



## Borr Drilling Limited Announces Third Quarter and Nine Months 2022 Preliminary Results

Hamilton, Bermuda, November 17, 2022: Borr Drilling Limited ("Borr", "Borr Drilling" or the "Company") announces preliminary unaudited results for the three and nine months ended September 30, 2022.

### Highlights Third Quarter of 2022

- Total operating revenues of \$107.9 million, an increase of \$2.6 million or 2% compared to the second quarter of 2022.
- Net loss of \$54.9 million, a decrease in loss of \$110.4 million compared to the second quarter of 2022.
- Cash and cash equivalents of \$279.0 million at the end of the third quarter of 2022, an increase of \$249.3 million from the end of the second quarter of 2022.
- Adjusted EBITDA<sup>1</sup> of \$43.9 million, an increase of \$6.9 million or 19% compared to the second quarter of 2022.
- Entered into a sales agreement to sell three newbuild rigs under order from Keppel FELS Shipyard.
- Completed equity offering for gross proceeds of \$274.9 million associated with the refinancing of our secured debt to 2025.

### Subsequent events

- Year to date in 2022, we have been awarded 22 new contracts, extensions, exercised options and letters of awards ("LOAs") representing 11,350 days, or 31 years, and \$1.36 billion of potential revenue (including JVs in Mexico on a 100% basis).
- Completed agreements with our secured creditors to refinance all our secured debt maturing in 2023 to 2025.
- Secured long term contracts until the end of 2025 for five of the Company's jack-up rigs operating in Mexico for a combined contract value of \$715 million, including upfront cash payments of \$33 million in total.
- Completed the sale of the premium jack-up rig "Gyme" on November 15, 2022.
- The premium jack-up rigs "Arabia I" and "Arabia II" commenced their maiden contracts with Saudi Aramco in late October 2022.

### CEO, Patrick Schorn commented:

"Third quarter performance showed a robust improvement in earnings while revenue has been relatively flat versus the second quarter due to several rigs changing customer. The focus of the operational team has been to further streamline our operating costs which has been a contributor to a solid increase in Adjusted EBITDA quarter on quarter. During the third quarter we have also completed the activation and contract preparation of the newbuild rigs "Arabia I" and "Arabia II" and I am pleased to announce that these rigs have successfully started operating for Saudi Aramco earlier in the fourth quarter. With these additional rigs coming into operation, we expect fourth quarter revenue to be well over 25% higher in comparison with the third quarter.

We continue to see high tender activity with average contract length increasing, clearly indicating a sentiment where we expect rates to continue to rise. After the agreement to sell four rigs as part of our refinancing, we have now successfully contracted most of our available fleet, as 20 out of the 22 delivered rigs are committed. The remaining two are on offer to several customers and it is unlikely we can satisfy all current demand.

The refinancing of the Company's capital structure has been largely completed in recent months with the \$350 million convertible bond refinancing remaining outstanding. We still have three unencumbered rigs and five rigs with only \$150 million financing in total, providing optionality for further financing and, on the back of increasing asset values and day rates for our rigs, we are well positioned to address the convertible bonds as they approach maturity.

<sup>1</sup> 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.

<sup>2</sup> 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.

We have previously guided our Adjusted EBITDA estimate for full year 2022 to be between \$115 million and \$140 million. However, based on our 2022 performance thus far, we currently estimate Adjusted EBITDA in excess of the higher end of that range. Whilst we see good progress in the financial performance of the Company and have put a significant effort in getting the Company turned around, our main focus remains providing safe and efficient service to our customers and supporting them in creating value for their respective companies."

## Management Discussion and Analysis

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

<i>In \$ million</i>	<b>Q3 - 2022</b>	<b>Q2 - 2022</b>	<b>Change (\$)</b>	<b>Change (%)</b>
<b>Total operating revenues</b>	<b>107.9</b>	<b>105.3</b>	<b>2.6</b>	<b>2%</b>
Rig operating and maintenance expenses	(60.4)	(65.5)	5.1	(8)%
Impairment of non-current assets	(7.3)	(124.4)	117.1	100%
General and administrative expenses	(7.0)	(9.6)	2.6	(27)%
<b>Total operating expenses</b>	<b>(103.9)</b>	<b>(229.0)</b>	<b>125.1</b>	<b>(55)%</b>
<b>Total financial expenses, net</b>	<b>(54.1)</b>	<b>(36.9)</b>	<b>(17.2)</b>	<b>47%</b>
<b>Net loss</b>	<b>(54.9)</b>	<b>(165.3)</b>	<b>110.4</b>	<b>(67)%</b>
<b>Adjusted EBITDA</b>	<b>43.9</b>	<b>37.0</b>	<b>6.9</b>	<b>19%</b>
Cash and cash equivalents	<b>279.0</b>	<b>29.7</b>	<b>249.3</b>	<b>839%</b>
Restricted cash	<b>7.0</b>	<b>8.1</b>	<b>(1.1)</b>	<b>(14)%</b>
<b>Total equity</b>	<b>917.5</b>	<b>711.5</b>	<b>206.0</b>	<b>29%</b>

### **Three months ended September 30, 2022 compared to three months ended June 30, 2022**

Total operating revenues for the third quarter of 2022 were \$107.9 million, an increase of \$2.6 million compared to the second quarter of 2022, which for the third quarter of 2022 consisted of \$90.5 million in dayrate revenues and \$17.4 million in related party revenues. Dayrate revenues increased by \$2.8 million quarter on quarter primarily due to an increase in operating days for the rigs "Thor" and "Groa", offset by a decrease in operating days for the rigs "Ran" and "Prospector 5" which transitioned to new contracts during the quarter. Related party revenues from the Company's Joint Ventures ("JVs") in Mexico decreased by \$0.2 million quarter on quarter.

Rig operating and maintenance expenses were \$60.4 million for the third quarter of 2022, a decrease of \$5.1 million compared to \$65.5 million for the second quarter of 2022. The decrease primarily relates to a \$3.9 million decrease 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.

Impairment of non-current assets for the third quarter of 2022 was \$7.3 million, a decrease of \$117.1 million compared to the second quarter of 2022. The impairment recognized in the current quarter relates to the rig "Gyme" as the rig was classified as held for sale as at September 30, 2022. In the second quarter, the impairment recognized related to the impairment of advance payments and capitalized interest on the newbuilding jack-up rigs "Tivar", "Huldra" and "Heidrun" following an impairment review as a result of the Company entering into a letter of intent during the second quarter to sell the newbuilding rigs. The newbuilding jack-up rigs "Tivar", "Huldra" and "Heidrun" were classified as held for sale as at September 30, 2022.

General and administrative expenses were \$7.0 million for the third quarter of 2022, a decrease of \$2.6 million compared to the second quarter of 2022. The decrease primarily relates to a decrease in legal and professional fees as well as salary expenses.

Total financial expenses, net, was \$54.1 million for the third quarter of 2022 compared to \$36.9 million in the second quarter of 2022, an increase of \$17.2 million. The increase is primarily a result of the \$7.5 million one-off cost relating a financing fee recognized during the quarter, a \$4.3 million increase in interest expenses, a \$3.1 million decrease in interest income and a \$2.2 million increase in foreign exchange losses.



Adjusted EBITDA for the third quarter of 2022 was \$43.9 million, an increase of \$6.9 million or 19% compared to the second quarter of 2022.

### ***Liquidity and Cash Flows in Q3 2022***

The Company's cash and cash equivalents as of September 30, 2022 was \$279.0 million, compared to \$29.7 million as of June 30, 2022. The Company's restricted cash as of September 30, 2022 was \$7.0 million, compared to \$8.1 million as of June 30, 2022, and is mainly related to a performance guarantee for a rig contract.

Net cash provided by operating activities was \$8.2 million, which included \$9.9 million of quarterly interest payments and \$7.5 million as a one-off debt extension fee paid to one of our creditors.

Net cash used in investing activities was \$20.4 million, primarily consisting of \$19.8 million in additions to jack-up rigs mainly relating to rig activation and reactivation payments for the rigs "Arabia I", "Arabia II" and "Thor".

Net cash provided by financing activities was \$260.4 million reflecting the proceeds, net of transaction costs, from the Company's \$274.9 million US public offering, whereby the Company issued 76,363,071 common shares at a public offering price of \$3.60 per share.

### ***Financing***

As of September 30, 2022, our outstanding indebtedness was \$1,870.0 million of which \$1,610.8 million matures in 2023.

In October 2022, we concluded agreements with our secured creditors to extend the secured debt maturing in 2023 to 2025, in accordance with our previously announced agreements in principle with our secured creditors.

As part of these agreements, the Company extended the debt maturity for its shipyard delivery financing arrangement with PPL and 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, an existing lender in the previous facilities, 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 \$30 million principal of our loan to Hayfin (and are required to repay an additional \$15 million principal amount of this loan in the fourth quarter) and repaid \$14 million of amounts owed to our shipyard creditors.

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, and excess amounts were applied to the capitalized interest for the eight other rigs financed by PPL. The transaction was successfully completed on November 15, 2022.

The weighted average interest rate for our interest-bearing debt was 8.1% for the three months ended September 30, 2022, excluding the convertible bond, which carries 3.875% interest.

### ***Mexican Joint Ventures Operational Results***

In the third quarter of 2022 our joint ventures on a 100% basis recognized a net loss of \$0.4 million and adjusted EBITDA of \$0.4 million. Included in the third quarter of 2022 results for the joint ventures are \$17.4 million of net costs related to charges from Borr Drilling entities representing bareboat charter fees, staffing and management expenses.

Borr Drilling received \$8.5 million in cash payments from its Mexico JVs in the third quarter of 2022, relating to payment of balances due from related parties.



As of September 30, 2022, Borr Drilling had \$76.9 million of receivables from its Mexico JVs, representing bareboat charter, staffing and management expenses, recorded as "Due from related parties" in the Unaudited Consolidated Balance Sheets. Additionally, as at September 30, 2022, the "Equity method investments" balance in the Unaudited Consolidated Balance Sheets included \$9.8 million in funding provided to our Mexico JVs.

So far in the fourth quarter, the Company has received additional \$46.8 million in cash collections from its Mexico JVs.

### ***Fleet, Operations and Contracts***

The current delivered fleet consists of 22 modern jack-up rigs all built after 2010, with an additional two rigs under construction at Keppel FELS. This follows the conclusion of the sale of the rig "Gyme" in the fourth quarter 2022, and our agreement to sell the undelivered rigs "Huldra", "Heidrun" and "Tivar".

Since the second quarter 2022 report, the Company secured new contracts, extensions and LOAs/LOIs for its active rigs "Galar", "Gersemi", "Grid", "Njord", "Odin", "Prospector 5", "Mist", "Gunnlod", "Norve" and "Natt"; maintaining the Company's contracted or committed fleet at 20 units: one in the North Sea, three in the Middle East, four in West Africa, six in South East Asia and six in Mexico. This includes significant term contracts for five of our premium jack-up rigs in Mexico (now contracted until the end of 2025) and the "Prospector 5" contract awarded by Eni in Congo.

In addition to awards and fleet developments previously disclosed by the Company, we highlight the following recent developments:

"Gunnlod" has been awarded a contract from an undisclosed customer in Southeast Asia for an estimated duration of 45 days. The programme is expected to commence in the first quarter of 2023, in direct continuation of its current contract, and has an estimated total contract value of \$5.9 million.

"Norve" had its third well option exercised by Vaalco in Gabon. This contract has since concluded in November 2022 and the rig will undergo a planned SPS ahead of its subsequent contract with BW Energy expected to commence in December 2022.

"Natt" had its first optional well, estimated duration of 90 days, exercised by current customer Eni in Congo.

"Arabia I" and "Arabia II" have commenced their maiden contracts with Saudi Aramco in late October 2022 following their activation and mobilization to the Kingdom of Saudi Arabia earlier in October.

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

Year to date, the Company has been awarded 22 new contracts, extensions, exercised options, LOAs and LOIs representing 11,350 days, or 31 years and \$1.36 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 14 years of backlog, resulting in a backlog replenishment ratio in 2022 at a multiple of ~2x.

The technical utilization for the fleet was 99.1% in the third quarter of 2022. The economic utilization was 94.6% for the third quarter of 2022.

### ***Market***

According to IHS Markit, global competitive jack-up rig utilization stood at 91% at the end of September 2022, an increase of eight percentage points since December 31, 2021. The utilization for the modern jack-up fleet (rigs built after year 2000) has increased by ten percentage points during the same period. As of the date of this report, this number stands at 95%, a further increase of three percentage points. Based on the expected near term awards, we forecast marketed utilization to reach 98%.

Currently, there are 295 modern jack-ups contracted, representing an increase of approximately 58 units as compared to the lows in late 2020. During the same period, the number of standard jack-ups contracted has shrunk by approximately six units, reinforcing our view of continued operators' preference for modern rigs.



As of the date of this report, 21 newbuild rigs remain under construction, of which two are already contracted and three are owner-operated, leaving a total of 16 available at the yards (two of which are rigs that Borr has committed to buy). We anticipate that few 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 3%.

### ***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 third quarter of 2022, energy commodity prices decreased compared to the first half of 2022 when such prices increased consistently. 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. Brent oil prices in the third quarter of 2022 averaged approximately \$100 per barrel compared to approximately \$113 per barrel in the second quarter of 2022. 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.

Although it appears that demand for jack-up rigs continues to grow and we have seen strong positive momentum in day rates shown through recent fixtures and tender activity, and utilization of the modern jack-up fleet approaches 95%, we remain cautious as headwinds to a recovery continue to loom. Costs to operate our business have continued to experience upward inflationary pressure, and the industry continues to grapple with cost inflation. Demand for jack-up rigs may 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 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. However, a significant portion of the August 2022 equity raise was used to repay creditors and we face maturity of our convertible bonds in May 2023 (and agreements with some of our secured creditors require refinancing such bonds by the end of January 2023) and we then face maturity of substantially all of our remaining debt in 2025. 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 revenue, Adjusted EBITDA, expected utilization levels and tendering activity, expected supply and demand, statements with respect to expected contracting of our fleet, demand for and expected utilization of rigs, contract backlog, LOIs and LOAs, tendering and contracting activity, market conditions, statements about contract terms including estimated duration of contracts and activity of rigs on particular contracts, potential revenue from contracts and extensions, expected number of rigs contracted and available and expected trends in the global fleet, projected day-rates, statements about our financial obligations and maturities, including our position to address the convertible bonds as they approach maturity, our financial performance, statements as to market sentiment including statements made under "Market" and "Risk and Uncertainties" above, expected trends in dayrates, statements relating to sales of rigs and expected sale proceeds and statements about the agreements reached with our other secured creditors, 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 factors which are difficult or impossible to predict and which 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 Mexico 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 market trends, tender activity and rates, risks relating to the agreements we have reached with our lenders to refinance our debt, including risks relating to our undertaking in certain of our loan agreements to refinance the convertible bond by the end of January 2023, risks relating to the maturity of our secured debt in 2025, 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 including risks relating to our ability to comply with covenants and obtain any necessary waivers and the risk of cross defaults, risks relating to our ability to meet our significant debt obligations 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 three newbuild rigs including the risk that we may be unable to complete the sales on the intended terms at all, 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](http://www.borrdrilling.com)

November 17, 2022

The Board of Directors  
Borr Drilling Limited  
Hamilton, Bermuda

Questions should be directed to:

Magnus Vaaler: CFO, +44 1224 289208

**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>	<b>Q3 - 2022</b>	<b>Q2 - 2022</b>
<b>Net loss</b>	<b>(54.9)</b>	<b>(165.3)</b>
Depreciation of non-current assets	29.2	29.5
Impairment of non-current assets	7.3	124.4
Other non-operating income	0.0	(2.0)
Loss/(income) from equity method investments	0.2	1.1
Total financial expense, net	54.1	36.9
Income tax expense	4.5	6.3
Amortization of deferred mobilization and contract preparation costs	6.3	10.2
Amortization of deferred mobilization and demobilization revenue	(2.8)	(4.1)
<b>Adjusted EBITDA</b>	<b>43.9</b>	<b>37.0</b>

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

<i>(in US\$ millions)</i>	<b>Q3 - 2022</b>	<b>Q2 - 2022</b>
<b>Net income</b>	<b>(0.4)</b>	<b>(2.0)</b>
Depreciation of non-current assets	0.2	0.2
Financial expense/(income)	0.1	4.1
Income tax (income)/expense	0.5	(1.2)
<b>Adjusted EBITDA</b>	<b>0.4</b>	<b>1.1</b>



# **Borr Drilling Limited**

**Unaudited Condensed Consolidated Financial Statements  
As of and for the three and nine months ended September 30, 2022**



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

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
<b>Operating revenues</b>				
Dayrate revenue	90.5	57.6	241.5	154.4
Related party revenue	17.4	15.4	53.7	21.8
<b>Total operating revenues</b>	<b>107.9</b>	<b>73.0</b>	<b>295.2</b>	<b>176.2</b>
<b>(Loss) / gain on disposal</b>	<b>(0.1)</b>	<b>—</b>	<b>0.6</b>	<b>0.7</b>
<b>Operating expenses</b>				
Rig operating and maintenance expenses	(60.4)	(45.6)	(181.5)	(141.8)
Depreciation of non-current assets	(29.2)	(28.4)	(88.2)	(83.2)
Impairment of non-current assets	(7.3)	—	(131.7)	—
General and administrative expenses	(7.0)	(7.7)	(25.8)	(27.2)
<b>Total operating expenses</b>	<b>(103.9)</b>	<b>(81.7)</b>	<b>(427.2)</b>	<b>(252.2)</b>
<b>Operating income / (loss)</b>	<b>3.9</b>	<b>(8.7)</b>	<b>(131.4)</b>	<b>(75.3)</b>
<b>Other non-operating income</b>	<b>—</b>	<b>3.6</b>	<b>2.0</b>	<b>3.6</b>
<b>(Loss) / income from equity method investments</b>	<b>(0.2)</b>	<b>3.8</b>	<b>(0.2)</b>	<b>14.1</b>
<b>Financial income (expenses), net</b>				
Interest income	0.8	—	4.7	—
Interest expense	(34.8)	(22.9)	(92.5)	(68.6)
Other financial expenses, net	(20.1)	(3.7)	(38.5)	(14.7)
<b>Total financial expenses, net</b>	<b>(54.1)</b>	<b>(26.6)</b>	<b>(126.3)</b>	<b>(83.3)</b>
<b>Loss before income taxes</b>	<b>(50.4)</b>	<b>(27.9)</b>	<b>(255.9)</b>	<b>(140.9)</b>
Income tax expense	(4.5)	(4.7)	(15.6)	(6.0)
<b>Net loss attributable to shareholders of Borr Drilling Limited</b>	<b>(54.9)</b>	<b>(32.6)</b>	<b>(271.5)</b>	<b>(146.9)</b>
<b>Total comprehensive loss attributable to shareholders of Borr Drilling Limited</b>	<b>(54.9)</b>	<b>(32.6)</b>	<b>(271.5)</b>	<b>(146.9)</b>
<b>Basic and diluted loss per share</b>	<b>(0.30)</b>	<b>(0.24)</b>	<b>(1.68)</b>	<b>(1.10)</b>
<b>Weighted-average shares outstanding</b>	<b>185,622,430</b>	<b>136,811,843</b>	<b>161,376,006</b>	<b>134,023,528</b>

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

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

	September 30, 2022	December 31, 2021
<b>ASSETS</b>	<i>Unaudited</i>	<i>Audited</i>
<b>Current assets</b>		
Cash and cash equivalents	279.0	34.9
Restricted cash	0.3	3.3
Trade receivables	38.0	28.5
Prepaid expenses	19.9	6.6
Deferred mobilization and contract preparation costs	35.9	17.2
Accrued revenue	30.9	20.2
Due from related parties	76.9	48.6
Assets held for sale	127.3	—
Other current assets	24.2	16.9
<b>Total current assets</b>	<b>632.4</b>	<b>176.2</b>
<b>Non-current assets</b>		
Non-current restricted cash	6.7	7.8
Property, plant and equipment	3.5	3.7
Newbuildings	3.5	135.5
Jack-up rigs	2,595.2	2,730.8
Equity method investments	19.2	19.4
Other non-current assets	18.5	6.9
<b>Total non-current assets</b>	<b>2,646.6</b>	<b>2,904.1</b>
<b>Total assets</b>	<b>3,279.0</b>	<b>3,080.3</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Trade payables	53.2	34.7
Accrued expenses	72.1	45.6
Short-term accrued interest and other items	161.7	15.3
Short-term debt	1,649.6	—
Onerous contracts held for sale	16.8	—
Other current liabilities	49.8	22.3
<b>Total current liabilities</b>	<b>2,003.2</b>	<b>117.9</b>
<b>Non-current liabilities</b>		
Long-term accrued interest and other items	—	70.1
Long-term debt	283.5	1,915.9
Other non-current liabilities	20.3	15.2
Onerous contracts	54.5	71.3
<b>Total non-current liabilities</b>	<b>358.3</b>	<b>2,072.5</b>
<b>Total liabilities</b>	<b>2,361.5</b>	<b>2,190.4</b>
<b>Shareholders' Equity</b>		
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 228,858,246 (2021: 136,811,842) shares	23.0	13.8
Treasury shares	(13.7)	(13.7)
Additional paid in capital	2,267.9	1,978.0
Accumulated deficit	(1,359.7)	(1,088.2)
<b>Total equity</b>	<b>917.5</b>	<b>889.9</b>
<b>Total liabilities and equity</b>	<b>3,279.0</b>	<b>3,080.3</b>

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

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

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
<b>Cash Flows from Operating Activities</b>				
Net loss	(54.9)	(32.6)	(271.5)	(146.9)
<i>Adjustments to reconcile net loss to net cash provided by/(used in) operating activities:</i>				
Non-cash compensation expense related to stock options	0.5	0.2	1.0	1.1
Depreciation of non-current assets	29.2	28.4	88.2	83.2
Impairment of non-current assets	7.3	—	131.7	—
Loss/(gain) on disposal of assets and other non-operating income	0.1	(3.6)	(0.6)	(4.3)
Amortization of deferred mobilization and contract preparation costs	6.3	1.6	23.1	9.2
Amortization of deferred mobilization and demobilization revenue	(2.8)	(1.3)	(9.3)	(4.1)
Amortization of deferred finance charges	1.6	1.8	4.8	4.8
Bank commitment, guarantee and other fees <sup>(1)</sup>	7.5	—	7.5	—
Effective interest rate adjustments	(0.3)	0.4	5.6	2.1
Loss/(income) from equity method investments	0.2	(3.8)	0.2	(14.1)
Deferred income tax	(1.0)	0.1	—	(0.7)
Change in assets and liabilities:				
Amounts due to/from related parties	(9.8)	(10.9)	(28.3)	(6.2)
Accrued expenses	(4.3)	13.7	81.3	14.0
Accrued interest	33.1	1.4	(14.1)	33.2
Other current and non-current assets	(26.1)	6.0	(95.0)	(1.0)
Other current and non-current liabilities	21.6	(8.4)	60.4	(4.6)
<b>Net cash provided by/(used in) operating activities</b>	<b>8.2</b>	<b>(7.0)</b>	<b>(15.0)</b>	<b>(34.6)</b>
<b>Cash Flows from Investing Activities</b>				
Purchase of property, plant and equipment	(0.6)	—	(1.0)	—
Proceeds from sale of fixed assets	—	—	0.7	2.2
Distribution from equity method investments	—	38.7	—	40.2
Disposal of equity method investments	—	10.6	—	10.6
Additions to jack-up rigs	(19.8)	(5.8)	(42.8)	(13.5)
<b>Net cash (used in)/provided by investing activities</b>	<b>(20.4)</b>	<b>43.5</b>	<b>(43.1)</b>	<b>39.5</b>
<b>Cash Flows from Financing Activities</b>				
Proceeds from share issuance, net of issuance cost	260.4	—	298.1	44.8
<b>Net cash provided by financing activities</b>	<b>260.4</b>	<b>—</b>	<b>298.1</b>	<b>44.8</b>
<b>Net increase in cash, cash equivalents and restricted cash</b>	<b>248.2</b>	<b>36.5</b>	<b>240.0</b>	<b>49.7</b>
Cash, cash equivalents and restricted cash at the beginning of the period	37.8	32.4	46.0	19.2
<b>Cash, cash equivalents and restricted cash at the end of the period</b>	<b>286.0</b>	<b>68.9</b>	<b>286.0</b>	<b>68.9</b>
<b>Supplementary disclosure of cash flow information</b>				
Interest paid, net of capitalized interest	(9.9)	(11.2)	(32.0)	(34.4)
Income taxes paid, net	(3.9)	2.0	(10.5)	2.8
<sup>(1)</sup> Issuance of long term debt as non-cash settlement of back-stop fee	7.5	—	—	—

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

<i>(In \$ millions)</i>	<b>September 30, 2022</b>	<b>December 31, 2021</b>
Cash and cash equivalents	279.0	34.9
Restricted cash	0.3	3.3
Non-current restricted cash	6.7	7.8
<b>Total cash and cash equivalents and restricted cash</b>	<b>286.0</b>	<b>46.0</b>

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

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

	Number of outstanding shares	Common shares	Treasury shares	Additional paid in capital	Accumulated deficit	Total equity
<b>Balance as at December 31, 2020</b>	<b>109,429,495</b>	<b>11.0</b>	<b>(26.2)</b>	<b>1,947.2</b>	<b>(895.2)</b>	<b>1,036.8</b>
Issue of common shares	27,058,824	2.8	—	43.2	—	46.0
Equity issuance costs	—	—	—	(1.2)	—	(1.2)
Share-based compensation	275,131	—	10.4	(9.7)	—	0.7
Total comprehensive loss	—	—	—	—	(54.4)	(54.4)
<b>Balance as at March 31, 2021</b>	<b>136,763,450</b>	<b>13.8</b>	<b>(15.8)</b>	<b>1,979.5</b>	<b>(949.6)</b>	<b>1,027.9</b>
Share-based compensation	—	—	—	0.2	—	0.2
Total comprehensive loss	—	—	—	—	(59.9)	(59.9)
<b>Balance as at June 30, 2021</b>	<b>136,763,450</b>	<b>13.8</b>	<b>(15.8)</b>	<b>1,979.7</b>	<b>(1,009.5)</b>	<b>968.2</b>
Share-based compensation	48,393	—	2.1	(1.9)	—	0.2
Total comprehensive loss	—	—	—	—	(32.6)	(32.6)
<b>Balance as at September 30, 2021</b>	<b>136,811,843</b>	<b>13.8</b>	<b>(13.7)</b>	<b>1,977.8</b>	<b>(1,042.1)</b>	<b>935.8</b>

	Number of outstanding shares	Common shares	Treasury shares	Additional paid in capital	Accumulated deficit	Total equity
<b>Balance as at December 31, 2021</b>	<b>136,811,842</b>	<b>13.8</b>	<b>(13.7)</b>	<b>1,978.0</b>	<b>(1,088.2)</b>	<b>889.9</b>
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)
<b>Balance as at March 31, 2022</b>	<b>151,652,165</b>	<b>15.3</b>	<b>(13.7)</b>	<b>2,010.9</b>	<b>(1,139.5)</b>	<b>873.0</b>
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)
<b>Balance as at June 30, 2022</b>	<b>152,495,175</b>	<b>15.4</b>	<b>(13.7)</b>	<b>2,014.6</b>	<b>(1,304.8)</b>	<b>711.5</b>
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)
<b>Balance as at September 30, 2022</b>	<b>228,858,246</b>	<b>23.0</b>	<b>(13.7)</b>	<b>2,267.9</b>	<b>(1,359.7)</b>	<b>917.5</b>

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