Borr Drilling

Q2 2022 PRESENTATION

August 9, 2022

FORWARD LOOKING STATEMENTS/

This presentation and related discussions includes forward looking statements, which may be identified by words such as "continue", "estimate", "expect", "illustrative," "intends", "may", "project," "potential," "will" and similar expressions and include statements with respect to the proposed refinancing with certain of our lenders for which binding term sheets or other agreements are expected to be concluded during August 2022, expected payments to our lenders, the expected terms and expected benefits of the refinancing and the binding agreements we expect to enter into with lenders, including our expectation that the refinancing will contribute to a more solid financial position, and our plan to refinance our convertible bonds, including statements with respect to the high visibility on the refinancing of these bonds, expected financial results, expected industry trends, including expected incremental earnings, asset sale or new debt, statements with respect to the LOI to sell three of our rigs under construction, statements about substantially extended liquidity runway, statements with respect to the strong fundamentals drilling activity increase and quick paybacks, statements about the drilling market, including this market to be soon undersupplied, the shallow water drilling being a true growth market, statements about the high profitable drilling industry, including illustrative internal rate of returns (IRR), modern rig demand, market and dayrates growth in shallow water drilling market, illustrative annual cash flow potential, upside potential, statements in relation in connection with our fleet contract overview and other non-historical statements. These forward-looking statements are subject to 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, including the risk that we may not be able to refinance our indebtedness as it falls due, the risk that we will not enter into binding term sheets or other agreements with all applicable lenders, including the risks that board approvals for the binding agreements or other agreements with our lenders are not obtained, the risk that we are unable to obtain necessary consents from other creditors, or reach final agreements and execute definitive documentation with our creditors for the binding agreements and risks relating to the final terms of such agreements, risks relating to meeting conditions to these agreements, including the payment requirements of these agreements, the risk that we will not consummate the proposed refinancing on expected terms or at all, risks relating to our liquidity including the risk that we may have insufficient liquidity to fund our operations, risks relating to our business and industry including industry conditions, the risk that actual results will be lower than those anticipated, 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 and the risk that future equity issuances will dilute existing shareholders, risks relating to our 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 and obligations under rig purchase contracts, risks relating to future performance including risks that upside potential and illustrative cash flow potential is not achieved, risks relating to industry supply and demand trends and rates and utilization, and other risks included in our filings with the Securities and Exchange Commission including those set forth under “Risk Factors” in our annual report on Form 20-F for the year ended December 31, 2021.

STRONG OPERATIONAL PERFORMANCE IN THE QUARTER

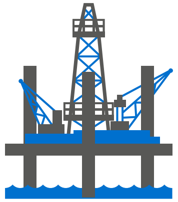
MODERN FLEET AND GLOBAL PRESENCE

20 Contracted

3 Available

5 Under Construction

= **28 Total Rig Fleet**



FINANCIAL RESULTS ($ MILLION)

	Q1-22	Q2-22	
Revenue	82.0	**105.3**	**28%**
Opex	55.6	**65.5**	**(9.9)**
EBITDA	21.4	**37.0**	**15.6**
Free and restricted Cash	58.3	**37.8**	**(20.5)**

Source: Company data
Rigs in Mexico operated through a joint venture

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KEY FINANCIALS Q2 2022

INCOME STATEMENT

USDm	Q2 2022	Q1 2022
Operating revenues	**105.3**	**82.0**
Gain on disposal	**0.7**	**-**
Rig operating and maintenance expenses	(65.5)	(55.6)
Impairment of non-current assets	(124.4)	-
G&A	(9.6)	(9.2)
Depreciation of non-current assets	(29.5)	(29.5)
Total operating expenses	**(229.0)**	**(94.3)**
Operating loss	**(123.0)**	**(12.3)**
Other non-operating income	**2.0**	**-**
Income/(loss) from equity method investments	(1.1)	1.1
Total financial expenses net	(36.9)	(35.3)
Net loss	**(165.3)**	**(51.3)**
Adjusted EBITDA	**37.0**	**21.4**

Balance sheet (USDm)	Q2 2022	Q1 2022
Total assets	2,991	3,113
Total liabilities	2,279	2,240
Total equity	712	873
Cash and cash equivalents	30	50
Restricted cash (short-term and long-term)	8	8

COMMENTS Q2 2022

- **Revenues** increased by $23.3 million primarily as a result of an increase in number of operational days for rigs on charter in comparison to the prior quarter. Related party revenue (bareboat) form Mexico decreased by $1.1 million quarter on quarter.
- **Rig operating and maintenance expenses** increased by $9.9 million quarter on quarter primarily as a result of an increase in the number of rigs on contract during the quarter. $3.6 million of the increase relates to the amortization of deferred mobilization and contract preparation costs.
- **Impairment** recognized in Q2 2022 relates to the impairment of advance payments and capitalized interest on the newbuilding jack-up rigs “Tivar”, “Heidrun” and “Huldra” following an impairment review as a result of the Company entering into an LOI during the quarter to sell the three rigs.
- **Other non-operating income** relates to income recognized during the quarter in connection with an amendment to a historical agreement to recycle the jack-up rig “Brage”.
- **Income from equity method investments** (Joint Ventures in Mexico) decreased by $2.2 million
- **Total financial expenses** increased by $1.6 million primarily as a result of an increase in interest expenses, offset by interest income earned on funding provided to our JV’s.
- **Adjusted EBITDA** increased by $15.6 million or 73% quarter on quarter.
- **Cash** decreased by $20.4 million in comparison to the prior quarter and is primarily driven by:
  - Cash used in operations of $8.4 million which includes interest payments of $15.0 million;
  - Cash used on jack-up additions of $15.9 million and PPE of $0.4 million;
  - Cash proceeds of $3.6 million from the sale of shares under the ATM program during the quarter;
  - Cash proceeds of $0.7 million from the sale of fixed assets.

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EXTENDING SECURED DEBT MATURITIES TO 2025

- **Improving financial position and significantly extending debt maturities, reducing debt and capital commitments by:**

  1) Bank facility of $311m to be replaced with two facilities with maturities in Jan 2025 and secured by eight rigs
  i) $150m facility secured by five rigs
  ii) $107.5m back-stop facility secured by three rigs

  2) Hayfin facility extended to Jan 2025
  - Reduced by $30m from $197m to ~$167m (including capitalised interest) at extension, with a further reduction of $15m in Dec 2022

  3) PPL extension of debt maturities to May 2025
  - $753.3 million principal amount outstanding, in addition to $29.3m back-end fees payable at maturity
  - PIK interest continuing to March 2023, thereafter cash interest
  - Repayment (amortisation) of debt beginning in 2023, and repayment plan for capitalised interest
  - Sale of PPL rig Gyme by 15 November 2022[1]

  4) Sale of Keppel newbuilds Tivar, Huldra and Heidrun for a total consideration of $320m
  - Total payment of $352.6m to Keppel, to settle all remaining obligations (incl. $329m of contractual instalments plus previously accrued expenses for deferred delivery). The additional amount of $32.6m to the sale price is payable in three equal payments on delivery dates of each rig (Nov 2022, May and Jul 2023)
  - Expected to reduce related activation capex by estimated $45m
  - Keppel delivery for two remaining newbuilds postponed to 2025 with financing remaining in place of $130m/each with maturity in 2029

  5) Existing Keppel loan facilities remain with maturity in 2025/26

- **$350 million Convertible bond** expected to be refinanced ahead of maturity in May 2023 through a combination of cash flow from operations, asset sales, refinancing or equity
  - Received term sheet proposal for a new $250m convertible bond

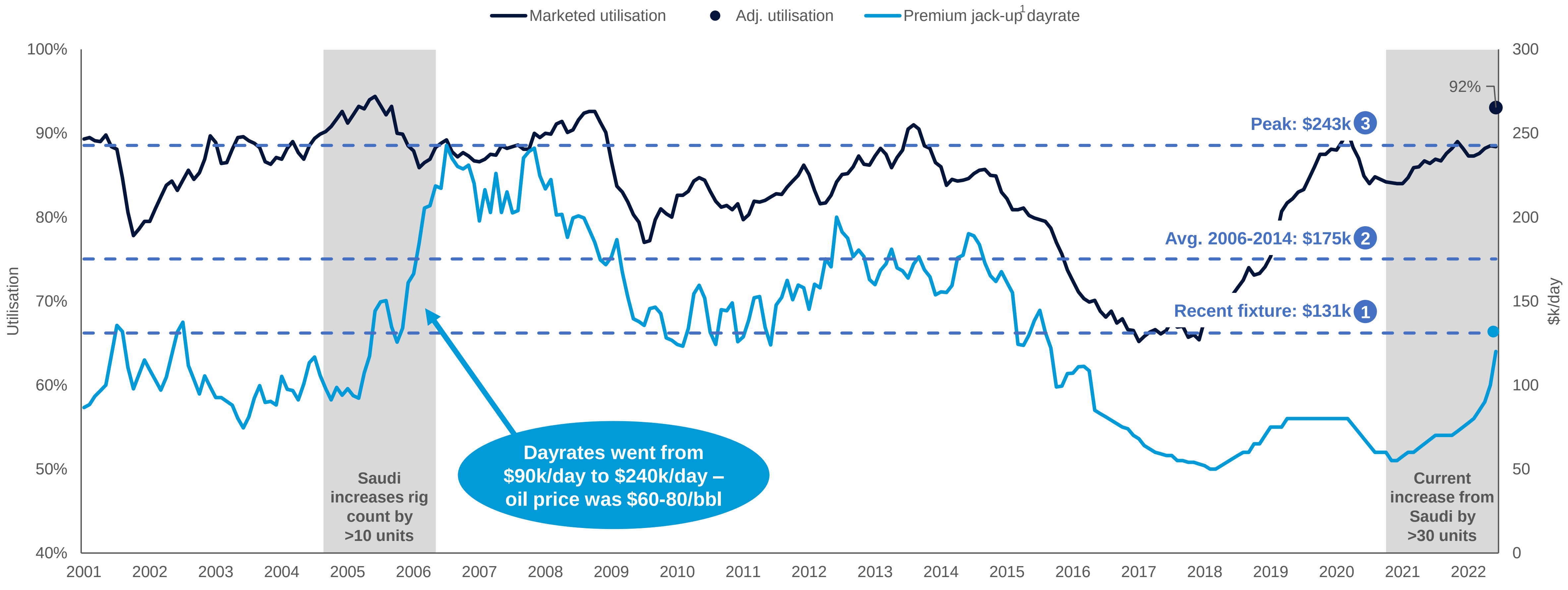
- Principal agreements have been reached with the creditors, final agreements are still subject to the creditors boards' approvals and binding documentation and there is the potential for final terms to be different.

Further details of the refinancing is disclosed in the Q2 2022 earnings report published by the Company 9 August 2022

These agreements are still subject to the creditors boards' approvals and binding documentation and there is the potential for final terms to be different. The agreements in principle described above are subject to entry into binding term sheets or other binding agreements and certain other conditions, including the completion of an equity offering for proceeds for at least $150 million and binding documentation to extend all maturities of our secured debt to at least 2025 and agreeing final long-form documentation.

DAYRATES INFLECTING

JACK-UP DAYRATES IMPROVING SIGNIFICANTLY



[1] Delivered post-2000

Source: IHS Petrodata (underlying data), DNB Markets (further calculations), Clarksons Platou Securities AS

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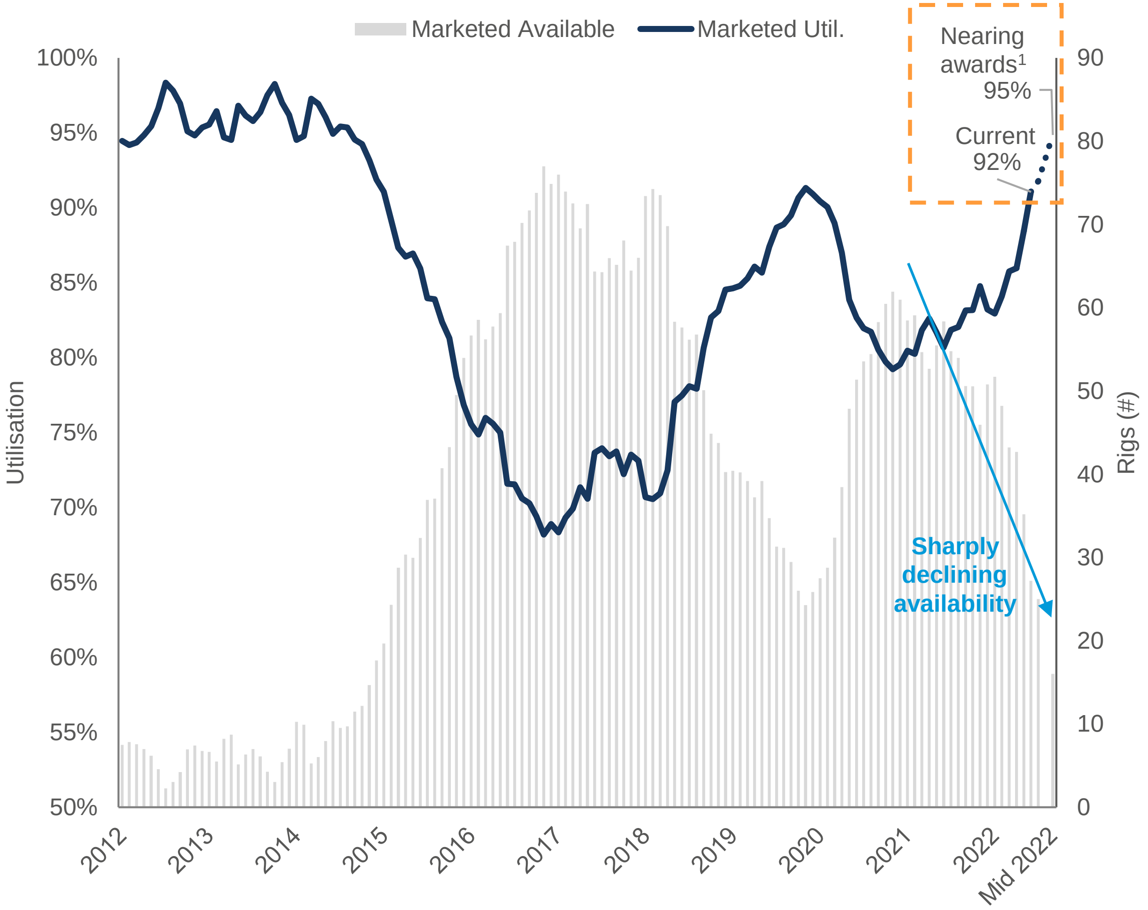
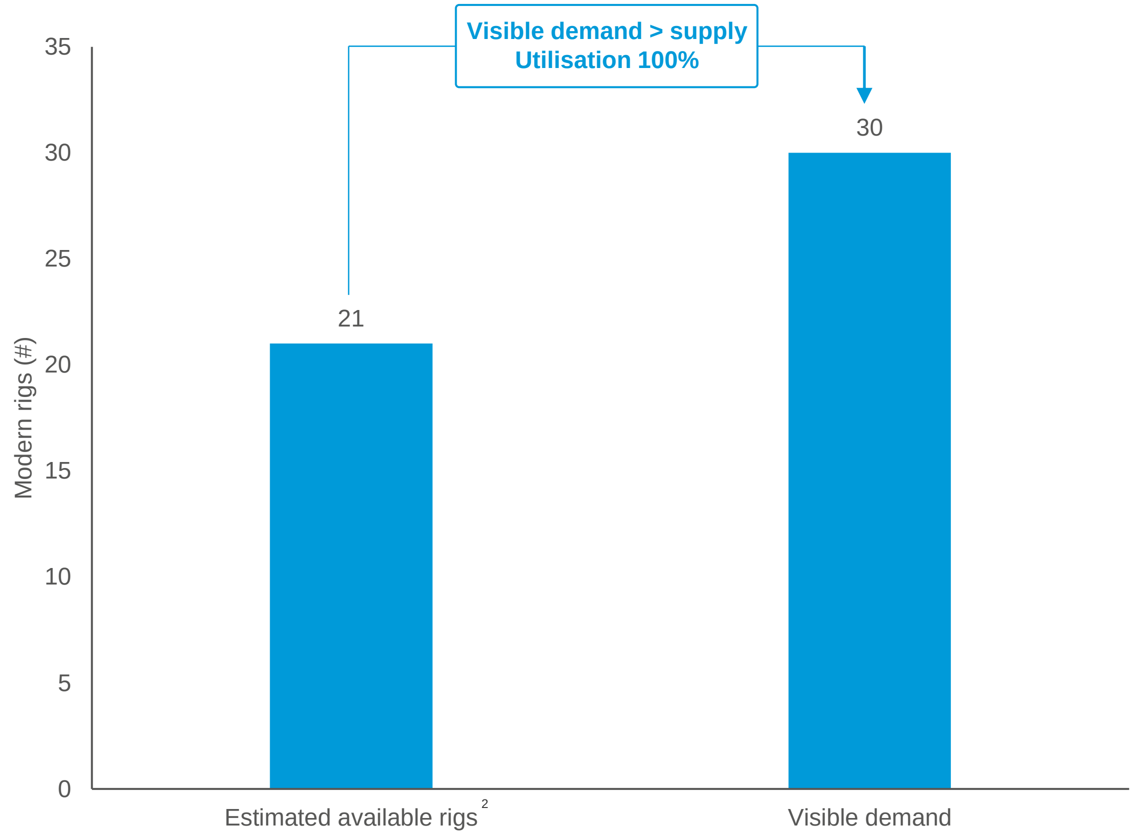
MARKET SOON TO BE UNDERSUPPLIED

MODERN UTILISATION HEADING TO 95%…



… AND MODERN RIGS TO BE SHORT SUPPLIED



Source: IHS Petrodata, Company data, marketed rigs

[1] Assuming 9 additional delivered rigs are contracted in the near-term and based on Company assessment of new builds expected to come to market within 24-36 months, in addition to 7 rigs under construction with future contracts

[2] Assuming 9 delivered rigs are contracted in the near-term, 5 rigs considered uncompetitive based on Company assessment including sanction tainted rigs, long term cold stacking, regionally stranded and uncompetitive designs, and 10 newbuilds delivered based on Company assessment of newbuilds expected to come to market within 24-36 months, in addition to 7 rigs under construction with future contracts

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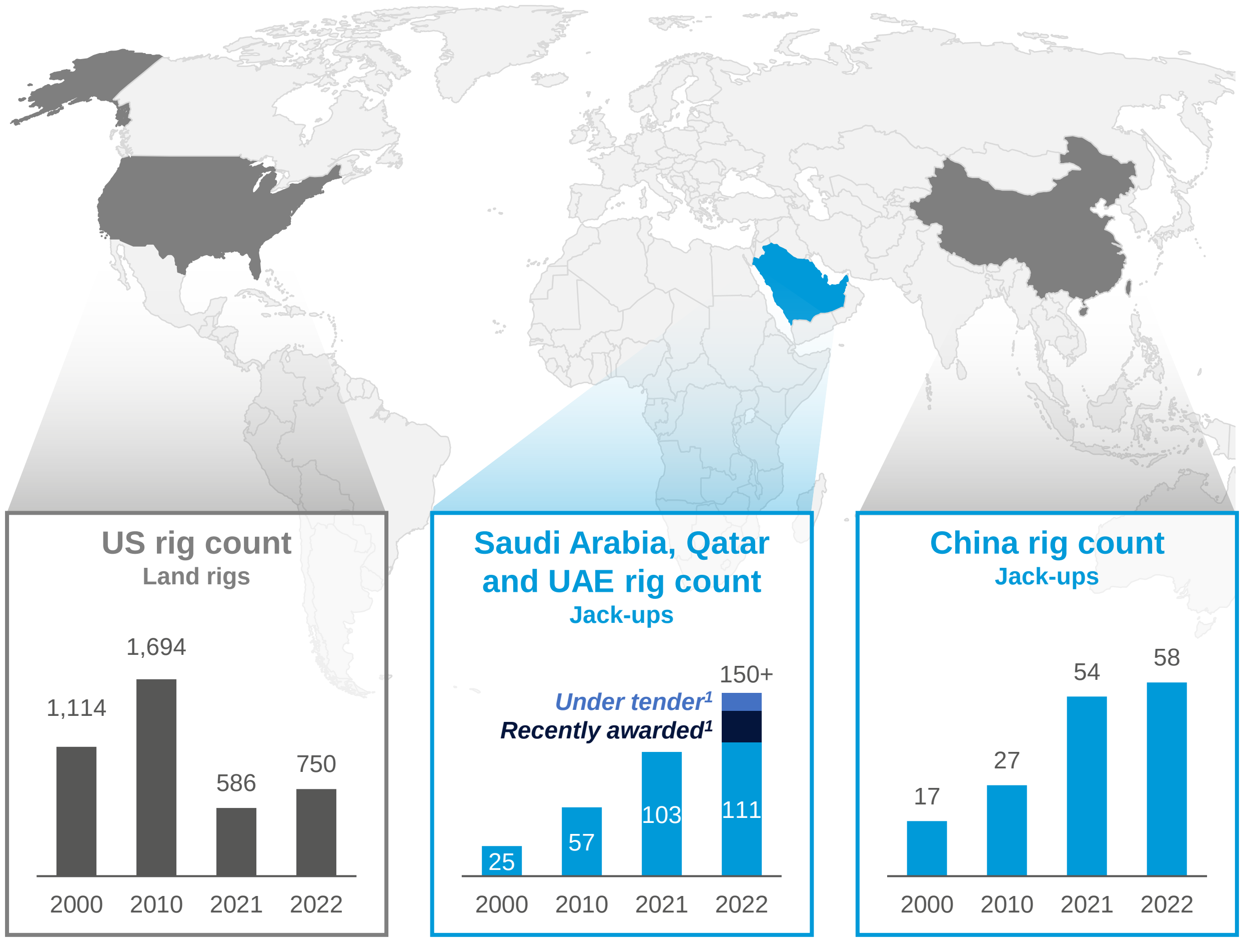
SHALLOW WATER DRILLING IS A GROWTH MARKET

MIDDLE EAST – MAIN SOURCE OF GROWTH IN OIL PRODUCTION



ALSO SIGNIFICANT POTENTIAL IN REST OF THE WORLD

Region	Peak	Current	vs. peak	Peak year
SE Asia	71	42	-29	2013
Iran	30	10	-20	2014
Mexico	51	32	-19	2014
West Africa	26	10	-16	2012
NW Europe excl. Norway	37	25	-12	2015
Indian Ocean	39	35	-4	2016
Total	**254**	**154**	**-100**	

[1] In Saudi Arabia
Source:
(Lhs) IHS Petrodata, Clarksons Platou Securities AS, RigLogix, Baker Hughes
(Rhs) IC jack-up rig count - IHS Petrodata

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FLEET CONTRACT OVERVIEW

Rig Name	Location	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4
Premium Jack-Ups																	
Thor	Malaysia-Thailand JDA	Contract Prep		CPOC				Option									
Gunnlod	Malaysia	IPC	PTTEP														
Idun	Malaysia	Petronas Carigali															
Mist	Thailand	PTTEP			Prep	LOA (Mubadala)											
Saga	Malaysia/Brunei	Hess		Hess	Brunei Shell Petroleum												
Skald	Thailand	PTTEP										Option					
Gerd	Cameroon	ADDAX					Option										
Natt	Congo	ENI				Option											
Norve	Gabon	Vaalco			BWE		Option										
Groa	Qatar	Warm Stacked	QatarEnergy								Option						
Arabia I	Singapore / Saudi Arabia	Contract Prep			Saudi Aramco												Option
Arabia II	Singapore / Saudi Arabia	Contract Prep			Saudi Aramco												Option
Prospector 1 [1]	Netherlands / United Kingdom	Kistos Neptune					Option										
Prospector 5 [1]	United Kingdom / West Africa		Dana	Contr. Prep	LOA (Undisclosed)					Option							
Ran [1]	Mexico	Petrofac		Mob Wintershall													
Galar	Mexico	PEMEX				Option											
Gersemi	Mexico	PEMEX				Option											
Grid	Mexico	PEMEX				Option											
Njord	Mexico	PEMEX				Option											
Odin	Mexico	PEMEX				Option											
Frigg [1]	Cameroon	Warm Stacked															
Gyme	Singapore	Warm Stacked															
Hild	Singapore	Warm Stacked															
Jack-Ups Under Construction																	
Vale	KFELS shipyard, Singapore													Delivery in July 2025			
Var	KFELS shipyard, Singapore													Delivery in September 2025			

	2022	2023	2024	2025
Contracted Days (incl priced options)	2,509	6,063	1,801	1,463
Open Days	849	2,332	6,617	7,236
Contracted Coverage %	75%	72%	21%	17%

Notes:
Data as of 9 August 2022
Tivar, Huldra, Heidrun and Gyme considered sold and not included in available days
Delivery of Vale and Var could be accelerated by Company (not considered in Open days above)

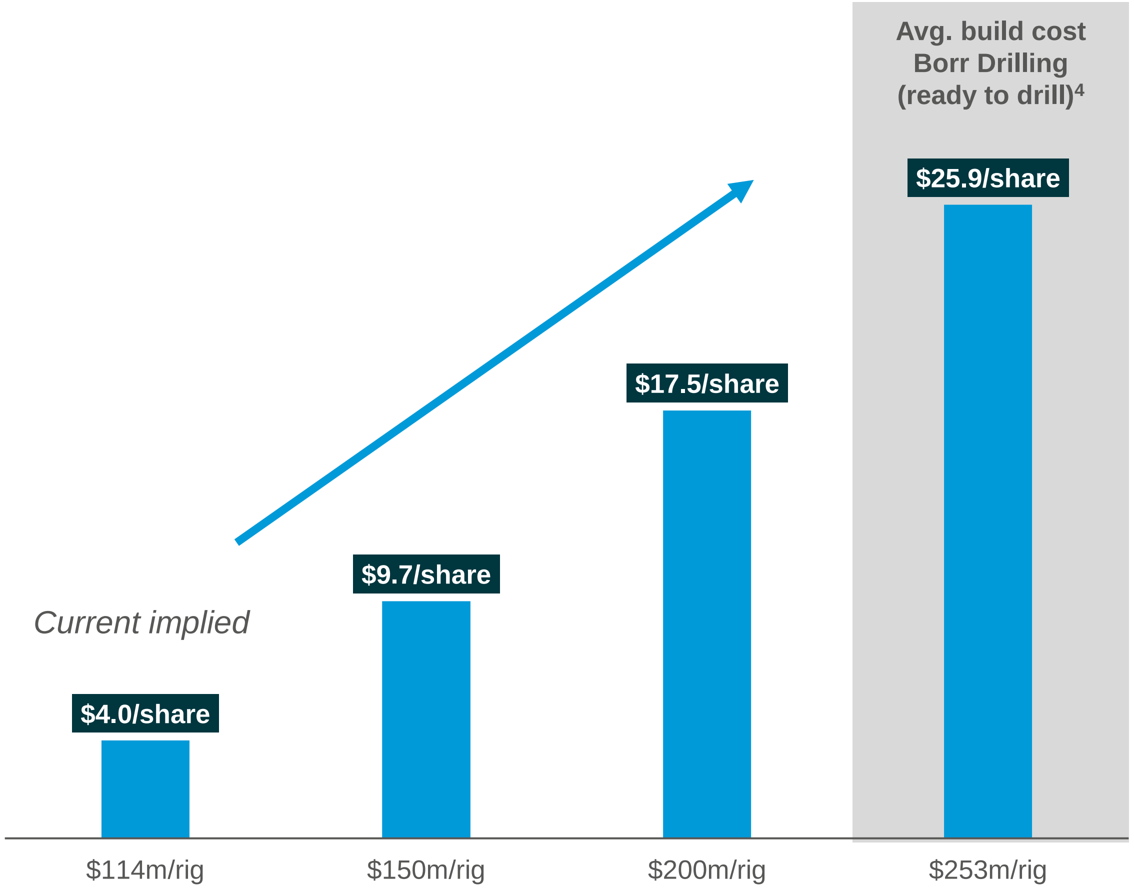
ILLUSTRATIVE ANNUAL CASH FLOW POTENTIAL[1]

95% utilisation *Opex of $50k/day per rig*	# of rigs	1 Recent fixture $131k/day	2 Average 2006-2014 $175k/day	3 Peak $243k/day
Contracted rigs	20	$543m	$849m	$1,320m
Warm stacked[2]	2	$54m	$85m	$132m
Under construction	2*	$54m	$85m	$132m
G&A (1H 2022 annualised)		-$38m	-$38m	-$38m
Annual EBITDA[3]		**$615m**	**$981m**	**$1,547m**
Pre-tax free cash flow to equity[4]		**$301m**	**$667m**	**$1,233m**

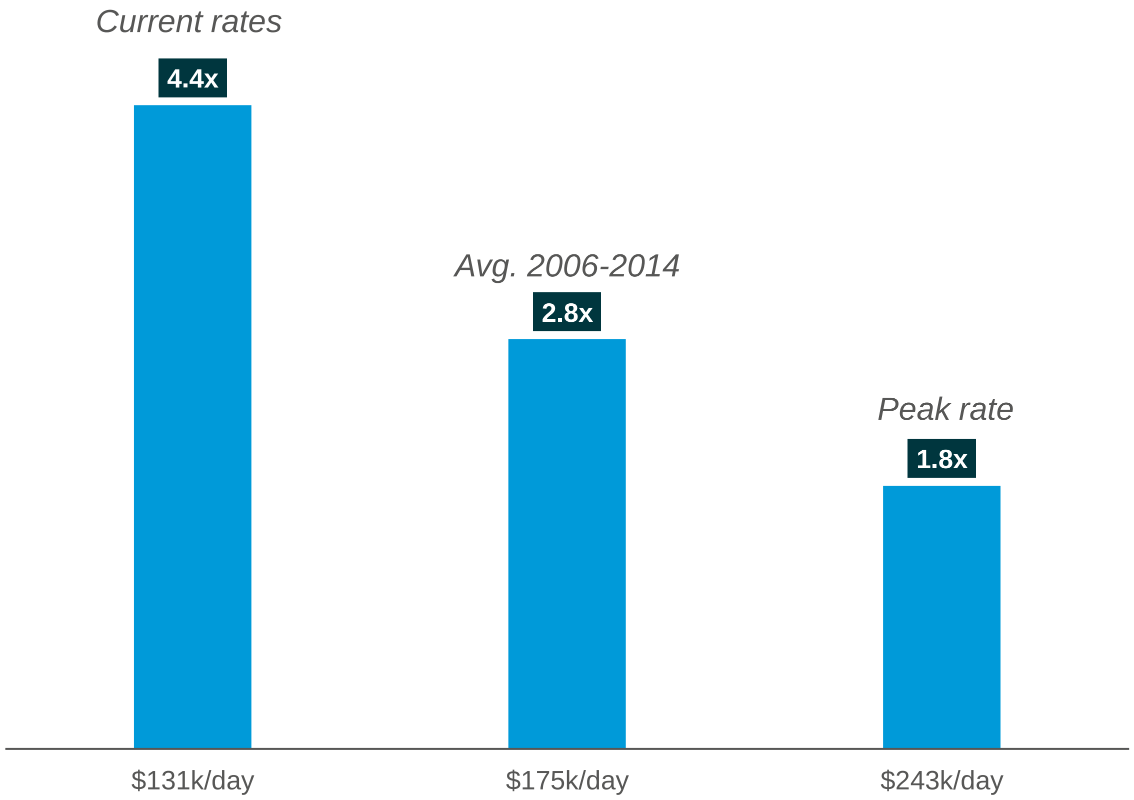
[1] This example is meant to be illustrative only and is not a projection or promise of future performance; [2] Guidance end-2022, exckuding the rig Gyme which is assumed to be sold; [3] EBITDA and free cash flow are non-GAAP measures and are not intended to represent net income or cash flow from operations. EBITDA for this calculation is derived from illustrative revenue less illustrative cost; [4] Illustrative free cash flow to equity is defined as illustrative EBITDA less illustrative interest cost, less expected debt amortisation in 2024, less Capex. Illustrative interest costs assumed at $173m based on 12m LIBOR and a blended margin, debt amortisation assumed at $114m and Capex illustratively assumed at $1.1m per rig, including SPS cycle, and excluding any Capex for reactivation and contract preparations;* Excludes 3 rigs under construction, which the Company has a binding LOI to sell

ILLUSTRATIVE UPSIDE POTENTIAL[1]

$/SHARE BASED ON EV[2]/RIG



EV/EBITDA ON DAYRATE ASSUMPTIONS[3]



[1] This example is meant to be illustrative only and is not a projection or promise of future performance or valuation of rigs. EV using market capitalisation per 5 August 2022 net debt per Q2 2022, and includes remaining newbuild capex of $294m
[2] EV illustrates purchase price per rig
[3] Using the same dayrate, utilisation, opex and G&A assumptions as on previous page
[4] Average known build cost of owned rigs in IHS Petrodata, excluding rigs planned divested, and illustratively adding $20m ready-to-drill costs
Source: IHS Petrodata

ATTRACTIVE INVESTMENT OPPORTUNITY

- ✓ Multi-year structural under-investment in the oil and gas market
- ✓ High asset utilization – heading to 95% – in the sweet spot for rate expansion
- ✓ No new assets coming to the market – only 2.5% orderbook
- ✓ A company which is transforming to generating cash – current rates of $130k/day – opex $50k/day
- ✓ Firm capital discipline and no growth plans – focus on shareholder returns including dividends from 2024

BUILT TO MAKE A
DIFFERENCE

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