
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 OF THE
SECURITIES EXCHANGE ACT OF 1934

August 30, 2021

Commission File Number: 001-39007

Borr Drilling Limited

**S.E. Pearman Building
2nd Floor 9 Par-la-Ville Road
Hamilton HM11 Bermuda
+1 (441) 737-0152
(Address of principal executive offices)**

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): Yes No

INFORMATION CONTAINED IN THIS FORM 6-K REPORT

Included in this Report on Form 6-K is our Unaudited Interim Financial Report for the six months ended June 30, 2021.

The information contained in this Report on Form 6-K is hereby incorporated by reference into the Company's registration statement on Form F-3 (File No. 333-254525) (the "Registration Statement") which was filed with the U.S. Securities and Exchange Commission (the "Commission") on March 19, 2021 and the prospectus supplement to the Registration Statement which was filed with the Commission on July 6, 2021.

Exhibits

99.1 Unaudited Interim Financial Report for the six months ended June 30, 2021

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Borr Drilling Limited

(Registrant)

By: /s/ Patrick Schorn

Name: Patrick Schorn

Title: Principal Executive Officer

August 31, 2021

UNAUDITED INTERIM FINANCIAL REPORT

Forward-Looking Statements

Matters discussed in this report and any other written or oral statements made by us or on our behalf relating to the contents of this report, include forward-looking statements that involve risks and uncertainties. All statements other than statements of historical facts are forward-looking statements. These forward-looking statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. You can identify these forward-looking statements by words or phrases such as "may," "will," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "likely to" or other similar expressions. These forward-looking statements include statements about plans, objectives, goals, strategies, future events or performance, outlook, prospects, and trends, including contract backlog, expected contracting and operation of our jack-up rigs, drilling contracts and contract terms including expected commencement date and duration statements with respect to our agreement to sell our 49% stake in each of Perforadora S.A. de C.V. ("Opex") and Perforadora Profesional AKAL I, SA de CV ("Akal") joint ventures (the "MX IWS JVs") and acquire a 2% incremental stake in each of Perfomex I and Perfomex II joint ventures performing drilling services, statements with respect to our ATM program, statements with respect to potential extension of contracts, expectations with respect to contracting available rigs and new tenders, plans regarding rig deployment, statements with respect to newbuilds, including expected delivery dates, statements with respect to our joint venture entities, or JVs, including plans and strategy and expected payments from our JVs' customers, our commitment to safety and the environment; statements as to industry trends and expected trends, including activity levels in the jack-up rig and oil industry, day rates, demand for and expected utilization of rigs, expectations as to the role of the Company in any industry consolidation, expected recovery and rebalance of demand and oil and gas price trends, the impact of the COVID-19 outbreak and variants thereof, statements as to expected trends in the global fleet of shall water rigs, statements as to competitiveness of modern rigs, statements about our expected sources of liquidity and funding requirements, and statements in this report under the heading "Going concern assumption" in the following operating and financial review and prospects discussion and "Going concern in Note 1 of the Unaudited Consolidated Financial Statements".

The forward-looking statements in this document are based upon current expectations and various assumptions, many of which are based, in turn, upon further assumptions, including, without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. These assumptions are inherently subject to significant risks, uncertainties, contingencies and factors that are difficult or impossible to predict and are beyond our control, and that may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. Numerous factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by these forward-looking statements include: 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, risks relating to industry conditions and tendering activity, risks relating to our liquidity, the risk that the expected liquidity improvements do not materialize 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 sales of assets, risks relating to our loan agreements, including the agreements we have reached with our secured lenders, and risks related to our 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 and finance contracts and our other obligations as they fall due, 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 described in our most recent Annual Report on Form 20-F and other filings with the US Securities and Exchange Commission (SEC). 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 report speak only as of the date of such statements and we caution readers of this report 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 foregoing factors that could cause our actual results to differ materially from those contemplated in any forward-looking statement included in this report should not be construed as exhaustive. New factors emerge from time to time, and it is not possible for us to predict all of these factors. Further, we cannot assess the impact of each such factor on our business or the extent to which any factor, or combination of factors, may cause actual results to be materially different from those contained in any forward-looking statement. You should read this report, and our most recent Annual Report on Form 20-F as well as other materials that we have filed with or furnished with the SEC, with this cautionary note in mind, and with the understanding that our actual future results may be materially different from what we expect.

Management Discussion and Analysis of Financial Condition and Results of Operation

The following is a discussion of our financial condition and results of operations for the six months ended June 30, 2021 and 2020. Unless the context indicates otherwise, "Borr Drilling," the "Company," the "Registrant," "we," "us," "Group," "our," and words of similar nature, all refer to Borr Drilling Limited or any one or more of its consolidated subsidiaries. Unless otherwise indicated, all reference to "USD" and "\$" in this report are to U.S. dollars. You should read the following discussion and analysis together with the financial statements and related notes included elsewhere in this report. For additional information relating to our operating and financial review and prospects, including definitions of certain terms used herein, please see our annual report on Form 20-F for the year ended December 31, 2020, which was filed with the Commission on April 30, 2021.

Overview

We are an offshore shallow-water drilling contractor providing worldwide offshore drilling services to the oil and gas industry. Our primary business is the ownership, contracting and operation of jack-up rigs for operation in shallow-water areas (i.e., in water depths up to approximately 400 feet), including the provision of related equipment and work crews to conduct oil and gas drilling and workover operations for exploration and production customers.

Recent and Other Developments

See below a description of certain developments that have occurred since June 30, 2021:

Mexico Operations

On August 4, 2021, the Company executed a Stock Purchase Agreement for the sale of the Company's 49% interest in each of Opex and Akal joint ventures, as well as the acquisition of a 2% incremental interest in each Perfomex I and Perfomex II joint ventures. Cash consideration received for the sale of the Company's interest in Opex and Akal was \$8.1 million and cash consideration paid for the incremental stake in both Perfomex I and Perfomex II was \$0.1 million. In addition, the Company received an additional \$18.6 million in relation to the settlement of outstanding receivables from Opex and Akal.

The Company has executed revised Shareholders' Agreements for the Company's remaining joint ventures, Perfomex I and Perfomex II, as well as revised Drilling and Technical Services Agreements and Technical Support Agreements.

Stock Option Grants

On August 12, 2021, the Board of Directors of the Company resolved to grant 10.3 million share options under the Company's approved share options scheme to 23 of its employees. Each share option grants the right to subscribe to one share in the Company. The options have a strike price of \$1.00 and will vest equally over a three-year period commencing two years from the date of grant and will expire after five years.

Operating and Financial Review

Set forth below is selected financial information for the six months ended June 30, 2021 and 2020.

<i>In \$ millions</i>	Six months ended June 30,		Change	% Change
	2021	2020		
Total operating revenues	103.2	188.1	(84.9)	(45)%
Gain on disposals	0.7	13.1	(12.4)	(95)%
Rig operating and maintenance expenses	(96.2)	(153.1)	56.9	(37)%
Depreciation of non-current assets	(54.8)	(59.9)	5.1	(9)%
Impairment of non-current assets	—	(76.3)	76.3	(100)%
General and administrative expenses	(19.5)	(29.9)	10.4	(35)%
Total operating expenses	(170.5)	(319.2)	148.7	(47)%
Operating Loss	(66.6)	(118.0)	51.4	(44)%
Income from equity method investments	10.3	8.5	1.8	21 %
Total financial expenses, net	(56.7)	(77.5)	20.8	(27)%
Loss before income taxes	(113.0)	(187.0)	74.0	(40)%
Income tax expense	(1.3)	(9.6)	8.3	(86)%
Net loss	(114.3)	(196.6)	82.3	(42)%

Six months ended June 30, 2021 compared with the six months ended June 30, 2020

Net loss decreased by \$82.3 million to \$114.3 million for the six months ended June 30, 2021 compared to \$196.6 million. The decrease is primarily a result of the following:

Total operating revenues: Total operating revenues decreased by \$84.9 million to \$103.2 million for the six months ended June 30, 2021 compared to \$188.1 million for the same period in 2020. The decrease is primarily a result of a decrease in dayrate revenue of \$68.2 million due to a decrease in number of rigs in operation as well as a decrease in related party revenue of \$16.7 million. The decrease in related party revenue is primarily a result of an amendment made to our Mexico joint venture agreements reducing the standby rates charged for the rigs operating in the joint ventures as well as an increase in standby time incurred during the six months ended June 30, 2021.

Gain on disposals: Gain on disposals decreased by \$12.4 million to \$0.7 million for the six months ended June 30, 2021 compared to \$13.1 million for the same period in 2020. The gain on disposal for the six months ended June 30, 2021 relates to the sale of scrap assets of \$0.8 million, offset by the loss on the sale of the rig "Balder" of \$0.1 million. The gain on disposal for the six months ended June 30, 2020 relates to the gains on sale of the rigs "Dhabi II" and "Paragon B152" of \$12.8 million and disposal of scrap assets of \$0.6 million, offset by the loss on sale of the rig "B391" of \$0.3 million.

Rig operating and maintenance expenses: Rig operating and maintenance expenses decreased by \$56.9 million to \$96.2 million for the six months ended June 30, 2021 compared to \$153.1 million for the same period in 2020. The decrease is a result of a decreased number of rigs in operation.

Depreciation of non-current assets: Depreciation of non-current assets decreased by \$5.1 million to \$54.8 million for the six months ended June 30, 2021 compared to \$59.9 million for the same period in 2020. The decrease is primarily a result of a decrease in the number of jack-up rigs from 26 as at June 30, 2020 to 23 as at June 30, 2021.

Impairment of non-current assets: Impairment was nil for the six months ended June 30, 2021 compared to \$76.3 million for the same period in 2020. For the six months ended June 30, 2020, the Company recognized an impairment charge of \$18.4 million as we entered into an agreement to sell the semi-submersible "MSS1", which was built in 1981, as well as an impairment charge of \$57.9 million in relation to the rigs "Alta" and "Balder", both cold-stacked rigs which were built in 2003.

General and administrative expenses: General and administrative expenses decreased by \$10.4 million to \$19.5 million for the six months ended June 30, 2021 compared to \$29.9 million for the same period in 2020. The decrease is primarily a result of costs associated with the debt agreement amendments during the six months ended June 30, 2020.

Income from equity method investments: Income from equity method investments increased by \$1.8 million to \$10.3 million for the six months ended June 30, 2021 compared to \$8.5 million for the same period in 2020. The increase is primarily a result of increased activity in our integrated well services joint ventures in the six months ended June 30, 2021 compared to the same period in 2020, as operations increased from two to five wells being drilled simultaneously during the six month ended June 30, 2021. This increase was partly offset by lower standby rates following an amendment made to our joint venture agreement in the first quarter of 2021, and an increase in idle time for multiple rigs during the second quarter of 2021.

Total financial expenses, net: Total financial expenses, net, decreased by \$20.8 million to \$56.7 million for the six months ended June 30, 2021 compared to \$77.5 million for the same period in 2020. The overall decrease is principally due to the loss on forward contract of \$26.6 million recognized in the six months ended June 30, 2020 which related to a forward contract to acquire 4.2 million shares in Valaris plc. On April 30, 2020, we purchased our forward contract asset and settled in full the forward contract liability position and took delivery of the shares in Valaris plc which were subsequently sold in May and June 2020. This decrease was offset by an increase in interest expense of \$3.5 million.

Income tax expense: Income tax expense decreased by \$8.3 million to \$1.3 million for the six months ended June 30, 2021 compared to \$9.6 million for the same period in 2020. The decrease is a result of reduced rig operational activity as well as a withholding tax credit of \$2.8 million which was recognized during the six months ended June 30, 2021.

Adjusted EBITDA: Adjusted EBITDA decreased by \$30.5 million to \$7.0 million (loss) for the six months ended June 30, 2021 compared to \$23.5 million for the same period in 2020. The Adjusted EBITDA metric increases comparability of total business performance from period to period and against the performance of other companies. Set forth below is a reconciliation of Adjusted EBITDA to net loss for the periods presented.

<i>In \$ millions</i>	Six months ended June 30,		Change	% Change
	2021	2020		
Net loss	(114.3)	(196.6)	82.3	(42) %
Depreciation of non-current assets	54.8	59.9	(5.1)	(9) %
Impairment of non-current assets	—	76.3	(76.3)	(100) %
(Income) / loss from equity method investments	(10.3)	(8.5)	(1.8)	21 %
Total financial expenses, net	56.7	77.5	(20.8)	(27) %
Income tax	1.3	9.6	(8.3)	(86) %
Amortization of mobilization costs	7.5	13.9	(6.4)	(46) %
Amortization of mobilization revenue	(2.7)	(8.6)	5.9	(69) %
Adjusted EBITDA	(7.0)	23.5	(30.5)	(130) %

Liquidity and Capital Resources

Historically, we have met our liquidity needs principally from proceeds from equity offerings and our convertible bonds, cash generated from operations, available funds under our Financing Arrangements, including the shipyard delivery Financing Arrangements relating to our newbuild rigs and sales of non-core assets.

On January 22, 2021, we conducted a private placement of \$46.0 million by issuing 54,117,647 new depository receipts, representing the beneficial interests in the same number of our underlying common shares, at a subscription price of \$0.85 per share.

Borrowing Activities

Key Borrowing Facilities

Our loan financing arrangements (excluding delivery financing) include our Hayfin Term Loan Facility, Syndicated Senior Secured Credit Facilities, and New Bridge Revolving Credit Facility agreements which were entered into in June 2019 and which collectively provided \$745.0 million in financing, which we used to refinance our then existing loan facilities. We agreed amendments to our secured facilities with our secured lenders in June 2020 and agreed further amendments with our secured lenders in January 2021. The key amendments from January 2021 are as follows:

	Hayfin Term Loan Facility	Syndicated Senior Secured Credit Facilities	New Bridge Revolving Credit Facility
Maturity dates	Extended to January 2023	Extended to January 2023	Extended to January 2023
Amortizations	Not applicable	Extended to January 2023	Extended to January 2023
Interest payments	Not amended	Q3 2020 and Q4 2020 interest payments deferred by one year to 2021	Q3 2020 and Q4 2020 interest payments deferred by one year to 2021
Extension fees	1% of total commitments (\$1.95 million), added to the loan principal.	1% of total commitments (\$2.7 million), added to the loan principal.	1% of total commitments (\$0.3 million), added to the loan principal
Covenant terms:			
Minimum liquidity requirements	Not amended	Cash requirement: \$5 million until December 31, 2021; \$10 million from and including January 1, 2022 to and including June 30, 2022; \$15 million from and including July 1, 2022	Cash requirement: \$5 million until December 31, 2021; \$10 million from and including January 1, 2022 to and including June 30, 2022; \$15 million from and including July 1, 2022
Restricted cash requirements	No requirement through to September 2021. From October 1, 2021 - three months interest payments for rigs which are not operating on a contract	Not applicable	Not applicable
Debt service cover ratio	Not applicable	Waived until final maturity	Waived until final maturity
Book to equity ratio 2021	Not applicable	25%	25%
Book to equity ratio 2022	Not applicable	30%	30%
Book to equity ratio 2023	Not applicable	35%	35%
Value to loan ratio ⁽¹⁾	140%	140%	140%

⁽¹⁾ ratio of market values of rigs to the aggregate outstanding facility amount and any undrawn uncanceled part of the facility.

In addition, our delivery financing agreements include our PPL Newbuild Financing which was entered into in June 2017 and which provides delivery financing for a portion of the purchase price equal to \$87.0 million for each of the nine rigs associated with the financing agreement as well as our Keppel H-Rigs Financing which was entered into in May 2018 and which provides delivery financing for a portion of the purchase price equal to \$90.9 million for each of the three delivered rigs and \$77.7 million for each of the two undelivered rigs. We agreed to amendments to our delivery financing agreements in June 2020 and further amendments in January 2021. The key amendments from January 2021 are as follows:

	PPL Newbuild Financing	Keppel H-Rigs Financing
Interim payments required 2021	\$6 million	\$6 million
Interim payments required 2022	\$12 million	\$12 million
Maturity	Date for repayment of the seller's credit on the rigs are amended to May 2023	The loans for the three delivered rigs are extended by one year, until 2025 and 2026
Interest payments	No cash interest payments until March 2023	First interest payment date deferred from third anniversary to May 2023 and second interest payment date deferred to the fourth anniversary of each loan (delivered rigs)
Covenant terms:		
Minimum liquidity requirements	Cash requirement: \$5 million until December 31, 2021; \$10 million from and including January 1, 2022 to and including June 30, 2022; \$15 million from and including July 1, 2022	Not applicable
Value to loan	Requirement to provide additional security if the value of any rigs fall below \$70 million in 2021, \$75 million in 2022 or \$80 million thereafter	Not amended

For the Keppel H & V Financing, in addition to the above, the delivery dates for the five undelivered rigs were extended as follows for the Tivar (May 2023), Vale (July 2023), Var (September 2023), Huldra (October 2023) and Heidrun (December 2023). All purchase price installments, holding costs and cost cover payments in respect of the five undelivered rigs were deferred until 2023 other than the interim payments above required in 2021 and 2022.

Cash Flows

<i>In \$ millions</i>	Six months ended June 30,		Change	% Change
	2021	2020		
Net cash used in operating activities	(27.6)	(10.5)	(17.1)	163 %
Net cash used in investing activities	(4.0)	(117.2)	113.2	(97)%
Net cash provided by financing activities	44.8	33.8	11.0	33 %
Net increase / (decrease) in cash and cash equivalents	13.2	(93.9)	107.1	(114)%
Cash and cash equivalents at beginning of period	19.2	128.5	(109.3)	(85)%
Cash and cash equivalents at end of period	32.4	34.6	(2.2)	(6)%

Net cash used in operating activities decreased by \$17.1 million to \$27.6 million for the six months ended June 30, 2021 compared to \$10.5 million for the same period in 2020, primarily due to the timing of working capital movements and a decrease in total operating revenues net of rig operating and maintenance expenses.

Net cash used in investing activities of \$4.0 million for the six months ended June 30, 2021 is comprised of \$7.7 million in additions to jack-up rigs as a result of activation costs. This was partially offset by:

- \$1.4 million proceeds from the sale of the rig "Balder";
- \$0.8 million proceeds from the sale of other assets;
- \$1.5 million in net distributions from our equity investments as a result of the return of previous shareholder funding.

Net cash used in investing activities of \$117.2 million for the six months ended June 30, 2020 is comprised of:

- \$92.5 million to settle our forward position and take delivery of 4.2 million shares in Valaris plc.;
- \$24.0 million in additions to jack-up rigs;
- \$4.3 million in additions to newbuildings;
- \$17.2 million in net distribution to our equity investments.

This was partially offset by:

- \$17.8 million proceeds from the sale of rigs "B391", "B152" and the "Dhabi II";
- \$3.0 million proceeds from the sale of 4.2 million shares in Valaris plc.

Net cash provided by financing activities of \$44.8 million for the six months ended June 30, 2021 which was a result of the proceeds, net of transaction costs, from the January 2021 equity offering.

Net cash provided by financing activities of \$33.8 million for the six months ended June 30, 2020, is a result of \$28.8 million of proceeds, net of transaction costs, from the June 2020 equity offering and \$5.0 million as a result of the draw down of the New Bridge Revolving Credit Facility.

Cash interest paid, net of capitalized interest was \$23.2 million for the six months ended June 30, 2021 and \$25.4 million for the same period in 2020 is included in net cash used in operating activities.

As of June 30, 2021, we had cash and cash equivalents of \$32.4 million. Since June 30, 2021, certain transactions impacting our cash flows in addition to net cash generated from (and used in) operations are as follows:

Payments of:

- \$6.3 million in relation to capital expenditure for the jack-up rigs "Skald" and "Thor";

Receipts of:

- \$26.6 million in relation to the sale of shares in our Integrated Well Services Mexican joint ventures and settlement of other related party balances

Going concern assumption

We continue to experience the impact of current unprecedented market conditions as a result of the global market reaction to the ongoing COVID-19 pandemic, together with uncertainty around the extent and timing for a full economic recovery. Despite these challenges, we believe that the oil and gas demand will rebalance and oil and gas will remain a significant portion of the world's energy mix. While we are seeing signs of market recovery, at this stage we cannot predict with reasonable accuracy the impact of these market conditions on the Company, specifically with the rise of the COVID-19 Delta variant. While our recent amendments to our credit facilities and newbuild deliveries in January 2021 and concurrent equity raise and the establishment of the ATM program have stabilized our liquidity situation in a base case scenario through 2022, we have limited ability to respond to negative incidents or multiple downside scenarios, without additional financing or by raising further capital. Therefore, we have concluded that there exists substantial doubt over our ability to continue as a going concern. The financial statements included in this report do not include any adjustments that might result from the outcome of this uncertainty.

Refer to Note 1 to our Unaudited Consolidated Financial Statements included herein for our going concern assessment.

Non-GAAP Financial Measures

In addition to disclosing financial results in accordance with U.S. GAAP, this report contains references to the non-GAAP financial measure, Adjusted EBITDA. We believe the non-GAAP financial measure provides useful supplemental information about the financial performance of our business, enables comparison of financial results between periods where certain items may vary independent of business performance, and allows for greater transparency with respect to key metrics used by management in operating our business and measuring our performance.

The non-GAAP financial measure should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP, and the financial results calculated in accordance with GAAP. Non-GAAP measures are not uniformly defined by all companies, and may not be comparable with similarly titled measures and disclosures used by other companies. A reconciliation of Adjusted EBITDA to the closest GAAP measure is presented in this report.

Non GAAP Measure	Closest Equivalent to GAAP Measure	Definition	Rationale for Presentation of this non-GAAP Measure
Adjusted EBITDA	Net loss attributable to shareholders of Borr Drilling Limited	Net loss adjusted for: depreciation and impairment of non-current assets, amortization of contract backlog, income/(loss) from equity method investments, interest income, interest capitalized to newbuildings, foreign exchange loss (gain), net, other financial expenses, interest expense, gross, change in unrealized loss on call spread transactions, (loss)/gain on forward contracts, gain from bargain purchase, amortized mobilization costs, amortized mobilization revenue, and income tax expense	Increases the comparability of total business performance from period to period and against the performance of other companies by excluding the results of our equity investments, removing the impact of unrealized movements and removing the impact of depreciation, financing and tax items.

Borr Drilling Limited
Index to the Unaudited Consolidated Financial Statements

	Page
Unaudited Consolidated Statements of Operations for the three months and six months ended June 30, 2021 and 2020	1
Unaudited Consolidated Balance Sheets as of June 30, 2021 and December 31, 2020	2
Unaudited Consolidated Statements of Cash Flows for the six months ended June 30, 2021 and 2020	3
Unaudited Consolidated Statements of Changes in Shareholders' Equity for the three and six months ended June 30, 2021 and 2020	4
Notes to the Unaudited Consolidated Financial Statements	5

Borr Drilling Limited
Unaudited Consolidated Statements of Operations
(In \$ millions except share and per share data)

	Notes	3 months ended June 30, 2021	3 months ended June 30, 2020	6 months ended June 30, 2021	6 months ended June 30, 2020
Operating revenues					
Dayrate revenue	4	49.4	71.7	96.8	165.0
Related party revenue	4, 17	5.4	12.3	6.4	23.1
Total operating revenues		54.8	84.0	103.2	188.1
Gain on disposal					
	12	0.8	12.8	0.7	13.1
Operating expenses					
Rig operating and maintenance expenses		(47.4)	(82.7)	(96.2)	(153.1)
Depreciation of non-current assets	12	(26.4)	(27.5)	(54.8)	(59.9)
Impairment of non-current assets	12	—	(57.9)	—	(76.3)
General and administrative expenses		(7.8)	(19.9)	(19.5)	(29.9)
Total operating expenses		(81.6)	(188.0)	(170.5)	(319.2)
Operating loss					
		(26.0)	(91.2)	(66.6)	(118.0)
(Loss) / income from equity method investments					
	6	(5.7)	11.3	10.3	8.5
Financial income (expenses), net					
Interest income		—	—	—	0.2
Interest expense, net of amounts capitalized		(23.9)	(20.6)	(45.7)	(42.2)
Other financial expenses, net	7	(5.3)	(5.7)	(11.0)	(35.5)
Total financial expenses, net		(29.2)	(26.3)	(56.7)	(77.5)
Loss before income taxes					
		(60.9)	(106.2)	(113.0)	(187.0)
Income tax credit/(expense)	8	1.0	(3.4)	(1.3)	(9.6)
Net loss attributable to shareholders of Borr Drilling Limited		(59.9)	(109.6)	(114.3)	(196.6)
Total comprehensive loss attributable to shareholders of Borr Drilling Limited		(59.9)	(109.6)	(114.3)	(196.6)
Basic and diluted loss per share					
	9	(0.22)	(0.83)	(0.43)	(1.62)
Weighted-averages shares outstanding		274,436,351	131,612,941	266,363,553	121,215,646

The accompanying notes are an integral part of these Unaudited Consolidated Financial Statements.

Borr Drilling Limited
Unaudited Consolidated Balance Sheets
(In \$ millions)

	Notes	June 30, 2021	December 31, 2020
ASSETS		<i>Unaudited</i>	<i>Audited</i>
Current assets			
Cash and cash equivalents		32.4	19.2
Trade receivables	10	32.6	22.9
Jack-up drilling rigs held for sale	12	—	4.5
Prepaid expenses		6.7	6.4
Deferred mobilization and contract preparation costs	5	2.4	5.7
Accrued revenue	5	17.1	20.3
Tax retentions receivable		5.1	10.5
Due from related parties	17	30.2	34.9
Other current assets	11	16.2	16.4
Total current assets		142.7	140.8
Non-current assets			
Property, plant and equipment		4.7	5.6
Jack-up rigs	12	2,783.5	2,824.6
Newbuildings		135.5	135.5
Equity method investments	6	71.5	62.7
Other non-current assets	13	4.3	1.9
Total non-current assets		2,999.5	3,030.3
Total assets		3,142.2	3,171.1
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables		16.7	20.4
Accrued expenses		57.0	51.7
Other current liabilities	14	23.7	23.9
Total current liabilities		97.4	96.0
Non-current liabilities			
Long-term debt	15	1,910.9	1,906.2
Other liabilities		21.5	19.7
Long-term accrued interest		72.9	41.1
Onerous contracts		71.3	71.3
Total non-current liabilities		2,076.6	2,038.3
Total liabilities		2,174.0	2,134.3
Shareholders' Equity			
Common shares of par value \$0.05 per share: authorized 360,000,000 (2020:238,653,846) shares, issued 274,436,351 (2020: 220,318,704) shares and outstanding 273,526,900 (2020: 218,858,990) shares	19	13.8	11.0
Additional paid in capital		1,979.7	1,947.2
Treasury shares		(15.8)	(26.2)
Accumulated deficit		(1,009.5)	(895.2)
Total equity		968.2	1,036.8
Total liabilities and equity		3,142.2	3,171.1

The accompanying notes are an integral part of these Unaudited Consolidated Financial Statements.

Borr Drilling Limited
Unaudited Consolidated Statements of Cash Flows
(In \$ millions)

	Notes	3 months ended June 30, 2021	3 months ended June 30, 2020	6 months ended June 30, 2021	6 months ended June 30, 2020
Cash Flows from Operating Activities					
Net loss		(59.9)	(109.6)	(114.3)	(196.6)
<i>Adjustments to reconcile net loss to net cash used in operating activities:</i>					
Non-cash compensation expense related to stock options		0.2	0.2	0.9	0.8
Depreciation of non-current assets	12	26.4	27.5	54.8	59.9
Impairment of non-current assets		—	57.9	—	76.3
Gain on disposal of assets	12	(0.8)	(12.8)	(0.7)	(13.1)
Amortization of deferred finance charges	15	1.9	1.3	3.0	2.4
Effective Interest rate adjustments	15	0.7	—	1.7	2.1
Change in fair value of financial instruments	7	—	(1.6)	—	27.4
Loss/(income) from equity method investments	6	5.7	(11.3)	(10.3)	(8.5)
Deferred income tax	8	(0.5)	(0.5)	(0.8)	0.6
Change in assets and liabilities:					
Amounts due to/from related parties		0.1	(7.0)	4.7	(16.4)
Accrued expenses		(0.9)	13.4	0.3	11.2
Long-term accrued interest		15.7	—	31.8	—
Other current and non-current assets		(6.5)	45.0	0.6	41.6
Other current and non-current liabilities		7.0	(7.7)	0.7	1.8
Net cash used in operating activities		(10.9)	(5.2)	(27.6)	(10.5)
Cash Flows from Investing Activities					
Proceeds from sale of fixed assets	12	0.8	15.8	2.2	17.8
Purchase of marketable securities		—	(92.5)	—	(92.5)
Investments in equity method investments	6	(1.6)	(8.5)	1.5	(17.2)
Proceeds from sale of marketable securities		—	3.0	—	3.0
Additions to newbuildings		—	(0.8)	—	(4.3)
Additions to jack-up rigs	12	(4.9)	(13.0)	(7.7)	(24.0)
Net cash used in investing activities		(5.7)	(96.0)	(4.0)	(117.2)
Cash Flows from Financing Activities					
Proceeds from share issuance, net of issuance cost	19	—	28.8	44.8	28.8
Proceeds, net of deferred loan cost, from issuance of long-term debt	15	—	—	—	5.0
Net cash provided by financing activities		—	28.8	44.8	33.8
Net (decrease) increase in cash, cash equivalents and restricted cash		(16.6)	(72.4)	13.2	(93.9)
Cash, cash equivalents and restricted cash at the beginning of the period		49.0	107.0	19.2	128.5
Cash and cash equivalents at the end of period		32.4	34.6	32.4	34.6
Supplementary disclosure of cash flow information					
Interest paid, net of capitalized interest		(13.7)	(21.7)	(23.2)	(25.4)
Income taxes refunded (paid), net		1.6	(2.5)	0.8	(6.0)
Issuance of long-term debt as non-cash settlement for newbuild delivery installment		—	90.9	—	181.8

The accompanying notes are an integral part of these Unaudited Consolidated Financial Statements.

Borr Drilling Limited
Unaudited Consolidated Statements of Changes in Shareholders' Equity
(In \$ millions except share data)

<i>In millions of \$</i>	Number of outstanding shares	Common shares	Treasury shares	Additional paid in capital	Accumulated Deficit	Non-controlling interest	Total equity
Balance as at December 31, 2019	110,818,351	5.6	(26.2)	1,891.2	(576.7)	0.2	1,294.1
<i>ASU 2016-13 - Measurement of credit losses</i>	—	—	—	—	(2.9)	—	(2.9)
Adjusted balance at January 1, 2020	110,818,351	5.6	(26.2)	1,891.2	(579.6)	0.2	1,291.2
Share-based compensation	—	—	—	0.6	—	—	0.6
Total comprehensive loss	—	—	—	—	(87.0)	—	(87.0)
Other, net	—	—	—	—	1.5	—	1.5
Balance as at March 31, 2020	110,818,351	5.6	(26.2)	1,891.8	(665.1)	0.2	1,206.3
Issue of common shares	46,153,846	2.3	—	27.7	—	—	30.0
Equity issuance costs	—	—	—	(1.2)	—	—	(1.2)
Share-based compensation	—	—	—	0.2	—	—	0.2
Total comprehensive loss	—	—	—	—	(109.6)	—	(109.6)
Other, net	—	—	—	—	(1.1)	—	(1.1)
Consolidated balance at June 30, 2020	156,972,197	7.9	(26.2)	1,918.5	(775.8)	0.2	1,124.6

<i>In millions of \$</i>	Number of outstanding shares	Common shares	Treasury shares	Additional paid in capital	Accumulated Deficit	Non-controlling interest	Total equity
Balance as at December 31, 2020	218,858,990	11.0	(26.2)	1,947.2	(895.2)	—	1,036.8
Issue of common shares	54,117,647	2.8	—	43.2	—	—	46.0
Equity issue costs	—	—	—	(1.2)	—	—	(1.2)
Share based compensation	550,263	—	10.4	(9.7)	—	—	0.7
Total comprehensive loss	—	—	—	—	(54.4)	—	(54.4)
Balance as at March 31, 2021	273,526,900	13.8	(15.8)	1,979.5	(949.6)	—	1,027.9
Share based compensation	—	—	—	0.2	—	—	0.2
Total comprehensive loss	—	—	—	—	(59.9)	—	(59.9)
Balance as at June 30, 2021	273,526,900	13.8	(15.8)	1,979.7	(1,009.5)	—	968.2

See accompanying notes that are an integral part of these Unaudited Consolidated Financial Statements

Borr Drilling Limited

Notes to the Unaudited Consolidated Financial Statements

Note 1 - General Information

Borr Drilling Limited was incorporated in Bermuda on August 8, 2016. We are listed on the Oslo Stock Exchange and on the New York Stock Exchange under the ticker BORR. Borr Drilling Limited is an international offshore drilling contractor providing services to the oil and gas industry. As of June 30, 2021, we had 23 jack-up rigs, including 10 "warm stacked" rigs and had agreed to purchase five additional premium jack-up rigs under construction. Of our total fleet of 28 jack-up drilling rigs (including newbuilds under contract), five jack-up drilling rigs are scheduled for delivery in 2023.

As used herein, and unless otherwise required by the context, the term "Borr Drilling" refers to Borr Drilling Limited and the terms "Company," "Borr," "we," "Group," "our" and words of similar nature refer to Borr Drilling and its consolidated companies. The use herein of such terms as "group," "organization," "we," "us," "our" and "its", or references to specific entities, is not intended to be a precise description of corporate relationships.

Going concern

The unaudited consolidated financial statements have been prepared on a going concern basis.

We continue to experience the impact of current unprecedented market conditions as a result of the global market reaction to the ongoing COVID-19 pandemic, together with uncertainty around the extent and timing for a full economic recovery. Despite these challenges, we believe that the oil and gas demand will rebalance and oil and gas will remain a significant portion of the world's energy mix. While we are seeing signs of market recovery, at this stage we cannot predict with reasonable accuracy the impact of these market conditions on the Company, specifically with the rise of the COVID-19 Delta variant.

In January 2021, we amended certain of our shipyard financing agreements, whereby we agreed to pay \$12.0 million in 2021 and \$24.0 million in 2022, to our shipyards, in order to defer debt amortization, interest payments and maturity payments (including deposits for five newbuild rigs) into 2023. As a condition of these agreements, we raised a gross amount of \$46 million in new equity in January 2021. The shipyard agreements, and new equity, satisfied the conditions precedent to execute certain amendments to our Syndicated Senior Secured Credit Facility, Hayfin Term Loan Facility and New Bridge Revolving Credit Facility, which extended their respective maturities to January 2023 and provided various other amendments.

In addition, in July 2021, we established an at-the-market ("ATM") program under which we may offer and sell from time to time up to \$40.0 million of our common shares to be listed on the New York Stock Exchange. While the Company has not determined whether it will sell any shares under the ATM program, the facility has been set up to provide flexibility going forward in anticipation of an improved market.

While our recent amendments to our credit facilities and newbuild deliveries in January 2021, concurrent equity raise, the establishment of the ATM program and recent cash receipts from the sale of our equity interest in the Mexico IWS JV's, have stabilized our liquidity situation in a base case scenario through 2022, we have limited ability to respond to negative incidents or multiple downside scenarios, without additional financing or by raising further capital. Therefore, we have concluded that there exists substantial doubt over our ability to continue as a going concern.

We will continue to explore additional financing opportunities and strategic sale of a limited number of modern jack-ups in order to further strengthen the liquidity of the Company. While we have confidence that these actions will enable us to better manage our liquidity position, and we have a track record of delivering additional financing and selling rigs, there is no guarantee that any additional financing or sale measures will be concluded successfully.

Note 2 - Accounting Policies

Basis of accounting

The unaudited consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). The unaudited consolidated financial statements do not include all of the disclosures required under U.S. GAAP in the annual consolidated financial statements, and should be read in conjunction with our audited annual financial statements for the year ended December 31, 2020, which are included in our annual report on Form 20-F for the fiscal year ended December 31, 2020, filed with the Securities and Exchange Commission on April 30, 2021. The consolidated balance sheet data for December 31, 2020 was derived from our audited annual financial statements. The amounts are presented in millions of United States dollar ("U.S. dollar" or "\$"), unless otherwise stated. The financial statements have been prepared on a going concern basis and in management's opinion, all adjustments necessary for a fair statement are reflected in the interim periods presented.

Significant accounting policies

The accounting policies adopted in the preparation of the unaudited consolidated financial statements for the three and six months ended June 30, 2021 are consistent with those followed in preparation of our annual audited consolidated financial statements for the year ended December 31, 2020.

Use of estimates

Preparation of financial statements in accordance with U.S. GAAP requires that management make estimates and assumptions affecting the reported amounts of assets and liabilities and disclosure of material contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 3 - Recently Issued Accounting Standards

Adoption of new accounting standards

In August 2018, the FASB issued ASU 2018-14 Compensation - Retirement Benefits - Defined Benefit Plans - General (Subtopic 715-20). The amendments in this ASU remove certain disclosure requirements and introduce new ones including an explanation of the reasons for significant gains and losses relating to changes in the projected benefit obligation, plan assets to be returned to the entity and accumulated benefit obligation in excess of the fair value of related funding assets. These amendments to disclosures' requirements are mandated for defined benefit plans from January 1, 2021. There was no impact resulting from these amendments on our unaudited consolidated financial statements or related disclosures as presented in this interim set of accounts for the six month ended June 30, 2021.

In December 2019, the FASB issued ASU 2019-12 Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes. The amendments remove certain exceptions previously available and provides additional calculation rules to help simplify the accounting for income taxes. These amendments are effective from January 1, 2021. There was no impact resulting from these amendments on our unaudited consolidated financial statements or related disclosures as presented in this interim set of accounts for the six months ended June 30, 2021.

Accounting pronouncements that have been issued but not yet adopted

Standard	Description	Date of Adoption	Effect on our Consolidated Financial Statements or Other Significant Matters
<i>ASU 2020-04 Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting and ASU 2021-01 Reference Rate Reform (Topic 848)</i>	The amendments provide temporary optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The applicable expedients for us are in relation to modifications of contracts within the scope of Topics 310, Receivables, 470, Debt, and 842, Leases. This optional guidance may be applied prospectively from any date beginning March 12, 2020 and cannot be applied to modifications that occur after December 31, 2022.	January 1, 2022	Under evaluation
<i>ASU 2020-06 Debt - Debt with Conversion and Other Options (Topic 470) and Derivatives and Hedging - Contracts in Entity's Own Equity (Topic 815)</i>	The amendments simplify the issuer's accounting for convertible instruments and its application of the equity classification guidance. The new guidance eliminates some of the existing models for assessing convertible instruments, which results in more instruments being recognized as a single unit of account on the balance sheet and expands disclosure requirements. The new guidance simplifies the assessment of contracts in an entity's own equity and existing EPS guidance in ASC 260.	January 1, 2022	Under evaluation
<i>ASU 2021-04 Earnings Per Share (Topic 260), Debt-Modifications and Extinguishments (Subtopic 470-50), Compensation - Stock Compensation (Topic 718) and Derivatives and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40)</i>	The amendments clarify the issuer's recognition and measurement considerations resulting from exchanges or modifications to freestanding instruments (written call options) classified in equity. Such exchanges or modifications are treated as adjustments to the cost to raise debt, to the cost to raise equity or as share based payments (ASC 718) when issued to compensate for goods or services. If not treated as costs of debt funding, equity funding or share-based payments, it results in an adjustment to EPS/net income (loss). Holder's accounting is not affected by these amendments.	January 1, 2022	Under evaluation

As of August 30, 2021 the FASB have issued further updates not included above. We do not currently expect any of these updates to have a material impact on our Consolidated Financial Statements and related disclosures either on transition or in future periods.

Note 4 - Segment Information

We have two operating segments: operations performed under our dayrate model (which includes rig charters and ancillary services) and operations performed under the Integrated Well Services ("IWS") model. IWS operations are performed by our joint venture entities Opex and Akal (see note 6). Our Chief Operating Decision Maker (our Board of Directors) reviews financial information provided as an aggregate sum of assets, liabilities and activities that exist to generate cash flow, by our two operating segments.

The following presents financial information by segment for the 3 months ended June 30, 2021:

<i>(In \$ millions)</i>	Dayrate	IWS	Reconciling items ⁽¹⁾	Consolidated total
Revenue	49.4	85.6	(85.6)	49.4
Related party revenue	5.4	—	—	5.4
Intersegment revenue	43.1	—	(43.1)	—
Gain on disposal	—	—	0.8	0.8
Rig operating and maintenance expenses	(83.3)	(56.0)	91.9	(47.4)
Intersegment expenses	—	(43.1)	43.1	—
Depreciation of non-current assets	(26.1)	—	(0.3)	(26.4)
General and administrative expenses	—	—	(7.8)	(7.8)
Loss from equity method investments	—	—	(5.7)	(5.7)
Operating loss including equity method investment	(11.5)	(13.5)	(6.7)	(31.7)
Total assets	3,346.3	589.5	(793.6)	3,142.2

The following presents financial information by segment for the 3 months ended June 30, 2020:

<i>(in \$ millions)</i>	Dayrate	IWS	Reconciling items ⁽¹⁾	Consolidated total
Revenue	71.7	86.0	(86.0)	71.7
Related party revenue	12.3	—	—	12.3
Intersegment revenue	47.2	—	(47.2)	—
Gain on disposal	—	—	12.8	12.8
Rig operating and maintenance expenses	(122.6)	(22.1)	62.0	(82.7)
Intersegment expenses	—	(47.2)	47.2	—
Depreciation of non-current assets	(27.0)	—	(0.5)	(27.5)
Impairment of non-current assets	(57.9)	—	—	(57.9)
General and administrative expenses	—	—	(19.9)	(19.9)
Income from equity method investments	—	—	11.3	11.3
Operating (loss)/income including equity method investment	(76.3)	16.7	(20.3)	(79.9)
Total assets	3,382.6	193.8	(327.3)	3,249.1

The following presents financial information by segment for the 6 months ended June 30, 2021:

<i>(In \$ millions)</i>	Dayrate	IWS	Reconciling items ⁽¹⁾	Consolidated total
Revenue	96.8	245.1	(245.1)	96.8
Related party revenue	6.4	—	—	6.4
Intersegment revenue	75.7	—	(75.7)	—
Gain on disposal	—	—	0.7	0.7
Rig operating and maintenance expenses	(161.7)	(154.0)	219.5	(96.2)
Intersegment expenses	—	(75.7)	75.7	—
Depreciation of non-current assets	(54.0)	—	(0.8)	(54.8)
General and administrative expenses	—	—	(19.5)	(19.5)
Income from equity method investments	—	—	10.3	10.3
Operating (loss)/income including equity method investment	(36.8)	15.4	(34.9)	(56.3)

The following presents financial information by segment for the 6 months ended June 30, 2020:

<i>(in \$ millions)</i>	Dayrate	IWS	Reconciling items ⁽¹⁾	Consolidated total
Revenue	165.0	135.8	(135.8)	165.0
Related party revenue	23.1	—	—	23.1
Intersegment revenue	78.0	—	(78.0)	—
Gain on disposal	—	—	13.1	13.1
Rig operating and maintenance expenses	(224.0)	(44.5)	115.4	(153.1)
Intersegment expenses	—	(78.0)	78.0	—
Depreciation of non-current assets	(58.9)	—	(1.0)	(59.9)
Impairment of non-current assets	(76.3)	—	—	(76.3)
General and administrative expenses	—	—	(29.9)	(29.9)
Income from equity method investments	—	—	8.5	8.5
Operating (loss)/income including equity method investment	(93.1)	13.3	(29.7)	(109.5)

⁽¹⁾ General and administrative expenses and depreciation expense incurred by our corporate office are not allocated to our operating segments for purposes of measuring segment operating income / (loss) and are included in "Reconciling items." The full operating results included above for our equity method investments are not included within our consolidated results and thus are deducted under "Reconciling items" and replaced with our Income / (loss) from equity method investments (see note 6 for additional information).

Geographic data

Revenues are attributed to geographical location based on the country of operations for drilling activities, and thus the country where the revenues are generated.

The following presents our revenues by geographic area:

	3 months ended June 30, 2021	3 months ended June 30, 2020	6 months ended June 30, 2021	6 months ended June 30, 2020
South East Asia	21.4	16.9	48.3	35.8
Europe	17.5	11.3	31.4	39.9
West Africa	12.5	33.2	19.7	68.8
Mexico	3.4	12.3	3.8	23.1
Middle East	—	10.3	—	20.5
Total	54.8	84.0	103.2	188.1

Major customers

The following customers accounted for more than 10% of our dayrate revenues:

	3 months ended June 30, 2021	3 months ended June 30, 2020	6 months ended June 30, 2021	6 months ended June 30, 2020
<i>(In % of operating revenues)</i>				
CNOOC Petroleum Europe Limited	18 %	— %	19 %	— %
BW Energy Gabon S.A.	13 %	2 %	7 %	5 %
PTT Exploration and Production Public Company Limited	12 %	— %	24 %	— %
JX Nippon Oil & Gas Exploration (Malaysia) Limited	12 %	— %	6 %	— %
Vestigo Petroleum Sdn. Bhd.	11 %	— %	7 %	— %
Pemex	7 %	11 %	5 %	10 %
ExxonMobil	— %	26 %	2 %	20 %
National Drilling Company (ADOC)	— %	12 %	— %	11 %
Spirit Energy Production UK Limited	— %	7 %	— %	10 %
ENI	— %	12 %	— %	7 %
Total	73 %	70 %	70 %	63 %

Fixed Assets — Jack-up rigs ⁽¹⁾

The following presents the net book value of our jack-up rigs by geographic area:

	June 30, 2021	December 31, 2020
<i>(In \$ millions)</i>		
Mexico	1,263.8	1,277.4
Middle East	682.2	693.5
West Africa	576.8	587.3
Europe	260.7	266.4
Total	2,783.5	2,824.6

⁽¹⁾ The fixed assets referred to in the table above exclude assets under construction. Asset locations at the end of a period are not necessarily indicative of the geographical distribution of the revenues or operating profits generated by such assets during the associated periods.

Note 5 - Contracts with Customers

Contract Assets and Liabilities

Accrued revenue is classified as a current asset. When the right to consideration becomes unconditional based on the contractual billing schedule, accounts receivable are recognized. Payment terms on invoice amounts are typically 30 days.

Deferred mobilization and contract preparation revenue include payments received for mobilization as well as rig preparation and upgrade activities, which are allocated to the overall performance obligation and recognized ratably over the initial term of the contract.

The following presents our contract assets and liabilities from our contracts with customers:

	June 30, 2021	December 31, 2020
<i>(In \$ millions)</i>		
Accrued revenue	17.1	20.3
Current contract assets	17.1	20.3
Current deferred mobilization and contract preparation revenue ⁽¹⁾	(2.4)	(2.6)
Current contract liability	(2.4)	(2.6)
Non-current deferred mobilization and contract preparation revenue ⁽²⁾	(3.3)	—
Non-current contract liability	(3.3)	—
Total contract liability	(5.7)	(2.6)

⁽¹⁾ Current deferred mobilization and contract preparation revenue is included in "Other current liabilities" in our Unaudited Consolidated Balance Sheets.

⁽²⁾ Non-current deferred mobilization and contract preparation revenue is included in "Other liabilities" in our Unaudited Consolidated Balance Sheets.

Accrued revenue decreased by \$3.2 million to \$17.1 million for the six months ended June 30, 2021 from \$20.3 million as at December 31, 2020 as a result of \$85.8 million in accrued revenue for the period, offset by \$89.0 million of accrued revenue which was billed to customers.

Deferred mobilization and contract preparation revenue increased by \$3.1 million to \$5.7 million for the six months ended June 30, 2021 from \$2.6 million as at December 31, 2020 as a result of \$5.7 million of cash received and invoices issued for mobilization and contract preparation, offset by \$2.6 million in amortization.

Timing of Revenue

The Company derives its revenue from contracts with customers for the transfer of goods and services, from various activities performed both at a point in time and over time.

	3 months ended June 30, 2021	3 months ended June 30, 2020	6 months ended June 30, 2021	6 months ended June 30, 2020
<i>(In \$ millions)</i>				
Over time	52.3	75.1	97.0	176.3
Point in time	2.5	8.9	6.2	11.8
Total	54.8	84.0	103.2	188.1

Contracts Costs

Deferred mobilization and contract preparation costs relate to costs incurred to prepare a rig for contract and delivery or to mobilize a rig to the drilling location. We defer pre-operating costs, such as contract preparation and mobilization costs, and recognize such costs on a straight-line basis, consistent with the general pace of activity, in rig operating and maintenance costs over the estimated firm period of the drilling contract. Costs incurred for the demobilization of rigs at contract completion are recognized as incurred during the demobilization process.

Deferred mobilization and contract preparation costs decreased by \$1.8 million to \$3.9 million for the six months ended June 30, 2021, from \$5.7 million as of December 31, 2020 as a result of amortization during the period of \$7.5 million, offset by \$5.7 million in additional deferred costs relating to the contract preparations of the rigs "Norve", "Idun", "Natt" and "Skald". As at June 30, 2021, \$2.4 million is current, and \$1.5 million is non-current. Non-current deferred mobilization and contract preparation costs are disclosed in Other Non-Current Assets in the Unaudited Consolidated Balance Sheets.

Practical Expedient

We have applied the disclosure practical expedient in ASC 606-10-50-14A(b) and have not included estimated variable consideration related to wholly unsatisfied performance obligations or to distinct future time increments within our contracts, including dayrate revenue. The duration of our performance obligations varies by contract.

Note 6 - Equity Method Investments

During 2019 we entered into a joint venture with Proyectos Globales de Energia y Servicios CME, S.A. DE C.V. ("CME") to provide integrated well services to Petróleos Mexicanos ("Pemex"). This involved Borr Mexico Ventures Limited ("BMV") subscribing to 49% of the equity of Opex Perforadora S.A. de C.V. ("Opex") and Perforadora Profesional AKAL I, SA de CV ("Akal"). CME's wholly owned subsidiary, Operadora Productora y Exploradora Mexicana, S.A. de C.V. ("Operadora") owns 51% of each of Opex and Akal.

We provide five jack-up rigs on bareboat charters to two other joint venture companies, Perfomex and Perfomex II, which are owned in the same proportion as Opex and Akal. Perfomex and Perfomex II provide the jack-up rigs under traditional dayrate drilling and technical service agreements to Opex and Akal. Opex and Akal also contract technical support services from BMV, management services from Operadora and well services from specialist well service contractors (including an affiliate of one of our shareholders Schlumberger Limited) and logistics and administration services from Logística y Operaciones OTM, S.A. de C.V, an affiliate of CME. This structure enables Opex and Akal to provide bundled integrated well services to Pemex. The potential revenue earned is fixed under each of the Pemex contracts, while Opex and Akal manage the drilling services and related costs on a per well basis. We are also obligated, as a 49% shareholder, to fund any capital shortfall in Opex or Akal should the Board of Opex or Akal make cash calls to the shareholders under the provisions of the Shareholder Agreements.

The below tables sets forth the results from these entities, on a 100% basis, for the three months ended June 30, 2021 and 2020:

<i>In \$ millions</i>	3 months ended June 30, 2021				3 months ended June 30, 2020			
	Perfomex	Opex	Akal	Perfomex II	Perfomex	Opex	Akal	Perfomex II
Revenue	29.3	58.5	27.1	13.8	37.4	60.2	25.8	9.7
Operating expenses	(27.4)	(63.3)	(35.7)	(8.6)	(33.0)	(45.8)	(23.6)	(6.8)
Net (loss) / income	2.5	(1.5)	(16.3)	3.7	3.0	15.3	2.0	2.8

The below tables sets forth the results from these entities, on a 100% basis, for the six months ended June 30, 2021 and 2020:

<i>In \$ millions</i>	6 months ended June 30, 2021				6 months ended June 30, 2020			
	Perfomex	Opex	Akal	Perfomex II	Perfomex	Opex	Akal	Perfomex II
Revenue	51.8	173.2	71.9	23.9	65.5	100.8	35.0	12.4
Operating expenses	(47.7)	(148.0)	(81.7)	(17.9)	(60.1)	(87.7)	(34.8)	(10.8)
Net (loss) / income	1.1	28.4	(9.3)	3.3	3.4	12.1	—	1.9

Revenue in Opex and Akal is recognized on a percentage of completion basis under the cost input method. The services Opex and Akal deliver are to a single customer, Pemex, and involves delivering integrated well services with payment upon the completion of each well in the contract.

Revenue in Perfomex and Perfomex II is recognized on a day rate basis on a contract with Opex and Akal, consistent with our historical revenue recognition policies, with day rate accruing each day as the service is performed. We provide rigs and services to Perfomex and Perfomex II for use in their contracts with Opex and Akal, respectively. As of June 30, 2021, the IWS JVs had \$251.7 million in receivables from PEMEX, of which \$40.5 million were outstanding and \$211.2 million were unbilled. As of December 31, 2020, \$97.6 million of receivables from PEMEX were outstanding, and \$172.0 million were unbilled.

As of June 30, 2021, Opex and Akal have recognized a combined \$2.7 million provision related to the potential effect of factoring PEMEX receivables in Mexico. This compares to a provision of \$6.3 million, recognized as of December 31, 2020.

Summarized balance sheets, on a 100% basis of the Company's equity method investees are as follows:

<i>In \$ millions</i>	As at June 30, 2021				As at December 31, 2020			
	Perfomex	Opex	Akal	Perfomex II	Perfomex	Opex	Akal	Perfomex II
Cash	22.0	45.2	12.6	2.0	0.8	0.2	3.7	0.4
Total current assets	149.5	370.5	215.8	48.0	152.6	220.0	116.5	41.1
Total non-current assets	3.6	3.1	—	2.8	1.8	—	—	1.7
Total assets	153.1	373.6	215.8	50.8	154.4	220.0	116.5	42.8
Total current liabilities	137.1	321.9	229.7	46.1	140.4	207.8	117.6	42.8
Total non current liabilities	1.6	27.1	4.2	1.4	0.7	21.3	2.3	—
Equity	14.4	24.6	(18.1)	3.3	13.3	(9.1)	(3.4)	—
Total Liabilities and Equity	153.1	373.6	215.8	50.8	154.4	220.0	116.5	42.8

We have issued a performance guarantee to Opex for the duration of its contract with Pemex. Management has performed a valuation exercise to fair value the guarantee given, utilizing the inferred debt market method and subsequently mapping to a credit score, adjusting for country risk and default probability. We have subsequently recognized a liability for \$5.9 million in "Other liabilities" in the Unaudited Consolidated Balance Sheets and added the \$5.9 million to the investment in the Opex joint venture.

The following presents our investments in equity method investments as at June 30, 2021:

<i>In \$ millions</i>	Perfomex	Opex	Akal	Perfomex II	Borr Total
Balance as at January 1, 2021	48.0	5.2	—	9.5	62.7
Funding provided by / (received from) shareholder loan ⁽¹⁾	(2.5)	—	—	1.0	(1.5)
Income / (loss) on a percentage basis	0.5	12.9	(4.7)	1.6	10.3
Balance as at June 30, 2021	46.0	18.1	(4.7)	12.1	71.5

⁽¹⁾ As at June 30, 2021, the "Equity method investments" balance in the Unaudited Consolidated Balance Sheets includes \$54.9 million in funding provided by shareholder loans comprised of balances with Perfomex of \$39.0 million, Opex of \$3.7 million, Akal of \$1.7 million and Perfomex II of \$10.5 million.

On August 4, 2021, the Company executed a Stock Purchase Agreement between BMV and Operadora for the sale of the Company's 49% interest in each of Opex and Akal joint ventures, as well as the acquisition of a 2% incremental interest in each of Perfomex I and Perfomex II joint ventures (see note 20).

Note 7 - Other Financial Income / (Expenses), net

Other financial income/(expenses), net is comprised of the following:

<i>(In \$ millions)</i>	3 months ended June 30, 2021	3 months ended June 30, 2020	6 months ended June 30, 2021	6 months ended June 30, 2020
Foreign exchange (loss)/gain, net	(1.9)	(1.0)	(2.5)	0.6
Other financial expenses ⁽¹⁾	(3.4)	(6.4)	(8.5)	(8.7)
Change in fair value on call spread ⁽²⁾	—	—	—	(2.3)
Realized gain on marketable securities ⁽³⁾	—	1.5	—	1.5
Gain / (loss) on forward contracts ⁽³⁾	—	0.2	—	(26.6)
Total	(5.3)	(5.7)	(11.0)	(35.5)

⁽¹⁾ Other financial expenses includes amortization of deferred finance charges, cost cover and bank charges.

⁽²⁾ Change in the fair value of the call spread for the six months ended June, 2020 relates to the call spread on our convertible bond. The fair value is determined using the Black and Scholes model for option pricing. There was no change in the fair value of the call spread for the six months ended June 30, 2021.

⁽³⁾ Loss on forward contracts of \$26.6 million for the six months ended June 30, 2020 relates to the forward contract to acquire 4.2 million shares in Valaris plc. During the second quarter of 2020 we settled in full our forward position and took delivery of 4.2 million shares in Valaris plc. The total realized loss on expiration of the contracts was \$91.0 million. Total cash required to take delivery of the forwards was \$92.5 million, of which \$91.2 million was held as restricted cash at the time of settlement. Subsequently all shares were sold for total proceeds of \$3 million, resulting in a gain of \$1.5 million.

Note 8 - Taxation

Borr Drilling Limited is a Bermuda company and is not required to pay taxes in Bermuda on ordinary income or capital gains under a tax exemption granted by the Minister of Finance in Bermuda until March 31, 2035. We operate through various subsidiaries in numerous countries throughout the world and are subject to tax laws, policies, treaties and regulations, as well as the interpretation or enforcement thereof, in jurisdictions in which we or any of our subsidiaries operate, were incorporated, or otherwise considered to have a tax presence. Our income tax expense is based upon our interpretation of the tax laws in effect in various countries at the time that the expense was incurred. For the three months ended June 30, 2021, our pre-tax loss is all attributable to foreign jurisdictions except for a \$32.9 million pre-tax loss associated with Bermuda. For the three months ended June 30, 2020, our pre-tax loss is all attributable to foreign jurisdictions except for a \$25.1 million pre-tax loss associated with Bermuda. For the six months ended June 30, 2021, our pre-tax loss is all attributable to foreign jurisdictions except for a \$44.6 million pre-tax loss associated with Bermuda. For the six months ended June 30, 2020, our pre-tax loss is all attributable to foreign jurisdictions except for a \$69.9 million pre-tax loss associated with Bermuda.

The change in the effective tax rate from period to period is primarily attributable to changes in the profitability or loss mix of our operations in various jurisdictions. As our operations continually change among numerous jurisdictions and methods of taxation in these jurisdictions vary greatly, there is little direct correlation between the income tax provision or benefit and income or loss before taxes. We used a discrete effective tax rate method to calculate income taxes.

Income tax credit / (expense) is comprised of the following:

	3 months ended June 30, 2021	3 months ended June 30, 2020	6 months ended June 30, 2021	6 months ended June 30, 2020
<i>(In \$ millions)</i>				
Current tax	0.5	(3.9)	(2.1)	(9.1)
Change in deferred tax	0.5	0.5	0.8	(0.5)
Total	1.0	(3.4)	(1.3)	(9.6)

The deferred tax assets related to our net operating losses were primarily generated in the United Kingdom and will not expire. We recognize a valuation allowance for deferred tax assets when it is more likely than not that the benefit from the deferred tax asset will not be realized. The amount of deferred tax assets considered realizable could increase or decrease in the near term if estimates of future taxable income change.

Note 9 - Loss Per Share

The computation of basic loss per share ("EPS") is based on the weighted average number of shares outstanding during the period. Diluted EPS does not include the effect of the assumed conversion of potentially dilutive instruments which are 1,110,000 share options outstanding issued to employees and directors as at June 30, 2021, and convertible bonds with a conversion price of \$31.7946 for a total of 11,008,159 shares. Due to our current loss-making position and the share price being less than the conversion price of the convertible bonds these are deemed to have an anti-dilutive effect on our EPS.

	3 months ended June 30, 2021	3 months ended June 30, 2020	6 months ended June 30, 2021	6 months ended June 30, 2020
Basic loss per share	(0.22)	(0.83)	(0.43)	(1.62)
Diluted loss per share	(0.22)	(0.83)	(0.43)	(1.62)
Issued ordinary shares at the end of the period	274,436,351	158,431,911	274,436,351	158,431,911
Weighted average numbers of shares outstanding for the period	274,436,351	131,612,941	266,363,553	121,215,646

There are no share options that would be considered dilutive under the "if converted method" for the three and six months ended June 30, 2021 and 2020.

Following our equity offering which closed on January 26, 2021 and in accordance with the loan agreement for the Company's \$350 million 3.875% Senior Unsecured Convertible Bonds, an adjustment to the conversion price from \$32.7743 to \$31.7946 per depository receipt listed on Oslo Stock Exchange was triggered.

Note 10 - Expected Credit Losses

The table below sets forth the allowance for credit losses:

	June 30, 2021	December 31, 2020
<i>(In \$ millions)</i>		
Expected credit loss provision	2.7	3.1

For the six months ended June 30, 2021 the Company recognized a \$0.2 million provision for expected credit losses, offset by \$0.6 million in recoveries collected from the prior period provision. New provisions and recoveries of previous provisions are recorded in rig operating and maintenance expenses in the Unaudited Consolidated Statement of Operations, as and when they occur.

Note 11 - Other Current Assets

Other current assets are comprised of the following:

	June 30, 2021	December 31, 2020
<i>(In \$ millions)</i>		
VAT and other tax receivable ⁽¹⁾	9.1	3.7
Other receivables	3.1	6.7
Client rechargeables	2.4	4.2
Deferred financing fee	1.3	1.5
Right-of-use lease asset, current ⁽²⁾	0.3	0.3
Total	16.2	16.4

⁽¹⁾ During the six months ended June 30, 2021, we recognized \$2.8 million relating to withholding tax credits receivable in India.

⁽²⁾ The right-of-use lease asset pertains to our office lease.

Note 12 - Jack-Up Rigs

	June 30, 2021	December 31, 2020
<i>(In \$ millions)</i>		
Opening balance	2,824.6	2,683.3
Additions	12.8	37.4
Transfers from Newbuildings	—	312.7
Depreciation and amortization	(53.9)	(116.0)
Disposals	—	(6.5)
Reclassification to asset held for sale	—	(9.2)
Impairment	—	(77.1)
Total	2,783.5	2,824.6

Depreciation of property, plant and equipment

In addition to the depreciation in the above table, we recorded a depreciation charge of \$0.4 million and \$0.9 million for the three and six months ended June 30, 2021 (\$0.4 million and \$1.0 million for the three and six months ended June 30, 2020), related to property, plant and equipment.

Held for sale

The sale of the jack-up drilling rig "Balder" was completed in the three months ended March 31, 2021. Proceeds less selling costs were \$4.4 million, of which \$3 million was received in 2020. A loss on sale of \$0.1 million was recorded on the sale of the rig in the six months ended June 30, 2021. In addition in the six months ended June 30, 2021 we also sold equipment which had been fully written-off for \$0.8 million.

All disposals are within our dayrate segment and part of our business strategy to dispose of older assets.

Impairment

During the six months ended June 30, 2021, we considered whether indicators of impairment existed that could indicate that the carrying amounts of our jack-up rigs may not be recoverable as of June 30, 2021. We concluded that an impairment trigger existed and performed a recoverability assessment, however no impairment loss was recognized as the projected undiscounted net cash flows were significantly higher than the carrying amounts of our jack-up rigs. We will continue to monitor developments in the markets in which we operate for indications that the carrying values of our long-lived assets are not recoverable.

Note 13 - Other Non-Current Assets

Other long-term assets are comprised of the following:

	June 30, 2021	December 31, 2020
<i>(In \$ millions)</i>		
Deferred mobilization and contract preparation costs ⁽¹⁾	1.5	—
Right-of-use lease asset, non-current ⁽²⁾	1.3	1.3
Deferred tax asset	1.0	0.2
Tax refunds	0.5	0.4
Total	4.3	1.9

⁽¹⁾ Non-current deferred mobilization and contract preparation costs relates to the non-current portion of contract mobilization and preparation costs for the rig "Skald", which commenced a long-term contract during the period.

⁽²⁾ The right-of-use lease asset pertains to our office lease.

Note 14 - Other Current Liabilities

Other current liabilities are comprised of the following:

	June 30, 2021	December 31, 2020
<i>(In \$ millions)</i>		
VAT and current taxes payable ⁽¹⁾	14.2	9.9
Other current liabilities	2.6	6.2
Deferred mobilization and contract preparation revenue	2.4	2.6
Operating lease liability, current	2.6	3.1
Accrued payroll and severance	1.9	2.1
Total	23.7	23.9

⁽¹⁾ VAT and current taxes payable includes value added tax liabilities, withholding tax, payroll tax and other indirect tax related liabilities.

Note 15 - Long-Term Debt

Long-term debt is comprised of the following:

<i>(In \$ millions)</i>	Principal Amount	
	June 30, 2021	December 31, 2020
Hayfin Term Loan Facility	197.0	195.0
Syndicated Senior Secured Credit Facilities	272.7	270.0
New Bridge Revolving Credit Facility	30.3	30.0
\$350m Convertible bonds	350.0	350.0
PPL Delivery Financing	753.3	753.3
Keppel Delivery Financing	259.2	259.2
Total	1,862.5	1,857.5
Back end fee due to PPL and Keppel on Delivery of vessels	42.8	42.8
Effective interest rate adjustments on PPL and Keppel Delivery financing	15.1	13.4
Deferred finance charges	(9.5)	(7.5)
Carrying Value	1,910.9	1,906.2

Carrying amount in the table above includes, where applicable, deferred financing fees and certain interest adjustments to allow for variations in interest payments to be straight lined.

Deferred finance charges increased due to capitalization of extension fees associated with amendments made to the Hayfin Term Loan Facility, the Syndicated Senior Secured Credit Facilities and the New Bridge Revolving Credit Facility, in January 2021, offset by amortization recognized for the six months ended June 30, 2021.

At June 30, 2021 the scheduled maturities of our debt were as follows:

<i>(In \$ millions)</i>	Maturities
2021	—
2022	—
2023	1,603.3
2024	—
2025	86.4
2026	172.8
Thereafter	—
Total principal debt	1,862.5

Our loan financing arrangements include our Hayfin Term Loan Facility, Syndicated Senior Secured Credit Facilities, and New Bridge Revolving Facility agreements entered into in June 2019, which collectively provided \$745 million in financing, which we used to finance existing loan facilities. We agreed amendments to our secured facilities with our secured lenders in June 2020 and further amendments in January 2021. The key amendments from January 2021 are as follows:

	Hayfin Term Loan Facility	Syndicated Senior Secured Credit Facilities	New Bridge Revolving Credit Facility
Maturity dates	Extended to January 2023	Extended to January 2023	Extended to January 2023
Amortizations	Not applicable	Extended to January 2023	Extended to January 2023
Interest payments	Not amended	Q3 2020 and Q4 2020 interest payments deferred by one year to 2021	Q3 2020 and Q4 2020 interest payments deferred by one year to 2021
Extension fees	1% of total commitments (\$1.95 million), added to the loan principal.	1% of total commitments (\$2.7 million), added to the loan principal.	1% of total commitments (\$0.3 million), added to the loan principal
Covenant terms:			
Minimum liquidity requirements	Not amended	Cash requirement: \$5 million until December 31, 2021; \$10 million from and including January 1, 2022 to and including June 30, 2022; \$15 million from and including July 1, 2022	Cash requirement: \$5 million until December 31, 2021; \$10 million from and including January 1, 2022 to and including June 30, 2022; \$15 million from and including July 1, 2022
Restricted cash requirements	No requirement through to September 2021. From October 1, 2021 - three months interest payments for rigs which are not operating on a contract	Not applicable	Not applicable
Debt service cover ratio	Not applicable	Waived until final maturity	Waived until final maturity
Book to equity ratio 2021	Not applicable	25%	25%
Book to equity ratio 2022	Not applicable	30%	30%
Book to equity ratio 2023	Not applicable	35%	35%
Value to loan ratio ⁽¹⁾	140%	140%	140%

⁽¹⁾ ratio of market values of rig to the aggregate outstanding facility amount and any undrawn uncanceled part of the facility.

In addition, our delivery financing agreements include our PPL Newbuild Financing which was entered into in June 2017 and provides delivery financing for a portion of the purchase price equal to \$87.0 million for the nine rigs associated with the financing agreement as well as our Keppel H-Rigs Financing which was entered into in May 2018 and provides delivery financing for a portion of the purchase price equal to \$90.9 million for each of the three delivered rigs and \$77.7 million for each of the two undelivered rigs. We agreed to amendments to our delivery financing agreements in June 2020 and further amendments in January 2021. The key amendments from January 2021 are as follows:

	PPL Newbuild Financing	Keppel H-Rigs Financing
Interim payments required 2021	\$6 million	\$6 million
Interim payments required 2022	\$12 million	\$12 million
Maturity	Date for repayment of the seller's credit on the rigs are amended to May 2023	The loans for the three delivered rigs are extended by one year, until 2025 and 2026
Interest payments	No cash interest payments until March 2023	First interest payment date deferred from third anniversary to May 2023 and second interest payment date deferred to the fourth anniversary of each loan (delivered rigs)
Covenant terms:		
Minimum liquidity requirements	Cash requirement: \$5 million until December 31, 2021; \$10 million from and including January 1, 2022 to and including June 30, 2022; \$15 million from and including July 1, 2022	Not applicable
Value to loan	Requirement to provide additional security if the value of any rigs fall below \$70 million in 2021, \$75 million in 2022 or \$80 million thereafter	Not amended

Interest

The weighted average interest rate for all our interest-bearing debt, excluding Convertible Bonds, was 4.7% for the Six months ended June 30, 2021.

Covenants

As at June 30, 2021, we were in compliance with the covenants and our obligations under our debt agreements.

Note 16 - Commitments and Contingencies

The Company has the following delivery installment commitments as at June 30, 2021:

	June 30, 2021	December 31, 2020
<i>(in \$ millions)</i>		
Delivery installments for jack-up drilling rigs	621.0	621.0
Back-end fees	9.0	9.0
Total	630.0	630.0

The back-end fee is only payable and will be included as part of the cost price if we choose to accept delivery financing from Keppel. In addition, under the PPL Financing, PPL is entitled to certain fees payable in connection with the increase in the market value of the relevant PPL Rig Owner from October 31, 2017 until the repayment date, less the relevant rig owner's equity cost of ownership of each rig and any interest paid on the delivery financing.

The following table sets forth when our commitments fall due as of June 30, 2021:

<i>(In \$ millions)</i>	Less than 1 year	2 years	3 years	Thereafter	Total
Delivery installments for jack-up rigs	—	153.4	467.6	—	621.0

In connection with the amendments to our credit arrangements in January 2021, the delivery dates for the five undelivered rigs from Keppel were postponed by one year, until 2023 (see note 15).

The back-end fees are excluded from the maturity table above as they are only payable if we choose to accept the delivery financing from Keppel.

Other commercial commitments

We have other commercial commitments which contractually obligate us to settle with cash under certain circumstances. Surety bonds and parent company guarantees entered into between certain customers and governmental bodies guarantee our performance regarding certain drilling contracts, customs import duties and other obligations in various jurisdictions.

The Company has the following guarantee commitments as at June 30, 2021:

	June 30, 2021	December 31, 2020
<i>(in \$ millions)</i>		
Surety bonds, bank guarantees and performance bonds ⁽¹⁾	29.5	43.3
Performance guarantee to Opex ⁽²⁾	5.9	5.9
Total	35.4	49.2

⁽¹⁾ During the six months ended June 30, 2021, the rig "Frigg" was exported from Nigeria and subsequently the customs bond was cancelled, resulting in a \$12.1 million decrease.

⁽²⁾ We have recognized a liability of \$5.9 million for the performance guarantee provided to Opex (see note 6).

As at June 30, 2021, the expected expiration dates of our obligations are as follows:

<i>(In \$ millions)</i>	Less than 1 year	1–3 years	3–5 years	Thereafter	Total
Surety bonds and other guarantees	27.0	—	2.5	—	29.5
Performance guarantee to Opex	—	5.9	—	—	5.9
Total	27.0	5.9	2.5	—	35.4

Assets pledged as collateral

	June 30, 2021	December 31, 2020
<i>(in \$ millions)</i>		
Book value of jackup rigs pledged as collateral for long-term debt facilities	2,783.5	2,822.3

Note 17 - Related Party Transactions

a) Transactions with entities over which we have significant influence

We provide three rigs on a bareboat basis to Perfomex to service its contract with Opex and two rigs on a bareboat basis to Perfomex II to service its contract with Akal, all of which were 49% owned joint venture companies as at June 30, 2021. Perfomex and Perfomex II provide the jack-up rigs under traditional dayrate and technical services agreements to Opex and Akal, respectively. This structure enables Opex and Akal to provide bundled integrated well services to Pemex. The potential revenue earned is fixed under each of the Pemex contracts, while Opex and Akal manage the drilling services related costs on a per well basis. The revenue from these contracts is recognized as "Related party revenue" in the Consolidated Statement of Operations.

We are also obligated, as a 49% shareholder, to fund any capital shortfall in Opex or Akal should the Board of Opex or Akal make cash calls to the shareholders under the provisions of the Shareholders Agreement (see note 6).

For the three and six months ended June 30, 2021 and 2020, the management services revenues and bareboat revenues from our related parties consisted of the following:

	3 months ended June 30, 2021	3 months ended June 30, 2020	6 months ended June 30, 2021	6 months ended June 30, 2020
<i>(In \$ millions)</i>				
Management Services Revenue - Perfomex	1.9	3.7	4.1	5.7
Management Services Revenue - Perfomex II	1.2	1.5	2.3	3.6
Management Services Revenue - Opex	—	0.2	—	0.8
Bareboat Revenue - Perfomex	2.2	5.9	(1.6)	12.0
Bareboat Revenue - Perfomex II	0.1	1.0	1.6	1
Total	5.4	12.3	6.4	23.1

For the three and six months ended June 30, 2021 and 2020, funding provided to and (received from) our joint ventures consisted of the following:

	3 months ended June 30, 2021	3 months ended June 30, 2020	6 months ended June 30, 2021	6 months ended June 30, 2020
<i>(In \$ millions)</i>				
Perfomex	0.8	3.6	(2.5)	9.6
Perfomex II	0.8	2.3	1.0	5.1
Opex	—	1.9	—	1.9
Akal	—	0.6	—	0.6
Total	1.6	8.4	(1.5)	17.2

As at June 30, 2021 and December 31, 2020, due from related parties balances with our joint ventures consisted of the following:

	June 30, 2021	December 31, 2020
<i>(in \$ millions)</i>		
Perfomex	19.0	25.9
Perfomex II	9.5	7.1
Opex	1.7	1.9
Total	30.2	34.9

In addition, we have recognized \$5.9 million in "Other liabilities" in the Unaudited Consolidated Balance Sheet as the fair value of the performance guarantee issued by the Company to Opex for the duration of its contract with Pemex (see note 6).

b) Transactions with Other Related Parties

Revenue / (expenses): The transactions with other related parties for the three and six months ended June 30, 2021 and 2020 consisted of the following:

	3 months ended June 30, 2021	3 months ended June 30, 2020	6 months ended June 30, 2021	6 months ended June 30, 2020
<i>(In \$ millions)</i>				
Magni Partners Limited ⁽¹⁾	—	(0.5)	(0.4)	(0.5)
Golar LNG Limited ⁽²⁾	(0.1)	—	(0.2)	—
Schlumberger Limited ⁽³⁾	—	(2.4)	—	(4.3)
Total	(0.1)	(2.9)	(0.6)	(4.8)

⁽¹⁾ Magni Partners Limited ("Magni") is party to a Corporate Services Agreement with the Company pursuant to which it provides strategic advice and assists in sourcing investment opportunities, financing and other such services as the Company wishes to engage, at the Company's option. There is both a fixed and variable element of the agreement, with the fixed cost element representing Magni's fixed costs and any variable element being at the Company's discretion. Mr. Tor Olav Trøim, the Deputy Chairman of our Board, is the sole owner of Magni.

⁽²⁾ Golar LNG Limited ("Golar LNG") is party to a Management Services and Administrative Agreement with the Company pursuant to which it provides services from Golar LNG's Bermuda Corporate Office. Mr. Tor Olav Trøim, the Deputy Chairman of our Board, is the Chairman of the Board of Golar LNG.

⁽³⁾ Schlumberger Limited ("Schlumberger") is one of our larger shareholders, holding 5.5% at June 30, 2021. Until his appointment as our Chief Executive Officer, Patrick Schorn, formerly Executive Vice President of Wells at Schlumberger Limited, was a Director on our Board. Following the resignation of Patrick Schorn from Schlumberger on August 31, 2020, Schlumberger ceased to be a related party. We have presented in the table above the expenses incurred for the three and six months ended June 30, 2020 as during this period Schlumberger was considered a related party.

Payables: The balances with other related parties as of June 30, 2021 and December 31, 2020 consisted of the following:

	June 30, 2021	December 31, 2021
<i>(In \$ millions)</i>		
Golar LNG ⁽²⁾	(0.1)	—

Balances owing to or from related parties are unsecured, interest-free and intend to be settled in the ordinary course of business.

Note 18 - Fair Value of Financial Instruments

We recognize our fair value estimates using a fair value hierarchy based on the inputs used to measure fair value. The fair value hierarchy has three levels based on reliability of inputs used to determine fair value as follows:

Level 1: Quoted market prices in active markets for identical assets and liabilities.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data

The carrying value and estimated fair value of our financial instruments at June 30, 2021 and December 31, 2020 were as follows:

<i>(In \$ millions)</i>	Hierarchy	As at June 30, 2021		As at December 31, 2020	
		Fair value	Carrying value	Fair value	Carrying value
Assets					
Cash and cash equivalents ⁽¹⁾	1	32.4	32.4	19.2	19.2
Trade receivables ⁽¹⁾	1	32.6	32.6	22.9	22.9
Tax retentions receivable ⁽¹⁾	1	5.1	5.1	10.5	10.5
Other current assets (excluding deferred costs) ⁽¹⁾	1	14.9	14.9	14.9	14.9
Due from related parties ⁽¹⁾	1	30.2	30.2	34.9	34.9
Liabilities					
Trade payables ⁽¹⁾	1	16.7	16.7	20.4	20.4
Accruals and other current liabilities ⁽¹⁾	1	80.7	80.7	75.6	75.6
Long-term debt ⁽²⁾	2	1,686.6	1,910.9	1,609.8	1,906.2
Guarantees issued to equity method investments ⁽³⁾	3	5.9	5.9	5.9	5.9

⁽¹⁾ The carrying values approximate the fair values due to their short-term nature and near term expected receipt of cash.

⁽²⁾ Long-term debt includes our 3.875% convertible bond due in 2023 which is fair valued using observable market based inputs.

⁽³⁾ Guarantees issued to equity method investments has been valued utilizing the inferred debt market method and subsequently mapped to an alpha category credit score, adjusting for country risk and probability of default (see note 6).

Assets Measured at Fair Value on a Non-Recurring Basis

At December 31, 2020, the rig "Balder" was classified as held for sale and sold in February 2021. The Company measured the rig at fair value of \$5.0 million on June 30, 2020, which was determined using level 3 inputs based on a combination of an income approach, using projected discounted cash flows an estimated sale or scrap value which require significant judgements.

Note 19 - Common Shares

Authorized share capital

	June 30, 2021	December 31, 2020
(number of shares of \$0.05 each)		
Authorized shares	360,000,000	238,653,846

On January 11, 2021, our shareholders approved an increase in the Company's authorized share capital of 51,346,154 new common shares with a nominal value of \$0.05 per common share.

On June 24, 2021, our shareholders approved an increase in the Company's authorized share capital of 70,000,000 new common shares with a nominal value of \$0.05 per common share.

Issued and outstanding share capital

	June 30, 2021	December 31, 2020
(number of shares of \$0.05 each)		
Issued	274,436,351	220,318,704
Treasury shares	909,451	1,459,714
Outstanding	273,526,900	218,858,990

On January 22, 2021, we conducted a private placement for gross proceeds of \$46 million by issuing 54,117,647 new depository receipts at a subscription price of \$0.85 per depository receipt. On January 26, 2021, the January equity offering was settled and the Company's issued share capital was increased by \$2.7 million to \$13.7 million, divided into 274,436,351 common shares with a nominal value of \$0.05 per common share.

On March 18, 2021, the Company issued a total amount of 550,263 treasury shares to Directors relating to 2020 compensation.

As at June 30, 2021, our shares were listed on the Oslo Stock Exchange and the New York Stock Exchange.

Note 20 - Subsequent Events

In July 2021, the Company issued a total amount of 96,785 treasury shares to Directors relating to 2021 compensation. After issuance of these shares, the Company's issued share capital was 274,436,351 common shares, the Company owned 812,666 treasury shares and the Company's outstanding share capital was 273,623,685 shares of nominal value of \$0.05 per common share.

In July 2021, we established an ATM program under which we may offer and sell from time to time up to \$40.0 million of our common shares to be listed on the New York Stock Exchange. The Company plans to use the proceeds from these sales, if any, for general corporate purposes, which may include, among other things, payments on our debt obligations, which may include in the future, payments to our creditors in return for potential concessions or extensions of current facilities, capital expenditures, including costs in connection with activations and re-activations of rigs being brought into operations, or funding of our working capital.

On August 4, 2021, the Company executed a Stock Purchase Agreement for the sale of the Company's 49% stake in each of Opex and Akal joint ventures, as well as the acquisition of a 2% incremental stake in each Perfomex I and Perfomex II joint ventures. Cash consideration received for the sale of the Company's interest in Opex and Akal was \$8.1 million and cash consideration paid for the incremental stake in both Perfomex I and Perfomex II was \$0.1 million. In addition, the Company received an additional \$18.6 million in relation to the settlement of outstanding receivables from Opex and Akal.

The Company has executed revised Shareholders' Agreements for Perfomex and Perfomex II as well as revised Drilling and Technical Services Agreements and Technical Support Agreements.

On August 12, 2021, the Board of Directors of the Company resolved to grant 10.3 million share options under the Company's approved share options scheme to 23 of its employees. Each share option gives the right to subscribe to one share in the Company. The options have a strike price of \$1.00 and vest equally over a three-year period commencing two years from the date of grant and will expire after five years.