Q3 2023 results

November 3, 2023

Dag Skindlo, Chief Executive Officer
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Archer

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. Financials figures presented for 2023 are unaudited.

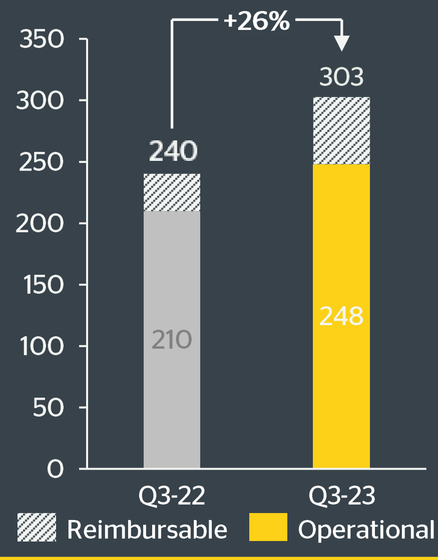
Forward-looking statements do not guarantee future performance and involve risks and uncertainties. Actual results may differ materially from projected results due to certain risks and uncertainties. Further information about these risks and uncertainties are set forth in our most recent annual report for the Year ending December 31, 2022. 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.

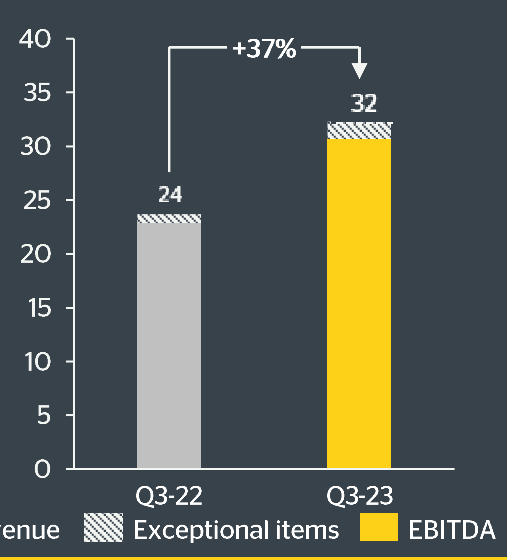
Record financial performance in Q3

- Revenue of $303 million; up 26% YOY
- Adjusted EBITDA of $32.3 million; up 37% YOY
- EBITDA of $30.7 million, or 10.1% of revenue
- EBIT-margin of 5.5%, totaling $16.6 million
- On track to meet upper range of our financial guidance for 2023
- Adjusted net income of $ 3.7 million

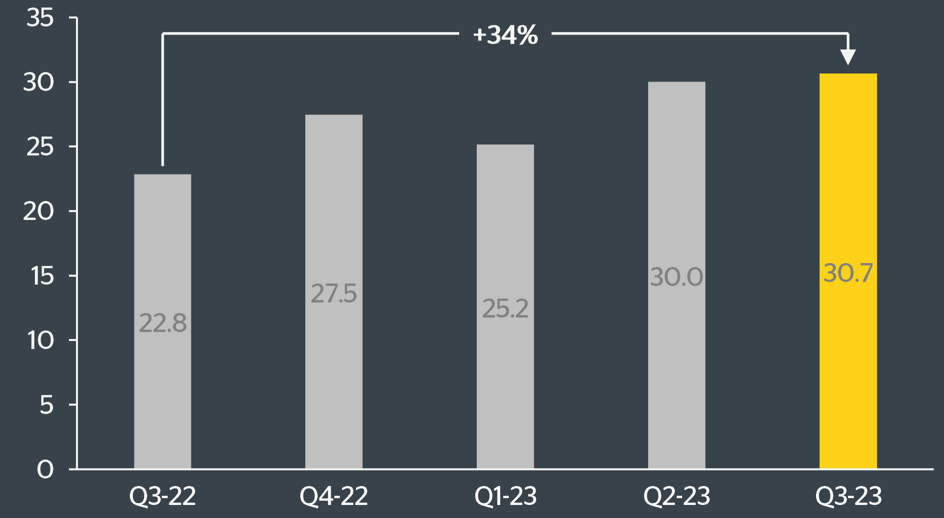
Revenue ($m)



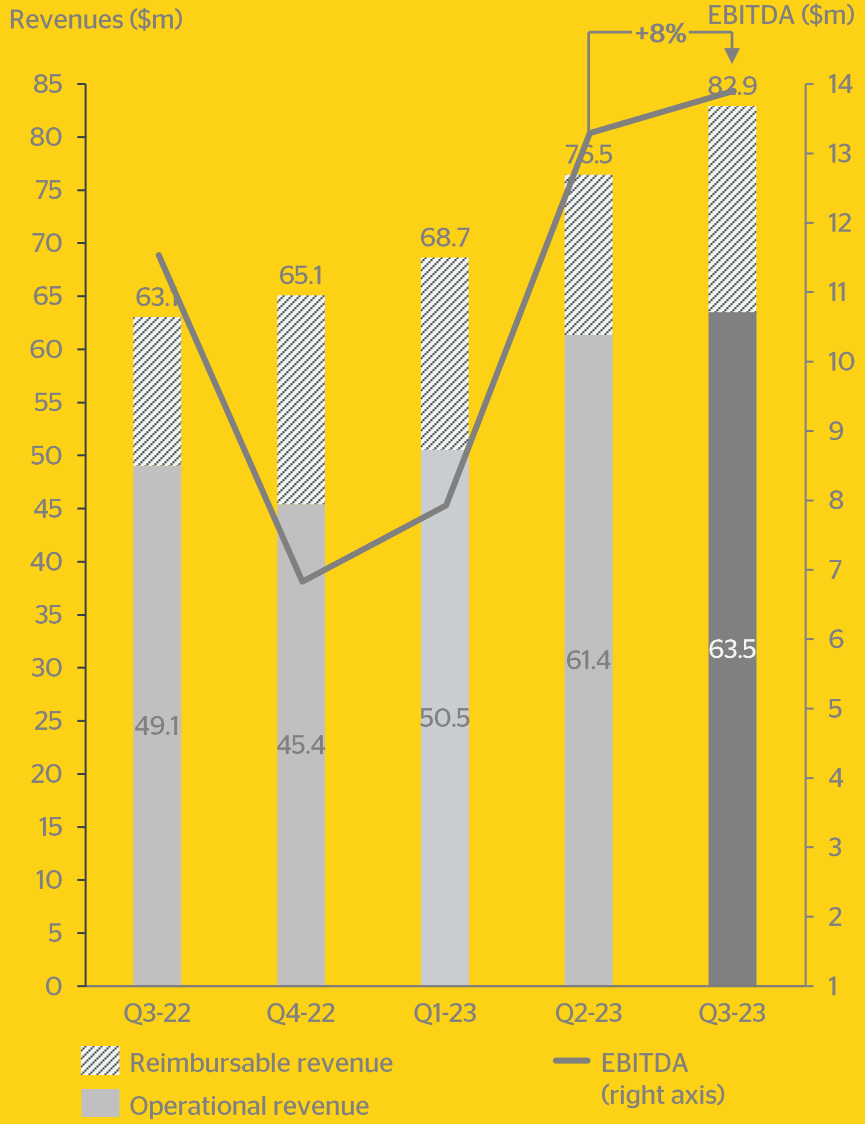
Adjusted EBITDA ($m)



EBITDA ($m)



Well Services

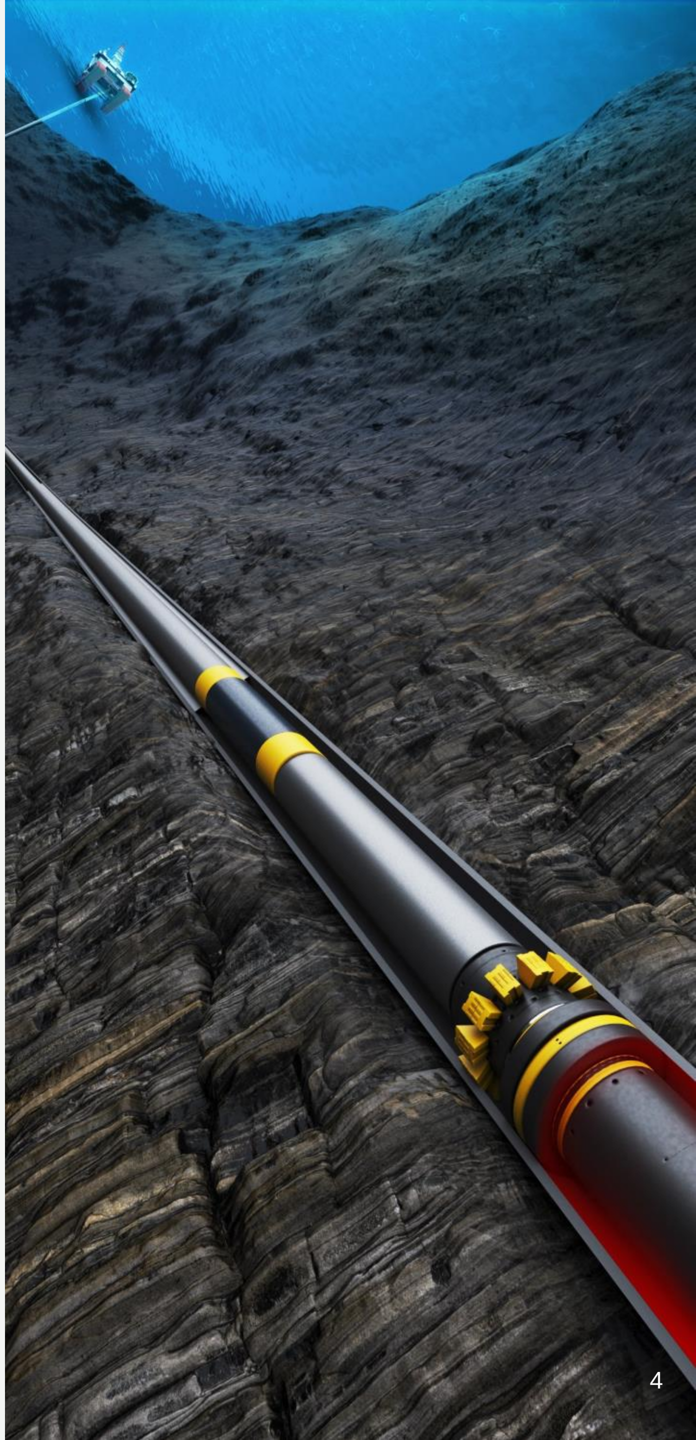


Financials

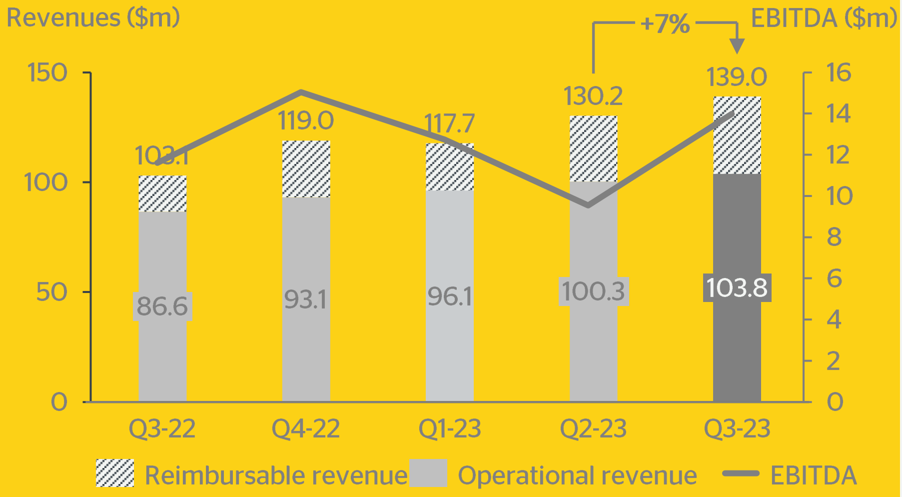
- **Revenue** increased by 8% over the quarter, ending at $82.9 million
- **EBITDA** increased by 5% from previous quarter, to $13.9 million
- **EBITDA margin,** excluding reimbursables of 22%
- Best quarterly EBITDA from Well Services ever, representing 45% of Archer EBITDA

Operations

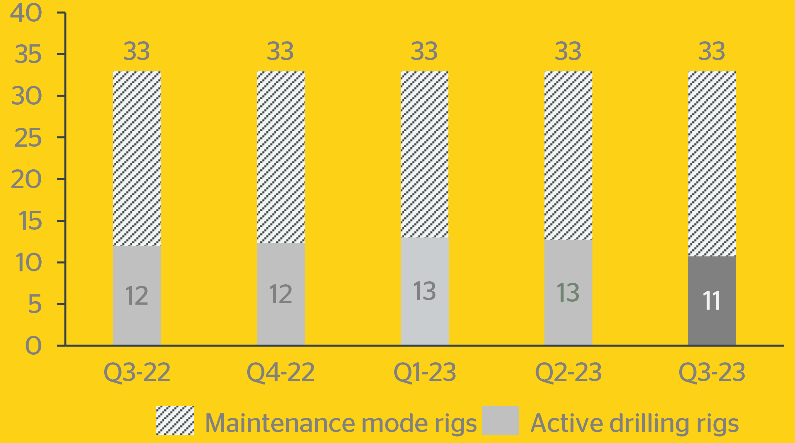
- Continued growth in demand for our well service offerings and positive contribution from acquired businesses
- Awarded a contract with Petrobras to develop technology for P&A of deep-water wells in Brazil
- Successful Comtrac campaign on Visund in Norway



Platform Operations



Platform Drilling contracted rigs [# of rigs]

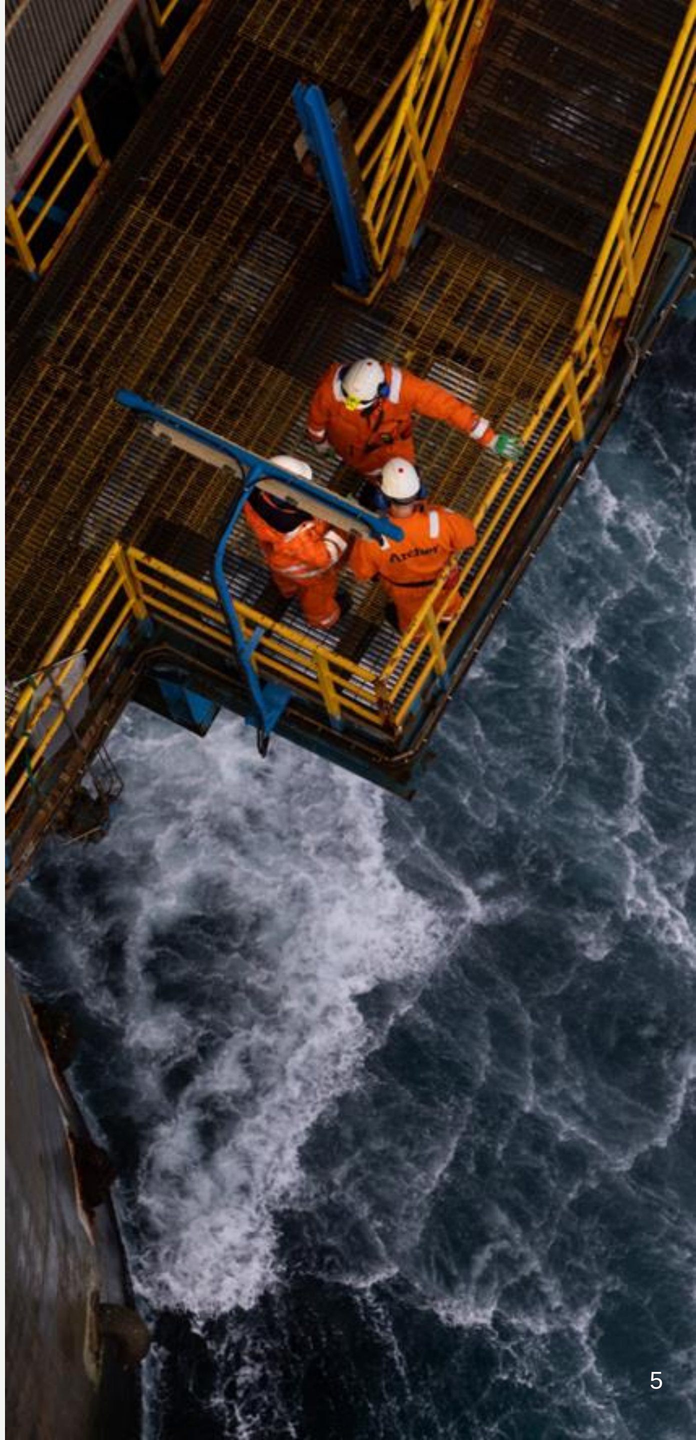


Financials

- **Revenue** increased by 7% over the quarter, ending at $139.0 million
- **EBITDA** increased by 46% from previous quarter, to $14.0 million
- Revenue and EBITDA positively impacted by successful completion of P&A campaign for OMV in New Zealand by our modular rig Emerald and improved utilization of modular rig Topaz operating in UK

Operations

- Performance incentives awarded across clients for both Platform Drilling and Engineering
- Emerald modular rig arrived in UK end of September and is being prepared for Fulmar contract
- Limited impact from reduced activity on Apache rigs in UK. Expect increased drilling activity in Norway in Q4

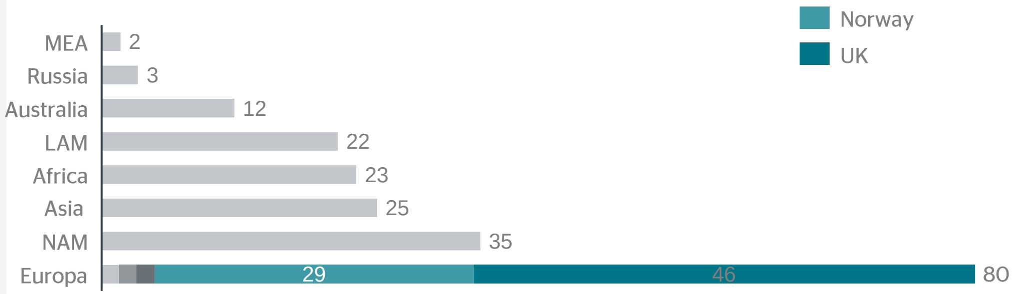


Growth in Archer's core market – substantial market for next 30 years

Archer uniquely positioned with a combination of drilling and a broad well services offering for production and decommissioning of wells

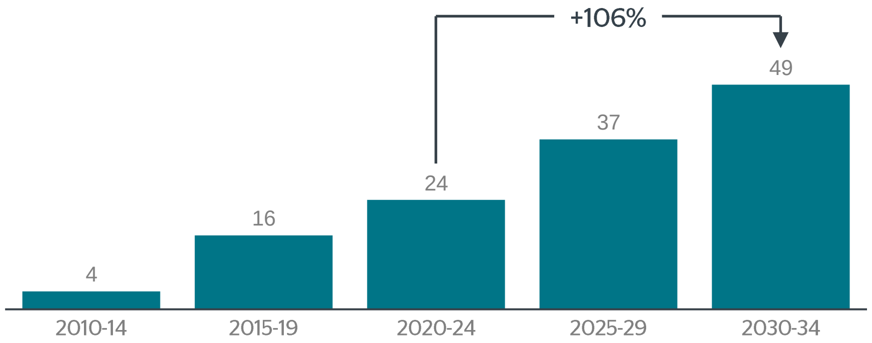
Archer with extensive experience and holds the most advanced portfolio of P&A tools in the industry

Total offshore decom. spend by region exceeding $200B



Source: Rystad Energy (accumulated 2015-2050)

Global offshore decom. spend set to double in the next decade

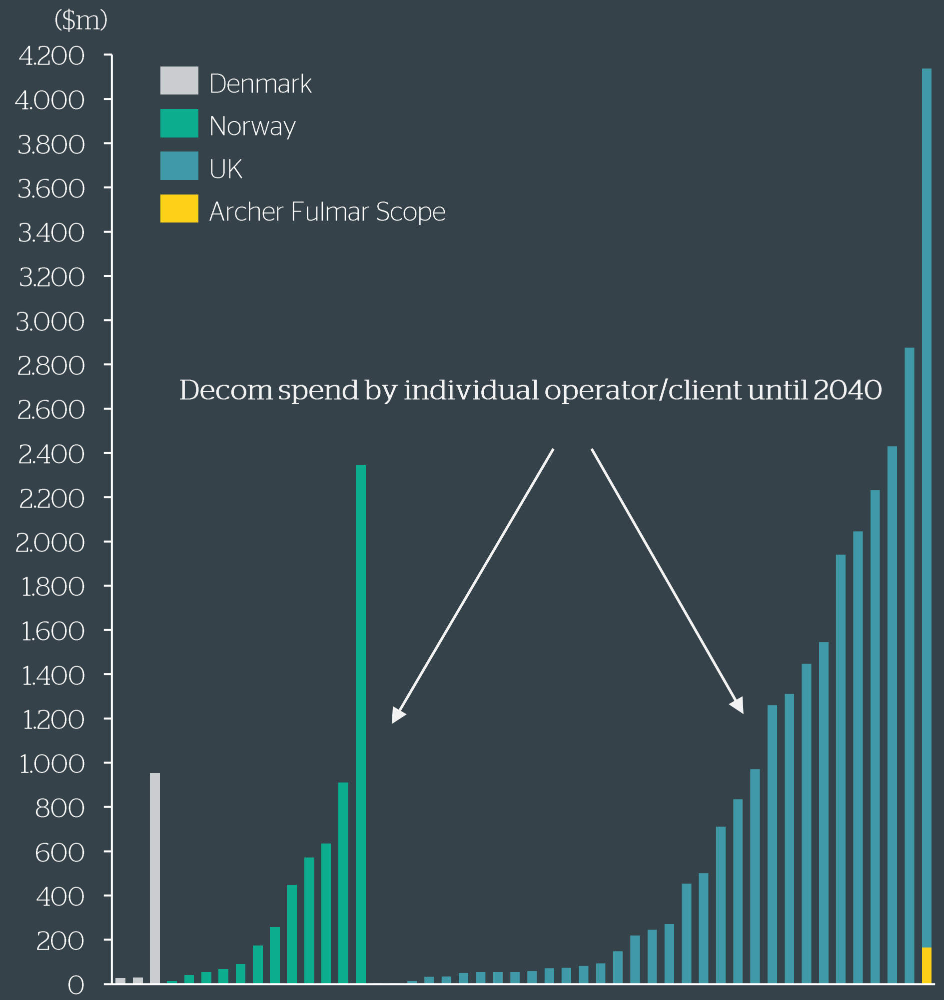


Source: 5 year period spend by Rystad Energy,

- Offshore decom is a substantial and growing market
- ~50% of offshore decom spend is well P&A
- ~40% of decom activity in the North Sea basin ($80B)
- Archer with main focus on UK, Brazil and Norway for large integrated contracts

- Archer's market to increase as decom and P&A spend increase
- Global offshore decom market to increase more than 100% over the next 10 years
- Globally, the six largest IOCs have between $12 and $22 billion each in decom liabilities
- Substantial decom P&A market for the next 30 years

$32B in North Sea decom before 2040[1]

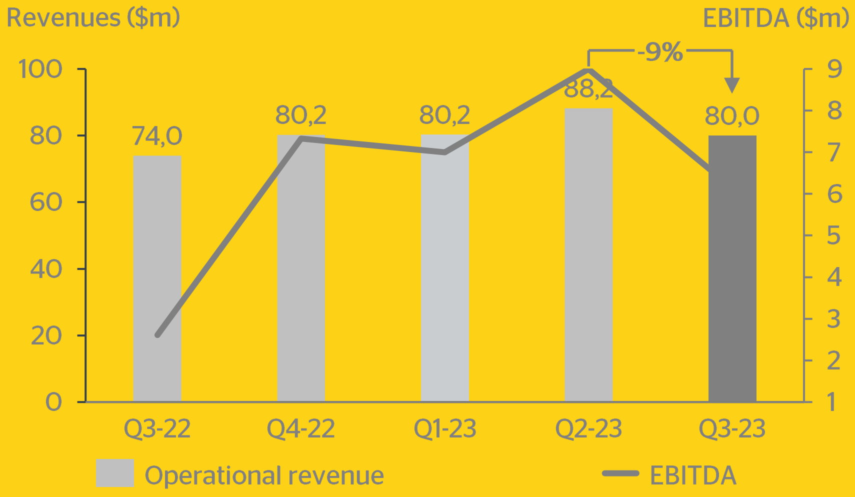


1) Source: Rystad Energy

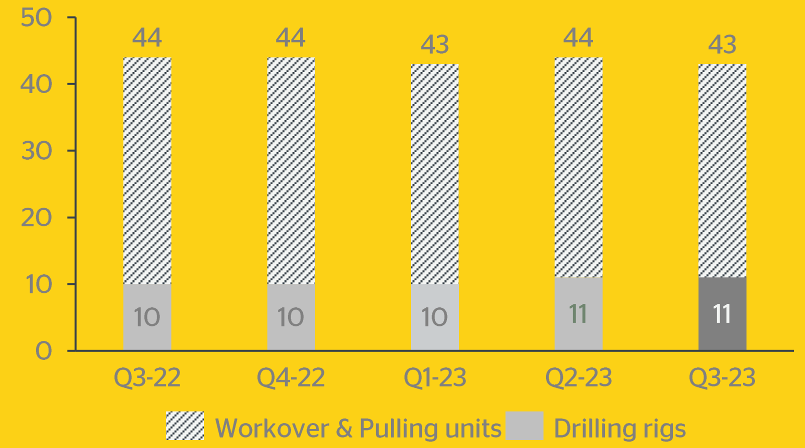
North Sea P&A market supports long term growth

- Decom activity in the North Sea will be a strong foundation for Archer's activity and growth in the next 20-30 years
- Archer uniquely positioned for P&A and decom of wells, offering both drilling and well services
- The permanent plugging and abandonment of oil and gas wells is an essential activity to tackle global climate challenges
- The largest decom market in the North Sea is UK with an estimated $26 billion in decommissioning commitment up to 2040. P&A and decom spend in Norway will increase past 2040.
- Fulmar represent about 10% of Repsol expected well P&A spend before 2040
- Archer tendering 2-3 similar projects as the recently announced Fulmar project, which has potential to drive meaningful earnings growth

Land Drilling



Number of active Archer rigs



Financials

- **Revenue** reduced by 9 % to $80.0 million compared with previous quarter, at level with Q4 22 and Q1 23
- **EBITDA** of $6.1 million, in-line with our forecast and expectations.
- Exceptional items related to down manning in the quarter of $0.5 million

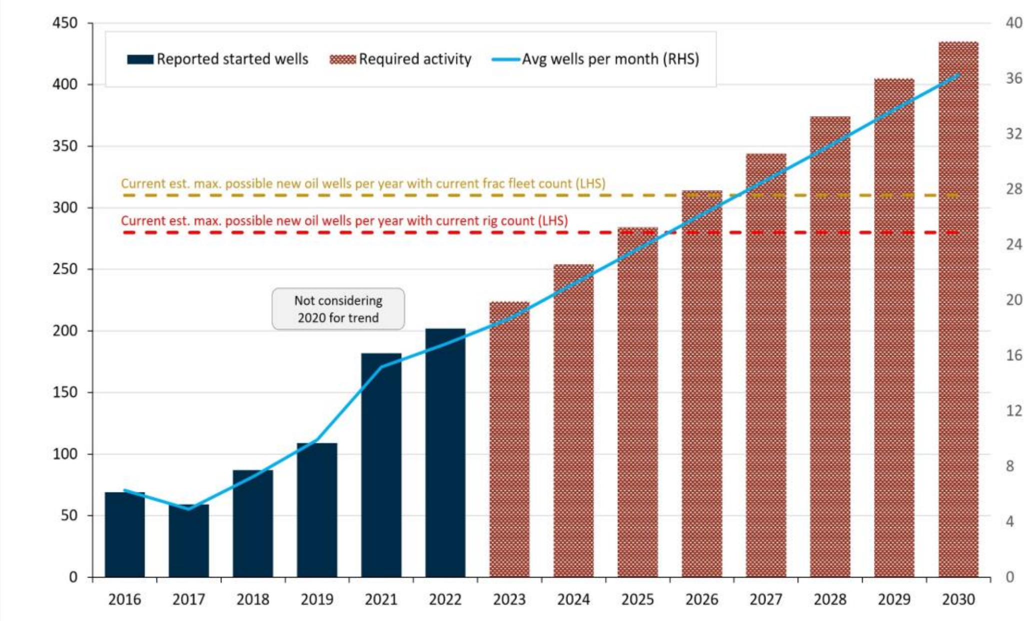
Operations

- We had stable number of active rigs during the quarter, with reduction in one pulling unit
- Operational performance continues to be solid, with minimal downtime, however we had less opportunities to make performance incentives related to well program during third quarter.
- The Argentina market continues to be unstable after the pre-election and we expect financial and political uncertainty to continue. However, our clients current drilling program indicate similar activity in 2024 as in 2023

Land Drilling – option for value creation

Increased drilling activity required for production growth in Vaca Muerta

- Production scenario to reach 1 million bpd by 2030 as outlined requires significant increase in drilling activity in Vaca Muerta
- The combination of investments in new infrastructure and falling production costs is expected to boost rig demand
- Growth trajectory in investments, production and drilling will continue to be impacted by the financial position in country



Rystad energy

Argentina

- Attractive oil & gas resources in place and production required for internal consumption – ambition to grow export
- Growth in production has been limited by of pipelines for transportation. Several infrastructure project sanctioned, and new capacity added in June ¨23

Archer's land drilling operation

- Leading driller with high spec drilling rigs in Vaca Muerta in Argentina
- Strong operational and financial results in 2023
- Inflation and currency fluctuation largely neutral for Archer earnings over time
- Main challenge is currency restrictions limiting new investment and getting cash out
- Archer taken out $66m of cash since 2015 of which $4m in 2023

Condensed profit & loss

- Total revenue of $302.7 million in Q3 2023 represent an increase of $62.5 million from same quarter last year, driven by growth in all business areas
- Adjusted EBITDA margin of 10.7%
- EBITDA of $30.7 million is an increase of $7.8 million or 34% compared to Q3 2022
- EBIT of $16.6 million
- Financial items impacted by increased amortization of prepaid debt fees

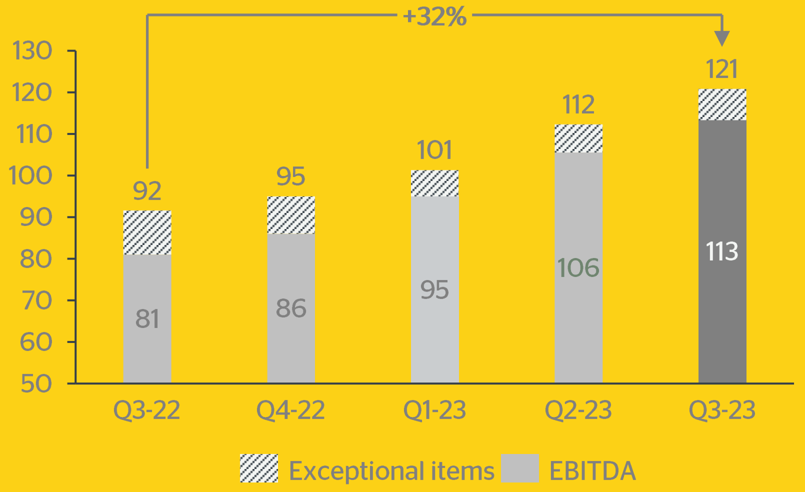
$ million	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Operating revenues	248.1	209.8	724.8	604.8
Reimbursable revenue	54.6	30.4	139.4	101.1
Total Revenues	**302.7**	**240.2**	**864.2**	**705.9**
EBITDA before exceptional items	32.3	23.7	91.6	65.8
EBITDA margin before exceptional items	*10.7%*	*9.9%*	*10.6%*	*9.3%*
Exceptional items	(1.7)	(0.9)	(5.8)	(7.2)
EBITDA	**30.7**	**22.8**	**85.8**	**58.6**
EBITDA margin	*10.1%*	*9.5%*	*9.9%*	*8.3%*
Impairments	-	-	(2.0)	(5.0)
Deprecation, amortization, other	(13.5)	(12.3)	(36.2)	(37.4)
EBIT	**16.6**	**10.6**	**47.8**	**16.2**
Gain on bargain purchase	(0.3)	-	(0.3)	9.2
Result from associated entities	0.2	(0.1)	(4.0)	(0.4)
Net interest expense	(10.6)	(6.4)	(35.1)	(20.7)
Amortization of prepaid debt fees	(2.0)	(0.4)	(3.9)	(1.1)
Other financial items	(4.0)	(0.3)	(35.0)	(0.3)
Net income before tax	**(0.1)**	**3.4**	**(30.4)**	**2.9**
Tax cost	(2.4)	(4.4)	(6.2)	(9.5)
Net (loss) income	**(2.5)**	**(1.1)**	**(36.6)**	**(6.6)**

Condensed balance sheet

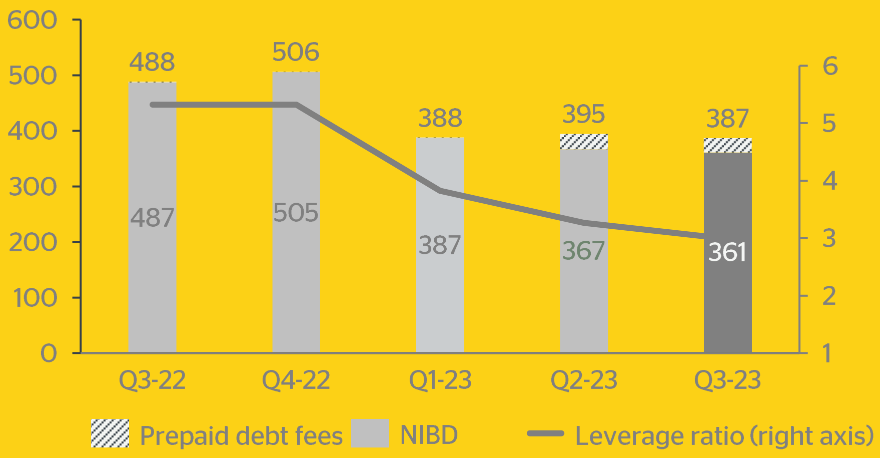
$ million	30.09.2023	31.12.2022
Cash and cash equivalents	75.8	82.1
Restricted cash	0.5	10.9
Accounts receivables	173.4	152.6
Inventories	71.8	55.2
Other current assets	36.8	39.0
Investments and loans to associates	12.6	27.8
Property, plant and equipment	301.3	310.7
Right of use assets	23.9	26.4
Goodwill	148.8	149.4
Other non-current assets	16.2	52.2
Total assets	**880.4**	**906.2**
Current portion of interest-bearing debt	4.0	562.9
Accounts payable	63.5	47.2
Lease liability current	5.6	5.6
Other current liabilities	171.4	162.3
Long-term interest-bearing debt	432.7	8.7
Subordinated related party loan	-	15.9
Deferred taxes	0.6	0.4
Lease liability	18.3	20.8
Other noncurrent liabilities	4.7	0.8
Shareholder's equity	179.6	81.5
Total liabilities and shareholders' equity	**880.4**	**906.2**

- Cash and cash equivalents of $75.8 million
- Restricted cash of $0.5 million is a reduction from previous year, related to implementation of a guarantee for employee tax for Norwegian employees
- Equity of $179.6 million increased by roughly $100 million from 31.12.2022 as a result of the private placement of $100 million in March 2023 and the conversion of subordinated related party loan of $15.9 million
- Divested shareholding in KLX Energy for a total consideration of $10.4 million

LTM EBITDA [$m]



NIBD [$m] and leverage ratio[1]



1) Leverage ratio = NIBD as reported/LTM adjusted EBITDA

Deleverage through growth, equity issuance and positive cashflow

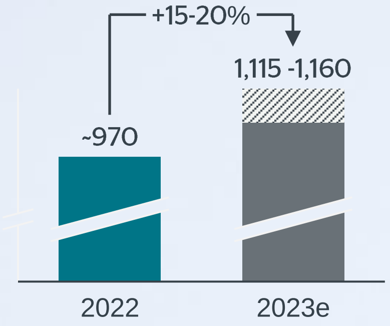
- Steadily declining net interest-bearing debt and net leverage
- Demonstrates the company's ability to de-leverage
- Consistently decreasing net interest-bearing debt over time – down from 16X in 2016
- Continue disciplined capex management and strong cost control in positive market
- Historical capex levels have been modest compared to industry standard
- High focus on cash management and working capital also in revenue growth environment

Financial outlook for 2023 – on track for upper range

2023 Guidance

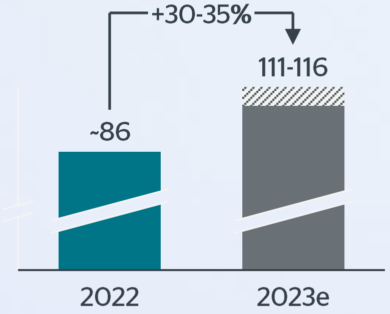
Revenue

15 – 20% growth



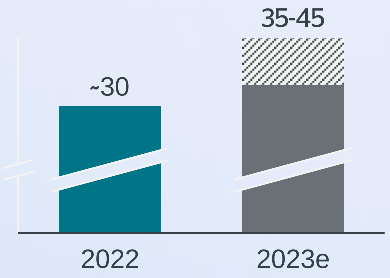
EBITDA

30 – 35% growth



Capital Expenditures

3 – 4% of revenue



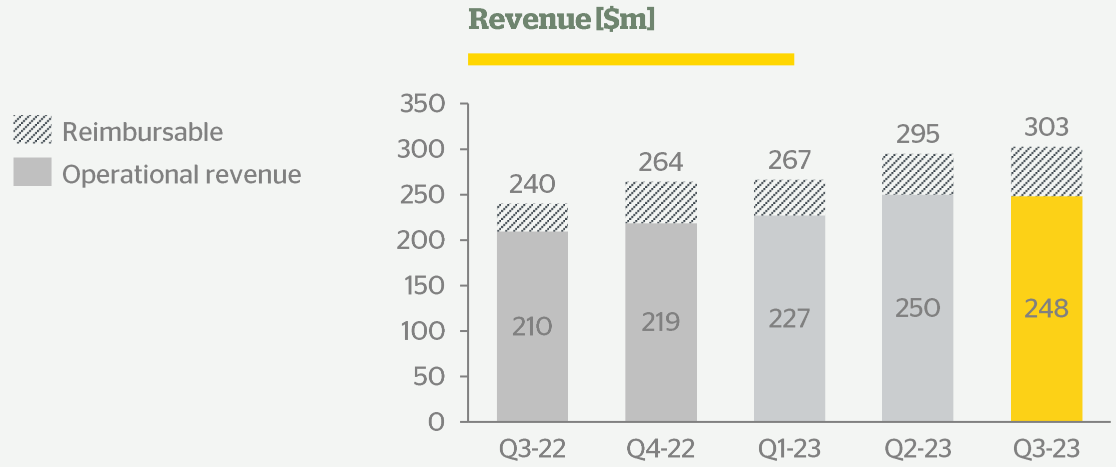
All guidance numbers estimates assumes stable USD/NOK and GBP/USD

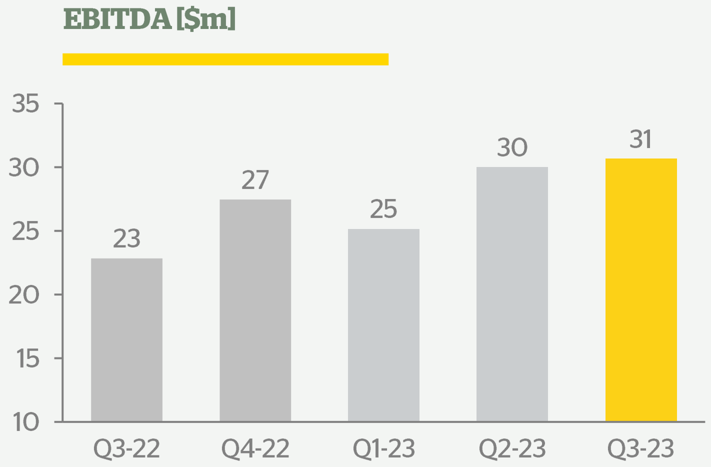
Key takeaways

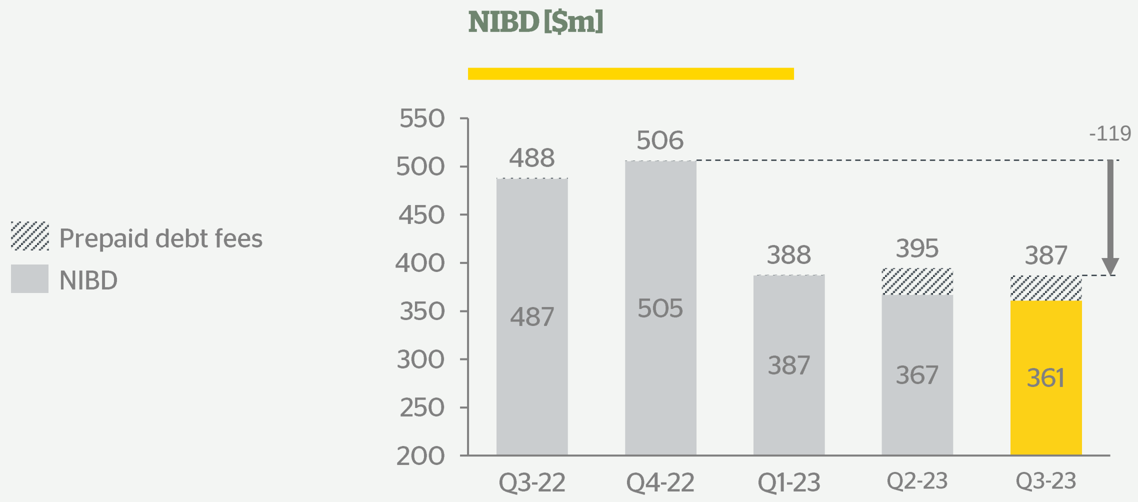
- Archer with further 20-30 years of growing activity in production and P&A markets
- Secured large strategic and integrated contract for P&A in 2023, which enables future growth to deliver on the company strategy
- Positioned for continued growth, both organically and through M&A initiatives
- Committed to energy transition and net zero by 2050

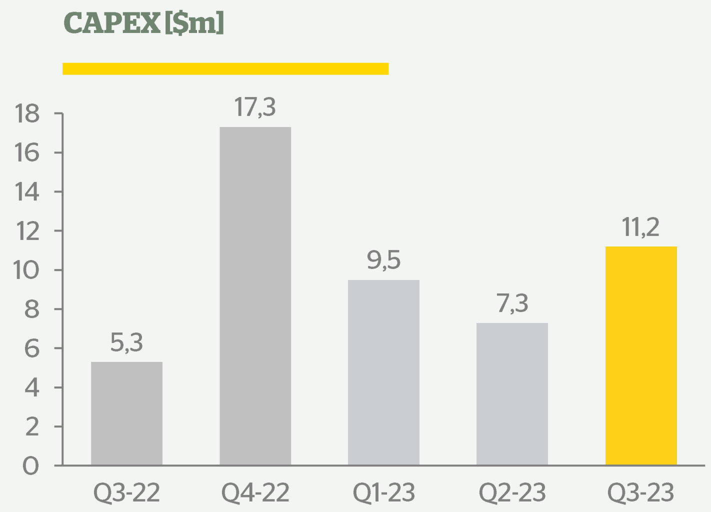
Appendix

Key financials









Condensed profit and loss statement (unaudited)

(Figures in $ million)	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23
Operating revenues	209.8	218.5	226.9	249.8	248.1
Reimbursable revenue	30.4	45.8	39.7	45.1	54.6
Total Revenues	**240.2**	**264.3**	**266.6**	**294.9**	**302.7**
EBITDA before exceptional items	**23.7**	**29.2**	**27.4**	**31.9**	**32.3**
Severance payments	(0.5)	(0.8)	(1.8)	(1.7)	(0.7)
Other	(0.3)	(1.0)	(0.4)	(0.2)	(1.0)
Total Exceptional items*	**(0.9)**	**(1.8)**	**(2.2)**	**(1.9)**	(1.7)
EBITDA	**22.8**	**27.4**	**25.2**	**30.0**	**30.7**
Deprecation, amortization, impairments, other	(12.3)	(14.4)	(12.4)	(11.6)	(13.5)
EBIT	**10.6**	**13.0**	**12.8**	**18.4**	**16.6**
Gain from bargain purchase	-	-	**(0.1)**	**0.1**	**(0.3)**
Result from associated entities	(0.1)	(0.1)	(1.8)	(2.3)	0.2
Net interest expense	(6.8)	(10.2)	(11.4)	(15.0)	(12.6)
Other financial items	(0.3)	17.6	(15.7)	(15.3)	(4.0)
Net financial items	**(7.2)**	**7.2**	**(28.9)**	**(32.6)**	**(16.5)**
Net result before tax	**3.4**	**20.2**	**(16.1)**	**(14.1)**	**(0.1)**
Tax benefit / (expense)	(4.4)	(3.8)	(1.8)	(2.0)	(2.4)
Net income/(loss)	**(1.1)**	**16.4**	**(17.9)**	**(16.2)**	**(2.5)**

*Exceptional items include costs of non-recurring nature, including restructuring charges and specific charges related to Covid-19

Condensed balance sheet (unaudited)

$ million	30.09.2022	31.12.2022	31.03.2023	30.06.2023	30.09.2023
Cash, cash equivalents & restricted cash	108.7	93.0	198.2	73.1	76.3
Accounts receivables	121.3	152.6	147.1	161.2	173.4
Inventories	51.0	55.2	62.1	68.5	71.8
Other current assets	39.5	39.0	41.3	36.4	36.8
Investments and loans in associates	10.1	27.8	19.9	18.5	12.6
Property, plant and equipment, net	303.0	310.7	307.8	304.3	301.3
Right of use assets	32.4	26.4	25.2	24.7	23.9
Goodwill	138.3	149.4	149.1	147.9	148.8
Other non-current assets	41.9	52.2	39.7	39.1	16.2
Total assets	**846.1**	**906.2**	**990.5**	**873.4**	**880.4**
Current portion of interest-bearing debt	567.9	562.9	3.6	3.5	4.0
Accounts payable	48.2	47.2	58.0	62.9	63.5
Lease liability current	5.7	5.6	5.0	5.6	5.6
Other current liabilities	122.5	162.3	159.0	163.1	171.4
Long-term interest-bearing debt	5.9	8.7	564.7	430.7	432.7
Subordinated related party loan	15.9	15.9	15.9	-	-
Deferred taxes	0.4	0.4	0.3	0.3	0.6
Lease liability	26.7	20.8	20.2	19.1	18.3
Other noncurrent liabilities	0.0	0.8	3.7	4.6	4.7
Shareholder's equity	52.9	81.5	160.0	183.6	179.6
Total liabilities and shareholders' equity	**846.1**	**906.2**	**990.5**	**873.4**	**880.4**

Condensed cash flow statement – last 5 quarters (unaudited)

(Figures in $ million)	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23
Operating activities	24.7	8.7	30.2	1.7	0.2
Investing activities	(4.3)	(26.7)	(17.7)	(10.9)	2.6
Financing activities	(4.4)	(3.2)	94.7	(114.8)	0.5
FX effect	(6.4)	5.4	(2.0)	(1.2)	-
Total*	**9.6**	**(15.8)**	**105.2**	**(125.2)**	2.9

*Includes net movements in restricted cash.