ADNOC DRILLING COMPANY P.J.S.C.

Third Quarter 2026 Earnings

Management Discussion & Analysis Report

October 27, 2026



أدنـوك للحفـر
ADNOC DRILLING

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Financial Highlights & Key Events

Financial Summary

ADNOC Drilling Company P.J.S.C. ("ADNOC Drilling" or the "Company") delivered another record performance with nine-month revenue of $3,707 million, up 2% year on year, driven primarily by higher Onshore revenue following the consolidation of 30 regional land rigs in Oman and Kuwait through the acquisition of a 70% stake in SLDC, the joint venture established with SLB, and an 80% stake in MBPS. Revenue was further supported by the integration of two offshore island rigs (one commencing operations at the end of 2Q26 and the second joining the fleet in 3Q26 and commencing operations around the end of the quarter) as well as higher integrated drilling services activity ("IDS"), partially offset by the anticipated lower phasing of unconventional activity and the repurposing of certain onshore and offshore rigs.

As previously disclosed, in 3Q26, one of the repurposed land rigs commenced operations in Oman, marking ADNOC Drilling's first organic rig deployment in Oman. The deployment was enabled through the MBPS platform, demonstrating early delivery of cross-border synergies, expanding the Company's client base, and reinforcing the regional expansion strategy.

The strong top line translated into a $25 million increase in EBITDA to $1,663 million for 9M26, supported by a positive contribution from the Enersol joint venture. EBITDA margin was stable at 45%. Net profit reached $1,072 million, an increase of $12 million, or 1%, with net profit margin at 29%.

Free cash flow stood at $961 million in 9M26, lower year on year as a result of working capital movements, driven by exceptionally strong collections in 3Q25, higher inventory levels to support business continuity, and lower payables. Free cash flow excluding M&A stood at $978 million in 9M26, on track with the Company's reaffirmed FY26 guidance range of $1.2-1.3 billion.

In 3Q26, revenue increased 1% sequentially to $1,247 million, supported by higher Onshore and Offshore activity, including a full-quarter contribution from the first island rig added in 2Q26 and the initial and minor contribution from a second island rig added in 3Q26. This was partly offset by the impact of two previously anticipated repurposed jack-ups, as previously disclosed, and lower oilfield services ("OFS") revenue due to the anticipated lower unconventional activity. EBITDA increased 4% sequentially to $579 million, while net profit rose 2% to $366 million.

Year on year, 3Q26 revenue change was -1%, reflecting anticipated lower unconventional phasing, the repurposing of certain land rigs, and the impact of the two repurposed jack-ups mentioned above, partly offset by the consolidation of regional land rigs and the integration of two offshore island rigs. EBITDA increased 3% year on year to $579 million, supported by a positive activity mix, a higher contribution from the Enersol joint venture, and realized efficiencies. Net profit remained broadly flat year on year at $366 million.

In line with the expected phasing, the unconventional business contributed $67 million to revenue in the quarter (compared to $158 million in the same period of last year and $75 million in 2Q26), spread between $62 million in OFS and $5 million in the Onshore segment.

As disclosed since 4Q25, given the strong acceleration of unconventional in FY25, higher than anticipated, we expect a lower phasing in FY26. Combined, unconventional and additional services are expected to contribute approximately $0.5 billion, supporting FY26 revenue guidance of c.$5 billion, including more than $1.4 billion expected from the OFS reporting segment.

At the end of 3Q26, the rig fleet comprised 172 rigs, including 142 in Abu Dhabi: 93 onshore and 49 offshore. An AI-enabled island rig joined the fleet during the quarter, following the addition of the previous island rig in 2Q26. The rig fleet in 3Q26 also includes 30 regional rigs outside the UAE; 8 rigs in Oman and Kuwait were acquired through the transaction with SLB completed in early January 2026, and 22 additional regional rigs were acquired through the MBPS transaction completed in early May 2026. Excluding the regional rigs, overall owned domestic fleet availability stood at 99% at the end of 3Q26.

The number of IDS rigs increased to 62 from 59 in the third quarter of 2025. In addition, the OFS segment provided at least one discrete service to 53 rigs during the quarter. Overall, oilfield services were provided to 115 rigs, with OFS fleet coverage expected to continue increasing over time.

Enhancing distributions with $175 million discretionary dividend

The Board of Directors approved a total dividend distribution of $350 million (c. 8.0 fils per share) in respect of the third quarter of 2026, comprising the base quarterly dividend of $262.5 million and the first $87.5 million tranche of a $175 million discretionary dividend that the Company intends to distribute in two tranches. The base quarterly dividend and the first tranche of the discretionary dividend are expected to be paid in the second half of November 2026 to all shareholders on record as of November 5, 2026. The Board has also endorsed the second $87.5 million tranche of the discretionary dividend for shareholder approval; subject to such approval, payment is expected in or around April 2027.

Strong performance and free cash flow give ADNOC Drilling the capacity to fund future growth while enhancing shareholder returns. The discretionary dividend reflects disciplined capital allocation and the Board's confidence in the Company's cash generation and long-term outlook. Subject to shareholder approval of the second tranche, it increases the total expected dividend in respect of 2026 to $1.225 billion, 22.5% above 2025.

ADNOC Drilling's progressive dividend framework includes an annual dividend floor of $1.05 billion in 2026, increasing by a minimum of 5% per year through at least 2030. Supported by strong free cash flow, disciplined capital allocation, and a highly contracted revenue base, the framework provides investors with both income visibility and long-term growth potential. More details on the Company's dividend policy are available on *page 16*.

Strategic Update: Drill-to-Operate Strategy

ADNOC Drilling's Drill-to-Operate strategy sets out a clear roadmap to expand the value captured across the full well lifecycle. It is not a change in direction, but the next phase of a strategy built over several years through OFS, Integrated Drilling Services, Turnwell, Enersol, and strategic regional partnerships.

The strategy is built on four reinforcing growth drivers: sustained long-term activity supporting well delivery, integrated services that increase value capture from each well, AI-enabled technology and advanced engineering that improve productivity and well economics, and regional partnerships that provide access to new customers, markets, and revenue streams.

Enersol expanded its portfolio companies, reinforcing the role of technology and innovation as strategic growth enablers. At the same time, regional operations were consolidated and started contributing financially, demonstrating the impact of regional partnerships and the Company's ability to unlock new markets and revenue streams. Together, these milestones illustrate how the Drill-to-Operate strategy is translating into diversified growth and creating multiple pathways for long-term value creation.

Key Financials

USD Million	3Q26	3Q25	YoY	2Q26	QoQ	9M26	9M25	YoY
Revenue	**1,247**	**1,260**	**-1%**	**1,232**	**1%**	**3,707**	**3,626**	**2%**
Opex[1]	(675)	(703)	-4%	(681)	-1%	(2,067)	(2,005)	3%
Share of profit of joint ventures[2]	7	3	133%	6	17%	23	17	35%
EBITDA[3]	**579**	**560**	**3%**	**557**	**4%**	**1,663**	**1,638**	**2%**
Depreciation and amortization	(150)	(135)	11%	(135)	11%	(411)	(398)	3%
Finance cost-net	(28)	(23)	22%	(29)	-3%	(76)	(79)	-4%
Taxes	(35)	(34)	3%	(34)	3%	(104)	(101)	3%
Net profit	**366**	**368**	**-1%**	**359**	**2%**	**1,072**	**1,060**	**1%**
EBITDA margin	46%	44%	2%	45%	1%	45%	45%	0%
Conventional EBITDA margin[4]	49%	50%	-1%	48%	1%	49%	51%	-2%
Net profit margin	29%	29%	0%	29%	0%	29%	29%	0%
Conventional net profit margin[4]	31%	32%	-1%	31%	0%	32%	33%	-1%
Cash generated from operating activities	461	667	-31%	403	14%	1,303	1,837	-29%
Capital expenditure[5]	(153)	(174)	-12%	(99)	55%	(343)	(509)	-33%
Investment in joint ventures	-	(19)	-100%	(9)	-100%	(17)	(133)	-87%
Free cash flow	308	477	-35%	297	4%	961	1,204	-20%
Free cash flow (pre-M&A)	308	496	-38%	306	1%	978	1,337	-27%
Total equity	4,394	4,033	9%	4,287	2%	4,394	4,033	9%
Net debt[6]	2,142	1,741	23%	2,158	-1%	2,142	1,741	23%
Earnings per share ($ per share)[7]	0.0228	0.0230	-1%	0.0223	2%	0.0667	0.0663	1%
Capital employed	7,184	6,282	14%	7,055	2%	7,184	6,282	14%
Return on capital employed	22%	25%	-3%	23%	-1%	22%	25%	-3%
Net debt to LTM EBITDA	1.0	0.8	0.2	1.0	-	1.0	0.8	0.2
Leverage ratio	33%	30%	3%	33%	0%	33%	30%	3%
Return on equity	33%	36%	-3%	34%	-1%	33%	36%	-3%

NM = Not Meaningful

(1) Opex includes allocation of G&A expenses and other income
(2) Includes ADNOC Drilling's 51% of Enersol's net profit, accounted for in OFS, and 55% of Turnwell's net profit from unconventional business, related to both land rig operations and OFS
(3) EBITDA represents Earnings Before Interest, Tax, Depreciation, and Amortization
(4) Conventional EBITDA and Net Profit margins exclude the contribution from the unconventional business. On a quarterly basis, the performance of unconventional can be subject to variations related to service mix, volume of drilling, and services provided, etc.
(5) Cash payments for purchase of property and equipment including prepaid delivery payments, excluding CapEx accruals
(6) Interest bearing liabilities less cash and cash equivalents
(7) Calculated on the weighted average number of shares outstanding, excluding treasury shares

Segmental Results

Onshore

USD Million	3Q26	3Q25	YoY	2Q26	QoQ	9M26	9M25	YoY
Revenue	557	512	9%	554	1%	1,588	1,518	5%
Opex[1]	(298)	(258)	16%	(313)	-5%	(868)	(761)	14%
Share of profit of joint venture[2]	-	-	NM	-	NM	-	3	-100%
EBITDA[3]	259	254	2%	241	7%	720	760	-5%
EBITDA margin	*46%*	*50%*	*-4%*	*44%*	*2%*	*45%*	*50%*	*-5%*
Net profit	167	183	-9%	160	4%	481	533	-10%
Net profit margin	*30%*	*36%*	*-6%*	*29%*	*1%*	*30%*	*35%*	*-5%*

NM = Not Meaningful

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

Nine Months (Year-on-Year Performance)

Nine-month Onshore revenue increased 5% year on year to $1,588 million, primarily driven by the consolidation of regional operations through SLDC and MBPS and supported by higher fuel-price escalation. This growth was partly offset by the anticipated lower phasing of unconventional activity in 2026 and the impact of repurposing certain onshore rigs.

Operating expenses increased 14% year on year to $868 million, primarily reflecting the consolidation of regional operations and increase in fuel cost.

As a result, EBITDA change was -5% year on year to reach $720 million, while net profit change was -10% year-on-year to reach $481 million, reflecting the activity mix, including the regional operations.

Third Quarter (Year-on-Year Performance)

Third-quarter Onshore revenue rose 9% year on year to $557 million, benefiting from the consolidation of SLDC and MBPS (regional operations) and higher fuel escalation. These benefits were partly offset by the repurposing of certain onshore rigs and lower unconventional activity phasing.

Operating expenses increased 16% year on year to $298 million, mainly due to higher fuel costs and the consolidation of the regional operations.

EBITDA increased 2% year on year to $259 million, while net profit declined 9%, primarily reflecting higher depreciation and amortization arising from fair value adjustments to the SLDC and MBPS assets. The related charge was recognized in 3Q26 and included amounts attributable from the respective transaction completion dates through September 30, 2026.

Third Quarter (Sequential Performance)

Third-quarter Onshore revenue increased 1% sequentially to $557 million. An additional month of MBPS consolidation, higher fuel escalation, and the reclassification of one rig from Offshore to Onshore were largely offset by lower rig-move activity and the anticipated reduction in

unconventional revenue in 3Q26.

Operating expenses decreased 5% quarter on quarter to $298 million, mainly due to lower maintenance phasing and cost efficiencies.

Consequently, EBITDA increased 7% sequentially to $259 million, while net profit rose 4% to $167 million. Net profit growth was partly offset by higher depreciation and amortization arising from the fair value adjustments to the SLDC and MBPS assets described above.

Offshore (Jack-up & Island)

USD Million	3Q26	3Q25	YoY	2Q26	QoQ	9M26	9M25	YoY
Revenue	372	365	2%	358	4%	1,075	1,036	4%
Opex[1]	(125)	(126)	-1%	(117)	7%	(350)	(328)	7%
EBITDA[2]	247	239	3%	241	2%	725	708	2%
EBITDA margin	*66%*	*65%*	*1%*	*67%*	*-1%*	*67%*	*68%*	*-1%*
Net profit	153	144	6%	151	1%	454	432	5%
Net profit margin	*41%*	*39%*	*2%*	*42%*	*-1%*	*42%*	*42%*	*0%*

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

Note: as previously disclosed, starting 1Q25, the Company consolidated the Offshore Jack-up and Offshore Island businesses into a single "Offshore" segment.

Nine Months (Year-on-Year Performance)

Nine-month Offshore revenue increased 4% year on year to $1,075 million, driven by the two jack-up rigs that commenced operations at the end of 2Q25, the conversion of one rig from Onshore to Offshore in 3Q25, and the AI-enabled island rig added in June 2026. A second new island rig joined the fleet during 3Q26, without a material financial contribution in the quarter.

Operating expenses increased 7% year on year to $350 million, mainly due to increased activity and maintenance phasing.

EBITDA increased 2% year on year to $725 million, while net profit rose 5% to $454 million, primarily reflecting the reassessment of asset useful lives completed in the prior year.

Third Quarter (Year-on-Year Performance)

Third-quarter Offshore revenue rose 2% year on year to $372 million mainly due to the full contribution of the additional AI-enabled island rig that joined the fleet in June 2026 which was partially offset by two jack-up rigs that were repurposed in 3Q26 and the conversion of one rig from Offshore to Onshore. A second new island rig joined the fleet during 3Q26 and is expected to contribute for a full quarter in 4Q26.

Operating expenses reached $125 million, down 1% year on year due to cost optimization initiatives.

EBITDA increased 3% year on year to $247 million, while net profit rose 6% year on year to $153 million, primarily reflecting the reassessment of asset useful lives completed in the prior year.

Third Quarter (Sequential Performance)

Third-quarter Offshore revenue increased 4% sequentially to $372 million, driven by the full-quarter contribution from the AI-enabled island rig added in June 2026 and favorable maintenance phasing,

partly offset by the reclassification of one rig from Offshore to Onshore and the repurposing of the two jack-up rigs previously mentioned. A second new island rig joined the fleet during 3Q26 and is expected to contribute for a full quarter in 4Q26, the positive effect of which is expected to be more than offset by less favorable maintenance phasing versus 3Q26.

Operating expenses reached $125 million, up 7% sequentially, due to increased activity and maintenance phasing.

EBITDA grew 2% sequentially to $247 million, and net profit increased 1% sequentially to $153 million.

Oilfield Services

USD Million	3Q26	3Q25	YoY	2Q26	QoQ	9M26	9M25	YoY
Revenue	318	383	-17%	320	-1%	1,044	1,072	-3%
Opex[1]	(252)	(319)	-21%	(251)	0%	(849)	(916)	-7%
Share of profit of joint ventures[2]	7	3	133%	6	17%	23	14	64%
EBITDA[3]	73	67	9%	75	-3%	218	170	28%
EBITDA margin	*23%*	*17%*	*6%*	*23%*	*0%*	21%	16%	5%
Net profit	46	41	12%	48	-4%	137	95	44%
Net profit margin	*14%*	*11%*	*3%*	*15%*	*-1%*	13%	9%	4%

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

Nine Months (Year-on-Year Performance)

The OFS segment delivered revenue of $1,044 million in 9M26, with a change of -3% year on year. This was primarily driven by the anticipated lower phasing of unconventional activity, partly offset by increased IDS activity. IDS rigs increased from 59 in 3Q25 to 62 in 3Q26.

Operating expenses decreased 7% year on year, supported by lower unconventional activity, which is characterized by relatively lower margins.

The segment reported a positive contribution of $23 million from the Enersol and Turnwell joint ventures, up from $14 million in the first nine months of 2025.

As a result, EBITDA increased 28% year on year to $218 million, with margin expanding 5 percentage points to 21%, while net profit rose 44% year on year to $137 million. These increases reflected higher IDS activity with the associated margins and an overall improved activity mix.

Third Quarter (Year-on-Year Performance)

Third-quarter 2026 revenue stood at $318 million, with a change of -17% year on year, due mainly to the anticipated lower phasing of unconventional activity and reflecting OFS activity mix (e.g. well types).

Operating expenses were down 21% year on year to $252 million from $319 million as a result of lower unconventional activity.

The segment reported a positive contribution of $7 million from the Enersol and Turnwell joint

ventures.

Overall, EBITDA increased 9% year on year to $73 million, driven by a higher-margin activity mix, with margin expanding 6 percentage points to 23%, while net profit rose 12% to $46 million.

Third Quarter (Sequential Performance)

Third-quarter 2026 revenue change was -1% sequentially to reach $318 million, driven by OFS activity mix (e.g. well types).

Operating expenses remained broadly stable sequentially, reflecting the activity mix. The segment reported a positive contribution of $7 million from the Enersol and Turnwell joint ventures.

Consequently, EBITDA change was -3% sequentially to reach $73 million, while net profit change was -4% sequentially to reach $46 million.

Operating Working Capital

USD Million	30 Sept 26	30 Sept 25	YoY	30 June 26	QoQ
Current Assets[1]	**2,119**	**1,760**	**20%**	**1,994**	**6%**
Inventories	375	271	38%	343	9%
Trade & other receivables	216	200	8%	233	-7%
Due from related parties	1,528	1,289	19%	1,418	8%
Current Liabilities[2]	**1,609**	**1,433**	**12%**	**1,546**	**4%**
Trade & other payables	1,280	1,088	18%	1,233	4%
Due to related parties	329	345	-5%	313	5%
Operating Working Capital	**510**	**327**	**56%**	**448**	**14%**

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

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

Operating working capital increased by $183 million, up from $327 million as of the third quarter of 2025 to $510 million as of the third quarter of 2026, reflecting a year-on-year increase of 56%. The increase was primarily driven by strategic inventory maintained to support business continuity amid the regional situation, as well as the consolidation of regional acquisitions completed during the first nine months of 2026. The year-on-year movement also reflects the timing of the exceptionally strong collections achieved in the third quarter of 2025, which resulted in a comparatively lower working capital position at that time.

Operating working capital increased 14% sequentially from $448 million to $510 million, driven by higher current assets, mainly an increase in amounts due from related parties and higher inventories, partly offset by lower trade and other receivables. This was partially offset by an increase in current liabilities, reflecting higher trade and other payables and amounts due to related parties in line with activity levels.

Net working capital as a percentage of revenue stood at around 10% at the end of the third quarter of 2026. The normalized ratio was 12%, adjusted for the impact from phasing of capital expenditure-related payments at quarter-end.

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

Free Cash Flow

USD Million	3Q26	3Q25	*YoY*	2Q26	*QoQ*	9M26	9M25	YoY
Cash from operating activities	461	667	-31%	403	14%	1,303	1,837	-29%
Cash used in investing activities[1]	(153)	(190)	-19%	(106)	44%	(342)	(633)	-46%
Free Cash Flow	**308**	**477**	**-35%**	**297**	**4%**	**961**	**1,204**	**-20%**

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

Free cash flow (post-M&A) stood at $961 million in the first nine months of 2026, down 20% from $1,204 million in the first nine months of 2025. Free cash flow performance was impacted by timing of stronger collections in the first nine months of 2025, as explained in the working capital section above, and higher inventories in the first nine months of 2026 to ensure business continuity amid the regional situation. This was partly offset by lower cash used in investing activities, which decreased to $342 million from $633 million, reflecting lower capital expenditure payments and an investment of $8 million into the Enersol JV, compared to $133 million in the first nine months of 2025, which included $94 million related to the acquisition of a 95% equity stake in Deep Well Services and $39 million in Turnwell.

Free cash flow stood at $308 million in the third quarter of 2026, decreasing by 35% from $477 million in the third quarter of 2025. Cash generated from operating activities decreased to $461 million compared with $667 million, as 3Q25 had benefited from the timing of exceptionally strong collections while 3Q26 witnessed higher inventories to ensure business continuity amid the regional situation. This was partly offset by lower cash used in investing activities, which decreased to $153 million from $190 million, reflecting lower capital expenditure payments

Free cash flow increased sequentially from $297 million in the second quarter of 2026 to $308 million in the third quarter of 2026, mainly driven by higher cash generated from operating activities, supported by higher EBITDA and better collections, and partly offset by higher capital expenditure payments in the quarter.

Balance Sheet

USD Million	30 Sept 26	30 Sept 25	YoY	30 June 26	QoQ
Total Assets	**8,793**	**7,715**	**14%**	**8,601**	**2%**
Non-current assets	6,300	5,683	11%	6,252	1%
Current assets[1]	2,119	1,760	20%	1,994	6%
Cash and cash equivalents	374	272	38%	355	5%
Total Liabilities	**4,399**	**3,682**	**19%**	**4,314**	**2%**
Non-current liabilities	1,550	1,745	-11%	1,530	1%
Current liabilities	2,849	1,937	47%	2,784	2%
Total Equity	**4,394**	**4,033**	**9%**	**4,287**	**2%**
Share capital	436	436	0%	436	0%
Treasury shares and other reserves	(12)	(15)	-20%	(14)	-14%
Statutory reserve	218	218	0%	218	0%
Investment reserve	(63)	0	NM	(62)	2%
Retained earnings	3,759	3,394	11%	3,656	3%
Non-controlling interests	56	0	NM	53	6%
Total Equity and Liabilities	**8,793**	**7,715**	**14%**	**8,601**	**2%**

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

Total assets for the period ended September 30, 2026, amounted to $8,793 million, representing a 14% year-on-year increase from $7,715 million. This growth was mainly driven by an 11% increase in non-current assets to $6,300 million from $5,683 million, attributable to the consolidation of SLDC HOLDINGS RSC LTD and MBPS HOLDINGS RSC LTD through ADH RSC and rig additions associated with fleet expansion, along with cash contributions to Enersol. In addition, current assets increased by 20% to $2,119 million from $1,760 million, primarily attributable to higher amounts due from related parties and inventories.

Cash and cash equivalents for the period ending September 30, 2026, increased year on year to $374 million from $272 million, primarily attributable to free cash flow generation and the net utilization of borrowings, partly offset by dividend payments. As of September 30, 2026, the Company's liquidity headroom (including unutilized syndicated term and revolving facilities) was around $1.16 billion.

Total liabilities increased by 19% to $4,399 million as of September 30, 2026, from $3,682 million as of September 30, 2025, primarily driven by movement of borrowings (net utilization of additional borrowings) during the period and higher trade and other payables, reflecting increased activity levels and the consolidation of regional acquisitions.

On October 16, 2025, the Company entered into a term loan facility of $500 million and a revolving credit facility of $1,500 million. The term loan facility was used to repay the previous syndicated term loan of an equivalent amount, which matured in October 2025, while the new revolving credit facility is meant to fund the Company's growth and the associated working capital.

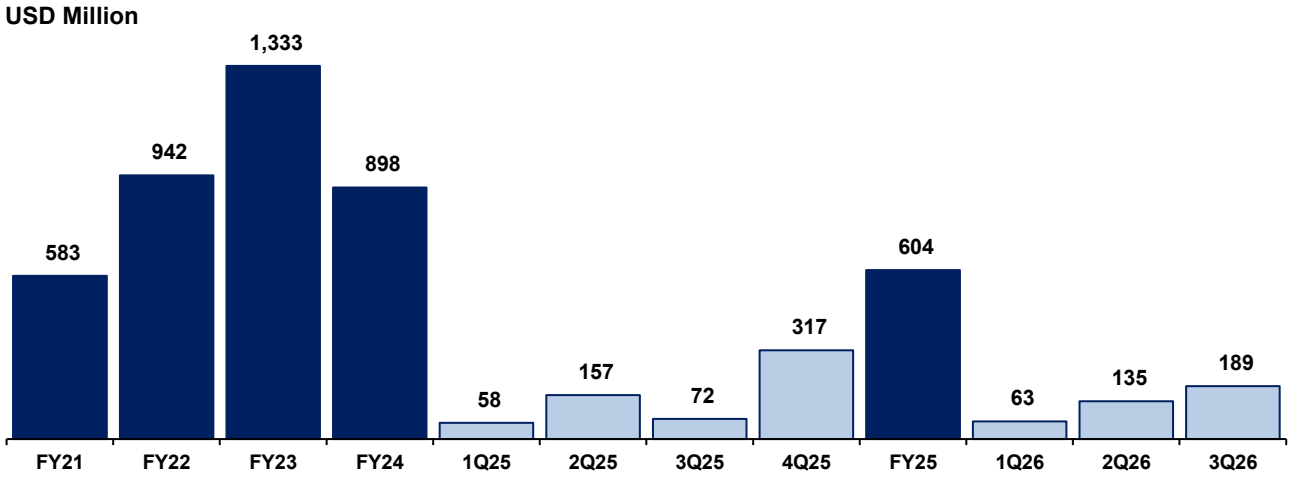
Total assets as of September 30, 2026, increased sequentially to $8,793 million compared to $8,601 million at the end of June 30, 2026. This increase was primarily due to higher current assets of $2,119 million, up from $1,994 million, driven by higher amounts due from related parties and inventories, along with an increase in non-current assets to $6,300 million from $6,252 million, in line with the capital expenditure incurred in 3Q26.

Total liabilities increased by 2% sequentially to $4,399 million from $4,314 million, mainly due to higher trade and other payables and amounts due to related parties, while borrowings remained broadly unchanged during the quarter.

Capital Expenditure

Capital expenditure (CapEx), including accruals, amounted to $189 million in the third quarter of 2026.

Quarterly and Annual Capital Expenditure (including accruals)



USD Million	3Q26	3Q25	YoY	2Q26	QoQ	9M26	9M25	YoY
Cash CapEx	(153)	(174)	-12%	(99)	55%	(343)	(509)	-33%

Cash CapEx (metric part of Company guidance, excluding accruals) totaled $153 million in the third quarter of 2026, decreasing by 12%, primarily reflecting the timing and phasing of rig-related payments, with higher payments made in 3Q25.

Sequentially, cash CapEx increased from $99 million in the second quarter of 2026 to $153 million in the third quarter of 2026.

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

ADNOC Drilling expects cash CapEx to be at around $0.6 billion for 2026.

Operational Highlights

Drilling Services

	3Q26	3Q25	YoY	2Q26	QoQ	9M26	9M25	YoY
Fleet[1]	**172**	**140**	**23%**	**171**	**1%**	**172**	**140**	**23%**
Onshore	123	92	34%	122	1%	123	92	34%
Offshore	49	48	2%	49	0%	49	48	2%
o/w Jack-up	36	36	0%	36	0%	36	36	0%
o/w Island	13	12	8%	13	0%	13	12	8%
Rented rigs	2	7	-71%	6	-67%	2	7	-71%
Rigs Availability*	**99%**	**97%**	**2%**	**99%**	**0%**	**99%**	**96%**	**3%**
Onshore	99%	97%	2%	99%	0%	99%	97%	2%
Offshore	99%	97%	2%	99%	0%	99%	96%	3%
Number of Wells Drilled*	**222**	**202**	**10%**	**203**	**9%**	**617**	**590**	**5%**
Onshore	177	167	6%	159	11%	497	478	4%
Offshore	45	35	29%	44	2%	120	112	7%

(1) Includes in 3Q26: 8 land rigs that are part of the acquisition completed in early January 2026 of a 70% stake in SLB's land drilling rigs business in Kuwait and Oman, and 22 land rigs part of the transaction to acquire an 80% stake in MBPS business across the GCC region, closed in early May 2026.

* Domestic (excluding regional rigs); see Appendix 1 (Glossary) for the calculation of certain metrics referred to above.

At the end of the third quarter of 2026, the rig fleet comprised 172 rigs, including 142 rigs in Abu Dhabi: 93 onshore and 49 offshore. The second AI-enabled island rig joined the fleet near the end of the third quarter, while one offshore island rig was reclassified to the Onshore segment during the same period.

The rig fleet in the third quarter of 2026 also includes 8 rigs in Oman and Kuwait acquired through the transaction with SLB completed in early January 2026 and 22 additional regional rigs acquired through the MBPS transaction completed in early May 2026.

Owned fleet availability (excluding the regional rigs) was 99% at the end of the third quarter.

Key highlights of the quarter:

- The number of IDS rigs increased by 3 rigs from 59 rigs in the third quarter of 2025 to 62 rigs in the third quarter 2026; offered at least one discrete service to an additional 53 rigs.
- Achieved TRIR frequency of 0.4 against a target of 0.6 for the nine months.
- Onshore rig availability of 99%, driven by high uptime and minimal unplanned downtime.
- Addition of second new AI-enabled island rig in the fleet during the third quarter.

Oilfield Services (OFS)

- IDS rigs increased year on year from 59 to 62 in 3Q26, and at least one discrete service was delivered across an additional 53 rigs between onshore and offshore, resulting in OFS coverage across a total of 115 rigs.

- IDS drilling efficiency improved by 23% in 3Q26 versus the 2025 benchmark, driving cumulative savings to clients of $164 million in the first nine months of 2026.

FY26 Guidance & Medium-Term Outlook

To enable ADNOC's strategic imperative of expanding production capacity to five million barrels per day by 2027, ADNOC Drilling has reached 142 rigs in Abu Dhabi. The total fleet consists of 172 owned rigs, including 8 rigs in Oman and Kuwait part of the transaction with SLB closed in early January 2026 and 22 regional rigs part of the MBPS transaction completed in early May 2026.

One new AI-enabled island rig entered the domestic fleet in 3Q26. The remaining four new island rigs are currently expected to gradually join the fleet in 2027, with the concentration expected in the second half of 2027, upon timely delivery.

Despite the current regional environment, and thanks to the resilience of its operations, ADNOC Drilling confirms its full-year 2026 guidance, now sharpened from previously communicated ranges, reaffirming growth.

The full-year 2026 financial guidance is presented below:

USD Billion (unless otherwise stated)	FY26 Guidance
Revenue	**~5**
Onshore	>2.1
Offshore (Jack-up and Island)	>1.4
Oilfield Services	>1.4
EBITDA	**~2.2**
EBITDA Margin	*~44%*
Net Profit	**~1.45**
Net Profit Margin	*~29%*
Cash CapEx *(excluding M&A)*	**~0.6**
Free Cash Flow *(excluding M&A)*	**1.2 - 1.3**
Dividend	**1.225** *(+22.5% YoY)*

Looking beyond 2026, ADNOC Drilling's growth is supported by the continued scaling of OFS and IDS, regional expansion, and accelerating technology adoption. Ongoing investment in UAE production capacity, gas development, unconventional resources, and energy infrastructure is expected to sustain demand for the Company's services, while fleet expansion and automation-led productivity gains support long-term visibility on earnings and cash flow generation.

Maintenance CapEx is expected to be up to $0.3 billion per annum, with around $0.5 billion growth CapEx expected in full-year 2027.

The Company targets a long-term leverage range (pre-M&A) of 1.0x-2.0x Net Debt/EBITDA, reflecting its highly contracted earnings profile and commitment to efficient capital allocation.

As anticipated, for full-year 2027, the Company expects low-to-mid-single-digit revenue growth and broadly stable EBITDA margin compared to full-year 2026 guidance level.

Net income is expected to remain stable from full-year 2026 to full-year 2027 as a result of higher depreciation and financing cost.

A more granular guidance for 2027 and beyond will be provided in due course, as future business needs and financial contributions are further determined.

Dividend Policy

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

1Q26 base dividend of $262.5 million (c. 6.0 fils per share) was paid to shareholders in June 2026.
2Q26 base dividend of $262.5 million (c. 6.0 fils per share) was paid to shareholders in August 2026.

The Board of Directors approved a total dividend distribution of $350 million (c. 8.0 fils per share) in respect of the third quarter of 2026, comprising the base quarterly dividend of $262.5 million and the first $87.5 million tranche of a $175 million discretionary dividend that the Company intends to distribute in two tranches. The base quarterly dividend and the first tranche of the discretionary dividend are expected to be paid in the second half of November 2026 to all shareholders on record as of November 5, 2026. The Board has also endorsed the second $87.5 million tranche of the discretionary dividend for shareholder approval; subject to such approval, payment is expected in or around April 2027.

Strong performance and free cash flow give ADNOC Drilling the capacity to fund future growth while enhancing shareholder returns. The discretionary dividend reflects disciplined capital allocation and the Board's confidence in the Company's cash generation and long-term outlook. Subject to shareholder approval of the second tranche, it increases the total expected dividend in respect of 2026 to $1.225 billion, 22.5% above 2025.

ADNOC Drilling's progressive dividend framework includes an annual dividend floor of $1.05 billion in 2026, increasing by a minimum of 5% per year through at least 2030. Supported by strong free cash flow, disciplined capital allocation, and a highly contracted revenue base, the framework provides investors with both income visibility and long-term growth potential. According to the policy, the base FY27 dividend floor is expected to be $1.10 billion (c. 25.3 fils per share), with an increase of at least 5% from the FY26 base of $1.05 billion.

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).

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

Earnings Webcast and Conference Call

ADNOC Drilling will host the earnings webcast and conference call followed by a Q&A session for investors and analysts on Tuesday, October 27, 2026, at 16:00 UAE time/12:00 UK time/08:00 NY time.

The call will be hosted by Abdulla Ateya Al Messabi (CEO), Youssef Salem (CFO), and the broader leadership team. Interested parties are invited to join the call by clicking here.

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

Share Price and Ownership

Our shares are traded on the Abu Dhabi Securities Exchange (ADX) under the symbol ADNOCDRILL. The closing share price as of September 30, 2026, was AED 5.77. In the period from July 1, 2026, through September 30, 2026, the share price traded in a range between AED 5.50 and AED 6.24. Market capitalization was AED 92.3 billion as of September 30, 2026, and an average of 8.3 million shares traded daily during the third quarter of 2026.

As of September 30, 2026, XRG P.J.S.C. ("XRG"), ADNOC's wholly owned subsidiary, owned a majority 78.5% stake in the Company, and Baker Hughes Holding SPV Ltd. ("Baker Hughes") owned 5% stake in the Company, while 16.5% of our outstanding shares were publicly owned by other institutional and retail investors.

ADNOC Drilling is part of the MSCI Indexes including MSCI EM and MSCI UAE. Moreover, the Company is included in three of FTSE Russell's globally recognized indices including the FTSE Emerging Index, FTSE Global Large Cap Index, and FTSE All-World Index. Furthermore, ADNOC Drilling is also member of the FADX 15 Index. The index is uniquely designed by ADX and FTSE Russell to track the performance of the largest and most liquid companies on the ADX main market.

Fourth Quarter 2026 Results

The Company expects to announce fourth quarter 2026 results in February 2027.

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October 27, 2026
ADNOC Drilling Company P.J.S.C.

Appendix: Glossary

Financial Terms

EBITDA represents Earnings Before Interest, Tax, Depreciation and Amortization

Net debt is calculated as total interest-bearing debt less cash and bank balances (including term deposits with banks) adjusted for lease liabilities.

Net debt to EBITDA ratio is calculated as interest-bearing net debt as of the end of the period presented, divided by EBITDA for the twelve months ended on the last day of the period presented.

Capital employed is calculated as the sum of total assets minus non-interest-bearing current liabilities.

Return on capital employed is calculated as operating profit for the twelve months ended on the last day of the period presented divided by capital employed on the last day of the period presented. Operating Profit is defined as profit excluding financing, tax and income and expenses from investments.

Leverage ratio is calculated as (a) interest-bearing net debt, divided by (b) the sum of interest-bearing net debt plus total equity.

Return on equity is calculated as profit for the period for the twelve months ended on the last day of the period presented divided by total equity on the last day of the period presented.

Operating Working capital is calculated as current assets excluding cash and bank balances minus current liabilities excluding lease liabilities.

Operating Cashflows are Net cash generated from operating activities as stated in the cash flow statement.

Free cash flow is calculated as net cash generated from operating activities less payments for purchase of property & equipment and advances to contractors and finance income received.

Opex represents Operating expenditure that includes direct cost and general and administrative expenses excluding depreciation, amortization and impairment as stated in the statement of profit or loss and other comprehensive income.

Capital expenditure or **CapEx** is total cash capital expenditure for payments made for purchase of property and equipment including prepaid delivery payments as stated in the cash flow statement.

All financial terms have meaning as defined in the International Financial Reporting Standards ("IFRS") unless otherwise stated.

IFRS are accounting standards issued by the IFRS Foundation and the International Accounting Standards Board (IASB). They constitute a standardized way of describing the company's financial performance and position so that company financial statements are understandable and comparable across international boundaries.

Industry Terms

Rig means a drilling unit and equipment package and is an integrated system that drills oil and gas wells in the earth's subsurface.

Standby is period when the works are unable to proceed and when the rig is put on standby for various reasons, waiting-on-weather or inspection, or any other reason based on the mutual understanding between the Company and the customer and as defined in the contract.

Planned Maintenance is a scheduled Turnaround maintenance, and it varies based on built year, class, and design. Usually, drilling rigs undergo major maintenance every five years subject to HSE and Asset Integrity Protocols. However, jack-up rigs may require outages during the intermediate two and half years for class renewal surveys.

Owned Rig includes rigs acquired through rig-built project or purchased from market, the title of which is transferred to ADNOC Drilling. The rig count also includes lease-to-own rigs.

Rented Rigs are rigs rented from 3rd party rig providers on the basis of back-to-back contracts with customers with minimal mark-up to cover for administrative overheads.

Rig availability is Cumulative of (Rig days less actual maintenance days less rig-related non-productive time less actual rig move days) divided by Cumulative of (Rig days less planned maintenance days less planned rig move days).

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

Cautionary Statement Regarding Forward-Looking Statements

This communication includes forward-looking statements which relate to, among other things, our plans, objectives, goals, strategies, future operational performance, and anticipated developments in markets in which we operate and in which we may operate in the future. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond our control and all of which are based on management's current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "would", "intends", "estimates", "plans", "targets", or "anticipates" or the negative thereof, or other comparable terminology. These forward-looking statements and other statements contained in this communication regarding matters that are not historical facts involve predictions and are based on the beliefs of our management, as well as the assumptions made by, and information currently available to, our management. Although we consider that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure you that such expectations will prove to be correct. Given these uncertainties, you are cautioned not to place undue reliance on such forward-looking statements. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to: our reliance on ADNOC Onshore and ADNOC Offshore for deploying rigs as per existing terms and conditions; failure to successfully implement our operating initiatives and growth plans, including our cost savings initiatives, due to general economic conditions, our reliance on information technology to manage our business; laws and regulations pertaining to environmental protection, operational safety, the extent of our related party transactions with ADNOC Group; the introduction of new taxes in the UAE; failure to successfully implement new policies, practices, systems and controls that we implemented in connection with or following our IPO; any inadequacy of our insurance to cover losses that we may suffer; general economic, financial and political conditions in Abu Dhabi and elsewhere in the UAE; instability and unrest in regions in which we operate; the introduction of new laws and regulations in Abu Dhabi and the UAE; and other risks and uncertainties detailed in our International Offering Memorandum dated September 6, 2021 relating to our initial public offering and the listing of our shares on the Abu Dhabi Securities Exchange, and from time to time in our other investor communications. Except as expressly required by law, we disclaim any intent or obligation to update or revise these forward-looking statements.