Energy Innovation

Demos Pafitis, Chief Technology Officer

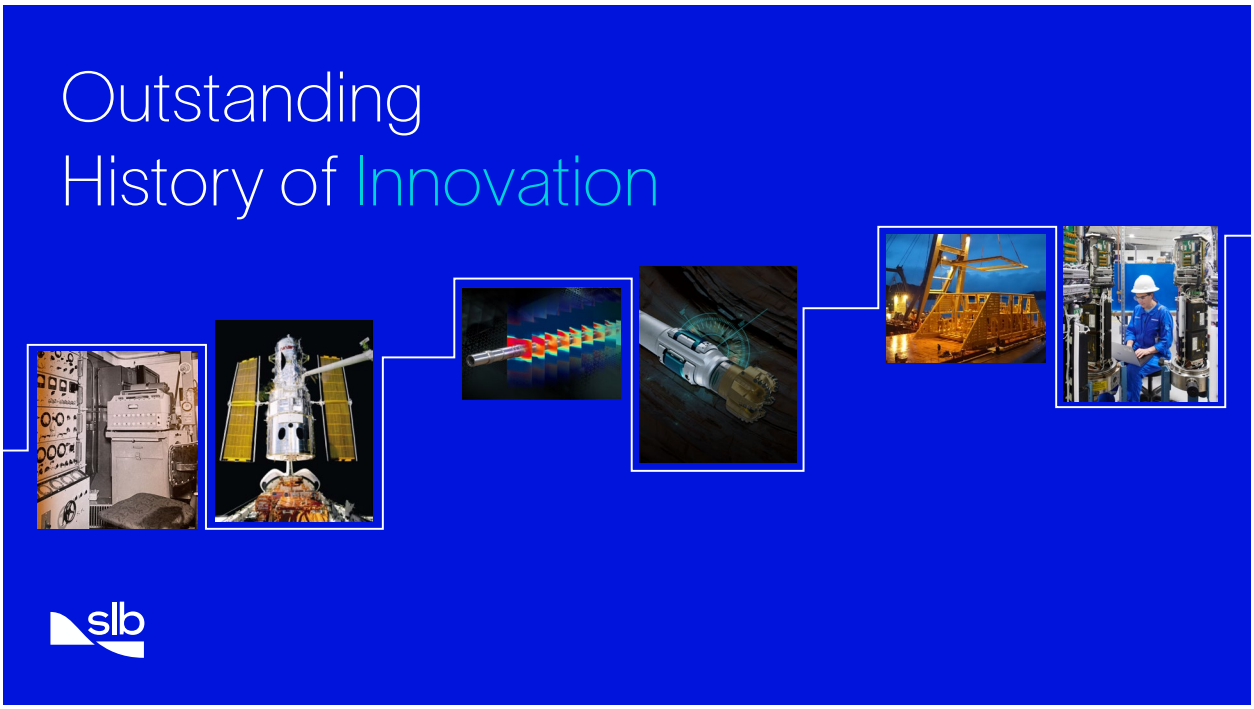
Thank you and good morning, everyone.

Olivier's opening statements touched on the central role technology innovation has in SLB and how it extends our leadership across our businesses.

Our outlook and perspective on the current cycle is ripe for technology differentiation to bring higher revenue and returns. I say that because the challenges faced by our customers are now more acute than ever. They operate in an environment that demands a lower climate impact, whilst being more efficient at delivering energy to the world.

At SLB we're pioneers, with a passion for excellence in science, engineering, and digital technology innovation. It defines who we are.

Inventing and delivering disruptive technology has been at the heart of what we do since our beginning.



More than 50 years ago, we were the first to bring a computer to the well-site, revolutionizing wireline logging. Beyond the limits of our own planet, we provided sensors to NASA for their space programs, developed by SLB for harsh subsurface environments.

But let me bring you to more relevant and recent times.

We have always been the world leader in subsurface measurements, and how to use them to understand the complexity of reservoirs.

In well construction, we've continuously broken records. Our rotary steerable drilling systems, the market leader for more than 20 years, are now delivering even higher performance with automation and AI.

And in production, advances in subsea boosting systems, subsea carbon dioxide separation, and intelligent well completions deliver better ways to maximize field recovery, lowering costs and reducing emissions.

These are just a few examples of the relentless commitment we've made to solve the challenges in our industry.

Today, grown from that history of innovation, we are leading advances in digital and decarbonization—in oil and gas, and wider energy and industrial markets.

We are completely committed to bold technology development to affirm our position as a global technology company.

Now, I'm going to tell you about how new technology and innovation is essential to our growth and to our customers' success.

And most importantly, I want to leave you with a clear appreciation of the deep scientific, engineering, and digital strengths of SLB. How technology innovation is fundamental to our financial success, and to our identity.

And to give you a proof point, currently, more than 20 percent of our annual revenue is derived from new technology.

SLB is the leading provider of technology in our industry, and the partner of choice. Not only because of our proven ability to invent disruptive technologies, but because of our ability to deploy them, reliably, across the globe.

That combination is rare and valuable. It unlocks higher value for our customers who look for our core oil and gas expertise in an environment where higher efficiency and reliability—as well as lower carbon emissions—are increasingly essential.

But how does a company achieve such a valuable balance?

It comes from being connected, for decades, to ecosystems that bring access to top talent and new ideas. We've established ourselves in places with the highest concentrations of innovation and scientific talent across the world: the California Bay area; Cambridge, Massachusetts; and Cambridge, U.K., to name just a few. And our product development and manufacturing centers are in industrially powerful hubs in Europe, Asia, North and South America.

And it doesn't stop with R&D. In manufacturing, our programs to modernize have made us agile, efficient, and highly specialized in capabilities that make the most business impact.

As a result, we've repeatedly shown that we respond quickly to shifts in the market while remaining at the leading edge of industrial developments. The expertise, efficiency, and agility of our multi-billion-dollar manufacturing groups is itself a major competitive advantage.

It delivers value to our core businesses, and it sets us apart on the journey to accelerate our new energy business ambitions.

With all of this, we have a truly unique ability to scale innovation.

And that translates into market leadership and clear financial returns. Allow me to say it once again: more than 20 percent of our annual revenue is from new technology, and the outlook is for it to grow.

Now, to extend that leadership, I am going to talk about three strategic business directions that are enabled by new technology. They are:

1. Fit-for-basin
2. Digital, and
3. Decarbonization

And all three are gaining significant momentum with our customers in this cycle.

Fit-for-Basin
Technology tailored to basin needs

Let's start with Fit-for-Basin.

This is when we take a piece of technology, innovate, and accelerate our growth through adaptation to the needs of a specific market. As supply chains and technical challenges become more fragmented and localized, it has become a highly effective response, delivering growth in key markets.

It addresses specific challenges that are not sufficiently solved by our global technology portfolio, either due to technical specifications or commercial challenges. It's also a benefit derived from our successful platform approach to product development.

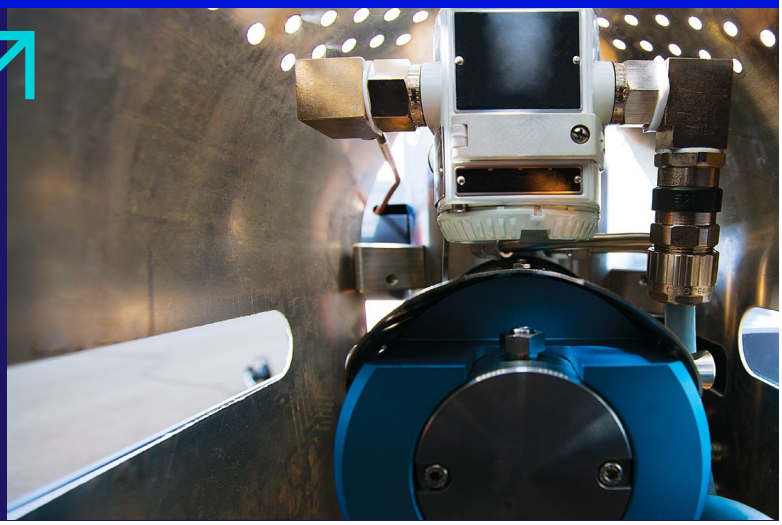
Our solutions incorporate hardware and digital, and very often require enhanced customer engagements. They are an opportunity to accelerate development, and as a result, energy access for the customer. And let's not forget, a path to faster returns on our R&D investment.

Fit for basin

Technology tailored to basin needs

Multi-phase
flow meters
in North America

- → Plug-and-play solution
- → Reduce footprint
- → Lower emissions



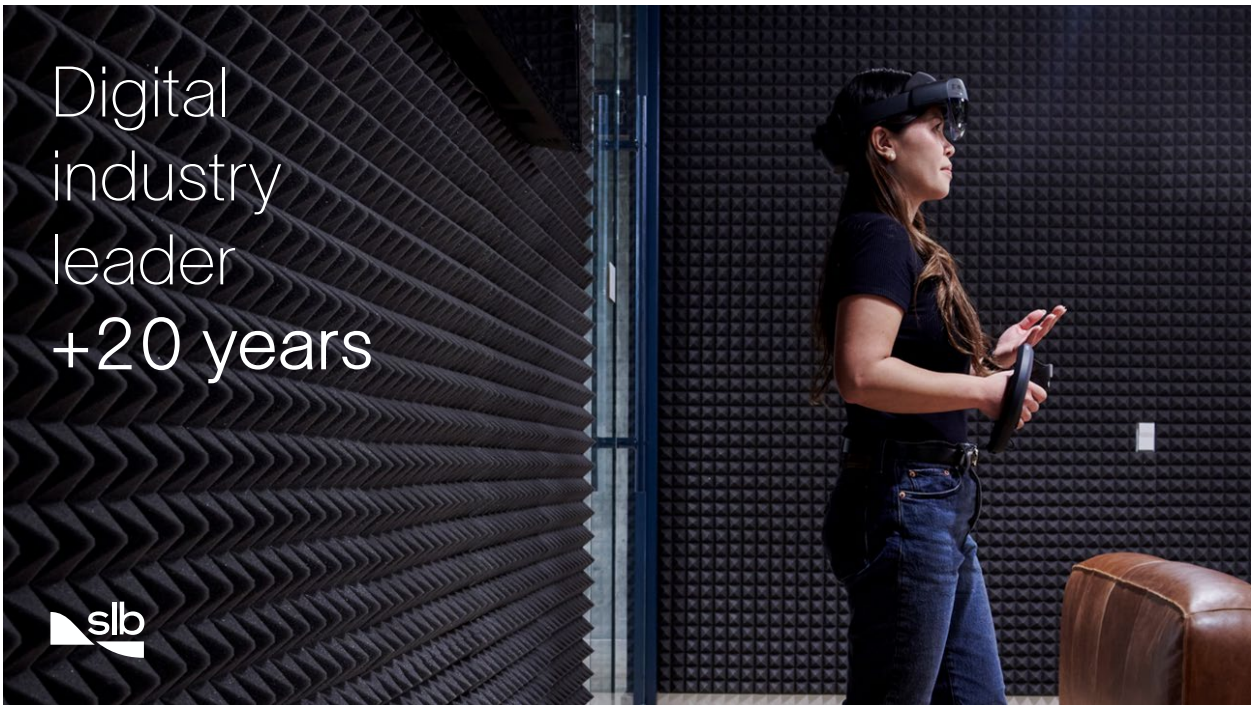
Let me share one example from North America. In this market, the established method of determining flow rates and fluid types from wells is to install substantial capital equipment: tanks, pipework, and separators that might be a similar size to this room. That's replaced by SLB's state-of-the-art multiphase flow meter—about the size of a suitcase.

The underlying technology showed potential for this market but required new data interpretation and domain knowledge specific to the market. So, we developed a "plug-and-play" solution, using modern data science, rapidly adapted to the target wells.

What does this all achieve exactly? Well, SLB has more than quadrupled unit sales, saving the customer substantial Capex, reducing the operating footprint, cutting CO_2 emissions while applying industry-leading measurement technologies in this high-volume market, and we expect to grow more.

We have close to 100 projects under development using the fit-for-basin approach. Nearly all of them are targeting challenges and opportunities in the offshore basins, North America, and the Middle East.

Today, we're leaders in this kind of technology adaptation, enabled by our product platform approach, providing enhanced performance for customers at a local level.



Let's now change direction and look at digital, which represents a powerful toolkit for the industry to deliver higher value in terms of performance and decarbonization.

Digital is a key differentiator for SLB, and for more than 20 years, we've been the recognized leader in subsurface modeling and simulation and other technical applications used by our customers in every basin. From that foundation, we've systematically grown our capabilities across the key pillars of digital—in data, cloud-enabled compute, IoT, cyber security, automation, and advanced control. All of which allows our customers to plan, simulate, optimize, and gain insights into their activities.

Let's consider digital in two broad categories:

Firstly, digital platforms and applications, which Rajeev Sonthalia will talk about in more detail later this morning.

And second, digital enablement and enhancement of physical asset and operations. This spans a broad spectrum of capabilities, from AI-enhanced instrumentation of equipment, which helps optimize performance and minimize lifecycle cost, to highly automated hardware platforms such as our well construction Neuro™ autonomous solutions, which deliver breakthrough results, repeatedly and reliably, even in the most complex environments.

And on to the third priority, which is decarbonization. SLB is leading the way in addressing our customers' ever-growing need for solutions that explicitly decarbonize their operations and deliver carbon-neutral projects.

Our customers are making commitments to reduce their greenhouse gas emissions, and the measurement of progress is key.

At SLB, our history of developing, delivering, and interpreting trustworthy measurements of the highest technical integrity is well recognized. All these attributes are critical as customers address the challenges to decarbonize their operations in the most efficient way.

In our Core, the goal to decarbonize oil and gas operations creates a new set of technology specifications for product development and innovation. We describe these new products and services collectively as Transition Technologies.

This portfolio currently comprises 38 products and services built on a robust technical methodology to quantify and reduce emissions. They address methane emissions, reduce or eliminate flaring, minimize well construction C02 footprint, and present solutions for electrification of infrastructure and full field development.

Transition technology

Ora

Deep-transient testing

Now, in all the time I've been speaking, you will have seen this image and may be wondering what it is.

This is Ora™. It's one of our most recent technology platforms, integrating digitally enabled hardware and AI-enhanced digital workflows.

But what does it do? It makes measurements of fluid properties and their movement in the reservoir, and it can replace the traditional methods of well testing which require flaring. And what does that mean and why is it important?

It means that we have technical solutions today that allow our customers to avoid the necessity to flare during well-testing.

But there is more to my Ora example. It's applied not only for oil and gas developments but is used to characterize saline aquifers and identify the best candidates for carbon dioxide sequestration. That's an excellent example of how our domain knowledge in oil and gas applications is being redirected to solve a major challenge of the future.

Ora is one of our 38 Transition Technologies—facilitating our customers' journey to net zero—delivered through world-class technology innovation.

In addition to Transition Technologies like Ora, this year we created an End-to-end Emissions Solutions (SEES) platform, which offers innovative methods for measuring, monitoring, reporting, and ultimately eliminating methane and routine flare emissions.

Why was this important and valuable? Let me put it into context. Methane has between 8 and 20 times the warming impact in the atmosphere as CO2. And it's responsible for 60 percent of the 5 $GtCO_2e$ per year that are associated with oil and gas operators' activities. So, oil and gas operators have made this topic their first priority.

Addressing it would have an equivalent impact to removing almost all of the light passenger vehicles with internal combustion engines from our planet.

SLB is unique in that we offer the full range of measurement expertise, a digital platform, and insights needed to address emission reduction goals, globally.

We launched this business in March this year, and are already engaged in customer projects in Asia, the Middle East, Europe, and the United States, deploying our portfolio of capabilities, including consulting, optimized surveillance planning, measurements, and interpretation via a secure digital platform.

Innovation for industrial decarbonization

Along with our work to decarbonize the activities of our existing customers, decarbonization technology is also a leading area that is taking SLB into new markets that extend beyond oil and gas. We are now seeing customers in adjacent industries, such as steel and cement processing, who need a way to offset or reduce their carbon emissions.

SLB New Energy presents a compelling opportunity for us because we have the technical capabilities, resources, and infrastructure needed to deliver projects that have a global impact.

You will hear and see more about our New Energy technologies and exciting projects from Gavin Rennick later today.

In closing, our technology is embedded throughout our entire organization, supporting our three growth engines. Through this cycle, and through the longer-term trends to deliver energy security at lower carbon, new technology plays a central role. Extending our technology leadership in this environment will deliver growth and returns greater than we have seen in the past.

Our innovation capabilities position us ideally for the future, underpinned by a strong Core, leading Digital platform, and growing technology portfolio that expands into New Energy.

SLB is positioned to allow our customers to benefit from our deep scientific knowledge, technology leadership, and industrialization track record in ways that are increasingly efficient, have lower emissions and are digitally enabled. I cannot remember a more exciting time for technology to change our lives and the way we access energy.

I am extremely proud to lead the outstanding technology team at SLB. Not only are we excited about the future. We are creating it.

Mark, back to you.