

Report for the 3rd 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 2,100 employees operating in more than 20 countries worldwide.

KEY FINANCIALS Q3 2022

NOK 995m

Q3 revenue

1.6x

Leverage ratio (adj)

NOK 188m

EBITDA

NOK 423m

Cash and cash equivalents

NOK 11.5b

Revenue Backlog

1.8x

EBITDA backlog vs NIBD

Key figures for the Group

All figures in NOK million	Q3 22	Q3 21	YTD 22	YTD 21	FY 21
Operating revenue	995	753	2,754	2,120	2,948
EBITDA	188	101	475	260	387
EBIT	104	36	262	69	125
Net profit	44	19	144	69	112
EBITDA margin	19%	13%	17%	12%	13%
Total assets			2,998	3,721	3,920
Net interest bearing debt			936		
Equity			789		
Equity ratio			26%		

- Operating revenue of NOK 995 million compared to NOK 753 million in Q3 2021.
- EBITDA margin of 19% compared to an EBITDA margin of 13% in Q3 2021.
- The Group's contract backlog is NOK 11.5 billion, whereof NOK 6.0 billion is firm backlog.
- EBITDA of NOK 188 million compared to NOK 101 million in Q3 2021.

Segments

Well Services

- Operating revenue of NOK 374 million compared to NOK 247 million in Q3 2021.
- EBITDA of NOK 138 million compared to NOK 69 million in Q3 2021.
- EBITDA margin of 37% compared to an EBITDA margin of 28% in Q3 2021.

Drilling Operations

- Operating revenue of NOK 468 million compared to NOK 394 million in Q3 2021.
- EBITDA of NOK 48 million compared to NOK 32 million in Q3 2021.
- EBITDA margin of 10% compared to an EBITDA margin of 8% in Q3 2021.

Engineering

- Operating revenue of NOK 153 million compared to NOK 96 million in Q3 2021.
- EBITDA of NOK 13 million compared to NOK 4 million in Q3 2021.
- EBITDA margin of 9% compared to an EBITDA margin of 4% in Q3 2021.

Highlights in 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 plus 375 basis points.

Re-organisation completed

As of 1 March 2022, the re-organisation of the Odfjell Drilling group was completed, and Odfjell Technology obtained control 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.

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. The contract work includes drilling operations, work-over campaigns,

Plug & Abandonment 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 agreement. 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 Technology took over as manager 30 September 2022.

Financial performance

We delivered another strong quarter with higher activity level in all segments and markets driven by a combination of market improvements and startup of major contracts late Q2 and start of Q3 resulting in 32% revenue growth and 86% EBITDA improvement from Q3 2021 to Q3 2022. EBITDA YTD 2022 is up 83% compared to 2021, due to new contracts and a general higher activity level in all markets.

Operational performance – not updated

Operational efficiency was high with less disruptions due to maintenance programs and diminishing COVID-19 impact. The Quarter saw the successful startup of new projects in Norway and Asia. Operations were carried out safely with no serious incidents.

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 Q3 2022

Operating revenue for Q3 2022 was NOK 995 million (NOK 753 million), an increase of NOK 242 million. There is increased revenue in all the segments from Q3 2021 to Q3 2022, but the main contributor is the Well Services segment.

EBITDA in Q3 2022 was NOK 188 million (NOK 101 million), an increase of NOK 87 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. The EBITDA margin in Q3 2022 was 19% (13%).

Net financial expenses in Q3 2022 amounted to NOK 49 million (NOK 10 million). The increase in net expenses of NOK 39 million was mainly explained by increased interest expenses (NOK 32 million) and increased net currency loss in 2022 compared to 2021.

Net profit in Q3 2022 was NOK 44 million (NOK 19 million), an increase of NOK 25 million

Profit & loss YTD 2022

Operating revenue YTD 2022 was NOK 2,754 million (NOK 2,120 million), an increase of NOK 634 million. There is increased revenue in all the segments from 2021 to 2022.

EBITDA YTD 2022 was NOK 475 million (NOK 260 million), an increase of NOK 215 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. The EBITDA margin YTD 2022 was 17% (12%).

Depreciation and amortisation cost YTD 2022 was NOK 213 million (NOK 190 million), an increase of NOK 23 million compared to 2021, mainly related to Well Services equipment.

Net financial expenses YTD 2022 amounted to NOK 130 million (NOK 12 million). The increase in net expenses of NOK 118 million was mainly explained by interest expenses on debt issued in 2022 and increased net currency loss in 2022 compared to 2021.

YTD 2022, the income tax expense was positive with NOK 26 million (positive with NOK 14 million) mainly due to utilisation of unrecognised tax losses in relation to group contribution received from the Odfjell Drilling Group.

Net profit YTD 2022 was NOK 144 million (NOK 69 million), an increase of NOK 75 million.

Balance sheet

Total assets as at 30 September 2022 amounted to NOK 2,998 million (NOK 3,920 million as at 31 December 2021), a decrease of NOK 922 million mainly due to the internal re-organisation and establishment of the Odfjell Technology Group, which significantly impacted certain receivables from the Odfjell Drilling Group.

Total equity as at 30 September 2022 amounted to NOK 789 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 26% as at 30 September 2022.

Net interest-bearing debt as at 30 September 2022 amounted to NOK 936 million, as the Group has issued interest-bearing borrowings in order to acquire shares in subsidiaries.

Cash flow Q3 2022

Net cash flow from operating activities in Q3 2022 was positive with NOK 132 million (NOK 43 million). The Group paid NOK 29 million (NOK 1 million) in interest, and NOK 1 million (NOK 2 million) in income taxes.

Net cash outflow from investing activities in Q3 2022 was NOK 126 million (NOK 40 million), mainly due to purchase of Well Services equipment.

Net cash outflow from financing activities in Q3 2022 was NOK 5 million (cash flow of NOK 37 million). The Q3 2022 outflow relates to repayment of lease liabilities, while the Q3 2021 flow also included changes in the Odfjell Drilling cash pool.

Cash flow YTD 2022

Net cash flow from operating activities YTD 2022 was positive with NOK 308 million (NOK 187 million). The Group paid NOK 57 million (NOK 4 million) in interest, and NOK 19 million (NOK 14 million) in income taxes.

Net cash outflow from investing activities YTD 2022 was NOK 2,603 million (NOK 129 million). In 2022, NOK 2,343 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 Well Services equipment.

Net cashflow from financing activities in YTD 2022 was NOK 2,205 million (NOK 28 million). In 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 30 September 2022, cash and cash equivalents amounted to NOK 423 million. There has been a net negative change of NOK 75 million since 31 December 2021, mainly due to the re-organisation in 2022.

Segments

Well Services

All figures in NOK million	Q3 22	Q3 21	YTD 22	YTD 21	FY 21
Operating revenue	374	247	991	729	996
EBITDA	138	69	354	182	258
EBIT	66	17	162	27	47
EBITDA margin	37%	28%	36%	25%	26%

Q3 2022

Operating revenue for the Well Services segment in Q3 2022 was NOK 374 million (NOK 247 million), an increase of NOK 127 million. All regions continue to experience increased levels of activity driven by the commencement of new contracts, notably in Norway and MEAA.

EBITDA for the Well Services segment in Q3 2022 was NOK 138 million (NOK 69 million), an increase of NOK 69 million. EBITDA margin for the OWS segment in Q3 2022 was 37% (28%). Increased activity, a shift towards higher margin product offerings and results from cost initiative programmes all contributed to the increase in EBITDA and margin.

EBIT for the Well Services segment in Q3 2022 was NOK 66 million (NOK 17 million).

YTD 2022

Operating revenue for the Well Services segment YTD 22 was NOK 991 million (NOK 729 million) an increase of NOK 262 million. The drivers for the increase are as per the comments for Q3.

EBITDA for the Well Services segment YTD 2022 was NOK 354 million (NOK 182 million) an increase of NOK 172 million with corresponding EBITDA margins of

36% (25%). The drivers for the increase are as per the comments made for the overall improvements in Q3.

EBIT for the Well Services segment YTD 2022 was NOK 162 million (NOK 27 million).

Drilling Operations

All figures in NOK million	Q3 22	Q3 21	YTD 22	YTD 21	FY 21
Operating revenue	468	394	1,335	1,067	1,506
EBITDA	48	32	116	53	101
EBIT	48	32	116	53	101
EBITDA margin	10%	8%	9%	5%	7%

Q3 2022

Operating revenue for the Drilling Operations segment in Q3 2022 was NOK 468 million (NOK 394 million), an increase of NOK 74 million. This is mainly explained by increase in activity compared to Q3 2021.

EBITDA for the Drilling Operations segment in Q3 2022 was NOK 48 million (NOK 32 million), an increase of NOK 16 million. The EBITDA margin for the Drilling Operations segment in Q3 2022 was 10% (8%). The increase is mainly explained by increase in activity and higher incentive bonuses compared to the same quarter last year.

YTD 2022

Operating revenue for the Drilling Operations segment in YTD 2022 was NOK 1,335 million (NOK 1,067 million), an increase of NOK 268 million mainly due to higher activity level.

EBITDA for the Drilling Operations segment in YTD 2022 was NOK 116 million (NOK 53 million), an increase of NOK 63 million. The EBITDA margin for the Drilling Operations segment in YTD 2022 was 9% (5%). The drivers for the increase are as per the comments made for Q3 improvements.

Engineering

All figures in NOK million	Q3 22	Q3 21	YTD 22	YTD 21	FY 21
Operating revenue	153	96	402	258	358
EBITDA	13	4	39	20	20
EBIT	13	4	38	19	20
EBITDA margin	9%	4%	10%	8%	6%

Q3 2022

Operating revenue for the Engineering segment in Q3 2022 was NOK 153 million (NOK 96 million), an increase of NOK 57 million. This is mainly explained by increased sales volume within the existing client portfolio. EBITDA for the

Engineering segment in Q3 2022 was NOK 13 million (NOK 4 million), an increase of NOK 9 million. The EBITDA margin for the Engineering segment in Q3 2022 was 9% (4%). The increase is mainly explained by increased volume and utilisation compared to the same quarter last year.

YTD 2022

Operating revenue for the Engineering segment in YTD 2022 was NOK 402 million (NOK 258 million), an increase of NOK 144 million. This is mainly explained by increased sales volume within the existing client portfolio. EBITDA for the

Engineering segment YTD 2022 was NOK 38 million (NOK 19 million), an increase of NOK 19 million. The EBITDA margin for the Engineering segment in YTD 2022 was 10% (8%).

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:

A new "zero emissions" fleet of forklift trucks at our Tananger facilities consists of 18 electric forklifts, replacing 12 diesel trucks. The workshop upgrade also includes two new ultrasonic cleaning machines that require less water input and recycle the water, thereby reducing significantly the waste water discharge generated by the chemical wash tanks.

Within Drilling Operations multiple initiatives are ongoing focusing on chemical substitution, waste reduction in personal protective equipment and improvement of spill barriers.

In connection with the new management agreement for West Linus, screening and implementation of emission reduction initiatives in cooperation with ConocoPhillips are ongoing.

A series of internal chemical management audits were carried out at all Well Services sites covering the entire process from procurement to disposal of chemicals. Common findings for all the sites will be grouped and addressed globally in a corrective action plan. This initiative is part of our efforts to reduce the use of harmful chemicals as much as possible, replacing chemicals categorised as red or black with green ones.

People & Safety:

New ISO 9001 and 14001 certificates have been issued for Odfjell Technology, valid from 22 May 2022 until 21 May 2025.

Well Services is celebrating 3 years without a Lost Time incident, a milestone achievement underlining our "zero incident" target within health and safety.

Odfjell Technology focuses on mental health and psychological wellbeing in the workplace, using the toolkits ascribed by the World Health Organisation (WHO). A global workshop and seminar series was held for managers and colleagues to create awareness around the topic and improve understanding about how to identify behaviours, offer support and mitigate a mental health crisis.

Drilling Operations successfully took over management of West Linus 30 September 2022, interim ISM code certificates were received from the Norwegian Maritime Authority and Acknowledge of Compliance issued by Petroleum Safety Authority Norway.

In connection with reported drone activity on offshore installations on the Norwegian Continental Shelf, monitoring and reporting procedures have been established for Odfjell Technology and relevant operators to secure due notification to authorities. Current security situation also implies increased IT security focus and actions were taken to ensure cyber security incident and crisis response 24/7.

Ethics & Governance:

Odfjell Technology launched in Q2 an updated whistle-blowing portal, available from the company website and intranet.

Odfjell Technology has implemented a new Human Rights Policy and a new Human Rights Risk Assessment Procedure. A statement on Odfjell Technology's approach to human rights was published on the company website (Human rights - Odfjell Technology) and includes a channel of communication for requesting further information from the company about this topic.

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.

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 had an adverse effect in many of the regions Well Services operate in over the two last years, but the effects are now diminishing.

The market for our Drilling Operations services 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.

The 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)	2.0	4.1
Total recordable incident frequency (as per 1 million working hours)	2.9	4.1
Sick leave (percentage)	4.1	5.3
Dropped objects frequency (as per 1 million working hours)	4.5	5.2
Number of employees *	2,115	1,620

* YTD 22 include 170 employees transferred to the group 30 September 2022 as it took over management of West Linus

Aberdeen, United Kingdom

24 November 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	Q3 22	Q3 21*	YTD 22	YTD 21*	FY 21*
Operating revenue	2,3,10	995.5	752.7	2,753.9	2,120.5	2,948.2
Other gains and losses		1.1	3.2	9.1	5.4	6.0
Personnel expenses		(584.8)	(484.7)	(1,679.4)	(1,385.9)	(1,897.0)
Other operating expenses		(223.9)	(170.0)	(608.4)	(480.3)	(669.8)
EBITDA		187.8	101.1	475.3	259.7	387.4
Depreciation, amortisation and impairment	5,6,8	(83.7)	(65.4)	(213.2)	(190.2)	(262.8)
Operating profit (EBIT)		104.1	35.7	262.1	69.4	124.6
Share of profit (loss) from joint ventures and associates		(7.6)	(0.9)	(14.8)	(1.9)	(4.6)
Net financial items	4	(48.6)	(10.3)	(129.8)	(12.2)	(17.2)
Profit before tax		48.0	24.5	117.5	55.3	102.8
Income tax expense		(4.2)	(5.5)	26.1	13.5	9.2
Net profit		43.8	19.0	143.6	68.8	112.0
Profit (loss) attributable to:						
Non-controlling interests		-	-	-	(4.5)	(4.5)
Owners of the parent		43.8	19.0	143.6	73.3	116.5
EARNINGS PER SHARE (NOK)						
Basic earnings per share	14	1.11	0.48	3.64	1.86	2.95
Diluted earnings per share	14	1.11	0.48	3.64	1.86	2.95

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

Condensed Consolidated Statement of Comprehensive Income

NOK million	Q3 22	Q3 21*	YTD 22	YTD 21*	FY 21*
NET PROFIT	43.8	19.0	143.6	68.8	112.0
Items that will not be reclassified to profit or loss:					
Actuarial gain (loss) on post employment benefit obligations	-	(0.8)	-	(0.8)	(2.8)
Items that are or may be reclassified to profit or loss:					
Cash flow hedges	2.9	-	14.3	-	-
Currency translation differences	96.8	54.4	257.0	64.9	82.1
OTHER COMPREHENSIVE INCOME, NET OF TAXES	99.7	53.5	271.3	64.0	79.3
Total comprehensive income	143.5	72.5	414.9	132.8	191.2
Total comprehensive income attributable to:					
Non-controlling interests	-	-	-	(4.5)	(4.5)
Owners of the parent	143.5	72.5	414.9	137.3	195.7

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

Condensed Consolidated Statement of Financial Position

NOK million	Note	30.09.2022	30.09.2021*	31.12.2021*	01.01.2021*
ASSETS					
Property, plant and equipment	5	1,153.6	655.6	887.4	662.0
Intangible assets	6	242.5	214.2	218.1	215.5
Deferred tax asset		17.0	15.7	15.5	16.1
Non-current interest-bearing receivables Odfjell Drilling Group	10	-	-	-	91.7
Other non-current assets	9	71.5	30.1	28.3	22.1
Total non-current assets		1,484.6	915.6	1,149.3	1,007.4
Current interest-bearing receivables Odfjell Drilling Group	10	-	1,745.3	1,308.8	1,413.7
Trade receivables	10	898.6	730.1	816.4	650.8
Other current receivables and assets	10	191.6	121.6	147.7	95.3
Cash and cash equivalents		423.2	208.0	497.8	122.5
Total current assets		1,513.3	2,805.1	2,770.7	2,282.3
TOTAL ASSETS		2,997.9	3,720.7	3,920.0	3,289.6

NOK million	Note	30.09.2022	30.09.2021*	31.12.2021*	01.01.2021*
EQUITY AND LIABILITIES					
Paid-in capital	13	1,093.8	-	0.1	-
Other equity		(304.5)	2,903.6	2,962.1	2,637.7
Equity attributable to owners of the parent		789.4	2,903.6	2,962.2	2,637.7
Non-controlling interests		-	-	-	5.4
Total equity		789.4	2,903.6	2,962.2	2,643.1
Non-current interest-bearing borrowings	7	1,083.2	-	-	-
Non-current lease liabilities	8	81.2	71.9	83.1	37.1
Post-employment benefits		43.3	45.2	46.8	49.7
Non-current contract liabilities		58.9	51.2	49.3	31.5
Total non-current liabilities		1,266.6	168.2	179.2	118.3
Current interest-bearing borrowings	7	275.7	-	-	-
Current interest-bearing payables Odfjell Drilling Group	10	-	167.1	151.5	54.4
Current lease liabilities	8	27.9	23.3	24.5	19.3
Trade payables	10	266.0	148.6	215.3	137.3
Other current liabilities	10	372.4	309.8	387.3	317.2
Total current liabilities		941.9	648.8	778.7	528.2
Total liabilities		2,208.5	817.1	957.9	646.5
TOTAL EQUITY AND LIABILITIES		2,997.9	3,720.7	3,920.0	3,289.6

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

Condensed Consolidated Statement of Changes in Equity

NOK million	Paid-in capital	Other equity	Attributable to owners of the parent	Non-controlling interests	Total equity
Balance at 1 January 2021	-	2,637.7	2,637.7	5.4	2,643.1
Profit/(loss) for the period	-	73.3	73.3	(4.5)	68.8
Other comprehensive income for the period	-	64.0	64.0	-	64.0
Total comprehensive income for the period	-	137.3	137.3	(4.5)	132.8
Equity contribution from other companies in Odfjell Drilling Ltd. Group	-	128.6	128.6	-	128.6
Loss of control of a subsidiary	-	-	-	(0.9)	(0.9)
Transactions with owners	-	128.6	128.6	(0.9)	127.7
Balance at 30 September 2021	-	2,903.6	2,903.6	-	2,903.6
Total comprehensive income for the period Q4	-	58.5	58.5	-	58.5
Transactions with owners for the period Q4	0.1	-	0.1	-	0.1
Balance at 31 December 2021	0.1	2,962.1	2,962.2	-	2,962.2
Profit for the period	-	143.6	143.6	-	143.6
Other comprehensive income for the period	-	271.3	271.3	-	271.3
Total comprehensive income for the period	-	414.9	414.9	-	414.9
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)
Cost of share-based option plans	-	1.3	1.3	-	1.3
Transactions with owners	1,093.7	(3,681.5)	(2,587.7)	-	(2,587.7)
Balance at 30 September 2022	1,093.8	(304.5)	789.4	-	789.4

* 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 represents 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	Q3 22	Q3 21*	YTD 22	YTD 21*	FY 21*
CASH FLOWS FROM OPERATING ACTIVITIES:						
Profit before tax		48.0	24.5	117.5	55.3	102.8
Adjustment for provisions and other non-cash elements		131.8	75.8	341.2	223.1	300.0
Changes in working capital		(17.7)	(54.3)	(75.1)	(73.6)	(11.1)
Cash generated from operations		162.1	45.9	383.7	204.8	391.6
Net interest (paid) / received		(28.7)	(1.2)	(56.5)	(3.5)	(5.4)
Net income tax paid		(1.2)	(2.2)	(19.1)	(14.2)	(17.1)
Net cash flow from operating activities		132.3	42.5	308.1	187.1	369.1
CASH FLOWS FROM INVESTING ACTIVITIES:						
Purchase of property, plant and equipment and intangible assets	5,6	(105.8)	(42.2)	(263.5)	(132.3)	(441.7)
Proceeds from sale of property, plant and equipment		1.1	2.0	11.8	7.5	8.4
Other non-current receivables		(7.2)	0.1	(8.8)	0.0	(0.4)
Cash used in obtaining control of subsidiaries		-	-	(2,312.6)	-	-
Cash flows from losing control of subsidiaries		-	-	-	(4.0)	(4.0)
Cash payments to acquire interests in joint-ventures		(13.7)	-	(30.0)	-	-
Net cash flow from investing activities		(125.6)	(40.2)	(2,603.1)	(128.8)	(437.7)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Net change group cash pool receivables and liabilities	10	-	43.8	1,057.3	(120.8)	302.0
Proceeds from borrowings	7	-	-	1,295.5	-	-
Repayment of lease liabilities	8	(4.8)	(6.4)	(15.7)	(15.9)	(21.2)
Proceeds from capital increases		-	-	44.7	-	-
Group contributions from Odfjell Drilling Ltd. Group		-	-	-	164.9	164.9
Dividends paid to Odfjell Drilling Ltd. Group		-	-	(176.9)	-	-
Net cash flow from financing activities		(4.8)	37.4	2,205.0	28.2	445.7
Effects of exchange rate changes on cash and cash equivalents		10.0	0.6	15.4	(1.0)	(1.7)
Net increase (decrease) in cash and cash equivalents		11.9	40.2	(74.6)	85.6	375.3
Cash and cash equivalents at beginning of period		411.3	167.8	497.8	122.5	122.5
Cash and cash equivalents at period end		423.2	208.0	423.2	208.0	497.8

* 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 24 November 2022 and have not been audited.

Basis for preparation

First-time consolidated financial statements

The Group's interim financial statement for the nine months ending 30 September 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 statements.

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/

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 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 balances as at 1 January 2021 have 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 derive 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>	Q3 22	Q3 21	Q3 22	Q3 21	Q3 22	Q3 21	Q3 22	Q3 21	Q3 22	Q3 21	Q3 22	Q3 21
External segment revenue	324.4	206.9	491.6	409.2	129.8	94.0	49.6	42.6	-	-	995.5	752.7
Inter segment revenue	49.6	40.4	(23.2)	(14.8)	22.9	1.7	41.3	39.9	(90.5)	(67.2)	-	-
Total revenue	374.0	247.2	468.4	394.4	152.7	95.7	91.0	82.5	(90.5)	(67.2)	995.5	752.7
EBITDA	138.4	68.7	48.0	31.8	13.3	3.8	(11.8)	(3.2)	-	-	187.8	101.1
Depreciation and impairment	(72.8)	(51.3)	(0.0)	(0.1)	(0.2)	(0.1)	(10.6)	(14.0)	-	-	(83.7)	(65.4)
EBIT	65.5	17.4	48.0	31.7	13.1	3.6	(22.4)	(17.1)	-	-	104.1	35.7
Share of profit (loss) from joint ventures and associates											(7.6)	(0.9)
Net financial items											(48.6)	(10.3)
PROFIT / (LOSS) BEFORE TAX - CONSOLIDATED GROUP											48.0	24.5

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>	YTD 22	YTD 21	YTD 22	YTD 21	YTD 22	YTD 21	YTD 22	YTD 21	YTD 22	YTD 21	YTD 22	YTD 21
External segment revenue	845.2	629.6	1,406.7	1,113.3	365.1	252.0	137.0	125.6	-	-	2,753.9	2,120.5
Inter segment revenue	146.3	99.1	(71.7)	(46.6)	37.0	5.5	122.7	117.0	(234.3)	(175.0)	-	-
Total revenue	991.4	728.7	1,335.0	1,066.6	402.1	257.6	259.7	242.6	(234.3)	(175.0)	2,753.9	2,120.5
EBITDA	353.7	181.8	115.7	53.4	38.5	19.8	(32.6)	4.7	-	-	475.3	259.7
Depreciation and impairment	(191.2)	(154.5)	(0.1)	(0.2)	(0.4)	(0.3)	(21.5)	(35.2)	-	-	(213.2)	(190.2)
EBIT	162.5	27.3	115.6	53.2	38.1	19.5	(54.0)	(30.5)	-	-	262.1	69.4
Share of profit (loss) from joint ventures and associates											(14.8)	(1.9)
Net financial items											(129.8)	(12.2)
Profit / (loss) before tax - Consolidated Group											117.5	55.3

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

NOTE 3 Revenue

NOK million	Q3 22	Q3 21	YTD 22	YTD 21	FY 21
Revenue from contracts with customers	836.8	669.5	2,428.1	1,896.0	2,636.9
Lease component in Well Services contracts	158.5	83.0	325.5	223.8	310.6
Other operating revenue	0.1	0.2	0.3	0.6	0.8
Operating revenue	995.5	752.7	2,753.9	2,120.5	2,948.2

Disaggregation of revenue - Primary geographical markets

	Well Services		Drilling Operations		Engineering		Corporate / GBS		Eliminations		Consolidated	
NOK million	Q3 22	Q3 21	Q3 22	Q3 21	Q3 22	Q3 21	Q3 22	Q3 21	Q3 22	Q3 21	Q3 22	Q3 21
Norway	209.0	134.2	292.2	242.9	134.9	84.5	78.5	69.8	(65.1)	(41.6)	649.6	489.7
UK	33.5	24.8	176.2	151.5	17.8	11.2	10.6	11.4	(24.3)	(24.6)	213.8	174.4
Europe - other countries	45.6	24.5	-	-	-	-	-	-	-	-	45.6	24.5
Asia	84.0	61.5	-	-	-	-	1.9	1.3	(1.2)	(1.0)	84.7	61.8
Other geographical markets	1.9	2.3	-	-	-	-	-	-	-	-	1.9	2.3
Total operating revenue	374.0	247.2	468.4	394.4	152.7	95.7	91.0	82.5	(90.5)	(67.2)	995.5	752.7

Disaggregation of revenue – Primary geographical markets

NOK million	Well Services		Drilling Operations		Engineering		Corporate / GBS		Eliminations		Consolidated	
	YTD 22	YTD 21	YTD 22	YTD 21	YTD 22	YTD 21	YTD 22	YTD 21	YTD 22	YTD 21	YTD 22	YTD 21
Norway	560.6	407.9	816.2	693.6	359.1	232.9	222.8	205.1	(159.8)	(119.0)	1,798.8	1,420.5
UK	88.6	60.6	518.8	373.1	43.0	24.7	32.1	33.6	(71.6)	(53.3)	610.9	438.6
Europe - other countries	121.6	81.3	-	-	-	-	-	-	-	-	121.6	81.3
Asia	212.9	174.2	-	-	-	-	4.9	3.9	(2.9)	(2.6)	214.9	175.5
Other geographical markets	7.8	4.6	-	-	-	-	-	-	-	-	7.8	4.6
Total operating revenue	991.4	728.7	1,335.0	1,066.6	402.1	257.6	259.7	242.6	(234.3)	(175.0)	2,753.9	2,120.5

NOK million	Well Services		Drilling Operations		Engineering		Corporate / GBS		Eliminations		Consolidated	
	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	
Total operating revenue	995.9		1,505.7		358.3		329.2		(240.9)		2,948.2	

NOTE 4 Net financial items

NOK million	Note	Q3 22	Q3 21	YTD 22	YTD 21	FY 21
Interest income	10	0.9	1.2	2.4	3.7	5.0
Interest expense lease liabilities	8	(1.9)	(1.5)	(5.3)	(3.5)	(5.1)
Other interest expenses		(30.1)	(0.2)	(66.4)	(0.6)	(0.9)
Other borrowing expenses		(1.4)	-	(3.1)	-	-
Net currency gain/(loss)		(16.5)	(9.6)	(56.6)	(11.2)	(16.6)
Other financial items		0.3	(0.2)	(0.8)	(0.7)	0.5
Net financial items		(48.6)	(10.3)	(129.8)	(12.2)	(17.2)

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	265.0	12.1	14.4	291.5
Disposals	(2.6)	-	-	(2.6)
Depreciation	(167.3)	(7.0)	(17.1)	(191.3)
Impairment	-	-	(8.5)	(8.5)
Currency translation differences	173.6	1.6	1.9	177.2
Net book amount as at 30 September 2022	1,025.4	33.3	94.9	1,153.6
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	81.2	11.1	53.9	146.3
Disposals	(4.2)	-	-	(4.2)
Depreciation	(139.9)	(7.2)	(15.8)	(162.9)
Currency translation differences	14.5	(0.1)	0.1	14.4
Net book amount as at 30 September 2021	538.0	25.8	91.8	655.6
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 exceeds the recoverable amount. There is an impairment of NOK 8.5 million in Q3 2022 related to a leased property no longer in use by the group. The Group has not identified any other impairment indicators as at 30 September 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	-	33.8	33.8
Amortisation	-	(13.3)	(13.3)
Currency translation differences	-	4.0	4.0
Closing net book amount as at 30 September 2022	132.8	109.7	242.5

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 30 September 2022.

<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	-	32.0	32.0
Disposal due to loss of control of subsidiary *	(6.5)	-	(6.5)
Amortisation	-	(27.3)	(27.3)
Currency translation differences	-	0.5	0.5
Closing net book amount as at 30 September 2021	132.8	81.5	214.2

* Disposal due to loss of control of subsidiary relates to investment in Odfjell Oceanwind AS.

NOTE 7 Interest-bearing borrowings

NOK million	30.09.2022	30.09.2021	31.12.2021
Non-current	1,083.2	-	-
Current	275.7	-	-
Total	1,358.9	-	-

Movement in interest-bearing borrowings are analysed as follows:

NOK million	Non-current	Current	Total
Carrying amount as at 1 January 2022	-	-	-
CASH FLOWS:			
New borrowings	1,100.0	219.7	1,319.7
Paid transaction costs related to new borrowings	(19.2)	(5.0)	(24.2)
NON-CASH FLOWS:			
Change in transaction cost, unamortised	2.4	0.7	3.1
Change in accrued interest cost	-	12.3	12.3
Change due to currency revaluation	-	47.9	47.9
Carrying amount as at 30 September 2022	1,083.2	275.7	1,358.9

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. The revolving credit facility is available also after the contractual maturity date.

NOK million	30.09.2022	30.09.2021	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	267.7	-	-
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	-	-	-
Total contractual amounts	1,367.7	-	-

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 plus 375 basis points. The credit facility is available until 28 February 2026.

Available drawing facilities

The group has no available undrawn facilities as per 30 September 2022.

Covenants

The Group is compliant with all financial covenants as at 30 September 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	30.09.2022	30.09.2021	31.12.2021	01.01.2021
Non-current	81.2	71.9	83.1	37.1
Current	27.9	23.3	24.5	19.3
Total	109.1	95.2	107.6	56.4

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
CASH FLOWS:			
Payments for the principal portion of the lease liability	-	(15.7)	(15.7)
Payments for the interest portion of the lease liability	-	(4.6)	(4.6)
NON-CASH FLOWS:			
New lease liabilities recognised in the year	14.4	-	14.4
Interest expense on lease liabilities	5.3	-	5.3
Reclassified to current portion of lease liabilities	(22.9)	22.9	-
Currency exchange differences	1.3	0.8	2.1
Carrying amount as at 30 September 2022	81.2	27.9	109.1

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
CASH FLOWS:			
Payments for the principal portion of the lease liability	-	(15.9)	(15.9)
Payments for the interest portion of the lease liability	-	(2.9)	(2.9)
NON-CASH FLOWS:			
New lease liabilities recognised in the year	53.9	-	53.9
Interest expense on lease liabilities	3.5	-	3.5
Reclassified to current portion of lease liabilities	(22.8)	22.8	-
Currency exchange differences	0.2	(0.0)	0.1
Carrying amount as at 30 September 2021	71.9	23.3	95.2

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 was in 2020-2021 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 was a reduction in operating revenues due to customers postponing contract commencements. Strict cost control and cost reducing measures 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 a decision received from HM Revenue and Customs. The Group has as at 30 September 2022 not received any other formal material assessment which is not disclosed in The Predecessor Combined 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. 2 September 2022 Odfjell Offshore Ltd received a draft decision letter from the Norwegian Tax Authorities where they adhere to the arguments set forth in the letter from March 2021, i.e. that the company is not tax resident in Norway, and if it is, that the losses are not tax deductible. A response letter from the company was submitted 31 October 2022. The Group is still of the opinion that the most likely outcome of any further proceedings is that the company is recognised as a tax resident in Norway and maintains the right to utilise the tax losses. There is a risk that the Norwegian Tax Authorities will demand upfront payment, even if the final conclusion will be in the Group's favour. 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 occur 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	30.09.2022	30.09.2021	31.12.2021	01.01.2021
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS					
Derivatives designated as hedging instruments					
- Interest rate swaps - Other non-current assets	2	14.3	-	-	
OTHER FINANCIAL ASSETS					
Non-current interest-bearing receivables Odfjell Drilling Group		-	-	-	91.7
Current interest-bearing receivables Odfjell Drilling Group		-	1,745.3	1,308.8	1,413.7
Other non-current receivables		37.7	23.1	24.0	22.1
Trade and other current receivables		932.3	742.2	859.3	668.1
Cash and cash equivalents		423.2	208.0	497.8	122.5
Total financial assets		1,407.5	2,718.7	2,689.9	2,318.0

NOK million	Level	30.09.2022	30.09.2021	31.12.2021	01.01.2021
OTHER FINANCIAL LIABILITIES					
Non-current interest-bearing borrowings		1,083.2	-	-	-
Non-current lease liabilities		81.2	71.9	83.1	37.1
Current interest-bearing borrowings		275.7	-	-	-
Current interest-bearing payables Odfjell Drilling Group		-	167.1	151.5	54.4
Current lease liabilities		27.9	23.3	24.5	19.3
Trade and other payables		534.5	383.8	491.8	364.6
Total financial liabilities		2,002.4	646.1	750.9	475.4

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	Q3 22	Q3 21	YTD 22	YTD 21	FY 21
Odfjell Oceanwind AS	Joint-venture	6.9	1.9	25.5	2.0	9.4
Companies within the Odfjell Drilling Ltd. Group	Related to main shareholder	219.3	140.1	612.0	378.7	533.9
Total sales of services to related parties		226.2	142.0	637.5	380.7	543.3

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

NOK million	Q3 22	Q3 21	YTD 22	YTD 21	FY 21
Well Services	110.5	41.5	278.5	107.4	162.5
Drilling operations	-	0.2	0.0	0.7	0.8
Engineering	66.8	58.5	225.3	148.4	205.1
Corporate / GBS	48.9	41.8	133.6	124.3	174.9
Total operating revenue to related parties	226.2	142.0	637.5	380.7	543.3

NOK million	Relation	Q3 22	Q3 21	YTD 22	YTD 21	FY 21
Companies within the Odfjell Drilling Ltd. Group	Related to main shareholder	4.1	22.1	31.6	61.9	79.4
Total operating expenses to related parties		4.1	22.1	31.6	61.9	79.4

NOK million	Relation	Q3 22	Q3 21	YTD 22	YTD 21	FY 21
Odfjell Drilling Ltd.	Related to main shareholder	-	1.3	0.8	3.8	5.1
Total interest income from related parties		-	1.3	0.8	3.8	5.1

The Group had the following receivables and liabilities to related parties

NOK million	Relation	Type	30.09.2022	30.09.2021	31.12.2021	01.01.2021
Odfjell Drilling Ltd.	Related to main shareholder	Loan	-	-	-	91.7
Total non-current interest-bearing receivables related parties			-	-	-	91.7

NOK million	Relation	Type	30.09.2022	30.09.2021	31.12.2021	01.01.2021
Odfjell Drilling Ltd.	Related to main shareholder	Loan	-	98.1	100.0	-
Odfjell Drilling Services Ltd.	Related to main shareholder	Cash pool	-	1,647.2	1,208.8	1,413.7
Current interest-bearing receivables related parties			-	1,745.3	1,308.8	1,413.7

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 optimise 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 deposits are presented as current interest-bearing receivables group companies and current interest-bearing liabilities group companies.

NOK million	Relation	Type	30.09.2022	30.09.2021	31.12.2021	01.01.2021
Odfjell Drilling Services Ltd.	Related to main shareholder	Cash pool	-	167.1	151.5	54.4
Current interest-bearing payables related parties			-	167.1	151.5	54.4

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	30.09.2022	30.09.2021	31.12.2021	01.01.2021
Trade receivables	130.2	132.9	142.8	106.2
Other current receivables	11.5	4.0	4.3	10.1
Trade payables	(2.0)	(7.1)	(8.0)	(9.6)
Other current payables	(0.9)	(10.7)	(5.5)	(9.0)
Net current payables related parties	138.9	119.1	133.6	97.7

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 the main shareholder. Reported lease liability to Odfjell Land AS as at 30 September 2022 is NOK 46 million, while payments in Q3 and YTD 2022 amounts to NOK 2 million and NOK 7 million respectively.

Shareholdings by related parties

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

Victor Vadaeaux (Director) controls 16,563 (0.04%) of the common shares, and Susanne Munch Thore (Director) controls 500 (0.00%) of the common shares in the company as per 30 September 2022.

Simen Lieungh (CEO of Odfjell Technology AS) controls 40,000 (0.10%) of the common shares, and Jone Torstensen (CFO of Odfjell Technology AS) controls 5,000 (0.01%) of the common shares in the company as per 30 September 2022.

NOTE 11 Commitments

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

NOK million	30.09.2022	30.09.2021	31.12.2021
Rental and casing equipment	59.5	178.2	196.2
Total	59.5	178.2	196.2

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, "OT UK" (Previously Odfjell Drilling (UK) Ltd) 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 30 September 2022.

NOTE 13 Equity information

Listed shares	No. of shares	Nominal value	Share capital - USD thousand
Common shares issued as at 30 September 2022	39,463,867	USD 0.01	394.6

Authorised, not issued shares was 5,536,133 as at 30 September 2022.

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

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 related to share options.

27 June 2022, the Company implemented a long term incentive plan. A total of 1,995,000 options have been awarded to certain of its employees at strike prices from NOK 22.31 to NOK 24.13 per share.

The options do not affect the basic or diluted number of shares as at 30 September 2022. The share option plan may have dilutive effects in later periods.

NOK million	Q3 22	Q3 21	YTD 22	YTD 21	FY 21
Profit/(loss) due to owners of the parent	43.8	19.0	143.6	73.3	116.5
Diluted profit/(loss) for the period due to owners of the parent	43.8	19.0	143.6	73.3	116.5

	Q3 22	Q3 21 *	YTD 22*	YTD 21*	FY 21*
Weighted average number of common shares in issue	39,463,867	39,463,867	39,463,867	39,463,867	39,463,867
Diluted average number of shares outstanding	39,463,867	39,463,867	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)	Q3 22	Q3 21	YTD 22	YTD 21	FY 21
Basic earnings per share	1.11	0.48	3.64	1.86	2.95
Diluted earnings per share	1.11	0.48	3.64	1.86	2.95

NOTE 15 Important events occurring after the reporting period

There have been no events after the balance sheet date which have a material effect on the quarterly financial statements ended 30 September 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 profit (loss)

Equal to profit (loss) for the period after taxes.

Earnings per share

Net profit / number of outstanding shares.

Leverage ratio (adj)

30.09.2022			
Non-current interest-bearing borrowings	NOK	1,083	million
Current interest-bearing borrowings	NOK	276	million
Non-current lease liabilities	NOK	81	million
Current lease liabilities	NOK	28	million
Adjustment for operational lease contracts	NOK	(109)	million
A Adjusted financial indebtedness	NOK	1,359	MILLION
Cash and cash equivalents	NOK	432	million
Adjustment for restricted cash and other cash not readily available	NOK	(32)	million
B Adjusted cash and cash equivalents	NOK	391	MILLION
A-B=C Adjusted Net interest-bearing debt	NOK	968	MILLION
EBITDA last 12 months	NOK	603	million
Adjustment for operational lease contracts	NOK	(3)	million
Adjustment for transaction costs	NOK	14	million
D Adjusted EBITDA	NOK	615	MILLION
C/D=E LEVERAGE RATIO (ADJ)		1.6	

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