

## Risk Factors Comparison 2025-02-13 to 2024-02-12 Form: 10-K

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In addition to the other information set forth elsewhere in this annual report, the following factors should be carefully considered when evaluating Nabors. The risks described below are not the only ones we face. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. Risk Factors Summary The following is a summary of the principal risks included in this annual report that we believe could adversely affect our business, operations, and financial results. Business and Operational Risks • Fluctuations in oil and natural gas prices could adversely affect drilling activity and our revenues, cash flows and profitability. • Our customers and thereby our business and profitability could be adversely affected by low oil prices and/or turmoil in the global economy. • We operate in a highly competitive industry with excess drilling capacity, which may adversely affect our results of operations. • We must renew customer contracts to remain competitive. • The nature of our operations presents inherent risks of loss, including weather- related risks, that could adversely affect our results of operations. • Our drilling contracts may in certain instances be renegotiated, suspended or terminated on short notice and/or without an early termination payment. • The loss of one or a number of our large customers could have a material adverse effect on our business, financial condition and results of operations. • The profitability of our operations could be adversely affected by war, civil disturbance, terrorist activity or other political or economic instability, fluctuation in currency exchange rates and local import and export controls. • We rely on third- party suppliers, manufacturers and service providers to secure equipment, components and parts used in rig operations, conversions, upgrades and construction. • Our contracts with state- owned energy companies may expose us to greater risks than we normally assume in contracts with non- governmental customers. • Control of oil and natural gas reserves by state- owned oil companies may affect the demand for our services and products and create additional risks in our operations. • Our operating expense includes fixed costs that may not decline in proportion to decreases in rig utilization and dayrates. • Actions of and disputes with our joint venture partners could have a material adverse effect on the business and results of operations of our joint ventures and, in turn, our business and consolidated results of operations. • Failure to realize the anticipated benefits of acquisitions, divestitures, investments, joint ventures and other strategic transactions may adversely affect our business, results of operations and financial position. • Decisions by internet service, cloud hosting service and related providers to restrict or ban our ability to use their platforms could adversely affect our ability to promote and conduct our business and inform investors. • Failure to effectively and timely address the energy transition could adversely affect our business, financial condition, results of operations, cash flows and share price. • Our aspirations, goals and initiatives related to sustainability and emissions reduction, and our public statements and disclosures regarding them, expose us to risks. • We are subject to a number of uncertainties during the timeframe when Nabors Energy Transition Corporation II (NETC II) pursues a business combination, which could adversely affect our business, financial condition, results of operations, cash flows and share price. Financial Risks • We may record additional losses or impairment charges related to sold or idle drilling rigs and other assets. • Our financial and operating flexibility could be affected by our long- term debt and other financial commitments. • Volatility in prices of goods and services and interest rates could expose us to risks in managing our operating and capital costs. • Our ability to access capital markets could be limited. • A downgrade in our credit rating could negatively affect our cost of capital and our ability to access capital markets or other financing sources. Technology Risks • New technologies may cause our drilling methods and equipment to become less competitive, and it may become necessary to incur higher levels of operating and capital expenditures in order to keep pace with the disruptive trends in the drilling industry. Growth through building of new drilling rigs and improvement of existing rigs is not assured. • Limitations on our ability to obtain, maintain, protect or enforce our intellectual property rights, including our trade secrets, could cause a loss in revenues and any competitive advantage we hold. • Technology disputes could negatively affect our operations or increase our costs. • Improvements in or new discoveries of alternative energy technologies could have a material adverse effect on our financial condition and results of operations. Legal and Regulatory Risks • Our international business exposes us to additional risks, including risks related to geopolitical and economic factors, international laws and regulations, and compliance obligations and risks under the Foreign Corrupt Practices Act and other applicable anti- corruption laws. Violations of these laws could have a negative effect on our business. • Changes to or noncompliance with laws and regulations regarding environmental matters or exposure to environmental liabilities could adversely affect our results of operations. • The physical effects of climate change and the regulation of greenhouse gas emissions could have a negative effect on our business. • We are subject to complex and evolving laws and regulations regarding data privacy and security. • Legal proceedings and governmental investigations could affect our financial condition and results of operations. • Our business may be affected by changes in applicable sanctions or export controls laws and regulations, including those targeting Russia. **Similarly, significant changes or developments in U. S. laws or policies, including changes in U. S. trade policies and tariffs and the reaction of other countries thereto, may have a material adverse effect on our business and financial statements.** • We may be subject to changes in tax laws and have additional tax liabilities. • The Company' s ability to use its net operating loss carryforwards, and possibly other tax attributes, to offset future taxable income for U. S. federal income tax purposes may be significantly limited due to various circumstances, including future transactions involving the sale or issuance of Company equity securities, or if taxable income does not reach sufficient levels. Share Capital and Corporate Structure Risks • Significant issuances of common shares could adversely affect the market price of our common shares. • Our common share price has been and may continue to be volatile. • Provisions in our organizational documents may be insufficient to thwart a coercive hostile takeover attempt; conversely, provisions in our organizational documents and in our outstanding debt and Saudi

~~13~~joint-- **joint** venture documents may deter a change of control transaction and decrease the likelihood of a shareholder receiving a change of control premium. • As a holding company, we depend on our operating subsidiaries and investments to meet our financial obligations. **13Risks Related to Our Merger with Parker Drilling Company • Uncertainty as to whether the conditions to closing the merger with Parker Drilling Company will be satisfied. • The diversion of management time on merger- related issues. • The significant costs required to complete the merger and to integrate Parker’s operations with our own. • Our ability to successfully integrate Parker’s business with our own and to realize the expected benefits of the merger with Parker.** General Risks • Investor sentiment and public perception related to the fossil fuels industry and to ESG initiatives could affect the demand for our services, ~~increase~~ our costs of capital, our reporting requirements and our operations, which could negatively affect our stock price. • Our business, results of operations and financial condition have been and may continue to be adversely affected by global public health epidemics, including the strain of coronavirus known as COVID- 19, and future adverse effects could be material and difficult to predict. • Our business is subject to cybersecurity risks. • The loss of key executives or inability to attract and retain experienced technical professionals and talented personnel could reduce our competitiveness and harm prospects for future success. • **Unionization efforts and labor regulations in certain countries in which we operate could materially increase our costs or limit our flexibility.** For a more complete discussion of the risks facing our business, see below. Business and Operational RisksFluctuations in oil and natural gas prices could adversely affect drilling activity and our revenues, cash flows and profitability. Our operations, demand for our services, and the rates we are able to charge for such services depend on the level of spending by oil and gas companies for exploration, development and production activities. Both short- term and long- term trends in oil and natural gas prices affect these activity levels. Oil and natural gas prices, as well as the level of drilling, exploration and production activity, have been highly volatile for several years and are expected to continue to be volatile for the foreseeable future. Declines in oil prices are primarily caused by, among other things, an excess of supply of crude oil in relation to demand, in addition to significant shocks to regional and global economies such as ~~the COVID-19 pandemic~~ **pandemics** and regional and global conflicts, especially in significant oil- producing regions around the world. Worldwide military, political, public health, and economic events, including initiatives by the Organization of Petroleum Exporting Countries (“ OPEC ”) and OPEC , uncertainty in capital and commodities markets, and the ability of oil and natural gas producers to access capital, and the extent to which they are willing or able to deploy capital, affect both the supply of and demand for oil and natural gas. In addition, weather conditions, governmental regulation (both in the United States and elsewhere) related to the development / production and use of oil and natural gas, levels of consumer demand for oil and natural gas, general and global economic conditions, oil and gas production levels by non- OPEC countries, decisions by oil and gas producers to continue producing oil and gas despite excess supply, the availability and demand for drilling equipment and pipeline capacity, availability and pricing of alternative energy sources, as well as governmental programs that incentivize the use of alternative energy, public perception **and, more importantly institutional investors’ perceptions,** of fossil fuel use and other factors beyond our control may also affect the supply of and demand for oil and natural gas, and thereby affect the price of oil and natural gas. Lower oil and natural gas prices also could adversely affect our cash forecast models used to determine whether the carrying values of our long- lived assets exceed our future cash flows, which could result in future impairment to our long- lived assets. Lower oil and natural gas prices also could affect our ability to retain skilled rig personnel and affect our ability to access capital to finance and grow our business. There can be no assurances as to the future level of demand for our services or future conditions in the oil and natural gas and oilfield services industries. ~~Our~~ **14Our** customers and thereby our business and profitability could be adversely affected by low oil prices ~~and/~~ or turmoil in the global economy. Changes in general economic and political conditions may negatively affect our business, financial condition, results of operations and cash flows. As a result of the volatility of oil and natural gas prices, we are unable to fully predict the level of exploration, drilling and production activities of our customers and whether our customers ~~and/~~ or suppliers will be able to sustain their operations and fulfill their commitments and obligations. If oil prices decrease ~~and~~ ~~or~~ global economic conditions deteriorate, there could be a material adverse effect on the liquidity and operations of our ~~14customers--~~ **customers**, vendors and other worldwide business partners, which in turn could have a material effect on our utilization, dayrates, results of operations and liquidity. Furthermore, these conditions may result in certain of our customers being unable to pay vendors, including us. In addition, we may experience difficulties forecasting future capital expenditures by our customers, which in turn could lead to either over capacity in deployable assets or, in the event of further recovery in oil prices and the worldwide economy, under capacity, either of which could adversely affect our operations. There can be no assurance that the global economic environment will not deteriorate in the future due to one or more factors. We operate in a highly competitive industry with excess drilling capacity, which may adversely affect our results of operations. The oilfield services industry is very competitive with a significant amount of excess capacity. The competitive nature of the business is exacerbated in low oil price environments such as the one we have generally experienced over the last decade. Contract drilling companies compete primarily on a regional basis, and competition may vary significantly from region to region at any particular time. Rigs and drilling- related equipment can be moved from one region to another in response to changes in levels of activity and market conditions, which may result in an oversupply of such rigs and drilling- related equipment in certain areas, and accordingly, increased price competition. In addition, an important factor in determining job awards is our ability to maintain a strong safety record. If we are unable to remain competitive based on these and / or other competitive factors, we may be unable to increase or even maintain our market share, utilization rates and / or dayrates for our services, which could adversely affect our business, financial condition, results of operations and cash flows. We must renew customer contracts to remain competitive. In addition to our performance, our ability to renew existing customer contracts, or obtain new contracts, and the terms of any such contracts depends on market conditions and our customers’ future drilling plans, which are subject to change. Due to the highly competitive nature of the industry, which can be exacerbated during periods of depressed market conditions, we may not be able to renew or replace expiring contracts or, if we are able to, we may not be able to secure or improve existing dayrates or

other material terms, which could have an adverse effect on our business, financial condition and results of operations. The nature of our operations presents inherent risks of loss, including weather- related risks, that could adversely affect our results of operations. Our operations are subject to many hazards inherent in the drilling industry, including environmental pollution, blowouts, cratering, explosions, fires, loss of well control, loss of or damage to the wellbore or underground reservoir, damaged or lost drilling equipment and damage or loss from inclement weather or natural disasters, **whether or not climate related**. Any of these hazards could result in personal injury or death, damage to or destruction of equipment and facilities, suspension of operations, environmental and natural resources damage, reputational harm and damage to the property of others. Our offshore operations involve the additional hazards of marine operations including pollution of coastal waters, damage to wildlife and natural habitats, capsizing, grounding, collision, damage from hurricanes and heavy weather or sea conditions, such as sea level rise, coastal storm surge, inland flooding, and unsound ocean bottom conditions. Accidents may occur, we may be unable to obtain desired contractual indemnities, and our insurance may prove inadequate in certain cases. The occurrence of an event for which we are not sufficiently insured or indemnified, or the failure or inability of a customer or insurer to meet its indemnification or insurance obligations, could result in substantial losses that could adversely affect our business, financial condition and liquidity. In addition, insurance may not be available to cover certain risks, including war and political risks. Even if available, insurance may be inadequate or insurance premiums or other costs may increase significantly in the future, making insurance prohibitively expensive. **We 15** We expect to continue facing upward pressure in our insurance renewals, our premiums and deductibles may be higher, and some insurance coverage may either be unavailable or more expensive than it has been in the past. Moreover, our insurance coverage generally provides that we assume a portion of the risk in the form of a deductible or self- insured retention. We may choose to increase the levels of deductibles (and thus assume a greater degree of risk) from time to time in order to minimize our overall costs, which could exacerbate the effect of our losses on our financial condition and liquidity. In addition, our safety record is a competitive advantage for us and if one or more incidents were to occur it could significantly affect this advantage. ~~15~~ Our drilling contracts may in certain instances be renegotiated, suspended or terminated without an early termination payment. Most of our multi- well and term drilling contracts require that an early termination payment be made to us if a contract is terminated by the customer prior to its expiration. However, such payments may not fully compensate us for the loss of a contract. In certain circumstances, including but not limited to, non-performance caused by significant operational or equipment issues (such as destruction of a drilling rig that is not replaced within a specified period of time), sustained periods of downtime due to a force majeure event, or other events beyond our control or some other breach of our contractual obligations, our customers may not be obligated to make an early termination payment to us at all. In addition, some contracts may be suspended, rather than terminated early, for an extended period of time, in some cases without adequate, or any, compensation. Many of these contracts could be terminated or suspended on short notice further exacerbating the effects on our results. The early termination or suspension of a contract may result in a rig being idle for an extended period of time, which could have a material adverse effect on our business, financial condition and results of operations. During periods of depressed market conditions, we may be subject to an increased risk of our customers, including government- controlled entities, seeking to renegotiate, repudiate or terminate their contracts and / or to otherwise exert commercial influence to our disadvantage. Downturns in the oil price environment may result in downward pricing pressure and decreased demand for our drilling services with existing customers, renegotiations of pricing and other terms in our drilling contracts with certain customers and early termination of contracts by others. Our customers' ability to perform their obligations under the contracts, including their ability to pay us or fulfill their indemnity obligations, may also be affected by an economic or industry downturn or other adverse conditions in the oil and gas industry. If we were to sustain a loss and our customers were unable to honor their indemnification ~~and/~~ or payment obligations, it could adversely affect our liquidity. If our customers cancel some of our contracts, and we are unable to secure new contracts on a timely basis ~~and/~~ or on substantially similar terms, or if contracts are suspended for an extended period of time with or without adequate compensation or renegotiated with pricing or other terms less favorable to us, it could adversely affect our financial condition and results of operations. The loss of one or a number of our large customers could have a material adverse effect on our business, financial condition and results of operations. In **2024, 2023, and 2022** ~~and 2021~~, we received approximately **43 %, 37 %, and 36 % and 44 %**, respectively, of our consolidated operating revenues from our three largest contract drilling customers (including their affiliates), with our largest customer and partner in our SANAD joint venture, Saudi Aramco, representing **31 %, 26 %, and 26 % and 31 %** of our consolidated operating revenues, respectively, for these periods. Replacing significant customers is difficult, and it is unlikely we would be able to replace such a loss in revenue from a single or a few larger customers, especially Saudi Aramco. The loss of one or more of our larger customers would have a material adverse effect on our business, financial condition, results of operations and ability to meet our obligations. In addition, if a significant customer experiences liquidity constraints or other financial difficulties it may be unable to make required payments to us or seek to renegotiate contracts, which could adversely affect our liquidity and profitability. Financial difficulties experienced by customers could also adversely affect our utilization rates in the affected market and may cause our counterparties to seek modifications to our contracts with them. Furthermore, potential consolidation among oil and natural gas exploration and production companies may reduce the number of available customers. The profitability of our operations could be adversely affected by war, civil disturbance, terrorist activity or other political or economic instability, fluctuation in currency exchange rates and local import and export controls. We derive a significant portion of our business from global markets, including operations in the Middle East, South America, the Far East, North Africa, central and southern Asia and Russia. These operations are subject to various risks, ~~including 16~~ **including** war, civil disturbances, labor strikes, nationalization, terrorist activity and governmental actions that may limit or disrupt markets, restrict the movement of funds or result in limits or restrictions in our ability to operate or compete, the deprivation of contractual rights or the taking of property without fair compensation, particularly in respect of contracts with state- owned oil companies. In some countries, our operations may be subject to the additional risk of fluctuating currency values and exchange

controls. We also are subject to various laws and regulations that govern the operation and taxation of our business and the import and export of our equipment from country to country, the imposition, application and interpretation of which can prove to be uncertain. ~~16The~~ **The** initiation of conflicts in certain regions or by certain agitators, including, but not limited to, the invasion of Ukraine by Russia or the conflicts in the Middle East and around the Red Sea, can have an adverse effect on us should they become more intense ~~and/or~~ widespread. In addition, conflicts have led to and could lead to the imposition of sanctions that could limit our ability to operate in certain regions. See, for example, “ — Our business may be affected by changes in applicable sanctions or export controls laws and regulations, including those targeting Russia. ” The future occurrence of one or more international events arising from the types of risks described above could have a material adverse effect on our business, financial condition and results of operations. We rely on third- party suppliers, manufacturers and service providers to secure equipment, components and parts used in rig operations, conversions, upgrades and construction. Our reliance on third- party suppliers, manufacturers and service providers to provide equipment and services exposes us to volatility in the quality, price and availability of such items. Certain components, parts and equipment that we use in our operations may be available only from a small number of suppliers, manufacturers or service providers. The failure of one or more third- party suppliers, manufacturers or service providers to provide equipment, components, parts or services, whether due to capacity constraints, labor shortages or other labor- related difficulties, production or delivery disruptions, price increases, quality control issues, recalls or other decreased availability of parts and equipment, is beyond our control and could materially disrupt our operations or result in the delay, renegotiation or cancellation of drilling contracts, thereby causing a loss of contract drilling backlog and / or revenues to us, as well as an increase in operating costs. Additionally, our suppliers, manufacturers, and service providers could be negatively affected by changes in industry conditions or global economic conditions. If certain of our suppliers, manufacturers or service providers were to curtail or discontinue their business as a result of such conditions, it could result in a reduction or interruption in supplies or equipment available to us ~~and/or~~ a significant increase in the price of such supplies and equipment, which could adversely affect our business, financial condition and results of operations. In addition, issues with the global supply chain whether caused by the **regional COVID-19 pandemic pandemics**, **the Ukraine / Russia conflict** **conflicts or other events, incidents** or other reasons could make it more difficult for our suppliers to meet our requirements in a timely manner, if at all, which could ultimately result in an adverse effect on our operations. Our contracts with state- owned energy companies may expose us to greater risks than we normally assume in contracts with non- governmental customers. We currently own and operate rigs and rig- related equipment under contracts with state- owned energy companies (“ NOCs ”). In the future, we may expand our international solutions operations and enter into additional, significant contracts with NOCs. The terms of these contracts may contain non- negotiable provisions and may expose us to greater commercial, political, operational and other risks than we assume in other contracts. These contracts may expose us to materially greater environmental liability and other claims for damages (including consequential damages) and personal injury related to our operations, or the risk that the contract may be terminated by our customer without cause on short- term notice, contractually or by governmental action, or under certain conditions that may not provide us with an early termination payment. We can provide no assurance that increased risk exposure will not have an adverse effect on our future operations or that we will not increase the number of rigs contracted, or the amount of technology deployed, to NOCs with commensurate additional contractual risks. Risks that accompany contracts with NOCs could ultimately have a material adverse effect on our business, financial condition and results of operations. ~~Control 17Control~~ of oil and natural gas reserves by NOCs may affect the demand for our services and products and create additional risks in our operations. Much of the world’ s oil and natural gas reserves are controlled by NOCs, which may require their contractors to meet local content requirements or other local standards, such as conducting our operations through joint ventures with local partners , that could be difficult or undesirable for us to meet. The failure to meet the local content requirements and other local standards may adversely affect our operations in those countries. In addition, while we do not control the actions of our joint venture partners, their actions could have an effect on our investment in the joint ventures and more generally our overall reputation. In addition, our ability to work with NOCs is subject to our ability to negotiate and agree upon acceptable contract terms. ~~17Our~~ **Our** operating expense includes fixed costs that may not decline in proportion to decreases in rig utilization and dayrates. Our operating expense includes all direct and indirect costs associated with the operation, maintenance and support of our drilling and related equipment, many of which are not affected by changes in dayrates and some of which are not affected by utilization. During periods of reduced revenues ~~and/or~~ activity, certain of our fixed costs (such as depreciation) may not decline and often we may incur additional costs. **This risk could be exacerbated as a result of the Parker acquisition.** During times of reduced utilization, reductions in costs may not be immediate as we may not be able to fully reduce the cost of our support operations in a particular geographic region due to the need to support the remaining drilling rigs in that region. Accordingly, a decline in revenues due to lower dayrates ~~and/or~~ utilization may not be offset by a corresponding decrease in drilling services and solutions expense, which could have a material adverse effect on our business, financial condition and results of operations. Actions of and disputes with our joint venture partners could have a material adverse effect on the business and results of operations of our joint ventures and, in turn, our business and consolidated results of operations. We conduct some operations through joint ventures, from which we derived **24-28** % of our operating revenue during **2023-2024** . As with any joint venture arrangement, differences in views among the joint venture participants may result in delayed decisions, the joint venture operating in a manner that is contrary to our preference or in failures to agree on major issues. We also cannot control the actions of our joint venture partners, including any non- performance, default, or bankruptcy of our joint venture partners. Certain of these actions could have adverse consequences for us, legal or regulators issues in the region ~~and/or~~ reputational harm, including our attractiveness as a partner in other regions. These factors could have a material adverse effect on the business and results of operations of our joint ventures and, in turn, our business and consolidated results of operations. Failure to realize the anticipated benefits of acquisitions, divestitures, investments, joint ventures and other strategic transactions may adversely affect our business, results of operations and financial position. We

undertake from time ~~to~~ time acquisitions, divestitures, investments, joint ventures, alliances and other strategic transactions that we expect to further our business objectives. The anticipated benefits of acquisitions, divestitures, investments, joint ventures and other strategic transactions may not be fully realized, or may be realized more slowly than expected, and may result in operational and financial consequences, including, but not limited to, the loss of key customers, suppliers or employees, or the disposition of certain assets or operations, which may have an adverse effect on our business, financial condition and results of operations. **See “ Risks Related to Our Merger with Parker Drilling Company — The failure to integrate successfully the businesses of Nabors and Parker or to effectively managed the consolidated company post- Merger could adversely affect the combined company’ s future results. ”** ~~Decisions 18~~ **Decisions** by internet service, cloud host service and related providers to restrict or ban our ability to use their platforms could adversely affect our ability to promote and conduct our business and inform investors. We utilize the internet to provide services and to promote our business and services to current and potential customers and to provide information and updates to our investors. Internet service providers, cloud hosting services, social media companies and website providers that currently allow us to utilize their platforms to communicate with customers and the public may decide that our business or the industry in which we operate negatively affects their business or may make business decisions or changes to their policies that negatively affect us. Such actions could include placing restrictions on our use of their platforms or banning us from utilizing their services altogether. Our inability to use these platforms may have a negative effect on the way we are perceived in the industry or in the media and may adversely affect our business, financial condition, results of operations and cash flows. Failure to effectively and timely address the energy transition could adversely affect our business, financial condition, results of operations, cash flows and share price. Our long- term success depends on our ability to effectively address the energy transition, which will require adapting our business to potentially changing government requirements and customer and investor preferences, as well as engaging with our customers to develop solutions to decarbonize oil and gas operations. If the energy transition occurs faster than anticipated or in a manner that we do not anticipate, demand for our products and services could be adversely affected. Furthermore, if we fail or are perceived to not effectively implement an energy transition strategy, or if investors or financial institutions shift funding away from companies in fossil fuel- related industries, our access to capital or the market for our securities could be negatively impacted. ~~18~~ **Our** ~~Our~~ **Our** aspirations, goals and initiatives related to sustainability and emissions reduction, and our public statements and disclosures regarding them, expose us to risks. We have developed, and will continue to develop and set, goals, targets, or other objectives related to sustainability matters. Statements related to these goals, targets and objectives reflect our current plans and do not constitute a guarantee that they will be achieved. Our efforts to research, establish, accomplish, and accurately report on these goals, targets, and objectives expose us to numerous operational, reputational, financial, legal, and other risks. Our ability to achieve any stated goal, target, or objective, including with respect to emissions reduction, is subject to numerous factors and conditions, some of which are outside of our control. Some factors include, but are not limited to, (i) the extent to which our customers’ decisions directly impact, relate to, or influence the use of our equipment that creates the emissions we report, (ii) the availability and cost of low- or non- carbon- based energy sources and technologies, (iii) evolving regulatory requirements affecting sustainability standards or disclosures, and (iv) the availability of suppliers that can meet our sustainability and other standards. In addition, standards for tracking and reporting on sustainability matters, including climate- related matters, have not been harmonized and continue to evolve. Our processes and controls for reporting sustainability matters may not always comply with evolving and disparate standards for identifying, measuring, and reporting such metrics and such standards may change over time, which could result in significant revisions to our current goals, reported progress in achieving such goals, or ability to achieve such goals in the future. Our business may also face increased scrutiny from investors and other stakeholders related to our sustainability activities, including the goals, targets, and objectives that we announce, and our methodologies and timelines for pursuing them. If our sustainability practices do not meet investor or other stakeholder expectations and standards, which continue to evolve, our reputation, our ability to attract or retain employees, and our attractiveness as an investment or business partner could be negatively affected. Similarly, our failure or perceived failure to pursue or fulfill our sustainability- focused goals, targets, and objectives, to comply with ethical, environmental, or other standards, regulations, or expectations, or to satisfy various reporting standards with respect to these matters, within the timelines we announce, or at all, could adversely affect our business or reputation, as well as expose us to government enforcement actions and private litigation. We will be subject to a number of uncertainties during the timeframe when Nabors Energy Transition Corporation II (“ NETC II ”) pursues a business combination, which could adversely affect our business, financial condition, results of operations, cash flows and share price. If NETC II is unable to consummate a suitable business transaction during the prescribed time period set forth in the terms of the initial public offering, we may experience negative reactions from the financial markets and from our shareholders. In addition, in the event that NETC II is able to find a suitable business combination, or if the business ~~combination 19~~ **combination** is unsuccessful, there is no assurance that we will realize the anticipated value from such **transaction. There can be no assurance that NETC II will be able to consummate a merger with an appropriate business and, if so, of the success of the combined company after such a** transaction. Financial Risks We may record additional losses or impairment charges related to sold or idle drilling rigs and other assets. In 2021, we recognized impairment charges of \$ 60. 5 million related to tangible assets and equipment. Prolonged periods of low utilization or low dayrates, the cold stacking of idle assets, the sale of assets below their then- carrying value or the decline in market value of our assets may cause us to experience further losses. If future cash flow estimates, based upon information available to management at the time, including oil and gas prices and expected utilization levels, indicate that the carrying value of any of our rigs may not be recoverable or if we sell assets for less than their then carrying value, we may recognize additional impairment charges on our fleet, which could adversely affect our business, financial condition, results of operations and cash flows. **Similar considerations exist with respect to our non- controlled equity investments. For example, our prior SPAC, Nabors Energy Transition Corporation, consummated a merger with Vast Renewables Limited, an Australian development- stage company**

**specializing in the design and manufacturing of concentrated solar thermal power (CSP) systems, which, upon completion of the merger, was listed on Nasdaq. Despite the successful listing, we recognized a \$ 15.4 million impairment as Vast's fair value was below carrying value.** Our financial and operating flexibility could be affected by our long- term debt and other financial commitments. The ~~2022-2024~~ Credit Agreement (as defined) is secured with a first lien security interest on all land drilling rigs and related equipment, spare parts and inventory in the contiguous United States. As of December 31, ~~2023-2024~~, we had no borrowings under this facility. Under the facility, we are required to maintain an " interest coverage ratio " of no less than 2.50: 1.00 as of the last day of the fiscal quarter ending December 31, 2023, with such ratio periodically increasing in increments of 0.125: 1.00 to a minimum interest coverage ratio of 2.75: 1.00 as of the fiscal quarter ending June 30, 2024. We are also required to maintain a " minimum guarantor value " of no less than 90 % at all times. The interest coverage ~~ratio~~ **ratio** is defined to mean the ratio of (i) EBITDA for the latest four fiscal quarters for which financial statements are required to have been delivered to (ii) the interest expense for the latest four fiscal quarters for which financial statements are required to have been delivered. The minimum guarantor value is defined to mean the percentage of book value of, minus depreciation and amortization on, property, plant and equipment owned by Nabors and its subsidiaries, that is directly or indirectly owned by the guarantors of the ~~2022-2024~~ Credit Agreement (other than Nabors) and their wholly owned subsidiaries. The interest coverage ratio and the minimum guarantor value requirement are not measures of operating performance or liquidity defined by U. S. GAAP and may not be comparable to similarly titled measures presented by other companies. **The 2024 Credit Agreement also carries negative covenants customary for such a facility. The maintenance and negative covenants in the 2024 Credit Agreement could limit our operational and financial flexibility.** As of December 31, ~~2023-2024~~, our consolidated total outstanding indebtedness was \$ ~~3.2~~ **1.5** billion. We also have various financial commitments, such as leases, contracts and purchase commitments. Our ability to service our debt and other financial obligations depends in large part upon the level of cash flows generated by our operating subsidiaries' operations, our ability to monetize and / or divest non- core assets, availability under the ~~2022-2024~~ Credit Agreement and our ability to access the capital markets and / or other sources of financing. Our amount of indebtedness may make it more difficult to borrow funds in the future. In addition, if we cannot repay or refinance our debt as it becomes due, we may be forced to sell assets or reduce funding in the future for working capital, capital expenditures and general corporate purposes, any of which could negatively affect our stock price or financial condition. Volatility in prices of goods and services and interest rates could expose us to risks in managing our operating and capital costs. ~~In 2023, inflationary pressures, supply chain constraints and generally improved economic conditions increased our costs for commodities, labor, energy and other components necessary to operate our business.~~ Throughout 2022 and 2023, in an effort to combat inflation, central banks throughout the world have raised, and may further raise, interest rates in response to concerns about inflation . **While the global inflation rate stabilized in 2023 and 2024 and, in some cases, declined and inflationary pressures eased in 2024, we cannot be sure that this trend will continue. Many factors could jeopardize efforts to stem inflationary pressures in the United States and other jurisdictions where we operate, and such factors could ultimately lead to further inflationary pressures on foreign goods.** We expect these inflationary pressures to continue to impact our margins and more generally, our business in ~~2024-2025~~ . ~~As 20As~~ a result, the interest rates on our borrowings we are charged may be significantly higher than our interest rates in prior years, which increases our cost to operate our business. ~~In addition~~ **For example**, the **Federal Reserve raised interest rates, with total increases of 450 basis points from March 2022 through early 2024. Beginning in the second half of 2024, as inflation decreased, the Federal Reserve decreased interest rates by 75 basis points, although it has indicated that it is unlikely such rate cuts will continue in 2025. There can be no assurances that the Federal Reserve will continue to decrease interest rates or that it will maintain current interest rates.** Our 2024 Credit Agreement bears interest at a floating rate ~~and~~ . **Consequently**, to the extent we have ~~borrowing~~ **borrowings** outstanding under the facility, the ~~borrowing~~ **borrowings** will bear interest at increased rates compared to our historical rates . **Furthermore, any refinancing of our debt could be at higher interest rates and may require make- whole payments and compliance with onerous covenants, which could further restrict our business operations.** Furthermore, the increased interest rates could affect our clients' businesses and borrowing costs, which in turn could impact their ability to make payments to us, with the global nature of our operations heightening our exposure to such risks. For example, we currently have operations in Argentina. Argentina' s economy is currently considered highly inflationary under U. S. GAAP, which is defined as cumulative inflation rates exceeding 100 % in the most recent three- year period. Our dayrate in Argentina is denominated in U. S. Dollars, but we are paid in Argentine Pesos. Argentina has a history of implementing currency controls, which may limit our ability to access U. S. Dollars in Argentina and repatriate cash from our operations there. Our attempts to offset these increasing costs, such as increases in our dayrates and operational improvements, may not be successful. To the extent that our offsetting measures are not sufficient to offset these higher costs, our results of operations may be adversely affected. Our ability to access capital markets could be limited. From time to time, we may need to access capital markets to obtain long- term and short- term financing. However, our ability to access capital markets could be limited or adversely affected by, among other things, oil and gas prices, our existing capital structure, our credit ratings, interest rates and the health or market perceptions of the drilling and overall oil and gas industry , **regulatory uncertainty**, and the global economy. In addition, many of the factors that affect our ability to access capital markets, including the liquidity of the overall capital markets and the state of the economy ~~and~~ / or the oil and gas industry, among others, are outside of our control. There have also been efforts in recent years aimed at the investment community, including investment advisors, sovereign wealth funds, public pension funds, universities and other groups, promoting the divestment of fossil fuel equities as well as pressuring lenders and other financial services companies to limit or curtail activities with companies engaged in the extraction of fossil fuel reserves, which, if successful, could limit our ability to access capital markets. No assurance can be given that we will be able to access capital markets on terms acceptable to us when required to do so, which could adversely affect our business, financial condition and results of operations. ~~20A-A~~ **A** downgrade in our credit rating could negatively affect

our cost of and ability to access capital markets or other financing sources. Our ability to access capital markets or to otherwise obtain sufficient financing may be affected by our senior unsecured debt ratings as provided by major U. S. credit rating agencies. Credit rating agencies continually revise their ratings for companies they follow. Any adverse developments in our business and operations could lead to a ratings downgrade to our senior unsecured debt that currently has a non-investment grade rating. Factors that may affect our credit ratings include debt levels, asset purchases or sales, as well as near-term and long-term growth opportunities and industry conditions. Liquidity, asset quality, cost structure, market diversity, and commodity pricing levels and other factors, are also considered by the rating agencies. Any fluctuation in our credit rating, could affect our cost of capital and ability to access capital markets or other financing sources in the future, any of which could adversely affect our financial condition, results of operations and cash flows.

**Technology 21** **Technology** Risks New technologies may cause our drilling methods and equipment to become less competitive and it may become necessary to incur higher levels of operating and capital expenditures in order to keep pace with the disruptive trends in the drilling industry. Growth through the building of new drilling rigs and improvement of existing rigs is not assured. The market for our services is characterized by continual technological developments that have resulted in, and will likely continue to result in, substantial improvements in the functionality and performance of rigs and equipment. Our customers increasingly demand the services of newer, higher specification drilling rigs and related equipment. Accordingly, we may have to allocate a higher proportion of our capital expenditures to improve the technological aspects of our existing rigs and other equipment, purchase and construct newer, higher specification drilling rigs and other equipment to meet the increasingly sophisticated needs of our customers and develop new and improved technology and data analytics. Although a component of our strategy is to develop and use advanced oil and natural gas drilling technology, changes in technology or improvements on existing technology by competitors could make our equipment less competitive. There can be no assurance that we will:

- have sufficient capital resources to improve existing rigs or build new, technologically advanced drilling rigs;
- avoid cost overruns inherent in large fabrication projects resulting from numerous factors such as shortages or unscheduled delays in delivery of equipment or materials, inadequate levels of skilled labor, unanticipated increases in costs of equipment, materials and labor, design and engineering problems, and financial or other difficulties;
- successfully deploy idle, stacked, new or upgraded drilling rigs;
- effectively manage the size or growth of our organization and drilling fleet;
- develop competitive technologies or choose the right technologies to develop;
- **invest in the right technologies;**
- maintain crews necessary to operate existing or additional drilling rigs; or
- successfully improve our financial condition, results of operations, business or prospects as a result of improving existing drilling rigs or building new drilling rigs with updated technology.

In the event that we are successful in developing new technologies for use in our business, there is no guarantee of future demand for those technologies. Customers may be financially incapable or otherwise reluctant or unwilling to adopt our new technologies or may choose competing technologies. We may also have difficulty negotiating satisfactory terms for our technology services or may be unable to secure prices sufficient to obtain expected returns on our investment in the research and development of new technologies.

~~21~~ **Furthermore** ~~--- Furthermore~~, we expect our competitors to continue to improve their own technology systems. Such improvements could potentially allow our competitors to improve their drilling efficiency and service quality. Our ability to continue to innovate our own technology infrastructure and appropriately anticipate and address our customers' needs will affect our ability to compete. Development of new technology is critical to maintaining our competitiveness. There can be no assurance that we will be able to successfully develop technology that our customers demand. If we are not successful keeping pace with technological advances and trends (including trends in favor of emissions-reducing technologies) or if we fail to deliver such technologies to our customers in a timely and cost-effective manner suitable to their needs, demand for our services could decline and we could lose market share. Furthermore, if our equipment or proprietary technologies become obsolete, the value of our intellectual property may be reduced, or one or more technologies that we may implement in the future may not work as we expect and our business, financial condition, results of operations and reputation could be **adversely 22** **adversely** affected as a result. If competing technologies are viewed as superior to ours it could affect our competitiveness. Additionally, new technologies, services or standards could render some of our services, drilling rigs or equipment obsolete, which could reduce our competitiveness and have a material adverse effect on our business, financial condition and results of operations. Limitations on our ability to obtain, maintain, protect or enforce our intellectual property rights, including our trade secrets, could cause a loss in revenues and any competitive advantage we hold. There can be no assurance that the steps we take to obtain, maintain, protect and enforce our intellectual property rights will be adequate. Some of our products or services, and the processes we use to produce or provide them, have been granted patent protection, have patent applications pending, or are trade secrets. Our business may be adversely affected when our patents are unenforceable, the claims allowed under our patents are not sufficient to protect our technology, our patent applications are denied, or our trade secrets are not adequately protected. Patent protection on some types of technology, such as software or machine learning processes, may not be available in certain countries in which we operate. Our competitors may also be able to develop technology independently that is similar to ours without infringing on our patents or gaining access to our trade secrets, which could adversely affect our financial condition, results of operations and cash flows. Technology disputes could negatively affect our operations or increase our costs. Our services and products use proprietary technology and equipment, which can involve potential infringement of a third party's rights, or a third party's infringement of our rights, including patent rights. The majority of the intellectual property rights relating to our drilling rigs and related services are owned by us or certain of our supplying vendors. However, in the event that we or one of our customers or supplying vendors becomes involved in a dispute over infringement of intellectual property rights relating to equipment or technology owned or used by us, services performed by us or products provided by us, we may lose access to important equipment or technology or our ability to provide services or products, or we could be required to cease use of some equipment or technology or be forced to invest or develop replacement technologies to enhance our equipment, technology, services or products. We could also be required to pay license fees or royalties for the use of equipment or technology or provision of services or

products. In addition, we may lose a competitive advantage in the event we are unsuccessful in enforcing our rights against third parties. Regardless of the merits, any such claims generally result in significant legal and other costs, including reputational harm, and may distract management from running our business. Technology disputes involving us or our customers or supplying vendors could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Improvements in or new discoveries of alternative energy technologies could have a material adverse effect on our financial condition and results of operations. Since our business depends on the level of activity in the oil and natural gas industry, any improvement in or new discoveries of alternative energy technologies that increase the effectiveness (economic or otherwise), use or availability of alternative forms of energy and reduce the demand for oil and natural gas could have a material adverse effect on our business, financial condition and results of operations.

**Our business is subject to cybersecurity risks. Our operations are increasingly dependent on information technologies and services, whether such systems are our own or those of our vendors, service providers or customers. Threats to information technology systems associated with cybersecurity risks and cyber incidents or attacks continue to grow, and include, among other things, storms and natural disasters, terrorist attacks, utility outages, theft, viruses, phishing, malware, design defects, human error, and complications encountered as existing systems are maintained, repaired, replaced, or upgraded. The techniques and sophistication used to conduct cyberattacks and compromise information technology infrastructure, as well as the sources and targets of these attacks, change and are often not recognized until such attacks are launched or have been in place for some time. In addition, there has been an increase in state-sponsored cyberattacks, which are often conducted by capable, well-funded groups. The rapid evolution and increased adoption of artificial intelligence technologies amplifies these concerns.** 23 Risks associated with these threats include, among other things: • theft or misappropriation of funds; • loss, corruption, or misappropriation of intellectual property, or other proprietary, confidential or personally identifiable information (including customer, supplier, or employee data); • disruption or impairment of our and our customers' business operations and safety procedures; • damage to our reputation with our customers and the market; • the perception of our products or services as having security vulnerabilities; • exposure to litigation and legal and regulatory costs; • loss or damage to our worksite data delivery systems; and • increased costs to prevent, respond to or mitigate cybersecurity events. Any perceived or actual electronic or physical security breach involving the misappropriation, loss, or other unauthorized disclosure of confidential or personally identifiable information, including penetration of our systems security, whether by us or by a third party, could disrupt our business, damage our reputation and our relationships with our customers or employees, expose us to risks of litigation, significant fines and penalties and liability, result in the deterioration of our customers' and employees' confidence in us, and adversely affect our business, results of operations and financial condition. Although we utilize various procedures and controls to mitigate our exposure to such risk, cybersecurity attacks and other cyber events are evolving and unpredictable. Moreover, we have no control over the information technology systems of our customers, suppliers, and others with which our systems may connect and communicate. As a result, the occurrence of a cyber incident could go unnoticed for a period time. We presently maintain insurance coverage to protect against some types of cybersecurity risks; however there can be no assurance that it will be sufficient in scope or amount to cover any particular losses we may experience as a result of such cyberattacks. Any breach in the security of our information systems or those of our service providers could lead to an interruption in the operation of our systems or loss, disclosure or misappropriation of our business information or other unintended consequences. Such cyber incidents could have a material adverse effect on our business, financial condition and results of operations.

22 Legal -- Legal and Regulatory Risks Our international business exposes us to additional risks, including risks related to international laws and regulations, and compliance obligations under the Foreign Corrupt Practices Act and other applicable anti-corruption laws. Our international business (including our participation in joint ventures, requirements for local content, and our global supply chain) is subject to numerous political and economic factors, legal requirements, cross-cultural considerations and other risks associated with doing business globally. Our international business is generally subject to both U. S. and foreign laws and regulations, including, without limitation, laws and regulations relating to export / import controls, sanctions, technology transfers, government contracts and procurement, data privacy and protection, investment, exchange rates and controls, the U. S. Foreign Corrupt Practices Act (the "FCPA"), the Bermuda Bribery Act (2016) and other anti-corruption laws, anti-boycott provisions, securities laws, labor and employment, works councils and other labor groups, anti-human trafficking, taxes, environment, immunity, security restrictions and intellectual property. The SEC and U. S. Department of Justice have continued to focus on enforcement activities with respect to the FCPA. While our employees and agents are required to comply with applicable anti-corruption laws, and we have adopted policies and procedures and related training programs designed to promote and achieve compliance, we cannot ensure that our internal policies, procedures and programs will always protect us from risks associated with unlawful acts carried out by our employees or agents. Failure 24 Failure by us, our employees, affiliates, partners or others with whom we work to comply with applicable laws and regulations could result in administrative, civil, commercial or criminal liabilities, including suspension or debarment from government contracts or suspension of export / import privileges. Any such penalty could have a material adverse effect on our reputation, our ability to compete for other contracts and our financial position, results of operations and cash flows. Our international operations also subject us to other risks, including potential asset seizure, terrorist acts, piracy, kidnapping, nationalization of assets, currency restrictions, import or export quotas, tariffs and other forms of public and government regulation, all of which are beyond our control. Economic sanctions or an oil embargo, for example, could have significant impact on activity in the oil and natural gas industry and, correspondingly, us should we operate in an area subject to any sanctions or embargo, or in the surrounding region to the extent any sanctions or embargo disrupts its operations. Changes to, or noncompliance with laws and regulations regarding environmental matters or exposure to environmental liabilities, could adversely affect our results of operations. Drilling of oil and natural gas wells is subject to various laws and regulations in the

jurisdictions where we operate, including comprehensive and frequently changing laws and regulations relating to the protection of the environment and human health, such as those regulating the spill, release, transport, storage, use, treatment, disposal and remediation of, and exposure to, hazardous and solid wastes and materials. Our costs to comply with these laws and regulations may be substantial. Violation of environmental laws or regulations could lead to the imposition of administrative, civil or criminal penalties, capital expenditures, delays in the permitting or performance of projects, and in some cases injunctive relief. Violations may also result in liabilities for personal injuries, property and natural resource damage and other costs and claims. We are not able to allocate all risks of environmental liabilities to customers, and it is possible that customers who assume the risks will be financially unable to bear any resulting costs. In addition, U. S. federal laws and the laws of other jurisdictions regulate the prevention of oil spills and the release of hazardous substances and may impose liability for removal costs and natural resource, real or personal property and certain economic damages arising from any spills. Some of these laws may impose strict and / or joint and several liability for clean- up costs and damages without regard to the conduct of the parties. As an owner and operator of onshore and offshore rigs and other equipment, we may be deemed to be a responsible party under federal law. In addition, we are subject to various laws governing the containment and disposal of hazardous substances, oilfield waste and other waste materials and the use of underground storage tanks. Changes in environmental laws and regulations may also negatively affect the operations of oil and natural gas exploration and production companies, which in turn could have an adverse effect on us. Future or more stringent federal or state regulation could dramatically increase operating costs for oil and natural gas companies, curtail production and ~~23demand~~ **demand** for oil and natural gas in areas of the world where our customers operate, and reduce the market for our services by making wells ~~and~~ or oilfields uneconomical to operate, which may in turn adversely affect results of operations. The physical effects of climate change and the regulation of greenhouse gas emissions and climate change could have a negative effect on our business. There has been an increasing focus of international, national, state, regional and local regulatory bodies on greenhouse gas (“ GHG ”), including carbon dioxide and methane, emissions and climate change issues. Future regulation could require industries to meet stringent standards to substantially reduce GHG emissions. Legislation to regulate GHG emissions has periodically been introduced in the U. S. Congress. In addition, the current administration has taken steps to further regulate GHG emissions. Those reductions could be costly and difficult to implement. The U. S. Environmental Protection Agency (the “ EPA ”) has published findings that GHG emissions present an endangerment to public health and the environment. The EPA has also issued rules requiring monitoring and reporting of GHG emissions from the oil and natural gas sector, including onshore and offshore production activities. In November 2021, the EPA proposed new rules aimed at sharply reducing methane and other emissions from new and existing sources in the oil and gas industry. The Bureau of Land Management also issued a rule in November 2016 requiring reductions in methane emissions from venting, flaring, and leaking activities on public lands. **The United States is a member. Furthermore in 2024, the SEC adopted expansive new reporting requirements, requiring registrants to detail the impact of their Paris Agreement operations on the environment. While this regulation has been voluntarily stayed by the SEC pending judicial review, a there can be no 25assurance that we will not be subject to this regulation, or other climate regulation promulgated by another federal agency** accord reached at the Conference of the Parties (“ COP 21 ”) in **the future Paris, that set many new goals, and many related policies are still emerging.** The Paris Agreement requires set GHG emission reduction goals every five years beginning in 2020. Stronger GHG emission targets were set at the Conference of Parties in Glasgow (“ COP 26 ”) in November 2021 and were reaffirmed at the Conference of Parties in Dubai (“ COP 28 ”) in December 2023 **and the Conference of Parties in Baku (“ COP 29 ”) in November 2024. The United States’ s frequent withdrawal and rejoining of the Paris Agreement in recent years has created uncertainty around the evolution of the Unites States’ regulatory regime with regards to regulating GHGs and climate change issues, making it increasing difficult to plan for future developments.** It is not possible to predict the timing and effect of climate change or whether additional GHG regulations will be adopted. However, more aggressive efforts by governments and non- governmental organizations to reduce GHG emissions ~~appear likely~~, and **related** any such future regulations could result in increased compliance costs, additional operating restrictions or affect the demand for our customers’ products and, accordingly, our services. In addition, there have been efforts in recent years aimed at the investment community promoting the divestment of fossil fuel equities as well as to pressure lenders and other financial services companies to limit or curtail activities with companies engaged in the extraction of fossil fuel reserves. Further, members of the investment community have increased their focus on sustainability practices with regard to the oil and gas industry, including practices related to GHGs and climate change, and an increasing number of our customers consider sustainability factors in awarding work. These developments, and public perception relating to climate change, may curtail production and demand for oil and natural gas by shifting demand towards lower carbon energy sources such as wind, solar and other renewables. If these efforts are successful, our ability and the ability of our customers to access capital markets may be limited and our stock price may be negatively affected. Further, the federal government and certain state governments have enacted, and are expected to continue to enact, laws and regulations that mandate or provide economic incentives for the development of technologies and sources of energy other than oil and gas, such as wind and solar. Such legislation incentivizes the development, use and investment in these technologies and alternative energy sources and could accelerate the shift away from traditional oil and gas. For example, the Inflation Reduction Act (“ IRA ”) of 2022 contains tax inducements and other provisions that incentivize investment, development, and deployment of alternative energy sources and technologies. Also, in 2022, California mandated that all new passenger cars and light trucks sold in the state be electric vehicles or other emissions- free models by 2035. If these future laws and regulations result in customers reducing their production of oil and gas, they could ultimately have an adverse effect on our business and prospects. Beyond financial and regulatory effects, the projected severe effects of climate change have the potential to directly affect our facilities and operations and those of our customers. ~~24We~~ **We** are subject to complex and evolving laws and regulations regarding data privacy and security. Governments around the world have implemented, and continue to implement, laws and regulations regarding data privacy and

security, including with respect to the protection and processing of personal data. These laws and regulations vary from jurisdiction to jurisdiction, and we are obligated to comply in all jurisdictions in which we conduct business. Failure to comply with these laws and regulations could subject us to significant liability, including fines, penalties, and potential criminal sanctions. Including, for example, the European Union’s General Data Protection Regulation (“EU GDPR”). Entities in violation of the EU GDPR can face litigation regarding the processing of personal data brought by data subjects or consumer protection organizations, which can lead to corrective actions including fines and prohibitions on data processing. Similar statutes have been passed in a variety of states in the United States, **in particular, in California**. Legal proceedings and governmental investigations could affect our financial condition and results of operations. We are subject to legal proceedings and governmental investigations from time to time that include employment, tort, intellectual property and other claims, and purported class action and shareholder derivative actions. We are also subject to complaints and allegations from former, current or prospective employees from time to time, alleging violations of employment-related laws or other whistle blower-related matters. Lawsuits or claims could result in ~~decisions~~ **26decisions** against us that could have an adverse effect on our financial condition or results of operations. See “Item 3 — Legal Proceedings” for a discussion of certain existing legal proceedings. Our business may be affected by changes in applicable sanctions or export controls laws and regulations, including those targeting Russia. **Similarly, significant changes or developments in U. S. laws or policies, including changes in U. S. trade policies and tariffs and the reaction of other countries thereto, may have a material adverse effect on our business and financial statements**. Our international operations expose us to compliance obligations and risks under applicable economic sanctions, export controls and trade embargoes, such as those imposed, administered and enforced by the United States and the United Kingdom and other relevant sanctions authorities (collectively, “Sanctions”). In response to ongoing military hostilities between Russia and Ukraine, the United States, the United Kingdom, the European Union, and other jurisdictions imposed new and additional economic sanctions, export controls and other trade restrictions (collectively, “Sanctions Measures”) targeting Russia, Belarus and certain regions of Ukraine, including Sanctions Measures that impose: (i) restrictions on engaging in specified activities or transactions, or any and all activities and transactions, with, involving or for the benefit of certain designated Russian and Belarusian entities or individuals (collectively, “Sanctions Targets”); (ii) a specific prohibition on new investment in the Russian energy sector, broadly defined to include the procurement, exploration, extraction, drilling, mining, harvesting, production, refinement, liquefaction, gasification, regasification, conversion, enrichment, fabrication or transport of petroleum, natural gas, liquified natural gas, natural gas liquids, or petroleum products or other products capable of producing energy; and (iii) a broad prohibition on new investment in Russia. Pursuant to applicable Sanctions, we may be obliged to limit our business activities, may incur costs in order to implement and maintain compliance programs, and may be subject to investigations, enforcement actions or penalties relating to actual or alleged instances of noncompliance with the Sanctions Measures. It may also be necessary for us to take certain actions, including suspending or winding down our operations in Russia, in order to maintain compliance with, or satisfy obligations under, applicable Sanctions. We are committed to compliance with all applicable Sanctions and have implemented and maintain dedicated policies and procedures that we believe to be customary and appropriate to promote and maintain our compliance with applicable Sanctions. However, we can provide no assurances that these policies and procedures will always be effective in identifying Sanctions Targets and their property interests or in preventing violations of applicable Sanctions by us or employees, agents or other persons acting on our behalf. The full scale of the impact of the Sanctions Measures and Russia’s responses to the Sanctions Measures (such as counter-sanctions and the potential nationalization of assets in Russia) is currently unclear but such developments could adversely affect our operations and the oil and gas sector generally, which could have a material adverse effect on our business, results of operations, financial condition and cash flow. In addition, U. S. and other governments have increased their oversight and enforcement activities with respect to Sanctions laws and regulations and it is expected that the relevant agencies will continue to increase these investigative and enforcement activities. A violation of Sanctions could result in severe criminal or civil penalties and reputational harm, which could separately adversely affect our business and results of operations. ~~25~~**We** **Significant changes or developments in U. S. laws and policies, such as laws and policies surrounding international trade, foreign affairs, manufacturing and development and investment in the territories and countries where we, our customers or suppliers operate, can materially adversely affect our business and financial statements. The adoption or expansion of tariffs in the future, the occurrence of a trade war, or other governmental action related to tariffs, trade agreements or related policies may have a material adverse effect on our supply chain and access to equipment, our costs and profit margins. This could cause our business and financial results to suffer.** We may be subject to changes in tax laws and have additional tax liabilities. We operate through various subsidiaries in numerous countries throughout the world. Consequently, we are subject to changes in tax laws, treaties or regulations and the interpretation or enforcement thereof in the United States and in jurisdictions in which we or any of our subsidiaries operate or are organized, and any such changes could have a material effect on our results of operations in the periods in which such laws and regulations become effective as well as in future periods. Our income tax expense is based upon our interpretation of the tax laws in effect in various countries at the time that ~~the~~ **27the** expense is incurred. If these tax laws, treaties or regulations change or any tax authority successfully challenges our assessment of the effects of such laws, treaties and regulations in any country, including our operational structure, intercompany pricing policies or the taxable presence of our subsidiaries in certain countries, this could have a material adverse effect on us, resulting in a higher effective tax rate on our consolidated earnings or a reclassification of the tax effects of our significant corporate restructuring transactions. On August 16, 2022, the Inflation Reduction Act (“IRA”) was signed into law in the United States. Among other provisions, the IRA includes a 15 % corporate minimum tax rate applied to certain large corporations and a 1 % excise tax on corporate stock repurchases made after December 31, 2022. We do not expect the IRA to have a material impact to the Company. The Organization Economic Co- operation and Development (“OECD”) introduced Base Erosion and Profit Shifting (“BEPS”) Pillar 2 rules that impose a global minimum tax rate of 15 %. Numerous countries, including European

Union member states, have enacted or are expected to enact legislation to be effective as early as January 1, 2024, with general implementation of a global minimum tax by January 1, 2025. ~~There are Pillar 2 did not have a material impacts~~ ~~impact to~~ ~~on~~ our consolidated financial statements for the year ended December 31, ~~2023-2024~~. On December 18, 2023, Bermuda enacted a 15 % corporate income tax regime (the “ Bermuda CIT ”) that applies to Bermuda businesses that are part of multinational enterprise groups with annual revenue of € 750 million or more and is effective for tax years beginning on or after January 1, 2025. As a result of the Bermuda CIT, the Company’ s exemption from Bermuda corporate income taxes will cease in 2025. With the enactment of the Bermuda CIT in 2023, the Company underwent an analysis to determine the tax impacts to its consolidated financial statements ~~for the year ended December 31, 2023~~. Bermuda CIT allows for a beginning net operating loss balance related to the five years preceding the effective date of Bermuda CIT. ~~We~~ ~~As of December 31, 2024, we~~ have recorded a deferred tax asset of \$ ~~171-206~~. 9 million for the Bermuda net operating losses generated from 2020 through ~~2023-2024~~ with an offsetting valuation allowance of \$ ~~171-206~~. 9 million. The Company’ s ability to use its net operating loss carryforwards, and possibly other tax attributes, to offset future taxable income for U. S. federal income tax purposes may be significantly limited due to various circumstances, including future transactions involving the sale or issuance of Company equity securities, or if taxable income does not reach sufficient levels. As of December 31, ~~2023-2024~~, the Company reported consolidated federal net operating loss (“ NOL ”) carryforwards of approximately \$ ~~588-599~~. 95 million and certain other favorable federal income tax attributes. The Company’ s ability to use its NOL carryforwards and certain other attributes may be limited if it experiences an “ ownership change ” as defined in Section 382 (“ Section 382 ”) of the Internal Revenue Code of 1986, as amended (the “ Code ”). An ownership change generally occurs if there is a more than 50 percentage point increase in the aggregate equity ownership of the Company by one or more “ 5 percent shareholders ” (as that term is defined for purposes of Sections 382 and 383 of the Code) in any testing period, which is generally the three- year period preceding any potential ownership change, measured against their lowest percentage ownership at any time during such period. There is no assurance that the Company will not experience an ownership change under Section 382 as a result of future actions that may significantly limit or possibly eliminate its ability to use its NOL carryforwards and certain other tax attributes. Potential future transactions involving the sale, issuance, redemption or other disposition of common or preferred shares or other equity- based securities, the exercise of conversion or exchange options under the terms of any convertible or exchangeable debt, the repurchase of any such debt with Company shares, in each case, by a person owning, or treated as owning, 5 % or more of the Company’ s shares, or a combination of such transactions, may cause or increase the possibility that the Company will experience an ownership change under Section 382. Under Section 382, an ownership change would subject the Company to an annual limitation that applies to the amount of pre- ownership change NOLs (and certain other tax attributes) that may be used to offset post- ownership change taxable income. If a Section 382 limitation applies, the limitation could cause the Company’ s U. S. federal income taxes to be greater, or to be ~~26paid~~ ~~paid~~ earlier, than they otherwise would be, and could cause a portion of the Company’ s tax attributes to expire unused. Similar rules and limitations may apply for state income tax purposes. The Company’ s ability to use its NOL carryforwards and other tax attributes will also depend on the amount of taxable income it generates in future periods. ~~Share~~ ~~28Share~~ Capital and Corporate Structure Risks Significant issuances of common shares could adversely affect the market price of our common shares. As of February ~~6-7~~, ~~2024-2025~~, we had 32, 000, 000 authorized common shares, of which 10, ~~633-764~~, ~~331-937~~ shares were outstanding and entitled to vote, including 1, 161, 283 ~~million common shares~~ held by our subsidiaries. In addition, ~~406-489~~, ~~235-629~~ common shares were reserved for issuance pursuant to stock option and employee benefit plans, 3, 937, 641 shares are reserved for issuance upon exercise of outstanding warrants and 1, 441, 075 shares were reserved for issuance under the 1. 75 % senior exchangeable notes due 2029. The sale, or availability for sale, of substantial amounts of our common shares in the public market, whether directly by us or resulting from the exercise of options or warrants (and, where applicable, sales pursuant to Rule 144 under the Securities Act) or the exchange of our 1. 75 % Exchangeable Notes due 2029, would be dilutive to existing shareholders, could adversely affect the prevailing market price of our common shares and could impair our ability to raise additional capital through the sale of equity securities. Our common share price has been and may continue to be volatile. The trading price of our common shares has fluctuated in the past and is subject to significant fluctuations in response to the following factors, some of which are beyond our control: ● variations in quarterly operating results; ● deviations in our earnings from publicly disclosed forward- looking guidance; ● variability in our revenues; ● our announcements of significant contracts, acquisitions, strategic partnerships or joint ventures; ● general conditions in and market perceptions of the oil and gas industry; ● uncertainty about current global economic conditions; ● investor sentiment about our company and industry; ● fluctuations in stock market price and volume; and ● other general economic conditions. The trading market for our common stock is influenced by the research and reports that industry or securities analysts may publish about us, our business, our markets or our competitors. We do not have any control over these analysts, and we cannot provide any assurance that analysts will cover us or provide favorable coverage. If any of the analysts who may cover us adversely change their recommendation regarding our stock, or provide more favorable relative recommendations about our competitors, our stock price could materially decline. If any analyst who may cover us were to cease coverage of our Company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to materially decline. During ~~2023-2024~~, our stock price on the NYSE ranged from a high of \$ ~~190-105~~. ~~90-96~~ per common share to a low of \$ ~~75-50~~. ~~64-15~~ per common share. In recent years, the stock market in general has experienced extreme price and volume fluctuations that have affected the market price for many companies in industries similar to ours. Some of these fluctuations have been unrelated to the operating performance of the affected companies. These market fluctuations may decrease the market price of our common shares in the future. ~~27Provisions~~ ~~Provisions~~ in our organizational documents may be insufficient to thwart a coercive hostile takeover attempt; conversely, these provisions and those in our outstanding debt and Saudi joint venture documents may deter a change of control transaction and decrease the likelihood of a shareholder receiving a change of control premium. Companies generally seek to prevent coercive takeovers by parties unwilling

to pay fair value for the enterprise they acquire. Provisions in our organizational documents that are meant to help us avoid a coercive takeover include: 29 • Authorizing our board of directors (the “ Board ”) to issue a significant number of common shares and up to 25, 000, 000 preferred shares, as well as to determine the price, rights (including voting rights), conversion ratios, preferences and privileges of the preferred shares, in each case without any vote or action by the holders of our common shares; • Limiting the ability of our shareholders to call or bring business before special meetings; • Prohibiting our shareholders from taking action by written consent in lieu of a meeting unless the consent is signed by all the shareholders then entitled to vote; • Requiring advance notice of shareholder proposals for business to be conducted at general meetings and for nomination of candidates for election to our Board; and • Reserving to our Board the ability to determine the number of directors comprising the full Board and to fill vacancies or newly created seats on the Board. Certain actions taken by us could make it easier for another party to acquire control of the Company. For instance, in June 2012 we adopted an amendment to our bye- laws to declassify the Board and in 2017, as recommended by our shareholders, we amended our policy regarding nomination and proxy access for director candidates. Conversely, the provisions designed to prevent hostile takeovers, or protect holders of our debt instruments and our joint venture partner, may deter transactions in which shareholders would receive a change of control premium. For example, certain change of control transactions could accelerate the principal amounts outstanding, and require premiums payments, under our debt instruments, or trigger a call option to purchase our interest in SANAD, our joint venture with Saudi Aramco. As a holding company, we depend on our operating subsidiaries and investments to meet our financial obligations. We are a holding company with no significant assets other than the stock of our subsidiaries. In order to meet our financial needs and obligations, we rely exclusively on repayments of interest and principal on intercompany loans that we have made to operating subsidiaries, and income from dividends and other cash flow from such subsidiaries. There can be no assurance that such operating subsidiaries will generate sufficient net income to pay dividends or sufficient cash flow to make payments of interest and principal to us in respect of intercompany loans. In addition, from time to time, such operating subsidiaries may enter into financing arrangements that contractually restrict or prohibit these types of upstream payments. Our debt instruments do not contain covenants prohibiting any such contractual restrictions. There may also be adverse tax consequences associated with such operating subsidiaries paying dividends. Finally, the ability of our subsidiaries to make distributions to us may be restricted by the laws of the applicable subsidiaries’ jurisdictions of organization and other laws and regulations. If subsidiaries are unable to distribute or otherwise make payments to us, we may not be able to pay interest or principal on obligations when due, and we cannot assure you that we will be able to obtain the necessary funds from other sources.

**Risks Related to Our Merger with Parker Drilling Company**The market value of Nabors common shares could be negatively affected by risks and conditions that apply to the combined company, which may be different from the risks and conditions applicable to Nabors, and sales of Nabors’ shares in connection with Merger would impact the price of our common shares. Following the merger with Parker Drilling Company (the “ Merger ”), shareholders of Nabors and former stockholders of Parker will own interests in a combined company operating an expanded business with more assets and a different mix of liabilities. Current shareholders of Nabors and current stockholders of Parker may not wish to continue to invest in the combined company or may wish to reduce their investment in the combined company. In addition, if, following the Merger, large amounts of Nabors common shares are sold, the price of Nabors common shares could decline. Failure to complete the Merger could negatively impact the future business and financial results of Nabors. The Merger is subject to a number of conditions beyond Nabors’ and Parker’ s control that may prevent, delay or otherwise materially adversely affect its completion. Such conditions include, but are not limited to certain foreign antitrust and foreign direct investment regulatory approvals. We cannot make any assurances that we will be able to satisfy all of the conditions to the Merger or succeed in any litigation brought in connection with the Merger. If the Merger is not completed, our financial results may be adversely affected and we will be subject to several risks, including but not limited to: • Nabors being required to pay Parker a termination fee of \$ 10, 000, 000 under certain circumstances provided in the Merger Agreement ; • payment of costs relating to the Merger, such as legal, accounting, financial advisor and printing fees, regardless of whether the Merger is completed ; • the focus of Nabors’ management team on the Merger instead of the pursuit of other opportunities that could have been beneficial to Nabors ; and • the potential occurrence of litigation related to any failure to complete the Merger. In addition, if the Merger is not completed, Nabors may experience negative reactions from the financial markets and from its customers and employees. If the Merger is not completed, Nabors cannot assure its stockholders that these risks will not materialize and will not materially and adversely affect the business, financial results and stock price of Nabors. Litigation relating to the Merger could result in an injunction preventing the completion of the applicable transaction and / or substantial costs to us. Securities class action lawsuits and derivative lawsuits are often brought against public companies that have entered into acquisition, Merger, or other business combination agreements. Even if such a lawsuit is without merit, defending against these claims can result in substantial costs and divert management time and resources. An adverse judgment could result in monetary damages, which could have a negative impact on our liquidity and financial condition. Lawsuits that may be brought against us or our directors could also seek, among other things, injunctive relief or other equitable relief, including a request to rescind parts of the Merger Agreement already implemented and to otherwise enjoin the parties from consummating the applicable transaction, that injunction may delay or prevent such transaction from being completed within the expected timeframe or at all, which may adversely affect our business, financial position and results of operations. There can be no assurance that any of the defendants will be successful in the outcome of any potential future lawsuits. The defense or settlement of any lawsuit or claim that remains unresolved at the time the Merger is completed may adversely affect the combined company’ s business, financial condition, results of operations and cash flows. The failure to integrate successfully the businesses of Nabors and Parker or to effectively managed the consolidated company post- Merger could adversely affect the combined company’ s future results. The Merger involves

the integration of two companies that currently operate independently. The success of the Merger will depend- in large part- on the ability of the combined company to realize the anticipated benefits, including expected synergies, cost savings, increased innovation and operational efficiencies, from combining the businesses of Nabors and Parker. To realize these anticipated benefits, the businesses of Nabors and Parker must be successfully integrated. This integration will be complex and time- consuming. The failure to integrate successfully and to manage successfully the challenges presented by the integration process may result in the combined company not achieving the anticipated benefits of the Merger. Potential difficulties that may be encountered in the integration process include the following: • preserving our and Parker’ s relationships with our existing customers and vendors; • complexities associated with managing the larger, more complex combined business ; • complexities associated with integrating the workforces of the two companies, including issues retaining key management personnel at both companies ; • potential unknown liabilities and unforeseen expenses, delays or regulatory conditions associated with the Merger ; • difficulty or inability to refinance the debt of the combined company or comply with the covenants thereof ; 31 • performance shortfalls at one or both of the companies as a result of the diversion of management’ s attention caused by completing the Merger and integrating the companies’ operations ; and • the disruption of, or the loss of momentum in, each company’ s ongoing business or inconsistencies in standards, controls, systems, procedures and policies. Any of these difficulties in successfully integrating the businesses of Nabors and Parker, or any delays in the integration process, could adversely affect the combined company’ s ability to achieve the anticipated benefits of the Merger and could adversely affect the combined company’ s business, financial results, financial condition and stock price. Even if the combined company is able to integrate the business operations of Nabors and Parker successfully, there can be no assurance that this integration will result in the realization of the full benefits of synergies, cost savings, increased innovation and operational efficiencies that Nabors and Parker currently expect from this integration, that these benefits will be achieved within the anticipated time frame or that these benefits will match our current expectations. Following integration, the combined company’ s future success will depend on its ability to manage its operations, which will be significantly larger than the size of either our or Parker’ s existing businesses. The failure to successfully integrate the two companies, to realize the expected benefits of the Merger, or to manage the consolidated company’ s operations, could have an adverse effect on the consolidated company. The synergies attributable to the mergers may vary from expectations. We may fail to realize the anticipated benefits and synergies expected from the merger with Parker, which could adversely affect our business, financial condition and operating results. The success of the merger will depend, in significant part, on our ability to successfully integrate the acquired business and realize the anticipated strategic benefits and synergies from the combination. The anticipated benefits of the transaction may not be realized fully or at all, or may take longer to realize than expected. Actual operating, technological, strategic and revenue opportunities, if achieved at all, may be less significant than expected or may take longer to achieve than anticipated. If the combined company is not able to achieve these objectives and realize the anticipated benefits and synergies expected from the mergers within the anticipated timing or at all, the combined company’ s business, financial condition and operating results may be adversely affected. The combined company is expected to incur substantial expenses related to the integration of Nabors and Parker following the Merger. The combined company is expected to incur substantial expenses in connection with the integration of Nabors and Parker following the Merger. There are many processes, policies, procedures, operations, technologies and systems that must be integrated, including accounting and finance, asset management, benefits, billing, drilling data solutions, health, safety and environment, human resources, maintenance, marketing, payroll and purchasing. Although Nabors and Parker have assumed that a certain level of expenses will be incurred, there are many factors beyond their control that could affect the total amount or the timing of the integration expenses. Moreover, many of the expenses that will be incurred are, by their nature, difficult to estimate accurately. These expenses could, particularly in the near term, exceed the savings that the combined company expects to achieve from the elimination of duplicative expenses and the realization of economies of scale and cost savings. These integration expenses could result in the combined company’ s taking charges against earnings following the completion of the Merger, and the amount and timing of any such charges are uncertain at present. The combined company may not be able to utilize a portion of Nabors’ or Parker’ s net operating loss carry forwards (“ NOLs ”) to offset future taxable income for U. S. federal tax purposes, which could adversely affect the combined company’ s net income and cash flows. As of December 31, 2024, Parker had federal income tax NOLs of approximately \$ 312. 6 million, of which \$ 243. 0 million will expire between 2035 and 2037, and \$ 69. 6 million have an indefinite life. As of December 31, 2024, Nabors had federal income tax NOLs of approximately \$ 599. 5 million, all of which have an indefinite life. Utilization of these NOLs depends on many factors, including the combined company’ s future taxable income, which cannot be predicted with any accuracy. In addition, Section 382 of the Code generally imposes an annual limitation on the amount of an NOL that may be used to offset taxable income when a corporation has undergone an “ ownership change ” (as determined under Section 382). Determining the limitations under Section 382 is technical and highly complex. An ownership change generally occurs if one or more shareholders (or groups of shareholders) who are each deemed to own 32at least 5 % of the corporation’ s stock increase their ownership by more than 50 percentage points over their lowest ownership percentage within a rolling three- year period. For these reasons, the combined company may not be able to realize a material portion of Parker’ s NOLs, which could result in the combined company facing increased future tax liability. The due diligence process that we undertook before entering into the Merger Agreement with Parker may not have revealed all facts that may be relevant in connection with Merger. In deciding whether to enter into the Merger Agreement, we conducted the due diligence investigation that we deemed reasonable and appropriate based on the facts and circumstances applicable to the merger with Parker. When conducting due diligence, we were required to evaluate important and complex

**business, financial, tax, accounting, technological, governance, legal and regulatory issues. In addition to our employees, outside consultants, legal advisors and accountants were involved in the due diligence process in varying degrees. Despite our efforts, the results of our due diligence may have not been complete and accurate or, even if complete and accurate, may have not been sufficient to identify all relevant facts, which could prevent us from realizing the anticipated benefits we expect to achieve as a result of the Merger with Parker and the business and results of operations of the combined company could be adversely affected.**

General Risks Investor sentiment and public perception related to the fossil fuels industry and to ESG initiatives could affect the demand for our services, increase our costs of capital, our reporting requirement, and our operations, which could negatively affect our stock price. Regulators, investor advocacy groups, investment funds, and other stakeholders are increasingly focused on environmental, social, and governance (“ ESG ”) matters and have placed increasing importance on the non- financial impacts of their investments. Investor sentiment and the public perception of fossil fuels have led to calls to limit investment and lending to businesses in our industry. As a service provider to energy companies in the fossil fuel ~~28~~industry-- **industry**, if any of these efforts continue or increase, our ability to raise capital could be negatively affected, which could lead to a reduction in our stock price. Similarly, there are calls by certain investors for companies to increase their ESG initiatives, and for more robust reporting on such initiatives. The European Union has implemented ESG reporting requirements on EU market participants, and similar regulations are pending in various states in the United States. Standards for tracking and reporting ESG matters continue to evolve, and our business may be impacted by new laws and regulations or investor criteria in the U. S., the European Union, and around the world, related to ESG. Members of the investment community and lenders have also begun establishing standards required of companies in which they invest or to which they provide credit. Certain of our institutional investors use third- party benchmarks or scores to measure a company’ s ESG practices in an increasingly broad set of matters including but not limited to, environmental sustainability (including climate change), human capital, labor, product certification and risk oversight. Such scoring and examination may expand the nature, scope and complexity of matters that we are required to control, assess and report. In addition to potential impacts on our operations, the cost of complying with such scrutiny by institutional investors, as well as any new laws and regulations, including building appropriate compliance and reporting functions within our company, could be significant and may increase our costs of operations and thereby negatively affect our financial condition. In addition, if we are unable to meet the requirements of our investors or our lenders, our cost of capital may increase and our stock price may be negatively affected. We intend to set certain ESG- related initiatives, goals, and / or commitments regarding environmental matters, diversity, and other matters. Our intention to set certain ESG- related initiatives and goals reflect our current plans and aspirations and are not guarantees that we will be able to achieve them. These initiatives, goals, or commitments could result in unexpected expenses, changes in our relationships with strategic partners, distributors and third- party service providers, loss of revenue or business disruption. We could fail to achieve, or may be perceived to fail to achieve, ESG- related initiatives, goals, or commitments and we may be criticized for the timing, scope or nature of these initiatives, goals, or commitments, or for any revisions to them. Our actual or perceived failure to achieve our ESG- related initiatives, goals, or commitments could negatively impact our reputation or otherwise materially harm our business. **33** Our business, results of operations and financial condition have been and may continue to be adversely affected by global public health epidemics, including COVID- 19 and its’ various variants, and future adverse effects could be material and difficult to predict. The global spread of the strain of coronavirus known as COVID- 19 and its variants, which was declared a global pandemic by the World Health Organization on March 11, 2020, impacted our operations and the operations of our customers and suppliers. The outbreak triggered a sharp sell- off in energy commodities markets during the first quarter of 2020, as economic activity tumbled as a result of government impositions of mandatory closures, quarantines and other restrictions on, or advisories with respect to, travel, business operations and public gatherings or interactions. Other effects of the pandemic included significant volatility and disruption of the global financial markets; adverse revenue and net income effects; disruptions to our operations, including suspension or deferral of drilling activities; customer shutdowns of oil and gas exploration and production; downward revisions to customer budgets; supply chain disruptions; inflation and other decreases in purchasing power, limitations on access to raw materials; employee impacts from illness, school closures and other community response measures; and temporary closures of our facilities or the facilities of our customers and suppliers. The extent to which our operating and financial results will continue to be affected will depend on various factors beyond our control. Our business is subject to cybersecurity risks. Our operations are increasingly dependent on information technologies and services, whether such systems are our own or those of our vendors, service providers or customers. Threats to information technology systems associated with cybersecurity risks and cyber incidents or attacks continue to grow, and include, among other things, storms and natural disasters, terrorist attacks, utility outages, theft, viruses, phishing, malware, design defects, human error, and complications encountered as existing systems are maintained, repaired, replaced, or upgraded. The techniques and sophistication used to conduct cyberattacks and compromise information technology infrastructure, as well as the sources and targets of these attacks, change and are often not recognized until such attacks are launched or have been in place for some time. In addition, there has been an increase in state- sponsored cyberattacks, which are often conducted by capable, well- funded groups. The rapid evolution and increased adoption of artificial intelligence technologies amplifies these concerns. 29