

# Report for the 1<sup>st</sup> quarter of 2022

ODFJELL TECHNOLOGY LTD.



# HIGHLIGHTS

Combining 50 years of industry experience with the technology of tomorrow, we develop solutions for the changing energy market.



## Well Services

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



## Engineering

- ✓ Project and Engineering
- ✓ Modifications and upgrades
- ✓ Construction and installation
- ✓ Asset integrity & rig inspection
- ✓ Marine & subsea services



## Operations

- ✓ Platform drilling contracts for 16 installations in Norway and the UK
- ✓ Management of MOUs and jack-ups
- ✓ Contract lead for providing integrated service solutions for P&A market
- ✓ Drilling and maintenance crews
- ✓ Equipment maintenance and recertification

**Integrated supplier of offshore operations, well services technology, and engineering solutions, with over 1,800 employees operating in more than 20 countries worldwide.**

## KEY FINANCIALS Q1 2022

**NOK 836m**

Q1 revenue

**2.1x**

Leverage ratio (adj)

**NOK 118m**

EBITDA

**NOK 429m**

Cash and cash equivalents

**NOK 11b**

Revenue Backlog

**1.70x**

EBITDA backlog vs NIBD



# Key figures for the Group

All figures in NOK million	Q1 22	Q1 21	FY 21
Operating revenue	836	669	2,948
EBITDA	118	82	387
EBIT	55	17	125
Net profit (loss)	93	7	112
EBITDA margin	14%	12%	13%
Total assets	2,566	3,324	3,920
Net interest bearing debt	873		
Equity	452		
Equity ratio	18%		

- Operating revenue of NOK 836 million compared to NOK 669 million in Q1 2021.
- EBITDA margin of 14% compared to an EBITDA margin of 12% in Q1 2021.
- The Group's contract backlog is NOK 11.1 billion, whereof NOK 5.2 billion is firm backlog.
- EBITDA of NOK 118 million compared to NOK 82 million in Q1 2021.

## Segments

### Well Services

- Operating revenue of NOK 287 million compared to NOK 232 million in Q1 2021.
- EBITDA of NOK 99 million compared to NOK 55 million in Q1 2021.
- EBITDA margin of 34% compared to an EBITDA margin of 24% in Q1 2021.

### Drilling Operations

- Operating revenue of NOK 415 million compared to NOK 323 million in Q1 2021.
- EBITDA of NOK 23 million compared to NOK 12 million in Q1 2021.
- EBITDA margin of 7% compared to an EBITDA margin of 5% in Q1 2021.

### Engineering

- Operating revenue of NOK 120 million compared to NOK 84 million in Q1 2021.
- EBITDA of NOK 12 million compared to NOK 10 million in Q1 2021.
- EBITDA margin of 10% compared to an EBITDA margin of 12% in Q1 2021.

# Highlights Q1 2022

## Financing secured

On 4 February 2022 Odfjell Technology successfully priced NOK 1.1 bn in senior secured bonds through a private placement. The bonds mature in February 2026 and bear interest of 3 months Nibor plus 700 basis points.

The company also secured a new USD 25 million super senior revolving credit facility at 3 months Libor + 375 basis points.

## Equinor extends platform drilling contracts on Johan Sverdrup and Heidrun

On 16 February 2022, Equinor exercised a 2 year option on the platform drilling

contracts for Heidrun and Johan Sverdrup Drilling Platform. The contract work includes drilling operations, work-over campaigns, P&A activities and all preventative and corrective maintenance on the installations. The contract period is now firm until Q4 2024. This option is the first of three options of two years each.

## Management services for West Linus

On 21 February 2022, Odfjell Technology agreed with SFL Corporation Ltd to provide management services for the harsh environment jack-up drilling rig West Linus. The agreement is based on terms and conditions customary for this type of agreements. The rig is employed

on a long-term drilling contract with ConocoPhillips Scandinavia AS in the North Sea until the fourth quarter of 2028. Odfjell Drilling will take over as manager of the rig as soon as regulatory approvals such as change of duty holder under the Acknowledgement of Compliance is approved by Norwegian authorities. Odfjell Drilling expects this to be in place no later than 1 October 2022.

## Re-organisation completed

As of 1 March 2022, the re-organisation of the Odfjell Drilling group was completed, and Odfjell Technology became the ultimate parent company of all the companies in the Odfjell Technology Group.

## Listing on the Oslo Stock Exchange

At the end of March 2022, the shares in Odfjell Technology Ltd (OTL) were distributed from Odfjell Drilling Ltd (ODL) to the shareholders of ODL. The ratio for the distribution was 6:1, i.e. 6 shares in ODL gave the holder 1 share in OTL rounded downwards to the closest whole share. The shares in OTL were admitted for trading on the Oslo Stock Exchange 29 March 2022.

# Financial review – operations

(Comparable figures for last comparable period in brackets. 2021 are predecessor combined financial figures, see Note 1 for more information)

## Consolidated group financials

### Profit & loss Q1 2022

Operating revenue for Q1 2022 was NOK 836 million (NOK 669 million), an increase of NOK 167 million. There is an increased revenue in all the segments from Q1 2021 to Q1 2022.

EBITDA in Q1 2022 was NOK 118 million (NOK 82 million), an increase of NOK 36 million. There is an increase in all the segments, but the main contributor is Well Services. The increased EBITDA in the segments are partly offset by increased overhead costs, mainly due to expenses related to the re-organisation and listing of the company. The EBITDA margin in Q1 2022 was 14% (12%).

Depreciation and amortisation cost in Q1 2022 was NOK 63 million (NOK 65 million), a decrease of NOK 2 million compared to Q1 2021.

EBIT in Q1 2022 was NOK 55 million (NOK 17 million), an increase of NOK 38 million.

Net financial expenses in Q1 2022 amounted to NOK 1 million (NOK 4 million). The decrease in net expenses of NOK 3 million was mainly explained by net currency gain in 2022 compared to currency loss in 2021, partly offset by increased interest expense in 2022.

In Q1 2022, the income tax expense was positive with NOK 43 million due to utilisation of unrecognised tax losses in relation to group contribution received from the Odfjell Drilling Group. The tax cost in Q1 2021 is NOK 6 million, as the comparable positive tax effect related to unrecognised tax losses is recognised in Q2 2021.

Net profit in Q1 2022 was NOK 93 million (NOK 7 million).

### Balance sheet

Total assets as at 31 March 2022 amounted to NOK 2,566 million (NOK 3,920 million as at 31 December 2021), a decrease of NOK 1,355 million mainly due

to the internal re-organisation and establishment of the Odfjell Technology Group, which significantly impacted certain receivables towards the Odfjell Drilling Group.

Total equity as at 31 March 2022 amounted to NOK 446 million. The equity in the reported 2021 periods are not comparable as these are based on carve-out combined financial statements. The equity ratio was 17% as at 31 March 2022.

Net interest bearing debt as at 31 March 2022 amounted to NOK 873 million, as the Group has issued interest bearing borrowings in order to acquire shares in subsidiaries.

### Cash flow Q1 2022

Net cash flow from operating activities in Q1 2022 was positive with NOK 109 million (NOK 86 million). The Group paid NOK 1 million (NOK 1 million) in interest, and NOK 10 million (NOK 5 million) in income taxes.

Net cash outflow from investing activities in Q1 2022 was NOK 2,395 million (NOK 39 million). In Q1 2022, NOK 2,329 was spent on purchase of shares in subsidiaries and to acquire interests in joint-ventures. The remaining cash outflow was mainly due to purchases of fixed assets.

Net cash flow from financing activities in Q1 2022 was NOK 2,215 million (NOK 285 million). In Q1 2022 the Group had proceeds of NOK 1,296 million from external borrowings. As part of the re-organisation of the group, there was also a cashflow of NOK 1,057 million from the Odfjell Drilling cash pool, and proceeds from capital increases of NOK 45 million, and the Group paid dividends of NOK 177 to the Odfjell Drilling Group.

At 31 March 2022, cash and cash equivalents amounted to NOK 429 million. There has been a net negative change of NOK 69 million since 31 December 2021, mainly due to the re-organisation in 2022.

## Segments

### Well Services

All figures in NOK million	Q1 22	Q1 21	FY 21
Operating revenue	287	232	996
EBITDA	99	55	258
EBIT	41	1	47
EBITDA margin	34%	24%	26%

#### Q1 2022

Operating revenue for the Well Services segment in Q1 2022 was NOK 287 million (NOK 232 million), an increase of NOK 55

million. The increase is explained by higher activity in all regions.

EBITDA for the Well Services segment in Q1 2022 was NOK 99 million (NOK 55 million). EBITDA margin for the OWS segment in Q3 2021 was 34% (24%).

EBIT for the OWS segment in Q1 2022 was NOK 41 million (NOK 1 million).

### Drilling Operations

All figures in NOK million	Q1 22	Q1 21	FY 21
Operating revenue	415	323	1,506
EBITDA	23	12	101
EBIT	23	12	101
EBITDA margin	6%	4%	7%

#### Q1 2022

Operating revenue for the Drilling Operations segment in Q1 2022 was NOK 415 million (NOK 323 million), an increase of NOK 92 million. This is mainly explained by increase in operating units compared to Q1 2021.

EBITDA for the Drilling Operations segment in Q1 2022 was NOK 23 million (NOK 12 million), an increase of NOK 11 million.

The EBITDA margin for the Drilling Operations segment in Q1 2022 was 6% (4%). The increase is mainly explained by more operating units and higher incentive bonuses compared to the same quarter last year.

EBIT for the Drilling Operations segment Q1 2022 was NOK 23 million (NOK 12 million), an increase of NOK 11 million.

## Engineering

All figures in NOK million	Q1 22	Q1 21	FY 21
Operating revenue	120	84	358
EBITDA	12	10	20
EBIT	12	10	20
EBITDA margin	10%	12%	6%

### Q1 2022

Operating revenue for the Drilling Operations segment in Q1 2022 was NOK 120 million (NOK 84 million), an increase of NOK 36 million. This is mainly explained by increased sales volume

delivered by existing and newly created business lines.

EBITDA for the Engineering segment in Q1 2022 was NOK 12 million (NOK 10 million), an increase of NOK 2 million.

The EBITDA margin for the Engineering segment in Q1 2022 was 10% (12%). The decrease is mainly explained by lower utilisation compared to the same quarter last year due ongoing recruiting process.

EBIT for the Engineering segment Q1 2022 was NOK 12 million (NOK 10 million), an increase of NOK 2 million.

# Environmental, social and governance

Odfjell Technology is in the process of establishing a new ESG strategy on a standalone basis, post-split from Odfjell Drilling. The ESG impacts from Odfjell Technology's business operations are included in Odfjell Drilling's Sustainability Report for 2021, as this describes the group as of 31 December 2021. The report can be found on: <https://www.odfjelldrilling.com/sustainability/>

## Environmental Impact:

Well Services' Go Green campaign continues into 2022, but restructured to focus on our strategic QHSE and environmental deliverables: reduction of waste, energy consumption and chemicals. While the campaign aims to

raise awareness of local workplace environmental aspects and impacts, it also encourages and challenges employees to be more environmental mindful and act more consciously to minimize waste, energy and chemicals in the workplace.

## People & Safety:

Odfjell Technology shall conduct business in accordance with international human rights conventions. In Q1, a global employee survey was published to help determine the company's salient human rights, which is part of the human rights project in Odfjell Technology. You can read more about this in the 2021 Sustainability Report mentioned above.

The QHSE programme for 2022 launched in Q1, which identifies areas that are important for us in order to maintain and further develop the quality of our processes, our safety standards and environmental performance. This to ensure we operate safely and within our goals and stakeholders' expectations in 2022.

## Ethics & Governance:

Odfjell Technology, in line with the Norwegian and UK Government condemns the illegal war waged by the Russian Federation. Well Services Romania is engaged with TRS Technicians on offshore installations which have been affected by the Russian navy operations in

the Black Sea. All crew are safe, and the Romania office keeps in close contact with their employees, their families and with the client. There is an obvious concern, but nothing has been identified as 'high risk' or a reason to stop operations. Increased number of cyberattacks towards governmental and financial institutions in the wake of the war in Ukraine, has increased the general cyber security risk. Awareness campaigns and intranet articles aims to repeat general IT security measures as a precaution, even though there is no reason to believe that the risk against the company specifically has increased.



# Outlook

The oil service market has developed positively in recent years due to a strong focus on cost discipline and more efficient operations, combined with a healthier oil price development.

The focus on alternative energy sources and the overall future mix of energy remains strong. The transition into greener energy sources is expected to impact the energy market in the coming decades, however the need for continued exploration and production of oil and gas is viewed as vital and it has become more apparent recently.

The general situation for the global oil service industry is expected to improve as a result of under investment in the oil and gas sector over the last 8 years. The supply of oil and gas is too low to meet the expected demand. Increase in investments and activity is vital to bridge the increasing energy demand as new energy sources take time to implement.

There is an increased appetite for field development and production spending across the segments combined with reduced COVID-19 disruptions.

Odfjell Technology has been successful in adding more backlog due to our operational track record and strong client relationships, combined with a healthy balance sheet.

Well Services operates in a competitive market, but the increase in drilling activity and field investments is expected to increase demand for our services. The COVID-19 pandemic have had an adverse effect in many of the regions Well Services operate over the two last years, but the effects are now diminishing.

The market for our Drilling Operations services activities has been stable over the last decade. We have established a strong presence in the North Sea with efficient operations and strong client relationships, which we expect to capitalise on further. In addition, there are opportunities to expand drilling operations activities to other regions.

Engineering market is improving both in existing deliverables and in green initiatives. We are well positioned to grow in existing services and further expand our portfolio of green services.

# Risks and uncertainties

In the Group's view, factors that 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, competition within the oil and gas services industry, changes

in clients' spending budgets and developments in the financial and fiscal markets.

Additionally, any unforeseen consequences of COVID-19 and other future pandemics may impact the financial result.

The Group does not expect to be materially affected by the situation in Ukraine as it has no direct businesses in Ukraine, Russia or Belarus. Any potential spill-over effects are not expected to be adverse.

Total liquidity position continues to be monitored. The Group has, in recent years, implemented cost reduction and efficiency improvement programs, and continues its focus on capital discipline in order to improve its competitiveness in this challenging market.

# Quality, health, safety & environment (QHSE)

Key figures QHSE	YTD 22	FY 21
Lost time incident frequency (as per 1 million working hours)	3.3	4.1
Total recordable incident frequency (as per 1 million working hours)	3.9	4.1
Sick leave (percentage)	5.5	5.3
Dropped objects frequency (as per 1 million working hours)	3.11	5.2
Number of employees	1862	1620

Aberdeen, United Kingdom

30 May 2022

Board of Directors of Odfjell Technology Ltd.

Helene Odfjell, Chair

Susanne Munch Thore, Director

Alasdair Shiach, Director

Victor Vadaneaux, Director

# Condensed Consolidated Financial Statements





## Condensed Consolidated Income Statement

NOK million	Note	Q1 22	Q1 21 *	FY 21 *
<b>Operating revenue</b>	<b>2,3,10</b>	<b>836.2</b>	<b>668.6</b>	<b>2,948.2</b>
Other gains and losses		5.0	1.9	6.0
Personnel expenses		(535.8)	(440.9)	(1,897.0)
Other operating expenses		(187.6)	(147.9)	(669.8)
<b>EBITDA</b>		<b>117.8</b>	<b>81.8</b>	<b>387.4</b>
Depreciation and amortisation	5,6,8	(63.0)	(64.6)	(262.8)
<b>Operating profit (EBIT)</b>		<b>54.8</b>	<b>17.2</b>	<b>124.6</b>
Share of profit (loss) from joint ventures and associates		(3.7)	-	(4.6)
Net financial items	4	(1.4)	(3.8)	(17.2)
<b>Profit (loss) before tax</b>		<b>49.7</b>	<b>13.4</b>	<b>102.8</b>
Income tax expense		42.8	(6.2)	9.2
<b>Net profit (loss)</b>		<b>92.5</b>	<b>7.3</b>	<b>112.0</b>
<b>Profit (loss) attributable to:</b>				
Non-controlling interests		-	(2.7)	(4.5)
Owners of the parent		92.5	10.0	116.5
<b>EARNINGS PER SHARE (NOK)</b>				
Basic earnings per share	14	2.34	0.25	2.95
Diluted earnings per share	14	2.34	0.25	2.95

\* 2021 are predecessor combined financial statements, see Note 1 for more information

## Condensed Consolidated Statement of Comprehensive Income

NOK million	Q1 22	Q1 21 *	FY 21 *
<b>Net profit (loss)</b>	<b>92.5</b>	<b>7.3</b>	<b>112.0</b>
<b>Items that will not be reclassified to profit or loss:</b>			
Actuarial gain (loss) on post employment benefit obligations	-	-	(2.8)
<b>Items that are or may be reclassified to profit or loss:</b>			
Cash flow hedges	6.7	-	-
Currency translation differences	(20.1)	6.0	82.1
<b>OTHER COMPREHENSIVE INCOME, NET OF TAXES</b>	<b>(13.5)</b>	<b>6.0</b>	<b>79.3</b>
<b>Total comprehensive income</b>	<b>79.1</b>	<b>13.3</b>	<b>191.2</b>
<b>Total comprehensive income attributable to:</b>			
Non-controlling interests	-	(2.7)	(4.5)
Owners of the parent	79.1	16.0	195.7

\* 2021 are predecessor combined financial statements, see Note 1 for more information

## Condensed Consolidated Statement of Financial Position

NOK million	Note	31.03.2022	31.03.2021*	31.12.2021*	01.01.2021*
<b>ASSETS</b>					
Property, plant and equipment	5	875.4	639.9	887.4	662.0
Intangible assets	6	228.2	213.9	218.1	215.5
Deferred tax asset		15.3	16.0	15.5	16.1
Non-current interest-bearing receivables Odfjell Drilling Group	10	-	93.1	-	91.7
Other non-current assets	9	47.1	22.2	28.3	22.1
<b>Total non-current assets</b>		<b>1,166.0</b>	<b>985.1</b>	<b>1,149.3</b>	<b>1,007.4</b>
Current interest-bearing receivables Odfjell Drilling Group	10	-	1,140.4	1,308.8	1,413.7
Trade receivables	10	791.4	653.9	816.4	650.8
Other current receivables and assets	10	971.1	745.1	964.1	746.1
Cash and cash equivalents		428.5	453.5	497.8	122.5
<b>Total current assets</b>		<b>1,399.6</b>	<b>2,339.0</b>	<b>2,770.7</b>	<b>2,282.3</b>
<b>TOTAL ASSETS</b>		<b>2,565.6</b>	<b>3,324.0</b>	<b>3,920.0</b>	<b>3,289.6</b>

NOK million	Note	31.03.2022	31.03.2021*	31.12.2021*	01.01.2021*
<b>EQUITY AND LIABILITIES</b>					
Paid-in capital	13	1,093.8	-	0.1	-
Other equity		(641.7)	2,653.7	2,962.1	2,637.7
<b>Equity attributable to owners of the parent</b>		<b>452.1</b>	<b>2,653.7</b>	<b>2,962.2</b>	<b>2,637.7</b>
Non-controlling interests		-	2.7	-	5.4
<b>Total equity</b>		<b>452.1</b>	<b>2,656.4</b>	<b>2,962.2</b>	<b>2,643.1</b>
Non-current interest-bearing borrowings	7	1,081.1	-	-	-
Non-current lease liabilities	8	80.9	42.3	83.1	37.1
Post-employment benefits		46.3	46.3	46.8	49.7
Non-current contract liabilities		51.3	38.2	49.3	31.5
<b>Total non-current liabilities</b>		<b>1,259.6</b>	<b>126.8</b>	<b>179.2</b>	<b>118.3</b>
Current interest-bearing borrowings	7	220.4	-	-	-
Current interest-bearing payables Odfjell Drilling Group	10	-	70.9	151.5	54.4
Current lease liabilities	8	22.4	17.1	24.5	19.3
Trade payables	10	233.1	141.7	215.3	137.3
Other current liabilities	4,10	378.0	311.2	387.3	317.2
<b>Total current liabilities</b>		<b>853.9</b>	<b>540.9</b>	<b>778.7</b>	<b>528.2</b>
<b>Total liabilities</b>		<b>2,113.5</b>	<b>667.7</b>	<b>957.9</b>	<b>646.5</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,565.6</b>	<b>3,324.0</b>	<b>3,920.0</b>	<b>3,289.6</b>

\* 2021 are predecessor combined financial statements, see Note 1 for more information



## Condensed Consolidated Statement of Changes in Equity

<i>NOK million</i>	Paid-in capital	Other equity	Attributable to owners of the parent	Non-controlling interests	Total equity
<b>Balance at 1 January 2021</b>	-	<b>2,637.7</b>	<b>2,637.7</b>	<b>5.4</b>	<b>2,643.1</b>
Profit/(loss) for the period	-	10.0	10.0	(2.7)	7.3
Other comprehensive income for the period	-	6.0	6.0	-	6.0
<b>Total comprehensive income for the period</b>	-	<b>16.0</b>	<b>16.0</b>	<b>(2.7)</b>	<b>13.3</b>
<b>Transactions with owners</b>	-	-	-	-	-
<b>Balance at 31 March 2021</b>	-	<b>2,653.7</b>	<b>2,653.7</b>	<b>2.7</b>	<b>2,656.4</b>
Total comprehensive income for the period Q2-Q4	-	179.8	179.8	(1.8)	178.0
Transactions with owners for the period Q2-Q4	0.1	128.6	128.7	(0.9)	127.8
<b>Balance at 31 December 2021</b>	<b>0.1</b>	<b>2,962.1</b>	<b>2,962.2</b>	-	<b>2,962.2</b>
Profit/(loss) for the period	-	92.5	92.5	-	92.5
Other comprehensive income for the period	-	(13.5)	(13.5)	-	(13.5)
<b>Total comprehensive income for the period</b>	-	<b>79.1</b>	<b>79.1</b>	-	<b>79.1</b>
Equity contribution from Odfjell Drilling Ltd.	1,093.7	(1,049.1)	44.6	-	44.6
Dividends distributed to Odfjell Drilling Ltd. Group	-	(321.1)	(321.1)	-	(321.1)
Continuity difference **	-	(2,312.6)	(2,312.6)	-	(2,312.6)
<b>Transactions with owners</b>	<b>1,093.7</b>	<b>(3,682.8)</b>	<b>(2,589.1)</b>	-	<b>(2,589.1)</b>
<b>Balance at 31 March 2022</b>	<b>1,093.8</b>	<b>(641.7)</b>	<b>452.1</b>	-	<b>452.1</b>

\* Odfjell Technology Ltd was incorporated on 14 December 2021 with a share capital of USD 10,000. The table shows equity at the beginning of the period from predecessor combined financial statements, see Note 1 for more information.

\*\* The continuity difference represent the purchase price in the acquisition of shares in subsidiaries, as the subsidiaries' book equity is already included in the predecessor combined equity for the comparing periods presented in these financial statements.

## Condensed Consolidated Statement of Cash Flows

NOK million	Note	Q1 22	Q1 21 *	FY 21 *
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Profit/(loss) before tax		49.7	13.4	102.8
Adjustment for provisions and other non-cash elements		62.6	69.9	300.0
Changes in working capital		7.2	9.2	(11.1)
<b>Cash generated from operations</b>		<b>119.4</b>	<b>92.5</b>	<b>391.6</b>
Net interest (paid) / received		(1.0)	(1.2)	(5.4)
Net income tax paid		(9.6)	(5.3)	(17.1)
<b>Net cash flow from operating activities</b>		<b>108.9</b>	<b>86.1</b>	<b>369.1</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchase of property, plant and equipment	5,6	(72.8)	(41.4)	(441.7)
Proceeds from sale of property, plant and equipment		7.4	2.8	8.4
Other non-current receivables		(1.0)	(0.1)	(0.4)
Cash used in obtaining control of subsidiaries		(2,312.6)	-	-
Cash payments to acquire interests in joint-ventures		(16.3)	-	-
<b>Net cash flow from investing activities</b>		<b>(2,395.3)</b>	<b>(38.7)</b>	<b>(433.7)</b>

NOK million	Note	Q1 22	Q1 21 *	FY 21 *
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Net change group cash pool receivables and liabilities	10	1,057.3	289.8	302.0
Proceeds from borrowings	7	1,295.5	-	-
Repayment of lease liabilities	8	(5.5)	(4.7)	(21.2)
Proceeds from capital increases		44.7	-	-
Proceeds from transactions with non-controlling interests		-	-	(4.0)
Group contributions from Odfjell Drilling Ltd. Group		-	-	164.9
Dividends paid to Odfjell Drilling Ltd. Group		(176.9)	-	-
<b>Net cash flow from financing activities</b>		<b>2,215.1</b>	<b>285.1</b>	<b>441.7</b>
Effects of exchange rate changes on cash and cash equivalents		1.9	(1.5)	(1.7)
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(69.4)</b>	<b>331.0</b>	<b>375.3</b>
Cash and cash equivalents at beginning of period		497.8	122.5	122.5
<b>Cash and cash equivalents at period end</b>		<b>428.5</b>	<b>453.5</b>	<b>497.8</b>

\* 2021 are predecessor combined financial statements, see Note 1 for more information

## NOTE 1 Accounting Principles

### General information

Odfjell Technology Ltd. ('the Company') and its subsidiaries (together 'the Group') provide well services, drilling operations and engineering services.

Odfjell Technology Ltd., is incorporated in Bermuda with registered address at Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda and is tax resident in the United Kingdom with its head office at Bergen House, Crawpeel Road, Altens, Aberdeen, AB12 3LG.

These condensed interim financial statements were approved by the Board of Directors on 30 May 2022 and have not been audited.

### Basis for preparation

#### First-time consolidated financial statements

The Group's interim financial statement for the three months ending 31 March 2022 have been prepared in accordance with IAS 34, 'Interim financial reporting' with the following exceptions: The perimeter of the accounts does not conform with the control notion in IFRS 10 Consolidated Financial Statements because Odfjell Technology Ltd., was not the parent company for all the periods covered by the interim financial statements. The first-time consolidated interim financial statements have been

prepared in accordance with IFRS 1, First-time Adoption of International Financial Reporting Standards.

The legal formation of Odfjell Technology Ltd Group was completed on 1 March 2022. The entire transaction is accounted for as a common control transaction outside the scope of IFRS 3 as Odfjell Drilling Ltd was sole shareholder of the company at the time of the transactions, and book values of assets and liabilities are continued in the consolidated accounts of Odfjell Technology.

Special purpose predecessor combined financial statements were prepared for the Odfjell Technology group in line with International Financial Reporting Standards as adopted by the European Union (IFRS (EU)) for the years ended 31 December 2020, 2019 and 2018.

Until the formation of the Group, the accounting policies, principles of carve-out, combination and allocations as described in the predecessor combined financial statements were applied.

The accounting principles used in this interim financial statements are consistent with those used in the predecessor combined financial statement.

These condensed consolidated interim financial statements do not include all the notes of the type normally included in an

annual financial report. Accordingly, this report is to be read in conjunction with the 2020 predecessor combined financial statements, available on [www.odfjelltechnology.com/investor/prospectus/](http://www.odfjelltechnology.com/investor/prospectus/)

### Presentation currency

The predecessor combined financial statements were prepared using USD as presentation currency, as these were carve-out financial statements based on the predecessor values of Odfjell Drilling Ltd.

The functional currency of the group's underlying business is mainly NOK. The board therefore believes that NOK financial reporting provides more relevant presentation of the group's financial position, funding and treasury function, financial performance and its cash flows. Odfjell Technology Ltd Group will therefore present its first-time consolidated financial statements in NOK.

The functional currencies of the group's subsidiaries (functional currencies referring to the currencies of the primary economic environments in which underlying businesses operate) remain unchanged and that foreign exchange exposures will therefore be unaffected by the change, albeit that the effects of such exposures will be presented in NOK.

### Opening balances and comparable figures

Opening balance as at 1 January 2021 has been restated to NOK based on the predecessor combined financial statement closing balance in USD as at 31 December 2020 using a NOK to USD exchange rate of 8.5326.

The comparative information in these financial statements prior to the legal formation of the group derived from the carve-out combined financial statements up to and including 31 December 2021.

### 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, competition within the oil and gas services industry, changes in clients' spending budgets and developments in the financial and fiscal markets.

Additionally, any unforeseen consequences of COVID-19 and other future pandemics may impact the financial result.

The Group does not expect to be materially affected by the situation in Ukraine as it has no direct businesses in Ukraine, Russia or Belarus. Any potential spill-over effects are not expected to be adverse.

Taking all relevant risk factors 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.

### Use of estimates

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.

In preparing these interim financial statements, the significant judgements made by management in applying the

Group's accounting policies and the key sources of estimation were the same as those that applied to the predecessor combined financial statements for the year ended 31 December 2020.

There will always be uncertainty related to judgement and assumptions related to accounting estimates. Reference is made to contingencies in Note 12.

## NOTE 2 Segment summary

The Board is the Group's chief operating decision maker. Management has determined the operating segments based on the information reviewed by the Board for the purposes of allocating resources and assessing performance. Well Services, Drilling Operations and Engineering have been determined as the operating segments.

### Well Services

The Well Services segment provides casing and tubular running services (both automated and conventional), drilling tool and tubular rental services, specialist well intervention products and services for exploration wells and for production purposes.

### Drilling Operations

The main service offering of the drilling operations segment is production drilling and well completion on client's rigs. Other types of services offered are slot recovery, plug and abandonment, work-overs and maintenance activities. In this segment, the Group offers platform drilling services on both fixed production platforms and on floating production platforms with subsea blowout preventers ("BOP") along with the management of and performance of the same services on leased Jack-up rigs.

### Engineering

The engineering business area offers engineering and integrity services, ranging from design and engineering to building supervision, project management and operational support for, units in operation, newbuild projects, SPS/RS recertification projects and yard stays.

	Well Services		Drilling Operations		Engineering		Corporate / GBS		Eliminations		Consolidated	
<i>NOK million</i>	Q1 22	Q1 21	Q1 22	Q1 21	Q1 22	Q1 21	Q1 22	Q1 21	Q1 22	Q1 21	Q1 22	Q1 21
External segment revenue	236.3	206.8	440.6	339.2	116.3	81.3	43.0	41.3	-	-	836.2	668.6
Inter segment revenue	50.9	25.5	(25.7)	(16.0)	4.0	2.3	39.6	38.2	(68.8)	(50.0)	-	-
<b>Total revenue</b>	<b>287.2</b>	<b>232.3</b>	<b>414.9</b>	<b>323.2</b>	<b>120.3</b>	<b>83.6</b>	<b>82.5</b>	<b>79.5</b>	<b>(68.8)</b>	<b>(50.0)</b>	<b>836.2</b>	<b>668.6</b>
<b>EBITDA</b>	<b>98.9</b>	<b>55.1</b>	<b>23.1</b>	<b>11.6</b>	<b>12.0</b>	<b>10.3</b>	<b>(16.3)</b>	<b>4.7</b>	<b>-</b>	<b>-</b>	<b>117.8</b>	<b>81.8</b>
Depreciation and impairment	(57.5)	(53.7)	(0.0)	(0.1)	(0.1)	(0.1)	(5.4)	(10.6)	-	-	(63.0)	(64.6)
<b>EBIT</b>	<b>41.4</b>	<b>1.4</b>	<b>23.1</b>	<b>11.5</b>	<b>11.9</b>	<b>10.2</b>	<b>(21.6)</b>	<b>(5.9)</b>	<b>-</b>	<b>-</b>	<b>54.8</b>	<b>17.2</b>
Share of profit (loss) from joint ventures and associates											(3.7)	-
Net financial items											(1.4)	(3.8)
<b>PROFIT / (LOSS) BEFORE TAX - CONSOLIDATED GROUP</b>											<b>49.7</b>	<b>13.4</b>

**Corporate / GBS** covers overhead costs in the group as well as global business services (GBS). The GBS services are provided to segments within the group as well as to the Odfjell Drilling Group. The Group will continue to provide global business services to the Odfjell Drilling Group going forward.

	Well Services	Drilling Operations	Engineering	Corporate / GBS	Eliminations	Consolidated
<i>NOK million</i>	FY 21	FY 21	FY 21	FY 21	FY 21	FY 21
External segment revenue	849.0	1,576.4	350.0	172.8	-	2,948.2
Inter segment revenue	146.9	(70.7)	8.3	156.4	(240.9)	-
<b>Total revenue</b>	<b>995.9</b>	<b>1,505.7</b>	<b>358.3</b>	<b>329.2</b>	<b>(240.9)</b>	<b>2,948.2</b>
<b>EBITDA</b>	<b>257.9</b>	<b>100.9</b>	<b>20.3</b>	<b>8.3</b>	<b>-</b>	<b>387.4</b>
Depreciation and impairment	(211.1)	(0.2)	(0.4)	(51.0)	-	(262.8)
<b>EBIT</b>	<b>46.9</b>	<b>100.7</b>	<b>19.8</b>	<b>(42.7)</b>	<b>-</b>	<b>124.6</b>
Share of profit (loss) from joint ventures and associates						(4.6)
Net financial items						(17.2)
<b>PROFIT / (LOSS) BEFORE TAX - CONSOLIDATED GROUP</b>						<b>102.8</b>



## NOTE 3 Revenue

<i>NOK million</i>	Q1 22	Q1 21	FY 21
Revenue from contracts with customers	746.3	604.8	2,746.1
Lease component in Well Services contracts	89.8	63.6	201.4
Other operating revenue	0.1	0.2	0.8
<b>Operating revenue</b>	<b>836.2</b>	<b>668.6</b>	<b>2,948.2</b>

### Disaggregation of revenue – Primary geographical markets

	Well Services		Drilling Operations		Engineering		Corporate / GBS		Eliminations		Consolidated	
<i>NOK million</i>	Q1 22	Q1 21	Q1 22	Q1 21	Q1 22	Q1 21	Q1 22	Q1 21	Q1 22	Q1 21	Q1 22	Q1 21
Norway	164.1	136.9	248.0	216.4	108.5	77.8	70.3	66.2	(43.9)	(36.9)	547.0	460.4
UK	26.0	18.6	166.9	106.7	11.8	5.8	10.8	11.1	(24.2)	(12.5)	191.4	129.8
Europe - other countries	36.6	28.1	-	-	-	-	-	-	-	-	36.6	28.1
Asia	59.5	47.9	-	-	-	-	1.5	2.2	(0.7)	(0.6)	60.2	49.6
Other geographical markets	1.0	0.8	-	-	-	-	-	-	-	-	1.0	0.8
<b>Total operating revenue</b>	<b>287.2</b>	<b>232.3</b>	<b>414.9</b>	<b>323.2</b>	<b>120.3</b>	<b>83.6</b>	<b>82.5</b>	<b>79.5</b>	<b>(68.8)</b>	<b>(50.0)</b>	<b>836.2</b>	<b>668.6</b>

### Disaggregation of revenue – Primary geographical markets

	Well Services	Drilling Operations	Engineering	Corporate / GBS	Eliminations	Consolidated
<i>NOK million</i>	FY 21	FY 21	FY 21	FY 21	FY 21	FY 21
Norway	554.2	969.1	323.8	279.2	(159.0)	1,967.3
UK	87.7	536.5	34.5	44.8	(78.1)	625.4
Europe - other countries	110.7	-	-	-	-	110.7
Asia	237.4	-	-	5.3	(3.8)	238.9
Other geographical markets	5.9	-	-	-	-	5.9
<b>Total operating revenue</b>	<b>995.9</b>	<b>1,505.7</b>	<b>358.3</b>	<b>329.2</b>	<b>(240.9)</b>	<b>2,948.2</b>

## NOTE 4 Net financial items

NOK million	Note	Q1 22	Q1 21	FY 21
Interest income	10	1.1	1.2	5.0
Interest expense lease liabilities	8	(1.7)	(1.0)	(5.1)
Other interest expenses		(9.9)	(0.1)	(0.9)
Other borrowing expenses		(0.4)	-	-
Change in fair value of derivatives		-	-	-
Net currency gain/(loss)		10.1	(3.6)	(16.6)
Other financial items		(0.5)	(0.2)	0.5
<b>Net financial items</b>		<b>(1.4)</b>	<b>(3.8)</b>	<b>(17.2)</b>

## NOTE 5 Property, plant and equipment

NOK million	Well Services equipment	Other fixed assets	Right-of-use assets	Total fixed assets
Opening net book amount as at 1 January 2022	756.6	26.6	104.2	887.4
Additions	64.3	2.3	2.5	69.1
Disposals	(2.4)	-	-	(2.4)
Depreciation	(52.4)	(2.4)	(5.6)	(60.4)
Currency translation differences	(16.7)	(0.4)	(1.3)	(18.4)
<b>Net book amount as at 31 March 2022</b>	<b>749.4</b>	<b>26.1</b>	<b>99.8</b>	<b>875.4</b>
Useful lifetime	3 - 10 years	3 - 5 years	2-10 years	
Depreciation schedule	Straight line	Straight line	Straight line	

NOK million	Well Services equipment	Other fixed assets	Right-of-use assets	Total fixed assets
Opening net book amount as at 1 January 2021	586.4	22.0	53.6	662.0
Additions	21.2	5.6	7.6	34.4
Disposals	(0.9)	-	-	(0.9)
Depreciation	(48.9)	(2.4)	(4.8)	(56.2)
Currency translation differences	1.0	(0.3)	(0.1)	0.6
<b>Net book amount as at 31 March 2021</b>	<b>558.7</b>	<b>24.9</b>	<b>56.3</b>	<b>639.9</b>
Useful lifetime	3 - 10 years	3 - 5 years	2-10 years	
Depreciation schedule	Straight line	Straight line	Straight line	

All Right-of-use assets are related to properties.

### Impairment of property, plant and equipment

Assets are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceed the recoverable amount. The Group has not identified any impairment indicators, nor any indicators for reversal of impairment as at 31 March 2022.

## NOTE 6 Intangible assets

<i>NOK million</i>	Goodwill	Software and other intangible assets	Total intangible assets
Opening net book amount as at 1 January 2022	132.8	85.3	218.1
Additions	-	13.3	13.3
Amortisation	-	(2.7)	(2.7)
Currency translation differences	-	(0.4)	(0.4)
<b>Closing net book amount as at 31 March 2022</b>	<b>132.8</b>	<b>95.5</b>	<b>228.2</b>

<i>NOK million</i>	Goodwill	Software and other intangible assets	Total intangible assets
Opening net book amount as at 1 January 2021	139.3	76.3	215.5
Additions	-	6.8	6.8
Amortisation	-	(8.4)	(8.4)
Currency translation differences	-	0.0	0.0
<b>Closing net book amount as at 31 March 2021</b>	<b>139.3</b>	<b>74.7</b>	<b>213.9</b>

### Impairment test for goodwill

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The Group has not identified any impairment indicators as at 31 March 2022.

## NOTE 7 Interest-bearing borrowings

NOK million	31.03.2022	31.03.2021	31.12.2021
Non-current	1,081.1	-	-
Current	220.4	-	-
<b>Total</b>	<b>1,301.5</b>	<b>-</b>	<b>-</b>

Movement in interest-bearing borrowings are analysed as follows:

NOK million	Non-current	Current	Total
Carrying amount as at 1 January 2022	-	-	-
<b>CASH FLOWS:</b>			
New borrowings	1,100.0	219.7	1,319.7
Paid transaction costs related to new borrowings	(19.2)	(5.0)	(24.2)
<b>NON-CASH FLOWS:</b>			
Change in transaction cost, unamortised	0.3	0.1	0.4
Change in accrued interest cost	-	9.6	9.6
Currency translation differences	-	(4.1)	(4.1)
<b>Carrying amount as at 31 March 2022</b>	<b>1,081.1</b>	<b>220.4</b>	<b>1,301.5</b>

### Repayment schedule for interest-bearing borrowings

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining 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.

NOK million	31.03.2022	31.03.2021	31.12.2021
Maturity within 3 months	-	-	-
Maturity between 3 and 6 months	-	-	-
Maturity between 6 and 9 months	-	-	-
Maturity between 9 months and 1 year	215.7	-	-
Maturity between 1 and 2 years	-	-	-
Maturity between 2 and 3 years	-	-	-
Maturity between 3 and 4 years	1,100.0	-	-
Maturity between 4 and 5 years	-	-	-
Maturity beyond 5 years	-	-	-
<b>Total contractual amounts</b>	<b>1,315.7</b>	<b>-</b>	<b>-</b>

### Bond loan

On 4 February 2022 Odfjell Technology successfully priced NOK 1.1 bn in senior secured bonds through a private placement. The bonds mature in February 2026 and bear interest of 3 months Nibor plus 700 basis points.

### Revolving credit facility

The company also secured a new USD 25 million super senior revolving credit facility at 3 months Libor + 375 basis points.

### Available drawing facilities

The group has no available undrawn facilities as per 31 March 2022.

### Covenants

The Group is compliant with all financial covenants as at 31 March 2022.

## NOTE 8 Leases

The Right-of-use assets are all related to property, and are included in the line item "Property, plant and equipment" in the balance sheet, refer to Note 5.

### Lease liabilities:

NOK million	31.03.2022	31.03.2021	31.12.2021	01.01.2021
Non-current	80.9	42.3	83.1	37.1
Current	22.4	17.1	24.5	19.3
<b>Total</b>	<b>103.3</b>	<b>59.3</b>	<b>107.6</b>	<b>56.4</b>

### Movements in the lease liabilities are analysed as follows for 2022:

NOK million	Non-current	Current	Total
Carrying amount as at 1 January 2022	83.1	24.5	107.6
<b>CASH FLOWS:</b>			
Payments for the principal portion of the lease liability	-	(5.5)	(5.5)
Payments for the interest portion of the lease liability	-	(1.8)	(1.8)
<b>NON-CASH FLOWS:</b>			
New lease liabilities recognised in the year	2.5	-	2.5
Interest expense on lease liabilities	1.7	-	1.7
Reclassified to current portion of lease liabilities	(5.7)	5.7	-
Currency exchange differences	(0.8)	(0.5)	(1.3)
<b>Carrying amount as at 31 March 2022</b>	<b>80.9</b>	<b>22.4</b>	<b>103.3</b>

### Movements in the lease liabilities are analysed as follows for 2021:

NOK million	Non-current	Current	Total
Carrying amount as at 1 January 2021	37.1	19.3	56.4
<b>CASH FLOWS:</b>			
Payments for the principal portion of the lease liability	-	(4.7)	(4.7)
Payments for the interest portion of the lease liability	-	(1.0)	(1.0)
<b>NON-CASH FLOWS:</b>			
New lease liabilities recognised in the year	7.6	-	7.6
Interest expense on lease liabilities	1.0	-	1.0
Reclassified to current portion of lease liabilities	(3.5)	3.5	-
Currency exchange differences	0.0	(0.1)	(0.0)
<b>Carrying amount as at 31 March 2021</b>	<b>42.3</b>	<b>17.1</b>	<b>59.3</b>



## NOTE 9 Financial risk management and Financial instruments

### Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Group's refinancing risk is low with a bond loan maturing in February 2026 and a rolling credit facility of USD 25 available until the same quarter.

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; consequently they should be read in conjunction with the Group's audited 2020 predecessor combined financial statements.

The Covid-19 pandemic has had a significant impact on our business in the last couple of years in terms of us having to adapt and adjust our ways of working. The pandemic necessitated a renewed focus on people and safety. The Group acted quickly to implement required routines to limit the spread of the virus.

The Well Services business has been significantly impacted by the Covid-19 pandemic, predominately due to the geographical reach of the business and

the need for international movement and cross border activity, while the negative financial impact in Drilling Operations and Engineering has been limited. The main impact in the Well Services business has been reduced operating revenues due to customers postponing contract commencements. Strict cost control and cost reducing measures have secured acceptable margin levels. The Group will continue to monitor the situation and take actions as required and recommended by local authorities. Any unforeseen consequences of COVID-19 and other future pandemics may impact the financial result.

The Group does not expect to be materially affected by the situation in Ukraine as it has no direct businesses in Ukraine, Russia or Belarus. Any potential spill-over effects are not expected to be adverse.

Calculation of the Group's sensitivity to interest rate fluctuations showed that the effect of an increase in interest rates by one percentage point (e.g. from 4.0% to 5.0%) is approximately NOK 9 million for the next 12 months including interest rate swaps. The group entered into hedging interest swap contracts in March 2022 totalling NOK 385 million or about 30% of total debt.

### Liquidity risk

Operating in more than 20 jurisdictions Odfjell Technology do from time to time receive enquiries from authorities about compliance related matters. Refer to Note 12 regarding notice of decision received from HM Revenue and Customs. The Group has per 31 March 2022 not received any other formal material assessment which is not disclosed in the financial statements.

As reported in The Predecessor Combined Financial Statements, Note 10, there are ongoing tax enquiries in Odfjell Offshore Ltd, a company included in the these financial statements. Odfjell Technology has on 1 March 2022 been issued a letter of indemnity from Odfjell Drilling Ltd to hold the Company indemnified in respect of any liability that may incur in relation to the ongoing Odfjell Offshore Ltd tax enquiries. This includes financing of any (pre-)payments to the Norwegian Tax Authorities, and funds for any legal proceedings.

Refer to Note 7 in these interim financial statements regarding outflows for financial liabilities.

### Credit risk

Compared to disclosure in 2020 predecessor combined financial statements, there was no material change in credit risk for the Group.

### Fair value estimation

The table below analyses 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.

Set out below, is an overview of financial assets and liabilities held by the Group:

NOK million	Level	31.03.2022	31.03.2021	31.12.2021	01.01.2021
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>					
Derivatives designated as hedging instruments					
- Interest rate swaps - Other non-current assets	2	6.7	-	-	
<b>OTHER FINANCIAL ASSETS</b>					
Non-current interest-bearing receivables Odfjell Drilling Group		-	93.1	-	91.7
Current interest-bearing receivables Odfjell Drilling Group		-	1,140.4	1,308.8	1,413.7
Other non-current receivables		23.6	22.2	24.0	22.1
Trade and other current receivables		1,619.7	1,319.0	1,675.7	1,318.9
Cash and cash equivalents		428.5	453.5	497.8	122.5
<b>Total financial assets</b>		<b>2,078.4</b>	<b>3,028.2</b>	<b>3,506.3</b>	<b>2,968.8</b>

NOK million	Level	31.03.2022	31.03.2021	31.12.2021	01.01.2021
<b>OTHER FINANCIAL LIABILITIES</b>					
Non-current interest-bearing borrowings		1,081.1	-	-	-
Non-current lease liabilities		80.9	42.3	83.1	37.1
Current interest-bearing borrowings		220.4	-	-	-
Current interest-bearing payables Odfjell Drilling Group		-	70.9	151.5	54.4
Current lease liabilities		22.4	17.1	24.5	19.3
Trade and other payables		524.1	389.7	491.8	364.6
<b>Total financial liabilities</b>		<b>1,928.9</b>	<b>519.9</b>	<b>750.9</b>	<b>475.4</b>

The fair value of the other financial assets and liabilities approximate their carrying amount.

## NOTE 10 Related parties

The Group had the following material transactions with related parties:

NOK million	Relation	Q1 22	Q1 21	FY 21
Odfjell Oceanwind AS	Joint-venture	2.1	1.9	9.4
Companies within the Odfjell Drilling Ltd. Group	Related to main shareholder	189.6	116.6	533.9
<b>Total sales of services to related parties</b>		<b>191.8</b>	<b>118.4</b>	<b>543.3</b>

Sales of services include casing and rental services, engineering services, personnel ire, administration services and business support

NOK million	Q1 22	Q1 21	FY 21
Well Services	71.4	27.1	162.5
Drilling operations	-	0.4	0.8
Engineering	77.5	48.1	205.1
Corporate / GBS	42.8	42.9	174.9
<b>Total operating revenue to related parties</b>	<b>191.8</b>	<b>118.4</b>	<b>543.3</b>

NOK million	Relation	Q1 22	Q1 21	FY 21
Companies within the Odfjell Drilling Ltd. Group	Related to main shareholder	16.7	18.3	79.4
<b>Total operating expenses to related parties</b>		<b>16.7</b>	<b>18.3</b>	<b>79.4</b>

NOK million	Relation	Q1 22	Q1 21	FY 21
Odfjell Drilling Ltd.	Related to main shareholder	0.8	1.2	5.1
<b>Total interest income from related parties</b>		<b>0.8</b>	<b>1.2</b>	<b>5.1</b>

The Group had the following receivables and liabilities to related parties

NOK million	Relation	Type	31.03.2022	31.03.2021	31.12.2021	01.01.2021
Odfjell Drilling Ltd.	Related to main shareholder	Loan	-	93.1	-	91.7
<b>Total non-current interest-bearing receivables related parties</b>			<b>-</b>	<b>93.1</b>	<b>-</b>	<b>91.7</b>

NOK million	Relation	Type	31.03.2022	31.03.2021	31.12.2021	01.01.2021
Odfjell Drilling Ltd.	Related to main shareholder	Loan	-	-	100.0	-
Odfjell Drilling Services Ltd.	Related to main shareholder	Cash pool	-	1,140.4	1,208.8	1,413.7
<b>Current interest-bearing receivables related parties</b>			<b>-</b>	<b>1,140.4</b>	<b>1,308.8</b>	<b>1,413.7</b>

## Cash pool

Some of the Group's bank deposits were in 2021 part of the cash pool scheme where Odfjell Drilling Services Ltd. was the account owner and thus the owner of the bank funds. The cash pool was created to help optimize liquidity management in Odfjell Drilling Ltd. Group.

The Group had a joint and several liability for deposits in the cash pool arrangement. The Group's loans or deposit is presented as current interest-bearing receivables group companies and current interest-bearing liabilities group companies

NOK million	Relation	Type	31.03.2022	31.03.2021	31.12.2021	01.01.2021
Odfjell Drilling Services Ltd.	Related to main shareholder	Cash pool	-	70.9	151.5	54.4
<b>Current interest-bearing payables related parties</b>			<b>-</b>	<b>70.9</b>	<b>151.5</b>	<b>54.4</b>

## Current receivables and liabilities related parties

As a part of the day-to-day running of the business, the group have the following current receivables and liabilities towards companies in the Odfjell Drilling group. All receivables and liabilities have less than one year maturity.

NOK million	31.03.2022	31.03.2021	31.12.2021	01.01.2021
Trade receivables	163.9	88.9	142.8	106.2
Other current receivables	4.4	4.0	4.3	10.1
Trade payables	(5.7)	(11.6)	(8.0)	(9.6)
Other current payables	(13.5)	(5.3)	(5.5)	(9.0)
<b>Net current payables related parties</b>	<b>149.1</b>	<b>76.0</b>	<b>133.6</b>	<b>97.7</b>

## Lease agreements

The Group have lease agreements regarding offices and workshops with the related party Odfjell Land AS (previously called Kokstad Holding AS, related to main

shareholder). Reported lease liability to Odfjell Land AS as at 31 March 2022 is NOK 49 million, while payments in 2022 amounts to NOK 2 million.

## Shareholdings

Odfjell Partners Ltd., which owns 60.37% of the common shares. Chairman of the Board, Helene Odfjell, controls Odfjell Partners Ltd.

Susanne Munch Thore (Director) controls 500 (0.00%) of the common shares in the company as per 31 March 2022.

## NOTE 11 Commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

NOK million	31.03.2022	31.03.2021	31.12.2021
Rental and casing equipment	125.0	38.2	196.2
<b>Total</b>	<b>125.0</b>	<b>38.2</b>	<b>196.2</b>

## NOTE 12 Contingencies

A Group subsidiary is subject to challenges by HM Revenue and Customs ("HMRC") on the historical application of National Insurance Contributions ("NICs") to workers in the UK Continental Shelf. 1 October 2021, a decision was issued by HMRC against Odfjell Technology (UK) Ltd

(Previously Odfjell Drilling (UK), "OT UK") in respect of the historic application of NICs. OT UK has appealed against the decision and no payment has been made to HMRC pending the outcome of the first level appeal. A final verdict is not expected in the short to medium term.

Management, taking into consideration advice from independent legal and tax specialists, believes that the most probable outcome is that no outflow of resources embodying economic benefits will be required to settle the obligation, and accordingly, no provision has been

recognised. The potential exposure to OT UK in relation to NICs and interest should it be unsuccessful in defending its position is approximately USD 30 million.

There are no other material contingencies to be disclosed as per 31 March 2022.

## NOTE 13 Equity and shareholder information

Listed shares	No. of shares	Nominal value	Share capital - USD thousand
Common shares issued as at 31 March 2022	39,463,867	USD 0.01	394.6

Authorised, not issued shares was 5,536,133 as at 31 March 2022.

All issued shares are fully paid. No shares are held by entities in the Group.



<i>Largest common shareholders at 31 March 2022</i>	<b>Account type</b>	<b>Holding</b>	<b>% of shares</b>
Odfjell Partners Ltd.	Ordinary	23,825,396	60.37%
J.P. Morgan Securities Plc	Nominee	1,288,241	3.26%
Goldman Sachs International	Nominee	1,267,952	3.21%
J.P. Morgan Securities Plc	Nominee	804,510	2.04%
Brown Brothers Harriman & Co.	Nominee	621,504	1.57%
UBS AG	Nominee	472,211	1.20%
State Street Bank and Trust Comp	Nominee	445,579	1.13%
BNP Paribas Securities Services	Nominee	432,169	1.10%
The Bank of New York Mellon SA/NV	Nominee	429,163	1.09%
Brown Brothers Harriman & Co.	Nominee	392,765	1.00%
Citibank, N.A.	Nominee	378,789	0.96%
State Street Bank and Trust Comp	Nominee	367,985	0.93%
Cape Invest AS	Ordinary	333,333	0.84%
Morgan Stanley & Co. International	Ordinary	298,545	0.76%
Morgan Stanley & Co. Int. Plc.	Nominee	289,004	0.73%
Brown Brothers Harriman & Co.	Nominee	266,069	0.67%
Nordea Bank Abp	Nominee	200,000	0.51%
Nordnet Livsforsikring AS	Ordinary	182,213	0.46%
The Bank of New York Mellon	Nominee	168,864	0.43%
Ulsmo Finans AS	Ordinary	153,333	0.39%
<b>Total 20 largest common shareholders</b>		<b>32,617,625</b>	<b>82.65%</b>
Other common shareholders		6,846,242	17.35%
<b>Total common shareholders</b>		<b>39,463,867</b>	<b>100.00%</b>

## NOTE 14 Earnings per share

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 any dilution effects. There are no dilution effects in 2021 or 2022.

NOK million	Q1 22	Q1 21	FY 21
Profit/(loss) due to owners of the parent	92.5	10.0	116.5
Diluted profit/(loss) for the period due to owners of the parent	92.5	10.0	116.5

	Q1 22	Q1 21 *	FY 21 *
Weighted average number of common shares in issue	39,463,867	39,463,867	39,463,867
Diluted average number of shares outstanding	39,463,867	39,463,867	39,463,867

\* Number of shares as per listing 29 March 2022 used for comparative figures

Earnings per share (NOK)	Q1 22	Q1 21	FY 21
Basic earnings per share	2.34	0.25	2.95
Diluted earnings per share	2.34	0.25	2.95

## NOTE 15 Important events occurring after the reporting period

There have been no events after the balance sheet date with material effect on the quarterly financial statements ended 31 March 2022.

## Appendix 1: Definitions of alternative performance measures

### Contract backlog

The Company's fair estimation of revenue in firm contracts and relevant optional periods measured in NOK - subject to variations in currency exchange rates.

### EBITDA backlog vs NIBD

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.

### EBIT

Earnings before interest and taxes.

### EBIT margin

EBIT/Operating revenue.

### EBITDA

Earnings before interest, taxes, depreciation and amortisation.

### EBITDA margin

EBITDA/Operating revenue.

### Equity ratio

Total equity/total equity and liabilities.

### 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 after taxes.

### Earnings per share

Net profit / number of outstanding shares.

### Leverage ratio (adj)

31.03.2022			
Non-current interest-bearing borrowings	NOK	1,081	million
Current interest-bearing borrowings	NOK	220	million
Non-current lease liabilities	NOK	81	million
Current lease liabilities	NOK	22	million
Adjustment for operational lease contracts	NOK	(103)	million
<b>A Adjusted financial indebtedness</b>	<b>NOK</b>	<b>1,302</b>	<b>MILLION</b>
Cash and cash equivalents	NOK	429	million
Adjustment for restricted cash and other cash not ready available	NOK	(29)	million
<b>B Adjusted cash and cash equivalents</b>	<b>NOK</b>	<b>400</b>	<b>MILLION</b>
<b>A-B=C Adjusted Net interest-bearing debt</b>	<b>NOK</b>	<b>902</b>	<b>MILLION</b>
EBITDA last 12 months	NOK	423	million
Adjustment for operational lease contracts	NOK	(3)	million
Adjustment for transaction costs	NOK	9	million
<b>D Adjusted EBITDA</b>	<b>NOK</b>	<b>429</b>	<b>MILLION</b>
<b>C/D=E LEVERAGE RATIO (ADJ)</b>		<b>2.1</b>	



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