	<b>0</b>
Number of Cases Detected due to Bribery or other Legal Incidents	#	0	0	0	<b>0</b>
Percentage of Suppliers and Partners that the Company's Supplier and Partner Code of Ethics has been communicated to	%	100	100	100	<b>100</b>

+ For more information on business sustainability performance, please refer to the Governance section

**Economic and Social Contribution**

Indicators	Unit	2022	2023	2024	2025
Percentage of Total Procurement Value Spent in the UAE*	%	60	70.88	53.7	<b>53.73</b>
Economic Value Generated	\$ Million	2,673	3,057	4,034	<b>4,903</b>
Economic Value Distributed	\$ Million	2,136	2,333	3,025	<b>4,085</b>
Economic Value Retained	\$ Million	537	724	1,009	<b>818</b>

For more information on our economic performance, please refer to the Annual Report section

\* Local procurement priorities focus on critical materials, long-lead equipment and services essential to drilling continuity and asset uptime

**Health and Safety**

Indicators	Unit	2022	2023	2024	2025
<b>Compliance</b>					
HSE Campaigns	#	10	11	7	<b>7</b>
ISO 45001 Audit	#	7	18	19	<b>11</b>
OH Inspection	#	11	26	25	<b>24</b>
Occupational Illness/Diseases	#	0	0	0	<b>0</b>
Road Safety and Transport Audits	#	12	12	12	<b>12</b>
Compliance with Annual HSE Drill Plan	%	98	100	100	<b>100</b>
Number of HSE Legal and Regulatory Violations	#	0	0	0	<b>0</b>

Indicators	Unit	2022	2023	2024	2025
<b>Corporate Performance (SASB: EM-EP-320a.1)</b>					
Corporate Total Recordable Incident Rate (TRIR)	YTD Frequency <sup>20</sup>	0.60	0.44	0.46	<b>0.52</b>
Corporate Lost Time Incident Frequency (LTIF)	YTD Frequency	0.37	0.09	0.22	<b>0.34</b>
Catastrophic Event	#	0	0	0	<b>0</b>
Process Fire <sup>21</sup> /Smoke	#	2	10	5	<b>0</b>
External DROPS Survey on Rigs	#	44	44	70	<b>52</b>
Total Manhours Worked	Million Manhours			58.1	<b>65.47</b>
Fatal Accident Rate (FAR)	Nos. per 100 Million Manhours Worked			3.44	<b>1.50</b>
Process Safety Event	#			0	<b>4 (Tier-3)</b>
First Aid Cases	#			19	<b>14</b>
Near Misses	NM			846	<b>2,359</b>
High Profile HSE Management Site Visits	#			82	<b>90</b>
Medical Treatment Cases	#			2	<b>6</b>
<b>Employees (Direct Hire)</b>					
Corporate Total Recordable Incident Rate (TRIR)	YTD Frequency	0.38	0.26	0.29	<b>0.29</b>
Corporate Lost Time Incident Frequency (LTIF)	YTD Frequency	0.25	0.10	0.19	<b>0.17</b>
Fatality	#	2	0	1	<b>0</b>
Periodic Medical Examination Completed	%	73.60	104	100	<b>98%</b>
<b>Contractors</b>					
Corporate Total Recordable Incident Rate (TRIR)	YTD Frequency	0.85	0.70	0.67	<b>0.78</b>
Corporate Lost Time Incident Frequency (LTIF)	YTD Frequency	0.50	0.09	0.34	<b>0.52</b>
Fatality	#	2	0	1	<b>1</b>
Contractors Performance Improvement	%	100	100	100	<b>100</b>
Periodic Medical Examination Completed	%	70	100	100%	<b>98%</b>

<sup>20</sup> Year-to-date frequency

<sup>21</sup> Nomenclature updated, effective from the 2025 reporting year

## ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

### Climate, Emissions and Energy

Indicators	Unit	2022	2023	2024	2025
<b>Energy Management</b>					
Total Energy Consumed	GJ	6,763,468	7,649,226	10,347,036	<b>11,266,230</b>
Total Electricity Consumed	MWh	7,359	6,785	9,534.62	<b>12,086.70</b>
Total Fuel Consumption	Million US Gallons	50	53	67	<b>81.24</b>
Energy Intensity	GJ/\$m (revenue)	2,530	2,502	2,565	<b>2,298</b>
Fuel Used by On-road Equipment and Vehicles	%	7.28%	11.2%		2%
Percentage of Energy from Renewable + Lower Carbon Sources in Total Energy Consumption <sup>22</sup>	%	0.3%	0.3%		<b>0.67%</b>
<b>GHG Emissions</b>					
Gross Direct (Scope 1) Emissions (SASB: EM-EP-110a.2)	tCO <sub>2e</sub>	534,361	562,567	748,879.28	<b>841,484.85</b>
Gross Location-based Energy Indirect (Scope 2) Emissions	tCO <sub>2e</sub>	403	427	4,349.00**	<b>2,682.75</b>
Total GHG Emissions	tCO <sub>2e</sub>	534,764	562,994	753,228.28	<b>844,167.60</b>
GHG Emissions Intensity	tCO <sub>2e</sub> /\$m	200.06	184.17	186.71	<b>172.17</b>
<b>Non-GHG Emissions (SASB: EM-EP-120a.1)</b>					
NOx	Kt			15.87	<b>18.10</b>
SOx	Kt			0.136	<b>0.155</b>
NMVOCS	Kt			0.43	<b>0.50</b>
Methane Emissions	Kt			0.032	<b>0.036</b>
Non-GHG Emissions Intensity	tCO <sub>2e</sub> /\$m			0.0051	<b>0.0038</b>

\* No flaring as we are in the service domain  
 \*\* Includes clean and grey power consumption

### Environment

Indicators	Unit	2022	2023	2024	2025
<b>Water Management (SASB: EM-EP-140a.2)</b>					
Total Water Consumption from All Areas	Million Liters	837	814	1,531	<b>1,428</b>
Total Withdrawal from Groundwater Sources	Million Liters	477	424	534	<b>410</b>
Total Withdrawal from Sea Water Sources	Million Liters	22,841	18,484	20,697	<b>21,679</b>
Total Withdrawal from Third-party Water Sources (Fresh Water)	Million Liters	811	604	743	<b>842</b>
Total Withdrawal	Million Liters	24,129	19,512	21,974	<b>22,931</b>
Total Water Discharged	Million Liters	23,291	18,698	20,443	<b>21,503</b>

<sup>22</sup> Restated from 2024

Overview	Strategic Review	Business Review	Environmental, Social & Governance (ESG)	Consolidated Financial Statements		
<b>Indicators</b>		<b>Unit</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Waste Management</b>						
Hazardous Waste Generated		Tonnes	2,497	1,315	1,317	<b>1,320.90</b>
Non-hazardous Waste Generated		Tonnes	2,739	2,142	3,862	<b>19,508.48</b>
Total Non-hazardous Waste Directed to Landfill		Tonnes				<b>17,966.08</b>
Hazardous Waste Diverted from Landfill (Waste Diverted from Disposal and Waste Directed to Treatment Facilities)		Tonnes				<b>1,320.90</b>
Non-Hazardous Waste Diverted from Landfill (Recycled, Sold to third Party, Recovered/Reused)		Tonnes				<b>1,541.40</b>
Total Waste Diverted from Landfill		Tonnes				<b>2,862.30</b>
<b>Workforce Diversity and Development</b>						
<b>Indicators</b>		<b>Unit</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Total Employees</b>						
Total Employees (excluding trainees, students and outsourced staff)		#	9,044	10,207	11,062	<b>10,898</b>
<b>Total Employees by Gender</b>						
Male Employees		#			10,901	<b>10,738</b>
Female Employees		#			161	<b>160</b>
<b>Total Employees by Employment Type</b>						
Full-time Employees		#	9,044	10,207	11,062	<b>10,898</b>
Part-time Employees		#	0	0	0	<b>0</b>
Employees on a Finite Term or Permanent Contract		#	9,044	10,207	11,062	<b>10,898</b>
Employees on a Fixed Term or Temporary Contract		#	0	0	0	<b>0</b>
Outsourced Staff		#	2,446	3,312	4,137	<b>4,112</b>
<b>Total Employees in Senior Management by Gender</b>						
Male Employees – Senior Management		#			6	<b>7</b>
Female Employees – Senior Management		#			1	<b>3</b>
<b>Employees by Management Levels</b>						
Senior Management Employees		#	8	9	7	<b>10</b>
Middle Management Employees		#	359	420	440	<b>439</b>
Non-Management Employees		#	8,677	9,788	10,615	<b>10,449</b>
<b>Employees by Age</b>						
Employees Age 18-30		#	2,392	2,680	2,708	<b>2,341</b>
Employees Age 31-50		#	6,034	6,843	7,581	<b>7,766</b>
Employees Age +51		#	618	684	773	<b>791</b>

## ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

Indicators	Unit	2022	2023	2024	2025
<b>Trainees and Sponsored Students</b>					
Trainees and Sponsored Students	#	60	104	172	<b>195</b>
<b>New Hires</b>					
Total New Employee Hires	#	1,385	1,776	1,394	<b>397</b>
<b>New Hires by Gender</b>					
Male Employees New Hires	#			1,381	<b>391</b>
Female Employees New Hires	#			13	<b>6</b>
<b>New Hires by Age</b>					
Total New Employee Hires (Age 18-30)	#	831	2,680	697	<b>170</b>
Total New Employee Hires (Age 31-50)	#	537	6,843	687	<b>223</b>
Total New Employee Hires (Age +51)	#	17	684	10	<b>4</b>
<b>Turnover</b>					
Total Employee Turnover (Voluntary)	#	190	274	307	<b>267</b>
<b>Turnover by Gender</b>					
Male Employees Turnover	#			303	<b>264</b>
Female Employees Turnover	#			4	<b>3</b>
<b>Absentee Rate</b>					
Employee Absentee Rate	%	2.50	2.40	2	<b>1.70</b>
<b>Parental Leave</b>					
Number of Female Employees that took Parental Leave	#	18	16	6	<b>8</b>
Number of Male Employees that took Parental Leave	#			162	<b>216</b>
Female Employees who Returned to Work after Maternity Leave	%	100	100	100	<b>100</b>
Number of Female Employees Returned from Parental Leave who were still Employed Twelve Months after Return to Work (Retention)	#	18	16	6	<b>8</b>
Return to Work Rate	%	100	100	100	<b>100</b>
Retention Rate	%	100	98	100	<b>100</b>
<b>Emiratization</b>					
Total Number of National Employees	#	1,636	1,607	1,606	<b>1,607</b>
Number of Employed Emirati Women	#	154	155	136	<b>137</b>
Proportion of Emiratis in Senior Management	%	56	56	57	<b>70</b>
Number of Emirates New Hires	#			171	<b>146</b>
Proportion of Senior Management Hired from the Local Community	#			4:3	<b>7:3</b>

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Business Review

**Environmental, Social & Governance (ESG)**

Consolidated Financial Statements

Indicators	Unit	2022	2023	2024	2025
<b>Workforce Diversity</b>					
Number of Nationalities	#	79	84	81	<b>83</b>
Number of People of Determination Employees	#	5	5	2	<b>2</b>
<b>Gender Pay Ratio</b>					
Gender Pay Ratio (Female to Male)	Ratio	1:20	1:1	1:1	<b>1:1</b>
<b>Training and Development</b>					
Average Hours of Training per Employee	Hours			40	<b>40</b>
<b>Average Training Hours: Gender-wise</b>					
Average Hours of Training that the Organization has given to Males	Hours			39.92	<b>40</b>
Average Hours of Training that the Organization has given to Females	Hours			35.30	<b>40</b>
<b>Average Training Hours: Management Level-wise</b>					
Average Hours of Training that the Organization has given to Senior-Management	Hours			29.85	<b>27</b>
Average Hours of Training that the Organization has given to Middle-Management	Hours			53.6	<b>40</b>
<b>Average Training Hours on Safety</b>					
Average Hours of Training on Safety for Site Employees				39.94	<b>64</b>

**Appendix B: Reporting Frameworks**

GRI Standard	Page #/Comments	GRI Disclosures	ISSB Disclosures	IADC Disclosures
GRI 2: General Disclosures 2021	04-09	2-1 Organizational details		
	106	2-2 Entities included in the organization's sustainability reporting		
	106	2-3 Reporting period, frequency and contact point		
	109, 142, 174	2-4 Restatements of information		
	188-191	2-5 External assurance		
	04	2-6 Activities, value chain and other business relationships		
	175	2-7 Employees		
	175	2-8 Workers who are not employees		
	68-73	2-9 Governance structure and composition		
	70-74	2-10 Nomination and selection of the highest governance body		
	70	2-11 Chair of the highest governance body		
	68-73	2-12 Role of the highest governance body in overseeing the management of impacts	Core content – Governance: S1.26, S1.27  Core content – Governance: S2.6, S2.7  Ecological Impact Management: EM-SV-160a.2  Management of the Legal & Regulatory Environment: EM-SV-530a.1	Business Ethics and Payment Transparency

GRI Standard	Page #/Comments	GRI Disclosures	ISSB Disclosures	IADC Disclosures
	85-88	2-13 Delegation of responsibility for managing impacts	Core content – Governance: S1.26, S1.27  Core content – Governance: S2.6, S2.7  Ecological Impact Management: EM-SV-160a.2  Management of the Legal & Regulatory Environment: EM-SV-530a.1  Critical Incident Risk Management: EM-SV-540a.1	Critical Incident Risk Management
	112, 113	2-14 Role of the highest governance body in sustainability reporting		
	67	2-15 Conflicts of interest		
	85-88, 112, 113	2-16 Communication of critical concerns		
	72, 73	2-17 Collective knowledge of the highest governance body		
	67	2-18 Evaluation of the performance of the highest governance body		
	86	2-19 Remuneration policies		
	86	2-20 Process to determine remuneration		
	S1. CEO Pay Ratio	2-21 Annual total compensation ratio		

# ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

GRI Standard	Page #/Comments	GRI Disclosures	ISSB Disclosures	IADC Disclosures
GRI 2: General Disclosures 2021	109-111	2-22 Statement on sustainable development strategy		
	186, 187	2-23 Policy commitments		ESG Governance
	186, 187	2-24 Embedding policy commitments		ESG Governance
	96, 127	2-25 Processes to remediate negative impacts	Ecological Impact Management: EM-SV-160a.2  Critical Incident Risk Management: EM-SV-540a.1	Critical Incident Risk Management
	113, 114	2-26 Mechanisms for seeking advice and raising concerns		
	66, 67	2-27 Compliance with laws and regulations		Business Ethics and Payment Transparency
	104	2-28 Membership Associations		Aligned
	30, 31	2-29 Approach to stakeholder engagement		
	NA	2-30 Collective bargaining agreements		
GRI 3: Material Topics 2021	113, 114	3-1 Process to determine material topics		
	113-117	3-2 List of material topics		
GRI 3: Material Topics 2021	48, 49	3-3 Management of material topics		
GRI 201: Economic Performance 2016	10	201-1 Direct economic value generated and distributed		
GRI 3: Material Topics 2021	147, 148	3-3 Management of material topics		
GRI 202: Market Presence 2016	141-155	202-1 Ratios of standard entry level wage by gender compared to local minimum wage		
	176, 177	202-2 Proportion of senior management hired from the local community		
GRI 3: Material Topics 2021	21, 156, 163	3-3 Management of material topics		
GRI 203: Indirect Economic Impacts 2016	21, 156, 163	203-1 Infrastructure investments and services supported		
	109-111	203-2 Significant indirect economic impacts		

## Overview

## Strategic Review

## Business Review

## Environmental, Social & Governance (ESG)

## Consolidated Financial Statements

GRI Standard	Page #/Comments	GRI Disclosures	ISSB Disclosures	IADC Disclosures
GRI 3: Material Topics 2021	163	3-3 Management of material topics		
GRI 204: Procurement Practices 2016	163	204-1 Proportion of spending on local suppliers		
GRI 3: Material Topics 2021	67, 169	3-3 Management of material topics	Business Ethics & Transparency: EM-SV-510a.1	Business Ethics and Payment Transparency
GRI 205: Anti-corruption 2016	172	205-1 Operations assessed for risks related to corruption		
	172	205-2 Communication and training about anti-corruption policies and procedures		
	172	205-3 Confirmed incidents of corruption and actions taken		
GRI 3: Material Topics 2021	130	3-3 Management of material topics		
GRI 302: Energy 2016	174	302-1 Energy consumption within the organization	Emissions Reduction Services & Fuels Management: EM-SV-110a.1	Energy mix
	105, 109, 131	302-4 Reduction of energy consumption		
	130-133	302-5 Reductions in energy requirements of products and services		
GRI 3: Material Topics 2021	124, 125	3-3 Management of material topics	Water Management Services: EM-SV-140a.1, EM-SV-140a.2  Chemical Impacts: EM-SV-150a.2	Water management
	124, 125	303-1 Interactions with water as a shared resource		Water management, Spills
GRI 303: Water and Effluents 2018	124, 125	303-2 Management of water discharge-related impacts		Water management, Spills
	174	303-3 Water withdrawal		Water management
	174	303-4 Water discharge		
	174	303-5 Water consumption		

GRI Standard	Page #/Comments	GRI Disclosures	ISSB Disclosures	IADC Disclosures
GRI 3: Material Topics 2021	127	3-3 Management of material topics	Ecological Impact Management: EM-SV-160a.2	
	127	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		
	127	304-2 Significant impacts of activities, products and services on biodiversity		
	127	304-3 Habitats protected or restored		
GRI 3: Material Topics 2021	131-133	3-3 Management of material topics	Emissions Reduction Services & Fuels Management: EM-SV-110a.2	
GRI 305: Emissions 2016	164, 174	305-1 Direct (Scope 1) GHG emissions	S2.29 – S2.32	Scope 1
	164, 174	305-2 Energy indirect (Scope 2) GHG emissions	S2.29 – S2.32	Scope 2
	Not reporting – Scope 3 is reported by ADNOC Group	305-3 Other indirect (Scope 3) GHG emissions	S2.29 – S2.32	Scope 3
	165, 174	305-4 GHG emissions intensity		Intensity
	131-133	305-5 Reduction of GHG emissions		GHG management action plan
	–	305-6 Emissions of ozone-depleting substances (ODS)		Additional air emissions for contractor
	174	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions		Additional climate reporting considerations  Additional air emissions for contractor  Flaring/Venting
GRI 3: Material Topics 2021	122, 123	3-3 Management of material topics		Waste Management

GRI Standard	Page #/Comments	GRI Disclosures	ISSB Disclosures	IADC Disclosures
GRI 306: Waste 2020	122, 123	306-1 Waste generation and significant waste-related impacts		Waste Management, Hazardous Material Assessment
	122, 123	306-2 Management of significant waste-related impacts		Responsible Asset Recycling Policy, Number of assets recycled during reporting periods, Waste Management, Hazardous Material Assessment
GRI 306: Waste 2020	123, 164, 175	306-3 Waste generated		Waste Management, Hazardous Material Assessment
	163	3-3 Management of material topics		
GRI 308: Supplier Environmental Assessment 2016	163	308-1 New suppliers that were screened using environmental criteria		
	163	308-2 Negative environmental impacts in the supply chain and actions taken		
GRI 3: Material Topics 2021	141-143	3-3 Management of material topics		
GRI 401: Employment 2016	176	401-1 New employee hires and employee turnover		
	141-143	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		
	142, 176	401-3 Parental leave		
GRI 3: Material Topics 2021	135, 136	3-3 Management of material topics	Workforce Health & Safety: EM-SV-320a.2	Verification Methodology
GRI 403: Occupational Health and Safety 2018	135, 136	403-1 Occupational health and safety management system	Workforce Health & Safety: EM-SV-320a.2	
	139	403-2 Hazard identification, risk assessment and incident investigation		
	135, 136	403-3 Occupational health services		

GRI Standard	Page #/Comments	GRI Disclosures	ISSB Disclosures	IADC Disclosures
GRI 403: Occupational Health and Safety 2018	137, 138	403-4 Worker participation, consultation and communication on occupational health and safety		
	136-138	403-5 Worker training on occupational health and safety	Workforce Health & Safety: EM-SV-320a.1	Training and competency
	137, 138	403-6 Promotion of worker health		Health and Wellness
	139	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
	135, 136	403-8 Workers covered by an occupational health and safety management system		
	167, 173	403-9 Work-related injuries	Workforce Health & Safety: EM-SV-320a.1	Safety Metrics, Lost Time Safety Metrics
	167, 173	403-10 Work-related ill health	Workforce Health & Safety: EM-SV-320a.1	Safety Metrics, Lost Time Safety Metrics
	GRI 3: Material Topics 2021	141, 145, 146	3-3 Management of material topics	
GRI 404: Training and Education 2016	177	404-1 Average hours of training per year per employee		
	141-146	404-2 Programs for upgrading employee skills and transition assistance programs		
GRI 3: Material Topics 2021	147, 148	3-3 Management of material topics		Information pertaining to efforts to support diversity, equality and inclusion
GRI 405: Diversity and Equal Opportunity 2016	110, 147	405-1 Diversity of governance bodies and employees		
	110, 166, 177	405-2 Ratio of basic salary and remuneration of women to men		
GRI 3: Material Topics 2021	NA	3-3 Management of material topics		Labor Rights
GRI 407: Freedom of Association and Collective Bargaining 2016	NA	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		

GRI Standard	Page #/Comments	GRI Disclosures	ISSB Disclosures	IADC Disclosures
GRI 3: Material Topics 2021	168	3-3 Management of material topics		
GRI 410: Security Practices 2016	168	410-1 Security personnel trained in human rights policies or procedures		
GRI 3: Material Topics 2021	156-160	3-3 Management of material topics		
GRI 413: Local Communities 2016	157-160	413-1 Operations with local community engagement, impact assessments and development programs		
GRI 3: Material Topics 2021	163	3-3 Management of material topics		
GRI 414: Supplier Social Assessment 2016	163	414-1 New suppliers that were screened using social criteria		
	163	414-2 Negative social impacts in the supply chain and actions taken		
GRI 3: Material Topics 2021	NA	3-3 Management of material topics	Management of the Legal & Regulatory Environment: EM-SV-530a.1	
GRI 415: Public Policy 2016	NA	415-1 Political contributions		
<b>Customer privacy</b>				
GRI 3: Material Topics 2021	94	3-3 Management of material topics		Business Ethics and Payment Transparency

**Appendix C: Policies and Procedures**

Note: Abu Dhabi National Oil Company P.J.S.C. (“ADNOC”), together with its subsidiaries and affiliated entities, collectively constitutes the ADNOC Group. References to the ADNOC Group throughout this document shall be construed accordingly. **ADNOC Drilling Company P.J.S.C. (“ADNOC Drilling”) is a member of the ADNOC Group and operates within ADNOC’s Upstream segment:**

- ADNOC Group Sustainability policy
- ADNOC Drilling Corporate ESG Statement

**Human Capital**

- Human Capital Policies
  - Youth Development Policy
  - Allowances
  - Benefits
  - Housing Declaration Guidelines
  - Employee Performance Management
  - Performance Based Reward
  - Pension
  - Training and Capability Development
  - ADNOC Group Talent Mobility
  - Remote Work Permission
  - Exceptional Remote Working
  - Leaves
  - Work Rotation Cycle
  - End of Employment
- ADNOC Drilling Gender Diversity Standard
- Disciplinary Policy
- Grievance Process
- Remuneration policy
- Non-Discrimination

**Health, Safety and Environment**

- ADNOC Group HSE Policy
- ADNOC Group Energy policy
- ADNOC Drilling Energy manual
- Health, Safety and Environment Management System
- Personal Safety and Work Permit System
- Occupational Health
- Environment and Social Performance
- Emergency Preparedness & Crisis Management
- Business Continuity Management (BCM) Policy
- Contractor HSE & Welfare Manual
- ADNOC Drilling No Smoking Policy

**Business Support and Special Task**

- ADNOC Group Corporate Security Policy Statement
- ADNOC Group Vehicle Transportation Guidelines
- ADNOC Group Hotel Accommodation Guidelines
- ADNOC Group Dress Code Guidelines

**Asset Integrity Standard**

- Asset Management
- Management of Technical Changes – MOC
- AIPS Key Performance Indicators Implementation Guideline
- Operating Procedure Guideline

**Communications**

- ADNOC Group Communications Standard and Guidelines

**Digital and Cybersecurity**

- ADNOC Group AI Governance Standard
- ADNOC Group Digital and Cybersecurity policy
- ADNOC Group Cybersecurity Management System
- ADNOC Group Data Management policy and Standard

**Commercial and In-Country Value**

- ADNOC Group Procurement Policy

**Legal, Governance and Compliance**

- ADNOC Group Anti-Bribery and Anti-Corruption Standard
- ADNOC Group Anti-Money Laundering Standard
- ADNOC Group Code of Conduct
- ADNOC Group Competition Compliance Standard
- ADNOC Group Sanctions and Export Control Standard
- ADNOC Group Conflict of Interests Standard
- ADNOC Group Ethics and Compliance Standard
- ADNOC Group Integrity Due Diligence Standard
- ADNOC Group Whistleblowing and Non-Retaliation Standard
- ADNOC Group Claims and Disputes Prevention and Management Guidelines
- ADNOC Group Claims Management Procedures
- ADNOC Drilling Inside Information and Insider Dealing Standard

- ADNOC Group Supplier & Partner Code of Ethics
- ADNOC Corporate Governance Framework
- ADNOC Group Information Protection Guidelines
- Delegation of Authority
- Dividend Policy
- ADNOC Group Ethical Use of AI Standard
- ADNOC Group Privacy and Data Protection Standard
- Fraud Risk Management Standard
- Information Disclosure and Transparency Standard
- Related Party Transactions Standard
- ADNOC Group Compliance Investigations Procedure
- ADNOC Group Compliance Investigations Standard
- ADNOC Group Gifts and Hospitality Standard

Appendix D: Independent Assurance Statement



**INDEPENDENT ASSURANCE STATEMENT**

To: ADNOC Drilling Company PJSC (ADNOC Drilling)

**Introduction and Objectives of the Work:**

ADNOC Drilling Company PJSC ('ADNOC Drilling, hereinafter referred to as the 'Company') has engaged Bureau Veritas to provide limited assurance on the following subject matter information ("Subject Matter"). Our objective is to determine whether, based on the procedures performed, anything has come to our attention that would cause us to believe that the Subject Matter has not been prepared, in all material aspects, in accordance with the applicable criteria ("Applicable Criteria") as specified below.

**Subject Matter**

The Subject Matter for our limited assurance engagement included the selected quantitative indicators outlined below, as presented in the Company's 2025 Integrated Report for the year ended 31 December 2025, which was prepared and presented by the Company's management. These selected quantitative indicators are based on the reporting boundary established by the Company, encompassing the Company itself and all operations and entities under its operational control.

The selected quantitative indicators are listed below:

#	Selected Indicators
1	Occupational Safety (LTIF, TRIR, FAR)
2	Energy Intensity (GJ/MM\$ Revenue)
3	Direct (scope 1) GHG emissions
4	Indirect GHG emissions from energy, steam, heat or cooling (Scope 2)
5	Code of Conduct Training Completion Rate

**Applicable Criteria**

The criteria for this limited assurance engagement were:

- The reporting requirements of the Global Reporting Initiative (GRI) standards issued by the Global Sustainability Standards Board (GSSB).
- The company's GHG Inventory Reporting Methodology

The applicable criteria for each selected indicator can be found in Annexure 1 of this statement.

**Assessment Standard**

The assurance process was conducted in line with the requirements of the International Standard on Assurance Engagements-ISAIE 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information and International Standard on Assurance Engagements- ISAIE 3410, Assurance Engagements on Greenhouse Gas Statements.



**Limitations and Exclusions**

Interviews with ADNOC Drilling's corporate team and data owners at various sites responsible for collecting the necessary data for Subject Matter preparation indicated that they have a good understanding of the reporting requirements of GRI standards (Applicable Criteria) and have implemented control measures to help ensure data quality. However, the Subject Matter may still contain errors or irregularities that remain undetected due to fundamental limitations in the internal control systems. Assurance is primarily based on Company-provided documentation and interactions with relevant personnel. Our engagement, conducted on a test basis, is not exhaustive in detecting all internal control weaknesses over Subject Matter preparation.

For the purpose of this limited assurance engagement, we have not performed any procedures involving:

- Verifying any assertions or qualitative information within the report beyond the quantitative data relating to the specified indicators mentioned in the subject matter;
- Evaluating the accuracy and completeness of the reporting boundaries defined by the management for the purposes of the Report;
- Company position statements (including any expression of opinion, belief, aspiration, expectation, aim or future intent);
- Historic text which was unchanged from previous years and did not relate to ongoing activities;
- Financial data;
- Appropriateness of commitments and objectives chosen by the company.

**Responsibilities**

The preparation and presentation of the Subject Matter in accordance with the Applicable Criteria are the sole responsibility of the Company.

Bureau Veritas was not involved in drafting of the Subject Matter. Bureau Verita's responsibilities included:

- Providing limited assurance as per ISAE 3000 over the accuracy, reliability and objectivity of the information contained within the Subject Matter.
- Forming an independent conclusion based on the assurance procedures performed and evidence obtained.

**Methodology**

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

As part of our independent assurance, our work included:

1. Conducting employee interviews regarding the scope of work involved.
2. Process analysis of collecting and reporting the information/data included.
3. Reviewing Company's systems for quantitative data aggregation and analysis;
4. Verifying the completeness of the quantitative data included in the subject matter to ensure it encompasses all sites/operating units within the reporting boundary established by the Company.
5. Review of documentary evidence produced by the Company.
6. Agreeing a selection of the Selected Information to the corresponding source documentation.
7. Recalculation of examples in accordance with the evidence documents used to prepare the information included.



8. Implementation of analytical procedures on the final reported data.

**Limited Assurance Conclusion**

This assurance statement has been prepared for ADNOC Drilling to provide limited assurance on the Subject Matter information in the Company's Integrated Report.

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter information in the Integrated Report has not been prepared in all material respects in accordance with the Applicable Criteria.

**Statement of Independence, Competence and Quality Control**

Bureau Veritas is an independent professional services company that specializes in quality, environmental, health, safety and social accountability with over 190 years history. Its assurance team has extensive experience in conducting verification over environmental, social, ethical and health and safety information, systems and processes.

Bureau Veritas maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, quality reviews and applicable legal and regulatory requirements which we consider to be equivalent to ISQM 1 & 2: International Standard on Quality Management 1 (Previously International Standard on Quality Control 1) & International Standard on Quality Management 2

Bureau Veritas has implemented and applied a Code of Ethics across the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behaviour and high ethical standards in their day-to-day business activities. We consider this to be equivalent to the requirements of the IESBA Code: Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

No member of the assurance team has a business relationship with ADNOC Drilling, its directors or Managers beyond that required of this assignment. We have conducted this verification independently, and there has been no conflict of interest.



Ahmed Hassan,  
Sustainability Lead,  
United Arab Emirates (UAE),  
Bureau Veritas  
11-Mar-26



**Annexure 1**

Selected Indicator	Applicable Criteria
Occupational Safety (LTIF, TRIR, FAR)	GRI 403-9: Work related injuries
Energy intensity	GRI 302-3: Energy intensity
Direct (scope 1) GHG emissions	GRI 305-1: Direct (Scope 1) GHG emissions The company's Greenhouse Gas Reporting Methodology
Energy indirect (Scope 2) GHG emissions	GRI 305-2: Energy indirect (Scope 2) GHG emissions The company's Greenhouse Gas Reporting Methodology
Code of Conduct Training Completion Rate	GRI 205-2 Communication and training about anti-corruption policies and procedures

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and Other Comprehensive Income
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# CONSOLIDATED FINANCIAL STATEMENTS

# DIRECTORS' REPORT

For the year ended 31 December 2025

The Directors are pleased to submit their report, together with the audited consolidated financial statements of ADNOC Drilling Company P.J.S.C. ("the Company") and its subsidiaries ("the Group") for the year ended 31 December 2025.

## Board of Directors:

### The Directors of the Company are:

Chairman	H. E. Dr. Sultan Ahmed Al Jaber
Vice Chairman	Abdulmunim Saif Al Kindy
Members	Dr. Abdulla Al Jarwan
	Musabbah Al Kaabi
	Khaled Al Zaabi
	Mohamed Saif Al Aryani
	Katherine Wallgren

## Principal activities

The Group is engaged in providing start to finish drilling and construction services across both conventional and unconventional reservoirs, and the hiring out of onshore and offshore drilling rigs to parties involved in onshore and offshore oil and gas exploration and production.

## Financial highlights

### Consolidated statement of financial position

The Group's consolidated financial position remains very healthy showing net assets at 31 December 2025 of USD 4,099,312 thousand (2024: USD 3,810,169 thousand) with the increase in total net assets mainly due to the profit made in excess of dividend payments in the current year.

### Consolidated statement of profit or loss and other comprehensive income

The Group recognised revenue for the year of USD 4,902,886 thousand (2024: USD 4,034,222 thousand). Profit after tax for the year was USD 1,448,781 thousand (2024: USD 1,303,566 thousand). The increase in revenue was due to additional drilling and oilfield services provided to ADNOC Onshore and ADNOC Offshore.

### Consolidated statement of cash flows

Net cash generated from operating activities amounted to USD 2,225,843 thousand (2024: USD 1,653,666 thousand), the increase is mainly due to movement in trade and other payables and related party balances. Net cash used in investing activities amounted to USD 983,972 thousand (2024: USD 1,015,153 thousand) which relates to additions to property and equipment, investments made in joint ventures and advances for acquisition of a subsidiary. Net cash used in financing activities amounted to USD 1,336,143 thousand (2024: USD 662,347 thousand) which mainly relates to finance cost, dividend payments and net borrowings movement.

The appropriation of the results for the year is follows:

	USD'000
Retained earnings at 1 January 2025	<b>3,161,828</b>
Total comprehensive income for the year	<b>1,448,781</b>
Dividends	<b>(1,143,567)</b>
<b>RETAINED EARNINGS AT 31 DECEMBER 2025</b>	<b>3,467,042</b>

## Subsequent events

As of the date of this report, no major events have occurred (except as disclosed in note 32 to the consolidated financial statements) that may have a significant impact on the consolidated financial statements for the year ended 31 December 2025.

## Financial reporting framework

The Directors of the Group, to the best of their knowledge, believe that:

- The consolidated financial statements, prepared by the management of the Group, fairly present its state of affairs, the results of its operations, cash flows and changes in equity;
- The Group has maintained proper books of account;
- Appropriate accounting policy information have been consistently applied in the preparation of consolidated financial statements unless otherwise stated, and accounting estimates are based on reasonable and prudent judgment; and
- The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), and comply, where appropriate with the local laws.

For the Board of Directors

## Chairman

Abu Dhabi  
United Arab Emirates  
11 February 2026

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ADNOC DRILLING COMPANY P.J.S.C

## Report on the audit of the consolidated financial statements

### Opinion

We have audited the consolidated financial statements of ADNOC Drilling Company P.J.S.C. ("the Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the applicable requirements of Abu Dhabi Accountability Authority (ADAA) Chairman Resolution No. 88 of 2021 Regarding Financial Statements Audit Standards for the Subject Entities. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) applicable to audits of consolidated financial statements of public interest entities, together with the other ethical requirements that are relevant to our audit of the consolidated financial statements of public interest entities in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. The key audit matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue recognition</b></p> <p>The Group reported revenue, as disclosed in note 19, from drilling and oilfield services for the year ended 31 December 2025, of which 92.7% is attributable to contracts with its related parties, ADNOC Onshore and ADNOC Offshore.</p> <p>The Group has a large volume of transactions with related parties in the normal course of business. There is inherent risk around occurrence of revenue recognised given over 92.7% of the transactions are with related parties.</p> <p>We considered revenue recognition to be a key audit matter given the quantitative significance of the amount in the context of the consolidated financial statements, the large volume of transactions and the level of audit effort required.</p> <p>The Group's accounting policies relating to revenue recognition are presented in note 3 to the consolidated financial statements and details about the Group's revenue are disclosed in note 18 to the consolidated financial statements.</p>	<p>Our audit approach included a combination of test of controls and substantive procedures and included, inter alia, the following:</p> <ul style="list-style-type: none"> <li>Understanding the significant revenue processes and identifying the relevant controls related to revenue recognition;</li> <li>Evaluating the design and testing the operating effectiveness of manual controls over sales to related parties;</li> <li>Analysing relevant agreements and determining that transactions were recorded in accordance with the substance of the relevant agreements.</li> <li>Comparing revenue amounts to the prior year. If we identified any unexpected variance, we carried out more focused testing;</li> <li>Performing test of details on a sample basis to confirm that the revenue was recognised in accordance with the terms of relevant agreements;</li> <li>Obtaining direct confirmations from related parties of the revenue recognised during the year and reconciling these amounts with the billings and accruals made during the year;</li> <li>Performing sales cut-off procedures by selecting a sample of revenue transactions recorded before and after year-end to determine if sales are recorded in the appropriate period;</li> <li>Assessing whether the revenue recognition criteria adopted by the Group is appropriate and is in accordance with the requirements of IFRS Accounting Standards; and</li> <li>Assessing the adequacy of disclosures in the consolidated financial statements relating to revenue against the requirements of IFRS Accounting Standards.</li> </ul>

### Other Information

Management is responsible for the other information. The other information comprises the Directors' report, which we obtained prior to the date of this auditor's report, and the Chairman's statement, CEO statement and the other information in the annual report, which are expected to be made available to us after that date. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Chairman's Message, the CEO's Message and the other information in the annual report, if we conclude that there is a material misstatement therein, we will be required to communicate the matter to those charged with governance and consider whether a reportable irregularity exists in terms of the auditing standards, which must be reported.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB and their preparation in compliance with the applicable provisions of the Articles of Association of the Company and the UAE Federal Decree Law (32) of 2021, as amended and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the applicable requirements of ADAA Chairman's Resolution No. 88 of 2021 Regarding Financial Statements Audit Standards for the Subject Entities will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs and the applicable requirements of ADAA Chairman's Resolution No. 88 of 2021 Regarding Financial Statements Audit Standards for the Subject Entities, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ADNOC DRILLING COMPANY P.J.S.C

## Report on the audit of the consolidated financial statements (*continued*)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other legal and regulatory requirements

Further, as required by the UAE Federal Decree Law (32) of 2021, as amended, we report for the year ended 31 December 2025 that:

- We have obtained all the information we considered necessary for the purposes of our audit;
- The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law (32) of 2021, as amended;
- The Group has maintained proper books of account;
- The financial information included in the Directors' report is consistent with the books of account of the Group;
- As disclosed in note 8 to the consolidated financial statements, the Group has made investments during the financial year ended 31 December 2025;
- Note 18 to the consolidated financial statements discloses material related party transactions, balances, and the terms under which they were conducted; and
- Based on the information that has been made available to us, nothing has come to our attention that causes us to believe that the Company has contravened during the financial year ended 31 December 2025 any of the applicable provisions of the UAE Federal Decree Law (32) of 2021, as amended, or of its Articles of Association, which would materially affect its activities or its consolidated financial position as at 31 December 2025.

Further, as required by ADAA Chairman Resolution No. 88 of 2021 Regarding financial statements Audit Standards for the Subject Entities, we report in connection with our audit of the consolidated financial statements for the year ended 31 December 2025, that nothing has come to our attention that causes us to believe that the Group has not complied, in all material respects, with any of the provisions of the following laws, regulations and circulars as applicable, which would materially affect its activities or the consolidated financial statements as at 31 December 2025:

- Its Articles of Association; and
- Relevant provisions of the applicable laws, resolutions and circulars that have an impact on the Group's consolidated financial statements.

Deloitte & Touche (M.E.)

Faeza Sohawon  
Registration No. 5508  
11 February 2026  
Abu Dhabi  
United Arab Emirates

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	31 December 2025 USD'000	31 December 2024 USD'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	5	5,477,158	5,352,674
Right-of-use assets	6	45,729	23,310
Intangible assets	7	10,769	5,301
Deferred tax assets		1,228	1,397
Investment in joint ventures	8	437,090	275,240
Advances		8,292	2,230
Advance for acquisition of a subsidiary	31	90,926	-
<b>Total non-current assets</b>		<b>6,071,192</b>	5,660,152
<b>Current assets</b>			
Inventories	9	279,030	223,083
Trade and other receivables	10	150,376	185,958
Due from related parties	18	1,364,794	1,361,282
Cash and cash equivalents	11	236,016	330,288
<b>Total current assets</b>		<b>2,030,216</b>	2,100,611
Assets held for sale	12	-	5,708
		<b>2,030,216</b>	2,106,319
<b>TOTAL ASSETS</b>		<b>8,101,408</b>	7,766,471
<b>EQUITY AND LIABILITIES</b>			
<b>Equity and reserve</b>			
Share capital	13	435,671	435,671
Share premium – net	14	(1,708)	504
Treasury shares	14	(19,529)	(5,670)
Statutory reserve	13	217,836	217,836
Retained earnings		3,467,042	3,161,828
<b>Total equity</b>		<b>4,099,312</b>	3,810,169
<b>Non-current liabilities</b>			
Borrowings	15	1,246,507	1,495,227
Trade and other payables	17	75,399	64,849
Lease liabilities	6	35,855	12,027
Provision for employees' end of service benefits	16	136,457	122,853
<b>Total non-current liabilities</b>		<b>1,494,218</b>	1,694,956
<b>CURRENT LIABILITIES</b>			
Borrowings	15	1,022,532	799,523
Trade and other payables	17	1,039,419	1,175,749
Income tax payable		11,000	15,000
Lease liabilities	6	11,726	13,130
Due to related parties	18	416,071	250,850
Provision for employees' end of service benefits	16	7,130	7,094
<b>Total current liabilities</b>		<b>2,507,878</b>	2,261,346
<b>Total liabilities</b>		<b>4,002,096</b>	3,956,302
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,101,408</b>	7,766,471

To the best of our knowledge, the financial information included in the report fairly present in all material respects the financial condition, result of operations and cash flows of the Group as of 31 December 2025, and for the periods presented in the report.

**H. E. Dr. Sultan Ahmed Al Jaber**  
Chairman

**Abdulla Ateya Al Messabi**  
Chief Executive Officer

**Youssef Samy Salem**  
Chief Financial Officer

The accompanying notes form an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	31 December 2025 USD'000	31 December 2024 USD'000
<b>REVENUE</b>			
Direct cost	20	(3,105,963)	(2,337,407)
<b>GROSS PROFIT</b>		<b>1,796,923</b>	1,696,815
General and administrative expenses			
Other income – net	21	(167,197)	(155,358)
Share of results of joint ventures	8	29,000	8,490
Finance cost	23	(109,463)	(135,995)
Finance income		11,626	11,736
<b>PROFIT BEFORE TAX</b>		<b>1,587,880</b>	1,432,076
Income tax			
	30	(139,099)	(128,510)
<b>PROFIT AFTER TAX</b>		<b>1,448,781</b>	1,303,566
Other comprehensive income for the year			
		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>1,448,781</b>	1,303,566
<b>EARNINGS PER SHARE</b>			
Basic and diluted	29	0.091	0.081

The accompanying notes form an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Share capital USD'000	Share premium-net USD'000	Treasury shares USD'000	Statutory reserve USD'000	Retained earnings USD'000	Total equity USD'000
<b>Balance at 1 January 2024</b>	435,671	-	-	217,836	2,610,714	3,264,221
Total comprehensive income for the year	-	-	-	-	1,303,566	1,303,566
Own shares acquired in the year	-	504	(5,670)	-	-	(5,166)
Dividends (note 24)	-	-	-	-	(752,452)	(752,452)
<b>Balance at 31 December 2024</b>	435,671	504	(5,670)	217,836	3,161,828	3,810,169
<b>Balance at 1 January 2025</b>	<b>435,671</b>	<b>504</b>	<b>(5,670)</b>	<b>217,836</b>	<b>3,161,828</b>	<b>3,810,169</b>
Total comprehensive income for the year	-	-	-	-	1,448,781	1,448,781
Own shares acquired in the year	-	(2,212)	(13,859)	-	-	(16,071)
Dividends (note 24)	-	-	-	-	(1,143,567)	(1,143,567)
<b>Balance at 31 December 2025</b>	<b>435,671</b>	<b>(1,708)</b>	<b>(19,529)</b>	<b>217,836</b>	<b>3,467,042</b>	<b>4,099,312</b>

The accompanying notes form an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	31 December 2025 USD'000	31 December 2024 USD'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit before tax</b>		<b>1,587,880</b>	1,432,076
<i>Adjustments for:</i>			
Depreciation of property and equipment	5,20,21	<b>497,084</b>	426,473
Depreciation of right-of-use assets	6,20,21	<b>11,042</b>	28,435
Amortisation of intangible assets	7,21	<b>4,193</b>	3,544
Gain on disposal of assets held for sale		<b>(1,292)</b>	-
Write off of property and equipment – net		-	3,235
Gain on disposal of property and equipment		<b>(21,595)</b>	(510)
Employees end of service benefit charge	16,22	<b>20,770</b>	22,464
Share of results of joint ventures	8	<b>(29,000)</b>	(8,490)
Allowance for slow-moving inventories	9	<b>2,750</b>	5,495
Expected credit loss charge		-	9,000
Finance cost	23	<b>109,463</b>	135,995
Finance income		<b>(11,626)</b>	(11,736)
<b>OPERATING CASH FLOWS BEFORE CHANGES IN WORKING CAPITAL</b>		<b>2,169,669</b>	2,045,981
<b>Changes in working capital on account of:</b>			
Inventories		<b>(58,697)</b>	(22,471)
Advances		<b>(6,062)</b>	(576)
Trade and other receivables		<b>57,304</b>	(32,012)
Due from related parties		<b>(3,512)</b>	(380,586)
Trade and other payables		<b>51,980</b>	164,563
Due to related parties		<b>165,221</b>	613
<b>Cash generated from operating activities</b>		<b>2,375,903</b>	1,775,512
Employees' end of service benefit paid	16	<b>(7,130)</b>	(6,939)
Income tax paid		<b>(142,930)</b>	(114,907)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>2,225,843</b>	1,653,666
<b>Cash flows from investing activities</b>			
Purchase of property and equipment		<b>(805,215)</b>	(758,409)
Purchase of intangible assets		<b>(9,661)</b>	(3,413)
Proceed from disposal of property and equipment		<b>36,000</b>	-
Proceed from disposal of assets held for sale		<b>7,000</b>	-
Acquisition of investment in joint ventures	8	<b>(132,850)</b>	(266,750)
Advances for acquisition of a subsidiary	31	<b>(90,926)</b>	-
Finance income received		<b>11,680</b>	13,419
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(983,972)</b>	(1,015,153)
<b>Cash flows from financing activities</b>			
Lease liabilities paid		<b>(11,037)</b>	(75,055)
Proceed from borrowings – net	15	<b>600,565</b>	824,780
Repayment of borrowings	15	<b>(626,276)</b>	(522,294)
Advances		<b>(13,615)</b>	-
Dividends paid	24	<b>(1,143,567)</b>	(752,452)
Finance cost paid		<b>(126,142)</b>	(132,160)
Purchase of treasury shares		<b>(922,292)</b>	(273,241)
Sales of treasury shares		<b>906,221</b>	268,075
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(1,336,143)</b>	(662,347)
<b>Net decrease in cash and cash equivalents</b>		<b>(94,272)</b>	(23,834)
Cash and cash equivalent at the beginning of the year	11	<b>330,288</b>	354,122
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>236,016</b>	330,288
<b>Non-cash transactions:</b>			
Additions and modifications to right-of-use assets and lease liabilities		<b>33,461</b>	(1,999)
Proceed from borrowings		<b>1,250,000</b>	-
Repayment of borrowings		<b>(1,250,000)</b>	-

The accompanying notes form an integral part of these consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 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.

During the year, ADNOC transferred its shareholding in the Company to XRG P.J.S.C ("XRG"). XRG is an international energy investment company incorporated and headquartered in Abu Dhabi and is 100% owned and controlled by ADNOC. Following the transfer, XRG became the Company's shareholder; however, ADNOC remains the Company's Parent, as it retains control over governance in the Company.

The transfer was effected through an off-market share transfer on the ADX after receipt of the relevant regulatory approvals. The transaction was an internal administrative re-organization within the ADNOC Group and did not result in any change in the ultimate ownership, control or governance of the Company.

The registered address of the Company is P.O Box 4017 Abu Dhabi, United Arab Emirates (U.A.E.). The Company is engaged in providing start to finish drilling and construction services across both conventional and unconventional reservoirs, and the hiring out of onshore and offshore drilling rigs to parties involved in onshore and offshore oil and gas exploration and production.

The registered address of ADH RSC LTD ("the subsidiary") is 2705,2, Al Sarab Tower, Abu Dhabi Global Market Square, Abu Dhabi, United Arab Emirates. The subsidiary is engaged in the activities of holding companies. The subsidiary registered a branch in the Kingdom of Jordan under the registration no. 1101 on 28 February 2024.

"On 24 July 2025, a new entity, SLDC HOLDING RSC LTD was incorporated in Abu Dhabi Global Market ("ADGM") as a Restricted Scope Company. The Company, through its subsidiary ADH RSC Ltd holds 100% shares in the entity."

These consolidated financial statements comprise of the assets & liabilities and results of operations of Company and its subsidiaries ("the Group").

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

### 2.1. New and revised IFRSs applied with no material effect on the consolidated financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2025, have been adopted in these consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

#### Amendment to IAS 21—Lack of Exchangeability

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

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

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS 18 Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	1 January 2026
Amendments IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity	1 January 2026
Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21)	1 January 2027
Annual improvements to IFRS Accounting Standards – Volume 11	1 January 2026
The pronouncement comprises the following amendments:	
<ul style="list-style-type: none"> <li>IFRS 1: Hedge accounting by a first-time adopter</li> <li>IFRS 7: Gain or loss on derecognition</li> <li>IFRS 7: Disclosure of deferred difference between fair value and transaction price</li> <li>IFRS 7: Introduction and credit risk disclosures</li> <li>IFRS 9: Lessee derecognition of lease liabilities</li> <li>IFRS 9: Transaction price</li> <li>IFRS 10: Determination of a 'de facto agent'</li> <li>IAS 7: Cost method</li> </ul>	
<b>IFRS Sustainability Disclosure Standards</b>	
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	Effective date not yet decided by the regulator in the United Arab Emirates
IFRS S2 Climate-related Disclosures	Effective date not yet decided by the regulator in the United Arab Emirates

The above stated new standards and amendments are not expected to have any significant impact, other than IFRS 18, will have a material impact on the consolidated financial statements. The Group is currently working to identify the impacts IFRS 18 will have on the consolidated financial statements and its notes.

There are no other applicable new standards and amendments to published standards or IFRIC interpretations that have been issued that would be expected to have a material impact on the consolidated financial statements of the Group.

## 3. Material accounting policy information

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRSs as issued by the International Accounting Standard Board (IASB) and applicable provision of the UAE Federal Decree Law (32) of 2021, as amended.

### Basis of preparation

The consolidated financial statements have been prepared in United States Dollar (USD), which is the Group's functional and presentation currency and all values are rounded to the nearest thousands (USD'000) except when otherwise stated.

These consolidated financial statements have been prepared on historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (continued)

## Going concern

At 31 December 2025, the Group's current liabilities exceed its current assets by USD 477,662 thousand (2024: USD 160,735 thousand). Management has assessed liquidity forecast under different scenarios and no material uncertainties over going concern were identified. The Group has sufficient liquidity through the Company's undrawn borrowing facilities (note 15) as well as the Group's forecasted cash flows from operations to meet ongoing commitments and therefore it is concluded that adequate support is available to evidence that the going concern assumption is appropriate for the preparation of these consolidated financial statements.

## Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entity controlled by the Company ("its subsidiary"). Control is achieved where the Company has:

- power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

Where necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies in line with those used by the Group. All inter-group transactions, balances, income and expenses are eliminated on consolidation.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Group's equity therein. The interests of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Details of the Company's subsidiaries are as follows:

Name of subsidiary	Ownership interest		Country of incorporation	Principal activities
	2025	2024		
ADH RSC LTD	100%	100%	U.A.E.	Activities of holding company
SLDC RSC Holding LTD*	100%	nil	U.A.E.	Activities of holding Company

Details of the Group's joint ventures are as follows:

Name of joint ventures	Ownership interest		Country of incorporation	Principal activities
	2025	2024		
ENERSOL Limited	51%	51%	U.A.E.	Special Purpose Vehicle (SPV) – holding ownership of equity and non-equity assets, including shares, debentures, bonds, other forms of security. Holding ownership of real property, intellectual property, other tangible and intangible assets
Turnwell Industries – L.L.C	55%	55%	U.A.E.	Technical maintenance, natural gas and oil well equipment and maintenance, services exploration for oil and natural gas

\*The Company holds 100% shares in SLDC HOLDING RSC LTD through ADH RSC LTD.

## Investments in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in joint venture.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (*continued*)

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount.

Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture. When the Group retains an interest in the former associate or a joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate or a joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or a joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate or joint venture is disposed of.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

## Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The historical cost consists of expenses related directly to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognised in the consolidated statement of profit or loss and other comprehensive income as incurred.

Depreciation is calculated based on the estimated useful lives of the applicable assets on a straight-line basis commencing when the assets are ready for their intended use. The estimated useful lives, residual values and depreciation methods are reviewed at each consolidated statement of financial position date, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Building and yards	10 – 20 years
Drilling rigs and equipment	4 – 30 years
Motor vehicles	4 years
Furniture, fixtures and office equipment	4 years

During the current year, the Group has revised the useful lives and residual value of the Drilling rigs and equipment based on its strategic objectives, business plan, internal and external assessment, and approval from the management. The financial impact of this re-assessment is disclosed in note 4.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The repair and maintenance expenses are included in the consolidated statement of profit or loss and other comprehensive income when incurred.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of profit or loss and other comprehensive income.

## Capital work in progress

Capital work in progress is included in property and equipment at cost. The capital work in progress is transferred to the appropriate asset category and depreciated in accordance with the above policies when construction of the asset is completed and the asset is commissioned and available for uses.

## Intangible assets

Intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and impairment losses, if any. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. Intangible assets represent computer software with estimated useful life of 4 years and is amortised on straight-line basis.

The estimated useful lives, residual values and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

## Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its property and equipment, intangible assets, and rights-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

## Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and includes invoice value, freight and other expenses incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

## Leases

### The Group as lessee

The Group assesses whether contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use assets and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The lease liability is presented as a separate line item in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use of assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the 'Impairment of tangible and intangible assets' policy.

As a practical expedient, IFRS16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

## Employee benefits

Provision is made for the estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the reporting date. Provision is made for the full amount of end of service benefits due to employees in accordance with the UAE Labour Law, for their period of service up to the end of the reporting date.

The provision relating to annual leave and leave passage is disclosed as a current liabilities, while that relating to end of service benefit is disclosed as a non-current liabilities.

## Provisions

Provisions are recognised when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

## Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

## Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

## Revenue

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

## Drilling and oilfield services

The drilling services represent drilling contracts that includes rig packages, including crews and support equipment and providing start to finish drilling and construction services across both conventional and unconventional reservoirs, to its customers. Contracts may be for a single well, multiple wells or a fixed term.

The Group's drilling services provided under each drilling rig contract is a single performance obligation satisfied over time and is comprised of a series of distinct time service periods in which the Group provides drilling services.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (*continued*)

Variable consideration is assessed to the extent that it is probable that a significant reversal will not occur during the contract term. When determining if variable consideration should be recognised, management considers whether there are factors outside of the Group's control that could result in a significant reversal of revenue as well as the likelihood and magnitude of a potential reversal of revenue.

## **Revenue from reimbursable goods and services**

Revenue from reimbursable goods and services represents mark-ups on certain equipment, materials and supplies, third party services and other expenses acquired at the request of the customer.

## **Foreign currencies**

For the purpose of these consolidated financial statements United States Dollar (USD) is the functional and the presentation currency of the Group.

Transactions in currencies other than USD (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

## **Financial instruments**

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the consolidated statement of profit or loss and other comprehensive income.

## **Financial assets**

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. The Group does not currently have any financial assets that are measured at fair value.

## **Financial assets designated at amortised cost**

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## **Amortised cost and effective interest rate method**

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in the consolidated statement of profit or loss and other comprehensive income.

## **Impairment of financial assets**

The Group recognises a loss allowance for expected credit losses on trade receivables and due from related parties. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and due from related parties. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

## **(i) Significant increase in credit risk**

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (continued)

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default;
- The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

## (ii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 365 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

## (iii) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

## Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

## Financial liabilities and equity instruments

### Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangement.

### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recorded at the proceeds received, net of direct issue costs.

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Group's shareholder

Where the Company purchases the Company's equity instruments, the consideration paid, including any direct attributable incremental external cost is deducted from the equity attributable to the owners until the equity instruments are reissued or disposed of or cancelled. Where such shares are disposed of or reissued such consideration received is included in equity." The repurchase of equity instruments issued by the Company is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of equity instruments issued by the Company.

## Financial liabilities measured subsequently at amortised cost

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

## Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

## Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## Derivative financial instruments

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the group has both a legally enforceable right and intention to offset.

## Employees' pension

The Group makes pension contributions on behalf of UAE citizens in accordance with the Emirate of Abu Dhabi Law No. 2 of 2000. The contributions are treated as payments to a defined contribution pension plan. A defined contribution plan is a pension plan under which fixed contributions are paid into a separate pension entity fund.

The Group has no legal or constructive obligations to pay further contributions if the Abu Dhabi Retirement Pensions & Benefits Fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

## Value added tax

Value added tax ("VAT") represents a standard rate of 5% that shall be imposed on any supply or import pursuant to Article (2) of the Federal Decree Law No. (8) of 2017 on the value of the supply or import as specified in the provisions of this Decree Law, effective from 1 January 2018.

- VAT payable, is payable to the Tax Federal Authority upon collection of receivables from customers. VAT on purchases, which have been settled at the date of the consolidated statement of financial position, are deducted from the amount payable.
- VAT receivable, relates to purchases which have not been settled at the date of the consolidated statement of financial position, VAT receivable is reclaimable against sales VAT upon payment of the purchases.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (*continued*)

## Current income tax

Income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date and generate taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

## Deferred income tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

## Non-current assets held-for-sale

The Group classifies non-current assets held-for-sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held-for-sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense. The criteria for held-for-sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification. Property and equipment and intangible assets are not depreciated or amortised once classified as held-for-sale. Assets classified as held-for-sale are presented separately as current items in the consolidated statement of financial position.

The Group measures a non-current assets held-for-sale that ceases to be classified as held for sale at the lower of its:

- carrying amount before the asset was classified as held for sale adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset (not been classified as held for sale)
- recoverable amount at the date of the subsequent decision not to sell.

## 4. Key judgement and source of estimation and uncertainty

The preparation of the consolidated financial statements in compliance with IFRSs requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the consolidated financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

## Critical accounting judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

## Revenue presentation

Third party rig rental contracts are those which are entered into with third parties for the benefit of related parties. In such contracts, the Group neither has control over the rigs or services provided by the third party nor takes delivery of the rigs prior to its deployment by the related parties. In addition, the Group enters into back-to-back arrangements with related parties on the same term as it does with the third parties (which is contractually acknowledged by the third parties). Consequently, management has concluded that it is acting as an agent in these arrangements. Accordingly, revenue and cost relating to these services are presented on a net basis. Had management concluded that they were acting as principal in these transactions, revenue and direct costs would have been higher by USD 165,562 thousand in the current year (2024: USD 244,116 thousand).

## Capitalisation of borrowing costs

As described in note 3, the Group capitalises borrowing costs directly attributable to the acquisition, construction or production of qualifying assets. Qualifying assets are the acquisition of rigs which take substantial period of time to get ready for their intended use or sale. The borrowing cost is capitalised for these rigs, until such time as the rigs is substantially ready for their intended use or sale. Significant judgment is required to determine whether the rigs take a significant period of time to get ready for their intended use based on management's assessment of the various activities that are required before the rigs enter into operation. During the year borrowing costs amounting to USD 10,886 thousand (2024: USD 13,959 thousand) have been capitalised.

## Determining the lease term

Certain leases are entered into with a related party which contain clauses for automatic annual renewal of the lease term unless either party provides a notice to not extend the lease. In determining the lease term, management considers all facts and circumstances that create an economic incentive to not exercise a termination option. Periods after termination options are only included in the lease term if the lease is reasonably certain to be not terminated. Management considers all facts and circumstances that create an economic incentive to not terminate the lease to determine the appropriate lease terms.

During the year ended 31 December 2025, no significant events or significant change in circumstances occurred that caused the management to reassess the lease term of such contracts.

## Leases purchase option

Certain leases in the prior year as disclosed in note 6 were entered with a lessor which contain clauses for purchase options of the leased assets. In determining the lease payments included in the measurement of lease liability, Management has considered the exercise price of purchase options as it is reasonably certain that the Group will exercise these options. The right-of-use-assets relating to these leases is being depreciated over the useful life of the underlying assets as the Group is reasonably certain to exercise the purchase option. Management has applied judgment and estimates to determine the incremental borrowing rate (IBR) at the commencement of the lease.

## Offsetting of related party balances

Balances due from/to related parties as disclosed in note 18 are reported on a net basis in the accompanying consolidated financial statements. Management has established that a legally enforceable right to set off such amounts exist, and the Group intends to settle on net basis or to realise the assets and settle the liabilities simultaneously.

## Key sources of estimation uncertainty

### Calculation of ECL

When measuring ECL the Group uses reasonable and supportable forward-looking information and estimates, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Probability of default constitutes a key input in measuring ECL and is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. As at 31 December 2025, the Group's allowance for expected credit losses amounted to USD 28,004 thousand (2024: USD 28,004 thousand).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (continued)

## Joint arrangement

For assessing joint control, the Group has considered the contractual agreement of sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. For the purpose of assessing whether a joint arrangement is a joint venture or joint operation, the Group has considered whether it has joint control on the rights to the net assets of the arrangements, in which case these are treated as joint ventures, or rights to the assets and obligations for the liabilities relating to the arrangement, in which case these are treated as joint operations. Management has applied several critical judgements to arrive at the conclusion on joint control, which included the assessment of the substance over legal form in respect of the unanimous approvals of relevant activities by the Joint venture partners. Management has assessed and concluded that there is no material impact on the fair value of the call option compared to its net asset values as of the reporting period and thereby amounts recorded in books carried at its fair value.

## Assessment of control

Management assessed whether the Group obtained control over Sea and Land Drilling Contractors, Inc. ("SLDC"). The assessment considered whether the Group has (i) power over the relevant activities of the Investee, (ii) exposure, or rights, to variable returns from its involvement, and (iii) practical ability to use its power to affect the returns as of reporting date. Based on the contractual arrangements and governance structure, management concluded that control was obtained on the date on which the Group acquired the substantive ability to direct the relevant activities, primarily through its ability to control the composition of the board of directors. Management determined that this date represented the acquisition date and accordingly, will be consolidated from the acquisition date.

## Impairment of property and equipment

Property and equipment are assessed for impairment based on assessment of cash flows on individual cash generating units when there is indication of impairment. Management has not identified impairment indicators in the current and prior year.

## Provision for slow moving or obsolete inventories

When inventories become old or obsolete, an estimate is made of their net realisable value. Inventory items are categorised based on their aging and accordingly for each category are recognised as a provision for obsolete and slow-moving inventories. Provision for obsolete and slow-moving inventories at 31 December 2025 amounted to USD 35,417 thousand (2024: USD 32,667 thousand).

## Useful lives and residual values of property and equipment

Management reviews the estimated useful lives and residual values of property and equipment at the end of each annual reporting period in accordance with IAS 16 Property, Plant and Equipment. In the current year, Management has reassessed the useful life of certain drilling equipment and changed it from 8-15 years to 8-20 years. The financial impact of the reassessment resulted in the reduction of related depreciation charge on profit and loss due to the increase in useful lives and residual value by USD 18,347 thousand (2024: nil thousand), with the impact over the next three years estimated at USD 23,501 thousand.

## Assessment of impairment on re-classification of assets held for sale

The Group upon the revision of its plan regarding the assets previously classified as held for sale performed an assessment of the recoverable amounts of the rigs and determined that the carrying values of the rigs as of the reporting date were lower than their recoverable amounts and hence no impairment existed as of the reclassification date.

## 5. Property and equipment

	Building and yards USD'000	Drilling rigs and equipment USD'000	Motor vehicles USD'000	Furniture fixtures and office equipment USD'000	Construction work-in-progress USD'000	Pre-delivery payments USD'000	Total USD'000
<b>Cost</b>							
At 1 January 2024	97,029	7,804,680	56,803	87,740	635,981	157,978	8,840,211
Additions during the year	-	224,828	-	3,278	479,720	104,330	812,156
Transfers during the year	-	368,169	-	2,677	(270,975)	(99,871)	-
Transfer from right-of-use assets	-	120,167	-	-	-	-	120,167
Transfer from held for sale (note 12)	-	72,017	-	-	-	-	72,017
Transfer to held for sale (note 12)	-	(34,412)	-	-	-	-	(34,412)
Write off	-	(7,402)	-	(5)	-	-	(7,407)
Disposals	-	(28,174)	-	-	-	-	(28,174)
At 1 January 2025	97,029	8,519,873	56,803	93,690	844,726	162,437	9,774,558
Additions during the year	-	236,824	-	16,540	266,890	115,719	635,973
Transfers during the year	14,693	573,595	-	8,874	(508,602)	(88,560)	-
Disposals	-	(31,212)	-	(64)	-	-	(31,276)
<b>At 31 December 2025</b>	<b>111,722</b>	<b>9,299,080</b>	<b>56,803</b>	<b>119,040</b>	<b>603,014</b>	<b>189,596</b>	<b>10,379,255</b>
<b>Depreciation and impairment</b>							
At 1 January 2024	67,136	3,811,196	42,023	72,316	-	-	3,992,671
Charge for the year	4,791	411,831	1,224	8,627	-	-	426,473
Transfer from held for sale (note 12)	-	61,300	-	-	-	-	61,300
Transfer to held for sale (note 12)	-	(28,704)	-	-	-	-	(28,704)
Eliminated on write off	-	(4,167)	-	(5)	-	-	(4,172)
Eliminated on disposals	-	(25,684)	-	-	-	-	(25,684)
At 1 January 2025	71,927	4,225,772	43,247	80,938	-	-	4,421,884
Charge for the year	6,312	466,085	1,228	23,459	-	-	497,084
Eliminated on disposals	-	(16,818)	-	(53)	-	-	(16,871)
<b>At 31 December 2025</b>	<b>78,239</b>	<b>4,675,039</b>	<b>44,475</b>	<b>104,344</b>	<b>-</b>	<b>-</b>	<b>4,902,097</b>
<b>Carrying amount</b>							
<b>At 31 December 2025</b>	<b>33,483</b>	<b>4,624,041</b>	<b>12,328</b>	<b>14,696</b>	<b>603,014</b>	<b>189,596</b>	<b>5,477,158</b>
At 31 December 2024	25,102	4,294,101	13,556	12,752	844,726	162,437	5,352,674

	31 December 2025 USD'000	31 December 2024 USD'000
<b>The depreciation is allocated as follows:</b>		
Direct cost (note 20)	<b>493,064</b>	416,262
General and administrative expenses (note 21)	<b>4,020</b>	10,211
	<b>497,084</b>	426,473

Property and equipment include assets that are still in use and which are fully depreciated amounting to USD 1,539,151 thousand (2024: USD 1,409,840 thousand).

During the year, the Company sold a rig for cash consideration of USD 36,000 thousand.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (continued)

## 6. Rights-of-use assets and lease liabilities

Rights-of-use assets and lease liabilities include warehouse, and office building. Amounts recognised in the consolidated statement of financial position are as follows:

Rights-of-use assets	31 December 2025 USD'000	31 December 2024 USD'000
Balance at the beginning of the year	23,310	173,911
Additions during the year	33,461	16,372
Remeasurement	-	(18,371)
Transferred to property and equipment (note 5)	-	(120,167)
Depreciation charge during the year	(11,042)	(28,435)
<b>Balance at end of the year</b>	<b>45,729</b>	<b>23,310</b>

Rights-of-use assets including the carrying value of warehouse of USD 8,787 thousand (2024: USD 6,954 thousand) and office building of USD 36,942 thousand (2024: USD 16,356 thousand).

Lease liabilities	31 December 2025 USD'000	31 December 2024 USD'000
Balance at the beginning of the year	25,157	189,211
Additions	33,461	16,372
Remeasurement	-	(18,371)
Derecognition	-	(87,000)
Accretion of interest	624	7,236
Payments	(11,661)	(82,291)
<b>Balance at end of the year</b>	<b>47,581</b>	<b>25,157</b>

Disclosed as follows:

Current	11,726	13,130
Non-current	35,855	12,027
	<b>47,581</b>	<b>25,157</b>

Amounts recognised in the consolidated statement of profit or loss and other comprehensive income is as follows:

	31 December 2025 USD'000	31 December 2024 USD'000
Direct cost (note 20)	-	14,958
General and administrative expenses (note 21)	11,042	13,477
	<b>11,042</b>	<b>28,435</b>

In the prior year, the Group opted to exercise the purchase option earlier than the initial arrangement for four rigs and remeasured the lease liability at a revised incremental borrowing rate ("IBR") of 5.97%. This resulted in lease remeasurement amounting to USD 18,371 thousand. Further, the Group acquired ownership of these lease-to-own rigs in the prior year and has transferred the four rigs to property and equipment.

Finance cost (note 23) includes an amount of USD 624 thousand (2024: USD 7,780 thousand) for the unwinding of interest on lease liabilities.

## 7. Intangible assets

	31 December 2025 USD'000	31 December 2024 USD'000
<b>Cost</b>		
Balance at the beginning of the year	16,062	12,649
Additions during the year	9,661	3,413
<b>Balance at end of the year</b>	<b>25,723</b>	<b>16,062</b>
<b>Accumulated amortisation</b>		
Balance at the beginning of the year	10,761	7,217
Amortisation charge for the year (note 21)	4,193	3,544
<b>Balance at end of the year</b>	<b>14,954</b>	<b>10,761</b>
<b>Carrying amount</b>		
<b>At 31 December</b>	<b>10,769</b>	<b>5,301</b>

## 8. Investment in joint ventures

On 2 January 2024, ENERSOL RSC LTD "ENERSOL" was incorporated in the Abu Dhabi Global Market. During the year ENERSOL was converted into a holding company with operating name as ENERSOL Limited. The Company, through its subsidiary ADH RSC Ltd holds 51% shares in the joint venture while Alpha Dhabi Energy Holding LLC holds 49% shares.

On 25 April 2024, Turnwell Industries – L.L.C ("Turnwell") was incorporated as a Limited Liability Company. In the prior year the Company through its wholly owned subsidiary ADH RSC LTD had signed shareholder agreements for the creation of Turnwell joint venture (JV) with Eastern Echo FZE and Patterson-UTI UAE LLC. The Company, through its wholly owned subsidiary holds a 55% equity stake.

Movement in the Group's investment in joint ventures is as follows:

	31 December 2025 USD'000	31 December 2024 USD'000
Balance at the beginning of the year	275,240	-
Additions	132,850	266,750
Share of results of joint ventures	29,000	8,490
<b>Carrying amount of the Group's ownership interest in the Joint ventures</b>	<b>437,090</b>	<b>275,240</b>

The additions during the year pertain to investments made of USD 94,350 thousand (2024: USD 266,709 thousand) through ENERSOL Limited and USD 38,500 thousand (2024: USD 41 thousand) in Turnwell.

Joint ventures are accounted for using the equity method in the consolidated financial statements as set out in the Group's accounting policies in note 3.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (continued)

The latest available financial information in respect of the Group's joint ventures are as follows:

	31 December 2025 USD'000		31 December 2024 USD'000	
	ENERSOL Limited USD'000	Turnwell Industries -L.L.C USD'000	ENERSOL Limited USD'000	Turnwell Industries -L.L.C USD'000
Revenue	425,304	633,309	74,348	141,286
Profit for the year	52,419	16,000	13,255	6,583
Non-current assets	809,878	-	499,507	-
Current assets	234,862	369,105	196,613	141,361
Non-current liabilities	108,309	-	76,088	-
Current liabilities	53,919	276,802	38,255	134,700
<b>Total net equity</b>	<b>882,512</b>	<b>92,303</b>	<b>581,777</b>	<b>6,661</b>
<b>Company share of profit for the year</b>	<b>20,000</b>	<b>9,000</b>	<b>5,090</b>	<b>3,400</b>
<b>Company share of net assets</b>	<b>386,149</b>	<b>50,941</b>	<b>271,799</b>	<b>3,441</b>
<b>Cash and cash equivalents</b>	<b>59,006</b>	<b>59,057</b>	<b>34,129</b>	<b>5</b>
<b>Current liabilities (excluding trade payables and provision)</b>	<b>5,630</b>	<b>252,395</b>	<b>4,034</b>	<b>130,609</b>
<b>Non-current liabilities (excluding trade payables and provision)</b>	<b>103,899</b>	<b>-</b>	<b>86,256</b>	<b>-</b>

## 9. Inventories

	31 December 2025 USD'000	31 December 2024 USD'000
Inventories	314,447	255,750
Less: allowance for slow moving or obsolete inventories	(35,417)	(32,667)
	<b>279,030</b>	<b>223,083</b>

The movement in the allowance for slow moving or obsolete inventories during the year was as follows:

	31 December 2025 USD'000	31 December 2024 USD'000
Balance at beginning of the year	32,667	27,172
Charge during the year	2,750	5,495
<b>Balance at end of the year</b>	<b>35,417</b>	<b>32,667</b>

## 10. Trade and other receivables

	31 December 2025 USD'000	31 December 2024 USD'000
Advances	55,579	93,560
Contract assets	14,296	25,915
VAT receivables – net	36,028	27,080
Prepayments	6,956	16,643
Trade receivables	15,711	10,284
Other receivables	21,806	12,476
	<b>150,376</b>	<b>185,958</b>

## 11. Cash and cash equivalents

	31 December 2025 USD'000	31 December 2024 USD'000
Cash held by ADNOC Group Treasury Services (AGTS) (note 18)	235,610	329,816
Cash in bank	32	7
Cash on hand	374	465
	<b>236,016</b>	<b>330,288</b>

Cash held by AGTS are funds held on behalf of the Group and are available on demand and is in nature of cash and cash equivalents.

## 12. Assets held for sale

	31 December 2025 USD'000	31 December 2024 USD'000
Balance at the beginning of the year	5,708	10,717
Transfer to property and equipment – net (note 5)	-	(10,717)
Transfer from property and equipment – net (note 5)	-	5,708
Disposal of assets held for sale	(5,708)	-
<b>Net book value at end of the year</b>	<b>-</b>	<b>5,708</b>

The Board of Directors, in their meeting held on 10 February 2023, approved to proceed with the sale of two rigs within the Offshore Jackup segment. In the prior year, the criteria of classifying these rigs as held for sale was no longer met due to management decision of the alternative use of these rigs hence these have been transferred to property and equipment (note 5) on lower of carrying amount before the asset was classified as held for sale and recoverable amount.

In the prior year, the Board of Directors, in their meeting held on 29 October 2024, approved to proceed with the sale of two new rigs within the Offshore Jackup segment. One rig was sold to a related party in the prior year, while the other rig was sold in the current year.

## 13. Share capital and statutory reserve

	31 December 2025		31 December 2024	
	Number of shares ('000)	USD'000	Number of shares ('000)	USD'000
Ordinary share capital of USD: 0.0272294 (AED: 0.10) each (2024 USD: 0.0272294 (AED: 0.10) each)	16,000,000	435,671	16,000,000	435,671

In accordance with the UAE Federal Decree Law (32) of 2021, 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (continued)

## 14. Share Premium and treasury shares

In the prior year, the Company appointed Al Ramz Capital a licensed Market Maker on the Abu Dhabi Securities Exchange (ADX) that offers liquidity provision services, to place buy and sell orders of the Company's shares with the objective of reducing bid/ask spreads as well as reducing price and volume volatility.

The Market Maker trades and operates within the predetermined parameters approved by the Company. The Company has provided the funding to the Market Maker to trade the Company's shares and it carries all risks and rewards associated with the arrangement. Given the nature and substance of the arrangement, the shares have been classified as "Treasury Shares" in Equity.

At 31 December 2025, the Market Maker held 9,279 thousand shares (2024: 3,985 thousand) on behalf of the Company, which are classified under equity as treasury shares at the average purchase price amounting to USD 19,529 thousand (2024: USD 5,670 thousand). A cumulative net loss of USD 1,708 thousand (2024: gain of USD 504 thousand) has been recognised at 31 December 2025 as Share Premium under equity. During the year an advance of USD 13,615 thousand (2024: USD 13,615 thousand) was paid to the Market Maker.

## 15. Borrowings

	31 December 2025 USD'000	31 December 2024 USD'000
Term loans*	2,269,039	2,294,750
* The amount is net of transaction cost.		
	31 December 2025 USD'000	31 December 2024 USD'000
Disclosed as follows:		
Current	1,022,532	799,523
Non-current	1,246,507	1,495,227
	2,269,039	2,294,750

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

Type	Currency	Interest rate	Year of maturity	31 December 2025 USD'000	31 December 2024 USD'000
Term Loan (Facility B)	USD	0.8% and Term SOFR	October 2025	-	498,735
Term Loan (Facility C & D)	USD	0.95% and Term SOFR	November 2027	869,039	1,796,015
Term Loan (Facility E & F)	USD	0.75 % & Term SOFR	October 2030	1,400,000	-
				2,269,039	2,294,750

On 24 October 2021, the Group entered into a syndicated Term loan 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 which is as follows:

## Term loan (Facility B)

	Facility A – Revolving Loan USD'000	Facility B – Term Loan USD'000
Abu Dhabi Commercial Bank PJSC (note 18)	165,000	110,000
First Abu Dhabi Bank PJSC (note 18)	165,000	110,000
Emirates NBD Bank PJSC	70,000	140,000
Bank of America Europe Designated Activity Company	60,000	40,000
China Construction Bank – DIFC Branch	60,000	20,000
State Bank of India – DIFC Branch	60,000	40,000
Goldman Sachs Bank USA	50,000	-
The National Bank of Ras Al-Khaimah	30,000	-
Agricultural Bank of China	30,000	20,000
United Arab Bank P.J.S.C.	30,000	-
J.P. Morgan Securities PLC	15,000	-
Al Ahli Bank of Kuwait K.S.C.P. (Dubai Branch)	15,000	-
Banque MISR – Dubai Branch	-	20,000
	750,000	500,000

The facilities were for four (4) years from the date of the agreement. During the year this facility had expired and was fully settled.

## Term loan (Facility C & D)

On 1 November 2023, the Group entered into a term loan facility of USD 1,500,000 thousand and Revolving Facility up to AED 1,840,000 thousand (USD: 501,021 thousand) with multiple banks and financial institutions with an initial maturity of 4 years. An amount of USD 1,500,000 thousand was drawn down from facility D. During the year, an amount of USD 750,000 thousand was settled earlier than the original maturity date for facility D. An amount of AED 450,000 thousand (USD: 122,532 thousand) was drawn down for facility C as of 31 December 2025.

	Facility C – Revolving Loan USD'000	Facility D – Term Loan USD'000
Abu Dhabi Commercial Bank PJSC (note 18)	690,000	100,000
First Abu Dhabi Bank PJSC (note 18)	550,000	100,000
Emirates NBD Bank PJSC	500,000	-
Arab Bank for Investment & Foreign Trade (Al Masraf)	100,000	50,000
The Saudi National Bank	-	125,000
Bank of China (Dubai) Branch	-	100,000
Industrial and Commercial Bank of China Limited, Dubai (DIFC) Branch	-	100,000
Gulf Bank K.S.C.P	-	75,000
The National Bank of Ras Al-Khaimah	-	70,000
Citibank N.A., ADGM Branch	-	20,000
JPMorgan Chase Bank, N.A., London Branch	-	10,000
	1,840,000	750,000

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (continued)

## Term loan (Facility E & F)

On 16 October 2025, the Group entered into a Revolving Facility up to USD 1,500,000 thousand and term loan facility of USD 500,000 thousand with multiple banks and financial institutions with an initial maturity of 5 years. An amount of USD 900,000 thousand and USD 500,000 thousand was drawn down from facility E and F, respectively.

	Facility E – Revolving Loan USD'000	Facility F – Term Loan USD'000
Agricultural Bank of China (DIFC Branch)	200,000	100,000
China Construction bank – DIFC Branch	154,000	77,000
Mizuho Bank, Ltd.	149,630	370
China Minsheng Banking Corp., Ltd. Hong Kong Branch	134,000	66,000
Bank of China (Dubai) Branch	133,000	67,000
Industrial and Commercial Bank of China Limited, Dubai	133,000	67,000
Bank of America Europe DAC	100,000	-
Al Ahli Bank of Kuwait K.S.C.P.(Dubai Branch)	100,000	-
DBS Bank Ltd (DIFC Branch)	100,000	-
JPMorgan Chase Bank, N.A., London Branch	67,000	33,000
United Arab Bank P.J.S.C.	66,670	33,330
First Abu Dhabi Bank PJSC (note 18)	50,000	-
The Hongkong and Shanghai Banking Corporation Limited	50,000	25,000
China Construction Bank (Asia) Corporation Limited	46,000	23,000
Standard Chartered Bank (Taiwan) Limited	16,700	8,300
	<b>1,500,000</b>	<b>500,000</b>

The movement in borrowings is as follows:

	Balance at 1 January 2025 USD'000	Drawdown USD'000	Repayment USD'000	Others* USD'000	Balance at 31 December 2025 USD'000
Facility B	498,735	-	-	(498,735)	-
Facility C	299,523	449,285	(626,276)	-	122,532
Facility D	1,496,492	-	-	(749,985)	746,507
Facility E	-	150,000	-	750,000	900,000
Facility F	-	-	-	500,000	500,000
	<b>2,294,750</b>	<b>599,285</b>	<b>(626,276)</b>	<b>1,280</b>	<b>2,269,039</b>

	Balance at 1 January 2024 USD'000	Drawdown USD'000	Repayment USD'000	Others* USD'000	Balance at 31 December 2024 USD'000
Facility B	498,014	-	-	721	498,735
Facility C	-	821,817	(522,294)	-	299,523
Facility D	1,494,250	-	-	2,242	1,496,492
	1,992,264	821,817	(522,294)	2,963	2,294,750

\* Others include Transaction cost and non-cash transaction.

## 16. Provision for employees' end of service benefits

The movement in the provision for employees' end of service benefit is as follows:

	31 December 2025 USD'000	31 December 2024 USD'000
Balance at beginning of the year	129,947	114,422
Charge during the year (note 22)	20,770	22,464
Paid during the year	(7,130)	(6,939)
<b>Balance at end of the year</b>	<b>143,587</b>	<b>129,947</b>
<i>Disclosed as follows:</i>		
Current	7,130	7,094
Non-current	136,457	122,853
	<b>143,587</b>	<b>129,947</b>

## 17. Trade and other payables

	31 December 2025 USD'000	31 December 2024 USD'000
Accrued expenses	722,683	834,824
Trade payables	237,296	203,511
Contract liabilities	84,019	140,719
Retention payables	56,968	49,050
Accrual for employees' benefits	8,601	8,690
Pension payable	4,414	3,440
Other payables	837	364
	<b>1,114,818</b>	<b>1,240,598</b>
<i>Disclosed as follows:</i>		
Current	1,039,419	1,175,749
Non-current	75,399	64,849
	<b>1,114,818</b>	<b>1,240,598</b>

The average credit period on purchases is 60 days (2024: 60 days). The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (continued)

## 18. Related party balances and transactions

Related parties represent the shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties and the Government of the Emirate of Abu Dhabi and its related parties. Pricing policies and terms of these transactions are approved by the Group's management.

The Group's transaction with other entities owned or controlled, either directly or indirectly by the Government of Abu Dhabi, included in the consolidated statement of financial position are as follows:

	31 December 2025 USD'000	31 December 2024 USD'000
<b>(a) Due from related parties</b>	<b>228,666</b>	144,080
<b>(b) Other balances due from related parties (i)</b>	<b>1,164,132</b>	1,245,206
Less: expected credit loss allowance	<b>(28,004)</b>	(28,004)
	<b>1,364,794</b>	1,361,282
<b>(a) Due from related parties</b>		
ADNOC Offshore	<b>205,872</b>	132,570
Abu Dhabi National Oil Company (ADNOC)	<b>12,166</b>	11,143
ADNOC Onshore	<b>5,580</b>	-
Turnwell Industries L.L.C	<b>4,898</b>	-
Al Dhafrah JV	<b>108</b>	118
ADNOC Sour Gas	<b>34</b>	159
ADNOC Refining	<b>8</b>	90
	<b>228,666</b>	144,080

At 31 December 2025, the Group had a significant concentration of credit risk, with four of the customer representing 99.9% (2024: two of the customer representing 99.7%) of related parties receivables outstanding at that date.

Management is confident that this concentration of credit risk will not result in any loss to the Group considering the credit history of these customers and the fact that those balances are due from sister companies majority owned by ADNOC, which is wholly owned by the Government of Abu Dhabi.

As at 31 December, the ageing of related party balances was as follows:

	31 December 2025 USD'000	31 December 2024 USD'000
Not past due	<b>204,415</b>	137,341
Due from 31 to 60 days	<b>1,005</b>	1,309
Due from 61 to 90 days	<b>1,477</b>	3,345
Due from more than 91 days	<b>21,769</b>	2,085
	<b>228,666</b>	144,080

	31 December 2025 USD'000	31 December 2024 USD'000
<b>(b) Other balances due from related parties (i)</b>		
ADNOC Onshore	<b>416,823</b>	806,888
ADNOC Offshore	<b>449,693</b>	317,117
Abu Dhabi National Oil Company (ADNOC)	<b>153,083</b>	55,448
Turnwell Industries LLC	<b>144,140</b>	62,369
ADNOC Sour Gas	<b>294</b>	150
Al Dhafra JV	<b>99</b>	215
ADNOC Logistics & Services plc	<b>-</b>	3,000
ADNOC Gas	<b>-</b>	19
	<b>1,164,132</b>	1,245,206

(i) Other balances due from related parties represents revenue generated from providing drilling and oil field services but not yet billed. Billing will occur based on the terms of the contract. The contract assets primarily relate to the Group's rights to consideration for the drilling and oilfield services provided to the Group's clients but not billed at the reporting date.

The movement in allowance for expected credit loss during the year was as follows:

	31 December 2025 USD'000	31 December 2024 USD'000
Balance at beginning of the year	<b>28,004</b>	19,004
Charge during the year (note 20)	<b>-</b>	9,000
<b>Balance at end of the year</b>	<b>28,004</b>	28,004

	31 December 2025 USD'000	31 December 2024 USD'000
<b>Due to related parties</b>		
Turnwell Industries LLC	<b>295,545</b>	141,286
ADNOC Onshore	<b>47,987</b>	49,977
Abu Dhabi National Oil Company for Distribution PJSC	<b>36,023</b>	38,753
Abu Dhabi National Oil Company (ADNOC)	<b>31,941</b>	16,286
ADNOC Logistics & Services plc	<b>4,575</b>	4,548
	<b>416,071</b>	250,850

As of 31 December 2025, an amount of USD 11,000 thousand (31 December 2024: USD 15,000 thousand) of income tax is payable to the Department of Finance.

	31 December 2025 USD'000	31 December 2024 USD'000
<b>Borrowings (note 15)</b>		
First Abu Dhabi Bank PJSC	<b>166,626</b>	399,531
Abu Dhabi Commercial Bank PJSC	<b>145,950</b>	422,321
	<b>312,576</b>	821,852

	31 December 2025 USD'000	31 December 2024 USD'000
<b>Cash and cash equivalents (note 11)</b>		
ADNOC Group Treasury Services (AGTS)	<b>235,610</b>	329,816
First Abu Dhabi Bank PJSC	<b>32</b>	7
	<b>235,642</b>	329,823

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (continued)

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

	31 December 2025 USD'000	31 December 2024 USD'000
<b>Revenue</b>		
ADNOC Onshore	2,821,672	2,208,623
ADNOC Offshore	1,721,441	1,559,294
Abu Dhabi National Oil Company (ADNOC)	185,527	152,039
Turnwell Industries LLC	153,024	52,069
Al Dhafrah JV	369	1,170
ADNOC Sour Gas	-	9,715
	<b>4,882,033</b>	3,982,910
	31 December 2025 USD'000	31 December 2024 USD'000
<b>Purchases</b>		
Turnwell Industries LLC	633,309	141,286
Abu Dhabi National Oil Company for Distribution PJSC	168,942	158,935
Abu Dhabi National Oil Company (ADNOC)	57,007	55,777
ADNOC Logistics & Services plc	7,411	14,997
ADNOC Sour Gas	2,798	-
	<b>869,467</b>	370,995
<b>Finance income</b>		
ADNOC Group Treasury Services (AGTS)	11,005	11,608
<b>Finance cost</b>		
First Abu Dhabi Bank PJSC	16,596	2,599
Abu Dhabi Commercial Bank PJSC	15,380	5,277
	<b>31,976</b>	7,876
<b>Investment in joint ventures</b>		
Acquisition of investment in joint ventures	132,850	266,750
Share of profit from joint ventures	29,000	8,490
<b>Lease payments</b>		
Abu Dhabi National Oil Company (ADNOC)	11,661	18,969
<b>Sale of property and equipment</b>		
Abu Dhabi National Oil Company (ADNOC)	36,000	-
ADNOC Logistics & Services plc	-	3,000
<b>Recharges</b>		
Turnwell Industries LLC	4,128	-
ENERSOL Limited	591	-
<b>Key management compensation</b>		
Compensation of key management personnel	7,309	6,518
Board of Directors members	7	7
Key management personnel	9	9

Advance for acquisition of a subsidiary is disclosed in note 31.

## 19. Revenue

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

	31 December 2025 USD'000	31 December 2024 USD'000
Drilling and oilfield services	4,835,636	3,981,574
Facilitation of rigs rental	67,250	52,648
	<b>4,902,886</b>	4,034,222

As at 31 December 2025, the Group has unsatisfied performance obligations amounting to USD 19,399 thousand (2024: to USD 75,872 thousand) that will be recognised as revenue during the next financial year. The amount disclosed above does not include variable consideration which is constrained.

## 20. Direct cost

	31 December 2025 USD'000	31 December 2024 USD'000
Repairs and maintenance	904,937	382,224
Staff costs (note 22)	802,536	739,280
Depreciation of property and equipment (note 5)	493,064	416,262
Hire of equipment	303,652	222,875
Chemicals	254,535	198,200
Fuel and lubricants	170,776	160,233
Major maintenance charges	53,151	84,250
Expected credit loss charge (note 18)	-	9,000
Depreciation of right-of-use assets (note 6)	-	14,958
Other direct cost	123,312	110,125
	<b>3,105,963</b>	2,337,407

## 21. General and administrative expenses

	31 December 2025 USD'000	31 December 2024 USD'000
Staff costs (note 22)	68,850	58,230
Depreciation of property and equipment (note 5)	4,020	10,211
Depreciation of right-of-use assets (note 6)	11,042	13,477
Amortisation of intangible assets (note 7)	4,193	3,544
Other expenses*	79,092	69,896
	<b>167,197</b>	155,358

\* Included in other expenses is auditors' remuneration amounting to USD 337 thousand (2024: USD 308 thousand) for audit services and USD 82 thousand (2024: USD 59 thousand) for non-audit services.

The Group has not made any social contribution during the financial year ended 31 December 2025 (2024: Nil).

## 22. Staff cost

	31 December 2025 USD'000	31 December 2024 USD'000
Salaries and allowances	643,064	603,398
End of service benefits (note 16)	20,770	22,464
Pension	24,062	22,240
Other employees' benefits	183,490	149,408
	<b>871,386</b>	797,510

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (continued)

## 23. Finance cost

	31 December 2025 USD'000	31 December 2024 USD'000
Finance costs on interest bearing loans	108,839	128,215
Interest on lease liabilities	624	7,780
	<b>109,463</b>	135,995

## 24. Dividends

### For the year ended 31 December 2024

The Board of Directors, in their meeting held on 12 February 2024, proposed a final cash dividend of AED 8.2244 fils per share amounting to USD 358,310 thousand for the year ended 31 December 2023 which was approved by shareholders at the Annual General Meeting held on 13 March 2024. The dividend was paid during the prior year.

On 2 August 2024, the Board of Directors approved an interim cash dividend of AED 9.0468 fils amounting to USD 394,142 thousand for the first half of 2024. The dividend was paid during the prior year.

### For the year ended 31 December 2025

The Board of Directors, in their meeting held on 12 February 2025, proposed a final cash dividend of AED 9.0468 fils per share amounting to USD 394,011 thousand for the year ended 31 December 2024 which was approved by shareholders at the Annual General Meeting held on 17 March 2025. The dividend was paid during the current year.

The Board of Directors, in their meeting held on 7 May 2025, approved a quarterly cash dividend of AED 4.976 fils per share amounting to USD 216,778 thousand. The dividend was paid during the current year.

The Board of Directors, in their meeting held on 29 July 2025, approved a quarterly cash dividend of AED 4.976 fils per share amounting to a total of USD 216,778 thousand. The dividend was paid during the current year.

The Board of Directors, in their meeting held on 8 October 2025, approved a special cash dividend of AED 1.5149 fils per share amounting to a total of USD 66,000 thousand. The dividend was paid during the current year.

The Board of Directors, in their meeting held on 27 October 2025, approved a quarterly cash dividend of AED 5.7383 fils per share amounting to a total of USD 250,000 thousand. The dividend was paid during the current year.

## 25. Commitments and contingencies

The Group has the following outstanding commitments and contingent liabilities:

	31 December 2025 USD'000	31 December 2024 USD'000
Capital commitments – rigs procurement	86,985	77,790
Commitment for investment in Joint venture	403,941	517,541
Bank guarantees	4,791	47

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.

## 26. Financial Instruments by category

	31 December 2025 USD'000	31 December 2024 USD'000
<b>Financial assets</b>		
Trade and other receivables*	73,545	49,840
Due from related parties	228,666	144,080
Cash and cash equivalents	236,016	330,288
	<b>538,227</b>	524,208
<b>Financial liabilities</b>		
Borrowings	2,269,039	2,294,750
Trade and other payables**	1,030,799	1,099,879
Due to related parties	416,071	250,850
Lease liabilities	47,581	25,157
	<b>3,763,490</b>	3,670,636

\* Trade and other receivables exclude advances, contract assets and prepayments.

\*\* Trade and other payables exclude contract liabilities.

## 27. Financial instruments

### Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

### Market risk management

#### Foreign exchange risk

Foreign exchange risk is limited as the Group's transactions are principally in UAE Dirhams or US Dollars. As the UAE Dirham is pegged to the US Dollar, balances in AED are not considered to represent significant currency risk.

#### Price risk

The Group has no significant direct exposure to commodity price risk. Reduction in oil prices may lead to reduction in the level of future drilling services procured by customers who have significant exposure to oil and gas prices.

#### Fair value interest rate risk

The following table demonstrates the sensitivity to reasonably possible changes in interest rates, with all other variables held constant, of the Group's profit.

	Effect on profit USD'000
<b>2025</b>	
+10 increase in basis points	<b>(2,269)</b>
-10 increase in basis points	<b>2,269</b>
<b>2024</b>	
+10 increase in basis points	(2,295)
-10 increase in basis points	2,295

The fair values of the Group's financial instruments are not materially different from their carrying amounts.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (continued)

## Credit risk management

Credit risk arises from balances with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables, due from group companies and committed transactions. Management assesses the credit quality of its customers, taking into account financial position, past experience and other factors. Individual risk limits are based on management's assessment on a case-by-case basis. The utilisation of credit limits is regularly monitored.

The Group's policy is to place cash and cash equivalents with reputable banks and financial institutions and the Group's management does not expect any losses from non-performance of its counterparties as it believes that adequate allowance has been created against the impaired receivables.

The Group's trade receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The maximum exposure is the carrying amount of the trade receivables as disclosed in note 10.

## Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses for a short term period, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The table below summarises the maturity profile of the Group's financial liabilities at 31 December 2025 and 2024 based on the contractual undiscounted payments.

	Notes	Carrying value USD'000	Contractual cash flows USD'000	1 year or less USD'000	More than 1 year USD'000
<b>31 December 2025</b>					
Lease liabilities	6	47,581	49,823	11,726	38,097
Borrowings	15	2,269,039	2,272,532	1,022,532	1,250,000
Trade and other payables	17	1,030,799	1,030,799	1,030,799	-
Due to related parties	18	416,071	416,071	416,071	-
		<b>3,763,490</b>	<b>3,769,225</b>	<b>2,481,128</b>	<b>1,288,097</b>
<b>31 December 2024</b>					
Lease liabilities	6	25,157	26,872	13,163	13,709
Borrowings	15	2,294,750	2,299,523	799,523	1,500,000
Trade and other payables	17	1,099,879	1,099,879	1,099,879	-
Due to related parties	18	250,850	250,850	250,850	-
		3,670,636	3,677,124	2,163,415	1,513,709

## Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for its shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The policies are based on management's assessment of available options, in conjunction with the shareholders.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares.

The Group monitors capital on the basis of its gearing ratio. This ratio is calculated as net debt divided by total equity plus net debt. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as total equity as shown in the consolidated statement of financial position plus net debt.

## 28. Segment reporting

Information regarding the Group'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 Group 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.

For management purpose the Group 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** 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. It also includes the Island rigs as part of ADNOC Offshore's requirements.

During the year, management have reassessed the operating segments and thereby have combined the offshore jackup and Island segment into offshore segment as these are reviewed on combined basis by CODM.

**Oilfield Services (OFS)** segment was created to provide oil field services through the partnership with Baker Hughes in late 2018.

The Group operates primarily 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 year.

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 year before finance cost, net (both of which are as presented in consolidated statement of profit or loss and other comprehensive income) depreciation, amortisation and impairment.

Refer to note 18 for analysis of revenue from major customers.

31 December 2025	Onshore USD'000	Offshore USD'000	OFS USD'000	Total USD'000
Revenue	2,037,025	1,403,893	1,461,968	4,902,886
Direct cost (excluding depreciation and impairment)	(992,889)	(393,646)	(1,226,364)	(2,612,899)
<b>Gross profit</b> (excluding depreciation and impairment)	<b>1,044,136</b>	<b>1,010,247</b>	<b>235,604</b>	<b>2,289,987</b>
General and administrative expenses (excluding depreciation and amortisation)	(74,836)	(61,248)	(11,858)	(147,942)
Share of profit	3,000	-	26,000	29,000
Other income, net	22,177	3,524	1,290	26,991
<b>EBITDA</b>	<b>994,477</b>	<b>952,523</b>	<b>251,036</b>	<b>2,198,036</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (continued)

EBITDA is reconciled to profit before tax for the year as follows:

31 December 2025	Onshore USD'000	Offshore USD'000	OFS USD'000	Total USD'000
<b>EBITDA</b>	<b>994,477</b>	<b>952,523</b>	<b>251,036</b>	<b>2,198,036</b>
Depreciation included in direct cost	(150,611)	(257,451)	(85,002)	(493,064)
Depreciation and amortisation included in general and administrative expenses	(9,418)	(8,383)	(1,454)	(19,255)
<b>Total depreciation and amortisation</b>	<b>(160,029)</b>	<b>(265,834)</b>	<b>(86,456)</b>	<b>(512,319)</b>
Finance cost, net	(54,075)	(41,840)	(1,922)	(97,837)
<b>Profit before tax for the year</b>	<b>780,373</b>	<b>644,849</b>	<b>162,658</b>	<b>1,587,880</b>

31 December 2024	Onshore USD'000	Offshore USD'000	OFS USD'000	Total USD'000
Revenue	1,892,670	1,328,436	813,116	4,034,222
Direct cost (excluding depreciation and impairment)	(894,919)	(388,001)	(623,287)	(1,906,207)
<b>Gross profit</b> (excluding depreciation and impairment)	<b>997,751</b>	<b>940,435</b>	<b>189,829</b>	<b>2,128,015</b>
General and administrative expenses (excluding depreciation and amortisation)	(75,339)	(47,283)	(5,484)	(128,106)
Share of profit	1,100	-	7,390	8,490
Other income, net	3,714	2,838	(164)	6,388
<b>EBITDA</b>	<b>927,226</b>	<b>895,990</b>	<b>191,571</b>	<b>2,014,787</b>

EBITDA is reconciled to profit for the year as follows:

31 December 2024	Onshore USD'000	Offshore USD'000	OFS USD'000	Total USD'000
<b>EBITDA</b>	<b>927,226</b>	<b>895,990</b>	<b>191,571</b>	<b>2,014,787</b>
Depreciation included in direct cost	(128,994)	(234,133)	(68,093)	(431,220)
Depreciation and amortisation included in general and administrative expenses	(15,507)	(10,454)	(1,271)	(27,232)
<b>Total depreciation and amortisation</b>	<b>(144,501)</b>	<b>(244,587)</b>	<b>(69,364)</b>	<b>(458,452)</b>
Finance cost, net	(71,365)	(50,393)	(2,501)	(124,259)
<b>Profit before tax for the year</b>	<b>711,360</b>	<b>601,010</b>	<b>119,706</b>	<b>1,432,076</b>

\* Excludes depreciation, amortisation and impairment.

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

	Onshore USD'000	Offshore USD'000	OFS USD'000	Total USD'000
<b>31 December 2025</b>				
<b>Property and equipment</b>	<b>1,334,355</b>	<b>3,205,276</b>	<b>937,527</b>	<b>5,477,158</b>
<b>31 December 2024</b>				
Property and equipment	1,442,018	3,055,703	854,953	5,352,674

## 29. Basic and diluted earnings per share

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

	31 December 2025	31 December 2024
Profit attributable to shareholders of the Group (USD'000)	<b>1,448,781</b>	1,303,566
Weighted average number of shares for the purpose of basic earnings per share (000) (refer to below)	<b>15,966,777</b>	15,998,530
Earnings per share (USD'000)	<b>0.091</b>	0.081

The weighted average number of ordinary shares takes into account the weighted average effect of changes in treasury shares (note 14) during the year.

## 30. Income tax

The Group is subject to income tax at 9% on its taxable profits in accordance with the fiscal arrangement (the "Fiscal Arrangement") with Abu Dhabi Supreme Council for Financial and Economic Affairs effective 1 January 2024.

	31 December 2025 USD'000	31 December 2024 USD'000
Current income tax expense	<b>138,930</b>	129,907
Deferred tax credit	<b>169</b>	(1,397)
	<b>139,099</b>	128,510

Recognized deferred taxes of the Group relate to the tax effects of the following:

	31 December 2025 USD'000	31 December 2024 USD'000
Net temporary differences arising from carrying values of – provision for employees end of service benefits	<b>13,640</b>	15,525

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (continued)

The charge for the year can be reconciled to the profit before tax as follows:

	31 December 2025 USD'000	31 December 2024 USD'000
Profit before tax	<b>1,587,880</b>	1,432,076
– Applicable tax charge at statutory rates (9%)	<b>142,909</b>	128,887
– Tax effect of share of results of equity accounted investee	<b>(2,610)</b>	(764)
– Impact of permanent difference	<b>(1,369)</b>	1,785
Current tax reported in the consolidated statement of profit or loss	<b>138,930</b>	129,907

The current tax charge includes the impact of taxes from its foreign operations as per laws and regulations of the respective jurisdiction. The Organisation of Economic Cooperation and Development (OECD) has published GloBE Model Rules, which include a minimum 15% tax rate by jurisdiction ("Pillar Two"). Various countries have enacted or intend to enact tax legislation to comply with Pillar Two rules. Based on the assessment performed, the Group exceeds the minimum 15% tax rate jurisdiction requirement and thereby no top up tax is required for the fiscal year.

### 31. Advance for acquisition of a subsidiary

On 24 July 2025, SLDC HOLDING RSC LTD "SLDC" was incorporated in Abu Dhabi Global Market ("ADGM") as a Restricted Scope Company. The Company, through its subsidiary ADH RSC Ltd holds 100% shares in the entity.

On 31 December 2025, the Group paid cash consideration USD 90,926 thousand for acquisition of 70% stakes in SLDC which after acquisition holds 100% stakes in Sea and Land Drilling, Contractors, Inc which operates land drilling rigs in Kuwait and Oman, comprising eight fully operational land rigs under contract with the respective national oil companies (NOCs) of both countries.

### 32. Subsequent events

Subsequent to the year end, SLDC completed acquisition of 100% stakes in Sea and Land Drilling, Contractors, Inc. The Company, through its subsidiary ADH RSC Ltd, now holds 70% stakes in SLDC while 30% stakes are owned by Schlumberger Oilfield Eastern limited (SLB).

The Board of Directors, in their meeting held on 11 February 2026, approved a quarterly cash dividend of AED 5.7383 fils per share amounting to a total of USD 250,000 thousand. The proposed dividend is subject to approval of the shareholders at the Annual General Meeting.

### 33. Approval of the consolidated financial statements

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 11 February 2026.

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