



# National Energy Services Reunited Corp.

## ***MENA National Champion | Story Of Many “Firsts”***

May 2022



Sherif Foda  
Chairman & Chief Executive Officer



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# O&G Macro

## MENA Poised For Multi-Year Upcycle

## Oil Demand – Upward March from 100mmbpd

- Oil demand eclipsed 100mmbpd in 4Q21 with broad-based pandemic recovery.
- OPEC & other forecast bodies expect continued march higher through 2022+.
- Geopolitical instability, COVID & inflation in-focus, but demand resilient YTD.

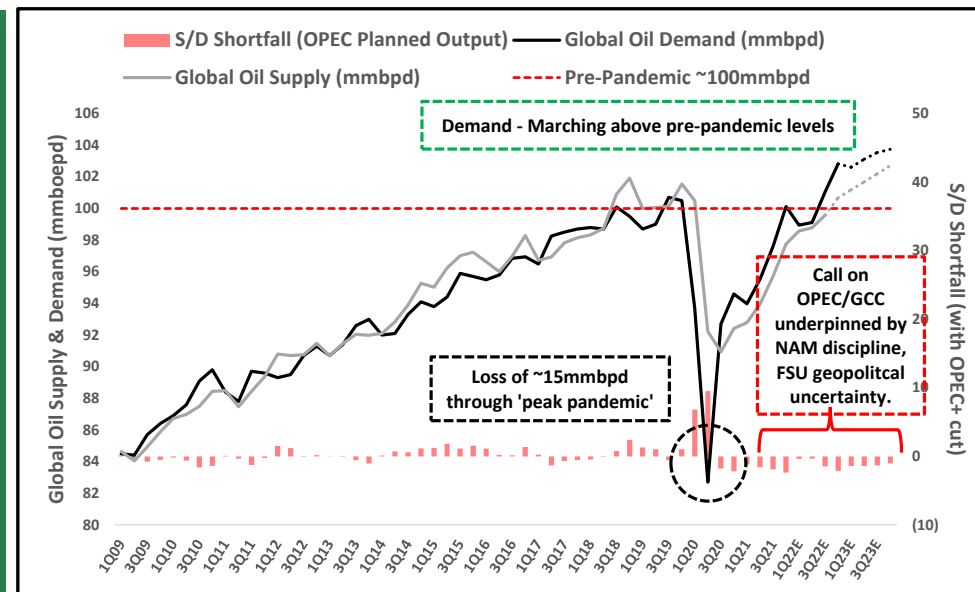
## Oil Supply – NAM Demand & ESG Provide Key Price Support

- US shale has embraced discipline, capex growth driven by privates & inflation.
- Investor requirement for returns & ESG are structural checks to NAM growth.
- Internationally, multi-year underinvestment underpins a constructive supply view.

## OPEC/MENA – Short-Cycle Acceleration, Longer-Cycle Expansion

- Thus far, OPEC/GCC have stuck to consistent oil supply management.
- Short-cycle barrel acceleration expected through 2H22 and into 2023+.
- Natural gas ‘megacycle’ to enhance an already strong oil activity outlook.
- Middle East expected to lead spending & activity ramp through balance of 2022.

### Supply/Demand Balance



### Oil Demand – OPEC MOMR

World oil demand	2021	1Q22	2Q22	3Q22	4Q22	2022	Change 2022/21	
							Growth	%
Americas	24.27	24.38	25.43	25.82	25.78	25.36	1.09	4.50
of which US	19.93	19.70	21.01	21.30	21.26	20.82	0.89	4.49
Europe	13.08	12.83	13.17	14.40	14.24	13.66	0.59	4.49
Asia Pacific	7.41	7.96	7.22	7.25	7.93	7.59	0.18	2.42
<b>Total OECD</b>	<b>44.75</b>	<b>45.16</b>	<b>45.82</b>	<b>47.47</b>	<b>47.95</b>	<b>46.61</b>	<b>1.86</b>	<b>4.16</b>
China	14.56	14.34	15.10	15.06	15.65	15.04	0.48	3.27
India	4.76	5.28	4.82	4.97	5.35	5.10	0.34	7.16
Other Asia	8.63	9.20	9.59	8.93	8.95	9.16	0.54	6.24
Latin America	6.30	6.43	6.33	6.61	6.50	6.47	0.16	2.62
Middle East	7.98	8.28	8.01	8.49	8.20	8.25	0.26	3.28
Africa	4.26	4.52	4.21	4.27	4.56	4.39	0.13	3.11
Russia	3.61	3.70	3.33	3.50	3.59	3.53	-0.08	-2.29
Other Eurasia	1.21	1.24	1.19	1.04	1.28	1.19	-0.02	-2.06
Other Europe	0.75	0.80	0.71	0.73	0.80	0.76	0.01	0.69
<b>Total Non-OECD</b>	<b>52.07</b>	<b>53.79</b>	<b>53.29</b>	<b>53.60</b>	<b>54.86</b>	<b>53.89</b>	<b>1.81</b>	<b>3.48</b>
<b>Total World</b>	<b>96.82</b>	<b>98.95</b>	<b>99.12</b>	<b>101.06</b>	<b>102.81</b>	<b>100.50</b>	<b>3.67</b>	<b>3.79</b>
Previous Estimate	96.75	99.14	99.78	101.36	103.24	100.91	4.15	4.29
Revision	0.07	-0.19	-0.66	-0.30	-0.44	-0.41	-0.48	-0.50

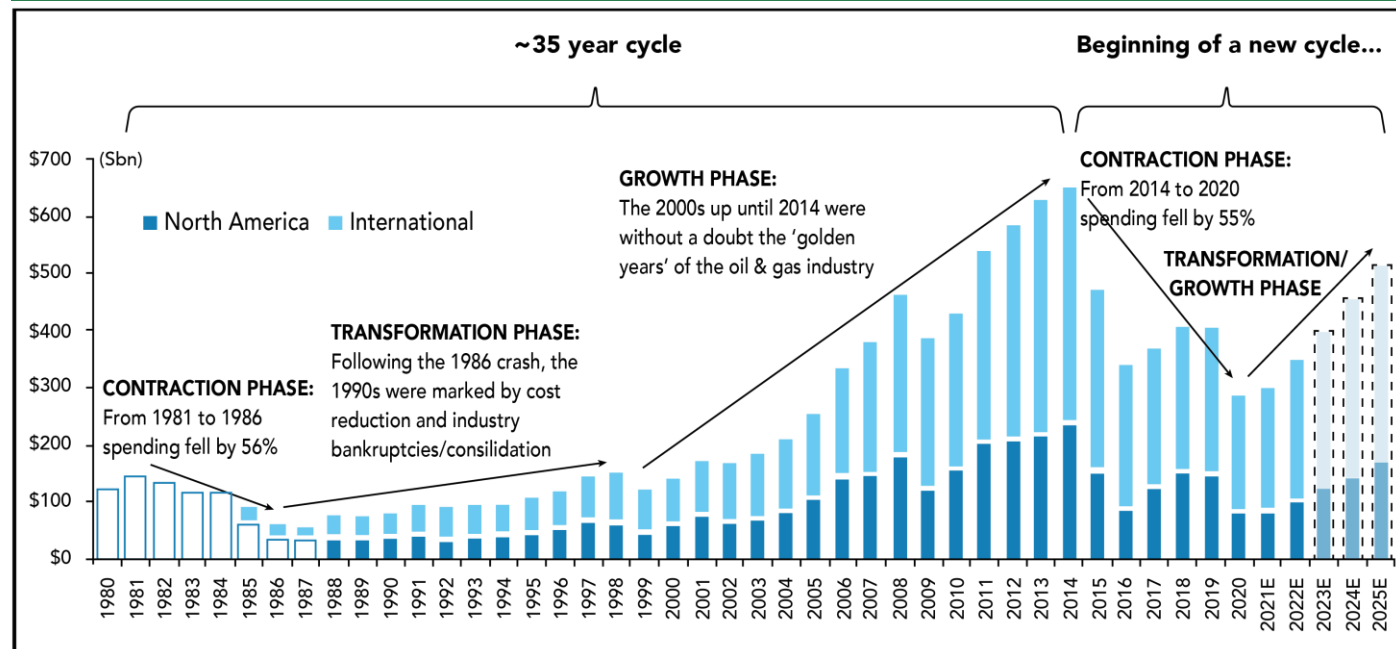
Note: \* 2021 = Estimation and 2022 = Forecast. Totals may not add up due to independent rounding. Source: OPEC.

# Upstream Spending – Multi-Year Cycle Unfolding

## A More Balanced Global Upstream Cycle as Middle East/GCC Set To Accelerate in 2H22+

- NAM growth led by the privates, as publics largely committed to shareholder returns & ESG.
- NAM supply unlikely to outstrip demand – Global balance driven by breakeven economics.
- MENA relatively resilient in 2020 (lowest cost) but lagged in 2021 as OPEC managed output.
- MENA set to re-establish global spending leadership with 1) short-cycle oil growth, 2) oil capacity expansion, and 3) natural gas megacycle investment.

### Global Upstream Spending – Multi-Year Upcycle Unfolding



Source: Barclays Research (Dated January 2022)

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*MENA Spending – Relatively resilient in the 2020 global downturn, slower-to-turn as OPEC/GCC manage output but poised to accelerate and lead all international regions in 2H22+*

### MENA Spending – Poised To Accelerate & Lead 2022

Upstream Capex Survey			
Regions	2020A	2021E	2022E
U.S. & GoM	(44%)	(2%)	34%
Canada	(54%)	24%	15%
<b>NAM Spending</b>	<b>(44%)</b>	<b>1%</b>	<b>32%</b>
Middle East	(15%)	(12%)	20%
Africa	(27%)	(1%)	18%
Asia Pacific	(17%)	12%	16%
Latin America	(27%)	17%	19%
Europe/FSU	(19%)	3%	11%
<b>Int'l Spending</b>	<b>(21%)</b>	<b>3%</b>	<b>16%</b>
<b>Global Spending</b>	<b>(31%)</b>	<b>2%</b>	<b>21%</b>
<b>MENA Spending</b>	<b>(17%)</b>	<b>(9%)</b>	<b>20%</b>

Source: NESR Company Estimates, JPM Research, Barclays Research, ISI Research (data as of Mar 2022)



## Aramco (Saudi Arabia) Raising the Bar to 13mm bpd by 2027

- Grow max sustainable oil capacity (MSC) to 13mm bpd by 2027. Grow gas potentially 50% by 2030.
- What Will This Take? Upstream spending in-excess of MENA CAGR, with green tech for SGI 2030.

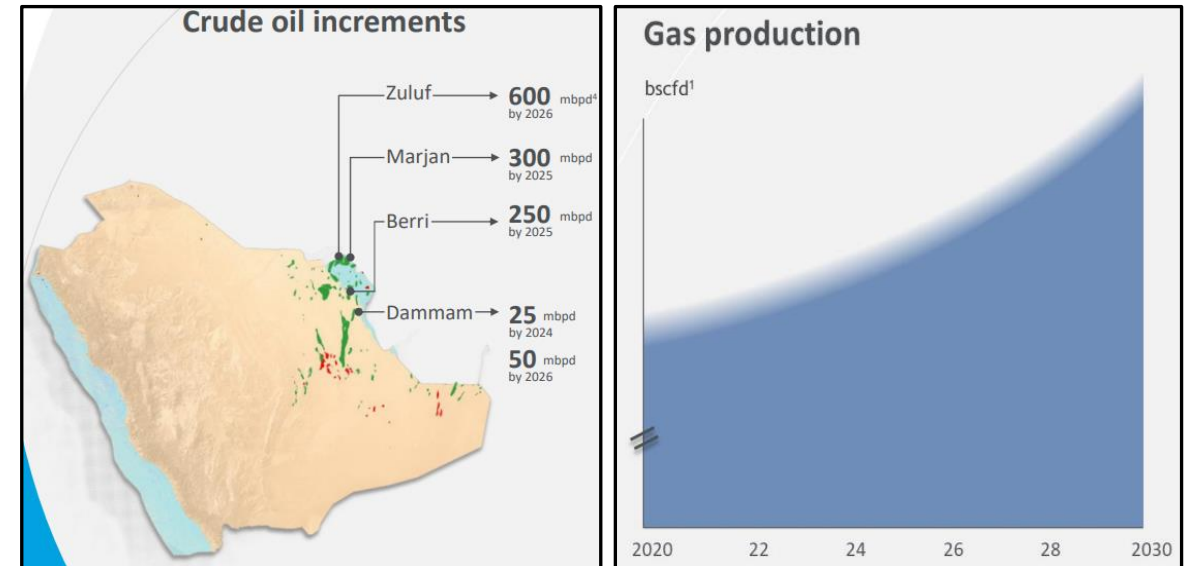
## ADNOC (UAE) Driving Toward 5mm bpd by 2030

- Charging ahead to 5mm bpd oil capacity & self-sufficiency in natural gas.
- What Will This Take? ‘Smart Growth Plan’ involves robust spending, in-country value (ICV) focus, and decarbonization tech to optimize the carbon intensity of this energy growth.

*“We are increasing investments in low-carbon and no-carbon energy sources. We are expanding production capacity of the world’s least carbon intensive oil to more than 5 million barrels per day, while also growing our renewable portfolio five-fold. We are growing our natural gas capacity by 30%, enhancing our ability to supply more LNG. We are doing all this with a strategy that is based on a sound business case and a belief that a realistic, well-planned energy transition provides a salient pathway for new industries, new jobs, and long-term sustainable economic growth.” – ADNOC CEO and Minister of Industry & Advanced Technology, Special Envoy for Climate Change, Dr. Sultan Ahmed Al Jaber (March 28, 2022)*

*“The Company also announced its growth strategy, which in its Upstream business includes continuing to raise crude oil Maximum Sustainable Capacity (MSC) to 13 million barrels per day by 2027, and potentially increasing gas production by more than 50% by 2030.” – Saudi Aramco FY21 Press Release (March 21, 2022)*

## Saudi Aramco Oil & Gas Development Plans – March 2022



Source: Saudi Aramco Mar 21, 2022 Company Presentation



## NESR Overview

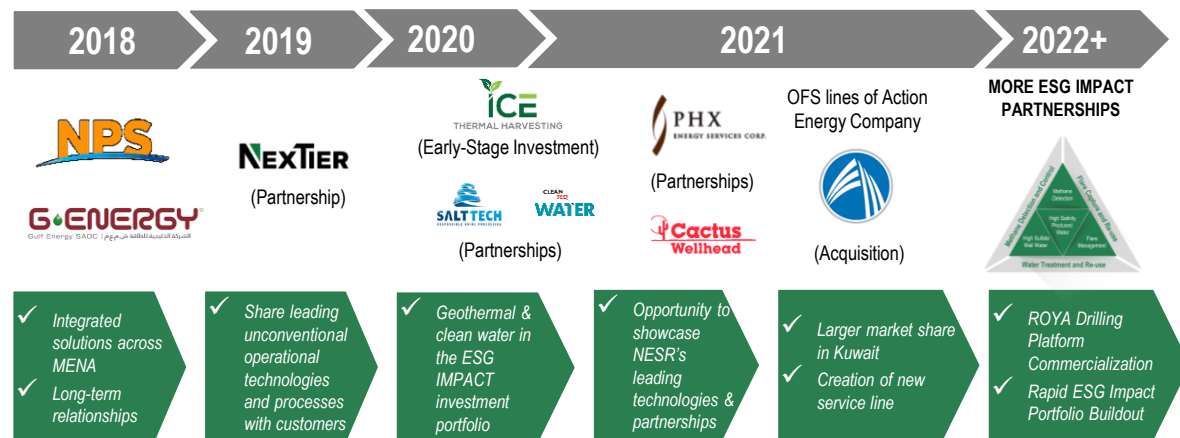


# First GCC+ Energy SPAC With US (Nasdaq) Listing – M&A Vehicle

## NESR Strategy – Including Four Pillars

- Build “National Champion” of MENA, disciplined M&A/attractive valuation.
- Four Pillars:
  1. Establish best-in-class local infrastructure & supply chain across 15 country footprint.
  2. Build diversified & balanced contract portfolio underpinned by multiple ‘anchor countries’ with streamlined segment & country organizational structure.
  3. Expand technology portfolio by way of two strategic drivers: R&E and partnerships.
  4. Establish ESG Impact segment to enable upstream decarbonization & energy transition.

## M&A and Strategic Partnership Track Record

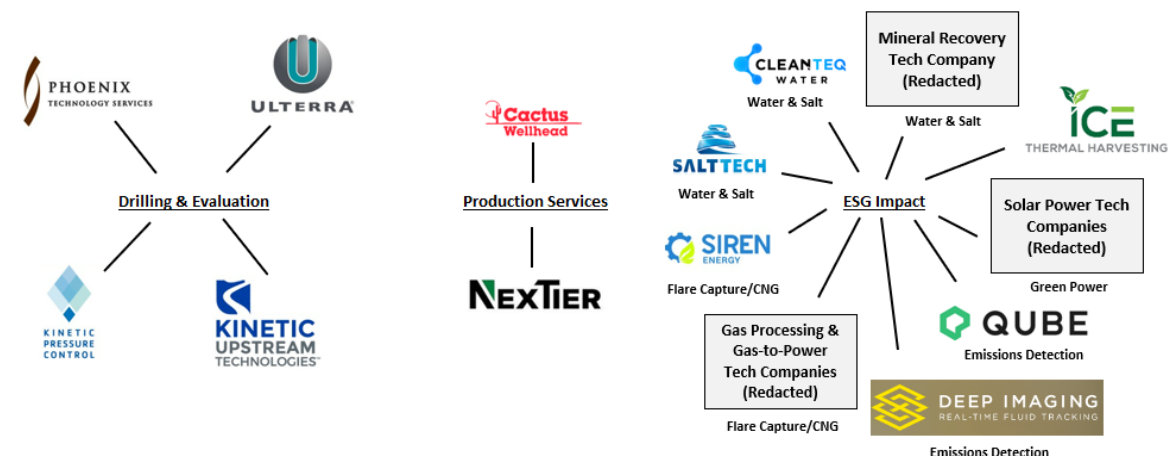


## 2017 US Nasdaq Listing

- 1<sup>st</sup> multi-GCC listing on US exchange (Nasdaq).
- 2018 Merger – Saudi, Oman, UAE, Qatar and Iraq (GES+NPS).
- 2019: Rapid organic growth in contrast to the market adding strong presence Algeria, Libya, Bahrain, Chad
- 2020/2021 – Enter Egypt and expand rapidly Kuwait
- 2022 – ROYA™ Drilling Platform Rollout & ESG Impact Portfolio Buildout.
- Over a dozen commercial partnerships bringing global institutional investor interest to the NESR story.

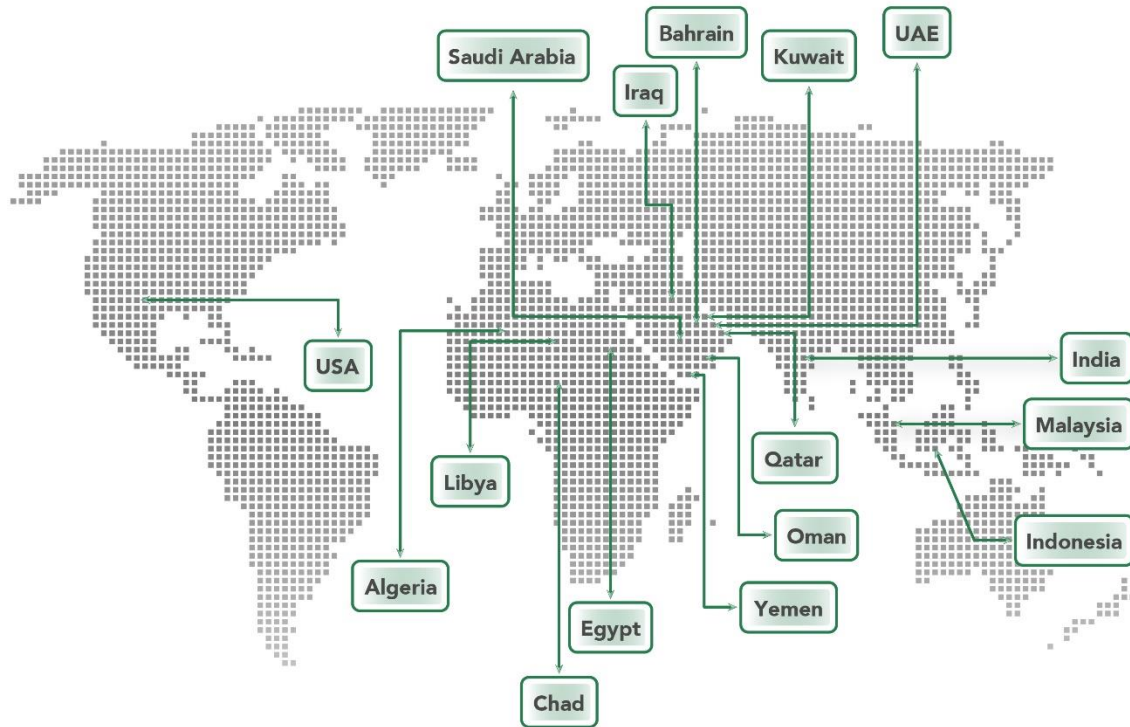


## Open Technology Platform Portfolio





# Pillar #1: First Pure-Play Middle East/North Africa (MENA) Energy Services



- Unique structure of multiple HQ with diversified management: Houston, Saudi Arabia, Oman, UAE with regional offices and support hub across MENA and Asia Pacific
- Operations Bases: 15 Countries
- 5,500+ Employees
- 20 Product Lines
- Clients Portfolio: 30+ Customers (Major IOCs | NOCs | Independents)
- Major Operations: KSA | Oman | Iraq | Algeria | UAE | Egypt | Kuwait | Qatar | India
- Trailing 3yr Revenue CAGR of 17%, vastly outpacing the MENA upstream spending CAGR & key peers.



## Bevy Of Recent Contract Awards Underpin Constructive Outlook & Accretive Growth Future:

- **Oct 2020 – Oman** – Nine (9) year Diversified Services award estimated over \$1 billion.
- **Jan 2021 – Kuwait** – Five (5) year Testing Services award & entry into Kuwait evaluation market.
- **Jun 2021 – MENA (broadly)** – Three (3) year Rigless Services for IOCs estimated up to \$150 million.
- **Oct 2021 – GCC (multiple countries)** – D&E awards with several NOCs for more than \$150 million.
- **Jan 2022 – North Africa** – Multiple PS & D&E awards in Algeria & Egypt, three (3) year over \$100 million.
- **Feb 2022 – UAE** – Five (5) year major ADNOC Onshore Testing award worth \$169 million.
- **Mar 2022 – UAE** – Seven (7) years major ADNOC Cementing award for approximately \$200 million.
- **Apr 2022 – India** – Multi-year Integrated PS contract (broad scope) to vastly expand the footprint in India.
- **Apr 2022 – Saudi** – Three (3) year Integrated Conventional Fracturing award worth approximately \$300 million.





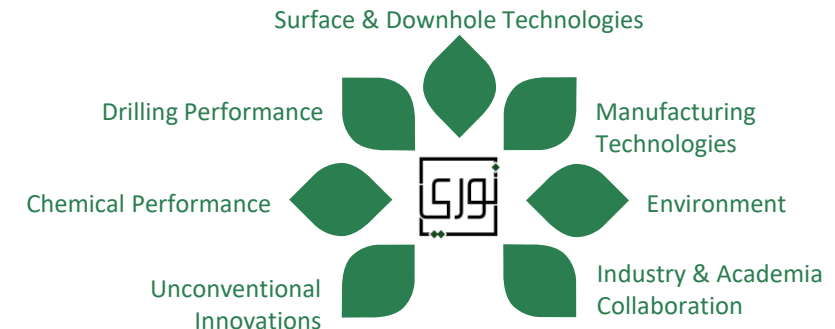
# Pillar #3: Tech Portfolio Expansion Through Partners, R&E

## Technology Portfolio Expansion to Enhance the Base OFS Offering & Expand Into New Frontiers...

- **Drilling & Evaluation (D&E)** – Ulterra (Bits), Kinetic (PCE), Phoenix (Motors), and organic investment in the ROYA™ Directional & Rotary Steerable Platform.
- **Production Services (PS)** – Cactus (PCE), Nextier (Frac), and several others across chemicals & production tools.
- **ESG Impact** – Salttech (Water), CleanTeQ (Water), Qube (Emissions Detection), ICE TH (Heat Capture), among eight (8) others across Water, Emissions Detection, Flare Management & Geothermal.
- **Organic Technology Growth** – While peers cut R&E spend, NESR is ramping | 2019 agreement with Aramco to open King Salman Energy Park (SPARK) | 2020-2022 groundbreaking & completion of NESR Oilfield Research & Innovation Center (NORI) in KSA's Dhahran Techno Valley (DTV).



*NORI's model, akin to the larger technological changes we are seeing globally, will create an open platform for innovative technology companies in the upstream space to come to the Kingdom and will benefit the Saudi oil and gas industry - Dr. Mohammed Y. Al-Qahtani, Saudi Aramco's Senior Vice President for Upstream*





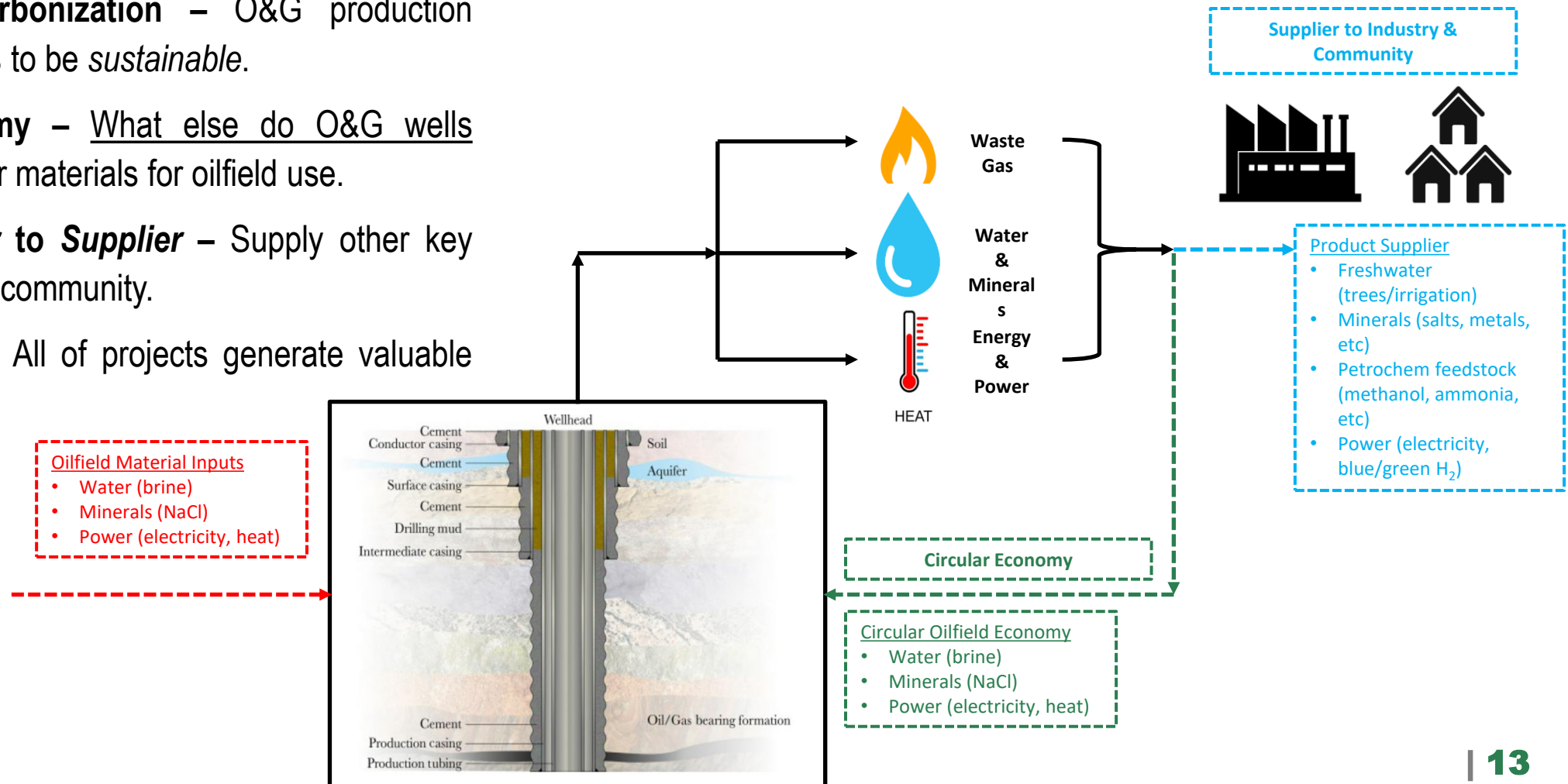


## Pillar #4 – ESG Impact

### NESR Leadership In Decarbonization

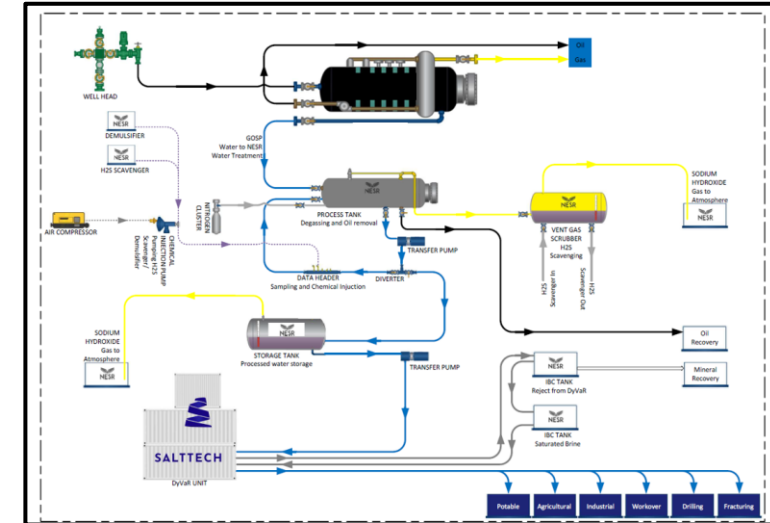
## Energy Transition Is Important, But Will Take Time...

- **Upstream Decarbonization** – O&G production needed but needs to be *sustainable*.
- **Circular Economy** – What else do O&G wells produce? Recover materials for oilfield use.
- **From Consumer to Supplier** – Supply other key byproducts to the community.
- **Carbon Offset** – All of projects generate valuable *carbon offsets*.



**Challenge** – Client wanting to treat high salinity GOSP water to freshwater at zero liquid discharge (ZLD) level, to use in a variety of applications (oilfield, irrigation, community).

- **Solution** – Saltech DyVaR unit for extremely efficient desalination. Pilot includes proprietary pre-treatment for H<sub>2</sub>S removal & de-oiling.
- **Unprecedented Desalination Results** – Extremely high salinity water treated to freshwater quality, for a dynamic number of end uses.
- **Potential Mineral Recovery** – Technology being explored for potential salt recovery from the concentrated ZLD reject stream (provide minerals to other industries).
- **Carbon Footprint Reduction** – Offsets produced water disposal, freshwater sourcing, and transport/logistics (+ potentially minerals).





**Challenge** – Client wanting to treat high TDS water to oilfield brine to support workover operations.

- **Solution** – CleanTeQ HIROX/CIF unit to selectively remove heavies and improve desalination yield.
- **Water Circular Economy** – Using produced water (waste stream) to make brine, minimizing disposal footprint.
- **Shield Precious Freshwater Consumption** – Offset demand from industrial freshwater plant.
- **Eliminate Salt Mixing** – Desired salt concentration built into HIROX/CIF design.



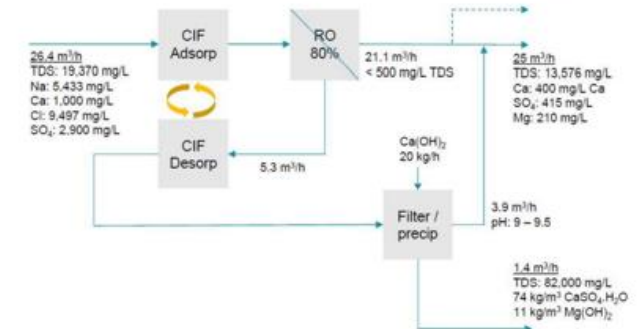
**Targets:**

- Produced water: 600 m<sup>3</sup>/d
- < 440 mg/L SO<sub>4</sub>
- < 400 mg/L Ca
- < 400 mg/L Mg
- Na: 10,000 – 15,000 mg/L

*Additional request: produce small amount of low TDS treated water and NaCl brine*

**2. HIROX® with RO, blend brine after dewatering**

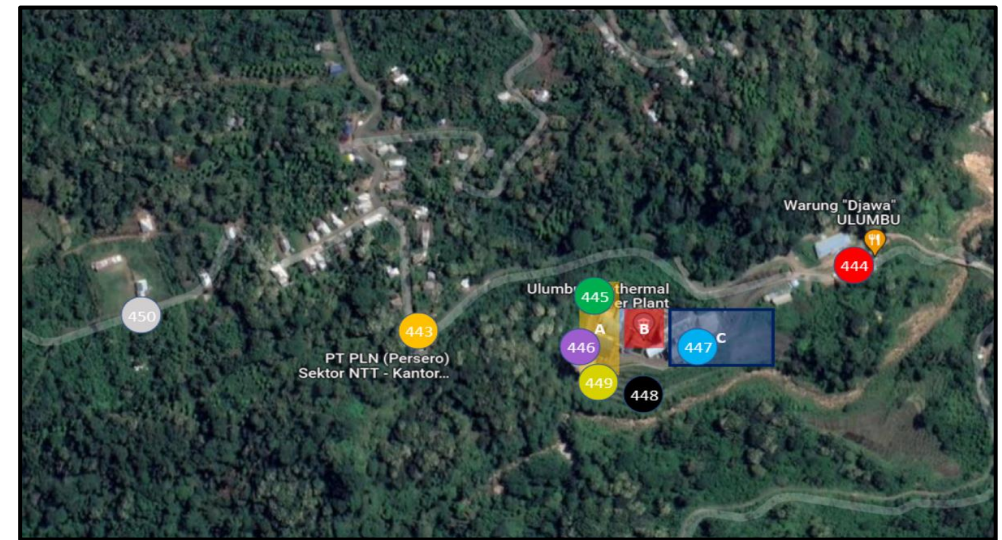
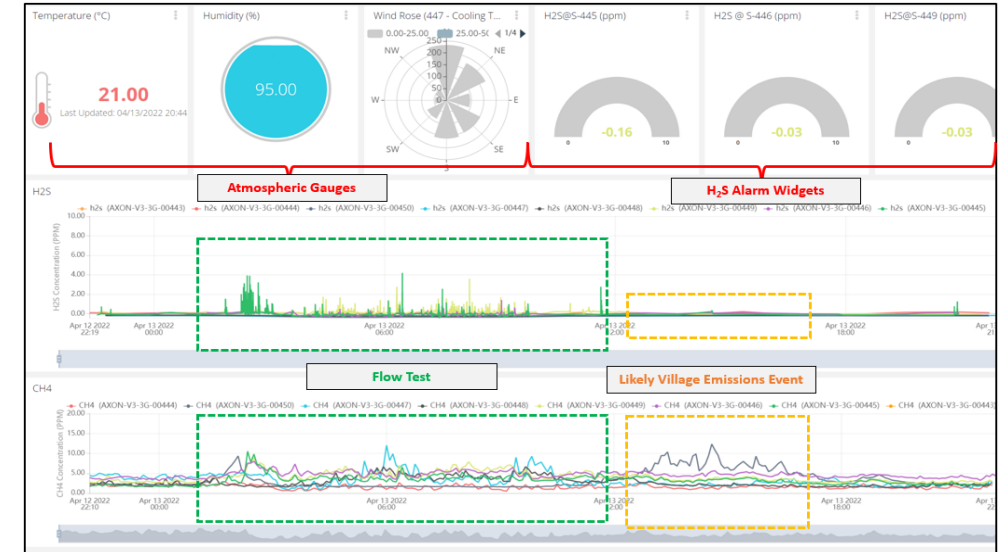
- Remove Ca with CIF
- Remove Mg with Ca(OH)<sub>2</sub>
- Blending of RO and NF permeate to control treated water quality



# Emissions Detection – Case Study – Indonesia

**Challenge** – Geothermal power producer in Indonesia to monitor 1) H<sub>2</sub>S (flow tests proximal to school/village), and 2) CH<sub>4</sub> emissions (GHG & leak visualization).

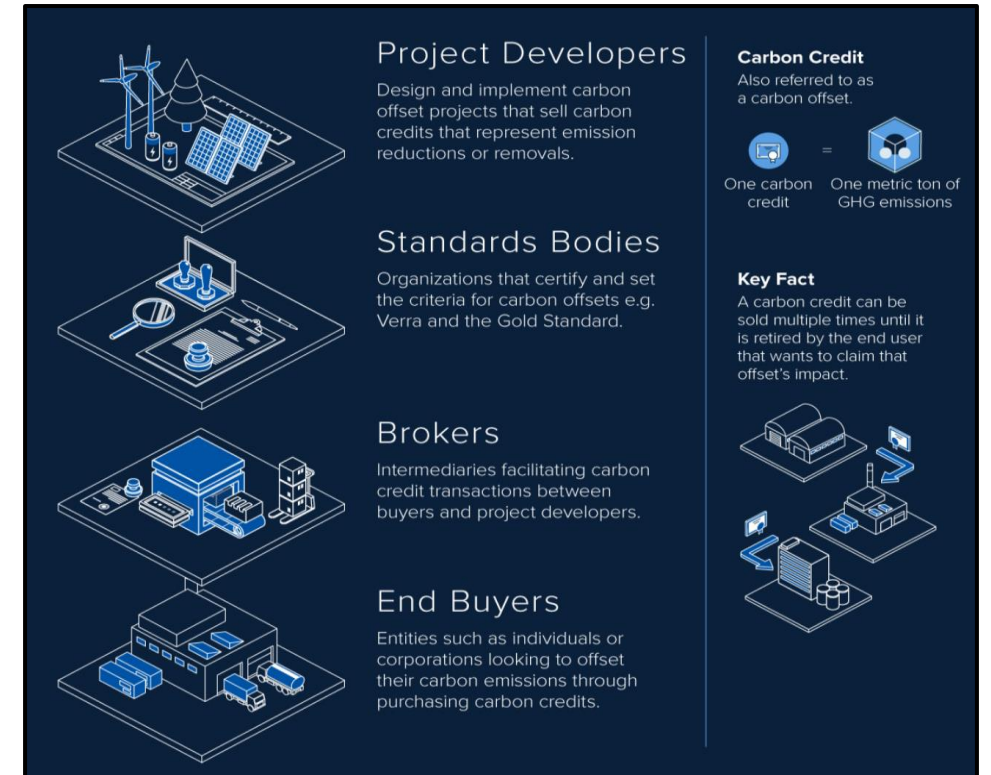
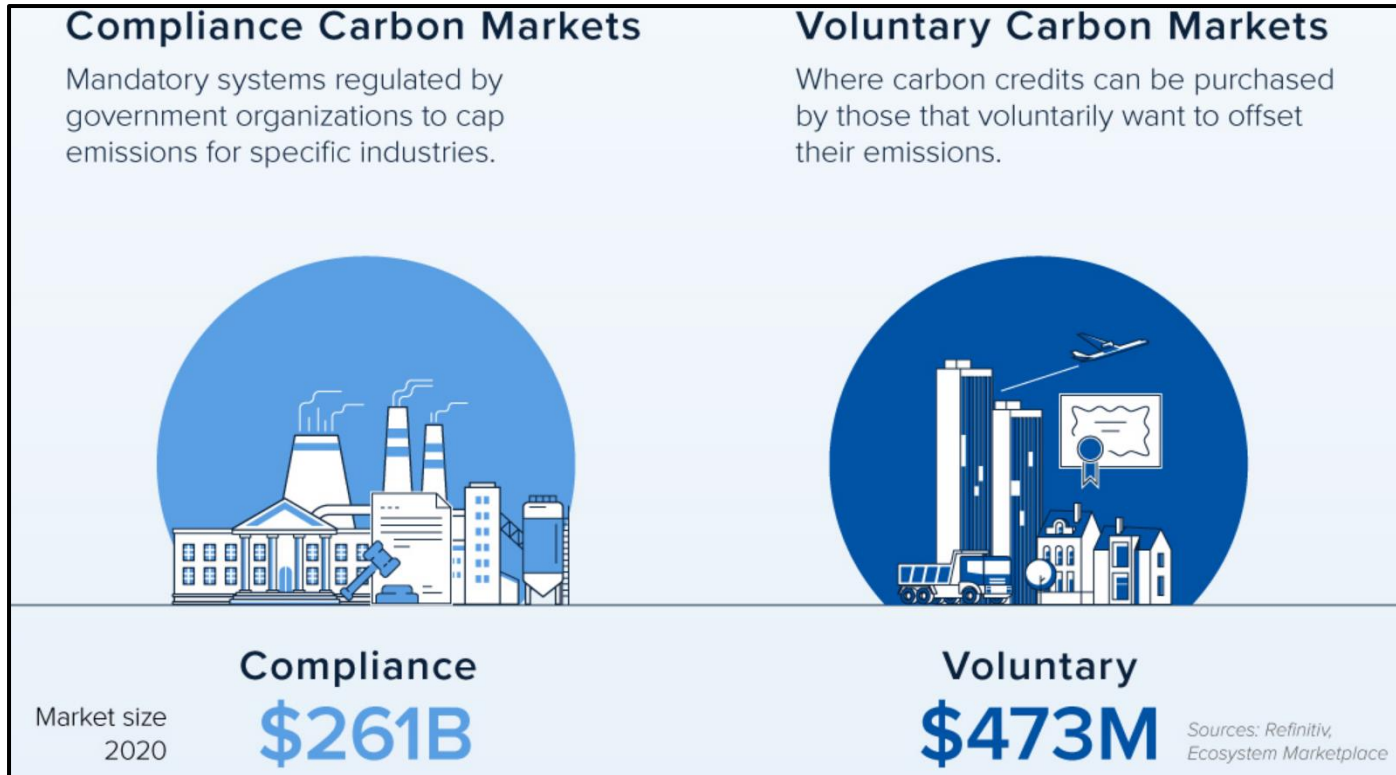
- **Solution** – Eight (8) NESR Qube sensors deployed around the plant. First tech that can monitor both H<sub>2</sub>S & CH<sub>4</sub>.
- **Highly Correlated to Incumbent H<sub>2</sub>S Detection** – All sensors show good capture of emission spikes during flow testing operations. Safety enhancement.
- **Client & Ministry Dashboard Engagement** – First time that real-time, continuous monitoring presented to company & country leadership.





# Global Connectivity Bringing Carbon Markets to MENA

**Saudi Arabia Industries & PIF leading the way on MENA voluntary carbon markets.** In March 2022, Saudi extended its decarbonization leadership by announcing collaboration between the Saudi PIF (sovereign fund) and five key industrial partners (including Aramco) in establishing the first MENA voluntary carbon market. Kickoff of the market in 2023 will see a revolutionary monetization of the “circular economy” concept across key Saudi industries, including Oil & Gas.







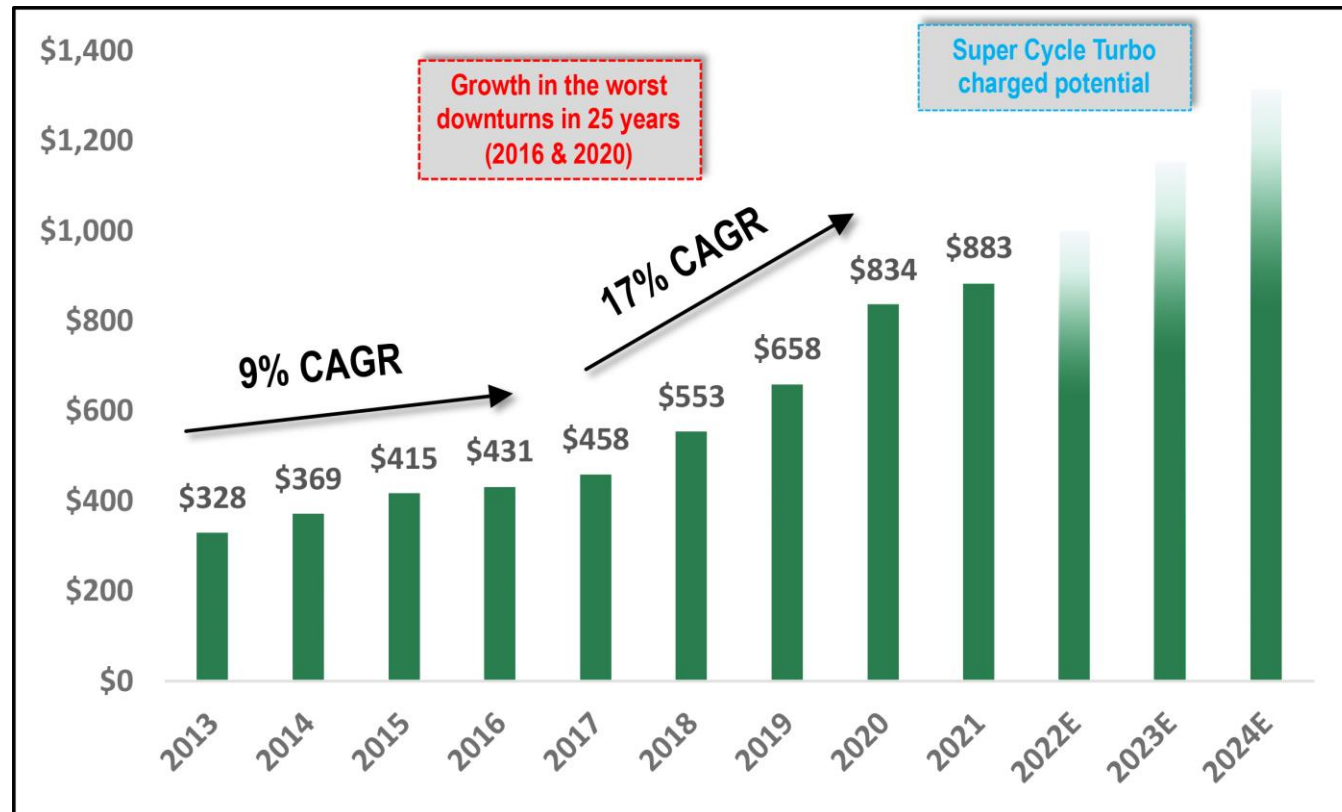
## MENA Growth Track Record



# Unmatched Growth Track Record With Upcycle Tailwinds Ahead

**Pure Play MENA Growth Story** – NESR estimates its own market share <5% of an overall MENA upstream budget of \$20B+, with plenty of market share runway through new contract wins.

NESR Historical Revenue (2013-2021E)



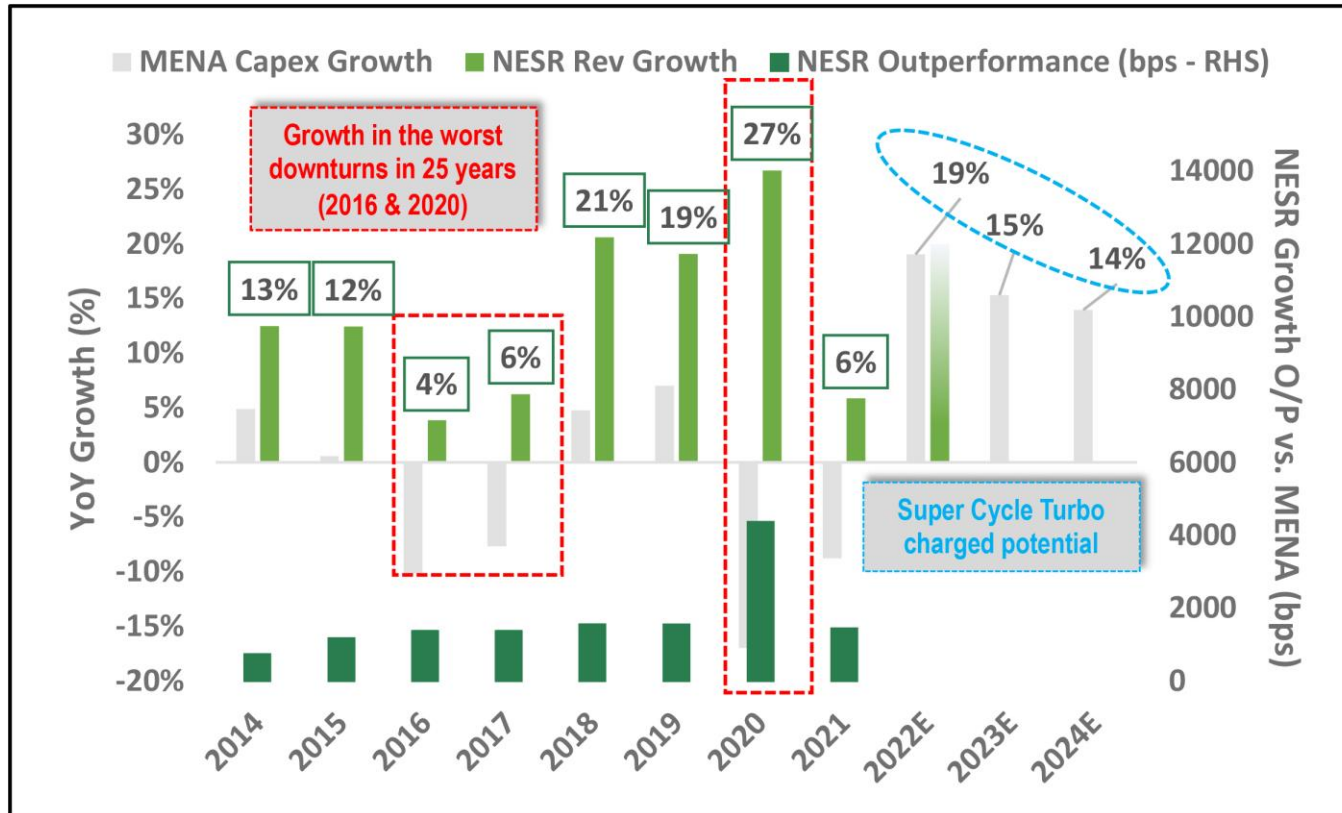
## SPAC Strategy Accelerated *National Champion* Growth

- Pre-2017, proforma growth of SPAC targets (GES & NPS) exhibited strong, high single-digit growth...even through the 2016 downturn.
- Since the SPAC, growth has accelerated to high double-digits...even during the 2020 pandemic and subsequent OPEC cuts & supply chain constraints that persisted through 2021.
- Looking ahead, MENA (specifically GCC) is expected to lead the multi-year supercycle, with turbo-charged growth (and returns accretion) potential for NESR.

# Turbo-Charged Potential With Impending Supercycle

**MENA Cycle Supercharged** – NESR & industry analysts forecast MENA upstream spending CAGR of ~15% through 2024, with NESR having historically outperformed regional growth through 1) Geographic/Country Expansion, 2) D&E Portfolio “Pull-Through”, 3) Technology Importation, and 4) ESG Impact.

NESR vs. MENA Capex Growth (2014-2021)



## Pillars of Growth

- Geographic & Anchor Country Expansion – Action Acquisition in Kuwait, Cairn India award, UAE Testing award.
- D&E Portfolio “Pull Through” – Commercialization of the ROYA™ Drilling Platform, with key pilots and contract wins in North Africa & GCC.
- Technology Importation – Partnership momentum across both Drilling & Evaluation and Production Services | Pivotal NESR Oilfield Research Center (NORI) in Dhahran Techno Valley (Saudi “Silicon Valley”) operational in 2022.
- ESG Impact – Successful pilots across water, emissions detection & zero flare, with building project pipeline.

NPS financial results for 2013, 2014 are prepared under IFRS and 2015-2017 are prepared under USGAAP; GES 2013-2017 financial results are prepared under IFRS. 2019 and 2020 from Company financial information as published in fourth quarter earnings releases. 2021E NESR Revenue are based on as-reported figures for 1-3Q21, and estimate for 4Q21 revenue as per press release on Mar 14, 2022. MENA Capex Growth estimates are sourced from industry analysts, public operator filings & internal NESR estimates.





**First and Only NASDAQ listed MENA OFS Company**





Thank you

