



Odfjell Technology Quarterly Presentation

Q2 2022

Agenda

- Odfjell Technology at a glance
- Key highlights of the quarter
- Segment reporting
- Financial information
- Market outlook
- Summary

Odfjell Technology at a glance



International technology and engineering company delivering specialist services, equipment and competence across the offshore energy value chain

Our businesses

Well Services



Drilling Operations



Engineering

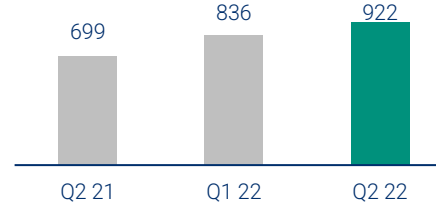


Green Ventures¹

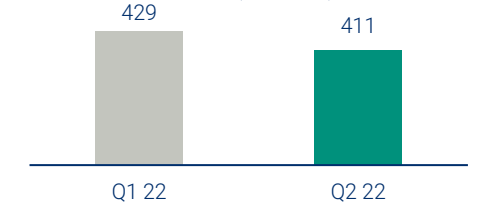


Development key financials

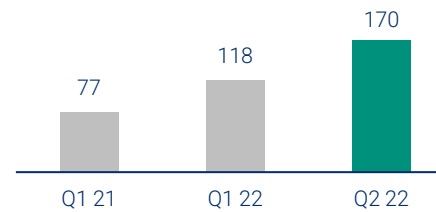
Revenue (NOKm)



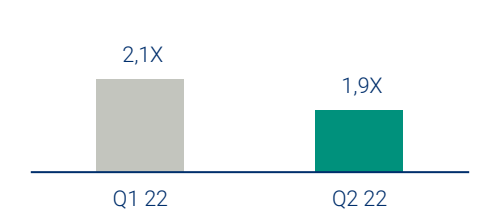
Cash (NOKm)



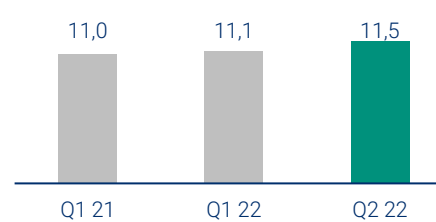
EBITDA (NOKm)



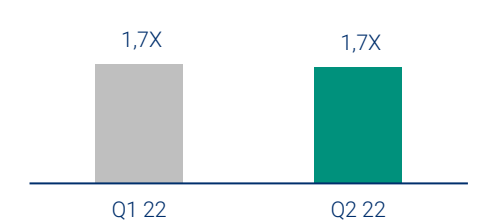
NIBD / EBITDA



Revenue backlog (NOKbn)



EBITDA backlog / NIBD



Notes: 1) Segment not yet active

Key highlights of the quarter

Key highlights of the quarter

Financial performance

- Strong quarter demonstrating potential
- Revenue increase of 10% from Q1 to Q2 and year-on-year increase of 32%
- EBITDA growth of 44% from Q1 to Q2 and year-on-year improvement of 121%

- Revenue growth driven by the start-up of new major contracts in Norway and higher activity across all regions and segments
- EBITDA improvement contributable to higher activity level, higher operational efficiency, favourable change in product mix and cost saving initiatives
- Cash flow from operations generated 102NOKm in Q2 with 222NOKm generated YTD

Operational highlights

- Operations were carried out safely with no serious incidents
- Operational efficiency was high combined with diminishing Covid-19 impact
- Wired Drill Pipe and Continuous Circulating System contract for Equinor on Breidablikk commenced in May
- Secured additional Wired Drill Pipe contract with AkerBP and tubular running service contract with Petronas

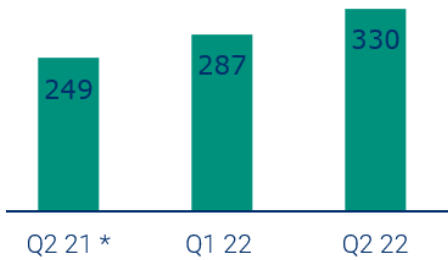
Segment reporting

Well services

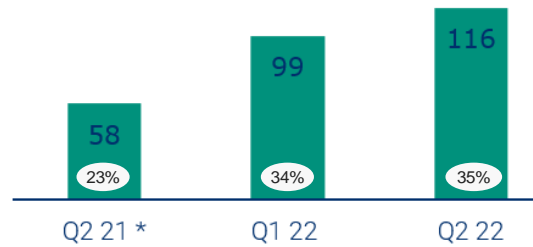


Quarterly performance (NOKm)

Revenue



EBITDA

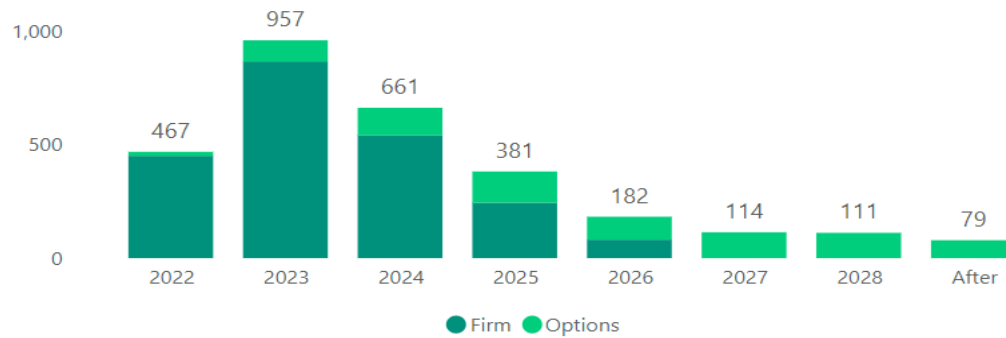


xx% EBITDA margin

Breakdown of operations

- Strong financial performance across all regions
- Commencement of Equinor Breidablikk contract with Deepsea Aberdeen in early May, including wired drill pipe services and the newly developed continuous circulation system
- Tubular running service contract secured with Petronas in Malaysia and an additional Wired Drill Pipe contract with AkerBP
- Positive market outlook for all locations

Backlog visibility (NOKm)



Key figures

2 952
Backlog NOKm

494
Employees

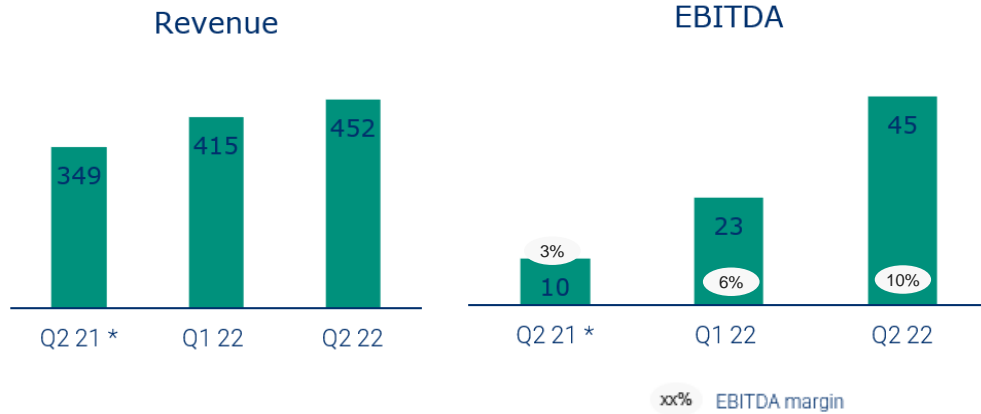
3,6
Cost price
equipment pool NOKbn

75
Number of rigs served

Drilling Operations



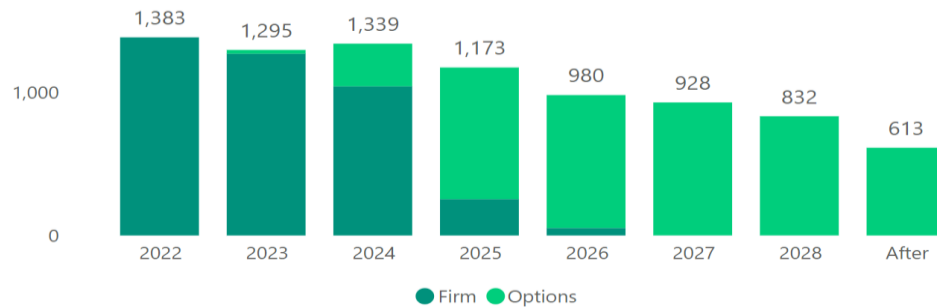
Quarterly performance (NOKm)



Highlights

- Improved operational efficiency
- Increase in incentive payments
- Strong order backlog
- Contract conditions in contract portfolio safeguards margins
- Expect startup of rig management for Linus in end Q3 2022

Backlog visibility (NOKm)



Key figures

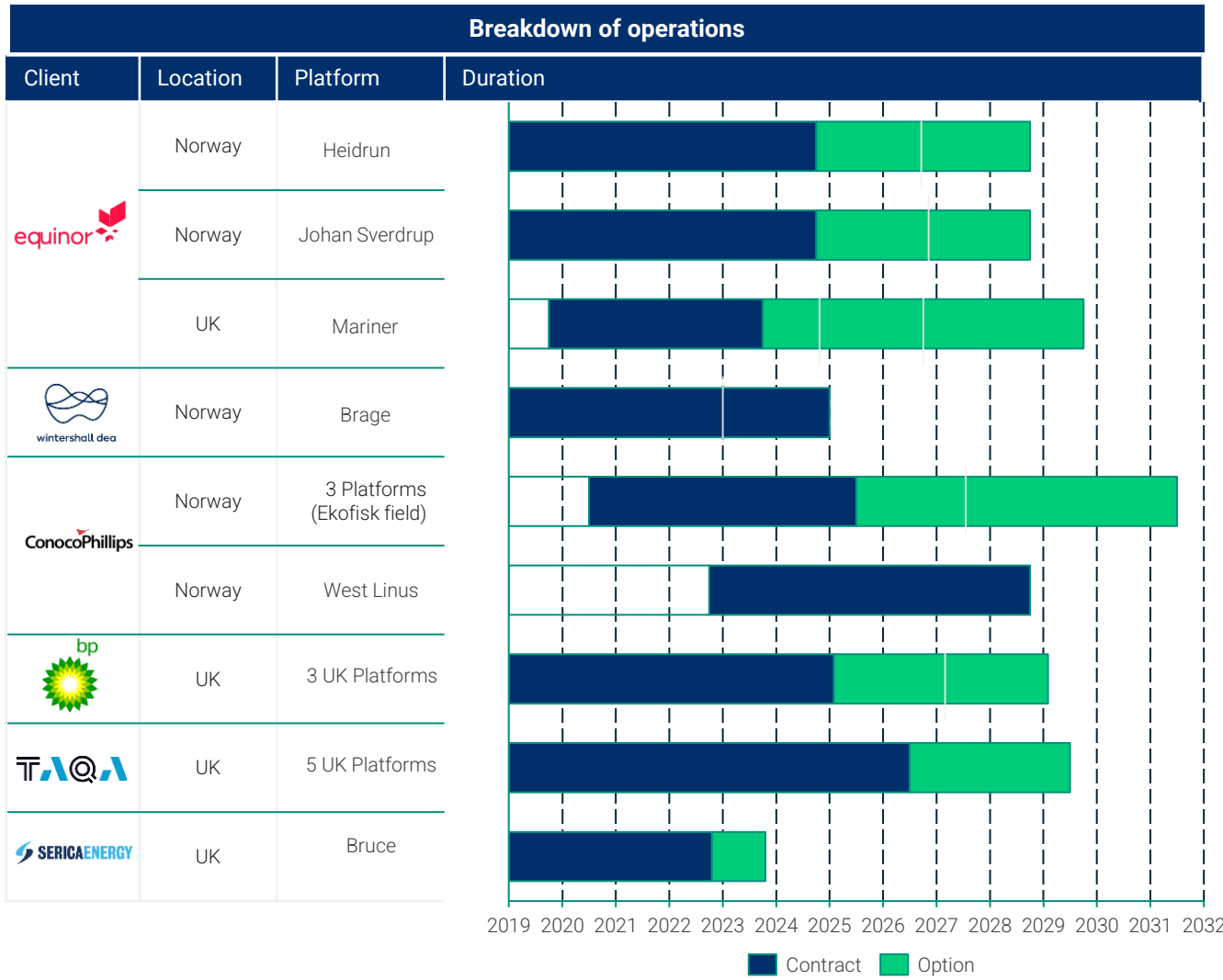
8 321
Backlog NOKm

1 004
Employees

16
Platforms

98,5%
Financial Utilisation

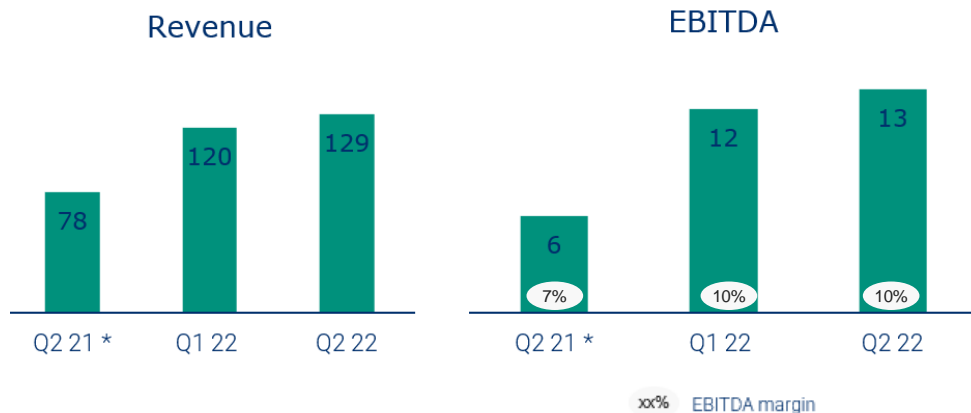
Drilling Operations Contract Overview



Engineering



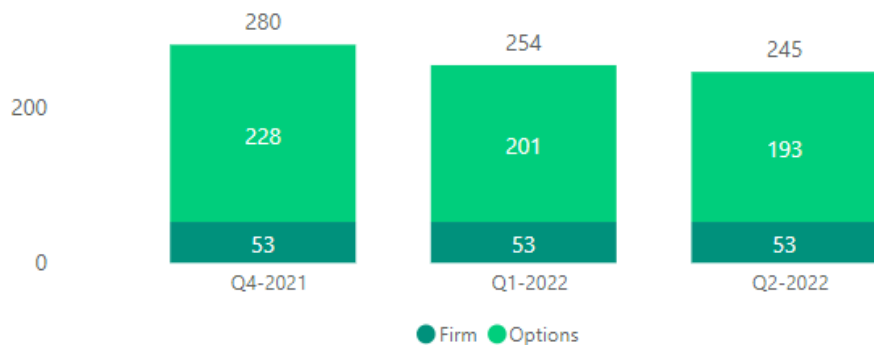
Quarterly performance (NOKm)



Highlights

- High tender activity
- The increase is mainly explained by increased volume and utilisation compared to the same quarter last year
- Financial performance in Q2 2022 in accordance with expectations
- Resource utilisation still affected by recruitment process to expand capacity and flexibility

Backlog visibility by quarter (NOKm)



Key figures

245
Backlog NOKm

219
Resource base
67% OTL employees

89%
Utilisation (people-hours)

25%
Resources used on green initiatives

Market outlook

Key market outlook

Overall

- Positive outlook highlighted by our strong first half of 2022, backlog and the industry upcycle
- Under investment has caused a supply challenge. The demand continues to grow
- E&G companies are expected to remain cost disciplined while required to increase spending in the coming years in order to increase or even sustain oil production levels

Well Services

- Well positioned to capitalise on the increase in drilling activity and field investment expected in the coming years.
- Opportunities to expand through integrated solutions
- Positive outlook

Drilling Operations

- Stable and predictable market outlook
- Possibilities in new markets
- Opportunities to expand through integrated solutions

Engineering

- General increase in activity due to growth in investments, rig and platform modifications and maintenance
- Large volume in planned SPS (Special Period Surveys) for drilling rigs
- Energy transition creates new engineering opportunities

Financial information

Summary Financials

Condensed Consolidated income statement

P&L (NOKm)	Q2 22	Q1 22	Q2 21 *	YTD 22	YTD 21 *	FY 21 *
Operating revenue	922,2	836,2	699,2	1 758,5	1 367,8	2 948,2
Other gains and losses	3,1	5,0	0,3	8,1	2,2	6,0
Personnel expenses	(558,7)	(535,8)	(460,3)	(1 094,6)	(901,1)	(1 897,0)
Other operating expenses	(196,9)	(187,6)	(162,4)	(384,5)	(310,3)	(669,8)
EBITDA	169,7	117,8	76,8	287,5	158,6	387,4
Depreciation and amortisation	(66,4)	(63,0)	(60,3)	(129,5)	(124,8)	(262,8)
Operating profit (EBIT)	103,2	54,8	16,6	158,0	33,8	124,6
Share of profit (loss) from joint ventures and associates	(3,5)	(3,7)	(1,0)	(7,2)	(1,0)	(4,6)
Net financial items	(79,8)	(1,4)	1,8	(81,2)	(1,9)	(17,2)
Profit (loss) before tax	19,9	49,7	17,4	69,6	30,8	102,8
Income tax expense	(12,6)	42,8	25,1	30,3	19,0	9,2
Net profit (loss)	7,3	92,5	42,5	99,9	49,8	112,0

Well Services	Q2 22	Q1 22	Q2 21 *	YTD 22	YTD 21 *	FY 21
Operating revenue	330,3	287,2	249,1	617,5	481,4	995,9
EBITDA	116,4	98,9	57,9	215,3	113,1	257,9
Operating profit (EBIT)	55,6	41,4	8,5	97,0	9,8	46,9
EBITDA Margin %	35 %	34 %	23 %	35 %	23 %	26 %

Drilling Operations	Q2 22	Q1 22	Q2 21 *	YTD 22	YTD 21 *	FY 21
Operating revenue	451,6	414,9	349,1	866,6	672,2	1 505,7
EBITDA	44,6	23,1	10,1	67,7	21,6	100,9
Operating profit (EBIT)	44,5	23,1	10,0	67,6	21,5	100,7
EBITDA Margin %	10 %	6 %	3 %	8 %	3 %	7 %

Engineering	Q2 22	Q1 22	Q2 21 *	YTD 22	YTD 21 *	FY 21
Operating revenue	129,1	120,3	78,3	249,4	161,9	358,3
EBITDA	13,2	12,0	5,7	25,3	16,1	20,3
Operating profit (EBIT)	13,1	11,9	5,6	25,0	15,8	19,8
EBITDA Margin %	10 %	10 %	7 %	10 %	10 %	6 %

Comments

- 2021 are predecessor combined financial figures
- Q1 2022 Other operating expenses include approximate 15NOKm in one-off expenses related to split, financing and listing of Odfjell Technology
- Net financial items in Q2 of 79.8NOKm includes 28NOKm interest expense and a net currency loss of 50NOKm (mainly un-realised). YTD currency loss 40NOKm
- Please refer to the Quarterly report for further details

Summary statement of financial position

Balance sheet

Assets (NOKm)	30.06.2022	30.06.2021*	31.12.2021*	Equity and liabilities	30.06.2022	30.06.2021*	31.12.2021*
Property, plant and equipment	1 065,2	627,0	887,4	Paid-in capital	1 093,8	-	-
Intangible assets	236,0	208,7	218,1	Other equity	(449,3)	2 831,1	2 962,2
Deferred tax asset	15,2	15,7	15,5	Total equity	644,5	2 831,1	2 962,2
Non current loan receivable Odfjell Drilling Group		94,5	-	Non-current interest-bearing borrowings	1 082,1	-	-
Investments in joint ventures and associates	27,1	5,9	4,3	Non-current lease liabilities	77,7	36,3	83,1
Other non-current assets	39,0	22,2	24,0	Post-employment liabilities	47,3	47,9	46,8
Total non-current assets	1 382,4	973,9	1 149,3	Other non-current liabilities	56,1	44,4	49,3
Current interest-bearing receivables Odfjell Drilling group	-	1 659,3	1 308,8	Total non-current liabilities	1 263,3	128,6	179,2
Spare parts	28,0	21,8	22,1	Current interest-bearing borrowings	254,8	-	-
Trade receivables	912,0	704,7	816,4	Current interest-bearing payables Odfjell Drilling Group	-	135,4	151,5
Other current receivables and assets	101,8	81,6	125,6	Current lease liabilities	24,0	19,7	24,5
Cash and cash equivalents	411,3	167,8	497,8	Trade payables	262,7	177,1	215,3
Total current assets	1 453,1	2 635,1	2 770,7	Other current liabilities	386,3	317,1	387,3
Total assets	2 835,5	3 609,0	3 920,0	Total current liabilities	927,7	649,3	778,7
				Total liabilities	2 191,0	777,9	957,9
				Total equity and liabilities	2 835,5	3 609,0	3 920,0

Notes: * 2021 are predecessor combined financial statements

Summary statement of cash flow

Cash flow					Comments
Cash flow (NOKm)	Q2 22	Q2 21 *	YTD 22 *	YTD 21 *	
Profit/(loss) before tax	19,9	17,4	69,6	30,8	
Adjustment for provisions and other non-cash elements	146,8	77,5	209,3	147,3	
Changes in working capital	(64,6)	(28,5)	(57,4)	(19,3)	
Cash generated from operations	102,1	66,3	221,5	158,9	
Net interest (paid) / received	(26,8)	(1,1)	(27,8)	(2,3)	
Net income tax paid	(8,4)	(6,7)	(18,0)	(11,9)	
Net cash flow from operating activities	66,9	58,5	175,7	144,6	
Net cash flow from investing activities	(82,2)	(49,9)	(2 477,5)	(88,6)	
Net cash flow from financing activities	(5,4)	(294,3)	2 209,7	(9,2)	
Effects of exchange rate changes on cash and cash equivalents	3,5	0,0	5,5	(1,5)	
Net increase (decrease) in cash and cash equivalents	(17,2)	(285,7)	(86,5)	45,3	

- YTD 22 cash flow from investing and financing activities are greatly affected by split, reorganisation and financing transactions recorded in Q1 22
- 2021 are predecessor combined financial figures
- Please refer to the Quarterly report for further details

Summary

Summary Q2 2022 and outlook

- Quarter with significant revenue and margin growth
- Good cash situation
- Ambition to pay dividend after Q1 2023

- Positive market outlook for all segments with particular growth potential in Well Services
- Strong contract portfolio combined with a solid balance sheet gives us the flexibility to focus on building an even stronger company
- Ongoing strategy process focused on controlled growth in core businesses and developing low carbon service offerings

