



# Agenda

| 1. Archer in brief        | + |
|---------------------------|---|
| 2. Q4 2021 Trading Update | + |
| 3. 2021 in review         | + |
| 4. Energy transition      | + |
| 5. Outlook                | + |



## **Disclaimer - forward looking statements**

#### Cautionary Statement Regarding Forward-Looking Statements

In addition to historical information, this presentation contains statements relating to our future business and/or results. These statements include certain projections and business trends that are "forward-looking." All statements, other than statements of historical fact, are statements that could be deemed forward-looking statements, including statements preceded by, followed by or that include the words "estimate," pro forma numbers, "plan," project," "forecast," "intend," "expect," "predict," "anticipate," "believe," "think," "view," "seek," "target," "goal" or similar expressions; any projections of earnings, revenues, expenses, synergies, margins or other financial items; any statements of the plans, strategies and objectives of management for future operations, including integration and any potential restructuring plans; any statements concerning proposed new products, services, developments or industry rankings; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing.

Forward-looking statements do not guarantee future performance and involve risks and uncertainties. Actual results may differ materially from projected results/pro forma results as a result of certain risks and uncertainties. Further information about these risks and uncertainties are set forth in our most recent annual report for the Year ending December 31, 2020. These forward-looking statements are made only as of the date of this press release. We do not undertake any obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

The forward-looking statements in this report are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from Fourth parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies, which are impossible to predict and are beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections.

## Introduction



#### Resilient energy offering

Archer well positioned with resilient energy offering, providing low carbon and cost-effective solutions



#### Majority of Archers activity in production

Archer well positioned in production phase of the O&G life cycle, with limited exposure to exploration and development of new field



#### P&A and decommissioning

Archer expanding service offering within P&A and decommissioning



#### Positive cashflow

Positive cash flow and reduced NIBD by 296 million since end of 2016



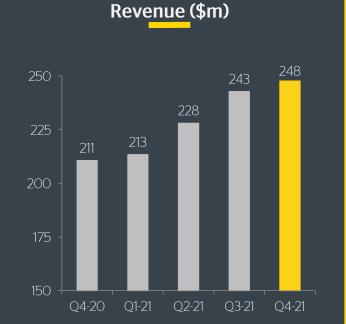
#### Committed to energy transition

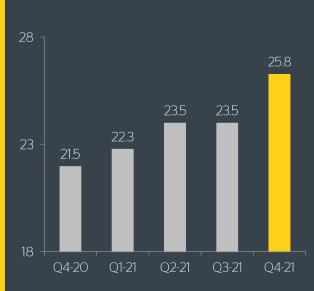
Archer outlined net zero roadmap and is exploring green energy, in particular geothermal and carbon storage

Q4 2021 Trading Update

## **Q4 Highlights**

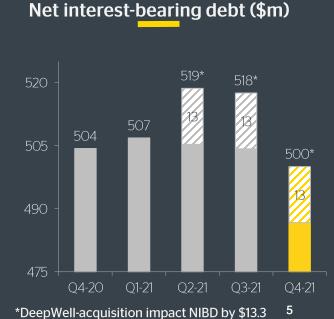
- Revenue increased to \$248 million, on the back of increased revenue in Oiltools and Land Drilling
- EBITDA before exceptional items increased by \$2.3 million to \$25.8 million
- **EBITDA** of \$22.3 million
- NIBD reduced to \$500 million at yearend
- Impairment of \$14 million in the quarter related to idle assets in Argentina
- Contract extension for Pan American Energy totaling \$235 million





Adjusted EBITDA (\$m)





million



## Land drilling contract extension

#### **Gross contract value**

 \$ 400 million of which \$ 235 million is related to the contract extension

#### **Contract period**

• 2 years extension until Q2 2025

#### Area of operation

 Cerro Dragon field in the Golfo San Jorge basin in southern Argentina

#### **Contract features**

- 2 drilling rigs
- 13 workover rigs
- 13 pulling rigs

#### DLS Archer



## Land Drilling

Locations



"Supporting our customers in Argentina for more than 45 years"



### **Well Services**

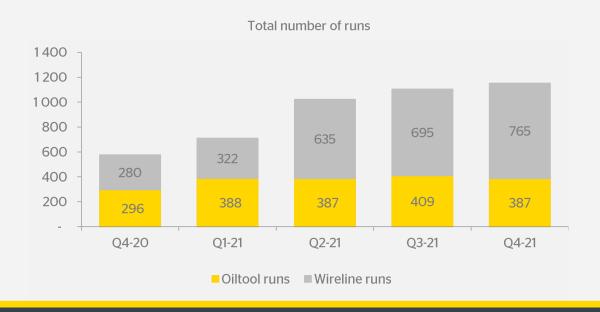
#### **Financials**

- Modest increase in revenue from Q3. Year-over-year revenue increased by 105%
- **EBITDA** record in the quarter with total EBITDA of \$9.5 million, increased by \$1.2 million or 15% from Q3. Compared to Q4 2020, EBITDA increased by 121%.
- EBITDA margin increased from 14.2% to 15.3%



## **Operations**

- Gyda Repsol P&A campaign was successful completed as a OneArcher delivery project for customer
- Oiltools completed the first job with the new SUMO hydraulic casing jack system
- Wireline continued with solid contribution from sales of logging and proprietary logging services





## Platform Drilling, Modular Rigs & Engineering

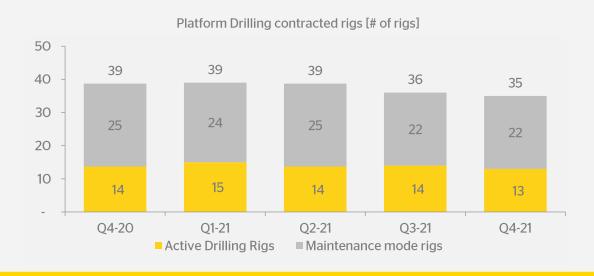
#### **Financials**

- Revenue increased by 1.0% compared to previous quarter,
- EBITDA of \$11.8 million in the quarter, slightly down from previous quarter related to less performance bonus for Emerald and lower activity Engineering
- EBITDA margin 9.3% compared to 9.7% in Q3



#### **Operations**

- Continued stable performance from operations with good uptime on our rigs
- Despite reduction in number of operating rigs post Gyda P&A project completion, we have maintained the revenue level in the quarter
- Topaz preparation for start operation second quarter 2022





## Land drilling

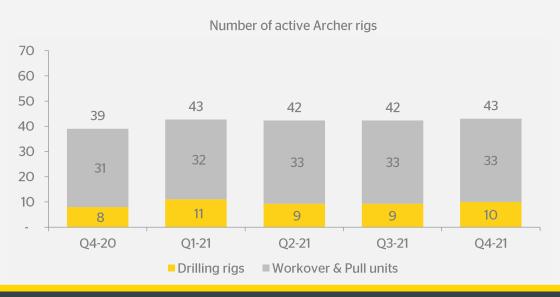
#### **Financials**

- Revenue increased 5% compared to Q3
- EBITDA increased by \$2 million compared to Q3
- Exceptional items in the quarter of \$2.6 is primarily related to severance payments to adjust the workforce



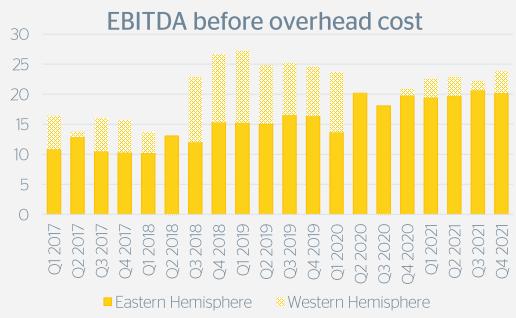
### **Operations**

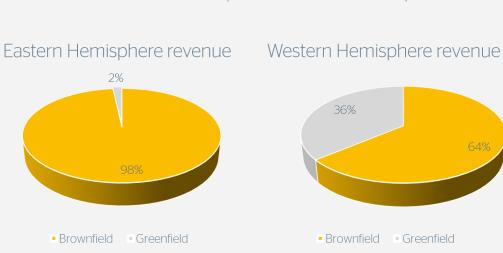
- Drilling activity in the quarter remains stable with activity lower than pre-covid 19 levels
- Operational results impacted by higher non-productive time during the quarter. Omicron started to impact operation in December
- Macro-environment in Argentina remains challenging and we have muted expectations on additional increase in activity in 2022

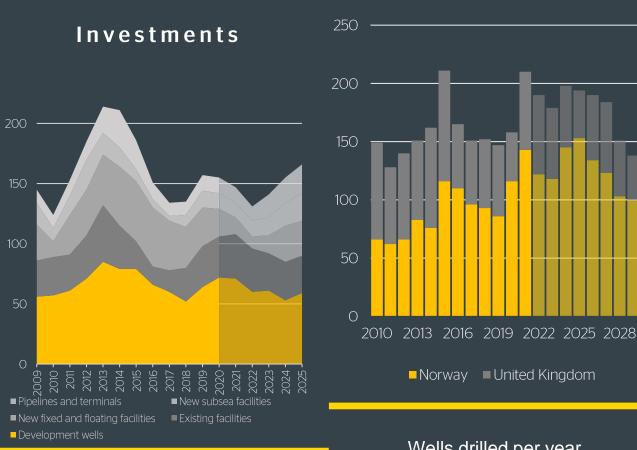


## Completed offshore production wells

## Brownfield exposure secures stable activity levels







Wells drilled per year

Source: Rystad Energy

Source: Norwegian Petroleum Directorate

Investment by category on Norwegian Continental Shelf





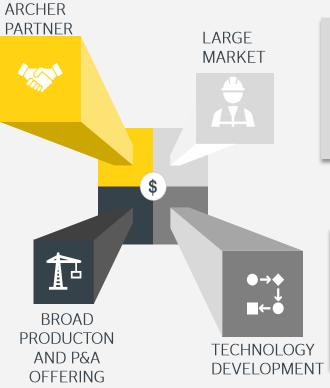
## Well positioned in P&A market

#### Long Term Partner

- Topside & downhole
- Service & technology
- Sustainable

## Efficiency of services

- Extensive track record
- Advanced technology & service offering
- Increase scope of services



#### Large Market

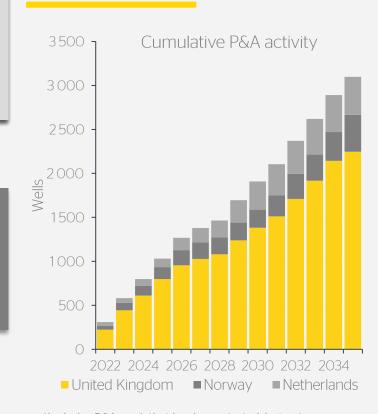
- Resilient Brownfield market About 2500 wells will P&A next 10 years in NS
- International expansion

#### Performance Driver

- Bring efficiency at scale
- CO2 reduction
- Cost and risk reduction

# Growth enablers

#### Forecasted P&A\* activity - North Sea



\*Includes P&A work that has been started, but not completed as of January 2022 Source: Rystad Energy

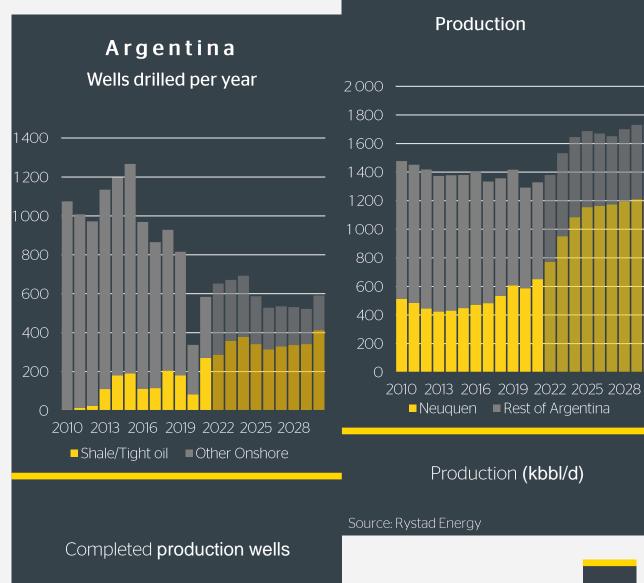
## **Land drilling**

### Argentina macro

- Sovereign debt restructuring ongoing
- Inflation remain high and FX rate continue to depreciate
- FX restrictions remain
- Announced agreement with IMF on January 27<sup>th</sup>

#### Land drilling constraints

- Limited access to capital to development of oil and gas resources
- Pipeline capacity from Vaca Muerta is close to full capacity
- Archer expects continued moderate drilling activity in the medium term
- Covid impacting the beginning of 2022



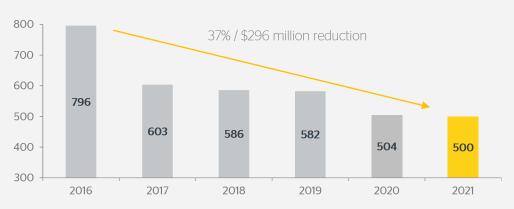
Source: Rystad Energy

Argentina

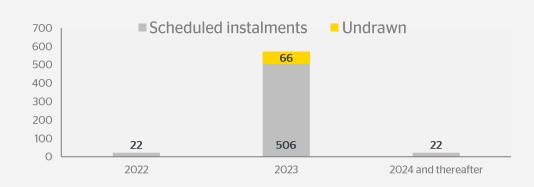


## Financial position

## NIBD [\$m]



## Debt maturity profile [\$m]



## Consistently delivered positive free cash flow

| 2016 | Positive free cash flow         |
|------|---------------------------------|
| 2017 | Positive free cash flow         |
| 2018 | Positive free cash flow         |
| 2019 | Positive free cash flow         |
| 2020 | Positive free cash flow         |
| 2021 | Positive free cash flow         |
| 2022 | Guiding positive free cash flow |



# Delivered on our 2021 promises

Revenues for 2021 expected to increase moderately from run-rate second half 2020.



EBITDA for 2021 expected 10-20% higher than 2020



Capex between 3-4% of revenue



4 Positive free cash flow.



5 Continued reduction in NIBD







## **Archer's sustainability foundation**



# ARCHER SUSTAINABILITY

# Resilient O&G offering

- Approximately 90% of Archer revenue from brownfield
- Key supplier to long-term plugging and abandonment of wells

# Low carbon Agenda

- Minimize own carbon footprint
- Solutions supporting clients net zero emission objectives

# Renewables & transition

- Review and explore opportunities
- Develop long term business
- Preferred employer

Financial performance

Social & Governance foundation

## **Archer's roadmap to Net Zero**

# Low carbon agenda

Carbon neutral operation by 2022 (outside Argentina and Bolivia)

Scope 1 & 2

20% global reduction by 2025 30% global reduction by 2030

Scope 1 & 2

# Net Zero by 2050

Scope 1 & 2

# Renewables and transition

35% by 2040

Renewable energy and Non-O&G Global P&A and decommissioning

2022

Carbon Neutral
Outside Argentina and
Bolivia
Scope 1 & 2

2025

20% CO2 reduction Archer Global Scope 1 & 2 2030

**30% CO2 reduction** Archer Global Scope 1 & 2

2040

**35% Renewables & transition** Renewables, Non-O&G / P&A

2050

Net Zero Archer Global Scope 1 & 2





Energy Transition

## **Land Drilling roadmap**









Future multifuel power units

Solar PV at storage yards and bases



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Explore battery solution to reduce use of diesel engines

Fuel additive, potential 6-9% fuel reduction



Conversion study with clients, pulling units (diesel to electric)



## **Our priorities**

#### Grow core business

- Well Services and drilling to continue international expansion
- Further build on P&A capabilities
- Explore M&A opportunities within green energy, low carbon, and brownfield

#### Improvement in operations

- HSE remain #1 priority in all we do
- Enhance OneArcher operational model and expand service offering
- Digitalized collaboration and integrated operations fueling cost efficient services to our customers

#### **Energy transition**

- Making brownfield greener through innovation and proprietary technology
- Explore possibilities to expand into geothermal drilling
- Explore opportunities within carbon capture and storage solution
- Net Zero roadmap

"Archer will minimize own carbon footprint towards netzero in 2050"

### 2022 Outlook

## Financial outlook 2022

- Revenues for 2022 expected to increase moderately from 2021
- EBITDA for 2022 expected 5-8% higher than 2021, growth primarily in second half of 2022
- Capex between 3-4% of revenue
- Positive free cash flow
- Continued reduction in NIBD





Q&A



# **Appendix**

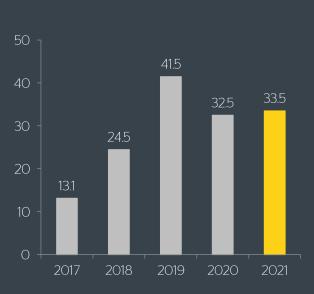
# **Archer the Well Company**

| in one the west company                                  |   |   |   |   |  |  |  |  |
|--|---|---|---|---|--|--|--|--|
| Platform Drilling  |   |   | Well Services   |   | Land Drilling  | Archer   |  |  |
| Platform Drilling North Sea focused Operate 37 platforms | Engineering North Sea focused Lifecycle engineering solutions | Modular Rigs Global business Own and operate two modular P&A rigs | Wireline<br>North Sea focused<br>Well integrity &<br>intervention | Oiltools Global business Well integrity and downhole isolation products | Land Drilling Argentina and Bolivia Owns and operates 78 drilling, workover and pulling rigs | Archer<br>Global I service company<br>More than 4500 employees |  |  |
|  |   |   | 25700001  |   |  | 2021 revenue  Norway Rest of world                             |  |  |
| \$392m   | \$37m   | \$85m   | \$104m  | \$102m  | \$211m   | 2021 revenue<br>\$932m   |  |  |
|  |   |   | Production and P&A  New developments                              |   | ■ Production ■ New developments  | Focus on production and late life                              |  |  |

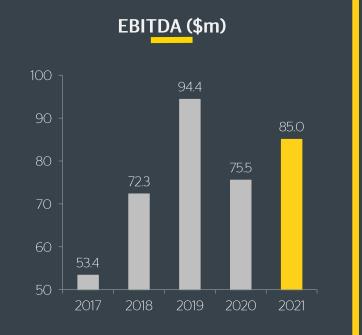
# **2021 Highlights**

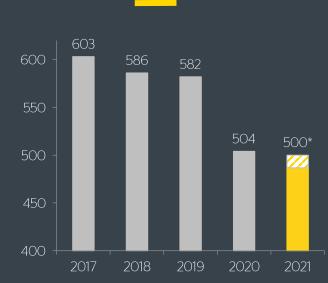
- Revenue increased by \$108 million (13%) compared to 2020 despite challenging situation in Argentina
- 12.6% increase in EBITDA to \$85.0 million
- Continued reduction in NIBD to \$500 million at year-end
- Successfully completed P&A campaign on Gyda for Repsol





CAPEX (\$m)





\*DeepWell-acquisition impact NIBD by \$13.3

million

Net interest-bearing debt (\$m)



## Solid performance in a challenging year

#### **Operational excellence**

- Increased client satisfaction and increased market share
- Gyda and Veslefrikk wells permanent plugged and abandonment
- Relentless focus on safety in our operation, resulted in improved HSE-metrics

#### **Repositioned Wireline**

- Added superior backlog by the awarded Wireline contracts for Equinor and ConocoPhillips
- Acquired DeepWell
- First year with more than \$200 million in our Well Services division

#### **Reduced NIBD**

- Despite the challenging situation in Argentina and Covid 19, NIBD was reduced year-over-year by \$4 million
- Adjusting for the cash settlement of the DeepWell acquisition, NIBD reduced by \$17 million

"Archer is a global oil services company with a heritage that stretches back over 40 years, with a strong focus on safety and delivering the highest quality products and services"