



**Borr  
Drilling**

# Q2 2021 PRESENTATION

31 August 2021



# FORWARD LOOKING STATEMENTS

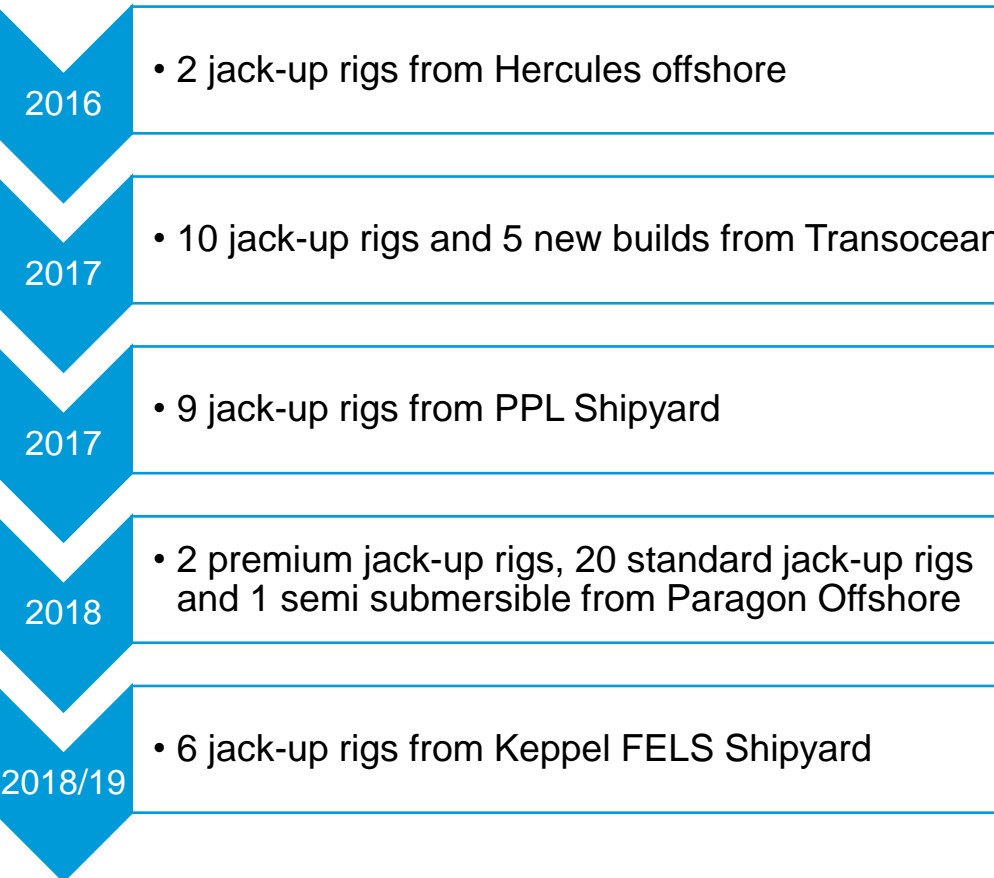
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This announcement includes forward looking statements. Forward looking statements are, typically, statements that do not reflect historical facts and may be identified by words such as "anticipate", "believe", "continue", "estimate", "expect", "intends", "may", "should", "will", "likely" and similar expressions and include expectations regarding industry trends and market outlook and signals, including expected trends and activity levels in the jack-up rig and oil industry, expectations as to global jack-up rig fleet count, and expected tenders and demand levels, delivery of newbuilds including expected delivery timing, contract backlog and potential backlog and revenue potential from backlog, contracts, LOIs and LOAs, tendering and contracting activity, market opportunities, statements about our fleet operations and expected contracting and operation of our jack-up rigs and contract terms including estimated duration of contracts and activity of rigs on particular contracts, expected number of rigs in operation and rates, expected offshore E&P capex and wells, demand forecasts, expectations with respect to warm stacked rigs, statements with respect to improving capital structure, expected cash payments from JVs and expected improvement in operational cash flows, expected ability to generate positive cash flow, statements as to market sentiment including statements made under "Market" and "Outlook" above including anticipated rig demand and expectations with respect to rigs being active and in operation and the expectation as to sufficient liquidity until 2023, statements relating to the IWS JVs and dealings with Pemex including statements about contracting and payments, statements with respect to our ATM program, risks and uncertainties relating to the COVID-19 pandemic and other non-historical statements. The forward-looking statements in this announcement are based upon 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 of delays in payments to our Mexican 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 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 lenders, risks relating to our liquidity, risks that our liquidity improvement plan is not effective or that our available liquidity is not sufficient to meet our liquidity requirements and other risks relating to our available liquidity and requirements, risks relating to cash flows from operations, the risk that we may be unable to raise necessary funds through issuance of additional debt or equity or sale of assets; 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 debt obligations including debt service obligations and maturities and new-build contract payments in 2023 and obligations under rig purchase contracts and our other obligations as they fall due and other risks described in our working capital statement, 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 and other risks factors set forth under "Risk Factors" in our filings with the U.S. Securities and Exchange Commission and prospectuses filed with the Norwegian NSA.

# BORR DRILLING TODAY

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**BUILDING A FLEET OF 28 PREMIUM JACK-UP RIGS WITH AVERAGE AGE 4 YRS**



Retired 27 old assets from the market



# BORR DRILLING TODAY

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## GAINING MOMENTUM

Dual Listed

In Oslo and NYSE

Fleet

28 premium jack up rigs avg. age approx. 4 years

Activity

13 rigs currently operating  
Providing positive cash from operations

Operations

Negotiations progressing to have 17 rigs  
operating at year end 2021

Capital structure

Net debt \$1.9B  
First maturity in Q1 2023

# KEY MILESTONES GOING FORWARD

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## Operations

- Activate additional rigs – reaching up to 17 at year-end
- Based on current tendering outlook – targeting 100% utilization of the delivered fleet by year end 2022



## Finance

- Working with key creditors to extend debt maturities
- Increasing cashflow improves refinancing options
- Continue to put rigs on accretive contracts

# KEY FINANCIALS Q2 2021

## INCOME STATEMENT

USDm	YTD 2021	Q2 2021	Q1 2021
<b>Operating revenues</b>	<b>103.2</b>	<b>54.8</b>	<b>48.4</b>
Rig operating and maintenance expenses	(96.2)	(47.4)	(48.8)
G&A			
<b>Total operating expenses</b>	<b>(170.5)</b>	<b>(81.6)</b>	<b>(88.9)</b>
<b>Operating loss</b>	<b>(66.6)</b>	<b>(26.0)</b>	<b>(40.6)</b>
Income/(loss) from equity method investments	10.3	(5.7)	16.0
Total financial expenses net	(56.7)	(29.2)	(27.5)
<b>Net loss</b>	<b>(114.3)</b>	<b>(59.9)</b>	<b>(54.4)</b>
<b>Adjusted EBITDA</b>	<b>(7.0)</b>	<b>3.7</b>	<b>(10.7)</b>

Balance sheet (USDm)	Q2 2021	Q1 2021
Total assets	3,142	3,173
Total liabilities	2,174	2,145
Total equity	968	1,028
Cash and cash equivalents	32	49

## COMMENTS AND HIGHLIGHTS Q2 2021

- **Revenues** increased by \$6.4 million or 13% in comparison to the prior quarter primarily as a result of an increase in related party revenues and number of rig operating days
- **Rig operating and maintenance expenses** decreased by \$1.4 million in comparison to the prior quarter
- **G&A** decreased by \$3.9 million due to lower corporate overhead costs and lower legal fees
- **Total financial expenses** reflects the relatively low capital cost of the Company's debt, at an average interest rate of 4.7% YTD
- **Income from equity method investments** decreased as a result of lower income in the IWS JVs due to increased idle time
- **Adjusted EBITDA** increased by \$14.5 million quarter on quarter
- **Cash** decreased by \$16.6 million in comparison to the prior quarter and is driven by:
  - Cash used in operations of \$10.9 million which includes interest payments of \$13.7 million and a tax retention receipt of \$5.4 million
  - Cash used in investing activities of \$5.7 million, which includes activation and long-term maintenance cost of \$4.9 million

# FLEET STATUS AUGUST 2021

Rig Name	Location	2021				2022				2023				2024				
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
<b>Premium Jack-Ups</b>																		
Gunnlod	Malaysia	PTTEP				LOA												
Idun	Malaysia		Vestigo	Petronas														
Saga	Malaysia		JX Nippon	PTTEP	Hess													
Skald	Thailand		PTTEP															
Frigg <sup>1</sup>	Cameroon / West Africa	Warm Stacked				LOI				LOI Option								
Natt	Nigeria	First E&P		Oriental		LOA				LOA Option								
Norve	Gabon		BWE		Vaalco		Option											
Prospector 1 <sup>1</sup>	Netherlands	One-Dyas		Neptune	Kistos		Neptune		Option									
Prospector 5 <sup>1</sup>	United Kingdom	CNOOC				Option												
Galar	Mexico	PEMEX																
Gersemi	Mexico	PEMEX																
Grid	Mexico	PEMEX																
Njord	Mexico	PEMEX																
Odin	Mexico	PEMEX																
Mist	Malaysia	ROC Oil		Warm Stacked														
Gyme	Singapore	Warm Stacked																
Heimdal	Singapore	Warm Stacked																
Hermod	Singapore	Warm Stacked																
Hild	Singapore	Warm Stacked																
Thor	Singapore	Warm Stacked																
Gerd	Cameroon	Warm Stacked																
Groa	Cameroon	Warm Stacked																
Ran <sup>1</sup>	United Kingdom	Warm Stacked																
<b>Jack-Ups Under Construction</b>																		
Tivar	KFELS shipyard, Singapore	Rig Delivery in May - 2023																
Vale	KFELS shipyard, Singapore	Rig Delivery in July - 2023																
Var	KFELS shipyard, Singapore	Rig Delivery in September - 2023																
Huldra	KFELS shipyard, Singapore	Rig Delivery in October - 2023																
Heidrun	KFELS shipyard, Singapore	Rig Delivery in December - 2023																

# ATTRACTIVE COST STRUCTURE

## ILLUSTRATIVE SCENARIOS OF OPERATING CASH IN 2021 AT DIFFERENT ACTIVITY LEVELS

(\$m in 2021) Day-rate equivalent	# rigs working			
	8	13	17	23
	Idun, Saga, Gunnlod, P1, P5, Norve, Natt, Skald	+ Galar, Gersemi, Grid, Odin, Njord		
\$70k/day	(\$75)	(\$41)	(\$4)	\$51
\$80k/day	(\$49)	\$2	\$52	\$126
\$90k/day	(\$23)	\$45	\$107	\$202
\$100k/day	\$3	\$87	\$163	\$277

↑

# rigs outside Mexico

↑

# current contracted rigs

↑

# est. YE21 contracted rigs

↑

# delivered rigs

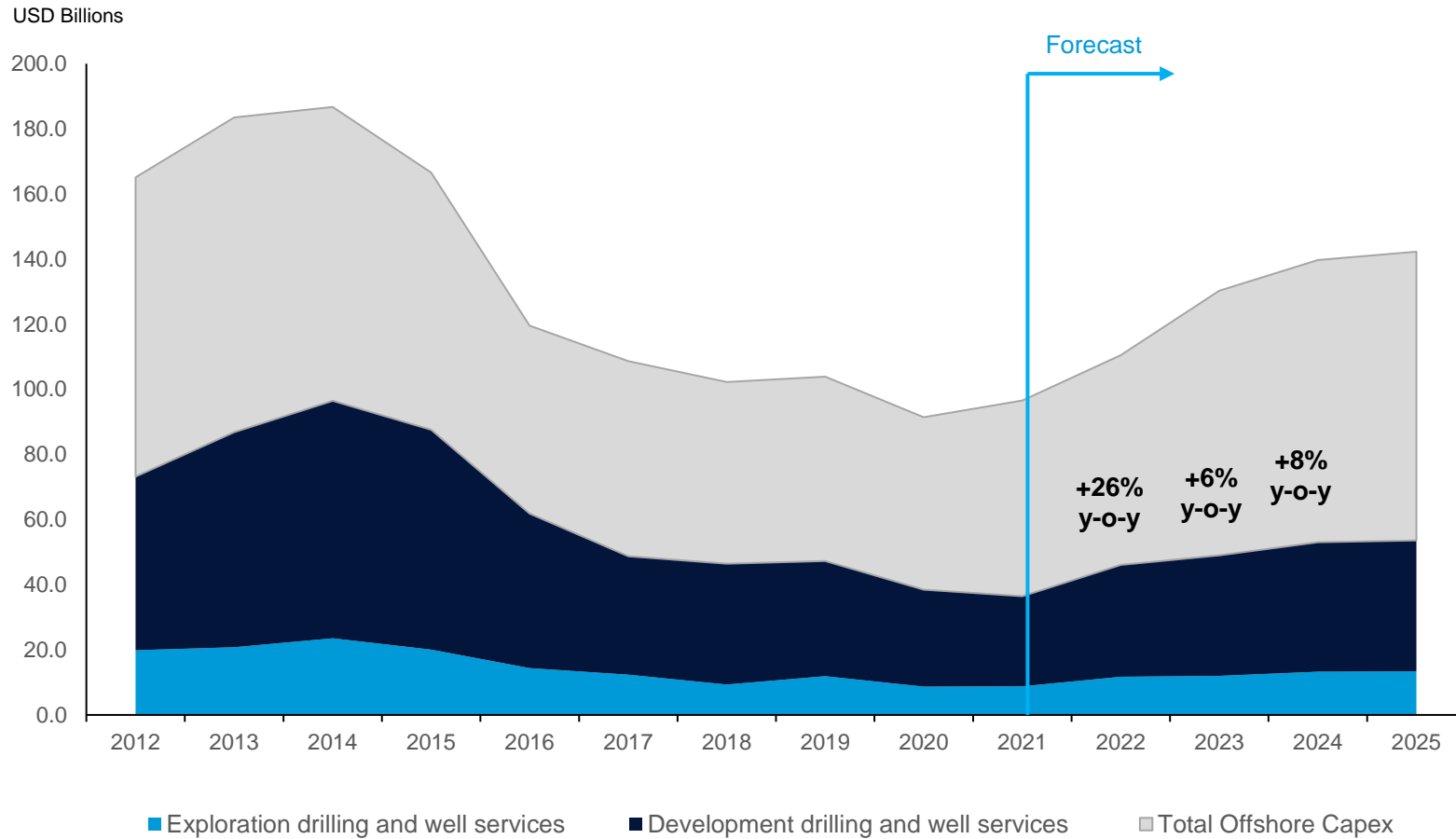


1) Assumes \$32m in SG&A normalised cost, \$16m in capex and LTM (excluding any activation costs), \$55m in cash interest (incl. deferred interest for bank loans of ~\$8m from 2020 into 2021 + \$6m PPL interest), \$6m hold cost/cost cover to Keppel. Stacking cost of \$6k/day. Opex of \$45k/day. 4% cash revenue tax, 95% economic utilisation

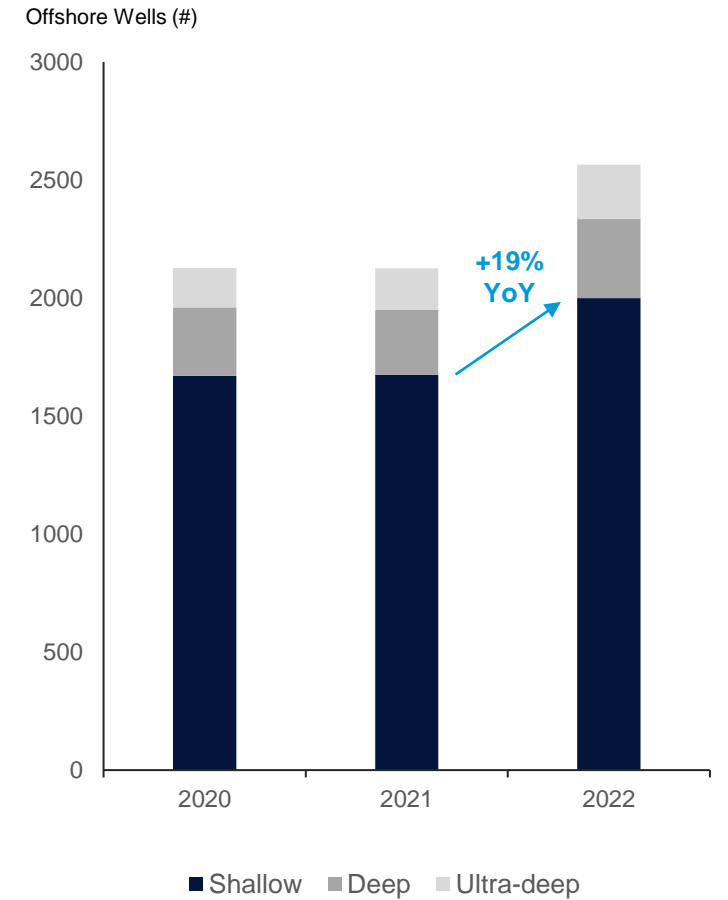


# OFFSHORE E&P CAPEX AND WELLS

## Offshore CAPEX set to increase ...



## ... shallow water drives the growth

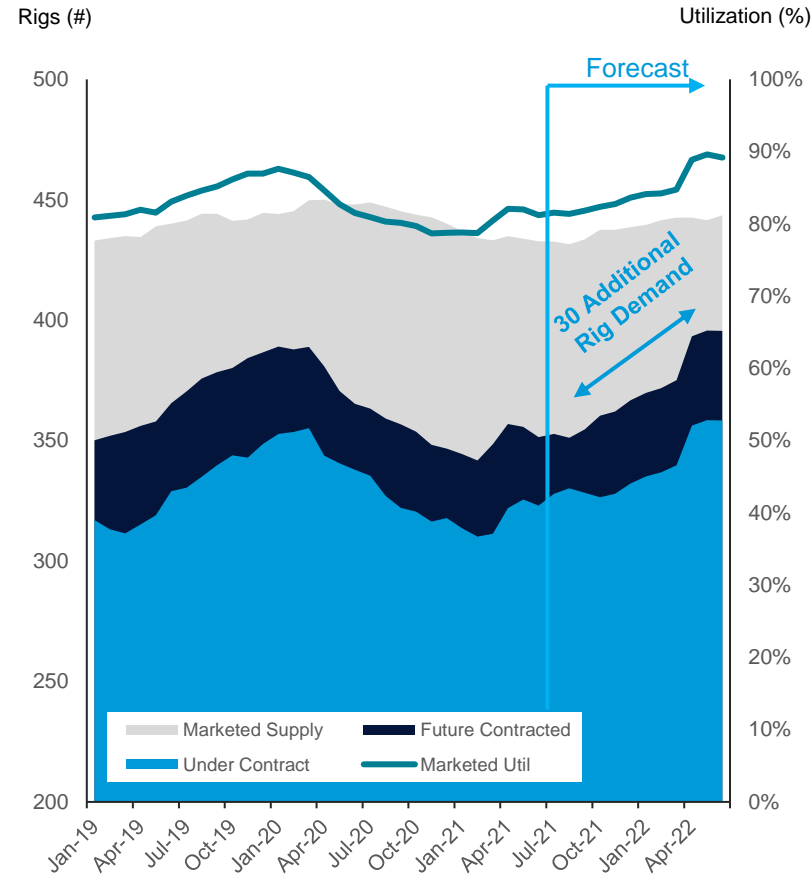


# SUPPLY AND DEMAND OVERVIEW

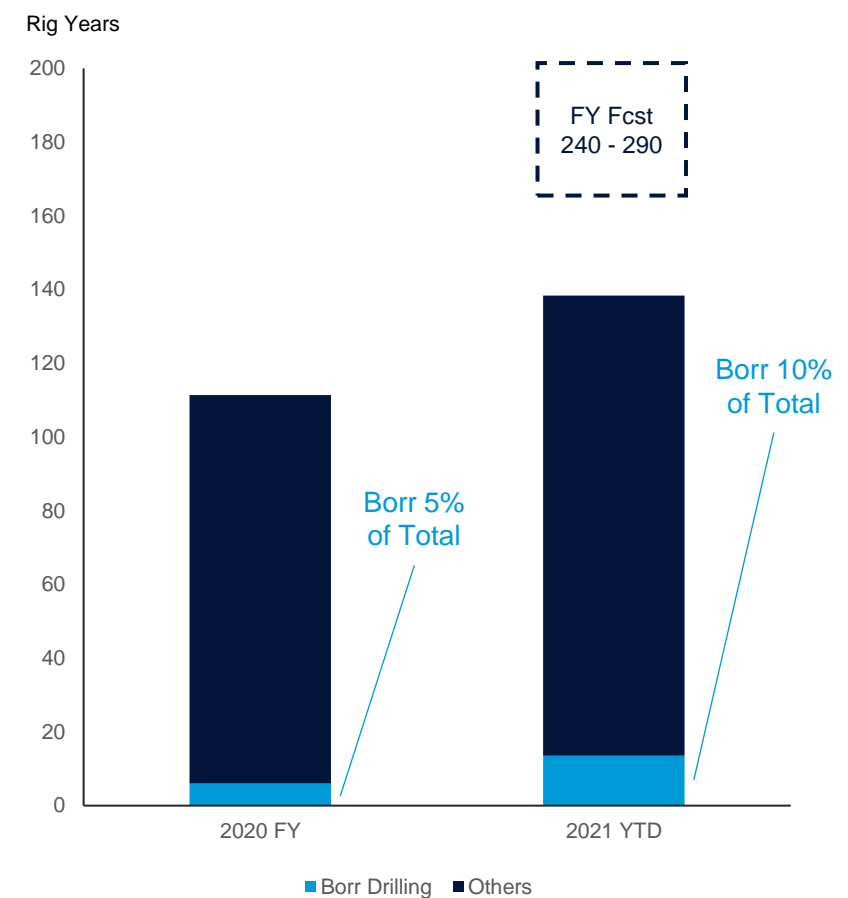
## UTILIZATION IS RECOVERING



## DEMAND FORECAST IMPROVING<sup>1</sup>



## SUCCESSFUL TENDERING<sup>2</sup>



Source:

<sup>1</sup> IHS Petrodata (under contract and marketed supply), Company projection (future contracted)

<sup>2</sup> IHS Petrodata, excludes fixtures from related parties (i.e.: CNOOC/COSL, ARAMCO/ARO, ADNOC/ADNOC Drilling)

# IN CONCLUSION

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Currently 13 rigs operating – expected to reach 17 year-end 2021

With current market outlook and tendering success we anticipate 23 active rigs by end 2022

Collections from Mexico have improved – expecting normalised payments going forward

Flexible debt structure – Improving cashflows allows for capital structure optimisation

Borr Drilling is increasingly well positioned to capitalise on the upturn

**BUILT TO MAKE A  
DIFFERENCE**



**Borr  
Drilling**

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