

Report for the 4th quarter 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 2,400 employees operating in 26 countries worldwide.

KEY FINANCIALS Q4 2023

NOK 1,342m

Q4 revenue

0.61

Leverage ratio (adj)

NOK 223m

EBITDA

NOK 659m

Cash and cash equivalents

NOK 12.3b

Revenue Backlog

4.3x

EBITDA backlog vs NIBD

Key figures for the Group

All figures in NOK million	Q4 23	Q4 22	FY 23	FY 22
Operating revenue	1,342	1,131	5,021	3,885
EBITDA	223	197	840	673
EBIT	136	122	492	384
Net profit	137	109	344	253
EBITDA margin	17%	17%	17%	17%
Total assets			3,695	3,115
Net interest bearing debt			440	780
Equity			1,077	779
Equity ratio			29%	25%

- Operating revenue of NOK 1,342 million compared to NOK 1,131 million in Q4 2022.
- EBITDA margin of 17% compared to an EBITDA margin of 17% in Q4 2022.
- The Group's contract backlog is NOK 12.3 billion, whereof NOK 6.0 billion is firm backlog.
- EBITDA of NOK 223 million compared to NOK 197 million in Q4 2022.

Key figures Segments

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

Well Services

- Operating revenue of NOK 481 million compared to NOK 374 million in Q4 2022.
- EBITDA of NOK 175 million compared to NOK 132 million in Q4 2022.
- EBITDA margin of 36% compared to an EBITDA margin of 35% in Q4 2022.

Operations

- Operating revenue of NOK 621 million compared to NOK 599 million in Q4 2022.
- EBITDA of NOK 45 million compared to NOK 53 million in Q4 2022.
- EBITDA margin of 7% compared to an EBITDA margin of 9% in Q4 2022.

Projects & Engineering

- Operating revenue of NOK 164 million compared to NOK 104 million in Q4 2022.
- EBITDA of NOK 24 million compared to NOK 22 million in Q4 2022.
- EBITDA margin of 15% compared to an EBITDA margin of 21% in Q4 2022.

Highlights

Dividend

15 February 2024, the Board of Directors approved a dividend distribution of NOK 25 million with a payment date of 5 March 2024.

Contracts

Operations won a contract with Repsol Norge AS for drilling services on

Yme Inspirer. The contract services included drilling, completion, re-completion, well intervention, maintenance, engineering and future plug & abandonment work. The contract will commence Q2 2024 and is a firm 5-year contract with optional periods of 2 x 3 years. Estimated contract value is NOK 400 million for the firm period, and NOK 1bn including options.

Projects and Engineering was awarded a multi-million NOK contract from OSM Thome to provide upgrade and modification services on the Heidrun B Floating Storage Unit (FSU), owned by Equinor and partners.

Under the contract, Odfjell Technology will provide engineering, construction, and installation services on several tasks, including a new Volatile Organic

Compounds Recovery System and replacement of an existing crane, that will increase the safety level and the technical condition of the FSU.

The contracted work started in May 2022 but is now formalised in a modification contract with OSM Thome. Estimated contract completion is 1st quarter 2027.

Group financials

(Comparable figures for last comparable period in brackets.)

Profit & loss Q4 2023

Operating revenue for Q4 2023 was NOK 1,342 million (NOK 1,131 million), an increase of NOK 211 million. There is increased revenue in all the segments from Q4 2022 to Q4 2023, mainly related to new contracts and higher activity.

EBITDA in Q4 2023 was NOK 223 million (NOK 197 million), an increase of NOK 26 million. The main contributor to the increase is Well Services. The EBITDA margin in Q4 2023 was 17% (17%).

Depreciation, amortisation and impairment in Q4 2023 was NOK 87 million (NOK 75 million). Net financial expenses in Q4 2023 amounted to NOK 7 million (NOK 8 million).

Profit before tax in Q4 2023 was NOK 139 million (NOK 109 million).

Income tax expense in Q4 2023 was NOK 3 million (tax income NOK 1 million).

Net profit in Q4 2023 was NOK 137 million (NOK 109 million), an increase of NOK 29 million.

Profit & loss FY 2023

Operating revenue FY 2023 was NOK 5,021 million (NOK 3,885 million), an increase of NOK 1,136 million. There is increased revenue in all the segments from 2022 to 2023, mainly related to new contracts and higher activity.

EBITDA FY 2023 was NOK 840 million (NOK 673 million), an increase of NOK 167 million. The main contributors to the increase are Well Services and Projects &

Engineering. The EBITDA margin FY 2023 was 17% (17%).

Depreciation, amortisation and impairment FY 2023 was NOK 348 million (NOK 288 million), an increase of NOK 60 million mainly related to Well Services equipment.

Net financial expenses FY 2023 amounted to NOK 136 million (NOK 138 million).

Profit before tax FY 2023 was NOK 362 million (NOK 226 million).

Income tax expense FY 2023 was NOK 17 million. FY 2022 the income tax expense was positive NOK 27 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 FY 2023 was NOK 344 million (NOK 253 million), an increase of NOK 91 million.

Balance sheet

Total assets as at 31 December 2023 amounted to NOK 3,695 million (NOK 3,115 million), an increase of NOK 580 million, mainly due to the non-current tax asset, refer to [Note 10](#) for further information.

Total equity as at 31 December 2023 amounted to NOK 1,077 million (NOK 779 million), an increase of NOK 298 million. The equity ratio was 29% as at 31 December 2023.

Net interest-bearing debt as at 31 December 2023 amounted to NOK 440 million (NOK 780 million as at 31 December 2022), a decrease of NOK 340 million, mainly related to the repayment of the RCF in Q4 2023.

Cash flow Q4 2023

Net cash flow from operating activities in Q4 2023 was positive NOK 511 million (NOK 260 million). The increase of NOK 251 million was mainly related to changes in working capital. The Group paid NOK 33 million (NOK 30 million) in interest, and

NOK 6 million (NOK 2 million) in income taxes.

Net cash outflow from investing activities in Q4 2023 was NOK 36 million (NOK 102 million). The cash outflows in Q4 2023 were mainly due to purchase of Well Services equipment.

Net cash outflow from financing activities in Q4 2023 was NOK 301 million (NOK 5 million). The Q4 2023 outflow relates to repayment of the USD 25 million Rolling Credit Facility ("RCF"), payment of dividends of NOK 25 million and repayment of lease liabilities.

Cash flow FY 2023

Net cash flow from operating activities FY 2023 was positive NOK 698 million (NOK 568 million). The increase of NOK 130 million was mainly related to increased profit before taxes. The Group paid NOK 129 million (NOK 87 million) in interest, and NOK 52 million (NOK 21 million) in income taxes. In addition, the Group paid NOK 307 million related to a tax case in Norway. The payment was funded by Odfjell Drilling Ltd, see [Note 10](#) for further information.

Net cash outflow from investing activities FY 2023 was NOK 222 million. The cash

outflow FY 2023 was mainly due to purchase of Well Services equipment and a mandatory convertible loan of NOK 18 million paid to Odfjell Oceanwind AS.

Net cash outflow from financing activities FY 2023 was NOK 395 million. The FY 2023 outflow relates to repayment of the USD 25 million RCF, payment of dividends of NOK 100 million and repayment of lease liabilities.

At 31 December 2023, cash amounted to NOK 659 million. There has been a positive change of NOK 99 million since 31 December 2022.

Segments

(Comparable figures for last comparable period in brackets.)

Well Services

All figures in NOK million	Q4 23	Q4 22	FY 23	FY 22
Operating revenue	481	374	1,779	1,365
EBITDA	175	132	625	485
EBIT	101	63	322	226
EBITDA margin	36%	35%	35%	36%

Q4 2023

Operating revenue for the Well Services segment in Q4 2023 was NOK 481 million (NOK 374 million), an increase of NOK 107 million. A strong finish for the year with good activity across most regions, particularly the operations in Namibia, Netherlands and Malaysia.

EBITDA for the Well Services segment in Q4 2023 was NOK 175 million (NOK 132 million), an increase of NOK 43 million. EBITDA margin for the Well Service

segment in Q4 2023 was 36% (35%). Margin improvement is a combination of growth, optimising the balance of margins from the different product offerings and focus on cost efficiencies.

EBIT for the Well Services segment in Q4 2023 was NOK 101 million (NOK 63 million).

FY 2023

Operating revenue for the Well Services segment FY 2023 was NOK 1,779 million

(NOK 1,365 million), an increase of NOK 414 million. Growth in the year has come from entering new markets (Namibia & Canada), delivering on contracts secured in 2022 and recovery in our traditional markets, most notably western mainland Europe.

EBITDA for the Well Services segment FY 2023 was NOK 625 million (NOK 485 million), an increase of NOK 140 million. EBITDA margin for the Well Service segment FY 2023 was 35% (36%).

Although the driver for the growth is from our product lines that carry a lower margin, this has been partly offset by continued growth in higher margin product lines and a focus on cost efficiencies.

EBIT for the Well Services segment FY 2023 was NOK 322 million (NOK 226 million).

Operations

All figures in NOK million	Q4 23	Q4 22*	FY 23	FY 22*
Operating revenue	621	599	2,382	1,972
EBITDA	45	53	176	185
EBIT	45	53	176	185
EBITDA margin	7%	9%	7%	9%

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

Q4 2023

Operating revenue for the Operations segment in Q4 2023 was NOK 621 million (NOK 599 million), an increase of NOK 22 million. This is mainly explained by an increase in activity, compared to Q4 2022, related to management of the jack-up rig Linus for SFL Corporation Ltd and an increasing demand for construction and

inspection services through Rig Inspection Services.

EBITDA for the Operations segment in Q4 2023 was NOK 45 million (NOK 53 million), a decrease of NOK 8 million due to a combination of additional cost caused by rig transportation delays, higher sick leave and low bonus earnings. The EBITDA

margin for the Operations segment in Q4 2023 was 7% (9%).

FY 2023

Operating revenue for the Operations segment FY 2023 was NOK 2,382 million (NOK 1,972 million), an increase of NOK 410 million. This is mainly explained by increase in activity, compared to 2022,

related to management of the jack-up rig Linus for SFL Corporation Ltd and volume increase for Rig Inspection Services.

EBITDA for the Operations segment FY 2023 was NOK 176 million (NOK 185 million), a decrease of NOK 9 million. The EBITDA margin for the Operations segment FY 2023 was 7% (9%).

Projects & Engineering

All figures in NOK million	Q4 23	Q4 22*	FY 23	FY 22*
Operating revenue	164	104	607	357
EBITDA	24	22	94	44
EBIT	23	22	93	44
EBITDA margin	15%	21%	16%	12%

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

Q4 2023

Operating revenue for the Projects & Engineering segment in Q4 2023 was NOK 164 million (NOK 104 million), an increase of NOK 60 million. Activity has been high throughout the quarter in all departments, but mainly driven by special purpose survey (SPS) activities in Odfjell Drilling's (ODL) portfolio and modification work on the floating storage unit (FSU) Heidrun B.

EBITDA for the segment in Q4 2023 was NOK 24 million (NOK 22 million), an increase of NOK 2 million. The EBITDA margin for the segment in Q4 2023 was 15% (21%). The increase in EBITDA is mainly explained by higher activity, resulting in increased volume and utilisation compared to the same quarter last year while the drop in margin % is due to recognition of lump sum projects in Q4 2022.

FY 2023

Operating revenue for the Projects & Engineering segment FY 2023 was NOK 607 million (NOK 357 million), an increase of NOK 250 million. Activity has been high for the entire year. Q1 and Q2 was mainly driven by yard stay activities on the Deepsea Mira and Hercules, and the modification work on the FSU Heidrun B has had high activity for the whole year.

After the yard stays the activity on ODL's SPS portfolio has picked up.

EBITDA for the segment FY 2023 was NOK 93 million (NOK 44 million), an increase of NOK 49 million. The EBITDA margin for the segment FY 2023 was 16% (12%). The increase is mainly explained by higher activity, resulting in increased volume, utilisation and margins compared to last year.

Environmental, social and governance

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

Environmental Impact:

The company has continued its focus on environmental initiatives to substitute hazardous chemicals and minimize waste across all three business segments.

There were six minor spills to closed drains under operations and no serious or medium spills to the environment.

There was one well control event that could potentially have resulted in an uncontrolled discharge to the environment.

Preparations for transitioning to the new ESG reporting framework are underway.

The company conducted a double materiality assessment before year-end to better align with the CSRD. A new software solution for ESG reporting has been selected and will be implemented in 2024.

People & Safety:

The company remains focused on employee utilisation and optimising our workforce both offshore and onshore. We are carefully monitoring overtime and sick leave to act where needed.

The internal re-organisation of our Projects & Engineering business segment is complete and took effect January 1, 2024. We continue to recruit engineers to meet our strategic plans. Onboarding of new employees remains in focus to ensure rapid productivity after start.

The company has promoted our employer brand actively through multiple arenas, and Q4 had special focus on universities and building name recognition for our

future workforce needs. Employer brand focus has resulted in 38% increase of followers on LinkedIn for 2023. The use of algorithms and digital recruitment tools to target qualified candidates shows a 6x impact on relevant applicants.

The total recordable incident frequency (TRIF) continued decreasing slightly on the rigsites where we experienced 1 lost time injury and 3 minor medical treatment injuries. The dropped object frequency also continues to develop positively both on the rigsites and in workshops.

The Always Safe / Step Change in Safety quarterly topics campaign for Q4 focused on wellbeing and working environment. This was reinforced with the ongoing "I See You" mental health initiative companywide, whereby the workforce is invited to reflect on situations to raise awareness on mental health. The work to strengthen the QHSE culture has continued in Q4 with Safety Coach visits to selected platforms to enhance daily risk management as part of leadership

seminars. Results from our employee survey in Q4 show Odfjell Technology continues to be an excellent place to work.

Ethics & Governance:

Odfjell Technology continues its high focus on ethics and governance with due diligence having been conducted on three new high risk third parties and a refresh of due diligence completed for one existing agent. Our annual compliance training campaign concluded at the end of 2023 with strong completion results across the business: 80% of all employees completed confirmation of compliance with the Code of Conduct in 2023; 79% of new employees completed the Code of Business Conduct course; and 82% of the enrolled employees completed anti-corruption training.

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.

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

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 regions we operate in.

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

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

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

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.

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	FY 23	FY 22
Lost time incident frequency (as per 1 million working hours)	1.1	1.4
Total recordable incident frequency (as per 1 million working hours)	3.0	3.2
Sick leave (percentage)	4.5	4.1
Dropped objects frequency (as per 1 million working hours)	4.2	5.0
Number of employees	2396	2,172

Aberdeen, United Kingdom

15 February 2024

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	Q4 23	Q4 22	FY 23	FY 22
Operating revenue	2,3	1,341.6	1,131.0	5,021.4	3,885.0
Other gains and losses		14.7	4.4	26.9	13.6
Personnel expenses		(811.9)	(702.2)	(3,032.9)	(2,381.6)
Other operating expenses		(320.9)	(236.1)	(1,175.2)	(844.5)
EBITDA		223.5	197.2	840.1	672.5
Depreciation, amortisation and impairment	5,6	(87.0)	(75.2)	(348.0)	(288.4)
Operating profit (EBIT)		136.4	122.0	492.1	384.1
Share of profit (loss) from joint ventures and associates	16	10.3	(5.1)	5.1	(19.9)
Net financial items	4	(7.4)	(8.2)	(135.7)	(138.0)
Profit before tax		139.3	108.7	361.5	226.2
Income tax expense		(2.7)	0.7	(17.3)	26.8
Net profit		136.6	109.4	344.2	253.0
Profit (loss) attributable to:					
Owners of the parent		136.6	109.4	344.2	253.0
EARNINGS PER SHARE (NOK)					
Basic earnings per share	15	3.46	1.11	8.72	6.41
Diluted earnings per share	15	3.38	1.11	8.53	6.41

Condensed Consolidated Statement of Comprehensive Income

NOK million	Q4 23	Q4 22	FY 23	FY 22
NET PROFIT	136.6	109.4	344.2	253.0
Items that will not be reclassified to profit or loss:				
Actuarial gain (loss) on post employment benefit obligations	(8.9)	(1.5)	(8.9)	(1.5)
Items that are or may be reclassified to profit or loss:				
Cash flow hedges	(10.8)	(3.6)	(2.0)	10.8
Currency translation differences	(88.7)	(116.4)	58.4	140.6
OTHER COMPREHENSIVE INCOME, NET OF TAXES	(108.3)	(121.4)	47.5	149.9
Total comprehensive income	28.3	(12.1)	391.7	402.9
Total comprehensive income attributable to:				
Owners of the parent	28.3	(12.1)	391.7	402.9

Condensed Consolidated Statement of Financial Position

<i>NOK million</i>	Note	31.12.2023	31.12.2022
ASSETS			
Property, plant and equipment	5	1,040.9	1,068.4
Intangible assets	6	257.3	252.1
Deferred tax asset	10	93.3	51.3
Non-current tax asset	10	307.2	-
Investments in joint venture	16	75.0	50.0
Other non-current assets	9	60.7	44.6
Total non-current assets		1,834.3	1,466.5
Trade receivables		1,005.6	942.6
Other current receivables and assets		195.9	145.8
Cash and cash equivalents		658.8	560.1
Total current assets		1,860.3	1,648.4
TOTAL ASSETS		3,694.6	3,114.9

<i>NOK million</i>	Note	31.12.2023	31.12.2022
EQUITY AND LIABILITIES			
Paid-in capital	14	1,093.8	1,093.8
Other equity		(17.3)	(315.0)
Total equity		1,076.6	778.8
Non-current interest-bearing borrowings	7	1,088.6	1,084.2
Non-current lease liabilities	8	132.6	96.8
Liability repayment to Odfjell Drilling Ltd	10	307.2	-
Other non-current liabilities		51.7	84.6
Total non-current liabilities		1,580.1	1,265.6
Current interest-bearing borrowings	7	10.3	255.7
Current lease liabilities	8	37.0	30.6
Trade payables		338.9	264.1
Current income tax		56.1	55.4
Other current liabilities		595.6	464.6
Total current liabilities		1,037.9	1,070.4
Total liabilities		2,618.0	2,336.1
TOTAL EQUITY AND LIABILITIES		3,694.6	3,114.9

Condensed Consolidated Statement of Changes in Equity

<i>NOK million</i>	Note	Paid-in capital	Other equity	Total equity
BALANCE AT 1 JANUARY 2022		0.1	2,962.1	2,962.2
Profit/(loss) for the period		-	253.0	253.0
Other comprehensive income for the period		-	149.9	149.9
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-	402.9	402.9
Equity contribution from Odfjell Drilling Ltd.		1,093.7	(1,049.1)	44.6
Dividends distributed to Odfjell Drilling Ltd.		-	(321.1)	(321.1)
Continuity difference		-	(2,312.6)	(2,312.6)
Cost of share-based option plans			2.8	2.8
TRANSACTIONS WITH OWNERS		1,093.7	(3,680.0)	(2,586.2)
Balance at 31 December 2022		1,093.8	(315.0)	778.8
Profit for the period		-	344.2	344.2
Other comprehensive income for the period		-	47.5	47.5
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-	391.7	391.7
Dividends paid to shareholders	14	-	(100.0)	(100.0)
Cost of share-based option plans		-	6.0	6.0
TRANSACTIONS WITH OWNERS		-	(93.9)	(93.9)
Balance at 31 December 2023		1,093.8	(17.3)	1,076.6

Condensed Consolidated Statement of Cash Flows

<i>NOK million</i>	Note	Q4 23	Q4 22	FY 23	FY 22
CASH FLOWS FROM OPERATING ACTIVITIES:					
Profit before tax		139.3	108.7	361.5	226.2
Adjustment for provisions and other non-cash elements		77.7	97.7	463.9	438.9
Changes in working capital		333.6	85.6	53.1	10.6
Cash generated from operations		550.7	292.0	878.5	675.7
Net interest (paid) / received		(33.4)	(30.3)	(128.9)	(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)		(6.3)	(2.1)	(51.6)	(21.2)
Net cash flow from operating activities		511.1	259.6	698.0	567.7
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of property, plant and equipment and intangible assets	5,6	(54.1)	(72.6)	(237.4)	(336.1)
Proceeds from sale of property, plant and equipment		17.5	4.8	32.8	16.6
Other non-current receivables		0.6	0.8	0.6	(8.0)
Cash used in obtaining control of subsidiaries		-	-	-	(2,312.6)
Cash payments to acquire interests in joint-ventures		-	-	-	(30.0)
Mandatory convertible subordinated loan to joint venture	16	-	(35.4)	(18.0)	(35.4)
Net cash flow from investing activities		(36.0)	(102.4)	(221.9)	(2,705.4)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Net change group cash pool receivables and liabilities		-	-	-	1,057.3
Proceeds from borrowings	7	-	-	-	1,295.5
Repayment of borrowings	7	(268.9)	-	(268.9)	-
Repayment of lease liabilities	8	(6.7)	(4.8)	(26.2)	(20.5)
Proceeds from capital increases		-	-	-	44.7
Dividends paid to Odfjell Drilling Ltd. Group		-	-	-	(176.9)
Dividends paid to shareholders	14	(25.0)	-	(100.0)	-
Net cash flow from financing activities		(300.6)	(4.8)	(395.1)	2,200.2
Effects of exchange rate changes on cash and cash equivalents		(15.5)	(15.6)	17.7	(0.1)
Net increase (decrease) in cash and cash equivalents		159.0	136.9	98.7	62.3
Cash and cash equivalents at beginning of period		499.8	423.2	560.1	497.8
Cash and cash equivalents at period end		658.8	560.1	658.8	560.1

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 Prime View, Prime Four Business Park, Kingswells, Aberdeen, AB15 8PU.

These condensed interim financial statements were approved by the Board of Directors on 15 February 2024 and have not been audited.

Basis for preparation

These condensed interim financial statements for the twelve months period ended 31 December 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	
	Q4 23	Q4 22*	Q4 23	Q4 22*	Q4 23	Q4 22*	Q4 23	Q4 22*	Q4 23	Q4 22
External segment revenue	480.8	374.0	621.1	599.2	164.1	103.9	75.6	53.9	1,341.6	1,131.0
Inter segment revenue	-	-	-	-	-	-	-	-	-	-
Total revenue	480.8	374.0	621.1	599.2	164.1	103.9	75.6	53.9	1,341.6	1,131.0
EBITDA	175.5	131.6	45.1	52.9	24.0	22.2	(21.1)	(9.5)	223.5	197.2
Depreciation and impairment	(74.3)	(68.1)	(0.0)	(0.0)	(0.7)	(0.2)	(12.1)	(6.9)	(87.0)	(75.2)
EBIT	101.2	63.5	45.1	52.9	23.3	22.1	(33.2)	(16.4)	136.4	122.0
Share of profit (loss) from joint ventures and associates									10.3	(5.1)
Net financial items									(7.4)	(8.2)
Profit / (loss) before tax - Consolidated Group									139.3	108.7

* 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	
	FY 23	FY 22*	FY 23	FY 22*	FY 23	FY 22*	FY 23	FY 22*	FY 23	FY 22
External segment revenue	1,778.6	1,365.4	2,382.3	1,972.1	607.3	356.5	253.2	190.9	5,021.4	3,885.0
Inter segment revenue	-	-	-	-	-	-	-	-	-	-
Total revenue	1,778.6	1,365.4	2,382.3	1,972.1	607.3	356.5	253.2	190.9	5,021.4	3,885.0
EBITDA	625.2	485.3	175.6	184.8	94.4	44.5	(55.1)	(42.1)	840.1	672.5
Depreciation and impairment	(303.6)	(259.3)	(0.0)	(0.1)	(1.2)	(0.6)	(43.3)	(28.4)	(348.0)	(288.4)
EBIT	321.6	226.0	175.6	184.8	93.2	43.9	(98.4)	(70.5)	492.1	384.1
Share of profit (loss) from joint ventures and associates									5.1	(19.9)
Net financial items									(135.7)	(138.0)
Profit / (loss) before tax - Consolidated Group									361.5	226.2

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

NOTE 3 Revenue

NOK million	Q4 23	Q4 22	FY 23	FY 22
Revenue from contracts with customers	1,210.1	1,002.5	4,521.2	3,430.5
Lease component in Well Services contracts	131.3	128.5	499.6	454.0
Other operating revenue	0.1	0.1	0.5	0.4
Operating revenue	1,341.6	1,131.0	5,021.4	3,885.0

Disaggregation of revenue – Primary geographical markets

NOK million	Well Services		Operations		Projects & Engineering		Corporate / GBS		Consolidated	
	Q4 23	Q4 22	Q4 23	Q4 22*	Q4 23	Q4 22*	Q4 23	Q4 22*	Q4 23	Q4 22
Norway	236.6	198.4	391.4	409.0	139.4	87.4	73.9	52.8	841.4	747.7
UK	44.0	28.9	229.7	190.2	24.7	16.5	1.0	0.8	299.4	236.4
Europe - other countries	62.4	55.3	-	-	-	-	-	-	62.4	55.3
Malaysia	35.1	24.0	-	-	-	-	-	-	35.1	24.0
Asia - other countries	74.6	66.1	-	-	-	-	0.6	0.3	75.3	66.4
Other geographical markets	28.1	1.2	-	-	-	-	-	-	28.1	1.2
Total operating revenue	480.8	374.0	621.1	599.2	164.1	103.9	75.6	53.9	1,341.6	1,131.0

* Restated. Refer to Note 2 for further information

NOK million	Well Services		Operations		Projects & Engineering		Corporate / GBS		Consolidated	
	FY 23	FY 22	FY 23	FY 22*	FY 23	FY 22*	FY 23	FY 22*	FY 23	FY 22
Norway	910.9	759.0	1,585.8	1,305.0	501.9	297.0	248.5	185.4	3,247.1	2,546.5
UK	188.6	117.5	796.5	667.1	105.3	59.5	2.3	3.1	1,092.7	847.3
Europe - other countries	231.4	176.9	-	-	-	-	-	-	231.4	176.9
Malaysia	115.0	78.9	-	-	-	-	-	-	115.0	78.9
Asia - other countries	258.6	224.1	-	-	-	-	2.5	2.3	261.1	226.4
Other geographical markets	74.1	9.0	-	-	-	-	-	-	74.1	9.0
Total operating revenue	1,778.6	1,365.4	2,382.3	1,972.1	607.3	356.5	253.2	190.9	5,021.4	3,885.0

* Restated. Refer to Note 2 for further information

NOTE 4 Net financial items

<i>NOK million</i>	Note	Q4 23	Q4 22	FY 23	FY 22
Interest income		8.4	3.6	25.9	6.0
Interest expense lease liabilities	8	(3.2)	(2.5)	(11.1)	(7.8)
Other interest expenses		(36.2)	(32.1)	(142.2)	(98.4)
Other borrowing expenses		(1.5)	(1.4)	(5.6)	(4.5)
Net currency gain/(loss)		25.0	24.7	(1.0)	(31.8)
Other financial items		(0.0)	(0.7)	(1.5)	(1.5)
Net financial items		(7.4)	(8.2)	(135.7)	(138.0)

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	182.2	27.5	65.5	275.2
Disposals	(5.9)	-	(9.2)	(15.1)
Depreciation	(283.5)	(12.9)	(27.5)	(323.9)
Reversal of impairment	-	-	0.8	0.8
Currency translation differences	33.3	0.4	1.8	35.4
Net book amount as at 31 December 2023	847.0	49.7	144.2	1,040.9
<i>Useful lifetime</i>	<i>3 - 10 years</i>	<i>3 - 5 years</i>	<i>2-10 years</i>	
<i>Depreciation schedule</i>	<i>Straight line</i>	<i>Straight line</i>	<i>Straight line</i>	

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. Assets impaired in previous periods, are assessed for reversal of the impairment whenever there are indicators that the impairment loss previously recognised no longer exists or has decreased.

There is a reversal of impairment of NOK 0.8 million in September 2023 related to a leased property no longer in use by the group. The right-of-use asset was disposed of in Q4 2023.

The Group has not identified any impairment indicators as at 31 December 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	-	29.1	29.1
Amortisation	-	(24.9)	(24.9)
Currency translation differences	-	1.0	1.0
Closing net book amount as at 31 December 2023	132.8	124.5	257.3

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 conducted the annual impairment test as at 31 December 2023.

The recoverable amount of the CGUs has been determined based on value-in-use calculations. These calculations use pretax cash flow projections based on prognoses made by management covering a five-year period. The prognosis for the EBITDA margin in 2024 and the following years is based on past performance and expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax weighted average cost of capital and reflect specific risks relating to the relevant operating segments.

<i>Key assumptions for value-in-use calculations</i>	Well Services	Operations	Projects & Engineering
EBITDA margin in prognosis period	31%-35%	6.5%-7%	13%-14%
Growth rate year 6 and forward	0.0%	0.0%	0.0%
Weighted Average Cost of Capital, pre-tax	12%	9%	10%

Impairment tests performed for goodwill for respective CGUs do not indicate any impairment as per 31.12.2023.

Sensitivity analysis for goodwill impairment test as at 31.12.2023

The Group has performed sensitivity analysis for the goodwill impairment test by reducing operating income by one, five and ten percent and EBITDA margin by one, five and ten percentage points respectively for each of the segments.

Reducing EBITDA margin by ten percentage points indicated an impairment write-down of NOK 87 million in the Operations segment. None of the other scenarios indicated any impairment write-down of goodwill as at 31 December 2023.

NOTE 7 Interest-bearing borrowings

<i>NOK million</i>	31.12.2023	31.12.2022
Non-current	1,088.6	1,084.2
Current	10.3	255.7
Total	1,098.9	1,340.0

Movement in interest-bearing borrowings are analysed as follows:

<i>NOK million</i>	Non-current	Current	Total
Carrying amount as at 1 January 2023	1,084.2	255.7	1,340.0
CASH FLOWS:			
Repayment borrowings	-	(268.9)	(268.9)
NON-CASH FLOWS:			
Change in transaction cost, unamortised	4.4	1.2	5.6
Change in accrued interest cost	-	(0.3)	(0.3)
Change due to currency revaluation	-	22.5	22.5
Carrying amount as at 31 December 2023	1,088.6	10.3	1,098.9

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.

<i>NOK million</i>	31.12.2023	31.12.2022
Within 3 months	-	-
Between 3 and 6 months	-	-
Between 6 and 9 months	-	-
Between 9 months and 1 year	-	246.4
Between 1 and 2 years	-	-
Between 2 and 3 years	1,100.0	-
Between 3 and 4 years	-	1,100.0
Between 4 and 5 years	-	-
Beyond 5 years	-	-
Total contractual amounts	1,100.0	1,346.4

Available drawing facilities

The group has NOK 254 million (the USD 25 million RCF) in available undrawn facilities as per 31 December 2023.

Covenants

The Group is compliant with all financial covenants as at 31 December 2023.

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>	31.12.2023	31.12.2022
Non-current	132.6	96.8
Current	37.0	30.6
Total	169.6	127.4

Movements in the lease liabilities are analysed as follows for 2023:

<i>NOK million</i>	Non-current	Current	Total
Carrying amount as at 1 January 2023	96.8	30.6	127.4
CASH FLOWS:			
Payments for the principal portion of the lease liability	-	(26.2)	(26.2)
Payments for the interest portion of the lease liability	-	(10.1)	(10.1)
NON-CASH FLOWS:			
New lease liabilities recognised in the year	65.5	-	65.5
Interest expense on lease liabilities	11.1	-	11.1
Reclassified to current portion of lease liabilities	(41.8)	41.8	-
Currency exchange differences	0.9	0.9	1.8
Carrying amount as at 31 December 2023	132.6	37.0	169.6

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	31.12.2023	31.12.2022
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			
Derivatives designated as hedging instruments			
- Interest rate swaps - Other non-current assets	2	11.7	10.8
OTHER FINANCIAL ASSETS			
Other non-current receivables		48.0	33.9
Trade and other current receivables		1,040.6	968.3
Cash and cash equivalents		658.8	560.1
Total financial assets		1,759.0	1,573.0

<i>NOK million</i>	Level	31.12.2023	31.12.2022
OTHER FINANCIAL LIABILITIES			
Non-current interest-bearing borrowings		1,088.6	1,084.2
Non-current lease liabilities		132.6	96.8
Current interest-bearing borrowings		10.3	255.7
Current lease liabilities		37.0	30.6
Trade and other payables		687.8	574.2
Total financial liabilities		1,956.3	2,041.5

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 realisation 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 a 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 Odfjell

Offshore's tax losses carried forward, and the Group paid the amount in April 2023. FY 2023 income tax payable to Norway in 2024 is calculated to NOK 41 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 77 million.

NOTE 11 Related parties

The Group had the following material transactions with related parties:

NOK million	Relation	Q4 23	Q4 22	FY 23	FY 22
Odfjell Oceanwind AS	Joint-venture	16.5	5.0	31.9	30.5
Companies within the Odfjell Drilling Ltd. Group	Related to main shareholder	214.2	204.7	798.8	816.7
Total sales of services to related parties		230.6	209.7	830.6	847.2

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

NOK million	Q4 23	Q4 22	FY 23	FY 22
Well Services	93.5	96.2	391.7	374.7
Operations	12.0	32.3	57.5	148.8
Projects & Engineering	49.1	27.3	128.2	133.2
Corporate / GBS	76.0	53.8	253.2	190.5
Total operating revenue to related parties	230.6	209.7	830.6	847.2

NOK million	Relation	Q4 23	Q4 22	FY 23	FY 22
Odfjell Oceanwind AS	Joint-venture	-	-	1.5	-
Companies within the Odfjell Drilling Ltd. Group	Related to main shareholder	2.3	3.4	21.3	35.0
Total operating expenses to related parties		2.3	3.4	22.8	35.0

NOK million	Relation	Q4 23	Q4 22	FY 23	FY 22
Odfjell Drilling Ltd.	Related to main shareholder	-	-	-	0.8
Odfjell Oceanwind AS	Joint-venture	0.8	0.2	1.9	0.2
Total interest income from related parties		0.8	0.2	1.9	1.0

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	31.12.2023	31.12.2022
Trade receivables	84.2	119.2
Other current receivables	21.6	9.4
Trade payables	(1.5)	(3.8)
Other current payables	(0.8)	(5.8)
Net current payables related parties	103.6	119.1

Shareholdings by related parties

Chair 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 31 December 2023.

NOTE 12 Commitments

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

NOK million	31.12.2023	31.12.2022
Well Services equipment	146.5	88.3
Total	146.5	88.3

NOTE 13 Contingencies

As described in Note 30 in the [Annual Report 2022](#), a Group subsidiary is subject to challenges by His Majesty's Revenue and Customs ("HMRC") on the historical application of National Insurance Contributions ("NICs") to workers in the UK Continental Shelf. There has been

no changes or development during 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 Odfjell Technology (UK) Ltd in relation to NICs and interest should it be unsuccessful in defending its position, is approximately NOK 327 million.

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

There are no other material contingencies to be disclosed as per 31 December 2023.

NOTE 14 Equity information

Listed shares	No. of shares	Nominal value	Share capital - USD thousand
Common shares issued as at 31 December 2023	39,463,867	USD 0.01	394.6

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

23 August 2023, the Board of Directors approved a dividend distribution of 0.633 NOK per share, equal to approximately NOK 25 million. The dividend was paid 14 September 2023.

2 November 2023, the Board of Directors approved a dividend distribution of 0.633 NOK per share, equal to approximately NOK 25 million. The dividend was paid 23 November 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>	Q4 23	Q4 22	FY 23	FY 22
Profit/(loss) due to owners of the parent	136.6	109.4	344.2	253.0
Diluted profit/(loss) for the period due to owners of the parent	136.6	109.4	344.2	253.0

	Q4 23	Q4 22	FY 23	FY 22
Weighted average number of common shares in issue	39,463,867	39,463,867	39,463,867	39,463,867
Effects of dilutive potential common shares:				
-Share option plan	944,031	-	879,705	-
Diluted average number of shares outstanding	40,407,898	39,463,867	40,343,572	39,463,867

<i>Earnings per share (NOK)</i>	Q4 23	Q4 22	FY 23	FY 22
Basic earnings per share	3.46	2.77	8.72	6.41
Diluted earnings per share	3.38	2.77	8.53	6.41

NOTE 16 Investments in joint venture

Company	Acquisition/ formation date	Registered office	Principal place of business	Voting and owning interest 31.12.2023	Voting and owning interest 31.12.2022
Odfjell Oceanwind AS	2020	Oslo, Norway	Bergen, Norway	21.2%	21.1%

NOK million	2023	2022
Book value as at 1.1.	50.0	4.3
Share of profit after tax	5.1	(19.9)
Capital contributions **	55.5	30.0
Mandatory convertible loan *	(35.6)	35.6
Book value as at 31.12	75.0	50.0

* In July 2023 the Group made an additional payment of NOK 18 million to the mandatory convertible loan.

** In October 2023 the total loan balance of NOK 53.4 million plus accumulated interest of NOK 2.1 million was converted into shares.

NOTE 17 Important events occurring after the reporting period

Dividends

15 February 2024, the Board of Directors approved a dividend distribution of 0.633 NOK per share, equal to approximately NOK 25 million, with payment in March 2024.

There have been no other events after the balance sheet date which have a material effect on the interim financial statements ended 31 December 2023.

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)

	31.12.2023		
Non-current interest-bearing borrowings	NOK	1,088.6	million
Current interest-bearing borrowings	NOK	10.3	million
Non-current lease liabilities	NOK	132.6	million
Current lease liabilities	NOK	37.0	million
Adjustment for operational lease contracts	NOK	(169.6)	million
A Adjusted financial indebtedness	NOK	1,098.9	MILLION
Cash and cash equivalents	NOK	658.8	million
Adjustment for restricted cash and other cash not readily available	NOK	(71.0)	million
B Adjusted cash and cash equivalents	NOK	587.7	MILLION
A-B=C Adjusted Net interest-bearing debt	NOK	511.2	MILLION
EBITDA last 12 months	NOK	840.1	million
Adjustment for operational lease contracts	NOK	(4.5)	million
Adjustment for transaction costs	NOK	-	million
D Adjusted EBITDA	NOK	835.6	MILLION
C/D=E LEVERAGE RATIO (ADJ)		0.61	

For more information visit odfjelltechnology.com

