



# Q4 2023 and Year End 2023 Results Presentation

15 February 2024



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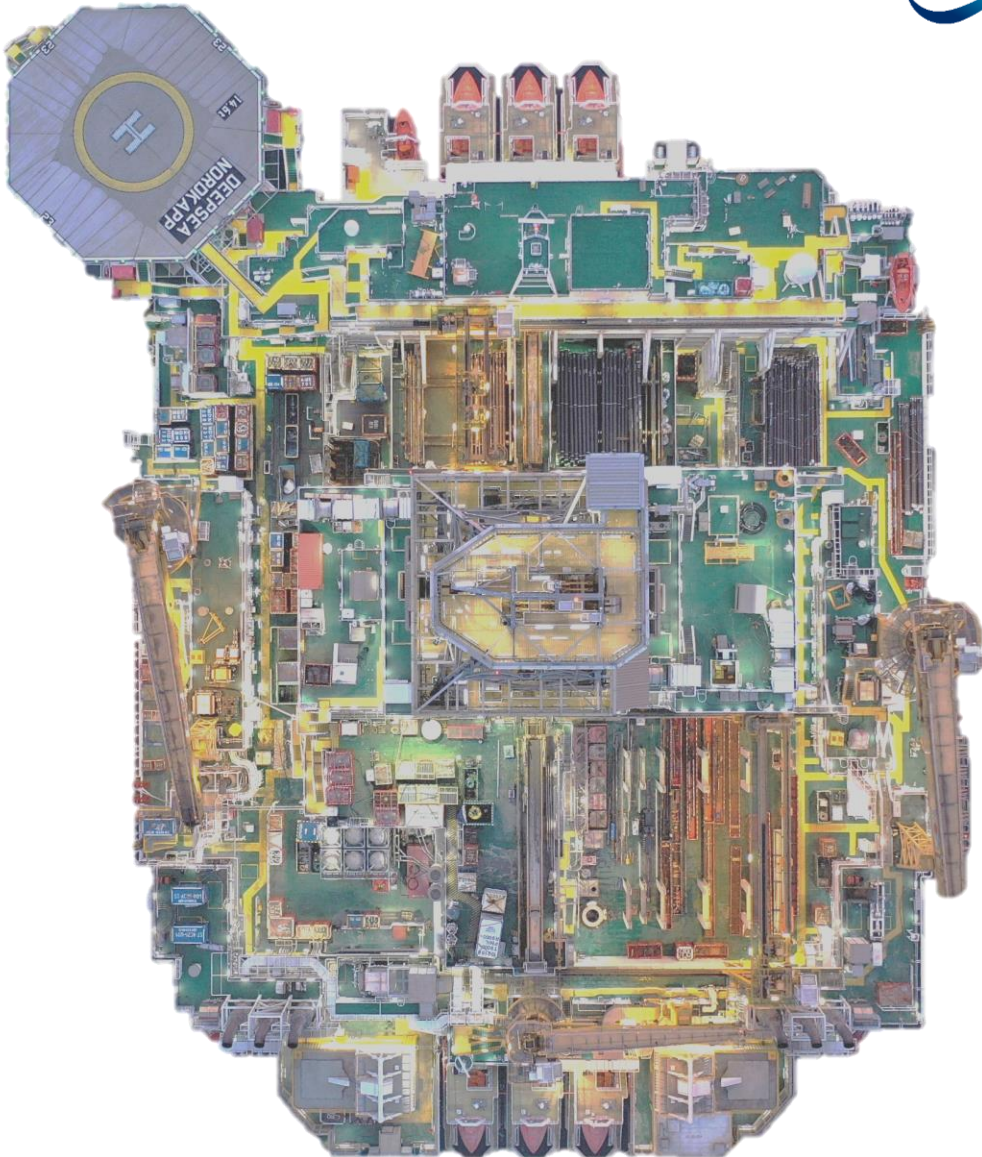
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# Agenda

- 1** Q4 Highlights
- 2 Operational Review
- 3 Financial Review
- 4 Summary



## Significant Activity Across Odfjell Drilling

### Strong financial performance, despite unplanned downtime

- Q4 Revenue of USD 192 million (2023 Revenue of USD 732 million)
- Q4 EBITDA of USD 83 million (2023 EBITDA of USD 329 million)
- Financial utilisation of 94.5% impacted by downtime on Deepsea Stavanger

### USD 2bn of Firm Backlog Secured

- Order Backlog of USD 2.1 billion

### High Value Firm Contracts Secured

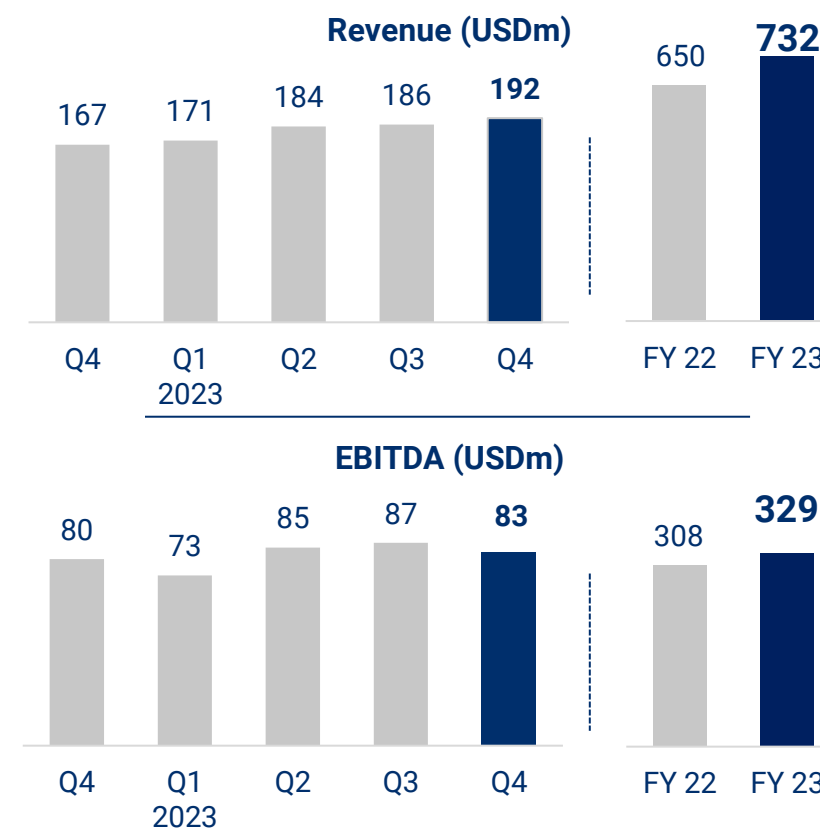
- Deepsea Aberdeen secured contracts with Equinor for 10 months for a total contract value of USD 138 million
- Deepsea Nordkapp contract with Aker BP amended and extended. Additional year agreed with a total contract value of USD 179 million

### Successfully completed SPS

- Deepsea Nordkapp SPS completed entirely at sea with no downtime

### Q4 DIVIDEND (USD)

## USD 14.2 m



# Agenda

1

Q4 Highlights

2

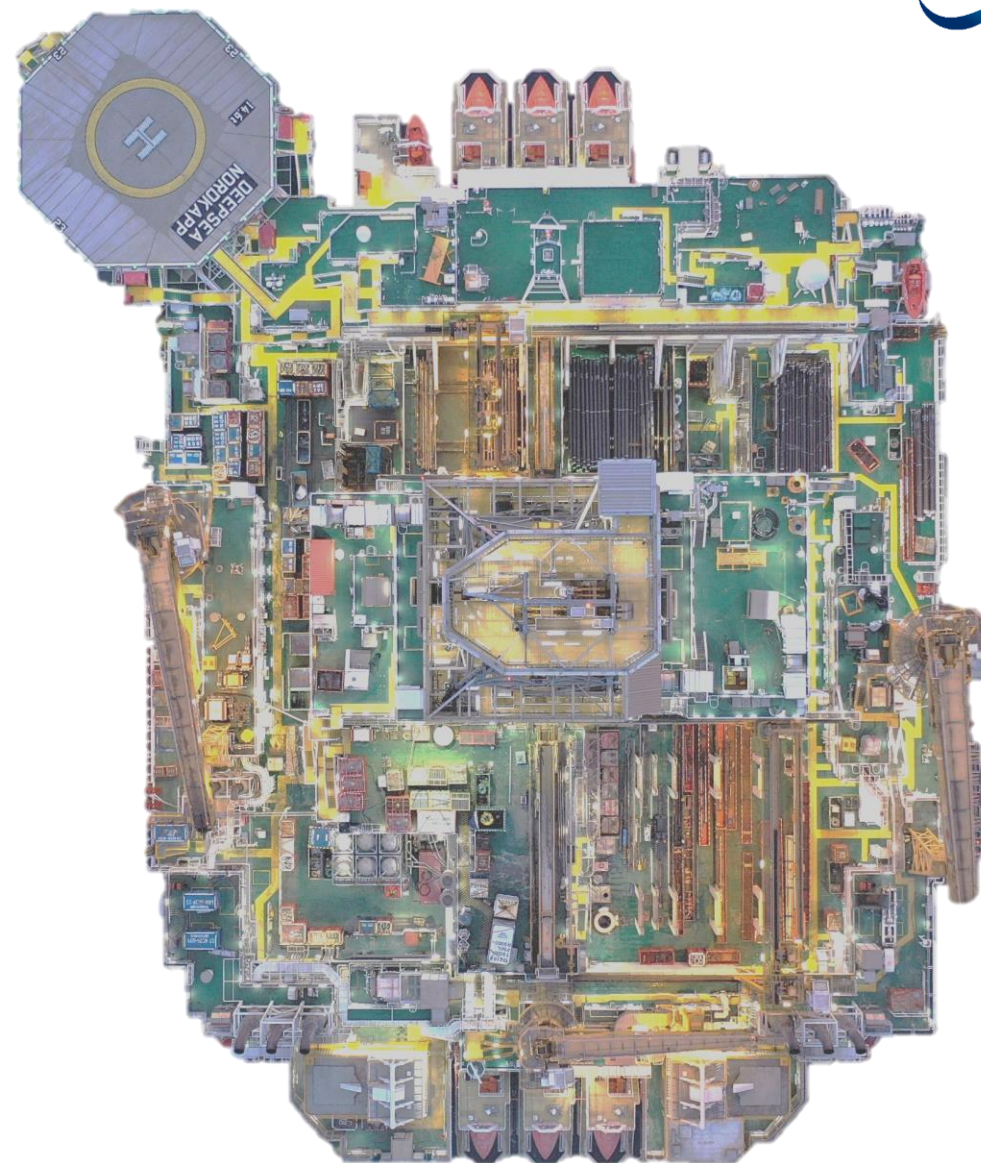
**Operational Review**

3

Financial Review

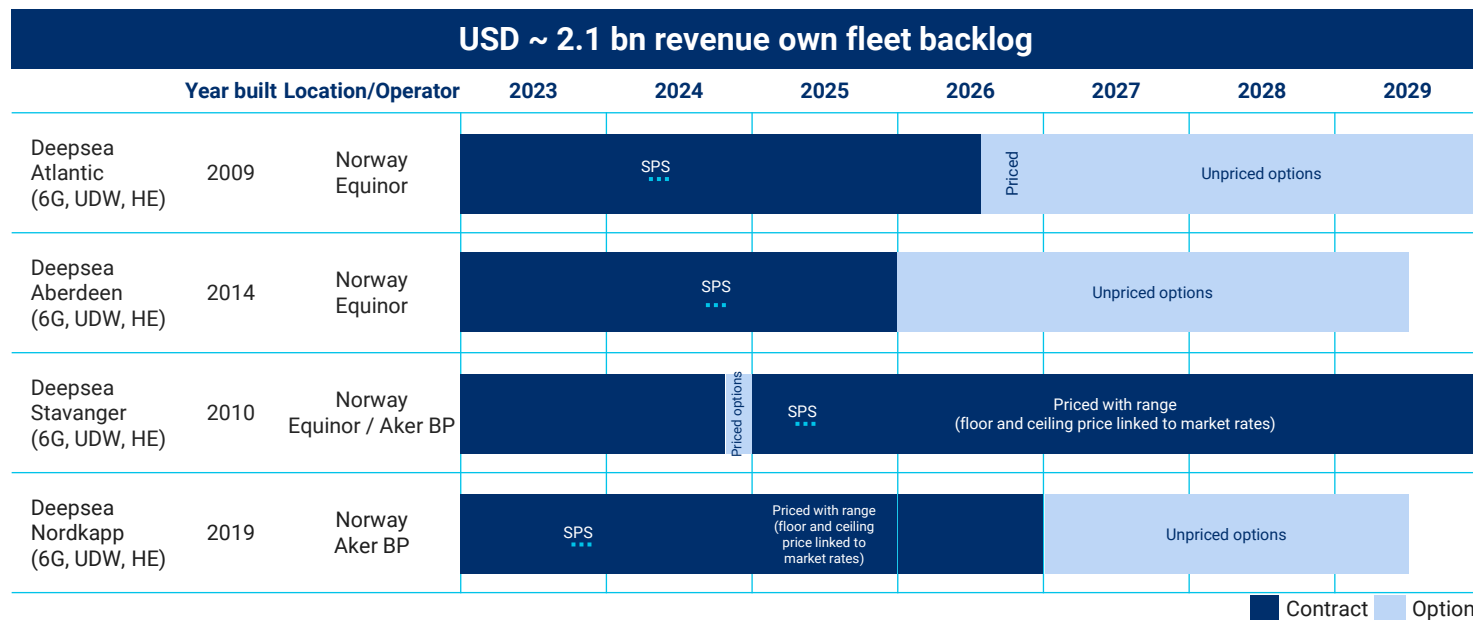
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Summary





# Fully Deployed, Strong Backlog Coverage



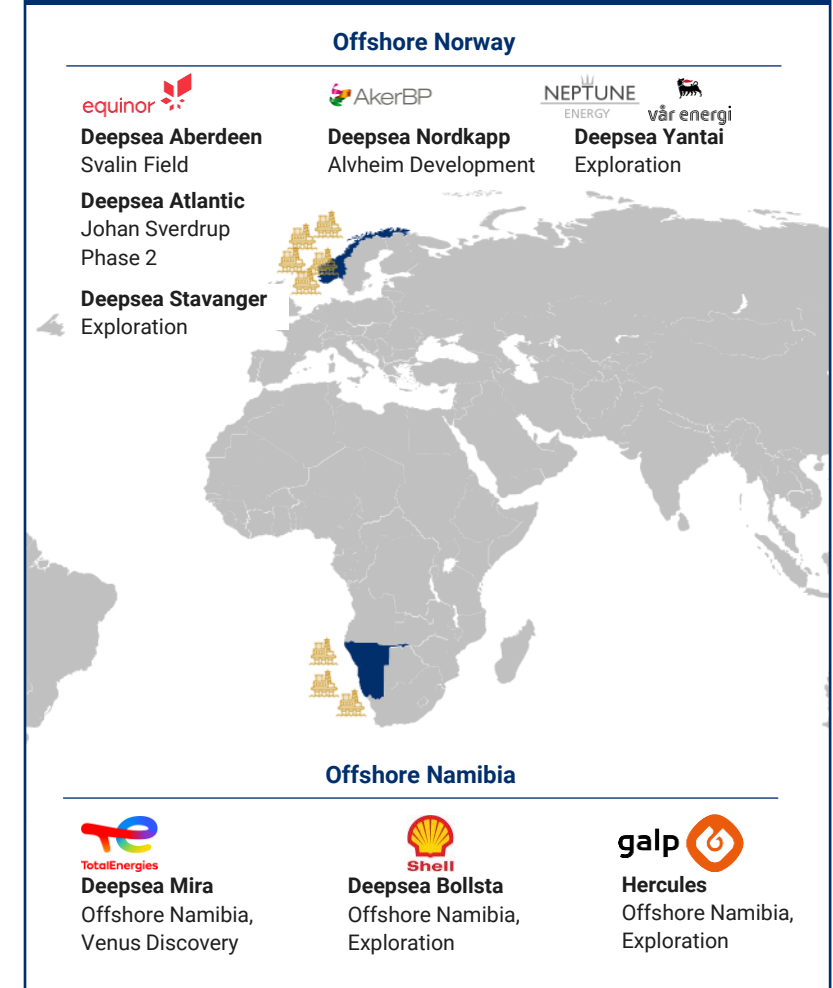
**Contracts Secured During 2023**

Rig	Client / Location	Contract Value (USD)	Length	Start Date
Deepsea Nordkapp	Aker-BP, Norway	179 million	12 months	2026
Deepsea Aberdeen	Equinor, Norway	130 million	10 months	Q1 2025
Deepsea Atlantic	Equinor, Norway / UK	290 million	23 months	H1 2024

**Own fleet backlog**

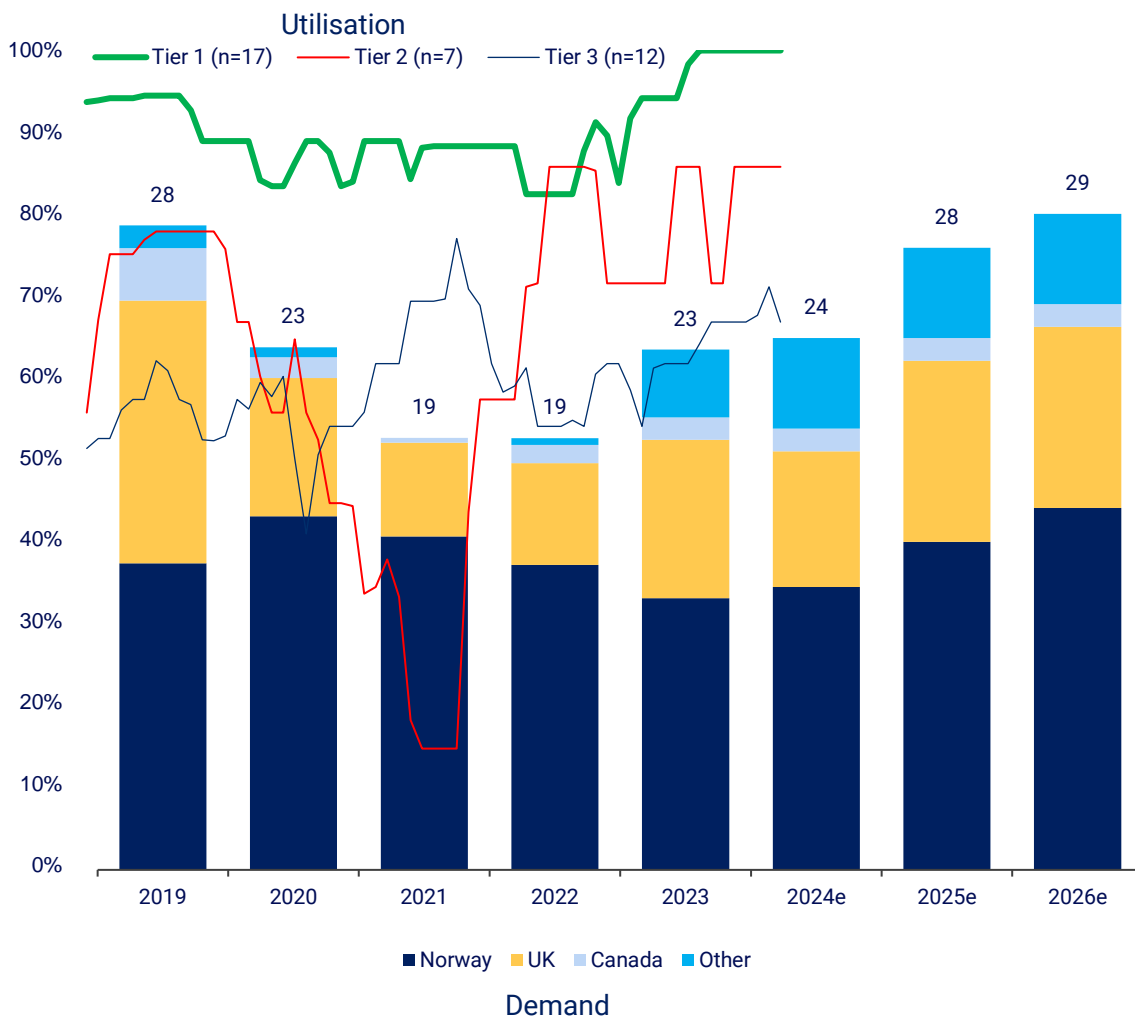


**Current Fleet Location**



# Market Dynamics Persisting in the Medium to Long Term

## Semi-Submersible Unit Demand vs Utilisation



Source: Arctic Securities

## Clear Preference for Tier 1 Units Remains

- Preference for Tier 1 HE semi submersibles among clients
  - Higher performance, operability and flexibility
  - Delivering lower total well costs
- Utilisation rates for tier 1 units has rarely dropped below 80% even in low demand scenarios.

## Demand Looks Strong in 2026

- Total demand in 2026 increased on current total demand in 2024
- Demand from Norway in 2026 is estimated to increase
- International opportunities remain
- Namibian future demand encouraged by recent exploration success and the amount of operators in the area continues to increase
- We maintain our view of increased demand in the medium and long term, resulting in a longer and more resilient upcycle for the industry

# SPS and Capex Update

## Deepsea Nordkapp Completed SPS

- First rig to complete SPS in the North Sea without taking the rig to shore
- During SPS, the rig was in full operation with no QHSE incidents
- Unit achieved Financial Utilisation during the period of 99%
- Made possible through close co-operation with Classification Society, DNV and the Aker BP drilling alliance
- Total cost in line with estimates, with circa 50% of total capex paid for Deepsea Nordkapp

## Remaining SPS Programs

- Average capex allocation of approximately USD 40 – 45 million per unit
- Off-hire time between 2 - 4 weeks

## SPS Schedule

Deepsea Nordkapp



Completed

Deepsea Atlantic



Deepsea Aberdeen



Deepsea Stavanger



One down, Three to go

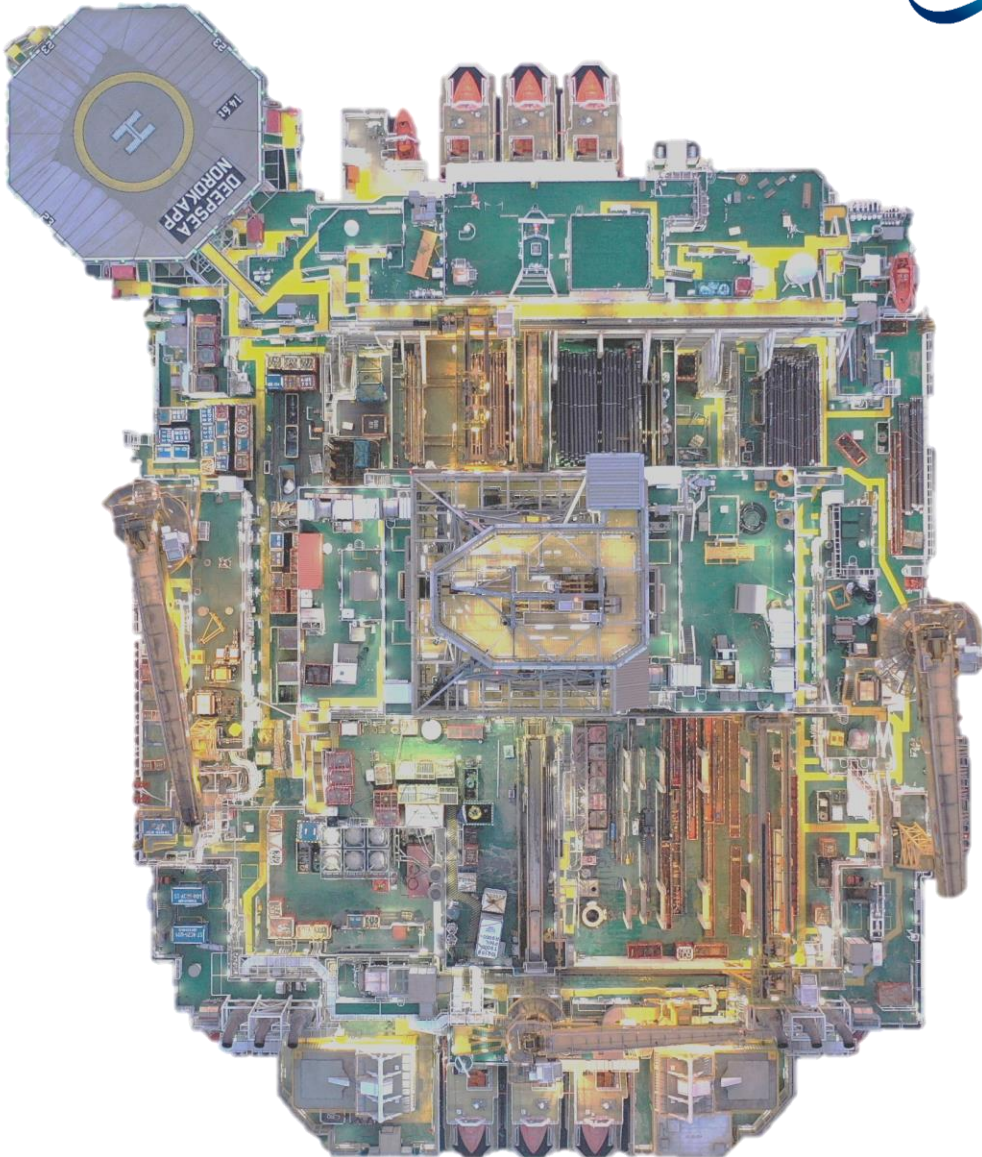
## Other Capex

- Average annual maintenance Capex of USD 3-5m per rig
- Deepsea Atlantic BOP, with an estimated cost of USD 45m, of which USD 20m is client funded.

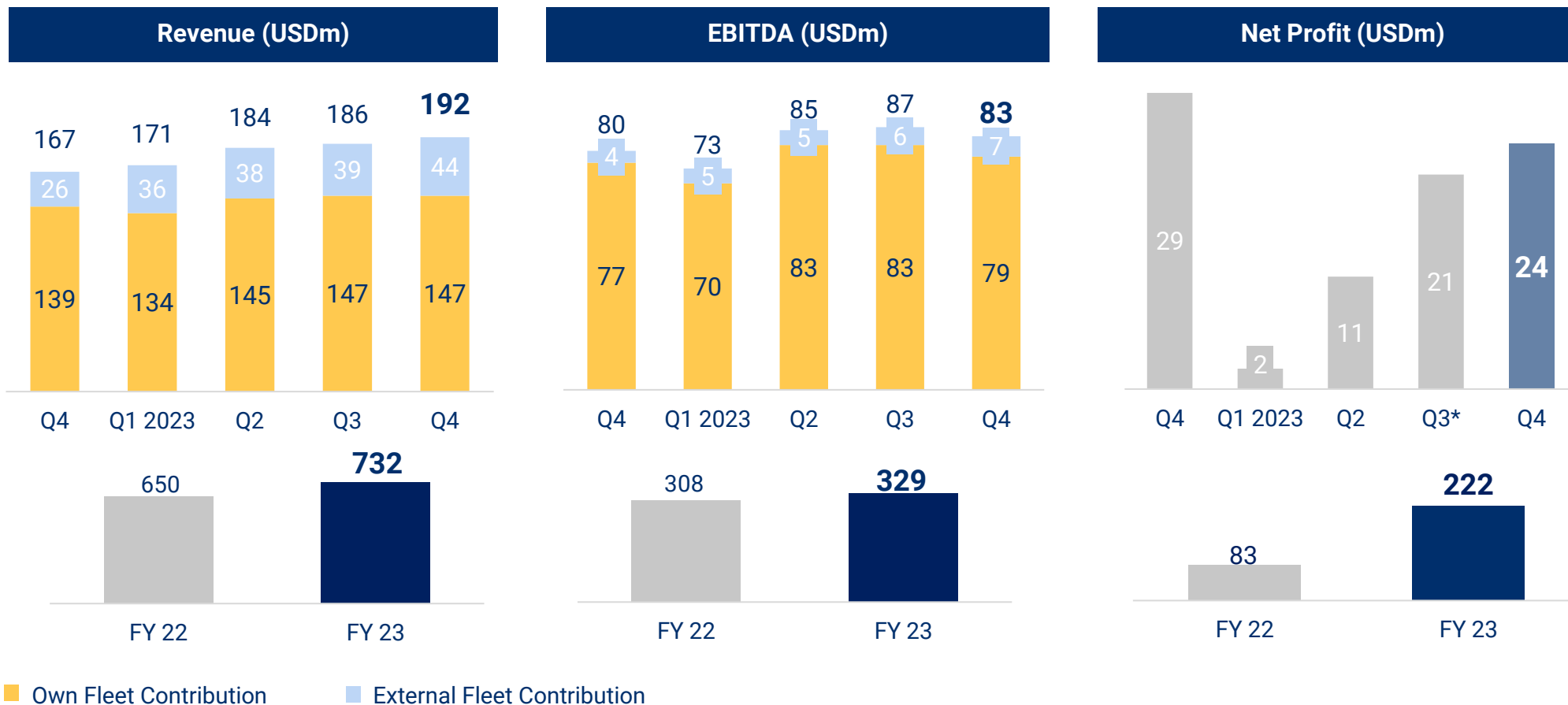


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# Positive Income Growth Through the Year

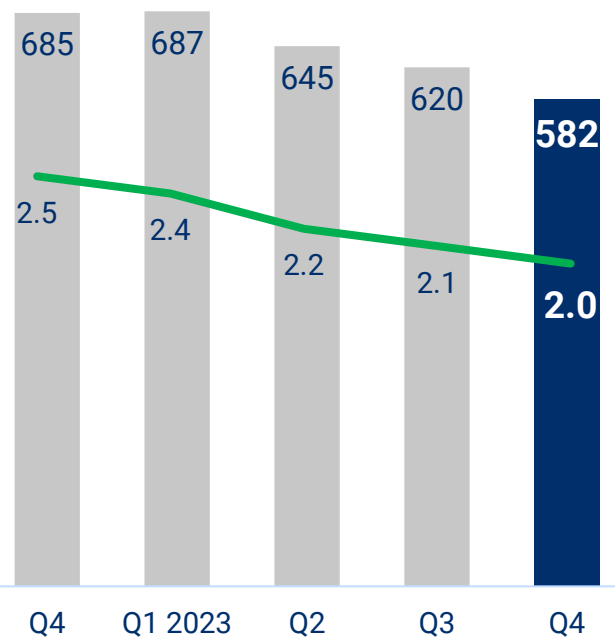


\*Net profit during Q3 2023 was USD 184 million following a reversal of an impairment loss of USD 163 million. For this graph, the aforementioned impairment loss reversal has been removed from the net profit calculation.  
 \*\* Total Revenue and EBITDA figures are adjusted for corporate overhead

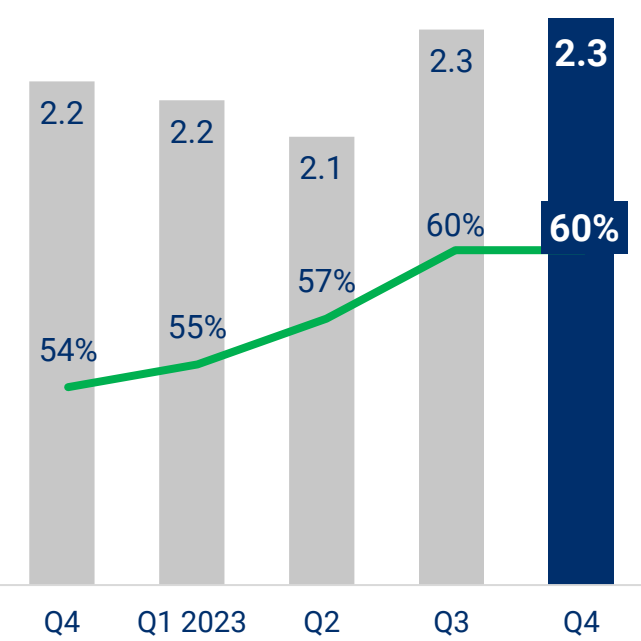


# Robust Balance Sheet and Strong Liquidity

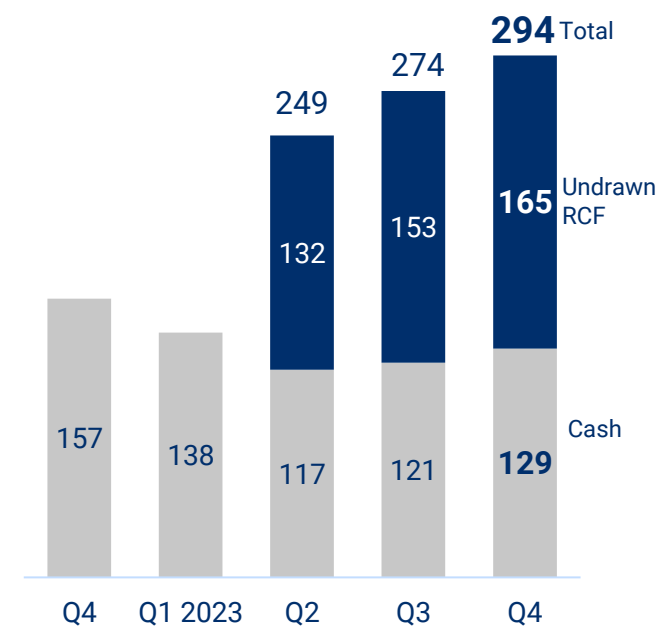
Net debt (USDm) and Leverage Ratio



Total Assets (USDbn) and Equity Ratio

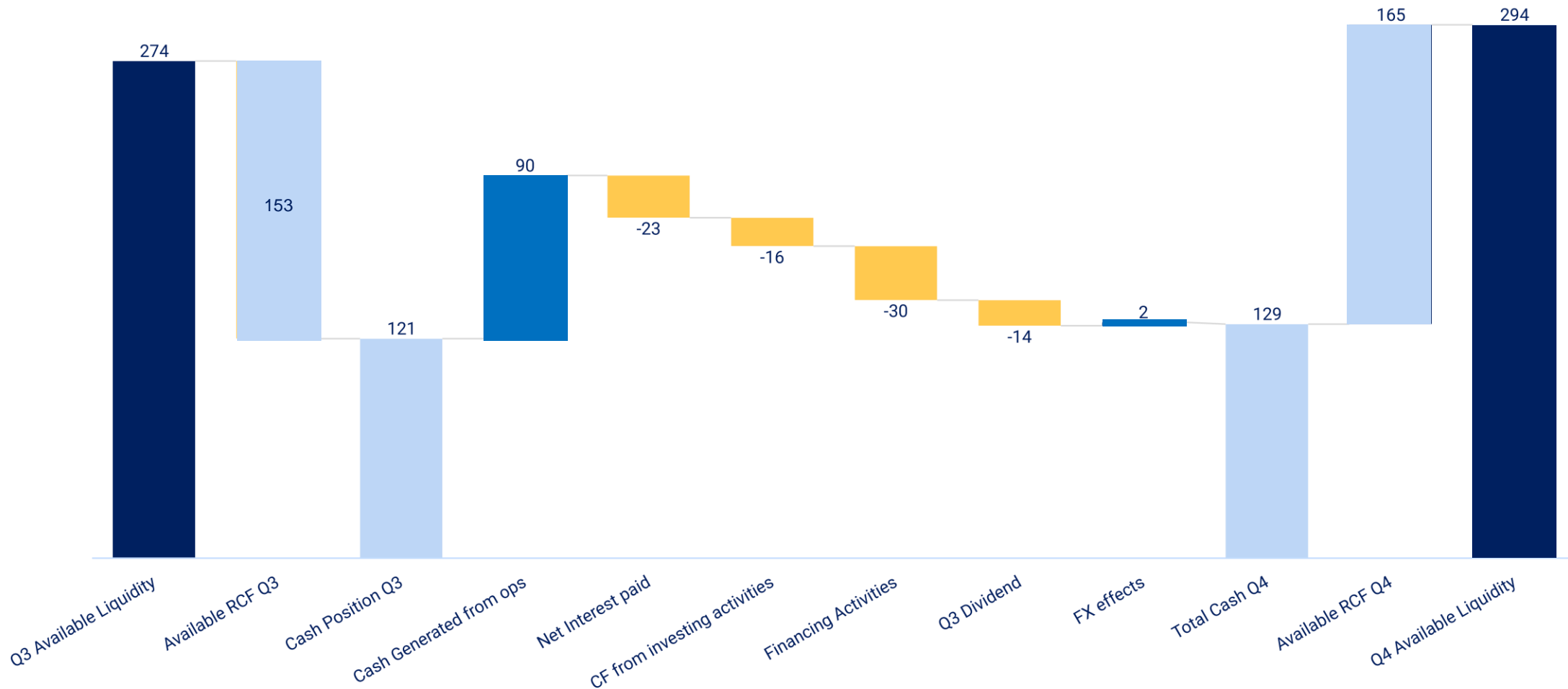


Available Liquidity (USDm)



## Strong Cash Flow from Operations

### Q4 Cash Flow



## Q4 Dividend of USD 14.2 Million

### Key details of Q4 Dividend

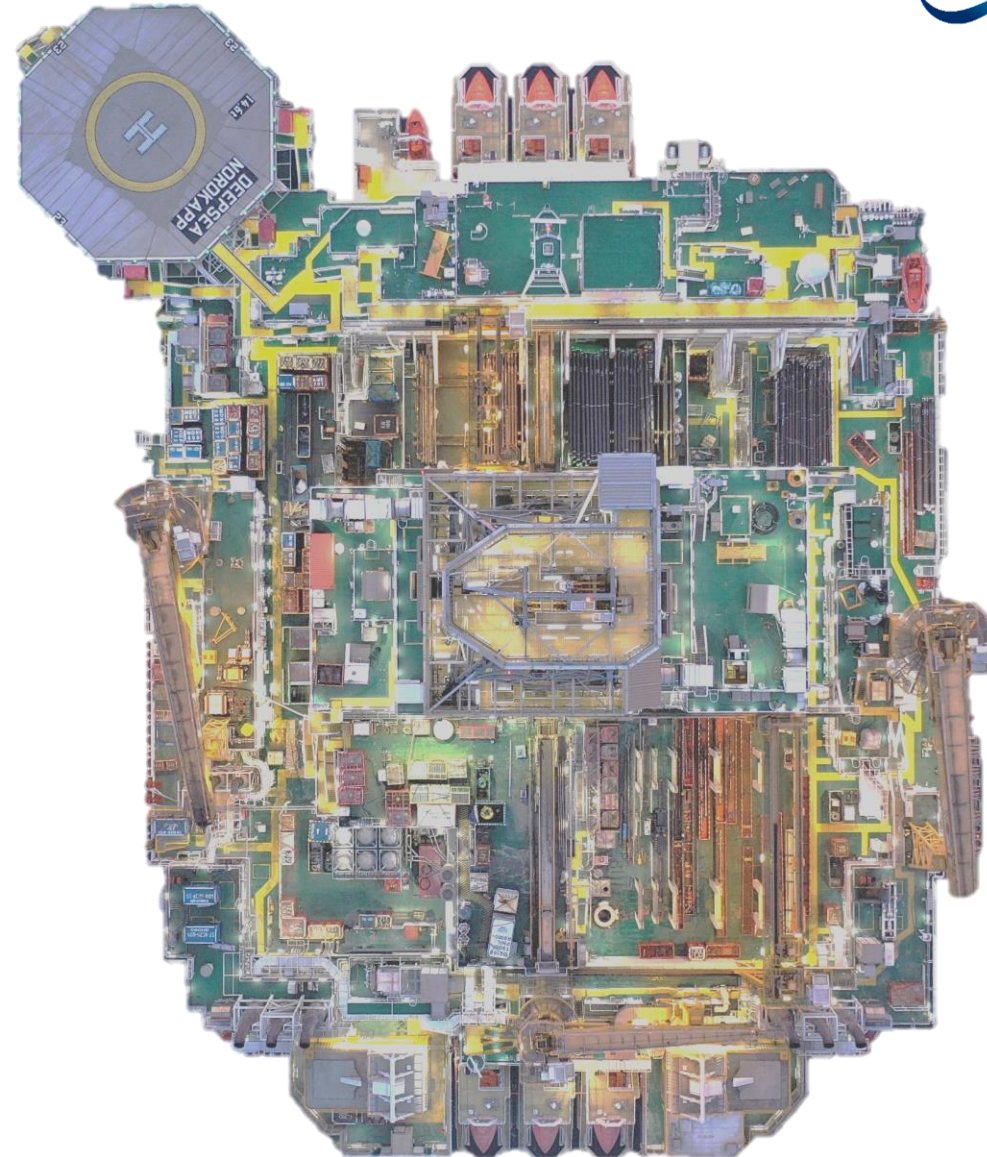
- USD 14.2 million
- 0.06 USD / share
- Last day including right: 29 February
- Ex-Dividend date: 1 March
- Record date: 4 March
- Payment date: 14 March

Dividends declared in USD with actual NOK payments per share to be determined based on the Norges Bank exchange rate at the last day including rights.



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## Q4 2023 Summary



- Another quarter of significant activity across the business
- Fleet fully active and performing well
- SPS programs on track, with Deepsea Nordkapp achieving SPS certification
- Record revenue generation, with higher value contracts ahead of us
- Quarterly dividend of USD 14.2 million
- Positive market outlook in the medium and long term



For further information, please contact:

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