



2020 Annual Results Update

29 March, 2021

Agenda



**2020 Performance
Overview**



2021 Outlook

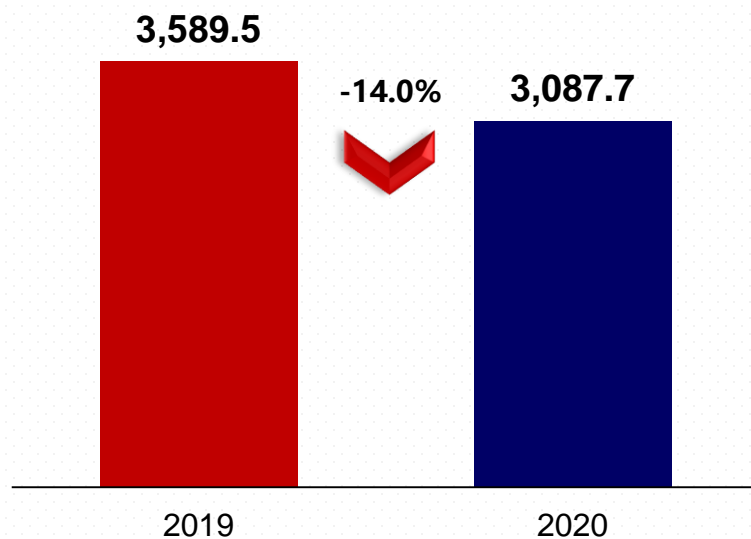


Q&A

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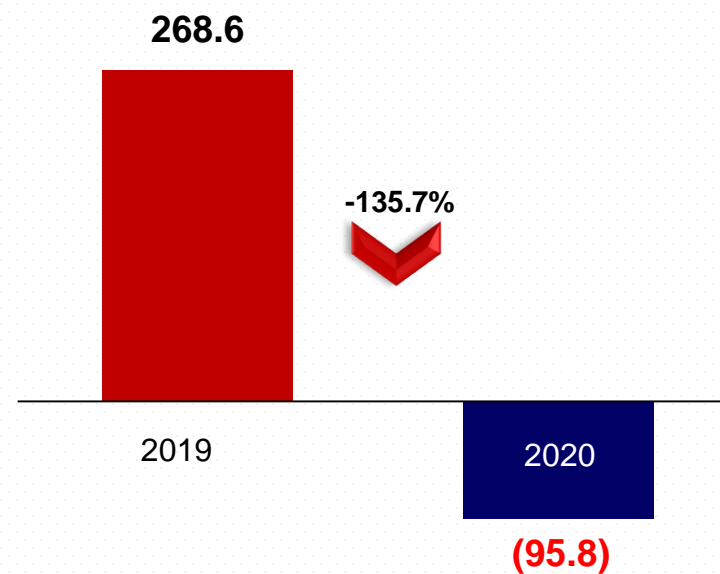
Revenue

(RMB MN)



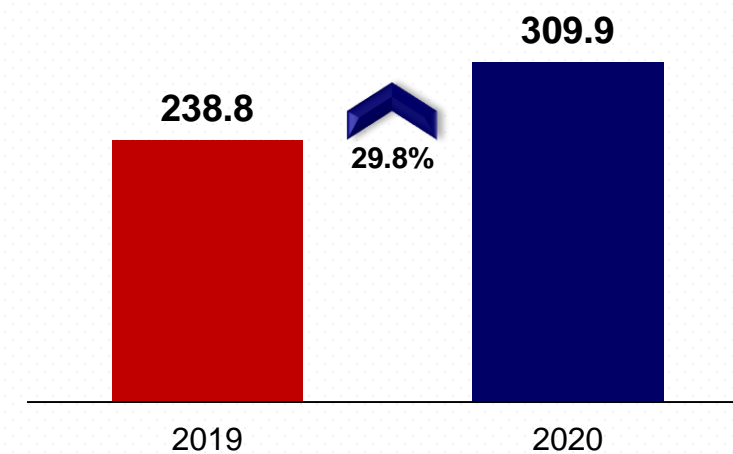
Profit attributable to owners of the Company

(RMB Mn)



Free cash flow

(RMB Mn)

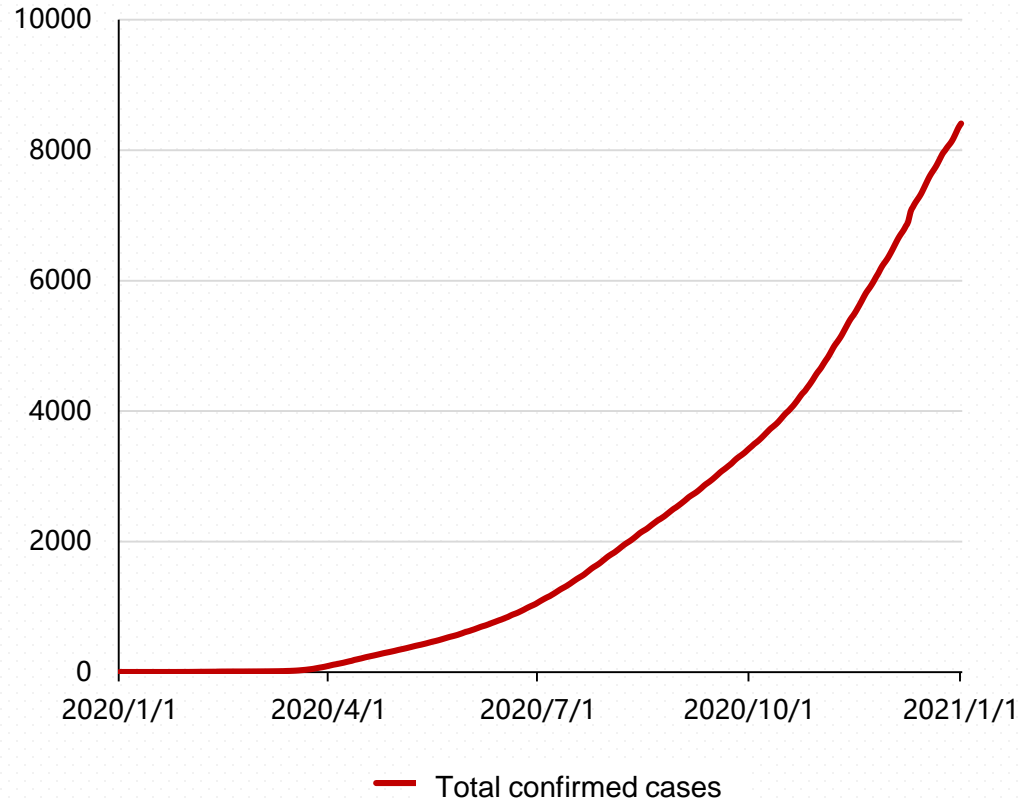


- 01 **Advantaged on a globalized markets facing the dual challenges of COVID-19 and low oil prices; revenue declined modestly**
- 02 **Combination of geological study and engineering; rollout of precision engineering services**
- 03 **Steady growth of oilfield management business; proven resilience of the business model**
- 04 **Strong cash flow management to maintain ample liquidity and financial security**
- 05 **Management transformation through information and digital technologies to achieve long-term cost reduction and efficiency gain**
- 06 **Release of the first sustainability (ESG) report and fully implementation of sustainable development**

Industry facing severe challenges under COVID-19 and plunging oil prices

Global COVID-19 pandemic

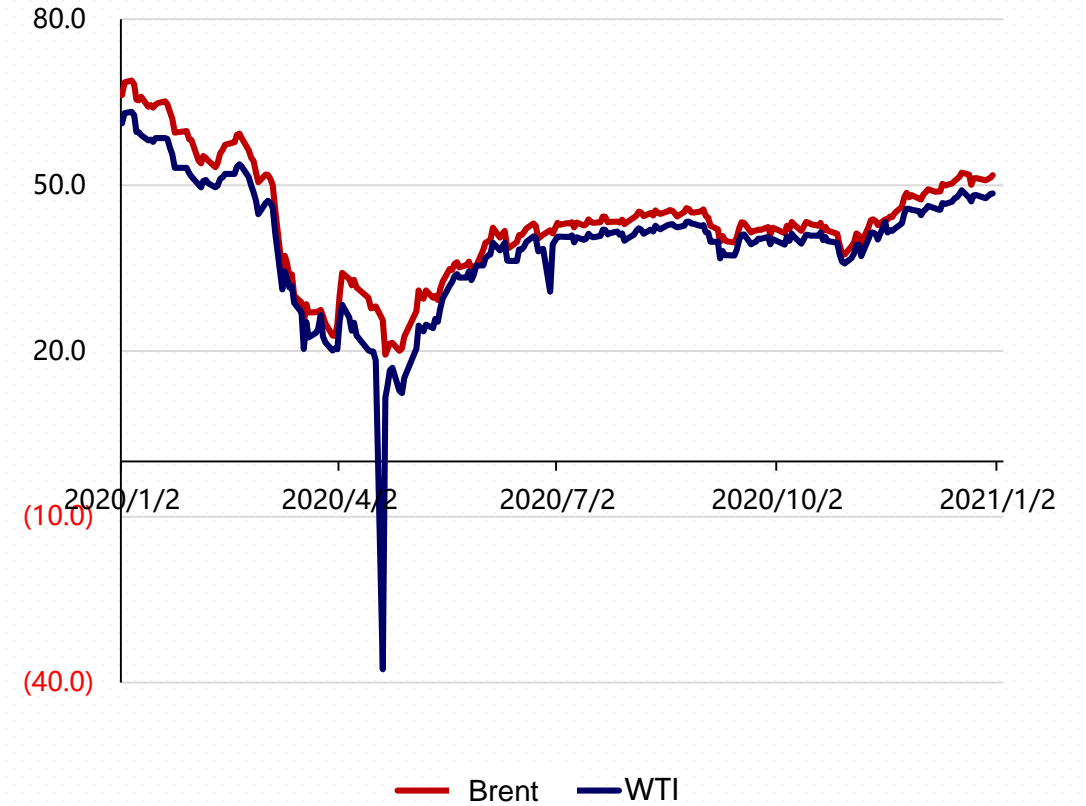
(10,000 people)



Source: World Health Organization website

Plunge in oil prices

(USD/barrel)

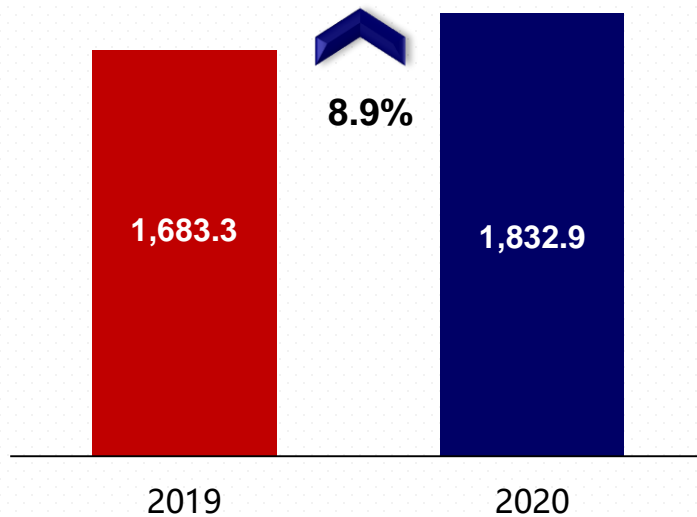


Source: Bloomberg Terminal

Increased revenue in domestic market, seized opportunity to resume in overseas market; full-year revenue was down slightly

Revenue - Domestic

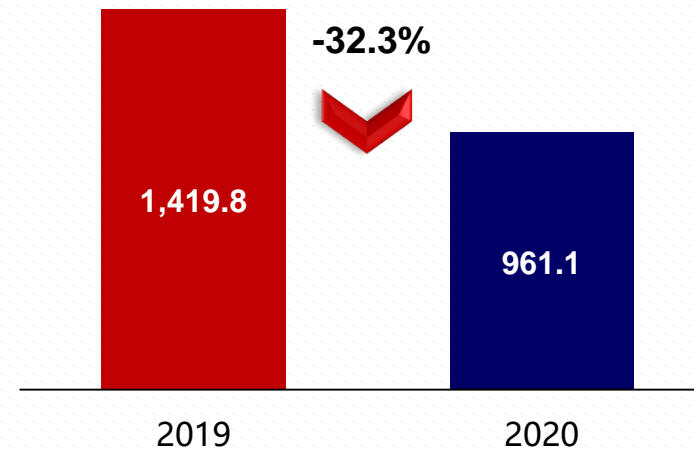
(RMB Mn)



- Domestic business fully recovered by the end of Q1, thanks to effective COVID-19 control measures taken by the Chinese government; revenue grew steadily throughout the year

Revenue - Iraqi market

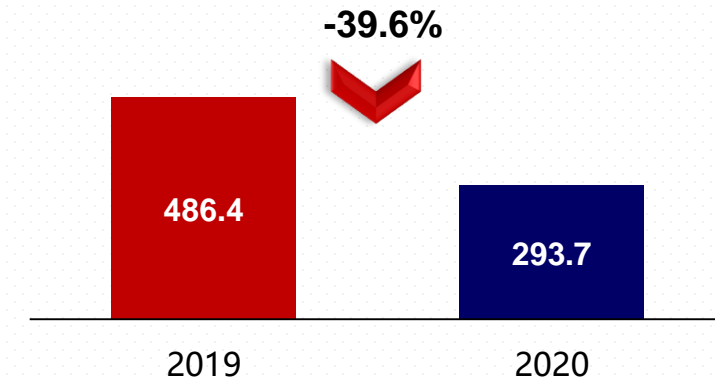
(RMB Mn)



- Full-year revenue declined and projects delayed due to restrictions on traffic to prevent COVID-19 infection

Revenue - Other overseas markets

(RMB Mn)



- Business activities in Chad recovered first in 2H 2020 and maintained stable operations

Promotion in unconventional reservoir



- Contracted and completed the deepest (5,750 m deep) ultra-long horizontal shale gas well for customers.
- Help customers to evaluate high-quality gas reservoirs and optimize development goals, to accurately develop tight gas

Promotion in overseas oilfield

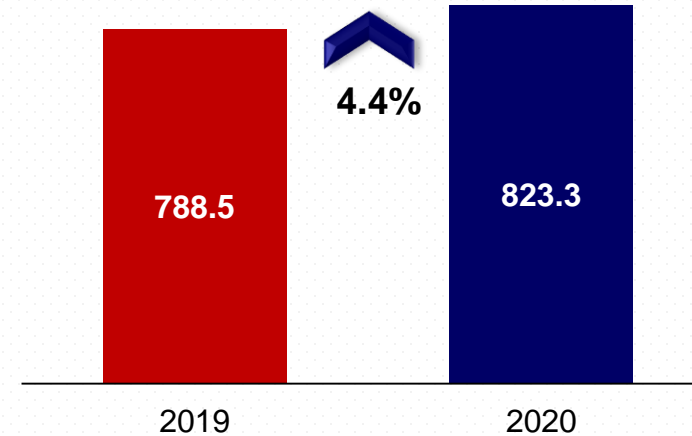


- Launched Integrated geo-study for a southern oilfield in Chad, Precisely modeling to guide production operations

Oilfield management business grew steadily, proved resilience of our business model

Undiminished OPEX by clients and steady growth of oilfield management business despite industry downturn

Revenue from production operation service



Majnoon integrated oilfield management project in Iraq



Strong endorsement and successful renewal by the client

Oilfield management project in Chad



After its first well started drilling in early 2020, the project run smoothly throughout the year, delivered with better-than-expected results

Strong liquidity management to maintain ample liquidity and financial security

Free cash flow (FCF) continued to improve

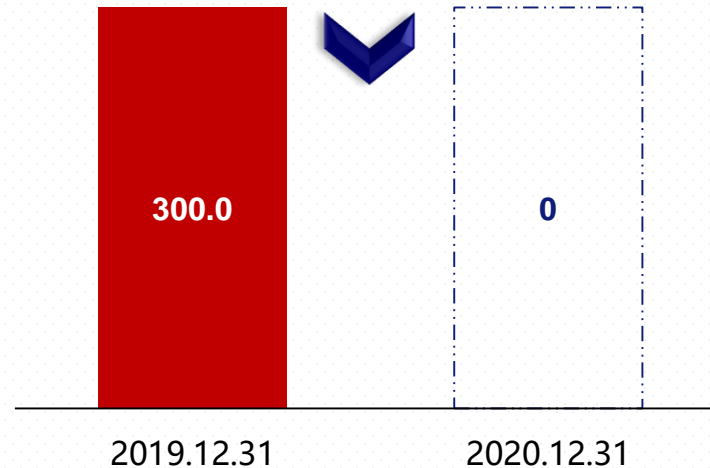
(RMB Mn)

	2019	2020
Net cash flow from operations	610.3	805.4
Interest paid	269.6	325.4
Capital expenditure	101.9	169.9
FCF	238.8	309.9

- Implemented full-cycle liquidity management from collection to payment, optimized payment terms with suppliers and reduced cash payout

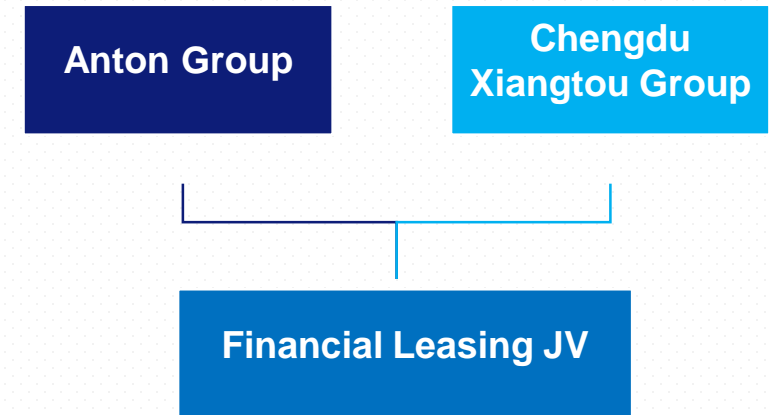
Successful repayment of 2020 Notes

(USD Mn)



- Reduced finance costs by offering and actively repurchasing bonds in the secondary market
- Repaid all matured notes in cash in December 2020 and maintained stable international credit ratings

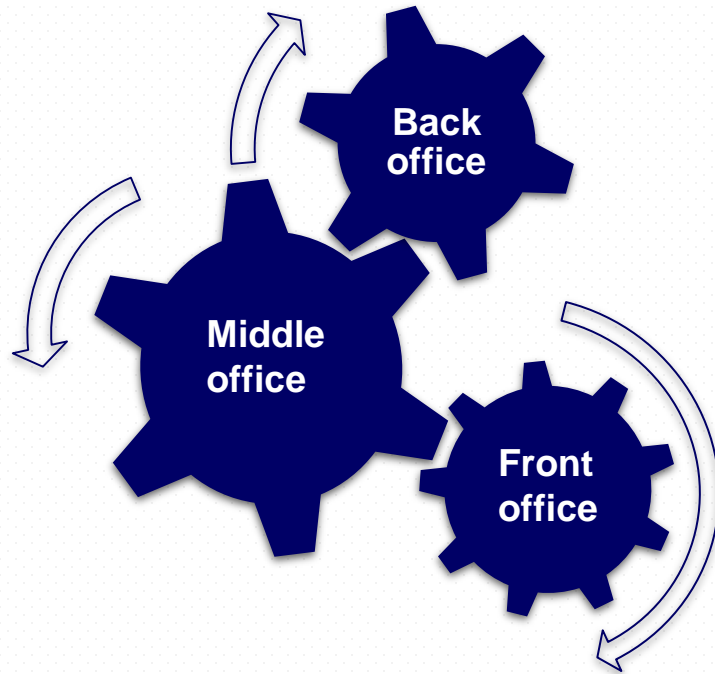
Strategic investors in leasing business



- Introduced Chengdu Xiangtou Group, a local state-owned enterprise, as a strategic investor for the leasing business and obtained a cash injection of RMB70 million to fortify financial security

IT/DT deployment to transform management processes and enable mid-office capabilities; improved efficiency

Transformed management with information and digital technology to strengthen the capabilities of the middle office

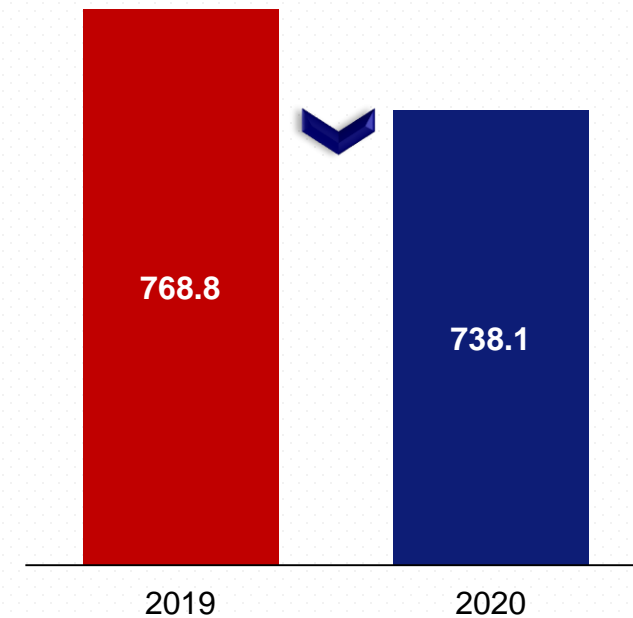


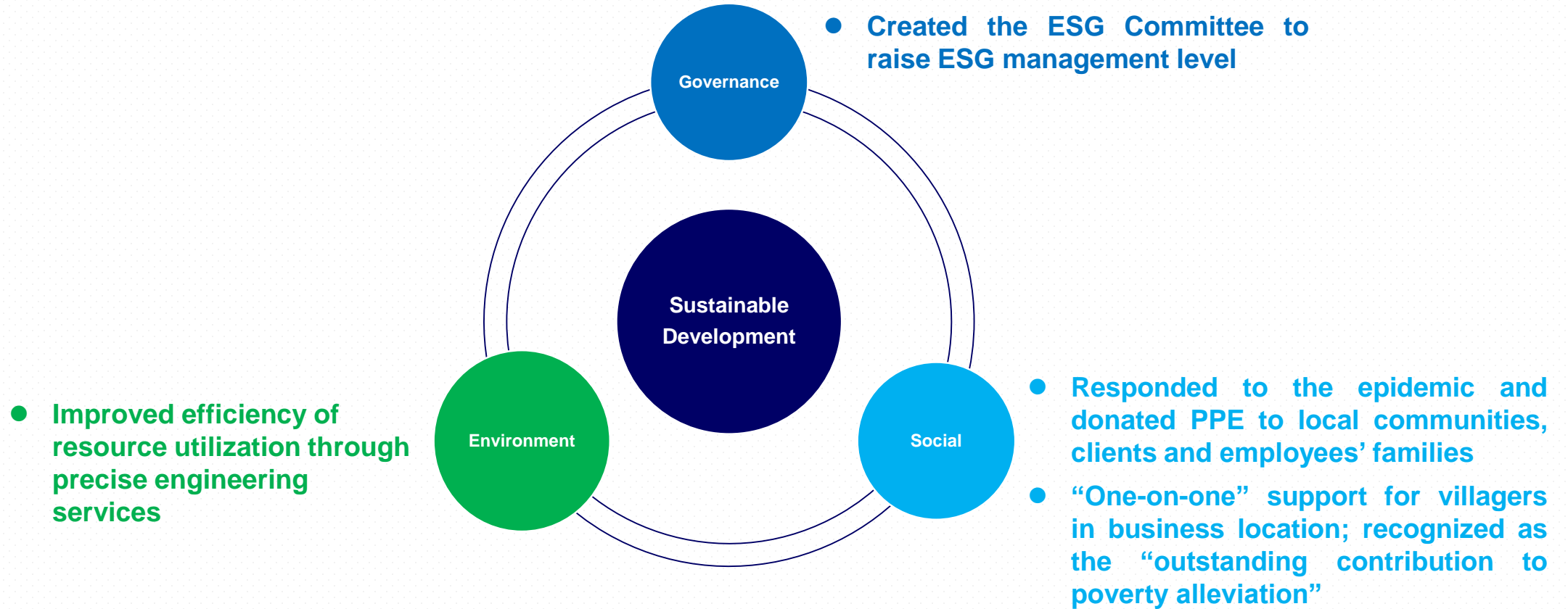
- Flattened the management hierarchy and reduced full-time managers
- Empowered the middle office, fully strengthened support for front-line business and reduced the dependence on manpower by front-line business

Cost reduced, efficiency improved

(RMB Mn)

Labor cost down RMB **30.7** million





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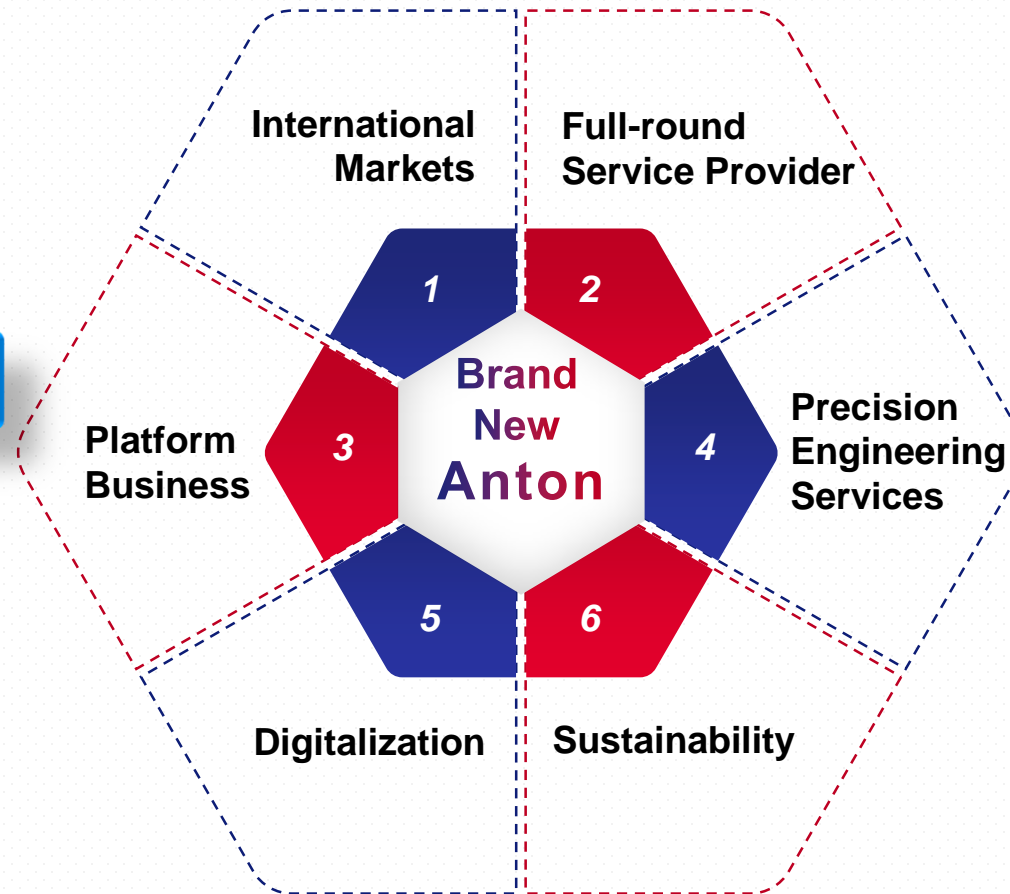
2021 Outlook



Q&A

- 01 **Further pursue upgrade and transformation for a brand-new Anton**
- 02 **Seize the opportunities among industry recovery, grasp shares across new markets and continuously build core competitive advantages**
- 03 **Strengthen the building of core technical constructions, further achieve the asst-light operating**
- 04 **Build an ecological developing-platform and introduce in partners to comprehensively meet customer's needs**
- 05 **Reinforce incentive, fully motivate talents, empower in information tools to improve talents' efficiency**
- 06 **Fully promote sustainable development, develop new fields of low-carbon services and digital services**

Key milestones in 2020



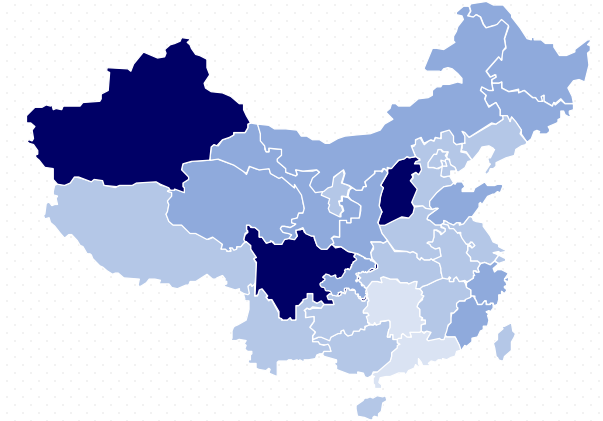
Priorities for 2021



Domestic

Strong demand for oil and gas

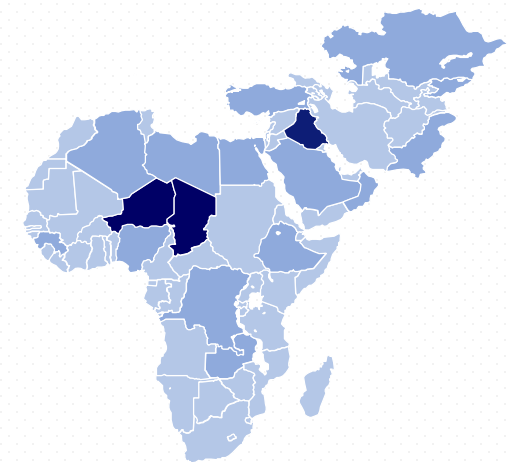
- In 2021, oil companies will continue to increase the development of shale gas, coalbed methane and other unconventional resources
- China will accelerate the buildup of gas storage, will build multiple gas storage facilities in the future
- Urgent need to enhance efficiency and production in old oilfields

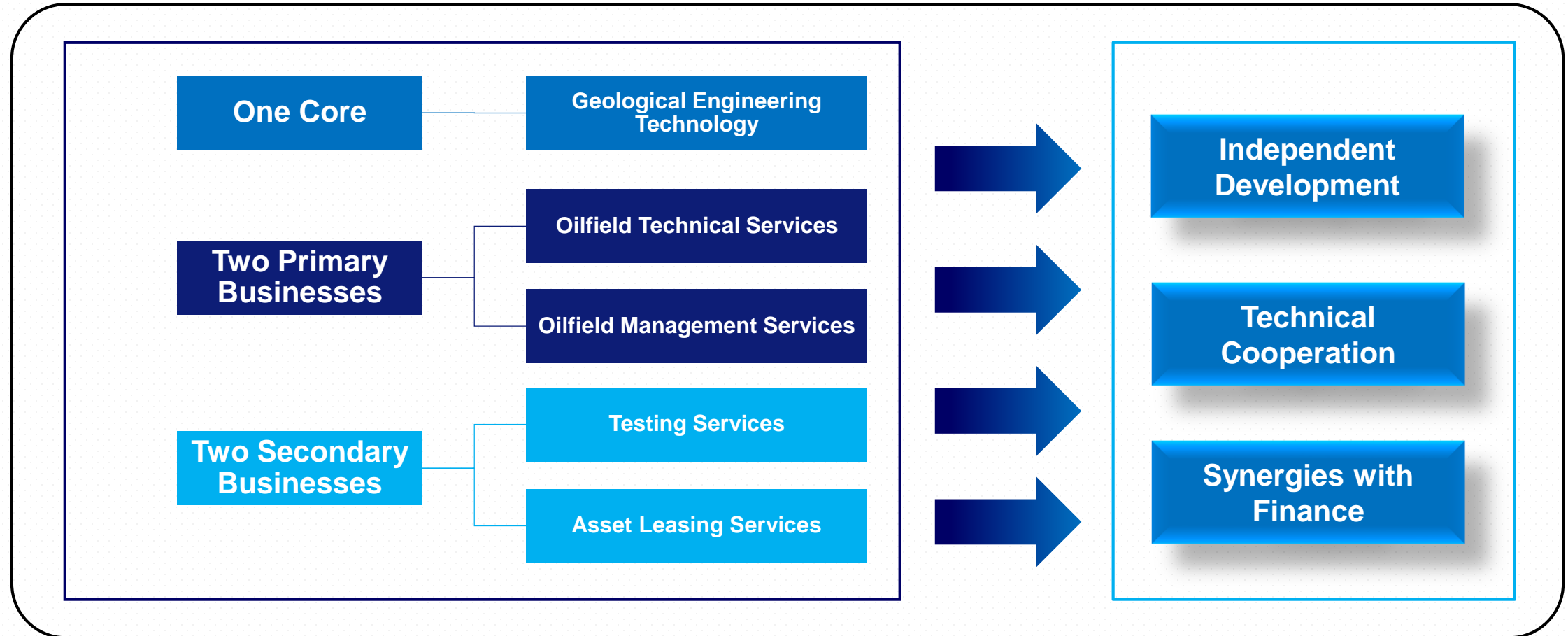


Overseas

All-out efforts to access new markets

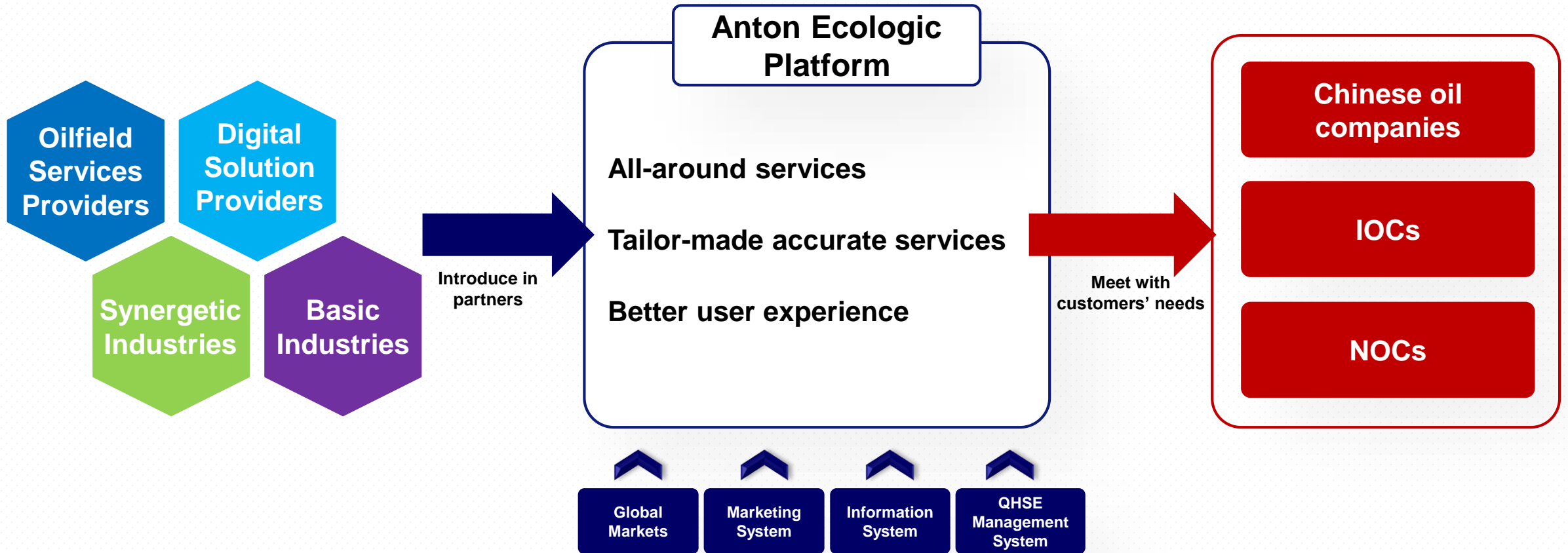
- Amid rising oil prices, Chad and Niger, among other West African markets are not constrained by the OPEC+ production cuts, promise great potential
- Obtained operatorship in Iraq, Anton is ready for further upgrade of oilfield management services; successfully penetrated the northern region with technical services; footprint and opportunities in Iraq are seen in 2021



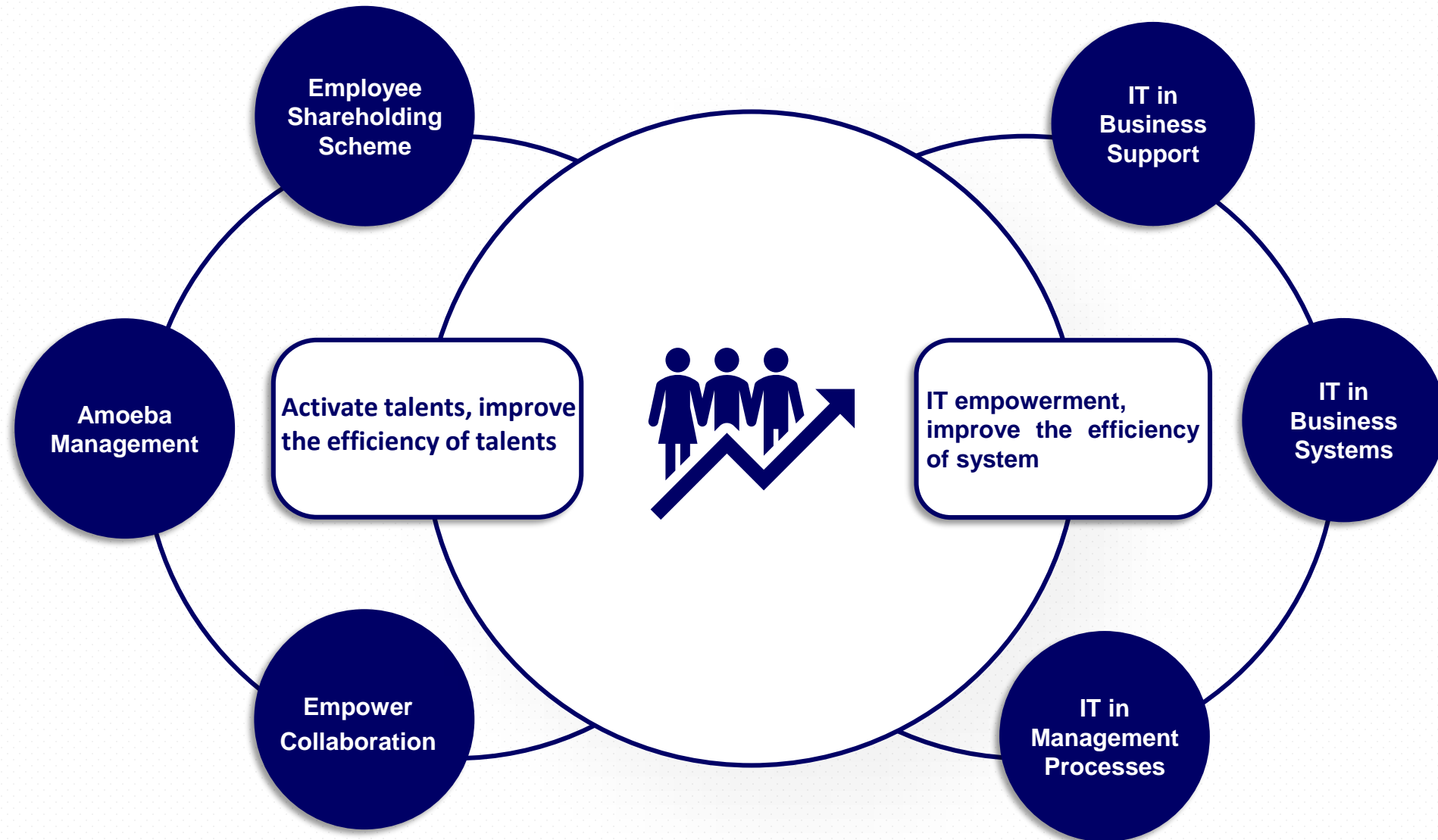


Highlight the technical characteristics of each business, continue to achieve the healthy development of various businesses in an asset-light manner

Shift towards a platform model and engage partners to develop an ecosystem to fully meet client needs

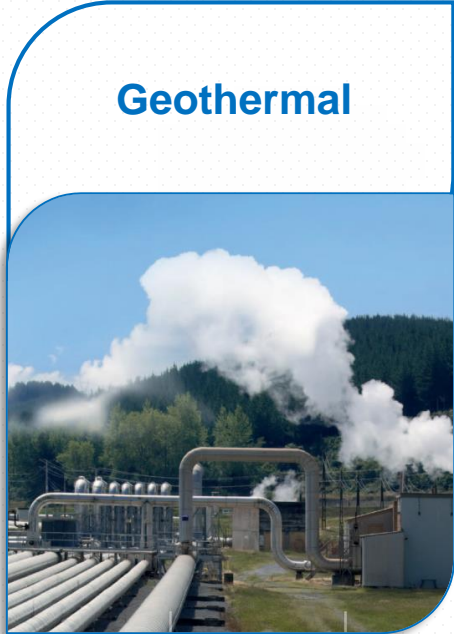


Reinforce incentive, fully motivate talents, empower in information tools to improve talents' efficiency



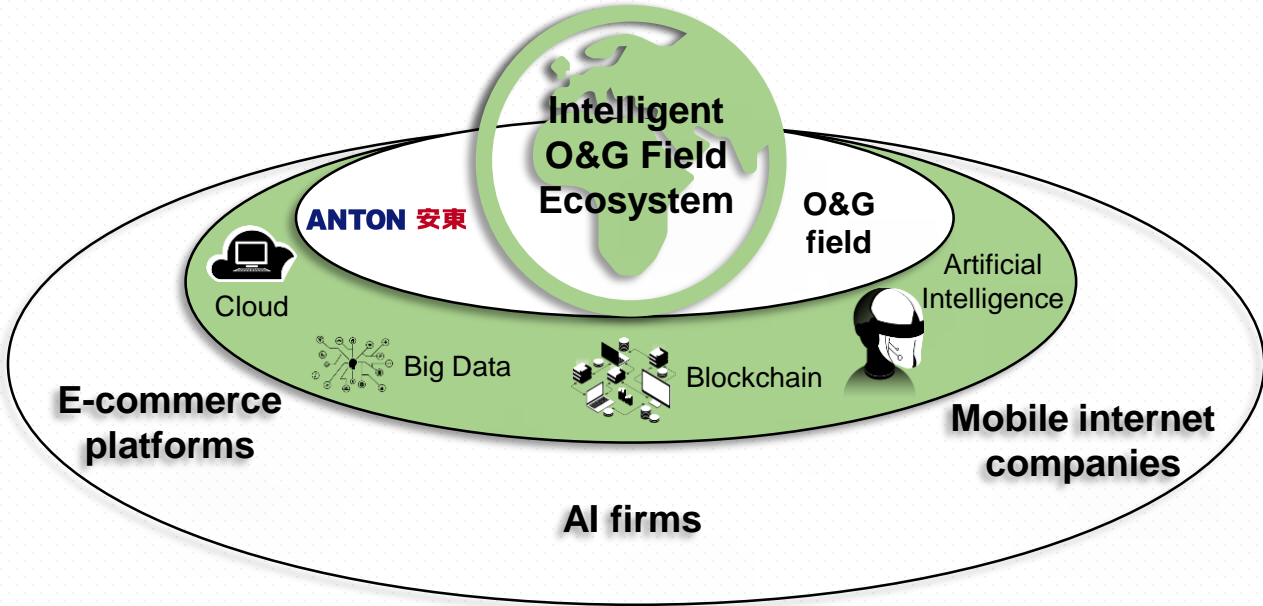
Fully promote sustainable development, develop new fields of low-carbon services and digitalization services

Provide solutions to meet clients' low-carbon goals



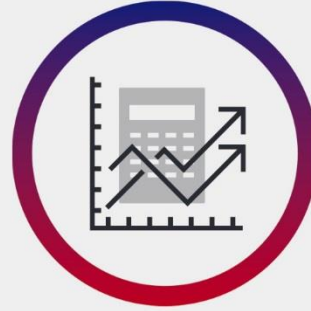
Match application scenarios in the oil and gas sector with digital solutions from technology firms

Build an "ecosystem of solutions" to enable intelligent oil and gas fields for clients



- 2021 begins with effective controlling over COVID-19 and rising oil prices, the recovery of the industry is right ahead of us, and we are ready to fully resume in each market.
- We stay committed to the core operating targets of cash flow and return on equity to achieve high-quality and robust growth!
- We will further upgrade and build a brand-new Anton to realize long-term sustainable development!

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Appendices



As of 31 December (RMB Mn)	2020	2019
Revenue	3,087.7	3,589.5
Cost of sales	(2,277.8)	(2,308.0)
Gross profit	809.8	1,281.5
Other gains	40.3	0.2
Selling expenses	(175.5)	(193.3)
Administrative expenses	(199.0)	(215.4)
Research and development expenses	(56.3)	(51.7)
Sales tax and surcharges	(11.4)	(14.0)
Operating profit	324.5	719.6
Finance costs, net	(293.9)	(295.1)
Share of profit of a joint venture	0.1	0.8
Profit before income tax	30.7	425.2
Income tax expense	(114.5)	(142.3)
Profit for the year	(83.6)	282.4
Profit attributable to owners of the Company	(95.8)	268.6
Non-controlling interests	12.1	13.8

RMB Mn	31 December, 2020	31 December, 2019
Property, plant and equipment	2,099.4	2,137.9
Prepaid lease payments	-	-
Intangible assets	273.7	260.0
Interest in a joint venture	5.9	5.8
Prepayments and other receivables	66.4	155.7
Other non-current assets	-	-
Deferred income tax assets	22.0	34.6
Inventories	930.6	765.5
Prepaid lease payments	-	-
Trade and notes receivable	2,133.8	2,200.2
Prepayments and other receivables	605.5	648.0
Restricted bank deposits	454.2	368.7
Contract assets	30.6	75.5
Cash and cash equivalents	879.1	2,422.9
Total assets	7,881.1	9,506.8
Equity attributable to owners of the Company	2,626.1	2,902.1
Non-controlling interests	137.6	55.5
Total equity	2,763.7	2,957.7
Non-current liabilities	2,028.8	2,310.3
Current liabilities	3,088.6	4,238.8
Total liabilities	5,117.4	6,549.1
Total equity and liabilities	7,881.2	9,506.8

As of December 31 (RMB Mn)	2020	2019
Net cash used in operating activities	805.4	610.3
Net cash used in investing activities	(169.9)	(101.9)
Net cash received/(used) in financing activities	(2,159.3)	1,204.1
Net decrease in cash and cash equivalents	(1,523.9)	1,712.4
Cash and cash equivalents at beginning of the year	2,422.9	686.6
Exchange gain on cash and cash equivalents	19.9	(23.8)
Cash and cash equivalents at end of the year	879.1	2,422.9