



Archer

Pareto Securities' Energy
Conference 2022

Dag Skindlo - CEO

14 September 2022





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 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, 2021. 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.



At a glance

Archer

The Well Company



\$936 million
2021 revenue



\$93 million
Adj. EBITDA 2021



\$2.5+ billion
Contract backlog



50 years
Operational experience



40
Countries of operations¹



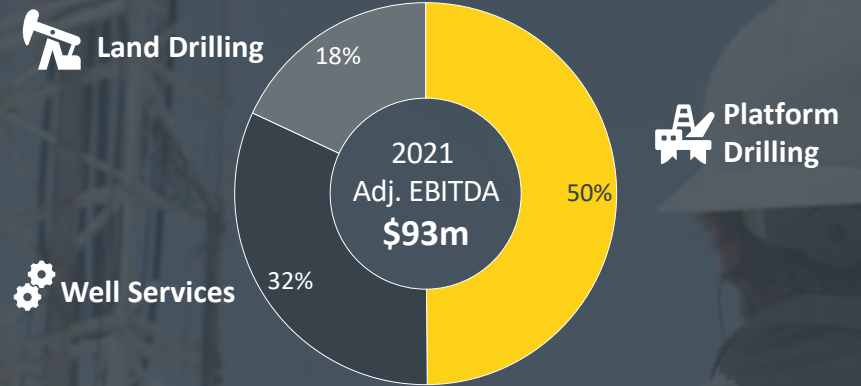
4,500+
Global personnel



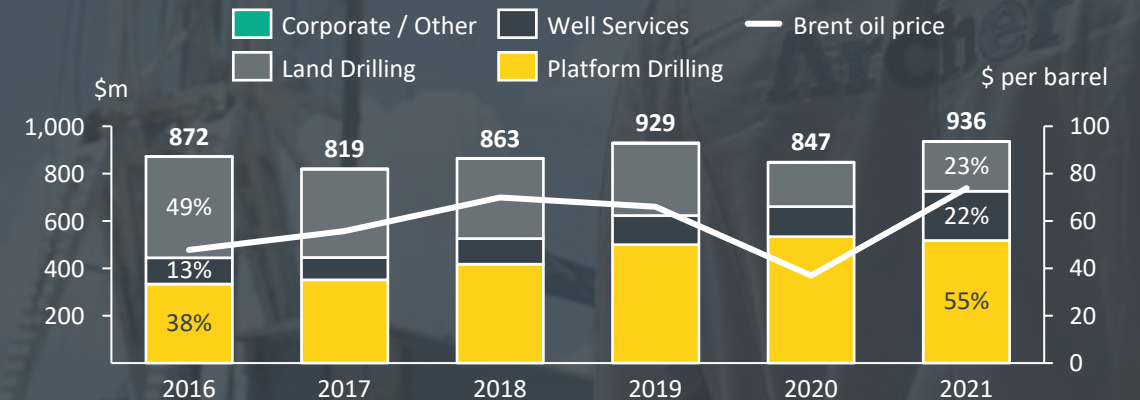
Carbon neutral in 2022
Scope 1 & 2 outside Argentina and Bolivia

1) As per 31.12.2021, 2) Split excludes corporate/other

Diversified operations across three core business segments²


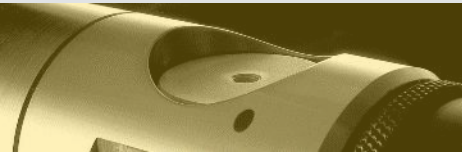


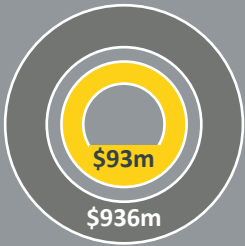
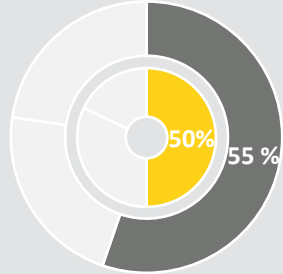
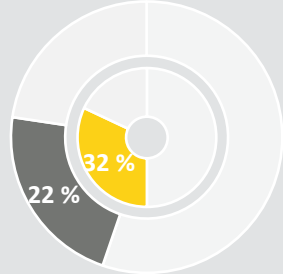
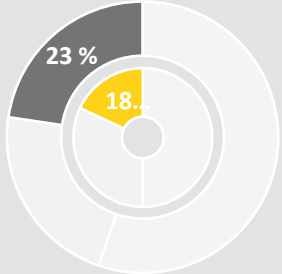


Resilient through-the-cycle financial performance





The Well Company

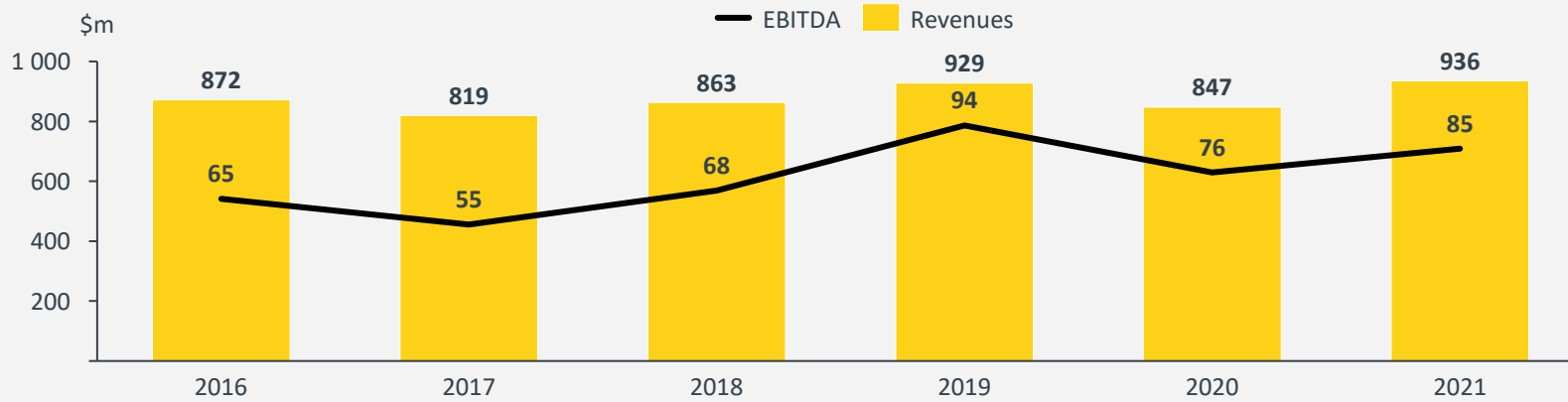
Archer	Platform Drilling	Well Services	Land Drilling	Energy Transition
<p>Global energy service company</p>	<ul style="list-style-type: none"> • Wide range of offshore drilling operations, engineering, and maintenance management services • Portfolio includes 30 platform rigs, 3 semi-submersibles and 2 modular rigs • North Sea focused operation based on long-term contracts 	<ul style="list-style-type: none"> • High-end products and services aimed at improving well performance and extending well life • Offering covers drilling, completion, intervention, and plug and abandonment • Global reach continuously expanded through deployment of new technology 	<ul style="list-style-type: none"> • Drilling and workover services the entire well lifecycle • Owns and operates fleet of advanced drilling, workover, and pulling units • Focused on Latin America with main operations in Argentina 	<ul style="list-style-type: none"> • Firmly aimed at utilising and expanding core competencies to support the energy transition • Exploring geothermal energy and Carbon Capture & Storage • Geothermal drilling and integrated well services with fleet of drilling equipment that can be transferred globally through Iceland Drilling joint venture
<p>4,500+ employees</p>				
<p>2021 financials</p> 				<ul style="list-style-type: none"> • 50% of Iceland Drilling, which has annual revenue of approximately \$40m • New business lines and expanded offering to drive future revenue generation and continued growth

■ Revenues ■ Adj. EBITDA

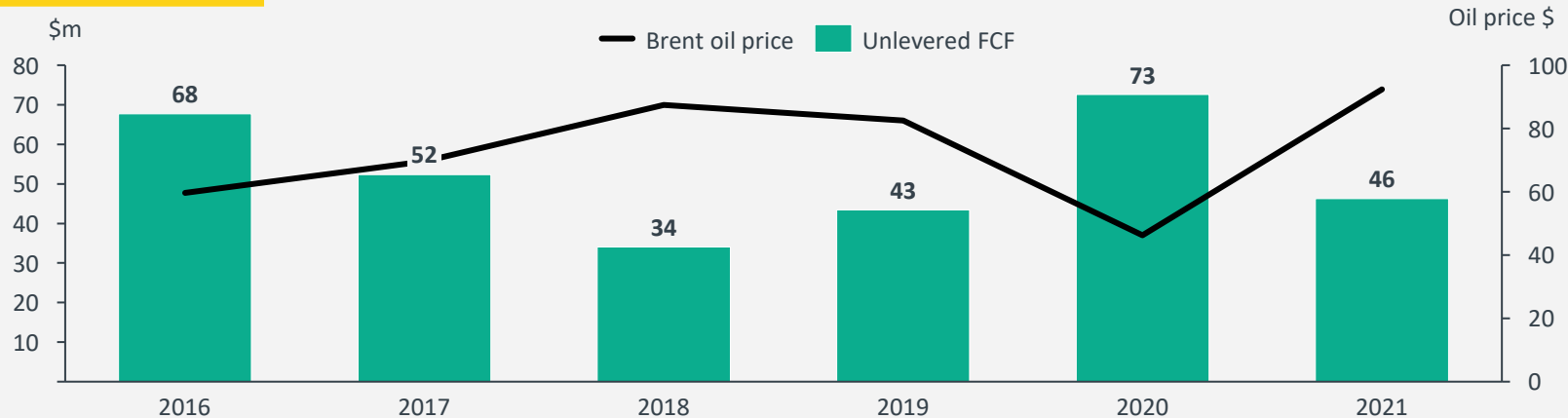


Proven business resilience under varying and demanding market conditions

Robust development in revenues and EBITDA....



...with strong FCF generation despite volatile oil price and market turmoil



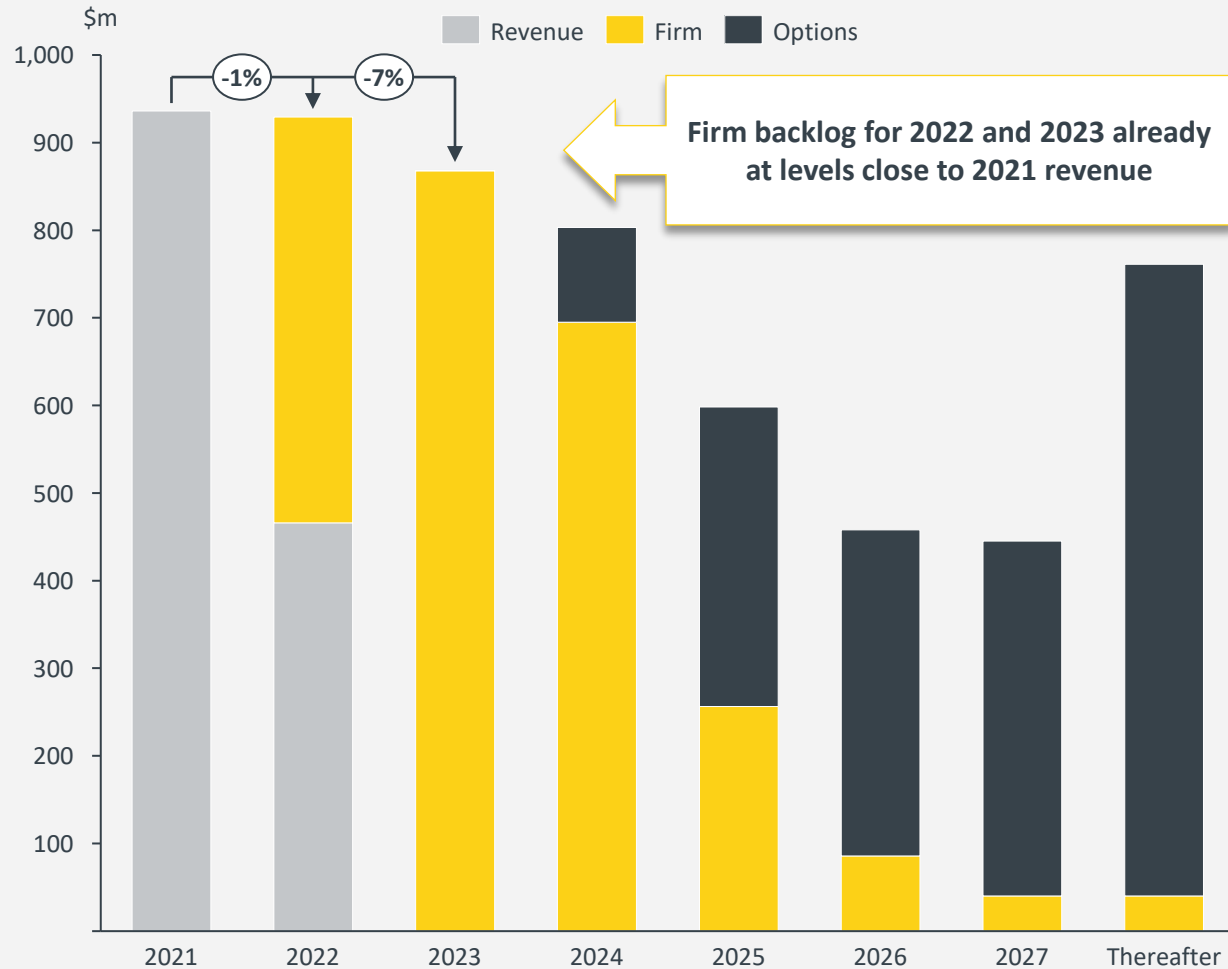
- ✓ Stable positive EBITDA and unlevered FCF generation across segments throughout the past cycle
- ✓ Generated cash flow in line with previous years despite impact from the pandemic in 2020
- ✓ Strong cost management have kept operating expenses on a relatively steady level
- ✓ Decline in net working capital, around 20% of revenues in recent quarters
- ✓ Modest historical capex levels with slight increase due to higher activity level and new contracts last three years
- ✓ High operating leverage enables very little overhead by operating more rigs ensuring higher margins outside of Norway

Archer generates positive unlevered free cash flow throughout the cycle



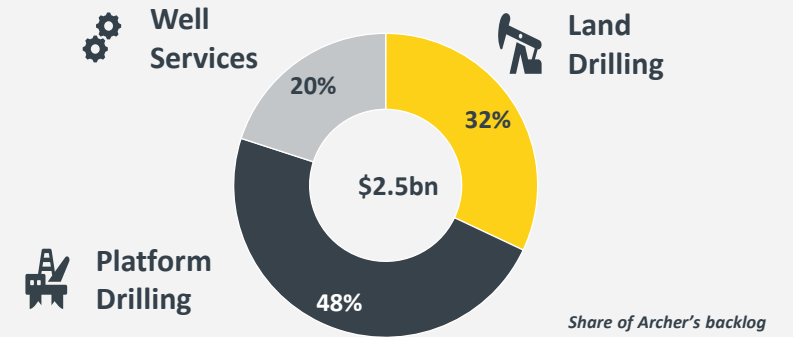
Revenue backlog equalling \$250m of EBITDA

High revenue visibility evidenced by solid backlog coverage

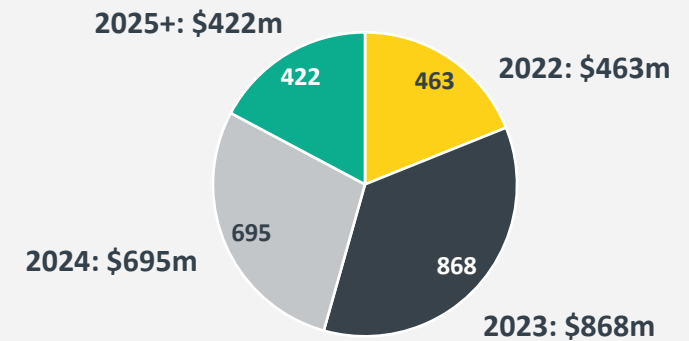


Well diversified backlog across segments

Total estimated backlog of \$2.5bn with an estimated \$250m of EBITDA \$1.0+bn secured so far in 2022 and \$1.8bn additional backlog in contract options



Expected execution of near-term firm backlog



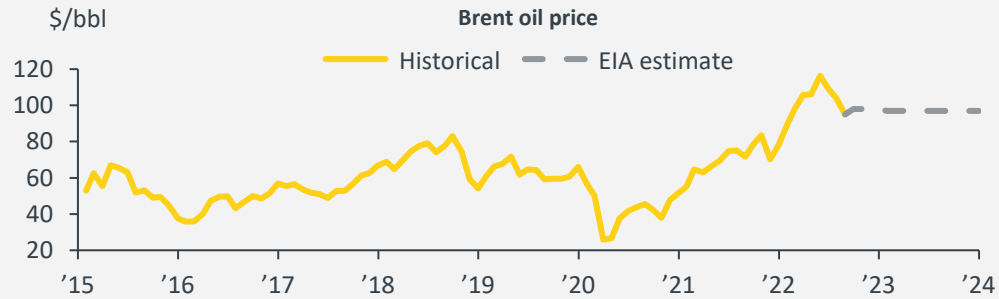


Multi-year energy upcycle setting the stage for further growth

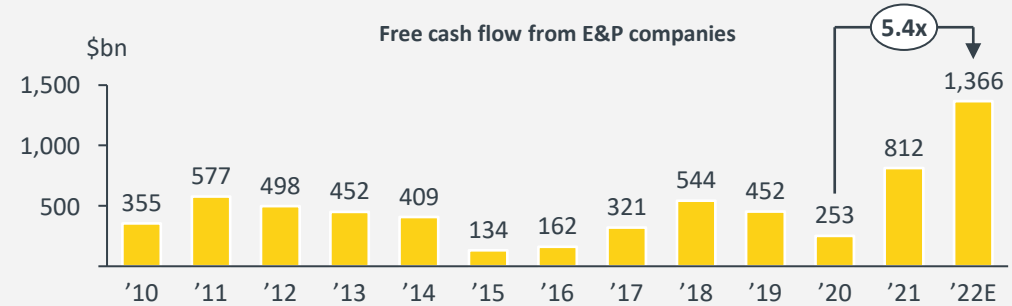
Key market fundamentals driving increased activity in core segments



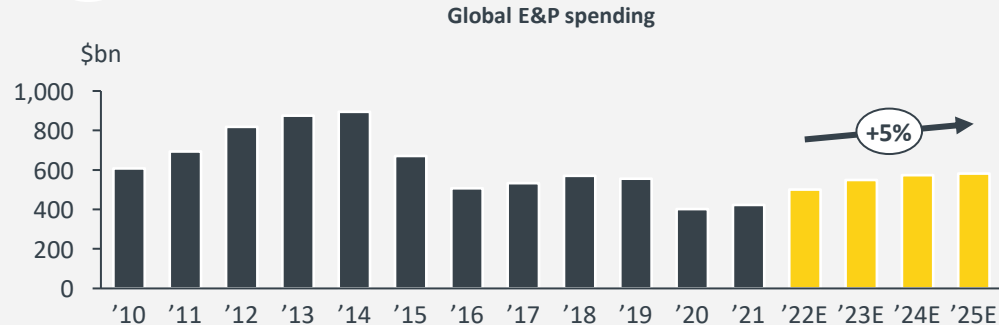
Commodity prices evidencing strong market fundamentals...
Continued favourable price sentiment expected to drive global activity in the sector beyond pre-pandemic levels



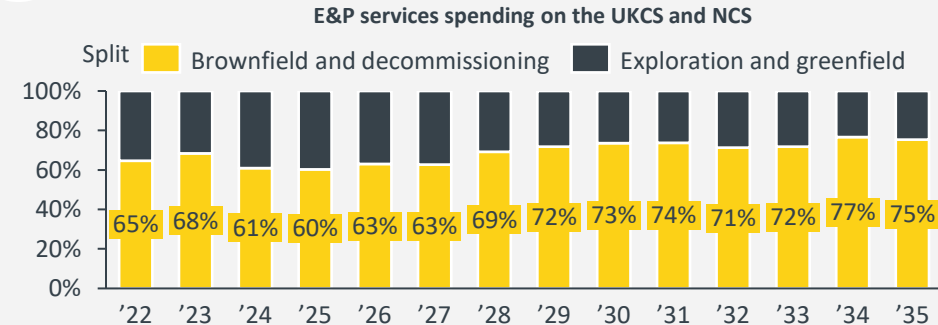
...leading to 5x increase in FCF generation for E&P companies...
Unprecedented economics for energy companies on the back of record high energy prices and cost reductions since 2014



...which will propel investments...
Continued economic and demographic growth fuelling further demand increases



...into growing brownfield further vs. exploration and greenfield
Brownfield and decommissioning to take a larger share of spending



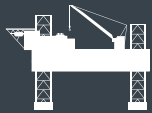
Source: Rystad Energy (underlying data), EIA



Market-leading position in the North Sea underpinned by stable spending outlook...

Well-placed in a predictable brown field market

Positioning



- ✓ Decade-long track record of global operations within energy services
- ✓ Well-positioned in the North Sea with solid client relationships with major oil producers in the market
- ✓ Market leader in the North Sea with 50% market share on the NCS and 44% on the UKCS

UK market



- ✓ UK market expected to rebound on the back of sustained high gas and oil prices, energy security concerns including new governmental policies just announced
- ✓ Increase in P&A activity in the UK market, a business segment where Archer holds extensive know-how

Engineering

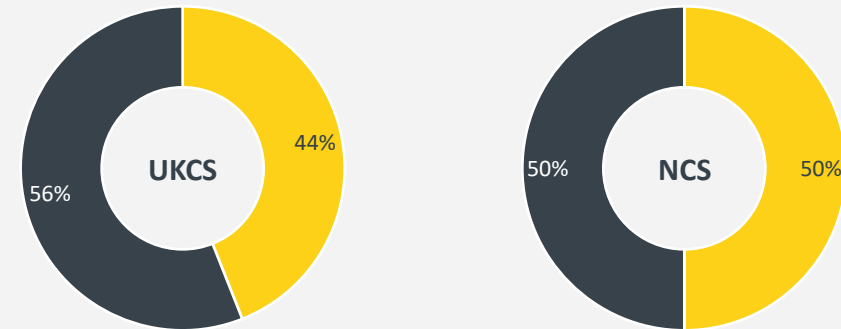


- ✓ Demand for engineering services in the North Sea is increasing
- ✓ Segment largely follows Platform Drilling and Modular Rig activity
- ✓ Increasing activity outside core business following the energy transition

Archer attains high drilling market share...

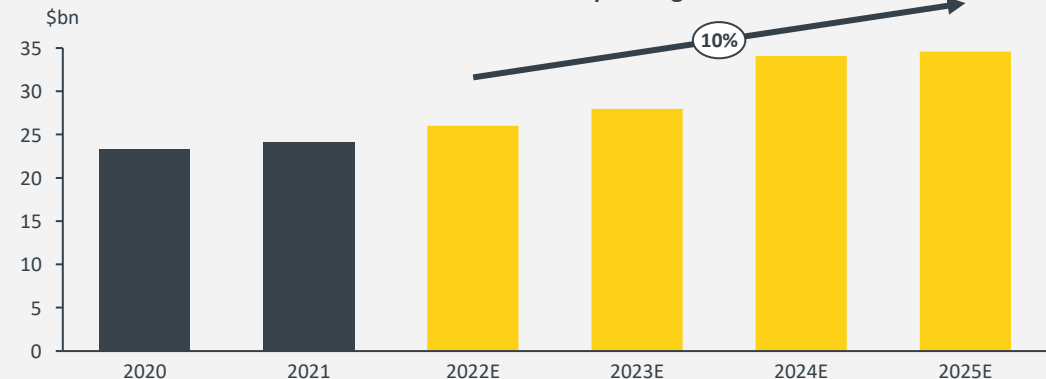
Platform Drilling market share (Q1 2022)

Archer Others



...positioned for continued profitability in a strong North Sea market

NCS and UKCS E&P spending

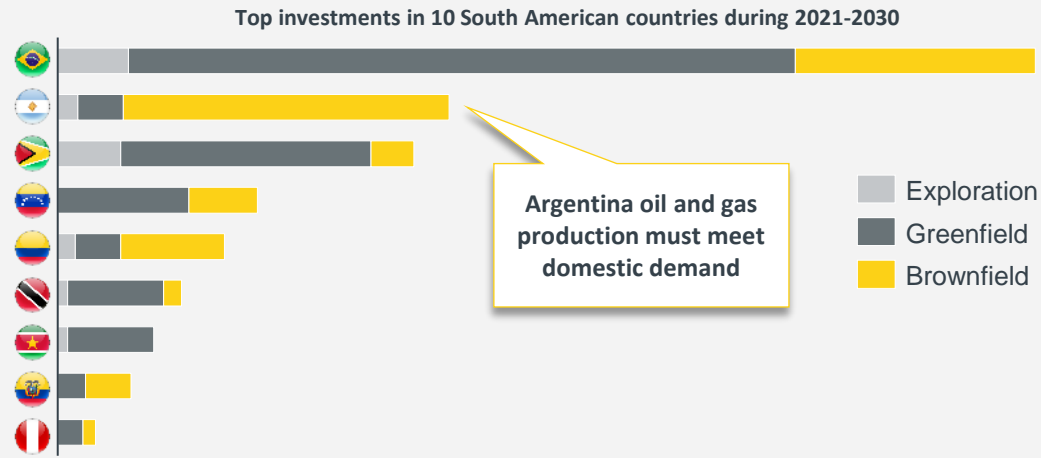


Source: Rystad Energy (underlying data)

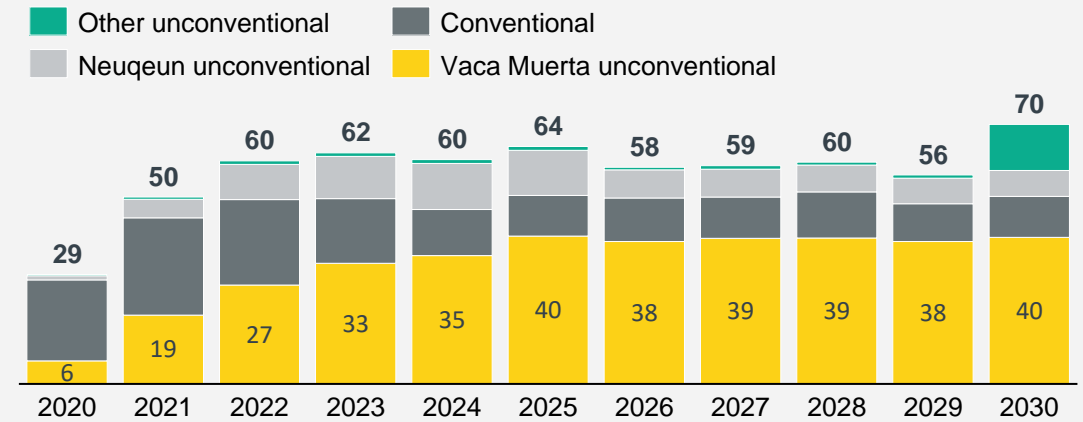


Argentina rig activity to strengthen in Vaca Muerta and Bolivia restarting activity

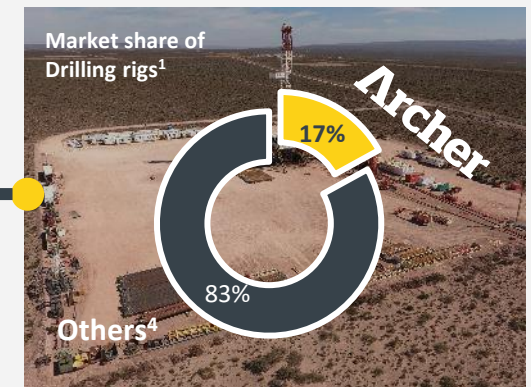
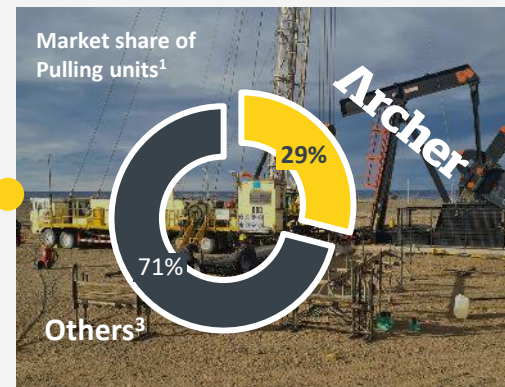
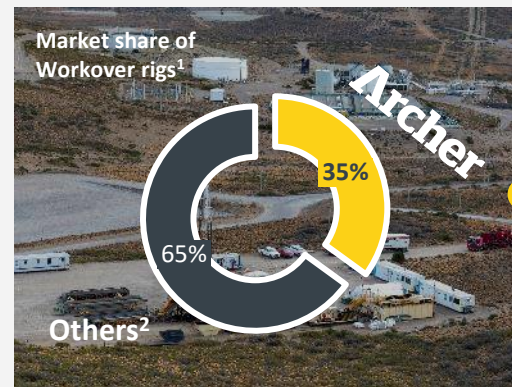
Argentina second largest spend in South America after Brazil



Overall rig demand expected to grow in Vaca Muerta...



...further expected to cement Archer's position in Argentina

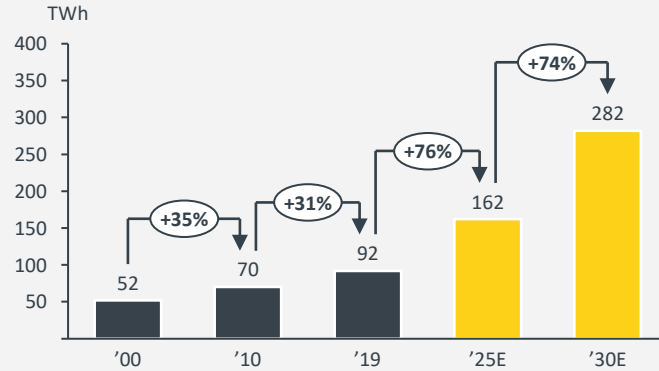


1) as per 30.04.2022; 2) Other include SAI, Ven Ver, Petreven and smaller players; 3) SAI, Ven Ver and smaller players; 4) SAI, Nabors, H&P, Petreven, Ven Ver and smaller players
Source: Rystad Energy (underlying data)
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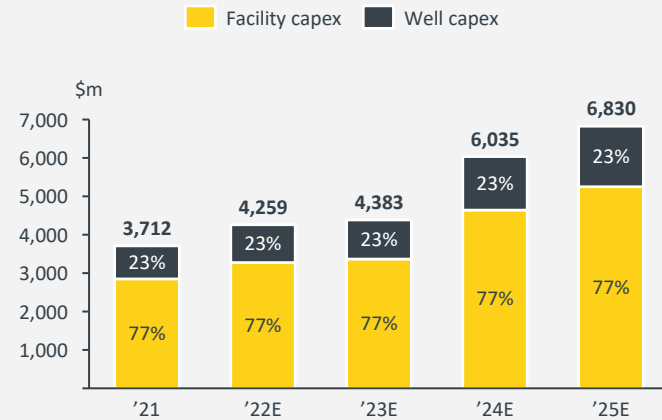


Geothermal energy is on the rise and a key growth area

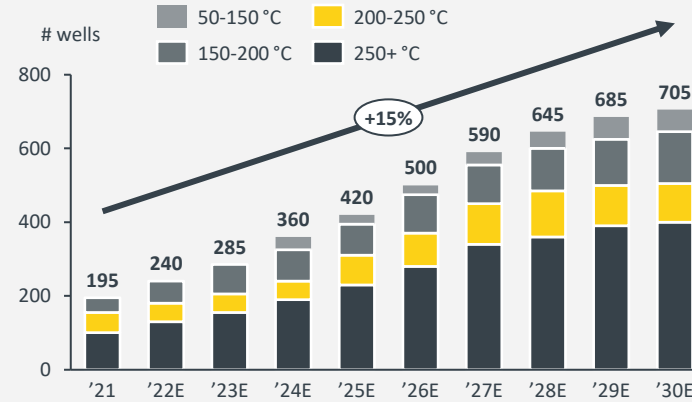
Accelerating growth in geothermal power



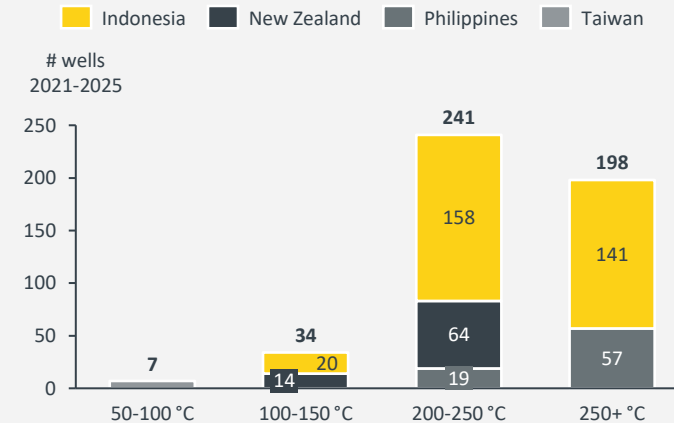
Rising capex expenditures



Wells to be drilled by temperature group



Highest new well count expected in APAC



Key growth drivers of geothermal demand

Energy transition
Geothermal energy is expected to play an important role in the energy transition due to its clean and stable characteristics and cost-efficient production

Increasing power consumption
Growing demand for electricity is expected to boost the overall market and investments, with number of wells to be drilled expected to grow 15% annually towards 2030

APAC to be the driving force
Expect positive growth on all continents however APAC is expected to be the main driver, with Indonesia to stand for ~43% of all new wells drilled during 2021-2025

Source: Rystad Energy (underlying data)



Industry-leading offering on the NCS

OneArcher model with Drilling Operation, Well Services and Partners

Example FLX



Archer and Schlumberger partnering with Equinor in a OneTeam approach to late life well operation

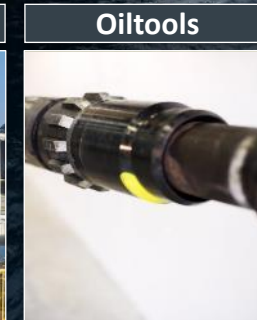
Archer

Drilling operations
Well Services

Schlumberger

Well Services

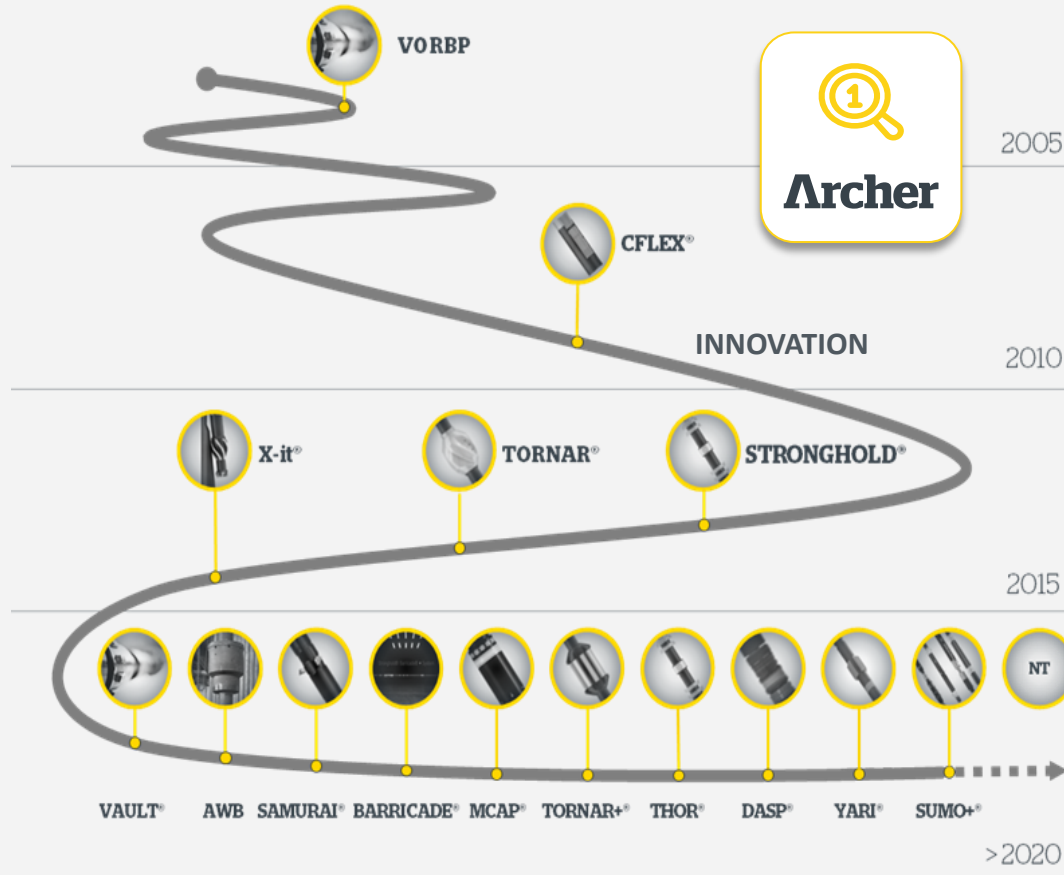
Third party service contractors – directly to Equinor as well as to Archer and SLB





Archer technology fuelled innovative solutions

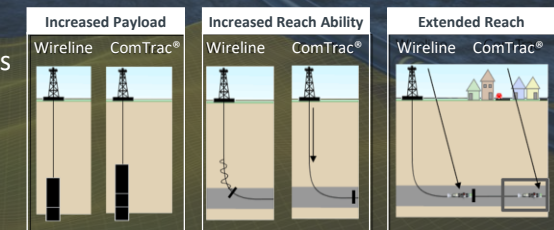
Oiltools technology roadmap



Technology development setting new standards

Archer's leading technology-infused solutions

- First ever company to perform well intervention at **>12,375 meters**, utilising the ComTrac® system
- The world record is a significant step for intervention accessibility and ComTrac® will be an enabler for new wells design for long reach drilling
- Strong testament to Archer's leading operational capabilities coupled with ability to evolve and pushing its offering to satisfy clients
- The ComTrac® conveyance technology utilises the ultra high-strength and low-weight properties of composite carbon rod materials



Archer continues to invest in innovative technologies, products and solutions in combination with international expansion



Proven buy-and-build strategy with further room for accretive M&A


Recent accretive acquisitions are easily integrated in Archer



- Acquired August 2022
- Global leader within geothermal drilling and services company
- Growth enabler within renewable energy and part of energy transition strategy



- Acquired February 2022
- Access to frac monitoring and synergies with ComTrac® representing a strategic fit for Archer’s international wireline operations



- Acquired in June 2021
- Focused on high-tech based wireline services with experience in both top side and subsea well intervention
- Access to upgraded equipment, personnel to start new contracts and equipment for expansion and rental

M&A pipeline could enabling Archer to grow and create value

- A large number of oil service companies in the energy service sphere are contemplating a full exit and others consider consolidation as preferred strategy
- Historic exit possibilities via P&E, major service company or IPO largely closed
- Archer has identified multiple bolt-on opportunities within it’s strategic direction with synergies




Transformational acquisitions

Aiming towards a joint business model with a potential target



Bolt-on acquisitions

Acquiring smaller companies with a strategic motive



Green M&A / Other opportunities

Integrate renewables into operations securing the energy transition



Clear pathway towards cementing Archer's market-leading position moving forward

Growth strategy supported by four key priorities



Expand footprint



International growth within key strategic regions and product offerings

- ✓ Develop Well Services footprint with initial focus on core identified growth regions
- ✓ Expand global reach of Platform Drilling operations
- ✓ Selectively pursue regional economies of scale
- ✓ Deploy MDRs and new P&A rig consent



M&A



Window of opportunity to conduct accretive acquisitions across value chain

- ✓ Bolt-on acquisitions to expand service offering or increase market share
- ✓ Exploit consolidation opportunities
- ✓ Strategic acquisitions to enter into new regions



Technology development



Pioneer and invest in the R&D of additional proprietary technologies

- ✓ Expand P&A service offerings and globalise
- ✓ Capitalise on the Comtrac® technology
- ✓ Increased digitalisation leading to efficient operations
- ✓ OneArcher integrated service offering and IO solutions



Energy transition



Grow current energy transition operations and continued focus on low-carbon agenda

- ✓ Exploit synergies with geothermal drilling
- ✓ Develop offering within nascent carbon capture and storage market
- ✓ Assist clients to reduce their emission through Archer's low carbon solutions

Archer is fully committed to realize the potential in four key growth levers to further create value as a leading energy service provider



Key take aways



Large energy service company with robust operational leverage, innovative technology, and strong M&A pipeline



Delivered strong growth in the North Sea – ongoing international expansion in targeted regions



Proven track record of generating positive and resilient cash flow throughout market cycles



Active participant in the energy transition with an industry-leading low-carbon footprint and recent investment into geothermal energy





Appendix



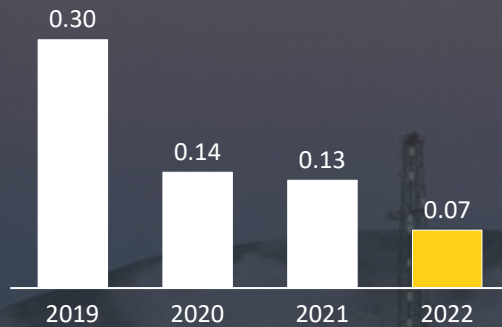


Strong track record of world-class health and safety performance across operations

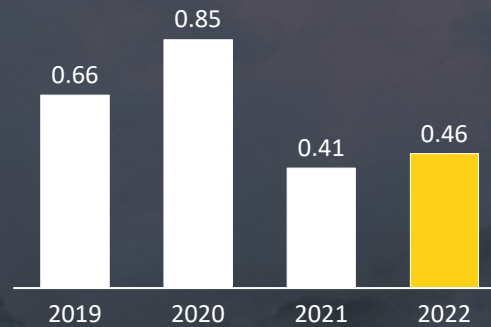
Archer

Committed to promoting industry-leading quality, health, safety and environment performance across all operations globally

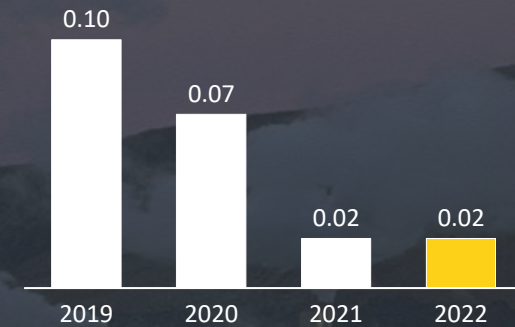
Lost time incident frequency



Total recordable incident frequency



High potential incidents



Zero injuries

Highly recognized by customers for our proactive HSE work



World class management system

ISO 9001 & 14001 certified management systems



Highly skilled employees

Extensive training and competence programs in place



Integrated operations

Efficient POB for safe, efficient operations with reduced CO2 footprint




The Archer value proposition is tailored to accommodate industry differentiators

Differentiating market factors


Maximising well economics through efficient solutions and best-in-class technology



Service and product integration through effectively combining drilling and well services


Pioneering the energy transition through new technologies and energy efficiency



Safety, regulatory environment, and QHSE requirements are key to industry-leading operations


The Archer
Value Proposition

- 
- ✓ Development and acquisitions of state-of-the-art equipment
 - ✓ Dedicated technology centre with leading R&D operations
 - ✓ Increased digitalisation of operations

- 
- ✓ One-stop-shop offering customers a single contact point for fully fledged well solutions
 - ✓ Strong organisational setup to identify and deliver cross-segment solutions

- 
- ✓ Oil and gas offering focused on brownfield operations
 - ✓ Limited emissions from equipment and facilities
 - ✓ Targeted M&A strategy towards renewable energy

- 
- ✓ QHSE anchored as core component of Archer's strategy
 - ✓ Net zero roadmap with 25% reduction since 2018
 - ✓ World-class management systems