



# Odfjell Technology Investor Presentation

March 2022

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## Presenting team



**Simen Lieungh**  
**CEO**  
**Odfjell Technology**



**Jone Torstensen**  
**CFO**  
**Odfjell Technology**



**Eirik Knudsen**  
**VP Corporate Finance & IR**  
**Odfjell Drilling**



# Agenda

## ► **Company overview**

Business area overview

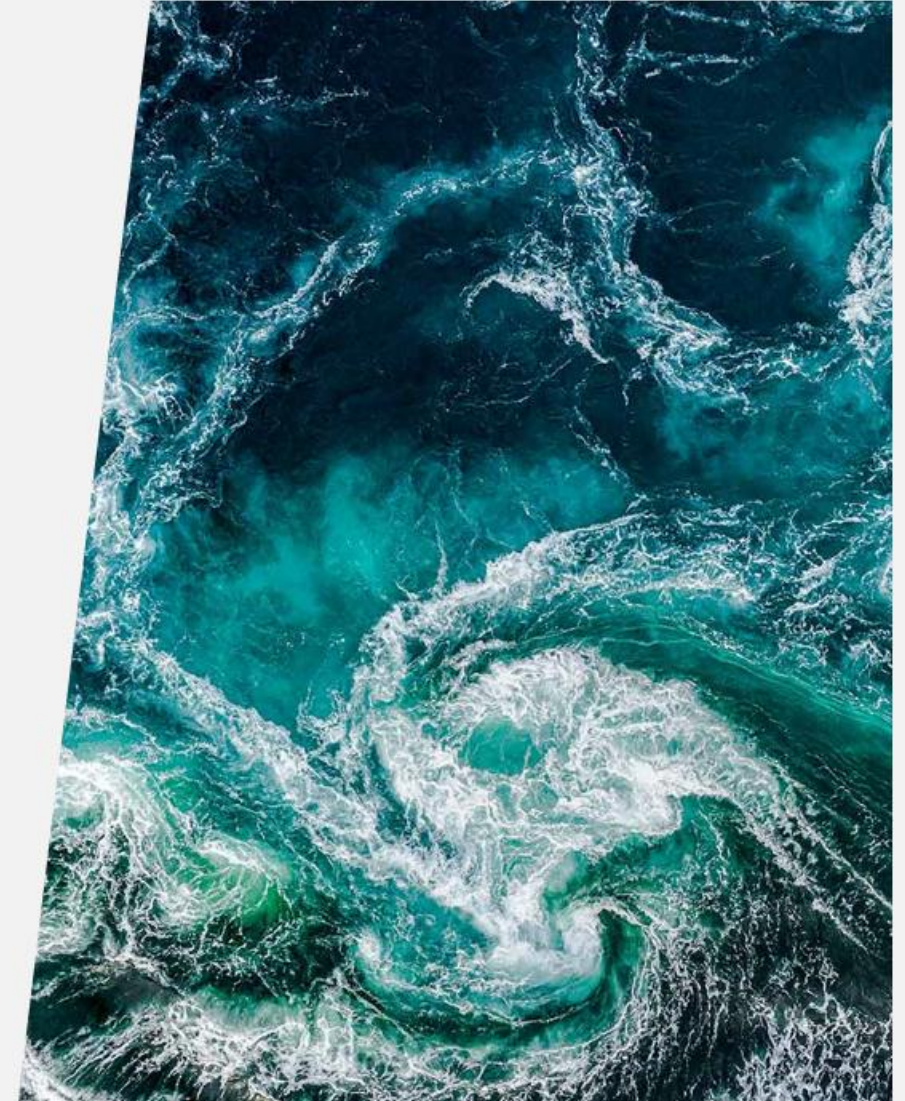
Strategy

Market

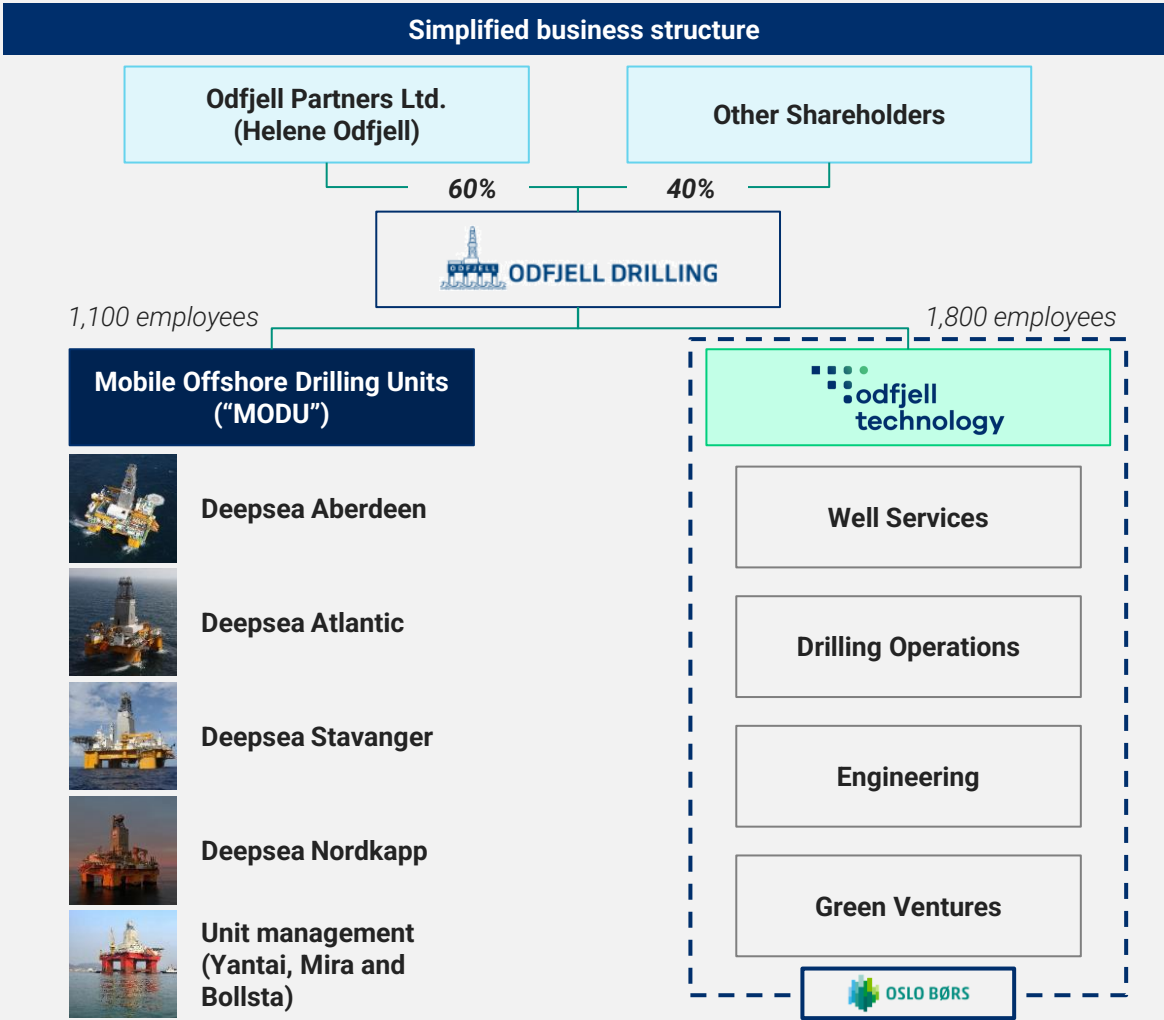
Financial

Organisation

Appendix



# Odfjell Drilling to spin off and list Odfjell Technology Ltd. on the Oslo Stock Exchange



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

Notes: 1): DNB Bank ASA, Danske Bank, Norwegian Branch, and Nordea Bank were the lenders of the existing bank facility that was refinanced by proceeds from the bond issue and the SSRCF. The investment banking divisions of the same banks were the managers of the bond issue, and DNB Bank ASA and Danske Bank, Norwegian Branch are the lenders under the SSRCF

## Overview of the Spin Off

- Odfjell Drilling Ltd. intends to spin off the Well Services and Energy (Drilling Operations and Engineering) segments into a newly established company, Odfjell Technology Ltd., and to list the shares on the Oslo Stock Exchange (the "Spin Off")
- In relation to the Spin Off, existing shareholders of ODL will receive their pro rata distribution of new shares in accordance with their pre-split ownership in ODL
- OTL issued NOK ~1,100m of secured bonds and USD 25m in a super-senior RCF to carry out internal transactions and to repay the USD 150m bank facility<sup>1</sup> related to the businesses being spun off
- The Spin Off will be subject to customary closing conditions being fulfilled
- OSE listing of OTL is expected to be completed in Q1 2022

## Key rationale for the Spin Off

- Position OTL as the independent quality supplier of integrated products and services operations in the oil & gas market, with strong potential to expand into other new markets, including offshore wind
- Simplify both OTL's and ODL's corporate and capital structure
- Enable increased OTL management focus on the attractive financial performance and growth prospects of the business including potential new markets
- Position OTL as an investment opportunity, enhance public interest and analyst coverage, to unlock discount in valuation by attracting the right investors
- Accelerate path to energy transition, creating additional value for the shareholders



# At a glance

<div data-bbox="523 327 1015 509">  </div> <div data-bbox="220 572 1323 703"> <p>International technology and engineering company delivering specialist services, equipment and competence across the offshore energy value chain</p> </div>	<div data-bbox="1897 327 2146 371"> <p>Key financials<sup>1</sup></p> </div> <div data-bbox="1445 432 2601 783"> <table> <tr> <td data-bbox="1445 432 2022 552"> <div data-bbox="1580 453 1855 533"> <p><b>USD 343 million</b> 2021 revenue</p> </div> </td><td data-bbox="2022 432 2601 552"> <div data-bbox="2118 453 2539 533"> <p><b>USD 46 million</b> Cash per Q4'21(pro-forma adjusted)</p> </div> </td></tr> <tr> <td data-bbox="1445 552 2022 671"> <div data-bbox="1589 572 1843 652"> <p><b>USD 45 million</b> 2021 EBITDA</p> </div> </td><td data-bbox="2022 552 2601 671"> <div data-bbox="2208 572 2451 652"> <p><b>2.5x</b> NIBD / 2021 EBITDA</p> </div> </td></tr> <tr> <td data-bbox="1445 671 2022 783"> <div data-bbox="1552 692 1883 772"> <p><b>USD 1.3 billion</b> Revenue backlog per Q4'21<sup>2</sup></p> </div> </td><td data-bbox="2022 671 2601 783"> <div data-bbox="2186 692 2471 772"> <p><b>1.6x</b> EBITDA backlog<sup>3</sup> / NIBD</p> </div> </td></tr> </table> </div>	<div data-bbox="1580 453 1855 533"> <p><b>USD 343 million</b> 2021 revenue</p> </div>	<div data-bbox="2118 453 2539 533"> <p><b>USD 46 million</b> Cash per Q4'21(pro-forma adjusted)</p> </div>	<div data-bbox="1589 572 1843 652"> <p><b>USD 45 million</b> 2021 EBITDA</p> </div>	<div data-bbox="2208 572 2451 652"> <p><b>2.5x</b> NIBD / 2021 EBITDA</p> </div>	<div data-bbox="1552 692 1883 772"> <p><b>USD 1.3 billion</b> Revenue backlog per Q4'21<sup>2</sup></p> </div>	<div data-bbox="2186 692 2471 772"> <p><b>1.6x</b> EBITDA backlog<sup>3</sup> / NIBD</p> </div>
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<div data-bbox="721 836 879 874"> <p>Key facts</p> </div> <div data-bbox="209 922 1388 1334"> <ul style="list-style-type: none"> <li>▪ Five decades of operational experience and know-how</li> <li>▪ Major operations out of Bergen (NO), Stavanger (NO), Aberdeen (UK) &amp; Dubai (UAE)</li> <li>▪ 1,800 employees and operations in around 20 countries during 2021</li> <li>▪ Highly integrated business offering through Well Services, Drilling Operations and Engineering, providing add-on and full-service capabilities</li> <li>▪ Customers include major global oil &amp; gas companies, international and local oil service companies and rig owners</li> <li>▪ Intends to list on the Oslo Stock Exchange during Q1 2022</li> </ul> </div>	<div data-bbox="1894 836 2154 874"> <p>Our businesses</p> </div> <div data-bbox="1445 935 2601 1342"> <table> <tr> <td data-bbox="1445 935 2022 1142"> <div data-bbox="1611 938 1807 968"> <p>Well Services</p> </div> <div data-bbox="1645 995 1773 1115">  </div> </td><td data-bbox="2022 935 2601 1142"> <div data-bbox="2203 938 2471 968"> <p>Drilling Operations</p> </div> <div data-bbox="2270 983 2403 1115">  </div> </td></tr> <tr> <td data-bbox="1445 1142 2022 1342"> <div data-bbox="1631 1166 1804 1197"> <p>Engineering</p> </div> <div data-bbox="1662 1219 1770 1334">  </div> </td><td data-bbox="2022 1142 2601 1342"> <div data-bbox="2225 1166 2463 1197"> <p>Green Ventures<sup>4</sup></p> </div> <div data-bbox="2276 1212 2409 1342">  </div> </td></tr> </table> </div>	<div data-bbox="1611 938 1807 968"> <p>Well Services</p> </div> <div data-bbox="1645 995 1773 1115">  </div>	<div data-bbox="2203 938 2471 968"> <p>Drilling Operations</p> </div> <div data-bbox="2270 983 2403 1115">  </div>	<div data-bbox="1631 1166 1804 1197"> <p>Engineering</p> </div> <div data-bbox="1662 1219 1770 1334">  </div>	<div data-bbox="2225 1166 2463 1197"> <p>Green Ventures<sup>4</sup></p> </div> <div data-bbox="2276 1212 2409 1342">  </div>		
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Notes: 1) Balance sheet figures based adjusted balance sheet per Q4'21; 2) Including options; 3) Estimated EBITDA for illustrative purposes based on revenue backlog and 2018-2020 average EBITDA margins (29%, 9% and 15% for Well Services, Drilling Operations and Engineering, respectively), excluding corporate overhead costs. This does not constitute an opinion of anticipated EBITDA and actual results may differ from the illustrative EBITDA backlog; 4) Early-stage business segment - financial impact to emerge with enhanced long-term focus on energy transition

# Utilising heritage and specialist competence to service the changing energy market

Serving major energy clients globally

Green ventures: Project management, engineering and part ownership in Odfjell Oceanwind

Engineering and administration hubs in key selected regions

Drilling Operations: Crewing and operation of platform drilling units

Engineering: Maintenance, inspection and engineering services

Well services: World-class supplier of well services and equipment

Equipment inventories and operational bases



# Key investment highlights

## Long-lasting and industry-leading offshore and energy service and equipment provider

### Specialist provider of mission-critical life of field services and equipment

- Integrated contractor delivering specialist services, equipment and competence across the offshore energy value chain
- Large international footprint with operations in ~20 countries with 50+ years of experience
- Low operational risk supported by long-lasting relationships with leading energy companies in key markets and regions

### Strong and attractive market fundamentals

- Solid cash generation for oil & gas companies supports increased E&P spending and high activity levels in key regions
- Wells are becoming more complex and deeper, oil & gas companies increasing focus and spending on safety and well integrity
- Significant long-term business opportunities from emerging energy markets, such as offshore wind and plug & abandonment

### Well positioned in markets with high entry barriers

- Recognised specialist and trusted partner with full-service range and strong relationships with the majors in the North Sea
- Preferred supplier with track record of operational excellence, strong QHSE performance, and efficiency improvements for clients
- A- ESG score by the Governance Group<sup>1</sup> and strategy to develop Green Ventures segment and transition into new energy markets

### Resilient financial performance, solid financial position and strong backlog

- Stable through-the-cycle performance with attractive EBITDA margins, repeat business and add-on sales model
- Strong balance sheet with pro-forma net leverage of 2.2x<sup>2</sup>
- Significant revenue backlog<sup>3</sup> of USD ~1.3bn equating to USD ~180m EBITDA<sup>4</sup> (~1.6x opening net debt)

### Highly experienced management team with shareholder focus

- Reputable management with a proven track record and combined industry experience of >110 years
- Continuity ensured through key senior management and board members from Odfjell Drilling
- Capital agenda focuses on cash performance, capital discipline and securing return to shareholders

Notes: 1) Odfjell Drilling's most recent score; 2) Pro-forma NIBD per Q4'21 / adj. EBITDA 2021E. EBITDA 2021E pro-forma adjusted for new mooring business line (equipment acquired in Q3'21 and rental agreement with ODL effective 1 October 2021); 3) Including options; See slide 13, 16 and 19 for further details; 4) Estimated EBITDA for illustrative purposes based on revenue backlog and 2018-2020 average EBITDA margins (29%, 9% and 15% for Well Services, Drilling Operations and Engineering, respectively), excluding corporate overhead costs. This does not constitute an opinion of anticipated EBITDA and actual results may differ from the illustrative EBITDA backlog



# Provider of mission-critical services, equipment and competence since 1973

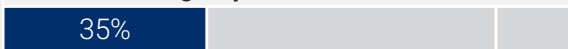


# Offering specialist services, equipment and competences within main segments...



- Provides a wide range of market-leading products and services to the drilling industry, including tubular and casing running, drilling tool rental, fishing, wellbore clean-up and casing while drilling
- Clients are global oil & gas companies involved in both onshore and offshore drilling operations

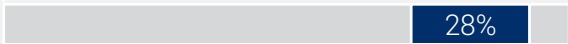
Share of OTL group revenue



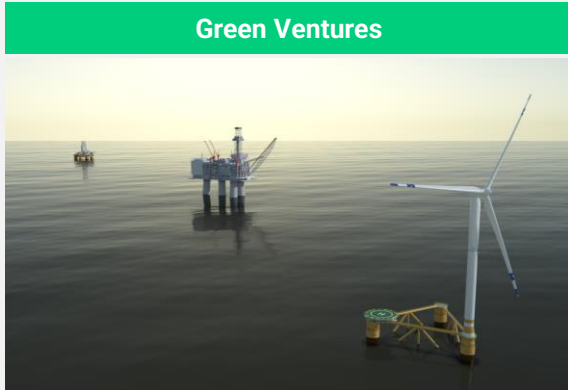
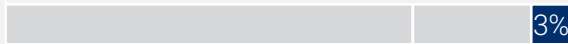
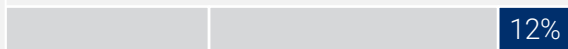
Share of OTL group EBITDA



- Provision of crew for drilling and maintenance on fixed or floating platforms
- Contract lead for providing fully integrated solutions for plug & abandonment (P&A) market
- Responsible for maintenance and recertification of drilling equipment
- One of three leading contractors in the North Sea platform drilling market



- Specialist competence in:
  - all main components of a drilling unit, including upgrades and modifications
  - 5-year rig recertifications
  - engineering and project management
  - marine and operability analysis
- Offshore execution, installation and construction
- Inspection and integrity management

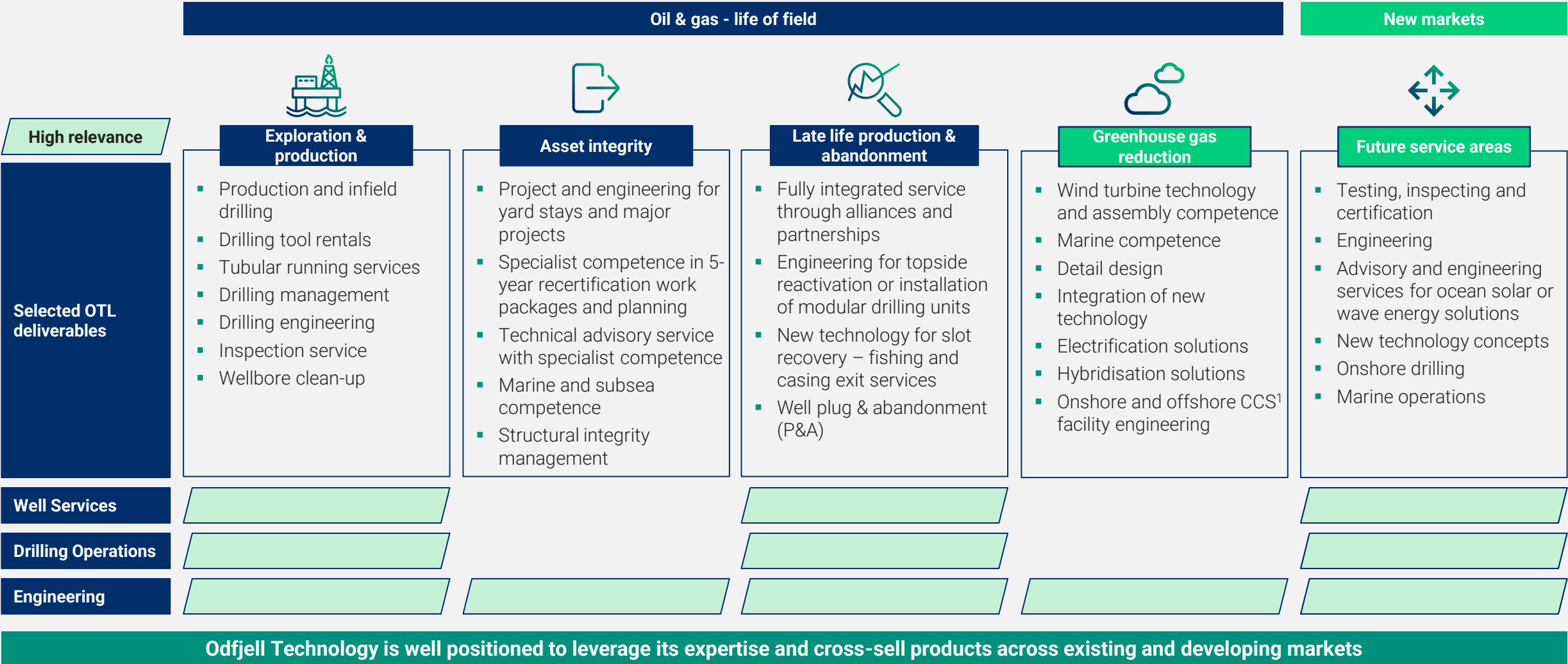


- Strong strategic commitment to diversify outside oil & gas
- Utilise specialist competence from the offshore oil & gas industry to serve new energy markets
- Innovate, research and develop new services, technologies and products required in the energy transition
- Strong offshore wind competency
- Energy mapping and reduction

Financial impact to emerge with enhanced long-term focus on energy transition

Operational excellence across all segments yielding low operational risk

...covering key client focus areas across the oil & gas life of field



Notes: 1) Carbon capture and storage



# Agenda

Company overview

► **Business area overview**

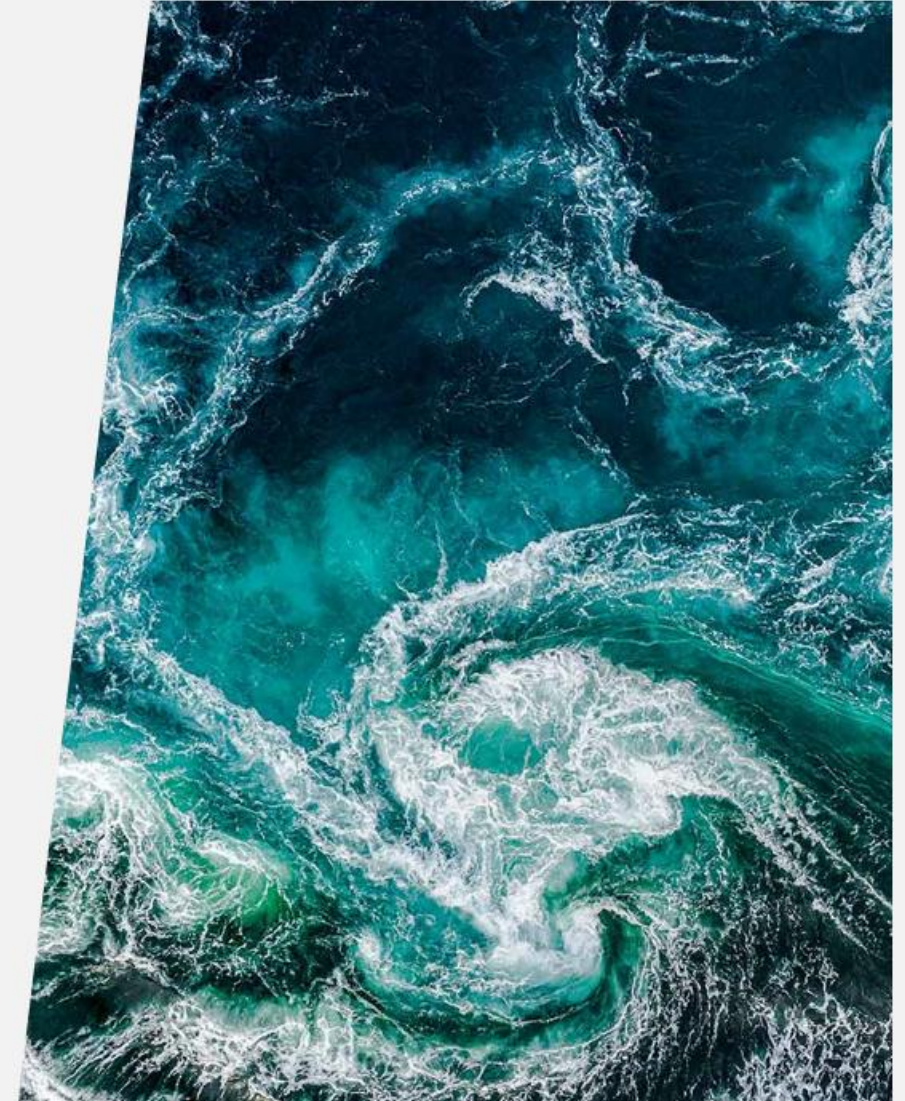
Strategy

Market

Financial

Organisation

Appendix



Odfjell Technology – Well Services

World-class supplier of technologically advanced and integrated services and equipment

Overview

- Started with drill tool rental in the mid-70s and tubular running services in 1982
- A significant global player within the upstream oilfield service sector
- Serving key regions and clients in ~20 countries from 12 bases in Europe, Asia and the Middle East

Revenue per region Q4'21

Region	Revenue (%)
Norway	55%
UK	9%
Europe - other	12%
Asia	21%
Other	3%

Key strengths

- Time, cost and carbon reducing technologies
- Global footprint and optimised asset inventories
- Recognised range of wellbore clean-up tools
- Multi-year contracts with major global oil & gas companies

Revenue backlog<sup>1</sup> of USD 300 million

Year	Firm backlog (USDm)	Options (USDm)	Total (USDm)
2022	89	0	89
2023	67	12	79
2024	39	16	55
2025	20	16	36
After	8	13	21

80%

20%

Firm backlogOptions

Service offerings

Well Intervention Services

- Wellbore clean-up
- Fishing and milling
- Casing exits / side-tracking
- Plug & abandonment
- Rigless intervention

Drilling Tool Services

- Wired drill pipe
- Smart circulation tools
- Drilling tubulars and tubular handling equipment
- Downhole tools

Tubular Running Services

- Conventional and remote-operated tubular running
- Top drive casing running (CRT<sup>2</sup>) and chrome handling
- Fully integrated TRS<sup>3</sup> with rig
- Casing accessories

Casing Drilling Services

- Directional casing drilling
- Non-directional casing drilling
- High speed casing reaming











Notes: 1) As per 31 December 2021; Well Services contract backlog is based on remaining contract duration and estimated run-rate for the long-term contracts (more than 12 months) which have a solid counterpart (i.e. excluding contracts with higher risk clients – currently there are no such contracts), with options/extensions discounted with 50%; 2) Casing running tool; 3) Tubular running services

# Odfjell Technology – Well Services


Well Services stands out from the competition in terms of its reputation for quality and safety

Well Services competitive position


Main competitors

Company	Tubular running	Rental services	Well intervention
 odfjell technology	✓	✓	✓
 EXPRO	✓	✓	✓
 PARKER WELLBORE	✓	✓	✓
 Weatherford	✓	✓	✓
 Baker Hughes	✓		✓
 Saltire energy		✓	
 Wellbore Integrity SOLUTIONS			✓
 IOT GROUP		✓	
 Schlumberger			✓
 WORKSTRINGS INTERNATIONAL <small>A SUPERIOR ENERGY SERVICES COMPANY</small>		✓	


Select regional dynamics



**North Sea**  
 Strong position from decades of experience, reputation for delivering high quality and safety




**Far East**  
 Solid position with large national and global oil companies which engage because OTL is highly trusted in other key markets




**Middle East**  
 Long-standing presence holding significant direct contracts with several major national oil companies, high emphasis on delivering cost competitive and efficient operations


Key differentiators



Integrated offering across several products and services



High trust from decades of experience across the globe

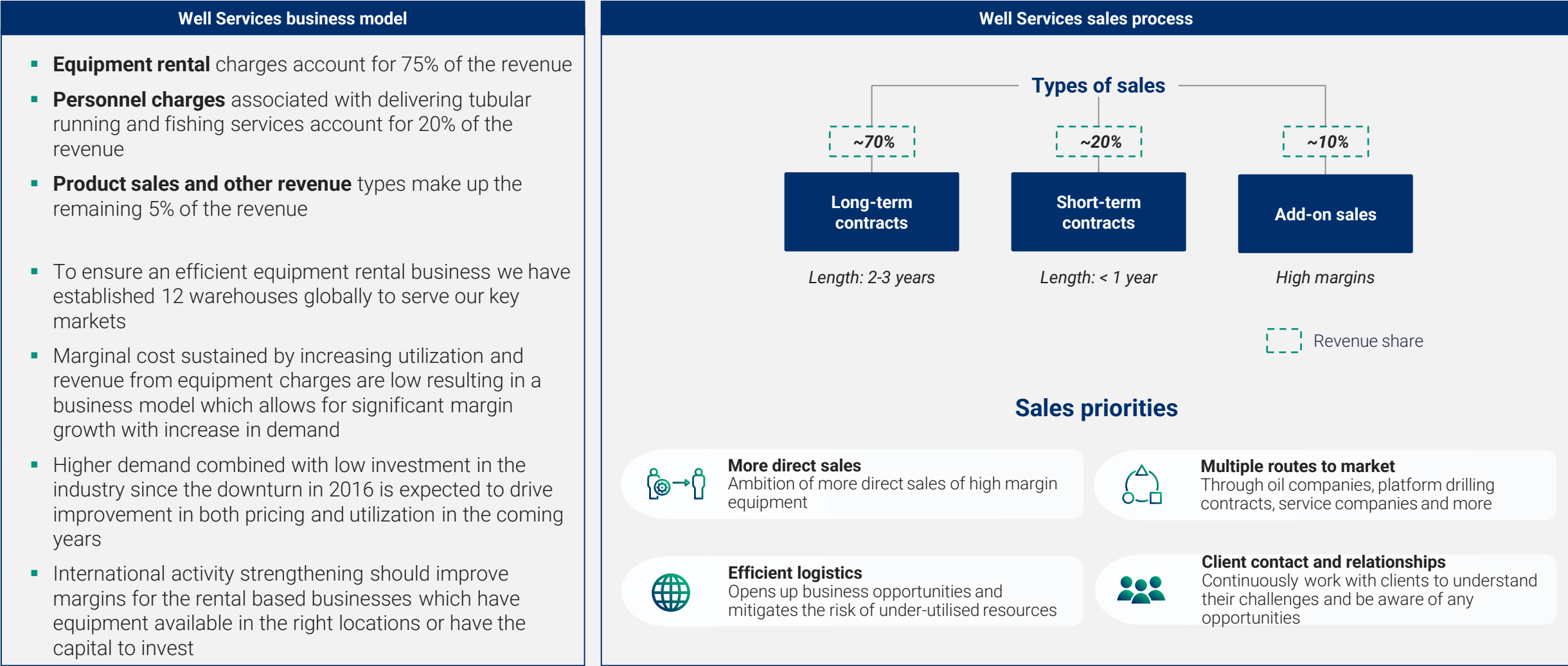


Renowned for safety, quality and the latest technology



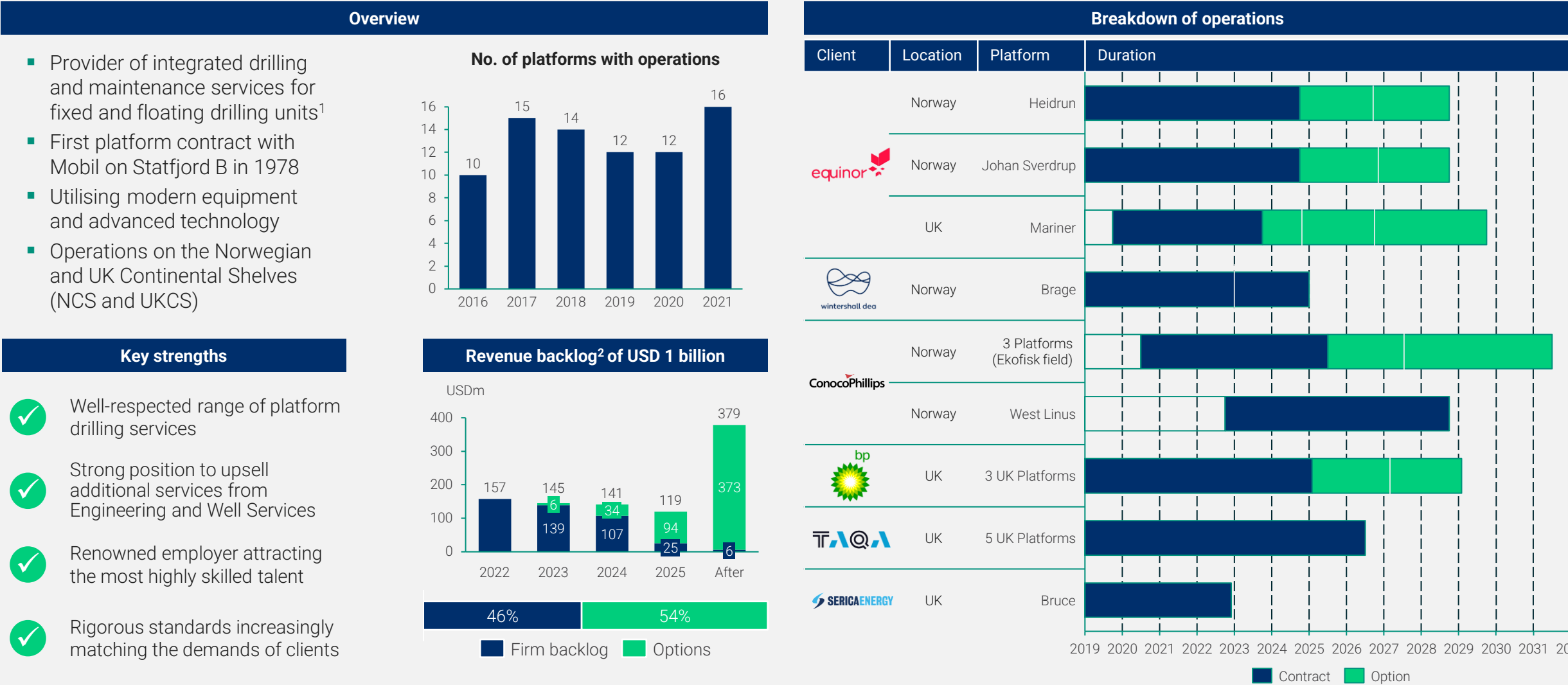
Odfjell Technology – Well Services

Business model based on supplying equipment and services to operators, rig owners and other service companies



Odfjell Technology – Drilling Operations

Leading platform drilling contractor with significant backlog in the North Sea



Notes: 1) Note that there is a difference between platform drilling (OTL business area) and unit management of mobile offshore drilling units (ODL business area), where the latter involves the full operations of a mobile offshore drilling unit (MODU), while platform drilling usually is limited to drilling and maintenance services and is mainly executed on fixed platforms; 2) As per 31 December 2021; Contracted future revenue based on expected operating mode.

# Odfjell Technology – Drilling Operations

Drilling Operations hold a strong position in a concentrated market

Drilling Operations competitive position



Key differentiators



Strong reputation for high operational performance



Highly efficient premium offering increasingly appreciated by clients



Renowned for being the best employer, attracting highly skilled workers

Notes: 1) Share of 2020 European platform drilling services revenues  
Source: Rystad Energy



# Odfjell Technology – Drilling Operations

## Leading QHSE and ESG performance gives basis for several attractive opportunities

Drilling Operations sales process

Contracts generally consist of a fixed period followed by one or more extension options, which are exercised if the client's requirements on QHSE, performance and ESG are satisfied

### Geographical markets



In Norway, OTL is generally invited to all relevant platform drilling tenders and does not require concentrated sales efforts



In the UK and elsewhere, prequalification is more widely used, requiring a greater degree of involvement in the early stages

### Selected opportunities

- ✓ Pipeline of UK P&A opportunities
- ✓ Platform drilling contracts on the NCS and UKCS
- ✓ P&A and slot recovery on the NCS
- ✓ Jack-up management
- ✓ New geographical hubs





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Odfjell Technology – Engineering

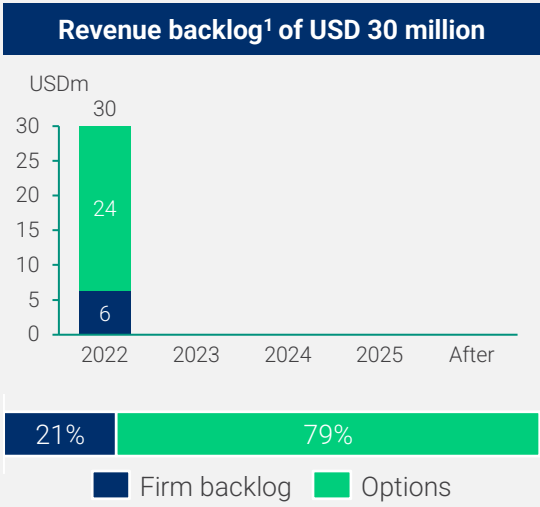
Recognised specialist engineering competence with 50+ years of experience

Overview

- First engineering job on Aker H-3 semi submersible drilling rig in 1969/1970
- Offices in Norway and UK – close to the majority of the customer base
- Approximately 160 employees and 140 contractors
- Delivering project and engineering for the Odfjell Drilling rig fleet, other drilling contractors and platform drilling clients
- Providing detailed engineering for Odfjell Oceanwind floating windmills

Key strengths

- Highly regarded provider of specialist engineering services
- Track record of finding innovative ways to support clients
- Best-in-class HSE performance
- Consistently complying with the highest industry standards



Service offerings

Project and engineering

Special Periodic Surveys (SPS) and recertification

Modifications and upgrades

Yard stays

Integrity management and inspection services

Offshore construction services

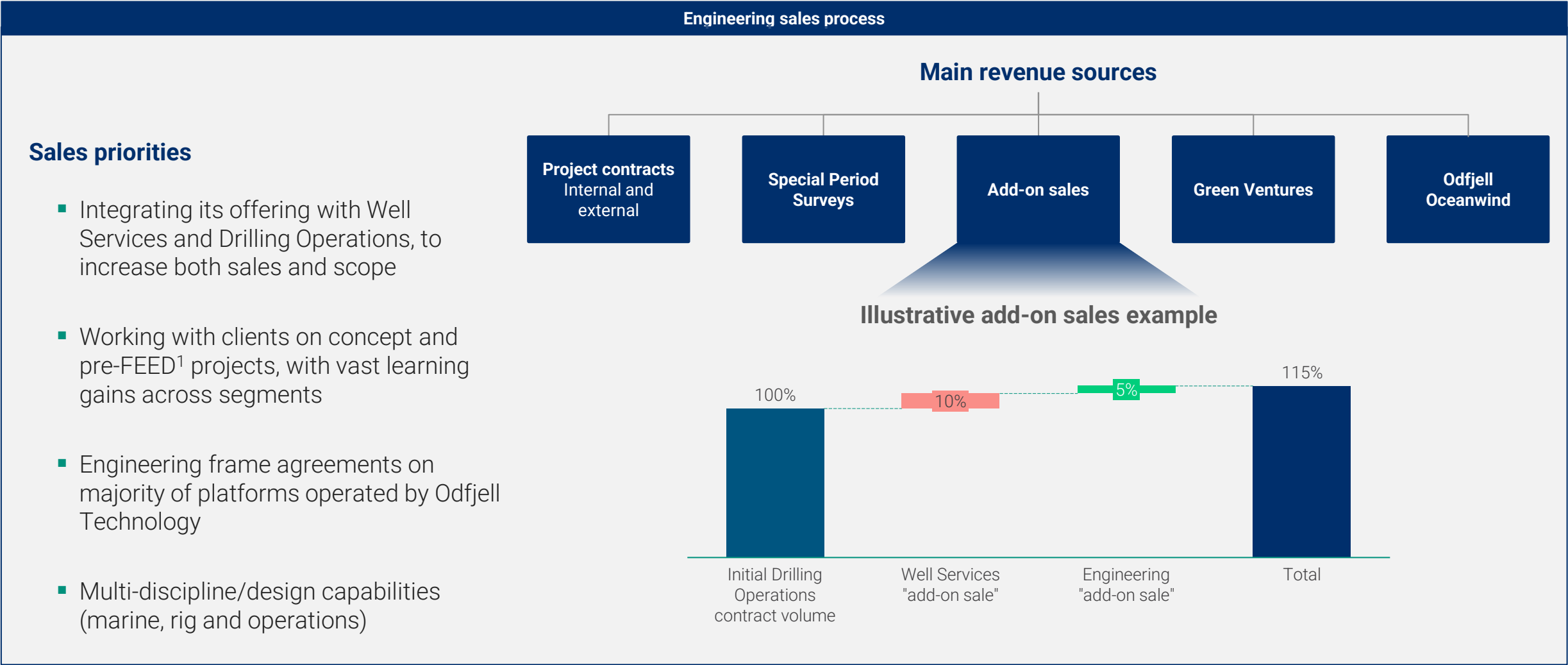
Marine services

Energy mapping and reduction

Notes: 1) As per 31 December 2021; Only contract backlog for 2022 is included for Engineering as well as opportunities with >50% probability of materialising

# Odfjell Technology – Engineering











Increasingly integrated across segments leading to more high margin add-on sales





# Odfjell Technology – Engineering

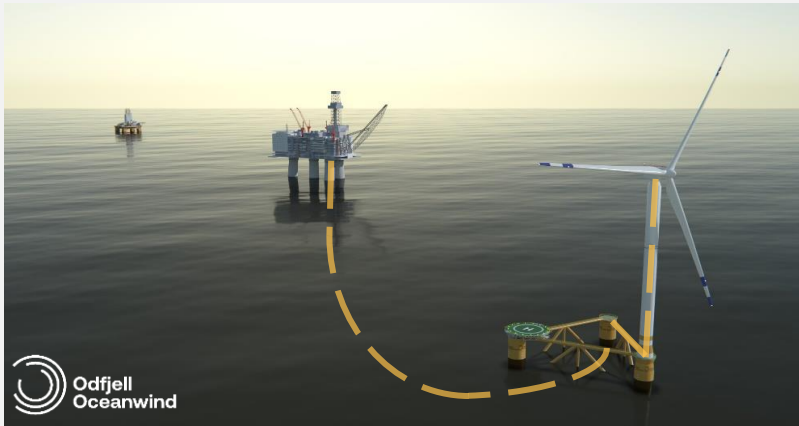
Engineering’s position protected by integration of best-in-class services

Engineering competitive position	
Competitive position	Main competitors
<p><i>Highly specialised engineering services within maritime drilling and wells unmatched by most competitors</i></p> <p><b>Comments</b></p> <ul style="list-style-type: none"><li>Competitive landscape is characterised by some large competitors and many small niche players</li><li>OTL is positioned as a highly specialised supplier of drilling engineering services which can supplement best-in-class integrated products and services across clients’ complementary needs</li></ul>	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>
<p><b>Key differentiators</b></p> <div><div><p>“Best-in-class” reputation</p></div><div><p>Complementary offering increasingly appreciated by clients</p></div><div><p>Renowned for being the best employer, attracting highly skilled workers</p></div></div> <div></div>	

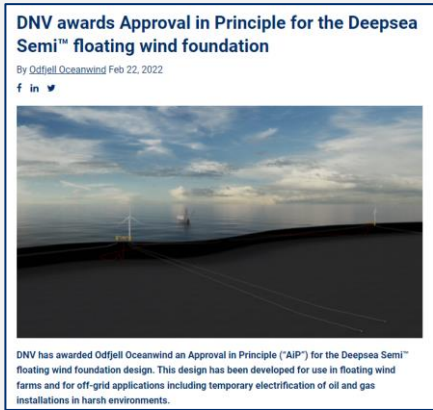
# Odfjell Oceanwind

## The first inorganic step towards the offshore wind market

### Introduction to Odfjell Oceanwind




- Developing a fleet of Mobile Offshore Wind Units (MOWUs), that will either be owned and operated by the company, or owned by customers whereas Odfjell Oceanwind performs operation and maintenance work
- Purpose of the MOWUs is to supply electricity to oil & gas installations that are currently powered by fossil fuels like natural gas or diesel
- Targeting the immediate potential to electrify oil and gas assets through bilateral client discussions and public processes like INTOG (Innovation and Targeted Oil and Gas)
- Will utilize the experience from electrification of oil and gas assets to position the company towards large scale utility wind farm projects like Scotwind and Utsira Nord
- An affiliated company of Odfjell Drilling with access to resources and competencies
- Strategic partnership with Siemens Gamesa and Siemens Energy



DNV has recently awarded an Approval in Principle (AiP) for the Deepsea Semi floating wind foundation design

### Key highlights

-  **Odfjell Drilling + Sway**  
50 years of owning and operating floating assets + 20 years of inventing and designing floating wind
-  **Near-term pipeline of floating wind projects for 2024 commencement**  
Several client studies ongoing and in advanced discussions with NCS clients on MOWU projects that target commencement of operations in 2024
-  **Unmatched portfolio of technologies**  
Proprietary and patented solutions for floating foundations, import/export grids, engineering analyses, integration, mooring and more
-  **Established supply chain for fast-tracking**  
Partnership with Siemens enables standardisation, low cost and fast realisation time

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Business area overview

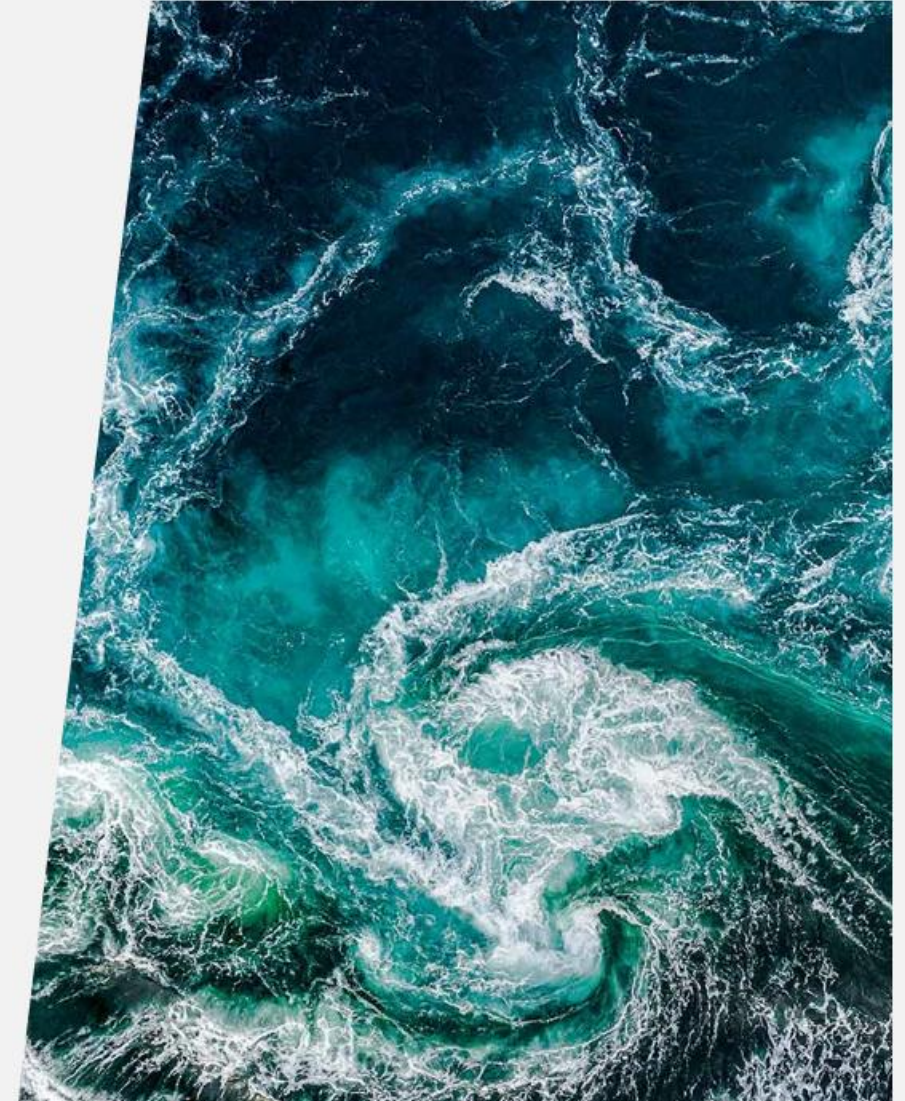
## ► **Strategy**

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# Key strategic priorities going forward



## Operational focus

- Increase market share, order backlog and delivery of new products and services
- Improve margins through strong cost discipline and achieving income bonuses
- Implement and utilise advanced technology and digitalised operations to improve drilling efficiency
- Improve operating margin on existing contracts through improved efficiency and add-on sales



## Capital allocation

- Maintain strong balance sheet securing flexibility through the cycles and for future investment opportunities
- Preserve liquidity in the short-term due to higher capex requirements in 2022 on the back of the reestablishment of the mooring business as well as start-up of two major wired drill pipe projects for Equinor on the NCS
- Prudent and balanced long-term capital allocation policy
- Return cash to shareholders



## ESG / Green Ventures

- Utilise oil & gas heritage and specialist competence to innovate, research and develop new technologies, products and services required for the energy transition, such as Odfjell Oceanwind, and that has an attractive risk-reward relationship
- Continue ODL's commitment to strong ESG planning and execution
- Achieve the highest safety standard, and protect people health and well-being



# Strong focus on operational excellence with consistently high QHSE performance



**Serious about safety**

Consistently strong HSE performance  
Zero Fault Culture



**Excellent customer ratings**

Trust and relationships built with clients over time



**Safe and efficient operations and services**

Remote-operated tools remove personnel from the red zone



**ISO 9001/14001 Certified**

API<sup>1</sup> and DNV<sup>2</sup> certifications



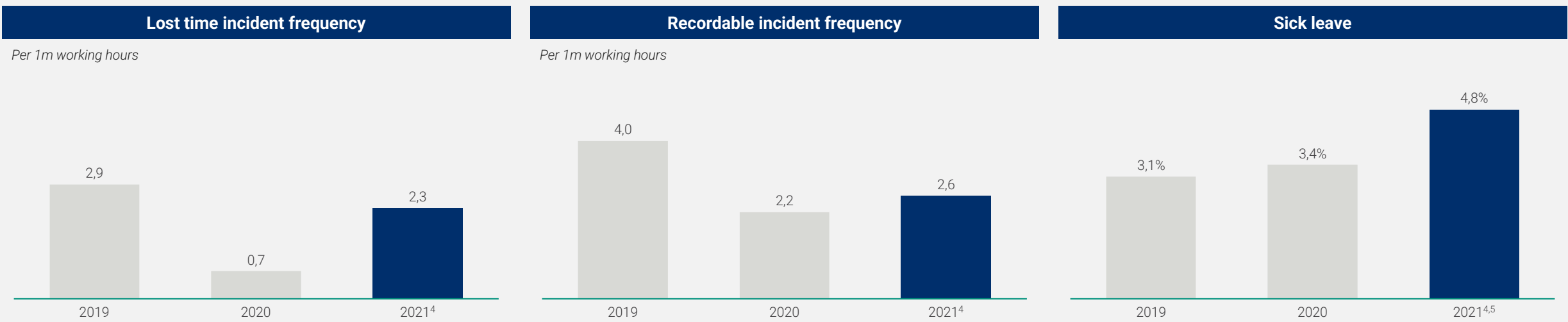
**Minimal NPT<sup>3</sup> globally**

NPT less than 0.2% globally within the well services segment



**World-class specialist competence**

Global local national competency programme



Notes: 1) American Petroleum Institute; 2) DNV is an accredited third-party certification body; 3) Non-productive time; 4) YTD Nov 2021; 5) Increase mainly driven by COVID-19

# Building on ODL's most recent ESG score of A-<sup>1</sup>

- The Governance Group<sup>2</sup> issues the ESG 100 Oslo Stock Exchange report annually
- The report is an ESG analysis of the 100 largest companies on the Oslo Stock Exchange
- To achieve an A rating means that a company has:
  - «Very good reporting in accordance with best practice and standards. It has clearly disclosed material topics and relevant results. There is a concrete strategy and clear, tangible targets»
- Increasingly important for OTL's customers that their suppliers and partners can evidence strong ESG scoring
- The A- rating from The Governance Group is of high importance and OTL expect to continue this rating on a stand-alone basis following the Spin Off from ODL

Norsk Hydro	A+	Nordic Semiconductor	A-	Ocean Yield	C
Scatec	A+	SalMar	B+	SpareBank 1 Ringerike	C
Yara International	A	Sbanken	B+	Kitron	C
Equinor	A	XXL	B+	NEL	C
SpareBank 1 Østlandet	A	Asetek	B+	Norwegian Property	C
Storebrand	A	Wallenius Wilhelmsen	B+	Hofseth BioCare	C
Mowi	A	AF Gruppen	B+	Akva Group	C
Aker Solutions	A	Schibsted	B+	B2Holding	C
Gjensidige Forsikring	A	Tomra Systems	B+	Kongsberg Automotive	C
DNB	A	Telenor	B+	Selvaag Bolig	C
Orkla	A	Norway Royal Salmon	B	Bonheur	C
Bakkafrøst	A	Sparebanken Møre	B	BW Energy Limited	D
Aker BP	A	Hexagon Composites	B	Arcus	D
Veidekke	A	BW LPG	B	Photocure	D
TGS-NOPEC Geophysical Company	A	Wilh. Wilhelmsen Holding	B	Medistim	D
Norske Skog	A-	Aker	B	Norwegian Air Shuttle	D
TietoEVRY	A-	Flex LNG	B	Fjord1	D
SpareBank 1 Nord-Norge	A-	Entra	B	VOW	D
Grieg Seafood	A-	SAS AB	B	Multiconsult	D
Subsea 7	A-	Adevinta	B	Norwegian Energy	D
Austevoll Seafood	A-	BW Offshore Limited	B	Hafnia Limited	E
Kongsberg Gruppen	A-	Pexip Holding	B	REC Silicon	E
Atea	A-	Olav Thon Eiendomsselskap	B	Protector Forsikring	E
Lerøy Seafood Group	A-	Kid	B	DNO	E
Borregaard	A-	Fjordkraft Holding	B	Link Mobility Group	E
SpareBank 1 SR-Bank	A-	SpareBank 1 Østfold Akershus	B	ABG Sundal Collier	E
Elkem	A-	Stolt-Nielsen	B	NTS	E
Odffjell Drilling	A-	Frontline	B-	Otello Corporation	E
Europris	A-	Bouvet	B-	KMC Properties	F
Sparebanken Vest	A-	Cadeler	B-	Crayon Group Holding	F
Salmones Camanchaca	A-	Arendals Fossekompagni	B-	Arctic Zymes Technologies	F
SATS	A-	Golden Ocean Group	B-	Treasure	F
Atlantic Sapphire	A-	BEWI	B-		
SpareBank 1 SMN	A-	Norwegian Finans Holding	C		

Notes: 1) Based on ODL ESG score; 2) The Governance Group is an independent research and advisory firm based in Norway, applying leading ESG standards when conducting benchmarking analysis and having expertise on ESG risk and compliance

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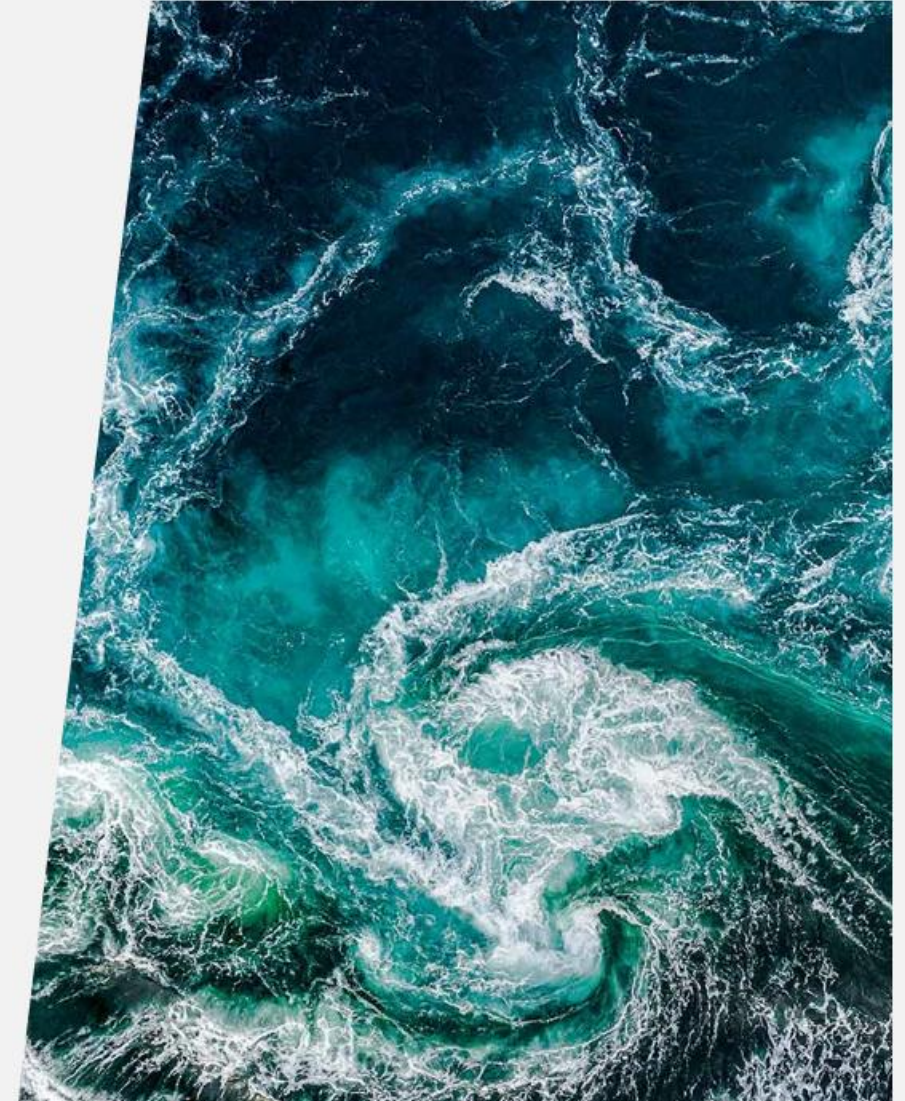
Strategy

## ► **Market**

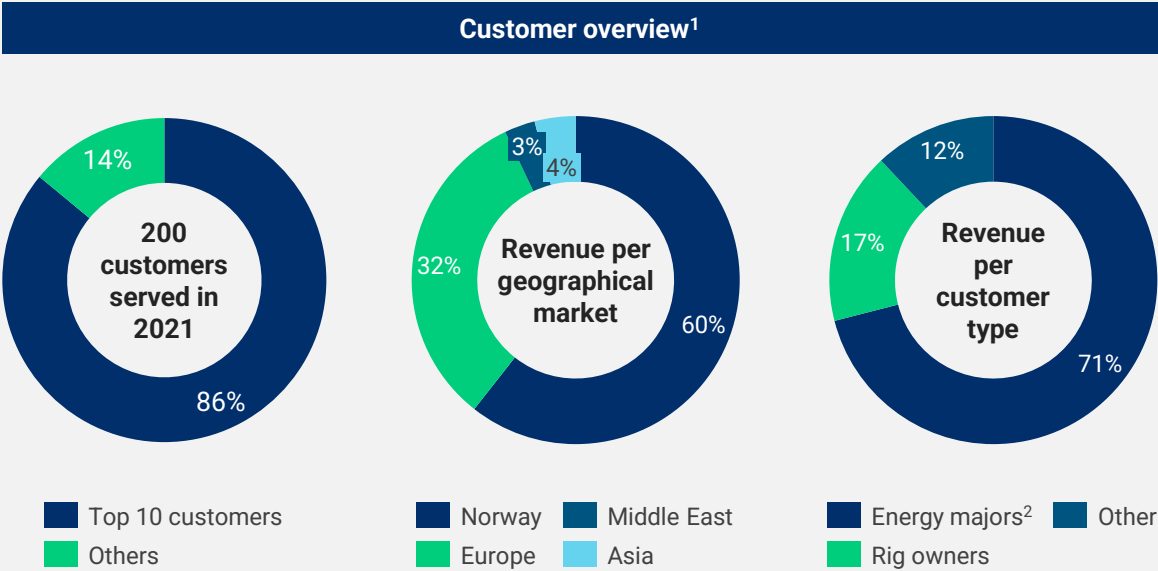
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# Long-lasting relationships with leading energy companies in key markets and regions



**Key highlights**

- Stable customer base provides resiliency and consistent sales**  
Significant degree of repeat business through long-term contracts
- Strong relationships with major energy companies**  
71% of revenue from energy majors, several relationships since the 1980s
- Global and highly diversified customer base**  
No dependence on a single end-market creates stability through the cycle
- Strong market position in the North Sea in all three OTL segments**  
Both green and brownfield services for major energy companies in the North Sea

**Selection of customers**



Notes: 1) As per 31 December 2021; 2) Direct contracts with mostly investment grade type operators such as Equinor, ConocoPhillips, Aker BP, BP, OMV and TAQA



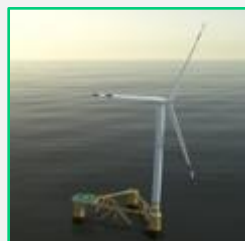


# Significant long-term business opportunities from emerging energy markets



## Plug & abandonment (P&A)

- Decommissioning of oil & gas infrastructure, including P&A, expected to grow from ~USD 5.8bn in 2020 to ~USD 10.8bn in 2030
- Over the next decade, more than 2,000 wells are expected to be permanently abandoned in the UK, up from current levels of around 100 per year



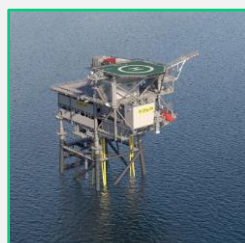
## Offshore wind

- Global offshore wind capacity is forecast to grow by 26% annually while global expenditure is expected to grow by 12% annually from 2020 to 2026
- Exposure to floating offshore wind through Odfjell Oceanwind, which develops, owns and operates a fleet of Mobile Offshore Wind Units



## Geothermal energy

- Developing and growing market in central EU and Asia
- New technology releasing new potential for energy production in areas former known as not suitable



## Hydrogen production

- Hydrogen as an energy carrier is forecasted to grow by a CAGR of around 5% until 2050<sup>2</sup>
- Significant potential to reduce emissions within shipping and heavy transport, as well as for seasonal and long-duration energy storage



## Carbon capture, utilisation and storage

- Solid growth outlook for carbon capture, utilisation and storage, of which the global capture capacity is expected to grow from 47 Mtpa<sup>1</sup> in 2021 to 475 Mtpa in 2030



## Wave and tidal energy

- An increasing number of countries are pursuing wave and tidal energy projects, with the European Commission targeting at least 1 GW of installed capacity in the EU by 2030, and 40 GW by 2050



## Offshore design & support to fish farming








- Unused acreages offshore provide substantial low-cost production potential, as traditional aquaculture areas are a scarcity
- Further technological advancements are necessary in order to become a viable source of energy

Management believes this has the highest near-term potential for the group

Notes: 1) Million tonnes per annum; 2) Rystad Energy 1.6°C scenario

Source: Rystad Energy, IRENA

# Favourable underlying drivers and market outlook

Key market trends		Current OTL position	Strong OTL commitment to ESG
<div>  <div> High oil price environment and expected increased E&amp;P spending </div> </div>	➔	Attractively positioned in key regions and markets	<div>  <div> ESG score of A- by the Governance Group<sup>1</sup> </div> </div>
<div>  <div> Maximising well potential, increased oil recovery and plug &amp; abandonment of wells </div> </div>	➔	Lead contractor role, delivering new technology and total service package to oil & gas operators	
<div>  <div> Energy efficient solutions, technological development and integration of services </div> </div>	➔	Strong track record for early implementation of new energy efficient and low emission technologies	<div>  <div> Strategies and initiatives to reduce carbon footprint, including use of kinetic energy and reducing rig time </div> </div>
<div>  <div> Energy transition demanding advanced technological competence </div> </div>	➔	Utilise oil & gas heritage and specialist competence to capitalise on the energy transition	
<div>  <div> QHSE and increasingly demanding regulatory climate </div> </div>	➔	Strong QHSE track record for improved, safer and more efficient operations	<div>  <div> Present in the offshore wind market through ownership in Odfjell Oceanwind </div> </div>

Notes: 1) Odfjell Drilling’s most recent score. OTL intends to continue ODL’s high quality ESG reporting and obtain the same or better ranking on a stand-alone basis

# Oil & gas demand expected to remain strong in the foreseeable future with E&P spending projected to continue its increase

## Favourable conditions

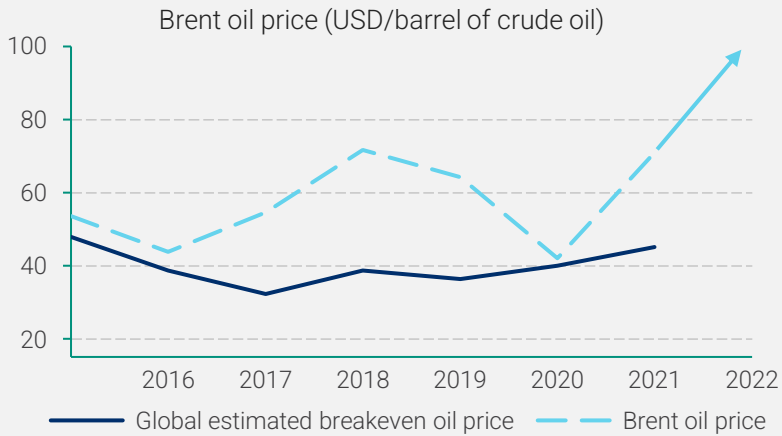
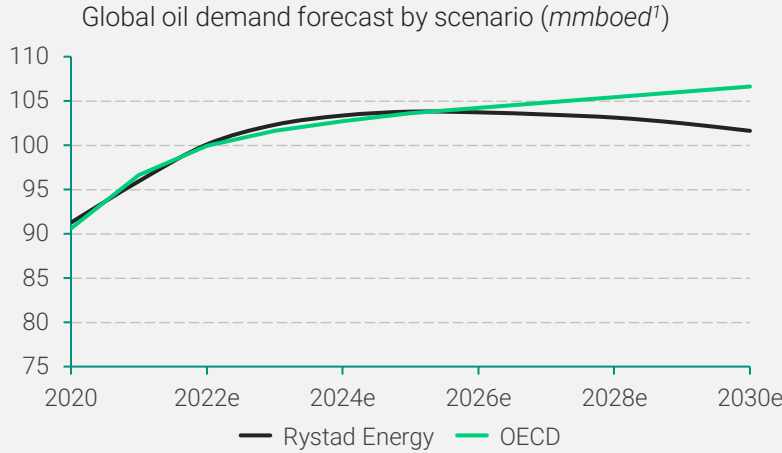
**Oil & gas demand is recovering swiftly** after COVID-19 shock, **supply is affected** as sanctions hit Russia following the invasion of Ukraine, and is still expected to continue to be a **key factor in the future energy mix**

**Key underlying drivers** for global energy demand:

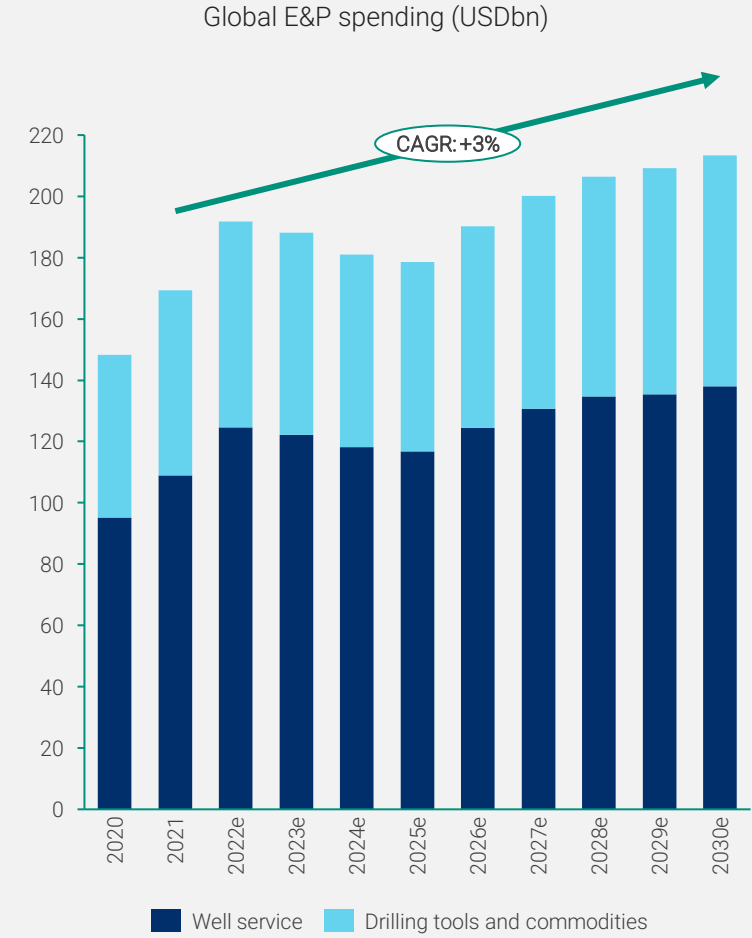
- ✓ Population growth
- ✓ Improved living standards
- ✓ Continued economic expansion

**Substantial cash generation expected for oil companies at current oil price levels**, supporting potential increased E&P spending over the next years

## Swift oil recovery expected following COVID-19



## Global investments into oil & gas expected to continue

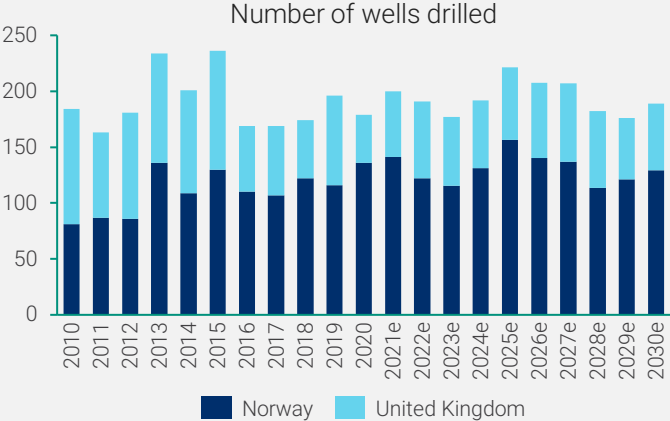


Notes: 1) Million barrels of oil equivalent per day  
Source: Rystad Energy

# Strong activity in all of OTL's business segments with significant long-term business opportunities from emerging energy markets

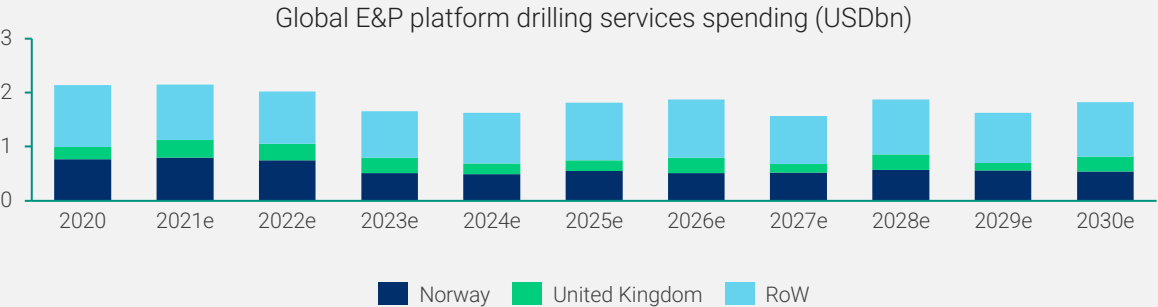
## Well Services - Continued high activity on the NCS and UKCS

- Wells become more complex and deeper, requiring increased well services spending
- Well service providers also supply services to onshore drilling operations, having access to a considerably larger market than just the offshore drilling sector



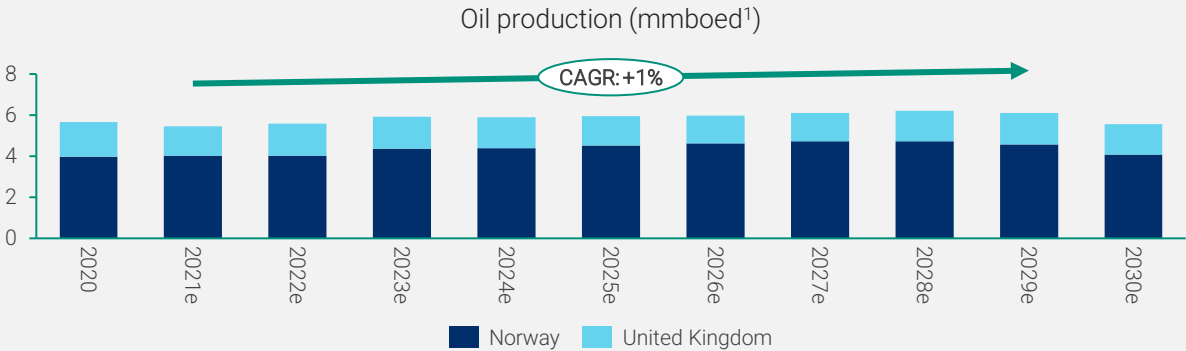
## Drilling Operations - Continued high spending on platform drilling services

- Stable and predictable market in recent years, with stable outlook going forward



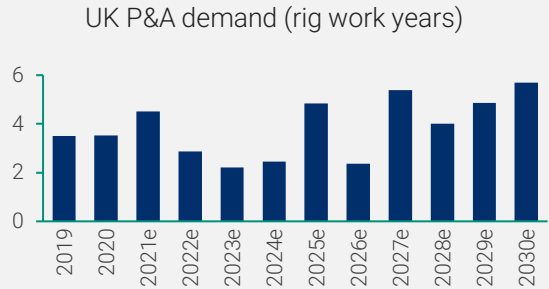
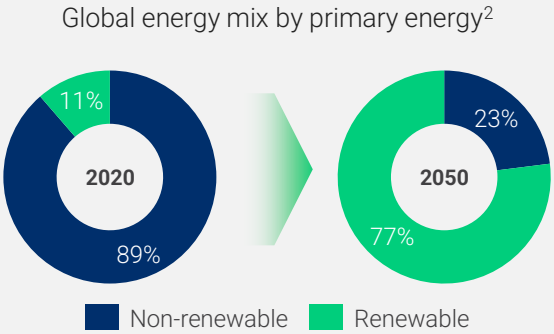
## Engineering – Key markets expected to increase spending

- Spending in services provided by the engineering segment correlating with oil production which is expected to increase in key regions



## Energy transition driving new energies and decommissioning

- Renewables as share of global energy mix is projected to increase to 77% by 2050
- As ageing upstream infrastructure comes to the end of their operational life, a significant uptick in decommissioning activity is expected in relevant markets such as on the UKCS and NCS



Notes: 1) Million barrels of oil equivalent per day; 2) Rystad Energy 1.6°C scenario  
Source: Rystad Energy



# Significant content requirements and logistical expertise creating high barriers to entry

## Key content requirements for a complete and integrated service and equipment provider



### **Scale and logistics**

Business opportunities and operational efficiencies dependent on both size and excellent systems for logistics and planning



### **Strong track record**

Essential with strong track records, showcasing ability to handle complex operations in challenging environments



### **Competence and technology**

Multi-skilled and experienced personnel is a necessity due to high complexity of operations



### **Client relationships and trust**

Building relationships and trust with clients is extremely important and takes multiple years to develop



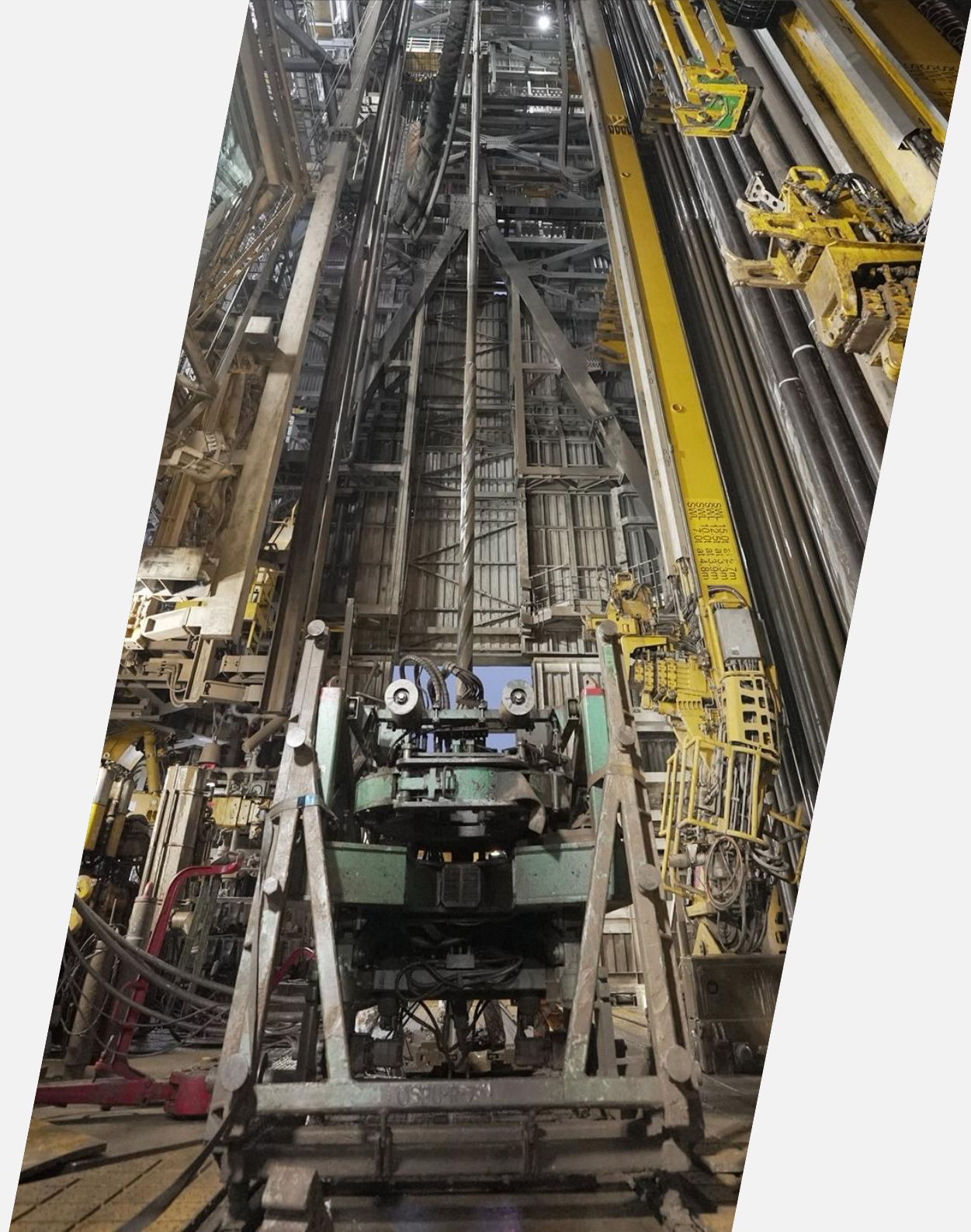
### **Strict safety, performance and ESG requirements**

Stringent requirements from oil companies regarding safety, performance and ESG footprint



### **High capital investments**

Significant investments in equipment, materials and personnel





# Agenda

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Business area overview

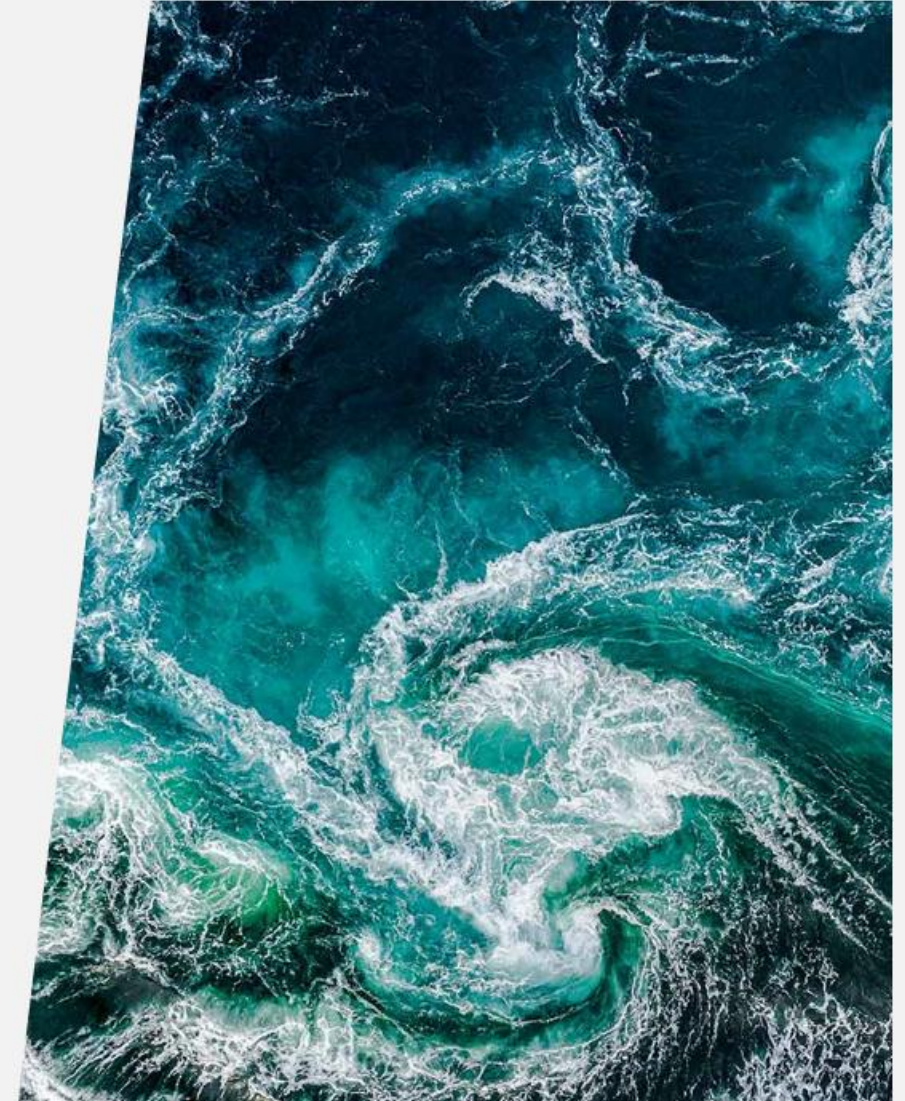
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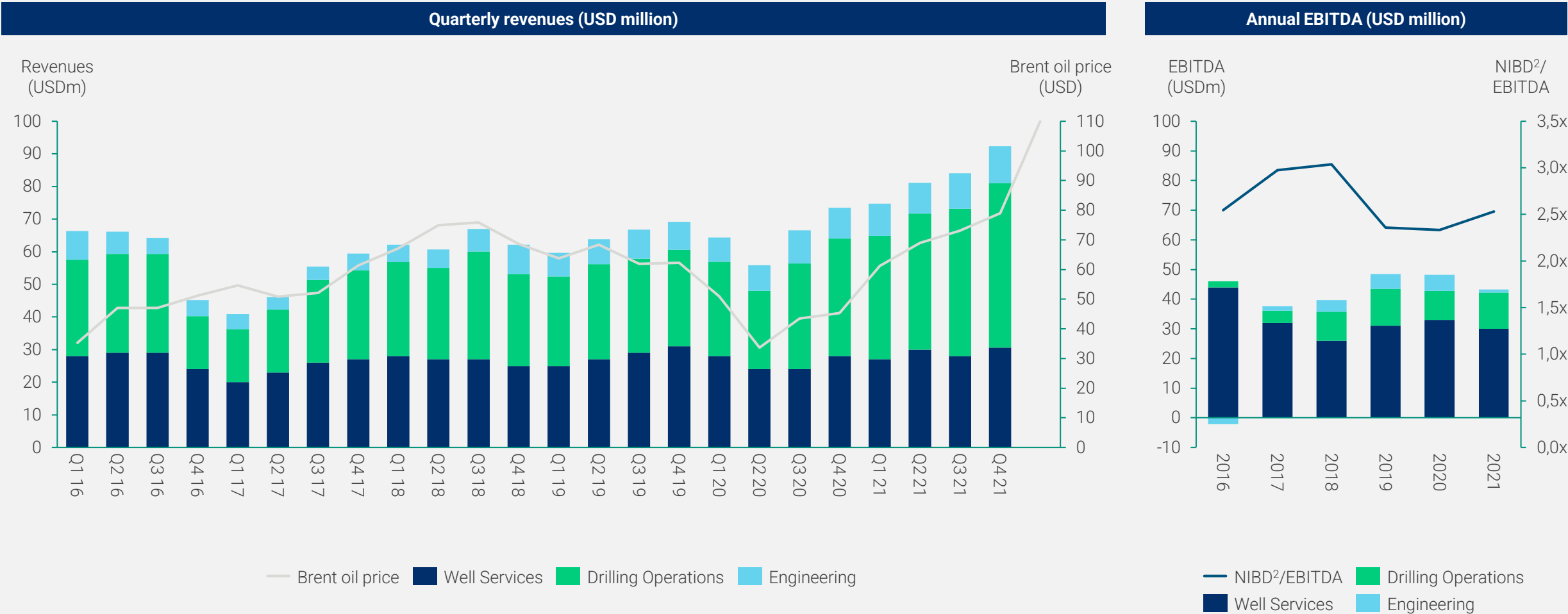
► **Financial**

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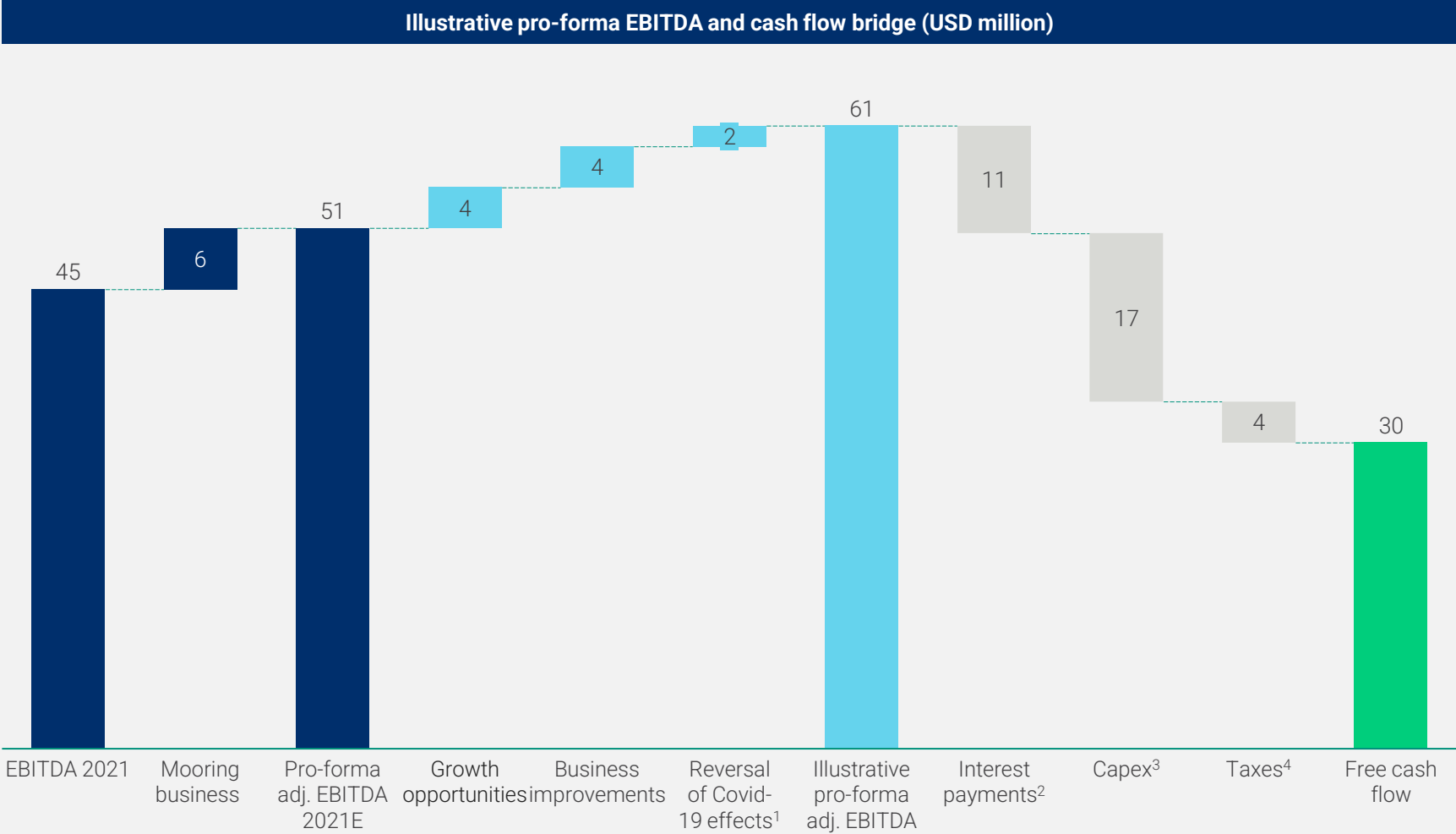


# Odfjell Technology<sup>1</sup> has delivered stable through-the-cycle performance



Notes: 1) Predecessor management accounts unless otherwise specified; 2) Dec'21 pro-forma NIBD (USD 114 million)

# EBITDA and cash flow set to increase in the next few years

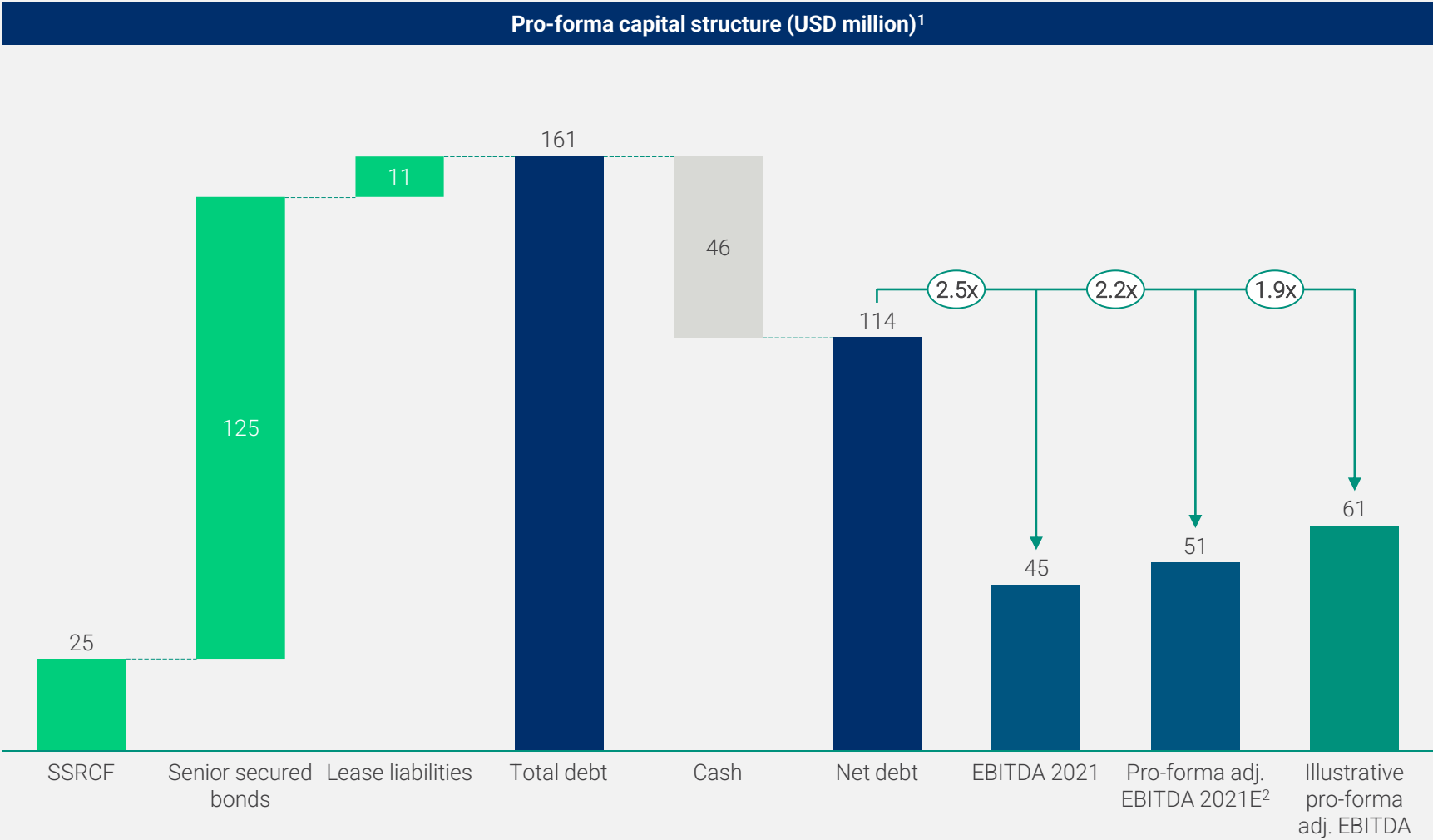


Notes: 1) Reduced EBITDA due to COVID-19 impact on activity and cost base: USD 2 million 2) Assumed all-in interest rate of 7% on combined debt; 3) Company estimate for normalised capex p.a.; 4) Company estimate

- | Comments   |
|--|
| <p><b>Mooring business:</b></p> <ul style="list-style-type: none"><li>Established rental agreement between ODL (MODU) and OTL effective 1 October 2021, for the rental of chain and anchors</li><li>USD 24.5 million invested in chain and anchors in 2021 and USD 6 million further capex expected in 2022</li></ul>  |
| <p><b>Growth opportunities:</b></p> <ul style="list-style-type: none"><li>Growth opportunities (e.g. jack-up management services, SPS projects, etc.) amounting to EBITDA potential of USD ~4 million</li></ul>  |
| <p><b>Other:</b></p> <ul style="list-style-type: none"><li>Various business improvement initiatives ongoing (e.g. workshop consolidation, efficiency improvements, adjustment of organisation) expected to increase EBITDA with USD ~4 million</li><li>Estimated higher capex of USD ~30 million in 2022 due to the reestablishment of the mooring business as well as start-up of two major wired drill pipe projects for Equinor on the NCS, before levelling off at USD 15-18 million per year in the medium term</li></ul> |



# Strong balance sheet with pro-forma 2021 leverage of 2.2x



- | Comments   |
|--|
| ▪ The recent bond issue together with the super-senior RCF and lease liabilities are the only interest-bearing debt outstanding at time of the Spin Off            |
| ▪ The SSRCF will be fully drawn at time of closing of the Spin Off transaction, but expected to be repaid during 2022  |
| ▪ The SSRCF will have an annual net clean down mechanism   |
| ▪ The bonds and SSRCF are non-amortising <ul style="list-style-type: none"><li>▪ SSRCF will mature one month prior to the bonds</li></ul>                          |
| ▪ The company will have a healthy leverage ratio of 2.5x on 2021 EBITDA, and 2.2x on 2021E pro-forma adjusted <sup>1</sup> EBITDA, enabling both M&A and dividends |
| ▪ OTL targets a leverage level with comfortable headroom to the incurrence test level of 3.0x NIBD/EBITDA  |

1) Net debt is pro-forma per Q4'21; 2) Pro-forma adjusted for new mooring business line

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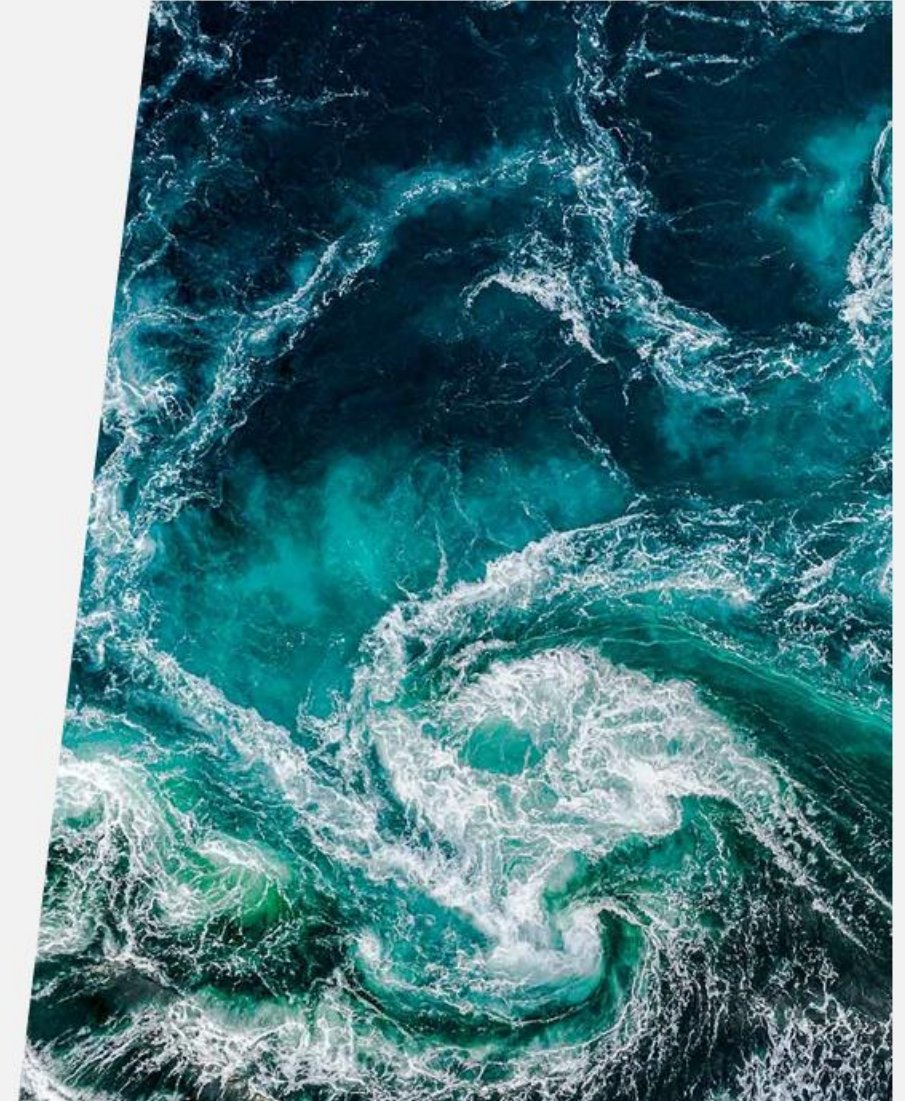
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Appendix



# Highly experienced and reputable management team


Selected management executives		
	<b>Simen Lieungh</b> CEO	<ul style="list-style-type: none"> <li>Appointed CEO of Odfjell Drilling AS in 2010</li> <li>Master of Science in Mechanical Engineering from the University in Trondheim (NTNU)</li> <li>Has held various senior management positions in the oil &amp; gas industry and was previously CEO of Aker Solutions</li> </ul>
	<b>Jone Torstensen</b> CFO	<ul style="list-style-type: none"> <li>Joined Odfjell Drilling in 2012.</li> <li>Educated in Business Administration at Stavanger University College and the University of Bergen</li> <li>Has held various management positions in finance, project management and business development</li> </ul>
	<b>George Taggart</b> EVP Well Services	<ul style="list-style-type: none"> <li>29 years' experience in the drilling systems and equipment industry and joined the Odfjell Drilling in October 2017</li> <li>Prior to joining Odfjell Well Services Mr Taggart spent almost 20 years with Aker Solutions and MH Wirth</li> <li>Technical qualifications in electrical &amp; mechanical engineering</li> </ul>
	<b>Elisabeth Haram</b> EVP Drilling Operations & Engineering	<ul style="list-style-type: none"> <li>Joined Odfjell Drilling in 2004</li> <li>Master of Science degree in Industrial Economics from the University of Stavanger</li> <li>Has held various management positions within Odfjell Drilling</li> </ul>


Board of directors	
<b>Helene Odfjell</b> Chair of the Board	<ul style="list-style-type: none"> <li>Chair of the Board of Odfjell Drilling since 2013</li> <li>Master of Business Administration from the Norwegian School of Economics (NHH), a Master of Business Administration from London Business School and is a Chartered Financial Analyst</li> </ul>
<b>Susanne Munch Thore</b> Board member	<ul style="list-style-type: none"> <li>Partner with the Norwegian law firm Arntzen de Besche, former partner in Wikborg Rein and Legal Officer at Oslo Stock Exchange</li> <li>Law degrees from University of Oslo and Georgetown University</li> <li>Extensive experience from various boards, incl. Odfjell Drilling</li> </ul>
<b>Alasdair Shiach</b> Board member	<ul style="list-style-type: none"> <li>40 years' experience in the Oilfield Service sector from Dresser Industries and senior leadership positions in Baker Hughes</li> <li>Bachelor's degree in Business from Robert Gordon's University</li> <li>Board member of Odfjell Drilling and Welltech International</li> </ul>
<b>Victor Vadaneaux</b> Board member	<ul style="list-style-type: none"> <li>25 years' experience in PE: former Partner at Advent International, Chair, Board member and Operating Partner in various companies</li> <li>Engineering degrees from Ecole Polytechnique and Télécom Paris in France and MBA from Harvard</li> </ul>
<p><b>Reputable management with &gt;110 years of combined industry experience and an average tenure in Odfjell Drilling of &gt;10 years</b></p> <p><b>Continuity ensured through key management and board members from Odfjell Drilling</b></p>	

# Competent and diverse teams drive innovation and excellence

 **Constantly search for, invest in and retain people of highest quality to meet future competence and capacity needs**

 **Specialised engineers supporting all business areas**

 **Highly trained and multi-disciplined personnel enabling improved efficiencies for clients, particularly offshore**

 **Extensive management training on all levels across the organisation**

 **Diverse workforce with high capacity and competence to drive innovation and leverage the green shift**



**1,800**  
Full-time employees



**9.3 years**  
Average tenure with the company



**31**  
Nationalities



**14%**  
Women in the workforce



**37%**  
Women in leadership positions<sup>1</sup>



**43.5**  
Average age

Notes: 1) Level 2: Business Managers (EVP and SVP) and Level 3: Functional Managers (VP)



## Key investment highlights

Long-lasting and industry-leading offshore and energy service and equipment provider



**Specialist provider of mission-critical life of field services and equipment**

**Strong and attractive market fundamentals**

**Well positioned in markets with high entry barriers**

**Resilient financial performance, solid financial position and strong backlog**

**Highly experienced management team with shareholder focus**



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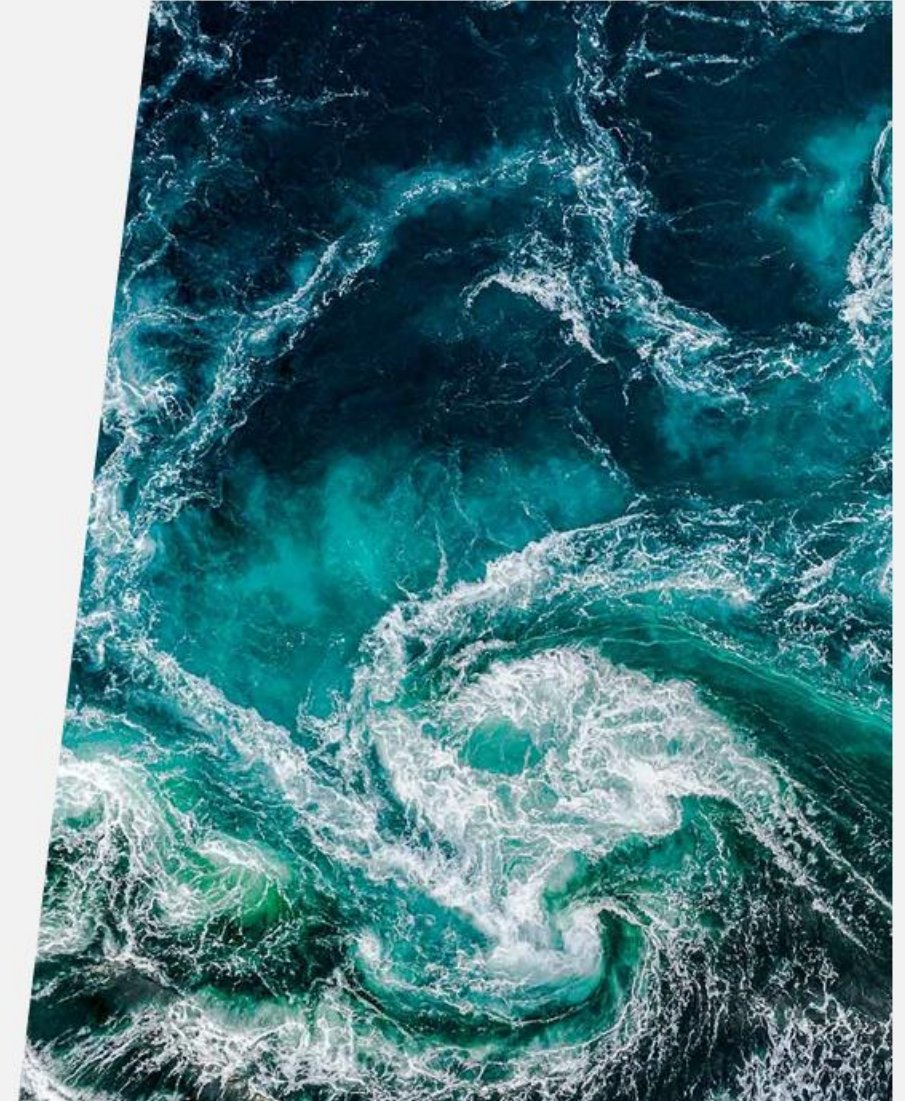
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# Adjusted balance sheet

Adjusted balance sheet					
Assets (USD million)	Dec'21 (Predecessor)	Dec'21 (Adjusted) <sup>1</sup>	Equity and liabilities (USD million)	Dec'21 (Predecessor)	Dec'21 (Adjusted) <sup>1</sup>
Intangible assets	24.7	24.7	Share capital	-0.0	0.0
Deferred tax assets	1.8	1.8	Other contributed capital	0.0	0.0
Property, plant and equipment	100.6	100.6	Retained earnings	335.9	50.3
Investments in joint ventures and associates	0.5	4.3	<b>Equity attributable to owners of the parent</b>	<b>335.9</b>	<b>50.3</b>
Other non-current assets	2.7	2.7	Non-controlling interests	-	-
<b>Total non-current assets</b>	<b>130.3</b>	<b>134.2</b>	<b>Total equity</b>	<b>335.9</b>	<b>51.1</b>
Current interest-bearing receivables groups comp.	148.4	-	Non-current interest-bearing borrowings	-	148.0
Spare parts	2.5	2.5	Non-current lease liabilities	9.4	9.4
Trade receivables	92.6	92.6	Post-employment liabilities	5.3	5.3
Current receivables group companies	0.5	0.5	Non-current contract liabilities	5.6	5.6
Other current receivables and assets	13.2	13.2	Other non-current liabilities	0.0	0.0
Cash and cash equivalents	56.5	46.3	<b>Total non-current liabilities</b>	<b>20.3</b>	<b>168.4</b>
<b>Total current assets</b>	<b>314.2</b>	<b>155.7</b>	Current lease liabilities	2.8	2.8
<b>Total assets</b>	<b>444.5</b>	<b>289.8</b>	Current interest-bearing payables group comp.	17.2	-
			Trade payables	24.4	24.4
			Current contract liabilities	0.0	0.0
			Current income tax	1.7	1.7
			Current liabilities group companies	0.6	0.6
			Other current liabilities	41.5	41.5
			<b>Total current liabilities</b>	<b>88.3</b>	<b>71.1</b>
			<b>Total liabilities</b>	<b>108.6</b>	<b>239.4</b>
			<b>Total equity and liabilities</b>	<b>444.5</b>	<b>289.8</b>

Comments
<ul style="list-style-type: none"> <li>As part of the Spin Off, several pro-forma adjustments to the predecessor balance sheet has been made</li> <li>OTL will have a well capitalised balance sheet with a strong net asset base</li> <li>Replacement cost of equipment in use estimated to be substantially higher than book value</li> <li>The recent bond issue and SSRCF together with lease liabilities constitute all interest-bearing debt in the company at the time of the Spin Off</li> </ul>

Notes: 1) Pro-forma adjusted for the establishment of OTL as a separate entity, the recent bond issue,

# OTL predecessor consolidated financial statements

Income statement (USD million)	2021	2020	2019	2018
Operating revenue	343	273	273	270
Other gains and losses	1	1	3	2
Personnel expenses	(221)	(166)	(163)	(168)
Other operating expenses	(78)	(61)	(65)	(67)
<b>EBITDA</b>	<b>45</b>	<b>48</b>	<b>48</b>	<b>37</b>
Depreciation, amortisation and impairment	(31)	(30)	(27)	(28)
<b>Operating profit (EBIT)</b>	<b>15</b>	<b>18</b>	<b>20</b>	<b>9</b>
Share of profit (loss) from joint ventures and associates	(1)	-	-	-
Net financial items	(2)	(3)	2	1
<b>Profit (loss) before tax</b>	<b>12</b>	<b>15</b>	<b>22</b>	<b>10</b>
Income tax expense	1	0	3	5
<b>Net profit (loss)</b>	<b>13</b>	<b>15</b>	<b>25</b>	<b>14</b>
Balance sheet (USD million)	2021	2020	2019	2018
Cash	56	14	12	32
Current assets	258	253	261	201
PP&E net	101	78	85	73
Other assets	30	40	38	38
<b>Total assets</b>	<b>444</b>	<b>386</b>	<b>395</b>	<b>344</b>
Equity (common)	336	310	325	283
Interest-bearing debt	12	7	7	0
Current liabilities	86	60	58	56
Other liabilities	11	10	5	5
<b>Total equity and liabilities</b>	<b>444</b>	<b>386</b>	<b>395</b>	<b>344</b>

Note: Historical balance sheet figures are not representative due to adjustments in relation to the contemplated Spin Off

Cash flow statement (USD million)	2021	2020	2019	2018
<b>Cash flows from operating activities:</b>				
Profit / (loss) before tax	12	15	22	10
Adjustment for provisions and other non-cash elements	35	30	22	24
Changes in working capital	(4)	12	(13)	(2)
<b>Cash generated from operations</b>	<b>43</b>	<b>58</b>	<b>31</b>	<b>32</b>
Net interest (paid) / received	(1)	(0)	1	0
Net income tax paid	(2)	(3)	(2)	(1)
<b>Net cashflow from operating activities</b>	<b>40</b>	<b>55</b>	<b>30</b>	<b>31</b>
<b>Cash flows from investing activities:</b>				
Purchase of property, plant and equipment	(51)	(21)	(28)	(17)
Proceeds from sale of property, plant and equipment	1	2	3	3
Other non-current receivables	(0)	(2)	0	0
Cash used in obtaining control of subsidiaries	-	(0)	-	-
Cash flows from losing control of subsidiaries	(0)	-	-	-
<b>Net cash flow from investing activities</b>	<b>(51)</b>	<b>(22)</b>	<b>(25)</b>	<b>(14)</b>
Net change group cash pool receivables and liabilities	39	9	(47)	(48)
Repayment of lease liabilities	(2)	(2)	(2)	0
Proceeds from transactions with non-controlling interests	0	0	0	0
Group contributions from companies in Odfjell Drilling Ltd. Group	19	12	25	28
Dividends paid to companies in Odfjell Drilling Ltd. Group	-	(45)	0	(1)
<b>Net cash flow from financing activities</b>	<b>56</b>	<b>(25)</b>	<b>(24)</b>	<b>(21)</b>
Effects of exchange rate changes on cash and cash equivalents	(3)	(5)	(1)	(5)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(42)</b>	<b>3</b>	<b>(20)</b>	<b>(9)</b>



# Tax and National Insurance Contributions update

## National Insurance Contributions – Platform Drilling (Drilling Operations)

- An OTL group subsidiary, Odfjell Drilling (UK) Ltd (“OD UK”), is subject to challenges by HM Revenue and Customs (“HMRC”) on the historical application of National Insurance Contributions (“NICs”) (Norwegian: *arbeidsgiveravgift*) to workers on the UK Continental Shelf
- A notice of decision from HMRC was received in Q4 2021 claiming payment of GBP 16.8m + interest for the period 2003-2014
- The decision has been appealed to the First Tier Tribunal and Court of Sessions and no payment has been made to HMRC
- OTL believes that its position is strong with regards to defending this challenge and that its technical position is robust
- OTL’s assessment is that the most likely outcome is that a liability will not arise and no provision has therefore been recognised
- Should the final ruling be in the company’s disfavour, the prospective payment of up to around USD 30m is not expected until 2024/2025

## Tax losses in Norwegian resident company Odfjell Offshore Ltd

- Norwegian Tax Authorities have notified a potential change in the group’s tax return, mostly related to Norwegian resident company Odfjell Offshore Ltd. (“OFO”)
- The potential change relates to realisation of tax losses in 2017
- If the losses are not considered to be deductible, OTL subsidiaries will have a payable tax equal to approximately USD 28 million
- There is a risk of demand for interim payment from the tax authorities during the process, even if the matter is disputed
- OTL is of the opinion that the most likely outcome of any future proceedings is that the company maintains the right to utilise its tax losses, and that a final conclusion is expected to be in the group’s favour
- To facilitate the Spin Off and the recent bond issue, Odfjell Drilling Ltd. has undertaken to hold harmless OTL and its relevant subsidiaries in respect of any liabilities incurred by these matters, and will also fund any interim payment of the potential liabilities to the Norwegian tax authorities

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