

Prospectus



Borr Drilling Limited

(An exempted company limited by shares incorporated under the laws of Bermuda)

Listing of 101,363,071 New Shares on Oslo Stock Exchange in connection with the Private Placements and the Treasury Share Issue

This prospectus (the "**Prospectus**") has been prepared by Borr Drilling Limited, an exempted company limited by shares incorporated under the laws of Bermuda ("**Borr Drilling**" or the "**Company**" and together with its consolidated subsidiaries, the "**Group**"), in connection with:

- (a) the listing on Oslo Stock Exchange (the "**OSE**") of 101,363,071 new shares (the "**New Shares**"), of which:
 - a. 76,363,071 shares (the "**Private Placement Shares**") were issued following a share offering completed in August 2022 consisting of
 - i. 41,666,667 shares issued on 17 August 2022 (the "**First Private Placement**"), and
 - ii. 34,696,404 shares issued on 26 August 2022 (the "**Second Private Placement**" and together with the First Private Placement the "**Private Placements**"), and
 - b. 25,000,000 new shares (the "**Treasury Shares**"), of which
 - i. 15,000,000 shares were issued on 31 January 2023 (the "**Tranche 1 Treasury Shares**"), and
 - ii. 10,000,000 shares were issued on 24 February 2023 (the "**Tranche 2 Treasury Shares**"),

for the purpose of being treasury shares in the Company, and listed on the date of this Prospectus.

Each of the New Shares is representing one underlying Ordinary Share in the Company, each with a par value of US\$ 0.10. Pursuant to the Company's CSD registration structure, the beneficial ownership rights to the company's 229,263,598 (254,263,598 after the dematerialized registration of the Treasury Shares as described herein) underlying Ordinary Shares (the "**Shares**") are registered on a one-for-one basis in the Depository Trust Company (the "**DTC**") in the name of a "share". As such, whenever the term "Share" is used in this Prospectus, it refers to a "share" in the Company registered in DTC in book-entry form, which from time to time represents the beneficial ownership of an Ordinary Share in the Company. For shares registered in Verdipapirsentralen ASA (hereinafter the "**VPS**") in Norway, the term "Share" refers to the beneficial right to such Share registered in the DTC.

The Private Placement Shares were issued on 17 August 2022 and 26 August 2022 respectively, in the same class of shares as the Company's 152,900,527 shares issued in the Company prior to the Private Placements. The Private Placement Shares were registered in the DTC but are transferable to the VPS and tradeable on the Oslo Stock Exchange through the Company's CSD registration structure, as further described herein.

The Tranche 1 Treasury Shares were issued under a separate ISIN and CUSIP code on 31 January 2023, and the Tranche 2 Treasury Shares were issued under a separate ISIN and CUSIP code on 24 February 2023, with a mechanism to convert the Treasury Shares to the same share class, ISIN and CUSIP code as the Company's existing shares upon the publication of this Prospectus. As such, on the date hereof, the Treasury Shares are also included in the Company's general class of ordinary shares and will be registered in the VPS on or about the date hereof. Thus, the New Shares are all deemed to be admitted to trading on the Oslo Stock Exchange, and this Prospectus is being published as a requirement pursuant to Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on a prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended, and as implemented in Norway (the "**Prospectus Regulation**").

Investing in the Company's securities involves a high degree of risk. Prospective investors should read the entire Prospectus and, in particular, consider Section 2 ("**Risk Factors**") beginning on page 10 when considering an investment in the Company.

This Prospectus does not constitute an offer or an invitation to buy, subscribe or sell the securities being admitted to trading described herein and the Prospectus relates solely to the listing of the New Shares.

The date of this Prospectus is 18 April 2023

IMPORTANT INFORMATION

For the definition of certain capitalized terms used throughout this Prospectus, please see Section 18 ("*Definitions and Glossary of Terms*") which also applies to the front page.

Readers are expressly advised that the securities are exposed to financial and legal risk and they should therefore read this Prospectus in its entirety, in particular Section 2 ("*Risk Factors*"). The contents of this Prospectus are not to be construed as legal, financial or tax advice. Each reader should consult his, her or its own legal adviser, independent financial adviser, or tax adviser for legal, financial or tax advice.

This Prospectus dated 18 April 2023 has been prepared by Borr Drilling in connection with the listing of the New Shares, to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the "**Norwegian Securities Trading Act**") and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended, and as implemented in Norway (the "**Prospectus Regulation**"). This Prospectus has been prepared solely in the English language. This Prospectus is valid for a period of 12 months from the date of approval by the Financial Supervisory Authority of Norway (the "**Norwegian FSA**"). The Prospectus was approved on 18 April 2023 by the Norwegian FSA, as competent authority under the Regulation (EU) 2017/1129. The Norwegian FSA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Regulation (EU) 2017/1129. The approval from Norwegian FSA shall not be considered as an endorsement of the Company. Investors should make their own assessment as to the suitability of investing in the securities. The Prospectus has been prepared as a simplified prospectus in accordance with Article 14 of the Regulation (EU) 2017/1129.

The information contained herein is as of the date of this Prospectus and subject to change, completion, and amendment without notice. In accordance with Article 23 of the Prospectus Regulation, significant new factors, material mistakes or inaccuracies relating to the information included in this Prospectus, which are capable of affecting the assessment of the Treasury Shares between the time when this Prospectus was approved and the date of listing of the Treasury Shares on OSE, will be included in a supplement to this Prospectus. This is the only obligation of the Company to update the Prospectus and the publication and distribution of this Prospectus does not, under any circumstances, imply that there will be no change in the Company's affairs or that the information herein will continue to be correct as of any date subsequent to the date of this Prospectus.

The contents of this Prospectus shall not be construed as legal, business or tax advice. Neither of the Company, its advisors or any of their respective employees, affiliates, or advisors, is making any representation. Each reader of this Prospectus should consult its own legal advisor, independent financial adviser, and/or tax advisor. If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, lawyer, accountant, and/or other professional adviser.

No person is authorized to give information or to make any representation in connection with the transactions described herein. If any such information is given or made, it must not be relied upon as having been authorized by the Company or its advisors or by any of the employees, affiliates, or advisors of either of them.

No action has been or will be taken in any jurisdiction other than Norway by the Company that would permit the possession or distribution of this Prospectus, any documents relating thereto, or any amendment or supplement thereto, in any country or jurisdiction where this is unlawful or specific action for such purpose is required. The distribution of this Prospectus in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus may come are required by the Company to inform themselves about and to observe such restrictions. Neither the Company nor its advisors shall be responsible or liable for any violation of such restrictions by investors. The restrictions and limitations listed and described herein are not exhaustive, and other restrictions and limitations in relation to this Prospectus that are not known or identified at the date of this Prospectus may apply in various jurisdictions.

The Treasury Shares have not been registered under the United States Securities Act of 1933 (the "**U.S. Securities Act**") or with any security regulatory authority of any state or other jurisdiction in the United States. This Prospectus has not been approved nor reviewed by the US Securities and Exchange Commission and is not for general distribution in the United States. Accordingly, the securities described in the Prospectus may not be offered, pledged, sold, resold, granted, delivered, allotted, taken up, or otherwise transferred, as applicable, in the United States, except pursuant to an effective registration statement under the U.S. Securities Act or in transactions that are exempt from, or in transactions not subject to, registration under the U.S. Securities Act, and in each case in compliance with any applicable state securities laws.

This Prospectus is governed by and shall be construed in accordance with Norwegian law. The courts of Norway, with Oslo City Court as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Prospectus.

Persons in possession of this Prospectus are required to inform themselves about, and to observe, any restrictions set out in this Prospectus. In addition, the securities are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. Securities may be offered or sold in Bermuda only in compliance with provisions of the Companies Act 1981, Investment Business Act 2003, the Exchange Control Act of 1972, and related regulations of Bermuda that regulate the sale of securities in Bermuda. In addition, specific permission is required from the Bermuda Monetary Authority ("**BMA**"), pursuant to the provisions of the Exchange Control Act of 1972 and related regulations, for all issuances and transfers of securities of Bermuda companies, other than in cases where the BMA has granted a general permission. The BMA, in its policy dated 1 June 2005, provides that where any equity securities of a Bermuda company, which would include our Ordinary Shares, are listed on an appointed stock exchange (OSE and NYSE are both deemed to be an appointed stock exchange under Bermuda law), general permission is given for the issue and subsequent transfer of any securities of such company, including the New Shares offered hereby, from and/or to a non-resident of Bermuda, for as long as any equity securities of the company remain so listed. In addition, applications have been made on behalf of the Company to the Minister of Finance for Bermuda under Section 25(5) of the Companies Act 1981 for a Direction that Part III and Section 35 of Part IV of the Act shall not apply to the New Shares. None of the BMA, the Minister of Finance of Bermuda or the Registrar of Companies accept any responsibility for the financial soundness of any proposal or for the correctness of any of the statements made or opinions expressed in this Prospectus.

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1 SUMMARY

1.1 Introduction and warnings

This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration by the investor of the Prospectus as a whole. An investment in the Company's securities involves inherent risk and an investor investing in the securities could lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the claimant investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate, or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

Name of the securities	Borr Drilling (ticker: BORR)
ISIN	BMG1466R2078
Issuer	Borr Drilling Limited
Issuer's office and postal address	S. E. Pearman Building, 2nd Floor, 9 Par-la-Ville Road, Hamilton HM11, Bermuda
Issuer's LEI (Legal Entity Identifier)	213800J2JPCTXLHQ5R78
Issuer's phone number	+1 (441) 542-9234
Issuer's e-mail	post@borrdrilling.com
Issuer's website	www.borrdrilling.com Note that the information on the website does not form part of the Prospectus unless that information is specifically expressed to be incorporated by reference into the Prospectus.
The competent authority approving the Prospectus	The Financial Supervisory Authority of Norway (Nw.: Finanstilsynet)
Visiting address, the Financial Supervisory Authority of Norway	Revierstredet 3, 0151 Oslo
Postal address, the Financial Supervisory Authority of Norway	Postboks 1187 Sentrum 0107 Oslo
E-mail, the Financial Supervisory Authority of Norway	post@finanstilsynet.no
Date of approval of this Prospectus	18 April 2023

1.2 Key information on the issuer

1.2.1 Who is the issuer of the securities?

The issuer's registered name is Borr Drilling Limited. The Company is organised as a Bermuda exempted company limited by shares under Bermuda law, in accordance with the Bermuda Companies Act, and is registered with registration number 51741. Borr Drilling Limited is domiciled in Bermuda and was incorporated in Bermuda in 2016. The Company's LEI (Legal Entity Identifier) number is 213800J2JPCTXLHQ5R78. Borr Drilling Limited was listed on OSE on 30 August 2017 under ticker "BDRILL" and currently trades under ticker "BORR" and on NYSE on 31 July 2019 under ticker "BORR". The Company is an international offshore drilling contractor. The Company owns and operates jack-up drilling rigs of modern and high-specification designs and provides drilling services in the shallow water segment to the oil and gas industry worldwide.

As at December 31, 2022, the Company had 1,504 employees and 1,000 contractors. Of the total of 2,504 employees and contractors, 2,236 were offshore and 268 were onshore. The Group's team of Executive Officers consists of two individuals whose names and respective positions are presented in the table below:

Name	Current position	Employed in the Group since	Securities	Options
Patrick Schorn	CEO, Borr Drilling Management (UK) Limited	September 2020	1,100,000	2,700,000 ¹
Magnus Vaaler	CFO, Borr Drilling Management AS	January 2018 (as CFO since 28 December 2020)	75,000	985,000

¹Included in this number are 500,000 performance stock units, which are linked to performance-based criteria and do not have the same vesting criteria as stock options.

As of 12 April 2023, the Company had 137,027,206 holders of Shares registered in the VPS, a total number of 229,263,598 shares registered in the DTC (including the shares registered in VPS which have their primary registration

in the DTC) as well as 25,000,000 Ordinary Shares registered in the Company's register of members in book-entry form. Shareholders owning 5% or more of the securities have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. See Section 15.7 ("Disclosure obligations") for a description of the disclosure obligations under the Norwegian Securities Trading Act. As of the date of this Prospectus, to the knowledge of the Company, no investor other than Granular Capital, Orbis Investment Management Limited, Drew Holdings Ltd. Goldman Sachs Group, Inc. and BlackRock, Inc., holds directly or indirectly more than 5% of the securities. Other than as stated above, in so far as is known to the Company, no other person or entity, directly or indirectly, jointly, or severally, will exercise or could exercise control over the Company. The Company is not aware of any agreements or other similar understandings that the operation of which may at a subsequent date result in a change in control of the Company. The securities have not been subject to any public takeover bids.

The Company's independent auditor is PricewaterhouseCoopers LLP, with company registration no. OC30352, registered office at 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP was elected as the Company's auditor at the annual general meeting in September 2019 and re-appointed on 22 September 2022.

1.2.2 What is the key financial information regarding the issuer?

The selected historical key financial information presented below has been derived from the Group's Consolidated Financial Statements (audited) for each of the financial years ended 31 December 2022, 2021, and 2020, prepared in accordance with United States Generally Accepted Accounting Principles ("US GAAP"). The audit reports for each of the audited consolidated financial statements for the years ended 31 December 2022 and 31 December 2021 include an explanatory note regarding substantial doubt about our ability to continue as a going concern. The reasons for such doubts are further described in note 1 to the respective financial statements. The explanatory notes and the notes are set out in full in section 10.1 of the Prospectus.

	For the year ended 31 December, 2022 (Audited)	For the year ended 31 December, 2021 (Audited)	For the year ended 31 December, 2020 (Audited)
<i>(in US\$ millions, except share and per share data)</i>			
SELECTED CONSOLIDATED STATEMENTS OF OPERATIONS DATA:			
Total operating revenues.....	443.8	245.3	307.5
Gain on disposal	4.2	1.2	19.0
Operating expenses.....	(549.9)	(334.8)	(514.5)
Operating loss	(101.9)	(88.3)	(188.0)
Other non-operating income	2.0	3.6	-
Income/(loss) from equity method investments	1.2	16.1	9.5
Total financial expenses, net.....	(175.7)	(114.7)	(122.9)
Income tax expense	(18.4)	(9.7)	(16.2)
Net loss	(292.8)	(193.0)	(317.6)
Other comprehensive income (loss)	-	-	-
Total comprehensive loss	(292.8)	(193.0)	(317.6)
Net loss per Ordinary Share:			
Basic and diluted.....	(1.64)	(1.43)	(4.22)
Weighted average Ordinary Shares outstanding.....	178,404,637	134,726,336	75,177,352

	As of 31 December 2022 (Audited)	As of 31 December 2021 (Audited)	As of 31 December 2020 (Audited)
<i>(in US\$ millions)</i>			
SELECTED BALANCE SHEET DATA:			
Cash, cash equivalents and restricted cash	118.5	46.0	19.2
Other current assets.....	239.4	138.0	121.6
Jack-up drilling rigs	2,589.1	2,730.8	2,824.6
Newbuildings.....	3.5	135.5	135.5
Other long-term assets	51.2	30.0	70.2
Total Assets	3,001.7	3,080.3	3,171.1

	As of		
	31 December 2022 <i>(Audited)</i>	31 December 2021 <i>(Audited)</i> <i>(in US\$ millions)</i>	31 December 2020 <i>(Audited)</i>
Trade payables	47.7	34.7	20.4
Accruals and other current liabilities.....	252.0	83.2	75.6
Short-term and long-term debt	1,637.0	1,915.9	1,906.2
Other liabilities	167.2	156.6	132.1
Total Liabilities	2,103.9	2,190.4	2,134.3
Total Equity	897.8	889.9	1,036.8
Total Liabilities and Equity	3,001.7	3,080.3	3,171.1

	For the year ended 31 December 2022 <i>(Audited)</i>	For the year ended 31 December 2021 <i>(Audited)</i> <i>(in US\$ millions)</i>	For the year ended 31 December 2020 <i>(Audited)</i>
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SELECTED CASH FLOW DATA:

Net Cash Provided By/(Used In) Operating Activities	62.5	(58.9)	(54.8)
Net Cash (Used In)/Provided By Investing Activities	(82.6)	40.9	(119.7)
Net Cash Provided by Financing Activities	92.6	44.8	65.2

1.2.3 What are the key risks that are specific to the issuer?

A brief summary of the key risks that are specific to the issuer is listed below.

1. The jack-up drilling market historically has been highly cyclical, with periods of low demand and/or over-supply that could result in adverse effects on our business.
2. Down-cycles in the jack-up drilling industry and other factors may affect the market value of our jack-up rigs and the newbuild rigs we have agreed to purchase.
3. The covenants in certain of our Financing Arrangements impose operating and financial restrictions on us.
4. As a result of our significant cash flow needs, we may be required to raise funds through the issuance of additional debt or equity, and in the event of lost market access, may not be successful in doing so.
5. We face risks in connection with Financing Arrangements.
6. Risks in connection with delivery financing arrangements for newbuilds at Keppel.
7. Interest rate fluctuations could affect our earnings and cash flow.
8. We may not realize our Total Contract Backlog.
9. We may not achieve our projections for 2023 as set out in our outlook in connection with the fourth quarter and full year 2022 preliminary financial results.
10. Future sales of our equity securities in the public market, or the perception that such sales may occur, could reduce our share price, and any additional capital raised by us through the sale of equity or convertible securities may dilute your ownership in the Company.
11. Our Joint Ventures may not make a profit, and we may receive further cash calls from our Joint Ventures.
12. We are exposed to the risk of default or material non-performance by customers.
13. We incur activation costs, and may incur cost-overruns, on our newbuild jack-up rigs, which we may not fully recoup from our customers or the shipyard, as applicable.

14. Future cash flows may be insufficient to meet our obligations under the terms of our Financing Arrangements.
15. Outbreaks of epidemic and pandemic diseases, such as the COVID-19 outbreak, and governmental responses thereto have adversely affected, and could further adversely affect, our business.
16. We rely on a limited number of suppliers and may be unable to obtain needed supplies on a timely basis or at all.
17. Our information technology systems are subject to cybersecurity risks and threats.

1.3 Key information on the securities

1.3.1 What are the main features of the securities?

The securities' type, class and ISIN	All ordinary shares in the Company have been created under the Bermuda Companies Act. The Shares, representing the beneficial ownership of the same number of underlying ordinary shares, are registered in book-entry form in the DTC and, for some of the Shares, in the VPS and have since 30 August 2017 been listed and subject to trading on OSE under ISIN BMG1466R2078.
The securities' currency, denomination, par value, the number of securities issued and the term of the securities	The Shares are traded in NOK on OSE and in US\$ on NYSE. As per the date of this Prospectus, the Company's <i>issued</i> share capital is US\$ 25,426,359.8, divided into 254,263,598 ordinary shares, each with a nominal value of US\$ 0.10. The Shares have a nominal value of US\$ 0.10. As per the date of this Prospectus, the Company's <i>authorized</i> share capital is US\$ 31,500,000, divided into 315,000,000 ordinary shares, each with a nominal value of US\$ 0.10. The Shares have a nominal value of US\$ 0.10.
The rights attached to the securities	Subject to the ISIN Conversion (as described in section 14.2), the Company has only one class of ordinary shares in issue and all ordinary shares provide equal rights in the Company. Each ordinary share carries one vote.
Restrictions on the free transferability of the securities	There are no restrictions on trading in the Shares on OSE or (except in the case of Shares sold in the United States in private placements, which are subject to resale restrictions in the United States) in the Shares on NYSE.
Dividend policy	The Company has not paid any dividends to its shareholders since incorporation. We aim to distribute a portion of our future earnings from operations, if any, to our shareholders from time to time as determined by our Board subject to the Bye-laws and Bermuda law. Any dividends declared in the future will be at the sole discretion of our Board and will depend upon earnings, market prospects, current capital expenditure programs and investment opportunities. Since the Company is a holding company with no material assets other than the shares of its subsidiaries through which it conducts its operations, its ability to pay dividends will depend on its subsidiaries distributing to the Company their earnings and cash flow. Some of our loan agreements currently limit or prohibit our subsidiaries'

	ability to make distributions to us and our ability to make distributions to our shareholders.
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1.3.2 Where will the securities be traded?

The Treasury Shares will be considered listed on OSE following publication of this Prospectus and will be tradeable on OSE following the registration of the Treasury Shares in the VPS. The Private Placement Shares have been considered listed on OSE since 17 August 2022 (the First Private Placement) and 26 August 2022 (the Second Private Placement).

1.4 Key information on the offer of securities to the public and/or the admission to trading on a regulated market

1.4.1 Under which conditions and timetable can I invest in the security?

The securities of Borr Drilling Limited can be traded on the OSE and on the NYSE.

1.4.2 Why is the prospectus being produced?

This Prospectus is produced in connection with the listing of the New Shares on OSE.

2 RISK FACTORS

An investment in the securities involves inherent risk. Before making an investment decision with respect to the securities, investors should carefully consider the risk factors and all information contained in this Prospectus, including the financial statements and related notes. The risks and uncertainties described in this Section 2 are the principal known risks and uncertainties faced by the Group as of the date hereof that the Company believes are relevant to an investment in the securities. An investment in the securities is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision in respect of the securities. If any of the following risks were to materialise, individually or together with other circumstances, they could have a material and adverse effect on the Group and/or its business, financial condition, results of operations, cash flows and/or prospects, which could cause a decline in the value and trading price of the securities, resulting in the loss of all or part of an investment in the same. In each category below the most material risks, in the Company's assessment, are set out first, considering the negative impact on the Company and the probability of the occurrence of each risk. The information in this Section 2 is as of the date of this Prospectus.

2.1 Risks related to the industries in which it operates

2.1.1 *The jack-up drilling market historically has been highly cyclical, with periods of low demand and/or oversupply that could result in adverse effects on our business*

The demand for jack-up drilling rigs largely depends on the level of activity in offshore oil and natural gas exploration, development, and production, which is significantly affected by the global economy and the market's expectations of the oil-price. In particular, the demand for contracts, as well as maintaining or extending existing contracts, depends on how customers react to prevailing market conditions.

The Group's jack-up drilling contracts (including bareboat contracts with our equity method investments in Mexico), typically range from three to twenty-four months. During down-cycles, the Group's customers may be unwilling to commit to long-term contracts, which decreases the stability and visibility of revenue.

Not all of the rigs in the Group's fleet are currently on contract, and no assurance can be made that the Group is able to secure drilling contracts at any given time. In order to keep rigs working, the Group may enter into drilling contracts at what could be regarded as unattractive day rates. The Group has, and may continue to have, rigs which are or will be stacked. Stacked rigs do not generate revenue but continue to incur costs for crew, fuel, insurance, berthing and other stacking and maintenance costs, at levels which vary depending on stacking location and whether the rigs are warm or cold stacked.

Shortage of contracts or a change to backlog affect the Group's business, financial condition, and results of operations. If there is not an improvement in demand for jack-up rigs, or the market declines further, the Group could experience a material adverse effect on the business, financial condition and ability to comply with its financial arrangements.

2.1.2 *Down-cycles in the jack-up drilling industry and other factors may affect the market value of our jack-up rigs and the newbuild rigs we have agreed to purchase*

The fair market value of the rigs and the newbuild rigs (when delivered) may increase or decrease depending on a number of factors, including for example general economic and market conditions affecting the offshore contract drilling industry (including competition from other offshore contract drilling companies), developments in the global economy including in oil prices and demand in the shallow-water offshore drilling market, the types, sizes and ages of our jack-up rigs, the supply and demand for our jack-up rigs, the costs of newbuild jack-up rigs, prevailing drilling services contract dayrates, government or other regulations and technological advances. If such values fall significantly, the Group may have to record an impairment in its financial statements, which could affect its financial condition. Certain of the Groups competitors may have a larger or more diverse fleet and more favourable capitalisation, which could allow them to better withstand any impairment recorded for their own fleets or the effects of a commodity price down-cycle.

Certain of the Group's financing arrangements contain loan-to-value or minimum-value-requirements, which could require the Group to provide additional collateral or prepay a portion of the outstanding indebtedness if the value of the jack-up rigs decrease below the required levels. Inability to comply with such covenants will constitute an event of default under the relevant agreements. Please see sections 2.3.5 and 6.5.3.2 for further information.

2.2 Risks related to our business

2.2.1 We may not realize our Total Contract Backlog

Actual amount and timing of generated revenue might deviate significantly from the Group's Total Contract Backlog projections due to various factors, including shipyard and maintenance projects, downtime, and other events within or beyond our control. The Group does not adjust the Total Contract Backlog for expected or unexpected downtime.

Newbuild jack-up rigs and reactivated rigs may experience start-up difficulties following delivery or other unexpected operational problems that could result in uncompensated downtime or the cancellation or termination of drilling contracts, which could have a material adverse effect on the Group's business, financial condition, and results of operations. One of the Group's rigs is currently warm stacked.

Our drilling contracts includes provisions whereby each customer has a right to prematurely terminate the contract in its sole discretion, subject to an early termination fee or compensation for costs incurred up to termination. The Group's customer may have contracts from their counterparts terminated in reliance on similar techniques, or as cost-cutting measures, putting pressure on our customers to terminate or renegotiate their agreements with the Group. The Group has experienced such terminations or renegotiations in the past. The level of the early termination fees and compensation vary. In the event of termination of a contract it is likely that any such early termination payments will not compensate the Group of the loss of the anticipated revenue from the relevant terminated drilling contract.

Further, the Group's contracts may permit customers to prematurely terminate contracts without any termination payment either for convenience or as a result of non-performance, periods of downtime or impaired performance caused by equipment or operational issues (typically after a specified remedial period), or sustained periods of downtime due to force majeure events. In addition, state-owned energy company customers may have special termination rights by law.

2.2.2 Our Joint Ventures may not make a profit, and we may receive further cash calls from our Joint Ventures

The Group provides five jack-up rigs on bareboat charters to two joint venture companies in Mexico, Perfomex I and Perfomex II, (the "**Joint Ventures**"), and provides the jack-up rigs under traditional dayrate drilling and technical service agreements to OPEX Perforadora S.A. de C.V. ("Opex") and Perforadora Profesional AKAL I, S.A. de C.V. ("Akal"). As a 51% shareholder in each of the Joint Ventures, the Group is obligated to fund any capital shortfall where the boards of Perfomex or Perfomex II make a cash call to the shareholders under the provisions of certain shareholder agreements.

If the Joint Ventures do not have sufficient working capital to operate the rigs, due to delays in invoice approval and payments from customers or other reasons, the Group may have to fund working capital or capital expenditure outlays for the operation of its five jack-up rigs. In particular, Opex and Akal, which were previously 49% owned by the Group, have experienced delays in invoices being approved and paid by PEMEX, the ultimate customer, which had significant impact on the Group's liquidity several times in 2020. The situation improved in 2021 and 2022 with more regular payments, however, if Opex or Akal are unable to receive payment from PEMEX in a timely fashion, the Group may be required to fund the Joint Ventures as shareholders, or may not be paid related party revenues, dividends or any other distributions in a timely manner or at all. This could have a significant adverse effect on our operations and liquidity.

2.2.3 We are exposed to the risk of default or material non-performance by customers

The Group is subject to the risk of late payment, non-payment, or non-performance by its customers. Certain of the customers may be highly leveraged and subject to their own operating and regulatory risks and liquidity risk, which may lead them to cancel, repudiate or seek to renegotiate the drilling contracts or fail to fulfil their commitments. Depressed market conditions will increase such risks. Payment delays or non-payments, may lead to inability to make scheduled payments which exposes the business to risk of litigation or defaults.

2.2.4 We incur activation, reactivation and mobilization costs, and may incur cost-overruns, on both our newbuild and jack-up rigs, which we may not fully recoup from our customers, as applicable

The Group has incurred significant costs activating and mobilising the newbuild fleet as contracts have been secured. One of the rigs is warm stacked. In addition, two rigs are scheduled for delivery in 2025. Additional costs related to activation, as well as mobilisation to site will be incurred when these rigs secure employment. Further, additional costs related to demobilisation and mobilisation will be incurred when rigs move between contracts. The extent of these costs depends on the rig move required as well as the scope of work for which the rig is being activated. The Group historically has not been able to recoup all these costs and may not be able to do so in the future.

Extensive capital expenditure related to the commencement of contracts has, and could continue to have, a material adverse effect on the cash flow.

2.2.5 Outbreaks of epidemic and pandemic diseases, such as the COVID-19 outbreak, and governmental responses thereto have and could further adversely affect our business.

Public health threats, such as the COVID-19 outbreak, in various parts of the world, could adversely impact the operations of the Group.

The COVID-19 pandemic caused operational disruptions, including delays, unavailability of normal infrastructure and services which limited access to, or movement of equipment, critical goods, and personnel. Movement of rigs between countries was impacted by border closures and reduced availability of customs officials. The crews work on a rotation basis, with a substantial portion relying on international air transport for rotation. Disruptions due to quarantine requirements following positive testing on the rigs have impacted the cost of rotating crews and the ability to maintain a full crew on all rigs at any given time. To some extent, these issues are still ongoing even if most COVID-19 restrictions are generally being discontinued. Global disruptions in the supply chain and industrial production may have a negative impact on the ability of the Group to secure necessary supplies for the rigs and services, amongst other potential consequences attendant to epidemic and pandemic diseases.

2.2.6 We rely on a limited number of suppliers and may be unable to obtain needed supplies on a timely basis or at all

The Group relies on certain third parties to provide supplies and services, including drilling equipment suppliers, catering, and machinery suppliers. There are a limited number of suppliers to the offshore drilling industry and past consolidation among suppliers, combined with a high volume of drilling rigs under construction, may result in a shortage of supplies and services, thereby increasing the cost of supplies and/or potentially inhibiting the ability of suppliers to deliver on time.

With respect to certain items, such as blow-out preventers and drilling packages, the Group is dependent on the original equipment manufacturer for repair and replacement of the item or its spare parts. The Group maintain limited inventory of certain items, such as spare parts, and sourcing such items may involve long-lead times (six months or longer). Standardisation across the fleet assists with the Group's inventory management, however the inability to obtain certain items may be exacerbated if such items are required on multiple jack-up rigs simultaneously.

An inability to source certain items from the original equipment manufacturer, or any delays resulting from inventory being rendered unusable by the original equipment manufacturer due to safety concerns, could have a material adverse effect on the operations of the Group and result in rig downtime and delays in the repair and maintenance of the jack-up rigs. In addition, if the Group is unable to source necessary parts for its rigs on a timely basis, this could result in an inability to activate or mobilise its jack-up rigs in response to market opportunities.

2.2.7 Our information technology systems are subject to cybersecurity risks and threats

The Group depends on digital technologies to conduct its operations. During COVID-19, a large proportion of the onshore employees were required or encouraged to work remotely. This trend is generally continuing despite the decreasing severity of the pandemic, and has increased the Group's dependency on digital technology, which increase the risk of cyber security issues. The Group has been targeted by parties using fraudulent "spoof" and "phishing" emails and other means to misappropriate information or to introduce viruses or other malware through "trojan horse" programs. The Group has responded to these attacks and sought to prevent future attacks by engaging third party vendors to review and supplement the defensive measures and assist the Group's efforts to eliminate, detect, prevent, remediate, mitigate, or alleviate cyber or other security problems but such measures may not be effective.

As of this date, the Group has not experienced any cybersecurity attacks or breaches that have had a material impact, however such attacks may in the future have a material impact on our business or operations. There is a risk that these types of activities will recur and persist. There can be no assurance that the defensive measures will be adequate to prevent them in the future. The costs for mitigating such risk could be significant and the efforts to address these problems may not be successful.

2.2.8 We are a holding company and are dependent upon cash flows from subsidiaries and equity method investments to meet our obligations

The Company conducts all of its operations through an intermediate holding company, Borr IHC Limited ("**Borr IHC**"), and all assets are owned, and operating revenues and cash flows are generated, by subsidiaries. The Company depends on obtaining cash from its subsidiaries in order to generate the funds necessary to pay the principal of and interest on the Bonds and to meet its other obligations. Contractual provisions and/or local laws, as well as the subsidiaries' financial condition, operating requirements and debt requirements, may limit the ability to pay distributions, dividends and other payments.

Certain of the Group's financing arrangements restricts distributions and loans through Borr IHC and the cash balance and require the Group to maintain reserves of cash that could inhibit our ability to meet our debt and other obligations when due.

The terms of certain of the Group's financing arrangements (i) limit certain intragroup cash transfers and our ability to incur new secured financing and (ii) require the Group to maintain reserves of cash, which could inhibit our ability to meet our debt and other obligations when due.

More specifically:

- (a) the PPL financing arrangement includes a dividend restriction on the issuer but no material restrictions on cash movement within the Group;
- (b) the Hayfin financing arrangement includes: (i) a ring-fenced structure, meaning that cash cannot leave the sub-group (the "**Hayfin Sub-Group**") without Hayfin consent; (ii) restrictions on dividends up from the Hayfin Sub-Group to the Issuer; and (iii) the Hayfin Sub-Group obligors are subject to restrictions on use of funds (in line with the ring-fenced structure);
- (c) the Keppel Fels/Offshore Partners financing arrangement includes: (i) restriction on obligor rig owners to grant intercompany loans or incur intercompany debt; and (ii) restriction on dividends for obligors;
- (d) the DNB financing arrangement includes restrictions on obligor rig owners and intra-group charterers to grant intercompany loans or incur intercompany debt; and
- (e) the new Secured Bonds include restrictions on obligor rig owners to grant intercompany loans or incur intercompany debt.

If our operating subsidiaries experience sufficiently adverse changes in their financial condition or results of operations, or we otherwise become unable to arrange further financing to satisfy our debt or other obligations as they become due, we may become subject to insolvency proceedings. Any such proceedings may have a material adverse effect on our business, financial condition and results of operations and could have a significant negative impact on the market price of our securities.

2.2.9 We may be subject to claims related to Paragon and the financial restructuring of its predecessor

Paragon Offshore Limited ("**Paragon**") was incorporated on 18 July 2017 as part of the financial restructuring of its predecessor, Paragon Offshore plc, which commenced proceedings under Chapter 11 of the U.S. Bankruptcy Code on 14 February 2016. In 2018, the Group acquired a significant part of the Paragon group, including many of its subsidiaries.

The Group believes that substantially all of the material claims against Paragon Offshore plc that arose prior to the date of the bankruptcy filing were addressed during the Chapter 11 proceedings and have been or will be resolved in accordance with the plan of reorganisation and the order of the Bankruptcy Court confirming such plan. If, however, the Group is subject to claims that are attributable to Paragon Offshore plc, or any of its subsidiary undertakings, including in accordance with certain litigation arrangements in place prior to the acquisition of Paragon, the business, financial condition and results of operations could be adversely affected.

2.2.10 Risks related to our 2023 outlook

The Group's future results may differ materially from what is expressed or implied by the Company's estimates for the year ending 31 December 2023 which are included, and further described, in section 10.4 of this Prospectus. Investors should not place undue reliance on this information. The Group's financial outlook included in the Company's published preliminary results for the fourth quarter and full year ended 31 December 2022 reflects various material assumptions some of which are outside Management's control. These, and the other assumptions on which this outlook is based, may or may not prove to be correct. The outlook has been prepared in accordance with the Group's ordinary forecasting procedures which have been prepared in accordance with the Company's accounting policies and on a basis comparable to the historical financial information. However, the forecast of combined financial information is based on estimates made by the Group based on assumptions about future events. Certain of the assumptions, uncertainties and contingencies relating to the forecast of combined financial information and the projections of financial targets are wholly or partially within the Group's control, while others are outside or substantially outside of its control. In addition, the Group's independent auditors have not audited, reviewed or produced the Group's financial outlook. The Group's actual future results may vary from the projections made by the Company, and such variations could be material. Therefore,

investors should not place undue reliance on this information. The outlook statements are forward looking statements (see Section 4.5 of the Prospectus "Cautionary note regarding forward-looking statements").

2.2.11 Risk of non-occurrence of working capital assumptions leading to liquidity shortfalls

Similar to the risk of not reaching our ambitions set out in our 2023 outlook (as described in section 2.2.10), our liquidity budget is dependent on a number of assumptions and factors which are out of our control. Please refer to section 10.4 for descriptions of such assumptions, which are relevant both to our 2023 outlook and our liquidity budget. The statement about our working capital being sufficient for the twelve months from the date of the Prospectus in section 9.4 should be read with this in mind, and investors should note that we base such liquidity budgets and the working capital statement herein on several assumptions which may or may not prove to be correct. Should any such assumption not prove to be correct, we may experience a liquidity shortfall, which in turn may require us to seek equity or debt financing, which may or may not be available to us. As such, should such assumptions prove not to be correct, this might for example lead to dilution of shareholders (cf. section 2.5), unfavourable debt financing terms, higher interest rate and debt service costs and other impacts on our business, for example not being able to mobilise rigs for contracts, which in turn would impact our revenues negatively.

2.3 Risks related to our Financing Arrangements

2.3.1 As a result of our significant cash flow needs, we may be required to raise funds through the issuance of additional debt or equity, and in the event of lost market access, may not be successful in doing so

The Group's cash flow needs include normal recurring operating expenses, planned and discretionary capital expenditures, and repayment of debt and interest.

In the future, the Group may require additional funding beyond the amount available through operations, on hand and current financing arrangements. Such financing could be covered by revenues, new equity or obtaining new debt. There is no assurance that additional funding will be available to the Group on acceptable terms at the relevant time. In particular, current capital market condition, in addition to industry conditions as well as the Group's debt levels, could make it very difficult or impossible to raise capital. In addition, covenants in certain of the current credit facilities entail restrictions on such incurring additional indebtedness, making disposals, and require that a portion of certain equity offerings be used to repay certain of our secured creditors.

The Group has limited cash resources and limited or no ability to draw on credit facilities without lender consent. Through 2020 to 2022 the Group made several amendments to certain of its credit facilities and shipyard financing arrangements to reduce the amount of interest payable and change the dates for repayments of principal thereunder. The current financing arrangements require the Group to maintain minimum free liquidity of US\$ 15 million until the end of 2023, with a subsequent increase to US\$ 50 million in 2024 and onwards. Despite these amendments, the Group still faces liquidity risks and no assurance can be made that the Group will be able to meet such requirements.

The Group may delay or cancel discretionary capital expenditures, which could have certain adverse consequences, including delaying activations, upgrades or equipment purchases that could make the affected rigs less competitive, adversely affect customer relationships and negatively impact the ability to market or contract such rigs.

The Group has significant amounts of debt outstanding to our secured creditors, including DNB, Hayfin, PPL and Keppel Fels/Offshore Partners and under Secured Bonds and Convertible Bonds. The debt to Hayfin, DNB Bank ASA and the shipyards has maturity dates in 2025 and 2026. Certain principal repayments and payment obligations for accrued interest fall due in 2023 and 2024 and obligations to make payments to purchase the undelivered rigs from Keppel fall due in Q3 2025, July 2025 ("Vale") and September 2025 ("Var"). The Group's Secured Bonds mature in February 2026 and the Group's Convertible Bonds mature in 2028. It is highly unlikely that future cash flows will be sufficient to meet all of these obligations and the Group will need to refinance this significant amount of indebtedness and may not be able to do so on commercially attractive terms or at all and if it is unable to repay or refinance its debt as it falls due, this could result in default and cross-defaults under other debt instruments.

The ability to fund planned expenditures and amortization payments related to the Group's delivery financing arrangements, will be dependent upon future performance.

2.3.2 The covenants in certain financing arrangements impose operating and financial restrictions on the Group and the Group has a history of requiring waivers from its lenders

Certain of the Group's financing arrangements impose operational and financial restrictions on the Group, which may affect the flexibility in planning for, and reacting to, changes in the business or economic conditions and may otherwise prohibit or limit the Group's ability to undertake certain business activities without consent. In addition, the restrictions

contained in certain of our financing arrangements and future financing arrangements could impact our ability to withstand current or future economic or industry downturns, compete with others in our industry for strategic opportunities or operationally (to the extent our competitors are subject to less onerous restrictions) and may also limit our ability to obtain additional financing for working capital, capital expenditures, acquisitions, general corporate and other purposes. These restrictions include restrictions on (i) paying dividends and repurchasing our securities, (ii) changing the general nature of our business, (iii) making financial investments, (iv) entering into secured capital markets indebtedness and (v) allowing anyone else than Tor Olav Trøim to own more than 30% of the Issuer's shares.

Certain of our financing arrangements also contain events of default which include non-payment, cross default, breach of covenants, insolvency and changes that have or are likely to have a material adverse effect on the relevant obligor's business, ability to perform its obligations under any of such agreements or related security documents or jeopardize the security provided thereunder. If there is an event of default, the lenders under our financing arrangements may have the right to declare a default or may seek to negotiate changes to the covenants and/or require additional security as a condition of not doing so. All of our financing arrangements have cross default provisions. Additionally, certain of our financing arrangements contain a "Most Favoured Nation" clause whereby the lenders thereunder have a right to amend the financial covenants and terms to reflect any more lender-favourable covenants and terms in any other agreement pursuant to which loan or guarantee facilities are provided to us, including amendments to our financing arrangements.

In 2020, 2021 and 2022 we obtained waivers from compliance with certain covenants and consents to defer certain interest payments, and we ultimately reached agreements with our secured creditors to defer certain payments and to amend financial covenants. In the future, we may not be able to obtain our lenders' consent to waive or amend covenants that are beneficial for our business or that are necessary to avoid a breach, which may impact our performance or result in an event of default. Moreover, in connection with any future waivers or amendments to our financing arrangements that we may obtain, our lenders may modify the terms of our financing arrangements or impose additional operating and financial restrictions on us. If we are unable to comply with any of the covenants in our current or future debt agreements, and we are unable to obtain a waiver or amendment from our lenders, a default could occur under the terms of those agreements, which could result in cross-defaults under other agreements. This could result in us seeking protection under bankruptcy laws or making an insolvency filing.

2.3.3 Risks in connection with delivery financing arrangements for newbuilds at Keppel

The Group has an order book with Keppel for two newbuild jack-up rigs, for an aggregate final delivery instalment of US\$ 147.4 million per rig, and it has corresponding delivery financing facilities with Keppel for these rigs in the amount of US\$ 130.0 million for each newbuild jack-up to be delivered in July 2025 (for "Vale") and September 2025 (for "Var"). Accordingly, as new rigs are delivered, the Group's indebtedness will increase, as will its debt service payments, and it will be required to comply with the covenants in such facilities. The Group has not secured all the financing for "Vale" and "Var". In addition, Keppel may cancel these newbuilding contracts at any time prior to delivery, if it receives a bona fide offer from a third party. The Group has a right to match any offer they receive to continue with the newbuilding contracts, but this will accelerate payments due from the Group to Keppel.

In addition, the Group has not been provided with refund guarantees and/or parent company guarantees as security for Keppel's obligation to refund pre-delivery installment payments in the event of a default by Keppel. If the Group is not able to secure financing for "Vale" and "Var" and /or Keppel is unable to honor its obligations to the Group, including the obligation to refund installment payments under certain circumstances or provide the underlying financing for our delivery financing arrangements, and the Group is not able to borrow additional funds, raise other capital and available current cash on hand is not sufficient to pay the remaining installments related to the Group's contracted commitments for its newbuild jack-up rigs, it may not be able to acquire these jack-up rigs and/or may be subject to lengthy arbitral or court proceedings, any of which may have a material adverse effect on its business, financial condition and results of operations.

The Group is also required to meet conditions to draw the loans to be provided under these delivery financing facilities, including giving customary representations and confirmation at the time of borrowing, and if the Group is unable to meet such conditions, it would need to obtain alternative financing. The Group believes it would be very challenging to obtain alternative financing at this time, therefore a failure to meet draw conditions could result in a breach of contract to acquire the rig, and loss of deposit which could impact other financing arrangements.

2.3.4 Interest rate fluctuations could affect our earnings and cash flow

A significant portion of the Group's debt have floating interest rates. As such, the Group is exposed to interest rate fluctuations. The Group currently have no hedging arrangements with respect to our floating-rate debt. Although the Group may enter into such arrangements, the Group may be unable to effectively manage the interest rate exposure

through interest rate swaps, the interest rate exposure would exacerbate the risks associated with our leveraged capital structure.

2.3.5 Loan to value clauses in our Financing Arrangements might require additional security to be provided

The Group's current Financing Arrangements contain requirements that the market values of the secured rigs under the relevant arrangement meet a minimum value requirement, and entitle the lenders require replacement or additional security if the fair market value (determined in accordance with the terms of the relevant financing agreement) of any mortgaged jack-up rig is insufficient to satisfy the relevant covenant. Failure to comply with such covenants would constitute an event of default. Please see section 6.5.3.2 for further information on our Financing Arrangements and such clauses and covenants.

2.4 Risks related to applicable laws and regulations

2.4.1 Local content requirements may increase the cost of, or restrict the Group's ability to obtain needed supplies or hire experienced personnel

Local content requirements are policies imposed by governments that require companies who operate within their jurisdiction to use domestically supplied goods and services or work with a domestic partner in order to operate within the jurisdiction. Governments in some countries in which the Group operate, or may operate in the future, have become increasingly active in the requirements with respect to the ownership of drilling companies, local content requirements for equipment used in operations within the country and other aspects of the oil and gas industries in their countries. In addition, national oil companies may impose restrictions on the submission of tenders, including eligibility criteria, which effectively require the use of domestically supplied goods and services or a local partner. In addition, the Group is subject to local content laws and their enforcement, or changes thereto, particularly in West Africa and Southeast Asia, where the legislatures are active in developing new legislation.

Some foreign governments and/or national oil companies favour or effectively require (i) the awarding of drilling contracts to local contractors or to drilling rigs owned by their own citizens, (ii) the use of a local agent or (iii) foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. For example, in Mexico, where the Group has significant activities, there are no foreign investment restrictions for the operation of jack-up rigs for drilling operations in Mexico but the particular tender rules or the nature of the contractual obligations may make it necessary or prudent for these activities to be performed with a Mexican partner. The Group conducts its activities in Mexico through joint venture entities with a local Mexican partner experienced in providing services to Pemex and use local labour and resources in order to comply with the contractual obligations to Pemex. Although these requirements have not had a material impact on the Group's operations in the past, they could have a material impact on the Group's earnings, operations and financial condition in the future.

2.4.2 As an exempted company limited by shares incorporated under Bermuda law with subsidiaries in certain offshore jurisdictions, the Group's operations are subject to economic substance requirements

The Economic Substance Act 2018 (the "**Substance Act**") and the Economic Substance Regulations 2018 (the "**Substance Regulations**") and together with the Substance Act the "**ES Requirements**") became operative on 31 December 2018. The Issuer, and certain of its subsidiaries are subject to the ES Requirements.

The Issuer and its relevant subsidiaries will satisfy the ES Requirements if they are managed and directed in Bermuda; core income generating activities are undertaken in Bermuda in relation to the relevant activity; they maintain adequate physical premises in Bermuda; there are adequate full-time employees in Bermuda with suitable qualifications; and there is adequate operating expenditure incurred in Bermuda in relation to the relevant activity.

Similarly, certain of the Group's subsidiaries are and may from time to time be organized in other jurisdictions which have introduced, or which will introduce economic substance laws and regulations. These regulations may require compliance with an economic substance test which mean that the Group is required to (i) carry out activities that are of central importance to the entity from the jurisdiction, (ii) hold an adequate number of its board meetings in Bermuda or the other relevant jurisdiction and (iii) have an adequate (a) amount of operating expenditures, (b) physical presence and (c) number of full-time employees in Bermuda or the other relevant jurisdiction.

As part of the Group's worldwide operations, the Group has a presence in Bermuda and other jurisdictions which is considered to be adequate to satisfy the ES Requirements in Bermuda and other relevant jurisdictions. However, if the company are deemed fail to comply with the obligations under applicable economic substance legislation or any similar law applicable in any other jurisdictions, it could be subject to financial penalties and spontaneous disclosure of information to foreign tax officials in related jurisdictions and may be struck from the register of companies in that jurisdiction, which could have a material adverse effect on the Group.

2.4.3 *The Group operates in an industry which is regulated by complex environmental laws and regulations*

Due to the potentially hazardous nature of the business, the Group is subject to international, national, and local, environmental and safety laws and regulations, treaties, and conventions in force from time to time. Furthermore, future major environmental incidents involving the offshore drilling industry, such as the case related to the fire and explosion that took place on the unaffiliated Deepwater Horizon Mobile Offshore Drilling rig in the Gulf of Mexico in April 2010 (the "2010 Deepwater Horizon Incident") (to which we were not a party), may result in further regulation of the offshore industry and modifications to statutory liability schemes, thus exposing us to further potential financial risk in the event of any such oil or chemical spill in areas in which we operate.

Contract drilling and well servicing involves the use of heavy equipment and exposure to hazardous conditions, which may subject the Group to liability claims from employees, customers, subcontractors and third parties for personal injury or loss of life, severe damage to or destruction of property and equipment, pollution, or environmental damage, claims by jack-up rig personnel, customers or third parties. The Group may also incur costs and losses due to suspension of operations to address an actual or potentially hazardous situation.

Jack-up rigs could cause the release of hydrocarbons or hazardous substances and the Group is required by various governmental and quasi-governmental agencies to obtain certain permits, licenses, and certificates with respect to its operations, and to satisfy insurance and financial responsibility requirements for potential oil (including marine fuel) spills and other pollution incidents. Any releases of any hazardous substances could result in fines and other costs, such as costs to upgrade the jack-up rigs, clean up the releases, compensate for natural resource damages and comply with more stringent requirements in our discharge permits. Moreover, such releases may result in the customers or governmental authorities suspending or terminating the operations in the affected area, which could have a material adverse effect on the Group's business, results of operations and financial condition. For example, in a 2012 decision in the 2010 Deepwater Horizon incident (to which we were not a party), the U.S. District Court for the Eastern District of Louisiana invalidated certain contractual indemnities for punitive damages and for civil penalties under the U.S. Clean Water Act under a drilling contract governed by U.S. maritime law as a matter of public policy.

No assurance can be made that the Group will be able to maintain adequate insurance in the future at rates that is considered reasonable, or ability to obtain insurance against certain risks. The Group could decide to retain more risk through self-insurance in the future. This self-insurance results in a higher risk of losses, which could be material. For example, after the 2010 Deepwater Horizon incident, insurance premiums for offshore drilling companies increased significantly, leading some companies to increase self-insurance to manage costs.

In unstable or unpredictable regions where the Group operate, it could suffer criminal sanctions, civil remedies, fines, the denial of export privileges, injunctions, seizures of assets or the inability to export rigs.

An event or series of events which resulted in environmentally related legal claims against us could have a material adverse effect on our business, results of operations, cash flows and financial condition.

2.4.4 *Failure to comply with international anti-corruption legislation could result in fines, criminal penalties, damage to our reputation and drilling contract terminations*

The Group currently operates, and historically have operated, our jack-up rigs in a number of countries throughout the world, such as Mexico, Malaysia, Thailand, Brunei, Cameroon, Congo, Qatar, Gabon and Saudi Arabia, including some with developing economies and some known to have a reputation for corruption. The Group interacts with government regulators, licensors, port authorities and other government entities and officials. Also, our business interaction with national energy companies as well as state or government-owned shipbuilding enterprises puts the Group in contact with persons who may be considered to be "foreign officials" under the U.S. Foreign Corrupt Practices Act of 1977 (the "FCPA"), and the Bribery Act 2010 of the United Kingdom (the "**U.K. Bribery Act**").

The Group is committed to doing business in accordance with applicable anti-corruption laws and this is reflected in its Code of Conduct and our business ethics. There is nevertheless a risk that the Group, our affiliated entities or our or their respective officers, directors, employees, and agents act in a manner which is found to be in violation of applicable anti-corruption laws, including (but not limited to) the FCPA, the UK Bribery Act and the Bermuda Bribery Act of 2016 (the "**ABC Legislation**").

In certain jurisdictions where the Group utilizes local agents and/or establish entities with local operators or strategic partners, for example in Mexico, Saudi Arabia and Malaysia our local activities may involve interaction by the Group's agents with government officials. Some of the agents and partners may not themselves be subject to any ABC Legislation but they are made aware of our Code of Conduct and obligations under applicable ABC Legislation. If, however, the Group's agents or partners should nevertheless make improper payments to government officials or other persons in connection with engagements or partnerships with the Group, the Group could be investigated and potentially found liable for violations of such ABC Legislation (including the books and records provisions of the FCPA) and could incur civil and criminal penalties and other sanctions, which could have a material adverse effect on our business and results of operation.

The Group is subject to the risk that its respective officers, directors, employees, and agents may take actions determined to be in violation of ABC Legislation. Any such violation could result in substantial fines, sanctions, civil and/or criminal penalties and curtailment of operations in certain jurisdictions, and might adversely affect the business, results of operations or financial condition. In addition, actual or alleged violations could damage our reputation and ability to do business. Furthermore, detecting, investigating, and resolving actual or alleged violations is expensive and can consume significant time and attention of our senior management.

2.5 Risks related to the securities of the Company

2.5.1 The Shareholders do not have pre-emptive rights

Under the Bermuda Companies Act, no shareholder has a pre-emptive right to subscribe for additional issues of a company's shares unless, and to the extent that, the right is expressly granted to the shareholder under the bye-laws of a company or under any contract between the shareholder and the company. The Bye-laws do not provide for pre-emptive rights in the Company. The Board of Directors of the Company is authorised to issue new shares in the Company, limited by the total authorised share capital of the Company. As such, the Shareholders of the Company may be diluted by issues of new shares in the Company, which do not have to be approved by a general meeting of shareholders.

2.5.2 The Board is authorised to issue new shares without shareholder approval

Pursuant to Bermuda law, the board is authorised to issue shares up to the authorised share capital of the Company, as defined by the general meeting of shareholders from time to time. For the Company, the shareholders have set the authorised share capital to US\$ 31,500,000 divided by 315,000,000 shares each with a par value of US\$ 0.10, whereof a number of 254,263,598 shares have been issued. This authorization empowers the Board to issue new shares in the Company without the shareholders' approval. As such, the Board may resolve issuance of new shares, which may have a diluting effect on existing shareholders. The Company does not plan further share issues, but there can be no assurances that the Company may not have to seek new equity in the future. Please see sections 2.5.3 and 9.4 for information on our working capital situation and our ATM program.

2.5.3 Future sales of our equity securities in the public market, or the perception that such sales may occur, could reduce our share price, and any additional capital raised by us through the sale of equity or convertible securities may dilute your ownership in the Company

In light of current market conditions, and the trading price of our shares, any issuance of new equity securities could be at prices that are significantly lower than the purchase price of such Shares by other investors, thereby resulting in dilution of our existing shareholders.

Future share issuances by us and sales of shares by significant shareholders may have a negative impact on the market price of our shares. In particular, sales of substantial amounts of our shares (including shares issued in connection with an acquisition), or the perception that such sales could occur, may adversely affect prevailing market prices of our shares.

We are not currently planning issuance of new shares, but investors should read our working capital risks in section 2.2.11 and our outstanding debt obligations described in section 6.5.3.2, and note that we may have to pursue new equity financing for example through private placements or under the ATM program in order to secure liquidity. Such means of financing could dilute investors' ownership in the Company.

3 RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared in connection with the listing of the New Shares on OSE.

The members of the Board of Directors accept responsibility for the information contained in this Prospectus and declare that, the information contained in this Prospectus is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

18 April 2023

**The Board of Directors of
Borr Drilling Limited**

Tor Olav Trøim
Director and Chairman

Kate Blankenship
Director

Mi Hong Yoon
Director and Company Secretary

Neil Glass
Director

This Prospectus is valid for a period of 12 months from the date of approval by the Financial Supervisory Authority of Norway (the "**Norwegian FSA**"). The Prospectus was approved on 18 April 2023 by the Norwegian FSA, as competent authority under the Prospectus Regulation. The Norwegian FSA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Regulation (EU) 2017/1129. The approval from the Norwegian FSA shall not be considered as an endorsement of the Company that is the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Company's shares.

4 GENERAL INFORMATION

4.1 Important investor information

The Company has furnished the information in this Prospectus.

Neither the Company nor its advisors, nor any of their respective affiliates, representatives, advisers or selling agents, are making any representation to any offeree or purchaser of the securities regarding the legality or suitability of an investment in the securities. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the securities.

Investing in the securities involves a high degree of risk. See Section 2 ("*Risk Factors*").

4.2 Date of information

The information contained in this Prospectus is current as at the date of the Prospectus and is subject to change or amendment without notice. Except as required by applicable law and stock exchange rules, the Company does not undertake any duty to update the information in this Prospectus. The publication of this Prospectus shall not under any circumstances create any implication that there has been no change in the Group's affairs or that the information herein is correct as of any date after the date of this Prospectus.

4.3 Currency

In this Prospectus, all references to "US\$" are to the lawful currency of United States of America, and all references to "NOK" are to the lawful currency of Norway.

4.4 Presentation of financial and other information

The Company's audited consolidated financial statements for the years ended 31 December 2022, 31 December 2021 and 31 December 2020 (the "**Consolidated Financial Statements**") have been prepared in accordance with US GAAP. The Consolidated Financial Statements have been audited by PricewaterhouseCoopers LLP and their audit report for each respective financial year is included therein.

The Consolidated Financial Statements have been prepared on a going concern basis. The Report of the independent registered public accounting firm for each of the audited consolidated financial statements for the years ended 31 December 2022 and 31 December 2021 include an explanatory note regarding substantial doubt about our ability to continue as a going concern. The reasons for such doubts are further described in note 1 to the respective financial statements. The explanatory notes and the notes are set out in full in section 10.1.

The Company's functional and reporting currency is United States Dollars (US\$).

Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly.

In this Prospectus, the Company has used industry and market data obtained from independent industry publications, market research, and other publicly available information as set out in Section 8 ("*Industry and market overview*"). While the Company has compiled, extracted, and reproduced industry and market data from external sources, the Company has not independently verified the correctness of such data. The Company cautions prospective investors not to place undue reliance on the mentioned data. Unless otherwise indicated in the Prospectus, the basis for any statements regarding the Group's competitive position is based on the Company's own assessment and knowledge of the market in which it operates.

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified, however, source references to websites shall not be deemed as incorporated by reference to this Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and

the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements, and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Group's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 ("*Risk Factors*") and elsewhere in this Prospectus.

4.5 Cautionary note regarding forward-looking statements

This Prospectus includes forward-looking statements that reflect the Company's current views with respect to future events and anticipated financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" and, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. They appear, among other areas, in the following Sections in this Prospectus, Section 8 ("*Industry and Market Overview*"), Section 6 ("*Business overview*") and Section 11 ("*Operating and Financial Review*") and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, financial strength and position of the Company, operating results, liquidity, prospects, growth, the implementation of strategic initiatives, as well as other statements relating to the Company's future business development and financial performance, and the industry in which the Company operates, such as, but not limited to, statements relating to:

- the Company's strategy, outlook and growth prospects;
- the Company's operational and financial objectives, including any statements relating to expectations for the financial year 2023 and statements as to the Company's medium or long-term growth, margin, and dividend policy;
- the strategy, outlook, growth prospects, operational and financial objectives, including any statements relating to expectations for the financial year 2021 and statements as to medium or long-term growth, margin, and dividend policy, of the Company's joint venture entities;
- the competitive nature of the business in which the Company operates, the competitive pressure and competitive environment in general;
- statements relating to our ability to continue as a going concern;
- earnings, cash flow, dividends and other expected financial results and conditions;
- the expected growth and other developments of the industry in which the Company operates;
- the Company's planned investments;
- forecasts;
- the Company's liquidity, capital resources, capital expenditures, and access to funding;
- economic, legal, social, and political developments in the markets in which the Company operates;
- industry trends including activity levels in the jack-up rig industry and trends in the shallow water offshore market, including utilization, expected future supply and demand, breakeven, rig supply;
- joint ventures and their operations and cash from our Joint Ventures;
- statements with respect to our capital structure and options and targets for our balance sheet;
- debt maturity profile;
- statements included in our Working Capital Statement;
- statements relating to the agreement reached with our secured creditors and the conditions to those agreements; and
- other non-historical statements.

Prospective investors in the securities are cautioned that forward-looking statements are not guarantees of future performance and that the Company's actual financial position, operating results and liquidity, and the development of the industry in which the Company operates, may differ materially from those made in, or suggested by, the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs, or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties, and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements.

The risks that could affect the Company's future results and could cause results to differ materially from those expressed in the forward-looking statements are discussed in Section 2 ("*Risk Factors*").

The information contained in this Prospectus, including the information set out under Section 2 ("*Risk Factors*"), identifies additional factors that could affect the Company's financial position, operating results, liquidity, and performance. Prospective investors in the securities are urged to read all Sections of this Prospectus and, in particular, Section 2 ("*Risk Factors*") for a more complete discussion of the factors that could affect the Company's future performance and the industry in which the Company operates when considering an investment in the Company.

These forward-looking statements speak only as at the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

4.6 Narrative point of view

In this Prospectus, Borr Drilling Limited is referred to either as the Company or Borr, or in a first-person narrative point of view in line with the Company's reporting narrative point of view commonly used in the US. As such, whenever terms as "we", "our", "us" are used, the narrative point of view is that of the Company and on behalf of the Company by the persons responsible for this Prospectus.

4.7 The "Shares" in the VPS being rights to Ordinary Shares

A reader of this Prospectus should note that whenever the term "Share" is used in this Prospectus, either as "Shares", "Private Placement Shares", "New Shares", "Treasury Shares" or otherwise, each "share" in the Company registered in the VPS and/or DTC from time to time represents a beneficial ownership right to an Ordinary Share in the Company, and investors trading on OSE and in the VPS will hold the rights to such Ordinary Shares as "shares" in the VPS. As such, the shareholders do not have direct shareholder rights in the Company but exercise their beneficial shareholder rights through the Registrar as the company's account operator. Please refer to section 14.2 for further information.

4.8 Approval of Prospectus

The Prospectus has been approved by the Norwegian FSA, as competent authority under the Regulation (EU) 2017/1129. The Norwegian FSA only approved the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Regulation (EU) 2017/1129. The approval from Norwegian FSA shall not be considered as an endorsement of the Company. Investors should make their own assessment as to the suitability of investing in the securities. The Prospectus has been prepared as a simplified prospectus in accordance with Article 14 of the Regulation (EU) 2017/1129.

5 THE NEW SHARES

5.1 The Private Placements

On 17 August 2022, the Company announced successful completion of the First Private Placement, through the settlement of subscription and allocation of 41,666,667 Shares. On 26 August 2022, the Company announced successful completion of the Second Private Placement, through the settlement of subscription and allocation of 34,696,404 Shares.

The Private Placement Shares were issued at a subscription price of US\$ 3.60 per Share, thereby raising gross proceeds through the Private Placements of US\$ 274,907,055.6 and net proceeds of US\$ 260,387,729.6.

The Private Placement Shares were registered in the DTC and listed on the NYSE. The Private Placement Shares were issued in the Company's ordinary class of ordinary shares.

The Company used the proceeds from the Private Placements to consummate a refinancing with its secured lenders, and for general corporate purposes.

DNB Markets, Clarksons Securities, Pareto Securities, ABG Sundal Collier ASA, Arctic Securities AS, Fearnley Securities and SpareBank 1 Markets were the book-running managers for the Private Placements. Cleaves Securities AS was a co-manager. Following the issuance of the shares in the Private Placements, the Company's issued share capital increased to US\$ 22,926,457.9, divided into 229,264,579 shares, each with a nominal value of US\$ 0.10 per share. Following such increase, 981 shares were cancelled on the 26 August 2022, and the Company's share capital was US\$ 22,926,359.8 divided into 229,263,598 shares.

The Private Placements were made pursuant to an effective automatic shelf registration statement, previously filed by the Company with the Securities and Exchange Commission ("**SEC**") on July 26, 2022. The offering of the ordinary shares was made only by means of a prospectus and a related prospectus supplement in the US. A final prospectus supplement relating to the offering was filed with the SEC on August 11, 2022. You may obtain these documents for free by visiting EDGAR on the SEC's website at www.sec.gov. Alternatively, the final prospectus supplement and accompanying prospectus related to the offering may be obtained by contacting DNB Markets, Inc., Attn: Compliance Department, by telephone: 212-681-3800, or by email at: compliance.marketsinc@dnb.no.

5.2 The Treasury Shares

As further described in section 6.5.3, the Company successfully placed a US\$ 250 million senior unsecured convertible bond loan on the 25 January 2023 (the "**Convertible Bonds**"). To improve the commercial terms of the Convertible Bonds for the Company, the Company agreed to make available the Treasury Shares for a hedging programme available to the investors in the Convertible Bonds, to be facilitated by DNB Markets. As such, the Company issued the Treasury Shares. Technically, the Treasury Shares were issued to DNB Markets at par value, and immediately re-purchased by the Company for the same value, thus not raising any proceeds for the Company.

The Tranche 1 Treasury Shares were issued under a separate ISIN and CUSIP code on 31 January 2023, and the Tranche 2 Treasury Shares were issued under a separate ISIN and CUSIP code on 24 February 2023. The Treasury Shares were issued with a mechanism to convert the Treasury Shares to the same share class, ISIN and CUSIP code as the Company's existing ordinary shares upon the publication of this Prospectus. As such, with effect from the publication of this Prospectus, the Treasury Shares are also included in the Company's general class of ordinary shares and will be registered in the VPS shortly after the publication of this Prospectus.

Thus, the Treasury Shares will also be admitted to listing on the Oslo Stock Exchange with effect from the Publication of this Prospectus. The Treasury Shares will, after their registration in the VPS, be made available for DNB Market's facilitation of the hedging program pursuant to a share lending agreement between DNB Markets (as borrower) and the Company (as lender). Upon re-delivery of the Treasury Shares by DNB to the Company, the Treasury Shares will be cancelled. Redelivery may occur by repayment of the Convertible Bonds or decrease in the demand for hedging shares for other reasons, or expiry of the share lending agreement between DNB Markets and the Company.

Including the Private Placement Shares, the New Shares represent more than 20% of the Company's issued share capital. Further, following the ISIN Conversion of the Treasury Shares to the same class of ordinary shares as the Company's other ordinary shares with effect from the publication of the Prospectus, the New Shares all deemed to be admitted to trading on the Oslo Stock Exchange, and this Prospectus is being published as a requirement pursuant to the Prospectus Regulation. As the Company did not prepare a prospectus in accordance with the Prospectus Regulation following the Private Placement, the Company has prepared this Prospectus since the issue of the Treasury Shares involves the Company issuing shares representing more than 20% of its share capital over a 12-month period, as required under the Prospectus Regulation.

6 BUSINESS OVERVIEW

6.1 Introduction

Borr Drilling Limited was incorporated on 8 August 2016, pursuant to the Companies Act 1981 (the "**Companies Act**"), as an exempted company limited by shares and registered with the Bermuda Register of Companies. On 19 December 2016, our Shares were introduced to the Norwegian OTC market. On 30 August 2017, our Shares were listed on OSE under the ticker "BDRILL" (changed to "BORR" on 27 November 2020) and on 31 July 2019, our Shares were listed on the NYSE under the ticker "BORR." The Company's Shares are not admitted to trading on any regulated markets or equivalent third country markets, SME Growth Market or MTFs, other than on OSE and NYSE.

Our registered office/principal executive offices are located at S. E. Pearman Building, 2nd Floor, 9 Par-la-Ville Road, Hamilton HM11, Bermuda and our telephone number is +1 (441) 542-9234.

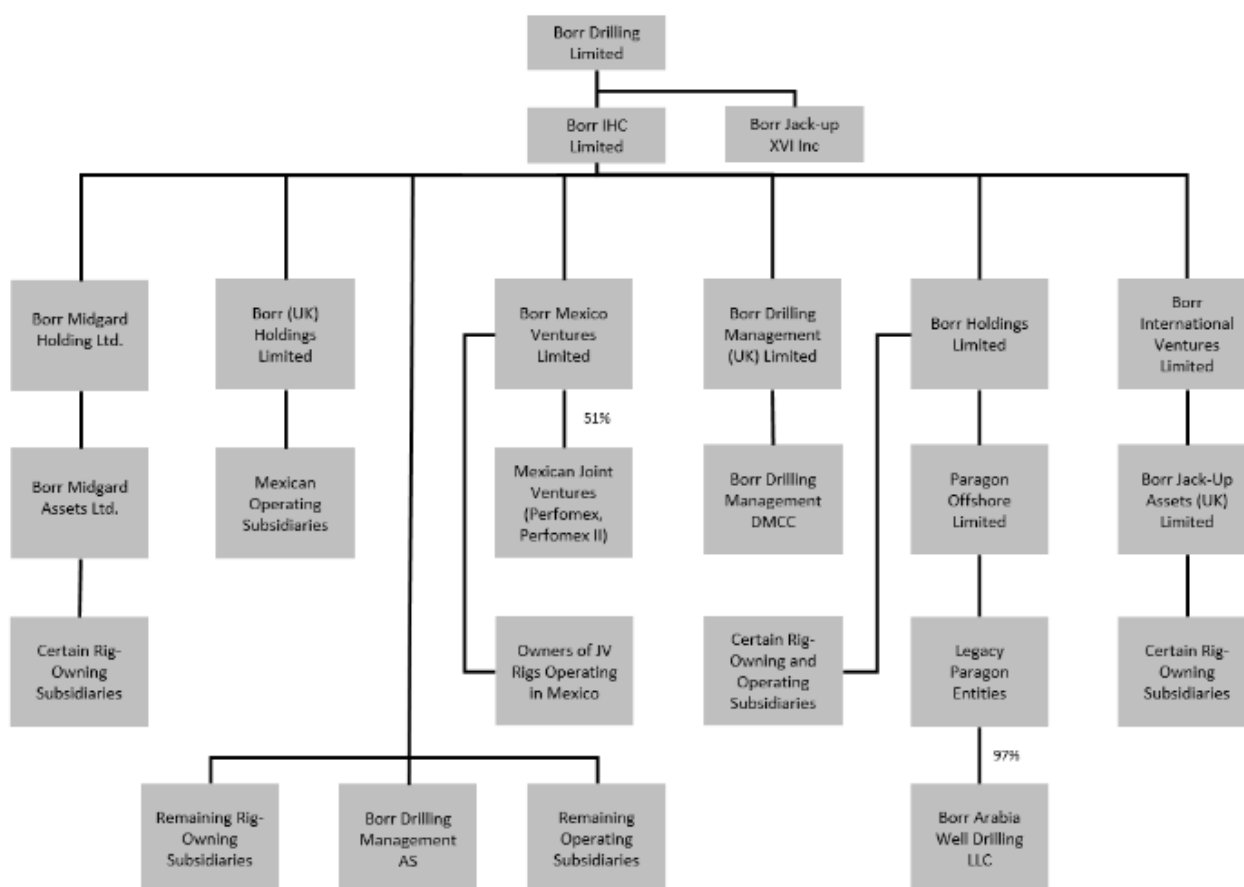
We are an offshore shallow-water drilling contractor providing worldwide offshore drilling services to the oil and gas industry. Our primary business is the ownership, contracting and operation of jack-up rigs for operations in shallow-water areas (i.e., in water depths up to approximately 400 feet),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

We own 22 rigs, with an additional two jack-up rigs scheduled to be delivered in July ("Vale") and September ("Var") 2025. Upon delivery of these newbuild jack-up rigs, we will have a fleet of 24 premium jack-up rigs, which refers to rigs delivered from the yard in 2001 or later. See Section 6.5.2 ("*The rigs*") for additional information.

6.2 Legal structure of the Group

6.2.1 Overview

The following diagram depicts our simplified organizational and ownership structure:



Below is a description of the principal rig owning, rig operating and management companies in which Borr Drilling has a direct or indirect ownership interest.

Company	Country	Parent Company	Ownership	Function
Borr Drilling Limited	Bermuda			Parent company
Borr IHC Limited	Bermuda	Borr Drilling Limited	100	Holding
Borr International Ventures Limited	Bermuda	Borr IHC Limited	100	Holding
Borr Jack-Up Assets Limited	England & Wales	Borr International Ventures Limited	100	Holding
Borr Drilling Management AS	Norway	Borr IHC Limited	100	Management
Borr International Resources Limited	British Virgin Islands	Borr IHC Limited	100	Global Mobility
Borr International Operations I Inc.	Marshall Islands	Borr IHC Limited	100	Operating Company (Nigeria)
Borr SEA Operations Inc.	Marshall Islands	Borr IHC Limited	100	Operating Company (Vietnam, Thailand)
Borr Eastern Peninsula Pte. Ltd.	Singapore	Borr SEA Operations Inc.	100	Procurement Operating Company (Brunei)
Borr Drilling Management (UK) Limited	England and Wales	Borr IHC Limited	100	Management
Borr Drilling Management DMCC	Dubai, UAE	Borr Drilling Management (UK) Limited	100	Management
Borr Holdings Limited	Cayman Islands	Borr IHC Limited	100	Holding Company
Prospector Rig 1 Contracting Company Limited	Cayman Islands	Borr Holdings Limited	100	Rigowner – Prospector 1
Prospector Rig 5 Contracting Company Limited	Cayman Islands	Borr Holdings Limited	100	Rigowner – Prospector 5
Paragon Offshore Limited	Cayman Islands	Borr Holdings Limited	100	Holding Company
Paragon International Finance Company	Cayman Islands	Paragon Offshore Limited	100	Financial Holding
Paragon Asset Company Limited	Cayman Islands	Paragon International Finance Company	100	Former Rigowner - MSS1
Paragon Assets (UK) Limited	Cayman Islands	Paragon International Finance Company	100	Former Operating Company
Paragon Offshore (North Sea) Limited	Cayman Islands	Paragon International Finance Company	100	Operating Company
Paragon Offshore Enterprises Limited	Cayman Islands	Paragon International Finance Company	100	Global Mobility
Paragon Offshore Drilling LLC	Delaware	Paragon International Finance Company	100	Former Operating Company
Paragon (Middle East) Limited	Cayman Islands	Paragon International Finance Company	100	Former Rigowner (dormant)
Borr Drilling Land Support Limited	Scotland	Paragon International Finance Company	100	Operating Company (UK)
Paragon Offshore Management S. de R.L. de C.V.	Mexico	Paragon Offshore (Land Support) Limited	100	Management
Paragon Offshore (Nederland) B.V.	The Netherlands	Paragon Offshore (Land Support) Limited	100	Operating Company (North Sea Dutch Section)
Paragon Offshore Holdings US Inc.	Delaware	Paragon Offshore (Land Support) Limited	100	Holding
Paragon Offshore (GOM) Inc.	Delaware	Paragon Offshore Holdings US Inc.	100	Holding
Borr Drilling (US) Inc.	Delaware	Paragon Offshore (Land Support) Limited	100	General
Paragon Offshore Leasing (Switzerland) GmbH	Switzerland	Paragon Offshore (Land Support) Limited	100	Rigowner (dormant)
Paragon Offshore Holdings Limited	Cayman Islands	Paragon International Finance Company	100	Holding
Paragon Offshore International Limited	Cayman Islands	Paragon Offshore Holdings Limited	100	Operating
Borr Drilling Malaysia Sdn. Bhd.	Malaysia	Borr Holdings Limited	100	Operating Company
Borr Global Limited	Cayman Islands	Borr Holdings Limited	100	Operating

Borr Offshore Operations Limited	Cayman Islands	Borr Holdings Limited	100	Dormant
Borr Mexico Ventures Limited	Scotland	Borr IHC Limited	100	Holding Company
Borr Arabia III (UK) Limited	England and Wales	Borr Jack-Up Assets Limited	100	Rigowner-Arabia III
Borr Grid (UK) Limited	Scotland	Borr Mexico Ventures Limited	100	Rigowner-Grid
Borr Gersemi (UK) Limited	Scotland	Borr Mexico Ventures Limited	100	Rigowner-Gersemi
Borr Odin (UK) Limited	Scotland	Borr Jack-Up Assets Limited	100	Rigowner-Odin
Borr Galar (UK) Limited	England and Wales	Borr Mexico Ventures Limited	100	Rigowner-Galar
Borr Ran (UK) Limited	England and Wales	Borr Jack-Up Assets Limited	100	Rogowner-Ran
Borr Njord (UK) Limited	England and Wales	Borr Mexico Ventures Limited	100	Rigowner-Njord
Perforaciones Estrategicas e Integrales Mexicana S.A. de C.V.	Mexico	Borr Mexico Ventures Limited	51	Drilling Operator – JV (Mexico)
Perforaciones Estrategicas e Integrales Mexicana II S.A. de C.V.	Mexico	Borr Mexico Ventures Limited	51	Drilling Operator – JV (Mexico)
Borr (UK) Holdings Limited	Scotland	Borr IHC Limited	100	Holding
Borr Drilling Mexico S. de R.L. de C.V.	Mexico	Borr (UK) Holdings Limited	100	Management
Borr Drilling Contracting S. de R.L. de C.V.	Mexico	Borr (UK) Holdings Limited	100	Operating Company
Borr Management Mexico S. de R.L. de C.V.	Mexico	Borr (UK) Holdings Limited	100	Services
Borr Offshore Services Mexico S. de R.L. de C.V.	Mexico	Borr (UK) Holdings Limited	100	Crewing
Borr Midgard Holding Limited	Bermuda	Borr IHC Limited	100	Holding Company
Borr Midgard Assets Limited	Bermuda	Borr Midgard Holding Limited	100	Holding Company
Borr Saga Inc.	Marshall Islands	Borr Midgard Assets Limited	100	Rigowner-Saga
Borr Skald Inc.	Marshall Islands	Borr Midgard Assets Limited	100	Rigowner-Skald
Borr Jack-Up XXXII Inc.	Marshall Islands	Borr Midgard Assets Limited	100	Rigowner-Thor
Borr Jack-Up I Inc.	Marshall Islands	Borr IHC Limited	100	Rigowner-Frigg
Borr Tivar Inc.	Marshall Islands	Borr IHC Limited	100	Former Rigowner-Tivar
Borr Vale Inc.	Marshall Islands	Borr IHC Limited	100	Rigowner-Vale
Borr Var Inc.	Marshall Islands	Borr IHC Limited	100	Rigowner-Var
Constellation II Limited	Cayman Islands	Borr IHC Limited	100	Former Rigowner – Balder
Borr Idun Limited	Cayman Islands	Borr IHC Limited	100	Rigowner-Idun
Borr Mist Limited	Cayman Islands	Borr IHC Limited	100	Rigowner-Mist
Borr Atla Limited	Cayman Islands	Borr IHC Limited	100	Former Rigowner Atla
Borr Brage Limited	Cayman Islands	Borr IHC Limited	100	Holding
Borr Odin Limited	Cayman Islands	Borr IHC Limited	100	Rigowner (Dormant)
Borr Jack-Up XVI Inc.	Marshall Islands	Borr Drilling Limited	100	Former Rigowner - Eir
Borr Jack-Up XIV Inc.	British Virgin Islands	Borr IHC Limited	100	Former Rigowner-(Dormant)
Borr West Africa Assets Inc.	Marshall Islands	Borr IHC Limited	100	Rigowner (Norve)
Borr Gerd Inc.	Marshall Islands	Borr IHC Limited	100	Rigowner - Gerd
Borr Gersemi Inc.	Marshall Islands	Borr IHC Limited	100	Former Rigowner (Dormant)
Borr Grid Inc.	Marshall Islands	Borr IHC Limited	100	Former Rigowner (Dormant)
Borr Gunnlod Inc.	Marshall Islands	Borr IHC Limited	100	Rigowner-Gunnlod
Borr Groa Inc.	Marshall Islands	Borr IHC Limited	100	Rigowner - Groa
Borr Gyme Inc.	Marshall Islands	Borr IHC Limited	100	Former Rigowner - Gyme
Borr Natt Inc.	Marshall Islands	Borr IHC Limited	100	Rigowner - Natt
Borr Njord Inc.	Marshall Islands	Borr IHC Limited	100	Rigowner (Dormant)
Borr Hild Inc.	Marshall Islands	Borr IHC Limited	100	Rigowner-Hild

Borr Heimdal Inc.	Marshall Islands	Borr IHC Limited	100	Rigowner – Arabia I
Borr Hermod Inc.	Marshall Islands	Borr IHC Limited	100	Rigowner – Arabia II
Borr Huldra Inc.	Marshall Islands	Borr IHC Limited	100	Former Rigowner – Huldra
Borr Heidrun Inc.	Marshall Islands	Borr IHC Limited	100	Former Rigowner – Heidrun
Borr Drilling Services LLC	Qatar	Borr Brage Limited	49	Drilling Operator
Borr Arabia Well Drilling LLC	Saudi Arabia	Borr Drilling Limited	97	Drilling Operator

Our subsidiary Borr Mexico Ventures Limited holds a 51% interest in two Mexican Joint Ventures and our local operating partner in Mexico holds the remaining 49% interest. 1% of the interest in our Mexican subsidiaries is held by Borr Brage Limited, which is wholly owned by Borr IHC Limited.

With the exception of Borr Jack-Up XVI Inc., all the companies are direct or indirect subsidiaries of Borr IHC Limited.

6.3 History and important events

The following is a summary of the main events and milestones of the Company since its establishment:

6.3.1 Acquisitions

6.3.1.1 Acquisition of Hercules Rigs

On 2 December 2016, we agreed to purchase two premium jack-up rigs from Hercules British Offshore Limited ("**Hercules**"). The transaction was completed on 23 January 2017 (the "**Hercules Acquisition**"). The rigs acquired, named "Frigg" and "Ran," were acquired for a total price of US\$ 130 million. Each rig is a premium jack-up rig.

6.3.1.2 Acquisition from Transocean

On 15 March 2017, we signed a letter of intent with Transocean Inc. ("**Transocean**") for the purchase of all of certain Transocean subsidiaries owning 10 jack-up rigs and the rights under five newbuilding contracts with Keppel (the "**Transocean Transaction**"). On 31 May 2017, we completed the Transocean Transaction for a total price of US\$ 1,240.5 million. Three of the jack-up rigs we acquired, "Idun", "Mist" and "Odin" were, at the time, employed with Chevron for operations in Thailand. Transocean, as the seller, retained the revenue, expenses and cash flow associated with the three rigs under contract upon closing of the Transocean Transaction. Two of the jack-up rigs we acquired are currently employed with drilling contracts. Since the acquisition closed, two of the rigs under the newbuilding contracts have been delivered, "Saga" and "Skald", one rig under the newbuild contract, "Tivar" was sold and an additional two rigs, "Vale" and "var" are scheduled to be delivered in 2025. Of the rigs initially delivered at closing, four were standard jack-up rigs and six were premium jack-up rigs. Since the closing of the Transocean Transaction, we have divested all of the four standard jack-up rigs and two cold stacked premium jack-up rigs, as there was no economic incentive to reactivate these rigs.

6.3.1.3 Acquisition from PPL

On 6 October 2017, we entered into a master agreement with PPL Shipyard Pte Ltd. ("**PPL**") for six premium jack-up drilling rigs and three premium jack-up drilling rigs under construction at its yard in Singapore (together, the "**PPL Rigs**"). The consideration in the transaction with PPL (the "**PPL Acquisition**") was approximately US\$ 1.3 billion, US\$ 55.8 million of this was paid per rig on 31 October 2017, and we agreed to accept delivery financing for a portion of the purchase price equal to US\$ 87.0 million per rig. All of the PPL rigs have been delivered and one rig, the "Gyme", was sold in 2022.

6.3.1.4 Acquisition of Paragon

On 29 March 2018, we concluded the Paragon Transaction, subsequently acquiring the majority of the remaining shares in July 2018. At the closing of the Paragon Transaction, Paragon owned two premium jack-up rigs, 20 standard jack-up rigs (built before 2000) and one semi-submersible rig (built in 1979) (the "**Paragon Rigs**"). The Paragon Transaction provided us with a solid operational platform which matches the quality of our jack-up fleet. As part of the acquisition, Paragon became a subsidiary of Borr Drilling. Subsequent to the acquisition, we divested 20 standard jack-up rigs acquired in the Paragon Transaction as there was no economic incentive to reactivate these rigs.

6.3.1.5 Acquisition from Keppel

On 16 May 2018, we entered into an agreement to acquire five premium jack-up rigs, three completed and two under construction from Keppel (the "**Keppel Acquisition**"). The purchase price for the Keppel H-Rigs was US\$ 742.5 million.

We took delivery of the new jack-up rigs "Hermod", "Heimdal" and "Hild" in October 2019, January 2020, and April 2020, respectively. We were due to take delivery of the remaining two jack-up rigs "Huldra" and "Heidrun" under the agreement in 2020, however the delivery of these rigs was initially deferred to 2022 and subsequently to 2023 then 2025 following the Company's agreement with Keppel entered into in 2021 and 2022. In the quarter ended December 31, 2022 we sold "Huldra" and "Heidrun" to an unrelated third party, and the rigs are scheduled to be delivered to the buyer in May 2023 and July 2023, respectively.

6.3.1.6 Acquisition of Keppel's Hull B378

In March 2019, we entered into an assignment agreement with BOTL Lease Co. Ltd. (the "**Original Owner**") for the assignment of the rights and obligations under a construction contract to take delivery of one KFELS Super B Bigfoot premium jack-up rig identified as Keppel's Hull No. B378 from Keppel for a purchase price of US\$ 122.1 million. The construction contract was, at the same time, novated to our subsidiary, Borr Jack-Up XXXII Inc., and amended. We took delivery of the jack-up rig on 9 May 2019 and the rig was subsequently renamed "Thor."

6.3.2 Divestments

From time to time we consider opportunities to sell our standard jack-up rigs if it can be achieved in a manner in which such jack-up rigs are contractually obligated to leave the jack-up drilling market, thereby decreasing the worldwide supply of jack-up rigs available for contract.

In 2018, we divested 18 jack-up rigs for total proceeds of US\$ 37.6 million and recorded a gain of US\$ 18.8 million.

In May 2019, we entered into sale agreements for the sale of the "Eir", "Baug" and "Paragon C20051" none of which were operating or on contract, for cash consideration of US\$ 3.0 million each. The jack-up rigs have been sold with a contractual obligation not to be used for drilling purposes and so retired from the international jack-up fleet. The sales of "Baug" and "Paragon C20051" were completed in May 2019 for cash consideration of US\$ 6.0 million and the sale of "Eir" was completed in October 2020 for cash considerations of \$3.0 million.

On 13 March 2020, we sold "Paragon B391" for recycling for total proceeds of US\$ 0.4 million, resulting in a loss of US\$ 0.4 million recorded in the first quarter of 2020. On 30 April 2020, we sold "Paragon B152" and "Dhabi II" with associated backlog for total proceeds of US\$ 15.8 million, resulting in a recorded gain of US\$ 12.8 million, which has been recorded in the second quarter of 2020. On 13 May 2020, we entered into an agreement to sell the semi-submersible "MSS1", built in 1979, for recycling, and the transaction closed on 28 August 2020. The sale brought in total proceeds of US\$ 2.2 million, and we recorded an impairment charge of US\$ 18.4 million in the first quarter 2020. On 28 October 2020, the Company entered into an agreement to sell its cold stacked jack-up drilling rig "Atla" to an independent operator. The sale of "Atla" was completed in December of 2020, and the company received total proceeds of US\$ 10.0 million, while the sale of "Balder" was completed in February 2021 for total proceeds of US\$ 4.4 million.

In September 2022, we entered into an agreement with a third party to assume our rights and obligations relating to the three rigs under construction, "Tivar", "Heidrun" and "Huldra", for total consideration of US\$ 320.0 million. The Company and the yard agreed to novate the rights and obligations under the newbuilding contracts for the three rigs from the Company to the third-party buyer, thereby releasing the Company from any and all obligations and liabilities in relation to these contracts. The "Tivar" was delivered to the buyer in November 2022, and the "Huldra" and "Heidrun" are scheduled to be delivered to the buyer in May 2023 and July 2023, respectively.

In November 2022, we sold the "Gyme" for a price of US\$ 120 million, pursuant to an undertaking by the Company under its most recent refinancing with PPL completed in October 2022.

Since 2018, the divestments noted above bring the total number of jack-up rigs and newbuild jack-up rigs not yet delivered divested by us, and retired from the international jack-up fleet to 30 plus one semi-submersible. In addition, we have divested a further four rigs, of which three are newbuild jack-up rigs during 2022 which will remain in the international jack-up fleet.

6.3.3 Overview acquisitions and divestments

The following chart sets out an overview of the acquisitions and dispositions we have made since our formation through 31 December 2022:

ACQUISITIONS AND DISPOSITIONS SINCE OUR FORMATION

Acquisition	Closing Date	Description of Transaction	Transaction Value (in US\$ millions)	Rigs Subsequently Divested
Hercules Acquisition	23 January 2017	Acquisition of two premium jack-up rigs ⁽¹⁾	US\$ 130.0	—
Transocean Transaction	31 May 2017	Acquisition of 10 jack-up rigs and novation of contracts in respect of five Keppel newbuild premium jack-up rigs ⁽²⁾	US\$ 1,240.5	7 standard jack-up rigs
PPL Acquisition	6 October 2017	Acquisition of nine newbuild premium jack-up rigs ⁽³⁾	US\$ 1,300.0	1 premium jack-up rig
Paragon Transaction	29 March 2018	Acquisition of 22 jack-up rigs and one semi-submersible rig ⁽⁴⁾	US\$ 241.3	20 standard jack-up rigs and one semi-submersible rig
Keppel Acquisition	16 May 2018	Acquisition of five newbuild premium jack-up rigs ⁽⁵⁾	US\$ 742.5	2 premium jack-up rigs
Keppel Hull B378 ("Thor") Acquisition	29 March 2019	Acquisition of one newbuild premium jack-up rig	US\$ 122.1	—

- (1) The two rigs Frigg and Ran were acquired through the Hercules Acquisition.
- (2) Of the five Keppel newbuild premium jack-up rigs that were novated as part of the Transocean Transaction two jack-up rigs were delivered in January and June 2018, respectively. One jack-up rig, "Tivar", was delivered in 2022. We also had divested the "Eir", "Atla" and the "Balder". Rigs acquired through the transaction not divested are "Idun", "Odin", "Mist", "Norve", "Saga", "Skald", "Vale" and "Var". "Tivar" was sold in Q4 2022.
- (3) All jack-up rigs acquired in the PPL Acquisition have been delivered. The rigs acquired were "Galar", "Gerd", "Gersemi", "Grid", "Gunnlod", "Groa", "Gyme", "Natt" and "Njord". "Gyme" was sold in Q4 2022.
- (4) Of the 22 jack-up rigs and one semi-submersible acquired, the "Prospector 1" and the "Prospector 5" are the only two rigs left after the divestments are completed.
- (5) The rigs acquired through the May 2018 Keppel acquisition was "Heimdal", "Hermod", "Hild", "Huldra" and "Heidrun". In Q4 2022, the Company agreed to sell "Huldra" and "Heidrun".

6.3.4 Refinancing and amendments to financing arrangements

In the period from 2020 to 2022, we refinanced some of our secured and unsecured financing facilities, including the US\$ 450 million and US\$ 100 million secured syndicated bank loan facilities with DNB Bank ASA and a syndicate of lending banks, as well as our US\$ 350 million convertible bonds (the "**Former Convertible Bonds**") in 2023. We have, following discussions with our secured lenders in June 2020, January 2021 and October 2022 agreed certain waivers, amendments and extensions in our financing arrangements. Please refer to section 6.5.3.2 for further information about such amendments and waivers and detailed information on our current Financing Arrangements.

6.4 Corporate strategy

6.4.1 Our Business Strategies

We continuously strive to meet our primary business objective of becoming the preferred operator of jack-up drilling rigs while maximizing returns for our shareholders. To achieve this, our strategies include the ambitions set out in section 6.4.2-6.4.4 below. Our future prospects and ability to reach our ambitions depend on a number of factors and may face numerous challenges, in particular challenges and risk factors, which are set out in sections 2.1-2.4, relating to the jack-up drilling industry, our financing arrangements and financial situation, laws and regulations and our business in particular. When reviewing our business strategy, investors should have such challenges and risk factors in mind, and no guarantees can be made that the Group will achieve its ambitions.

For example, our future prospects may be influenced by the cyclical nature of the industry in which we operate, cf. section 2.1.1. Further down-cycles in the market may affect the value of our assets, causing issues in relation to our financing arrangements, as further described in section 2.1.2. Future prospects also depend on our ability to realise our Total Contract Backlog, as described in section 2.2.1. We have historically faced challenges with payments from our Joint Ventures, and as described in section 2.2.2, this may cause challenges in the future. Our prospects also depend on us being able to recoup activation and mobilisation costs for our rigs. Further, our future prospects depend on us successfully implementing our business strategies and being successful in our commercial endeavours, being able to successfully securing new drilling contracts for the rigs in the future, structuring our business and corporate group effectively, manoeuvring correctly and efficiently through the regulatory landscape in which we operate (cf. for example section 2.4.1, 2.4.2, 2.4.3 and 2.4.4) etc. For further details on our future challenges, we refer to the risk factors described herein in section 2 as well as the risk factors described in our annual 20-F available on our website. For information on our future prospects, further information about influencing factors can be found in the section on "Operating and Financial Review and Prospects" under the title "Material Factors Affecting Results of Operations and Future Results" in our 20-F.

6.4.2 Deploy high-quality rigs to service the industry

We have acquired what we believe is one of the leading jack-up fleets in the industry with capacity to service existing and future client needs. Shallow-water drilling projects, such as the ones serviced by our jack-up rigs, have a shorter lifecycle between exploration and first oil and lower capital expenditure compared to deepwater drilling projects performed by mobile offshore drilling units, such as drillships. We believe this makes shallow-water drilling more attractive than deep-water projects in the current economic and industry climates. In addition to tender activity in which we participate through bidding, we also compete for new contract opportunities through direct negotiated transactions with customers, which we estimate represent approximately half of new contract opportunities. Between April 1, 2018, and December 31, 2022, (excluding backlog from joint venture operations which earns related party revenue) we signed 64 new contracts (47 as at December 31, 2021) for drilling services with an aggregate value of approximately US\$ 1,713.0 million (\$881.0 million as at December 31, 2021), including 35 (29 as at December 31, 2021) with new customers. During this period, we also signed six extensions and have had 23 options exercised.

Since the third quarter 2022, the Company secured new contracts, extensions and LOAs/LOIs for its rigs "Prospector 1", "Gunnlod", "Thor", "Arabia III" (f.k.a. "Frigg"), "Natt", "Ran" and "Gerd", increasing the Company's contracted or committed fleet to 21 units: one in the North Sea, four in the Middle East, four in West Africa, six in Southeast Asia and six in Mexico.

As of our latest fleet status report dated 16 February 2023 (see Section 6.5.2 ("The Rigs")), 21 of our 22 rigs were under contract. Subsequently, we have also secured a contract for the last rig, "Hild", as announced in the stock exchange release on www.newsweb.no 10 April 2023. The technical utilization for our working rigs was 98.9% in the fourth quarter of 2022, and the economic utilization 98.7%. Please see section 11.2.4 for information on the meaning of "technical utilization" and "economic utilization".

6.4.3 Become a preferred provider in the industry

We have established strong and long-term relationships with customers in the offshore drilling industry, including through our acquisition of Paragon Offshore Limited, have hired a strong team of experienced personnel and focused on increasing the volume of contract awards. The strategy includes identifying value adding services for our customers (such as integrated well contracts). Based on our premium and uniform fleet, our experienced team, and a solid industry network, we believe that we are well-positioned to capitalize on any improving market opportunities.

6.4.4 Establish high-quality, cost-efficient operations

We intend to be a leading offshore shallow-water drilling company by safely operating with a competitive cost base. Our key objective is to deliver the best operations possible, both in terms of Technical as well as Economic Utilization and QHSE performance, while also maximizing the deployment of our rigs and maintaining a competitive cost structure.

To facilitate our strategy, we have acquired one of the most modern and uniform fleets in the industry, with experienced and skilled individuals across the organization and on our Board. We expect to have an advantage, not only with regards to operating expenditures as a result of our largely standardized fleet, but also with regard to financing costs when compared to many of our industry peers.

6.5 Business description

6.5.1 General

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 operations 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.

6.5.2 The rigs

We own 22 jack-up rigs, with an additional two jack-up rigs scheduled to be delivered from Keppel in 2025. Upon delivery of these newbuild jack-up rigs, we will have a fleet of 24 premium jack-up rigs, which refers to rigs delivered from the yard in 2001 or later. From our initial acquisition of rigs in early 2017, we have expanded rapidly into one of the world's largest international offshore jack-up drilling contractors by number of jack-up rigs. The following chart illustrates the development in our fleet since our inception:

	As of and for the Year Ended					
	31 December					
	2022	2021	2020	2019	2018	2017
Total Fleet as of January 1	23	24	28	27	13	0
Jack-up Rigs Acquired	-	-	0	1	23	12

Newbuild Jack-up Rigs Delivered from Shipyards	-	-	2	2	9	1
Jack-up Rigs Disposed of (and semi-submersible rigs for 2020 only)	(1)	(1)	6	2	18	0
Total Fleet as of the end of the Year	<u>22</u>	<u>23</u>	<u>24</u>	<u>28</u>	<u>27</u>	<u>13</u>
Newbuild Jack-up Rigs not yet Delivered as of the end of Period	2	5	5	7	9	13
Total Fleet, including Newbuild Rigs not yet Delivered, as of the end of Period	<u>24</u>	<u>28</u>	<u>29</u>	<u>35</u>	<u>36</u>	<u>26</u>
Jack-up Rigs Committed to be Sold as of the end of Period	-	-	1	1	-	-

¹For 2022, the disposal relates to the sale of the jack-up rig "Gyme" and the decrease in newbuilding jack-up rigs not yet delivered relates to the sale of the "Tivar" which was delivered and subsequently sold during the year-ended 2022 as well as the sale of the two newbuildings "Huldra" and "Heidrun" which will be delivered in 2023 and subsequently sold.

**Fleet Status Report
As of February 16, 2022**

PREMIUM JACK-UP RIGS								
Rig Name	Rig Design	Rig Water Depth (ft)	Year Built	Customer/Status	Contract Start	Contract End	Location	Comments
Skald	KFELS Super B Bigfoot Class	400 ft	2018	PTTEP	Jun 2021	Jun 2024	Thailand	Operating with option to extend
Groa	PPL Pacific Class 400	400 ft	2018	Qatar Energy	Apr 2022	Apr 2024	Qatar	Operating with option to extend
Idun	KFELS Super B Bigfoot Class	350 ft	2013	Petronas Caligari	Mar 2022	Sept 2023	Malaysia	Operating
Thor	KFELS Super B Bigfoot Class	400 ft	2019	CPOC	Jul 2022	Oct 2023	Malaysia Thailand JDA	Operating with option to extend
Norve	PPL Pacific Class 400	400 ft	2011	BW Energy	Dec 2022	Apr 2023	Gabon	Operating with option to extend
Gerd	PPL Pacific Class 400	400 ft	2018	Addax	Feb 2022	Jan 2024	Cameroon	Operating with option to extend
Natt	PPL Pacific Class 400	400 ft	2018	ENI	Jan 2022	Feb 2024	Congo	Operating with option to extend
Ran (1)	KFELS Super A Class	400 ft	2013	Wintershall	Oct 2022	Jun 2023	Mexico	Operating
				Fieldwood Mexico	Jun 2023	Aug 2023	Mexico	Committed with option to extend
				Undisclosed	Oct 2023	May 2024	Latin America	Letter of Award
Odin	KFELS Super B Bigfoot Class	350 ft	2013	(Opex Perforadora) PEMEX	Oct 2022	Dec 2025	Mexico	Operating
Gersemi	PPL Pacific Class 400	400 ft	2018	(Opex Perforadora) PEMEX	Oct 2022	Dec 2025	Mexico	Operating
Grid	PPL Pacific Class 400	400 ft	2018	(Opex Perforadora) PEMEX	Oct 2022	Dec 2025	Mexico	Operating
Galar	PPL Pacific Class 400	400 ft	2017	(Opex Perforadora) PEMEX	Oct 2022	Dec 2025	Mexico	Operating
Njord	PPL Pacific Class 400	400 ft	2019	(Opex Perforadora) PEMEX	Oct 2022	Dec 2025	Mexico	Operating

Prospector 1	F&G, JU2000E	400 ft	2013	Neptune	Mar 2022	Aug 2023	Netherlands North Sea	Operating
Saga	KFELS Super B Bigfoot Class	400 ft	2018	Brunei Shell Petroleum	Nov 2022	Oct 2026	Brunei	Operating with option to extend
Prospector 5	F&G, JU2000E	400 ft	2014	ENI	Nov 2022	Feb 2024	Congo	Operating with option to extend
Mist	KFELS Super B Bigfoot Class	350 ft	2013	Mubadala	Jan 2023	Nov 2023	Thailand	Operating
Gunnlod	PPL Pacific Class 400	400 ft	2018	PTTEP	Apr 2022	Mar 2023	Malaysia	Operating
				Petra Energy	Apr 2023	May 2023	Malaysia	Committed
				Undisclosed	Jun 2023	Dec 2023	South East Asia	LOA
Arabia III	KFELS Super A Class	400 ft	2013	Saudi Aramco	Dec 2022	Q3 2023	Saudi Arabia	Contract Preparations
					Q3 2023	Q3 2028		Committed with option to extend
Arabia I	KFELS B Class	400 ft	2020	Saudi Aramco	Oct 2022	Oct 2025	Saudi Arabia	Operating with option to extend
Arabia II	KFELS B Class	400 ft	2019	Saudi Aramco	Oct 2022	Oct 2025	Saudi Arabia	Operating with option to extend
Hild	KFELS Super B Class	400 ft	2020	Available			Singapore	Warm Stacked

JACK-UP RIGS UNDER CONSTRUCTION/NOT DELIVERED

Rig Name	Rig Design	Rig Water Depth (ft)	Year Built	Customer/ Status	Contract Start	Contract End	Location	Comments*
Vale	KFELS Super B Bigfoot Class	400 ft	-	Under Construction	-	-	KFELS shipyard, Singapore	Rig Delivery July 2025
Var	KFELS Super B Bigfoot Class	400 ft	-	Under Construction	-	-	KFELS shipyard, Singapore	Rig Delivery September 2025

6.5.3 Material contracts

Other than the agreement entered into with Hercules on 2 December 2017, the agreements entered into with Transocean on 23 May 2017, the agreements entered into with Keppel on 24 May 2017, the agreement entered into with PPL on 6 October 2017, the agreement entered into with Paragon on 22 February 2018, the Master Agreement for the divestment of 14 rigs and the agreements entered into with Keppel in May 2018, no Group company has entered into any material contract outside the ordinary course of the Group's business since its incorporation other than as set out below.

6.5.3.1 Mexico Joint Ventures

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**") owned 51% of each of Opex and Akal. In addition, we provided five jack-up rigs on bareboat charters to two other joint venture companies, Perfomex and Perfomex II, in which we previously held a 49% interest. Perfomex

and Perfromex II provide the jack-up rigs under traditional dayrate drilling and technical services agreements to Opex and Akal.

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 Perfromex and Perfromex II joint ventures. The acquisition was completed on the same date.

Prior to August 4, 2021, Opex and Akal contracted 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 enabled Opex and Akal to provide bundled integrated well services to Pemex. The revenue earned was fixed under each of the Pemex contracts, while Opex and Akal managed the drilling services and related costs on a per well basis.

Effective October 20, 2022, all five jack-up rigs are provided to Perfromex on bareboat charters, thereby consolidating activities into Perfromex, for Perfromex's provision of traditional dayrate drilling and technical services to Opex. Effective from this date, Perfromex II continue to provide technical services to Opex, in addition to rig management services to external parties.

6.5.3.2 *Financing Arrangements*

At the date of this Prospectus, the Group has six major sources of loan financing, including:

- a) A US\$ 195 million secured term loan facility between, i.a., the Company and Hayfin Services LLP (the "**Hayfin Facility**");
- b) A US\$ 175 million senior secured credit facility agreement between, i.a., the Company and DNB Bank ASA (the "**DNB Facility**");
- c) Secured delivery financing facilities for the eight rigs in the Fleet which have been built and delivered from PPL, in the amount of US\$ 669.6 million, between, i.a., the Company and PPL (the "**PPL Financing**");
- d) Secured delivery financing facilities for the three rigs in the Fleet which have been built and delivered from Keppel, in the amount of US\$ 259.2, between, i.a., the Company and Offshore Partners (the "**Keppel Financing**");
- e) A US\$ 150 million secured bond issued by the Company in February 2023 (the "**Secured Bonds**"); and
- f) A US\$ 250 million senior unsecured convertible bond issued by the Company in February 2023 (the "**Convertible Bonds**" and together with 1-5 above the "**Financial Arrangements**").

Further, the Company has its US\$ 350 million convertible bond loan (the "**Former Convertible Bonds**"). The Former Convertible Bonds are due in May 2023. As part of the issue of the Convertible Bonds, we agreed to exchange with bondholders US\$21 million of the Former Convertible Bonds with Convertible Bonds, and in March 2023, we repaid US\$177.8 million of the Former Convertible Bonds thereby decreasing the outstanding amount under the Former Convertible Bonds from US\$ 350 million to US\$ 151.2 million. The purpose of the issue of the Secured Bonds and the Convertible Bonds was partly to repay the Former Convertible Bonds. As such, sufficient proceeds for the refinancing of the remaining part of the Former Convertible Bonds, and compliance with the remaining financial obligations, of the Former Convertible Bonds have been placed on a bank account in the name of the Company, pledged and blocked in favour of Nordic Trustee AS, acting as bond trustee for the Former Convertible Bonds, the Convertible Bonds and the Secured Bonds. As such, the Company considers the Former Convertible Bonds to be of a historical interest.

The Group has had various financing facilities and arrangements over the last three years. In October 2022 we entered into and drew on the DNB Financing, and we repaid the outstanding amounts under our US\$ 100 million and US\$ 450 million secured syndicated bank loan facilities with DNB Bank ASA and a syndicate of lending financial institutions. Following such refinancing, partly made possible through the DNB Financing, our rigs "Ran", "Arabia III" (formerly known as "Frigg") and "Odin" were released as security in the former secured facility agreements and made available for our new Secured Bonds.

In June 2020, January 2021 and October 2022, we have negotiated various waivers and amendments to terms in our financing arrangements applicable during such times. We have, i.a., extended delivery dates for rigs, maturity dates and interest payment dates, and received waivers for covenant compliance and payment obligations. As of the date of this Prospectus, we are not in breach of any of our financial obligations or covenants. Please refer to section 2.2.11 and 10.4 about risks regarding our liquidity position and our assumptions for our 2023 prospects.

The six main sources of loan financing currently available to the Company (other than the Former Convertible Bonds which will be repaid on maturity through defeasance) are described in detail in (a)-(f) below.

(a) The Hayfin Facility

On 25 June 2019, we entered into a US\$ 195 million senior secured term loan facility agreement with funds managed by Hayfin Capital Management LLP, as lenders, among others. Our wholly-owned subsidiary, Borr Midgard Assets Ltd., is the borrower under the Hayfin Facility, which is guaranteed by the Company and secured by mortgages over three of our jack-up rigs ("Skald", "Saga" and "Thor"), pledges over shares of and related guarantees from certain of the rig-owning subsidiaries who provide this security as owners of the mortgaged rigs (collectively the "**Ring Fenced Entities**") and general assignments of rig insurances, certain rig earnings, charters, intragroup loans and management agreements from our related rig-owning subsidiaries. Our Hayfin Facility matures in January 2025 and bears interest at a rate of SOFR plus a specified margin. The Hayfin Facility agreement includes a make-whole obligation if repaid during the first twelve months and, thereafter, a fee for early prepayment and final repayment.

Our Hayfin Facility agreement contains various financial covenants, including requirements that we maintain minimum liquidity equal to three months interest on the facility at times when the jack-up rigs providing security are not actively operating under an approved drilling contract (as defined in the Hayfin Facility agreement). Our Hayfin Facility agreement also contains a loan to value clause requiring that the fair market value of our rigs shall at all times cover at least 140% of the aggregate outstanding facility amount. The facility also contains various covenants which restrict distributions of cash from the Ring Fenced Entities to the Company or our other subsidiaries, and the management fees payable from Borr Midgard Assets Ltd.'s directly-owned subsidiaries to the Company or any of our subsidiaries. The Hayfin Facility also contains customary events of default which include any change of control, non-payment, cross default, breach of covenants, insolvency and changes which have or are likely to have a material adverse effect on the relevant obligor's business, ability to perform its obligations under the Hayfin Facility agreement or security documents or jeopardize the security provided thereunder. If there is an event of default, the lenders under the Hayfin Facility may have the right to declare a default or may seek to negotiate changes to the covenants and/or require additional security as a condition of not doing so. The lenders under the Hayfin Facility may also require replacement or additional security if the fair market value of the jack-up rigs over which security is provided is insufficient to meet the market value-to-loan covenant. In June 2020, Hayfin agreed to make certain amendments to the facility, including softening of some restrictions related to transfer of cash within the ring fenced structure, and allowing the Company to utilize the minimum liquidity equal to three months interest (US\$ 2.4 million at the time) in the Ring Fenced Entities to pay interest under the facility. The restricted cash was originally required to be replenished on 1 January 2021, however following loan agreement amendments in January 2021 this date was amended to 1 October 2021. As at 31 December 2021, we held US\$ 1.1 million of restricted cash relating to this facility and following the commencement of contract for "Thor", we no longer hold restricted cash under this facility.

Principal repayments of US\$ 20.0 million are due in 2023 and US\$ 30.0 million are due in 2024, in quarterly installments. The facility bears interest at SOFR plus a margin. In addition, our Hayfin facility contains a "most favored nation" clause which provides that our financial covenants shall be amended to reflect any more lender-favorable covenants that we agree in any other loan agreement as well as a clause that restricts certain amendments to other secured debt facilities including amendments that would increase principal amount, payments or margins or bring forward payment dates. The Hayfin Facility includes financial covenants in respect of minimum group cash and minimum book equity ratio at the same level as the DNB Facility.

As of 31 December 2022, the jack-up rigs "Saga", "Skald" and "Thor" were pledged as collateral for the US\$ 195 million Hayfin Facility. Total book value of the encumbered rigs was US\$ 381.8 million as of 31 December 2022.

As at 31 December 2022, the Company was in compliance with the requirements of its covenants under the Hayfin Facility.

(b) The DNB Facility

In October 2022, the Company entered into the DNB Facility with DNB Bank ASA as i.a. Original Lender, Agent and Security Agent. The facility was utilised to part-refinance the existing US\$ 450 million syndicated senior secured credit

facilities and the US\$ 100 million revolving credit facility the Company had with DNB and a syndicate of financial institutions, which were both fully refinanced in October 2022. Initially, the DNB Facility provided a US\$ 150 million facility, which was increased to US\$ 175 million by an amendment agreement in April 2023.

The DNB Facility matures in October 2025 and bears interest at three months compounded SOFR plus a margin.

Our obligations under our DNB Facility are secured by security customary for this type of financings, incl. mortgages over five of our jack-up rigs ("Prospector 1", "Prospector 5", "Norve", "Idun" and "Mist"), pledges over shares of and related guarantees from certain of our rig-owning subsidiaries who provide this security as owners of the mortgaged rigs and general assignments of rig insurances, certain rig earnings, charters, intragroup loans and management agreements from our related rig-owning subsidiaries.

The DNB Facility contains various financial covenants, incl. requirements that we maintain a minimum book equity ratio (i) until and including 31 December 2023 equal to or higher than 20%; (ii) from and including 1 January 2024 to and including 31 December 2024 equal to or higher than 25% and (iii) thereafter equal to or higher than 35%, a positive working capital balance, and a minimum liquidity equal to (i) parent cash of at least US\$ 10 million and group cash of at least US\$ 15 million to and including 31 December 2023, (ii) from and including 1 January 2024 to and including 31 December 2024, parent cash shall not at any time be less than US\$ 50 million and (iii) from and including 1 January 2025, parent cash shall not at any time be less than US\$ 75 million. The facility also contains a minimum market value clause requiring that the fair market value of our rigs shall at all times cover at least 175% of the aggregate loans outstanding under the facility from time to time.

The DNB Facility agreement also contains various covenants, including, among others, restrictions on incurring additional indebtedness and entering into and investing in joint ventures; covenants subjecting dividends to certain conditions which, if not met, would require the approval of our lenders prior to the distribution of any dividend; restrictions on the repurchase of our Shares; and restrictions on changing the general nature of our business. Our DNB Facility agreement also contains customary events of default which include non-payment, cross default, change of control, breach of covenants, insolvency and changes which have or are likely to have a material adverse effect on the relevant obligor's business, ability to perform its obligations under the DNB Facility agreement or security documents or jeopardize the security provided thereunder. If there is an event of default, the lenders may have the right to declare a default or may seek to negotiate changes to the covenants and/or require additional security as a condition of not doing so. The lenders may also require replacement or additional security if the fair market value of the jack-up rigs over which security is provided is insufficient to meet our minimum market value covenant. In addition, the DNB Facility contains a "Most Favored Nation" clause giving the lenders i.a. a right to amend the financial covenants to reflect any more lender-favorable covenants in any other agreement pursuant to which loan or guarantee facilities are provided to us.

(c) Shipyard facilities with PPL

In October 2017, we agreed to acquire the PPL Rigs. All nine PPL Rigs have been delivered as of the date of this Prospectus. In connection with delivery of the PPL Rigs, our rig-owning subsidiaries as buyers of the PPL Rigs agreed to accept delivery financing for a portion of the purchase price equal to US\$ 87 million per jack-up rig.

The PPL Financing for each PPL Rig is an interest-bearing secured seller's credit, with the borrower either being a rigowner, in which case its obligations are guaranteed by the Company, or the borrower is the Company, with the rigowner as guarantor and provider of security in its assets. Each seller's credit originally matured on the date falling 60 months from the delivery date of the respective PPL Rig. However, in January 2021 and October 2022, amendments were made to amend maturity dates for the loans to May 2025. The PPL Financing bears interest at 3-month US\$ LIBOR plus a variable marginal rate. Interest accrues and is payable quarterly in arrears.

The PPL Financing is cross-collateralized and secured by a mortgage on such PPL Rig and an assignment of the insurances in respect of such PPL Rig, contract assignments and share security. The PPL Financing also contains various covenants and the events of default include non-payment, cross default, breach of covenants, insolvency and changes which have or are likely to have a material adverse effect on the relevant obligor's business, ability to perform its obligations under the PPL Financing agreements or security documents, or jeopardize the security. In addition, each rig-owning subsidiary is subject to covenants which management consider to be customary in a transaction of this nature. Following amendments in June 2020, cash payments of interest were suspended in relation to these rigs for the period from the first quarter of 2020 to the fourth quarter of 2021, and accrued interest was to become payable in the first quarter of 2022, except for US\$ 1 million which was payable per quarter from the first quarter of 2020. Accrued, unpaid interest is

guaranteed by Borr IHC. In January 2021, further amendments were made to the terms of various of the covenants, and repayment dates were amended to occur in May 2023.

The terms of the PPL Financing were amended in October 2022, which included: (i) extending the maturities from 2023 to 2025, (ii) revised payments of capitalized interest in 2022 of US\$ 37.9 million (of which US\$ 13.9 million was paid on completion in October 2022, and US\$ 24.0 million was paid in December 2022), payments in March 2023 of US\$ 20.0 million to be applied to repay a portion of capitalized interest and quarterly repayments of the remaining capitalized interest as of March 2023, with 50% payable in 2023 and 50% payable in 2024, (iii) payment of an extension fee of US\$ 7.5 million which was paid in November 2022, (iv) repayment of principal of US\$ 60 million in 2023 and US\$ 64.0 million in 2024, (v) applying 20% of future equity offerings to pay down this facility, to be applied first to accrued interest, and (vi) the sale by 15 November 2022 of the rig "Gyme".

On 15 November 2022, we completed the sale of "Gyme" for US\$ 120.0 million. The net proceeds from the sale were applied to repay principal, back-end fee and accrued interest for the rig, and any excess amounts received by PPL were applied to the capitalized interest for the eight other rigs which are financed by PPL. Prior to the sale of "Gyme", these facilities were secured by nine rigs, following such sale the facilities are secured by eight rigs.

(d) Shipyard facilities with Keppel

In May 2018, we agreed to acquire five premium KFELS B class jack-up rigs, three completed and two under construction from Keppel. In connection with the agreement to acquire these rigs, Keppel agreed to provide financing for a portion of the purchase price equal of US\$ 90.9 million per jack-up rig. Keppel provided such financing for the three rigs that have been delivered to us, "Hild", "Arabia I" and "Arabia II", and such financing is referred to herein as the Keppel Financing.

The Keppel Financing is an interest-bearing secured facility from Offshore Partners Pte Ltd (formerly known as Caspian Rigbuilders Pte. Ltd.) (an affiliate of Keppel), guaranteed by the Company, which has been made available on delivery of each rig from Keppel. The Keppel Financing matures in October 2025 ("Arabia II"), January 2026 ("Arabia I") and April 2026 ("Hild").

The Keppel Financing bears interest at 3-month US\$ LIBOR plus a variable marginal rate, which accrues, and first cash payment of interest is payable beginning on the third anniversary of delivery.

The terms of the Keppel Financing have been amended in June 2020, January 2021 and October 2022, including, i.a., extension of maturity dates.

The Keppel Financing is secured by a mortgage over each of "Arabia I", "Arabia II" and "Hild", assignments relating to these rigs of certain contracts, earnings and insurances and a charge over the shares of the respective three rig-owning subsidiaries owning such rigs.

The Keppel Financing also contains a loan to value clause requiring that the fair market value of each of "Hild", "Arabia I" and "Arabia II" shall at all times cover at least 130% of the loan relating to such rig. The Keppel Financing also contains various customary covenants, including, among others, restrictions on incurring additional indebtedness.

Further, the Keppel Financing also contains events of default provisions, which for example include non-payment, cross default, breach of covenants, insolvency and changes which have or are likely to have a material adverse effect on the relevant obligor's business, ability to perform its obligations under the Keppel Financing or security documents, or jeopardize the security provided thereunder.

As mentioned above, we agreed with Keppel an acquisition of five rigs in May 2018. However, the Group only took delivery of three rigs. Two rigs, "Hermod" and "Huldra", could not be delivered as anticipated. In addition, we had an agreement with Keppel for the acquisition of the three rigs "Tivar", "Var" and "Vale" pursuant to the Transocean Transaction (our rights to purchase Tivar has, however, subsequently been novated to a third party buyer as described in section 6.3.3).

In June 2020, we agreed to defer the delivery of Huldra and Heidrun to the third quarter of 2022 and defer delivery of "Tivar", "Var" and "Vale" to second and third quarter of 2022. The total remaining purchase price for these five rigs was US\$ 624 million, plus costs accrued for deferring delivery dates of the rigs.

In September 2022, we amended these agreements to provide for the sale of "Huldra", "Heidrun" and "Tivar" to a third party for total consideration of US\$ 320.0 million under a separate agreement with a third party buyer. As described under in section 6.3.2, these sales have now closed, and the net proceeds have been used to pay the delivery installments of these three rigs, thereby releasing the Company from any and all obligations and liabilities in relation to these contracts.

The amendments made to the rig acquisition and financing agreements with Keppel, provides for the Company to purchase "Vale" in July 2025 and "Var" in September 2025 for an aggregate purchase price of US\$ 147.4 million per rig, of which Keppel has, subject to the preparation, execution and delivery of and on the terms of a credit agreement and related documentation in form and substance reasonably satisfactory to the creditor, committed to finance US\$ 130 million for each rig (the "**Anticipated Keppel Financing**"). In addition, the Company is liable to pay the cost for deferral of delivery of these two rigs at 7.5% per annum to be paid 50% in 2023 and 50% in 2024.

(e) Secured Bonds

In February 2023, the Company raised US\$ 150.0 million through the issuance of the Secured Bonds, which mature in February 2026. The Secured Bonds have a coupon of 9.50% per annum payable semi-annually in arrears in equal instalments.

The bond proceeds have been utilised (through defeasance) to part-refinance the Former Convertible Bond due in May 2023.

Our obligations under our Secured Bonds are secured by security customary for this type of financings, incl. mortgages over our jack-up rigs "Frigg", "Odin" and "Ran", pledges over shares of and related guarantees from certain of our rig-owning subsidiaries who provide this security as owners of the mortgaged rigs and general assignments of rig insurances, certain rig earnings, charters, intragroup loans and management agreements from our related rig-owning subsidiaries.

The Secured Bonds contain various financial covenants, incl. requirements that we maintain a minimum book equity ratio (i) until and including 31 December 2023 equal to or higher than 20%; (ii) from and including 1 January 2024 and thereafter equal to or higher than 25%, a positive working capital balance, and a minimum liquidity (being cash and cash equivalents and undrawn and available amounts under revolving credit facilities with more than 6 months to maturity) on a consolidated basis for the group equal to (i) at least US\$ 15 million to and including 31 December 2023 and (ii) from and including 1 January 2024 and thereafter at least US\$ 50 million.

The Secured Bonds also contain various covenants, including, among others, restrictions on incurring additional indebtedness, covenants subjecting dividends to certain conditions which, if not met, would require the approval of the bondholders prior to the distribution of any dividend; restrictions on the repurchase of our Shares; and restrictions on changing the general nature of our business. Our Secured Bonds also contain customary events of default which include non-payment, cross default, change of control, breach of covenants, insolvency and changes which have or are likely to have a material adverse effect on the relevant obligor's business, ability to perform its obligations under the Secured Bonds or security documents or jeopardize the security provided thereunder. If there is an event of default, the bondholders may have the right to declare a default or may seek to negotiate changes to the covenants and/or require additional security as a condition of not doing so.

(f) Convertible Bonds

In February 2023, Borr Drilling Limited raised US\$ 250.0 million through the issuance of senior unsecured convertible bonds, which mature in February 2028 (the "New Convertible Bonds"). The convertible bonds have a coupon of 5% per annum payable semi-annually in arrears in equal instalments.

The bond proceeds have been utilised (through part repayment and defeasance) to part-refinance the existing US\$ 350 million Convertible Bond due in May 2023, and the remaining proceeds exceeding amounts required to refinance the remaining part of the US\$ 350 million Former Convertible Bonds (cf. section 6.5.3.2) shall be utilised for general corporate purposes.

The new Secured Bonds contain certain customary covenants, including, among others, restrictions on changing the general nature of our business, in addition to customary events of default which include non-payment, cross default, breach of covenants and insolvency. If there is an event of default, the bondholders may have the right to declare a default or may seek to negotiate changes to covenants as a condition of not doing so.

6.5.4 Competitors

The shallow-water offshore contract drilling industry is highly competitive. We compete on a worldwide basis and competition varies by region at any particular time. Our competition ranges from large international companies offering a wide range of drilling and other oilfield services to smaller, locally owned companies. Some of our competitors' fleets comprise a combination of offshore, onshore, shallow, midwater and deepwater rigs. We seek to differentiate our company from most of our competitors, which have mixed fleets, by exclusively focusing on shallow-water drilling which we believe allows us to optimize our size and scale and achieve operational efficiency.

Drilling contracts are traditionally awarded on a competitive basis, whether through tender or direct negotiations. We believe that the principal competitive factors in the markets we serve are pricing, technical capability of service and equipment, condition and age of equipment, rig availability, rig location, safety record, crew quality, operating integrity, reputation, industry standing and customer relations. We have made significant equity investments in our jack-up rigs and have built a fleet consisting of premium jack-up rigs with proven design and quality equipment, acquired at what we believe are attractive prices. We believe we have a fleet of high-quality jack-up rigs, which allow us to competitively bid on industry tenders on the basis of the modern technical capability, condition, and age of our jack-up rigs. In addition, we believe our focus on QHSE performance will complement our modern fleet, further allowing us to competitively bid for drilling contracts.

6.5.5 Commercial management and operations

Borr Drilling Limited and its Board are responsible for determining the strategic vision and ultimate direction of our business, determining the principles of our business strategy and policies, and promoting our long-term interests. Our Board possesses and exercises oversight authority over our business and, subject to our governing documents and applicable law, generally delegates day-to-day management of the Company to our senior management team. Viewed from this perspective, our Board generally oversees risk management and our senior management team generally manage the material risks that we face. The Board must, however, be consulted on all matters of material importance and/or of an unusual nature and, for such matters, will provide specific authorization to personnel in our senior management to act on its behalf.

6.6 Health and safety matters

We are focused on developing a strong quality, health, safety, and environment, or QHSE, culture and performance history. We believe that the combination of quality jack-up rigs and experienced and skilled employees contributes to the safety and effectiveness of our operations. Since the 2010 Deepwater Horizon Incident, there has been an increased focus on offshore drilling QHSE issues by regulators as well as by the industry. As a result, E&P Companies have imposed increasingly stringent QHSE rules on their contractors, especially when working on challenging wells and operations where the QHSE risks are higher. Our commitment to strong QHSE culture and performance is reflected in our Technical Utilization rate (cf. section 11.2.4) of 98.0% in 2022 and our safety record with a Total Recordable Incident Frequency of 1.71 at the end of 2022, lower than that of the IADC industry benchmark. We believe our focus on providing safe and efficient drilling services will enhance our growth prospects as we work toward becoming one of the preferred providers in the industry.

6.7 Insurance

6.7.1 Risk of Loss and Insurance

Our operations are subject to hazards inherent in the drilling of oil and gas wells, including blowouts, punch through, loss of control of the well, abnormal drilling conditions, mechanical or technological failures, seabed cratering, fires, and pollution, which could cause personal injury, suspend drilling operations, or seriously damage or destroy the equipment involved. Offshore drilling contractors such as us are also subject to hazards particular to marine operations, including capsizing, grounding, collision and loss or damage from severe weather. Litigation arising from such an event may result in us being named a defendant in lawsuits asserting large claims.

As is customary in the drilling industry, we attempt to mitigate our exposure to some of these risks through indemnification arrangements and insurance policies. We carry insurance coverage for our operations in line with industry practice and our insurance policies provide insurance cover for physical damage to the rigs, loss of income for certain rigs and third-party liability, including:

6.7.1.1 Physical Damage Insurance: Hull and Machinery Insurance

We purchase hull and machinery insurance for our entire fleet and all of our fleet equipment to cover the risk of physical damage to a rig. The level of coverage for each rig reflects its agreed value when the insurance is placed. We effectively

self-insure part of the risk as any claim we make under our insurance will be subject to a deductible. The deductible for each rig reflects the market value of the rig and is currently a weighted average maximum of approximately US\$ 1.1 million per claim (with the actual deductible reflecting the rig value).

6.7.1.2 War Risk Insurance

We maintain war risk insurance for our rigs up to a maximum amount of US\$ 500 million per rig depending on the value of the protection and indemnity and hull and machinery insurance policies for each rig and subject to certain coverage limits, deductibles, and exclusions. The terms of our war risk policies include a provision whereby underwriters can, upon service of seven days' prior written notice to the insured, cancel the policies in the event that the insured has or may have breached sanctions. Further, the policies will automatically terminate after the outbreak of war, or war-like conditions, between two or more of China, the United States of America, the United Kingdom, Russia, and France.

6.7.1.3 Loss of Hire Insurance

We maintain loss of hire insurance for certain of our jack-up rigs to cover loss of revenue in the event of extensive downtime caused by physical damage covered by our hull and machinery insurance policies. Provided such downtime continues for more than 45 days, the policies will cover an agreed daily rate of hire for such downtime up to a maximum of 180 days, not to exceed 100% of the daily loss of hire for such period. The decision to obtain loss of hire insurance is taken where required by the terms of our Financing Arrangements in respect and otherwise on a case-by-case basis whenever a rig is contracted for drilling operations. The amount covered under a loss of hire policy will depend on, among other things, the duration of the contract, the contract rates, and other terms of the relevant drilling contract.

6.7.1.4 Protection and Indemnity Insurance

We purchase protection and indemnity insurance and excess umbrella liability insurance. Our protection and indemnity insurance covers third-party liabilities arising from the operation of our rigs, including personal injury or death (for crew and other third-parties), collisions, damage to fixed and floating objects and statutory liability for oil spills and the release of other forms of pollution, such as bunkers, and wreck removal. The protection and indemnity insurance policies, together with our excess umbrella policy, cover claims up to the maximum of the agreed total claim amount, but not exceeding the maximum of US\$ 510 million (for our operational rigs) or US\$ 210 million (for our stacked rigs), as applicable, depending on contractual obligations and area of operation. The excess umbrella insurance policy referred to above covers an additional US\$ 100 million to US\$ 300 million per event, in addition to our protection and indemnity insurance policies, as part of our overall combined maximum insurance coverage. If the aggregate value of a claim against one of our rig-owning subsidiaries under a protection and indemnity insurance policy exceeds the maximum of US\$ 210 million or US\$ 310 million (for our rigs in Mexico), the excess umbrella insurance policy will cover an additional agreed amount. We are self-insured for costs in excess of the overall combined maximum limit of coverage, or US\$ 210 million for stacked rigs and the agreed aggregate limit between US\$ 310 million and US\$ 510 million for an operational rig, as agreed. If the aggregate value of a claim against one of our subsidiaries under a protection and indemnity insurance policy exceeds US\$ 210 million or US\$ 310 million, the excess umbrella policy will for rigs that are not laid-up cover an additional sum between US\$ 100 million and US\$ 300 million as agreed for each rig, but maximum US\$ 510 million combined, meaning that we are self-insured for costs in excess of the total combined limit, as agreed. We retain the risk for the deductible of up to US\$ 25,000 per claim relating to protection and indemnity insurance or up to US\$ 250,000 for claims made in the United States.

We also maintain insurance policies and excess insurance policies against general liability and public liability for onshore statutory and contractual risks, mainly related to employment, tenant, warehouses and other on-shore activities. The insured value under each individual policy is between US\$ 1 million and US\$ 5 million and is complemented by the excess umbrella policy which provides for an additional aggregate excess limit of US\$ 50 million per annum.

Management considers our level of insurance coverage to be appropriate for the risks inherent to our business. The determination of the appropriate level of insurance coverage is made on an individual asset basis taking into account several factors, including the age, market value, cash flow value and replacement value of our jack-up rigs, their location and operational status.

6.7.1.5 Legal proceedings

The Group is not, nor has it been during the course of the preceding 12 months, involved in any legal, governmental or arbitration proceedings which may have, or has had in the recent past, significant effects on the Group's and/or the Group's financial position or profitability. The Group is not aware of any other such aforementioned proceedings which are pending or threatened.

6.8 Regulations

6.8.1 Introduction

We are an international company registered under the laws of Bermuda. Our principal executive offices are located in Bermuda and the management headquarters of Borr Drilling Management (UK) Limited are located in the United Kingdom, while we have business operations in five geographical locations, Middle East, Europe, West Africa, Mexico and South East Asia as well as in various countries where our rigs are operating or being reactivated. As a result of this organisational structure and the scope of our operations, we are subject to a variety of laws in different countries, including those related to the environment, health and safety, personal privacy and data protection, content restrictions, telecommunications, intellectual property, advertising and marketing, labour, foreign exchange, competition and taxation. These laws and regulations are constantly evolving and may be interpreted, implemented, or amended in a manner that could harm our business. It also is likely that if our business grows and evolves and our rigs and services are used more globally, we will become subject to laws and regulations in additional jurisdictions. This Section sets forth the summary of material laws and regulations relevant to our business operations.

6.8.2 Flag state requirements

Flag state requirements reflect international maritime requirements which impose engineering, safety and other requirements related to offshore industries generally. In order to maintain class certification to verify the integrity of our jack-up rigs and maintain compliance with class requirements, we could be required to take a jack-up rig out of service for repairs, upgrades or modifications which could have a significant cost and impact operating revenue.

6.8.3 International Maritime Regimes

We are required to comply with certain international maritime legal requirements which form part of a maritime regime which regulates pollution and other risks to the environment. When we retire rigs from the international fleet we are required to comply with regulations on the transit and safe recycling of hazardous materials. In certain circumstances, these laws may impose strict liability, rendering us liable for environmental and natural resource damages without regard to negligence or fault on our part. Implementation of new environmental laws or regulations that may apply to jack-up rigs may subject us to increased costs or limit the operational capabilities of our rigs and could materially and adversely affect our operations and financial condition. Applicable environmental laws and regulations for our current operations include the Basel Convention, the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 (when it enters into force) as well as European Union regulations, including the E.U. Directive 2013/30 on the Safety of Offshore Oil and Gas Operations, Regulation (EC) No 1013/2006 on Shipments of Waste and Regulation (E.U.) No 1257/2013 on Ship Recycling. As we operate in other regions, such as the US or Brazil, additional environmental laws and regulations would apply to our operations.

Furthermore, the International Convention for the Prevention of Pollution from Ships, the International Convention on Civil Liability for Oil Pollution Damage of 1969, the International Convention on Civil Liability for Bunker Oil Pollution Damage of 2001 (ratified in 2008), the International Convention for the Safety of Life at Sea of 1974, the Code for the Construction and Equipment of Mobile Offshore Drilling Units, 2009 and the International Convention for the Control and Management of Ships' Ballast Water and Sediments, effective as of 2017 (the "**BWM Convention**") regulate air emissions and other discharges to the environment from our jack-up rigs worldwide, and we may incur costs to comply with these regimes and continue to comply with these regimes as they may be amended in the future. In addition, these conventions impose liability for certain discharges, including strict liability in some cases.

Annex VI to MARPOL sets limits on sulphur dioxide and nitrogen oxide emissions from ship exhausts and prohibits deliberate emissions of ozone depleting substances. Annex VI applies to all ships and, among other things, imposes a global cap on the sulphur content of fuel oil and allows for specialized areas to be established internationally with even more stringent controls on sulphur emissions. All of our rigs comply with these requirements.

The BWM Convention requires a phased introduction of mandatory ballast water exchange requirements (beginning in 2009), to be replaced in time with a requirement for mandatory ballast water treatment. The BWM Convention entered into force on 8 September 2017. Under its requirements, for jack-up rigs with a ballast water capacity of more than 5,000 cubic meters that were constructed in 2011 or before, only ballast water treatment will be accepted by the BWM Convention. All of our jack-up rigs considered in operational status are in full compliance with the staged implementation of the BWM Convention by IMO guidelines.

6.8.4 International safety regulations

Our operations are subject to special safety regulations relating to drilling and to the oil and gas industry in many of the countries where we operate. which may impact our operations and financial results by adding to the costs of exploring for, developing, and producing oil and gas in offshore settings. For instance, in April 2016, BSEE published a final rule that sets more stringent design requirements and operational procedures for critical well control equipment used in offshore oil and gas drilling. The rule adds new requirements and amends existing ones to, among other things, set new baseline standards for the design, manufacture, inspection, repair and maintenance of blowout preventers and the use of double shear rams. The rule contains a number of other requirements, including third-party verification and certifications, real-time monitoring of deepwater and certain other activities, and sets criteria for safe drilling margins.

In May 2019, BSEE revised the 2016 rule to correct errors and reduce regulatory burdens determined to be unnecessary. The requirements of these regulations are likely to increase the costs of our operations and may lead our customers to not pursue certain offshore opportunities because of the increased costs, delays, and regulatory risks. In July 2016, BOEM issued a final Notice to Lessees and Operators substantially revising and making more stringent supplemental bonding procedures for the decommissioning of offshore wells, platforms, pipelines, and other facilities. In June 2017, BOEM announced that the implementation timeline would be extended, except in circumstances where there is a substantial risk of non-performance of such obligations.

In addition, in December 2015, BSEE announced the launch of a pilot risk-based inspection program for offshore facilities. New requirements resulting from the program may cause us to incur costs and may result in additional downtime for our jack-up rigs in the U.S. Gulf of Mexico. The E.U. has also undertaken a significant revision of its safety requirements for offshore oil and gas activity through the issuance of the E.U. Directive 2013/30 on the Safety of Offshore Oil and Gas Operations.

6.8.5 Other Laws and Regulations

In addition to the requirements described above, our international operations in the offshore drilling segment are subject to various other international conventions and laws and regulations in countries in which we operate, including laws and regulations relating to the importation of, and operation of, jack-up rigs and equipment, currency conversions and repatriation, oil and gas exploration and development, taxation of offshore earnings, taxation of the earnings of expatriate personnel, the use of local employees and suppliers by foreign contractors and duties on the importation and exportation of our rigs and other equipment. There is no assurance that compliance with current laws and regulations or amended or newly adopted laws and regulations can be maintained in the future or that future expenditures required to comply with all such laws and regulations in the future will not be material.

6.9 Overview of regulatory disclosures over the last 12 months relevant as at the date of this Prospectus

Set out below is a summary of the information disclosed under Regulation (EU) No 596/2014 over the lasts 12 months which is relevant as at the date of the Prospectus:

Date	Title	Content
10.4.2023	Borr Drilling Limited - Announcement of new contract	Drilling rig "Hild" received a letter of award.
30.3.2023	Borr Drilling Limited files its 2022 Annual Report on Form 20-F	Filing of the Company's 2022 Annual Report on Form 20-F
24.2.2023	Borr Drilling Limited - Increase in share capital	The Company's issued share capital has been increased to US\$ 25,426,359.80, divided into 254,263,598 shares.
23.2.2023	Borr Drilling Limited - SGM Results Notification	Results from the SGH held on 23 February 2023
16.2.2023	Borr Drilling Limited - Q4 2022 Presentation	The presentation of the Company's Q4 2022 results

16.2.2023	Borr Drilling Limited Announces Fourth Quarter and Full Year 2022 Preliminary Results	The Company's Q4 and preliminary FE 2022 results
3.2.2023	Borr Drilling Limited - Notice of Special General Meeting of Shareholders	Notice of a Special General Meeting to be held on 23 February 2023
1.2.2023	Borr Drilling Limited - Increase in share capital	The Company's issued share capital has been increased to US\$ 24,426,359.80, divided into 244,263,598 shares.
26.1.2023	Borr Drilling Limited announces successful placement of US\$ 150 million senior secured bonds due 9 February 2026	The successful placement of senior secured bonds due 2026 in an amount of US\$ 150 million.
26.1.2023	Borr Drilling Limited announces the initial conversion price of its US\$ 250 million convertible bond offering and successful placement of the US\$ 150 million secured bond offering due 9 February 2026	The reference share price and initial conversion price of the Convertible Bond
25.1.2023	Borr Drilling Limited - Announces successful placement of US\$ 250 million senior unsecured convertible bonds due 8 February 2028	The successful placement of senior unsecured convertible bonds due 2028 (the "Convertible Bonds") with a total size of US\$ 250 million
20.1.2023	Borr Drilling Limited - Announcement of Letter of Award	Drilling rig "Ran" received a Letter of Award ("LOA")
30.12.2022	Borr Drilling Limited - Announcement of New Contracts and Fleet Status Report	Awarded new contracts for jack-up drilling rigs Frigg and Gunnlod.
17.11.2022	Borr Drilling Limited - Interim Financial Report on Form 6-K	Q3 2022 results
17.11.2022	Borr Drilling Limited - Q3 2022 Presentation	The presentation of the Company's Q3 2022 results
17.11.2022	Borr Drilling Limited Announces Third Quarter and Nine Months 2022 Preliminary Results	The Company's Q3 and nine months 2022 preliminary results
20.10.2022	Borr Drilling Limited - New 3-year contracts for 5 jack-up drilling rigs in Mexico	The Company's joint venture company in Mexico (Perfomex) has entered into new contracts for the Company's five premium jack-up rigs "Galar", "Gersemi", "Grid", "Njord" and "Odin"
13.10.2022	Borr Drilling Limited Announces Sale of the Jack-up Drilling Rig "Gyme"	Sale of the jack-up drilling rig "Gyme"
30.9.2022	Borr Drilling Limited: 2022 AGM Results Notification	Results of the 2022 AGM
6.9.2022	Borr Drilling Limited - Notice of Annual General Meeting 2022	Notice of an Annual General Meeting to be held on 30 September 2023

26.8.2022	Borr Drilling Limited - Increase in share capital	The Company's issued share capital has been increased to US\$ 22,926,359.80, divided into 229,263,598 shares.
25.8.2022	Borr Drilling Limited - SGM Results Notification and Conditions for Second Settlement of Equity Offering Met	Results of the SGM and update on conditions of the US Share Offer
19.8.2022	Borr Drilling Limited - Exercise of Option to Purchase Additional Shares	Exercise of purchase option
17.8.2022	Borr Drilling - First Settlement in the US Offering of Common Shares	Settlement of US Share Offer
16.8.2022	Borr Drilling Limited - SGM Results Notification and Conditions for First Settlement of Equity Offering Met	Results of the SGM and update on conditions of the US Share Offer
11.8.2022	Borr Drilling Limited - Notice of Special General Meeting of Shareholders	Notice of an SGM to be held on 25 August 2022
11.8.2022	Borr Drilling Limited - Interim Financial Report on Form 6-K	Q2 results
10.8.2022	Borr Drilling Limited Announces Pricing of Public Offering of Common Shares	Announcement of an US Share Offer
9.8.2022	Borr Drilling - NYSE public offering	Announcement of plans of an US Share Offer
9.8.2022	Borr Drilling Limited - Q2 2022 Presentation	The presentation of the Company's Q2 2022 results
9.8.2022	Borr Drilling Limited Announces Second Quarter and Six Months 2022 Preliminary Results	The Company's Q2 and six months 2022 preliminary results
5.8.2022	Borr Drilling Limited - Notice of Special General Meeting of Shareholders	Notice of an SGM to be held on 16 August 2022
4.8.2022	Borr Drilling Limited - Announcement of LOI for jack-up drilling rig	The Company received a binding Letter of Intent ("LOI") for the jack-up drilling rig "Prospector 5"
21.7.2022	Borr Drilling Limited - Update Refinancing	Update on the negotiations with its secured creditors and a possible equity offering
15.7.2022	Borr Drilling Limited - Announcement of LOA for jack-up drilling rig	The Company received a binding Letter of Award ("LOA") for the jack-up drilling rig "Mist"
14.7.2022	Borr Drilling Limited - Information on Potential Equity Offering	Update regarding the agreements in principle reached with secured creditors for a refinancing of a majority of its secured debt
14.7.2022	Borr Drilling Limited - Update on Refinance	Update regarding the status of the negotiation with its secured creditors
30.6.2022	Borr Drilling Limited - Update on Refinance	Update regarding the status of the negotiation with its creditors

27.6.2022	Borr Drilling Limited Enters into Letter Of Intent for the sale of three Jack-Ups	The Company signed a binding letter of intent for the sale of 3 high-specification units under construction: "Tivar", "Huldra" and "Heidrun"
31.5.2022	Borr Drilling Limited - Interim Financial Report on Form 6-K	Q1 results
31.5.2022	Borr Drilling Limited - Q1 2022 Presentation	The presentation of the Company's Q1 2022 results
31.5.2022	Borr Drilling Limited Announces Preliminary Results for the First Quarter of 2022	The Company's Q1 and three months 2022 preliminary results
18.5.2022	Borr Drilling Limited - Announcement of LOA for jack-up drilling rig	The Company has secured a binding Letter of Award ("LOA") for the jack-up drilling rig "Saga"
6.5.2022	Borr Drilling Limited 2021 Annual Report on Form 20-F European Single Electronic Format (ESEF)	Filing of the Company's 2021 Annual Report on Form 20-F European Single Electronic Format (ESEF)
1.5.2022	Borr Drilling Limited - Increase in share capital	The Company's issued share capital has been increased to US\$ 15,290,150.80, divided into 152,901,508 shares.
11.4.2022	Borr Drilling Limited files its 2021 Annual Report on Form 20-F	Filing of the Company's 2021 Annual Report on Form 20-F
4.4.2022	Borr Drilling Limited - Announcement of new contracts and extensions for jack-up drilling rigs	The Company has been awarded new contracts and extensions for 5 of its jack-up drilling rigs
2.3.2022	Borr Drilling Limited - Changes to the Board of Directors	Amendments to the Board of Directors

7 DIVIDENDS AND DIVIDEND POLICY

7.1 Dividend policy

Under the Company's Bye-laws, its Board may declare cash dividends or distributions, and may also pay a fixed cash dividend biannually or on other dates. The Company has not paid any dividends to its shareholders since incorporation and has currently no fixed and detailed dividend policy. We aim to distribute a portion of our future earnings from operations, if any, to our shareholders from time to time as determined by our Board. Any dividends declared in the future will be at the sole discretion of our Board and will depend upon earnings, market prospects, current capital expenditure programmes and investment opportunities.

Since the Company is a holding company with no material assets other than the shares of its subsidiaries through which it conducts its operations, its ability to pay dividends will depend on its subsidiaries distributing to the Company their earnings and cash flow. Some of our loan agreements currently limit or prohibit our subsidiaries' ability to make distributions to us and our ability to make distributions to our shareholders.

7.2 Legal constraints on the distribution of dividends

A Bermuda company may not, as per Section 54 of the Bermuda Companies Act, declare or pay a dividend, or make a distribution out of contributed surplus equity, if there are reasonable grounds for believing that (i) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) the realizable value of the Company's assets would thereby be less than its liabilities or in circumstances that would result in an unlawful reduction of share capital or share premium.

"Contributed Surplus", for the purpose of Section 54 of the Bermuda Companies Act, includes proceeds arising from donated shares, credits resulting from the redemption or conversion of shares at less than the amount set up as nominal capital and donations of cash and other assets to the Company.

Under the Bye-laws, the Board may declare dividends and distributions without the approval of the shareholders in general meetings.

7.3 Manner of dividend payments to holders of Shares

Any future payments of dividends on the Shares will be made in the currency of the bank account of the relevant holder of Shares registered with the VPS and will be paid to the holder through the VPS. Holders of Shares registered in the VPS who have not supplied the VPS with details of their bank account, will not receive payment of dividends unless they register their bank account details with their VPS registrar, and transfer fees may apply for payments made in such manner. The exchange rate(s) that is applied when denominating any future payments of dividends to the relevant holder's currency will be the exchange rate of the relevant bank on the payment date. Dividends will be credited automatically to the VPS registered holders' accounts, or in lieu of such registered account, at the time when the holder of Shares has provided the VPS registrar with their bank account details. The right to payment of dividend will lapse three years following the resolved payment date for those holders of Shares who have not registered their bank account details with the VPS registrar.

8 INDUSTRY AND MARKET OVERVIEW

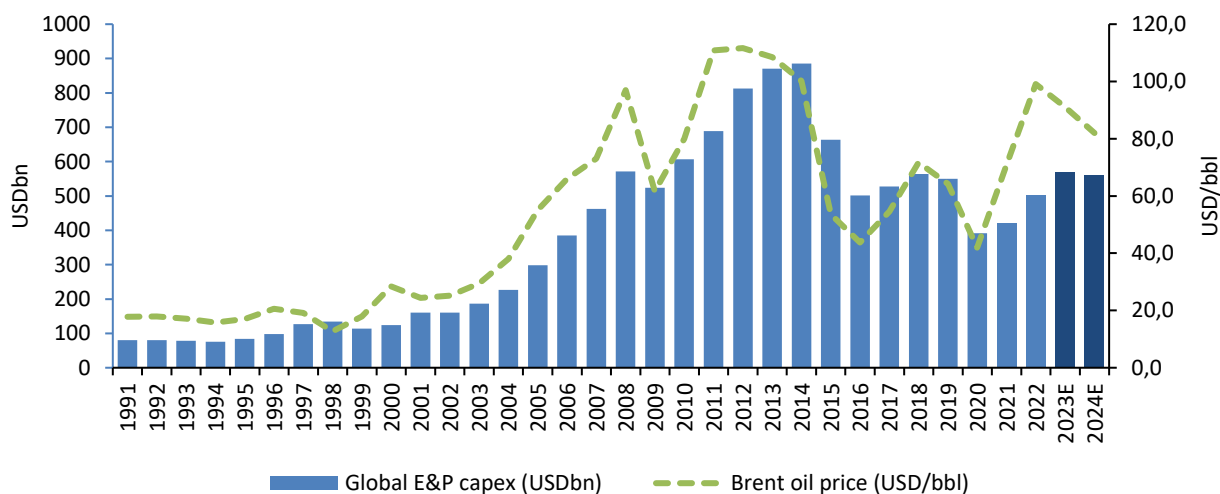
8.1 Introduction

The Group operates in the offshore drilling market which is a part of the international oil service industry. The fundamental driver of oilfield services and offshore drilling activity is the level of investment by the E&P Companies' exploration, development and production of crude oil and natural gas. Historically, the level of upstream capital expenditure has been driven by future oil and natural gas price expectations. This correlation has been observed following the decline in crude oil prices in 2014, which had a negative impact on the demand for services across the oil service industry in general. As oil prices fell from an average of US\$ 109 per barrel (Unit of Brent oil – "Bbl") in H1 2014 to an average of US\$ 44/Bbl in 2016, the lower price along with uncertainty of future price development caused a material reduction in exploration and development spending, both in 2015 and in 2016.

The oil price increase from 2016 through most of 2018, laid the foundation for and uptick in offshore E&P capex in 2019 of 4%, after four years of consecutive decline according to numbers from Rystad Energy. However, the outbreak of COVID-19 in 2020 had a major negative impact on global oil demand, resulting in brent oil prices declining from over US\$ 60/bbl to levels around US\$ 20/bbl, which subsequently put E&P investment decisions on hold, resulting in E&P capex declining 29% in 2020. Since 1H 2020, the underlying trend has been positive with steadily increasing oil prices as the world has gradually returned to normality following the COVID-19 pandemic. The outbreak of war in Ukraine in 1Q 2022 further accelerated the oil price. There is a clear risk premium related to the ongoing war and the potential consequences of e.g. Russian gas flowing into Europe. There is a political aspect related to this development with themes such as energy security being high on the agenda. This might be a motivation for western countries (or other parts of the world) to work towards a higher degree of energy independence and ultimately go ahead with a higher number of new offshore E&P projects. The E&P capex for 2021 and 2022 increased by 7% and 19% respectively and is expected to increase further in 2023 with 13% before a slight decline of 1% in year 2024.

The figure below shows the global E&P spending on exploration and production and the oil price from 1990 to 2024E.

Figure 1: Global E&P capex in US\$ billion 1991 – 2024e



Source: Clarksons Securities AS Equity Research, February 2023 and Rystad Energy at www.rystadenergy.com/energy-themes/oil--gas/ (a payable client portal)

8.2 The global offshore drilling market

The offshore contract drilling industry provides drilling, workover and well construction services to oil and gas companies through the use of mobile offshore drilling rigs. Historically, the offshore drilling industry has been highly cyclical. Offshore exploration and development spending has fluctuated substantially on an annual and regional basis depending on several factors, including amongst others:

- General worldwide economic activity;
- Worldwide supply and demand for crude oil and natural gas;

- Oil and gas operators’ expectations regarding crude oil and natural gas prices;
- Disruption to exploration and development activities due to severe weather conditions;
- Anticipated production levels and inventory levels;
- Political, social and legislative environments in major oil-producing regions;
- Regional and global economic conditions and changes therein; and
- The attractiveness of the underlying geographical prospects, in both specific fields and geographic locations.

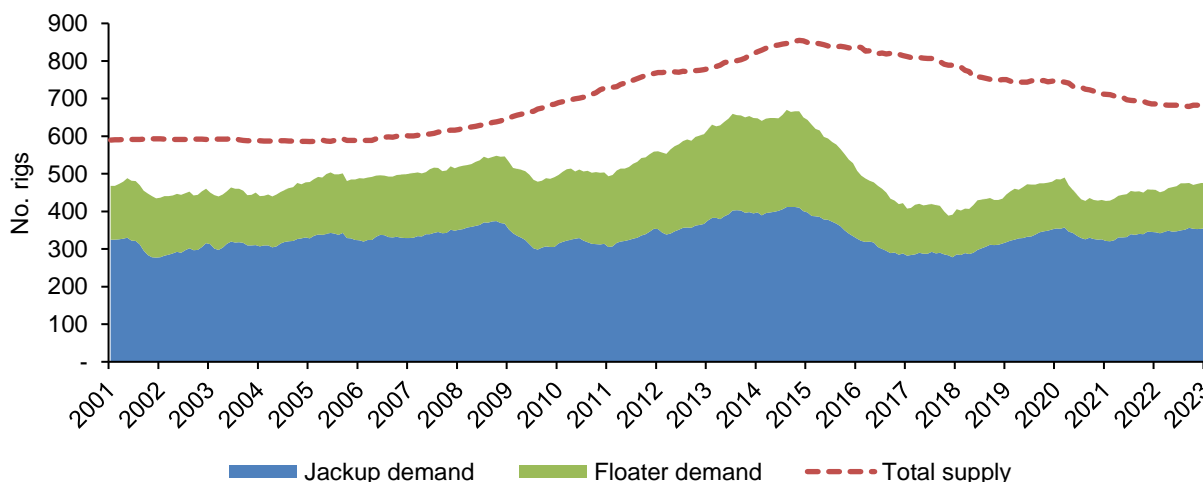
The profitability of the offshore drilling industry is largely determined by the balance between supply and demand for rigs. Offshore drilling contractors can mobilize rigs from one region of the world to another, or reactivate cold stacked rigs in order to meet demand in various markets.

The shallow water segment of the drilling industry is particularly competitive with no single contractor having a dominant market share. Competitive factors include price, rig availability, rig operating features, workforce experience, operating efficiency, condition of equipment, safety record, contractor experience in a specific area, reputation and customer relationships.

Offshore drilling contractors typically operate their rigs under contracts received either by submitting proposals in competition with other contractors or following direct negotiations. The rate of compensation specified in each contract depends on the number of available rigs capable of performing the work, the nature of the operations to be performed, the duration of work, the amount and type of equipment and services provided, the geographic areas involved and other variables. Generally, contracts for drilling services specify a daily rate of compensation and can vary significantly in duration, from weeks to several years.

Global offshore drilling expenditure increased significantly in the period from 2004 to 2013 (with a temporary drop in 2009 and 2010). Approximately US\$ 478 billion was spent on offshore drilling services from 2000 to 2014 according to Rystad Energy’s estimates (source: www.rystadenergy.com/energy-themes/oil--gas/ (a payable client portal)). North America and North West Europe represented the major share of this. The significant decline in oil and gas prices during the latter part of 2014, and throughout 2015 and 2016, led to an abrupt reduction in demand for rigs in the following years until rig demand started improving again from 2018/19. The outbreak of covid-19 impacted the rig demand negatively from 2020 but the market started recovering from the second half of 2020 and the trend has continued until the date of this prospectus. The figure below illustrates the development in supply and demand in the offshore drilling market. The category “Demand” reflects the number of rigs actually working at any given time.

Figure 2: Supply and demand of offshore drilling rigs

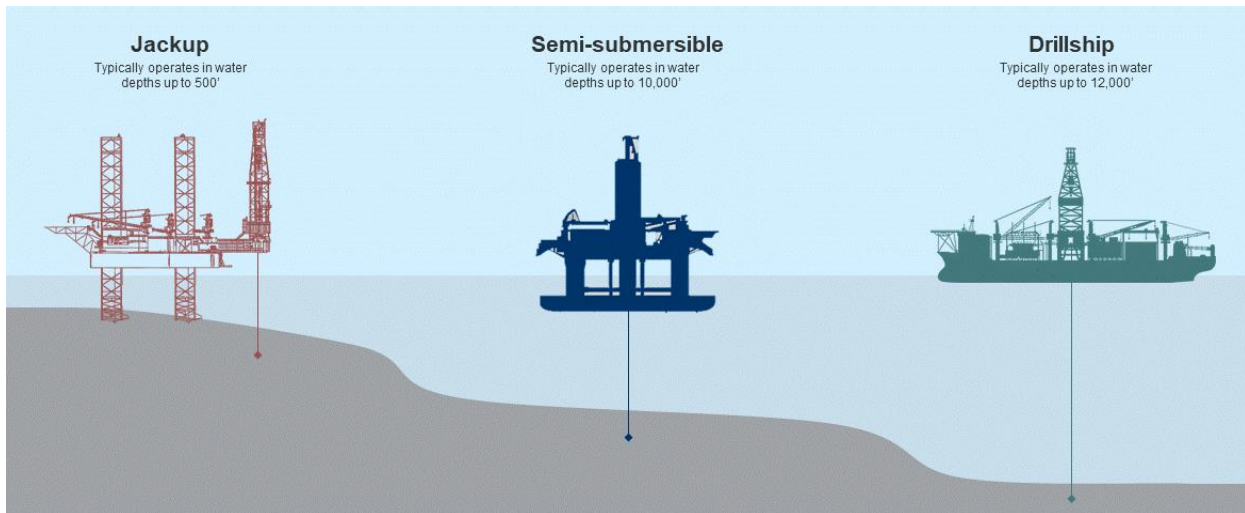


Source: Clarksons Securities AS Equity Research, February 2023 and Rystad Energy at www.rystadenergy.com/energy-themes/oil--gas/ (a payable client portal)

Periods of high demand are typically followed by a shortage of rigs and consequently higher day rates which, in turn, make it profitable for industry participants to place orders for new rigs. This was the case prior to the oil price decline in 2014, where several industry participants ordered new rigs in response to the high demand in the market. However, despite the deteriorating market conditions between 2015 and 2016, the number of rigs available in the market continued to increase due to rigs coming off contract with no follow on work and due to the inflow of new rigs (albeit at a slower rate than originally planned), turning an excess rig demand into an excess supply of rigs and consequently reducing day rates.

Most rigs are owned by industry participants who provide drilling services as their primary or only activity. Offshore drilling rigs are generally divided into three main categories as shown in the figure below.

Figure 3: Main rig categories by water depth



Source: Clarksons Securities AS (only available to paying customers)

All offshore rigs provide varying levels of storage capacity, workspace, drilling and water depth capabilities as well as living quarters necessary to support well construction and maintenance services to its customer 24 hours a day. Main rig categories are separated by the water depth at which they can drill:

- **Drillships:** Generally self-propelled ships that can either be equipped with conventional mooring systems or dynamic positioning systems. Drillships are well suited for ultra-deepwater drilling and drilling in remote locations due to their mobility and high load capacity.
- **Semi-submersible rigs:** Floating platforms with a ballasting system, operating in a "semi-submerged" position, with the lower hull ballasted below the waterline. Can either be moored or dynamically positioned and is well suited to medium water depth or harsh environments.
- **Jack-up rigs:** A jack-up drilling rig is towed to the drill site with its hull riding in the water and its legs raised. At the drill site, the jack-up drilling rig's legs are lowered until they penetrate the seabed. Its hull is then elevated (jacked-up) until it is above the surface of the water. After the completion of drilling operations at a drill site, the hull is lowered until it rests on the water and the legs are raised. The rig can then be relocated to another drill site. Jack-up drilling rigs typically operate in shallow water depths, generally less than 400 ft. To move jack-up drilling rigs long distances (e.g. when mobilizing from one region to another), the rig is transported on board a heavy-lift vessel with the entire rig travelling above the water line.

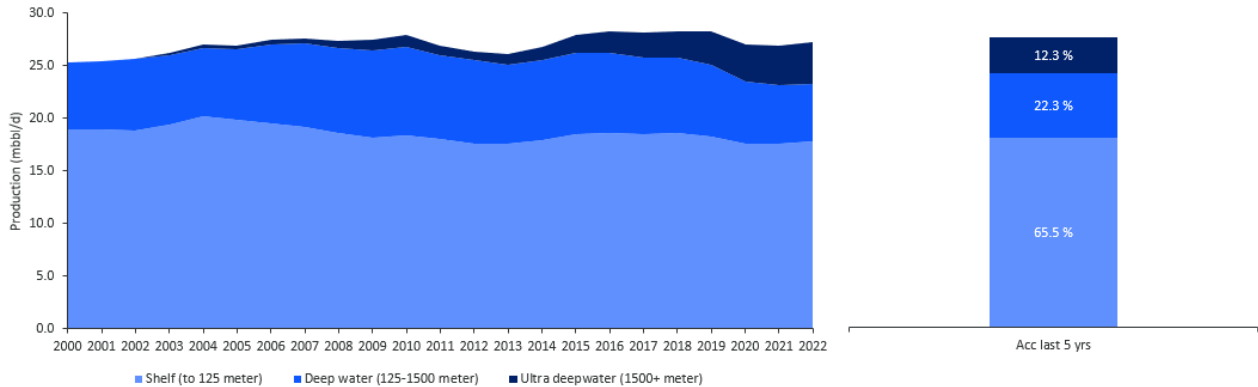
8.3 The jack-up drilling rig segment

8.3.1 The market

Jack-up drilling rigs can, in principle, be used to drill (a) exploration wells, i.e. explore for new sources of oil and gas or (b) new production wells in an area where oil and gas is already produced. The latter activity is referred to as development drilling. The shallow water oil and gas production is a low-cost production, second only to Middle East onshore production in terms of cost. As a result, and due to the shorter period from investment decision to cash flow, E&P Companies generally prefer shallow water developments over other offshore production categories.

As shown in the figure below, shallow water oil production, where jack-up drilling rigs are used, accounted for ~65% of the global offshore production during the last five years. It therefore represents a key element in the global oil supply chain.

Figure 4: Offshore oil production by water depth



Source: Clarksons Securities AS Equity Research, February 2023 (only available to paying customers) and Rystad Energy at www.rystadenergy.com/energy-themes/oil--gas/ (a payable client portal)

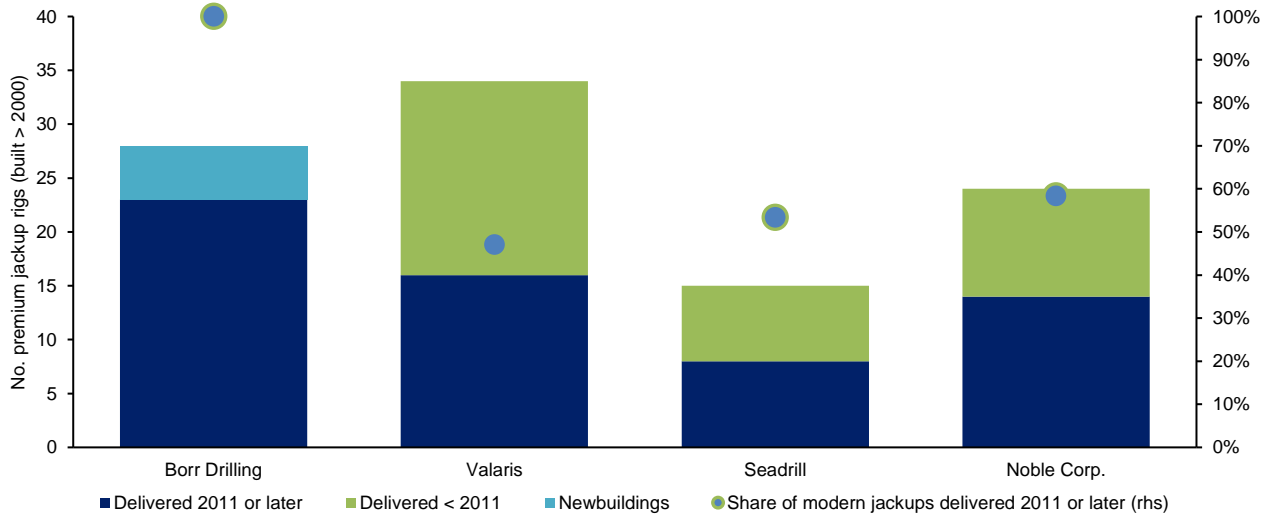
Further, the majority of the marketed jack-up drilling rigs globally are used for development drilling making the jack-up drilling rig market more resilient and less volatile compared to the other offshore drilling markets, which are more dependent on exploration drilling.

8.3.2 Categories of jack-up drilling rigs

There are several sub-categories within the jack-up drilling rig segment based on different attributes of the rigs, typically water depth capability, hook load capacity and cantilever reach. Some rigs can also be equipped to operate in harsh environment (lower temperature and harsher weather conditions). The offshore drilling market has, over the last years, experienced a shift in demand towards premium rigs. In line with this trend, several drilling contractors have renewed their fleets through both ordering newbuildings and secondhand acquisitions. Rigs delivered ex yard in 2001 or later are commonly referred to as premium rigs. Rigs delivered prior to 2001 are usually referred to as standard rigs.

One of the main reasons for the increased focus on premium rigs is an expected increase in the activity which requires equipment of higher standards due to more demanding wells. The Macondo incident has led to an increased focus on safe operations and HSE performance from the E&P Companies, shifting their preference to premium rigs. The global jack-up drilling rig fleet is generally facing an age challenge as more than one third of the fleet is 35 years or older, as illustrated later in this Section. This potentially impacts negatively on safety and operational performance. The figure below shows the largest owners of premium rigs by number of rigs.

Figure 5: Largest premium jack-up rig owners by number of rigs



Source: Clarksons Securities AS Equity Research, February 2023

8.3.3 The global fleet

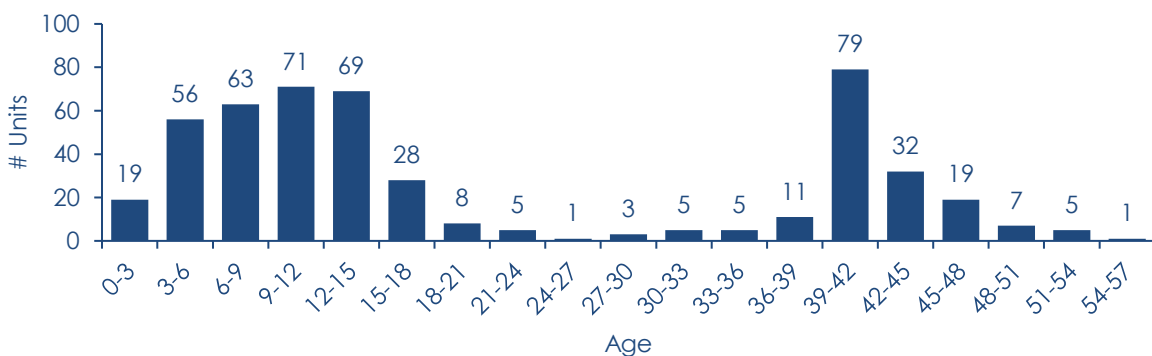
The global jack-up drilling rig fleet is currently at 493 units of which approximately c. 440 is marketed rigs, which is c. 86% of the total available jackup fleet at the beginning of 2014.

There has been substantial scrapping over the last eight years, which has allowed the jackup fleet to absorb the 146 newbuilds over the same period.

Based on Clarksons Securities AS Equity Research, the potential in increase of marketed supply is limited as 53 units of the non-marketed rigs, only 10 are younger than 35 years and have leg length of 300 ft or more. Moreover, of the newbuilds counting 22 units, only nine are competitive and uncommitted. Hence, Clarksons Securities AS Equity Research expect to see no more than a potential increase of c. 20 units, or less than 5% of total jack-up fleet. The last time we saw a similar situation was in 2005.

Older jack-up drilling rigs are expected to be retired at an increasing rate, and although there are large variations in the condition of such rigs, the expected increased complexity of wells to be drilled and the general focus on safe operations and HSE performance by the E&P Companies is shifting demand towards premium rigs.

Figure 6: Fleet age distribution

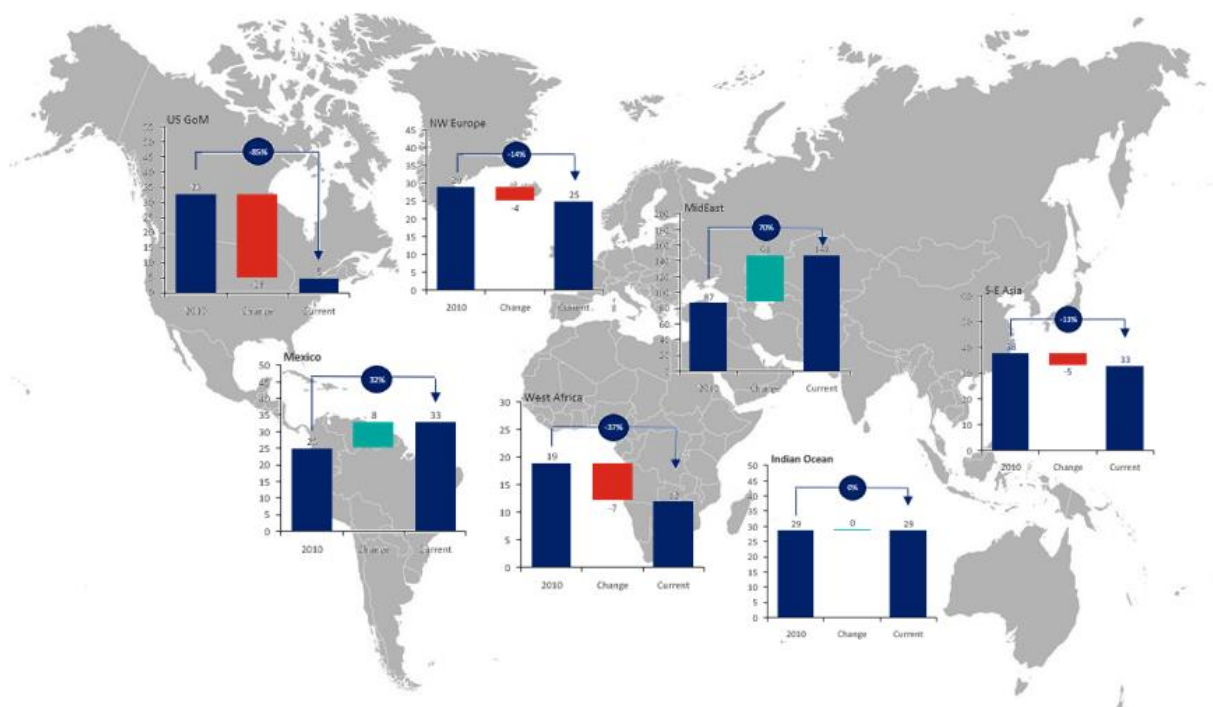


Source: Clarksons Securities AS Equity Research, February 2023

The supply and demand balance will also be impacted by older jack-up drilling rigs coming up for special periodic survey in the next years, as each rig needs to undergo a special survey every 5th year. Many of these are likely to be phased out as the investment horizon over which upgrade investments must be defended is uncertain.

Since 2010, the geographical location of the working jack-up drilling rig fleet, has been most stable and high in the Middle East, the North Sea and South East Asia (representing more than 50% of the contracted fleet). These markets are still among the most active and promising markets for premium rigs in the medium and longer term. The Middle East and South East Asia markets are also characterized by high activity from E&P Companies that are owned wholly or with a majority share by national government ("**NOCs**") and low breakeven costs relative to other regions. The development in activity in West Africa has been negative, Mexico has been moderate and more positive in recent years, while the U.S. Gulf of Mexico has collapsed and is no longer considered a relevant market for jack-up rigs. The jack-up drilling rig demand in the Indian Ocean is covered mainly by local operators and standard rigs.

Figure 7: Current jack-up market activity by region compared to 2010



Source: Clarksons Securities AS Equity Research, February 2023

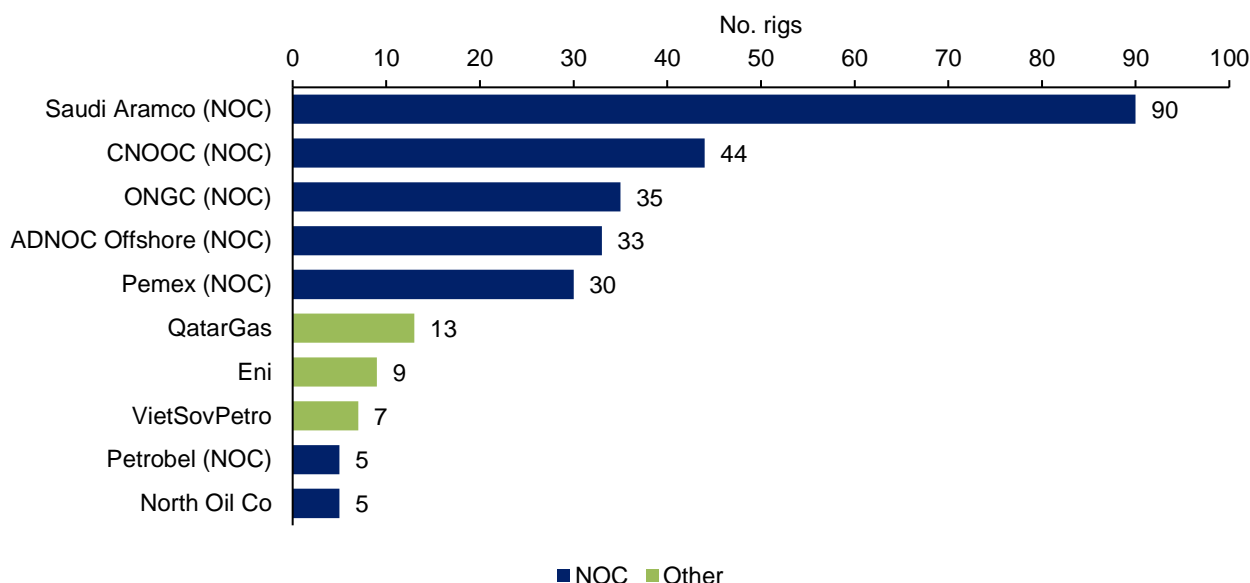
8.3.4 Demand

Historically, demand for jack-up drilling rigs has been driven by NOCs. They have, since 2000, had more stable operational activities than other major E&P Companies. Large independents and small independent E&P Companies have generally become more deepwater focused. NOCs have represented an average of 49% of the total jack-up rig demand between 2010 and 2016. According to Clarksons Securities AS Equity Research this number has continued to increase up until the date of this prospectus to approximately 70%, with the Middle East as the main hub.

NOCs typically take a long-term view of the offshore drilling market. This has resulted in an increase in offshore jack-up rig contract days in recent years. In contrast, independent E&P Companies generally take a shorter-term view of the offshore drilling market. These different approaches have resulted in a divergence of activity levels with independent E&P Companies being more prone to cancelling or delaying projects where the viability is threatened by persistent cost increases. On the other hand, NOCs' long term view tends to result in fewer project cancellations, longer contract lengths and ultimately, higher levels of sustained drilling activity.

As shown in the figure below, and as of February 2023, the NOCs who have contracted the largest number of offshore jack-up drilling rigs are Saudi Aramco, CNOOC, ADNOC, ONGC, and Pemex. It is expected that these companies will continue with high levels of shallow water drilling activity. The figure below illustrates the top 10 operators in terms of number of contracted jack-up drilling rigs.

Figure 8: Contracted & owned jack-up drilling rigs by top 10 operators

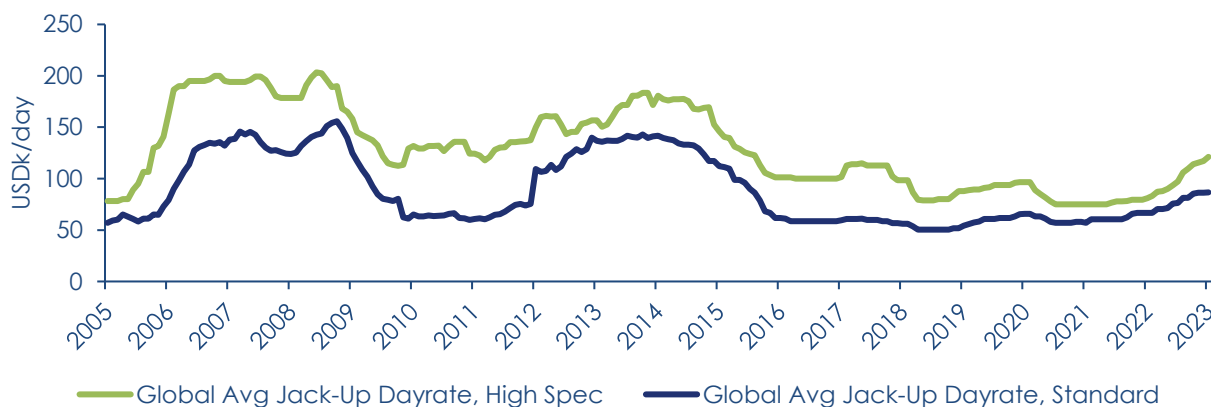


Source: Clarksons Securities AS Equity Research, February 2023

8.3.5 Dayrates

The global jack-up drilling rig market experienced a steady increase in day rates in the period 2010 to 2014. The significant increase was mainly due to an increased demand for drilling services caused by rapidly increasing oil and gas prices and investments in exploration during the period. The day rates have since fallen 50-60% from the level in 2014, before a recovery started in 2018. In connection with the COVID-19 outbreak and subsequent oil price fall in 2020, the positive upwards trend in dayrates was reversed before picking up again from 2021 and continuing the positive development up until the date of this prospectus. The figure below shows the development in day rates.

Figure 9: Premium vs. standard jack-up drilling day rate



Source: Clarksons Securities AS Equity Research, February 2023

8.3.6 Utilization

Historically, the international jack-up drilling rig fleet has been able to maintain relatively high utilization rates, even during turbulent market conditions. However, in line with the rest of the industry, the global jack-up drilling rig market was adversely affected by the abrupt downturn in 2014 which resulted in oil companies cancelling and/or postponing their drilling projects. The upward trend since 2011 was broken and the average utilization rate for jack-up drilling rigs fell from approximately 88% in 2013 to approximately 53% at the lowest in 2017. The utilization rate of the marketed fleet is estimated to be approximately 82% as of the date of this Prospectus, compared to approximately 81% and 76% seen in the same month of 2022 and 2021 respectively (source: Clarksons Securities AS and RigLogix, a payable client portal).

The jack-up drilling rig market's short cycle nature means that recovery is usually faster than in the floater market, which can be seen in the graph below. The main reason behind this is that E&P Companies, and NOCs in particular, prefer shallow water developments over deepwater as the market recovers, due to shorter periods from investment decision to cash flow. The figure below illustrates the development in total utilization for the global jack-up drilling rig fleet compared to the global floater fleet.

Figure 10: Total utilization for jack-up drilling rigs vs floaters



Source: Clarksons Securities AS Equity Research, February 2023

8.3.7 Competition and margins

The offshore drilling industry is highly competitive with numerous participants, ranging from large international companies to smaller, locally owned companies and rigs owned by NOCs. The operations of the largest players are usually dispersed around the globe due to the high mobility of most rigs. Although the cost of moving a rig from one region to another and the availability of rig moving vessels may cause a short term imbalance between supply and demand in one region, significant variations between regions do not exist in the long-term due to rig mobility. The exception is the harsh environment market since non-harsh environment rigs are not capable of operating in these areas. Thus, the industry is characterized by a fiercely competitive, single and global market.

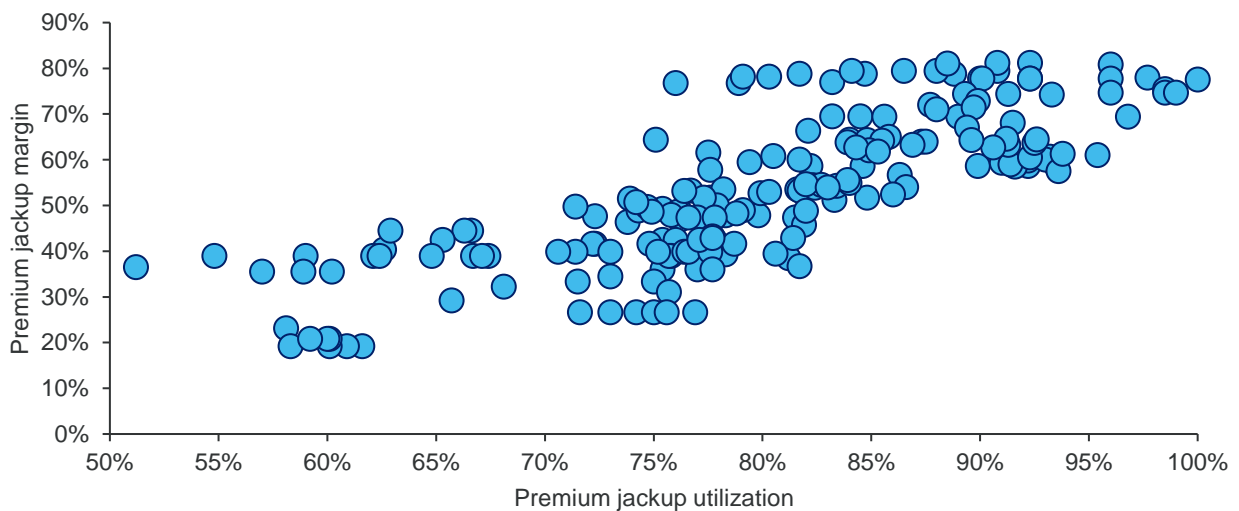
Notwithstanding the volatility of day rates and the fierce competitive nature of the jack-up market, the industry has delivered positive gross margins the past 20 years. There has historically been a linear relationship between the margin and utilization. This can be seen in the two graphs below.

Figure 11: Premium jack-up drilling rig margin 2005-2023



Source: Clarksons Securities AS Equity Research, February 2023

Figure 12: Premium jack-up drilling rig margin over time versus utilization 2005-2023YTD



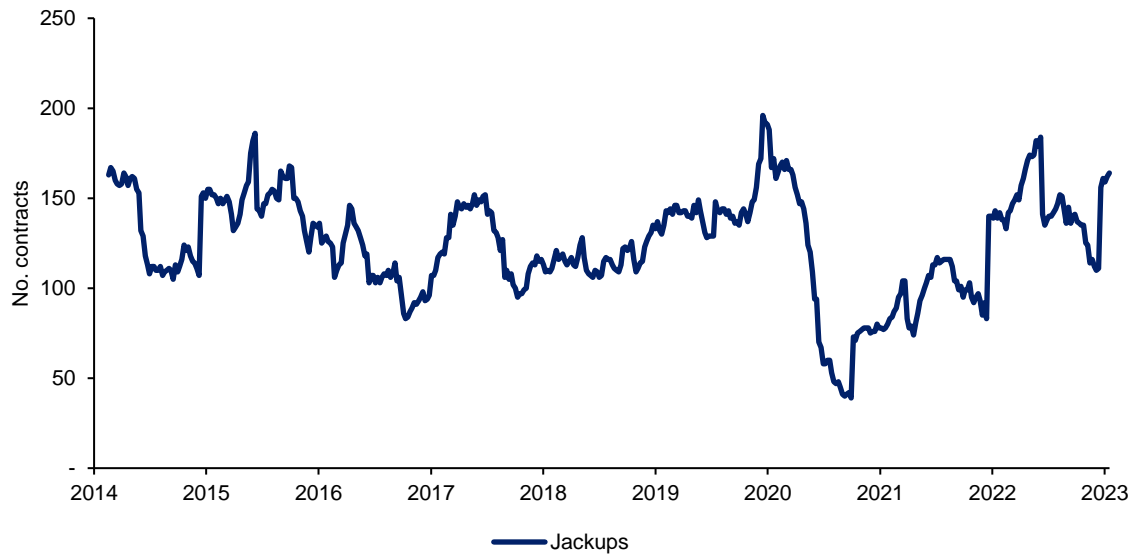
Source: Clarksons Securities AS Equity Research, February 2023

8.3.8 2020 and YTD performance

Following the oil price fall during 2014-2016 there was a substantial recovery in 2018 pushing the Brent Crude Oil price to an average of US\$ 72/Bbl for the year. This led to more production from short-cycle oil producers, which resulted in the oil price stabilizing just above US\$ 60/Bbl in 2019. On the back of the stronger oil price environment in 2018 and 2019, jack-up tendering activity increased. With more contract awards and increasing utilization, day rates also increased as shown above.

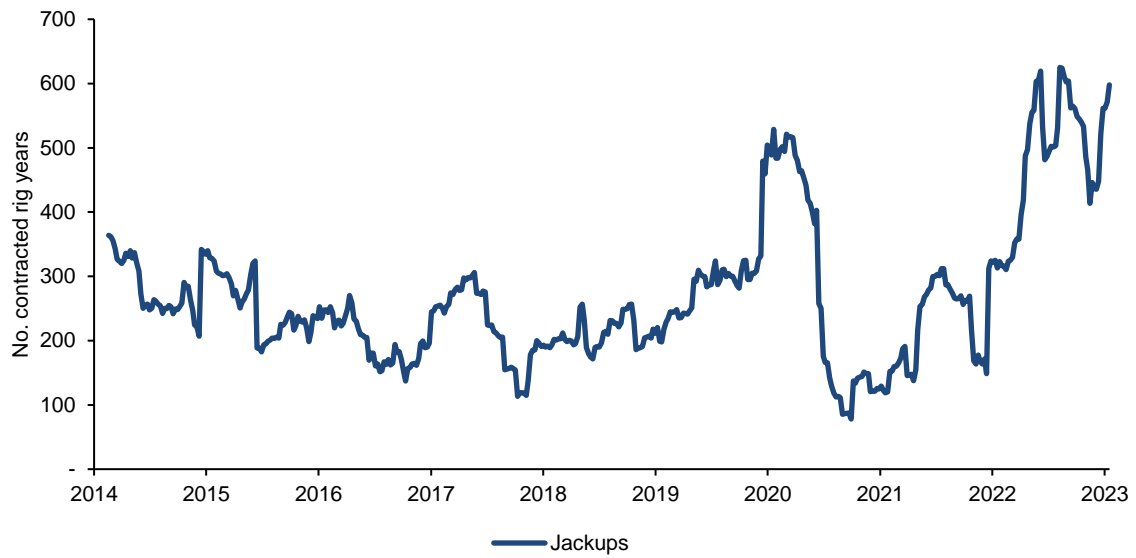
The jack-up tendering activity significantly decreased in 2020 as a result of the COVID-19 outbreak which negatively impacted the global economic activity and demand for oil and gas resulting in E&P investment decisions being put on hold. However, since 1H 2020, the underlying trend has been positive with increasing demand for oil and gas and improved oil prices as the world gradually returned to normality. The outbreak of war in Ukraine in 1Q 2022 further accelerated the oil price and also the political aspect related to energy security. The result of this has significantly accelerated the jack-up fixtures as illustrated in the charts below.

Figure 13: Number of jack-up fixtures last six months



Source: Clarksons Securities AS Equity Research, February 2023

Figure 14: Number of contracted jack-up days last 6 months (annualized)



Source: Clarksons Securities AS Equity Research, February 2023

9 CAPITALISATION AND INDEBTEDNESS

9.1 Introduction

The financial information presented below has been extracted from the Company's consolidated financial statements for the period from and including 1 January 2022 to and including 31 December 2022, and should be read in connection with the other parts of this Prospectus, in particular Section 10 ("Selected Financial and Other Information") and Section 11 ("Operating and Financial Review").

The financial information presented below provides information about the Group's capitalisation and net financial indebtedness on an actual basis as at 31 December 2022 and, in the "Adjustments" column, the Group's capitalisation and net financial indebtedness as at 31 December 2022, on an adjusted basis to give effect to the bond refinancing exercises (including the placement of the Convertible Bonds and the Secured Bonds) Q1 2023 (as further described in section 6.5.3).

Other than as set forth above, there has been no material change to the Group's capitalisation and net financial indebtedness since 31 December 2022.

9.2 Capitalisation

The following table sets forth information about the Group's capitalisation as of 31 December 2022:

<i>In US\$ million</i>	As at 31 December 2022	Adjustments	#	As adjusted
<i>Total current debt:</i>				
Guaranteed.....	-	-		-
Secured (*) (1).....	96.3	-		96.3
Unguaranteed and unsecured (2).....	649.3	-		649.3
Total current debt:	745.6	-		745.6
<i>Total non-current debt:</i>				
Guaranteed.....	-	-		-
Secured (*) (3)	1,191.1	146.3	(i)	1,337.4
Unguaranteed and unsecured (4).....	167.2	245.0	(ii)	412.2
Total non-current debt:	1,358.3	391.3		1,749.6
Total indebtedness.....	2,103.9	391.3		2,495.2
Shareholders' equity				
Share capital.....	23.0	2.5	(iii)	25.5
Additional paid-in capital.....	2,265.6			2,265.6
Retained deficit.....	(1,381.0)	-		(1,381.0)
Treasury shares.....	(9.8)	(2.5)		(12.3)
Total shareholders' equity.....	897.8	-		897.8
Total capitalisation (5).....	3,001.7	391.3		3,393.0

(*) The rigs "Saga", "Skald" and "Thor" are pledged as collateral for the US\$ 195 million Hayfin loan facility. The rigs "Idun", "Norve", "Prospector 1", "Prospector 5" and "Mist" are pledged as collateral for the US\$ 175 million DNB Facility. The rigs "Galar", "Gerd", "Gersemi", "Grid", "Gunnlod", "Groa", "Natt" and "Njord" are pledged as collateral for the PPL Financing. The rigs "Arabia I", "Arabia II" and "Hild" are pledged as collateral for the Keppel Financing. The rigs "Arabia III", "Ran" and "Odin" are pledged as collateral for the US\$ 150 million senior Secured Bonds.

(1) Short term debt of US\$ 445.9 million per the consolidated financial statements includes \$96.4 million of secured debt, relating to our PPL Financing, Hayfin Facility and DNB Facility, net of their associated deferred financing fees, and US\$ 349.5 million of unguaranteed and unsecured debt, relating to our \$350 million convertible bond, net of its associated deferred financing fee.

(2) Unguaranteed and unsecured current debt is comprised of US\$ 349.5 million related to short-term debt (see note (1) above) and "Trade payables", "Accrued expenses", "Short-term accrued interest and other items", "Short-term deferred mobilization, demobilization and other revenue" and "Other current liabilities" per the consolidated financial statements.

(3) Secured non-current debt is comprise of "Long-term debt" per the consolidated financial statements for the year ended 31 December 2022.

(4) Unguaranteed and unsecured non-current debt is comprised of "Long-term accrued interest and other items", "Long-term deferred mobilization, demobilization and other revenue", "Other non-current liabilities" and "Onerous contracts" per the consolidated financial statements

(5) Total capitalisation is defined as total indebtedness plus total shareholder's equity.

The adjustments to the capitalization table above are explained as follows:

- (i) On 9 February 2023, the Company issued US\$ 150 million senior secured bonds maturing in 2026, raising net proceeds of US\$ 146.3 million after deducting transaction-related fees, bearing interest at 9.5% per annum, payable semi-annually. The bonds are secured by first priority mortgages over the rigs "Arabia III", "Ran" and "Odin".
- (ii) On 8 February 2023, the Company issued US\$ 250 million senior unsecured bonds maturing in 2028, raising net proceeds of US\$ 245.0 million after deducting transaction-related fees, bearing interest at 5% per annum, payable semi-annually. The bonds are convertible into Borr Drilling Limited common shares at a price of US\$ 7.3471 per share.
- (iii) On 31 January 2023 and 24 February 2023, the Company issued 15 million and 10 million common shares, respectively (the Treasury Shares), to fulfil its obligations under a share lending agreement in connection with the issuance of its US\$ 250 million convertible bonds. The loan shares were issued with a nominal value of US\$ 0.10 per share. The shares were issued into treasury and 15 million were lent to Drew Holdings Ltd. to restore Drew Holdings Ltd.'s portion of shares in the Company following their lending of the same number of shares to DNB Markets for the purpose of facilitating the hedging program for investors in the Convertible Bonds.

9.3 Indebtedness

The following table set forth information about the Group's net financial indebtedness as of 31 December 2022:

	As at 31 December 2022	Adjustments	#	As adjusted
<i>In US\$ million</i>				
(A) Cash and restricted cash	118.5	391.3	i, ii, iii	509.8
(B) Cash equivalents	-	-		-
(C) Other current financial assets	43.0	-	iv	43.0
(D) (A)+(B)+(C)	161.5	391.3		552.8
(E) Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	397.2	-	v	397.2
(F) Current portion of non-current debt	96.4	-	vi	96.4
(G) Current financial indebtedness (E) + (F)	493.6	-		493.6
(H) Net current financial indebtedness (G) - (D)	332.1	-391.3		-59.2
(I) Non-current financial debt (excluding current portion and debt instruments)	1,191.1	-	vii	1,191.1
(J) Debt instruments	-	400.0	ii, iii	400.0
(K) Non-current trade and other payables	-	-		-
(L) Non-current indebtedness (I)+(J)+(K)	1,191.1	400.0		1,591.1
(M) Total financial indebtedness (H)+(L)	1,523.2	8.7		1,531.9

The adjustments to the indebtedness table above are explained as follows:

- (i) Cash and restricted cash is comprised of "Cash and cash equivalents", "Restricted cash" and "Non-current restricted cash" per the consolidated financial statements for the year ended 31 December 2022.
- (ii) On 9 February 2023, the Company issued US\$ 150 million senior secured bonds maturing in 2026, raising net proceeds of US\$ 146.3 million after deducting transaction-related fees, bearing interest at 9.5% per annum, payable semi-annually. The bonds are secured by, i.a., first priority mortgages over the rigs "Arabia III", "Ran" and "Odin".

- (iii) On 8 February 2023, the Company issued US\$ 250 million senior unsecured bonds maturing in 2028, raising net proceeds of US\$ 245.0 million after deducting transaction-related fees, bearing interest at 5% per annum, payable semi-annually. The bonds are convertible into Borr Drilling Limited common shares at a price of US\$ 7.3471 per share.
- (iv) Other financial assets is comprised of "Trade receivables, net" of US\$ 43 million per the consolidated financial statements for the year ended 31 December 2022.
- (v) Current financial debt (including debt instruments, but excluding current portion of non-current financial debt) is comprised of US\$ 349.5M relating to our \$350M convertible bond, net of its associated deferred financing fee as well as "Trade payables" of US\$ 47.7M per the consolidated financial statements for the year ended 31 December 2022.
- (vi) Current portion of non-current debt is comprise of US\$ 96.4 million relating to the current portion of our PPL Financing, Hayfin Facility and DNB Facility, net of their associated deferred financing fees, per the consolidated financial statements for the year ended 31 December 2022.
- (vii) Non-current financial debt is comprised of "Long-term debt" of US\$ 1,191.1 million per the consolidated financial statements for the year ended 31 December 2022.

9.4 Working capital statement

The Company is of the opinion that the Group has sufficient working capital for a period of at least 12 months from the date of this Prospectus.

9.5 Contingent and indirect indebtedness

9.5.1 Capital Expenditures Commitments

Our primary commitments for capital expenditures relate to the commitments relating our newbuild jack-up drilling rigs from Keppel. On March 15, 2017, the Company entered into an agreement and a signed letter of intent to acquire fifteen high specification jack-up drilling rigs from Transocean Inc ("**Transocean**"). The transaction consisted of Transocean's entire jack-up fleet, comprising eight rig owning companies in Transocean's fleet and five newbuildings under construction at Keppels Fels Limited, Singapore.

Of the five newbuildings acquired in connection with the Transocean Transaction, as of December 31, 2022 two rigs have been delivered ("Saga" and "Skald") in 2018, one was sold ("Tivar") in 2022 and two remain under construction ("Vale" and "Var"). We may exercise an option to accept delivery financing from Keppel with respect to "Vale" and "Var". Please refer to section 6.5.3.2 and 11.6.1 for further information. In June 2020, we agreed to defer the delivery for these two rigs to the third quarter of 2022. In January 2021, we agreed to further defer delivery dates to the third quarter of 2023 and in October 2022, we agreed to defer delivery to the third quarter of 2025. The remaining contracted installments for these two rigs under construction, payable on delivery are approximately US\$ 294.8 million as of December 31, 2022 (\$448.2 million as of December 31, 2021).

In addition, as of December 31, 2022, we estimate our capital expenditures in the next twelve months relating to upcoming contracts and activations is approximately US\$ 59.7 million. This is based on known contracts as at December 31, 2022, in addition to speculative rig activations for which management believes favorable contracting opportunities exist.

9.5.2 Contractual Obligations

We had no off-balance sheet arrangements as of December 31, 2022, other than commitments in the ordinary course of business that we are contractually obligated to fulfill with cash under certain circumstances. These commitments include guarantees towards third parties such as performance guarantees to customers as they relate to our drilling contracts. Obligations under these guarantees are not normally called, as we typically comply with the underlying performance requirement, however, we have made collateral deposits with respect to these agreements and recognized US\$ 10.1 million as restricted cash as at December 31, 2022.

10 SELECTED FINANCIAL AND OTHER INFORMATION

10.1 Introduction and basis for preparation

10.1.1 Introduction

The following summary of consolidated financial data has been derived from the Group's Consolidated Financial Statements. The Group's Consolidated Financial Statements have been prepared in accordance with US GAAP.

The selected consolidated financial data set forth in this Section should be read in conjunction with the Group's Consolidated Financial Statements as incorporated by reference in this Prospectus (see Section 17.4 "*Incorporation by reference*"). The Group's Consolidated Financial Statements may also be viewed at the Company's website www.borrrdrilling.com or be obtained, free of charge, at the registered office of the Company at S.E. Pearman Building, 2nd Floor 9 Par-la-Ville Road, Hamilton HM11 Bermuda. The content of www.borrrdrilling.com is not incorporated by reference into or otherwise form part of this Prospectus.

Please see Sections 10.2 ("*Summary of accounting policies and principles*") and 10.3 ("*Historical financial information*") of this Prospectus and should be read together with Section 11 ("*Operating and Financial Review*").

The Consolidated Financial Statements have been prepared on a going concern basis. The Report of the Independent Registered Public Accounting Firm for each of the audited consolidated financial statements for the years ended 31 December 2022 and 31 December 2021 includes an explanatory note regarding substantial doubt about our ability to continue as a going concern. Sections 10.1.2-10.1.4 sets out the respective explanatory notes and related notes from the respective consolidated financial statements.

10.1.2 Explanatory note and the Company's explanation for the year ended 31 December 2021

In 2021, the Company's auditor included the following explanatory note in their audit report:

Substantial Doubt about the Company's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has incurred significant losses since inception and will be dependent on additional financing in order to fund its losses expected in the next 12 months, to meet existing capital expenditure commitments and the substantial debt maturities due commencing January 2023. This raises substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Note 1 in the Company's financial statements for the year ended 31 December 2021 included the following explanation:

Going concern

We have incurred significant losses since inception and will be dependent on additional financing in order to fund our losses expected in the next 12 months, meet our existing capital expenditure commitments and our substantial debt maturities due commencing January 2023. In addition to this, the Company is continuing to experience the impact of the ongoing COVID-19 pandemic together with uncertainty around the prospects for a full economic recovery. Despite these challenges, we believe that oil and gas demand will re-balance and oil and gas will remain a significant portion of the world's energy mix for the foreseeable future.

On December 27, 2021, we announced we had reached agreements in principle with our shipyard creditors to refinance and defer a combined \$1.4 billion of debt maturities and delivery installments from 2023 to 2025. As part of these agreements, we agreed to make cash repayments on the accrued costs and capitalized payment-in-kind interest owed to the yards in 2022 and 2023, in addition to what was agreed in January 2021. These additional payments amount to \$25.9 million at the completion of the amendment agreements for the deferrals and an additional \$28.6 million payable later in 2022. The agreements also provide that the payment of the remaining deferred yard costs and capitalized interest originally due in 2023 would be paid out during 2023 and 2024. The agreements also provide for applying a portion of future net equity offerings (approximately 35%)

to repay amounts owed to the yards, first to be applied to the accrued and capitalized costs, and secondly to repay principal. These agreements in principle with the shipyard creditors contemplates that the Company will refinance maturities of its Senior Secured Credit Facilities, Hayfin Facilities and Convertible Bonds to mature in 2025 or later and if such refinancing is not completed by June 30, 2022, the refinancing of maturities and delivery deferrals will revert to the current schedule.

In July 2021, we established an at-the-market ("ATM") program under which we may offer to sell from time to time up to \$40.0 million of our common shares to be listed on the New York Stock Exchange. As at April 1, 2022, we have sold 1,521,944 shares, raising \$5.2 million in gross proceeds under the ATM program. On December 28, 2021, as contemplated by the December 2021 agreements in principle with the shipyard creditors, outlined above, the Company launched a private placement which closed on in January 2022, raising gross proceeds of \$30.0 million.

Our establishment of the ATM program and equity raise have stabilized our liquidity situation, however, our ability to continue as a going concern is dependent on a continuing improvement in the jack-up drilling market and securing our rigs on accretive contracts, in addition to being able to defer or refinance our debt maturities to 2025. While we have agreements in principle in place, these agreements remain subject to reaching similar agreements by June 30, 2022 with our other creditors to extend to at least 2025. As such, we have concluded that a substantial doubt exists over our ability to continue as a going concern. The financial statements included in this annual report on Form 20-F do not include any adjustments that might result from the outcome of this uncertainty.

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.

Further, in April 2022, the Company received correspondence on behalf of a group of lenders under the Syndicated Senior Secured Credit Facility and New Bridge Facility asserting those lenders' opinion that the Company failed to comply with its obligation to use its best efforts to sign a binding agreement for a refinancing of the Syndicated Facility and New Bridge Facility by March 31, 2022. This notice does not represent an event of default notice under the Syndicated Senior Secured Credit Facility or the New Bridge Facility, but rather serves to reserve certain rights of those lenders. The Company is of the opinion that it has complied with its obligations and disagrees with the assertion in this letter (see note 29).

10.1.3 Explanatory note and the Company's explanation for the year ended 31 December 2022

In 2022, the Company's auditor included the following explanatory note in their audit report:

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has incurred significant losses since inception and is dependent on continuing improvement in the market, securing profitable contracts, and obtaining additional financing in order to meet existing capital expenditure commitments and debt obligations expected in the next 12 months that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Note 1 in the Company's financial statements for the year ended 31 December 2022 included the following explanation:

We have incurred significant losses since inception and may be dependent on additional financing in order to meet our existing capital expenditure commitments and our debt obligations expected in the next 12 months.

On December 28, 2021, as contemplated by the agreements in principle with the shipyard creditors, subsequently reflected in executed agreements, outlined below, the Company launched a private placement which closed in January 2022, raising net proceeds of \$28.9 million by issuing 13,333,333 shares at a subscription price of \$2.25 per share.

On June 27, 2022, we announced that we had entered into a letter of intent ("LOI") for the sale of three newbuilding jack-up rigs for \$320.0 million, subject to various conditions. In September 2022, we entered into a sales agreement, giving effect to the previously executed LOI. Upon sale of the first of the three rigs to be sold, proceeds from the sale were used to pay the delivery instalments for one of the rigs. The remaining proceeds will be used to pay the delivery instalment of the other two rigs and further eliminate the associated activation costs that would have applied in the future.

In August 2022, the Company conducted a public offering raising net proceeds of \$260.4 million by issuing 76,363,071 shares at a subscription price of \$3.60 per share ("2022 August Equity Offering"). Proceeds from the August Equity Offering were used to consummate the refinancing described below.

In October 2022, we entered into agreements with our shipyard creditors and other secured creditors to refinance our respective debt facilities, extending the debt maturity to 2025. As part of these agreements, we paid the outstanding balance of our Syndicated Facility and New Bridge Facility with proceeds from our new \$150.0 million bilateral facility provided by DNB Bank ASA, an existing lender in the previous facilities, and using a portion of the proceeds from our 2022 August Equity Offering.

In addition, we paid down \$45.0 million of our Hayfin facility with proceeds from our 2022 August Equity Offering. While there was no refinancing of our facilities with Keppel, our amended agreement with Keppel resulted in the deferral of the delivery dates for two of our newbuild rigs to 2025 and included an agreement for Keppel to cooperate with the sale of the other three newbuild rigs we agreed to purchase and which we subsequently agreed to sell.

On October 13, 2022, we announced that we had entered into an agreement to sell the jack-up rig "Gyme" for \$120.0 million. The sale of the rig was pursuant to an undertaking by the Company under its most recent refinancing with PPL Shipyard completed in October 2022. Upon closing of the transaction on November 15, 2022, the proceeds from the sale were applied to all outstanding amounts owed on the rig, and excess amounts were applied to the capitalized interest for the eight other rigs financed by PPL.

In February 2023, we issued \$250.0 million senior unsecured convertible bonds due February 8, 2028 and \$150.0 million senior secured bonds due February 9, 2026. The proceeds from the unsecured convertible bonds and secured bonds will be used to refinance the outstanding \$350.0 million of convertible bonds due May 23, 2023 and for general corporate purposes.

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. Since establishment of the ATM program until to December 31, 2022, we have sold 2,350,000 shares, raising \$8.8 million in net proceeds under the ATM program.

The sale of shares under our ATM program, the equity raised in December 2021 and August 2022, the extension of the maturities of our secured debt to 2025 and raising of proceeds from the unsecured convertible bonds and secured bonds issued in February 2023 have improved our current liquidity situation. Additionally, the sale of the jack-up rig "Gyme" jack-up rig for \$120.0 million with proceeds from the sale being applied to all outstanding amounts owed on the rig, reduced our total outstanding debt and agreement to sell three newbuildings jack-up rigs for \$320.0 million with proceeds from the sale to pay the delivery installments of the three newbuildings jack-up rigs and further eliminate the associated activation costs that would apply in the future, have reduced our capital commitments. However, our ability to continue as a going concern is dependent on a continuing improvement in the jack-up drilling market and securing our rigs on profitable contracts, in addition to being able to meet our existing capital expenditure commitments and our debt obligations during 2023. As such, we have concluded that a substantial doubt exists 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.

We will continue to explore additional financing opportunities and strategic sale of a limited number of modern jack-ups or joint ventures 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 and joint ventures, there is no guarantee that any additional financing or sale measures will be concluded successfully.

10.2 Summary of accounting policies and principles

The Group's Consolidated Financial Statements, including the accounting principles and notes as set forth thereof, are incorporated by reference to this Prospectus (see Section 17.4 "Incorporation by reference").

10.3 Historical financial information

10.3.1 Consolidated Statements of Operations

The table below sets out selected data from the Company's audited consolidated financial statements for the year ended 31 December 2020, 31 December 2021 and for 31 December 2022.

	For the year ended 31 December 2022 <i>(Audited)</i>	For the year ended 31 December 2021 <i>(Audited)</i>	For the year ended 31 December 2020 <i>(Audited)</i>
	<i>(in US\$ millions, except per share data)</i>		
SELECTED CONSOLIDATED STATEMENTS OF OPERATIONS DATA:			
Total operating revenues	443.8	245.3	307.5
Gain on disposal	4.2	1.2	19.0
Operating expenses	(549.9)	(334.8)	(514.5)
Operating loss	(101.9)	(88.3)	(188.0)
Other non-operating income	2.0	3.6	-
Income/(Loss) from equity method investments	1.2	16.1	9.5
Total financial expenses, net	(175.7)	(114.7)	(122.9)
Income tax expense	(18.4)	(9.7)	(16.2)
Net loss	(292.8)	(193.0)	(317.6)
Other comprehensive income (loss)	-	-	-
Total comprehensive loss	(292.8)	(193.0)	(317.6)
Net loss per Ordinary Share:			
Basic and diluted	(1.64)	(1.43)	(4.22)
Weighted average Ordinary Shares outstanding	178,404,637	134,726,336	75,177,352

10.3.2 Consolidated Balance Sheets

The table below sets out selected data from the Company's audited consolidated financial statements as of 31 December 2022, 31 December 2021 and 31 December 2020.

(In US\$ millions)	31 December 2022 <i>(Audited)</i>	31 December 2021 <i>(Audited)</i>	31 December 2020 <i>(Audited)</i>
ASSETS			
Current assets			
Cash and cash equivalents	108.0	34.9	19.2
Restricted cash	2.5	3.3	-
Other current assets	239.4	138.0	121.6
Total current assets	349.9	176.2	140.8
Non-current assets			
Non-current restricted cash	8.0	7.8	-
Jack-up drilling rigs	2,589.1	2,730.8	2,824.6
Newbuildings	3.5	135.5	135.5
Equity method investments	20.6	19.4	62.7

Other non-current assets	30.6	10.6	7.5
Total non-current assets	2,651.8	2,904.1	3,030.3
Total assets	3,001.7	3,080.3	3,171.1
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables	47.7	34.7	20.4
Short-term debt	445.9	-	-
Other current liabilities	252.0	83.2	75.6
Total current liabilities	745.6	117.9	96.0
Non-current liabilities			
Long-term debt	1,191.1	1,915.9	1,906.2
Onerous contracts	54.5	71.3	71.3
Other non-current liabilities	112.7	85.3	60.8
Total non-current liabilities	1,358.3	2,072.5	2,038.3
Total liabilities	2,103.9	2,190.4	2,134.3
Total equity	897.8	889.9	1,036.8
Total liabilities and equity	3,001.7	3,080.3	3,171.1

10.3.3 Consolidated Statements of Cash Flows

The table sets out selected data from the Company's audited consolidated financial statements for the years ended 31 December 2020, 31 December 2021 and 31 December 2022.

(In US\$ million)	For the year ended 31 December 2022 <i>(Audited)</i>	For the year ended 31 December 2021 <i>(Audited)</i>	For the year ended 31 December 2020 <i>(Audited)</i>
Cash flows from operating activities			
Net loss	(292.8)	(193.0)	(317.6)
Adjustments to reconcile net loss to net cash used in operating activities:			
Non-cash compensation expense related to stock based and directors' compensation	2.6	0.9	0.7
Depreciation of non-current assets	116.5	119.6	117.9
Impairment of non-current assets	131.7	-	77.1
Amortization of deferred mobilization and contract preparation costs	36.7	12.6	28.9
Amortization of deferred mobilization and demobilization revenue	(22.1)	(5.9)	(15.9)
Gain on disposal of assets and other non-operating income	(4.2)	(4.8)	(19.0)
Amortization of deferred finance charges	7.9	6.5	5.6
Bank commitment, guarantee and other fees (1)	15.7	-	-
Effective Interest rate adjustments	2.8	3.7	5.0
Unrealized loss on financial instruments	-	-	27.4
Income from equity method investments	(1.2)	(16.1)	(9.5)
Deferred income tax	(2.1)	(0.5)	1.1
Change in assets and liabilities	-	-	-
Amounts due to/from related parties	(17.0)	(13.7)	26.7
Accrued expenses	89.8	10.3	(10.4)
Accrued interest	(35.8)	29.0	41.1
Other current and non-current assets	(139.2)	(24.1)	(19.9)
Other current and non-current liabilities	173.2	16.6	6.0
Net cash provided by/(used in) operating activities	62.5	(58.9)	(54.8)
Cash flows from investing activities			
Purchase of plant and equipment	(1.8)	(0.1)	-
Proceeds from sale of fixed assets	0.7	2.7	37.7
Purchase of financial instruments and marketable debt securities	-	-	(92.5)
Distribution from/(funding provided by) equity method investments	-	46.5	(25.5)
Proceeds from disposal of equity method investments	-	10.6	-
Proceeds from sale of financial instruments and marketable debt securities	-	-	3.0
Additions to newbuildings	-	-	(5.0)
Additions to jack-up drilling rigs	(81.5)	(18.8)	(37.4)
Net cash (used in)/provided by investing activities	(82.6)	40.9	(119.7)
Cash flows from financing activities			
Proceeds from share issuance, net of issuance costs and conversion of shareholders' loans	298.1	44.8	60.2
Repayment of debt	(355.5)	-	-
Proceeds from issuance of debt	150.0	-	5.0
Net cash provided by financing activities	92.6	44.8	65.2

Net increase (decrease) in cash and cash equivalents and restricted cash	72.5	26.8	(109.3)
Cash and cash equivalents and restricted cash at beginning of the period	46.0	19.2	128.5
Cash and cash equivalents and restricted cash at end of the period	118.5	46.0	19.2

10.3.4 Consolidated Statements of Changes in Equity

The table below sets out selected data from the Company's audited consolidated financial statements for the years ended 31 December 2020, 31 December 2021 and 31 December 2022.

(In US\$ millions)

Consolidated balance at 1 January 2020	1,291.2
Issue of Ordinary Shares	62.8
Equity issuance costs	(2.6)
<i>Other transactions:</i>	
Share based compensation	0.7
Total comprehensive loss	(317.6)
Other, net	2.331
Consolidated balance at 1 January 2021	1,036.8
Issue of Ordinary Shares	46.0
Equity issuance costs	(1.2)
<i>Other transactions:</i>	
Share based compensation	0.9
Total comprehensive loss	(193.0)
Other, net	0.4
Consolidated balance at 31 December 2021	889.9
Issue of Ordinary Shares	313.8
Equity issuance costs	(15.7)
<i>Other transactions:</i>	
Share based compensation	2.6
Total comprehensive loss	(292.8)
Consolidated balance at 31 December 2022	897.8

10.4 The Group's 2023 Outlook

10.4.1 Introduction and definition of alternative performance measures

The Group's financial outlook included in the Company's published preliminary results for the fourth quarter and full year ended 31 December 2022 includes the following projections about the "Adjusted EBITDA" for 2023:

"With all near-term maturities addressed, our financial focus now turns to delivering on our guidance of Adjusted EBITDA between \$360 million to \$400 million for the full year 2023."

The Group's future growth will depend on the successful implementation of the Group's business strategy. The Group's ability to achieve its business and financial objectives is subject to a variety of factors, many of which are beyond the Group's control. The forecast included above have been prepared by the Company to give guidance into how Management views the Group's expected financial performance for the financial year ending 31 December 2023. The profit forecast has been compiled and prepared on a basis which is both comparable with the Company's historical financial information and consistent with the Company's accounting policies.

For the purpose of this section 10.4 "The Group's 2023 Outlook", the alternative performance measure "Adjusted EBITDA" represents operating profit or loss adjusted for: gain/(loss) on disposal of jack-up rigs; depreciation of non-current assets; impairment of non-current assets; other non-operating income; income from equity method investments; total financial expenses, net; amortization of deferred mobilization and contract preparation costs; amortization of deferred mobilization and demobilization revenue; and income tax. Additionally, in any given period, the Company may have significant, unusual or non-recurring gains or losses, such as bad debt write-offs, which it may exclude from its Adjusted EBITDA for that period.

Management believes that the financial measure, Adjusted EBITDA, 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. Further, it may provide comparability to similarly titled measures of other companies.

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. Further, Adjusted EBITDA has significant limitations, including not reflecting our cash requirements for capital or deferred costs, rig reactivation costs, newbuild rig activation costs contractual commitments, taxes, working capital or debt service.

The outlook statements are forward looking statements and carry the risk associated therewith. Please see Section 4.5 "Cautionary note regarding forward-looking statements" and Section 2.2.10 "Risks related to our 2023 outlook".

The Group's 2023 outlook included in this Prospectus has been prepared by and are the sole responsibility of the Company. Due to the forward-looking nature of the projection about the Adjusted EBITDA for 2023, the Company is not able to present a quantitative reconciliation of such forward looking information, however, Management has applied the accounting principles and policies consistent with those applied in the financial statement included herein which are prepared in accordance with US GAAP. The Company's independent auditor, PwC UK (see section 10.5), has not audited, reviewed, examined, compiled nor applied agreed-upon procedures with respect to the Group's 2023 outlook, and, accordingly, PwC UK does not express an opinion or any other form of assurance with respect thereto. PwC UK's audit reports included in the Prospectus relate solely to the Company's previously issued consolidated financial statements. They do not extend to the Group's 2023 outlook and should not be read to do so.

10.4.2 Methodology and assumptions

The outlook of combined financial information for the financial year ending 31 December 2023 has been prepared on the basis of the Company's accounting policies. The outlook for 2023 has been prepared in accordance with the Group's ordinary forecasting procedures. However, the forecast of combined financial information is based on a large number of estimates made by the Group based on assumptions about future events, which are subject to numerous and significant uncertainties, for example, caused by business and/or wider economic risks and uncertainties, which could cause the Company's actual results to differ materially from the forecast of financial targets presented herein. Certain of the assumptions, uncertainties and contingencies relating to the forecast of combined financial information and the projections of financial targets are wholly or partially within the Group's control, while others are outside or substantially outside of its control.

10.4.3 Key Management assumptions that can be influenced by Management

The Group's outlook for adjusted EBITDA is measured in US\$ and is based on the following key assumptions that can be influenced by Management:

- forecasted revenues include revenues from contracted units at their contracted dayrate and assume economic utilization levels consistent with historical performance of approximately 98%;
- forecasted revenues include revenues from uncontracted units, or for units with unexercised options, which at the time of preparing the forecast accounted for approximately 10% of available operating days, and assume future dayrates that management believe were achievable at the time when the forecast was prepared and which were reflected the prevailing market rates at the time, which were higher than what the contracted rates were, adjusted for economic utilization levels consistent with historical performance of approximately 97%; and
- forecasted rig operating expenses and general and administrative costs assume that costs continued to be incurred at run rates similar to current levels, only adjusted for marginal inflationary increases and adjusted for known changes in rig activity.

10.4.4 Key Management assumptions outside of Management's influence

The Group's outlook for Adjusted EBITDA is measured in US\$ and is based on the following key assumptions, outside of Management's influence, that could materially change the outcome of the forecasts:

- that the macroeconomic situation globally does not materially worsen, and that the demand for oil and oilfield services are affected by an economic downturn;
- there are no major variances in activity compared to the Group's operating plan (such variances could occur for a variety of reasons such as delays in contract commencement dates or cancellation, suspension, renegotiation, or termination (with or without cause) of drilling contracts as a result of general or industry-specific economic, mechanical difficulties, performances, or delays in the delivery of critical drilling equipment); and
- there are no material changes to governing laws or regulations impacting the Group's ability to deliver drilling activity efficiently across its regions or the Group's consolidated tax charge.

10.4.5 Key Management assumptions that could materially change the outcome of the forecasts

The Group has identified the following factors that could materially change the outcome of the forecasts:

- adverse operating performance resulting from one or more significant downtime events leading to Economic Utilization and revenues being significantly below forecast levels;
- a deviation from the Group's operating plan (as described above);
- a material change to governing laws or regulations impacting the Group's ability to deliver drilling activity efficiently across its regions;
- a requirement to make significant additional expenditures, or a change in the anticipated timing of such expenditures, in connection with rig mobilization, customer drilling requirements, or to comply with governing laws or regulations in the regions the Group operate; or
- a major labor dispute impacting the Group's ability to retain skilled personnel on commercially reasonable terms.

10.5 Independent auditor

PricewaterhouseCoopers LLP ("**PwC UK**"), a United Kingdom entity, has served as our independent registered public accounting firm from and including the year ended 31 December 2019. PwC UK is a member of the Institute of Chartered Accountants in England and Wales. PricewaterhouseCoopers LLP was elected at the Annual General Meeting on 27 September 2019 and re-elected at the Annual General Meeting held on 30 September 2022.

11 OPERATING AND FINANCIAL REVIEW

11.1 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 operations 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. We own 22 jack-up rigs with an additional two jack-up rigs scheduled to be delivered in 2025 (cf. section 6.5.3 under "Financing Arrangements"). Upon delivery of these newbuild jack-up rigs, we will have a fleet of 24 premium jack-up rigs, which refers to rigs delivered from the yard in 2001 or later.

We aim to become a preferred operator of jack-up rigs within the jack-up drilling market. The shallow-water market is our operational focus as we expect demand will recover sooner than in the mid and deepwater segments of the contract drilling market. We contract our jack-up rigs and offshore employees primarily on a dayrate basis to drill wells for our customers, including integrated oil companies, state-owned national oil companies and independent oil and gas companies. During 2022, our top five customers by revenue, including related party revenue were Perfromex, PTTEP, ENI Congo S.A., Vaalco Gabon S.A. and Addax Petroleum S.A. A dayrate drilling contract generally extends over a period of time covering either the drilling of a single well or group of wells or covering a stated term. Our Total Contract Backlog (excluding backlog from joint venture operations which earns related party revenue) was US\$ 929.8 million as of December 31, 2022 and US\$ 324.8 million as of December 31, 2021. We currently operate in significant oil-producing geographies throughout the world, including the North Sea, Mexico, West Africa, South-East Asia and the Middle East. We continue to operate our business with a competitive cost base, driven by a strong and experienced organizational culture and an actively managed capital structure.

From our initial acquisition of rigs in early 2017, we have expanded rapidly into one of the world's largest international offshore jack-up drilling contractors by number of jack-up rigs.

11.2 Factors affecting the Group's results of operations

Our results of operations have a number of key components and are primarily affected by the number of jack-up rigs under contract, the contractual dayrates we earn and the associated operating expenses. Our future results may not be comparable to our historical results of operations for the periods presented. In addition, when evaluating our historical results of operations and assessing our prospects in the periods under review, you should consider the following factors:

11.2.1 Macroeconomic conditions

Changes in national and international economic conditions, including for example interest rate levels, inflation, and employment levels, may influence the valuation of real and financial assets. In turn, this may impact the demand for goods, services, and assets globally and thereby the macro economy. The current macroeconomic situation is uncertain and there is a risk of negative developments. Such changes and developments, none of which will be within the control of the Company, may negatively impact the Company's investment activities, realization opportunities and overall investor returns.

A significant portion of our debt bears floating interest rates. For example, the interest rates under certain of our Financing Arrangements are determined with a reference rate plus a specified margin. As such, movements in the reference interest rates, could have an adverse effect on our results of operations and cash flows. In future periods, interest expense will depend on, among other things, our overall level of indebtedness, interest rates and the value of our Shares and related-derivative values.

11.2.2 Rig market conditions

Our revenues are primarily affected by the number of jack-up rigs under contract from time to time and the dayrates we are able to charge our customers, which vary from time to time. To a significant extent, the dayrates we charge our customers depend on the market cycle of the jack-up drilling market at a given point in time. Historically, when oil prices decrease, capital spending and drilling activity decline, which leads to an oversupply of drilling rigs and reduced dayrates. Conversely, higher oil prices, increased capital spending and drilling activity and limited supply of drilling rigs have historically led to higher dayrates. In addition, the number of jack-up rigs under contract from time to time is affected by, among other factors, our relationships with new and existing customers and suppliers. Going forward, our ability to leverage those relationships into new contracts and advantageous rates will be critical to our success and prospects for growth.

Reference is also made to Sections 2.1 ("*Risk related to the industries in which it operates*").

11.2.3 Investments and dispositions

Acquisitions or dispositions of our jack-up rigs are likely to impact our revenue as well as our operating and maintenance expenses. For example, in 2018 we recognized gain on disposals of US\$ 18.8 million in connection with the disposition of 18 jack-up rigs, 16 of which were acquired during the Paragon transaction. In May 2019, we entered into sale agreements for the sale of the "Eir," "Baug" and "Paragon C20051," none of which were operating or on contract, for consideration of US\$ 3.0 million each being total consideration of US\$ 9.0 million. The jack-up rigs have been sold with a contractual obligation not to be used for drilling purposes and so retired from the international jack-up fleet. The sales of "Baug" and "Paragon C20051" were completed in May 2019 for cash consideration of US\$ 6.0 million and the sale of "Eir" was completed by in October 2020. In March 2020, we sold "Paragon B391" for recycling for total proceeds of US\$ 0.8 million. In April 2020, we sold "Paragon B152" and "Dhabi II" including associated backlog for total proceeds of US\$ 15.8 million. The sale of the semi-submersible rig "MSS1" closed on 28 August 2020. On 28 October 2020, the Company entered into an agreement to sell its cold stacked jack-up drilling rig "Atla" to an independent operator and the sale was completed in the fourth quarter 2020 which, together with the sale of the standard jack-up drilling rig "Eir", resulted in total cash proceeds of US\$ 13 million. In the first quarter 2021, the Company completed the sale of its cold stacked jack-up rig "Balder" to BW Energy for a total of US\$ 4.5 million sale proceeds, of which US\$ 3 million was paid on contract signing.

In October 2022, we amended the terms agreed with Keppel to extend our obligation to take delivery of the remaining two newbuild jack-up rigs not yet delivered to July ("Vale") and September ("Var") 2025. We have explored and may continue to explore further acquisition opportunities and we have made and may consider in the future dispositions of jack-up rigs.

In September 2022, we entered into an agreement with a third party to novate our rights and obligations relating to three rigs under construction, "Tivar", "Heidrun" and "Huldra", for a total consideration of US\$ 320.0 million. The Company and the yards agreed to novate the rights and obligations under the newbuilding contracts for the three rigs from the Company to a third-party buyer, thereby releasing the Company from any and all obligations and liabilities in relation to these contracts.

In November 2022, we sold the "Gyme" for a price of US\$ 120 million, pursuant to an undertaking by the Company under its most recent refinancing with PPL completed in October 2022. The proceeds from the were applied to all amounts owed on the rig, and excess amounts were applied to accrued interest for the eight other rigs financed by PPL.

Lastly, in October 2022, we amended the terms agreed with Keppel to extend our obligation to take delivery of the remaining two newbuild jack-up rigs not yet delivered to July ("Vale") and September ("Var"), 2025. We have explored and may continue to explore further acquisition opportunities and we have made and may consider in the future dispositions of jack-up rigs.

11.2.4 Technical and economic utilization

Our revenues may also be affected by other situations, including when our jack-up rigs cease operations due to technical failures and other situations where we do not collect revenue from our customers. Our ability to keep our jack-up rigs operational when under contract is monitored by our Board and management as Technical Utilization. Technical Utilization is the efficiency with which we perform well operations without stoppage due to mechanical, procedural, or other operational events that result in down, or zero, revenue time. Technical Utilization is calculated as the technical utilization of each rig in operation for the period, divided by the number of rigs in operation for the period, with the technical utilization for each rig calculated as the total number of hours during which such rig generated dayrate revenue, divided by the maximum number of hours during which such rig could have generated dayrate revenue, expressed as a percentage measured for the period. Technical Utilization is calculated only with respect to rigs in operation for the relevant period and is not calculated on a fleet-wide basis. Technical Utilization is a measure of efficiency of rigs in operation and is not a measurement of utilization of our fleet overall.

Economic Utilization is the dayrate revenue efficiency of our operational rigs and reflects the proportion of the potential full contractual dayrate that each jack-up rig actually earns each day. Economic Utilization is affected by reduced rates for standby time, repair time or other planned out-of-service periods. Economic Utilization is calculated as the economic utilization of each rig in operation for the period, divided by the number of rigs in operation for the period, with the economic utilization of each rig calculated as the total revenue, excluding bonuses, as a proportion of the full operating dayrate multiplied by the number of days on contract in the period. Economic Utilization is calculated only with respect

to rigs in operation for the relevant period and is not calculated on a fleet-wide basis. Economic Utilization is a measure of efficiency of rigs in operation and is not a measurement of utilization of our fleet overall.

11.2.5 Operations in foreign countries

The Group's rigs will operate in a variety of geographic regions. Consequently, the Group may, indirectly through its underlying investments, be exposed to political risk, risk of piracy, corruption, terrorism, outbreak of war, amongst others. The business, financial condition, and results of operations of the Group, indirectly, and its underlying investments directly, may accordingly be negatively affected if such events do occur.

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:

(In US\$ millions)	For the Years Ended December 31,		
	2022	2021	2020
South-East Asia	154.5	99.5	70.6
West Africa	106.9	30.7	108.1
Mexico	95.9	39.5	43.2
Europe	48.8	75.6	52.6
Middle East	37.7	-	33.0
Total	443.8	245.3	307.5

During the year ended December 31, 2022, we had a single reportable segment: our operations performed under our dayrate model (which includes rig charters and ancillary services).

11.3 Income statement

11.3.1 Financial year ended 31 December 2022 compared to the financial year ended 31 December 2021

Operating Revenues

Total operating revenues increase by US\$ 198.5 million to US\$ 443.8 million for the year ended December 31, 2022 compared to US\$ 245.3 million in 2021. This was principally due to the following increases:

- US\$ 98.6 million increase due to an increase in operating days primarily in relation to jack-up rigs "Ran", "Gerd", "Groa", "Arabia I", "Arabia II" and "Thor" as these rigs were warm stacked in 2021 and operational in 2022;
- US\$ 72.1 million increase primarily due to an increase in operating days in relation to jack-up rigs "Norve", "Idun", "Mist", "Skald" and "Natt" during 2022 compared to 2021; and
- US 45.6 million increase in related party revenues primarily as a result of improved profitability of jack-up rigs "Galar", "Grid", "Njord", "Gersemi" and "Odin", that we lease to our Joint Ventures, Perfomex and Perfomex II, on a bareboat charter basis.

These increases were offset by a decrease of US\$ 19.8 million in relation to a decrease in operating days primarily in relation to jack-up rig "Prospector 5".

Gain on Disposals

Gain on disposals was US\$ 4.2 million for the year ended December 31, 2022 compared to US\$ 1.2 million in 2021. In 2022 we recognized a gain on disposal of US\$ 3.7 million in relation to the novation of our rights and obligations relating to the three newbuildings "Tivar", "Huldra" and "Heidrun" and a gain on disposal of US\$ 0.7 million in relation to the sale of rig related equipment, offset by a US\$ 0.2 million loss on the sale of jack-up rig "Gyme". In 2021 we recognized a gain on disposal of US\$ 1.3 million in relation to the sale of rig related equipment, offset by a US\$ 0.1 million loss on the sale of jack-up rig "Balder".

Total Operating Expenses

Total operating expenses increased by US\$ 215.1 million to US\$ 549.9 million for the year ended December 31, 2022 compared to US\$ 334.8 million in 2021. This was principally due to the following:

- Rig operating and maintenance expenses increased by US\$ 84.4 million to US\$ 264.9 million for the year ended December 31, 2022 compared to US\$ 180.5 million for 2021. This was principally due to the following increases:
 - o US\$ 61.0 million increase due to an increase in operating days primarily in relation to jack-up rigs "Ran", "Gerd", "Groa", "Arabia I", "Arabia II" and "Thor" as these rigs were warm stacked in 2021 and operational in 2022; and
 - o US\$ 34.9 million increase primarily due to an increase in operating days in relation to jack-up rigs "Norve", "Idun", "Mist", "Skald" and "Natt" during 2022 compared to 2021.

These increases were offset by the following decreases:

- o US \$8.4 million decrease primarily as a result of Perfomex and Perfomex II directly hiring personnel from the quarter ended September 30, 2021, whereas before this change, the costs of all expat and certain local personnel was borne by the Company and re-charged to the Joint Ventures with a fixed mark-up;
- o US\$ 1.7 million decrease in relation to amortization of deferred mobilization and contract preparation costs; and
- o US \$2.0 million decrease due to a decrease in operating days primarily in relation to jack-up rig "Prospector 5".

Depreciation of non-current assets decreased by US\$ 3.1 million to US\$ 116.5 million for the year ended December 31, 2022 compared to US\$ 119.6 million for 2021. This was principally due to a decrease by US\$ 1.8 million in relation to the jack-up rig "Gyme" which was classified as held for sale during the quarter ended September 30, 2022 and subsequently sold, thereby ceasing depreciation, and a decrease by US\$ 3.8 million in relation to the review of useful lives of certain jack-up rigs. These decreases were offset by an increase in depreciation as a result of an increase in depreciable additions of US\$ 100.2 million for the year ended December 31, 2022.

Impairment of non-current assets increased by US\$ 131.7 million for the year ended December 31, 2022 compared to nil in 2021. In 2022, we recognized an impairment loss of US\$ 124.4 million representing the impairment of advance payments and capitalized interest on the newbuilding jack-up rigs "Tivar", "Huldra", and "Heidrun" as well as a US\$ 7.3 million impairment loss on the jack-up rig "Gym", both following an impairment review as a result of the Company entering into agreements to sell the newbuildings and jack-up rig. The three newbuildings and the jack-up rig were subsequently sold.

General and administrative expenses increased by US\$ 2.1 million to US\$ 36.8 million for the year ended December 31, 2022 compared to US\$ 34.7 million in 2021. This was principally due to an increase by US\$ 2.3 million in relation to costs associated with the issuance of share options and performance share units to certain employees and their associated respective taxes.

Other non-operating income

Other non-operating income decreased by US\$ 1.6 million to US\$ 2.0 million for the year ended December 31, 2022 compared to US\$ 3.6 million in 2021. In 2022 we recognized US\$ 2.0 million in relation to an amendment to a historical agreement to recycle one of our jack-up rigs. In 2021 we recognized US\$ 3.6 million in relation to the gain on sale of the Company's 49% interest in each of the Opex and Akal Joint Ventures which were disposed of on August 4, 2021.

Income from Equity Method Investments

Income from equity method investments decreased by US\$ 14.9 million to US\$ 1.2 million for the year ended December 31, 2022 compared to US\$ 16.1 million for 2021. This was principally due to a decrease by US\$ 13.1 million in equity

income from the Opex and Akal Joint Ventures. On August 4, 2021, the Company sold its 49% interest in each of the IWS JV's and as such, no equity income from the Joint Ventures was recognized during the year ended December 31, 2022.

Total Financial Expenses, net

Total financial expenses, net increased by US\$ 61.0 million to US\$ 175.7 million for the year ended December 31, 2022 compared to US\$ 114.7 million for 2021. This was principally due to the following:

- Interest income increased by US\$ 5.4 million for the year ended December 31, 2022 compared to nil in 2021. This was principally due to an increase by US\$ 1.3 million from interest income on term deposits and increase by US\$ 4.1 million from interest income from our Joint Ventures.
- Interest expenses, net of amounts capitalized, increased by US\$ 38.4 million to US\$ 131.3 million for the year ended December 31, 2022 compared to US\$ 92.9 million for 2021. This was principally due to a US\$ 32.5 million increase due to the amendments made to our various financing facilities in January 2021 and October 2022 and a US\$ 7.8 million loss on debt extinguishment associated with the refinancing of the Hayfin Facility (extinguishment accounting treatment) and the repayment of the US\$ 450 million and US\$ 100 million secured syndicated facilities agreements, of which DNB Bank was one of the lenders of the syndicate. These increases were offset by US\$ 1.9 million gain on extinguishment of the debt associated with the jack-up rig "Gyme".
- Other financial expenses, net, increased by US\$ 28.0 million to US\$ 49.8 million for the year ended December 31, 2022 compared to US\$ 21.8 million in 2021. This was principally due to the following increases:
 - o US\$ 15.4 million net increase in yard cost cover expenses as a result of contractual ramp up in cost cover for the "Vale" and "Var" offset partially by the decrease in cost cover in relation to the disposal of the "Tivar" during the quarter ended December 31, 2022;
 - o US\$ 8.5 million increase in bank commitment, guarantee and other fees primarily due to fees in relation to the refinancing of debt;
 - o US\$ 4.6 million increase in other financial expenses primarily due to US\$ 2.0 million financial income in 2021 in relation to the sale of rights from a legal claim to a third-party and US\$ 2.8 million reversal of provision for legacy legal claims which have no comparable credits in 2022; and
 - o US\$ 1.4 million increase in amortization of deferred finance charges primarily due to finance charges incurred in relation to the refinancing of debt.

These increases were offset by US\$ 1.9 million decrease in foreign exchange losses.

Income Tax Expense

Income tax expense increased by US\$ 8.7 million to US\$ 18.4 million for the year ended December 31, 2022 compared to US\$ 9.7 million for 2021. This is principally due to the following:

- \$5.5 million increase due to higher bareboat revenues in Mexico;
- \$2.8 million increase due to increased activities in Thailand and Malaysia and new operations in Brunei; and
- \$1.1 million increase due to new operations in Saudi Arabia and Qatar.

These increases were offset by US\$ 0.7 million decrease due to India tax refund and reversal of Dutch tax provision in 2022.

11.3.2 Year ended 31 December 2021 compared to the year ended 31 December 2020

Operating Revenues

Total operating revenues decreased by US\$ 62.2 million to US\$ 245.3 million for the year ended December 31, 2021 compared to US\$ 307.5 million in 2020. This was principally due to the following decreases:

- US\$ 89.6 million decrease due to a decrease in operating days primarily in relation to jack-up rigs "Frigg", "Ran", "Gerd" and "Groa" as these rigs were operational in 2020 and warm stacked in 2021;
- US\$ 43.3 million decrease due to a decrease in operating days in relation to the rigs "MSS1", "Dhabi II" and "B152" as these rigs were operational for a portion of 2020, before being disposed of within the same year;
- US\$ 7.4 million decrease primarily due to a decrease in operating days in relation to jack-up rig "Natt";
- US\$ 11.5 million decrease in related party management services revenues due to a reduction in add-on recharge revenues, as a result of Perfomex and Perfomex II directly hiring personnel in 2021, whereas during 2020 the cost of all expat and certain local personnel was borne by the Company and re-charged to the joint ventures with a fixed mark-up.

These decreases were offset by the following increases:

- US\$ 67.1 million increase due to an increase in operating days primarily in relation to jack-up rigs "Prospector 5", "Prospector 1", "Gunnlod" and "Saga";
- US\$ 13.8 million increase due to an increase in operating days for jack-up rig "Skald" as the rig was stacked during 2020; and
- US\$ 8.7 million increase in related party bareboat revenues as a result of improved profitability of jack-up rigs "Galar", "Grid", "Njord", "Gersemi" and "Odin", that we lease to our joint ventures, Perfomex and Perfomex II, on a bareboat charter basis.

Gain on Disposals

Gain on disposals was US\$ 1.2 million for the year ended December 31, 2021 compared to US\$ 19.0 million in 2020. In 2021 we recognized a gain of US\$ 1.3 million in relation to the sale of rig related equipment, offset by a US\$ 0.1 million loss on the sale of jack-up rig "Balder". In 2020 we recognized a gain on disposal of US\$ 17.8 million relating to jack-up rigs "B152", "Dhabi II" and "Atla" as well as a gain on disposal of rig related equipment of US\$ 1.6 million. These gains recognized in 2020 were offset by a loss on disposal of US\$ 0.4 million relating to jack-up rig "B391".

Total Operating Expenses

Total operating expenses decreased by US\$ 179.7 million to US\$ 334.8 million for the year ended December 31, 2021 compared to US\$ 514.5 million in 2020.

- Rig operating and maintenance expenses decreased by US\$ 89.9 million to US\$ 180.5 million for the year ended December 31, 2021 compared to US\$ 270.4 million for 2020. This was principally due to the following decreases:
 - o US\$ 60.7 million decrease due to a decrease in operating days primarily in relation to jack-up rigs "Frigg", "Ran", "Gerd" and "Groa" as these rigs were operational in 2020 and warm stacked in 2021;
 - o US\$ 34.9 million decrease in operating days in relation to jack-up rigs "MSS1", "Dhabi II", "B152" and "B391" as these rigs were operational for a portion of the year ended December 31, 2020, before being disposed of within the same year;
 - o US\$ 10.5 million decrease as a result of Perfomex and Perfomex II directly hiring personnel in 2021, whereas during 2020 the costs of all expat and certain local personnel was borne by the Company and re-charged to the joint ventures with a fixed mark-up.

These decreases were offset by a US\$ 16.2 million increase due to an increase in operating days primarily in relation to jack-up rigs "Gunnlod" and "Skald" which began operations in September 2020 and June 2021 respectively.

Depreciation of non-current assets increased by US\$ 1.7 million to US\$ 119.6 million for the year ended December 31, 2021 compared to US\$ 117.9 million for 2020. The increase is primarily a result of US\$ 23.8 million in depreciable additions for the year ended December 31, 2021.

Impairment of non-current assets was nil for the year ended December 31, 2021 compared to US\$ 77.1 million in 2020. In the year ended December 31, 2020, the Company recognized an impairment charge of US\$ 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 US\$ 58.7 million in relation to the rigs "Atla" and "Balder", both cold-stacked rigs which were built in 2003. All these rigs were subsequently sold.

General and administrative expenses decreased by US\$ 14.4 million to US\$ 34.7 million for the year ended December 31, 2021 compared to US\$ 49.1 million in 2020. The decrease is primarily a result of US\$ 15.2 million in costs incurred in the year ended December 31, 2020, associated with our 2020 debt agreement amendments. This decrease was offset by US\$ 1.3 million of costs associated with our ATM Program, incurred in 2021 (cf. section 9.4).

Income from Equity Method Investments

Income from equity method investments increased by US\$ 6.6 million to US\$ 16.1 million for the year ended December 31, 2021 compared to US\$ 9.5 million for 2020. The overall increase is a result of a US\$ 9.5 million increase in profitability during 2021 in our Opex and Akal joint ventures, prior to their disposal during the third quarter of 2021, offset by a decrease of US\$ 2.9 million in income from Perfomex and Perfomex II, due to higher bareboat charges being incurred in 2021.

Total Financial Expenses, net

Total financial expenses, net decreased by US\$ 8.2 million to US\$ 114.7 million for the year ended December 31, 2021 compared to US\$ 122.9 million for 2020.

- Interest expenses, net of amounts capitalized, increased by US\$ 5.5 million to US\$ 92.9 million for the year ended December 31, 2021 compared to US\$ 87.4 million for 2020. The overall increase is primarily attributable to the amendments made to our various financing facilities in June 2020 and January 2021.
- Other financial expenses, net, decreased by US\$ 13.9 million to US\$ 21.8 million for the year ended December 31, 2021 compared to US\$ 35.7 million in 2020. This was principally due to the following decreases:
 - o US\$ 26.6 million decrease due to the loss on forward contracts recognized in 2020 relating to a forward contract to acquire 4.2 million shares in Valaris plc, in which 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 we subsequently sold in May and June 2020; and
 - o US\$ 2.3 million decrease due to a loss on call spreads in 2020, which related to the change in fair value of our call spread on our convertible bond.

These decreases were offset by the following increases:

- o US\$ 7.5 million increase in yard cost cover expenses as a result of a full year of cost cover expenses for jack-up rigs "Tivar", "Vale" and "Var" as cost cover commenced accruing in the third and fourth quarter of 2020;
- o US\$ 4.3 million increase in foreign exchange losses; and
- o US\$ 1.5 million decrease in realized gains on financial instruments due to the sale of shares in Valaris pls in May and June 2020.

Income Tax Expense

Income tax expense decreased by US\$ 6.5 million to US\$ 9.7 million for the year ended December 31, 2021 compared to US\$ 16.2 million for 2020. This is principally due to the following decreases:

- US\$ 3.1 million decrease due to a refund in India received in 2021, relating to legacy Paragon operations; and
- US\$ 8.4 million decrease due to reduced activity in Nigeria, UK and Thailand in 2021 compared to 2020.

These decreases were offset by the following increases:

- US\$ 3.3 million increase due to increased activity in Gabon and Malaysia in 2021 compared to 2020;
- US\$ 2.6 million increase due to the withholding tax on the sale of our IWS joint ventures Opex and Akal, in 2021.

11.4 Statement of financial condition

Total assets were US\$ 3,001.7 million as of December 31, 2022 compared to US\$ 3,080.3 million as of December 31, 2021. The decrease of US\$ 78.6 million is primarily due to a decrease in jack-up rigs of US\$ 141.7 million primarily due to the sale of the "Gyme" offset by additions net depreciation for the year and a decrease in newbuildings of US\$ 132.0 million due to the impairment recognized during the year as well as the disposal associated with the novation of the rights and obligations relating to the "Tivar", "Huldra" and "Heidrun" newbuildings. These decreases were offset by a US\$ 72.5 million increase in cash and cash equivalents and restricted cash. The remaining variance is attributable to movements in working capital and other current and non-current assets primarily a result of increased operations.

Total liabilities as of December 31, 2022 were US\$ 2,103.9 million, a decrease of US\$ 86.5 million compared to December 31, 2021. The decrease is mainly attributable to a decrease in debt of US\$ 278.9 million following the Company's debt re-financing in 2022 and a decrease in onerous contract liabilities of US\$ 16.8 million following the sale of the "Tivar" thereby de-recognizing the associated onerous contract provision. These decreases were offset by an increase of US\$ 119.6 million in short-term and long-term deferred mobilization, demobilization and other revenue due to an increase in operations and an increase of US\$ 22.0 million in accrued interest and other items. The remaining variance is attributable to movements in working capital and other current and non-current liabilities.

Total equity as of December 31, 2022 was US\$ 897.8 million compared to US\$ 889.9 million as of December 31, 2021. The increase of US\$ 7.9 million is largely attributable to an increase of common shares of US\$ 9.2 million and paid in capital of US\$ 287.6 million, following the Company's issuances of equity during the year, as well as an increase in treasury share of US\$ 3.9 million. These increases were offset by the net loss for the year of US\$ 292.8 million.

11.5 Liquidity and capital resources

11.5.1 Liquidity and funding

Historically, we have met our liquidity needs principally from proceeds from equity offerings and our former syndicated bank facilities (as described in section 6.5.3.2), our Former Convertible Bonds, availability under our Financing Arrangements, including the shipyard delivery financing arrangements related to our newbuild rigs from PPL and Keppel, cash generated from operations, and sale of non-core assets. Our current loan financing agreements include our PPL Financing and Keppel Financing, the Hayfin Facility, the DNB Facility, the Secured Bonds and the Convertible Bonds, all as described in detail in section 6.5.3.2. Since 1 January 2020, we completed multiple equity offerings, raising gross proceeds of US\$ 422.6 million.

In February 2023, we raised US\$ 250.0 million gross proceeds through the issuance of the Convertible Bonds, due in February 2028 and US\$ 150.0 million gross proceeds through the issuance of the Secured Bonds, due in February 2026. The main part of the bond proceeds has been utilised (through part repayment and defeasance) to refinance the Former Convertible Bond due in May 2023. Following these transactions, all our debt facilities mature in 2025 or later.

As of December 31, 2022, we had US\$ 108.0 million in cash and cash equivalents and US\$ 10.5 million in restricted cash. Included within restricted cash is US\$ 10.1 million relating to bank deposits which have been pledged as collateral for performance guarantees issued by banks in relation to rig operating contracts, compared with US\$ 34.9 million in cash and cash equivalents and US\$ 11.1 million of restricted cash as of December 31, 2021.

11.5.1.1 Hayfin Facility

As of 31 December 2022, we had US\$ 154 million outstanding under our Hayfin Facility after having repaid US\$ 45 million in the fourth quarter of 2022. The facility has been amended in June 2020, January 2021 and October 2022. Following the October 2022 amendments, the facility matures in January 2025 and amortizes with principal repayments of US\$ 20 million due in 2023 and US\$ 30 million in 2024 in quarterly instalments. Please refer to section 6.5.3.2 for further information.

11.5.1.2 The DNB Facility

In October 2022, we entered into the DNB Facility which matures in October 2025. The DNB Facility is described in detail in section 6.5.3.2. As of December 31, 2022, the facility was drawn and we had US\$ 150.0 million outstanding. Please refer to section 6.5.3.2 for further information.

11.5.1.3 The PPL Financing

As of December 31, 2022, we had US\$ 669.6 million principal amount of debt (2021: US\$ 753.3 million) outstanding under the PPL Financing. The amount includes a US\$ 3.3 million back-end fee per rig (or US\$ 26.0 million in total), payable at maturity. The facilities were amended in June 2020, January 2021 and October 2022. In October 2022, maturity was extended from 2023 to 2025 and a revised repayment schedule for capitalized interest was agreed. On November 15, 2022, we completed the sale of "Gyme" for US\$ 120.0 million. The net proceeds from the sale were applied to repay principal, back-end fee and accrued interest for the rig, and any excess amounts received by PPL were applied to the capitalized interest for the eight other rigs which are financed by PPL. Please refer to section 6.5.3.2 for further information.

11.5.1.4 The Keppel Financing

As of 31 December, 2022, we had US\$ 273.6 million outstanding under our shipyard facilities with Keppel, including a back-end fee of US\$ 13.5 million. The interest under the facility accrues with no cash payments until the third anniversary of the loan. Please refer to section 6.5.3.2 for further information.

11.5.1.5 The Convertible Bonds

In February 2023, we raised US\$ 250.0 million through the issuance of new unsecured convertible bonds, which mature in February 2028. The initial conversion price is US\$ 7.3471 per share, with the full amount of the convertible bonds convertible into 34,027,031 shares. The convertible bonds have a coupon of 5% per annum payable semi-annually in arrears in equal instalments. Please refer to section 6.5.3.2 for further information.

11.5.1.6 The Secured Bonds

In February 2023, we raised US\$ 150.0 million through the issuance of senior secured bonds, which mature in February 2026. The Secured Bonds have a coupon of 9.50% per annum payable semi-annually in arrears in equal instalments, and secured by, among other assets, first priority mortgages over the jack-up rigs "Frigg", "Odin" and "Ran". Please refer to section 6.5.3.2 for further information.

11.5.2 Cash flows

11.5.2.1 Cash Flows Used in Operating Activities

Net cash provided by operating activities was US\$ 62.5 million during the year ended December 31, 2022, compared to US\$ 58.9 million used in operations during the year ended December 31, 2021. The increase of US\$ 124.1 million was primarily due to movements in working capital. Included within net cash used in operating activities during the year ended December 31, 2022, are interest payments of US\$ 83.9 million, net of capitalized interest and income tax refunds of US\$ 16.2 million; compared with interest payments, net of capitalized interest of US\$ 57.2 million and income tax payments of US\$ 0.8 million used in operations during the year ended December 31, 2021.

11.5.2.2 Cash Flows Used in Investing Activities

Net cash used in investing activities of US\$ 82.6 million for the year ended December 31, 2022 is comprised of:

- US\$ 81.5 million in additions to jack-up rigs primarily as a result of activation and reactivations, of which US\$ 25.0 million pertains to the jack-up rig "Arabia I", US\$ 24.8 million pertains to "Arabia II" and US\$ 14.9 million pertains to "Thor"; and
- US\$ 1.8 million in purchases of property, plant and equipment.

This was partially offset by US\$ 0.7 million proceeds from the sale of rig related equipment.

Net cash provided by investing activities of US\$ 40.9 million for the year ended December 31, 2021 is comprised of:

- US\$ 46.5 million in net distributions from our equity method investments as a result of the return of previous shareholder funding;
- US\$ 10.6 million proceeds from the sale of our previous equity method investments, Opex and Akal;
- US\$ 1.4 million proceeds from the sale of jack-up rig "Balder"; and
- US\$ 1.3 million proceeds from the sale of rig related equipment.

This was partially offset by US\$ 18.8 million in additions to jack-up rigs primarily as a result of activation costs and US\$ 0.1 million in additions to property, plant and equipment.

11.5.2.3 Cash Flows Provided by Financing Activities

Net cash provided by financing activities of US\$ 92.6 million for the year ended December 31, 2022 is comprised of:

- US\$ 260.4 million proceeds, net of transactions costs from our August 2022 Equity Offering;
- US\$ 28.9 million proceeds, net of transaction costs from our equity offering which closed in January 2022;
- US\$ 8.8 million proceeds, net of transaction costs from the sale of shares under our ATM Program (cf. section 9.4); and
- US\$ 150.0 million proceeds from our New DNB Facility.

This was partially offset by the repayment of debt of US\$ 355.5 million of which US\$ 280.0 was used to repay in full the US\$ 450 million syndicated financing facility we had with DNB Bank ASA and a syndicate of other lenders, US\$ 30.5 million was used to repay in full the US\$ 100 million facility agreement with DNB Bank ASA and a syndicate of lenders, and US\$ 45.0 million was used to make a partial repayment on the Hayfin Facility.

Net cash provided by financing activities of US\$ 44.8 million for the year ended December 31, 2021 is a result of the proceeds, net of transaction costs, from the January 2021 equity offering.

11.6 Investments and divestments

11.6.1 Investments

The Group has not since 31 December 2022 made any material investments. For more information on the Company's investments, please see Section 6.3.3 ("Overview of acquisitions and divestments"). Other than the two rigs due to be delivered to the Company from Keppel, ("Vale" and "Var"), the Group does not have any investments in progress. The table below sets out the anticipated source of funds related to these rigs. Please refer to the information in section 6.5.3.2 (under "(c) Shipyard facilities with PPL") for further information about the Anticipated Keppel Financing referred to in the table below.

If any of the rigowners should terminate any of these construction contracts, it would lose the initial deposit on such contract. The unfinanced part of these investments will be financed by equity and/or other funds available for Borr Drilling upon delivery.

Rig	Delivery date*	Deposit	Outstanding	Anticipated Keppel Financing	Unfinanced
"Vale"	Q2 2025	25.0	147.4	130.0	17.4
"Var"	Q3 2025	25.0	147.4	130.0	17.4
Total		190.2	630.0	415.4	214.6

All amounts in US\$ million

11.6.2 Divestments

From time to time, we consider opportunities to sell our standard jack-up rigs if it can be achieved in a manner in which such jack-up rigs are contractually obligated to leave the jack-up drilling market, thereby decreasing the worldwide supply of jack-up rigs available for contract. In 2018, we divested 18 jack-up rigs for total proceeds of US\$ 37.6 million and recorded a gain of US\$ 18.8 million. In May 2019, we entered into sale agreements for the sale of the "Eir," "Baug" and "Paragon C20051," none of which were operating or on contract, for cash consideration of US\$ 3.0 million each. The jack-up rigs have been sold with a contractual obligation not to be used for drilling purposes and so retired from the international jack-up fleet. The sales of "Baug" and "Paragon C20051" were completed in May 2019 for cash consideration of US\$ 6.0 million and the sale of "Eir" was completed in October 2020. On 13 March 2020, we sold "B391" for recycling for total proceeds of US\$ 0.8 million. On 30 April 2020, we sold "B152" and "Dhabi II" with associated backlog for total proceeds of US\$ 15.8 million, resulting in an estimated recordable gain of US\$ 11.8 million, which was recorded in the second quarter 2020. On 13 May 2020, we entered into an agreement to sell the semi-submersible "MSS1", built in 1979, for recycling, the transaction closed on 28 August 2020. Total proceeds were US\$ 2.2 million, and we recorded an impairment charge of US\$ 18.4 million in the first quarter of 2020. On 28 October 2020, the Company entered into an agreement to sell its cold stacked jack-up drilling rig "Atla" to an independent operator. The sale of the jack-up drilling rig "Atla" was completed in the fourth quarter 2020 together with the previously announced sale of the standard jack-up drilling rig "Eir" for total cash proceeds of US\$ 13 million. The sale of "Balder" was completed in February 2021 for total proceeds of US\$ 4.4 million.

In September 2022, we entered into an agreement with a third party to sell three rigs under construction, "Tivar", "Heidrun" and "Huldra", for a total consideration of US\$ 320.0 million. The Company and the yards agreed to novate the rights and obligations under the newbuilding contracts for the three rigs from the Company to the Buyer, thereby releasing the Company from any and all obligations and liabilities in relation to these contracts.

In November 2022, we sold the "Gyme" for a price of US\$ 120 million, pursuant to an undertaking by the Company under its most recent refinancing with PPL completed in October 2022.

11.7 Critical accounting policies and estimates

11.7.1 Critical accounting policies and estimates

The Group's significant accounting policies are summarized in Note 2 to each of the Financial Statements, incorporated by reference (see Section 17.4 "Incorporation by reference").

We prepare our Financial Statements in accordance with generally accepted accounting principles in the U.S., which require us to make significant judgements and estimates that are important to our financial position and results of operations. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying amounts of assets and liabilities. Actual results may differ from these estimates.

We consider the following to be our critical accounting estimates. For a summary of our significant accounting policies, see Note 2 - Basis of Preparation and Accounting Policies of our Financial Statements, incorporated by reference (see Section 17.4 "Incorporation by reference").

11.7.2 Impairment of jack-up rigs

We continually monitor events and changes in circumstances that could indicate carrying amounts of our jack-up rigs may not be recoverable. At least annually, and additionally if such events or changes in circumstances are present, we assess the recoverability of our jack-up rigs by determining whether the carrying value of such assets will be recovered through undiscounted future cash flows.

In assessing the recoverability of our jack-up rigs' carrying amounts, we make assumptions regarding estimated future cash flows. If the total of the future cash flows is less than the carrying amount of those assets, we recognize an impairment loss based on the excess of the carrying amounts over their respective fair value. Two critical assumptions, utilization and dayrate revenue, are key assumptions utilized in determining the estimated future cash flows and are highly market dependent. Other assumptions include estimates in respect of residual or scrap values, operating and maintenance expenses and capital expenditures.

The sensitivity analysis has been performed based on changes in utilization and dayrate revenue critical assumptions on the consolidated jack-up rig and newbuild fleet:

- 5% decrease to both utilization and dayrate revenue critical assumptions would not result in impairment charges.
- 10% decrease to both utilization and dayrate revenue critical assumptions would not result in impairment charges.

As of December 31, 2022 and 2021, the carrying amount of our jack-up rigs and newbuildings was US\$ 2,592.6 million and US\$ 2,866.3 million, respectively, representing 86.3% and 88.7% of our total assets, respectively.

The Company recognized an impairment charge of US\$ 131.7 million in the consolidated statements of operations in the year ended December 31, 2022 related to our jack-up rig "Gyme" and three newbuildings disposed of during the year, while no impairment was recognized for the year ended December 31, 2021. No impairment related to recoverability of our jack-up rigs' carrying amounts was recognized during the years ended December 31, 2022 and 2021.

Jack-up rigs and related equipment are recorded at historical cost less accumulated depreciation. The cost of these assets, less estimated residual value, is depreciated on a straight-line basis over their estimated remaining economic useful lives. The estimated economic useful life of our jack-up rigs, when new, is 30 years.

11.8 Significant changes

11.8.1 Introduction

Below changes in the Company's financial or trading position have occurred since 31 December 2022, as also discussed in Section 9 ("*Capitalisation and Indebtedness*"). There are no other significant changes in the issuers financial position or its financial performance.

11.8.2 Convertible Bonds

On 8 February 2023, the Company issued US\$ 250 million senior unsecured bonds maturing in 2028, bearing interest at 5% per annum, payable semi-annually. The bonds are convertible into Borr Drilling Limited common shares at a price of US\$ 7.3471 per share.

11.8.3 Secured Bonds

On 9 February 2023, the Company issued US\$ 150 million senior secured bonds maturing in 2026, bearing interest at 9.5% per annum, payable semi-annually. The bonds are secured by first priority mortgages over the rigs "Arabia III", "Ran" and "Odin" and other customary security.

11.8.4 Issue of the Treasury Shares

On 31 January 2023 and 24 February 2023, the Company issued 15 million and 10 million common shares, respectively, to fulfil its obligations under the share lending agreement in connection with the issuance of the Convertible Bonds. The loan shares were issued with a nominal value of US\$ 0.10 per share.

11.8.5 Increase of the DNB Facility

In April 2023, the Company increased the available facility amount under the DNB Facility from US\$ 150 million to US\$ 175 million. The Company expects to draw the additional US\$ 25 million available under the increased facility in April 2023.

11.9 Trend information

Offshore Drilling Market

Energy commodity prices have decreased since June 2022, when the price for Brent crude oil reached approximately \$120 per barrel level, and has recently reached approximately \$80 as of February 22, 2023. However, these lower prices coupled with the global turbulent macroeconomic environment have not affected global demand for offshore drilling services, including jack-up rigs, which remains strong.

As a result of increased capital spending by our clients, demand for contract drilling services has continued improving since 2021. Consequently, the offshore drilling industry has seen contracting activity and dayrates increase in 2022 and continue to do so into 2023. Many new contracts have been for longer durations, as customers aim to lock up jack-up rigs for longer term projects. In addition, demand for offshore drilling services appears to continue to be supported by geopolitical events, such as Russia's military actions across Ukraine, the related economic sanctions imposed by various

governments and a renewed interest in energy security across Europe, the United States and other countries. Despite positive industry trends we have recently experienced, we remain subject to risks relating to the volatility of our industry and the risk that demand and day rates could decline, including as a result of inflation impacting many major economies and global economic uncertainty.

With a global competitive jack-up rig utilization of approximately 92% in February 2023 based on industry reports (such as IHS Markit), which represents an increase of 9% from December 31, 2021, we remain optimistic that recent positive trends will continue and that the offshore drilling market will continue to improve in the foreseeable future, predicated on continued strength in the demand for hydrocarbons. Currently, there are 290 modern jack-ups contracted, representing an increase of approximately 53 units as compared to recent lows in late 2020 and during the same period, the number of standard jack-ups contracted has shrunk by approximately five units, confirming our view of a continued market bifurcation and operators' preference for modern rigs.

Although demand is expected to continue improving and consequently the number of contracted rigs to increase, growth in rig supply is anticipated to be restrained. Currently, there are approximately 20 newbuild rigs under construction of which two are already contracted and two are owner-operated, leaving a total of 16 available (including "Vale" and "Var" which we have agreed to acquire). We anticipate that few of these rigs under construction will be able to enter the marketed fleet in the near future due to several being in early stages of completion and due to increasing supply chain pressures which impact construction. The order book of new rigs as a percentage of the current jack-up fleet has reached a 20-year record low and stands at approximately 4%. No new jack-up rigs have been ordered in the last two years, and industry analysts estimate that the newbuild cost for a high specification jack-up rig is currently around \$260 million (Clarksons Research).

We also face risks and trends that could adversely affect our industry and business. Energy rebalancing trends have accelerated in recent years as evidenced by promulgated or proposed government policies and commitments by many of our customers to further invest in sustainable energy sources. Our industry could be further challenged as our customers rebalance their capital investments to include alternative energy sources, as well as respond to the normal cycles that have historically existed in our industry. We also expect inflationary pressures to persist in 2023 as well as continue to experience disruptions in supply chains and distribution channels. Nonetheless, the global energy demand is predicted to increase over the coming decades, and we expect that offshore oil and gas will continue to play an important and sustainable role in meeting this demand for the foreseeable future.

12 BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

12.1 Introduction

The Board is responsible for the overall management of the Company and may exercise all of the powers of the Company not reserved for the Company's shareholders by the Bye-laws and Bermuda law.

The Bye-Laws state that the number of Directors shall not be less than two. The shareholders shall, at the Annual General Meeting (the "**Annual General Meeting**"), and may in a general meeting by Resolution, determine the minimum and the maximum number of Directors and may by resolution determine that one or more vacancies in the Board shall be deemed casual vacancies for the purpose of these Bye-laws. The Directors are, unless there is a casual vacancy, elected by the shareholders at the annual general meeting or any special general meeting called for that purpose. If there is a casual vacancy, the Board may appoint a Director to fill the vacancy always provided a quorum of Directors remains in office. The Directors serve until the next annual general meeting following his/her election or until his/her successor is elected.

12.2 The Board of Directors

12.2.1 Overview of the Board of Directors

The Bye-laws provide that the Board shall consist of a minimum of two. The shareholders have currently approved a maximum of seven Board Members. The names, positions, and current term of office of the Board Members as at the date of this Prospectus are set out in the table below.

Name	Position	Served since	Term expires
Tor Olav Trøim	Director and Chairman	August 2017	N/A
Kate Blankenship	Director	February 2019	N/A
Neil Glass	Director	December 2019	N/A
Mi Hong Yoon	Director and Company Secretary	March 2022	N/A

The composition of the Board is in compliance with the independence requirements of the Corporate Governance Code (as defined below), meaning that (i) the majority of the shareholder elected members of the Board are independent of the Company's executive management and material business contacts, (ii) at least two of the shareholder elected Board Members are independent of the Company's main shareholders (shareholders holding more than 10% of the securities), and (iii) no member of the Company's management serves on the Board.

The Company's registered office address at S.E. Pearman Building, 2nd floor, 9 Par-la-Ville Road, Hamilton HM11, Bermuda, serves as the c/o address for the Board Members in relation to their directorships of the Company.

The securities and options to acquire securities that are held by the Board Members as at the date of this Prospectus are set out in Section 12.4.3 below. See Section 12.5 "Bonus programme and share incentive scheme" for a description of the Company's long term share incentive programme adopted by the Board.

12.2.2 Brief biographies of the Board Members

Set out below are brief biographies of the Board Members who constitute the Board, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a Board Member is or has been a member of the administrative management or supervisory bodies or partner in the five years dating back from the date of this Prospectus.

Tor Olav Trøim

Director and Chairman

Tor Olav Trøim has served as a Director on our Board since our incorporation and was our founder. He served as the Chairman of the Board from August 2017 until September 2019 and was appointed Chairman of the Board again in February 2022. Mr. Trøim is the founder and sole shareholder of Magni Partners. He is the senior partner (and an employee) of Magni Partners' subsidiary, Magni Partners Limited, in the U.K. Mr. Trøim is a beneficiary of the Drew Trust, the sole shareholder of Drew. Mr. Trøim has 30 years of experience in energy related industries in various positions. Before founding Magni Partners in 2014, Mr. Trøim was a director of Seatankers Management Co. Ltd. from 1995 until September 2014. He was the Chief Executive Officer of DNO AS from 1992 to 1995 and an Equity Portfolio Manager with

Storebrand ASA from 1987 to 1990. Mr. Trøim graduated with an MSc degree in naval architecture from the University of Trondheim, Norway in 1985. Mr. Trøim is a Norwegian citizen and a resident of the United Kingdom.

Current directorships and management positions: *Borr Drilling Limited (Director), Magni Partners (Bermuda) Limited (Founding Partner), Golar LNG Limited (Chairman), Stolt-Nielsen SA. (Director), Magni Sports AS (Director), and Vålerenga Fotball AS (Director).*

Previous directorships and management positions last five years: *Avida Finans AB (Director), Golar LNG Partners LP (Chairman) and Hygo Energy Transition Ltd. (Chairman)*

Kate Blankenship

Director

Kate Blankenship has served as a Director on our Board and as Chair of our Audit Committee since February 2019. Mrs Blankenship also serves as Chair of the Compensation Committee. Mrs. Blankenship is a member of the Institute of Chartered Accountants in England and Wales and graduated from the University of Birmingham with a Bachelor of Commerce in 1986. Mrs. Blankenship joined Frontline Ltd in 1994 and served as its Chief Accounting Officer and Company Secretary until October 2005. Among other positions, she has served on the board of numerous companies, including as director and audit committee Chairperson of North Atlantic Drilling Ltd. from 2011 to 2018, Archer Limited from 2007 to 2018, Golden Ocean Group Limited from 2004 to 2018, Frontline Ltd. from August 2003 to 2018, Avance Gas Holding Limited from 2013 to 2018, Ship Finance International Limited from October 2003 to 2018, Golar LNG Limited from 2003 to 2015, Golar LNG Partners LP from 2007 to 2015, Seadrill Limited from 2005 to 2018 and Seadrill Partners LLC from 2012 to 2018. Mrs. Blankenship also serves as a Director of 2020 Bulkers Ltd., International Seaways, Inc. and Eagle Bulk Shipping Inc. Mrs. Blankenship is a United Kingdom citizen and resident.

Current directorships and management positions: *Borr Drilling Limited (Director, Audit Committee Chairperson and Compensation Committee member), 2020 Bulkers Ltd. (Director and Audit Committee Chairperson), International Seaways, Inc. (Director and Audit Committee Chairperson) and Eagle Bulk Shipping Inc. (Director).*

Previous directorships and management positions last five years: *Frontline Ltd (Director and audit committee Chairperson), North Atlantic Drilling Ltd (Director and audit committee Chairperson), Archer Limited (Director and audit committee Chairperson), Golden Ocean Group Limited (Director and audit committee Chairperson), Avance Gas Holding Limited (Director and audit committee Chairperson), Ship Finance International Limited (Director and audit committee Chairperson), Golar LNG Limited (Director and audit committee Chairperson), Golar LNG Partners LP (Director and audit committee Chairperson), Hygo Energy Transition (Director), Seadrill Limited and Seadrill Partners LLC (Director and audit committee Chairperson).*

Neil Glass

Director

Neil Glass has served as a Director on our Board since December 2019 and also serves as an Audit Committee Member and Chairs our Nominating and Governance Committee. Mr. Glass is a member of both the Chartered Professional Accountants of Bermuda and of Alberta, Canada, and is a Chartered Director and Fellow of the Institute of Directors. Mr.

Glass graduated from the University of Alberta in 1983 with a degree in Business. Mr. Glass worked for Ernst & Young for 11 years: seven years with the Edmonton, Canada office and four years with the Bermuda office. In 1994, he became General Manager and in 1997 the sole owner of WW Management Limited, tasked with overseeing the day-to-day operations of several international companies. Mr. Glass has over 20 years' experience as both an executive director and as an independent non-executive director of international companies. Mr. Glass also serves as a Director and Audit Committee Chair of Cool Company Ltd. Mr. Glass is a Canadian citizen and a British Overseas Territories Citizen and a resident of Bermuda.

Current directorships and management positions: *Borr Drilling Limited (Director, Nominating and Governance Committee, Chairperson and Audit Committee Member), Cool Company Ltd. (Director and Audit Committee Chair), and WW Management Limited (Owner and Director).*

Previous directorships and management positions last five years: *2020 Bulkera Ltd. (Director and Audit Committee Member) and Golar LNG Partners LP (Director and Audit Committee)*

Mi Hong Yoon

Mi Hong Yoon was appointed as a Director and Company Secretary of the Company on March 1, 2022. Ms. Yoon has served as Managing Director of Golar Management (Bermuda) Limited since February 2022. Prior to this role, she was employed by Digicel Bermuda as Chief Legal, Regulatory and Compliance Officer from March 2019 until February 2022 and also served as Senior Legal Counsel of Telstra Corporation Limited's global operations in Hong Kong and London from 2009 to 2019. She has extensive international legal and regulatory experience. Ms. Yoon graduated from the University of New South Wales with a Bachelor of Law degree (LLB) and earned a Masters degree (LLM) in international economic law from the Chinese University of Hong Kong. She is a member of the Institute of Directors and has held several director positions over the years. Ms. Yoon is an Australian citizen and a resident of Bermuda.

<i>Current directorships and management positions:</i>	<i>Borr Drilling Limited (Director and Company Secretary), Golar Management (Bermuda) Limited (Managing Director), Himalaya Shipping Ltd (Director and Company Secretary), Cool Company Ltd. (Director and Company Secretary), 2020 Bulkera (Company Secretary)</i>
<i>Previous directorships and management positions last five years:</i>	<i>2020 Bulkera Ltd (Director), Digicel Bermuda (Chief Legal, Regulatory and Compliance Officer), Telstra Corporation Limited (Senior Legal Counsel)</i>

12.3 Management

12.3.1 Overview

The ultimate responsibility for the management of the Company is vested in the Board.

The Board has decided that the Company's management requirements shall be contracted in from subsidiaries. In doing so the Board will, at all times, retain sole authority on all significant strategic and operating decisions and on issues that are either of an unusual nature or of major importance to the Company and its activities. Similar to structures commonly used by other rig companies, the Group's rigs are all owned by separate subsidiaries or associated companies. Borr Drilling Management (UK) Limited and Borr Drilling Management AS, both wholly-owned subsidiaries, support the Group in the implementation of the Board's decisions and management of the Group.

The Group's Management team have historically been employed in Borr Drilling Management AS and Borr Drilling Management DMCC. In connection with the Group's transfer of certain functions to the United Kingdom in 2019 the Executive Officers are now employed in either Borr Drilling Management (UK) Limited or Borr Drilling Management AS. Their individual services are integrated in the services Borr Drilling Management (UK) Limited and Borr Drilling Management AS provides to the Company and the Group pursuant to a Management Agreement.

The securities and options to acquire securities that are held by members of the Executive Officers as at the date of this Prospectus are set out in Section 12.4.3 below. See Section 12.5 "Bonus programme and share incentive scheme" for a description of the Company's long term share incentive programme adopted by the Board.

The Management Agreements set out the terms upon which Borr Drilling Management (UK) Limited and Borr Drilling Management AS provide administrative services to the Group. The Management Agreements clearly reserve the authority to set goals for the Company (within the scope of the Memorandum of Association and the Bye-laws), to approve strategy and plans and to take any and all decisions of an unusual nature or major importance with the Board. The authority granted to Borr Drilling Management (UK) Limited and Borr Drilling Management AS, as managers under the Management Agreements, is to take decisions required for the day-to-day management of the Group within limits defined by the Board and the individual board of directors of the rig owning subsidiaries.

The names of the members of Executive Officers as at the date of this Prospectus, and their respective positions, are presented in the table below:

Name	Current position within the group	Employed with the Group since
Patrick Schorn	Chief Executive Officer (1) of Borr Drilling Management (UK) Limited	September 2020
Magnus Vaaler	Chief Financial Officer (2) of Borr Drilling Management AS	January 2018 (as CFO since 28 December 2020)

(1) Svend Anton Maier served as the Group's Chief Executive Officer from January 2018 until 7 September 2020.

(2) Rune Magnus Lundetræ served as the Group's Chief Financial Officer from August 2017 until 31 December 2019, Francis Millet served from January 2020 until 31 October 2020 and Christoph Bausch served from 1 November to 28 December 2020.

Borr Drilling Management (UK) Limited's registered business address at 70 Victoria Street, 6th Floor, The Zig Zag Building, London, United Kingdom, SW1E 6SQ and Borr Drilling Management AS' registered business address at Fridjof Nansens plass 4, 0160 Oslo, Norway serves as c/o address for the members of the Executive Officers in relation to their employment with the Group.

12.3.2 *Brief biographies of the members of the Executive Officers*

Set out below are brief biographies of the members of the Executive Officers, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the management is or has been a member of the administrative, management or supervisory bodies or partner during the previous five years.

Patrick Schorn

CEO

Patrick Schorn served as a Director on our Board from 10 January 2018 until 8 September 2020. Mr. Schorn served as the Executive Vice President of Wells for Schlumberger Limited until 31 August 2020. Prior to that role, he held various global management positions including President of Operations for Schlumberger Limited, President Production Group, President of Well Services, President of Completions and GeoMarket Manager Russia. He began his career with Schlumberger Limited in 1991 as a Stimulation Engineer in Europe and held various management and engineering positions in France, United States, Russia, U.S. Gulf of Mexico and Latin America. Mr. Schorn holds a Bachelor of Science degree in Oil and Gas Technology from the University "Noorder Haaks" in Den Helder, the Netherlands. Mr. Schorn is a Dutch citizen and a resident of the United Kingdom.

Current directorships and management positions: *Borr Drilling Management (UK) Limited (Chief Executive Officer).*

Previous directorships and management positions last five years: *Borr Drilling Limited (Director & Compensation Committee), Schlumberger Limited (President of Operations), Well Services (EVP, President of Operations), New Ventures (EVP, President of Operations).*

Magnus Vaaler

CFO

Magnus Vaaler became CFO of Borr Drilling in December 2020 from the position as VP Investor Relations and Treasury. Mr Vaaler has been working in the Company's Finance department since January 2018 with Treasury, Finance and Investor relations. Mr. Vaaler brings many years of finance, oil and offshore industry experience from three years as VP Finance in "Offshore Merchant Partners", a portfolio company of Hitecvision, and seven years as Treasurer and VP Finance in Frontline Ltd., listed on NYSE and OSE. Mr. Vaaler holds a Bachelor of Commerce degree from University College Dublin. Mr. Vaaler is a Norwegian citizen and resident.

Current directorships and management positions: Borr Drilling Management AS (Chief Financial Officer), Løstegård AS (Director)

Previous directorships and management positions last five years: N/A

12.4 Remuneration and benefits

12.4.1 Remuneration of the Board of Directors

During the year ended 31 December 2022, the Company paid its Directors aggregate fees of US\$ 0.9 million, which includes fees paid in cash and shares and restricted share units issued as director compensation.

12.4.2 Remuneration of the management

During the year ended December 31, 2022, we paid our directors and executive officers aggregate compensation (including bonuses) of US\$ 4.2 million. In addition, for 2022 we recognized an expense of US\$ 0.9 million relating to stock options, restricted stock units and performance share units granted to certain of our directors and executive officers. The remuneration structure comprises primary salaries, discretionary bonuses, pension, and other expensed benefits. The Company does not disclose, and is not required to disclose, the remuneration of the Management and Board of Directors on an individual basis.

12.4.3 Shareholdings of Board Members and Executive Officers in the Company

The members of Executive Officers and Board Members that hold securities and options of the Company are set out below.

Name	Position	No # of securities	No # of options
Tor Olav Trøim (1)	Chairman	15,792,857	-
Magnus Vaaler (2)	CFO	75,000	985,000
Patrick Schorn (3)	CEO	1,200,000	2,200,000
Kate Blankenship (4)	Director	195,469	15,000
Neil Glass (5)	Director	135,596	-

(1) Represents shares beneficially owned by Tor Olav Trøim, including those held by Drew Holdings Ltd., Magni Partners (Bermuda) Ltd and their respective subsidiaries and affiliates, as the context may require.

(2) Magnus Vaaler was appointed as CFO on 27 December 2020 with effect from 28 December 2020.

(3) Patrick Schorn was appointed as CEO on 10 August 2020 with effect from 8 September 2020.

(4) Kate Blankenship was appointed on 26 February 2019.

(5) Neil Glass was appointed on 31 December 2019.

12.5 Bonus programme and share incentive scheme

12.5.1 Long-term Incentive Program

We have adopted a long-term incentive plan and have authorized the issuance of up to 10,897,000 options pursuant to awards under our long-term incentive program, of which 1,227,000 options remain unallocated for further awards and recruitments. Any person who is contracted to work at least 20 hours per week in our service, the members of our Board and any person who is a member of the board of any of our subsidiaries are eligible to participate in our long-term incentive plan. The purpose of our long-term incentive program is to align the long-term financial interests of our

employees and directors with those of our shareholders, to attract and retain those individuals by providing compensation opportunities that are competitive with other companies, and to provide incentives to those individuals who contribute significantly to our long-term performance and growth. To accomplish this, our long-term incentive plan permits the issuance of our shares.

The long-term incentive plan is based on the granting of options to subscribe to new securities. Such options are typically granted with a term of five years. The Board has the authority to set the subscription price, vesting periods and the terms of the options. No consideration is paid by the recipients for the options. When an individual ceases to be eligible to retain options, for example by leaving the group, unvested options lapse. Vested options must, under the same circumstances, be exercised within a certain period after the termination date. For further details on share options please refer to Note 24 - Share Based Compensation of our Audited Consolidated Financial Statements included herein.

12.5.2 Performance Share Units ("**PSU**")

On August 11, 2022, Patrick Schorn, the Company's Chief Executive Officer was awarded 500,000 Performance Stock Units that will all vest in full on September 1, 2025, subject to the Company's share price reaching US\$ 10.00 per share on 75% of the days in the third quarter of 2025, prior to September 1, 2025 and Patrick Schorn's continued service. The Company's share price on the grant date was US\$ 3.96.

12.5.3 Restricted Share Units ("**RSU**")

On November 18, 2022, the Company issued 29,528 (88,584 in total) RSUs to three of our Directors, Mr. Tor Olav Trøim, Mrs. Kate Blankenship and Mr. Neil Glass, which will vest in full on September 30, 2023 subject to the participants continuing to serve as Director from the grant date to the vesting date.

12.5.4 Treasury shares

During the year ended December 31, 2022, we issued 90,822 of our treasury shares to various of our directors (and one former director) who elected to receive part of their director compensation in the form of shares. We held 315,511 treasury shares as of December 31, 2022, which we may use for issuances under our long-term incentive program and for other purposes including issuance of shares to Directors as part of their annual compensation.

The following table sets forth the basis for the share option expense with respect to the share options (for our ordinary shares) that have been granted to the Company's directors and executive officers.

Named of Officer or Director	Share Options		
	Number of securities underlying unexercised options (#)	Option exercise price	Option expiration date
Kate Blankenship, <i>Director</i>	30,000	US\$ 17.50	March 11, 2024
Magnus Vaaler, Chief Financial Officer (from 28 December 2020)	70,000	US\$ 24.35	July 6, 2023

Otherwise, as at the date of this Prospectus; no options, or similar rights to acquire securities in the Company have been granted to any members of the Executive Officers or Directors, otherwise noted above. Reference is made to Section 14.9 "Other financial instruments".

12.6 Benefits upon termination

None of the Group's employment agreements entitle any benefits for the employee upon termination.

12.7 Pension and retirement benefits

The Group provides its employees with pension arrangements customary in the relevant jurisdiction of employment.

12.8 Loans and guarantees

The Group has not granted any loans or guarantees or other commitments to any of its Directors, members of management or to any other employees.

12.9 Employees

As at December 31, 2020, the Company had 418 employees and 927 contractors. Of the total of 1,345 employees and contractors, 1,190 were offshore and 155 were onshore.

As at December 31, 2021, the Company had 517 employees and 1,409 contractors. Of the total of 1,926 employees and contractors, 1,731 were offshore and 195 were onshore.

As at December 31, 2022, the Company had 1,504 employees and 1,000 contractors. Of the total of 2,504 employees and contractors, 2,236 were offshore and 268 were onshore.

These employees and contractors have extensive technical, operational and management experience in the jack-up segment of the shallow-water offshore drilling industry.

Some of our employees and our contracted labour are represented by collective bargaining agreements. As part of the legal obligations in some of these agreements, we are required to contribute certain amounts to retirement funds and pension plans and have restricted ability to dismiss employees. In addition, many of these represented individuals are working under agreements that are subject to salary negotiation. These negotiations could result in higher personnel costs, other increased costs or increased operating restrictions that could adversely affect our financial performance. We consider our relationships with the various unions as stable, productive, and professional.

We seek to employ national employees and contractors wherever possible in the markets in which our rigs operate. This enables us to strengthen customer and governmental relationships, particularly with NOCs, and results in a more competitive cost base as well as relatively lower employee turnover.

12.10 Nominating and Governance committee

The Company has established a nominating and governance committee comprised of Mr. Glass who is an independent director according to the NYSE's standards for independence. The nominating and governance committee is appointed by the Board to assist the Board in (i) identifying individuals qualified to become members of the Board, consistent with criteria approved by the Board, (ii) recommending to the Board the director nominees to stand for election at the next general meeting of shareholders, (iii) developing and recommending to the Board a set of corporate governance principles applicable to our directors and employees, (iv) recommending committee structure, operations and reporting obligations to the Board, (v) recommending committee assignments for directors to the Board and (vi) overseeing an annual review of Board performance.

12.11 Audit committee

The Company has an audit committee currently consisting of two members, Mrs. Blankenship and Mr. Glass, who are both independent.

Under our audit committee charter, the audit committee is responsible for overseeing the quality and integrity of the Group's Consolidated Financial Statements and our accounting, auditing and financial reporting practices; reviewing, evaluating and advising the Board concerning the adequacy of our accounting systems and maintenance of our books and records and our internal controls; our compliance with legal and regulatory requirements; the independent auditor's qualifications, independence and performance; and our internal audit function.

12.12 Compensation committee

The Company has established a compensation committee of which Mrs. Blankenship, who is an independent director, is the sole member. The compensation committee is responsible for establishing general compensation guidelines and policies for executive employees. The compensation committee determines the compensation and other terms of employment for executive employees (including salary, bonus, equity participation, benefits, and severance terms) and reviews, from time to time, our compensation strategy and compensation levels in order to ensure we are able to attract, retain and motivate executives and other employees. The compensation committee is also responsible for approving any equity incentive plans or arrangements and any guidelines or policies for the grant of equity incentives thereunder to our employees. It oversees and periodically reviews all annual bonuses, long-term incentive plans, stock options, employee pension and welfare benefit plans and also reviews and makes recommendations to the Board regarding the compensation of directors for their services to the Board.

12.13 Corporate governance

It is the opinion of the Board that the Company, subject to the following exceptions, complies with the Norwegian Code of Practice for Corporate Governance as of 14 October 2021 (the "Code") at the date hereof:

1. The Board's authority to increase the Company's issued share capital is limited to the extent of its authorized but not issued share capital at any time and is not restricted to specific purposes.
2. The appointment of an audit committee, a nomination committee and a compensation committee are not required under Bermuda law. The Company has established each of these committees.
3. The Bye-laws permit the Board to grant share options to employees without requiring that the general meeting be presented with the volume or other terms and conditions of such scheme.
4. The Bye-laws permit general meetings being summoned with 7 days' notice (the notice period being exclusive of the day on which the notice is served and the day on which the meeting to which it relates is to be held). The effective notice period from the date a notice is announced until it is deemed to be received by a shareholder is, however, 11 days.
5. Pursuant to the Memorandum of Association the objects for which the Company was formed and incorporated are unrestricted.
6. The Board will consider and determine, on a case-by-case basis, whether independent third-party evaluations are required when entering into agreements with close associates.
7. The chairman of the Board is elected by the Board and not by the shareholders as recommended in the Code. This follows normal procedures under Bermuda law.
8. There is no requirement in Bermuda law for the Board to prepare guidelines for its own work or management and the Board has so far not done so.

12.14 Conflict of interests

During the last five years preceding the date of this Prospectus, none of the Board Members or the members of the management has, or had, as applicable:

- any convictions in relation to indictable offences or convictions in relation to fraudulent offences
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company, or
- been declared bankrupt or been associated with any bankruptcy, receivership, or liquidation in his or her capacity as a founder, director, or senior manager of a company.

To the Company's knowledge, there are currently no actual or potential conflicts of interest between the Company and the private interests or other duties of any of the members of the management or the Board, including any family relationships between such persons.

There are no arrangements or understandings with major shareholders, customers, suppliers, or others, pursuant to which any of the current Board members or members of the management was selected as a member of the Board or management of the Company.

13 RELATED PARTY TRANSACTIONS

13.1 Introduction

Below is a summary of the Group's related party transaction for the period from and including 1 January 2023 and up to the date of this Prospectus. For further information on historical related party transactions of the Group, please refer to note 27 (page F-53) of the Group's Consolidated Financial Statements for 2022 (see Section 17.4 "Incorporation by reference").

13.2 Transactions carried out with related parties in the period from 1 January 2023 to the date of the Prospectus

Since 1 January 2023 and up to the date of this Prospectus, the Group has had the following related party transactions:

13.2.1 Share Lending Framework Agreement and Share Lending Agreement with Drew Holdings Ltd.

On 25 January 2023 the Company entered into a share loan agreement with Drew Holdings Ltd. (Drew) and DNB Markets, part of DNB bank ASA (DNB) in respect of 25 million Shares in aggregate for the purposes of facilitating investors' hedging activities, of which 15 million Shares have been made available from issue of the Convertible Bond by borrowing 15 million Shares from Drew. The Company will pay Drew a market-based borrowing fee until the Drew receives its Shares.

In order to create the initial 15 million loan Shares to replace the loan Shares borrowed from Drew, the Company's issued share capital has subsequently been increased by US\$ 1,500,000 to US\$ 24,426,359.80, divided into 244,263,598 shares, each with a nominal value of US\$ 0.10 per share. An additional 10 million shares have been issued on 24 February 2023, which will be borrowed by DNB for further lending to the investors in the Company's Convertible Bond. The loan Shares will be held in treasury and cancelled upon redelivery. Redelivery may occur by repayment of the Convertible Bonds or decrease in the demand for hedging shares for other reasons, or expiry of the SLA. The Company will not receive interest on the Shares lent to facilitate the Convertible Bond investors' hedging activities.

13.2.2 Agreements and other Arrangements with Magni Partners Limited ("Magni")

Mr. Tor Olav Trøim is Director and Vice Chairman of our Board and is the sole owner of Magni. Magni is party to a Corporate Support Agreement with the Company pursuant to which it is providing strategic advice and assistance in sourcing investment opportunities, financing etc. This agreement was formalized on 15 March 2017.

Pursuant to the corporate support agreement with Magni Partners Limited, costs of US\$ 1.3 million were paid in the period from 1 January 2023 to the date of this Prospectus.

13.2.3 Transactions with entities over which we have significant influence

13.2.3.1 Mexico Joint Ventures

During 2019 we entered into a joint venture with CME to provide integrated well services to Pemex. We own 49% of the equity of Opex and Akal. We provide five jack-up rigs on bareboat charters to two other joint venture companies, Perfomex and Perfomex II, which provide the jack-up rigs under traditional dayrate contracts to Opex and Akal. Opex and Akal charter the jack-up rigs, along with well services from, among other contractors, one of our principal shareholders, Schlumberger, and logistics and administration services from CME, and provides integrated well services to Pemex.

13.2.3.2 Perfomex

We provided three rigs on a bareboat basis for Perfomex to service its contract with OPEX, up until 20 October 2022. Effective 20 October 2022, we provide five rigs on a bareboat basis for Perfomex to service its contract with OPEX. The revenue from these contracts can be found within the related party revenue line in our Consolidated Statements of Operations. From 1 January 2022 to 31 December 2022 we recognized US\$ 60.2 million of revenue.

13.2.3.3 Perfomex II

We provided two rigs on a bareboat basis for Perfomex II to service its contract with Akal, up until 20 October 2022. Effective 20 October 2022, these two rigs were provided to Perfomex, and no rigs are currently provided to Perfomex II. The revenue from these contracts can be found within the related party revenue line in our Consolidated Statements of Operations. From 1 January 2022 and up to 31 December 2022, we recognized US\$ 24.9 million of revenue.

14 CORPORATE INFORMATION AND DESCRIPTION OF THE SHARE CAPITAL

The following is a summary of certain corporate information and material information relating to the securities and share capital of the Company and certain other shareholder matters, including summaries of certain provisions of the Memorandum of Association and Bye-laws applicable Norwegian law in effect as of the date of this Prospectus. The summary does not purport to be complete and is qualified in its entirety by the Memorandum of Association and applicable law.

14.1 Company corporate information

The Company was founded on 8 August 2016 under the name "Magni Drilling Limited". Following a name change on 13 December 2016, the Company's registered name is Borr Drilling Limited, and the commercial name is Borr Drilling. The Company is incorporated with domicile in Bermuda and is subject to Bermuda law in general and the Companies Act 1981 of Bermuda in particular. The original directors (not being provisional directors) were Erling Lind, Michelle Wolfe and Bjørn Isaksen.

The Company is registered with the Registrar of Companies in Bermuda, where the Company's registration number is 51741. The Company's LEI (Legal Entity Identifier) number is 213800J2JPCTXLHQ5R78. The Company's registered office is located at S.E. Pearman Building, 2nd Fl, 9 Par-la-Ville Road, Hamilton HM11, Bermuda, and the Company's main telephone number at that address is +1 (441) 542-9234. The Company's website can be found at <http://borrdrilling.com/>. The content of such website is not incorporated by reference into or otherwise form part of this Prospectus.

There are currently 254,263,598, ordinary shares issued in the Company ("**Ordinary Shares**"), including the Private Placement Shares and the Treasury Shares.

14.2 Share registration, nominal and beneficial shareholding

The Ordinary Shares in the Company, which are in the currency of US\$, have been created and issued by the Company under the Bermuda Companies Act. The Ordinary Shares are registered in book-entry form the Company's register of members in Bermuda (the "**RoM**"), kept by the Company Secretary in accordance with the Bermuda Companies Act at the Company's registered office at S.E. Pearman Building, 2nd Fl, 9 Par-la-Ville Road, Hamilton HM11, Bermuda. The Ordinary Shares have a par value of US\$ 0,10 each.

As of the date hereof, 229,263,598 of the Ordinary Shares in the Company are registered to Cede & Company ("**Cede**") in the RoM, acting as a nominee shareholder for the Depository Trust Company (the "**DTC**"), which acts as the clearing system for securities traded on major US stock exchanges.

The registration of Cede as nominee for DTC facilitates the dematerialized registration of the rights to the Company's Ordinary Shares in DTC, as the central securities register (a "**CSD**") in which the Company has its primary dematerialized electronic registration of rights to its Ordinary Shares.

10,000,000 Ordinary Shares (relating to the Tranche 2 Treasury Shares) are recorded to the Company as treasury shares in the RoM. 15,000,000 Ordinary Shares (relating to the Tranche 1 Treasury Shares) have been lent to Drew Holdings Ltd. pursuant to a share lending agreement between the company and Drew Holdings Ltd. and registered in Drew Holding Ltd.'s name in the RoM.

The Ordinary Shares, excluding the Treasury Shares, have been granted a CUSIP number G1466R173 and an ISIN number BMG1466R2078 by the Bermuda Stock Exchange. The Treasury Shares have been issued with a separate CUSIP (CUSIP G1466R 181 for the Tranche 1 Treasury Shares and CUSIP G1466R 199 for the Tranche 2 Treasury Shares) and ISIN number (ISIN BMG1466R1815 for the Tranche 1 Treasury Shares and ISIN BMG1466R1997 for the Tranche 2 Treasury Shares) from the Bermuda Stock Exchange, making them untransferable in the DTC and VPS, as they were issued on the condition that they were not made tradeable until this Prospectus has been published. Upon the publication of this Prospectus, the ordinary shares represented by the Treasury Shares will become part of the Company's Ordinary Shares, and automatically be identified by the same CUSIP and ISIN number as the rest of the Company's Ordinary Shares and the Shares representing such Ordinary Shares (the "**ISIN Conversion**").

The Company and Drew Holdings Ltd. will, subsequent to the publication of the Prospectus, appoint Cede as their nominee shareholder in the RoM, and subsequently arrange for the rights to the Ordinary Shares represented by the

Treasury Shares to be registered in the DTC, and subsequently in Euronext Securities Oslo (Verdipapirsentralen ASA, hereinafter the "**VPS**").

The Company's Shares are registered in dematerialized form in two CSDs. All Shares are primarily registered in the DTC. To enable trading on OSE, Shares must be registered in the VPS, which is Norway's CSD.

The Company's secondary sub-register of beneficial shareholders is maintained in the VPS, and is administrated by DNB Bank ASA, Registrar's Department (the "**Registrar**") as the company's account operator pursuant to a registrar agreement between the Registrar and the Company (the "**Registrar Agreement**"). The Registrar is recorded as the nominal owner of a certain number of rights to Ordinary Shares, as deposited to a custodian account in the name of the Registrar with Clearstream Bank. Further, Clearstream Bank holds an equal number of rights to the Company's Ordinary Shares in a custodian account in Citibank, as such rights are registered in the DTC and represent an equal number of Ordinary Shares held by Cede as nominee shareholder in the RoM (the "**CSD Link**"). The Shares trading in the VPS are registered in book-entry form under ISIN BMG1466R2078.

The Private Placement Shares were initially registered in the DTC and traded on NYSE (and consequentially considered listed on the Oslo Stock Exchange) in August 2022.

Pursuant to the CSD Link structure, the beneficial ownership rights to the company's underlying Ordinary Shares are registered on a one-for-one basis in DTC under the name of a "share". As such, whenever the term "Share" is used in this Prospectus, either as "Shares", "Private Placement Shares", "New Shares", "Treasury Shares" or otherwise, investors must keep in mind that each "share" in the Company registered in the VPS and/or DTC from time to time represents a beneficial ownership right to an Ordinary Share in the Company, and investors trading on OSE and in the VPS will hold the rights to such Ordinary Shares as "shares" in the VPS.

Pursuant to the CSD Link structure, when US investors trade the Shares between NYSE and OSE, the Shares will be transferred from the DTC to the VPS. If US investors trade and sell their Shares from NYSE to OSE, a corresponding amount of beneficial rights to Ordinary Shares in the Company will be added to the deposit of beneficial share ownership rights the Registrar keeps in custody, through the CSD Link structure, and the Registrar will register and make the Shares tradeable in the VPS, whereas the selling US investor's corresponding account in the DTC will be debited (the "**VPS Transfer Option**"). As such, the number of Shares traded in the VPS and listed on OSE can vary from time to time.

As the investors trading in the Norwegian market in the VPS derive their rights to the Company's Ordinary Shares through the Registrar's nominal ownership of such rights in the DTC, investors registered as owners of the Shares in VPS will have to exercise, indirectly through the Registrar as their nominee, all rights of ownership relating to the underlying rights to the Ordinary Shares, as recorded in the DTC. The investors registered as owners in VPS must look solely to the Registrar for the payment of dividends, for the exercise of voting rights attached to the underlying Ordinary Shares, and for all other rights arising in respect of the underlying Ordinary Shares. The Registrar Agreement provides that, whenever the Registrar receives any notice, report, accounts, financial statements, circular or other similar document relating to the Company's affairs, including notice of a shareholders' meeting, the Registrar shall ensure that a copy of such document is promptly sent to the investors registered as owners in VPS, along with any proxy card form or other relevant materials.

All transactions related to Shares registered with the VPS must be recorded in the VPS and the transactions are recorded through computerized book-entries. No physical share certificates are or can be issued for Shares registered with VPS. VPS confirms each entry by sending a notification of the transaction to the relevant investor, regardless of beneficial ownership. The evidence of ownership through the VPS is the only formality required in order to acquire and sell beneficial ownership of the underlying Ordinary Shares on OSE. To affect these entries, the investor must establish a securities account with a Norwegian account operator unless the shareholder's Shares are registered in the name of a nominee. Norwegian banks, licensed investment firms in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account operators. Subject to the qualifications set out above, the entry of a transaction in VPS is under Norwegian law prima facie evidence in determining the legal rights of parties as towards the issuing company and against a third party claiming an interest in the security.

If the Company pays any dividends in the future, the Company will pay such dividends directly to the Registrar, which in turn has undertaken to distribute the dividends and other declared distributions to the shareholders in accordance with the Registrar Agreement. For further information on future payments of dividends on the Shares (if any), please

refer to Section 7.3 (“*Manner of dividend payments*”) for further information. The Registrar will not hold any right to share in profits and any liquidations surplus which are not passed on to the shareholders. The Registrar shall not attend nor vote at any of the Company’s general meetings, other than pursuant to an authorization from the shareholders. The shareholders have the right to require the Shares to be exchanged for underlying Ordinary Shares. If this is exercised by a shareholder, the Registrar may submit an application to the Board and request a transfer of underlying Ordinary Shares from the account of the Registrar to a new account in the name of the shareholder in the RoM. The Board should not unreasonably withhold approval of such applications.

The Registrar Agreement is subject to Norwegian law and, accordingly, all the rights to Shares registered in the VPS are established under Norwegian law. The Company may terminate the Registrar Agreement with three (3) months’ prior written notice. The Registrar may terminate the Registrar Agreement with justifiable cause with three (3) months’ prior written notice. Either the Company or the Registrar may terminate the Registrar Agreement immediately upon written notice of any material breach of the Registrar Agreement by the other party, unless such breach is rectified within 10 business days. The Company’s failure to fulfil payment obligations shall always be considered a material breach of the Registrar Agreement. In the event the Registrar Agreement is terminated, the Company will use its reasonable best efforts to enter into a replacement agreement for the purposes of permitting the uninterrupted listing of the Shares on OSE.

The Registrar’s liability for loss has been limited under the Registrar Agreement. The Registrar has also disclaimed liability for any losses suffered as a result of VPS’ errors or negligence. VPS is liable for any direct economic loss resulting from an error in connection with its registration activities unless the error is caused by matters outside the control of VPS and which VPS could not reasonably be expected to avoid or of which VPS could not reasonably be expected to overcome the consequences. The courts may reduce or set aside VPS’ liability if the person who has suffered the loss has contributed to the loss wilfully or negligently.

14.3 Legal structure

The Company is the ultimate parent company in the Group. The Company is a holding company. The operations of the Group are and will continue to be carried out by individual companies within the Group.

Each rig is owned by a subsidiary wholly owned by Borr IHC or other holding subsidiaries of the Company and the purpose of such rig owners is to hold and operate such asset only. Please refer to the chart below.

The Company’s subsidiaries Borr Drilling Management (UK) Limited and Borr Drilling Management AS provide management services to the Group as further described in section 12.3 (“*Management*”) above.

The following table sets out information about the Company’s significant subsidiaries:

Company	Registration number	Country of incorporation	% holding
Borr IHC Limited	55669	Bermuda	100
Borr International Ventures Limited	02163	Bermuda	100
Borr Jack-Up Assets (UK) Limited	14625049	England	100
Borr Ran (UK) Limited	14131920	England	100
Borr Arabia III (UK) Limited	14625458	England	100
Borr Mexico Ventures Limited	625126	Scotland	100
Borr Galar (UK) Limited	12162524	England	100
Borr Njord (UK) Limited	12299476	England	100
Borr Grid (UK) Limited	625273	Scotland	100
Borr Gersemi (UK) Limited	625315	Scotland	100
Borr Odin (UK) Limited	617410	Scotland	100
Borr (UK) Holdings Limited	617356	Scotland	100

Company	Registration number	Country of incorporation	% holding
Borr Natt Inc.	92790	Marshall Islands	100
Borr Gerd Inc.	92795	Marshall Islands	100
Borr Groa Inc.	92796	Marshall Islands	100
Borr Gunnlod Inc.	92797	Marshall Islands	100
Borr Holdings Limited	OC-338105	Cayman Islands	
Prospector Rig 1 Contracting Company Limited	OC-339040	Cayman Islands	100
Prospector Rig 5 Contracting Company Limited	OC-339041	Cayman Islands	100
Borr Idun Limited	CR-274802	Cayman Islands	100
Borr Mist Limited	CR-274800	Cayman Islands	100
Borr Jack-Up I Inc.	89738	Marshall Islands	100
Borr West Africa Assets Inc.	92798	Marshall Islands	100
Borr Jack-Up XIV Inc.	5827	British Virgin Islands	100
Borr Hild Inc.	92787	Marshall Islands	100
Borr Heimdal Inc.	92789	Marshall Islands	100
Borr Hermod Inc.	92788	Marshall Islands	100
Borr Midgard Holding Ltd.	54739	Bermuda	100
Borr Midgard Assets Ltd.	54738	Bermuda	100
Borr Saga Inc.	89738	Marshall Islands	100
Borr Skald Inc.	89739	Marshall Islands	100
Borr Jack-Up XXXII Inc.	100435	Marshall Islands	100
Borr Vale Inc.	89741	Marshall Islands	100
Borr Var Inc.	89742	Marshall Islands	100

As at the date of this Prospectus, the Group is of the opinion that its holdings in the entities specified above are likely to have a significant effect on the assessment of its own assets and liabilities, financial condition or profits and losses.

14.4 Share capital and share capital history

As per the date of this Prospectus, the Company's issued share capital is US\$ 25,426,359.8 divided into 254,263,598 Ordinary Shares, with a par value of US\$ 0.10 each.

The Company's authorised share capital is US\$ 31,500,000 divided into 315,000,000 Ordinary Shares, with a nominal value of US\$ 0.10 each of which 254,263,598 Ordinary Shares are in issue. All Ordinary Shares have been created and issued in accordance with the requirements of the Bermuda Companies Act and the Bye-Laws, are validly issued and fully paid.

As per the date hereof, 229,263,598 of 254,263,598 Ordinary Shares are represented by Shares in a CSD. Shortly following the date hereof, the Treasury Shares will be registered in the DTC and subsequently in the VPS. Hence, shortly following the date hereof, it is intended that all the Ordinary Shares in the Company shall be represented by Shares in a CSD.

As of the publication of this Prospectus, the Company has one class of Ordinary Shares. As of the date of this Prospectus, there are no share options or other rights to subscribe or acquire securities issued by the Company save as described in Section 14.9 ("*Other financial instruments*") below. Reference is also made to Section 12.4.3 for an overview of Management and Board Members that hold securities and options of the Company.

Neither the Company nor any of its subsidiaries directly or indirectly own securities in the Company. See Section 14.8 ("*Authorisation to acquire*") for a description of the authorisation granted to the Board to acquire treasury securities.

The table below shows the development in the Company's share capital from inception up to the date of this Prospectus:

Date of registration	Type of change	Change in share capital (US\$)	Subscription price per Ordinary Shares (US\$)	Nominal value (US\$)	New number of Ordinary Shares	New share capital (US\$)
8 August 2016	Initial share issue	50.00	10	10	5	50
6 December 2016	Change in par value. Increase in authorised capital	-	-	0.01	5,000	50
9 December 2016	Private placement 77,500,000 Ordinary Shares	775,000	2.00	0.01	77,505,000	775,050
20 March 2017	Exercise of Warrants 5,812,500 new Ordinary Shares	58,125	0.01	0.01	83,317,500	833,175
21 March 2017	Private placement 228,600,000 new Ordinary Shares	2,286,000	3.50	0.01	311,917,500	3,119,175
23 March 2017	Exercise of Warrants 3,875,000 new Ordinary Shares	38,750	0.01	0.01	315,792,500	3,157,925
24 March 2017	Increase in authorised capital	-	-	0.01	315,792,500	3,157,925
25 August 2017	Increase in authorised capital	-	-	0.01	315,792,500	3,157,925
10 October 2017	Private placement 162,500,000 new Ordinary Shares	1,625,000	4.00	0.01	478,292,500	4,782,925
23 March 2018	Private placement of 46,707,500 new Ordinary Shares (Tranche 1)	467,075	4.60	0.01	525,000,000	5,250,000
5 April 2018	Increase in authorised capital	-	-	0.01	525,000,000	5,250,000
30 May 2018	Private placement of 7,640,325 new Ordinary Shares (Tranche 2)	76,403.25	4.60	0.01	532,640,327	5,326,403.27

21 June 2019	Reverse share split	-	-	0.05	106,528,065	5,326,403.25
31 July 2019	Share issue 5,000,000 new Ordinary Shares	250,000	9.30	0.05	111,528,065	5,576,403.25
2 August 2019	Share issue 750,000 new Ordinary Shares	27,500	8.785	0.05	112,278,065	5,613,903.25
27 September 2019	Increase in authorised capital	-	-	0.05	112,278,065	5,613,903.25
4 June 2020	Increase in authorised capital	-	-	0.05	112,278,065	5,613,903.25
5 June 2020	Share issue 46,153,846 new Ordinary Shares	2,307,692.30	0.65	0.05	158,431,911	7,921,595.55
10 August 2020	Increase in authorised capital	-	-	0.05	158,431,911	7,921,595.55
5 October 2020	Share issue 51,886,793 new Ordinary Shares	2,594,339.65	0.53	0.05	210,318,704	10,515,935.20
11 November 2020	Increase in authorised share capital	-	-	0.05	210,318,704	10,515,935.20
30 November 2020	Share issue 10,000,000 new Ordinary Shares	500,000	0.53	0.05	220,318,704	11,015,935.2
8 January 2021	Increase in authorised capital	-	-	0.05	220,318,704	11,015,935.2
24 June 2021	Increase in authorised capital	-	-	0.05	220,318,704	11,015,935.2
25 January 2021	Share issue 54,117,647 new Ordinary Shares	54,117,647	-	0.05	274,436,351	13,721,817.55
14 December 2021	Reverse Share Split	-	-	0.10	137,218,175	13,721,817.55
27 Jan 2022	Equity Offering	13,333,333	2.25	0.10	150,551,508	15,055,150.80
9 March 2022	ATM Program	1,521,944	-	0.10	152,901,508	15,290,150.80
16 August 2022	Increase in authorised capital	-	-	0.10	152,901,508	15,290,150.80
17 August 2022	Equity Offering (First Settlement)	41,666,667	3.60	0.10	194,568,175	19,456,817.50
26 August 2022	Equity Offering (Final Settlement)	34,696,404	3.60	0.10	229,264,579	22,926,457.90
25 August 2022	Cancel shares	981	-	0.10	229,263,598	22,926,359.80
31 January 2023	Share issue 15,000,000 new Ordinary shares	15,000,000	0.10 ¹	0.10	244,263,598	24,426,359.80
23 February 2023	Increase in authorised capital	-	-	0.10	244,263,598	24,426,359.80
24 February 2023	Share issue 10,000,000 new Ordinary shares	10,000,000	0.10 ¹	0.10	254,263,598	25,426,359.80

¹These shares were issued by the Company to hold in treasury for the purpose of the Hedging Programme under the Company's Convertible Bonds. The Tranche 1 Treasury Shares have been lent to Drew Holdings Ltd. as temporary compensation for Drew Holding Ltd. making available an equal number of Shares to DNB Markets to facilitate the hedging programme in the period from the issue of the Convertible Bonds to the date of the registration of the Treasury Shares in the VPS.

As per the date of this Prospectus, and prior to the registration of the Treasury Shares, a total of 229,263,598 Ordinary Shares are held by two record holders in the United States, representing 100% of our total outstanding Ordinary Shares registered in electronic form (excluding the Treasury Shares), including the DTC which acts as the clearing system for securities traded in major US stock exchanges. Subject to the Ordinary Shares represented by the Treasury Shares, our Ordinary Shares beneficially owned in the United States are held through DTC's nominee, Cede, as the registered holder

of the Ordinary Shares in the RoM. The Registrar is, through its custody chain described in section 14.2, the holder of record in the DTC for the Shares that represent the beneficial interests in the Ordinary Shares traded in the VPS and on the OSE from time to time. Citibank N.A. is the DTC participant on behalf of the Registrar.

Other than as set out above, there have been no changes to the Company's share capital or the number of securities of the Company from the start of the period covered by the historical financial information up to the date of this Prospectus.

14.5 Description of the securities

14.5.1 Introduction

The Shares, being the Shares that represent the beneficial interests in the same number of Ordinary Shares, are primarily registered in the DTC. A varying number of Shares may be registered in the VPS from time to time, where the Company has a secondary electronic registration of Shares. In the VPS, the Shares are recorded under the name of a "share" and is tradeable on OSE in the form of "shares" in Borr Drilling Ltd., in NOK. Each Share will represent one Ordinary Share as registered in the Company's RoM. Please refer to section 14.2 for further information about the Company's dematerialised electronic registration of rights to its Ordinary Shares in the US and Norway.

Owners of Shares will not have direct shareholder rights. The rights and obligations of the Registrar are described further in Section 14.11.2 ("*The Registrar Agreement*"). Other than as described in this Section, there are no differences between the rights attached to the Shares and the Ordinary Shares.

14.5.2 Issuance

For the shares trading directly on the Oslo Stock Exchange, the Registrar has issued and delivered the Shares to the holders in VPS, in accordance with the Norwegian Act on Registration of Financial Instruments of 5 July 2002 no. 64. All such Shares are issued and registered in book-entry form through the VPS system and the shareholders may obtain statements, showing the number of Shares held, online or through the VPS account operator who maintains the shareholders' VPS account.

14.5.3 Record dates

The Company may fix a record date for the determination of the shareholders who will be entitled to receive any dividend or other distribution on or in respect of the Ordinary Shares, to give instructions for the exercise of any voting rights, to receive any notice or to act in respect of other matters and only such shareholders at such record date will be so entitled or obligated.

14.5.4 Voting rights

Each Ordinary Share carries one vote. Shareholders may instruct the Registrar to vote for the underlying Ordinary Shares represented by the relevant Shares, subject to any applicable provisions of Bermuda law. The Company will furnish voting materials to the Registrar and the Registrar will notify the shareholders of the upcoming vote and arrange to deliver the Company's voting materials to the shareholder. Otherwise, shareholders will not be able to exercise their voting rights unless the steps outlined in Section 14.2 ("*Share registration, nominal and beneficial shareholding*") are followed. The Registrar's notice will describe the information in the voting materials and explain how shareholders may instruct the Registrar to vote the underlying Ordinary Shares. The Registrar will only vote or attempt to vote as the shareholders instruct. The Registrar itself will not exercise any voting rights.

14.5.5 Reclassification, recapitalization, and mergers

If the Company reclassifies, splits up or cancels any of the securities; distributes securities on the Ordinary Shares that are not distributed to shareholders; or recapitalizes, reorganizes, amalgamates, merges, consolidates, liquidates, sells all or substantially all of its assets, or goes into liquidation, receivership or bankruptcy; then the Registrar may choose to either (i) amend the form of the Ordinary Shares, (ii) distribute additional or amended Ordinary Shares, (iii) distribute the cash, securities or other property received in connection with such actions or (iv) sell any securities or property received and distribute the net proceeds as cash. If the Registrar does not choose any of the above, the cash, securities, or other property it receives will constitute deposited securities and each Share will automatically represent its equal share of the new deposited cash, securities or other property, or a combination thereof, as the case may be.

14.5.6 Mandatory provisions of Bermuda law relating to the Ordinary Shares

14.5.6.1 Foreign exchange

The Company has been designated as a non-resident of Bermuda for exchange control purposes by the Bermuda Monetary Authority. The Company's securities are to be listed on an appointed stock exchange. For so long as the Company's securities remain listed on an appointed stock exchange, the transfer of securities between persons regarded as resident outside Bermuda for exchange control purposes and the issuance of Securities to or by such persons may be effected without specific consent under the Bermuda Exchange Control Act of 1972 and regulations made thereunder. Issues and transfers of securities between any person regarded as resident in Bermuda and any person regarded as non-resident for exchange control purposes require specific prior approval under the Bermuda Exchange Control Act 1972 unless such securities are listed on an appointed stock exchange. Subject to the foregoing, there are no limitations on the rights of owners of securities in the Company to hold or vote their securities. Given the Company has been designated as non-resident for Bermuda exchange control purposes, there are no restrictions on its ability to transfer funds in and out of Bermuda or to pay dividends to non-Bermuda residents who are holders of securities, other than in respect of local Bermuda currency.

14.5.6.2 Taxes

See Section 16.1 ("*Bermuda taxation applicable to the Company*") and Section 16.3 ("*The shareholders*") for a description of certain Bermuda taxation consequences of holding the securities.

14.5.6.3 Information

The Registrar shall provide the Company with the information on the data and withdrawal of securities, the number of securities in circulation, and also information on the transactions on securities, including at least price (if and when made available by the VPS) and units traded, as available to the Registrar in the VPS system.

14.6 Ownership structure

As of the date hereof, the Company has one nominal holder of Ordinary Shares, Cede, holding the Ordinary Shares on record as nominee on behalf of the beneficial owners of the Ordinary Shares.

As of 12 April 2023, the Company had all its Shares registered in the DTC, save for the Treasury Shares. Of the 229,263,598 shares being primary recorded in the DTC, 137,027,206 were secondarily recorded in the VPS.

Holders owning 5% or more of the Ordinary Shares, directly or indirectly, have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. See Section 15.7 ("*Disclosure obligations*") for a description of the disclosure obligations pursuant to the Norwegian Securities Trading Act.

In so far as known by the Company, as of 12 April 2023, no person other than the members of the administrative, management or supervisory bodies, directly or indirectly, and the shareholders as set out below, has an interest in the Company's capital or voting rights which is notifiable under the Company's national law:

<u>Shareholder</u>	<u>Shareholding %¹</u>
Granular Capital Ltd	Between 10-15%
Allan & Gill Gray Foundation	Between 10-15%
Drew Holdings Ltd.	Between 5-10%
BlackRock, Inc	Between 5-10%
Goldman Sachs Group, Inc.	Between 5-10%

¹This information is based on the total number of shares in the Company (254,263,598) and solely on the publicly available mandatory notification of trades made by these investors on www.newsweb.no or, for Allan & Gill Gray Foundation, on the Schedule 13G filed on www.sec.gov on 14 February 2023.

The Company is not aware of any persons or entities that directly or indirectly, jointly or severally, will exercise or could exercise control over the Company. The Company is not aware of any arrangements the operation of which may at a

subsequent date result in a change of control of the Company. The securities have not been subject to any public takeover bids.

14.7 Authorisations to increase the share capital

As of the date of this Prospectus, the Company's authorised share capital is US\$ 31,500,000 divided into 315,000,000 Ordinary Shares, with a nominal value of US\$ 0.10 per Share. 254,263,598 Ordinary Shares are in issue. The Board has been authorised by Bye-law 3 to issue further Ordinary Shares up to the number of Ordinary Shares representing the authorized share capital from time to time.

14.8 Authorisation to acquire Shares into treasury

The Company has, pursuant to Bye-law 9, the ability to acquire and own its own securities. As of the date hereof, the Company holds 315,411 Shares in treasury, in addition to the Treasury Shares to be held in treasury.

14.9 Other financial instruments

Other than: (i) the options granted to employees and directors under the incentive and option plans as described in Section 12.5; and (ii) the Former Convertible Bonds (to be repaid) and the Convertible Bonds described in section 6.5.3, neither the Company nor any of its subsidiaries has issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any securities in the Company or its subsidiaries.

14.10 Shareholder rights

Following the ISIN Conversion effective as of the publication of this Prospectus, the Company has one class of Ordinary Shares in issue, and all Ordinary Shares in that class provide equal rights in the Company. Each of the Company's Ordinary Shares carries one vote. The rights attaching to the Ordinary Shares are described in Section 14.11 "Summary of certain rights of the Company's shareholders under Bermuda law, the Memorandum of Association and the Bye-laws".

14.11 Summary of certain rights of the Company's shareholders under Bermuda law, the Memorandum of Association and the Bye-laws

14.11.1 Objects pursuant to the Memorandum of Association

Pursuant to Section 6 of the Memorandum of Association, the objects for which the Company was formed and incorporated are unrestricted.

14.11.2 Special shareholder meetings

Bye-law 61 and 69A provides that the Board may, whenever it thinks fit, and shall, when required by the Bermuda Companies Act, convene a special general meeting of the shareholders. Under the Bermuda Companies Act, a special general meeting of shareholders must be convened by the board of directors of a company on the requisition of shareholders holding not less than one-tenth in nominal value of the paid-up capital of the company as at the date the request is made carries the right to vote at a general meeting of the company.

14.11.3 Shareholder action by written consent

The Bermuda Companies Act provides that, except in the case of the removal of an auditor or director and subject to a company's bye-laws, anything which may be done by resolution of a company in a general meeting or by resolution of a meeting of any class of the members of a company may be done by resolution in writing. The Bye-law 62 provides that such resolution must be signed by a simple majority of all of the shareholders (or such greater majority as may be required by the Bermuda Companies Act or the Bye-laws).

14.11.4 Shareholder meeting quorum; voting requirement; voting rights

Bye-law 70 provides that, save as otherwise provided, the quorum at any general meeting shall be two or more Shareholders, either present in person or represented by proxy, holding Ordinary Shares carrying voting rights entitled to be exercised at such meeting. Bye-law 77 provides that except where a greater majority is required by the Bermuda Companies Act or the Bye-laws, any question proposed for consideration at any general meeting shall be decided on by a simple majority of votes cast provided that any resolution to approve an amalgamation or merger shall be decided on by a simple majority of votes cast and the quorum necessary for such meeting shall be two persons holding, or representing by proxy, at least 33 1/3% of the issued Ordinary Shares of the Company (or the class, where applicable). There is no cumulative voting. Every shareholder of the Company who is present in person or by proxy has one vote for every Ordinary Share of which he or she is the holder. The Company has not, pursuant to its Bye-laws, applicable laws or regulations made pursuant to law, been given a discretionary right to bar the exercise of voting rights, except pursuant

to Bye-law 173 where a registered holder of Ordinary Shares is in default of its obligations under Bye-law 172 to provide the Company with information about any interests in such Ordinary Shares held by any person (including, without limitation, the ownership of beneficial interests in such Ordinary Shares).

14.11.5 Notice of shareholder meetings

The Bermuda Companies Act requires that all companies hold a general meeting at least once in each calendar year (which meeting shall be referred to as the Annual General Meeting) and that shareholders be given at least five days' advance notice of a general meeting, but the accidental omission to give notice to, or the non-receipt of a notice of a meeting by, any person entitled to receive notice does not invalidate the proceedings of the meeting. Bye-law 67 provides that an annual and special general meeting of shareholders shall be called by not less than 7 days' notice in writing, and that the notice period shall be exclusive of the day on which the notice is served or deemed to be served and of the day on which the meeting to which it relates is to be held. Pursuant to bye-law 152, a notice is deemed to be served or delivered two days after the date on which it is sent by post.

Bye-law 68 provides that if a general meeting is called on shorter notice, it will be deemed to have been properly called if it is so agreed (i) in the case of a meeting called as an annual general meeting by all the shareholders entitled to attend and vote thereat; and (ii) in the case of any other special general meeting by a majority in number of the shareholders having the right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the Ordinary Shares giving that right. No shareholder is entitled to attend any general meeting unless a notice in writing of the intention to attend and vote in person or by proxy signed by or on behalf of the shareholder addressed to the company secretary is deposited (by post, courier, facsimile transmission, or other electronic means) at the Company's registered office at least 48 hours prior to the time appointed for holding the general meeting.

14.11.6 Notice of shareholder proposals

Under the Bermuda Companies Act, shareholders holding not less than one-twentieth of the total voting rights of all shareholders having a right to vote at the meeting to which the requisition relates, or not less than 100 shareholders, may, at their own expense (unless the company otherwise resolves), require a company to give notice of any resolution which may properly be moved and is intended to be moved at the next annual general meeting and/or to circulate a statement (of not more than 1000 words) in respect of any matter referred to in a proposed resolution or any business to be conducted at the annual general meeting.

14.11.7 Board meeting quorum; voting requirement

Bye-law 120 provides that the quorum necessary for the transaction of the business of the Board may, subject to the requirements of the Bermuda Companies Act, be fixed by the Board and, unless so fixed at any other number, shall be a majority of the Directors present in person or by proxy. Questions arising at any meeting of the Board shall be determined by a majority of votes cast. In the event of an equality of votes, the motion shall be deemed to have been lost.

14.11.8 Number of Directors

Under the Bermuda Companies Act, the minimum number of directors on the board of directors of a company is one. The minimum number of directors may be set higher in the bye-laws of a company (and is set at two by Bye-law 97 of the Company). The maximum number of directors may be set by the shareholders at a general meeting or in accordance with the bye-laws of the relevant company. The maximum number of directors is usually fixed by the shareholders in a general meeting. Only the shareholders may increase or decrease the number of directors last approved by the shareholders.

14.11.9 Removal of Directors

Bye-law 99 and the Bermuda Companies Act provide that the shareholders of the Company may, at a special general meeting called for that purpose, remove any Director. Any Director whose removal is to be considered at such a special general meeting is entitled to receive not less than 14 days' notice and shall be entitled to be heard at the meeting.

14.11.10 Newly created directorships and vacancies on the Board

Under the Bermuda Companies Act, the directors shall be elected at each annual general meeting of the company or elected or appointed by the shareholders in such other manner and for such term as may be provided in the bye-laws for the relevant company. Additionally, a vacancy created by the removal of a director at a special general meeting may be filled at that meeting by the election of another director or in the absence of such election, by the other directors. Unless the bye-laws of a company provide otherwise (which the Bye-laws do not) and provided there remains a quorum

of directors in office, the remaining directors may fill a casual vacancy on the board. Under Bye-laws 98 and 99, any vacancy in the Board may be filled by the election or appointment by the shareholders at a general meeting, and the Board may also fill any vacancy in the number left unfilled. A Director so appointed will hold office until the next annual general meeting of the Company.

14.11.11 Interested Directors

Under Bye-law 105, any Director may hold any other office or place of profit with the Company (except that of auditor) for such period and on such terms as the Board may determine and shall be entitled to remuneration as if such Director were not a Director. So long as a Director declares the nature of his interest at the first opportunity at a meeting of the Board or by writing to the Board as required by the Bermuda Companies Act, a Director shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any office or employment to which the Bye-laws allow him to be appointed or from any transaction or arrangement in which the Bye-laws allow him to be interested, and no such transaction or arrangement shall be liable to be avoided on the ground of any interest or benefit, and such Director shall count in the quorum and be able to vote at any meeting of the Board at which the matters in question are to be considered.

14.11.12 Duties of the Directors

The Bermuda Companies Act also imposes a duty on directors and officers of a Bermuda company to: (i) act honestly and in good faith with a view to the best interests of the company they serve; and (ii) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Bye-law 110 provides that the Company's business is to be managed and conducted by the Board. At common law, members of a board of directors owe a fiduciary duty to the company they serve to act in good faith in their dealings with or on behalf of such company and exercise their powers and fulfil the duties of their office honestly. This duty includes the following elements:

- (i) a duty not to make a personal profit from opportunities that arise from the office of director;
- (ii) a duty to avoid conflicts of interest; and
- (iii) a duty to exercise powers for the purpose for which such powers were intended.

The Bermuda Companies Act provides that, if a director or officer has an interest in a material contract or proposed material contract with a company or any of its subsidiaries or has a material interest in any person that is a party to such a contract, such director or officer must disclose the nature of that interest at the first opportunity either at a meeting of directors or in writing to the board of directors. In addition, the Bermuda Companies Act imposes various duties on directors and officers of a company with respect to certain matters of management and administration of such company.

14.11.13 Director liability

Bye-law 160 provides that no Director or alternate director or officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other such person or any person involved in the formation of the Company, or for any loss or expense incurred by the Company through the insufficiency or deficiency of title to any property acquired by the Company, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortious act of any person with whom any monies, securities, or effects shall be deposited, or for any loss occasioned by any error of judgment, omission, default, or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in relation to the execution of his duties, or supposed duties, to the Company or otherwise in relation thereto.

The Bermuda Companies Act permits a company to exempt or indemnify any director, officer or auditor from loss or liability in circumstances where it is permissible for the company to indemnify such director, officer or auditor, as indicated in "Indemnification of Directors and Officers" below.

14.11.14 Indemnification of Directors and Officers

The Bermuda Companies Act permits a company to indemnify its directors, officers and auditor with respect to any loss arising or liability attaching to such person by virtue of any rule of law concerning any negligence, default, breach of duty, or breach of trust of which the director, officer or auditor may be guilty in relation to the company they serve or any of its subsidiaries; provided that the company may not indemnify a director, officer or auditor against any liability arising out of his or her fraud or dishonesty. The Bermuda Companies Act also permits a company to indemnify a director,

officer or auditor against liability incurred in defending any civil or criminal proceedings in which judgment is given in his or her favour or in which he or she is acquitted, or when the Supreme Court of Bermuda grants relief to such director, officer, or auditor. The Bermuda Companies Act permits a company to advance moneys to a director, officer, or auditor to defend civil or criminal proceedings against them on condition that these moneys are repaid if the allegation of fraud or dishonesty is proved against them. The Supreme Court of Bermuda may relieve a director, officer, or auditor from liability for negligence, default, breach of duty or breach of trust if it appears to the court that such director, officer, or auditor has acted honestly and reasonably and, having regard to all the circumstances of the case, ought fairly to be excused.

Bye-laws 161-163 provide that every Director, alternate director, officer, person or member of a duly authorized committee of the Company, resident representative of the Company and their respective heirs, executors or any administrator of the Company, shall be indemnified and held harmless out of the funds of the Company to the fullest extent permitted by Bermuda law against all liabilities, loss, damage or expense (including but not limited to liabilities under contract, tort and statute or any applicable foreign law or regulation and all reasonable legal and other costs and expenses properly payable) incurred or suffered by him or her as such Director, alternate director, officer, person or member of a duly authorised committee of the Company or resident representative, and the indemnity contained in the Bye-law shall extend to any person acting as such Director, alternate director, officer, person or committee member or resident representative in the reasonable belief that he or she has been so appointed or elected notwithstanding any defect in such appointment or election. Such indemnity shall not extend to any matter which would render it void pursuant to the Bermuda Companies Act.

14.11.15 Variation of shareholders rights

As previously stated, the Company currently has one class of Ordinary Shares. Bye-law 13 provides that, subject to the Bermuda Companies Act, all or any of the rights for the time being attached to any class of Ordinary Shares for the time being issued may, from time to time, be altered or abrogated with the consent in writing of the holders of not less than 75% in nominal value of the Ordinary Shares at a general meeting voting in person or by proxy. Bye-law 14 specifies that the rights conferred upon the holders of any Ordinary Shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such Ordinary Shares, be deemed to be altered by the creation or issue of further Ordinary Shares ranking *pari passu* therewith.

14.11.16 Amendment of the Memorandum of Association

The Bermuda Companies Act provides that the memorandum of association of a company may be amended by a resolution passed at a general meeting of shareholders of which due notice has been given. Except in the case of an amendment that alters or reduces a company's share capital, the holders of an aggregate of not less than 20% in par value of a company's issued share capital or any class thereof, or the holders of not less than 20% of a company's debentures entitled to object to amendments to the memorandum of association, have the right to apply to the Bermuda Supreme Court for an annulment of any amendment to the memorandum of association adopted by shareholders at any general meeting. Upon such application, the alteration will not have effect until it is confirmed by the Bermuda Supreme Court. An application for an annulment of an amendment to the memorandum of association passed in accordance with the Bermuda Companies Act may be made on behalf of persons entitled to make the application by one or more of their number as they may appoint in writing for the purpose. No application may be made by shareholders voting in favour of the amendment.

14.11.17 Amendment of the Bye-laws

Under Bermuda law, the adoption of a company's bye-laws and any rescission, alteration, or other amendment thereof must be approved by a resolution of the board of directors and by a resolution of the shareholders, provided that any such amendment shall only become operative to the extent that it has been confirmed by a resolution of the shareholders. Bye-law 170 provides a resolution of the shareholders to approve the adoption or amendment of the Bye-Laws shall be decided on by a simple majority of votes cast.

14.11.18 Inspection of books and records; shareholder lists

The Bermuda Companies Act provides the general public with a right of inspection of a Bermuda company's public documents at the office of the Registrar of Companies in Bermuda. These documents include the Company's Memorandum of Association and all amendments thereto. The Bermuda Companies Act also provides shareholders of a Bermuda company with a right of inspection of a company's bye-laws, minutes of general (shareholder) meetings and the audited financial statements. The Bermuda register of shareholders is also open to inspection by the members of the public free of charge. A Bermuda company is required to maintain its share register at its registered office in Bermuda

or upon giving notice to the Registrar of Companies at such other place in Bermuda notified to the Registrar of Companies. A company may, in certain circumstances, establish one or more branch registers outside of Bermuda. A Bermuda company is required to keep at its registered office a register of its directors and officers that is open for inspection by members of the public without charge. The Bermuda Companies Act does not, however, provide a general right for shareholders to inspect or obtain copies of any other corporate records.

14.11.19 Amalgamations, mergers, and business combinations

The Bermuda Companies Act is silent on whether a company's shareholders are required to approve a sale, lease or exchange of all or substantially all of a company's property and assets. The Bermuda Companies Act does require, however, that shareholders approve amalgamations and mergers. Pursuant to the Bermuda Companies Act, an amalgamation or merger of two or more non-affiliated companies requires approval of the board of directors and the approval of the shareholders of each Bermuda company by a three-fourths majority and the quorum for such a meeting must be two persons holding or representing by proxy more than one-third of the issued Ordinary Shares of the company, unless the bye-laws otherwise provide (which the Bye-laws do, as set out below). For purposes of approval of an amalgamation or merger, all Ordinary Shares whether or not otherwise entitled to vote, carry the right to vote. A separate vote of a class of Ordinary Shares is required if the rights of such class would be altered by virtue of the amalgamation or merger. The Bye-laws provide that the Board may, with the sanction of a resolution passed by a simple majority of votes cast at a general meeting of the Company's shareholders with the necessary quorum for such meeting of two persons at least holding or representing 1/3 of the issued Ordinary Shares of the Company (or the class, where applicable) amalgamate or merge the Company with another company. Pursuant to the Bermuda Companies Act, a company may be acquired by another company pursuant to a scheme of arrangement effected by obtaining the agreement of such company and of the holders of its Ordinary Shares, representing in the aggregate a majority in number and at least 75% in value of the shareholders (excluding Ordinary Shares owned by the acquirer, who would act as a separate class) present and voting at a court-ordered meeting held to consider the scheme of arrangement. The scheme of arrangement must then be sanctioned by the Bermuda Supreme Court. If a scheme of arrangement receives all necessary agreements and sanctions, upon the filing of the court order with the Bermuda Registrar of Companies, all holders of Ordinary Shares could be compelled to sell their Ordinary Shares under the terms of the scheme of arrangement.

14.11.20 Appraisal rights

Under the Bermuda Companies Act, a shareholder who did not vote in favour of an amalgamation or merger between non-affiliated companies and who is not satisfied that he or she has been offered fair value for his or her Ordinary Shares may, within one month of the giving of the notice of the shareholders' meeting to consider the amalgamation, apply to the Bermuda Supreme Court to appraise the fair value of his or her Ordinary Shares. If the court appraised value is greater than the value received or to be received in the amalgamation or merger, the acquiring company must pay the Court appraised value to the dissenting shareholder within one month of the appraisal, unless it decides to terminate the amalgamation or merger. Under another provision of the Bermuda Companies Act, the holders (the purchasers) of 95% or more of the Ordinary Shares of a company may give notice to the remaining shareholders requiring them to sell their Ordinary Shares on the terms described in the notice. Within one month of receiving the notice, any remaining shareholder may apply to the Bermuda Supreme Court for an appraisal of its Ordinary Shares. Within one month of the court's appraisal, the purchasers are entitled to either acquire all Ordinary Shares involved at the price fixed by the court or cancel the notice given to the remaining shareholders. Where Ordinary Shares had been acquired under the notice at a price less than the court's appraisal, the purchasers must either pay the difference in price or cancel the notice and return to each shareholder concerned the Ordinary Shares acquired and each shareholder must repay the purchaser the purchase price.

14.11.21 Dissenter's rights

The Bermuda Companies Act also provides that, where an offer is made for Ordinary Shares or a class of Ordinary Shares in a company by another company not already owned by, or by a nominee for, the offeror or any of its subsidiaries and, within four months of the offer, the holders of not less than 90% in value of the Ordinary Shares which are the subject of the offer approve the offer. The offeror may by notice, given within two months from the date such approval is obtained, require the dissenting shareholders to transfer their Ordinary Shares on the same terms of the offer. Dissenting shareholders will be compelled to sell their Ordinary Shares to the offeror unless the Bermuda Supreme Court, on application within a one month period from the date of such offeror's notice, orders otherwise.

14.11.22 Shareholder suits

Class actions and derivative actions are generally not available to shareholders under Bermuda law. Bermuda courts, however, would ordinarily be expected to permit a shareholder to commence an action in the name of a company to remedy a wrong to the company where the act complained of is alleged to be beyond the corporate power of the company or illegal, or would result in the violation of the company's memorandum of association or bye-laws. Furthermore, consideration would be given by a Bermuda court to acts that are alleged to constitute a fraud against the minority shareholders or, for instance, where an act requires the approval of a greater percentage of the company's shareholders than that which actually approved it. However, generally a derivative action will not be permitted where there is an alternative action available that would provide an adequate remedy. Any property or damages recovered by derivative action go to the company, not to the plaintiff shareholders. When the affairs of a company are being conducted in a manner which is oppressive or prejudicial to the interests of some part of the shareholders, one or more shareholders may apply to the court, which may make such order as it sees fit, including an order regulating the conduct of the company's affairs in the future or ordering the purchase of the Ordinary Shares of any shareholders by other shareholders or by the company or that the company be wound up. A statutory right of action is conferred on subscribers to Ordinary Shares of a Bermuda company against persons (including directors and officers) responsible for the issue of a prospectus in respect of damage suffered by reason of an untrue statement contained in the Prospectus, but this confers no right of action against the Bermuda company itself. In addition, an action can be brought by a shareholder on behalf of the company to enforce a right of the company (as opposed to a right of its shareholders) against its officers (including directors) for breach of their statutory and fiduciary duty to act honestly and in good faith with a view to the best interests of the company.

14.11.23 Pre-emptive rights

Under the Bermuda Companies Act, no shareholder has a pre-emptive right to subscribe for additional issues of a company's Ordinary Shares unless, and to the extent that, the right is expressly granted to the shareholder under the bye-laws of a company or under any contract between the shareholder and the company.

The Bye-laws do not provide for pre-emptive rights.

14.11.24 Form and transfer of Ordinary Shares

Subject to the Bermuda Companies Act, the Bye-laws and any applicable securities laws, there are no restrictions on trading in the Ordinary Shares following the ISIN Conversion. The Board is however required by Bye-law 43 to decline to register the transfer of any Share to a person where the Board is of the opinion that such transfer might breach any law or requirement of any authority or any stock exchange or quotation system upon which the Ordinary Shares are listed, from time to time, until it has received such evidence as the Board may require to satisfy itself that no such breach would occur.

14.11.25 Issuance of Ordinary Shares

The Board's mandate to increase the Company's issued share capital is limited to the extent of the authorised share capital of the Company in accordance with its Memorandum of Association and Byelaws (as may be altered or amended from time to time), which are in accordance with Bermuda law. The authorised share capital of the Company may be increased by a resolution passed by a simple majority of votes cast at a general meeting of the Company's shareholders.

14.11.26 Capital reduction

The Company may, by a resolution passed by a simple majority of votes cast at a general meeting of the Company's shareholders, cancel Ordinary Shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Ordinary Shares so cancelled.

14.11.27 Redeemable preference Ordinary Shares

The Bye-law 58 provides that, subject to the Companies Act and to any confirmation or consent required by law or the Bye-laws, the Company may resolve from time to time to convert any preference shares into redeemable preference shares. The Company has neither issued any preference shares, nor any redeemable preference shares, as at the date of this Prospectus.

14.11.28 Annual accounts

The Board is required to cause to be kept accounting records sufficient to give a fair presentation in all material respects of the state of the Company's affairs. The accounting records are kept at the Company's registered office or at such other place(s) as the Board thinks fit. No shareholder has any right to inspect any accounting records of the Company except as required by law, a stock exchange or quotation system upon which the securities are listed or as authorized by the Board or by a resolution passed by a simple majority of votes cast at a general meeting of the Company's shareholders. A copy of every balance sheet and statement of income, which is to be presented before the Company in a general meeting, together with a copy of the auditor's report is to be sent to each the Company's shareholder in accordance with the requirements of Bye-law 150 and the Bermuda Companies Act.

14.11.29 Dividends

The Company's shareholders have a right to share in the Company's profit through dividends. The Board may from time to time declare cash dividends (including interim dividends) or distributions out of contributed surplus to be paid to the Company's shareholders according to their rights and interests as appear to the Board to be justified by the position of the Company. The Board is prohibited by the Bermuda Companies Act from declaring or paying a dividend, or making a distribution out of contributed surplus, if there are reasonable grounds for believing that (a) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or (b) the realizable value of the Company's assets would thereby be less than the aggregate of its liabilities. The Board may deduct from a dividend or distribution payable to any shareholder all monies due from such shareholder to the Company on account of calls or otherwise. The Bye-laws provide that any dividend or distribution out of contributed surplus unclaimed for a period of six years from the date of declaration of such dividend or distribution shall be forfeited and shall revert to the Company, and that the payment by the Board of any unclaimed dividend or distribution into a separate account shall not constitute the Company a trustee in respect thereof. There are no dividend restrictions or specific procedures for non-Bermudian resident shareholders under Bermuda law or the Bye-laws and/or the Memorandum of Association.

All of the above shareholder rights are vested in the nominal shareholder recorded in the Company's register of members in Bermuda. The shareholders must, as per the terms of the Registrar Agreement, exercise these rights through the Registrar by instructing the Registrar to vote their securities on their behalf in the Company's general meeting. Alternatively, the shareholders may demand that their beneficial interests to the Ordinary Shares is listed directly in the Company's register of members. The securities will, in the latter case, no longer be tradable on OSE.

14.11.30 Winding up

In the event of the winding up and liquidation of the Company, the liquidator may, with the sanction of a resolution passed by a simple majority of votes cast at a general meeting of the Company's shareholders, and any other sanction required by the Bermuda Companies Act, divide among the shareholders in specie or kind all or any part of the assets of the Company and may for such purposes set such values as he deems fair upon any property to be divided and may determine how such division is to be carried out between the shareholders or different classes of shareholders. The liquidator may, with the like sanction, vest all or part of the Company's assets in trustees upon such trust for the benefit of the shareholders, however, no shareholder will be compelled to accept any Ordinary Shares or other assets in respect of which there is any liability.

14.11.31 Rights of redemption and conversion of Shares

The Bye-Laws do not provide for any shareholder rights of conversion or redemption of the common shares in the Company.

14.11.32 Share repurchase

Pursuant to the Bye-Laws, the Company may purchase its own shares for cancellation or acquire them as treasury shares. The Board of Directors may exercise all of the powers of the Company to purchase or acquire shares, whether for cancellation or to be held as treasury shares in accordance with the Bermuda Companies Act.

14.12 Requirement to Provide Information to the Company

As a company listed on an appointed stock exchange, the Company is exempted from the duty imposed on companies generally by the Companies Amendment Act 2018 to establish and maintain a beneficial ownership register. However, Bye-laws 171 to 173 provide that it is a term of issue of the Company's Ordinary Shares that the Company may by notice in writing require any registered shareholder to give the Company particulars of such shareholder's past or present

interest of any kind in such Ordinary Shares, and where applicable, require such registered shareholder to provide particulars with respect to the interests of any other person in the Shares. By virtue of these provisions, the Company may require any person holding Ordinary Shares in a nominee or similar capacity to provide the Company with details of the identity of the persons holding beneficial interests in the Company's Ordinary Shares.

14.13 Shareholder agreements

There are no shareholders' agreements related to the securities of which the Company is aware.

15 SECURITIES TRADING IN NORWAY

15.1 Introduction

As a company listed on OSE, Borr Drilling will be subject to certain duties to inform the market under the OSE Continuing obligations of stock exchange listed companies, and the insider trading rules in chapter 3 of the Norwegian Securities Trading Act. Furthermore, the Company is subject to Norwegian securities regulations.

15.2 Trading and settlement

Trading of equities on OSE is carried out in the electronic trading system Optic. This trading system is in use by all markets operated by the Euronext Group.

Official trading on OSE takes place between 09:00 (CET/CEST) and 16:30 (CET/CEST) each trading day, with a pre-trade period between 08:15 (CET/CEST) and 09:00 (CET/CEST), a closing auction between 16:20 (CET/CEST) and 16:25 (CET/CEST) and a post-trade period from 16:25 (CET/CEST) to 17:30 (CET/CEST). Reporting of after exchange trades can be done until 17:30 hours (CET/CEST).

The settlement period for trading on OSE is two trading days (T+2). This means that securities will be settled on the investor's account in VPS two days after the transaction, and that the seller will receive payment after two days.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from a member state of the EEA, or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in another EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this under the Norwegian Securities Trading Act, or, in the case of investment firms in another EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. Such market-making activities do not as such require notification to the Norwegian FSA or OSE, except for the general obligation of investment firms that are members of OSE to report all trades in stock exchange listed securities.

15.3 Information, control, and surveillance

Under Norwegian law, OSE is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of OSE monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or from the time a company has applied for listing on such market, must promptly release any inside information directly concerning the company (i.e. precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. OSE may levy fines on companies violating these requirements.

15.4 The VPS and transfer of Shares

As set out in section 14.2, the Company keeps a sub-register of beneficial rights to its Shares in the VPS. The VPS is the Norwegian paperless centralized securities register. It is a computerized book-keeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded. The VPS and OSE are both wholly-owned by Euronext N.V.

All transactions relating to securities registered with the VPS are made through computerized book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must

establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being the Central Bank of Norway), authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, the entry of a transaction in the VPS is *prima facie* evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of securities may not exercise the rights of a shareholder with respect to such securities unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the relevant company's Memorandum of Association or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an ongoing basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

15.5 Shareholder register – Norwegian law

Under Norwegian law, securities are registered in the name of the beneficial owner of the securities. As a general rule, there are no arrangements for nominee registration and Norwegian shareholders are not allowed to register their securities in VPS through a nominee. However, foreign shareholders may register their securities in the VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions but cannot vote in general meetings on behalf of the beneficial owners.

15.6 Foreign investment in securities listed in Norway

Foreign investors may trade securities listed on OSE through any broker that is a member of the OSE, whether Norwegian or foreign.

15.7 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued securities and/or rights to securities in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify OSE and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital.

15.8 Insider trading

According to Norwegian law, subscription for, purchase, sale, exchange or other acquisitions or disposals of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information and thereby uses that information, as defined in Article 7 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, and as implemented in Norway in accordance with Section 3-1 of the Norwegian Securities Trading Act.

The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value or price either depends on or has an effect on the price or value of such financial instruments or incitement to such dispositions.

15.9 Mandatory offer requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of securities representing more than one-third of the voting rights of a company listed on a Norwegian regulated market (with the exception of certain foreign companies) to, within four weeks, make an unconditional general offer for the purchase of the remaining securities in that company. A mandatory offer obligation may also be triggered where a party

acquires the right to become the owner of securities that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and OSE decides that this is regarded as an effective acquisition of the securities in question.

The mandatory offer obligation ceases to apply if the person, entity, or consolidated group sells the portion of the securities that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify OSE and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining securities in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by OSE before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the securities in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional securities at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered. The settlement must be guaranteed by a financial institution authorised to provide such guarantees in Norway.

In case of failure to make a mandatory offer or to sell the portion of the securities that exceeds the relevant threshold within four weeks, OSE may force the acquirer to sell the securities exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, OSE may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group that owns securities representing more than one-third of the votes in a company listed on a Norwegian regulated market (with the exception of certain foreign companies) is obliged to make an offer to purchase the remaining securities of the company (repeated offer obligation) if the person, entity, or consolidated group through acquisition becomes the owner of securities representing 40%, or more of the votes in the company. The same applies if the person, entity, or consolidated group through acquisition becomes the owner of securities representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity, or consolidated group sells the portion of the securities which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered (provided that the person, entity, or consolidated group has not already stated that it will proceed with the making of a mandatory offer).

Any person, entity or consolidated group that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining securities in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of securities in the company.

15.10 Compulsory acquisition

Under Bermuda law, an acquiring party is generally able to acquire, compulsorily, the securities of minority holders in a company. This can be achieved by a procedure under the Companies Act known as a "scheme of arrangement" or by a tender offer, as explained below. A scheme of arrangement may be effected by obtaining the agreement of the company and of holders of Ordinary Shares, comprising in the aggregate a majority in number representing at least 75% in value of the shareholders (excluding Ordinary Shares owned by the acquirer) present and voting at a meeting ordered by the Bermuda Supreme Court held to consider the scheme of arrangement. Following such approval by the shareholders, the Bermuda Supreme Court must then sanction the scheme of arrangement. If a scheme of arrangement receives all necessary agreements and sanctions, upon the filing of the court order with the Registrar of Companies in Bermuda, all holders of Ordinary Shares could be compelled to sell their Ordinary Shares under the terms of the scheme of arrangement.

In the case of a tender offer, if an offeror has, within four months after the making of an offer for all the Ordinary Shares not owned by, or by a nominee for, the offeror, or any of its subsidiaries, obtained the approval of the holders of 90%

or more in value of all the Ordinary Shares to which the offer relates, the offeror may, at any time within two months beginning with the date on which the approval was obtained, require by notice any non-tendering shareholder to transfer its Ordinary Shares on the same terms, including as to the form of consideration, as the original offer. In such circumstances, non-tendering shareholders could be compelled to transfer their Ordinary Shares, unless the Bermuda Supreme Court (on application made within a one-month period from the date of the offeror's notice of its intention to acquire such Ordinary Shares) orders otherwise.

Where the acquiring party or parties hold not less than 95% of the Ordinary Shares of a company, by acquiring, pursuant to a notice given to the remaining shareholders, the Ordinary Shares of such remaining shareholders – when such notice is given, the acquiring party is entitled and bound to acquire the Ordinary Shares of the remaining shareholders on the terms set out in the notice, unless a remaining shareholder, within one month of receiving such notice, applies to the Bermuda Supreme Court for an appraisal of the value of their Ordinary Shares. This provision only applies where the acquiring party offers the same terms to all holders of Ordinary Shares whose Ordinary Shares are being acquired.

The above procedure will require that the sub-register of shareholders of the Company in the VPS is closed down and the beneficial interest in the Ordinary Shares reflected therein is transferred to the primary shareholder register kept by the Company in Bermuda.

15.11 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its securities registered with the VPS who are not residents in Norway to dispose of their Ordinary Shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

16 TAXATION

Set out below is a summary of certain Bermuda and Norwegian tax matters related to an investment in the Company. The summary regarding Bermuda and Norwegian taxation is based on the laws in force as at the date of this Prospectus, which may be subject to changes in law occurring after such date. Such changes could possibly be made on a retrospective basis. The tax legislation of the investor's Member State and of the issuer's country of incorporation may have an impact on the income received from the securities.

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the securities in the Company. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisers. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (due to domestic tax law or a tax treaty) should specifically consult with and rely upon their own tax advisers with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes. The statements in the summary only apply to shareholders who own Shares.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

16.1 Bermuda taxation applicable to the Company

Under current Bermuda law, there is no income or profit tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by the Company in Bermuda. The Minister of Finance of Bermuda has, under the Exempted Undertakings Tax Protection Act 1966 of Bermuda, as amended, given the Company an assurance that, in the event any legislation is enacted in Bermuda imposing any tax computed on profits, income, capital asset, gain or appreciation, such tax shall not, until after 31 March 2035, be applicable to the Company or any of its operations or the Ordinary Shares or any debentures or other obligations of the Company, except insofar as such tax will be payable by the Company in respect of real property owned or leased by the Company in Bermuda. All entities employing individuals in Bermuda are required to pay a payroll tax and there are other sundry taxes payable, directly, or indirectly, to the Bermuda government. Given the limited duration of this assurance, it is not certain that the Company will not be subject to any Bermuda taxation after 31 March 2035.

16.2 Other Jurisdictions

The Company is, as of the date hereof, not deemed to be a tax resident in any other jurisdictions and does not expect this to change. As for the Group, individual Group Companies will, when operating in a jurisdiction, normally be taxed on its income and capital gain generated in such jurisdiction in accordance with local rules. Finally, some jurisdictions may apply withholding taxes on dividends and other payments by an operating entity to the Company. The Company will, always, seek to organise its activities in a jurisdiction so as to reduce the taxes payable as much as possible within the scope of local legislation.

16.3 The shareholders

16.3.1 Bermuda

The Company's shareholders will not, based on their shareholding in the Company only, be taxable in Bermuda as of the date hereof. The assurance obtained by the Company from the Minister of Finance of Bermuda referred to in 16.1 "Bermuda taxation applicable to the Company" above covers taxation of the Company's shareholders as well. Hence, in the event that legislation is enacted in Bermuda imposing any tax on the securities or dividends paid on the securities or in the nature of estate duties or inheritance tax on the transfer of securities, such tax shall not, until after 31 March 2035, be applicable on the Company's shareholders except insofar as such shareholders may be tax resident in Bermuda.

16.4 Norwegian taxation

16.4.1 Taxation of dividends

16.4.1.1 Norwegian Personal Owners

Dividends distributed to owners of Shares who are individuals residing in Norway for tax purposes (the "**Norwegian Personal Owners**") are taxable in Norway for such owners currently at an effective tax rate of 37.84% to the extent the dividend exceeds a tax-free allowance; i.e. dividends received, less the tax free allowance, shall be multiplied by 1.72 which are then included as ordinary income taxable at a flat rate of 22%, increasing the effective tax rate on dividends received by Norwegian Personal Owners to 37.84%.

The tax-free allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a determined risk free interest rate based on the effective rate of interest on treasury bills (Nw.: *statskasseveksler*) with three months maturity plus 0.5 percentage points, after tax. The allowance is calculated for each calendar year and is allocated solely to Norwegian Personal Owners holding shares at the expiration of the relevant calendar year. The risk-free interest rate for 2022 was 1.7%.

Norwegian Personal Owners who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated allowance one year exceeding the dividend distributed on the share ("excess allowance") may be carried forward and set off against future dividends received on, or gains upon realization, of the same share (but may not be set off against taxable dividends or capital gains on other Shares). Furthermore, excess allowance can be added to the cost price of the share and included in the basis for calculating the allowance on the same share the following year.

The Shares will not qualify for Norwegian share saving accounts (Nw: aksjesparekonto) held by Norwegian Personal Owners since the Company is resident outside the EEA for tax purposes.

16.4.1.2 Norwegian Corporate Owners

Dividends distributed to owners of Shares who are limited liability companies (and certain similar entities) domiciled in Norway for tax purposes (the "**Norwegian Corporate Owners**"), are taxable as ordinary income in Norway for such owners at a flat rate of 22%.

16.4.1.3 Non-Norwegian Owners

As a general rule, dividends received by owners not resident in Norway for tax purposes ("**Non-Norwegian Owners**") from Shares in non-Norwegian companies are not subject to Norwegian taxation unless the Non-Norwegian Owner holds the Shares in connection with business activities carried out or managed from Norway.

16.4.2 Taxation of capital gains on realisation of Shares

16.4.2.1 Norwegian Personal Owners

Sale, redemption, or other disposal of shares is considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Owner through a disposal of shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the Norwegian Personal Owner's ordinary income in the year of disposal. The effective tax rate on gain or loss related to shares realized by Norwegian Personal Owners is currently 37.84%; i.e., capital gains (less the tax-free allowance) and losses shall be multiplied by 1.72 which are then included in or deducted from the Norwegian Personal Owner's ordinary income in the year of disposal. Ordinary income is taxable at a flat rate of 22%, increasing the effective tax rate on gains/losses realized by Norwegian Personal Owners to 37.84%.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Owner's cost price of the share, including costs incurred in relation to the acquisition or realization of the share. From this capital gain, Norwegian Personal Owners are entitled to deduct a calculated allowance provided that such allowance has not already been used to reduce taxable dividend income. Please refer to Section 16.4.1.1 ("Norwegian Personal Owners"), relating to taxation of dividends, for a description of the calculation of the allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realization of a share will be annulled. Unused allowance may not be set off against gains from realisation of other shares.

If the Norwegian Personal Owner owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Special rules apply for Norwegian Personal Owners that cease to be tax-resident in Norway.

The Shares will not qualify for Norwegian share saving accounts (Nw: aksjesparekonto) held by Norwegian Personal Owners since the Company is resident outside the EEA for tax purposes.

16.4.2.2 Norwegian corporate owners

A capital gain or loss derived by a Norwegian Corporate Owner from a disposal of Shares is taxable or tax deductible in Norway. The taxable gain/deductible loss per Share is calculated as the difference between the consideration for the Share and the Norwegian Corporate Owner's cost price for the Share, including cost incurred in relation to the acquisition or disposal of the Share. Such capital gain or loss is included in or deducted from the basis for computation of ordinary income in the year of disposal. Ordinary income is taxable at a rate of currently 22%. The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of Shares disposed of. If the Norwegian Corporate Owners owns Shares acquired in different points in time, the Shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

16.4.2.3 Non-Norwegian owners

Gains from the sale or other disposal of shares by a Non-Norwegian Owner will not be subject to taxation in Norway unless the Non-Norwegian Owner holds the shares in connection with business activities carried out or managed from Norway.

16.4.3 Net wealth tax

The value of the Shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Owners. Currently, the marginal net wealth tax rate is 1.00% of the value assessed between a threshold of NOK 1 700 000 and NOK 20 000 000. For value assessed which exceeds NOK 20 000 000, the marginal net wealth tax rate is 1.1%. The current value for assessment purposes for listed shares is equal to 80% of the listed value as of 1 January in the year of assessment (i.e., the year following the relevant fiscal year). The value of debt allocated to the listed shares for Norwegian wealth tax purposes is reduced correspondingly (i.e., to 80%).

Norwegian Corporate Owners are not subject to net wealth tax.

Owners not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Personal Non-Norwegian Owners can, however, be taxable if the ownership is effectively connected to the conduct of trade or business in Norway.

16.4.4 VAT and transfer taxes

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of Shares.

16.4.5 Inheritance tax

A transfer of Shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway. However, the heir continues the giver's tax positions, including the input values, based on principles of continuity.

17 ADDITIONAL INFORMATION

17.1 Independent auditor

The Company's independent auditor is PricewaterhouseCoopers LLP, with business address at 1 Embankment Place, London WC2N 6RH, United Kingdom. PricewaterhouseCoopers LLP is member of the Institute of Chartered Accountants in England and Wales and has been the Company's auditor since September 2019.

17.2 Advisors

Ro Sommernes advokatfirma DA (Fridtjof Nansens plass 7, P.O. Box 1983 Vika, N-0125 Oslo, Norway) is acting as Norwegian legal counsel to the Company.

Skadden, Arps, Slate, Meagher & Flom (UK) LLP (40 Bank Street, Canary Wharf, London, E14 5DS, United Kingdom) is acting as US legal counsel to the Company.

MJM Limited, Thistle House, 4 Burnaby Street, Hamilton HM11, Bermuda, is acting as Bermuda legal counsel to the Company.

17.3 Documents on display

Originals of the following documents are held by the Company at the registered office address in Bermuda, but copies will be able for physical inspection at the Company's offices during normal business hours from Monday to Friday each week (except public holidays) for a period of twelve months from the date of this Prospectus:

- the Company's certificate of incorporation, Memorandum of Association and Bye-laws;
- all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in this Prospectus;
- the historical financial information of the Company and its subsidiary undertakings for each of the three financial years preceding the publication of this Prospectus; and
- this Prospectus.

The documents on display held at the Company's offices can be inspected at S. E. Pearman Building, 2nd Floor, 9 Par-la-Ville Road, Hamilton HM11, Bermuda.

The above documents are also available at the Company's website at <https://borrdrilling.com/investor-relations/>.

17.4 Incorporation by reference

The following table sets forth an overview of documents incorporated by reference in this Prospectus. No information other than the information referred to in the table below is incorporated by reference. Where parts of a document are referenced, and not the document as a whole, the remainder of such document is either deemed irrelevant to an investor in the context of the requirements of this Prospectus, or the corresponding information is covered elsewhere in this Prospectus. Note that the information on www.borrdrilling.com does not form part of the Prospectus unless that information is specifically expressed to be incorporated by reference into the Prospectus.

Section in Prospectus	Page number in Prospectus	Incorporated by reference	Reference document and link
1.2.2 4.4 9.1 10.1, 10.2 11.7.1 13.1	1.2.2: Page 6-7 4.4: Page 19 9.1: Page 55 10.1, 10.2: Page 59 11.7.1: Page 74 13.1: Page 84	The Company's audited consolidated financial statements (20-F) for 2022, incl. audit report	https://borrdrilling.com/wp-content/uploads/2023/03/2022-Annual-Report-20F.pdf (Audit report, page 106 (F-2))
1.2.2 4.4 10.1, 10.2 11.7.1 13.1	1.2.2: Page 6-7 4.4: Page 19 10.1, 10.2: Page 59 11.7.1: Page 74 13.1: Page 84	The Company's audited consolidated financial statements (20-F) for 2021, incl. audit report	https://borrdrilling.com/wp-content/uploads/2022/04/1562963.pdf (Audit report, page 120 (F-2))
1.2.2 4.4 10.1, 10.2 11.7.1 13.1	1.2.2: Page 6-7 4.4: Page 19 10.1, 10.2: Page 59 11.7.1: Page 74 13.1: Page 84	The Company's audited consolidated financial statements (20-F) for 2020, incl. audit report	https://borrdrilling.com/wp-content/uploads/2021/04/1410495.pdf (Audit report, page 122-123 (F-2 to F-3))

18 DEFINITIONS AND GLOSSARY

In the Prospectus, the following defined terms have the following meanings:

ABC Legislation	The FCPA, the UK Bribery Act and the Bermuda Bribery Act of 2016
Akal.....	Perforadora Profesional AKAL I, SA de CV
Annual General Meeting	The annual general meeting of the Company
Anticipated Keppel Financing.....	The financing anticipated to be available to us in connection with the delivery of "Var" and "Vale", as further described in section 6.5.3.2
ASC	Accounting Standards Codification
Bbl	Unit of Brent oil
Bermuda Companies Act	The Companies Act 1981 of Bermuda
BMA.....	Bermuda Monetary Authority
BMV.....	Borr Mexico Ventures Limited
Board.....	The board of directors of Borr Drilling Limited
Borr Drilling	Borr Drilling Limited
Bye-laws	The Company's Bye-laws as in force from time to time
BWM Convention	International Convention for the Control and Management of Ships' Ballast Water and Sediments, effective as of 2017
CEO	The Group's designated chief executive officer
CET	Central European Time
CEST	Central European Summer Time
CFO	The Group's designated chief financial officer
CME.....	Proyectos Globales de Energia y Servicios CME, S.A. DE C.V.
Code.....	The Norwegian Code of Practice for Corporate Governance as of 30 October 2014
Ordinary Shares	The ordinary shares of the Company, as issued under Bermuda law and registered in the RoM
Companies Act	The Companies Act 1981
Company.....	Borr Drilling Limited, and whenever terms as "we", "our", "us" are used the narrative point of view is that of the Company and on behalf of the Company by the persons responsible for this Prospectus.
Consolidated Financial Statements.....	The Company's audited consolidated financial statements for the years ended 31 December 2020, 31 December 2021 and 31 December 2022
Convertible Bonds	The US\$ 250 million senior unsecured convertible bonds issued by the Company in Q1 2023.
COO	The Group's designated chief operating officer
Share.....	The existing rights to the Ordinary Shares, as registered in the DTC or VPS from time to time
Directors	The individual members of the Board at any time
DNB Facility	The US\$ 175 million secured loan facility with DNB Bank ASA, as further described in section 6.5.3.2
E&P Companies	Companies engaged in the exploration for and/or production of crude oil and natural gas
EEA	The European Economic Area covering the members of the European Union, Norway, Iceland, and Liechtenstein
ES Requirements	The Substance Regulations and the Substance Act
Existing Keppel Financing	The delivery financing provided for by Offshore Partners Pte Ltd in connection with the delivery financing for "Hermod", "Heimdal" and "Hild", constituting a portion of the purchase price equal to US\$ 90.9 million for each of these rigs
FCPA.....	The U.S. Foreign Corrupt Practices Act of 1977
Financing Arrangements.....	The Secured Bonds, the Convertible Bonds, the PPL Financing, the Keppel Financing, the Hayfin Facility and the DNB Facility
Fleet	All of the Group's Rigs at any time
Former Convertible Bonds	Borr Drilling Limited 18/23 3,875% US\$ Former Convertible Bonds issued 23 May 2018 with ISIN NO0010822935
GDPR.....	General Data Protection Regulations of the European Union

Group	The Company and its subsidiaries
Hayfin Facility	The US\$ 195 million senior secured term loan facility agreement with funds managed by Hayfin Capital Management LLP, as lenders, among others, entered into on 25 June 2019 by the Company's 100% controlled subsidiary, Borr Midgard Assets Ltd., as amended and restated from time to time, and as further described in section 6.5.3.2
Hercules.....	Hercules British Offshore Limited
Hercules Acquisition.....	The purchase of the rigs Frigg and Ran, completed on 23 January 2017
HSE	Health, Safety and Environment
IMO	The International Maritime Organisation
IRS.....	The Internal Revenue Service
ISIN	International Securities Identification Number
ISIN Conversion	The conversion of the CUSIP and ISIN codes for the Treasury Shares from separate codes to the same CUSIP and ISIN codes as the other Ordinary Shares in the Company, occurring automatically upon the publication of this Prospectus.
IWS JVs	Those of the Joint Ventures related to the ownership of Akal and Opex.
JOBS Act	The Jumpstart Our Business Startups Act of 2012
Joint Ventures	The participation in the ownership of the joint venture entities Perfomex and Perfomex II the purposes of performing integrated drilling services under contracts with Pemex, as described in section 6.5.3.
Keppel	Keppel FELS Limited
Keppel Financing	The financing available to us for the delivery of "Hild", "Arabia I" and "Arabia II", as further described in section 6.5.3.2.
LOA	Letter of arrangement
LOI.....	Letter of intent
Magni	Magni Partners (Bermuda) Limited
Master Agreement	A master agreement executed for the sale of 14 standard jack-up drilling rigs en bloc to a non-drilling company
NOCs	National governments
Non-Norwegian Owners.....	Owners not resident in Norway for tax purposes
Norwegian Corporate Owners.....	Limited liability companies (and certain similar entities) domiciled in Norway for tax purposes
Norwegian FSA.....	The Financial Supervisory Authority of Norway (Nw. "Finanstilsynet")
Norwegian Securities Trading Act	The Norwegian securities trading act of 29 June 2007 no. 75 (Nw. "Verdipapirhandelloven")
Norwegian Personal Owners.....	Individuals residing in Norway for tax purposes
NYSE	New York Stock Exchange
OPEC	Organization of Petroleum Exporting Countries
Operadora	Operadora Productora y Exploradora Mexicana, S.A. de C.V.
Opex.....	Opex Perforadora S.A. de C.V.
OSE.....	The Oslo Stock Exchange
Paragon	Paragon Offshore Limited
Paragon Rigs.....	Paragon's two premium jack-up rigs, 20 standard jack-up rigs (built before 2001) and one semi-submersible rig (built in 1979)
Paragon Transaction	The Company's acquisition of 99.41% of the shares of Paragon for a total consideration of US\$ 240 million on 29 March 2018
Pemex	Petroleo Mexicanos
Perfomex.....	Perforaciones Estrategicas e Integrales Mexicana S.A. de C.V.
Perfomex II	Perforaciones Estrategicas e Integrales Mexicana II, SA de CV
PPL.....	PPL Shipyard Pte Ltd.
PPL Acquisition	The acquisition of the PPL Rigs of approximately US\$ 1.3 billion
PPL Financing.....	In connection with delivery of the PPL Rigs, the Company's rig-owning subsidiaries as buyers of the PPL Rigs agreed to accept delivery financing for a portion of the purchase price equal to US\$ 87 million per jack-up rig

PPL Rigs	The nine premium "Pacific Class 400" jack-up rigs from PPL, as reduced to eight following the sale of "Gyme" in Q4 2022
Private Placement.....	The private placements completed in August 2022 as described in section 5.1
Prospectus.....	This prospectus issued on 18 April 2023 with all attachments hereto
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended, and as implemented in Norway
PwC UK	PricewaterhouseCoopers LLP
QHSE	Quality, Health, Safety and Environment
Registrar	DNB Bank ASA, Global Companies Registrars Section, P.O. Box 1600 Sentrum, 0021 Oslo, Norway
Registrar Agreement.....	An agreement between the Company and the Registrar setting forth the terms upon which the Registrar shall establish and operate a register of the beneficial ownership interests in the Shares
Ring Fenced Entities	The rig-owning subsidiaries who provide security as owners of the mortgaged rigs in connection with the Hayfin Term Loan Facility.
SEC	The US Security Exchange Commission
SGM	The Special General Meeting
Substance Act	The Economic Substance Act 2018
Substance Regulations	The Economic Substance Regulations 2018
Syndicated Facility	The senior secured credit facilities agreement originally entered into with DNB Bank ASA, Danske Bank, Citibank N.A., Jersey Branch and Goldman Sachs Bank USA, as lenders, among others, entered into on 25 June 2019
Total Contract Backlog	Firm commitments for contract drilling services represented by definitive agreements. Total Contract Backlog is calculated as the maximum contract drilling dayrate revenue that can be earned from a drilling contract based on the contracted operating dayrate. Total Contract Backlog excludes revenue and related party revenue resulting from our Joint Ventures, mobilization and demobilization fees, contract preparation, capital or upgrade reimbursement, recharges, bonuses and other revenue sources and is not adjusted for planned out-of-service periods during the contract period. The contract period excludes additional periods that may result from the future exercise of extension options under our contracts, and such extension periods are included only when such options are exercised. The contract operating dayrate may temporarily change due to, among other factors, mobilization, force majeure, weather or repairs.
Total Recordable Incident Frequency	A measure of the rate of recordable workplace injuries which, as defined by the International Association of Drilling Contractors, is derived by multiplying the number of recordable injuries during the twelve-month period prior to the specified date by 1,000,000 and dividing this value by the total hours worked in that period by the total number of employees. An incident is considered "recordable" if it results in medical treatment over certain defined thresholds (such as receipt of prescription medication or stitches to close a wound) as well as incidents requiring the injured person to spend time away from work.
Transocean.....	Transocean Inc.
Transocean Transaction.....	The transaction with Transocean for the purchase of all of certain Transocean subsidiaries owning 10 jack-up rigs and the rights under five newbuilding contracts with Keppel, entered into on 15 March 2017
U.K. Bribery Act	The Bribery Act 2010 of the United Kingdom
US GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act.....	United States Securities Act of 1933, as amended
VAT	Value Added Tax
VPS	The Norwegian Central Securities Depository ("Verdipapirsentralen")