



Borr Drilling Limited Announces Fourth Quarter and Full Year 2022 Preliminary Results

Hamilton, Bermuda, February 16, 2023: Borr Drilling Limited ("Borr", "Borr Drilling" or the "Company") announces preliminary unaudited results for the three and twelve months ended December 31, 2022.

Highlights Fourth Quarter of 2022

- Total operating revenues of \$148.6 million, an increase of \$40.7 million or 38% compared to the third quarter of 2022.
- Net loss of \$21.3 million, a decrease in loss of \$33.6 million compared to the third quarter of 2022.
- Cash and cash equivalents of \$108.0 million at the end of the fourth quarter of 2022.
- Adjusted EBITDA¹ of \$55.1 million, an increase of \$11.2 million or 26% compared to the third quarter of 2022.
- Total contract revenue backlog on December 31, 2022 stood at \$1.7 billion, an increase of nearly 200% year-on-year (including rigs in the Mexican JV on a 100% basis).

Subsequent events

- In January 2023, we successfully raised \$400 million of gross proceeds through the issuance of a \$250 million unsecured convertible bond due in 2028 and a \$150 million senior secured bond due in 2026, which will be used to refinance our existing \$350 million convertible bond due in May 2023 at or before maturity.
- In 2023 YTD, we have been awarded five new contracts, extensions, exercised options and letters of awards ("LOAs") representing 825 days and \$100.6 million of potential revenue.

CEO, Patrick Schorn commented:

"Our fourth quarter showed strong performance, both from an operational and financial perspective. Both the technical and economic utilization of our fleet were above 98.5% for the quarter and at the same time our top line grew by 38%. This elevated level of technical utilization in a rapidly expanding operation is a clear testament to the strong service quality focus of our teams in the field. Safety, service quality and delivering the value our customers deserve, are the key priorities in our organization.

The rig "Frigg" is currently being prepared for work in the Middle East, where she will start operation as "Arabia III" in Q3 of this year. We are also activating our last rig "Hild" to be ready to commence operations in a similar timeframe. This would result in all 22 delivered rigs in our fleet to be contracted and active.

During the fourth quarter we completed the refinancing of our secured debt and extended maturities from 2023 to 2025. Subsequent to year-end, we have raised \$400 million of additional debt through the issuance of a \$250 million convertible bond and a \$150 million secured bond, which will be used to refinance the outstanding \$350 million convertible bond maturing in May 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 strong increase in Adjusted EBITDA and the subsequent deleveraging of the balance sheet could enable a global refinancing of the Company in 2024, which should ultimately accommodate dividend payments to shareholders."

¹ The Company uses certain financial information calculated on a basis other than in accordance with accounting principles generally accepted in the United States (US GAAP) including Adjusted EBITDA. Adjusted EBITDA as presented above represents our periodic net loss adjusted for: depreciation and impairment of non-current assets, other non-operating income; (income)/loss from equity method investments, total financial (income) expense net, income tax expense, amortization of deferred mobilization costs and revenue. Adjusted EBITDA is presented here because the Company believes that the measure provides useful information regarding the Company's operational performance. For a reconciliation of Adjusted EBITDA to Net loss, please see the last page of this report.

² The Company provides guidance on expected adjusted EBITDA, which is a non-GAAP financial measure. Management evaluates the Company's financial performance in part based on guidance basis, which management believes enhances investors' understanding of the Company's overall financial performance by providing them with an additional meaningful relevant comparison of current and anticipated future results across periods. Due to the forward-looking nature of Adjusted EBITDA, management cannot reliably predict certain of the necessary components of the most directly comparable forward-looking GAAP measure. Accordingly the Company is unable to present a quantitative reconciliation of such forward looking non-GAAP financial measure to the most directly comparable forward-looking GAAP financial measure without unreasonable effort. The Company disclaims any current intention to update such guidance, except as required by law. In addition, the Company disclaims any current intention to update such guidance, except as required by law.

Management Discussion and Analysis

The discussion below compares the preliminary unaudited results for the fourth quarter of 2022 to the unaudited results of the third quarter of 2022.

<i>In \$ million</i>	Q4 - 2022	Q3 - 2022	Change (\$)	Change (%)
Total operating revenues	148.6	107.9	40.7	38%
Gain / (loss) on disposals	3.6	(0.1)	3.7	(3700)%
Rig operating and maintenance expenses	(83.4)	(60.4)	(23.0)	38%
Total operating expenses	(122.7)	(103.9)	(18.8)	18%
Operating income	29.5	3.9	25.6	656%
Total financial expenses, net	(49.4)	(54.1)	4.7	(9)%
Net loss	(21.3)	(54.9)	33.6	(61)%
Adjusted EBITDA	55.1	43.9	11.2	26%
Cash and cash equivalents	108.0	279.0	(171.0)	(61)%
Restricted cash	10.5	7.0	3.5	50%
Total equity	897.8	917.5	(19.7)	(2)%

Three months ended December 31, 2022 compared to three months ended September 30, 2022

Total operating revenues for the fourth quarter of 2022 were \$148.6 million, an increase of \$40.7 million compared to the third quarter of 2022, which for the fourth quarter of 2022 consisted of \$117.2 million in dayrate revenues and \$31.4 million in related party revenues. Dayrate revenues increased by \$26.7 million quarter on quarter primarily due to an increase in operating days with the commencement of contracts for "Ran", "Arabia I", "Arabia II" and "Thor", offset by a decrease in operating days for "Mist" and "Saga" while between contracts. Related party revenues from the Company's Joint Ventures ("JVs") in Mexico increased by \$14.0 million quarter on quarter primarily due to an increase in bareboat revenue, which does not have a corresponding impact on the Company's rig operating and maintenance expenses. The increase in bareboat revenue was primarily a result of an increase in day rates as a result of the execution of new contracts with our JVs.

Gain / (loss) on disposals were \$3.6 million for the fourth quarter of 2022, an increase of \$3.7 million compared to the third quarter of 2022. The overall increase is primarily a result of the \$3.7 million net gain recognized on the sale of the newbuildings "Tivar", "Huldra" and "Heidrun", offset by the \$0.2 million loss recognized on the sale of "Gyme".

Rig operating and maintenance expenses were \$83.4 million for the fourth quarter of 2022, an increase of \$23.0 million compared to the third quarter of 2022. The overall increase is primarily a result of an increase in the number of operating days during the quarter in comparison to the prior quarter. In addition, the increase includes a \$7.3 million increase in the amortization of deferred mobilization and contract preparation costs, as costs incurred to prepare rigs for contracts are deferred and amortized over the firm period of the contracts.

Total financial expenses, net, was \$49.4 million for the fourth quarter of 2022, a decrease of \$4.7 million compared to the third quarter of 2022. The decrease primarily relates to a \$4.3 million decrease in financing fees, a \$3.4 million decrease in foreign exchange losses (foreign exchange gain of \$1.4 million in Q4 vs foreign exchange loss of \$2.0 million in Q3), and a \$2.3 million decrease in yard cost cover as a result of the sale of "Tivar", offset by a \$5.9 net loss on extinguishment of debt.

Adjusted EBITDA for the fourth quarter of 2022 was \$55.1 million, an increase of \$11.2 million or 26% compared to the third quarter of 2022.

Liquidity and Cash Flows in Q4 2022

The Company's cash and cash equivalents as of December 31, 2022 were \$108.0 million, compared to \$279.0 million as of September 30, 2022. The Company's restricted cash as of December 31, 2022 was \$10.5 million, compared to \$7.0 million as of September 30, 2022, and mainly relates to performance guarantees for rig contracts.



Net cash provided by operating activities was \$77.5 million.

Net cash used in investing activities was \$39.5 million, primarily consisting of \$38.7 million used on rig activation and reactivation payments for "Arabia I", "Arabia II" and "Norve".

Net cash used in financing activities was \$205.5 million as a result of \$355.5 million used to repay the Company's Syndicated Facility and New Bridge Facility as well as the partial repayment of the Company's Hayfin Facility of \$45 million, offset by proceeds of \$150.0 million from the new DNB facility.

Financing

As of December 31, 2022, our outstanding indebtedness was \$1,582.8 million of which \$450.0 million is due in 2023.

In October 2022, we concluded agreements with our secured creditors to extend the secured debt maturing in 2023 to 2025. As part of these agreements, the Company extended the debt maturity for its shipyard delivery financing arrangement with PPL and the maturity of its secured debt facility with Hayfin to 2025; deferred the delivery dates for two of its newbuild rigs at Keppel Shipyard to 2025 and agreed to sell three newbuild rigs which the Company had previously agreed to purchase from Keppel to an undisclosed third-party. In October 2022, the Company repaid the outstanding balance of its Syndicated Facility and New Bridge Facility with proceeds from a new \$150 million bilateral facility (fully drawn down) provided by DNB Bank ASA, and also using a portion of the proceeds from the equity offering in August 2022 in which the Company raised gross proceeds of \$274.9 million. Also as part of our refinancing of our secured debt, we have repaid \$45 million of our loan to Hayfin.

On October 13, 2022, the Company entered into an agreement to sell the jack-up drilling rig "Gyme" for a price of \$120 million, pursuant to an undertaking by the Company under its most recent refinancing with PPL completed in October 2022. The proceeds from the sale were applied to all outstanding amounts owed on the rig being principal of \$83.7 million, back-end fee of \$3.3 million and capitalized interest of \$10.2 million. Excess proceeds were applied to the capitalized interest for the eight other rigs financed by PPL. The transaction was successfully completed on November 15, 2022.

In February 2023, we completed the issuance of \$250 million unsecured convertible bonds maturing in 2028 and \$150 million senior secured bonds maturing in 2026. Proceeds from these issuances will be used to repay the \$350 million unsecured convertible bonds maturing in May 2023 and for general corporate purposes. The new convertible bonds bear interest at 5% per annum and are convertible into our common shares at an initial price of \$7.3471 per share. The senior secured bonds bear interest at a rate of 9.5% per annum and are secured by a mortgage over the three previously unencumbered rigs "Frigg", "Odin" and "Ran".

The weighted average interest rate for our interest-bearing debt was 8.2% for the three months ended December 31, 2022, including the convertible bond maturing in May 2023, which carries 3.875% interest.

Mexican Joint Ventures Operational Results

In the fourth quarter of 2022 our joint ventures on a 100% basis recognized net income of \$2.8 million and adjusted EBITDA of \$2.3 million. Included in the fourth quarter of 2022 results for the joint ventures are \$31.4 million of net costs related to charges from Borr Drilling entities representing bareboat charter fees, staffing and management expenses.

Borr Drilling received \$76.3 million in cash payments from its Mexico JVs in the fourth quarter of 2022, relating to payment of balances due from related parties.

As of December 31, 2022, Borr Drilling had \$65.6 million of receivables (down from \$76.9 million at 30 September 2022) from its Mexico JVs, recorded as "Due from related parties" in the Unaudited Consolidated Balance Sheets. Additionally, as at December 31, 2022, the "Equity method investments" balance in the Unaudited Consolidated Balance Sheets included \$9.8 million in funding provided to our Mexico JVs.

Fleet, Operations and Contracts

The Company's current delivered fleet consists of 22 modern jack-up rigs all built after 2010, with additional two rigs under construction at Keppel FELS. This follows the conclusion of the sale of "Gyme" in the fourth quarter 2022.

Since the third quarter 2022 report, the Company secured new contracts, extensions and LOAs/LOIs for its rigs "Prospector 1", "Gunnlod", "Thor", "Frigg" (to be named "Arabia III"), "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.

For more details on our rig contracting, please refer to our Fleet Status report issued in connection with this report.

In 2022, the Company has been awarded 24 new contracts, extensions, exercised options, LOAs and LOIs representing 13,224 days, or 36 years and \$1.67 billion of potential backlog (including contracts through our Mexico JVs on a 100% basis and mobilization revenues but excluding options). During the same period, our operating rigs have consumed approximately 15.7 years of backlog, resulting in a backlog replenishment ratio in 2022 at a multiple of ~2x.

The technical utilization for our working rigs was 98.9% in the fourth quarter of 2022, and the economic utilization 98.7%.

Market

According to Petrodata by S&P Global, global competitive jack-up rig utilization stood at 92% at the end of December 2022, an increase of nine percentage points since December 31, 2021. The utilization for the modern jack-up fleet (rigs built after year 2000) has increased by eleven percentage points during the same period to 93% at the end of December 2022. Based on the expected near term awards, we forecast marketed utilization to exceed 95% in coming quarters.

Currently, there are 290 modern jack-ups contracted, representing an increase of approximately 53 units as compared to the lows in late 2020. During the same period, the number of standard jack-ups contracted has shrunk by approximately five units, reinforcing our view of continued operators' preference for modern rigs.

In 2018 the orderbook included ~120 newbuilds at shipyards. Most of these units have now been absorbed by the market. As of the date of this report, 20 newbuild rigs remain under construction, of which two are already contracted and two are owner-operated, leaving a total of 16 available at the yards (including "Vale" and "Var" owned by Borr Drilling). 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 increasing supply chain issues. 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 Clarksons estimate that the newbuild cost for a high specification jack-up rig is currently \$260 million.

Risks and uncertainties

Borr is exposed to a number of risks related to the Company's financial position, operations and the industry in which the Company operates.

In the fourth quarter of 2022, energy commodity prices continued declining compared to the first half of 2022 when such prices increased consistently. Brent oil prices in the fourth quarter of 2022 averaged approximately \$88 per barrel compared to approximately \$113 and \$99 per barrel in the second and third quarter of 2022, respectively. 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. 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 on Russia 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.

We remain cautious as headwinds to a recovery continue to loom. Costs to operate our business may experience upward inflationary pressure, and the world continues to grapple with cost inflation. Demand for jack-up rigs may not continue to increase or even remain at current levels, or may decline. Any decline in demand for services of jack-up rigs could have a material adverse effect on the Company.

Furthermore, we have improved our liquidity through (i) our \$275 million equity raise in August 2022 and we have agreed with all our secured creditors to refinance and extend all maturities of our secured debt to 2025, (ii) our 150 million senior secured bonds due 2026 and our \$250 million senior unsecured convertible bonds due 2028. However, a significant portion of the August 2022 equity raise was used to repay creditors and a significant portion of such bonds due 2026 and 2028 will be used to refinance the \$350 million of convertible bonds due in 2023 and we currently face maturity of substantially all of our remaining debt in 2025, other than the bonds that are due in 2026 and 2028. Therefore we continue to face risks relating to liquidity and our upcoming debt maturities and the risk that we may not be able to refinance our debt as it matures.

Forward looking statements

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



About Borr Drilling Limited

Borr Drilling Limited is an international drilling contractor incorporated in Bermuda in 2016 and listed on the Oslo Stock Exchange from August 30, 2017 and on the New York Stock Exchange from July 31, 2019 under the ticker "BORR". The Company owns and operates jack-up rigs of modern and high specification designs and provides services focused on the shallow water segment to the offshore oil and gas industry worldwide. Please visit our website at: www.borrdrilling.com

February 16, 2023

Borr Drilling Limited
Hamilton, Bermuda

The Board of Directors
Tor Olav Trøim (Chairman of the Board)
Alexandra Kate Blankenship (Director)
Neil Glass (Director)
Mi Hong Yoon (Director)

Questions should be directed to:

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UNAUDITED NON GAAP MEASURES AND RECONCILIATIONS

Set forth below is a reconciliation of the Company's Net Loss to Adjusted EBITDA.

<i>(in US\$ millions)</i>	Q4 - 2022	Q3 - 2022
Net loss	(21.3)	(54.9)
Depreciation of non-current assets	28.3	29.2
Impairment of non-current assets	0.0	7.3
Loss/(income) from equity method investments	(1.4)	0.2
Gain on disposals ⁽¹⁾	(3.5)	0.0
Total financial expense, net	49.4	54.1
Income tax expense	2.8	4.5
Amortization of deferred mobilization and contract preparation costs	13.6	6.3
Amortization of deferred mobilization and demobilization revenue	(12.8)	(2.8)
Adjusted EBITDA	55.1	43.9

⁽¹⁾ Gain on disposals includes \$3.5 million associated with the net gain on disposal of jack-up rigs, which is excluded from our adjusted EBITDA calculation.

Set forth below is a reconciliation of our Joint Ventures Net Income to Adjusted EBITDA.

<i>(in US\$ millions)</i>	Q4 - 2022	Q3 - 2022
Net income	2.8	(0.4)
Depreciation of non-current assets	0.5	0.2
Financial expense/(income)	(1.8)	0.1
Income tax (income)/expense	0.8	0.5
Amortization of deferred costs	2.0	0.0
Amortization of deferred revenue	(2.0)	0.0
Adjusted EBITDA	2.3	0.4



Borr Drilling Limited

**Unaudited Condensed Consolidated Financial Statements
As of and for the three and twelve months ended December 31, 2022**

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

	3 months ended December 31, 2022	3 months ended December 31, 2021	12 months ended December 31, 2022	12 months ended December 31, 2021
Operating revenues				
Dayrate revenue	117.2	51.4	358.7	205.8
Related party revenue	31.4	17.7	85.1	39.5
Total operating revenues	148.6	69.1	443.8	245.3
Gain on disposals	3.6	0.5	4.2	1.2
Operating expenses				
Rig operating and maintenance expenses	(83.4)	(38.7)	(264.9)	(180.5)
Depreciation of non-current assets	(28.3)	(36.4)	(116.5)	(119.6)
Impairment of non-current assets	—	—	(131.7)	—
General and administrative expenses	(11.0)	(7.5)	(36.8)	(34.7)
Total operating expenses	(122.7)	(82.6)	(549.9)	(334.8)
Operating income / (loss)	29.5	(13.0)	(101.9)	(88.3)
Other non-operating income	—	—	2.0	3.6
Income from equity method investments	1.4	2.0	1.2	16.1
Financial income (expenses), net				
Interest income	0.7	—	5.4	—
Interest expense	(38.8)	(24.3)	(131.3)	(92.9)
Other financial expenses, net	(11.3)	(7.1)	(49.8)	(21.8)
Total financial expenses, net	(49.4)	(31.4)	(175.7)	(114.7)
Loss before income taxes	(18.5)	(42.4)	(274.4)	(183.3)
Income tax expense	(2.8)	(3.7)	(18.4)	(9.7)
Net loss attributable to shareholders of Borr Drilling Limited	(21.3)	(46.1)	(292.8)	(193.0)
Total comprehensive loss attributable to shareholders of Borr Drilling Limited	(21.3)	(46.1)	(292.8)	(193.0)
Basic and diluted loss per share	(0.09)	(0.34)	(1.64)	(1.43)
Weighted-average shares outstanding	228,935,247	136,811,843	178,404,637	134,726,336

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

	December 31, 2022	December 31, 2021
ASSETS	<i>Unaudited</i>	<i>Audited</i>
Current assets		
Cash and cash equivalents	108.0	34.9
Restricted cash	2.5	3.3
Trade receivables	43.0	28.5
Prepaid expenses	9.6	6.6
Deferred mobilization and contract preparation costs	38.4	17.2
Accrued revenue	56.5	20.2
Due from related parties	65.6	48.6
Other current assets	26.3	16.9
Total current assets	349.9	176.2
Non-current assets		
Non-current restricted cash	8.0	7.8
Property, plant and equipment	3.9	3.7
Newbuildings	3.5	135.5
Jack-up drilling rigs	2,589.1	2,730.8
Equity method investments	20.6	19.4
Other non-current assets	26.7	6.9
Total non-current assets	2,651.8	2,904.1
Total assets	3,001.7	3,080.3
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables	47.7	34.7
Accrued expenses	80.8	45.6
Short-term accrued interest and other items	77.7	15.3
Short-term debt	445.9	—
Short-term deferred mobilization, demobilization and other revenue	57.3	—
Other current liabilities	36.2	22.3
Total current liabilities	745.6	117.9
Non-current liabilities		
Long-term accrued interest and other items	29.7	70.1
Long-term debt	1,191.1	1,915.9
Long -term deferred mobilization, demobilization and other revenue	68.7	—
Other non-current liabilities	14.3	15.2
Onerous contracts	54.5	71.3
Total non-current liabilities	1,358.3	2,072.5
Total liabilities	2,103.9	2,190.4
Shareholders' Equity		
Common shares of par value \$0.10 per share: authorized 255,000,000 (2021:180,000,000) shares, issued 229,264,579 (2021: 137,218,175) shares and outstanding 228,949,068 (2021: 136,811,842) shares	23.0	13.8
Treasury shares	(9.8)	(13.7)
Additional paid in capital	2,265.6	1,978.0
Accumulated deficit	(1,381.0)	(1,088.2)
Total equity	897.8	889.9
Total liabilities and equity	3,001.7	3,080.3

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

	3 months ended December 31, 2022	3 months ended December 31, 2021	12 months ended December 31, 2022	12 months ended December 31, 2021
Cash flows from operating activities				
Net loss	(21.3)	(46.1)	(292.8)	(193.0)
<i>Adjustments to reconcile net loss to net cash provided by/(used in) operating activities:</i>				
Non-cash compensation expense related to stock based and directors' compensation	1.6	(0.2)	2.6	0.9
Depreciation of non-current assets	28.3	36.4	116.5	119.6
Impairment of non-current assets	—	—	131.7	—
Amortization of deferred mobilization and contract preparation costs	13.6	3.4	36.7	12.6
Amortization of deferred mobilization and demobilization revenue	(12.8)	(1.8)	(22.1)	(5.9)
Gain on disposal of assets and other non-operating income	(3.6)	(0.5)	(4.2)	(4.8)
Amortization of deferred finance charges	3.1	1.7	7.9	6.5
Bank commitment, guarantee and other fees ⁽¹⁾	8.2	—	15.7	—
Effective interest rate adjustments	(2.8)	1.7	2.8	3.7
Change in fair value of financial instruments	—	—	—	—
Income from equity method investments	(1.4)	(2.0)	(1.2)	(16.1)
Deferred income tax	(2.1)	0.2	(2.1)	(0.5)
Change in assets and liabilities:				
Amounts due to/from related parties	11.3	(7.5)	(17.0)	(13.7)
Accrued expenses	8.5	(3.7)	89.8	10.3
Accrued interest	(21.7)	(4.2)	(35.8)	29.0
Other current and non-current assets	(44.2)	(23.1)	(139.2)	(24.1)
Other current and non-current liabilities	112.8	21.4	173.2	16.6
Net cash provided by/(used in) operating activities	77.5	(24.3)	62.5	(58.9)
Cash flows from investing activities				
Purchase of property, plant and equipment	(0.8)	(0.1)	(1.8)	(0.1)
Proceeds from sale of fixed assets	—	0.5	0.7	2.7
Distribution from equity method investments	—	6.3	—	46.5
Proceeds from disposal of equity method investments	—	—	—	10.6
Additions to jack-up drilling rigs	(38.7)	(5.3)	(81.5)	(18.8)
Net cash (used in)/provided by investing activities	(39.5)	1.4	(82.6)	40.9
Cash flows from financing activities				
Proceeds from share issuance, net of issuance cost	—	—	298.1	44.8
Repayment of long-term debt	(355.5)	—	(355.5)	—
Proceeds from issuance of debt	150.0	—	150.0	—
Net cash (used in)/provided by financing activities	(205.5)	—	92.6	44.8
Net (decrease) increase in cash, cash equivalents and restricted cash	(167.5)	(22.9)	72.5	26.8
Cash, cash equivalents and restricted cash at the beginning of the period	286.0	68.9	46.0	19.2
Cash, cash equivalents and restricted cash at the end of the period	118.5	46.0	118.5	46.0

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

Supplementary disclosure of cash flow information

(In \$ millions)	Three months ended December 31, 2022	Three months ended December 31, 2021	12 months ended December 31, 2022	12 months ended ended December 31, 2021
Interest paid, net of capitalized interest	(51.9)	(22.8)	(83.9)	(57.2)
Income taxes (paid) refunded, net	(5.7)	(2.0)	(16.2)	0.8
Non-cash offset of debt and assets held for sale	(87.0)	—	(87.0)	—
Non-cash offset of accrued interest and assets held for sale	(33.0)	—	(33.0)	—
Issuance of long-term debt as non-cash settlement of financing fee	0.7	—	8.2	5.0

Supplemental note to the consolidated statements of cash flows

The following table identifies the balance sheet line-items included in cash, cash equivalents and restricted cash presented in the consolidated statements of cash flows:

(In \$ millions)	December 31, 2022	December 31, 2021
Cash and cash equivalents	108.0	34.9
Restricted cash	2.5	3.3
Non-current restricted cash	8.0	7.8
Total cash and cash equivalents and restricted cash	118.5	46.0

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

	Number of outstanding shares	Common shares	Treasury shares	Additional paid in capital	Accumulated deficit	Total equity
Balance as at December 31, 2020	109,429,494	11.0	(26.2)	1,947.2	(895.2)	1,036.8
Issue of common shares	27,058,823	2.8	—	43.2	—	46.0
Equity issuance costs	—	—	—	(1.2)	—	(1.2)
Share-based compensation	275,132	—	10.4	(9.7)	—	0.7
Total comprehensive loss	—	—	—	—	(54.4)	(54.4)
Balance as at March 31, 2021	136,763,449	13.8	(15.8)	1,979.5	(949.6)	1,027.9
Share-based compensation	—	—	—	0.2	—	0.2
Total comprehensive loss	—	—	—	—	(59.9)	(59.9)
Balance as at June 30, 2021	136,763,449	13.8	(15.8)	1,979.7	(1,009.5)	968.2
Share-based compensation	48,393	—	2.1	(1.9)	—	0.2
Total comprehensive loss	—	—	—	—	(32.6)	(32.6)
Balance as at September 30, 2021	136,811,842	13.8	(13.7)	1,977.8	(1,042.1)	935.8
Share-based compensation	—	—	—	(0.2)	—	(0.2)
Total comprehensive loss	—	—	—	—	(46.1)	(46.1)
Other, net	—	—	—	0.4	—	0.4
Balance as at December 31, 2021	136,811,842	13.8	(13.7)	1,978.0	(1,088.2)	889.9

	Number of outstanding shares	Common shares	Treasury shares	Additional paid in capital	Accumulated deficit	Total equity
Balance as at December 31, 2021	136,811,842	13.8	(13.7)	1,978.0	(1,088.2)	889.9
Issue of common shares	14,840,323	1.5	—	33.7	—	35.2
Equity issuance costs	—	—	—	(1.1)	—	(1.1)
Share based compensation	—	—	—	0.3	—	0.3
Total comprehensive loss	—	—	—	—	(51.3)	(51.3)
Balance as at March 31, 2022	151,652,165	15.3	(13.7)	2,010.9	(1,139.5)	873.0
Issue of common shares	843,010	0.1	—	3.6	—	3.7
Equity issuance costs	—	—	—	(0.1)	—	(0.1)
Share based compensation	—	—	—	0.2	—	0.2
Total comprehensive loss	—	—	—	—	(165.3)	(165.3)
Balance as at June 30, 2022	152,495,175	15.4	(13.7)	2,014.6	(1,304.8)	711.5
Issue of common shares	76,363,071	7.6	—	267.3	—	274.9
Equity issuance costs	—	—	—	(14.5)	—	(14.5)
Share based compensation	—	—	—	0.5	—	0.5
Total comprehensive loss	—	—	—	—	(54.9)	(54.9)
Balance as at September 30, 2022	228,858,246	23.0	(13.7)	2,267.9	(1,359.7)	917.5
Share based compensation	90,822	—	3.9	(2.3)	—	1.6
Total comprehensive loss	—	—	—	—	(21.3)	(21.3)
Balance as at December 31, 2022	228,949,068	23.0	(9.8)	2,265.6	(1,381.0)	897.8