



**Borr
Drilling**

Pareto Securities' 31st Annual Energy Conference

Patrick Schorn, CEO

September 11, 2024



Forward Looking Statement

This announcement and related discussions include forward looking statements made under the "safe harbour" provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward looking statements do not reflect historical facts and may be identified by words such as "anticipate", "believe", "continue", "estimate", "expect", "intends", "may", "should", "will", "likely", "aim", "plan", "guidance" and similar expressions and include statements regarding industry trends and market outlook, including expected trends and supply demand expectations and activity levels in the jack-up rig and oil industry, expected Adjusted EBITDA for 2024, contract backlog, expected contracts and contract start dates and rates including expected rate increases and contract extensions, options, LOIs and LOAs, contract coverage for 2024 and, expected changes to the economics of our contracts, and potential revenue, focus on return to shareholders, including rates that may be achieved, expected trends in dayrates, market conditions, statements about dividends and share buybacks, statements about expected delivery of the newbuilding rig "Var", expected utilization of the global jack-up fleet, number of rigs contracted and available and expected to be available and expected trends in the global fleet including expected new deliveries and expected timing of new rigs entering the market, statements made under "Market" and "Risk and uncertainties" above, statements about our financing strategy and evaluation of options to improve our capital structure, the optimization of our liquidity and other non-historical statements. The forward-looking statements in this announcement are based upon current expectations and various 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 our actual results, level of activity, performance, financial results or position, liquidity or achievements to differ materially from the ones expressed or implied by these forward-looking statements including risks relating to our industry, business, the risk that our actual results of operations in future periods may differ materially from the expected results or 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, risks relating to global economic uncertainty and energy commodity prices, risks relating to contracting, including our ability to convert LOIs and LOAs into contracts, the risk that options will not be exercised, the risk that contract backlog and revenue potential will not materialize as expected, risks relating to the operations of our rigs and ability to achieve expected dates of operation and delivery of rigs and commencement dates, dayrates and duration of contracts and the terms of contracts and the risk that we may not enter into contracts as expected, risks relating to market trends, tender activity and rates, risks relating to customer demand and contracting activity and suspension of operations, risks relating to our liquidity and cash flows, risks relating to our indebtedness including risks relating to our ability to repay or refinance our debt at maturity, including our notes maturing in 2028 and 2030, our Convertible Bonds due 2028, and debt under our revolving credit facility and shipyard financing available for the newbuild rig "Var" and risks relating to our other payment obligations on these debt instruments including interest, amortization and cash sweeps, risks relating to our ability to comply with covenants under our revolving credit facility and other debt instruments and obtain any necessary waivers and the risk of cross defaults, risks relating to our ability to pay dividends and repurchase shares including the risk that we may not have available liquidity or distributable reserves or the ability under our debt instruments to pay such dividends, or repurchase shares and the risk that we may not complete share repurchase programs in full, and risks relating to the amount and timing of any dividends we declare, risks relating to future financings including the risk that future financings may not be completed when required, risks relating to our newbuild purchase and financing agreements, risks relating to our financing strategy, risk related to climate change, including climate-change or greenhouse gas related legislation or regulations and the impact on our business from physical climate-change related to changes in weather patterns, and the potential impact of new regulations relating to climate change and the potential impact on the demand for oil and gas, risk relating to military actions including in Ukraine and the Middle East and their impact on our business and industry, 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 Financial Supervisory Authority of Norway. These forwardlooking 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

Non-GAAP Financial Measures

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 income/(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 and income tax expense. Adjusted EBITDA is presented here because the Company believes that the measure provides useful information regarding the Company's operational performance. 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 the basis of actual and expected Adjusted EBITDA, 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 forwardlooking GAAP financial measure without unreasonable effort. The Company disclaims any current intention to update such guidance, except as required by law

Borr Drilling – the premium jack-up rig company

Highlights

Youngest premium jack-up rig fleet in the industry

Fleet
24
Modern Rigs

Contracted Fleet¹
100%

Market leading dayrates driving strong EBITDA growth

Q2 2024 Adj. EBITDA
\$136.4M

Adj. EBITDA Margin²
50.2%

Solid liquidity position
Focus on capital returns

Liquidity³
\$343.5M

Quarterly Dividend⁴
\$0.10

Good performance
High utilization rates

Technical Utilization
99.2%

Economic Utilization
98.4%

International Footprint and Diversified Portfolio



Contracted



Available



Under Construction

Data as of Q2 2024 quarter end

¹ Contracted fleet based on delivered fleet of 23 rigs as of August 15th, 2024

² Adj. EBITDA margin is calculated by Adjusted EBITDA divided by Total Operating Revenues

³ Liquidity includes undrawn RCF of \$150 million

⁴ Dividends per share declared quarterly, \$0.10 for Q2 2024



Strong Experience and Portfolio

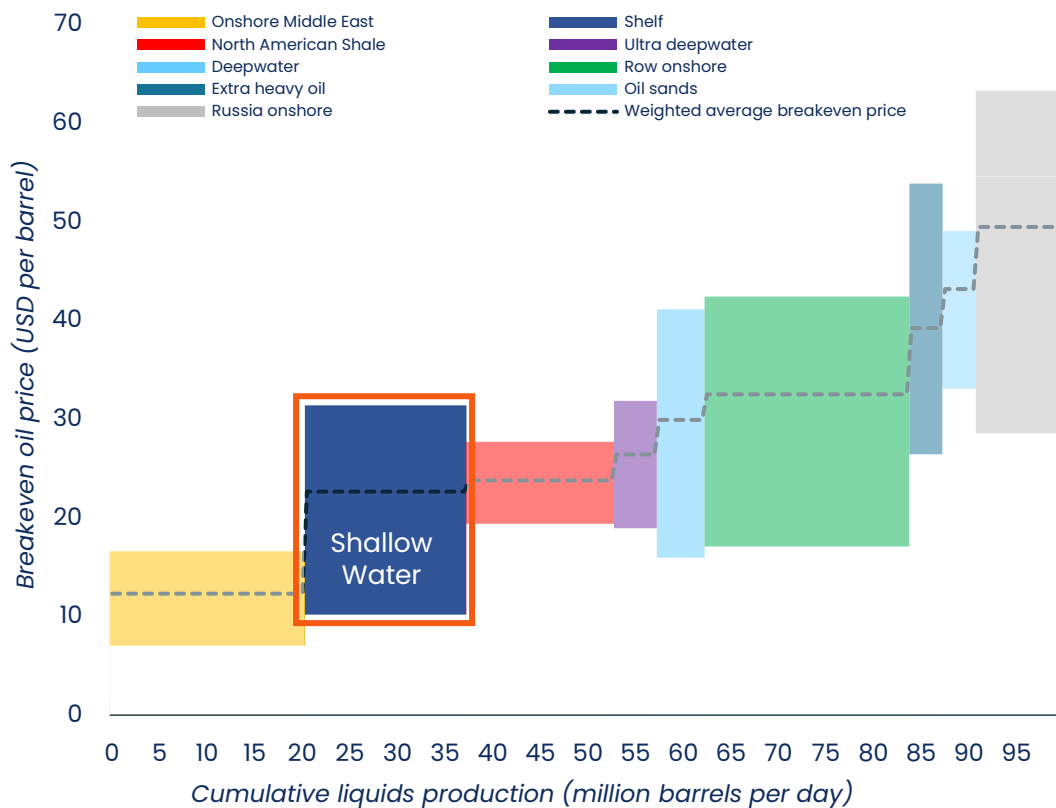


Increased NOC Exposure

Currently 2 out of 3 backlog days are with NOCs (vs. 2 out of 5 in 2019)

Shallow water is key

Significant production at attractive breakeven costs



Favorable fundamentals

Global offshore production of 31.7 mboe ¹	Shallow water represents ~66% of offshore production
Cost competitive	Breakeven oil price second only to onshore Middle East
NOCs represent ~66% of shallow water activity	Strategic customers with long planning horizon and stable outlook
Shorter cycle barrels	Time to production often in <1 year
Largely focused on brownfield projects	Lower geological risk and faster cashflows

Source: Rystad Energy

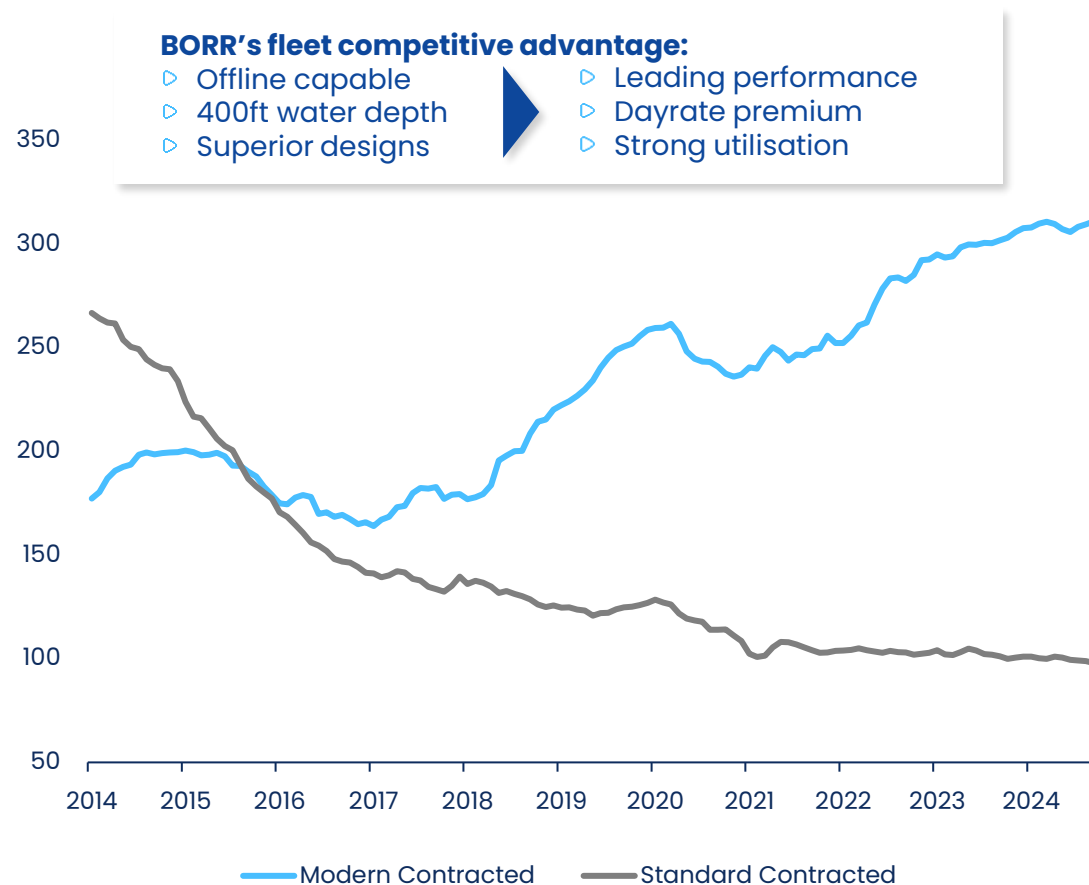
¹ Based on data from Rystad Energy for oil and gas production in millions of barrels of oil equivalent per day

Jackup market is tight with modern rigs preferred

Utilisation remain strong and back at 2014 levels

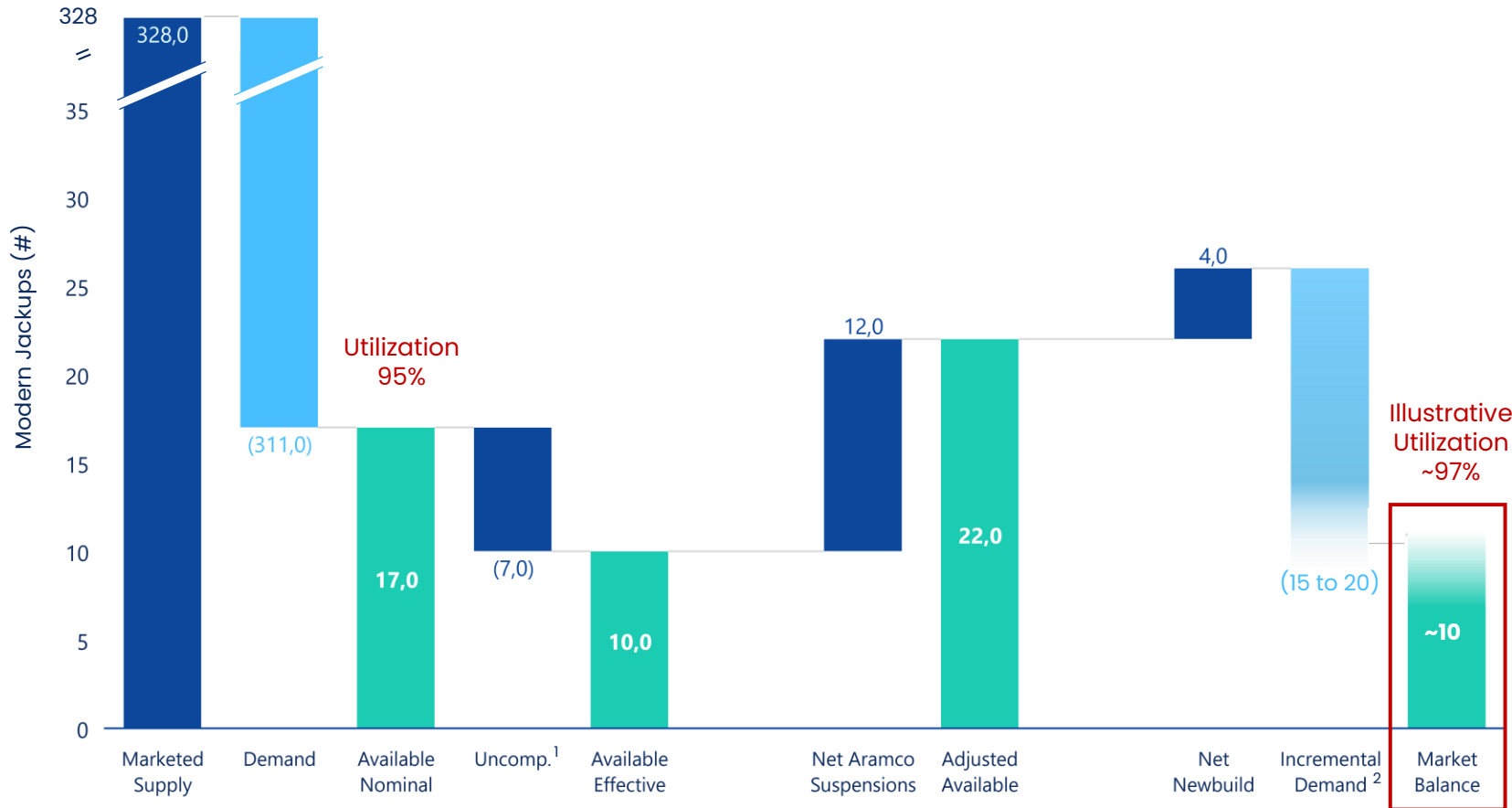


Modern rigs taking the lion's share of demand

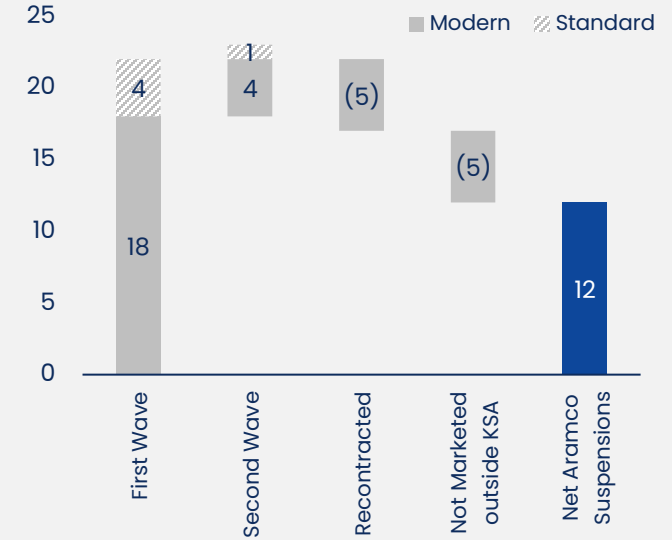


Source: Petrodata by S&P Global
Modern rigs are units delivered in 2000 or after

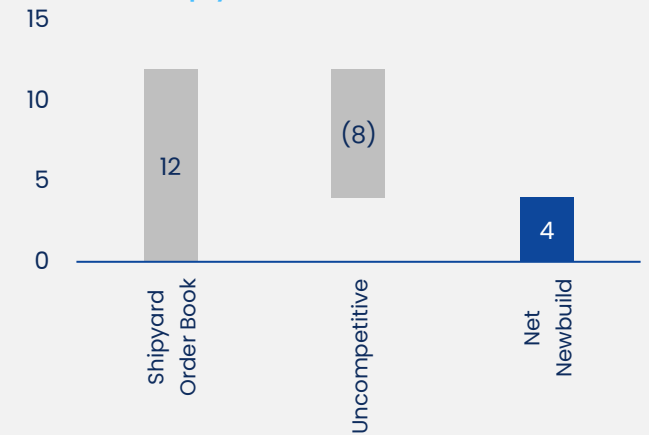
A structurally tight market



Aramco suspensions³



Shipyard Orderbook⁴



Source: Petrodata by S&P Global as on 12 Aug 2024, Fearnley Offshore and Company data

¹ Uncompetitive are units stacked for over 3 years, affected by sanctions or geographically stranded

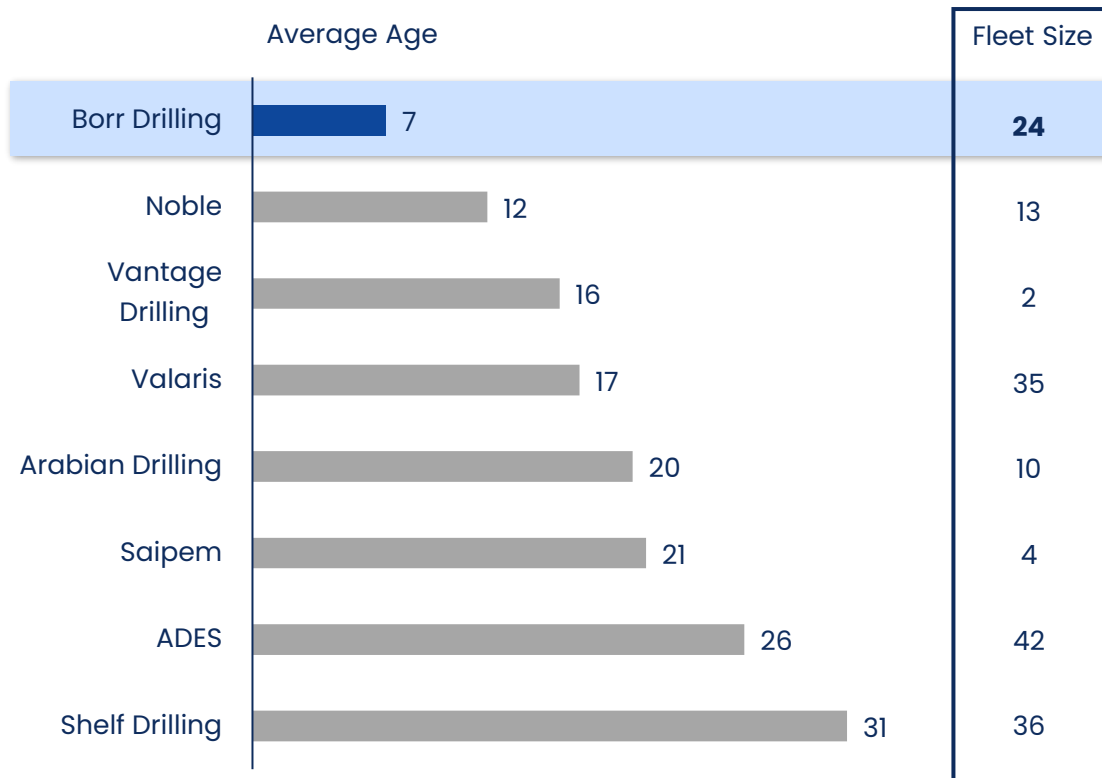
² Incremental Demand: 12 to 18 months outlook based on company data considering customer open tender, market surveys and indications

³ Aramco suspension based on announced and anticipated suspension

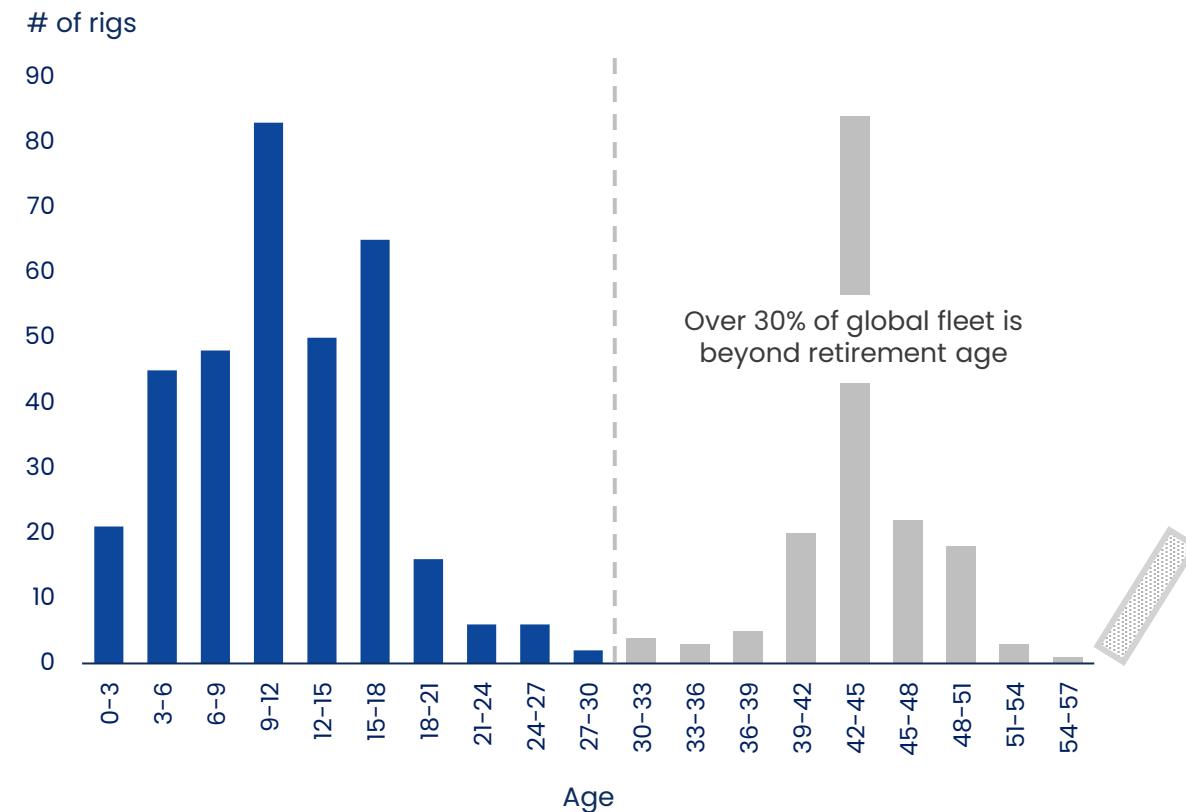
⁴ Newbuilds data based on Fearnley Offshore projected number of 3 to 6 newbuild rigs expected to reach the market within 18-24 months

Our high quality and future proof fleet

The industry's youngest fleet

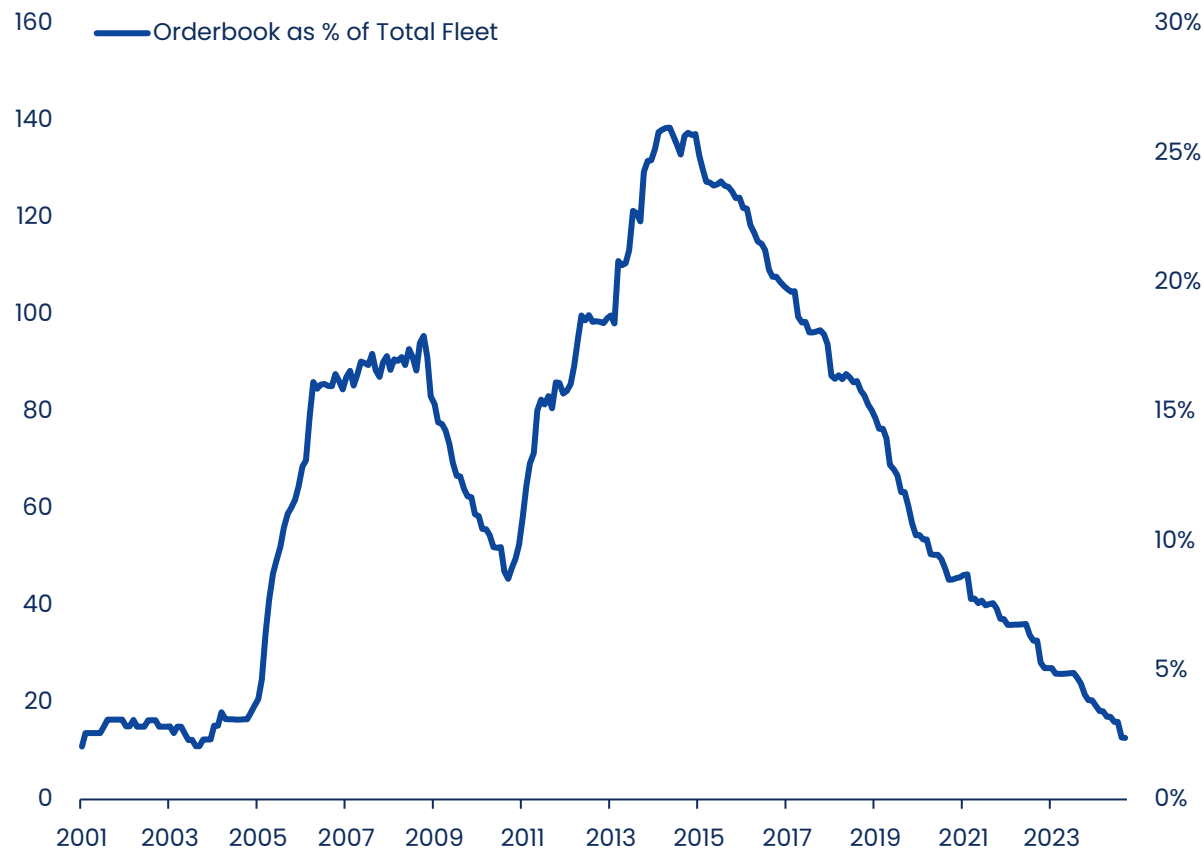


... amidst an aging global fleet



Source: Petrodata by S&P Global

Orderbook insufficient to address future rig demand



▶ Low newbuild jackup orderbook

- No new jackup orders for approx. a decade
- 12 rigs in the orderbook (~3% of total fleet), a record low since early 2000's
- Only ~4 newbuilds perceived as available and competitive in the next 12 to 18 months

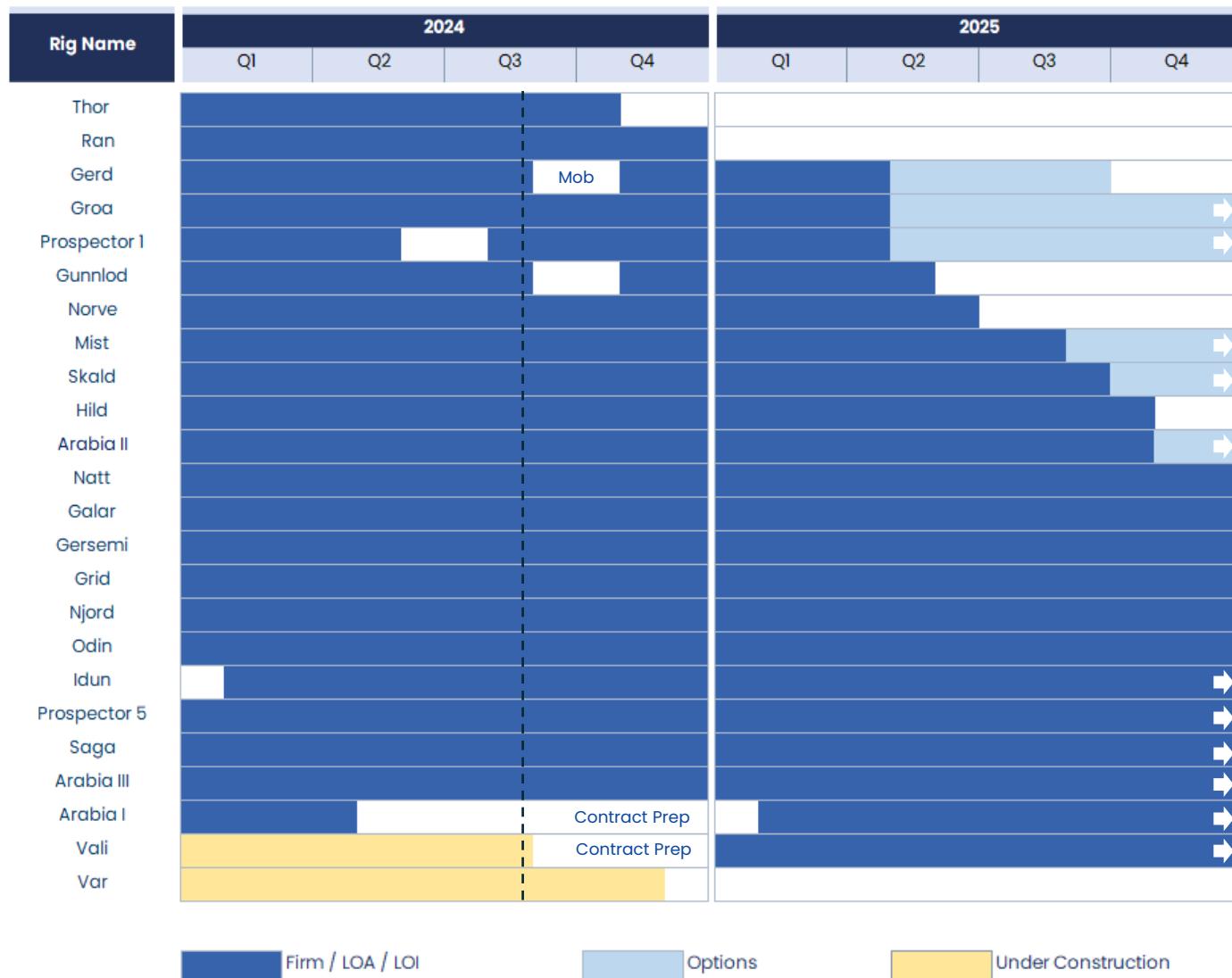
▶ Limited yard capacity for new orders

- Limited yard building slots as orderbooks are filled by other vessel types (FPSO, FSRU, LNGC, etc.)
- Delivery times at 3+ years for new order
- Shipyards will struggle to handle large orders

▶ Newbuild economics are challenging

- Price for new orders expected to exceed prior cycle prices at ~\$300 million ready-to-drill
- Limited financing available will require long-term underlying contract (7 to 10 years)
- Newbuild economics will require day rates in excess of \$200,000 for usable asset life (25 years)

Strong revenue visibility



Adding backlog¹ at attractive rates

\$641M
YTD 2024

\$184k/d
Avg. dayrate²

Full year 2024

92%
Coverage

\$135k/d
Avg. dayrate²

Full year 2025

73%
Coverage

\$148k/d
Avg. dayrate²

¹ Backlog Revenue includes new contracts, LOIs and LOAs including mobilization and demobilization revenues, and includes bareboat charter contracts adjusted to a gross dayrate-equivalent basis.

² Average dayrate is derived from Backlog Revenue divided by the number of estimated contracted days.

Strong incremental cashflow in 2025 and beyond

Incremental cashflow drivers 2024 vs 2025

Illustrative reduction in capex requirements	Delta 2024 to 2025
Net decrease newbuild capex ¹	\$80 million
Illustrative lower annual Maintenance/SPS capex ²	\$20 million
Illustrative reduction in cash requirement	~\$100 million

Illustrative improvements in cash from revenues	Delta 2024 - 2025
Average secured dayrate, \$/day	\$135,000 – \$148,000 ³
Average active rigs ³	22 - 24
Illustrative Incremental cashflow³	~\$100 million

- ▶ Illustrative incremental cash flow in 2025 versus 2024 of ~\$200 million
- ▶ Strong cash flow as percentage of market cap

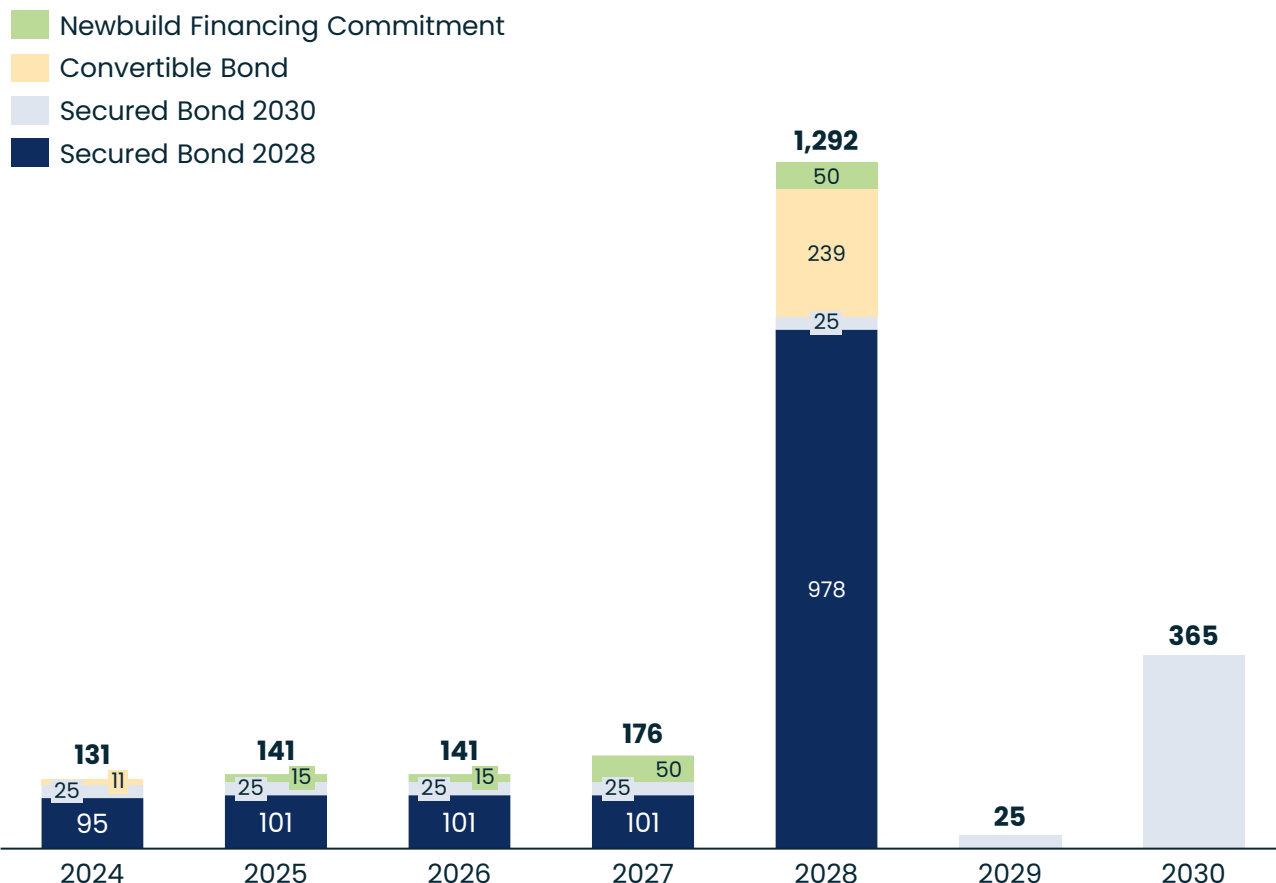
¹ Newbuild cashflow for the remaining 2 newbuilds delivered in 2024, includes the contractual delivery instalments totaling \$320 million (\$160m/rig), less committed total financing of \$280 million, and estimated approximately \$20 million of activation cost per rig = net \$80 million.

² A higher number of rigs due for SPS scopes in 2024 than expected in 2025, estimated to lead to at least \$20 million improvement in cashflows in 2025 vs 2024

³ 73% contracted for 2025 as of August 15, 2024 – calculation is assuming remaining open days in 2025 are contracted at same dayrate as current backlog and at 90% contract utilisation

Streamlined capital structure with deleveraging

Debt maturity profile (\$m)



- ▷ **Comprehensively refinanced in Nov. 2023**
the largest offshore rig bond at issuance
- ▷ **\$1,890m senior secured bonds**
same documentation and maturities in 2028 and 2030
- ▷ **Bond upsized for newbuild “Vali”**
more economic terms than available yard financing
- ▷ **Flexibility for shareholder distributions**
\$0.10/share quarterly dividend, ~\$100m annualised
- ▷ **Deleveraging c.\$125m annually on bonds**
reducing gross debt per rig from \$80m to \$55m in five years, and additional cash sweep mechanism¹
- ▷ **\$150m available revolving credit facility**
currently undrawn and matures in 2028

Note: The company made a voluntary convertible bond repurchase in 2024. This is not a scheduled amortization and as such no further repurchases are shown in the graph.

¹ Cash sweep mechanism in bond optional for bondholders at 105%, 25 – 75% of “free cashflow to equity” depending on leverage ratio

Capital allocation framework

Balance Sheet	<ul style="list-style-type: none">• Long-term financing secured, no debt maturities until 2028• Bond annual amortization ~\$125m (could increase through cash sweep²)
Business Investment	<ul style="list-style-type: none">• Newbuild program complete with 24 premium rigs delivered by YE 2024• Newer rigs reduce unscheduled maintenance costs — SPS every five years
M&A	<ul style="list-style-type: none">• Disciplined approach• Cash flow positive, margin accretive with synergies
Dividends	<ul style="list-style-type: none">• Initiated \$0.05 quarterly dividend in Q3 2023 (\$0.20/share annualized)• Doubled quarterly dividend in Q1 2024 to \$0.10 (\$0.40/share, annualized, ~\$100m)
Buybacks	<ul style="list-style-type: none">• Board approved buyback authorization effective December 2023• \$100m total authorization

¹ Replacement cost based on newbuild parity of \$300 million for a newbuild, and 30 years expected life

² Cash sweep mechanism in bond optional for bondholders at 105%, 25 – 75% of “free cashflow to equity” depending on leverage ratio

In Conclusion

A large offshore oil rig is shown in the ocean, with several tall derrick structures. The rig is white and yellow, and the ocean is blue with white waves. The sky is blue with some clouds.

1

Premium jackup fleet with a global reach

Delivering operational excellence and capturing dayrate premium

2

Structurally tight supply

Fundamentally no newbuild supply and over ~30% of fleet above 35 years old

3

Solid cashflow outlook for 2025 and beyond

Supported by higher average dayrate and lower capex requirements

4

Long-term capital structure in place

Including deleveraging

5

Quarterly dividend distributions established

Currently \$0.10/share per quarter (~\$100 million per year)



**BUILT TO MAKE A
DIFFERENCE**



**Borr
Drilling**