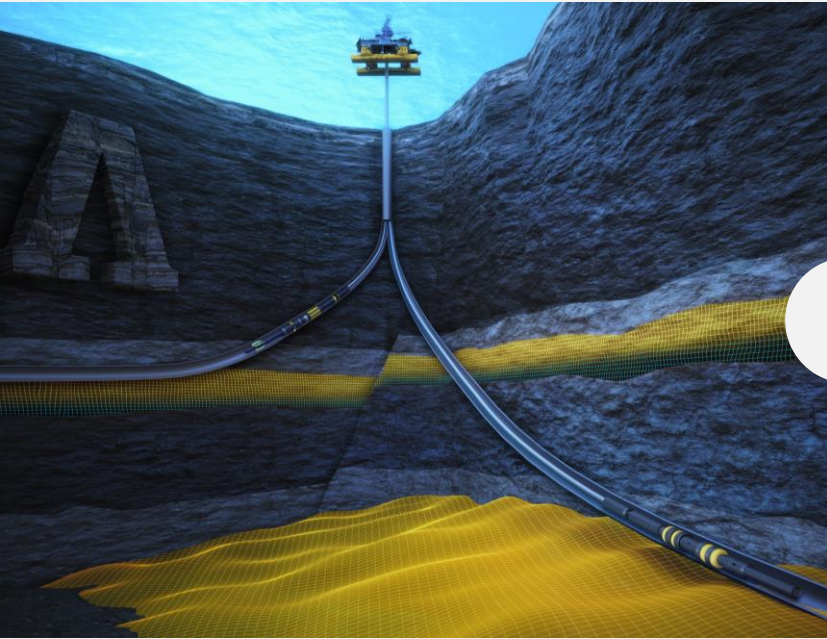


Archer

The Well Company



Investor Presentation

September 2025



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If any of the following risks were to materialize, individually or together with other circumstances, this could have a material adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading pricing of the Shares, resulting in loss of all or part of an investment in the Shares. The risks and uncertainties described below, and under the caption "Risk factors" in this Presentation, are not the only risks the Group may face. Additional risks and uncertainties that the Group currently believes are immaterial, or that are currently not known to the Group, may also have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

1. Risks relating to the Group and the industry in which it operates

- The Group's business depends on the exploration, development and production of oil and gas in the North Sea and internationally
- The Group's business is significantly dependent on the level of oil and gas prices
- The Group's industry is highly competitive
- The Group's Argentina operations could be affected by government action
- There are risks related to cessation or change of the Group's operations in Argentina
- The Group may pursue acquisitions that prove unsuccessful or divert its resources
- A small number of customers account for a significant portion of the Group's total operating revenues
- An oversupply of comparable rigs in the geographic markets in which the Group competes could depress the utilization rates and day rates for its rigs
- The Group will experience reduced profitability if its customers reduce activity levels or terminate or seek to renegotiate their contracts with the Group
- Exploration and production operations involve numerous operational risks and hazards
- There are risks relating to cyber attacks
- There are risks related to operational and environmental challenges in offshore wind development
- There are risks related to dependency on suppliers and subcontractors in the Group's business
- The Group is exposed to risks related to trade tariffs

2. Risks related to law, regulation and litigation

- There are risks related to the Group's international operations
- The Group is subject to governmental laws and regulations, some of which may impose significant liability on the Group
- Failure by the Group to comply with anti-bribery laws may have a negative impact on its ongoing operations
- The Group is exposed to risk due to changes in tax laws or tax practice of any jurisdiction in which the Group operates
- The Group is exposed to risks related to labour disruptions
- The Group is exposed to risks relating to legal disputes
-

3. Risks related to financial matters

- The Group may be unable to access sufficient funding
- There are risks relating to the Group's financing arrangement
- The Group's results of operations may be adversely affected by currency fluctuations
- The Group currently has a significant level of debt and could incur additional debt in the future
- The Group's financial outlook is subject to risks and uncertainties
- The Group has recorded substantial goodwill subject to periodic reviews of impairment
- The Group has recorded substantial values related to rigs and equipment which are subject to periodic review of impairment

4. Risks relating to the Shares

- Future issues of Shares may dilute the holdings of shareholders
- Sale of Shares by large shareholders may adversely affect the price of the price of the Shares

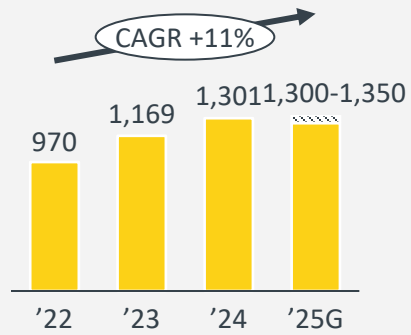


Archer

The Well Company

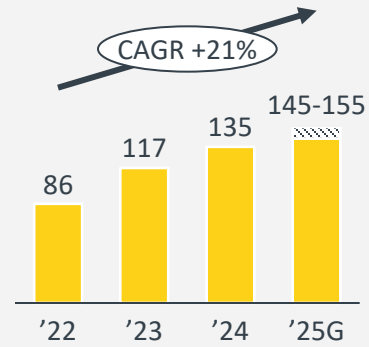
Revenue

\$m



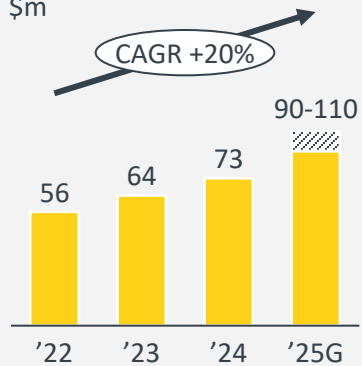
EBITDA

\$m



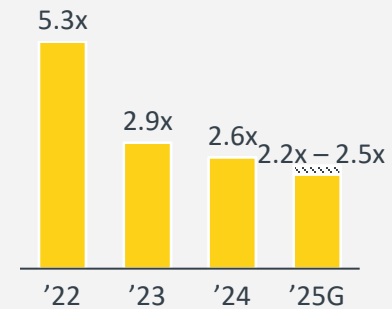
Cash contribution

\$m



EBITDA - Capex

Leverage ratio



Reported NIBD/adj. EBITDA

- I Continued growth to above \$1.3bn in revenue
- II Annual EBITDA growth of about 20%
- III Annual growth in cash contribution of 20%
- IV Leverage ratio reduction towards 2.2-2.5x
- V Shareholder distributions of about 10% yield



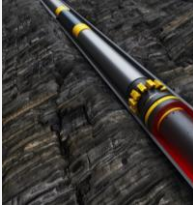
Global drilling and well services business

Divisions

Share of '25E EBITDA

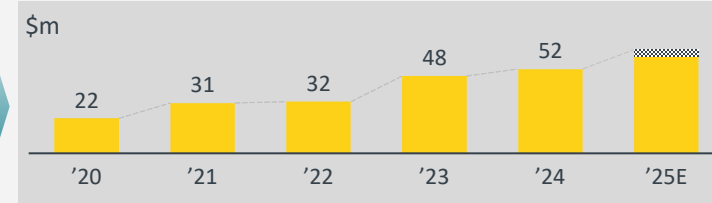
~40%

Well Services



- Broad well intervention portfolio, including P&A solutions
- Strong EBITDA growth of ~25% CAGR since '17 including bolt-on acquisition such as WFR in '24

EBITDA development



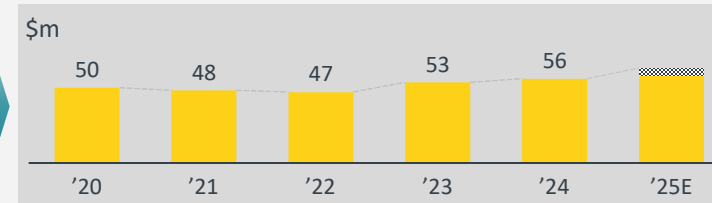
Continued growth and margin expansion

~40%

Platform Operations



- ~45% market share in the North Sea
- Long-term contracts on platforms, with strong backlog
- Resilient annual EBITDA and cash contribution of about \$40m



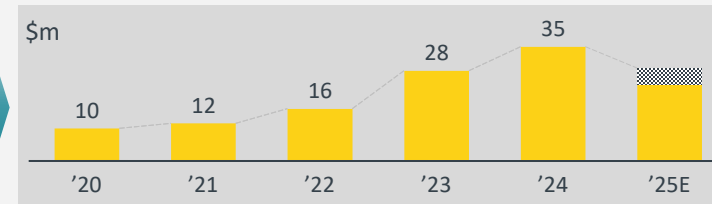
Resilient EBITDA and cash contribution through the cycles

~15%

Land Drilling



- Among the largest drilling and workover companies in Argentina
- Vaca Muerta set to rebound as investments shift from infrastructure to drilling and completion activity



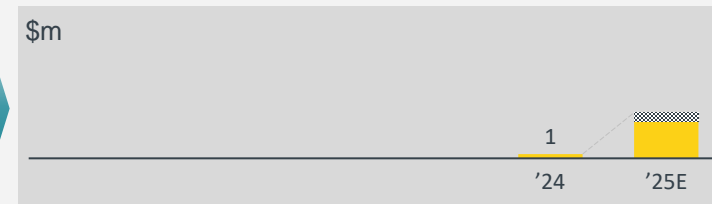
More than \$70m cash payment received since '16

~5%

Renewable Services



- Service offering to geothermal energy, carbon storage, wind and hydropower
- Cash positive business

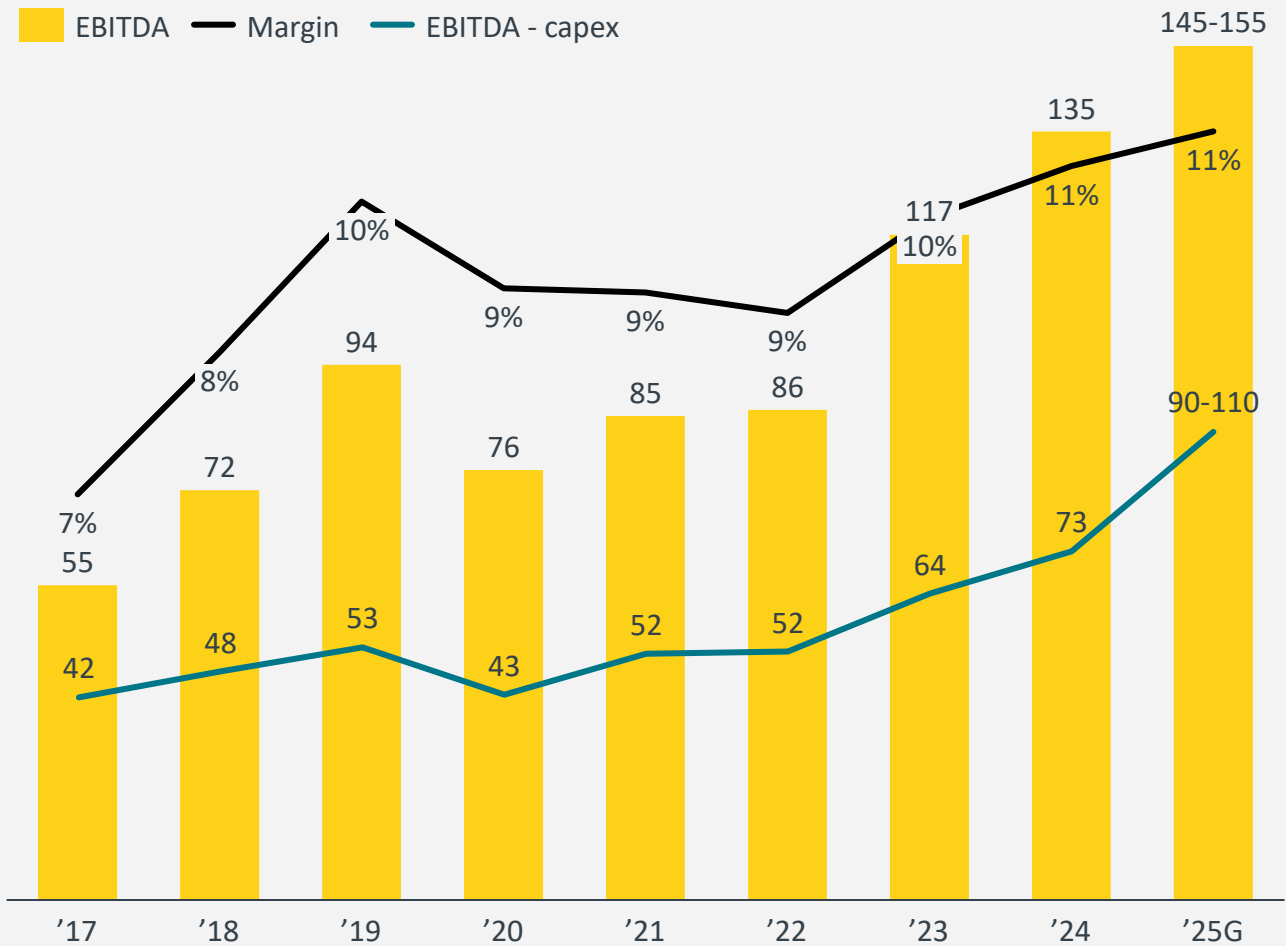


Profitable and cash-positive services



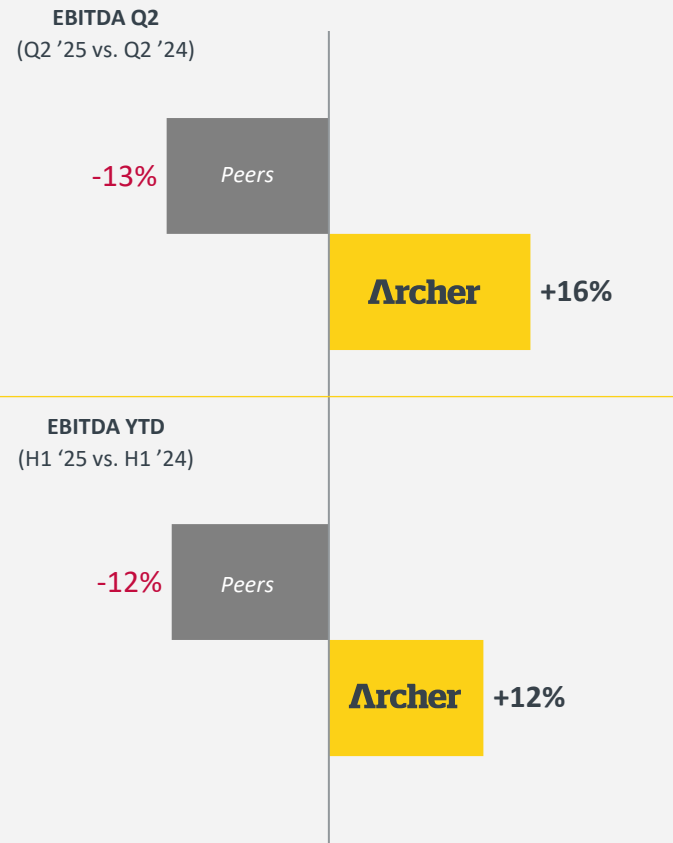
Archer's EBITDA remains robust throughout the market cycles

Consistent growth in EBITDA and cash contribution (\$m)



¹ Average reported adj. EBITDA of Halliburton, Weatherford, Baker Hughes (OFSE segment), SLB, Expro and OTL.
Source: Public company reports

Strong YoY-growth relative to peers¹

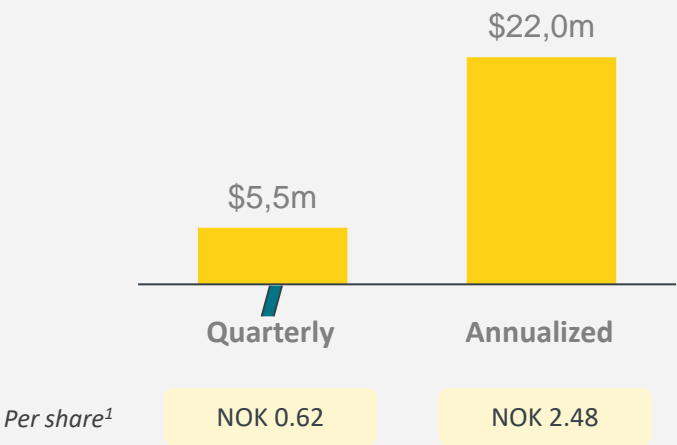




Archer has launched shareholder return program

Shareholder cash distributions

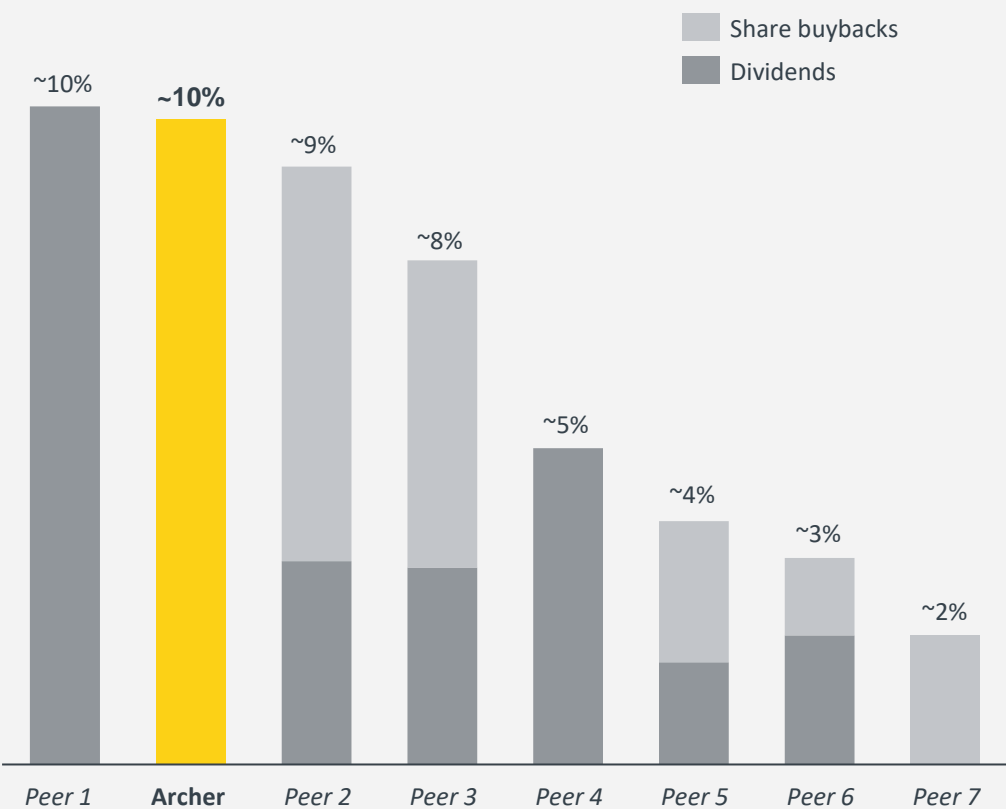
At current rate



- ✓ Archer's shareholder return program initiated with quarterly cash distributions of ~\$5.5million in both Q2 and Q3 '25
- ✓ Target to increase cash distribution to shareholders over time, in line with growth in earnings

Archer with attractive direct yield

Shareholder program yields in industry²



¹ Using USD/NOK rate at the time of latest shareholder distribution (Q3 distribution).

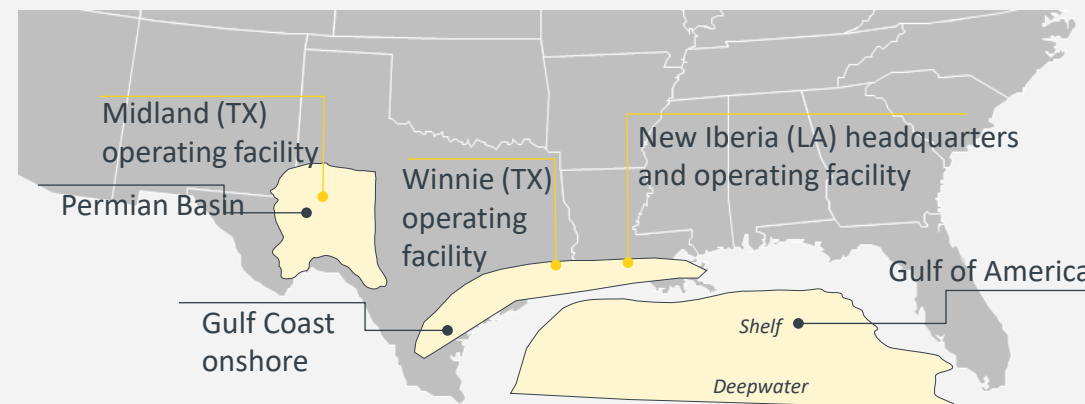
² Per 08.09.25. Yield of peers based on forward annual dividend yield plus share buyback yield, as reported by Morningstar. Sample include Odfjell Technology, SLB, Halliburton, Weatherford, H&P, Baker Hughes, Expro. Source: Morningstar Inc.

Acquiring a complimentary well services business in the GoA

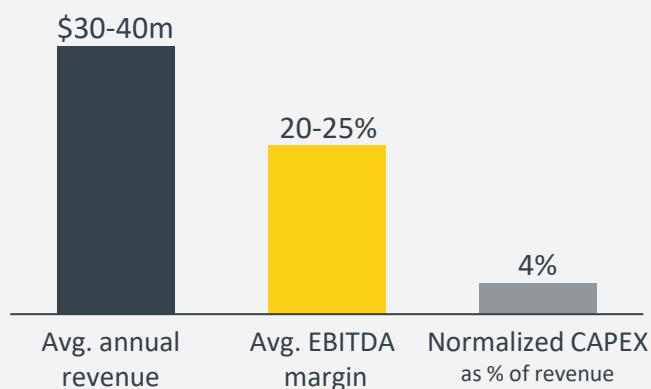


Premium Oilfield Services description

- Well service company focused on fishing services in the Gulf of America
- Solid reputation and long customer relations with major operators, complimentary to Archer client base
- Experienced team of about 80 employees
- Large and well-maintained equipment portfolio
- Revenue and EBITDA is down since peak-levels in '23, in line with market slow-down in US onshore and shelf
- '25E EBITDA of \$4-5m, with material cost and capex synergies to be realized post-acquisition

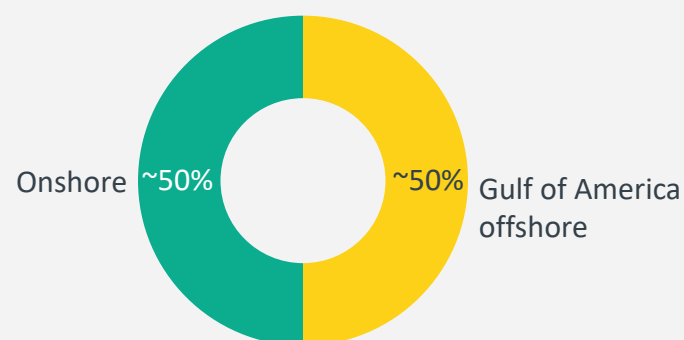


Key financials '21-'25E



Share of activity

Revenue by location '24 and YTD '25



Diverse customer base

Selected key customers

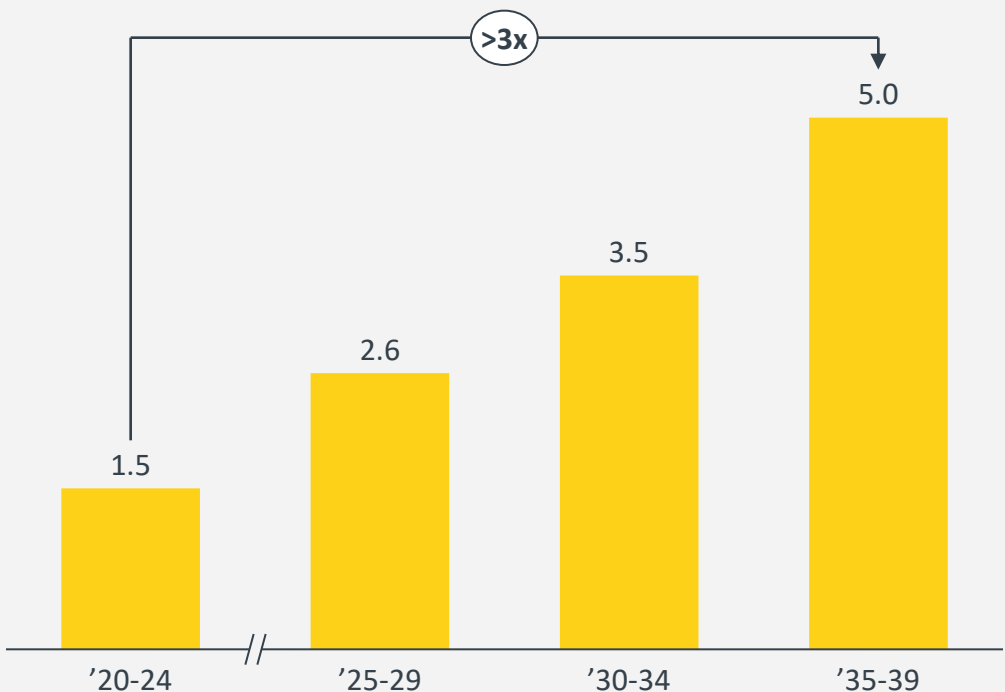




Material P&A spending expected by Archer and Premium clients in the GoA

GoA deepwater decom expenditures (\$bn)¹

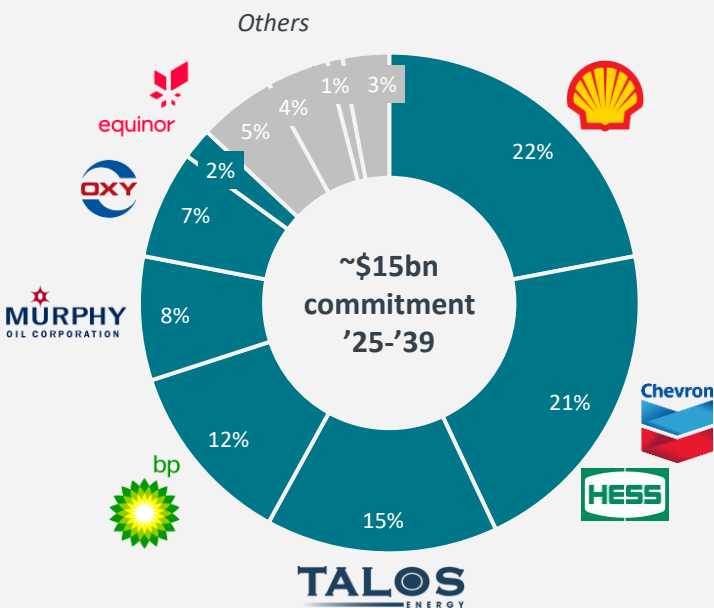
\$'20-'39E



\$GoA deepwater decom commitments by operator¹

'25E-'39E

Archer or Premium client



Deepwater decom spending in the GoA expected to accelerate

Archer and Premium clients account for close to 90% of decom/P&A commitments in the deepwater Gulf of America

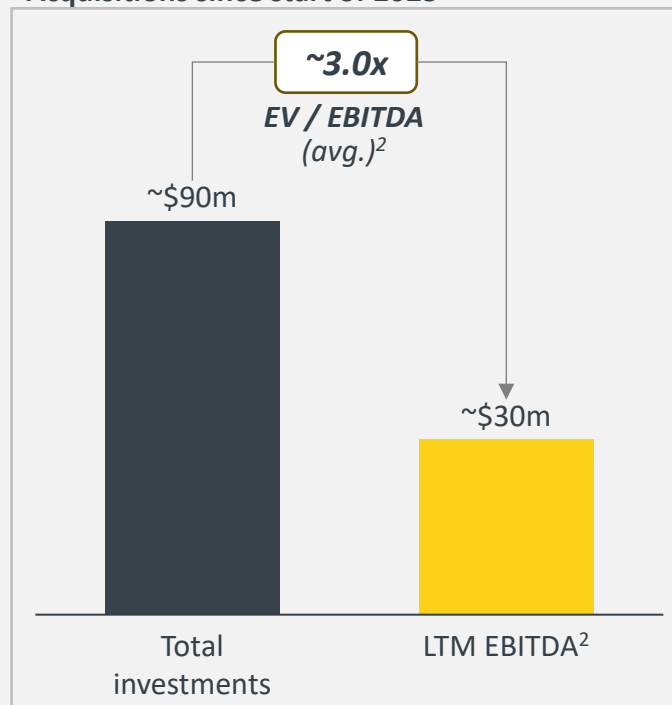
¹Deepwater and ultra-deepwater in the Gulf of America as defined by Rystad (water depth > 125m). Decommissioning expenditures are the actual expected expenditures of decommissioning a project within a specified year, whereas decommissioning commitments are the total expected cost of decommissioning a project and is accumulated in its last producing year. Source: Rystad Energy



Accretive transaction in line with prior acquisitions

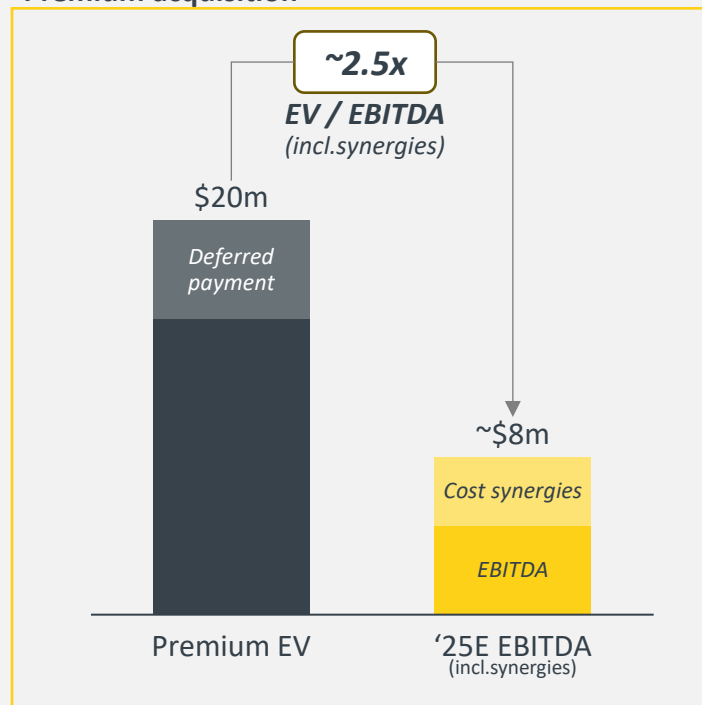
Successful track record of accretive acquisitions

Acquisitions since start of 2023¹



Acquisition to contribute strongly for further value creation

Premium acquisition



Archer maintain focus on value-creative M&A initiatives

M&A focus areas

-  Further strengthen well service offering
-  Accretive and value creative M&A
-  Synergetic bolt-on acquisitions
-  Continued growth in EBITDA and cash flow

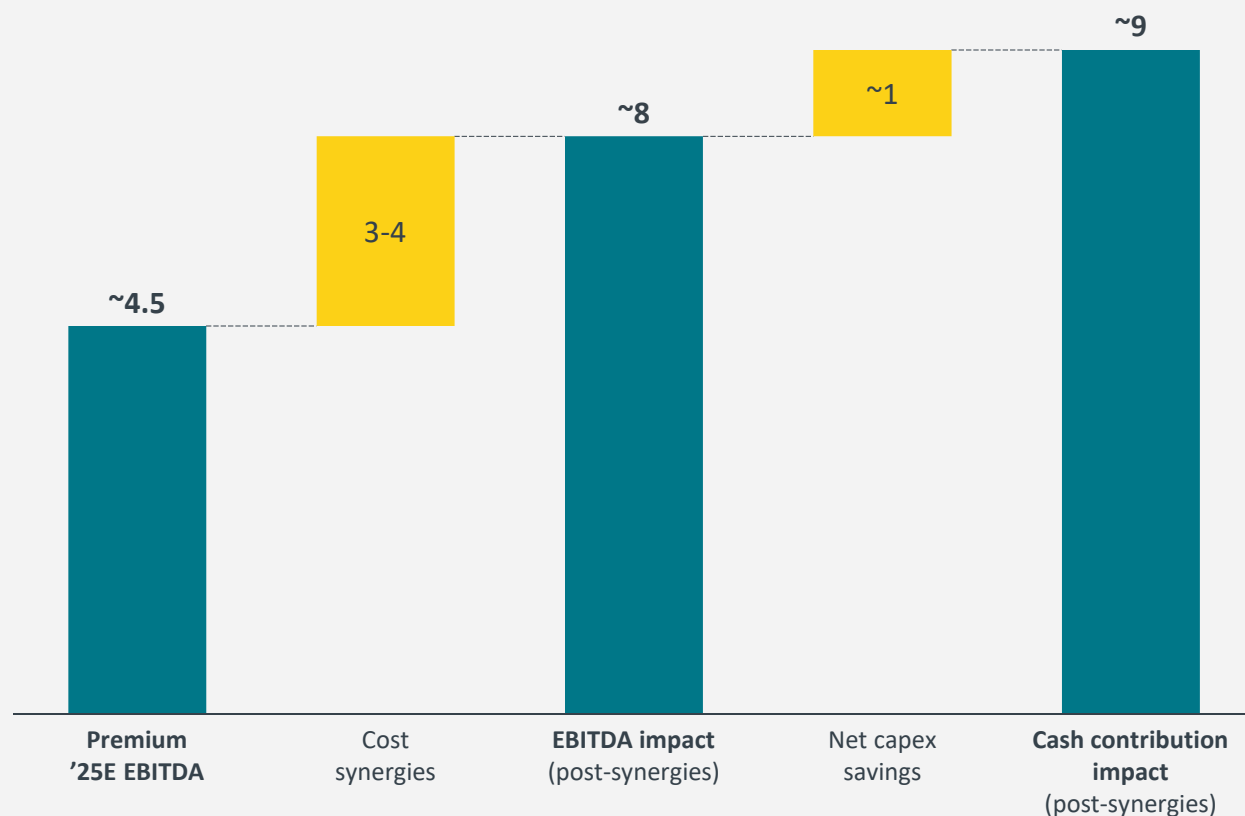
¹ Includes acquisitions of Iceland Drilling (60%), Romar-Abrado, Baker Hughes Coiled Tubing (UK), ADA Argentina, Vertikal Service (65%), Archer Wind, and WFR.

² EV/EBITDA multiple based on total amount invested by Archer and LTM EBITDA (per end of Q2 '25) of acquired companies on a 100% basis



Meaningful cost and capex synergies with Archer

Estimated impact on Archer EBITDA and cash contribution¹ (\$m)



Comments

- Clear action plan to deliver \$3-4m in annual cost synergies
- The majority of the cost synergies are from rental savings for Archer's business by utilizing Premium's tool portfolio
- Leveraging the combined organization, operation and facilities to optimize the cost structure
- Post-synergies, EBITDA impact for Archer is estimated at around \$8m
- Premium's equipment base will reduce capex spend by about \$1m per year in Archer's business
- Revenue synergies and pull through of Archer services are also identified, but not part of these estimates

¹ Combined cost and capex synergies for Premium and Archer

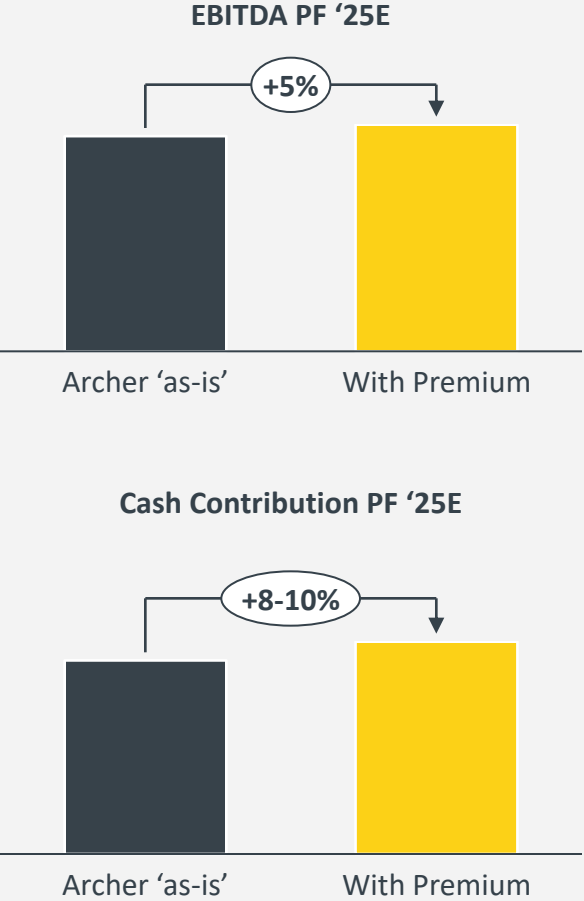


Accretive acquisition strengthening Archer’s EBITDA and cash flow

Key investment attributes¹

- I EBITDA and cash contribution to increase by about 5% and 8-10% respectively
- II Accretive acquisition of ~2.5x EV/EBITDA
- III Payback period of around ~2 years
- IV Equipment purchased at discount compared to estimated replacement value of \$35-40m
- V Acquisition supports increased shareholder distribution and deleveraging over time

Impact on pro forma key metrics¹



¹ Based on full year financials including estimated annual cost and capex synergies



Archer's capital allocation strategy



Balance sheet

Strong balance sheet and healthy debt levels

- Target a long-term leverage ratio of 1.5-2.0x
- Maintain solid liquidity at all times
- Aim to reduce overall cost of capital in the long-term



Capex

Capex maintained at moderate levels

- Targeting total capex of 3-4% of revenue over time
- Focus on growth investments with high financial returns (30-50%)
- Self-funded capex program in Argentina



M&A

Selective accretive bolt-on acquisitions

- Disciplined strategy, with selective accretive M&A
- Targeting synergistic and cash generating bolt-on acquisitions with high financial returns (30-50%)



Shareholder returns

Shareholder returns

- Regular and sustainable shareholder return program
- Quarterly cash distributions of \$5.5m in Q2 and Q3 '25
- Target to increase cash distributions over time, in line with growth in earnings



The Well Company

Archer



I

Resilient business model with ~90% of revenues from brownfield operations and P&A

II

Strong EBITDA growth throughout the market cycles

III

P&A and decom market set to double by 2050

IV

Quarterly distributions to shareholders at around ~10% yield

V

Accretive transaction supporting continued growth in EBITDA and cash flow





Appendix

1

Premium Oilfield Services

2

Archer

3

Market

4

Risk factors



Archer with clear operational benefits by acquiring Premium



Archer Strategic rationale

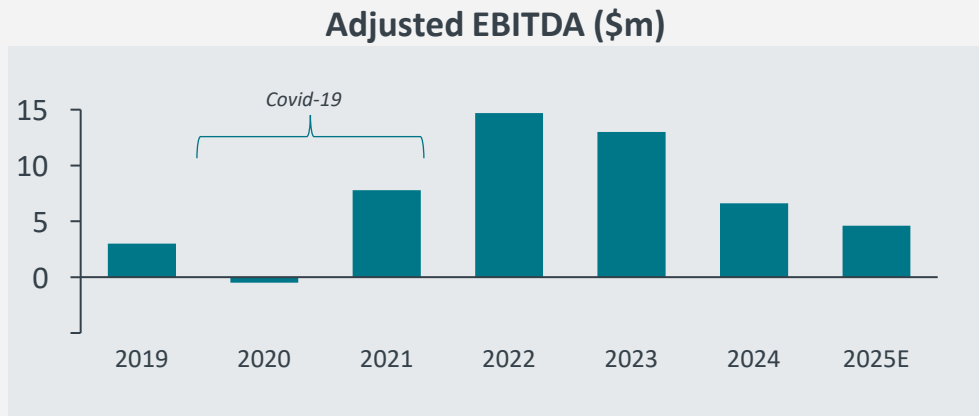
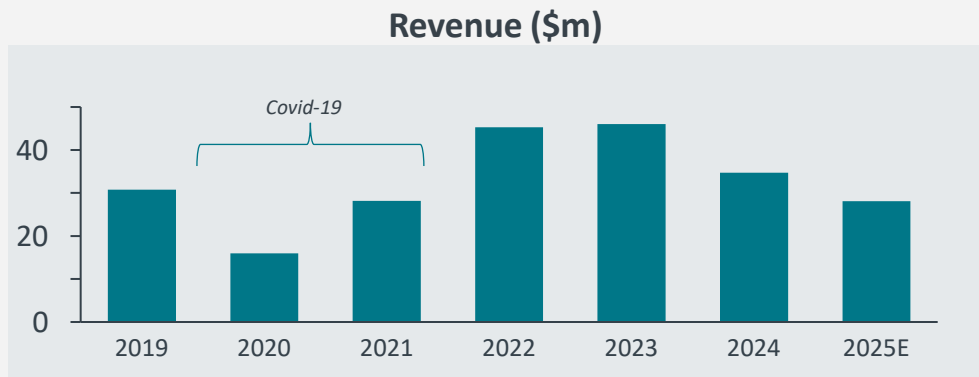
- 1 Becoming the clear market leader in fishing in the GoA
- 2 Strong customer coverage with major operators, complimentary to Archer client base
- 3 Material cost and capex synergy savings
- 4 Well-maintained excess fishing equipment purchased at a discount
- 5 Expand offering to deepwater pipe recovery services and proprietary whipstocks



Premium's financials have declined with the market, but earnings power is intact

Premium company financials 2019-2025E

Excluding discontinued operations



Comments

Key figures

Normalized Capex

~4%
of revenue

Normalized NWC

~25%
of revenue

Equipment estimated
replacement value

\$35-40m

Headcount

~80 employees

- Lower activity and margins in '24 and YTD '25, in line with market downturn in US onshore and shelf
- Proven ability to steer fairly robust through the cycles (Covid-19)
- Normalized capex of about 4% of revenue
- NWC expected to stay at ~25% of revenue
- Positive cash flow
- No debt



Appendix

1

Premium Oilfield Services

2

Archer

3

Market

4

Risk factors

Archer

The Well Company

Geothermal

Drilling & Well Services

Land Drilling

Drilling & Workover Services

Platform Operations

Platform Drilling Services
Engineering Services
Integrated Project Management

Well Services

Well Construction Services
Well Intervention
Brownfield & Late Life Services
Well P&A

Well Construction Services

Solutions used for installation into the wellbore, facilitating wellbore construction and supporting drilling services

Well Intervention

Wellbore re-entry for retrieval and removal of wellbore components for re-drill or re-completion (fishing & remedial services)

Well Intervention

Services supporting wellbore departure and re-drill of wells

Well P&A

Establishment of safe and secure permanent barriers for the abandonment of the well

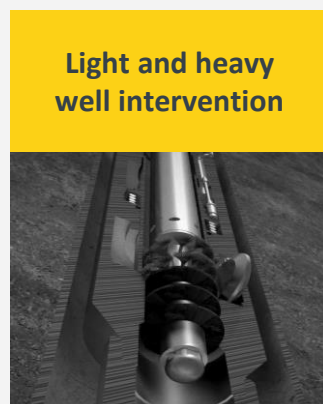
Well Intervention

Wellbore re-entry for measurements, diagnostics and remediation of producing wells

Well Services: Strong organic growth combined with synergetic acquisitions

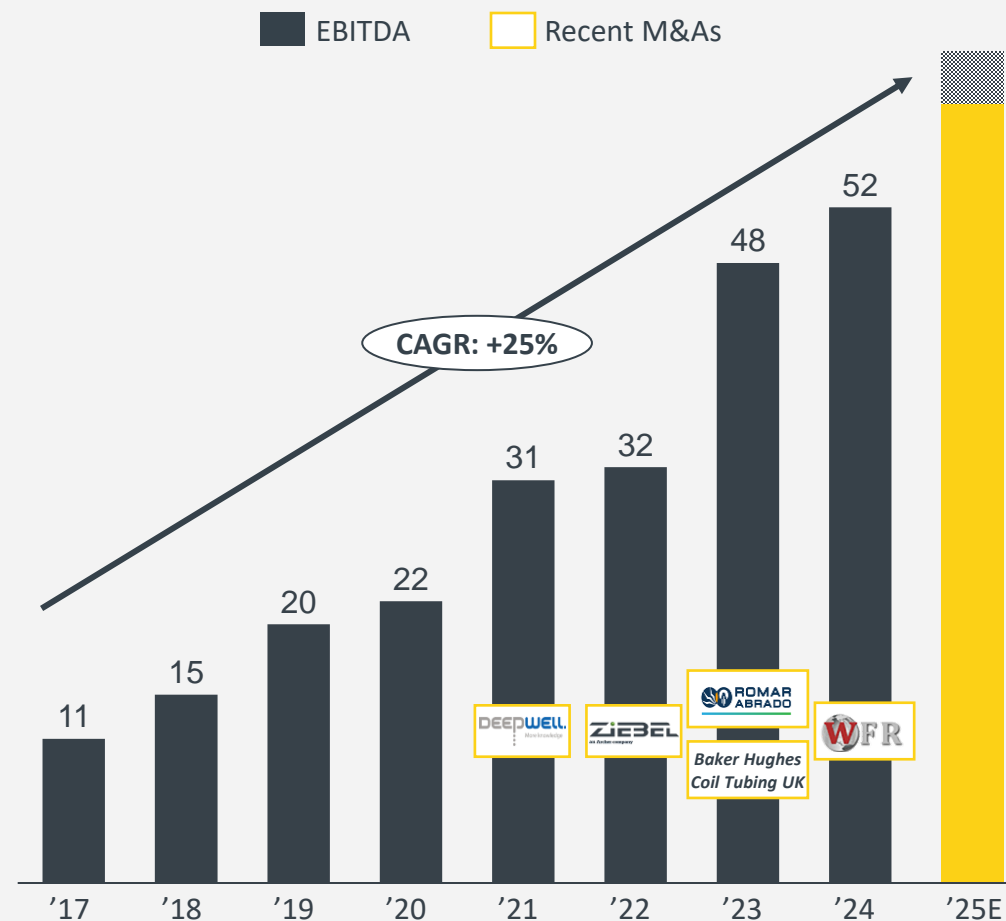
High-end well intervention services and technology

- High-end solutions ensuring well performance to clients globally
- Leading offering within workover and P&A services
- Strong EBITDA growth over time with 25% CAGR from '17 to '24
- Acquisitions of P&A company Romar-Abrado and UK Coil Tubing business of Baker Hughes in '23, and of fishing service provider WFR in '24 supports further growth



Strong EBITDA growth over time

EBITDA (\$m)





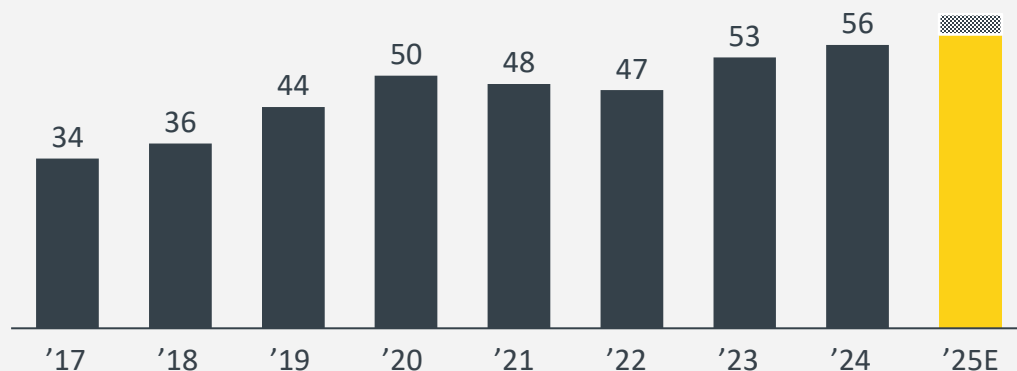
Platform Operations: Leading platform drilling service provider in the North Sea

Production and late life operation services

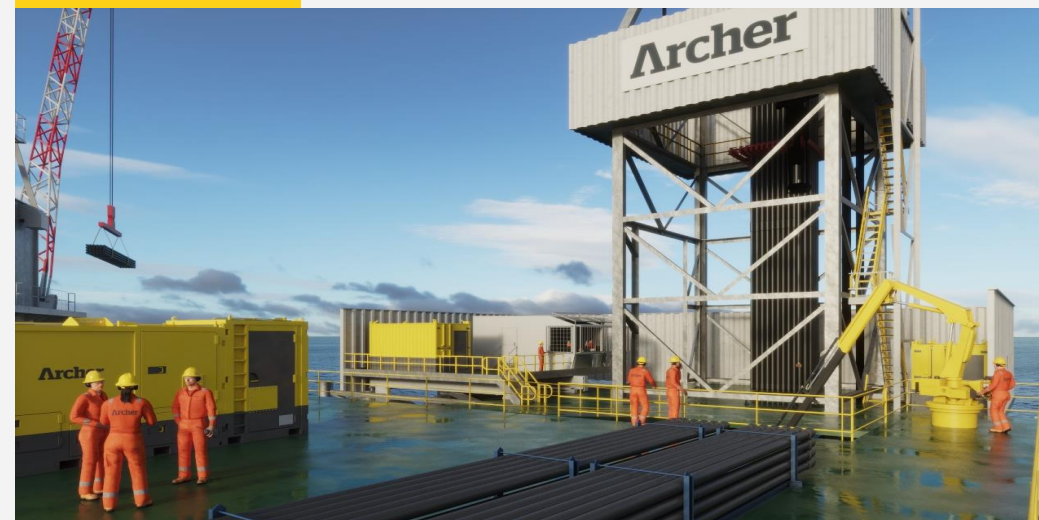
- North Sea and Brazil focused operation based on long-term contracts with operators
- A leading platform drilling provider in the North Sea
- Primarily exposed to production, late life and decommissioning
- Annual cash contribution of about \$40m over the last years
- Estimated backlog of more than \$2bn (incl. options)
- Investing in lighter P&A units to support growth in '26 and beyond

Resilient EBITDA over time

EBITDA (\$m)



Diverse service offering



Platform Drilling



Engineering



Modular Rigs



Rental



Land Drilling: Cash positive drilling and workover services

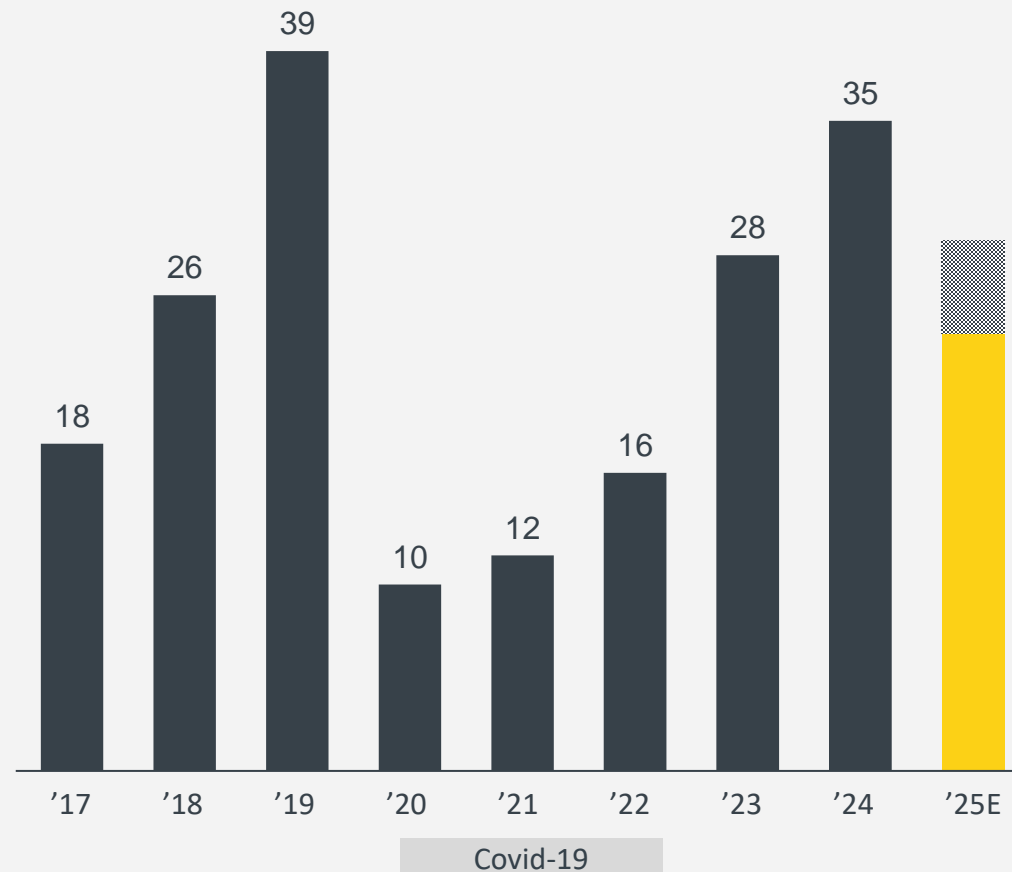
A leading land drilling provider in Vaca Muerta

- A leading provider of land drilling and workover services in Argentina
- Self-sufficient and cash positive business
- Completed down-manning of ~550 employees related to reduced drilling activity in the south of Argentina
- The reduction in activity and '25E EBITDA is more than offset by reduced maintenance capex, working capital release and sale of excess equipment, giving a net positive impact on cash flow
- We expect activity in the south to remain muted, while Vaca Muerta is set to rebound as investments shift from infrastructure to drilling and completion activity
- More than \$70m cash dividend received from Land Drilling since '16



Financial profile

EBITDA (\$m)



Renewable Services: A broad offering with profitable and growing operations

Renewable services offering

- Service offering with geothermal energy, carbon storage, wind and hydropower, without taking EPCI risk
- Meaningful underlying demand growth for geothermal and hydropower services
- Strategy to grow and develop the renewable service offering organically for further value creation
- Secured backlog and visibility for geothermal drilling in Iceland and Philippines
- Executing wind foundation contract by TotalEnergies



Geothermal Power

Deep drilling for power generation

District Heating

Shallow wells for heating and cooling

Carbon Storage

Storage wells for mineralization of CO₂

Floating Offshore Wind

Floating substructures for wind turbines

Windpower Services

Wind turbine maintenance services

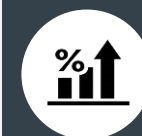
Hydropower Services

Hydropower plant maintenance services

'25E key figures



Revenue above \$100m



8-12% EBITDA margin



Positive cash contribution



250-300 skilled employees



Positioned in the resilient brownfield and energy transition market segments

Main market exposure: ~90% of Archer revenue

Greenfield operations



Services for exploratory wells and well construction equipment

Brownfield operations

Late life production



- ✓ Services to optimize production in existing fields that has the lowest cost per barrel
- ✓ Brownfield operations forms the backbone of our client's cash flow
- ✓ Least cyclical part of O&G production, securing long-term, stable demand for our services

Energy transition

Well P&A and decommissioning



- ✓ Services to plug and abandon wells as oil fields reach end of life
- ✓ Activity driven by mature fields and increased legislation
- ✓ Significant number of wells to be abandoned within next 5-10 years
- ✓ Archer have one of the broadest P&A tool portfolios

Renewables



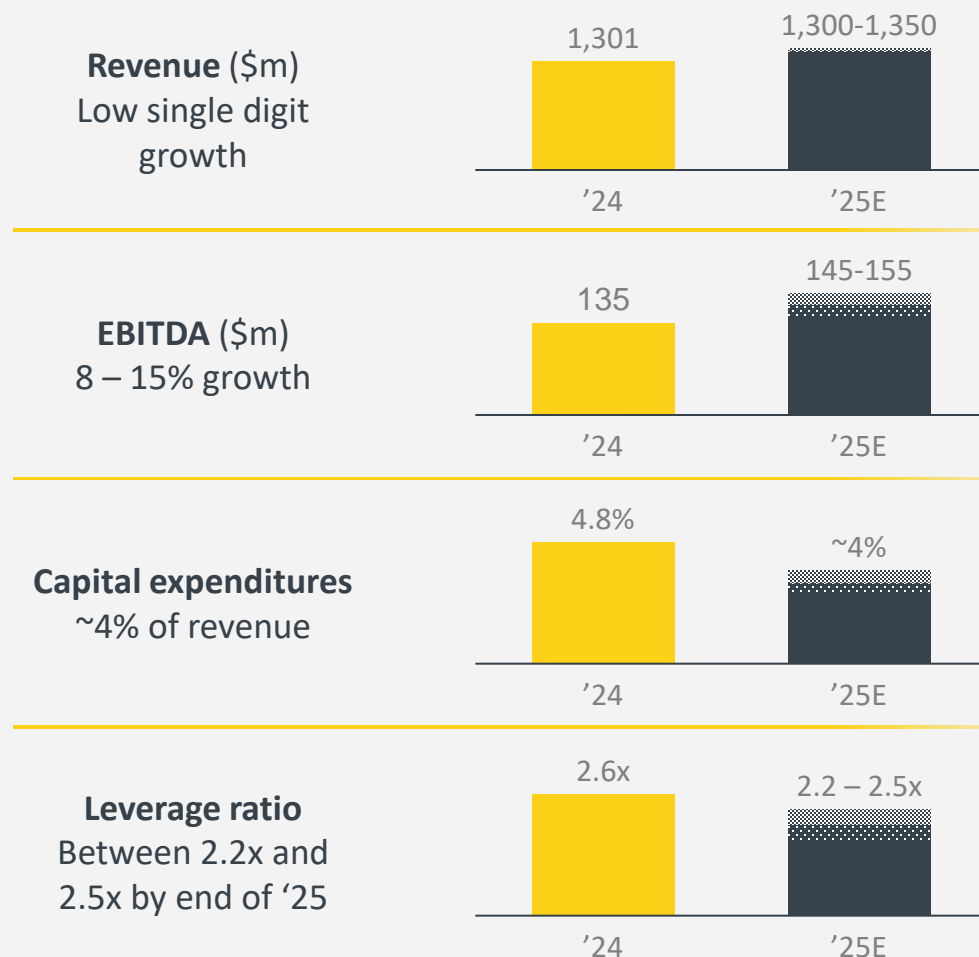
Services to the geothermal industry and other renewables segments

Resilient business model through exposure to the least cyclical parts of the O&G industry



Archer financial guidance for 2025

'25 Financial estimates¹



Key takeaways

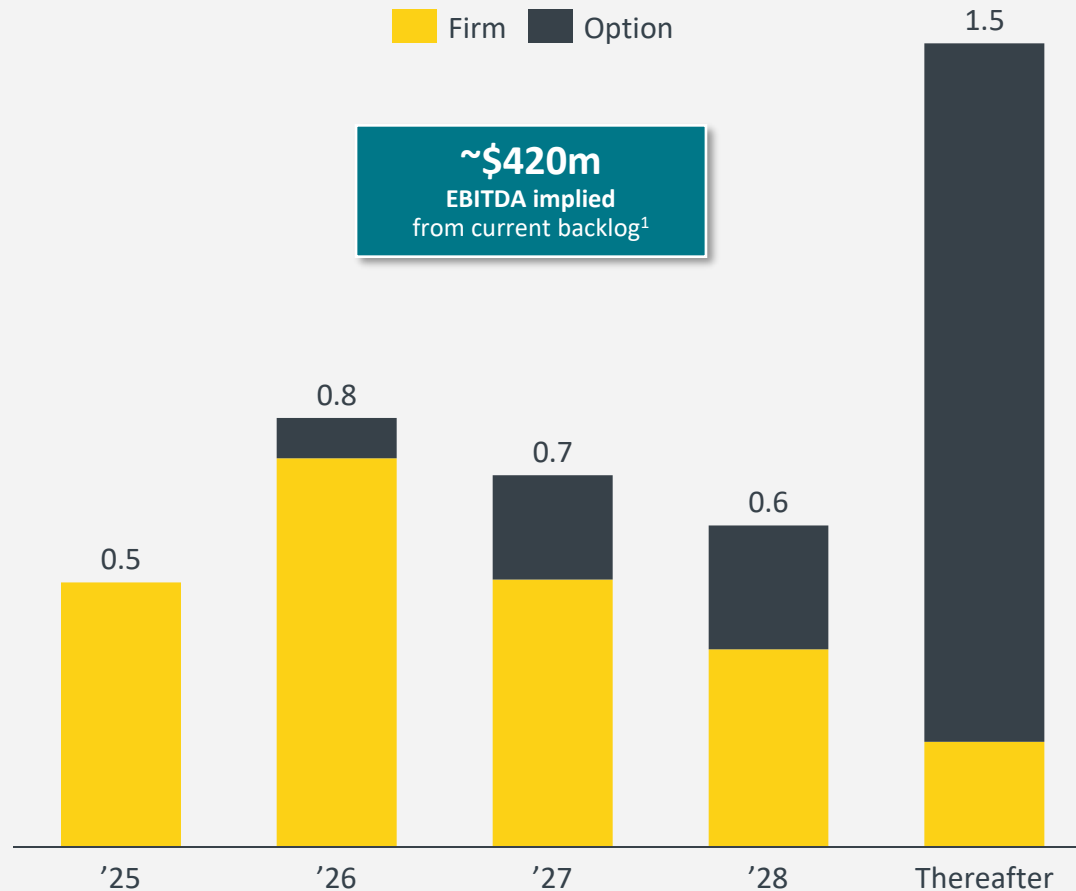
- Recent adjustments related to reduced activity in Argentina and slightly softer well services market in the US and the UK
- Revenue set to increase by low single digits, as underlying growth is offset by reduction in Land Drilling activity
- No change to cash distribution capacity and policy
- EBITDA '25E to increase by 8-15% from '24
- Adjusted EBITDA, reflecting restructuring costs to align cost structure to current activity, in line with previous EBITDA guidance of \$155-170 million
- Capex to be around 4% of revenue, following growth investments in lighter P&A units, offset by reduction in maintenance capex in Land Drilling
- We expect second half of '25 to be stronger than first half, due to commencement of projects and seasonal activity
- Strong cash flow allowing for debt servicing, deleveraging and continued cash distribution to shareholders
- Target to reach a leverage ratio of 1.5 - 2.0x over time

¹ All numbers estimates assume stable USD/NOK and GBP/USD and are estimated based on the financial guidance for '25.



Outlook backed by \$4.2bn backlog

Revenue backlog | \$bn

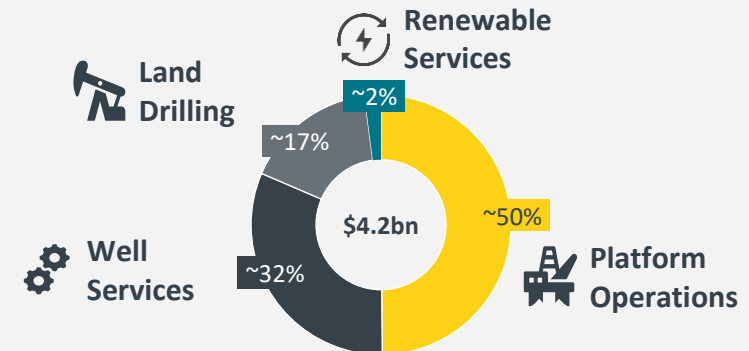


¹ Assuming 10% EBITDA margin (conservative view)

Diverse service offering

- Firm backlog of more than \$2.3bn, with an additional \$1.9bn in contract options
- About half of backlog coming from long-term platform operation contracts with blue-chip E&P operators, with Equinor being the largest
- Well services revenue mostly based on framework agreements

Backlog split by divisions



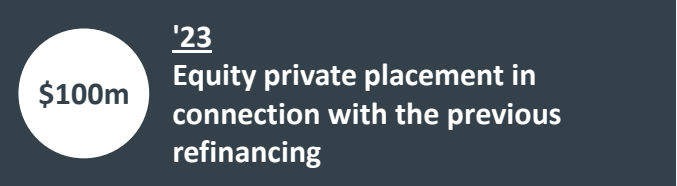


Long-term support from shareholders led by Hemen

Archer has been part of the Hemen portfolio since inception

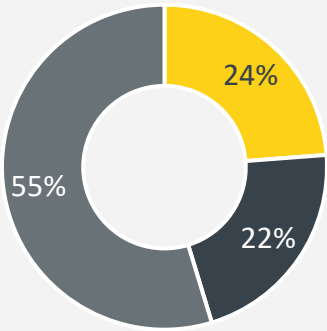


Raised \$150m in equity last 2 years



Shareholder split by type

Paratus Hemen¹ Free float



¹ Hemen own indirectly approx. 28% of Archer through its 29.1% ownership in Paratus combined with its 21.5% direct ownership in Archer



Appendix

1

Premium Oilfield Services

2

Archer

3

Market

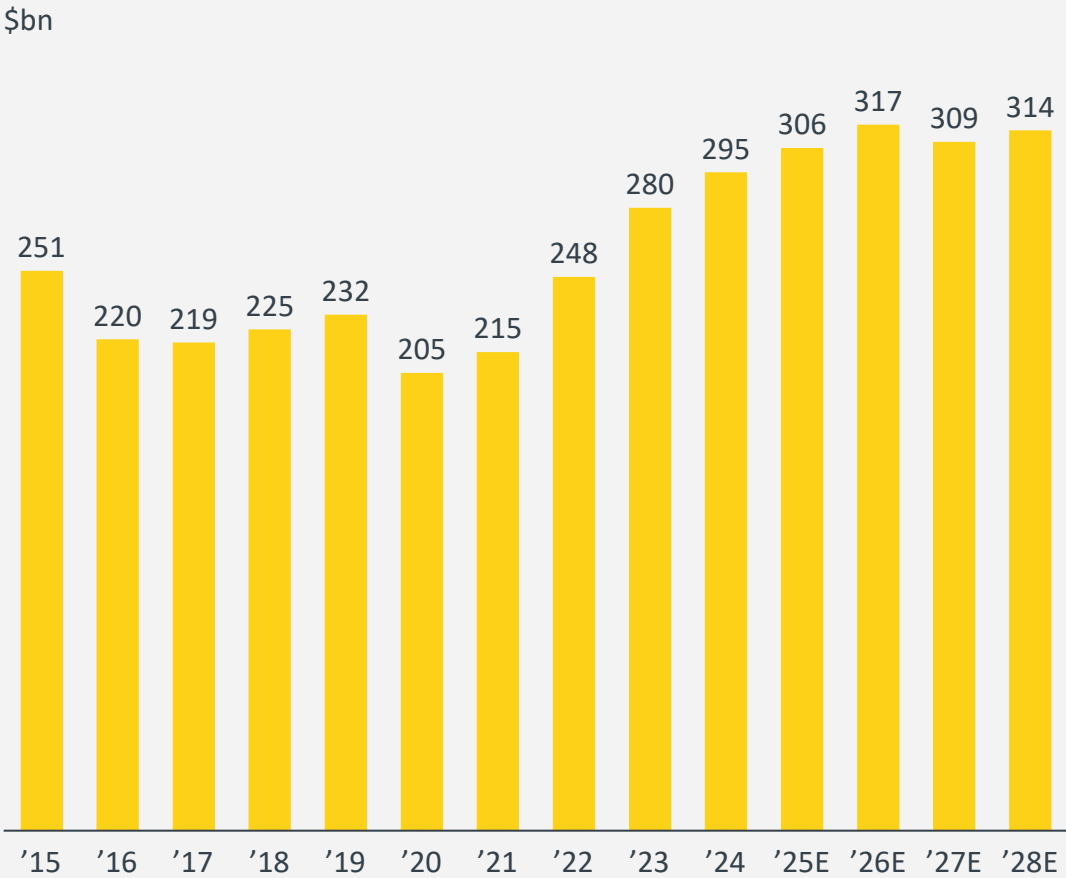
4

Risk factors

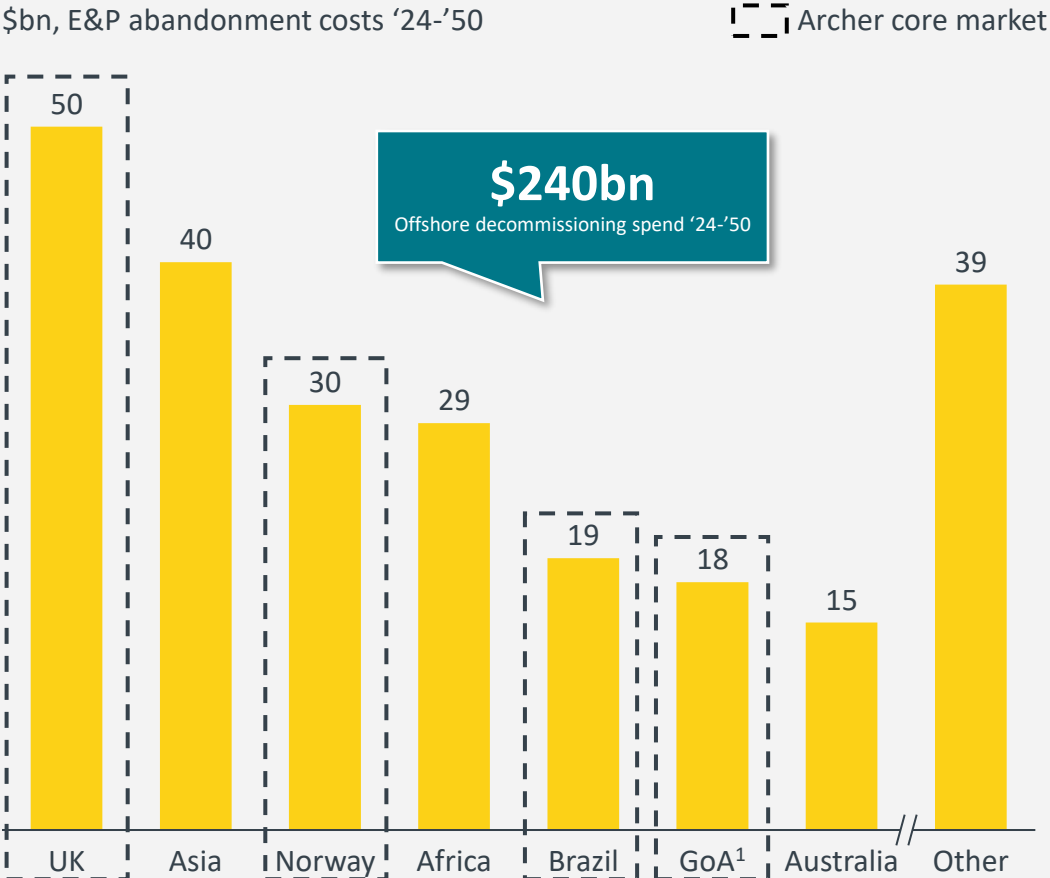


Positioned in the low-cyclical brownfield segment and emerging P&A market

Stable brownfield E&P market with increased spending forecast



Archer positioned in key P&A regions



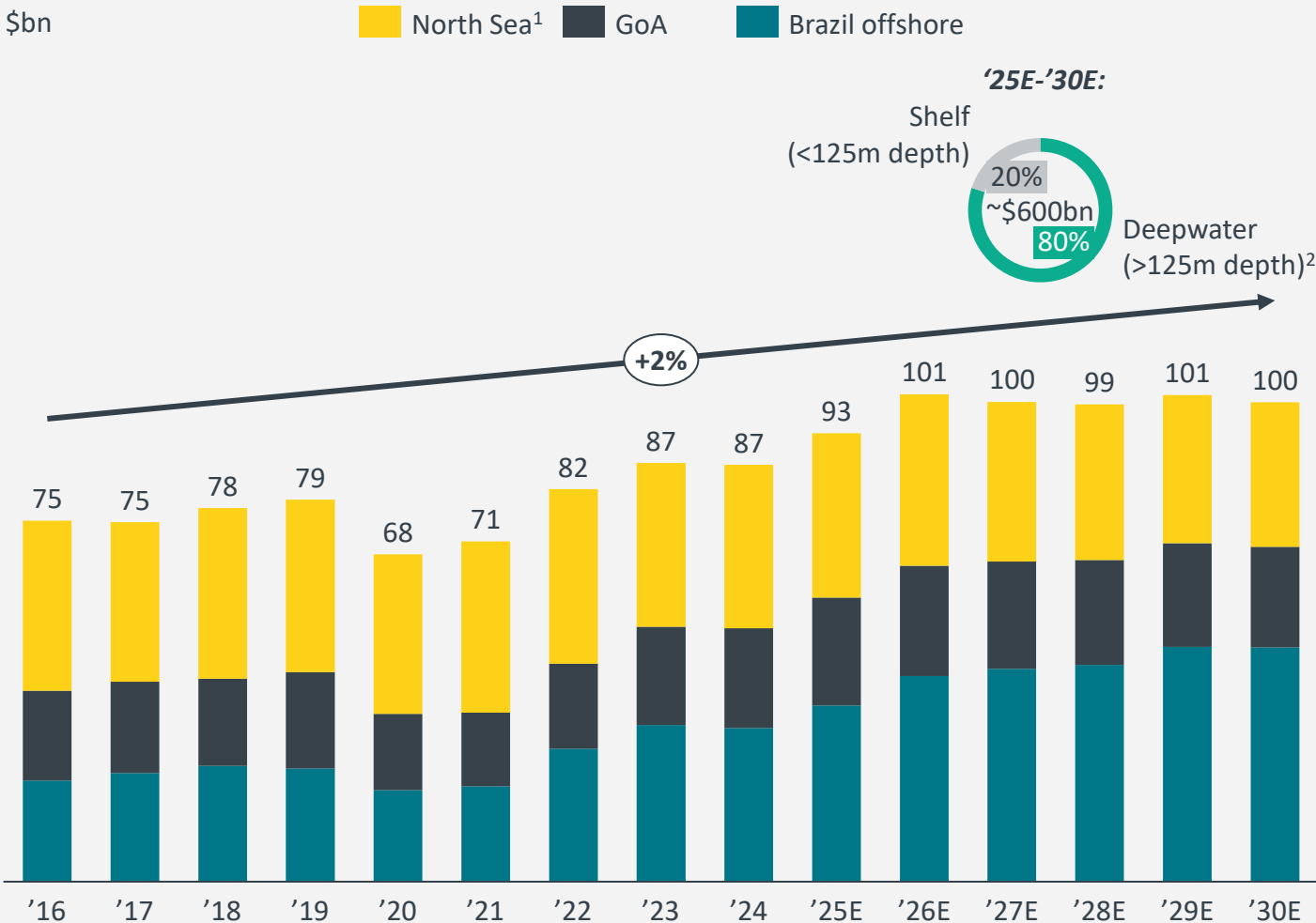
Increased forecast spending paired with Archer's strong P&A offering in key regions provide favourable backdrop

¹ "GoA" market includes Gulf of America deepwater and ultra deepwater only (e.g. not offshore shelf or onshore US)
Source: Rystad Energy



Solid spending outlook for Archer's brownfield services in core markets

E&P brownfield spending in key Archer markets



¹ Offshore Norway, UK, Denmark and Netherlands ² Deepwater and Ultra deepwater defined as water depth of more than 125 meters. Shelf: Water depth up to 125m
Source: Rystad Energy

Comments



Main services within brownfield, which is less sensitive to the oil price



E&P brownfield spending to '30 relates to existing, producing fields



Stable spending in core markets, with Brazil as a key growth region



~80% of spending related to deepwater, which is core to Archer's offering



Appendix

1

Premium Oilfield Services

2

Archer

3

Market

4

Risk factors



Risk factors 1/9

RISK FACTORS

*An investment in Archer Limited (the "**Company**") and, together with its subsidiaries, the "**Group**") involves a high degree of risk. An investment in the Company's shares (the "**Shares**") is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of their investment. Potential investors should carefully consider the risk factors set out below in addition to the other information contained in the Presentation before making an investment decision.*

The risk factors included herein, are as of the date of this Presentation, and are presented in a limited number of categories, where each individual risk factor is sought placed in the most appropriate category based on the nature of the risk it represents. Within each category the risk factors deemed most material for the Group, taking into account their potential negative affect on the Company and its subsidiaries and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The risks mentioned herein could materialise individually or cumulatively. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties in that risk factor are not genuine and potential threats, and they should therefore be considered prior to making an investment decision.

If any of the following risks were to materialize, individually or together with other circumstances, this could have a material adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and pricing of the Company's Shares, resulting in loss of all or part of an investment in the Shares. The risks and uncertainties described below are not the only risks the Group may face. Additional risks and uncertainties that the Group currently believes are immaterial, or that are currently not known to the Group, may also have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

1. Risks relating to Group and the industry in which it operates

The Group's business depends on the development and production of oil and gas in the North Sea and internationally

The Group's business depends on the level of activity of oil and gas exploration, development and production in the North Sea and internationally, and in particular, the level of exploration, development and production expenditures of the Group's customers. The North Sea is a mature oil and natural gas production region that has experienced substantial seismic survey and exploration activity for many years. Because a large number of oil and natural gas prospects in this region have already been drilled, additional prospects of sufficient size and quality could be more difficult to identify in the future. The decrease in the size of oil and natural gas prospects and a decrease in production may result in reduced drilling activity in the North Sea. As a significant portion of the Group's business is conducted in the North Sea, such decrease may reduce the demand for the Group's services, which would adversely affect the Group's business, results of operations, cash flows, financial condition and prospects. However, the energy transition and the permanent abandonment of existing fields and wells will mitigate some of the risk in the short to medium term. The risk for the Group's business is the timing of when the decline in development and production of oil and gas in the North Sea and Internationally are materialising and when the Group experiences uptick in the volume of permanent abandonment and decommission.

Currently, approximately 10% of the Group's revenue is related to exploration and new development services, approximately 75% from services related to oil and gas production (brownfield), approximately 10% from services related to permanent plugging & abandonment of wells and decommissioning while approximately 5% is generated from services related to renewable energy.

Further, although the pace and magnitude of the demand for a shift from hydrocarbons to renewable energy sources is uncertain and difficult to predict, such energy transition could lead to a decline in the demand for the Group's services and thus negatively affect the Group, and there can be no assurance that the Group will be able to successfully adapt to such energy transition.

The Group's business is significantly dependent on the level of oil and gas prices

The demand for the Group's drilling and well services is adversely affected by declines in exploration, development and production activity associated with depressed oil and natural gas prices. Historically, oil and gas prices have been highly volatile and subject to large fluctuations in response to relatively minor changes in the supply of and demand for oil and gas, market uncertainty and a variety of other economic and political factors, as seen in connection with the COVID-19 pandemic and the war in Ukraine.

Lower oil prices typically result in significant reductions in capital expenditure budgets, cancellation or deferral of projects and reductions in discretionary expenditures. Certain development projects could also become unprofitable as a result of price declines, which could in turn result in the Group postponing or cancelling a planned project or, if it is not possible to cancel the project, carrying out the project with negative economic impact. In addition, the Group may face property impairments if prices fall significantly. However, higher prices do not necessarily translate into increased drilling activity since clients' expectations about future commodity prices typically drive demand for the Group's services. As such, no assurance can be given that oil prices will remain at levels which will enable the Group to do business profitably or at levels that make it economically viable to produce from certain wells and any material decline in such prices could result in a reduction of net production volumes and revenue and a decrease in reserves and in the valuation of exploration, appraisal, development and production properties.

Additionally, adverse changes to commodity prices could reduce the Group's ability to refinance outstanding indebtedness in the event lenders or investors reduce access to liquidity in response to such adverse changes. Consequently, changes in oil and gas prices may adversely affect the Group's business, results of operations, cash flow, financial condition and prospects.



Risk factors 2/9

The Group's industry is highly competitive

The Group's industry is highly competitive. The Group's contracts are traditionally awarded on a competitive bid basis, with pricing often being the primary factor in determining which qualified contractor is awarded a job, although each contractor's technical capability, product and service quality and availability, responsiveness, experience, safety performance record and reputation for quality can also be key factors in the determination.

Several other oilfield service companies are larger than the Group and have resources that are significantly greater than the Group's resources. Furthermore, the Group competes with several smaller companies capable of competing effectively on a regional or local basis. These competitors may be able to better withstand industry downturns, compete on the basis of price, and acquire and implement new equipment and technologies. Should the Group not be able to compete effectively, this could adversely affect the Group's revenues and profitability.

For most of its businesses, the Group is primarily awarded contracts by participating in tender processes. However, some of the Group's contracts are entered into following direct negotiations with clients. Where the Group tenders for contracts, it is generally difficult to predict whether the Group will be awarded contracts on favourable terms or at all. The tenders are affected by several factors beyond the Group's control, such as market conditions, competition (including the intensity of the competition in a particular market), financing arrangements and governmental approvals required by clients.

The Group's ability to renew or extend existing contracts or sign new contracts will largely depend on prevailing market conditions. If the Group is unable to sign new contracts or if new contracts are entered into at rates or prices substantially below the current cost levels or on terms otherwise less favourable compared to existing contract terms, the Group's business, results of operations, cash flow and financial condition may be adversely affected.

The Group's Argentina operations could be affected by government action

The Group's land drilling division provides drilling and workover services to operators in Argentina, and these operations account for approximately 25% of the Group's total revenues. Argentina's has in the past defaulted on its sovereign debt, and from time-to-time imposed capital restrictions, both leading to a challenging situation for the oil and gas sector in the country, including the oil service industry. How the government of Argentina invests in the energy sector, makes changes to employment and labour legislation (see also the description under "Risks related to labour disruptions" below), and formulates policy around taxation, currency control and exchange, national debt repayment and commodity pricing could all have a significant effect on the Group's business in Argentina.

For instance, the Argentinean government continue to impose strict capital controls, including restrictions on payment to related parties for services rendered. This restricts payment from Argentinean Archer entities to non-Argentinean Archer entities using the official foreign exchange market rates. Until these capital controls are lifted, there is a risk that the Group will not be in a position to freely utilise cash generated from its Argentinean operation, to settle internal bareboat obligations to other Group companies outside Argentina, to support the rest of the Group's activity.

Argentina has recently taken significant steps to support the development of its oil and gas resources, focusing primarily on the massive Vaca Muerta shale formation. Recent initiatives include investments in pipeline expansion, legislative reforms and sanctioning of LNG export infrastructure projects. These measures aim to transform Argentina into a significant player in the global energy market while bolstering domestic energy security. Should the government be unsuccessful in the implementation of these measures, either through financing constraints, policy reversal or delays in the approval processes, there would be lower demand for Archer's services in Argentina, which could have an adverse effect on both activity levels and profitability in the Group's Argentinean operation.

Risks related to cessation or change of the Group's operations in Argentina

The Group's land drilling division provides drilling and workover services to operators in Argentina, and these operations account for approximately 25% of the Group's total revenues. A significant portion of the Group's operational activity in Argentina is conducted under a key contract with a significant operator in the region. The continuation of this contract is important for the Group's ongoing operations and revenue generation in Argentina. Although the Group actively seeks to maintain strong partnerships, there is a possibility that operators may choose to terminate agreements or decide not to renew them, which, in turn, could result in the Group needing to halt or significantly alter its operations in Argentina. For instance, one of the Group's clients in Argentina recently cancelled contract for 12 workover-/pulling units/rigs during the first half of 2025, leading to reduced activity and down manning of 550 employees. The total termination costs amounted to approximately USD 40 million which, in this case, were largely agreed to be paid by the client. However, no assurance can be made that such costs will be rechargeable to the Group's customers in the future.

A prolonged gap in operations could require adjustments to the scale of its activities in the region. If a suitable replacement contract or partnership cannot be secured within a reasonable timeframe, the Group may be forced to reduce or cease its activities in Argentina entirely. This could result in idle drilling rigs and equipment, which would have a direct negative impact on the Group's revenue. A complete cessation of operations could also require the Group to shut down its local operations, including administrative functions and the supply chain related to its Argentine land drilling services. This would, in turn, lead to the potential need for a large-scale reduction in workforce, as the Group would no longer require local personnel for the continuation of drilling activities. Argentina has strict labor laws, and the Group would face substantial severance costs and other liabilities associated with workforce reduction. These statutory obligations could include severance pay, compensation for accrued benefits, and other legal entitlements, which would significantly strain the Group's financial resources.

The risk of an operational shutdown or significant scaling back of activities in Argentina could result in substantial financial losses, both from lost revenue and the costs associated with employee termination. These costs, combined with the potential disruption to the Group's operations, could materially affect its profitability, cash flow, and overall financial position.



Risk factors 3/9

The Group may pursue acquisitions that prove unsuccessful or divert its resources

Acquisitions have historically been, and may continue to be, important for the growth of the Group's business, and the Group may consider making strategic merger and acquisitions to support further growth and profitability. In 2023, the Group completed the acquisition of Romar-Abrado and the acquisition of Baker Hughes' coiled tubing business in the UK, both of which are included in the well services reporting segment. During 2024, the Company acquired 65% of the shares in Vertical Services AS, 100% of the shares in Moreld Ocean Wind, 100% of the shares in ADA Argentina, and an additional 10% of the shares in Iceland Drilling. Further, in November 2024, the Company completed the acquisition of Wellbore Fishing & Rental Tools, LLC ("WFR"), as announced on 18 November 2024. Furthermore, the purpose of the contemplated Private Placement is to finance the acquisition of Premium Oilfield Services ("Premium"). [The acquisition is, however, subject to closing conditions and there can be no assurance that such conditions will be fulfilled. There is a risk that the Group will not be able to successfully integrate Premium, WFR or any other future acquisitions into the Group, or that any of the other risks set out in the below paragraphs may materialize with respect to such acquisitions.

Successful growth through acquisitions is dependent upon the Company's ability to identify suitable acquisition targets, conduct appropriate due diligence, negotiate transactions on favourable terms and ultimately complete such acquisitions and integrate acquired entities, including retaining key personnel. There can be no assurance that acquisition opportunities will be available on acceptable terms or at all, or that the Group will be able to obtain necessary financing or regulatory approvals to complete potential acquisitions. Its assessment of and assumptions regarding acquisition targets may prove to be incorrect, and actual developments may differ significantly from expectations. The Group may not be able to integrate acquisitions successfully, synergies may not be realized, and integration may require greater investment and time than anticipated. Additionally, any acquisitions completed by the Group may result in unintended consequences, for example, if significant liabilities are not identified during due diligence or come to light after the expiration of any applicable warranty or indemnity periods, this could result in unexpected financial burdens, impair the Group's ability to meet its financial commitments, impact its overall financial condition and otherwise have a material adverse effect on the Group.

Additionally, the process of integrating the business of target companies may be disruptive to the Group's operations, as a result of, among other things, unforeseen legal, regulatory, contractual and other issues, including or following disputes with minority shareholders, and difficulties in realizing operating synergies, which could adversely affect its results of operations. Moreover, successful integration of the targets may place a significant burden on management and other internal resources. The diversion of management's attention, and any difficulties encountered in the transition and integration process, could harm the Group's business, financial condition and results of operations.

A small number of customers account for a significant portion of the Group's total operating revenues

The Group derives a significant amount of its total operating revenues from a few energy companies. In the year ended 31 December 2024, Equinor and Pan American Energy accounted for approximately 39.1% and 19.1% of the Group's total operating revenues, respectively. During the year ended 31 December 2023, contracts from Equinor and Pan American Energy accounted for 45.3% and 18.0% of the Group's total operating revenues, respectively. Consequently, the Group's financial condition and results of operations will be materially adversely affected if these customers interrupt or curtail their activities, terminate their contracts with the Group, fail to renew their existing contracts or make timely payments under existing contract, or refuse to award new contracts to the Group, and the Group is unable to enter into contracts with new customers at comparable day rates. As such, the loss of any significant customer could adversely affect the Group's financial condition and results of operations.

An oversupply of comparable rigs in the geographic markets in which the Group competes could depress the utilization rates and day rates for its rigs

Utilization rates, which are the number of days a rig actually works divided by the number of days the rig is available for work, and day rates, which are the contract prices customers pay for rigs per day, are also affected by the total supply of comparable rigs available for service in the geographic markets in which the Group competes. Improvements in demand in a geographic market may cause the Group's competitors to respond by moving competing rigs into the market, thus intensifying price competition. Significant new rig construction could also intensify price competition. In the past, there have been prolonged periods of rig oversupply with correspondingly depressed utilization rates and day rates largely due to earlier, speculative construction of new rigs. Improvements in day rates and expectations of longer-term, sustained improvements in utilization rates and day rates for drilling rigs may lead to construction of new rigs. Furthermore, these increases in the supply of rigs could also depress the utilization rates and day rates for the Group's modular rigs and thus materially reduce the Group's revenues and profitability for this segment. The Group's land drilling operations in Argentina are particularly exposed to the aforementioned risks.

The Group will experience reduced profitability if its customers reduce activity levels or terminate or seek to renegotiate their contracts with the Group

Currently, the Group's drilling services contracts with major customers are largely day rate contracts, pursuant to which the Group charges a fixed charge per day regardless of the number of days needed to drill the well. Likewise, under the Group's current well services contracts, the Group charges a fixed daily fee. During depressed market conditions, a customer may no longer need services that are currently under contract or may be able to obtain comparable services at a lower daily rate. As a result, customers may seek to renegotiate the terms of their existing platform drilling contracts with the Group or avoid their obligations under such contracts. In addition, the Group's customers may have the right to terminate, or may seek to renegotiate, existing contracts if the Group experiences downtime, operational problems above the contractual limit or safety-related issues or in other specified circumstances, which include events beyond the control of either party. These situations could not only impact the Group's financial performance but also carry reputational risks, particularly if the cancellation or renegotiation of contracts is perceived negatively by existing or potential clients, potentially damaging the Group's ability to secure future business or maintain strong long-term relationships with key clients. Additionally, contract cancellations may require the Group to scale back operations, which could further impact its reputation among key clients, partners, and stakeholders. Reputational damage may arise if the Group is seen as unable to fulfill its contractual obligations or sustain operations in the region, potentially resulting in lost business opportunities and strained relationships with suppliers, subcontractors, and other critical partners.



Risk factors 4/9

The Group's firm backlog estimated to USD 2.3 billion end of June 2025, could be changed by operators giving notice to change in work scope, or operators could terminate these contracts. Operators' changes to work scope on existing contracts or termination, could potentially impact the Group's annual revenue by 50% over the next 3-4 years.

Further, some of the Group's contracts with its customers include terms allowing the customer to terminate the contracts without cause, with little or no prior notice and without penalty or early termination payments. In addition, under some of its existing contracts, the Group could be required to pay penalties if such contracts are terminated due to downtime, operational problems or failure to perform by the Group. Some of the Group's other contracts with customers may be cancellable at the option of the customer upon payment of a penalty, which may not fully compensate the Group for the loss of the contract. Early termination of a contract may result in the Group's employees being idle for an extended period of time. If the Group's customers cancel or require the Group to renegotiate some of its significant contracts, and the Group is unable to secure new contracts on substantially similar terms, or if contracts are suspended for an extended period of time, the Group's revenues and profitability would be materially reduced.

Exploration and production operations involve numerous operational risks and hazards

Substantially all of the Group's operations are subject to hazards that are customary for exploration and production activity, including blowouts, reservoir damage, loss of well control, cratering, oil and gas well fires and explosions, natural disasters, pollution and mechanical failure. Any of these risks could result in damage to or destruction of drilling equipment, personal injury and property damage, suspension of operations, or environmental damage, and may subject the Company to claims and litigation.

To the extent that the Group is unable to transfer risks such as the above-mentioned to customers by contract or indemnification agreements, the Group generally seeks protection through customary insurance to protect its business against these potential losses. However, there is no assurance that such insurance or indemnification agreements will adequately protect the Group against liability from all of the consequences of the hazards and risks described above. The occurrence of an event for which the Group is not fully insured or indemnified against, or the failure of a customer or insurer to meet its indemnification or insurance obligations, could result in substantial losses.

The Group almost invariably transfer the following risks to clients (i) pollution/contamination/reservoir risk, (ii) injury/death to their personnel, (iii) damage to their owned property, and (iv) blowouts/uncontrolled flow of hydrocarbons. There are some contracts in some jurisdictions where it is more common to impose a 'deductible' for these events with an indemnity over that sum, or where an indemnity is excluded for the Group's own gross negligence or willful misconduct (either by contract or operation of law). The Group would seek cover such deductible/exclusion from insurance. The Group insures for and generally takes the risks for its own property, personnel, and pollution/contamination emanating or existing on its own property. The Group insures for all these events.

Risks relating to cyber-attacks

The Group relies heavily on technology and data systems in order to conduct its operations. The Group's software, technology, data, websites or networks, as well as those of third parties, are vulnerable to security breaches, including unauthorised access, computer viruses or other cyber threats that could have a security impact. Although the Group has implemented security systems, the Group may not be able to prevent cyber-attacks, such as phishing and hacking, or prevent breaches caused by employee error, in a timely manner or at all. If such events occur, unauthorised persons may access or manipulate confidential and proprietary information of the Group, destroy or cause interruptions in the Group's data systems which in turn could adversely hamper the Group's ability to execute projects and otherwise conduct its business. Consequently, cyber-attacks or breaches negatively affecting the Group's data systems could have a material adverse effect on the Group's business, financial condition and results of operations.

Operational and environmental challenges in offshore wind development

Through the acquisition of Moreld Ocean Wind, which is now renamed Archer Wind, Archer entered the early phase of development of offshore wind solution. In August 2024, Archer was awarded a contract by TotalEnergies, for the delivery of the floating wind foundation for a wind pilot which will be connected to the Culzean platform in UK. The offshore wind industry is in the development phase, and currently there are several concepts for the offshore wind industry being developed and explored.

The installation of a not yet to be proven concept-solution involve significant operational, environmental, economical and regulatory challenges that could result in cost overruns, delays, or project failures, adversely impacting the Group's business and financial performance within the offshore wind division under development in the Group. Should the wind pilot for the Culzean platform prove technical, commercial and operational successful, there is still a risk that any future offshore wind projects include risks relates to governmental approval of offshore wind projects, governmental funding support in the start-up phase of the industry, the location of the wind projects with approval from local communities, operators, or others willingness to fund the construction wind projects and the successful installing of the first offshore wind projects.

Pending the successful construction of the concept and testing of concept, will impact future activity. Should the construction and testing of the concept be unsuccessful, either proving to not be technical satisfactory or economically viable, the company is unlikely to continue within offshore wind development, and could incur cost related to unwinding all the business.

Risks related to dependency on suppliers and subcontractors in the Group's business

The Group relies on a range of suppliers and subcontractors for critical equipment, materials, specialized services, and labour required to deliver its drilling and well services. Any disruption in the supply of these goods or services, whether due to supplier insolvency, supply chain interruptions, price fluctuations, or subcontractor performance issues, could negatively impact the Group's operations and ability to fulfill contractual obligations. Additionally, the Group may be dependent on a limited number of suppliers or subcontractors for certain key components or specialized tasks, which increases the risk of delays or disruptions if these parties are unable to meet the Group's demands. Reputational risks also arise if the performance or reliability of suppliers and subcontractors falls short of expectations, particularly with key clients. Failure to meet project deadlines or contractual obligations, as well as reputational damage from these parties' failures, could undermine client trust and affect future business opportunities. If any such disruptions or reputational issues occur, they could adversely affect the Group's business, operations, financial performance, and ability to meet project deadlines and contractual obligations.



Risk factors 5/9

Risks relating to trade tariffs

Archer operates in a global economic environment where trade policies, including the imposition of tariffs and other trade restrictions, can significantly impact financial markets and demand for services. Government actions affecting international trade, including new or increased tariffs, trade barriers, sanctions, or other restrictions, may influence the overall economic climate and Archer Limited's operational performance.

Trade tariffs can create volatility in financial markets, leading to fluctuations in currency exchange rates, interest rates, and commodity prices. Such volatility may impact Archer's cost structure, financing capabilities, and overall financial stability. Additionally, trade disputes between major economies can result in decreased investor confidence, affecting capital availability and market valuation.

The imposition of tariffs on key raw materials and finished goods used in our industry may increase operational costs for our clients, leading to potential reductions in demand for Archer's services. Tariff-related uncertainties may also cause delays or cancellations in investment decisions, further impacting our revenue streams. Furthermore, retaliatory tariffs imposed by other nations could limit market access for key customers, indirectly reducing the demand for our services.

2. Risks related to law, regulation and litigation

Risks related to the Group's international operations

The Group has had operations in 40 countries in Asia, Oceania, Europe, North America, South America, the Middle East and Africa, and may expand into new countries and geographies in the future. As such, the Group's operations are subject to various laws and regulations in the countries in which it operates, whose political and compliance regimes differ. Part of the Group's strategy is to prudently and opportunistically acquire businesses and assets that complement the Group's existing products and services and to expand the Group's geographic footprint. There can, however, be no assurance that that Group will be able to successfully integrate businesses or assets acquired in the future (domestic or abroad), and there is a risk that substantial costs, delays, business disruptions or other issues could arise in connection with such acquisitions, which in turn could have a material adverse effect on the Group. Further, if the Group makes acquisitions in other countries, the Group may increase its exposure to various risks, such as unexpected changes in regulatory requirements, foreign currency fluctuations and devaluation, increased governmental ownership and regulation of the economy in markets in which the Group operates, and other forms of government regulations beyond the Group's control. Governments in some foreign countries have become increasingly active in regulating and controlling the ownership of concessions and companies holding concessions, the exploration for oil and natural gas, and other aspects of their countries' oil and natural gas industries. In some areas of the world, this governmental activity has adversely affected the amount of exploration and development work done by major oil and natural gas companies and may continue to do so. For instance, the Company has observed certain foreign exchange restrictions in Argentina and Angola, an increase of local content legislation in West Africa and more challenging contracting practices by national oil companies (NOCs) in e.g. Brazil, United Arab Emirates and Malaysia.

Further, in some of the foreign jurisdictions in which the Group operates, or may operate in the future, the Group is subject to foreign governmental regulations favouring or requiring the awarding of contracts to local contractors or requiring foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. These regulations may adversely affect the Group's ability to compete.

The risks described above could cause the Group to curtail or terminate operations, result in the loss of personnel or assets, disrupt financial and commercial markets, and generate greater political and economic instability in some of the geographic areas in which the Group operates. Further, there can be no assurance that the Group will be able to comply with applicable regulations in all countries in which it operates or that the Group can do so without incurring unexpected costs. If these or other risks related to the Group's international operations cannot be effectively managed, the business, financial condition and results of operations of the Group may be materially affected

The Group is subject to governmental laws and regulations, some of which may impose significant liability on the Group

Many aspects of the Group's operations are subject to laws and regulations that relate, directly or indirectly, to the oilfield services industry, including laws requiring the Group to control the discharge of oil and other contaminants into the environment, requiring removal and clean-up of materials that may harm the environment, controlling carbon dioxide emissions or otherwise relating to environmental protection. The Group incurs, and expects to continue to incur, capital and operating costs to comply with environmental laws and regulations.

Although the Group actively works towards minimizing the risk of damage to the environment as a result of its operations, there are still risks of environmental damage and negative consequences for the Group. For example, the Company reported two minor spills in 2020 (of in total 80 litres mud). Failure to comply with environmental laws and regulations may result in the assessment of administrative, civil and even criminal penalties, the imposition of remedial obligations, and the issuance of injunctions that may limit or prohibit the Group's operations. The technical requirements of environmental laws and regulations are becoming increasingly expensive, complex and stringent. The application of these requirements, the modification of existing laws or regulations or the adoption of new laws or regulations curtailing exploration and production activity could materially limit the Group's future contract opportunities, limit the Group's activities or the activities and levels of capital spending by the Group's customers, or materially increase the Group's costs

Risk factors 6/9

Failure by the Group to comply with anti-bribery laws may have a negative impact on its ongoing operations.

The Group operates in countries, and may expand its operation into new countries, known to experience governmental corruption, as indicated by Transparency International's Corruption Perception Index, such as Angola, Azerbaijan, Brazil, and Indonesia. While the Group is committed to conducting business in a legal and ethical manner, there is a risk that its employees or agents or those of its affiliates may take actions that violate legislation promulgated by a number of countries pursuant to the 1997 OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions or other applicable anti-corruption laws which generally prohibit companies and their intermediaries from making improper payments for the purpose of obtaining or retaining business. Any failure to comply with the anti-bribery laws could subject the Group to fines, sanctions and other penalties against it which could have a material adverse impact on the Group's business, financial condition and results of operations.

The Group is exposed to risk due to changes in tax laws or tax practice of any jurisdiction in which the Group operates

The Company is a Bermuda company and, as such, the Company is not required to pay taxes in Bermuda on income or capital gains pursuant to current Bermuda law. However, in December 2023, Bermuda implemented corporate income tax, effective for fiscal years beginning on or after 1 January 2025. The Bermuda income tax rules are intended to align to the Organisation for Economic Co-operation and Development's global anti-base erosion (GloBE) rules to support consistent and predictable tax outcomes. The calculation of taxable income begins with financial fluctuation and restrictions on currency repatriation where possible by obtaining contracts providing for payment of a percentage of the contract indexed to the U.S. dollar exchange rate. Consequently, fluctuations between USD, NOK, Argentine Pesos, British pounds, and other currencies, may have a material adverse effect on the Group's cash flow and financial condition. Furthermore, certain of the Group companies operate in jurisdictions where taxes are imposed, mainly Norway, the United States of America, Argentina, Brazil and the United Kingdom. For legal entities operating in taxable jurisdictions, the Company computes tax on income in accordance with the tax rules and regulations of the taxing authority where the income is earned.

Tax laws and regulations are highly complex and subject to interpretation and change, and the income tax rates imposed by these authorities vary. As a result, the Group may from time to time become involved in tax audits and disputes in different jurisdictions, relating to matters such as operations, deductions of interest and costs, treatment of intercompany loans, and the allocation of management fees. For instance, the Group is currently subject to two ongoing routine tax audits in Norway and Canada respectively. The outcome of these audits and timing for conclusion is currently unknown. However, depending on the findings, they could result in additional tax liabilities, penalties, or interest charges, which may have a financial impact on the Group. Furthermore, any adverse findings could lead to increased scrutiny from tax authorities, potential reputational risks, or the need for additional compliance measures. The high complexity of tax laws, combined with the Group's operations across various jurisdictions, exposes the Group to material risks regarding the correct application of tax regulations, as well as potential changes in tax legislation. Any incorrect application or changes in tax regulations or customs duty, could adversely affect the Group's business, financial condition, results of operations and prospects, and consequently negatively impact the Group's ability to meet its obligations under financing agreements or otherwise.

Risks related to labour disruptions

Union activity and general labour unrest may significantly affect the Group's operations in some jurisdictions. In Argentina and Brazil, which are countries where the Group operates, labour organizations have substantial support and considerable political influence. The demands of labour organizations in Argentina have increased in recent years as a result of the general labour unrest and dissatisfaction resulting from the disparity between the cost of living and salaries in Argentina due to the devaluation of the Argentine Peso. Should the Group's operations in Argentina, or in other countries in which the Group operates, face labour disruptions in the future, this could have a material adverse effect on the Group's financial condition and results of operations.

Risks relating to legal disputes

The Group may from time to time become involved in significant legal disputes and legal proceedings relating to operations, environmental issues, intellectual property rights or otherwise. By way of illustration, and as concerns intellectual property rights, third parties could assert that the tools, techniques, methodologies, programs and components the Group uses to provide its services infringe upon the intellectual property rights of others. Infringement claims generally result in significant legal and other costs and may distract management from running the Group's core business. Additionally, if any of these claims were to be successful, developing non-infringing technologies and/or making royalty payments under licenses from third parties, if available, would increase the Group's costs.

Furthermore, legal proceedings could be ruled against the Group and the Group could be required to, inter alia, pay damages, halt its operations, stop its projects or relinquish licences. Even if the Group would ultimately prevail, which cannot be assured, such disputes and litigation may have a substantially negative effect on the Group, its financial condition, cash flow, prospects and/or its operations.

The Group has not in recent years had any significant legal disputes or legal proceedings.



Risk factors 7/9

3. Risks related to financial matters

The Group may be unable to access sufficient funding

The Group is dependent on timely access to sufficient funding on acceptable terms, in order to execute the Group's strategy and optimise the Group's asset portfolio through acquisitions, which may be difficult to achieve if the Group faces an economic downturn or in the event of a general economic downturn. Any difficulty the Group may encounter in securing adequate sources of short and long-term funding could hamper future merger and acquisition opportunities and other growth opportunities, and as such adversely affect the Group.

Risks relating to the Group's financing arrangement

The Group refinanced its existing first lien facility and the second lien bonds matures in 2025, see Note 27 Subsequent Events in the 2024 Annual Report. The new financing arrangement contains various restrictive covenants, including change of control clauses, and undertakings that limit the discretion of the Group's management in operating the Group's business. In particular, these covenants limit the Group's ability to, among other things:

- provide loans or other financial support to third parties, joint ventures and other investment vehicles;
- acquire companies or assets, including a yearly basket amount that can be freely used to acquire companies, and for acquisitions outside these are restricted to those funded by equity or which meet specific criteria in relation to EBITDA, etc;
- incur or guarantee additional indebtedness;
- pay dividends, redeem or repurchase stock, prepay, redeem or repurchase other debt or make other restricted payments;
- use proceeds from asset sales, new indebtedness or equity issuances for general corporate purposes or investment into its business;
- invest in joint ventures;
- create or incur liens;
- enter into transactions with affiliates;
- sell assets or consolidate or merge with or into other companies; and
- enter into new lines of business.

The Group's continued ability to incur additional debt and to conduct business in general is subject to the Group's compliance with the above-mentioned covenants, which limit the discretion of management in operating the Group's business and that, in turn, could impair the Group's ability to meet its obligations. Breaches of these covenants could result in defaults under the applicable debt instruments and could trigger defaults under any of the Group's other indebtedness that is cross defaulted against such instruments, even if the Group meets its payment obligations. In particular, the first lien facility includes a change of control clause which, if triggered, will, inter alia, entitle a lender or guarantee facility bank to require repayment under the first lien facility, and also entitle a lender to cancel its commitment under the first lien facility. Financial and other covenants that limit the Group's operational flexibility, as well as defaults resulting from breach of any of these covenants, could have a material adverse effect Group's business, results of operations, cash flows, financial condition and prospects.



Risk factors 8/9

The Group's results of operations may be adversely affected by currency fluctuations

The Group's reporting currency is US Dollars, but the Group receives revenues and incur expenditures in other currencies due to its international operations, mainly Argentine Pesos, Norwegian kroner, and British pounds. As such, the Group is exposed to foreign currency exchange movements in both transactions that are denominated in currency other than US Dollars and in translating consolidated subsidiaries who do not have a functional currency of US Dollars. For the financial year 2024, the Group recognized net foreign exchange losses of \$20.9 million in its consolidated income statement (2023: \$19.0 million). The Group attempts to limit the risks of currency fluctuation and restrictions on currency repatriation where possible by obtaining contracts providing for payment of a percentage of the contract indexed to the U.S. dollar exchange rate. To the extent possible, the Group seeks to limit its exposure to local currencies by matching the acceptance of local currencies to the Group's local expense requirements in those currencies. However, there can be no assurance that future hedging arrangements will be effective. Consequently, fluctuations between USD, NOK, Argentine Pesos, British pounds, and other currencies, may have a material adverse effect on the Group's cash flow and financial condition.

The Group currently has a significant level of debt and could incur additional debt in the future

As of 31 December 2024, the Group had total outstanding interest-bearing debt of USD 441.3 million. This debt represented 44% of the Group's total assets. The Group's current debt and the limitations imposed on the Group by the Refinancing or any future debt agreements could have significant adverse consequences for the Group's business and future prospects, including the following:

- limit the Group's ability to obtain necessary financing in the future for working capital, capital expenditure, acquisitions, debt services requirements or other purposes;
- make it difficult for the Group to repay the debt as it comes due, obtain extension of maturities or secure sufficient refinancing;
- require the Group to dedicate a substantial portion of its cash flow from operations to payments of principal and interest on its debt;
- make the Group more vulnerable during downturns in its business and limit its ability to take advantage of significant business opportunities and to react to changes in the Group's business and in market or industry conditions; and
- place the Group at a competitive disadvantage compared to competitors that have less debt.

If the Group's operating income is not sufficient to service its current or future indebtedness, the Group may be forced to take action such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital, which in turn could materially and adversely affect the business of the Group.

Risk related to the Group's financial outlook

The Group's future results may differ materially from what is expressed and the Group's financial outlook for the year ending 31 December 2024 (as announced on 30 April 2025) reflects various material assumptions some of which are outside management's control. These, and the other assumptions, may or may not prove to be correct. The outlook has been prepared in accordance with the Group's ordinary forecasting procedures which have been prepared in accordance with the Company's accounting policies and on a basis comparable to the historical financial information. However, the forecast of consolidated financial information is based on estimates made by the Group based on assumptions about future events, including the acquisition of Wellbore Fishing and Rental Tools LLC and the additional share acquisition in Iceland Drilling. Certain of the assumptions, uncertainties and contingencies relating to the forecast of consolidated financial information and the projections of financial targets are wholly or partially within the Group's control, while others are outside or substantially outside of its control. Further, the outlook has not been audited or reviewed by auditors. The outlook constitutes forward looking statements and the Group's actual future results may vary from the Group's projections, and such variations could be material. As such, potential investors are cautioned not to place undue reliance on the outlook.

The Group has recorded substantial goodwill subject to periodic reviews of impairment

The Group performs purchase price allocations to intangible assets when it makes acquisitions. The excess of the purchase price after allocation of fair values to tangible assets is allocated to identifiable intangibles and thereafter to goodwill. The value of the Group's goodwill is material, and amounted to USD 174.0 million, equivalent to approximately 17% of the asset values in the balance sheet, as per 31 December 2024. As of 31 December 2023, the goodwill amounted to USD 156.0 million, equivalent to 17% of the values in the balance sheet. The Group is required to conduct periodic reviews of goodwill for impairment in value. The testing of the valuation of goodwill requires judgment and assumptions to be made in connection with the future performance of the various components of the Group's business operations and may significantly impact any subsequent impairment charge. Any impairment would result in a non-cash charge against earnings in the period reviewed, which may or may not create a tax benefit, and would cause a corresponding decrease in shareholders' equity. In the event that market conditions deteriorate or there is a prolonged downturn, the Group may be required to record an impairment of goodwill, and such impairment could be material.



Risk factors 9/9

The Group has recorded substantial values related to rigs and equipment, which values fluctuate over time and which are subject to periodic review of impairment

The Group's long-lived assets, primarily consisting of rigs and equipment used in its international drilling operations, have been recorded in the balance sheet at substantial values. These assets are subject to periodic impairment reviews, conducted whenever events or changes in circumstances indicate that their carrying value may not be recoverable, and at least annually as part of the Group's reporting process. As of 31 December 2024, the carrying value of the Group's rigs and equipment is USD 343 million. The recoverable value of these assets is determined based on factors such as market conditions, demand for oil and gas services, technological advancements, and other operational considerations. The Group uses various methods to estimate the fair value of these assets, which involve significant judgment. If the carrying value of these assets exceeds their recoverable amount, an impairment charge may be recognized, potentially affecting the Group's profitability, net assets, and financial performance. Fluctuations in market conditions, changes in commodity prices, or technological developments could further reduce the value of the Group's rigs and equipment, even if previously considered recoverable. Additional impairment charges, if incurred, could adversely affect the Group's financial condition.

4. Risks Relating to the Shares

Future issues of Shares may dilute the holdings of Shareholders

The Company may decide to offer additional Shares in the future, to finance new capital-intensive projects, to pursue merger and acquisition opportunities, in connection with unanticipated liabilities of expenses, for the purpose of delivering shares under employee incentive programs or for any other purposes. As the Company is a Bermuda exempted company limited by shares, shareholders do not have the same preferential rights in a future offering in the Company as shareholders in Norwegian limited liability companies listed on the Oslo Stock Exchange normally have. Depending on the structure of any future offering, certain existing shareholders may therefore not be able to purchase additional equity securities, meaning that these shareholders' holding and voting interest may be diluted. Any subsequent repair offering carried out following the Private Placement (if resolved by the Board) or any other future offering may also have an adverse effect on the market price of the Shares as a whole.

Sale of Shares by large shareholders may adversely affect the price of the price of the Shares

A substantial portion of the Company's shares are held by certain large shareholders. Should any of the Company's large shareholders decide to sell a substantial number of Shares, this could result in an oversupply of Shares, place downward pressure on the market price of the Shares, increase volatility, and potentially reduce liquidity. Moreover, such sales, or any signal or intention to conduct such sales, may adversely affect investor confidence, regardless of the underlying fundamentals of the Company, which in turn could negatively affect the price of the Shares. Any such sale could as such have a material adverse effect on the trading price of the Shares.