



Summary of Completed Refinancing

3 July 2023



Refinancing in Brief

Summary

- Odfjell Drilling has completed its planned refinancing through the issuance of a secured bond and through amending, extending and securing bank facilities
 - Raised USD 390 million via a significantly oversubscribed rated bond, maturing in May 2028
 - The Company and the Bonds have been rated by S&P and Moody's with ratings of B+ / BB (S&P) and B2 / B2 (Moody's), respectively
 - The bond is secured by standard first lien security related to the Deepsea Aberdeen and Deepsea Atlantic, as well as guaranteed by Odfjell Drilling Ltd and various subsidiaries
 - Amended and extended USD 197 million Deepsea Nordkapp facility to January 2029 with commercial tranche and export credit agency tranche
 - Secured USD 300 million bank facility on Deepsea Stavanger, maturing in February 2028
 - USD 125 million term loan tranche
 - USD 175 million reducing revolving credit facility, an increase of USD 15 million from the announcement made on 8 May 2023
- Existing bank facilities have been prepaid and any material maturities have been removed until 2028
- New capital structure gives the Company significant flexibility to achieve its long-term strategic goals
- New facilities allow for dividend and shareholder distributions
- Reduced amortisation together with increasing day rates significantly increases free cash flow generation
- Proceeds from the Stavanger term loan tranche (USD 125m) shall be made available in due course upon final license approval of the contract with Aker BP for Deepsea Stavanger and used to repay the Aker BP loan (USD 95m)
- Samsung yard credit will be repaid by January 2024 with cash from balance sheet

1) RCF not fully drawn at closing, illustratively shown on a fully drawn basis

2) Total figures exclude lease liabilities of USD 62m related to real estate and various equipment

3) Amortisation made after end Q1, covered by cash flow generation in the period

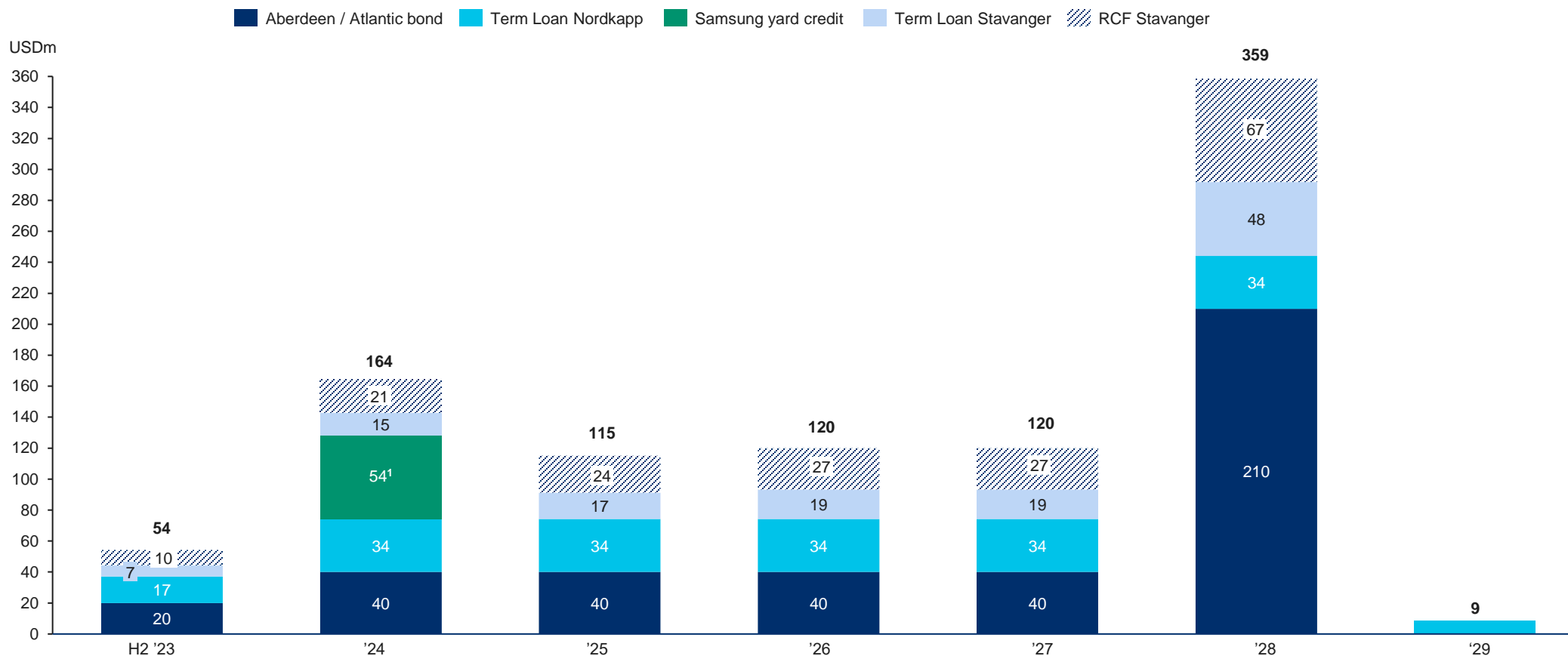
Sources and uses

Sources of funds	USDm	Uses of funds	USDm
Bond issue - Aberdeen & Atlantic	390	Repayment of senior loans	550
Bank facility Nordkapp - Term Loan	197	Repayment of junior loan	100
Bank facility Stavanger - RCF tranche ¹	175	Repayment of Aker BP loan	95
Bank facility Stavanger - Term loan tranche	125	Repayment of Akastor seller's credit	20
Samsung yard credit	51	Samsung yard credit	51
		Cash to balance sheet	122
Total sources	938	Total uses	938

Capitalisation structure

USDm	Q1 2023	Amortisation	Adjustments	Pro forma
Senior loans	559	(9)	(550)	-
Junior loan	100	-	(100)	-
Aker BP loan	95	-	(95)	-
Samsung yard credit	51	-	-	51
Akastor seller's credit	20	-	(20)	-
Bond issue - Aberdeen & Atlantic	-	-	390	390
Bank facility Nordkapp - Term Loan	-	-	197	197
Bank facility Stavanger - RCF tranche ¹	-	-	175	175
Bank facility Stavanger - Term Loan tranche	-	-	125	125
Total interest-bearing debt²	825	(9)³	122	938
Available liquidity ¹	138	-	122	260
Total net interest-bearing debt	687	-	-	678

No significant debt maturities until 2028

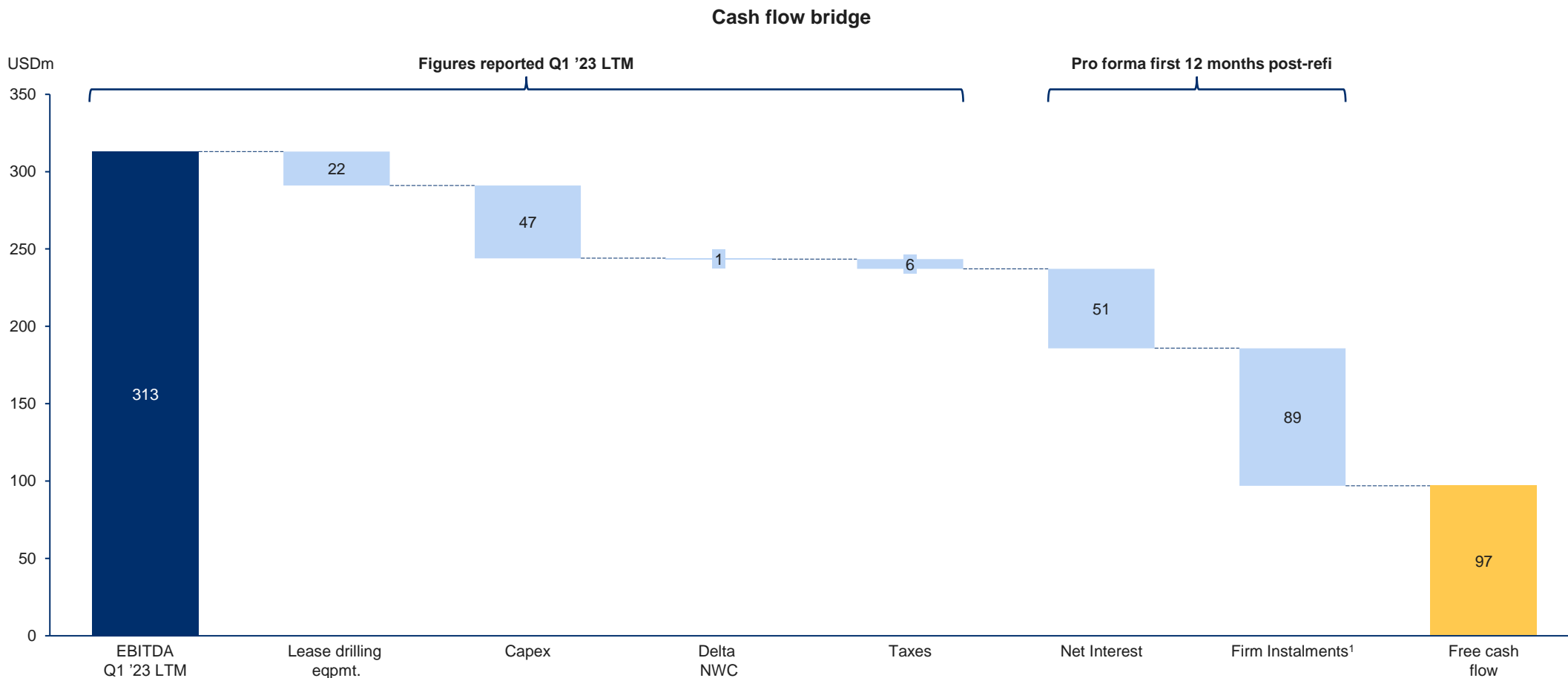


Reduced amortisation together with increasing day rates significantly increases free cash flow generation

1) USD 51m outstanding as of April 2023, USD 54m at maturity including accrued interest

Illustrative example of impact on cash flow generation

Significant free cash flow generation



1) Not including RCF reductions and repayment of Samsung yard credit

Summary of credit agreements

	USD 390m senior secured 1 st lien bond (Aberdeen & Atlantic)	USD 197m senior secured term loan facility (Nordkapp)	USD 175m senior secured revolving credit facility (Stavanger RCF tranche)	USD 125m senior secured credit facility (Stavanger term loan tranche)
Borrower:	Odfjell Rig III Ltd	Odfjell Rig V Ltd	Odfjell Invest Ltd	Odfjell Invest Ltd
Guarantors:	Odfjell Drilling Ltd and various subsidiaries	Odfjell Drilling Ltd and various subsidiaries	Odfjell Drilling Ltd and various subsidiaries	Odfjell Drilling Ltd and various subsidiaries
Collateral Rigs:	Deepsea Aberdeen and Deepsea Atlantic	Deepsea Nordkapp	Deepsea Stavanger	Deepsea Stavanger
Interest:	9.25% p.a., payable semi-annually	The bank facilities carry an average interest rate of SOFR + 324 bps		
Loan principle:	USD 390m	USD 197m	USD 175m	USD 125m
Maturity:	May 2028	January 2029	February 2028	February 2028
Amortisations:	USD 20.00 million semi-annually	USD 8.55m per quarter	Quarterly. Please see page 3	Quarterly. Please see page 3
Financial Covenants:	<ul style="list-style-type: none"> i. Equity Ratio \geq 30% ii. Free Liquidity \geq USD 50m iii. Current Ratio \geq 1.0x 	<ul style="list-style-type: none"> i. Equity Ratio \geq 30% and Equity \geq USD 600m ii. Leverage Ratio \leq 5.0x iii. Current Ratio \geq 1.0x iv. Free Liquidity \geq USD 50m and Total Liquidity \geq 5% of IBD 	<ul style="list-style-type: none"> i. Equity Ratio \geq 30% and Equity \geq USD 600m ii. Leverage Ratio \leq 3.0x iii. Current Ratio \geq 1.0x iv. Free Liquidity \geq USD 50m and Total Liquidity \geq 7.5% of IBD 	<ul style="list-style-type: none"> i. Equity Ratio \geq 30% and Equity \geq USD 600m ii. Leverage Ratio \leq 3.0x iii. Current Ratio \geq 1.0x iv. Free Liquidity \geq USD 50m and Total Liquidity \geq 7.5% of IBD
Distribution restrictions:	<ul style="list-style-type: none"> i. Leverage ratio \leq 3.00 (reducing to 2.00 from December 2025) ii. Total cash (including undrawn RCF) \geq \$150 million (reducing to \$100 million after completion of the Company's final Special Periodic Survey in H1 2025) 	<ul style="list-style-type: none"> i. Leverage Ratio \leq 3.0x ii. Free cash \geq \$75 million 		

Strategic Priorities Remain



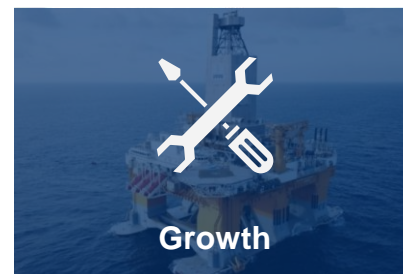
Attaining long-term contracts with reputable counterparties

- ✓ Continue delivering the highest standard of operational excellence
- ✓ Focus on adding and optimising backlog to both own and external fleet
- ✓ Continue to build on strong customer relationships with reputable counterparties
- ✓ Maintain a balanced portfolio of medium to long-term contracts



Robust balance sheet and conservative capital allocation

- ✓ Maintain a robust balance sheet, with continuous deleveraging (net debt to EBITDA) over time, and solid liquidity to navigate the cycles and capture attractive growth opportunities
- ✓ Maintain a prudent capital allocation policy, with future shareholder distributions to reflect cash flow visibility, market and financial outlook
- ✓ Continue monitoring and reducing financial risks such as interest rate risk, foreign exchange risk and tax risk



Solidify and grow on leading market position

- ✓ Evaluate opportunities to expand the fleet, customer base and geographic footprint in a commercially secure manner and subject to visibility of contracts and cash flow
- ✓ Utilise the flexibility of the existing asset base to enter new markets and geographical regions which are also suitable for harsh-environment deepwater rigs
- ✓ Secure additional contract opportunities at attractive economics in an increasing dayrate environment



Continue focusing on ESG and our low-emission agenda

- ✓ Committed to net zero emissions by 2050, with significant investments in carbon-efficiency projects across the fleet
- ✓ Zero incidents ambition in all aspects of operations, safeguarding the security of all assets and personnel across all locations
- ✓ Clients, contractors, suppliers, agents and other third parties subject to risk assessments, including zero-tolerance for corruption and stand-alone human rights policy

Summary

GOALS ACHIEVED

- Planned refinancing successfully completed, achieving the Company's intended goals
- Existing bank facilities prepaid, removing any significant debt maturity until 2028
- Shareholder distributions are now allowed, with the Company planning to communicate an updated shareholder distribution policy with our Q2 2023 results on the 23rd of August 2023

BUSINESS STRENGTHENED

- Diversified stakeholders following significant interest shown in the Company throughout the process, with the Bond oversubscribed and the bank facilities agreed with new and existing lenders
- New capital structure gives the Company significant flexibility to achieve its long-term strategic goals
- Reduced amortisation together with increasing day rates significantly increases free cash flow generation





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