Archer

First Quarter 2021 results

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12 May 2021

Disclaimer – forward looking statements

Cautionary Statement Regarding Forward-Looking Statements

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

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

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

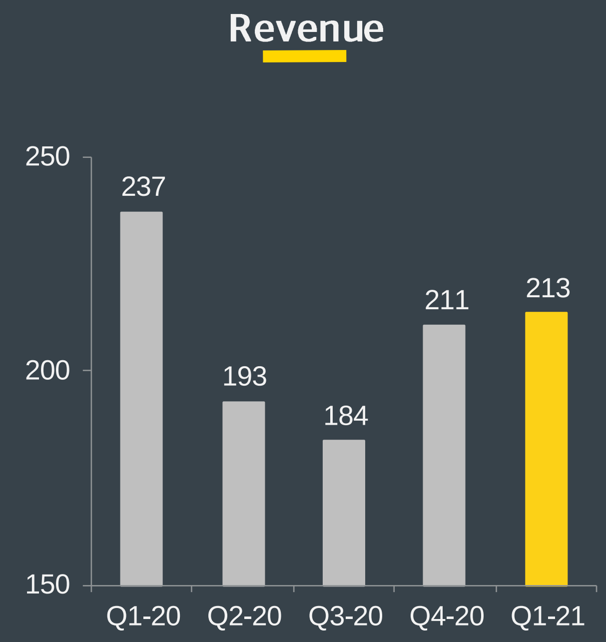
Q1 2021

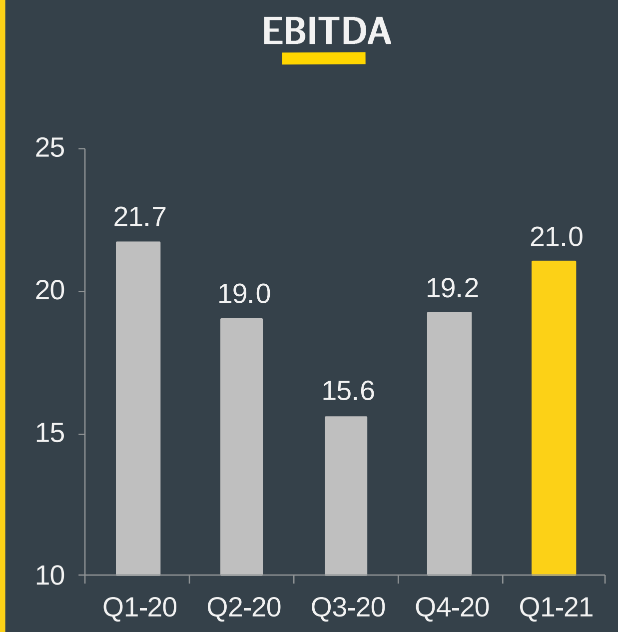
Q1 Highlights

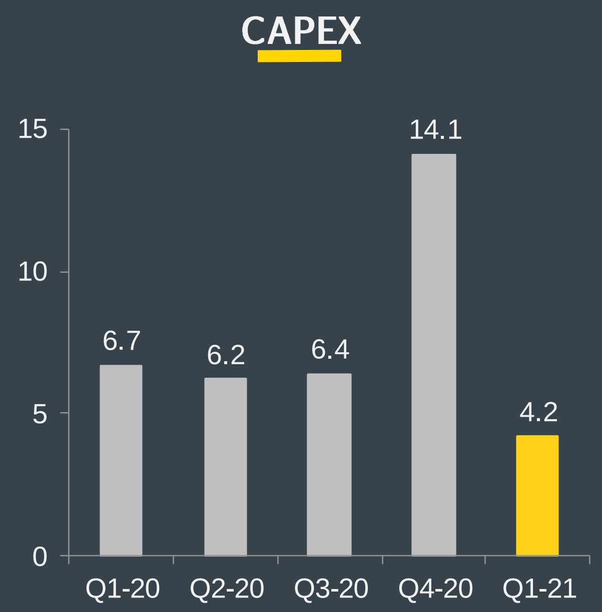
- **Revenue** up $2.8 million compared to Q4
- **EBITDA** of $21.0 million, an increase of 9.8% compared to Q4
- Positive **net income** of $6.1 million, equivalent to NOK 0.35 per share
- **NIBD** reduced YOY by $81 million to $507 million
- Wireline awarded integrated contract by Equinor Norway

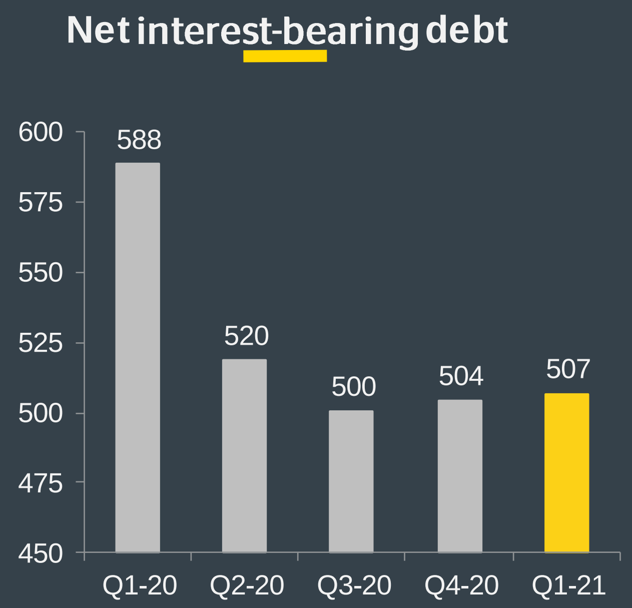
Subsequent events

- Signed SPA to acquire **DeepWell**
- **Wireline** awarded contract by ConocoPhillips Norway









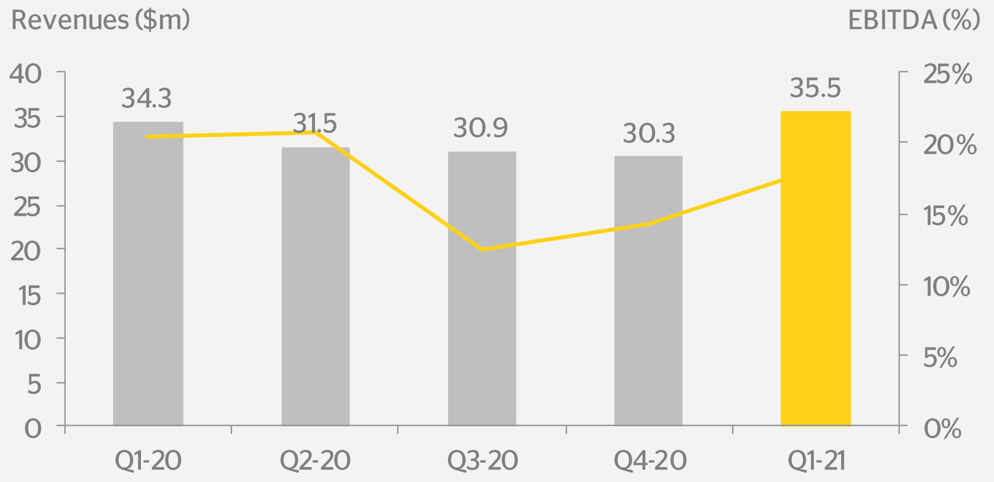
Well Services

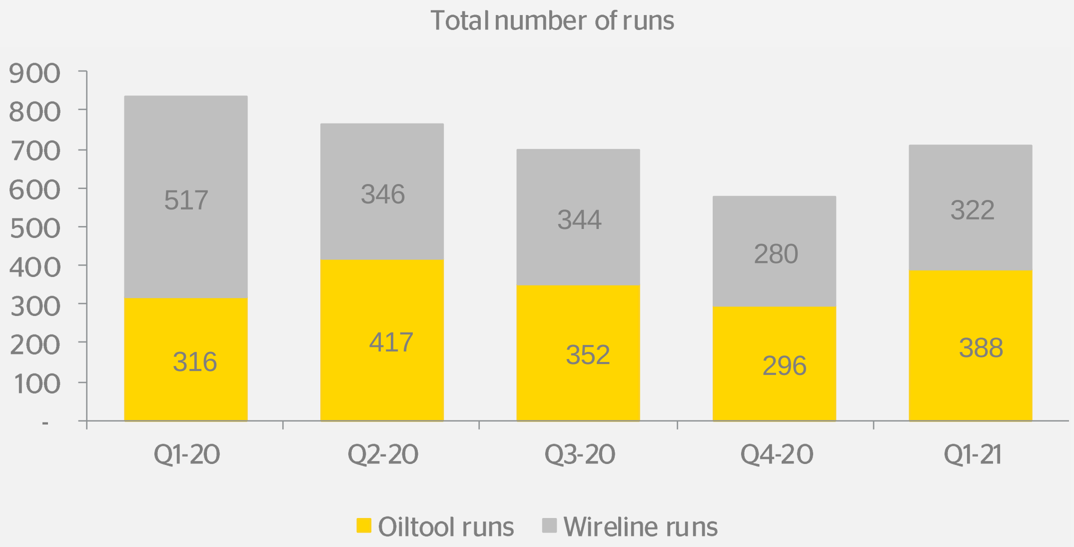
Financials

- Revenue increased by $5.2 million or 17% from Q4
- EBITDA increased by $2.1 million or 56% from Q4
- EBITDA margin increased by 4.0 percentage point to 18.2%

Operations

- High activity in Oiltools in the quarter
- Award of wireline contract with ConocoPhillips with contract value estimated at NOK 1.0 billion





Q1 2021

Secured wireline backlog of NOK 3.5 billion for 2021-2026

ConocoPhillips

equinor

ConocoPhillips

Gross contract value

- NOK 1.0B firm period

Contract commencement

- Q2 2021

Duration

- 5 years firm + 2 x 3 years options

Area of operation

- Ekofisk

Integrated wireline contract with Equinor

Gross contract value

- NOK 2.5B firm period

Contract commencement

- Q2 2021

Duration

- 5 years firm + 3 x 2 years options

Area of operation

- Gullfaks and Statfjord

Archer Wireline

Innovative Conveyance and logging solutions

Archer is a technology driven WL supplier with cross divisional synergies

"These awards will give scale and provide predictability activity for a minimum of five years , potentially for as long as eleven years"

Q1 2021

Signed SPA to acquire DeepWell

- DeepWell is a well intervention company focusing on high-tech wireline services
- Good track record and reputation for both top side and subsea well intervention
- 2020 turnover of more than $40 million
- Employed appr 200 employees in 2020
- Invested more than $60 million in modern wireline equipment

DeepWell was the incumbent wireline provider on the Equinor contract awarded to Archer with start-up May 1, 2021.
DeepWell have modern wireline equipment and a talented team of employees

DeepWell – Acquisition highlights

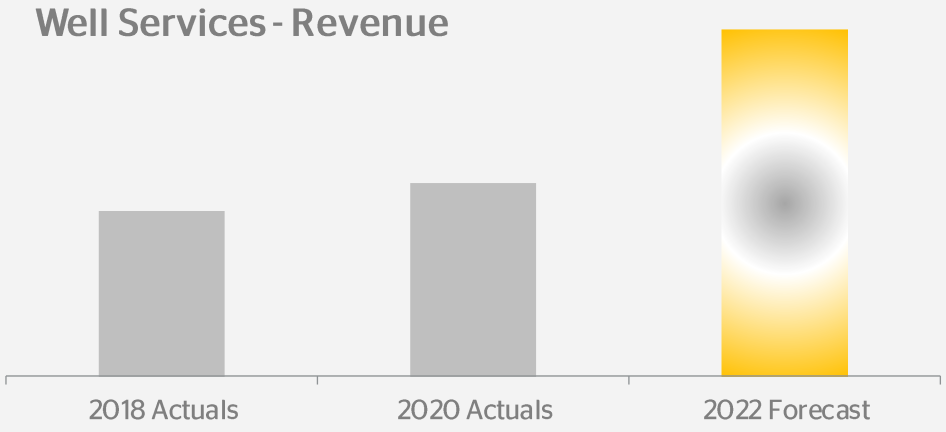
DEEPWELL. More knowledge

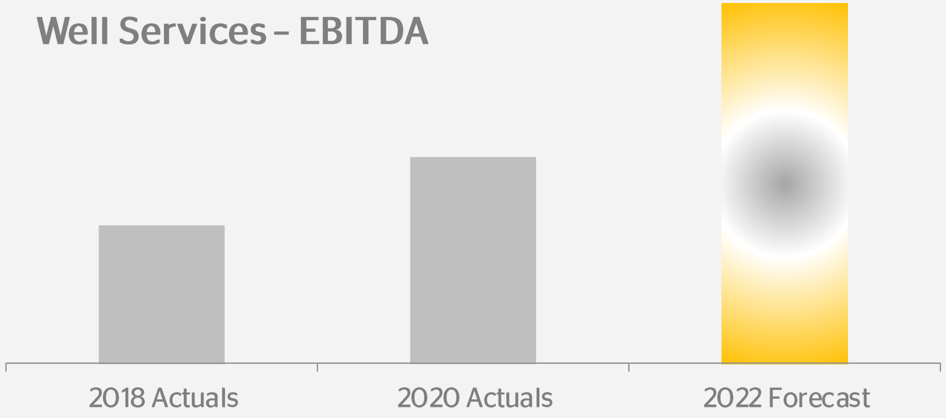
Enterprise value NOK 177 million	NOK 130 million payable upon closing and NOK 47 million in 2022	Financial summary
Short payback	Payback less than 3 years	
Financing	Cash and available credit lines	
Closing conditions	Customary closing conditions and clearance from Norwegian Competitive Authority	
Skilled employees	Highly skilled employees to complement Archer organization	Strategic operational rationale
Modern equipment	Access to high spec wireline equipment replacing capex investment, fueling geographical expansion and further digitalization and reduced carbon footprint	
Additional contracts	AKOFS Seafarer (4.5 years residual firm duration) Lundin (8 months residual firm duration)	
Expanding product offerings	Light Well Intervention services	

Growth in Well Services - EBITDA in 2022 likely to be 2 to 3 times higher than 2018

Growth enablers

- Key contract awards and strategic alliances
- Innovation and digitalization driving down cost and carbon footprint
- DeepWell acquisition with increased capacity
- Strong positioned within brownfield operations and growing capability for safe and effective permanent Plugging and Abandonment of wells





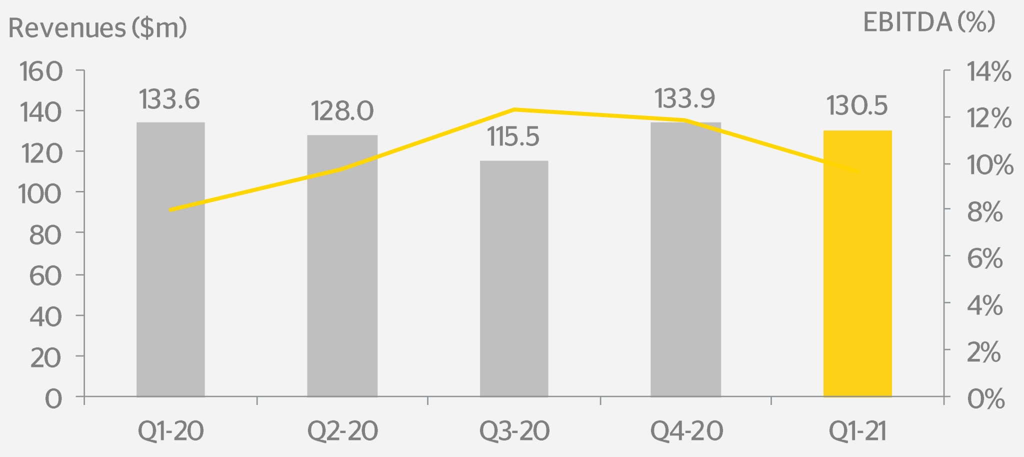
Platform Drilling, Modular Rigs & Engineering

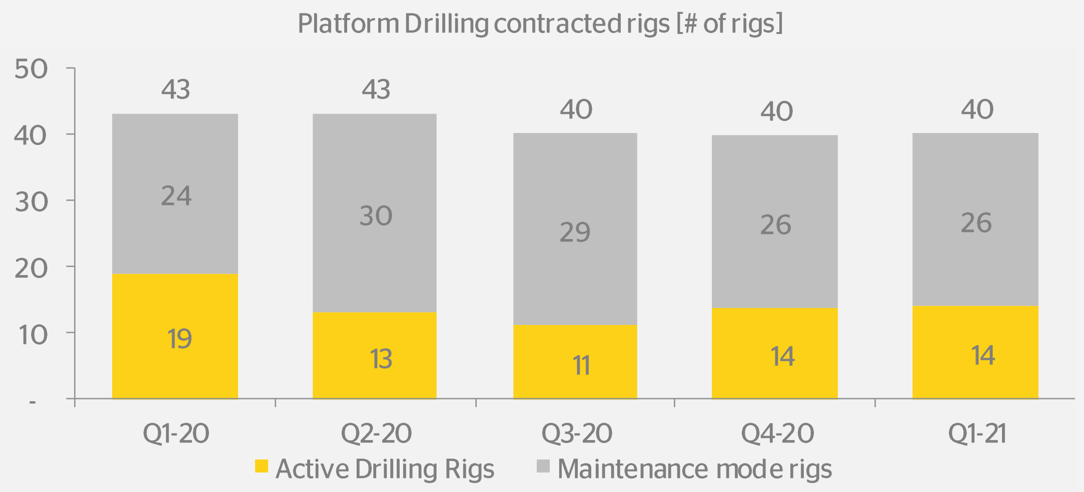
Financials

- Revenue decreased by 2.5% compared to Q4
- EBITDA decreased by $3.2 million quarter on quarter, but increased by $1.9 million YOY
- EBITDA margin 9.7%
- Capex of $0.9 million

Operations

- Active drilling rigs in the **Platform Drilling** portfolio stabile compared to Q4. Unsuccessful on Taqa tender which will reduce contracted rigs in maintenance mode by 3 during Q2
- **Engineering** underperformed on fixed price contract
- **Modular Rig** Emerald with high operational uptime.





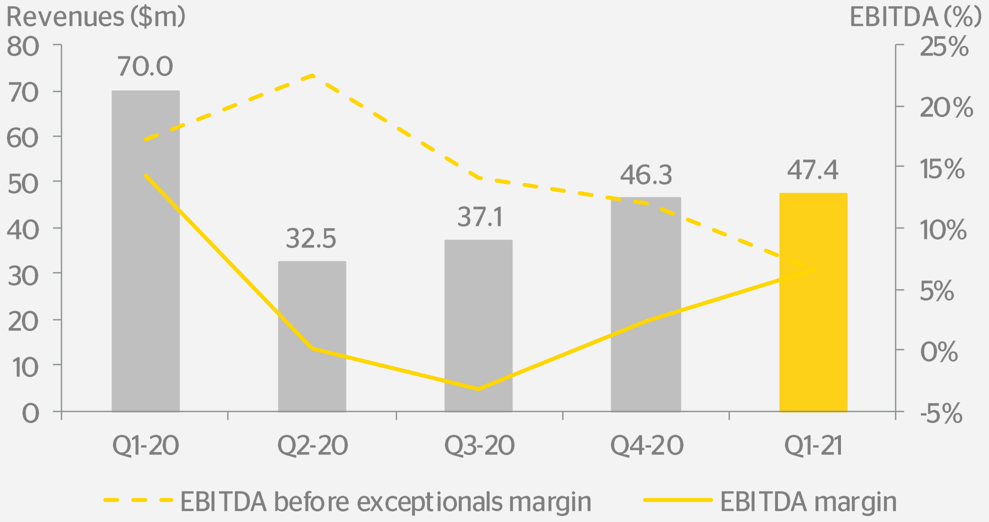
Land drilling

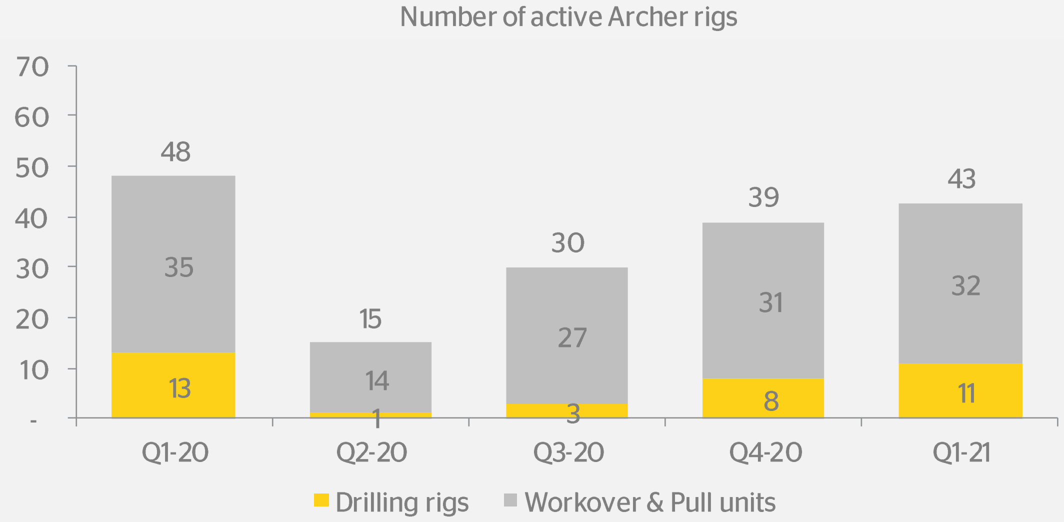
Financials

- Revenue increased 2.3%
- EBITDA increased by $2.0 million to $3.2 million
- Additional rig start-up cost
- CAPEX of $2.0 million for recertification of rigs

Operations

- Complex environment with several disruptions to operation
- Negotiations with Pan American for extension of key contract is ongoing
- Increasing numbers of strikes, political uncertainty and third wave of covid-19





Committed to reposition as part of energy transition

ARCHER SUSTAINABILITY

Low carbon agenda

- Reduce Archer emissions.
- Support clients net zero emission vision by delivering technology, digitalization and low carbon services

Resilient O&G offering

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

Green energy

- Review and explore opportunities for expansion of service offering
- Develop long term business

Financial performance

Social & Governance foundation

Condensed profit & loss

- Operational revenue of $213.6 million, is a decrease of $23.7 million or 10% YOY
- EBITDA of $21.0 million, a decrease of $0.7 million compared to Q1 2020
- No exceptional charges in Q1, 2021
- Net interest expense of $7.1 million is a reduction of 20% compared to Q1 2020
- Net income before tax in the quarter of $6.1 million

Condensed profit & loss statement

$ million	Q1 2021	Q1 2020	FY 2020
Operating revenues	194.1	207.6	715.1
Reimbursable revenue	19.3	29.5	108.9
Total Revenues	**213.4**	**237.1**	**824.0**
EBITDA before exceptional items	21.0	28.1	99.1
EBITDA margin before exceptional items	*9.9%*	*11.9%*	*12.0%*
Exceptional items	-	(6.4)	(23.6)
EBITDA	**21.0**	**21.7**	**75.5**
EBITDA margin	*9.9%*	*9.2%*	*9.2%*
Impairments	(3.0)	-	(7.6)
Deprecation, amortization, other	(12.3)	(12.0)	(48.5)
EBIT	**5.9**	**9.7**	**19.4**
EBIT margin	*4.1%*	*4.1%*	*3.3%*
Result from associated entities	-	(13.5)	(18.7)
Net interest expense	(7.1)	(8.9)	(29.8)
Other financial items	10.1	(30.8)	33.1
Net income before tax	**8.8**	**(43.5)**	**4.1**
Tax cost	(2.8)	(0.1)	(11.6)
Net income (loss)	**6.1**	**(43.6)** [1)]	**(7.5)**

1) Archer did not prepare separate quarterly financials for Q1 2020. The split of the half-yearly results in H1 2020 to Q1 and Q2 2020 represent a management allocation of certain cost elements between the quarters, such as for instance the impairment charges.

Condensed balance sheet

- Accounts receivables increased by $4.6 million following increased activity
- Increase in investment in associates following positive development in KLX Energy share-price in the quarter
- NIBD in line with guidance for the year, at $507 million end Q1 2021

Condensed balance sheet

$ million	31.03.2021	30.12.2020	31.03.2020
Cash and cash equivalents	35.2	41.2	98.8
Restricted cash	10.4	12.4	8.7
Accounts receivables	113.8	109.2	150.2
Inventories	53.6	54.2	52.0
Other current assets	23.4	28.0	35.6
Investments and loans to associates	19.5	10.8	16.5
Property, plant and equipment, net	342.9	355.2	363.0
Right of use assets	29.7	29.9	37.6
Goodwill	172.6	172.7	146.4
Other non-current assets	33.7	31.9	41.6
Total assets	**834.8**	**845.4**	**950.4**
Current portion of interest-bearing debt	14.6	10.5	5.1
Accounts payable	34.7	34.4	58.9
Lease liability current	7.6	8.5	10.9
Other current liabilities	112.6	125.5	111.8
Long-term interest-bearing debt	511.5	519.1	624.9
Subordinated related party loan	15.9	15.9	58.3
Deferred taxes	0.8	0.8	2.0
Lease liability	22.1	21.4	26.7
Other noncurrent liabilities	0.7	0.2	0.4
Shareholder's equity	114.3	109.1	51.4
Total liabilities and shareholders' equity	**834.8**	**845.4**	**950.4**[1)]

Q1 2021

Summary Q1 2021

- Solid quarter with increase in EBITDA
- Positive net income
- Secured integrated wireline contract with Equinor

Subsequent events

- Secured wireline contract with ConocoPhillips
- Acquisition of DeepWell

Financial outlook 2021

- Revenues for 2021 expected to increase moderately from run-rate second half 2020
- EBITDA for 2021 expected 10-20% higher than 2020
- Capex between 3-4% of revenue
- NIBD impacted by DeepWell acquisition

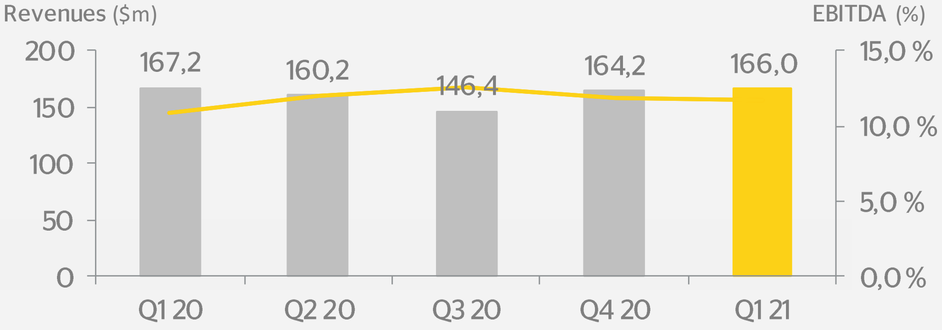
Q&A

Segment key financials

Eastern Hemisphere

Platform drilling & Engineering

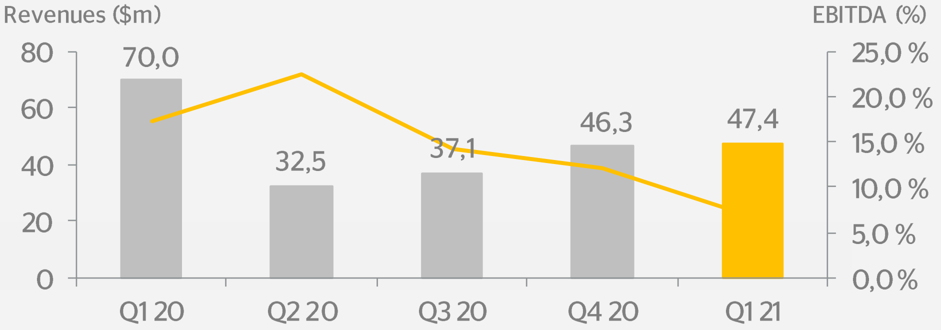
Well Services



$m	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21
Revenues	167.2	160.2	146.4	164.2	166.0
EBITDA before exceptional items	18.0	19.3	18.4	19.5	19.4
EBITDA	13.7	20.2	18.1	19.8	19.4
Capex	5.2	5.5	2.5	8.3	2.2

Western Hemisphere

Land drilling



$m	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21
Revenues	70.0	32.5	37.1	46.3	47.4
EBITDA before exceptional items	12.1	7.3	5.2	5.6	3.2
EBITDA	10.0	0.0	-1.2	1.1	3.2
Capex	1.5	0.7	3.1	5.7	2.0

Condensed profit and loss statement

(Figures in $ million)	Q1 20*	Q2 20*	Q3 20	Q4 20	Q1 21
Operating revenues	207.6	161.9	160.2	185.3	194.1
Reimbursable revenue	29.5	30.9	23.3	25.2	19.3
Total Revenues	237.1	192.8	183.6	210.6	213.4
EBITDA before exceptional items	**28.1**	**25.4**	**22.3**	**23.3**	**21.0**
Severance payments	(5.2)	(3.6)	(2.3)	(4.2)	-
Other	(1.2)	(2.7)	(4.5)	-	-
Total Exceptional items**	**(6.4)**	**(6.3)**	**(6.7)**	**(4.2)**	-
EBITDA	**21.7**	**19.0**	**15.6**	**19.2**	**21.0**
Deprecation, amortization, impairments, other	(12.0)	(19.7)	(12.9)	(11.5)	(15.2)
EBIT	**9.7**	**(0.7)**	**2.8**	**7.6**	**5.9**
Result from associated entities	(13.5)	0.6	(5.4)	(0.4)	-
Interest rate expensed	(9.3)	(8.7)	(7.4)	(7.0)	(7.1)
Other financial costs***	(30.4)	55.3	(3.8)	14.7	10.1
Net financial items	**(53.2)**	**47.2**	**(16.7)**	**7.3**	**3.0**
Net result before tax	**(43.5)**	**46.6**	**(13.9)**	**15.0**	**8.8**
Tax benefit / (expense)	(0.1)	(0.9)	1.5	(12.2)	(2.8)
Net income/(loss)	**(43.6)**	**45.7**	**(12.3)**	**2.7**	**6.1**

*Archer did not prepare separate quarterly financials for Q1 2020. The split of the half-yearly results in H1 2020 to Q1 and Q2 2020 represent a management allocation of certain cost elements between the quarters, such as for instance the impairment charges.

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

*** Other financials cost sin Q2 2020 includes a non-routine gain of $42.2 million related to our debt restructure.

Condensed balance sheet

$ million	31.03.2020*	30.06.2020	30.09.2020	31.12.2020	31.03.2021
Cash, cash equivalents & restricted cash	107.5	55.5	54.6	53.6	45.5
Accounts receivables	150.2	115.4	95.2	109.2	113.8
Inventories	52.0	51.0	53.2	54.2	53.6
Right of use assets current	-	-	-	-	-
Other current assets	35.6	31.7	34.1	28.0	23.4
Investments and loans in associates	16.5	18.4	7.8	10.8	19.5
Property, plant and equipment, net	363.0	355.1	350.0	355.2	342.9
Right of use assets	37.6	37.6	35.2	29.9	29.7
Goodwill	146.4	151.9	156.8	172.7	172.6
Other non-current assets	41.6	43.0	43.4	31.9	33.7
Total assets	**950.4**	**859.6**	**830.2**	**845.4**	**834.8**
Current portion of interest-bearing debt	5.1	16.0	18.2	10.5	14.6
Accounts payable	58.9	36.7	33.8	34.4	34.7
Lease liability current	10.9	11.2	10.9	8.5	7.6
Other current liabilities	111.8	120.4	116.8	125.5	112.6
Long-term interest-bearing debt	624.9	529.6	513.1	519.1	511.5
Subordinated related party loan	58.3	15.9	15.9	15.9	15.9
Deferred taxes	2.0	1.5	1.4	0.8	0.8
Lease liability	26.7	26.3	24.3	21.4	22.1
Other noncurrent liabilities	0.4	0.9	0.8	0.2	0.7
Shareholder's equity	51.4	101.0	95.0	109.1	114.3
Total liabilities and shareholders' equity	**950.4**	**859.6**	**830.2**	**845.4**	**834.8**

**Archer did not prepare separate quarterly financials for Q1 2020. The balance sheet items at March 31, 2020 could be impacted by the allocation of charges in the P&L allocation of H1 2020 results into Q1 and Q2 2020 results.*

Condensed cash flow statement – last 5 quarters

(Figures in $ million)	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21
Operating activities	1.6	41.3	10.9	16.1	(4.0)
Investing activities	(4.5)	(8.4)	(0.3)	(18.3)	(3.3)
Financing activities	75.8	(85.6)	(15.4)	(3.9)	(3.5)
FX effect	(9.4)	0.6	4.0	(2.4)	(0.4)
Total	**63.5**	**(52.1)**	**(0.8)**	**(1.2)**	**(11.2)**