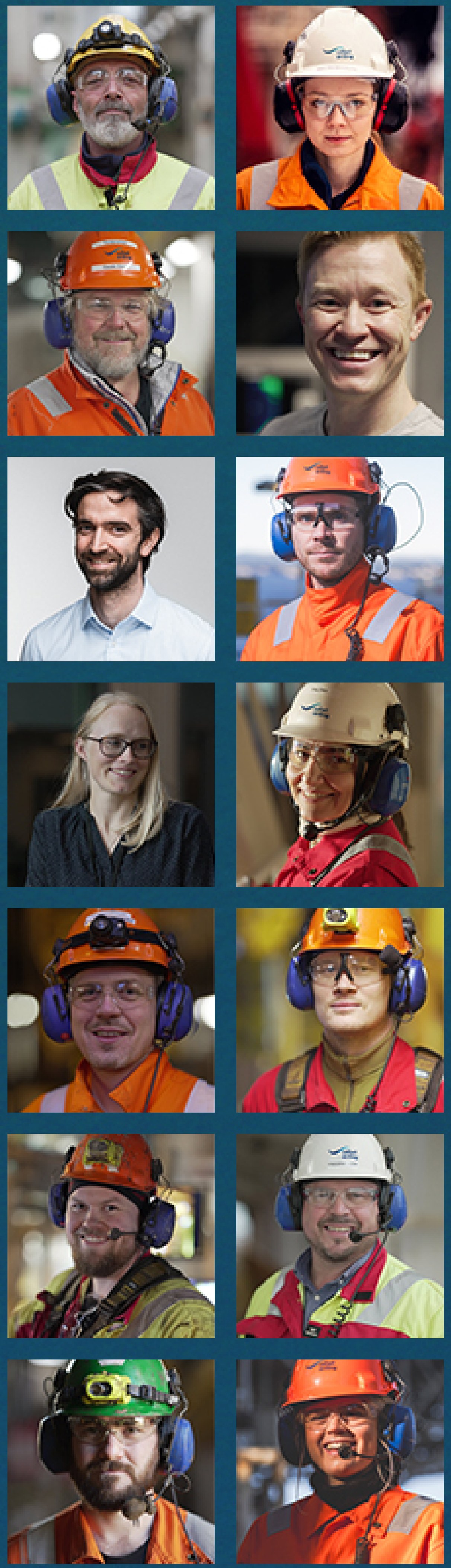
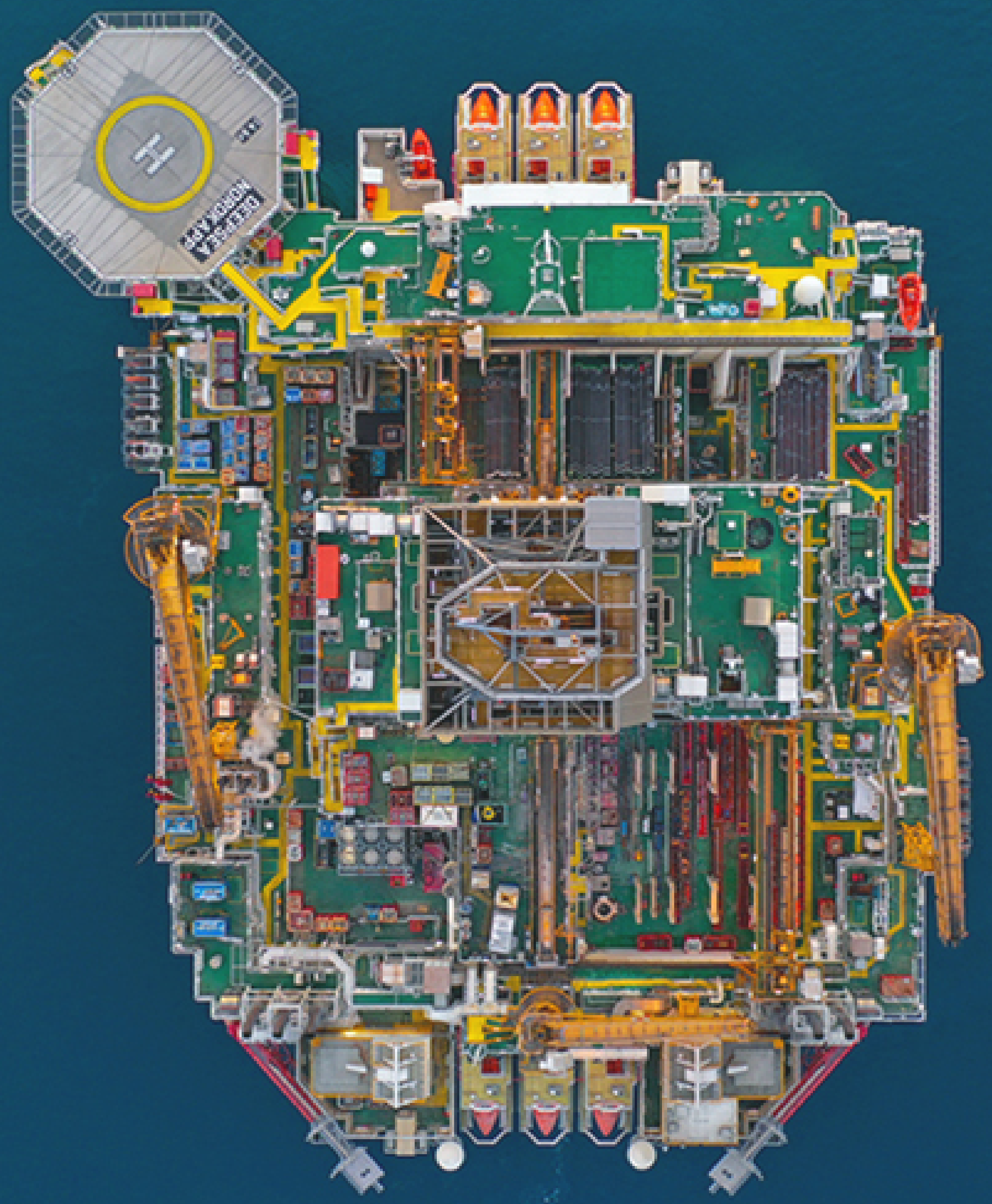


Annual Report

2024



We are pushing the boundaries of our industry by providing and maintaining the safest, most environmentally conscious and most advanced fleet of harsh environment semi-submersible drilling units globally.

PEOPLE

Our staff enable our vision. With over 1500 employees, we are focused on maintaining a workforce of intelligent, capable and enthusiastic people; and investing in their future.

RIGS

Our own fleet is made up of the highest specification semi-submersible drilling rigs in the world. In any environment, in any weather with majors and supermajors; our rigs have travelled the world and met the challenge.

CULTURE

Tenacity, ownership and team cohesion are all parts of ‘the Odfjell way’ and have meant that whilst our rigs have changed, our reputation has remained the same for 52 years.

Our culture is the common thread running through our business.

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2024 Highlights

“In its 52nd year, Odfjell Drilling has secured a leading position in the market, with excellent and increasing revenue visibility ahead of it. Our rigs are in prime condition, our people are engaged and we as a business are very excited for the future.

- Board of Odfjell Drilling Ltd

Financial Highlights

REVENUE
USD 775m
Up 6% on 2023

NET PROFIT
USD 65m
Up 10% on 2023 (adj.)

EBITDA
USD 345m
Up 5% on 2023

NET DEBT
USD 504m
Down 13% on 2023

EQUITY RATIO
63%
Up 3% on 2023

TOTAL DIVIDEND
USD 73m
Last quarterly dividend of US 12.5 cents per share

Operational Highlights

CONTRACT BACKLOG
USD 2.0 bn
From USD 2.1bn in 2023

OWN FLEET UTILISATION
97%
97% in 2023

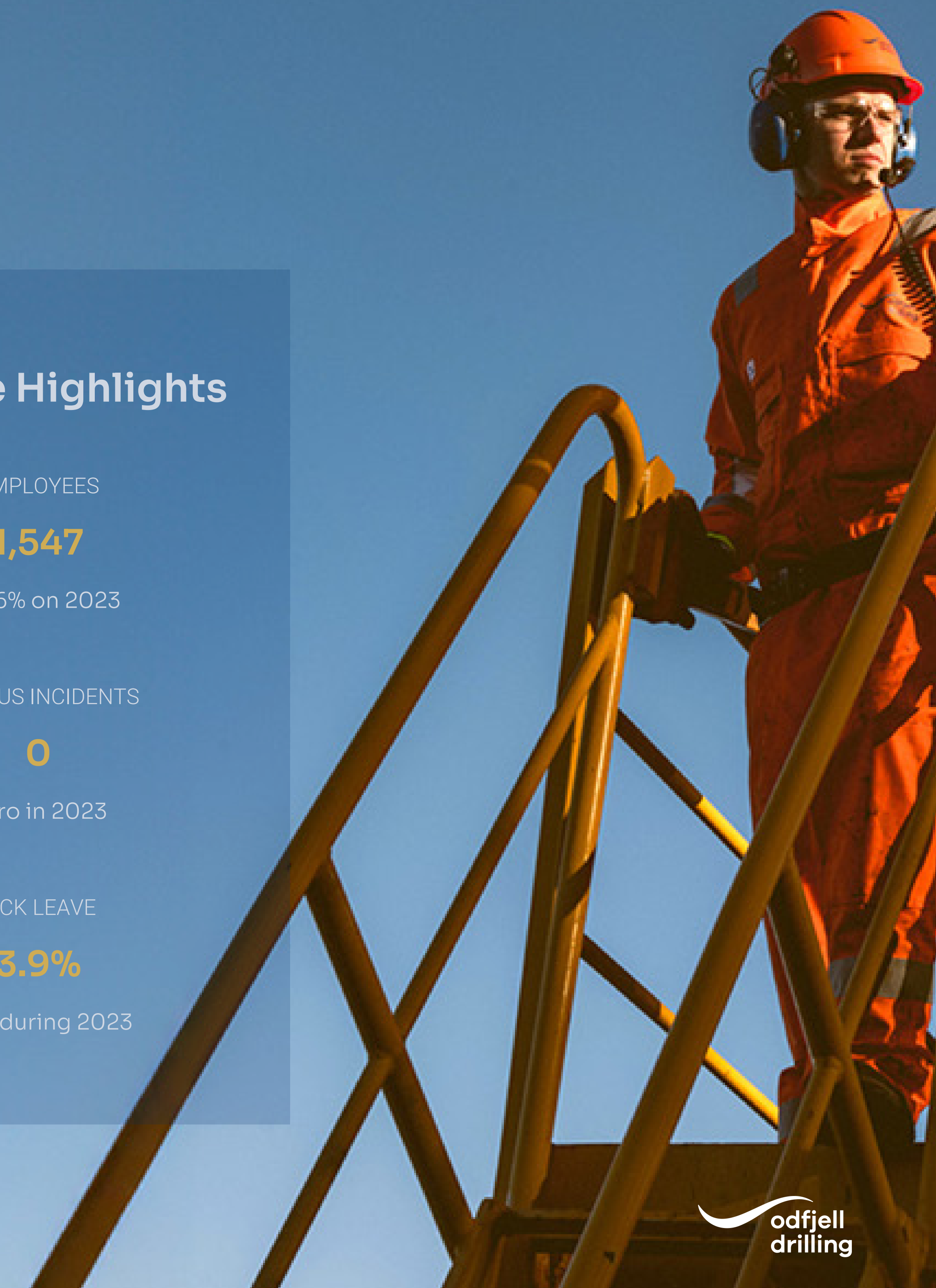
CO2 INTENSITY REDUCTION PER WELL
15%
4% Reduction during 2023

People Highlights

EMPLOYEES
1,547
Up 6% on 2023

SERIOUS INCIDENTS
0
Zero in 2023

SICK LEAVE
3.9%
4.7% during 2023



CEO Statement

Odfjell Drilling has always focused on being the best at what it does.

It takes hard work, dedication and rigorous planning whilst simultaneously keeping up with technical innovation and research. We have made doing this our business and, as a result, 52 years later, Odfjell Drilling is rightly considered one of the best drillers in the world. In 2024 however, we had to prove it again.

Last year, I emphasised that one of my main focuses as Chief Executive Officer (CEO) was operations, operations, operations. This remains true today. In 2024, Odfjell Drilling operated across the globe, tackling the harshest environments, enduring extreme water pressures, gale-force winds, driving rain, blizzards, and everything else that the waters in Norway, Namibia, Canada, Ghana, and Congo could throw at us. What set 2024 apart, however, were the unique challenges we faced - not just in normal drilling operations but also in preparing for the Special Periodic Survey (SPS) of the Deepsea Atlantic, which turned out to be the most complex, wide-ranging, and important SPS Odfjell Drilling has ever undertaken.

Work Everywhere, On Everything, All at Once

With four SPSs scheduled for Odfjell Drilling, we knew serious planning was required. The Deepsea Nordkapp was the first to undergo its SPS, with the crew completing its 5-year survey in late December 2023, entirely at sea. This was a significant achievement, with no downtime recorded, which reduced costs, emissions and exceeded our client's expectations.

Next up was the Deepsea Atlantic, which presented a much more challenging task. Not only was this SPS the unit's 15-year survey, but it also included the installation of a new blow-out preventer (BOP) and upgrades to increase the variable deck load capacity ahead of the rig's new contract with Equinor. To meet the budgeted timeframe required extraordinary planning, precise supply chain management, and the ability to rapidly respond to any changes in plans.

During the SPS, every hour was carefully planned, and each section of the rig was worked on in tandem to ensure peak efficiency. Remarkably, in just 19 days of net downtime, the rig was ready to sail away, with upgrades and SPS classification complete, and it transitioned seamlessly into its next contract with Equinor.

This was truly exceptional work from everyone at Odfjell Drilling.

Quality, Health, Safety and Environment; Above All Else

Above all else, the key focus for me and the rest of the executive management team will always be safe operations. This is not just about drilling wells; it's about making Odfjell Drilling the most efficient, safe, and exciting place to work. To achieve this, we must continuously maintain the highest standards in Quality, Health, Safety, Security and Environment (QHSSE).

In my view, QHSSE is the foundation of our right to operate. If we do not adhere to the rules and go beyond them to ensure that we are healthy, secure, happy, and safe, we cease to be Odfjell Drilling. To this end, we maintain a consistent approach of recognition, reflection, and adaptation in our working practices. While there is always more to be done to improve our QHSSE performance, I am pleased with the progress we have made this year.

On the operations front, we have had a satisfactory year, achieving a year-end financial utilisation of 97% across our own fleet, which aligns with our five-year average of 97.5%. Considering the challenges of units coming in and out for SPS programmes and upgrades, we believe this is a strong result, though our ambition remains to improve on this performance.

All our own units, as well as the Deepsea Yantai, operated exclusively in the Norwegian Continental Shelf and worked on the Svalin field, Breidablikk, Alvheim Development, Johan Sverdrup Phase II, numerous exploration wells, and notably, the first Carbon Capture and Storage (CCS) well ever drilled by our Group.

Our external fleet has been deployed globally in 2024, supporting majors and supermajors such as Total, Chevron, Equinor, and Shell, with operations in Namibia, Norway, Ghana, Congo, and Canada. These campaigns have been invaluable for our business, providing us with opportunities to offer additional capacity to prospective clients seeking our expertise. Our external fleet is a crucial resource, and we look forward to another strong year for these units in 2025.

Strong Financial Performance

During 2024, in line with the improved market conditions since the pandemic, Odfjell Drilling and its subsidiaries (the Group) own fleet began to move off "legacy" day rates which averaged around 320k USD/day. As a result of this, Odfjell Drilling Ltd (the Company) was able to achieve revenue of USD 775m, a 6% increase on 2023 and EBITDA of USD 345m, a 5% increase on 2023. This trend is likely to continue as we look ahead to 2025, with all of our units set to move onto higher day rates at over 400k USD/ day.

During 2024 we also continued to deleverage our balance sheet, moving to net debt of USD 504m (from USD 582m in 2023) and a year-end leverage ratio of 1.6x whilst also increasing our equity ratio to 63%. The Group retains available liquidity of USD 217m as of year-end 2024.

As the Group has communicated, strict capital discipline is a priority for management and the Board. As such, with projected increased free cash flow, we maintain a strong cash position and financial flexibility. Based on our cash flow visibility we believe this can be done in tandem with increasing quarterly distributions to our shareholders which we started from our Q4 2024 results announcement.

The Board will continue to consider the levels of its quarterly dividends, however, given the Group's forward capex expectations, cash flow visibility and comfortable debt repayment structure, the Company is well placed to continue to increase dividends in 2025.

Solid Demand from Norway to Continue

Odfjell Drilling continues to secure higher prices for its rigs, which was emphasised during the year with the extension of the Deepsea Aberdeen contract and the more recent contract extension with the Deepsea Atlantic, both with Equinor. The contract extension on the Deepsea Aberdeen will extend the backlog on the Deepsea Aberdeen until the end of 2026 and will see the unit drilling eight wells on the Troll field, as part of the third phase of its development, at market leading day rates. This contract value reflects the continued demand clients have for Odfjell Drilling's own fleet.

The Deepsea Atlantic's contract extension, which was secured post period, achieved similarly high day rates and will see the unit extending its operations in the Norwegian Continental Shelf before moving to the UK.

Looking ahead, we continue to foresee robust demand for our services not only in 2027, when our fleet becomes available again, but also for the foreseeable future.

Our units, designed specifically for the harsh conditions of the Norwegian Continental Shelf (NCS), are well-positioned to support continued hydrocarbon production and demand. Government forecasts project demand to remain at current levels well beyond 2030, driven in part by sustained demand for hydrocarbons from regions like the European Union. Notably, 43% of the EU's natural gas imports come from Norway, underscoring the critical role Norway plays in providing energy security amid ongoing political instability.

In tandem with continued demand for Norwegian hydrocarbons, in particular gas, it is well known that production from the NCS is forecast to reduce. Currently, the NCS produces around 4 million barrels of oil equivalent per day (mmboepd) and is forecast to reduce to below 3 mmboepd by 2033. In contrast to this however, we see operators pledging to maintain or increase their production. This can only be achieved by development and exploration of new resources, which will add to demand for our services.

In addition to conventional demand, Odfjell Drilling has taken part in several CCS wells between December 2024 and early 2025. While still small scale in demand CCS could be a meaningful source of work for our units in the near future. Demand for carbon reduction initiatives continues to increase as Governments continue to focus on net zero targets, and we look forward to supporting in these endeavours.

In light of these factors we believe that the NCS will likely require additional supply to meet growing demand from 2026, and we remain optimistic about the prevailing market conditions and their alignment with our business strategy.

Lots to be excited about

Looking ahead to 2025, there is much for Odfjell Drilling to be excited about.

Our four own units are in exceptional condition, performing at the highest technical and QHSSE standards. In 2025, these world-class units will embark on some of the most exciting and challenging development and exploration projects globally, pushing our workforce to new heights.

Our contract backlog ensures that all of our units will remain fully occupied throughout 2025, 2026, and into 2027, providing excellent cash flow visibility.

Our balance sheet continues to strengthen, giving us the flexibility to pursue growth opportunities while increasing planned shareholder distributions.

Finally, our market remains robust, and we are confident that this strength will continue in the future.

All in all, our business, our Odfjell Drilling, is an exciting place to be.

And finally…

I would like to thank all the staff at Odfjell Drilling for making the business what it is today.

It is important to remember that while our rigs are incredible, it is the Odfjell Drilling team's passion for their work which makes our Group truly exceptional.

Kjetil Gjersdal

CEO Odfjell Drilling AS

Our Fleet

Deepsea Atlantic:
Design: 6G, UDW, HE
Client: Equinor
2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030

Deepsea Aberdeen:
Design: 6G, UDW, HE
Client: Equinor
2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030

Deepsea Mira:
Design: 6G, UDW, HE
Client: TotalEnergies
2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030

Deepsea Bollsta:
Design: 6G, UDW, HE
Client: Equinor
2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030

Deepsea Stavanger:
Design: 6G, UDW, HE
Client: Equinor, AkerBP
2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030

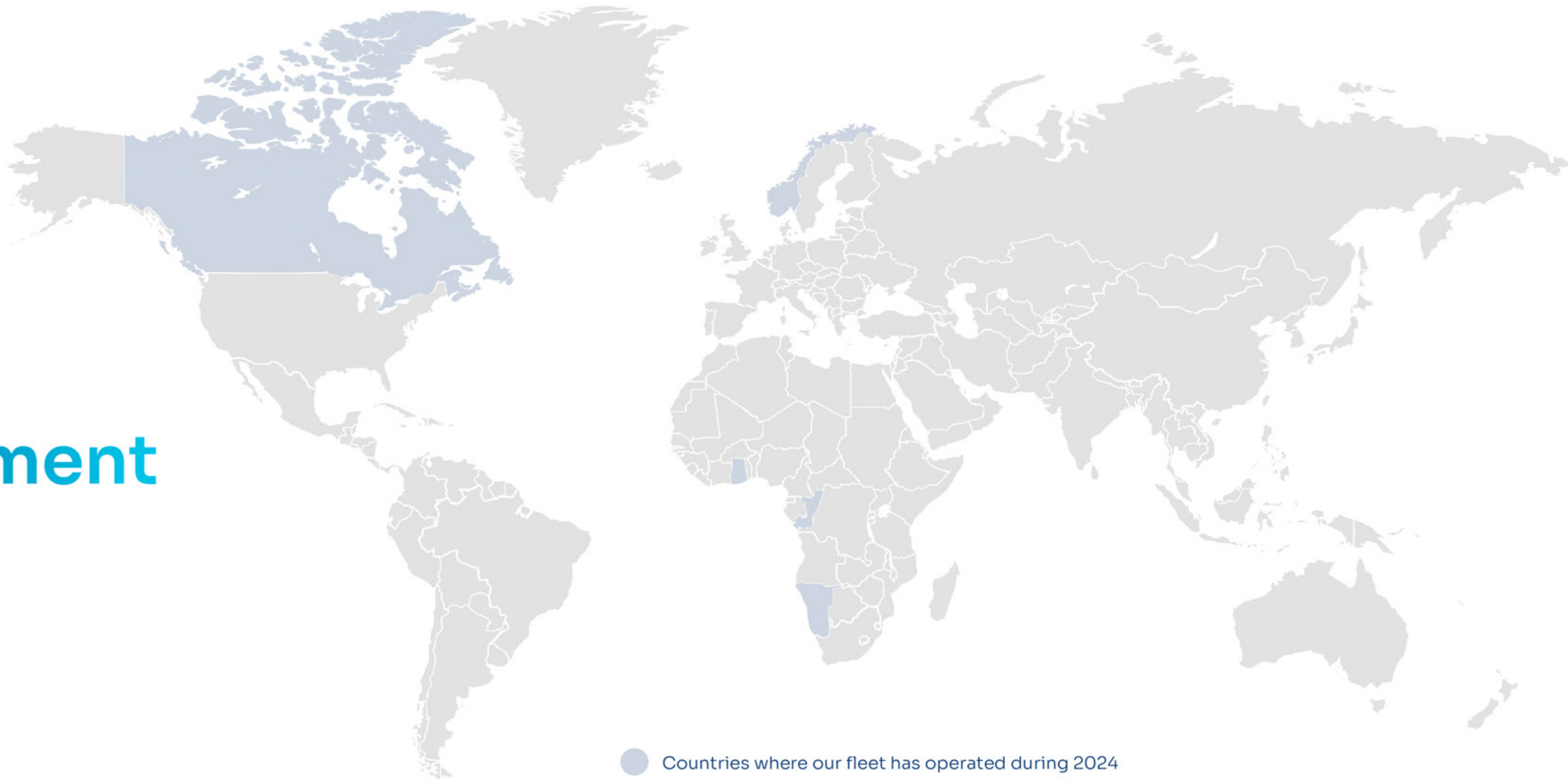
Deepsea Nordkapp:
Design: 6G, UDW, HE
Client: AkerBP
2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030

Deepsea Yantai:
Design: 6G, MW, HE
Client: Orlen, Vår Energi
2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030

Hercules:
Design: 6G, UDW, HE
Warm Stacked
2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030

Priced Option | Unpriced Options | Contract

Excellence in Harsh Environment Drilling



Countries where our fleet has operated during 2024

Operations

Odfjell Drilling's fleet remains one of the most sought after in the harsh environment sector, and it is no surprise that once again our Group was called on by majors and supermajors to drill on some of the hardest and most exciting projects in the world. Each of our rigs has done something exceptional this year and as we look to 2025, we expect to see more exciting work being completed.

Deepsea Aberdeen

At the start of 2024, Deepsea Aberdeen moved away from its long-term project on Breidablikk, offshore Norway (which it had been working on the entirety of 2023) to drill a short-term campaign on the Svalin field, offshore Norway. This short-term well was successfully completed on schedule before Deepsea Aberdeen returned to Breidablikk in Q1 where it has remained since. The Deepsea Aberdeen is due to continue on Breidablikk until the end of 2025 where it will begin an exciting new campaign as part of the Troll Phase III development.

Troll, initially discovered in 1979, is produced from the “Troll A platform” which is famously one of the tallest structures in the world and the tallest structure ever to be moved. This third phase of development at Troll, emphasises the significant interest in Norwegian gas, which the Group expects to continue to drive demand in the NCS. Deepsea Aberdeen successfully won the contract for Troll Phase III in May 2024, for a total contract value of USD 121 million, excluding integrated services, annual cost escalations, performance and fuel incentives. Deepsea Aberdeen is currently scheduled to continue to work with Equinor until the end of 2026.

Deepsea Atlantic

The Deepsea Atlantic (DSA) began the year by completing work on the Johan Sverdrup Phase II development before it moved to shore to begin it’s SPS. Following completion, it returned on contract with Equinor, working on various exploration projects in the NCS.

Despite disruption to regular operations caused by the SPS, the Deepsea Atlantic was a standout performer. Not only did it complete 6 subsea wells on Johan Sverdrup Phase II and 4 exploration wells, making it Equinor’s best performing rig globally, but the crew managed to deliver this with zero Health Safety and Environment (HSE)-reported incidents in 24 months.

Deepsea Atlantic's SPS

19 Days

Net Downtime

100,000

Working hours

On time

On Budget

Special Periodic Surveys are typically one of the most uncertain periods for a rig owner. Every day off contract, at shore, is expensive both in terms of lost earnings and in opex. Similarly, when beginning an SPS, sometimes the full scope of what will be required when the rig is at shore is not revealed and capex budgets can soar.

Given the Deepsea Atlantic was due for its 15-year SPS, Odfjell Drilling had to focus getting every part of the process right. This was set to be challenging; but to make it even harder, Odfjell Drilling decided to take the opportunity to materially upgrade the rig at the same time, including:

- Replacement of BOP and BOP control system
- Installation of two new lifeboats
- Installation of four blisters to increase the variable deck load capacity of the rig
- Replacement and maintenance of various equipment across the vessel

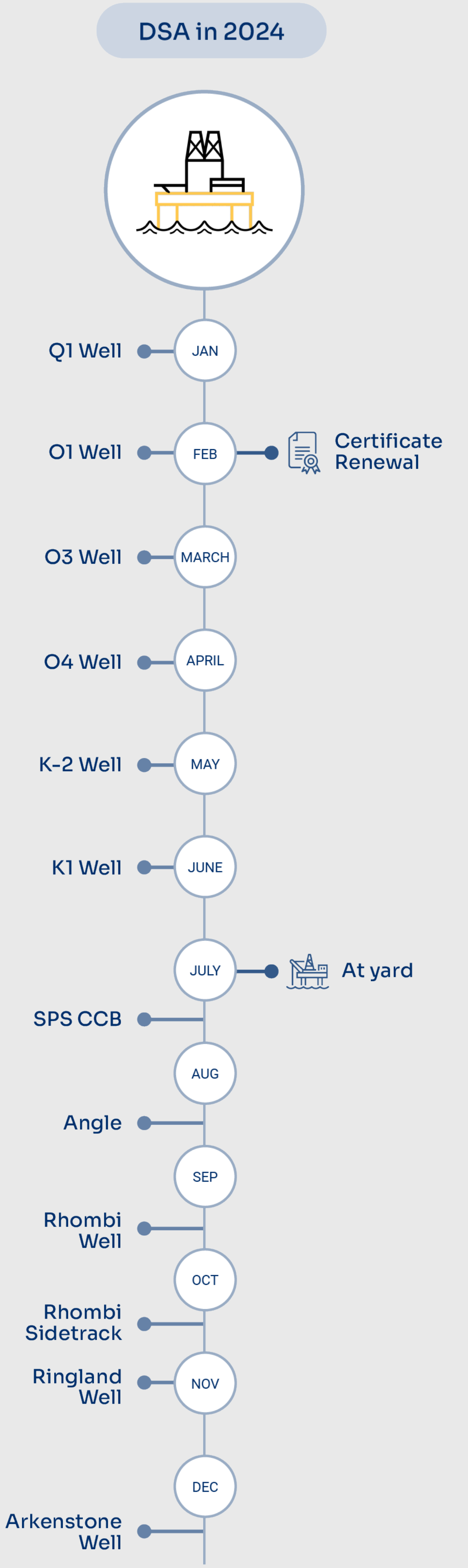
Starting 22 months prior to certificate renewal, the Group began meticulously planning all stages of the SPS, culminating in the yard stay itself. The rig was drawn into quadrants, with sections within each quadrant such that each section of the rig could be worked on in tandem in a safe manner.

Every person on board had a purpose, every section of the rig was being worked on and everything had to work in tandem to achieve peak efficiency.

With an initial target of 21 days of downtime, the rig eventually achieved SPS classification and completed the upgrades in just 19 days within the planned budget.

During that period approximately 100,000 working hours was spent by the Odfjell Drilling team.

75 % of SPS Scope Executed Offshore



Deepsea Nordkapp

Fresh from completing its SPS in December 2023, entirely at sea (the first time this has ever been achieved in the North Sea), Deepsea Nordkapp resumed work on the Alvheim Development for Aker BP until completing the project in Q2 2024. Deepsea Nordkapp had been working on the Alvheim development since late 2022.

Following departure from Alvheim, Deepsea Nordkapp then continued to work for Aker BP on various exploration projects in the NCS. Reflecting the capability of the rig and crew, in Q2 2024 the unit successfully noted eleven quarters in a row of financial utilisation above 99%. The unit ended 2024 with an average financial utilisation of 96% following a brief downtime period in Q3.

Deepsea Nordkapp is contracted to Aker BP until the end of 2026, having won a new contract with Aker BP at the tail end of 2023.

Like the Deepsea Stavanger, Deepsea Nordkapp will also drill its first carbon storage well in early 2025, as part of Harbour Energy's Havstjerne project.

Deepsea Stavanger

The Deepsea Stavanger travelled across the NCS during 2024, working on multiple exploration and appraisal projects for Equinor. The unit performed well during the year and achieved an average financial utilisation for the year of 97%.

In a departure from normal work, the Deepsea Stavanger started drilling a CCS well in December 2024 for Equinor. The well was a pilot well for the Smeaheia CCS project which is located East of the Troll gas project, just off the West coast of Norway near Bergen. Deepsea Stavanger is due to drill a second well as part of the Smeaheia project in Q1 2025.

The Deepsea Stavanger is currently due to end its tenure with Equinor after it begins its SPS in Q2 2025 when it will then move onto a new contract with Aker BP for the Yggdrasil development. The Yggdrasil development drilling campaign is due to take 5 years.

The Deepsea Stavanger is currently contracted until Q2 2030.

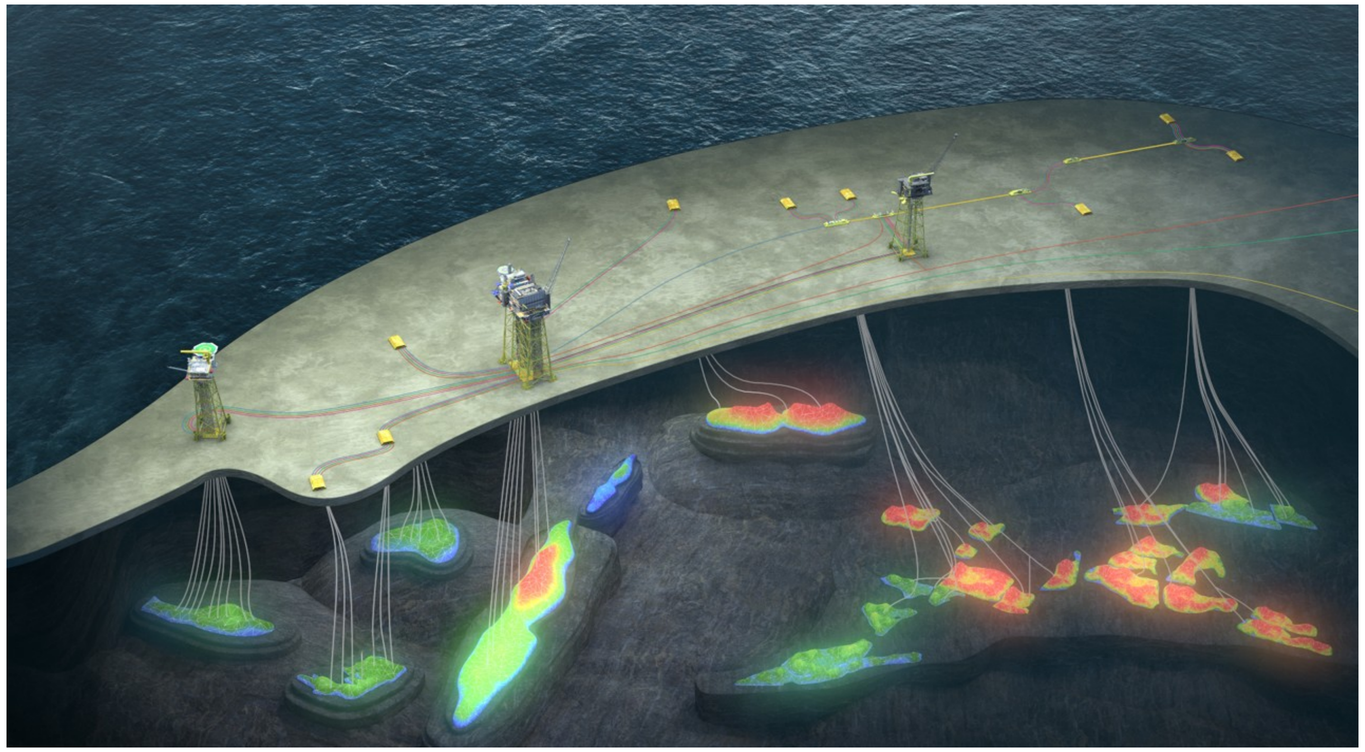
Yggdrasil – A Five-Year Adventure About to Begin

Located between Alvheim and Oseberg, Yggdrasil is one of the largest undeveloped projects in the North Sea. Holding several oil and gas fields, with recoverable resources estimated to be around 650 million barrels of oil equivalent, it is a significant undertaking ahead for the Deepsea Stavanger.

Odfjell Drilling secured a 5-year contract with Aker BP for Yggdrasil in August 2022 for a base contract value in the range of USD 620 million to USD 730 million. The contract is set to last five years and will see Deepsea Stavanger drilling production wells in the Munin licence group in addition to other exploration, appraisal and infill wells in the Yggdrasil area.

To meet the five-year challenge, the Deepsea Stavanger is being upgraded as part of its planned SPS, specifically for the Yggdrasil project. This will see Deepsea Stavanger removing potential bottlenecks by adding variable deck load capacity, system efficiency upgrades and digital synergy upgrades, which will mainly funded by Aker BP.

Extensive infrastructure is planned for the area with the area being powered from shore and utilising the latest technology.



Yggdrasil Development Concept - Image courtesy of Aker BP

Deepsea Bollsta

Deepsea Bollsta continued to work in Namibia for Shell throughout the first half of the year, before coming off contract in the Summer. After a brief hiatus, the unit moved to Ghana in September to work for Springfield Energy before returning to Namibia in December. Deepsea Bollsta then drilled an exploration well for Chevron offshore Namibia before coming off contract.

Deepsea Bollsta will begin a new contract with Equinor in Norway in Q2 2025. The Deepsea Bollsta will go through its Acknowledgement of Compliance (AoC) classification process before it returns to active service in Norway.

Deepsea Mira

Deepsea Mira worked for Total throughout 2024, working first in Namibia, before moving to Congo mid-year. The unit returned to Namibia to drill further exploration wells around the Venus Discovery in Q3, where it remained for the rest of the year.

Deepsea Mira is contracted to continue with Total until the end of Q1 2025.

Deepsea Yantai

The Deepsea Yantai worked across the NCS during 2024 with a host of operators which included Shell, Conoco Philips, Vår Energi, Orlen Group and Okea. Typically deployed on short-term drilling campaigns, the Deepsea Yantai continues to prove itself to its clients as a premium mid-water drilling rig.

The Deepsea Yantai completed its 5-year SPS in Q4 2024 and returned to active service shortly thereafter. The unit is currently contracted until mid 2026 with various operators.

Hercules

The Hercules rig began the year operating in Namibia for Galp Energia on their highly successful Mopane Discovery. From there, the rig mobilised to Canada in Q2 for a short drilling campaign with Equinor.

Following completion of this campaign, Hercules mobilised to Norway, where it is currently warm stacked awaiting new contracts.

Corporate Governance

Board of Directors

Simen Lieungh, Chair

Appointed 29 March 2022

Simen Lieungh, born 1960 and a Norwegian resident, is a graduate of the Norwegian University of Science and Technology in Trondheim and holds an MSc in Mechanical Engineering. With over 30 years experience in the oil and gas industry, he has held various management positions and was previously CEO of Aker Solutions ASA. Prior to that he was a research scientist with the Norwegian Defence Research Establishment. Before being appointed chair of the Board of Odfjell Drilling in March 2022, Mr. Lieungh held the position of CEO of Odfjell Drilling AS from 2010. He is Chair of the Board of Odfjell Oceanwind as well as CEO of Odfjell Technology AS and a Board member of some of Odfjell Technology's subsidiaries. He is also a board member of Norwegian Shipowners' Association and Multiconsult Foundation. As of 31 December 2024, he controls 20,000 shares in Odfjell Drilling.

Helene Odfjell

Appointed 28 January 2010

Helene Odfjell, born 1965 and a UK resident, holds a Bachelor of Business Administration from the Norwegian School of Economics (NHH), a Master of Business Administration in Finance and Strategy from London Business School and is a Chartered Financial Analyst. Ms. Odfjell has years of experience in business and management and holds board positions in subsidiaries of the Company. She is also Chair of the Board of Odfjell Technology Ltd and some of its subsidiaries. Ms. Odfjell is the beneficial owner of 119,552,381 shares in the Company as at 31 December 2024.

Harald Thorstein

Appointed 26 January 2022

Harald Thorstein, born 1979 and a UK resident, has a Master of Science in Industrial Economics and Technology Management from the Norwegian University of Technology and Science. He is partner of the London based advisory firm Arkwright London Partners LLP and Chairman of the Board of Directors of Jacktel AS and B2 Impact ASA, and Director of DOF Group ASA, Yara ASA and since 1 April 2025, Odfjell Technology Ltd.

Knut Hatleskog

Appointed 3 April 2023

Knut Hatleskog, born in 1969 and a UK resident, has an extensive career in banking and finance, spanning nearly 30 years in the industry. Having served as a Managing Director and Global Head of Offshore and Oil Services for Nordea Bank and previously as Senior Vice President and Global Head of Syndications, he is currently working at IfchorGalbraiths, on the financing team. He serves on the board of Jaco Invest AS, Marine Capital AS and Sea Shipping Group AS and was previously a member of the board of OMP Capital AS. Mr. Hatleskog has an MA from the University of St. Andrews and completed the Nordea Executive Leadership programme at the London Business School.

Alasdair Shiach

Appointed 1 April 2025

Alasdair Shiach, born 1956 and a UK resident, has a Bachelor's degree in Business Studies from Robert Gordon's University in Aberdeen, Scotland. He has 40 years of international experience in the Oilfield Service sector and has held senior executive leadership positions as well as assignments in the USA, UAE, Saudi Arabia and Norway. Mr. Shiach is also on the board of Welltec International and Odfjell Technology Ltd.

Further details on the Board can be found at Board members - Odfjell Drilling and details of the Corporate Management Team can be found at Corporate management - Odfjell Drilling.

Audit Committee Report

Role of the Committee

The Audit Committee (the Committee) is appointed by the Board and has a diverse range of competence based on the expertise and experience of the members.

Key responsibilities

The Committee's primary function is to assist the Board to fulfil its responsibilities to the Company and the Group in respect of:

- understanding, assessing, and monitoring business and financial risks and risk management systems
- monitoring financial and sustainability reporting with proposals to ensure its integrity
- overseeing and assessing the performance of internal control and external audit activities
- overseeing legal and regulatory compliance
- reviewing and monitoring the selection and independence of statutory auditors, overseeing auditing of annual accounts and audit performance
- reviewing arrangements for the confidential raising and investigation of concerns in financial reporting and other matters
- preparing the Board's review of the financial and sustainability reporting processes, providing recommendations to ensure integrity of reporting

The Committee operates autonomously of management and refers views and recommendations to the Board for discussion after Committee meetings.

Membership

The Committee consists of two Board members, one considered independent, and competent in accounting or auditing. Harald Thorstein is the Chair and is independent of Executive Management. The Chief Financial Officer (CFO) acts as secretary of the Committee.

Meetings and attendance

The Committee holds four meetings a year with interim meetings called if required. Members of management, auditors, and others are invited to attend and provide pertinent information as necessary. The focus is on accurately prepared quarterly and annual reports, consistently using accounting principles defined by IFRS® Accounting Standards. The meetings also cover sustainability reporting as required in line with the Corporate Sustainability Reporting Directive (CSRD) and interim and year-end audit process and plans.

Documentation provided to the Committee to prepare for meetings include reports, memos and policies provided by accounting, tax, and legal experts, both internal and external.

Matters of interest and concern were promptly reported to the Board where action or improvements were required regarding financial and sustainability reporting, risk management, internal control, compliance, or audit-related activities. The Group's internal controls were determined appropriate and effective by the Committee.

Activities during the year

During the year, the Committee has considered relevant laws, regulations, codes, and applicable rules, particularly the sustainability reporting according to CSRD and European Sustainability Reporting Standards (ESRS). They have reviewed tax and compliance activities, as well as material disputes.

The Committee focused on robust documentation and reasonable judgement applied in relation to significant estimates and assumptions. This includes impairment indicators of the mobile offshore drilling units as well as judgements on deferred tax assets and uncertain tax positions. In addition, the Committee reviewed the updated Audit Committee charter to be aligned with regulations.

The 2024 Audit plan was presented to the Committee by KPMG, discussing focus areas. The Committee reviewed other services provided by the audit firm and found there were no indications that these services had a negative impact on the auditor's independence.

How internal control and risk management was assessed

The auditor's report to the Committee is used for understanding and improving the internal control systems of the Group. During the year, there was a presentation on risk management in the Group and internal control and risk management in relation to financial reporting, discussing key processes.

Financial statements and accounting practises

The Financial and Sustainability Statement for the year ended 31 December 2024, as well as the external auditor's presentations, management's response, and the auditor's opinion, were reviewed by the Committee. The views of the Committee were communicated to the Board prior to its approval of the financial statements.

Corporate Governance Report

Odfjell Drilling is incorporated in Bermuda and subject to Bermudan law. The Company is managed and controlled from the United Kingdom (UK), with its head office in Aberdeen, and the majority of the Board being UK residents, resulting in the Company being resident in the UK for tax purposes. Odfjell Drilling and its subsidiaries (the "Group") are subject to the laws of the countries in which it operates, as well as international law and conventions.

The Company's shares are listed on the Oslo Stock Exchange, therefore the Group seeks to comply with the applicable legal framework for Norwegian listed companies and endorses the Code of Practice for Corporate Governance issued by the Norwegian Corporate Governance Board, revised 14 October 2021 (the "Code"). This report is prepared in accordance with section 1 of the Code and any deviations from the requirements set out in the Code are described and explained in this section of the annual report.

The Board has approved a framework of policies which apply across the Group. The objectives of the governance framework are to increase and maximise the Group's financial results, support long-term sustainable success and increase returns to shareholders.

Governance structure

Shareholders exercise their rights at General Meetings. In accordance with the Company's Bye-laws, the Board has authority to manage and conduct the business of the Company. In doing so, the Board may exercise all such powers which are not by law or by the Bye-laws required to be exercised in a General Meeting. The General Meeting elects the members of the Board.

Board and committee attendance

The Board consisted of 4 non-executive directors. The size of the Board increased to 5 on 1 April 2025. Meetings were convened nine times during 2024 with attendance as follows:

	Board Meetings	Audit Committee
Simen Lieungh	9/9	N/A
Helene Odfjell	9/9	4/4
Harald Thorstein	9/9	4/4
Knut Hatleskog	9/9	N/A

The Company's business activities

In accordance with common practice for Bermuda incorporated companies, the Company's objects, as set out in its memorandum of association, are wider and more extensive than recommended by the Code. This is a deviation from section 2 of the Code.

The Group has over five decades of operational experience. This has been used to expand internationally by offering a state-of-the-art fleet of mobile offshore drilling units to the harsh environment, ultra-deep water and deep water markets. The fleet consists of a mix of own assets and assets managed on behalf of other owners (external).

The Group's vision is to be the leading supplier of drilling units designed to the highest environmental and safety standards in the offshore oil and gas industry. This is achieved by utilising the Group's substantial track record along with investment in the latest and best technological solutions and the ability to implement best practice based on experience and lessons learned. The Group has a zero incident and failures objective and aims to be a trusted and leading partner for its clients.

Equity and dividends

The Group had book equity of USD 1,403 million and a book equity ratio of 63% as of 31 December 2024. The Board regards the Group's present capital structure as appropriate.

The Company aims to maintain a quarterly dividend programme. Dividend payments depend on several factors, including market outlook, contract backlog, cash flow generation, capital expenditure plans and funding requirements. They are also dependent on maintaining adequate financial flexibility, as well as restrictions under Bermuda law and financial covenants, along with other factors the Board consider relevant. The Company may also consider share buybacks as part of its distribution programme.

Pursuant to Bermuda law, the Board has wide powers to issue authorised but unissued shares on terms and conditions it may decide. Any class of shares may be issued with preferred, deferred, or other special rights, or such restrictions, with regard to dividend, voting, return on capital, or otherwise, as prescribed by the Company.

This represents a deviation from section 3 of the Code. However, such issuance of shares by the Company is subject to prior approval given by resolution of a General Meeting. Pursuant to Bermuda law and common practice for Bermuda incorporated companies, the Board also has the power to authorise the Company's purchase of its own shares, whether for cancellation or acquiring as treasury shares, and the power to declare dividends. These powers are neither limited to specific purposes nor to a specified period as recommended in the Code.

odfjell drilling

Equal treatment of shareholders and transactions with close-related parties

The Company had two classes of shares during the year: common shares and unissued preference shares, of which the common shares are listed. Each common share in the Company carries one vote, and all common shares carry equal rights, including the right to participate in General Meetings. All holders of common shares are treated on an equal basis.

As is common practice for Bermuda limited companies listed on the Oslo Stock Exchange, no shares in the Company carry pre-emption rights, which is a deviation from section 4 of the Code.

The Board will arrange for a valuation from an independent third party in the event of significant transactions between the Company and its shareholders, a shareholder's parent company, members of the Board, executive personnel, or closely related parties of any such parties. An independent valuation will also be carried out in the event of transactions between companies within the same group where any of the companies have minority shareholders.

Employees are required to report potential conflicts via an internal portal which is monitored and escalated to the Board if appropriate.

Any transactions the Company carries out in its common own shares shall be either through the Oslo Stock Exchange or at prevailing stock exchange prices if carried out in an alternative way. If there is limited liquidity in the Company's shares, the Company shall consider other ways to ensure equal treatment of all shareholders.

Shares and negotiability

The Company's constituting documents do not impose any transfer restrictions on the Company's common shares. These shares are freely transferable in Norway, provided that the Bye-laws include a right for the Board to decline to register a transfer of any share in the register of members (or refuse to direct any Company appointed registrar to transfer any interest in a share), where such transfer would result in 50% or more of the Company's shares or votes being held, controlled or owned directly or indirectly by individuals or legal persons resident for tax purposes in Norway (or, alternatively, such shares or votes being effectively connected to a Norwegian business activity). The purpose of this provision is to avoid the Company being deemed a "Controlled Foreign Company" pursuant to Norwegian tax rules. This represents a deviation from section 5 of the Code, but the Board does not foresee that this provision will impact on the free transferability of its shares.

General Meetings

The Board seek to ensure that the greatest possible number of shareholders may exercise their voting rights in General Meetings and that the General Meetings are an effective forum.

The Board ensures that for General Meetings:

- the notice, supporting documents and information on the resolutions to be considered are available on the Company's website no later than 21 days before the meeting is held
- the resolutions and supporting documentation, if any, are sufficiently detailed, comprehensive, and specific to allow shareholders to understand and form a view on matters that are to be considered
- the registration deadline, if any, for shareholders to participate in the meeting, is set as closely as possible to the date of the meeting and pursuant to the provisions of the Bye-laws
- the Board and the chair of the meeting shall ensure that shareholders can vote separately on each candidate nominated for election to the Company's Board and committees
- the members of the Board and the auditor did not attend the General Meeting, which is a deviation from section 6 and 15 of the code
- in accordance with the Bye-laws, the Chair of the Board shall chair the meetings unless otherwise agreed by a majority of those attending and entitled to vote. If the Chair of the Board is not present, then a Chair of the meeting shall be appointed or elected at the meeting. This is a deviation from section 6 of the Code

Shareholders who cannot be present at the General Meeting will be given the opportunity to vote using proxies. The Company will:

- provide information about the procedure for attending via proxy
- nominate a person who will be available to vote on behalf of a shareholder as their proxy
- prepare a proxy form which shall, insofar as possible, be formulated so that the shareholder can vote on each item that is to be addressed and vote for each of the candidates that are nominated for election

Nomination Committee

The Company does not have a Nomination Committee, and it is acknowledged that this represents a deviation from section 7 of the Code. As the Board consists of non-executive directors with 50% considered independent, the Board considers itself able to adequately fulfil the roles and responsibilities ordinarily assigned to a Nomination Committee.

When a need arises to appoint a new or additional director, a careful review of potential candidates will be carried out, considering the need for a diverse mix of skills, talent, and expertise, whilst also being mindful of the importance of independence.

The Board of Directors - composition and independence during 2024

The Board consisted of two independent non-executive directors and two non-executive directors, one of which is also the largest beneficial shareholder and one which has been employed in the Group in a senior position in the last five years. All the shareholder-elected members of the Board are independent of the Group's Executive Management and three are independent of the Company's major shareholder.

The Board is comfortable that there is no conflict of interest or compromise to the independence of directors who also serve as directors on the Company's subsidiary boards. The Board has no concerns surrounding external appointments held by the directors. The Chair of the Board is determined in accordance with the Company's Bye-laws rather than the General Meeting which is a deviation from the Code.

The Board of Director's section provides further details on each director's background, skills and expertise. As of 31 December 2024 the Board consisted of 75% males and 25% females, and three of the directors were UK resident. They possess the relevant expertise, capacity and diversity as set out in the Code and are elected on an annual basis at the Annual General Meeting, except for vacancies, which may be filled by the Board.

The work of the Board of Directors

The Board schedules Board meetings in advance, as well as one information meeting. Interim meetings may be convened if required.

The Chair is responsible for ensuring the Board operates effectively and carries out its duties, with support from the General Manager and Corporate Secretary.

52 years of Experience, Trusted to Deliver

Meetings are chaired by the Board Chair unless otherwise agreed by a majority of directors attending. If the Chair is not present, directors shall elect among themselves a Chair. If the Chair has a material interest or involvement in a particular matter to be resolved by the Board, the Board will consider asking another Board member to chair the discussions.

A Board Charter is in place which defines matters reserved for decision by the Board and is equivalent to written instructions on the work of the Board. Delegations by the Board are recorded in Board minutes, resolutions, powers of attorney or service agreements. Subsidiaries and their branches operate within decision-making guidelines, involving the Board in matters of strategic importance to the Group.

The Board is responsible for the Group's value creation and sets and monitors the Group's objectives, strategy, budgets, financial performance and control of assets, as wells as risk management. The Board also monitors and approves internal controls and authorises decisions in matters of an unusual nature or of importance to the Company and the Group.

The Board has appointed a General Manager to undertake day to day management of the Company, overseen and supervised by the Board. Group operational activities are delegated to Odfjell Drilling AS with duties and responsibilities defined in a service agreement.

The General Manager, Odfjell Drilling AS CEO and CFO are regular attendees at Company Board meetings. The Board maintains oversight of operational activities through a review of reports such as operational and strategic updates, monthly financial reports, QHSSE status reports, tenders and opportunities updates and quarterly and full-year results. Updates on risk and Environment, Social and Governance (ESG) are given throughout the year.

The Board has established an Audit Committee, whose duties include supervising and reviewing the Group's annual and interim financial reporting. This Committee consists of two Board members, with one considered independent.

The Company has not established a Remuneration Committee, which is a deviation from section 9 of the Code, but it should be noted that no member of the Executive Management is represented at the Board. Accordingly, the Board does not consider such committee as necessary, as decisions regarding compensation of executive personnel can be decided by the whole Board without executive involvement at Board meetings.

The Board undertook a self-evaluation in December 2024, reviewing results in 2025.

An annual review of directors' interests is undertaken, and directors are reminded to declare potential conflicts at the start of Board meetings. A register of directors' interests is maintained.

Risk management and internal controls

The Board recognises its responsibility to secure appropriate risk management systems and internal controls. The Group has comprehensive corporate manuals and procedures for all aspects of managing the business. These are continuously revised to incorporate best practice derived from experience or regulatory requirements.

Routines are in place to provide frequent, relevant management reporting on operational matters. The Board is continuously updated on both capital and liquidity and the performance of the business. This ensures adequate information is available for decision-making, and allows the Board to respond quickly to changing conditions and requirements.

The Group has established clear and safe communication channels between employees and management, to ensure effective reporting of any illegal or unethical activities in the Group, via a whistleblower reporting portal. More information is in the Sustainability Statement.

These measures ensure that considerations related to the Group's various stakeholders are an integrated part of the Group's decision-making processes and value-creation.

More information on risk management systems and internal controls can be read in the Board of Directors Report.

Remuneration of the Board of Directors

The remuneration of the Board is decided by the shareholders at the Annual General Meeting (AGM). Compensation to the Board reflects the responsibility, expertise, and level of activity in both the Board and any committees. The remuneration is not linked to Group performance and no share options are granted to Board members.

More detailed information can be found in the Executive Remuneration Report.

Remuneration of the Executive Management

Pursuant to Bermuda law and common practice for Bermuda incorporated companies listed on the Oslo Stock Exchange, the Board determines the remuneration of Executive Management, which can be found in the Executive Remuneration Report.

Currently, the determination of variable bonuses is made by the Board at a holistic level, rather than by analysing detailed components with weightings, criteria, targets and performance achieved ratings and therefore deviates from section 12 of the Code.

Information and communication

The Company has established guidelines for reporting to the market and is committed to providing timely and precise information to its shareholders, Oslo Stock Exchange and the financial markets in general, through the Oslo Stock Exchange information system. Such information is given in the form of annual reports, quarterly reports, press releases, notices to the stock exchange and investor presentations. In these communications, the Company aims to clarify its long-term potential, including strategies, value drivers and risk factors. The Company maintains an open and proactive approach for investor relations with detailed investor relations information, and contact information, available on the Company website.

An annual financial calendar is published with dates of important events such as the AGM, publishing of interim reports and financial stock market presentations.

The Company discloses all inside information as legally required unless exceptions apply and are invoked. Information will be provided about certain events, e.g. dividends, amalgamations, mergers/demergers, changes to the share capital, issuing of subscription rights, convertible loans and all agreements of major importance that are entered into by the Company and Group and related parties.

The Company has considered communication with shareholders to ensure relevant information is shared with them in compliance with applicable laws and regulations. Shareholders can communicate with the Company through question and answer sessions on quarterly calls.

Information to the Company's shareholders is posted on the Company's website as well as published through the Oslo Stock Exchange. Shareholders can contact the Investor Relations Officer directly using the following e-mail address (jchu@odfjelldrilling.com).

Take-overs

The Company will follow key principles from the Code for how to act in the event of a take-over offer. The Board will ensure that shareholders are treated equally and that the Company's activities are not unnecessarily interrupted. The Board will also ensure shareholders have sufficient information and time to assess offers. The Board shall:

- ensure the offer is made to all shareholders, and on the same terms
- not undertake actions intended to give shareholders, or others, an unreasonable advantage at the expense of other shareholders or the Company
- strive to be transparent about the take-over
- not institute measures with the intention of protecting personal interests of its members at the expense of shareholder's interests
- be aware of the particular duty the Board carries for ensuring that the values and interests of the shareholders are safeguarded

The main underlying principles shall be that the Company's common shares shall be kept freely transferable and that the Board and the Company shall not establish any mechanisms which can prevent or deter take-over offers unless this has been decided by the AGM in accordance with applicable law. This includes only entering into agreements with a bidder to limit the Company's ability to arrange other bids if it is in the interests of the Company and its shareholders. Payment of financial compensation to a bidder if the bid does not go ahead should be limited to costs incurred by the bidder.

If an offer is made for the Company's common shares, the Board shall issue a statement evaluating the offer and making a recommendation as to whether the shareholders should accept. If the Board finds itself unable to give a recommendation, it should explain the reasons for this, being clear whether the views expressed are unanimous, and if this is not the case, explain why specific members of the Board do not concur.

The Board shall consider whether to arrange a valuation from an independent expert, If the bidder is a member of the Board, close associate of a member, has recently been a member of the Board or has a particular personal interest in the bid. This also applies if the bidder is a major shareholder. Any such valuation should be enclosed with the Board's statement or reproduced or referred to in the statement.

Auditors

The Group have appointed KPMG as Group auditor, with their reappointment approved at the 2024 AGM. The auditor participates in the Board meeting where the annual accounts are presented, during which, executive personnel leave to allow the Board time with the auditor alone.

The auditors present highlights of the audit plan to the Audit Committee, as well as a review of the Group's internal control procedures, including identified weaknesses and proposed improvements.

There are processes in place to ensure that the Group does not utilise the services of the appointed auditor for advice beyond certain thresholds determined by the Board and in law. At the AGM, shareholders authorise the Board to determine the remuneration of the auditors, for audit work and other assignments. Details are in Note 31 - Remuneration to the Board of Directors, key Executive Management and auditor.

Executive Remuneration

Introduction

The Board of Directors present the Remuneration Report for 2024, which is prepared in accordance with Section 6-16 of the Norwegian Public Limited Liability Companies Act and the guidelines contained within the Norwegian Corporate Governance Board Code of Practice. It follows the shareholder approved Group Remuneration Policy which can be found at www.odfjelldrilling.com. The 2024 AGM approved the 2023 Executive Remuneration Report. The objective is to present a clear and understandable analysis of executive remuneration and how this is linked to Group performance. This statement will be presented to shareholders in the 2025 AGM and subject to an advisory vote.

The objective of the policy is to ensure remuneration packages for executives are aligned with the Group's values, business strategy, and long-term interests, to create value for shareholders. Executive remuneration should be set at a competitive level to attract, retain, and motivate suitably qualified and experienced executives of a calibre who will deliver the Group's strategic objectives. As well as enhancing the future economic situation, the remuneration policy should also ensure environmental, social and governance objectives are delivered. 2024 saw the Group's EBITDA increase from USD 329 million in 2023 to USD 345 million. The Group continues to secure backlog to give visibility of future revenue.

Highlights

Key events affecting remuneration

The 2024 EBITDA of USD 345 million reflects the ongoing cost discipline and efficient operations being delivered by the Group. Backlog stood at USD 2 billion at 31 December 2024 with contract extensions being secured and there was a positive cashflow before financing activities of USD 157 million.

QHSSE performance saw further reductions in the total number and rate of recordable incidents and the dropped objects > 40 joule frequency. The Group consistently works to ensure the safety of those working for us. Progress continues in moving towards our net zero emission targets. Through collaboration, employee engagement and communication, and optimal resource management, the Executive Management have delivered a successful year for the Group. All eight units in the fleet have been operating for most of the year, some internationally. 2024 saw the exceptional execution of the 15 year SPS for Deepsea Atlantic as well as major upgrades to the rig. For these reasons, the Board approved the payment of bonuses for 2024.

Key changes in Directors and Executive Management

There were no material changes in Directors or Executive Management during the year, but an additional director, Alasdair Shiach was appointed 1 April 2025.

Change to policy or its application

There were no changes to or derogation from the policy during the year.

Overview

Remuneration of the Board of Directors

Set out below are details of the 2024 fees accrued for directors and shares in the Company held as at 31 December 2024 and 2023. Director's fees are not linked to the performance of the Group or to share options and are approved at the AGM.

Name of Director and position	Year	Board Fees	Chair fees	Audit Committee	Other Directorships	Total Remuneration	No of shares owned
USD thousands							
Simen Lieungh, Non-Executive Director and Chair	2024	35	35			70	20,000
	2023	35	35			70	20,000
Helene Odfjell, Non-Executive Director	2024	35		5		40	119,552,381
	2023	35		5		40	142,952,381
Harald Thorstein, Non-Executive Director	2024	35		9		44	-
	2023	*35*		*10*		*45*	-
Knut Hatleskog, Non-Executive Director	*2024*	*35*				*35*	-
	2023	*26*				*26*	-

1 Includes shares held by related parties.
2 Payments are made for additional roles such as Chair, or Committee membership, reflecting of the time commitment required.
3 Fees are paid in currency other than USD, so amounts are subject to exchange rates applicable at the time of payment.
4 Other than reimbursement of expenses incurred in fulfilling their duties, there are no other elements of remuneration.

Remuneration of Executive Management

The table above shows the fixed and variable elements of remuneration to Executive Management employed at any point within the Group for the current and previous reporting period. It should be noted that assessment of the performance of Executive Management against the criteria set out in their Personal Business Commitments (PBC) is done on a holistic level when determining the level of variable bonuses. For this reason the report does not analyse detailed components with weightings, criteria, targets and performance achieved scores.

		Fixed remuneration			Variable remuneration						
Name of Director/Executive and position	Year	Base Salary	Fees	Fringe benefits	One-year variable	Multi-year variable	Extraordinary items	Pension expense	Total remuneration	Proportion of fixed remuneration	Proportion of variable remuneration
Remuneration of Executive Management for the reported financial year from the company (Odfjell Drilling Ltd) -USD thousands											
Diane Stephen, General Manager Odfjell Drilling Ltd	2024	113		6	17			5	141	88%	12%
	2023	103		6	20			5	134	85%	15%
Remuneration of Executive management for the reported financial year from undertakings of the same group - USD thousands											
Kjetil Gjersdal, CEO Odfjell Drilling AS	*2024*	*483*		*25*	*386*			*17*	*912*	*58%*	*42%*
	2023	*443*		*25*	*407*			*17*	*892*	*54%*	*46%*
Frode Skage Syslak, CFO Odfjell Drilling AS	*2024*	*243*		*15*	*195*			*13*	*466*	*58%*	*42%*
	2023	*209*		*13*	*177*			*12*	*412*	*57%*	*43%*

1 Base salary - Set at a competitive rate reflecting the responsibilities of the role, the skills and experience of the individual and market conditions for the industry.
2 Fringe benefits - includes car allowances (in line with rates set across the manager population), private medical healthcare, life and income protection insurance, etc, all of which are in line with the benefit packages offered to the general employee population in the jurisdiction they are employed in.
3 Variable remuneration - The criteria and measurement for bonus payments are aligned to both Group performance against targets and an individual's personal performance, and are set out in annual PBC. Criteria for Group performance include achieving financial, strategic, and other targets. Criteria for personal performance are based on: QHSSE results and improvement over previous year, employee satisfaction within area of responsibility, demonstration of a holistic approach to Group challenges, encouraging collaboration across the Group, optimal resource and competence management, being visible, accessible, and acting as a role model, and efficient and clear communication and provision of information in own area. The one-year variable bonus payments are capped at 100% of fixed annual salary and there are no reclaim provisions.
4 The General Manager is employed by Odfjell Technology Ltd and amounts disclosed represent a recharge of 50% of costs applicable to the role of General Manager for Odfjell Drilling Ltd.
5 Pension – Executive Management participate in the same pension plan, on the same terms, as all other employees in the jurisdiction they are employed in, except for Kjetil Gjersdal, who is in a defined benefit plan which existed when he joined the Group.

Share options awarded or due to Executive Management

The intention of the share programme described below, is to link reward to the creation of value for shareholders through increased share price.

The main conditions of share option plan	
Specification of plan	The programme grants the option to purchase common exercisable shares in five equal tranches. The Company can choose to settle the options by a cash payment
Performance period	5 years
Award date	27.06.2022
Vesting date	27.06.2023, 27.06.2024, 27.06.2025, 27.06.2026, 27.06.2027
End of holding period	02.07.2027
Exercise period	The Option Holder may only exercise the vested shares in each relevant Tranche of Options in full, and within 5 working days after each Vesting Date. Any Tranche of Options not exercised in an Exercise Period can be carried forward and exercised in a future Exercise Period. Any options not exercised by the end of the period will be terminated.
Strike price of the share	NOK 23.37

1 As at 31 December 2024 there were no share options subject to a performance condition or to a holding period.

Information regarding the reported financial year	Kjetil Gjersdal, CEO Odfjell Drilling AS	Frode Skage Syslak, CFO Odfjell Drilling AS
OPENING BALANCE		
Share options awarded beginning of year	750,000	400,000
Share options vested	150,000	80,000
DURING THE YEAR		
Share options awarded	-	-
Share options vested	150,000	80,000
CLOSING BALANCE		
Share options vested	300,000	160,000
Share options awarded and unvested	450,000	240,000

Executive Management share ownership and terms as at 31 December 2024

Name and position of Executive Management	**Notice period and severance pay entitlement**	**Pension scheme**	**Shares owned**
Diane Stephen, General Manager Odfjell Drilling Ltd	6 months	Standard UK defined contribution scheme	0
Kjetil Gjersdal, CEO Odfjell Drilling AS	6 months + 12 months Severance Pay	Norway defined benefit pension scheme	40,000 + 2,450 owned by close associates
Frode Skage Syslak, CFO Odfjell Drilling AS	6 months + 6 months severance pay	Standard Norway defined contribution pension scheme	25,000

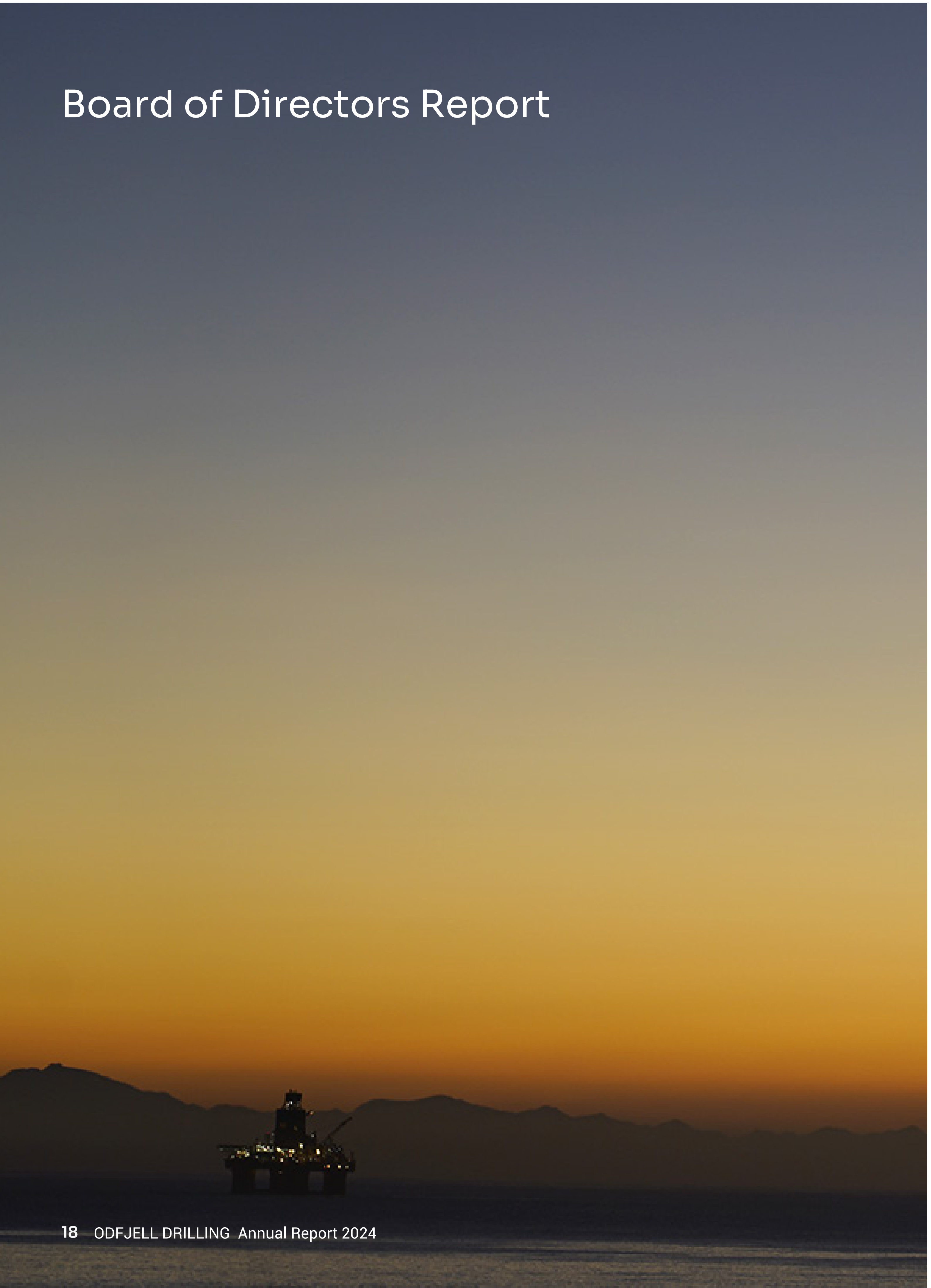
Comparison of remuneration and Group performance over 5 years

The table below sets out the development in executive remuneration along with key indicators of the Group's performance and the development of general employee remuneration.

	2020	% change on prior year	2021	% change on prior year	2022	% change on prior year	2023	% change on prior year	2024	% change on prior year
Director's and Executive's remuneration - USD thousands										
Simen Lieungh, Non-Executive Director and Chair					70		71	1%	70	-1%
Helene Odfjell, Non-Executive Director	74	-13%	87	18%	53	-39%	40	-25%	40	0%
Harald Thorstein, Non-Executive Director					45		45	0%	44	-2%
Knut Hatleskog, Non-Executive Director							26		35	35%
Diane Stephen, General Manager Odfjell Drilling Ltd			223		152	-32%	134	-12%	141	5%
Simen Lieungh, CEO Odfjell Drilling AS	2,333	-11%	1,809	-22%	1,839	2%				
Kjetil Gjersdal, CEO Odfjell Drilling AS					604		892	48%	912	2%
Atle Sæbø, CFO Odfjell Drilling AS	512	-5%	476	-7%						
Jone Torstensen, CFO Odfjell Drilling AS			104		159	53%				
Frode Skage Syslak, CFO Odfjell Drilling AS					412		412	0%	466	13%
Group Performance - USD Thousands										
EBITDA	420,403	27%	303,541	-28%	308,004	1%	328,506	7%	345,431	5%
Net profit	143,304	251%	73,852	-48%	129,597	75%	222,090	71%	64,748	-71%
Backlog	2,300,000	0%	2,100,000	-9%	1,900,000	-10%	2,100,000	11%	2,000,000	-10%
Leverage ratio	2.5	-34%	3	20%	2.5	-17%	2	-20%	1.6	-20%
Average remuneration on a full-time equivalent basis of employee - USD thousands										
Employees of the Company	252	-6%	167	-34%	119	-29%	182	53%	203	12%
Employees of the Group	*110*	*-1%*	*117*	*6%*	*134*	*15%*	*138*	*3%*	*149*	*8%*

1 Average remuneration includes salary, benefits, bonuses and employer pension contributions.
2 Fees are paid in currency other than USD, so amounts are subject to exchange rates applicable at the time of payment.

Board of Directors Report



Odfjell Drilling Ltd is the parent company of the Odfjell Drilling group. The Group owns and operates a fleet of high quality mid-water to ultra-deep-water harsh environment mobile offshore drilling units, as well as managing units on behalf of other asset owners. Our client base consists primarily of major oil and gas companies and the Group has over five decades of experience in the industry. The Company has been listed on the Oslo Stock Exchange since 2013.

Corporate structure

The Company is an exempted company incorporated in Bermuda, registration number 37607, with its registered address at Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda, and it is tax resident in the United Kingdom with its head office at Prime View, Prime Four Business Park, Kingswells, Aberdeen, AB15 8PU.

Information regarding related parties can be found at Note 30 - Related parties - transactions, receivables, liabilities and commitments.

The Group has two main business segments: Own fleet and External fleet. Operational management are primarily located in Norway, UK and Malta. Rigs are owned by UK companies who are tax registered in Malta.

Corporate strategy

The mission of Odfjell Drilling is to be an experienced, competence-driven international drilling contractor for harsh and deepwater operations, chosen by clients for our expertise and reputation.

Quality, Health, Safety, Security and Environmental Management are of paramount importance, and we strive for high quality performance and safe and secure operations through continuous improvement programmes. We aim for organisational robustness, zero injuries and failures, strong cyber security, and stringent well controls, delivered by a competent and motivated workforce. Our onshore support centres work collaboratively in real time with our operations teams.

We have a clearly defined process for developing and managing strategic direction which involves analysis, planning, monitoring, and execution.

Odfjell Drilling has five Core Values that define and instruct our business as detailed on pages 19 and 20.

Equity and shares

The Group had book equity of USD 1,403 million and a book equity ratio of 63% as at 31 December 2024.

Each common share carries one vote, and all shares carry equal rights, including the right to participate in General Meetings and all shareholders are treated on an equal basis.

The shares and negotiability section of the Corporate Governance Report details the transferability of common shares. The number of ordinary shares issued in Odfjell Drilling Ltd. as at 31 December 2024 is 239,807,088 following the issue of 3,023,886 shares during the year following the exercising of warrants by Akastor ASA.

On 27 June 2022, the Company implemented a long-term incentive share option plan. A total of 1,730,000 options are outstanding as at 31 December 2024. Refer to Note 32 - Share-based payments for further information.

The Company is not aware of any shareholder or other agreements which limit trading of the Company's ordinary shares or voting rights as at 31 December 2024.

Taxation

The Company and some of its subsidiaries, are governed from and tax resident in the United Kingdom (UK). Three out of four directors of the Company were UK residents. The Company has published its tax strategy on its website in compliance with the UK Finance Act 2016 Schedule 19.

The aim of the tax strategy is to support the business by maintaining a sustainable tax rate, while mitigating tax risks and complying with rules and regulations in the jurisdictions in which Odfjell Drilling operates.

The Group maintains internal policies and procedures to support its tax control framework and provides training to its personnel to manage tax risks.

The tax strategy aligns to the Group's wider risk and control framework, with key tax risks and issues escalated to and considered by the Audit Committee and Board regularly. The Group may operate in different countries and is exposed to a variety of tax risks such as compliance and reporting, transactional and reputational.

Where appropriate, the Group looks to engage with tax authorities to disclose, discuss and resolve issues, risks, and uncertain tax positions. The subjective nature of global tax legislation means it is often not possible to mitigate all known tax risks. As a result, the Group may be exposed to financial and reputational risks arising from its tax affairs.

The Group acknowledges its responsibility to pay the level of tax required by the laws of the jurisdictions in which it operates and also its responsibility to its shareholders to structure its affairs in an efficient manner.

The Group seeks to comply with its tax filing, reporting and payment obligations globally and to foster good relationships with tax authorities.

Focus areas

Securing backlog at satisfactory rates for the own and external fleet has been a main area of focus, and this involves exploring more international opportunities for new contracts as well as securing contract extensions and the award of contracts in the NCS. During 2024, the safe and efficient execution of SPS' within budget has also been an area of significant focus. In addition, increasing dividend distributions has been targeted.

Sustainability

In 2024, the Company has, for the first time, prepared a Sustainability Statement in full compliance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

The Sustainability Statement provides the accounting for the Group's material sustainability topics. For further details, refer to the Sustainability Statement.

Our Norwegian Transparency Act statement and Modern Slavery statement can be found on our website.

Growth

Demand has been high with a number of contract renewals and tenders won, particularly for our own fleet. Our strong balance sheet gives flexibility for strategic and growth opportunities. We are open to expanding capacity in a commercially secure manner by taking on the right assets, meeting the demands of the market, and with visibility of future work.

Segment Overview

Own Fleet

The Group's own semi-submersible drilling units operated across multiple projects in Norway during 2024, and were awarded a number of contract extensions.

The Deepsea Stavanger worked exclusively with Equinor during 2024. Deepsea Stavanger's tenure with Equinor is due to end Q2 2025 where it will then move on to a new contract with Aker BP for Yggdrasil development following the completion of its SPS.

The Deepsea Atlantic worked on the Johan Sverdrup phase II development under the Master Frame Agreement with Equinor, before it moved to shore to begin it's SPS. Following completion, the Deepsea Atlantic returned on contract with Equinor.

The Deepsea Aberdeen was under contract with Equinor, working mainly on the Breidablikk development. Following the exercising of options, this will take it up to the end of 2025, where it will begin a new campaign as part of the Troll Phase III development.

The Deepsea Nordkapp was on contract with Aker BP and will be drilling a carbon capture storage pilot well in Q1 2025. The unit will continue work with Aker BP until the end of 2026.

External Fleet

Our external fleet were deployed internationally during 2025, other than Deepsea Yantai which operated in Norway.

Deepsea Yantai worked across the NCS during 2024 and completed it's 5-year SPS in Q4 2024. The unit is currently contracted until mid-2026 with various operators.

The Deepsea Mira worked in Namibia before moving to Congo. The unit then returned to Namibia and is contracted to continue until Q1 2025.

Deepsea Bollsta worked in Namibia and Ghana during the year. It begins a new contract with Equinor in Norway in Q2 2025. The Deepsea Bollsta will go through the AoC classification process before it returns to active service in Norway.

Hercules began the year operating in Namibia. From there, the rig was mobilised to Canada for Q2 for a short drilling campaign with Equinor and then mobilised to Norway where it is warm stacked.

Outlook

High energy prices over time with a continual focus to secure energy supply supports a strong energy market going forward. Within the market for our harsh environment rigs we expect strong future demand primarily driven by lack of supply and no new build activities.

There is still a preference for Tier 1 units such as ours, due to the ability to deliver lower total well costs via high performance, operability and flexibility.

We see opportunities in West Africa, South America and Atlantic Canada in harsh environment and deep water and in the combination of harsh and deep. In the relatively new Namibian harsh environment offshore market, we see a strong future demand for more exploration and production capacity, a market where we are well positioned to take increased market share with our assets.

Demand in the NCS remains solid with high day rates and our own fleet has secured contracts into 2027 and as far as 2030 when options are included.

Although we believe that the expectations in the forward-looking statements are reasonable, forward-looking statements, by their nature, involve risk and uncertainty.

Financial Reviews

Consolidated Accounts (comparable figures in brackets.)

Income Statement

Odfjell Drilling generated operating revenue of USD 775 million in 2024 (USD 732 million), an increase of USD 43 million. There is an increase in both segments.

Earnings before interest, tax, depreciation and amortisation (EBITDA) was USD 345 million (USD 329 million), an increase of USD 16 million, mainly explained by increased EBITDA in the Own Fleet segment of USD 10 million and increased EBITDA in the External Fleet segment of USD 5 million. The EBITDA margin was 45% (45%).

The operating profit (EBIT) amounted to USD 150 million (USD 306 million), a decrease of USD 156 million, mainly explained by the 2023 reversal of impairment losses recognised in prior periods.

Net financial expenses amounted to USD 72 million (USD 84 million), a decrease of USD 12 million. The decrease is mainly explained by a positive change in net currency gains and borrowing expenses, partly offset by a negative change related to fair value of derivatives.

The income tax expense amounted to USD 14 million (USD 0.3 million). The 2023 tax expense was affected by the completion of a relocation of the rig owning companies to Malta.

The net profit for the Group was USD 65 million (USD 22 million).

Chosen for experience and expertise

Committed

We will develop committed and motivated employees who will focus on providing customer satisfaction at the same time as achieving our company's goals.

Safety conscious

Safety will be at the centre of all our operations, with the goal of ensuring a safe working environment for our employees, partners, clients and owners.

Balance Sheet

Consolidated total assets as at 31 December 2024 amounted to USD 2,215 million (USD 2,309 million).

Total non-current assets amounted to USD 1,969 million (USD 2,055 million), a decrease of USD 86 million.

Current assets amounted to USD 246 million (USD 254 million), of which USD 118 million was cash and cash equivalents (USD 129 million).

Total equity amounted to USD 1,403 million (USD 1,394 million), an increase of USD 9 million. The equity ratio was 63% (60%).

Total liabilities amounted to USD 812 million (USD 915 million), reflecting a decrease in gross interest-bearing borrowings of USD 89 million. Net interest bearing debt amounted to USD 504 million (USD 582 million).

Cash Flow

Cash flow from operating activities amounted to USD 288 million (USD 265 million). The variance of USD 138 million from EBIT is mainly explained by depreciation, impairment and amortisation offset by net interest paid and income tax payments.

The cash outflow from investing activities continuing operations amounted to USD 130 million (continuing operations USD 55 million), mainly due to capital expenditures.

The cash outflow from financing activities amounted to USD 164 million (USD 196 million). Net USD 45 million was drawn on the Odfjell Invest RCF in 2024. There was a positive effect of USD 7 million from the sale of the Group's holdings in Odfjell Rig III Bonds. The Group repaid the Samsung Yard Credit of USD 53 million and further paid USD 105 million in instalments on leases and other facilities. Total dividends of USD 57 million were paid to the shareholders in 2024.

Segment reporting

Own Fleet

Operating revenue for the Own Fleet segment was USD 599 million (USD 573 million) mainly driven by (i) higher revenue on Deepsea Atlantic (USD 15 million) due to increase in day rate, higher bonuses and add-on sales, partly offset by the SPS yard stay as well as (ii) Deepsea Nordkapp (USD 7 million) due to increase in day rate and higher add-on sales partly offset by lower bonus and (iii) lower utilisation and Deepsea Stavanger (USD 7 million) driven by rate increases, higher utilisation and add-on sales partly offset by lower bonus. The increase in revenue is partly offset by lower revenue for Deepsea Aberdeen (USD 3 million) due to lower average day rate and lower bonus.

EBITDA for the segment was USD 325 million (USD 315 million), mainly driven by improved EBITDA for Deepsea Atlantic (USD 12 million) and Deepsea Stavanger (USD 4 million) partly offset by Deepsea Aberdeen (USD 4 million) and Deepsea Nordkapp (USD 3 million).

External Fleet

Operating revenue for the External Fleet segment was USD 174 million (USD 156 million). The main drivers of the increase is Deepsea Yantai (USD 7 million), Deepsea Bollsta (USD 5 million) and Hercules (USD 4 million).

EBITDA for the segment was USD 29 million (USD 24 million). The main driver of the increase is Hercules (USD 2 million), Deepsea Yantai (USD 2 million) and Deepsea Mira (USD 1 million).

Critical accounting estimates

The Group makes estimates and assumptions concerning the future. These are based on the underlying business, its current and forecast profitability over time, and expectations about external factors such as interest rates, foreign exchange rates and other factors outside the Group's control.

There is estimation uncertainty in the Group's revenue recognition and useful life assessment. There is use of significant judgement in the impairment indicator reviews, evaluation of lease terms, and considerations related to contingent liabilities.

Please refer to Note 3 - Critical accounting estimates and judgements in the Consolidated Financial Statements for further information.

Parent company accounts

The business of the Parent Company, Odfjell Drilling Ltd, is as a holding company for investments in subsidiaries.

The Parent Company reported an operating loss (EBIT) of USD 2.7 million (USD 4.2 million), a positive change of USD 1.5 million, mainly due to decreased losses from other operating expenses.

Interest income was USD 11 million (USD 24 million), interest expense was USD 6.5 million (USD 10 million). The Parent company also had dividend income from subsidiaries of USD 70 million in 2024.

A net profit of USD 58 million (USD 6 million) was reported. The change from last year is mainly due to dividend received in 2024.

Total assets in the Parent Company amounted to USD 1,031 million as at 31 December 2024 (USD 1,023 million).

Equity in the Parent Company amounted to USD 968 million (USD 951 million), corresponding to an equity ratio of 94% (93%).

Cash flow used in operating activities was USD 3 million (USD 20 million).

Cash flow from investing activities was USD 46 million (USD 114 million). Cash flow in 2024 was mainly related to proceeds from loans provided to subsidiaries.

Cash flow used in financing activities was USD 49 million (USD 88 million), mainly due to dividend payments of USD 57 million, partly offset by proceeds from Group borrowing facilities.

Risk review

Operational and industrial risk factors

The Group provides drilling rigs and services for the oil and gas industry, which historically has been cyclical in its development. The level of activity in the industry will depend, among other things, on the global economy, oil and gas prices, the investment level for oil and gas exploration, production and drilling and regulatory issues relating to operational safety and environmental hazards. Financial performance will also depend on the balance of supply and demand for mobile offshore drilling units.

The Group seeks to mitigate these risks by securing contracts, preferably long-term, with reputable clients, for its main assets and services. All offshore contracts are associated with risk and responsibilities, including technical, operational, commercial, and political risks. The Group will continuously adjust the insurance coverage as required to limit these risks.

As the Group's fully owned fleet currently consists of only four own assets, any operational downtime, or any failure to secure employment at satisfactory rates, will affect the results relatively more than for a group with a larger fleet. Odfjell Drilling has invested significant time and efforts to maintain a safe, predictable and profitable performance.

Creative

We will be forward-looking and creative in finding new ways of handling challenges that result in safer and more effective, efficient solutions.

Competent

We will deliver products and services of the highest quality by providing highly qualified personnel working within state-of-the-art management systems.

Result Oriented

Through a focus on these core values, we will deliver superlative results to our clients and owners, overcoming challenges in a creative way while remaining dedicated to safety.

Factors that, in the Group's view, could affect its results materially include: volatile oil and gas prices, global political changes regarding energy composition and developments in the renewables sector, competition within the oil and gas services industry, changes in clients' spending budgets, cost inflation, access to qualified resources and developments in the financial and fiscal markets.

Financial risk factors

The Group is exposed to a range of financial risks discussed below. The financial risk management process, carried out at a Group level, focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. To some extent, the Group uses derivative financial instruments to reduce certain risk exposures.

The Group identifies, evaluates, and hedges financial risks in close co-operation with the Group's operational units. The Board has established written principles for risk management of foreign exchange risk, interest rate risk and the use of derivative financial instruments.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of credit facilities, and to have sufficient cash at any time, to finance its operations and investments in line with the Group's strategic plan. More details can be found in Note 21 - Liquidity Risk.

Odfjell Drilling held cash and cash equivalents amounting to USD 118 million in addition to available drawing facilities of USD 99 million, meaning that the total available liquidity was USD 217 million at the end of 2024, which is deemed sufficient funding for the Group's current activity levels and committed capital expenditures during 2025.

The liquidity risk is connected with the market risk and the re-contracting risk for mobile offshore drilling units. Management continuously focuses on securing new profitable contracts to generate sufficient cash flow from operations, hence reducing the liquidity risk.

The Group's refinancing risk is considered low given the full refinancing exercise undertaken in 2023. Bank loan facilities do not start materially maturing until 2028 and the bond in Q2 2028. See Note 16 - Interest-bearing borrowings for further information about maturity of contractual amounts.

Market risk

This is the risk of a change in market prices and demand, as well as changes in currency exchange rates and interest levels.

The re-contracting risk for the Group's wholly owned mobile offshore drilling units is limited in 2025, as all units in the fleet have medium to long-term contracts.

Foreign exchange risk

The Group is exposed to currency fluctuations, primarily with respect to USD, GBP and NOK. These risks are minimised through currency hedging via financial instruments or by off-setting local currency elements in charter contracts.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations at floating interest rates. The Group evaluates the level of interest rate hedging based on assessment of total interest rate risk and currently has a combination of fixed and floating interest rates in order to limit exposure. The Board considers interest payment hedging of the external financing and mandates administration to execute necessary changes.

As of December 31, 2024, the fixed-rate portion of the Group's interest-bearing debt, including interest rate swaps and options, is approximately 80%.

Credit risk

The main market for the Group's services is the offshore oil and gas industry, and clients consist primarily of major international oil companies, independent oil and gas producers and government owned oil companies. The Group performs ongoing credit evaluations of clients and generally does not request material collateral. Credit risk is considered to be limited.

ESG risk

ESG risks are considered in day to day operations, as well as at an enterprise risk level and in line with new legislative requirements. More details of ESG risk can be found in the Sustainability Statement.

Climate Risk

The Group integrates climate risks and opportunities into its overall enterprise risk management approach. More details of climate risks can be found in the Sustainability Statement.

Director and Officer's Liability Insurance

Odfjell Drilling has a group insurance policy for the liability of the Company's and its subsidiaries' Directors and Officers. The insurance covers personal legal liabilities including legal costs for defence. The limit of liability is NOK 100 million per claim and in aggregate per year.

Going concern

The financial statements have been prepared on the basis of the going concern assumption and the Directors have confirmed that this was realistic at the time the accounts were approved - see Note 2 - Basis for preparing the consolidated financial statements.

When assessing the going concern assumption, Directors and management have considered cash flow forecasts, funding requirements and order backlog.

The upswing in the oil and gas market, with a focus to secure stable energy supply, has impacted the financial markets positively with better access to capital. Odfjell Drilling has strong backlog, a robust balance sheet with low leverage, and a long-standing relationship with its key lenders.

Taking all relevant risk factors and available options for financing into consideration, the Board has a reasonable expectation that the Group has adequate resources to continue its operational existence for the foreseeable future.

Subsequent events

Refer to Note 27 - Contingencies for information about the judgment issued by the Hordaland District court on 23 January 2025 regarding the Odfjell Offshore Ltd tax case.

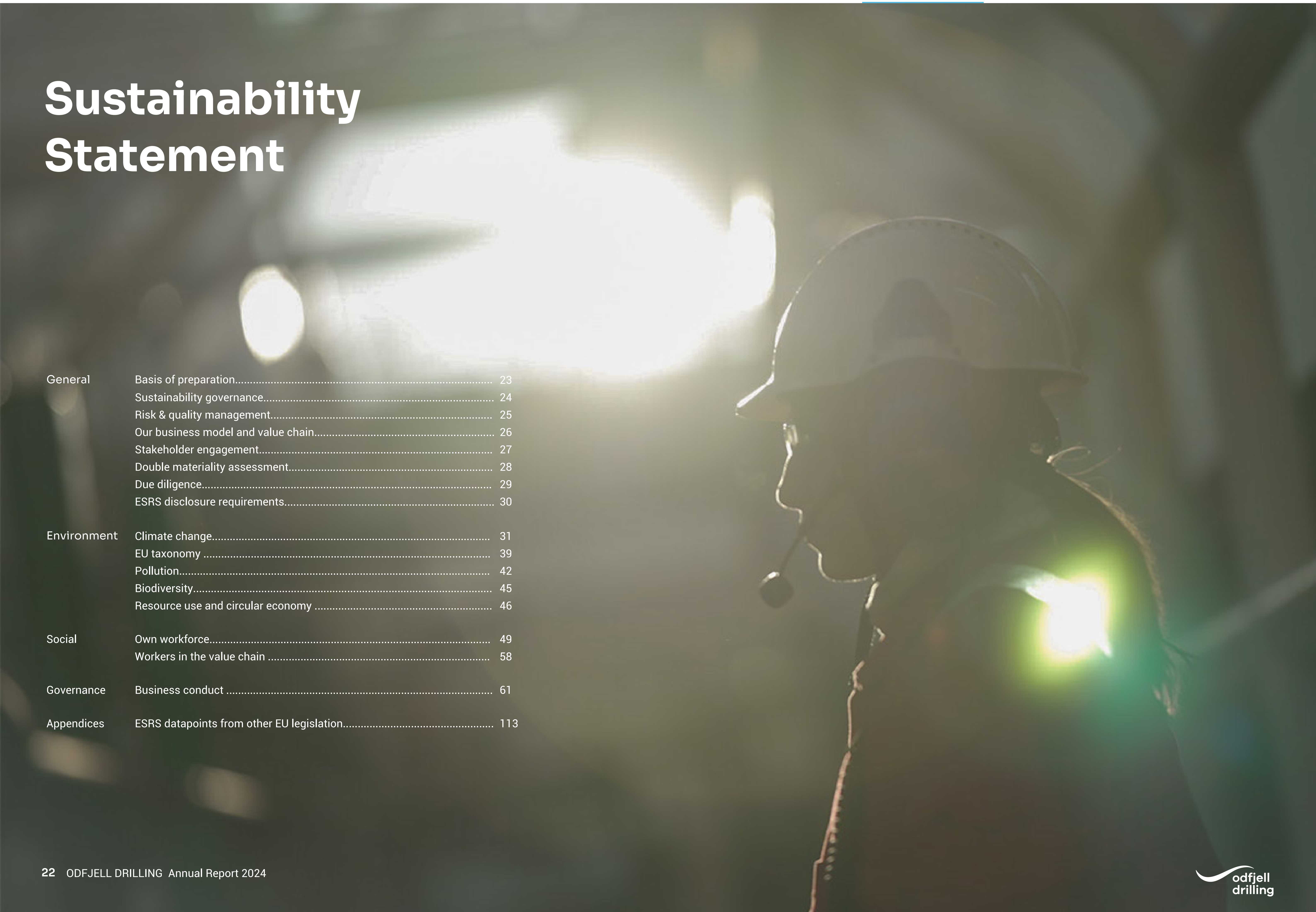
12 February 2025, the Board of Directors approved a dividend distribution of 0.125 USD per share, equal to USD 30 million, with payment in March 2025.

There have been no other events after the balance date with material effect for the financial statements ended 31 December 2024.

The Board of Odfjell Drilling Ltd

28 April 2025, London, United Kingdom

Simen Lieungh	Helene Odfjell	Harald Thorstein	Knut Hatleskog	Alasdair Shiach	Diane Stephen
Chair	Director	Director	Director	Director	General Manager



Sustainability Statement

ESRS 2

Basis for Preparation

In 2024, for the first time, Odfjell Drilling Ltd has prepared the Sustainability Statement in accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and its underlying European Sustainability Reporting Standards (ESRS).

BP-1

General basis for preparation of the Sustainability Statement

Our Sustainability Statement, which is approved by the Board, has been prepared on a consolidated basis, covering the Group and its subsidiaries, aligning with the scope of the financial statements unless otherwise stated.

This statement fulfils our obligation as the mandatory annual statutory sustainability report, in compliance with the CSRD, Norwegian Accounting Act and the EU Taxonomy.

The Sustainability Statement covers the main value chain of the Group, including the Impacts, Risks, and Opportunities (IROs) identified in our own operations, upstream, and downstream value chain. Operational control is defined as when the Group has full authority to introduce and implement its operating policies at the asset. It is determined by looking at the contractual agreements.

All data points found in the topical standards have been subject to a Double Materiality Assessment (DMA). For a detailed description of the scope, methodology, and assumptions of our DMA process, see ESRS 2 IRO-1.

No information corresponding to intellectual property, know-how, or the results of innovation has been omitted from the Sustainability Statement.

The statement has been subjected to limited assurance by the external Group auditor.

BP-2

Disclosures in relation to specific circumstances

In line with the adaptation to the CSRD and the ESRS, the Group has restructured its sustainability reporting. The corresponding accounting principles describe whether practices have changed, potential sources of measurement uncertainty, value chain assumptions, estimates or in the event errors have occurred since the prior reporting period.

The Sustainability Statement follows the categorisation of short, medium and long-term time horizons as defined in ESRS 1, section 6.4. For the first year of reporting under ESRS, the transitional provision in ESRS 1:137 allowing for phasing-in certain data point disclosures, has been applied, more specifically encompassing E1 (E1-9), E2 (E2-6), E4 (E4-6), E5 (E5-6) and S1 (S1-6, S1-7, S1-11, S1-12, S1-14, S1-15).

Incorporation by reference

The table to the right provides an overview of where information can be found relating to ESRS disclosures that have been incorporated by reference and stated outside of the Sustainability Statement as part of other sections of this Annual Report.

Disclosure requirements incorporated by reference				*Page*
GOV-1	21a, b, c	Number of executive and non-executive members of the Board of Directors	Board of Directors report	10
GOV-1	21d	Board gender diversity ratio	Corporate Governance	13
GOV-1	21e	Percentage of independent board members	Corporate Governance	13
GOV-1	22b	Body's responsibilities for IROs reflected in undertakings terms of reference, board mandates and other related policies	Audit Committee report, Corporate governance	11, 19, 21
GOV-1, G1.GOV-1	23a-b, 5b, 21c, 17	Information on Board competencies, skills, and relevant experiences	Corporate Governance	10
GOV-2	26c	Material impacts, risks and opportunities addressed by the Board of Directors	Board of Directors report	21
GOV-3, E1.GOV-3	27, 29a-e, 13	Information on sustainability-linked remuneration	Remuneration report	16
GOV-5	36a-e	Information on risk management and controls	Audit Committee report, Corporate Governance	11, 14 , 21

Governance

Sustainability Organisational Structure

Board of Directors
Endorses sustainability strategy and policies

Audit Committee

Executive Management Team
Implement sustainability strategy and policies, monitors performance

Corporate Risk Committee

ESRS Topic	Executive responsible
E1 Climate Change	COO | CTO
E2 Pollution	COO | SVP QHSSE
E4 Biodiversity	COO | SVP QHSSE
E5 Resources and Circular economy	CTO
S1 Own workforce	SVP Human Resources
S1 Own workforce (health and safety)	SVP QHSSE
S2 Workers in the value chain	SVP Human Resources
G1 Business Conduct	General Counsel

Corporate Functions
Facilitates sustainability strategy and action plans

Figure 1: Sustainability Organisational Structure

GOV-1

The role of the administrative management and supervisory bodies

The Group's governance framework ensures effective oversight of sustainability-related IROs. The Board holds ultimate accountability for integrating sustainability into corporate strategy and decision-making, including:

- Policy development and oversight
- Risk management and internal controls
- Performance monitoring to align with evolving regulatory requirements and best practices

The Audit Committee, in coordination with the Board, reviews sustainability performance on a quarterly basis, with additional meetings as necessary. The Board receives regular updates and discusses material sustainability matters, ensuring that relevant expertise is leveraged across the organisation. Employee representation is only in Norwegian subsidiaries.

The governance model embeds sustainability oversight through clearly defined responsibilities across the organisation (see Figure 1: Sustainability Organisational Structure). Dedicated internal controls and procedures are integrated with Enterprise Risk Management (ERM) systems, read more on page 25.

The Board and Executive Management Team (EMT) possess the necessary skills and expertise to oversee sustainability matters, including climate risk, decarbonisation, pollution control, and employment practices. Targeted training and development programmes are implemented to address competency gaps as needed. See the Figure 1 for executive responsible for specific sustainability topics and related IROs.

Structured management reporting systems ensure regular updates on operational, financial, and sustainability performance. Further details on risk management frameworks and sustainability oversight can be found in the Corporate Governance Report and internal controls and compliance mechanisms are outlined in the Audit Committee Report.

GOV-2

Information provided to, and sustainability matters addressed by the Company's administrative, management and supervisory bodies

The Board and its committees are systematically informed about sustainability-related IROs. This includes due diligence implementation, policy effectiveness, risk mitigation, and progress on sustainability targets, metrics, and initiatives, aligned with ESRS.

The Vice President (VP) of Sustainability, in collaboration with corporate functions, provides periodic updates to the Board and the EMT, ensuring the integration of sustainability into business strategy and risk management processes.

The Audit Committee reviews quarterly and annual sustainability reports, ensuring compliance with regulatory standards and strategic objectives. External third-party representatives contribute to discussions where relevant. The annual DMA is reviewed by the Audit Committee before being approved by the Board.

Sustainability risks and opportunities are embedded in the Board's strategic oversight, major transaction decisions, and ERM processes. The Enterprise Risk Register systematically reports significant sustainability risks to the Board, ensuring that emerging and material risks are identified and addressed at the highest governance level. Complementing this, Operational Risk Registers provide a structured approach to managing sustainability-related risks at different levels of the organisation, ensuring alignment with corporate objectives and day-to-day risk mitigation efforts.

To support a structured and standardised approach to risk management, the organisation applies the International Organisation for Standardisation (ISO) 31000 framework, which guides the identification, evaluation, mitigation, and escalation of sustainability-related risks. This approach is reinforced through task-based assessments and climate risk evaluations, conducted at both operational and strategic levels to proactively assess and mitigate potential sustainability risks.

Additionally, the Corporate Risk Committee (CRC) plays a critical role in risk governance, ensuring that high-value tenders and contracts undergo thorough risk assessments. These assessments consider both financial and non-financial impacts, including integrity risks, to ensure that sustainability considerations are fully integrated into decision-making and long-term business strategy. Risk is also managed through internal audits and lessons learned reviews to ensure compliance, improve our practices, and enhance control measures.

GOV-3, E1.GOV-3

Integration of sustainability-related performance in incentive schemes

The variable remuneration criteria include strategic targets including emissions reduction and Quality, Health, Safety, Security and Environmental (QHSSE) targets and performance. See the Executive Remuneration Report for more information on the incentive schemes.

Risk & Quality Management

GOV-5

Risk management and internal controls over sustainability reporting

Following the Group's partial pre-implementation of the CSRD in 2023, the internal control systems have been expanded and developed to encompass the full scope of our sustainability reporting process. The sustainability reporting control systems follow an approach similar to the financial reporting control system.

As the sustainability reporting scope has increased in 2024, a wider range of internal controls have been established following an ongoing evaluation of the risks related to data accuracy and completeness. This has been done in close cooperation with internal data owners and our external auditors. See the Audit Committee report for more information and how internal controls regarding sustainability reporting have been integrated in relevant processes.

The Group's sustainability reporting is exposed to the risk of material misstatement due to inherent limitations in raw data accuracy, calculation and estimation procedures, assumptions used in these processes, and risks associated with manual data transfer. To mitigate these risks, the Group has implemented structured internal control processes, including automated data validation, internal review mechanisms, and cross-functional verification. Function leads, as outlined in figure:1 Sustainability Organisational Model on page 24, are responsible for addressing identified risks related to sustainability topics under their responsibility.

To mitigate risks, the sustainability reporting team works with internal and external subject-matter experts to gain knowledge on operational procedures and establish governance of data collection and control systems. For value chain information, we engage in dialogue with our suppliers to ensure a common understanding of the data needs and data quality.

In 2024, the Group introduced a sustainability reporting tool to automate data collection, structure reporting processes, and monitor adherence to ESRS standards. The system includes automated quality checks, audit trails, and discrepancy detection, to ensure data integrity. A centralised reporting hub has been established to facilitate data consistency across all functions, enabling the sustainability department to identify and rectify inconsistencies in real time.

To enhance the reliability of sustainability reporting, the Group conducts regular internal reviews and independent third-party verification of key sustainability disclosures. The sustainability reporting framework is aligned with financial internal controls and risk management principles, following the COSO framework and ISO 31000 risk management guidelines. Additionally, an annual internal audit of sustainability disclosures is conducted to assess data accuracy and control effectiveness. Continuous improvements to the reporting system are implemented based on stakeholder feedback, regulatory developments, and technological advancements. See the Audit Committee Report for more information on periodic reporting of findings of risk assessment and internal controls and assurance to administrative, management and supervisory bodies.

Quality management

Odfjell Drilling works continuously to maintain and develop the highest quality standards for our services, to protect assets, and to prevent harm to people and the environment. The annual QHSSE Programme sets the overall objectives and improvement actions for the year, and the rigs develop their own specific action plans supporting the QHSSE Programme.

Odfjell Drilling's Company Management System (CMS) contains policies, processes, and procedures, and is the framework for operating our business, meeting the requirements and expectations of the Board, authorities, clients, and other stakeholders. The CMS is built on 50 years of operational experience within the drilling sector and complies with recognised international and national standards, as well as national legislation. It consists of 5 levels, where level 0 contains policies established by the Board and level 4 contains unit specific work instructions. The Group's policies are structured to be clear and concise for all employees, suppliers and other key stakeholders, to understand and comply with them.

Odfjell Drilling have the following certification and accreditation:

- ISO 9001 Quality Management System
- ISO 14001 Environmental Management System
- International Safety Management code
- International Ship and Port Facility Security code

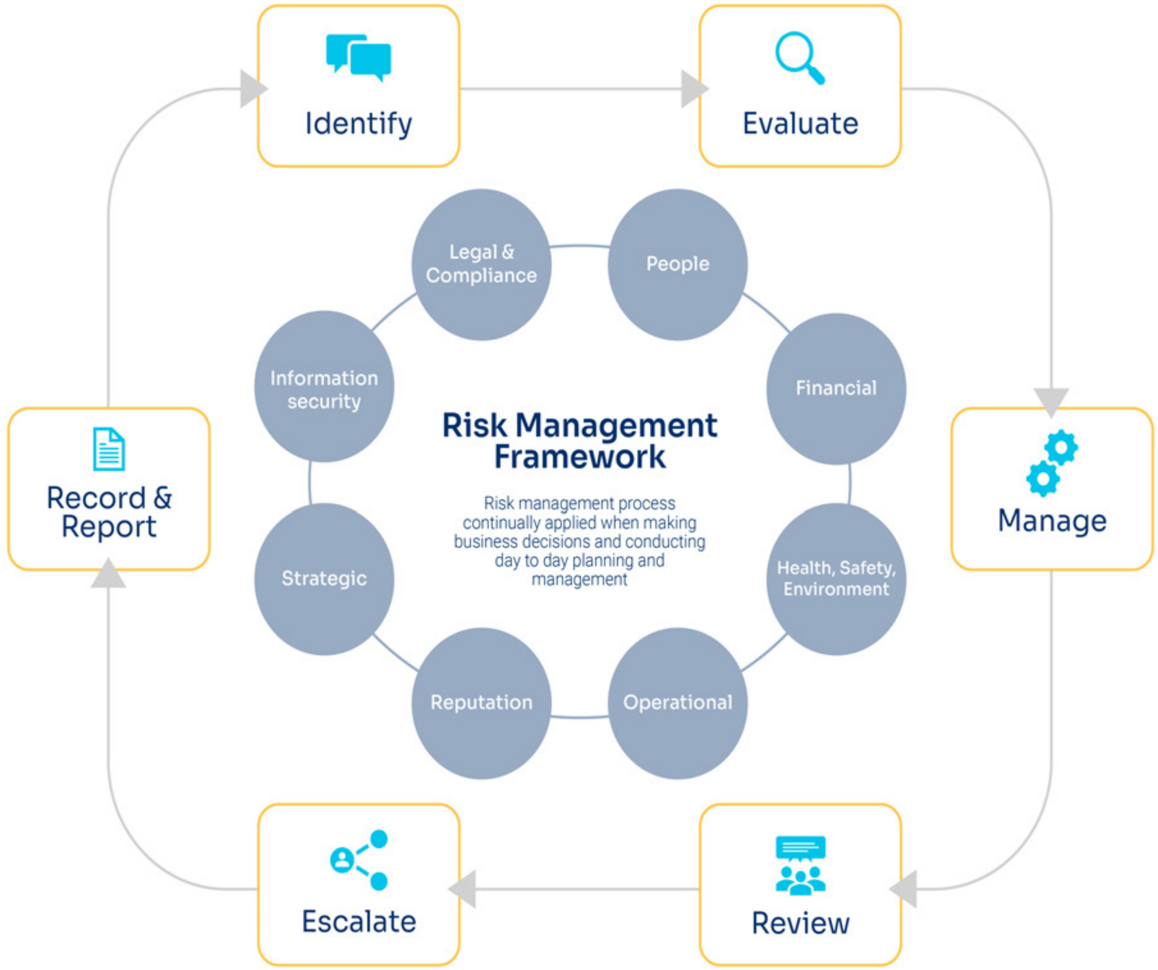


Figure 2: Risk management framework

Strategy, Business Model & Value Chain

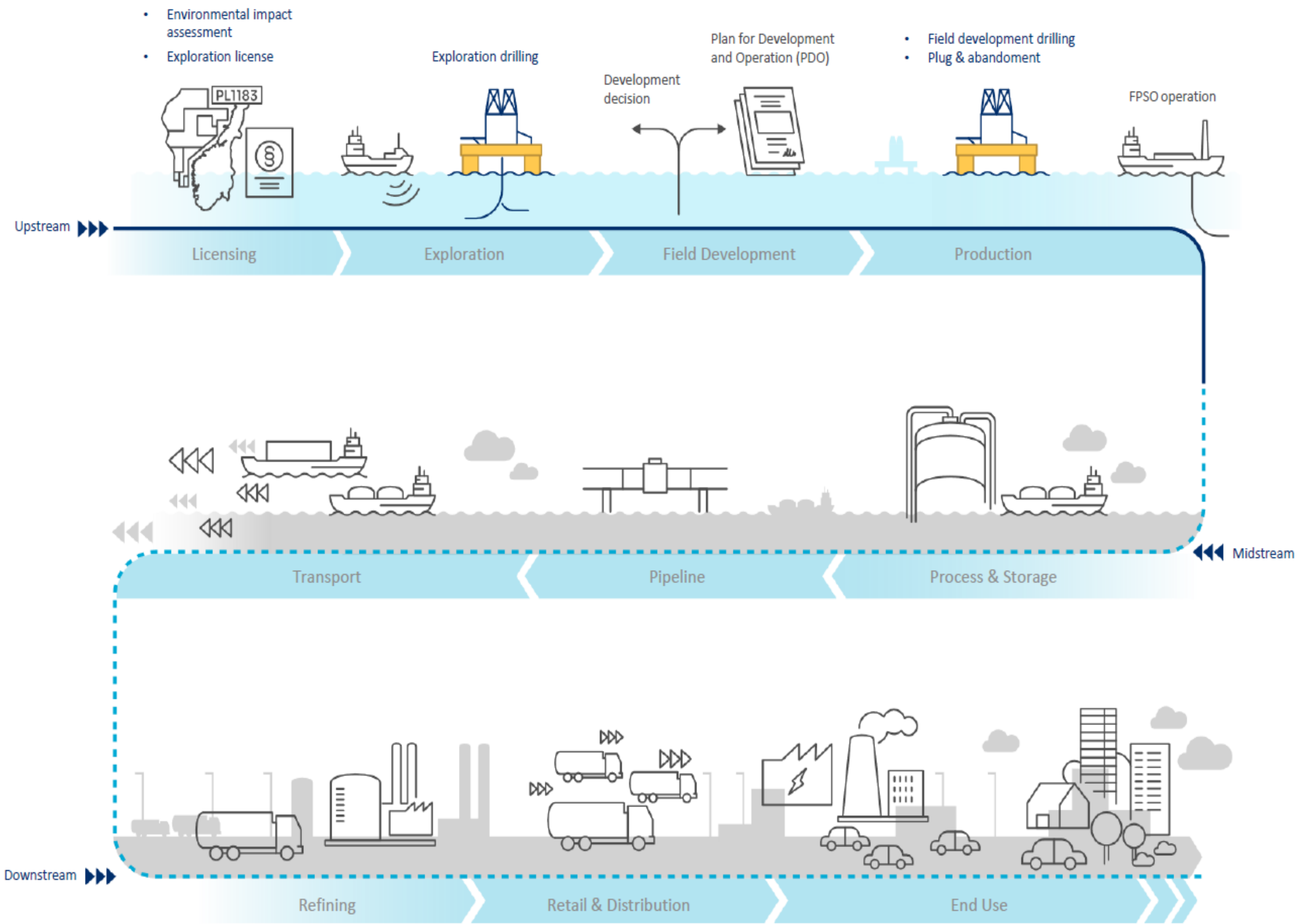


Figure 3: Oil and Gas value chain

SBM-1

Strategy, business model and value chain

With over five decades of experience and expertise from operations across the globe, we offer a state-of-the-art fleet of semi-submersible Mobile Offshore Drilling Units (MODUs).

The Group has two main business segments: Own fleet and External fleet, with operational management in Norway, the UK, and Malta. For more information on fleet details see page 7-9 of this report and on our website Odfjell Drilling - Chosen for experience and expertise.

The Group creates value by operating MODUs efficiently and safely, impacting hydrocarbon production and CO_2 storage developments for Exploration and Production (E&P) companies. Contracts include a fixed day rate for providing production facilities, asset hire, exploration drilling, Plug and Abandonment (P&A), and an operating fee. Different E&P clients influence drilling operations, leading to individualised procurement for each rig. Odfjell Drilling holds a key role in the upstream value chain but has limited control over IROs as dictated by the licence holder, the E&P operator under contract.

Our activities encompass the management and operation of MODUs. The total revenue in 2024 was USD 775 million whereof USD 769 million was from the oil and gas sector, and USD 6 million taxonomy-aligned from the waste treatment and disposal sector from CO_2 storage activities.

The Group prioritises operational efficiency while enabling emission reductions in line with operator and regulatory requirements, ensuring sustainable and cost-effective operations for clients and stakeholders. Sustainability-related goals, actions and elements of the strategy that relates to or impact on sustainability matters are outlined in respective sustainability topics reporting.

Oil & gas value chain

As illustrated in figure 3, the oil and gas sector is divided into upstream, focusing on exploration and production; midstream, handling processing, transportation and storage; and downstream, covering refining and distribution of end products.

The Group's activities are located in the upstream value chain for the oil & gas sector, during exploration and development phases of the energy production cycle. This includes the field decommissioning stage, including the subsequent redeployment or recycling of our owned MODUs.

Carbon Capture and Storage value chain

As of 2024, the Group had activities in a new value chain, in particular, the downstream value chain for the Carbon Capture and Storage (CCS) sector. Deepsea Stavanger drilled one appraisal well on the Smeaheia field on the NCS. Our fleet can conduct exploration, development drilling, and P&A of CO_2 storage wells.

Odfjell Drilling's value chain

The upstream value chain are suppliers and sub-suppliers delivering products and services necessary to conduct the drilling operations. This includes all direct suppliers and sub-suppliers of equipment, software, office space, drilling control systems, Remote Operating Vehicles (ROVs), operational technology and navigation. It further includes contracted services and support activities such as human resources, supply chain management, agents, consultants, cleaning services, and food and catering. The Group also use transportation services to ship equipment to the desired location. This upstream value chain is neutral in regards to the oil & gas and CCS operations.

The downstream value chain is defined by the sector activity of offshore oil & gas or CO_2 storage, reflecting the E&Ps activities.

Stakeholder Engagement

The Group continuously engages with stakeholders to deliver on commercial, financial, environmental, and social targets, while fostering mutually beneficial relationships. Recognising that sustainable practices and transparent dialogue are key to long-term success, the Group integrates stakeholder insights into decision-making, ensuring alignment with industry standards, regulations, and evolving expectations.

SBM-2

Interest and views of stakeholders

The Group seeks to understand the unique value drivers of each group, by involving stakeholders to evaluate both positive and negative impacts from our activities. This approach ensures that diverse perspectives contribute to informed decisions, aligning with the Group's objectives on material sustainability matters.

Stakeholders include anyone who may influence or be affected by the Group's operations. The Group engage with representatives of affected stakeholders, such as unions and non-governmental organisations, suppliers, business partners, clients, and industry associations. In addition, the Group actively engages with users of the Sustainability Statement, including authorities, banks and investors.

Outcomes of stakeholder engagement, including methods and specific impacts, are summarised in the stakeholder dialogue table. The engagement methods are designed to address specific stakeholder interests, such as operational safety, environmental impact mitigation, and financial transparency.

Stakeholder input is integrated into decision-making processes at all levels. The Group monitors stakeholder relationships through recurring engagement activities and performance reviews, ensuring continuous improvement and alignment with expectations.

Beyond our key stakeholder dialogue, we engage with internal subject-matter experts to understand material IROs. These experts include key employees with responsibilities and insights into specific parts of our business model and operations.

Our DMA and the information in the Sustainability Statement encompass the most important topics for our stakeholders, as they consider the identified interdependencies and IROs related to our value chain.

Stakeholder group	How we engage	Why we engage	Value created
Investors and financial institutions	• Regular financial reporting (quarterly/ annual reports) • Lender and investor conferences, in person meetings and investor roadshows • Direct communications through newsletters, e-mails, and updates • Question & answer sessions during investor conference calls	Foster an open dialogue and build trust, transparency, and lender and investor confidence by communicating the Group's performance and strategy.	• Increased lender and investor confidence and transparency • Better financial support and investments • Strengthened market reputation
Rig owners	• Operational performance reports • Regular meetings and updates on market trends • Joint ventures and strategic partnership discussions • Safety and environmental compliance updates	Ensure alignment on operational goals, compliance and safety standards.	• Enhanced operational efficiencies and safety standards • Strengthened partnerships and collaborations • Shared best practices and innovation
Clients	• Regular service performance reviews • Customised presentations on new services • Feedback sessions to understand client needs and improve service	Ensure services meet contractual terms and client expectations.	• Increased client satisfaction and loyalty • Tailored solutions meeting client needs • Long-term business relationships
Suppliers	• Supplier meetings and workshops • Performance feedback and improvement plans • Collaboration on innovation and sustainability initiatives • Regular communication on procurement policies and forecasts • Audits	Improve supplier performance and ensure alignment with expectations and ensure suppliers are informed about policies and future needs.	• Stronger supply chain relationships • Enhanced product quality and innovation • Efficient and sustainable supply processes
Employees, including local unions and employee groups	• Regular town hall meetings • Subsidiary Board meeting participation • Engagement surveys and feedback mechanisms • Training and development programmes • Negotiations and consultations with unions • Health, safety, and wellness programmes • Intranet; Pulse • Exit interviews	Provide transparency on organisational updates and foster employee engagement. Gather input on employee needs and assess satisfaction level while ensuring the well-being and safety of employees. Address labour concerns and maintain positive relationships with unions.	• Improved employee morale and job satisfaction • Survey feedback informed wellness programmes • Enhanced skills and productivity • Stronger labour relations • Reduced turnover and sick leave rates
Authorities	• Compliance and regulatory reporting • Meetings and briefings on industry regulations • Participation in industry forums and committees • Community engagement and environmental stewardship programmes	Meet regulatory obligations and demonstrate adherence to legal and industry standards. Contribute to industry-wide initiatives and standards.	• Compliance with legal and regulatory standards • Positive community relations • Contribution to industry standards and practices

Double Materiality Assessment

The Group has conducted a Double Materiality Assessment (DMA) to determine key topics of economic, environmental, and social impacts relevant to the Group, as well as the issues that influence stakeholder decisions. The material IROs identified were integrated into the Group's risk management processes and decision-making frameworks.

SBM-3

Material IROs and their interaction with strategy and business model

The identified material IROs of 2024 are outlined in the table and further described under each topic in the Sustainability Statement. The Group's strategy and business model are an integral part of the DMA, covering the Group's actual and potential impact on people and the environment, as well as financial risks and opportunities arising from sustainability factors. The content of the Sustainability Statement reflects the outcome of the DMA and provides insights on:

- current and anticipated effects of material IROs or whether they originated or are connected with the business model and strategy
- how the IRO affects people or environment
- expected time horizon
- nature of activities

The assessment informed the Group's operational strategies, ensuring alignment with ESRS topical standards identified as material. The conclusions of the DMA contributed to shaping the Group's strategy and action plan for 2024-2026. The results of the DMA are integrated into the Group's ERM process to ensure that material IROs are regularly monitored and updated in alignment with strategic priorities.

The process to identify and assess actual and potential IROs is described on page 29. The table includes an indication of value chain location, time horizon, scale of impact, and financial materiality. Entity-specific topic identified and assessed is cyber security.

The current financial effects of the identified material risks and opportunities are limited, and the Group has capacity to address the identified material impacts and risks as well as to take advantage of material opportunities. E1 Climate Change, E5 Resource Use and Circular Economy, S1 Own Workforce and G1 were identified as having a potential material financial impact.

Threshold of materiality

Impact materiality is defined if the Group's impact on people or the environment meets set thresholds. Impacts in the first tier of suppliers and business relationships are prioritised due to their higher influence. Both actual and potential impacts are assessed over short, medium, and long-term horizons, with severity taking precedence over likelihood for human rights risks.

- Impact materiality threshold: impact meets the severity threshold (scale, scope, and degree of irremediability) combined with the likelihood of occurrence

Materiality from a financial perspective focuses on risks or opportunities that affect the Group's financial position, performance, cash flows, or access to capital over time. Financial materiality extends beyond the Group's direct control to include material risks and opportunities within its value chain.

- Financial materiality threshold: risks or opportunities that have a material influence or could reasonably be expected to have a material influence on the Groups development, financial position, financial performance, cash flows, access to finance, or cost of capital over the short, medium, or long-term

Material impact, risk or opportunity		Category	+/-	Value chain location: Up-Stream	Own Ops	Down-Stream	Time horizon: Short-term	Medium-term	Long-term	Materiality: Impact	Financial
ENVIRONMENT											
E1 Climate change mitigation & adaptation	CO_2e emissions from operations and value chain	Actual impact	+	●	●	●	●	●	●	■■■	■■■
E1 Climate change adaptation	Energy market transition, regulatory changes and CO_2 well market expansion	Actual and potential risk and opportunity	+/-		●		●	●	●		■■■
E2 Pollution to air	NO_x emissions	Actual impact	-	●	●	●	●	●		■■■	
E2 Pollution to water	Well blow out and uncontrolled spills to sea	Potential impact and risk	-		●		●	●	●	■■■	■
E2 Substance of concern	Hazardous chemical use causing spills and health concerns offshore	Potential impact	-		●	●	●			■	
E4 Impacts on the state of species	Operational noise pollution, pollution to sea	Potential impact	-	●			●	●		■	
E4 Direct impact drivers of biodiversity loss	Seabed disturbance from drilling	Potential impact	-		●	●			●	■	
E5 Resource use	Lifecycle management, resource use and circular economy related to SPS waste	Actual/ potential impact and risk	+/-		●			●	●	■■	■■■
E5 Resource use	Waste generated from SPS	Potential impact	-		●		●	●	●	■	
SOCIAL											
S1 Human rights and labour conditions	Safety standards, fair wages, working hours, contract terms, and labour rights enforcement	Actual and potential Impact and risk	+/-		●		●	●		■■■	■
S1 Health & safety	Potential hazardous working conditions offshore with risks of injuries and fatalities	Potential impact and risk	-		●		●	●	●	■■■	■■
S1 Psychosocial work environment	The work environment impact employee well-being	Potential impact	-		●			●		■■	
S1 Equal treatment and opportunities	Facilitating an inclusive and diverse work environment	Actual and potential impact	+		●		●	●		■■	
S1 Competence and training	Upskilling of the workforce	Actual impact	+		●		●	●		■	
S2 Human rights and labour conditions	Dependency on products and services provided by suppliers and contractors	Potential impact	+/-	●			●	●		■■	
GOVERNANCE											
G1 Corporate culture and risk management	Ethical decision-making, regulatory compliance, and business resilience	Actual impact	+		●		●	●	●	■■■	
G1 Corruption and bribery	Distortion of decision-making and market competition, resulting in unfair advantages and increased legal and financial risks	Potential impact and risk	+/-	●	●	●		●	●	■■	■
G1 Management of relationships with suppliers	Reputational, legal and financial risk related to human rights, environment and operational factors	Actual impact and risk	-		●			●		■■	■
G1 Protection of whistleblowers	Ensuring trust in reporting channels to discover possible adverse impacts	Potential impact	+	●	●	●	●	●		■■■	
Cyber security	Risk of cyber security attacks affecting operations	Potential risk	-		●			●			■■

+ (positive), - (negative), Own Ops (Own Operations)

Short-term (1–2 years), medium-term (3–5 years), and long-term (beyond 5 years) horizons

Double Materiality Assessment and Sustainability Due Diligence

The DMA is closely interlinked with the sustainability due diligence process. The Group conducts due diligence to identify, mitigate and account for actual and potential adverse impacts on environment, people and society, caused or connected with our business. The identification of actual and potential adverse impacts supports the identification of material topics subject to the CSRD.

IRO-1

Description of the process to identify and assess material IROs

The methodology for assessing material IROs complies with CSRD requirements and the Materiality Assessment Implementation Guidance by the European Financial Reporting Advisory Group (EFRAG) published in May 2024. The process is based on a structured methodology using qualitative and quantitative assessments, applying assumptions on risk severity, likelihood, and financial exposure. Software was used to conduct the assessment and complete scoring. This included the identification and assessment of impacts on the environment and society, as well as the sustainability related financial risks that we are exposed to, and the opportunities the Group leverage.

The process focused on the Group's drilling services, upstream value chain and the geographical location of the 2024 operations. Seven ESRS topics are material for the Group, with five of them having double materiality. Most significant material topics were E1 Climate Change and S1 Own Workforce. The assessment is based on inherent risk and impacts as well as activities integrated in the Group's operations to mitigate or reduce potential impacts and risks. The identified risks from the DMA are integrated to the ERM.

Stakeholder engagement

Stakeholder engagement was a central component of the materiality assessment process, ensuring that the identification and evaluation of actual and potential IROs are comprehensive and aligned with the Group's sustainability objectives. Following ESRS 1's definition of stakeholders, the Group focused on affected stakeholders and users of the Sustainability Statement, including clients, suppliers, financial institutions, employees, and authorities. Insights gathered through year round stakeholder engagements form the foundation for the DMA.

Specific workshops and meetings were held in collaboration with key stakeholders as outlined in SBM-2, integrating insights from their materiality assessments into the Group's process.

Integrating double materiality into business strategy

The Group conducted a five-step process to identify and assess the IROs in the value chain:

1. Identification of sustainability topics: The identification process began with a review of internal due diligence frameworks, company policies, and prior risk and materiality assessments. Industry-specific standards, such as the Sustainability Accounting Standards Board (SASB) and Global Reporting Index, were used to ensure an industry relevant lens on material topics. A long list of sustainability topics was generated, and input from stakeholders refined the initial list.
2. Assessment of impact materiality:Stakeholder engagement workshops involved all Odfjell Drilling functions, as well as one-on-one meetings with subject matter experts. Topics were assessed based on actual and potential impacts, considering severity, scope, and likelihood. External stakeholders, including clients, suppliers, and financial institutions, were also consulted. Findings were consolidated into the reporting software for scoring and prioritisation.
3. Assessment of financial materiality:Financial materiality was assessed through dialogue with the CFO, VP Finance, and General Manager, alongside the Sustainability team. The process used the Group's ERM framework and financial risk matrices to evaluate potential risks and opportunities that could affect financial position, performance, and long-term value creation. Risks were prioritised based on financial value and likelihood.
4. Finalisation and documentation:Results were validated by the Sustainability team. Comprehensive documentation, including workbooks, interview summaries, and rationale for scoring, was prepared to support the assessments.
5. Audit Committee review and approval: the Group's DMA outcome was presented to the Audit Committee for review and further discussed and approved with the Board.

GOV-4

Sustainability due diligence

Due diligence is embedded as a part of the governance, strategy, and business model, through binding policies and procedures, namely the Sustainability Policy, the Human Rights Policy and the Risk Framework. The sustainability due diligence process is aligned with the United Nations (UN) Guiding Principles on Business and Human Rights and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

The responsibility for assessing and identifying actual and potential adverse impacts are firmly anchored throughout the Group, within the ERM process and in the CRC. The value chain is assessed as described in G1-2 on page 64. Human rights risks within the value chain are assessed in accordance with the Human Rights Assessment Procedure. The information retrieval for all risk assessments is broad and includes internal risk registers, all reported incidents, stakeholder engagement, audits, and reports from recognised external sources.

Identified actual adverse impacts are remediated on a case-by-case basis reflecting the nature of the incident, including the severity and scope. The aim is to neutralise the damage and restore the situation. If the Group have contributed to, or in other ways are linked to, negative impacts outside our own control, the remediating actions will depend on the Group's leverage.

Identified potential impacts are mitigated by risk reducing measures. The Group aim to assess risk in advance and implement measures to ensure the function at risk has the necessary resources and knowledge to avoid actual negative impacts. Business opportunities found to have an unacceptable high risk after preventative and mitigating measures are implemented, will be denied.

The Group continuously oversees and reports incidents with an impact on people or the environment. Third parties without access to internal reporting channels should use the whistleblower channel to make reports. The number of incidents is a reflection of the effectiveness of the implemented actions. The stakeholder engagement process also gives feedback on the effectiveness of implemented actions, in particular employee surveys.

All stages of the due diligence process, including how impacts are addressed, are included in the Annual Report. Human rights reports covering the due diligence process are published annually in accordance with the UK Modern Slavery Act and the Norwegian Transparency Act. Highlights from the effectiveness of implemented actions are included in the quarterly reports. Information could also be communicated ad hoc on the website and in social media. Impacts with financial implications will also be disclosed in accordance with the Securities Trading Act and regulations and requirements set by Oslo Stock Exchange.

Reference to core elements of due diligence

Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-1 ESRS 2 GOV-2 ESRS 2 GOV-3 ESRS 2 SBM-3	p. 24 p. 24 p. 24, p.15 p. 28		
Engagement with affected stakeholders	ESRS 2 GOV-2 ESRS 2 SBM-2 ESRS 2 IRO-1 MDR-P E1-2 MDR-P E2-1	p. 24 p. 27 p. 29 p. 33 p. 42	MDR-P E4-2 MDR-P E5-1 MDR-P S1-1 MDR-P S2-1 MDR-P G1-1	p. 45 p. 46 p. 51-54 p. 58 p. 63
Identifying and assessing adverse impacts	ESRS 2 SBM-3 ESRS 2 IRO-1 IRO-1 E1 IRO-1 E2 IRO-1 E4	p. 28 p. 29 p. 31-32 p. 42 p. 45	IRO-1 E5 IRO-1 S1 IRO-1 S2 IRO-1 G1	p. 46 p. 50-54 p. 58 p. 62-64
Actions to address adverse impacts	MDR-A E1-3 MDR-A E2-2 MDR-A E4-3	p. 34 p. 42-43 p. 45	MDR-A E5-2 MDR-A S1-4 MDR-A S2-4	p. 46-47 p. 51-54 p. 59
Tracking effectiveness of actions and communicating	MDR-M E1-5,6 MDR-M E2-3 MDR-M E4-5 MDR-M E5-5 MDR-MS1-5	p. 36-37 p. 44 p. 45 p. 48 p.51-57	MDR-M, MDR-T G1-4 MDR-M, MDR-T G1-6 MDR-T E5-3 MDR-T S1-5 MDR-T S2-5	p.63 p.64 p. 47 p. 54 p. 60

ESRS Disclosure Requirements

IRO 2

DISCLOSURE REQUIREMENT AND RELATED DATA POINT	PAGE/ MATERIALITY
ESRS 2 GENERAL DISCLOSURE	
BP-1 Basis for preparation	23
BP-2 Disclosures in relation to specific circumstances	23
GOV-1 The role of the administrative, management, and supervisory bodies	24
GOV-2 Sustainability matters addressed by the administrative, management, and supervisory bodies	24
GOV-3 Incentive schemes	20
GOV-4 Statement on due diligence	29
GOV-5 Sustainability reporting risk management	25
SBM-1 Strategy, business model, and value chain	26
SBM-2 Interests and views of stakeholders	27
SBM-3 Material impacts, risks and opportunities	28
IRO-1 Process to identify and assess impacts, risks and opportunities	29
E1 CLIMATE CHANGE	
GOV-3 E1 Sustainability-related performance in incentive schemes	20
E1-1 Transition plan for climate change mitigation	31
SBM-3 E1 Material impacts, risks and opportunities	31
IRO-1 E1 Process to identify and assess impacts, risks and opportunities	32
E1-2 Policies related to climate change mitigation and adaptation	33
E1-3 Actions and resources in relation to climate change policies	34
E1-4 Targets related to climate change mitigation and adaptation	35
E1-5 Energy consumption and mix	36
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	37-38
E1-7 GHG removals and GHG mitigation projects financed through carbon credits	38
E1-8 Internal carbon pricing	38
E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Phase-in
E2 POLLUTION	
IRO-1 E2 Process to identify and assess impacts, risks and opportunities	42
E2-1 Policies related to pollution	42
E2-2 Actions and resources related to pollution	42-43
E2-3 Targets related to pollution	44
E2-4 Pollution of air, water and soil	43
E2-5 Substances of concern and substances of very high concern	44

DISCLOSURE REQUIREMENT AND RELATED DATA POINT	PAGE/ MATERIALITY
E2-6 Anticipated financial effects from pollution-related impacts, risks and opportunities	Phase-in
E3 WATER AND MARINE RESOURCES	NOT MATERIAL
E4 BIODIVERSITY AND ECOSYSTEMS	
E4-1 Transition plan and consideration of biodiversity and ecosystems strategy and business model	45
SBM-3 E4 Material impacts, risks and opportunities	45
IRO-1 E4 Process to identify and assess impacts, risks and opportunities	45
E4-2 Policies related to biodiversity and ecosystems	45
E4-3 Actions and resources related to biodiversity and ecosystems	45
E4-4 Targets related to biodiversity and ecosystems	45
E4-5 Impact metrics related to biodiversity and ecosystems change	45
E4-6 Anticipated financial effects from biodiversity and ecosystem related risks and opportunities	Phase-in
E5 RESOURCE USE AND CIRCULAR ECONOMY	
IRO-1 E5 Material impacts, risks and opportunities	46
E5-1 Policies related to resource use and circular economy	46
E5-2 Actions and resources related to resource use and circular economy	46-47
E5-3 Targets related to resource use and circular economy	47
E5-4 Resource inflows	Not Material
E5-5 Resource outflows	48
E5-6 Anticipated financial effects from resource use and circular economy related impacts, risks and opportunities	Phase-in
S1 OWN WORKFORCE	
SBM-2 S1 Interests and views of stakeholders	50
SBM-3 S1 Own workforce impact, risk, and opportunities	51-54
S1-1 Policies related to own workforce	49, 51-54
S1-2 Process for engaging with own workers and workers' representatives about impacts	50, 53
S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns	50
S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	51-54
S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	51-54
S1-6 Characteristics of the undertaking's employees	50, 55

DISCLOSURE REQUIREMENT AND RELATED DATA POINT	PAGE/ MATERIALITY
S1-7 Characteristics of non-employee workers in the undertaking's own workforce	Phase-in
S1-8 Collective bargaining coverage and social dialogue	55
S1-9 Diversity metrics	55
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S1-11 Social protection	Phase-in
S1-12 Persons with disabilities	56
S1-13 Training and skills development metrics	56
S1-14 Health and safety metrics	56
S1-15 Work-life balance metrics	57
S1-16 Compensation metrics (pay gap and total compensation)	57
S1-17 Incidents, complaints and severe human rights impacts	57
S2 WORKERS N THE VALUE CHAIN	
SBM-2 S2 Interests and views of stakeholders	58
SBM-3 S2 Material impacts, risks, and opportunities	58
S2-1 Policies related to value chain workers	58
S2-2 Processes for engaging with value chain workers about impacts	58
S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns	60
S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	59
S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	60
S3 AFFECTED COMMUNITIES	NOT MATERIAL
S4 CONSUMERS AND END USERS	NOT MATERIAL
G1 BUSINESS CONDUCT	
IRO-1 G1 Process to identify and assess impacts, risks and opportunities	61-62
G1-1 Business conduct policies and corporate culture	61
G1-2 Management of relationships with suppliers	64
G1-3 Prevention and detection of corruption and bribery	63
G1-4 Confirmed incidents of corruption or bribery	63
G1-5 Political influence and lobbying activities	Not material
G1-6 Payment practices	64

E1 Climate Change

Material impact, risk or opportunity	Category	+/-	Value chain location: Up-Stream	Value chain location: Own Ops	Value chain location: Down-Stream	Time horizon: Short-term	Time horizon: Medium-term	Time horizon: Long-term	Materiality: Impact	Materiality: Financial
Climate change mitigation	Actual impact	-	●	●	●	●	●	●		
Climate change adaptation	Actual and potential risk and opportunity	+/-		●		●	●	●		

+ (positive), - (negative), Own Ops (Own Operations)

IRO-1

IROs

The Group operates in a carbon-intensive industry, where greenhouse gas (GHG) emissions from our fleet, offshore drilling, energy consumption, and the supply chain, present a negative impact on the environment. The Group faces regulatory, financial, and operational risks as the industry transitions to a low-carbon economy.

Opportunities are identified for net zero emission drilling projects and the new market for the drilling of CO_2 storage wells.

SBM-3

Effects of climate related risks and opportunities on the undertaking's strategy and business model

Operating in the offshore oil and gas sector, we understand that climate risk poses challenges to our operations and stakeholders. See the Board of Directors' Report for further details on risks.

The Group is committed to enable low-carbon drilling solutions while aligning with the Paris Agreement to achieve climate neutrality by 2050. As part of our long-term strategy, we are adapting our business model to a low-carbon economy by integrating energy-efficient technologies and enabling net zero solutions. Climate risks and opportunities, including regulatory shifts, evolving market demand, and increasing stakeholder expectations, drive our transition.

As an offshore rig contractor, the Group acknowledges its current reliance on fossil fuel based operations. To align with our climate goals, we are actively transitioning toward zero emission drilling, hybrid technologies, and alternative fuels. Our transition strategy ensures that we remain competitive in a decarbonising economy while meeting regulatory and stakeholder expectations. Regulatory policies, carbon pricing mechanisms, and shifts in energy demand may impact our financial planning in the future and is reviewed annually. To remain competitive in a decarbonising economy, the Group has integrated a structured emissions reduction transition plan into its corporate strategy. This transition plan supports our transition through operational efficiencies, technology adoption, and value chain decarbonisation. These initiatives align with our clients' and industry climate goals and ensure long-term business strategy and resilience. Further details on implementation are provided in E1-3.

The Group's strategy and business model does not need to adjust to these identified risks, outside of ensuring emissions reductions of the fleet, monitoring regulatory developments and optimising the opportunities arising with the offshore CO_2 storage market.

E1-1 MDR-T, MDR-A

Transition plan for climate change mitigation

Our transition plan is aligned with the Paris Agreement's goal of limiting global warming to 1.5C. It is based on science-driven targets, aligned with the Science Based Targets initiative (SBTi) draft guidelines for the oil and gas sector, which will be revised upon the publication of the final guidelines.

The Group is excluded from the EU Paris-Aligned Benchmarks and continues to evaluate regulatory developments to align with global decarbonisation frameworks.

The Group has been executing its transition plan since 2014, with milestones in 2026, 2035, and 2050. It prioritises emission reductions through a merit-order approach, focusing on maximising effect from efficiency measures, then hybrid solutions, and ultimately alternative low and zero carbon fuels and solutions.

The decarbonisation levers prioritised in our transition plan and Group decarbonisation strategy, can be implemented on the Group's fleet and scaled in the wider offshore industry. The transition plan is aligned with DNV's newly published report for the OG21 "Evaluation direct emission reduction pathways for Norway's oil and gas industry in line with 2050 targets".

Key decarbonisation levers, further detailed in E1-3, include:

- Technical modifications: energy-efficient retrofitting
- Energy optimisation: hybrid, battery solutions
- Enabling net zero solutions: alternative fuels, shore power, carbon capture

The transition plan is fully integrated into the corporate strategy and financial planning. It has been approved by the Executive Management and Board to ensure robust governance and accountability.

Locked-in emissions

The Group's own fleet currently consumes an average of 10,936 tons of Marine Gas Oil (MGO) diesel annually, resulting in 142,354 tons of CO_2e emissions in 2024. Given the 30–40-year operational lifespan of our assets, emissions are locked in until retrofitting the fleet with low-carbon alternatives or transitioning to alternative fuels. Mitigation efforts include:

- Deployment of hybrid and battery technology to reduce fuel consumption
- Evaluation of alternative fuels for fleet-wide implementation
- Continuous retrofitting initiatives to accelerate decarbonisation

The Group will continue to quantify and report progress on climate-related risk assessments and mitigation actions in future disclosures.

Investments in climate mitigation

To implement the transition plan, the Group has invested USD 49 million in CapEx as of 2024, with funding allocated for battery retrofitting and technical modification.

These investments, partially supported by the Norwegian NO_x Fund, focus on reducing MGO fuel consumption and integrating low-carbon solutions. The CapEx amounts invested are related to the Group's economic activities involving oil, gas and carbon storage.

Additionally, the Group aim for the investments to align with the EU Taxonomy for climate change mitigation, prioritising activities that reduce fossil fuel dependency and support the transition to a net zero economy. More details on Taxonomy-eligible activities are provided on page 39-41

The Group's absolute CO_2e targets for own fleet

Read more in E1-4.

35%

CO_2e reduction by 2030

Net Zero

by 2050

Climate related risks & opportunities

Risk Type	Time Horizon	Risk/ Opportunity	Mitigating Actions
Transition Risk	Medium to long-term	Changes in fossil energy demand due to policies and consumer behaviour changes, leading to reduced demand for assets and reduced revenue	Factor into asset growth decisions and explore alternative asset usages
	Short to medium-term	Access to capital may decrease and cost of capital may increase, as banks transition to low-carbon portfolios, leading to higher interest costs	Consider debt structure and ensure carbon-reducing initiatives are understood by capital markets
Physical Risk	Short to long-term	Impact of extreme weather offshore on crew and equipment logistics, increasing costs and potential downtime	Conduct critical spares analysis, implement robust planning, and include protective measures in commercial contracts
Opportunity	Short to medium-term	Drilling for CO_2 storage wells	
	Medium to long-term	Specialise in harsh environment, meaning we are well equipped to service areas with deteriorating weather conditions	
	Medium to long-term	Use our technical expertise to enhance industry knowledge and enable low-carbon solutions	

short-term (0-5 years); medium-term (5-10 years); Long-term (10+ years)

IRO-1

Identification of climate-related IROs

The Group encounters both risks and opportunities as we strive to reduce our climate impact and align with future energy demand. See table to the left for details on identified transition and physical risks, as well as opportunities.

The climate risk assessment, completed in 2023, covered all the Group's activities and operational locations, considering geographic variations. The assessment was in accordance with the Taskforce on Climate related Financial Disclosures (TCFD) framework and involved cross-functional teams from corporate, risk management, finance, supply chain, Human Resources (HR), and technical disciplines. Risks were identified, assessed using sensitivity analysis, and stress-tested for physical and transition risks.

Physical risk was assessed using the International Panel on Climate Change (IPCC) Shared Socioeconomic Pathways (SSP) 5-8.5, representing a high-emissions scenario, with increased frequency of extreme weather events. This scenario was used to evaluate potential disruptions to offshore operations, increased maintenance costs, and operational downtime due to severe weather.

Transition risk was analysed using IPCC SSP 1-2.6 (low-carbon transition) and the International Energy Agency Net Zero by 2050 scenario, assessing the impact of stricter climate policies, shifts in fossil fuel demand, and financing challenges. This analysis helped evaluate stranded asset risks, carbon pricing exposure, and capital cost fluctuations.

The scenario analysis results informed our strategic risk management and investment planning, enabling proactive adaptation measures, such as climate-resilient asset design and diversification into decarbonisation levers.

Resilience and alignment with financial assumptions

By continuously assessing and addressing these risks and opportunities, we remain committed to adapting our business for a changing climate.

No assets of the Group are identified as requiring significant efforts to align with climate-neutral goals outside of what has been estimated for zero emissions operations. Climate-related risk assessments are aligned with the Group's impairment testing, ensuring that financial assumptions reflect climate scenarios. The Group will expand to quantification of the climate related risk assessment in the coming years.

Policies related to climate change

Policies related to climate change mitigation and adaptation

The Group's Sustainability Policy and 2024-2026 strategy define our approach to managing climate-related IROs. Sustainability is embedded in operations by integrating climate considerations into procurement, energy management, and investment decisions, with measurable objectives and Key Performance Indicators (KPIs) tracking progress toward climate neutrality. Energy management practices follow ISO 50001 standards to improve efficiency and reduce emissions, while sustainable procurement prioritises energy-efficient and environmentally preferable products.

The Group level HSE Policy and the Energy and Emissions Policy outlines the Group's commitment and approach to energy management and GHG emissions reduction. This policy clarifies the Group's expectations for conducting energy management consistent with international regulations, standards and principles. It also outlines efforts to continuously reduce emissions according to industry best practices. The Board holds ultimate responsibility for the Group's strategy and commitments, the CEO ensures policy implementation, while senior management integrates objectives into operations. Managers must ensure employees and contractors are trained to meet the Group's environmental standards and objectives. The policies are accessible via the Group's website, internal intranet, and CMS.

Systems are in place to monitor, audit, review, and enhance management practices, ensuring their ongoing integrity, effectiveness, and alignment with the Group's needs. Enterprise-level risks and opportunities related to climate change—arising from market dynamics, regulatory developments, reputational factors, and physical risks—are systematically identified and managed through the ERM process.

Stakeholder engagement and policy execution

The Group actively engages with key stakeholders such as regulatory authorities, clients, employees, and financial institutions to align policies with regulations and market expectations. Collaboration includes low-carbon drilling solutions, regulatory compliance efforts, and training programmes to ensure sustainability objectives are met.

Specific areas addressed are climate change mitigation and energy management which are addressed in the following way:

- Enabling net zero drilling operations, aligning with the Paris Agreement and International Maritime Organisation
- Emissions reduction transition plan embedded in company strategy
- Life Cycle Assessment guides fleet maintenance, reducing waste and maximising efficiency
- ISO 50001-compliant energy management system
- Climate risks and opportunities managed through enterprise risk framework
- Sustainable procurement by prioritising environmentally preferable and energy-efficient products and services
- Actively engage with stakeholders to foster transparent and collaborative solutions for reducing environmental impact

Actions and resources in relation to climate change policies

The Group's 'Zero Emission Drilling' programme systematically reduces emissions through enabling low-carbon technology and operational efficiencies. The programme has a "Vision Zero," with the ambition to enable zero-emission services in the future. The transition plan as outlined in E1-1 and E1-3, highlights that our drilling operation relies on two core strategies:

- Improving operational efficiencies
- Integrating new technologies and value chains

Actions for climate change mitigation

E1-3 MDR-A

Emission reduction targets and progress

The Group has seen around 30% reduction in absolute emissions for its own fleet compared to the reference year 2019. Emissions from the fleet account for 57% of the Group's total emissions, making it the central focus of the action plan.

The transition plan outlined in figure 4 accounts for activity-adjusted emission reduction. This reduction accounts for variations in the well programme, operational modes, and abnormal weather conditions, ensuring a fair and consistent comparison of asset emissions.

Decarbonisation levers

To identify the decarbonisation levers, the Group has conducted an industry and MODU scenario analysis on future net zero solutions, incorporating societal and market and policy-related developments. Transitioning to zero emission drilling units requires a combination of:

- Improved operational efficiencies
- New technology integration
- Sufficient availability of alternative fuels

The Group prioritises mature, feasible strategies, with significant emissions reduction potential, while continuing to monitor emerging solutions.

Installed measures and technology upgrades

Installed measures have as of 2024 contributed to a 9% reduction in emissions. Key actions include:

- Installation of hybridised power systems, reducing the need for additional generators
- Implementation of energy monitoring systems for real time optimisation
- Electrification feasibility studies to assess further emission reductions

Increased energy optimisation

Efficiency and energy optimisation is expected to contribute to a further 5% reduction in emissions by 2030. Key actions include:

- Optimised power consumption through energy-efficient technologies
- Reduced thruster use during anchoring to minimise fuel consumption
- Upgraded cooling systems to decrease power demand.

Measures to be installed

Planned actions for further reduction are expected to contribute to a 10% reduction in emissions. Key actions include:

- Deployment of additional energy efficiency measures across rigs
- Further automation of emissions tracking to improve data-driven reductions

Alternative fuels & electrification

Alternative fuels and electrification is the key action for reaching net zero emissions from the Group's own fleet. Key actions include:

- Exploring hybrid and alternative fuel options to further reduce emissions
- Assessing electrification potential offshore
- Strengthening supply chain readiness for low-carbon fuel adoption

Resource allocation and financial planning

The listed actions, connected to the transition plan, require significant Capex investments, with USD 49 million spent as of the end of 2024 (USD 46 million in 2023) for efficiency improvements, new technology, and emissions data management. Future financial needs are linked to EU Taxonomy disclosures, ensuring alignment with financial statements and regulatory standards.

The Group measures the effectiveness of its sustainability investments through monitoring of linked GHG emissions. The allocated Capex and Opex is expected to reduce scope 3 category 13 CO_2e emissions.

Managing effects and performance

Emission reductions from the fleet is tracked monthly using automated data collection systems, with results integrated into corporate reporting and internal controls. Operational performance metrics align with emissions targets to ensure accountability. Other significant indirect emissions are monitored and reported on a monthly or quarterly basis. All GHG categories are reported on in the quarterly report, made public on the company website.

Dependencies

Implementation of the decarbonisation levers are dependent on factors including:

- Availability of alternative fuels and infrastructure for electrification
- Regulatory incentives and emission trading schemes
- Technological advancements in low-emission drilling solutions
- Operator collaboration for deployment of net zero solutions

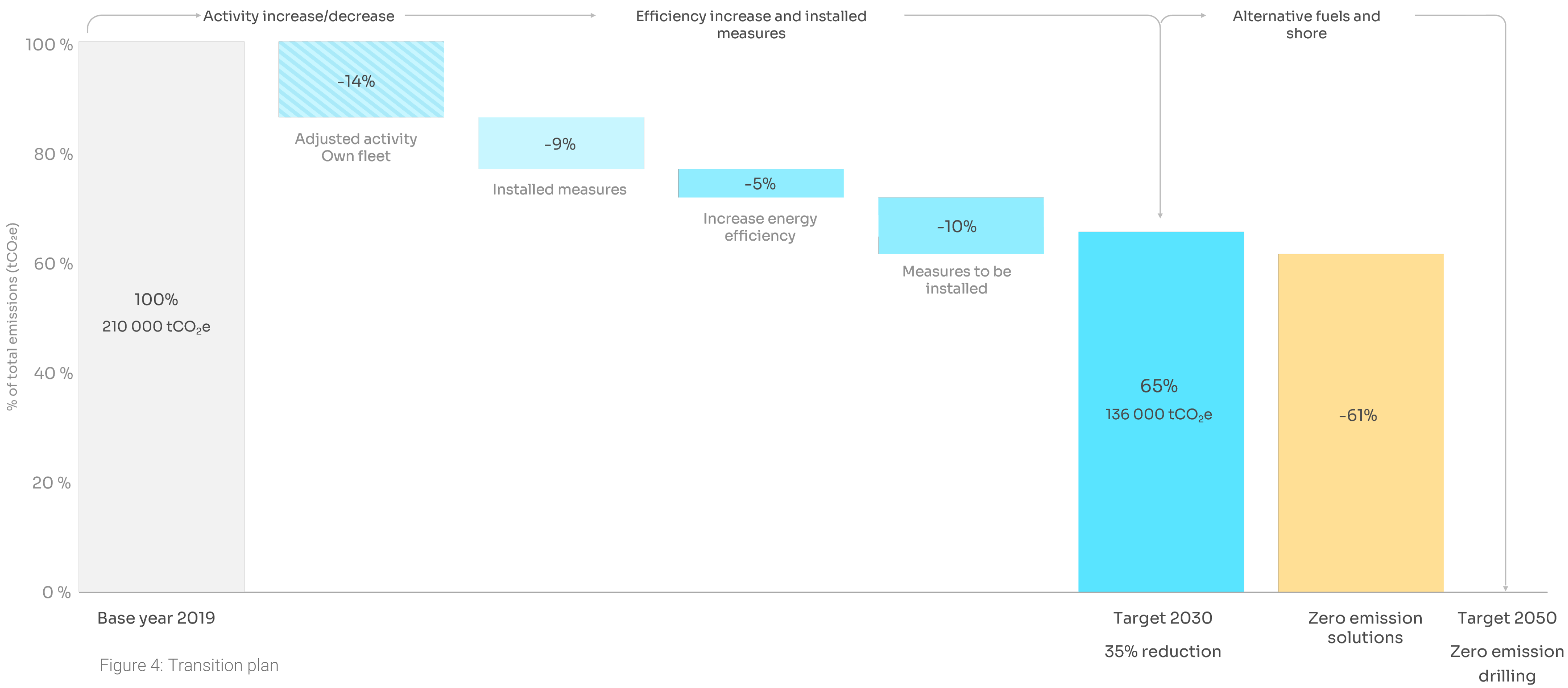


Figure 4: Transition plan

Targets related to climate change

E1-4 MDR-T

Targets related to climate change mitigation and adaptation

In line with the commitment to achieve net zero emissions by 2050, as outlined in the E1-1 transition plan, the Group has established absolute reduction and improvement targets to mitigate its environmental impact. These targets apply to Scope 1 emissions, Scope 2 emissions (market-based scenario), and Scope 3: Category 1, 2 and 13. Category is referred to as "C" going forward.

The Group's climate targets were developed in collaboration with key stakeholders, including clients, regulatory authorities, and financial institutions, ensuring alignment with client expectations, industry ambitions, regulatory commitments, and decarbonisation pathways. Read more about stakeholder engagement on page 27.

GHG emissions reductions are externally verified by the Group auditor, ensuring credibility and transparency in tracking progress.

Scope 1 and Scope 3: C13 reduction target

The Group has committed to reducing GHG emissions from its own fleet, which are accounted for under both Scope 1 and Scope 3: C13, depending on whether the fleet is on or off contract. The fleet emissions reduction target is:

- 35% reduction by 2030
- Net zero emissions by 2050, aligning with a 1.5°C trajectory, in accordance with the SBTi

The target was set based on a 2019 baseline where the total fleet emissions totalled 210,685 tCO_2e. This is the first representative year for the Group's own fleet in full operation. Since then, the Group has reduced around 30% in absolute emissions (scope 1 and scope 3, category 13) which equals a reduction of 68,331 tCO_2e in absolute value, with the 2024 emissions totalling 142,354 tCO_2e.

To reduce scope 1 emissions, during yard stays, the Group has set an additional absolute target to maximise the use of shore power instead of fuel consumption where available. The feasibility of this target depends on the energy mix of the electricity grid and the readiness of net zero solutions for the fleet. While geographical location does not impact the overall 35% reduction target by 2030 and net zero by 2050, it may affect the availability of shore power infrastructure at specific locations.

Scope 2 absolute target

Scope 2 emissions stem from purchased electricity and heating for the Group's business premises and operational base. In 2024, Scope 2 accounted for 0.2% of total emissions in the market-based scenario and 0.004% in the location-based scenario.

The Group has set an absolute target of net zero Scope 2 emissions in the market-based scenario by 2030. This will be achieved through Guarantees of Origin (GoOs) to match the Group's electricity consumption with certified renewable energy sources.

Scope 3: C1 and C2 data target

Scope 3: C1 and C2 emissions originate from purchased goods and services (C1) and capital goods (C2). As outlined in the Group's carbon accounting E1-6, these categories account for 39% of the Group's total emissions in 2024.

Currently, both activity data and emissions factor data for these categories are based on secondary data, using the spend-based method. Due to this data limitation, the Group has set the target to increase the proportion of primary activity data and emissions factor data for these categories going forward in the medium-term. This target reflects the Group's commitment to enhancing data accuracy for one of its most significant Scope 3 emission sources.

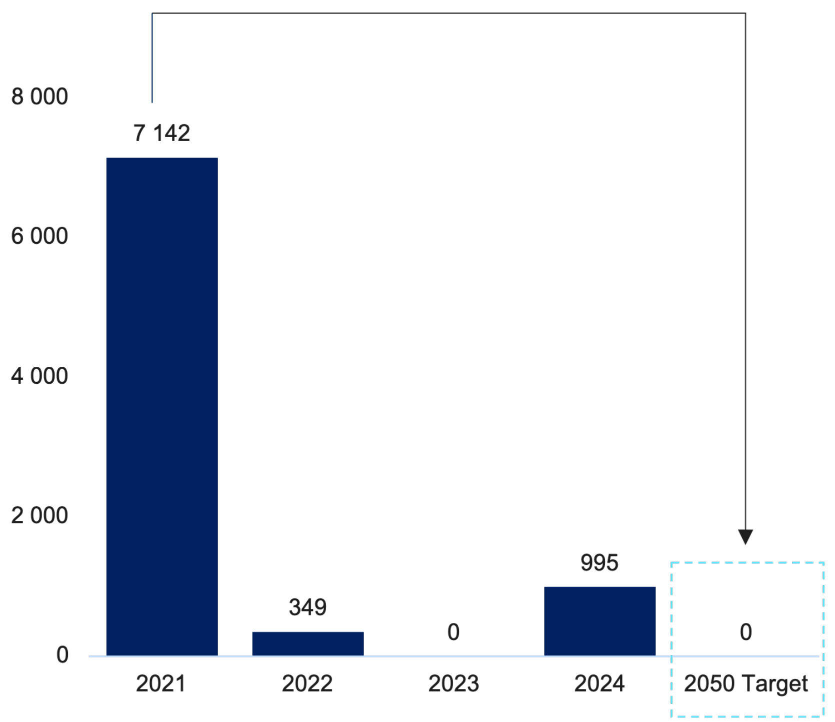
External factors for reduction targets

Setting and achieving Scope 3 reduction targets is complex due to supply chain dependencies, technological advancements, and evolving industry practices. While some factors fall outside the Group's direct control, the Group remains committed to stakeholder engagement, competence building, and collaboration to drive emissions reductions across the value chain. Key challenges include:

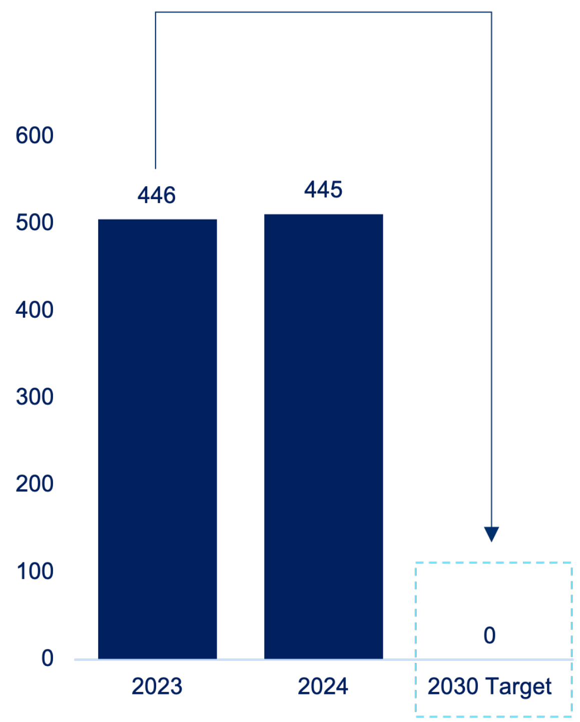
Scope 3 C1 and C2 (Purchased Goods & Services, Capital Goods): The availability and accuracy of emissions data.

Scope 3 C4 (Transportation & Logistics): Reducing emissions from transportation and logistics depends on the availability of low-carbon transport solutions from third-party logistics providers. Supplier collaboration is essential for reducing C4 emissions, and we are engaging in dialogue with logistics partners to better understand opportunities for low-carbon transportation solutions. In 2024 specifically, the Group engaged in dialogue with logistics providers to enhance data accuracy.

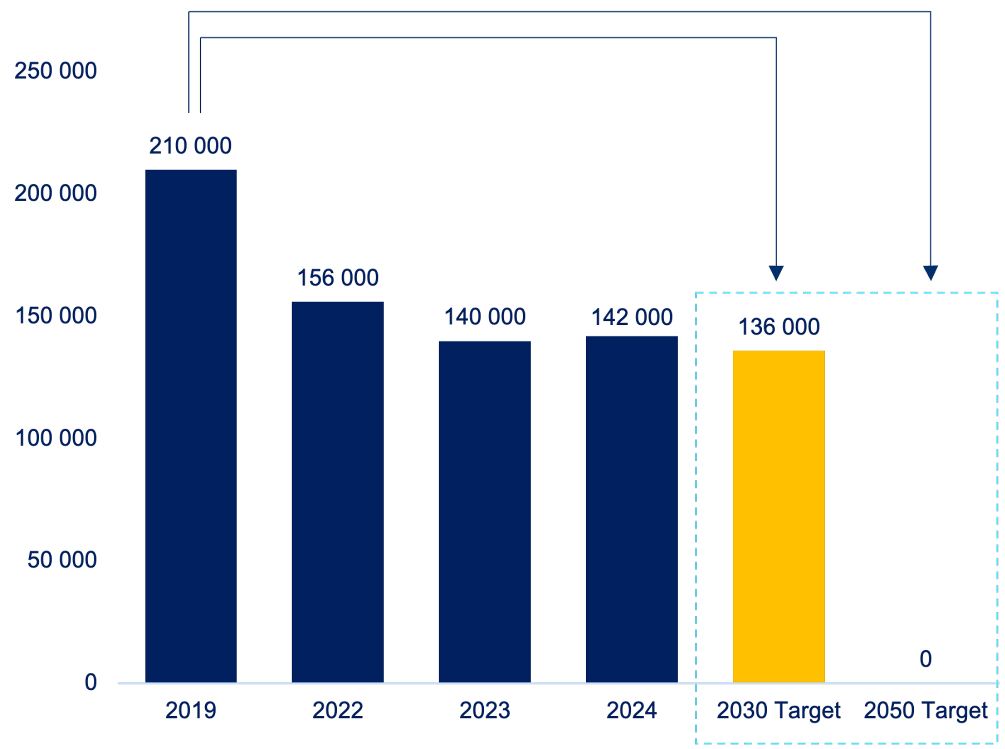
Scope 3 C6 and C7 (Business Travel & Employee Commuting): Emissions reductions in these categories are influenced by travel demand and transport availability. In 2024, the Group engaged in dialogue with travel providers to improve emissions data accuracy. Going forward, the Group will continue working with employees and travel partners to promote sustainable travel alternatives and enhance data reporting precision.



Scope 1 target, tCO_2e per year



Scope 2 target, market based, tCO_2e per year



Scope 3 target, own fleet, tCO_2e per year

Accounting policies

E1-5 MDR-M

Energy consumption and mix

The Group operates in the oil and gas sectors, which are classified as high climate-impact sectors under ESRS. The Group's energy consumption primarily comes from fuel use in the own fleet and purchased electricity and heating at its business premises and operational base.

The own fleet's energy consumption is directly related to the energy from crude oil and petroleum products, while the business premises and operational base rely on purchased electricity and heating. As a result, purchased electricity is reported under both the market-based and location-based approaches. Heating, however, is not separated into the market and location-based method, and is therefore reported as a separate category in the energy consumption table. The energy consumption for heating consists of 71% fossil fuel energy and 29% renewable energy.

Comparative data from 2023 is presented in brackets.

Market based method and location based method

Emissions from purchased electricity is presented in two ways: market-based and location-based. The market-based method accounts for the energy sources the company actively selects and purchases, including renewable energy acquired through contractual agreements such as GoOs. The location-based method calculates the energy consumption based on the actual energy mix available in the electricity grid where the Group operates, without considering specific purchasing agreements.

For 2024, the Group did not purchase GoOs or other renewable energy certificates (REC's). However, the Group generates non-fuel renewable energy through solar panels installed at its business premises, contributing to its overall energy mix.

The Group's activity data for energy consumption is derived from primary data sources, while energy mix percentages for market-based and location-based reporting are based on secondary data.

The percentage breakdown of energy sources in both scenarios:

Electricity	Market-based	Location-based
Fossil fuel	84%	2%
Nuclear	10%	-
Renewable energy	6%	98%

Fossil energy consumption

The Group's main energy consumption comes from fossil fuels due to the own fleet's current reliance on crude oil and petroleum products. The fuel consumption is the primary contributor to fossil fuel energy use, followed by the purchased energy for electricity and heating. The purchased electricity is separated into the market-based and the location-based scenario to determine the amount of purchased electricity from fossil fuel (see table in previous column).

In 2024 the total energy consumption from crude oil and petroleum products was 190,316MWh (179,584MWh). Therefore, the total fossil energy consumption in the market-based scenario in 2024 was 191,061MWh (180,328MWh), and the fossil energy consumption in the location-based scenario was 190,334MWh (179,602MWh).

Nuclear energy consumption

The Group's nuclear energy consumption is applicable to the market-based scenario for the purchased electricity. In the market-based scenario for 2024 0.05% of the Group's purchased electricity stems from nuclear energy sources (0.05%). Therefore, the energy consumption from nuclear sources in 2024 was 89MWh (89MWh).

Renewable energy consumption

The Group's renewable energy consumption sources are from the purchased electricity, heating, and from the self-generated non-fuel renewable energy consumption at the business premises. The Group does not have fuel consumption from renewable sources. The purchased electricity has been separated into the market-based and the location-based method as illustrated in the table in the column to the left. The energy consumption from self-generated non-fuel renewable energy is not separated into the market-based and location-based scenarios, as this energy comes directly from the solar panels implemented at the Group's business premises.

The energy consumption from the self-generated non-fuel renewable energy in 2024 was 53MWh (45MWh). The total renewable energy consumption in the market-based scenario for 2024 was 184MWh (321MWh), and the total renewable energy consumption in the location-based scenario in 2024 was 999MWh (1136MWh). Based on this, the percentage of renewable sources in the total energy consumption in the marked-based scenario for 2024 was 0.03% (0.03%), and the percentage of renewable sources in the total energy consumption in the location-based scenario for 2024 was 0.5% (0.5%).

Energy intensity

Energy intensity based on net revenue is calculated as total energy consumption (MWh) per mUSD in net revenue. Since the market-based and location-based methods differ only in the energy source mix and not in total energy consumption, energy intensity is reported as a single figure without separation into market-based and location-based scenarios.

Energy consumption and mix	2024	2023
Fossil energy sources (MWh)		
Fuel consumption from coal and coal products	-	-
Fuel consumption from crude oil and petroleum products (own operations)	190,316	179,584
Fuel consumption from natural gas	-	-
Fuel consumption from other fossil sources	-	-
Consumption of purchased or acquired electricity from fossil sources (market-based)	745	745
Consumption of purchased or acquired electricity from fossil sources (location-based)	18	18
Consumption of acquired heat from fossil sources	32	92
Total fossil energy consumption and share of fossil sources in total energy consumption (%) (market-based)	(99.9%) 191,061	(99.9%) 180,328
Total fossil energy consumption and share of fossil sources in total energy consumption (%) (location-based)	(99.5%) 190,334	(99.5%) 179,602
Nuclear energy sources		
Total energy consumption from nuclear sources (market-based)	89	89
Total energy consumption from nuclear sources (location-based)	-	-
Percentage of nuclear sources in total energy consumption (market-based)	0,05%	0,05%
Renewable energy sources		
Total energy consumption from renewable sources (market-based)	184	321
Total energy consumption from renewable sources (location-based)	999	1,136
Consumption of purchased heat from renewable resources	77	222
Fuel consumption from renewable sources	-	-
Consumption of purchased or acquired electricity from renewable sources (market-based)	53	53
Consumption of purchased or acquired electricity from renewable sources (location-based)	869	869
Consumption of self-generated non-fuel renewable energy	53	45
Percentage of renewable sources in total energy consumption (%) (market-based)	0,03%	0,03%
Percentage of renewable sources in total energy consumption (%) (location-based)	0.5%	0.5%
Total energy consumption (market-based)	**191,333**	**180,471**
Total energy consumption (location-based)	**191,333**	**180,471**

Energy intensity per net revenue	2024	2023	%
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/mUSD)	246	247	-0,3%

Energy intensity based on net revenue	2024
Net revenue from activities in high climate impact sectors used to calculate energy intensity (NACE code 09.10)	769 mUSD
Net revenue	775 mUSD
Total net revenue (Consolidated Income Statement)	775 mUSD

Gross scope 1, 2, 3 and total GHG emissions

GHG emissions, tonnes CO_2eq	FY24	FY23	Base year	%
	Retrospective			
Scope 1 GHG emissions				
Gross Scope 1 GHG emissions	995	-	2019	n/a
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	-	-	2023	n/a
Scope 2 GHG emission				
Energy consumption from purchased heating (Mwh)	110	100	2023	+ 16%
Energy consumption from purchased electricity (Mwh)	887	887	2023	- 0.1%
Gross location-based Scope 2 GHG emissions	7	7	2023	0%
Gross market-based Scope 2 GHG emissions	445	446	2023	-0.01%
Significant scope 3 GHG emissions				
Total Gross indirect (Scope 3) GHG emissions	249,774	146,702	2024	+ 70%
Percentage of scope 3 GHG emissions in total GHG emissions (%) (market-based)	99.4%	99.7%	n/a	- 0.3%
Percentage of scope 3 GHG emissions in total GHG emissions (%) (location-based)	99.6%	100%	n/a	- 0.4%
1 Purchased goods and services	36,394	not available	2024	n/a
2 Capital goods	61,964	not available	2024	n/a
4 Upstream transportation and distribution	502	584	2022	- 14%
5 Waste generated in operations	20	not available	2024	n/a
6 Business travel	1,003	877	2019	+ 14%
7 Employee commuting	8,532	7,395	2019	+ 15%
13 Downstream leased assets	141,359	137,846	2019	+ 3%
Total GHG emissions				
Total GHG emissions (location-based)	250,776	146,709	2019	+ 71%
Total GHG emissions (market-based)	251,214	147,148	2023	+ 71%

GHG intensity per net revenue	2024
Total GHG emissions (location-based) per net revenue tCO_2e/mUSD)	324
Total GHG emissions (market-based) per net revenue tCO_2e/mUSD)	324

Net revenue equals Operating Revenue in the Income Statement in the Consolidated Financial Statements

E1-6 MDR-M

2024 performance

In 2024 the total scope 1 emissions totalled 995 tCO_2e, reflecting the increase in emissions due to the Deepsea Atlantic SPS, which meant it was off contract. In 2023 none of the Group's fleet where off contract, and therefore the scope 1 emissions were reported as 0 tCO_2e.

In 2024, the Group's Scope 2 emissions totalled 445 tCO_2e in the market-based scenario, reflecting a 0,01% increase from 2023. In the location-based scenario, emissions reached 7 tCO_2e in 2024, making it equal in tCO_2e, to the 2023 performance.

Total Scope 3 emissions were 249,774 tCO_2e in 2024, making it the largest emissions scope for the Group, see details in E1-6 table. Three new categories were defined as significant in 2024, contributing to a 70% increase in total scope 3 emissions from 146,702 tCO_2e in 2023. The increase in Scope 3 emissions is driven by both the addition of new reporting categories and operational factors, emphasising the need for continued emissions management and reduction strategies in collaboration with clients and suppliers. In 2024 the fleet's methane emissions located in scope 1 and scope 3 category 13, consisted of 2.6 tCH_4.

Scope 2 emissions are calculated using two different methods—market-based and location-based— resulting in the Group reporting two distinct total GHG emissions figures. As a result, GHG intensity per net revenue is reported separately for each method. The energy intensity for 2024 was 324 tCO2e per mUSD in the location based scenario, and in the market-based scenario.

Accounting policies

E1-6

The Group's carbon accounting and reporting are conducted in accordance with the GHG Protocol Corporate Accounting and Reporting Standard and ISO 14064, complemented by ESRS E1-6 guidelines. The reporting methodology is reviewed annually to ensure compliance with regulatory requirements and best practices.

Organisational boundaries

For the 2024 reporting year, the Group applies the operational control principle when determining the organisational boundaries for reporting greenhouse gas emissions.

Scope 1: Direct emissions from the Group's own fleet off contract, which in 2024, all operated on the NCS

Scope 2: Indirect emissions from purchased electricity and heating at the Group's premises and operational base in Norway

Scope 3: Indirect emissions from the Group's value chain, covering both NCS and international operations

Scope 3 categories are classified based on their geographical coverage:

NCS: C1, C2, C4, C5, C6, and C13

NCS and international operations: C7

General accounting principles

GHG emissions are reported in metric tonnes of CO_2 equivalents (tCO_2e), which covers all the Kyoto Protocol greenhouse gases (CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, and NF_3). The Group does not have any biogenic emissions in 2024, and it is therefore not included in the reporting.

The Group aims to use primary data and uses secondary data where primary data is not available. For 2024, the Group has reported 80% of all activity data, 30% of all emissions factors and 0% of all energy mix sources, as primary data sources. The secondary activity data is from scope 3 C1 and C2 where the Group has used a spend-based method to calculate the emissions. For the emissions factors, the primary data is from scope 3 C4, C6 and C7 where the Group received primary emissions calculated by the suppliers. The secondary emissions factor data is from scope 1, scope 2 and the other categories in scope 3 where the Group has used secondary emissions factors from available resources that represent the most recent year or most detailed content to align with the reporting principle of accuracy.

If emission factors are unavailable, a suitable proxy is used, which may introduce uncertainty. The Group strives for transparency and accuracy in accordance with the GHG protocol.

Direct GHG emissions (scope 1)

The Group's scope 1 emissions occur when the Group's own fleet is off contract. As of 2024, the Group's scope 1 emissions are not regulated under any emission trading schemes. Since the scope 1 emissions occur during off-contract periods when the fleet is typically at yard stay, this category will have a future declining trajectory due to the use of shore power and zero emissions technologies as referred to in the transition plan.

Indirect GHG emissions (scope 2)

The Group quantifies Scope 2 GHG emissions using both the market-based and location-based methods, ensuring a complete and transparent assessment of emissions from purchased electricity, in accordance with the GHG protocol.

The location-based method calculates emissions using the average grid emission factors in the region where the electricity is consumed. This represents the actual carbon intensity of the electricity mix available in the area, regardless of the Group's specific purchasing decisions.

The market-based method calculates emissions based on the electricity the Group chooses to purchase, including any renewable energy backed by GoOs or RECs. If no such certificates are purchased, the Group must apply the residual mix or supplier-specific emission factors, which often result in a higher emission factor compared to the location-based approach. For 2024 and 2023 the Group did not purchase GoOs or RECs.

Recalculation: The scope 2 emissions have been recalculated for 2023 with new emissions factors and by including the energy consumption from the operational base and self-generated renewable energy at the Group's business premises.

Indirect GHG emissions (scope 3)

In 2024, total Scope 3 emissions were 249,774 tCO_2e, making it the largest emissions scope for the Group. In 2024 the Group included 7 scope 3 categories compared to 4 categories in 2023. The new categories are C1 purchased goods and services, C2 capital goods, and C5 waste. The Group has also removed scope 3 C8 downstream leased assets with a justification in the excluded categories section.

In 2024 the Group has included C1 and C2. These categories are based on the spend-based method and include CapEx and OpEx from the Group's own fleet. The spend data is based on data from the Group Enterprise Resource Planning (ERP) system.

C4 includes the transportation of purchased goods and capital goods for both own fleet and external fleet. The category is based on the supplier specific data method and includes data from our logistics and transport supplier. In 2024 the category was reevaluated to only include the Group's own fleet. The total number for 2023 has additionally been reviewed and corrected through dialogue with Logitrans.

C5 includes the waste generation and waste treatment method from the operational base and from the Deepsea Atlantic SPS. The waste consumption is supplier specific data which we receive from the yard, which is thereby used for calculating tCO_2e using secondary emission factors. This category was new in 2024 and 2023 data is unavailable.

C6 and C7 includes primary supplier specific emissions from business travel and employee commuting. Both the activity data and the tCO_2e calculations are done by the Group's travel company supplier. Business travel includes all corporate business travel, and employee commuting includes air commute for both local and international employees. The increase in emissions is due to all the rigs being in full operation in 2024 and increased international operations of the external fleet.

Category 13 includes the Group's own fleet off contract. This category includes primary data from the rigs fuel consumption, calculated using secondary emissions factors. This category has been recalculated to include tCO_2e instead of solely CO_2. Therefore, the 2023 number has been corrected since the 2023 Annual Report.

GHG intensity

GHG intensity based on net revenue is calculated as total GHG emissions (tonnes CO_2e) per mUSD in net revenue. This figure is reported separately for the location-based and market-based methods, as the choice of methodology impacts the energy mix and results in different emission factors for Scope 2 emissions. For 2024, there was a low variation in GHG intensity in the market-based and location-based scenarios since scope 2 emissions represents a small percentage of the total emissions.

Excluded categories

Each of the scope 3 categories are reviewed annually to evaluate the relevance and materiality for the accounting year. For 2024, the excluded categories were C3 (Fuel and energy-related activities not included in scope 1 or scope 2), C8 (upstream leased assets), C9 (downstream transportation and distribution), C10 (processing of sold products), C11 (use of sold products), C14 (franchises), and C15 (investments). The reasons for exclusion are as follows:

C3: The Group does not purchase fuel

C8: The Group does not have any leased assets, which have not been accounted for in C1 and C2.

C9: The Group does not produce products which require downstream transportation

C10: The Group does not sell products

C11: The Group's products do not emit GHG emissions during their use

C14: The Group does not have any franchises

C15: The level of investment is limited

E1-7 GHG removals and GHG mitigation projects financed through carbon credits

The Group has not acquired any carbon credits in 2024, nor in previous years.

E1-8 Internal carbon pricing

The Group does not have internal carbon pricing as of 2024.

E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

The Group has opted to exercise the phase-in allowance to omit the financial effects from material physical and transition risks and potential climate-related opportunities required in E1-9.

Primary and secondary data sources from the GHG emissions	Activity data	Emissions factor	Energy mix (scope 2)
Gross Scope 1 emissions	P	S	-
Gross location-based Scope 2 GHG emissions	P	S	S
Gross market-based Scope 2 GHG emissions	P	S	S
Purchased goods and services	S	S	-
Capital goods	S	S	-
Upstream transportation and distribution	P	P	-
Waste generated in own operations	P	S	-
Business travel	P	P	-
Employee commuting	P	P	-
Downstream leased assets	P	S	-
Percentage of primary data	80%	30%	0%

P = primary, S = secondary

Taxonomy statement

The Group taxonomy statement is prepared in accordance with the EU Taxonomy Regulation (2020/852) article 8 and related supplementing delegated acts.[1] The statement discloses how and to what extent revenue, capital expenditure and operating expenses are associated with eligible economic activities and economic activities that qualify as environmentally sustainable.

Identification of eligible activities

The Group's portfolio of economic activities have been assessed against the economic activities outlined in the EU taxonomy to identify eligible activities. Relevant economic activities have been identified by filtering out the relevant sectors followed by a systematic review of the specific activity descriptions in the commission delegated acts. The EU notice on the interpretation of the taxonomy regulation (C/2023/305) carves out certain expenses that do not contribute to conducting operations or other business activities.[2] Such activities have been excluded.

4. Energy

Odfjell Drilling is actively pursuing technical modifications to enhance energy efficiency, optimise energy use, and implement net zero solutions, as part of the Group's transition plan. Cost for implementation, maintenance, and operation of the PowerBlade™ Hybrid (PB-H) System qualify as eligible under category 4.10 Storage of Electricity.

Additional technologies may also qualify, such as components of the Heating, Ventilation and Air Conditioning (HVAC) system utilising waste heat. Because of current data limitations, the Group has opted not to disclose these activities until further data is collected and analysed to determine energy savings. Given the complexity of the rigs, it is essential to identify the relevant components and establish parallel internal financial reporting frameworks, to ensure access to reliable financial data. This remains a priority for the Group in 2025.

5. Water supply, sewerage, waste management and remediation activities

Odfjell Drilling have conducted carbon capture and storage activities in 2024 by drilling an appraisal well for the Smeaheia CO_2 storage reservoir in the North Sea. Drilling operations for CO_2 storage qualify as eligible under category 5.12 Underground permanent geological storage of CO_2 with reference to NACE code E39.00 specifying that "carbon capture activities" are within the scope.

7. Real estate

Odfjell Drilling leases real estate at various locations. The economic activities relevant to the Taxonomy Regulation include the leasing of office space at Kokstadflaten 35 in Bergen, Norway, and storage space at the Coast Center Base in Ågotnes, Norway. The expenses for leasing qualify as eligible under activity 7.7 Acquisition and ownership of buildings with reference to NACE code L68 and specified in the EU Commission third notice.[2]

9. Professional, scientific and technical activities

Odfjell Drilling has revenue from client financed projects and use internal resources to drive innovation within energy-efficiency retrofitting, battery solutions, alternative fuels and shore power. The ability to reduce, remove or avoid GHG emissions has not been demonstrated in correspondence with Technology Readiness Level (TRL) 6 and is therefore not eligible in 2024.

Alignment with taxonomy criteria for environmentally sustainable activities

Taxonomy eligible activities that meet the criteria in article 3 are defined as environmentally sustainable; (1) Contribute substantially to one or more of the defined environmental objectives in the Taxonomy Regulation, without (2) doing significant harm to any of the other objectives. In addition, (3) the activity shall be carried out in compliance with minimum safeguards and (4) comply with technical screening criteria in Commission Delegated Acts. In 2024 the assessment has focused on Climate Change Mitigation. This objective is seen as most relevant to the eligible activities.

Odfjell Drilling operate drilling rigs subject to contracts with E&P clients. The objective of the drilling operations is entirely decided by our clients, meaning that the Group has limitations regarding adjusting the main stream of revenue to become taxonomy aligned.

Minimum safeguards

Odfjell Drilling comply with the minimum safeguards set out in the Taxonomy regulation article 18, as all business activities have been conducted in compliance with the Human Rights Policy and Human Rights Assessment Procedure in 2024. Read more in S1 page 49-51.

4.10 Storage of electricity

The PB-H System effectively preserves energy to reduce GHG emissions and fuel costs, while enhancing operational safety and reliability. By reducing emissions and supporting the development of energy infrastructure for decarbonising offshore energy systems, the PB-H system makes a substantial contribution to stabilising GHG concentrations in the atmosphere ref. article 10 (g). The PB-H system is currently implemented on all rigs in the own fleet.

The PB-H system meets the relevant technical screening criteria for substantial contribution to climate change mitigation, as it covers the construction and operation of electricity storage. The PB-H system consists of a control system, a flywheel utilising a split, two motor solution, and a battery pack, including DC-DC converters.

During operation, the PB-H system captures regenerative electrical energy when the drawworks brake the hook load. This is then stored as kinetic energy using a flywheel, and stored as electrical energy in lithium-ion batteries, ensuring efficient energy utilisation. By performing peak shaving on drilling loads, the PB-H system allows for more optimal operation of diesel generators, thereby reducing overall fuel consumption on the rig.

Odfjell Drilling have had an active role in developing the PB-H system, including conducting HSE and Work Environment studies on Deepsea Aberdeen, Deepsea Atlantic and Deepsea Stavanger. These studies address material risks and cover the requirements in the climate risk and vulnerability assessment and Environmental Impact Assessments (EIA). The information is a part of Odfjell Drilling's risk management process and the outcome is included in the Acknowledgement of Compliance for Deepsea Aberdeen.

The PB-H System procedure includes comprehensive risk mitigation measures to ensure the safe and sustainable operation of the system. Waste management plans have been implemented in accordance with internal policies and procedures, including the Waste Management Procedure and the Maintenance Philosophy, to minimise environmental impact and promote responsible resource use.

5.12 Underground permanent geological storage of CO_2

The drilling operations for the Smeaheia CCS project are taxonomy aligned. The activity contributes substantially to climate change mitigation as it stabilises the GHG concentrations in the atmosphere by increasing the use of environmentally safe carbon capture and storage (CCS) technologies that deliver a net reduction in GHG emissions.

The technical screening criteria for substantial climate change mitigation have been integrated into Norwegian law. The drilling operations have been conducted in accordance with the licence held by the client, issued and regularly monitored by the competent national authority.

The objective of the drilling operations was to collect data for the planning of CCS projects, including a plan for appropriate leakage detection systems, and a monitoring plan for the injection facilities and the storage complex. In addition, Norwegian authorities conduct climate risk and vulnerability assessments and EIA as part of the selection of CO_2 storage sites in accordance with section 4a of FOR 2014-12-05 nr. 1518.

In addition to external regulatory oversight, the Group maintains robust internal systems for QHSSE analysis. These internal systems ensure continuous monitoring and mitigation of environmental impacts associated with CCS activities.

7.7. Acquisition and ownership of buildings

The leased buildings at Coast Center Base in Ågotnes do not meet the screening criteria for substantial contribution, as the Energy Performance Certificates (EPC) are below class A and the buildings are not within the top 15 % of the national or regional building stock.

The leased building at Kokstadflaten 35 in Bergen meets the requirements for contributing substantially to climate change mitigation. It is classified as an Energy Performance Certificate A and passive house (NS 3701:2012), ensuring high energy efficiency.

The energy supply primarily comes from renewable sources, including hydropower, district heating, and solar energy, aligning with the definition of renewable energy under Directive (EU) 2018/2001. While it cannot be guaranteed that no non-renewable energy sources are used, the predominant reliance on renewables supports GHG reduction efforts. Additionally, the building is equipped with heating and air-conditioning systems that are efficiently managed through energy performance monitoring and assessment, in compliance with the requirement for large non-residential buildings.

A climate risk and vulnerability assessment has been conducted, and the adaptation solutions implemented do not compromise the resilience of people, nature, cultural heritage, assets, or economic activities. The solutions align with relevant adaptation strategies and incorporate nature-based or green infrastructure where feasible.

[1] Climate Delegated Act (2021/2139), Disclosure Delegated Act (2021/178), Complementary Delegated Act (2022/1214) and Environmental Delegated Act (2023/2486).
[2] Commission Notice on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation on the reporting of Taxonomy-eligible and Taxonomy-aligned economic activities and assets (third Commission Notice).

Taxonomy tables 2024

Accounting policies

The Taxonomy tables are prepared in accordance with the EU Commission Delegated Regulation (2021/2178). Financial KPIs in the statement are based on the Consolidated Group Financial Statements for 2024. The basis of preparation is disclosed in Note 2 - Basis for preparing the consolidated financial statements in the Consolidated Financial Statements.

The table below discloses the proportion of turnover derived from products or services associated with environmentally sustainable economic activities. The tables on page 41 disclose the proportion of capital expenditure and operating expenditure related to assets or processes associated with environmentally sustainable economic activities. The KPI tables disclosing the distribution of turnover, OpEx and CapEx per environmental objective are not included in the report as the Group do not carry out economic activities eligible under more than one environmental objective.

The proportion of taxonomy aligned (A.1) or eligible (A.2) for 2023 is set to 0% for all indicators as the Group lacked the necessary data to demonstrate compliance with the taxonomy criteria for the relevant reporting period.

Turnover

The turnover denominator is based on the total revenue from contracts with clients, as disclosed in the Income Statement in the Consolidated Financial Statements. The turnover numerator for 5.12. Underground permanent geological storage of CO2 is calculated based on the day rate of Deepsea Stavanger operating for the Smeheia CCS project, adjusted for a utilisation rate.

Capital expenditure

The CapEx denominator consists of the year's additions to investments before depreciation, impairments, and other adjustments, as disclosed in Note - 9 Tangible fixed assets in the Consolidated Financial Statements.

The CapEx numerator for 5.12. Underground permanent geological storage of CO2 is identified based on a ratio between the total CapEx on Deepsea Stavanger and 17 days of operation for the Smeheia CCS project. This methodology provides for an accurate allocation of the proportion of CapEx which is effectively contributing to carry out taxonomy-aligned economic activities.

The CapEx numerator for 4.10 Storage of electricity is identified as the amounts in additions to fixed assets tagged as "Green Rig" in internal financial reporting systems in 2024.

The CapEx numerator for taxonomy-aligned activities subject to 7.7 Acquisition and ownership of buildings is identified as the additions in the right-of-use asset for leasing Kokstadflaten 35.

The CapEx numerator for taxonomy-eligible but not aligned activities subject to 7.7 Acquisition and ownership of buildings is identified as additions in the right-of-use asset for leasing at the Coast Center Base in Ågotnes.

Operating expenditure

The OpEx denominator includes the Group's direct non-capitalised expenditures relating to assets of property, plant and equipment as disclosed in Note 7 - Combined items in the Consolidated Financial Statements. Other OpEx costs are excluded in 2024 because of data limitations and materiality.

The OpEx numerator for 5.12. Underground permanent geological storage of CO_2 is identified based on a ratio between the total OpEx on Deepsea Stavanger and 17 days of drilling operations for the Smeheia CCS project in 2024. This methodology ensures an accurate allocation of the proportion of OpEx which is effectively contributing to carry out Taxonomy-aligned economic activities.

Exposure to nuclear and fossil gas elated activities

Nuclear energy related activities	
1. The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2. The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3. The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities	
4. The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5. The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6. The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Turnover

Financial year 2024				Substantial Contribution Criteria						Does Not Significantly Harm criteria (DNSH)									
Economic activities (1)	Code (a) (2)	Turnover (3)	Proportion of turnover year 2024 (4)	Climate change: Mitigation (5)	Climate change: Adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change: Mitigation (11)	Climate change: Adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1) or eligible (A.2.) turnover year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		USD million	%	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY - ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Underground permanent geological storage of CO_2	CCM 5.12	5.5	0,7%	Y	N	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	N/A	Y	Y	0%		
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		5.5	0.7%	0.7%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%		
Of which enabling		0	0%														0%	E	
Of which transitional		0	0%														0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	0%	0%	0%	0%	0%	0%								0%		
Turnover of Taxonomy-eligible Activities (A.1 + A.2)		5.5	0.7%	0.7%	0%	0%	0%	0%	0%								0%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy Non-eligible activities		769.6	99.3%														100%		
Total (A+B) *		**775.1**	**100%**																

Y:Yes, N:No, EL:Taxonomy-eligible activity for the relevant objective, N/EL:Taxonomy-non-eligible activity for the relevant objective.

* *Refer to the Income Statement in the Consolidated Financial Statements*

CapEx

Financial year 2024				Substantial Contribution Criteria						Does Not Significantly Harm (DNSH)									
Economic Activities (1)	Code (a) (2)	CapEx (3)	Proportion of CapEx, year 2024 (4)	Climate change: Mitigation (5)	Climate change: Adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change: Mitigation (11)	Climate change: Adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1) or eligible (A.2) CapEx, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		USD million	%	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY - ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Underground permanent geological storage of CO_2	CCM 5.12	0.4	0.3%	Y	N	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	N/A	Y	Y	0%		
Storage of electricity	CCM 4.10	0.8	0.7%	Y	N	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	N/A	Y	Y	Y	0%	E	
Acquisition and ownership of buildings	CCM 7.7	1.2	1.0%	Y	N	N/EL	N/EL	N/EL	N/EL	N/A	Y	N/A	N/A|	N/A	N/A	Y	0%		
Capex of environmentally sustainable activities (taxonomy-aligned) (A.1)		2.4	2.0%	2.0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%		
Of which enabling		0.8	0.7%	0.7%	0%	0%	0%	0%	0%	N/A	Y	Y	Y	Y	Y	Y	0%	E	
Of which transitional		0	0%														0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Acquisition and ownership of buildings	7.7	0.1	0.1%	EL	EL	N/EL	N/EL	M/EL	N/EL								0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.1	0.1%	0.1%	0%	0%	0%	0%	0%								0%		
Capex of Taxonomy-eligible Activities (A.1 + A.2)		2.5	2.0%	2.0%	0%	0%	0%	0%	0%								0%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Capex of Taxonomy Non-eligible activities		120.4	98%														100%		
Total (A+B)*		**122.9**	**100%**																

Y:Yes, N:No, EL:Taxonomy-eligible activity for the relevant objective, N/EL:Taxonomy-non-eligible activity for the relevant objective.

* *Refer to Note 9 - Tangible fixed asset in the Consolidated Financial Statements*

OpEx

Financial year 2024				Substantial Contribution Criteria						Does Not Significantly Harm (DNSH)									
Economic Activities (1)	Code (a) (2)	OpEx (3)	Proportion of OpEx, year 2024 (4)	Climate change: Mitigation (5)	Climate change: Adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change: Mitigation (11)	Climate change: Adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		USD million	%	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY - ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Underground permanent geological storage of CO_2	CCM 5.12	0.3	0.8%	Y	N	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	N/A	Y	Y	0%		
Opex of environmentally sustainable activities (taxonomy-aligned) (A.1)		0.3	0.8%	0.8%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%		
Of which enabling		0	0%														0%	E	
Of which transitional		0	0%														0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Storage of electricity	4.10	0	0%	EL	EL	N/EL	N/EL	N/EL	N/EL										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	0%	0%	0%	0%	0%	0%								0%		
Opex of Taxonomy-eligible Activities (A.1 + A.2)		0.3	0.8%	0.8%	0%	0%	0%	0%	0%								0%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Opex of Taxonomy Non-eligible activities		34.5	99.2%														100%		
Total (A+B) *		**34.8**	**100%**																

Y:Yes, N:No, EL:Taxonomy-eligible activity for the relevant objective, N/EL:Taxonomy-non-eligible activity for the relevant objective.

* *Refer to Note 7 - Combined items in the Consolidated Financial Statements*

E2 Pollution

Material impact, risk or opportunity	Category	+/-	Up-Stream	Own Ops	Down-Stream	Short-term	Medium-term	Long-term	Impact	Financial
			Value chain location			Time horizon			Materiality	
Pollution to air	Actual impact	-	●	●	●	●	●			
Pollution to water	Potential impact	-		●		●	●	●		
Substance of concern	Potential impact	-		●	●	●				

+ (positive), - (negative), Own Ops (Own Operations)

IRO-1

IROs

The identified potential impacts and risks are associated with pollution of the environment with a potential impact on people from the Group's own operations, upstream and downstream value chain. The time horizon for these identified IROs are short-term, medium-term and long-term.

The impacts and risks are identified and managed annually through an environmental risk register, which is integrated into the ERM framework. Compliance with environmental regulations, internal procedures, and operator requirements, is monitored through both internal and third-party audits.

- NO_x emissions from own fleet's energy production contribute to acid rain, ground-level ozone formation, and respiratory health risks
- Well blowout during drilling operations and in downstream value chain, representing a critical potential safety and environmental hazard, with risks of fire, explosions, and severe marine pollution. It may also pose a financial risk to the Group
- The use of substances of concern in own operations poses a risk of water contamination

These identified IROs are all linked to our downstream value chain and the E&Ps operational licences. In this report the actions under operational control of the Group are disclosed and how they are linked to our downstream value chain where applicable. These actions are linked to legal requirements, and the drilling services contracts.

E2-1 MDR-P

Policies related to pollution

The Group's Sustainability Policy, Health, Safety and Environmental (HSE) Policy, Environmental Principles, QHSSE programme, Management of Chemicals Policy and supporting procedures addresses E2-pollution material topics. They outline the Group's commitment to environmental care by aligning operations with international environmental regulations, standards, and principles. The policies emphasise reducing emissions, managing environmental impacts, and addressing risks and opportunities according to industry best practices.

The HSE Policy applies to all employees, directors, contractors, suppliers, agents, and business partners. It is reviewed annually to ensure alignment with the most material environmental topics, enabling focused efforts to mitigate key environmental impacts. Governance of the policy assigns ultimate responsibility to the Board, while senior management is tasked with integrating environmental commitments into business operations.

This governance structure ensures the Group's environmental objectives are effectively implemented and sustained.

Significant environmental aspects identified form the basis for establishing and reviewing environmental management procedures, controls, continuous improvement measures and strategic action plans.

E2-2 MDR-A

Actions related to pollution

The anchoring of prevention and control regarding pollution, in terms of both actions and resources, is founded in the Group's annual QHSSE programme. The programme is reinforced by action plans, incorporating inputs such as audit results, KPI status, data analyses, risk registers, environmental aspects and impacts registers, and management reviews, along with insights from authorities, clients, and the industry. Further, it includes the main activities, objectives and KPIs the Group will prioritise and measure during the year. The programme is made public on the Company's website.

Compliance with environmental regulations, internal procedures, and operator requirements is monitored through both internal and third-party audits. Environmental impacts are prevented through contingency plans, deployment of relevant technologies, and adherence to requirements that protect ecosystems and uphold environmental standards.

The Group's emergency preparedness is formed on the basis of technical and operational analyses, and the Shipboard Oil Pollution Emergency Plans (SOPEP), which are prepared to deal with asset integrity and critical incident management. The plans are based on Defined Situations of Hazard and Accident, to deal with situations related to personnel injury, environmental impact, material impact and cyber security. The emergency preparedness organisation is trained and equipped to handle these types of incidents, either internally, or with help from external parties, described in a bridging document between the Group and the client. Incidents are reported in accordance with the Group's risk management approach and incident classification matrix.

No additional significant financial resources are allocated to the action plan, outside continuous operational requirements as of 2024.

E2-2

Pollution to sea and air is prevented through operational procedures, contingency plans, deployment of relevant technologies, and adherence to requirements that protect ecosystems and uphold environmental standards.

Pollution to air

The material types of emission to air that has an actual negative impact on the environment in our operations is NO_x (nitrogen oxide). The Group is committed to address specific actions to mitigate potential negative impacts. Examples of such actions, are the implementation and management of an energy management system, and using energy efficient solutions based on best available technology to reduce NO_x emissions. In the last few years the Group has completed several technical upgrades on its own fleet for reducing NO_x emissions. As of 2024, the Group has invested a total of USD 59 million on our green rigs' projects. Several of these projects were supported by the NO_x fund.

Previous actions:

- Selective Catalytic Reactor (SCR) facility on Deepsea Nordkapp whilst being in the rig design phase/ rig building phase
- PowerBlade™ Hybrid system

The SCR technology specifically targets removing NO_x from the exhaust from diesel engines. Deepsea Nordkapp has installed these "scrubbers" from its design phase, which enables a NO_x reduction of 70-80% compared to having no such technology installed.

For 2024, the key actions have been the focus on the internal operational procedures and the optimisation of operations for both own fleet and external fleet. Additionally, operational awareness has been developed through the improvement and further development of the Panorama software dashboard. The expected outcome of these initiatives, coupled with the previous technical improvements, is a continuous reduction in NO_x emissions and reduced potential harm to the environment.

The Group utilises specialised tracking and measurement systems that monitor inflow, outflow, and refilling of various gases, as well as conduct leakage testing. In the event of a leakage or similar incidents, the system automatically alerts. Procedures and verification methods are established for managing such situations. Any deviations are reported and monitored in Synergi.

Pollution to sea

For pollution to sea, the material impacts for the Group are the prevention of spills and prevention of a well blow out.

Preventing spills and discharges to sea are anchored in the CMS, QHSSE programme and action plans, with supporting operational procedures. Spills and discharges to sea are managed through the process of establishing and maintaining environmental aspects and impacts registers.

Events that can lead to accidental spills and discharges are identified, and emergency response plans for operations within our control are established. The Group monitors and manages pollution to sea by tracking the emissions of pollutants to water and reporting non-conformance in Synergi.

The Group's fleet are designed to be a closed rig, meaning that all fluids (rainwater, washing water, oil contents, mud etc.) go into a closed drain system. Hazardous drain and non-hazardous drain are separated. Additionally, the fleet operates according to International Maritime Organisations Ballast Water Management (BWM) convention, having a ballast water management plan, ballast water record book and international ballast water certificate. Controls are established to reduce potential environmental impacts from activities that may result in spills and discharges to sea. Such controls are technical barriers (e.g. closed drain), maintenance programmes, training programmes, procedures, and measuring and monitoring programmes.

Well blowout

For preventing a blow-out, the Group complies with stringent external regulations and has strict internal procedures and guidelines, and training of crew for barrier management and control. This includes equipment certification, the SPSs and a maintenance programme. With the risk of well control incidents and spills, the Group is continuously working to increase workforce knowledge, improve the systems, procedures, training and experience transfer.

The enterprise risk framework and corresponding procedures provide clear instructions on how to identify hazards and the process of managing these hazards through risk assessment. The HSE risk management procedure applies to the Group, and it describes the requirements for how to manage the HSE risks. Odfjell Drilling follows established emergency response plans and action plans for any incident that could occur, including well control.

These are described as Defined Hazard & Accident Situations. The objective of the emergency response plan for each MODU describes the organisation, resources, and action plans that ensure that hazards and accidents are brought under control quickly, in order to minimise the consequences/damage. The Group has developed Performance Standards for drilling and well control equipment.

Competence and training

All rig personnel participate in regular training and drills in specific scenarios based on the Major Accident Hazards. In addition, each rig performs weekly well control drills. Offshore competence on well control is ensured with bi-annual certification of offshore employees in accordance with The International Well Control Forum (IWCF).

The Group has developed a compulsory two-day classroom course within Barrier Management for offshore employees and key onshore employees. The course is based on relevant regulations, philosophies, procedures and industry learnings.

Each year, Odfjell Drilling organises a safety performance conference. The second day of this conference is used to inform and discuss with key personnel within drilling and well control, areas of improvement and focus areas for the coming year. Action plans are prepared after these sessions.

The Group is working closely with operators, other drilling contractors, service companies, and organisations such as the International Association of Drilling Contractors (IADC), the International Association of Oil & Gas Producers & IWCF to ensure a coordinated approach to well control, follow up new initiatives, and secure experience transfer. Related incidents from the industry are distributed onshore and offshore for lessons learned and there is ongoing discussion in well control forums and team meetings. Odfjell Drilling also has representatives in the IADC programme committee for the Well Control conference.

Actions from well control incidents and suggested improvements are followed up in Synergi.

Substances of concern

E2-5 MDR-A

The Group works systematically with actions to replace or reduce harmful chemicals, as safe consumption of chemicals are essential from an environmental point of view, and for limiting exposure to chemicals for our employees. The Environmental Impact Reduction Procedure, Chemicals Handling Procedure and Chemicals Management Procedures support the Group's overarching policies and action plans.

The QHSSE function evaluates all new chemical requests on both own fleet and external fleet, according to defined criteria, prior to purchasing. After a review of the chemical's Safety Data Sheet, they are risk assessed in the EcoOnline system. Risk assessments involve users and the exposure, including health, safety and environmental aspects, provides input to substitution of chemicals and information to end-users.

Chemical inventories are maintained of all chemical products used, and the Group has implemented an inventory of hazardous material maintenance procedure. Existing chemicals are reviewed regularly for reduction or substitution. The operator oversees the purchase, utilisation, and disposal of chemicals, and manages processes related to drilling fluids, additives, and consumables.

Substitution of harmful chemicals with green alternatives is a continuous effort, and standardising the chemical catalogue across the fleet continues to be a priority.

The 2024 review of substances of concern concluded on copper in hull painting.

E2-3 MDR-T

Targets

The Group has established voluntary, non-scientific targets at the corporate level related to own operations on substances of concern and spills to sea. As of 2024 the Group does not have Group level targets on NO_x reduction outside of rig and project specific NO_x emissions reduction KPIs. These targets have been identified based on industry knowledge and Group experience, rather than ecological thresholds. The targets track the efficiency of the Group's HSE policy and related action plans and procedures, from the aspects of substances of concern and serious uncontrolled spills.

Targets	Baseline	2024	2023
Reduce 10% of hazardous chemicals	2021	14%	7%
Zero serious uncontrolled spills to sea (m3)	year to year	zero	zero

In 2024 the Group worked actively towards the target set out in the QHSSE programme, on reducing 10% of hazardous chemicals (substances of concern) in own operations. The results were the substitution of 27 products of substances of concern, and the phase out or substitution of 13 products, which were not on the substances of concern list. This target aims at reducing substances of concern and very high concern, and additionally, positively contributes to the prevention of harmful chemicals.

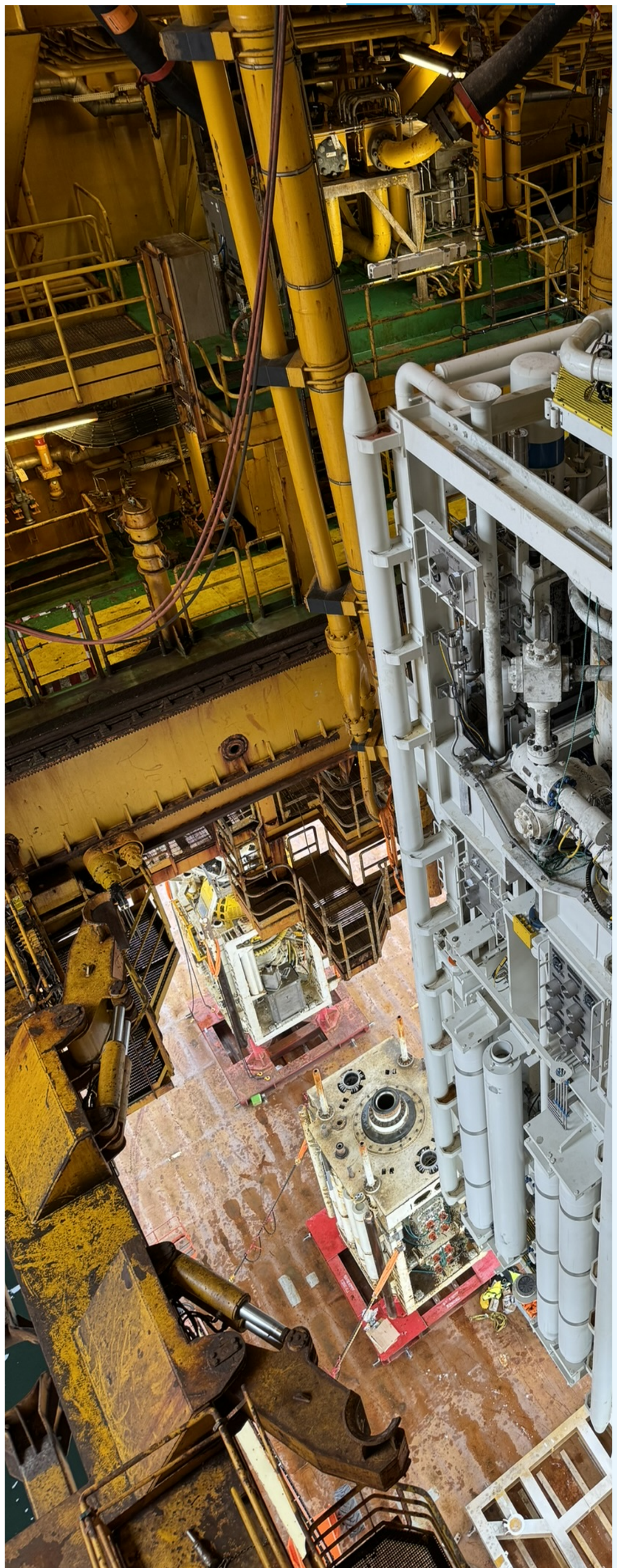
The Group has set the target for continuous zero uncontrolled spills, in own operations, with the aim to prevent pollution and emissions to air and water, prevent spills, safeguard ecosystems, and uphold environmental standards. There has been zero serious uncontrolled spills in 2024.

E2-4, E2-5, MDR-M

E2-4 Pollution to air	2024	2023
NO_x (tonnes)	31	4
Fluorine and inorganic compounds (HF) (kg)	29.5	n/a

E2-4 Pollution to sea	2024
Oil based mud (m3)	0.23 m3
Hydraulic oil (m3)	0.02 m3
Oil contaminated water (m3)	0.01 m3
Water based mud (m3)	0.50 m3

E2-5 Substance of concern	2024
Copper (kg)	280



Accounting policies

E2-4, E2-5

Data for pollution-related accounting and reporting is collected through monitoring systems that track quantities of gases, including those added during installation, maintenance, or due to leakage. This data is stored in the CMS system as work orders, including records of checks, repairs, and purchases, along with details of recycling, recovery, and disposal.

Pollution to air

NO_x emissions are calculated by using a rig specific conversion factor for tonne fuel per kilogramme NO_x emission, based on the Norwegian excise tax regulations.

The fluorine and inorganic compounds spill reported were caused by a weakness in vibration, and a flexible hose not fit for its intended purpose. Data for pollution-related accounting and reporting is collected through monitoring systems that track the potential spills automatically.

Pollution to sea

In 2024, the Group had 6 spills to sea, where the content of the spills was oil based mud, hydraulic oil, oil contaminated water, and water based mud. This is illustrated in the table for pollution to sea. Spills to sea are monitored and tracked automatically.

Substance of concern

Total amount of substances of concern that are generated or procured, and used in the Group's production activities.

During the SPS, the MODUs undergo hull cleaning and get a coat of new hull paint. This hull paint includes the substance of concern, copper, identified to be over the threshold as outlined in Annex II of the European Pollutant Release and Transfer Register. The Group estimates a total of 280kg copper is emitted to sea annually from the four own units. The estimation is based on supplier-specific data.

E4 Biodiversity

IRO-1, E4-1

IROs

Biodiversity was identified as a material topic in 2024 due to its relevance to the Group's drilling activities and downstream value chain. Regulated EIAs, risk registers, and research, have been assessed to determine materiality. The public EIA, as performed by the E&P operators, consults with relevant stakeholders and affected communities. The identified potential impacts are based on the fleet's geographical site of operations in 2024, as outlined in the Board of Directors report.

Two potential impacts to the environment have been identified in own operations and our downstream value chain:

- Seabed change by creating boreholes, cutting piles, and drill cuttings that may degrade benthic habitats. This can potentially cause sediment resuspension, leading to physical disruptions to marine ecosystems
- Noise from rig equipment (e.g., blowout preventers, thrusters) generates anthropogenic sounds that disrupt marine life, especially marine mammals, and may decrease fish populations near drilling sites

The materiality and scope of these impacts will be evaluated further in the coming years to ensure effective mitigation of potential environmental impacts. No risks have been identified for the Group's activities related to biodiversity and ecosystems. Consequently, the Group does not have a transition plan for biodiversity and ecosystems.

SBM-3

Operational context

The Group does not hold production licences and are not involved with opening new areas for oil and gas production and CO_2 storage, but our operations may impact biodiversity through emissions to air, spills and discharges to sea, waste and effluents. As a drilling contractor, the Group operates within the scope defined by operators' well programmes and licences, resulting in a limited control over specific parameters and operational locations. Drilling equipment and methodologies are dictated by E&P operators through contracts. While operators are responsible for EIAs, permitting, and regulatory compliance, the Group recognises its role in minimising potential environmental impacts, particularly in the case of sensitive marine ecosystems during exploration drilling.

No direct dependency or financial risk from biodiversity or marine ecosystem changes has been identified for the Group's core activities or business model.

E4-2 MDR-P

Policies related to biodiversity

The Group's HSE Policy and accompanying Environmental Principles, annual QHSSE programme and ISO 14001 certification, address biodiversity and marine ecosystem related impacts for all assets and operations. For more information on scope, implementation of policy, responsibilities, and stakeholder engagement of the policy see E2-1. The Group's 2024 commitment to environmental care:

- Environmental Care Culture: Fostering an organisational culture of environmental responsibility and prevent harm to the environment
- Competence Building and Commitment: Aligning practices with Environmental Principles and the QHSSE programme
- Integrated Risk Management: Annual assessments of significant environmental impacts, integrated with ERM
- Regulatory Compliance and Monitoring: Ensuring compliance through internal and third-party audits
- Pollution Prevention: integrate environmental considerations into planning and development of new activities
- Chemical Use Management: Reducing hazardous chemical use and discharges

Material impact, risk or opportunity	Category	Value chain location +/-	Up-Stream	Own Ops	Down-Stream	Time horizon Short-term	Medium - term	Long-term	Materiality Impact	Financial
Impacts on the state of species	Potential impact	-	●			●	●			
Direct impact drivers of biodiversity loss	Potential impact	-		●	●			●		

+ (positive), - (negative), Own Ops (Own Operations)

E4-3 MDR-A

Actions related to biodiversity and ecosystems

The EIAs findings are integrated into the E&Ps licensing and operational planning, and are integrated in our operations. No additional mitigating measures outside of existing operational programmes have been identified as necessary to the Group. As a result, the Group's drilling services are in compliance with the findings of the EIAs, and systematic processes to identify and manage potential environmental aspects and impacts outside of that scope is integrated into daily operations as outlined in E2 Pollution. This consists of management procedures, controls, and continuous improvement initiatives.

As there is not sufficient knowledge on the two potential impacts identified related to marine ecosystems, the Group does not have specific actions related to them. However, the following mitigative actions apply for all operated assets, and are all identified to support the mitigation of any potential impacts that may cause harm to marine ecosystems:

- Annual QHSSE Programme: action plan to ensure regulatory compliance
- ISO 14001 certification
- Operational Discharge Management: Compliance with local and international regulations
- Ballast Water Management (BWM): Fleet operations align with the International Maritime Organisation's BWM Convention. Specific vessels (Deepsea Bollsta, Deepsea Mira, and Hercules) use ballast water treatment systems as per the BWM Code.
- Zero Discharge Collaboration: Partnering with operators to minimise discharges
- Zero Footprint Collaboration: Partnering with operators to leave no well footprint after exploratory drilling
- Preventive Measures: Actions to prevent spills, marine debris, and recover lost materials

These efforts aim to reduce direct and indirect impacts on marine ecosystems, collaborate with key stakeholders, increase environmental knowledge, and improve ecosystem protection measures.

Actions and their effectiveness are monitored through dialogue with E&P operators and internal environmental impact registers revised annually.

The Group does not incorporate biodiversity offsets into its action plans.

E4-4, MDR-M, E4-5

Targets and metrics

No relevant material targets have been identified, and the Group has no biodiversity related goals. Targets reported on under E2 Pollution and E5 Resource use and circular economy, are all indirectly related to IROs identified in E4.

No operations in 2024 were located near biodiversity sensitive areas, consequently, none of them have a material negative impact on the areas. Therefore, we have no biodiversity specific metrics, nor have we set a base year from which progress is measured.

E5 Resource use & circular economy

IRO-1

IROs

IROs related to the Group's assets have been based on maintenance strategies, action plans, risk assessments, and asset specific environmental risk and impact registers. No consultations have been conducted with external stakeholders. The following potential impacts and risks were identified:

- Financial risk with the scope of asset lifecycle management (LCM), maintenance, and potential environmental impact, related to resource use to extend the lifespan of the fleet
- The SPS and maintenance processes can potentially impact the environment by generation of waste in own operations

The impacts and risks identified are incorporated into the Group's strategy, action plans and financial planning.

E5-1 MDR-P

Policies related to resource use, waste and circular economy

The HSE Policy and the Environmental Principles address material impacts related to resource use and circular economy, by outlining commitments to minimise environmental harm and reduce waste. The policy emphasises the development and implementation of procurement and resource management, prioritising waste prevention, reuse, recycling, and responsible disposal, aligning with circular economy principles. Further, the policy mandates active and transparent collaboration with suppliers to reduce adverse environmental impacts across the value chain. The policy addresses sustainable sourcing and use of renewable sources, by considering environmental preferable, and energy efficient products and services in procurement processes.

Additionally, the policy prioritises the sustainable disposal of assets at the end of their lifecycle, in accordance with applicable legislation, industry standards, and best practices, while considering opportunities for recycling and repurposing materials to minimise waste and resource depletion. For more information on the policy see E2-1.

E5-2 MDR-A

The Group's goal is to ensure safe, resource effective, and cost-efficient operations across own and external MODU units. The QHSSE programme's annual action plan prioritises reducing environmental impacts linked to procurement and resource use.

Actions related to resource use and circular economy

Actions are integrated into daily maintenance programmes and strategic decision-making, as well as long-term strategies to ensure strong LCM. They have both a short-term and long-term time horizon.

Asset LCM

The Group aims to ensure a strong LCM and lengthen the lifespan of our fleet. Lifecycle assessments have been made of all rigs and incorporated into the Group's maintenance philosophy, strategy and management.

The design life expectancy of our 6th generation MODUs is 20 years with an operational life expectancy of 30 years. The LCM plans, based on the rigs' designed life, form the foundation of the maintenance approach. These plans ensure that the rigs operate safely and efficiently throughout their expected lifespan. After the design life, the rig life can be extended through an ageing rig process, which includes cost benefit operational integrity analysis and extension of the LCM plan accordingly. LCM shall be used as a basis for upgrades and investment planning:

- Continuous operations i.e. overhauls and renewal survey
- Replacement strategies
- Run to failure

The following actions are necessary to reach the Group's medium and long-term goals and mitigate the potential impact and risks associated with asset lifecycle management.

1. Maintenance

Guided by the Group's maintenance strategy and philosophy, a structured approach is outlined to managing MODUs throughout their lifecycle.

The philosophy is to maintain and improve technical, operational, and commercial best practice solutions and processes, to ensure the right decisions are taken in planning operations, modifications, and projects.

The main goals of the maintenance strategies are to:

- Measure and continuously improve maintenance performance
- Resource utilisation

	Category		Value chain location			Time horizon			Materiality	
Material impact, risk or opportunity		+/-	Up-Stream	Own Ops	Down-Stream	Short-term	Medium-term	Long-term	Impact	Financial
Resource use - Asset LCM	Actual and potential impact and risk	+/-		●			●	●		
Waste generated from SPS	Potential impact	-		●		●	●	●		

+ (positive), - (negative), Own Ops (Own Operations)

The Group shall ensure that our rigs, their hull structure, machinery, systems, and equipment are always properly maintained. All planned and corrective maintenance activities shall ensure that the above-mentioned duties are planned and executed in a class approved Maintenance Management System.

The goal of the maintenance strategy for systems and equipment is to:

- Take care of the asset to achieve expected lifetime
- Comply with applicable rules and regulations
- Ensure predictability and availability to avoid unnecessary stops in operations
- Ensure synergy between the units in relation to maintenance activities
- Obtain cost-efficient maintenance management
- Use condition-based maintenance as far as practically possible
- Use data collection such as running hours, wet days and other specific criteria
- Record results in the maintenance system
- Measure and continuously improve maintenance performance and resource utilisation

Specific procedures or guidelines to fulfil the above-mentioned objectives for different systems, equipment groups, or work tasks, are established. The core elements in all maintenance management and related activities are compliance and predictability and this applies to all four elements of the Plan, Do, Check and Improve circle.

2. Continuous class programme

One of the Group's strategic focus area in 2024-2026 is the Group's Asset Strategy and revising the SPS philosophy and transition towards an integrated maintenance philosophy, with a continuous class programme. The main aim is to reduce cost and secure quality and efficiency.

3. Reuse and recycling

As highlighted in the Environmental Principles, the Group aims to minimise waste generation and promote reuse and recycling opportunities. The Group has a strategy for circulating equipment through an equipment pool system.

Measuring effectiveness of actions

Performance indicators are established to analyse and evaluate the maintenance effectiveness and aid continuous improvement. VP Technical Services is responsible for development and implementation of the strategies. Respective KPI values and reports are continuously reviewed for improvement.

Expected outcomes of actions

- Extended lifetime expectancy of the fleet
- Conscious resource use and procurement practices, reducing unnecessary resource use resulting in loss of financial investments, and resource extraction
- Reduced waste as a result of conscious resource inflow and long-term maintenance management and planning
- Strengthened competence on circular economy principles

Waste management

Offshore waste management is subject to strict regulations imposed by regional authorities in the countries where the Group operates. The responsibility for managing and disposing of production waste generated during drilling operations lies with the operator, and the responsibility for waste generated during SPS lies with the Group. Although operators are responsible for waste disposal during drilling operations, we aim to align our services with their goals and cut down on the waste generated offshore. Rig specific waste management plans and procedures provide clear guidelines to maintain environmental standards, emphasising waste reduction and safe handling. The following actions are in place to mitigate the potential negative impact associated with waste generated from the fleet's SPS.

- The Group has a global waste management procedure and a hazardous waste procedure, focusing on reducing waste generation through a waste hierarchy, consisting of waste elimination, reduction, reuse, recycling, and proper disposal. Waste management is always done in compliance with local legislation
- Waste segregation plans are in place for all facilities including rigs, offices, warehouses, and yards, for adequate and safe storage, handling and disposal

Measuring effectiveness of actions

Monitoring and reporting of the waste segregation plans are done after completed yardstays. In 2024 the Group started reporting its SPS related resource outflow (waste), see E5-5 on page 48.

Expected outcomes of actions

- Safe and sustainable disposal of waste
- Minimising waste generation and increase level of reuse and recycling
- Stronger quality on waste data

SBM-2

Stakeholder engagement

The Group continuously engages with stakeholders related to the maintenance of our fleet and its related resource inflow and waste management. Key stakeholders are DNV, flag states, rig owners, and public authorities. On waste management, the Group engages with yards, bases and waste management companies, as well as vendors who create new materials from waste. For more information on the Group's stakeholder engagement see page 27.

The maintenance philosophy extends to investment decisions and key strategic choices. With a long-term perspective, it is ensured that the philosophy remains consistent across both the external fleet and own fleet, providing uniform recommendations and guidelines. The maintenance philosophy is integrated into engagement with stakeholders, ensuring alignment and collaboration. By actively involving clients and classification societies such as DNV, the Group strives to create a shared commitment to maintaining operational excellence and asset longevity.

A new area of partnership collaboration with industry partners is on new technology and solutions, such as additive manufacturing for producing spare parts. Additive manufacturing facilitates the transition to a circular economy, allowing the reintegration of waste into our own value chain for reuse. In addition, transitioning from physical inventories to digital inventories, wherever feasible and advantageous, will result in reduced storage costs, decreased power consumption, and more efficiently allocated capital.

E5-3 MDR-T

Targets and measures

The Group's targets related to resource use and LCM are outlined here. As of 2024, the Group has not established specific quantifiable targets for waste management. However, it maintains qualitative targets, ensuring compliance with regulated waste management practices, adherence to internal procedures, and a strong focus on reducing, reusing, and recycling opportunities during SPS. The targets are based on industry best practice and regulations, not scientific evidence.

The Group operates in an industry where efficient resource utilisation and asset longevity are essential for sustainable operations and long-term value creation. In alignment with circular economy principles, the Group aims to extend the operational lifespan of its fleet, targeting a service life from a minimum of 20 years and up to 40 years, through structured maintenance programmes, predictive technologies, and strategic planning. This target is contingent on successful execution of SPSs and adherence to industry safety and maintenance standards. This initiative reduces the demand for raw materials, minimises material waste, and significantly lowers the emissions associated with manufacturing and decommissioning, supporting both environmental and financial sustainability.

By prioritising asset longevity, the Group reduces the need for newbuilds and avoids the high emissions linked to steel production, shipyard construction, and equipment manufacturing. Optimising maintenance efficiency, asset reliability, and operational performance, ensures that existing infrastructure continues to deliver safe, cost-effective, and high-performing operations over an extended service life. This is a voluntary indefinite target set by the Group as part of its sustainability strategy, as there are no legal requirements mandating lifespan extensions for offshore assets.

This target aligns with waste hierarchy principles, particularly prevention and reuse, by ensuring that assets remain in operation for as long as technically and economically feasible. By avoiding premature decommissioning, the Group minimises waste generation and reduces the demand for new raw materials, reinforcing its commitment to sustainable resource management and circular economy objectives.

This approach is embedded within the Group's Maintenance Philosophy and Corporate Strategy, reinforcing its commitment to circular economy principles, resource efficiency, and long-term fleet resilience. By leveraging innovative maintenance strategies and technology-driven improvements, the Group strengthens operational efficiency, minimises resource consumption, and reduces environmental impact.

The table below illustrates the Group’s progress toward its life extension target, demonstrating how planned SPS enables the fleet to operate beyond their initial design life. The SPS process serves as a structured review mechanism, ensuring that each asset meets the necessary integrity, safety, and performance standards for continued operation.

- Deepsea Atlantic (DSA) has reached 15 years and secured an additional 5-year extension following the 2024 SPS
- Deepsea Aberdeen (DAB) has reached 10 years and will undergo an SPS in 2025
- Deepsea Stavanger (DSS) has reached 15 years and is scheduled for an SPS in 2025
- Deepsea Nordkapp (DSN) has reached 5 years and secured a 5-year extension following the SPS that was finalised in January 2024

For more details regarding the CapEx related to SPS, please refer to the financial statements, Note 9.

Target		Rig build	Year of SPS
Secure class and ensure that 5-year life extension is possible	DSA	2009	2024
	DAB	2015	2020
	DSS	2010	2020
	DSN	2019	2024

Resource outflows

E5-5 MDR-M

All waste is reported in tonnes.

Waste generated and diverted from disposal	2024
Non-hazardous waste diverted from disposal due to reuse	20
Non-hazardous waste diverted from disposal due to recycling	298
Non-hazardous waste diverted from disposal due to other recovery operations	-
Total non-hazardous waste sent to recovery	**318**
Hazardous waste diverted from disposal due to reuse	-
Hazardous waste diverted from disposal due to recycling	362
Hazardous waste diverted from disposal due to other recovery operation	248
Total hazardous waste sent to recovery	**610**

Waste generated in the Group's own operations and sent to disposal	
Non-hazardous waste sent to incineration	76
Non-hazardous waste sent to landfill	-
Non-hazardous waste sent to other disposal operations	-
Total non-hazardous waste sent to disposal	**76**
Hazardous waste sent to incineration	8
Hazardous waste sent to landfill	-
Hazardous waste sent to other disposal operations	-
Total hazardous waste sent to disposal	**8**

Total waste generated	
Total amount of radioactive waste	-
Total amount of hazardous waste	618
Total amount of non-hazardous waste	393
Total amount of waste generated	**1,012**

Recycled and non-recycled waste	
Total amount of non-recycled waste	**83**
In percentage (%)	8%
Total amount of recycled waste	928
In percentage (%)	92%

Accounting Policies

Scope and reporting Approach

The waste account covers all material waste generated across the Group's operations during the reporting period. In 2024, this includes waste from the Deepsea Atlantic SPS, and from the Group's operational base. Waste data is collected from third-party waste management providers, who report on the type of waste, treatment method, and final disposal. The four main waste categories for the group for 2024 were wet organic waste/septic, steel, oil emulsion/slop and drilling cuttings.

Waste classification and reporting methodology

In alignment with ESRS E5, all waste generated by the Group is classified as hazardous or non-hazardous based on the waste management provider's classification.

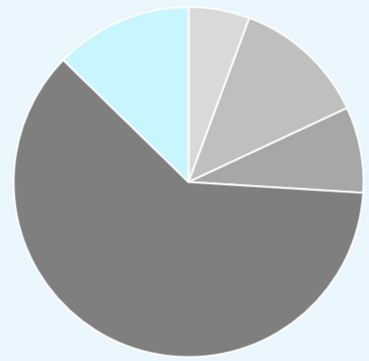
Treatment and disposal methods.

Waste is further categorised based on treatment and disposal methods, including:

- Waste diverted from disposal: Waste diverted from disposal through reuse, recycling, or other recovery processes.
- Waste sent to disposal: Waste sent to incineration, landfill, or other final disposal operations.

Calculation of recycling rates

The percentage of non-recycled waste is calculated by comparing the total amount of waste generated with the amount of waste not diverted from disposal. The percentage of recycled waste is calculated based on the amount of waste recovered through reuse, recycling, or other recovery operations relative to the total waste generated.



S1 Own workforce

Odfjell Drilling's greatest asset has and always will be, their people. Their intelligence and resourcefulness set us apart and ensure strong operational performance. The Group cares for the workforce and have made it a priority to provide a safe and satisfying place to work. People and safety are fundamental pillars of the business strategy.

S1-1, MDR-P

Policies related to own workforce

The Group’s approach to social sustainability is anchored in a strong commitment to the well-being and rights of all individuals involved in our operations. The internal framework of policies and procedures ensures that all personnel are treated with respect, fairness, and in compliance with applicable laws and internationally recognised human rights principles.

Policies are developed with consideration of insights from employee engagement, as well as externally recognised standards, such as legal requirements and industry best practices. If not specifically stated, all policies referred to apply to the entire own workforce and are signed by the CEO. The SVP HR is accountable for the implementation of policies and procedures. Employees can find all policies and procedures in the Group's CMS system. Policies relevant to other stakeholders are available on the website.

The Code of Business Conduct (COBC) guides internal practices, including employee behaviour. The Human Rights Policy is included in the COBC and commits to conducting business in accordance with internationally recognised human rights. To uphold these commitments, the Group conducts regular human rights due diligence, including stakeholder dialogue.

Odfjell Drilling's HSE Policy states that the Group shall maintain the highest safety standard and protect the health of personnel in compliance with applicable laws and regulations. The Group has overall responsibility for the occupational health and safety of our workforce, onshore and offshore. The HSE Rules lay the foundation of a culture based on commitment from all involved.

	Category		Value chain location			Time horizon			Materiality	
Material impact, risk or opportunity		+/-	Up-Stream	Own Ops	Down-Stream	Short-term	Medium-term	Long-term	Impact	Financial
Human rights and labour conditions	Actual and potential impact	+/-		●		●	●			
Health and safety	Potential impact	-		●		●	●	●		
Psychosocial work environment	Potential impact	-		●			●			
Equal treatment and opportunities	Actual and potential impact	+		●		●	●			
Competence and training	Actual impact	+		●		●	●			

+ (positive), - (negative), Own Ops (Own Operations)

S1-6

Defining the scope of employee groups

The categorisation of own workforce and workers in the value chain is essential. This distinction reflects the direct control over the employees in our own workforce, allowing for more tailored management, engagement, and action plans. For workers in the value chain, the Group's influence is more limited, necessitating different strategies to ensure their well-being. The categorisation does not diminish our commitment to human rights for all workers, but rather acknowledges the need for distinct management approaches based on the Group's level of control.

Own workforce

The definition of "own workforce" includes individuals who have a direct contractual relationship with the Group. This encompasses employees who are in an employment relationship with the Group, as well as non-employees who are either individual contractors (self-employed individuals), or workers provided by undertakings primarily engaged in employment activities. Non-employees may fill roles within the Group that require specialised skills, or are project-based for a defined duration. Although they are not on the Group’s payroll, they are still subject to the Group's policies, procedures, and standards.

Workers in the value chain

The definition of "workers in the value chain" includes individuals performing work in the Group’s upstream or downstream value chain, regardless of the existence of any direct contractual relationship with the Group. This includes workers employed by suppliers, subcontractors, and other business partners who provide products or services used in the development of the Group's own products or services (upstream) as well as those who receive, distribute, or use the products or services provided by the Group (downstream). These workers may be impacted by the Group's operations and business relationships, including through its products, services, and value chain.

Personnel

The definition of "personnel" refers to all individuals acting on behalf of the Group including directors, employees, agents, business partners, representatives, and consultants. This term encompasses both those within the Group’s direct employment and external individuals or entities engaged in business activities on behalf of the Group.

Engagement with own workforce and impact assessment

S1-2, SBM-2,

Key roles for employee engagement

The CEO approves the HR strategy and governing documents, and oversees their implementation. The SVP HR is responsible for the execution of the policies and strategies, by maintaining procedures and guidelines that ensure well-being in the workforce, offer development opportunities and compliance with applicable laws.

The Offshore Installation Manager (OIM) is the management representative and is responsible for ensuring that offshore employees are treated in accordance with the Group's policies, procedures and applicable legal, statutory, regulatory and contractual requirements in the rig's operating area.

The Designated Person Ashore (DPA) monitors and verifies all safety and pollution prevention activities of the rig operations, and acts as a vital link between offshore and onshore management, as outlined in the International Safety Management (ISM) Code. The DPA facilitates direct communication between offshore personnel and onshore leadership, particularly in safety-critical situations. The DPA has the authority over operational aspects to ensure that adequate resources are allocated for offshore and onshore support as required.

Employee representatives are elected to the boards of the Group companies, pursuant to applicable company law. Employee representatives are notified of information and discussions concerning the workforce. In the event of potential changes impacting the employees, information meetings are held with union representatives.

The Group maintains a structured process for engaging with the workforce and worker representatives throughout the year, as listed below. Employee satisfaction and engagement are consistently monitored through surveys and feedback mechanisms.

- Information on internal website, communication via corporate social media channels
- CEO Townhall for all employees, 3x per year, and as required
- Annual and biannual work environment surveys, anonymous feedback from all employees
- Annual meeting with the CEO and/or SVP HR with union representatives/and safety delegates
- Employee representatives meetings with management 3x per year, and as needed
- Region/location/site meeting with management and local employee representative
- Negotiations and annual salary review processes
- Regular information meetings with employee representatives regarding changes in business

S1-3, IRO-1

Channels to raise concerns

The Group has established multiple channels to ensure employees can raise concerns or address their needs, effectively and confidentially. These channels include both internal and external mechanisms, providing employees with various options to communicate directly with the Group. In 2024 the "speak up" campaign underlined the importance of reporting, and gave information on the different ways of making a report.

Channels for employee engagement:

- Employee representatives across the operations are readily available to inform management of any concerns or questions from employees, such as the DPA
- Internal platforms for reporting concerns, namely Safe Cards Reporting System and Synergi
- Whistleblower portal (grievance mechanism)
- Working environment surveys conducted by an external health provider
- Union or employee representatives are accessible for support and advocacy
- On-site personnel, known as "safety delegates", dedicated to workplace safety and addressing related concerns
- Line Manager conversations, and other dialogue between employees and their managers

Assessment of workforce engagement effectiveness

The Group evaluates workforce engagement effectiveness through structured employee feedback mechanisms, primarily surveys, and targeted data analysis. The surveys are conducted annually for onshore employees and biannually for offshore and third-party personnel. Additional channels are available for vulnerable groups, see page 53.

Data on the frequency and volume of reports submitted through the various reporting channels are collected, to enhance the reporting framework. The assessment also measures awareness and trust in the reporting structures, by targeted questions in the surveys. These questions measure employees' confidence in how concerns are addressed, providing valuable insights into the credibility and effectiveness of the reporting channels.

The stakeholder engagement process gives input that is integrated into the assessment of workforce engagement effectiveness. The Group use external resources, such as union representatives, in the process of developing questions for surveys.

Identification and remedy of negative impacts

The Group work structurally to identify actual or potential negative impacts on human rights and labour conditions in accordance with the Group's Human Rights Risk Assessment Procedure. The procedure is aligned with the Norwegian Transparency Act, OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights. The outcome of the risk assessment is disclosed on the website in the annual 'Transparency Act statement' and in the annual report, subject to S1-17 on page 57.

The Group has not identified any actual negative impacts on human rights or labour conditions in 2024, and has therefore not undertaken remedial actions.

People affected by identified human rights violations will receive appropriate remedy, on a case-by-case basis. Remedy could be financial compensation, restitution or rehabilitation (e.g. reinstating a wrongfully dismissed worker), and/or public apologies or guarantees of non-repetition. Remediation for actions for which the Group is liable, will be handled in accordance with local laws. Identified risks of negative impact are mitigated to reduce overall exposure.

When a particular actual or potential negative impact is identified, the responsible management will first attempt to mitigate and remediate at the lowest possible level with the parties involved. If the impact is likely to occur outside the incident, the issue will be forwarded as needed through the organisation to consider structural changes, for example QHSSE, HR or Operational Management.

All undesired incidents concerning inter alia, safety, environment, well control, and downtime, are investigated based on actual and potential consequences, according to the Group's Incident classification matrix, with criminal acts reported to the police. Incidents are documented in the non-conformity and incident management system Synergi. The Group mitigate the risk of workforce-related impacts through several proactive measures.

To prevent recurring injuries, the Group has implemented knowledge transfer practices, ensuring that lessons learned are effectively shared across teams. The Group also verifies agency terms and conditions to ensure fair treatment of non-employees, addressing potential concerns regarding their working conditions.

The Group tracks the effectiveness of the implemented actions and documents the results. The tracking shall be based on appropriate qualitative and quantitative indicators, feedback from affected stakeholders, and internal and external resources. Actions, progress, and results are documented in Synergi and published in the Transparency Act statement on the website.

Human rights risk assessment

The risk assessment is conducted based on internal and external human rights expertise, involving relevant stakeholders. In addition to the listed channels for engagement with employees, the assessment is informed by:

- Data and trend variations quarterly
- Risk assessments and management reviews
- Verifications and audits, including third party audits subject to flag state, governmental authorities and clients
- Direct feedback and knowledge transfers from delegates, representatives, employees, and health services
- Changes affecting continuity of business, like legislative, security, political, or environmental changes

In the event of reporting via the whistleblower channel, the Compliance Officer will identify the nature of the complaint and forward the report to the relevant function leader. For cases concerning human rights and working conditions, this will be the SVP HR. The report will be investigated and actions tailored to the specific issue, if any finding can be determined. In the event a grievance is raised, the Group may also follow the location disciplinary procedure, or procedure related to bullying, harassment, and discrimination.

The risk is then categorised based on the Group's Risk Matrix, taking into consideration

- Scale - the gravity of the actual or potential impacts on human rights
- Scope - the number of individuals that are or could be affected
- Remediability - the ease with which those impacted could be restored to their prior enjoyment of the relevant right
- Potential - the likelihood of the impact occurring in the future

The Group shall integrate the findings across relevant internal functions and processes and take appropriate action to cease or mitigate risk for human rights violations. Responsibility for addressing such impacts shall be assigned to the appropriate level and function within the Group. Actions to cease human rights violations shall be implemented without undue delay. Risk mitigating actions shall be prioritised based on severity, or where delayed response would make them irremediable and the highest risks for stakeholders ("red" or "yellow" in the Risk Matrix).

Human rights & labour conditions

SBM-3, IRO-1

IROs

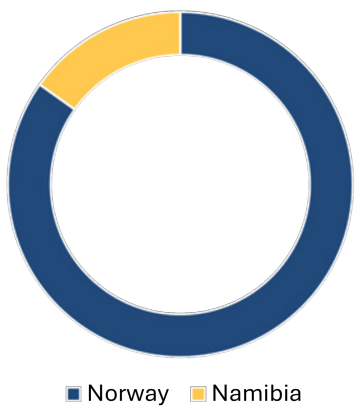
The Group has an impact on its workforce by offering jobs with fair working conditions globally. The Group prioritises permanent positions, offering secure employment and stable working conditions. The majority of our workforce consists of offshore shift workers, making working time and work-life balance material to the employees.

The Group ensures all employees have an adequate wage and total annual remuneration, offering fair compensation that meets the needs of employees and their families. Upholding freedom of association and collective bargaining, we support the formation and recognition of trade unions, reinforcing our commitment to employees' well-being at work. The risk of negative impacts on human rights, including child labour, forced labour and human trafficking, is considered low in all geographic areas.

The availability of jobs is directly linked to the contracts secured for the rigs we own and manage. Longer contracts provide the opportunity to offer permanent and stable positions, while the absence of contracts or short-term projects makes this more challenging. SPSs and other maintenance projects create a high demand for employees over short periods, which increases the risk of extended working hours.

The business strategy is centred on supporting our employees in alignment with internationally recognised human rights and labour conditions, and local labour laws. The dynamic nature of our operations requires the hiring of personnel, and the use of subcontractors as addressed in ESRS S2 on page 58.

Employee headcount by country >50



S1-1, MDR-P

Policies related to human rights and labour conditions

The Group is committed to protecting and respecting the human rights of own employees and third parties in the Human Rights Policy. The policy content is based on a multi-stakeholder process to identify material human rights focus areas for the Group. The actions to safeguard fundamental rights are carried out following The UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises.

The policy is owned and approved by the Board. The EMT is responsible for ensuring that the policy governs actual and potential impacts on human rights in all business activities. The policy's commitments regarding own workforce are embedded in core processes of the business functions, particularly within HR, QHSSE and in policies and procedures covering risk management and competence management, as well as rig specific safety procedures. The policy is referred to in the COBC, meaning that everyone in the workforce is responsible for complying with the commitments, and must report any non-compliance.

The Group does not have a Global Framework Agreement. To ensure a unified perspective across all operational regions on workforce management, all locations are subject to the policies outlined in CMS Levels 0 and 1. This includes the Human Rights Policy and COBC that safeguards human rights and responsible employment practices.

S1-5, MDR-T

Targets

The Group manages risk and opportunities in order to advance positive impacts and mitigate any negative impacts, by identifying actions based on strategic targets. Targets are identified through correlations between expressed needs from employees and/or their representatives, strategic business decisions, and findings from risk assessments. Legal obligations and collective/union agreements are also sources used to identify targets. Actions are then defined and implemented by the HR department. Tracking of targets is disclosed on page 54.

S1-4, MDR-A

Actions to mitigate impacts on human rights and labour conditions

The Group has implemented measures to ensure that human rights are respected and protected within its workforce. The core measures are fair employment contracts, commitment to international human rights and labour standards in policies and procedures, and training programmes focusing on health and safety.

The effectiveness of implemented actions is tracked through data collection from workforce engagement and the human rights risk assessment process, as described in S1-3 on page 50. The actions are continuously reviewed and adapted over short, medium, and long-term timeframes to address both immediate concerns and structural improvements.

Working terms and conditions are continuously managed by the HR department through employment contracts, social dialogue and collective bargaining. All employees are assured an employment contract, specifying the monthly and annual wage that is guaranteed. Employment contracts clearly state predictable termination terms, additional pay and benefits, as well as reference to collective or tariff agreements and employee handbooks.

Personnel insurances and other benefits are checked against the global market through partnerships and the Norwegian Shipowners Association statistics. Pay levels for employees working on the Norwegian Continental Shelf are part of a tariff agreement and regulated to ensure fair payment practices. The Group acknowledges collective bargaining and union agreements and facilitates dialogue with union representatives representing the workforce.

Working hours, time off, well-being, and employee engagement are systematically monitored using hour registration systems and surveys. The use of overtime is monitored by automated and centralised reporting systems. The HR department analyses data trends to implement necessary improvements, such as refining employment standards and policies.

All employees have access to parental leave, holiday, sick leave, and compassionate leave. In 2024 the Group introduced a Life Phase policy to govern how to address employee needs in situations not covered under local employment legislation, such as flexible working hours and work-life balance. Employee satisfaction and engagement are regularly monitored through surveys and feedback mechanisms. Annual and bi-annual work environment surveys help the Group monitor how we are doing in multiple areas for our onshore and offshore workforce.

Allocation of financial resources

Actions to mitigate human rights and labour conditions are fully integrated into the Group's existing functions and daily operations. As a result, no significant dedicated financial investments have been deemed necessary.

"At Odfjell Drilling we are committed to developing a sustainable culture where our people thrive and perform at their best in a safe environment."

Helge Maubach
SVP HR

100%

of the total workforce has an employment contract with defined employment terms

Compliance

with internationally recognised human rights and labour practices

Health & Safety

SBM-3, IRO-1

IROs

Offshore drilling operations are considered inherently higher risk than traditional onshore work, due to harsh environment, complex drilling equipment, and distance from emergency services. Hazardous waste and chemicals pose health risks to exposed workers. While these factors present serious safety concerns, effective risk mitigation makes the occurrence of incidents rare.

A safe and healthy work environment ensures predictable and effective operations with a competent, committed and thriving workforce. Asset integrity and critical incident management deal with the prevention and control of incidents that can lead to fatalities, injuries or ill health, environmental impacts, and impacts to infrastructure. Health and safety incidents expose the Group to financial risk related to loss of revenue, increased costs, legal liability, fines, damage to the Group's reputation, including future business, and social licence to operate.

The Group strives for zero incidents across all facets of its operations, firmly believing that every incident is preventable. Our business strategy is to focus on root causes, learning from experience, and fostering continuous improvement.

S1-1, MDR-P

Policies related to health and safety

Odfjell Drilling's HSE Policy addresses material impacts related to the health and safety of our workforce. The policy states that the Group shall maintain the highest safety standard and protect the health of our employees and others associated with our operations. It also sets out the commitment to compliance with laws and regulations. The sector is heavily regulated, and the Group strives to maintain an excellent health and safety record through the workplace accident prevention management system, consisting of safety protocols, continuous training, systematic familiarisation, and proactive risk management. For more details on the HSE policy, see E2-1 on page 42.

All personnel subject to the Group's supervision are required to adhere to the HSE Policy and to work in accordance with relevant procedures in the CMS. Essential procedures include the Safe Job Analysis Procedure, Safe Job Observation Programme Procedure, the Management of Chemicals Procedure, the Respiratory Protection Guide, and the Glove Guide.

Workers are also responsible to risk assess their work, act when they see unsafe behaviour and conditions, and report hazards. The Group is responsible for the occupational health and safety of our employees, both on our offshore rigs and within our office environments.

S1-5, MDR-T

Targets

The QHSSE programme describes the focus on safe, secure and stable operations and sets the overall objectives and improvement actions for each year. The rigs develop their own specific action plans supporting the programme. Objectives, improvement actions, and KPIs are established based on safety statistic trends, past performance, risk level, industry best practice, legislative requirements, and input from employees and other stakeholders. Correlations are made between KPI results and ongoing actions and targeted initiatives. Tracking of targets is disclosed on page 54.

S1-4; MDR-A

Actions related to health and safety

The Group practices a QHSSE risk management process for all operations, by which hazards are identified, and associated risks are understood and managed in such a way that the risk levels are reduced to as low as reasonably practicable. The effectiveness of actions is tracked by performance against KPIs and addressed in discussions during regular performance reviews.

Line managers are responsible for occupational health and safety, with a dedicated QHSSE organisation providing insights and support. To ensure a satisfactory working environment, relevant factors affecting employees' physical and mental well-being are systematically assessed. These include work organisation, ergonomics, chemical exposure, noise and vibration, lighting, indoor climate, computer workstations, and machine interfaces. Actions to mitigate these impacts, including risk assessments, are implemented in daily operations.

Assessments and analyses of actual and potential impacts on people and environment are conducted in accordance with recognised standards and methodologies, including ISO 9001 Quality Management System and International Safety Management code, and the International Ship and Port Facility Security code.

Human Performance Principles, available on our website and CMS, are included in risk assessment processes through increased knowledge and awareness of how the human factors influence performance. By empowering employees with knowledge and skills, we ensure that every team member is equipped to recognise and mitigate risks proactively. This commitment to training not only enhances individual competence, but also cultivates a culture of safety, where every employee plays an active role in maintaining safe operations. To ensure continuous improvement, training materials are regularly reviewed and updated to incorporate the latest industry standards.

Workforce representatives are elected and contribute actively to continuous improvement in daily operations and in dedicated arenas. We have initiated people-oriented programmes to reward good safety behaviours and performance, such as the CEO's annual safety award, to recognise the best safety performance and exceptional effort in the safety arena.

The implementation of Life Saving Rules, available on our website and CMS, from the International Association of Oil & Gas Producers, enhances our commitment to industry-leading safety practices, providing proactive guidance to prevent serious injuries.

Responsible and safe use of chemicals is essential for limiting exposure to discharge of toxic substances to our employees in accordance with ISO 45001. The QHSSE department assesses all new chemical requests according to defined criteria prior to purchasing. Risk assessments include health, safety and environmental aspects, to understand the overall likelihood and severity of potential exposure to personnel. For more information on chemicals management and substitution plans see E2 on page 42.

Well-being and sick leave are monitored through data reporting and surveys, with correlations made between KPI results and survey findings to identify areas for improvement. The HR department then implements necessary actions and initiatives.

A pilot programme for a holistic health initiative was implemented in 2024, targeting a combination of mental health, sleep quality, stress management, and physical fitness. The programme has shown a reduction in sick leave in the participant group. The holistic health programme has resulted in major improvements in well-being for the employees and financial returns for the Group. Plans for further implementation are part of the strategy for the coming year.

All employees have access to health insurance, including mental health care, and physical rehabilitation. Adequate housing offshore with housekeeping rules is implemented to prevent harm to personnel.

Allocation of financial resources

The Holistic Health Programme incurs an annual cost of approximately USD 1,500 per participating employee. These costs are fully covered by the Group and integrated into both current and future financial plans for health initiatives. The financial allocation for 2025 will be determined by the number of employees enrolled in the programme.

The Group allocates financial resources to cover health insurance for the total workforce in accordance with negotiated contractual terms with the insurance provider.

"Safety performance continues to be our top priority, and our safety performance journey continues. Strong barrier management, daily risk management, competence, and capacity are fundamentals for good safety and major accident prevention.

This year we have operated for major oil companies across the world, with a variety of challenges handled in the most professional way by our employees."

Janike Myre
SVP QHSSE

Zero

injuries at the workplace

Zero

exposure to hazardous waste and chemicals

odfjell drilling

Equal Opportunities & Psychosocial work environment

SBM-3, IRO-1

IROs

The Group impacts the psychosocial working environment and the treatment of minority groups within the organisation. The Group establishes the criteria governing employment processes, remuneration practices, career development opportunities, leadership access, and other work-related decisions, which may influence the treatment of employees.

The impact on equal treatment and opportunities is an important factor within the topic of psychosocial work environment. The impact on gender equality is particularly significant given the historically male-dominated nature of the drilling industry. Discrimination, bullying, or harassment may occur, not only across hierarchical levels, but also among employees at the same level.

The Group is committed to eliminate discrimination and harassment, promote equal opportunities, and in other ways advance diversity and inclusion. The policies, actions, and targets set to improve the psychosocial work environment, are therefore an integrated part of the HR strategy.

The Group requires continuous competence development and access to a diverse workforce, due to the international and mobile nature of the business model and strategy. Equal treatment and growth opportunities for all employees are paramount to retaining and developing our workforce to ensure an attractive workplace.

S1-1, MDR-P

Policies related to psychosocial work environment

The commitment to equal opportunities and zero tolerance for discrimination, harassment, and bullying is embedded in the COBC. The COBC specifically addresses discrimination based on racial and ethnic origin, colour, sex, sexual orientation, gender identity, disability, age, religion, and political opinion.

The Harassment, Bullying, and Discrimination Policy provides details on how cases are handled, including reporting procedures, mitigation measures, and remediation. Additionally, the Corporate Culture and Employee Behaviour Policy and Employee Handbook, outline mandatory guidelines for maintaining a positive psychosocial working environment. All employees are required to adhere to these policies and report breaches.

The Annual Salary Procedure implements a practice of a centralised salary review process and transparent reporting, to ensure all employees are compensated fairly and equitably, regardless of gender.

The Life Phase policy establishes the Group's approach to supporting individuals facing personal hardship due to various life phases, ensuring alignment with the Group's goal to develop and maintain a positive physical and psychosocial working environment through inclusion, open communication, and flat management hierarchy. Recognising that individual needs vary across life phases, this policy ensures all of the Group's own workforce are treated fairly in accordance with human rights, including non-discrimination, and the right to work-life balance. The Life Phase Policy is signed off by the SVP HR.

S1-4, MDR-A

Actions related to psychosocial work environment

All actions to mitigate the psychosocial work environment, including fostering equal treatment and preventing discrimination, are guided by feedback from the workforce. The effectiveness of policies and procedures is assessed through engagement with employees through surveys and other feedback mechanisms as described on page 50. The information collected informs the development of new initiatives or targeted actions at the department, site, or individual level.

Actions carried out in 2024 to mitigate the risk of bullying and harassment have been to increase knowledge on the topic, inter alia by bias and inclusion training at all global locations. Discrimination has been a part of OIM leadership training and the annual leadership summit, to improve leaders' ability to identify and handle cases of discrimination. Bullying, harassment and discrimination have been topics at town hall meetings held by the CEO and at the annual HSE & Technical conference, as well as QHSSE safety delegates campaigns and workshops offshore.

The employee handbook and policies were revised in 2024 in order to reduce the risk of discrimination, by ensuring parental leave status does not negatively impact career development or other working conditions. The initiative also included the new Life Phase Policy.

Identified high risk groups

Actions implemented in 2024 focused on preventing harassment and bullying, promoting women's interests, and protecting vulnerable groups. The groups currently identified as at particular risk of vulnerability in the Group's own workforce, are apprentices and women working offshore. Annual surveys are able to differentiate on demographic and employee categories (through background data) to capture and identify trends for groups that stand out from the general employee population, while still remaining anonymous.

Apprentices are people who have entered into an apprenticeship contract to allow them to train and gain experience in a company, with the aim of obtaining a professional or craft certificate. The apprenticeship is a part of upper secondary education and is offered in close collaboration with the local public training office, meaning that all apprentices are subject to the Norwegian Education Act.

Most apprentices are young workers with limited experience, making it essential to foster an environment where they feel confident to speak up about health and safety hazards and non-compliance with procedures. Working in an offshore rotation presents unique challenges, including extended periods away from home. Providing structured support and guidance from leaders offshore and HR representatives is therefore crucial to their professional and personal development. How to take care of apprentices is a part of leadership training. In most cases, the apprentices are offered a permanent position after completing the apprenticeship contract.

It is essential to the Group that all women feel supported, confident, and well-equipped to succeed in their roles. The group wishes to increase the number of women working offshore, making it a priority to implement initiatives that enhance women's well-being. Fostering a more inclusive workplace contributes to the overall work environment on the rigs and strengthens the Group's ability to attract and retain more women in the industry.

The Group has spent the last few years engaging with women through a women's network, Women in Drilling. This is a channel to voice concerns, help the Group learn about the work environment experience, and act as a safe haven. The Women in Drilling network for onshore and offshore female employees is sponsored by the CEO and serves as a platform for leaders to hear honest feedback and real experiences from women offshore, and implement changes in policy, as well as influencing the Group culture for the better

Allocation of financial resources

The Group allocates operational expenditures to support employee well-being. Sponsored initiatives include educational programmes, memberships in the Women's International Shipping and Trading Association (WISTA) and the Group's Women's Network, as well as social clubs that enhance well-being through activities such as cabin retreats, social events, sports clubs, and gym facilities. The goal is to promote holistic health and strengthen employee relationships. Resources for specific employee initiatives may also be allocated from the rig budget.

S1-5, MDR-T

Targets

The targets of zero incidents of discrimination, bullying, and harassment are aligned with the Norwegian Working Environment Act, internationally recognised human rights and labour standards, and the Group's vision and values.

A positive psychosocial working environment is crucial for ensuring safe and efficient operations. Correlations are made between KPI results and ongoing actions to further improve the psychosocial work environment to prevent any negative impact. Tracking of targets are disclosed on page 54.

40%

women in leadership positions by 2030

Zero

incidents of discrimination

Zero

incidents of bullying and harassment

Competence & Training

SBM-3, IRO-1

IROs

The Group operates in a high-risk industry where safety, operational efficiency, and regulatory compliance, rely on a well-trained workforce. Investing in employee competence reduces accidents, enhances performance, and reinforces ESG commitments, aligning with both legal requirements and stakeholder expectations.

Providing training and development opportunities is a core element of the Group's strategy. Significant time and financial resources are dedicated to building expertise, which positively impacts operational performance and strengthens the Group's reputation. A skilled workforce is a strategic priority, encompassing apprenticeships and targeted recruitment efforts to ensure long-term competence and industry best practice.

S1-1, MDR-P

Policies related to competence and training

The Group has a Competence Policy, signed by the CEO, stating that safe and efficient operations are dependent on competent and well-qualified employees. The objective of the policy is to ensure top quality is delivered in all parts of the organisation. The actions to achieve this objective are specified in the policy and include that management shall actively encourage and support the employee to take responsibility for development of his/her qualifications.

The Group's Competence Assurance Management System (CAMS) objective and target is to ensure that all employees at all times are qualified for their position. The procedures also describe the processes established to ensure that competence is developed, maintained, and measured in compliance with the Group's requirements and the employees' needs. CAMS is certified under ISO 14001:2015 and ISO 9001:2015. CAMS is also used to document information regarding employees' skills, level of knowledge, abilities, formal education, and training.

S1-4, MDR-A

Actions related to competence and training

Competence development is an interactive process between education, training, and experience gained in the workplace. Actions to foster competence and training include systematic familiarisation onboard the rigs, specialised on-the-job training for specific equipment, leadership courses, and compliance training. Additionally, the Group plays an active role in developing the practical skills and knowledge of apprentices.

All positions have a standard set of compliance training, including the COBC, QHSSE, cyber security, data protection, and other relevant topics This training is registered to the employees' profile and managed in IFS and Cornerstone.

All positions on the rig are mapped with specific requirements via the unit's competence assurance matrix, and managed via software, and compliance tracked via Power BI customised reports. All competencies for each employee are added to the system, with information about the date they are achieved.

Offshore employees are subject to qualifications to be completed via systematic familiarisation onboard the specific MODU. Competence for the operation of equipment and/or systems shall be ensured by providing on-the-job training onboard, which shall include self-study of training material, and supervision by a mentor. A review of operating instructions and manufacturer specifications for the equipment and/or system, forms the basis of this instruction.

The employee cannot operate the equipment or system until mandatory formal training, as applicable to the Competence Unit on the Competence Assurance matrix, has been successfully completed. The relevant section leader has the responsibility to prioritise the sequence of assessments for their candidates. Each rig carries out competence assurance of its personnel to track the effectiveness of actions, and consequently performs corrective actions. Assessment methods include observation, simulation, and questioning.

Completed training is registered by the completion date in Cornerstone, IFS, or Rider. Information is maintained about when each person acquired the competency, its expiration date, and the need for new or renewed courses and certificates. Actions, such as courses and training, are regularly provided to the workforce as certificates expire, and in accordance with the needs of the Group.

Allocation of financial resources

The actual and budgeted expenses for courses and training, for both onshore and offshore personnel, amounted to USD 6.4 million. The budgeted expenses for 2025 are projected to be USD 7.8 million.

The Group is committed to investing both time and financial resources in the development and training of its employees. On-the-job training plays a crucial role in building competence and developing skills, which are reflected in management compensation.

Targets

S1-5. MDR-T

	Impact on human rights and labour conditions	Impact on health and safety			Impact on psychosocial work environment		Financial opportunity
Description of target	100% employment contract with defined terms in compliance with the Human Rights Policy	Zero injuries at the workplace	Zero exposures to hazardous waste and chemicals	Annual sick leave 3% or under	40% women in leadership positions	Zero harassment and bullying	Annual turnover under 5%
Scope	Own workforce, workers in the value chain	Own workforce	Own workforce	All employees	All employees	All employees	All employees
Milestones, interim targets	N/A	Annual	Annual	Annual	2030	Annual	Annual
2024 performance	100%	Zero injuries	Zero exposures	3,9 %	29%	1 case	3.75
Baseline	100%	Zero injuries	Zero exposures	N/A	2022 (27%)	Zero harassment and bullying	N/A
Policy	Human Rights Policy, People Strategy, local labour law and international Human Rights and labour regulations	HSE Strategy and the QHSSE programme 2024	HSE Strategy and the QHSSE programme 2024	People Strategy	People Strategy, WISTA pledge	People Strategy	People Strategy
Stakeholder engagement	Local governmental bodies and authorities, labour unions and own workforce	Own workforce authorities, labour unions, suppliers of PPE and other equipment	Own workforce authorities, labour unions, suppliers of PPE and other equipment	Own workforce, labour unions	WISTA, Odfjell Drilling women network initiative	Employees	Employees, labour unions
Overall progress							

Expected outcomes from action plans and achieved targets

Short-term	• Expected outcomes should be seen in reduction of sick leave, reduction of unforeseen health incidents, reduction of competency related operational failures, near misses, increased engagement, increased retention
Medium-term	• Stable and predictable % sick leave, low levels of voluntary turnover, cost savings • Gradual increase of women in technical and leadership roles, attractive employer also for women
Long-term	• Low % injury incidents, with increasing safety mindset • Collaborative union and employer relations leading to fair and predictable operations (potentially strike free)

S1 Metrics

MDR-M

S1- 6 Employee head count by gender	2024	2023	2022
Male	1,482	1,505	1,305
Female	65	58	53
TOTAL EMPLOYEES*	**1,547**	**1,563**	**1,358**

*Refer to Note 6 - Personnel Expenses in the Consolidated Financial Statements

S1-6 Employee head count by country >50	2024	2023	2022
Norway	1,309	1,157	1,204
Namibia	234	347	100

S1-6 Employee turnover	2024	2023	2022
Number of employee turnover (head count)	58	35	23
Percentage of employee turnover	3.8%	2.4%	1.9%

	2024		2023		2022	
S1-6 Employees head count by contract type and gender	Female	Male	Female	Male	Female	Male
Permanent employees	54	1,435	50	1,485	47	1,259
Temporary employees	11	45	8	47	6	46
Non-guaranteed hours employees	0	2	-	-	-	-
Number of full-time employees	64	1,480	58	1,501	53	1,300
Number of part-time employees	1	2	0	4	0	5

S1-8 Employees covered by collective bargaining agreements	2024	2023	2022
Percentage of total employees covered by collective bargaining agreements (%)	91.98%	89.84%	97.64%
Norway (%)	100%	100%	100%

S1-8 Workplace representation	2024	2023	2022
Norway (%)	100%	100%	100%

	2024		2023		2022	
S1-9 Top Management metrics	Female	Male	Female	Male	Female	Male
Number of employees at top management level (head count)	6	18	6	18	5	19
Percentage of employees at top management level (%)	25%	75%	25%	75%	21%	79%

S1-9 Age diversity metrics	2024	2023	2022
Number of employees under 30 years old (head count)	240	195	158
Percentage of employees under 30 years old (%)	15.5%	12.5%	11.6%
Number of employees between 30 and 50 years old (head count)	898	933	813
Percentage of employees between 30 and 50 years old (%)	58.1%	59.7%	59.9%
Number of employees over 50 years old (head count)	409	435	387
Percentage of employees over 50 years old (%)	26.4%	27.8%	28.5%

Accounting policies

Head count

The Group headcount numbers include all employees on Group direct payroll in all Group entities. The reporting is done at the end of the reporting period and includes all direct employees in the month of December every year. There are no estimates needed as all employees are registered in the Group ERP HR System.

All employees are counted as one -1- individual. This gives the best picture of the workforce and aligns with the Group policies and practices. The Group uses simple automated counting where system values are assigned to employees to ensure that no duplications are included for temporary internal transfers or secondments.

Contractors are included in the head count when specified. For "contractors hourly/part-time", a Full-Time Equivalent (FTE) principle is used to convert to headcount.

The employee-related data has not been validated by an external body other than the assurance provider.

S1-6 Employee head count by gender

Data is reported globally and is not broken down by region for 2024. All positions are full-time, unless employees specifically request temporary part-time or lower position %. Part-time employees with non-guaranteed hours are not included for 2022 and 2023 because of data limitations

S1-7 Non-employees

The Group does not report metrics for non-employees in 2024.

S1-8 Percentage of employees covered by collective bargaining agreements

The percentage of own employees covered by collective bargaining agreements reflects the number of employees working in Norway, including those on the NCS. The Group does not collect unionisation data for other countries but encourages all employees to engage in social dialogue.

In line with ESRS reporting requirements, which mandate disclosure of collective bargaining coverage and workplace representation for countries with more than 50 employees and representing over 10% of the total workforce, the Group reports figures for employees based in Norway. Reporting for other locations is not mandatory, and the small number of employees in these locations raises privacy concerns.

Trade unions and employers' organisations have a strong historical standing in Norway. Legislation, collective agreements, and company-based practices have developed and formed a system of comprehensive workers' rights and privileges. The agreement consists of two parts, nationally negotiated agreements and tariffs, and locally negotiated additional agreements. 100% of the own employees and non-employees in Norway, both onshore and offshore, are covered by the agreements and tariffs signed with the unions, regardless of employee union membership.

S1-9 Top management

Top management includes position level L1-L3: CEO and General Manager (L1), Executive Management Team (L2), and Business Area Management (L3).

S1 Metrics

MDR-M

S1-10 Adequate wages by country	2024	2023	2022
Percentage of employees paid below the applicable adequate wage benchmark (%)	0%	0%	0%

	2024		2023		2022	
S1-13 Training and skills development	Female	Male	Female	Male	Female	Male
Percentage of employees that participated in regular performance and career development reviews onshore (%)	36%	19%	27%	26%	25%	17%
Percentage of employees that participated in regular performance and career development reviews offshore (%)	32%	38%	48%	48%	50%	30%
Number of onshore employees that participated in regular performance and career development reviews (Head count)	10	18	17	24	18	12
Average training hours per onshore employee	22	18	11	7	2	6
Number of international offshore crew that participated in regular performance and career development reviews (Headcount)	-	45	1	21	NA	NA
Average training hours per employee in international offshore crew	6	23	NA	NA	NA	NA
Number of Norwegian offshore crew that participated in regular performance and career development reviews (head count)	12	485	14	542	9	292
Average training hours per employee in offshore Norwegian crew	31	45	20	17	31	26

S1-14 Health and Safety	2024	2023	2022
Percentage of own workers in headcount who are covered by the Group's health and safety management system based on legal requirements and/or recognised standards or guidelines (%)	100%	100%	100%
Percentage of own workers who are covered by a health and safety management system which is based on legal requirements and/or recognised standards or guidelines and which has been internally audited and/or audited or certified by an external party (%)	100%	100%	100%
Number of fatalities as a result of work-related injuries and work-related ill health	-	-	-
Number of recordable incidents	10	11	14
Rate of recordable incidents	2.3	2.6	4.8
Lost time injuries (LTIs)	0.7	0.7	0.7
Dropped objects frequency >40J	2.3	3	5.1
Days of lost time injuries (LTI)	175	340	52
Number of serious incidents	-	-	-

Accounting Policies

S1-10 Wages

All employee wages are set in accordance with salary matrices benchmarked against national averages, and negotiated under collective bargaining agreements. All offshore wages are set in accordance with national industry tariff agreements. The Group benchmarks salary data against the industry category, union statistics, and through national employers' groups and public statistics. The Group surpasses EEA minimum wage standards, surpasses Norwegian local minimum wage requirements, and follows collective bargaining agreement wages matrices.

S1-11 Social protection

The Group does not report metrics for social protection in 2024. All employees are covered by social protection against loss of income due to major life events, either through public programmes or through benefits offered by the Group. The Group also comply with local legislation. In international operations, employees are covered under the employee handbooks and, in some cases insurances to protect loss of income.

S1-12 Persons with disabilities

The Group does not report metrics for persons with disabilities in 2024.

The Group does not map employees by disabilities because of legal limitations. There is no work performed by employees with below-normal mental or intellectual abilities due to strict safety rules in the industry. If an employee requests an adaptation to their physical work environment, the Group will accommodate whenever possible.

S1-13 Training and skills development

All employees are offered annual performance and career development reviews. Invitations are automatically distributed via IFS software and include all registered employees. The reported figures reflect the number of confirmed performance and development reviews conducted in response to the invitation.

Line managers and employees are encouraged to discuss performance and career development throughout the year, independent of the IFS invitation. Such discussions are not tracked, the reported figures consequently do not provide a comprehensive representation of all development conversations.

Metrics on training and skills development are based on registered training hours in CAMS, as outlined on page 54. Training hours are recorded using IFS, Rider, and Cornerstone, with data assembled and analysed in Power BI.

S1-14 Health and safety

Metrics and definitions are built on the IADC and ISO 45001.

- X = incident, accident, LTI, medical treatment incident, first aid treatment
- X × 1,000,000 hours / Number of worked hours

Definitions

- Accident: A type of incident where injury, ill health, fatality, asset damage or other loss occurred
- Incident: An event resulting in injury to personnel, ill health, fatality, downtime, asset damage or other loss, or the potential to result in any of these outcomes
- Near miss: An incident where no injury, ill health, fatality, asset damage or loss occurred, but has the potential to do so
- Lost time incidents (LTI): Work-related injury or ill health to an employee in which a physician or licensed health care professional recommends the employee to be away from work due to the incident

Time away from work on the day of the incident is not considered when determining LTI. Time spent travelling, undergoing evaluation, awaiting medical evaluation results, or otherwise seeking medical treatment should not be counted as an LTI when considering LTI classification. If someone is immediately absent from work to see a doctor and returns with next available helicopter after the doctor's visit, this is not registered as an LTI.

Monthly offshore working hours calculation: number of offshore days x 12 hours per shift x 1.07 (7% overtime).

S1 Metrics

MDR-M

S1-15 Family-related leave	2024	2023	2022
Percentage of employees entitled to take family-related leave (%)	100%	100%	100%
Number of females entitled to take family-related leave (head count)	65	58	53
Number of males entitled to take family-related leave (head count)	1,482	1,532	1,305

S1-16 Compensation metrics	2024
Total remuneration ratio	6.99
Gender pay gap (%)	11.10%

S1-17 Number of incidents of concern	2024
The total number of incidents of discrimination, including harassment, reported in the reporting period	1
Number of complaints filed through channels for people in own workforce to raise concerns	2
Number of complaints filed to National Contact Points for OECD Multinational Enterprises	-
Amount of material fines, penalties, and compensation for damages as result of violations regarding social and human rights factors	-
Number of severe human rights issues and incidents connected to own workforce	-
Number of severe human rights issues and incidents connected to own workforce that are cases of non respect of UN Guiding Principles and OECD Guidelines for Multinational Enterprises	-
Amount of material fines, penalties, and compensation for severe human rights issues and incidents connected to own workforce	-
Number of severe human rights cases where undertaking played role securing remedy for those affected	-

Sick leave - Entity specific disclosure	2024	2023	2022
Percent sick leave offshore (%)	4.2%	5.1%	5.5%
Percent sick leave onshore (%)	0.9%	1.2%	1.0%
Percent total sick leave (%)	3.9%	4.7%	5.1%

Accounting Policies

S1-15 Family related leave

Family-related leave policies for all locations follow local legislation and additionally, collective bargaining agreements where applicable. All employees are entitled to family-related leave.

The Group does not report metrics for employees who took family-related leave in 2024. All data regarding parental, maternity, and paternity leave, as well as other family-related leave taken during the regular work schedule, is captured in our ERP system. The diversity in working schedules limits reliable data collection to the onshore population only. Many instances of leave for offshore workers remain unreported since they often do not overlap with the working schedule.

S1-16 Compensation metrics

All the Group companies are consolidated to get a complete picture of any gender pay gaps. This also ensures that the groups (levels) will contain enough resources to be included in the analysis and to provide the best possible information.

Total remuneration, in accordance with the ESRS definition, has been used for the gender pay gap analysis and the remuneration ratio

The annual total remuneration ratio discloses the ratio of the highest-paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual).

The reporting requirements are new to the Group in 2024 and there is no comparable data available for 2023 and 2022.

S1-17 Number of incidents of concern

The Group has many channels available to report and capture grievance reports of bullying, harassment and discrimination, or other compliance breaches.

Our most reliable and complete source of reporting is through anonymous self-reporting via our annual onshore work environment survey and our semi-annual offshore survey.

In 2024 the onshore survey reported 1 incident of self-reported harassment. On average, the percentage of incidents is zero. One limitation in the reporting is that only 72% of employees responded, meaning some information may be missing.

The majority of the reporting requirements were introduced in 2024, and there is no comparable data available for 2023 and 2022.

S2 Workers in the Value Chain

SBM-3, IRO-1

IROs

The Group impacts the working conditions of the workers in our upstream value chain indirectly through dependency on third party goods and services. The upstream value chain includes all direct suppliers and sub-suppliers of equipment and contracted services, including cleaning, transportation, and food and catering services.

There is no identified material IRO related to workers in the downstream value chain, mainly consisting of E&P clients and rig owners. This is equally applicable to business partners such as financial institutions and consultancy firms.

The Group has not identified actual severe human rights issues or incidents connected to the upstream or downstream value chain in 2024. Specific risks of negative impacts from the purchase of products and services are listed below:

- Workers subject to jurisdictions with weak labour laws and enforcement are likely to experience challenges related to secure employment, wages, and working hours
- Workers who are exposed to severe health and safety risks as a part of manufacturing of products or the performed services, are likely to experience injuries or bad health. The potential negative impact is dependent on the training, protective equipment and risk management provided
- Workers without formal education and who have low social status are likely to be exploited
- Workers who face restrictions to the right to form unions and participate in collective bargaining, face limitations in their ability to advocate for improved working conditions and wages

Workers could be in one or several of these groups, affecting the severity and likelihood of the risk materialising into an actual negative impact. The risk of child labour and forced labour in the value chain is considered low, but remains a priority because of the severity.

Workers who extract raw materials are subject to all the risks listed above. Raw materials are used to produce products we purchase, such as steel, chemicals and fluids, rubber, glass, cotton, and carbon fibre composites. In addition to regular maintenance, the SPS projects conducted in 2024 increased the required purchasing of rig equipment. Rig equipment is subject to strict regulatory requirements and certifications, limiting the pool of suppliers to choose from. Extraction of raw materials occurs beyond our first-tier suppliers, limiting the access to information, and ability to follow up potential risks.

Workers in yard operations are subject to health and safety risks because of a hazardous work environment that requires training, protective equipment, and risk management. The Group uses these services globally to do maintenance and provide fuel. The same risks are also related to freight logistics and transportation services used to transport equipment to the desired location.

Negative impact on workers in the value chain could damage the Group’s strong reputation and social license to operate, and potentially lead to project delays. In addition, companies subject to the Norwegian Transparency act could be fined if human rights violations of workers in the value chain are not identified or reported in accordance with the legal requirements.

In 2024, the Deepsea Bollsta and Deepsea Mira have been operating in West Africa, positively impacting individuals and the local communities, by creating job opportunities with working conditions in accordance with internationally recognised labour and human rights principles. The job offer includes training and upskilling, providing the individual worker and the local communities with new knowledge. The intent is for these workers to become a local resource after our operations are finalised.

S2-1, MDR-P

Supplier Code of Conduct

Supply Chain Management (SCM) policies and procedures cover management systems, risk assessments, and supplier compliance with ethical standards and human rights. The objective of these measures is to identify and mitigate risks and ensure that workers in the value chain are treated with the same dignity and respect as the Group's own workforce.

The Supplier Code of Conduct is an integral part of all supplier contracts and framework agreements, aligning with the Group’s COBC. It requires all suppliers to uphold business practices in accordance with the International Bill of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. The Human Rights Policy is part of the Supplier Code of Conduct and applies equally to the workers in the value chain as to the Group's own workforce.

	Category		Value chain location			Time horizon			Materiality	
Material impact, risk or opportunity		+/-	Up-Stream	Own Ops	Down-Stream	Short-term	Medium-term	Long-term	Impact	Financial
Human rights and labour conditions	Potential impact	+/-	●			●	●		■	

+ (positive), - (negative), Own Ops (Own Operations)

The Human Rights Policy addresses trafficking in human beings, forced labour or compulsory labour, and child labour. More information about the Human Rights Policy is included in S1 on page 51. The Chief Procurement Officer (CPO) is the most senior-level executive accountable for the implementation of the Supplier Code of Conduct. The policies undergo regular reviews, considering stakeholder interests informed by the engagement process outlined on page 27. The Supplier Code of Conduct and the Human Rights Policy are readily accessible to workers in the value chain and other stakeholders via the Group's website.

SBM-2, S2-2

Process for engaging with value chain workers

The Group actively integrates the perspectives of value chain workers into its governance, decision-making, and operational activities to effectively identify, mitigate, and manage both actual and potential risks to their well-being throughout the Supplier Management System as described in G1 on page 64.

To ensure strategic alignment and accountability, the Chief Operating Officer (COO) and SVP HR oversee the integration of value chain worker perspectives into organisational policies and decision-making. The CPO is responsible for setting and monitoring compliance with the Supplier Code of Conduct, while the SVP HR and CPO lead the operational implementation of engagement strategies, including supplier interactions and audit processes. Engagement with value chain workers is primarily structured through the Supplier Management System, which operates throughout the supplier relationship lifecycle.

The Group engages with value chain workers in different ways based on the individual needs of the worker, or group of workers, and the specific objectives of the engagement. When choosing the appropriate method to communicate with value chain workers, potential barriers such as language, peer pressure, or cultural differences are carefully considered.

Value chain workers operating under the Group's direct oversight or at the same location as representatives of the Group, such as those on board rigs or at yards, are monitored daily. These workers are often integrated into our operations and included in regular meetings and interactions, providing valuable insights into their working conditions and offering opportunities to address potential impacts. This daily engagement fosters trust between value chain workers and the Group representatives, creating an environment where workers feel comfortable voicing honest concerns and opinions.

Value chain workers operating further downstream and located far from our direct operations require a more structured follow-up, as there is limited interaction or opportunity to directly observe their labour conditions. To address this, the Group conduct audits and inspections, sometimes including interviews with the workers. This is particularly relevant for identified vulnerable groups. The right to conduct audits are a part of the Group's General Terms and Conditions and the Supplier Code of Conduct.

The Supplier Management Process includes a qualification process that is used to assess workforce characteristics and gain insight into labour conditions and human rights practices within the supplier's operations, including the identification of particularly vulnerable and/or marginalised workers. This information is used strategically when conducting audits and inspections.

The Group supports the right to form labour unions and maintains regular dialogue with worker representatives. These representatives often speak on behalf of both our direct workforce and value chain workers, providing valuable insights into their concerns and challenges. Additionally, the Group encourages suppliers and value chain workers to report non-conformities and suggest improvements related to the Group's processes in the whistleblower portal, as further described in G1 on page 64.

The effectiveness of engagement is a relevant topic when interacting with labour unions and during conversations or interviews with workers in the value chain as part of supplier audits. This includes whether value chain workers are aware of and trust both the Group's own engagement channels and those of the supplier or business partner.

odfjell drilling

Action Plans to Improve Labour Conditions for Value Chain Workers

S2-4, MDR-A

Action plan to mitigate risk of negative impact

To manage material risk, the Group has developed a robust Supplier Management System that includes human rights and labour conditions as a risk factor. The system encompasses the qualification of new suppliers, risk mitigation for active suppliers, and the execution of regular audits and operational support to ensure compliance with human rights and labour standards throughout the supply chain. Management of risk and the processes of supplier due diligence are described in G1-2 on page 64.

Risk-mitigating actions are identified by annual evaluations of priorities and focus areas, ensuring adaptability to the materiality assessment and sustainability due diligence process. The effectiveness of mitigating actions is monitored through internal audits, performance reviews, and stakeholder engagement. Non-conformances are tracked and analysed to identify recurring issues, while corrective actions are tracked through the Corporate Non-Conformance System.

Specific actions in addition to the Supplier Management System conducted in 2024 include the launch of supplier risk profile dashboards. The dashboards consolidate key metrics, including social performance, to provide better oversight of supplier practices and risks related to value chain workers. Actions to map and trace the origin of raw materials have continued in 2024 to mitigate the risk of purchasing products made from raw materials from regions associated with systemic human rights violations.

Planned actions and expected outcomes

- Expand the rollout of Human Rights Self-Assessments to all framework agreement suppliers by 2025. The expected outcome is improved risk assessments resulting in a more tailored process for following up with individual suppliers
- Reduce the number of active suppliers to enhance visibility and manageability. This action started in 2024 and will continue in 2025, remaining a continuous focus going forward. The expected outcome is an increased allocation of resources to high-risk suppliers
- Continue "Duty of Care" verifications for high-risk services, including crewing, freight forwarding, and yard services. Such verifications are a part of the continuous Supplier Management System aligned with the ESRS time horizons. Expected outcome is improved data leading to better risk assessments and more tailored mitigating actions
- Review the Supplier General Terms and Conditions and the Supplier Code of Conduct requiring suppliers to commit to human rights principles, implement them within their own supply chain, and report suspected human rights violations. These documents are subject to review on a medium to long-term basis based on changes in risk exposure, legal standards, and/or input from stakeholder engagement
- Disclose progress and outcomes in the annual Transparency Act Statement, ensuring accountability, and keeping stakeholders informed of the Group's advancements
- Enhance the Supplier Management System by continuously expanding and structuring the supplier database to strengthen knowledge and insights for risk assessments, supplier audits, and targeted follow-up actions. This will remain a priority in the short, medium, and long-term

Allocation of financial resources

The planned actions regarding reducing the number of active suppliers, increasing overview and control, and improving compliance monitoring, are part of an ongoing project within the SCM function. The project plan includes a budget for CapEx and OpEx costs for 2024 and 2025.

The Supplier Management System, including audits, is an integrated part of the Supply Chain Management function and consequently does not need specific allocations to be implemented.

Key components of the Supplier Management System

1. Risk assessment and human rights due diligence

Completing the Human Rights Self-Assessment questionnaire and signing the Supplier Code of Conduct is part of the qualification process for all suppliers. The information is used to give suppliers a score reflecting the total risk, including impacts from employment practices, labour conditions, and compliance with human rights standards. Suppliers scored as high risk are followed up individually to lower risk as described in G1-2 on page 64.

The scoring system allows the Group to proactively identify and mitigate risks while promoting accountability and transparency across its supply chain. By embedding this process into the Supplier Management System, the Group aims to strengthen supplier compliance with human rights standards and enhance working conditions for value chain workers.

The Human Rights Self-assessment questionnaire is a key tool to assess and mitigate risk. The target is for all new suppliers to return the questionnaire.

The Human Rights Self-Assessment questionnaire was implemented in 2022. The Group aims to have all suppliers complete the questionnaire, following a structured process that prioritises suppliers with a framework agreement. The target time period for framework agreement suppliers is set to year-end 2025. Progress is currently on track, with no changes required to the target or monitoring processes. The performance is tracked through the SCM KPIs.

2. Collaboration and training

The Group is committed to improving working conditions and driving positive change throughout its value chain by fostering collaboration and capacity-building. Local agents and workers engaged in international operations are integrated into operational teams, facilitating knowledge transfer, skill development, and training, to promote inclusive growth. To ensure alignment with the Group's standards, all hired personnel complete training in accordance with the internal Training Matrix. An example of training conducted in 2024 is anti-corruption training for agents in Namibia.

The Group collaborates closely with suppliers to enhance working conditions and ensure compliance with human rights standards. This long-term engagement strategy promotes continuous improvement and stability within the supply chain. Additionally, the Group actively participates in industry initiatives and collaborative projects aimed at strengthening labour conditions across the sector.

3. Supplier audits and compliance monitoring

The Group adopts a process-driven approach to managing material risks by systematically mapping, assessing, and prioritising suppliers and operations most likely to impact value chain workers. This includes high-risk activities as described in relation to ESRS 2 SBM-3. High-risk services undergo "Duty of Care" verifications, which evaluate employment terms, payment practices, and working conditions.

When conducting a human rights audit on a supplier, we evaluate both the working conditions of their employees and the extent to which they assess and ensure compliance with human rights standards across their own supply chain.

Any negative impacts identified during audits are logged in the Corporate Non-Conformance System, and corrective actions are implemented and tracked until resolution. All actions align with ISO 9001 requirements and undergo annual reviews to ensure continuous adaptation to industry best practices.

In 2024, 11 supplier audits were conducted, including:

- A human rights audit in Namibia which included employee interviews, physical verification of facilities, and assessments of employment practices
- Maritime Labour Convention (MLC) audit covering verification of suppliers of temporary personnel to ensure compliance with pay and employment contract terms
- A social performance audit covering workers at shipyards and within transportation services in Norway. This audit focused on pay parity and avoiding social dumping, which involves exploiting workers with lower wages and poorer conditions than local standards

Audits are conducted in three phases:

1. Preparations

- Initiate selection process of potential suppliers
- Choose supplier and establish an audit plan
- Send audit notification to supplier
- Review relevant documents and prepare check list

2. Audit

- Perform audit
- Share and discuss findings with supplier

3. Documentation and follow up

- Send final report to supplier
- Register findings in Synergi
- Follow up findings

Value Chain Workers' Access to Remedy

S2-3

Processes to remediate negative impacts

Workers in the value chain are included in the sustainability due diligence process described on page 29 and the Human Rights Risk Assessment Procedure as described in S1 on page 50. There were no known incidents of actual negative impact on workers in the value chain in 2024, and as a result, the Group has not been involved in any processes to remediate negative impact.

The mitigating actions and remedy will depend on the Group's leverage and are decided on a case-by-case basis. The approach to addressing material negative impacts on value chain workers focuses on driving accountability among suppliers, encouraging improved working conditions. Actions such as supplier onboarding, audits, and traceability efforts, are designed to ensure that risks to value chain workers are identified, prioritised, and addressed.

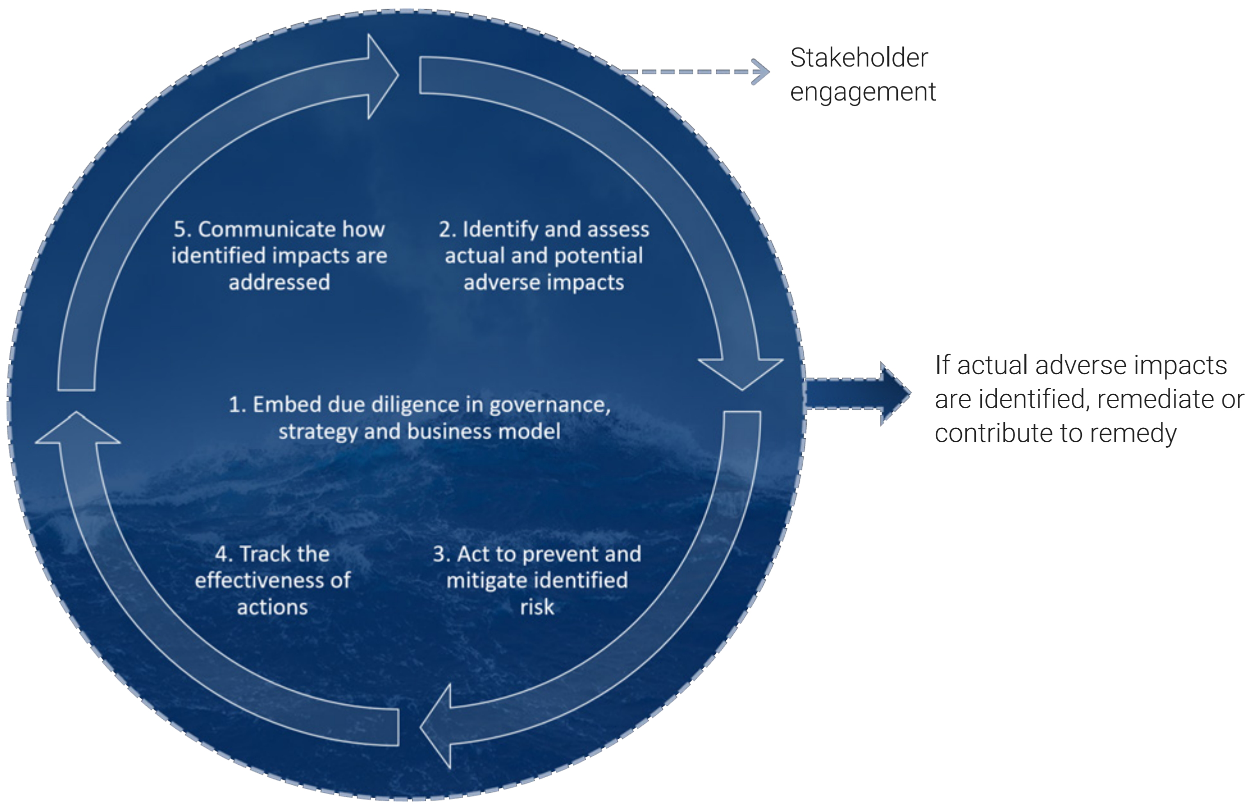


Figure 5: due diligence process

Suppliers who do not manage to reduce their risk will be phased out. Material non-compliance with terms and conditions covering ethics, is considered a breach of the terms and conditions. Discovered non-conformities found during audits are also regulated in the General Terms and Conditions clause 17.2:

17.2 If the audit reveals non-conformities, Supplier shall correct these accordingly. Buyer has a right to perform an audit for up to two years after the expiry of the year in which the Work was delivered.

The Group is committed to providing or enabling remedy where material negative impacts are identified. Before enabling remedy, cases of material negative impact need to be evaluated case by case. An investigation will be conducted in accordance with the Group's non-conformance procedure. This involves mapping the impact, identifying root causes, implementing corrective actions, and monitoring their effectiveness. For example, specific labour-related grievances have resulted in targeted audits and action plans with affected suppliers, to ensure remediation.

The core of actions to remediate, is to counteract or make good a negative impact. Relevant actions are apologies, financial or non-financial compensation, prevention of harm through injunctions or guarantees of non-repetition, punitive sanctions (whether criminal or administrative, such as fines), restitution, restoration, and rehabilitation.

All actions and corrective measures are tracked within our Non-Conformance System, Synergi, to maintain accountability and ensure follow-up. Discovered negative impacts on value chain workers that could be a criminal offence will be reported to relevant authorities.

Channels to raise concerns

The whistleblowing system, as described in G1 on page 61, is a key tool available to value chain workers to raise concerns. It allows them to report suspected or known violations of the COBC or other compliance-related grievances, even when direct reporting is not feasible. This system is publicly accessible via the Group's website, ensuring inclusivity and ease of use for all stakeholders.

Offshore workers have additional options to raise concerns, including:

- Onboard complaint procedures under the Maritime Labour Convention (MLC 2006) code, which enable employees and non-employees to raise concerns with onboard senior management, the flag state of the unit, or their own flag state of origin
- Designated Person Ashore (ISM Code): Offshore workers can confidentially raise concerns through a designated person ashore, who has a direct reporting line to the CEO

These grievance mechanisms are complemented by non-conformance reporting and feedback channels such as operational meetings, supplier experience reports, supply chain safe card reporting, and local supplier non-conformance systems.

The effectiveness of grievance mechanisms is ensured through regular monitoring, trend analysis, and stakeholder engagement. The Group actively collaborates with key suppliers and other stakeholders through meetings, audits, and feedback loops. By categorising and trending non-conformances, the Group identifies recurring issues, enabling targeted actions to improve processes and prevent future impacts. The use of internal and external non-conformance reporting as part of the ISO 9001 certification process, further reinforces the commitment to continuous improvement.

S2-5, MDR-T

Targets

The Group's overreaching target is to ensure that our operations and business relationships do not contribute to human rights violations or poor labour conditions, but instead uphold fair, safe, and responsible working environments throughout the value chain. The targets are set taking into consideration stakeholder expectations.

Zero

incidents of actual negative impact on workers in the value chain

100%

of suppliers categorised as high risk shall be subject to risk mitigation actions to lower risk to an acceptable level before purchasing any products or services

Performance in 2024

The group have no known incidents of actual negative adverse impact on workers in the value chain.

The group used a total of 911 suppliers in 2024 of which 4 were initially categorised as high-risk.

All high-risk suppliers (100%) were subject to follow-up actions to lower risk. All suppliers managed to implement actions to lower the risk of negative impacts on human rights and labour conditions, and consequently were added to the approved vendors list before purchase orders were placed. One prequalification audit was conducted by the Group representatives being present at the supplier's location.

G1 Business Conduct

A strong foundation of ethical business conduct and effective risk management is essential for operating in a complex risk environment. The Group has implemented comprehensive risk management systems to mitigate risks across all operations and business functions, including those related to corporate culture, corruption, bribery, and supplier management. These measures ensure compliance, enhance accountability, strengthen stakeholder trust, and reinforce a commitment to responsible and sustainable business practices.

G1-1, SBM-1, SBM-3, IRO-1

Corporate culture

The Group's corporate culture prioritises the protection of people, society, and the environment, which in turn strengthens its reputation and attracts competent employees and reliable investors. By integrating strong risk mitigation strategies, the Group secures its assets and reduces risks in business transactions, while fostering investor confidence and contributing to a responsible and sustainable value chain.

The Group's values are embedded in the Ethical Principles, approved by the Board, which governs the Group's operations and ensures trust, professionalism, and accountability across all activities. The Ethical Principles are implemented through the CMS and apply to all personnel. The CEO oversees the implementation of policies, with support from function leaders and line managers. The Compliance Officer and Corporate Legal Department are responsible for providing training and are available for guidance on ethical concerns.

MDR-P, MDR-A

Code of Business Conduct

The COBC and Social Responsibility Principles promote and secure an organisational culture that encourages everyone to be aware of ethical dilemmas and prevent, detect, and report misconduct. All personnel are required to read, understand, and comply with the COBC.

All procedures are available for employees through the CMS. Policies and procedures relevant to third parties are available on the Group's website and accounted for in the Annual Report.

Stakeholders are an integral part when evaluating the need to implement policies and procedures, and the process of deciding the content, together with internal expertise, external guidelines, laws, and regulations.

The Group's senior management ensures that all personnel, including representatives and management, receive mandatory training on the COBC. This includes e-learning courses as part of the onboarding process of new personnel and an obligation for all employees to confirm compliance with the COBC, and report concerns about behaviour in contradiction to the COBC.

The e-learning course is supplemented by internal awareness sessions and refresher training for personnel exposed to specific operational risks. Supervisory bodies also have access to all e-learning materials.

The most senior level accountable for material corporate governance policies and procedures:

The Board

- Ethical Principles
- The Group's Mission, Vision and Values
- Risk Framework
- Legal and Regulatory Compliance Policy
- Human Rights Policy
- Insider Trading Policy

The CEO

- Corporate Social Responsibility Principles
- Code of Business Conduct
- Supplier Code of Conduct
- Human Rights Risk Assessment
- Competition Compliance Procedure
- Sanctions and Export Control Procedure
- High Risk Third Party Procedure
- SCM Third Party Due Diligence
- Corporate Risk Committee
- Enterprise Risk Management
- Cyber Security Management Manual

	Category		Value chain location			Time horizon			Materiality	
Material impact, risk or opportunity		+/-	Up-Stream	Own Ops	Down-Stream	Short-term	Medium-term	Long-term	Impact	Financial
Corporate culture and risk management	Actual impact	+/-		●		●	●	●	●	
Corruption and bribery	Potential impact and risk	-	●	●	●		●		●	●
Management of relationships with suppliers	Potential impact and risk	-		●	●		●		●	●
Protection of whistleblowers	Potential impact	-	●	●	●	●	●		●	
Cyber security	Potential risk	-		●			●		●	●

+ (positive), - (negative), Own Ops (Own Operations)

G1-1, SBM-2, IRO-1, MDR-A

Whistleblower portal

The whistleblower portal is an important channel for identifying, reporting, and investigating actual or potential infringements of the COBC or other ethical/critical concerns. The portal is available to anyone, including third parties such as clients and suppliers, from the Group's official website. It starts an anonymous two-way dialogue between the individual making the report and the case investigators from the Group's compliance team.

The Group encourages everyone to speak up about any wrongdoing and to feel confident and safe to do so. The Group launched the campaign "Speak Up! Your concerns matter" in 2024, to keep employees aware of the importance of reporting, and available reporting mechanisms. All reported cases are processed seriously, and the compliance team responds to the whistleblower without unreasonable delay.

Cases of significant importance are reported to the Audit Committee and to the Board. The Group prohibits retaliation against anyone who reports or participates in an investigation of a possible violation of the COBC, other Group policies, or the law. Individuals who report in good faith or are involved in investigations will receive protection and support, as stated in the COBC.

The whistleblower portal is an important channel for stakeholder dialogue and is used to identify actual and potential impacts on people, society, and the environment.

The 2024 speak up campaign

"If you have an ethical dilemma or have noticed a breach of law, procedure or policy, you can discuss with or report to:"

- Whistleblower portal
- Compliance Officer
- Corporate Legal
- Human Resources
- Your Manager

Risk Management & Corporate Culture

GOV-1, SBM-1, SBM-3, IRO-1

Identification and mitigation of risks

Risk management encompasses the identification, evaluation, management, mitigation, review, and escalation of both actual and potential impacts as disclosed on page 25. The Group identifies, evaluates, and mitigates risks through a risk management framework aligned with ISO 31000. Significant risks are escalated to the Board via the Enterprise Risk Register for further review and action. The Board actively shapes and assesses the nature and impact of key risks, aligning them with the Group's strategic objectives to drive positive outcomes.

Identified material risks are disclosed in the Board of Directors Report and include financial, operational and industrial risk factors, as well as climate and ESG risks. Risks specifically relevant to business conduct, with potential financial and reputational implications for the Group, include compliance with fair-competition and anti-trust laws, and corruption and bribery. Furthermore, cyber security threats and supply chain dependency are material risks that could cause operational downtime and negatively impact the safety and security of people and assets.

The CRC evaluates material business decisions, including those involving high-risk areas, or significant procurement activities, to identify and mitigate risks such as integrity concerns or corruption. It ensures that tenders, client contracts, and procurements exceeding certain thresholds undergo thorough risk assessments, including integrity risks. The CRC's purpose is to assess business exposure, provide early risk warnings, implement mitigation measures, optimise opportunities, and share lessons learned.

SBM-3, MDR-P, MDR-A, MDR-T

Fair competition and anti-trust laws

Non-compliance with competition and anti-trust laws exposes the Group to legal penalties, reputational damage, and loss of stakeholder trust. It can disrupt market dynamics, harm relationships with external partners, and undermine the Group's ability to maintain competitive positioning.

The Group ensures fair competition and compliance with anti-trust laws through its Competition Compliance Procedure and the COBC. As an independent competitor, the Group manages client relationships and sets its own prices and contractual terms, operating within applicable competition laws in all markets. The Competition Compliance Procedure provides guidance, clarifies responsibilities, and includes training for personnel with practical examples, and provides internal contacts for further assistance to ensure compliance.

Specific guidelines are in place for managing units owned by external parties, including but not limited to guidelines on appointment of clean persons and restrictions on information sharing. A clean person is an individual who is designated for one specific rig owner to handle competitively sensitive information for that rig owner only. The person shall use the restricted information solely for their designated duties and store it securely with restricted access to ensure the information is not disclosed or distributed without authorisation.

All business decisions are based on independent judgment, these principles apply to the entire Group in all its activities. Key personnel conduct training sessions on competition rules. Training needs are continuously evaluated, and sessions are documented with attendance records and documentation of scope.

There have not been any legal cases pending or completed regarding anti-competitive behaviour or violations of anti-trust or monopoly legislation in which Group companies have been identified as a participant during 2024.

SBM-3, MDR-P, MDR-A, MDR-T

Cyber security

The Group places focus on safeguarding its personnel, assets, and business against security threats, including cyber security risks. As digitalisation transforms industries, the growing threat of cyber risks has the potential to compromise sensitive data, disrupt operations, and undermine safety procedures. The Group's proactive approach to addressing these concerns places it at the forefront of safeguarding critical offshore assets and personnel. There have not been any material cyber-related incidents in 2024.

The Group's cyber security processes have been aligned with that of the International Maritime Organisation and industry best practice. Risk related to cyber is an integrated part of the Group's risk management systems. The Odfjell Drilling Cyber Security Management Manual applies to all business areas in the Group and is applicable to all information technology (IT) and operational technology (OT) systems and the handling and protection of data managed by the Group.

All exemptions to the manual shall be filed in Synergi with compensating measures, and must be accepted by the Cyber Security Manager. The manual is signed by the CEO, who has the overall responsibility for the effectiveness and integration of cyber requirements into business processes.

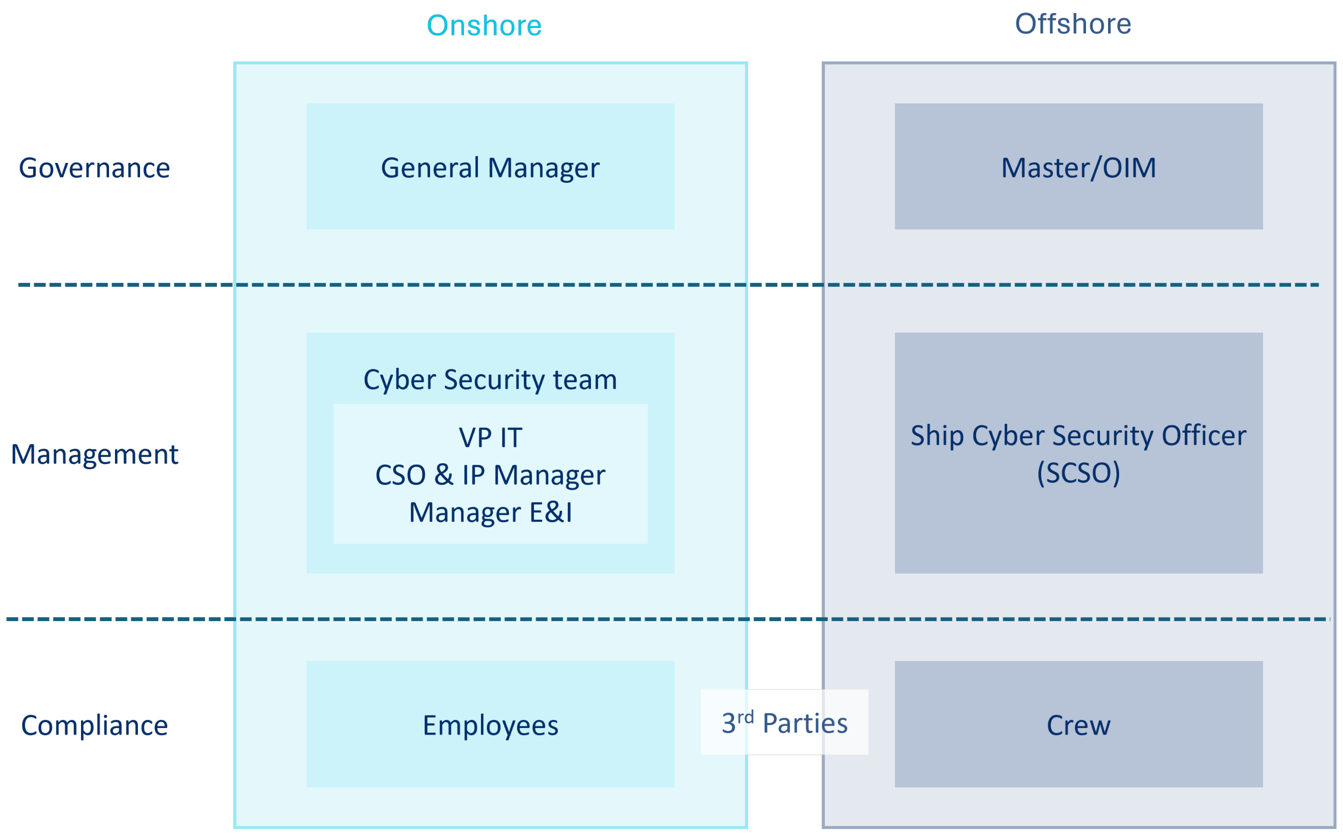


Figure 6: Cyber security management

Proactive measures are systematically implemented to minimise risks to a level deemed acceptable and reasonably practicable. Adequate security training is imparted as needed, ensuring that all personnel are well-versed in security procedures.

Facilities, systems, and information are secured, and any security incidents undergo thorough investigation, with criminal acts promptly reported to law enforcement. Furthermore, a culture of awareness is fostered among all stakeholders, promoting personal responsibility for security matters and ensuring compliance with the laws of the countries where the Group operates and conducts business.

Deepsea Aberdeen has been awarded the DNV class notation "Cyber Secure (+)", ensuring the safety and reliability of its operations. Embracing the digital era, the Group has demonstrated its commitment to cyber security, solidifying its position in the offshore industry.

The DNV Cyber Secure class notation reflects the rig's robust cyber security measures, providing a shield against potential cyber threats and reinforcing the integrity of its critical systems. As the rig continues to operate at the intersection of technology and tradition, its commitment to cyber resilience positions it as a model for the other rigs in the fleet. Additional certifications are planned for the fleet in 2025.

Corruption & Bribery

G1-3, SBM-3, IRO-1

IROs

The Group is exposed to risks of corruption and bribery, including facilitation payments, while conducting business. Corruption and bribery can undermine fair competition, erode trust, hinder social and economic development, and negatively impact communities, safety, and the environment, by allowing improper incentives to influence decisions. It can also expose the Group to legal, reputational, and operational risks.

G1-3, MDR,P

Policies on corruption and bribery

The Group maintains a zero-tolerance policy for bribery, corruption, and facilitation payments, governed by anti-corruption policies embedded in the COBC. The purpose of this management approach is to avoid the possibility of corrupt practices and to ensure that the Group's personnel act with integrity, high ethical standards, and comply with relevant anti-corruption laws. Failure to know and follow the COBC may result in disciplinary action.

The Group expects contractors, suppliers, consultants and others who are temporarily assigned to perform work for us, to follow the Ethical Principles and Supplier Code of Conduct. Failure to do so may result in termination of their contract.

The Group's policies and procedures aim to identify and mitigate corruption and bribery risks and ensure reporting of concerns. These policies apply to all directors, employees, and representatives, requiring compliance with applicable laws, the OECD Anti-Bribery Convention, the UN Convention against Corruption, and the UN Declaration of Human Rights. All personnel receive mandatory training on corruption as a part of the COBC courses.

G1-3, MDR-A

Prevention of corruption and bribery

All third parties, including clients, contractors, suppliers, and agents are subject to risk assessments prior to engagement. The suppliers and third parties are categorised based on type of transaction or agreement, geographical area of operation, and residing jurisdiction, based on the Transparency International Corruption Perception Index (CPI), and type of corporation. A potential high-risk supplier/third party requires detailed integrity due diligence to be performed by the Compliance Officer. More information about risk management of suppliers is included on page 64.

Prior to approval, the CRC shall evaluate business opportunities in highly corrupt countries, such as countries with a lower score than 40 on the CPI, and the use of agents.

Business opportunities will occasionally materialise in countries and regions where the Group has limited or no experience, and where using agents is common practice. Every agent is classified as a high risk third party, and a detailed integrity due diligence process is carried out. Agent agreements, including renewals, are reviewed by the CRC. The Corporate Legal Department shall review the draft agreement prior to CRC review. The Compliance Officer maintains a list of all agent agreements entered into by the Group, and is responsible for periodic reviews of agents, with the aim of confirming the agent's continuous compliance with the Group's standards.

The CPI gives valuable insight into the risk of corruption in different geographical locations. Based on the CPI, the Group is at most risk of corruption when operating in Congo, Ghana and Namibia. Other risk factors that are taken into consideration are the use of agents, dependency on public authorities to receive approvals or permits to operate, and the actual value for a service/product compared to the agreed price of the service/product.

Functions that are at risk in respect of corruption and bribery are those with authority to make decisions that can be of value to actors that are corrupt, or are willing to use unethical measures to put themselves in a more favourable position. This will include corporate management, employees working with tenders and contract negotiations, rig managers, and others in leading positions operating the rig.

According to the Ethical Principles and the COBC, personnel shall avoid conflicts of interest and circumstances which might result in a perceived conflict. Personnel shall report any potential conflict of interest in the business compliance portal. External board positions and ownership in businesses that may be perceived to be in conflict with the Group's interests, shall be reported. Such businesses can be existing, prior or potential competitors, clients, or suppliers of the Group.

Personnel may not accept any personal gift from existing or potential clients, contractors, suppliers, agents, or other third parties, including government representatives. Exceptions can be made if the gift is of insignificant value or a refusal to accept is discourteous or otherwise harmful to the Group. If the gift is accepted it must be reported in the business compliance portal. This applies equally to offering of gifts to existing or potential clients, contractors, suppliers, agents, and other third parties, including government representatives.

In the event of a suspected incident, the case will be investigated and if confirmed, may lead to disciplinary action such as a written warning, dismissal with or without notice, or termination or non-renewal of the contract, dependent on severity.

G1-4, MDR-M, MDR-T

Detection of corruption and bribery

Allegations and/or incidents of corruption can be detected through reporting from employees and others, through the whistleblower channel, or through other reporting channels, such as the reporter's manager, the Compliance Officer and/or Corporate Legal. They can also be detected through internal control systems/processes inter alia requiring involvement from more than one employee when approving payments or conducting audits of suppliers.

Sources for identifying corruption incidents are data from employees reported to a manager, HR contact person, the Compliance Officer, Corporate Legal, or through the whistleblowing portal. Data is also collected from due diligence of third parties as described under G1-1 and communication from public authorities and others.

Through procedures and training tools, the Group seeks to ensure that all personnel are aware that any suspicious activity, particularly in relation to bribery and corruption, must be reported. Data from our e-learning portal is used to measure the number of employees who have undergone anti-corruption training, and confirmed compliance with the COBC on an annual basis.

The compliance team consists of Corporate Legal and the Compliance Officer. Investigations are conducted by the compliance team, as well as such resources as are required and appointed by the compliance team on a case-by-case basis. In compliance matters, the compliance team reports directly to the CEO, the Audit Committee and the Board.

In the event of allegations against a member of the compliance team, a member of the EMT or a Board member, external resources will be used to assist in, or take over the investigation.

The General Counsel is part of the EMT and reports outcomes to the CEO and other team members as required. The Compliance Officer participates in all meetings of the Audit Committee and reports outcomes to the Audit Committee. Any serious incidents will also be reported to the Board.

Detection of corruption and bribery	2024
Number of convictions for violation of anti-corruption and anti-bribery laws	0
Amount of fines for violation of anti-corruption and anti-bribery laws	0
Number of confirmed incidents of corruption or bribery	0
Number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents	0
Number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery	0
Contracts with business partners terminated or not renewed due to corruption or bribery violations	0

Functions at risk	2024
Total headcount of employees in functions-at-risk during the reporting period	46
Number of employees in functions-at-risk that have received training during the reporting period	46
Percentage of functions-at-risk covered by training programmes (%)	100%

Accounting Policies

Functions at risk are identified using head count of people in positions in the corporate management, employees working with tenders and contract negotiations, rig managers and others in leading positions operating the rig.

The Group headcount numbers include all employees on Group direct payroll in all group entities. There are no estimates needed as all employees are registered in the Group ERP HR System. All employees are counted as 1 individual. This gives the best picture of the workforce and aligns with the Group policies and practices.

Management of Relationships with Suppliers

G1-2, SMB-3

Supply Chain Management

SCM encompasses all purchasing and logistics functions, ensuring efficient operations, and alignment with the Group's ethical standards. The Supplier Code of Conduct, included in all supplier contracts, mirrors the Group's COBC, to deliver high-quality services. SCM policies and procedures emphasise ethical procurement practices, risk assessment, and supplier compliance.

Odfjell Drilling holds ISO 9001 certification and conducts risk assessments covering supplier processes, disruption risks, human rights risks, and environmental impacts, with action plans to mitigate identified risks. During the onboarding process, suppliers are evaluated based on their performance in various areas. High-risk suppliers are subject to detailed audits and key performance evaluations. Suppliers found to be non-compliant are either assisted in improving their practices or phased out of the Approved Vendor List (AVL).

Odfjell Drilling SCM is organised centrally as part of the Global Business Services provided by Odfjell Technology. The suppliers are categorised by product and service type, and each category is assigned to an internal specialist. Regular supplier reviews and audits ensure compliance, while training programmes introduce procurement teams to supplier lifecycle management and human rights considerations.

Material procurement activities are governed by a competitive bidding process to ensure transparency, fairness, and ethical practices in supplier selection. Exceptions to competitive bidding, such as client-mandated suppliers or sole sourcing, are managed through specific protocols, with formal approvals to maintain accountability. These practices are designed to mitigate risks of corruption, ensure compliance with ethical standards, and foster a fair supplier selection process.

SBM-1, SBM-3, IRO-1

IROs

The Group has identified the following material IROs related to its supplier relationships, which are actively managed through governance measures:

- Risk of corruption and ethical violations: Suppliers are assessed during onboarding and through ongoing due diligence. Any corruption risks are identified and mitigated through audits and compliance monitoring
- Human rights violations: High-risk suppliers, particularly in areas such as freight forwarding, crewing, and facility services, are monitored for compliance with human rights and decent working conditions. Mitigation measures include audits, supplier training, and phasing out non-compliant suppliers
- Operational downtime: Geopolitical instability, natural disasters, and supply chain disruptions are addressed through a business continuity plan to ensure stable operations and uninterrupted service deliver
- Environmental impact caused by freight emissions and waste generation are mitigated by prioritising local suppliers and adopting sustainable procurement practices
- Supplier failure and vulnerability: Critical suppliers are identified during the onboarding process, and risk mitigation includes close monitoring, capability building, and continuity planning to reduce dependency on vulnerable supplier
- Opportunities for innovation and local impact: The Group promotes innovation in the supply chain, such as implementing 3D printing to reduce its carbon footprint. Local suppliers are prioritised in international locations to support community development and economic growth

SBM-2, MDR-A

Mitigation actions

The Group ensures all potential new suppliers undergo due diligence in accordance with the SCM Third Party Due Diligence Procedure before being added to the AVL. The due diligence process includes screening and evaluating suppliers' social and environmental performance, focusing on areas such as human resources, environmental impact, business behaviour, community involvement, corporate governance, and human rights.

Approved suppliers are assigned a risk profile, and their ESG performance is monitored through audits and key performance evaluations. Approved suppliers are managed through the Supplier Management System, which includes an annual supplier review plan.

The review plan uses tools such as environmental audits, duty of care verifications, incident investigations, and KPI evaluations. Over the past three years, 494 suppliers have undergone reviews, including assessments of high-risk services such as yard work, freight forwarding, and crew services, where labour rights violations could occur.

In 2024, the Group completed 11 full supplier audits and 23 key performance measurements. These audits addressed critical areas such as environmental performance, human rights compliance, and operational risks. High-risk suppliers are provided with training and support to improve performance.

Key suppliers, such as those providing catering, freight, crewing, and critical equipment, are awarded framework agreements to ensure close collaboration. These agreements are managed by the contract team through regular follow-ups, performance evaluations, and risk mitigation measures.

G1-6, MDR-M, MDR-T

Management of payments

Payments are monitored through the ERP system, ensuring timely payment once goods or services are received and verified. Long-distance shipments are paid against proof of delivery, and service invoices are processed after time sheet approval. These practices minimise late payments and support supplier cash flow, particularly for small and medium-sized enterprises.

The Group's standard terms of payment are 45 calendar days after receipt of invoice, and we currently do not differentiate based on supplier category. Deviations to our standard payment terms of 45 days occur on a regular basis as the procurement or contract team and supplier negotiate the terms and conditions.

The Group on average pays an invoice with payment term 45 days, 44.8 days after invoice date. The average time to pay an invoice is 39.7 days, measured from the contractual commencement of the payment term.

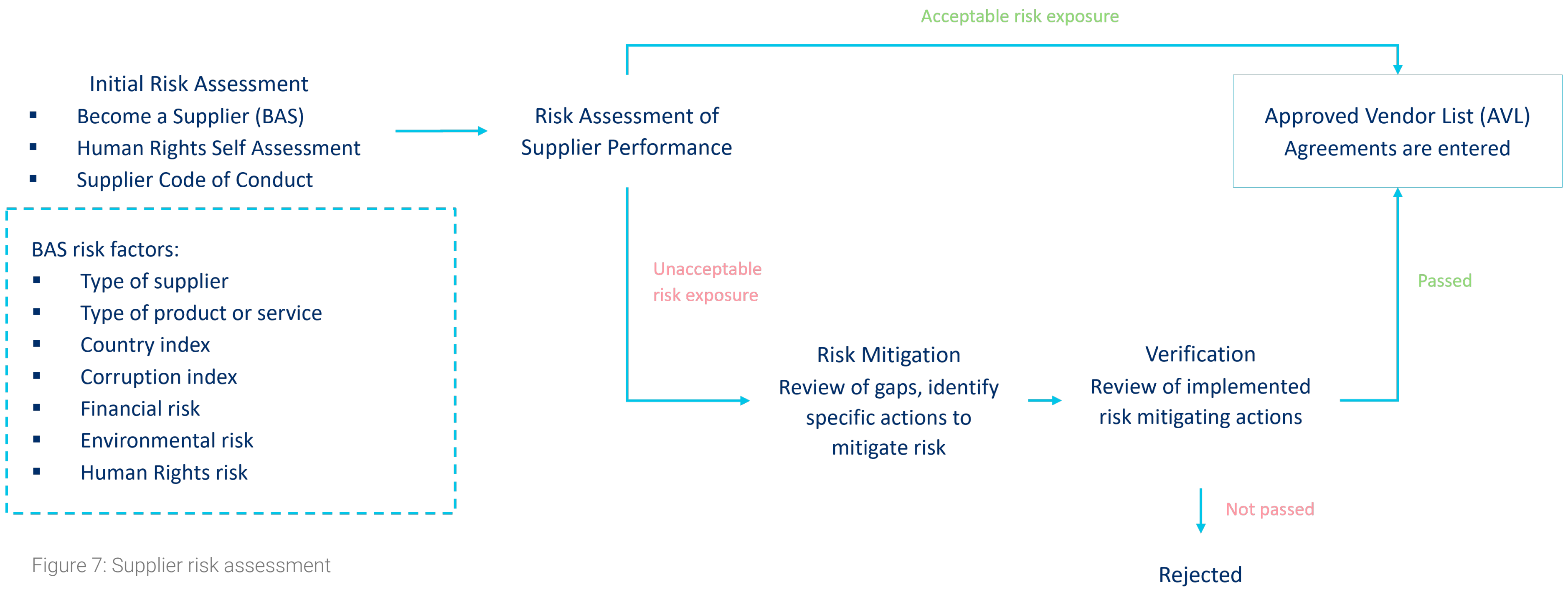


Figure 7: Supplier risk assessment

Management of payments	2024
Total number of payments	14,493
Number of payments aligned with the standard payment terms (45 days)	9,998
Percentage of payments aligned to the standard payment terms	69%
Number of legal proceedings currently outstanding for late payments	-

Consolidated Group Financial Statements

Consolidated Income Statement

for the year ended 31 December

USD million	Note	2024	2023
OPERATING REVENUE	**4,5**	**775.1**	**732.5**
Other gains and losses		**0.6**	**-**
Personnel expenses	6	(283.3)	(262.4)
Depreciation, impairment and amortisation	9,10	(195.0)	(22.1)
Other operating expenses	7	(146.9)	(141.6)
Total operating expenses		**(625.2)**	**(426.1)**
OPERATING PROFIT (EBIT)		**150.5**	**306.4**
Interest income		5.5	5.3
Interest expenses	7	(67.4)	(75.2)
Other financial items	7	(10.0)	(14.1)
Net financial expenses		**(72.0)**	**(84.0)**
PROFIT BEFORE INCOME TAX		**78.5**	**222.4**
Income tax expense	8	(13.8)	(0.3)
NET PROFIT		**64.7**	**222.1**
Profit attributable to:			
Owners of the parent		64.7	222.1
Earnings per share (USD)			
Basic earnings per share	33	0.27	0.94
Diluted earnings per share	33	0.27	0.94

Consolidated Statement of Comprehensive Income

for the year ended 31 December

USD million	Note	2024	2023
NET PROFIT		**64.7**	**222.1**
Items that will not be reclassified to profit or loss:			
Remeasurements of post employment benefit obligations (net of tax)	8	(0.1)	(0.4)
Items that are or may be reclassified to profit or loss:			
Cash flow hedges (net of tax)	8,22	(4.0)	(7.6)
Currency translation differences		(10.4)	(0.5)
OTHER COMPREHENSIVE INCOME, NET OF TAX		**(14.5)**	**(8.5)**
TOTAL COMPREHENSIVE INCOME		**50.3**	**213.6**
Total comprehensive income is attributable to:			
Owners of the parent		50.3	213.6

Items in the statement of comprehensive income are disclosed net of tax. The income tax relating to each item of other comprehensive income is disclosed in Note 8 - Income Taxes.

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

Consolidated Statement of Financial Position

USD million	Note	31.12.2024	31.12.2023
ASSETS			
Property, plant and equipment	9	1,932.3	2,013.0
Intangible assets	10	2.6	3.0
Deferred tax asset	8	6.7	8.5
Non-current receivable	27	27.1	30.2
Derivative financial instruments	22	0.2	-
TOTAL NON-CURRENT ASSETS		**1,968.8**	**2,054.7**
Contract assets	13	7.5	8.4
Trade receivables	14	106.9	100.0
Other current assets	11	13.6	16.6
Cash and cash equivalents	15	118.1	129.2
TOTAL CURRENT ASSETS		**246.1**	**254.2**
TOTAL ASSETS		**2,214.9**	**2,308.8**
EQUITY AND LIABILITIES			
Paid in equity	24	386.2	370.2
Other equity	25	1,017.0	1,023.9
TOTAL EQUITY		**1,403.1**	**1,394.0**
Non-current interest-bearing borrowings	16	527.3	561.8
Non-current lease liabilities	17	27.6	38.4
Post-employment benefits	18	0.5	0.7
Derivative financial instruments	22	0.2	1.3
TOTAL NON-CURRENT LIABILITIES		**555.7**	**602.3**
Current interest-bearing borrowings	16	95.0	149.6
Current lease liabilities	17	15.7	24.9
Contract liabilities	13	44.1	22.1
Trade payables		35.5	48.9
Current income tax	8	10.1	8.6
Other current liabilities	19	55.7	58.4
TOTAL CURRENT LIABILITIES		**256.1**	**312.5**
TOTAL LIABILITIES		**811.8**	**914.8**
TOTAL EQUITY AND LIABILITIES		**2,214.9**	**2,308.8**

The Board of Odfjell Drilling Ltd.

28 April 2025, London, United Kingdom

Simen Lieungh	Helene Odfjell	Harald Thorstein	Knut Hatleskog	Alasdair Shiach	Diane Stephen
Chair	Director	Director	Director	Director	General Manager

Consolidated Statement of Changes in Equity

USD million	Note	Share capital	Other contributed capital	Treasury shares	Total paid in equity	Other reserves	Retained earnings	Total other equity	Total equity
BALANCE AT 1 JANUARY 2023		**2.5**	**367.8**	**(0.2)**	**370.2**	**(81.4)**	**919.8**	**838.3**	**1,208.5**
Profit/(loss) for the period		-	-	-	-	-	222.1	222.1	**222.1**
Other comprehensive income for the period		-	-	-	-	(8.1)	(0.4)	(8.5)	**(8.5)**
Total comprehensive income for the period		**-**	**-**	**-**	**-**	**(8.1)**	**221.7**	**213.6**	**213.6**
Dividends paid		-	-	-	-	-	(28.4)	(28.4)	**(28.4)**
Cancellation of treasury preference shares		(0.2)	-	0.2	-	-	-	-	**-**
Cost of share-based option plan		-	-	-	-	0.4	-	0.4	**0.4**
Transactions with owners		**(0.2)**	**-**	**0.2**	**-**	**0.4**	**(28.4)**	**(28.0)**	**(28.0)**
BALANCE AT 31 DECEMBER 2023		**2.4**	**367.8**	**-**	**370.2**	**(89.2)**	**1,113.1**	**1,023.9**	**1,394.0**
Profit/(loss) for the period		-	-	-	-	0	64.7	64.7	**64.7**
Other comprehensive income for the period		-	-	-	-	(14.4)	(0.1)	(14.5)	**(14.5)**
Total comprehensive income for the period		**-**	**-**	**-**	**-**	**(14.4)**	**64.7**	**50.3**	**50.3**
Dividends paid	24	-	-	-	-	-	(57.2)	(57.2)	**(57.2)**
Issuance of new shares / Warrants exercised	24	0.0	16.0	-	16.0	-	-	-	**16.0**
Exercised share-based options	25	-	-	0	-	(0.4)	-	(0.4)	**(0.4)**
Cost of share-based option plan	25	-	-	-	-	0.4	-	0.4	**0.4**
Transactions with owners		**0.0**	**16.0**	**-**	**16.0**	**(0.0)**	**(57.2)**	**(57.2)**	**(41.2)**
BALANCE AT 31 DECEMBER 2024		**2.4**	**383.8**	**-**	**386.2**	**(103.6)**	**1,120.6**	**1,017.0**	**1,403.1**

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

Consolidated Statement of Cash Flows

for the year ended 31 December

USD million	Note	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before tax		78.5	222.4
Adjustments for:			
Depreciation, impairment and amortisation		195.0	22.1
Change in fair value derivatives	22	11.7	3.8
Net interest expense		61.9	69.9
Net (gain) loss on sale of tangible fixed assets		(0.0)	-
Post-employment benefit expenses less post-employment benefit payments		(0.2)	(0.3)
Net currency loss (gain) not related to operating activities		(5.5)	8.8
Other provisions and adjustments for non-cash items		(0.6)	5.2
Changes in working capital:			
Trade receivables and contract assets		(15.3)	(11.4)
Trade payables		4.4	(11.2)
Other accruals		26.2	17.7
Cash generated from operations		**356.0**	**326.9**
Net interest paid		(59.9)	(56.2)
Net income tax paid		(8.4)	(6.0)
NET CASH FLOW FROM OPERATING ACTIVITIES		**287.7**	**264.7**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(132.0)	(66.2)
Proceeds from grants		-	12.7
Proceeds from sale of property, plant and equipment		0.0	-
Payment regarding letter of indemnity to Odfjell Technology Ltd.	27	-	(30.8)
Other non-current receivables and investments		1.7	(1.6)
NET CASH FLOW USED IN INVESTING ACTIVITIES		**(130.3)**	**(85.9)**
-of which from continuing operations		(130.3)	(55.1)
-of which from discontinued operations		-	(30.8)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings	16	91.7	534.9
Repayments of borrowings	16	(182.1)	(680.2)
Repayment of lease liabilities	17	(16.1)	(22.7)
Net proceeds from capital increases	24	0.0	-
Dividends paid	24	(57.2)	(28.4)
NET CASH FLOW FROM FINANCING ACTIVITIES		**(163.7)**	**(196.4)**
Effects of exchange rate changes on cash and cash equivalents		(4.8)	(10.3)
NET CHANGE IN CASH AND CASH EQUIVALENTS		**(11.1)**	**(28.0)**
Cash and cash equivalents at 01.01		129.2	157.2
CASH AND CASH EQUIVALENTS AT 31.12		**118.1**	**129.2**

Notes to the Consolidated Financial Statements 2024

All amounts are in USD millions unless otherwise stated

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Note 1 General information

Odfjell Drilling Ltd. and its subsidiaries (together 'the Group') operates mobile offshore drilling units.

Odfjell Drilling Ltd., is incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. Odfjell Drilling Ltd's head office is at Prime View, Prime Four Business Park, Kingswells, Aberdeen, Scotland, AB15 8PU, United Kingdom and the Company is tax resident in the United Kingdom.

The consolidated financial statements including notes for Odfjell Drilling Ltd. for the year 2024 were approved by the Board of Directors on 28 April 2025.

Note 2 Basis for preparing the consolidated financial statements

Basis of preparation

The consolidated financial statements of the Group for the year ended 31 December 2024 comply with IFRS® Accounting Standards as endorsed by the European Union (EU).

The consolidated financial statements ended 31 December 2024 comprise the income statement, statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and note disclosures.

Going concern

Factors that, in the Group's view, could cause actual results to differ materially from the outlook contained in this report are the following: volatile oil and gas prices, global political changes regarding energy composition and development in the renewables sector, competition within the oil and gas services industry, changes in clients' spending budgets, cost inflation, access to qualified resources and developments in the financial and fiscal markets.

The Group's refinancing risk is considered low given the full refinancing exercise undertaken in 2023. Bank loan facilities do not start maturing until 2028 and the bond in Q2 2028.

Taking all relevant risk factors and available options for financing into consideration, the Board has a reasonable expectation that the Group has adequate resources to continue its operational existence for the foreseeable future. Hence, the Group has adopted the going concern basis in preparing its consolidated financial statements.

Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, except for derivative financial instruments, debt and equity financial assets, plan assets in defined benefit pension plans and contingent consideration that have been measured at fair value.

The preparation of financial statements in conformity with Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where the assumptions and estimates are significant to the consolidated financial statements are disclosed in each relevant note.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries.

Subsidiaries are listed in Note 29.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Foreign currency translation

(a) Functional and presentation currency

Items included in the separate financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Financial Statements are presented in USD (in million), which is the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the monthly exchange rates for the month the transactions are recognised.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses are presented in the income statement within 'other financial items'.

(c) Group companies

The results and financial position of all the Group's entities that have a functional currency different from the presentation currency (USD) are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income.

The following are the most significant exchange rates used in the consolidation:

	Average rate		Closing rate as at 31.12	
	2024	2023	2024	2023
NOK	0.09304	0.09464	0.08808	0.09831
GBP	1.27820	1.24370	1.25292	1.27150
EUR	1.08205	1.08184	1.03890	1.10500

Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle, when it is held primarily for the purpose of trading, when it is expected to be realised within twelve months after the reporting period, or when it is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is expected to be settled in the normal operating cycle, when it is held primarily for the purpose of trading, when it is due to be settled within twelve months after the reporting period, or when there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Contract liabilities are classified as current liabilities as they are expected to be settled in the normal operating cycle.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Statement of cash flows

The statement of cash flows is prepared under the indirect method. Cash and cash equivalents include cash, bank deposits and other monetary instruments with a maturity of less than three months at the date of purchase.

The cash flow statement represents the cash flows for the total Group, including both continuing and discontinued operations. The split between continuing and discontinued operations are presented as separate lines within each category of the cash flow statement.

Note 3 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. These estimates are based on the actual underlying business, its present and forecast profitability over time, and expectations about external factors such as

interest rates, foreign exchange rates and other factors which are outside the Group's control. The resulting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant amount of estimation uncertainty and use of judgement are listed below.

Detailed information regarding estimation uncertainty is disclosed in the following notes.

- Revenue recognition (Note 5 - Revenue)
- Useful life mobile offshore drilling units (Note 9 – Tangible fixed assets)

Detailed information regarding significant judgements is disclosed in the following notes.

- Evaluation of indicators of impairment (Note 9 - Tangible fixed assets)
- Provisions and contingent liabilities (Note 27 - Contingencies)

Note 4 Operating and geographic segment information

Accounting policy

Operating segments are reported in a manner consistent with the internal financial reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board.

Operating segment reporting

The Group provides drilling and related services to oil and gas companies. The Group owned four mobile offshore drilling units during 2024 and 2023 with similar services, revenues, customers and production processes. Own drilling units (Own Fleet) is therefore assessed as one operating segment. The same applies for rig management services provided to other owners of other drilling units (External Fleet).

Own Fleet

The segment operates mobile offshore drilling units owned by Odfjell Drilling.

External Fleet

The segment offers management services to other owners of drilling units; mainly operational management, management of regulatory requirements, marketing, contract negotiations and client relations, preparations for operation and mobilisation.

	Own Fleet		External Fleet		Corporate / other		Consolidated	
USD million	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
External segment revenue	598.6	572.9	173.5	156.3	2.9	3.3	775.1	732.5
Inter segment revenue	-	-	-	-	-	-	-	-
TOTAL REVENUE	**598.6**	**572.9**	**173.5**	**156.3**	**2.9**	**3.3**	**775.1**	**732.5**
EBITDA	**325.3**	**315.1**	**29.1**	**23.6**	**(8.9)**	**(10.2)**	**345.4**	**328.5**
Depreciation and amortisation	(191.5)	(18.8)	-	-	(3.5)	(3.3)	(195.0)	(22.1)
EBIT	**133.8**	**296.3**	**29.1**	**23.6**	**(12.4)**	**(13.5)**	**150.5**	**306.4**
Net financial items							(72.0)	(84.0)
PROFIT BEFORE TAX - CONSOLIDATED GROUP							**78.5**	**222.4**

Disaggregation of revenue by primary geographical markets

	Own Fleet		External Fleet		Corporate / Other		Consolidated	
USD million	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Norway	598.6	572.9	55.9	65.5	2.9	3.3	657.4	641.7
Namibia	-	-	72.0	82.4	-	-	72.0	82.4
Congo	-	-	20.0	-	-	-	20.0	-
Canada	-	-	18.4	8.4	-	-	18.4	8.4
Ghana	-	-	7.2	-	-	-	7.2	-
TOTAL OPERATING REVENUE	**598.6**	**572.9**	**173.5**	**156.3**	**2.9**	**3.3**	**775.1**	**732.5**

Non-current operating assets by country

USD million	**31.12.2024**	**31.12.2023**
UK	-	-
Malta	1,907.9	1,971.4
Norway	26.9	44.6
Other	-	-
TOTAL NON-CURRENT OPERATING ASSETS *	**1,934.8**	**2,016.0**

*Non-current assets for this purpose consists of property, plant and equipment, and intangible assets.

Non-current operating assets in Malta mainly consist of the four mobile drilling units included in the Own Fleet segment.

Note 5 Revenue

Accounting policy - Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over rendered services to the customer.

Sometimes, the Group receives short-term advances from customers. Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The Group has, as a practical expedient in IFRS 15, recognised the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the entity otherwise would have recognised is one year or less.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. The Group has only operating leases as a lessor. Rental income and the lease component of drilling contracts is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. The lease term may vary from contract to contract, and only includes the non-cancellable period of the contract with the addition of optional renewable periods if the lessee is reasonably certain to extend. None of the existing contracts have optional periods included in the lease term. The lease term is reassessed when options to extend are exercised. Contingent rents are recognised as revenue in the period in which they are earned.

Significant estimation uncertainty

There is estimation uncertainty in the Group's revenue recognition related to bonus and other variable considerations. Most of the contracts include fees for variable or conditional service fee arrangements, such as bonuses for meeting or exceeding certain performance targets. The Group estimate these variable fees using a most likely amount approach on a contract by contract basis. Management makes a detailed assessment of the amount of revenue expected to be received and the probability of success in each case. Variable consideration is included in revenue only to the extent that it is highly probable that the amount will not be subject to significant reversal when the uncertainty is resolved (generally upon completion of a well or drilling programme).

Own Fleet

The revenue is primarily derived from drilling contracts with customers. The core promise in the contracts with the customers is to be available to provide drilling services over the operation period of a contract. Drilling services primarily consists of providing the mobile offshore drilling unit, crews, related equipment and services necessary to operate the rig. The contract rates include both a lease component and a service component. Services are provided as a series of distinct services that are substantially the same and have the same pattern of transfer to the customer. Therefore, the Group follow the series guidance in IFRS 15 and treat the series of distinct services as a single performance obligation.

Revenue is based on the transactions price in the contracts with the customers. The main part of the transaction price is day rates, which range from a full operating day rate to lower or zero rates for periods when drilling operations are interrupted. Payment of the day rate based transaction price is usually due on a monthly basis.

Some contracts entitle the Group to receive compensation for mobilisation and demobilisation, contract preparation, customer-requested goods and services or capital upgrades. The compensations are either as fixed lump-sums or based on variable day rates. Lump-sums are usually paid up-front or when certain milestones are met. The payment terms do not contain any significant financing components.

Revenue from drilling contracts is generally recognised in the period from commencing a contract and until completion of the drilling programme ("the drilling operation period"). No revenue is recognised in the mobilisation and demobilisation period.

Since the customers continuously gain control over the drilling services, revenue is recognised over time, in line with transfer of control.

The likelihood of options being exercised, and thereby included in estimates for expected total revenue and the drilling operation period, is based on an assessment of whether a customer option provides a material right for the customer. If a contract includes an option that provides a material right for the customer, a proportion of contract revenue will be allocated to the material right and recognised as revenue when the additional service is provided or when the option expires.

Day rate considerations in the drilling operation period are attributed to the period to which the drilling operations are performed and recognised as revenue in the same period. Other compensations, as described above, are allocated to the contract and recognised as revenue on a straight-line basis over the drilling operation period. Refer to Note 13 - Contract balances. Bonuses and other variable or conditional service fees are allocated to either the entire drilling operation period or to individual periods during the contract (using the series of services guidance in IFRS 15) depending on what the variable contract revenue relates to.

The costs to prepare the rig for contract and the cost for mobilisation of the rig to the drilling location, are capitalised as Assets from contract costs and expensed as operating cost over the drilling operations period. Refer to Note 13 - Contract balances. Demobilisation expenses are expensed as incurred.

External Fleet

Refer to Note 4 - Segment summary for a description of services provided by the segment. The transaction price is mainly day rate based management fees, usually payable on a monthly basis. Refer to Note 13 - Contract balances for payment terms related to the management agreement for Deepsea Yantai. The payment terms do not contain any significant financing components. The Group generally recognise revenue over time because of the continuous transfer of control to the customer. Variable or conditional service fee arrangements, such as bonuses, are treated according to principles described above. The period for recognising revenue is generally equal to the contract period.

Revenue specification

USD million	2024	2023
Revenue from contracts with customers (IFRS 15)	480.5	448.7
Lease component in Own Fleet contracts	294.3	283.4
Other operating revenue	0.2	0.4
OPERATING REVENUE	**775.1**	**732.5**

Revenue from single external customers (> 10% of revenues)

USD million	2024	2023
Customer 1 (Own Fleet)	455.8	441.9
Customer 2 (Own Fleet)	145.8	127.2
Customer 3 (External Fleet)	88.0	85.0

Performance obligations in contracts

Amounts allocated to performance obligations that are to be completed under existing customer contracts are set out as service elements in the following table.

The firm contract backlog does not include variable consideration which is constrained. The services provided under these contracts will be billed based on time incurred and at day rates according to contract.

USD million	Future minimum lease payments	Performance obligations	Total firm backlog
Within one year	353	248	600
Between one and two years	393	224	617
Between two and three years	124	83	207
Between three and four years	94	66	160
Between four and five years	97	66	162
After five years	36	24	60
TOTAL	**1,096**	**710**	**1,806**

Note 6 Personnel Expenses

USD million	Note	2024	2023
Salaries and wages		213.4	188.3
Employer`s national insurance contributions		33.7	30.7
Pension expenses	18	17.0	15.3
Cost of share-based option plan	32	0.4	0.4
Other benefits and personnel expenses		13.7	8.5
Hired personnel		14.4	21.7
Capitalised personnel expenses		(9.3)	(2.7)
TOTAL PERSONNEL EXPENSES		**283.3**	**262.4**

	2024	2023
Annual average no. of employees	1,546	1,471
No. of employees at 31 December	1,547	1,563

Note 7 Combined items, income statement

Other operating expenses

USD million	Note	2024	2023
Hired services		53.3	48.5
Hired equipment		27.5	27.7
Repair and maintenance, inspection, tools, fixtures and fittings		37.7	36.2
Insurance		3.3	3.4
Freight and transport		2.0	2.1
Premises facility expenses		1.3	1.4
Travel and training expenses		15.9	13.5
Other operating and administrative expenses		5.3	6.5
Amortised other operating contract cost	13	0.5	2.3
TOTAL OTHER OPERATING EXPENSES		**146.9**	**141.6**

USD million	2024	2023
Repair and maintenance, inspection, tools, fixtures and fittings	37.7	36.2
Expenses that do not meet EU-Taxonomy definition for OPEX	(2.9)	(2.6)
OPEX USED IN EU-TAXONOMY	**34.8**	**33.6**

Interest expenses

USD million	Note	2024	2023
Interest expenses borrowings		58.3	61.0
Amortised transaction costs borrowings	16	2.5	7.9
Interest expenses lease liabilities	17	3.6	4.2
Other interest expenses		3.1	2.1
TOTAL INTEREST EXPENSES		**67.4**	**75.2**

Other financial items

USD million	Note	2024	2023
Net currency gain / (loss)		1.6	(8.6)
Change in value of market-based derivatives *	22	(11.7)	(3.8)
Other financial expenses		0.1	(1.7)
TOTAL OTHER FINANCIAL ITEMS		**(10.0)**	**(14.1)**

* Change in value of market-based derivatives mainly relates to change in fair value of warrant liabilities.

Note 8 Income Taxes

Accounting policy

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

OECD Pillar Two model rules

The Group is within the scope of the OECD Pillar Two model rules, however the effects of the global minimum tax ('GloBE) is not expected to come into effect with the current set-up for the Group until 2027 at the earliest due to the revenue thresholds in the rules. Since the Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023. Under the legislation, the Group will be liable to pay a top-up tax for the difference between their GloBE effective tax rate per jurisdiction and the 15% minimum tax rate.

The Group continues to assess its exposure to the Pillar Two legislation for when it comes into effect. Due to the complexities in applying the legislation and calculating GloBE income, the quantitative impact of the enacted or substantively enacted legislation is not yet reasonably estimable.

Relocation completed in 2023

Odfjell Drilling is continuously evaluating its structure to ensure that it has the most suitable and efficient corporate organisation and set-up. Following the spin-off of Odfjell Technology in 2022, the rationale behind the previous set-up has lessened, and the reorganisation was initiated.

The mobile offshore rigs were up until December 2023 allocated to and operated by Dubai registered branches of their respective UK tax resident companies. Net profit related to the rigs were attributable to the Dubai branch of the respective company in accordance with the foreign branch exemption, and were therefore not taxable in the UK. There was no corporate income tax for the Dubai branches in 2023.

On 1 December 2023 the rig owning subsidiaries together with their immediate parent companies completed a tax relocation from the United Kingdom to Malta. Later in December 2023 the mobile offshore rigs were transferred from the Dubai branches to the Malta taxable companies.

The tax value of the rigs when entering Malta tax jurisdiction were set to estimated market values, which was higher than the book value of the assets. This resulted in a deferred income tax asset of USD 7.7 million being recognised in 2023. The deferred tax asset is calculated using a tax rate of 5% which represent the statutory tax rate expected to apply when the temporary differences reverse.

Income tax expense

USD million	2024	2023
Payable taxes	(11.8)	(8.2)
Change in deferred tax	(2.0)	7.9
TOTAL INCOME TAX EXPENSE	**(13.8)**	**(0.3)**
Effective tax rate	17.5 %	0.1 %

Tax reconciliation

USD million	2024	2023
Profit before income tax expense	**78.5**	**222.4**
Tax calculated at domestic tax rates applicable to profits in respective countries*	(10.2)	(3.0)
Effect of tax relocation to Malta	-	7.7
Effect of adjustments recognised related to prior periods	(0.6)	(0.0)
Effect of net non-taxable income / (expenses)**	(2.9)	(5.0)
INCOME TAX EXPENSE	**(13.8)**	**(0.3)**

* Domestic tax rates applicable to the Group varies between 5% and 25% for corporate income taxes (CIT).

** The majority of non-tax deductible expenses are related to limitations regarding tax-deductible interest expenses in the UK.

Tax losses

The Group does not have any material tax losses for which no tax asset has been recognised.

Refer to Note 27 - Contingencies for information regarding letter of indemnity and payment made in 2023 in relation to the Odfjell Offshore Ltd tax case.

The gross movement on the deferred tax account is as follows:

USD million	2024	2023
Net deferred tax assets/(deferred tax liabilities) at 01.01	8.5	0.4
Income statement charge	(2.0)	7.9
Change in deferred tax on other comprehensive income	0.2	0.2
Currency translation differences	(0.1)	(0.0)
NET DEFERRED TAX ASSETS/(DEFERRED TAX LIABILITIES) AT 31.12	**6.7**	**8.5**

The Group's recognised deferred tax assets are related to operations in Malta and Norway.

Deferred tax assets - Specification and movements

USD million	Tax losses	Current assets	Net pension liabilities	Lease liabilities	Total
Opening balance 01.01.2023	-	-	0.1	12.5	12.7
Income statement charge	10.2	0.2	(0.1)	(1.4)	8.9
Change in deferred tax on other comprehensive income	-	0.1	0.1	-	0.2
Currency translation differences	-	0.0	(0.0)	(0.5)	(0.5)
CLOSING BALANCE 31.12.2023	**10.2**	**0.3**	**0.2**	**10.6**	**21.3**
Income statement charge	0.5	(0.3)	(0.0)	(3.1)	(2.9)
Change in deferred tax on other comprehensive income	-	0.2	0.0	-	0.2
Currency translation differences	-	(0.0)	(0.0)	(0.9)	(0.9)
CLOSING BALANCE 31.12.2024	**10.7**	**0.2**	**0.1**	**6.7**	**17.8**

Deferred tax liabilities - Specification and movement

USD thousands	Deferred capital gains	Fixed assets	Right-of-use Assets	Total
Opening balance 01.01.2023	(0.8)	(0.1)	(11.4)	(12.3)
Income statement charge	0.2	(2.3)	1.2	(1.0)
Currency translation differences	0.0	0.0	0.4	0.5
CLOSING BALANCE 31.12.2023	**(0.6)**	**(2.4)**	**(9.7)**	**(12.8)**
Income statement charge	0.1	(2.2)	3.0	0.9
Currency translation differences	0.1	0.0	0.8	0.8
CLOSING BALANCE 31.12.2024	**(0.5)**	**(4.6)**	**(6.0)**	**(11.0)**

Net book value of deferred taxes

USD million	2024	2023
Deferred tax assets	17.8	21.3
Deferred tax liabilities offset in deferred tax assets	(11.0)	(12.8)
NET BOOK VALUE OF DEFERRED TAX ASSET AT 31.12.	**6.7**	**8.5**

The income tax (charge)/credit relating to components of the other comprehensive income is as follows:

	Before tax	Tax (charge)/ credit	After tax	Before tax	Tax (charge)/ credit	After tax
USD million	2024	2024	2024	2023	2023	2023
Remeasurements of post employment benefit obligations	(0.1)	0.0	(0.1)	(0.5)	0.1	(0.4)
Cash flow hedges	(4.3)	0.2	(4.0)	(7.7)	0.1	(7.6)
OTHER COMPREHENSIVE INCOME	**(4.3)**	**0.2**	**(4.1)**	**(8.2)**	**0.2**	**(8.0)**
Deferred tax		0.2			0.2	

Note 9 Tangible fixed assets

Accounting policy

Property, plant and equipment comprise mainly of mobile offshore drilling units, well services equipment and machinery and equipment. Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes purchase price, any directly attributable costs of bringing the asset to working condition and borrowing costs.

Depreciation is calculated on a straight-line basis over the useful life of the asset or component. The depreciable amount equals historical cost less residual value. Items of property, plant and equipment with components that have substantially different useful lives are treated separately for depreciation purposes. The total expenditure on the rigs is therefore allocated into groups of components that have different expected useful lifetimes.

Subsequent costs for day-to-day repairs and maintenance are expensed as incurred.

The cost of modernisation and rebuilding projects is included in the asset's carrying amount when it is probable that the Group will derive future financial benefits and the cost of the item can be measured reliably. The carrying amount of the replaced part is written off. Modernisation and rebuilding projects are depreciated over the remaining useful life of the related assets.

The useful lives of assets and the depreciation methods are reviewed periodically in order to ensure that the method and period of depreciation are consistent with the expected pattern of financial benefits from the asset.

Residual values for mobile offshore drilling units are determined based on the estimated second hand prices less cost of disposal for mobile offshore drilling units after a 30 year useful lifetime. The estimated useful life of the rig could change, resulting in different depreciation amounts in the future. Residual values for property, plant and equipment are estimated to be zero.

Rig and equipment are depreciated over a period from 5 to 30 years. Periodic maintenance is depreciated over the expected period until next docking, estimated as 5 years.

Government grants

Government grants are recognized when it is reasonably certain that the company will meet the conditions stipulated for the grants and that the grants will be received. Investment grants are capitalised and recognised systematically over the asset's useful life. Investment grants are recognised as a deduction of the asset's carrying amount.

Impairment of non-financial assets

All non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). For mobile offshore drilling units, each unit is deemed to be a CGU. Value in use represents the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Non-financial assets, other than goodwill, that have suffered an impairment, are reviewed for reversal of the impairment whenever events or changes in circumstances indicate that the impairment loss recognised in prior periods may no longer exist or may have decreased.

Assets subject to operating leases

Mobile drilling units and Periodic maintenance contain assets used in contracts with customers that contain a lease component.

Fixed assets - Specification and movement 2024

USD million	Mobile drilling units	Periodic maintenance	Other fixed assets	Right-of-use assets	Total fixed assets
Cost					
At 1 January 2024	3,006.0	237.0	2.7	111.5	3,357.2
Additions	42.9	73.5	0.2	6.3	122.9
Disposal	(25.0)	(94.7)	(0.1)	(20.2)	(140.0)
Currency translation differences	-	-	(0.3)	(6.8)	(7.1)
COST AS AT 31 DECEMBER 2024	**3,023.8**	**215.8**	**2.5**	**90.8**	**3,332.9**
Accumulated depreciation and impairment					
At 1 January 2024	(1,138.4)	(153.1)	(0.9)	(51.8)	(1,344.2)
Depreciation	(138.8)	(39.4)	(0.5)	(16.2)	(194.9)
Disposals	25.0	94.7	0.1	15.0	134.9
Currency translation differences	-	-	0.1	3.4	3.5
As at 31 December 2024	**(1,252.2)**	**(97.8)**	**(1.2)**	**(49.5)**	**(1,400.7)**
NET BOOK VALUE AT 31 DECEMBER 2024	**1,771.7**	**118.0**	**1.3**	**41.2**	**1,932.3**
Useful lifetime	*5 - 30 years*	*5 years*	*3 - 5 years*	*2-12 years*	
Depreciation schedule	*Straight line*	*Straight line*	*Straight line*	*Straight line*	

Fixed assets - Specification and movement 2023

USD million	Mobile drilling units	Periodic maintenance	Other fixed assets	Right-of-use assets	Total fixed assets
Cost					
At 1 January 2023	2,979.1	185.2	2.2	93.9	3,260.3
Additions	26.9	51.8	0.6	19.7	98.9
Currency translation differences	0.0	-	(0.0)	(2.1)	(2.1)
COST AS AT 31 DECEMBER 2023	**3,006.0**	**237.0**	**2.7**	**111.5**	**3,357.2**
Accumulated depreciation and impairment					
At 1 January 2023	(1,183.8)	(108.1)	(0.5)	(30.1)	(1,322.4)
Depreciation	(118.0)	(45.0)	(0.4)	(21.8)	(185.3)
Reversal of impairment	163.4	-	-	-	163.4
Currency translation differences	-	-	(0.0)	0.1	0.1
AS AT 31 DECEMBER 2023	**(1,138.4)**	**(153.1)**	**(0.9)**	**(51.8)**	**(1,344.2)**
NET BOOK VALUE AT 31 DECEMBER 2023	**1,867.6**	**83.9**	**1.8**	**59.7**	**2,013.0**
Useful lifetime	*5 - 30 years*	*5 years*	*3 - 5 years*	*2-12 years*	
Depreciation schedule	*Straight line*	*Straight line*	*Straight line*	*Straight line*	

For more information about Right-of-use assets, refer to Note 17 - Leases.

Reconciliation to EU-Taxonomy reporting

USD million	Note	2024
Additions fixed asset including right-of-use assets	9	122.9
Additions intangible assets	10	-
TOTAL CAPEX IN EU-TAXONOMY REPORTING		**122.9**

Grants received

In 2023, the Group received USD 12.7 million from the Norwegian NO_x fund. The grants are recognised as a deduction of additions presented in the table above.

2023 Reversal of impairment losses recognised in prior periods

Mobile offshore drilling units impaired in previous periods, are assessed for reversal of the impairment whenever there are indicators that the impairment loss previously recognised no longer exist or has decreased. Odfjell Drilling did in 2023 identify indications that there are significant favourable effects in the market environment, leading to changes in the estimate used to determine the recoverable amount when the rigs were impaired. These changes mainly impact the expected future day rates. On the basis of the identified indicators of impairment reversal, Odfjell Drilling assessed the two impaired drilling rigs for impairment reversal in 2023. Based on the estimated recoverable amount for the previously impaired rigs, the Group recognised reversal of impairment of USD 71 million for Deepsea Atlantic and USD 92 million for Deepsea Stavanger in 2023.

This was a reversal of all previous impairment for these rigs. The carrying amount for the rigs is now equal to the amount that would have been determined, net of depreciation, had no impairment loss been recognised in prior periods.

Significant estimation uncertainty

There is estimation uncertainty in the evaluation of useful lifetime of the mobile offshore drilling units. The estimated useful life of the rig could change, resulting in different depreciation amounts in the future. Management evaluates both external and internal sources of information when assessing remaining useful lifetime, including estimated effects of climate change and the shift to renewable energy sources.

Significant judgement exercised

Management exercises significant judgement in determining whether there are any indicators of impairment. Management evaluates both external and internal sources of information in the indicator assessments. The assessments include estimated effects of climate change and the shift to renewable energy sources.

Odfjell Drilling has not identified any impairment indicators as at 31 December 2024.

Note 10 Intangible assets

Specification and movements 2024

USD million	Goodwill	Software	Total intangible assets
COST			
At 1 January 2024	2.9	0.7	3.5
Currency translation differences	(0.3)	(0.1)	(0.4)
COST AS AT 31 DECEMBER 2024	**2.6**	**0.6**	**3.2**
ACCUMULATED AMORTISATION AND IMPAIRMENT			
At 1 January 2024	-	(0.5)	(0.5)
Amortisation	-	(0.1)	(0.1)
Currency translation differences	-	0.1	0.1
AS AT 31 DECEMBER 2024	**-**	**(0.6)**	**(0.6)**
NET BOOK VALUE AT 31 DECEMBER 2024	**2.6**	**-**	**2.6**
Useful lifetime		*3-7 years*	
Depreciation schedule		*Straight line*	

The intangible assets are not material for the Group, and no further information is therefore disclosed.

Note 11 Other assets

Other current assets

USD million	Note	31.12.2024	31.12.2023
Derivative financial instruments	22	-	1.6
Investment in 9.875% USD bond HMH Holding b.v.		-	1.6
Prepaid expenses		10.6	8.0
Assets from contract costs	13	1.7	1.4
Income tax receivables		0.0	0.6
VAT receivables		0.2	0.3
Other current receivables		1.1	3.0
TOTAL OTHER CURRENT ASSETS		**13.6**	**16.6**

In November 2024, Odfjell Drilling Ltd. sold its holdings in HMH Holding B.V. bonds, with a nominal value of USD 1,600,000, to Odfjell Partners Holding Ltd. at market price.

Note 12 Financial assets and liabilities

Accounting policies

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Derivatives are valued at fair value through profit or loss (FVPL) unless designated as hedges. The Group has applied the practical expedient under IFRS 9 and are measuring the initial recognition of trade receivables at the transaction price determined under IFRS 15.

Debt instruments like the HMH Holding b.v. bond investment held to receive profit from sale in addition to interest are valued at fair value through profit and loss (FVPL).

Financial assets are de-recognised when the contractual rights to the cash flows from the financial assets expire or are transferred. Realised gains and losses arise from financial assets not designated for hedging, are recognised in the income statement as financial item in the period they occur.

Financial liabilities

The Group's financial liabilities include trade and other payables, borrowings and derivative financial instruments. The Group's financial liabilities at fair value through profit or loss include derivative financial instruments not designated as hedging instruments in hedge relationship as defined by IFRS 9.

The loans and borrowings category is the most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised as well as through the EIR amortisation process. Refer to further information in Note 16 - Interest-bearing borrowings.

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

When the contractual cash flows of financial liabilities such as borrowings are renegotiated or otherwise modified and the renegotiation or modification does not quality for derecognition, the gross carrying amount is recalculated and a modification gain or loss is recognised in profit or loss. The gross carrying amount is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the original effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified liability and are amortised over the remaining term of the modified liability.

Fair value measurement

The Group measures financial instruments such as derivatives, at fair value at each balance sheet date.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements, are categorised within the fair value hierarchy, described below, based on the lowest level input that is significant to the fair value measurement as a whole.

Financial instruments by category and level

The tables below analyse financial instruments carried at fair value, by valuation method, based on the lowest level input that is significant to the fair value measurement as a whole. The different levels have been defined as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). For short-term assets and liabilities at level 3, the value is approximately equal to the carrying amount. As the time horizon is due in short-term, future cash flows are not discounted.

Valuation techniques used to derive Level 2 fair values

Level 2 derivatives held at fair value through profit or loss and hedging derivatives comprise interest rate swaps and foreign exchange agreements. Interest rate swaps and foreign exchange agreements are fair valued using forward rates extracted from observable yield curves. Interest rate swaps and foreign exchange agreements are recognised according to mark-to-market reports from external financial institutions.

Valuation techniques used to derive Level 3 fair values

Warrant liabilities are Level 3 derivatives held at fair value through profit or loss. The Group has calculated fair value of the warrant liability using a modelling technique with Monte Carlo simulation together with judgement regarding modelling assumptions. The warrants were exercised in May 2024. There are no warrants outstanding as at 31 December 2024.

The Group had the following financial instruments at each reporting period:

USD million	Note	Level	31.12.2024	31.12.2023
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
Derivatives designated as hedging instruments				
Interest rate swaps - Other non-current assets	22	2	0.2	-
Foreign exchange forward contracts - Other current assets	22	2	-	1.6
Investment in bonds	11	2	-	1.6
OTHER FINANCIAL ASSETS				
Contract assets	13		7.5	8.4
Trade receivables	14		106.9	100.0
Other current receivables	11		1.1	3.0
Cash and cash equivalents	15		118.1	129.2
TOTAL ASSETS AS AT 31.12			**233.8**	**243.8**

USD million	Note	Level	31.12.2024	31.12.2023
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
Derivatives not designated as hedging instruments				
Foreign exchange forward contracts - Other current liabilities	22	2	-	0.0
Derivatives designated as hedging instruments				
Interest rate swaps - Other non-current liabilities	22	2	0.2	1.3
Foreign exchange forward contracts - Other current liabilities	22		4.1	0.2
Warrant liabilities - Other current liabilities	22	3	-	4.2
OTHER FINANCIAL LIABILITIES				
Non-current interest-bearing borrowings	16		527.3	561.8
Current interest-bearing borrowings	16		95.0	149.6
Non-current lease liabilities	17		27.6	38.4
Current lease liabilities	17		15.7	24.9
Trade payables			35.5	48.9
Other current liabilities	19		32.8	33.5
TOTAL LIABILITIES AS AT 31.12.			**738.3**	**862.9**

The fair value of financial assets and liabilities at amortised cost is not materially different from their carrying amount.

Note 13 Contract balances

Accounting policies - Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

For costs to fulfil contracts where the Group operates as a lessor, the Group has chosen to apply the guidance in IFRS 15 by analogy.

Accounting policies - Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Contract liabilities are classified as current liabilities as they are expected to be settled in the normal operating cycle.

Contract balances specification

USD million	31.12.2024	31.12.2023
Contract assets	7.5	8.4
Contract liabilities	(44.1)	(22.1)

The contract assets as at 31 December 2024 and 31 December 2023 are related to the management agreement with CIMC Raffles regarding management and operation of the Deepsea Yantai. Accrued revenue for the services provided during transit and first mobilisation is payable at the expiry or the termination of the management agreement, or will be offset in the purchase price of the rig, should Odfjell Drilling purchase the unit.

Of the contract liabilities included in the table above, about USD 14 million is expected to be recognised as revenue during 2025.

Set out below is the amount of revenue recognised from:

USD million	2024	2023
Amounts included in contract liabilities at the beginning of the year	7.6	10.8
Performance obligations satisfied in the previous years	4.2	7.2

Assets from contract costs

USD million	Note	2024	2023
Asset recognised at 31 December from costs incurred to fulfil a contract	11	1.7	1.4
Amortisation recognised as cost of providing services during the period		0.5	2.3

The Group has recognised assets for costs incurred to fulfil a contract with customers. The assets are presented within other current assets in the balance sheet. The asset is amortised on a straight-line basis over the term of the specific contract it relates to, consistent with the pattern of recognition of the associated revenue.

Note 14 Trade receivables

Accounting policy

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Trade receivables are financial assets and are recognised and measured according to accounting policies described in Note 12 - Financial assets and liabilities.

Trade receivables specification

USD million	Note	31.12.2024	31.12.2023
Trade receivables		83.7	79.1
Earned, not yet invoiced operating revenues		23.1	20.8
Loss allowance	23	-	-
TRADE RECEIVABLES - NET		**106.9**	**100.0**

As the receivables are due in the short-term, the fair value is approximately equal to the carrying amount, and the future cash flows are not discounted.

For information about currencies, ageing and loss allowance, refer to Note 23 - Credit risk.

Note 15 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other current highly-liquid investments with original maturities of three months or less.

USD million	31.12.2024	31.12.2023
Cash in bank	98.3	56.8
Time deposits	4.8	54.0
Retention accounts *	4.8	8.4
Restricted bank deposits **	10.3	9.9
TOTAL CASH AND CASH EQUIVALENTS	**118.1**	**129.2**

* Retention accounts consist of cash provision for accrued, but not paid, interest and instalments due within one to five months.

** The restricted bank deposits are mainly related to tax withholdings for employees.

Note 16 Interest-bearing borrowings

Accounting policy

Borrowings are financial liabilities recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings, using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates. Fees related to revolving credit facilities are amortised on a straight-line basis over the period which the credit facility is available.

Also refer to accounting policies regarding Financial liabilities in Note 12 - Financial assets and liabilities.

Interest-bearing borrowings specification as at 31 December

	Non-current	Current	Total	Non-current	Current	Total
USD million	31.12.2024	31.12.2024	31.12.2024	31.12.2023	31.12.2023	31.12.2023
Borrowings	534.1	89.1	623.3	518.9	141.4	660.3
Transaction cost, unamortised	(6.8)	-	(6.8)	(9.3)	-	(9.3)
Seller's credit	-	-	-	52.2	-	52.2
Accrued interest expenses	-	5.9	5.9	-	8.1	8.1
CARRYING AMOUNTS INTEREST-BEARING BORROWINGS	**527.3**	**95.0**	**622.3**	**561.8**	**149.6**	**711.4**

Movements in interest-bearing borrowings

	Non-current	Current	Total	Non-current	Current	Total
USD million	2024	2024	2024	2023	2023	2023
Carrying amount as at 1 January	561.8	149.6	711.4	529.0	313.5	842.5
CASH FLOWS:						
New borrowings	91.7	-	91.7	547.1	-	547.1
Paid transaction costs related to amendments and new borrowings	-	-	-	(12.2)	-	(12.2)
Repayment borrowings and seller's credit	-	(182.1)	(182.1)	(434.6)	(245.5)	(680.2)
NON-CASH FLOWS:						
Reclassified	(128.8)	128.8	-	(75.4)	75.4	-
Change in transaction cost, unamortised	2.5	-	2.5	7.9	-	7.9
Change in accrued interest cost	-	(1.2)	(1.2)	-	6.2	6.2
CARRYING AMOUNT AS AT 31 DECEMBER	**527.3**	**95.0**	**622.3**	**561.8**	**149.6**	**711.4**

Repayment schedule for interest-bearing borrowings as at 31 December

	Non-current	Current	Total	Non-current	Current	Total
USD million	31.12.2024	31.12.2024	31.12.2024	31.12.2023	31.12.2023	31.12.2023
Within 3 months	-	23.0	23.0	-	64.5	64.5
Between 3 and 6 months	-	28.0	28.0	-	32.3	32.3
Between 6 and 9 months	-	9.0	9.0	-	12.3	12.3
Between 9 months and 1 year	-	29.0	29.0	-	32.3	32.3
Between 1 and 2 years	76.2	-	76.2	91.2	-	91.2
Between 2 and 3 years	93.3	-	93.3	93.3	-	93.3
Between 3 and 4 years	321.9	-	321.9	93.3	-	93.3
Between 4 and 5 years	42.8	-	42.8	284.8	-	284.8
Beyond 5 years	-	-	-	8.6	-	8.6
TOTAL CONTRACTUAL AMOUNTS	**534.1**	**89.1**	**623.3**	**571.1**	**141.4**	**712.6**

The table above analyses Odfjell Drilling's financial liabilities into relevant groupings based on the remaining instalments and payments due at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual cash flows. Refer to Note 21 and Note 22 for further information regarding liquidity risk and interest risk.

The Odfjell Invest Ltd. Term loan

The remaining contractual amount of the term loan is USD 103 million at 31 December 2024.

The Odfjell Invest Revolving Credit Facility (RCF)

USD 45 million was drawn and outstanding on the Odfjell Invest Revolving Credit Facility (RCF) as per 31 December 2024.

The Odfjell Rig III Senior Secured Bond loan

The remaining contractual amount for the secured bond maturing in May 2028 is USD 330 million at 31 December 2024. The bond has a fixed interest of 9.25% p.a. and semi-annual instalments of USD 20 million. 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.

In November 2024, Odfjell Drilling Ltd. sold its holdings in Odfjell Rig III Ltd. bonds, refer to Note 30 - Related parties for more information. The nominal value of USD 6.7 million is presented as proceeds from borrowings in the Consolidated Statement of Cash Flows.

The Odfjell Rig V Ltd. seller's credit

The seller's credit of USD 53 million was repaid as scheduled in January 2024.

The Odfjell Rig V Ltd Facility

In December 2024 the Group entered into an amendment agreement with its lenders which will allow for reducing the scheduled quarterly instalments by approximately USD 4.3 million on the Deepsea Nordkapp term loan facility between Q1 2025 and Q4 2026. As a result of this amendment, a total of USD 34.2 million will instead be due at maturity of the facility in Q1 2029. The remaining contractual amount of the facility is USD 145 million at 31 December 2024.

The carrying amount and fair value of the non-current liabilities are as follows:

The fair value of non-current borrowings equals their carrying amount, as the loans mostly have floating rates and credit margins have been stable from the loan raising.

Available drawing facilities

Odfjell Drilling has USD 99 million available on the RCF facility as per 31 December 2024.

Covenants

The main financial covenants are listed in the table below. The covenants are calculated based on Odfjell Drilling Ltd consolidated financial statements.

The Odfjell Drilling Group is compliant with all financial covenants as at 31 December 2024

Financial covenants	The Odfjell Rig III Ltd senior secured bond	The Odfjell Invest Ltd. RCF and Term loan	The Odfjell Rig V Ltd. Facility
Equity	n/a	≥ USD 600m	≥ USD 600m
Equity ratio	≥ 30%	≥ 30%	≥ 30%
Total liquidity	n/a	≥ 7.5% of Interest-bearing debt	≥ 5% of Interest-bearing debt
Free liquidity	≥ USD 50m	≥ USD 50m	≥ USD 50m
Current ratio	≥ 1.0x	≥ 1.0x	≥ 1.0x
Leverage ratio *	n/a	≤ 3.0x	≤ 5.0x

*Refer to Definitions Of Alternative Performance Measures

Distribution restrictions

The main distribution restrictions are listed in the table below.

Distribution restrictions	The Odfjell Rig III Ltd senior secured bond	The Odfjell Invest Ltd. RCF and Term loan	The Odfjell Rig V Ltd. Facility
Leverage ratio	≤ 3.00 (reducing to 2.00 from December 2025)	≤ 3.0x	≤ 3.0x
Total cash (including undrawn RCF)	≥ $150 million (reducing to $100 million after completion of the Company's final Special Periodic Survey in H1 2025)	n/a	n/a
Free cash	n/a	≥ $75 million	≥ $75 million

Note 17 Leases

The Group's leasing activities as a lessee and how these are accounted for

This note relates to the Group as a lessee only.

The Group leases various offices, workshops and warehouses in addition to some equipment. Rental contracts are typically made for fixed periods of 6 months to 10 years, but may have extension or termination options. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

The lease payments are discounted using the lessee's incremental borrowing rate. To determine the incremental borrowing rate, the Group uses a build-up approach that starts with a risk-free interest rate, adjusted for credit risk for leases held by the Group, and makes adjustments specific to the lease, e.g. term, country, currency, and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Right-of-use assets are measured at cost, comprising of the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs, and any restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and smaller items of office equipment.

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Most extension options have not been included in the lease liability, because the Group could replace the asset without significant cost of business disruption, or because the Group is not certain it would need the asset in the option period.

As at 31 December 2024, potential future cash outflows of USD 43 million (not discounted) have not been included in the lease liability because it is not reasonably certain that these leases will be extended (or not terminated).

Specification and movements - Right-of-use-assets:

	Properties	Other fixed assets	Total Right-of-use assets	Properties	Other fixed assets	Total Right-of-use assets
USD million	**2024**	**2024**	**2024**	**2023**	**2023**	**2023**
COST						
At 1 January	41.6	69.9	111.5	41.2	52.7	93.9
Additions	1.3	5.1	6.3	1.6	18.0	19.7
Disposals	-	(20.2)	(20.2)	-	-	-
Currency translation differences	(4.4)	(2.4)	(6.8)	(1.2)	(0.9)	(2.1)
COST AS AT 31 DECEMBER	**38.4**	**52.3**	**90.8**	**41.6**	**69.9**	**111.5**
ACCUMULATED DEPRECIATION AND IMPAIRMENT						
At 1 January	(16.4)	(35.3)	(51.8)	(13.0)	(17.0)	(30.1)
Depreciation from continuing operations	(3.8)	(12.4)	(16.2)	(3.6)	(18.1)	(21.8)
Disposals	-	15.0	15.0	-	-	-
Currency translation differences	1.9	1.5	3.4	0.3	(0.2)	0.1
AS AT 31 DECEMBER	**(18.3)**	**(31.3)**	**(49.5)**	**(16.4)**	**(35.3)**	**(51.8)**
NET BOOK VALUE AT 31 DECEMBER	**20.2**	**21.1**	**41.2**	**25.2**	**34.5**	**59.7**

The Right-of-use assets are included in the line item "Property, plant and equipment" in the balance sheet, refer to Note 9 - Tangible fixed assets.

Lease liabilities

USD million	**31.12.2024**	**31.12.2023**
Non-current	27.6	38.4
Current	15.7	24.9
TOTAL	**43.4**	**63.3**

Movements in lease liabilities are analysed as follows

	Non-current	Current	Total	Non-current	Current	Total
USD million	**2024**	**2024**	**2024**	**2023**	**2023**	**2023**
Carrying amount as at 1 January	38.4	24.9	63.3	41.7	26.5	68.2
CASH FLOWS:						
Payments for the principal portion of the lease liability	-	(16.1)	(16.1)	-	(22.7)	(22.7)
Payments for the interest portion of the lease liability	-	(3.3)	(3.3)	-	(4.6)	(4.6)
NON-CASH FLOWS:						
New lease liabilities recognised in the year	6.3	-	6.3	19.7	-	19.7
Disposals	(5.7)	-	(5.7)	-	-	-
Interest expense on lease liabilities	3.6	-	3.6	4.2	-	4.2
Reclassified	(11.4)	11.4	-	(26.3)	26.3	-
Currency exchange differences	(3.6)	(1.1)	(4.7)	(0.9)	(0.6)	(1.5)
CARRYING AMOUNT AS AT 31 DECEMBER	**27.6**	**15.7**	**43.4**	**38.4**	**24.9**	**63.3**

Rental costs for exemptions

USD million	**2024**	**2023**
Expenses relating to short-term leases	15.0	15.3
Expenses relating to low value items	-	-

Note 18 Post-employment benefits

The Group has occupational pension plans for employees. The pension plans are measured and presented according to IAS 19.

Defined contribution plans

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit pension plans

The Group has funded defined benefit pension schemes in one Norwegian company covering a total of 8 active members and 20 pensioners as at 31 December 2024. The scheme entitles employees to defined future benefits. These are mainly dependent on the number of years of service, the salary level at pensionable age and the size of benefits paid by the national insurance. The liabilities are covered through an insurance company.

In addition to the pension obligations that arise from the funded defined benefit plans, the Group's Norwegian companies have unfunded defined benefit obligations related to pensions and early retirement pensions. The early retirement pensions entitle staff to benefits (about USD 12,000 a year) from the company from the age of 62 until they are eligible for a national insurance pension when reaching the age of 67, if they retire and meet requirement to receive CPA (see below).

The Group has contractual pension agreement (CPA) schemes in Norway established in multi-employer plans. These multi-employer plans are defined benefit plans, but the Group does not have access to the necessary information for the accounting years 2024 and 2023 required to account for these plans as defined benefit plans, and the plans are therefore accounted for as defined contribution plans.

The Norwegian subsidiaries in the Group with employees are required to have a civil service pension scheme according to the Norwegian Act relating to mandatory occupational pensions. These subsidiaries have pension schemes in accordance with the requirements in this Act.

Amounts recognised in Statement of Financial Position

USD million	**31.12.2024**	**31.12.2023**
Present value of funded obligations	7.0	7.6
Fair value of plan assets	6.4	6.8
DEFICIT OF FUNDED PLANS	**0.5**	**0.7**
Present value of unfunded obligations	-	-
TOTAL DEFICIT OF DEFINED BENEFIT PENSION PLANS	**0.5**	**0.7**

Total pension expenses included in personnel expenses are broken down as per below:

USD million	2024	2023
Pension expenses from defined benefit scheme included in personnel expenses	0.2	0.2
Pension expenses from defined contribution schemes	9.2	7.9
Pension expenses from multi-employer plans accounted for as defined contribution schemes	7.7	7.3
TOTAL PENSION EXPENSES INCLUDED IN PERSONNEL EXPENSES	**17.0**	**15.3**

See Note 6 - Personnel expenses for further information regarding personnel expenses.

Note 19 Other liabilities

Other current liabilities specification

USD million	Note	31.12.2024	31.12.2023
Derivative financial instruments	22	4.1	4.4
Social security and other taxes		18.8	20.4
Accrued salaries, holiday pay and employee bonus		16.9	16.9
Other payables and financial liabilities		4.6	2.2
Other accrued expenses		11.3	14.4
TOTAL OTHER CURRENT LIABILITIES		**55.7**	**58.4**

Refer to Note 27 - Contingencies for further information about accounting policy for provisions and accruals, as well as significant judgement applied and estimation uncertainty.

Note 20 Financial risk management

Capital management and funding

The primary objective of the Group's capital management is to ensure that it maintains required capital ratios and liquidity available to support the business. Capital management should be such that the capital structure is sufficiently robust to withstand prolonged adverse conditions in significant risk factors, such as long-term down-cycles in our markets and unfavourable conditions in financial markets.

Capital management also comprises securing the Group to be in compliance with covenants on interest bearing debt. Reference is made to Note 16 - Interest-bearing borrowings which discloses information about covenants on long-term interest-bearing liabilities.

The Group will manage the capital structure and adjust it, to maintain an optimal structure adapted to current economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payments, buy treasury shares, return capital to shareholders, or issue new shares.

	31.12.2024	31.12.2023
Equity	1,403.1	1,394.0
Total assets	2,214.9	2,308.8
EQUITY RATIO	**63%**	**60%**
Cash and cash equivalents excl.restricted capital	107.8	119.3
Available drawing facilities	99.0	165.0
TOTAL AVAILABLE LIQUIDITY	**206.8**	**284.3**

Financial risk factors

The Group is exposed to a range of financial risks: liquidity risk, market risk (including currency risk, interest rate risk, and price risk), and credit risk. The financial risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. To some extent, the Group uses derivative financial instruments to reduce certain risk exposures.

Risk management is carried out on a Group level. The Group identifies, evaluates and hedges financial risks in close co-operation with the Group's operational units. The board of Odfjell Drilling Ltd. has established written principles for risk management of foreign exchange risk, interest rate risk ,and use of derivative financial instruments.

Note 21 Liquidity risk

The Group's policy regarding the management of the cash positions has three main objectives:

- Matching of surplus funds against borrowing requirements
- Secure a high level of liquidity in order to meet future plans of the Group, with a targeted minimum of two months' cash flow at all times
- Limitation of credit risks

Investments may only be made in securities with a rating of Investment grade, BAA (Moodys) , BBB- (Standard and Poors and Fitch IBCA) or better. The Board can approve deviations on a case by case basis.

A list of counter-party exposure limits is reported to the Board of Odfjell Drilling on a yearly basis.

The following instruments are allowed for short term placements;

- Deposits in banks
- Loans to companies/institutions/funds (like fixed or floating rate bonds, senior or subordinated debt)
- Certificates
- Money-market funds

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of credit facilities, and to have sufficient cash at any time to be able to finance its operations and investments in accordance with the Group's strategic plan.

With regular forecasts and liquidity analysis updates, the Group will ensure sufficient available liquidity to fulfil its duties at loan maturity, without unacceptable loss or risk of damaging the Group's reputation.

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through credit facilities, and the ability to close out market positions.

The Group's cash flow forecasting is performed by Group Finance. Group Finance monitors rolling forecasts of the Group's liquidity requirements, to ensure it has sufficient cash to meet operational needs at all times, so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans and covenant compliance.

Surplus cash held by the operating entities over and above the balance required for working capital management, is transferred to the Group Treasury. Group treasury invests surplus cash in interest bearing current accounts, time deposits, money market deposits, and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room, as determined by the above-mentioned forecasts.

Odfjell Drilling held cash and cash equivalents amounting to USD 118 million in addition to available drawing facilities of USD 99 million at the end of 2024. This is deemed to be sufficient funding for the Group's current activity levels and committed capital expenditures during 2025.

The liquidity risk is connected with the market risk and the re-contracting risk for mobile offshore drilling units. The management continuously focuses on securing new profitable contracts for the Group's mobile offshore drilling units to generate sufficient cash flow from operations, hence reducing the liquidity risk going forward.

The Group's refinancing risk is considered low, as the Group completed a refinancing in 2023. See Note 16 - Interest-bearing borrowings for further information about maturity of contractual amounts.

Maturity of financial liabilities

The amounts disclosed in the table are the contractual non-discounted cash flows. The tables include estimated interest payments for drawn facilities at the balance sheet date, based on the remaining period at the end of the reporting period to the contractual maturity date. The estimated interest payments include payments based on forward rates for the interest rate swaps.

Maturity of financial liabilities - 31.12.2024

USD million	Less than 6 months	6 - 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
Interest-bearing borrowings	77.5	61.3	122.7	515.5	-	777.0	622.3
Lease liabilities	8.0	7.9	11.8	18.0	4.3	50.1	43.4
Trade payables	35.5	-	-	-	-	35.5	35.5
Other current payables	32.8	-	-	-	-	32.8	32.8

Maturity of financial liabilities - 31.12.2023

USD million	Less than 6 months	6 - 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
Interest-bearing borrowings	127.1	72.0	140.0	557.9	8.7	905.8	711.4
Lease liabilities	12.2	12.9	16.4	21.2	10.5	73.1	63.3
Trade payables	48.9	-	-	-	-	48.9	48.9
Other current payables	33.5	-	-	-	-	33.5	33.5

Note 22 Market risk

Market risk is the risk of a change in market prices and demand, as well as changes in currency exchange rates and interest levels.

The re-contracting risk for the group's wholly owned mobile offshore drilling units is minimal in 2025, as all units in the fleet have firm contracts extending at least until end 2026.

Contract status and currency exposure in rig rates

The Deepsea Atlantic was drilling for Equinor on various projects in Norway throughout 2024 and will continue to work for Equinor until the end of Q2 2027. The current drilling contract consists of a USD element and a NOK element, where the NOK element typically covers the NOK operating costs per day. Starting in Q2 2025, the drilling contract will also include a GBP element. The Group has hedged the GBP exposure in 2025 and are taking measures to hedge the residual exposure.

During the year, the Deepsea Stavanger worked on various exploration projects for Equinor. The Deepsea Stavanger has firm contract commitments with Equinor until Q2 2025, after which it will move onto a new contract with Aker BP, expected to take firm operations into Q2 2030. The day rate consists of a USD element and a NOK element, where the NOK element typically covers the NOK operating costs per day.

Deepsea Aberdeen was on contract in 2024 with Equinor offshore Norway. Deepsea Aberdeen has a firm contract with Equinor until the end of 2026. The day rate consists of a USD element and a NOK element, where the NOK element typically covers the NOK operating costs per day.

The Deepsea Nordkapp worked with Aker BP throughout 2024 and will continue to work with Aker BP at least until the end of 2026. The day rate consists of a USD element and a NOK element, where the NOK element typically covers the NOK operating costs per day.

Climate Risk

Following an assessment of climate risks and opportunities, both physical and transitional risks in the short, medium and long term, were prioritised. The most significant transition risks, along with mitigating actions were:

- Changes in fossil energy demand due to policies and consumer behaviour changes, leading to reduced demand for our assets and reduced revenue. This will be factored in to any asset growth decisions and alternative use of assets will be considered.
- Cost of and access to capital may go up as banks move to low carbon portfolios, leading to increased interest costs. Consider debt structure and ensure carbon reducing initiatives understood by capital markets.

The most significant physical risk identified, along with mitigating actions is:

- Impact of extreme weather offshore on crew and equipment logistics could increase costs and result in downtime. Critical spares analysis and robust planning required as well as protection in commercial contracts.

Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively.

Derivatives are recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured on a continuous basis at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates certain derivatives as hedges of highly probable forecast transactions (cash-flow hedges). At the date of the hedging transaction, the Group's documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged, and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

- The effective portion of the gain or loss on the cash flow hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the income statement. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument, and the cumulative change in fair value of the hedged item
- Amounts recognised directly in other comprehensive income are reclassified as income or expense in the income statement in the period when the hedged liability or planned transaction will affect the income statement

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity, and is reclassified when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement within financial income/expenses.

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, or the Group has elected not to apply hedge accounting, they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period, or they are expected to be settled in the normal operating cycle.

The Group has the following derivative financial instruments in the following line items in the balance sheet:

USD million	31.12.2024	31.12.2023
NON-CURRENT ASSETS		
Interest rate swaps - cash flow hedges under hedge accounting	0.2	-
TOTAL NON-CURRENT DERIVATIVE FINANCIAL INSTRUMENTS ASSET	**0.2**	**-**
CURRENT ASSETS		
Foreign exchange contracts - cash flow hedges under hedge accounting	-	1.6
TOTAL CURRENT DERIVATIVE FINANCIAL INSTRUMENTS ASSET	**-**	**1.6**
NON-CURRENT LIABILITIES		
Interest rate swaps - cash flow hedges under hedge accounting	(0.2)	(0.8)
Other Interest rate instruments - cash flow hedges under hedge accounting	(0.0)	(0.6)
TOTAL NON-CURRENT DERIVATIVE FINANCIAL INSTRUMENTS LIABILITIES	**(0.2)**	**(1.3)**
CURRENT LIABILITIES		
Foreign exchange contracts - at fair value through profit or loss	-	(0.0)
Foreign exchange contracts - cash flow hedges under hedge accounting	(4.1)	(0.2)
Warrant liability - at fair value through profit or loss	-	(4.2)
TOTAL CURRENT DERIVATIVE FINANCIAL INSTRUMENTS LIABILITIES	**(4.1)**	**(4.4)**

The Group's hedging reserves disclosed in Note 25 - Other reserves related to the following instruments.

Cash flow hedging reserves

USD million	Currency forwards	Interest rate swaps	Total hedge reserves
Opening balance 1 January 2023	-	7.7	7.7
Change in fair value of hedging instruments recognised in OCI	1.5	(0.8)	0.6
Reclassified from OCI to profit or loss	-	(8.2)	(8.2)
CLOSING BALANCE 31 DECEMBER 2023	**1.5**	**(1.3)**	**0.1**
Change in fair value of hedging instruments recognised in OCI	(6.1)	2.0	(4.1)
Reclassified from OCI to profit or loss	0.5	(0.7)	(0.2)
CLOSING BALANCE 31 DECEMBER 2024	**(4.1)**	**(0.0)**	**(4.1)**

In addition to the amounts disclosed in the reconciliation of the hedging reserves above, the following amounts were recognised in profit or loss in relation to derivatives:

Amounts recognised in profit or loss

USD million	31.12.2024	31.12.2023
Foreign exchange contracts - at fair value through profit or loss		
Change in fair value	0.0	(2.4)
Warrant liability - at fair value through profit or loss		
Change in fair value	(11.8)	(1.4)

Foreign exchange risk

The consolidated material subsidiaries' reporting and functional currencies are USD and NOK.

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD and NOK. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Group is exposed to risks due to fluctuations in exchange rates, especially as charter contracts are mainly priced in USD, while most of the operating expenses are in local currency. The Group seeks to minimise these risks through currency hedging via financial instruments or by off-setting local currency elements in charter contracts.

Quoted mark-to-market values from financial institutions have been used to determine the fair value of the foreign exchange contracts at the end of the year. The foreign exchange contracts are only used for economic hedging purposes and not as speculative investments. However, these derivatives did not meet the hedge accounting criteria, and are accounted for at fair value through profit or loss.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in USD, was as follows:

Foreign exchange risk - Exposure - 31.12.2024

USD million	NOK	GBP	USD
Cash and cash equivalents	(0.1)	0.6	28.3
Trade receivables	1.5	0.0	48.8
Interest-bearing borrowings	-	-	-
Lease liabilities	(16.4)	-	(3.8)
Trade payables	(4.2)	(0.4)	(2.5)
Other current payables	(0.2)	(0.2)	(0.9)
Foreign currency contracts			
Buy foreign currency (cash flow hedges under hedge accounting)	80.7	-	-
Sell foreign currency (cash flow hedges under hedge accounting)	42.2	43.0	-

Foreign exchange risk - Exposure - 31.12.2023

USD million	NOK	GBP0	USD
Cash and cash equivalents	(4.8)	2.8	29.2
Trade receivables	7.5	0.1	36.3
Interest-bearing borrowings	-	-	-
Lease liabilities	(19.3)	-	(17.0)
Trade payables	(5.4)	(0.5)	(3.7)
Other current payables	(0.2)	(2.3)	(3.2)
Foreign currency contracts			
Buy foreign currency (at fair value through profit or loss)	6.3	-	-
Sell foreign currency (at fair value through profit or loss)	-	6.4	-
Buy foreign currency (cash flow hedges under hedge accounting)	64.3	-	-
Sell foreign currency (cash flow hedges under hedge accounting)	41.0	25.4	-

As shown in the table above, the Group is primarily exposed to changes in USD/NOK exchange rates.

Sensitivity to changes in USD/NOK exchange rates	USD is strengthened by 20 % against NOK		USD is strengthened by 10 % against NOK		USD is weakened by 10 % against NOK		USD is weakened by 20 % against NOK	
USD million	2024	2023	2024	2023	2024	2023	2024	2023
Cash and cash equivalents	4.7	5.7	2.6	3.1	(3.2)	(3.8)	(7.1)	(8.5)
Current receivables	9.5	6.0	4.7	2.9	(4.7)	(2.8)	(9.4)	(5.4)
Current liabilities	2.3	0.2	1.2	0.1	(1.5)	(0.1)	(3.4)	(0.2)
NET EFFECT ON PROFIT BEFORE TAX	**16.5**	**11.8**	**8.6**	**6.1**	**(9.4)**	**(6.7)**	**(19.9)**	**(14.1)**

The aggregate net foreign exchange gains/losses recognised in profit or loss were:

USD million	2024	2023
Net currency gain / (loss) included in finance costs	1.6	(8.6)

Foreign currency contracts

Foreign currency contracts	Currency	Notional amount	Maturity date	Hedge ratio	Weighted average hedged rate	Carrying amount
31.12.2024						
Buy foreign currency (cash flow hedges under hedge accounting)	NOK	257.5	16.06.2025-17.08.2026	1:1	0.08808	(2.5)
Sell foreign currency (cash flow hedges under hedge accounting)	GBP	20.0	16.06.2025-17.08.2026	1:1	1.13415	*
Buy foreign currency (cash flow hedges under hedge accounting)	NOK	80.3	20.01.2025-20.05.2025	1:1	0.09346	(0.3)
Sell foreign currency (cash flow hedges under hedge accounting)	NOK	82.5	20.01.2025-20.05.2025	1:1	0.09091	0.0
Buy foreign currency (cash flow hedges under hedge accounting)	NOK	210.9	22.01.2025-29.12.2025	1:1	0.09483	0.1
Sell foreign currency (cash flow hedges under hedge accounting)	NOK	220.7	22.01.2025-29.12.2025	1:1	0.09060	(0.9)
Buy foreign currency (cash flow hedges under hedge accounting)	NOK	165.4	20.01.2025 - 20.04.2026	1:1	0.09524	(0.7)
Sell foreign currency (cash flow hedges under hedge accounting)	NOK	175.7	20.01.2025 - 20.04.2026	1:1	0.08962	0.1
Buy foreign currency (cash flow hedges under hedge accounting)	NOK	202.0	16.06.2025 - 23.12.2025	1:1	0.08808	(0.1)
Sell foreign currency (cash flow hedges under hedge accounting)	GBP	14.3	16.06.2025 - 23.12.2025	1:1	1.24409	*
31.12.2023						
Buy foreign currency (at fair value through profit or loss)	NOK	64.1	15.04.2024	n/a	0.09831	(0.0)
Sell foreign currency (at fair value through profit or loss)	GBP	5.0	15.04.2024	n/a	1.26027	*
Buy foreign currency (cash flow hedges under hedge accounting)	NOK	257.5	16.06.2024-17.08.2026	1:1	0.09831	(0.2)
Sell foreign currency (cash flow hedges under hedge accounting)	GBP	20.0	16.06.2024-17.08.2026	1:1	1.26582	*
Buy foreign currency (cash flow hedges under hedge accounting)	NOK	128.8	24.01.2024-22.08.2024	1:1	0.09709	0.4
Sell foreign currency (cash flow hedges under hedge accounting)	NOK	136.9	24.01.2024-22.08.2024	1:1	0.09132	(0.1)
Buy foreign currency (cash flow hedges under hedge accounting)	NOK	267.8	24.06.2024-26.08.2025	1:1	0.09524	1.9
Sell foreign currency (cash flow hedges under hedge accounting)	NOK	280.6	24.06.2024-26.08.2025	1:1	0.09087	(0.6)

* Carrying amount included in the line above

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations at floating interest rates. The Group evaluates the share of interest rate hedging based on assessment of the Group's total interest rate risk and currently has a combination of fixed and floating interest rates in order to limit exposure. The Board of Directors is on regular basis considering the interest payment hedging of the external financing and mandate administration to execute necessary changes.

The Group had interest rate swap agreements as well as interest Floor and Caps instruments at 31 December 2024. Quoted mark-to-market values from financial institutions have been used to determine the fair value of the swap agreements at the end of the year. Some of the instruments used during 2023 and 2024 were documented as cash flow hedges and other as financial investments, and changes in fair value were recognised in other comprehensive income (cash flow hedging) and others recognised through profit and loss statement (financial investments not defined as cash flow hedges).

Where all relevant criteria are met, hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item. This will effectively result in recognising interest expense at a fixed interest rate for the hedged floating rate loans.

The swap contracts require settlement of net interest receivable or payable. The settlement dates coincide with the dates on which interest is payable on the underlying debt.

Average interest rate as of 31 December 2024 was 7.8%, including the effect of interest rate hedging.

Estimated fair value calculations from external financial institutions have been used to determine the fair value of the swap agreement at the end of the year.

The Group monitors its interest rate exposure on a dynamic basis. The Group calculates the impact on profit and loss of a defined interest rate shift.

As of 31.12.2024 the Group held the following USD interest rate instruments:

	Notional amount	Maturity date	Hedge ratio	Weighted average hedged rate	Carrying amount
Interest rate swaps - Cash flow hedges under hedge accounting	126.4	2028	1:1	3.9799%	0.0
Synthetic instruments - Cash flow hedges under hedge accounting	51.4	2028	1:1	*	(0.0)

* Floor and Caps instruments, see further description below

As of 31.12.2023 the Group held the following USD interest rate instruments:

	Notional amount	Maturity date	Hedge ratio	Weighted average hedged rate	Carrying amount
Interest rate swaps - Cash flow hedges under hedge accounting	58.9	2028	1:1	4.1620%	(0.8)
Synthetic instruments - Cash flow hedges under hedge accounting	58.9	2028	1:1	*	(0.6)

* Floor and Caps instruments, see further description below

Caps and Floors are financial instruments used to manage interest rate risk. A cap is a type of interest rate derivative that sets a maximum limit, or cap, on the interest rate that can be paid. The Group have entered into two cap contracts to protect to the Group against interest rate increases beyond 5.5%. A floor is the opposite of a cap. It sets a minimum limit, or floor, on the interest rate that can be received. The Group has entered into two floors instruments with an interest rate of 2.88% and 3.0125% respectively.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the end of the reporting period are as follows:

USD million	31.12.2024	% of total loans	31.12.2023	% of total loans
Variable rate borrowings	166.8	27%	283.7	40%
Fixed rate borrowings - repricing or maturity dates:				
Less than 1 year	-	0%	-	0%
1-5 years	456.4	73%	428.9	60%
Later than 5 years	-	0%	-	0%
TOTAL CONTRACTUAL AMOUNTS	**623.3**	**100%**	**712.6**	**100%**

The table above do not include the Caps and Floors financial instruments. Including these instruments, the fixed-rate portion of the Group's interest-bearing debt is approximately 80% as at 31 December 2024.

Interest rate sensitivity

The result of the calculation on sensitivities returns the following expected values (including interest rate swaps and options entered into as at 31 December 2024):

- If interest rate is increased by 1.0 %, the effect would be an increase in financing costs of approximately USD 1.2 million for the next 12 months as at 31 December 2024.

Warrant liabilities

The Company had previously issued warrants for up to 6,837,492 common shares. The warrant holder exercised the warrants in May 2024. The warrants were measured at a fair value of USD 16 million at the exercise date, and a change in fair value of USD 11.8 million was recognised as part of Other financial items in the profit or loss in 2024. On 31 May 2024 the warrant liability was converted to equity, and 3,023,886 new ordinary shares were issued to Akastor AS under the warrant agreement.

There are no further warrants outstanding at 31 December 2024.

Note 23 Credit risk

Accounting policy

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Further description

The Group operates in two segments: Own Fleet and External Fleet. The market for the Group's services is the offshore oil and gas industry, and the customers consist primarily of major integrated oil companies, independent oil and gas producers, and government owned oil companies. The Group performs ongoing credit evaluations of the customers and generally does not request material collateral.

With respect to credit risk arising from other financial assets of the Group, which comprise cash and cash equivalents, marketable securities, other receivables and certain derivatives instruments receivable amount, the Group's exposure to credit risk arises from default of the counter-party, with a maximum exposure equal to the carrying amount of these instruments. However, the Group believes this risk is limited as the counter-parties mainly have a high credit quality.

The maximum exposure regarding trade receivables is the carrying amount of USD 107 million.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to non-billed work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2024 or 31 December 2023 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables

The Group has not recognised any impairment losses in 2024 or 2023, and the expected loss rate is set to 0.

No provision for impairment losses is recognised as at 31 December 2024.

The ageing of the trade receivables - 31.12.2024

	Expected loss rate	Gross amount	Loss allowance	Net amount
USD million		31.12.2024	31.12.2024	31.12.2024
Not due	0.0%	104.3	-	104.3
0 to 3 months	0.0%	2.6	-	2.6
3 to 6 months	0.0%	-	-	-
Over 6 months	0.0%	-	-	-
TOTAL		**106.9**	**-**	**106.9**

The ageing of the trade receivables - 31.12.2023

	Expected loss rate	Gross amount	Loss allowance	Net amount
USD million		31.12.2023	31.12.2023	31.12.2023
Not due	0.0%	92.6	-	92.6
0 to 3 months	0.0%	7.4	-	7.4
3 to 6 months	0.0%	-	-	-
Over 6 months	0.0%	-	-	-
TOTAL		**100.0**	**-**	**100.0**

Contract assets - 2024

	Expected loss rate	Gross amount	Loss allowance	Net amount
USD million		31.12.2024	31.12.2024	31.12.2024
Not due	0.0%	7.5	-	7.5

Contract assets 2023

	Expected loss rate	Gross amount	Loss allowance	Net amount
USD million		31.12.2023	31.12.2023	31.12.2023
Not due	0.0%	8.4	-	8.4

Note 24 Share capital and shareholder information

	No.of shares	Nominal value	Share capital - USD thousands
Listed common shares issued as at 1 January 2024	236,783,202	USD 0.01	2,368
New listed common shares issued at 31 May 2024	3,023,886	USD 0.01	30
LISTED COMMON SHARES ISSUED AS AT 31 DECEMBER 2024	**239,807,088**		**2,398**
Total share capital			**2,398**
Authorised, not issued shares	60,192,912		

Common shares

All issued shares are fully paid.

The Group has not acquired any of its own common shares in 2024, and no common shares are held by entities in the Group.

The Company has only one class of ordinary shares. Each common share in the Company carries one vote, and all common shares carry equal rights, including the right to participate in General Meetings. All shareholders are treated on an equal basis.

The Company's common shares are freely transferable in Norway, provided however, that the Bye-laws include a right for the Board to decline to register a transfer of any share in the register of members, (or if required, refuse to direct any registrar appointed by the Company to transfer any interest in a share) where such transfer would result in 50% or more of the Company's shares or votes being held, controlled or owned directly or indirectly by individuals or legal persons resident for tax purposes in Norway (or, alternatively, such shares or votes being effectively connected to a Norwegian business activity).

New shares issued

Following an exercise of warrants, 3,023,886 new ordinary shares were issued to Akastor AS 31 May 2024. The new shares are ordinary shares without any special rights and are freely transferable negotiable instruments. As a result, the Company now have a share capital of USD 2,398,070.88, divided into 239,807,088 shares in issue, with no further warrants outstanding.

The fair value of the warrant liability at the exercise date of USD 16 million was converted to equity and classified as other paid in capital.

Largest common shareholders at 31 December 2024	Account type	Holding	% of shares
ODFJELL PARTNERS HOLDING LTD.	Ordinary	119,552,381	49.85%
BofA Securities, Inc.	Nominee	11,565,491	4.82%
VERDIPAPIRFONDET STOREBRAND NORGE	Ordinary	3,658,505	1.53%
Goldman Sachs International	Nominee	3,291,673	1.37%
AKASTOR AS	Ordinary	3,023,886	1.26%
VERDIPAPIRFONDET DNB NORGE	Ordinary	2,979,763	1.24%
State Street Bank and Trust Comp	Nominee	2,844,067	1.19%
VERDIPAPIRFONDET ALFRED BERG GAMBAK	Ordinary	2,249,666	0.94%
The Bank of New York Mellon SA/NV	Nominee	2,182,783	0.91%
The Bank of New York Mellon SA/NV	Nominee	2,090,557	0.87%
Citibank, N.A.	Nominee	1,919,859	0.80%
The Bank of New York Mellon SA/NV	Nominee	1,679,366	0.70%
NORDNET LIVSFORSIKRING AS	Ordinary	1,617,690	0.67%
The Bank of New York Mellon SA/NV	Nominee	1,601,200	0.67%
The Bank of New York Mellon SA/NV	Nominee	1,421,112	0.59%
The Northern Trust Comp, London Br	Nominee	1,417,205	0.59%
The Bank of New York Mellon SA/NV	Nominee	1,350,000	0.56%
VPF DNB NORGE SELEKTIV	Ordinary	1,318,014	0.55%
BNP Paribas	Nominee	1,263,560	0.53%
Euroclear Bank S.A./N.V.	Nominee	1,260,821	0.53%
TOTAL 20 LARGEST COMMON SHAREHOLDERS		**168,287,599**	**70.18%**
Other common shareholders		71,519,489	29.82%
TOTAL COMMON SHAREHOLDERS		**239,807,088**	**100.00%**

Cash dividend paid in 2024

14 February 2024, the Board of Directors approved a dividend distribution of USD 0.06 per share, equal to USD 14.2 million. 14 May 2024, a dividend distribution of USD 0.06 per share, equal to USD 14.2 million was approved. 20 August 2024, a dividend distribution of USD 0.06 per share, equal to USD 14.4 million was approved, and in November a dividend distribution of USD 0.06 per share, equal to USD 14.4 million was approved.

Accumulated dividend distribution in 2024 amounts to USD 0.24 per share, equal to USD 57 million.

Note 25 Other reserves

USD million	Note	Cash flow hedges	Translation differences	Share-Option plan	Acquisition non-controlling interests	Total
At 1 January 2023		**7.7**	**(56.5)**	**1.8**	**(34.5)**	**(81.4)**
Change in fair value of hedging instruments recognised in OCI	22	0.6	-	-	-	0.6
Reclassified from OCI to profit or loss	22	(8.2)	-	-	-	(8.2)
Deferred taxes cashflow hedges		(0.0)				(0.0)
Currency translation difference		-	(0.5)	-	-	(0.5)
Cost of share-based option plan		-	-	0.4	-	0.4
AT 31 DECEMBER 2023		**0.1**	**(57.0)**	**2.2**	**(34.5)**	**(89.2)**
Change in fair value of hedging instruments recognised in OCI	22	(4.1)	-	-	-	(4.1)
Reclassified from OCI to profit or loss	22	(0.2)	-	-	-	(0.2)
Deferred taxes cashflow hedges		0.2				0.2
Currency translation difference		-	(10.4)	-	-	(10.4)
Exercised share-based options	32		-	(0.4)	-	(0.4)
Cost of share-based option plan	32	-	-	0.4	-	0.4
AT 31 DECEMBER 2024		**(3.9)**	**(67.4)**	**2.2**	**(34.5)**	**(103.6)**

Note 26 Securities and mortgages

Liabilities secured by mortgage

USD million	31.12.2024	31.12.2023
Non current liabilities - contractual amounts	534.1	571.1
Current liabilities	95.0	149.6
TOTAL	**629.1**	**720.7**

Carrying amount of mortgaged assets:

USD million	31.12.2024	31.12.2023
Property, plant and equipment	1,932.3	2,013.0
Receivables and contract assets	128.0	125.0
Bank deposits	118.1	129.2
TOTAL	**2,178.4**	**2,267.1**

	The Odfjell Rig III Ltd senior secured bond	The Odfjell Invest Ltd. RCF and Term loan	The Odfjell Rig V Ltd. Facility
Guarantors	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 Stavanger	Deepsea Nordkapp

Note 27 Contingencies

Accounting policy - Provisions, contingent liabilities and contingent assets

A provision is recognised when an obligation exists (legal or constructive) as a result of a past event, it is probable that an economic settlement will be required as a consequence of the obligation, and a reliable estimate can be made of the amount of the obligation.

The best estimate of the expenditure required to settle the obligation is recognised as a provision. When the effect is material, the provision is discounted using a market based pre-tax discount rate.

Contingent liabilities and contingent assets are not recognised. Contingent liabilities are disclosed unless the possibility of an economic settlement as a consequence of the obligation is remote. Contingent assets are disclosed where an economic settlement as a consequence of the asset is probable.

Significant judgement executed

The Group may from time to time be subject to various legal proceedings, disputes and claims including regulatory discussions related to the Group's business, investments etc., of which the outcomes are subject to significant uncertainty. Management applies significant judgement when evaluating the degree of probability of an unfavourable outcome and the ability to make a reasonable estimate of the amount of loss. Unanticipated events or changes in these factors may require the Group to accrue for a matter that has not been previously accrued for because it was not considered probable, or a reasonable estimate could not be made, or increase or decrease an amount accrued for a matter in previous reporting periods.

Letter of indemnity and related receivable

Odfjell Offshore Ltd, a previous subsidiary of Odfjell Drilling Ltd., now a subsidiary of Odfjell Technology Ltd, was registered as a Norwegian Registered Foreign Company (NUF) on 08.03.2016 after migration of the company in January 2016, and is taxable for income to Norway. In 2017, the company filed for a tax deduction, of approximately NOK 2.3 billion, on redemption of shares in Deep Sea Metro Ltd. A total of NOK 1.3 billion of this loss has been utilised through Group contributions received from other Norwegian entities within the Odfjell Drilling Ltd Group in the period 2017 to 2021.

Odfjell Drilling Ltd has on 1 March 2022 issued a letter of indemnity to Odfjell Technology Ltd (OTL) to hold OTL indemnified in respect of any liability that may occur in relation to the Odfjell Offshore Ltd tax case. This includes financing of any (pre-) payments to the Norwegian Tax Authorities, and funds for any legal proceedings.

21 December 2022 Odfjell Offshore Ltd received a tax ruling from the Norwegian Tax Authorities where the tax loss on the realisation of shares in 2017 was denied on the basis of the anti-avoidance rule developed as tax case law. Odfjell Offshore Ltd appealed the administrative tax ruling to Hordaland District Court, which was litigated at the beginning of December 2024. The court issued a judgment on 23 January 2025 in favour of the Norwegian Tax Authorities. The judgment has been appealed to Gulating Court of Appeal.

The Group is still of the opinion that the most likely outcome of a court case is that the anti-avoidance rule should not be applicable and the denial of the tax loss should be revoked.

Odfjell Offshore Ltd have made an upfront payment 1 February 2023 of NOK 307 million (USD 31 million) in taxes and interest for the financial years 2017 through to 2021, which the Odfjell Drilling Group have had to fund in accordance with the indemnity letter.

As stated above the Group's best judgement is that the tax case will be won by Odfjell Offshore Ltd. The Group has therefore not recognised a provision for the contingent indemnification liability. Consequently, the Group has recognised the upfront payment made as a non-current receivable that will be repaid if the legal appeal prevails.

There are no other material contingencies to be disclosed as per 31 December 2024.

Note 28 Commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

USD million	31.12.2024	31.12.2023
Rig investments	27.1	51.5
TOTAL	**27.1**	**51.5**

The major part of committed capital expenditure as at 31 December 2024 is expected to be paid in the next 12 months.

Note 29 Subsidiaries

Material subsidiaries

Name of entity	Country of incorporation	Principal place of business	Functional currency	Ownership 2024	Ownership 2023	Principal activities
Odfjell Rig Owning Ltd.	Bermuda	UK	USD	100	100	Holding company
Odfjell Invest Ltd.	Bermuda	Malta	USD	100	100	Holding company
Odfjell Rig III Ltd.	Bermuda	Malta	USD	100	100	Holding company
Odfjell Drilling Malta Ltd.	Malta	Malta	USD	100	100	Holding company
Odfjell Rig V Ltd.	England	Malta	USD	100	100	Rig owning
Odfjell Drilling Shetland Ltd.	Scotland	Malta	USD	100	100	Rig owning
Deep Sea Atlantic (UK) Ltd.	England	Malta	USD	100	100	Rig owning
Deep Sea Stavanger (UK) Ltd.	England	Malta	USD	100	100	Rig owning
Deep Sea Rig (UK) Ltd.	England	UK	USD	100	-	No activity
Odfjell Drilling South Africa Ltd.	Scotland	Africa	USD	100	100	Drilling operations
Odfjell Invest AS	Norway	Norway	NOK	100	100	Drilling operations
Odfjell Invest II AS	Norway	Norway	NOK	100	100	Drilling operations
Deep Sea Drilling Company AS	Norway	Norway	NOK	100	100	Drilling operations
Deep Sea Drilling Company I AS	Norway	Norway / Canada	NOK	100	100	Drilling operations
Deep Sea Rig AS	Norway	Norway	NOK	100	100	Drilling operations
Odfjell Drilling AS	Norway	Norway	NOK	100	100	Management
Deep Sea Management AS	Norway	Norway	NOK	100	100	Crewing
Deep Sea Management International AS	Norway	Norway	USD	100	100	Crewing
Odfjell Drilling Services Ltd.	Bermuda	UK	USD	100	100	Holding company

The company's principal subsidiaries are set out in table above. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the company, and the proportion of ownership interests held equals the voting rights held by the company.

Other subsidiaries included in the consolidated group financial statements:

Name of entity	Country of incorporation	Principal place of business	Functional currency	Ownership 2024	Ownership 2023	Principal activities
Deep Sea Drilling Company II KS	Norway	Norway	NOK	100	100	No activity
Odfjell Drilling Cooperatief UA	Netherlands	Netherlands	EUR	100	100	Holding - no activity
Odfjell Invest Holland BV	Netherlands	Netherlands	EUR	100	100	No activity
Odfjell Perfuracoes e Servicos Ltda	Brazil	Brazil	BRL	100	100	No activity
Odfjell Drilling Netherlands BV	Netherlands	Netherlands	EUR	100	100	Holding - no activity
Odfjell Drilling Brasil BV	Netherlands	Netherlands	EUR	100	100	Holding - no activity
Odfjell Drilling Brasil Ltda.	Brazil	Brazil	BRL	100	100	No activity
Odfjell Gestao de Perfurancoes do Brasil Ltda.	Brazil	Brazil	BRL	100	100	No activity

Note 30 Related parties - transactions, receivables, liabilities and commitments

The Group had the following material transactions with related parties:

USD million	Relation	2024	2023
Companies within the Odfjell Technology Ltd. Group	Related to main shareholder	3.1	2.9
Odfjell Oceanwind AS	Related to main shareholder	0.2	0.5
Odfjell Land As	Related to main shareholder	0.2	0.4
TOTAL SALES OF SERVICES TO RELATED PARTIES		**3.5**	**3.7**

The revenues are related to administration services and are included in "Corporate/Other" column in the segment reporting.

USD million	Relation	2024	2023
Companies within the Odfjell Technology Ltd. Group	Related to main shareholder	69.6	51.5
Odfjell Oceanwind AS	Related to main shareholder	0.0	0.1
TOTAL PURCHASES FROM RELATED PARTIES		**69.6**	**51.6**

Purchases consist of services and rentals, as well as global business services, provided by well services, engineering and technology companies within the Odfjell Technology Group. All transactions have been carried out as part of the ordinary operations. Amounts listed in the table above do not include payment for rentals considered as leases, see table below.

odfjell drilling

Current receivables and liabilities

As a part of the day-to-day running of the business, Odfjell Drilling have the following current receivables and liabilities towards companies in the Odfjell Technology Ltd. Group (the discontinued operations). All receivables and liabilities have less than one year maturity.

USD million	Related party	Relation	31.12.2024	31.12.2023
Trade receivables	Companies in Odfjell Technology Ltd Group	Related to main shareholder	0.3	0.3
Other current receivables	Companies in Odfjell Technology Ltd Group	Related to main shareholder	3.5	0.4
Trade payables	Companies in Odfjell Technology Ltd Group	Related to main shareholder	(4.4)	(4.7)
Other current payables	Companies in Odfjell Technology Ltd Group	Related to main shareholder	(3.9)	(6.4)
NET CURRENT PAYABLES RELATED PARTIES			**(4.5)**	**(10.4)**

Lease agreements

USD million			Lease liability	Lease liability	Payments	Payments
Related party	Relation	Type of asset	31.12.2024	31.12.2023	2024	2023
Odfjell Land AS	Related to main shareholder	Properties	21.7	25.2	3.4	5.4
Companies in Odfjell Technology Ltd Group	Related to main shareholder	Mooring and drilling equipment	20.3	36.3	15.6	21.4
TOTAL			**42.0**	**61.5**	**19.0**	**26.8**

Shareholdings by related parties

Helene Odfjell (Director), controls Odfjell Partners Holding Ltd, which owns 49.85% of the common shares in the Company as per 31 December 2024, after selling 23,400,000 shares in September 2024.

Simen Lieungh (Director) owns 20.000 shares (0.01%), Kjetil Gjersdal (CEO of Odfjell Drilling AS) and his close associate owns 42.450 shares (0.02%), while Frode Syslak (CFO of Odfjell Drilling AS) owns 25.000 shares (0.01%) in the Company as per 31 December 2024.

Sale of bond to related party

In November 2024, Odfjell Drilling Ltd. sold its holdings in Odfjell Rig III Ltd. bonds, with a nominal value of USD 6,730,770, and HMH Holding B.V. bonds, with a nominal value of USD 1,600,000, to Odfjell Partners Holding Ltd. at market price.

Key management compensation

Key management includes directors (executive and non-executive). The compensation paid or payable to key management for employee services is shown in Note 31 - Remuneration to the Board of Directors, key executive management and Group auditor.

Note 31 Remuneration to the Board of Directors, key executive management and auditor

Details of salary, variable pay and other benefits provided to Group management in 2024:

USD thousands		Salary	Bonus	Other remuneration	Pension premium	Expense share-based payments	Total
Kjetil Gjersdal	CEO - Odfjell Drilling AS	483	400	25	17	159	1,084
Frode Syslak	CFO - Odfjell Drilling AS	243	174	15	13	85	530
Diane Stephen	General Manager - Odfjell Drilling Ltd.	113	21	6	5	-	145
TOTAL		**839**	**595**	**46**	**34**	**244**	**1,758**

Details of salary, variable pay and other benefits provided to Group management in 2023:

USD thousands		Salary	Bonus	Other remuneration	Pension premium	Expense share-based payments	Total
Kjetil Gjersdal	CEO - Odfjell Drilling AS	443	338	25	17	161	985
Frode Syslak	CFO - Odfjell Drilling AS	209	151	13	12	86	471
Diane Stephen	General Manager - Odfjell Drilling Ltd.	103	23	6	5	-	137
TOTAL		**755**	**513**	**44**	**34**	**247**	**1,593**

The amounts listed as Salary, Bonus, and Other remuneration in the table above represent cash payments in 2024 and 2023. Refer to the Executive Remuneration Report for bonuses earned in 2024 and 2023.

Amounts listed as Pension premium and Expense share-based payments relates to the expense accounted for as personnel expenses in 2024 and 2023.

For details regarding the current incentive share option programme, refer to Note 32 - Share-based payments.

Fees paid to Board of non-executive directors:

USD thousands	2024	2023
Simen Lieungh	70	71
Helene Odfjell	40	40
Harald Thorstein	44	45
Knut J. Hatleskog	35	9
TOTAL REMUNERATION PAID TO BOARD OF NON-EXECUTIVE DIRECTORS	**188**	**165**

Fees to the Group's auditor

USD thousands	2024	2023
Audit	276	308
Other assurance services	32	2
Tax advisory fee	-	
Fees for other services	-	66
TOTAL REMUNERATION TO THE GROUP'S AUDITOR	**308**	**376**

All listed fees are net of VAT.

Note 32 Share-based payments

Accounting policy

The Company has a long term equity settled incentive share option programme in which the employee receives remuneration in the form of share-based payment for services rendered. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details below.

That cost is recognised in personnel expenses together with a corresponding increase in equity, over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Details regarding share option programme:

On 27 June 2022 the Company implemented a share option plan and allocated options for a total of 1,450,000 common shares, at a strike price of NOK 23.37 per share to certain of its employees. In 2023 a further 400,000 options were allocated at a strike price of NOK 26.61 per share.

The options can only be exercised in five equal tranches, with vesting periods of one to five years. The options may be exercised in the exercise period starting at vesting date and ending five working days after. Any options not exercised in the first tranches can be rolled forward to the next tranches. Any options not exercised by 2 July 2027 / 5 February 2028 will be terminated.

In July 2024 120,000 of the options granted in 2022 were exercised, and the Company decided to settle with a cash payment.

Overview of outstanding options:

Overview of outstanding options:	2024	2023
Outstanding options 1.1	1,850,000	1,450,000
Options granted	-	400,000
Options forfeited	-	-
Options exercised	(120,000)	-
Options expired	-	-
OUTSTANDING OPTIONS 31.12	**1,730,000**	**1,850,000**
Of which exercisable	540,000	290,000

The fair value of the options has been calculated using Black & Scholes option-pricing model. The average fair value of the options granted in 2022 is NOK 11.36, while the fair value of options granted in 2023 is NOK 10.32 The total cost of the share option plan is calculated based on the fair value x options granted. The total cost equals NOK 20.6 million (approximately USD 2 million) and is recognised over the period until January 2028.

The calculations are based on the following assumptions:

- The share price on the grant date were set to the stock exchange price NOK 23.675 / NOK 26.375 on the grant date.
- The strike price per option was NOK 23.37 / NOK 26.61.
- The expected price volatility of the company's shares was set to 50% / 40% based on historical volatility adjusted for expected changes.
- The expiry date was set to 28 June 2027 / 1 February 2028.
- The expected dividend yield was set to 0%.
- The risk-free interest rate was set to 3.67% / 2.938%

Note 33 Earnings per share

Accounting policy

The basic earnings per share are calculated as the ratio of the profit for the year that is due to the shareholders of the parent divided by the weighted average number of common shares outstanding.

When calculating the diluted earnings per share, the profit that is attributable to the common shareholders of the parent and the weighted average number of common shares outstanding are adjusted for all the dilution effects relating to warrants and share options.

The calculation takes account of all the warrants and share options that are "in-the-money" and can be exercised. In the calculations, warrants and share options are assumed to have been converted/ exercised on the first date in the fiscal year. Warrants and share options issued this year are assumed to be converted/ exercised at the date of issue/ grant date. The dilution effect on warrants and share options is calculated as the difference between average fair value in an active market and exercise price or the sum of the not recognised cost portion of the options.

Further description

The Company had issued warrants for 6,837,492 common shares. On 31 May 2024 3,023,886 new ordinary shares were issued to Akastor under the warrant agreement, see further description in Note 22 - Market risk. There are no further warrants outstanding at 31 December 2024.

The Company has a share option plan for 1,850,000 common shares, of which 1,730,000 are outstanding as at 31 December 2024, see further description in Note 32 - Share-based payments.

USD million	2024	2023
Profit/(loss) due to owners of the parent	64.7	222.1
Adjustments	-	-
Profit/(loss) for the period due to holders of common shares	**64.7**	**222.1**
Adjustment related to warrants and share option plan	-	-
Diluted profit/(loss) for the period due to the holders of common shares	**64.7**	**222.1**

	2024	2023
Weighted average number of common shares in issue	238,552,674	236,783,202
Effects of dilutive potential common shares:		
Warrants	-	-
Share option plan	691,146	-
Diluted average number of shares outstanding	**239,243,820**	**236,783,202**

	2024	2023
Basic earnings per share (USD)	**0.27**	**0.94**
Diluted earnings per share (USD)	**0.27**	**0.94**

Note 34 Events after the reporting period

Refer to Note 27 - Contingencies for information about the judgment issued by the Hordaland District court on 23 January 2025 related to the Odfjell Offshore Ltd tax case.

12 February 2025, the Board of Directors approved a dividend distribution of USD 0.125 per share, equal to approximately USD 30 million, with payment in March 2025.

There have been no other events after the balance sheet date with material effect on the financial statements ended 31 December 2024.

Parent Company Financial Statements

Income Statement

for the year ended 31 December

USD thousands	Note	2024	2023
OPERATING REVENUES	**3**	**93**	**137**
Personnel expenses	4	(486)	(429)
Other operating expenses	3,5	(2,322)	(3,898)
Total operating expenses		**(2,808)**	**(4,327)**
OPERATING PROFIT / (LOSS) - EBIT		**(2,716)**	**(4,189)**
Interest income	3,6	10,865	24,252
Dividend income from subsidiaries	3,7	70,000	-
Interest expenses	3,6	(6,525)	(10,446)
Other financial items	6	(13,517)	(3,285)
Net financial items		60,823	10,522
PROFIT BEFORE TAX		**58,107**	**6,332**
Income tax	15	-	-
PROFIT FOR THE PERIOD		**58,107**	**6,332**
Of which attributable to common shareholders		58,107	(868)
Of which attributable to preference shareholders		-	7,200
EARNINGS PER SHARE (USD)			
Basic earnings per share	16	0.24	(0.00)
Diluted earnings per share	16	0.24	(0.00)

Statement of Comprehensive Income

for the year ended 31 December

USD thousands	Note	2024	2023
Profit for the period		58,107	6,332
Other comprehensive income:			
Items that will not be reclassified to profit or loss:		-	-
Items that are or may be reclassified to profit or loss:		-	-
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**-**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**58,107**	**6,332**
Total comprehensive income for the period is attributable to:			
Common shareholders		58,107	(868)
Preference shareholders		-	7,200

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

Statement of Financial Position

USD thousands	Note	31.12.2024	31.12.2023
Assets			
Investments in subsidiaries	7	857,504	857,140
Non-current receivables subsidiaries	3	142,695	116,629
Non-current receivable Odfjell Technology Ltd	3	27,055	30,196
TOTAL NON-CURRENT ASSETS		**1,027,254**	**1,003,965**
Other current assets	9	267	9,152
Other current receivables subsidiaries		1,452	1,702
Cash and cash equivalents	10	2,331	8,178
TOTAL CURRENT ASSETS		**4,050**	**19,031**
TOTAL ASSETS		**1,031,304**	**1,022,996**

USD thousands	Note	31.12.2024	31.12.2023
Equity and liabilities			
Share capital	12	2,398	2,368
Other contributed capital		383,781	367,785
Other reserves		3,002	2,638
Retained earnings		578,774	577,858
TOTAL EQUITY		**967,955**	**950,649**
Non-current liabilities subsidiaries	3	-	64,475
TOTAL NON-CURRENT LIABILITIES		**-**	**64,475**
Current liabilities subsidiaries	3	62,548	-
Warrant liabilities	11	-	4,240
Trade payables		225	583
Other current liabilities	9	576	3,050
TOTAL CURRENT LIABILITIES		**63,349**	**7,873**
TOTAL LIABILITIES		**63,349**	**72,348**
TOTAL EQUITY AND LIABILITIES		**1,031,304**	**1,022,996**

The Board of Odfjell Drilling Ltd.

28 April 2025, London, United Kingdom

Simen Lieungh	Helene Odfjell	Harald Thorstein	Knut Hatleskog	Alasdair Shiach	Diane Stephen
Chair	Director	Director	Director	Director	General Manager

Statement of Changes in Equity

USD thousands	Note	Share capital	Other contributed capital	Other reserves	Retained earnings	Total equity	Equity attributable to common shares	Equity attributable to preference shares	Total equity
Balance at 1 January 2023		**2,529**	**442,623**	**2,241**	**626,212**	**1,073,605**	**979,534**	**94,072**	**1,073,605**
Profit/(loss) for the period		-	-	-	6,332	6,332	(868)	7,200	6,332
Other comprehensive income for the period		-	-	-	-	-	-	-	-
Total comprehensive income for the period		**-**	**-**	**-**	**6,332**	**6,332**	**(868)**	**7,200**	**6,332**
Dividend to common shareholders		-	-	-	(28,415)	(28,415)	(28,415)	-	(28,415)
Cash dividend to preference shareholders		-	-	-	(2,332)	(2,332)	-	(2,332)	(2,332)
Repurchase and cancellation of preference shares		(161)	(74,839)	-	(23,940)	(98,940)	-	(98,940)	(98,940)
Cost of share-based option plan		-	-	398	-	398	398	-	398
Transactions with owners		**(161)**	**(74,839)**	**398**	**(54,687)**	**(129,289)**	**(28,017)**	**(101,272)**	**(129,289)**
BALANCE AT 31 DECEMBER 2023		**2,368**	**367,785**	**2,638**	**577,858**	**950,649**	**950,649**	**-**	**950,649**
Profit/(loss) for the period		-	-	-	58,107	58,107	58,107	-	58,107
Other comprehensive income for the period		-	-	-	-	-	-	-	-
Total comprehensive income for the period		**-**	**-**	**-**	**58,107**	**58,107**	**58,107**	**-**	**58,107**
Dividend to common shareholders	12	-	-	-	(57,192)	(57,192)	(57,192)	-	(57,192)
Issuance of new shares / Warrants exercised	12	30	15,997	-	-	16,027	16,027	-	16,027
Cost of share-based option plan	4	-	-	364	-	364	364	-	364
Transactions with owners		**30**	**15,997**	**364**	**(57,192)**	**(40,801)**	**(40,801)**	**-**	**(40,801)**
BALANCE AT 31 DECEMBER 2024		**2,398**	**383,781**	**3,002**	**578,774**	**967,955**	**967,955**	**-**	**967,955**

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

Statement of Cash Flow

for the year ended 31 December

USD thousands	Note	2024	2023
Cash flow from operating activities:			
Profit before tax		58,107	6,332
Adjustments for:			
Gain sale of investments in bonds		(420)	-
Net interest expense / (income)		(4,353)	(20,644)
Change in value of market-based derivatives	14	11,730	1,986
Income from subsidiaries	3	(70,000)	-
Net currency loss / (gain) not related to operating activities		3,141	561
Changes in working capital:			
Trade payables		(358)	500
Other accruals and current receivables /payables		(2,028)	(8,879)
Cash generated from operations		**(4,180)**	**(20,144)**
Net interest received / (paid)		1,010	459
NET CASH FLOW FROM OPERATING ACTIVITIES		**(3,170)**	**(19,685)**
Cash flows from investing activities:			
Proceeds from non-current receivables subsidiaries	3	44,836	144,970
Payments to subsidiaries, non-current receivables	3	(8,000)	-
Payment regarding letter of indemnity to Odfjell Technology Ltd		-	(30,757)
Proceeds from investments in bonds	9	9,136	-
NET CASH FLOW FROM INVESTING ACTIVITIES		**45,971**	**114,213**
Cash flows from financing activities:			
Repayment of external borrowings		-	(95,000)
Payments on borrowing facilities from subsidiaries	3	(2,786)	-
Proceeds from borrowing facilities from subsidiaries	3	11,300	35,114
Net proceeds from capital increases	12	30	-
Dividend paid	12	(57,192)	(28,415)
NET CASH FROM FINANCING ACTIVITIES		**(48,648)**	**(88,301)**
Exchange gains/(losses) on cash and cash equivalents		-	-
NET CHANGE IN CASH AND CASH EQUIVALENTS		**(5,847)**	**6,227**
Cash and cash equivalents at 01.01		8,178	1,951
CASH AND CASH EQUIVALENTS AT 31.12		**2,331**	**8,178**

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

Notes to the Parent Company Financial Statements

All amounts are in USD thousands unless otherwise stated

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Note 1 Accounting policies

The principal activities of the Company is owning its shares in subsidiaries, as well as providing management services.

The financial statements for Odfjell Drilling Ltd., have been prepared and presented in accordance with IFRS® Accounting Standards as endorsed by EU, and are based on the same accounting policies as the Consolidated Group Financial Statements with the following additions:

Investments in subsidiaries

Investments in subsidiaries are based on the cost method. Refer to Note 7 - Investments in subsidiaries.

Dividends

Dividends and group contribution from subsidiaries are recognised in profit or loss in the parent company financial statements when the Company's right to receive the dividend is established.

For further information, reference is made to the consolidated group financial statements

Note 2 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. These estimates are based on the actual underlying business, its present and forecast profitability over time, and expectations about external factors such as interest rates, foreign exchange rates, and other factors which are outside the Company's control. The resulting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

The most important areas where estimates and judgements are having an impact are listed below.

Detailed information regarding significant judgement is disclosed in the following notes:

- Non-current receivable - Letter of indemnity (Note 3 - Related parties)
- Evaluation of indicators of impairment of investment in subsidiaries (Note 7 - Investment in subsidiaries)

Going concern

Refer to Consolidated Financial Statements Note 3 - Critical accounting estimates and judgements.

Taking all relevant risk factors and available options for financing into consideration, the Board has a reasonable expectation that the Company has adequate resources to continue its operational existence for the foreseeable future.

Note 3 Related parties - transactions, receivables and liabilities

Revenue from related parties

Type of transaction	Related party	Relation	2024	2023
Management fee	Companies in Odfjell Drilling Ltd Group	Subsidiary	38	76
Other consultancy services	Companies in Odfjell Technology Ltd Group	Related to main shareholder	55	61
Dividend	Odfjell Rig Owning Ltd.	Subsidiary	70,000	-
Interest income non-current loan	Odfjell Rig Owning Ltd.	Subsidiary	9,862	23,793
Guarantee provision	Companies in Odfjell Drilling Ltd Group	Subsidiary	1,452	1,702
TOTAL			**81,406**	**25,632**

Related parties expenses

Type of transaction	Related party	Relation	2024	2023
Interest on long term loan	Odfjell Drilling Services Ltd.	Subsidiary	6,519	3,608
Service fee	Odfjell Drilling AS	Subsidiary	9	98
Service fee and other consultancy services	Companies in Odfjell Technology Ltd Group	Related to main shareholder	350	9
Facility services	Companies in Odfjell Technology Ltd Group	Related to main shareholder	48	146
TOTAL			**6,926**	**3,862**

Non-current receivable Odfjell Technology Ltd

Refer to Note 27 - Contingencies in the Group Financial Statements for information about the letter of indemnity issued by the Company to Odfjell Technology Ltd, and the judgment issued by the court on 23 January 2025 related to the Odfjell Offshore Ltd. tax case.

Non-current receivables - related parties

The company has a loan agreement with subsidiary Odfjell Rig Owning Ltd.

Subsidiary	Interest conditions	Maturity date	Receivable 2024	Receivable 2023	Interest income 2024	Interest income 2023
Odfjell Rig Owning Ltd.	3 mnt USD Term SOFR+ 3.5% margin	09.05.2029	142,695	116,629	9,862	23,793
TOTAL NON-CURRENT			**142,695**	**116,629**	**9,862**	**23,793**

Movements in non-current receivables subsidiaries are analysed as follows:

USD thousands	2024	2023
Carrying amount as at 1 January	116,629	339,078
Cash flows:		
New loans provided to subsidiaries	8,000	-
Payments received from subsidiaries	(44,836)	(144,970)
Non-cash flows:		
Reclassified from current receivables	-	(2,332)
Dividend received offset in loan	70,000	
Offsetting agreement*	(16,959)	
Repurchase of preference shares offset loan receivable	-	(98,940)
Interest accrued	9,862	23,793
CARRYING AMOUNT AS AT 31 DECEMBER	**142,695**	**116,629**

* Transfer of receivable through a set-off agreement between the Company and the subsidiaries Odfjell Rig Owning Ltd and Odfjell Drilling Services Ltd.

Refer to Note 7 - Investments in subsidiaries for impairment indicator assessment as at 31 December 2024.

Non-current liabilities- related parties

Loans from subsidiaries:	Interest conditions	Maturity date	Liabilities 2024	Liabilities 2023	Interest expenses 2024	Interest expenses 2023
Odfjell Drilling Services Ltd.	3 mnt USD Term SOFR+ 3.5% margin	09.11.2025	62,548	64,475	6,519	3,608
TOTAL LOANS FROM SUBSIDIARIES			**62,548**	**64,475**	**6,519**	**3,608**
Classified as current liabilities			*62,548*	-		
Classified as non-current liabilities			-	*64,475*		

The loan agreement between the Company and the subsidiary Odfjell Drilling Services Ltd, with maximum aggregated loan amount for the borrowing facility of USD 200 million, is expected to be amended in 2025 in order to extend the maturity date.

Movements in non-current liabilities subsidiaries are analysed as follows:

USD thousands	2024	2023
Carrying amount as at 1 January	64,475	25,753
Cash flows:		
Proceeds from loan	11,300	35,114
Repayment of loan	(2,786)	-
Non-cash flows:		
Offsetting agreement*	(16,959)	-
Interest cost accrued	6,519	3,608
CARRYING AMOUNT AS AT 31 DECEMBER	**62,548**	**64,475**

* Transfer of receivable through a set-off agreement between the Company and the subsidiaries Odfjell Rig Owning Ltd and Odfjell Drilling Services Ltd.

Current receivables and liabilities - related parties

USD thousands			2024	2024	2023	2023
Type of transaction	**Related party**	**Relation**	**Receivables**	**Liabilities**	**Receivables**	**Liabilities**
Trade	Subsidiaries	Subsidiary	51	-	92	(98)
Trade	Companies in Odfjell Technology Ltd Group	Related to main shareholder	32	(183)	77	(110)
Other current	Subsidiaries	Subsidiary	1,452	-	1,702	-
Other current	Companies in Odfjell Technology Ltd Group	Related to main shareholder	-	(423)	-	(2,071)
TOTAL CURRENT			**1,535**	**(605)**	**1,870**	**(2,279)**

* The current receivables and liabilities have less than one year maturity.

Note 4 Personnel expenses

USD thousands	2024	2023
Wage cost		
Salaries	249	178
Payroll tax	42	27
Pension costs	13	15
Employee benefits and other personnel expenses	2	35
Board of directors fee	181	174
TOTAL PERSONNEL EXPENSES	**486**	**429**

The company had two employees at 31 December 2024 and (two at 31 December 2023).

For details of salary, variable pay and other benefits provided to the General Manager and compensation to the Board of Directors, refer to Note 31 - Remuneration to the Board of Directors, key executive management and Group auditor in the Group Financial Statements. The expense related to services provide by the General Manager are part of the Other operating expenses.

Refer to Note 32 - Share-based payments in the Group Financial Statements for information about the Cost of Share-option plan.

No loans or guarantees have been given to the members of the board of directors.

Note 5 Operating expenses

USD thousands	Note	2024	2023
Fee to the auditor (excluding VAT):			
Auditors fee		143	123
Other services from auditor		46	23
Other operating expenses:			
Service fee	3	9	108
Facility services	3	48	146
Legal and financial assistance		1,555	3,366
Travel expenses		28	11
Other expenses		493	121
TOTAL OPERATING EXPENSES		**2,322**	**3,898**

Note 6 Financial income and expenses

USD thousands	Note	2024	2023
Interest income from subsidiaries	3	9,862	23,793
Other interest income		1,003	459
TOTAL INTEREST INCOME		**10,865**	**24,252**

USD thousands	Note	2024	2023
Interest expenses borrowings from subsidiaries	3	(6,519)	(3,608)
Interest expense external borrowings		-	(6,838)
Other interest expenses		(6)	-
TOTAL INTEREST EXPENSES		**(6,525)**	**(10,446)**

USD thousands		2024	2023
Guarantee commissions	3	1,452	1,702
Change in value of market-based derivatives	14	(11,730)	(1,986)
Net currency gain / (loss)		(3,659)	(3,000)
Gain sale of investments in bonds	9	420	-
TOTAL OTHER FINANCIAL ITEMS		**(13,517)**	**(3,285)**

Note 7 Investments in subsidiaries

Accounting policy

Investments in subsidiaries are valued at cost in the company accounts. The investment is valued as cost of acquiring shares, providing they are not impaired. An impairment loss is recognised for the amount by which the carrying amount of the subsidiary exceeds its recoverable amount. The recoverable amount is the higher of fair value less cost to sell and value in use. The recoverable amount of an investment in a subsidiary would normally be based on the present value of the subsidiary's future cash flow.

Listing of directly owned subsidiaries

Company	Acquisition / formation date	Registered office	Place of business	Shares owned	Voting rights	Functional currency	Share capital in USD	Profit / (loss) 2024	Equity as at 31.12.2024	Book value as at 31.12.2024
Odfjell Drilling Services Ltd.	2011	Hamilton, Bermuda	Aberdeen, UK	100%	100%	USD	10,000	7,152	60,326	50,450
Odfjell Rig Owning Ltd.	2015	Hamilton, Bermuda	Aberdeen, UK	100%	100%	USD	10,000	50,933	1,054,160	807,054
									TOTAL	**857,504**

Dividend received

During 2024, the Company received dividend of USD 70 million from Odfjell Rig Owning Ltd.

Impairment assessment

Investments in subsidiaries are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount of the investment exceeds the recoverable amount.

Odfjell Drilling has not identified any impairment indicators for the investments as at 31.12.2024.

Note 8 Financial assets and liabilities

Financial instruments by category and level

The tables below analyse financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3). For short term assets and liabilities at level 3, the value is approximately equal to the carrying amount. As the time horizon is due in short term, future cash flows are not discounted.

Valuation techniques used to derive Level 3 fair values

Warrant liabilities are Level 3 derivatives held at fair value through profit or loss. The Company has calculated fair value of the warrant liability using a modelling technique with Monte Carlo simulation together with judgement regarding modelling assumptions. The warrants were exercised in May 2024. There are no warrants outstanding as at 31 December 2024.

Fair value for instruments at amortised cost

The fair value of the financial assets and liabilities at amortised cost approximate their carrying amount.

The Company had the following financial instruments at each reporting period:

USD thousands	Note	Level	31.12.2024	31.12.2023
Financial assets at fair value through profit or loss				
Investment in bonds	9	2	-	8,715
Other financial assets				
Non-current receivables subsidiaries	3		142,695	116,629
Other current assets			173	183
Other current receivables subsidiaries			1,452	1,702
Cash and cash equivalents	10		2,331	8,178
TOTAL ASSETS AS AT 31.12			**146,651**	**135,407**

USD thousands	Note	Level	31.12.2024	31.12.2023
Financial liabilities at fair value through profit or loss				
Derivatives not designated as hedging instruments				
• Foreign exchange forward contracts - Other current liabilities	13	2	-	27
Warrant liabilities - Other current liabilities	3	3	-	4,240
Other financial liabilities				
Non-current liabilities subsidiaries	3		-	64,475
Current liabilities subsidiaries	3		62,548	-
Other current liabilities			558	3,038
Trade payables			225	583
TOTAL LIABILITIES AS AT 31.12.			**63,331**	**72,363**

Note 9 Other assets and liabilities

USD thousands	Note	31.12.2024	31.12.2023
Investment in 9.25% USD bond Odfjell Rig III		-	7,115
Investment in 9.875% USD bond HMH Holding b.v.		-	1,600
VAT receivables		94	253
Other current receivables		173	183
TOTAL OTHER CURRENT ASSETS		**267**	**9,152**

Sale of bond to related party

In November 2024, Odfjell Drilling Ltd. sold its holdings in Odfjell Rig III Ltd. bonds, with a nominal value of USD 6,730,770, and HMH Holding B.V. bonds, with a nominal value of USD 1,600,000, to Odfjell Partners Holding Ltd. at market price.

USD thousands	Note	31.12.2024	31.12.2023
Derivative financial instruments		-	27
Social security and other taxes		17	11
Accrued salaries, holiday pay and employee bonus provisions		49	37
Other payables and financial liabilities		-	2,519
Other accrued expenses		510	455
TOTAL OTHER CURRENT LIABILITIES		**576**	**3,050**

Note 10 Cash and cash equivalents

USD thousands	31.12.2024	31.12.2023
Current account NOK	308	31
Current account USD	1,989	710
Current account GBP	34	2,437
Time deposit USD	-	5,000
TOTAL CASH AND BANK DEPOSITS	**2,331**	**8,178**

None of the bank deposits are restricted.

Note 11 Warrant liabilities

The Company had previously issued warrants for up to 6,837,492 common shares. The warrant holder exercised the warrants in May 2024. The warrants were measured at a fair value of USD 16 million at the exercise date, and a change in fair value of USD 11.8 million was recognised as part of Other financial items in the profit or loss in 2024. On 31 May 2024 the warrant liability was converted to equity, and 3,023,886 new ordinary shares were issued to Akastor AS under the warrant agreement.

There are no further warrants outstanding at 31 December 2024.

Note 12 Share capital and shareholders

Refer to Note 24 - Share capital and shareholder information in the Group Financial Statements.

Dividend payments

Refer to Note 24 - Share capital and shareholder information in the Group Financial Statements.

Shareholdings by related parties

Refer to Note 30 - Related parties - transactions, receivables, liabilities and commitments in the Group Financial Statements.

Note 13 Guarantees and securities

Guarantees from the company in relation to subsidiaries' loan agreements

Odfjell Drilling Ltd has furnished an On-Demand Guarantee under the following facility agreements:

- USD 300 million bank facility agreement entered into in 2023 with Odfjell Invest Ltd., as borrower and DNB Bank ASA as Agent on behalf of the Lenders. The liability of Odfjell Drilling Ltd., as guarantor hereunder shall be limited to USD 390 million plus any unpaid amount of interest, fees and expenses, and shall be reduced with amounts actually repaid (and prepaid, if any) under the loan agreement. USD 390 million secured bond issued in May 2023 with Odfjell Rig III Ltd as issuer. The liability of Odfjell Drilling Ltd hereunder shall be limited to USD 487.5 million plus any interest, fees and expenses related to the bond.
- USD 325 million term loan facility agreement entered into on 30 October 2018, and amended and extended in 2023, with Odfjell Rig V Ltd., as borrower and DNB Bank ASA as Agent on behalf of the lenders. The liability of Odfjell Drilling Ltd., as guarantor hereunder shall be limited to USD 422.5 million plus any unpaid amount of interest, fees and expenses, and shall be reduced with amounts actually repaid (and prepaid, if any) under the loan agreement.

Other securities

Refer to Note 26 - Securities and mortgages in the Consolidated Financial Statements.

Guarantees from the company in relation to subsidiaries' other agreements

Odfjell Drilling Ltd., has issued parent company guarantee related to Odfjell Drilling AS' property rental contract with Odfjell Land AS Group.

Parent company guarantees in relation to the subsidiaries' loan agreements:

USD thousands	31.12.2024	31.12.2023
Loan agreement in Odfjell Invest Ltd., Term loan and RCF	238,390	208,492
Bond loan in Odfjell Rig III Ltd	430,250	470,407
Loan agreement in Odfjell Rig V Ltd.	245,467	280,804
TOTAL GUARANTEE LIABILITIES	**914,106**	**959,703**

Book value of assets pledged as security

USD thousands	31.12.2024	31.12.2023
Shares in Odfjell Rig Owning Ltd.	807,054	806,690
Intra-group receivables (Odfjell Drilling group)	144,147	118,331
Bank deposits	2,331	8,178
TOTAL BOOK VALUE OF ASSETS PLEDGED AS SECURITY	**953,532**	**933,199**

Note 14 Financial Risk Management

Refer to Note 20 - Financial risk management in the Group Financial Statements.

Liquidity risk

The liquidity risk is low as a result of adequate long-term funding and available liquidity in subsidiaries.

The amounts disclosed in the table are the contractual non-discounted cash flows. The table include estimated interest payments for drawn facilities at the balance sheet date, based on the remaining period at the end of the reporting period to the contractual maturity date.

Maturity of financial liabilities – 31.12.2024

USD thousands	Less than 6 months	6 - 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
Current liabilities subsidiaries	2,462	64,344	-	-	-	66,806	62,548
Other current liabilities	558	-	-	-	-	558	558
Trade payables	225	-	-	-	-	225	225

In addition to the financial liabilities listed in table above, the company has issued guarantees in relation to subsidiaries' loans agreements. See further information in Note 13 - Guarantees and securities.

Maturity of financial liabilities – 31.12.2023

USD thousands	Less than 6 months	6 - 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
Non-current liabilities subsidiaries	3,101	3,101	69,809	-	-	76,012	64,475
Other current liabilities	3,038	-	-	-	-	3,038	3,038
Trade payables	583	-	-	-	-	583	583

Foreign exchange risk

The Company has foreign exchange contracts at fair value through profit and loss.

Foreign currency contracts	Currency	Notional amount	Maturity date	Hedge ratio	Weighted average hedged rate	Carrying amount
31.12.2024						
No foreign currency contracts	n/a	n/a	n/a	n/a	n/a	n/a
31.12.2023						
Buy foreign currency (at fair value through profit or loss)	NOK	64,100	15.04.2024	n/a	12.82000	(27)
Sell foreign currency (at fair value through profit or loss)	GBP	5,000	15.04.2024	n/a	12.82000	included in amount above

Amounts recognised in profit and loss:

USD thousands	31.12.2024	31.12.2023
Foreign exchange contracts - at fair value through profit or loss		
Change in fair value	27	(556)
Warrant liability - at fair value through profit or loss		
Change in fair value	(11,757)	(1,430)

Foreign exchange risk – Exposure 31.12.2024

USD thousands	NOK	GBP	Other non-USD currencies
Cash and cash equivalents	308	34	-

Foreign exchange risk – Sensitivity

The company is to a limited extent exposed to changes in USD/GBP exchange rates. If USD is strengthened by 10% against GBP, the reduction Cash and cash equivalents of USD 0.24 million will reduce net profit before taxes. If USD is weakened by 10% against GBP, the increase Cash and cash equivalents of USD 0.24 million will increase net profit before taxes.

Interest rate risk

The company have related parties interest-bearing receivables and liabilities, refer to Note 3 - Related parties - transactions, receivables and liabilities. Both receivables and liabilities are variable rate borrowings based on USD SOFR. Should these increase by 1%, interest income would increase by USD 1.4 million, while interest expenses would increase by USD 0.6 million, resulting in a net increase of profit before taxes of USD 0.8 million.

Credit risk

The company is exposed to credit risk related to related party current and non-current receivables as listed in Note 3 - Related parties - transactions, receivables and liabilities. Furthermore, the Company has issued financial guarantees to subsidiaries as listed in Note 13 - Guarantees and Securities.

Following IFRS 9 Financial Instruments, the company assess expected credit losses at each reporting date. The credit risk for the receivables and financial guarantee contracts mentioned above has not increased significantly since initial recognition, and the company therefore measures the loss allowance to an amount equal to 12-months expected credit losses.

Due to the low estimated probability of default in the next 12-month period no loss provision is recognised.

Note 15 Income taxes

Odfjell Drilling Ltd. is registered in Bermuda.

There is no Bermuda income, corporation, or profit tax, withholding tax, capital gains, capital transfer tax, estate duty or inheritance tax payable by the company or its shareholders not ordinarily resident in Bermuda. The company is not subject to Bermuda stamp duty on the issue, transfer or redemption of its shares.

The company has received from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1996 an assurance that, in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income, or computed on any capital assets, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, such tax shall not until 2035 be applicable to the company or to any of its operations, or to the shares, debentures, or other obligations of the company, except insofar as such tax applies to persons ordinarily resident in Bermuda and holding such shares, debentures, or other obligations of the company, or any land leased or let to the company. As an exempted company, the company is liable to pay a yearly registration fee in Bermuda.

The company is from 11 December 2018 tax resident in the United Kingdom as a consequence of the Special General Meetings resolution 11 December 2018, amending then Bye-laws and subsequently changing the composition of the Board of Directors to a majority of UK residents. The company is, as all United Kingdom resident companies residents are, liable for UK corporate income taxes.

The company did not pay any taxes to the United Kingdom for the fiscal year 2023, and does not expect to pay any taxes to the United Kingdom for the fiscal year 2024.

The company does not have any material temporary differences and therefore have not recognised any deferred taxes.

Income tax reconciliation

USD thousands	2024	2023
Profit before tax	58,107	6,332
Tax calculated at domestic tax rate - 25%	(14,527)	(1,583)
Effect of non-taxable income and expenses	18,585	3,452
Effect of group relief	(4,058)	(1,869)
TOTAL INCOME TAX EXPENSE	**-**	**-**

Note 16 Earnings per share

Refer to Note 33 - Earnings per share in the Group Financial Statements for accounting policy and further description

USD thousands	**2024**	**2023**
Profit for the period	58,107	6,332
Adjustment for preference shares dividend	-	(7,200)
PROFIT/(LOSS) FOR THE PERIOD DUE TO HOLDERS OF COMMON SHARES	**58,107**	**(868)**
Adjustment related to warrants and share option plan	-	-
DILUTED PROFIT/(LOSS) FOR THE PERIOD DUE TO THE HOLDERS OF COMMON SHARES	**58,107**	**(868)**

	2024	**2023**
Weighted average number of common shares in issue	238,552,674	236,783,202
Effects of dilutive potential common shares:		
Warrants	n/a	-
Share option plan	691,146	-
DILUTED AVERAGE NUMBER OF SHARES OUTSTANDING	**239,243,820**	**236,783,202**

	2024	**2023**
Basic earnings per share	0.24	(0.00)
Diluted earnings per share	0.24	(0.00)

Note 17 Events after the reporting period

Refer to Note 27 - Contingencies in the Group Financial Statements for information about the judgment issued by the Hordaland District court on 23 January 2025 related to the Odfjell Offshore Ltd tax case.

12 February 2025, the Board of Directors approved a dividend distribution of USD 0.125 per share, equal to approximately USD 30 million, with payment in March 2025.

There have been no other events after the balance sheet date with material effect on the financial statements ended 31 December 2024.

Responsibility Statement

We confirm, to the best of our knowledge, that the financial statements for the period 1 January to 31 December 2024 have been prepared in accordance with IFRS as adopted by the European Union, and that the information presented in the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the entity and the Group taken as a whole.

We also confirm to the best of our knowledge that the integrated annual report 2024 includes a true and fair view of the development, performance and financial position of the entity and the Group, together with a description of the principal risks and uncertainties facing the entity and the Group, and that the integrated annual report 2024 meets the information requirements of the Securities Trading Act.

We further confirm to the best of our knowledge that the Sustainability Statement in the integrated annual report have been prepared in accordance with and meets the information requirements of the Securities Trading Act, the European Sustainability Reporting Standards (ESRS) and EU taxonomy (Article 8 of EU Regulation 2020/852).

The Board of Odfjell Drilling Ltd.

28 April 2025 London, United Kingdom

Simen Lieungh	Helene Odfjell	Harald Thorstein	Knut Hatleskog	Alasdair Shiach	Diane Stephen
Chair	Director	Director	Director	Director	General Manager

Auditor's Reports

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To the General Meeting of Odfjell Drilling Ltd

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Odfjell Drilling Ltd, which comprise:

- the financial statements of the parent company Odfjell Drilling Ltd (the Company), which comprise the statement of financial position as at 31 December 2024, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and
- the consolidated financial statements of Odfjell Drilling Ltd and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Odfjell Drilling Ltd for 4 years from the election by the general meeting of the shareholders on 21 September 2021 for the accounting year 2021.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Contingent liability – Letter of indemnity

Reference is made to Note 3 Critical accounting estimates and judgements, Note 27 Contingencies and the Board of Directors report section "Critical accounting estimates".

The Key Audit Matter	*How the matter was addressed in our audit*
The previous subsidiary Odfjell Offshore Ltd has an ongoing tax inquiry from the Norwegian Tax Authorities related to a tax deduction in 2017 of approximately NOK 2.3 billion. Following a re-organisation in 2022, Odfjell Offshore Ltd was transferred to Odfjell Technology Ltd and Odfjell Drilling Ltd issued a letter of indemnity to hold Odfjell Technology Ltd indemnified in respect of any liability that may occur in relation to the Odfjell Offshore Ltd tax case. This includes financing of any payments to the Norwegian Tax Authorities, and expenses incurred in any legal proceedings. A tax ruling was issued by the Norwegian Tax Authorities in December 2022, informing of their conclusion that Odfjell Offshore Ltd is denied the utilized tax loss. Odfjell Offshore Ltd appealed the decision. On 23 January 2025 the District court issued judgement in favour of the Norwegian Tax Authorities. Odfjell Offshore Ltd appealed the verdict, and management's assessment is that the most likely outcome of the court case is that the denial of the tax loss should be revoked. As such, the group has disclosed the matter as a contingent liability. Judgement is required by management to assess whether the matter satisfies the recognition criteria for a provision or should continue to be disclosed as a contingent liability. As the matter involves uncertainty and judgement, and the exposure is considered significant, this is considered a key audit matter.	Our audit procedures in this area included: • Inquiring the regulatory and tax team of the Group and examining correspondence and documentation in respect of the case to understand the status and position of the tax case. • Engaging KPMG tax specialists to assist us in us in evaluating management's assessment on the likelihood of an adverse outcome for the Group. • Inspecting, together with our specialist, the advice received from external legal counsel engaged by the Group to understand and challenge the Group's current position. • Obtaining legal opinions from the Group's external counsel. • Discussing the legal advice obtained, judgment applied and the relevant accounting framework with management. • Evaluating the adequacy of the financial statement disclosures.

Other Information

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KPMG

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Directors' report applies correspondingly to the statement on Corporate Governance.

Our opinion on whether the Board of Directors' report contains the information required by applicable statutory requirements, does not cover the Sustainability Statement, on which a separate assurance report is issued.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an

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opinion on the effectiveness of the Company's and the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion
As part of the audit of the financial statements of Odfjell Drilling Ltd, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name 529900M08ZU24JXMPB85-2024-12-31-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities
Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as

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management determines is necessary.

Auditor's Responsibilities
Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Bergen, 28 April 2025

KPMG AS

Ståle Christensen
State Authorised Public Accountant
(This document is signed electronically)

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To the General Meeting of Odfjell Drilling Ltd

Independent Sustainability Auditor's Limited Assurance Report

Limited Assurance Conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of Odfjell Drilling Ltd (the «Company»), included in Sustainability Statement of the Board of Directors' report (the «Sustainability Statement»), as at 31 December 2024 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the Sustainability Statement (the «Process») is in accordance with the description set out in Double Materiality Assessment; and
- compliance of the disclosures in Taxonomy of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the «Taxonomy Regulation»).

Basis for Conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information («ISAE 3000 (Revised)»), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the *Sustainability Auditor's Responsibilities* section of our report.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements as required by relevant laws and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other Matter

The comparative information included in the Sustainability Statement was not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.

Responsibilities for the Sustainability Statement

The Board of Directors and the Managing Director (Management) are responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this Process in Double Materiality Assessment of the Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability Statement, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the ESRS;
- preparing the disclosures in Taxonomy of the Sustainability Statement, in compliance with the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that Management determines is necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the Sustainability Statement

In reporting forward-looking information in accordance with ESRS, Management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Sustainability Auditor's Responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- Designing and performing procedures to evaluate whether the Process is consistent with the

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Company's description of its Process set out in Double Materiality Assessment.

Our other responsibilities in respect of the Sustainability Statement include:

- Identifying where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to where material misstatements are likely to arise in the Sustainability Statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
    - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
    - reviewing the Company's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Company was consistent with the description of the Process set out in Double Materiality Assessment.

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement by:
    - Obtaining an understanding of the Group's control environment, processes, control activities and information system relevant to the preparation of the Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control; and
    - Obtaining an understanding of the Group's risk assessment process;
- Evaluated whether the information identified by the Process is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;
- Performed inquiries of relevant personnel on selected information in the Sustainability Statement;
- Performed substantive assurance procedures on selected information in the Sustainability Statement;

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- Where applicable, compared disclosures in the Sustainability Statement with the corresponding disclosures in the financial statements and other sections of the Board of Directors' report;
- Evaluated the methods, assumptions and data for developing estimates and forward-looking information;
- Obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement;
- Evaluated whether information about the identified taxonomy-eligible and taxonomy-aligned economic activities is included in the Sustainability Statement; and
- Performed inquiries of relevant personnel and substantive procedures on selected taxonomy disclosures included in the Sustainability Statement.

Bergen, 28 April 2025
KPMG AS

Ståle Christensen
State Authorised Public Accountant – Sustainability Auditor
(This document is signed electronically)

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To the General Meeting of Odfjell Drilling Ltd

Independent auditor's assurance report on report on salary and other remuneration to directors

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Odfjell Drilling Ltd report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2024 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

Our Independence and Quality Management

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We apply the International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements,* and accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our

procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Bergen, 28 April 2025
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Ståle Christensen
State Authorised Public Accountant
(electronically signed)

Definitions Of Alternative Performance Measures

CONTRACT BACKLOG

The Company's fair estimation of revenue in firm contracts and relevant optional periods for Own Fleet measured in USD - subject to variations in currency exchange rates. The calculation does not include anything on performance bonuses and fuel incentives.

EBIT

Earnings before taxes, interest and other financial items. Equal to Operating profit.

EBIT MARGIN

EBIT / Operating revenue

EBITDA

Earnings before depreciation, amortisation and impairment, taxes, interest and other financial items.

EBITDA MARGIN

EBITDA / Operating revenue

EQUITY RATIO

Total equity/total equity and liabilities

FINANCIAL UTILISATION

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 utilisation is only measured for periods on charter. The calculation does not include any recognised incentive payments.

NET INTEREST-BEARING DEBT

Non-current interest-bearing borrowings plus current interest-bearing borrowings less cash and cash equivalents. Interest-bearing borrowings do not include lease liabilities.

NET (LOSS) PROFIT

Equal to Profit (loss) for the period

EARNINGS PER SHARE

Net profit / number of outstanding shares

LEVERAGE RATIO

		31.12.2024	
Non-current interest-bearing borrowings	USD	527.3	million
Current interest-bearing borrowings	USD	95.0	million
Non-current lease liabilities	USD	27.6	million
Current lease liabilities	USD	15.7	million
Adjustment for real estate lease liabilities	USD	(23.0)	million
A ADJUSTED FINANCIAL INDEBTEDNESS	**USD**	**642.6**	**MILLION**
Cash and cash equivalents	USD	118.1	million
Adjustment for restricted cash and other cash not readily available	USD	(15.0)	million
B ADJUSTED CASH AND CASH EQUIVALENTS	**USD**	**103.1**	**MILLION**
A-B=C ADJUSTED NET INTEREST-BEARING DEBT	**USD**	**539.6**	**MILLION**
EBITDA last 12 months	USD	345.4	million
Adjustment for effects of real estate leases	USD	(5.0)	million
D ADJUSTED EBITDA	**USD**	**340.5**	**MILLION**
C/D=E LEVERAGE RATIO		**1.6**	

Table of content

IRO -2: Datapoints deriving from other EU legislation

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR (23) REFERENCE	PILLAR 3 (24) REFERENCE	BENCHMARK REGULATION (25) REFERENCE	EU CIMATE LAW REFERENCE	PAGE/ MATERIALITY
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/ 1816 (27) , Annex II		13
ESRS 2 GOV-1Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		13
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				29
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/ 2453 (28) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		26
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (29) , Article 12(1) Delegated Regulation (EU) 2020/ 1816, Annex II		Not material
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/ 1816, Annex II		Not material
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	31
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/ 2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		31
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/ 2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		35
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				36
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				36
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				36
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/ 2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		37
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/ 2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		37
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	38
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		38
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/ 2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			38
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/ 2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			38
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/ 2453 paragraph 34;Template 2:Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			38
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		38
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				44

IRO -2: Datapoints deriving from other EU legislation

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR (23) REFERENCE	PILLAR 3 (24) REFERENCE	BENCHMARK REGULATION (25) REFERENCE	EU CLIMATE LAW REFERENCE	PAGE/ MATERIALITY
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Not material
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not material
ESRS E3-4 Total water consumption in m 3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				45
ESRS 2- SBM 3 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				45
ESRS 2- SBM 3 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				45
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Not material
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				45
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Not material
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				48
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				48
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				51
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				51
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				51
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/ 1816, Annex II		51, 58
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				51, 58
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				52
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				42, 49, 52
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/ 1816, Annex II		56
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				56
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/ 1816, Annex II		57
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				57
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				57
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/ 1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		57
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				57
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				57
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				58
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/ 1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		58
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/ 1816, Annex II		58
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				58
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Not Material
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/ 1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not Material
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not Material
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Not Material
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/ 1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not Material
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				Not Material
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				63
ESRS G1-1 Protection of whistle blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				61
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/ 1816, Annex II)		63
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				63

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Acronyms

Acronym	Meaning
AC	Audit Committee
AGM	Annual General Meeting
AoC	Acknowledgement of Compliance
AVL	Approved Vendor List
BOP	Blowout Preventer
BWM	Ballast Water Management
CAMS	Competence Assurance Management System
CapEX	Capital Expenditures
CCS	Carbon Capture and Storage
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGU	Cash Generating Unit
CMS	Company Management System
COBC	Code of Business Conduct
COO	Chief Operating Officer
COSO	Committee of Sponsoring Organisations of the Treadway Commission
CPA	Contractual Pension Agreement
CPI	Corruption Perception Index
CPO	Chief Procurement Officer
CRC	Corporate Risk Committee
CSRD	Corporate Sustainability Reporting Directive
DAB	Deepsea Aberdeen
DMA	Double Materiality Assessment
DNSH	Do No Significant Harm
DPA	Designated Person Ashore
DSA	Deepsea Atlantic
DSN	Deepsea Nordkapp
DSS	Deepsea Stavanger
E&P	Exploration and Production
ECL	Expected Credit Losses
EFRAG	European Financial Reporting Advisory Group
EIA	Environmental Impact Assessment
EMT	Executive Management Team

Acronym	Meaning
EPC	Energy Performance Certificate
E-PRTR	European Pollutant Release and Transfer Register
ERM	Enterprise Risk Management
ERP	Enterprise Resource Planning
ESEF	European Single Electronic Format
ESG	Environment, Social and Governance
ESRS	European Sustainability Reporting Standards
FTE	Full-Time Equivalent
FVPL	Fair Value through Profit or Loss
FY	Financial Year
GBI	Global Reporting Index
GHG	Green House Gas(es)
GloBE	Global Minimum Tax
GoO	Guarantees of Origin
HR	Human Resources
HSE	Health, Safety and Environment
HVAC	Heating Ventilation and Air Conditioning
IADC	International Association of Drilling Contractors
IEA	International Energy Agency
IFRS	International Financial Reporting Standards
ILO	International Labour Organisation
IPCC	International Panel on Climate Change
IRO	Impact, Risks and Opportunities
ISM	International Safety Management Code
ISO	International Organisation for Standardisation
IWCF	International Well Control Forum
KPI	Key Performance Indicator
LCM	Lifecycle Management
LTI	Lost Time Injuries
MGO	Marine Gas Oil
MLC	Maritime Labour Convention
MMBOEPD	Million Barrels Of Oil Equivalent Per Day
MODU	Mobile Offshore Drilling Units
MWh	Megawatt-hour

Acronym	Meaning
NACE	Statistical Classification of Economic Activities in the European Community
NCS	Norwegian Continental Shelf
NIBOR	Norwegian Interbank Offered Rate
NO_x	Nitrogen Oxide
OECD	Organisation for Economic Co-operation and Development
OIM	Offshore Installation Manager
OpEx	Operational Expenditures
OTL	Odfjell Technology Ltd
P&A	Plug and Abandonment
PBC	Personal Business Commitments
PB-H	PowerBlade Hybrid
QHSSE	Quality, Health, Safety, Security, Environment
RCF	Revolving Credit Facility
REC	Renewable Energy Certificate
ROV	Remote Operating Vehicles
SASB	Sustainability Accounting Standards Board
SBM	Strategy Business Model
SBTi	Science Based Targets initiative
SCM	Supply Chain Management
SCR	Selective Catalytic Reactor
SCSO	Ship Cyber Security Officer
SOPEP	Shipboard Oil Pollution Emergency Plans
SPS	Special Periodic Survey
SVP	Senior Vice President
TCFD	Task Force on Climate-related Financial Disclosures
TRL	Technology Readiness Level
UK	United Kingdom
UN	United Nations
UNGP	United Nations Guiding Principle on Business and Human Rights
VP	Vice President

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