Sidoti Micro Cap Conference

November 15, 2023

INDEPENDENCE CONTRACT DRILLING

ICD

LISTED

NYSE

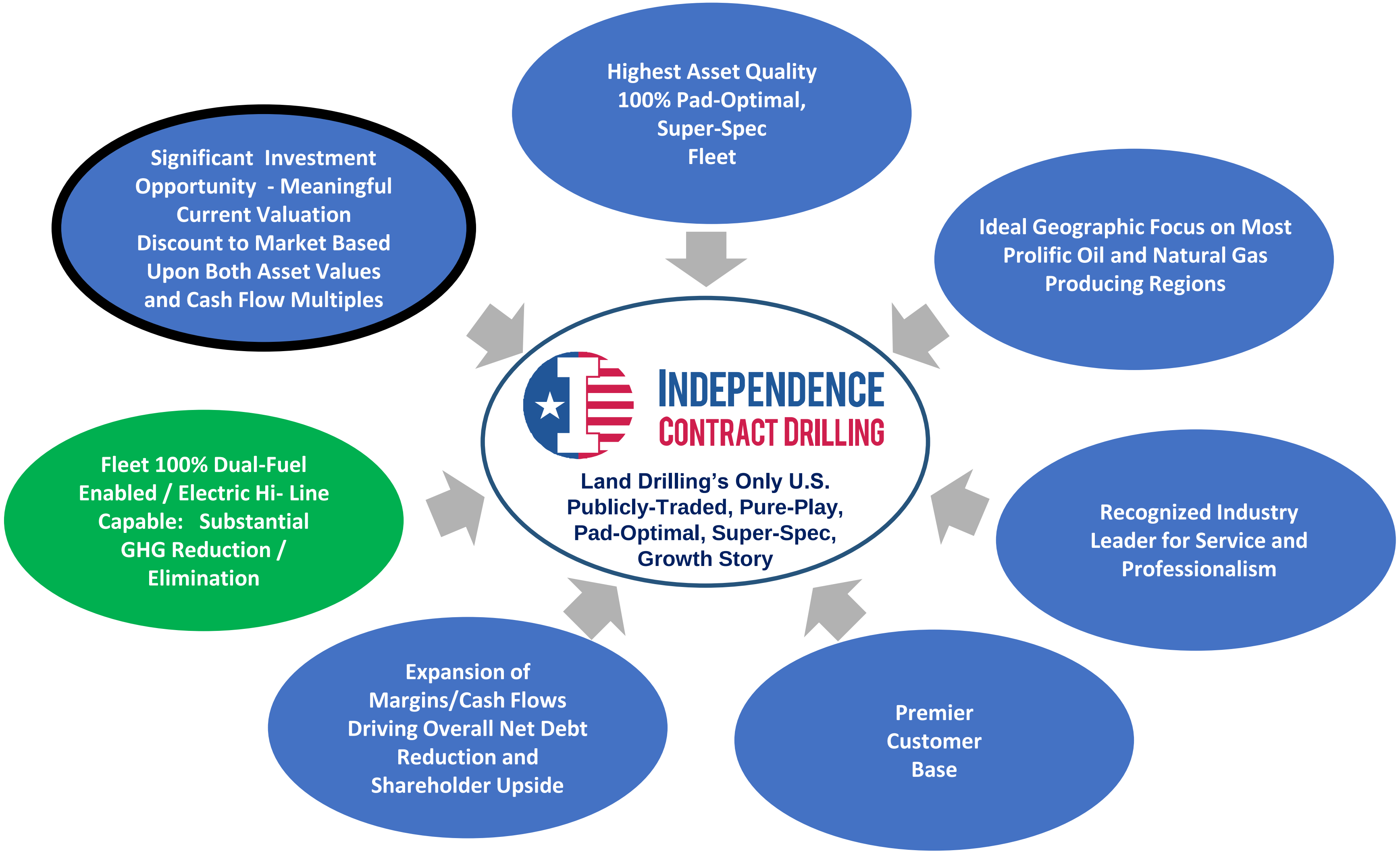
Preliminary Matters

Various statements contained in this presentation, including those that express a belief, expectation or intention, as well as those that are not statements of historical fact, are forward-looking statements. These forward-looking statements may include projections and estimates concerning the timing and success of specific projects and our future revenues, income and capital spending. Our forward-looking statements are generally accompanied by words such as “estimate,” “project,” “predict,” “believe,” “expect,” “anticipate,” “potential,” “plan,” “goal,” “will” or other words that convey the uncertainty of future events or outcomes. The forward-looking statements in this presentation speak only as of the date of this presentation; we disclaim any obligation to update these statements unless required by law, and we caution you not to rely on them unduly. We have based these forward-looking statements on our current expectations and assumptions about future events. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. These and other important factors, including those discussed under “Risk Factors” and “Management’ s Discussion and Analysis of Financial Condition and Results of Operations” included in the Company’ s filings with the Securities and Exchange Commission, including the Company’ s Annual Report on Form 10-K, may cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. These risks, contingencies and uncertainties include, but are not limited to, the following:

- decline in or substantial volatility of crude oil and natural gas commodity prices;
- a decrease in domestic spending by the oil and natural gas exploration and production industry;
- fluctuation of our operating results and volatility of our industry;
- inability to maintain or increase pricing of our contract drilling services, or early termination of any term contract for which early termination compensation is not paid;
- our backlog of term contracts declining rapidly;
- the loss of any of our customers, financial distress or management changes of potential customers or failure to obtain contract renewals and additional customer contracts for our drilling services;
- overcapacity and competition in our industry;
- an increase in interest rates and deterioration in the credit markets;
- our inability to comply with the financial and other covenants in debt agreements that we may enter into as a result of reduced revenues, financial performance or financial requirements;
- unanticipated costs, delays and other difficulties in executing our long-term growth strategy;
- the loss of key management personnel;
- new technology that may cause our drilling methods or equipment to become less competitive;
- labor costs or shortages of skilled workers;
- the loss of or interruption in operations of one or more key vendors;
- the effect of operating hazards and severe weather on our rigs, facilities, business, operations and financial results, and limitations on our insurance coverage;
- increased regulation of drilling in unconventional formations;
- the incurrence of significant costs and liabilities in the future resulting from our failure to comply with new or existing environmental regulations or an accidental release of hazardous substances into the environment; and
- the potential failure by us to establish and maintain effective internal control over financial reporting.

All forward-looking statements are necessarily only estimates of future results, and there can be no assurance that actual results will not differ materially from expectations, and, therefore, you are cautioned not to place undue reliance on such statements. Any forward-looking statements are qualified in their entirety by reference to the factors discussed throughout this presentation and in the Company’s filings with the Securities and Exchange Commission, including the Company’s Annual Report on Form 10-K. Further, any forward-looking statement speaks only as of the date of this presentation, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events.

Adjusted Net Income or Loss, EBITDA and adjusted EBITDA are supplemental non-GAAP financial measures that are used by management and external users of the Company’s financial statements, such as industry analysts, investors, lenders and rating agencies. The Company’s management believes adjusted Net Income or Loss, EBITDA and adjusted EBITDA are useful because such measures allow the Company and its stockholders to more effectively evaluate its operating performance and compare the results of its operations from period to period and against its peers without regard to its financing methods or capital structure. See non-GAAP financial measures at the end of this presentation for a full reconciliation of Net Income or Loss to adjusted Net Income or Loss, EBITDA and adjusted EBITDA.


Highest Asset Quality
100% Pad-Optimal,
Super-Spec
Fleet
Significant Investment Opportunity - Meaningful Current Valuation Discount to Market Based Upon Both Asset Values and Cash Flow Multiples
Ideal Geographic Focus on Most Prolific Oil and Natural Gas Producing Regions
INDEPENDENCE CONTRACT DRILLING
Land Drilling's Only U.S. Publicly-Traded, Pure-Play, Pad-Optimal, Super-Spec, Growth Story
Fleet 100% Dual-Fuel Enabled / Electric Hi- Line Capable: Substantial GHG Reduction / Elimination
Recognized Industry Leader for Service and Professionalism
Expansion of Margins/Cash Flows Driving Overall Net Debt Reduction and Shareholder Upside
Premier Customer Base

Presentation Outline

ICD LISTED NYSE

1. **Company Background: Pure-Play, 100% Pad-Optimal, Super-Spec U.S. Land Contract Driller**
2. **Market Dynamics and Outlook**
3. **Drivers of Returns, Free Cash Flow, Debt Reduction and Imbedded Value in Current Market**
4. **ESG**
5. **Appendices**

COMPANY BACKGROUND

Pure-Play, 100% Pad-Optimal, Super-Spec U.S. Land Contract Driller

Introduction: ICD

Sector's only U.S. publicly-traded, pure-play, Pad-Optimal, Super-Spec drilling contractor focused solely on North America's most attractive oil and natural gas basins

Best-in-Class Asset Quality and Geographic Focus	• Marketed fleet comprised entirely of Pad-Optimal, Super-Spec rigs • Established presence in oil rich Permian play • A leading presence in natural gas rich Haynesville and East Texas regions • Fit-for-purpose rigs engineered/outfitted to address particular basin drivers • All rigs software-optimization-capable
High Quality Customer Base Supported by Industry Leading Customer Service and Operations	• #1 ranked land contract driller for service and professionalism past five years • Established relationships with publics and well-capitalized private operators
Constructive Market, Asset Quality Driving Incremental Cash Flows and Shareholder Upside	• Strengthening commodity prices leading to expected improvements in U.S. land rig count • 200-to-300 Series conversions accelerating as market conditions beginning to improve • Mandatory Offers permit repurchase of Convertible Notes at par
ESG Focus	• Marketed fleet 100% dual-fuel and hi-line power capable • Omni-directional walking reduces operational footprints and environmental impacts • Increasingly diverse workforce: 38% from under-represented groups • A leading contract driller in natural gas focused Haynesville

EnergyPoint Research Inc — Rated 1st in Service & Professionalism, Land Drillers, Customer Satisfaction 2022

EnergyPoint Research Inc — Rated 1st in Service & Professionalism, Land Drillers, Customer Satisfaction 2021

EnergyPoint Research Inc — Rated 1st in Service & Professionalism, Land Drillers, Customer Satisfaction 2020

EnergyPoint Research Inc — Rated 1st in Service & Professionalism, Land Drillers, Customer Satisfaction 2018-19

Rig Fleet & Geographic Markets

26 Marketed Pad-Optimal Super-Spec Rigs

19 “300” Series ShaleDriller Rigs(1)

- Meet all Pad-Optimal, Super-Spec rig requirements(2)
- Also include multiple enhanced specifications for long-laterals/high-torque drilling: 25K+ racking capable, equipped with Hi-torque top drive / Hi-torque iron roughneck / HT tubulars
- Targeting developing market niche for larger diameter casing strings and extreme laterals

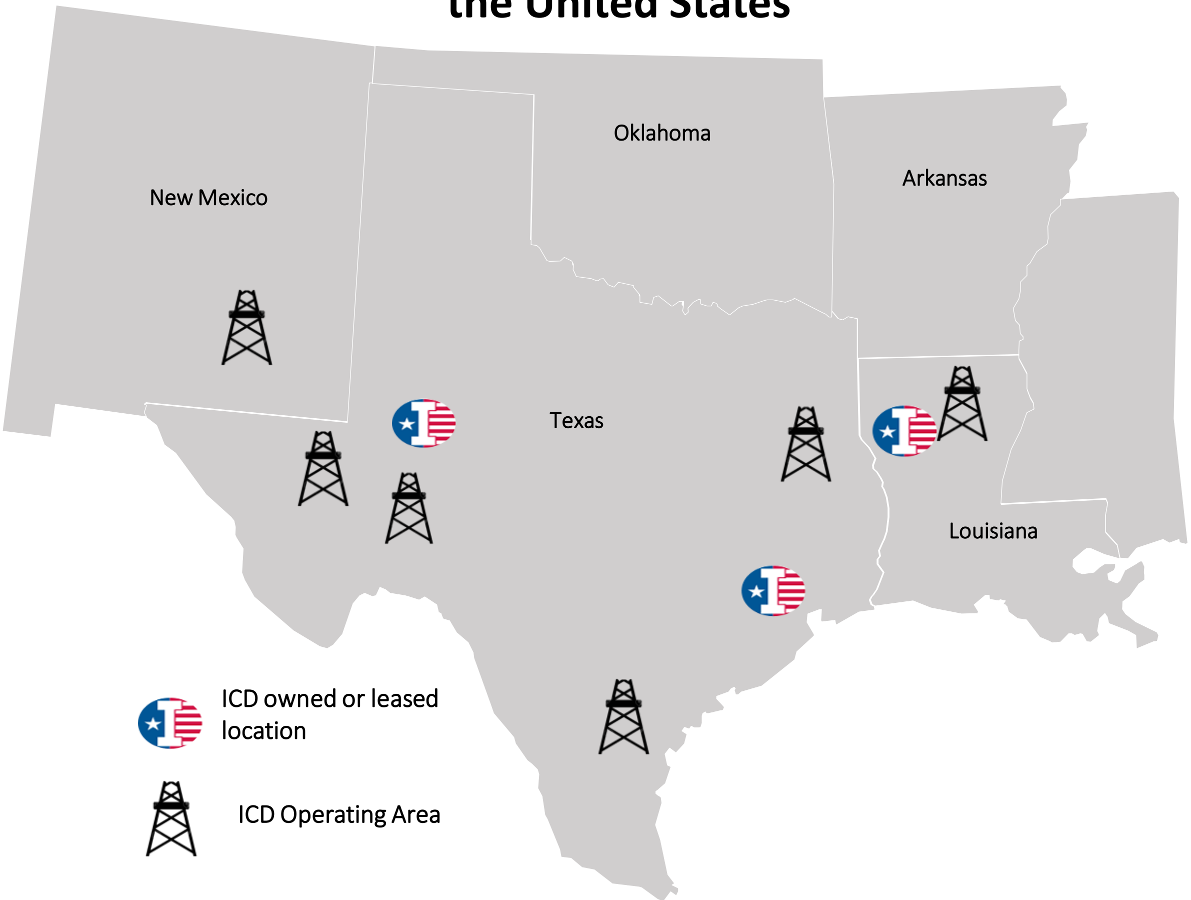
7 “200” Series ShaleDriller Rigs

- Meet all Pad-Optimal, Super-Spec rig requirements(2)
- 1,500 HP drawworks; 20K+ racking / 750K lb. hook
- **All rigs convertible to 300 Series specifications with only modest capex**

26 Drilling Optimization Enabled Rigs

- 100% ICD marketed fleet’s control systems enable drilling optimization applications
- Approximately 40% of ICD operating fleet currently utilizing drilling optimization applications

ICD Operations Strategically Focused on the Most Prolific Oil and Natural Gas Producing Regions in the United States

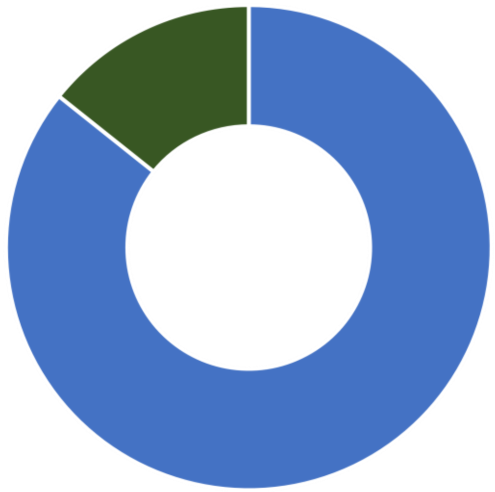


AVERAGE AGE OF MARKETED FLEET: 8.19 YEARS(2)

1) Includes completed 200-to-300 Series conversions
2) See Appendix slide 30 for characteristics of Pad-Optimal, Super-Spec drilling rig
3) As of October 31, 2023; based upon date of first well spud following rig construction or material upgrade

Geographic Mix / Customer Relationships

FYE 2022 ICD Rig Locations By Basin	Current ICD Rig Locations By Basin
Haynesville / ETX: 10	Haynesville / ETX: 4
Permian 10	Permian 17



Premier Customer Base

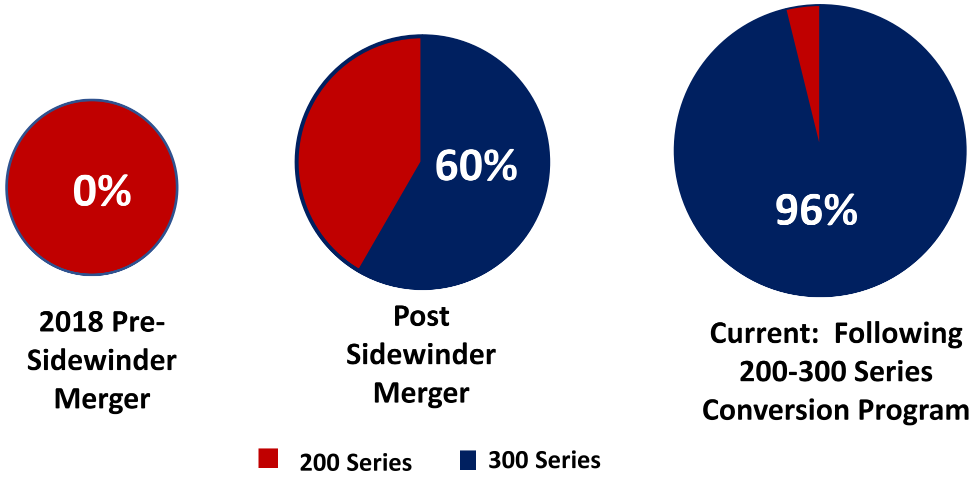
Current and Prior ICD Customers

PNG PALOMA NATURAL GAS
bp
eog resources
Endeavor Energy Resources LP
DIAMONDBACK Energy
Chevron
TELLURIAN
BAYSWATER
CHESAPEAKE ENERGY
GEP HAYNESVILLE, LLC
EARTHSTONE Energy, Inc.
HIGHPEAK ENERGY
swn Southwestern Energy®
equinor
PIONEER NATURAL RESOURCES
ConocoPhillips (1)
OXY (1)
XTO ENERGY

1) Occidental Petroleum Corporation via Anadarko Petroleum acquisition; ConocoPhillips via Concho Reources acquisition
2) Includes rigs reactivated since COVID-19 pandemic trough (Aug '20); excludes five marketed rigs that have not yet been reactivated since pandemic trough

300 Series Rigs Lead Transformation of Operating Fleet Compared to Pre-COVID levels

ICD Marketed Fleet Transformation: % 300 Series

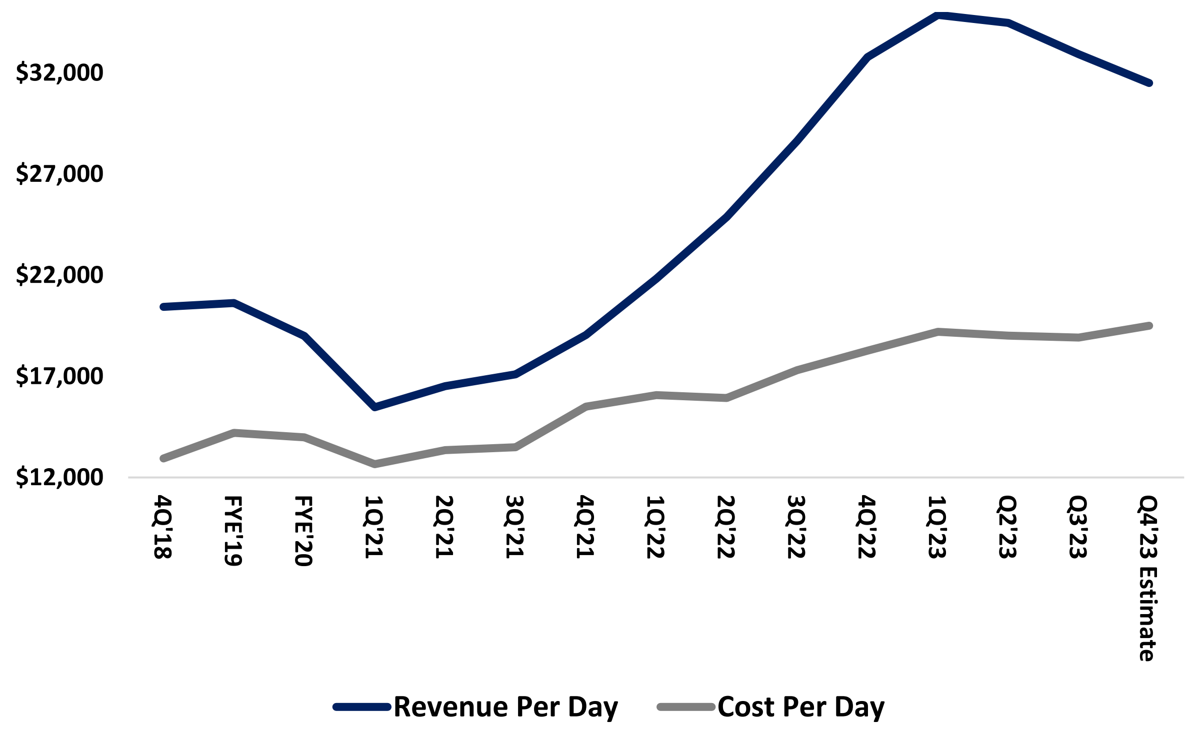


- Demand for 300 Series rigs being driven by rapidly evolving industry dynamics:
  - Shift towards longer laterals and deeper wells
  - Shift towards larger diameter and high-torque drill pipe
  - Steadily increasing number of wells per drilling pad
  - Focus on deep gas drilling by ICD customers in Haynesville / E. TX gas plays
- Rigs meeting 300 Series specs are in the shortest supply and command the highest dayrates when matched with customers requiring such specifications
  - 25,000+ racking capacity
  - High-torque top drive, high-torque iron roughneck, hi-torque drill pipe
- Initial 300 Series rigs acquired by ICD in 4Q'18 Sidewinder merger – post pandemic recovery represented first opportunity for ICD to market and place these rigs with customers in an improving rig count environment
- **ICD 200-300 Series Conversion Program: ICD now marketing 96% of its marketed fleet with 300 Series specifications**
  - Conversions completed based upon ICD customer requirements / requests
  - Three conversions already completed with fourth in process during Q4'23
  - Full contractual payback
  - Conversions can be completed on long rig move (minimal operational downtime)

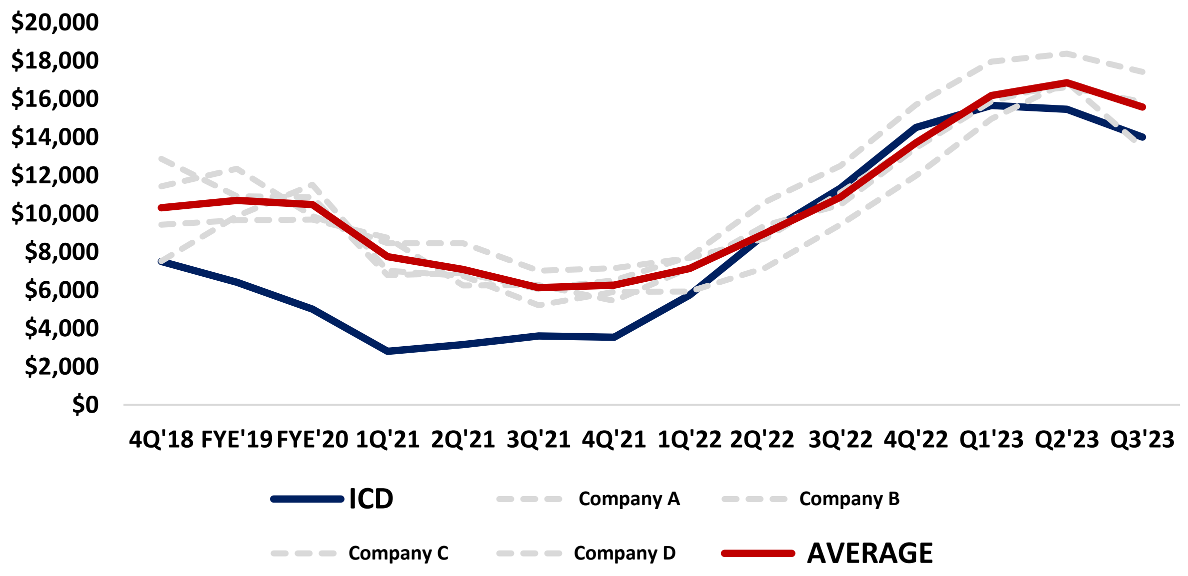
300 Series Rigs Drive Margin Expansion

Even during most recent market slowdown in which ICD's operating rig count troughed during Q3'23, ICD margins have remained at historically robust levels, and have closed the historic pre-COVID profitability gap between larger public company peers

ICD Quarterly Margin Expansion[1,2]

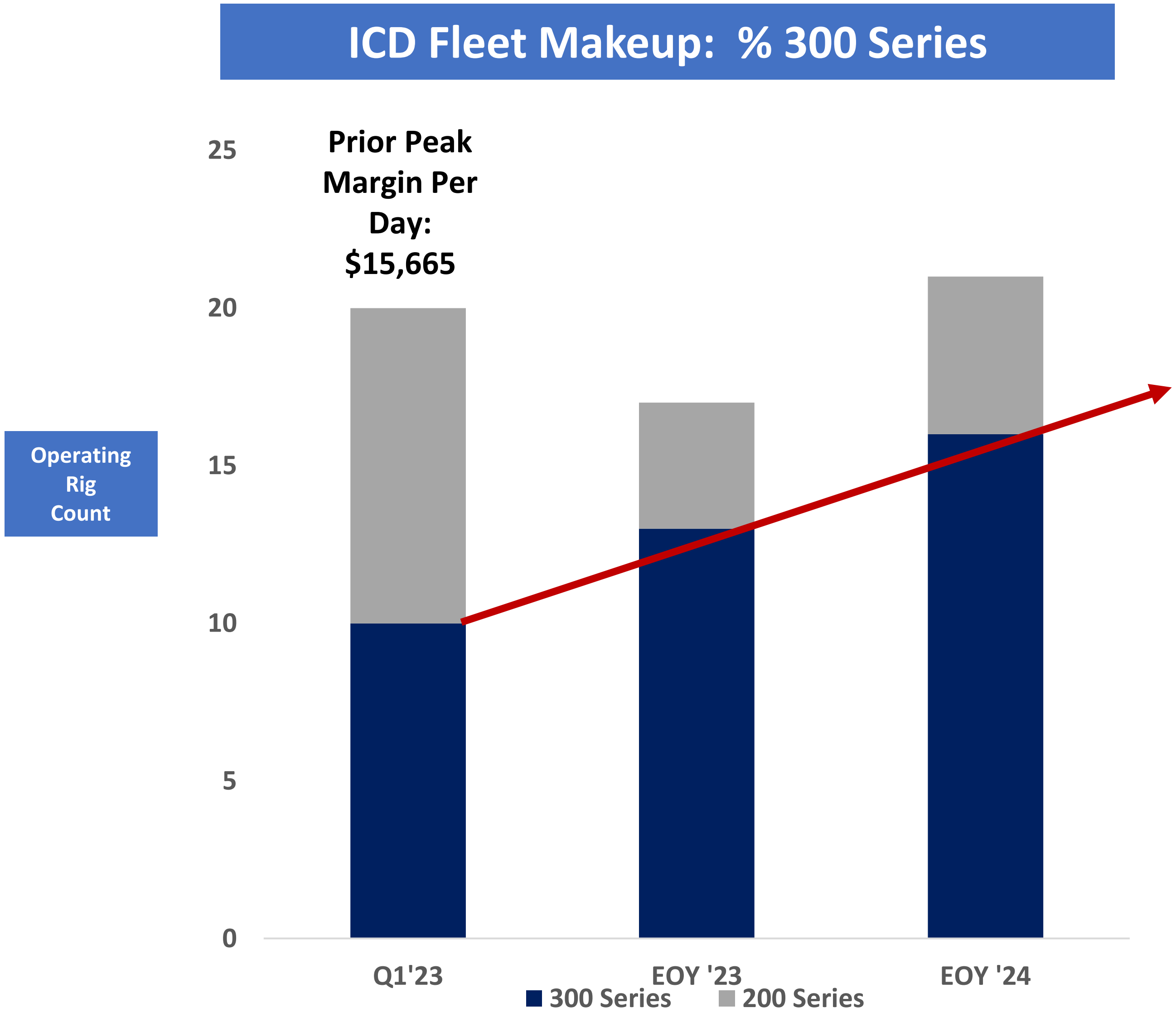


ICD Margin Per Day Comparison to Larger Public Company Peers[3]



1) Sidewinder Merger closed 10/1/2018
2) Estimates from ICD 3Q'23 earnings conference call
3) Reported margins for ICD, HP, PTEN, NBR and PDS per most recent earnings releases (excludes early-term/contract modification revenues)

Accelerating Pace of 300 Series Conversions Can Drive Future Margin Expansion



- ICD reached prior margin peak of $15,665 per day during the first quarter of 2023, when only 50% of ICD operating fleet was comprised of 300 Series rigs
- Based upon current 200-to-300 Series conversion schedule, ICD expects to exit 2023 with 75%+ of its operating fleet comprised of 300 Series rigs
- Assuming a constructive market in 2024 in which ICD returns to 21 rigs operating rigs, ICD expects to complete additional 200-to-300 Series conversions such that 75%+ of its operating rigs will be 300 Series rigs, substantially greater than during ICD's prior margin peak

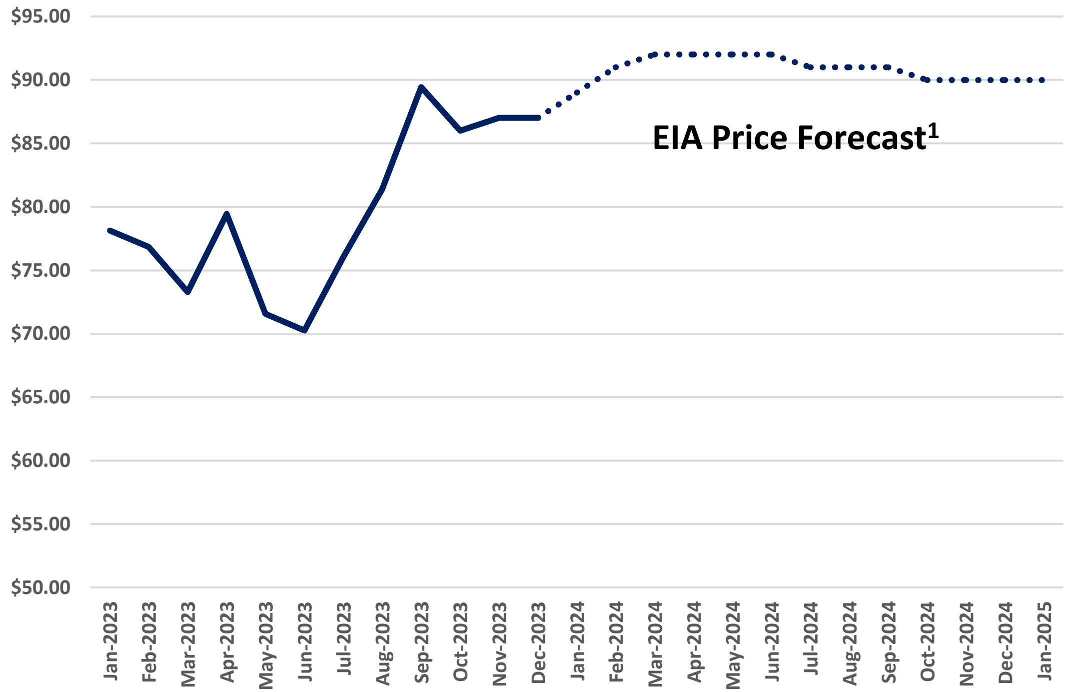
Market Dynamics and Outlook

Commodity Price Outlook Supports Improving Rig Demand in 2024

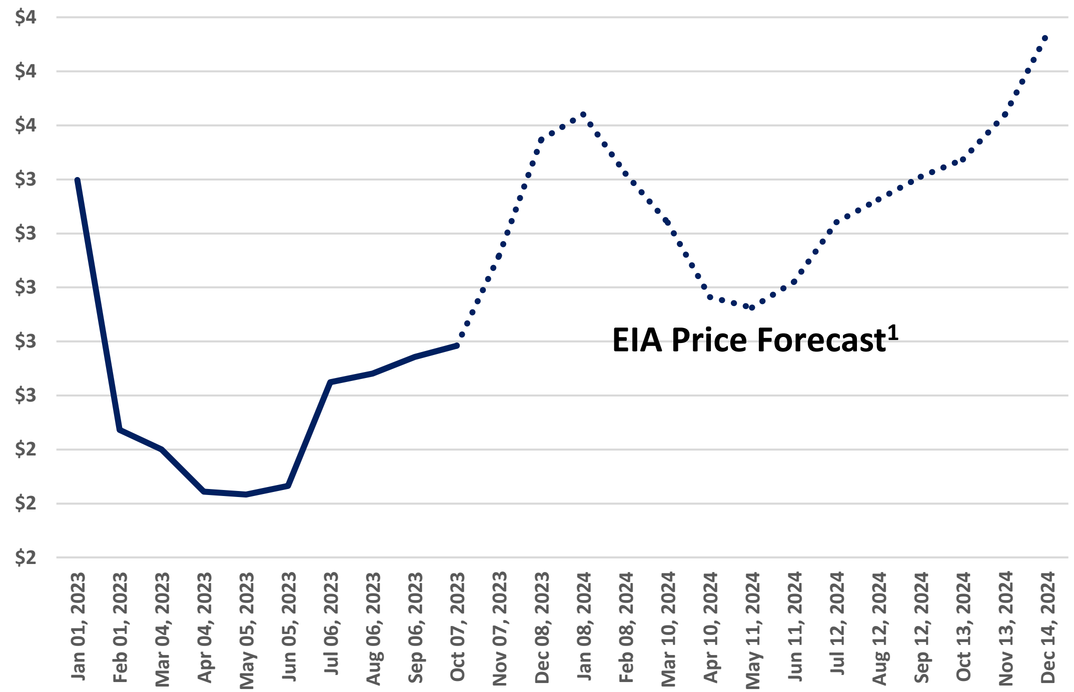
Oil prices have improved off of recent 1H'23 lows which is beginning to drive incremental rig demand in the Permian Basin and other oil directed markets. Consistent with EIA forecasts, ICD expects WTI prices to remain constructive for additional drilling through 2024.

Natural gas prices began to rapidly decline at the beginning of 2023 driven by takeaway capacity constraints in the Haynesville and warmer than expected weather resulting in steep declines in natural gas rig counts 1H'23. Consistent with EIA forecasts, ICD expects near-term price volatility with improvement beginning 2H'24 when new LNG capacity expected to come online.

WTI Prices



Natural Gas Prices

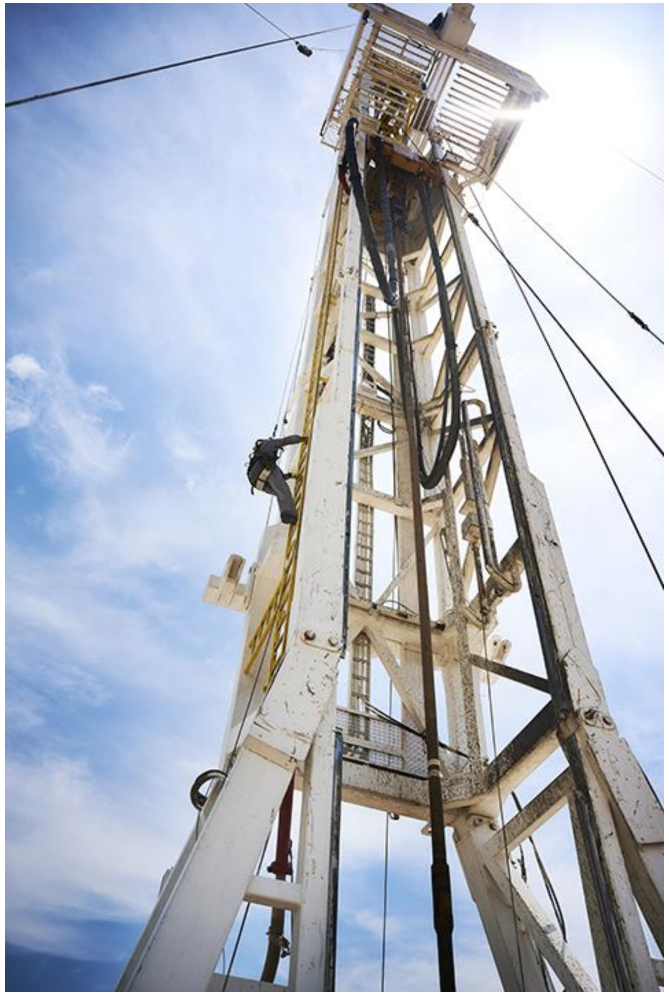


[1] Source: EIA Short-Term Energy Outlook

Drivers of Free Cash Flow, Debt Reduction and Imbedded Value in Current Market

Drivers of Returns /FCF Through Oil and Gas Cycle

Fleet Utilization	• Expect to exit 2023 with 17 operating rigs with opportunities for additional reactivations in 2024 with target to reach 21 operating rigs later in 2024 • 200-to-300 Series conversion opportunities driving incremental reactivation opportunities • 300 Series rigs are in shortest supply and command highest dayrates in the market
Dayrate and Margin Momentum	• Expect anticipated improvement in rig utilization and return to 21 operating rigs later in 2024 to lead to margin improvement in 2024 off Q4’23 / Q1’24 lows as overall market tightens, and cost inefficiencies subside • Expect increase in 300 Series rig penetration compared to prior cycles to create opportunity for incremental dayrate and margin improvements • Expect improvements in Haynesville natural gas market beginning later in 2024 driven by planned additional LNG capacity
Shift of Focus from Rig Reactivations Drives Substantial Improvements in Cash Flows	• While investments in rig reactivations beyond 21 operating rigs is paused, ICD free cash flow generation profile accelerates • ICD reduced overall adjusted net debt by $8.0 million during Q3’23 and expects to continue net debt reduction during 2024 • ICD capital expenditures focused entirely on maintenance mode and less capital intensive 200-to-300 Series conversions



ICD Balance Sheet & Capital Structure

- Refinancing completed March 18, 2022 significantly de-risked ICD balance sheet
- ICD poised to reduce overall net debt even with no conversion of the Convertible Notes
- $10.0 million of Mandatory Offers to repurchase Convertible Notes already accepted by note holders (see Appendix slide 29 for potential debt reduction opportunities through Mandatory Offer provisions)
- Even assuming full conversion of the Convertible Notes, significant upside exists for ICD stockholders

Long –Term Debt

	September 30, 2023 *$000s*
Convertible Notes (Face)	$184,209
Revolver Borrowings	5,000
Capital Leases (Long-Term)	1,514
Debt Discount & Debt Issuance Costs	(34,387)
Reported LT Debt	$156,336

Convertible Notes Material Terms

- Maturity: March 18, 2026
- Conversion Price: $4.51 (at Holder's option)
- Ability to PIK interest at ICD option for entirety of the Convertible Notes term
- PIK Interest Rate: SOFR + 9.5%
- Cash Interest Rate: SOFR + 12.5%
- See Appendices for additional terms and details

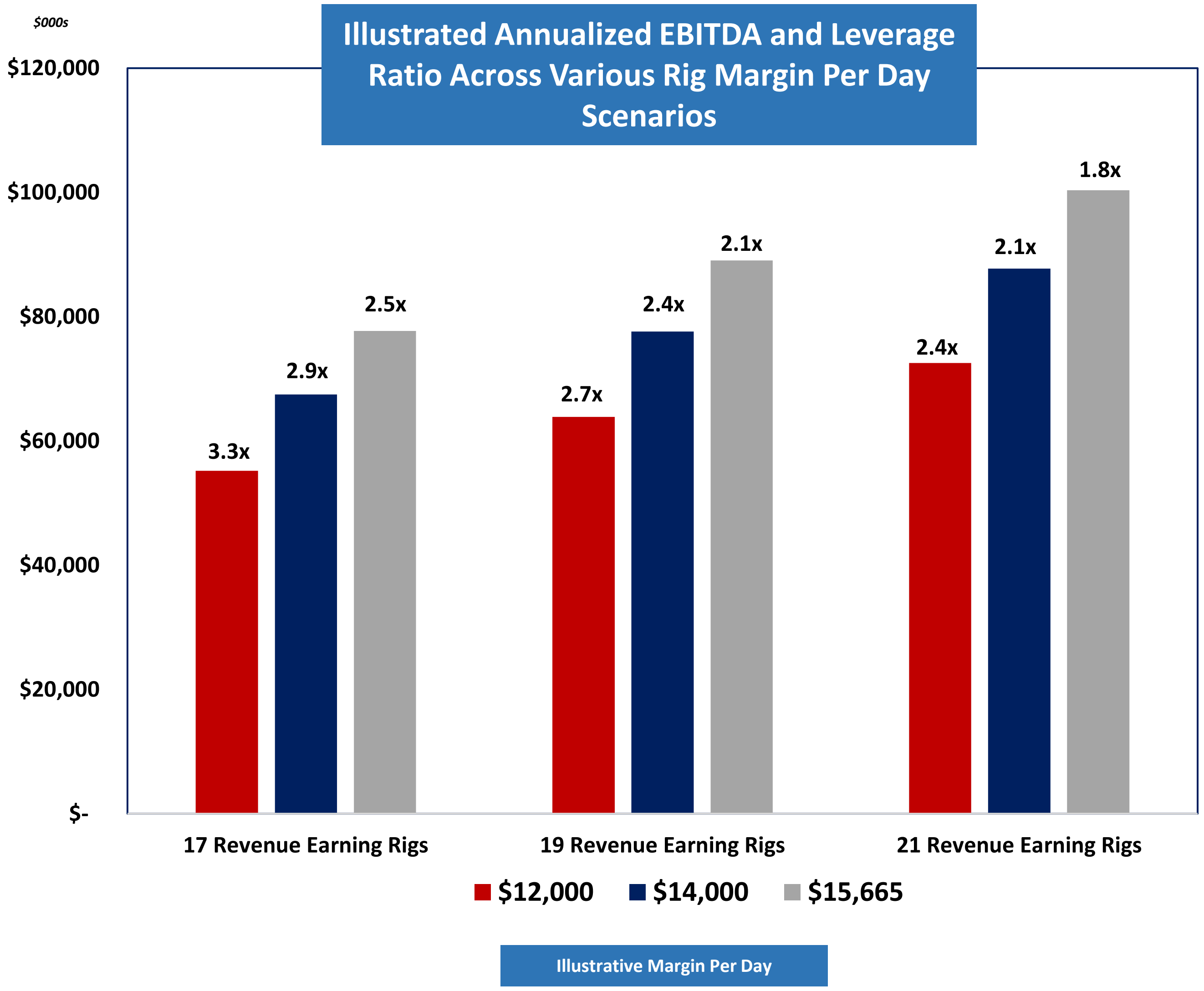
ICD Operating Leverage Potential in an Improving Market

ICD currently expects to exit 2023 with 17 rigs operating with margin per day troughing in Q4’23/Q1’24, with opportunities for additional rig reactivations in 2024

ICD has significant operating leverage potential: 3Q’23 margin per day was $14,004, 1Q’23 margin per day was $15,665, and expect 4Q’23 margin per day between $11,700 and $12,300

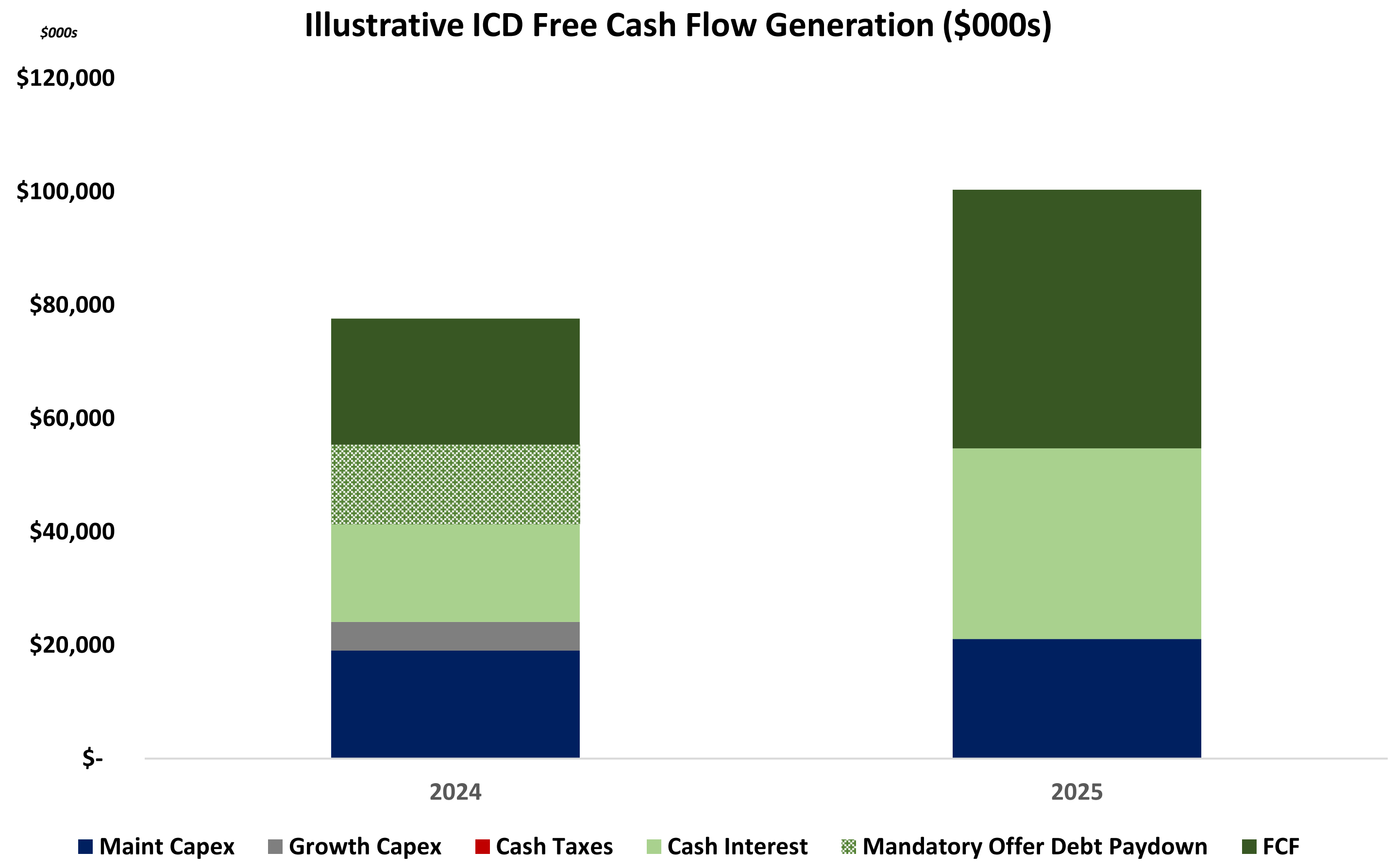
Indicative potential Adjusted EBITDA based upon the following additional assumptions:

- Margin per day illustration based upon 3Q’23 actuals, 1Q’23 actuals (prior peak) and 4Q’23 guidance
- 17, 19 and 21 rig operating fleet at full effective utilization (99% realization) (17 avg rigs represent expected operating rig exit rate in 2023, with expectation ICD reaches 21 operating rigs later in 2024)
- Cash SG&A: $18.5 million
- Illustrative Leverage Ratio calculated as Adjusted Net Debt at 9/30/23 divided by illustrative Adjusted EBITDA



Illustrative ICD Free Cash Flow Growth

Assuming no rig reactivations past 21st rig, ICD still poised to generate significant free cash flow that can be utilized to reduce net debt and return capital to stockholders



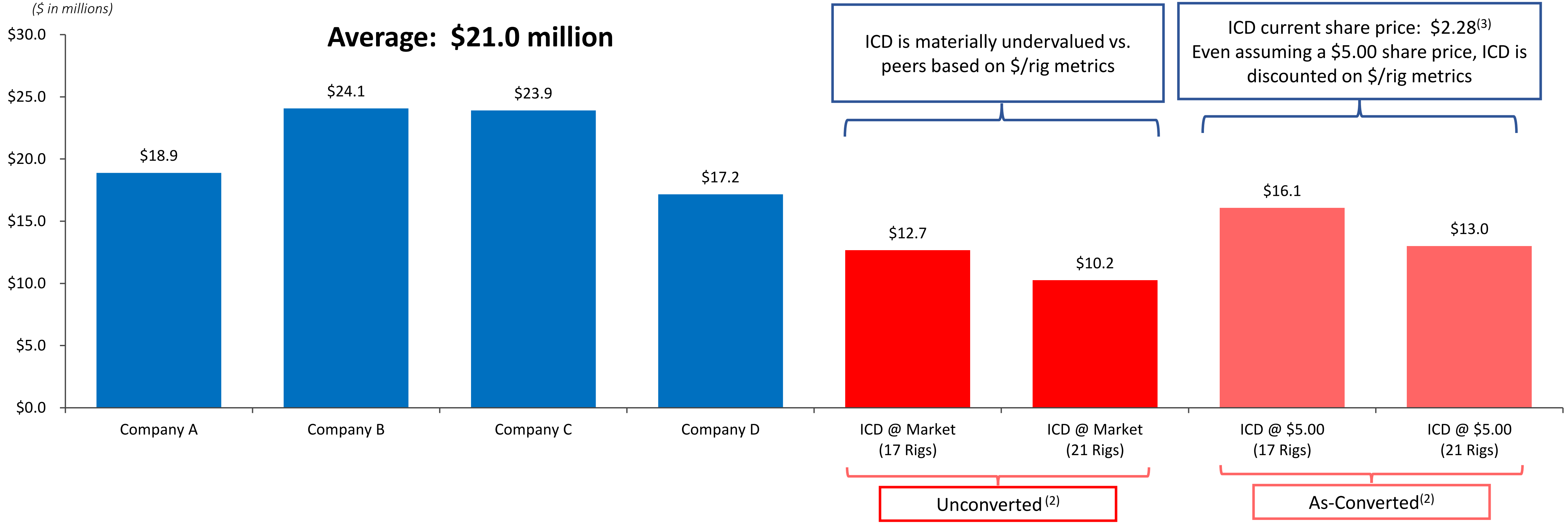
Key Assumptions

- 2024 margins equal to $14,000 per day (consistent with Q3’23 reported margin).
- 2025 margins equal to $15,665 per day (consistent with margin level prior to most recent downturn)
- Cash SG&A: $18.5 million per year
- Maintenance/Other capex: $1M per avg rig
- Growth Capex: $5.0M in 2024 associated with 200-to-300 Series conversions
- ICD operating fleet comprised of 75%+ 300 Series rigs
- 19 avg rigs in 2024, 21 avg rigs in 2025
- PIK interest through March’ 24; cash interest thereafter in 2024 and 2025 (SOFR + 12.5%)
- SOFR: 5.9%
- **All Mandatory Offers to repurchase Convertible Notes accepted by note holders**
- ICD NOL’s expected to full offset expected estimated taxable income

Significant Potential Value Uplift

Significant potential for uplift as the overhang related to our prior leverage profile gives way to imbedded value in our premier fleet. Newbuild Super-Spec, Pad-Optimal rigs estimated to cost $30+ million with 12+ month lead times

Adjusted Enterprise Value / Active Rig(1)



1) Source: Public filings and Enverus as of 10/30/23 calculated as Adjusted Enterprise Value divided by Active Rigs. Active rig counts based upon U.S. active rigs per Enverus (50% value for SCR rigs, AC rigs 1200Hp or less) for each of PTEN, HP, NBR and PDS. Adjusted Enterprise Values reflect estimated proportion of total company represented by U.S. land drilling business based upon reported asset book values and segment revenues and operating income, as reported
2) "Unconverted" value per rig based upon current ICD stock price and no conversion of Convertible Notes; "As-Converted" value per rig assumes full conversion of the Convertible Notes on September 30, 2023, and ICD stock price of $5.00 per share
3) As of November 13, 2023

Significant Potential Value Uplift

Even assuming full conversion of the Convertible Notes, significant upside exists for ICD stockholders as they participate in value creation driven by a constructive market, free cash flow generation, and ICD closing the valuation gap between its public company peers

- Current public company valuations for active super-spec rigs currently estimated to be approximately $21.0 million
- Illustrative table based on the following assumptions:
  - ICD elects PIK interest through 1Q'24
  - PIK interest rate: 9.5% + SOFR, with SOFR assumed to be 5.9%
  - **<u>All Mandatory Offers accepted by note holders</u>**
  - Convertible Notes fully convert at maturity
  - ICD free cash flow build consistent with assumptions on slide 18
  - Excludes potential reactivations of rigs 22 through 26
- ICD closing share price on November 13, 2023: $2.28

Illustration of potential stockholder upside assuming full conversion of Convertible Notes based upon enterprise value to active rig

($millions except per share data)

	FYE'23	FYE '24	FYE '25
Convertible Notes Balance[1]	$186.58	$179.36	$179.36
Illustrative Cash Balance	$6.00	$28.26	$73.89
Debt following conversion	-	-	-
Conversion Rate	$4.51	$4.51	$4.51
Illustrative l Share Dilution *(millions)*	41.37	39.77	39.77
Shares Outstanding Q2'23 *(millions)*	14.00	14.00	14.00
Total Illustrative Sharecount *(millions)*	55.37	53.77	53.77
Ending Contracted Rigs	17	21	21
Indicative Enterprise Value[2]			
$10.0M per rig	$176.00	$238.26	$283.89
$12.5M per rig	$218.50	$290.76	$336.39
$15.0M per rig	$261.00	$343.26	$388.89
$17.5M per rig	$303.50	$395.76	$441.39
$20.0M per rig	$346.00	$448.26	$493.89
Indicative Value Per Share (Fully-Diluted)			
$10.0M per rig	$3.18	$4.30	$5.13
$12.5M per rig	$3.95	$5.41	$6.26
$15.0M per rig	$4.71	$6.38	$7.23
$17.5M per rig	$5.48	$7.36	$8.21
$20.0M per rig	$6.25	$8.34	$9.19

1) See Appendix Slide 29 for roll forward of debt balance and PIK interest
2) Calculated as value per rig multiplied by ending contracted rigs plus illustrative cash balance (assuming full conversion of Convertible Notes)

Significant Potential Value Uplift

INDEPENDENCE CONTRACT DRILLING

Even based upon reasonable EBITDA trading multiples and assuming full conversion of the Convertible Notes, significant upside exists for ICD stockholders as they participate in value creation driven by a constructive market, free cash flow generation, and ICD closing the valuation gap between its public company peers

Illustrative table based on the following assumptions:

- Average rigs: ICD exits 2023 with 17 rigs operating, averages 19 operating rigs in 2024, and averages 21 operating rigs thereafter.
- No further rig reactivations after 21st rig
- ICD elects PIK interest through 1Q'24
- PIK interest rate is 9.5% + SOFR
- All Mandatory Offers to repurchase Convertible Notes accepted by note holders
- Illustrative cash flow based upon assumptions on slide 18
- Excludes potential reactivations of rigs 22 through 26

ICD closing share price on November 13, 2023: $2.28

Illustration of potential stockholder upside assuming full conversion of Convertible Notes based upon illustrative EBITDA trading multiples

($millions except margin per day and per share data)

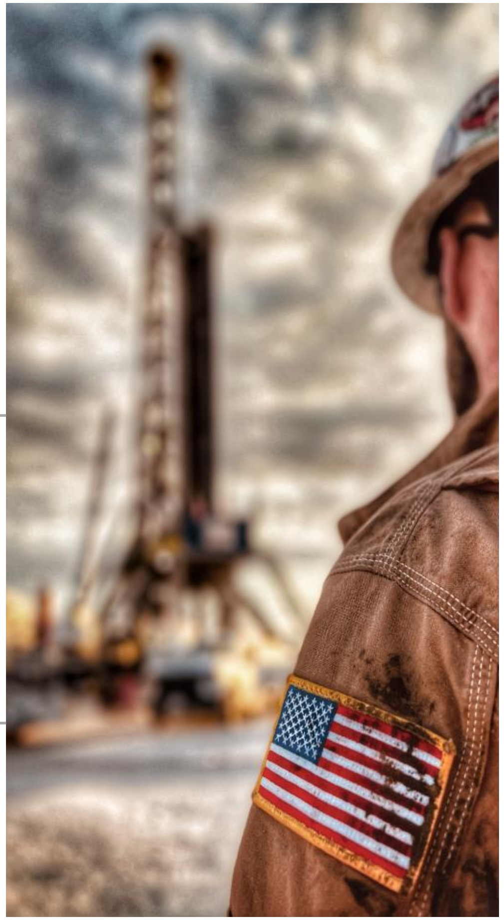
Assumptions	As of 12/31/23			As of 12/31/24			As of 12/31/25		
Next 12 Months: Average Rigs	19	19	19	21	21	21	21	21	21
Margin Per Day	$12,000	$14,000	$15,665	$12,000	$14,000	$15,665	$12,000	$14,000	$15,665
Cash SG&A($M)	$18.50	$18.50	$18.50	$18.50	$18.50	$18.50	$18.50	$18.50	$18.50
Illustrative Run Rate Adjusted EBITDA($M)	$63.89	$77.62	$89.05	$72.56	$87.74	$100.37	$72.56	$87.74	$100.37
Illustrative Ending Cash Balance ($M)	$6.00	$6.00	$6.00	$28.26	$28.26	$28.26	$73.89	$73.89	$73.89
Illustrative Fully Diluted Shares (M)	55.37	55.37	55.37	53.76	53.76	53.76	53.76	53.76	53.76
Valuation Multiple	**Indicative Enterprise Value ($M)(2)**			**Indicative Enterprise Value ($M)(2)**			**Indicative Enterprise Value ($M)(2)**		
3.0x	$197.66	$238.86	$273.15	$245.94	$291.47	$329.37	$291.57	$337.10	$375.00
3.5x	$229.61	$277.67	$317.68	$282.22	$335.34	$379.56	$327.85	$380.97	$425.19
4.0x	$261.55	$316.48	$362.20	$318.50	$379.21	$429.75	$364.13	$424.84	$475.38
4.5x	$293.50	$355.29	$406.73	$354.78	$423.08	$479.93	$400.41	$468.71	$525.56
5.0x	$325.44	$394.10	$451.25	$391.06	$466.94	$530.12	$436.69	$512.57	$575.75
Valuation Multiple	**Indicative Value Per Rig ($M)**			**Indicative Value Per Rig ($M)**			**Indicative Value Per Rig ($M)**		
3.0x	$10.40	$12.57	$14.38	$10.25	$12.14	$13.72	$12.15	$14.05	$15.63
3.5x	$12.08	$14.61	$16.72	$11.76	$13.97	$15.82	$13.66	$15.87	$17.72
4.0x	$13.77	$16.66	$19.06	$13.27	$15.80	$17.91	$15.17	$17.70	$19.81
4.5x	$15.45	$18.70	$21.41	$14.78	$17.63	$20.00	$16.68	$19.53	$21.90
5.0x	$17.13	$20.74	$23.75	$16.29	$19.46	$22.09	$18.20	$21.36	$23.99
Valuation Multiple	**Indicative Share Price**			**Indicative Share Price**			**Indicative Share Price**		
3.0x	$3.57	$4.31	$4.93	$4.57	$5.42	$6.13	$5.42	$6.27	$6.98
3.5x	$4.15	$5.01	$5.60	$5.25	$6.24	$7.06	$6.10	$7.09	$7.91
4.0x	$4.72	$5.72	$6.39	$5.92	$7.05	$7.99	$6.77	$7.90	$8.84
4.5x	$5.30	$6.42	$7.17	$6.60	$7.87	$8.93	$7.45	$8.72	$9.78
5.0x	$5.88	$7.12	$7.96	$7.27	$8.69	$9.86	$8.12	$9.53	$10.71

1) See Appendix Slide 29 for roll forward of convertible debt balance and PIK interest
2) Calculated as illustrative adjusted EBITDA multiplied by valuation multiple plus illustrative cash (assuming full conversion of notes)

ESG

ESG and Sustainability Focused

Environment ICD operations substantially reduce GHG emissions and environmental footprints at the wellsite	• 100% of ICD marketed rigs are dual-fuel enabled and high-line capable, permitting substantial reduction and elimination of GHG emissions at the wellsite from rig operations • 100% of ICD rigs utilize omni-directional walking systems that enable large-scale pad operations which substantially reduces environmental footprints at the wellsite • 100% of ICD rigs utilize energy-efficient LED lighting and/or crown lighting which substantially reduces energy use and "dark sky" environmental impacts • ICD is a leading provider of contract drilling services in the natural gas producing regions located in ETX/Haynesville areas which are expected to become increasingly relevant as energy transition efforts continue to develop and accelerate
Social ICD believes our people are our greatest resource and continuously focuses on creating a culture where employee safety, opportunity, well-being and development is prioritized	• ICD utilizes leading safety management and training systems; 100% of ICD employees completed social, ethics and compliance training in 2023 • ICD is committed to a culture of diversity and inclusion - 38% of ICD's workforce is currently comprised of historically underrepresented groups(1) • ICD provides industry leading health and welfare benefits focused on employee well-being • ICD actively participates in community outreach programs in regions where we operate
Governance ICD's Board prioritizes shareholder alignment and ESG initiatives that benefit all stakeholders and the environment	• Board level oversight of ESG goal setting, performance and outreach • ICD Executive LTIP compensation substantially at-risk and performance-based, and thus closely aligned with shareholder interests • Executive compensation structures include safety, environmental and other ESG goals and metrics



1) As of October 31, 2023

ICD ShaleDriller Rigs Substantially Reduce and Eliminate GHG Emissions at the Wellsite

Utilizing natural gas rather than diesel substantially reduces GHG emissions. ICD customers routinely use field natural gas to power our rigs, providing even more significant positive impacts on the environment. The first rig ICD built in 2012 was equipped with Dual-Fuel engines and today 100% of ICD's marketed fleet is equipped with Dual-Fuel capabilities.

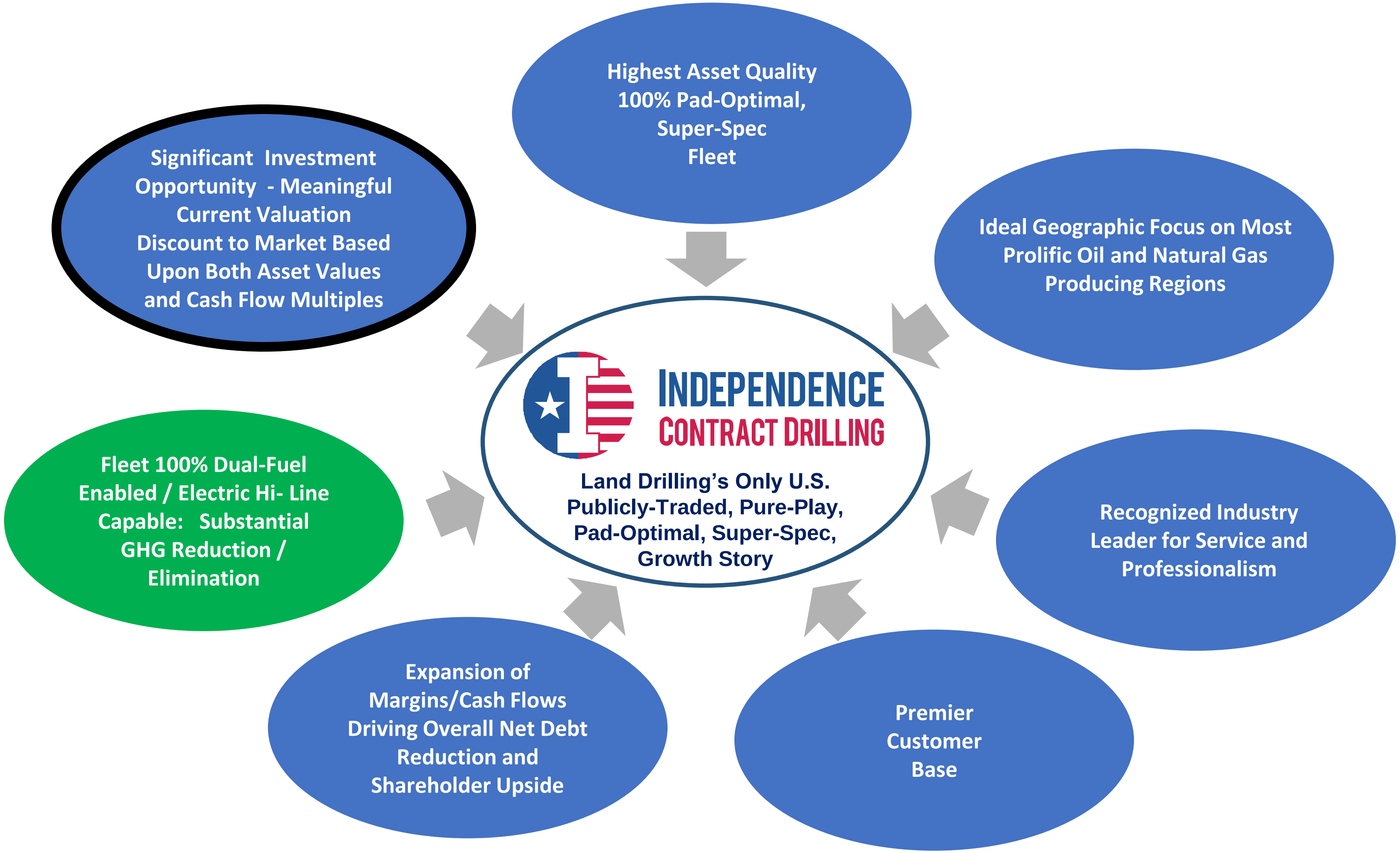
Similar to an electric car, utilizing the electric grid to power a rig's engines substantially eliminates GHG emissions at the wellsite. All ICD rigs are capable of running on Hi-Line Electric Power. ICD began operating rigs on Hi-Line Electric power in 2019 and continually markets this option to its customers where operational infrastructure permits.

All ICD rigs have been converted from traditional lighting to crown lighting systems. LED and crown lighting systems substantially reduce energy use and eliminate light pollution, in particular, in environmentally sensitive areas where "dark sky" environmental issues exist.

Dual-Fuel Equipped
100% of ICD's Rigs

Hi-Line Electric Power Capable
100% of ICD's Rigs

LED/CROWN LIGHTING
100% of ICD's Rigs


Highest Asset Quality 100% Pad-Optimal, Super-Spec Fleet
Significant Investment Opportunity - Meaningful Current Valuation Discount to Market Based Upon Both Asset Values and Cash Flow Multiples
Ideal Geographic Focus on Most Prolific Oil and Natural Gas Producing Regions
INDEPENDENCE CONTRACT DRILLING
Land Drilling's Only U.S. Publicly-Traded, Pure-Play, Pad-Optimal, Super-Spec, Growth Story
Fleet 100% Dual-Fuel Enabled / Electric Hi- Line Capable: Substantial GHG Reduction / Elimination
Recognized Industry Leader for Service and Professionalism
Expansion of Margins/Cash Flows Driving Overall Net Debt Reduction and Shareholder Upside
Premier Customer Base

Investor Contact Information

Email inquiries:
investor.relations@icdrilling.com

Phone inquiries: (281) 878-8710

APPENDICES

Convertible Debt Terms

Amount/Maturity	• Current balance at 9/30 /23: $184.66 million • Matures March 18, 2026 • Defeasance options begin 18 months prior to maturity
Interest; PIK Amount	• Cash interest at SOFR + 12.5%(1) • PIK Interest at SOFR + 9.5%(1) • ICD has right to PIK interest throughout term of the Convertible Notes • Paid semi-annually on March 31st and September 30th through maturity
Conversion	• Conversion price: $4.51 • ICD has the right to mandatorily convert Convertible Notes in certain change of control transactions involving larger public companies, subject to a minimum MOIC
Redemption	• Obligated to offer "(Mandatory Offer Requirements") to redeem Convertible Notes at par in principal amount of $5.0 million on Dec 31, 2023, and in principal amounts of $3.5 million on each of Mar 31, 2024, June 30, 2024 and September 30, 2024 • **Previously redeemed $5.0 million (at par) on each of June 30, 2023 and September 30, 2023 pursuant to these Mandatory Offer Requirements**
Governance	• Limitation on Voting Rights. Each Holder's beneficial common stock ownership post conversion limited to 19.9% or lower of outstanding shares; any conversion in excess of ownership limitations issued in pre-funded, non-voting warrants • Board Rights: Holders entitled to appoint up to three members of a seven-member Board, one of which must be independent, subject to reduction if Convertible Note ownership declines

1) Six Month Term SOFR as reported by CME Group at the beginning of each interest payment period

PIK Interest Roll-Forward Illustration

ICD permitted to PIK interest ***at its option*** over entirety of Convertible Notes term: the following illustration rolls forward the Convertible Notes balance assuming ICD ceases PIK interest after March 31, 2024 and all Mandatory Offers to repurchase Convertible Notes are accepted

ICD Convertible Debt RollForward Assuming PIK Interest Through March 2024 (1) Assumes All Mandatory Offers Accepted By Convertible Note Holders		
Period	**Debt Balance ($ million)**	**Shares Issuable Upon Conversion**
Convertible Notes Balance 9/30/23	$184.66	40,945
Mandatory Offer Paydown 12/31/23	($5.00)	
4Q'23 PIK Interest	$6.69	
Convertible Debt Balance: 12/31/23	$186.35	41,320
Mandatory Offer Paydown 3/31/24	($3.50)	
1Q'24 PIK Interest	$6.81	
Convertible Debt Balance: 3/31/24	$189.66	42,054
Mandatory Offer Paydown 6/30/24	($3.50)	
Convertible Debt Balance: 6/30/24	$186.16	41,278
Mandatory Offer Paydown 9/30/24	($3.50)	
Convertible Debt Balance: 9/30/24	$182.66	40,502
Mandatory Offer Paydown 12/31/24	($3.50)	
Convertible Debt Balance: 12/31/24 & Thereafter	$179.16	39,726

1) PIK interest rate SOFR + 9.5% utilizing six-month term SOFR at beginning of interest period; 6 Month SOFR assumed to be 5.9% beginning 9/30/23 ; interest compounds/paid semi-annually on March 31st and September 30th of each calendar year through maturity; indicative Convertible Notes balances between interest payment dates include accrued interest that is assumed to be paid in-kind

Defining a Pad-Optimal, Super-Spec Rig

Omni-Directional Walking

1500 HP Drawworks

High-Pressure Mud Systems (7500 psi)

Fast Moving

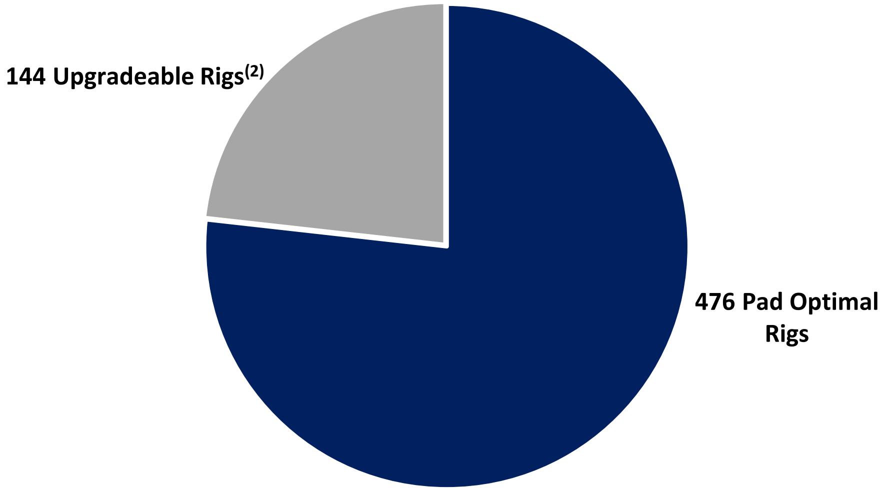
AC Programmable

Three pump / four engine:

Drilling optimization software capable

Dual-fuel / Electric Hi-line capable

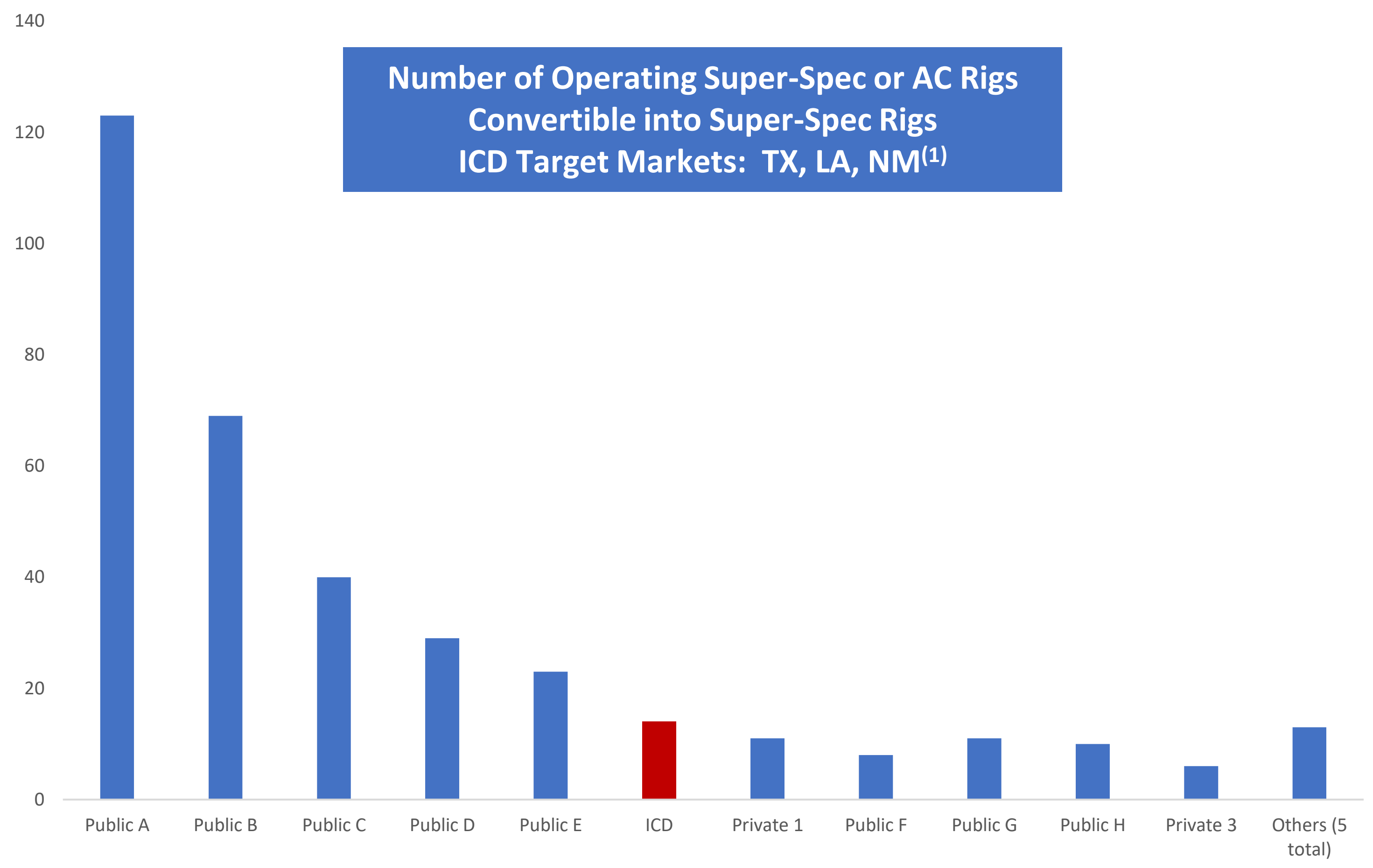
Total U.S. Pad-Optimal Super-Spec Supply:~ 620 Rigs[1]



1) Source: Enverus and Company estimates. Includes AC, 1500HP+, 750,000lb+ hookload; excludes rigs not operating since 2018 and rigs owned by non-operating entities
2) 1500HP AC rigs with skidding systems upgradeable to omni-directional walking (capex estimated at $7M+ per rig)

ICD Positioning in a Consolidating Market

- ICD well positioned to participate in industry consolidation activity as it develops during the current market upcycle
- ICD SG&A overhead structure scalable and will not materially increase in the event of additions to its operating fleet in its target markets
- ICD has the ability to mandatorily convert the convertible notes and deliver a delevered company in transaction with larger public company[2]



1) Enverus. Active AC rigs with 1500-2000hp drawworks (as of October 31, 2023)
2) Defined as a company listed on NYSE, NASDAQ, or Toronto Exchanges with market cap of at least US$350M and public float of at least US$250M

Balance Sheet / Income Statement

INDEPENDENCE CONTRACT DRILLING, INC.
Unaudited
(In thousands, except par value and share data)

CONSOLIDATED BALANCE SHEETS

	September 30, 2023	December 31, 2022
Assets		
Cash and cash equivalents	$ 6,044	$ 5,326
Accounts receivable	26,874	39,775
Inventories	1,877	1,508
Assets held for sale	—	325
Prepaid expenses and other current assets	1,854	4,736
Total current assets	36,649	51,670
Property, plant and equipment, net	366,263	376,084
Other long-term assets, net	3,199	1,960
Total assets	$ 406,111	$ 429,714
Liabilities and Stockholders' Equity		
Liabilities		
Current portion of long-term debt (1)	$ 1,405	$ 2,485
Accounts payable	17,275	31,946
Accrued liabilities	12,128	17,608
Total current liabilities	30,808	52,039
Long-term debt, net (2)	156,336	143,223
Deferred income taxes, net	10,869	12,266
Other long-term liabilities	1,642	7,474
Total liabilities	199,655	215,002
Commitments and contingencies		
Stockholders' equity		
Common stock, $0.01 par value, 250,000,000 shares authorized; 14,169,942 and 13,698,851 shares issued, respectively, and 14,084,850 and 13,613,759 shares outstanding, respectively	141	136
Additional paid-in capital	621,092	617,606
Accumulated deficit	(410,844)	(399,097)
Treasury stock, at cost, 85,092 shares and 85,092 shares, respectively	(3,933)	(3,933)
Total stockholders' equity	206,456	214,712
Total liabilities and stockholders' equity	$ 406,111	$ 429,714

(1) As of September 30, 2023, and December 31, 2022, current portion of long-term debt includes $1.4 million and $2.5 million, respectively, of finance lease obligations.

(2) As of September 30, 2023, and December 31, 2022, long-term debt includes $1.5 million and $1.6 million, respectively, of long-term finance lease obligations.

INDEPENDENCE CONTRACT DRILLING, INC.
Unaudited
(In thousands, except per share data)

CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended			Nine Months Ended	
	September 30,		June 30,	September 30,	
	2023	2022	2023	2023	2022
Revenues	$ 44,164	$ 49,147	$ 56,356	$ 164,276	$ 126,451
Costs and expenses					
Operating costs	27,494	31,379	33,827	98,781	87,448
Selling, general and administrative	6,865	7,007	5,224	18,816	17,096
Depreciation and amortization	10,229	10,120	11,405	32,488	29,719
Asset impairment, net	250	—	—	250	—
(Gain) loss on disposition of assets, net	(1,454)	433	2,007	539	(665)
Total costs and expenses	43,384	48,939	52,463	150,874	133,598
Operating income (loss)	780	208	3,893	13,402	(7,147)
Interest expense	(9,222)	(8,098)	(8,251)	(26,192)	(21,005)
Loss on extinguishment of debt	—	—	—	—	(46,347)
Change in fair value of embedded derivative liability	—	—	—	—	(4,265)
Realized gain on extinguishment of derivative	—	—	—	—	10,765
Loss before income taxes	(8,442)	(7,890)	(4,358)	(12,790)	(67,999)
Income tax (benefit) expense	(844)	(696)	(197)	(1,044)	783
Net loss	$ (7,598)	$ (7,194)	$ (4,161)	$ (11,746)	$ (68,782)
Loss per share:					
Basic and diluted	$ (0.54)	$ (0.53)	$ (0.30)	$ (0.84)	$ (5.36)
Weighted average number of common shares outstanding:					
Basic and diluted	14,071	13,590	14,050	13,992	12,836

Statement of Cash Flows

INDEPENDENCE CONTRACT DRILLING, INC.
Unaudited
(In thousands)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Cash flows from operating activities		
Net loss	$ (11,746)	$ (68,782)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation and amortization	32,488	29,719
Asset impairment, net	250	—
Stock-based compensation	4,639	2,976
Loss (gain) on disposition of assets, net	539	(665)
Non-cash interest expense	18,202	15,859
Non-cash loss on extinguishment of debt	—	46,347
Amortization of deferred financing costs	83	320
Amortization of Convertible Notes debt discount and issuance costs	5,967	4,310
Change in fair value of embedded derivative liability	—	4,265
Gain on extinguishment of derivative	—	(10,765)
Deferred income taxes	(1,397)	354
Credit loss expense	1,177	256
Changes in operating assets and liabilities		
Accounts receivable	11,724	(12,012)
Inventories	(419)	(291)
Prepaid expenses and other assets	1,330	2,098
Accounts payable and accrued liabilities	(9,289)	208
Net cash provided by operating activities	53,548	14,197
Cash flows from investing activities		
Purchases of property, plant and equipment	(36,635)	(22,286)
Proceeds from the sale of assets	3,135	2,749
Net cash used in investing activities	(33,500)	(19,537)
Cash flows from financing activities		
Proceeds from issuance of Convertible Notes	—	157,500
Payments to redeem Convertible Notes	(10,000)	—
Repayments under Term Loan Facility	—	(139,076)
Borrowings under Revolving ABL Credit Facility	23,540	1,576
Repayments under Revolving ABL Credit Facility	(30,351)	(28)
Payment of merger consideration	—	(2,902)
Proceeds from issuance of common stock through at-the-market facility, net of issuance costs	(34)	3,038
Taxes paid for vesting of RSUs	(389)	(32)
Convertible Notes issuance costs	—	(7,230)
Financing costs paid under Revolving ABL Credit Facility	—	(266)
Payments for finance lease obligations	(2,096)	(3,814)
Net cash (used in) provided by financing activities	(19,330)	8,766
Net increase in cash and cash equivalents	718	3,426
Cash and cash equivalents		
Beginning of period	5,326	4,140
End of period	$ 6,044	$ 7,566

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Supplemental disclosure of cash flow information		
Cash paid during the period for interest	$ 1,940	$ 4,745
Cash paid during the period for taxes	$ 739	$ —
Supplemental disclosure of non-cash investing and financing activities		
Change in property, plant and equipment purchases in accounts payable	$ (11,806)	$ 9,015
Additions to property, plant and equipment through finance leases	$ 1,482	$ 3,250
Extinguishment of finance lease obligations from sale of assets classified as finance leases	$ (324)	$ (163)
Initial embedded derivative liability upon issuance of Convertible Notes	$ —	$ 75,733
Shares issued for structuring fee	$ —	$ 9,163

Other Financial & Operating Data

The following table provides various financial and operational data for the Company's operations for the three months ended September 30, 2023, and 2022 and June 30, 2023, and the nine months ended September 30, 2023, and 2022. This information contains non-GAAP financial measures of the Company's operating performance. The Company believes this non-GAAP information is useful because it provides a means to evaluate the operating performance of the Company on an ongoing basis using criteria that are used by the Company's management. Additionally, it highlights operating trends and aids analytical comparisons. However, this information has limitations and should not be used as an alternative to operating income (loss) or cash flow performance measures determined in accordance with GAAP, as this information excludes certain costs that may affect the Company's operating performance in future periods.

OTHER FINANCIAL & OPERATING DATA
Unaudited

	Three Months Ended			Nine Months Ended	
	September 30,		June 30,	September 30,	
	2023	2022	2023	2023	2022
Number of marketed rigs end of period (1)	26	26	26	26	26
Rig operating days (2)	1,229	1,601	1,369	4,341	4,604
Average number of operating rigs (3)	13.4	17.4	15.0	15.9	16.9
Rig utilization (4)	51 %	70 %	58 %	61 %	69 %
Average revenue per operating day (5)	$ 32,925	$ 28,646	$ 34,467	$ 34,193	$ 25,216
Average cost per operating day (6)	$ 18,920	$ 17,305	$ 19,005	$ 19,061	$ 16,452
Average rig margin per operating day	$ 14,005	$ 11,341	$ 15,462	$ 15,131	$ 8,764

(1) Marketed rigs exclude idle rigs that will not be reactivated unless market conditions materially improve.

(2) Rig operating days represent the number of days the Company's rigs are earning revenue under a contract during the period, including days that standby revenue is earned. Rig operating days exclude rigs earning revenue on an early termination basis. During the three months ended September 30, 2023, and 2022 and June 30, 2023, there were 92.3, 4.6 and 97.9 operating days in which we earned revenue on a standby basis, respectively. During the nine months ended September 30, 2023, and 2022, there were 204.8 and 27.8 operating days in which we earned revenue on a standby basis, respectively. During the three and nine months ended September 30, 2023, the Company recognized $0.7 million and $5.9 million of early termination revenue, respectively.

(3) Average number of operating rigs is calculated by dividing the total number of rig operating days in the period by the total number of calendar days in the period.

(4) Rig utilization is calculated as rig operating days divided by the total number of days the Company's marketed drilling rigs are available during the applicable period.

(5) Average revenue per operating day represents total contract drilling revenues earned during the period divided by rig operating days in the period. Excluded in calculating average revenue per operating day are revenues associated with the reimbursement of (i) out-of-pocket costs paid by customers of $3.0 million, $3.3 million and $4.0 million during the three months ended September 30, 2023 and 2022, and June 30, 2023, respectively and $10.0 million and $10.3 million during the nine months ended September 30, 2023 and 2022, respectively and (ii) early termination revenues of $0.7 million and $5.1 million during the three months ended September 30, 2023 and June 30, 2023, respectively, and $5.9 million during the nine months ended September 30, 2023. There were no early termination revenues during the three and nine months ended September 30, 2022.

(6) Average cost per operating day represents operating costs incurred during the period divided by rig operating days in the period. The following costs are excluded in calculating average cost per operating day: (i) out-of-pocket costs paid by customers of $3.0 million, $3.3 million and $4.0 million during the three months ended September 30, 2023 and 2022, and June 30, 2023, respectively, and $10.0 million and $10.3 million during the nine months ended September 30, 2023 and 2022; (ii) overhead costs of $0.4 million, $0.4 million and $0.9 million during the three months ended September 30, 2023 and 2022, and June 30, 2023, respectively, and $1.8 million and $1.4 million during the nine months ended September 30, 2023 and 2022; and (iii) rig decommissioning and transition costs between basins of $0.8 million, zero and $2.8 million during the three months ended September 30, 2023 and 2022 and June 30, 2023, respectively, and $4.3 million and zero during the nine months ended September 30, 2023 and 2022, respectively.

Non-GAAP Financial Measures

Non-GAAP Financial Measures

Adjusted net debt, adjusted net (loss) income, EBITDA and adjusted EBITDA are supplemental non-GAAP financial measures that are used by management and external users of the Company's financial statements, such as industry analysts, investors, lenders, and rating agencies. In addition, adjusted EBITDA is consistent with how EBITDA is calculated under the Company's credit facility for purposes of determining the Company's compliance with various financial covenants. The Company defines "adjusted net debt" as long-term notes (excluding long-term capital leases) less cash. The Company defines "adjusted net (loss) income" as net (loss) income before asset impairment, net; gain or loss on disposition of assets, net; amortization of debt discount; amortization of issuance costs; gain or loss on extinguishment of debt; change in fair value of embedded derivative liability, gain on extinguishment of derivative and other adjustments. The Company defines "EBITDA" as earnings (or loss) before interest, taxes, depreciation and amortization, and asset impairment, net and the Company defines "adjusted EBITDA" as EBITDA before stock-based compensation, gain or loss on disposition of assets, gain or loss on extinguishment of debt, gain on extinguishment of derivative and other non-recurring items added back to, or subtracted from, net income for purposes of calculating EBITDA under the Company's credit facilities. Neither adjusted net (loss) income, EBITDA or adjusted EBITDA is a measure of net (loss) income as determined by U.S. generally accepted accounting principles ("GAAP").

Management believes adjusted net debt, adjusted net (loss) income, EBITDA and adjusted EBITDA are useful because they allow the Company's stockholders to more effectively evaluate the Company's operating performance and compliance with various financial covenants under the Company's credit facility and compare the results of the Company's operations from period to period and against the Company's peers without regard to the Company's financing methods or capital structure or non-recurring, non-cash transactions. The Company excludes the items listed above from net income (loss) in calculating adjusted net (loss) income, EBITDA, and adjusted EBITDA because these amounts can vary substantially from company to company within the Company's industry depending upon accounting methods and book values of assets, capital structures and the method by which the assets were acquired. None of adjusted net (loss) income, EBITDA or adjusted EBITDA should be considered an alternative to, or more meaningful than, net income (loss), the most closely comparable financial measure calculated in accordance with GAAP, or as an indicator of the Company's operating performance or liquidity. Certain items excluded from adjusted net (loss) income, EBITDA and adjusted EBITDA are significant components in understanding and assessing a company's financial performance, such as a company's return on assets, cost of capital and tax structure. The Company's presentation of adjusted net debt, adjusted net (loss) income, EBITDA and adjusted EBITDA should not be construed as an inference that the Company's results will be unaffected by unusual or non-recurring items. The Company's computations of adjusted net debt, adjusted net (loss) income, EBITDA and adjusted EBITDA may not be comparable to other similarly titled measures of other companies.

Calculation of Adjusted Net Debt:

(In thousands)	September 30, 2023
Convertible Notes	$ 184,209
Revolving ABL Credit Facility	5,000
Less: Cash	(6,044)
Adjusted net debt	$ 183,165

Reconciliation of Adjusted Net Debt to Reported Long-Term Debt:

(In thousands)	September 30, 2023
Adjusted net debt	$ 183,165
Add back:	
Cash	6,044
Long-term portion of finance lease obligations	1,514
Less:	
Debt discount and issuance costs, net of amortization	(34,387)
Total reported long-term debt	$ 156,336

Reconciliation of Net Loss to Adjusted Net Loss:

	(Unaudited) Three Months Ended			(Unaudited) Nine Months Ended	
	September 30,		June 30,	September 30,	
	2023	2022	2023	2023	2022
	Amount	Amount	Amount	Amount	Amount
(In thousands, except per share data)					
Net loss	$ (7,598)	$ (7,194)	$ (4,161)	$ (11,746)	$ (68,782)
Add back:					
Asset impairment, net (1)	250	—	—	250	—
(Gain) loss on disposition of assets, net (2)	(1,454)	433	2,007	539	(665)
Amortization of debt discount and issuance costs - Convertible Notes	2,420	1,960	1,168	5,967	3,940
Loss on extinguishment of debt (3)	—	—	—	—	46,347
Change in fair value of embedded derivative liability (4)	—	—	—	—	4,265
Gain on extinguishment of derivative (5)	—	—	—	—	(10,765)
Charge related to contract modification (6)	1,147	—	—	1,147	—
Adjusted net loss	$ (5,235)	$ (4,801)	$ (986)	$ (3,843)	$ (25,660)
Adjusted net loss per share	$ (0.37)	$ (0.35)	$ (0.07)	$ (0.27)	$ (2.00)

Non-GAAP Financial Measures (continued)

Reconciliation of Net Loss to EBITDA and Adjusted EBITDA:

	(Unaudited) Three Months Ended			(Unaudited) Nine Months Ended	
	September 30,		June 30,	September 30,	
	2023	2022	2023	2023	2022
(In thousands)					
Net loss	$ (7,598)	$ (7,194)	$ (4,161)	$ (11,746)	$ (68,782)
Add back:					
Income tax (benefit) expense	(844)	(696)	(197)	(1,044)	783
Interest expense	9,222	8,098	8,251	26,192	21,005
Depreciation and amortization	10,229	10,120	11,405	32,488	29,719
Asset impairment, net (1)	250	—	—	250	—
EBITDA	11,259	10,328	15,298	46,140	(17,275)
(Gain) loss on disposition of assets, net (2)	(1,454)	433	2,007	539	(665)
Stock-based and deferred compensation cost	1,953	1,709	1,346	5,137	3,361
Loss on extinguishment of debt (3)	—	—	—	—	46,347
Change in fair value of embedded derivative liability (4)	—	—	—	—	4,265
Gain on extinguishment of derivative (5)	—	—	—	—	(10,765)
Charge related to contract modification (6)	1,147	—	—	1,147	—
Adjusted EBITDA	$ 12,905	$ 12,470	$ 18,651	$ 52,963	$ 25,268

(1) Asset impairment, net, represents impairment of a damaged piece of drilling equipment, net of insurance recoveries.

(2) Gain or loss on disposition of assets, net, represents recognition of the sale or disposition of miscellaneous drilling equipment in each respective period.

(3) Loss on extinguishment of debt in the nine months ended September 30, 2022, related to unamortized debt issuance costs on our prior term loan facility, non-cash structuring fees settled in shares to the affiliates of our prior term loan facility and the fair value of the embedded derivatives attributable to the affiliates of our prior term loan facility in the first quarter of 2022.

(4) Represents the change in fair value of embedded derivative liability between March 18, 2022, and June 8, 2022. The embedded derivative liability was extinguished on June 8, 2022.

(5) Represents the gain on extinguishment of the PIK interest rate feature of the derivative liability.

(6) Represents a contract modification and extension with a customer.