

Q4 2021 Presentation



ODFJELL DRILLING

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- Summary





ODFJELL DRILLING

Odfjell Drilling is a listed international drilling, well service and engineering company with close to 3,000 employees and operations in approx. 20 countries. Odfjell Drilling was established in 1973.

Key Financials Q4 2021

\$ 222 Mill
Revenue

\$ 173 Mill
Cash

\$ 85 Mill
EBITDA

3.0x
Leverage ratio (adj)

\$ 2.1 Bill
Backlog

50%
Equity ratio

Our Businesses

Mobile offshore drilling units



- ✓ Modern fleet of 6th generation high spec and efficient harsh environment units
- ✓ Reduced environmental impact through efficiency and energy optimisation
- ✓ Journey towards zero emission drilling

Well services



- ✓ Tubular running
- ✓ Rental services
- ✓ Well intervention
- ✓ Wired drillpipe
- ✓ Casing drilling

Energy



- ✓ Platform drilling contracts for 16 installations in Norway and the UK
- ✓ Management on harsh environment jack-up drilling rig
- ✓ Engineering & inspection services
- ✓ Innovation and development
- ✓ Green technology



Spinning off Odfjell Technology Ltd



 To be spun-off and listed on Oslo Stock Exchange as a stand-alone entity

Odfjell Drilling Ltd. intends to spin off the Well Services and Energy (Drilling Operations and Engineering) segments (the "Spin Off") into a newly established company, Odfjell Technology Ltd., and to list the shares on the Oslo Stock Exchange.

OTL has successfully issued a NOK ~1,100m of secured bonds and USD 25m in a super senior RCF with proceeds used to carry out internal transactions and to repay the existing USD 150m bank facility related to the businesses being spun off.

Upon completion of the spin-off, the shares in OTL will be distributed to the shareholders in ODL. The ratio for such distribution is expected to be 6:1, i.e. that 6 shares in the Company will give the holder 1 share in OTL rounded downwards to the closest whole share in OTL.

Odfjell Technology is expected to be listed end of March 2022

Splitting into two strong companies to maximise value creation¹



Segments	Mobile Offshore Drilling Units (MODUs)	Well Services, Drilling Operations and Engineering
Capital intensity	Asset heavy	Asset light
Customers	E&P companies and rig owners	E&P companies, rig owners, service companies and other energy related customers
Business model	Medium/long-term contracts	Mix of long-term and short-term contracts, and add-on sales from providing integrated services
Geography	Norway, UK, and other harsh environment regions	Norway, UK, Europe Mainland, the Middle East and Asia
Market drivers	More cyclical following the general oil market	More stable provider of services and equipment throughout the cycle
Capital allocation	Considering accretive growth opportunities and consolidations	Maintain strong balance sheet securing flexibility through the cycles
Listing	To remain listed as Odfjell Drilling (ODL:NO)	Intends to list in Q1 2022

1) The Spin Off is subject to certain conditions, including the Oslo Stock Exchange approving the listing; and Odfjell Technology satisfying the relevant conditions for such listing

Q4 21 - key summary

- **Successful bond issuance and contemplated spin-off**
- **Deepsea Stavanger to drill one more well on the Norwegian Continental Shelf for Lundin**
- **Marketing and management services agreement with Northern Ocean Limited for Mira and Bollsta**
- **Deepsea Yantai secured additional work**
- **Deepsea Nordkapp securing firm operation into Q1 2024 for Aker BP**
- **Equinor exercised Johan Sverdrup and Heidrun platform drilling options**
- **Management services on West Linus**



Mobile Offshore Drilling Units (MODU)

- Continued strong operations

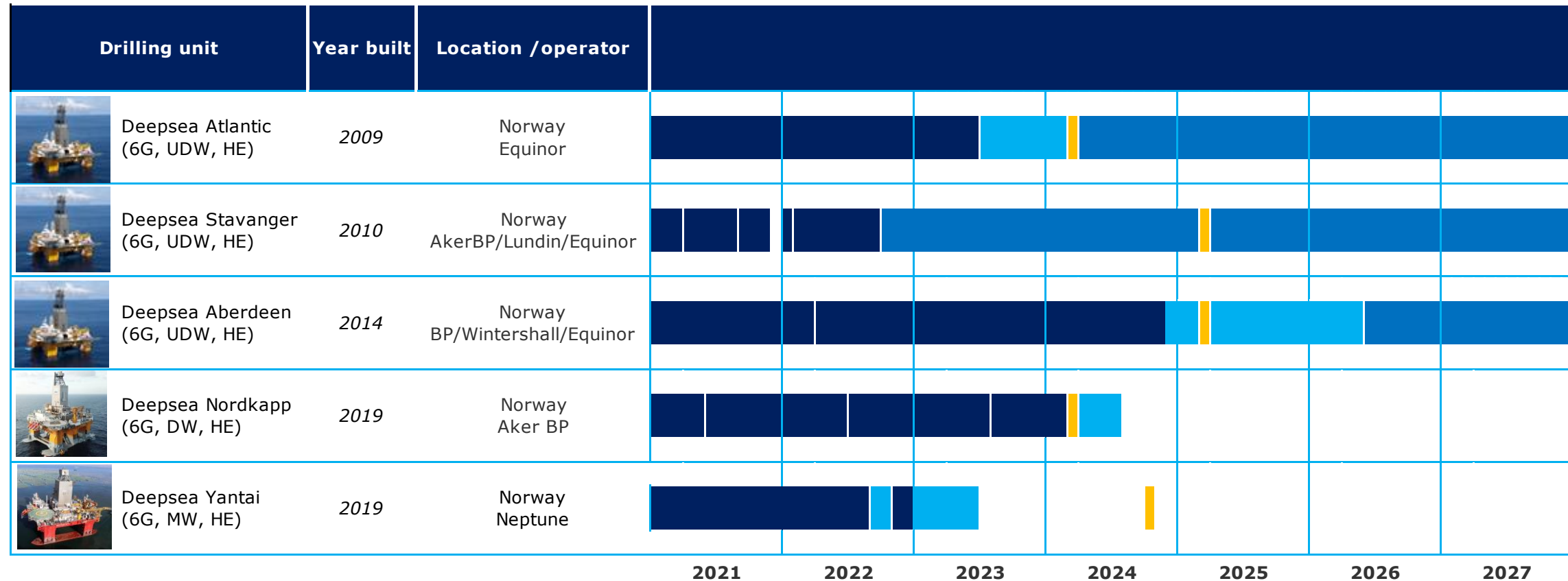
Q4 2021 Financial Utilization

Financial Utilization¹	Q4 21	Q4 20	FY 21	FY 20
Deepsea Stavanger	98.7 %	100.0 %	99.0 %	99.2 %
Deepsea Atlantic	99.3 %	98.3 %	95.5 %	98.9 %
Deepsea Bergen	n/a	n/a	n/a	92.7 %
Deepsea Aberdeen	99.5 %	100.0 %	98.8 %	92.1 %
Deepsea Nordkapp	99.4 %	99.2 %	98.9 %	99.0 %
Deepsea Yantai	80.0 %	90.7 %	92.0 %	93.3 %

1) Financial Utilisation is measured on a monthly basis and comprises the actual recognised revenue for all hours in a month, expressed as a percentage of the full day rate for all hours in a month. Financial Utilization, by definition, does not take into account periods of non-utilisation when the units are not under contract. The calculation does not include any recognised incentive payments.

Mobile Offshore Drilling Units (MODU)

- Contract status



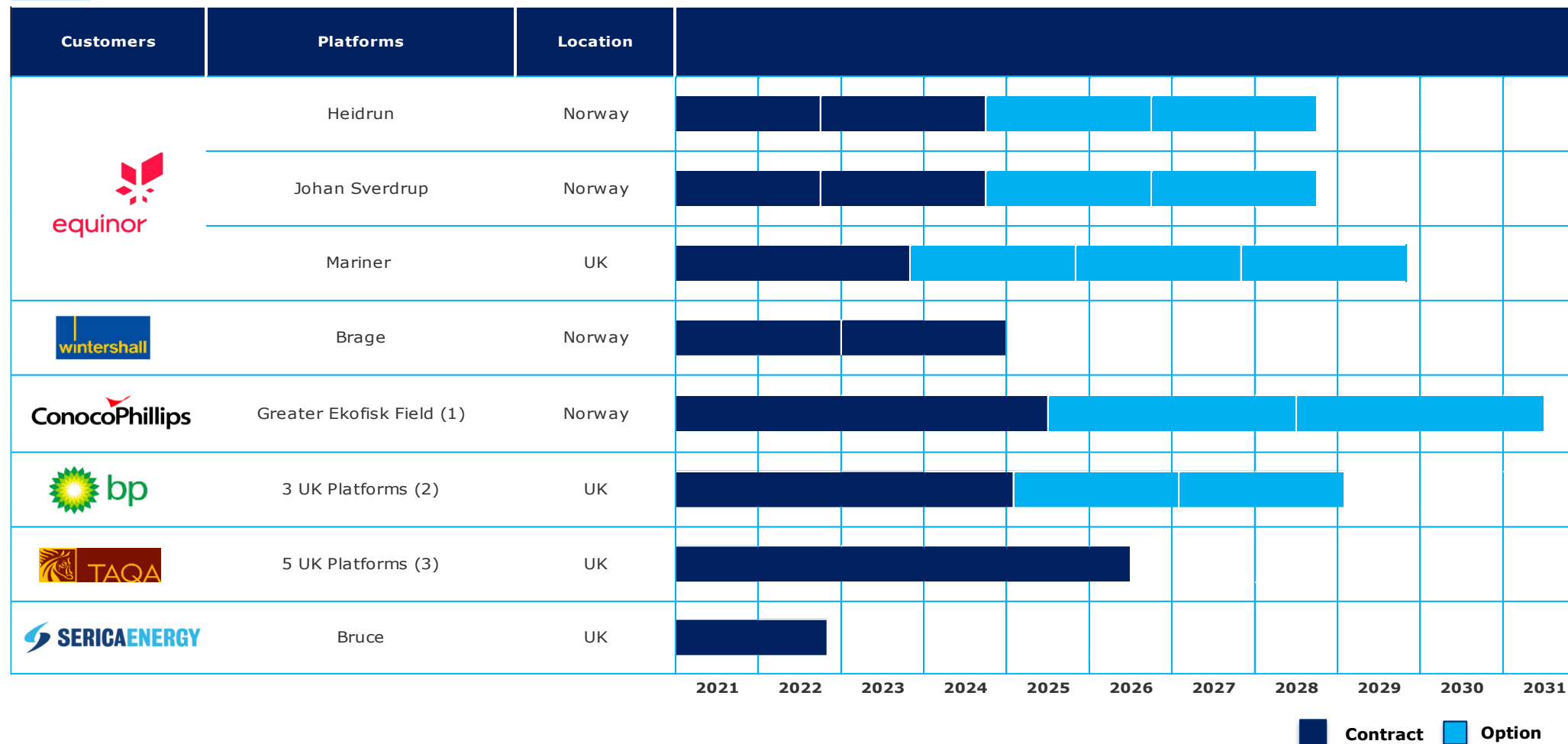
Firm MODU contract backlog at 31 December 2021 of USD 0.8 billion with additional priced options valued at USD 0.3 billion**

* Base rate excluding any bonus element. Rates may include mix of currencies and fluctuate based on exchange rates.
 ** The backlog does not include management revenue from Deepsea Yantai

Other definitions: 6G: Sixth generation, MW: Mid water, DW: Deep water, UDW: Ultra deep water, HE: Harsh environment

Energy – Platform Drilling

- Portfolio secured by medium to long-term contracts



Firm contract backlog of USD 0.4 billion at 31 December 2021
Value of priced optional periods of USD 0.5 billion*

- 1) Eldfisk B, Ekofisk X, Ekofisk K
- 2) Clair, Andrew, Clair Ridge
- 3) North Cormorant, Harding, Tern Alpha, Brae Alpha and East Brae

* The backlog calculation is subject operational activity. Rates may include mix of currencies and fluctuate based on exchange rates.

Well Services

- Global presence and diversified service lines

Product Lines



Well Intervention Services

- Wellbore Clean-Up
- Fishing & Milling
- Casing Exits / Side-tracking
- Plug & Abandonment
- Rigless Intervention



Drilling Tool Services

- Wired Drill Pipe
- Smart Circulation Tools
- Drilling Tubulars and Tubular Handling Equipment
- Downhole Tools



Tubular Running Services

- Conventional & Remote-Operated Tubular Running
- Top Drive Casing Running (CRT) and Chrome Handling
- Fully Integrated TRS with Rig
- Casing Accessories



Casing Drilling Services

- Directional Casing Drilling
- Non-Directional Casing Drilling
- High Speed Casing Reaming

Key Figures

~500
Employees

40
Years Experience

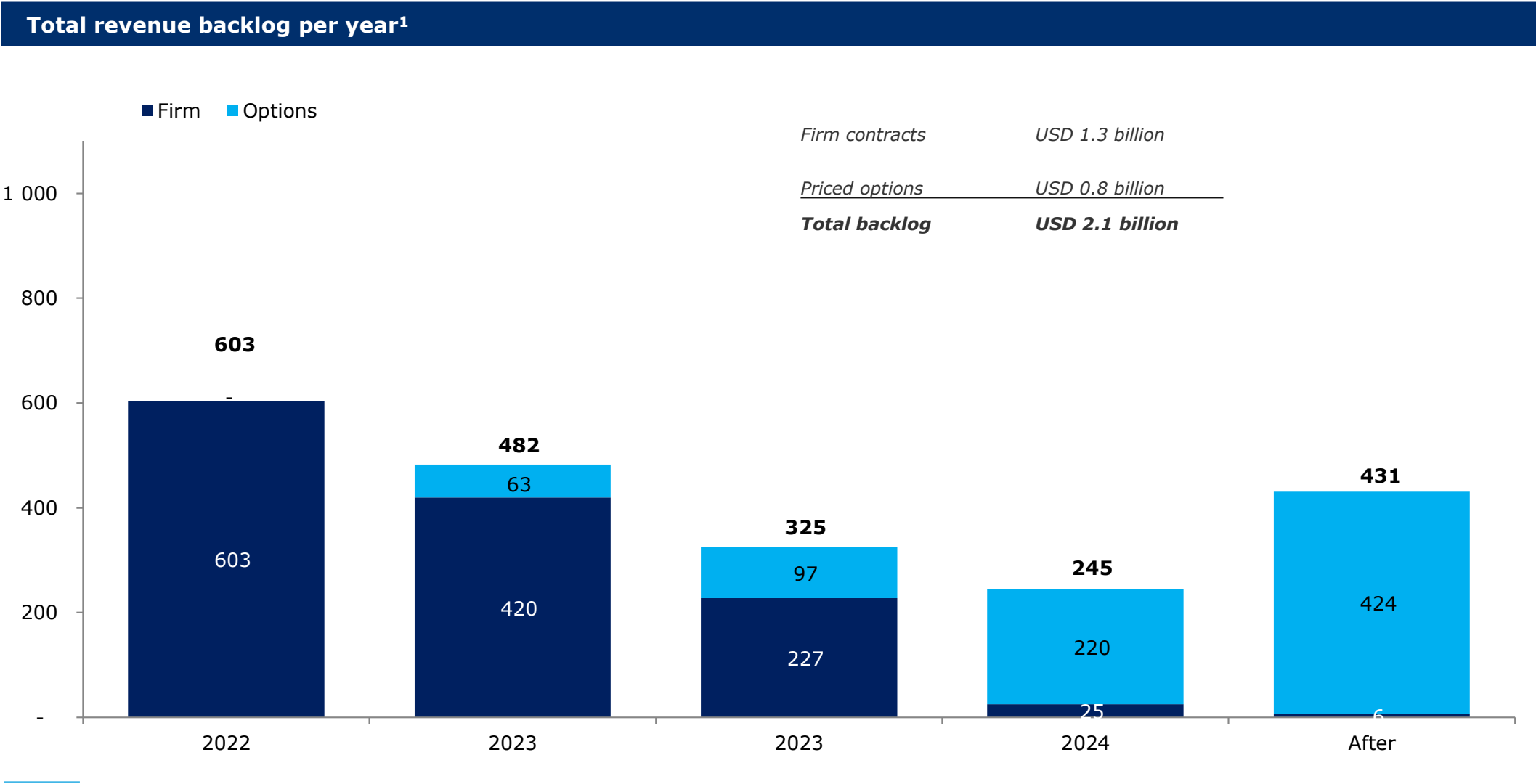
20+
Countries

12
Operational Bases

200+
Customers Worldwide

5.4/6
Customer Rating
(Average, last 5 years)

Earnings visibility through USD 2.1 billion order backlog



1) Estimates at 31 December 2021. Revenue from frame agreements and call-off contracts in Well Services and revenue from Technology and MODU Management is not included in the backlog.

Market outlook

General

- Increased appetite for field development and production across the segment, with the exception of some regional differences
- Need for continued exploration and production of oil and gas to bridge the increasing energy demand as new energy sources take time to implement
 - => **Market has developed positively in recent years due to a strong focus on cost discipline and more efficient operations, together with oil price recovery**

MODU

- Improved activity in the global rig market – industry consolidation coupled with improved market fundamentals have resulted in positive outlook for global offshore industry
- Harsh environment markets are closer to supply/demand balance
- Present dayrate and market activity level do not support any newbuild activity based on expected capital return for the short to medium term
- Norwegian tax incentive scheme has increased activity on the NCS
- Preference by E&P companies for high-spec and efficient 6G units
- => **Continued strong demand for ODL fleet**

Well Services

- Increased market demands are expected for OWS on global basis as number of rigs in operations are increasing
- Operational activity in Norway continues to increase, and we expect in the short to medium term to face an overall increase in all geographical areas of Well Services
 - => **Increased activity levels are expected**

Energy

- More tendering within the platform drilling market and additional activities within maintenance and upgrades are expected
- Focus on new service areas with ambition to expand the Energy service portfolio
 - => **Positive market outlook**

Financial information



ODFJELL DRILLING
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Group summary financials

Condensed consolidated income statement

P&L - (USD million)	Q4 21	Q4 20	FY 21	FY 20
Operating revenue	222	355	864	930
Other gains/losses	7	2	8	3
Personnel expenses	-102	-112	-403	-340
Other operating expenses	-42	-75	-165	-172
EBITDA	85	171	304	420
Depreciation	-46	-44	-182	-204
Operating profit (EBIT)	39	127	122	216
Net financial items	-10	-20	-44	-71
Profit/(loss) before tax	29	107	78	146
Income taxes	-1	1	-4	-2
Profit/(loss) for the period	28	108	74	143

Segment reporting

- MODU financials

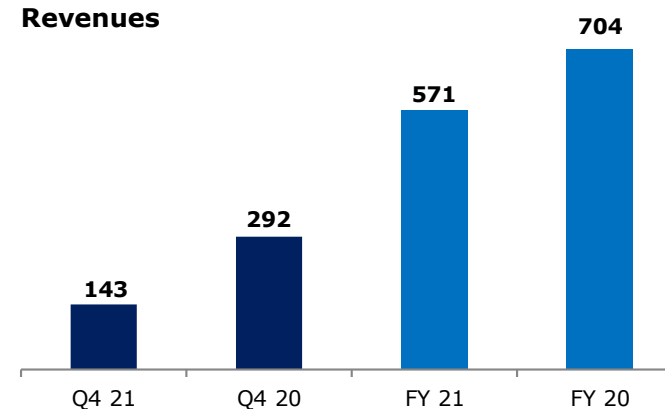
MODU

Condensed P&L - (USD million)	Q4 21	Q4 20	FY 21	FY 20
Operating revenue	143	292	571	704
EBITDA	74	161	265	375
Depreciation and impairments	-39	-35	-149	-169
EBIT	35	126	116	206
Book value rigs	1 976	2 089	1 976	2 089
EBITDA-margin	51,8 %	55,1 %	46,4 %	53,3 %
EBIT-margin	24,3 %	43,2 %	20,3 %	29,2 %
Share of group revenue ¹	60,8 %	80,1 %	63,3 %	73,1 %
Share of group EBITDA ¹	83,9 %	92,9 %	85,9 %	88,8 %
Share of group EBIT ¹	81,7 %	95,8 %	86,1 %	90,4 %

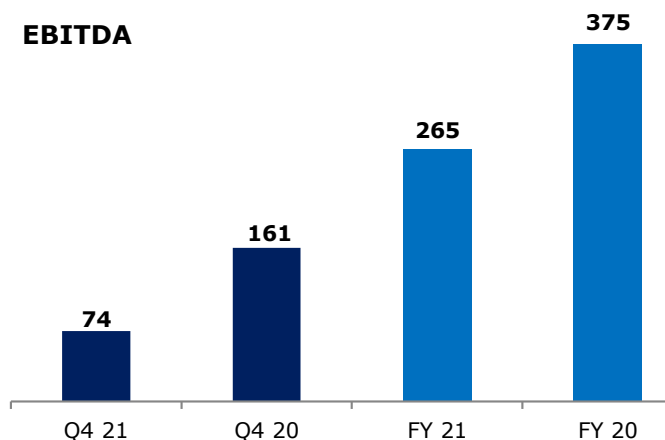
1) Before group eliminations and corporate overheads

Key Financials (USD million)

Revenues



EBITDA



Segment reporting

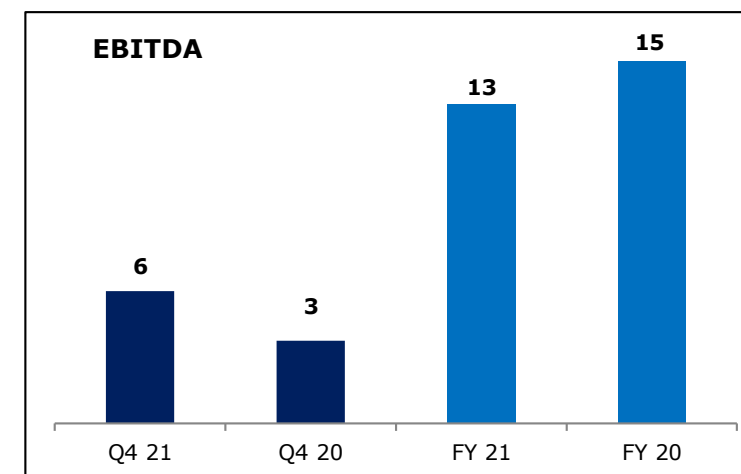
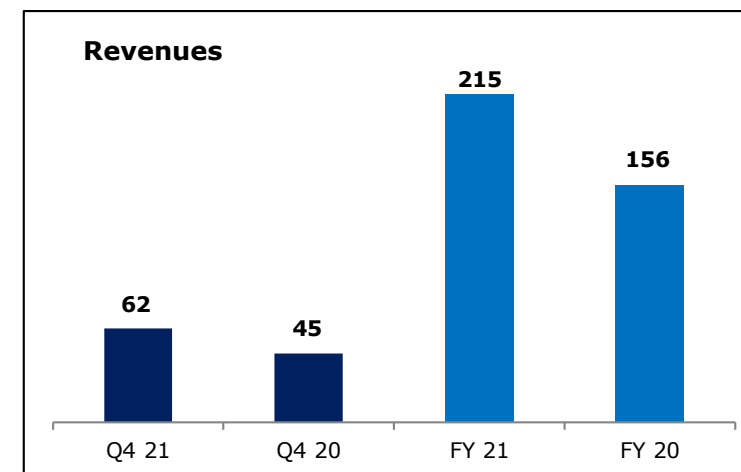
- Energy financials

Energy

Condensed P&L - (USD million)	Q4 21	Q4 20	FY 21	FY 20
Operating revenue	62	45	215	156
EBITDA	6	3	13	15
Depreciation and impairments	-0	-0	-0	-0
EBIT	6	3	13	15
EBITDA-margin	9,0 %	7,7 %	6,2 %	9,8 %
EBIT-margin	9,0 %	7,7 %	6,2 %	9,7 %
Share of group revenue ¹	26,2 %	12,4 %	23,9 %	16,2 %
Share of group EBITDA ¹	6,3 %	2,0 %	4,3 %	3,6 %
Share of group EBIT ¹	13,0 %	2,6 %	9,9 %	6,6 %

1) Before group eliminations and corporate overheads

Key Financials (USD million)



Segment reporting

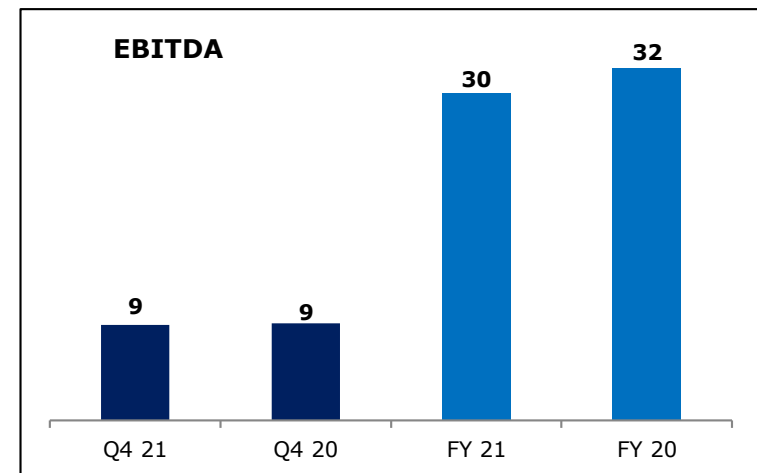
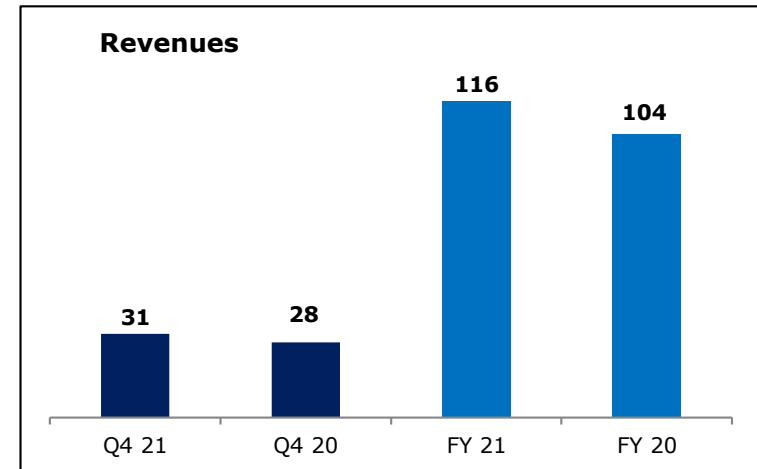
- Well Services financials

Well Services

Condensed P&L - (USD million)	Q4 21	Q4 20	FY 21	FY 20
Operating revenue	31	28	116	104
EBITDA	9	9	30	32
Depreciation and impairments	-6	-7	-25	-25
EBIT	2	2	5	7
Book value of equipment	86	69	86	69
Cost price for equipment in use	408	377	408	377
EBITDA-margin	28,6 %	32,2 %	25,9 %	31,1 %
EBIT-margin	7,4 %	7,7 %	4,7 %	6,6 %
Share of group revenue ¹	13,0 %	7,6 %	12,8 %	10,8 %
Share of group EBITDA ¹	9,9 %	5,1 %	9,7 %	7,6 %
Share of group EBIT ¹	5,3 %	1,6 %	4,0 %	3,0 %

1) Before group eliminations and corporate overheads

Key Financials (USD million)



Group

- eliminations, corporate overhead & net financial items

Group – eliminations, corporate overhead & net financial items

(USD million)	Q4 21	Q4 20	FY 21	FY 20
EBIT - MODU	35	126	116	206
EBIT - Energy	6	3	13	15
EBIT - Well Services	2	2	5	7
EBIT for reportable segments	43	132	135	228
Eliminations/corporate	-4	-5	-13	-11
Group EBIT	39	127	122	216
Net financial items	-10	-20	-44	-71
Group profit before tax - Consolidated Group	29	107	78	146

Summary statement of financial position

Group statement of financial position

Assets (USDm)	31.12.21	31.12.20
Deferred tax asset	1	1
Intangible assets	29	29
Property, plant and equipment	2 109	2 203
Financial fixed assets	8	3
Total non-current assets	2 147	2 236
Trade receivables	155	162
Contract assets	10	10
Other current assets	31	26
Cash and cash equivalents	173	207
Total current assets	368	405
Total assets	2 515	2 640

- Group's gross interest bearing debt was USD 1,036 million (net of capitalized financing fees) at 31 December 2021.
- USD 173 million in cash and cash equivalents at 31 December 2021.
- Equity-ratio of 50% at 31 December 2021.

Equity and liabilities (USDm)	31.12.21	31.12.20
Total paid-in capital	565	565
Other equity	703	633
Equity attributable to owners of ODL	1 268	1 198
Non-controlling interests	-	1
Total equity	1 268	1 199
Non-current interest-bearing borrowings	875	696
Non-current lease liabilities	38	37
Post-employment benefits	6	7
Non-current contract liabilities	6	4
Other non-current liabilities	4	17
Total non-current liabilities	929	760
Current interest-bearing borrowings	161	516
Current lease liabilities	8	8
Contract liabilities	22	14
Trade payables	43	53
Other current liabilities	84	92
Total current liabilities	318	682
Total liabilities	1 247	1 442
Total equity and liabilities	2 515	2 640

Summary statement of cash flow

Group statement of cash flow

Cash Flow - (USDm)	Q4 21	Q4 20	FY 21	FY 20
Profit before income tax	29	107	78	146
Adjustment for provisions and other non-cash elements	59	67	230	267
Change in working capital	33	-0	0	3
Cash from operations	121	173	308	416
Interest paid	-12	-15	-50	-67
Income tax paid	-0	-1	-2	-3
Net cash from operations	109	157	257	346
Purchase of property, plant and equipment	-19	-33	-98	-114
Other cash flows from investment activities	0	2	0	1
Net cash used in investing activities	-19	-31	-97	-113
Net change in debt	-47	-67	-178	-183
Other financing	-4	-3	-10	-10
Net cash from financing activities	-51	-71	-189	-193
Net change in cash and cash equivalents	39	56	-30	39
Cash and cash equivalents at period start	135	149	207	170
FX gains/(losses) on cash and cash equivalents	-1	2	-4	-2
Cash and cash equivalents at period end	173	207	173	207

Summary Q4 2021

SPIN-OFF:

- Announced strategic move to split the Odfjell Drilling Group into two separate entities by end of Q1 2022

MODU:

- Added two new management units to the fleet
- Continue to build backlog and be a preferred partner in the harsh environment
- Attractive harsh environment assets and healthy outlook

Energy:

- Equinor exercised platform drilling contracts on Johan Sverdrup and Heidrun
- Management services on West Linus
- Focus to develop the service portfolio into new areas

Well Services:

- Increased activity in Norway and MEAA

Key Financials:

- Earnings visibility through USD 2.1 billion order backlog
- Continue to deleverage
- Sound cash position





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Next event:

Q1 2022 results tentatively scheduled to be published 31 May 2022

For more information see: www.odfjelldrilling.com



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