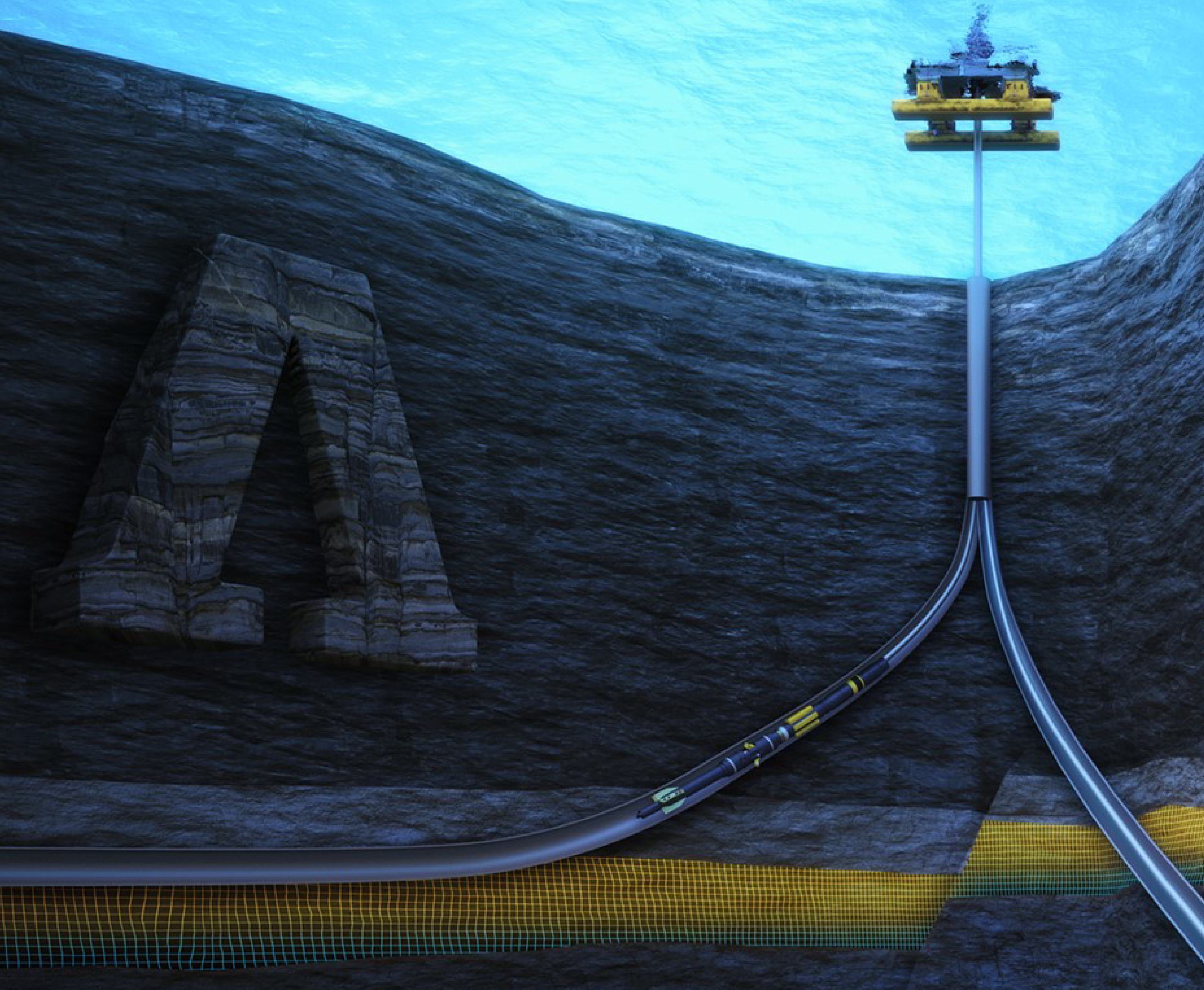
Archer



2024
Archer Limited

SECOND QUARTER 2024 RESULTS

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Archer results for the first six months of 2024

Archer's revenue increased by $55.8 million, or 9.9%, to $617.3 million in the first half of 2024 compared to the corresponding period last year. The increase in revenue reflects general higher activity in our reporting segments compared to the corresponding period in 2023.

EBITDA before exceptional items ("Adjusted EBITDA") for the first half year in 2024 of $65.1 million represents an increase of 9.8% compared to the corresponding period last year of $59.3 million. Platform Operation reported an increase of $3.5 million, explained by improvements in the engineering and modular rig division. Our Well Service segment increased the Adjusted EBITDA by 19%, or $4.2 million, compared to previous year, primarily driven by high activity for Wireline and contribution from our Coiled Tubing division. Land Drilling's Adjusted EBITDA was $1.2 million below previous year. Total exceptional items for the first six months of 2024 was $1.5 million compared to $4.1 million in 2023 and relates primarily to costs associated with severance payments. The calculation of EBITDA before and after exceptional items is detailed in the Appendix to these financial statements.

For the first six months of 2024, net operating income was $33.4 million, an improvement of $2.2 million compared to the net operating income of $31.2 million in the corresponding period in 2023.

Net financial items were a cost of $40.1 million in the first six months of 2024, compared to a cost of $61.5 million previous year. Net financial items was impacted by the relatively high interest rates in 2024, which resulted in interest costs of $28.0 million for in the six months ended 30 June 2024, compared to $26.4 million in 2023. Our share of results from associated companies improved from losses of $4.1 million in 2023 to gains of $0.9 million in 2024 resulting from improvements in the results of Iceland Drilling. Net foreign exchange losses in 2024 were $15.4 million ($18.4 million in 2023). Other financial income amounted to $2.5 million compared to net expense of 6.0 million in 2023 which related Mainly to losses on our investment in KLX energy. All shares in KLX were sold in 2023.

Net loss for the first six months of 2024 was $9.8 million, or $0.15 per share, compared to $34.0 million for the first six months of 2023.

Capital expenditure for the first six months of 2024 totalled $25.6 million compared with $16.8 million for the first six months of 2023.

In the first half of 2024, operating cash flow contributed $34.4 million to our cash balance, compared to $38.8 million in the same period last year. Net cash used in investing activities was $32.0 million, while net cash used in financing activities was $1.1 million.

Cash and cash equivalents, excluding restricted cash, amounted to $51.6 million at June 30, 2024 compared to $52.1 million at December 31, 2023. Total net interest-bearing debt at June 30, 2024 was $370.5 million compared to $368.0 million at the end of 2023.

Attached to this half year report is an appendix with the reconciliation between GAAP results and non-GAAP measures, as well as the EBITDA by segment for the last six quarters.

In March 2024, Archer completed the acquisition of 65% of the shares in Vertikal Services AS, a Norwegian energy services company. Based in Volda, Vertikal has 125 employees and provides inspection, installation, and maintenance services to energy customers in the MMO, drilling, offshore and onshore wind, and hydro segments. Vertikal performs work using advanced industrial rope access techniques on complex structures such as offshore and onshore wind turbines, hydropower stations, and offshore oil and gas installations.

In May 2024, Archer completed a capital reorganization, including a reverse share split where twenty-five old shares gave one new share. Following completion of the reverse share split, the par value of the Company's shares was reduced from USD 0.25 to USD 0.01 per share. The reduction amount was transferred the Company's contributed surplus account.

Outlook

Archer expects global energy consumption to continue to increase, with oil and gas remaining an important part of the energy mix as the global energy transition evolves. Offshore and onshore reserves will be vital for future energy supply and support demand for Archer's service offerings globally. With stable oil and gas prices, Archer sees operators slowly adjusting the activity and the demand for Archer's services. Archer's main activity remains within the brownfield portion of the oil and gas value chain, which is less volatile than the greenfield developments.

Short-term, Archer expects increased focus from the operators towards production drilling from producing fields, both onshore and offshore. Over time Archer expects that the number of production facilities in the North Sea will decline as production and services relating to oil and gas related exploration will enter a declining phase in the North Sea. The pace and magnitude of the demand shift from hydrocarbons to renewable remain uncertain and difficult to predict, and the impact on the Group's business is subject to a number of factors. At the same time, the energy transition also presents possible new markets for Archer services. In particular, Archer focuses on further advancing its OneArcher operating model and capitalizing on Archer's market presence to capture a substantial portion of the Plug and Abandonment work that is required in the North Sea in the decades ahead. In the Land Drilling division, the Company is capitalizing on Archer's expertise and assets to be the Argentinean operator's driller of choice in the ongoing development of the Vaca Muerta shale oil and gas.

Risks and uncertainties

Archer is exposed to a number of risk factors relating to the Company's finances and the industry in which the Company operates. Archer has not identified any additional risk exposure beyond those described in Archer Limited's 2023 Annual report.

Cautionary Statement Regarding Forward-Looking Statements

In addition to historical information, this news release 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, 2023. These forward-looking statements are made only as of the date of this news 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 third 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.

Responsibility Statement from the Board of Directors

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period January 1, to June 30, 2024 has been prepared in accordance with Unites States Generally Accepted Accounting Principles, or "US GAAP" and gives a true and fair view of the Group's assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements. We have disclosed all major related parties' transactions. A detailed description of the principal risks and uncertainties facing the group is provided in our annual statement for the year ended December 31, 2023 as supplemented herein, remain materially unchanged for the remaining six months of the financial year 2024.

August 16. 2024

The board of Archer Limited

James O'Shaugnessy
Director

Peter J. Sharpe
Director

Giovanni Dell'Orto
Director

Richard Stables
Director

Jan Erik Klepsland
Director

Consolidated Statements of Operations (unaudited)

(In USD millions, except per share data)		Three Months Ended June 30		Six Months Ended June 30	
	Note	**2024**	**2023**	**2024**	**2023**
Revenues					
Operating revenues		265.4	249.8	525.5	476.7
Reimbursable revenues		43.7	45.1	91.8	84.8
Total revenues		**309.0**	**294.9**	**617.3**	**561.5**
Expenses					
Operating expenses		220.5	208.0	435.9	396.8
Reimbursable expenses		42.6	43.8	89.5	82.9
Operating lease costs	11	3.3	2.0	6.7	4.1
Depreciation and amortization		15.4	11.9	28.6	22.7
Loss on sale of assets		(0.1)	(0.4)	(0.2)	(0.8)
Impairment charges		2.0	—	2.0	2.0
General and administrative expenses		9.8	11.2	21.5	22.5
Total expenses		**293.5**	**276.5**	**583.9**	**530.3**
Operating income		**15.5**	**18.4**	**33.4**	**31.2**
Gain on bargain purchase	7	—	0.1	—	—
Financial items					
Net interest expense		(13.8)	(15.0)	(28.0)	(26.4)
Share of results in associated companies	8	1.0	(2.3)	0.9	(4.1)
Other financial items	3	(0.6)	(15.3)	(13.1)	(31.0)
Total financial items		**(13.4)**	**(32.6)**	**(40.1)**	**(61.5)**
Income/(loss) from continuing operations before income taxes		**2.1**	**(14.1)**	**(6.7)**	**(30.3)**
Income tax expense	4	(1.1)	(2.0)	(3.1)	(3.8)
Income/(loss) from continuing operations		**1.0**	**(16.2)**	**(9.8)**	**(34.0)**
Share of result attributable to non-controlling interest		0.0	—	0.0	—
Net income/(loss)		**1.0**	**(16.2)**	**(9.8)**	**(34.0)**
Earnings/(loss) per share - basic		0.01	(0.01)	(0.15)	(0.04)
Earnings/(loss) per share - diluted		0.01	(0.01)	(0.15)	(0.04)
Weighted average number of shares (million) outstanding					
Basic	5	65	1,521	65	921
Diluted	5	65	1,521	65	921

See accompanying notes that are an integral part of these Consolidated Financial Statements.

Consolidated Statements of Comprehensive Income/(Loss) and Accumulated Other Comprehensive Loss

Consolidated Statements of Comprehensive Income/(Loss) (Unaudited)

(in USD millions)	**Six Months Ended June 30**	
	2024	**2023**
Net loss	**(9.8)**	**(34.0)**
Other comprehensive (loss)/income		
Current translation differences	(5.2)	(3.1)
Total other comprehensive loss	**(5.2)**	**(3.1)**
Total comprehensive loss	**(14.9)**	**(37.1)**

Accumulated Other Comprehensive Loss (Unaudited)

(in USD millions)	**Translation differences**	**Other comprehensive income**	**Total**
Balance at December 31, 2023	**(5.6)**	**0.6**	**(5.1)**
Total other comprehensive loss during 2024	(5.2)	-	**(5.2)**
Balance at June 30, 2024	**(10.9)**	**0.6**	**(10.3)**

See accompanying notes that are an integral part of these Consolidated Financial Statements.


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Consolidated Balance Sheet (unaudited)

(In USD million)		**June 30, 2024**	**December 31, 2023**
	Note	(Unaudited)	(Audited)
ASSETS			
Cash and cash equivalents		51.6	52.1
Restricted cash		6.8	3.5
Accounts receivables	2	173.6	183.8
Inventories	6	70.6	75.0
Other current assets		56.0	40.4
Total current assets		**358.6**	**354.8**
Investment in associates	8	12.7	12.3
Property plant and equipment, net		302.3	313.1
Right of use assets	11	29.7	34.4
Deferred income tax asset	4	21.1	20.8
Goodwill	9	153.1	156.0
Other intangible assets, net		2.1	2.8
Deferred charges and other assets		9.4	11.6
Total noncurrent assets		**530.3**	**550.9**
Total assets		**889.0**	**905.7**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current portion of interest-bearing debt	10	19.9	17.6
Accounts payable		94.6	75.5
Operating Lease liabilities	11	9.9	11.4
Other current liabilities		158.7	173.0
Total current liabilities		**283.1**	**277.5**
Long-term interest-bearing debt	10	402.2	402.5
Operating Lease liabilities		19.8	22.9
Deferred tax	4	—	0.3
Other noncurrent liabilities		2.1	6.3
Total noncurrent liabilities		**424.1**	**432.0**
Non-controlling interest		**0.4**	—
Shareholders' equity		**181.4**	**196.2**
Total liabilities and shareholders' equity		**889.0**	**905.7**

See accompanying notes that are an integral part of these Consolidated Financial Statements.

Consolidated Statements of Cash Flows (unaudited)

(In USD millions)	Six months ended June 30	
Cash Flows from Operating Activities	**2024**	**2023**
Net loss from continuing operations	(9.8)	(34.0)
Depreciation and amortisation	28.6	22.7
Impairment of fixed assets	2.0	2.0
Share-based compensation expenses	0.1	0.5
Gain on assets disposals	(0.2)	(0.8)
Share of losses of unconsolidated affiliates	(0.9)	4.1
Loss on settlement of subordinated loan, settled by issue of 208 million $0.01 ordinary shares	—	4.1
Amortisation of loan fee	3.5	2.3
Mark to market of financial instruments	—	(0.9)
Mark to market of marketable securities	—	6.7
Change in deferred and accrued taxes	1.0	0.7
Decrease/(increase) in accounts receivable and other current assets	(2.2)	6.3
(Increase)/decrease in inventories	3.5	(11.1)
Increase in accounts payable and other current liabilities	4.3	15.0
Change in other operating assets and liabilities net, including non-cash fx effects	9.1	14.3
Net cash provided by operating activities	**38.8**	**32.0**
Cash Flows from Investing Activities		
Capital expenditures	(25.6)	(16.8)
Proceeds from asset disposals	0.5	0.8
Loans to associated entities	(0.1)	(4.6)
Business acquisitions and investment in subsidiaries net of cash acquired	(7.4)	(8.0)
Net cash used by investing activities	**(32.0)**	**(28.6)**
Cash Flows from Financing Activities		
Net borrowings under revolving facilities, bond issuance, other long-term debt and financial leases	6.5	446.2
Repayments under revolving facilities, other long-term debt and financial leases	(7.6)	(562.5)
Fees paid in relation to the restructuring and equity issuance	—	(4.4)
Net proceeds from equity issue	—	100.6
Net cash provided by financing activities	**(1.1)**	**(20.1)**
Effect of exchange rate changes on cash and cash equivalents	(2.9)	(3.2)
Net (decrease)/increase in cash and cash equivalents	**2.8**	**(19.9)**
Cash and cash equivalents, including restricted cash, at beginning of the period	55.6	93.0
Cash and cash equivalents, including restricted cash, at the end of the period	**58.4**	**73.1**
Interest paid	30.5	20.3
Taxes paid	2.0	3.1

See accompanying notes that are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Changes in Shareholders' Equity (unaudited)

(In USD millions)	Common shares	Additional Paid In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Contributed Surplus	Total Shareholders' Equity	Non-controlling interest
Balance at December 31, 2023	**16.2**	**1,052.1**	**(1,607.3)**	**(5.0)**	**740.1**	**196.2**	**—**
Share based compensation	—	0.1	—	—	—	**0.1**	—
Consolidation and reduction of share capital	(15.6)	15.6	—	—	—	**0.0**	—
Non-controlling interest acquired	—	—	—	—	—	—	0.4
Net loss	—	—	(9.8)	—	—	**(9.8)**	—
Share of result attributed to non-controlling interest	—	—	—	—	—	**0.0**	0.0
Translation differences	—	—	—	(5.2)	—	**(5.2)**	—
Balance at June 30, 2024	**0.6**	**1,068.0**	**(1,617.1)**	**(10.3)**	**740.1**	**181.4**	**0.4**

See accompanying notes that are an integral part of these Consolidated Financial Statements.

Notes

Note 1 Summary of Business and Significant Accounting Policies

Description of business

Archer Limited is an international oilfield service company providing a variety of oilfield products and services through its Area organization. Services include platform drilling, land drilling, modular rigs, engineering services, equipment rentals, wireline services, production monitoring, well imaging and integrity management tools. Archer was incorporated in Bermuda on August 31, 2007. The group employed approximately 4,928 people at June 30, 2024.

As used herein, unless otherwise required by the context, the term "Archer" refers to Archer Limited and the terms "Company," "we," "Group," "our" and words of similar import refer to Archer and its consolidated subsidiaries. The use herein of such terms as “group”, “organization”, “we”, “us”, “our” and “its” or references to specific entities is not intended to be a precise description of corporate relationships.

Going Concern

The financial statements have been prepared on a going concern basis. This assumption is based on the liquidity position of the Group, forecasted operating results, and the market outlook for the oil service sector as at June 30, 2024.

Basis of presentation

The unaudited second quarter and half year 2024 consolidated condensed financial statements are presented in accordance withUnited States of America Generally Accepted Accounting Principles (US GAAP). The unaudited second quarter and half year 2024 consolidated financial statements do not include all the disclosures required in complete annual financial statements. These unaudited second quarter financial statements should be read in conjunction with our financial statements as of December 31, 2023. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair statement have been included.

Use of estimates

In accordance with accounting principles generally accepted in the United States of America, the preparation of financial statements requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Future events and their effects cannot be perceived with certainty. Accordingly, our accounting estimates require the exercise of judgment. While management believes that the estimates and assumptions used in the preparation of the consolidated financial statements are appropriate, actual results could differ from those estimates. Estimates are used for, but are not limited to, determining the following: allowance for doubtful accounts, recoverability of long-lived assets, goodwill and intangibles, useful lives used in depreciation and amortization, income taxes, valuation allowances and purchase price allocations. The accounting estimates used in the preparation of the consolidated financial statements may change as new events occur, as more experience is acquired, as additional information is obtained and as our operating environment changes.

Significant accounting policies

The accounting policies utilized in the preparation of the unaudited second quarter and half year 2024 financial statements are consistent with those followed in the preparation of our annual consolidated financial statements and accompanying notes for the year ended December 31, 2023.

Recently issued accounting standards

There are currently no recently issued Accounting Standard updates that are expected to materially affect our consolidated financial statements and related disclosures in future periods.

Note 2 Revenue from contracts with customers

The following table provides information about receivables, contract assets and contract liabilities from our contracts with customers:

Revenue from contracts with customers

(In USD millions)	June 30, 2024	December 31, 2023
Accounts receivable net	173.6	183.8

On June 30, 2024, we have a provision for bad debt of $0.4 million which relates primarily to debt owed from Russia. We have closed our operation in Russia. Prior to this provision we had no provisions for bad debts in our balance sheet since any anticipated unrecoverable revenues are taken into account under our revenue recognition policy and subsequent bad debts are written off as they are recognised.

We have recognised contract assets and liabilities of $9.4 million and $6.2 million respectively, which relate to mobilisation fees for one of our modular rigs. These fees are being amortised over the contract period. $7.5 million of these fees are included in other current assets and $1.9 million in other non-current assets, $4.9 million is reported in other current liabilities and $1.2 million in other non-current liabilities.

Practical expedient - We have applied the disclosure practical expedient in ASC 606-10-50-14A(b) and have not included estimated variable consideration related to wholly unsatisfied performance obligations or to distinct future time increments within our contracts, including day-rate revenue. The duration of our performance obligations varies by contract.

Note 3 Other Financial Items

Other Financial Items

(In USD million)	Six Months Ended June 30	
	2024	2023
Foreign exchange losses	(15.6)	(18.4)
Mark-to-market of marketable securities	—	(6.7)
Mark-to-market of financial instruments	—	0.9
Other items	2.5	(6.9)
Total other financial items	**(13.1)**	**(31.0)**

Foreign exchange losses and gains include losses of around $20 million on external loan balances denominated in USD held in a NOK functional entity, and the impact of the continued depreciation of ARS against USD. The losses on the external loans are offset by translation adjustments included in Other comprehensive income, which occur on the translation of the NOK entity's trial balance into USD.

The NOK to USD exchange rate continues to be volatile resulting in significant exchange gains and losses reported throughout 2023 and 2024.

At December 31, 2023 we had disposed of all interest rate caps and marketable securities.

Note 4 Income Taxes

Tax expense can be split in the following geographical areas:

Income Taxes

(In USD millions)	Six Months Ended June 30	
	2024	2023
United States	0.5	0.2
South America	0.3	1.6
Europe	2.1	1.7
Others	0.2	0.2
Total	**3.1**	**3.8**

Archer is operating in many jurisdictions and our income tax expense is generated by earnings are taxed at the respective country's corporate income tax rate. The Group's net tax expense for the first six months of 2024 amounted to $3.1 million. The tax charge relates primarily to taxable profits from operations in South America and Europe. The net tax expense in Europe amounted to $2.1 million, which relates to our operation in Norway and UK. The net tax expense in South America amounted to $0.3 million are related to operation in Brazil of $0.9 million offset by a tax credit in Argentina of $0.6 million. We have not recognized any deferred tax assets in relation to operational losses from our North American operations.

As per 30 June 2024 we have total deferred tax assets of $21.1 million which mainly consist of $11.5 million of tax assets in Norway and $7.4 million of tax assets in Argentina.

Note 5 Earnings Per Share

The computation of basic earnings per share (EPS) is based on the weighted average number of shares outstanding during the period. Diluted EPS includes the effect of the assumed conversion of potentially dilutive instruments. The denominator used for the computation of basic and diluted earnings was computed as follows:

Weighted number of shares outstanding

(In thousands)	Six Months Ended June 30	
	2024	2023
Denominator		
Weighted-average common shares outstanding	64,971	921,488
Effect of potentially dilutive common shares	46	432
Weighted-average common shares outstanding and assumed conversions	65,017	921,920

During the second quarter of 2024 Archer executed a share-consolidation, and 25 old shares was converted into 1 new share. For the calculation of weighted number of shares outstanding, we have assumed the share consolidation was conducted with effect as per January 1st, 2024. For further details regarding the share consolidation, see Note 12 Equity.

Note 6 Inventories

Inventories

(In USD millions)	June 30, 2024	December 31, 2023
Manufactured		
Raw materials	2.5	1.5
Finished goods	20.9	23.1
Work in progress	0.0	0.1
Total manufactured	**23.4**	**24.7**
Drilling supplies	14.2	14.2
Other items and spares	33.1	36.1

Total inventories	**70.6**	**75.0**

"Other items and spares" primarily relate to parts and spares for the land rigs used in our Latin America operation and spares and parts used in the Oiltools operations.

Note 7 Business Acquisitions

Vertikal Services AS

On May 6th, 2024 we completed the acquisition of 65% of the shares in Vertikal Service AS. (or "Vertikal"), an unrelated company who offers inspection, installation, and maintenance services to energy customers using advanced industrial rope access techniques on complex structures such as offshore and onshore wind turbines, hydropower stations, and offshore oil and gas installations. The purchase is part of Archer's diversification into the renewable energy sector, by the acquisition of projects in the wind and hydro generated power and a workforce with experience and know-how in this sector, which is augmented by Archer's engineering skills and industry knowledge.

The sale and purchase agreement provided that Archer purchased 1000 of the 2000 issuesd and fully paid up shares for a consideration of NOK 25 million (or $2.3 million). In addition, as part of the agreement, Archer made a capital contribution in kind to Vertikal, consisting of a transfer of Archer business, by the transfer of the relevant employees, the customer contract which is currently serviced by the individuals transferred, and associated resources, to Vertikal. In return for the capital contribution, Archer received 858 newly issues shares which brought Archer's total shareholding in Vertikal to 65%.

Deferred consideration up to NOK 10 million is payable no later than 31 March 2027 and is based on achieving:

1. Average EBITDA of NOK 16 million in 2024 (50% entitlement)
2. Average EBITDA of NOK 18 million in 2025 (75% entitlement)
3. Average EBITDA of NOK 20 million in 2026 (100% entitlement)

Purchase consideration recognised by Archer as investment in subsidiary totalled NOK 25,500,000 (or $2.4 million) comprising $2.3 million for the purchase of 1000 shares form the existing shareholders and $0.1 million being the estimated fair value of contingent consideration.

The fair value of the assets acquired at the acquisition date of May 6, 2024 were as follows:

Fair value of assets acquired (preliminary)

	(In USD millions equivalent)
Cash	0.8
Receivables	3.3
Tangible fixed assets	0.4
Loan finance	(0.4)
Accounts payable	(2.0)
Accruals and other payables	(2.5)
Total fair value of assets acquired	**(0.3)**

The business contributed as capital has been valued at NOK 21.45 million (or $1.9 million), and the fair value resulting non-controlling interest of 35% of Vertikal is estimated to be NOK 4 million (or 0.4 million). On consolidation of Vertikal into the Group financial statements we have recognised goodwill of $3.1 million which represents the assembled workforce and experience and know-how acquired, and synergies.

Goodwill was calculated as follows:

Composition of goodwill

	(In USD millions equivalent)

Purchase consideration	2.4
Less negative net assets acquired	0.3
Recognition of non-controlling interest	0.4
Total Goodwill	**3.1**

Coiled Tubing Business

On April 1, 2023, Archer UK Ltd, a wholly owned subsidiary of Archer Limited, completed the purchase of the coiled tubing business operated by Baker Hughes in the UK. Under the terms of the sale and purchase agreement (or "SPA") Archer UK Ltd acquired all the assets and inventory used in the business and employees involved in the business have transferred to Archer. All Baker Hughes's coiled tubing contracts in the UK as at the acquisition date was transferred to Archer UK Ltd.

The purchase consideration comprised an initial installment of $1.5 million which has been paid, and a second installment of $5.5 million which was due in April 2024.

Attached to the SPA is a transition service agreement (or "TSA") under which Baker Hughes has provided Archer with a three-month free rental period for the use of the Baker Hughes facilities occupied by the coiled tubing business prior to the sale, and the provision of various services to be provided by Baker Hughes involving training and knowledge transfer pertaining to several aspects of the coiled tubing business. The provision of these services is included within the purchase consideration.

The fair value of the assets acquired at the acquisition date of April 1, 2023, were as follows:

Fair value of assets acquired (preliminary)

	(In USD millions equivalent)
Inventory	1.4
Tangible fixed assets	1.3
Intangible assets - Licenses	1.1
Prepayment of rental and services to be provided by Baker Hughes under the TSA	0.1
Total fair value of assets acquired	**3.9**

The $3.1 million excess of the purchase consideration over the fair value of the assets is recognized as goodwill, which represents customer relations, the assembled workforce and experience and know how acquired, and synergies within our Well Service segment. The acquisition has been recorded in the accounting ledgers of Archer UK Ltd which has functional currency GBP. At December 31, 2023 the goodwill is reported as $3.4 million, the movement being due to translation differences.

During the second quarter of 2024 Archer settled the second installment, wherein Baker Hughes agreed a price reduction of $3.0 million in respect of inventory items which had not been maintained and certified which rendered them unusable. The second instalment was hence $2.5 million compared to the original agreed $5.5 million. The fair value of these items has already been adjusted as part of our acquisition accounting. The payment was received after the twelve-month measurement period. The value of the goodwill recognised was tested for impairment during our annual review process conducted during the forth quarter of 2023. We have recognised the receipt in other financial income in 2024.

Romar-Abrado

On January 9, 2023, Archer signed a share purchase agreement for the purchase of 100% of the issued share capital of Romar-Abrado group. The Romar-Abrado group, comprises a holding and operating company in the UK and an operating company in the US, offers advanced milling and SWARF handling services to the global Plug and Abandonment market. Romar-Abrado operations compliment the services provided by Archer's Well Services divisions and will be reported within the Well Services reporting segment.

The total purchase consideration for the Romar-Abrado group was expected to total $12.9 million and settled as follows:

Purchase consideration

	(In USD million equivalent)
Cash settlement	9.2
Earn-out element (fair value of expected amount at acquisition)	3.7
Total	**12.9**

The fair value of the assets acquired at the acquisition date of January 9, 2023, were as follows:

Fair value of assets acquired (preliminary)

	(In USD million equivalent)
Cash and restricted cash	1.6
Receivables	4.2
Inventory	1.7
Tangible fixed assets	1.9
Intangible assets	0.8
Liabilities	(3.0)
Total fair value of assets acquired	**7.2**

The $5.7 million excess of the purchase consideration over the fair value of the assets is recognized as goodwill.

During the fourth quarter 2023 we revised our estimation of the earn-out element, reducing the recorded liability by $2 million as per end of 2023. In 2024 our revised estimates indicates that there will be no earn-out element due, and the remaining accrual of $1.6 million was released and recognised as other financial income.

Note 8 Investments in Associates

We have the following participation in investments that are recorded using the equity method:

	June 30, 2024	December 31, 2023
Comtrac AS	50.0%	50.0%
Jarðboranir hf. ("Iceland Drilling")	50.0%	50.0%

The carrying amounts of our investments in our equity method investment are as follows:

(In USD millions)	June 30, 2024	December 31, 2023
Comtrac AS	1.7	2.1
Iceland Drilling	11.0	10.2

The components of our investments in associated entities are as follows:

(In USD millions)	Comtrac AS	Iceland Drilling
Carrying value of investment at December 31, 2023	**2.1**	**10.2**
Additional capital investment	0.1	—
Share in results of associates	(0.4)	1.3
Translation adjustments	(0.1)	(0.5)
Carrying value of investment at June 30, 2024	**1.7**	**11.0**

Quoted market prices for Iceland Drilling and Comtrac and are not available as the shares are not publicly traded.

We provide services to Comtrac. Our trading balance with Comtrac is disclosed in related party Note 15 Related Parties.

Note 9 Goodwill

Goodwill represents the excess of purchase price over the fair value of tangible and identifiable intangible assets acquired. All our remaining goodwill relates to our Eastern Hemisphere reporting segment – see also Note 11 Leases.

Goodwill

(In USD millions)	
Net book balance at December 31, 2023	**156.0**
Goodwill acquired in relation to the Vertikal Services As	3.1
Translation adjustments	(6.0)
Net book balance at June 30, 2024	**153.1**

The acquisition of Vertikal Services AS is discussed in Note 7 Business Acquisitions above.

We test goodwill for impairment on an annual basis during the fourth quarter and between annual tests if an event occurs, or circumstances change, that would more likely than not reduce the fair value of a reporting unit below its carrying amount. The testing of the valuation of goodwill involves significant judgment and assumptions to be made in connection with the future performance of the various components of our business operations, including assumptions about future cash flows of each reporting unit, discount rates applied to these cash flows and current market estimates of value. 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.

All of our goodwill relates to our Platform Drilling, Wireline and Oiltools business divisions. All these divisions have seen improved results in the last couple of years, and they have a solid contract backlog for the next 3-5 years. Based on the combined improved results, order backlog and forecasts, we identified no impairment indicators at June 30, 2024.

Note 10 Long-term, Interest Bearing Debt

(In USD millions)	**June 30, 2024**			**December 31, 2023**		
	Loan balance	Unamortised debt issuance costs	Loan balance less unamortised debt issuance costs	Loan balance	Unamortised debt issuance costs	Loan balance less unamortised debt issuance costs
First Lien Facility	215.0	(3.1)	211.9	220.0	(3.3)	216.7
Second Lien Bond	210.0	(19.5)	190.5	204.8	(21.1)	183.7
Other loans and capital lease liability	17.9	—	17.9	19.7	—	19.7
Total loans and capital lease liability	**443.0**	**(20.9)**	**422.1**	**444.5**	**(24.4)**	**420.1**
Less: current portion	(19.9)	—	(19.9)	(17.6)	—	(17.6)
Long-term portion of interest-bearing debt	**423.1**	**(20.9)**	**402.2**	**426.9**	**(24.4)**	**402.5**

First Lien Facility

In April 2023, Archer entered into a first lien multicurrency term and revolving credit facility and guaranty facility with a tenor of 4 years (the "First Lien Facility"). The total amount available under the First Lien Facility is $215.0 million, split between $115.0 million under a term loan and $100 million in revolving facilities, supplemented with a $13 million guarantee facility. In addition, a total of $25.0 million of the First Lien Facility is carved out into an overdraft facility of $25.0 million. A total of $215.0 million was drawn under the First Lien Facility as at June 30, 2024. The First Lien Facility is secured by pledges over shares in material subsidiaries, assignment over intercompany debt and guarantees issued by the material subsidiaries.

The interest on the loan is Secured Overnight Financing Rate, or “SOFR” + a margin of between 300 – 550 basis points, depending on the leverage ratio.

The guarantee facility has been used towards issuance of letters of credit and tax guarantees.

The First Lien Facility will be repaid by $10 million in the first year, $15 million in the second year, $20 million in the third year (with an additional $5 million becoming payable if the Group's free liquidity reaches a defined threshold), and $25 million plus a balloon payment in the fourth year.

The Facility contains certain financial covenants, including, among others:

- Archer will ensure that the ratio of net interest-bearing debt (after certain adjustments) to 12 months rolling Nominal EBITDA (after certain adjustments) at the financial quarter end dates shall not exceed 4.9x; from December 31, 2024 to September 30, 2025 shall not exceed 4.70x; from December 31, 2025, to September 30, 2026, shall not exceed 4.60x; and 3.7x thereafter.
- Archer shall maintain $30 million in freely available cash and undrawn committed credit lines.
- Archer shall ensure that the capital expenditures shall not exceed $100 million per year.

The First LienFacility contains events of default which include payment defaults, breach of financial covenants, breach of other obligations, breach of representations and warranties, insolvency, illegality, unenforceability, curtailment of business, claims against an obligor’s assets, appropriation of an obligor’s assets, failure to maintain exchange listing, material adverse effect, repudiation and material litigation. In addition, there are cross default clauses in the event of the obligor defaulting on other issued debt.

As of June 30, 2024, the Company is compliant with all covenants under this First Lien Facility.

Second Lien Bond

In April 2023, Archer's indirectly wholly owned subsidiary, Archer Norge AS, issued $200 million senior secured second lien bonds with a tenor of 4.25 years (the "Second Lien Bond"). Archer can elect an interest rate on the bonds of either (i) (5.00%+SOFR) in cash interest + 5% payment-in-kind interest, or (ii) 12%+ SOFR in payment-in-kind (or "PIK") interest. The PIK interest is settled by issuing additional bonds to the bondholders. The additional issued bonds will have the same terms as the original issued bonds and be added to the total amount of bonds outstanding. During the first half of 2024, bonds with face value totalling $5.2 million were issued in settlement of PIK interest, and the total amount of bonds issued is hence $210.0 million as per June 30, 2024.

The Company has an option to redeem the bonds at (i) the make-whole price for the first 2.25 years, (ii) at 106% of the nominal amount after 2.25 years until 3.25 years, and (iii) at 100% after 3.25 years. The Second Lien Bonds shares the same security as the First Lien Facility, subject to the senior status of the First Lien Facility. The Second Lien Bonds contains certain financial covenants, including, among others:

- The Company shall ensure that the free liquidity of the Group is at all times the higher of USD 30 million and 6.00 percent of gross interest-bearing debt.
- The Company shall ensure that the capital expenditure of the Group (on a consolidated basis) measured at the end of each financial year shall not exceed $70 million.

As of June 30, 2024, the Company is compliant with all covenants under this Second Lien Bond.

Other loans and capital leases

As described above, a total of $25.0 million of the First Lien Facility is carved out into an overdraft facility. There was no borrowing under the overdraft facility at June 30, 2024.

We have finance arrangements relating to equipment in our Well Services and Platform Operation divisions. On June 30, 2024, the balance under these arrangements was $17.1 million.

We have additional outstanding loan balances totalling $0.8 million acquired with our recent business acquisitions.

Note 11 Leases

Finance leases
We have entered into finance arrangements for the purchase of some items of equipment, predominantly well plugs for use in our Oiltools division. The leases are entered into under a frame agreement with the bank, and initial lease term is typically 5 years.

Assets leased under finance leases with a carrying value of $9.6 million are included in property plant and equipment.

Operating leases

The company has historically leased some operating assets, office and warehouse facilities and office equipment under operating leases. With effect from January 1, 2019, for material operating leases, we have recognised the relevant right of use assets and lease liabilities in our balance sheet. The leases have remaining lease terms of 1 to 10 years at June 30, 2024. Some operating leases include options to extend the leases for up to 3 years. We have sub-let unused office space, for which we received rental income of $0.1 million in 2024.

We have calculated an incremental borrowing rate, or IBR, for discounting each lease's cash-flows to arrive at an initial value for the lease liability and right of use asset. The IBR is calculated as a function of the following elements/ considerations;

- Base rate – generally the inter-bank lending rate in the relevant jurisdictions,
- Credit spread – we estimate the effect of the lessee credit worthiness
- Country risk premium
- Inflation differential
- Contract term
- Security or collateral provided in the lease contract.

Significant judgment is required in estimating some of these elements. We apply a consistent methodology in estimating IBR for each lease.

We have elected not to recognise the right of use asset and lease liability for short term leases.

Supplemental information pertaining to the Company's leasing activities for the six-month period ended June 30, 2024 was as follows;

(In USD millions)	Six months ended June 30, 2024
Finance Lease costs	
Amortisation of right of use assets	2.4
Interest on lease liabilities	0.8
Operating lease costs	6.7
Short term lease costs	18.5
Total Lease costs	28.4
Other information	
Cash paid for amounts included in measurement lease liabilities	
Operating cash flows from finance leases	0.8
Operating cash flows from operating leases	6.7
Financing cash flows from finance leases	1.8
Right of use assets obtained in exchange for new finance lease liabilities	3.9
Right of use assets obtained in exchange for new operating lease liabilities	0.0
Weighted average remaining lease term – finance leases	3.4 years
Weighted average remaining lease term – operating leases	5.7 years
Weighted average discount rate – finance leases	8.0%
Weighted average discount rate – operating leases	9.6%

Note 12 Equity

(In USD millions)	June 30, 2024		December 31, 2023	
	Shares	$ million	Shares	$ million
Authorized share capital	80,000,000	0.8	2,000,000,000	20.0
Issued, outstanding and fully paid share capital	64,970,598	0.6	1,624,264,969	16.2

Archer shares are traded on the Oslo Stock exchange with the ticker “ARCH”.

2024

At the Company’s Annual General Meeting on April 30, 2024, the shareholders approved the following reorganisation of the Company’s capital:

- the consolidation of the authorised share capital and issued share capital of the Company so that 25 shares of par value US$0.01 each became 1 share of par value US$0.25 each
- the reduction of the issued and paid-up share capital of the Company by reducing the paid-up capital of the Company by US$0.24 on each of the issued shares of the Company such that the par value of each such issued share be reduced from US$0.25 to US$0.01

The capital re-organisation, became effective on May 7th, 2024, after which, the total number of issued and fully paid shares of par value of $0.01 outstanding were 64,970,598.

On the acquisition of 65% of Vertikal Services AS we recognised the 35% non-controlling interest at an estimated fair value of NOK 4 million, or $0.4 million.

2023

We completed the refinancing of the Archer Group during the second quarter of 2023. The existing revolving credit and term loan facility was extinguished, and we established a new First Lien Facility and issued Second Lien bonds.

As part of the Refinancing, Archer issued 1,040 million ordinary shares at an issue price of 1.00 NOK per share, raising 1,040 million NOK in gross proceeds, in a Private Placement in the fist quarter of 2023. In the Subsequent Offering an additional 17,506,357 shares where issued to existing shareholders, at an issue price of 1.00 NOK per share which provided gross proceeds of NOK 17.5 million.

As part of the Refinancing, 208 million shares were issued to the holder of the subordinated convertible loan as settlement. The shares were valued at 1.00 NOK per share, or $20 million in total, in line with the terms of the private placement and subsequent offering. The settlement of the subordinated convertible loan resulted in a $4.1 million loss being recorded within Other financial items in the second quarter of 2023.

208 million shares were issued to the underwriters of the Second Lien Bond issue, as underwriting fees. The value of these shares, $20 million is recognised as capitalised debt fees and will be amortised over the 4.25 year tenor of the bonds and reported as interest costs.

2 million shares were issued to Archer's advisors in the overall Refinancing.

Note 13 Segment Information

We present our business under three reporting segments based on services supplied;

- Platform Operations
- Well Services
- Land Drilling

In addition, we report corporate costs and assets as separate line items.

The accounting principles for the segments are the same as for our consolidated financial statements. Presented below and on the following page are the revenues, depreciation and amortization, operating income, capital expenditures, goodwill and total assets by segment.

Segment information

(In USD millions)	**Three Months Ended June 30**		**Six Months Ended June 30**	
	2024	**2023**	**2024**	**2023**
Revenues from external customers				
Platform Operations	140.5	130.2	283.7	247.9
Well Services	71.2	76.5	157.7	145.1
Land Drilling	97.3	88.2	175.8	168.4
Total revenue	**309.0**	**294.9**	**617.3**	**561.5**
Depreciation and amortisation				
Platform Operations	5.3	3.3	9.5	6.3
Well Services	3.5	3.0	7.1	5.6
Land Drilling	6.5	5.6	12.0	10.8
Total depreciation and amortisation	**15.4**	**11.9**	**28.6**	**22.7**
Operating income/net income				
Platform Operations	9.6	6.2	17.4	15.7
Well Services	7.4	10.4	18.5	15.5
Land Drilling	0.6	3.8	2.5	4.0

Corporate Cost	(2.0)	(2.0)	(4.9)	(4.0)
Stock compensation cost	0.0	0.0	0.0	0.0
Total operating income / (loss)	**15.5**	**18.4**	**33.4**	**31.2**
Total financial items	(13.4)	(32.6)	(40.1)	(62.1)
Gain on bargain purchase	0.0	0.0	0.0	0.0
Income taxes	(1.1)	(2.0)	(3.1)	(3.8)
Net income	**1.0**	**(16.2)**	**(9.8)**	**(34.7)**
Capital Expenditures				
Platform Operations	6.0	1.5	8.1	2.2
Well Services	2.7	1.8	4.0	6.0
Shared assets*	1.6	1.7	2.7	2.1
Total Excluding Land Drilling	10.4	5.1	14.8	10.3
Land Drilling	6.2	2.2	10.8	6.4
Total	**16.5**	**7.3**	**25.6**	**16.8**

Goodwill

(In USD millions)	**Platform Operations**	**Well Services**	**Total**
Balance at December 31, 2023	**76.4**	**79.6**	**156.0**
Translation adjustments			
Acquired goodwill in relation to the acquisition of Vertikal Services AS	3.1		3.1
Translation adjustments	(2.7)	(3.3)	(6.0)
Balance at June 30, 2024	**76.8**	**76.3**	**153.1**

Total assets

(In USD millions)	**June 30, 2024**	**December 31, 2023**
Platform Operations	234.4	190.7
Well Services	225.9	301.8
Shared assets*	106.7	113.1
Investment in Iceland Drilling	11.0	10.2
Land Drilling	305.4	285.5
Corporate	6.1	4.3
Total	**889.0**	**905.7**

* Assets shared by Platform Operations and Well Services segments include shared office and admin facilities, cash and tax assets and liabilities

Note 14 Fair Value of Financial Instruments

The estimated fair value and the carrying value of our financial instruments are as follows:

Carrying value of financial instruments

(In USD millions)	**June 30, 2024**		**December 31, 2023**	
	Fair Value	**Carrying Value**	**Fair Value**	**Carrying Value**
Nonderivatives				

Cash and cash equivalents	51.6	51.6	52.1	52.1
Restricted cash	6.8	6.8	3.5	3.5
Accounts receivable	173.6	173.6	183.8	183.8
Accounts payable	(94.6)	(94.6)	(75.5)	(75.5)
Current portion of interest-bearing debt	(20.0)	(20.0)	(17.6)	(17.6)
Current portion of operating lease liability	(9.9)	(9.9)	(11.4)	(11.4)
Long-term interest-bearing debt	(213.1)	(210.2)	(222.1)	(222.1)
Second Lien Bond	(222.3)	(192.0)	(204.8)	(204.8)
Operating lease liability	(19.8)	(19.8)	(22.9)	(22.9)

The aforementioned financial assets are measured at fair value on a recurring basis as follows:

Financial assets and liabilities

(In USD millions)	**June 30, 2024**	**Fair Value Measurements at Reporting Date Using**		
	Fair Value	Level 1	Level 2	Level 3
Assets				
Cash and cash equivalents	51.6	51.6		—
Restricted cash	6.8	6.8		—
Accounts receivable	173.6	—	173.6	—
Liabilities				
Accounts payable	(94.6)	—	(94.6)	—
Current portion of interest-bearing debt	(20.0)	—	(20.0)	—
Current portion of operating lease liability	(9.9)	—	(9.9)	—
Long-term, interest-bearing debt	(213.1)	—	(213.1)	—
Second Lien Bond	(222.3)	—	(222.3)	—
Operating lease liability	(19.8)	—	(19.8)	—

Level 1: Quoted prices in active markets for identical assets

Level 2: Significant other observable inputs

Level 3: Significant unobservable inputs

We used a variety of methods and assumptions, which are based on market conditions and risks existing at the time, to estimate the fair value of our financial instruments. For certain instruments, including cash and cash equivalents, it is assumed that the carrying amount approximated fair value due to the short-term maturity of those instruments.

The fair values of Second Lien Bond is based on the last observable trading price, prior to the close of the quarter.

The fair value of the current portion of long-term debt is estimated to be equal to the carrying value, since it is repayable within twelve months. The fair value of the long-term portion of floating rate debt is estimated to be equal to the carrying value adjusted for the prepaid debt fees (outstanding balance), since it bears variable interest rates, which are reset on a quarterly basis. This debt is not freely tradable, and we cannot purchase them at prices other than the outstanding balance plus accrued interest.

Restricted cash consists mainly of bank deposits arising from advance employee tax withholdings.

Note 15 Related Parties

In the normal course of business, we transact business with related parties conducted at arm's length.

Transactions with Comtrac AS:

Our 50% investment in Comtrac AS comprises an equity investment and a loan, equivalent to $1.7 in total. We account for our investment using the equity method, as discussed above in note 7. During the 6 months ended June 30, 2024 we have invoiced Comtrac AS a total of NOK 2.0 million, or $0.2 million for services provided to them.

Transactions with Iceland Drilling:

Our 50% investment in Iceland Drilling comprises an equity investment, equivalent to $11.0 million in total. We are accounting for this investment using the equity method of accounting. Due to the fact that we exercise significant influence over its operations, Iceland Drilling is a related party.

Transactions with other related parties

The following are related parties, being companies in which Archer's second-largest shareholder Hemen Holding Ltd has significant direct and indirect interests:

- Front Ocean Management (Bermuda) Limited, ("Front")

- Seatankers Management Company Limited ("Seatankers")

Seatankers provide management support and administrative services to us, and we have recorded fees of $0.2 million for these services in first half of 2024. These expenses are included in General and administrative expenses in the Consolidated statement of operations.

Note 16 Legal Proceedings

From time to time, we are involved in litigation, disputes and other legal proceedings arising in the normal course of our business. We insure against the risks arising from these legal proceedings to the extent deemed prudent by our management and to the extent insurance is available, but no assurance can be given that the nature and amount of that insurance will be sufficient to fully indemnify us against liabilities arising out of pending and future legal proceedings. Many of these insurance policies contain deductibles or self-insured retentions in amounts we deem prudent and for which we are responsible for payment. If there is a claim, dispute or pending litigation in which we believe a negative outcome is probable and a loss by the Company can be reasonably estimated, we record a liability for the expected loss. As of June 30, 2024, we are not aware of any such expected loss which would be material to our financial position and results of operations. Nor are we involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) which may have, or have had in the recent past, significant effects on our financial position or profitability.

Note 17 Subsequent Events

On July 1, 2024, Archer announced the acquisition of the floating offshore wind solutions provider Moreld Ocean Wind AS, including a minority stake in US/French technology company Ocergy Inc. Moreld Ocean Wind AS delivers project management and engineering for fabrication and assembly of floating substructures for wind turbines. Moreld Ocean Wind was renamed Archer Wind. The transaction closed on July 1, 2024 with a financial commitment by Archer of USD 1.8 million, of which $0.9 million is a sellers credit due within 2024 and the remaining $0.9 million is contingent on meeting certain operational criteria and is due within November 2025.

On July 31, 2024, Archer announced the acquisition of the managed pressure drilling service provider ADA Argentina. ADA Argentina provides managed pressure drilling services to Archer's largest customers in the Vaca Muerta basin in Argentina. The transaction closed on July 31, 2024 with a financial commitment by Archer of $4.5 million for the investment in ADA and a further CAPEX commitment of $2.5 million in relation to a new MPD-unit.

Appendix to Second Quarter 2024 Report

We report our financial results in accordance with generally accepted accounting principles (GAAP). However, Archer's management believes that certain non-GAAP performance measures and ratios may provide users of this financial information additional meaningful comparison between current results and results in prior operating periods. One such non-GAAP financial measure we use is earnings before interest, taxes, depreciation and amortization (EBITDA), adjusted for special charges or amounts. This adjusted income amount is not a measure of financial performance under GAAP. Accordingly, it should not be considered as a substitute for operating income, net income or other income data prepared in accordance with GAAP. See the table that follows for supplemental financial data and corresponding reconciliations to GAAP financial measures for the three months ended June 30, 2024, March 31, 2024, December 31, 2023, September 30, 2023, June 30, 2023 and March 31, 2023. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, our reported results prepared in accordance with GAAP.

Condensed Consolidated Statements of Operations (Unaudited)

(In USD million)	**Three Months Ended**					
	June 30, 2024	**Mar. 31, 2024**	**Dec. 31, 2023**	**Sep. 30, 2023**	**Jun. 30, 2023**	**Mar. 31, 2023**
Revenue	309.0	308.3	305.1	302.7	294.9	266.6
Cost and expenses						
Operational costs	(293.5)	(290.4)	(288.1)	(286.1)	(276.5)	(253.8)
Impairments	(2.0)	—	—	—	—	(2.0)
Net financial items	(13.4)	(26.7)	(8.7)	(16.5)	(32.6)	(28.9)
Gain on bargain purchase	—	—	—	(0.3)	0.1	(0.1)
Income / (loss) from continuing operations before income taxes	**2.1**	**(8.7)**	**8.2**	**(0.1)**	**(14.1)**	**(16.1)**
Income tax (expense)/benefit	(1.1)	(2.0)	0.3	(2.4)	(2.0)	(1.8)
Net income / (loss)	**1.0**	**(10.8)**	**8.5**	**(2.5)**	**(16.2)**	**(17.9)**

Reconciliation of GAAP to non-GAAP Measures (Unaudited)

(In USD million)	**Three Months Ended**					
	June 30, 2024	**Mar. 31, 2024**	**Dec. 31, 2023**	**Sep. 30, 2023**	**Jun. 30, 2023**	**Mar. 31, 2023**
Net income / (loss)	1.0	(10.8)	8.5	(2.5)	(16.2)	(17.9)
Depreciation, amortization and impairments	17.4	13.2	14.4	13.5	11.9	12.8
Net financial items	13.4	26.7	8.7	16.5	32.6	28.9
Taxes on income	1.1	2.0	(0.3)	2.4	2.0	1.8
Gain on sale of assets	(0.1)	(0.2)	(0.5)	0.6	(0.4)	(0.4)
Gain on bargain purchase	—	—	—	0.3	—	0.1
EBITDA	**32.8**	**30.9**	**30.9**	**30.7**	**30.0**	**25.2**
Exceptional charges	(0.6)	2.0	2.4	1.7	1.9	2.2
EBITDA before restructuring costs	**32.2**	**32.9**	**33.4**	**32.3**	**31.9**	**27.4**

EBITDA by reporting segments (Unaudited)

(In USD million)	**Three Months Ended**					
	June 30, 2024	**Mar. 31, 2024**	**Dec. 31, 2023**	**Sep. 30, 2023**	**Jun. 30, 2023**	**Mar. 31, 2023**
Platform Operations	14.8	12.0	14.9	13.6	9.5	12.5
Well Services	11.2	14.7	12.6	13.6	13.3	7.7
Land Drilling	8.9	7.2	5.5	6.1	9.0	7.0
Overhead & Corporate costs	(2.1)	(3.0)	(2.2)	(2.7)	(1.9)	(2.1)
EBITDA	32.8	30.9	30.9	30.6	30.0	25.2

EBITDA for Platform Operations and Well Services has been restated historically to reflect the allocation of Overhead which was previously reported separately.