



Borr Drilling Limited Q4 2020 Presentation

26 February 2021

Forward looking statements

This presentation includes forward looking statements. Forward looking statements are, typically, statements that do not reflect historical facts and may be identified by words such as "anticipate", "believe", "continue", "estimate", "expect", "intends", "may", "should", "will" and similar expressions and include regarding industry trends including market conditions and activity levels in the jack-up rig and oil industry, expectations as to global jack-up rig count including expected retirements from global fleet and expected tenders and demand levels, e statements with respect to day rates, delivery of newbuilds including expected delivery timing, strategy and plans with respect to investments in joint ventures, breakeven, opportunities to improve capital structure and liquidity in 2021, expectation to use factoring facility relating to JV in Mexico, expected contracting and operation of our jack-up rigs and contract terms including estimated commencement and duration of contracts, statements relating to our liquidity improvement plan completed in January 2021 and that company is positioned well for upturn in market expectations with respect to contracting strategy, expected business environment including statements made under "Market" and "Outlook" above, statements with respect payments from Pemex, , statements with respect to tender activity, global jack-up rig count, , expected industry trends including with respect to demand for and expected utilization of rigs, expectations as to the role of Borr Drilling in any industry consolidation, and other non-historical statements.

The forward-looking statements in this announcement are based upon various assumptions, many of which are based, in turn, upon further assumptions, which are, by their nature, uncertain and subject to significant known and unknown risks, contingencies and other factors which are difficult or impossible to predict and which are beyond our control. There are important factors that could cause our actual results, level of activity, performance, liquidity or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by these forward-looking statements including risks relating to our industry and business and liquidity, the risk of delays in payments to our Mexican JVs and consequent payments to us, the risk that our customers do not comply with their contractual obligations, including payment or approval of invoices for factoring, risks relating to industry conditions and tendering activity, risks relating to the agreements we have reached with lenders, risks relating to our liquidity, risks that the expected liquidity improvements do not materialize or are not sufficient to meet our liquidity requirements and other risks relating to our liquidity requirements, risks relating to cash flows from operations, the risk that we may be unable to raise necessary funds through issuance of additional debt or equity or sale of assets; risks relating to our loan agreements and other debt instruments including risks relating to our ability to comply with covenants and obtain any necessary waivers and the risk of cross defaults, risks relating to our ability to meet our debt obligations and obligations under rig purchase contracts and our other obligations as they fall due and other risks described in our working capital statement, risks relating to future financings including the risk that future financings may not be completed when required and future equity financings will dilute shareholders and the risk that the foregoing would result in insufficient liquidity to continue our operations or to operate as a going concern and other risks factors set forth under "Risk Factors" in our filings with the U.S. Securities and Exchange Commission and prospectuses filed with the Norwegian NSA.

Given these risks and uncertainties, you should not place undue reliance on forward-looking statements as a prediction of actual results. Any forward-looking statements that we make in this presentation speak only as of the date of such statements and we caution readers of this presentation not to place undue reliance on these forward-looking statements. Except as required by law, we undertake no obligation to update or revise any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. The equity raise referenced in this presentation has not been registered under the US Securities Act of 1933, and may not be offered or sold in the US absent registration or an exception from registration or in a transaction not subject to registration under the Securities Act.

Highlights Q4 2020

- Total operating revenues of \$60.2 million, net loss of \$46.7 million and Adjusted EBITDA of \$6.6 million for the fourth quarter of 2020
- On October 5, 2020, equity offering raising total proceeds of \$27.5 million. A subsequent offering closing on November 30, 2020, raised an additional \$5.3 million.
- The Company entered into agreements to divest its remaining three non-core drilling rigs for total gross proceeds of \$17.5 million.
- In January, the Company the Company finalised the terms and executed agreements with its creditors for the previously announced liquidity improvement plan and completed an equity offering raising gross proceeds of \$46 million.
- Awarded eight new contracts/LOAs/LOIs and contract extensions since the start of the fourth quarter 2020 to the date of this report.

The Company uses certain financial information calculated on a basis other than in accordance with accounting principles generally accepted in the United States (US GAAP) including Adjusted EBITDA. Adjusted EBITDA as used above represents our periodic net loss adjusted for: depreciation and impairment of non-current assets, (income)/loss from equity method investments, total financial (income) expense net, income tax expense and amortization of deferred mobilization costs and revenue. Adjusted EBITDA is included here by the Company because the Company believes that the measure provides useful information regarding the Company's operational performance.

Key Financials Q4 2020

Income Statement and Balance Sheet

USDm	Q4 2020	Q3 2020	FY 2020	FY 2019
Operating revenues	60.2	59.2	307.5	334.1
Gain on disposals	5.9	-	19.0	6.4
Rig operating and maintenance expenses	(53.9)	(63.4)	(270.4)	(307.9)
Depreciation	(29.1)	(28.9)	(117.9)	(101.4)
Impairment	-	(0.8)	(77.1)	(11.4)
Amortization of contract backlog	-	-	-	(20.2)
G&A	(8.5)	(10.7)	(49.1)	(50.4)
Total operating expenses	(91.5)	(103.8)	(514.5)	(491.3)
Operating loss	(25.4)	(44.6)	(188.0)	(150.8)
Income/(loss) from equity method investments	5.3	8.1	21.9	(9.0)
Financial expenses	(23.4)	(22.0)	(122.9)	(128.1)
Tax	(3.2)	(3.4)	(16.2)	(11.2)
Net loss	(46.7)	(61.9)	(305.2)	(299.1)
Adjusted EBITDA	6.6	(10.9)	20.0	(2.6)

Balance sheet (USDm)	FY 2020	FY 2019
Total assets	3,183.5	3,280.0
Total liabilities	2,134.4	1,985.9
Total equity	1,049.1	1,294.1
Cash and cash equivalents	19.2	59.1
Restricted cash	-	69.4

Comments Q4 2020

- **Revenues** for Q4 in line with Q3 2020. Full year numbers impacted by decreasing number of rigs compared to 2019, mainly in second half of each year.
- **Rig operating and maintenance expenses** for Q4 2020 decreased by \$9.5m from Q3 2020.
- **Total operating expenses** has decreased around 12% from Q3 to Q4 2020 while revenues have stayed in line.
- **G&A** In 2020 we have reduced our underlying run-rate for admin expenses; however the year is highly impacted by costs associated by the refinancing to extend our liquidity runway.
- **Net loss** improved by \$15.2 million from Q3
- **Adjusted EBITDA** improved by \$17.5 million from Q3 to Q4 2020
- **Cash** increased by \$6.7 million from Q3 to Q4 driven by:
 - new equity of \$32.8 million
 - cash generated from investing activities of \$13.7 million
 - partly offset by cash used in operations of \$38.1 million

Achieved significant liquidity improvements

Achievements in 2020 and 2021

	1: June 2020	2(a): Sept 2020	2(b): Jan 2021
Debt	<ul style="list-style-type: none"> Bank amortisation to zero in 2021 Conversion of cash interest to pay-in-kind for PPL loans (~\$65m), payable Q1 2022 Amended bank loan covenants 	<ul style="list-style-type: none"> Extend bank and Hayfin maturity from June 2022 to Jan 2023 12 months interest deferrals from banks for Q3/Q4 2020 payments 	<ul style="list-style-type: none"> Deferral of additional yard interest payments of more than \$130 million (incl. \$65m in June 2020 amendments) and other cost deferrals of \$25 million until 2023 Keppel one additional year of loan financing Amended bank loan covenants
Newbuilding commitments	<ul style="list-style-type: none"> Deferred rig deliveries from mid-2020 to early 2022 		<ul style="list-style-type: none"> Deferral of rig deliveries from early 2022 to 2023
Equity raise	\$30 million	\$32.8 million	\$46 million

>\$1 billion in accumulated liquidity improvement until 2023

*\$32.8 million includes the \$5.3 million subsequent offering in November 2020

Fleet status May 2020

Rig Name	Location	2020				2021				2022				2023			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Premium Jack-Ups																	
Mist	Malaysia	Vestigo	Warm Stacked														
Prospector 1 ¹	Netherlands	Total	Warm Stacked														
Norve	Cameroon	BW Energy	Warm Stacked														
Idun	Vietnam	Hoang Long	JVPC	Option													
Gunnlod	Singapore / Malaysia	Contract Prep & Mob		LOA - PTTEP													
Saga	Vietnam / Malaysia	Mob	Eni	Mob	LOA - PTTEP												
Gersemi	Mexico	PEMEX															
Grid	Mexico	PEMEX															
Natt	Nigeria	First E&P				Option											
Galar	Mexico	Mob	PEMEX														
Njord	Mexico	Mob	PEMEX														
Odin	Mexico	Mob	PEMEX														
Prospector 5 ¹	Netherlands / United Kingdom	Neptune	Warm Stacked		CNOOC	Option											
Gerd	Cameroon	Exxon	Warm Stacked														
Groa	Cameroon	Exxon	Warm Stacked														
Ran ¹	United Kingdom	Spirit Energy	Centrica	Option													
Frigg ¹	Nigeria	Shell															
Skald	Singapore	Warm Stacked															
Gyme	Singapore	Warm Stacked															
Thor	Singapore	Warm Stacked															
Hermod	Singapore	Warm Stacked															
Heimdall	Singapore		Warm Stacked														
Hild	Singapore		Warm Stacked														
Jack-Ups Under Construction																	
Huldra	KFELS shipyard, Singapore	Rig Delivery in July - 2020															
Tivar	KFELS shipyard, Singapore	Rig Delivery in July - 2020															
Heidrun	KFELS shipyard, Singapore	Rig Delivery in October - 2020															
Vale	KFELS shipyard, Singapore	Rig Delivery in January - 2022															
Var	KFELS shipyard, Singapore	Rig Delivery in March - 2022															

Firm
 Option
 Available
 Under Construction

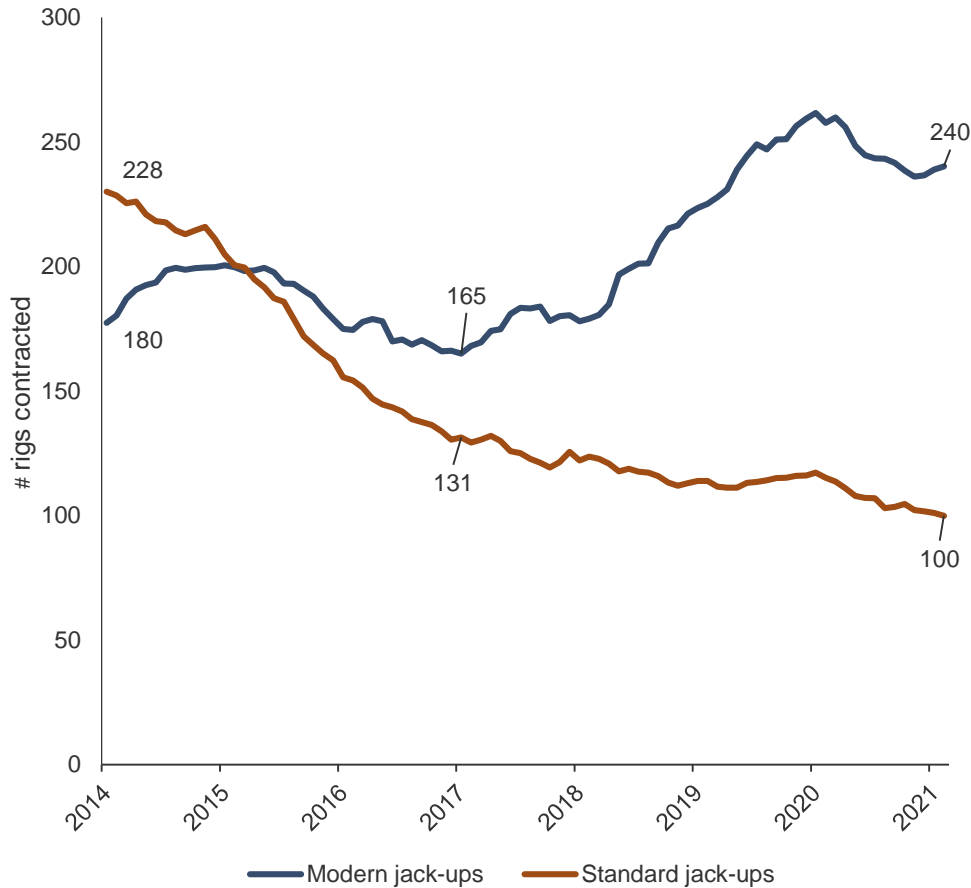
Fleet status February 2021

Rig Name	Location	2020				2021				2022				2023			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Premium Jack-Ups																	
Mist	Malaysia	Vestigo	Warm Stacked	ROC Oil													
Prospector 1 ¹	North Sea	Total	Warm Stacked	One-Dyas		LOI		Option									
Norve	Gabon	BW Energy	Warm Stacked			BWE		Option									
Idun	Malaysia	Hoang Long	JVPC	Warm Stacked		Vestigo		Option									
Gunnlod	Singapore / Malaysia	Contract Prep & Mob		PTTEP				Option									
Saga	Vietnam / Malaysia	Mob	Eni	Mob	PTTEP	JX Nippon	PTTEP	Option									
Gersemi	Mexico	PEMEX					LOI										
Grid	Mexico	PEMEX					LOI										
Natt	Nigeria	First E&P						Option									
Galar	Mexico	Mob	PEMEX						LOI								
Njord	Mexico	Mob	PEMEX														
Odin	Mexico	Mob	PEMEX														
Prospector 5 ¹	United Kingdom	Neptune	Warm Stacked	CNOOC				Option									
Gerd	Cameroon	Exxon	Warm Stacked														
Groa	Cameroon	Exxon	Warm Stacked														
Ran ¹	United Kingdom	Spirit Energy	Warm Stacked														
Frigg ¹	Cameroon	Shell	Warm Stacked														
Skald	Singapore / Thailand		Warm Stacked			Contract Prep & Mob	PTTEP										
Gyme	Singapore		Warm Stacked														
Thor	Singapore		Warm Stacked														
Hermod	Singapore		Warm Stacked														
Heimdal	Singapore		Warm Stacked														
Hild	Singapore		Warm Stacked														
Jack-Ups Under Construction																	
Huldra	KFELS shipyard, Singapore	Rig Delivery in October - 2023															
Tivar	KFELS shipyard, Singapore	Rig Delivery in May - 2023															
Heidrun	KFELS shipyard, Singapore	Rig Delivery in December - 2023															
Vale	KFELS shipyard, Singapore	Rig Delivery in July - 2023															
Var	KFELS shipyard, Singapore	Rig Delivery in September - 2023															

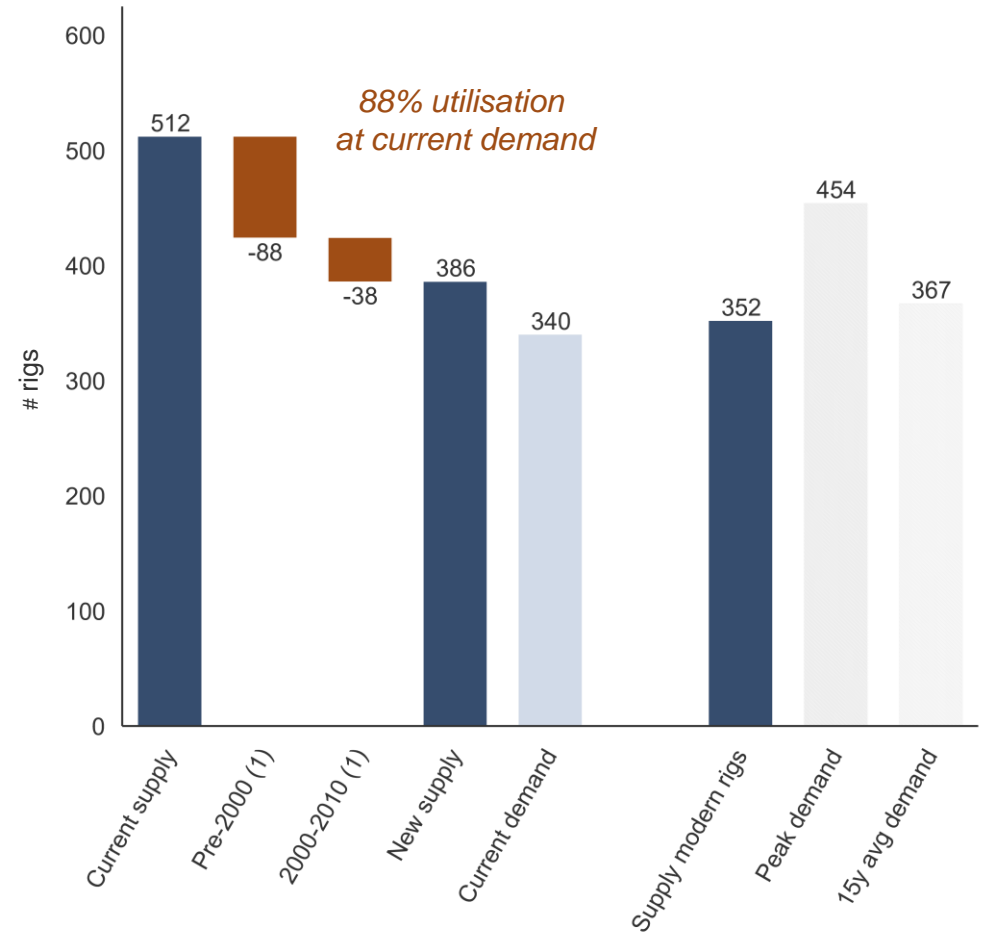
Firm
 Option
 Available
 Under Construction

Why modern rigs?

Modern rigs gaining market share



Unemployed old rigs will get scrapped




Source: IHS Petrodata
(1) Units idle 1/7/2021


Attractive cost structure

Illustrative scenarios of cash break-even¹ in 2021 at different activity levels


(\$m in 2021) Day-rate equivalent	# rigs working			
	9	14	18	23
	Mist, Idun, Saga, Gunnlod, P1, P5, Norve, Natt, Skald	+ Galar, Gersemi, Grid, Odin, Njord	+ Groa, Gerd, Ran, Frigg	+ Gyne, Thor, Hermod, Heimdal; Hild
\$70k/day	(\$66)	(\$32)	(\$4)	\$51
\$80k/day	(\$37)	\$14	\$52	\$126
\$90k/day	(\$7)	\$60	\$107	\$202
\$100k/day	\$22	\$106	\$163	\$277




rigs outside Mexico



contracted rigs
1H 2021



activated rigs

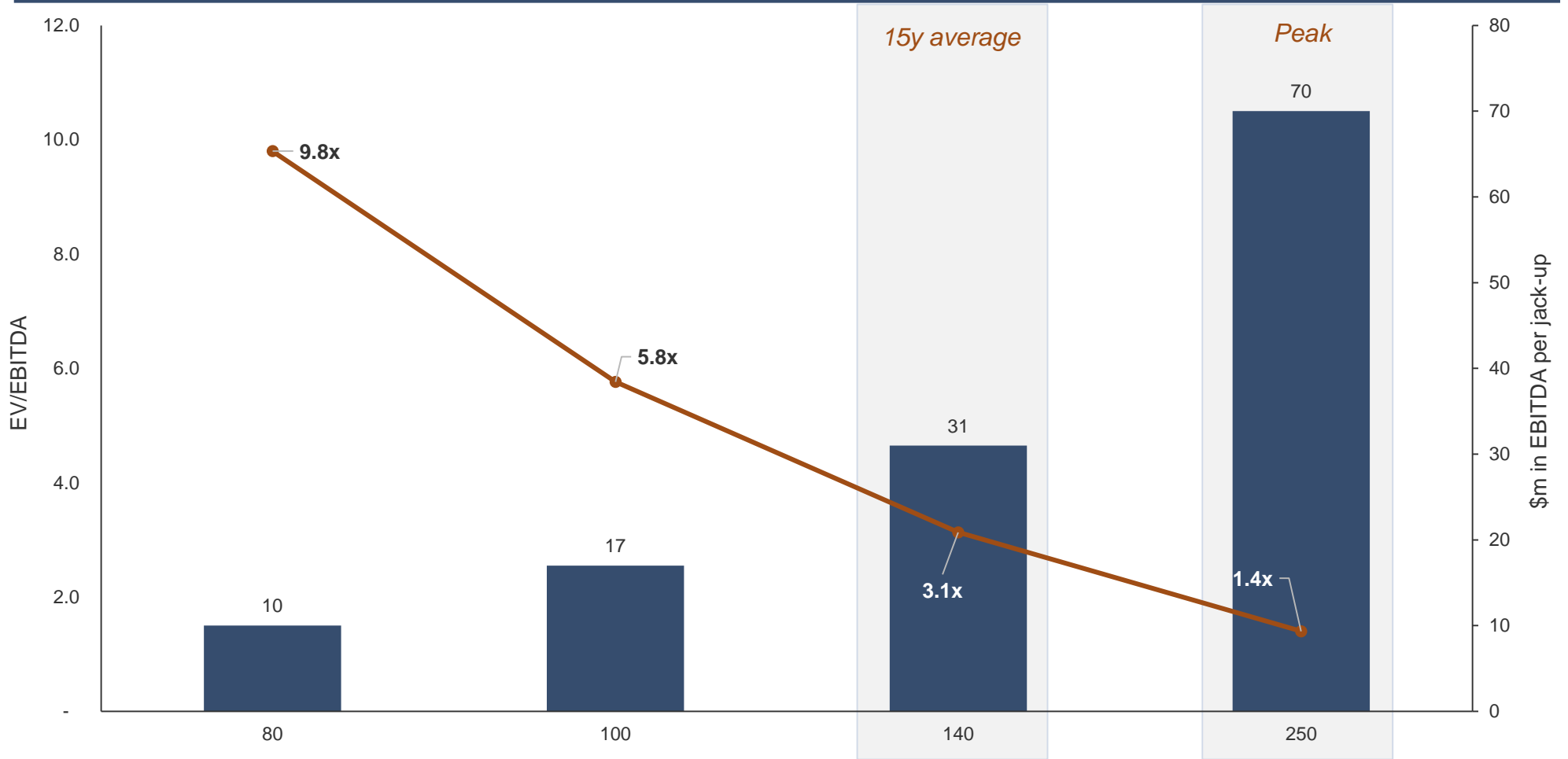


delivered rigs

1) Assumes \$32m in SG&A, \$16m in capex and LTM (excluding any activation costs), \$55m in cash interest (incl. deferred interest for bank loans of ~\$8m from 2020 into 2021 + \$6m PPL interest), \$6m hold cost/cost cover to Keppel. Stacking cost of \$6k/day. Opex of \$45k/day. 4% cash revenue tax, 95% economic utilisation

The Cash Flow Potential

EBITDA and EV/EBITDA implied per jack-up in Borr Drilling



Implied value \$100 million EV pr rig, based on \$2.6bn fully invested net debt. Share price of \$1. Assumes \$50k/day in operating costs including SG&A

Key Attributes Borr Drilling

- Equity raises in 2020 and January 2021 being the catalyst for >\$1 billion liquidity improvements until 2023
- Oil price of in excess of \$60/bbl driving activity – and increased utilisation will be impacting day rates
- Market preference for modern jack-ups – stacking and reactivation of older units becoming uneconomical
- Increasing market share with three more rigs commencing in first half 2021
- The Company and its shareholders are well positioned to benefit from an upturn in the market

