



Nabors Industries Ltd.
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STRENGTH THROUGH TRANSFORMATION

ANNUAL REPORT

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2025

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-32657

NABORS INDUSTRIES LTD.

(Exact name of registrant as specified in its charter)

Bermuda

(State or Other Jurisdiction of
Incorporation or Organization)

98-0363970

(I.R.S. Employer
Identification No.)

Crown House Second Floor

4 Par-la-Ville Road

Hamilton, HM08

Bermuda

(Address of principal executive offices)

N/A

(Zip Code)

(441) 292-1510

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common shares, \$.05 par value per share	NBR	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Securities Exchange Act of 1934:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Warrants, each exercisable for one common share	NBRWF	OTC

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES NO

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES NO

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to file such reports). YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated Filer Non-accelerated Filer Smaller Reporting Company Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the Registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES NO

The aggregate market value of the 13,917,410 common shares held by non-affiliates of the registrant outstanding as of the last business day of our most recently completed second fiscal quarter, June 30, 2025, based on the closing price of our common shares as of such date of \$28.02 per share as reported on the New York Stock Exchange, was \$389,965,828. Common shares held by each officer and director and by each person who owns 5% or more of the outstanding common shares have been excluded in that such persons may be deemed affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

The number of common shares outstanding as of February 6, 2026 was 14,673,186 excluding 1,161,283 common shares held by our subsidiaries, or 15,834,469 in the aggregate.

DOCUMENTS INCORPORATED BY REFERENCE

Specified portions of the definitive Proxy
Statement to be distributed in connection with our 2026 Annual General Meeting of Shareholders (Part III).

NABORS INDUSTRIES LTD.
Form 10-K Annual Report
For the Year Ended December 31, 2025

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CORPORATE INFORMATION

Our internet address is www.nabors.com. We make available free of charge through our website our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, Proxy and Information Statements and amendments to those reports filed or furnished pursuant to Section 13(a), 14(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission (the “SEC”). Reference in this document to our website address does not constitute incorporation by reference of the information contained on the website into this annual report on Form 10-K. The SEC maintains an internet site (www.sec.gov) that contains periodic and current reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. In addition, documents relating to our corporate governance (such as committee charters, governance guidelines and other internal policies) can be found on our website.

FORWARD-LOOKING STATEMENTS

We discuss expectations regarding our future markets, demand for our products and services, and our performance in our annual, quarterly and current reports, press releases, and other written and oral statements. Statements relating to matters that are not historical facts are “forward-looking statements” within the meaning of the safe harbor provisions of Section 27A of the Securities Act and Section 21E of the Exchange Act. These “forward-looking statements” are based on an analysis of currently available competitive, financial and economic data and our operating plans. They are inherently uncertain and investors should recognize that events and actual results could turn out to be significantly different from our expectations. By way of illustration, when used in this document, words such as “anticipate,” “believe,” “expect,” “plan,” “intend,” “estimate,” “project,” “will,” “should,” “could,” “may,” “predict” and similar expressions are intended to identify forward-looking statements.

Factors to consider when evaluating these forward-looking statements include, but are not limited to:

- geopolitical events, pandemics, global and regional conflicts and other macro-events and their respective and collective impact on our operations as well as oil and gas markets and prices;
- fluctuations and volatility in worldwide prices of and demand for oil and natural gas;
- fluctuations in levels of oil and natural gas exploration and development activities;
- fluctuations in the demand for our services;
- competitive and technological changes and other developments in the oil and gas and oilfield services industries;
- our ability to renew customer contracts in order to maintain competitiveness;
- the existence of operating risks inherent in the oil and gas and oilfield services industries;
- the possibility of the loss of one or a number of our large customers;
- the amount and nature of our future capital expenditures and how we expect to fund our capital expenditures;
- the occurrence of cybersecurity incidents, attacks or other breaches to our information technology systems;
- the impact of our long-term indebtedness and other financial commitments on our financial and operating flexibility;
- our access to, and the cost of, capital, including the impact of a downgrade in our credit rating, covenant restrictions, availability under our secured revolving credit facility, future issuances of debt or equity securities and the global interest rate environment;

- our dependence on our operating subsidiaries and investments to meet our financial obligations;
- our ability to retain skilled employees;
- our ability to complete, and realize the expected benefits of, strategic transactions, such as our acquisition of Parker Drilling Company (“Parker”);
- changes in tax laws and the possibility of changes in other laws and regulations;
- the possibility of political or economic instability, civil disturbance, war or acts of terrorism in any of the countries in which we do business;
- global views on and the regulatory environment related to energy transition and our ability to implement our energy transition initiatives;
- potential long-lived asset impairments;
- the possibility of changes to U.S. trade policies and regulations, including the imposition of new tariffs, trade embargoes or sanctions;
- general economic conditions, including the capital and credit markets; and
- our ability to utilize NOLs.

Our business depends, to a large degree, on the level of spending by oil and gas companies for exploration, development and production activities. Therefore, a sustained increase or decrease in the price of oil or natural gas that has a material impact on exploration, development and production activities, could also materially affect our financial position, results of operations and cash flows.

The above description of risks and uncertainties is by no means all-inclusive but highlights certain factors that we believe are important for your consideration. For a more detailed description of risk factors, please refer to Part I, Item 1A.—*Risk Factors*.

PART I

ITEM 1. BUSINESS

Nabors Industries, Ltd. (NYSE: NBR) was formed as a Bermuda exempted company on December 11, 2001. Unless the context requires otherwise, references in this annual report to “we,” “us,” “our,” “the Company,” or “Nabors” mean Nabors Industries Ltd., together with our subsidiaries. References in this annual report to “Nabors Delaware” mean Nabors Industries, Inc., a wholly owned subsidiary of Nabors.

Overview

Nabors owns and operates one of the world’s largest land-based drilling rig fleets and is a provider of offshore platform rigs in the United States and numerous international markets. Nabors also supplies performance software, tubular running services, managed pressure drilling services and innovative technologies for both its own rig fleet and those operated by third parties. In addition, Nabors manufactures advanced drilling equipment and provides drilling rig instrumentation. Also, Nabors has developed a portfolio of technologies designed to drive energy efficiency and emissions reductions for both itself and third-party customers. One key component of Nabors’ strategy is to seamlessly integrate downhole hardware, surface equipment and software solutions into rig designs that drive industry-leading performance and increasing efficiencies. A second component is to leverage advanced drilling automation capabilities to set new standards for operational excellence and transform the industry.

With operations in over 20 countries, we are a global provider of drilling and drilling-related services for land-based and offshore oil and natural gas wells. As of December 31, 2025, Nabors’ fleet of drilling rigs and drilling-related equipment included:

- 242 actively marketed rigs for land-based drilling operations in the United States and multiple international markets; and
- 27 actively marketed rigs for offshore platform drilling operations in the United States and various countries throughout the world.

The following table presents our average rigs working (a measure of activity and utilization over the year) for the years ended December 31, 2025, 2024 and 2023:

	Year Ended December 31,		
	2025	2024	2023
Average Rigs Working:			
U.S. Drilling	69.9	75.1	86.3
International Drilling	88.4	83.7	77.6
Total	158.3	158.8	163.9

Average rigs working represents a measure of the number of equivalent rigs operating during a given period. For example, one rig operating 182.5 days during a 365-day period represents 0.5 average rigs working.

Our business consists of four reportable segments: U.S. Drilling, International Drilling, Drilling Solutions and Rig Technologies.

Additional information regarding the geographic markets in which we operate and our business segments can be found in Note 17—Segment Information in Part II, Item 8.—Financial Statements and Supplementary Data.

U.S. Drilling

Nabors operates one of the largest land-based drilling rig fleets in the U.S. We continue to drive innovation and integration in the industry. We are active in the major hydrocarbon basins across the Lower 48 market and Alaska as well as offshore in the Gulf of America. Our marketed U.S. fleet as of December 31, 2025 consists of 121 land rigs and 13 offshore platform rigs.

Nabors has a long history of developing and deploying industry-leading breakthroughs, beginning with our first AC-powered land rig nearly 25 years ago. In 2025, we introduced our PACE®-X Ultra rig, an upgrade to our PACE®-X800 rig. The PACE®-X Ultra combines upgrades to the rig’s most important specifications. We believe it is the Lower 48 drilling industry’s most powerful rig. It is designed to enable operators to drill their longest, most challenging oil and gas wells.

In recent years we have developed and deployed a full suite of technology supporting Nabors and third-party rigs. Demonstrating Nabors technology leadership, we employ automation to improve safety, increase efficiencies and build agility for our customers. Also in 2025, Nabors deployed an upgraded version of its Rig Zone Robotics (RZR) rig floor automation module, on existing Nabors rigs. RZR fully automates tubular handling on the rig, removing rig crew from higher-risk manual operations. See “—Drilling Solutions” below for more information.

International Drilling

We operate in major international oil and gas markets, primarily in the Middle East and Latin America, most notably Saudi Arabia, Kuwait, Argentina, Colombia and Mexico. Many of our rigs are designed to address the challenges of working in specific operating environments, such as desert climates, mountainous regions, and tropical zones.

As of December 31, 2025, our international fleet consisted of 121 land-based drilling rigs and 14 actively marketed platform rigs in the international offshore drilling markets.

Drilling Solutions

Nabors Drilling Solutions (“NDS”) offers specialized drilling technologies, such as proprietary drilling-bit steering systems and rig instrumentation software that enhance drilling performance and reliability, as well as wellbore placement.

Impactful NDS products and services include:

- ROCKit®, a directional steering control system that increases performance while slide drilling, through drill string oscillation and precise toolface control;
- SmartNAV™, a collaborative guidance and advisory platform that delivers automated directional drilling information and instructions to drive consistent decision making, transparency, and improved performance;
- SmartSLIDE™, an advanced directional steering control system that automates slide drilling to consistently deliver high performance; and
- RigCLOUD®, a digital infrastructure that integrates applications to deliver real-time insight into operations across the rig fleet.

Nabors offers a full range of tubular running services (“TRS”). TRS primarily includes casing running, tubing running and torque monitoring. Nabors also offers managed pressure drilling (“MPD”) services that expand the capabilities of rigs to drill wells in otherwise challenging formations. Our proprietary software empowers the driller to deliver these services with consistency and repeatability. We integrate our TRS and MPD into the rig, eliminating the need for third party service providers and thereby improving efficiencies and reducing costs.

Rig Technologies

Our Rig Technologies segment is primarily comprised of Canrig, which manufactures and sells advanced rig components including top drives, catwalks, wrenches, drawworks and other drilling related equipment such as robotic systems and downhole tools, which are installed on both onshore and offshore drilling rigs. Rig Technologies also provides aftermarket sales and services for the installed base of its equipment.

NDS and Rig Technologies' portfolio of services and capabilities are available to third-party customers both in domestic and international markets.

Our Business Strategy

Our business strategy is to build shareholder value and enhance our competitive position by:

- leveraging our existing global infrastructure and leading operating performance to capitalize on growth opportunities;
- enhancing our advanced drilling technology both on the rig and downhole;
- expanding our portfolio of value-added services to our customers;
- investing in alternative energy and carbon reduction technologies;
- achieving superior operational and health, safety and environmental performance; and
- achieving financial returns above our cost of capital.

We believe we deploy the most capable and modern rig fleet in the Lower 48 market. Our customer base recognizes the advanced capabilities of our assets, the skill of our crews, our industry leading operational execution and the value added by our performance software and our services integration.

We believe our drilling technology portfolio positions us well to address the evolving market dynamic both in the United States and internationally. In recent years, we have added complementary services to our traditional rig offering, in many cases replacing third-party providers of these same services.

Drilling Contracts

Our drilling contracts are typically daywork contracts. A daywork contract generally provides for a basic rate per day when drilling (the dayrate for providing a rig and crew) and for lower rates when the rig is moving between drilling locations, or when drilling operations are interrupted or restricted by equipment breakdowns, adverse weather conditions or other conditions beyond our control. In addition, daywork contracts may provide a lump-sum fee for the mobilization and demobilization of the rig, which in most cases approximates our anticipated costs. While daywork contracts represent the bulk of our relationships, we also have footage contracts (in which the drilling contractor is paid on the basis of a rate per foot drilled) and turnkey contracts (in which the drilling contractor is paid for drilling a well to a specified depth for a fixed price). We also offer performance enhancing drilling services, performance software and equipment such as managed pressure services, directional drilling, rotary steering systems and measurement while drilling. These additional products and services are additive to our rig charges.

Our contracts for land-based and offshore drilling have durations that are single-well, multi-well or term. Term contracts generally have durations ranging from six months to five years. Under term contracts, our rigs are committed to one customer. Offshore workover projects are often contracted on a single-well basis. We generally receive drilling contracts through competitive bidding, although we occasionally enter into contracts by direct negotiation. Most of our single-well contracts are subject to termination by the customer on short notice, while multi-well contracts and term contracts may provide us with early termination compensation in certain circumstances. Such payments may not fully compensate us for the loss of a contract, and in certain circumstances the customer may not be obligated, able or willing to make an early termination payment to us. Contract terms and rates differ depending on a variety of factors, including competitive conditions, the geographical area, the geological formation to be drilled, the equipment and services to be

supplied (including enhanced drilling services), the on-site drilling conditions, and the anticipated duration of the work to be performed.

Our Customers

Our customers include major international, national and independent oil and gas companies. One customer, Saudi Aramco, accounted for approximately 30%, 31% and 26% of our consolidated operating revenues during the years ended December 31, 2025, 2024 and 2023, respectively, which operating revenues are primarily included in the results of our International Drilling reportable segment. Our contracts with Saudi Aramco are on a per rig basis. These contracts are primarily operated through SANAD, our joint venture with Saudi Aramco. See Part I, Item 1A.—Risk Factors—*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.*

Human Capital

As of December 31, 2025, Nabors employed approximately 13,900 employees worldwide, compared to approximately 12,400 employees as of December 31, 2024. Of the 2025 workforce, approximately 9,800 employees were located outside the United States, compared to approximately 8,800 in the prior year.

Diversity

Human capital management practices are designed to support the attraction, development, and retention of a qualified workforce. Workforce demographic data is monitored to inform these practices. Selected workforce composition information for 2025 is summarized below:

- The workforce represented 92 nationalities. In the United States, employees identifying as racial or ethnic minorities comprised approximately 42% of the workforce and minority representation in management roles was 35%.
- Approximately 5% of the workforce identified as female. Of these employees, approximately 17% held management roles.
- Approximately 40% of U.S. Selling, General and Administrative (SGA) and Field Support hires identified as racially diverse.

Talent Management

Nabors talent management practices include recruiting, development, and retention activities designed to support operational needs and workforce continuity. Recruiting initiatives in 2025 included:

- University and vocational outreach program at eight educational institutions;
- The third cohort of the ACE (Actively Changing Energy) program, which achieved 100% diverse representation; and
- Expansion of our military recruiting efforts through a partnership with Recruit Military.

Retention efforts in 2025 included the expansion of mentoring programs, employee engagement sessions focused on collaboration, and leadership feedback surveys to support workforce development and management effectiveness.

Learning and Development

Employee training and development programs support job performance, workplace safety, and compliance with applicable requirements. Training begins at onboarding and includes role-specific instruction, integrated safety expectations, and corporate ethics education.

Nabors has implemented a cloud-based Human Capital Management system across approximately 25 countries, supporting workforce planning and operational processes. The Company also operates a centralized North America Training Center in Houston, Texas, providing structured, hands-on learning opportunities for field roles and supporting operational excellence.

Key training programs include RigLEAD leadership development for rig managers and superintendents; mentor development initiatives; and a competency assurance management system designed to assess skills and identify development needs.

Educational Assistance

In 2009, our former Chairman and CEO, Eugene M. Isenberg, established the Isenberg Education Fund Scholarship Program to provide educational assistance to high-achieving individuals demonstrating strong academic performance, community service, and financial need. The program is available to eligible employees and their family members. In 2025, 77% of applicants met program requirements and received financial awards for fall semester education.

Health, Welfare and Retirement

Nabors provides health and welfare benefits that are generally consistent with industry standards and local market practices. In the United States, eligible employees and their dependents may participate in medical, dental and vision insurance; life insurance; short- and long-term disability coverage; health and dependent care flexible spending accounts; and a 401(k)-retirement plan with Company matching contributions.

Wellness initiatives in 2025 included mental health programming, health education sessions, and stress management workshops.

Workplace Health and Safety

Safety programs are designed to support the prevention of workplace injuries and incidents. Our approach to workplace health and safety is guided by three pillars:

- **People and Leadership:** Safety leadership initiatives, regional safety programs, leadership field engagement, and employee feedback mechanisms are used to support safety awareness and behavior.
- **Technology:** We deploy innovative solutions, including the RZR system, to reduce exposure to high-risk situations, as well as the use of advanced analytics, machine learning based advisory tools, and computer vision technology for Red Zone Management.
- **Data-Driven Insights:** Safety performance metrics and analytics are used to monitor trends, identify potential risks, and support continuous improvement, including the use of innovative indicators, such as the Incident Severity Rate (ISR).

Board Oversight of Human Capital Management

The Board of Directors provides oversight of the Company's human capital management practices. The Compensation Committee oversees matters related to executive compensation, succession planning, employee benefits and diversity-related programs. The Technology and Safety Committee oversees employee safety, health and wellness matters.

Seasonality

Our operations are subject to seasonal factors. Specifically, our drilling operations in Alaska generally experience reduced levels of activity and financial results during the second quarter of each year, due to the annual spring thaw. In addition, our U.S. offshore market can be impacted during summer months by tropical weather systems in the Gulf of America. Global climate change could lengthen these periods of reduced activity, but currently we cannot estimate the degree to which these activities may be affected. Our overall financial results reflect the seasonal variations experienced in these operations, but seasonality does not materially impact the remaining portions of our business.

Research and Development

We make investments in R&D to develop new products, services, solutions and software in support of our business and the businesses of our customers.

Patents

We own a significant number of patents important to our business and we expect to continue to file patent applications to protect our investments in new products and services. While the patents may collectively be material to our company, we do not believe any single patent is material to our business.

Industry/Competitive Conditions

To a large degree, our businesses depend on the level of capital spending by oil and gas companies for exploration, development and production activities. The level of exploration, development and production activities is, to a large extent, tied to the prices of oil and natural gas, which can fluctuate significantly and are highly volatile. Relatedly, customers may have difficulty accessing capital markets due to poor historical returns for their investments and certain institutional investors choosing not to invest in fossil fuel industries. A decrease or prolonged decline in the price of oil or natural gas or in the exploration, development and production activities of our customers could result in a corresponding decline in the demand for our services or a reduction in dayrates and utilization, which could have a material adverse effect on our financial position, results of operations and cash flows. See Part I, Item 1A.—Risk Factors— *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 or turmoil in the global economy, and—Our drilling contracts may in certain instances be renegotiated, suspended or terminated without an early termination payment* and Item 7.— Management’s Discussion and Analysis of Financial Condition and Results of Operations.

The markets in which we provide our services are highly competitive. We believe that competitive pricing is a significant factor in determining which service provider is awarded a job in these markets and customers are increasingly sensitive to pricing during periods of market instability. Historically, the number of available rigs and drilling-related equipment has exceeded demand in many of the markets in which we operate, resulting in strong price competition. This is due in part to the fact that most rigs and drilling-related equipment can be moved from one region to another in response to changes in the levels of exploration, development and production activities and market conditions, which may result in an oversupply of rigs and drilling-related equipment in certain areas.

Competition has increased based on the supply of existing and new rigs across all our markets. Most available contracts for our services are currently awarded on a bid basis, which further increases competition based on price.

In addition to price, other competitive factors in the markets we serve are the overall quality of service and safety record, the technical specification and condition of equipment, the availability of skilled personnel, the ability to offer ancillary services and the environmental and technological friendliness of our products and services. Our drilling business is subject to certain additional competitive factors. For example, we believe our ability to deliver rigs with new technology and features and, in certain international markets, our experience operating in similar environments and strong customer relationships have been significant factors in the selection of Nabors for the provision of drilling services. We expect that the market for our drilling services will continue to be highly competitive. See Part I, Item 1A.—Risk Factors—*We operate in a highly competitive industry with excess drilling capacity, which may adversely affect our results of operations.*

The global market for drilling and related products and services is competitive. Certain competitors are present in more than one of the markets in which we operate, although no one competitor operates in all such markets. Our strategy combines advanced drilling rig designs —complete with integrated surface equipment, software, and downhole tools— with operational performance, industry-leading safety, and an innovative technology roadmap.

Significant competitors in our U.S. Drilling segment include Helmerich & Payne Inc., Patterson-UTI Energy Inc., Cactus Drilling Co., Precision Drilling Corp., and Ensign Energy Services Inc. In the U.S. Lower 48 land drilling market, we also compete with numerous smaller or regional drilling contractors. In our International segment, significant competitors with operations in multiple countries include Helmerich & Payne Inc., as well as many contractors with regional or local rig operations.

Our Drilling Solutions segment competes with services provided by NOV Inc., Pason Systems Inc., Baker Hughes Co., Halliburton Co., SLB N.V., Expro Group Holdings NV, Weatherford International plc., as well as several of our drilling competitors and smaller, specialized service providers.

Our Rig Technologies segment competes primarily with NOV Inc., Forum Energy Technologies, Inc., Helmerich & Payne Inc., and several smaller rig equipment suppliers.

Acquisitions and Divestitures

We have grown from a land drilling business centered in the U.S. Lower 48, Canada and Alaska to an international business with land and offshore operations in major oil and gas markets around the world. This growth was fueled in part by strategic acquisitions. While we continuously consider and review strategic opportunities, including acquisitions, divestitures, joint ventures, alliances and other strategic transactions, there can be no assurance that such opportunities will continue to be available, that the pricing will be economical or that we will be successful in completing and realizing the expected benefits of such transactions in the future.

We may sell a subsidiary or group of assets outside of our core markets or business if it is strategically or economically advantageous for us to do so.

On March 11, 2025, we completed our acquisition (the “Parker acquisition”) of Parker Drilling Company (“Parker”) resulting in Parker becoming a wholly owned subsidiary of Nabors. Parker provides drilling services across global energy markets. Total consideration for the acquisition included cash consideration of \$0.6 million and the issuance of 4.8 million shares of our common stock, which based on the closing price of our common stock of \$37.50 on March 11, 2025, valued the purchase price consideration of the transaction at approximately \$180.6 million.

On August 20, 2025, we sold Quail Tools, LLC (“Quail Tools”), a subsidiary of the Company, to Superior Energy Services, Inc. Quail Tools was part of the Company’s acquisition of Parker. Consideration comprised cash of \$375.0 million and a seller note of \$250.0 million, which was prepaid in full in 2025.

Sustainability

Sustainability is an essential part of the corporate culture at Nabors and an integral part of our strategic plans. We know that our success is directly linked to implementing and executing a broad range of sustainable practices. Through technological innovation, environmental impact planning, corporate safety initiatives and community relations activities, Nabors understands that how we conduct business is as important as our results. Corporate responsibility guides every aspect of our daily activities and is the key to our continued success.

Environmental Compliance

We do not anticipate that compliance with currently applicable environmental laws and regulations and controls will significantly change our competitive position, capital spending or earnings during 2026. We believe we are in material compliance with applicable environmental laws and regulations and that the cost of such compliance is not material to our business or financial condition. For a more detailed description of the environmental laws and regulations applicable to our operations, see Part I, Item 1A.—Risk Factors—*Changes to or noncompliance with laws and regulations or exposure to environmental liabilities could adversely affect our results of operations.*

Energy Transition

Nabors has a growing portfolio of technologies designed to drive energy efficiency and emissions reductions for the Company and its customers. Our portfolio of energy transition related technologies includes real-time emissions monitoring quantification and reporting and analytics software, engine management controls, energy storage systems, and hydrogen technologies, as well as solutions that enable use of high-line power and dual-fuels.

In addition, Nabors has invested in venture opportunities in several high potential markets addressing carbon reduction. Our initial investments focus on alternative energy sources such as geothermal, hydrogen, energy storage and carbon capture, including utilization and sequestration technologies and emissions monitoring.

ITEM 1A. RISK FACTORS

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.
- We operate in a highly competitive industry with excess drilling capacity, which may adversely affect our 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 drilling contracts may in certain instances be renegotiated, suspended or terminated on short notice or without an early termination payment.
- We must renew our customer contracts to remain competitive and 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, which control significant oil and natural gas reserves, may expose us to greater risks than we normally assume in contracts with non-governmental customers.
- 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.
- Our aspirations, goals and initiatives related to sustainability and emissions reduction, and our public statements and disclosures regarding them, expose us to risks.

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

- The development of new technologies or the discovery of alternative green 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.
- 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.

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 may be significantly limited.

Share Capital and Corporate Structure Risks

- 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 joint venture documents may deter a change of control transaction and decrease the likelihood of a shareholder receiving a change of control premium.
- Our board of directors controls voting of our common stock, which could limit a shareholder's ability to influence our actions.

General Risks

- 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 Risks

Fluctuations 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 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 customers and thereby our business and profitability could be adversely affected by low oil prices 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 or suppliers will be able to sustain their operations and fulfill their commitments and obligations. If oil prices decrease or global economic conditions deteriorate, there could be a material adverse effect on the liquidity and operations of our 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 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.

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 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 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 2025, 2024 and 2023, we received approximately 41%, 43% and 37%, 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 30%, 31% and 26% 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 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.

The initiation or escalation of conflicts in certain regions, including, but not limited to, the Russia invasion of Ukraine by Russia or the conflicts in the Middle East, can have an adverse effect on us should they become more intense 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.

Significant changes or developments in U.S. or other national trade policies, including tariffs, and the reactions of other countries thereto, may have a material adverse effect on our business and results of operations.

We operate in various countries across the world and source a wide range of raw materials and components from the international market. Significant changes or developments in U.S. or other national 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 or our customers operate, can materially adversely affect our business and results of operations. Policies affecting international trade, foreign investment, and energy production—such as tariffs, export controls, import

restrictions and similar protectionist measures—can impact supply chain costs, the availability of key components, and overall industry profitability.

For instance, in 2025 the United States proposed and instituted numerous trade policies—including the termination of trade agreements, imposition of *ad valorem* tariffs on certain imports into the United States, and other regulations affecting trade between the United States and countries in which we conduct business and source components. In response to the measures taken by the United States, a number of other nations have proposed and implemented retaliatory tariffs and trade restrictions. While the impact of such measures, both pending and threatened, remains uncertain, these measures could increase the cost of components and raw materials in our supply chain and, consequently, our costs. We may not be able to pass along these increased costs to our customers.

As a result of these developments, and any similar measures threatened or implemented in the future, there may be economic disincentives on international trade that could adversely affect our business 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 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 pandemics, 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 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, including, but not limited to Saudi Aramco, 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.

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 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 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 32% of our operating revenue during 2025. 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 regulatory issues in the region 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.

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.

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.

Financial Risks

We may record additional losses or impairment charges related to sold or idle drilling rigs and other assets.

In 2025, we recognized impairment charges of \$26.5 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 initial 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. Subsequent to the merger, as Vast's fair value went below carrying value and Vast entered into voluntary administration, we recognized impairments of \$7.5 million and \$15.4 million for the years ended December 31, 2025 and 2024, respectively.

Our financial and operating flexibility could be affected by our long-term debt and other financial commitments.

The 2024 Credit Agreement (as defined below) 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, 2025, we had no borrowings under this facility. Under the facility, we are required to maintain an "interest coverage ratio" of no less than 2.75:1.00. We are also required to maintain a "minimum guarantor value" of no less than 90% at all times. The interest coverage 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 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, 2025, our consolidated total outstanding indebtedness was \$2.5 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 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.

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 2026.

As 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. 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. 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. Consequently, to the extent we have borrowings outstanding under the facility, the 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 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.

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 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.

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 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.

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.

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. We have implemented policies, procedures, and controls designed to promote, achieve, and maintain compliance by us and our representatives with the FCPA and other applicable anti-corruption laws. Nevertheless, there are no guarantees that our policies, procedures and controls will prevent non-compliance or exposure to corruption, or that our representatives will comply with such policies, procedures, and controls or applicable anti-corruption laws, at all times. If we do not maintain compliance with the anti-corruption and anti-bribery laws to which we are subject, we may face civil and criminal penalties or other costs associated with remediation.

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 or 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 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 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. Furthermore in 2024, the SEC adopted expansive new reporting requirements, requiring registrants to detail the impact of their operations on the environment. While this regulation has been voluntarily stayed by the SEC pending judicial review, there can be no assurance that we will not be subject to this regulation, or other climate regulation promulgated by another federal agency in the future.

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, the Conference of Parties in Baku (“COP 29”) in November 2024 and the Conference of Parties in Belem (“COP 30”) in November 2025. The United States’s frequent withdrawal and rejoining of the Paris Agreement in recent years has created uncertainty around the evolution of the United 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, and related 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, prior to its partial repeal, 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.

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 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.

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. For example, due to conflict and related sanctions and export control laws and regulations, we have suspended our operations in Russia.

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.

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.

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 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.

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. Pillar 2 did not have a material impact on our consolidated financial statements for the year ended December 31, 2025.

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 One Big Beautiful Bill Act (“OBBBA”) was signed into law on July 4, 2025. OBBBA included many provisions such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modification to the international tax framework and the restoration of favorable tax treatment for certain business provisions. The legislation has multiple effective dates, with certain provisions already in effect and others implemented through fiscal year 2027. We do not expect the legislation to have a material impact on our effective tax rate.

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 ceased 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. Bermuda CIT allows for a beginning net operating loss balance related to the five years preceding the effective date of Bermuda CIT. As of December 31, 2025, we have recorded a deferred tax asset of \$206.9 million for the Bermuda net operating losses generated from 2020 through 2024 with an offsetting valuation allowance of \$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, 2025, the Company reported consolidated U.S. federal net operating loss ("NOL") carryforwards of approximately \$355.4 million and certain other favorable federal income tax attributes. The Company's ability to use its legacy Nabors' NOL carryforwards of \$213.7 million 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. NOL carryforwards of \$141.7 million and other tax attributes acquired through the Parker acquisition are already subject to Section 382 limitations.

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 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 Capital and Corporate Structure Risks

Significant issuances of common shares could adversely affect the market price of our common shares.

As of February 6, 2026, we had 32,000,000 authorized common shares, of which 15,834,469 shares were outstanding and entitled to vote, including 1,161,283 common shares held by our subsidiaries. In addition, 674,436 common shares were reserved for issuance pursuant to stock option and employee benefit plans, 3,937,596 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 2025, our stock price on the NYSE ranged from a high of \$69.20 per common share to a low of \$23.27 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.

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:

- 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.

Voting power in some of our common shares held or controlled by our Board of Directors (“Board”) could limit a shareholder’s ability to influence our actions.

In connection with the Parker acquisition, we entered into voting and lock-up agreements (the “Voting & Lock-Up Agreements”) with certain shareholders of Parker (the “Supporting Shareholders”) that became shareholders of ours upon consummation of the acquisition. Among other things, the Voting & Lock-Up Agreements require the Supporting Shareholders to vote shares received as consideration in the acquisition and any other shares they may own in favor of any candidate nominated as a director to our Board by the Board itself or the appropriate committee, vote in favor of any other proposals to the shareholders that the Board recommends shareholders at-large vote in favor of or the Board has already approved and vote against any Board candidate not recommended or approved by the Board. The Voting & Lock-Up Agreements also contain standstill provisions.

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.

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 focused on environmental, social, and governance (“ESG”) matters and have placed increasing importance on the non-financial impacts of their investments, with some investors calling to limit investment and lending to businesses in our industry. As a service provider to energy companies in the fossil fuel 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.

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. Conversely, other investors (including regulators in some states in which we have operations) have expressed their opposition to use of ESG considerations, including through the advancement of “anti-ESG” proposals and litigation. The divergent views held by our various stakeholders may subject us to pressure regarding our ESG practices and disclosures, could increase our legal and regulatory costs and may expose us to reputational harm.

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.

Our business, results of operations and financial condition have previously been (and may in the future be) adversely affected by global public health epidemics, with future adverse effects potentially material and difficult to predict.

The 2020 outbreak of the strain of coronavirus known as COVID-19 and its variants 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 COVID-19 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. A resurgence of COVID-19 and its variants or the spread of a new pandemic could have a material adverse effect on our business and operations.

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.

The successful execution of our business strategies depends, in part, on the continued service of certain key executive officers and employees. We have employment agreements with some of our key personnel within the company, but no assurance can be given that any employee will remain with us, whether or not they have entered into an employment agreement. We do not carry key man insurance. In addition, our operations depend, in part, on our ability to attract and retain experienced technical professionals and talented personnel. Competition for such professionals is intense, and as the business environment improves, competition for personnel generally intensifies. The loss of key executive officers and/or our inability to retain or attract experienced technical professionals and talented personnel, could reduce our competitiveness and harm prospects for future success, which may adversely affect our business, financial condition and results of operations.

Unionization efforts and labor regulations in certain countries in which we operate could materially increase our costs or limit our flexibility.

Certain of our international employees are unionized, and efforts may be made from time to time to unionize other portions of our workforce. We may in the future be subject to strikes or work stoppages and other labor disruptions in connection with unionization efforts or renegotiation of existing contracts with unions representing our international employees. Union expansion, if successful, new collective bargaining agreements or work stoppages could materially increase our labor costs, reduce our revenues or limit our operational flexibility. Further, our responses to any union organizing efforts could negatively impact our reputation and have adverse effects on our business, financial condition and results of operations.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 1C. CYBERSECURITY

Cybersecurity is an integral part of risk management at Nabors. We rely on our technology infrastructure and information systems to interact with clients, vendors, operate our drilling rigs, and bill, collect, and make payments. Our technology infrastructure and information systems also support and form the foundation for our accounting and finance systems and form an integral part of our disclosure and accounting control environment. Our internally developed systems and processes, as well as those systems and processes provided by third-party vendors, may be susceptible to damage or interruption from cybersecurity threats, which include any unauthorized access to our information systems that may result in adverse effects on the confidentiality, integrity, or availability of such systems or the related information. Potential cybersecurity threats include terrorist or hacker attacks, the introduction of malicious computer

viruses, ransomware, falsification of banking and other information, insider risk, theft of intellectual property or other security breaches. Such attacks have become more and more sophisticated over time, especially as threat actors have become increasingly well-funded by, or themselves include, governmental actors, organized crime and hackers with significant means. We expect that sophistication of cyber-threats will continue to evolve as threat actors increase their use of artificial intelligence and machine-learning technologies.

The Board of Directors appreciates the rapidly evolving nature of threats presented by cybersecurity incidents and is committed to the prevention, timely detection, mitigation, and preparedness for recovery of any such incidents whether perpetrated on the Company or our stakeholders. The Risk Oversight Committee of our Board has direct oversight of our management of cybersecurity risks.

The Board's active engagement in the oversight of our cybersecurity program includes:

1. Our Enterprise Risk Management Committee receives reports on the Company's cybersecurity program and developments from our Vice President of Information Technology. Our Enterprise Risk Management Committee and our Vice President of Information Technology report to the Company's Board of Directors at each of the regularly scheduled quarterly meetings. These reports include analyses of recent cybersecurity threats and incidents across the industry, as well as a review of our own security controls, assessments and program maturity, and risk mitigation status;
2. We have a cross-functional approach to addressing cybersecurity risk, with digital technology, legal, and the corporate audit functions presenting to the Enterprise Risk Management Committee on key cybersecurity topics; and
3. On at least an annual basis, the full Board of Directors receives a comprehensive cybersecurity review, including director education from third-party cybersecurity experts.

Our Vice President of Information Technology, reporting to our Chief Administrative Officer, has principal responsibility for assessing and managing cybersecurity risks and threats, implementing the systems necessary to address such risks and threats and preparing updates for the Risk Oversight Committee and the Board of Directors. Our Vice President of Information Technology has over 20 years of experience in the cybersecurity field, including with implementing advanced cybersecurity and risk management strategies, audits, compliance with regulatory requirements and applying various security frameworks such as ISO 27001 and NIST. Our Senior Director of Cybersecurity Governance reports to our Vice President of Information Technology and is responsible for the operation of our cybersecurity program and management of our cybersecurity team. Our Senior Director of Cybersecurity Governance has over 15 years of experience in the cybersecurity field including experience with risk assessments, implementing of industry-leading security tools, conducting security reviews of system implementations and cyber risk management strategies.

The Technology and Safety Committee of the Board of Directors reviews the integrity of information technology systems, including the potential for cybersecurity threats. In addition, the Risk Oversight Committee monitors management's identification and evaluation of major strategic, operational, regulatory, information technology, cyber security and other external risks inherent in the Company's business. Activities include mandatory training for all employees, technical security controls, enhanced data protection, the maintenance of backup and protective systems, policy review and implementation, the evaluation of cybersecurity insurance, periodic assessments of third-party service providers to assess cyber preparedness of key vendors, and running simulated cybersecurity drills, including vulnerability scanning, penetration testing and disaster recovery exercises, throughout the organization. These cybersecurity drills are performed both in-house and by third-party service providers. We use automated tools that monitor, detect, and prevent cybersecurity risks and have a security operations center that operates 24 hours a day to alert us to any potential cybersecurity threats. The Enterprise Incident Response Team also has effected comprehensive incident response plans that outline the appropriate communication flow and response for certain categories of potential cybersecurity incidents. The Enterprise Incident Response Team escalates events, including to the Chief Executive Officer and Board of Directors, as relevant, according to pre-defined criteria.

We leverage the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF) to drive strategic direction and maturity improvement and engage third-party security experts to conduct risk assessments and

program enhancements. Additionally, we evaluate our controls environment annually using other relevant standards like Oil and Natural Gas Subsector Cybersecurity Capability Maturity Model.

We engage subject matter experts such as consultants to assist us in establishing processes to assess, identify, and manage potential and actual cybersecurity threats, to actively monitor our systems internally using widely accepted digital applications, processes, and controls, and to provide forensic assistance to facilitate system recovery in the case of an incident. The Enterprise Incident Response Team oversees and establishes the parameters of our engagement with these experts to ensure we obtain the supplement assistance needed in this area, if any.

Risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, have not materially affected us, including our business strategy, results of operations or financial condition, and we do not believe that such risks are reasonably likely to have such an effect over the long term. While we have not experienced any material cybersecurity threats or incidents, there can be no guarantee that we will not be the subject of future successful attacks, threats or incidents. See Part I, Item 1A.—Risk Factors—*Our business is subject to cybersecurity risks.*

ITEM 2. PROPERTIES

Nabors' principal executive offices are located in Hamilton, Bermuda. We own or lease executive and administrative office space in Houston, Texas; Anchorage, Alaska; Dubai in the United Arab Emirates; Bogota, Colombia; Dhahran, Saudi Arabia; and Sandnes, Norway. Our principal physical properties are drilling rigs, which are more fully described in Part I, Item 1.—Business.

Many of the international drilling rigs and some of the Alaska rigs in our fleet are supported by mobile camps that house the drilling crews and a significant inventory of spare parts and supplies. In addition, we own various trucks, forklifts, cranes, earth-moving and other construction and transportation equipment, which are used to support our operations. We also own or lease a number of facilities and storage yards used in support of operations in each of our geographic markets.

ITEM 3. LEGAL PROCEEDINGS

Nabors and its subsidiaries are defendants or otherwise involved in a number of lawsuits in the ordinary course of business. We estimate the range of our liability related to pending litigation when we believe the amount and range of loss can be estimated. We record our best estimate of a loss when the loss is considered probable. When a liability is probable and there is a range of estimated loss with no best estimate in the range, we record the minimum estimated liability related to the lawsuits or claims. As additional information becomes available, we assess the potential liability related to our pending litigation and claims and revise our estimates. Due to uncertainties related to the resolution of lawsuits and claims, the ultimate outcome may differ from our estimates. For matters where an unfavorable outcome is reasonably possible and significant, we disclose the nature of the matter and a range of potential exposure, unless an estimate cannot be made at the time of disclosure.

In the opinion of management and based on liability accruals provided, our ultimate exposure with respect to these pending lawsuits and claims is not expected to have a material adverse effect on our consolidated financial position or cash flows, although they could have a material adverse effect on our results of operations for a particular reporting period. See Note 14—Commitments and Contingencies in Part II, Item 8.—Financial Statements and Supplementary Data for a description of such proceedings.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET PRICE OF AND DIVIDENDS ON THE REGISTRANT'S COMMON EQUITY, RELATED SHAREHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information.

Our common shares, par value \$0.05 per share, are publicly traded on the New York Stock Exchange (the "NYSE") under the symbol "NBR". Our warrants are publicly traded on OTC Markets ("OTC") under the symbol "NBRWF".

On February 6, 2026, the closing price of our common shares as reported on the NYSE was \$69.78.

Holders.

On February 6, 2026, there were approximately 1,455 shareholders of record of our common shares.

Dividends.

The declaration and payment of future dividends will be at the discretion of the Board and will depend on, among other things, future earnings, general financial condition and liquidity, success in business activities, capital requirements and general business conditions in addition to legal requirements.

See Part I, Item 1A.—Risk Factors—*As a holding company, we depend on our operating subsidiaries and investments to meet our financial obligations.*

Issuer Purchases of Equity Securities.

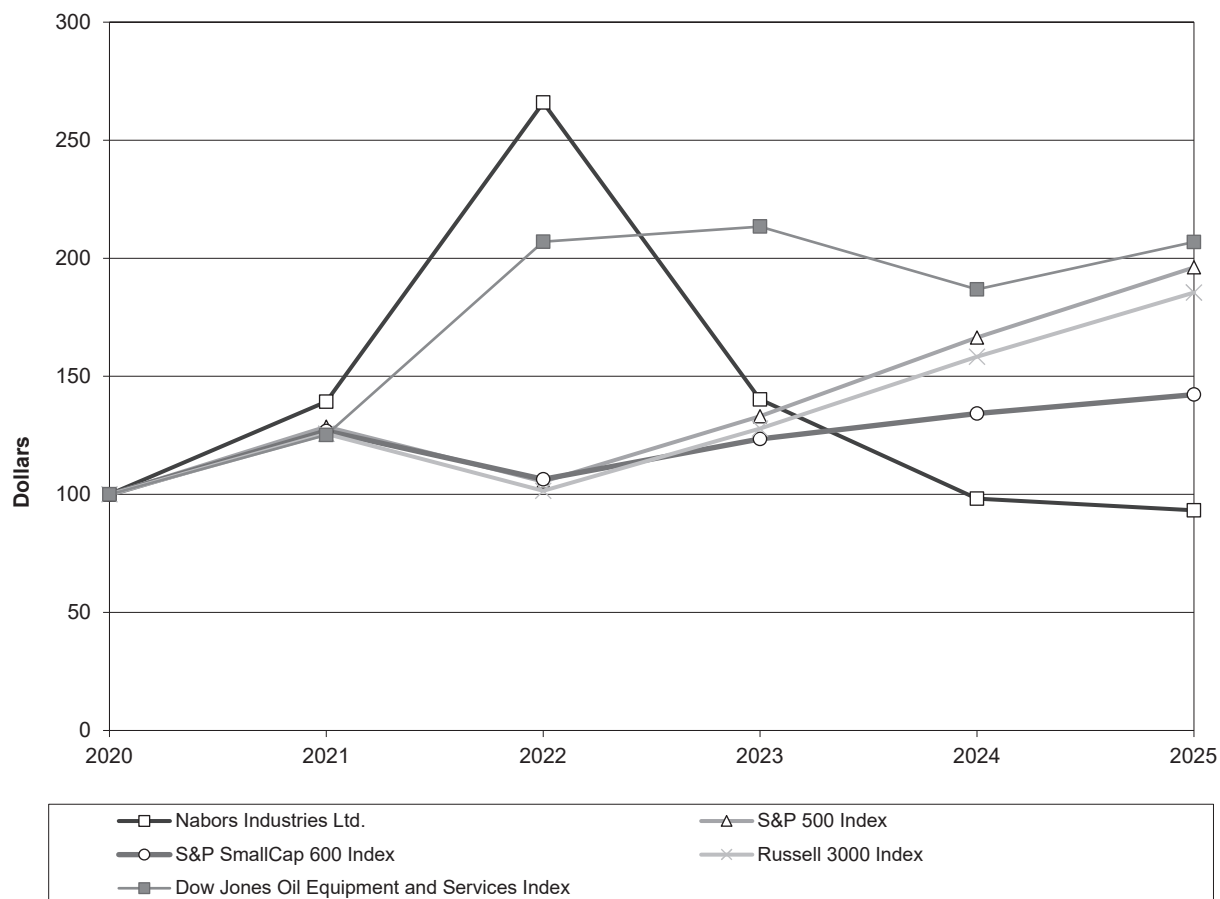
The following table provides information relating to our repurchase of common shares during the three months ended December 31, 2025:

Period (In thousands, except per share amounts)	Total Number of Shares Repurchased	Average Price Paid per Share (1)	Total Number of Shares Purchased as Part of Publicly Announced Program	Approximated Dollar Value of Shares that May Yet Be Purchased Under the Program (2)
October 1 - October 31	—	\$ —	—	278,914
November 1 - November 30	—	\$ 48.97	—	278,914
December 1 - December 31	—	\$ —	—	278,914

- (1) Shares were withheld from employees and directors to satisfy certain tax withholding obligations due in connection with grants of shares under our Amended and Restated 2016 Stock Plan. Each of the Amended and Restated 2016 Stock Plan, the 2003 Employee Stock Plan and the 1999 Stock Option Plan for Non-Employee Directors provide for the withholding of shares to satisfy tax obligations, but do not specify a maximum number of shares that can be withheld for this purpose. These shares were not purchased as part of a publicly announced program to purchase common shares.
- (2) In August 2015, our Board authorized a share repurchase program under which we may repurchase up to \$400.0 million of our common shares in the open market or in privately negotiated transactions. The program was reaffirmed by the Board in February 2019 and in May 2025. Through December 31, 2025, we repurchased 0.3 million of our common shares for an aggregate purchase price of approximately \$121.1 million under this program. As of December 31, 2025, we had approximately \$278.9 million that remained authorized under the program that may be used to repurchase shares. The repurchased shares, which are held by our subsidiaries, are registered and tradable subject to applicable securities law limitations and have the same voting, dividend and other rights as other outstanding shares. As of December 31, 2025, our subsidiaries held 1.2 million of our common shares.

Performance Graph

The following graph illustrates comparisons of five-year cumulative total returns among Nabors, the S&P 500 Index, S&P SmallCap 600 Index, Russell 3000 Index and Dow Jones Oil Equipment and Services Index. We present all these indices. Total return assumes \$100 invested on December 31, 2020 in shares of Nabors and in the aforementioned indices noted above assuming reinvestment of dividends at the end of each calendar year, presented in the table below.



	As of December 31,					
	2020	2021	2022	2023	2024	2025
Nabors Industries Ltd.	100	139	266	140	98	93
S&P 500 Index	100	129	105	133	166	196
S&P SmallCap 600 Index	100	127	106	123	134	142
Russell 3000 Index	100	126	102	128	158	185
Dow Jones Oil Equipment and Services Index	100	125	207	213	187	207

The foregoing graph is based on historical data and is not necessarily indicative of future performance. This graph shall not be deemed to be “soliciting material” or “filed” with the SEC or subject to Regulations 14A or 14C under the Exchange Act or to the liabilities of Section 18 under the Exchange Act.

Related Shareholder Matters

Bermuda has exchange controls that apply to residents in respect of the Bermuda dollar. As an exempted company, Nabors is designated as non-resident for Bermuda exchange control purposes by the Bermuda Monetary Authority. Pursuant to our non-resident status, there are no Bermuda restrictions on our ability to transfer funds (other than funds denominated in Bermuda dollars) in and out of Bermuda or to pay dividends to non-residents who are holders of our common shares in all other currencies, including currency of the United States.

There is no reciprocal tax treaty between Bermuda and the United States. Under current Bermuda law, there is no Bermuda withholding tax on dividends or other distributions. Furthermore, no Bermuda tax is levied on the sale or transfer (including by gift and/or on the death of the shareholder) of Nabors common shares (other than by shareholders resident in Bermuda). 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.

ITEM 6. [Reserved]

Removed and reserved.

ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations is based on, and should be read in conjunction with, our consolidated financial statements and the related notes thereto included under Part II, Item 8.—Financial Statements and Supplementary Data. This discussion and analysis contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth under Part I, Item 1A.—Risk Factors and elsewhere in this annual report. See “Forward-Looking Statements.”

This section of this Form 10-K generally discusses fiscal 2025 and fiscal 2024 items and year-to-year comparisons between fiscal 2025 and fiscal 2024. Discussions of fiscal 2023 items and year-to-year comparisons between fiscal 2024 and fiscal 2023 that are not included in this Form 10-K can be found in “Part II, Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations” of the Company’s Annual Report on Form 10-K for the fiscal year December 31, 2024, as filed with the SEC on February 13, 2025, which is available on the SEC’s website at www.sec.gov.

Management Overview

We are a leading provider of advanced technology for the energy industry. With operations in over 20 countries, Nabors has established a global network of people, technology and equipment to deploy solutions that deliver safe, efficient and sustainable energy production. By leveraging its core competencies, particularly in drilling, engineering, automation, data science and manufacturing, Nabors aims to innovate the future of energy and enable the transition to a lower carbon world.

Outlook

The demand for our services and products is a function of the level of spending by oil and gas companies for exploration, development and production activities. The level of exploration, development and production activities is to a large extent tied to the prices of oil and natural gas, which can fluctuate significantly, are highly volatile and tend to be highly sensitive to factors including supply and demand cycles and geopolitical uncertainties particularly those impacting large hydrocarbon-producing countries. Certain oil and gas companies may also intentionally limit their capital spending as they focus on generating returns to shareholders as opposed to maximizing hydrocarbon production. Additionally, in recent years significant consolidation among oil and gas companies has taken place, especially in the United States. In some cases, these transactions may have an impact on overall rig demand, as the acquiring company may apply criteria that results in a different level of demand for drilling rigs than the previous two companies would have had on a stand-alone basis.

Since late 2022 and continuing through the fourth quarter of 2025, global energy commodity markets have experienced sustained volatility driven by evolving geopolitical dynamics, and more recently, domestic policy changes. In the U.S., operators generally reacted to these market conditions with caution by reducing their drilling activity – particularly in the natural gas basins. This trend appears to be shifting with the expectation for higher natural gas demand in the future. Meanwhile, a number of operators in oil-driven basins, especially the Permian Basin, have reduced drilling activity as they have realized efficiency gains and achieved their production goals.

Despite the reduction in overall rig count in the United States, pricing discipline for drilling rigs in this market remained intact, generally supporting rig dayrates and daily rig margins.

Oil prices have been impacted by recent production actions announced by certain large international oil producers. Natural gas prices, particularly in the United States, have generally increased, in part as demand increased as LNG export facilities ramped throughput.

U.S. oil and gas production has proved resilient in the face of reduced drilling activity aided by efficiency gains.

Internationally, we generally see an expansion of production capacity as well as the widespread development of unconventional resources driving an expected increase in oilfield activity broadly across those markets. In Saudi Arabia specifically, the operating rig fleet has begun to rebound following the activity suspensions in 2024 of a large number of rigs.

Recent Developments

Acquisition of Parker Drilling Company

On March 11, 2025, Nabors completed its merger with Parker Drilling Company (“Parker”) resulting in Parker becoming a wholly owned subsidiary of Nabors. Parker provides drilling services across global energy markets. Total consideration for the acquisition included cash consideration of \$0.6 million and the issuance of 4.8 million shares of our common stock, which based on the closing price of our common stock of \$37.50 on March 11, 2025, valued the purchase price consideration of the transaction at approximately \$180.6 million.

Sale of Quail Tools, LLC

On August 20, 2025, Nabors entered into a definitive agreement to sell Quail Tools to Superior Energy Services, Inc. Quail Tools was part of Nabors’ acquisition of Parker. Net consideration for the sale totals \$625.0 million inclusive of a net working capital adjustment. Consideration comprised of cash of \$375.0 million and a seller note of \$250.0 million. On October 9, 2025, Nabors received prepayment in full of the \$250.0 million seller note, including accrued and unpaid interest.

7.625% Senior Priority Guaranteed Notes due November 2032

On November 10, 2025, Nabors issued \$700.0 million in aggregate principal amount of 7.625% senior priority guaranteed notes, which are fully and unconditionally guaranteed by Nabors and certain of Nabors’ indirect wholly-owned subsidiaries. Interest on the notes is payable on May 15 and November 15 of each year. The notes have a maturity date of November 15, 2032. Nabors used the net proceeds to redeem all of its 7.375% senior priority guaranteed notes due May 2027.

Financial Results

Comparison of the years ended December 31, 2025 and 2024

Operating revenues in 2025 totaled \$3.2 billion, representing an increase of \$254.6 million, or 9%, from 2024. For a more detailed description of operating results see Segment Results of Operations, below.

Net income attributable to Nabors totaled \$286.6 million for 2025 (\$17.39 per diluted share) compared to a net loss attributable to Nabors of \$176.1 million (\$22.37 per diluted share) in 2024, or a \$462.7 million increase in net income. Adjusted operating income (loss) across our operating segments, increased by \$54.3 million, or 13%. \$113.7 million of the increase is due to the gain on bargain purchase related to the Parker acquisition and \$414.0 million was due to the gain on the disposition of Quail Tools. These gains were partially offset by \$26.5 million of asset impairments related to assets held in Russia, \$24.6 million related to severance and reorganization costs and \$19.9 million of transaction related costs. See Segment Results of Operations and Other Financial Information below for additional discussion.

General and administrative expenses in 2025 totaled \$304.6 million, representing an increase of \$55.3 million, or 22% from 2024. This is reflective of increases in workforce costs and general operating costs as a result of the Parker acquisition, along with inflationary pressures as market conditions have changed.

Depreciation and amortization expense in 2025 was \$649.2 million, representing an increase of \$15.8 million, or 2%, from 2024. The increase is a result of the additional assets obtained in the Parker acquisition.

Segment Results of Operations

During the years ended December 31, 2025 and 2024, our business consisted of four reportable segments: U.S. Drilling, International Drilling, Drilling Solutions and Rig Technologies.

Management evaluates the performance of our reportable segments using adjusted operating income (loss), which is our segment performance measure, because we believe that this financial measure reflects our ongoing profitability and performance. In addition, securities analysts and investors use this measure as one of the metrics on which they analyze our performance. Adjusted operating income (loss) represents income (loss) before income taxes, interest expense, earnings (losses) from unconsolidated affiliates, investment income (loss), gain on disposition of Quail Tools, gain on bargain purchase and other, net. A reconciliation of adjusted operating income to net income (loss) before income taxes can be found in Note 17—Segment Information in Part II, Item 8.—Financial Statements and Supplementary Data.

The following tables set forth certain information with respect to our reportable segments and rig activity:

	Year Ended December 31,		Increase/(Decrease)	
	2025	2024		
(In thousands, except percentages and rig activity)				
U.S. Drilling				
Operating revenues	\$ 976,644	\$ 1,028,122	\$ (51,478)	(5)%
Adjusted operating income (loss) (1)	\$ 131,372	\$ 176,281	\$ (44,909)	(25)%
Average rigs working (2)	69.9	75.1	(5.2)	(7)%
International Drilling				
Operating revenues	\$ 1,597,765	\$ 1,446,092	\$ 151,673	10 %
Adjusted operating income (loss) (1)	\$ 164,123	\$ 107,858	\$ 56,265	52 %
Average rigs working (2)	88.4	83.7	4.7	6 %
Drilling Solutions				
Operating revenues	\$ 513,283	\$ 314,071	\$ 199,212	63 %
Adjusted operating income (loss) (1)	\$ 167,282	\$ 112,387	\$ 54,895	49 %
Rig Technologies				
Operating revenues	\$ 154,036	\$ 201,677	\$ (47,641)	(24)%
Adjusted operating income (loss) (1)	\$ 8,274	\$ 20,243	\$ (11,969)	(59)%

- (1) Adjusted operating income (loss) is our measure of segment profit and loss. See Note 17 – Segment Information to the consolidated financial statements included in Item 8 of the report.
- (2) Represents a measure of the average number of rigs operating during a given period. For example, one rig operating 45 days during a quarter represents approximately 0.5 average rigs working for the quarter. On an annual period, one rig operating 182.5 days represents approximately 0.5 average rigs working for the year.

U.S. Drilling

Operating revenues decreased by \$51.5 million or 5% in 2025 compared to 2024. Decreases in the Lower 48 land rig market for both average number of rigs working and dayrates, more than offset the incremental revenue from acquired Parker rig operations in the Alaska and U.S. Offshore markets.

International Drilling

Operating revenues increased by \$151.7 million or 10% in 2025 compared to 2024. Incremental revenue from acquired Parker rig operations in international markets and the contribution of recently deployed rigs in other international markets comprise the majority of the increase.

Drilling Solutions

Operating revenues increased by \$199.2 million or 63% in 2025 compared to 2024. The increase in revenue is related to acquired Parker operations. This increase from Parker operations was slightly offset by a decline in results in the U.S. markets, which was driven by the reduction in drilling activity.

Rig Technologies

Operating revenues decreased by \$47.6 million or 24% in 2025 compared to 2024 due to the overall decline in activity as mentioned previously.

Other Financial Information

Interest expense

Interest expense for 2025 was \$215.4 million, representing an increase of \$4.5 million, or 2%, compared to 2024. The increase was primarily due to an increase in our effective interest rate levels and an increase in our average outstanding debt balance throughout 2025 as compared to 2024.

Gain on disposition of Quail Tools

Gain on disposition of Quail Tools for the years ended December 31, 2025 and 2024 was \$414.0 million and zero, respectively. The gain on disposition of Quail Tools was related to the sale of Quail Tools in the third quarter of 2025.

Gain on bargain purchase

Gain on bargain purchase for the years ended December 31, 2025 and 2024 was \$113.7 million and zero, respectively. The gain on bargain purchase was related to the Parker acquisition in the first quarter of 2025.

Other, net

Other, net for the year ended December 31, 2025 was a loss of \$65.8 million, compared to a loss of \$106.8 million during 2024. During 2025, this loss was from \$26.5 million in asset impairments related to assets held in Russia, \$19.9 million of transaction related costs, \$24.6 million related to severance and reorganization costs, \$15.5 million for losses on debt buybacks, and \$15.2 million in other than temporary impairment of securities which was offset by \$8.4 million of mark-to-market gains on the common share warrants and \$46.9 million in gain on sales of assets. In comparison, during 2024, the loss was from \$28.1 million in foreign currency losses, \$14.9 million for losses on debt buybacks, \$26.4 million from loss on sale of assets and \$26.1 million from other than temporary impairment of securities. This loss was offset by \$16.9 million of gain from mark-to-market gains related to the common share warrants.

Income taxes

Our worldwide income tax expense for 2025 was \$163.1 million compared to \$56.9 million for 2024. The increase in tax expense was primarily attributable to the Parker acquisition and sale of Quail Tools, as well as the change in amount and geographic mix of our pre-tax earnings (losses).

Liquidity and Capital Resources

Financial Condition and Sources of Liquidity

Our primary sources of liquidity are cash and investments, availability under the 2024 Credit Agreement and cash generated from operations. As of December 31, 2025, we had cash and short-term investments of \$940.7 million and working capital of \$558.6 million. As of December 31, 2024, we had cash and short-term investments of \$397.3 million and working capital of \$427.6 million.

At December 31, 2025, we had no borrowings outstanding and \$69.8 million of letters of credit outstanding under the 2024 Credit Agreement, which has a total borrowing capacity of \$350.0 million and a separate letter of credit tranche

that permits us to issue letters of credit with total reimbursement obligations not to exceed \$125.0 million. Letters of credit issued will not affect revolving loan capacity and vice versa.

The 2024 Credit Agreement requires us to maintain an interest coverage ratio (EBITDA/interest expense of 2.75:1.00) and a minimum guarantor value, requiring the guarantors (other than the Company) and their subsidiaries to own at least 90% of the consolidated property, plant and equipment of the Company. Additionally, the Company is subject to certain covenants (which are subject to certain exceptions) and include, among others, (a) a covenant restricting our ability to incur liens (subject to the additional liens basket of up to \$150.0 million, among other exceptions), (b) a covenant restricting its ability to pay dividends or make other distributions with respect to its capital stock and to repurchase certain indebtedness, and (c) a covenant restricting the ability of the Company’s subsidiaries to incur debt (subject to the grower debt basket of up to \$100.0 million). The facility matures on the earlier of (a) June 17, 2029 and (b) to the extent 10% or more of the respective principal amount of any of the 7.50% Senior Guaranteed Notes due January 2028 or 50% or more of the principal amount of the 1.75% Senior Exchangeable Notes due June 2029 remains outstanding on the date that is 90 days prior to the applicable maturity date for such indebtedness, then such 90th day.

As of the date of this report, we were in compliance with all covenants under the 2024 Credit Agreement, including those regarding the required interest coverage ratio and minimum guarantor value, which were 4.16:1.00 and 99.8%, respectively, as of December 31, 2025. If we fail to perform our obligations under the covenants, the revolving credit commitments under the 2024 Credit Agreement could be terminated, and any outstanding borrowings under the facilities could be declared immediately due and payable. If necessary, we have the ability to manage our covenant compliance by taking certain actions including reductions in discretionary capital or other types of controllable expenditures, monetization of assets, amending or renegotiating the revolving credit agreement, accessing capital markets through a variety of alternative methods, or any combination of these alternatives. We expect to remain in compliance with all covenants under the 2024 Credit Agreement during the twelve-month period following the date of this report based on our current operational and financial projections. However, we can make no assurance of continued compliance if our current projections or material underlying assumptions prove to be incorrect. If we fail to comply with the covenants, the revolving credit commitment could be terminated, and any outstanding borrowings under the facility could be declared immediately due and payable.

Our ability to access capital markets or to otherwise obtain sufficient financing may be affected by our senior unsecured debt ratings as provided by the major credit rating agencies in the United States and our historical ability to access these markets as needed. While there can be no assurances that we will be able to access these markets in the future, we believe that we will be able to access capital markets or otherwise obtain financing in order to satisfy any payment obligation that might arise upon maturity, exchange or purchase of our notes and our debt facilities, loss of availability of our revolving credit facilities and our A/R Agreements (see—Accounts Receivable Purchase and Sales Agreements, below), and that any cash payment due, in addition to our other cash obligations, would not ultimately have a material adverse impact on our liquidity or financial position. The major U.S. credit rating agencies have previously downgraded our senior unsecured debt rating to non-investment grade. These and any further ratings downgrades could adversely impact our ability to access debt markets in the future, increase the cost of future debt, and potentially require us to post letters of credit for certain obligations. See Part I, Item 1A.—Risk Factors—*A downgrade in our credit rating could negatively impact our cost of and ability to access capital markets or other financing sources.*

We had seven letter-of-credit facilities with various banks outstanding as of December 31, 2025. Availability under these facilities was as follows:

	December 31, 2025
	(In thousands)
Credit available	\$ 283,667
Less: Letters of credit outstanding, inclusive of financial and performance guarantees	128,619
Remaining availability	<u>\$ 155,048</u>

We are a holding company and therefore rely exclusively on repayments of interest and principal on intercompany loans that we have made to our operating subsidiaries and income from dividends and other cash flows from our operating subsidiaries. There can be no assurance that our operating subsidiaries will generate sufficient net income to pay us dividends or sufficient cash flows to make payments of interest and principal to us. See Part I, Item 1A.—Risk

Factors—*As a holding company, we depend on our operating subsidiaries and investments to meet our financial obligations.*

Accounts Receivable Purchase and Sales Agreements

On September 13, 2019, we entered into an accounts receivables sales agreement (the “A/R Sales Agreement”) and an accounts receivables purchase agreement (the “A/R Purchase Agreement” and, together with the A/R Sales Agreement, the “A/R Agreements”), whereby the originators, all of whom are our subsidiaries, sold or contributed, and will on an ongoing basis continue to sell or contribute, certain of their domestic trade accounts receivables to a wholly-owned, bankruptcy-remote special purpose entity (“SPE”). The SPE in turn, sells, transfers, conveys and assigns to third-party financial institutions (“Purchasers”), all the rights, title and interest in and to its pool of eligible receivables.

Over the term of the facility, we entered into a number of amendments. Most recently, in August 2025, we entered into the First Amendment to the A/R Sales Agreement and the Fifth Amendment to the A/R Purchase Agreement. The First Amendment to the A/R Sales Agreement amends the agreement to, among other things, add certain subsidiaries of Parker Drilling Company, an indirect wholly-owned subsidiary of the Company, as originators (the “Additional Originators”). The Fifth Amendment to the A/R Purchase Agreement amends the agreement to make changes to reflect the joinder of the Additional Originators.

The amount available for purchase under the A/R Agreements fluctuates over time based on the total amount of eligible receivables generated during the normal course of business after excluding excess concentrations and certain other ineligible receivables. The maximum purchase commitment of the Purchasers under the A/R Agreements is \$250.0 million and the amount of receivables purchased by the third-party Purchasers as of December 31, 2025 was \$137.0 million.

The originators, Nabors Delaware, the SPE, and the Company provide representations, warranties, covenants and indemnities under the A/R Agreements and the Indemnification Guarantee. See further details at Note 3—Accounts Receivable Purchase and Sales Agreements.

Other Indebtedness

See Note 9—Debt, in Part II, Item 8.—Financial Statements and Supplementary Data, for further details about our financing arrangements, including our debt securities.

Future Cash Requirements

Our current cash and investments, projected cash flows from operations, proceeds from equity or debt issuances, the A/R Agreements and the facilities under our 2024 Credit Agreement are expected to adequately finance our purchase commitments, capital expenditures, acquisitions, scheduled debt service requirements, and all other expected cash requirements for at least the next 12 months. However, we can make no assurances that our current operational and financial projections will prove to be correct. A sustained period of highly depressed oil and natural gas prices could have a significant effect on our customers’ capital expenditure spending and therefore our operations, cash flows and liquidity.

Purchase commitments outstanding on December 31, 2025 totaled approximately \$410.7 million, primarily for rig-related enhancements, sustaining capital expenditures, operating expenses, and purchases of inventory. \$371.4 million of the outstanding commitments are expected to be paid in 2026. Purchase commitments include agreements to purchase goods or services that are enforceable and legally binding and that specify all significant terms, including fixed or minimum quantities to be purchased; fixed, minimum or variable pricing provisions; and the approximate timing of the transaction. We can reduce planned expenditures if necessary or increase them if market conditions and new business opportunities warrant it. The level of our outstanding purchase commitments and our expected level of capital expenditures for 2026 represent a number of capital programs that are currently underway or planned.

As of December 31, 2025, we had approximately \$2.5 billion of net book value of long-term debt outstanding with \$2.5 billion in aggregate principal with \$379.1 million in aggregate principal to be repaid in the next twelve months. We have expected aggregate future interest payments of \$911.8 million related to the outstanding debt with \$180.1 million due in the next twelve months. See Note 9—Debt in Part II, Item 8.—Financial Statements and Supplementary Data for

additional details. Our obligations for operating leases total \$49.0 million with \$12.6 million of the obligations coming due in the upcoming year. See Note 19—Leases in Part II, Item 8.—Financial Statements and Supplementary Data for additional details.

We may from time to time seek to retire or purchase our outstanding debt through cash purchases or exchanges for equity or debt securities, both in open-market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors and may involve material amounts.

We are a party to transactions, agreements or other contractual arrangements defined as “off-balance sheet arrangements” that could have a material future effect on our financial position, results of operations, liquidity and capital resources. The most significant of these off-balance sheet arrangements include the A/R Agreements (see — Accounts Receivable Purchase and Sales Agreements, above) and certain agreements and obligations under which we provide financial or performance assurance to third parties. Certain of these financial or performance assurances serve as guarantees, including standby letters of credit issued on behalf of insurance carriers in conjunction with our workers’ compensation insurance program and other financial surety instruments such as bonds. In addition, we have provided indemnifications, which serve as guarantees, to some third parties. These guarantees include indemnification provided by us to our share transfer agent and our insurance carriers. We are not able to estimate the potential future maximum payments that might be due under our indemnification guarantees, if any. Management believes the likelihood that we would be required to perform or otherwise incur any material losses associated with any of these guarantees is remote.

The following table summarizes the total maximum amount of financial guarantees issued by Nabors:

	Maximum Amount				Total
	2026	2027	2028	Thereafter	
			(In thousands)		
Financial standby letters of credit and other financial surety instruments	\$ 42,243	20	4,785	2,456	\$ 49,504

Cash Flows

Our cash flows depend, to a large degree, on the level of spending by oil and gas companies for exploration, development and production activities. Sustained decreases in the price of oil or natural gas could have a material impact on these activities and could also materially affect our cash flows. Certain sources and uses of cash, such as the level of discretionary capital expenditures or acquisitions, purchases and sales of investments, loans, issuances and repurchases of debt and of our common shares are within our control and are adjusted as necessary based on market conditions. We discuss our 2025 and 2024 cash flows below.

Operating Activities. Net cash provided by operating activities totaled \$693.3 million during 2025, compared to net cash provided of \$581.4 million during 2024. Operating cash flows are our primary source of capital and liquidity. Cash from operating results (before working capital changes) totaled \$620.7 million during 2025, a decrease of \$61.9 million when compared to \$682.7 million in 2024. This was due to the decrease in activity across our business in 2025 compared to 2024. Changes in working capital items such as collection of receivables, other deferred revenue arrangements and payments of operating payables are significant factors affecting operating cash flows and can be volatile in periods of increasing or decreasing activity levels. Changes in working capital items provided \$72.5 million in cash flows during 2025 and used \$101.2 million in cash flows during 2024.

Investing Activities. Net cash provided by investing activities totaled \$97.1 million during 2025 compared to net cash used of \$555.5 million in 2024. Our primary use of cash for investing activities is for capital expenditures related to rig-related enhancements, new construction and equipment, and sustaining capital expenditures. During 2025 and 2024, we used cash for capital expenditures totaling \$715.9 million and \$567.9 million, respectively. We received \$98.6 million in proceeds from sales of assets and insurance proceeds during 2025 compared to \$15.5 million in 2024. During 2025, we received \$84.4 million in cash acquired in the Parker acquisition, net of cash paid and \$622.9 million from the sale of Quail Tools.

Financing Activities. Net cash used for financing activities totaled \$566.8 million during 2025. During 2025, we received net proceeds of \$700.0 million from issuance of long-term debt, repaid \$0.9 billion of outstanding long-term debt. Also, we made distributions of \$342.4 million from the Trust Account to NETC II stockholders. Cash in the Trust Account can only be used in connection to the SPAC and is not available to use for general operations. Net cash used for

financing activities totaled \$662.1 million during 2024. During 2024, we received net proceeds of \$539.0 million from issuance of long-term debt and repaid \$1.2 billion of outstanding long-term debt.

Other Matters

Recent Accounting Pronouncements

See Note 2—Summary of Significant Accounting Policies in Part II, Item 8.—Financial Statements and Supplementary Data.

Critical Accounting Estimates

The preparation of our financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the balance sheet date and the amounts of revenues and expenses recognized during the reporting period. We analyze our estimates based on our historical experience and various other assumptions that we believe to be reasonable under the circumstances. However, actual results could differ from our estimates. The following is a discussion of our critical accounting estimates. Management considers an accounting estimate to be critical if:

- it requires assumptions to be made that were uncertain at the time the estimate was made; and
- changes in the estimate or different estimates that could have been selected could have a material impact on our consolidated financial position or results of operations.

For a summary of all our significant accounting policies, see Note 2—Summary of Significant Accounting Policies in Part II, Item 8.—Financial Statements and Supplementary Data.

Depreciation of Property, Plant and Equipment. The drilling and drilling services industries are very capital intensive. Property, plant and equipment represented 61% of our total assets as of December 31, 2025, and depreciation and amortization constituted 24% of our total costs and other deductions in 2025.

Depreciation for our primary operating assets, drilling rigs, is calculated based on the units-of-production method. For each day a rig is operating, we depreciate it over an approximate 4,927-day period, with the exception of our jackup rigs which are depreciated over an 8,030-day period, in each case after provision for salvage value. For each day a rig asset is not operating, it is depreciated over an assumed depreciable life of 20 years, with the exception of our jackup rigs, where a 30-year depreciable life is typically used, after provision for salvage value.

Depreciation on our buildings, oilfield hauling and mobile equipment, aircraft equipment, and other machinery and equipment is computed using the straight-line method over the estimated useful life of the asset after provision for salvage value (buildings—10 to 30 years; aircraft equipment—5 to 20 years; oilfield hauling and mobile equipment and other machinery and equipment—3 to 10 years).

These depreciation periods and the salvage values of our property, plant and equipment were determined through an analysis of the useful lives of our assets and based on our experience with the salvage values of these assets. Periodically, we review our depreciation periods and salvage values for reasonableness given current conditions. Depreciation of property, plant and equipment is therefore based upon estimates of the useful lives and salvage value of those assets. Estimation of these items requires significant management judgment. Accordingly, management believes that accounting estimates related to depreciation expense recorded on property, plant and equipment are critical.

There have been no factors related to the performance of our portfolio of assets, changes in technology or other factors indicating that these estimates do not continue to be appropriate. Accordingly, for the years ended December 31, 2025, 2024 and 2023, no significant changes have been made to the depreciation rates applied to property, plant and equipment, the underlying assumptions related to estimates of depreciation, or the methodology applied. However, certain events could occur that would materially affect our estimates and assumptions related to depreciation. Unforeseen changes in operations or technology could substantially alter management's assumptions regarding our

ability to realize the return on our investment in operating assets and therefore affect the useful lives and salvage values of our assets.

Impairment of Long-Lived Assets. As discussed above, the drilling and drilling services industries are very capital intensive. We review our assets for impairment when events or changes in circumstances indicate that their carrying amounts may not be recoverable. If the estimated undiscounted future cash flows are not sufficient to support the asset's recorded value, an impairment charge is recognized to the extent the carrying amount of the long-lived asset exceeds its estimated fair value determined utilizing either a discounted cash flows or market approach model. Management considers a number of factors such as estimated future cash flows from the assets, appraisals and current market value analysis in determining fair value. The determination of future cash flows requires the estimation of utilization, dayrates, operating margins, sustaining capital and remaining economic life. Such estimates can change based on market conditions, technological advances in the industry or changes in regulations governing the industry. The appraisals require estimation based on location, working status, asset condition and market conditions. Significant and unanticipated changes to the assumptions could result in future impairments. A significantly prolonged period of lower oil and natural gas prices could continue to adversely affect the demand for and prices of our services, which could result in future impairment charges. As the determination of whether impairment charges should be recorded on our long-lived assets is subject to significant management judgment, and an impairment of these assets could result in a material charge on our consolidated statements of income (loss), management believes that accounting estimates related to impairment of long-lived assets are critical.

Assumptions in the determination of future cash flows are made with the involvement of management personnel at the operational level where the most specific knowledge of market conditions and other operating factors exists. For 2025, 2024 and 2023, no significant changes have been made to the methodology utilized to determine future cash flows.

Income Taxes. We operate in a number of countries and our tax returns filed in those jurisdictions are subject to review and examination by tax authorities within those jurisdictions. We are currently contesting tax assessments in a number of countries and may contest future assessments. We believe the ultimate resolution of the outstanding assessments, for which we have not made any accrual, will not have a material adverse effect on our consolidated financial statements. We recognize uncertain tax positions that we believe have a greater than 50 percent likelihood of being sustained. We cannot predict or provide assurance as to the ultimate outcome of any existing or future assessments.

Audit claims of approximately \$142.1 million attributable to income tax have been assessed against us. We have contested, or intend to contest, these assessments, including through litigation if necessary, and we believe the ultimate resolution, for which we have not made any accrual, will not have a material adverse effect on our consolidated financial statements. Tax authorities may issue additional assessments or pursue legal actions as a result of tax audits and we cannot predict or provide assurance as to the ultimate outcome of such assessments and legal actions.

Applicable income and withholding taxes have not been provided on undistributed earnings of our subsidiaries. We do not intend to repatriate such undistributed earnings except for distributions upon which incremental income and withholding taxes would not be material.

In certain jurisdictions we have recognized deferred tax assets and liabilities. Judgment and assumptions are required in determining whether deferred tax assets will be fully or partially utilized. When we estimate that all or some portion of certain deferred tax assets such as net operating loss carryforwards will not be utilized, we establish a valuation allowance for the amount ascertained to be unrealizable. We continually evaluate strategies that could allow for future utilization of our deferred assets. Any change in the ability to utilize such deferred assets will be accounted for in the period of the event affecting the valuation allowance. If facts and circumstances cause us to change our expectations regarding future tax consequences, the resulting adjustments could have a material effect on our financial results or cash flow.

Litigation and Self-Insurance Reserves. Our operations are subject to many hazards inherent in the drilling and drilling services industries, including 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. Any of these and other hazards could result in personal injury or death, damage to or destruction of equipment and facilities, suspension of operations, environmental and natural resources damage and damage to the property of others. Our offshore operations are also subject to the hazards of marine operations including capsizing,

grounding, collision and other damage from hurricanes and heavy weather or sea conditions and unsound ocean bottom conditions. Our operations are subject to risks of war or acts of terrorism, civil disturbances and other political events.

Accidents may occur, we may be unable to obtain desired contractual indemnities, and our insurance may prove inadequate in certain cases. There is no assurance that our insurance or indemnification agreements will adequately protect us against liability from all the consequences of the hazards described above. Moreover, our insurance coverage generally provides that we assume a portion of the risk in the form of a deductible or self-insured retention.

Based on the risks discussed above, it is necessary for us to estimate the level of our liability related to insurance and record reserves for these amounts in our consolidated financial statements. Reserves related to self-insurance are based on the facts and circumstances specific to the claims and our past experience with similar claims. The actual outcome of self-insured claims could differ significantly from estimated amounts. We maintain actuarially determined accruals in our consolidated balance sheets to cover self-insurance retentions for workers' compensation, employers' liability, general liability and automobile liability claims. These accruals are based on certain assumptions developed utilizing historical data to project future losses. Loss estimates in the calculation of these accruals are adjusted based upon actual claim settlements and reported claims. These loss estimates and accruals recorded in our financial statements for claims have historically been reasonable in light of the actual amount of claims paid.

Because the determination of our liability for self-insured claims is subject to significant management judgment and in certain instances is based on actuarially estimated and calculated amounts, and because such liabilities could be material in nature, management believes that accounting estimates related to self-insurance reserves are critical.

During 2025, 2024 and 2023, no significant changes were made to the methodology used to estimate insurance reserves. For purposes of earnings sensitivity analysis, if the December 31, 2025 reserves were adjusted by 10%, total costs and other deductions would change by \$7.2 million, or 0.27%.

Fair Value of Assets Acquired and Liabilities Assumed. In conjunction with accounting for acquisitions, it is necessary for us to estimate the values of assets acquired and liabilities assumed in business combinations using various assumptions. These estimates may be affected by such factors as changing market conditions, technological advances in the industry or changes in regulations governing the industry. The most significant assumptions, and the ones requiring the most judgement, involve estimated fair value of property, plant and equipment, and the resulting amount of goodwill, if any. The determination of the fair value of assets and liabilities is based on the market for the assets and the settlement value of the liabilities. Unforeseen changes in operations or technology could substantially alter management's assumptions and could result in lower estimates of values of acquired assets or future cash flows. This could result in impairment charges being recorded in our consolidated statements of income (loss). As the determination of the fair value of assets acquired and liabilities assumed is subject to significant management judgement and a change in purchase price allocations could result in a material difference in amounts recorded in our consolidated financial statements, management believes that accounting estimates related to the valuation of assets acquired and liabilities assumed are critical. Given the nature of the evaluation of the fair value of assets acquired and liabilities assumed and the application to specific assets and liabilities, it is not possible to reasonably quantify the impact of changes in these assumptions.

ITEM 7A. *QUANTITATIVE AND QUALITATIVE DISCLOSURES*

We may be exposed to certain market risks arising from the use of financial instruments in the ordinary course of business. This risk arises primarily as a result of potential changes in the fair market value of financial instruments due to adverse fluctuations in foreign currency exchange rates, credit risk, interest rates, and marketable and non-marketable security prices as discussed below.

Foreign Currency Risk. We operate in a number of international areas and are involved in transactions denominated in currencies other than U.S. dollars, which exposes us to foreign exchange rate risk and foreign currency devaluation risk. The most significant exposures arise in connection with our operations in Argentina and Russia, which usually are substantially unhedged.

We have experienced certain risks specific to our 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 based on inflation data published by the respective governments.

At various times, we utilize local currency borrowings (foreign currency denominated debt), the payment structure of customer contracts and foreign exchange contracts to selectively hedge our exposure to exchange rate fluctuations in connection with monetary assets, liabilities, cash flows and commitments denominated in certain foreign currencies. A foreign exchange contract is a foreign currency transaction, defined as an agreement to exchange different currencies at a given future date and at a specified rate. A hypothetical 10% increase in the value of our foreign currencies relative to the U.S. dollar as of December 31, 2025 would result in a \$2.5 million increase in the fair value of our net monetary liabilities denominated in currencies other than U.S. dollars.

Credit Risk. Our financial instruments that potentially subject us to concentrations of credit risk consist primarily of cash equivalents, short-term and long-term investments and accounts receivable. Cash equivalents such as deposits and temporary cash investments are held by major banks or investment firms. Our short-term and long-term investments are managed within established guidelines that limit the amounts that may be invested with any one issuer and provide guidance as to issuer credit quality. We believe that the credit risk in our cash and investment portfolio is minimized as a result of the mix of our investments. In addition, our trade receivables are with a variety of U.S., international and non-U.S. national oil and gas companies. Management considers this credit risk to be limited due to the financial resources of these companies. We perform ongoing credit evaluations of our customers, and we generally do not require material collateral. We do occasionally require prepayment of amounts from customers whose creditworthiness is in question prior to providing services to them. We maintain reserves for potential credit losses, and these losses historically have been within management's expectations.

Interest Rate and Marketable and Non-marketable Security Price Risk. Our financial instruments that are potentially sensitive to changes in interest rates include our floating rate debt instruments (our 2024 Credit Agreement), our fixed rate debt securities comprised of our 1.75% senior exchangeable notes; 7.50% and 8.875% senior guaranteed notes; 7.625% and 9.125% senior priority guaranteed notes; our investments in debt securities (including corporate and mortgage-CMO debt securities); and our investments in overseas funds that invest primarily in a variety of public and private U.S. and non-U.S. securities (including asset-backed and mortgage-backed securities, global structured-asset securitizations, whole-loan mortgages and participations in whole loans and whole-loan mortgages), which are classified as long-term investments.

We may utilize derivative financial instruments that are intended to manage our exposure to interest rate risks. We account for derivative financial instruments under the Derivatives Topic of the ASC. The use of derivative financial instruments could expose us to further credit risk and market risk. Credit risk in this context is the failure of a counterparty to perform under the terms of the derivative contract. When the fair value of a derivative contract is positive, the counterparty would owe us, which can create credit risk for us. When the fair value of a derivative contract is negative, we would owe the counterparty, and therefore, we would not be exposed to credit risk. We attempt to minimize credit risk in derivative instruments by entering into transactions with major financial institutions that have a significant asset base. Market risk related to derivatives is the adverse effect on the value of a financial instrument that results from changes in interest rates. We try to manage market risk associated with interest-rate contracts by establishing and monitoring parameters that limit the type and degree of market risk that we undertake.

Fair Value of Financial Instruments. The fair value of our fixed rate long-term debt and revolving credit facilities is estimated based on quoted market prices or prices quoted from third-party financial institutions. The carrying and fair values of these liabilities were as follows:

	As of December 31,					
	2025			2024		
	Effective Interest Rate	Carrying Value	Fair Value	Effective Interest Rate	Carrying Value	Fair Value
	(In thousands)					
7.375% senior priority guaranteed notes due May 2027	7.04 %	\$ —	\$ —	7.74 %	\$ 700,000	\$ 699,916
7.50% senior guaranteed notes due January 2028	7.82 %	379,146	379,491	7.70 %	389,609	362,823
1.75% senior exchangeable notes due June 2029	2.27 %	250,000	202,868	2.27 %	250,000	179,548
9.125% senior priority guaranteed notes due January 2030.	9.40 %	650,000	683,293	9.40 %	650,000	661,401
8.875% senior guaranteed notes due August 2031.	9.12 %	550,000	533,638	9.12 %	550,000	511,104
7.625% senior priority guaranteed notes due November 2032	7.88 %	700,000	687,890	— %	—	—
		<u>\$ 2,529,146</u>	<u>\$ 2,487,180</u>		<u>\$ 2,539,609</u>	<u>\$ 2,414,792</u>
Less: current portion		377,492			—	
Less: deferred financing costs		34,467			34,392	
		<u>\$ 2,117,187</u>			<u>\$ 2,505,217</u>	

The fair values of our cash equivalents, trade receivables and trade payables approximate their carrying values due to the short-term nature of these instruments. Our warrants are carried at fair market value.

Our investments in debt securities and a portion of our long-term investments are sensitive to changes in interest rates. Additionally, our investment portfolio of debt and equity securities, which are carried at fair value, exposes us to price risk.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Nabors Industries Ltd.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Nabors Industries Ltd. and its subsidiaries (the "Company") as of December 31, 2025 and 2024, and the related consolidated statements of income (loss), of comprehensive income (loss), of changes in equity and of cash flows for each of the three years in the period ended December 31, 2025, including the related notes and financial statement schedule listed in the index appearing under Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As described in Management's Report on Internal Control over Financial Reporting, management has excluded certain entities of Parker Drilling Company ("Parker") from its assessment of the Company's internal control over financial reporting as of December 31, 2025 because it was acquired by the Company in a purchase business combination during 2025. Quail Tools LLC, which was part of the acquisition of Parker, was sold in August 2025. Subsequent to the acquisition, certain entities of Parker were integrated into the Company's existing systems and internal control over financial reporting. The entities that were not integrated have been excluded from management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2025. We have also excluded these entities from our audit of internal control over financial reporting. The entities comprised, in aggregate, total assets and total revenues excluded from management's assessment and our audit of internal control over financial reporting of

approximately 2% and 10% (which includes the approximately 5 months of revenue related to Quail Tools LLC prior to disposition, as it was not integrated prior to its sale) of consolidated total assets and consolidated total revenues, respectively, as of and for the year ended December 31, 2025.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Revenue Recognition – Contract Drilling Revenue

As described in Note 18 to the consolidated financial statements, the Company's operating revenue was \$3,184.7 million for the year ended December 31, 2025, a majority of which relates to contract drilling revenue. Management recognizes revenue when control of a good or service promised in a contract (i.e., performance obligation) is transferred to a customer. Control is obtained when a customer has the ability to direct the use of and obtain substantially all the remaining benefits from that good or service. Contract drilling revenues are recorded over time utilizing the input method based on time elapsed. The measurement of progress considers the transfer of the service to the customer as the Company provides daily drilling services. The Company receives payment after the services have been performed by billing customers periodically (typically monthly). Within the drilling contracts, management has identified one performance obligation in which the transaction price is allocated. The timing of revenue recognition may differ from the timing of invoicing to customers and these timing differences result in receivables, contract assets, or contract liabilities (deferred revenue) on the Company's consolidated balance sheet.

The principal consideration for our determination that performing procedures relating to contract drilling revenue recognition is a critical audit matter is a high degree of auditor effort in performing procedures related to the Company's revenue recognition.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the revenue recognition process, including controls over the recording of contract drilling revenue. These procedures also included, among others (i) testing revenue recognized for a sample of revenue transactions by obtaining and inspecting source documents, such as contracts, invoices, and the activity summary details, which is customer acknowledgement of performance; (ii) testing the timing of revenue recognized for a sample of revenue transactions by obtaining and inspecting source documents, such as contracts and customer acknowledgement of performance; and (iii)

testing a sample of outstanding customer invoice balances as of December 31, 2025 by obtaining and inspecting source documents, such as invoices, customer acknowledgement of performance, and subsequent cash receipts.

Acquisition of Parker Drilling Company – Valuation of Property, Plant and Equipment

As described in Note 4 to the consolidated financial statements, the Company completed the acquisition of Parker Drilling Company (“Parker”) on March 11, 2025 for total consideration of \$180.6 million. Of the acquired assets, \$264.5 million of property, plant and equipment was recorded. Management applied significant judgment in estimating the fair value of assets acquired and liabilities assumed. The fair value of property, plant and equipment was determined using the cost approach, which includes assumptions related to replacement cost, physical deterioration, economic obsolescence, and floor value.

The principal considerations for our determination that performing procedures relating to the valuation of property, plant and equipment acquired in the acquisition of Parker is a critical audit matter are (i) the significant judgment by management when developing the fair value estimate of property, plant and equipment acquired; (ii) a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating management’s significant assumptions related to replacement cost, physical deterioration, economic obsolescence, and floor value; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the acquisition accounting, including controls over management’s valuation of property, plant and equipment acquired. These procedures also included, among others (i) reading the purchase agreement; (ii) testing management’s process for developing the fair value estimate of property, plant and equipment acquired; (iii) evaluating the appropriateness of the cost approach used by management; (iv) testing the completeness and accuracy of the underlying data used in the cost approach; and (v) evaluating the reasonableness of the significant assumptions used by management related to replacement cost, physical deterioration, economic obsolescence, and floor value. Evaluating management’s assumptions related to (i) replacement cost, physical deterioration, economic obsolescence, and floor value involved considering whether the assumptions were consistent with evidence obtained in other areas of the audit and (ii) economic obsolescence involved considering the consistency with external market and industry data. Professionals with specialized skill and knowledge were used to assist in evaluating (i) the appropriateness of the cost approach used by management and (ii) the reasonableness of the replacement cost, physical deterioration, economic obsolescence, and floor value assumptions.

/s/ PricewaterhouseCoopers LLP

Houston, Texas
February 13, 2026

We have served as the Company’s auditor since 1987.

NABORS INDUSTRIES LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	December 31,	
	2025	2024
	(In thousands, except for share amounts)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 940,707	\$ 389,652
Short-term investments	31	7,647
Accounts receivable, net of allowance of \$55,193 and \$57,225, respectively (2) . . .	391,705	387,970
Inventory, net	94,789	129,979
Other current assets	124,341	84,289
Total current assets	1,551,573	999,537
Property, plant and equipment, net	2,920,019	2,830,957
Restricted cash held in trust	—	331,781
Deferred income taxes	189,224	216,296
Other long-term assets	128,841	125,730
Total assets (1)	\$ 4,789,657	\$ 4,504,301
LIABILITIES AND EQUITY		
Current liabilities:		
Current portion of debt, net	\$ 377,492	\$ —
Trade accounts payable	300,467	321,030
Accrued liabilities	279,007	223,759
Income taxes payable	26,295	20,360
Current lease liabilities	9,740	6,768
Total current liabilities	993,001	571,917
Long-term debt, net	2,117,187	2,505,217
Other long-term liabilities	234,700	218,343
Deferred income taxes	7,126	2,486
Total liabilities (1)	3,352,014	3,297,963
Commitments and contingencies (Note 14)		
Redeemable noncontrolling interest in subsidiary	482,446	785,091
Shareholders' equity:		
Common shares, par value \$0.05 per share:		
Authorized common shares 32,000; issued 15,703 and 10,661, respectively	785	533
Capital in excess of par value	3,752,604	3,552,756
Accumulated other comprehensive income (loss)	(10,397)	(10,414)
Retained earnings (accumulated deficit)	(1,836,514)	(2,092,128)
Less: treasury shares, at cost, 1,161 and 1,161 common shares, respectively	(1,315,751)	(1,315,751)
Total shareholders' equity	590,727	134,996
Noncontrolling interest	364,470	286,251
Total equity	955,197	421,247
Total liabilities and equity	\$ 4,789,657	\$ 4,504,301

- (1) The consolidated balance sheets include assets and liabilities of consolidated joint ventures. See Note 12—Joint Ventures for additional information.
- (2) Includes related party balances of \$121.0 million and 122.8 million for the years ended December 31, 2025 and 2024, respectively.

The accompanying notes are an integral part of these consolidated financial statements.

NABORS INDUSTRIES LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (LOSS)

	Year Ended December 31,		
	2025	2024	2023
	(In thousands, except per share amounts)		
Revenues and other income:			
Operating revenues (2)	\$ 3,184,693	\$ 2,930,126	\$ 3,005,981
Investment income (loss)	27,648	38,713	43,820
Total revenues and other income	<u>3,212,341</u>	<u>2,968,839</u>	<u>3,049,801</u>
Costs and other deductions:			
Direct costs	1,914,376	1,742,411	1,790,380
General and administrative expenses	304,587	249,317	244,147
Research and engineering	53,063	57,063	56,297
Depreciation and amortization	649,234	633,408	645,294
Interest expense	215,366	210,864	185,285
Gain on disposition of Quail Tools	(413,962)	—	—
Gain on bargain purchase	(113,653)	—	—
Other, net	65,802	106,816	(726)
Total costs and other deductions	<u>2,674,813</u>	<u>2,999,879</u>	<u>2,920,677</u>
Income (loss) before income taxes	537,528	(31,040)	129,124
Income tax expense (benefit):			
Current	65,951	35,263	63,339
Deferred	97,144	21,684	15,881
Total income tax expense (benefit)	163,095	56,947	79,220
Net income (loss) (1)	374,433	(87,987)	49,904
Less: Net (income) loss attributable to noncontrolling interest	(87,809)	(88,097)	(61,688)
Net income (loss) attributable to Nabors	<u>\$ 286,624</u>	<u>\$ (176,084)</u>	<u>\$ (11,784)</u>
Earnings (losses) per share:			
Basic	<u>\$ 18.75</u>	<u>\$ (22.37)</u>	<u>\$ (5.49)</u>
Diluted	<u>\$ 17.39</u>	<u>\$ (22.37)</u>	<u>\$ (5.49)</u>
Weighted-average number of common shares outstanding:			
Basic	13,193	9,202	9,159
Diluted	14,416	9,202	9,159

- (1) The consolidated income statements include operating activities of consolidated joint ventures. See Note 12—Joint Ventures for additional information.
- (2) Includes related party revenues of \$1.1 billion, \$0.9 billion, and \$0.8 billion for the years ended December 31, 2025, 2024 and 2023, respectively.

The accompanying notes are an integral part of these consolidated financial statements.

NABORS INDUSTRIES LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	Year Ended December 31,		
	2025	2024	2023
		(In thousands)	
Net income (loss) attributable to Nabors	\$ 286,624	\$ (176,084)	\$ (11,784)
Other comprehensive income (loss), before tax:			
Translation adjustment attributable to Nabors	(145)	256	45
Pension liability amortization and adjustment	210	210	209
Other comprehensive income (loss), before tax	65	466	254
Income tax expense (benefit) related to items of other comprehensive income (loss)	48	48	48
Other comprehensive income (loss), net of tax	17	418	206
Comprehensive income (loss) attributable to Nabors	286,641	(175,666)	(11,578)
Comprehensive income (loss) attributable to noncontrolling interest	87,809	88,097	61,688
Comprehensive income (loss)	<u>\$ 374,450</u>	<u>\$ (87,569)</u>	<u>\$ 50,110</u>

The accompanying notes are an integral part of these consolidated financial statements.

NABORS INDUSTRIES LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2025	2024	2023
	(In thousands)		
Cash flows from operating activities:			
Net income (loss)	\$ 374,433	\$ (87,987)	\$ 49,904
Adjustments to net income (loss):			
Depreciation and amortization	649,234	633,408	645,292
Deferred income tax expense (benefit)	97,144	21,685	15,881
Impairments and other charges	34,802	26,079	8,318
Amortization of debt discount and deferred financing costs	10,444	8,810	8,735
Bargain purchase gain	(113,653)	—	—
Losses (gains) on debt buyback	15,538	14,857	(25,275)
Losses (gains) on sale of long-lived assets, net	(46,873)	27,927	13,920
Share-based compensation	23,383	16,501	15,839
Foreign currency transaction losses (gains), net	5,626	28,150	37,286
Mark-to-market (gain) loss on warrants	(8,359)	(16,894)	(54,684)
Net loss (gain) related to investment in Vast	500	4,575	(7,167)
Gain on disposition of Quail Tools, excluding transaction costs	(432,094)	—	—
Other	10,614	5,539	2,427
Changes in operating assets and liabilities, net of effects from acquisitions:			
Accounts receivable (1)	80,564	(42,440)	(27,129)
Inventory	33,443	16,099	(19,432)
Other current assets	2,531	(4,511)	11,644
Other long-term assets	15,377	(6,478)	(1,283)
Trade accounts payable and accrued liabilities	(51,311)	(25,150)	(32,389)
Income taxes payable	636	(34,590)	24,135
Other long-term liabilities	(8,713)	(4,148)	(28,160)
Net cash provided by (used for) operating activities	693,266	581,432	637,862
Cash flows from investing activities:			
Purchase of investments	(4,346)	(7,718)	(38,283)
Cash acquired in stock based business combination, net of cash paid	84,429	—	—
Proceeds from disposition of Quail Tools	622,856	—	—
Capital expenditures	(715,948)	(567,919)	(540,851)
Proceeds from sales of assets and insurance claims	98,628	15,498	14,133
Other	11,468	4,681	(5,423)
Net cash (used for) provided by investing activities	97,087	(555,458)	(570,424)
Cash flows from financing activities:			
Proceeds from issuance of long-term debt	700,000	550,000	900,000
Reduction in debt	(902,676)	(1,197,024)	(298,474)
Debt issuance costs	(11,536)	(11,049)	(18,310)
Proceeds from revolving credit facilities	398,000	315,000	290,000
Reduction in revolving credit facilities	(398,000)	(315,000)	(290,000)
Payment of dividend to former Parker shareholders	(6,052)	—	—
Distributions to noncontrolling interest	(875)	(950)	(2,269)
Special purpose acquisition company redemptions by non-controlling redeemable shareholders	(342,371)	—	(286,366)
Sale of non-controlling interest - special purpose acquisition company	—	—	305,000
Other	(3,277)	(3,027)	(6,989)
Net cash (used for) provided by financing activities	(566,787)	(662,050)	592,592
Effect of exchange rate changes on cash and cash equivalents	(3,682)	(15,146)	(22,988)
Net increase (decrease) in cash and cash equivalents and restricted cash	219,884	(651,222)	637,042
Cash and cash equivalents and restricted cash, beginning of period	722,960	1,374,182	737,140
Cash and cash equivalents and restricted cash, end of period	\$ 942,844	\$ 722,960	\$ 1,374,182
RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH			
Cash and cash equivalents, beginning of period	389,652	1,057,487	451,025
Restricted cash, beginning of period	333,308	316,695	286,115
Cash and cash equivalents and restricted cash, beginning of period	\$ 722,960	\$ 1,374,182	\$ 737,140
Cash and cash equivalents, end of period	940,707	389,652	1,057,487
Restricted cash, end of period	2,137	333,308	316,695
Cash and cash equivalents and restricted cash, end of period	\$ 942,844	\$ 722,960	\$ 1,374,182

(1) Includes changes in related party balances of \$(1.8) million, \$26.3 million and \$(3.1) million for the years ended December 31, 2025, 2024 and 2023, respectively.

The accompanying notes are an integral part of these consolidated financial statements.

NABORS INDUSTRIES LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Common Shares		Capital in Excess of Par Value	Accumulated Other Comprehensive Income	Retained Earnings (Accumulated Deficit)	Treasury Shares	Non- controlling Interest	Total Equity
	Shares	Par Value						
(In thousands)								
As of December 31, 2022	10,505	\$ 525	\$ 3,536,373	\$ (11,038)	\$ (1,841,153)	\$ (1,315,751)	\$ 167,835	\$ 536,791
Net income (loss)	—	—	—	—	(11,784)	—	61,688	49,904
IPO Warrants to SPAC public shareholders	—	—	—	—	—	—	3,426	3,426
Other comprehensive income (loss), net of tax	—	—	—	206	—	—	—	206
Share-based compensation	101	8	15,839	—	—	—	—	15,847
Noncontrolling interest contributions (distributions)	—	—	—	—	(8,638)	—	5,237	5,237
Deemed dividends to SPAC public shareholders	—	—	—	—	(29,824)	—	(22,790)	(31,428)
Accrued distribution on redeemable noncontrolling interest in subsidiary	—	—	—	—	—	—	—	(29,824)
Other	(50)	(6)	(13,316)	—	5,173	—	—	(8,149)
As of December 31, 2023	10,556	\$ 527	\$ 3,538,896	\$ (10,832)	\$ (1,886,226)	\$ (1,315,751)	\$ 215,396	\$ 542,010
Net income (loss)	—	—	—	—	(176,084)	—	88,097	(87,987)
Other comprehensive income (loss), net of tax	—	—	—	418	—	—	—	418
Share-based compensation	137	9	16,501	—	—	—	—	16,510
Noncontrolling interest contributions (distributions)	—	—	—	—	—	—	(17,242)	(17,242)
Accrued distribution on redeemable noncontrolling interest in subsidiary	—	—	—	—	(29,723)	—	—	(29,723)
Other	(32)	(3)	(2,641)	—	(95)	—	—	(2,739)
As of December 31, 2024	10,661	\$ 533	\$ 3,552,756	\$ (10,414)	\$ (2,092,128)	\$ (1,315,751)	\$ 286,251	\$ 421,247
Net income (loss)	—	—	—	—	286,624	—	87,809	374,433
Share issuance related to Parker acquisition	4,800	239	179,741	—	—	—	—	179,980
Other comprehensive income (loss), net of tax	—	—	—	17	—	—	—	17
Share-based compensation	313	16	23,383	—	—	—	—	23,399
Noncontrolling interest contributions (distributions)	—	—	—	—	—	—	(9,590)	(9,590)
Accrued distribution on redeemable noncontrolling interest in subsidiary	—	—	—	—	(29,136)	—	—	(29,136)
Other	(71)	(3)	(3,276)	—	(1,874)	—	—	(5,153)
As of December 31, 2025	15,703	\$ 785	\$ 3,752,604	\$ (10,397)	\$ (1,836,514)	\$ (1,315,751)	\$ 364,470	\$ 955,197

The accompanying notes are an integral part of these consolidated financial statements.

Nabors Industries Ltd. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 Nature of Operations

Unless the context requires otherwise, references in this annual report to “we,” “us,” “our,” “the Company,” or “Nabors” mean Nabors Industries Ltd., together with our subsidiaries. References in this annual report to “Nabors Delaware” mean Nabors Industries, Inc., a wholly owned subsidiary of Nabors.

Our business is comprised of our global land-based and offshore drilling rig operations and other rig related services and technologies. We provide performance tools, directional drilling services, tubular running services and innovative technologies for our own rig fleet and those operated by third parties. In addition, we manufacture advanced drilling equipment and provide drilling rig instrumentation. Also, we have a portfolio of technologies designed to drive energy efficiency and emissions reductions for both ourselves and third-party customers.

With operations in over 20 countries, we are a global provider of drilling and drilling-related services for land-based and offshore oil and natural gas wells, with a fleet of rigs and drilling-related equipment which, as of December 31, 2025 included:

- 242 actively marketed rigs for land-based drilling operations in the United States and various countries throughout the world; and
- 27 actively marketed rigs for offshore platform drilling operations in the United States and multiple international markets.

The short- and long-term implications of the military hostilities between Russia and Ukraine, which began in early 2022, are difficult to predict. We continue to actively monitor this dynamic situation and evaluate the potential impact to our operations from sanctions that have been imposed against Russia by the United States, United Kingdom, the European Union, and other governments. As of December 31, 2025 and 2024, 0.0% and 0.7% of our property, plant and equipment, net was located in Russia, respectively. For the years ending December 31, 2025, 2024 and 2023, 0.1%, 0.9% and 1.1% of our operating revenues was from operations in Russia, respectively. During the year ended December 31, 2025, we recognized impairment charges of approximately \$26.5 million related to the net carrying value of International Drilling and Rig Technologies assets located in Russia. The impairment charges are included in Other, net in our consolidated statements of income (loss). We currently have no assets or operations in Ukraine.

The consolidated financial statements and related footnotes are presented in accordance with U.S. GAAP.

Note 2 Summary of Significant Accounting Policies

Principles of Consolidation

Our consolidated financial statements include the accounts of Nabors, as well as all majority owned and non-majority owned subsidiaries required to be consolidated under U.S. GAAP. All significant intercompany accounts and transactions are eliminated in consolidation.

In addition to the consolidation of our majority owned subsidiaries, we also consolidate variable interest entities (“VIE”) when we are determined to be the primary beneficiary of a VIE. Determination of the primary beneficiary of a VIE is based on whether an entity has (1) the power to direct activities that most significantly impact the economic performance of the VIE and (2) the obligation to absorb losses or the right to receive benefits of the VIE that could potentially be significant to the VIE. Our determination of the primary beneficiary of a VIE considers all relationships between us and the VIE. Our joint venture, SANAD, which is equally owned by Saudi Aramco and Nabors, has been consolidated. As we have the power to direct activities that most significantly impact SANAD’s economic performance, including operations, maintenance and certain sourcing and procurement, we have determined Nabors to be the primary beneficiary. See Note 12—Joint Ventures. Also, as of December 31, 2025, we are the co-sponsor of a special purpose acquisition company (SPAC) and have determined it is a VIE. Nabors is the primary beneficiary of the SPAC as we have

the power to direct activities, the right to receive benefits and the obligation to absorb losses. Therefore, the SPAC has been consolidated. See Note 20—Special Purpose Acquisition Company.

On March 11, 2025, we completed our acquisition (the “Parker acquisition”) of Parker Drilling Company (“Parker”) resulting in Parker becoming a wholly owned subsidiary of Nabors. Parker provides drilling services across global energy markets. The consolidated financial statements include the results of Parker from March 12, 2025 to December 31, 2025. On August 20, 2025, we sold Quail Tools, LLC (“Quail Tools”), a subsidiary of Parker, to Superior Energy Services, Inc. Quail Tools was part of the Company’s acquisition of Parker. See Note 4—Acquisitions and Dispositions for additional details.

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits, callable time deposits and various other short-term investments with original maturities of three months or less.

Short-term Investments

Short-term investments consist primarily of available-for-sale debt securities. These debt securities are held at fair market value. Also, equity securities are included and are stated at fair value with any changes in fair value recognized in investment income (loss) in our consolidated statements of income (loss).

Inventory

Inventory is stated at the lower of cost or net realizable value. Cost is determined using the first-in, first-out or weighted-average costs methods and includes the cost of materials, labor and manufacturing overhead. Inventory, which is presented net of reserves of \$30.6 million and \$24.3 million as of December 31, 2025 and 2024, respectively, included the following:

	December 31,	
	2025	2024
	(In thousands)	
Raw materials	\$ 87,787	\$ 124,711
Work-in-progress	6,532	2,768
Finished goods.....	470	2,500
	<u>\$ 94,789</u>	<u>\$ 129,979</u>

Property, Plant and Equipment

Property, plant and equipment, including renewals and betterments, are stated at cost, while maintenance and repairs are expensed currently. Interest costs applicable to the construction of qualifying assets are capitalized as a component of the cost of such assets. We provide for the depreciation of our drilling rigs using the units-of-production method. For each day a rig is operating, we depreciate it over an approximate 4,927-day period, with the exception of our jackup rigs, which are depreciated over an 8,030-day period, after provision for salvage value. For each day a rig asset is not operating, it is depreciated over an assumed depreciable life of 20 years, with the exception of our jackup rigs, where a 30-year depreciable life is used, in each case after provision for salvage value.

Depreciation on our buildings, oilfield hauling and mobile equipment, and other machinery and equipment is computed using the straight-line method over the estimated useful life of the asset after provision for salvage value (buildings—10 to 30 years; oilfield hauling and mobile equipment and other machinery and equipment—3 to 10 years). Amortization of capitalized leases is included in depreciation and amortization expense. Upon retirement or other disposal of fixed assets, the cost and related accumulated depreciation are removed from the respective property, plant and equipment accounts and any gains or losses are included in our consolidated statements of income (loss).

We review our assets for impairment when events or changes in circumstances indicate that their carrying amounts may not be recoverable. If the estimated undiscounted future cash flows are not sufficient to support the asset’s recorded value, an impairment charge is recognized to the extent the carrying amount of the long-lived asset exceeds its estimated fair value. Management considers a number of factors such as estimated future cash flows from the assets, appraisals and current market value analysis in determining fair value. The determination of future cash flows requires the estimation of

utilization, dayrates, operating margins, sustaining capital and remaining economic life. Such estimates can change based on market conditions, technological advances in the industry or changes in regulations governing the industry. Significant and unanticipated changes to the assumptions could result in future impairments. A significantly prolonged period of lower oil and natural gas prices could adversely affect the demand for and prices of our services, which could result in future impairment charges. As the determination of whether impairment charges should be recorded on our long-lived assets is subject to significant management judgment, and an impairment of these assets could result in a material charge on our consolidated statements of income (loss), management believes that accounting estimates related to impairment of long-lived assets are critical.

Litigation and Insurance Reserves

We estimate our reserves related to litigation and insurance based on the facts and circumstances specific to the litigation and insurance claims and our past experience with similar claims. We maintain actuarially determined accruals in our consolidated balance sheets to cover self-insurance retentions. See Note 14—Commitments and Contingencies regarding self-insurance accruals. We estimate the range of our liability related to pending litigation when we believe the amount and range of loss can reasonably be estimated. We record our best estimate of a loss when the loss is considered probable. When a liability is probable and there is a range of estimated loss with no best estimate in the range, we record the minimum estimated liability related to the lawsuits or claims. As additional information becomes available, we assess the potential liability related to our pending litigation and claims and revise our estimates. Due to uncertainties related to the resolution of lawsuits and claims, the ultimate outcome may differ from our estimates. For matters where an unfavorable outcome is reasonably possible and significant, we disclose the nature of the matter and a range of potential exposure, unless an estimate cannot be made at the time of disclosure.

Revenue Recognition

We recognize revenues and costs on daywork contracts daily as the work progresses over the contract term. For certain contracts, we receive lump sum payments for the mobilization of rigs and other drilling equipment. We defer revenue related to mobilization periods and recognize the revenue over the term of the related drilling contract.

Costs incurred related to a mobilization period for which a contract is secured are deferred and recognized over the term of the related drilling contract. Costs incurred to relocate rigs and other drilling equipment to areas in which a contract has not been secured are expensed as incurred. We defer recognition of revenue on amounts received from customers for prepayment of services until those services are provided.

We recognize revenue for top drives and other capital equipment we manufacture upon transfer of control, which generally occurs when the product has been shipped to the customer.

We recognize, as operating revenue, proceeds from business interruption insurance claims in the period that the claim is realizable. Proceeds from casualty insurance settlements in excess of the carrying value of damaged assets are recognized in other, net in our consolidated statement of income (loss) in the period that the applicable proof of loss documentation is received. Proceeds from casualty insurance settlements that are expected to be less than the carrying value of damaged assets are recognized at the time the loss is incurred and recorded in other, net in our consolidated statement of income (loss).

We recognize reimbursements received for out of pocket expenses incurred as revenues and account for out of pocket expenses as direct costs.

Research and Engineering

Research and engineering expenses are expensed as incurred and include costs associated with the research and development of new products and services and costs associated with sustaining engineering of existing products and services.

Income Taxes

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 ceased in 2025. We have provided for income taxes based on the tax laws and rates in effect in the countries where we operate and earn income. The income taxes in these jurisdictions vary substantially. Our worldwide effective tax rate for financial statement purposes will continue to fluctuate from year to year due to changes in the geographic mix of pre-tax earnings.

We recognize increases to our tax reserves for uncertain tax positions along with interest and penalties as an increase to other long-term liabilities.

For U.S. and other jurisdictional income tax purposes, we have net operating loss carryforwards and other tax attributes that we are required to assess quarterly for potential valuation allowances. We consider the sufficiency of existing temporary differences and expected future earnings levels in determining the amount, if any, of valuation allowance required against such carryforwards and against deferred tax assets.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the balance sheet date and the amounts of revenues and expenses recognized during the reporting period. Actual results could differ from such estimates. Areas where critical accounting estimates are made by management include:

- depreciation of property, plant and equipment;
- impairment of long-lived assets;
- income taxes;
- litigation and self-insurance reserves; and
- fair value of assets acquired and liabilities assumed.

Recent Accounting Pronouncements

Adopted

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): *Improvement to Income Tax Disclosures*, to enhance the transparency and decision usefulness of income tax disclosures (“ASU 2023-09”). This provides qualitative and quantitative updates to the rate reconciliation and income taxes paid disclosures, including consistent categories and greater disaggregation of information in the rate reconciliation and disaggregation by jurisdiction of income taxes paid. The new guidance is effective for fiscal years beginning after December 15, 2024. We adopted this ASU as required for the year ended December 31, 2025 on a prospective basis. The adoption requires us to provide additional disclosures related to our income taxes, but otherwise it does not materially impact our financial statements.

Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): *Disaggregation of Income Statement Expenses*. The amendments in this update require disclosure, in the notes to financial statements, of specified information about certain costs and expenses including purchases of inventory, employee compensation, depreciation, intangible asset amortization and depreciation, deletion and amortization recognized as part of oil and gas producing activities. This ASU is effective for fiscal years beginning after December 15, 2026. The adoption of ASU 2024-03 requires us to provide additional disclosures but will otherwise not materially impact our financial statements.

We consider the applicability and impact of all ASUs. We assessed ASUs not listed above and determined that they either were not applicable or do not have a material impact on our financial statements.

Note 3 Accounts Receivable Purchase and Sales Agreements

The Company entered into an accounts receivable sales agreement (the “A/R Sales Agreement”) and an accounts receivable purchase agreement (the “A/R Purchase Agreement,” and, together with the A/R Sales Agreement, the “A/R Agreements”). As part of the A/R Agreements, the Company continuously sells designated eligible pools of receivables as they are originated by it and certain of its U.S. subsidiaries to a separate, bankruptcy-remote, special purpose entity (“SPE”) pursuant to the A/R Sales Agreement. Pursuant to the A/R Purchase Agreement, the SPE in turn sells, transfers, conveys and assigns to unaffiliated third-party financial institutions (the “Purchasers”) all the rights, title and interest in and to its pool of eligible receivables (the “Eligible Receivables”). The sale of the Eligible Receivables qualifies for sale accounting treatment in accordance with ASC 860 – Transfers and Servicing. During the period of this program, cash receipts from the Purchasers at the time of the sale are classified as operating activities in our consolidated statement of cash flows and the associated receivables are derecognized from the Company’s consolidated balance sheet at the time of the sale. The remaining receivables held by the SPE were pledged to secure the collectability of the sold Eligible Receivables. Subsequent collections on the pledged receivables, which have not been sold, will be classified as operating cash flows in our consolidated statement of cash flows at the time of collection. The amount of receivables pledged as collateral as of December 31, 2025 and 2024 is approximately \$46.3 million and \$44.6 million, respectively.

In June 2022, we entered into the Third Amendment to the A/R Purchase Agreement, which extended the term of the A/R Purchase Agreement to August 13, 2024 and increased the commitments of the Purchasers under the A/R Purchase Agreement from \$150 million to \$250 million. Subject to Purchaser approval, the commitments of the Purchasers may be increased to \$300 million.

In April 2024, we entered into the Fourth Amendment to the A/R Purchase Agreement, which, among other things, extended the term of the A/R Purchase Agreement to the earliest of (i) April 1, 2027 and (ii) the date that is ninety (90) calendar days prior to the occurrence of the maturity date under and as defined in the 2024 Credit Agreement.

In August 2025, we entered into the First Amendment to the A/R Sales Agreement and the Fifth Amendment to the A/R Purchase Agreement. The First Amendment to the A/R Sales Agreement amends the agreement to, among other things, add certain subsidiaries of Parker, an indirect wholly-owned subsidiary of the Company, as originators (the “Additional Originators”). The Fifth Amendment to the A/R Purchase Agreement amends the agreement to make changes to reflect the joinder of the Additional Originators.

The amount available for sale to the Purchasers under the A/R Purchase Agreement fluctuates over time based on the total amount of Eligible Receivables generated during the normal course of business after excluding excess concentrations and certain other ineligible receivables. As of December 31, 2025 and 2024, approximately \$137.0 million and \$130.0 million had been sold to and as yet uncollected by the Purchasers, respectively.

Note 4 Acquisitions and Dispositions

Parker Acquisition

As discussed in Note 2—Summary of Significant Accounting Policies, on March 11, 2025, we completed the Parker acquisition. Total consideration for the acquisition included cash consideration of \$0.6 million and the issuance of 4.8 million shares of our common stock, which based on the closing price of our common stock of \$37.50 on March 11, 2025, valued the purchase price consideration of the transaction at approximately \$180.6 million.

The acquisition has been accounted for as a business combination using the acquisition method. Under the acquisition method of accounting, the fair value of the consideration transferred is allocated to the tangible and intangible assets acquired and the liabilities assumed based on their estimated fair values as of the acquisition date. The fair value of the net assets acquired amounted to approximately \$297.1 million at the date of acquisition, and as a result, we recorded a gain of \$116.5 million related to the excess of the fair value of the net assets acquired over the acquisition price. The excess is referred to as a “bargain purchase gain.” This bargain purchase gain indicated that the fair value of the net assets acquired (which represents the price at which the assets would be exchanged between a willing buyer and seller) was in excess of the amount for which we acquired such net assets. Before recognizing the bargain purchase gain, we reassessed the methods used in the acquisition accounting and verified that we had identified all of the assets acquired and all of the liabilities assumed, and that there were no additional assets or liabilities to be considered. We

also reassessed the process used to measure amounts recognized on the closing date of the merger to ensure that the measurements reflected all consideration transferred based on available information.

The bargain purchase gain was due to the decrease in the share price of our stock from the date the merger agreement was signed, to the closing date while the agreed upon purchase price of 4.8 million of our common shares, as stipulated in the merger agreement, remained the same. On October 14, 2024, the date the merger agreement was signed, and on March 11, 2025, the closing date of the merger, the closing prices of our common stock were \$77.52 and \$37.50, respectively. Pursuant to the merger agreement, the precise number of shares to be issued to Parker stockholders was determined based upon the volume weighted average price of Nabors common shares on the NYSE for the 15 trading days ending the fifth day before the closing of the merger (“Closing Price”) and, if that Closing Price was below \$42.70, Parker stockholders would also receive a cash component as consideration for their shares of Parker stock. This resulted in a \$0.6 million aggregate cash payment.

The aggregate purchase price noted above was allocated to the major categories of assets acquired and liabilities assumed based on preliminary estimated fair values as of the date of the business combination. We applied significant judgement in estimating the fair value of assets acquired and liabilities assumed. The carrying amounts of cash and cash equivalents, accounts receivable, other assets, accounts payable and accrued liabilities approximate their fair values due to their nature or the short-term maturity of instruments. The fair value of property and equipment was determined using the cost approach which includes assumptions related to replacement cost, physical deterioration, economic obsolescence, and floor value. Assessing the overall business enterprise value, which was compared to market multiples for market participants, involved the use of assumptions with respect to future rig counts, operation and capital cost estimates and a weighted average cost of capital reflecting the cost of capital for market participants. Certain data necessary to complete the purchase price allocation is not yet available, including final tax returns that provide the underlying tax basis of Parker’s assets and liabilities. We will complete the purchase price allocation during the 12-month period following the acquisition date.

We recorded the preliminary allocation of the purchase price consideration during the three months ended March 31, 2025. During the three months ended June 30, 2025, the Company recorded a measurement period adjustment which resulted in a decrease in property, plant and equipment, an increase in net lease assets and an increase in bargain purchase gain of \$3.5 million. During the three months ended December 31, 2025, the Company recorded an adjustment related income taxes which resulted in a decrease in bargain purchase gain of \$2.8 million. The adjustments primarily related to additional information obtained about facts and circumstances that existed as of the acquisition date.

The table below presents the allocation of the estimated fair value of identifiable assets acquired and liabilities assumed, and the resulting gain on bargain purchase as of the closing date:

<u>(In thousands)</u>	<u>Fair Value at Acquisition</u>
Assets:	
Cash and cash equivalents	\$ 84,995
Accounts receivable	132,084
Inventory	4,576
Other current assets	37,664
Property, plant and equipment	264,500
Deferred income taxes	64,103
Other assets	43,910
Total assets acquired	<u>631,832</u>
Liabilities:	
Trade accounts payable	\$ 43,774
Accrued liabilities	66,808
Income taxes payable	4,148
Other short-term liabilities	6,462
Long-term debt	177,755
Deferred income taxes	2,594
Other liabilities	36,076
Total liabilities assumed	<u>337,617</u>
Net assets acquired	294,215
Gain on bargain purchase	113,653
Total consideration transferred	<u>\$ 180,562</u>

Approximately \$397.2 million of revenue and \$404.2 million of net income attributable to Parker are included in the consolidated statements of operations for the year ended December 31, 2025. The net income attributable to Parker is primarily related to the sale of Quail Tools which is discussed below. During the year ended December 31, 2025, we incurred costs related to the Parker acquisition totaling \$19.1 million, which are included in Other, net in our consolidated statements of income (loss), respectively.

Pro Forma

The following pro forma condensed combined financial information was derived from our and Parker’s historical financial statements and gives effect to the acquisition as if it had occurred on January 1, 2024. The below information reflects pro forma adjustments based on available information and certain assumptions we believe are reasonable, including the estimated tax impact of the pro forma adjustments.

The pro forma results of operations do not include any anticipated cost savings or other synergies that may result from the Parker acquisition nor do they include any estimated costs that will be incurred to integrate Parker operations. The pro forma results of operations include our merger and acquisition expenses of \$25.9 million as if they had been incurred in the first quarter of 2024.

The pro forma condensed combined financial information has been included for comparative purposes and is not necessarily indicative of the results that might have actually occurred had the Parker acquisition taken place on January 1, 2024. Furthermore, the financial information is not intended to be a projection of future results.

The following table summarizes our selected financial information on a pro forma basis:

	Year Ended December 31,	
	2025	2024
Operating revenues (1)	\$ 3,287,812	\$ 3,527,085
Net income (loss) (2)	289,873	21,871

(1) Includes operating revenue from Quail Tools of \$154.8 million and \$252.0 million for the years ended December 31, 2025 and 2024, respectively.

(2) Net income (loss) for the year ended December 31, 2025 includes the gain on disposition of Quail Tools of \$414.0 million.

Quail Tools Disposition

On August 20, 2025, Nabors entered into a definitive agreement to sell Quail Tools to Superior Energy Services, Inc. Quail Tools was part of the Company's acquisition of Parker. Net consideration for the sale totaled \$600.0 million plus adjustments for net working capital. Consideration comprised of cash of \$375.0 million and a seller note of \$250.0 million. On October 9, 2025, Nabors received prepayment in full of the \$250.0 million seller note, including accrued and unpaid interest.

In connection with the sale, we recognized a gain of \$414.0 million which is included in Gain on disposition of Quail Tools in our consolidated statements of income (loss). The gain on disposition of Quail Tools resulted in an increase of \$96.9 million to the provision for income taxes during the year ended December 31, 2025.

This transaction did not represent a strategic shift in our operations and will not have a major effect on our operations and financial results going forward.

Note 5 Fair Value Measurements

Fair value is the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date (exit price). We utilize market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market-corroborated, or generally unobservable. We primarily apply the market approach for recurring fair value measurements and endeavor to utilize the best information available. Accordingly, we employ valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

The use of unobservable inputs is intended to allow for fair value determinations in situations where there is little, if any, market activity for the asset or liability at the measurement date. We are able to classify fair value balances utilizing a fair value hierarchy based on the observability of those inputs.

Under the fair value hierarchy:

- Level 1 measurements include unadjusted quoted market prices for identical assets or liabilities in an active market;
- Level 2 measurements include quoted market prices for identical assets or liabilities in an active market that have been adjusted for items such as effects of restrictions for transferability and those that are not quoted but are observable through corroboration with observable market data, including quoted market prices for similar assets; and
- Level 3 measurements include those that are unobservable and of a subjective nature.

Recurring Fair Value Measurements

Our financial assets that are accounted for at fair value on a recurring basis as of December 31, 2025 and 2024 consisted of restricted cash held in trust and short-term investments. During 2025, there were no transfers of our financial assets between Level 1 and Level 2 measures. Our financial assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. As of December 31, 2025 and 2024, our restricted cash held in trust was carried at fair market value and totaled \$0 and \$331.8 million, respectively, and consisted of Level 1 measurements. As of December 31, 2025 and 2024, our short-term investments were primarily held at fair value and totaled \$31 thousand and \$7.6 million, respectively and primarily consisted of Level 2 measurements. No material Level 3 measurements existed for our financial assets for any of the periods presented.

Our financial liabilities that are accounted for at fair value on a recurring basis as of December 31, 2025 and 2024 consisted of warrants which are included in other short-term liabilities as of December 31, 2025 and other long-term liabilities as of December 31, 2024 in the accompanying consolidated financial statements. The warrants, as discussed in Note 11- Shareholders' Equity, were carried at fair market value using their trading price and totaled \$0.7 million and \$9.0 million as of December 31, 2025 and 2024, respectively.

Nonrecurring Fair Value Measurements

We applied fair value measurements to our nonfinancial assets and liabilities measured on a nonrecurring basis, which consist of measurements primarily related to equity method investments, other long-lived assets and assets acquired and liabilities assumed in a business combination. Based upon our review of the fair value hierarchy, the inputs used in these fair value measurements generally include Level 3 inputs but could include Level 1 and 2 inputs.

During the years ended December 31, 2025 and 2024, approximately \$7.5 million and \$15.4 million was recognized as an other than temporary impairment related to our investment in Vast Renewables Limited ("Vast"), respectively. As Vast was a publicly traded company, the valuation assessment was based on the observable market trading price of Vast's stock. The impairments have been included in Other, net in our consolidated statements of income (loss) for the years ended December 31, 2025 and 2024.

Fair Value of Debt Instruments

We estimate the fair value of our debt financial instruments in accordance with U.S. GAAP. The fair value of our long-term debt and revolving credit facilities is estimated based on quoted market prices or prices quoted from third-party financial institutions. The fair value of our debt instruments is determined using Level 2 measurements. The carrying and fair values of these liabilities were as follows:

	As of December 31,					
	2025			2024		
	Effective Interest Rate	Carrying Value	Fair Value	Effective Interest Rate	Carrying Value	Fair Value
(In thousands)						
7.375% senior priority guaranteed notes due May 2027	7.04 %	\$ —	\$ —	7.74 %	\$ 700,000	\$ 699,916
7.50% senior guaranteed notes due January 2028	7.82 %	379,146	379,491	7.70 %	389,609	362,823
1.75% senior exchangeable notes due June 2029	2.27 %	250,000	202,868	2.27 %	250,000	179,548
9.125% senior priority guaranteed notes due January 2030	9.40 %	650,000	683,293	9.40 %	650,000	661,401
8.875% senior guaranteed notes due August 2031	9.12 %	550,000	533,638	9.12 %	550,000	511,104
7.625% senior priority guaranteed notes due November 2032	7.88 %	700,000	687,890	— %	—	—
		<u>\$ 2,529,146</u>	<u>\$ 2,487,180</u>		<u>\$ 2,539,609</u>	<u>\$ 2,414,792</u>
Less: current portion		377,492			—	
Less: deferred financing costs		34,467			34,392	
		<u>\$ 2,117,187</u>			<u>\$ 2,505,217</u>	

The fair values of our cash equivalents, trade receivables and trade payables approximate their carrying values due to the short-term nature of these instruments.

Note 6 Share-Based Compensation

Total share-based compensation expense, which includes stock options and restricted shares, was \$23.4 million, \$16.5 million and \$15.8 million for 2025, 2024 and 2023, respectively. Compensation expense related to awards of restricted shares totaled \$23.4 million, \$16.5 million and \$15.8 million 2025, 2024 and 2023, respectively, which is included in general and administrative and research and engineering expenses in our consolidated statements of income (loss). Share-based compensation expense has been allocated to our various reportable segments. See Note 17—Segment Information.

In addition to the time-based restricted stock share-based awards, we provide performance share awards based on market conditions measured against a predetermined peer group (“TSR Shares”). We also provide Performance-Based Restricted Stock Units (“PSUs”) which are granted at the beginning of the one-year performance period and are earned at the end of the same period, depending on performance.

Stock Option Plans

As of December 31, 2025, we had several stock plans under which options to purchase our common shares could be granted to key officers, directors and managerial employees of Nabors and its subsidiaries. Options granted under the plans have fair market value on the date of the grant. Options granted under the plans generally are exercisable in varying cumulative periodic installments after one year. In the case of certain key executives and directors, options granted may vest immediately on the grant date. Options granted under the plans expire ten years from the date of grant. There are approximately 0.6 million common shares available for issuance in the form of either restricted shares or stock options, under these plans as of December 31, 2025.

The fair value of each option award is estimated on the date of grant using the Black-Scholes option-pricing model, which uses assumptions for the risk-free interest rate, volatility, dividend yield and the expected term of the options. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for a period equal to the expected term of the option. Expected volatilities are based on implied volatilities from traded options on Nabors' common shares, historical volatility of Nabors' common shares, and other factors. We use historical data to estimate the expected term of the options and employee terminations within the option-pricing model; separate groups of employees that have similar historical exercise behavior are considered separately for valuation purposes. The expected term of the options represents the period of time that the options granted are expected to be outstanding.

Stock option transactions under our various stock-based employee compensation plans are presented below:

Options	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
	(In thousands, except exercise price and term)			
Options outstanding as of December 31, 2024	15	\$ 317.82		
Expired	(2)	537.45		
Options outstanding as of December 31, 2025	13	\$ 286.54	2.90 years	\$ —
Options exercisable as of December 31, 2025	13	\$ 286.54	2.90 years	\$ —

No stock options were awarded or exercised during 2023, 2024 or 2025. There were no unvested options outstanding at the end of 2023, 2024 or 2025.

Restricted Shares

Our stock plans allow grants of restricted shares. Restricted shares are issued on the grant date but cannot be sold or transferred. Restricted share values are based on stock value at grant date. Restricted shares vest in varying periodic installments ranging up to four years.

A summary of our restricted shares as of December 31, 2025, and the changes during the year then ended, is presented below:

Restricted shares	Outstanding	Weighted-Average Grant-Date Fair Value
	(In thousands, except fair value)	
Unvested as of December 31, 2024	200	\$ 117.20
Granted	235	42.87
Vested	(82)	114.82
Forfeited	(33)	82.52
Unvested as of December 31, 2025	320	\$ 66.76

During 2025, 2024 and 2023, we awarded 234,832, 96,368 and 103,465 restricted shares, respectively, to our employees and directors. These awards had an aggregate value at their date of grant of \$10.1 million, \$8.0 million and \$16.6 million, respectively, and were scheduled to vest over a period of up to four years. The fair value of restricted shares that vested during 2025, 2024 and 2023 was \$9.4 million, \$8.9 million and \$8.4 million, respectively.

As of December 31, 2025, there was \$13.0 million of total future compensation cost related to unvested restricted share awards that are expected to vest. That cost is expected to be recognized over a weighted-average period of 2.24 years.

Restricted Shares Based on Performance Conditions

During 2025, 2024 and 2023, we granted awards to certain of our executive officers covering a total of 143,213, 92,761 and 60,633 PSUs, respectively. The number of earned PSUs that ultimately vest over three years, following conclusion of the performance period, is determined based upon on achievement of specific financial or operational goals. The number of PSUs that can be earned, range from a minimum of 30% of the PSU awards to a maximum of

200%, of the PSUs granted. In addition to these PSUs, we also granted 5,356 performance share awards in 2024. The vesting of these awards is based upon achievement of financial milestones over specified time periods.

The following table sets forth information regarding outstanding PSUs based on performance conditions as of December 31, 2025:

Restricted Stock Units	Outstanding	Weighted-Average Grant-Date Fair Value
	(In thousands, except fair value)	
Outstanding as of December 31, 2024	148	\$ 73.36
Granted	143	71.94
Vested	(55)	91.00
Forfeited	(14)	134.78
Outstanding as of December 31, 2025	222	\$ 87.24

Restricted Shares Based on Market Conditions

During 2025, 2024 and 2023, we granted awards for 74,457, 52,930 and 29,621 TSR Shares, respectively, which are equity classified awards and will vest on our performance compared to our peer group over a three-year period. These awards had an aggregate fair value at their date of grant of \$4.2 million, \$4.3 million and \$2.5 million, respectively, after consideration of all assumptions.

The grant date fair value of these awards was based on a Monte Carlo model, using the following assumptions:

	Year Ended December 31,		
	2025	2024	2023
Risk free interest rate	4.23%	4.01%	4.13%
Expected volatility	65.00%	65.00%	94.00%
Closing stock price at grant date	\$ 57.17	\$ 81.63	\$ 154.87
Expected term (in years)	3.0	3.0	3.0

The following table sets forth information regarding outstanding restricted shares based on market conditions as of December 31, 2025:

Market based restricted shares	Outstanding	Weighted-Average Grant-Date Fair Value
	(In thousands, except fair value)	
Outstanding as of December 31, 2024	82	\$ 65.52
Granted	74	32.32
Vested	(52)	57.89
Forfeited	(19)	79.66
Outstanding as of December 31, 2025	85	\$ 37.90

As of December 31, 2025, there was \$1.6 million of total future compensation cost related to unvested TSR Share awards. The TSR Shares will amortize over a weighted average remaining period of 1.65 years.

Note 7 Property, Plant and Equipment

The major components of our property, plant and equipment are as follows:

	December 31,	
	2025	2024
	(In thousands)	
Land	\$ 27,541	\$ 31,529
Buildings	172,458	158,518
Drilling rigs and related equipment	12,561,048	12,084,276
Oilfield hauling and mobile equipment	227,386	228,730
Other machinery and equipment	259,822	252,369
	<u>\$ 13,248,255</u>	<u>\$ 12,755,422</u>
Less: accumulated depreciation and amortization	<u>(10,328,236)</u>	<u>(9,924,465)</u>
	<u>\$ 2,920,019</u>	<u>\$ 2,830,957</u>

Depreciation expense included in depreciation and amortization expense in our consolidated statements of income (loss) totaled \$648.8 million, \$632.9 million and \$644.9 million during 2025, 2024 and 2023, respectively.

Repair and maintenance expense included in direct costs in our consolidated statements of income (loss) totaled \$207.7 million, \$199.2 million and \$228.2 million during 2025, 2024 and 2023, respectively.

Note 8 Financial Instruments and Risk Concentration

We may be exposed to certain market risks arising from the use of financial instruments in the ordinary course of business. These risks arise primarily as a result of potential changes in the fair market value of financial instruments that would result from adverse fluctuations in foreign currency exchange rates, credit risk, interest rates, and marketable and non-marketable security prices as discussed below.

Foreign Currency Risk

We operate in a number of international areas and are involved in transactions denominated in currencies other than U.S. dollars, which exposes us to foreign exchange rate risk or foreign currency devaluation risk. The most significant exposures arise in connection with our operations in Latin America, which usually are substantially unhedged.

We have experienced certain risks specific to our 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 based on inflation data published by the respective governments.

At various times, we utilize local currency borrowings (foreign-currency-denominated debt), the payment structure of customer contracts and foreign exchange contracts to selectively hedge our exposure to exchange rate fluctuations in connection with monetary assets, liabilities, cash flows and commitments denominated in certain foreign currencies. A foreign exchange contract is a foreign currency transaction, defined as an agreement to exchange different currencies at a given future date and at a specified rate.

Credit Risk

Our financial instruments that potentially subject us to concentrations of credit risk consist primarily of cash equivalents, short-term and long-term investments and accounts receivable. Cash equivalents such as deposits and temporary cash investments are held by major banks or investment firms. Our short-term and long-term investments are managed within established guidelines that limit the amounts that may be invested with any one issuer and provide guidance as to issuer credit quality. We believe that the credit risk in our cash and investment portfolio is minimized as a result of the mix of our investments. In addition, our trade receivables are with a variety of U.S., international and non-U.S. national oil and gas companies.

As of December 31, 2025, approximately 29%, 15% and 13% of our net accounts receivable balance was related to our operations in Saudi Arabia, Mexico and U.S., respectively. Management considers this credit risk to be limited due

to the financial resources of our primary customer in each of these countries. Our largest customer in Mexico has a history of making late payments and, in more recent periods, has utilized third-party financial institutions to pay certain of our receivables. The balances due are not in dispute, however, additional or continued delays in customer payments in the future could differ from historical practice and management's current expectations.

We perform ongoing credit evaluations of all our customers, and we generally do not require material collateral. We do occasionally require prepayment of amounts from customers whose creditworthiness is in question prior to providing services to them. We maintain reserves for potential credit losses, and these losses historically have been within management's expectations.

Interest Rate and Marketable and Non-marketable Security Price Risk

Our financial instruments that are potentially sensitive to changes in interest rates include our floating rate debt instruments comprised of the 2024 Credit Agreement and our fixed rate debt securities comprised of our 1.75% senior exchangeable notes, 7.50% and 8.875% senior guaranteed notes and 7.625% and 9.125% senior priority guaranteed notes.

We may utilize derivative financial instruments that are intended to manage our exposure to interest rate risks. The use of derivative financial instruments could expose us to further credit risk and market risk. Credit risk in this context is the failure of a counterparty to perform under the terms of the derivative contract. When the fair value of a derivative contract is positive, the counterparty would owe us, which can create credit risk for us. When the fair value of a derivative contract is negative, we would owe the counterparty, and therefore, we would not be exposed to credit risk. We attempt to minimize credit risk in derivative instruments by entering into transactions with major financial institutions that have a significant asset base. Market risk related to derivatives is the adverse effect on the value of a financial instrument that results from changes in interest rates. We try to manage market risk associated with interest-rate contracts by establishing and monitoring parameters that limit the type and degree of market risk that we undertake.

Note 9 Debt

Debt consisted of the following:

	As of December 31,	
	2025	2024
	(In thousands)	
7.375% senior priority guaranteed notes due May 2027	\$ —	\$ 700,000
7.50% senior guaranteed notes due January 2028 ⁽¹⁾	379,146	389,609
1.75% senior exchangeable notes due June 2029	250,000	250,000
9.125% senior priority guaranteed notes due January 2030	650,000	650,000
8.875% senior guaranteed notes due August 2031	550,000	550,000
7.625% senior priority guaranteed notes due November 2032	700,000	—
	<u>\$ 2,529,146</u>	<u>\$ 2,539,609</u>
Less: current portion	377,492	—
Less: deferred financing costs	34,467	34,392
Long-term debt	<u>\$ 2,117,187</u>	<u>\$ 2,505,217</u>

(1) A redemption notice for our 7.50% senior guaranteed notes due January 2028 was issued December 24, 2025 and such notes were redeemed on January 15, 2026.

As of December 31, 2025, the principal amount and maturities of our primary debt for each of the five years following 2025 and thereafter are as follows:

	<u>Paid at Maturity</u> <u>(In thousands)</u>
2026	379,146 (1)
2029	250,000 (2)
2030	650,000 (3)
Thereafter	<u>1,250,000 (4)</u>
	<u>\$ 2,529,146</u>

-
- (1) Represents our 7.50% senior guaranteed notes due January 2028 as a redemption notice was issued December 24, 2025.
 - (2) Represents our 1.75% senior exchangeable notes due June 2029 and our 2024 Credit Agreement.
 - (3) Represents our 9.125% senior priority guaranteed notes due January 2030.
 - (4) Represents our 8.875% senior guaranteed notes due August 2031 and our 7.625% senior priority guaranteed notes due November 2032.

During 2025, we fully redeemed the \$546.1 million remaining balance of the 7.375% senior priority guaranteed notes due May 2027 for approximately \$557.1 million in cash, including principal, premium of \$10.1 million and \$1.0 million in accrued and unpaid interest. We also redeemed \$164.4 million aggregate principal amount of outstanding Nabors Delaware’s notes for approximately \$169.7 million in cash, including \$4.5 million in accrued and unpaid interest. In connection with the redemptions, we recognized a \$15.5 million loss for the year ended December 31, 2025, which is included in Other, net in our condensed consolidated statement of income (loss).

7.625% Senior Priority Guaranteed Notes due November 2032

On November 10, 2025, Nabors issued \$700.0 million in aggregate principal amount of 7.625% senior priority guaranteed notes, which are fully and unconditionally guaranteed by Nabors and certain of Nabors’ indirect wholly-owned subsidiaries. Interest on the notes is payable on May 15 and November 15 of each year. The notes have a maturity date of November 15, 2032. Nabors used the net proceeds to redeem all of its 7.375% senior priority guaranteed notes due May 2027.

1.75% Senior Exchangeable Notes Due June 2029

In February 2023, Nabors Delaware issued \$250.0 million in aggregate principal amount of 1.75% senior exchangeable notes due 2029, which are fully and unconditionally guaranteed by Nabors. The notes bear interest at a rate of 1.75% per year payable semiannually on June 15 and December 15 of each year, beginning on December 15, 2023. As of December 31, 2025, there was \$250.0 million in aggregate principal amount that remained outstanding.

The 1.75% exchangeable notes are exchangeable, only under certain conditions, at an exchange rate of 4.7056 common shares of Nabors per \$1,000 principal amount of exchangeable notes (equivalent to an exchange price of approximately \$212.51 per common share). Upon any exchange, Nabors will settle its exchange obligation in cash, common shares of Nabors, or a combination of cash and common shares, at our election. The 1.75% exchangeable notes are redeemable, in whole or in part, at our option at any time on or after June 15, 2026 only if the last reported sale price per common shares exceeds 130% of the exchange price on (1) each of at least 20 trading days, whether or not consecutive, during the 30 consecutive trading days ending on, and including, the trading days immediately before the date of the related redemption notice; and (2) the trading day immediately before we send such notice, at a cash redemption price equal to 100% of the principal amount to be redeemed plus accrued and unpaid interest. If a “fundamental change” (as defined in the Indenture) occurs, subject to certain conditions, holders may require us to repurchase for cash any or all of their 1.75% exchangeable notes at a repurchase price equal to 100% of the principal

amount of the 1.75% exchangeable notes to be repurchased, plus accrued and unpaid interest. Based on our assessment of the features of the 1.75% exchangeable notes, it was determined that there are features that need to be assessed for bifurcation as a derivative. As part of the assessment, the features were either not required to be bifurcated based on accounting guidance or would have no value if bifurcated.

Parker Term Loan

On March 11, 2025, the Parker acquisition was completed. Prior to the acquisition, Parker was a party to a Second Lien Term Loan Credit Agreement (“Parker Term Loan”), dated March 26, 2019 (as amended in March 2021 and January 2023). The Parker Term Loan bears interest at a rate of 13% per annum, payable quarterly and matures on September 26, 2025.

The Parker Term Loan carries a customary change of control provision, which was triggered by the closing of the Parker acquisition. The change of control, when triggered, required that the Parker Term Loan be repaid or refinanced within 30 days of the Closing Date or that Parker make a change of control repayment offer pursuant to which it will offer to repurchase the term loans outstanding under the facility at 101% of the principal amount of such term loans. On March 25, 2025, the outstanding balance of \$177.8 million was repaid utilizing our credit agreement, which is discussed below.

Credit Agreement

On June 17, 2024, Nabors Delaware amended and restated its existing credit agreement (as amended and restated, the “2024 Credit Agreement”). Under the 2024 Credit Agreement, the lenders have committed to provide to Nabors Delaware an aggregate principal amount of revolving loans at any time outstanding not in excess of \$350.0 million, and the issuing banks have committed to provide a standalone letter of credit tranche that permits Nabors Delaware to issue reimbursement obligations under letters of credit in an aggregate principal amount at any time outstanding not in excess of \$125.0 million. Letters of credit issued do not affect revolving loan capacity and vice versa. The 2024 Credit Agreement contains a \$200.0 million uncommitted accordion feature that can be applied to increase the commitments under either the revolving loans or the letter of credit tranche, or both.

On September 4, 2025, Nabors Delaware entered into the first amendment to the 2024 Credit Agreement to revise the restricted payments covenant to permit Nabors Delaware to repurchase up to \$100.0 million of equity of either Nabors Delaware or any parent entity in any fiscal year. Usage of this provision will reduce Nabors Delaware’s ability to make dividends on a dollar-for-dollar basis; any dividends distributed by Nabors Delaware will likewise reduce Nabors Delaware’s ability to make buybacks of equity on a dollar-for-dollar basis.

The Company is required to maintain an interest coverage ratio (EBITDA/interest expense) of 2.75:1.00, and a minimum guarantor value, requiring the guarantors (other than the Company) and their subsidiaries to own at least 90% of the consolidated property, plant and equipment of the Company. The facility matures on the earlier of (a) June 17, 2029 and (b) to the extent 10% or more of the respective principal amount of any of the 7.50% Senior Guaranteed Notes due January 2028 or 50% or more of the principal amount of the 1.75% Senior Exchangeable Notes due June 2029 remains outstanding on the date that is 90 days prior to the applicable maturity date for such indebtedness, then such 90th day.

Additionally, the Company is subject to covenants, which are subject to certain exceptions and include, among others, (a) a covenant restricting our ability to incur liens (subject to the additional liens basket of up to \$150.0 million), (b) a covenant restricting its ability to pay dividends or make other distributions with respect to its capital stock and to repurchase certain indebtedness and (c) a covenant restricting the ability of the Company’s subsidiaries to incur debt (subject to the grower debt basket of up to \$100.0 million). The agreement also includes a collateral coverage requirement that the collateral fair value is to be no less than the collateral coverage threshold, as defined in the agreement. This requirement includes an independent appraisal report to be delivered every 6 months following the closing date.

As of December 31, 2025, we had no borrowings and \$69.8 million of letters of credit outstanding under our 2024 Credit Agreement. The weighted average interest rate on borrowings under the 2024 Credit Agreement at December 31, 2025 was 7.21%. In order to make any future borrowings under the 2024 Credit Agreement, Nabors and certain of its wholly owned subsidiaries are subject to compliance with the conditions and covenants contained therein, including compliance with applicable financial ratios.

As of the date of this report, we were in compliance with all covenants under the 2024 Credit Agreement. We expect to remain in compliance with all covenants under the 2024 Credit Agreement during the twelve-month period following the date of this report based on our current operational and financial projections. If we fail to comply with the covenants, the revolving credit commitment could be terminated, and any outstanding borrowings under the facility could be declared immediately due and payable.

Letters of Credit

We had seven letter-of-credit facilities with various banks as of December 31, 2025. Availability and borrowings under our letter-of-credit facilities are as follows:

	December 31, 2025
	(In thousands)
Credit available	\$ 283,667
Less: Letters of credit outstanding, inclusive of financial and performance guarantees	128,619
Remaining availability	<u>\$ 155,048</u>

Note 10 Income Taxes

Income (loss) before income taxes consisted of the following:

	Year Ended December 31,		
	2025	2024	2023
	(In thousands)		
Bermuda (Domestic)	\$ (149,154)	\$ —	\$ —
Foreign			
United States	462,873	33,302	215,306
Other jurisdictions	223,809	(64,342)	(86,182)
Income (loss) before income taxes	<u>\$ 537,528</u>	<u>\$ (31,040)</u>	<u>\$ 129,124</u>

The Company has elected to prospectively adopt the guidance in ASU 2023-09. Prior to the adoption of ASU 2023-09, the Company disaggregated income (loss) between the United States and other jurisdictions. For the years ending December 31, 2024 and 2023, Bermuda is presented in Other foreign jurisdictions.

Income tax expense (benefit) consisted of the following:

	Year Ended December 31,		
	2025	2024	2023
	(In thousands)		
Current:			
Bermuda (Domestic)	\$ —	\$ —	\$ —
Foreign			
United States - Federal	(3,696)	1,175	4,783
United States - State	8,818	32,326	55,769
Other foreign jurisdictions	60,829	1,762	2,787
Total current	<u>\$ 65,951</u>	<u>\$ 35,263</u>	<u>\$ 63,339</u>
Deferred:			
Bermuda (Domestic)	\$ —	\$ —	\$ —
Foreign			
United States - Federal	91,884	6,408	16,886
United States - State	11,586	13,854	(1,898)
Other foreign jurisdictions	(6,326)	1,422	893
Total deferred	<u>\$ 97,144</u>	<u>\$ 21,684</u>	<u>\$ 15,881</u>
Income tax expense (benefit)	<u>\$ 163,095</u>	<u>\$ 56,947</u>	<u>\$ 79,220</u>

The Company has elected to prospectively adopt the guidance in ASU 2023-09. Prior to the adoption of ASU No. 2023-09, the Company disaggregated income tax expense (benefit) between the United States, U.S. states and other jurisdictions. For the 2024 and 2023 years, Bermuda is presented in Other foreign jurisdictions.

The following table is a reconciliation of the Bermuda national statutory tax rate of 15%, that became effective on January 1, 2025, to the Company's effective rate for the year ended December 31, 2025 in accordance with the guidance in ASU 2023-09:

	<u>Year Ended December 31,</u>	
	<u>2025</u>	
	<u>(In thousands, except percentages)</u>	
	<u>Amount</u>	<u>Percent</u>
Bermuda national statutory tax rate	\$ 80,629	15.0%
Foreign tax effects:		
Argentina		
Effect of rates different than statutory	4,182	0.8%
Foreign withholding tax	4,774	0.9%
Valuation allowance	(5,940)	(1.1%)
Other reconciling items	(1,372)	(0.3%)
Luxembourg		
Internal restructuring	(26,502)	(4.9%)
Valuation allowance	26,722	5.0%
Other reconciling items	1,260	0.2%
Netherlands		
Tax credits	(3,960)	(0.7%)
Other reconciling items	2,009	0.4%
Russia		
Valuation allowance	5,638	1.0%
Other reconciling items	(2,375)	(0.4%)
Saudi Arabia		
Foreign withholding tax	3,722	0.7%
Effect of rates different than statutory	7,787	1.4%
Interest on shareholder loan	(5,834)	(1.1%)
Other reconciling items	(2,646)	(0.5%)
United States		
State and local income taxes	16,120	3.0%
Effect of rates different than statutory	28,233	5.3%
Nontaxable or nondeductible items	3,194	0.6%
Other reconciling items	205	0.0%
Other jurisdictions	11,018	2.0%
Valuation allowance	21,518	4.0%
Other reconciling items	855	0.2%
Changes in unrecognized tax benefits	(6,142)	(1.1%)
Income tax expense (benefit)	<u>\$ 163,095</u>	<u>30.3%</u>

The following table is a reconciliation of the Bermuda national statutory tax rate of 0% to our worldwide effective tax rate for the years ended December 31, 2024 and 2023 in accordance with the guidance prior to the adoption of ASU 2023-09:

	Year Ended December 31,	
	2024	2023
	(In thousands)	
Income tax provision at statutory (Bermuda rate of 0%)	\$ —	\$ —
Taxes (benefit) on U.S. and other international earnings (losses) at greater than the Bermuda rate	51,433	74,581
Increase (decrease) in valuation allowance	10,094	22,533
Impact of foreign exchange rates	(9,145)	(28,484)
Prior year adjustments to provision	2,540	(3,513)
Uncertain tax positions	(1,828)	5,854
Audit settlements	(646)	12,464
State income taxes (benefit)	1,698	3,838
Other	2,801	(8,053)
Income tax expense (benefit)	<u>\$ 56,947</u>	<u>\$ 79,220</u>
Effective tax rate	(183.5%)	61.4%

Our worldwide income tax expense for 2025 was \$163.1 million compared to \$56.9 million for 2024. The increase in tax expense was primarily attributable to the Parker acquisition and sale of Quail Tools, as well as the change in amount and geographic mix of our pre-tax earnings (losses).

The following table lists the components of the income taxes paid (net of refunds received):

	Year Ended
	December 31,
	2025
	(In thousands)
Bermuda (Domestic)	\$ —
Foreign	
Argentina	8,130
Colombia	6,939
Mexico	6,199
Saudi Arabia	26,351
United States - Federal	7,185
United States - State	4,795
Foreign Other	14,139
Net cash paid (refunds received) for income taxes	<u>\$ 73,738</u>

The components of our net deferred taxes consisted of the following:

	December 31,	
	2025	2024
(In thousands)		
Deferred tax assets:		
Net operating loss carryforwards	\$ 3,934,828	\$ 3,870,614
Tax credit and other attribute carryforwards	76,314	86,188
Disallowed interest carryforward	16,642	33,907
Property, plant and equipment.	11,798	—
Other	93,287	88,644
Subtotal	4,132,869	4,079,353
Valuation allowance.	<u>(3,944,634)</u>	<u>(3,825,551)</u>
Deferred tax assets:	\$ 188,235	\$ 253,802
Deferred tax liabilities:		
Property, plant and equipment.	\$ —	\$ 34,089
Other	6,137	5,903
Deferred tax liability	<u>\$ 6,137</u>	<u>\$ 39,992</u>
Net deferred tax assets (liabilities)	<u>\$ 182,098</u>	<u>\$ 213,810</u>
Balance Sheet Summary:		
Net noncurrent deferred tax asset	\$ 189,224	\$ 216,296
Net noncurrent deferred tax liability	<u>(7,126)</u>	<u>(2,486)</u>
Net deferred tax asset (liability)	<u>\$ 182,098</u>	<u>\$ 213,810</u>

As of December 31, 2025, we had U.S. federal, U.S. state, and non-US net operating loss (“NOL”) carryforwards of approximately \$355.4 million, \$937.6 million and \$16.9 billion, respectively. Of those amounts, \$8.3 billion will expire between 2026 and 2046 if not utilized. We provide a valuation allowance against NOL carryforwards in various tax jurisdictions based on our consideration of existing temporary differences and expected future earning levels in those jurisdictions. A valuation allowance of approximately \$3.8 billion as of December 31, 2025 has been recognized related to certain NOL carryforwards as we believe it is more likely than not that the benefit of these NOL carryforwards will not be realized.

The following is a reconciliation of our uncertain tax positions:

	2025	2024	2023
	(In thousands)		
Balance as of January 1.	\$ 23,324	\$ 34,016	\$ 45,452
Additions for tax positions of prior years	2,745	322	2,207
Reductions for tax positions for prior years	—	(1,046)	(256)
Settlements	<u>(8,781)</u>	<u>(9,968)</u>	<u>(13,387)</u>
Balance as of December 31	<u>\$ 17,288</u>	<u>\$ 23,324</u>	<u>\$ 34,016</u>

If the unrecognized tax positions of \$17.3 million are realized, this would favorably impact the worldwide effective tax rate by \$15.9 million. As of December 31, 2025, 2024 and 2023, we had approximately \$9.5 million, \$8.2 million and \$11.1 million, respectively, of interest and penalties related to uncertain tax positions. During 2025, 2024 and 2023, we accrued and recognized estimated interest and penalties related to uncertain tax positions of approximately \$1.3 million, \$(2.9) million and \$(6.0) million, respectively. During the fourth quarter of 2025, we settled tax audits for which we had accrued an uncertain tax position of \$8.8 million with no interest and penalties. Upon settlement, we reversed the uncertain tax position accrual. We include potential interest and penalties related to uncertain tax positions within our global operations in the income tax expense (benefit) line item in our consolidated statements of income (loss).

We conduct business globally and, as a result, we file numerous income tax returns in the U.S. and non-U.S. jurisdictions. In the normal course of business, we are subject to examination by taxing authorities throughout the world, including major jurisdictions such as Colombia, Mexico, Saudi Arabia, and the United States. We are no longer subject to U.S. Federal income tax examinations for years before 2022 and non-U.S. income tax examinations for years before 2007.

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. Pillar 2 did not have a material impact to our consolidated financial statements for the year ended December 31, 2025.

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 ceased 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. Bermuda CIT allows for a beginning net operating loss balance related to the five years preceding the effective date of Bermuda CIT. As of December 31, 2025, we have recorded a deferred tax asset of \$206.9 million for the Bermuda net operating losses generated from 2020 through 2024 with an offsetting valuation allowance of \$206.9 million.

The One Big Beautiful Bill Act (“OBBBA”) was signed into law on July 4, 2025. OBBBA included many provisions such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modification to the international tax framework and the restoration of favorable tax treatment for certain business provisions. The legislation has multiple effective dates, with certain provisions already in effect and others implemented through fiscal year 2027. We do not expect the legislation to have a material impact on our effective tax rate.

Note 11 Shareholders’ Equity

Common shares

Our authorized share capital consists of 57.0 million shares of which 32.0 million are common shares, par value \$0.05 per share, and 25.0 million are preferred shares, par value \$0.001 per share. The preferred shares are issuable in one or more classes or series, full, limited or no voting rights, designations, preferences, special rights, qualifications, limitations and restrictions, as may be determined by the Board.

On March 11, 2025, in connection with the completion of the Parker acquisition, we issued 4.8 million common shares to the former stockholders of Parker. See further discussion on the transaction in Note 4—Acquisitions and Dispositions.

From time to time, treasury shares may be reissued subject to applicable securities law limitations. When shares are reissued, we use the weighted-average-cost method for determining cost. The difference between the cost of the shares and the issuance price is added to or deducted from our capital in excess of par value account. No shares have been reissued during 2025, 2024 or 2023.

Common stock warrants

On May 27, 2021, the Board declared a distribution of warrants to purchase its common shares (the “Warrants”) to holders of the Company’s common shares. Holders of Nabors common shares received two-fifths of a warrant per common share held as of the record date (rounded down for any fractional warrant). Nabors issued approximately 3.2 million Warrants on June 11, 2021 to shareholders of record as of June 4, 2021. As of December 31, 2025, 2.5 million Warrants remain outstanding and 1.1 million common shares have been issued in settlement of exercises of Warrants.

Each Warrant represents the right to purchase one common share at an initial exercise price of \$166.66667 per Warrant, subject to certain adjustments (the “Exercise Price”). Payment of the exercise price may be in cash at this time. The Exercise Price and the number of common shares issuable upon exercise are subject to anti-dilution adjustments, including for share dividends, splits, subdivisions, spin-offs, consolidations, reclassifications, combinations, noncash distributions, cash dividends (other than regular quarterly cash dividends not exceeding a permitted threshold amount),

certain pro rata shares repurchases, and similar transactions, including certain issuances of common shares (or securities exercisable or convertible into or exchangeable for common shares) at a price (or having a conversion price) that is less than 95% of the market price of the common shares. The Warrants expire on June 11, 2026, but the expiration date may be accelerated at any time by the Company upon 20-days' prior notice. The Warrants are traded on the over-the-counter market.

The Warrants are recognized as derivative liabilities in accordance with ASC 815-40. Accordingly, the Company recognizes the Warrant instruments as liabilities at fair value and adjusts the instruments to fair value at each reporting period. The liabilities are subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized in the Company's statement of operations. On December 31, 2025 and 2024, the fair value of the Warrants was approximately \$0.7 million and \$9.0 million, respectively. During the years ended December 31, 2025, 2024 and 2023, approximately \$8.4 million of gain, \$16.9 million of gain and \$54.7 million of gain has been recognized for the change in the liability and included in Other, net in our consolidated statements of income (loss), respectively.

Note 12 Joint Ventures

During 2016, we entered into an agreement with Saudi Aramco to form a new joint venture, SANAD, to own, manage and operate onshore drilling rigs in the Kingdom of Saudi Arabia. SANAD is equally owned by Saudi Aramco and Nabors.

During 2017, Nabors and Saudi Aramco each contributed \$20 million in cash for the purpose of capitalizing the joint venture upon formation. In addition, since inception Nabors and Saudi Aramco have each contributed a combination of drilling rigs, drilling rig equipment and other assets, including cash, each with a value of approximately \$394 million to the joint venture. The contributions were received in exchange for redeemable ownership interests that accrue interest annually, have a twenty-five-year maturity and are required to be converted to authorized capital should certain events occur, including the accumulation of specified losses. In the accompanying condensed consolidated balance sheet, Nabors has reported Saudi Aramco's share of authorized capital as a component of noncontrolling interest in equity and Saudi Aramco's share of the redeemable ownership interests as redeemable noncontrolling interest in subsidiary, classified as mezzanine equity. As of December 31, 2025 and December 31, 2024, the amount included in redeemable noncontrolling interest was \$482.4 million and \$453.3 million, respectively. The accrued interest on the redeemable ownership interest is a non-cash financing activity and is reported as an increase in the redeemable noncontrolling interest in subsidiary line in our condensed consolidated balance sheet. The assets and liabilities included in the condensed balance sheet below are (a) assets that can either be used to settle obligations of the VIE or be made available in the future to the equity owners through dividends, distributions or in exchange of the redeemable ownership interests (upon mutual agreement of the owners) or (b) liabilities for which creditors do not have recourse to other assets of Nabors.

The condensed balance sheet of SANAD, as included in our consolidated balance sheet, is presented below.

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
	(In thousands)	
Assets:		
Cash and cash equivalents	\$ 179,907	\$ 229,442
Accounts receivable	101,382	111,497
Other current assets.	8,107	12,122
Property, plant and equipment, net	1,068,919	862,031
Other long-term assets	18,497	12,404
Total assets	<u>\$ 1,376,812</u>	<u>\$ 1,227,496</u>
Liabilities:		
Accounts payable	\$ 102,543	\$ 112,373
Accrued liabilities	30,694	12,447
Other liabilities	62,306	47,254
Total liabilities	<u>\$ 195,543</u>	<u>\$ 172,074</u>

Note 13 Related-Party Transactions

Nabors and certain current and former key employees, including Mr. Petrello, entered into split-dollar life insurance agreements, pursuant to which we pay a portion of the premiums under life insurance policies with respect to these individuals and, in some instances, members of their families. These agreements provide that we are reimbursed for the premium payments upon the occurrence of specified events, including the death of an insured individual. Any recovery of premiums paid by Nabors could be limited to the cash surrender value of the policies under certain circumstances. As such, the values of these policies are recorded at their respective cash surrender values in our consolidated balance sheets. We have made premium payments to date totaling \$6.6 million related to these policies. The cash surrender value of these policies of approximately \$4.2 million and \$4.7 million is included in other long-term assets in our consolidated balance sheets as of December 31, 2025 and 2024, respectively.

Under the Sarbanes-Oxley Act of 2002, the payment of premiums by Nabors under the agreements could be deemed to be prohibited loans by us to these individuals. Consequently, we have paid no premiums related to our agreements with these individuals since the adoption of the Sarbanes-Oxley Act.

In July 2023, Nabors Energy Transition Corporation II (“NETC II”) co-sponsored by Nabors and Greens Road Energy II LLC, completed its initial public offering of 30,500,000 units. Greens Road Energy II LLC is owned by certain members of Nabors’ management team and board members. Simultaneously with the closing of the IPO, NETC II completed the private sale of an aggregate of 9,540,000 warrants with a fair value of \$1 per warrant, of which 4,348,000 warrants were purchased by related parties including certain Nabors officers, directors and employees, with the remainder being purchased by a subsidiary of Nabors. See Note 20—Special Purpose Acquisition Company for additional information.

Effective May 3, 2024, Nabors Energy Transition Solutions LLC, a Texas limited liability company and wholly owned subsidiary of Nabors transferred certain non-revenue producing energy transition assets to Hexegen LLC, a Delaware limited liability company. Remington Energy I, LLC, a Texas limited liability company owned and managed by Mr. Petrello (“Remington”) is also a member of and invested in Hexegen with seed capital and industry expertise. Hexegen plans to grow and scale an energy transition business using its members’ contributions. The arrangement provides for profit sharing among its members Nabors and Remington if certain hurdles are overcome and milestones are met and, at the highest level, would provide for a 90:10 split of profits above a defined threshold.

In the ordinary course of business, we enter into various rig leases, rig transportation and related oilfield services agreements with our related parties, including our joint venture partner Saudi Aramco. Revenues from business transactions with these related parties totaled \$1.1 billion, \$0.9 billion and \$0.8 billion for the years ended December 31, 2025, 2024 and 2023, respectively. Additionally, we had accounts receivable from these related parties of \$121.0 million and \$122.8 million as of December 31, 2025 and 2024.

In addition, Mr. Crane, one of our independent directors, is Chairman and Chief Executive Officer of Crane Capital Group Inc. (“CCG”), an investment company that indirectly owns a majority interest in several operating companies, some of which have provided services to us in the ordinary course of business, including international logistics and electricity. During the years ended December 31, 2025, 2024 and 2023, we incurred costs for these services of \$14.8 million, \$7.9 million and \$13.2 million, respectively. We had accounts payable to these CCG-related companies of \$0.5 million and \$1.8 million as of December 31, 2025 and 2024.

Note 14 Commitments and Contingencies

Commitments

Under the joint venture agreement with Saudi Aramco, the agreement requires us to backstop our share of the joint venture's obligations to purchase the first 25 drilling rigs in the event that there is insufficient cash in the joint venture or third-party financing available. Although we currently anticipate that the future rig purchase needs will be met by cash flows from the joint venture and/or third-party financing, no assurance can be given that the joint venture will not require us to fund our backstop.

Leases

Nabors and its subsidiaries occupy various facilities and lease certain equipment under various lease agreements. Rental expense relating to operating leases with terms greater than 30 days amounted to \$19.5 million, \$15.7 million and \$17.2 million for the years ended December 31, 2025, 2024 and 2023, respectively. See Note 19—Leases for more information on the minimum rental commitments under non-cancelable operating leases.

Contingencies

Income Tax

We operate in a number of countries and our tax returns filed in those jurisdictions are subject to review and examination by tax authorities within those jurisdictions. We do not recognize the benefit of income tax positions we believe are more likely than not to be disallowed upon challenge by a tax authority. If any tax authority successfully challenges our operational structure, intercompany pricing policies or the taxable presence of our subsidiaries in certain countries, if the terms of certain income tax treaties are interpreted in a manner that is adverse to our structure, or if we lose a material tax dispute in any country, our effective tax rate on our worldwide earnings could change substantially.

In certain jurisdictions we have recognized deferred tax assets and liabilities. Judgment and assumptions are required in determining whether deferred tax assets will be fully or partially utilized. When we estimate that all or some portion of certain deferred tax assets such as net operating loss carryforwards will not be utilized, we establish a valuation allowance for the amount we determine to be more likely than not unrealizable. We continually evaluate strategies that could allow for future utilization of our deferred assets. Any change in the ability to utilize such deferred assets will be accounted for in the period of the event affecting the valuation allowance. If facts and circumstances cause us to change our expectations regarding future tax consequences, the resulting adjustments could have a material effect on our financial results or cash flow. At this time, we consider it more likely than not that we will have sufficient taxable income in the future that will allow us to realize the deferred tax assets that we have recognized. However, it is possible that some of our recognized deferred tax assets, relating to net operating loss carryforwards and tax credits, could expire unused or could carryforward indefinitely without utilization. Therefore, unless we are able to generate sufficient taxable income from our component operations, a substantial valuation allowance to reduce our deferred tax assets may be required, which would materially increase our tax expense in the period the allowance is recognized and materially adversely affect our results of operations and statement of financial condition.

Litigation

Nabors and its subsidiaries are defendants or otherwise involved in a number of lawsuits in the ordinary course of business. We estimate the range of our liability related to pending litigation when we believe the amount and range of loss can be estimated. We record our best estimate of a loss when the loss is considered probable. When a liability is probable and there is a range of estimated loss with no best estimate in the range, we record the minimum estimated liability related to the lawsuits or claims. As additional information becomes available, we assess the potential liability related to our pending litigation and claims and revise our estimates. Due to uncertainties related to the resolution of lawsuits and claims, the ultimate outcome may differ from our estimates. For matters where an unfavorable outcome is reasonably possible and significant, we disclose the nature of the matter and a range of potential exposure, unless an estimate cannot be made at the time of disclosure. In the opinion of management and based on liability accruals provided, our ultimate exposure with respect to these pending lawsuits and claims is not expected to have a material adverse effect on our consolidated financial position or cash flows, although they could have a material adverse effect on our results of operations for a particular reporting period.

In March 2011, the Court of Ouargla entered a judgment of approximately \$21.8 million (at December 31, 2025 exchange rates) against us relating to alleged violations of Algeria’s foreign currency exchange controls, which require that goods and services provided locally be invoiced and paid in local currency. The case relates to certain foreign currency payments made to us by CEPESA, a Spanish operator, for wells drilled in 2006. Approximately \$7.5 million of the total contract amount was paid offshore in foreign currency, and approximately \$3.2 million was paid in local currency. The judgment includes fines and penalties of approximately four times the amount at issue. We have appealed the ruling based on our understanding that the law in question applies only to resident entities incorporated under Algerian law. An intermediate court of appeals upheld the lower court’s ruling, and we appealed the matter to the Supreme Court. On September 25, 2014, the Supreme Court overturned the verdict against us, and the case was reheard by the Ouargla Court of Appeals on March 22, 2015 in light of the Supreme Court’s opinion. On March 29, 2015, the Ouargla Court of Appeals reinstated the initial judgment against us. We appealed this decision again to the Supreme Court, which again overturned the appeals court’s decision. The case was moved back to the court of appeals, which, once again, reinstated the verdict, failing to abide by the Supreme Court’s ruling. Accordingly, we appealed once more to the Supreme Court to try to get a final ruling on the matter. On April 10, 2025, the Supreme Court cancelled the judgment of the Ouargla Court of Appeals, ruled in our favor and sent the case back to a different court, the Algiers Court of Appeals. In January 2026, we received the final judgment from the Algiers Court of Appeals that was in our favor and cancelled the fine issued against us.

Off-Balance Sheet Arrangements (Including Guarantees)

We are a party to some transactions, agreements or other contractual arrangements defined as “off-balance sheet arrangements” that could have a material future effect on our financial position, results of operations, liquidity and capital resources. The most significant of these off-balance sheet arrangements include the A/R Agreements (see Note 3—Accounts Receivable Purchase and Sales Agreements) and certain agreements and obligations under which we provide financial or performance assurance to third parties. Certain of these financial or performance assurances serve as guarantees, including standby letters of credit issued on behalf of insurance carriers in conjunction with our workers’ compensation insurance program and other financial surety instruments such as bonds. In addition, we have provided indemnifications, which serve as guarantees, to some third parties. These guarantees include indemnification provided by Nabors to our share transfer agent and our insurance carriers. We are not able to estimate the potential future maximum payments that might be due under our indemnification guarantees.

Management believes the likelihood that we would be required to perform or otherwise incur any material losses associated with any of these guarantees is remote. The following table summarizes the total maximum amount of financial guarantees issued by Nabors:

	Maximum Amount				Total
	2026	2027	2028	Thereafter	
	(In thousands)				
Financial standby letters of credit and other financial surety instruments.	\$ 42,243	20	4,785	2,456	\$ 49,504

Note 15 Earnings (Losses) Per Share

ASC 260, Earnings per Share, requires companies to treat unvested share-based payment awards that have nonforfeitable rights to dividends or dividend equivalents as a separate class of securities in calculating earnings (losses) per share. We have granted and expect to continue to grant to employees restricted stock grants that contain nonforfeitable rights to dividends. Such grants are considered participating securities under ASC 260. As such, we are required to include these grants in the calculation of our basic earnings (losses) per share and calculate basic earnings (losses) per share using the two-class method. The two-class method of computing earnings per share is an earnings allocation formula that determines earnings per share for each class of common stock and participating security according to dividends declared and participation rights in undistributed earnings. The participating security holders are not contractually obligated to share in losses. Therefore, losses are not allocated to the participating security holders.

Basic earnings (losses) per share is computed utilizing the two-class method and is calculated based on the weighted-average number of common shares outstanding during the periods presented.

Diluted earnings (losses) per share is computed using the weighted-average number of common and common equivalent shares outstanding during the periods utilizing the two-class method for stock options and unvested restricted shares and the if-converted method for the 1.75% senior exchangeable notes due June 2029 as the instrument contains a provision for share settlement.

A reconciliation of the numerators and denominators of the basic and diluted earnings (losses) per share computations is as follows:

	Year Ended December 31,		
	2025	2024	2023
	(In thousands, except per share amounts)		
BASIC EPS:			
Net income (loss) (numerator):			
Income (loss), net of tax	\$ 374,433	\$ (87,987)	\$ 49,904
Less: net (income) loss attributable to noncontrolling interest	(87,809)	(88,097)	(61,688)
Less: deemed dividends to SPAC public shareholders	(1,000)	—	(8,638)
Less: accrued distribution on redeemable noncontrolling interest in subsidiary	(29,136)	(29,723)	(29,824)
Less: distributed and undistributed earnings allocated to unvested shareholders	(9,149)	—	—
Numerator for basic earnings per share:			
Adjusted income (loss), net of tax - basic	<u>\$ 247,339</u>	<u>\$ (205,807)</u>	<u>\$ (50,246)</u>
Weighted-average number of shares outstanding - basic	13,193	9,202	9,159
Earnings (losses) per share:			
Total Basic	<u>\$ 18.75</u>	<u>\$ (22.37)</u>	<u>\$ (5.49)</u>
DILUTED EPS:			
Adjusted income (loss), net of tax - basic	\$ 247,339	\$ (205,807)	\$ (50,246)
Add: after tax interest expense of convertible notes	3,392	—	—
Add: effect of reallocating undistributed earnings of unvested shareholders	32	—	—
Adjusted income (loss), net of tax - diluted	<u>\$ 250,763</u>	<u>\$ (205,807)</u>	<u>\$ (50,246)</u>
Weighted-average number of shares outstanding - basic	13,193	9,202	9,159
Add: if converted dilutive effect of convertible notes	1,176	—	—
Add: dilutive effect of potential common shares	47	—	—
Weighted-average number of shares outstanding - diluted	<u>14,416</u>	<u>9,202</u>	<u>9,159</u>
Earnings (losses) per share:			
Total Diluted	<u>\$ 17.39</u>	<u>\$ (22.37)</u>	<u>\$ (5.49)</u>

For all periods presented, the computation of diluted earnings (losses) per share excludes shares related to outstanding stock options with exercise prices greater than the average market price of Nabors' common shares and shares related to the outstanding Warrants when their exercise price or exchange price is higher than the average market price of Nabors' common shares, because their inclusion would be anti-dilutive and because they are not considered participating securities.

In any period during which the average market price of Nabors' common shares exceeds the exercise prices of the stock options, such stock options or warrants will be included in our diluted earnings (losses) per share computation using the if-converted method of accounting. Restricted stock is included in our basic and diluted earnings (losses) per share computation using the two-class method of accounting in all periods because such stock is considered participating securities. For periods in which we experience a net loss, all potential common shares have been excluded from the calculation of weighted-average shares outstanding, because their inclusion would be anti-dilutive.

The average number of shares from options and shares related to outstanding Warrants that were excluded from diluted earnings (losses) per share that would potentially dilute earnings per share in the future were as follows (in thousands):

	Year Ended December 31,		
	2025	2024	2023
	(In thousands)		
Potentially dilutive securities excluded as anti-dilutive	3,468	3,388	3,381

Additionally for the years ended December 31, 2024 and 2023, we excluded 1.2 million common shares from the computation of diluted shares related to the conversion of the 1.75% senior exchangeable notes due June 2029, because their effect would be anti-dilutive under the if-converted method, respectively.

Note 16 Supplemental Balance Sheet, Income Statement and Cash Flow Information

Accrued liabilities include the following:

	December 31,	
	2025	2024
	(In thousands)	
Accrued compensation	\$ 75,130	\$ 68,776
Deferred revenue	53,531	30,902
Other taxes payable	42,199	33,446
Workers' compensation liabilities	8,146	6,588
Interest payable	62,898	66,300
Litigation reserves	10,088	10,493
Accrued professional fees	2,296	2,490
Other accrued liabilities	24,719	4,764
	<u>\$ 279,007</u>	<u>\$ 223,759</u>

Investment income (loss) includes the following:

	Year Ended December 31,		
	2025	2024	2023
	(In thousands)		
Interest and dividend income	\$ 27,914	\$ 39,097	\$ 45,900
Gains (losses) on marketable securities	(266)	(384)	(2,080)
	<u>\$ 27,648</u>	<u>\$ 38,713</u>	<u>\$ 43,820</u>

Other, net includes the following:

	Year Ended December 31,		
	2025	2024	2023
	(In thousands)		
(Gains) losses on sales, disposals and involuntary conversions of long-lived assets	\$ (46,872)	\$ 26,358	\$ 13,923
Asset impairment	26,456	—	—
Transaction related costs	19,858	6,763	—
Other than temporary impairment on securities	15,182	26,080	8,293
Energy transition initiatives	1,062	1,260	6,502
Severance and reorganization costs	24,557	4,016	2,256
Warrant and derivative valuation	(8,359)	(16,894)	(54,948)
Litigation expenses and reserves	480	6,284	26,451
Foreign currency transaction losses	5,674	28,149	37,285
Loss (gain) on debt buyback	15,538	14,857	(25,274)
Other losses (gains)	12,226	9,943	(15,214)
	<u>\$ 65,802</u>	<u>\$ 106,816</u>	<u>\$ (726)</u>

The changes in accumulated other comprehensive income (loss), by component, include the following:

	Gains (losses) on cash flow hedges	Defined benefit pension plan items	Foreign currency items	Total
	(In thousands (1))			
As of January 1, 2024	\$ 2	\$ (3,606)	\$ (7,228)	\$ (10,832)
Other comprehensive income (loss) before reclassifications	—	—	256	256
Amounts reclassified from accumulated other comprehensive income (loss)	—	162	—	162
Net other comprehensive income (loss)	—	162	256	418
As of December 31, 2024	\$ 2	\$ (3,444)	\$ (6,972)	\$ (10,414)

(1) All amounts are net of tax.

	Gains (losses) on cash flow hedges	Defined benefit pension plan items	Foreign currency items	Total
	(In thousands (1))			
As of January 1, 2025	\$ 2	\$ (3,444)	\$ (6,972)	\$ (10,414)
Other comprehensive income (loss) before reclassifications	—	—	(145)	(145)
Amounts reclassified from accumulated other comprehensive income (loss)	—	162	—	162
Net other comprehensive income (loss)	—	162	(145)	17
As of December 31, 2025	\$ 2	\$ (3,282)	\$ (7,117)	\$ (10,397)

(1) All amounts are net of tax.

The line items that were reclassified to net income include the following:

Line item in consolidated statement of income (loss)

	Year Ended December 31,		
	2025	2024	2023
	(In thousands)		
General and administrative expenses	210	210	209
Total income (loss) before income tax	(210)	(210)	(209)
Tax expense (benefit)	(48)	(48)	(48)
Reclassification adjustment for (gains)/ losses included in net income (loss)	\$ (162)	\$ (162)	\$ (161)

Supplemental cash flow information includes the following:

	Year Ended December 31,		
	2025	2024	2023
	(In thousands)		
Cash paid for income taxes (refunded), net	\$ 73,738	\$ 73,799	\$ 49,486
Cash paid for interest, net of capitalized interest	\$ 209,167	\$ 198,561	\$ 186,923
Net change in accounts payable related to capital expenditures	\$ (24,273)	\$ 41,721	\$ 10,363
Cash acquired in acquisition of business, net	\$ 84,429	\$ —	\$ —

Note 17 Segment Information

Our business consists of four reportable segments: U.S. Drilling, International Drilling, Drilling Solutions and Rig Technologies. Our reportable segments include operating segments that have been aggregated based on the nature of the products and services provided. Results of Parker's operations have been included within U.S. Drilling, International

Drilling and Drilling Solutions segments. Prior to its sale, Quail Tools' operations were included within the Drilling Solutions segment. The accounting policies of the segments are the same as those described in Note 2—Summary of Significant Accounting Policies. Inter-segment sales are recorded at cost or cost plus a profit margin. Management's determination of our reporting segments was made on the basis of our strategic priorities within each segment and the differences in the products and services we provide. The reportable segments results are reviewed regularly by the chief operating decision maker ("CODM"), who is our Chairman and Chief Executive Officer, in deciding how to allocate resources and assess performance. Our CODM evaluates the segments' operating performance based on adjusted operating income (loss), defined as net income (loss) before income taxes, interest expense, earnings (losses) from unconsolidated affiliates, investment income (loss), gain on disposition of Quail Tools, gain on bargain purchase and other, net.

The following tables sets forth financial information with respect to our reportable operating segments:

	Year Ended December 31, 2025						
	U.S. Drilling	International Drilling	Drilling Solutions	Rig Technologies	Total Reportable Segments	Other items (1)	Total
	(In thousands)						
Operating revenues	\$ 976,644	\$ 1,597,765	\$ 513,283	\$ 154,036	\$ 3,241,728	\$ (57,035)	\$ 3,184,693
Direct costs	(569,204)	(1,028,942)	(250,049)	(107,220)	(1,955,415)	41,039	(1,914,376)
Depreciation and amortization	(250,534)	(327,834)	(52,040)	(11,179)	(641,587)	(7,647)	(649,234)
Other segment expenses (2)	(25,534)	(76,866)	(43,912)	(27,363)	(173,675)	(183,975)	(357,650)
Total adjusted operating income (loss) (3)	\$ 131,372	\$ 164,123	\$ 167,282	\$ 8,274	\$ 471,051		
Capital expenditures	\$ 139,180	\$ 488,677	\$ 62,490	\$ 1,724	\$ 692,071	\$ 2,850	\$ 694,921

	Year Ended December 31, 2024						
	U.S. Drilling	International Drilling	Drilling Solutions	Rig Technologies	Total Reportable Segments	Other items (1)	Total
	(In thousands)						
Operating revenues	\$ 1,028,122	\$ 1,446,092	\$ 314,071	\$ 201,677	\$ 2,989,962	\$ (59,836)	\$ 2,930,126
Direct costs	(554,527)	(941,118)	(151,387)	(138,936)	(1,785,968)	43,557	(1,742,411)
Depreciation and amortization	(272,559)	(328,924)	(19,988)	(9,200)	(630,671)	(2,737)	(633,408)
Other segment expenses (2)	(24,755)	(68,192)	(30,309)	(33,298)	(156,554)	(149,826)	(306,380)
Total adjusted operating income (loss) (3)	\$ 176,281	\$ 107,858	\$ 112,387	\$ 20,243	\$ 416,769		
Capital expenditures	\$ 110,822	\$ 459,175	\$ 17,787	\$ 5,767	\$ 593,551	\$ 16,176	\$ 609,727

	Year Ended December 31, 2023						
	U.S. Drilling	International Drilling	Drilling Solutions	Rig Technologies	Total Reportable Segments	Other items (1)	Total
	(In thousands)						
Operating revenues	\$ 1,207,629	\$ 1,345,249	\$ 301,757	\$ 242,768	\$ 3,097,403	\$ (91,422)	\$ 3,005,981
Direct costs	(647,251)	(892,182)	(145,139)	(181,644)	(1,866,216)	75,836	(1,790,380)
Depreciation and amortization	(271,310)	(347,786)	(18,634)	(7,865)	(645,595)	301	(645,294)
Other segment expenses (2)	(26,715)	(64,413)	(27,027)	(33,730)	(151,885)	(148,559)	(300,444)
Total adjusted operating income (loss) (3)	\$ 262,353	\$ 40,868	\$ 110,957	\$ 19,529	\$ 433,707		
Capital expenditures	\$ 136,311	\$ 357,609	\$ 25,721	\$ 21,229	\$ 540,870	\$ 12,038	\$ 552,908

	Year Ended December 31,		
	2025	2024	2023
	(In thousands)		
Reconciliation of segment adjusted operating income (loss) to net income (loss):			
Net income (loss)	\$ 374,433	\$ (87,987)	\$ 49,904
Income tax expense (benefit)	163,095	56,947	79,220
Income (loss) before income taxes	\$ 537,528	\$ (31,040)	\$ 129,124
Investment (income) loss	(27,648)	(38,713)	(43,820)
Interest expense	215,366	210,864	185,285
Gain on disposition of Quail Tools	(413,962)	—	—
Gain on bargain purchase	(113,653)	—	—
Other, net	65,802	106,816	(726)
Other reconciling items (1)	207,618	168,842	163,844
Total segment adjusted operating income (loss) (3)	\$ 471,051	\$ 416,769	\$ 433,707

	December 31,	
	2025	2024
	(In thousands)	
Total assets:		
U.S. Drilling	\$ 967,478	\$ 1,049,650
International Drilling	2,434,728	2,348,590
Drilling Solutions	213,184	79,065
Rig Technologies	153,838	215,225
Total reportable segments	3,769,228	3,692,530
Other reconciling items (4)	1,020,429	811,771
Total	\$ 4,789,657	\$ 4,504,301

- (1) Represents the elimination of inter-segment transactions related to our Rig Technologies operating segment and unallocated corporate expenses, assets and capital expenditures.
- (2) Other segment expenses represent general and administrative expenses and research and engineering expenses.
- (3) Management evaluates the performance of our operating segments using adjusted operating income (loss), which is a segment performance measure, because it believes that this financial measure reflects our ongoing profitability and performance. In addition, securities analysts and investors use this measure as one of the metrics on which they analyze our performance. A reconciliation to income (loss) is provided in the above table.
- (4) Represents corporate-related assets.

The following table sets forth financial information with respect to Nabors' operations by geographic area based on the location of service provided:

	Year Ended December 31,		
	2025	2024	2023
	(In thousands)		
Operating revenues			
U.S.	\$ 1,309,598	\$ 1,283,785	\$ 1,477,774
Outside the U.S.	1,875,095	1,646,341	1,528,207
	<u>\$ 3,184,693</u>	<u>\$ 2,930,126</u>	<u>\$ 3,005,981</u>
Property, plant and equipment, net:			
U.S.	\$ 1,041,793	\$ 1,165,677	\$ 1,304,686
Outside the U.S.	1,878,226	1,665,280	1,594,042
	<u>\$ 2,920,019</u>	<u>\$ 2,830,957</u>	<u>\$ 2,898,728</u>

During the years ended December 31, 2025, 2024 and 2023, \$1.0 billion, \$927.7 million and \$821.1 million of our consolidated operating revenue was from Saudi Arabia. No other individual country outside of the U.S. was material to our consolidated operating revenue during any of the three periods presented.

One customer accounted for approximately 30%, 31% and 26% of our consolidated operating revenues during the years ended December 31, 2025, 2024 and 2023, respectively, and is included primarily in our International Drilling reportable segment.

Note 18 Revenue Recognition

We recognize revenue when control of a good or service promised in a contract (i.e., performance obligation) is transferred to a customer. Control is obtained when a customer has the ability to direct the use of and obtain substantially all the remaining benefits from that good or service. Contract drilling revenues are recorded over time utilizing the input method based on time elapsed. The measurement of progress considers the transfer of the service to the customer as we provide daily drilling services. We receive payment after the services have been performed by billing customers periodically (typically monthly). However, a portion of our revenues are recognized at a point-in-time as control is transferred at a distinct point in time such as with the sale of our top drives and other capital equipment. Within our drilling contracts, we have identified one performance obligation in which the transaction price is allocated.

Disaggregation of revenue

In the following table, revenue is disaggregated by geographical region. The table also includes a reconciliation of the disaggregated revenue with the reportable segments:

	Year Ended December 31, 2025					Total
	U.S. Drilling	International Drilling	Drilling Solutions	Rig Technologies	Other	
	(In thousands)					
Lower 48.	\$ 745,162	\$ —	\$ 256,203	\$ 73,723	\$ —	\$ 1,075,088
U.S. Offshore	113,979	—	9,357	—	—	123,336
Alaska.	117,503	—	7,967	4	—	125,474
Canada	—	46,696	2,142	6,287	—	55,125
Middle East & Asia.	—	1,060,497	122,474	68,528	—	1,251,499
Latin America	—	372,967	88,185	4,110	—	465,262
Europe, Africa & CIS	—	117,605	26,955	1,384	—	145,944
Eliminations & other	—	—	—	—	(57,035)	(57,035)
Total.	<u>\$ 976,644</u>	<u>\$ 1,597,765</u>	<u>\$ 513,283</u>	<u>\$ 154,036</u>	<u>\$ (57,035)</u>	<u>\$ 3,184,693</u>

	Year Ended December 31, 2024					Total
	U.S. Drilling	International Drilling	Drilling Solutions	Rig Technologies	Other	
	(In thousands)					
Lower 48	\$ 872,432	\$ —	\$ 172,832	\$ 83,313	\$ —	\$ 1,128,577
U.S. Offshore	107,253	—	9,943	—	—	117,196
Alaska	48,437	—	2,447	—	—	50,884
Canada	—	—	1,847	6,331	—	8,178
Middle East & Asia	—	1,002,350	51,222	91,344	—	1,144,916
Latin America	—	360,092	74,225	14,310	—	448,627
Europe, Africa & CIS	—	83,650	1,555	6,379	—	91,584
Eliminations & other	—	—	—	—	(59,836)	(59,836)
Total	\$ 1,028,122	\$ 1,446,092	\$ 314,071	\$ 201,677	\$ (59,836)	\$ 2,930,126

	Year Ended December 31, 2023					Total
	U.S. Drilling	International Drilling	Drilling Solutions	Rig Technologies	Other	
	(In thousands)					
Lower 48	\$ 1,052,274	\$ —	\$ 196,252	\$ 121,958	\$ —	\$ 1,370,484
U.S. Offshore	118,218	—	11,147	—	—	129,365
Alaska	37,137	—	1,733	—	—	38,870
Canada	—	—	1,522	7,270	—	8,792
Middle East & Asia	—	943,285	44,896	93,032	—	1,081,213
Latin America	—	341,470	44,422	11,162	—	397,054
Europe, Africa & CIS	—	60,494	1,785	9,346	—	71,625
Eliminations & other	—	—	—	—	(91,422)	(91,422)
Total	\$ 1,207,629	\$ 1,345,249	\$ 301,757	\$ 242,768	\$ (91,422)	\$ 3,005,981

Contract balances

We perform our obligations under a contract with a customer by transferring goods or services in exchange for consideration from the customer. We recognize a contract asset or liability when we transfer goods or services to a customer and bill an amount which differs from the revenue allocated to the related performance obligations.

The timing of revenue recognition may differ from the timing of invoicing to customers and these timing differences result in receivables, contract assets, or contract liabilities (deferred revenue) on our consolidated balance sheet. In general, we receive payments from customers based on dayrates as stipulated in our contracts (i.e. operating rate, standby rate). The invoices billed to the customer are based on the varying rates applicable to the operating status on each rig. Accounts receivable are recorded when the right to consideration becomes unconditional.

Dayrate contracts also may contain fees charged to the customer for up-front rig modifications, mobilization and demobilization of equipment and personnel. These fees are associated with contract fulfillment activities, and the related revenue (subject to any constraint on estimates of variable consideration) is allocated to a single performance obligation and recognized ratably over the initial term of the contract. Mobilization fees are generally billable to the customer in the initial phase of a contract and generate contract liabilities until they are recognized as revenue. Demobilization fees are generally received at the end of the contract and generate contract assets when they are recognized as revenue prior to becoming receivables from the customer.

We receive reimbursements from our customers for the purchase of supplies, equipment, personnel services and other services provided at their request. Reimbursable revenues are variable and subject to uncertainty as the amounts received and timing thereof are dependent on factors outside of our influence. Accordingly, these revenues are constrained and not recognized until the uncertainty is resolved, which typically occurs when the related costs are incurred on behalf of the customer. We are generally considered a principal in these transactions and record the associated revenues at the gross amounts billed to the customer.

The opening and closing balances of our receivables, contract assets and current and long-term contract liabilities are as follows:

	<u>Contract Receivables</u>	<u>Contract Assets (Current)</u>	<u>Contract Assets (Long-term)</u> (In thousands)	<u>Contract Liabilities (Current)</u>	<u>Contract Liabilities (Long-term)</u>
As of December 31, 2024	\$ 433,562	\$ 17,510	\$ 9,742	\$ 24,002	\$ 13,424
As of December 31, 2025	\$ 446,310	\$ 19,335	\$ 12,053	\$ 41,927	\$ 28,646

Approximately 41% of the contract liability balance at the beginning of the period was recognized as revenue during 2025 and 17% is expected to be recognized in 2026. The remaining 42% of the contract liability balance at the beginning of the period is expected to be recognized as revenue during 2027 or thereafter.

Additionally, 42% of the contract asset balance at the beginning of the period was recognized as expense during 2025 and 25% is expected to be recognized in 2026. The remaining 33% of the contract asset balance at the beginning of the period is expected to be recognized as expense during 2027 or thereafter. This disclosure does not include variable consideration allocated entirely to a wholly unsatisfied performance obligation or promise to transfer a distinct good or service that forms part of a single performance obligation.

Note 19 Leases

We have evaluated the provisions of ASC 842, including certain practical expedients allowed. The significant practical expedients we adopted include the following:

- We elected the practical expedient to apply the transition approach as of the beginning of the period of adoption and not restate comparative periods;
- We elected to utilize the “package of three” expedients, as defined in ASC 842, whereby we did not reassess whether contracts existing prior to the effective date contain leases, nor did we reassess lease classification determinations nor whether initial direct costs qualify for capitalization;
- We elected the practical expedient to not capitalize any leases with initial terms of twelve months or less on our condensed consolidated balance sheet;
- For all underlying classes of leased assets, we elected the practical expedient to not separate lease and non-lease components; and
- We elected the practical expedient to continue to account for land easements (also known as “rights of way”) that were not previously accounted for as leases consistent with prior accounting until such contracts are modified or replaced, at which time they would be assessed for lease classification under ASC 842.

Our leases primarily consist of office space and equipment used globally within our operations. We determine whether a contract is or contains a lease at inception of the contract based on answers to a series of questions that address whether an identified asset exists and whether we have the right to obtain substantially all the benefit of the assets and to control its use over the full term of the agreement. When available, we use the rate implicit in the lease to discount lease payments to present value; however, most of our leases do not provide a readily determinable implicit rate. Therefore, we must estimate our incremental borrowing rate using a credit notching approach to discount the lease payments based on information available at lease commencement. Certain of our lease agreements include options to extend and options to terminate the lease, which we do not include in our minimum lease terms unless management is reasonably certain to exercise. We do not separate lease and non-lease components of contracts. There are no material residual value guarantees nor any restrictions or covenants included in our lease agreements. Certain of our leases include provisions for variable payments. These variable payments are typically determined based on a measure of throughput or actual days or another measure of usage and are not included in the calculation of lease liabilities and right-of-use assets.

Lease Position

The table below presents the lease related assets and liabilities recorded on our condensed consolidated balance sheet:

	Classification on the Balance Sheet	Year Ended December 31,	
		2025	2024
(In thousands)			
Assets			
Operating lease assets	Other long-term assets	\$ 40,086	\$ 28,688
Total lease assets		<u>\$ 40,086</u>	<u>\$ 28,688</u>
Liabilities			
Current liabilities:			
Operating lease liabilities	Current lease liabilities	\$ 9,740	\$ 6,768
Noncurrent liabilities:			
Operating lease liabilities	Other long-term liabilities	\$ 30,473	\$ 22,145
Total lease liabilities		<u>\$ 40,213</u>	<u>\$ 28,913</u>

Lease Costs

The table below presents certain information related to the lease costs for our operating leases:

	Year Ended December 31,		
	2025	2024	2023
(In thousands)			
Operating lease cost	12,711	7,941	9,688
Short-term lease cost	3,864	763	150
Variable lease cost	168	25	39
Total lease cost	<u>\$ 16,743</u>	<u>\$ 8,729</u>	<u>\$ 9,877</u>

Other Information

The table below presents supplemental cash flow information related to leases:

	Year Ended December 31,		
	2025	2024	2023
(In thousands)			
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows for operating leases	\$ 12,711	\$ 7,941	\$ 9,688

Lease Terms and Discount Rates

The table below presents certain information related to the weighted average remaining lease terms and weighted average discount rates for our operating leases:

	Year Ended December 31,	
	2025	2024
Weighted-average remaining lease term - operating leases	5.55	5.57
Weighted-average discount rate - operating leases	7.49%	7.25%

Undiscounted Cash Flows

The table below reconciles the undiscounted cash flows for each of the first five years and the total remaining years to the operating lease liabilities recorded on the condensed consolidated balance sheet:

	December 31, 2025
	(In thousands)
2026	\$ 12,565
2027	10,394
2028	7,361
2029	6,047
2030	3,670
Thereafter	9,011
Total undiscounted lease liability	49,048
Less: amount of lease payments representing interest	(8,835)
Long-term lease obligations	<u>\$ 40,213</u>

Note 20 Special Purpose Acquisition Company

Nabors Energy Transition Corp. II (“NETC II”) is our SPAC co-sponsored by Nabors and Greens Road Energy II LLC. Greens Road Energy II LLC is owned by certain members of Nabors’ management team and board members. In July 2023, NETC II completed its initial public offering of 30,500,000 units at \$10.00 per unit, generating gross proceeds of approximately \$305.0 million. Simultaneously with the closing of the IPO, NETC II completed the private sale of an aggregate of 9,540,000 warrants for an aggregate value of \$9.5 million and issued unsecured promissory notes for an aggregate amount of \$3.1 million. As part of the initial public offering of NETC II and subsequent private placement warrant transactions, \$308.1 million was deposited in an interest-bearing U.S. based trust account (“Trust Account”) on July 18, 2023.

The SPAC’s funds held in a Trust Account were invested in money market funds meeting certain conditions under Rule 2a-7 under the Investment Company Act, which invests only in direct U.S. government treasury obligations. The company accounted for the non-controlling interest in the SPAC as subject to possible redemption in accordance with FASB ASC Topic 480 “*Distinguishing Liabilities from Equity*.” The SPAC’s common stock features certain redemption rights, which are considered to be outside the company’s control and subject to occurrence of uncertain future events.

In February 2025, NETC II entered into a definitive agreement for a business combination with e2Companies LLC, a leading provider of integrated solutions for on-site power generation, distribution and energy cost-optimization. Completion of the proposed transaction is subject to closing conditions.

On July 11, 2025, NETC II and Merger Sub, LLC (“Merger Sub”), a wholly owned subsidiary of Nabors Energy Transition Sponsor II LLC (the “Sponsor”), filed a complaint against e2 in the Delaware Court of Chancery (the “Complaint”) alleging that e2 breached the business combination agreement by, among other things, delaying in completing its obligations to assist with required regulatory filings and otherwise delaying in completing the business combination, engaging in non-ordinary course transactions without NETC II’s consent, and failing to provide required financials to NETC II.

In July 2025, NETC II held an extraordinary general meeting which approved, among other things, a proposal to extend the date NETC II has to consummate an initial business combination to July 18, 2026. In connection with the meeting, \$186.7 million of the holdings held in the Trust Account were redeemed.

On October 14, 2025, NETC II, e2, the Sponsor and Merger Sub entered into the Settlement Agreement and Release pursuant to which (i) e2 issued a secured promissory note to NETC II in an aggregate principal amount of \$29.23 million and (ii) the parties agreed to dismiss the Complaint with prejudice.

In November 2025, NETC II held an extraordinary general meeting. In connection with the meeting, \$101.1 million of the holdings held in the Trust Account were redeemed. Also, NETC II announced that it would redeem the remaining holdings held in the Trust Account as an initial business combination would not be consummated within the time period

required. On November 25, 2025, Form 25 was filed with the SEC to delist NETC II's securities and the remaining holdings in the Trust Account were distributed on December 3, 2025.

The SPAC is a consolidated VIE included in the accompanying consolidated financial statements under Restricted cash held in trust and Redeemable noncontrolling interest in subsidiary. As of December 31, 2025 and December 31, 2024, the Trust Account balance and non-controlling interest subject to possible redemption was \$0 and \$331.8 million, respectively. NETC II's non-controlling interest subject to possible redemption is presented at full redemption value as mezzanine equity, outside of the stockholders' equity section in the accompanying consolidated financial statements.

The following table summarizes NETC II's effects on changes in non-controlling interest subject to possible redemption.

	<u>2025</u>	<u>2024</u>
	(In thousands)	
Balance, beginning of year	\$ 331,781	\$ 315,488
Redemptions	(342,371)	—
Net earnings	9,590	16,293
Nabors deemed dividends to SPAC public shareholders	1,000	—
Balance as of December 31	<u>\$ —</u>	<u>\$ 331,781</u>

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

We maintain a set of disclosure controls and procedures (as such term is defined in Rule 15d-15(e) under the Exchange Act) designed to provide reasonable assurance that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure. We have investments in certain unconsolidated entities that we do not control or manage. Because we do not control or manage these entities, our disclosure controls and procedures with respect to these entities are necessarily more limited than those we maintain with respect to our consolidated subsidiaries.

The Company's management, with the participation of the Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this annual report. Based on this evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that, as of December 31, 2025, the Company's disclosure controls and procedures were effective at the reasonable assurance level.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP. Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of these limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

Management conducted an evaluation of the effectiveness of the Company's internal control over financial reporting based on the criteria set forth in the *Internal Control—Integrated Framework* issued in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this evaluation, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2025.

The foregoing assessment excludes certain entities of Parker from our assessment of internal control over financial reporting as of December 31, 2025. The Company acquired Parker in a business combination on March 11, 2025. In August 2025, the Company sold Quail Tools LLC which was part of the company's acquisition of Parker. After the acquisition, certain of the remaining entities of Parker were integrated into the Company's existing systems and internal control over financial reporting. The entities that were not integrated have been excluded from our assessment of the effectiveness of internal control over financial reporting as of December 31, 2025. The exclusion represents controls covering approximately 2% of consolidated assets and approximately 10% of consolidated revenues (which includes the

approximately 5 months of revenue related to Quail Tools LLC prior to disposition, as it was not integrated prior to its sale). This exclusion is in accordance with the general guidance issued by the Staff of the SEC that an assessment of a recent business acquisition may be omitted from management's report on internal control over financial reporting on the first year of consolidation.

PricewaterhouseCoopers LLP has issued a report on the effectiveness of the Company's internal control over financial reporting as of December 31, 2025, which is included in Part II, Item 8 of this annual report.

Changes in Internal Control over Financial Reporting

There have been no changes in internal control over financial reporting during the quarter ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

(a) None.

(b) None.

(c) During the quarter ended December 31, 2025, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. *DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE*

The information called for by this item will be contained in the definitive Proxy Statement to be distributed in connection with our 2026 annual general meeting of shareholders under the captions “*Director Nominees*,” “*Election of Directors*,” “*Other Executive Officers*,” “*Meetings of the Board and Committees*” and “*Section 16(a) Beneficial Ownership Reporting Compliance*” and is incorporated into this document by reference.

We have adopted a Code of Business Conduct (the “Code of Conduct”) that applies to all directors, employees, including our principal executive officer and principal financial and accounting officer. The Code of Conduct satisfies the SEC’s definition of a “Code of Ethics” and is posted on our website at www.nabors.com. We intend to disclose on our website any amendments to the Code of Conduct and any waivers of the Code of Conduct that apply to our principal executive officer, principal financial officer, or principal accounting officer.

We have adopted insider trading policies and procedures governing the purchase, sale, and other dispositions of securities of Nabors by directors, officers and employees that we believe are reasonable designed to promote compliance with insider trading laws, rules and regulations and applicable listing standards. Our insider trading policy states, among other things, that our directors, officers and employees are prohibited from trading in such securities while in possession of material, nonpublic information. The forgoing summary of our insider trading policies and procedures does not purport to be complete and is qualified by reference to our Insider Trading Policy filed as an exhibit to this Annual Report on Form 10-K.

On June 17, 2025, we filed with the New York Stock Exchange the Annual CEO Certification regarding our compliance with the New York Stock Exchange’s Corporate Governance listing standards as required by Section 303A-12(a) of the New York Stock Exchange’s Listed Company Manual.

ITEM 11. *EXECUTIVE COMPENSATION*

The information called for by this item will be contained in various sections of our definitive Proxy Statement to be distributed in connection with our 2026 annual general meeting of shareholders, including under the captions “*Compensation Discussion and Analysis*,” “*2025 Summary Compensation Table*,” “*2025 Grants of Plan-Based Awards*,” “*2025 Outstanding Equity Awards at Fiscal Year End*,” “*2025 Option Exercises and Shares Vested*,” “*2025 Non-Qualified Deferred Compensation*,” “*Required Pay-Ratio Disclosure*,” “*Pay v. Performance*,” “*2025 Potential Payouts upon Termination or Change in Control*,” “*Non-Employee Director Compensation*,” “*Risk Assessment*,” “*Compensation Committee Interlocks and Insider Participation*,” and “*Compensation Committee Report*,” and except as specified in the following sentence, is incorporated into this document by reference. Information in our definitive Proxy Statement not deemed to be “soliciting material” or “filed” with the SEC under its rules, including the Compensation Committee Report, is not deemed to be incorporated by reference.

ITEM 12. *SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED SHAREHOLDER MATTERS*

The information called for by this item will be contained in our definitive Proxy Statement to be distributed in connection with our 2026 annual general meeting of shareholders, including under the captions “*Share Ownership*” and “*Securities Authorized for Issuance under Equity Compensation Plans*” and is incorporated into this document by reference.

ITEM 13. *CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE*

The information called for by this item will be contained in our definitive Proxy Statement to be distributed in connection with our 2026 annual general meeting of shareholders, including under the captions “*Certain Relationships and Related Transactions*” and “*Overview of Key Governance Topics – Director Independence*,” is incorporated into this document by reference.

ITEM 14. *PRINCIPAL ACCOUNTING FEES AND SERVICES*

The information called for by this item will be contained in our definitive Proxy Statement to be distributed in connection with our 2026 annual general meeting of shareholders, including under the caption “*Independent Auditor Fees*” and is incorporated into this document by reference.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this annual report:

(1) Financial Statements

	<u>Page No.</u>
Consolidated Balance Sheets as of December 31, 2025 and 2024	52
Consolidated Statement of Income (Loss) for the Years Ended December 31, 2025, 2024 and 2023	53
Consolidated Statement of Comprehensive Income (Loss) for the Years Ended December 31, 2025, 2024 and 2023	54
Consolidated Statement of Cash Flows for the Years Ended December 31, 2025, 2024 and 2023	55
Consolidated Statement of Changes in Equity for the Years Ended December 31, 2025, 2024 and 2023	56
Notes to Consolidated Financial Statements	57

(2) Financial Statement Schedule

	<u>Page No.</u>
Schedule II—Valuation and Qualifying Accounts for the Years Ended December 31, 2025, 2024 and 2023	98

All other supplemental schedules are omitted because of the absence of the conditions under which they would be required or because the required information is included in the financial statements or related notes.

(b) Exhibit Index

See the Exhibit Index for a list of those exhibits filed herewith, which Exhibit Index also includes and identifies management contracts or compensatory plans or arrangements required to be filed as exhibits to this Form 10-K by Item 601 of Regulation S-K.

ITEM 16. FORM 10-K SUMMARY

None.

SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS

Years Ended December 31, 2025, 2024 and 2023

	<u>Balance at Beginning of Period</u>	<u>Charged to Costs and Other Deductions</u>	<u>Charged to Other Accounts</u>	<u>Deductions</u>	<u>Balance at End of Period</u>
	(In thousands)				
2025					
Allowance for doubtful accounts	\$ 57,225	27	—	(2,059)	\$ 55,193
Inventory reserve	\$ 24,308	8,400	560	(2,685)	\$ 30,583
Valuation allowance on deferred tax assets	\$ 3,825,551	—	119,083	—	\$ 3,944,634
2024					
Allowance for doubtful accounts	\$ 52,864	4,688	(326)	(1)	\$ 57,225
Inventory reserve	\$ 23,902	364	—	42	\$ 24,308
Valuation allowance on deferred tax assets	\$ 3,962,200	—	(136,649)	—	\$ 3,825,551
2023					
Allowance for doubtful accounts	\$ 52,895	(56)	56	(31)	\$ 52,864
Inventory reserve	\$ 23,038	864	—	—	\$ 23,902
Valuation allowance on deferred tax assets	\$ 3,839,885	—	122,315	—	\$ 3,962,200

Exhibit Index

Exhibit No.	Description
2.1	Voting and Support Agreement, dated as of October 14, 2024, by and among the Supporting Stockholders and Nabors (incorporated by reference to Exhibit 2.2 to our Current Report on Form 8-K (File No. 001-32657) filed with the SEC on October 15, 2024).
2.2	Form of Voting and Lock-Up Agreement, dated as of October 14, 2024, by and among certain Supporting Stockholders and Nabors (incorporated by reference to Exhibit 2.3 to our Current Report on Form 8-K (File No. 001-32657) filed with the SEC on October 15, 2024).
2.3	Form of Voting and Lock-Up Agreement, dated as of October 14, 2024, by and among certain Supporting Stockholders and Nabors (incorporated by reference to Exhibit 2.4 to our Current Report on Form 8-K (File No. 001-32657) filed with the SEC on October 15, 2024).
2.4	Form of Voting and Lock-Up Agreement, dated as of October 14, 2024, by and among certain Supporting Stockholders and Nabors (incorporated by reference to Exhibit 2.5 to our Current Report on Form 8-K (File No. 001-32657) filed with the SEC on October 15, 2024).
2.5	Form of Voting and Lock-Up Agreement, dated as of October 14, 2024, by and among certain Supporting Stockholders and Nabors (incorporated by reference to Exhibit 2.6 to our Current Report on Form 8-K (File No. 001-32657) filed with the SEC on October 15, 2024).
3.1	Memorandum of Association of Nabors Industries Ltd. (incorporated by reference to Annex II to the proxy statement/prospectus included in our Registration Statement on Form S-4 (File No. 333-76198) filed with the SEC on May 10, 2002, as amended).
3.2	Certificate of Deposit of Memorandum of Increase of Share Capital (incorporated by reference to Exhibit 3.1 to our Form 10-Q (File No. 001-32657) filed with the SEC on May 8, 2020).
3.3	Amended and Restated Bye-laws of Nabors Industries Ltd. (incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K (File No. 001-32657) filed with the SEC on April 22, 2020).
4.1	Description of Share Capital (incorporated by reference to Exhibit 4.1 to our Annual Report on Form 10-K (File No. 001-32657) filed with the SEC on February 18, 2022).
4.2	Warrant Agreement (including Form of Warrant), dated June 10, 2021, between the Company and Computershare Trust Company, N.A., as Warrant Agent (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K (File No. 001-32657) filed with the SEC on June 10, 2021).
4.3	Indenture, dated as of January 10, 2020 by and among Nabors Industries Ltd., as Issuer, Nabors Industries, Inc., as Guarantor, Nabors International Finance Inc., as Guarantor, Nabors Lux Finance 1, as Guarantor, Nabors Global Holdings Limited, as Guarantor, Nabors Drilling Holdings Inc., as Guarantor, Nabors Holdings Ltd., as Guarantor, and Wells Fargo Bank, N.A., as trustee, with respect to Nabors' Industries Ltd.'s 7.25% Senior Guaranteed Notes due 2026 and 7.50% Guaranteed Notes due 2028, including as exhibits thereto the form of Notes (incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K (File No. 00132657) filed with the SEC on January 14, 2020).
4.4	Indenture, dated as of February 14, 2023 by and among Nabors Industries, Inc., as Issuer, Nabors Industries Ltd. as guarantor, and Wilmington Trust, National Association, as trustee with respect to Nabors Industries, Inc.'s 1.750% Senior Exchangeable Notes due 2027 (incorporated by reference to Exhibit 4.1 to our Current Report Form 8-K (File No. 001-32657) filed with the SEC on February 14, 2023).
4.5	Indenture, dated as of November 20, 2023 by and among Nabors Industries, Inc., as Issuer, the guarantors party thereto, and Wilmington Trust, National Association, as trustee with respect to Nabors Industries, Inc.'s 9.125% Senior Priority Guaranteed Notes due 2030 (incorporated by reference to Exhibit 4.1 to our Current Report Form 8-K (File No. 001-32657) filed with the SEC on November 20, 2023).

Exhibit No.	Description
4.6	Indenture, dated as of July 22, 2024 by and among Nabors Industries, Inc., as Issuer, the guarantors party thereto, and Wilmington Trust, National Association, as trustee with respect to Nabors Industries, Inc.'s 8.875% Senior Guaranteed Notes due 2031 (incorporated by reference to Exhibit 4.1 to our Current Report Form 8-K (File No. 001-32657) filed with the SEC on July 22, 2024).
4.7	Indenture, dated as of November 10, 2025 by and among Nabors Industries, Inc., as Issuer, the guarantors party thereto, and Wilmington Trust, National Association, as trustee with respect to Nabors Industries, Inc.'s 7.625% Senior Priority Guaranteed Notes due 2032 (incorporated by reference to Exhibit 4.1 to our Current Report Form 8-K (File No. 001-32657) filed with the SEC on November 10, 2025).
10.1	Shareholders' Agreement, dated October 31, 2016, between Saudi Aramco Development Company and Nabors International Netherlands B.V. (incorporated by reference to Exhibit 10.20 to our Annual Report on Form 10-K (File No. 001-32657) filed with the SEC on February 28, 2017).
10.2	Amended & Restated Credit Agreement, dated June 17, 2024 among Nabors Industries, Inc., as Borrower, Nabors Industries Ltd., as Holdings, the other Guarantors from time to time party thereto, the Issuing Banks and other Lenders party thereto and Citibank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.1 to our Current Report Form 8-K (File No. 001-32657) filed with the SEC on June 17, 2024).†
10.3	First Amendment to Amended & Restated Credit Agreement, dated September 4, 2025, among Nabors Industries, Inc., as Borrower, Nabors Industries Ltd., as Holdings, the other Guarantors from time to time party thereto, the Issuing Banks and other Lenders party thereto and Citibank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.1 to our Current Report Form 8-K (File No. 001-32657) filed with the SEC on September 4, 2025).
10.4	Receivables Purchase Agreement dated as of September 13, 2019, by and among Nabors A.R.F., LLC, certain operating subsidiaries of Nabors Industries Ltd., and Nabors Industries, Inc. (incorporated by reference to Exhibit 10.1 to our Current Report Form 8-K (File No. 001-32657) filed with the SEC on September 18, 2019).
10.4(a)	Receivables Sale Agreement dated as of September 13, 2019, by and among Nabors A.R.F., LLC, Nabors Industries, Inc., the purchasers party thereto, and Wells Fargo Bank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.2 to our Current Report Form 8-K (File No. 001-32657) filed with the SEC on September 18, 2019).
10.4(b)	First Amendment and Joinder to Receivables Sale Agreement dated as of August 29, 2025, by and among Nabors A.R.F., LLC, Nabors Industries, Inc., the purchasers party thereto, and Wells Fargo Bank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.2 to our Current Report Form 8-K (File No. 001-32657) filed with the SEC on September 2, 2025).
10.4(c)	First Amendment to the Receivables Purchase Agreement, dated as of July 13, 2021, by and among Nabors A.R.F., LLC, Nabors Industries, Inc., Arab Banking Corporation B.S.C. New York Branch, and Wells Fargo Bank, N.A. (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K (File No. 001-32657) filed with the SEC on July 16, 2021).
10.4(d)	Third Amendment to the Receivables Purchase Agreement, dated as of June 27, 2022, by and among Nabors A.R.F., LLC, Nabors Industries, Inc., Arab Banking Corporation B.S.C. New York Branch, Nomura Corporate Funding Americas, LLC, and Wells Fargo Bank, N.A. (incorporated by reference to Exhibit 10.1 to our Current Report Form 8-K (File No. 001-32657) filed with the SEC on June 27, 2022).
10.4(e)	Fifth Amendment to the Receivables Purchase Agreement, dated as of August 29, 2025, by and among Nabors A.R.F., LLC, Nabors Industries, Inc., Arab Banking Corporation B.S.C. New York Branch, Nomura Corporate Funding Americas, LLC, and Wells Fargo Bank, N.A. (incorporated by reference to Exhibit 10.1 to our Current Report Form 8-K (File No. 001-32657) filed with the SEC on September 2, 2025).

Exhibit No.	Description
10.4(f)	Amended & Restated Indemnification Guarantee, dated as of August 29, 2025, between Nabors Industries Ltd. and Wells Fargo Bank, N.A. (incorporated by reference to Exhibit 10.3 to our Current Report Form 8-K (File No. 001-32657) filed with the SEC on September 2, 2025).
10.5(+)	Executive Employment Agreement by and among Nabors Industries Ltd., Nabors Industries, Inc. and Anthony G. Petrello, effective as of January 1, 2013 (incorporated by reference to Exhibit 99.1 to our Current Report Form 8-K (File No. 001-32657) filed with the SEC on March 11, 2013).
10.5(a)(+)	First Amendment to Executive Employment Agreement, dated December 19, 2014, among Nabors Industries Ltd., Nabors Industries, Inc. and Anthony G. Petrello (incorporated by reference to Exhibit 99.1 to our Current Report Form 8-K (File No. 001-32657) filed with the SEC on December 19, 2014).
10.5(b)(+)	Second Amendment to Executive Employment Agreement, dated as of June 5, 2015, among Nabors Industries Ltd., Nabors Industries, Inc. and Anthony G. Petrello (incorporated by reference to Exhibit 99.1 to our Current Report Form 8-K (File No. 001-32657) filed with the SEC on June 8, 2015).
10.5(c)(+)	Third Amendment to Executive Employment Agreement, dated as of December 31, 2015, among Nabors Industries Ltd., Nabors Industries, Inc. and Anthony G. Petrello (incorporated by reference to Exhibit 99.1 to our Current Report Form 8-K (File No. 001-32657) filed with the SEC on January 5, 2016).
10.5(d)(+)	Fourth Amendment to Executive Employment Agreement, dated June 10, 2016, among Nabors Industries Ltd., Nabors Industries, Inc. and Anthony G. Petrello (incorporated by reference to Exhibit 99.1 to our Current Report on Form 8-K (File No. 001-32657) filed with the SEC on June 13, 2016).
10.5(e)(+)	Fifth Amendment to Executive Employment Agreement, dated October 15, 2018, among Nabors Industries Ltd., Nabors Industries, Inc. and Anthony G. Petrello (incorporated by reference to Exhibit 10.3 to our Quarterly Report on Form 10-Q (File No. 001-32657) filed with the SEC on November 7, 2018).
10.5(f)(+)	Sixth Amendment to Executive Employment Agreement, dated December 31, 2018, among Nabors Industries Ltd., Nabors Industries, Inc. and Anthony G. Petrello (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K (File No. 001-32657) filed with the SEC on January 4, 2019).
10.5(g)(+)	Seventh Amendment to Executive Employment Agreement, dated January 2, 2020, among Nabors Industries Ltd., Nabors Industries, Inc. and Anthony G. Petrello (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K (File No. 001-32657) filed with the SEC on January 8, 2020).
10.5(h)(+)	Eighth Amendment to Executive Employment Agreement, dated April 6, 2020, among Nabors Industries Ltd., Nabors Industries, Inc. and Anthony G. Petrello (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K (File No. 00132657) filed with the SEC on April 9, 2020).
10.6(+)	Amended and Restated Executive Employment Agreement, dated January 2, 2020, among Nabors Industries Ltd., Nabors Industries, Inc. and William Restrepo (incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K (File No. 001-32657) filed with the SEC on January 8, 2020).
10.6(a)(+)	First Amendment to Amended and Restated Employment Agreement, dated April 6, 2020, among Nabors Industries Ltd., Nabors Industries, Inc. and William Restrepo (incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K (File No. 00132657) filed with the SEC on April 9, 2020).
10.6(b)(+)	Second Amendment to Amended and Restated Executive Employment Agreement, dated January 1, 2022, among Nabors Industries Ltd., Nabors Industries, Inc. and William Restrepo (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K (File No. 001-32657) filed with the SEC on January 6, 2022).
10.7(+)	Offer Letter, effective October 1, 2025, among Nabors Industries Ltd., Nabors Industries, Inc. and Miguel Rodriguez (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K (File No. 001-32657) filed with the SEC on October 1, 2025).
10.8(+)	Cliff Vesting Award Agreement, effective January 1, 2026, among Nabors Industries Ltd., Nabors Industries, Inc. and Miguel Rodriguez.*

Exhibit No.	Description
10.9(+)	Executive Severance Agreement, effective October 1, 2025, among Nabors Industries Ltd., Nabors Industries, Inc. and Miguel Rodriguez (incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K (File No. 001-32657) filed with the SEC on October 1, 2025).
10.10(+)	Form of Indemnification Agreement entered into between Nabors Industries Ltd. and the directors and executive officers (incorporated by reference to Exhibit 10.28 to our Annual Report on Form 10-K (File No. 000-49887) filed with the SEC on March 31, 2003).
10.11(+)	Form of Director Cash Award Agreement (incorporated by reference to Exhibit 10.13 to our Quarterly Report on Form 10-Q (File No. 001-32657) filed with the SEC on August 4, 2020).
10.12(+)	Amended and Restated 1999 Stock Option Plan for Non-Employee Directors (amended on May 2, 2003) (incorporated by reference to Exhibit 10.29 to our Form 10-Q (File No. 000-49887) filed with the SEC on May 12, 2003).
10.12(a)(+)	Form of Stock Option Agreement to the Amended and Restated 1999 Stock Option Plan for Non-Employee Directors (incorporated by reference to Exhibit 10.2 to our Quarterly Report on Form 10-Q (File No. 001-32657) filed with the SEC on April 28, 2017).
10.13(+)	Nabors Industries Ltd. Amended and Restated 2003 Employee Stock Plan (incorporated by reference to Exhibit A of our Proxy Statement (File No. 001-32657) filed with the SEC on May 4, 2006).
10.13(a)(+)	Form of Stock Option Agreement—Petrello/Isenberg (incorporated by reference to Exhibit 10.03 to our Current Report on Form 8-K (File No. 000-49887) filed with the SEC on March 2, 2005).
10.13(b)(+)	Form of Stock Option Agreement—Others (incorporated by reference to Exhibit 10.04 to our Current Report on Form 8-K (File No. 000-49887) filed with the SEC on March 2, 2005).
10.14(+)	Amended and Restated Nabors Industries Ltd. 2016 Stock Plan (incorporated by reference to Annex B to Nabors Industries Ltd.’s Definitive Proxy Statement (File No. 001-32657) filed with the SEC on April 23, 2020).
10.14(a)(+)	Form of Nabors Industries Ltd. TSR Stock Agreement – Anthony G. Petrello (2020), pursuant to the Amended and Restated 2016 Stock Plan (incorporated by reference to Exhibit 10.7 to our Quarterly Report on Form 10-Q (File No. 001-32657) filed with the SEC on August 4, 2020).
10.14(b)(+)	Form of Nabors Corporate Services, Inc. TSR Stock Agreement – Anthony G. Petrello (2020), pursuant to the Amended and Restated 2016 Stock Plan (incorporated by reference to Exhibit 10.8 to our Quarterly Report on Form 10-Q (File No. 001-32657) filed with the SEC on August 4, 2020).
10.14(c)(+)	Form of Nabors Industries Ltd. TSR Stock Agreement – William Restrepo (2020), pursuant to the Amended and Restated 2016 Stock Plan (incorporated by reference to Exhibit 10.9 to our Quarterly Report on Form 10-Q (File no. 001-32657) filed with the SEC on August 4, 2020).
10.14(d)(+)	Form of Nabors Corporate Services, Inc. TSR Stock Agreement – William Restrepo (2020), pursuant to the Amended and Restated 2016 Stock Plan (incorporated by reference to Exhibit 10.10 to our Quarterly Report on Form 10-Q (File no. 001-32657) filed with the SEC on August 4, 2020).
10.14(e)(+)	Form of CEO Performance-Based Restricted Stock Unit Agreement (2021), pursuant to the Amended and Restated 2016 Stock Plan (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K (File No. 001-32657) filed with the SEC on January 8, 2021).
10.14(f)(+)	Form of CFO Performance-Based Restricted Stock Unit Agreement (2021), pursuant to the Amended and Restated 2016 Stock Plan (incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K (File No. 001-32657) filed with the SEC on January 8, 2021).
10.14(g)(+)	Form of Restricted Stock Agreement – Directors, pursuant to the Amended and Restated Nabors Industries Ltd. 2016 Stock Plan (incorporated by reference to Exhibit 10.2 to our Registration Statement on Form S-8 (File No. 333-239325) filed with the SEC on June 19, 2020).
10.14(h)(+)	Form of Restricted Stock Agreement – Others, pursuant to the Amended and Restated Nabors Industries Ltd. 2016 Stock Plan (incorporated by reference to Exhibit 10.3 to our Registration Statement on Form S-8 (File No. 333-239325) filed with the SEC on June 19, 2020).

Exhibit No.	Description
10.14(i)(+)	Form of Restricted Stock Agreement – Others, pursuant to the Amended and Restated Nabors Industries Ltd. 2016 Stock Plan (incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q (File No. 001-32657) filed with the SEC on July 28, 2023).
10.14(j)(+)	Form of Restricted Stock Agreement – Others, pursuant to the Amended and Restated Nabors Industries Ltd. 2016 Stock Plan (incorporated by reference to Exhibit 10.2 to our Quarterly Report on Form 10-Q (File No. 001-32657) filed with the SEC on July 28, 2023).
10.14(k)(+)	Form of Stock Option Agreement – Others, pursuant to the 2016 Stock Plan (incorporated by reference to Exhibit 10.1(b) to our Quarterly Report on Form 10-Q (File No. 001-32657) filed with the SEC on April 28, 2017).
10.14(l)(+)	Form of Nabors Industries Ltd. TSR Grant Agreement – Executive, pursuant to the 2016 Stock Plan and the 2013 Stock Plan (incorporated by reference to Exhibit 10.15(n) to our Annual Report on Form 10-K (File No. 001-32657) filed with the SEC on February 28, 2019).
10.14(m)(+)	Form of Nabors Corporate Services, Inc. TSR Grant Agreement – Executive, pursuant to the 2016 Stock Plan and the 2013 Stock Plan (incorporated by reference to Exhibit 10.15(o) to our Annual Report on Form 10-K (File No. 001-32657) filed with the SEC on February 28, 2019).
10.14(n)(+)	Form of Nabors Industries Ltd. TSR Stock Grant Agreement – Anthony G. Petrello (2020) (incorporated by reference to Exhibit 10.3 to our Current Report on Form 8-K (File No. 001-32657) filed with the SEC on January 8, 2020).
10.14(o)(+)	Form of Nabors Corporate Services, Inc. TSR Stock Grant Agreement – Anthony G. Petrello (2020) (incorporated by reference to Exhibit 10.4 to our Current Report on Form 8-K (File No. 001-32657) filed with the SEC on January 8, 2020).
10.14(p)(+)	Form of CEO Performance Based Stock Restricted Unit Agreement (2020) (incorporated by reference to Exhibit 10.5 to our Current Report on Form 8-K (File No. 001-32657) filed with the SEC on January 8, 2020).
10.14(q)(+)	Form of CFO Performance Based Stock Restricted Unit Agreement (2020) (incorporated by reference to Exhibit 10.6 to our Current Report on Form 8-K (File No. 001-32657) filed with the SEC on January 8, 2020).
10.14(r)(+)	Form of CEO Performance Based Restricted Stock Unit Agreement (2022) (incorporated by reference to Exhibit 10.14(p) to our Annual Report on Form 10-K (File No. 001-32657) filed with the SEC on February 18, 2022).
10.14(s)(+)	Form of CFO Performance Based Restricted Stock Unit Agreement (2022) (incorporated by reference to Exhibit 10.14(q) to our Annual Report on Form 10-K (File No. 001-32657) filed with the SEC on February 18, 2022).
10.14(t)(+)	Form of CEO Performance Based Restricted Stock Unit Grant Agreement (incorporated by reference to Exhibit 10.3 to our Quarterly Report on Form 10-Q (File No. 001-32657) filed with the SEC on July 28, 2023).
10.14(u)(+)	Form of CFO Performance Based Restricted Stock Unit Agreement (incorporated by reference to Exhibit 10.4 to our Quarterly Report on Form 10-Q (File No. 001-32657) filed with the SEC on July 28, 2023).
10.14(v)(+)	Form of CEO Long-Term Performance-Based Restricted Stock Unit Grant Agreement (incorporated by reference to Exhibit 10.5 to our Quarterly Report on Form 10-Q (File No. 001-32657) filed with the SEC on July 28, 2023).
10.14(w)(+)	Form of CFO Performance Based Restricted Stock Unit Agreement (incorporated by reference to Exhibit 10.6 to our Quarterly Report on Form 10-Q (File No. 001-32657) filed with the SEC on July 28, 2023).
10.14(x)(+)	Form of CEO TSR Stock Grant Agreement (2022) (incorporated by reference to Exhibit 10.14(r) to our Annual Report on Form 10-K (File No. 001-32657) filed with the SEC on February 18, 2022).
10.14(y)(+)	Form of CFO TSR Stock Grant Agreement (2022) (incorporated by reference to Exhibit 10.14(s) to our Annual Report on Form 10-K (File No. 001-32657) filed with the SEC on February 18, 2022).

Exhibit No.	Description
10.14(z)(+)	Form of CEO Performance-Based Restricted Stock Unit Agreement (2026), pursuant to the Amended and Restated 2016 Stock Plan.* †
10.14(aa)(+)	Form of CFO Performance-Based Restricted Stock Unit Agreement (2026), pursuant to the Amended and Restated 2016 Stock Plan.* †
10.14(bb)(+)	Form of Nabors Industries Ltd. TSR Stock Grant Agreement – Anthony G. Petrello (2026).* †
10.14(cc)(+)	Form of Nabors Industries Ltd. TSR Stock Grant Agreement – Miguel Rodriguez (2026).* †
10.15(+)	Nabors Industries, Inc. Executive Deferred Compensation Plan (as Amended and Restated Effective as of April 1, 2017) (incorporated by reference to Exhibit 10.3(a) to our Quarterly Report on Form 10-Q (File No. 001-32657) filed with the SEC on April 28, 2017).
10.15(a)(+)	Amendment No. 1 to Nabors Industries, Inc. Executive Deferred Compensation Plan (incorporated by reference to Exhibit 10.5 to our Quarterly Report on Form 10-Q (File No. 001-32657) filed with the SEC on November 1, 2019).
10.15(b)(+)	Form of Deferred Bonus Agreement under the Nabors Industries, Inc. Executive Deferred Compensation Plan (incorporated by reference to Exhibit 10.3(b) to our Current Report on Form 10-Q (File No. 001-32657) filed with the SEC on April 28, 2017).
10.16(+)	Nabors Industries, Inc. Deferred Compensation Plan (as Amended and Restated Effective as of January 1, 2017) (incorporated by reference to Exhibit 10.4 to our Current Report on Form 10-Q (File No. 001-32657) filed with the SEC on April 28, 2017).
10.16(a)(+)	Amendment No. 1 to Nabors Industries, Inc. Deferred Compensation Plan (incorporated by reference to Exhibit 10.6 to our Quarterly Report on Form 10-Q (File No. 001-32657) filed with the SEC on November 1, 2019).
10.16(b)(+)	Amendment No. 2 to Nabors Industries, Inc. Deferred Compensation Plan (incorporated by reference to Exhibit 10.7 to our Quarterly Report on Form 10-Q (File No. 001-32657) filed with the SEC on November 1, 2019).
10.17	Amending Agreement, dated July 29, 2021, by and among Nabors Drilling Canada Limited, Nabors Industries Ltd., and HSBC Canada Bank (incorporated by reference to Exhibit 10.5 to our Quarterly Report on Form 10-Q (File No. 001-32657) filed with the SEC on August 2, 2021).
19.1	Insider Trading Policy (incorporated by reference to Exhibit 19.1 to our Annual Report on Form 10-K (File No. 001-32657) filed with the SEC on February 13, 2025).
21	Significant Subsidiaries.*
23.1	Consent of Independent Registered Public Accounting Firm—PricewaterhouseCoopers LLP.*
31.1	Rule 13a-14(a)/15d-14(a) Certification of Anthony G. Petrello, Chairman, President and Chief Executive Officer.*
31.2	Rule 13a-14(a)/15d-14(a) Certification of Miguel Rodriguez, Chief Financial Officer.*
32.1	Certifications required by Rule 13a-14(b) or Rule 15d-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350), executed by Anthony G. Petrello, Chairman, President and Chief Executive Officer and Miguel Rodriguez, Chief Financial Officer.*
97.1	Clawback Policy (incorporated by reference to Exhibit 97.1 to our Annual Report on Form 10-K (File No. 001-32657) filed with the SEC on February 12, 2024).
101.INS	Inline XBRL Instance Document*
101.SCH	Inline XBRL Schema Document*
101.CAL	Inline XBRL Calculation Linkbase Document*
101.LAB	Inline XBRL Label Linkbase Document*
101.PRE	Inline XBRL Presentation Linkbase Document*
101.DEF	Inline XBRL Definition Linkbase Document*
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded in the Inline XBRL document)

* Filed herewith.

† Certain schedules and exhibits have been omitted in accordance with Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished supplementally to the Securities and Exchange Commission upon request.

(+) Management contract or compensatory plan or arrangement.

Pursuant to the requirements of the Securities Exchange Act of 1934, this annual report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ ANTHONY G. PETRELLO</u> Anthony G. Petrello	Chairman, President and Chief Executive Officer	February 13, 2026
<u>/s/ MIGUEL RODRIGUEZ</u> Miguel Rodriguez	Chief Financial Officer	February 13, 2026
<u>/s/ TANYA S. BEDER</u> Tanya S. Beder	Director	February 13, 2026
<u>/s/ ANTHONY R. CHASE</u> Anthony R. Chase	Director	February 13, 2026
<u>/s/ JAMES R. CRANE</u> James R. Crane	Director	February 13, 2026
<u>/s/ MICHAEL C. LINN</u> Michael C. Linn	Director	February 13, 2026
<u>/s/ JOHN P. KOTTS</u> John P. Kotts	Director	February 13, 2026
<u>/s/ JOHN YEARWOOD</u> John Yearwood	Director	February 13, 2026
<u>/s/DAVID J. TUDOR</u> David J. Tudor	Director	February 13, 2026

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BOARD OF DIRECTORS

Anthony G. Petrello
Nabors Chairman of the Board, President & Chief Executive Officer

Tanya S. Beder
Chair & CEO of SBCC Group, Inc.

Anthony R. Chase
Chair & CEO of ChaseSource, L.P.

James R. Crane
Chair & CEO of Crane Capital Group, Inc.

John P. Kotts
Private investor and entrepreneur

Michael C. Linn
President & CEO of MCL Ventures, LLC

David J. Tudor
CEO of Associated Electric Cooperative Inc.

John Yearwood
Lead Director, Retired President, CEO & COO of Smith International, Inc.

LEADERSHIP TEAM

Anthony G. Petrello
Chairman, President & Chief Executive Officer

Miguel A. Rodriguez
Chief Financial Officer

Mark D. Andrews
Vice President & Corporate Secretary

.....
Siggi Meissner
President, Global Drilling and Energy Transition

Michael Csizmadia
Senior Vice President, General Counsel & Chief Compliance Officer

Subodh Saxena
Senior Vice President, Canrig and Nabors Drilling Solutions

Jade Strong
Senior Vice President & Chief Administrative Officer

Miguel Sanchez
*Chief Executive Officer
Saudi Aramco Nabors Drilling (SANAD)*

SHAREHOLDER INFORMATION

Corporate Address

Crown House
Second Floor
4 Par-la-Ville Road Hamilton,
Bermuda HM 08
Telephone: (441) 292-1510
FAX: (441) 292-1334

Mailing Address

P.O. Box HM3349
Hamilton, HMPX
Bermuda

Form 10-K

Our Form 10-K is available on our website at www.nabors.com within the "Investor Relations" section. Copies may be obtained at no charge by writing to our Corporate Secretary at Nabors' corporate office.

Transfer Agent

Computershare Trust Company, N.A.
www.computershare.com/investor

Shareholder correspondence should be mailed to:

Computershare
P.O. Box 43006
Providence, RI 02940-3006

Overnight correspondence should be sent to:

Computershare
150 Royall Street, Suite 101
Canton, Massachusetts, 02021
United States

Shareholder online inquiries:

<https://www-us.computershare.com/investor/Contact>

Call Center Phone Numbers:

Toll free: 1-877-282-1168
Outside the US: 1-781-575-2725

Investor Relations Contact:

William C. Conroy
Vice President of Corporate Development & Investor Relations
William.Conroy@Nabors.com

Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP Houston, Texas

On April 2, 2026, the closing price of our common shares as reported on the New York Stock Exchange ("NYSE") was \$79.99, and there were approximately 1,481 shareholders of record of our common shares. The common shares are listed on the NYSE under the symbol "NBR."

For additional information regarding corporate governance, historical financial data, investor presentations and global rig fleet, please visit www.nabors.com.

This annual report includes forward-looking statements within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934. Such forward-looking statements are subject to a number of risks and uncertainties, as disclosed by Nabors from time to time in its filings with the Securities and Exchange Commission. As a result of these factors, Nabors' actual results may differ materially from those indicated or implied by such forward-looking statements. The forward-looking statements contained in this annual report reflect management's estimates and beliefs as of the date this annual report is first made available to shareholders. Nabors does not undertake to update these forward-looking statements.



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