

# Report for the 2<sup>nd</sup> quarter and 1<sup>st</sup> half of 2023

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



## Projects & 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 2,300 employees operating in more than 30 countries worldwide.**

## KEY FINANCIALS Q2 2023

**NOK 1,259m**

Q2 revenue

**1.1x**

Leverage ratio (adj)

**NOK 212m**

EBITDA

**NOK 617m**

Cash and cash equivalents

**NOK 11.1b**

Revenue Backlog

**2.3x**

EBITDA backlog vs NIBD

# Key figures for the Group

All figures in NOK million	Q2 23	Q2 22	YTD 23	YTD 22	FY 22
Operating revenue	1,259	922	2,405	1,758	3,885
EBITDA	212	170	405	287	673
EBIT	121	103	226	158	384
Net profit	79	7	123	100	253
EBITDA margin	17%	18%	17%	16%	17%
Total assets			3,753	2,836	3,115
Net interest bearing debt			749	926	780
Equity			1,039	645	779
Equity ratio			28%	23%	25%

- Operating revenue of NOK 1,259 million compared to NOK 922 million in Q2 2022.
- EBITDA margin of 17% compared to an EBITDA margin of 18% in Q2 2022.
- The Group's contract backlog is NOK 11.1 billion, whereof NOK 5.3 billion is firm backlog.
- EBITDA of NOK 212 million compared to NOK 170 million in Q2 2022.

## Segments

Refer to [Note 2](#) for information about changes applied to the segment reporting.

### Well Services

- Operating revenue of NOK 439 million compared to NOK 330 million in Q2 2022.
- EBITDA of NOK 149 million compared to NOK 116 million in Q2 2022.
- EBITDA margin of 34% compared to an EBITDA margin of 35% in Q2 2022.

### Operations

- Operating revenue of NOK 598 million compared to NOK 479 million in Q2 2022.
- EBITDA of NOK 52 million compared to NOK 51 million in Q2 2022.
- EBITDA margin of 9% compared to an EBITDA margin of 11% in Q2 2022.

### Projects & Engineering

- Operating revenue of NOK 163 million compared to NOK 69 million in Q1 2022.
- EBITDA of NOK 26 million compared to NOK 7 million in Q2 2022.
- EBITDA margin of 16% compared to an EBITDA margin of 10% in Q2 2022.

# Highlights in 2023

## Dividend

23 August 2023, the Board of Directors approved a dividend distribution of NOK 25 million with a payment date of 14 September 2023. This is the second consecutive quarter with dividend distribution after 50million was paid out 1 June.

## Contracts

Well Services won a number of new contracts in Asia, UK, Europe and in Africa over the first 6 months of 2023. Equinor exercised a 1 year option on Mariner and an incentive scheme was implemented.

## Operational performance

Operational performance was affected by seasonal effects for the Operations segment, reducing bonus earnings in Q1. Bonus earnings bounced back in Q2 due to improved drilling performance. Stable operations in our other segment with the exception of some operational disruptions for Well Services due to rig issues outside of our control. Utilisation of both personnel and equipment remains high.

## Financial performance

Revenue growth of 10% compared with previous quarter and 37% compared to Q2 2022 exemplifies strong market, improved contract portfolio. EBITDA improved from 170 million in Q1 2023 to 212 million this quarter. The improvement in EBITDA is a result of improved contract portfolio and high yard stay activities for Projects & Engineering . Revenue YTD 2023 improved 37% compared to 2022 and EBITDA YTD 2023 grew 41% compared to 2022.

# Financial review

(Comparable figures for last comparable period in brackets.)

## Consolidated group financials

### Profit & loss Q2 2023

Operating revenue for Q2 2023 was NOK 1,259 million (NOK 922 million), an increase of NOK 337 million. There is increased revenue in all the segments from Q2 2022 to Q2 2023, mainly related to new contracts and higher activity.

EBITDA in Q2 2023 was NOK 212 million (NOK 170 million), an increase of NOK 42 million. The main contributors to the increase are Well Services and Projects & Engineering. The EBITDA margin in Q2 2023 was 17% (18%).

Depreciation and amortisation in Q2 2023 was NOK 90 million (NOK 66 million), an increase of NOK 24 million mainly related to Well Services equipment.

Net financial expenses in Q2 2023 amounted to NOK 42 million (NOK 80 million). The variance is mainly due to a net currency loss of NOK 7 million in Q2 2023 compared to a net currency loss of NOK 50 million in Q2 2022, both mainly

related to the USD 25 million revolving credit facility.

Profit before tax in Q2 2023 was NOK 78 million (NOK 20 million).

Income tax expense in Q2 2023 was positive with NOK 1 million (expense of NOK 13 million).

Net profit in Q2 2023 was NOK 79 million (NOK 7 million), an increase of NOK 72 million.

### Profit & loss YTD 2023

Operating revenue YTD 2023 was NOK 2,405 million (NOK 1,758 million), an increase of NOK 647 million. There is increased revenue in all the segments from 2022 to 2023, mainly related to new contracts and higher activity.

EBITDA YTD 2023 was NOK 405 million (NOK 287 million), an increase of NOK 118 million. The main contributors to the increase are Well Services and Projects &

Engineering. The EBITDA margin YTD 2023 was 17% (16%).

Depreciation and amortisation YTD 2023 was NOK 178 million (NOK 130 million), an increase of NOK 48 million mainly related to Well Services equipment.

Net financial expenses YTD 2023 amounted to NOK 91 million (NOK 81 million). There is an increase in net interest expenses of NOK 25 million, mainly due to financing being secured in February 2022 and increased interest rates. This is partly offset by a reduction in net currency loss of NOK 16 million.

Profit before tax YTD 2023 was NOK 131 million (NOK 70 million).

Income tax expense YTD 2023 was NOK 8 million. YTD 2022 the income tax expense was positive with NOK 30 million, mainly due to utilisation of unrecognised tax losses in relation to group contribution received from the Odfjell Drilling Group in Q1 2022.

Net profit YTD 2023 was NOK 123 million (NOK 100 million), an increase of NOK 23 million.

### Balance sheet

Total assets as at 30 June 2023 amounted to NOK 3,753 million (NOK 3,115 million as at 31 December 2022), an increase of NOK 638 million, mainly due to the non-current tax asset, refer to [Note 10](#) for further information.

Total equity as at 30 June 2023 amounted to NOK 1,039 million (NOK 779 million as at 31 December 2022), an increase of NOK 260 million. The equity ratio was 28% as at 30 June 2023.

Net interest-bearing debt as at 30 June 2023 amounted to NOK 749 million (NOK 780 million as at 31 December 2022), a decrease of NOK 31 million.



## Cash flow Q2 2023

Net cash flow from operating activities in Q2 2023 was positive with NOK 120 million (NOK 67 million). The increase of NOK 53 million was mainly related to increased profit before tax. The Group paid NOK 32 million (NOK 27 million) in interest, and NOK 45 million (NOK 8 million) in income taxes.

Net cash outflow from investing activities in Q2 2023 was NOK 65 million (NOK 82 million). The cash outflows were mainly

due to purchase of Well Services equipment.

Net cash outflow from financing activities in Q2 2023 was NOK 57 million (NOK 5 million). The Q2 2023 outflow relates to payment of dividends of NOK 50 million and repayment of lease liabilities.

## Cash flow YTD 2023

Net cash flow from operating activities YTD 2023 was positive with NOK 179 million (NOK 176 million). The increased profit

before taxes was mainly offset by changes in working capital. The Group paid NOK 63 million (NOK 28 million) in interest, and NOK 41 million (NOK 18 million) in income taxes. In addition, the Group paid NOK 307 million related to the tax case in Norway. The payment was funded by Odfjell Drilling Ltd, see [Note 10](#) for further information.

Net cash outflow from investing activities YTD 2023 was NOK 106 million. The cash outflow YTD 2023 was mainly due to purchase of Well Services equipment.

Net cash outflow from financing activities YTD 2023 was NOK 63 million. The YTD 2023 outflow relates to payment of dividends of NOK 50 million and repayment of lease liabilities.

At 30 June 2023, cash amounted to NOK 617 million. There has been a positive change of NOK 57 million since 31 December 2022.

## Segments

(Comparable figures for last comparable period in brackets.)

### Well Services

All figures in NOK million	Q2 23	Q2 22	YTD 23	YTD 22	FY 22
Operating revenue	439	330	832	617	1,365
EBITDA	149	116	285	215	485
EBIT	69	56	127	97	226
EBITDA margin	34%	35%	34%	35%	36%

#### Q2 2023

Operating revenue for the Well Services segment in Q2 2023 was NOK 439 million (NOK 330 million), an increase of NOK 109 million. During 2022 several key contracts were commenced, this, in addition to the positive market development has contributed to the increase in revenue.

EBITDA for the Well Services segment in Q2 2023 was NOK 149 million (NOK 116 million), an increase of NOK 33 million. EBITDA margin for the segment in Q2 2023 was 34% (35%). Overall margin has reduced slightly as we see increased activity for the more traditional lower margin product lines. This is offset by higher margin product offerings and continued focus on cost efficiency.

EBIT for the Well Services segment in Q2 2023 was NOK 69 million (NOK 56 million).

#### YTD 2023

Operating revenue for the Well Services segment YTD 2023 was NOK 832 million (NOK 617 million), an increase of NOK 215 million. Please refer to the comments for the quarter.

EBITDA for the Well Services segment YTD 2023 was NOK 285 million (NOK 215 million), an increase of NOK 70 million. EBITDA margin for the OWS segment YTD 2023 was 34% (35%). Again, please refer to the comments for the quarter.

EBIT for the Well Services segment YTD 2023 was NOK 127 million (NOK 97 million).

## Operations

All figures in NOK million	Q2 23	Q2 22*	YTD 23	YTD 22*	FY 22*
Operating revenue	598	479	1,156	892	1,972
EBITDA	52	51	86	79	185
EBIT	52	51	86	79	185
EBITDA margin	9%	11%	7%	9%	9%

\*Restated, refer to [Note 2](#) for further information

### Q2 2023

Operating revenue for the Operations segment in Q2 2023 was NOK 598 million (NOK 479 million), an increase of NOK 119million. This is mainly explained by increase in activity, compared to Q2 2022, related to management on jack-up rig Linus for SFL Corporation Ltd.

EBITDA for the Operations segment in Q2 2023 was NOK 52 million (NOK 51 million), an increase of NOK 1 million. The EBITDA margin for the Operations segment in Q2 2023 was 9% (11%). The increase in EBITDA is mainly explained by increase in activity compared to the same quarter last year offset by lower incentive bonuses in Q2 2023 as compared to the prior year.

### YTD 2023

Operating revenue for the Operations segment YTD 2023 was NOK 1.156 million (NOK 892 million), an increase of NOK 264 million. This is mainly explained by increase in activity, compared to 2022, related to management on jack-up rig Linus for SFL Corporation Ltd and volume increase for Rig Inspection services.

EBITDA for the Operations segment YTD 2023 was NOK 86 million (NOK 79 million), an increase of NOK 7 million. The EBITDA margin for the Operations segment YTD 2023 was 7% (9%). The increase in EBITDA is mainly explained by increase in activity compared to the same period last year, offset by lower incentive bonuses.



## Projects & Engineering

All figures in NOK million	Q2 23	Q2 22*	YTD 23	YTD 22*	FY 22*
Operating revenue	163	69	303	162	357
EBITDA	26	7	54	14	44
EBIT	26	7	54	14	44
EBITDA margin	16%	10%	18%	9%	12%

\*Restated, refer to [Note 2](#) for further information

### Q2 2023

Operating revenue for the Projects & Engineering segment in Q2 2023 was NOK 163 million (NOK 69 million), an increase of NOK 94 million. Activity has been high throughout the quarter, mainly driven by yard stay activities on the Deepsea Mira and Hercules, and the modification work on the floating storage unit (FSU) Heidrun B.

EBITDA for the segment in Q2 2023 was NOK 26 million (NOK 7 million), an increase of NOK 19 million. The EBITDA margin for the segment in Q2 2023 was 16% (10%). The increase is mainly explained by higher activity, resulting in increased volume and utilisation compared to the same quarter last year.

### YTD 2023

Operating revenue for the Projects & Engineering segment YTD 2023 was NOK 303 million (NOK 162 million), an increase of NOK 141 million. Activity has been high this period, mainly driven by yard stay activities on the Deepsea Mira and Hercules, and the modification work on the floating storage unit (FSU) Heidrun B.

EBITDA for the segment YTD 2023 was NOK 54 million (NOK 14 million), an increase of NOK 40 million. The EBITDA margin for the segment YTD 2023 was 18% (9%). The increase is mainly explained by higher activity, resulting in increased volume and utilisation compared to the same period last year.

# Environmental, social and governance

Odfjell Technology presented its preliminary ESG strategy to the Board of Directors in June. The ESG impacts from Odfjell Technology's business operations are included in Odfjell Technology's Sustainability Report for 2022, as this describes the group as of 31 December 2022. The report can be found on: [www.odfjelltechnology.com/sustainability](http://www.odfjelltechnology.com/sustainability)

## Environmental Impact:

Within Operations and Well Services, multiple initiatives are continuing relating to chemical substitution, waste reduction in personal protective equipment and improvement of spill barriers.

While there have been no medium or serious spills to sea/water, there were 3 minor spills to sea in Q2 2023.

Several projects on Linus are ongoing to increase fuel consumption efficiency and to provide automated monitoring and control of power generation and consumption.

There is increased focus on accurate environmental reporting and OTL is

currently evaluating new software solutions for ESG reporting within 2024.

## People & Safety:

As forecasted in the Company strategy for 2023, the numbers of OTL employees has grown significantly during Q1 & Q2. OTL shows a slight increase in the percentage of women in our workforce and is in line with our overall goals for gender balance.

The Company is focused on onboarding of new employees within a competitive employment market for our competency areas. Skilled staff with relevant education and/or experience seem highly relevant in the market despite decreased activity in other sectors. The increasing numbers of employees are evenly spread across onshore, offshore, engineering and administrative staff, reflecting the increase in activity with OTL customers, growing complexity of requirements, and new strategic initiatives. Our customers' dynamic movements across international borders have resulted in an increase in OTL services for global mobility management of personnel who are

working across-borders in many areas of the business.

There were no high potential incidents or serious incidents within Q2. Lost Time Injury frequency continues to improve while the Total Recordable injury frequency was stable in Q2. The Dropped Object frequency trends increased slightly between Q1 and Q2 for both rig sites and workshops.

The Always Safe / Step Change in Safety quarterly topics campaign is ongoing both offshore and onshore, Q2 focused on the topic Personal Injury prevention.

Odfjell Technology received a safety award in Q2, the "HSE Excellence Appreciation Award" from ROC Oil in Malaysia for its Tubular Running Services. Operations also awarded monthly safety awards to employees for the best safety observation.

## Ethics & Governance:

Odfjell Technology continues its high focus on ethics and governance. Our Account of Due Diligence 2022 in

compliance with the Norwegian Transparency Act as well as our Modern Slavery Statement 2022 in compliance with the UK Modern Slavery Act were published on our website within the deadline of 30 June.

Compliance training is ongoing throughout the year, and Q2 training efforts have included a compliance workshop for personnel travelling to Namibia as well as dilemma training sessions for management teams. Due diligence was conducted on two high risk third parties for potential projects, one of which involved an external due diligence assessment.

## 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 market for our 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 Operations activities to other regions.

The Projects & 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.

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.

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 23	FY 22
Lost time incident frequency (as per 1 million working hours)	0.8	1.4
Total recordable incident frequency (as per 1 million working hours)	2.8	3.2
Sick leave (percentage)	4.2	4.1
Dropped objects frequency (as per 1 million working hours)	5.1	5.0
Number of employees	2,280	2,172

Aberdeen, United Kingdom

23 August 2023

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	Q2 23	Q2 22	YTD 23	YTD 22	FY 22
<b>Operating revenue</b>	2,3,11	<b>1,259.2</b>	<b>922.2</b>	<b>2,404.7</b>	<b>1,758.5</b>	<b>3,885.0</b>
Other gains and losses		1.0	3.1	2.8	8.1	13.6
Personnel expenses		(764.4)	(558.7)	(1,463.7)	(1,094.6)	(2,381.6)
Other operating expenses		(284.2)	(196.9)	(539.1)	(384.5)	(844.5)
<b>EBITDA</b>		<b>211.6</b>	<b>169.7</b>	<b>404.7</b>	<b>287.5</b>	<b>672.5</b>
Depreciation, amortisation and impairment	5,6	(90.4)	(66.4)	(178.4)	(129.5)	(288.4)
<b>Operating profit (EBIT)</b>		<b>121.2</b>	<b>103.2</b>	<b>226.3</b>	<b>158.0</b>	<b>384.1</b>
Share of profit (loss) from joint ventures and associates		(1.1)	(3.5)	(4.9)	(7.2)	(19.9)
Net financial items	4	(41.9)	(79.8)	(90.6)	(81.2)	(138.0)
<b>Profit before tax</b>		<b>78.2</b>	<b>19.9</b>	<b>130.8</b>	<b>69.6</b>	<b>226.2</b>
Income tax expense		1.2	(12.6)	(8.0)	30.3	26.8
<b>Net profit</b>		<b>79.4</b>	<b>7.3</b>	<b>122.8</b>	<b>99.9</b>	<b>253.0</b>
<b>Profit (loss) attributable to:</b>						
Owners of the parent		79.4	7.3	122.8	99.9	253.0
<b>EARNINGS PER SHARE (NOK)</b>						
Basic earnings per share	15	2.01	0.19	3.11	2.53	6.41
Diluted earnings per share	15	1.98	0.19	3.05	2.53	6.41

## Condensed Consolidated Statement of Comprehensive Income

NOK million	Q2 23	Q2 22	YTD 23	YTD 22	FY 22
<b>NET PROFIT</b>	<b>79.4</b>	<b>7.3</b>	<b>122.8</b>	<b>99.9</b>	<b>253.0</b>
<b>Items that will not be reclassified to profit or loss:</b>					
Actuarial gain (loss) on post employment benefit obligations	-	-	-	-	(1.5)
<b>Items that are or may be reclassified to profit or loss:</b>					
Cash flow hedges	10.0	4.8	9.6	11.4	10.8
Currency translation differences	75.0	180.3	174.6	160.1	140.6
<b>OTHER COMPREHENSIVE INCOME, NET OF TAXES</b>	<b>85.0</b>	<b>185.1</b>	<b>184.2</b>	<b>171.6</b>	<b>149.9</b>
<b>Total comprehensive income</b>	<b>164.4</b>	<b>192.4</b>	<b>307.0</b>	<b>271.5</b>	<b>402.9</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent	164.4	192.4	307.0	271.5	402.9



## Condensed Consolidated Statement of Financial Position

NOK million	Note	30.06.2023	30.06.2022	31.12.2022
<b>ASSETS</b>				
Property, plant and equipment	5	1,093.4	1,065.2	1,068.4
Intangible assets	6	259.7	236.0	252.1
Deferred tax asset	10	65.9	15.2	51.3
Non-current tax asset	10	307.2	-	-
Investments in joint venture		45.9	27.1	50.0
Other non-current assets	9	58.0	39.0	44.6
<b>Total non-current assets</b>		<b>1,830.1</b>	<b>1,382.4</b>	<b>1,466.5</b>
Trade receivables	11	1,105.3	912.0	942.6
Other current receivables and assets	11	200.3	129.8	145.8
Cash and cash equivalents		617.5	411.3	560.1
<b>Total current assets</b>		<b>1,923.1</b>	<b>1,453.1</b>	<b>1,648.4</b>
<b>TOTAL ASSETS</b>		<b>3,753.2</b>	<b>2,835.5</b>	<b>3,114.9</b>

NOK million	Note	30.06.2023	30.06.2022	31.12.2022
<b>EQUITY AND LIABILITIES</b>				
Paid-in capital	14	1,093.8	1,093.8	1,093.8
Other equity		(55.0)	(449.3)	(315.0)
<b>Total equity</b>		<b>1,038.8</b>	<b>644.5</b>	<b>778.8</b>
Non-current interest-bearing borrowings	7	1,086.4	1,082.1	1,084.2
Non-current lease liabilities	8	112.3	77.7	96.8
Post-employment benefits		44.2	47.3	46.7
Non-current contract liabilities		50.4	56.1	37.9
Liability repayment to Odfjell Drilling Ltd	10	307.2	-	-
<b>Total non-current liabilities</b>		<b>1,600.5</b>	<b>1,263.3</b>	<b>1,265.6</b>
Current interest-bearing borrowings	7	280.2	254.8	255.7
Current lease liabilities	8	37.6	24.0	30.6
Trade payables	11	310.0	262.7	264.1
Current income tax		32.5	21.6	55.4
Other current liabilities	11	453.6	364.7	464.6
<b>Total current liabilities</b>		<b>1,113.9</b>	<b>927.7</b>	<b>1,070.4</b>
<b>Total liabilities</b>		<b>2,714.4</b>	<b>2,191.0</b>	<b>2,336.1</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,753.2</b>	<b>2,835.5</b>	<b>3,114.9</b>

## Condensed Consolidated Statement of Changes in Equity

<i>NOK million</i>	Note	Paid-in capital	Other equity	Total equity
<b>BALANCE AT 1 JANUARY 2022</b>		<b>0.1</b>	<b>2,962.1</b>	<b>2,962.2</b>
Profit/(loss) for the period		-	99.9	99.9
Other comprehensive income for the period		-	171.6	171.6
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>-</b>	<b>271.5</b>	<b>271.5</b>
Equity contribution from Odfjell Drilling Ltd.		1,093.7	(1,049.1)	44.6
Dividends distributed to Odfjell Drilling Ltd. Group		-	(2,312.6)	(2,312.6)
Continuity difference		-	(321.1)	(321.1)
<b>TRANSACTIONS WITH OWNERS</b>		<b>1,093.7</b>	<b>(3,682.8)</b>	<b>(2,589.1)</b>
<b>Balance at 30 June 2022</b>		<b>1,093.8</b>	<b>(449.3)</b>	<b>644.5</b>
Total comprehensive income for the period Q3-Q4		-	131.4	131.4
Total transactions with owners for the period Q3-Q4		-	2.8	2.8
<b>Balance at 31 December 2022</b>		<b>1,093.8</b>	<b>(315.0)</b>	<b>778.8</b>
Profit for the period		-	122.8	122.8
Other comprehensive income for the period		-	184.2	184.2
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>-</b>	<b>307.0</b>	<b>307.0</b>
Dividends paid to shareholders	14	-	(50.0)	(50.0)
Cost of share-based option plans		-	3.0	3.0
<b>TRANSACTIONS WITH OWNERS</b>		<b>-</b>	<b>(47.0)</b>	<b>(47.0)</b>
<b>Balance at 30 June 2023</b>		<b>1,093.8</b>	<b>(55.0)</b>	<b>1,038.8</b>

## Condensed Consolidated Statement of Cash Flows

NOK million	Note	Q2 23	Q2 22	YTD 23	YTD 22	FY 22
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Profit before tax		78.2	19.9	130.8	69.6	226.2
Adjustment for provisions and other non-cash elements		138.3	146.8	273.8	209.3	438.9
Changes in working capital		(19.7)	(64.6)	(121.7)	(57.4)	10.6
<b>Cash generated from operations</b>		<b>196.8</b>	<b>102.1</b>	<b>282.9</b>	<b>221.5</b>	<b>675.7</b>
Net interest (paid) / received		(32.1)	(26.8)	(62.8)	(27.8)	(86.8)
Payment related to tax case in Norway	10	-	-	(307.2)	-	-
Funds received from Odfjell Drilling Ltd regarding tax case	10	-	-	307.2	-	-
Net other incomes tax refunded (paid)		(45.1)	(8.4)	(41.0)	(18.0)	(21.2)
<b>Net cash flow from operating activities</b>		<b>119.6</b>	<b>66.9</b>	<b>179.1</b>	<b>175.7</b>	<b>567.7</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Purchase of property, plant and equipment and intangible assets	5,6	(66.8)	(84.8)	(109.7)	(157.7)	(336.1)
Proceeds from sale of property, plant and equipment		1.4	3.2	3.7	10.6	16.6
Other non-current receivables		-	(0.6)	-	(1.6)	(8.0)
Cash used in obtaining control of subsidiaries		-	-	-	(2,312.6)	(2,312.6)
Cash payments to acquire interests in joint-ventures		-	-	-	(16.3)	(30.0)
Mandatory convertible subordinated loan to joint venture		-	-	-	-	(35.4)
<b>Net cash flow from investing activities</b>		<b>(65.4)</b>	<b>(82.2)</b>	<b>(106.0)</b>	<b>(2,477.5)</b>	<b>(2,705.4)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>						
Net change group cash pool receivables and liabilities	11	-	-	-	1,057.3	1,057.3
Proceeds from borrowings	7	-	-	-	1,295.5	1,295.5
Repayment of lease liabilities	8	(7.2)	(5.4)	(13.1)	(10.9)	(20.5)
Proceeds from capital increases		-	-	-	44.7	44.7
Dividends paid to Odfjell Drilling Ltd. Group		-	-	-	(176.9)	(176.9)
Dividends paid to shareholders	14	(50.0)	-	(50.0)	-	-
<b>Net cash flow from financing activities</b>		<b>(57.2)</b>	<b>(5.4)</b>	<b>(63.1)</b>	<b>2,209.7</b>	<b>2,200.2</b>
Effects of exchange rate changes on cash and cash equivalents		22.6	3.5	47.4	5.5	(0.1)
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>19.6</b>	<b>(17.2)</b>	<b>57.4</b>	<b>(86.5)</b>	<b>62.3</b>
Cash and cash equivalents at beginning of period		597.9	428.5	560.1	497.8	497.8
<b>Cash and cash equivalents at period end</b>		<b>617.5</b>	<b>411.3</b>	<b>617.5</b>	<b>411.3</b>	<b>560.1</b>

## 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 23 August 2023 and have not been audited.

### Basis for preparation

These condensed interim financial statements for the six months period ended 30 June 2023 have been prepared in accordance with IAS 34, 'Interim financial reporting'. 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 annual report for the year ended 31 December 2022.

### Accounting principles

The accounting principles adopted are consistent with those of the previous financial year.

### 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 consolidated financial statements for the year ended 31 December 2022.

There will always be uncertainty related to judgement and assumptions related to accounting estimates.

## 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.

### Changes in segment reporting

Odfjell Rig Inspection services (RIS) Norway is a one stop shop for Installation services, Rope Access services, Inspection/NDT services and Enterprise and competence services. As the activity in RIS Norway has more operational synergies with the segment Operations, it was moved from Projects & Engineering to

Operations. As of 1.1.2023 the RIS Norway segment is fully managed and reported as part of the business area Operations. Comparable figures have been restated accordingly.

Management has also changed how revenue for each segment is presented. As of January 2023, all revenue generated by a segment is allocated to that said segment, even though the end customer is invoiced through a contract within a different segment. Therefore, there is no inter segment revenue in the segments. Comparable figures have been restated accordingly.

### Well Services

The 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.

### Operations

The main service offering of the 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, as well as rig

installation services. 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.

### Projects & Engineering

The segment 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.

NOK million	Well Services		Operations		Projects & Engineering		Corporate / GBS		Consolidated	
	Q2 23	Q2 22	Q2 23	Q2 22*	Q2 23	Q2 22*	Q2 23	Q2 22*	Q2 23	Q2 22
External segment revenue	439.0	330.3	597.9	478.9	163.2	68.6	59.1	44.4	1,259.2	922.2
Inter segment revenue	-	-	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>439.0</b>	<b>330.3</b>	<b>597.9</b>	<b>478.9</b>	<b>163.2</b>	<b>68.6</b>	<b>59.1</b>	<b>44.4</b>	<b>1,259.2</b>	<b>922.2</b>
<b>EBITDA</b>	<b>148.9</b>	<b>116.4</b>	<b>51.9</b>	<b>50.8</b>	<b>25.8</b>	<b>7.0</b>	<b>(15.0)</b>	<b>(4.5)</b>	<b>211.6</b>	<b>169.7</b>
Depreciation and impairment	(79.7)	(60.8)	(0.0)	(0.0)	(0.2)	(0.1)	(10.5)	(5.5)	(90.4)	(66.4)
<b>EBIT</b>	<b>69.2</b>	<b>55.6</b>	<b>51.9</b>	<b>50.8</b>	<b>25.6</b>	<b>6.9</b>	<b>(25.4)</b>	<b>(10.0)</b>	<b>121.2</b>	<b>103.2</b>
Share of profit (loss) from joint ventures and associates									(1.1)	(3.5)
Net financial items									(41.9)	(79.8)
<b>Profit / (loss) before tax - Consolidated Group</b>									<b>78.2</b>	<b>19.9</b>

\* Restated due to changes in segment reporting, as explained above

**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.

NOK million	Well Services			Operations			Projects & Engineering			Corporate / GBS			Consolidated		
	YTD 23	YTD 22*	FY 22*	YTD 23	YTD 22*	FY 22*	YTD 23	YTD 22*	FY 22*	YTD 23	YTD 22*	FY 22*	YTD 23	YTD 22	FY 22
External segment revenue	832.0	617.5	1,365.4	1,156.5	891.8	1,972.1	303.1	161.9	356.5	113.1	87.3	190.9	2,404.7	1,758.5	3,885.0
Inter segment revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>832.0</b>	<b>617.5</b>	<b>1,365.4</b>	<b>1,156.5</b>	<b>891.8</b>	<b>1,972.1</b>	<b>303.1</b>	<b>161.9</b>	<b>356.5</b>	<b>113.1</b>	<b>87.3</b>	<b>190.9</b>	<b>2,404.7</b>	<b>1,758.5</b>	<b>3,885.0</b>
<b>EBITDA</b>	<b>285.2</b>	<b>215.3</b>	<b>485.3</b>	<b>86.3</b>	<b>79.2</b>	<b>184.8</b>	<b>54.1</b>	<b>13.8</b>	<b>44.5</b>	<b>(20.9)</b>	<b>(20.7)</b>	<b>(42.1)</b>	<b>404.7</b>	<b>287.5</b>	<b>672.5</b>
Depreciation and impairment	(158.3)	(118.3)	(259.3)	(0.0)	(0.1)	(0.1)	(0.3)	(0.2)	(0.6)	(19.8)	(10.9)	(28.4)	(178.4)	(129.5)	(288.4)
<b>EBIT</b>	<b>126.9</b>	<b>97.0</b>	<b>226.0</b>	<b>86.3</b>	<b>79.1</b>	<b>184.8</b>	<b>53.8</b>	<b>13.6</b>	<b>43.9</b>	<b>(40.7)</b>	<b>(31.6)</b>	<b>(70.5)</b>	<b>226.3</b>	<b>158.0</b>	<b>384.1</b>
Share of profit (loss) from joint ventures and associates													(4.9)	(7.2)	(19.9)
Net financial items													(90.6)	(81.2)	(138.0)
<b>Profit / (loss) before tax - Consolidated Group</b>													<b>130.8</b>	<b>69.6</b>	<b>226.2</b>

\* Restated due to changes in segment reporting, as explained above

## NOTE 3 Revenue

NOK million	Q2 23	Q2 22	YTD 23	YTD 22	FY 22
Revenue from contracts with customers	1,135.5	844.9	2,169.3	1,591.2	3,430.5
Lease component in Well Services contracts	123.6	77.2	235.1	167.0	454.0
Other operating revenue	0.1	0.1	0.3	0.2	0.4
<b>Operating revenue</b>	<b>1,259.2</b>	<b>922.2</b>	<b>2,404.7</b>	<b>1,758.5</b>	<b>3,885.0</b>



## Disaggregation of revenue - Primary geographical markets

NOK million	Well Services		Operations		Projects & Engineering		Corporate / GBS		Consolidated	
	Q2 23	Q2 22	Q2 23	Q2 22*	Q2 23	Q2 22*	Q2 23	Q2 22*	Q2 23	Q2 22
Norway	227.0	187.5	411.8	316.3	121.7	55.2	58.0	43.2	818.5	602.2
UK	59.8	29.1	186.1	162.6	41.6	13.4	0.5	0.6	288.0	205.7
Europe - other countries	53.6	39.4	-	-	-	-	-	-	53.6	39.4
Malaysia	29.1	18.9	-	-	-	-	-	-	29.1	18.9
Asia - other countries	61.7	50.5	-	-	-	-	0.5	0.6	62.2	51.1
Other geographical markets	7.9	4.9	-	-	-	-	-	-	7.9	4.9
<b>Total operating revenue</b>	<b>439.0</b>	<b>330.3</b>	<b>597.9</b>	<b>478.9</b>	<b>163.2</b>	<b>68.6</b>	<b>59.1</b>	<b>44.4</b>	<b>1,259.2</b>	<b>922.2</b>

\* Restated. Refer to Note 2 for further information

NOK million	Well Services			Operations			Projects & Engineering			Corporate / GBS			Consolidated		
	YTD 23	YTD 22	FY 22	YTD 23	YTD 22*	FY 22*	YTD 23	YTD 22*	FY 22*	YTD 23	YTD 22*	FY 22*	YTD 23	YTD 22	FY 22
Norway	438.2	351.6	759.0	791.1	576.1	1,305.0	242.2	136.6	297.0	111.0	84.9	185.4	1,582.5	1,149.2	2,546.5
UK	102.4	55.1	117.5	365.4	315.6	667.1	61.0	25.3	59.5	1.0	1.1	3.1	529.7	397.1	847.3
Europe - other countries	104.6	76.0	176.9	-	-	-	-	-	-	-	-	-	104.6	76.0	176.9
Malaysia	61.4	36.2	78.9	-	-	-	-	-	-	-	-	-	61.4	36.2	78.9
Asia - other countries	116.1	92.7	224.1	-	-	-	-	-	-	1.1	1.3	2.3	117.3	94.0	226.4
Other geographical markets	9.2	5.9	9.0	-	-	-	-	-	-	-	-	-	9.2	5.9	9.0
<b>Total operating revenue</b>	<b>832.0</b>	<b>617.5</b>	<b>1,365.4</b>	<b>1,156.5</b>	<b>891.8</b>	<b>1,972.1</b>	<b>303.1</b>	<b>161.9</b>	<b>356.5</b>	<b>113.1</b>	<b>87.3</b>	<b>190.9</b>	<b>2,404.7</b>	<b>1,758.5</b>	<b>3,885.0</b>

\* Restated. Refer to Note 2 for further information

## NOTE 4 Net financial items

<i>NOK million</i>	Note	Q2 23	Q2 22	YTD 23	YTD 22	FY 22
Interest income	11	5.2	0.4	11.2	1.4	6.0
Interest expense lease liabilities	8	(2.6)	(1.7)	(4.8)	(3.4)	(7.8)
Other interest expenses		(35.6)	(26.4)	(69.3)	(36.3)	(98.4)
Other borrowing expenses		(1.4)	(1.3)	(2.8)	(1.8)	(4.5)
Net currency gain/(loss)		(7.0)	(50.2)	(23.8)	(40.1)	(31.8)
Other financial items		(0.4)	(0.6)	(1.1)	(1.1)	(1.5)
<b>Net financial items</b>		<b>(41.9)</b>	<b>(79.8)</b>	<b>(90.6)</b>	<b>(81.2)</b>	<b>(138.0)</b>

## NOTE 5 Property, plant and equipment

<i>NOK million</i>	Well Services equipment	Other fixed assets	Right-of-use assets	Total fixed assets
Opening net book value as at 1 January 2023	921.0	34.7	112.8	1,068.4
Additions	64.4	7.8	31.0	103.2
Disposals	(1.0)	-	-	(1.0)
Depreciation	(148.2)	(5.7)	(12.8)	(166.7)
Currency translation differences	83.7	1.7	4.1	89.5
<b>Net book amount as at 30 June 2023</b>	<b>919.8</b>	<b>38.5</b>	<b>135.1</b>	<b>1,093.4</b>
<i>Useful lifetime</i>	3 - 10 years	3 - 5 years	2-10 years	
<i>Depreciation schedule</i>	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. The Group has not identified any impairment indicators as at 30 June 2023.

## NOTE 6 Intangible assets

<i>NOK million</i>	Goodwill	Software and other intangible assets	Total intangible assets
Opening net book value as at 1 January 2023	132.8	119.4	252.1
Additions	-	16.9	16.9
Amortisation	-	(11.7)	(11.7)
Currency translation differences	-	2.4	2.4
<b>Closing net book amount as at 30 June 2023</b>	<b>132.8</b>	<b>126.9</b>	<b>259.7</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 30 June 2023.

## NOTE 7 Interest-bearing borrowings

<i>NOK million</i>	30.06.2023	30.06.2022	31.12.2022
Non-current	1,086.4	1,082.1	1,084.2
Current	280.2	254.8	255.7
<b>Total</b>	<b>1,366.6</b>	<b>1,336.9</b>	<b>1,340.0</b>

### Available drawing facilities

The group has no available undrawn facilities as per 30 June 2023.

### Covenants

The Group is compliant with all financial covenants as at 30 June 2023.

### Movement in interest-bearing borrowings are analysed as follows:

NOK million	Non-current	Current	Total
Carrying amount as at 1 January 2023	1,084.2	255.7	1,340.0
<b>NON-CASH FLOWS:</b>			
Change in transaction cost, unamortised	2.1	0.6	2.8
Change in accrued interest cost	-	0.7	0.7
Change due to currency revaluation	-	23.2	23.2
<b>Carrying amount as at 30 June 2023</b>	<b>1,086.4</b>	<b>280.2</b>	<b>1,366.6</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. The revolving credit facility is available also after the contractual maturity date.

NOK million	30.06.2023	30.06.2022	31.12.2022
Maturity within 3 months	-	-	-
Maturity between 3 and 6 months	-	-	-
Maturity between 6 and 9 months	-	-	-
Maturity between 9 months and 1 year *	269.6	248.4	246.4
Maturity between 1 and 2 years	-	-	-
Maturity between 2 and 3 years	1,100.0	-	-
Maturity between 3 and 4 years	-	1,100.0	1,100.0
Maturity between 4 and 5 years	-	-	-
Maturity beyond 5 years	-	-	-
<b>Total contractual amounts</b>	<b>1,369.6</b>	<b>1,348.4</b>	<b>1,346.4</b>

\* Refers to the revolving credit facility of USD 25 million which can be redrawn and is available until 28 February 2026.

## 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:

<i>NOK million</i>	30.06.2023	30.06.2022	31.12.2022
Non-current	112.3	77.7	96.8
Current	37.6	24.0	30.6
<b>Total</b>	<b>149.9</b>	<b>101.7</b>	<b>127.4</b>

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

<i>NOK million</i>	Non-current	Current	Total
Carrying amount as at 1 January 2023	96.8	30.6	127.4
<b>CASH FLOWS:</b>			
Payments for the principal portion of the lease liability	-	(13.1)	(13.1)
Payments for the interest portion of the lease liability	-	(4.6)	(4.6)
<b>NON-CASH FLOWS:</b>			
New lease liabilities recognised in the year	31.0	-	31.0
Interest expense on lease liabilities	4.8	-	4.8
Reclassified to current portion of lease liabilities	(22.8)	22.8	-
Currency exchange differences	2.5	1.8	4.4
<b>Carrying amount as at 30 June 2023</b>	<b>112.3</b>	<b>37.6</b>	<b>149.9</b>

## NOTE 9 Financial risk management and financial instruments

### Valuation techniques used to derive Level 2 fair values

Level 2 derivatives held at fair value through profit or loss and hedging derivatives, comprise interest rate swaps. Interest rate swaps are fair valued using forward rates extracted from observable yield curves. Interest rate swaps are recognised according to mark-to-market reports from external financial institutions.

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

<i>NOK million</i>	Level	30.06.2023	30.06.2022	31.12.2022
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
Derivatives designated as hedging instruments				
- Interest rate swaps - Other non-current assets	2	20.3	11.4	10.8
<b>OTHER FINANCIAL ASSETS</b>				
Other non-current receivables		37.6	27.1	33.9
Trade and other current receivables		1,136.7	937.5	968.3
Cash and cash equivalents		617.5	411.3	560.1
<b>Total financial assets</b>		<b>1,812.1</b>	<b>1,387.3</b>	<b>1,573.0</b>

<i>NOK million</i>	Level	30.06.2023	30.06.2022	31.12.2022
<b>OTHER FINANCIAL LIABILITIES</b>				
Non-current interest-bearing borrowings		1,086.4	1,082.1	1,084.2
Non-current lease liabilities		112.3	77.7	96.8
Current interest-bearing borrowings		280.2	254.8	255.7
Current lease liabilities		37.6	24.0	30.6
Trade and other payables		556.8	502.4	574.2
<b>Total financial liabilities</b>		<b>2,073.3</b>	<b>1,941.0</b>	<b>2,041.5</b>

The fair value of financial assets and liabilities at amortised cost is not materially different from their carrying amount.



## NOTE 10 Uncertain tax position

As reported in Note 9 in the [Annual report 2022](#), Odfjell Offshore Ltd, a company included in these financial statements, received a tax ruling from the Norwegian Tax Authorities in December 2022, where the tax loss of on the realization of shares in 2017 was denied on the basis of the anti-avoidance rule developed as tax case law. Odfjell Offshore Ltd has appealed the ruling, and both the company and the Group is still of the opinion that the most likely outcome of a court case is that the anti-avoidance rule should not be

applicable and the denial of the tax loss should be revoked.

The Group made an upfront payment 1 February 2023 of NOK 307 million in taxes and interest for the financial years 2017 through to 2021. As the Group is of the opinion that the most likely outcome is that the taxes will be repaid, the amount is recognised as a non-current tax asset.

The NOK 307 million upfront payment was financed and refunded from Odfjell

Drilling Ltd., as it is covered by the letter of indemnity issued 1 March 2022 to Odfjell Technology Ltd. As the Group is of the opinion that the most likely outcome is that the taxes will be repaid, a liability of NOK 307 million has been recognised as a non-current payable to Odfjell Drilling Ltd.

For the financial year 2022 income taxes payable for companies taxable in Norway amounts to NOK 36 million. Following the tax ruling in December 2022, the income taxes can no longer be offset by tax

losses carried forward, and the Group paid the amount in April 2023. YTD 2023 income tax payable to Norway in 2024 is estimated to NOK 14 million. However, since the Group is still of the opinion that the most likely outcome of a court case is that the denial of the tax loss should be revoked, the Group has recognised a deferred tax asset equal to expected tax refund of NOK 50 million following a court case win.

## NOTE 11 Related parties

The Group had the following material transactions with related parties:

NOK million	Relation	Q2 23	Q2 22	YTD 23	YTD 22	FY 22
Odfjell Oceanwind AS	Joint-venture	4.5	10.9	7.8	18.6	30.5
Companies within the Odfjell Drilling Ltd. Group	Related to main shareholder	185.0	203.1	368.6	392.7	816.7
<b>Total sales of services to related parties</b>		<b>189.4</b>	<b>214.0</b>	<b>376.4</b>	<b>411.3</b>	<b>847.2</b>

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

NOK million	Q2 23	Q2 22	YTD 23	YTD 22	FY 22
Well Services	97.7	96.0	200.2	168.0	374.7
Operations	11.7	37.9	14.0	80.6	148.8
Projects & Engineering	21.2	35.9	49.4	75.5	133.2
Corporate / GBS	58.8	44.1	112.8	87.1	190.5
<b>Total operating revenue to related parties</b>	<b>189.4</b>	<b>214.0</b>	<b>376.4</b>	<b>411.3</b>	<b>847.2</b>

NOK million	Relation	Q2 23	Q2 22	YTD 23	YTD 22	FY 22
Odfjell Oceanwind AS	Joint-venture	1.2	-	1.3	-	-
Companies within the Odfjell Drilling Ltd. Group	Related to main shareholder	4.8	10.8	11.0	27.5	35.0
<b>Total operating expenses to related parties</b>		<b>5.9</b>	<b>10.8</b>	<b>12.4</b>	<b>27.5</b>	<b>35.0</b>

NOK million	Relation	Q2 23	Q2 22	YTD 23	YTD 22	FY 22
Odfjell Drilling Ltd.	Related to main shareholder	-	-	-	0.8	0.8
Odfjell Oceanwind AS	Joint-venture	0.4	-	0.9	-	0.2
<b>Total interest income from related parties</b>		<b>0.4</b>	<b>-</b>	<b>0.9</b>	<b>0.8</b>	<b>1.0</b>

### The Group had the following receivables and liabilities to related parties

Refer to [Note 10](#) for information about the non-current liability to Odfjell Drilling Ltd.

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	30.06.2023	30.06.2022	31.12.2022
Trade receivables	76.0	160.7	119.2
Other current receivables	16.8	11.5	9.4
Trade payables	(0.2)	(12.1)	(3.8)
Other current payables	(0.1)	-	(5.8)
<b>Net current payables related parties</b>	<b>92.4</b>	<b>160.2</b>	<b>119.1</b>

### Shareholdings by related parties

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

Victor Vadaneaux (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.

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 June 2023.

## NOTE 12 Commitments

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

<i>NOK million</i>	30.06.2023	30.06.2022	31.12.2022
Well Services equipment	96.0	73.5	88.3
<b>Total</b>	<b>96.0</b>	<b>73.5</b>	<b>88.3</b>

## NOTE 13 Contingencies

As described in Note 30 in the [Annual Report 2022](#), 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. There are no

changes or development in the first half of 2023. 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 NOK 280 million.

Refer to [Note 10](#) regarding uncertain income tax treatment.

There are no other material contingencies to be disclosed as per 30 June 2023.

## NOTE 14 Equity information

<i>Listed shares</i>	No. of shares	Nominal value	Share capital - USD thousand
Common shares issued as at 30 June 2023	39,463,867	USD 0.01	394.6

Authorised, not issued shares was 5,536,133 as at 30 June 2023.

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

11 May 2023, the Board of Directors approved a dividend distribution of 1.267 NOK per share, equal to approximately NOK 50 million. The dividend was paid 1 June 2023.

## NOTE 15 Earnings per share

The Company has a share option plan for 1,995,000 common shares, see further description in Note 36 in the [Annual report 2022](#).

The options affect the diluted number of shares in 2023, see table below.

Refer to Note 37 in the [Annual report 2022](#) for description of accounting principle for calculating diluted effect.

<i>NOK million</i>	Q2 23	Q2 22	YTD 23	YTD 22	FY 22
Profit/(loss) due to owners of the parent	79.4	7.3	122.8	99.9	253.0
Diluted profit/(loss) for the period due to owners of the parent	79.4	7.3	122.8	99.9	253.0

	Q2 23	Q2 22	YTD 23	YTD 22	FY 22
Weighted average number of common shares in issue	39,463,867	39,463,867	39,463,867	39,463,867	39,463,867
Effects of dilutive potential common shares:					
-Share option plan	746,892	-	812,005	-	-
Diluted average number of shares outstanding	40,210,759	39,463,867	40,275,872	39,463,867	39,463,867

<i>Earnings per share (NOK)</i>	Q2 23	Q2 22	YTD 23	YTD 22	FY 22
Basic earnings per share	2.01	0.19	3.11	2.53	6.41
Diluted earnings per share	1.98	0.19	3.05	2.53	6.41

## NOTE 16 Important events occurring after the reporting period

3 July 2023 the Group provided an additional mandatory convertible loan of NOK 18 million to the joint venture Odfjell Oceanwind AS, increasing the mandatory convertible loan provided by the Group to a total of NOK 53 million. The loan is subordinated and runs with 5% interest and without instalment until maturity 23 November 2023. At maturity the loan and interest shall mandatory be converted to shares. The subscription price is dependent on whether or not an equity capitalisation have been carried out prior to conversion.

23 August 2023, the Board of Directors approved a dividend distribution of 0.633 NOK per share, equal to approximately NOK 25 million, with payment in September 2023.

There have been no other events after the balance sheet date which have a material effect on the interim financial statements ended 30 June 2023.

## Responsibility statement

We confirm, to the best of our knowledge, that the condensed set of consolidated financial statements for the period 1 January to 30 June 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting, and give a

true and fair view of the assets, liabilities, financial position and profit or loss of the group taken as a whole.

We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of

consolidated financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year and major transactions with related parties.

Aberdeen, United Kingdom

23 August 2023

Board of Directors of Odfjell Technology Ltd.

Helene Odfjell, Chair

Susanne Munch Thore, Director

Alasdair Shiach, Director

Victor Vadaneaux, Director

Diane Stephen, General Manager

## 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 2022 EBITDA margins (36%, 8% and 12% for Well Services, Operations and Projects & 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.

### Leverage ratio (adj)

	30.06.2023		
Non-current interest-bearing borrowings	NOK	1,086.4	million
Current interest-bearing borrowings	NOK	280.2	million
Non-current lease liabilities	NOK	112.3	million
Current lease liabilities	NOK	37.6	million
Adjustment for operational lease contracts	NOK	(149.9)	million
<b>A Adjusted financial indebtedness</b>	<b>NOK</b>	<b>1,366.6</b>	<b>MILLION</b>
Cash and cash equivalents	NOK	617.5	million
Adjustment for restricted cash and other cash not readily available	NOK	(90.0)	million
<b>B Adjusted cash and cash equivalents</b>	<b>NOK</b>	<b>527.5</b>	<b>MILLION</b>
<b>A-B=C Adjusted Net interest-bearing debt</b>	<b>NOK</b>	<b>839.1</b>	<b>MILLION</b>
EBITDA last 12 months	NOK	789.7	million
Adjustment for operational lease contracts	NOK	(3.0)	million
Adjustment for transaction costs	NOK	-	million
<b>D Adjusted EBITDA</b>	<b>NOK</b>	<b>786.7</b>	<b>MILLION</b>
<b>C/D=E LEVERAGE RATIO (ADJ)</b>		<b>1.1</b>	



For more information visit [odfjelltechnology.com](http://odfjelltechnology.com)

