Archer

2024 Archer Limited

ANNUAL REPORT

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Business overview

Archer Limited, along with its subsidiaries, is a global services company with a heritage in drilling and well services that stretches back over 50 years. The Company was incorporated in Bermuda on 31 August 2007 and conducted operations as Seawell Limited until 16 May 2011 when shareholders approved a resolution to change the name to Archer Limited.

The Company is publicly traded on the Oslo Stock Exchange under the ticker ARCH. Archer’s main operations currently take place in the major basins within Europe, Asia Pacific, North and South America and Archer is expanding throughout the Middle East, and West Africa.

The legal name of the Company is Archer Limited, which also is its commercial name. The Company’s registered office is at Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton HM 08, Bermuda and its main telephone number at that address is +441-295-6935.

The Company is an exempted company limited by shares and is organized and exists under the laws of Bermuda
and the Bermuda Companies Act, with registration no. 40612.
The Company’s LEI code is 549300D1D5TS4O1V4923.
The Company’s Shares are listed the Oslo Stock Exchange under the ticker symbol “ARCH” and the Company’s website
can be found at www.archerwell.com.

Principal markets
Archer is a company providing drilling and well services to the global energy industry employing 5,000 globally. Archer operates in over 40 countries, providing sustainable high-quality services and innovative technology to optimize Archer’s customer’s energy solutions.

Archer drilling teams secure production on more than 30 offshore platforms in the North Sea and Brazil, and own two modular rigs. In addition, Archer owns more than 60 mobile land rigs in Latin America. Archer provides well services including bespoke downhole technologies for all stages of the well lifecycle from drilling, completion to workover, slot recovery, and plug and abandonment.. Strengthened by experience and an outstanding record for safety and efficiency, Archer aim to deliver the best drilling and well services globally.

The Group’s operations are managed through four segments: Platform Operations, Well Services, Land Drilling and Renewables. The Group’s current four segments are described further in the following.

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The Platform Operations segment includes platform drilling operations, modular rigs and engineering.

The Group conducts offshore drilling services on client owned fixed oil and gas installations, referred to as “platforms”. The Group manage the drilling operation and supplies experienced personnel for drilling operations, maintenance, and technical support on production platforms.

The Company and its predecessors have provided drilling and management services on platforms in the UK and Norwegian North Sea for 50 years. Since the award of the first platform drilling contract in the North Sea on the Heather platform in 1977, the Group has been a key player in the supply of drilling and maintenance personnel to platforms. Since that time, the Group has continued to build on its early experience by increasing capabilities, developing supporting technologies, and extending the Group’s global footprint. Currently, the Group offshore drilling business operate over 30 platforms in the UK,Norway and Brazil, with responsibility for the operation and maintenance of all the equipment owned by clients. The Group has long-term relationships with a large number of major operators, including Apache, Ithaca Energy, Repsol Resources and Taqa in the UK, and Aker BP and Equinor in Norway as well as Equinor and Trident Energy in Brazil.

The Group constructed and operates two modular drilling units, the Archer Emerald (2012) and the Archer Topaz (2014), to cost-effectively service the platform drilling industry. The rigs are designed to operate stand-alone and can be rigged up on certain offshore platforms to provide complete life-cycle drilling and work-over services from initial well delivery right through to decommissioning. Archer provides engineering services encompassing conceptual solutions through detailed design and construction to final offshore and onshore commissioning.

Archer Well Services division provides well services including bespoke downhole technologies for all stages of the well lifecycle from drilling, completion to workover, slot recovery, and plug and abandonment.

Archer Well Services is a result of merging Coiled Tubing, Oiltools, and Wireline into one division. Our team consists of more than 800 people globally. We have operations in over 40 countries worldwide, with offices in 13 countries. We offer a wide array of downhole technologies for various phases of the well lifecycle, spanning from Well Construction & Completion, Well Intervention & Workover, Well P&A & Slot Recovery, to Surface, Geothermal, and CCUS applications.

Archer has developed a range of technology and tools to enhance safety well integrity, and to optimize heavy well interventions. From gas-tight stage tools and barrier plugs, traditional down-hole equipment and high tier solutions for well intervention and for the plug and abandonment of wells. The solutions contribute to the efficient management and integrity of a well throughout its life. The Group's technologies provide solutions for a wide range of tasks during the design phase, through drilling, completion and well intervention, to abandonment.

Archer's intervention business is one of the founding entities of the entire company and can trace its roots back over 50 years. From our proud beginnings as a pure mechanical wireline services company, we now provide the complete range of slickline and electric line wireline intervention services.

Archer's Land Drilling segment has provided drilling and workover services to operators in Argentina, Bolivia and other countries for more than 45 years.

Archer's Land Drilling business offer a complete range of integrated drilling, completion and well servicing services for the entire well lifecycle, from well construction to decommissioning.

DLS, Archer's Land Drilling division is a leading drilling and technology company that operates one of the largest fleets of advanced technology, AC-powered land rigs in Latin America, including Quicksilver, Ideal and Flex 4 drilling units. These mobile, innovative land rig units are specifically designed to deliver safe and efficient operations.

The Group's Renewables segment consists of two divisions, being Archer's geothermal drilling business conducted by Iceland Drilling and offshore wind

Archer's geothermal operation is conducted through its 60% ownership in Iceland Drilling. Iceland Drilling is an international leader in high-temperature geothermal drilling, with offerings across renewable service segments such as deep drilling for electricity generation, wells for district heating and cooling, and wells for carbon storage. The company has close to 200 employees with its main operations currently in Iceland and the Philippines.

Archer's offshore wind services are provided through Archer Wind. Archer Wind is a floater solutions provider for the floating offshore wind industry, established for the purpose of executing large, complex offshore wind projects.

Outlook

The markets for the Group's services are impacted by the operators demand for Archer's services which are in the longer term impacted by the ongoing energy transition as well as cyclical variations influenced by oil market outlook and oil price levels.

Archer shares IEA's expectation that global energy consumption will 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. Archer's main activity remains within the brownfield portion of the oil and gas value chain, which is less volatile than the greenfield developments.

While recent U.S. tariffs and lower oil prices impose challenges in the energy sector in general and for oilfield services in particular, Archer expects in the short term a continued 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 renewables 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 has presented 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 and decommission work that is required in the North Sea in the decades ahead. Furthermore, the ownership in Iceland Drilling, which focuses on services to the geothermal drilling industry, provides a clear synergy to Archer's drilling services provided, particularly relating to its land drilling operations. Finally, Archer's investment in Archer Wind, provide for a foothold in the floating offshore wind market, which can possibly be an important growth area for Archer going forward.

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. As also described in section 2.1.4, Argentina's default on its sovereign debt combined with capital restrictions have led to a challenging situation for the oil and gas sector in the country, including the oil service industry. The development in the Vaca Muerta basin, and Argentina's sanctioning of oil and gas infrastructure, provides for a more optimistic view on the market environment for Archer going forward.

Strategy

The strategy of the Group is to deliver better wells and to be the "supplier of choice" for drilling services, well interventions as well as plug and abandonments. The Group aims to achieve this by continuously improving its services and product quality and by utilizing people who demonstrate the values of the Group and deliver excellence. This approach enables the Group to further broaden its reach, both geographically and technically, and it can be the foundation to secure longer term profitable growth. The Group will leverage competence and experience, for use in sustainable renewable energy with service offering with geothermal energy, carbon storage, wind, and hydropower for the long-term growth. The Group will continue to pursue opportunities to benefit from economies of scale, to selectively strengthen the Group's geographical footprint and to develop proprietary technologies.

Board of Directors' Report
Financial Review

Operating results

Revenue for the year ended December 31, 2024 was $1,300.7 million or 11% higher than the revenue in 2023 with increased revenue from all our divisions, fueled by a general increase in activity as well as impact from acquisitions during the year. The increase in revenue was particularly high in our Land Drilling segment.

EBITDA, (Earnings before Interest and Other financial items, Taxes, Depreciation, Amortisation and gain/loss on sale of assets) for the year ended December 31, 2024 was $134.8 million, representing an increase of 15% compared to 2023. The increase in reported EBITDA is driven by improvements in all divisions, particularly in Land Drilling.

Platform Operations revenue was 6% higher than in 2023 with increased revenue from Platform Drilling, Modular Rigs and Engineering services. In addition, since May 2024, we report a portion of Vertikal's activity that is not reported under Renewables, under the Platform Operations. EBITDA increased by 8% over 2023.

Well Services revenue increased by 10% compared to 2023, driven primarily by increased revenue from both Oiltools and coiled tubing, and 1.5 months of revenue from the WFR acquisition. The increased activity, combined with margin expansion led to an overall 13% increase in EBITDA compared to 2023.

Land Drilling revenue increased by 15% compared with 2023, reflecting increased activity levels in Argentina during 2024, an overall improvement in demand for our services as well as effect of higher inflation than currency depreciation in Argentina. Year-on-year EBITDA improved by 26% due to higher activity and margin expansion.

In its first year, our Renewables reporting segment contributed $21 million to our total revenue.

Total expenses, including reimbursable expenses and depreciation for the year ended December 31, 2024 amounted to $1,229.4 million, an increase of 11% compared to the year ended December 31, 2023.

Our depreciation and amortisation expenses for the year ended December 31, 2024 amounted to $61.6 million, an increase of 24% compared to $49.8 million for the year ended December 31, 2023. The increase in depreciation is partly explained by the consolidation of new companies following the various acquisitions during 2024.

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. The vast majority of our goodwill relates to our Platform Operations and Well Services segments. Both segments have seen improved results in the last couple of years, and they have a solid contract backlog for the next 3-5 years. During 2024 we acquired businesses in both our Renewables and Land Drilling segments, which added moderate goodwill. Based on the combined improved results, sound financial performance, order backlog and forecasts, we identified no impairment requirement at December 31, 2024.

We test our fixed assets 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 the carrying amount. The testing of the valuation of our assets involves significant judgement and assumptions to be made in connection with the future performance of those assets in our business operations, including assumptions about future cash flows generated from these assets, discount rates applied to these cash flows and current market estimates of value. As a result of our testing in 2024 we have recognised total impairment charges of $2.7 million relating to our land rigs in Argentina. The carrying values of our remaining rigs are supported by current contracts, estimated future cash flow forecasts and valuation reports from independent appraisers.

Our general and administrative expenses for the year ended December 31, 2024 amounted to $42.6 million, a reduction of 9% compared to $46.8 million for the year ended December 31, 2023.

Net interest expense for the year ended December 31, 2024 amounted to $58.6 million, an increase of 13% compared to 51.8 million for the year ended December 31, 2023. The increase in net interest expense reflects both the general increase in USD interest rates in 2024 compared to 2023 and higher credit margin. The amortization of prepaid debt fees which is included in the interest cost, amounted to $6.8 million in 2024 compared to $5.6 million in 2023.

Other financial items for the year ended December 31, 2024, amounted to a net cost of $27.8 million, compared to $30.5 million for the year ended December 31, 2023. Other financial items included foreign exchange gains and losses. We are exposed to the effect of currency exchange movements. In 2024, we recorded an exchange loss of $20.9 million (2023: $19.0 million).

The net loss before taxes in 2024 amounted to $10.6 million, compared to $22.2 million for the financial year 2023.

Our total income tax charges for 2024 amounted to a tax expense of $14.6 million as compared to an expense of $5.9 million for 2023. The Group's net tax expense primarily relates to tax expense from operations in Europe, driven by underlying improved profitability for the operations in Norway and South America.

The net loss in 2024 amounted to $25.2 million, compared to a loss of $28.1 million for the financial year 2023.

We have proposed no dividends for the year ended December 31, 2024.

Balance sheet
Our total current assets were $401.3 million at December 31, 2024, an increase of 14% compared to $354.8 million at December 31, 2023. Accounts receivable increased moderately by $4 million, or 2,2%, reflecting an increase in business activity partly offset by improvements in days of sales outstanding ("DSO"). Cash and cash equivalents increased by $24.7 million to $76.8 million.

Our total non-current assets were $599.6 million at December 31, 2024 and consisted primarily of fixed assets used in our operations, goodwill, and right of use assets under operating leases. The increase of $48.7 million or 8% compared to $550.9 million in 2023, is mainly due to the acquisitions during 2024.

As of December 31, 2024, our total assets amounted to $1,000.8 million, compared to $905.7 million at December 31, 2023.

Our total current liabilities were $337.7 million at December 31, 2024 compared to $277.5 million at 31 December 2023, an increase of $60.2 million. The increase is explained by the increased accounts payables and other current liabilities, largely a result of the acquisitions during 2024.

Our total non-current liabilities were $440.3 million at December 31, 2024 and consisted primarily of the First and Second Lien debt.

Cash flows
The following table summarises our cash flows from operating, investing and financing activities for the years ended December 31, 2024 and 2023.

Summary of cash flows

In USD millions	**2024**	**2023**
Net cash provided by operating activities	102.8	55.7
Net cash used in investing activities	(118.9)	(48.7)
Net cash provided by/(used in) financing activities	49.5	(43.7)
Effect of exchange rate changes on cash and cash equivalents	(8.4)	(0.7)
Cash and cash equivalents, including restricted cash at the beginning of the year	55.6	93.0
Cash and cash equivalents, including restricted cash, at the end of the year	**80.7**	**55.6**

Cash flow from operating activities increased in 2024, compared to 2023 resulting from improved operational performance and working capital.

Cash outflow used in investing activities totalled $118.9 million in 2024 compared to $48.7 million in 2023.

In 2024 cash provided by financing activities amounted to $49.5 million, largely explained by the equity issuance in 2024.

Other events in 2024

Acquisition of Vertikal Service AS
On 6 May 2024 Archer 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.

Acquisition of Moreld Ocean Wind AS
On 1 July 2024 Archer completed the acquisition of Moreld Ocean Wind AS, subsequently re-named Archer Wind AS (or Archer Wind). Archer Wind is developing offshore floating wind foundations, and is currently managing the development of a prototype installation under a contract with Total Energies using unique technology provided under a collaboration agreement with Ocergy inc., a US technology and solutions provider. The purchase is part of Archer's diversification into the renewable energy sector, by the acquisition of projects in wind and hydro generated power. The acquired workforce with experience and know-how in this sector is augmented by Archer's engineering skills and industry knowledge.

Acquisition of ADA Argentina SRL
On 31 July 2024, Archer's fully owned Argentinian subsidiaries completed the purchase of ADA Argentina SRL, (or ADA), from Air Drilling Associated. ADA performs drilling services in Argentina through the operation of managed pressure drilling equipment. Archer's customers in Argentina are increasingly requiring the sorts of services provided by ADA to be provided alongside land drilling services already provided, so the ADA business complements Archer's operations and facilitates the offering of integrated services by Archer.

Acquisition of Comtrac AS

Since 2020, Archer's fully owned Norwegian subsidiary Archer Norge AS has owned 50% of Comtrac AS, an entity set up for the development and ownership of well intervention technology. Since its inception, the investment in Comtrac AS has been accounted for using the equity method of consolidation. On 4 September 2024 Archer Norge AS purchased the other 50% of the company from the only other shareholder, IKM Gruppen AS. Following the attainment of 100% ownership of Comtrac AS Archer is able to directly commission the building of rods (which are the ComTrac technology) which are utilised in the provision of well services to Archer's customers.

Acquisition of Wellbore Fishing & Rental Tools, LLC

In November 2024, Archer completed the acquisition of WFR. WFR is a US based well technology player focused on fishing operation in the oil and gas sector. Fishing operations include multiple activities during the well life cycle, including the removal of stuck equipment, pipe, completion, downhole tools, casing, and liners for intervention, as well as workover and P&A operations.

Acquisition of shares in Iceland Drilling

In November 2024, the Company announced that it had completed the acquisition of an additional 10% of the shares in Iceland Drilling from its joint venture partner Kaldbakur. for USD 2.5 million, to be settled through the issuance of new shares in the Company to Kaldbakur. Iceland Drilling is an international leader in high-temperature geothermal drilling, with offerings across renewable service segments such as deep drilling for electricity generation, wells for district heating and cooling, and wells for carbon storage. The company has close to 200 employees with its main operations currently in Iceland and the Philippines.

The Private Placement

On 31 October 2024, the Company announced that it had successfully completed the Private Placement raising the NOK equivalent of approx. USD 50 million in gross proceeds, through the allocation of in total 24,393,100 Shares at a subscription price of NOK 22.465 per Share.

Subsequent Events

Refinancing

On February 6, 2025 Archer announced the placement of new 5 year USD 425 million senior secured bonds, carrying a coupon of 9.5%. The new bonds were issued on February 24th. The proceeds from the bonds issuance were applied towards the full repayment of the First Lien Facility and the Second Lien Bond described in Note 17 Debt. Following these repayments, the unamortised debt issuance costs relating to these facilities will be expensed and result in a non-cash financial cost of $17.4 million in the first quarter of 2025.

In connection with the bonds issuance, Archer established a $75 million revolving credit facility, ranking super senior to the bonds.

Contract awards

On February 26, 2025, Archer announced that its subsidiary Wellbore Fishing & Rental Tools LLC, had been awarded a frame agreement for the provision of Fishing and Thru Tubing Fishing for a major deepwater operator in the US Gulf of America.

On February 28, 2025, Archer announced that Equinor has awarded the company the planning work for the permanent plug and abandonment (P&A) of the Snorre UPA and Heidrun B&C templates.

On April 28, 2025, Archer announced renewal of a contract with Pan American Energy in the south of Argentina, with reduced activity in this region.

Trade disruption

On April 2, 2025, USA announced tariffs on U.S. trade, escalating tensions and increasing uncertainty in global markets. Pursuantly, the implementation of certain of the tariffs has been postponed, while tariffs to some countries have been retaliated with similar tariffs, leading to escalation. As the company sees it, the direct impact from these trade disruptions on the Company is expected to be modest. Should however the trade disruption lead to reduced economic growth and deterioration of the energy prices over time, it could impact the activity level for Archer.

Key figures

	2024	**2023**
Revenue In USD millions	1,301	1,169
EBITDA[1] In USD millions	135	117
EBITDA before exceptional items[2] In USD millions	142	125
Net (loss)/income from continuing operations In USD millions	(25.6)	(28.1)
Net interest-bearing debt In USD millions	364	368
Employees at December 31	5,037	4,856

[1] EBITDA is defined as Earnings before Interest and Other financial items, Taxes, Depreciation, Amortisation and gain/loss on sale of assets. This non-GAAP measurement is widely used by analysts and investors for assessing the company's underlying performance and comparisons with other companies within the industry.

[2] Exceptional items include severance payments, costs of idle personnel in Latin America and office closure costs which are non-recurring and are not directly related to our current business operations, as disclosed in Note 4 Compensation and severance expenses to the consolidated financial statements.

Going concern

Our Board of Directors confirms their assumption of the Group as a going concern for the foreseeable future, being a period of not less than 12 months from the date of this report. This assumption is based on the liquidity position of the Group, forecasted operating results, the debt maturity being extended to 2030 following the refinancing in 2025, and the market outlook for the energy service sector as at December 31, 2024. The Board believes the annual report provides a fair presentation of the Group's assets and debt, financial position and financial performance.

Board of Directors' Report
Health, Safety and Environmental

Archer's HSE philosophy is to establish and maintain an incident-free workplace where accidents, injuries or losses do not occur.

Safety is one of our key values. The value is embedded in the way we work in compliance with our procedures, with the authority to 'stop work' if safety is compromised, planning before we act, evaluating performance to ensure we improve, and maintaining a positive working environment.

Measuring performance is a key element in Archer's continuous improvement process, and results are monitored constantly and systematically. A selection of KPIs reflecting Archer's policies and objectives is reviewed down to installation level and reported to management on a monthly basis.

External and internal audits, verifications, inspections, and management visits offshore are carried out to measure compliance towards requirements. Archer has in the last couple of years introduced a new tool, which we call check-act. The check-act is also a verification tool, but more based on interviews with focus on getting employee feedback on status and suggestions for improvements. This increases the ownership to improvement actions coming out of the check-acts.

The close monitoring of the KPI results facilitates analysis of trends and causes, enabling the management to implement corrective actions if and when required. Together with the outcome of audits and inspections and the discussions in our management reviews, these results are used in the preparation of the annual HSE focus plans.

The main element in the Archer QHSE plan has been the further follow-up of the Archer safety culture program; The big 5 & the broken window. Via different initiatives during the year, Archer reinforced the message in these two programs through several initiatives:

1. NCR Training
- Conducted training in non-conformance reporting and handling
- E-learning programs available for all employees on the Archer NCR system Synergi

2. Implementation of a Global Tool for Proactive Reporting
- Selection and roll-out of a digital platform for proactive reporting
- Training programs to ensure widespread adoption
- Integration with existing HSE processes to enhance reporting culture

3. Deployment of the Company's Quality Rules
- Information campaigns to ensure awareness of quality rules
- Quality meetings to ensure implementation locally in each business line

4. Establishing a Process for Using Existing HSE Tools
- Visualize the integration of Archer HSE tools into daily work routines via a roadmap to Safety, The roadmap is called a SafeDay
- Video material from the Archer Vice Presidents to strengthen the message in SafeDay made available for all employees

5. Campaigns on Broken Window and Error Traps
- Awareness campaigns for prompt handling of minor deviations
- Implementation of reporting routines to prevent escalation
- Workshops and discussions on error traps and improvement measures
- Perform check-acts to verify compliance and identify error traps

6. Follow-up on Mental Health
- October is dedicated to mental health
- Presentations and supporting material made available for all employees
- Local initiatives to follow-up on employee's well-being and to put mental health on the agenda
- The Big 5 & the broken window will continue to play a central role in the Archer HSE plan for 2025, ensuring a continued improvement in the Archer total recordable injury frequency ("TRIF") trend.

The numbers from 2023 are not directly comparable to 2024 as the 2024 numbers also includes the Archer renewable segment. The 2024 TRIF trend ended at 0.84, and the LTI trend ended at 0.27. Archer injury trend is based on number of injuries during 200,000 work hours.

Most incidents can easily be avoided, which is why we keep consistent and high QHSE focus. To help us build a proactive reporting culture to ensure continuous improvement, Archer also has a global system where all employees have access to report observations and/or suggest improvements. To ensure quality in the content and use of the system, Archer also tracks proactive reporting as a KPI.

The close monitoring of the KPI results enable analyses of trends and causes, enabling the management to implement corrective actions if and when required. Incidents and high-risk events are subject to root cause analysis to ensure learning across all operations. Together with the outcome of audits and inspections and the discussions in our management reviews, these results are used in the preparation of the annual HSE focus plans.

The following table provides a summary of our work injury statistics.

	2024		2023	
Area	**Loss Time Injuries**	**Medical Treatment Cases**	**Loss Time Injuries**	**Medical Treatment Cases**
Platform Operation	7	11	6	9
Well Services	2	1	1	3
Land Drilling	0	2	1	1
Renewables	3	8		
Archer Total	**12**	**22**	**8**	**13**

The table above illustrates the total amount of recordable personnel injuries for Archer Platform Operations, Well Services, Archer Renewables and Land Drilling.

Archer is actively working to minimize the risk of damage to the environment as a result of operations. This includes the systematic registration of emissions and discharges and pre-emptive action in selecting chemicals that cause minimum harm to the environment. However, there are still risks of environmental damage and negative consequences for the company. In 2024 Archer had no reportable spills.

The Archer Management system is certified according to the ISO 9001:2015 certificate. Oiltools Norway, UK and US are certified in accordance with API Q1. In addition, the UK and Brazil operations are accredited to the ISO 14001:2015 for Environmental Management Standards. Archer has described the social responsibility in its management system and made clear commitments throughout the year.

Transparency act
Archer respects and acknowledges the principles of fundamental human rights and decent working conditions as defined in the Norwegian Transparency Act ("NTA"). Archer's assessments in accordance with the requirements of the NTA for 2024 will be made available on the Company's website when it is approved prior to June 30, 2025, in compliance with the requirements of the NTA. The 2023 assessment is available on our website.

Employees and diversity
We are proud to see that our global workforces' dedication to demonstrating our values and delivering leading performance to our clients has continued to impress throughout 2024. The Company`s strategy to develop sustainable renewable business lines has materialized during the year. A new Renewable Division has been established and consists of 3 organizations totalling 391 employees.

We have during the year continued to increase focus towards digitalization to improve our work processes and upheld the opportunity to practice work flexibility for our workforce. This has been recognized by our global workforce and has improved our ability to connect and to support our clients with reduced mobility and continued home office requirements. The 2024 employee survey indicates that this flexibility has a positive impact to our workforce and their overall impression of their work – life balance.

The geopolitical situation in the Middle East still creates some uncertainties for our employees in the region, which cause high focus on safety and employee security.

The total headcount for Archer had a net increase of 181 employees during 2024, with 5,037 employees at year-end. The highest increase is within our Well Service division followed by a minor increase for Platform Operations and our Land Drilling divisions.

Our diverse global workforce is composed of 58 different nationalities spread across in 14 countries. Although, our business remains heavily male dominated due to the nature of work we have through 2024 seen a healthy increase of 1.5% in female workers versus 2023 making a total female ratio of 7.1%.
Female employees make up 25.7% of our non-field workforce, with 23.6 % of those female employees holding leadership positions.

Archer is a people business, therefore the diversity in our framework has high focus and is very important to us. We firmly believe that our people are our most valuable capital. Creating a learning, sustainable and safe workplace is a key to the success of our company.

The Archer Group is an equal opportunity employer and exercises fair treatment to all individuals regardless of race, colour, religion, gender, national origin, age, disability, or any other status protected by law. This commitment applies to all employment decisions and in all the countries in which Archer entities operate. Included within our Human Rights policy is our commitment to respect the principles in the UN Guiding Principles on Business and Human Rights, the International Bill of Human Rights, and the ILO Core Conventions on Labour Standards. Archer complies with established international labour standards and employment legislation where we operate and is committed to the prevention of child and forced labour, non-discrimination in the workplace, the right of freedom of association and assembly, and the right to collective bargaining.

Archer is a member of employer associations where applicable. We have established union agreements with employee unions at locations where required due to union presence, and we perform regular meetings with union representatives.

Absenteeism
The target for overall absenteeism for the organization is 4,0% for field personnel and 2% for non-field personnel. We are continuously focusing on follow up on the absenteeism to understand how we best can support to get people back to work as quick as possible. Managers have close communication with their personnel on sick leave to ensure we keep close contact between the employee and the company. As most locations have established a flexible work policy for non – field personnel, we see a trend that some employees are working from home when same condition previously would be taken as sick leave. The high focus on absenteeism has continued during the year. We are running two pilot projects in Norway and Argentina with focus on workforce health and welfare to ensure the best possible work attendance. We have seen a positive development on absenteeism rate during the project duration for those two locations.

Board of Directors' Report
Risk Factors

Risks relating to Group and the industry in which it operates

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.

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 25-30% 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 section 2.2.5 "Risks related to labour disruptions"), 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 Argentinian operation.

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

The Group's land drilling division provides drilling and work over services to operators in Argentina, and these operations account for approximately 25-30% 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 three (3) work over units during Q1 2025, leading to reduced activity and down manning of 90 employees. The total termination costs amounted to approximately USD 4 million which, in this case, were agreed to be reimbursed 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 time frame, 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 labour 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 shut down 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.

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. Furthermore, in November 2024, the Company completed the acquisition of Wellbore Fishing & Rental Tools, LLC (acquired companies), as announced on 18 November 2024. There is a risk that the Group will not be able to successfully integrate WFR into the Group, or that any of the other risks set out in the below paragraphs may materialize with respect to the acquisition of acquired businesses.

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.

Additionally, the process of integrating the business of the targets 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.

The Group's firm backlog estimated to USD 2.1 billion, 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 blow outs, 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 consequenc-

es 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 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, 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 involves installation of a not yet 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 a risk that the 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.

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.

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.

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.

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.

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.

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 in 2025, see Note 27 Subsequent Events. 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.

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 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 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.

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.

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 342.6 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, involving estimated future cashflows and independent broker valuations, 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.

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.

Board of Directors' Report
Share capital issues and Corporate Governance

Share Capital issues

At December 31, 2024, the number of shares issued was 90,538,134 corresponding to a share capital of $905,381.34. At December 31, 2024, our authorised share capital was $1,500,000 consisting of 150,000,000 shares each with a par value of $0.01. All of our shares are of the same class.

The issued shares are fully paid, and all issued shares represent capital in the company. The shares are equal in all respects and each share carries one vote at our General Meeting of shareholders. None of our shareholders have different voting rights. The Board is not aware of any other shareholders agreements or any take-over bids during the year.

All of our issued shares are listed on the Oslo Stock Exchange and the split of the shareholders, as registered in the Norwegian Central Securities Depository (VPS), was as per the table below.

Shareholder overview as of December 31, 2024

PARATUS JU Newco Bermuda Limited	23.8%
Hemen Holding Limited	20.2%
Morgan Stanley & Co. Int. Plc.	5.5%
DNB Markets Aksjehandel/-analyse	3.2%
Others	47.3%

Corporate governance

The Board has reviewed our compliance with various rules and regulations, such as the Norwegian Accounting Act, the Norwegian Code of Practice for Corporate Governance, as well as the respective Bermuda law. A detailed discussion of each item can be found in the compliance section of this annual report in Appendix A. The Board believes that we are in compliance with the rules and regulations except for certain sections where the reasons for this noncompliance are provided.

Board of Directors' Report
Board of Directors

Composition of the Board
Overall responsibility for the management of Archer Limited and its subsidiaries rests with the Board. Our bye-laws provide that the Board shall consist of a minimum of two directors and the shareholders have currently approved a maximum of nine directors. One of the directors is elected to act as chairman at each Board meeting. Archer maintains Directors & Officers liability insurance against liabilities incurred in their capacity as Director or officer. The policy has a limit of $40 million.

Archer Limited's business address at Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton HM 08, Bermuda, serves as c/o addresses for the members of the Board in relation to their directorships of the company.

Board competences and diversity
The Board has identified several key competences needed within the Board to fulfil its responsibilities; operations, finance and accounting, ESG, risk management, global leadership and board service in stock listed companies.

Currently, the Board consists of five men, none of which are members of the registered management of the company. The current split is not considered to be equal gender representation on the Board according to Section 8 of the Norwegian code of practice, however in accordance with the company laws of Bermuda.

Ref	Indicator	Unit	2024
GOV-1 §21a	Number of executive members	#	0
GOV-1 §21a	Number of non-executive members	#	5
GOV-1 §21b	Number of employees in the company	#	0
GOV-1 §21e	Percentage of independent Board members	%	80
GOV-1 §21d	Percentage of women	%	0
GOV-1 §21d	Percentage of men	%	100

Skills and expertise within ESG-related matters
When evaluating Board candidates, the Board assesses both their ESG-related expertise and that of the existing Board members to ensure the Board collectively maintains a relevant level of competence in sustainability matters.

The Audit Committee oversees sustainability-related matters in external reporting, including discussions on Archer's CSRD double materiality assessment. This involvement enhances the Committee members' expertise in assessing material sustainability impacts, risks, and opportunities.

James O'Shaughnessy
Director
James O'Shaughnessy has served as Director and Chairman of the Audit Committee since September 2018.

O'Shaughnessy served as an Executive Vice President, Chief Accounting Officer and Corporate Controller of Axis Capital Holdings Limited up to March 26, 2019. Prior to that Mr. O'Shaughnessy has amongst others served as Chief Financial Officer of Flagstone Reinsurance Holdings and as Chief Accounting Officer and Senior Vice President of Scottish Re Group Ltd., and Chief Financial Officer of XL Re Ltd. at XL Group plc. Mr. O'Shaughnessy received a Bachelor of Commerce degree from University College, Cork, Ireland and is a Fellow of the Institute of Chartered Accountants of Ireland, an Associate Member of the Chartered Insurance Institute of the UK and a Chartered Director. Mr. O'Shaughnessy also serves as a director of Frontline, Golden Ocean, SFL Corporation Limited, Avance Gas and various insurance entities.

O'Shaughnessy has relevant qualifications, experience and competence within ESG, environment, social and governance. GOV-1§21-c

O'Shaughnessy is an Irish, British and Bermudan citizen, residing in Bermuda.

Giovanni Dell' Orto
Director
Giovanni Dell' Orto was appointed as Director in February 2011.

Dell' Orto was president and chief executive officer of DLS Drilling, Logistics and Services from 1994 to August 2006; since then he remains member of the board of DLS. He is a member of the board of Energy Developments and Investments Corporation (EDIC), a company with substantial investments in the oil and gas activities in South America. Dell' Orto had a 23 years long experience in ENI, with different positions in the Institutional Relations area; in 1983 he was appointed by the Italian Government member of the board and of the Executive Committee of ENI. He also served between 1985 to 1993 as chairman and chief executive officer of Saipem, and as board member of Agip and Snam, at that time ENI´s operational subsidiaries.

Dell' Orto is an Argentinean and Italian citizen and resides in Switzerland.

Jan Erik Klepsland
Director
Jan Erik Klepsland, has served as Director in Archer since October 2021 and as member of the compensation committee since December 2023.

Klepsland is an Investment Director in Seatankers Management Norway AS where he is overseeing and managing various public and private investments. He serves as a board member of Noram Drilling AS, Fortis Operations AS and Northern Ocean Ltd. Prior to joining Seatankers, he held the position as Partner at ABG Sundal Collier and prior to that Director in Nordea.

Klepsland holds a MSc in Finance from Norwegian School of Economics (NHH), is a Norwegian citizen and resides in Oslo, Norway.

Peter J. Sharpe
Director
Peter Sharpe was appointed as a Director in November 2019 and as chairman of the compensation committee since December 2023.

Sharpe retired from Shell in 2017 after holding a diverse range of Executive Management positions at various international locations over a period of 37 years. He Served as Executive Vice President of Shell for over 10 years, with responsibility for managing Shell upstream investments in well construction and maintenance globally. He served as chairman of Sirius Well Manufacturing Pte, an independent joint venture between Shell and China National Petroleum Corporation from 2012 to 2017, as a non-executive director of Xtreme Drilling and Coil Services Corporation from 2008 to 2014 and as a Director of Seadrill Ltd from 2018 to 2020.

Sharpe received a Bachelor of Science degree from the University of Hull in 1980, is a UK citizen resides in the United Kingdom.

Richard Stables
Director
Richard Stables has served as director since May 2023 and as member of the audit committee since December 2023.

He is a chartered accountant with many years' experience in banking and financial services. He was a corporate finance partner at Lazard, where he worked for 32 years until his retirement at the end of 2021. He brings a wealth of knowledge and experience of the financial markets, corporate finance and strategy. He now runs his own consultancy, Fulcrum Advisory Partners LLP, is a non-executive director of The Gym Group plc and amongst other roles is a senior advisor to Blantyre Capital Limited.

Stables has relevant qualifications, experience and competence within ESG, environment, social and governance. GOV-1§21-c

Stables holds an BSc in Engineering Sciences and Management from Durham University, is a British citizen and resides in England.

Board independence

The Chairman of the company's five-member Board of Directors is elected by the Board of Directors and not by the shareholders as recommended in the Norwegian Code of Practice. This is in compliance with normal procedures under Bermuda law.

Board of Directors' Report
Executive management

Executive management competences and diversity **GOV-1§21-d**
The Executive Management team brings substantial expertise from their respective fields prior to joining the Group and has further developed sector-specific, product-related, and regional experience during their tenure. They also receive sustainability-related training from external consultants, courses and in-house experts, as needed to support their responsibilities.

Dag Skindlo
Chief Executive Officer
1968, Norway, he/him

Dag Skindlo joined Archer in April 2016 as CFO before his appointment as CEO in March 2020.

Skindlo is a business-oriented executive with over 30 years in the energy industry. He joined Schlumberger in 1992 where he held various financial and operational positions before joining the Aker Group of companies in 2005 where he held several global CFO and Managing Director roles before moving to Aquamarine Subsea as CEO. Skindlo served as Chairman of the Nasdaq listed oilfield service company KLX Energy Services Holdings Inc. from June 2021 to November 2024.

Skindlo has relevant qualifications, experience and competence within ESG, environment, social and governance. GOV-1§21-c

Skindlo is a Norwegian citizen, holds a Master of Science in Economics and Business Administration from the Norwegian School of Economy and Business Administration (NHH), and resides in Oslo, Norway.

Espen Joranger
Chief Financial Officer
1977, Norway, he/him

Espen Joranger joined Archer in May 2013 as the Finance Director for the North Sea Region and held the position of Archer Group Controller prior to his appointment as CFO in March 2020.

Joranger started his career with EY in Norway for 8 years, before joining Seadrill for 3 years as Director of Financial Accounting. Joranger has over 20 years of experience in the energy industry across a wide portfolio of finance, accounting, M&A, strategy, and investor relations.

Joranger has relevant qualifications, experience and competence within ESG, environment, social and governance. GOV-1§21-c

Joranger is a state authorized Public Accountant from the Norwegian School of Economics and Business Administration (NHH), is a Norwegian citizen, and resides in Bryne, Norway.

Adam Todd
General Counsel
1977, Canada, he/him

Adam Todd was appointed General Counsel of Archer in September 2017.

He started his career in 2003 with Canadian law firms in Calgary, Alberta before joining Aker Solutions in 2009 where he held various senior corporate legal positions in both Oslo and London. Todd brings with him 20 years of international experience advising on major global oil and gas projects, cross border M&A, litigation and dispute resolution, compliance, and corporate governance matters.

Todd has relevant qualifications, experience and competence within ESG, environment, social and governance. GOV-1§21-c
Todd holds a Juris Doctor from the University of Alberta, is a Canadian citizen, and resides in Oslo, Norway.

Sustainability Statement

Sustainability Statement
General

BP-1

General basis for preparation of sustainability statements

The purpose of Archer's sustainability reporting is to provide investors, banks, clients, and other stakeholders with a fair and balanced picture of relevant aspects, engagements, practices, and results of sustainability matters as per 31 December 2024.

Consolidation

The sustainability statement has been prepared on the same consolidated basis as the financial statements. For details on the group companies included in the consolidation, refer to *Appendix 2 – Material Subsidiaries* in the financial statements.

Operations acquired during the reporting year are included in the sustainability statement for the period they were under control by Archer, unless otherwise specified. Metrics from consolidated subsidiaries that were previously joint ventures are reported as investments until the date control was achieved, unless stated otherwise.

Sustainability information related to business relationships in non-consolidated entities, including Archer's upstream and downstream value chain, are defined in the value chain illustration and the overview of where our material impacts, risks and opportunities occur under SBM-3.

The sustainability statement covers the reporting period from January 1 to December 31, 2024. Archer has not opted to omit information on the basis of intellectual property, know-how or the results of innovation in the Sustainability Statement 2024.

In accordance with the CSRD and ESRS transitional provisions, the company has elected to make use of the option not to provide comparable information.

Framework and data selection

Archer's sustainability statement is prepared in compliance with the ESRS issued by the European Financial Reporting Advisory Group (EFRAG). All the data points included in the E, S, and G sections have been assessed as material according to our double materiality assessment (DMA). Please see the IRO-1 and SBM-3 for information on our DMA's limitations to scope and our methodology.

BP-2
Disclosures in relation to specific circumstances

Time Horizons

In our sustainability work we have used the following definitions of the time horizons:

- Short Term (2025)
- Medium (2026-2035)
- Long term (2036-2050)

The time horizons used differ from the time intervals defined in the European Sustainability Reporting Standards (ESRS). The organization defines the medium-term time horizon as 1+ to 10 years, and the long-term time horizon as 10+ years. These durations were selected to align with Archer's strategic planning, risk analysis and capital investment cycles. The medium-term horizon reflects the period required to implement operational changes and achieve initial milestones in our sustainability initiatives, while the long-term horizon accounts for the extended timeframe necessary to realize transformative changes, such as achieving net-zero emissions or aligning with global climate targets.

Estimates

Lack of available information, especially in the value chain, may introduce uncertainties in the reported information and require use of estimates. During the preparation of the sustainability statement, our management has applied its best estimates and assumptions based on experience and information available. Actual amounts may differ from the amounts estimated and judgements made, as more detailed information becomes available. We regularly reassess these estimates and judgements based on, among other things, historical experience, the current situation in the markets, and other relevant factors.

The methodology for calculating and presenting sustainability metrics is detailed in the notes accompanying each metric. These notes specify whether metrics are directly measured or estimated using sources such as third-party data or industry averages. Metrics are gathered from Archer's operational units, utilizing local management systems and relying on process data systems, measurements, calculations, and purchasing data.

Detailed notes on each material sustainability topic, including value chain information based on indirect data and estimates with a high level of measurement uncertainty are provided in the respective chapters.

Estimate with a high level of measurement uncertainty	Page
GHG emissions from upstream transportation and distribution activity estimates	61
Pollution from drilling activities	71

GOV-1, GOV-2

The role of the administrative, management and supervisory bodies

Archer's governance of business conduct is overseen by various administrative, management, and supervisory bodies, ensuring alignment with our ethical principles, compliance with legal requirements, and effective risk management across our operations and value chain.

The administrative, management, and supervisory bodies, including their relevant committees, are regularly informed about material impacts, risks, and opportunities, the implementation of due diligence, and the results and effectiveness of policies, actions, metrics, and targets adopted to address them. This information flow is facilitated by the Vice President Sustainability and General Counsel during quarterly and annual reviews, ensuring transparency and accountability. Archer's governance structure integrates the consideration of impacts, risks, and opportunities into strategic decision-making processes, evaluating trade-offs associated with these elements to ensure comprehensive risk management and alignment with the company's sustainability objectives.

The governance structure and the respective roles and responsibilities are described in the following sections.

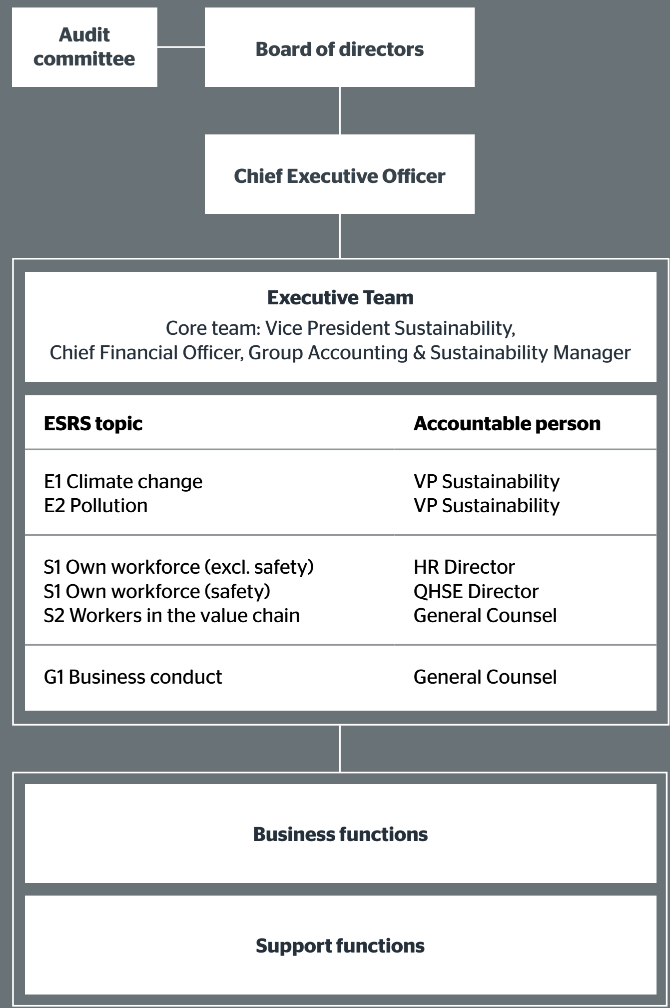
Board of Directors

The Board of Directors serves as the highest administrative and governing authority at Archer, responsible for setting the strategic direction on business conduct and sustainability matters. The board's expertise includes professionals with backgrounds in corporate governance, legal compliance, risk management, and sustainability.

For more details on the composition and diversity of the Board of Directors and their skills, please refer to the Board of Directors report on page 22.

Roles and responsibilities

The Board is responsible for approving the overall strategic direction and targets, overseeing performance on material sustainability impacts, risks, and opportunities (IROs), and reviewing and approving the results of the double materiality assessment (DMA) on an annual basis. All the material IROs reported on can be found under section SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model. To ensure transparency and accountability, the board reviews quarterly and annual reports on ethical compliance, risk assessments, and the outcomes of whistleblowing investigations.



Skills and Expertise

The Board collectively holds expertise relevant to our material sustainability IROs. To ensure effective oversight of material sustainability matters, we have mapped the Board's competencies against the ESRS topics identified as material to Archer through our DMA. The Board is presented with a progress update annually across material IROs and strategic priorities and targets and engages in deep dives on sustainability topics when needed.

Audit Committee

The Audit Committee is responsible for the integrity and statutory compliance of Archer's CSRD reporting. It meets four times a year and annually reviews our CSRD reporting, including the results of the double materiality assessment, before the Board of Directors approves it. This body conducts periodic reviews of risk exposure, evaluates findings from internal and external audits, and ensures corrective actions are implemented where needed.

Executive Management Team

The Executive Management Team, led by the Chief Executive Officer (CEO), is responsible for the implementation and operational oversight of business conduct policies. The CEO, supported by leaders with expertise in compliance, procurement, human resources, and sustainability, ensures that ethical standards are upheld throughout the organization.

For more details on the composition and diversity of the Executive Management Team and their skills, please refer to the Executive Management report on page 25.

Roles and Responsibilities

The Executive Management Team directs and approves the strategic direction on sustainability and is accountable for oversight and performance on material sustainability impacts, risks, and opportunities (IROs).

Archer's Vice President Sustainability is entrusted with overseeing the company's sustainability-related impacts, risks, and opportunities, ensuring the achievement of our sustainability targets and actions in alignment with our sustainability ambition. The Vice President Sustainability also integrates ESG topics into core business processes by setting targets, developing and monitoring key metrics, and implementing oversight mechanisms and relevant control measures across administrative, management, and supervisory levels.

Our Chief Financial Officer (CFO) is responsible for sustainable finance reporting, including CSRD reporting.

Archer's ethics and compliance program is led by our General Counsel, who has organizational responsibility for its structure and implementation. This program is executed through Archer's legal function and supported by various initiatives involving training, QHSE, HR, and management resources from the Archer organization. The General Counsel leads the legal team, which comprises seven senior lawyers in five locations, each with an average of over 20 years of legal and compliance experience from multinational companies and law firms.

Skills and Expertise

The Executive Management Team brings decades of collective experience across the international oilfield services and energy sector, operating in complex regulatory environments and diverse geographic regions. The team has solid experience in corporate governance, financial management and legal compliance. They are skilled in overseeing the company's impacts, risks and opportunities, with knowledge in strategic planning, risk management, and ethical standards. When necessary, the team consults external experts on specific topics to ensure comprehensive oversight and informed decision-making.

Information Flow and Strategic Considerations

The Executive Team convenes twice a year to discuss material sustainability IROs. Together with the CEO, they approve our strategic direction and targets on sustainability, including links to our corporate strategy, and are accountable for our performance ambitions on sustainability topics. The Executive Team reviews the double materiality assessment ahead of the Board of Directors' approval and monitors performance on material sustainability matters and progress towards targets. The team considers material sustainability matters when overseeing our corporate strategy and making decisions on major transactions.

The accountable persons within the Executive Team are individually responsible for driving progress on assigned sustainability topics, including defining key actions and allocating resources to ensure progress on targets and ambitions. They are supported by the business and support functions.

Business and Support Functions

Business Functions

The business functions are responsible for executing material sustainability IROs. They deliver concrete actions on the ground to progress on our targets and ambitions while managing risks and capturing performance data.

Support Functions

The support functions assist all accountable persons in facilitating sustainability work and oversight, guiding and enabling the Executive Team and the business in setting ambition levels and delivering on sustainability matters.

Determination of Skills and Expertise

Archer's administrative, management, and supervisory bodies regularly assess the skills and expertise needed to oversee the company's material impacts, risks, and opportunities. This involves evaluating the collective knowledge of their members and identifying any gaps. External advisors and industry specialists are consulted to support decision-making on complex sustainability issues. Ongoing training programs focus on regulatory developments, climate risks, and ESG best practices to ensure our team is well-equipped to manage these matters. By aligning competencies with the ESRS topics identified as material through our double materiality assessment (DMA), Archer ensures that the necessary skills and expertise are in place or developed as needed.

GOV-3

Integration of sustainability-related performance in incentive schemes

Archer has integrated Quality, Health, Safety and Environment (QHSE) performance metrics into its incentive schemes for both senior management and relevant employees. Previously, the bonus model allocated 5% to QHSE performance, with 3% specifically tied to Safety and 2% to Quality Assurance. Two of the main parameters for safety are Total Recordable Injury Frequency (TRIF), how often people get hurt, and High Potential Incidents (HIPO), which warns of situations that could have gone badly, but did not. Both measures are important for keeping our operations safe and help spot problems and act before someone gets seriously hurt. Quality Assurance is linked to the service quality of work performed, e.g. was the job executed according to plan or were there incidents that caused e.g. Non Productive Time (NPT) on the installation.

The remaining 95% of the bonus targets vary according to function and role. The majority are within the following structure being linked to a variety of factors such as individual goals (40-45%), business integration goals (0-5%), group financial performance (20-25%), business unit financial performance (20-35%).

Following a review of the incentive structure in 2024, Archer updated the model to strengthen its alignment with broader sustainability objectives. Under the revised model, effective for the 2025 performance year, 4% is now allocated to Business Unit Safety, and 1% is linked to ESG performance. Business unit safety is here covering the targets related to TRIF, HIPO described above in addition to safe start up. These metrics are designed to incentivize high standards in operational safety and to promote greater accountability for environmental, social, and governance-related outcomes. The ESG performance at Archer constitutes a marginal 1% of the overall incentive scheme, with individual goals determined by members of the company's governing bodies and accepted by the broader leadership team.

GOV-3 E1

Climate-related considerations of sustainability-related performance in incentive schemes

Archer's incentive scheme does not take into account climate-related considerations into the administrative, management and supervisory bodies. These considerations will be taken into account and discussed following Archer's next review of the incentive plan.

GOV-4

Archer's approach to sustainability due diligence

Archer is committed to responsible business practices and ensuring sustainability throughout our supply chain. Our due diligence process is designed to assess and mitigate environmental, social, and governance (ESG) risks.

Sustainability due diligence and risk management, aligned with Archer's sustainability strategies, are embedded into business processes through comprehensive policies, directives, and procedures. These include Archer's Human Rights Policy, Code of Conduct, Supplier Declaration, environmental management, HSE (Health, Safety, and Environment) risk management, social responsibility, and sustainability reviews related to new projects or significant modifications to existing facilities.

Our Due Diligence can be described as followed:

- Our supply chain due diligence approach is as set out in the Workers in the value chain section. Our supplier due diligence is performed through our Supplier Approval Framework and focuses on human rights, compliance, quality assurance, environmental issues, and technical capability. The aim is to ensure that Archer's supply chain is comprised of suppliers who align with our values, are compliant with our Code of Conduct and HSE requirements, are technically capable to deliver according to our specifications, and will be sustainable business partners. We perform due diligence on suppliers as they are registered in our Supplier Approval Framework, further due diligence is performed on an ad hoc, risk based, basis.
- All Archer approved vendors undergo a prequalification process that includes ESG criteria, ensuring alignment with our sustainability policies and international standards.

Follow-up and Compliance Measures:

- Audits & Assessments: We perform regular on-site and remote audits to verify compliance with our sustainability requirements. These audits may be conducted internally or by third-party assessors.
- Performance Reviews: Critical vendors participate in structured performance meetings, where sustainability metrics, progress reports, and improvement plans are reviewed.
- Corrective Action Plans: When non-compliance is identified, we work closely with vendors to implement corrective measures, setting clear timelines for improvement.

GOV-5

Risk management and internal control

Our management is responsible for establishing and maintaining adequate internal control over the ESG reporting to ensure the information we report is complete and accurate. Our Group Accounting department regularly assess risks and controls related to its sustainability reporting process. The risks are presented and discussed with the Audit Committee with representation from the Board on a regular basis so adequate corrective measures can be taken if and when necessary. Our risk management and internal control processes cover all environmental, social and governance matters and both quantitative and qualitative information – depending on where risks are identified and prioritized.

Archer is exposed to risks associated with incomplete or inconsistent sustainability reporting, including risks associated with greenwashing. Other risks include inaccuracies in data inputs and manual errors during the aggregation of data from multiple systems into the corporate disclosure management system. Inaccurate data may also require the use of estimates, which are inherently uncertain and require additional review. The risk of inaccurate data is particularly large related to the value chain, where limited data availability may introduce heightened level of uncertainty in reported information.

To address these risks, Archer has developed and implemented internal controls. These include review controls for both quantitative and qualitative data, performed by business areas and group functions. Access controls and automated input controls are also embedded in our sustainability reporting systems to enhance data reliability.

While some formalization has been implemented, we recognize the need to improve our risk management and internal control approach through formalized roles, responsibilities and definitions for the information reporting in our sustainability statement. As our sustainability reporting matures, so will our risk management and internal control approach.

SBM-1

Strategy, business model and value chain

Delivering Value: Our Business Model

Archer is a global energy service company with over 50 years of experience, operating in more than 40 locations worldwide. We specialize in drilling and work-over services, including platform drilling, land drilling, modular drilling rigs, engineering services, geothermal drilling, equipment rentals, and a select range of support services and products. Archer's customers include companies in oil and gas, energy services, and renewable power generation, such as geothermal, hydropower, and offshore wind. In recent years, Archer has begun its expansion into energy transition markets, leveraging its expertise to develop solutions for the decommissioning of oil and gas wells and supporting the growth of renewable energy services.

Our comprehensive offerings enable clients to achieve safe, efficient, and cost-effective operations throughout the exploration, construction, production, and abandonment phases of energy projects. Safety and operational excellence are the cornerstones of our value proposition, ensuring reliable and sustainable solutions for the energy industry.

Key features of our value chain

Archer's value chain is meticulously designed to optimize every stage of energy project operations, from exploration to abandonment.

Our upstream value chain is characterized by resource extraction, production of goods, production assembly, and logistics. Resource extraction involves sourcing the raw materials needed to manufacture equipment and rigs, ensuring the procurement of high-quality materials through strategic partnerships with reliable suppliers. The production of goods includes the manufacturing of these materials into components, implementing stringent quality control measures to maintain high standards. Production assembly encompasses the assembly of these components into finished products, such as well integrity diagnostic tools and intervention equipment, ensuring they meet industry specifications and performance requirements. Logistics involve the efficient management and transportation of materials and finished products to ensure timely delivery and operational efficiency.

Archer's own operations involve the direct provision of services to oil and gas actors, including platform operations, well services, land drilling, and renewable services. We support all stages of the well lifecycle, from exploration, drilling, completion, and maintenance to workover, slot recovery, and plug and abandonment. Archer's renewable services encompass six core segments: geothermal drilling for electricity, district heating, carbon storage, floating offshore wind, wind turbine services, and hydropower services. These operations are integral to our business model and reflect our commitment to delivering high-quality services and products.

Archer's downstream value chain is characterized by the key products and services we provide, that supports the production, maintenance and abandonment of oil and gas operations and renewable services. As an actor in the oil and gas industry, Archer acknowledges its responsibility for the final use of oil and gas products, ensuring that our operations contribute to sustainable practices and minimize environmental impacts.

Key Inputs and Resources

Archer's operations depend on several essential inputs. Natural resources, including steel and other materials, are crucial for developing engineered solutions and maintaining high-quality service delivery. The company relies on energy sources such as electricity and fossil fuels to power its rigs and equipment. Additionally, proprietary technologies and intellectual property are fundamental to enhancing drilling efficiency, improving safety, and minimizing environmental impact. Archer ensures that essential inputs are secured for its future operations through focusing on supply chain risk management, diversification of suppliers, inventory management, and strategic partnerships with key suppliers.

Human capital is central to Archer's success, with a workforce exceeding 5,000 employees providing specialized expertise in offshore and onshore drilling. The company invests in continuous learning and career development to ensure long-term workforce stability and talent retention. Archer also prioritizes employee safety, diversity, equity, and inclusion through comprehensive health and safety programs and workplace policies that foster an inclusive environment.

Financial capital, sourced from shareholders, banks, and bondholders, supports operations, research, development, and expansion efforts. Archer also engages with key stakeholders, including regulatory authorities, suppliers, investors, and local communities, to uphold compliance, optimize operational performance, and advance sustainability initiatives. To mitigate supply chain risks, the company employs strategic supplier agreements, bulk purchasing strategies, and rigorous supplier screening processes.

Geographical breakdown of employees by headcount

Norway	2036
Argentina	1087
United Kingdom	509
USA	115
Other	685
Total	**5037**

Significant Markets and Customer Groups

Archer operates in key energy markets across multiple geographies, serving oil and gas, geothermal, offshore wind, and hydropower customers. Over time, the company has expanded its services beyond traditional drilling operations to include renewable energy solutions, demonstrating its commitment to the energy transition. The latter is exemplified with several acquisitions in 2024 such as the acquisition of Moreld Ocean Wind, renamed Archer Wind, a technology, product, and solutions provider for the floating offshore wind industry in addition to Vertikal Service AS, a wind and hydro power engineering company. Other acquisitions are mainly increased shareholdings such as in geothermal driller Iceland Drilling and acquisitions related to existing products and services (ADA, Comtrac) such as the plugging and abandonment services (WFR).

In the reporting period, Archer has strengthened its plugging and abandonment (P&A) services, a key focus area that aligns with sustainability goals. The company has also expanded geothermal drilling and offshore wind engineering services and increased collaboration with renewable energy developers and regulatory bodies to support the broader shift toward lower-carbon energy solutions.

Archer operates within the fossil fuel sector, generating revenue from oil and gas drilling, well intervention, and decommissioning services. Its main customers in this sector include major oil and gas companies that rely on Archer for hydrocarbon production support. While supporting clients in hydrocarbon production, Archer prioritizes well decommissioning and emissions reduction to mitigate long-term environmental impacts. The company is also investing in renewable energy services and low-carbon drilling technologies.

In addition to fossil fuel-related activities, Archer generates revenue from geothermal energy services, offshore wind, and hydropower maintenance. The company is working toward enhanced segment reporting in compliance with ESRS sector requirements, aiming for greater transparency in revenue attribution and sustainability-related financial disclosures.

Revenue by sector

Sector	Unit	
Platform Operations*	USD Million	575,6
Well Services*	USD Million	332,9
Land Drilling*	USD Million	375,8
Renewables	USD Million	16,4

*Oil & Gas related

Sustainability-Related Goals and Strategic Alignment

Archer's sustainability strategy is centered on accelerating the energy transition and improving environmental performance in critical geographical areas such as North America, Europe, and Asia. The company is working to reduce drilling-related emissions by optimizing operational processes and integrating well decommissioning solutions that minimize the carbon footprint of abandoned wells. In this work, Archer prioritizes stakeholder engagement through strategic partnerships, industry collaborations, and regular dialogue to ensure mutual alignment and support.

To support the energy transition, Archer is expanding its geothermal drilling, offshore wind engineering, and hydropower services while continuing to enhance efficiency in its traditional oil and gas operations. Through materiality assessments and due diligence, the company evaluates how its existing products and markets align with its sustainability goals. This ensures that Archer remains focused on developing innovative solutions that contribute to the decarbonization of the energy sector.

Archer faces several key challenges in balancing its fossil fuel-related services with the broader energy transition. Navigate shifts in market demand, regulatory changes, and investor expectations while maintaining financial stability. The transition to sustainable energy services requires substantial investment in new technologies and business models, for example in areas such as plugging and abandonment (P&A), geothermal drilling and offshore wind.

To address these challenges, Archer is prioritizing research and development (R&D) and targeted mergers & acquisitions (M&A) to acquire technologies that enhance well abandonment efficiency and support the company's long-term strategy of reducing its carbon footprint. Archer's future growth will also depend on its ability to expand renewable energy service offerings while maintaining high standards of operational excellence in existing markets.

SBM-2

Interests and views of stakeholders

Archer is committed to maintaining an open and continuous dialogue with its stakeholders to ensure that their interests, concerns, and expectations are considered in our strategic decisions and business model development. Our engagement efforts are structured to gather insights that inform our due diligence processes and materiality assessments, ensuring that sustainability-related impacts and opportunities are addressed effectively.

Archer actively engages with regulatory authorities, customers, investors, financial institutions, local communities, and NGOs to align its business model with stakeholder expectations. These interactions help shape the company's approach to risk assessment, materiality analysis, and strategic decision-making. Engagement with investors and financial stakeholders ensures that capital allocation aligns with sustainability-driven innovation, while collaboration with local communities supports initiatives that promote environmental and social responsibility.

We adhere to principles of transparency, integrity, and accountability in our stakeholder interactions. The insights gained from these engagements are systematically communicated to our management and board through established governance structures, enabling informed decision-making on sustainability-related matters.

Archer's key stakeholders are identified and documented within our Management System. Follow-up actions related to these stakeholders are defined and implemented throughout the year. At year-end, the key stakeholder list is reviewed as part of the annual Management Review. This review focuses on assessing the actions implemented during the year and evaluating any key challenges encountered. Based on the findings, we discuss and determine the need for additional actions to address these challenges and enhance stakeholder engagement.

Type of stakeholder	How engagement is organized	Purpose of engagements
Employees	• Well-being programs & mental health initiatives • Employee surveys & town halls • Leadership coaching & performance reviews	• Enhance employee well-being & safety • Foster transparent communication • Promote leadership & career
Customers	• Performance monitoring & improvement meetings • Regular stakeholder meetings • Audits & compliance checks	• Ensure operational excellence • Strengthen collaboration & transparency • Drive continuous improvement
Suppliers	• Supplier approval & qualification • Regular audits & compliance monitoring • Performance reviews & NCR follow-up • Framework agreements	• Ensure quality & compliance • Strengthen supplier collaboration • Drive continuous improvement • Align with ESG standards
Government, policy makers and regulators	• Regular audits & compliance checks • Direct dialogue with policymakers • ESG reporting & policy updates	• Ensure regulatory compliance • Promote transparency & accountability • Strengthen governance & risk management
Local community	• SG initiatives & community programs • Charity partnerships & community support • Environmental responsibility activities • Public consultations & clean-up events	• Promote sustainability & local well-being • Build community trust & support • Maintain clean & safe environments • Strengthen community relations
Investors	• SG initiatives & community programs • Charity partnerships & community support • Environmental responsibility activities • Public consultations & clean-up events	• Promote sustainability & local well-being • Build community trust & support • Maintain clean & safe environments • Strengthen community relations
Civic and non-profit organizations	• Partnerships & sponsorships • ESG initiatives & community support • Donations & fundraising • Collaboration with NGOs	• Support community development • Enhance corporate social responsibility • Promote sustainability values
Industry and sustainability associations	• Membership in industry groups • Participation in forums & workshops • ESG commitments & sustainability programs • Knowledge sharing & training	• Stay aligned with regulations • Strengthen ESG efforts • Enhance industry knowledge • Drive sustainability commitments

Archer's stakeholder engagements provide key insights that shape its strategy and business model. Through structured interactions, the company identifies stakeholder concerns, expectations, and opportunities, integrating them into its due diligence and materiality assessments. These insights inform risk management, sustainability efforts, and operational priorities, ensuring alignment with stakeholder interests. Regular reviews of stakeholder feedback within Archer's governance framework support informed decision-making, transparency, and continuous improvement.

SBM-2 S1

Interest, views and right of own workforce

Archer's strategy and business model are shaped by the interests, views, and rights of our workforce, including respect for human rights. We achieve this through well-being programs and mental health initiatives, employee surveys and town halls, and leadership coaching and performance reviews. These engagement methods aim to enhance employee well-being and safety, foster transparent communication, and promote leadership and career development, ensuring that our operations reflect the values and needs of our workforce.

SBM-2 S2

Interest, views and right of value chain workers

Archer's strategy and business model are informed by the interests, views, and rights of value chain workers who could be materially impacted by our operations, including respect for their human rights. We organize engagement through supplier approval and qualification processes, regular audits and compliance monitoring, performance reviews, NCR follow-up, and framework agreements. The purpose of these engagements is to ensure quality and compliance, strengthen supplier collaboration, drive continuous improvement, and align with ESG standards. These methods ensure that the well-being and rights of value chain workers are considered in our decision-making processes, promoting ethical and sustainable practices throughout our value chain.

SBM-3

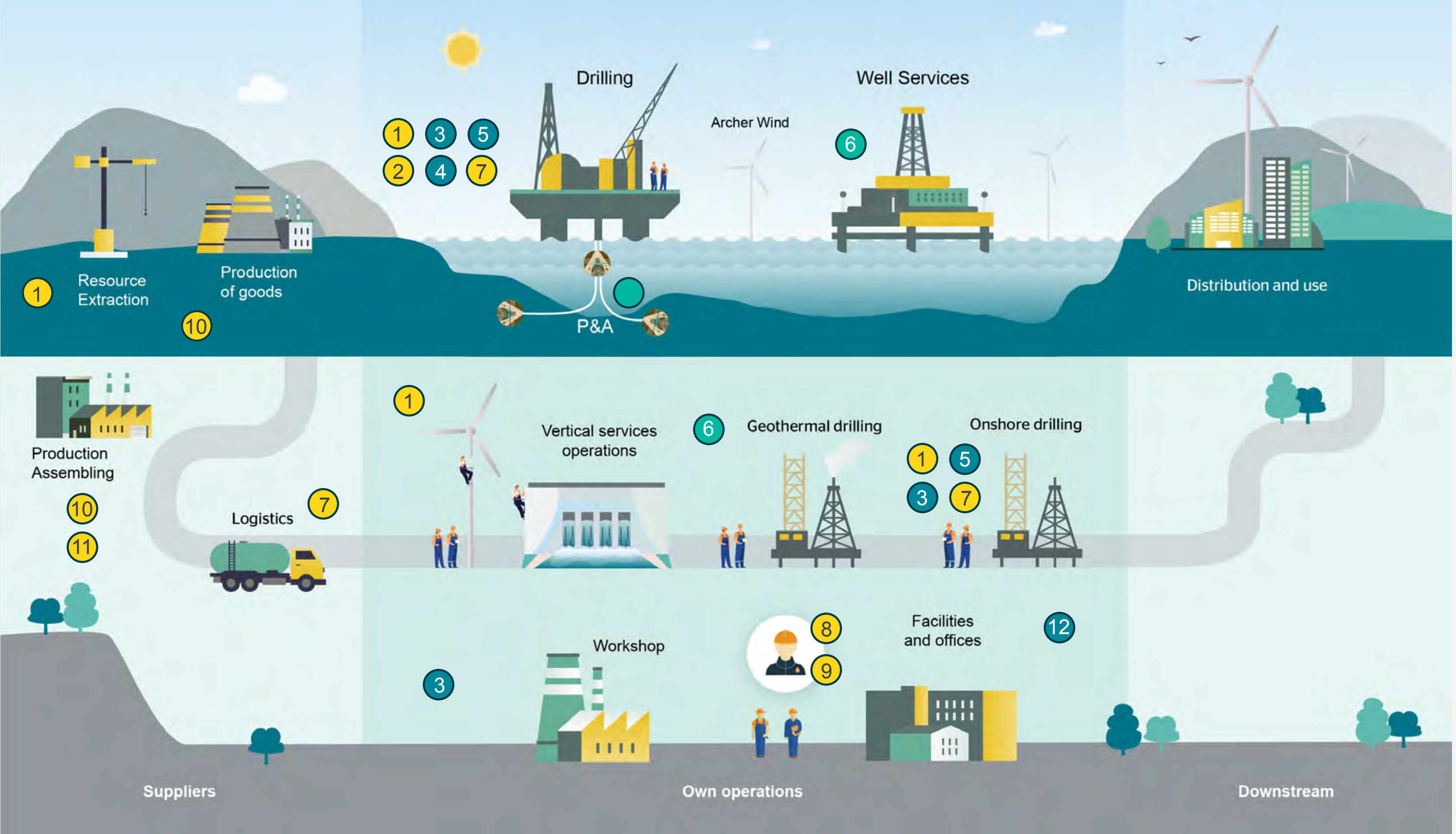
Material impacts, risks and opportunities and their interaction with strategy and business model

Our material impacts, risks and opportunities across our value chain

Our business model and global presence expose us to a dynamic landscape of sustainability-related impacts, risks, and opportunities, influencing both our resilience and long-term value creation. Through the double materiality assessment described in IRO-1, we have identified material impacts, risks and opportunities related to Climate Change (E1), Pollution (E2), Own Workforce (S1), Workers in the value chain (S2) and Governance (G1) as our material sustainability topics. These topics guide our sustainability efforts and long-term strategic priorities.

This is Archer's first double materiality assessment in line with the ESRS, making the identified IROs newly structured for disclosure. However, key sustainability topics remain aligned with past strategic priorities. While methodologies have evolved, no major changes in material topics have occurred. Further, all identified topics (E1, E2, S1, S2, and G1) are fully covered by ESRS disclosure requirements, eliminating the need for additional entity-specific topics.

The illustration below highlights what our material impacts, risks, and opportunities (IROs) are and where they occur across our value chain, including direct operations, as well as upstream and downstream value chain. These insights help us understand how sustainability factors influence our business model and, in turn, shape our strategic priorities. The IROs are categorized within relevant ESRS topics and linked to the lowest sub-sub-topic possible for clarity.



An overview of our material IROs

Impact
Risk
Opportunity

Climate Change (E1)		(sub-)sub-topic
1	Emission intense activities	Climate change mitigation, Energy
2	Ripple-effect on the climate of being an enabler in the O&G industry	Climate change mitigation, Energy
3	Fluctuating and increasing energy prices	Climate change mitigation, Energy
4	Downtime due to extreme weather	Climate change adaptation
5	Shifting market demand away from O&G	Climate change adaptation
6	Increasing need for P&A and increased renewable market	Climate change adaptation
Pollution (E2)		(sub-)sub-topic
7	Air pollution from our operation and supply chain	Pollution to air
Own workforce (S1)		(sub-)sub-topic
8	Diversity and equality in a global workforce	Gender equality and equal pay or work of equal value, diversity
9	Health and safety among our people	Health and safety
Workers in the value chain (S2)		(sub-)sub-topic
10	Supply chain labour practices in a global supply chain	Adequate wages, health and saety, forced labour
Business Conduct (G1)		(sub-)sub-topic
11	Ethical business practices across our international operations	Corporate culture, Corruption and bribery
12	Possibility of unethical business conduct across our international operations	Corporate culture, Corruption and bribery

Details about our material impact, how they relate to our value chain and business model and their associated time horizon

E1 - Climate Change

Link to value chain illustration	Origin of impact	Its associated impact	Time horizon
1.1. Dependency on steel and cement	Supply chain	We are dependent on steel and cement in our operations, which we purchase from our suppliers. The production of steel and cement is associated with substantial high degree of GHG emissions.	Consistent
1.2 Procurement logistics	Supply chain	Archer has a global supply chain involving global logistics associated with GHG emissions, however most material is sourced from Europe.	Consistent
1.2 Well drilling	Own operations, caused by Archer's activities	We conduct drilling of offshore wells on behalf of clients on client-owned fixed oil and gas installations. The drilling process releases GHG emissions (CO2 and methane).	Consistent
1.3 Offshore production drilling	Own operations, caused by Archer's activities	Our drilling teams are responsible for securing and optimizing production on offshore platforms in the North Sea and Brazil. These operations are energy-intensive, requiring significant amounts of energy, often derived from fossil fuels.	Consistent
1.4 Maintenance offshore	Own operations, caused by Archer's activities	We also perform regular maintenance activities on offshore installations to ensure the safe and efficient operation of oil and gas platforms. Maintenance activities require the use of equipment and transportation, often powered by fossil fuels, leading to GHG emissions.	Consistent
1.5 Land drilling	Own operations, caused by Archer's activities	We are involved in land drilling operations, specifically in Argentina, where drilling rigs and machinery are deployed to create new wells onshore. The power required to operate these rigs is largely produced by diesel generators, which emit significant GHG emissions.	Consistent
1.6 Offshore plug & abandon (P&A)	Own operations, caused by Archer's activities	We conduct plug & abandon (P&A) operations on offshore wells. P&A activities require the use of specialized equipment and transportation, often powered by fossil fuels, which result in GHG emissions. We anticipate our P&A activities to increase in the medium to long term.	P&A activities are to increase over time
1.7 Transportation of our people	Supply chain, own operations, in both cases caused by Archer's activities	We have a high volume of personnel who are employed offshore, who needs to be transported to the platforms. This requires the use of helicopters and vessels, which are often powered by fossil fuels. This leads to GHG emissions contributing to climate change.	Consistent
1.8 Operational logistics	Own operations, caused by Archer's activities	Our operations involve global logistics, distribution and movement of modular platforms and land rigs. These operations contribute to climate change through the carbon footprint associated with air, sea, and land transport.	Consistent
1.9 Operation of workshops, facilities and offices	Own operations, caused by Archer's activities	We have workshops, facilities and offices in Argentina, Australia, Bermuda, Bolivia, Brazil, Canada, Dubai, Malaysia, New Zealand, Norway, Poland, the United Arab Emirates, the United Kingdom and the United States. Our workshop, facilities and offices are dependent on electricity to function, which is associated with GHG emissions.	Consistent
1.1 O&G 2.1 exploration activities	Indirectly upstream value chain	Archer is not directly involved in any exploration activities, but as an O&G actor, we depend on it. More so, as an O&G actor we are associated with the distribution and use of O&G products.	Expected to decrease over time

E2 – Pollution; operational pollution risk

Link to value chain illustration	Origin of impact	Its associated impact	Time horizon
7.1 Land drilling and production activities	Own operations, caused by Archer's activities	Land drilling and production activities may emit pollutants to air, such as methane and NOx	Consistent
7.2 Logistics in the supply chain	Supply chain	The logistic activities in Archer's supply chain release pollutants such as SOx and NOx, which may comprise air quality.	Consistent

S1 Own workforce – Employment practices and diversity

Link to value chain illustration	Origin of impact	Its associated impact	Time horizon
8.1 Gender equality in a global workforce	Own operations, caused by Archer's activities	We operate in a male-dominated industry, leading to a significant gender imbalance within our workforce. This imbalance may perpetuate gender stereotypes, limit career advancement opportunities for women, and contribute to a non-inclusive work environment.	Consistent
8.2 Equal opportunities for all in a global workforce	Own operations, caused by Archer's activities	With a global workforce representing over 40 nationalities, there is an inherent risk of workplace discrimination and inequality, requiring continuous attention to diversity and inclusion.	Consistent
9.1 Health and safety for our workers in all operations	Own operations, caused by Archer's activities	We operate in over 40 locations worldwide, including 41 offshore platforms and 60 land rigs, employing approximately 5,000 people. Our workforce is engaged in high-risk activities across various environments, requiring strict safety measures. Avoiding accidents across various environments requires strict safety measures.	Consistent

S2 – Workers in the value chain; Supply chain labour practices

Link to value chain illustration	Origin of impact	Its associated impact	Time horizon
10.1 Supply chain labour practices in a global supply chain	Upstream value chain, caused by Archer's business relationships	Our operations are integrated into global supply chains, including regions where workers may receive wages below basic living standards, leading to substandard economic conditions. This creates a high inherent risk of forced labor, particularly in countries and sectors known for vulnerabilities to such practices.	Consistent

G1 – Business Conduct; Ethical business practices

Link to value chain illustration	Origin of impact	Its associated impact	Time horizon
11.1 Ethical business practices across our international operations	Upstream value chain, caused by Archer's business relationships	Our global supply chain carries a potential risk of exposure to corrupt practices at various stages. This can result in serious consequences, including worker exploitation, environmental degradation, and the erosion of legal and ethical standards.	Consistent

Details about our material risks and opportunities, how they relate to our value chain and business model and their associated time horizon

E1 - Climate Change

Link to value chain illustration	Origin of impact	Its associated impact	Time horizon
3.1 Fluctuating and increasing prices	Risk (Transition)	Electrification of the rigs is an area Archer is looking into to decrease its emissions. With time, however, the access to energy may decrease and prices may increase. This can have a negative impact on Archer in terms of increased costs.	Long-term
5.1 Access to capital	Risk (Transition)	Given the industry we operate in, there is a risk of reduced access to capital as investors shift their investments to green energy, including lower margins due to higher lending costs. We anticipate this risk to be fluctuating and increasing in the medium to long-term.	Medium- and long-term
5.2 Carbon taxes	Risk (Transition)	The introduction of carbon taxes and restrictions on fossil fuels could lead to higher costs and necessitate adjustments in operations and energy sourcing.	Medium- and long-term
5.3 Stranded assets	Risk (Transition)	A decreasing demand for fossil fuel can lower oil and gas prices and lead to stranded assets. We anticipate this to be a risk in the long-term.	Long-term
4.1 Operational disruptions	Risk (Physical)	Offshore platforms are built to endure harsh conditions; however, extreme weather, larger waves, and transport challenges can still pose risks—particularly in safely transporting personnel to and from the platforms. While these risks are currently managed, they are expected to become more relevant over time.	Medium- and long-term
6.1 Increased demand for renewable energy	Opportunity (Transition)	Given the society's shift towards greener energy and as the demand for these services increases, Archer has the potential to position as a total supplier of carbon capture, P&A and geothermal. We anticipate this risk to be fluctuating and increasing in the medium to long-term.	Medium- and long-term

G1 – Business Conduct

Link to value chain illustration	Origin of impact	Its associated impact	Time horizon
12.1 Unethical business conduct across global operations	Risk	As in any organization, there is an inherent risk of unethical business conduct within our operations. While safeguards are in place, such risks could, in certain cases, lead to financial or legal consequences, reputational challenges, or impacts on investor confidence over time.	Short-, medium- and long-term

Current and anticipated effects of material impacts, risks and opportunities

The material impacts, risks and opportunities influence both our strategic direction and operational decision-making. Often directly linked to our impacts resulting from our business model and global presence, key identified risks such as the impact of extreme weather on offshore operations, changes in investor and customer behavior and regulatory shifts require strategic adaptation of our business model and value chain to ensure long-term resilience. At the same time, material opportunities are expected to have a positive impact on our revenue growth in existing and new market segments.

The identified risks are anticipated to potentially have a significant financial implication on Archer. Regulatory changes such as carbon taxes and stricter environmental standards contribute to increased operational and compliance costs. Additionally, physical climate risks, including extreme weather events, may result in higher maintenance expenses, operational disruptions, and potential asset impairments. Market shifts towards lower-carbon solutions could also impact revenue streams, necessitating strategic investments in innovation and diversification to remain competitive. In response to the risks, Archer has initiated measures to enhance operational preparedness, including strengthening supply chain resilience, integrating climate risk considerations into asset planning, and investing in low-carbon technologies.

Similarly, in response to the opportunities like increased demand for P&A and expansion into geothermal drilling and other energy transition solutions, Archer has initiated shifts in resource allocation and R&D investments. These ongoing adjustments align with our energy transition strategy and ensure that Archer remains competitive while addressing sustainability-related risks and opportunities. An investment of approximately 1.5 million USD is allocated to business development efforts, with a particular focus on advancing transitional services and the future P&A model. While these initiatives require upfront investment, they are expected to drive long-term financial gains through increased demand for sustainable solutions.

Navigating Risks and Opportunities: The Resilience of Our Business Model

Archer's strategy and business model are continuously adapted to address our material impacts, risks, and opportunities (IROs) while leveraging our long-term commitment to sustainability and operational excellence. The material topics align with Archer's strategic priorities and have been integrated into its approach to risk management and value creation.

For the 2024 reporting year, Archer has conducted a comprehensive resilience analysis covering our climate-related risks (E1). The resilience analysis underscores Archer's ability to adapt to both climate scenarios while maintaining profitability. The details of this analysis are disclosed in the E1 – Climate change chapter.

We have not conducted resilience analysis covering our material impacts, risks and opportunities related to Pollution (E2), Own-workforce (S1), Workers in the value chain (S2) or Business conduct (G1). However, our overall evaluation indicates that we demonstrate strong resilience across these sustainability matters. Resilience is supported by Archer's commitment to sustainability, well-established risk management frameworks, governance structures, and continuous engagement with stakeholders. These factors enable Archer to anticipate and respond to evolving regulatory landscapes, labor market dynamics, and ethical business expectations.

IRO-1

Description of the process to identify and assess material impacts, risks and opportunities

The double materiality assessment

Archer's material impacts, risks and opportunities were identified through a double materiality assessment. The double materiality concept combines two perspectives: how the company's activities impact people and the environment and how sustainability matters can influence the company's financial performance. The assessment we have carried out considered both positive and negative impacts throughout our value chain, while it also evaluated financial risks and opportunities that may arise due to sustainability-related matters.

Methodology

The double materiality assessment (DMA) was conducted in alignment with the ESRS requirements, utilizing a methodology that integrated internal and external industry expertise and knowledge, as well as topical subject matter expertise to ensure a thorough and comprehensive evaluation. This was Archer's first time conducting a DMA. As this is the initial implementation, no prior modifications exist, but future revisions will be conducted in line with regulatory updates and organizational developments.

While this section outlines the overall process, the environmental topics and governance topic requires explicit disclosures regarding the methodological approach used to identify impacts, risks and opportunities. These disclosure requirements pertain to both our material and non-material environmental topics and is explained in further detail below.

The process of identifying, assessing, and managing sustainability-related risks is integrated into Archer's broader risk management framework. This ensures that sustainability-related risks are considered alongside other business risks, supporting a comprehensive evaluation of the company's overall risk profile and informing risk mitigation strategies. Similarly, where applicable, the identification, assessment, and management of sustainability-related opportunities are embedded within the company's broader management processes. This integration enables Archer to align its sustainability efforts with strategic decision-making, fostering resilience and value creation in the long term.

Scope

We have identified and assessed impacts, risks, and opportunities across our entire up- and downstream value chain, including own operational activities. The impact assessment covers both positive and negative impacts, as well as actual and potential impacts related to sustainability issues. In the financial risk and opportunity assessment, we have evaluated sustainability-related risks and opportunities that could potentially trigger financial consequences for the organization.

Whilst Archer is present across 40 locations globally, Archer's operations are predominantly on the Norwegian Continental shelf, in the UK and in Argentina. Given the consequently heightened risk of adverse impacts, risks and opportunities in these locations, our assessment focused on these locations.

As a part of the assessment, key internal and external stakeholders were engaged to bring in perspectives that could inform Archer's priorities and to ensure good insights in the double materiality assessment. Stakeholders were engaged through two primary methods, including impact and financial materiality assessment workshops and a series of in-depth interviews.

In both the impact and the financial materiality assessment workshop, Archer ensured involvement of QHSE and Legal Counsel in addition to the core team. The purpose of the interviews was to gain an understanding of how Archer impacts external factors according to the stakeholders' perspectives, as well as the requirements and expectations the stakeholders have for Archer. A total of 23 interviews with internal and external stakeholders were conducted.

Assessment of impacts, risks and opportunities

Impacts

When assessing impacts, we attributed a score to all of them based on both the severity and likelihood of the impact. The severity of the impact is measured by its scale, scope, and irremediability.

- When scoring **scale**, we considered how grave the impact is on people or the environment.
- When scoring **scope**, we considered how widespread the impact is.
- When scoring **irremediability**, we assessed how difficult it would be to remediate the negative impact.

The thresholds that were applied for scale, scope and irremediability were based on OECD's Due Diligence Guidelines for Responsible Business Conduct guidelines and followed a scale of 1-5, ranging from very low impact (1) to very high (5). The thresholds for likelihood followed a similar scale, where (1) indicates a rare likelihood and (5) indicates an almost certain likelihood. For potential negative human rights related impacts, the severity of the impact took precedence over its likelihood, meaning that a low likelihood of occurrence would not result in a human right related severe impact being assessed as immaterial.

Risks and opportunities

To identify risks and opportunities, we based our approach on the identified impacts as well as the dependencies arising from our value chain and defined the risks and opportunities that may emerge from those impacts and dependencies. When assessing risks and opportunities we gave them a score based on the financial effect these risks and opportunities can have on Archer.

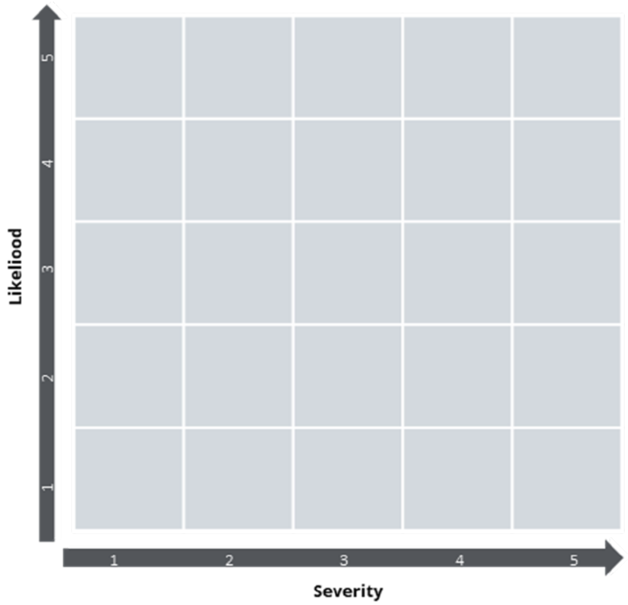
To assess financial materiality, we considered severity and likelihood over three-time horizons, short- (2025), medium- (2035) and long-term (2050). The time horizons correspond with Archer's strategic planning horizons and enable us to assess the risks and opportunities in relation to the expected lifetime of our assets and capital allocation plans.

- When scoring **severity**, we considered the potential size of the financial effect based on percentage of EBITDA using an appropriate scale from 1 to 5.
- When scoring **probability,** we considered the probability of the financial effect occurring based on a qualitative assessment, scoring the likelihood from 1 to 5.

The thresholds applied for severity and likelihood were based on Archer's existing risk management framework.

Defining a materiality threshold

Since this was our first double materiality assessment, the process involved defining a materiality threshold. In line with the scoring scales explained above, the thresholds for impact materiality and financial materiality were applied separately on a 5x5 matrix, with severity on the x-axis and likelihood on the y-axis. Both thresholds were designed to capture the impact, risk, and opportunities that ranked highest in both impact and severity. As the likelihood of an impact, risk or opportunity increases, the threshold for severity decreases.



2 Illustration of scoring matrix used to determine materiality

Our Double Materiality Process in short

The DMA process followed a structured five-step approach, which enabled us to systematically identify, assess and prioritize both impact and financial materiality, integrating stakeholder perspectives and aligning with relevant frameworks. The five-step approach is further described in the following sections.

1. **Kick-start process and understand context.**
   The first step involved defining the scope of the analysis, engaging key stakeholders, establishing the project team, and setting critical milestones. Our goal was to conduct a double materiality assessment in accordance with CSRD requirements, identifying the material topics necessary for reporting.

2. Develop a long list of sustainability topics and related impacts, risks and opportunities

This list was based on the sustainability topics and sub-topics outlined by the CSRD, with additional topics drawn from other relevant reporting frameworks, a peer analysis, and a media scan. Each topic was carefully evaluated to ensure its relevance, and only those deemed relevant were retained on the list.

3. Assess material impacts

Using the long list as a foundation, we identified key internal and external stakeholders and conducted interviews to gather insights on the identified topics. To ensure enough breadth in assumptions and sufficient coverage of silent stakeholders, we performed a desk top analysis of environmental topics where we looked to scientific sources and report provided by NGOs.

The findings from these discussions and the research was documented and used to inform an impact materiality workshop. During the workshop, internal stakeholders assessed each topic against the input gathered from the interviews and the long list to evaluate its materiality from an impact perspective.

4. Assess material financial risks and opportunities

Building on the impact materiality assessment and the findings from stakeholder interviews and conducted research, we engaged key internal stakeholders in a workshop to assess the financial materiality of each topic. This step ensured that both the financial and impact dimensions were thoroughly evaluated.

5. Validate results

The thresholds and outcomes from both the impact and financial materiality assessments were validated in two rounds with the project team at Archer. The results were also validated by the Board to ensure alignment with company objectives and governance standards.

6. Documentation

As this was our first double materiality assessment, we carefully documented the process to ensure traceability of key decisions and reduce the risk of errors in future revisions.

IRO-1 E1

Assessing climate-related impacts, risks and opportunities

Climate-related impacts

Archer has assessed its greenhouse gas (GHG) emissions, considering both actual and potential climate-related impacts. The evaluation of our climate-related impacts depends on insights from our GHG inventory, which covers Scope 1, 2, and 3 emissions. This year, we undertook a comprehensive enhancement of our GHG inventory, screening our activities through detailed assessments of operational processes, supply chain interactions, and industry practices. This involved extensive data collection and analysis to identify both actual and potential sources of GHG emissions across our operations and value chain. The GHG inventory pin-points key emission sources across our operations and value chain and uncovers opportunities to reduce our carbon footprint and enhance sustainability efforts.

Climate-related risk and opportunities through the lens of two scenarios

Our assessment of climate-related risks and opportunities has identified a combination of physical and transition risks, which have been instrumental in serving as the foundation for assessing the resilience of our strategy.

Methodology

To identify and evaluate our climate-related physical and transition risks and opportunities, we applied two scenarios. Our scenario analysis evaluates climate-related physical and transitional risks over the short-, medium-, and long-term in accordance with the time horizons used in the double materiality assessment, and covers our entire up- and downstream value chain, including own operations The scenarios were focusing on the period up until 2050 and hence covered the relevant time horizons used by Archer. To cover the plausible climate-related risks and opportunities facing Archer, a high emission scenario stressing physical elements and a low emission scenario aligned with the Paris Agreement were selected. By applying these two scenarios, different operations, business area and assets are stressed in different ways and it therefore provides a good foundation for discussions and considerations regarding how the company can be affected.

The scenarios were based on available scenarios, and narratives relevant for the business model and operations of Archer were developed. The applied scenarios, with narratives and selected key assumptions, are outlined below.

High Emission Scenario

The first scenario draws the established scenarios such as RCP 8.5, NGFS Current Policies, and to a certain extent IEA STEPS, and projects significant global warming by 2100, driven by weak efforts to limit emissions. In this high emission scenario, global efforts to limit emissions are weak, leading to a projected warming of 3-4°C by the end of the century.

Key drivers of this scenario include weak regulatory pressure, sustained market demand for fossil fuels, and slow technological advancements. There is a slow transition to renewable energy, with continued reliance on fossil fuels. Carbon pricing mechanisms are either absent or set at low levels, providing little economic incentive to reduce emissions. Carbon capture and storage technologies are not widely adopted, and their deployment remains limited. Offshore oil and gas operations continue with minimal changes, and investments in fossil fuel infrastructure persist. Renewable energy sees slow growth, and fossil fuels remain a significant part of the energy mix. The oil price will remain around 75-80 USD/bbl. towards 2050. In this scenario extreme weather events become more frequent and severe, though the North Sea remains relatively stable compared to other regions. Annual expected damage from tropical cyclones in the US is expected to increase with 29% by 2050. Certain parts of South-East Asia will be exposed to extreme weather and increases in draughts could be taking place in parts of Argentina.

Low Emission Scenario
In contrast, the second scenario is based on insights and parameters from NGFS's Net Zero 2050 scenario, IRENA's 1.5°C scenario, IEA's Net Zero Emissions roadmap, and envisions limiting warming to 1.5°C by 2100 through a rapid energy transition and robust carbon pricing. This scenario is aligned with the goals of the Paris Agreement.

Key drivers of this scenario include regulatory pressure, market demand shifts, technological advancements, and economic incentives. Offshore oil and gas operations face stringent emissions regulations and must adopt advanced technologies to minimise their carbon footprint. Economic and regulatory shifts focus on accelerating the adoption of clean technologies and reducing emissions. The global carbon price reaches 200 USD/CO2e in 2050 and offshore oil production declines with close to 80% over the 25-year period. In this scenario fossil fuel demand globally decreases significantly, CCS technologies are widely adopted, and renewables become the dominant energy source. Global demand for gas is halved over the period and offshore wind capacity increases by more than 500%.

Key results

Climate-related physical risks
In the high-emissions scenario, Archer has identified both chronic and acute climate hazards that can pose a threat to our assets and business activities in the medium and long term. Offshore operations face increasing challenges due to intensifying storms, rough seas, and adverse weather conditions, disrupting logistics and jeopardizing employee safety. Seasonal changes, particularly in Argentina, impose additional constraints on work schedules as high wind intensity limits operational efficiency. We have not identified climate related hazards that pose a considerable threat in the short term.

Climate-related transition risks
Archer has assessed the extent to which our assets or business activities may be exposed to, or are sensitive to, potential climate-related transition events. In a low-emissions scenario, Archer has identified transition events that may either challenge its assets and business activities or create new opportunities, in the medium and long term. These events are driven by regulatory pressures, market shifts, and evolving corporate reputation dynamics. One key transition risk is the evolving behavior of investors, who are increasingly prioritizing green energy initiatives, potentially making access to financing more challenging. Similarly, customer behavior is shifting, with potential future decline in demand for fossil fuels, and market's increased alignment with the goals of the Paris Agreement. This trend could result in stranded assets and reduced revenue streams. Regulatory changes also present significant risks. Policies such as carbon taxes on materials like steel and cement could increase project costs, particularly in cement-intensive processes like well closures (P&A). Stricter regulations may necessitate the adoption of sustainable alternatives to mitigate these impacts. Additionally, bans on fossil fuel vehicles could raise transportation costs in remote areas. Based on our scenario analysis, we cannot conclude that we have any assets or business activities that are incompatible with, or need significant efforts, to be compatible with a transition to a climate-neutral economy. Archer has not identified climate-related transition events that pose a threat in the short term.

IRO-1 E2

Assessing pollution-specific impacts, risks and opportunities
Archer has since 2019 been collecting relevant fuel use data across all operational levels. This has given us valuable insight on how our operations have an impact on the environment through pollution. Using the methodology and process outlined under IRO-1, we have identified and evaluated the impacts, risks, and opportunities related to pollution. As part of this process, supplemented by the insights gained through data collection, we conducted a preliminary screening of our assets and activities to identify any actual or potential impacts, risks, or opportunities related to pollution. The screening process included assumptions about emission sources, types of pollutants, and their quantities for site locations in our own operations, suppliers' emission sources and pollution levels for site locations in our upstream value chain, and distribution and logistics pollution impacts for site locations in our downstream value chain. We did not conduct consultations with affected communities in the process.

In this process Archer has considered locations of its assets and operations, and the related downstream and upstream value chain activities to identify areas of concern. Archer has evaluated the pollution-related impacts, risks, and opportunities identified in the screening, based on severity and likelihood of the impacts, risks, and opportunities.

IRO-1 E3

Assessing water-specific impacts, risks and opportunities
Assessing water-specific impacts, risks and opportunities
As a part of the DMA process, Archer has identified and evaluated impacts, risks, and opportunities related to water and marine resources using the methodology and process outlined under IRO-1. This assessment had a broad and qualitative approach, and was based on value chain mapping, stakeholder involvement, and desktop research. As part of this process, we conducted a preliminary screening of our assets and activities to identify any actual or potential impacts, risks or opportunities related to water usage or marine resources. The screening process included assumptions about primary source of water, availability and reliability of these water sources over time and estimated water usage.

Based on the initial findings, we have not identified significant actual or potential impacts, dependencies, or risks were identified related to water use or marine resources. However, as a detailed screening was not performed and consultation with affected stakeholders not included, we acknowledge that this preliminary assessment may have limitations. Further detailed evaluations may be necessary to fully understand the impacts.

IRO-1 E4

Assessing nature-specific impacts, risks and opportunities

As a part of the DMA process, Archer has identified and evaluated impacts, risks, and opportunities related to ecosystems and biodiversity using the methodology and process outlined under IRO-1. This assessment had a broad and qualitative approach, and was based on value chain mapping, stakeholder involvement, and desktop research. As part of this process, we conducted a preliminary screening of our locations and business activities to identify any actual and potential impacts, risks and opportunities related to ecosystems and biodiversity. The screening process included assumptions about the quality and extent of natural habitats in and around operational sites, compliance requirements and effectiveness of environmental management practices.

Our materiality assessment considers activities across our entire business. Based on the initial findings, we have not identified significant actual or potential impacts, dependencies, or risks on biodiversity and ecosystems at our own site operations or in the upstream or downstream value chain resulting from our operations. However, we acknowledge that this preliminary assessment may have limitations, as systemic risks and consultations with affected communities were not included. Further detailed evaluations may be necessary to fully understand the impacts.

Our assessment does not conclude whether any of our remaining sites are located near biodiversity-sensitive areas or whether activities related to these sites negatively affect such areas. Consequently, we have not determined the necessity of implementing biodiversity mitigation measures at these sites. Nor have we performed a detailed assessment of our upstream and downstream value chain dependency on and exposure to biodiversity and ecosystems. We recognise the importance of addressing these uncertainties and plan to conduct more detailed evaluations to ensure comprehensive coverage of all operational sites.

IRO-1 E5

Assessing circular economy-specific impacts, risks and opportunities

As a part of the DMA process, Archer has identified and evaluated impacts, risks, and opportunities related to resource use and circular economy using the methodology and process outlined under IRO-1. This assessment had a broad and qualitative approach, and was based on value chain mapping, stakeholder involvement, and desktop research. As part of this process, we conducted a preliminary screening of our assets and activities to identify any actual or potential impacts, risks or opportunities related to resource use and circular economy. Key assumptions include quantity, availability and regulatory changes.

Based on the initial findings, we have not identified significant actual or potential impacts, dependencies, or risks were identified related to resource use and circular economy. However, as a detailed screening was not performed and consultation with affected stakeholders not included, we acknowledge that this preliminary assessment may have limitations. Further detailed evaluations may be necessary to fully understand the impacts.

IRO-1 G1

Assessing business conduct-specific impacts, risks and opportunities

As part of our double materiality assessment, we have evaluated the significance of business conduct across our operations, as well as in our upstream and downstream value chain. In this process, we have actively engaged with key stakeholders, including employees, suppliers, clients, unions, and investors, to ensure diverse perspectives are considered. Stakeholder feedback is gathered through workshops, interviews, and publicly available information.

Archer has assessed business conduct risks and opportunities by considering the locations of its operations and the regulatory environments in which it operates, as well as the specific activities within its upstream and downstream value chain. Additionally, the assessment reviewed sector-specific risks and transaction structures, including supplier relationships and subcontracting arrangements, to ensure a comprehensive understanding of business conduct-related impacts.

IRO-2

Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

Content index

The tables below and on the following pages outline all ESRS disclosure requirements in ESRS 2 and the five topical ESRS standards that are material to Archer and have guided the preparation of our sustainability statements. These tables serve as a navigation tool, allowing readers to locate information on specific ESRS disclosure requirements (e.g., BP-1). They also indicate where to find disclosure requirements that are referenced outside the sustainability statements and are 'incorporated by reference.'

Immaterial ESRS Standards and data points

We have omitted all the disclosure requirements in the topical standards ESRS E3 "Water and marine resources", E4 "Biodiversity and ecosystems", E5 "Resource use and circular economy", S3 "Affected communities" and S4 "Consumers and end users" as these topics were deemed immaterial in our DMA.

Our general approach to identify material information for reporting is provided in section IRO-1, including the criteria and thresholds used to conclude on material IROs and topics. For metrics, we have assessed the materiality of information based on the relevance of each metric in highlighting the essence of the identified impacts, risks and opportunities. This assessment has been carried out by our reporting team and has been subject to several considerations, including stakeholders' expectations for information and the extent to which the metric is already covered by other national or international reporting obligations.

Environmental Standards

Social Standards

ESRS S2	Workers in the value chain	
ESRS 2, SBM-2	Interests and views of stakeholders	35
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	85
S2-1	Policies related to value chain workers	86
S2-2	Processes for engaging with value chain workers about impacts	87
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	88
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	88
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	89

Governance Standards

ESRS G1	Business Conduct	
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	91
G1-1	Business conduct policies and corporate culture	92
G1-3	Prevention and detection of corruption and bribery	92
G1-4	Incidents of corruption or bribery	94

Incorporation by reference

The table below provides an overview of where information can be found relating to ESRS disclosures that have been incorporated by reference and stated outside of the sustainability statement as part of other sections of this Annual Report

Disclosure requirement	Data point(s)	Paragraph	Page	
GOV-1	§21a	Number of executive and non-executive members of the Board of Directors	22	Board of Directors report
GOV-1	§21b	Employee representatives on the Board of Directors	22	Board of Directors report
GOV-1	§21d, §23a-b	Diversity of the Board of Directors	22	Board of Directors report
GOV-1	§21e	Percentage of independent Board of Directors members	22	Board of Directors report
GOV-1 G1.GOV-1	23a-b, §5b, §21c, §17	Information on Board competences, skills and relevant experience	22	Board of Directors report

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

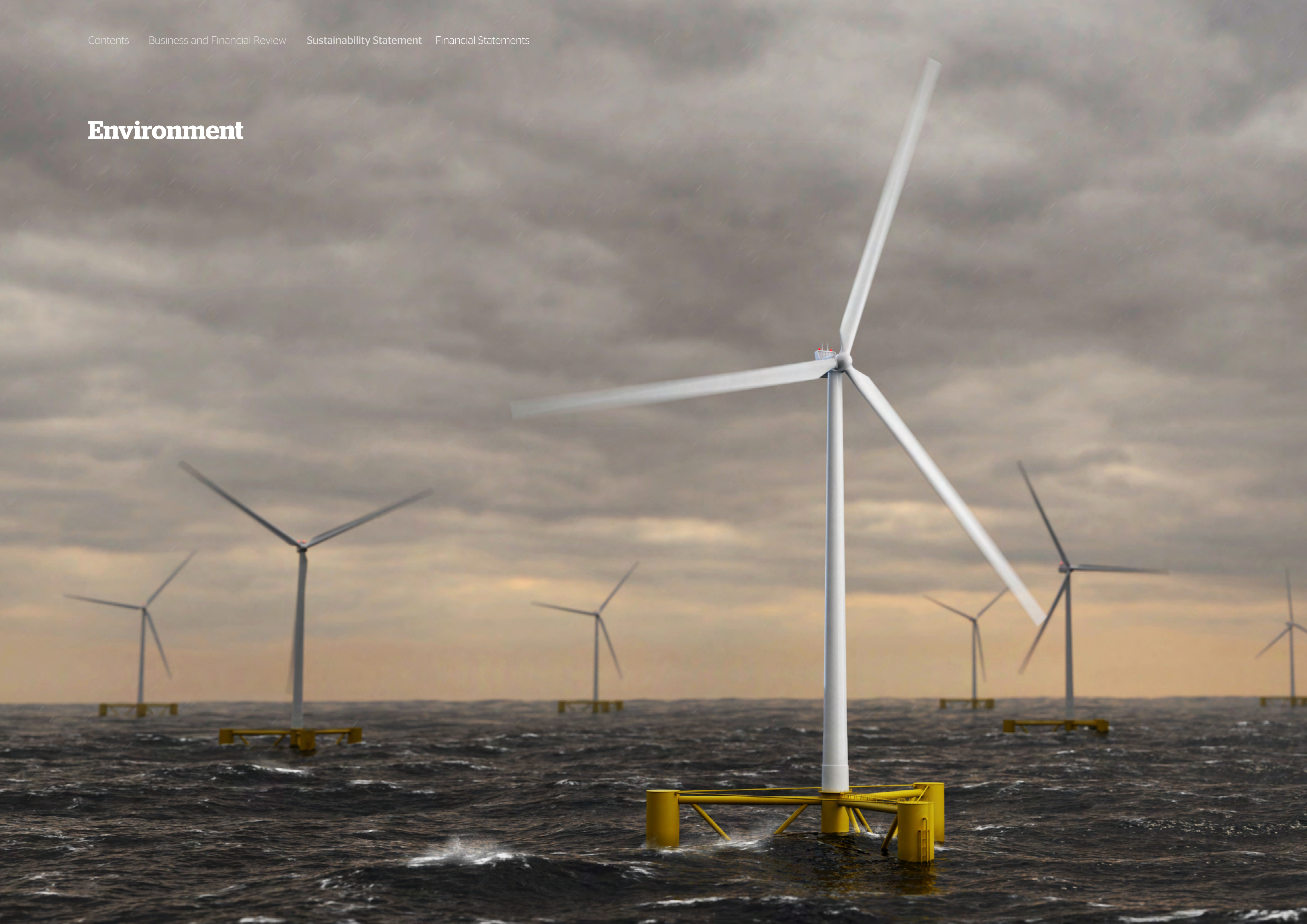
Sustainable Finance Disclosure Regulations=SFDR, Pillar 3=P3, Benchmarks Regulation=BR, EU Climate Law=EUCL

Disclosure Requirement	Related Datapoint	EU Legislation	Material	Page
ESRS 2 GOV-1	Board's gender diversity paragraph 21 (d)	SFDR, BR	Material	22
ESRS 2 GOV-1	Percentage of board members who are independent paragraph 21 (e)	BR	Material	22
ESRS 2 GOV-4	Statement on due diligence paragraph 30	SFDR	Material	31
ESRS 2 SBM-1	Involvement in activities related to fossil fuel activities paragraph 40 (d) i	SFDR, P3, BR	Material	32
ESRS 2 SBM-1	Involvement in activities related to chemical production paragraph 40 (d) ii	SFDR, BR	Not material	–
ESRS 2 SBM-1	Involvement in activities related to controversial weapons paragraph 40 (d) iii	SFDR	Not material	–
ESRS 2 SBM-1	Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv	SFDR	Not material	–
ESRS E1-1	Transition plan to reach climate neutrality by 2050 paragraph 14	EUCL	Not material	–
ESRS E1-1	Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)	P3	Not material	–
ESRS E1-4	GHG emission reduction targets paragraph 34	SFDR, P3, BR	Material	56
ESRS E1-5	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	SFDR	Material	59
ESRS E1-5	Energy consumption and mix paragraph 37	SFDR	Material	59
ESRS E1-5	Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	SFDR	Material	59
ESRS E1-6	Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	SFDR, P3, BR	Material	61
ESRS E1-6	Gross GHG emissions intensity paragraphs 53 to 55	SFDR, P3, BR	Material	61
ESRS E1-7	GHG removals and carbon credits paragraph 56	EUCL	Not material	–
ESRS E1-9	Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	BR	Not material	–
ESRS E1-9	Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)	P3	Not material	–
ESRS E1-9	Location of significant assets at material physical risk paragraph 66 (c)	P3	Not material	–
ESRS E1-9	Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).	P3	Not material	–
ESRS E1-9	Degree of exposure of the portfolio to climate- related opportunities paragraph 69	BR	Not material	–
ESRS E2-4	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	SFDR	Material	71
ESRS E3-1	Water and marine resources paragraph 9	SFDR	Not material	–

Disclosure Requirement	Related Datapoint	EU Legislation	Material	Page
ESRS E3-1	Sustainable oceans and seas paragraph 14	SFDR	Not material	–
ESRS E3-4	Total water recycled and reused paragraph 28 (c)	SFDR	Not material	–
ESRS E3-4	Total water consumption in m 3 per net revenue on own operations paragraph 29	SFDR	Not material	–
ESRS 2- SBM 3 - E4	paragraph 16 (a)	SFDR	Not material	–
ESRS 2- SBM 3 - E4	paragraph 16 (b)	SFDR	Not material	–
ESRS 2- SBM 3 - E4	paragraph 16 (c)	SFDR	Not material	–
ESRS E4-2	Sustainable land / agriculture practices or policies paragraph 24 (b)	SFDR	Not material	–
ESRS E4-2	Sustainable oceans / seas practices or policies paragraph 24 (c)	SFDR	Not material	–
ESRS E4-2	Policies to address deforestation paragraph 24 (d)	SFDR	Not material	–
ESRS E5-5	Non-recycled waste paragraph 37 (d)	SFDR	Not material	–
ESRS E5-5	Hazardous waste and radioactive waste paragraph 39	SFDR	Not material	–
ESRS 2- SBM3 - S1	Risk of incidents of forced labour paragraph 14 (f)	SFDR	Not material	–
ESRS 2- SBM3 - S1	Risk of incidents of child labour paragraph 14 (g)	SFDR	Not Material	–
ESRS S1-1	Human rights policy commitments paragraph 20	SFDR	Material	75
ESRS S1-1	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21	BR	Material	75
ESRS S1-1	Processes and measures for preventing trafficking in human beings paragraph 22	SFDR	Material	75
ESRS S1-1	Workplace accident prevention policy or management system paragraph 23	SFDR	Material	74
ESRS S1-3	Grievance/complaints handling mechanisms paragraph 32 (c)	SFDR	Material	77
ESRS S1-14	Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	SFDR, BR	Material	84
ESRS S1-14	Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	SFDR	Material	84
ESRS S1-16	Unadjusted gender pay gap paragraph 97 (a)	SFDR, BR	Material	83
ESRS S1-16	Excessive CEO pay ratio paragraph 97 (b)	SFDR	Material	83
ESRS S1-17	Incidents of discrimination paragraph 103 (a)	SFDR	Material	83

Disclosure Requirement	Related Datapoint	EU Legislation	Material	Page
ESRS S1-17	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	SFDR, BR	Material	83
ESRS 2- SBM3 – S2	Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	SFDR	Material	85
ESRS S2-1	Human rights policy commitments paragraph 17	SFDR	Material	86
ESRS S2-1	Policies related to value chain workers paragraph 18	SFDR	Material	86
ESRS S2-1	Non-respect of UNGPs on Business and Human Rights principles and OECD Guidelines paragraph 19	SFDR, BR	Material	86
ESRS S2-1	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19	BR	Material	86
ESRS S2-4	Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	SFDR	Material	88
ESRS S3-1	Human rights policy commitments paragraph 16	SFDR	Not material	–
ESRS S3-1	Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD Guidelines paragraph 17	SFDR, BR	Not material	–
ESRS S3-4	Human rights issues and incidents paragraph 36	SFDR	Not material	–
ESRS S4-1	Policies related to consumers and end-users paragraph 16	SFDR	Not material	–
ESRS S4-1	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 17	SFDR, BR	Not material	–
ESRS S4-4	Human rights issues and incidents paragraph 35	SFDR	Not material	–
ESRS G1-1	United Nations Convention against Corruption paragraph 10 (b)	SFDR	Material	92
ESRS G1-1	Protection of whistle- blowers paragraph 10 (d)	SFDR	Material	92
ESRS G1-4	Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	SFDR, BR	Material	94
ESRS G1-4	Standards of anti- corruption and anti- bribery paragraph 24 (b)	SFDR	Material	94

Environment



Sustainability Statement
Climate Change

Climate change represents one of the most significant global challenges, with far-reaching implications for businesses, ecosystems, and societies. Archer recognizes our responsibility to address climate change and contribute to global efforts to limit its effects. Addressing climate change also presents significant opportunities for Archer; By investing in innovative solutions, Archer aims to play a meaningful role in the energy transition while driving long-term value creation.

E1-1
Navigating the Transition to a Low-carbon Future

In 2024, Archer initiated the process of drafting a transition plan, marking a significant step in our commitment to addressing climate-related challenges and aligning with global sustainability goals. This process requires thorough analysis, stakeholder engagement, and internal alignment, and will continue in 2025 as we refine our approach and identify actionable measures to transition toward a low-carbon future. As such, Archer has not yet adopted a transition plan for climate change mitigation. We expect to adopt a transition plan during 2025.

Embedding Climate Action in our Business Strategy – Our approach is two folded

In developing our transition plan, Archer is adopting a dual-focused approach. On one hand, we focus on achieving emission reduction targets throughout our value chain. This includes actively working toward our decarbonization goals to enhance operational efficiency, meet regulatory requirements, and align with market expectations for sustainability. By integrating these efforts into our broader strategy, we not only minimize our environmental footprint but also strengthen our resilience, ensuring our operations remain competitive and adaptable in an evolving industry landscape.

On the other, we diversify our business model by actively pursuing opportunities and growing our business within renewables and the energy transition landscape. This includes services such as geothermal drilling, plugging and abandonment (P&A) of wells, wind and hydro-related services, as well as carbon capture, utilization, and storage (CCUS). By strategically growing our portfolio in these areas, we ensure long-term resilience while supporting the global shift toward a low-carbon economy.

This approach is already embedded in our current climate targets, as outlined in Chapter E1-3 and E1-4: Targets & Actions. Our ongoing work with targets and actions will serve as a crucial foundation for the development of our transition plan.

SBM-3
A Resilient Business Model
Methodology

Archer conducted a resilience analysis at the beginning of 2025 through a cross-functional workshop involving representatives from finance, strategy and sustainability. The workshop was facilitated by subject matter experts ensuring a structured and informed approach.

The resilience analysis underscores Archer's ability to adapt to both climate scenarios while maintaining profitability. The resilience analysis conducted by Archer focused on the company's own operations while also indirectly considering the activities of its clients in the energy industry. All material physical or transition risks identified through scenario analysis were included in the evaluation, ensuring a comprehensive assessment of Archer's exposure to climate-related risks and the robustness of its strategic response. The resilience analysis considered period 2025 to 2050, where short-term is 2025, medium term is 2026 – 2035 and long term is 2036 – 2050. To address the uncertainties inherent in climate change, the analysis was conducted using both low-emission and high-emission scenarios.

Related to climate change, Archer has identified the following material impacts, risks and opportunities (as presented under SBM-3):

Details about our material climate-related impacts

E1 Climate Change

Link to value chain illustration	Origin of impact	Its associated impact	Time horizon
1.1 Deptency on steel and cement	Risk (Transition)	We are dependent on steel and cement in our operations, which we purchase from our suppliers. The production of steel and cement is associated with substantial high degree of GHG emissions.	Consistent
1.2 Procurement logistics	Supply chain	Archer has a global supply chain involving global logistics associated with GHG emissions, however most material is sourced from Europe.	Consistent
1.2 Well drilling	Own operations, caused by Archer's activities	We conduct drilling of offshore wells on behalf of clients on client-owned fixed oil and gas installations. The drilling process releases GHG emissions (CO2 and methane).	Consistent
1.3 Offshore production drilling	Own operations, caused by Archer's activities	Our drilling teams are responsible for securing and optimizing production on offshore platforms in the North Sea and Brazil. These operations are energy-intensive, requiring significant amounts of energy, often derived from fossil fuels.	Consistent
1.4 Maintenance offshore	Own operations, caused by Archer's activities	We also perform regular maintenance activities on offshore installations to ensure the safe and efficient operation of oil and gas platforms. Maintenance activities require the use of equipment and transportation, often powered by fossil fuels, leading to GHG emissions.	Consistent
1.5 Land drilling	Own operations, caused by Archer's activities	We are involved in land drilling operations, specifically in Argentina, where drilling rigs and machinery are deployed to create new wells onshore. The power required to operate these rigs is largely produced by diesel generators, which emit significant GHG emissions.	Consistent
1.6 Offshore plug & abandon (P&A)	Own operations, caused by Archer's activities	We conduct plug & abandon (P&A) operations on offshore wells. P&A activities require the use of specialized equipment and transportation, often powered by fossil fuels, which result in GHG emissions. We anticipate our P&A activities to increase in the medium to long term.	P&A activities are to increase over time
1.7 Transportation of our people	Supply chain, own operations, in both cases caused by Archer's activities	We have a high volume of personnel who are employed offshore, who needs to be transported to the platforms. This requires the use of helicopters and vessels, which are often powered by fossil fuels. This leads to GHG emissions contributing to climate change.	Consistent
1.8 Operational logistics	Own operations, caused by Archer's activities	Our operations involve global logistics, distribution and movement of modular platforms and land rigs. These operations contribute to climate change through the carbon footprint associated with air, sea, and land transport.	Consistent
1.9 Operation of work-shops, facilities and offices	Own operations, caused by Archer's activities	We have workshops, facilities and offices in Argentina, Australia, Bermuda, Bolivia, Brazil, Canada, Dubai, Malaysia, New Zealand, Norway, Poland, the United Arab Emirates, the United Kingdom and the United States. Our workshop, facilities and offices are dependent on electricity to function, which is associated with GHG emissions.	Consistent
1.1 2.1 O&G exploration activities	Indirectly upstream value chain	Archer is not directly involved in any exploration activities, but as an O&G actor, we depend on it. More so, as an O&G actor we are associated with the distribution and use of O&G products.	Expected to decrease over time

Details about our material climate-related impacts

E1 Climate Change

Link to value chain illustration	Type	How it may affect our business	Time horizon
3.1 Fluctuating and increasing prices	Risk (Transition)	Electrification of the rigs is an area Archer is looking into to decrease its emissions. With time, however, the access to energy may decrease and prices may increase. This can have a negative impact on Archer in terms of increased costs.	Long-term
5.1 Access to capital	Risk (Transition)	We conduct drilling of offshore wells on behalf of clients on client-owned fixed oil and gas installations. The drilling process releases GHG emissions (CO2 and methane).	Medium- and long-term
5.2 Carbon taxes	Risk (Transition)	The introduction of carbon taxes and restrictions on fossil fuels could lead to higher costs and necessitate adjustments in operations and energy sourcing.	Medium- and long-term
5.3 Stranded assets	Risk (Transition)	A decreasing demand for fossil fuel can lower oil and gas prices and lead to stranded assets. We anticipate this to be a risk in the long-term.	Long-term
4.1 Operational disruptions	Risk (Physical)	Offshore platforms are built to endure harsh conditions; however, extreme weather, larger waves, and transport challenges can still pose risks—particularly in safely transporting personnel to and from the platforms. While these risks are currently managed, they are expected to become more relevant over time.	Medium- and long-term
6.1 Increased demand for renewable energy	Opportunity (Transition)	Given the society's shift towards greener energy and as the demand for these services increases, Archer has the potential to position as a total supplier of carbon capture, P&A and geothermal. We anticipate this risk to be fluctuating and increasing in the medium to long-term.	Medium- and long-term

A qualitative analysis of the estimated anticipated financial effects from material physical and transition risks, as well as the mitigation actions and resources, has been carried out. Our resilience analysis will be updated with a quantitative assessment in 2025 at the same time as we prepare our transition plan. This analysis will also elaborate on how the assets and business activities at risk are considered in Archer's strategy, investment decisions, and current and planned mitigation actions. These elements have been qualitatively assessed in this year's resilience analysis and will be more systematically addressed in the upcoming years.

Result

Resilience in a low-emission scenario

In a high-emission scenario, physical climate-related risks are expected to have adverse impacts on Archer. Archer's offshore operations may face challenges due to intensifying storms, rough seas, and adverse weather conditions. Weather will increasingly influence well service companies going forward. It is likely that more extreme weather such as storms, high winds and rough seas will cause delays, shutdowns, and access issues especially offshore. Harsher conditions will however also drive upwards the demand for robust and high-quality equipment such as the product portfolio provided by Archer that have been developed according to stringent NORSOK standards in the North Sea meeting high technical and safety standards. The continuation of oil production in this scenario could benefit Archer economically, as it would create additional business opportunities within its service portfolio.

Resilience in a low-emission scenario

In a scenario aligned with the Paris Agreement, where no or few new oil fields are developed in Norway, Archer's operations would remain resilient. Rising carbon prices in this scenario are not expected to impact Archer directly, as the company does not produce oil and own emissions are limited. Instead, the burden of carbon costs would fall on Archer's clients in the oil and gas sector. The company anticipates reduced revenues from traditional oil and gas operations but increased revenues from renewable energy investments. Capital expenditure on CCS and renewable energy projects is expected to rise. With only 10% of revenues derived from greenfield projects, the company's financial stability would not be jeopardised. Moreover, the expected significant growth in plugging and abandonment (P&A) activities presents a substantial opportunity for Archer to expand its market share. This scenario also anticipates considerable growth in renewable energy, an area where Archer has already positioned itself strategically through investments in geothermal, offshore- and onshore wind, and solar energy. These forward-looking initiatives highlight Archer's preparedness to thrive in a low-carbon economy, ensuring long-term resilience and adaptability.

Conclusion

Archer demonstrates the ability to adjust and adapt its strategy and business model to climate change across the short, medium-, and long-term through targeted measures in strategic planning, operational adjustments, and resource allocation.

By diversifying its portfolio into geothermal and wind energy Archer is positioning itself to capitalize on the shift toward renewable energy. To meet the demand and ensure the company seize transition-related opportunities, Archer has established renewables as a separate business area. In addition, by establishing a strong presence in growth markets such as plugging and abandonment (P&A) services, Archer is well-placed to capture future opportunities associated with the declining demand for fossil fuels. Archer is also focused on aligning its workforce capabilities with emerging business demands, ensuring the necessary skills are in place to support future operations. While proactively positioning itself for emerging low-emission markets, Archer remains steadfast in its commitment to delivering excellence to its existing clients across industries. This dual approach ensures that the company not only thrives in a low-carbon economy but also retains its competitive edge in a high-emission scenario. By maintaining operational agility and leveraging its expertise across diverse market conditions, Archer is well-equipped to navigate evolving regulatory landscapes and shifting investor priorities. These efforts underscore Archer's resilience and strategic foresight, reinforcing its ability to secure long-term access to financing by aligning with the growing momentum of sustainable and green investments.

E1-2

Policies related to climate change mitigation and adaptation

Tackling climate change requires a solid framework that ensures accountability and guides our actions across both our operations and the value chain. Our environmental policy and energy management policy is designed to address our environmental footprint, including our climate-related impacts. These policies guide our behaviour in addressing Archer's impact on climate change, with a primary focus on climate change mitigation measures and enhancing energy efficiency in our operations. Our environmental- and energy policies take an inclusive approach, enhancing energy efficiency, managing greenhouse gas emissions, alongside other pollutants, to comprehensively address our material environmental impacts. These policies do not explicitly address climate change adaptation or renewable energy deployment, as they are primarily centred on guiding our operations during the transition and adaptation phase.

All our policies across environmental, social and governance matters are global in scope and apply to all of Archer's companies that were part of the group at the start of the year. Companies acquired during 2024 currently operate under their existing policies but will transition to Archer's policies in 2025 as part of the integration process. The policies undergo an annual review to ensure they remain fit for purpose and are updated as needed. This review also evaluates whether additional training on the policies is necessary. As part of the process, we incorporate feedback from key stakeholders, addressing any challenges they identify to continuously improve the effectiveness of our policies.

Our CEO holds overall responsibility for the implementation of all environmental-related policies, ensuring alignment with our environmental objectives and organizational goals.

Environmental policy

Archer's commitment to climate change mitigation is outlined in our Archer Environmental Policy, available on our webpage. One key pillar in the policy is Archer's commitment to continuously strive to reduce environmental impacts, and to proactively monitor and assess environmental aspects from our activities. The policy addresses all of Archer's material related to climate change mitigation and applies both to activities in own operations and in our value chain.

The policy requires all operational sites to proactively monitor and assess environmental aspects, and continuously strive to reduce environmental impacts from our activities, in accordance with local rules and regulations. Our ambition is that each sub process and routine performed by Archer will be systematically examined to identify potential and actual environmental impacts.

Energy management policy

Archer's Energy Management Policy commits to reduce the use of energy and improve productivity to protect the environment. Central to this policy is our commitment to reduce emissions in own operations by ensuring competence among employees related to energy efficiency and monitor energy efficiency in our operations. The policy addresses all of Archer's material impacts, risks, and opportunities related to energy consumption and mix, and applies both to activities in own operations and in our value chain. The policy is available on our website.

Our Energy Management Policy commits the Group to continuously review and improve our purchasing and operations practices to reduce emissions in the supply chain. In this work, we aim to use local suppliers and hire locally to reduce emissions from transportation and logistics. The policy is aligned with Archer's strategy, which emphasizes evaluating sustainable practices in operations, the supply chain and partnerships with customers to reduce our environmental footprint.

In addition to our policies, our operations in Brazil and the UK are certified to ISO 14001, the international standard for environmental management systems. While we are not ISO 50001 certified, ISO 50001 provides a practical way to improve energy use, and we let this standard shape our everyday energy management work.

Internally, Archer enforces policies through a global management system, APD. This system assesses environmental and chemical impacts and helps us monitor our emissions. The corporate QHSE function oversees and reports to the top management and the Board.

E1-3, E1-4
Targets & Actions

Archer has set a target for decarbonization and an ambition for energy transition, committing to reducing carbon emissions across our operations and accelerating the shift towards renewable energy sources to drive a more sustainable future. As of 2024, Archer has not disclosed specific actions to support this target and ambition. Our decarbonization levers and energy transition efforts will inform future actions, which will be disclosed upon finalizing the transition plan in 2025.

While this target and ambition provide a foundation for reducing emissions and increasing our presence in the renewable energy market, we acknowledge that there is room for greater ambition to comply with the goals in the Paris Agreement. As part of our commitment to responsible growth, we will be reviewing and refining these goals this year to ensure they are aligned with industry advancements, stakeholder expectations, and the evolving global climate agenda.

Our decarbonisation target supports our policies focus on continuous improvement in environmental performance and energy efficiency. Our energy transition ambition is embedded in Archer's strategy focusing on providing services that support the energy transition and reduce reliance on fossil fuels. Since our energy transition ambition is focused on our services portfolio, it is not directly linked to any of our policies which are directed towards how we will operate as a company in said transition.

Our energy transition ambition and how we'll reach it

We aim to ensure that renewables and energy transition activities represent 35% of our revenue by 2040, reinforcing our role in shaping a sustainable future. Our transition ambition includes all services directly related to geothermal drilling, plugging and abandonment (P&A) of wells, production of wind and hydro power, as well as carbon capture, utilization, and storage (CCUS). The ambition and selection of services was developed by synthesising strategic, financial, and sustainability insights, and analysing the industry's growth potential and opportunities. Our analysis was informed by market outlooks from sources such as Rystad Energy, BCG, and DNV, which provided insights into the expansion of the renewable energy market, a favourable regulatory environment, and increased investment in sustainable technologies, all while maintaining and enhancing shareholder value. We did not apply scenario analysis in the development of this ambition. Our ambition is not aligned with the EU taxonomy classification. We are working on making this ambition a measurable outcome-oriented target by the end of 2025.

In 2024, Archer took significant steps to enhance its portfolio of services in the renewable energy sector, aligning with its ambition of achieving 35% of global revenue from renewable and energy transition activities by 2040. These efforts reflect Archer's dedication to diversifying its operations, expanding its renewable energy offerings, and supporting the global energy transition. These efforts are summarized below:

- Acquisition of 65% of Vertikal Service, a company specializing in providing engineering and operational services to the wind and hydro sectors, including inspection, maintenance, and technical support for renewable energy infrastructure.
- Increased ownership in Iceland Drilling, a leading provider of geothermal energy solutions, by acquiring an additional 10% of the shares.
- Acquisition of Moreld Ocean Wind. Archer expanded its renewable energy portfolio through the acquisition of Moreld Ocean Wind, now rebranded as Archer Wind.

The budgeted capital allocated to acquisitions is USD 6-7 million in 2025 and while we are refining our way of measuring our renewable segment revenue share, the revenue share related to renewable energy is expected to increase from 2024 to 2025 due to the consolidation and acquisitions of Iceland Drilling, Vertikal Services and Moreld Ocean Wind. In the coming years, Archer will continue to pursue opportunities in energy transition activities and renewable energy, further advancing the diversification of its business. Other relevant acquisitions include

- Acquisition of Wellbore Fishing & Rental Tools (WFR), a leading P&A specialist in the Gulf of Mexico.

This will position Archer for plugging and abandonment of offshore oil and gas wells in the US market. WFR, which is part of our Well Services segment, is expected to generate 3-4% of the revenue in Archer in 2025.

Our decarbonisation targets & decarbonisation levers

While we are reviewing our decarbonisation targets, we keep our current decarbonisation target and continue to work for emission cuts. Our current decarbonisation target was set in 2022 and reflect our dedication to reducing greenhouse gas emissions from current operations while actively contributing to the global energy transition by expanding our footprint in renewable energy sectors. Our short- to medium-term target is to achieve a 30% reduction in global CO2e-emissions (Scope 1 and Scope 2) by 2030, using 2018 as the baseline. Our decarbonisation target is a combined Scope 1 and 2 target, and while we do not have an exact breakdown of the goal per GHG emission scope, the majority of the emission reduction will happen in Scope 1, as it constitutes by far the largest portion of the two scopes. The Scopes covered by the target follows the inventory boundaries of our GHG inventory.

Methodology

Archer's process for setting its current decarbonisation target was led by the Sustainability Department, but also included Operations. The first step in this process was to identify where Archer's emissions were coming from and to assess the potential for action in these areas with the higher emission reduction potential. This internal evaluation helped establish a clear understanding of the key levers for emissions reductions. Additionally, key external stakeholders, including customers and investors, were involved in the process. Their input helped ensure that the target was realistic and aligned with stakeholder expectations as well as our Environmental, and Energy Management Policy`s objectives

2018 was selected as a base year for Archer's current decarbonisation target as it represents a normal operational year without significant external disruptions such as COVID-19 or financial crises, ensuring its representativeness for measuring progress towards our target. Archer's GHG emission reduction target is consistent with the boundaries defined in the climate inventory when it comes to Scope 1 and Scope 2. Scope 2 emissions are measured according to the location-based method when tracking progression toward the target. Scope 3 emissions were calculated for the first time in 2024 and have not yet been included in Archer's decarbonisation targets yet. This will be addressed in 2025 as part of the process of revising our climate targets.

Archer's target of achieving a 30% global reduction in GHG emissions within Scope 1 and 2 is not a science-based target or one that is aligned with limiting global warming to 1.5°C, as outlined in the Paris Agreement. The target was initially established based on past assumptions without the application of a specific framework or methodology, such as a sectoral decarbonization pathway. Recognizing this gap, Archer plans to reassess the target during 2025, considering future developments such as changes in operational scale, customer demand, regulatory factors, and emerging technologies. This reassessment will ensure the target reflects both the company's growth trajectory and global climate goals. Revised targets, developed using a robust and aligned methodology, will be communicated in 2025 to strengthen Archer's commitment to science-based climate action. The current target has not undergone external assurance.

Decarbonisation levers & Actions

To achieve Archer's target of 30% global reduction in GHG emissions within Scope 1 and 2 by 2030, we have ongoing decarbonization initiatives and have planned further measures. These efforts focus on addressing key emission sources and ensuring steady progress toward the target. The specific decarbonization levers, along with a qualitative description of their contributions, are outlined below.

Archer recognizes that adopting new technologies is essential for achieving its GHG emission reduction targets. We continuously monitor advancements, such as battery solutions to replace diesel engines for equipment start-up and are committed to integrate innovative technologies as they become viable to support our decarbonization efforts. In 2025, we will revise and update our decarbonization levers as part of the process of drafting our transition plan. This process will include evaluating a diverse range of climate scenarios to identify relevant environmental, societal, technological, market, and policy developments, ensuring a comprehensive approach to addressing climate-related challenges and opportunities.

Our climate efforts are summarised by several key decarbonisation levers aimed at reducing our Scope 1, 2 and 3 emissions. Currently, these levers do not include specific actions supported by quantitative descriptions of expected GHG-emission reductions or significant monetary amounts of CapEx and OpEx required for implementation. These elements will be incorporated in 2025 as part of our process of drafting a climate transition plan and revising our climate goals. This will enable us to elaborate on specific actions under each decarbonisation lever.

Scope 1

Electrification of land-based drilling.

To mitigate emissions associated with drilling operations we are aiming to transition our rig fleet from fossil fuel to electrically powered rigs. To address this lever, we started electrification of the rig Óðinn this year. The work is planned to be finalized in 2025 and will give Archer the possibility to operate on electricity, when available. The cost of this rebuilding is estimated to be approximately EUR 1 million and the expected reduction in Scope 1 emissions is 3 989 tonne CO2e while the expected increase in Scope 2 emissions due to increased electricity use is 1,1 tonne CO2e. The estimates are based on operations 300 days a year. Completing this initiative will enable 50% of our geothermal power drilling rig fleet to operate using electricity.

In the coming years, we will continue exploring concrete actions and opportunities to electrify additional rigs in locations where electric operations are feasible. We have not set a time horizon under which Archer intends to have our entire rig fleet electrified.

Fuel switch to natural gas

The fuel switch to natural gas is expected to be the largest contributor to Scope 1 emission reductions, as the transition away from diesel significantly lowers combustion-related CO2 emissions. Operational awareness has already yielded substantial efficiency improvements, with an estimated 20% increase in operational efficiency, meaning further gains in this area are limited. Electrification of land rigs, while promising, remains challenging due to the lack of grid infrastructure in many locations, making fuel-switching a more immediate and impactful solution. Archer will assess relevant actions as a part of the transition plan process.

Electrification of transport fleet

A critical component of our strategy to reduce emissions, is to advance the electrification of our transport fleet. Although a definitive timeline for completion is not yet established, this initiative remains a priority. Currently, it is difficult to accurately quantify how much this lever will contribute to our overall emission reduction targets. Nonetheless, we are dedicated to continuously monitoring and evaluating its impact.

Operational awareness

Optimizing rig operations has long been a key part of our strategy to improve fuel efficiency and reduce emissions across our well services operations. Through continuous improvements in rig processes, energy management, and best practices, we have worked—and continue to work—toward minimizing fuel consumption while maintaining high operational performance. While the full impact of these efforts on our overall emission reduction targets evolves over time, optimizing fuel efficiency remains a core focus of our operations.

Scope 2

On-site Renewable Energy Production

Archer has already made considerable progress in reducing Scope 2 emissions by investing in on-site solar energy. Archer generates electricity from its on-site solar park at the headquarters in Norway, which corresponds to approximately one-fourth of the total energy usage at the site, with similar but smaller-scale installations in the UK and Argentina. Expanding on-site renewable energy remains a key focus to further decarbonize operations.

Procurement of Green Energy

The largest potential for further reductions lies in sourcing certified renewable electricity. Archer plans to assess the feasibility and costs of transitioning entirely to green electricity across its operations by 2025, further reducing its carbon footprint.

Energy Efficiency Improvements

Enhancing energy efficiency in workshops and offices through LED lighting, energy management systems, and improved insulation remains a priority. These measures complement Archer's renewable energy initiatives by reducing overall energy demand and optimizing resource use.

Scope 3

Supplier engagement

With our operations spanning diverse geographic regions, transportation and logistics are essential components of our scope 3 emissions. Archer's commitment remains focused on preventing and reducing emissions in collaboration with our supply chain. Since 2022, Archer has collaborated with our suppliers to collect detailed information on their energy management policies and pollution control procedures. This effort has provided valuable insights into the emissions and pollution associated with our outsourced transportation activities. Building on this understanding, in 2024, we established a dedicated task force to develop a comprehensive strategy for addressing transportation-related emissions. This initiative focuses on setting clear, actionable expectations for our suppliers, ensuring their practices align with our sustainability objectives and contribute to reducing our overall environmental impact. It is for the time being not possible for us to estimate the resulted reduction in CO2 emissions from this action.

Progress over time

The baseline year for measuring progress on emissions reduction targets is 2018 for Scope 1 and 2 emissions, while the baseline year for Scope 3 emissions is set as 2024. These baseline years serve as the reference point from which progress will be tracked and reported in Archer's sustainability efforts, allowing for a clear comparison of emissions reduction over time.

Scope	Unit	Baseline value	2023 value	2024 value
Scope 1	tCO2e	88.582	64.893	60.898
Scope 2*	tCO2e	913	651	748

* Location based

Since the baseline year of 2018, when scope 1 and scope 2 emissions were 89,495 tCO2e, Archer has reduced its emissions to 61,646 tCO2e - a reduction of 31,1%.

In 2024, Archer acquired several companies. Of these, the acquisition of Iceland Drilling has a material impact on our base line values. In November Archer acquired an additional 10% of the shares Iceland Drilling and began consolidating the company's emissions into the group accounts as of November 14. Accordingly, we have restated our 2018 baseline to include emissions from Iceland Drilling. Including emissions from Iceland Drilling has increased our baseline value by 9.278 tCO2e.

For the year ended December 31, 2024, emissions from Iceland Drilling are included under Scope 3, category 15 (investments) up to November 14, and consolidated into our carbon accounting for the remaining 1.5 months of the year. The impact on Scope 1 and Scope 2 is 1.629 tCO2e for the year ended 2024.

Our scope 1 and scope 2 emissions are monitored and reviewed at least yearly to ensure performance against disclosed targets, and GHG emissions measured in tCO2e are used as metrics. The monitoring process includes tracking metrics, assessing whether progress aligns with initial plans, and analysing trends or significant changes in performance. Even though Archer has not broken down its targets into a yearly roadmap that clearly shows expected reduction each year, the achieved results outlined in the table above signals strong performance towards the target.

E1-5

Energy consumption and mix

Most of the energy consumption in Scope 1 is from drilling activities on land. Scope 2 electricity used by our production sites mainly based in Norway, Argentina, United Kingdom and United States. Our Electricity consumption in the United Kingdom and United States are covered by Guarantees of Origin.

The table below presents the Group's energy intensity related to its activities in high climate impact sectors. These sectors are defined based on the Group's operations classified under NACE section C. The Group also generates a small amount of its own energy through self-production.

The table below shows the total energy consumption in Archer's consolidated activities.

Non renewable sources	**Unit**	**2024**
Fuel consumption from crude oil and petroleum product	MWh	226.790
Fuel consumption from natural gas	MWh	542
Consumption of purchased or acquired electricity, heat, steam, and cooling	MWh	4.847
Total Energy consumption from Non- renewable sources	**MWh**	**232.179**
Share of fossil sources in total energy consumption	**%**	**98,92%**
Consumption from nuclear sources	MWh	482
Share of consumption from nuclear sources in total energy consumption	%	0,21%

Renewable sources	**Unit**	**2024**
Fuel consumption	MWh	-
Consumption of purchased or acquired electricity, heat, steam, and cooling	MWh	400
Consumption of self-generated non-fuel renewable energy	MWh	1.654
Total Energy consumption from Renewable sources	**MWh**	**2.054**
Share of renewable sources in total energy consumption	%	0,88%
Total energy consumption	**MWh**	**234.715**

Total energy consumption related to own operations include fuel consumption at sites, fuel consumption in owned and leased vehicles, and consumption of purchased and self-generated energy (electricity, heat and cooling).

Energy usage of diesel, and petrol is calculated based on the litres bought throughout the year, multiplied with an appropriate factor from DEFRA. Energy consumption from nuclear products is calculated using country-specific factors from EIA, and AIB. Consumption of purchased electricity, gas and self-generated non-fuel renewable energy are reported to Archer by its subsidiaries in kWh.

Energy Production

Archer's focus on reducing our energy use in our operations. We have installed solar PV systems on our main locations in Norway, Argentina, and in the UK.

Energy production	**Unit**	**2024**
Renewable	MWh	1.654
Non-renewable	MWh	–
		-

Energy Consumption

Energy consumption	**Unit**	**2024**
Energy intensity from activities in high climate impact sectors	MWh per USD million	180,5
Total energy consumption from activities in high climate impact sectors	MWh	234.715

2024 is our first reporting year, and we have not included any comparative numbers. Net revenue used in the calculation of Energy intensity is the total revenue on page 97 in our income statement and in note 25.

Archer's operation is divided into 4 different segments: Platform Operations, Well Services, Land Drilling and Renewables. All our operations are classified as High Climate Impact sectors as defined by NACE.

Scope 1 GHG emissions	Unit	Base Year	Reporting year 2024	2030 in %	2030 in tCO2e
Gross Scope 1 GHG emissions	tCO2e	88 582*	60 898		
Percentage of Scope 1 GHG emissions from regulated emissions trading schemes	%	–	–		
				30 %	62 647
Scope 2 GHG emissions					
Gross loacation-based Scope 2 GHG emissions	tCO2e	913*	748		
Gross market-based Scope 2 GHG emissions	tCO2e		2 723		
Significant Scope 3 GHG emissions					
Total gross indirect (Scope 3) GHG emissions	tCO2e	**180 759****	**180 759**		
1: Purchased goods and services	tCO2e	79 871	79 871		
2: Capital goods	tCO2e	11 352	11 352		
3: Fuel and energy-related activities (not included in Scope 1 or 2)	tCO2e	14 586	14 586		
4: Upstream transportation and distribution	tCO2e	28 861	28 861		
6: Business travel	tCO2e	5 989	5 989		
8: Upstream leased assets total	tCO2e	4 704	4 704		
15: Investments	tCO2e	35 396	35 396		
Total GHG emissions (location-based)	**tCO2e**		**242 405**		
Total GHG emissions (market-based)	**tCO2e**		**244 380**		

* 2018 base year for Scope 1 and Scope 2
** 2024 used as base year for Scope 3

E1-6

Gross Scopes 1, 2, 3 and Total GHG emissions

Archer's carbon footprint provides an overall view of greenhouse gas (GHG) emissions, expressed in tonnes of CO_2-equivalents (tCO_2e). The data is based on inputs from both internal and external systems.

The Group has prepared its GHG inventory in accordance with the European Sustainability Reporting Standards (ESRS). This inventory includes the following greenhouse gases in its calculations: carbon dioxide (CO_2), methane (CH_2), nitrous oxide (N_2O), sulphur hexafluoride (SF_6), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and nitrogen trifluoride (NF_3), all converted into CO_2-equivalents based on reported consumption data.

The consolidation of GHG emissions data is based on financial control. In addition, Archer accounts for 100 percent of emissions from operations over which it has operational control. We used the CEMAsys platform and its integrated calculation tools to support the preparation of our GHG emissions inventory. Our gross scope 1, 2 and 3 metrics have not been validated by an external body other than the assurance provider.

Accounting policies

Direct GHG Emissions (Scope 1)

Scope 1 covers all direct greenhouse gas emissions from sources owned or controlled by Archer. This includes stationary sources, such as diesel consumed by our land rigs, company-owned vehicles and natural gas used in buildings that are leased, rented, or owned by the company. Emissions are calculated based on reported fuel quantities bought during the year (diesel, petrol, natural gas, etc.), using the applicable 2024 emission factors published by DEFRA.

Indirect GHG Emissions (scope 2)

Scope 2 emissions are reported using both the location-based and market-based approaches. These emissions primarily result from the purchase of electricity used for heating buildings owned or leased by the group and to run electrified equipment. Emissions are calculated based on reported consumption of purchased electricity, heating, and cooling, using applicable emission factors from DEFRA (2024) and the IEA (2024).

Indirect GHG Emissions (scope 3):

Archer's Scope 3 GHG emissions are primarily calculated using secondary data such as industry-average emission factors applied to spend data, in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Standard. The use of spend-based methodology is due to limited access to supplier-specific emissions data. Activity-based data is prioritized where available, as it increases accuracy. All methods used align with the GHG Protocol and are widely accepted across the industry.

Where available, the company incorporates activity-specific inputs and primary data. For the 2024 reporting year, approximately 10 % of Scope 3 emissions were calculated using primary data obtained from suppliers or other value chain partners. This includes data from travel agencies and partially from utility vendors related to energy procurement (category 3 and category 6).

The remaining 90% of Scope 3 emissions were estimated using secondary data, such as emission factors from Environmental Protection Agency (EPA), International Energy Agency (IEA) and Department of Environment, Food and Rural Affairs (DEFRA). To estimate our emissions, we used financial accounting records as the basis for spend-based calculations, including all purchases recorded as a cost in 2024. The company continues to improve data quality by engaging with key suppliers and partners to obtain more accurate, activity-based emissions data for future reporting cycles.

- Category 1 – Purchased Goods and Services:
  Emissions from purchased goods and services are calculated using a spend based approach, where categorized spend data is multiplied by relevant emission factors specific to each spend category. The approach captures the upstream cradle-to-gate GHG emissions associated with the production of goods and services purchased during the reporting period. We have included all purchases booked as cost on goods or services during 2024.
- Category 2 – Capital Goods:
  This category includes upstream GHG emissions from the acquisition and installation of property, plant, and equipment. Emissions are estimated using a spend-based method, whereby capital expenditure data is categorized and then multiplied by appropriate emission factors that reflect the carbon intensity of the specific capital goods purchased.
- Category 3 – Fuel- and Energy-Related Activities (not included in Scope 1 or 2):
  Emissions in this category are calculated based on the quantities of purchased fuels and electricity, applying relevant upstream emission factors to account for extraction, production, and transportation processes. These include emissions from the fuel supply chain and transmission and distribution losses for electricity. The calculated emissions are based on activity data from our operations.
- Category 4 – Upstream Transportation and Distribution:
  Emissions are calculated based on spend data from purchased transportation and logistics services, such as freight forwarding and third-party logistics. Spend-data is based on costs booked during 2024, and multiplied with an appropriate spend-category factor.
- Category 6 – Business Travel:
  Emissions from business travel are estimated through three data sources: (i) mileage allowances for employee travel using personal vehicles, and (ii) travel activity data from external travel agencies covering flights, hotels, and other transport services, and (iii) spend based calculations on taxi and other travel expenses. Emission factors are applied based on mode of travel and distance, following a hybrid method.
- Category 8 – Upstream Leased Assets:
  Emissions associated with upstream leased assets are calculated using spend data on lease payments, multiplied by relevant emission factors reflecting the carbon intensity of the leased assets. Leased asset categories include industrial equipment, and vehicles, which are not already included in Scope 1 or 2.

- Category 15 – Investments:
  (i) In September 2024, Archer acquired the remaining 50% of the shares in Comtrac AS, obtaining a controlling financial interest. As a result, the investment was reclassified from a financial investment to a consolidated subsidiary. Emissions from Comtrac AS for the period January–August 2024 are reported under Scope 3, Category 15 – Investments.
  From September 2024 onwards, emissions from Comtrac AS are reported in Scope 1, Scope 2, and other relevant Scope 3 categories of the consolidated group.

  (ii) Similarly, in November 2024, Archer acquired an additional 10% of the shares in Iceland Drilling AS, reaching a controlling interest.
  Emissions from Iceland Drilling AS are included under Category 15 for the period January–mid-November 2024, and reported under the group's Scope 1, Scope 2, and other Scope 3 categories for the remainder of the year. Emissions from Iceland Drilling is calculated based on revenue multiplied by relevant emission factor from Climatiq based on industrial area (Exiobase).

The following scope 3 categories were considered not significant or not applicable:

- Scope 3 category 5 - Waste generated in operations: Emissions related to waste generated from operations are not significant.
- Scope 3 category 7 - Employee commuting: Employee commuting CO2e emissions compared to total GHG emissions are minimal and therefore not significant.
- Scope 3 category 9 – Downstream transportation is mainly organized and paid for by the company and reported in Category 4 Upstream transportation and distribution
- Scope 3 category 10 - The company does not sell intermediate products that undergo further transformation or processing by other entities as part of their production processes. Its products are delivered in a final or near-final form and are typically used as-is for operational, infrastructural, or service-based applications.
- Scope 3 category 11 – Use of sold products: Archer's sold products do not generate significant greenhouse gas emissions during their use phase. These products are primarily equipment or services that do not consume energy or fuel during use, or their usage results in minimal indirect emissions.
- Scope 3 category 12 - The end-of-life treatment of the company's products—such as decommissioning, disposal, or recycling—results in only a minor amount of GHG emissions. This is due to the nature of the materials used (e.g., steel, alloys) and the relatively low volume of products reaching end-of-life annually.
- Scope 3 category 13 – Downstream Leased Assets has been assessed and determined to be not material to the company's overall GHG emissions inventory. The company does not lease out assets to third parties, or the emissions associated with any downstream leased assets are negligible compared to other Scope 3 categories.
- Scope 3 category 14 - Franchises: Archer does not use franchises in the business concept.

Significant assumptions

The calculation of Scope 3 GHG emissions is subject to a degree of uncertainty, primarily due to the reliance on secondary data, estimation methods, and assumptions made in the absence of supplier-specific information. Significant assumptions include the use of average emission factors for broad categories of purchased goods and services, the mapping of internal procurement data to upstream emissions categories such as extraction and processing of raw materials, and generalizations about supplier production methods, energy sources, and transport distances from suppliers to operational site.

While these methodologies are consistent with the GHG Protocol, the level of accuracy is inherently lower than calculations based on primary data. As a result, Scope 3 emissions figures should be interpreted as estimates with moderate to high uncertainty, particularly in categories such as Purchased Goods and Services, Capital Goods, and Upstream Transportation. To address this, the company is working to improve data quality over time by engaging with key suppliers, collecting more activity-specific inputs, and exploring the use of third-party tools that can provide more granular data. Enhancing data transparency and consistency across the value chain remains a key priority for future reporting cycles.

The remaining subcategories (C5, C8, C9, C10, C11, C12, C13, C14) are concluded not material for Archer.

Contractual instruments

We have purchased Renewable Energy Certificates (RECs) and Guarantees of Origin (GOs) to ensure our electricity is from renewable sources in the United Kingdom. The purchased instruments cover 100% of the scope 2 emissions in the country, and 11 % of Archer's total Scope 2 emissions.

GHG intensity per net revenue	Unit	2024
GHG emission (location based) per net revenue	(tco2e/MUSD)	186.4
GHG emission (marked based) per net revenue	(tco2e/MUSD)	187.9

The net revenue applied to calculate the GHG intensity is reconciled against the financial line item "Total revenues" in the Consolidated Statements of Operations in the Financial Statements, and Note 25.

Taxonomy

The EU taxonomy is a classification system established by the European Commission as a tool to reorient capital flows towards sustainable solution to meet the objectives of the European Green Deal. The taxonomy regulation states that an activity must make a substantial contribution to at least one of the six environmental objectives set out by the EU, while not causing significant harm towards the other five objectives. The activity must also meet minimum safeguards with regards to human and labor rights, anti-corruption, tax, and fair competition.

Archer's taxonomy-eligible economy activities

We have identified our taxonomy-eligible activities by evaluating our portfolio of economic activities in relation to the EU Taxonomy. Economic activities are considered taxonomy-eligible if they coordinate with Archer's corresponding activities, can be assessed against the technical screening criteria. The evaluation of relevant activities has been performed by screening the economic activities in the Taxonomy Regulation 2020/852 and the supplementing delegated acts. As a result of the eligibility assessment, the following economic activities were identified as eligible within the scope of climate objectives of the EU taxonomy, as of year-end 2024:

1. Electricity generation from geothermal energy (CCM 4.6)

The construction of electricity generation facilities using geothermal energy qualifies as an eligible activity under the EU Taxonomy. Archer owns four large drilling rigs and several smaller units, which are utilized in operations to drill wells for geothermal energy production. Archer's role in the construction process includes drilling, casing, cementing, and installing wellheads.

2. Production of heat/cool from geothermal energy (CCM 4.22)

The construction of facilities that generate heat or cooling from geothermal energy qualifies as a Taxonomy-eligible economic activity. Archer operates several drilling rigs used for constructing these facilities. Most of this activity is concentrated in Iceland.

3. Transport by motorbikes, passenger cars and light commercial vehicles (CCM 6.5)

To facilitate travel between site locations, we maintain a small fleet of leased passenger cars and light commercial vehicles.

4. Acquisition and ownership of buildings (CCM 7.7)

The activity concerns the acquisition and ongoing ownership of real estate. Archer leases office buildings and warehouses for its business operations, and these leases are reported in accordance with ASC 842 As the leased properties fall under Archer's control, they are considered within the scope of EU Taxonomy activity 7.7. In 2024, Archer leased a total of 22 office buildings, warehouses and storage facilities.

Determining whether eligible activities are aligned with the taxonomy criteria

Regulation (EU) 2020/852, article 3, sets out criteria which an economic activity must meet to qualify as environmentally sustainable (taxonomy-aligned):

- Comply with technical screening criteria (TSC) for substantially contributing to one or more of the six environmental objectives.
- Comply with TSC for doing no significant harm (DNSH) to the other five environmental objectives.
- Comply with minimum safeguards covering social and governance standards.

Substantial contribution

Climate change mitigation

Electricity generation and production of heat/cool from geothermal energy (CCM 4.6 / CCM 4.22)

The substantial contribution criteria and the Do No Significant Harm (DNSH) criteria for the two taxonomy-eligible activities are identical. Archer's part of the economic activities involves drilling wells that are used to produce either electricity or heat/cool. Archer's procedures are equal and as a result, we have conducted a combined assessment of these activities.
To substantially contribute to climate change mitigation, the life cycle greenhouse gas (GHG) emissions from geothermal electricity generation and heat/cool production must remain below 100g CO2e/kWh. In order to meet this requirement, quantified life cycle GHG emissions must be verified by an independent third party.

Archer contributes to the Taxonomy-eligible activity by participating in the construction of geothermal power plants. While our clients are responsible for generating and distributing electricity or heat to end users, Archer relies on their GHG calculations and independent verification.

Many of our clients have calculated the life cycle GHG emissions of their geothermal energy plants, demonstrating that emissions fall below the 100g CO2e/kWh threshold. However, since these calculations have not yet been verified by an independent third party, our activity does not currently meet the criteria. We expect this to change as CSRD requirements are increasingly adopted across more countries and companies in the coming years. For the financial year 2024 CCM 4.6 and CCM 4.22 are assessed not to be taxonomy aligned.

Transport by motorbikes, passenger cars and light commercial vehicles (CCM 6.5)

The leasing and operation of vehicles can make a substantial contribution to the environmental objective of climate change mitigation—provided the vehicles are low- or zero-emission. However, most of the Group's new vehicle leases in 2024 are outside Norway and do not qualify as low- or zero-emission vehicles. As a result, they do not meet the substantial contribution criteria, and we have therefore not assessed the remaining alignment criteria.

The Group's maintenance of its fleet of leased passenger cars and light commercial vehicles has been identified as taxonomy-eligible.

Acquisition and ownership of buildings (CCM 7.7)

Office buildings and warehouses assessed for alignment with the substantial contribution criteria for climate change mitigation did not meet the requirement of having an Energy Performance Certificate (EPC) with a minimum rating of Class A. Although the office buildings qualify as large non-residential buildings, they did not satisfy the criteria for demonstrating efficient operation through energy performance monitoring and assessment under the specified efficiency systems. As a result, the activity is considered EU Taxonomy-eligible, but not aligned

Do No Significant Harm

Archer has conducted a climate risk and vulnerability assessment, ensuring compliance with the "Do No Significant Harm" (DNSH) criteria for climate adaptation. Based on environmental impact assessments (EIA) and risk analyses conducted for each project, no significant harm to water or marine resources has been identified. Sensitive areas and drill pads are adequately protected. Additionally, the EIA complies with regulatory directives to avoid significant harm to biodiversity and ecosystems.

To meet the DNSH criteria related to pollution, fan compressors, pumps and other equipment used, they must comply with the top-class requirements of the energy label. To minimize pollution from our activities, Archer has previous years invested in two electric compressors used to drill wells for district heating/cooling, and 1 electric rig used to drill wells for electricity generation. Archer aims to run the rigs on electricity when it is available, however much of the drilling is in areas where that is not possible. The activity will only meet the criteria in cases where the electric rigs have been used.

Minimum safeguards

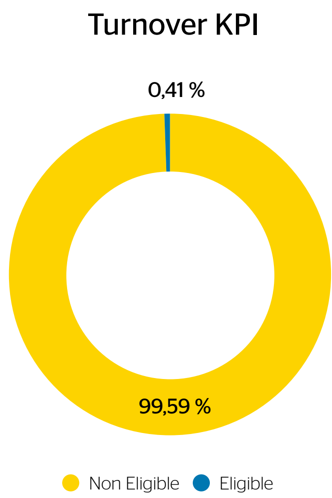
Archer's activities are carried out in compliance with the minimum safeguards.

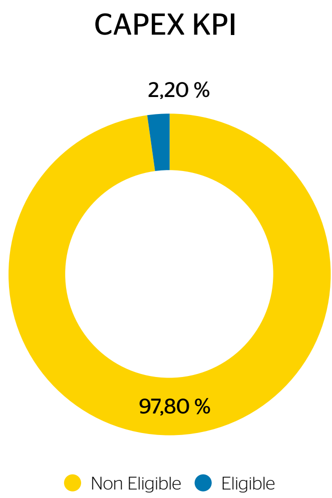
Human rights: Our Human Rights Policy and Code of conduct outlines our commitment to respecting human rights in alignment with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. It also upholds the principles of the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights. This commitment applies across both our own operations and our supply chain. Additionally, there have been no violations of human rights

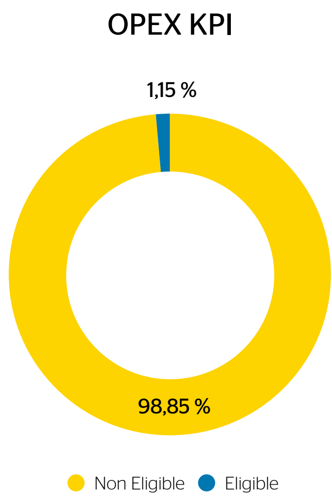
Corruption: Archer has implemented a behavior and conduct policy opposing any form of corruption, along with robust internal controls, ethics, and compliance programs to prevent and detect bribery. For further details, please refer to the governance and business ethics sections of this report. Additionally, no senior management members have been convicted of corruption in a court of law

Taxation: Tax is a key area of oversight, overseen by Archer's highest governing bodies. The company has implemented robust tax risk management strategies and processes in line with the OECD MNE Guidelines on tax. Additionally, Archer has not been found guilty of tax evasion.

Fair competition: Archer actively raises employee awareness about the importance of adhering to all applicable competition laws and regulations. Compliance with these laws is a fundamental part of Archer's Code of Conduct, which employees undergo training biannually. Furthermore, no senior management members have been found in violation of competition laws







Key performance indicators

Accounting policy

Financial data in this report is based on Generally Accepted Accounting Principles (U.S.GAAP) and refers to Archer's consolidated financial statements. The information is prepared on a Group consolidated level and presented in US dollars (USD). All values in this disclosure are rounded to the nearest USD million, unless otherwise stated.

The key performance indicators (KPIs) include turnover, capital expenditure (CapEx), and operational expenditure (OpEx), and comply with the specifications set out in Annex I of the Disclosures Delegated Act. The taxonomy KPIs are disclosed using the obligatory templates provided in Annex II of the same Act.

Double counting

We have ensured no double counting across economic activities when allocating the numerator for turnover, CAPEX and OPEX. This was achieved by applying activity-specific factors to distribute financials among our taxonomy activities. These factors are assigned as 100%, 0%, or a value in between, using proxies to distinguish between taxonomy-aligned and non-eligible activities. Importantly, the factors are capped at a maximum of 100%, preventing any overlap or double counting in the resulting financial figures.

Turnover

Turnover numerator
Eligible - Archer's taxonomy-eligible turnover refers to ASC 606 revenues from external sales related to construction of geothermal power plants (Taxonomy activity 4.6 and 4.22).

Aligned - KPI reporting from taxonomy alignments follows the same definitions as for taxonomy-eligible economic activities. For 2024, Archer has no Turnover classified as taxonomy aligned.

Turnover denominator
Total turnover equals the financial statement line item (FSLI) "Revenue", which is presented in accordance with ASC 606. Reference is made to note 25 in the financial statement.

The turnover KPI calculated for 2024 is 0,41%.

CapEx

Capex numerator
The Capex numerator represents the portion of capital expenditure included in the denominator that meets one or more of the following criteria: it is related to assets or processes associated with a Taxonomy-aligned activity; it is part of a plan to expand such activity or enable a Taxonomy-eligible activity to become aligned; or it is related to the purchase of outputs from Taxonomy-aligned activities.

Eligible - In 2024, the CapEx numerator for the Taxonomy-aligned activity related to geothermal drilling (Taxonomy activity 4.6 and 4.22).

Aligned - KPI reporting from taxonomy alignments follows the same definitions as for taxonomy-eligible economic activities. For 2024, Archer has no Capex classified as taxonomy aligned.

Capex denominator
Total Capex – The Capex denominator, as defined by the EU Taxonomy, refers to the total investments in tangible and intangible assets made during the financial year, measured before depreciation, amortization, or any re-measurements. These investments include property, plant and equipment (PP&E), intangible assets, investment property, agricultural assets, and leases. In line with the Taxonomy regulation and prevailing industry practice, capitalized exploration wells are included under intangible assets. Goodwill arising from business combinations is excluded from both the Capex denominator and numerator.

CapEx includes additions to property, plant, and equipment, reported as the gross amount of purchases, developments, or leases, as detailed in Note 13 of the financial statements. It also encompasses the gross amount related to the purchase or development of intangible assets.

The Capex KPI calculated for 2024 is 2,20%.

Capex Plan

All assets related to Taxonomy-aligned CapEx for 2024 were acquired within the reporting year and were therefore not covered by a CapEx plan. The Company did not adopt or implement any CapEx plans in accordance with the Taxonomy requirements during this reporting period.

OpEx

The Opex denominator, as defined by the EU Taxonomy, includes non-capitalised costs related to investments in assets and processes. This covers direct expenditures such as research and development (R&D) costs, building renovation measures, short-term leases, and maintenance and repair activities. Costs excluded from the definition include depreciation, amortization, and impairment, as well as raw material costs, administrative and general expenses, and exploration costs.

Opex numerator
Eligible – Archer's taxonomy-eligible Opex refers to non-capitalized, direct expenditures related to the day-to-day servicing of assets that are necessary to ensure the continued and effective functioning of the drilling operations.

Aligned – KPI reporting from taxonomy alignments follows the same definitions as for taxonomy-eligible economic activities. For 2024, Archer has no Opex classified as taxonomy aligned.

Opex denominator
Total Opex: Total Opex includes direct non-capitalized costs associated with research and development, building renovation measures, short-term leases, and all types of maintenance and repair.

The Opex KPI calculated for 2024 is 1,15%.

Nuclear energy related activities

1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO

Fossil gas related activities

4	The undertaking carries out funds or has exposure to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using gaseous fuels.	NO

Taxonomy Activity

Taxonomy Turnover

Financial Year N	2024			Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm) (h)									
Economic Activities (1)	**Code (2) (a)**	**Turnover 2024 (USDM)**	**Proportion of Turnover, year N (4)**	**Climate Change Mitigation (5)**	**Climate Change Adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular Economy (9)**	**Biodiversity (10)**	**Climate Change Mitigation (11)**	**Climate Change Adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular Economy (15)**	**Biodiversity (16)**	**Minimum Safeguards (17)**	**Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Turnover, year N-1 (18)**	**Category enabling activity (19)**	**Category transitional activity (20)**
Text		Currency	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities		**0,00**	0,00%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0%**		
Of which Enabling		0,00	0,00%	%	%	%	%	%	%	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0%**	E	
Of which Transitional		0,00	0,00%	%						**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0%**		T
A.2 Taxonomy Eligible but not environmentally sustainable activities (not Taconomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Electricity generation from geothermal energy	CCM 4.6	4,11	0,32%	N/EL	N/EL	EL	EL	EL	EL								0,32%		
Production of heat/cool from geothermal energy	CCM 4.22	1,28	0,10%	N/EL	N/EL	EL	EL	EL	EL								0,10%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0,00	0,00%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,00%		
Acquisition and ownership of buildings	CCM7.7	0,00	0,00%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,00%		
Turnover of Taxonomy eligible but not environmentally		5,39	0,41%	%	%	%	%	%	%								0,41%		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		5,39	0,41%	%	%	%	%	%	%										
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy non-eligible activities		1 295,29	99,59%																
TOTAL		**1 300,68**	**100%**																

Taxonomy Activity

Taxonomy CAPEX

Financial Year N	2024			Substantial Contribution Criteria						H criteria (Does Not Significantly Harn									
Economic Activities (1)	Code (2) (a)	CapEx (3) (USDM)	Proportion of CapEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		Currency	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0,00**	0,00%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0%**		
Of which Enabling		0,00	0,00%	**0%**	%	%	%	%	%	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0%**	E	
Of which Transitional		0,00	0,00%	**0%**						**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0%**		T
A.2 Taxonomy Eligible but not environmentally sustainable activities (not Taconomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Electricity generation from geothermal energy	CCM 4.6	0,48	0,97%	N/EL	N/EL	EL	EL	EL	EL								0,97%		
Production of heat/cool from geothermal energy	CCM 4.22	0,61	1,23%	N/EL	N/EL	EL	EL	EL	EL								1,23%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0,00	0,00%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,00%		
Acquisition and ownership of buildings	CCM7.7	0,00	0,00%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,00%		
CapEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1,09	2,20%	%	%	%	%	%	%								2,20%		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		1,09	2,20%	%	%	%	%	%	%										
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy non-eligible activities		48,41	97,80%																
TOTAL		**49,50**	**100%**																

Taxonomy Activity

Taxonomy OPEX

Financial Year N		2024		Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm) (h)									
Economic Activities (1)	Code (2) (a)	Opex (3)	Proportion of Opex, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Opex, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		Currency	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0,00**	0,00%	**%**	**%**	**%**	**%**	**%**	**%**	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0%**		
Of which Enabling		0,00	0,00%	%	%	%	%	%	%	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0%**	E	
Of which Transitional		0,00	0,00%	%						**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0%**		T
A.2 Taxonomy Eligible but not environmentally sustainable activities (not Taconomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Electricity generation from geothermal energy	CCM 4.6	1,64	0,14%	N/EL	N/EL	EL	EL	EL	EL								0,14%		
Production of heat/cool from geothermal energy	CCM 4.22	0,54	0,05%	N/EL	N/EL	EL	EL	EL	EL								0,05%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0,68	0,06%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,06%		
Acquisition and ownership of buildings	CCM7.7	10,51	0,90%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,90%		
Opex of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		13,36	1,15%	%	%	%	%	%	%								1,15%		
A. Opex of Taxonomy eligible activities (A.1+A.2)		13,36	1,15%	%	%	%	%	%	%										
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Opex of Taxonomy non-eligible activities		1 152,50	98,85%																
TOTAL		**1 165,86**	**100%**																

Sustainability Statement
Pollution

Pollution poses significant challenges to the environment, public health, and the sustainability of industries worldwide. As a company operating in the energy sector, Archer recognizes our responsibility to address the pollution impacts associated with our operations and mitigate these impacts.

SBM-3

Pollution to air

Archer's operations inherently carry a risk of pollution, stemming from both direct emissions generated within our activities, and indirect emissions originating from our upstream supply chain. Archer owns and operates several land rigs, mainly located on Iceland and in Argentina. The rigs are primarily utilized in operations to drill boreholes for geothermal energy production, carbon dioxide storage, and onshore oil production. When possible, Archer aims to use electricity as energy source for operating the rigs. However, operations in geographical areas where there is limited supply for electricity makes it difficult to avoid use of fossil fuel in our drilling activities. The impact is confined to the period during which the rig operates on fossil fuels. The material pollutants associated with combustion of fossil fuel include nitrogen oxides (NOx), which affects air quality and may contribute to acid deposition and eutrophication.

Archer has operations worldwide, and transportation of drilling rigs, equipment, personnel, and supplies to and from drilling sites is an essential part of our operations. In Argentina and Iceland, the rigs are situated in areas where relocation primarily involves land transportation, predominantly carried out by trucks. For movement over longer distances, equipment is transported by ships. Most transportation activities have been outsourced to logistics providers, and we work closely with our service providers to minimize the pollution related to transportation. We are dependent on transport of equipment to and from site locations, which also represents a key source of NOx-emissions in our value chain.

Details about our material pollution-related impacts

E2 – Pollution; operational pollution risk

Link to value chain illustration	Origin of impact	Its associated impact	Time horizon
7.1 Land Drilling drilling and production activities	Own operations, caused by Archer's activities	Land drilling and production activities emit pollutants to air, such as NOx	Consistent
7.2 Logistics in the supply chain	Supply chain	The logistic activities in Archer's supply chain release pollutants such as SOx and NOx, which comprise air quality.	Consistent

E2-1

Policies

Effectively addressing pollution requires a robust framework that guides our actions and ensures accountability across our operations and in the value chain. Our negative impact on air pollution is addressed in Archer's environmental policy which emphasizes our commitment to monitor, assess and reduce the environmental impacts of our operations. Further, our energy management policy outlines our dedication to continuously reducing energy consumption, including fossil-based fuels, thereby decreasing emissions of air pollutants.

Environmental Policy

Our commitment to minimize pollution to air is outlined in our Archer Environmental Policy, further described in the chapter E1 Climate Change. The policy requires all operational sites to identify, proactively monitor, and continuously strive to reduce environmental and pollution impacts from our activities, in accordance with local rules and regulations.

Energy Management Policy

Archer's primary source of air pollution stems from fuel consumption in our land-based drilling operations. The largest non-GHG emissions are nitrogen oxide (NOx). To mitigate this impact, our Archer's Energy Management Policy emphasizes our commitment to optimize and reduce energy use, including the combustion of fossil fuel which emits several non-GHG air pollutants. This will include a reduced use of fossil fuels, thereby reducing emissions of the pollutants NOx, SOx, CO, NMVOC, and particular matter.

This Policy is further outlined in E1 Climate Change.

To follow up on these policies, Archer has developed and implemented a management system, where sustainability metrics and KPIs are tracked and visualized through an organizational dashboard. A key KPI for pollution impact is liters of fuel consumed in operations. Fuel use is reported from all operations on a quarterly basis. Although we are not certified, our procedure aligns with the methodologies of ISO 50001, the international standard for energy management systems.

E2-2
Actions

Our efforts to reduce air pollution align closely with our climate change mitigation work, due to the combined effect of reducing both GHG and non-GHG emissions through our mitigation actions. In this regard, our decarbonization levers related to electrification and fuel switching will mitigate air pollution from NOx by reducing the use of diesel and heavy oils. These levers are detailed further under E1 Climate Change. While the levers and actions are highly related, we have identified two key actions related to air pollution. These are important steps in achieving our Environmental, and Energy Management policy objectives.

Electrification of rigs

To mitigate pollution from drilling operations, we are working to transition our rig fleet from fossil fuels to electrically powered rigs. This initiative directly reduces pollution to air, including NOx, affecting local communities and workers in own operations. In 2024, we began the electrification of rig Óðinn, located on Iceland. The cost of this rebuilding is estimated to be approximately EUR 1 million. The impact on pollution remains uncertain and will depend on the extent to which the rig operates on electric power after the transition is complete. Prior to electrification, NOx pollution from the rig was estimated to approximately 63.000 Kg/year, if the rig operates 300 days a year. The mitigating effect of this action on NOx pollution will become evident in FY2025.

Transport

In 2024, Archer took actions to address material air pollution impacts linked to transportation activities within its upstream value chain.

Recognizing the impact of upstream transportation, related to supplier logistics in Europe, Archer established a dedicated internal task force in 2024. The task force will work to develop a strategy to better understand and mitigate pollution from supplier-related transportation. While no specific CAPEX or OPEX has been allocated to this initiative, it draws on existing internal resources and cross-functional collaboration. The strategy aims to guide future engagement with suppliers and identify areas for improvement. The outcomes of this initiative are not yet quantifiable.

E2-3
Targets

As of 2024 Archer does not have any targets related to pollution of air. We have established targets related to our CO_2 emissions described in chapter E1 Climate Change. Our short- to medium-term target is to achieve a 30% reduction in global CO_2 emissions (Scope 1 and Scope 2) by 2030, using 2018 as the baseline. The primary source of emissions in Scope 1 is fossil fuel consumption in Archer's operations, primarily due to consumption of diesel on our land rigs. Fossil fuel is the main source of pollution to air within our business; hence our GHG-emission targets and efforts to reduce Scope 1 emissions will have a direct impact on our non-GHG emissions.

Archer plans to reassess all targets related to our material environmental matters during 2025, considering future developments such as changes in operational scale, customer demand, regulatory factors, and emerging technologies.

2024 marks the first year we are measuring air pollution. However, air pollution from our own operations is directly linked to fuel consumption. We have reduced our diesel use by 27% compared to 2018. This corresponds to an average yearly reduction of 59.608 kg of NOx emissions.

Notes To Metrics

As of 2024, we do not have precise measurements of nitrogen oxide emissions from our rigs and machinery. The table above presents an estimated annual pollution level, calculated based on the total liters of fossil fuel consumed throughout the year.

To track our fossil fuel consumption, we have determined the total volume of fuel purchased using supplier invoices. When the quantity is not specified on an invoice, we estimate it by dividing the invoiced amount by the average fuel price for the period.

To convert fossil fuel consumption into NOx emissions, we have applied Forskrift om særavgifter, kap 3-19 Avgift på NOX.

We recognize that these figures are estimates and acknowledge a degree of uncertainty. The primary source of uncertainty arises from calculating NOx emissions per liter of fossil fuel, as emission levels vary across different machines. Our calculations are based on Forskrift om særavgifter estimates, which provide an industry-average value. Accurately measuring air pollutants is considered too costly and not economically feasible. The metric is not validated by an external body.

E2-4
Pollution To Air

Pollutant	Formula	Unit	Total amount
Nitrogen oxides	NOx	Kg/year	959 115

Social

Sustainability Statement
Own Workforce

SBM-3

Our talented and high skilled workforce is the foundation for Archer's ability to deliver industry leading performance. With approximately 5,000 employees worldwide, Archer has a significant impact and responsibility concerning the well-being and treatment of our workforce.

The potential negative impact on our workforce is largely systemic to the industry and the nature of the operations we carry out. From a health and safety perspective, this includes offshore, and field drilling operations associated with increased risk of work-related injuries and, in the worst-case scenario, fatalities. Furthermore, our industry is highly male dominated, which may influence our working culture and the well-being of our employees, necessitating deliberate actions to create an inclusive environment for everyone. This also applies to potential discrimination based on culture and nationality, as our employees represent more than 50 nationalities. A more detailed description of our material impacts related to our workforce is provided in table below.

Safety is our most important core value. The value is embedded in the way we work in compliance with our procedures, with the authority to 'stop work' if safety is compromised, planning before we act, evaluating performance to ensure we improve, and maintaining a positive and safe working environment. Employee safety training is essential to mitigate risks and to avoid accidents.

Material impact	Where it originates	How it affects people or planet	Value chain	Time Horizon
7.1 Unequal gender distribution	Own operations	Of Archer's approximately 5,000 employees, 93percent are men. The imbalance, especially in offshore environments, can perpetuate gender stereotypes, contribute to a non-inclusive work environment, and negatively impact team dynamics, innovation, and overall organizational performance.	Own operations	Medium to Long-term
7.2 Equal treatment and opportunities for all	Own operations	With a global workforce representing over 50 nationalities, there is an inherent risk of workplace discrimination and inequality, which could create a non-inclusive work environment and negatively impact innovation and overall organizational performance. Continuous attention to diversity and inclusion is required.	Own operations	Ongoing
7.3 Possible work-related injuries and fatalities	Own operations	Operating in over 40 locations worldwide, including 41 offshore platforms and 60 land rigs, our workforce is engaged in high-risk activities. Avoiding accidents across various environments requires strict safety measures.	Own operations	Short to Medium-term

The origin of our potential health and safety impact is connected to our strategy and business model, which requires on-site work in environments associated with an inherent risk of incidents, combined with the operation of heavy machinery and equipment. We consider this potential impact to be systemic to our industry and the type of operations carried out by our employees. The employees and non-employees exposed to these risks are personnel conducting work offshore and field operations.

Recognizing this, we have prioritized health and safety as a cornerstone of our strategic approach and communication. The risks and impacts have influenced our strategy and focus when it comes to safety standards and the global safety standards have already been improved and implemented. Risk mitigation has been and will continue to be a strategic priority through established global safety standards and global training for all employees to understand risk and risk management. There is also safety courses tailored to local operational risks and customer requirements. Regular safety audits are conducted in both onshore and offshore locations. The measures are connected to long-term strategic targets such as reducing workplace incidents, investing in training and development, and improving employee engagement.

In addition to our potential health and safety impacts, we have identified potential material impacts related to diversity and inclusion based on gender and nationality. Archer`s global workforce comprises individuals from more than 50 different nationalities across multiple regions. This creates a highly diverse working environment which may originate in negative impacts due to discrimination and lack of inclusive workplace culture.

The offshore and field drilling industry has traditionally been, and continues to be, highly male-dominated. The nature of our industry with typical male dominated subjects, and the fact that most of our employees are working offshore or in the field, our organization faces a gender imbalance. This underrepresentation of women can negatively impact inclusivity.

The potential negative impacts related to gender imbalance and workforce diversity have informed the development of our strategic priorities, emphasizing the need to foster gender balance and inclusivity. We have embedded gender equality into our business practices, by implementing recruitment strategies to actively attract more women, incorporates policies and actions to prevent discrimination and to ensure equal opportunities.

To mitigate these potential impacts and raise awareness, all new employees are required to complete an online course on our “Code of Conduct”, and Mission, Vision & Core Values. We are monitoring Diversity & Inclusion throughout our Global Employee Engagement Survey.

In relation to our own workforce, we have not identified any material financial risks and opportunities arising from our potential impacts. We have not identified any risks of forced labor or child labor incidents within our workforce.

S1-1

Policies

Our people strategy and approach to managing the material impacts on our own workforce are underpinned by comprehensive policies. These policies reflect Archer’s Core Values Safety, Integrity and Performance- supported by our Core Behaviors of Teamwork and Proactivity, and demonstrate Archer’s commitment to providing a workplace where everyone can be safe, healthy and respected.

Our policies clearly outline what Archer expects of its employees and what employees can expect of Archer as a company. They apply globally to all employees, regardless of employment type, geographic location, or role. The development and implementation of our Policies have been directly informed by stakeholder engagement. We actively consult with a broad range of internal and external stakeholders- including employees, union and safety representatives, suppliers and investors- to gather diverse input and ensure our policies are relevant, inclusive and responsive to emerging expectations. This feedback has led to refinements in areas such as safety procedures, behavioral expectations, and communication mechanisms.

Oversight and accountability for policy implementation rest with our CEO, supported by senior corporate functional leaders. Their responsibilities include integrating stakeholder feedback into decision-making processes and ensuring policies are actively communicated, understood and enforced across all operational levels. All Archer policies are publicly available at www.archerwell.com/quality.

Policies related to health and safety

Archer Safety policy states the goal of no accidents, injuries or losses. This will be achieved by ensuring that all personnel have the necessary time to plan and perform work safely and the training and competence to perform the work. The Safety policy is complemented by our Code of Conduct which states that Archer is fully committed to conducting business in the safest possible manner and being good stewards of the environment. Our ambition is: no accidents, no harm to people, and no damage to the environment.

Everyone working for Archer has both the duty and the right to stop unsafe actions and operations. Archer fully supports decisions to halt any operation deemed unsafe. To reinforce a strong safety culture, our QHSE department recognizes and rewards employees each month for making responsible safety decisions and reporting unsafe actions or operations.

Archer`s Well control policy is closely linked to the Safety Policy, reinforcing our commitment to preventing uncontrolled well situations for the safety of our employees. This is achieved through the careful maintenance of all well control and associated equipment, in compliance with relevant legislation. Additionally, we continuously monitor, record, and report any deviations, ensuring immediate corrective actions are taken.

Archer Quality policy says that “we aim to do it right the first time, every time”. This will be achieved by deploying qualified personnel and ensuring that relevant personnel have the necessary competence and understanding of the work being planned. This quality requirements and training is also key to mitigate the risk for potential health and safety incidents. Ensuring management system compliance with internal and external requirements and regulations, and ensuring that everyone is familiar with, and follows, our management system.

Our ISO 9001: 2025 certification recognizes our commitment to maintaining a high-quality working environment and is supported by our Quality policy.

Managing health and safety through our Business Management System

To ensure Archer operations are performed in a safe and efficient manner, our activities are controlled by procedures. All procedures reside within our management system. The Archer Management System ("Compass") is an integrated quality, health, safety and environmental operational system which provides the management, employees and other relevant parties clear and consistent management information. Compass defines the Archer work processes and procedures and how they work together. Compass manually acts as the top-level managing document in Archer.

The Archer Risk Management process is fundamental and essential to ensure we keep our employees safe and to reduce any health exposure. Archer`s approach to risk management includes the identification, assessment, and prioritization of risks, followed by coordinated and focused application of resources to minimize, monitor, and control the probability and/or impact of harmful events.

Archer health and safety standards are described in Compass and are aligned with the requirements in ISO 45001.

Not all of our locations have access to Compass. There is a direction to that all Archer sites must implement a health and safety management system aligned with ISO 45001, ensuring consistency with our policies and effective oversight of their implementation. Where local legal requirements exceed these standards, we comply with applicable legislation.

Polices for equal treatment and opportunities for all

Our identified risks and potential impacts of gender imbalance and workforce diversity are addressed by our policy commitments, including our policies to uphold human rights.

Our Archer Human Rights Policy affirms our commitment to fostering a company culture that respects and promotes human rights. We will achieve this by adhering to recognized international standards and the laws of the countries in which we operate. This includes upholding the principles of non-discrimination in the workplace, the right to freedom of association and assembly, and the right to collective bargaining. The policy is supplemented by Archer Code of Conduct which states that Archer complies with international labor standards and employment legislation where we operate. We are committed to non-discrimination in the workplace, the right of freedom of association and assembly, and the right to collective bargaining.

Additionally, we monitor our operations, practices, and procedures to ensure compliance with the Archer Human Rights Policy and Archer's core values.

Our Health policy states that we will promote a culture in which everyone works together to ensure good health and a sound working environment. We will achieve this by creating and maintaining a healthy working environment and working culture and commitment to initiatives that support and promote this.

The Archer Behavior and Conduct Policy set the expectation that all individuals behave respectfully toward others and act in accordance with Archer's values. This commitment is achieved by fostering ethical awareness and integrity in daily activities, ensuring equal opportunities for all individuals, and maintaining a zero-tolerance policy for sexual harassment and bullying.

Additionally, the Archer Code of Conduct states that we are committed to ensuring equal employment opportunities for all individuals. Archer's do not tolerate discrimination based on race, ethnicity, religion, sexual orientation, gender identity, career and parental status, national origin, age, marital status, or disability. Through these commitments, Archer fosters a fair, inclusive, and respectful work environment for all employees. Furthermore, the Code of Conduct states that we will uphold and respect the human rights of our employees, suppliers, clients, and the communities we operate in, and we expect our employees and contractors to fully support in this endeavor. Our approach is informed by internationally recognized frameworks, including the UN Guiding Principles on Business and Human Rights, the International Bill of Human Rights, and the ILO Core Conventions on Labor Standards.

Archer Complies with international labor standards and employment legislation where we operate. We are committed to preventing child and forced labor, ensuring non-discrimination in the workplace, and upholding the rights to freedom of association and collective bargaining. While the prevention of human trafficking is not explicitly addressed in our policies, it is not tolerated under any circumstances, reflecting our commitment to leading international standards and frameworks on human and labor rights. This commitment applies to all employment decisions, including recruiting, hiring, firing, promoting, demoting, training, transfers, reductions—in-force, re-hiring, compensation, benefits, discipline, and other terms, conditions and privileges of employment.

To ensure compliance with internationally recognized human rights Archer has made a Transparency Act Procedure and publishes yearly Transparency Act Reports in accordance with the Norwegian Act relating to enterprises 'transparency and work on fundamental human rights and decent working conditions ("The Transparency Act"). Our commitment extends not only to our own operations but also to the companies we collaborate with and the communities in which we operate.

With reference to the UK Modern Slavery Act 2015 we present Slavery Act Statements and yearly Gender Pay Gap Reports for the UK. More on this regarding suppliers and workers in the value chain in the chapter Workers in the Value chain.

Lastly, every employee is subject to the Archer Employee Handbook, with versions for each country, region or employee location (onshore or offshore). It addresses equal opportunities, harassment and bullying, grievance procedures, and adherence to the Code of Conduct.

S1-2

Process for engaging with our own workforce

At Archer, we expect our leadership to directly engage with our workforce to gain insights and perspectives on a wide range of matters. These insights play a crucial role in shaping our decisions and strategies.

We engage directly with our employees via our bi-annual global Employee Engagement Survey. The survey is designed to gather employees' perspectives and opinions on their satisfaction and motivation on various aspects of their work experience. Director Human Resources is responsible for this initiative. The survey covers key areas, including Employee Net Promoter Score (eNPS), social interaction, inclusion and diversity, achievements, job requirements, sense of control, leadership, company values, overall engagement with the organization, and internal company issues. By collecting this feedback, we aim to better understand employee experiences and continuously improve the workplace. All levels in the organization is engaged in response to the employee engagement survey, ensuring that the process is inclusive and transparent. From collaboration with the Executive Management team to working closely with each department, we prioritize open communication and feedback. We establish task forces that bring together both employees and management, fostering ownership and involvement in the action plan for improvements.

We arrange Quarterly Global Town Hall sessions with the Group CEO, which provides employees with the opportunity to raise questions and concerns, and we publish our own Archer podcast.

We conduct exit interviews when employees leave the organization to gain valuable insights into the employee experience and to identify areas for improvement. These interviews are an essential part of our employee engagement strategy, providing employees with a platform to share feedback and their reason for leaving. The data collected from exit interviews is analyzed to inform our retention strategies and drive continuous improvement.

Although Archer does not have targeted engagement processes for specific sub-groups of the workforce- such as offshore workers, that may face elevated safety risks or female and minority employees with inclusion related concerns, the perspective of these groups is captured through our general engagement mechanisms. The offshore and field workers are the majority of the workforce. Our global employee engagement survey and observation cards (OBS cards) are designed to promote inclusiveness of all employee voices, and analysis of feedback includes attention to demographic and role-based differences where data allows.

Our engagement with unions

We respect our employees' rights to organize and to voice their opinions, and we have the same clear expectations for our suppliers and partners. We engage with employee representatives on labor matters through a variety of channels, including meetings with labor unions on all levels of the organization, work councils, and health and working environment committees. Union representatives are invited to collaborate in connection with change initiatives. We engage in monthly meetings with the Unions where both the company and union representatives can bring in topics they would like to discuss. This has led to a good relationship and cooperation with the unions.

In 2024, several collective agreements were negotiated with relevant unions. Some of these were main settlements that covered both the annual wage increase and other compensation elements. These were put into effect at different locations and for various types of personnel across the organization. Through 2024, we have had continuous dialogue and collaboration with union representatives and safety delegates on several topics. This includes discussions on changes to the legislative framework, change processes, working time, rotations and shift schedules and career development. The Union relations Manager oversees union negotiations, and Director Human Resources is accountable for this engagement. We have not signed a Global Framework Agreement (GFA) with respect to labor rights but are committed to ensure fundamental labor rights through our human rights policy, including freedom of association and collective bargaining.

Monitoring the effectiveness of our engagement

We closely monitor the effectiveness of our employee engagement initiatives. After conducting employee engagement surveys, we track key metrics and trends over time to assess the impact of our engagement efforts. We also monitor the implementation of action plans developed from the task forces mentioned to ensure they address identified areas of improvement. This ongoing evaluation process allows us to refine our strategies and measure the effectiveness of initiatives. Talent Turnover and Voluntary Turnover metrics serve as additional indicators of the success of our engagement initiatives, helping us identify areas for improvement.

S1-3

Processes to remediate negative impacts and channels for own workforce to raise concerns

We are committed to fostering a safe, inclusive, and respectful working environment for all employees. To uphold this commitment, we have established multiple channels for reporting grievances and concerns, ensuring that all employees can raise issues in a professional, confidential, and secure manner. We are dedicated to not only providing accessible grievance mechanisms but also fostering a culture where employees feel it's safe to report concerns. Employees have the unequivocal right to report concerns without fear of retaliation.

Employees have access to various channels for reporting workplace concerns. They can approach their direct leader, they can reach out to the HR organization, they can contact the safety – or union representatives. In addition to this our confidential Whistleblower channel can be used by both our employees and external stakeholders.

Reports can be made anonymously to the Whistleblower hotline that is operated by an independent outside service provider retained by Archer. Information reported in this manner is forwarded to the company without identifying the source. Links to the Whistleblower channel are available on the Archer website. Further information on the whistleblower channel is included in our Business Conduct section.

Issues raised are addressed, documented and feedback is shared with key stakeholders, including the quarterly submission of a comprehensive whistleblower report to the Audit Committee. This includes a summary with key performance measures such as the number of cases reported, cases open and type of reports. A comprehensive report also includes case status and actions taken.

Awareness and trust in our grievance mechanisms

We take proactive steps to ensure that our employees are aware of and reminded about the available grievance mechanisms. This awareness is embedded in various aspects of the employee experience, including:

1. Code of conduct training:
   Our mandatory code of conduct e-learning includes guidance on our grievance and complaint handling policy.
2. Personnel handbook:
   Grievance procedures are addressed in the personnel handbook
3. Information boards:
   Information boards in the buildings display relevant safety representatives and their contact information.

To ensure employees are aware of and have confidence in our reporting channels, we track awareness and utilization through our biannual employee engagement survey. The results help us assess the effectiveness of our mechanisms and drive continuous improvement.

Process for remediating negative impact

Archer is committed to providing remedy in cases that have caused or contributed to adverse negative impact on employee well being, including related to human rights. If situations occur, remediation is essential to ensure that those who suffers receive appropriate support and to prevent similar situations in the future. We continue working towards strengthening processes for providing remedy to affected stakeholders, including own workforce. As part of our commitment to addressing workforce risks related to health, safety, diversity and inclusion, Archer provides private health insurance to the majority of our employees. This coverage includes access to both physical and psychological health services. By ensuring access to mental health support and comprehensive care, Archer seeks to remediate any potential negative impact on employee well-being.

In addition to medical support, remedial actions may include workplace adjustments, formal apologies, corrective measures, or other restorative steps depending on the nature of the issue.

Archer Code of Conduct 7.1 Reporting possible violations safeguards against retaliation. It states that no employee (including worker`s representatives) will be negatively affected in employment with the Company as a result of reporting possible violation of Company policy or cooperating in a Company investigation. This includes those who report a possible violation of the Company`s policies against discrimination and sexual harassment.

The Audit Committee of the Archer Ltd Board reviews whistleblower reports and other material workforce-related issues at quarterly board meetings as part of its oversight of remediation efforts. This includes monitoring both the implementation and the effectiveness of remedies. The Committee conduct an annual review to assess whether remedial actions are adequate, timely and satisfactory. Although workers are not currently directly involved in the design of remedial processes, their feedback through surveys and grievance outcomes informs continuous improvement.

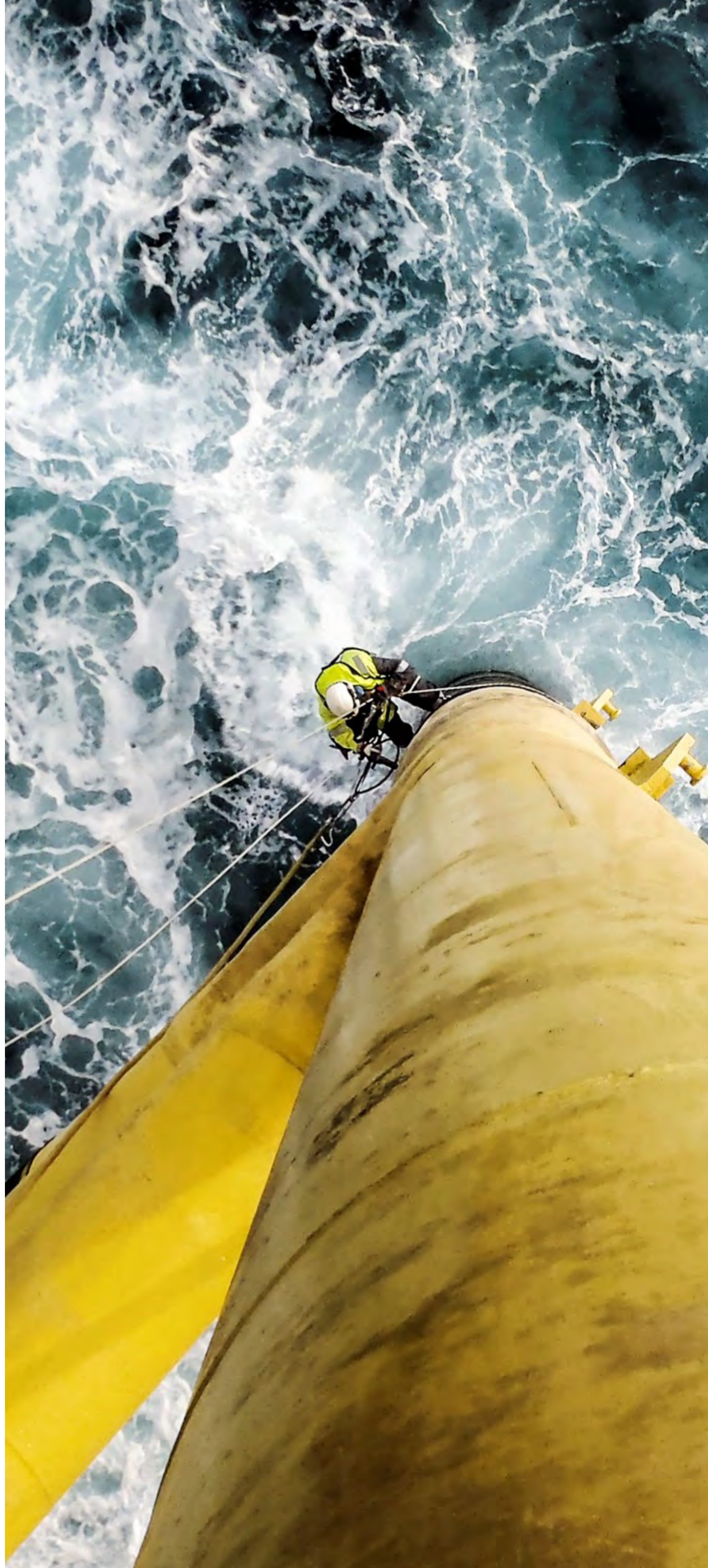
S1-4

Actions for Health & Safety

Processes to identify actions

To identify and mitigate risk to avoid major incidents and tail-end risks Archer utilizes the Archer Risk Management process, implemented through the Business Management System. The Archer Risk Management process is designed to ensure that risks related to our operations and business processes are analyzed, controlled, and monitored in a consistent manner. The context of the risk management process must be adjusted to the nature of the activity and is supported by several procedures based on what is under evaluation. The governing principle is that the risk shall be reduced to a level as low as reasonably practicable (ALARP). Risk levels for all targets are assessed using a standardized risk matrix, with the objective of remaining within the "green" (low-risk) zone. The risk matrix is the basis for our actions and as health and safety is an integral part of the way we do business, health and safety performance is being discussed frequently at all levels of the organization. Including within the Board of Directors, Executive Team, QHSE and local work councils. Employees are engaged on health and safety issues through frequent health and safety network meetings in business areas.

To support the implementation of identified health and safety actions Archer allocates dedicated financial and operational resources annually. These include budgets for training initiatives, digital tool development, safety campaigns, and employee well-being initiatives. The implementation of key actions taken in 2024 and key actions planned for 2025 does not require significant operational or capex resources but is based on priorities within the QHSE department. Responsible functions such as QHSE and HR have resource plans in place to ensure timely execution and monitoring of these activities. Where applicable, project- specific resources are also allocated.



Key Actions

For 2024 our key actions included:

Key Action	Expected Outcome	Contribution to Policy Objectives	Contribution to Targets	Scope	Time horizon
NCR Training	Improved understanding and consistent use of NCR tools; increased non-conformance reporting	Strengthens internal control and accountability; promotes quality and continuous learning	More accurate and timely reporting of deviations	Group-wide, all operation regions	Completed in 2024
Implementation of a Global Tool for Proactive Reporting	Enhanced reporting culture; early detection and prevention of incidents	Encourage proactive risk identification and safety culture	Higher volume of proactive reports; fever incidents	Group- wide, all operation regions	Q2-Q4 2024
Deployment of the Company's Quality Rules	Increased awareness and consistent application of quality standards	Reinforces Archers quality assurance and continuous improvement policies	Better quality compliance; fewer deviations from standards	Group-wide, all operation regions	Throughout 2024
Integration of HSE Tools into daily routines	Improved safety culture; greater employee engagement with safety tools	Promotes embedding HSE in daily operations; visible leadership support	Better use of existing HSE tools	Group-wide, all operation regions	2024
Broken Window & Error Trap Campaigns	Reduction in escalation of minor issues; improved awareness and prevention	Supports preventive safety practices; continuous improvement measures	Reduction in incident severity; more frontline engagement in safety practices	Group-wide, all operation regions	2024- ongoing
Mental Health Awareness Month	Improved employee well-being; greater awareness of mental health support	Promotes a healthy and inclusive workplace environment, employee's well-being and to put mental health on the agenda	Improved participation in mental health initiatives; employee satisfaction scores	Group-wide all operation regions	October 2024

Actions related to equality, diversity, and inclusion
Key actions

To mitigate the negative impact of unequal gender distribution, and in support of our Diversity and Inclusion Strategy 2022-2030, we have implemented several key actions and continue to plan further initiatives. These actions aim to strengthen gender balance across all levels of the organization, enhance awareness, and foster a culture of inclusion across all geographic locations and operations.

Archer allocated dedicated resources to Diversity and Inclusion implementation, including funding for inclusive recruitment, leadership development programs and awareness campaigns. The HR function, supported by local teams, oversees the roll-out and ensures accountability at both corporate and regional levels.

Diversity and Inclusion strategy 2022-2030:

- Increase share of female employees, also within management position
- Raise company-wide awareness of diversity and inclusion
- Ensure a fair and non-discriminatory recruitment and hiring process

Key Actions taken

Key Action	Expected Outcome	Contribution to Policy Objectives	Contribution to Targets	Scope	Time Horizon
Talent Acquisition Lead appointment	Increased inclusion in hiring processes	Supports non-discriminatory recruitment	More female candidates hired, incl. for leadership roles	Group-wide, all operation regions	2022-ongoing
Gender-neutral role descriptions	Fair and inclusive job postings	Promotes equality and awareness in recruitment	Gender balance in applicant pool	Group-wide, all operation regions	2022- ongoing
Headhunter policy requiring gender balance	Ensures diverse talent pipeline	Supports increased female representation in leadership	More women shortlisted and hired	Group-wide, all operation regions	2022- ongoing
Recruitment training for hiring managers	Improved decision-making and less bias in hiring	Drives awareness and competency at management level	Reduction in biased hiring	Group-wide all operation regions	2022- ongoing
Code of conduct training for new employees	Awareness of inclusion, non-discrimination and harassment	Culture-building: promotes inclusion and respect	All new hires trained	Group-wide, all operation regions	2019-ongoing

Key Actions planned for the Future

Key Action	Expected Outcome	Contribution to Policy Objectives	Contribution to Targets	Scope	Time Horizon
Global leadership training rollout	Awareness of unconscious bias and inclusive leadership. Psychological safety and Growth mindset	Strengthen inclusive leadership practices and psychological safety	Empower managers to drive EDI culture	Group-wide, all operating regions	Q1 2025
Improved succession planning methodology	Balanced leadership representation through improved talent pipelines	Supports accountability and systematic D&I approach	More women considered and appointed for leadership roles	Group-wide, all operating regions	2025
Local accountability for D&I actions	Culturally relevant and impactful D&I interventions	Ensure policy is embedded and implemented at operational level	Measure D&I progress at local/ regional level	Group-wide, all operating regions	2025-2030

S1-5

Targets

Archer is dedicated to our ongoing ambition of achieving zero incidents related to health and safety, discrimination, and other potential impacts on our workforce. While we have not yet specific time-bound targets for all workforce- related topics, we are developing our measurement framework in alignment with our potential negative impact and, we are committed to continuously improving our performance by monitoring relevant metrics and KPIs, supported by the policies and actions outlined in this chapter and will continue to evaluate the need for formal target-setting.

Safety

As articulated in the Archer Safety Policy our long-term goal is zero accidents, injuries, and losses across all operations. Measuring performance is a critical component of our continuous improvement cycle, and results are monitored consistently and systematically across the organization.

To manage the health and safety impact on our employees, we track the following KPIs which support our zero-incident ambition:

- Fatality Frequency
- Lost Time Injuries Frequency
- Medical Treatment Case Frequency
- Total recordable incident frequency

These KPIs are reviewed monthly at both local and corporate levels. Year-on-year trends are analyzed to inform risk-based decision-making and resource allocation.
Dedicated resources- including budget, digital tools, and internal safety facilitators are allocated annually to support the achievement of our safety related ambitions. Oversight is provided by the HSEQ function and reported regularly to executive leadership and the Board.

Equality, Diversity and Inclusion

To deliver on our long-term commitment outlined in Archers Diversity and inclusion strategy 2022-2030, Archer monitors progress through relevant HR metrics and employee feedback mechanism.

Our ambition is to:

- Increase share of female employees, also within management position
- Raise company-wide awareness of diversity and inclusion
- Ensure a fair and non-discriminatory recruitment and hiring process.

We track progress through the following:

- Gender diversity metrics (including gender balance in leadership and new hires)
- Diversity in recruitment pipelines
- Results from our bi-annual Employee Engagement Survey, which included dedicated questions related to inclusion and equal treatment.

The baseline from 2022 serves as our point of comparison, and we aim to demonstrate positive year-on-year progression across these indicators.

Financial and personnel resources are allocated to support the implementation of Equality, Diversity and Inclusion measures, including training programs, awareness campaigns, recruitment policy reviews, and leadership initiatives. Oversight is provided by the HR function, with accountability shared by executive management and local leadership.

Metrics Own Workforce

Methodologies and measurements

Information about employees is gathered by the HR function across the Archer group of companies and entities.

IFS is the main source of people data within Archer, however due to the geographical and organizational structure some data is also hosted on localized secure systems. For the purpose of the CSRD reporting a global dataset has been gathered and stored in a static database.

The database contain core employee data and demographics used in S1-6, S1-9 and S1-16.

Data in S1-14 is coming the Archer Performance Dashboard and S1-17 is collected from the Archer Whistleblower database.

None of our social metrics are validated by external third party, other than the auditor.

S1-6
ESRS ref. S1-6, 50(b) (i-iii)

Employee		**Dec 2024**
Permanent	Women	318
	Men	4 500
Temp	Women	24
	Men	106
Waged / Hourly	Women	2
	Men	22
Apprentice	Women	14
	Men	51
Total Permanent		4818
Total Temp		130
Total Hourly		24
Total Apprentice		65
Total Total*		5037

Headcount based on employee, temporary staff and apprentices; not counting external personnel
Countries with less than 50 staff summarized together under Others'.
** cross referenced page 8 Financial Statement*

ESRS ref. S1-6, 50(a)

Total Number of Employees	**Unit**	**5 037**
Norway	Headcount	2 036
Argentina	Headcount	1 807
United Kingdom	Headcount	509
Brazil	Headcount	250
Iceland	Headcount	127
USA	Headcount	115
Phillipines	Headcount	93
Others	Headcount	100

Headcount based on employees not counting external personnel
Countries with less than 50 staff summarized together under Others'

ESRS ref. S1-6, 50(c)

Total Turnover	**899**	**17,8 %**
Voluntary turnover	230	4,6 %

Turnover is calculated: Total number Leaving / Average Headcount
Voluntary = Staff leaving company based on own decision (excluding retirement, end of contract, etc.)
Total = Staff leaving for ANY reason including TUPE

ESRS ref. S1-6, 50(a)

Gender Distribution Archer	**%**	**#**
Female	7,2 %	362
Male	92,8 %	4 675

The calcuclation of the the gender distribution is based on the recorded genders in our HR systems over the total headcount. The nature of Archers business and overweight of mechanical field roles greatly influence the disparity in the numbers.

S1-9
ESRS ref. S1-9, 97(b)

Gender Distribution Executive	%	#
Female	0 %	-
Male	100 %	6

The definition of executives is aligned with annouced executives as stated on Archerwell.com and does not include all direct reports of the CEO.

ESRS ref S1-9 66(b)

Age Distribution	Female		Male		Total	
Under 30 years	75	8 %	522	92 %	597	12 %
30 - 50 years	208	7 %	2 887	93 %	3 078	61 %
Above 50 years	79	6 %	1 293	94 %	1 362	27 %
TOTAL	362	7 %	4 675	93 %	5 037	100 %

The calculation of the gender distribution is based upon the recorded Date of Birth of the Archer employees in the HR systems. The populations has further been assigned age brackets and split by gender.

S1-16
ESRS ref. S1-16, 97(a)

Average Gender Pay Gap	15 %

In order to have a global comparison all currencies have been converted to USD based on company fx rates 31/12/2024 exception being Guyana and Argentina where rates from Oanda have been used with effective adte of 31/12/2024. Full time employees, excludes temporary staff and staff hired during 2024

ESRS ref. S1-16, 97(b)

CEO Pay ratio	9,60

Calculation: Median Total Renumeration of Company less CEO divided by CEO Total Renumeration Excludes staff hired in 2024.

S1-17
ESRS ref. S1-17, 103(a), 102

Total number of incidents of discrimination, including harassment, reported in the reporting period	2023	2024
	5	0

ESRS ref. S1-17, 103(b)

Number of complaints filed through channels for own people in the entity's own workforce to raise concerns (including grievance mechanisms)	2023	2024
	10	8

ESRS ref. S1-17, 103(c)

Total amount of fines, penalties, and compensation for damages as a result of the incidents and complaints disclosed under §103 (a) and (b)	2023	2024
	-	-

ESRS ref. S1-17, 104(a)

Number of severe human rights incidents connected to the entity's workforce in the reporting period	2023	2024
	-	-

ESRS ref. S1-17, 104(a)

An indication of how many of severe human rights incidents are cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises	2023	2024
	-	-

ESRS ref. S1-17, 104(b)

Total amount of fines, penalties and compensation for damages for the incidents disclosed in § 104 (a)	2023	2024
	-	-

Reported incidents based on Archer Whistleblower hotline

S1-14
ESRS ref. S1-14, 88(a)

Health & Safety Management System	2023	2024
Employees Covered	100 %	100 %
Non-Employees Covered	100 %	100 %

ESRS ref. S1-14, 88(c)

Total Recordable Work-Related Accidents	2023	2024
Employees	22	37
Non-Employees	-	-

ESRS ref. S1-14, 88(c)

Rate recordable Work-Related Accidents	2023	2024
Employees	0,52	0,84
Non-Employees	-	-

ESRS ref. S1-14, 88(b)

Fatalities due to work-related injuries	2023	2024
Employees	-	-
Non-Employees	-	-
Other workers	-	-

ESRS ref. S1-14, 88(b)

Fatalities due to work-related ill health	2023	2024
Employees	-	-
Non-Employees	-	-
Other workers	-	-

ESRS ref. S1-14, 88(e)

Days lost due to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health of employees	2023	2024
	-	-

ESRS ref. S1-14, 88(d)

Number of cases of recordable work-related ill health of employees in the entity's own workforce	2023	2024
	3	8

Health and safety information isr ecorded in Syngergi and the Archer monthly QHSE reports
The metric is based on OSHA standards which looks at a time span of 200,000 worked hours.
The data is the displayed in Corporator (Archer Performance Dashboard)

Sustainability Statement
Workers in the Value chain

At Archer, our commitment to sustainability and ethical responsibility extends throughout our entire value chain. We recognize that respecting and upholding internationally recognized human rights and labor standards is essential, not only because it is the right thing to do but because it contributes to our long-term success and resilience.

Related to our workers in the value chain, Archer has identified the following material impacts, risks and opportunities (as presented under SBM-3):

SBM-3

Working conditions

With operations in more than 40 countries and roughly 4.158 suppliers worldwide, Archer has a significant indirect impact on society and the environment through our value chain. The companies and workers in Archer's supply chain are in general oriented towards the offshore oil and gas market and are mainly in Europe or North- and South America. Archer generally procures finished goods and services with a high specification to be used in the highly regulated oil and gas market. Archer procures less commodity type items.

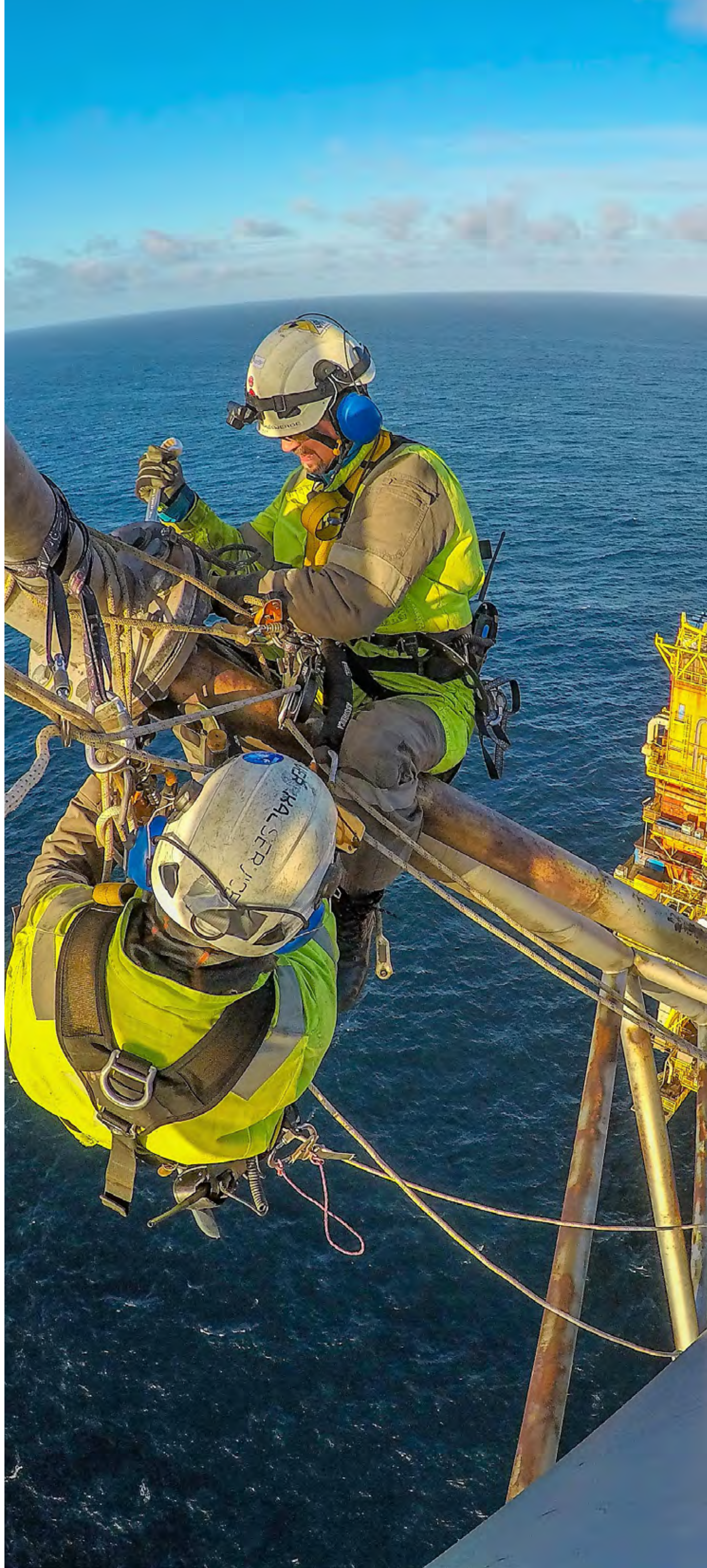
Most of Archer's direct suppliers are located in Norway, UK, US and Argentina. As part of a highly regulated oil and gas industry providing specialized equipment and services subject to the highest applicable standards and regular industry audits, a substantial amount of Archer's direct suppliers are subject to, and complies with, strict industry standards and regulations. In line with the fundamental resilience to impacts herein, and as Archer has not actually discovered any breaches to workings conditions in its value chain, this does not currently effect or impacts Archer's business model, strategy or decision making on any other matter than the continued use of Archer's already implemented policies and Code of Conduct.

However, Archer recognizes that our global overall value chain involves exposure to countries, material, and services with a higher prevalence of sub-standard working conditions for workers in the value chain, and more specifically all workers in the value chain not part of the oil and gas industry and/or the regions addressed above. These include practices such as unsafe working environments and adequate wages.

Details about our material climate-related impacts

S2 – Workers in the value chain; Supply chain labour practices

Link to value chain illustration	Origin of impact	Its associated impact	Time horizon
10.1 Supply chain labour practices in a global supply chain	Upstream value chain, caused by Archer's business relationships	Our operations are integrated into global supply chains, including regions where workers may receive wages below basic living standards, leading to substandard economic conditions. This creates a high inherent risk of forced labor, particularly in countries and sectors known for vulnerabilities to such practices.	Consistent



Exposure to a global supply chain involves a high inherent risk of forced labor occurring in countries and in sectors with known vulnerabilities to forced labor issues. Within our supply chain, including among indirect suppliers, we interact with marginalized or vulnerable groups, including migrant workers, women, ethnic minorities and indigenous people, which based on a widespread and systemic understanding is subject to greater risk. Value chain employees may be subject to working conditions that are non-compliant with local regulations, Human Rights and/or Archer policies and guidelines,

The impacts on value chain workers can include (but are not limited to): poor working conditions, excessive working hours, inadequate wages or inadequate personal protective equipment. These are the systemic issues that appear most frequently across countries and industries, with the Middle East, Asia and South America being regions where we have identified a possible heightened risk around practices.

As a specialized entity within the highly professional and regulated oil and gas industry with major clients in the same industry, the types of value chain workers who could be materially impacted by the entity are generally workers in the entity's upstream value chain (i.e., not downstream value chain or joint ventures where Archer is part of the joint venture). Furthermore, limited risk is considered for workers working on the entity site but not being part of Archer's own workforce, as all relevant sites are subject to strict requirements on the oil and gas industry.

Archer has a strategy to expand our footprint, within key strategic regions and product offerings. As we grow internationally the potential impact on our value chain and the related risk will increase as we enter new locations. Therefore, the anticipated effect or impacts on Archer's business model, strategy and decision making as expanding our footprint is the continued monitoring and improvement of Archer's policies and Code of Conduct, which is reasonably believed to occur within the next few years. If Archer's expanded footprint should result in added risk impact on workers in the value chain, appropriate measures and actions will be taken, such as setting new requirements in supplier declarations and increased individual follow-up of suppliers (including possible audits) where data generally show such suppliers are subject to add increased risk to workers in the value chain. As we revisit and update our global policies, we aim to address this by enhancing our outreach and dialogue. Incorporating the perspectives of these key stakeholders will enable us to better consider and address the interests of those most impacted by our operations going forward.

S2-1

Policies

Archer's commitment to operating with the highest ethical standards is embedded within our policies, procedures, and corporate governance practices. Our commitment to transparency and traceability underpins this process, helping us build a responsible supply chain that reflects our values and provides our clients and stakeholders with the assurance they expect.

Archer considers key stakeholder interests when evaluation our policies. Such evaluation was performed when Archer's existing policies were implemented and are according to industry practice and industry expectations. Considerations of key stakeholders' interests for the policies is evident through engagement mechanisms, stakeholder feedback integration, commitment to Transparency and Standards, Proactive Risk Management and Supplier Collaboration and Training.

Human Rights Policy

Archer's Human Rights Policy enforces fair treatment, non-discrimination, the right of freedom of association, and collective bargaining in own operations and across the supply chain. Respecting human rights is a responsibility for Archer, all our employees and contractors. Archer's approach to human rights includes strict adherence to the prevention of child and forced labor, and compliance with employment legislation in all regions where the company operates. The prohibition of human trafficking is not explicitly stated in the policy, but it is covered through our commitment to zero tolerance for any violations of human rights. The policy aligns with the UN Guiding Principles on Business and Human Rights, the International Bill of Human Rights, and the ILO Core Conventions on Labour Standards. Archer commits to upholding the safety, and well-being of all workers across our value chain. Central to this commitment is an active and collaborative approach to engaging with workers in our supply chain to ensure their rights are respected and upheld. Our supplier audits and whistleblower hotline are important tools in this engagement. Our stakeholder engagement commitments are set out in our code of conduct throughout whistleblower function

Archer is committed to transparency and reports on cases of non-respect for human rights standards within its supply chain. To date, Archer has reported zero cases of non-respect of the UN Guiding Principles on Business and Human Right, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises. The company continues to monitor and assess suppliers to ensure ongoing compliance and ethical practices.

If Archer identifies that we have caused or contributed to actual negative effects on workers in the value chain, we will enable and provide remedy to the potentially affected parties. These commitments are not stated in our policy but integrated into our processes and practices.

Archer's Standard terms and conditions for purchase, further described below, sets our contractual requirements for suppliers related to human rights. The supplier warrants to take effective measures to ensure its performance is consistent with the Human Rights, ILO conventions and UN Guiding Principles. We will not accept any alterations to the human rights warranties within these standard terms. Archer's contractual terms are shared with potential new suppliers and signed together with the contract.

Archer's human rights policy applies globally and encompasses all workers in the value chain, and all business activities. The CEO of Archer, Dag Skindlo, is the most senior executive responsible for implementing the human rights policy across the Archer group. The policy is available internally on our intranet, and publicly available online.

Supplier requirements

Our commitment to upholding human rights, including labor rights, is also outlined in our Standard terms and conditions for the purchase of goods and services. Archer requires all new suppliers to accept the Supplier and Subcontractor Declaration (SSD) as a prerequisite for approval and inclusion in its supplier network. Our SSD details the minimum requirements we expect suppliers to adhere to regarding labor conditions, safety, human rights, environmental protection and business ethics.

A dedicated section on human rights explicitly states that the supplier commits to maintain a culture which respects and promotes human rights. Further, the supplier must commit to not engage, or use forced or child labor in our business as defined by international labor standards. The SSD references our Code of Conduct, Whistleblower channel, and the expectation that suppliers will promote the principles outlined in the SSD within their own supply chains.

As part of the declaration all suppliers must confirm that they will respect the principles in the UN Guiding Principles on Business and Human Rights, the International Bill of Human Rights, and the ILO Core Conventions on Labor Standards and with other international laws and codes of conduct where such are applicable.

Upon signing the Supplier and Subcontractor Declaration, the contractor will receive the Supplier Evaluation Form and the Environmental, Social, and Governance (ESG) Form within our Cascade, our supplier management application system. In the ESG form, suppliers are required to provide detailed information on their adherence to human rights principles. The form includes specific, targeted questions related to workers in the value chain and their rights, ensuring a thorough assessment of their commitments and practices. The scope covers

The information and the data provided in the Supplier Evaluation Form and the Environmental, Social, and Governance (ESG) Form is recorded in our Cascade platform. The suppliers are categorized based on the input provided.

The CEO and General Counsel is responsible for the implementation of the Code of Conduct and the Supplier and Subcontractor Declaration. A limited number of geographic areas where Archer operates have not taken full advantage of the efficient corporate governance tools such as the Cascade supplier registration software. In these jurisdictions the process is manual. The objective is to implement these tools across the group entities within a reasonable timeline, still to be defined. Currently it is our Land Drilling operations in South America, primarily Argentina, which are not covered by our Cascade system.

S2-2

Engaging with value chain workers

Our approach to supplier engagement is rooted in the OECD due diligence principles and a thorough understanding of sustainability risks and impacts within our supply chain. We actively collaborate with key suppliers to identify and mitigate potential risks, ensuring responsible practices throughout our operations. Input from workers across the value chain plays a vital role in shaping our risk assessments and refining our supplier engagement strategies.

As part of our commitment to responsible sourcing, we evaluate our vendors' processes to validate that they have processes in place to ensure a safe & sound working environment in line with local legislation and relevant international standards.

As a primary form of engagement, Archer conducts supplier audits based on a predefined yearly audit program. The audit scope and audit criteria are agreed within the audit team to ensure the most relevant processes for that specific vendor is covered. Elements like Code of Conduct, human rights are also included as seen relevant. Archer looks for documented evidence that the processes are being followed, that necessary training is in place and that risks are being monitored, controlled and communicated to the workforce. During onsite audits, interviews are conducted with management, employee representatives, safety representatives as well as with individual workers.

Working conditions, both from a health and safety perspective, are further reviewed in workshop environments, to ensure that the exposed risk is controlled and within the ALARP principles. As part of these visits, Archer also engages with workers to understand the status. Findings, if any, are presented to the vendor and will be highlighted in the audit report. Archer does not close the audit before a plan for closing of findings are presented from the vendor.

Archer recognizes that decisions to terminate business relationships, which can be a response from Archer, can have significant impacts on value chain workers, particularly in high-risk sectors or regions where livelihoods may depend on our operations.

Within Archer, the QHSE department is responsible for conducting the supplier audits. The senior operational responsibility for overseeing these engagements rests with our Director Quality Health Safety & Environment, ensuring that results are integrated into our broader due diligence processes.

Monitoring the effectiveness of our engagement

To assess the effectiveness of our supplier engagement, we review audit performance results to identify areas for improvement. Our supplier audit process provides valuable insight into the conditions of vulnerable individuals within our supply chain. Additionally, we actively monitor global media for developments that could affect these individuals, allowing us to respond proactively to emerging risks. We also monitor reports to our Whistleblower channel to identify any trends regarding human rights-related grievances.

S2-3

Channels for value chain workers to raise concerns

In Archer, our approach to managing concerns and grievances in our value chain is based on transparency, trust, and traceability. We are committed to continually improving our processes to provide or support effective remedies for workers negatively impacted by situations we have caused or contributed to.

Workers in the supply chain and external stakeholders are provided with unrestricted access to Archer's whistleblower hotline, where they are encouraged to confidentially report any misconduct or unlawful activities. The hotline is highlighted on the Archer website, in the Code of Conduct procedures and in the general terms and conditions for the purchase of goods and services shared with suppliers. Reports are evaluated and investigated by the legal and human resources departments. Investigation reports and statistics are anonymized where appropriate to protect individuals that use the channel to raise their concerns.

To ensure the effectiveness of the whistleblower channel it is publicly and easily available. The whistleblower channel gives strong and clear reassurance of anonymity, confidentiality, and a no retaliation warranty to ensure efficiency in use. The platform, EthicsPoint, is a professional third-party software which references the Code of Conduct and supports the impression of a professional and trustworthy tool for whistleblowing. In addition to Archer, the suppliers are also questioned on the availability of the supplier's internal whistleblower hotline in the supplier due diligence process before registration.

We work closely with key suppliers to monitor issues raised and addressed, while also assessing the effectiveness of these grievance channels, ensuring they are consistently available and trustworthy resources for value chain workers. However, currently we do not have a formal process in place to assess the effectiveness of our mechanisms and communication channels specifically for ensuring value chain workers are aware and trust these structures and currently do not have a specific timeline or deadline to establish a system for such assessment.

Reference is made to chapter G1 Business conduct for further description on the whistleblower hotline.

Our approach to remedy

While we are committed to a zero-harm philosophy, there may be instances where, despite our best efforts, actual adverse impacts on human rights occur. In such cases, providing remediation is essential—both to ensure that those affected receive appropriate redress and to help prevent similar harms in the future. In 2024, Archer did not identify any instances in which it caused or contributed to material negative impacts on value chain workers. However, should such impacts be identified, the company will follow its established processes for providing or contributing to appropriate remedies. This includes ceasing activities that are causing or contributing to adverse impacts or implementing targeted action plans to prevent and mitigate potential harm. When possible, Archer seeks to assess the effectiveness of the remedy provided. This may include considering whether the impact has been addressed, whether similar issues recur, and whether affected stakeholders perceive the remedy as appropriate.

S2-4

Actions

At Archer, we are taking key actions to manage our impacts on value chain workers. Our strategic priorities aim to mitigate any negative impacts associated with our operations, supply chain, and industry partnerships, while promoting a culture of fair treatment, respect, and safety for all individuals. In the reporting year, key actions focused on laying the groundwork for achieving Archer's policy objectives. These actions—such as Due Diligence, supplier approval, or audits—are expected to support the longer-term implementation of the Company's commitments to responsible business conduct.

The key actions taken during the reporting year primarily focused on value chain workers, particularly those in high-risk sectors and geographies. Where relevant, actions also considered the potential impacts on other affected stakeholder groups, including local communities and vulnerable worker populations.

We are committed to ensuring that our data-related practices do not cause or contribute to material negative impacts on workers in our value chain. We take steps to safeguard the privacy and security of worker-related data, particularly when collected through third-party systems or during supplier assessments.

Supplier Approval and Due Diligence of Suppliers

Archer has implemented rigorous procedures for approving and evaluating suppliers throughout our operations. This includes a detailed approval process that encompasses due diligence and quality control checks for all suppliers worldwide. These actions focused on high-risk geographies, and primarily targeted first-tier suppliers where the risk of negative impacts on value chain workers was assessed to be most significant.

Our Supplier Approval Framework has strengthened our focus on addressing the most significant human rights risks within our supply chain. By clearly communicating our standards and expectations, monitoring supplier compliance, and providing support for improvement where necessary, we strive to uphold ethical and socially responsible business practices and minimize potential negative impacts across our supply network.

The effectiveness of our Supplier Approval Framework is monitored via reporting tools within the Cascade platform, analyzing data on certain criteria. At present, our Cascade system does not cover the Land Drilling operations in South America, primarily in Argentina.

At the end of 2024, Archer had 564 suppliers which have completed the self-assessment ESG form, including questions on human rights and working conditions, amongst others. There are more than 881 suppliers that have signed the supplier declaration covering Archer requirements related to environmental impact, human rights and the availability of the whistleblower channel.

We encourage our suppliers to implement accessible grievance mechanisms for their workers. These should be culturally appropriate, confidential, and allow workers to raise concerns without fear of retaliation. Our supplier contracts and codes of conduct require that remedy mechanisms be in place, including procedures for addressing labor rights violations, unsafe working conditions, and other material issues affecting workers.

Currently 1,194 suppliers have been screened through the Cascade system. Of these, 731 have been approved, 346 are in progress and 117 were rejected. There is still a backload of existing suppliers that have not been registered in Cascade, this is an ongoing process to be completed within a reasonable timeline within the next few years.

When supplier responses indicate areas for improvement, Archer has followed up in written communication to address concerns and clarify expectations. These follow-ups are intended to enhance suppliers' focus on human rights compliance. Archer provides suppliers with opportunities to improve their practices before taking further actions. In 2024 there were no specific issues or incidents reported related to human rights, and as such has not had any cases where it has been necessary to enable and provide remedy.

Supplier Audits

Archer performs risk-based audits and, if required, monitoring of its suppliers to ensure compliance with the Supplier Code of Conduct and Human Rights Policy. The Cascade system is used to track responses from suppliers, allowing Archer to monitor potential risks in real-time. The audit program is global in scope, covering suppliers across all regions where the Company operates. The audit plan is reviewed and updated annually to incorporate new suppliers and ensure ongoing monitoring of responsible practices throughout the supply chain.

Archer conducts ongoing risk assessments and due diligence on suppliers with a focus on high-risk sectors. Enhanced due diligence questionnaires are sent to suppliers identified as higher risk based on their industry, business structure, and jurisdiction, ensuring continuous monitoring of forced labor risks.

During 2024 Archer conducted several audits on critical vendors, either due to the fact that the vendor was new and had not been audited before, their performance the year prior was not as per expectation, or they had a critical delivery during the year. All audits identified nonconformances and areas for improvement. However, none of the findings were classified as high-potential. The issues primarily related to training and compliance, vendor follow-up procedures, and documentation of completed work, among other areas.

Audit findings has been communicated to the vendor through a formal report or summary document, which outlines issues, discrepancies, or areas of non-compliance identified during the audit. After presenting the audit findings, Archer has required the vendor to provide a corrective action plan that outlines how they will address the issues. The auditors and vendor will agree on a timeline and follow-up procedures.

In some of the cases, Archer has conducted follow-up reviews to ensure that corrective actions have been implemented effectively and that any issues have been resolved. What depends on the number of findings, the criticality of the findings and the vendor. All audits are planned and documented in Archer Synergi reporting tool.

In cases where termination is necessary due to non-compliance with our standards (e.g., human rights, labor conditions), we aim to support a responsible disengagement that minimizes harm to workers, such as collaborating with local stakeholders or NGOs when appropriate.

Current and future allocated resources

Key actions are embedded into our regular operations and we have not had significant overall operational (OpEx) and capital expenditures (CapEx) related our action in 2024. However, key actions are embedded into our regular operations at both the Group and market levels, leveraging human and financial resources efficiently.

S2-5

Targets

We do not currently have a formal target for responsible sourcing, as our focus remains on establishing a strong foundation through robust policies and processes. However, our commitment to responsible sourcing includes a goal of achieving 100% compliance with our Supplier and Subcontractor Declaration. To monitor this, compliance is continuously assessed through audits.

In 2022, we initiated the onboarding of suppliers to the Cascade platform, and in the coming years, we aim to ensure that all relevant suppliers are integrated into the system. Our objective is for the majority of in-scope suppliers to undergo audits or obtain certification.

Governance

Sustainability Statement
Business Conduct

Integrity is one of our core values, and conducting business honestly, lawfully, and ethically is fundamental to our continued success. Our commitment to responsible business conduct drives everything we do and is critical to upholding our reputation in the marketplace.

Related to business conduct, Archer has identified the following material impacts, risks and opportunities (as presented under SBM-3):

SMB-3

Business conduct

There is potential exposure to unethical business practices at various stages in our upstream value chain which can lead to severe consequences such as exploitation of workers, degradation of local environments and the erosion of legal and ethical standards in the short, medium and long term. As part of our strategy and business model we are committed to maintain the highest ethical standards and we have a zero-tolerance for corruption and bribery across all operations and in our value chain.

Details about our material business conduct -related impacts

G1 – Business Conduct; Ethical business practices

Link to value chain illustration	Origin of impact	Its associated impact	Time horizon
11.1 Ethical business practices across our international operations	Upstream value chain, caused by Archer's business relationships	Our global supply chain carries a potential risk of exposure to corrupt practices at various stages. This can result in serious consequences, including worker exploitation, environmental degradation, and the erosion of legal and ethical standards.	Consistent

Details about our material business conduct-related risks and opportunities

G1 – Business Conduct

Link to value chain illustration	Origin of impact	Its associated impact	Time horizon
12.1 Unethical business conduct across global operations	Risk	As in any organization, there is an inherent risk of unethical business conduct within our operations. While safeguards are in place, such risks could, in certain cases, lead to financial or legal consequences, reputational challenges, or impacts on investor confidence over time.	Short-, medium- and long-term

Unethical business practices not only harm affected communities but also pose operational and reputational risks for our company. If ethical breaches occur, they could result in regulatory penalties, loss of stakeholder trust, and reputational damage, materially affecting our financial performance and access to capital. Non-compliance with business conduct standards may also expose the company to enforcement actions under national and international regulations. There have been no current financial effects on our financial position, financial performance and cash flows of this risk during the reporting year.

Our procedures to prevent, detect, and address these issues are guided by international best practices, including the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises. We undertake integrity due diligence, set clear governance structures, and integrate responsible business conduct into supplier selection and contract management. Additionally, we have established whistleblower protection mechanisms and supplier audits to improve risk detection and ensure accountability throughout our value chain. We regularly review our policies, practices, and stakeholder feedback to ensure that our strategy remains aligned with emerging challenges and regulatory developments. As such, we believe we have a resilient strategy and business model to address our material impact and risk in the short, medium and long term.

G1-1

Business Conduct Policies and Corporate culture

Archer is founded on a set of core values that guide decision-making and behavior across the organization. These values are formalized through key policies, which outline expected behaviors for employees, management, and partners. The policies undergo periodic review to ensure they remain fit for purpose and are updated as needed. This review also evaluates whether additional training on the policies is necessary. As part of the process, we incorporate feedback from key stakeholders, addressing any challenges they identify to continuously improve the effectiveness of our policies.

We evaluate our policies and corporate culture in part via our employee survey, which includes specific questions around company culture and the way we conduct our business. We also analyze reports on our whistleblower system, our Code of Conduct training completion rates, repetitive control failures and turnover rates.

All our business conduct policies are globally applicable and enforced across all companies within the Group. Our CEO holds overall responsibility for the implementation of the policies, ensuring alignment with our environmental objectives and organizational goals.

Code of Conduct

Our Code of Conduct sets forth the expectations and requirements from Archer's management to all Archer employees and contractors. This policy includes amongst other policies related to fair and honest business practices and other governance information. The Archer Code of Conduct is available for all internal and external stakeholders on Archer's webpage.

Archer conducts training on the Company's code of conduct for all employees. The training is conducted every two years. The code of conduct also includes details on reporting on possible violations, and protecting of whistleblowers is included under G1-3 sub section "Reporting channels".

Archer has also created a Supplier Code of Conduct applicable to any company which provides services or goods to Archer. This reflects the principles in the Archer Code of Conduct, amended to apply to third parties. All suppliers who are reviewed through our supply chain platform must accept this document prior to approval. Archer's supply chain is responsible for the Supplier Code of Conduct.

Human rights policy

Archer has committed to respecting human rights principles through our Human rights policy. According to this policy, we should act according to laws in the jurisdictions we operate. Furthermore, we are committed to the prevention of child and forced labor wherever we do business. Archer's goal is to maintain a company culture that respects and promotes human rights. Archer publishes reports pursuant to the Norwegian Transparency Act and UK Modern Slavery Act 2015 on our external website. The policy aligns with the UN Guiding Principles on Business and Human Rights, the International Bill of Human Rights, and the ILO Core Conventions on Labour Standards.

Behavior and conduct policy

We expect all Archer employees and those we conduct business with to behave respectfully toward others and act in line with Archer values. Our Behavior and conduct policy states the importance of raising ethical awareness and behavior in daily activities. Any employee of Archer should not become involved in relationships with Archer's clients, suppliers, or individuals, which could give rise to an actual or perceived conflict of interest.

Linked to this policy is our authority matrix. This overarching governance document sets forth the approval limits from the Board of Directors of Archer Limited to the management and employees of Archer, including assuming risk in relation to tendering and entering joint ventures, and third-party representation agreements.

Archer has also established procedures for retention of Third-Party Representatives. This procedure sets forth an approval and due diligence process before any third-party representative may act on behalf of Archer anywhere we do business (including diligence questionnaires, compliance declarations, and business case evaluation tools). Our sanctions procedure ensures that we are aware of who we are doing business with and that these parties are not subject to international trade sanctions.

G1-3

Prevention and detection of corruption and bribery

Assessing and monitoring business processes, training and controls are fundamental tools in developing our corporate culture and implementing our business conduct policies. This includes fostering open communication through tools like our whistleblowing channel, regular employee feedback mechanisms, integrity due diligence, and training.

G1-1, G1-3
Our Mechanisms

Reporting channels

Archer is committed to building a culture of trust where employees are comfortable asking questions, seeking guidance, raising concerns, and reporting suspected violations of the Code of Conduct, applicable laws or regulations. To ensure concerns can be reported securely, Archer has implemented confidential reporting channels. These include a 24/7 independent whistleblower hotline that internal and external stakeholders can use to report concerns anonymously, directly management reporting and employee surveys.

The whistleblowing hotline is available on our external webpage. The online platform is accessible in multiple languages to accommodate our global operations. There is also a section in the Code of Conduct, and the Code of Conduct training module, on whistleblower hotline reporting.

Archer investigates all reports made to its whistleblower hotline and through line management. Reported concerns are evaluated by our General Counsel and Senior Legal Counsel, and investigated with support from resources from Archer's HR, QSHE, IT, and management as appropriate depending on the subject matter of the report. To ensure impartiality and independence, investigations are conducted by individuals or teams who are not part of the management chain involved in the issue. Where necessary, external resources may be engaged to uphold objectivity and prevent conflicts of interest. Investigation reports and statistics are anonymized where appropriate to protect individuals that use the channel to raise their concerns. No employee will be negatively affected in their employment with Archer because of reporting a possible violation of Archer policy or cooperating in an Archer investigation in good faith.

Employees and stakeholders who raise concerns through the whistleblower channel are kept informed of the status and outcome of their reports. Transparency in this process helps build trust and confidence in the system. The investigation reports are shared with the Audit Committee on a quarterly basis by the General Counsel.

We have not performed assessments of whether workers in the value chain or consumers are aware of our Whistleblower channel and trust it.

Internal Investigations

Any suspected deviation from our policies, Code of Conduct, or any applicable laws, rules, or regulations is to be reported in accordance with the Code of Conduct through line management or by submitting a report through our whistleblower hotline.

The internal investigations are a continuation ongoing process. There are no financial resources allocated to the action. The responsibility lies within the legal department to follow up and investigate any concerns raised.

We have seen a decrease in the number of reports in 2024 versus previous years. There were 3 reports categorized as corruption related in 2023 (in the subcategory of fraud / theft) resulting in terminations of employment in 2 cases. There have been no reports categorized as corruption related in 2024.

Training

Archer performs global training on the Code of Conduct on a regular and rolling basis, in addition to in person training seminars carried out by Archer legal for select groups and non-majority owned investments. The expected outcome of these training initiatives is to strengthen awareness of ethical standards across the organization, reduce the risk of misconduct, and ensure consistent application of the Code of Conduct throughout Archer's global operations.

The training includes sections on what constitutes bribery, corruption, insider trading, harassment and discrimination. It also includes directions and information on what should be reported on the whistleblower hotline, what should be reported through line management, and where to make such reports. The functions most exposed to potential corruption and bribery are our business development and supply chain functions.

The Code of Conduct e-learning module training is mandatory for all onshore employees on a global basis (including Archer's Board of Directors) and most offshore and field employees. This is provided to all new employees and must be refreshed every 2 years. Current to March 1, 2025, over 3.131 Archer employees from across the globe have completed their Code of Conduct training module during our 2024-2025 training initiative. Code of Conduct training is ongoing with all employees in scope required to refresh the course every 2 years on a rolling basis.

All functions (100%) primarily at risk of exposure to corruption and bribery are subject to the Code of Conduct training. This includes any office-based employee, any employee with client, supplier, or third-party interfaces, and all management and executives. The Code of Conduct training module covers all aspects of Archer's Code of Conduct, including corruption and bribery, gifts and entertainment, insider trading, dealing with Archer property, third party representatives, intellectual property and confidentiality, harassment and discrimination, and reporting. The course is designed to be completed in 30-40 mins and has a mandatory 10 question test at the end which must be completed with a 90% score to pass.

Integrity Due Diligence

Integrity due diligence is a key component of our commitment to ethical business practices and sustainable operations. We perform regular risk-based diligence, analysis, and monitoring of our business activities to ensure compliance. This is performed through due diligence on potential and existing business relationships, including suppliers, business partners, and representatives present in our business on a global basis.

The findings from the Integrity Due Diligence are evaluated on a case-by-case basis using a risk-based approach. We evaluate the particular relationship, transaction, or counterparty with reference to its underlying purpose, roles of the parties involved, geography of the activity, criticality of the activity, and any other sensitivity around the parties, client, or situation. The level of due diligence reflects the inherent risk, the probability of the risk occurring, and its potential severity. We use online screening databases, internal diligence questionnaires, and if appropriate to the risk level and target company, third party screening. The evaluation is completed by legal and business resources and monitored for changes to the risk level on a periodic basis.

Through our supply chain digitalization platform, Cascade, we have strengthened our ability to perform due diligence on our suppliers. On this platform, suppliers must provide a self-assessment prior to being approved in Archer. This includes key data points on the suppliers' human rights record, practices, policy maturity, and activities which aim to ensure our suppliers are not infringing or complicit in infringement of the human rights of any persons. The self-assessment in Cascade is reviewed by legal and is followed up based on the reported findings using a risk-based approach which generally is determined by the supplier scope of work, geography, risk potential and severity, and answers to the self-assessment.

This control, in addition to our supplier code of conduct, standard terms and conditions, and regular supplier audits and checks, brings Archer into compliance with human rights legislation and our human rights policy.

G1-1, G1-3

Targets

As of 2024 Archer has no targets directly related to Business conduct.

We are actively working towards establishing governance targets as part of our 2025 strategic roadmap and expect to disclose progress in the upcoming reporting.

Accounting policies

The metrics encompass instances where an Archer legal entity has been convicted of anti-bribery or corruption violations by a court of law, as well as any fines imposed in connection with enforcement actions brought against the company for such violations.

The measurement of the metric is not validated by an external body.

G1-4

Incidents of corruption and bribery

Convictions of violations of anti-corruption and anti-bribery laws

	Unit	Value
Number of convictions for violation of anti-corruption and anti- bribery laws	Number	0
Amount of fines for violation of anti-corruption and anti- bribery laws	USD	0

Board of Directors' Report
Responsibility Statement

We confirm that, to the best of our knowledge, the financial statements for 2024 have been prepared in accordance with the current applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss for the Company and the Group.

We further confirm, to the best of our knowledge, that the board of directors report have been prepared in compliance with ESRS issued by European Financial Reporting Advisory Group (EFRAG), in compliance with the Securities Trading Act §5-5 (2) letter c, and in accordance with rules laid down pursuant to article 8 of the Taxonomy regulation.

We also confirm that the Board of Director' s Report includes a true and fair review of the development and performance of the business and the position of the Company and the Group, together with a description of the financial risks and uncertainties facing the Company and the Group.

April 30, 2025
The Board of Archer Limited

Giovanni Dell' Orto
(Director)

Peter Sharpe
(Director)

James O'Shaughnessy
(Director)

Jan Erik Klepsland
(Director)

Richard Stables
(Director)

Financial Statements

Archer Limited and subsidiaries
Consolidated statement of operations

(In USD millions)	Note	2024	2023
Revenues			
Operating revenues	25	1,096.9	977.2
Reimbursable revenues	25	203.7	192.1
Total revenues		**1,300.7**	**1,169.3**
Expenses			
Operating expenses	4	915.6	805.8
Reimbursable expenses		197.1	188.8
Operating lease costs	18	10.5	11.3
Depreciation and amortisation	13	61.6	49.8
(Gain)/loss on sale of assets	13	(0.8)	(0.7)
Impairment charges	5	2.7	2.7
General and administrative expenses		42.6	46.8
Total expenses		**1,229.4**	**1,104.5**
Operating income		**71.3**	**64.8**
Gain on bargain purchase	6	**0.1**	**(0.3)**
Gain on equity method investment	6	**2.3**	**–**
Financial items			
Interest income		4.1	13.2
Interest expenses	17	(62.7)	(65.0)
Share of results in associated companies	12	2.1	(4.4)
Other financial items	7	(27.8)	(30.5)
Total financial items		**(84.2)**	**(86.7)**

(In USD millions)	Note	2024	2023
Net loss from continuing operations before taxes		**(10.6)**	**(22.2)**
Income tax expense		(14.6)	(5.9)
Net loss from continuing operations		**(25.2)**	**(28.1)**
Net gain attributable to Noncontrolling interest in consolidated subsidiary		(0.4)	–
Net loss attributable to controlling interest		**(25.6)**	**(28.1)**
Income / (loss) per share - basic		(0.37)	(0.02)
Income / (loss) per share - diluted		(0.37)	(0.02)
Weighted average number of shares outstanding			
Basic	9	68.6	1,273.6
Diluted	9	68.8	1,273.6

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

Archer Limited and subsidiaries
Consolidated Statements of Comprehensive Loss

(In USD millions)	2024	2023
Net income / (loss)	**(25.6)**	**(28.1)**
Other comprehensive (loss) / income		
Currency translation differences	(14.2)	3.9
Release AOCI relating to Comtrac investment	(0.6)	–
Total other comprehensive income (loss)	**(14.8)**	**3.9**
Total comprehensive income (loss)	**(40.4)**	**(24.2)**

Attributable to:		
Non-controlling interest	0.3	–
Controlling interest	(40.7)	(24.2)

Accumulated Other Comprehensive Loss

(In USD millions)	TRANSLATION DIFFERENCES	OTHER COMPREHENSIVE INCOME	TOTAL
Balance at December 31, 2022	**(9.5)**	**0.6**	**(9.0)**
Total other comprehensive income during 2023	3.9	-	3.9
Balance at December 31, 2023	**(5.6)**	**0.6**	**(5.0)**
Total other comprehensive income during 2024	(14.1)	(0.6)	(14.7)
Balance at December 31, 2024	**(19.8)**	**0.0**	**(19.8)**

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

Archer Limited and subsidiaries
Consolidated balance sheet

(In USD millions)	NOTE	December 31, 2024	December 31, 2023
Assets			
Cash and cash equivalents		76.8	52.1
Restricted cash		3.8	3.5
Accounts receivables	3	187.8	183.8
Inventories	10	75.8	75.0
Other current assets	3,11	57.0	40.4
Total current assets		**401.3**	**354.8**
Investment in associated companies	12	–	12.3
Property plant and equipment, net	13	342.6	313.1
Right of use assets	18	26.4	34.4
Deferred income tax asset	8	24.2	20.8
Goodwill	14	174.0	156.0
Other intangible assets, net		19.3	2.8
Deferred charges and other assets	3,15	13.1	11.6
Total noncurrent assets		**599.6**	**550.9**
Total assets		**1,000.8**	**905.7**
Liabilities And Shareholders' Equity			
Current portion of interest-bearing debt	17	23.2	17.6
Accounts payable		112.2	75.5
Operating Lease liabilities	18	10.9	11.4
Other current liabilities	16	191.3	173.0
Total current liabilities		**337.7**	**277.5**

(In USD millions)	NOTE	December 31, 2024	December 31, 2023
Noncurrent liabilities			
Long-term interest-bearing debt	17	418.1	402.5
Operating Lease liabilities	18	15.6	22.9
Deferred tax	8	0.3	0.3
Other noncurrent liabilities		6.4	6.3
Total noncurrent liabilities		**440.3**	**432.0**
Shareholders' equity			
Shareholders equity		207.5	196.2
Non-controlling interest		15.4	–
Total Shareholders' equity	20	**222.9**	**196.2**
Total liabilities and shareholders' equity		**1,000.8**	**905.7**

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

Archer Limited and subsidiaries
Consolidated statement of cash flows

(In USD millions)	December 31, 2024	December 31, 2023
Cash Flows from Operating Activities		
Net (loss)/profit from continuing operations	**(25.2)**	**(28.1)**
Adjustment to reconcile net loss to net cash provided by operating activities		
Depreciation and amortisation	61.6	49.8
Impairment of fixed assets	2.7	2.7
Share-based compensation expenses	0.4	0.2
(Gain)/loss on assets disposals	(0.2)	(0.7)
Share of losses of unconsolidated affiliates	(2.1)	4.4
Amortisation of loan fees	6.8	5.6
Loss on settlement of subordinated debt	–	4.1
Mark to market of financial instruments	–	5.6
Mark to market of marketable securities	–	(0.9)
Change in deferred and accrued taxes	5.9	0.4
Gain on bargain purchase	(2.4)	–
Increase in accounts receivable and other current assets	15.2	(10.3)
Decrease in inventories	6.2	(16.8)
Increase in accounts payable and other current liabilities	32.3	32.2
Change in other operating assets and liabilities net, including non-cash fx effects	1.5	7.5
Net cash provided by operating activities	**102.8**	**55.7**
Cash Flows from Investing Activities		
Capital expenditures	(62.2)	(52.6)
Proceeds from asset disposals	0.7	17.1
Investment in associated entities	(0.4)	(5.2)
Business acquisitions net of cash acquired	(57.0)	(8.0)
Net cash used by investing activities	**(118.9)**	**(48.7)**

(In USD millions)	December 31, 2024	December 31, 2023
Cash Flows from Financing Activities		
Borrowings under revolving facilities, other long-term debt and financial leases	17.4	462.1
Repayments under revolving facilities, other long-term debt and financial leases	(18.9)	(594.9)
Gross proceeds from equity issues	52.5	100.6
Fees paid in relation to refinancing and equity issue	(1.2)	(11.5)
Cash settlement of RSUs	(0.3)	–
Net cash provided by financing activities	**49.5**	**(43.7)**
Effect of exchange rate changes on cash and cash equivalents	(8.4)	(0.7)
Net increase in cash and cash equivalents	**25.1**	**(37.4)**
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	**80.7**	**55.6**
Interest paid	58.2	49.3
Taxes paid	8.7	5.3

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

Archer Limited and subsidiaries
Consolidated statement of changes in shareholders' equity

(In USD millions)	Common	Additional Paid In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Contributed Surplus	Total Shareholders' Equity	Non-controlling interest
Balance at December 31, 2022	**1.5**	**928.0**	**(1,579.2)**	**(8.9)**	**740.1**	**81.5**	**—**
Share based compensation	—	0.2	—	—	—	0.2	—
Private placement	10.4	88.6	—	—	—	99.0	—
Subsequent offering	0.2	1.5	—	—	—	1.7	—
Shares issued in settlement of refinancing fees	4.2	35.9	—	—	—	40.1	—
Translation difference	—	—	—	3.9	—	3.9	—
Net income	—	—	(28.1)	—	—	(28.1)	—
Balance at December 31, 2023	**16.2**	**1,052.1**	**(1,607.3)**	**(5.0)**	**740.1**	**196.2**	**—**
Share based compensation	—	0.4	—	—	—	0.4	—
Consolidation and reduction of Share Capital	(15.6)	15.6	—	—	—	—	—
Private Placement	0.2	48.6	—	—	—	48.8	—
Share issued for purchase of Iceland Drilling	—	2.5	—	—	—	2.5	—
Translation difference	—	—	—	(14.1)	—	(14.1)	(0.1)
Cash Settlement of RSUs	—	(0.3)	—	—	—	(0.3)	—
Non-controlling interests acquired	—	—	—	—	—	—	15.2
Net income (loss)	—	—	(25.6)	—	—	(25.6)	—
Share of result attributed to non-controlling interest	—	—	—	—	—	—	0.4
Release of AOCI relating to Comtrac equity investment	—	—	—	(0.6)	—	(0.6)	—
Balance at December 31, 2024	**0.9**	**1,119.0**	**(1,632.9)**	**(19.8)**	**740.1**	**207.5**	**15.4**

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

Notes

Archer Limited and subsidiaries
Notes to the consolidated financial statements

Note 1 — General Information

Archer is an international oilfield service company providing a variety of oilfield products and services through its global organisations. Services include Platform Drilling, Land Drilling, Modular Rigs, Engineering services, Wireline services, production monitoring, well imaging and integrity management tools. Recently, pursuant to our diversification into the renewable energy sector, we have invested in businesses involved with in provision of geothermal services and wind and hydroelectric power.

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, organisation, we, us, our and its, or references to specific entities, is not intended to be a precise description of corporate relationships.

Archer was incorporated on August 31, 2007, and conducted operations as Seawell Ltd., or Seawell, until May 16, 2011, when shareholders approved a resolution to change the name to Archer Limited.

Basis of presentation

The financial statements are presented in accordance with generally accepted accounting principles in the United States of America (US GAAP). The amounts are presented in United States Dollars, USD, or $ rounded to the nearest a million, unless otherwise stated.

We present our financial statements on a continuing business basis and separately present discontinued operations.

The accounting policies set out below have been applied consistently to all periods in these consolidated financial statements.

Basis of consolidation

Investments in companies in which we directly or indirectly hold more than 50% of the voting control are generally consolidated in our financial statements.

Entities in which we do not have a controlling interest but over which we have significant influence are accounted for under the equity method of accounting. Our share of after-tax earnings of equity method investees are reported under Share of results of unconsolidated associates.

A list of all significant consolidated subsidiaries is attached – see Appendix B Material Subsidiaries. Intercompany transactions and internal sales have been eliminated through consolidation.

Reclassifications

Certain amounts in the prior years' consolidated financial statements may be reclassified when necessary to conform to the current year presentation.

Going concern

Following the completion of our refinancing, as further described in note 27 Subsequent Events, our Board of Directors confirms their assumption of the Group as a going concern for the foreseeable future, being a period of not less than 12 months from the date of this report. 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 December 31, 2024. The Board believes the annual report provides a fair presentation of the Group's assets and debt, financial position and financial performance.

Note 2 — Accounting Policies

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the 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 predicted with certainty. Accordingly, our accounting estimates require the exercise of judgement. While management believes the estimates and assumptions used in the preparation of the consolidated financial statements are appropriate, actual results could differ materially 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 amortisation, income taxes and 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.

Revenue from contracts with customers

The activities that primarily drive the revenue earned from our drilling contracts include:

- Providing specialist crew for the operation of, or repair, maintenance or modifications of Customer's platform rigs;
- Providing land drilling rigs and modular rigs, and the crew and supplies necessary to operate the rigs;
- Mobilising and demobilising land rigs between well sites;
- Wireline services; and
- Rental of equipment.

Consideration received for performing these activities consist primarily of contract day rates. We account for our integrated services as a single performance obligation that is (i) satisfied over time and (ii) consists of a series of distinct time increments. Occasionally we receive lump mobilisation fees and fixed fees for engineering projects.

We recognise consideration for activities that correspond to a distinct time increment within the contract term in the period when the services are performed. We recognise consideration for activities that are (i) not distinct within the context of our contracts and (ii) do not correspond to a distinct time increment, rateably over the estimated contract term.

We determine the total transaction price for each individual contract by estimating both fixed and variable consideration expected to be earned over the term of the contract. The amount estimated for variable consideration may be constrained and is only included in the transaction price to the extent that it is probable that a significant reversal of previously recognised revenue will not occur throughout the term of the contract. When determining if variable consideration should be recognised, we consider whether there are factors outside our control that could result in a significant reversal of revenue as well as the likelihood and magnitude of a potential reversal of revenue. We re-assess these estimates each reporting period as required. Refer to Note 3 Revenue from contracts with customers.

Day rate Drilling Revenue - Our contracts generally provide for payment on a day rate basis, with higher rates for periods when the drilling unit is operating and lower rates or zero rates for periods when drilling operations are interrupted or restricted. The day rate invoices billed to the customer are typically determined based on the varying rates applicable to the specific activities performed on an hourly basis. Such day rate consideration is allocated to the distinct hourly increment it relates to within the contract term, and therefore, recognised in line with the contractual rate billed for the services provided for any given hour.

Mobilisation Revenue - We may receive fees (on either a fixed lump-sum or variable day rate basis) for the mobilisation of our rigs. These activities are not considered to be distinct within the context of the contract and therefore, the associated revenue is allocated to the overall performance obligation and recognised rateably over the expected term of the related drilling contract. We record a contract liability for mobilisation fees received, which is amortised rateably to contract drilling revenue as services are rendered over the initial term of the related drilling contract. Contract mobilisation costs include costs that are directly attributable to our future performance obligation under each respective drilling contract. Company defers mobilisation costs, and recognises such costs on a straight-line basis over the same period as the corresponding mobilisation revenue.

Demobilisation Revenue - We may receive fees (on either a fixed lump-sum or variable day rate basis) for the demobilisation of our rigs. Demobilisation revenue expected to be received upon contract completion is estimated as part of the overall transaction price at contract inception and recognised over the term of the contract. In most of our contracts, there is uncertainty as to the likelihood and amount of expected demobilisation revenue to be received. For example, the amount may vary depending upon whether the rig has additional contracted work following the initial contract. Therefore, the estimate for such revenue may be constrained, as described above, depending on the facts and circumstances pertaining to the specific contract. We assess the likelihood of receiving such revenue based on experience and knowledge of the market conditions. Costs incurred for the demobilisation of rigs at contract completion are expensed as incurred during the demobilisation process.

Revenues Related to Reimbursable Expenses - We generally receive reimbursements from our customers for the purchase of supplies, equipment, personnel services and other services provided at their request in accordance with a drilling contract or other agreement. Such reimbursable revenue is variable and subject to uncertainty, as the amounts received and timing thereof is highly dependent on factors outside our influence. Accordingly, reimbursable revenue is not recorded and not included in the total transaction price until the uncertainty is resolved, which typically occurs when the related costs are incurred on behalf of a customer. We are generally considered a principal in such transactions and record the associated revenue at the gross amount billed to the customer, at a point in time, as "Reimbursable revenues" in our Consolidated Statements of Operations.

Foreign currencies
For subsidiaries that have functional currencies other than the USD, the statements of operations are translated using the average exchange rate for the month and the assets and liabilities are translated using the year-end exchange rate. Foreign currency translation gains or losses are recorded as a separate component of other comprehensive income in shareholders' equity. Transactions in foreign currencies during the year are translated into the functional currency of the respective entity at the rates of exchange in effect on the date of the transaction. Foreign currency assets and liabilities are translated using rates of exchange at the balance sheet date. Foreign currency transaction gains or losses are included in the consolidated statements of operations.

Current and noncurrent classification
Assets and liabilities are classified as current assets and liabilities respectively if their maturity is within one year of the balance sheet date. Assets and liabilities not maturing within one year are classified as long term, unless the facts or circumstances indicate that current classification is otherwise appropriate.

Cash and cash equivalents
Cash and cash equivalents consist of cash, demand deposits and highly liquid financial instruments purchased with original maturity of three months or less and exclude restricted cash.

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

Receivables
Accounts receivables are recorded in the balance sheet at their full amount less allowance for doubtful receivables. We establish reserves for doubtful receivables on a case-by-case basis. In establishing these reserves, we consider changes in the financial position of the customer, as well as customer payment history. Uncollectible trade accounts receivables are written off when a settlement is reached for an amount that is less than the outstanding historical balance or when they are considered irrecoverable. If a previously written off debt is subsequently recovered it is recorded as a credit to bad debt expense.

Net bad debt expense for 2024 was $0.2 million (2023: 0.0 million).

Inventories
Inventories are valued at the lower of first-in, first-out cost or market value. On a regular basis we evaluate our inventory balances for excess quantities and obsolescence by analysing demand, inventory on hand, sales levels and other information. Based on these evaluations, inventory balances are written down, if necessary.

Equity Method Investments
Investments in which we have the ability to exercise significant influence, but do not control, are accounted for under the equity method of accounting and are reported under Investments in unconsolidated associates in the Consolidated Balance Sheet. Significant influence is generally deemed to exist if the company has an ownership interest in the voting stock of the investee between 20% and 50%, although other factors such as representation on the investee's Board of Directors and the nature of commercial arrangements are considered in determining whether the equity method of accounting is appropriate.

Under this method of accounting, our share of the net earnings or losses of the investee, together with other-than-temporary impairments in value and gain/loss on sale of investments, is reported under Share of gains/losses of unconsolidated associates in the Consolidated Statement of Operations.

We evaluate our equity method investments whenever events or changes in circumstance indicate that the carrying amounts of such investments may be impaired. If a decline in the value of an equity method investment is determined to be other than temporary, a loss is recorded in earnings in the current period.

Property, plant and equipment
Property, plant and equipment are recorded at historical cost less accumulated depreciation. The cost of these assets less estimated residual value is depreciated on a straight-line basis over their estimated remaining economic useful lives. The estimated economic useful lives of our fixed assets are in the following ranges:

• Buildings	3 – 50 years
• Drilling and well service equipment	2 – 30 years
• Office furniture and fixtures	3 – 10 years
• Motor vehicles	3 – 7 years

We evaluate the remaining useful life of our property, plant and equipment on a periodic basis to determine whether events and circumstances warrant a revision.

Expenditures for replacements or improvements are capitalised. Maintenance and repairs are charged to operating expenses as incurred.

Fully depreciated assets are retained in property, plant and equipment and accumulated depreciation until disposal. Upon sale or retirement, the cost of property and equipment, related accumulated depreciation and write-downs are removed from the balance sheet and the net amount, less any proceeds from disposal, is charged or credited to the consolidated statement of operations.

Assets under construction
The carrying value of assets under construction represents the accumulated costs at the balance sheet date and is included in property, plant and equipment on the face of the balance sheet. Cost components include payments for instalments and variation orders, construction supervision, equipment, spare parts, capitalised interest, costs related to first-time mobilisation and commissioning costs. No charge for depreciation is made until commissioning of the new builds has been completed, and it is ready for its intended use.

Finance Leases
We lease office space and equipment at various locations. Our Oiltools division also leases operating equipment which in turn is leased out to Archer customers. Where we have substantially all the risks and rewards of ownership, the lease is classified as a finance lease. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset or the present value of the future minimum lease payments. Each lease payment is allocated between the corresponding finance lease liability and finance charges to achieve a constant rate on the liability outstanding. The interest element of the capital cost is charged to the Consolidated Statement of Operations over the lease period.

Depreciation of assets held under capital leases is reported within “Depreciation and amortisation expense” in the Consolidated Statement of Operations. Capitalised leased assets are depreciated on a straight-line basis over the estimated useful economic lives of the assets or a straight-line basis over the lease term, whichever is shorter.

Operating leases
Our operating leases relate to office and warehouse space. We recognise on the balance sheet the right to use these assets and a corresponding liability in respect of all material lease contracts with duration, or lease term, of 12 months or above. We estimate discount rates used for calculating the cost of operating leases, which take into account the type of assets subject to the lease and the geographical region in which it is leased and used. The amortisation of right of use assets is presented in operating costs on our statement of operations.

In relation to our operating leases, prior periods were not restated to reflect the recording of the right of use asset/liability related to these leases

Intangible assets
Intangible assets are recorded at historical cost less accumulated amortisation. The cost of intangible assets is generally amortised on a straight-line basis over their estimated remaining economic useful lives. The estimated economic useful lives of our intangible assets range from 2 to 20 years. We evaluate the remaining useful life of our intangible assets on a periodic basis to determine whether events and circumstances warrant a revision of the remaining amortisation period. Once fully amortised, the intangible’s cost and accumulated amortisation are eliminated.

Trade names under which we intend to trade for the foreseeable future are not amortised. In circumstances where management decides to phase out the use of a trade name, the relevant cost is amortised to zero over the remaining estimated useful life of the asset.

Acquired technology is not amortised until ready for marketing.

Goodwill
We allocate the cost of acquired businesses to the identifiable tangible and intangible assets and liabilities acquired, with any remaining amount being capitalised as goodwill. Goodwill is not amortised but is tested for impairment at least annually. We test goodwill by reporting unit for impairment on an annual basis 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 reporting units have been identified in accordance with Accounting Standards Codification 350-20 “Intangible Assets–Goodwill,” as the business components one level below the reporting segments, each of which we identified as:

- Constituting a business;
- For which discrete financial information is available; and
- Whose operating results are reviewed regularly by segment management.

We aggregate certain components with similar economic characteristics.

The goodwill impairment test involves an initial qualitative review to determine whether it is more likely that not that goodwill is impaired. If the initial review indicates a possible impairment, we follow with a one-step process involving a comparison of each reporting unit’s fair value to its carrying value. If a reporting unit’s fair value is less than its carrying value, an impairment charge equal to the shortfall is made against the relevant goodwill, until the balance is zero.

We estimate the fair value of each reporting unit using the income approach. The income approach incorporates the use of a discounted cash flow method in which the estimated future cash flows and terminal values for each reporting unit are discounted to a present value. Cash flow projections are based on management’s estimates of economic and market conditions that drive key assumptions of revenue growth rates, operating margins and capital expenditures. The discount rate is based on our specific risk characteristics, its weighted average cost of capital and its underlying forecasts. There are inherent risks and uncertainties involved in the estimation process, such as determining growth and discount rates.

Impairment of long-lived assets and intangible assets other than goodwill
The carrying values of long-lived assets, including intangible assets that are held and used by us are reviewed for impairment if factors are identified that suggest that the carrying value may be more than the assets fair value. As prescribed by US GAAP, for step one of the impairment test, we assess our major assets/asset groups for recoverability of the carrying value of the asset by estimating the undiscounted future net cash flows expected to result from the asset, including eventual disposal. If the future net cash flows are less than the carrying value of the asset, an impairment charge is required. We then use various methods to estimate the fair value

of our assets, using all and best available relevant data, including estimated discounted cash-flow forecasts, relevant market data where available, and independent broker valuations for our land rigs. Once the fair value has been determined, the potential impairment is recorded equal to the difference between the asset's carrying value and fair value.

Research and development
All research and development ("R&D") expenditures are expensed as incurred. Under the provisions of ASC 805, 'Business Combinations' acquired in-process R&D that meets the definition of an intangible asset is capitalised and amortised.

Income taxes
Archer is a Bermuda company. Under current Bermuda law, Archer has not been required to pay taxes in Bermuda on either income or capital gains. We have received written assurance from the Minister of Finance in Bermuda that, in the event of any such taxes being imposed, Archer will be exempted from taxation until 2035. However in December 2023 Bermuda implemented corporate income tax, effective for fiscal years beginning on or after January 1, 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 accounting net income or loss (FANIL) determined in accordance with the acceptable financial accounting standard used in preparing the consolidated financial statements of the ultimate parent entity of the group or, at the election of the Bermuda constituent entity, another approved financial accounting standard. The statutory income tax rate would be 15%.

Certain of our subsidiaries operate in other jurisdictions where taxes are imposed, mainly Norway, the United States, Argentina, Brazil and the United Kingdom. For legal entities operating in taxable jurisdictions, we compute tax on income in accordance with the tax rules and regulations of the taxing authority where the income is earned. The income tax rates imposed by these authorities vary. Taxable income may differ from pre-tax income for accounting purposes. To the extent that differences are due to revenues or expense items reported in one period for tax purposes and in another period for financial accounting purposes, an appropriate provision for deferred taxes is made. A deferred tax asset is recognised only to the extent that it is more likely than not that future taxable profits will be available against which the asset can be utilised. When it is more likely than not that a portion or all of a deferred tax asset will not be realised in the future, we provide a valuation allowance against that deferred tax asset. The amount of deferred tax provided is based upon the expected manner of settlement of the carrying amount of assets and liabilities, using tax rates enacted at the balance sheet date.

The impact of changes to income tax rates or tax law is recognised in periods when the change is enacted.

Significant judgment is involved in determining the provision for income taxes. There are certain transactions for which the ultimate tax determination is unclear due to uncertainty in the ordinary course of business. Our tax filings are subject to regular audit by the tax authorities in most of the jurisdictions in which we conduct our business. These audits may result in assessments for additional taxes which are resolved with the authorities or, potentially, through the courts. We recognise the impact of a tax position in our financial statements if that position is more likely than not to be sustained on audit, based on the technical merits of the position. The level of judgement involved in estimating such potential liabilities and the uncertain and complex application of tax regulations, may result in liabilities on the resolution of such audits, which are materially different from our original estimates. In such an event, any additional tax expense or tax benefit will be recognised in the year in which the resolution occurs.

Earnings per share or EPS
Basic earnings per share are calculated based on the income/(loss) for the period available to common stockholders divided by the weighted average number of shares outstanding for basic EPS for the period, including vested restricted stock units. Diluted EPS includes the effect of the assumed conversion of potentially dilutive instruments, for which we include share options and unvested restricted stock units.

Deferred charges
Loan-related costs, including debt arrangement fees, incurred on the initial arrangement are capitalised and amortised over the term of the related loan using the straight-line method, which approximates the interest method. Amortisation of loan-related costs is included in interest expense. Subsequent loan costs in respect of existing loans, such as commitment fees, are recognised in the Consolidated Statement of Operations within "Interest expense" in the period in which they are incurred. Unamortised loan costs are presented as a direct deduction from the carrying value of the associated debt liability.

Share-based compensation
We had previously established a stock option plan under which employees, directors and officers of the Archer Group may be allocated options to subscribe for new shares in Archer.

The fair value of the share options issued under our employee share option plans is determined at grant date, taking into account the terms and conditions upon which the options are granted and using a valuation technique that is consistent with generally accepted valuation methodologies for pricing financial instruments, and that incorporates all factors and assumptions that knowledgeable, willing market participants would consider in determining fair value. The fair value of the share options is recognised as personnel expenses with a corresponding increase in equity over the period during which the employees become unconditionally entitled to the options. At December 31, 2024 we have no stock options outstanding under stock option grants.

The Board has from time to time granted restricted stock units, or RSUs, to members of Archer's management team. The RSUs vest typically with 1/4th on each date falling approximately one, two, three and four years after the grant date.

Compensation cost in respect of share options and RSUs is initially recognised based upon grants expected to vest with appropriate subsequent adjustments to reflect actual forfeitures. National insurance contributions will arise from such incentive programs in some tax jurisdictions. We accrue an estimated contribution over the vesting periods of the relevant instruments.

Financial instruments
From time to time, we enter into interest rate swaps or caps in order to manage floating interest rates on debt. Interest rate swap/cap agreements are recorded at fair value in the balance sheet when applicable. A hedge of a forecasted transaction or of the variability of cash flows to be received or paid related to a recognised asset or liability may be designated as a cash flow hedge.

When the interest swap qualifies for hedge accounting, we formally designate the swap instrument as a hedge of cash flows to be paid on the underlying loan, and in so far as the hedge is effective, the change in the fair value of the swap in each period is recognised in the "Accumulated other comprehensive loss" line of the Consolidated Balance Sheet. Changes in fair value of any ineffective portion of the hedges are charged to the Consolidated Statement of Operations in "Other financial items." Changes in the fair value of interest rate swaps are otherwise recorded as a gain or loss under "Other financial items" in the Consolidated Statement of Operations where those hedges are not designated as cash flow hedges.

Segment reporting
A segment is a distinguishable component of the company that is engaged in business activities from which it earns revenues and incurs expenses, whose operating results are regularly reviewed by the chief operating decision maker and which is subject to risks and rewards that are different from those of other segments. As our business develops we periodically review our reporting segments. We conducted such a review in 20242 as a result of which we changed our reporting segments to disclose our financial data at a more detailed level, reflecting the various services provided. The new reporting segments reflect Archer's management structure and also take account of financial data presented to our chief operating decision maker, the Board of Directors, when reviewing Archer's performance and allocating resources. In 2024, following various business acquisitions, we added a new segment, Renewables, which is discussed in detail in the financial review in the Board of Directors report above.

At December 31, 2024 our reporting segments are:

- Platform Operations
- Well Services
- Land Drilling
- Renewables

We report corporate costs, and assets as separate line items.

Segmental information is presented in Note 25 Reporting and Geographical Segment Information.

The accounting principles for the segments are the same as for our consolidated financial statements.

Related party transactions
Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties also are related if they are subject to common control or common significant influence.

Recently issued accounting pronouncements
Accounting standards that became effective January 1, 2024, did not have a material impact on the consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. This ASU requires an entity to disclose the amounts purchases of inventory, employee compensation, depreciation, and intangible asset amortization included in each relevant expense caption. It also requires an entity to include certain amounts that are already required to be disclosed under current GAAP in the same disclosure. Additionally, it requires an entity to disclose a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively, and to disclose the total amount of selling expenses and, in annual reporting periods, an entity's definition of selling expenses. The amendments in the ASU are effective for annual reporting periods beginning after December 15, 2026, and the Company is currently evaluating the impact of adopting ASU 2024-03.

Note 3 — 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)	2024	2023
Accounts receivable net	187.8	183.8

On December 31, 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. Other than this provision we have 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 $9.2 million and $7.4 million respectively, which relate to mobilisation and de-mobilisation fees our modular rigs. These fees are being amortised over the relevant contract periods. $6.2 million and $4.3 million are included in other current assets and other current liabilities respectively, and $3.0 million and $3.2 million are reported in other non-current assets and liabilities respectively. We have a balance of $0.2 million included in Other current liabilities which relates to prepaid revenues from customers.

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 4 — Compensation and severance expenses

Total compensation costs

The following table shows a summarised analysis of our total employee compensation costs.

(In USD millions)	2024	2023
Salary costs	415.6	391.1
Pension costs	25.8	23.8
Employers tax	62.3	58.8
Other compensation costs	33.8	27.2
Total compensation costs	**537.5**	**501.0**

Remuneration to management

Key management consists of the Chief Executive Officer, Chief Financial Officer and General Counsel. The compensation to key management is paid in NOK and the USD figure is not fully comparable year-on-year. The company discloses remuneration to management on aggregated levels. Total compensation and benefits of the key management were as follows:

Compensation to key management

(In USD thousands)	2024	2023
Salary	899.9	897.5
Bonus	518.3	566.6
Other remuneration	35.5	39.9
Total compensation costs	**1,453.7**	**1,504.0**

Remuneration to the Board of Directors

The Directors of the Board received a yearly remuneration of between $70 thousand and $80 thousand for the years ended December 31, 2024 and December 31, 2023, paid proportionately for the time spent on the Board. We do not recognise a permanent Chairman of the Board, a Chairman of the Board is elected for each meeting. Total Board fees for the years ended December 31, 2024 and 2023 were $367.5 thousand and $390.6 thousand respectively.

The table below shows the total number of shares owned directly or indirectly by Directors and key management as of December 31, 2024.

Shares held by Directors and key management

NAME	POSITION HELD	SHARES HELD
Dag Skindlo	Chief Executive Officer	82,973
Espen Joranger	Chief Financial Officer	18,292
Adam Todd	General Counsel	3,344
Jan Erik Klepsland	Director	20,000
Richard Stables	Director	100,000
Giovanni Dell'Orto	Director	57

Note 5 — Impairments

Our long-lived assets predominantly consist of land drilling rigs and equipment utilised by our Land drilling division in South America, and our two modular rigs. The carrying values of these assets are reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a particular asset, or group of assets, may not be fully recoverable, and at least once each year as part of our annual reporting routine.

During 2024 we recognised total impairment losses of $2.7 million (2023: $2.7 million) relating to rigs and land drilling equipment in our South American business. All impairments were recognised as part of our annual detailed review of fixed assets and assessment of carrying values.

As stated in our accounting policy, we use various methods to estimate the fair value of our assets, each of which involves significant judgement. We use the most relevant data available at the balance sheet date, including specific independent valuations for our land rigs. The key inputs and assumptions used in the various valuations included future market growth rates, EBITDA margins, discount factors and asset lifetimes. Reasonable variations in these assumptions could give rise to additional impairment, particularly in relation to the modular rigs and the Latin America drilling rigs.

Whilst acknowledging the uncertainty and the level of judgement involved in our estimates of value, we believe our determination of impairment charges to be reasonable and prudent as at 31, December 2024.

Please refer to Note 14 Goodwill for further details on the calculation of goodwill impairments. No impairment charge was recognised in respect of goodwill in 2024.

Note 6 — Business acquisition

Wellbore Fishing and Rental Tools LLC

On October 25, 2024 we acquired Wellbore Fishing and Rental Tools LLC (or "WFR"). WFR is an unrelated US based technology player, focused on fishing operations in the oil and gas sector, whose operations expand and complement well services already provided by Archer. Purchase consideration comprised an initial payment of $50.7 million, plus a deferred payment of $1.5 million due in November 2025. The acquisition strengthens Archer's presence in the Gulf of Mexico and will build on our relationships with global entities involved in the oil and gas industry in the region. Clear and tangible cost and revenue synergies are expected to result from the acquisition. Fair value of the assets acquired is detailed in the table below:

Fair value of assets acquired (preliminary)

	USD millions
Cash	1.4
Receivables	9.5
Inventories	3.1
Property plant and equipment	7.7
Intangible assets Customer relations	12.3
Trade name	1.0
Payables	(8.1)
External debt	(1.1)
Net Assets	**25.7**

The $26.5 million excess of the purchase consideration over the fair value of the assets is recognized as goodwill, which represents the assembled workforce and experience and know how acquired, and synergies within Well Services segment.

Iceland Drilling Company Ltd.

In 2022, as part of Archer's energy transition strategy, we invested in a 50% share of Iceland Drilling, an international geothermal drilling and integrated service company headquartered in Iceland. The investment has been reposted as an investment in associated companies and consolidated using the equity method.

During the fourth quarter of 2024 we have acquired an additional 10% of the company which, along with some changes to the shareholders' agreement between Archer and the other shareholders of Iceland Drilling, resulted in the acquisition of a controlling interest in Iceland Drilling. Purchase consideration for the additional shares took the form of newly issues shares in Archer Ltd. with a value of $2.5 million. In addition, we have recognised additional purchase consideration of $1.4 million, which may also be settled by the issue of Archer Ltd shares under a Purchase adjustment clause in the purchase agreement. The purchase price adjustment is contingent on various metrics, including future earnings and market value of Iceland Drilling and Archer. The contingent consideration is recognised as a liability since there is a possibility that it may be settled in cash.

On the attainment of controlling financial interest we have reclassified our investment as an investment in a consolidated subsidiary, recognised a non-controlling interest at fair value and adjusted the carrying value of our investment to fair value, which resulted in the recognition of a gain of $0.1 million. No goodwill has been recognised in respect of this acquisition.

The functional currency of Iceland Drilling is the Icelandic Krona (ISK). The USD equivalent of the fair value of Iceland Drilling assets consolidated on acquisition of control are as follows;

Fair value of assets acquired (preliminary)

	ISK millions	Equivalent to USD millions
Cash	320.8	2.3
Receivables	1,491.6	10.9
Inventories	885.1	6.4
Property plant and equipment	4,739.4	34.7
Deferred tax	182.0	1.3
Contact assets (Mobilisation costs)	501.4	3.7
Payables	(775.3)	(5.7)
Prepaid revenue	(13.8)	(0.1)
Contact liabilities (Mobilisation revenues)	(797.9)	(5.8)
External debt	2,382.6	(17.4)
Net Assets	**4,160.8**	**30.4**

Comtrac AS

Since 2020 Archer's fully owned Norwegian subsidiary Archer Norge AS has owned 50% of Comtrac AS, an entity set up for the development and ownership of well intervention technology. Since its inception, the investment in Comtrac AS has been accounted for using the equity method of consolidation. On September 4, 2024 Archer Norge AS purchased the other 50% of the company from the only other shareholder, IKM Gruppen AS. Following the attainment of 100% ownership of Comtrac AS Archer is able to directly commission the building of rods (which are the ComTrac technology) which are utilised in the provision of well services to our customers.

The carrying value of Archer's 50% investment in Comtrac AS prior to the additional investment was NOK 5.0 million. This was increased by the purchase consideration of NOK 4.0 million which was paid to IKM for its 50% shareholding in Comtrac AS, bringing total carrying value of the investment to NOK 9.0 million. In addition, we have a long-term loan receivable from Comtrac, at acquisition date, of NOK 27.9 million, bringing total carrying value of the investment to NOK 36.9 million.

The fair value of the assets acquired at the acquisition date of September 4, 2024, were as follows:

Fair value of assets acquired (preliminary)

	(In NOK millions)	(Equivalent to USD millions)
Cash	0.4	0.04
Receivables	0.7	0.1
Intangible assets	48.7	4.5
Deferred tax assets	19.0	1.8
Accounts payable and accrued expenses	(5.4)	(0.5)
Balance due to lease finance	(2.7)	(0.3)
Total fair value of assets acquired	**60.7**	**5.6**

The intangible assets reflect the value of the ComTrac technology including the patents for the technology and the use of the ComTrac brand name.

Upon acquisition of a controlling financial interest we have revalued our investment in Comtrac AS to reflect its fair value at acquisition. The excess of the fair value over our carrying was NOK 23.9 million (or $2.3 million). This is reflected as an increase in the carrying value of our investment in the equity of Comtrac AS and a gain on bargain purchase in the third quarter income statement.

ADA Argentina SRL

On July 31, 2024, Archer's fully owned Argentine subsidiaries completed the purchase ADA Argentina SRL, (or ADA), from an unrelated third party, Air Drilling Associated. ADA performs drilling services in Argentina through the operation of managed pressure drilling (or MPD) equipment. Archer's customers in Argentina are increasingly requiring the suites of services provided by ADA to be provided by alongside land drilling services already provided, so the ADA business compliments Archer's operations and facilitates the offering of integrated services by Archer.

Purchase consideration of $5.6 million consisted of an upfront payment of $0.3 million, a payment for working capital of $0.5 million (this figure is subject to review and possible revision) and a balance payment of $4.8 million payable by agreed monthly installments over the 27-month period ending October 31, 2026.

The fair value of the assets acquired at the acquisition date of July 31, 2024, were as follows:

Fair value of assets acquired (preliminary)

	(In USD millions)
Cash	0.2
Receivables	2.5
Inventory	0.4
Deferred tax assets	0.2
Tangible fixed assets	1.9
Payables	(1.4)
Total fair value of assets acquired	**3.9**

The $1.7 million excess of the purchase consideration over the fair value of the assets is recognized as goodwill, which represents the assembled workforce and experience and know how acquired, and synergies within Land Drilling segment.

Moreld Ocean Wind AS

On July 1, 2024 Archer completed the acquisition of Moreld Ocean Wind AS, subsequently re-named Archer Wind AS (or Archer Wind), from an unrelated company. Archer Wind is developing an offshore floating wind foundation, and is currently managing the development of a prototype installation under a contract with Total Energies using unique technology provided under a collaboration agreement with Ocergy Inc., a US technology and solutions provider. The purchase is part of Archer's diversification into renewable energy. The acquired workforce with experience and know-how in this sector is augmented by Archer's engineering skills and industry knowledge.

The sale and purchase agreement provided that Archer purchased 100% of the issued and fully paid up shares for a consideration of USD 1.8 million payable in two equal installments due December 31, 2024 and November 30, 2025.

The fair value of the assets acquired at the acquisition date of July 1, 2024 were as follows:

The fair value of the assets acquired at the acquisition date of July 1, 2024 were as follows:

Fair value of assets acquired (preliminary)

	(In NOK millions)	(Equivalent to USD millions)
Receivables	47.2	4.4
Tangible fixed assets	0.1	0.0
Licences	8.2	0.8
Shares in Ocergy	21.1	2.0
Deferred taxes	25.0	2.3
Accounts payable	(7.5)	(0.7)
Accruals, deferred income and other payables	(71.8)	(6.7)
Total fair value of assets acquired	**22.4**	**2.1**

The difference of $0.3 between the purchase consideration and the fair value of the net assets acquired is recognised as a gain on bargain purchase in the third quarter income statement.

Vertikal Service 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 segment 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 issued 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 various levels of EBITDA. We have estimated the fair value of the deferred consideration to be $0.1 million. Total purchase consideration recognised by Archer as investment in subsidiary totaled 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 for the deferred 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 NOK millions)	(Equivalent to USD millions)
Cash	9.2	0.8
Receivables	36.2	3.3
Tangible fixed assets	4.6	0.4
Loan finance	(4.4)	(0.4)
Accounts payable	(22.1)	(2.0)
Accruals and other payables	(27.6)	(2.5)
Total fair value of assets acquired	**(3.9)**	**(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**

The above businesses, acquired in 2024, contributed revenues of $37.3 million and net income of $2.5 million to the 2024 Archer consolidated financial statements. The following unaudited pro forma summary presents consolidated information as it the business combinations had occurred on January 1, 2023. The 2023 acquisitions described below are not included in the pro forma data since the inclusion of these entities would not have a material effect on the pro forma data disclosed in the table below.

Pro forma data - unaudited

		(In USD millions equivalent)
	Year ended December 31, 2024	Year ended December 31, 2023
Consolidated revenue	1,407.5	1,265.8
Consolidated earnings/(loss)	(19.6)	(36.4)

Acquisitions reported in 2023

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

	(In USD millions equivalent)
Inventory	1.4
Tangible fixed assets	1.3
Intangible assets - Licences	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 fourth quarter of 2024. 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 millions 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 millions 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 7 — Other Financial Items

Other Financial Items

(In USD millions)	2024	2023
Foreign exchange gains/(losses)	(20.9)	(19.0)
Mark-to-market of marketable securities	–	(5.6)
Mark-to-market of financial instruments	–	0.9
Other items	(6.8)	(6.9)
Total other financial items	**(27.8)**	**(30.5)**

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

Foreign exchange losses and gains for the twelve months ended December 31, 2024, includes net losses $22.6 million in Archer Norge AS, a 100% owned subsidiary with NOK functional currency. The net losses of reported by Archer Norge AS. include losses of around $44.8 million and $3.5 million on USD denominated external loan facilities and cash balances respectively and gains of around $25.5 million on respect of internal receivable loan balances denominated in USD. The FX gains and losses in subsidiaries reporting in NOK are partially offset in equity by translation adjustments, recognised in accumulated other comprehensive income, which result from the translation of the NOK financial statements to USD prior to consolidation.

Other items in 2023 include a loss of $4.1 million in the second quarter, resulting from the settlement of subordinated debt by the conversion of the bonds to shares. The issue of shares in consideration for settlement of the debt is discussed in Note 20 Share Capital. During the fourth quarter a reduction in our estimate of contingent consideration due on the acquisition of Romar Abrado (see Note 6 Business acquisition) resulted in the recognition of $2 million other financial income.

Other financial items in 2004 includes $6.4 million fees and taxes relating to bank transactions iin Argentina, and $3.7 million cost of discount factoring agreements in Norway.

Note 8 — Income Taxes

Our income tax consists of the following:

(In USD millions)	2024	2023
Current tax expense	15.3	5.4
- *related to corporate income tax*	15.3	-
- *related to global minimum top-up Tax*	-	-
Deferred tax expense	(0.7)	0.4
Total income tax expense, net	**14.6**	**5.9**

Tax expense is impacted by the derecognition of deferred tax assets which we do not expect to be able to utilise within the foreseeable future. We have booked valuation allowances against deferred tax relating to net operating losses and foreign tax credits in Argentina, Brazil, Canada and North America, and other timing differences in Norway and the UK.

The company, including its subsidiaries, is taxable in several jurisdictions based on its operations. A loss in one jurisdiction may not be offset against taxable income in another jurisdiction. Thus, the company may pay tax within some jurisdictions even though it might have losses in others.

Income tax expense / (benefit) can be split in the following geographical areas:

(In USD millions)	**2024**	**2023**
North America	1.4	0.7
South America	5.3	2.4
Europe	6.5	2.1
Others	1.4	0.8
Total	**14.6**	**5.9**

The income taxes for the years ended December 31, 2024 and 2023 differed from the amount computed by applying the statutory income tax rate in Bermuda, of 0% as follows:

(In USD millions)	**2024**	**2023**
Income taxes at statutory rate		
Taxable losses at local tax rate from continuing operations*	(0.2)	(0.2)
Effect of impairment charges	0.0	(0.8)
Effect of other non-deductible expenses	4.1	(13.6)
Effect of share of losses of unconsolidated associates	(0.2)	(0.1)
Effect of non-deductible interest	0.0	3.7
Effect of foreign exchange rate differences	3.9	17.5
Effect of tax exempted income and temporary differences	5.0	(2.9)
Effect of valuation allowances	(0.7)	1.1
Effect of adjustments from prior years	0.4	0.0
Effect of state and withholding taxes	2.3	1.3
Actual tax expense recognised	**14.6**	**5.9**

**Figures exclude non-taxable income in Bermuda (net loss of $17.1 million, 2023: net loss of $3.1 million)*

Deferred Income Taxes

Deferred income taxes reflect the impact of temporary differences between the amount of assets and liabilities recognised for financial reporting purposes and such amounts recognised for tax purposes. The net deferred tax assets consist of the following:

(In USD millions)	**December 31, 2024**	**December 31, 2023**
Tax losses carry forward	908.7	880.5
Impairments of tangible and intangible assets	13.7	1.8
Property differences	34.0	54.0
Provisions	9.1	11.1
Intercompany cost not paid	259.4	252.7
Other	(7.3)	50.6
Gross deferred tax asset	**1,217.6**	**1,250.7**
Net deferred tax asset basis before valuation allowance	1,217.6	1,250.7
Valuation allowance	(1,090.3)	(1,140.5)
Net deferred tax asset basis	127.3	110.3
Net deferred tax asset	**23.9**	**20.5**

Tax losses carry forward of $908.7 million shown in the table above, principally relates to carried forward tax losses of $758.6 million originating in the United States, and which expire over a period of 20 years, and tax losses of $19.7 million originating in Brazil. The Brazilian tax losses can be carried forward indefinitely.

For tax losses incurred in 2024 for Argentina, Canada and in the United States increase in deferred tax assets are offset by an increase in the valuation allowance, resulting in no net effect in the 2024 financial statements.

In total, the valuation allowance is a provision against deferred tax assets relating to tax operating losses, foreign tax credits and excess tax values on drilling equipment, for which we do not, at the balance sheet date, have a sufficiently documented tax strategy for realisation against future tax liabilities.

Deferred taxes are classified as follows:

(In USD millions)	**December 31, 2024**	**December 31, 2023**
Deferred tax asset	24.2	20.8
Deferred tax liability	(0.3)	(0.3)
Net deferred tax asset	**23.9**	**20.5**

No provision has been made in respect of deferred tax on unremitted earnings from subsidiaries (2023: $Nil). No tax would be expected to be payable if unremitted earnings were repatriated to the ultimate parent.

The Group operates in a number of jurisdictions and its tax filings are subject to regular audit by the tax authorities. The Group's principal operations are located in Argentina, Brazil, Malaysia, Norway and the UK.

As in previous years, all benefits and expenses in relation to uncertain tax positions have been analysed in terms of quantification and risk, and we have provided for uncertain benefits and expenses where we believe it is more likely than not that they will crystallise.
The Group's accounting policy is to include interest and penalties in relation to uncertain tax positions within tax expense. Withholding taxes are expensed as and when withheld and are credited to the income statement if and when recovered. Penalties and interest on tax are classified as income tax expense.

Global Minimum Top-up Tax

In March 2022, the Organisation for Economic Co-operation and Development (OECD) issued technical guidance and overview of the potential impact of the OECD Pillar Two expansion on the financial statements in accordance with IAS 12 Income Taxes.

The expansion of Pillar Two aims to address Base Erosion and Profit Shifting (BEPS) by introducing a global minimum tax rate of 15 % and implementing tax legislation for the allocation of taxing rights.

The Group's ultimate parent is in Bermuda. In December 2023 Bermuda implemented corporate income tax, which will come to effect for fiscal years beginning on or after January 1, 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 accounting net income or loss determined in accordance with the acceptable financial accounting standard used in preparing the consolidated financial statements of the ultimate parent entity of the group or, at the election of the Bermuda constituent entity, another approved financial accounting standard. The statutory income tax rate would be 15%.

The tax legislation is effective from 1 January 2024, and therefore the Group is subject to the global minimum top-up tax under Pillar Two legislation for the fiscal year 2024.

The Group has prepared a preliminary Transitional country-by-country reporting (CbCR) Safe Harbour assessment concluding on FY2024, based on which it expects to be eligible for the Transitional CbCR Safe Harbour in the majority of jurisdictions in which the Group is present during FY2024.

The top-up tax for fiscal year 2024 amounts to USD 0.

Note 9 — Earnings Per Share

The components for the calculation of basic EPS and diluted EPS and the resulting values are as follows:

	Net gain (loss) ($ in millions)	Weighted average number of shares outstanding (million shares)	Gain (loss) per share (in $)
2023			
Basic Earnings per share from continuing operations	(28.1)	1,273.6	(0.02)
Effect of dilutive options *	–	–	–
Diluted loss per share	(28.1)	1,273.6	(0.02)

	Net gain (loss) ($ in millions)	Weighted average number of shares outstanding (million shares)	Gain (loss) per share (in $)
2024			
Basic Earnings per share from continuing operations	(25.6)	68.6	(0.37)
Effect of dilutive options *	–	–	–
Diluted loss per share	(25.6)	68.6	(0.37)

** Share-based compensation of approximately 1.5 million and 0.2 million shares were excluded from the computation of diluted earnings per share for the years ended December 31, 2023 and 2024 respectively, as the effect would have been anti-dilutive due to the net loss for the period.*

Note 10 — Inventories

Inventories

(In USD millions)	December 31, 2024	December 31, 2023
Manufactured		
Raw materials	0.6	1.5
Finished goods	21.2	23.1
Work in progress	1.2	0.1
Total manufactured	**23.0**	**24.7**
Drilling supplies	14.4	14.2
Other items and spares	38.4	36.1
Total inventories	**75.8**	**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.

Provisions for obsolescence amounting to $7.1 million (2023: $3.5 million) are included under Other items and spares.

Note 11 — Other Current Assets

Other Current Assets

(In USD millions)	December 31, 2024	December 31, 2023
Prepaid expenses	34.6	18.6
VAT and other taxes receivable	10.5	6.8
Reimbursable costs incurred	3.0	10.5
Other short-term receivables	8.9	4.5
Total other current assets	**57.0**	**40.4**

Note 12 — Investments in Associates

During 2024, we have the following participation in investments that are recorded using the equity method:

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

During the fourth quarter we acquired an additional 10% of the shares in Iceland Drilling. The acquisition gave Archer a controlling financial interest in Iceland Drilling and on the date of the acquisition, November 14, 2024 we reclassified the investment in associated company as investment in subsidiary, consolidated the entity and recognised the 40% non-controlling interest.

On September 4, 2024 we acquired the other 50% of Comtrac AS and, having obtained a controlling financial interest we have reclassified the investment as an investment in subsidiaries.

See Note 6 Business acquisition above for further details on the above two acquisitions.

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

(In USD millions)	December 31, 2024	December 31, 2023
Comtrac AS	–	2.1
Iceland Drilling	–	10.2

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

(In USD millions)	COMTRAC	ICELAND DRILLING
Carrying value of investment at December 31, 2023	2.1	10.2
Additional capital investment	0.4	–
Conversion of trading balance to long-term loan	1.3	–
Share in results of associates	(0.6)	2.7
Translation adjustments	(0.1)	(0.5)
Reclassification of investment in associate to investment in subsidiary. See Note 6 Business acquisition	(0.5)	(12.4)
Reclassification of loan to associate to loan to subsidiary	(2.6)	–
Carrying value of investment in associates at December 31, 2024	**–**	**–**

Note 13 — Property Plant and Equipment

(In USD millions)	OPERATIONAL EQUIPMENT	OTHER FIXED ASSETS	ASSETS UNDER CONSTRUCTION	TOTAL
Cost				
As of December 31, 2022	**975.8**	**36.9**	**15.1**	**1,027.8**
Net purchased additions	33.9	8.0	8.7	50.6
Recognised on business acquisitions	3.2	-	-	3.2
Costs eliminated on asset disposals	(14.6)	(0.7)	-	(15.3)
Translation adjustments	38.1	0.8	0.7	39.6
As of December 31, 2023	**1,036.4**	**45.0**	**24.5**	**1,105.9**
Net purchase additions	43.6	7.4	(1.5)	49.5
Recognised on business acquisitions	47.1	-	-	47.1
Costs eliminated on asset disposals	(4.1)	(0.0)	-	(4.1)
Translation adjustments	(27.4)	(4.4)	(1.0)	(32.8)
As of December 31, 2024	**1,095.6**	**48.0**	**22.0**	**1,165.6**

Accumulated depreciation and impairments

As of December 31, 2022	**(689.3)**	**(27.8)**	**-**	**(717.1)**
Depreciation	(47.1)	(1.6)	-	(48.7)
Impairments	(2.7)	-	-	(2.7)
Translation adjustments	9.4	0.7	-	10.1
Elimination on assets disposals	(32.6)	(1.8)	-	(34.4)
As of December 31, 2023	**(762.3)**	**(30.5)**	**-**	**(792.8)**
Deprecation	(59.2)	(2.4)	-	(61.6)
Impairments	(2.7)	-	-	(2.7)
Eliminations on assets disposals	5.1	0.0	-	5.1
Translation adjustments	25.8	3.2	-	29.0
As of December 31, 2024	**(793.3)**	**(29.7)**	**-**	**(823.0)**
Net book value December 31, 2024	**302.3**	**18.3**	**22.0**	**342.6**
Net book value December 31, 2023	**274.1**	**14.5**	**-**	**313.1**

Operational equipment includes drilling and well services equipment. Included in the cost of operational equipment is $17.1 million in respect of assets held under capital leases (2023: $22.0 million). Other fixed assets include land and buildings, office furniture and fixtures, and motor vehicles. At December 31, 2024, $17.2 million of fixed assets have been pledged in respect of finance agreements for their acquisition (2023 $15.0 million).

During 2024 we recognised total impairment losses of $2.7 million (2023: $2.7 million) relating to rigs and land drilling equipment in our South American business. The impairments were recognised as part of our annual detailed review of fixed assets and assessment of carrying values. Our impairment testing of our two modular rigs, indicated that the rigs are not impaired. We reached a similar conclusion in our testing for 2023.

The testing for impairment of our modular and land rigs, and other long-lived assets, involves significant judgement 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, discount rates applied to these cash flows and current market estimates of value. Based on the uncertainty of future revenue growth rates and other assumptions used to estimate our assets' fair value and future reductions in our expected cash flows, current market conditions worsening or persisting for an extended period of time could lead to future material non-cash impairment charges in relation to our major assets.

In reviewing our land rigs for impairment, we also rely on valuations provided by independent appraisers. The experts we use have extensive experience in the market in which our rigs are deployed and are also familiar with our assets, one of the experts has performed several valuations for us. For rigs where we have no short term future cash flows to evaluate, or where our first review of estimated future cash flows indicates a possible impairment, we use the appraiser valuations based on an orderly liquidation valuation scenario as our benchmark for fair value. In 2021, in response to the ongoing difficulties in Latin America resulting from the COVID-19 Pandemic, strike actions and government fiscal restrictions, we expanded our recognised indicators for asset impairment, which were historically the comparison of carrying values with estimated future cash flows and independent broker valuations, to include rigs which have remained idle for a period of five or more years. Please see Note 5 for further discussion on our impairment review process and the impairment charges recognised in 2024.

Note 14 — Goodwill

Goodwill represents the excess of purchase price over the fair value of tangible and identifiable intangible assets acquired, which relates primarily to intangible assets pertaining to the acquired workforce and expected future synergies. In the table below the period end balances and periodic movements have been allocated to our new reporting segments.

(In USD millions)	December 31, 2024			December 31, 2023		
	Original goodwill recognised	Accumulated Impairments	Net Value	Original goodwill recognised	Accumulated Impairments	Net Value
Value at beginning of year						
Platform Operations`	83.7	(7.4)	76.4	**84.6**	(7.6)	**77.0**
Well Services	87.4	(7.7)	79.6	**80.4**	(8.0)	**72.4**
Total	**171.1**	**(15.1)**	**156.0**	**165.0**	**(15.6)**	**149.4**
Goodwill acquired during the year						
Well Services	26.5	—	26.5	9.2	—	9.2
Land Drilling	1.7	—	1.7	—	—	—
Renewables	3.1	—	3.1	—	—	—
Total	**31.3**	**—**	**31.3**	**9.2**	**—**	**9.2**
Currency adjustments						
Platform Operations	(6.8)	0.7	(6.1)	(0.9)	0.2	(0.7)
Well Services	(8.0)	0.8	(7.2)	(2.2)	0.3	(1.9)
Land Drilling	—	—	—	—	—	—
Renewables	(0.1)	—	(0.1)	—	—	—
Total	**(14.8)**	**1.5**	**(13.3)**	**(3.1)**	**0.5**	**(2.6)**
Net book balance at end of year						
Platform Operations	76.9	(6.6)	70.3	83.7	(7.4)	76.4
Well Services	105.9	(7.0)	98.9	87.4	(7.7)	79.6
Land Drilling	1.7	—	1.7			
Renewables	3.0	—	3.0			
Total	**187.6**	**(13.6)**	**174.0**	**171.1**	**(15.1)**	**156.0**

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.

In 2023 we conducted a full qualitative review of the carrying value of our goodwill at December which involved estimating future cash flows for the relevant reporting units, and using a calculated weighted average cost of capital to discount them, in order to estimate a fair value. This was compared to carrying values of the business units. The results of our testing supported our carrying values and no impairment charges were recognised in 2023.

In 2024, we conducted an initial qualitative test. We did not detect any indicators that the carrying value of our goodwill is impaired.

The testing of the valuation of goodwill can involve significant judgement 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. Based on the uncertainty of future revenue growth rates, gross profit performance, and other assumptions used to estimate our reporting units' fair value, future reductions in our expected cash flows, should current market conditions worsen or persist for an extended period of time, could lead to a future material non-cash impairment charge in relation to our remaining goodwill.

Note 15 — Other Noncurrent Assets

Our other noncurrent assets are composed of the following:

(In USD millions)	December 31, 2024	December 31, 2023
Deferred mobilisation costs	0.7	0.9
Deferred modular rig start-up costs	3.0	5.7
Pre-paid long-term expenses	2.6	2.1
Investments in unconsolidated entities	4.4	—
Other non-current assets	2.3	2.8
Total other noncurrent assets	**13.1**	**11.6**

Note 16 — Other Current Liabilities

Our other current liabilities are comprised of the following:

(In USD millions)	December 31, 2024	December 31, 2023
Accrued restructuring costs	4.9	1.0
Accrued expenses and prepaid revenues	136.5	138.2
Taxes payable	21.6	19.3
VAT, employee and other taxes	17.4	14.1
Other current liabilities	10.3	0.3
Total other current liabilities	**190.7**	**173.0**

Note 17 — Debt

(In USD millions)	December 31, 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	207.5	(2.3)	205.2	220.0	(3.3)	216.7
Second Lien Bond	215.4	(15.0)	200.4	204.8	(21.1)	183.7
Other loans and capital lease liability	35.8	–	35.8	19.7	–	19.7
Total loans and capital lease liability	**458.7**	**(17.4)**	**441.3**	**444.5**	**(24.4)**	**420.1**
Less: current portion	(29.7)	6.4	(23.2)	(17.6)	–	(17.6)
Long-term portion of interest-bearing debt	**429.0**	**(10.9)**	**418.1**	**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 $207.5 million, split between $132.5 million under a term loan and $75 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 $207.5 million was drawn under the First Lien Facility as at December 31, 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 from December 31, 2024 to September 30, 2025 shall not exceed 4.70x; from December 31, 2025, to September 30, 2026, shall not exceed 4.6x; 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 Lien Facility 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 December 31, 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 2024, bonds with face value totaling $10.6 million were issued in settlement of PIK interest, and the total amount of bonds issued is hence $215.4 million as per December 31, 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 highest 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 December 31, 2024, the Company is compliant with all covenants under this Second Lien Bond.

In February 2025 we completed a refinancing of our First Lien Facility and Second Lien Bond, as described in Note 27 Subsequent Events

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 December 31, 2024.

We have finance arrangements relating to equipment in our Well Services and Platform Operation divisions. On December 31, 2024, the balance under these arrangements was $18.8 million. In 2024, we have acquired external finance as part of our business acquisition discussed in Note 6 Business acquisition above. At December 31, 2024 the balance of total external finance acquired was $17.0 million, the majority of which was added on the consolidation of Iceland Drilling.

Our outstanding interest-bearing debt as of December 31, 2024, is repayable as follows:

Debt amortisation

(In USD millions)	Borrowings	OTHER DEBT	TOTAL
Year ending December 31			
2025	5.0	24.7	29.7
2026	4.2	24.2	28.7
2027	3.5	384.2	388.1
2028 and thereafter	6.1	6.7	12.1
Total debt	**18.8**	**439.9**	**458.7**

In February 2025, we completed a refinancing of our debt, replacing the first and second lien facilities with a new 5 year USD 425 million senior secured bond, see Note 27 Subsequent Events

Note 18 — Lease Obligations

Finance leases

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

Assets leased under finance leases with a carrying value of $17.2 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 9 years at December 31, 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 interbank 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 twelve-month period ended December 31, 2024 was as follows;

(In USD millions)	**Year Ended December 31, 2024**
December 31, 2024	
Finance Lease costs	
Amortisation of right of use assets	4.9
Interest on lease liabilities	1.6
Operating lease costs	10.5
Short term lease costs	38.4
Total Lease costs	**55.4**
Other information	
Cash paid for amounts included in measurement lease liabilities	
Operating cash flows from finance leases	1.6
Operating cash flows from operating leases	10.5
Financing cash flows from finance leases	5.2
Right of use assets obtained in exchange for new finance lease liabilities	7.7
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	8.1%
Weighted average discount rate – operating leases	9.2%

Estimated future minimum rental payments are as follows:

(In USD millions)	**OPERATING LEASE OBLIGATIONS**
YEAR	
2025	10.5
2026	4.9
2027	2.2
2028	1.9
Thereafter	10.5
Total	**30.0**

Note 19 — Commitments and Contingencies

Purchase commitments

As of December 31, 2024, we have committed to purchase obligations including capital expenditures amounting to $30.4 million compared to $24.9 million in 2023.

Contingencies

Contingent consideration in respect of our business acquisitions is discussed in note 6 above.

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 December 31, 2024, we are not aware of any such expected loss which would be material to our financial position and results of operations. In addition, we have certain claims, disputes and pending litigation in which we do not believe a negative outcome is probable or for which the loss cannot be reasonably estimated.

Other than the above, we are not 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 20 — Share Capital

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 November 13, 2024, a special general meeting of Archer shareholders resolved that the company's authorised share capital be increased from $800,000 to $1,500,0000 divided into 150,000,000 common shares of par value $0.01 each.

During the fourth quarter of 2024, in order to finance the acquisition of Wellbore Fishing and Rental LLC, we issued 24.4 million ordinary shares at an issue price of 22.465 NOK per share, raising $50 million in gross proceeds, in a Private Placement. In addition, we issued 1.2 million shares, with a value of $2.5 million to the shareholders of Iceland Drilling in consideration of the additional 10% interest acquired in the company.

On the acquisition of 65% of Vertikal Service AS we recognised the 35% non-controlling interest at an estimated fair value of NOK 4 million, or $0.4 million. On the acquisition of control of Iceland Drilling we recognised a 40% non-controlling interest of $14.8 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 first 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 was recognised as capitalised debt fees to be amortised over the 4.25 year tenor of the bonds and reported as interest costs. As per note 27, these fees will be written off in connection with the refinancing in 2025. 2 million shares were issued to Archer's advisors in the overall Refinancing.

Share capital and authorised share capital

(In USD millions)	December 31, 2024		December 31, 2023	
	SHARES	$ MILLION	SHARES	$ MILLION
Authorized share capital	150,000,000	1.5	2,000,000,000	20.0
Issued, outstanding and fully paid share capital	90,536,134	0.9	1,624,264,969	16.2

Archer shares are traded on the Oslo Stock exchange with the ticker "ARCH"

No dividends were distributed for the financial year 2023. Under the Bermuda Companies Act, dividends cannot be paid if there are reasonable grounds for believing that (a) The company is, or would after the payment be, unable to pay its liabilities as they become due; or (b) The realisable value of the company's assets would thereby be less than its liabilities. The Company has not declared dividend since its inception, and there are restrictions in the financing arrangement related to dividend distribution to the shareholders.

The amount and timing of any distributions to our shareholders in the future will depend, among other things, on our compliance with covenants in our credit facilities, earnings, financial condition, liquidity position, Bermuda law affecting the dividend distributions, restrictions in our financing agreements and other factors. In addition, the declaration and payment of dividend distributions is subject at all times to the discretion of our Board.

Some jurisdictions in which we operate impose restrictions on dividend payments from subsidiaries to holding companies.

Note 21 — Audit fees

Total auditors' remuneration to PricewaterhouseCoopers was an audit fee of $0.8 million for the year ended December 31, 2024 and $0.7 million for the year ended December 31, 2023. Archer Ltd ($0.2 million) received the main amount of cost, in addition to Archer (UK) Ltd ($0.1 million) and Archer Norge AS ($0.1 million). The compensation to the auditor is paid in GBP, NOK and USD. The USD figure is not totally comparable year-on-year.

(In USD millions)	2024
Legally required audit	0.7
Attestation services	0.1
Other services	0.0
Total audit fee	**0.8**

Note 22 — Long term incentive plans

Restricted Stock units

The Board has from time to time granted restricted stock units, or RSUs, to members of Archer's management team. The RSUs typically vest over three to four years after the grant date. Following the share consolidation, as outlined in Note 20 Share Capital, the number of RSUs outstanding was reduced by a factor of 25:1, whereas 25 RSUs where converted to 1 RSUs. As of December 31, 2024 a total of 272,928 RSUs was outstanding.

RSU awards do not receive dividends or carry voting rights during the performance period. The fair value of the restricted stock award is the quoted market price of Archer's stock on the date of grant.

The following table summarises information about all restricted stock transactions:

Restricted stock units transactions

	2024		2023	
	RSUs	Weighted average grant date fair value NOK	RSUs	Weighted average grant date fair value NOK
Unvested at beginning of year	10,264,800	1.07	548,330	3.92
Granted			10,234,800	
Modification of RSUs	(9,854,208)			
Vested/released	(124,064)		(482,130)	
Forfeited	(13,600)		(36,200)	
Unvested at end of year	**272,928**	**25.98**	**10,264,800**	**1.07**

Accounting for share-based compensation

The fair value of the share options and RSUs granted is recognised as personnel expenses. During 2024, $0.4 million has been expensed in our Statement of Operations ($0.2 million in 2023).

As of December 31, 2024, total unrecognised compensation costs related to all unvested share-based awards totalled NOK 3.5 million ($0.3 million).

Note 23 — Pension Benefits

Defined Contributions Plans

We contribute to a private defined contribution pension plan for our UK onshore workforce. Eligible employees may contribute a minimum of 4% of their salary to the scheme, and we contribute between 5% and 7.5% to participants' plans. In 2024 we contributed $5.8 million (2023: $4.5 million) to the plan.

In Norway we also have a defined contribution pension plan both for our Norwegian onshore workforce in addition to our employees working offshore on the Norwegian continental shelf from 2019. For onshore employees we contribute 5.5% of salary up to 7.1 G, and 10.5% of salary between 7.1 G and 12 G. For offshore employees we contribute 4% of salary up to 7.1 G and 15% of salary between 7.1 and 12 G. (G represents basic amount used in the Norwegian National Insurance scheme, and for 2024 is equivalent to NOK 124,028,(approximately $10,930). In 2024 we contributed $10.1 million (2023 $10.1) to the plan in Norway. $11,200).

In addition, for 2024, we have reported $0.5 million of contributions paid into pension schemes by entities acquired during the year.

Note 24 — Related Party Transactions

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

Transactions with Hemen Holding Ltd. ("Hemen"):
Hemen owns 20.2% of the shares in Archer at December 31, 2024 (2023: 20.5%). In the Private Placement described in note 20 above, Hemen subscribed for, and was allotted, 20.5% of the shares, amounting to the NOK equivalent of USD 10.2 million.

Transactions with Paratus JU Newco Bermuda Limited ("Paratus"):
Paratus owns 23.8% of the shares in Archer at December 31, 2024 (2023: 24.2%). In the Private Placement described in note 20 above,, Paratus subscribed for, and was allotted, 24.2% of the shares amounting to the NOK equivalent of USD 12.1 million.

Transactions with Seatankers Management Company Limited ("Seatankers");

Seatankers is a related party, being a company in which Archer's second largest shareholder Hemen Holding Ltd has significant direct and indirect interests. Seatankers provides support and administrative services to us, and we have recorded fees of $0.3 million for these services during 2024. These expenses are included in General and administrative expenses in the Consolidated statement of operations. At December 31, 2024 we owed $0.1 million to Seatankers in respect of services provided.

Note 25 — Reporting and Geographical Segment Information

Until the fourth quarter of 2024 we presented our business under three reporting segments based on services supplied;

- Platform Operations
- Well Services
- Land Drilling

During 2024 we completed several business acquisition pursuant to our energy transition strategy, the last being the additional investment in Iceland Drilling in November 2024. We have grouped our newly acquired businesses of:

- Vertikal Service AS
- Archer Wind AS, and
- Iceland Drilling Company Ltd.

into a separate operating and reporting segment, under the heading Renewables. We see the Renewables segment as an important separate strategic element of our business, and we expect to expand this segment.

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)	Year Ended December 31	
	2024	**2023**
Revenues from external customers	-	-
Platform Operations	575.6	539.8
Renewables	16.4	-
Well Services	332.9	302.8
Land Drilling	375.8	326.7
Total revenue	**1,300.7**	**1,169.3**
Depreciation and amortisation		
Platform Operations	19.1	13.0
Renewables	1.7	-
Well Services	16.3	12.6
Land Drilling	24.5	24.2
Total depreciation and amortisation	**61.6**	**49.8**
Operating income/net income		
Platform Operations	37.2	37.7
Renewables	(0.5)	-
Well Services	36.1	34.6
Land Drilling	8.6	1.3
Overhead and corporate cost	(10.1)	(8.9)
Stock compensation cost	-	-
Total operating income / (loss)	**71.3**	**64.8**
Total financial items	(84.2)	(86.7)
Gain on equity investment	2.4	(0.3)
Results attributable due to non-controlling interest	(0.4)	-
Income taxes	(14.6)	(5.9)
Net income	**(25.6)**	**(28.1)**
Capital Expenditures		
Platform Operations	15.4	4.9
Renewables	1.9	-
Well Services	17.3	20.0
Shared assets*	7.7	7.9
Total Excluding Land Drilling	42.2	32.8
Land Drilling	19.9	19.8
Total	**62.2**	**52.6**

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

Goodwill

(In USD millions)	Land Drilling	Platform Operations	Well Services	Renewables	Total
Balance at December 31, 2023	**–**	**76.4**	**79.6**	**–**	**156.0**
Acquired goodwill in relation to the acquisition of Vertikal Service AS	–	–	–	3.1	3.1
Acquired goodwill in relation to the acquisition of ADA Argentina SRL	1.7	–	–	–	1.7
Acquired goodwill in relation to the acquisition of Wellbore Fishing and Rental LLC	–	–	26.5	–	26.5
Translation adjustments	–	(6.1)	(7.2)		(13.3)
Balance at December 31, 2024	**1.7**	**70.3**	**98.96**	**3.1**	**174.0**

Total assets

(In USD millions)	December 31, 2024	December 31, 2023
Platform Operations	166.3	190.7
Well Services	327.8	301.8
Shared assets*	134.6	113.1
Renewables	64.6	
Investment in Iceland Drilling	-	10.2
Land Drilling	304.3	285.5
Corporate	3.1	4.3
Total	**1,000.8**	**905.7**

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

Revenue by country

(In USD millions)	2024	2023
Norway	588.2	593.0
Argentina	369.7	323.7
United Kingdom	175.5	123.2
Other	167,3	129.4
Total	**1.300.7**	**1,169.3**

Property plant and equipment

(In USD millions)	December 31, 2024	December 31, 2023
United States	8.2	1.2
Latin America	173.4	176.3
Iceland	34.5	–
Norway	71.0	74.5
United Kingdom	51.4	59.1
Other	4.3	1.9
Total	**342.6**	**313.1**

Note 26 — Risk Management and Financial Instruments

Our reporting currency is US Dollars. We have operations and assets in a number of countries worldwide, and receive revenues and incur expenditures in other currencies, causing our results from operations to be affected by fluctuations in currency exchange rates, primarily related to Argentine pesos, Norwegian kroner and British pounds. In particular, the Argentine economy has been challenged by a combination of high inflation and continued depreciation of the Argentine pesos, which impact our US dollar reported financial data. We are also exposed to changes in interest rates on variable interest rate debt, and to the impact of changes in currency exchange rates on debt denominated in currencies other than US Dollar. There is thus a currency risk and interest rate risk, which could have a negative effect on our cash flows as well as our reported financials.

Interest rate risk management

As per December 31, 2024 the interest on our debt was primarily linked to floating interest rates. Following the refinancing, as described in Note 27 Subsequent Events, our interest rate on the majority of our debt is fixed as bond carries a fixed coupon of 9.5%.

We have from time to time, enter into interest rate swaps or caps in order to manage floating interest rates on debt, but neither as per 31.12.2023 nor as per 31.12.2024 did we have any such agreements outstanding.

Foreign currency risk management

We are exposed to foreign currency exchange movements in both transactions that are denominated in currency other than USD, and in translating consolidated subsidiaries who do not have a functional currency of USD. Transaction losses are recognised in "Other financial items" on our Consolidated Statement of Operations in the period to which they relate. Translation differences are recognised as a component of equity. The total transaction loss relating to foreign exchange recognised in the Consolidated Statement of Operations in 2024 amounted to $20.9 million (2023: $19.0 million).

Credit risk management

We have financial assets, including cash and cash equivalents, trade receivables and We have financial assets, including cash and cash equivalents, trade receivables and other receivables. These assets expose us to credit risk arising from possible default by the counterparty. We consider the counterparties to be creditworthy financial institutions and do not expect any significant loss to result from non-performance by such counterparties. In the normal course of business, we do not demand collateral.

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

Carrying value of financial instruments

(In USD millions)	December 31, 2024		December 31, 2023	
	FAIR VALUE	CARRYING VALUE	FAIR VALUE	CARRYING VALUE
Non-derivatives				
Cash and cash equivalents	76.7	76.7	52.1	52.1
Restricted cash	3.8	3.8	3.5	3.5
Accounts receivable	187.8	187.8	183.8	183.8
Accounts payable	(112.2)	(112.2)	(75.5)	(75.5)
Current portion of interest-bearing debt	(29.7)	(29.7)	(17.6)	(17.6)
Current portion of operating lease liability	(10.9)	(10.9)	(11.4)	(11.4)
Long-term interest-bearing debt	(213.6)	(213.6)	(222.1)	(222.1)
Second Lien Bond	(228.8)	(215.4)	(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)	December 31, 2024	Fair Value Measurements at Reporting Date Using		
	FAIR VALUE	LEVEL 1	LEVEL 2	LEVEL 3
Assets:				
Cash and cash equivalents	76.7	76.7	–	–
Restricted cash	3.8	3.8	–	–
Accounts receivable	187.8	–	187.8	–
Liabilities:				
Accounts payable	(112.2)	–	(112.2)	–
Current portion of interest-bearing debt	(29.7)	–	(29.7)	–
Current portion of operating lease liability	(10.9)	–	(10.9)	–
Long-term, interest bearing debt	(213.6)	–	(213.6)	–
Second Lien Bond	(228.8)	(228.8)	–	–
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.

Retained risk

We retain the risk, through self-insurance, for deductibles relating to physical damage insurance on our capital equipment. In the opinion of management, adequate provisions have been made in relation to such exposures, based on known and estimated losses.

Concentration of risk

The following table summarises revenues from our major customers as a percentage of total revenues from continuing operations (revenues in excess of 10 percent for the period):

Share of revenue by customer

CUSTOMER	2024	2023
Equinor	39.1%	45.3%
Pan-American Energy	19.1%	18.0%
Customer <10%	41.8%	36.7%
Total	**100%**	**100%**

Note 27 — Subsequent Events

Refinancing

On February 6, 2025 Archer announced the placement of new 5 year USD 425 million senior secured bonds, carrying a coupon of 9.5%. The new bonds were issued on February 24th. The proceeds from the bonds issuance were applied towards the full repayment of the First Lien Facility and the Second Lien Bond described in Note 17 Debt Following these repayments, the unamortised debt issuance costs relating to these facilities will be expensed and result in a non-cash financial cost of $17.4 million in the first quarter of 2025.

In connection with the bonds issuance, Archer established a $75 million revolving credit facility, ranking super senior to the bonds.

Contract awards

On February 26, 2025, Archer announced that its subsidiary Wellbore Fishing & Rental Tools LLC, had been awarded a frame agreement for the provision of Fishing and Thru Tubing Fishing for a major deepwater operator in the US Gulf of America.

On February 28, 2025, Archer announced that Equinor has awarded the company the planning work for the permanent plug and abandonment (P&A) of the Snorre UPA and Heidrun B&C templates.

On April 28, 2025, Archer announced renewal of a contract with Pan American Energy in the south of Argentina, with reduced activity in this region.

Trade disruption

On April 2, 2025, USA announced tariffs on trade, escalating tensions and increasing uncertainty in global markets. Pursuantly, the implementation of certain of the tariffs has been postponed, while tariffs to some countries has been retaliated with similar tariffs, leading to escalation. As the company sees it, the direct impact from these trade disruptions is expected to be modest. Should however the trade disruption lead to reduced economic growth and deterioration of the energy prices over time, it could impact the activity level for Archer.

To the General Meeting of Archer Limited

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Archer Limited and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2024, the statements of operations, statement of comprehensive loss, statement of cash flows and statement of changes in shareholders' equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the consolidated financial statements comply with applicable statutory requirements, and the financial statements give a fair presentation of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America (USGAAP)

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Archer Limited for 5 years from the election by the general meeting of the shareholders on 26 May 2021 for the accounting year 2020.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Several business combinations was carried out during the year.. *Accounting for Business Combination* relies on subjective judgements that have a significant impact on the financial statements and has therefore been a focus area in this year's audit. *Valuation of modular and land-based drilling rigs* and *Valuation of Goodwill* carry the same characteristics and risks this year as the previous year and consequently have been areas of focus also for the 2024 audit.

Key Audit Matters	How our audit addressed the Key Audit Matter
Valuation of modular and land-based drilling rigs	
The value of the Group's land-based and modular drilling rigs is material to the financial statements and constitutes a major part of the carrying values of property plant and equipment of USD 342,6 million as at 31 December 2024. Management identified indicators of impairment and consequently assessed the carrying values of the drilling rigs for impairment. Management assessed and compared the sum of the undiscounted cash flows that the assets are expected to generate, including any estimated disposal proceeds, to the carrying values. Where the undiscounted cash flow for a rig was less than its carrying value, management adjusted the carrying value, by recording an impairment to its estimated recoverable value. Based on management's impairment assessment, an impairment of USD 2,7 million was recorded in 2024 related to idle land-based drilling rigs. We focused on this area due to the significant carrying value of the rigs and the judgment inherent in the impairment assessment. Management explains their impairment process and assumptions in notes 5 and 13 to the financial statements.	We evaluated and challenged management's assessment of indicators of impairment and the process by which this was performed. We assessed management's accounting policy against US GAAP requirements and obtained explanations from management as to how the specific requirements of the standards, in particular ASC 360, were met. We also assessed the consistency year-on-year of the application of the accounting policy. Management considered each rig to be a cash generating unit («CGU») in their assessment of impairment indicators. We found the level of CGU appropriate and consequently assessed impairment indicators on the same basis. We tested significant assumptions used by management in their forecast of future cash flows. In particular, we traced input data to actual contracts and considered whether key assumptions, such as estimated utilisation rates and day rates, were consistent with historical performance, expected market rates and our knowledge of the industry. We also performed a sensitivity analysis on the assumptions made by management, using various scenarios. To assess management's estimate of the fair value of the land-based rigs, we considered evidence obtained from an external valuation firm. We also assessed the objectivity and competence of the firm to provide reliable estimates. We also assessed and found that the external valuation firm was provided with relevant facts to determine such an estimate, by testing key inputs. Further, we assessed and found that management sufficiently understood the valuation from the external valuation firm, including the methodology used in arriving at the valuation. From the evidence obtained we found the assumptions and methodology used to be appropriate. We read the information provided in the notes and found it to be in accordance with the financial reporting requirements.

Valuation of goodwill

The value of the Group's goodwill is material to the financial statements and constitute approximately 1/6 of the values in the balance sheet.

The Group is required to perform impairment assessments of goodwill at least annually. Management has conducted a qualitative assessment for 2024 and concluded that goodwill was not impaired at the balance sheet date.

We focused on this area due to the significant carrying value of goodwill and the judgment inherent in the impairment review.

Management explains their impairment process and assumptions in note 14 to the financial statements.

We obtained and considered management's written assessment supporting the carrying value of goodwill on 31 December 2024.

We evaluated management's impairment assessment and the process by which this was performed.

We assessed management's accounting policy against US GAAP requirements and obtained explanations from management as to how the specific requirements of the standards were met.

To assess management's qualitative impairment assessment, we calculated the market capitalization based on the quoted share price at year end and considered data on market control premium.

No matters of consequence arose from the procedures above.

We read the information provided in the notes and assessed this to be in accordance with the financial reporting requirements.

Accounting for Business Combinations

In 2024, Archer Limited has made several business combinations, of which the acquisition of Wellbore Fishing & Rental Tools was the most significant.

For each business combination, management has prepared a purchase price analysis, where the assets and liabilities of the acquired company were measured at fair value at the acquisition date. The difference between net assets and the consideration was recorded as goodwill.

Valuation of assets and liabilities in the purchase price analysis required subjective assessments that have a significant impact on the Group's assets, liabilities, and future earnings. A business combination can be complex, and the reporting of the transaction depends on both the structure of the acquisition agreement and management's exercise of judgment. Therefore, the accounting for the business combinations has been a key focus area in this year's audit.

In note 6, management describes the accounting treatment of the business combination and the recognition of goodwill.

We obtained and reviewed the acquisition agreements, assessed the terms, and held discussions with management to understand the details of the transactions. We reconciled key elements of the transactions against the underlying agreement.

We reviewed the purchase price analysis and challenged management on how assets were identified and valued for the allocation of the purchase price, including the calculation of goodwill.

We found that the purchase price analysis used recognized methods and that the estimated values were based on appropriate data and reasonable assumptions.

We read note 6 and found that the information regarding the business combinations was in accordance with the financial reporting requirements.

Other Information

The Board of Directors (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Directors' report applies correspondingly to the statement on Corporate Governance.

Our opinion on whether the Board of Directors' report contains the information required by applicable statutory requirements, does not cover the Sustainability Statement, on which a separate assurance report is issued.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a fair presentation in accordance with the accounting principles generally accepted in the United States of America, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless liquidation of the Group becomes imminent.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast substantial doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Archer Limited , we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name archerlimited-2024-12-31-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Group's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Stavanger, 30 April 2025
PricewaterhouseCoopers AS

Gunnar Slettebø
State Authorised Public Accountant

To the General Meeting of Archer Limited

Independent Sustainability Auditor's Limited Assurance Report

Limited Assurance Conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of Archer Limited (the «Company») included in the Sustainability Statement of the Board of Directors' report (the «Sustainability Statement»), as at 31 December 2024 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the Sustainability Statement (the «Process») is in accordance with the description set out in section IRO-1 Description of the process to identify and assess material impacts, risks and opportunities within the General chapter; and
- compliance of the disclosures in section Taxonomy and section Taxonomy activity of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the «Taxonomy Regulation»).

Basis for Conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information («ISAE 3000 (Revised)»), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the *Sustainability Auditor's Responsibilities* section of our report.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements as required by relevant laws and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other Matter

The comparative information included in the Sustainability Statement was not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.

Responsibilities for the Sustainability Statement

The Board of Directors and the Managing Director (Management) are responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this Process in section IRO-1 Description of the process to identify and assess material impacts, risks and opportunities within the General Information of the Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability Statement, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the ESRS;
- preparing the disclosures in section Taxonomy and section Taxonomy activity of the Sustainability Statement, in compliance with the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that Management determines is necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the Sustainability Statement

In reporting forward-looking information in accordance with ESRS, Management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Sustainability Auditor's Responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

- Designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process set out in section IRO-1 Description of the process to identify and assess material impacts, risks and opportunities within the General Information.

Our other responsibilities in respect of the Sustainability Statement include:

- Identifying where material misstatements are likely to arise, whether due to fraud or error; and

- Designing and performing procedures responsive to where material misstatements are likely to arise in the Sustainability Statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
    - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
    - reviewing the Company's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Company was consistent with the description of the Process set out in section IRO-1 Description of the process to identify and assess material impacts, risks and opportunities within the General Information.

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement by:
    - Obtaining an understanding of the Group's control environment, processes and information system relevant to the preparation of the Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control; and
    - Obtaining an understanding of the Group's risk assessment process;
- Evaluated whether the information identified by the Process is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;

- Performed inquiries of relevant personnel on selected information in the Sustainability Statement;
- Performed substantive assurance procedures on selected information in the Sustainability Statement;
- Where applicable, compared disclosures in the Sustainability Statement with the corresponding disclosures in the financial statements and other sections of the Board of Directors' report;
- Evaluated the methods, assumptions and data for developing estimates and forward-looking information;
- Obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement;
- Evaluated whether information about the identified taxonomy-eligible and taxonomy-aligned economic activities is included in the Sustainability Statement; and
- Performed inquiries of relevant personnel and substantive procedures on selected taxonomy disclosures included in the Sustainability Statement.

Stavanger, 30 April 2025
PricewaterhouseCoopers AS

Gunnar Slettebø
State Authorised Public Accountant – Sustainability Auditor

Archer Limited and subsidiaries
Appendix 1 – Corporate Governance

A Corporate Governance

As used herein, unless otherwise required by the context, the terms “Archer”, “Company”, “we”, “our” and “us” refer to Archer Limited and its consolidated subsidiaries. The Norwegian Code of Practice for Corporate Governance, as in force 1 October 2021 (the “Code”) applies to us to the extent that the provisions of this Code do not conflict with the legislation of our national jurisdiction. The Code is a “comply or explain” guideline, and we generally aim at complying with the recommendations of the Code. However, we will, to some extent, deviate from certain recommendations of the Code, partly due to different practice and principles under which Bermuda companies operate. The status of noncompliance and the explanations therefore is set out below.

The Code is available in its entirety at the Oslo Stock Exchange website (www.euronext.com/nb/markets/oslo) and the website of The Norwegian Corporate Governance Board (www.nues.no).

Section 1 Implementation and reporting on corporate governance

Archer Limited is a limited liability company registered in Bermuda and listed on the Oslo Stock Exchange (Oslo Børs). The foundation for Archer’s governance structure is Bermuda law as well as regulations for foreign companies listed on the Oslo Stock Exchange. In line with the directions given by the Board of Directors of Archer Limited, (the “Board”), Archer conducts its business on the basis of three fundamental values:

Safety: We are committed to protecting the environment, and the health and safety of our employees, customers and communities.

Integrity: We are committed to maintaining an environment of trust, ethical behaviour and respect for each other.

Performance: We are committed to meeting our customers’ expectations, pursue leading performance and continuous improvement.

The Board reviews Archer’s performance for all the values mentioned above and where applicable compares the key performance indicators against the plan regularly. With regard to integrity, Archer has implemented a Code of Conduct, which is available on our website (www.archerwell.com). It is Archer’s policy that employees who become aware of a possible violation of the Company’s policies must report the violation. This includes the Code of Conduct, or other policies, manuals, or guides distributed by the Company in addition to all applicable laws. On a quarterly basis the Audit Committee reviews reported potential violations of the Company’s Code of Conduct and discusses required actions, if any.

The Board has defined clear objectives, strategies, and risk profiles for our business activities and integrates considerations related to our stakeholders to create value and deliver results. The Board evaluates these objectives, strategies, and risk profiles at regular intervals.

The Board has reviewed the overall performance of the Company compared to its values and its corporate governance for the financial year 2024 in line with the Code and confirms it is in compliance with the Code, except where highlighted and described below:

Section 2 Business

In accordance with normal practice for Bermuda companies, our by-laws do not include a specific description of our business. According to Archer’s memorandum of association, no restrictions apply as to the purpose of the Company and the reasons for its incorporation. As a Bermuda incorporated company, we have chosen to establish the constitutional framework in compliance with the normal practice of Bermuda and accordingly deviate from section 2 of the Code.

The Company sustainability statement is prepared in accordance with the EU`s Corporate sustainability, Reporting Directive(CSRD) and is included as part of the annual report. Our annual statement outlines our activities, performance, and strategy in relation to the environment, social issues, working environment, equality and nondiscrimination, human rights, and anti-corruption.

Section 3 Equity and dividends

In accordance with Bermuda law, the Board is authorised to repurchase treasury shares, and to issue any unissued shares within the limits of the authorised share capital. These authorities are neither limited to specific purposes nor to a specific period as recommended in section 3 of the Code. While we aim at providing competitive long-term return on the investments of our shareholders, we do not currently have a formal dividend policy.

The Board ensures that the Company has a capital structure that is appropriate to the Company’s objective, strategy, and risk profile.

Section 4 Equal treatment of shareholders

In accordance with the company laws of Bermuda, the shareholders can resolve an amount of authorised capital within which the Board may decide to increase the issued capital at its discretion without further shareholder approval. There is no legal framework providing for specific time-limited or purpose-limited authorizations to increase the share capital. The Board will propose to the shareholders that they consider and, if necessary, resolve to increase the authorised capital of the Company that will allow the Board some flexibility to increase the number of issued shares without further shareholder approval. As such, we may deviate from the Code's recommendation in section 4. Any increase of the authorised capital is, however, subject to approval by the shareholders by 2/3 majority of the votes cast. Neither our by-laws nor Bermuda company laws include regulation of pre-emptive rights for shareholders in connection with share capital increases. Our by-laws provide for the Board in its sole discretion to direct a share issue to existing shareholders at par value or at a premium price. We are subject to the general principle of equal treatment of shareholders under the Norwegian Securities Trading Act section 5-14. The Board will, in connection with any future share issues, on a case-by-case basis, evaluate whether a deviation from the principle of equal treatment is justified.

Section 5 Shares and negotiability

We do not limit any party's ability to own, trade or vote for shares in the Company. As such, we are in compliance with Section 5 of the Code.

Section 6 General meetings

As a Bermuda registered company, the general meetings of the Company can be conducted through proxy voting. The VPS registered shareholders are holders of interests in the shares and thus represented by the VPS Registrar in the general meetings and not through their own physical presence. This is in line with the general practice of other non-Norwegian companies listed on Oslo Børs. We believe we comply in all other respects with the recommendations for general meetings as set out in the Code.

Section 7 Nomination committee

We have not established a nomination committee as recommended by the Code section 7 and our bye-laws do not include the requirement for one. In lieu of a nomination committee comprised of independent directors, the Board is responsible for identifying and recommending potential candidates to become Board members and recommending directors for appointment to board committees.

Section 8 Board of directors: composition and independence

The Chairman of our Board is elected by the Board and not by the shareholders as recommended in the Code. We are not in compliance with the requirement to have female directors on our Board.

Section 9 The work of the board of directors

The Board sets an annual plan for the upcoming year in December which includes a review of strategy, objectives and their implementation, the review and approval of the annual budget and review and monitoring of our current year financial performance. The Board meets at least four times a year, with further meetings held as required to react to operational or strategic changes in the market and Company circumstances. The Board receives frequent and relevant information to carry out its duties. It has delegated authority to the Company's executive management by the means of a delegation of authority matrix.

The Board has established an Audit Committee, which has a formal charter and terms of reference approved by the Board. The Audit Committee is responsible for ensuring Archer has an independent and effective external audit system. The Audit Committee supports the Board in the administration and exercise of its responsibility for supervisory oversight of financial reporting , sustainability-related matters in external reporting, including discussions on Archer's CSRD double materiality assessment and internal control matters and to maintain appropriate relationships with our auditors. Appointment of the auditor for audit services is approved at our annual general meeting and the Board is given authority to approve the fees to be paid to the auditor. Our auditor meets with the Audit Committee annually regarding the preparation of the annual financial statements and also to present their report on the internal control procedures. The Audit Committee holds separate discussions with our external auditor on a quarterly basis without the presence of executive management. The scope, resources, and the level of fees proposed by the external auditor in relation to our audit are approved by the Audit Committee.

The Board ensures through an internal check that members of the Board and executive personnel advise the Company of any material interests that they may have in items to be considered by the Board.

The Board and executive management will consider and determine on a case-by-case basis whether independent third-party evaluations are required if entering into agreements with related parties in accordance with the Code section 9. The Board may decide, however, due to the specific agreement or transaction, to deviate from this recommendation if the interests of the shareholders in general are believed to be maintained in a satisfactory manner through other measures.

Other than related party transactions disclosed in note 24, the Company did not enter into any transactions with its shareholders or closely associated entities.

Section 10 Risk management and internal control

The Board ensures that Archer follows guidelines to minimise the overall risk to the Company and its shareholders and implements and complies with an adequate internal control framework. Archer's system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement or loss.

We have implemented clear lines of responsibility and limits of delegated authority. Comprehensive procedures provide for the appraisal, approval, control and review of expenditures. The senior management team meets with its geographic and divisional leadership on a regular basis to discuss particular issues affecting each region and business unit, including their key risks, health and safety statistics and legal and financial matters. We have also implemented a process to assess the Company's projected financing needs and compliance with covenants under its financing arrangements. The results are presented to and discussed with the Board on a regular basis, so adequate corrective measures can be taken if and when necessary.

Integrity is a core value and high ethical standards are paramount to achieve our business objectives. Our Code of Conduct describes Archer's commitment to ethics for both personal and business matters. We comply with applicable laws and regulations and act in an ethical and socially responsible manner. Our Code of Conduct applies to everyone working for Archer, including the members of the Board. The Code of Conduct is available at www.archerwell.com. Archer has implemented a dedicated ethics helpline that can be used by any person who wishes to express concerns or seek advice regarding the legal and ethical conduct of our business.

We comply with the Code related to this section.

Section 11 Remuneration of the board of directors

There is no obligation to present the guidelines for remuneration of the Board of Directors to the shareholders of a Bermuda incorporated company. We will provide information to our shareholders regarding remuneration of the Board in compliance with the United States generally accepted accounting principles ("US GAAP") but will not implement procedures that are not generally applied under Bermuda law. We therefore deviate from this part of section 11 of the Code. There are no service contracts between the Company and any of our directors providing for benefits upon termination of their service.

Section 12 Salary and other remuneration for executive personnel

There is no obligation to present the guidelines for remuneration of the executive management to the shareholders of a Bermuda incorporated company. We provide information to our shareholders regarding remuneration of the executive management in compliance with US GAAP, but will not implement procedures that are not generally applied under Bermuda law. In the view of the Company there is sufficient transparency and simplicity in the remuneration structure, and information provided through the annual report and financial statements are sufficient to keep shareholders adequately informed. We therefore deviate from this part of section 12 of the Code.

Section 13 Information and communications

The Board has established guidelines requiring interim financial reporting on a quarterly basis according to a financial calendar that is publicly available. We hold a quarterly financial results conference call, which is accessible to all participants in the securities market. Timing and venue for such events are announced through public press releases. For specific events the Board requests that the Company hold investor meetings allowing for more detailed information. The information shared in such meetings is published on our website.

Section 14 Take-overs

The Board of Directors has adopted all recommendations in the Code related to takeovers, which requires that all shareholders are given sufficient information and time to form an independent view of a potential takeover offer.

We comply with the Code related to this section.

Section 15 Auditor

The Board's Audit Committee is responsible for ensuring that the Group is subject to an independent and effective audit. Our independent registered public accounting firm (independent auditor) is independent in relation to Archer and is appointed by the general meeting of shareholders. The independent auditor's fee must be approved by the general meeting of shareholders.

The Audit Committee is approved by the Board and is responsible for ensuring that the Company is subject to an independent and effective external audit. On an annual basis the independent auditor presents a plan to the Audit Committee for the execution of the independent auditor's work.

The independent auditor participates in all meetings of the Audit Committee which concern financial statement filings, and participates in reviewing the Company's internal control procedures, including identified weaknesses and proposals for improvement.

When evaluating the independent auditor, emphasis is placed on the firm's competence, capacity, local and international availability, and the size of its fee. The Audit Committee evaluates and makes a recommendation to the Board, the corporate assembly, and the general meeting of shareholders regarding the choice of independent auditor, and it is responsible for ensuring that the independent auditor meets the requirements in Norway.

The Audit Committee considers all reports from the independent auditor before they are considered by the Board. The Audit Committee holds regular meetings with the independent auditor without the Company's management being present.

We comply with the Code related to this section.

Norwegian Accounting Act Section 3-3 b
In addition to the Norwegian Code of Practice for Corporate Governance, the Norwegian Accounting Act has set out additional requirements for corporate governance. We have established a set of guidelines related to internal control and corporate governance.

Risk Oversight
It is management's responsibility to manage risk and bring our most material risks to the attention of the Board. The Board has delegated to the Audit Committee the responsibility to discuss with management our major financial risk exposures and the steps management has taken to monitor and control those exposures, including our risk assessment and risk management. The Audit Committee reports as appropriate to the full Board. Each operational division head is responsible to report risks related to each segment to the Chief Executive Officer, who in turn reports to the Board.

Internal control
Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of our financial statements for external purposes in accordance with US GAAP. Our control environment is the foundation for our system of internal control over financial reporting and is an integral part of our Code of Conduct and Business Ethics for the Chief Executive Officer, Chief Financial Officer, and Chief Accounting Officer, which sets the tone of our Company. Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of our financial statements in accordance with US GAAP, and that receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Audit committee
The Audit Committee currently consists of Directors James O'Shaughnessy and Richard Stables. The Audit Committee assists our Board in fulfilling its oversight responsibility by overseeing and evaluating (i) the conduct of our accounting and financial reporting process and the integrity of our financial statements; (ii) the functioning of our systems of internal accounting and financial controls; (iii) the performance of our internal audit function and (iv) the engagement, compensation, performance, qualifications and independence of our independent auditors.

The independent auditors have unrestricted access and report directly to the Audit Committee. The Audit Committee meets privately with, and has unrestricted access to, the independent auditors and all of our personnel.

Compensation committee
The Compensation Committee currently consists of the Directors Peter J. Sharpe and Jan Erik Klepsland. The Compensation Committee formulates and oversees the execution of our compensation strategies, including making recommendations with respect to compensation arrangements for senior management, directors and other key employees. The Compensation Committee also administers our stock compensation plans.

Communications with the Board
Shareholders and other interested parties wishing to communicate with the Board or any individual director, including the Chairman, should send any communication to the Corporate Secretary, Archer Limited, Par-la-Ville Place 14 Par-la-Ville Road, Hamilton HM 08, Bermuda. Any such communication must state the number of shares beneficially owned by the shareholder making the communication. The Corporate Secretary will forward such communication to the director or directors to whom the communication is directed, unless the Corporate Secretary determines that the communication does not relate to the business or affairs of the Company or the functioning or constitution of the Board or any of its committees, or it relates to routine or insignificant matters that do not warrant the attention of the Board, or is an advertisement or other commercial solicitation or communication, or is frivolous or offensive, or is otherwise not appropriate for delivery to directors.

Communication from the company
Information of relevance to our share price is communicated through our website and includes information relating to results and economic development. Our policy is to comply with all applicable standards aimed at securing a good information flow.

We publish annual and quarterly reports, as well as our annual ESG report, on our website. We acknowledge the importance of providing shareholders, and the equity market in general, with correct and relevant information about us and our activities.

Other than the items mentioned above, we have not established any further guidelines regulating the work of the Board and its committees.

Archer Limited and subsidiaries
Appendix 2 – Material Subsidiaries

Archer group companies and ownership interests

Company	Country of Incorporation	Direct and indirect shareholding and voting rights
DLS Ada S.A.	ARGENTINA	100%
DLS-Archer Ltd. S.A.	ARGENTINA	100%
DLS Argentina Ltd. Argentina (Branch)	ARGENTINA	100%
DLA Argentina Fluidos S.A.	ARGENTINA	100%
Archer Well Company (Australia) Pty Ltd	AUSTRALIA	100%
Archer Well Company International Azerbaijan (Branch)	AZERBAIJAN	100%
Archer (UK) Ltd (Branch)	AZERBAIJAN	100%
Archer Emerald (Bermuda) Limited	BERMUDA	100%
Archer Topaz Limited	BERMUDA	100%
Archer DLS Corporation Bolivia (Branch)	BOLIVIA	100%
Archer do Brasil Ltda	BRAZIL	100%
Archer DLS Corporation	BVI	100%
DLS Argentina Limited	BVI	100%
DLS Argentina Holding Ltd	BVI	100%
Archer BCH (Canada) Ltd	CANADA	100%
Archer BCH (Canada) Branch	GUYANA	100%
Archer Oil Tools AS Congo (Branch)	CONGO	100%
Archer Offshore Denmark AS	DENMARK	100%
Archer (UK) Limited France (Branch)	FRANCE	100%
Archer Services Limited	HONG KONG	100%
Jarðboranir hf.("Iceland Drilling")*	ICELAND	60%
PT Archer	INDONESIA	95%
Archer Well Company (M) SDN BHD	MALAYSIA	100%
Archer Well Solutions Sdn Bhd	MALAYSIA	49%
Archer Well Company International Ltd	MOZAMBIQUE	100%
Archer Oil Tools AS (Branch)	NETHERLANDS	100%
Archer Well Services Nigeria Limited	NIGERIA	100%
Archer AS	NORWAY	100%
Archer Consulting AS	NORWAY	100%
Archer Norge AS	NORWAY	100%

Company	Country of Incorporation	Direct and indirect shareholding and voting rights
Archer Oil Tools AS	Norway	100%
Archer Wind AS	Norway	100%
Comtrac AS	Norway	100%
Vertikal Service AS	Norway	65%
Archer Poland Sp. Z.O.O.	Poland	100%
Rawabi Archer Company	Saudi Arabia	10%
Archer (UK) Limited Abu Dhabi (Branch)	UAE	100%
Archer (UK) Limited Jebel Ali Free Zone (Branch)	UAE	100%
Archer (UK) Limited	UK	100%
Archer Assets UK Limited	UK	100%
Archer Elemental UK Ltd.	UK	60%
Archer Consulting Resources Limited	UK	100%
Archer Well Company International Ltd	UK	100%
Archer Well Services (Saudi Arabia) Ltd	UK	100%
Romar International Ltd.	UK	100%
Romar Topco Ltd.	UK	100%
Ziebel UK Ltd.	UK	100%
Abrado Inc.	USA	100%
Archer Holdco LLC	USA	100%
Archer Oiltools LLC	USA	100%
Archer Well Company Inc	USA	100%
Wellbore Fishing & Rental Tools LLC	USA	100%
Ziebel US Inc.	USA	100%

**subsidiaries of Iceland Drilling has not been included in this overview*

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