



**Borr  
Drilling**

# Q4 2023 PRESENTATION

February 22, 2024



# Forward Looking Statement

This announcement and related discussions include forward looking statements within the meaning of Section 21E of the Securities and Exchange Act of 1934. 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", "aim", "plan", "guidance" and similar expressions and include statements regarding industry trends and market outlook, including expected trends and activity levels in the jack-up rig and oil industry, expected impact of statements by Saudi Aramco, expected increase in Adjusted EBITDA and expected Adjusted EBITDA, contract backlog, contract extensions, options, LOIs and LOAs, backlog, contract coverage for 2024 and expected increase in contract coverage, 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 rigs "Vale" and "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 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 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, risk 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 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 of contracts and the terms of contracts, risks relating to market trends, tender activity and rates, 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 in 2028, and debt under our revolving credit facility and shipyard financing available for the newbuild rigs "Vale" and "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 super senior 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 do 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 and risks described under "Going Concern" 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, risk 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 or 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 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 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.

## 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, income tax expense and 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.

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 forward-looking GAAP financial measure without unreasonable effort. The Company disclaims any current intention to update such guidance, except as required by law

# Company Overview and Highlights

## Q4 2023 Highlights

Adj. EBITDA Q4 2023

**\$105.9m**

Adj. EBITDA Q4 2023

**48%**

Margin<sup>1</sup>

Contracted Fleet<sup>2</sup>

**100%**

Adj. EBITDA FY 2023

**\$350.5m**

## Operational Excellence

TRIF<sup>3</sup>

**0.65**

Tech. Uptime<sup>4</sup>

**98.7%**



**Borr  
Saga**

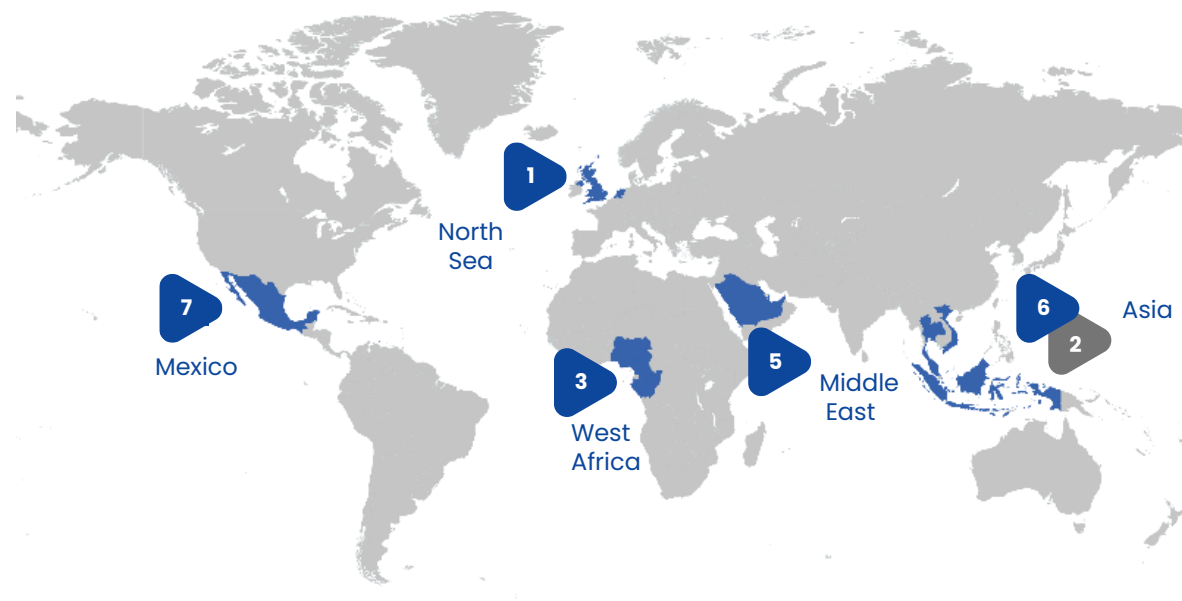
Rig of the Year



**Borr  
Skald**

Best TRIR

## International Footprint and Diversified Portfolio



22

Contracted

2

Under construction

<sup>1</sup> Adj. EBITDA margin is calculated by Adjusted EBITDA divided by Total Operating Revenues

<sup>2</sup> Contracted fleet based on delivered fleet of 22 rigs

<sup>3</sup> Total Recordable Incident Frequency (MTC + RWC + LTI + FAT) x 1,000,000 / Total Manhours as of 31 Dec 23 on a 12 months rolling average

<sup>4</sup> Average technical uptime for full year 2023.

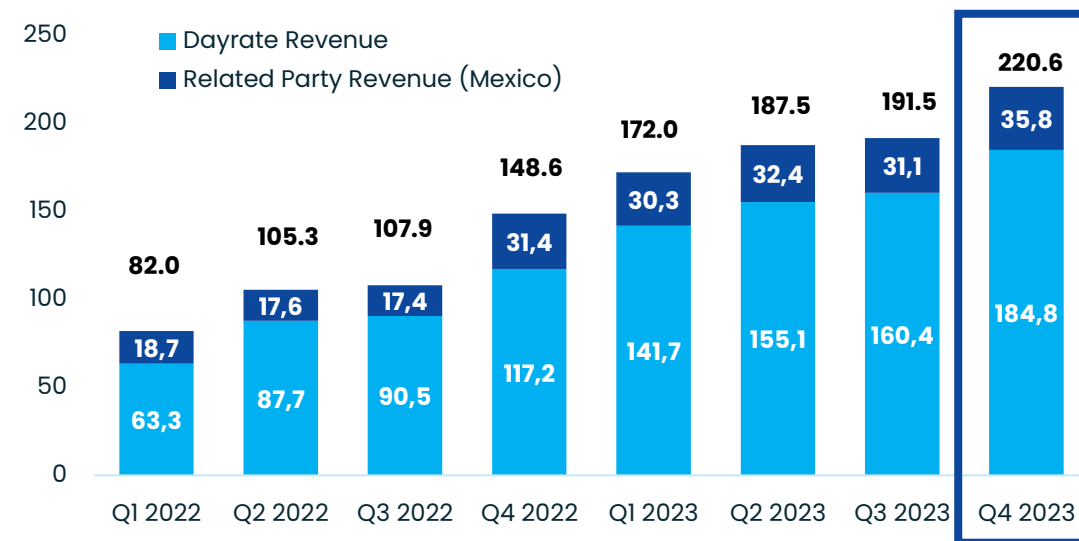


# Key Financials Q4 2023



In \$ million	Q4 2023	Q3 2023	Change (\$)	Change (%)
Total operating revenues	220.6	191.5	29.1	15%
Rig operating & maintenance expenses	(98.5)	(85.8)	(12.7)	15%
Total operating expenses	(140.1)	(127.8)	(12.3)	10%
<b>Operating income</b>	<b>80.7</b>	<b>63.8</b>	<b>16.9</b>	<b>26%</b>
<b>Net income</b>	<b>28.4</b>	<b>0.3</b>	<b>28.1</b>	-
<b>Adjusted EBITDA</b>	<b>105.9</b>	<b>88.2</b>	<b>17.7</b>	<b>20%</b>
<b>Cash and cash equivalents</b>	102.5	94.4	8.1	9%
<b>Total assets</b>	3,080.1	3,044.3	35.8	1%
<b>Total liabilities</b>	2,096.1	2,126.2	(30.1)	(1%)
<b>Total equity</b>	984.0	918.1	65.9	7%

Quarterly Revenue progression (\$m)



## Commentary

**Total operating revenues** increased due to all 22 rigs in the fleet now contracted and operating during the quarter and better economic utilization for the rigs in our JV operations

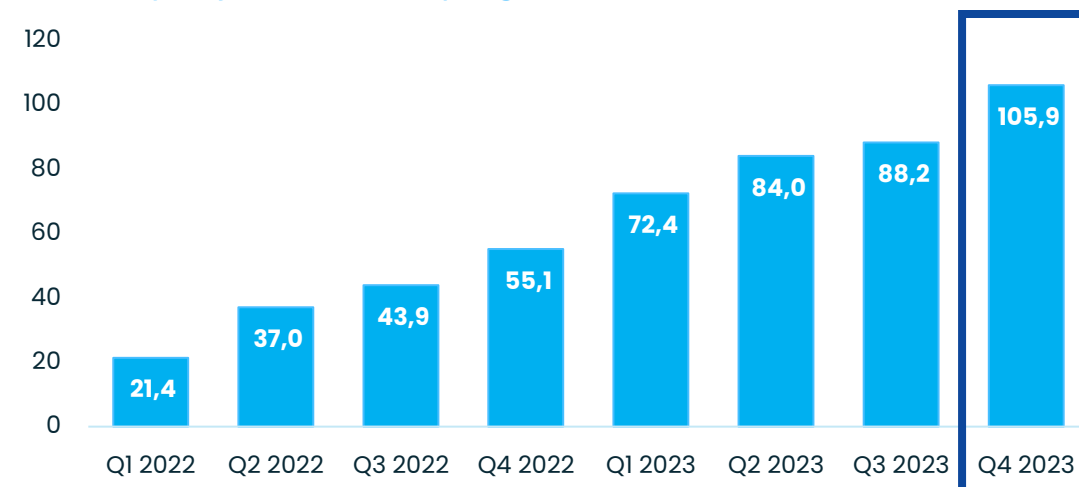
**Rig operating and maintenance expenses** increased on the back of an increase in operating days and higher amortisation of deferred costs

This led to an increase in **Operating income** by 26% quarter on quarter

**Net income** impacted by higher net financing expenses due to debt extinguishment fees for the refinancing of the Company's secured debt and lower Income tax expense due to releases of legacy tax provisions

Significant improvement to **Adjusted EBITDA** of 20% quarter on quarter

Quarterly Adjusted EBITDA progression (\$m)

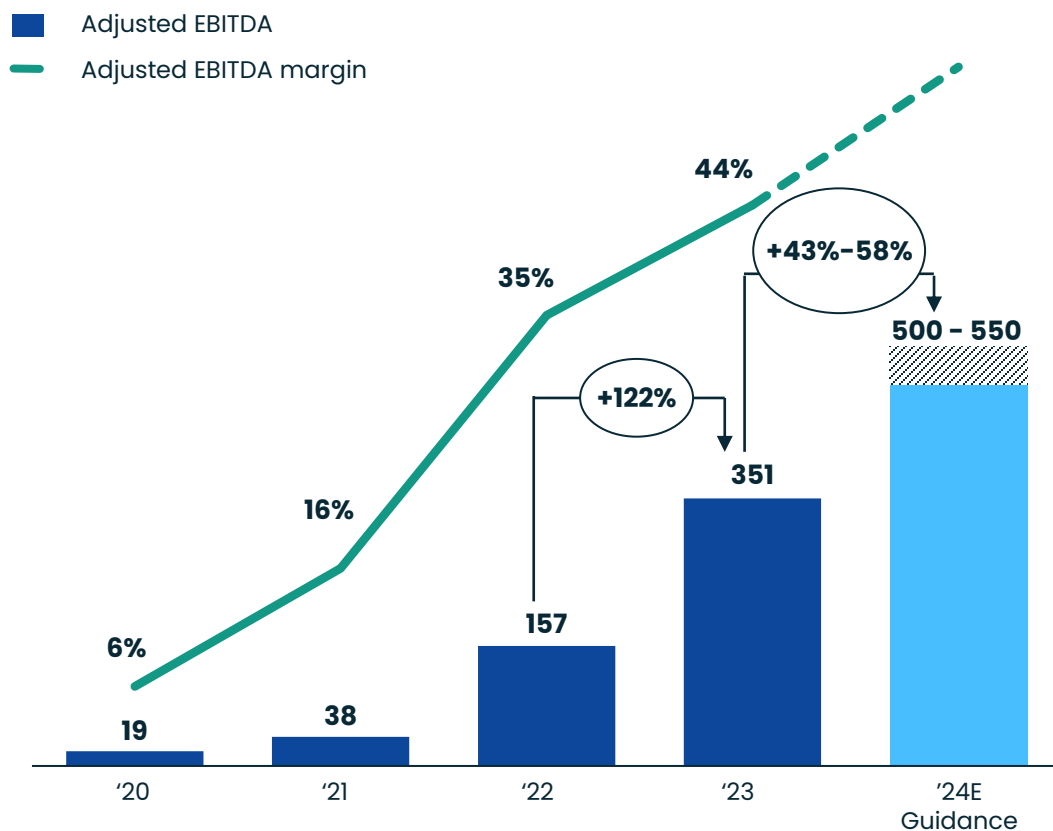


# Adjusted EBITDA guidance shows ability to de-lever balance sheet and distribute meaningful value to shareholders



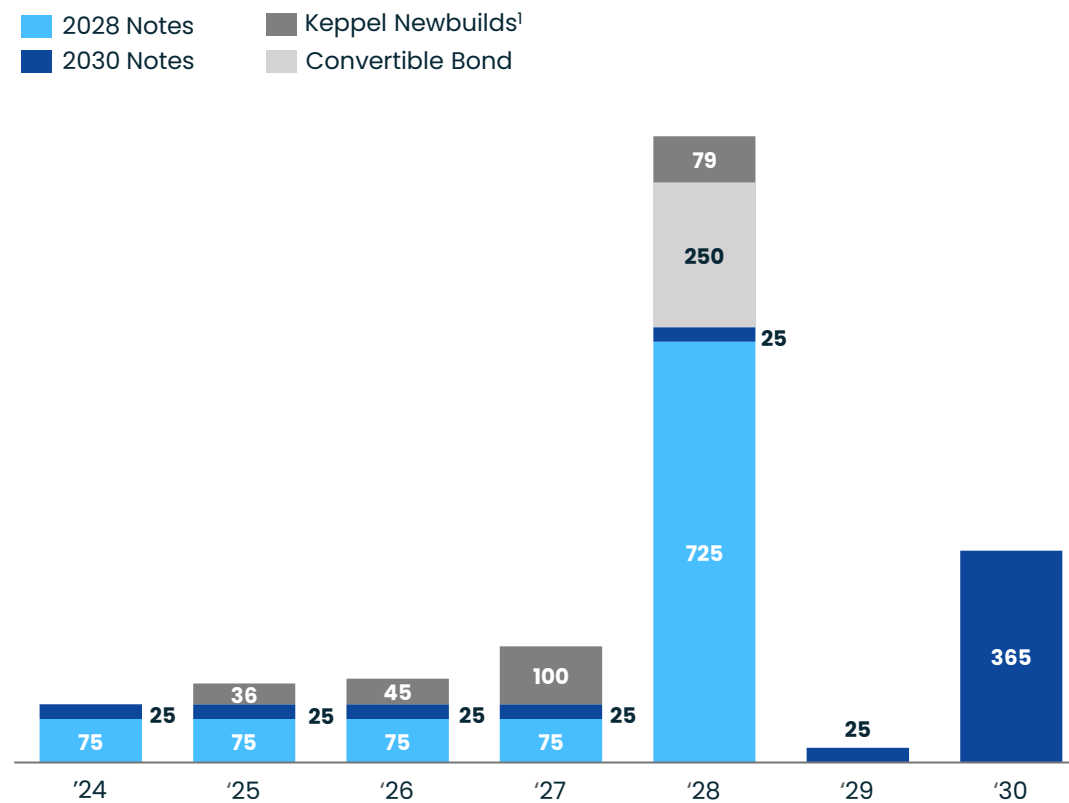
## Annual Adjusted EBITDA progression

\$ million



## Post-refinancing amort. and maturity profile

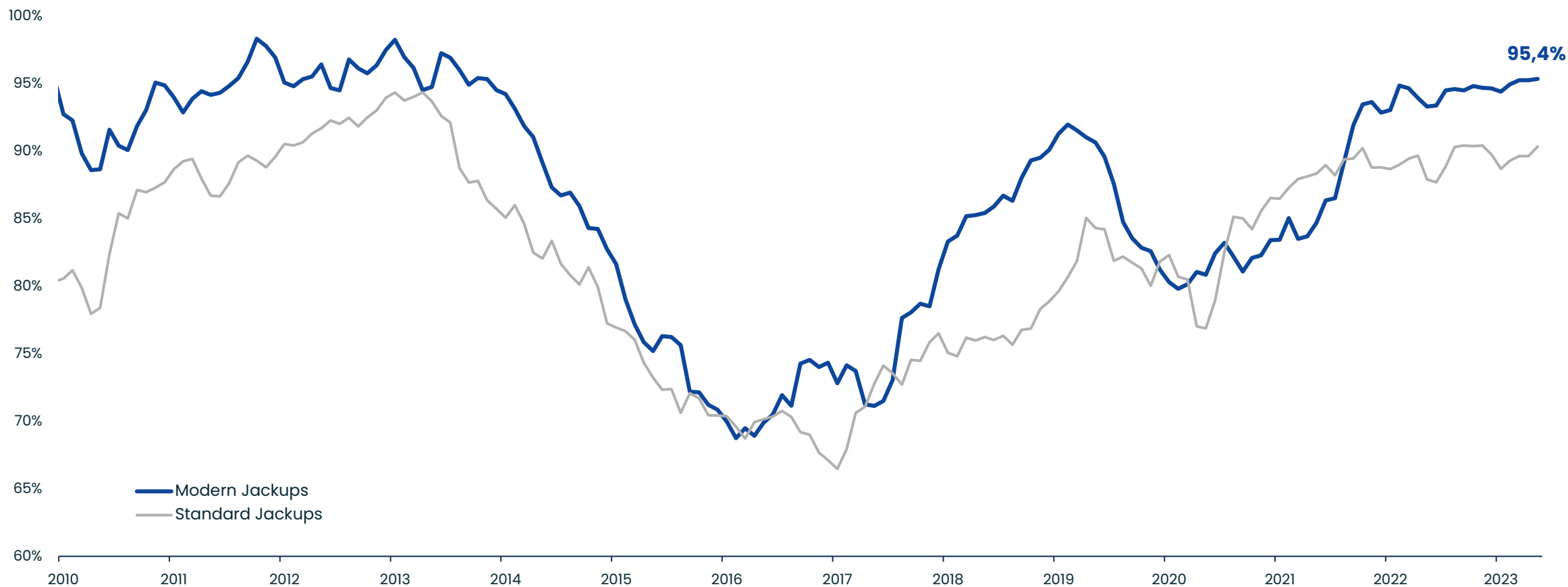
\$ million



<sup>1</sup> Keppel Newbuilds loan represents seller's financing assumed drawn down at delivery of the Company's two remaining newbuilds to be delivered 2H 2024.

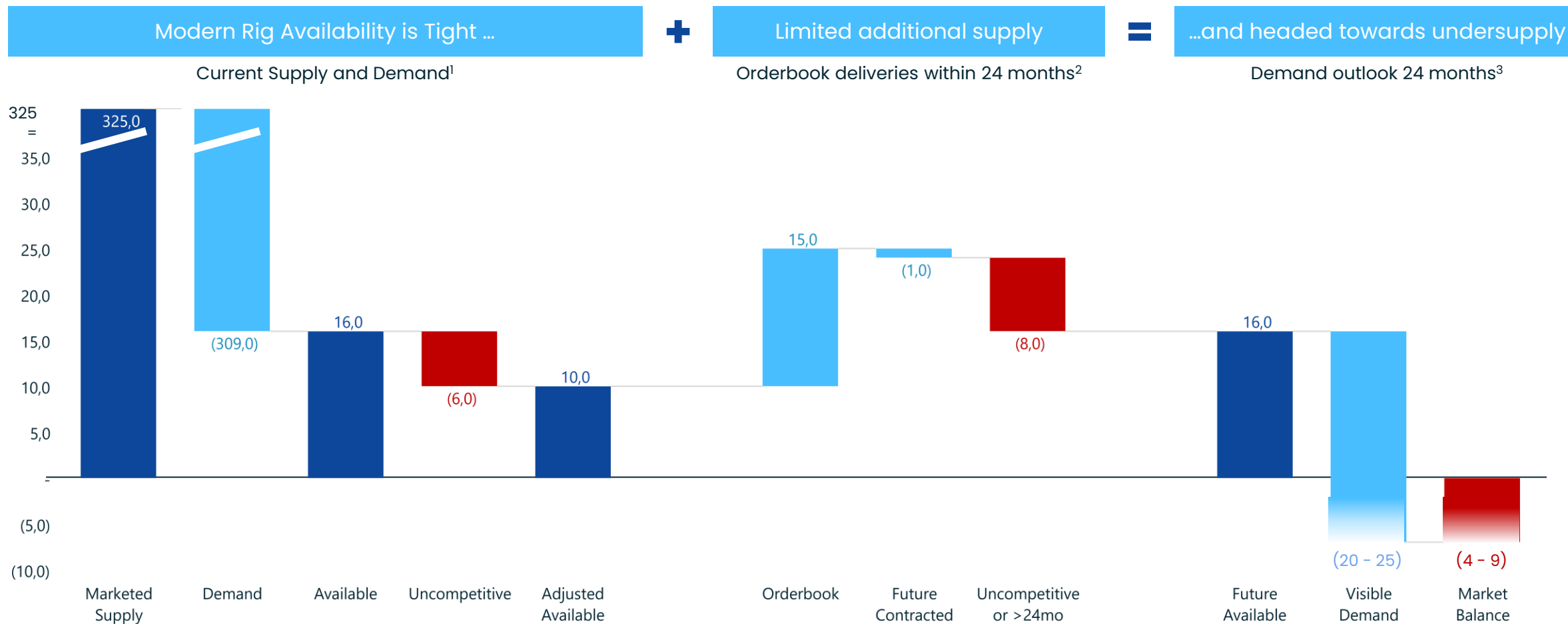
# Utilization is high and reaching prior cycle peak levels

Marketed Utilization (%)



Source: Petrodata by S&P Global as on 20 Feb 2024

# Supply Constrained Market Remaining Tight



Source: Petrodata by S&P Global as on 20 Feb 2024, Fearnley Offshore and Company data

<sup>1</sup> Uncompetitive are units stacked for over 3 years, affected by sanctions or geographically stranded.

<sup>2</sup> Newbuilds data based on Fearnley Offshore projected number of 3 to 6 newbuild rigs expected to reach the market within 24 months

<sup>3</sup> Visible Demand based on company data considering customer open tender, market surveys and indications

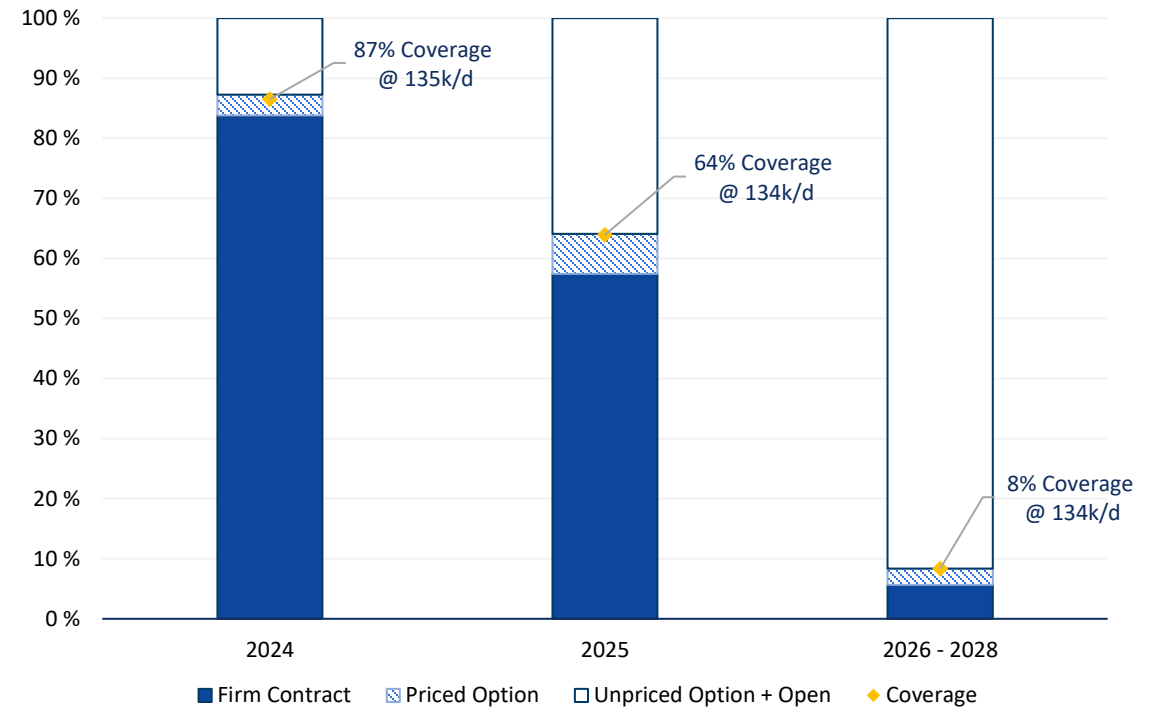
# Improving rates and earnings visibility

## Strong contracting performance

	2023 YE	2024 YTD
Contracted Fleet	100%	100%
New Contracts <sup>1</sup>	12	3
Backlog	\$728m	\$82m
Avg Day Rate <sup>2</sup>	\$161k	\$166k

## 2024 coverage reaching 90%

Available Fleet Coverage (%)



1. New mutual contracts and LOAs including mobilization revenues, excluding unexercised options

2. Average dayrate is derived from Revenue Backlog, which is Including LOAs, LOIs, five rigs operating in Mexico under a JV on 100% dayrate basis and mobilization revenues, excluding unexercised options, divided by number of contracted days.



# 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 water is blue with some whitecaps. The sky is blue with some clouds.

1

Strong market utilization with robust outlook  
Supply constrained jackup market

2

2024 guidance underpinned by solid contract portfolio  
87% fleet coverage in 2024 at market leading rates

3

Long-term capital structure in place  
Including deleveraging feature

4

Quarterly dividend distributions established  
\$0.05/share for 2 consecutive quarters

5

Leaders in safety and operational excellence  
Recognized, at the core of the company



**BUILT TO MAKE A  
DIFFERENCE**



**Borr  
Drilling**