



**Borr
Drilling**



**Q4 2022
PRESENTATION**

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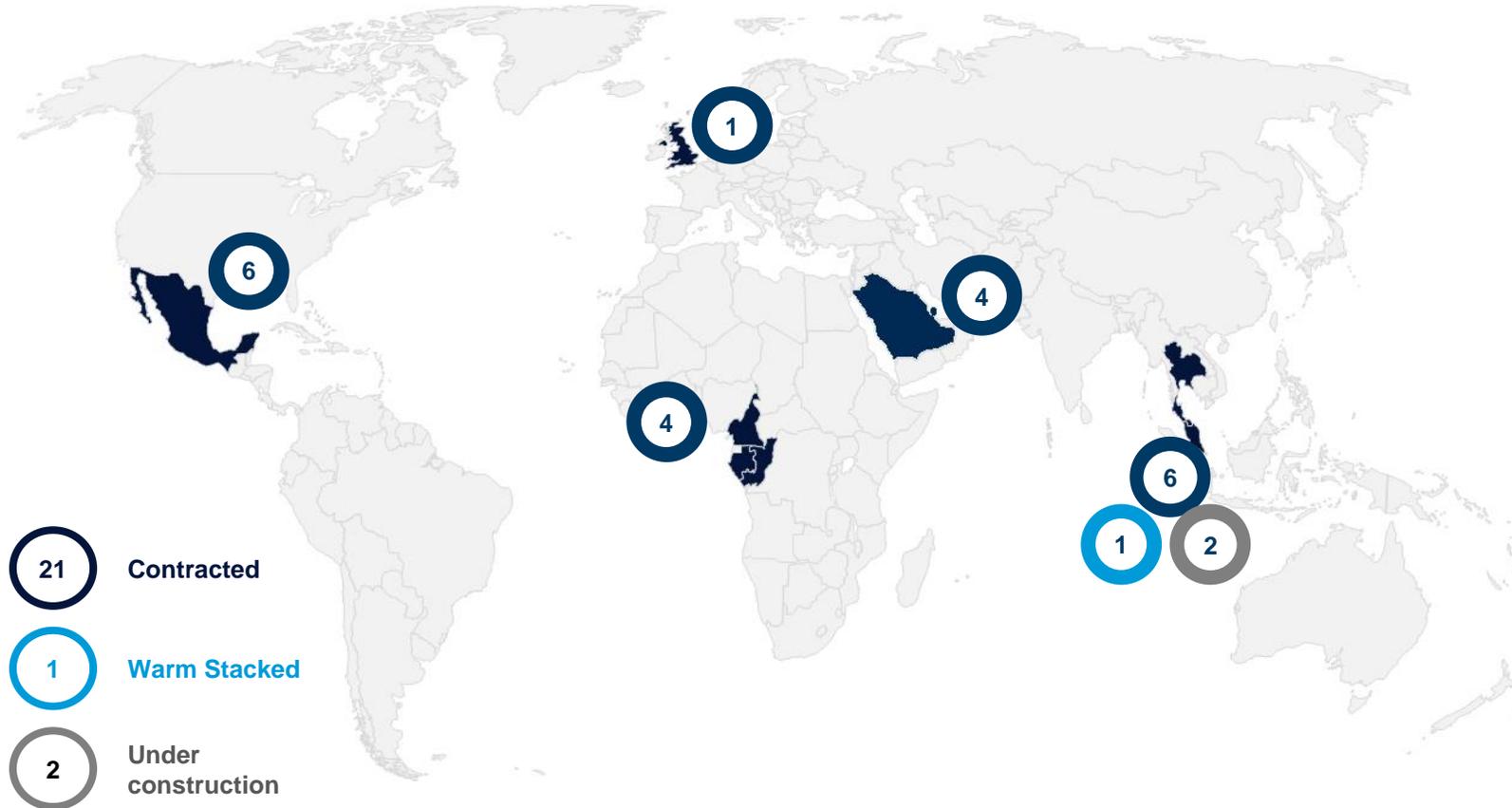
February 16, 2023

FORWARD LOOKING STATEMENTS

This presentation and related discussions includes forward looking statements, which may be identified by words such as "continue", "estimate", "expect", "illustrative," "intends", "may", "project," "potential," "will" and similar expressions and include expectations regarding industry trends and market outlook, including expected trends and activity levels in the jack-up rig and oil industry, developments with respect to inflation, expected financial results, expected revenue, including expected Adjusted EBITDA, contract backlog, LOIs and LOAs, tendering and contracting activity, market conditions, anticipated activation and contracting of rigs and fleet, number of rigs contracted and available and expected trends in the global fleet, statements about the drilling market, including modern rig supply and demand, including NOC demand, order book of new rigs, expected utilization levels and dayrate, statements about our financial obligations and maturities, expected operation dates for our rigs, and other non-historical statements. The forward-looking statements in this announcement are based upon current expectations and various assumptions, many of which are based, in turn, upon further assumptions, which are, by their nature, uncertain and subject to significant known and unknown risks, contingencies and other important factors which are difficult or impossible to predict and are beyond our control. Such risks, uncertainties, contingencies and other factors could cause actual events to differ materially from the expectations expressed or implied by the forward-looking statements included herein. There are important factors that could cause our actual results, level of activity, performance, liquidity or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by these forward-looking statements including risks relating to our industry and business and liquidity, the risk that our actual results of operations in future periods may differ materially from the expected results / guidance discussed herein, the risk of delays in payments to our JVs and payments from our JVs to us, the risk that our customers do not comply with their contractual obligations, risks relating to industry conditions, risks relating to geopolitical events and inflation and energy commodity prices and tendering activity, risks relating to contracting, including our ability to convert LOIs and LOAs into contracts, the risk that options will not be exercised, risks relating to our ability to secure contracts for our rigs and the rates that we will be able to achieve, risks relating to the operation of our rigs and ability to achieve expected operation dates, risks relating to market trends, tender activity and rates, risks relating to the maturity of our secured debt in 2025, and our bonds maturing in 2026 and 2028, risks relating to our liquidity, the risk that our available liquidity is not sufficient to meet or refinance our liquidity requirements and other risks relating to our available liquidity and requirements, risks relating to cash flows from operations, risks relating to our loan agreements and other debt instruments and rig purchase and finance contracts, 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 or refinance our significant debt obligations including debt maturities and obligations under rig purchase and finance contracts and our other obligations as they fall due, and other risks described in our working capital statement included in our most recent audited and unaudited financial statements, 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, risk relating to our newbuild purchase and financing agreements, risks relating to our plans and agreements to sell newbuild rigs, risk related to climate change, including climate-change or greenhouse gas related legislation or regulations and the impact of our business from climate-change related physical changes or changes in weather patterns, and the potential impact on the demand for oil and gas, risk relating to the military action in Ukraine and its impact on our business, and other risks included in our filings with the Securities and Exchange Commission including those set forth under "Risk Factors" in our annual report on Form 20-F for the year ended December 31, 2021. These forward-looking statements are made only as of the date of this presentation. We undertake no (and expressly disclaim any) obligation to update any forward-looking statements after the date of this presentation or to conform such statements to actual results or revised expectations, except as required by law.

A LEADING PURE PLAY COMPANY

MODERN JACK-UP FLEET AND GLOBAL PRESENCE



Source: Company data

Rigs in Mexico operated through a joint venture

Note: 1) Including two rigs under construction. 5 of 6 rigs in Mexico are operated through a joint venture with Pemex, 2) Based on 230 million shares, share price as of 14 January 2023, 3) Excluding two rigs under construction

Market cap²

\$1,500m

People

2,000 (offshore)
250 (onshore)

Revenue backlog added 2022

\$1.7bn

Modern and Young Fleet

~6yr
Average Age

Fleet

24

Modern rigs¹

Fleet utilization

95.4%

Contracted rigs³

KEY FINANCIALS Q4 2022

INCOME STATEMENT

USDm	Q4 2022	Q3 2022
Operating revenues	148.6	107.9
Gain on disposal	3.6	(0.1)
Rig operating and maintenance expenses	(83.4)	(60.4)
General and administrative expenses	(11.0)	(7.0)
Impairment of non-current assets	-	(7.3)
Depreciation of non-current assets	(28.3)	(29.2)
Total operating expenses	(122.7)	(103.9)
Operating income	29.5	3.9
Income/(loss) from equity method investments	1.4	(0.2)
Total financial expenses net	(49.4)	(54.1)
Net loss	(21.3)	(54.9)
Adjusted EBITDA	55.1	43.9

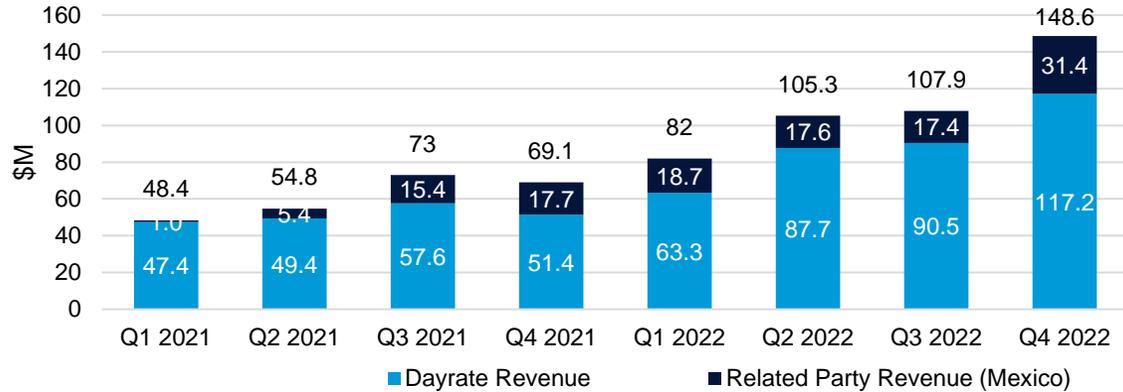
Balance sheet (USDm)	Q4 2022	Q3 2022
Total assets	3,001	3,279
Total liabilities	2,103	2,362
Total equity	898	917
Cash and cash equivalents	108.0	279.0
Restricted cash (short-term and long-term)	10.5	7.0

COMMENTS Q4 2022

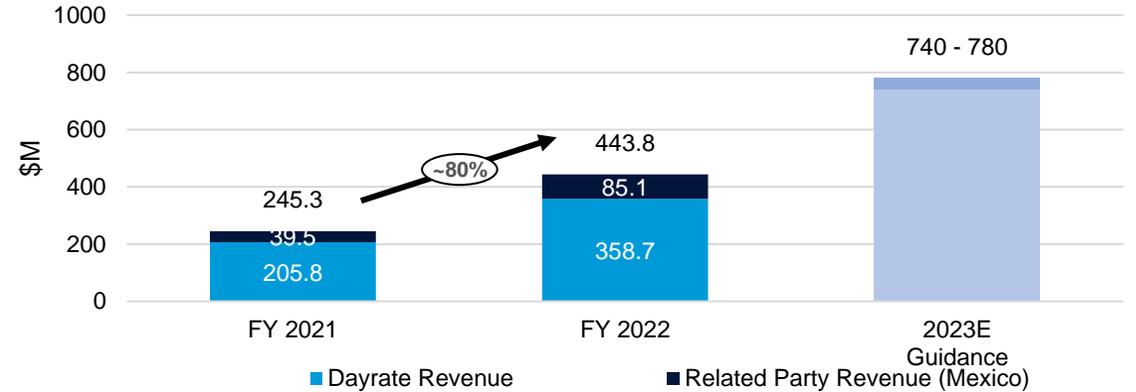
- **Total operating revenues** increased by \$40.7 million quarter on quarter as a result of an increase of \$26.7 million in dayrate revenues, primarily due to more operational days. Related party revenue from Mexico increased by \$14.0 million due to higher bareboat revenues largely attributable to the execution of new contracts with our JVs in October 2022.
- **Gain on disposals** increased by \$3.7 million quarter on quarter, primarily as a result of the net gain on the sale of "Tivar", "Huldra" and "Heidrun".
- **Rig operating and maintenance expenses** increased by \$23.0 million quarter on quarter driven primarily by an increase in the number of operating days and \$7.3 million increase in the amortization of deferred mobilization and contract preparation costs.
- **Total financial expenses** decreased by \$4.7 million, mainly as a result of a \$4.3 million decrease in financing fees, a \$3.4 million decrease in foreign exchange, and a \$2.3 million decrease in yard cost cover as a result of the sale of "Tivar", offset by a \$5.9 loss on extinguishment of debt.
- **Adjusted EBITDA** increased by \$11.2 million quarter on quarter
- **Cash** decreased by \$171.0 million in comparison to the prior quarter and is primarily driven by:
 - Cash generated from operating activities of \$77.5 million;
 - Cash used on fixed asset additions (capex and activations) of \$38.7 million, mainly driven by the Arabia I, Arabia II and Norve;
 - Cash used to repay debt of \$355.5 million offset by cash proceeds of \$150 million from the new DNB facility

FINANCIAL PROGRESSION

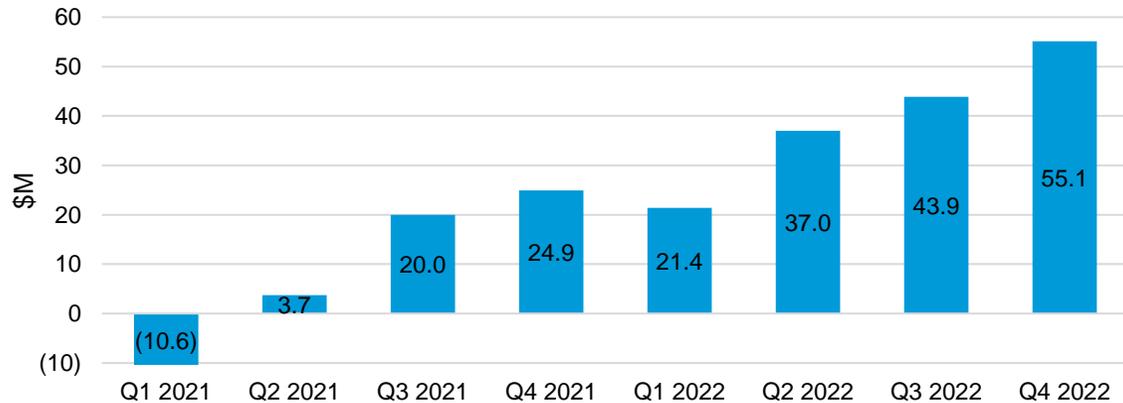
REVENUE - QUARTERLY



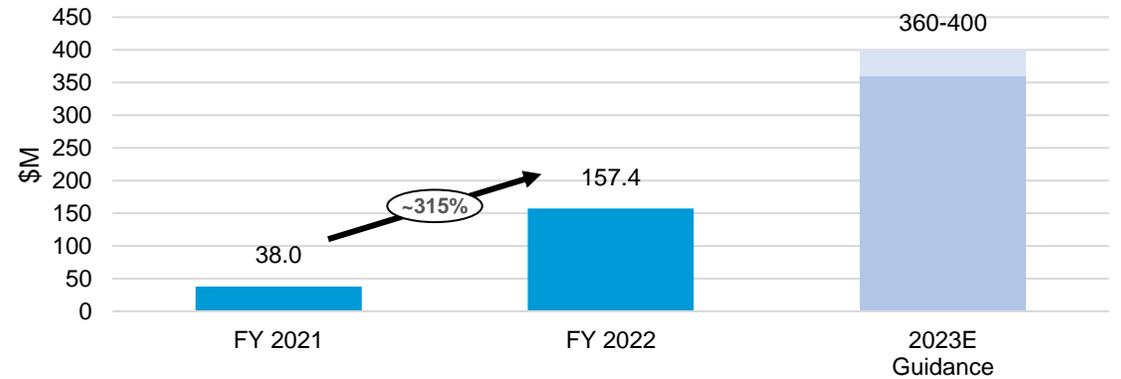
REVENUE 2021 vs 2022 AND 2023E GUIDANCE



ADJUSTED EBITDA - QUARTERLY

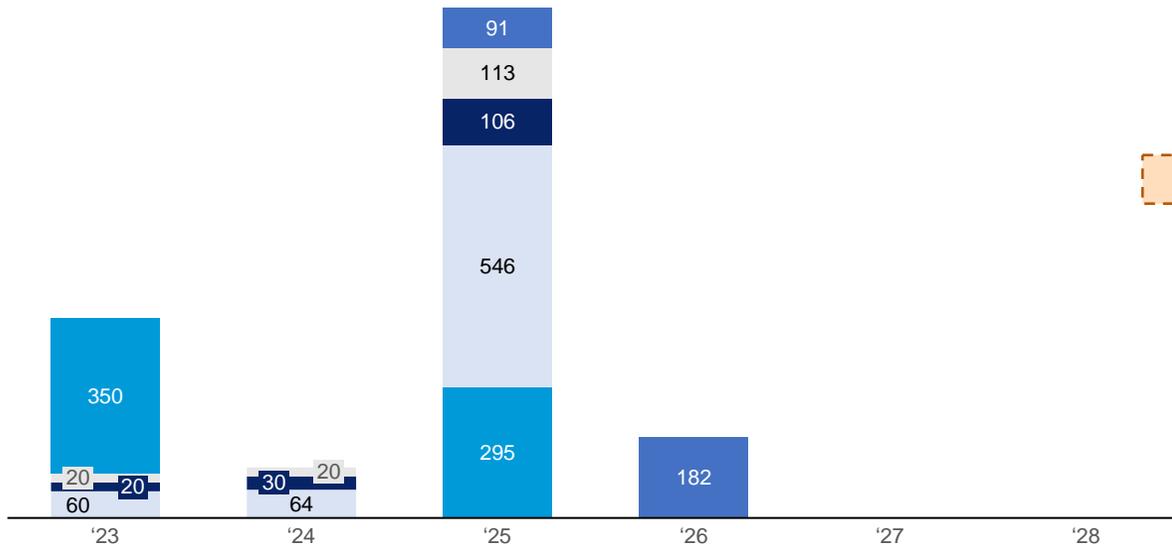
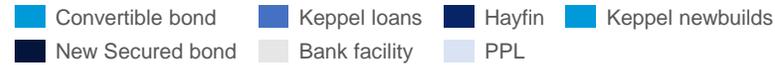


ADJUSTED EBITDA – 2021 vs 2022 AND 2023E GUIDANCE

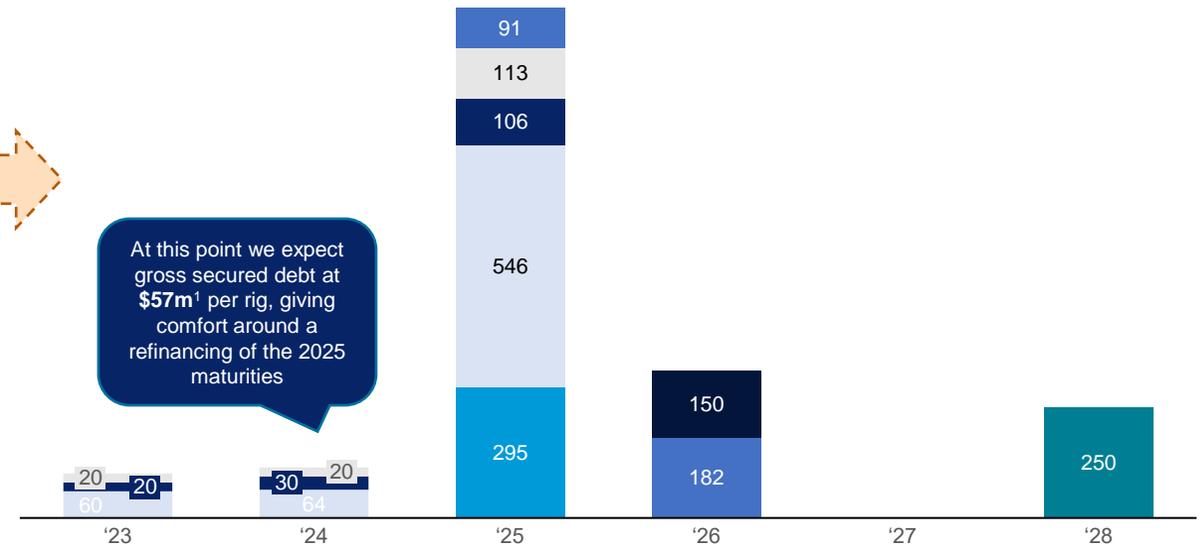
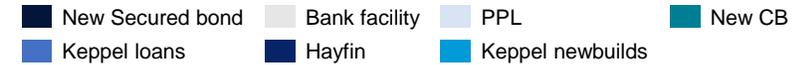


COMPLETED REFINANCING WITH NEXT MATURITY IN 2025

Extended maturity profile (\$m)



Post-refinancing capital structure (\$m)



At this point we expect gross secured debt at \$57m¹ per rig, giving comfort around a refinancing of the 2025 maturities

- Capital structure refinanced during 2022, incl. \$275m equity raised as part of the refinancing during the summer of 2022. Last remaining piece is the \$350m senior unsecured convertible bond maturing in May which will be repaid using proceeds from the issuance of the new \$250 million convertible bond and the \$150 million secured bond.

- Completed issuance of a new senior secured 1st bond of \$150m due in 2026 combined with \$250m senior unsecured convertible bond due in 2028 solving for the existing convertible bond maturity

FLEET OVERVIEW AND COVERAGE 2023 AND 2024

Rig Name	Location	2023				2024			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Premium Jack-Ups									
Asia									
Thor	Malaysia-Thailand JDA	CPOC				Option			
Gunnlod	Malaysia	PTTEP	Petra	Undisclosed (LOA)					
Idun	Malaysia	Petronas Carigali							
Mist	Thailand	Mubadala							
Saga	Brunei	Brunei Shell Petroleum							
Skald	Thailand	PTTEP				Option			
Hild	Singapore	Warm Stacked							
Middle East									
Arabia I	Saudi Arabia	Saudi Aramco							
Arabia II	Saudi Arabia	Saudi Aramco							
Arabia III ¹	Middle East/Saudi Arabia	Contract Prep		Saudi Aramco					
Groa	Qatar	QatarEnergy				Option			
Europe and Africa									
Prospector 1 ¹	Netherlands/United Kingdom	Neptune							
Gerd	Cameroon	ADDAX							
Natt	Congo	ENI				Option			
Norve	Gabon	BWE		Option					
Prospector 5 ¹	Congo	ENI				Option			
Mexico									
Ran ¹	Mexico/Latin America	Wintershall	FWM	Option	Undisclosed (LOA)				
Galar	Mexico	OpeX (PEMEX)							
Gersemi	Mexico	OpeX (PEMEX)							
Grid	Mexico	OpeX (PEMEX)							
Njord	Mexico	OpeX (PEMEX)							
Odin	Mexico	OpeX (PEMEX)							
Jack-Ups Under Construction									
Vale	KFELS shipyard, Singapore					Delivery in July 2025			
Var	KFELS shipyard, Singapore					Delivery in September 2025			

	2023	2024	2025	2026
Contracted Days (incl priced options)	7179	4247	3,650	1,404
Total Days	7666	8052	8334	8760
Contract Coverage %	94%	53%	44%	16%

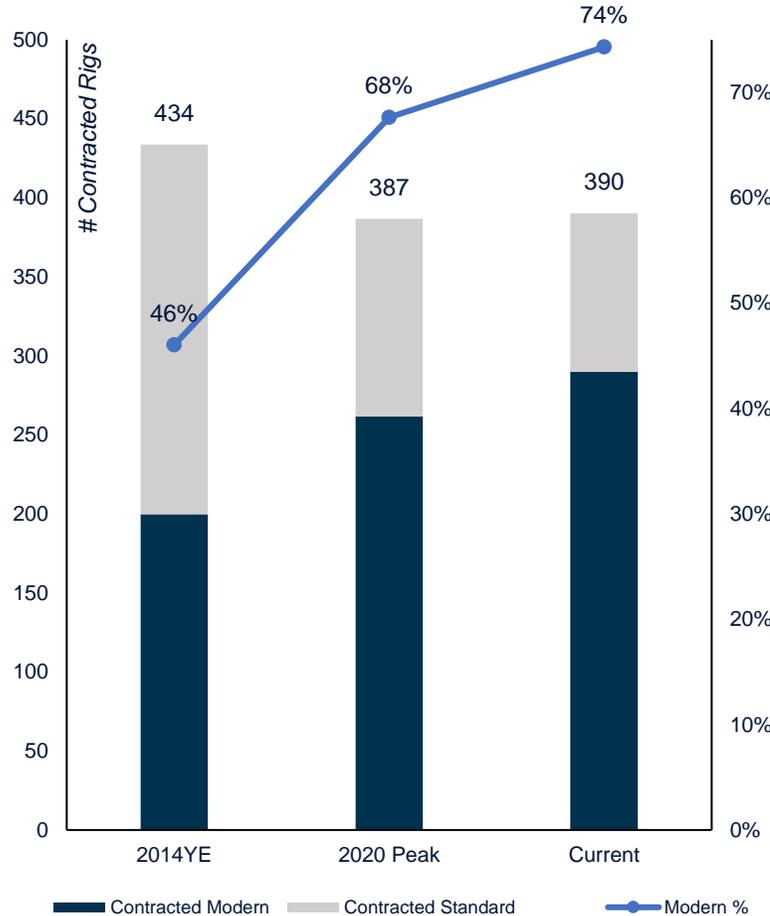
Note: 1) HD/HE Capacity

Firm
 Option
 Available
 Under Construction

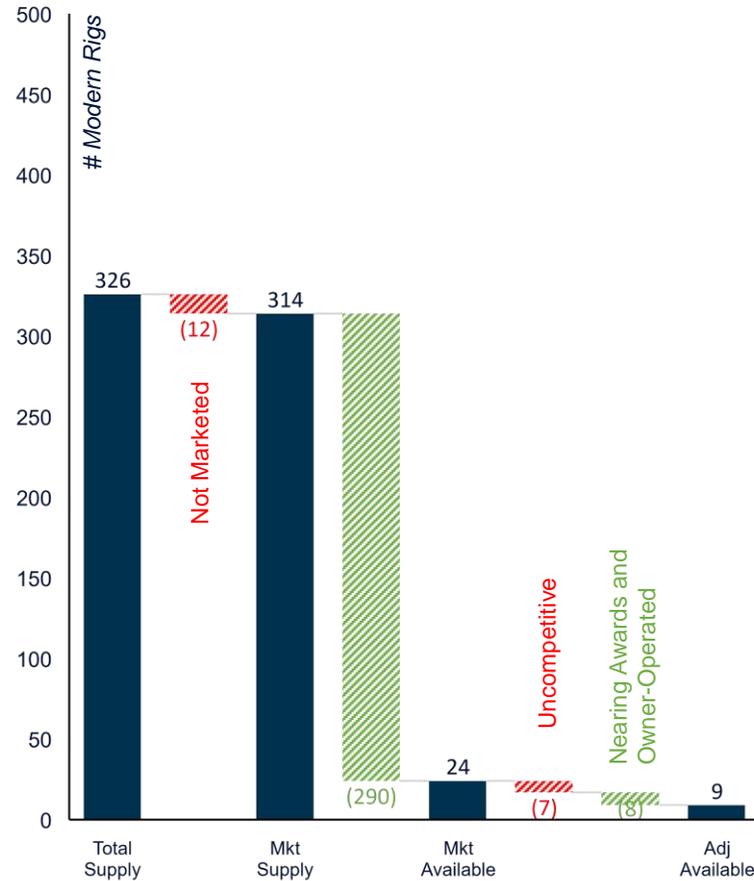


FUNDAMENTALS IN PLACE TO FUEL SHARP RECOVERY

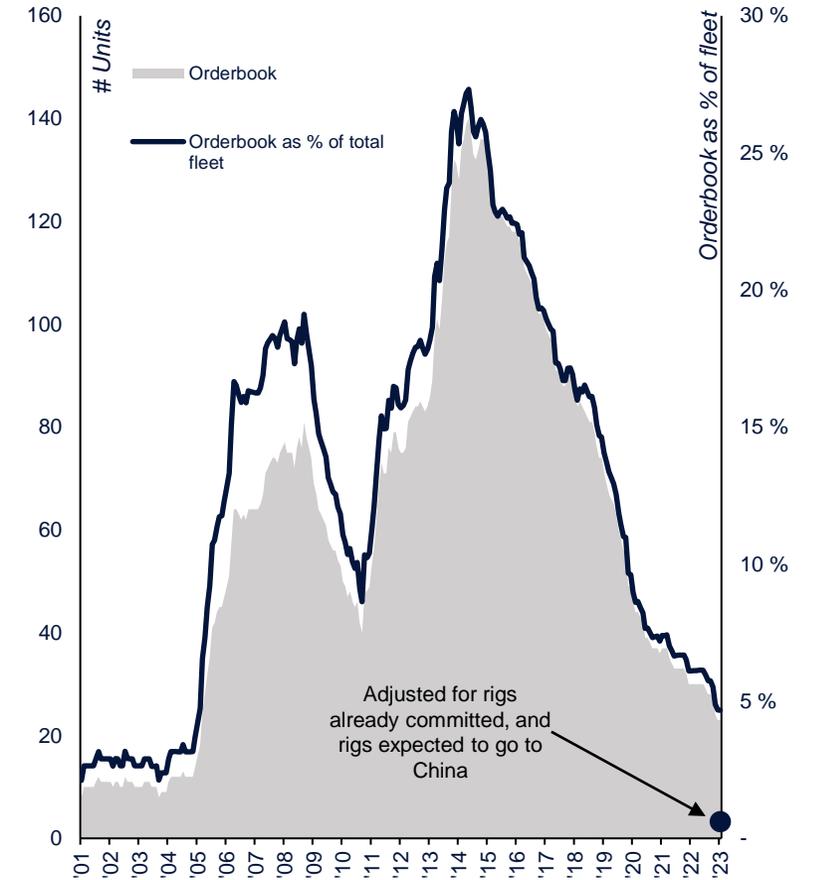
Demand upside for modern rigs



Modern rig supply all but gone



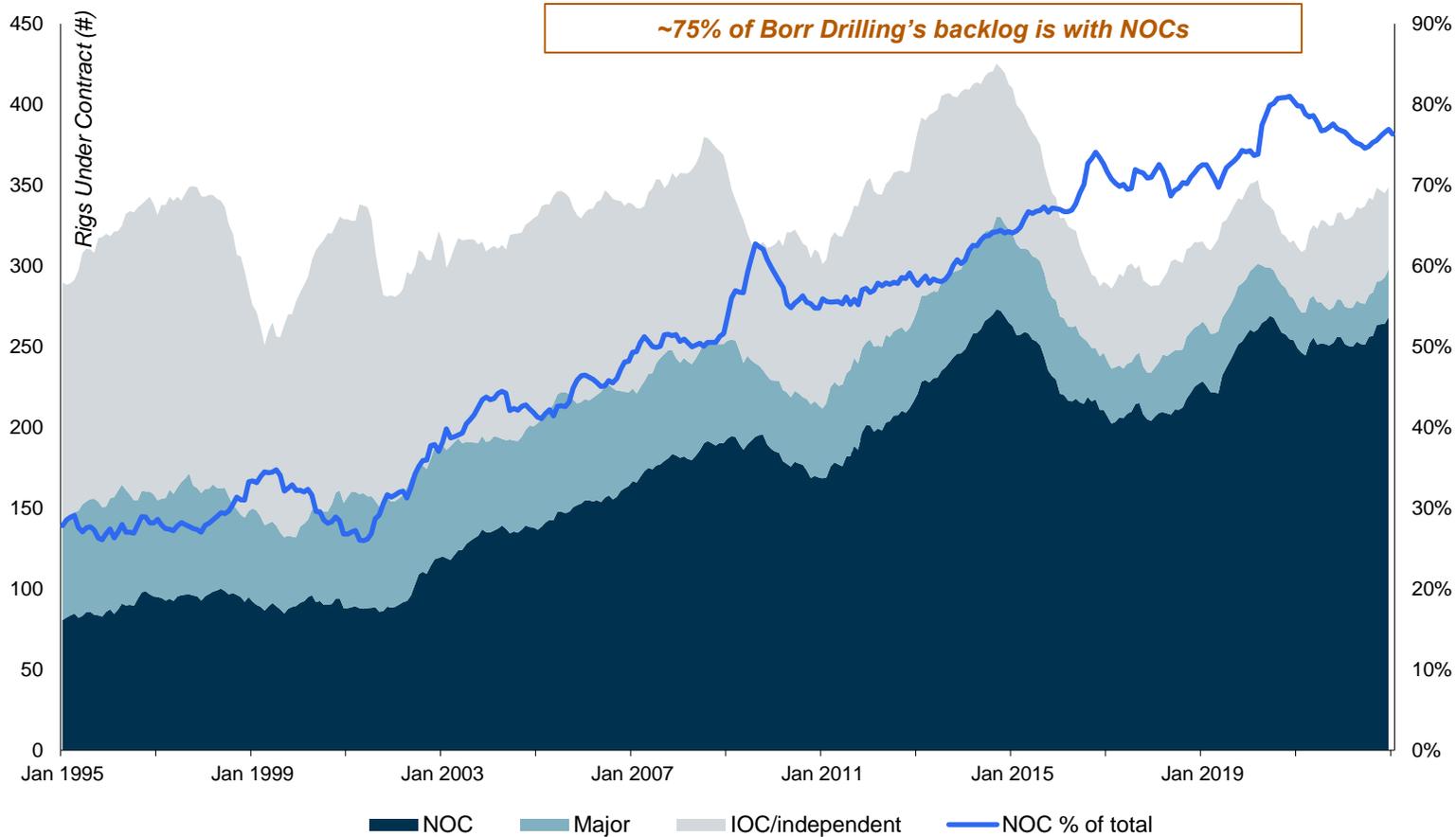
Order book "non-existent"



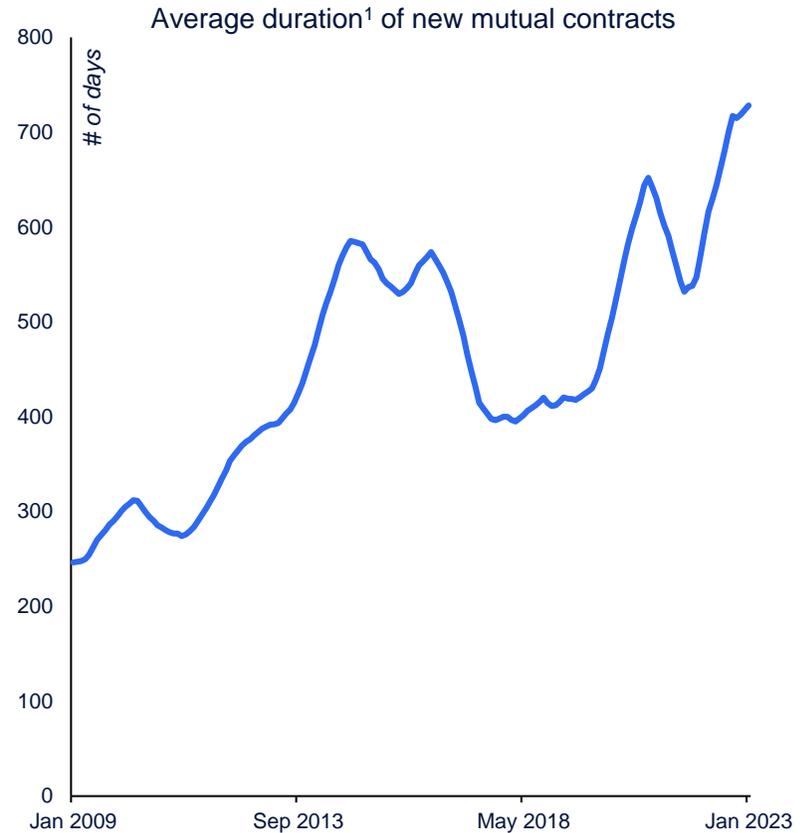
Source: Petrodata by S&P Global, Company Data, Pareto Securities
Modern rigs built after 2000

ROBUST NOC DEMAND SUPPORTS LONGER CYCLE

NOCs dominating demand



Increasing contract duration



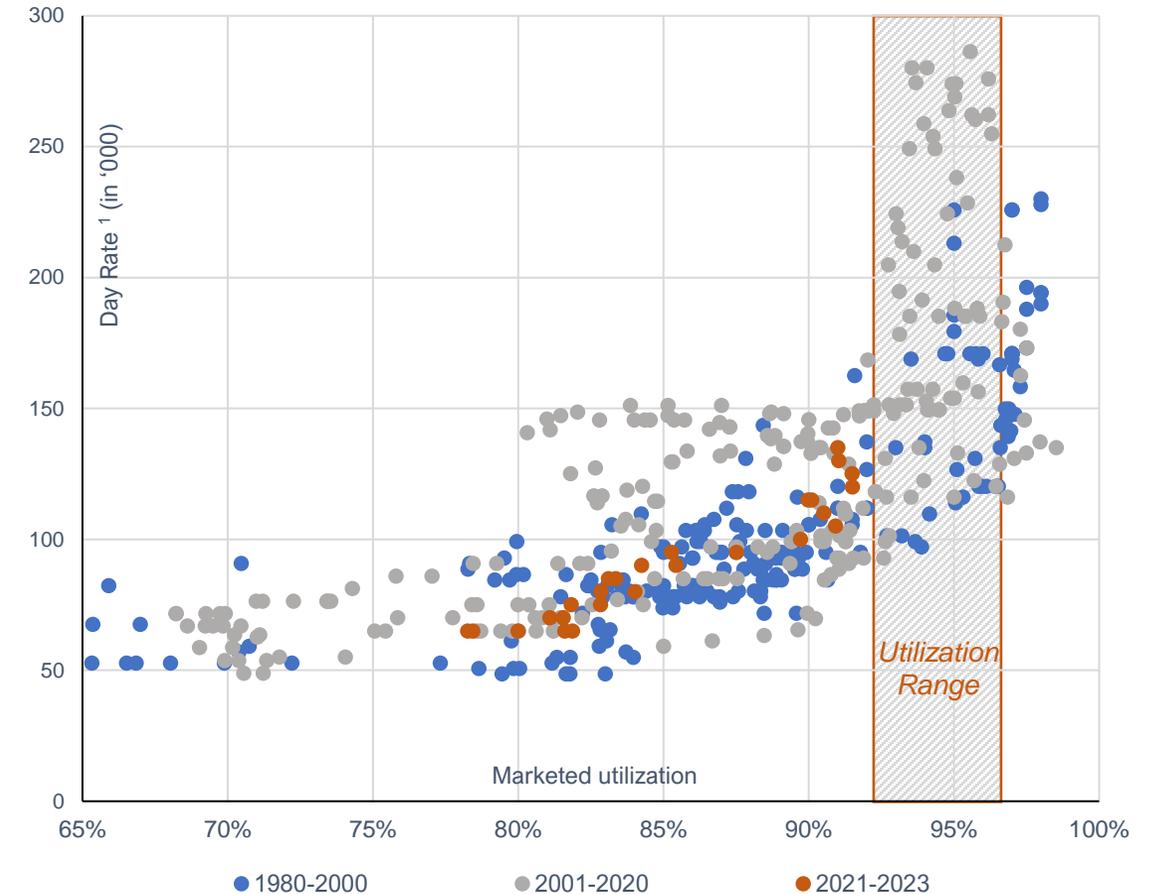
Source: Petrodata by S&P Global, Company data
¹ 12-months trailing average

DAY RATE MOMENTUM EXPECTED TO ACCELERATE

Utilization at high levels



...Creating supportive day rate environment



Source: IHS by S&P Global, Pareto Securities Equity Research
¹ Adjusted for inflation/deflation.

IN CONCLUSION



Refinance of all 2023 debt maturities successfully completed – next maturity 2025



High asset utilization – driving day rates higher – contract length extending



Adjusted EBITDA range for 2023 increased to \$360M to \$400M



Target to accelerate refinance of 2025 debt maturities – to enable dividend distribution in 2024



Continued focus on operational execution, safety and uptime – delivering value to our customers

**BUILT TO MAKE A
DIFFERENCE**



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