Annual Report 2023

INNOVATE. INTEGRATE. ELEVATE.

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Highlights

Integrated supplier of offshore operations, well services technology, and engineering solutions, with over 2,400 employees operating in 26 countries worldwide.

2023 AT A GLANCE

NOK 5,021m
Revenue

0.6x
Leverage ratio (adj)

NOK 12.3b
Revenue backlog

15.2%
Women in workforce

NOK 840m
EBITDA

4.3x
EBITDA backlog vs NIBD

1,122 tCO_2eq
Scope 2 GHG emissions from purchased electricity

3
Lost time injuries*
*Own workforce

CEO Letter

A commitment to stability

2023 was the first full year of Odfjell Technology, following the March 2022 spin-off from Odfjell Drilling. The year has been spent establishing and strengthening our structure, culture, and integrated service offerings. Our culture is about acting, delivering, and measuring, with a focus on people, performance, and predictability.

With truly devastating global conflicts creating so much pain and turmoil in our world, the effects are felt by all. We are navigating through uncertain times and these issues highlight the need for resilience and adaptability to address challenges and forge a path towards a more sustainable future.

At Odfjell Technology, we are committed to being a consistent and reliable business partner. I am proud of the hard work across the whole organisation to consistently deliver operational excellence and financial discipline, as well as ensuring we deliver growth in a safe and responsible manner.

Our HSE results in 2023 largely showed improvements, with no serious injuries or high potential incidents, but this work demands constant attention to ensure we keep people and the environment safe. Quality in our operations is crucial for our growth and expansion ambitions, and we need to ensure that we are always striving to get better. Risk management is deeply embedded in our organisation and the year saw continued focus and attention on cyber security.

Our financial performance shows revenue and EBITDA growth with consistent margin percentage levels, demonstrating a resilient business model which generates positive results and cash. This allowed us to pay our first divided in June, with further quarterly dividends bringing the total dividend paid in 2023 to NOK 100 million. The control systems we have in place to maintain financial discipline and improve working capital, provide cashflow to support both investments and returns to shareholders.

The upturn in rig activity and exploration and production spend, has created growth potential for all our services. Well Services have started their journey of international growth with new operations in Namibia and Canada and continue to explore other options. We have secured contract extensions in our Operations Business Area and were delighted to invest in new office premises in Aberdeen, solidifying our commitment and growth ambitions for the UK market. In Projects & Engineering we had significant activity in Special Periodic Survey work, with high levels set to continue throughout 2024. To develop competency and capacity we have invested in a new engineering hub in Manila, and I am excited to see that facility grow.

Integrated services

Strengthening the ties between Well Services, Operations and Projects & Engineering is essential to delivering and developing Odfjell Technology's integrated services and products solutions. I have seen the power of collaboration, with departments cooperating to secure revenue as one team across various Business Areas. Close cooperation across borders has led to shared learnings and the fostering of the Odfjell Technology culture throughout all areas of the Group. Projects & Engineering continues to act as an enabler for executing innovative ideas, with technical people thinking operationally and working closely alongside colleagues from other Business Areas.

These integrated services offerings position us well to capture the vast decommissioning Plug & Abandonment ("P&A") market. We are building a strong P&A organisation, and our P&A offerings signify a commitment to responsible decommissioning and environmental stewardship.

Sustainability

The energy transition creates a dynamic and evolving industry where adaptability and innovation are key to navigating challenges and opportunities. As well as a focus on our own activities, we can support client's ambitions to perform operations in a more sustainable and efficient manner using our tools and technology. Ensuring a reliable energy supply for future generations requires a balance of traditional energy sources and renewables. During the year, Odfjell Oceanwind, which Odfjell Technology holds a share of, announced Mitsui O.S.K. Lines Ltd as an important shareholder and strategic partner following a private placement. This transaction strengthens Odfjell Oceanwind's position as a global leader in floating offshore wind technologies.

During the year and into 2024, we have worked systematically to understand the ever-evolving landscape of sustainability reporting, educating and supporting the business to satisfy requirements, and ensure transparency. We have a strong emphasis on responsible and sustainable practices in our operations including adherence to stringent environmental regulations and industry standards.

I am also very pleased with the work that has been done with our Odfjell Technology Women's Network. Throughout the year, they have held workshops around the world providing a platform for women to connect, discuss professional development, and promote diversity and equal opportunities

Growth Ambitions

Our ambitions to grow centre around targeting a bigger international footprint with Well Services, entering new countries and markets where we can establish long term business, as evidenced by our entry into Namibia and Canada. They also include increasing Operations volume, including the jack-up market, through an unwavering commitment to excellent operations and strong client relationships. In addition, we are building competence and capacity in Projects & Engineering with motivated experts, which will allow us to capitalise on growth opportunities and support the energy transition.

Being able to adapt and embrace new opportunities, applying good risk management controls, is key to our long-term strategy. We aim to grow through innovation, global expansion, and operational excellence, with Mergers & Acquisitions ("M&A") being a potential route to increasing service offerings and technologies.

Key to all of this is the recruitment, retention and development of a skilled workforce. Dedication from the whole organisation will ensure we meet or exceed client needs and deliver shareholder value, all underpinned by our culture and core values.

Finally, I would like to say thank you to all our shareholders, clients, employees and vendors who have supported Odfjell Technology as it has embarked on its journey as a separate Group. The success of the Group is something I am very proud of and none of it would be possible without your support.

Simen Lieungh,
CEO Odfjell Technology AS

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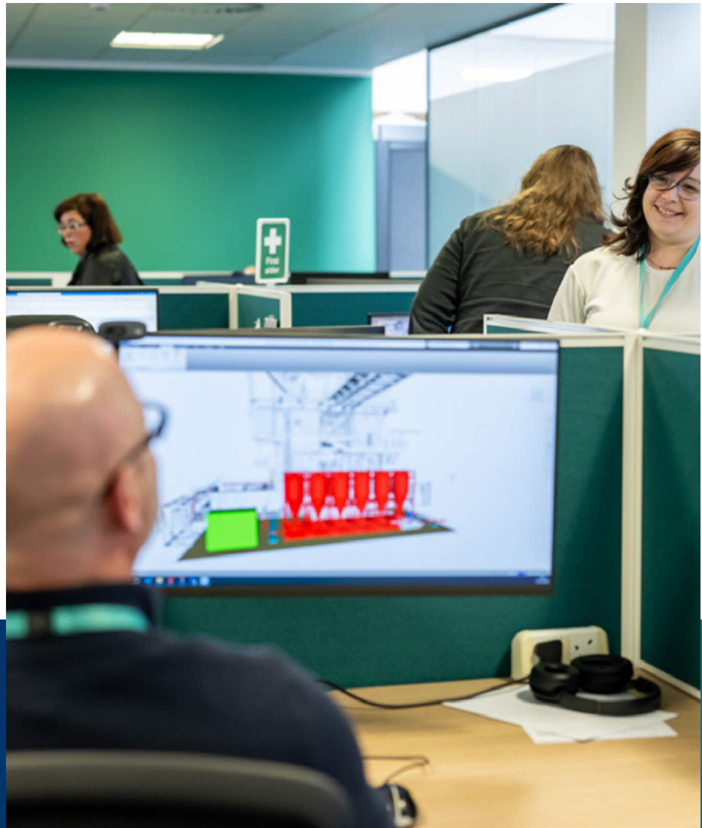
Our Business



OPERATIONS

- ✓ Platform drilling
- ✓ Mobile Offshore Unit and jack-up management
- ✓ Plug & Abandonment
- ✓ Drilling & maintenance
- ✓ Recertification
- ✓ Construction, Inspection and Rope Access Services

PROJECTS & ENGINEERING

- ✓ Front-end & studies
- ✓ Project execution: EP(C)(I)(C)
- ✓ Compliance management
- ✓ Asset Integrity Management
- ✓ Marine Services
- ✓ Technical services
- ✓ Heating, ventilation and air conditioning ("HVAC")
- ✓ Inspection services (UK)

WELL SERVICES

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

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Our Business

Odfjell Technology is a highly integrated technology and engineering group delivering specialist services, technology and competence across the global energy value chain. Combining our three Business Areas of Well Services, Operations and Projects & Engineering ("P&E"), we provide a unique integrated services offering, focused on delivering safe, sustainable, cost-effective solutions to our clients across the globe. Collaboration is a core aspect of our operational philosophy and is crucial for leveraging performance improvement opportunities and showcasing our creativity in problem-solving.

P&A is an important part of our strategy to grow the business, utilising all of our Business Areas. This is an area we already have experience in, having worked on the P&A of assets in the UK North Sea for many years. There will be a significant amount of work in this field with over 400,000 wells worldwide being decommissioned and abandoned in the next few years and well abandonment itself can represent as much as 48% of total decommissioning cost. The continual development of Odfjell Technology products, such as our rigless unit concepts, challenge the traditional processes and are key to ensuring our clients maximise efficiency and minimise environmental impact, supporting the energy transition. In November, we attended the Annual Offshore Energies UK Decommissioning conference in St Andrews, Scotland, with a collaboration across our Business Areas from Norway and the UK showcasing our approach to decommissioning. Growing our portfolio of technical solutions is important and M&A is one route being considered for this.

Green Technology's ("GT") Combined Energy & Efficiency Management ("CEM") screening has been a door opener for several new, external customers. The screening maps client's current energy consumption and suggests a range of measures to improve the efficiency and reduce emissions. These are just some of the activities to support the energy transition.

Well Services

Rig count and activity was high throughout 2023, with a 30% increase in revenue from the previous year.

The strategic focus is to grow internationally while maintaining our position in traditional markets. 2023 saw us operating in new countries such as Namibia, Canada and Indonesia, and we expect to see growth in a number of areas in 2024. During the year we extended our base in Kenaman, Malaysia and see an upturn in contract wins there. Dedication and hard work from our team in Malaysia has brought us far in a short space of time, and we are ready to expand further.

With such an international footprint, it is important that there is a strong and inclusive Group culture that unites employees across the different regions. Executive Vice President ("EVP"), Elisabeth Haram travelled to several of our locations during 2023, talking about what ties us all together as one Odfjell Technology – our core values. These guide us in how we do business and through these, we foster a culture of collaboration and creativity.

In terms of products, there is a high focus on remotely operated technologies and on providing innovative products that improve efficiency and safety and which in turn reduce the environmental impact of operations.

As part of using our heritage for the energy transition, Odfjell Technology and our partners successfully completed a geothermal pilot project onshore Norway, in the city of Tromsø. This involved piloting a heat storage concept, storing heat from the summertime to heat water when needed in the winter. To do this, we utilised one of our proven rigless intervention units, which to date have been deployed over 200 times in Continental Europe, and this operation represented their first use in Norway for this type of work.

The rigless unit is just one of many products offered in our portfolio of complimentary, efficient and time saving technologies for P&A and other activities. We can offer a range of delivery models for clients, using partnerships to ensure we get the right solution for our client's specific challenges.

"It has been a privilege to travel to so many of our locations during the year and meet the committed teams who deliver for us day in day out, as well as our valued clients. Our international growth is an exciting opportunity to expand our Odfjell Technology family. P&A activities will provide growth opportunities in Norway and the UK, and we are committed to building a strong and stable P&A organisation."

Elisabeth Haram
EVP Well Services

Operations

2023 saw an increase in revenue with continued support to 16 fixed installations across Norway and the UK. We also completed the first full year of our management contract for the jack-up Linus. Jack-up management is a strategic target for us and our track record of implementing integrated services shows the power of collaboration in delivering outstanding results. We were delighted to announce in 2024 a new 5 year contract with Repsol for drilling services on Yme Inspirer.

Safety continues to be our priority and as well as internal campaigns, safety recognition awards and coaching, we have shared learnings not only across our own asset portfolio but also across the industry. Congratulations to our crew on Tern Alpha which won the Chair Award early 2023 for the Best Safety Performance – Platform, at the International Association of Drilling Contractors North Sea Chapter safety awards. As always though, there is room for improvement and dropped objects will be a focus for 2024.

During the year we were awarded a two-year contract extension with Serica Energy UK Ltd for the provision of storage, preservation, maintenance and platform drilling services on the Bruce platform in the UK North Sea. On the Mariner platform in the UK, Equinor exercised a one-year option for integrated services. Our order backlog shows security of contracts, some as far as 2031 including options. Our ambition is to grow the number of contracts and provide pull through opportunities for Well Services and P&E.

We strive for excellence in our operations and not just meet, but exceed client expectations, particularly in efficiently managing complex operations and setting new industry standards.

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Our rig inspection service line has seen fantastic development throughout the year, and we see this as being a key contributor in our vision to support the energy transition.

We are fundamentally a people business and investing in the future of our workforce is crucial. Since 1999 our apprenticeship programmes have provided the business with innovative thinking and an important part of our workforce. This year we were delighted to take on another cohort of apprentices, including those working offshore.

"I am proud of what we have achieved in 2023, strengthening capabilities and working collaboratively across all our Business Areas to deliver value to our clients through integrated services. We see high tender activity and are well positioned to capitalise on this. I look forward to continuing our close working relationship with Well Services and P&E."

Kurt Meinert Fjell
EVP Operations

Projects & Engineering

In 2023, P&E successfully delivered several exciting projects for clients in the energy sector, encompassing a wide range of activities, from managing major and complex brownfield projects to providing specialised advisory services.

The compliance services portfolio saw increased activity as we successfully managed Special Periodic Surveys, including multiple yard stays, for several of Odfjell Drilling's rigs.

Other notable projects included the reactivation of the Hercules and Deepsea Mira assets for Odfjell Drilling, the Heidrun B modification and upgrade for OSM Thone, and the Mariner DES and ICU modifications and upgrades for Equinor. These initiatives underscore our commitment to handling complex brownfield projects for clients.

In specialised advisory services, notable projects included studies like the CEM Screening of two Seadrill operated drillships for TotalEnergies, and a P&A feasibility study for Serica Bruce. Our engineers have also played a pivotal role for Odfjell Oceanwind's significant development throughout 2023. These projects demonstrate our expertise in providing focused and insightful advisory services – helping clients reduce fuel consumption and emissions, and also preparing for the energy transition. We have now created a dedicated vice president role for Energy Transition which will continue to drive our energy transition strategy and implement the same.

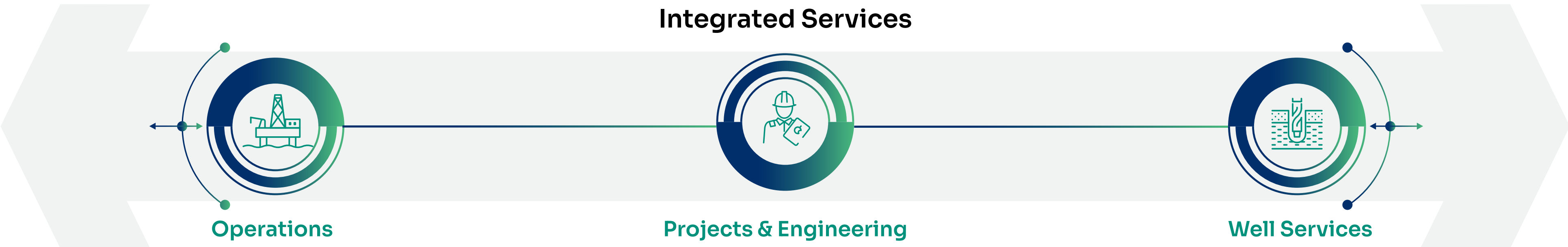
An example of collaboration and integrated services was the Energy and Emissions Reduction Screening carried out on Linus in 2023, identifying a package of emission reduction projects. This has now been evaluated, and an energy efficiency project has been approved for execution in 2024.

Our marine specialists continued to support Odfjell Drilling by conducting mooring and riser analyses, defining well-specific operating guidelines, and planning marine operations. Simultaneously, they took on responsibilities to ensure the safe operation of Linus, including planning the rig move of the jack-up. Our experts in maintenance and technical integrity played a pivotal role in assessing the known condition of our clients' assets and equipment, and implementing proactive inspection and maintenance schemes. Securing the frame agreement to provide services and maintenance to all Aker BP installations in a five-year contract marked a significant milestone for our HVAC-R department.

As activity levels for P&E continue to increase, we also need to secure and retain competent resources to increase our capacity. Over the course of 2023 our employee numbers have grown 35%, with contractor numbers also increasing. A significant move to address the resourcing challenges, is the opening of an engineering hub in Manila in November 2023. We already have a significant footprint in Manila with our Global Business Services ("GBS"). We are delighted to take on 21 engineers locally, with our P&E Manager relocating from Norway to manage this new centre and ensure seamless collaboration with colleagues in other centres. This means we now have engineering hubs in Bergen, Stavanger, Aberdeen and Manila. With a strong onboarding process, we can ensure new resources in these hubs are aligned with our vision, values and work processes.

"2023 was marked by high activity and successful project deliveries across our wide service offering. We secured business delivery through a focus on streamlining and strengthening processes and enhancing the use of support systems, preparing us for growth. I am extremely impressed by the quality, commitment and dedication of the team we have built and their drive to deliver. I look forward to welcoming many more new employees and growing the team of qualified, motivated and engaged professionals, positioning us well for what is going to be a very busy 2024."

Anne Siri Sævareid
EVP Projects & Engineering



QHSSE

"Odfjell Technology works continually to protect assets, and to prevent harm to people and the environment. Strong leadership, a thorough understanding of risk and the dedicated work to strengthen our QHSSE culture are essential in achieving this.

Eva Utskot
VP Quality, Health, Safety, Security, Environmental ("QHSSE")

QHSSE Management

Odfjell Technology works continually to maintain and develop the highest quality standards for our products and services, to protect assets, and to prevent harm to people and the environment. This requires leadership, strong understanding of risk and a continuous focus on QHSSE culture. QHSSE is a management responsibility starting with commitment from the top, cascaded down through line management.

Odfjell Technology promotes a QHSSE culture based on competence, commitment, mutual respect, empowerment, and involvement. The Plan-Do-Check-Act cycle is an integral part of our work culture to ensure continual improvement.

QHSSE Strategy 2023-2025

The three-year QHSSE strategy is the governing framework for developing the annual QHSSE programme. The QHSSE programme for 2023 set forth the main priorities, objectives and Key Performance Indicators ("KPI") that were monitored during the year.

Odfjell Technology's annual QHSSE programme 2023 was established along with Business Area specific QHSSE action plans. Inputs to the programme include:

- audit results
- KPI status
- data analyses and performance evaluations
- risk registers/risk analyses
- environmental aspects and impacts registers
- management reviews
- inputs from authorities, clients and the industry

Quality

Continuous improvement activities in 2023 under Quality Performance, focused on simplifying and standardising processes and procedures with a focus on digitalising systems and tools. Synergi, the incident management database, underwent a successful upgrade, offering a simplified experience for the end users and an improved overview of cases in our reporting tool, Power BI, for management use. The Synergi mobile app development was initiated in 2023 and will be available in 2024 for all Synergi users, rendering the incident management process even more efficient.

Quality initiatives also focussed on assuring competence and capacity. Kahuna, a new electronic, paperless system for assessing and verifying training and competence was introduced in 2023. Kahuna simplifies and streamlines the process for employees to access and verify the status of their training and competence records. The system also provides line managers and supervisors live reporting and data analytics to gain an overview of their team's competence. Kahuna minimises tasks and reduces time on administration, while enhancing communication between candidates, trainers, assessors, and line managers. The implementation of Kahuna in 2023 was a major milestone for developing and improving competence and capacity.

QHSSE Programme 2023

QUALITY PERFORMANCE	ALWAYS SAFE	SECURITY CONSCIOUS	ENVIRONMENTAL CARE
Assure competence & capacity	Strengthen the QHSSE culture	Safeguard people, assets and operations	Minimise environmental impact
Simplify & standardise	Prevent well control incidents	Enhance cyber security awareness	Optimise energy management
Digitalise tools & processes	Reduce dropped objects		
Improve risk management	Protect and strengthen the working environment		

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Health, Safety and Security

Like every year, the 2023 QHSSE programme highlighted activities within Health and Safety to prevent injuries and well control incidents, reduce dropped objects and integrate human factors in the Health, Safety, Environmental ("HSE") culture. In 2023 all Business Areas implemented the Always Safe / Step Change in Safety annual themes, with the goal of improving safety through engagement, leadership, and collaboration. Each quarter in 2023 featured a campaign topic to reinforce awareness and learning of major accident hazards, preventing personal injuries and falling objects and managing physical and mental well-being in the workplace.

Another Health and Safety measure is the "I See You" initiative launched to supplement efforts to promote mental well-being. The initiative, which focuses on awareness and tips to strengthen mental health, uses short videos and safety moments to start conversations between colleagues on the importance of being inclusive, having good relationships, giving feedback, and understanding work-life balance. A good state of mind is an important barrier for safe operations.

Odfjell Technology had no serious injuries or high potential incidents in 2023 and achieved improvements in HSE performance for all KPIs. For an overview of Occupational Health, Safety, Security and Environmental KPIs please refer to the Sustainability appendices.

Odfjell Technology believes that our Group culture makes a difference, and a solid culture is a prerequisite for delivering excellent results. In 2023 a new initiative was introduced to strengthen the QHSSE culture, which involved a mapping of cultural qualities in the Group to understand the foundation. In addition, there were coaching sessions for onshore and offshore management in daily risk management, and pilot sessions on individual rigs to train, coach and observe management. This initiative will extend into 2024 covering more rigs and other parts of the business to further strengthen the QHSSE culture.

As the risk for cyber security threats has increased in recent years, the QHSSE programme was adjusted in 2023 to include a separate dedicated section - Security Conscious (including cyber security), and the S for security was added to QHSSE. You can read more about cyber security in our Sustainability Statement. To highlight attention to security, the focus areas for the year featured safeguarding people, assets and operations while enhancing awareness of cyber security. In 2023, we operated in a heightened cyber security awareness period, and in response, the Cyber Security team was expanded, and the corporate cyber security management manual was updated. In addition, all employees were required to undergo mandatory cyber security awareness training through Cornerstone (web-based eLearning), with completion monitored by all departments. The IT department launched bimonthly phishing tests and shared results.

Emergency preparedness plans are established for all levels of the organisation and there is an annual plan for emergency drills and exercises based on defined hazard and accident situations, as well as legislative, internal and client expectations. Cyber security threats are part of the emergency drills and preparation for any major scenario. Learnings and experiences from these exercises are used to improve our onshore and offshore emergency preparedness organisations.

Environment

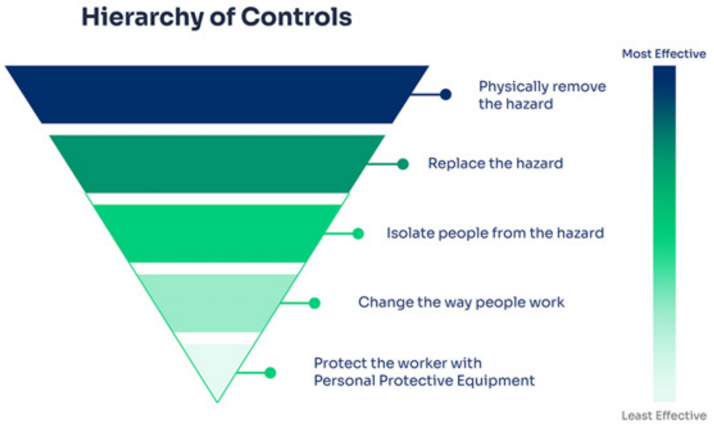
Odfjell Technology is certified to ISO 14001 to ensure our continuous commitment to environmental management and protection.

The QHSSE programme priorities for Environmental Care have focused on initiatives to reduce environmental impact, including reducing carbon emissions. Among these, are continuous monitoring and prevention of spills to sea and land through improved spill barriers. All Business Areas have introduced initiatives to improve management and substitution of hazardous chemicals and reduce waste through better supply chain practices. Due to the increased focus on accurate environmental reporting, Odfjell Technology is currently evaluating new software solutions for sustainability reporting in 2024.

Risk-based Approach

Odfjell Technology practices a QHSSE risk management process for all operations, by which hazards are identified, and associated risks are understood and managed in such a way that the risk levels are reduced to as low as reasonably practicable.

In 2023, a new digital risk management tool was established to increase focus and visibility on daily risk management and to improve the quality and efficiency of the risk management process. A major benefit of the new tool is a total, comprehensive risk overview. Risk is categorised on the operational level, the Business Area level and the corporate or enterprise level. By nominating and aggregating risks to the next level, and connecting risks to lower levels, risks are reported and addressed in a timely manner. The implementation of the new tool is making risk an integrated part of daily management, enabling continuous management of mitigating actions and improving quality in the process of identifying risks and defining actions.



Sustainability Statement

At Odfjell Technology, we want to use business as a force for good. Only by fully integrating sustainability into our business model and daily operations, can we become a sustainable business - a cornerstone to our vision of being a key enabler of the energy transition.

We believe that managing material environmental, social and governance ("ESG") matters are essential to reach our ambition of being the service provider, partner and employer of choice.

Our environment matters. Our people matter. Our conduct matters.

Sustainability matters.

Dear Odfjell Technology stakeholder,

The quest for safe, secure and sustainable energy creates one of the most critical challenges of our age - we agree that everyone should have access to affordable, clean and secure energy, and we want to support the energy transition in a way that leaves the world a better place for future generations.

Time is our most coveted and most unrenewable resource, and it is against us when it comes to the climate crisis and meeting the Paris Agreement. We recognise the need for urgency, which is why we decided to restructure the contents of this sustainability statement in preparation for the European Union ("EU") Corporate Sustainability Reporting Directive ("CSRD").

Like many other businesses, we are having to adapt quickly to meet the increasing regulation regarding sustainability disclosures. In 2023, we conducted a materiality assessment to help us understand which sustainability topics we should prioritise and invest in, which will have a greater positive impact in the long term for our business and our stakeholders.

As a result of this assessment, Odfjell Technology will concentrate on 6 focus areas:

We want to be a company that can effect real, tangible change as a force for good, and develop a culture of belonging for all employees. We recognise that by simply existing as a business we contribute to the environmental issues facing the planet, including climate change.

By focusing on what truly matters - progressing in the areas which are most material for our business and stakeholders - we can prepare a roadmap towards a greater positive impact for both our planet and our people.

Our sustainability strategy consists of three key pillars:

- our environment - Innovate solutions to support our journey to net-zero, zero-waste and the energy transition;
- our people - Safe people. Safe workplace. Safely home; and
- our business - Be brave. Be transparent. Act with integrity.

Becoming a sustainable company demands courage and action on all levels, from governments to corporates to individuals. After all, we only have one planet, and we believe we have a responsibility to protect and restore it to be able to pass it on to future generations.

Climate change | Circular economy & waste | Human rights | Own workforce | Business conduct | Cyber security

Sincerely,

Odfjell Technology Executive Management Team

18 April 2024

General

This statement presents the ESG disclosures for Odfjell Technology for the period 1 January 2023 until 31 December 2023.

Reporting standards

In 2023, Odfjell Technology began preparing for the EU CSRD and the applicable European Sustainability Reporting Standards ("ESRS"), by integrating the sustainability report and the annual report, and restructured its sustainability disclosures as applicable.

Odfjell Technology will report in compliance with the implementation schedule of the CSRD and applicable ESRS in its 2024 annual report.

Principles for sustainability reporting

The purpose of our reporting is to provide stakeholders with a fair and balanced picture of relevant aspects, engagements, practices, and results for 2023. The Sustainability Statement is prepared on the same consolidated basis as the financial statements. The basis for preparation of sustainability information that relates to business relationships in non-consolidated entities, including Odfjell Technology's upstream or downstream value chain, is clearly identified as such. The Sustainability Statement is approved by the Board of Directors (the "Board").

Assurance

The Sustainability Statement has not been assured by independent third parties, but it will be subject to limited assurance for the year 2024.

UN Sustainable Development Goals

Odfjell Technology is committed to behaving as a responsible global citizen, and we have identified five United Nations Sustainability Development Goals where we believe Odfjell Technology can have the most impact:

5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
To achieve gender equality and empower all women and girls.	To promote inclusive and sustainable economic growth, employment and decent work for all.	To ensure sustainable consumption and production patterns.	Taking urgent action to tackle climate change and its impacts.	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.
Odfjell Technology worked with the Women's Network in 2023 to increase the number of women working in the industry. Networking events were held in Bergen, Stavanger and Dubai.	Odfjell Technology's priority is making sure all employees get home safely and providing a global culture of courage and belonging.	Odfjell Technology is dedicated to delivering zero-waste operations through prevention, reduction, recycling and reuse.	Odfjell Technology is mapping its emissions with the over arching goal of reaching net-zero carbon emissions by 2050.	Odfjell Technology is committed to acting responsibly by having strong and sound governance systems in place and being transparent in its communications.

Sustainability governance

This section summarises how sustainability is managed and governed at Odfjell Technology.

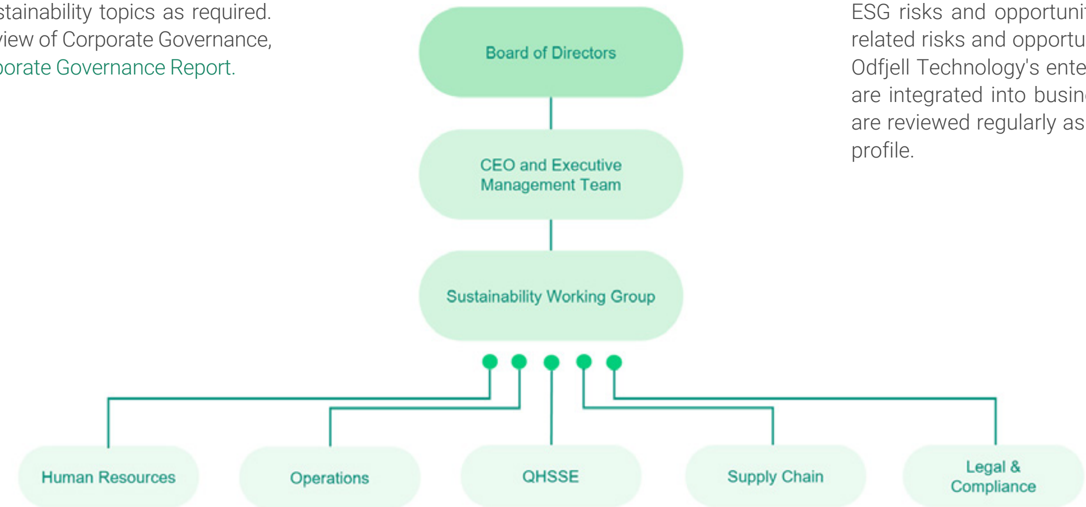
Group Sustainability

Group sustainability, led by the Sustainability Manager, is responsible for the design and implementation of the Group's sustainability strategy, with input from, and in cooperation with, each of the corporate and Group level functions, and Business Areas.

Governance model

The governance model and responsibilities are presented in the figure below. Sustainability is a consideration for the Odfjell Technology Ltd Board. The Board receives regular updates on sustainability matters and conducts deep dive discussions on sustainability topics as required. For a detailed overview of Corporate Governance, please see the Corporate Governance Report.

The corporate Human Resources ("HR") and QHSSE functions oversee safety, health, working environment and security. QHSSE is also central in overseeing our environmental impact. The corporate Supply Chain Management ("SCM") function has a pivotal role in safeguarding human rights by ensuring responsible practices are implemented and followed in our value chain. The Compliance Officer is responsible for business ethics and compliance. The heads of these functions are responsible for strategy implementation and reporting on risk and performance to the Executive Management Team ("EMT") and the Board.

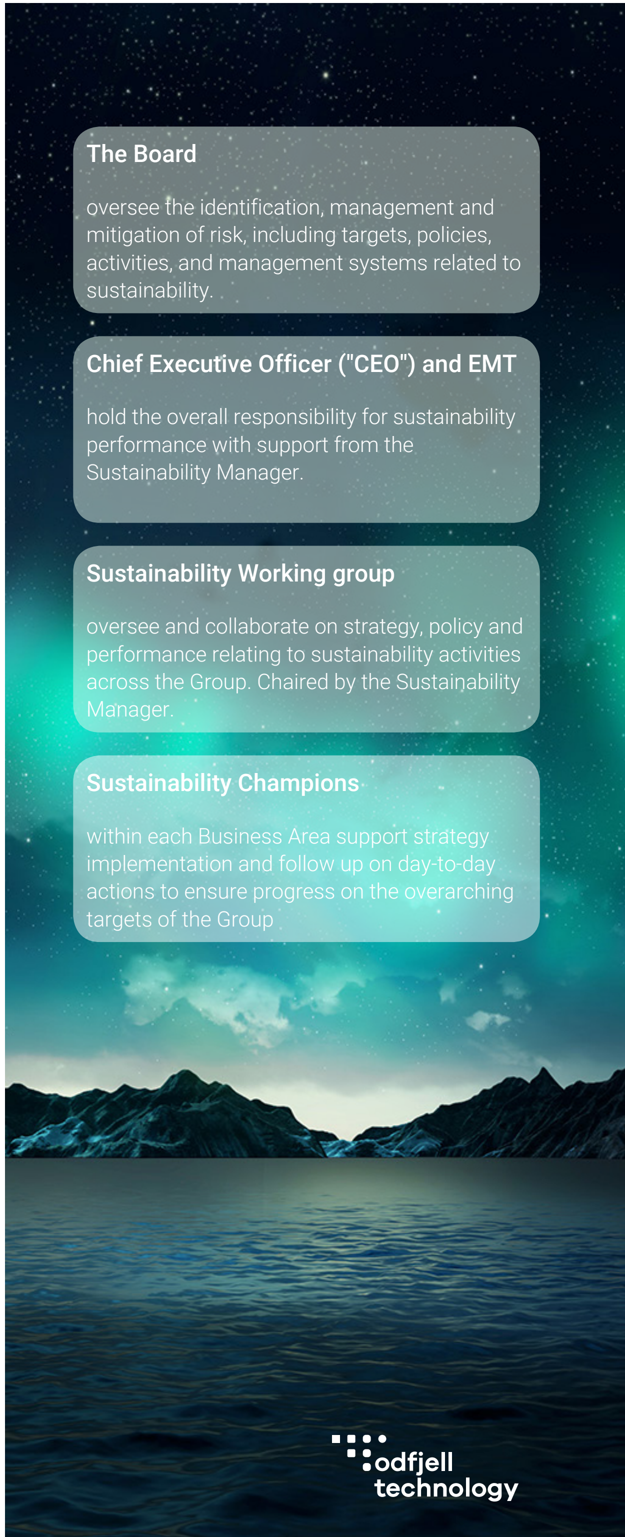


Additional information

In 2023, we have been preparing for the new disclosure requirements under the CSRD, related to governance of sustainability matters and the role of administrative, management and supervisory bodies. Additional roles and responsibilities are divided between the Board, committees and management as outlined in various sections in the Corporate Governance Report. This section also provides information on our overall corporate governance, executive remuneration, and evaluation of governance.

Risk Management

ESG risks and opportunities, including climate-related risks and opportunities, are registered in Odfjell Technology's enterprise risk register and are integrated into business plans. These risks are reviewed regularly as part of our overall risk profile.



The Board

oversee the identification, management and mitigation of risk, including targets, policies, activities, and management systems related to sustainability.

Chief Executive Officer ("CEO") and EMT

hold the overall responsibility for sustainability performance with support from the Sustainability Manager.

Sustainability Working group

oversee and collaborate on strategy, policy and performance relating to sustainability activities across the Group. Chaired by the Sustainability Manager.

Sustainability Champions

within each Business Area support strategy implementation and follow up on day-to-day actions to ensure progress on the overarching targets of the Group

Materiality approach

In preparation of the CSRD, we completed a materiality assessment to determine material topics for reporting using the ESRS adopted in July 2023.

The assessment mapped our major environmental, social and governance impacts against stakeholders' interests. As a result of this process, we have been able to identify sustainability topics we should prioritise and invest in. This in turn enables us to create value in the long term.

Topic identification

The assessment began with the identification of sustainability topics, using the topic list provided in the ESRS 1 General Requirements, as well as topics identified in the Global Reporting Initiative 11: Oil & Gas Sector 2021, and our Group Enterprise Risk Register.

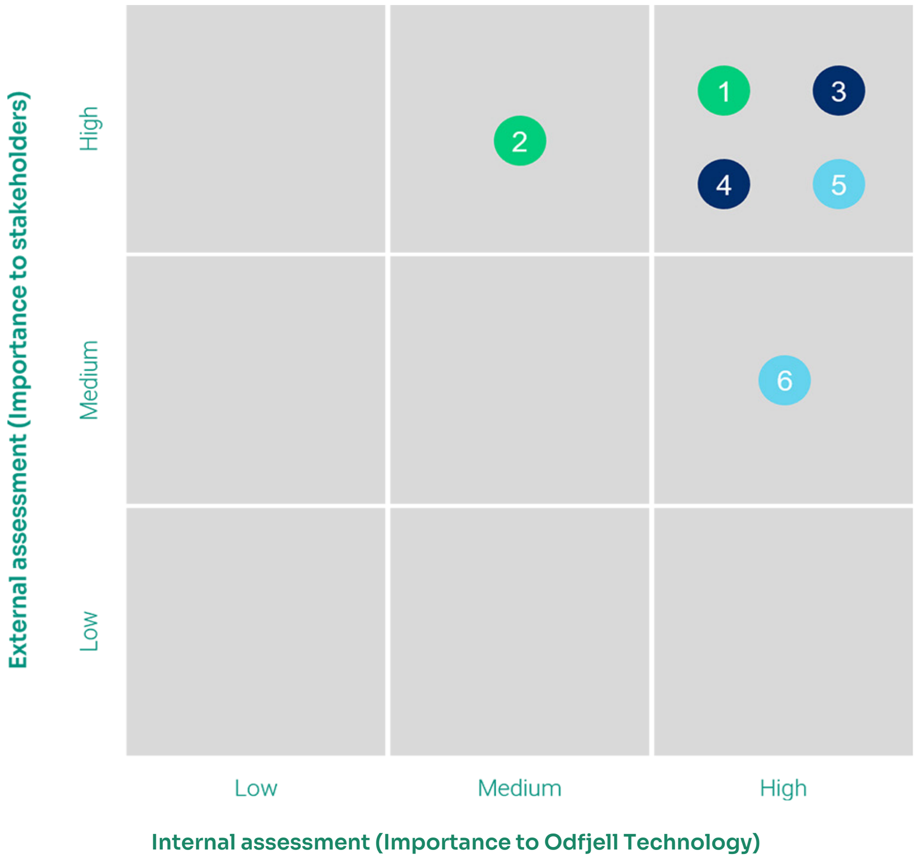
We identified five stakeholder groups and assessed their views on sustainability matters via interviews, workshops and through desktop research:

- external stakeholders: Clients, competitors, legal and financial advisors
- internal stakeholders: The Board and employees

Assessment

The sustainability matters were then scored, and the preliminary results were presented to the Board and EMT for validation. Six material sustainability matters were identified and positioned in the materiality matrix (see diagram).

Details on these topics can be found in the Environment, Social and Governance sections of this statement. Having completed the materiality assessment, we will set targets and metrics for each of the topics in 2024.



Topic tiering

Environment

1. Climate change
2. Circular economy and waste

Social

3. Own workforce
4. Human Rights

Governance

5. Business conduct
6. Cyber security risk

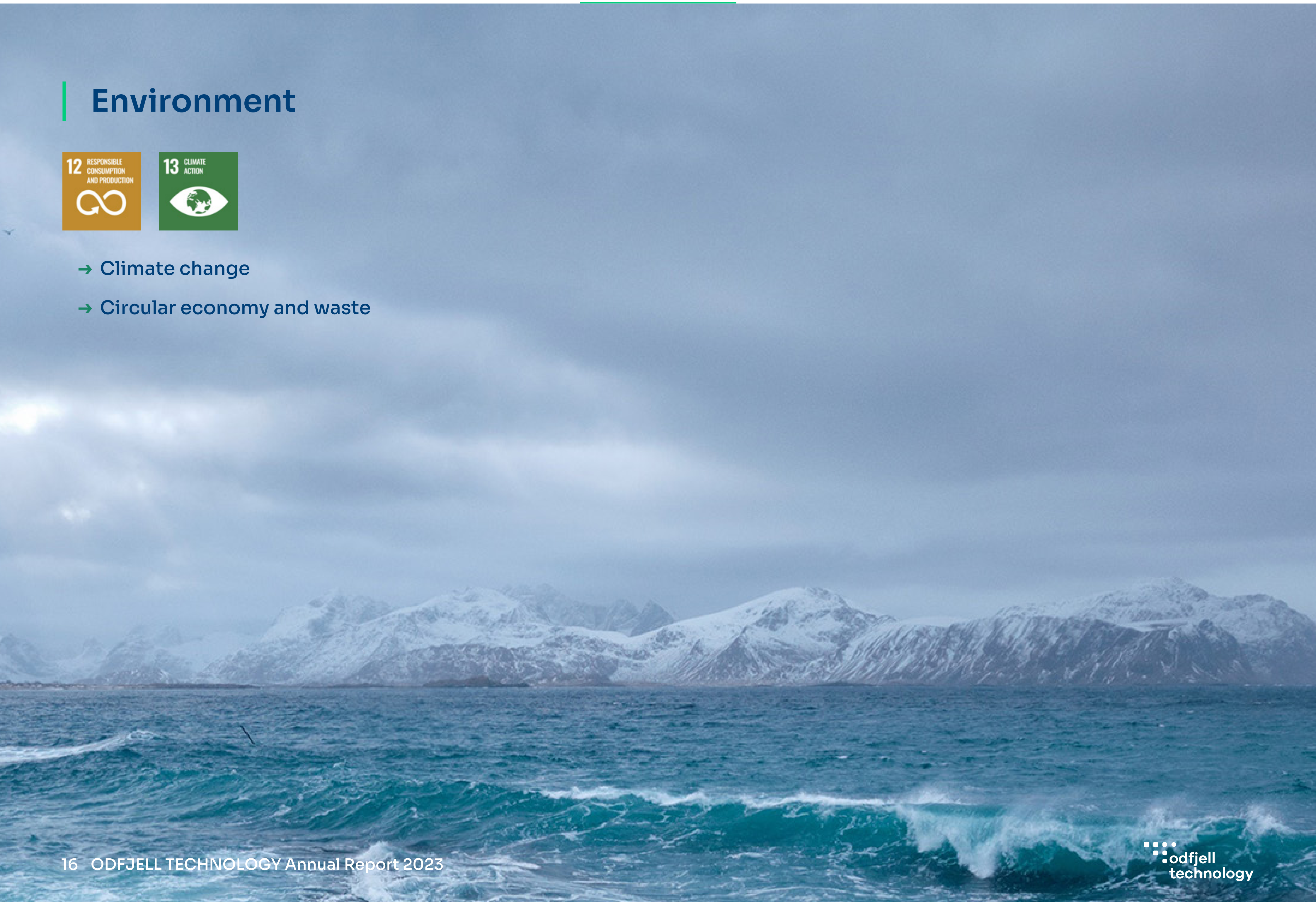
Looking forward

While further progress is necessary, we have taken the fundamental steps to prepare for the upcoming EU CSRD disclosure requirements. During 2024, we will initiate a double materiality assessment process, supported by a stronger governance landscape, methods and tools, in accordance with the ESRS.

Environment

→ Climate change

→ Circular economy and waste



Climate change

Innovate solutions to support our journey to net-zero, zero-waste operations and the energy transition.

Ambition and approach

The transition to renewable energy is crucial to mitigate the impacts of climate change and Odfjell Technology is committed to leveraging its extensive experience and expertise to enable this transition. Our vision is to use our heritage to support the energy transition, harnessing our legacy to champion energy solutions that are reliable, affordable and sustainable. There are a number of different value chains and technologies that will play an important role in the energy transition, and we are supporting our clients in both emission reduction projects and partnering up to develop new solutions for future industries. We believe that supporting our clients in accelerating the shift to renewable energy is where we can have the most impact. In our strategic direction we have prioritised segments where we will look to use our unique competitive advantages to develop innovative and cost-efficient solutions.

Our climate change mitigation ambitions, are therefore to:

- broaden our opportunities in renewables: we are dedicated to expanding our presence in the renewables sector by integrating our services and solutions to meet the evolving needs of our clients
- focus on early-phase studies: we recognise the significance of early-phase studies and concepts in shaping the trajectory of the energy transition and aim to increase our footprint in this important phase of project development
- offer innovative services: we are committed to developing and delivering innovative, cost-efficient solutions across prioritised green energy segments
- build strategic partnerships: we seek strategic partnerships and alliances that align with our values and objectives, ensuring a winning value proposition for clients and wider stakeholders

We recognise the importance of minimising our environmental impact and operating in a sustainable manner. The foundation to mitigate environmental impact is anchored at the corporate level in our HSE Policy and the annual QHSSE Programme. For more information about our approach to risk management, see our QHSSE section and Board of Director's Report.

We actively invest in research and development and innovation, including Offshore Wind, Plug and Abandonment, Hydrogen, Geothermal Energy and Green Technology. In addition, we strategically evaluate other green technologies. This investment underscores our dedication to support the energy transition and be actively involved in sustainable innovation.

In January 2024, we appointed a new Vice President ("VP") Energy Transition tasked with driving the energy transition strategy for Odfjell Technology. In this regard, we are evaluating our long-term risks which will be used to help form our energy transition strategy.

At Odfjell Technology, we recognise both risks and opportunities regarding how we operate, to ensure we minimise our environmental impact, and our role in the future demand for alternative energy sources. The demand for our services and products is linked to our clients' market for energy. As the world transitions to replacing hydrocarbon energy sources with renewables, Odfjell Technology remains committed to adapting its products, services and operations to align with the evolving energy landscape.

Looking forward

Odfjell Technology will complete a strategic evaluation of business opportunities, aimed to create a roadmap to support the energy transition and assist our clients in reaching their goals and ambitions in this regard.

As we look ahead, we understand the importance of both climate mitigation and adaptation strategies to ensure long-term resilience, planning for all impacts and risks and being prepared to address evolving challenges and seize emerging opportunities. Moreover, we are committed to playing our part in the global efforts to meet the objectives of the Paris Agreement.

Climate change adaptation

With a commitment to robust operations and governance, our organisation strategically integrates climate risks and opportunities into its overall enterprise risk management approach. In 2022, we undertook the development of climate risk assessments for the Group, aimed at reporting in compliance with both the GRI 2021 standard and the TCFD framework.

Following this analysis, we systematically prioritised the identified risks and opportunities based on their timelines for impacting our business and their implications for our organisation. This prioritisation process has allowed us to pinpoint primary risks, assess their impact on the group, and identify potential courses of action.

Furthermore, we are actively engaged in the process of quantifying these risks to facilitate future reporting, in alignment with the ESRS.

The top physical and transition risks are outlined in the table below with time horizons of short-term (0-5 years), medium-term (5-10 years), and long-term (10+ years):

Risk	Category and time horizon	Description	Impact	Mitigating actions
Transitional	Regulatory Short term	Tracking data and reporting requirements	Increased resources, skills and tools required for capturing and reporting data to meet regulatory requirements	Develop in-house expertise in meeting requirements Monitor new regulations to fully understand requirements before mandatory Perform gap analysis between current data available and future requirements, as well as any need for investments and other activities to generate relevant data points
	Reputational Short term	Ability to attract and retain employees	Decreased availability of skilled resources. Issues attracting young talent to the industry and the cost of recruiting and retaining talent could increase	Implement training programmes to attract new talent to the industry Communicate the Group's strategy to support the energy transition
	Market Medium term	Changes in the behaviour of consumers	Reduced demand for oil and gas in the future, reducing activity in our current client base and therefore revenue	Diversification of client portfolio and services to support the energy transition
	Market Short to medium- term	Cost of and access to capital	Obtaining finance may be more challenging as banks transition to a low carbon portfolio. Cost of capital may go up, and debt capacity could be reduced, resulting in increased interest costs	Consider the availability and use of Green Bonds for capital to invest in green investments and develop a low carbon oil and gas portfolio
Physical	Acute Short to medium- term	Impact of extreme weather on offshore operations	Stronger winds and increased wave height can affect crane operations and the exchange of crew and equipment. Impact on operational downtime and revenue, as well as increased overtime costs for waiting on weather	Review critical spare parts kept offshore Planning for accommodating waiting on weather impacts Address commercial robustness of contracts for weather events
	Acute Short to medium- term	Heat, floods and tropical storms	Can cause disruptions to operations and support centres resulting in higher costs	Where applicable, explore remote working opportunities and working from home Monitor suitability of locations for operations Have business continuity plans in place to deal with disruptions
	Acute Short to medium- term	Heat Stress	Disruptions in MEAA operations and impact on ability of employees to work outside affecting efficiency. Impact on the maintenance and storage of equipment with a resulting increase in costs	Increased weather planning in project timeline schedules and health tracking for employees if temperatures become excessive Ensure equipment stored in accordance with physical requirements e.g. in cooled areas or inside rather than outside if subject to sandstorms

Greenhouse Gas ("GHG") emissions

Odfjell Technology is aligned with the global efforts to limit climate change and the goals of the Paris Agreement. Our commitment extends to achieving net-zero operations by 2050 and playing a role in the decarbonisation of the offshore energy sector. Our primary focus lies in making the most substantial impact by reducing emissions for our clients.

GHG accounting approach

Through GHG accounting and a comprehensive emission reduction programme, we are actively working towards setting our first milestone towards achieving our overall goal of net-zero by 2050, prioritising energy efficiency to accelerate our progress.

Our GHG accounting follows internationally recognised standards, including the GHG protocol and ISO 14064.

Our focus is to establish an accurate GHG emissions baseline and have our GHG accounting externally assured. We mapped our Scope 1, 2 and 3 emissions to set clear targets and milestones towards achieving carbon neutrality. Our efforts in GHG accounting practices include an ongoing refinement of our methodologies, data collecting processes and reporting procedures to ensure accuracy, transparency and alignment with best practices.

Redefining GHG reporting boundaries

In our ongoing commitment to environmental responsibility, Odfjell Technology conducted a reassessment of our GHG reporting boundaries in 2023. This review was initiated to ensure the accuracy and integrity of our emissions reporting, particularly considering our role operating, and as managers of, assets that are not owned by our company.

Odfjell Technology adheres to the principles outlined in the GHG Protocol and the CSRD requirements, addressing the importance of aligning our reporting with the entity that exercises primary control over emissions. Therefore, the complexity of ownership and operatorship structures within the oil and gas industry, alongside our numerous partnerships and contractual arrangements, was carefully evaluated during this review process.

Regarding our managed jack-up Linus, it became evident that the operational control of this asset during contracted periods predominantly resides with the Exploration and Production ("E&P") Operator. As per industry standards, and the GHG protocol, emissions are rightfully attributed to the entity that exercises operational control over the asset. Therefore, while we manage the day-to-day operations and maintenance of the asset, drilling equipment and operational parameters are predominantly dictated by the E&P Operator under contract and our clients rightfully report these emissions as part of their Scope 1 inventory.

This means that going forward, all GHG emissions for managed rigs, including Linus, are reported as Scope 3, Category 3 - Fuel and energy-related activities. Odfjell Technology is fully committed to adhering to this guidance and will reflect its principles in our 2024 report and going forward, demonstrating our dedication to transparent and accurate emissions reporting practices.

GHG emissions

	Retrospective
	2023
Scope 1 GHG emissions	
Gross Scope 1 GHG emissions (tCO_2eq)	Not available
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	Not available
SCOPE 2 GHG EMISSIONS	
Gross location-based Scope 2 GHG emissions (tCO_2eq)	1,122
Gross market-based Scope 2 GHG emissions (tCO_2eq)	Not available
SIGNIFICANT SCOPE 3 GHG EMISSIONS	
Category 3.	
Fuel and energy-related activities (Linus) (not included in Scope 1 or Scope 2) (tCO_2eq)	17,420
Category 4.	
Upstream transportation and distribution (tCO_2eq)	2,159
Category 6	
Business travel (tCO_2eq)	3,424
Total scope 3	**23,003**
TOTAL GHG EMISSIONS	
Total GHG emissions (Location based) (tCO_2eq)	24,125
Total GHG emissions (Market-based) (tCO_2eq)	Not available

odfjell technology

Management of Scope 1 and 2 emissions

Odfjell Technology actively manages and monitors Scope 1 and 2 emissions to minimise our environmental impact.

The Group's Scope 1 CO_2 emissions stem from company cars, forklifts, power units and other machinery used in our operations. These emission sources are being mapped and quantified in 2024.

Indirect Scope 2 emissions in the Group arise from the electricity purchased by the Group from a utility provider for onshore facilities including offices, workshops, and supply bases.

In our efforts to reduce our Scope 2 emissions, we have implemented a global "green office guideline", managed and monitored by location managers. This guideline offers best practices for reducing the environmental impact of office activities, promoting energy efficiency, waste reduction, and responsible resource use. We are particularly pleased with the installation of solar panels at our Odfjell Business Centre in Bergen in 2023, which produced 15% of the total electricity consumed.

Management of Scope 3 emissions

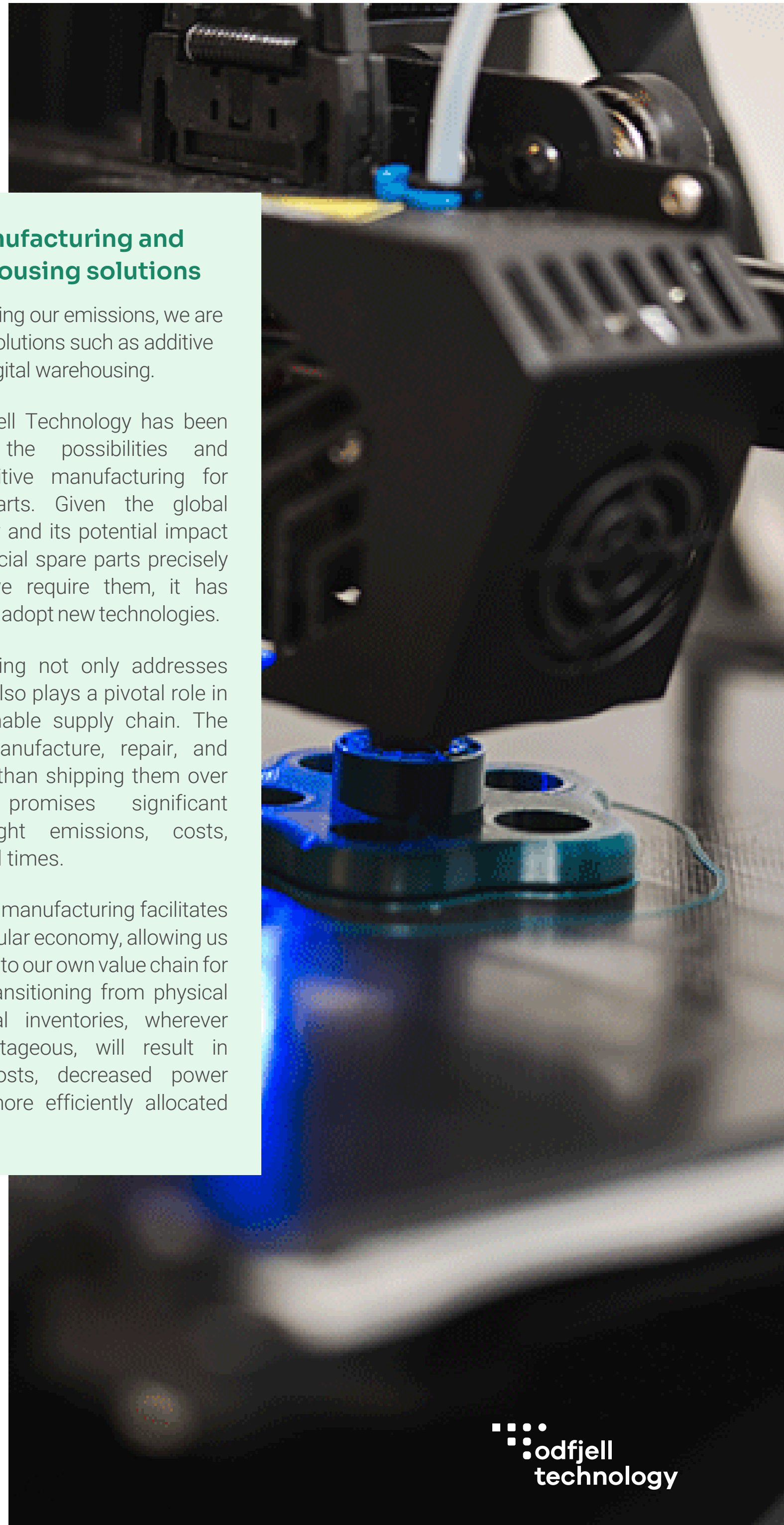
Scope 3 emissions are continuously mapped. These encompass a broad range of activities including purchased goods and services, capital goods, upstream and downstream transportation of goods, business travel, employee commuting and waste generated.

Our supply chain procurement procedures prioritise the most emission-efficient freight, e.g. sea freight is prioritised over land transport. The purchaser and logistics functions are responsible for managing and monitoring performance under these policies.

The Group's travel policy sets out the rules for travel activity for all employees, with an objective to minimise business travel and make it as efficient as possible. Travel policies are managed and monitored by the Group Travel Manager.

In our ongoing commitment to environmental responsibility, Odfjell Technology plans to expand our Scope 3 emissions overview in the coming years by engaging with our key clients and suppliers in our value chain.

To enhance our environmental performance, we are incorporating the ESRS reporting requirements into our supply chain data management. Emission data is meticulously reported at the Group level, encompassing all upstream and downstream transportation of goods booked through our frame agreement logistics providers. Currently, this reporting system captures approximately 85% of all logistics activity within the Group.



Additive Manufacturing and Digital Warehousing solutions

In our pursuit of reducing our emissions, we are exploring innovative solutions such as additive manufacturing and digital warehousing.

In recent years, Odfjell Technology has been actively exploring the possibilities and advantages of additive manufacturing for producing spare parts. Given the global geopolitical instability and its potential impact on our access to crucial spare parts precisely when and where we require them, it has become imperative to adopt new technologies.

Additive manufacturing not only addresses these concerns but also plays a pivotal role in promoting a sustainable supply chain. The ability to locally manufacture, repair, and modify parts, rather than shipping them over long distances, promises significant reductions in freight emissions, costs, vulnerability, and lead times.

Furthermore, additive manufacturing facilitates the transition to a circular economy, allowing us to reintegrate waste into our own value chain for reuse. In addition, transitioning from physical inventories to digital inventories, wherever feasible and advantageous, will result in reduced storage costs, decreased power consumption, and more efficiently allocated capital.

Looking forward

Our objective for 2024 is to further align the GHG accounting with the ESRS. This involves integrating environmental reporting with financial reporting, overseen by the CFO, Sustainability Manager and VP of Group Accounting. Our focus will be on establishing robust internal controls, enhancing and integrating reporting software, and refining reporting procedures to synchronise with established financial processes.

Circular economy and waste

Ambition and approach

Our goal is to eliminate all unnecessary waste in our operations. Odfjell Technology will always comply with all relevant rules and regulations in the countries in which we operate, and will seek options to minimise our environmental impact in all aspects of our business practices.

The material waste output comes from both offshore and onshore operations. While we manage waste from onshore operations, waste from offshore operations is handled by the E&P Operator. Waste management is heavily regulated, and waste segregation and recycling are governed by internal procedures and E&P Operators' requirements based on local legislation.

We operate under the principles of waste management hierarchy and life-cycle thinking. Waste minimisation is at the core of our approach and waste is segregated at the point of generation into established categories.

Waste management

Minimising waste generation and promoting the principles of "reduce, reuse and recycle" are fundamental to our Environmental Principles at Odfjell Technology. The Group has established corporate procedures for the segregation and safe storage, handling and disposal of waste. Implementing robust waste management also reduces the risk of spills and their potential effect on local communities and the environment.

The differing requirements across regions have presented challenges when it comes to consistent data reporting and meaningful comparisons. Our initiative seeks to tackle this problem and enhance the uniformity and precision of waste generation and disposal data. In 2022, we implemented a more systematic approach to reporting onshore waste through a SharePoint platform. This resulted in an increase of data collection, expanding to 9 locations of the total 18 locations of the Group.

Responsible and local consumption

Our HSE Policy emphasises the consideration of environmentally preferable products and services in our procurement processes. This includes purchasing consumables from local suppliers and selecting consumables with minimal packaging whenever possible. In addition, one of our Environmental Principles is to systematically replace or reduce harmful chemicals. Substitution of harmful chemicals with green alternatives is a continuous effort for the Group and standardising the chemical catalogue across rigs and workshops has helped drive this forward.

Onshore waste

Type	Unit	2022	2023
Hazardous waste	kg	51,366	356,755*
Non-hazardous waste	kg	361,146	383,015
Waste to landfill**	kg	-	Not available
Waste to recycling**	kg	-	Not available
Total	kg	413,412	739,770

** Increase in hazardous waste due to increased reporting from more locations worldwide into Sharepoint and hazardous waste removal from materials in the tearing down and re-construction related to a workshop upgrade project.*

*** Waste to landfill data and waste to recycling data to be mapped in 2024 in line with ESRS E5-5.*

Waste generated in leased premises where we typically share space, have been included in the total waste calculation. This data is calculated by applying an occupancy-area based approach.

Looking forward

In our ongoing efforts to enhance our sustainability performance, we are actively working to improve our data-collection processes related to waste generation and waste disposal, further promoting circularity principles throughout our business processes and operations. In 2024, we will place increased emphasis on enhancing our reporting process for waste generated in onshore operations.

Odfjell Technology will continue to work with clients, industry partners and stakeholders to identify technologies and solutions to further improve our waste management practices and promote these across our industry.

Social

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

→ Own workforce

→ Human rights

Own workforce

Safe people. Safe workplace. Safely home.

Ambition and approach

Odfjell Technology is a people-oriented business. We are comprised of more than 2,400 employees who are passionate about supporting the Group's vision. The assurance of employee well-being, a positive working environment, and responsible employment practices is paramount to the success of Odfjell Technology.

We strive to create a safe, healthy, diverse and inclusive working environment for all. Our approach to health and safety work is guided by our commitment to prevent harm. Positive employment practices means being compliant with labour laws and ensuring good working conditions for employees, a prerequisite for any business. As a global Group, we have a responsibility to ensure that our actual and potential impact on human rights is mitigated across our value chain.

The Group has an ambition of being "Always Safe" and maintaining the highest safety standards in all activities and services. It is one of our core values. We believe this is achieved with an organisational culture based on competence, commitment, mutual respect, empowerment, and involvement. Employee engagement and participation is essential to ensure safe operations.

Our procedures are the framework for operating our business, and are continually improved based on learnings from both successes and failures. Understanding risk in daily operations and understanding the root causes when incidents happen, helps us learn. Sharing the learnings and transferring experiences openly throughout our organisation helps us improve. Ensuring that we have a good working environment, where employees can develop and feel part of the team, are important aspects of health and well-being.

Monitoring sick leave and employee turnover keeps us informed of the overall status in the organisation's working environment, in addition to the Global Working Environment Survey. The Group has a high focus on competence assurance and leadership development, to create an organisational culture with good values, attitudes and conditions for collaboration.

Odfjell Technology is characterised by an ethical standard regarded by employees, clients and the community, as being lawful, reasonable and correct. Further, we safeguard the security of our assets, material and personnel on all our locations based on local risk assessments.

Health and Safety

The Group recognise that the nature of onshore and offshore operations poses an inherent risk to personnel health and safety. Leadership, strong understanding of risk, and a continuous focus on daily risk management are essential components in achieving and maintaining safe operations. This will always be our number one priority.

The Group's approach to health and safety includes safeguarding employees and contractors under Odfjell Technology's control. We have overall responsibility for occupational health and safety of our employees on rigs, in workshops, in offices and all applicable locations. We have the responsibility for our own personnel and subcontractors, but the E&P Operator has the overall responsibility for facilities and health services on board installations.

The Group's annual QHSSE Programme sets the overall objectives and improvement actions for the year, and Business Areas and units develop their own specific action plans supporting the QHSSE Programme. Please see QHSSE section for further detail.

Objectives, improvement actions and KPIs are established based on safety statistic trends, past performance, risk level, industry best practice, legislative requirements and input from employees and other stakeholders. The result of the KPIs are used to monitor performance and identify areas that need special attention and follow up by management.

Health and safety targets and metrics

We are committed to be among the safest companies in the energy industry and work systematically to reduce our Total Recordable Incident Rate ("TRIR"). TRIR includes 'lost time injuries' and 'medical treatment injuries'. The scope of our TRIR reporting includes Odfjell Technology employees and supervised contractors. Please find key insights and performance evaluation in the appendix of this report.

Process for evaluating health and safety performance

Responsible Employment Practices

Our people strategy is to attract, develop, retain, and inspire the best talent in the energy industry and to be the preferred employer of choice, while fostering a global culture built on courage and belonging. After all, it is our people who will ultimately help us achieve our vision of supporting the energy transition.

Safeguarding our workforce through secure employment has positive effects on our ability to maintain high levels of competency, promote our workplace culture as a great place to work, and continuously attract new talent. Consistency in our workforce enables employees to focus on core business activities in a safe manner and dedicate time for competency development.

Full time positions

It is the Group aim to offer full-time secure employment as broadly as possible. This practice adds stability within the employee base which in turn grows competency development and creates new opportunities for career development. (This practice supports UN Sustainability Goal 8) However, we also accommodate requests for part-time work to meet the needs of our employees.

Contractors and temporary personnel are used periodically to supplement the workforce resources required due to fluctuations of a temporary nature. Often contractors are people with specialised skills required for projects of a short-term nature. The number of contractors is not significant.

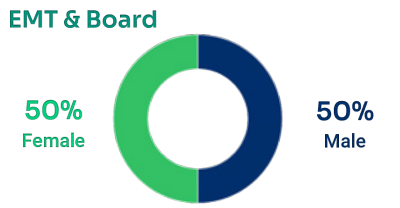
Diversity, inclusion and belonging

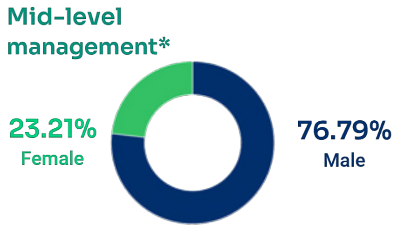
The assurance of inclusion, non-discrimination, and equal opportunities help us develop an attractive workplace where a variety of ideas and solutions can be promoted, positively influencing attitudes and perceptions, and contributing to a strong Group brand. The Group shall comply with all relevant regulations.

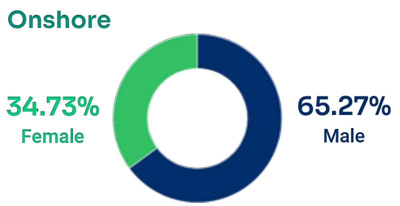
Our focus on inclusion, non-discrimination, and equality is reflected in our recruitment policies, promotion practices, development of personnel, and our operating model. The purpose of our policies and approach is to positively influence management behaviour and promote a culture of inclusion. Expectations of leadership are clarified through policies, procedures and leadership training programmes. Diversity and non-discrimination declarations are included in a wide range of procedures in our Company Management System ("CMS") and our website.

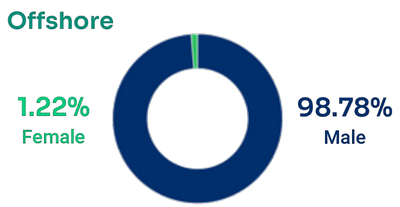
Ensuring more opportunities for women at all levels of leadership throughout the organisation, along with participation in our talent and development programmes, have been targeted activities in 2023. With a goal of 40% women in mid-level management positions by 2026, we continue to monitor our workforce planning targets, pay practices, competence development and recruitment processes.

The Odfjell Technology Women's Network ("OTWN") is sponsored by the EMT and creates forums for women to network broadly across the organisation. In 2023, the OTWN held events in Bergen, Stavanger and Dubai. Looking ahead, the OTWN are planning to hold events in Aberdeen and Manila.









* *Mid-level management level 3-5*

Competence and training

Competence assurance is key to our operational efficiency, the health and safety of our employees, and confidence from our clients and the broader public. Our clients and employees trust that we work diligently to ensure a healthy place to work through a competent workforce. Competency compliance is a requirement across the industry.

Competence assurance is a critical part of our daily operations and employee safety. Our CMS reflects the management commitment to competency and training reflected in our Competency Policy. All employees are trained in compliance with our CMS and the requirements for each discipline area. All employees have the opportunity to participate in regular development reviews to identify development opportunities, gaps and career paths.

Offshore leaders have the widest reach of impact for our workforce as most of the Group's personnel are offshore. The Group invested in a new Competence Assurance Management System ("CAMS") in 2022, with full offshore implementation and roll-out in 2023. This included in-depth training in the competence assurance tools to all supervisors in the offshore organisations. The successful implementation has been verified though client and authority audits.

In accordance with our People Strategy targets, the Group implemented targeted career path competency progression for engineers. Practical management training was increased, and leadership and development programmes were initiated on a broader scale. These programmes continue into 2024.

The Group monitors competency and training through documented activities in our Competency Assurance, ERP and Learning Management Systems ("LMS"). Gaps in competency are identified through monitoring of competence matrices, annual development reviews and CAMS/LMS data. Please find key insights and performance evaluation in the appendix of this report.

Freedom of association and collective bargaining

The Group is committed to respecting and upholding the right of freedom of association and collective bargaining. Good faith negotiations, transparent processes, and mutual respect are opportunities to maintain stable, safe, and predictable operations. We believe that the opportunity for collective bargaining aids in promoting positive working conditions and ensuring health and safety. The right to collective bargaining creates an environment of trust and predictable operations for our employees and customers alike. The Group also looks to impose the same requirements upon our business partners through our supply chain verifications and frame agreements.

Most of the Group's workforce is in Norway and the UK where trade unions and employers' organisations have existed for more than 100 years. Legislation, collective agreements and Group practices have developed and formed a system of comprehensive worker's rights and privileges. 100% of our Norwegian employees onshore and offshore are covered under tariff agreements negotiated with unions, regardless of the employees' union membership.

In other parts of our organisation where legislation and collective bargaining is not available, we have policies and procedures to ensure the best practices for employee well-being. The Group ensures standard global salary review processes each year, as well as updated health insurances and pension agreements to ensure commensurate treatment in each of our locations.

#ATTRACT #DEVELOP #RETAIN #INSPIRE

Human rights

Odfjell Technology proactively mitigates actual and potential impacts on human rights throughout our value chain, in line with the Group's ethical standards which correlate to expectations of our stakeholders. This implies:

- commitment on the part of all employees for quality and safety in their work
- a style of management that emphasises delegation and employee development
- guidelines that generate security and trust through correlation between words and deeds
- cooperation and shared responsibility through mutual respect, honesty, loyalty and responsibility vis-à-vis the society, Group and each other

Ambition and approach

Our ambition is complete intolerance of human rights infringements. Odfjell Technology is committed to the protection of fair labour practices and human rights in accordance with the International Bill of Human Rights. The actions to safeguard fundamental rights are carried out following the UN Guiding Principles on Business and Human rights and Organisation for Economic Co-operation and Development ("OECD") Guidelines for Multinational Enterprises. These internationally recognised instruments are made a part of Odfjell Technology's corporate governance through the Human Rights Policy, and operationalised as an integrated part of risk assessments and day-to-day business.

Human Rights Policy

The Human Rights Policy sets out the principles for Odfjell Technology's human rights commitments and work to protect and avoid infringements of human rights of employees, contractors, suppliers, agents and business partners, as well as communities affected by the Group's business activities. The policy content is based on a multi-stakeholder process to identify material human rights focus areas for Odfjell Technology

The policy is owned and approved by the Board and the CEO. The EMT have the responsibility to ensure that the policy governs actual and potential impacts on human rights in all business activities. The commitment stated in the policy is integrated into other key processes, such as SCM, HR management, tender and contract processes and risk management. All employees are expected to comply with the policy and its human rights commitment.

The whistleblowing portal is the Group's grievance mechanism for, amongst other things, concerns related to potential negative impacts on human rights and working conditions, either directly or indirectly caused by the Group. The whistleblowing portal is open to all and easily accessible on the Odfjell Technology website. There has been no cases of concerns reported in 2023. In the case of activities that may cause or contribute to adverse effects on human rights, appropriate remediation will be provided.

Integrating human rights in day-to-day business

The identified human rights focus areas are subject to special attention and prioritised in risk management processes, including verification of suppliers. Human rights focus areas include:

- prohibition of human trafficking
- forced labour, and child labour
- providing a safe and secure working environment through competency assurance
- just and favourable working conditions, including protection against discrimination and the right to collective bargaining

These priorities have a direct impact on our QHSSE and HR policies and procedures, and extend to our supply chain approach through procedures, frame agreements, and verifications.

The establishment of new operations in additional Middle Eastern countries contributed to the creation of well paid and safe jobs for locals, as well as skills development and access to new technology within local communities. Being present in locations with developing human rights practices brings about new opportunities and challenges that elevate the significance of responsible business conduct.

In 2023, we conducted audits of supplier's employment practices with a focus on our international operations.

Responsible supply chain

SCM encompasses all purchasing and logistics functions, playing a pivotal role in ensuring smooth and efficient operations. Our global network of suppliers spans various types, including providers of drilling equipment, spare parts, safety gear, operational consumables, and diverse services. We value engagement with key suppliers through consistent audits, reviews, and meetings, reflecting our dedication to reducing emissions and promoting human rights within our supply chain.

In our supply chain, we meet human rights requirements from several angles. One aspect is our physical presence around the world with supply bases, personnel and freight forwarding, and another aspect is the products and services we purchase.

Supplier code of conduct

All suppliers are required to sign the Supplier Code of Conduct, which defines the basic requirements for Odfjell Technology's suppliers concerning their responsibilities to maintain high ethical standards, adhere to all applicable laws, and avoid impropriety or conflicts of interest. Suppliers shall maintain and uphold Odfjell Technology's principles of openness and transparency, and their performance is continuously monitored and followed up.

Supplier onboarding

All potential new suppliers to Odfjell Technology are subject to our supplier onboarding process, called "Become A Supplier" (BAS).

Due diligence assessment of suppliers

Odfjell Technology has a vast number of suppliers, necessitating a strategic approach to prioritise which suppliers undergo due diligence assessments in the short and long term. Potential new suppliers are prioritised and risk assessed prior to conclusion of contract or cooperation. Suppliers onboarded before the implementation of our human rights risk assessment procedure are being re-evaluated to align with new supplier standards in accordance with the capacity of SCM functions.

The BAS process includes a separate questionnaire on human rights, allowing us to assign a risk score based on self-assessment and evaluation of compliance down the supply chain. Suppliers categorised as "high risk" after the initial self-evaluation are handled as non-conformances and further assessed and followed up individually. Suppliers considered "high risk" after further assessment, and not willing to reduce their human rights risk are deactivated from our approved vendor list.

Outcome and mitigation

244 new and existing suppliers were risk assessed on human rights risk. There has not been any identified actual negative impact in relation to products or services the Group has purchased in 2023. 28 suppliers were identified as having a high risk for potential negative impact, and consequently followed up individually to reduce risk. No supplier relationships were terminated due to actual or potential negative impact to human rights.

According to our risk assessment, human rights risk increases the moment we cross over to third party activities, either via purchasing of goods or services, or where third-party personnel are operating for us or on our behalf.

Considering our purchasing of textiles for work wear and linen, towels, etc. for our offshore operations, a material risk that we have identified is raw material production and processing. The raw material production and processing of cotton is an area where the risk is high. Metals used in drilling equipment, spare parts, electronics, etc. is another risk area.

2023 reflections

A key challenge has been suppliers' reluctance to engage in human rights discussions, with some avoiding the questionnaire. This has hindered our ability to assess risks and potential violations thoroughly, slowing our risk assessment progress in 2023. To address this challenge, SCM have been focusing on identifying issues and enhancing the stakeholder engagement processes, aiming to more effectively put pressure on suppliers to address human rights concerns.

The first measure to improve the human rights due diligence assessment is to facilitate greater industry collaboration.

The second measure is to implement new software for stakeholder engagement and collect sustainability data. This will improve the quality and scope of due diligence carried out in 2024.

The third measure is that the human rights data, including data coming from the value chain, will be subject to audit. This is a way of ensuring quality and continuous improvement.

Odfjell Technology strongly believes that these measures will make the Group better equipped to deal with an intricate and diverse supply chain going forward.

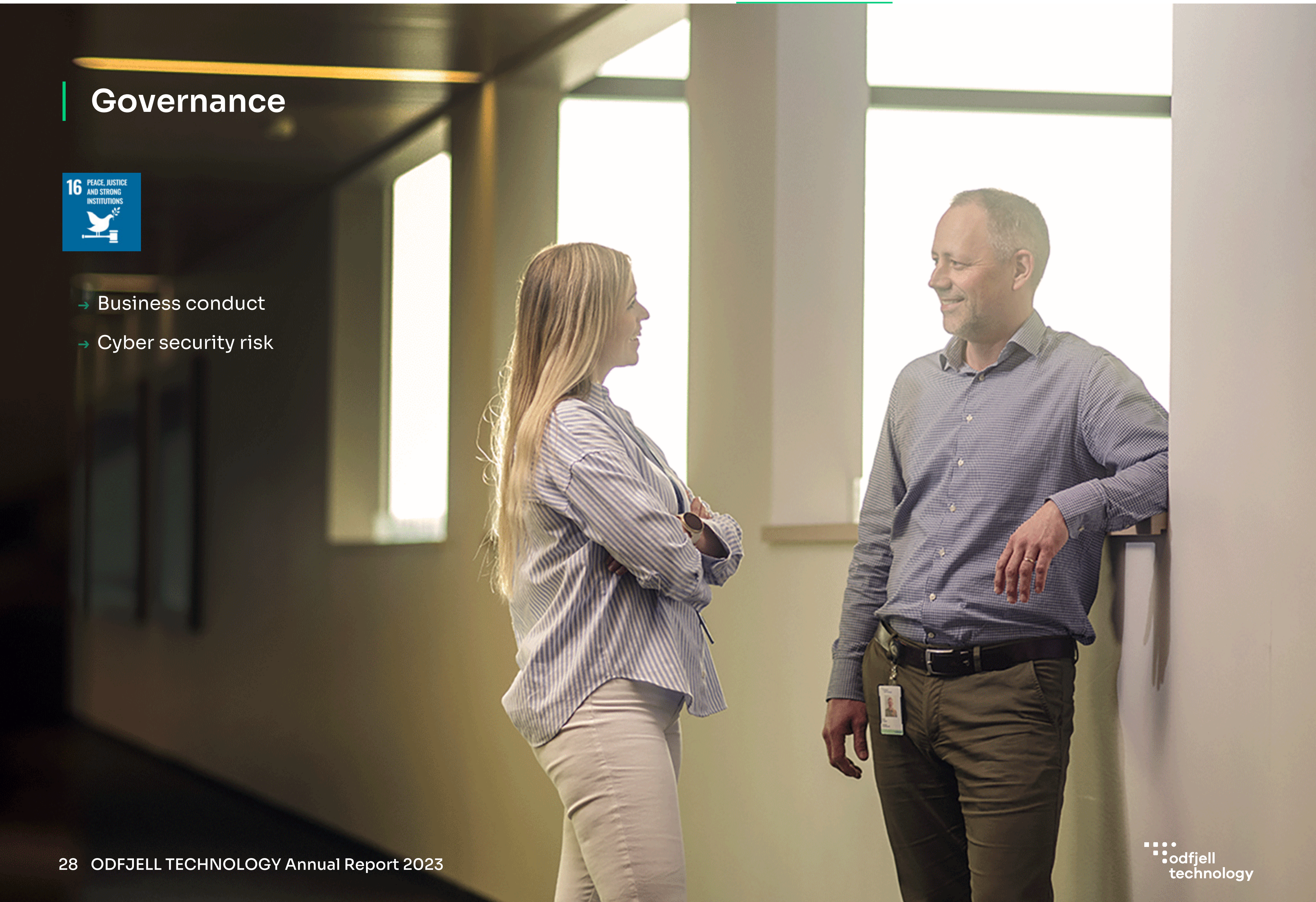
Main requirements of Supplier Code of Conduct

- legal regulations
- prohibition of corruption and bribery
- respect of basic human rights
- health and safety of employees
- environmental protection
- conflict of interest
- accuracy and retention of business records
- fair competition
- business courtesies, gifts, hospitality and expenses
- audit rights
- reporting concerns or breaches of the Supplier Code of Conduct
- consequences of infringement

Governance

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

- Business conduct
- Cyber security risk



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Business conduct

Be brave. Be transparent. Act with integrity.

Odfjell Technology is committed to the highest ethical standards, and to operating with honesty, fairness and integrity. We recognise the importance of being transparent with our stakeholders and promoting a culture built on courage. To achieve this, our leaders lead by example - they set the right tone for all to follow, emphasising our commitment to business ethics.

Ambition and approach

Odfjell Technology has a zero tolerance approach to bribery and corruption.

Business conduct policies

Our approach to business conduct starts with the Code of Conduct ("COC"), which sets out our expectations of our employees in relation to ethics and compliance.

Framework

The COC, approved by the CEO, is supported by a comprehensive set of internal policies and procedures. The main policies within this focus area include:

- the Ethical Principles*
- Human Rights Policy*
- Modern Slavery Statement*
- the Group's Core Values*
- Social Responsibility Principles**
- Corporate Governance Policy**
- the Competition Compliance Procedure**

* Approved by the Board ** Approved by the CEO

All the above-mentioned policies are anchored at corporate level in the CMS and are applicable for the entire Group in all its activities. The policies are actively used in the risk review processes related to tenders and procurement, and form an important foundation for all our operations. The policies are communicated to potential business partners, and included in training for employees.

Odfjell Technology's Ethical Principles highlight the material elements from the other policies. All of the policies are to be followed in both spirit and letter. The CEO is responsible for the overall implementation of the policies within the Group, while all Business Area leaders and line managers are responsible for implementation within their division/line. Everyone in Odfjell Technology has a personal responsibility to work in a way that respects the policies and to encourage others to do so too.

Detailed guidance to assist with upholding the policies is included in the COC. In addition, the Compliance Officer and General Counsel may always be contacted for guidance.

Please find key insights and performance evaluation in the appendix of this report.

Training

The Group holds regular information and training sessions to promote compliance with applicable laws, rules and regulations. This includes applicable laws relating to insider trading and anti-corruption laws relating to bribery and corruption.

The COC is covered in an e-learning course in our HR training portal. All new personnel are required to complete the COC course as part of on-boarding. Through procedures and training tools, Odfjell Technology seeks to ensure that all personnel are aware that any suspicious activity, particularly in relation to bribery and corruption, must be reported.

Prevention and detection of corruption and bribery

The Group holds its suppliers and agents to the same standards of integrity.

Anti-corruption policies are included in the COC, and apply to all directors, employees and representatives of Odfjell Technology. The COC requires compliance with all applicable laws, as well as the OECD convention on anti-bribery and the United Nations declaration of human rights. Failure to know and follow the COC may result in disciplinary action. We expect suppliers, contractors, consultants and others who are temporarily assigned to perform work for us, to follow the Ethical Principles and COC. Failure to do so may result in termination of their contract.

Personnel shall annually report and confirm compliance with the COC.

Due diligence

All clients, contractors, suppliers, agents and other third parties are subject to risk assessments according to Odfjell Technology requirements, including corruption risk assessments, to ensure that the risks are known, understood and acceptable. Prior to any form of commitment, entering into agreements, or placing orders (excluding minor purchases) with new unknown third parties, a series of risk assessments is conducted.

The suppliers/third parties are categorised based on type of transaction/agreement, geographical area of operation, residing jurisdiction based on Transparency International's Corruption Perception Index, and type of corporation. The risk category determines the process for evaluating a supplier/third party.

A potential high risk supplier/third party requires detailed integrity due diligence to be performed by the Compliance Officer.

Corporate Risk Committee ("CRC")

The CRC is part of the Group's tender, procurement and operational review process. CRC ensures that tenders, client contracts, and procurements exceeding a certain value and/or with a certain risk profile, are subject to a risk assessment, including integrity risk.

The purpose of the CRC process is to:

- identify overall business exposure and opportunities
- ensure early warning of risks
- arrange for risk mitigation and opportunity optimisation
- establish recommendations and actions
- contribute to lessons learned across the Group

A CRC process is always required in countries with a score lower than 40 on Transparency International's Corruption Perception Index.

Whistleblowing portal

Odfjell Technology's whistleblowing portal enables personnel to report infringements of the COC or other ethical/critical concerns. The portal is accessible for external parties, including clients and suppliers. It is available from the Odfjell Technology website and intranet, in English and Norwegian. An anonymous two-way dialogue is initiated between the whistleblower and the case investigator from the Group's compliance team. All reported cases are thoroughly reviewed, and the compliance team responds to the whistleblower without unreasonable delay.

Personnel will not be retaliated against for making a good faith report. Cases of significant importance are reported to the Audit Committee and to the Board.

Odfjell Technology does not tolerate and will not get involved in unethical or illegal business and facilitation payments are strictly forbidden. Odfjell Technology has a clear ambition that all stakeholders can rely on our integrity.

The Group operates in countries deemed high risk according to Transparency International. The Group's policies aim to identify corruption and bribery risks, ensure reporting of any concerns, and take measures to mitigate risks identified.

Odfjell Technology prohibits retaliation against anyone who reports or participates in an investigation of a possible violation of the COC, other Group policies or the law. Individuals who report in good faith or are involved in investigations will receive protection and support. Odfjell Technology wants to encourage everyone to speak up about any wrongdoing and feel confident and safe to do so.

Reporting on legal incidents

In 2023, Odfjell Technology was not subject to any convictions or fines for violating anti-corruption or anti-bribery laws.

Looking forward

The Group will finalise its whistleblower procedure in 2024.

Cyber security risk

At Odfjell Technology, we recognise the importance of addressing cyber security risk as threats increase and evolve in our industry.

Ambition and approach

Our ambition is to have zero security breaches across our operations.

The Group realise that cyber security breaches can impact the safety of our people and productivity of our operations, as well as infringe privacy rights and compromise data integrity. We strive to manage our internal risk and work with our customers and suppliers to reduce cyber security risk in our operations.

In 2023, Odfjell Technology had zero major cyber security incidents.

Governance

Our Chief Information Officer has managerial responsibility for our corporate data systems, overseen by our EMT and Board.

Framework

Every Odfjell Technology employee is responsible for ensuring adherence to the IT Security procedure, which is published on our CMS. In addition, the Cyber Security Management Manual was published to ensure that our cyber systems supporting operations are safe and secure and resilient against cyber incidents of all kinds, including direct or indirect attacks, or as a consequence of human error.

The Cyber Security Management Manual is based on industry standards and will be the foundation for the DNV Cyber Security Class Notation.

Training

The Group carries out training of key personnel periodically, including bespoke cyber security awareness training. Employee training is supplemented with regular phishing tests.

Mitigating measures

The following tools and measures have been implemented to help protect our business and people against cyber security attacks:

- one Cyber Security Team that spans OT, IT and QHSSE disciplines.
- emergency preparedness procedure
- close cooperation with our partners to ensure cybersecurity in the supply chain
- cyber risk register
- advanced global authentication systems
- advanced threat protection systems

Looking forward

In 2024, the Group will roll out mandatory cyber awareness training for all users and will finalise its Cyber Security class Notation DNV accreditation.

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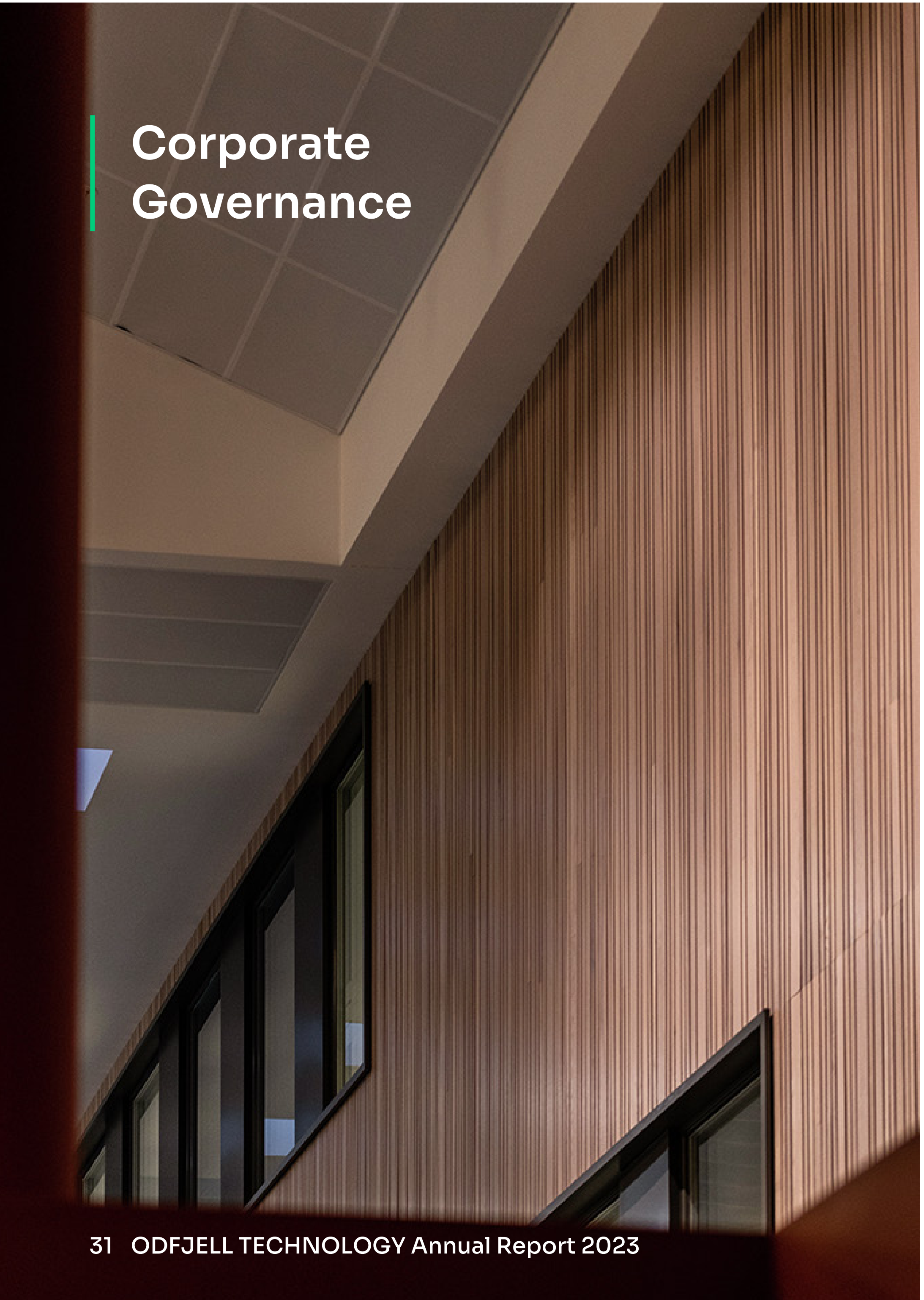

Corporate Governance

Board of Directors during 2023

Helene Odfjell, Chair

Appointed 10 January 2022

Helene Odfjell (born 1965), a UK resident, has a Bachelor of Business Administration from the Norwegian School of Economics (NHH), a Master of Business Administration from London Business School and is a Chartered Financial Analyst. She is Chair of the Board of the Company and holds board positions in the affiliates of the Company and is a Board member of Odfjell Drilling Ltd. Ms. Odfjell controls 23,825,396 shares in the Company as at year end 31 December 2023.

Susanne Munch Thore

Appointed 10 January 2022

Susanne Munch Thore (born 1960), a Norwegian resident, is a partner with the Norwegian law firm Arntzen de Besche. She has a law degree (cand. jur.) from University of Oslo, a Diploma of International Affairs from John Hopkins School of Advanced International Studies, Bologna and a Master of Laws from Georgetown University, Washington D.C. She has been Legal Officer at the Oslo Stock Exchange and assisted foreign and Norwegian entities with mergers and acquisitions, capital market transactions and stock exchange listings, as well as transactions in company and securities law. She has experience from various boards, including a Board membership of Sandwater AS and membership of the nomination committee for Norsk Hydro ASA. She is a part-time lecturer at the BI Norwegian Business School. Ms. Munch Thore owns 500 shares in the Company as at year end 31 December 2023.

Alasdair Shiach

Appointed 10 January 2022

Alasdair Shiach (born 1956), a UK resident, has a Bachelor's degree in Business Studies from Robert Gordon's University in Aberdeen, Scotland. He has 40 years of international experience in the Oilfield Service sector and has held senior executive leadership positions as well as assignments in the USA, UAE, Saudi Arabia and Norway. Mr Shiach is also on the board of Welltec.

Victor Vadaneaux

Appointed 29 March 2022

Victor Vadaneaux (born 1964), a UK resident, holds a Master of Business Administration from Harvard Business School, a Master of Science from Telecom Paris and an engineering degree from École Polytechnique. He is a Senior Advisor in private equity and works independently with various private equity firms to assess investment opportunities and realise the value creation potential in their portfolio companies. He has extensive experience in leading management teams in manufacturing and distribution businesses and has held a variety of management positions in various companies. Mr. Vadaneaux owns 16,563 shares in the Company as at year end 31 December 2023.

Further details on the Board can be found at www.odfjelltechnology.com.

Executive Management Team

From left: Kurt Meinert Fjell, EVP Operations, Jone Torstensen, CFO Odfjell Technology AS, Diane Stephen, General Manager, Simen Lieungh CEO Odfjell Technology AS, Elisabeth Haram, EVP Well Services, Anne Siri Sævareid, EVP Projects & Engineering, Randi Øverland, SVP Global Business Services, Kurt Werner Holsæter, SVP Human Resources.

Biographies can be found on our website at Corporate Management - Odfjell Technology.

Audit Committee Report

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Role of the Committee

The Audit Committee (the "Committee") is appointed by the Odfjell Technology Ltd Board and has a diverse range of competence based on the expertise and experience of the members.

Key responsibilities

The Committee's primary function is to assist the Board fulfil its responsibilities to the Company and Group in respect of:

- understanding, assessing, and monitoring business and financial risks and risk management systems
- monitoring annual and interim financial reporting with proposals to ensure its integrity
- overseeing, and assessing the performance of internal control and external audit activities
- overseeing legal and regulatory compliance
- reviewing and monitoring the selection and independence of statutory auditors, maintaining contact regarding auditing of annual accounts and monitoring audit performance
- reviewing arrangements for the confidential raising and investigation of concerns in financial reporting and other matters
- preparing the Board's review of the financial reporting process, and sustainability reporting, providing recommendations to ensure integrity of reporting

The Committee operates autonomously of management and refers all views and recommendations to the Board for discussion and resolution after each Committee meeting.

Membership

The Committee consists of two Board members, one of which is considered independent, and competent in accounting or auditing. Susanne Munch Thore is chair and is independent of the Executive Management of the Group. The Chief Financial Officer ("CFO") acts as secretary of the Committee.

Meetings and attendance

The Committee holds four meetings a year with interim meetings called if required (four meetings held in 2023). Members of management, auditors, and others are invited to attend and provide pertinent information, as necessary. The focus is on accurately prepared quarterly and annual reports, based on consistent use of accounting principles defined by IFRS® Accounting Standards. The meetings also cover the Sustainability Report and interim and year end audit process and plans.

Documentation provided to the Committee to prepare for meetings, includes reports, memos and policies provided by accounting, tax, and legal experts, both internal and external.

Matters of interest and concern are promptly reported to the Board where action or improvements are required regarding any aspect of financial reporting, risk management, internal control, compliance, or audit-related activities. The Group's internal controls are determined by the Committee to be appropriate and effective.

Activities during the year

During the year, the Committee has considered all relevant laws, regulations, codes, and applicable rules. They have reviewed tax and compliance activities and matters as well as any material disputes. The Committee has focused on revenue recognition and contingent liabilities, including the use of reasonable assumptions, estimates and judgement.

The Committee reviewed completion of the COC training (see Sustainability appendix), as well as being presented with an overview of agent agreements. Updates were given on net-zero emission commitments and the requirements of upcoming EU taxonomy reporting.

The 2023 Audit plan was presented to the Committee by KPMG, discussing focus areas. The Committee reviewed other services provided by the audit firm and found there were no indications that these services have had a negative impact on the auditor's independence.

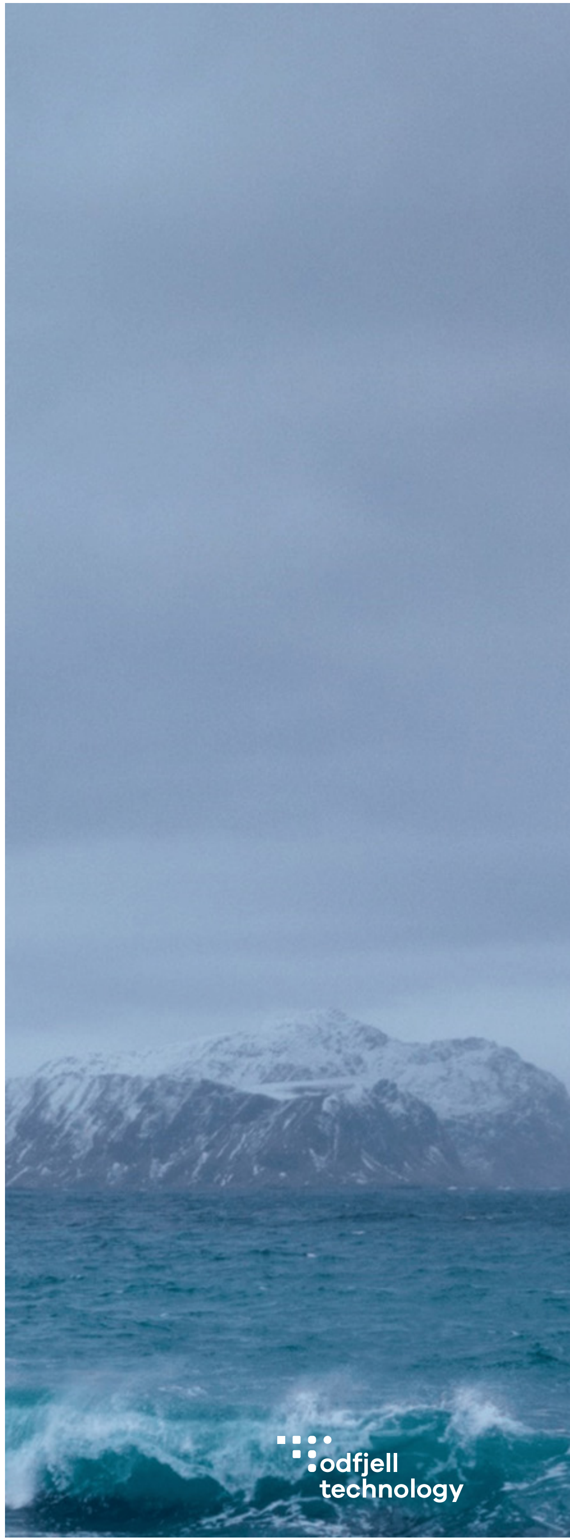
How internal control and risk management was assessed

The auditor's presentation to the Committee is used for understanding and improving the internal control systems of the Group as well as an internal presentation on access management, segregation of duties and authority matrices.

The Committee were briefed on the implementation of a new risk management model and approved the main principles being used.

Financial statements and accounting practises

The annual financial statements for the year ended 31 December 2023, as well as the external auditor's presentations, management's response, and the auditor's opinion, were reviewed by the Committee. The views of the Committee were communicated to the Board prior to its approval of the financial statements.



Corporate Governance Report

Odfjell Technology Ltd. (the "Company") is incorporated in Bermuda and subject to Bermudan law. The Company was listed on the Oslo Stock Exchange on 29 March 2022, following a spin-off from the Odfjell Drilling Group, and aspects of its activities are therefore governed by Norwegian law. The Company is managed and controlled from the United Kingdom ("UK"), with its head office in Aberdeen, and the majority of the Board being UK residents, resulting in the Company being resident in the UK for tax purposes. The Company is also subject to the laws of the countries in which it operates, as well as international law and conventions.

The Company seeks to comply with the applicable legal framework for companies listed on the Oslo Stock Exchange and endorses the Code of Practice for Corporate Governance (the "Code"). This report is prepared in accordance with section 1 of the Code and any deviations from the requirements in the Code are described and explained in this section of the annual report.

The Board has approved a framework of policies which apply across Odfjell Technology Ltd and its subsidiaries (the "Group"). The objectives of the governance framework are to increase and maximise the Group's financial results, support long-term sustainable success, deliver on ESG goals and increase returns to shareholders.

Governance structure

Shareholders exercise their rights at General Meetings. In accordance with the Company's Bye-laws, the Board has authority to manage and conduct the business of the Company. In doing so, the Board may exercise all such powers which are not by law, or by the Bye-laws, required to be exercised in a General Meeting.

The General Meeting elects the members of the Board, details of which can be found in the Board of Directors section.

Board and Committee attendance

The Board convened eight meetings during 2023, with attendance as follows:

	Board Meeting	Audit Committee
Helene Odfjell	8/8	4/4
Susanne Munch Thore	8/8	4/4
Alasdair Shiach	8/8	N/A
Victor Vadaneaux	8/8	N/A

The Company's business activities

In accordance with common practice for Bermuda incorporated companies, the Company's objects, as set out in its memorandum of association, are wider and more extensive than recommended by the Code. This is a deviation from section 2 of the Code.

The Group's vision is to use its heritage and expertise to support the energy transition. This involves developing services and operations in the renewables sector while continuing to support the Group's traditional market, and grow service offerings such as jack-up management. Growth will come organically through excellent operations and strong client relationships and strategic growth will come from new services and products, and entering new regions. All of this is underpinned by operations being carried out to the highest environmental and safety standards in the industry. This is done via our ability to implement best practice, based on experience and lessons learned.

The Group has a zero incident and failures objective and aims to be a trusted and leading partner for its clients.

Our vision is underway with our investment in Odfjell Oceanwind, which is developing floating offshore wind solutions. We have also been involved in geothermal work.

Equity and dividends

The Group had book equity of NOK 1,077 million and a book equity ratio of 29% as of 31 December 2023. The Board regards the Group's present capital structure as appropriate.

The Company's long-term objective is to make distributions of net income in the form of dividends, targeting an annual pay-out of 30-50% of its net profit on a consolidated basis. The payment of dividends will depend on several factors, including market outlook, contract backlog, cash flow generation, capital expenditure plans and funding requirements. It is dependent on maintaining adequate financial flexibility, as well as restrictions on dividend payments under Bermudan law and financial covenants, along with other relevant factors.

Pursuant to Bermudan law,, the Board has wide powers to issue any authorised but unissued shares of the Company on such terms and conditions as it may decide. Any shares or class of shares may be issued with preferred, deferred, or other special rights, or restrictions with regard to dividend, voting, return on capital, or otherwise, as the Company may prescribe. This is a deviation from section 3 of the Code.

However, such issuance of shares is subject to prior approval by resolution of a General Meeting. Pursuant to Bermudan law, the Board also has the power to authorise the Company's purchase of its own shares, whether for cancellation or acquiring as treasury shares, and the power to declare dividends. These powers are neither limited to specific purposes nor to a specified period as recommended in the Code.

Equal treatment of shareholders and transactions with close-related parties

The Company has only common shares, which are listed on the Oslo Stock Exchange. Each common share carries one vote, and all common shares carry equal rights, including the right to participate in General Meetings. All holders of common shares are treated on an equal basis.

As is common practice for Bermuda limited companies listed on the Oslo Stock Exchange, no shares in the Company carry pre-emption rights, which is a deviation from section 4 of the Code.

The Board will arrange for a valuation to be obtained from an independent third party in the event of significant transactions between the Company and its shareholders, a shareholder's parent company, members of the Board, executive personnel, or closely related parties of any such parties. An independent valuation will also be carried out in the event of transactions between companies within the same group where any of the companies involved have minority shareholders.

Employees are required to report potential conflicts via an internal portal which is monitored and escalated to the Board if appropriate.

Any transactions the Company carries out in its own shares shall be either through the Oslo Stock Exchange or at prevailing stock exchange prices if carried out in an alternative way. If there is limited liquidity in the Company's shares, the Company shall consider other ways to ensure equal treatment of all shareholders.

Shares and negotiability

The Company's constituting documents do not impose any transfer restrictions on the Company's common shares. The shares are freely transferable in Norway, provided, that the Bye-laws include a right for the Board to decline to register a transfer of any share in the register of members, (or refuse to direct a Company appointed registrar to transfer any interest in a share) where such transfer would result in 50% or more of the Company's shares or votes being held, controlled or owned directly or indirectly by individuals or legal persons resident for tax purposes in Norway (or, alternatively, such shares or votes being effectively connected to a Norwegian business activity). The purpose of this is to avoid the Company being deemed a "Controlled Foreign Company" pursuant to Norwegian tax rules. This represents a deviation from section 5 of the Code, but the Board does not foresee that this provision will impact on the free transferability of its shares.

General Meetings

Shareholders may exercise their voting rights in General Meetings, with the Board ensuring that:

- the notice, supporting documents and information on resolutions to be considered are available on the Company's website no later than 21 days before the meeting is held
- the resolutions and supporting documentation are sufficiently detailed, comprehensive, and specific to allow shareholders to form a view on matters that are to be considered
- the registration deadline, if any, for shareholders to participate in the meeting is set as closely as practically possible to the meeting date and pursuant to the Bye-laws
- shareholders can vote separately on each candidate nominated for election to the Company's Board and Committees
- in accordance with the Bye-laws, the Chair of the Board shall chair meetings unless otherwise agreed by a majority of those attending and entitled to vote. If the Chair of the Board is not present, then a chair shall be appointed or elected at the meeting. This is a deviation from section 6 of the Code

The members of the Board and the auditor did not attend the General Meeting, which is a deviation from sections 6 and 15 of the Code

Shareholders who cannot be present at the meeting will be given the opportunity to vote using proxies. The Company will:

- provide information about the procedure for attending via proxy
- nominate a person who will be available to vote on behalf of a shareholder as their proxy
- prepare a proxy form formulated so that the shareholder can vote on each item that is to be addressed and vote for each of the candidates that are nominated for election

Nomination Committee

The Company does not have a Nomination Committee, and it is acknowledged that this represents a deviation from section 7 of the Code. Given that the Board consists of non-executive directors, with 75% considered independent, the Board considers itself able to adequately fulfil the roles and responsibilities ordinarily assigned to a Nomination Committee.

When a need arises to appoint a new or additional director, a review of potential candidates will be carried out, considering the need for a diverse mix of skills, talent, and expertise, whilst also being mindful of the importance of independence.

The Board of Directors - composition and independence during 2023

The Board comprised three independent non-executive directors plus the Chair, who is also the majority beneficial shareholder. All Board members are independent of the Group's Executive Management and three are independent of the Company's major shareholder.

The Board is comfortable that there is no conflict of interest or compromise to the independence of directors who also serve as directors on the Company's subsidiary boards. The Board has no concerns with external appointments held by the directors. The Chair of the Board is determined in accordance with the Company's Bye-laws rather than the General Meeting, which is a deviation from the Code.

The Board of Director's section provides further details on each director's background, skills and expertise. As of 31 December 2023 the Board consisted of two male and two female directors, three of which are UK resident. They possess the relevant expertise, capacity and diversity as set out in the Code and are elected on an annual basis at the Annual General Meeting. The composition of the Board ensures they can attend to the common interests of all shareholders and function effectively as a collegiate body.

The work of the Board of Directors

The Board schedules Board meetings in advance as well as one information meeting. Interim meetings may be convened if required.

The Chair is responsible for ensuring that the Board operates effectively and carries out its duties, with assistance and support from the General Manager and Corporate Secretary.

Meetings are chaired by the Board Chair unless otherwise agreed by a majority of attending directors. If the Chair is not present, the directors shall elect among themselves a Chair. If the Chair has a material interest or involvement in a particular matter to be resolved by the Board, the Board will consider asking another Board member to chair those discussions.

A Board charter is in place which defines matters reserved for decision by the Board, and is equivalent to written instructions on the work of the Board. Delegations by the Board are recorded in Board minutes, resolutions, powers of attorney or service agreements. Subsidiaries and their branches operate within decision-making guidelines, involving the Board in matters of strategic importance to the Group.

The Board is responsible for the Group's value creation and sets the Group's objectives, strategy, and budgets and monitors financial performance and control of assets as wells as risk management. In addition, the Board also monitors and approves internal controls and authorises decisions in matters of an unusual nature or of importance to the Company and the Group.

The Board has appointed a General Manager to undertake day to day management of the Company, overseen and supervised by the Board. Group operational activities are delegated to Odfjell Technology AS with duties and responsibilities defined in a service agreement.

The General Manager, Odfjell Technology AS CEO and CFO are regular attendees at Company Board meetings. The Board maintains oversight of operational activities through a review of reports such as operational and strategic updates, monthly financial reports, QHSSE status reports, tenders and opportunities updates and quarterly and full-year results. Updates on risk and ESG are given throughout the year.

The Board has established an Audit Committee, whose duties include supervising and reviewing the Group's annual and interim financial reporting. This Committee consists of two Board members, one is considered independent.

The Company has not established a Remuneration Committee, which is a deviation from section 9 of the Code, but it should be noted that no member of Executive Management is represented at the Board. Accordingly, the Board does not consider such committee as necessary as decisions regarding compensation of Executive Management can be decided by the whole Board without executive involvement at Board meetings.

The Board undertook a self-evaluation in December 2023, reviewing results January 2024.

An annual review of directors' interests is undertaken, and directors are reminded to declare potential conflicts at the start of Board meetings. A register of directors' interests is maintained.

Risk management and internal controls

The Board recognises its responsibility to secure appropriate risk management systems and internal controls.

The Company has comprehensive corporate manuals and procedures for all aspects of managing the operational business. These are continuously revised to incorporate best practice derived from experience or regulatory requirements and changes.

Routines are in place to provide frequent, relevant management reporting on operational matters. The Board is continuously updated on both capital and liquidity and the performance of the business. This ensures adequate information is available for decision-making and allows the Board to respond quickly to changing conditions and requirements.

The Group has established clear and safe communication channels between employees and management to ensure effective reporting of any illegal or unethical activities in the Group, via a whistleblower reporting portal. More information is in the Sustainability Statement.

These measures ensure that considerations related to the Group's various stakeholders are an integrated part of the Group's decision-making processes and value-creation.

The Board also recognises its responsibilities for the Group's values and guidelines for ethics and corporate responsibilities. Core values reflect the Group's focus on commitment, safety consciousness, creativity, competency, and result orientation. Guidelines for the behaviour of Group representatives are outlined in Odfjell Technology's Ethical Principles and described in detail in the COC. The core values and COC are available on www.odfjelltechnology.com.

Further information on risk can be read within the Sustainability Statement.

Remuneration of the Board of Directors

The remuneration of the Board is decided by the shareholders at the AGM. The compensation to the Board reflects the responsibility, expertise, and level of activity in the Board and any Committees. Remuneration is not linked to Group performance and no share options are granted to Board members. More detailed information can be found in the Executive Remuneration Report.

None of the members of the Board and/or companies with whom the Board members are associated, have taken on assignments in 2023 for the Group, in addition to their appointments.

Remuneration of the Executive Management

Pursuant to Bermudan law for Bermuda incorporated companies listed on the Oslo Stock Exchange, the Board determines the remuneration of Executive Management. Details for 2023 can be found in the Executive Remuneration Report.

Guidelines for the remuneration of Executive Management can be found in the Executive Remuneration Policy which is available on our website www.odfjelltechnology.com. This has yet to be approved at a General Meeting, which represents a deviation from section 12 of the Code. The policy uses performance related remuneration by way of a variable bonus capped at 100% of salary, and share option schemes for certain executives. The Remuneration Policy is set to attract and retain Executive Management of sufficient calibre. It also aims to align with shareholder's interests and the Group's strategy, long term interests and financial viability.

Currently, the determination of variable bonuses is made by the Board at a holistic level, rather than by analysing detailed components with weightings, criteria, targets and performance achieved ratings and therefore deviates from Section 12 of the Code.

Information and communication

The Company has established guidelines for reporting to the market and is committed to providing timely, precise information to its shareholders, Oslo Stock Exchange and the financial markets in general, through the Oslo Stock Exchange information system. Information is given in the form of annual and quarterly reports, press releases, notices to the stock exchange and investor presentations.

In these communications, the Company aims to clarify its long-term potential, including strategies, value drivers and risk factors. The Company maintains an open and proactive approach for investor relations with detailed investor relations information, and contact information available on the Company website.

An annual financial calendar is published with dates of important events such as the AGM, publishing of interim reports and financial stock market presentations.

The Company discloses all inside information as legally required, unless exceptions apply and are invoked. Information will be provided about certain events, e.g. dividends, amalgamations, mergers/demergers, changes to the share capital, issuing of subscription rights, convertible loans and all agreements of major importance that are entered into by the Company and related parties.

The Company has considered communication with shareholders to ensure relevant information is shared with them in compliance with applicable laws and regulations. Shareholders can communicate with the Company through Q&A sessions on quarterly calls.

Information to the Company's shareholders is posted on the Company's website as well as published through Oslo Stock Exchange.

Take-overs

The Company will follow key principles from the Code for how to act in the event of a take-over offer. In such an event, the Board will ensure that the Company's shareholders are treated equally and that the Company's activities are not unnecessarily interrupted.

The Board will also ensure that shareholders have sufficient information and time to assess the offer. The Board shall:

- ensure that the offer is made to all shareholders, and on the same terms
- not undertake actions intended to give shareholders or others an unreasonable advantage at the expense of other shareholders or the Company
- strive to be transparent about the take-over
- not institute measures which have the intention of protecting the personal interests of its members at the expense of interests of the shareholders
- be aware of the particular duty the Board carries for ensuring that the values and interests of the shareholders are safeguarded

The main underlying principles shall be that the Company's common shares shall be kept freely transferable and that the Board and the Company shall not establish any mechanisms which can prevent or deter take-over offers unless this has been decided by the General Meeting in accordance with applicable law. This includes only entering into agreements with a bidder to limit the Company's ability to arrange other bids, if it is in the interests of the Company and its shareholders. Payment of financial compensation to a bidder if the bid does not go ahead should be limited to costs incurred by the bidder.

If an offer is made for the Company's common shares, the Board shall issue a statement evaluating the offer and making a recommendation as to whether the shareholders should accept. If the Board finds itself unable to give a recommendation, it should explain the reasons for this, being clear whether the views expressed are unanimous, and if this is not the case, explain why specific members of the Board do not concur.

The Board shall consider whether to arrange a valuation from an independent expert. If the bidder is a member of the Board, close associate of a member, has recently been a member of the Board or has a particular personal interest in the bid, the Board shall arrange an independent valuation. This shall also apply if the bidder is a major shareholder. Any such valuation should be enclosed with the Board's statement or reproduced or referred to in the statement.

Auditors

The Group have appointed KPMG as the Company auditor, with approval of their reappointment given at the 2023 AGM.

The auditor participates in a meeting of the Board when the annual accounts are presented, during which, the executive personnel leave to allow the Board time with the auditor alone.

Highlights of the audit plan are presented by the auditors to the Audit Committee as well as a review of the Group's internal control procedures, including identified weaknesses and proposed improvements.

Processes are in place to ensure that the Group does not utilise the services of the appointed auditor for advice beyond certain thresholds determined by the Board and in law.

At the AGM, shareholders authorise the Board to determine the remuneration of the auditors. Details of fees paid to the auditor for auditing work and for other specific assignments can be found in Note 32 Remuneration to the Board of Directors, key executive management and auditor

Executive Remuneration Report

Introduction

The Board present the Remuneration Report for 2023, which is prepared in accordance with Section 6-16 of the Norwegian Public Limited Liability Companies Act and the guidelines contained within the Norwegian Corporate Governance Board Code of Practice. It follows the Group Remuneration Policy which can be found at www.odfjelltechnology.com., to be tabled for approval at the AGM and subject to an advisory note. The 2023 AGM approved the 2022 Executive Remuneration Report. The objective is to present a clear and understandable analysis of executive remuneration and how this is linked to Group performance. This statement will be presented to shareholders in the 2024 AGM and subject to an advisory vote.

The objective of the policy is to ensure remuneration packages for executives are aligned with the Groupy's values, business strategy, and long-term interests, to create value for shareholders. Executive remuneration should be set at a competitive level to attract, retain, and motivate suitably qualified and experienced executives of a calibre who will deliver the Group's strategic objectives. As well as enhancing the future economic situation, the remuneration policy should also ensure environmental, sustainability and governance objectives are delivered.

The Group delivered a strong financial performance and net profit of NOK 344 million and has good visibility of future revenue through backlog from long term contracts and has a leverage ratio of 0.6x.

Highlights

Key events affecting remuneration

The 2023 EBITDA of NOK 840 million reflects the cost discipline and efficient operations being delivered by the Group. Backlog stands at NOK 12.3 billion at the end of 2023 and a positive net cashflow from operating activities of NOK 698 million was generated in the year.

QHSSE performance improved in the main categories. The Group maintains a constant focus on ensuring the safety of those working for us. Through collaboration, employee engagement and communication, and optimal resource management, the Executive Management has built on the success of establishing the Group following the spin-off from Odfjell Drilling. The business has seen growth in 2023 compared to 2022 and generated positive cashflow to make returns to shareholders via dividends. For these reasons, the Board approved the payment of bonuses for 2023.

Key changes in Directors and Executive Management

There were no material changes in Directors or Executive Management during the year.

Changes to policy or its application

There were no changes to or derogation from the policy during the year.

Overview

Remuneration of the Board of Directors

Set out below are details of the fees accrued for directors for 2023 and shares in the Group held by directors as at 31 December 2023.

Director's fees are not linked to the performance of the Group or share options and will be approved at the AGM.

Name of Director and position *NOK thousands*	Year	Board Fees	Chair fees	Audit Committee	Other Directorships	Total Remuneration	No of shares owned
Helene Odfjell, Non-Executive Director and Chair	2023	375	375	50		800	23,825,396
	2022	281	281	38		600	23,825,396
Susanne Munch Thore, Non-Executive Director	2023	375		100		475	500
	2022	281		75		356	500
Alasdair Shiach, Non-Executive Director	2023	375			50	425	-
	2022	281			38	319	-
Victor Vadaneaux, Non-Executive Director	2023	375				375	16,563
	2022	281				281	16,563

1. *Includes shares held by related parties.*
2. *Payments are made for additional roles such as Chair, Committee membership or directorship of subsidiaries, reflecting the time commitment required.*
3. *Other than reimbursement of expenses incurred in fulfilling their duties, there are no other elements of remuneration.*
4. *Amounts shown for 2022 are for the period 29th March to 31 December 2022, as this was the first year for these positions.*

Remuneration of Executive Management

The table below shows the fixed and variable elements of remuneration to Executive Management employed at any point within the Group for the current reporting period 2023.

It should be noted that assessment of the performance of Executive Management against the criteria set out in their Personal Business Commitments ("PBC") is done on a holistic level when determining the level of variable bonuses. For this reason the report does not analyse detailed components with weightings, criteria, targets and performance achieved scores.

		Fixed remuneration			Variable remuneration						
Name of Director/Executive and position *NOK thousands*	Year	Base Salary	Fees	Fringe benefits	One-year variable	Multi-year variable	Extraordinary items	Pension expense	Total remuneration	Proportion of fixed remuneration	Proportion of variable remuneration
Remuneration of Executive Management for the reported financial year from the Company (Odfjell Technology Ltd) -NOK thousands											
Diane Stephen, General Manager Odfjell Technology Ltd	2023	1,093		59	213			53	1,418	85%	15%
	2022	688		40	142			36	906	84%	16%
Remuneration of Executive Management for the reported financial year from undertakings of the same group - NOK thousands											
Simen Lieungh, CEO Odfjell Technology AS	2023	6,344		288	6,000			127	12,758	53%	47%
	2022	4,018		175	3,750			99	8,042	53%	47%
Jone Torstensen, CFO Odfjell Technology AS	2023	3,076		238	3,000			140	6,454	54%	46%
	2022	2,009		174	1,800			100	4,083	56%	44%

1. *Base salary - Set at a competitive rate reflecting the responsibilities of the role, the skills and experience of the individual and market conditions for the industry.*
2. *Fringe benefits - includes car allowances (in line with rates set across the manager population), private medical healthcare, life and income protection insurance, etc, all of which are in line with the benefit packages offered to the general employee population in the jurisdiction they are employed in.*
3. *Variable remuneration - The criteria and measurement for bonus payments are aligned to both Group performance against targets and an individual's personal performance and are set out in annual PBC. Criteria for Group performance include achieving financial, strategic, and other targets as set in the PBC. Criteria for personal performance in PBCs are based on: QHSSE results and improvement over previous year, employee satisfaction within area of responsibility, demonstration of a holistic approach to Group challenges, encouraging collaboration across the Group, optimal resource and competence management, being visible, accessible, and acting as a role model, and efficient and clear communication and provision of information in own area. The one-year variable bonus payments are capped at 100% of fixed annual salary and there are no reclaim provisions.*
4. *The General Manager is employed by Odfjell Technology Ltd and amounts disclosed represent a recharge to the Company on a 50% part-time basis.*
5. *Pension – Executive Management participate in the same pension plan, on the same terms, as all other employees in the jurisdiction they are employed in.*
6. *Amounts shown for 2022 are for the period 29th March to 31 December 2022, as this was the first year for these positions.*

Share options awarded or due to Executive Management

The intention of the share programme described below, is to link reward to the creation of value for shareholders through increased share price.

The main conditions of share option plans	
Specification of plan	The programme grants the option to purchase common exercisable shares in three equal tranches. The Company can choose to settle the options by a cash payment
Performance period	3 years
Award date	27.06.2022
Vesting date	27.06.2023 27.06.2024 27.06.2025
End of holding period	04.07.2025
Exercise period	The Option Holder may only exercise the vested shares in each relevant Tranche of Options in full and within 5 working days after each Vesting Date. Any Tranche of Options not exercised in an Exercise Period can be carried forward and exercised in a future Exercise Period. Any options not exercised by the end of the period will be terminated.
Strike price of the share	NOK22.31

1. As at 31 December 2023 there were no share options subject to a performance condition or to a holding period

Information regarding the reported financial year	Simen Lieungh, CEO Odfjell Technology AS	Jone Torstensen, CFO Odfjell Technology AS
Opening balance		
Share options awarded beginning of year	900,000	300,000
Share options vested	-	-
During the year		
Share options awarded	-	-
Share options vested	300,000	100,000
Closing balance		
Share options vested	300,000	100,000
Share options awarded and unvested	600,000	200,000

Executive Management share ownership and terms as at 31 December 2023

Name and position of Executive Management	Shares owned	Notice period and severance pay entitlement	Pension scheme
Diane Stephen, General Manager Odfjell Technology Ltd	0	6 months	Standard UK defined contribution scheme
Simen Lieungh, CEO Odfjell Technology AS	40,000	6 months + 12 months severance pay	Standard Norway defined contribution scheme
Jone Torstensen, CFO Odfjell Technology AS	5,000	6 months + 6 months severance pay	Standard Norway defined contribution scheme

odfjell technology

Comparison of remuneration and Group performance over time

Annual change	2022	2023	% change on prior year
DIRECTOR'S AND EXECUTIVE'S REMUNERATION - NOK THOUSANDS			
Helene Odfjell, Non-Executive Director and Chair	600	800	33%
Susanne Munch Thore, Non-Executive Director	356	475	33%
Alasdair Shiach, Non-Executive Director	319	425	33%
Victor Vadaneaux, Non-Executive Director	281	375	33%
Diane Stephen, General Manager Odfjell Technology Ltd	906	1,418	57%
Simen Lieungh, CEO Odfjell Technology AS	8,042	12,758	59%
Jone Torstensen, CFO Odfjell Technology AS	4,083	6,454	58%
GROUP PERFORMANCE -NOK MILLIONS			
EBITDA	673	840	25%
Net profit	253	344	36%
Backlog	11,000	12,300	12%
Leverage ratio	1.2	0.61	-49%
AVERAGE REMUNERATION ON A FULL-TIME EQUIVALENT BASIS OF EMPLOYEE - NOK THOUSANDS			
Employees of the Company	2,308	1,883	-18%
Employees of the Group	870	974	12%

1. Average remuneration includes salary, benefits, bonuses and employer pension contributions

2. 2022 is for a period of 9 months, compared to 12 months in 2023, hence the reason for the significant increase

Board Of Directors Report

Odfjell Technology Ltd. is the ultimate parent company of the Odfjell Technology group, comprised of the Company and its subsidiaries. Offering integrated offshore operations, well services technology and engineering solutions, the Group brought with it five decades of experience when it spun off from Odfjell Drilling in March 2022. The Company has been listed on the Oslo Stock Exchange since March 2022.

Business and market overview

History

Odfjell Drilling was founded in 1973 and made the strategic move in 2022 to split the Group, with the Well Services, Operations, Projects & Engineering and Global Business Services areas being spun off into a new Group, Odfjell Technology, The Odfjell Technology Group is built on a solid reputation as a trusted partner and services supplier, focused on delivering safe, efficient and sustainable operations.

The Group has extensive contracting experience and with activities in 26 countries, the Group is an international business, supporting a client base consisting primarily of major energy companies. Our vision is to use our heritage and expertise to support the energy transition, with the Group investing in renewables opportunities and supporting clients in their net-zero ambitions.

Corporate structure

The Company is an exempted company incorporated in Bermuda with its registered address at Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda, and it is tax resident in the United Kingdom with its head office at Prime View, Prime Four Business Park, Kingswells, Aberdeen, AB15 8PU.

Information regarding related parties can be found at Note 31 - Related parties - transactions, receivables, liabilities and commitments.

The Group is organised into three main Business Areas:

- Well Services
- Operations
- Projects & Engineering

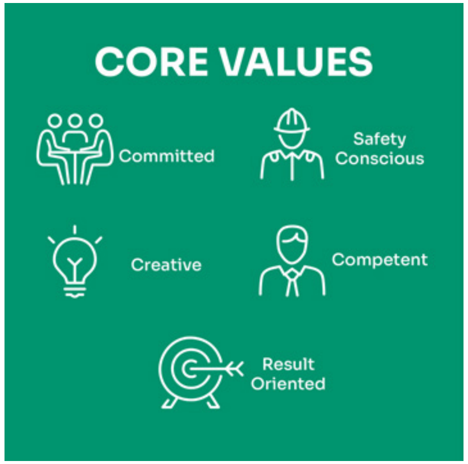
Corporate Strategy

The mission of Odfjell Technology is to safely deliver services and technology which reduce time, costs, and carbon emissions. Combining 50 years of industry experience with the technology of tomorrow, we develop solutions for the changing energy market, chosen by clients for our expertise and reputation. QHSSE Management are of paramount importance to Odfjell Technology, and we strive for high quality performance and safe and secure operations through continuous improvement programmes. We aim for organisational robustness, zero injuries and failures, and strong cyber and physical security, delivered by a competent and motivated workforce.

Our onshore support centres work collaboratively in real time with our operations teams. This philosophy defines the team-focused nature of the Group.

We have a clearly defined process for developing and managing strategic direction which involves analysis, planning, monitoring, and execution. Our corporate strategy and business model is explained in more detail in the Our Business Section.

Odfjell Technology has five core values that define and instruct our business:



Equity and shares

The Group had book equity of NOK 1,077 million and a book equity ratio of 29% as at 31 December 2023.

The Company has only one class of share. Each common share carries one vote, and all common shares carry equal rights, including the right to participate in General Meetings and all shareholders are treated on an equal basis.

The shares and negotiability section of the Corporate Governance Report details the transferability of common shares. The number of ordinary shares issued in Odfjell Technology Ltd. as at 31 December 2023 is 39,463,867

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

The Company is not aware of any shareholder or any other agreements which limit trading of the Company's ordinary shares or voting rights as at 31 December 2023.

Taxation

The Company is governed from and tax resident in the UK. Three out of four Company directors are UK residents. The Company has published its tax strategy on its website in compliance with the UK Finance Act 2016 Schedule 19.

The aim of the tax strategy is to support the business by maintaining a sustainable tax rate, while mitigating tax risks and complying with rules and regulations in the jurisdictions in which Odfjell Technology operates.

The Group maintains internal policies and procedures to support its tax control framework and provides training to its personnel to manage tax risks.

The tax strategy aligns to the Group's wider risk and control framework with key tax risks and issues escalated to and considered by the Audit Committee and the Board regularly.

The Group operates in approximately 26 countries and is exposed to a variety of tax risks such as compliance and reporting, transactional and reputational.

Where appropriate, the Group looks to engage with tax authorities to disclose, discuss and resolve issues, risks, and uncertain tax positions. The subjective nature of global tax legislation means it is often not possible to mitigate all known tax risks. As a result, the Group may be exposed to financial and reputational risks arising from its tax affairs.

The Group acknowledges its responsibility to pay the level of tax required by the laws of the jurisdictions in which it operates and also its responsibility to its shareholders to structure its affairs in an efficient manner.

The Group seeks to comply with its tax filing, reporting and payment obligations globally and to foster good relationships with tax authorities.

Focus areas

During 2023, Odfjell Technology has continued to focus on building a strong foundation for the Group in its first full year. The Group is positioning itself for growth internationally with Well Services, securing contracts with Operations and growing the competency and capacity of Projects & Engineering. Entering new regions such as Canada, Namibia and Indonesia has been achieved during the year. There has also been a strong focus on cash generation and this has allowed us to commence regular cash disbursements to shareholders via dividends.

Growth

We are positioned for growth in a strong market. An 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.

We have established a strong presence in the North Sea with efficient operations and strong client relationships, which provides opportunities for the provision of Well Services and Projects & Engineering deliverables. We see opportunities to grow in the decommissioning P&A area, particularly in the UK.

The engineering market is improving both in existing deliverables and in green initiatives, and we are well positioned to grow in both areas.

Diversification

We continue to target strategic new market entries where clients or contracts support establishing business in new geographies.

With the move to sustainable energy sources, we continue to review opportunities to diversify into renewables or other emerging energy markets. Our skills and experience lend themselves to certain areas, and already we have a commitment to offshore wind through our investment in and support given to Odfjell Oceanwind, including providing engineering design services.

Sustainability

The Group is developing a Sustainability strategy and reporting framework, with a focus on creating clear sustainability ownership in Business Areas and functions.

Our Human Rights Statement can be found on our website - Human rights - Odfjell Technology, as well as our Modern Slavery Statement.

Gender pay gap reporting for Norway and the UK, can also be found at Gender pay gap - Odfjell Technology. For details on Executive remuneration, please refer to our Executive Remuneration Report.

More detail on these matters can also be read in our Sustainability Statement.

Taxonomy report 2023

Taxonomy reporting requirements

Odfjell Technology reports in accordance with the EU Taxonomy Regulation (2020/852), including the supplementing Disclosures Delegated Regulation (2021/2178). The CFO function is responsible for the taxonomy report and underlying assessments.

Taxonomy eligible- and aligned activities

Odfjell Technology had no taxonomy eligible economic activities in 2023. The assessment of eligibility was conducted based on the described activities in the Climate Delegated Regulation (2021/2139). The basis of the assessment was the total revenue, capital expenses and operating expenses for Odfjell Technology in 2023. The assessment was done by members of the corporate management, finance function and internal and external stakeholders and subject matter experts on our sector. Assessment of alignment with the taxonomy was not relevant for 2023 reporting.

Taxonomy reporting going forward

The Group closely follows developments within the taxonomy reporting requirements. In 2024 the main focus will be to expand the assessment of eligible activities to the Environmental Delegated Regulation (2023/2486). The Group will continue doing assessments to identify eligible activities, especially in relation to new operations and investments.

Segment Overview

Well Services

Well Services provides the most up to date technology available for hands-free tubular running operations, high specification drilling tubulars and market-leading downhole tools. In addition, we have a vast inventory of equipment and our in-house engineering is highly specialised in the development of new technology.

Our business has a global presence with 15 offices and operating bases servicing contracts in around 26 countries, positioning Well Services as a leading provider in our industry. With approximately 290 clients worldwide, we service a range of sectors, mainly oil and gas, but also including hydrogen and geothermal.

2023 has seen growth in the business with entry into new geographical markets such as Canada, Namibia and Indonesia.

Operations

Operations secured further firm backlog in 2023 with contract extensions and the exercising of options. Collaboration across all Odfjell Technology Business Areas is key to delivering value to clients, and we work in a number of alliances. We continue to provide integrated drilling services including onshore support, production drilling and completion, well maintenance, facility maintenance planning and plugging and abandonment which is a service we will see growing in the near term.

Projects & Engineering

Projects & Engineering continue to build their competency to offer a range of services including feasibility and concept studies, Front End Engineering Design ("FEED"), pre-FEED, subsea services and integrity and inspection. Our differentiator is our close link to operations which means we bring an operational perspective to the process, defining scope, designing the engineering solution and managing the project execution and installation. Our Energy Efficiency service assists asset owners to map energy consumption and carbon emissions and provides advice on how to reduce these through changes in processes, technology etc.

More detail regarding the activities of each business segment can be found in the Our Business section.

Outlook

We are well positioned for growth in a strong market in 2024. Our ambition is to increase our global footprint with Well Services, entering new geographies as we have in 2023, and focussing on high margin product lines.

The solid backlog in Operations gives us predictability and the opportunity to increase our integrated services provision to current clients.

Projects & Engineering activity on Special Periodic Survey ("SPS") will continue in 2024 with support being given to a number of assets as they go through their five yearly recertification. This is an area we have extensive expertise in.

The energy transition is key to the future of all, but there is a gap between the supply of renewable energy and demand. Oil and gas is therefore expected to remain a vital part of the energy mix in the foreseeable future, with the key word being "transition". Odfjell Technology will focus on using our expertise to contribute to the move towards renewable energy. We continue our close association with and investment in Odfjell Oceanwind to develop mobile offshore wind.

Across all our Business Areas, we see growth potential in the UK decommissioning market, as infrastructure comes to the end of its operational life. More than 2,000 wells in the UK are likely to be permanently abandoned over the next decade and P&A represents a significant proportion of decommissioning spend. Our culture of being adaptable, innovative and focussed on continual improvement will stand us in good stead in the transitioning energy market.

Financial Reviews

Consolidated Accounts

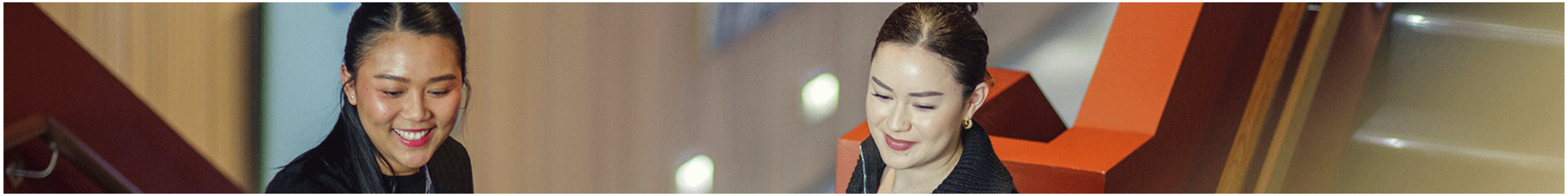
(Comparable figures in brackets)

Income Statement

Odfjell Technology generated operating revenue of 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.

Earnings before interest, tax, depreciation and amortisation ("EBITDA") 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 operating profit ("EBIT") amounted to NOK 492 million (NOK 384 million), an increase of NOK 108 million. The main contributors to the increase are Well Services and Projects & Engineering. The increased EBIT in the segments are partly offset by increased overhead costs.



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

The income tax expense was NOK 17 million. In 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 for the Group was NOK 344 million (NOK 253 million). Total comprehensive income was NOK 392million (NOK 403 million).

Balance Sheet

Consolidated total assets as at 31 December 2023 amounted to NOK 3,695 million (NOK 3,115 million), an increase of NOK 580 million, affected by the non-current tax asset, refer to Note 8 Income taxes for further information.

Total non-current assets amounted to NOK 1,834 million (NOK 1,466 million). Current assets amounted to NOK 1,860 million (NOK 1,648 million), of which NOK 659 million was cash and cash equivalents (NOK 560 million).

Total equity amounted to NOK 1,077 million (NOK 779 million) and the equity ratio was 29% (25%).

Total liabilities amounted to NOK 2,618 million (NOK 2,336 million), an increase of NOK 282 million mainly due to the liability to repay Odfjell Drilling Ltd in relation to the tax case in Norway, refer to Note 8 Income taxes.

Net interest bearing debt amounted to NOK 440 million (NOK 780 million), a decrease of NOK 340 million due to the repayment of the Rolling Credit Facility ("RCF") and increased cash and cash equivalents.

Cash Flow

Cash flow from operating activities amounted to NOK 698 million (NOK 568 million). The variance of NOK 206 million from EBIT in 2023 is mainly explained by depreciation, amortisation and impairment, offset by net interest paid.

Net cash outflow used in investing activities amounted to NOK 222 million (NOK 2,705 million). The 2023 cash outflow was mainly due to purchase of Well Services equipment and a mandatory convertible loan of NOK 18 million paid to Odfjell Oceanwind AS.

Net cashflow from financing activities amounted to an outflow of NOK 395 million (inflow of NOK 2,200 million). The 2023 outflow relates to repayment of the USD 25 million RCF, payment of dividends of NOK 100 million and repayment of lease liabilities.

Critical accounting estimates

The Group makes estimates and assumptions concerning the future. These are based on the underlying business, its current and forecast profitability over time, expectations about external factors such as interest rates, foreign exchange rates and other factors outside the Group's control.

There is estimation uncertainties in the Group's revenue recognition, determination of expected economic life and in the assessment of impairment loss in the trade receivables. There is use of significant judgement in the Group's recognition of deferred tax asset for carried forward tax losses, considerations related to contingent liabilities, and determination of lease terms.

Please refer to note 3 - Critical accounting estimates and judgements in the Consolidated Financial Statements for further information.

Segment reporting

Well Services

Operating revenue 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 and Canada), delivering on contracts secured in 2022 and recovery in our traditional markets, most notably western mainland Europe.

EBITDA was NOK 625 million (NOK 485 million), an increase of NOK 140 million. EBITDA margin for the Well Service segment 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 segment was NOK 322 million (NOK 226 million).

Operations

Operating revenue 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 was NOK 176 million (NOK 185 million), a decrease of NOK 9 million. The EBITDA margin was 7% (9%).

EBIT for the segment equals EBITDA.

Projects & Engineering

Operating revenue 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 Odfjell Drilling's SPS portfolio has picked up.

EBITDA for the segment was NOK 94 million (NOK 44 million), an increase of NOK 50 million. The EBITDA margin was 16% (12%). The increase is mainly explained by higher activity, resulting in increased volume, utilisation and margins compared to last year.

EBIT for the segment equals EBITDA.

Parent Company accounts

The business of the Parent Company, Odfjell Technology Ltd., is as a holding company for investments in subsidiaries.

The Parent Company reported an operating loss (EBIT) of NOK 18 million (NOK 23 million). The improvement from 2022 is mainly due to reduced legal fees and financial assistance.

The Parent Company reported a share of profit from joint venture Odfjell Oceanwind of NOK 5 million (share of loss of NOK 19 million).

Net financial expenses were NOK 148 million (NOK 134 million). There was an increase in interest expenses of NOK 43 million, partly offset by NOK 20 million in reduced currency losses and increased interest income of NOK 9 million.

A net loss of NOK 161 million (NOK 176 million), was reported.

Total assets in the Parent Company amounted to NOK 3,043 million (NOK 2,691 million) as at 31 December 2023, an increase of NOK 352 million, mainly related to current receivables and cash and cash equivalents.

Equity in the Parent Company amounted to NOK 675 million (NOK 931 million), corresponding to an equity ratio of 22% (35%).

Cash flow used in operating activities was NOK 148 million (NOK 109 million) The variance of NOK 131 million from EBIT is mainly explained by interest paid.

Cash flow used in investing activities was an inflow of NOK 705 million (outflow of NOK 1,030 million). The company received NOK 307 million as a prepayment from Odfjell Drilling Ltd related to the tax case in Norway. The Company also had proceeds from the current cash pool of NOK 416 million, while NOK 18 million was spent on an extension to the mandatory convertible loan to the joint venture.

Cash flow from financing activities was an outflow of NOK 369 million (inflow of NOK 1,340 million). The Company repaid borrowing of NOK 269 million and made dividend payment of a total of NOK 100 million.

Risk review

Operational and industrial risk factors

The Group provides services primarily for the oil and gas industry, which historically has been cyclical in its nature. The focus on alternative energy sources and the transition to greener energy sources is expected to impact the energy market in the coming decades. However, there is an increased appetite for field development and production spending across the segments as we bridge the gap while moving to renewables.

The Group seeks to mitigate these risks by securing contracts with reputable clients, preferably long term, for its services. All offshore contracts are associated with risk and responsibilities, including technical, operational, commercial, and political risks.

Factors that, in the Group's view, could affect its results materially, include: 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.

Financial risk factors

The Group is exposed to a range of financial risks discussed below. The financial risk management process carried out at a Group level, focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. To some extent, the Group uses derivative financial instruments to reduce certain risk exposures.

The Group identifies, evaluates and hedges financial risks in close co-operation with the Group's operational units. The Board has established principles for risk management of foreign exchange risk, interest rate risk and use of derivative financial instruments.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of credit facilities, and to have sufficient cash or cash equivalents at any time to be able to finance its operations and investments in accordance with the Group's strategic plan. More details can be found in Note 21 - Liquidity Risk

Odfjell Technology held cash and cash equivalents amounting to NOK 659 million in addition to available drawing facilities of NOK 254 million at the end of 2023, which is deemed sufficient funding for the Group's current activity levels and committed capital expenditures during 2024.

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

Operating in circa 26 jurisdictions, Odfjell Technology do from time to time receive enquiries from authorities about compliance related matters. Refer to Note 27 - Contingencies regarding notice of a decision received 1 October 2021 from His Majesty's Revenue and Customs in the UK which has been appealed. The Group has at 31 December 2023 not received any other formal material assessment which is not disclosed in the financial statements.

Market risk

This is the risk of a change in market prices and demand, as well as changes in currency exchange rates and interest levels. The contract backlog provides a level of security for the near future and more details can be found in Note 22 - Market Risk.

Foreign exchange risk

The Group operates internationally and is exposed to risk arising from exposures to currency fluctuations, primarily with respect to USD and NOK. The Group seeks to minimise these risks through natural hedging by balancing the currency in and out flow and will use financial hedging instruments if required.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's senior secured bond, based on NIBOR, and the RCF based on USD Secured Overnight Financing Rate. The Group evaluates the level of interest rate hedging based on assessment of total interest rate risk and currently has a combination of fixed and floating interest rates in order to limit exposure. The Board considers interest payment hedging of the external financing and mandates administration to execute necessary changes.

Including interest rate swaps entered into, the fixed-rate portion of the Group's interest bearing debt as at 31 December 2023 is 35%.

Credit Risk

The current main market for the Group's services is the offshore oil and gas industry, and clients consist primarily of major international oil companies, independent oil and gas producers and government owned oil companies. The Group performs ongoing credit evaluations of clients and generally does not request material collateral. Credit risk is considered to be limited.

Included in the Trade receivables as at 31 December 2023 is an outstanding amount of EUR 4 million - circa NOK 45 million, from clients in Iran. An impairment loss of EUR 0.7 million - circa NOK 7.5 million, has been accrued for these trade receivables as at 31 December 2023, more details can be found in Note 23 - Credit risk.

Sustainability risk

Sustainability risks are considered in day to day operations, as well as at an enterprise risk level and in line with new legislative requirements.

There are robust processes in place to assess QHSSE risks and mitigating actions. Human rights risk registers are maintained and evaluations carried out during new country entry. Sustainability is considered in CRC reviews.

During 2023, efforts were concentrated on the upcoming CSRD and gaps in our data reporting framework.

Climate Risk

Following an assessment of climate risks and opportunities, both physical and transitional risks in the short, medium and long term, were prioritised.

The most significant transition risks identified, along with mitigating actions were:

- increased resources, skills and tools required to measure, track and report on climate data, leading to increased costs. In house expertise being developed, gap analysis being conducted, and software tools evaluated.
- impact on the ability to attract and retain talent, increasing costs. Training programmes to be reviewed and increase focus on communicating our sustainable activities.
- changes in consumer behaviours reducing the demand for oil and gas and therefore revenue. To be addressed through diversification of our client portfolio and services to support the energy transition.
- cost of and access to capital may go up as banks move to low carbon portfolios, leading to increased interest costs. Consider green funding resources for investments and diversify to low carbon portfolio.

The most significant physical risks identified, along with mitigating actions were:

- impact of extreme weather offshore on crew and equipment logistics could increase costs and result in downtime. Critical spares analysis and robust planning required, as well as protection in commercial contracts.
- heat, floods and tropical storms may increase in certain geographies we operate in, damaging infrastructure and increasing costs. Business continuity plans, remote working and reviews of locations required to address risk.
- heat stress will impact employees and equipment working outside in certain locations. Health tracking and storage of equipment to be monitored.

More detail on these risks can be found in the Sustainability Statement.

Director and Officer's Liability Insurance

Odfjell Technology has a group insurance policy for the liability of the Company's and its subsidiaries' Directors and Officers. The insurance covers personal legal liabilities including legal costs for defence. The limit of liability is NOK 75 million per claim and in aggregate per year.

Going concern

Going concern assumption

The financial statements have been prepared on the basis of the going concern assumption and the Directors have confirmed that this was realistic at the time the accounts were approved and is covered in Note 2 - Basis for preparing the consolidated financial statements.

When assessing the going concern assumption, the Directors and management have considered cash flow forecasts, funding requirements and order backlog. Taking all relevant risk factors into consideration, the Board has a reasonable expectation that the Group has adequate resources to continue its operational existence for the foreseeable future.

Subsequent events

There have been no events after the balance date with material effect for the financial statements ended 31 December 2023.

The Board of Odfjell Technology Ltd.

17 April 2024, London, United Kingdom

Helene Odfjell	Susanne Much Thore	Alasdair Schiach	Victor Vadaneaux	Diane Stephen
Chair	Director	Director	Director	General Manager

Financials

Consolidated Group Financial Statements

Consolidated Income Statement

for the year ended 31 December

NOK million	Note	2023	2022
OPERATING REVENUE	**4,5**	**5,021.4**	**3,885.0**
Other gains and losses	**7**	**26.9**	**13.6**
Personnel expenses	6	(3,032.9)	(2,381.6)
Depreciation and amortisation	9,10	(348.0)	(288.4)
Other operating expenses	7	(1,175.2)	(844.5)
Total operating expenses		**(4,556.2)**	**(3,514.4)**
OPERATING PROFIT (EBIT)		**492.1**	**384.1**
Share of profit (loss) from joint ventures and associates	**30**	**5.1**	**(19.9)**
Interest income		25.9	6.0
Interest expenses	7	(159.0)	(110.7)
Other financial items	7	(2.5)	(33.3)
Net financial expenses		**(135.7)**	**(138.0)**
PROFIT BEFORE INCOME TAX		**361.5**	**226.2**
Income tax expense	8	(17.3)	26.8
NET PROFIT		**344.2**	**253.0**
Profit (loss) attributable to:			
Owners of the parent		344.2	253.0
Earnings per share (NOK)			
Basic earnings per share	34	8.722	6.410
Diluted earnings per share	34	8.532	6.410

Consolidated Statement of Comprehensive Income

for the year ended 31 December

NOK million	Note	2023	2022
NET PROFIT		**344.2**	**253.0**
Items that will not be reclassified to profit or loss:			
Actuarial gain (loss) on post employment benefit obligations	8,18	(8.9)	(1.5)
Items that are or may be reclassified to profit or loss:			
Cash flow hedges	8,22	(2.0)	10.8
Currency translation differences		58.4	140.6
OTHER COMPREHENSIVE INCOME, NET OF TAXES		**47.5**	**149.9**
TOTAL COMPREHENSIVE INCOME		**391.7**	**402.9**
Total comprehensive income attributable to:			
Owners of the parent		391.7	402.9

Items in the statement above are disclosed net of tax. The income tax relating to each item of other comprehensive income is disclosed in Note 8 - Income Taxes.

The accompanying notes are an integral part of these financial statements.

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Consolidated Statement of Financial Position

NOK million	Note	31.12.2023	31.12.2022
ASSETS			
Property, plant and equipment	9	1,040.9	1,068.4
Intangible assets	10	257.3	252.1
Deferred tax asset	8	93.3	51.3
Non-current tax asset	8	307.2	-
Investments in joint venture	30	75.0	50.0
Derivative financial instruments	22	11.7	10.8
Other non-current assets	11	49.0	33.9
TOTAL NON-CURRENT ASSETS		**1,834.3**	**1,466.5**
Spare parts		45.9	29.3
Trade receivables	14	1,005.6	942.6
Other current receivables and assets	11	150.0	116.4
Cash and cash equivalents	15	658.8	560.1
TOTAL CURRENT ASSETS		**1,860.3**	**1,648.4**
TOTAL ASSETS		**3,694.6**	**3,114.9**

NOK million	Note	31.12.2023	31.12.2022
EQUITY AND LIABILITIES			
Paid-in capital	24	1,093.8	1,093.8
Other equity	25	(17.3)	(315.0)
TOTAL EQUITY		**1,076.6**	**778.8**
Non-current interest-bearing borrowings	16	1,088.6	1,084.2
Non-current lease liabilities	17	132.6	96.8
Liability repayment to Odfjell Drilling Ltd	8	307.2	-
Deferred tax liability	8	3.4	-
Post-employment benefits	18	48.3	46.7
Non-current contract liabilities	13	-	37.9
TOTAL NON-CURRENT LIABILITIES		**1,580.1**	**1,265.6**
Current interest-bearing borrowings	16	10.3	255.7
Current lease liabilities	17	37.0	30.6
Trade payables		338.9	264.1
Current income tax	8	56.1	55.4
Other current liabilities	19	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**

The Board of Odfjell Technology Ltd.

17 April 2024, London, United Kingdom

Helene Odfjell, Chair	Susanne Munch Thore, Director	Alasdair Shiach, Director	Victor Vadaneaux, Director	Diane Stephen, General Manager

Consolidated Statement of Changes in Equity

NOK million	Note	Share capital	Other contributed capital	Total Paid-in capital	Other reserves	Retained earnings	Total Other equity	Total equity
BALANCE AT 1 JANUARY 2022		**0.1**	**-**	**0.1**	**645.4**	**2,316.6**	**2,962.1**	**2,962.2**
Profit for the period		-	-	-	-	253.0	253.0	253.0
Other comprehensive income for the period		-	-	-	151.4	(1.5)	149.9	149.9
Total comprehensive income for the period		**-**	**-**	**-**	**151.4**	**251.5**	**402.9**	**402.9**
Equity contribution from Odfjell Drilling Ltd.		3.4	1,090.3	1,093.7	-	(1,049.1)	(1,049.1)	44.6
Dividends distributed to Odfjell Drilling Ltd. Group		-	-	-	-	(321.1)	(321.1)	(321.1)
Continuity difference		-	-	-	-	(2,312.6)	(2,312.6)	(2,312.6)
Cost of share-based option plan	33	-	-	-	2.8	-	2.8	2.8
Transactions with owners		**3.4**	**1,090.3**	**1,093.7**	**2.8**	**(3,682.8)**	**(3,680.0)**	**(2,586.2)**
BALANCE AT 31 DECEMBER 2022		**3.5**	**1,090.3**	**1,093.8**	**799.7**	**(1,114.7)**	**(315.0)**	**778.8**
Profit for the period		-	-	-	-	344.2	344.2	344.2
Other comprehensive income for the period		-	-	-	56.4	(8.9)	47.5	47.5
Total comprehensive income for the period		**-**	**-**	**-**	**56.4**	**335.3**	**391.7**	**391.7**
Dividends paid to shareholders	24	-	-	-	-	(100.0)	(100.0)	(100.0)
Cost of share-based option plan	33	-	-	-	6.0	-	6.0	6.0
Transactions with owners		**-**	**-**	**-**	**6.0**	**(100.0)**	**(93.9)**	**(93.9)**
BALANCE AT 31 DECEMBER 2023		**3.5**	**1,090.3**	**1,093.8**	**862.1**	**(879.3)**	**(17.3)**	**1,076.6**

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 December

NOK million	Note	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit/(loss) before tax		361.5	226.2
ADJUSTMENT FOR PROVISIONS AND OTHER NON-CASH ELEMENTS:			
Depreciation, amortisation and impairment	9,10	348.0	288.4
Net interest expense		133.1	104.7
Share of (profit)/loss from joint ventures	30	(5.1)	19.9
Net (gain)/loss on sale of tangible fixed assets		(26.9)	(13.6)
Post-employment benefit expenses less post-employment benefit payments		(10.5)	(1.1)
Net currency (gain)/loss not related to operating activities		10.9	27.7
Other provisions and adjustments for non-cash items		14.3	12.9
CHANGES IN WORKING CAPITAL:			
Spare parts		(16.1)	(4.8)
Trade receivables and contract assets		(33.2)	(103.7)
Trade payables		65.4	39.5
Other accruals		36.9	79.6
Cash generated from operations		**878.5**	**675.7**
Net interest paid		(128.9)	(86.8)
Payment related to tax case in Norway	8	(307.2)	-
Funds received from Odfjell Drilling Ltd regarding tax case	8	307.2	-
Net income tax paid		(51.6)	(21.2)
NET CASH FLOW FROM OPERATING ACTIVITIES		**698.0**	**567.7**

NOK million	Note	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(237.4)	(336.1)
Proceeds from sale of property, plant and equipment		32.8	16.6
Other non-current receivables		0.6	(8.0)
Cash used in obtaining control of subsidiaries		-	(2,312.6)
Cash payments to acquire interests in joint-ventures	30	-	(30.0)
Mandatory convertible subordinated loan to joint venture	30	(18.0)	(35.4)
NET CASH FLOW FROM INVESTING ACTIVITIES		**(221.9)**	**(2,705.4)**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net change group cash pool receivables and liabilities		-	1,057.3
Proceeds from borrowings	16	-	1,295.5
Repayment of borrowings	16	(268.9)	-
Repayment of lease liabilities	17	(26.2)	(20.5)
Proceeds from capital increases		-	44.7
Dividends paid to Odfjell Drilling Ltd. Group		-	(176.9)
Dividends paid to shareholders	24	(100.0)	-
NET CASH FLOW FROM FINANCING ACTIVITIES		**(395.1)**	**2,200.2**
Effects of exchange rate changes on cash and cash equivalents		17.7	(0.1)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**98.7**	**62.3**
Cash and cash equivalents at beginning of period		560.1	497.8
CASH AND CASH EQUIVALENTS AT PERIOD END		**658.8**	**560.1**

The accompanying notes are an integral part of these financial statements

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Notes to the Consolidated Financial Statements 2023

All amounts are in NOK million unless otherwise stated

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NOTE 1 General information

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

Odfjell Technology, a limited liability company, is incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. Odfjell Technology Ltd's head office is at Prime View, Prime Four Business Park, Kingswells, Aberdeen, AB12 3LG, United Kingdom and the Company is tax resident in the United Kingdom.

The consolidated financial statements including notes for Odfjell Technology Ltd. for the year 2023 were approved by the Board of Directors on 17 April 2024.

NOTE 2 Basis for preparing the consolidated financial statements

Basis for preparation

The consolidated financial statements of the Group for the year ended 31 December 2023 comply with IFRS® Accounting Standards as endorsed by the EU.

The consolidated financial statements ended 31 December 2023 comprise the income statement, statement of comprehensive income, statement of financial position, statement of cash flow, statement of changes in equity and note disclosures.

Going concern

In the Group's view, factors that could cause actual results to differ materially from the outlook contained in these financial statements are the following: volatile oil and gas prices, global political changes regarding energy composition and developments in the renewables sector, competition within the oil and gas services industry, changes in clients' spending budgets and developments in the financial and fiscal markets.

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

Taking all relevant risk factors into consideration, the Board has a reasonable expectation that the Group has adequate resources to continue its operational existence for the foreseeable future. Hence, the Group has adopted the going concern basis in preparing its consolidated financial statements.

Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, except for derivative financial instruments, debt and equity financial assets, plan assets in defined benefit pension plans and contingent consideration that have been measured at fair value.

The preparation of financial statements in conformity with Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where the assumptions and estimates are significant to the consolidated financial statements are disclosed in each relevant note.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries.

Subsidiaries are all entities over which the Group has control. Subsidiaries are listed in Note 29.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Foreign currency translation

(a) Functional and presentation currency

Items included in the separate financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Financial Statements are presented in NOK (in million), which is the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the monthly exchange rates for the month the transactions are recognised.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses are presented in the income statement within 'other financial items'.

(c) Group companies

The results and financial position of all the Group's entities that have a functional currency different from the presentation currency (NOK) are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income.

The following are the most significant exchange rates used in the consolidation:

	Average rate 2023	Average rate 2022	Closing rate 31.12.2023	Closing rate 31.12.2022
USD	10.5658	9.6197	10.1724	9.8573
GBP	13.1407	11.8610	12.9342	11.8541
EUR	11.4305	10.1128	11.2405	10.5138

Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/ non-current classification.

An asset is current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle, when it is held primarily for the purpose of trading, when it is expected to be realised within twelve months after the reporting period, or when it is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is expected to be settled in the normal operating cycle, when it is held primarily for the purpose of trading, when it is due to be settled within twelve months after the reporting period, or when there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Contract liabilities are classified as current liabilities as they are expected to be settled in the normal operating cycle.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Statement of cash flows

The statement of cash flows is prepared under the indirect method. Cash and cash equivalents include cash, bank deposits and other monetary instruments with a maturity of less than three months at the date of purchase.

NOTE 3 Critical accounting estimates and judgements

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.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are listed below.

Detailed information regarding estimation uncertainties are disclosed in the following notes.

- Revenue recognition (Note 5 - Revenue)
- Determination of expected economic life of assets (Note 9 - Tangible fixed assets)
- Estimation of trade receivable impairment losses (Note 23 - Credit risk)

Detailed information regarding significant judgement exercised are disclosed in the following notes.

- Recognition of deferred tax asset for carried forward tax losses (Note 8 - Income Taxes)
- Provisions and contingent liabilities (Note 27 - Contingencies)
- Evaluation of indicators of impairment (Note 9 - Tangible fixed assets)
- Determination of lease term (Note 17 - Leases)

NOTE 4 Segment summary

Accounting policy

Operating segments are reported in a manner consistent with the internal financial reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board.

Segment reporting

Management has determined the operating segments based on the information reviewed by the Board for the purposes of allocating resources and assessing performance. Well Services, Operations and Project & Engineering have been determined as the operating segments.

Changes in the 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 though 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. The Group provides well services, drilling operations and engineering services to the offshore oil and gas industry. Management has determined the operating segments based on the information reviewed by the Board for the purposes of allocating resources and assessing performance. Well Services, Operations and Project & Engineering have been determined as the operating segments.

	Well Services		Operations		Projects & Engineering		Corporate / GBS		Consolidated	
NOK MILLION	**2023**	**2022***	**2023**	**2022***	**2023**	**2022***	**2023**	**2022***	**2023**	**2022**
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 amortisation	(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*

Corporate / GBS covers overhead costs in the Group as well as 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.

NOTE 5 Revenue

Accounting policy - Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over rendered services to the customer.

The Group has, as a practical expedient in IFRS 15, recognised the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the entity otherwise would have recognised is one year or less.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. The Group has only operating leases as a lessor. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. The lease term may vary from contract to contract, and only includes the non-cancellable period of the contract with the addition of optional renewable periods if the lessee is reasonably certain to extend. None of the existing contracts have optional periods included in the lease term. The lease term is reassessed when options to extend are exercised.

Significant estimation uncertainty

There is estimation uncertainty in the Group's revenue recognition related to bonus and other variable considerations. The Group estimate these variable fees using a most likely amount approach on a contract by contract basis. Management makes a detailed assessment of the amount of revenue expected to be received and the probability of success in each case. Variable consideration is included in revenue only to the extent that it is highly probable that the amount will not be subject to significant reversal when the uncertainty is resolved.

Well Services

The Well Services segment (OWS) 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.

Revenue for the rental services are recognised according to IFRS 16 ***Leases*** and is accounted for on a straight-line basis over the lease terms.

Services related to contracts with customers are provided as a series of distinct services that are substantially the same and have the same pattern of transfer to the customer. Revenue is based on the transaction price in the contracts with customers, which is a combination of fees for equipment used, personnel on board and other pricing elements. Payment of the transaction price is usually due on a monthly basis. The Group generally recognise revenue over time because of the continuous transfer of control to the customer. The period for recognising revenue is generally equal to the contract period.

Operations

The Operations segment provides integrated drilling and maintenance services for 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 in the North Sea. Services are provided as a series of distinct services that are substantially the same and have the same pattern of transfer to the customer.

Revenue is based on the transaction price in the contracts with customers. The main part of the transaction price is fixed day rates, which can vary depending on the phase of contract. Payment of the day rate based transaction price is usually due on a monthly basis. Some contracts may contain milestone payments or prepayment for maintenance services not yet performed. Refer to Note 13 - Contract balances.

The Group generally recognise revenue over time because of the continuous transfer of control to the customer. The period for recognising revenue is generally equal to the contract period.

Some of the contracts include fees for variable or conditional service fee arrangements, such as bonuses for meeting or exceeding certain performance targets. The Group estimate these variable fees using a most likely amount approach, see further description above under the "Significant estimation uncertainty" paragraph.

Projects & Engineering

The Projects & Engineering segment offers engineering services, including design, project management and operation and support. The transaction prices in the contracts are mainly based on rates per hour, but the Business Area may from time to time have some lump sum projects. The Group generally recognise revenue over time because of the continuous transfer of control to the customer. The period for recognising revenue is generally equal to the contract period.

Revenue specification

NOK million	2023	2022
Revenue from contracts with customers	4,521.2	3,430.5
Lease component in Well Services contracts	499.6	454.0
Other operating revenue	0.5	0.4
OPERATING REVENUE	**5,021.4**	**3,885.0**

Revenue from single external customers (> 10% of revenues)

NOK million	Note	2023	2022
Customer 1	31	798.8	816.7
Customer 2		572.7	544.7
Customer 3		441.0	408.7

Disaggregation of revenue by primary geographical markets

	Well Services		Operations		Projects & Engineering		Corporate / GBS		Consolidated	
NOK MILLION	**2023**	**2022**	**2023**	**2022***	**2023**	**2022***	**2023**	**2022***	**2023**	**2022**
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 due to changes in segment reporting, as explained in Note 4*

Performance obligations in contracts

Amounts allocated to performance obligations that are to be completed under existing customer contracts are set out as service elements in the following table.

The firm contract backlog does not include variable consideration which is constrained. The services provided under these contracts will be billed based on time incurred and at day rates according to contract.

Some Well Services contracts are for periods of one year or less and are billed based on time incurred. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

NOK million	Future minimum lease payments	Performance obligations	Total firm backlog
Within one year	165	2,881	**3,046**
Between one and two years	99	1,301	**1,400**
Between two and three years	66	668	**734**
Between three and four years	-	443	**443**
Between four and five years	-	313	**313**
After five years	-	50	**50**
TOTAL	**330**	**5,657**	**5,987**

NOTE 6 Personnel Expenses

Specification

NOK million	Note	2023	2022
Salaries and wages		2,103.9	1,605.5
Employer's national insurance contributions		312.4	218.2
Pension expenses	18	134.4	104.9
Cost of share-based option plan	33	6.0	2.8
Other benefits		137.8	90.0
Hired personnel		338.4	360.1
TOTAL PERSONNEL EXPENSES		**3,032.9**	**2,381.6**

	2023	2022
No. of employees (annual average)	2,299	1,966

NOTE 7 Combined items, income statement

Other gains and losses

NOK million	2023	2022
Net gain on disposal of tangible fixed assets	26.9	13.6
OTHER GAINS AND LOSSES	**26.9**	**13.6**

Other operating expenses

NOK million	2023	2022
Hired services	107.0	100.5
Hired equipment	151.8	90.9
Repair and maintenance, inspection, tools, fixtures and fittings	565.9	391.1
Insurance	7.0	5.2
Freight and transport	74.7	48.9
Premises facility expenses	74.4	47.8
Travel and course expenses	119.6	74.8
Other operating and administrative expenses	74.7	85.3
TOTAL OTHER OPERATING EXPENSES	**1,175.2**	**844.5**

Interest expenses

NOK million	Note	2023	2022
Interest expenses borrowings		138.5	96.6
Amortised transaction costs borrowings		5.6	4.5
Interest expenses lease liabilities	17	11.1	7.8
Other interest expenses		3.7	1.8
TOTAL INTEREST EXPENSES		**159.0**	**110.7**

Other financial items

NOK million	2023	2022
Net currency gain / (loss)	(1.0)	(31.8)
Other financial income	-	0.1
Other financial expenses	(1.5)	(1.6)
TOTAL OTHER FINANCIAL ITEMS	**(2.5)**	**(33.3)**

NOTE 8 Income Taxes

Accounting policy

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Significant judgement executed - uncertain tax position

Odfjell Offshore Ltd, a subsidiary of Odfjell Technology Ltd., was registered as a Norwegian Registered Foreign Company (NUF) on 08.03.2016 after migration of the company in January 2016, and is taxable for income to Norway. In 2017, the company filed for a tax deduction, of approximately NOK 2.3 billion, on redemption of shares in Deep Sea Metro Ltd. A total of NOK 1.3 billion of this loss has been utilised through group contributions received from other Norwegian entities within the Odfjell Drilling Ltd group in the period 2017 to 2021.

21 December 2022 Odfjell Offshore Ltd received a tax ruling from the Norwegian Tax Authorities 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 will appeal the ruling, 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. The amount 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. Odfjell Drilling Ltd will hold the Company indemnified in respect of any liability that may occur in relation to the ongoing Odfjell Offshore Ltd tax case for the financial years 2017 through to 2021. This includes financing of prepayments to the Norwegian Tax Authorities, and funds for legal proceedings.

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. Income taxes payable to Norway in 2024 for the financial year 2023 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.

OECD Pillar Two model rules

The Group is within the scope of the OECD Pillar Two model rules, however it is not expected to come into effect for the group until 2027 at the earliest due to the revenue thresholds in the rules. Since the Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023. Under the legislation, the Group will be liable to pay a top-up tax for the difference between their GloBE effective tax rate per jurisdiction and the 15% minimum rate.

The Group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect. Due to the complexities in applying the legislation and calculating GloBE income, the quantitative impact of the enacted or substantively enacted legislation is not yet reasonably estimable

Income tax expense

NOK million	2023	2022
Payable income tax expense	(57.8)	(51.5)
Net utilisation of unrecognised tax losses	1.6	42.8
Change in deferred tax assets and liabilities	38.9	35.4
TOTAL INCOME TAX EXPENSE	**(17.3)**	**26.8**
Effective tax rate	**4.8 %**	**-11.8 %**

Tax reconciliation

USD million	2023	2022
Profit before income tax expense	**361.5**	**226.2**
Tax calculated at domestic tax rates applicable to profits in respective countries*	(34.0)	(38.7)
Utilisation of unrecognised tax losses	42.7	78.4
Effect of changes in tax rates	0.0	0.1
Effect of adjustments recognised related to prior periods	(2.7)	5.3
Effect of net non-taxable income / (expenses)	(23.3)	(18.2)
INCOME TAX EXPENSE	**(17.3)**	**26.8**

** Domestic tax rates applicable to the Group varies between 0% and 25% for corporate income taxes (CIT).*

Tax losses

NOK million	31.12.2023	31.12.2022
Unused tax losses for which no deferred tax asset has been recognised	603.7	795.6
Potential tax benefit (22%)	**133.2**	**175.5**

The Group has an unrecognised tax asset of NOK 133 million, which is mainly related to the challenged tax loss incurred by Odfjell Offshore Ltd as explained above.

The movement in unrecognised tax assets is as follows:

NOK million	2023	2022
Unrecognised tax asset as at 01.01	175.5	253.8
Utilisation of unrecognised tax losses	(42.7)	(78.4)
Currency translation differences	0.3	0.2
UNRECOGNISED TAX ASSET AS AT 31.12	**133.2**	**175.5**

The gross movement on the recognised deferred tax account is as follows:

NOK million	2023	2022
Net deferred tax assets/(deferred tax liabilities) at 01.01	51.3	15.5
Income statement charge	38.9	35.4
Change in deferred tax on other comprehensive income	(0.4)	0.4
Currency translation differences	0.1	0.0
NET DEFERRED TAX ASSETS/(DEFERRED TAX LIABILITIES) AT 31.12	**89.9**	**51.3**

The Group's recognised deferred tax assets are related to operations in Norway and the UK.

Deferred tax assets - Specification and movements

NOK million	Tax losses	Current assets	Net pension liabilities	Fixed assets	Lease liabilities	Total	Deferred tax liabilities offset in deferred tax assets	Net book value of deferred tax asset
Opening balance 01.01.2022	**-**	**1.8**	**10.3**	**2.8**	**20.8**	**35.7**		
Income statement charge	35.6	0.2	(0.4)	(2.2)	5.4	38.4		
Change in deferred tax on other comprehensive income	-	-	0.4	-	-	0.4		
Currency translation differences	-	(0.0)	-	0.0	0.2	0.2		
CLOSING BALANCE 31.12.2022	**35.6**	**1.9**	**10.3**	**0.6**	**26.4**	**74.7**	**(23.4)**	**51.3**
Income statement charge	41.1	(2.0)	(2.2)	(0.1)	9.6	46.5		
Change in deferred tax on other comprehensive income	-	-	2.5	-	-	2.5		
Currency translation differences	-	0.1	-	(0.0)	0.4	0.5		
CLOSING BALANCE 31.12.2023	**76.6**	**0.0**	**10.6**	**0.5**	**36.4**	**124.2**	**(31.0)**	**93.3**

Deferred tax liabilities - Specification and movements

NOK million	Deferred capital gains	Current assets	Right-of-use Assets		Deferred tax liabilities Total offset in deferred tax assets	Net book value of deferred tax liability
Opening balance 01.01.2022	**(0.0)**	**-**	**(20.2)**	**(20.2)**		
Income statement charge	0.0	(0.0)	(3.1)	(3.1)		
Currency translation differences	-	(0.0)	(0.2)	(0.2)		
CLOSING BALANCE 31.12.2022	**(0.0)**	**(0.0)**	**(23.4)**	**(23.4)**	**23.4**	**-**
Income statement charge	0.0	(1.9)	(5.7)	(7.6)		
Change in deferred tax on other comprehensive income	-	(2.9)	-	(2.9)		
Currency translation differences	-	(0.0)	(0.4)	(0.4)		
CLOSING BALANCE 31.12.2023	**(0.0)**	**(4.8)**	**(29.5)**	**(34.4)**	**31.0**	**(3.4)**

The income tax (charge)/credit relating to components of the other comprehensive income is as follows:

	Before tax	Tax (charge)/ credit	After tax	Before tax	Tax (charge)/ credit	After tax
NOK million	2023	2023	2023	2022	2022	2022
Actuarial loss on post employment benefit obligations	(11.4)	2.5	(8.9)	(1.9)	0.4	(1.5)
Deferred tax related to cash flow hedging instruments under hedge accounting	0.9	(2.9)	(2.0)	10.8	-	10.8
OTHER COMPREHENSIVE INCOME	**(10.5)**	**(0.4)**	**(10.9)**	**8.9**	**0.4**	**9.3**
Deferred tax		(0.4)			0.4	

NOTE 9 Tangible fixed assets

Accounting policy

Property, plant and equipment comprise mainly of, well services equipment and machinery and equipment. Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes purchase price, any directly attributable costs of bringing the asset to working condition and borrowing costs.

Depreciation is calculated on a straight-line basis over the useful life of the asset or component.

The depreciable amount equals historical cost less residual value. Items of property, plant and equipment with components that have substantially different useful lives are treated separately for depreciation purposes.

Subsequent costs for day-to-day repairs and maintenance are expensed as incurred.

The cost of modernisation and rebuilding projects is included in the asset's carrying amount when it is probable that the Group will derive future financial benefits and the cost of the item can be measured reliably. The carrying amount of the replaced part is written off. Modernisation and rebuilding projects are depreciated over the remaining useful life of the related assets.

The useful lives of assets and the depreciation methods are reviewed periodically in order to ensure that the method and period of depreciation are consistent with the expected pattern of financial benefits from the asset, taking into account current and expected climate risk.

When assets are sold or retired, their cost and accumulated depreciation and accumulated impairment loss are eliminated from the accounts and any gain or loss resulting from their disposal is included in the income statement as other gains and losses.

Residual values for property, plant and equipment are estimated to be zero.

Impairment of non-financial assets

All non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Value in use represents the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Non-financial assets, other than goodwill, that have suffered an impairment, are reviewed for reversal of the impairment whenever events or changes in circumstances indicate that the impairment loss recognised in prior periods may no longer exist or may have decreased.

Assets subject to operating leases

Well Service equipment contain assets used in contracts with customers that contain a lease component.

Specification and movements

	2023	2023	2023	2023	2022	2022	2022	2022
NOK million	Well Services equipment	Other fixed assets	Right-of-use assets	Total fixed assets	Well Services equipment	Other fixed assets	Right-of-use assets	Total fixed assets
COST								
At 1 January	4,090.4	194.7	186.7	4,471.9	3,595.8	184.1	156.7	3,936.6
Additions	182.2	27.5	65.5	275.2	309.6	16.6	38.5	364.7
Disposals	(102.7)	(10.2)	(29.7)	(142.6)	(198.3)	(10.0)	(10.9)	(219.2)
Currency translation differences	116.9	3.1	4.1	124.1	383.4	3.9	2.5	389.7
COST AS AT 31 DECEMBER	**4,286.8**	**215.1**	**226.7**	**4,728.6**	**4,090.4**	**194.7**	**186.7**	**4,471.9**
ACCUMULATED DEPRECIATION AND IMPAIRMENT								
At 1 January	(3,169.5)	(160.0)	(73.9)	(3,403.4)	(2,839.2)	(157.5)	(52.5)	(3,049.2)
Depreciation	(283.5)	(12.9)	(27.5)	(323.9)	(232.4)	(9.5)	(22.7)	(264.6)
Impairment / (reversal of impairment)	-	-	0.8	0.8	-	-	(8.5)	(8.5)
Disposals	96.8	10.2	20.5	127.5	195.3	10.0	10.9	216.1
Currency translation differences	(83.6)	(2.7)	(2.4)	(88.7)	(293.2)	(2.9)	(1.2)	(297.3)
AS AT 31 DECEMBER	**(3,439.8)**	**(165.5)**	**(82.4)**	**(3,687.7)**	**(3,169.5)**	**(160.0)**	**(73.9)**	**(3,403.4)**
NET BOOK VALUE AT 31 DECEMBER	**847.0**	**49.7**	**144.2**	**1,040.9**	**921.0**	**34.7**	**112.8**	**1,068.4**
Useful lifetime	*3 - 10 years*	*3 - 5 years*	*2-12 years*		*3 - 10 years*	*3 - 5 years*	*2-12 years*	
Depreciation schedule	*Straight line*	*Straight line*	*Straight line*		*Straight line*	*Straight line*	*Straight line*	

For more information about Right-of-use assets, refer to Note 17 - Leases.

Refer to Note 28 for information about capital commitments.

Significant estimation uncertainty

Management exercises judgement in determining the expected economic life of assets in the Well Services segment. Management uses knowledge of the oil industry and the estimated market development, as well as expected technological development as basis for determining useful life. The evaluation includes effects of the climate change and the shift to renewable energy sources.

Significant judgement exercised

Management exercises significant judgement in determining whether there are any indicators of impairment. Management evaluates both external and internal sources of information in the indicator assessments. The assessments include estimated effects of the climate change and the shift to renewable energy sources.

Impairment of property, plant and equipment

The Group has not identified any impairment indicators, nor any indicators for reversal of impairment as at 31 December 2023.

NOTE 10 Intangible assets

Accounting policy - Goodwill and Intangible assets

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest and net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquired entity and the fair value of non-controlling interest in the acquired entity.

Software assets are stated at their historical cost less any accumulated amortisation and any accumulated impairment losses. Historical cost includes the purchase price and any directly attributable costs of bringing the asset to working condition.

Accounting policy - Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

Specification and movements 2023

NOK million	Goodwill	Software	Patents and acquired R&D	Internally developed assets	Total intangible assets
COST					
At 1 January 2023	132.8	282.3	20.9	19.2	455.2
Additions	-	28.5	-	0.6	29.1
Disposals	-	(23.6)	-	-	(23.6)
Currency translation differences	-	0.0	0.7	0.6	1.3
COST AS AT 31 DECEMBER 2023	**132.8**	**287.2**	**21.5**	**20.5**	**461.9**
ACCUMULATED AMORTISATION AND IMPAIRMENT					
At 1 January 2023	-	(189.1)	(6.4)	(7.5)	(203.1)
Amortisation	-	(20.2)	(2.2)	(2.5)	(24.9)
Disposals	-	23.6	-	-	23.6
Currency translation differences	-	-	(0.1)	(0.1)	(0.3)
AS AT 31 DECEMBER 2023	**-**	**(185.6)**	**(8.8)**	**(10.2)**	**(204.6)**
NET BOOK VALUE AT 31 DECEMBER 2023	**132.8**	**101.5**	**12.7**	**10.3**	**257.3**
Useful lifetime		*3-7 years*	*5-10 years*	*10 years*	
Depreciation schedule		*Straight line*	*Straight line*	*Straight line*	

Internally developed assets

The carrying amount of internally developed assets include development expenses incurred in connection with developing a new drill-hole cleaning tool. The technology has been patented. The Group have documented that the new technology met the criteria for recognition in the balance sheet. The new tool is part of Well Services product line and is expected to generate future cash flow to support the book value as at 31 December 2023.

The developed assets are amortised using a straight-line method over an estimated lifetime of 10 years.

Specification and movements 2022

NOK million	Goodwill	Software	Patents and acquired R&D	Internally developed assets	Total intangible assets
COST					
At 1 January 2022	132.8	241.4	18.7	11.7	404.6
Additions	-	40.9	-	6.0	46.8
Currency translation differences	-	0.0	2.2	1.5	3.7
COST AS AT 31 DECEMBER 2022	**132.8**	**282.3**	**20.9**	**19.2**	**455.2**
ACCUMULATED AMORTISATION AND IMPAIRMENT					
At 1 January 2022	-	(176.8)	(3.9)	(5.9)	(186.5)
Amortisation	-	(12.3)	(2.0)	(0.9)	(15.3)
Currency translation differences	-	-	(0.5)	(0.7)	(1.2)
AS AT 31 DECEMBER 2022	**-**	**(189.1)**	**(6.4)**	**(7.5)**	**(203.1)**
NET BOOK VALUE AT 31 DECEMBER 2022	**132.8**	**93.2**	**14.4**	**11.7**	**252.1**
Useful lifetime		*3-7 years*	*5-10 years*	*10 years*	
Depreciation schedule		*Straight line*	*Straight line*	*Straight line*	

Impairment tests for goodwill - Accounting principle

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units (CGUs), or groups of CGUs, that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Summary of goodwill allocation for each operating segment

	Well Services		Operations		Projects & Engineering		Total	
NOK million	2023	2022	2023	2022	2023	2022	2023	2022
At 1 January	36.4	36.4	86.7	86.7	9.7	9.7	132.8	132.8
NET BOOK VALUE AT 31 DECEMBER	**36.4**	**36.4**	**86.7**	**86.7**	**9.7**	**9.7**	**132.8**	**132.8**

The recoverable amount of the CGUs has been determined based on value-in-use calculations. These calculations use pre-tax 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.

These assumptions have been used for the analysis of each CGU within the operating segment.

Key assumptions for value-in-use calculations	Well Services		Operations		Projects & Engineering	
	2023	2022	2023	2022	2023	2022
EBITDA margin in prognosis period	31%-35%	35-37%	6.5%-7%	8% - 9%	13%-14%	12% - 13%
Growth rate year 6 and forward	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Weighted Average Cost of Capital, pre-tax	12%	12%	9%	9%	10%	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 11 Other assets

Other non-current assets

NOK million	31.12.2023	31.12.2022
Deposits	39.3	33.9
Overfunding pension liabilities	1.0	-
Other non-current receivables	8.7	-
TOTAL OTHER NON-CURRENT ASSETS	**49.0**	**33.9**

Other current assets

NOK million	Note	31.12.2023	31.12.2022
Prepaid expenses		60.2	55.7
Income tax receivables		17.0	20.7
VAT receivables		37.9	14.3
Contract assets	13	-	0.9
Other current receivables		35.0	24.9
TOTAL OTHER CURRENT RECEIVABLES AND ASSETS		**150.0**	**116.4**

NOTE 12 Financial assets and liabilities

Accounting policies

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Derivatives are valued at fair value through profit or loss (FVPL) unless designated as hedges.

The Group has applied the practical expedient under IFRS 9 and are measuring the initial recognition of trade receivables at the transaction price determined under IFRS 15.

Financial assets are de-recognised when the contractual rights to the cash flows from the financial assets expire or are transferred. Realised gains and losses arise from financial assets not designated for hedging, are recognised in the income statement as financial item in the period they occur.

Financial liabilities

The Group's financial liabilities include trade and other payables, as well as borrowings.

The loans and borrowings category is the most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised as well as through the EIR amortisation process. Refer to further information in Note 16 - Interest-bearing borrowings.

Fair value measurement

The Group measures financial instruments such as derivatives, at fair value at each balance sheet date.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described below, based on the lowest level input that is significant to the fair value measurement as a whole.

Financial instruments by category and level

The tables below analyse financial instruments carried at fair value, by valuation method, based on the lowest level input that is significant to the fair value measurement as a whole. The different levels have been defined as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). For short term assets and liabilities at level 3, the value is approximately equal to the carrying amount. As the time horizon is due in short term, future cash flows are not discounted.

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.

The Group had the following financial instruments at each reporting period:

NOK million	Note	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	22	2	11.7	10.8
Other financial assets				
Other non-current receivables	11		48.0	33.9
Trade receivables	14		1,005.6	942.6
Other current receivables	11		35.0	25.8
Cash and cash equivalents	15		658.8	560.1
TOTAL FINANCIAL ASSETS			**1,759.0**	**1,573.0**

NOK million	Note	Level	31.12.2023	31.12.2022
Other financial liabilities				
Non-current interest-bearing borrowings	16		1,088.6	1,084.2
Non-current lease liabilities	17		132.6	96.8
Current interest-bearing borrowings	16		10.3	255.7
Current lease liabilities	17		37.0	30.6
Trade payables			338.9	264.1
Other current liabilities	19		348.9	310.1
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.

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NOTE 13 Contract balances

Accounting policies - Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

For costs to fulfil contracts where the Group operates as a lessor, the Group has chosen to apply the guidance in IFRS 15 by analogy.

Accounting policies - Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Contract liabilities are classified as current liabilities as they are expected to be settled in the normal operating cycle.

Contract balances specification

NOK million	31.12.2023	31.12.2022
Contract assets	-	0.9
Contract liabilities	84.3	63.0

The contract liabilities are mainly related to the Operations segment.

Of the contract liabilities as at 31 December 2023, approximately NOK 10 million is expected to be recognised as revenue during 2024. The remaining relates to Operations contracts and will be recognised as revenue over an estimated period up to 5 years.

Set out below is the amount of revenue recognised from:

NOK million	2023	2022
Amounts included in contract liabilities at the beginning of the year	0.9	2.5
Performance obligations satisfied in the previous years	1.2	-

NOTE 14 Trade receivables

Accounting policy

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Trade receivables are financial assets and are recognised and measured according to accounting policies described in Note 12 - Financial assets and liabilities.

Trade receivables specification

NOK million	Note	31.12.2023	31.12.2022
Trade receivables		641.0	504.3
Earned, not yet invoiced operating revenues		382.4	452.7
Loss allowance	23	(17.8)	(14.5)
TRADE RECEIVABLES - NET		**1,005.6**	**942.6**

As the receivables are due in the short term, the fair value is approximately equal to the carrying amount, and the future cash flows are not discounted.

For information about currencies, ageing and loss allowance, refer to Note 23 - Credit risk.

NOTE 15 Cash and cash equivalents

Accounting policy

Cash and cash equivalents include cash in hand, deposits held at call with banks, other current highly-liquid investments with original maturities of three months or less.

Cash specification:

NOK million	31.12.2023	31.12.2022
Cash in bank	486.0	190.7
Time deposits	101.7	306.7
Restricted bank deposits *	71.0	62.7
TOTAL CASH AND CASH EQUIVALENTS	**658.8**	**560.1**

** The restricted bank deposits are mainly related to tax withholdings for employees.*

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NOTE 16 Interest-bearing borrowings

Accounting policy

Borrowings are financial liabilities recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates. Fees related to revolving credit facilities are amortised on a straight-line basis over the period which the credit facility is available.

Also refer to accounting policies regarding Financial liabilities in Note 12 - Financial assets and liabilities.

Interest-bearing borrowings specification as at 31 December

	Non-current	Current	Total	Non-current	Current	Total
NOK million	2023	2023	2023	2022	2022	2022
Bond loan	1,100.0	-	1,100.0	1,100.0	-	1,100.0
Bank borrowings	-	-	-	-	246.4	246.4
Transaction cost, unamortised	(11.4)	(2.7)	(14.0)	(15.8)	(3.9)	(19.7)
Accrued interest expenses		12.9	12.9	-	13.2	13.2
CARRYING AMOUNTS INTEREST-BEARING BORROWINGS	**1,088.6**	**10.3**	**1,098.9**	**1,084.2**	**255.7**	**1,340.0**

Movements in interest-bearing borrowings

	Non-current	Current	Total	Non-current	Current	Total
NOK million	2023	2023	2023	2022	2022	2022
Carrying amount as at 1 January	**1,084.2**	**255.7**	**1,340.0**	**-**	**-**	**-**
CASH FLOWS:						
New borrowings	-	-	-	1,100.0	219.7	1,319.7
Paid transaction costs related to new borrowings	-	-	-	(19.2)	(5.0)	(24.2)
REPAYMENT BORROWINGS	**-**	**(268.9)**	**(268.9)**	**-**	**-**	**-**
Non-cash flows:			-			
Change in transaction cost, unamortised	4.4	1.2	5.6	3.5	1.0	4.5
Change in accrued interest cost	-	(0.3)	(0.3)	-	13.2	13.2
Change due to currency revaluation	-	22.5	22.5	-	26.7	26.7
CARRYING AMOUNT AS AT 31 DECEMBER	**1,088.6**	**10.3**	**1,098.9**	**1,084.2**	**255.7**	**1,340.0**

Repayment schedule for interest-bearing borrowings as at 31 December

	Non-current	Current	Total	Non-current	Current	Total
NOK million	2023	2023	2023	2022	2022	2022
Within 3 months	-	-	-	-	-	-
Between 3 and 6 months	-	-	-	-	-	-
Between 6 and 9 months	-	-	-	-	-	-
Between 9 months and 1 year	-	-	-	-	246.4	246.4
Between 1 and 2 years	-	-	-	-	-	-
Between 2 and 3 years	1,100.0	-	1,100.0	-	-	-
Between 3 and 4 years	-	-	-	1,100.0	-	1,100.0
Between 4 and 5 years	-	-	-	-	-	-
Beyond 5 years	-	-	-	-	-	-
TOTAL CONTRACTUAL AMOUNTS	**1,100.0**	**-**	**1,100.0**	**1,100.0**	**246.4**	**1,346.4**

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

Refer to Note 21 and Note 22 for further information regarding liquidity risk and interest risk.

The carrying amount and fair value of the non-current liabilities are as follows:

The fair value of non-current borrowings equals their carrying amount, as the loans have floating rates and credit margins have been stable from the loan raising.

Available drawing facilities

The Group has NOK 254 million (the USD 25 million revolving credit facility) in available undrawn facilities as per 31 December 2023.

Compliance with financial covenants as at 31.12.2023

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

Financial covenants

The borrowing facilities in the Group include the following main covenants:

Odfjell Technology Ltd – NOK 1,100 million bond loan

The Group shall maintain minimum liquidity of USD 15 million (including undrawn amounts under the SSRCF), of which minimum USD 5 million in cash and cash equivalents.

Leverage ratio (net interest bearing debt to EBITDA) shall not exceed 4.00:1:00.

The ratio of current assets to current liabilities shall at all times be a minimum 1.00:1.00.

Odfjell Technology Ltd may pay dividends in an amount up to 50% of its consolidated net income in its previous financial year, subject to compliance with the incurrence test on a pro-forma basis. The incurrence test implies that the leverage ratio (net interest bearing debt to EBITDA) shall not exceed 3.00:1:00.

Odfjell Technology Ltd - USD 25 million super senior revolving credit facility ("SSRCF" or "RCF")

The Group shall maintain minimum liquidity of the higher of USD 15 million and 10% of the interest bearing debt (excluding lease liabilities), in each case of which minimum USD 5 million shall be free and unrestricted cash.

Leverage ratio (net interest bearing debt to EBITDA) shall not exceed 3.75:1:00.

The ratio of current assets to current liabilities shall at all times be a minimum 1.00:1.00.

NOTE 17 Leases

The Group's leasing activities as a lessee and how these are accounted for

This note relates to the Group as a lessee only.

The Group leases various offices, workshops and warehouses. Rental contracts are typically made for fixed periods of 6 months to 10 years, but may have extension or termination options. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

The lease payments are discounted using the lessee's incremental borrowing rate. To determine the incremental borrowing rate, the Group uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group and makes adjustments specific to the lease, e.g. term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs, and any restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and smaller items of office equipment.

Significant judgement exercised

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Right-of-use assets

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. For disclosure of movements,, refer to Note 9 - Tangible fixed assets.

Lease liabilities

NOK million	31.12.2023	31.12.2022
Non-current	132.6	96.8
Current	37.0	30.6
TOTAL	**169.6**	**127.4**

Movements in lease liabilities are analysed as follows:

NOK million	Non-current 2023	Current 2023	Total 2023	Non-current 2022	Current 2022	Total 2022
Carrying amount as at 1 January	96.8	30.6	127.4	83.1	24.5	107.6
CASH FLOWS:						
Payments for the principal portion of the lease liability	-	(26.2)	(26.2)	-	(20.5)	(20.5)
Payments for the interest portion of the lease liability	-	(10.1)	(10.1)	-	(7.4)	(7.4)
NON-CASH FLOWS:						
New lease liabilities recognised in the year	65.5	-	65.5	38.5	-	38.5
Interest expense on lease liabilities	11.1	-	11.1	7.8	-	7.8
Reclassified	(41.8)	41.8	-	(33.5)	33.5	-
Currency exchange differences	0.9	0.9	1.8	0.9	0.5	1.4
CARRYING AMOUNT AS AT 31 DECEMBER	**132.6**	**37.0**	**169.6**	**96.8**	**30.6**	**127.4**

Rental costs for exemptions

NOK million	2023	2022
Expenses relating to short-term leases	145.0	90.9
Expenses relating to low value items	6.9	6.6

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Most extension options have not been included in the lease liability, because the Group could replace the asset without significant cost of business disruption, or because the Group is not certain it would need the asset in the option period.

As at 31 December 2023, potential future cash outflows of NOK 200 million (not discounted) have not been included in the lease liability because it is not reasonable certain that these leases will be extended (or not terminated).

NOTE 18 Post-employment benefits

The Group has occupational pension plans in several countries. The pension plans are measured and presented according to IAS 19.

Accounting policy defined contribution plans

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit pension plans

The Group has funded defined benefit pension schemes in four Norwegian companies covering a total of 24 active members and 21 pensioners as at 31 December 2023 (28 active members and 18 pensioners as at 31 December 2022). The scheme entitles employees to defined future benefits. These are mainly dependent on the number of years of service, the salary level at pensionable age and the size of benefits paid by the national insurance. The liabilities are covered through an insurance company.

Mortality index used in actuarial calculations is K2013.

In addition to the pension obligations that arises from the funded defined benefit plans, the Group's Norwegian companies have unfunded defined benefit obligations related to pensions and early retirement pensions. The early retirement pensions entitle staff to benefits (about NOK 120,000 a year) from the company from the age of 62 until they are eligible for a national insurance pension when reaching the age of 67, if they retire and meet requirement to receive CPA (see below).

The Group has contractual pension agreement (CPA) schemes in Norway established in multi-employer plans. These multi-employer plans are defined benefit plans, but the Group does not have access to the necessary information for the accounting years 2023 and 2022 required to account for these plans as defined benefit plans, and the plans are therefore accounted for as defined contribution plans.

A number of the Norwegian subsidiaries in the Group are required to have a civil service pension scheme according to the Norwegian Act relating to mandatory occupational pensions. These subsidiaries have pension schemes in accordance with the requirements in this Act.

Amounts recognised in Statement of Financial Position

NOK million	31.12.2023	31.12.2022
Present value of funded obligations	146.5	139.2
Fair value of plan assets	(123.6)	(116.9)
Deficit of funded plans	**22.8**	**22.3**
Present value of unfunded obligations	25.5	24.4
TOTAL DEFICIT OF DEFINED BENEFIT PENSION PLANS	**48.3**	**46.7**

Total pension expenses included in personnel expenses are decomposed as per below:

NOK million	2023	2022
Pension expenses (-net gain) from defined benefit scheme included in personnel expenses	8.2	8.4
Pension expenses from defined contribution schemes	98.2	78.5
Pension expenses from multi-employer plans accounted for as defined contribution schemes	28.0	18.0
TOTAL PENSION EXPENSES INCLUDED IN PERSONNEL EXPENSES	**134.4**	**104.9**

Movements in the net defined benefit obligation

	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total
NOK million	**2023**	**2023**	**2023**	**2022**	**2022**	**2022**
At 1 January	163.6	(116.9)	46.7	149.5	(102.7)	46.8
Current service cost	7.9	-	7.9	8.4	-	8.4
Loss on plan amendment, curtailment and settlement	-	-	-	-	-	-
Interest expense/ (income)	5.1	(3.6)	1.5	2.3	(1.3)	1.0
Total amount recognised in profit or loss	**13.1**	**(3.6)**	**9.4**	**10.6**	**(1.3)**	**9.4**
Re-measurements:						
(Gain) from change in discount rate	(12.3)	-	(12.3)	(44.4)	-	(44.4)
(Gain) / loss from change in other financial assumptions	11.2	(0.6)	10.6	33.2	(0.2)	33.0
Experience (gain)/loss	6.7	5.4	12.1	20.6	(8.1)	12.5
Investment management cost	-	1.0	1.0	-	0.8	0.8
Total amount recognised in other comprehensive income	**5.6**	**5.8**	**11.4**	**9.4**	**(7.5)**	**1.9**
Contributions:						
Employers	(1.6)	(11.5)	(13.2)	(1.1)	(7.5)	(8.5)
Payments from plans:			-			
Benefit payments	(8.7)	2.7	(6.0)	(4.9)	2.1	(2.8)
AT 31 DECEMBER	**171.9**	**(123.6)**	**48.3**	**163.6**	**(116.9)**	**46.7**

Estimated premium payments to funded defined benefit obligations in 2024 amounts to about NOK 17 million.

The significant actuarial assumptions were as follows:

	31.12.2023	31.12.2022
Discount rate	3.70%	3.20%
Salary growth rate	3.75%	3.75%
Expected growth in G (base social security amount)	3.50%	3.50%
Pension growth rate	2.4%-3.5%	1.7%-3.5%

Refer to Note 6 - Personnel expenses for further information regarding personnel expenses.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions are:

	Change in assumption by:	Impact on Present value of obligation: 31.12.2023	31.12.2022	Change in assumption by:	Impact on Present value of obligation: 31.12.2023	31.12.2022
Discount rate	+0.5%	(10.7)	(10.5)	-0.5%	11.8	11.6
Salary growth rate	+0.5%	3.9	4.2	-0.5%	(3.9)	(4.3)
Pension growth rate	+0.5%	8.0	4.4	-0.5%	(7.4)	(10.0)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practise, this is unlikely to occur, and changes in some of the assumptions may be correlated.

The fair value of plan assets is disaggregated by class as follows

	31.12.2023	31.12.2022
Shares	13%	11%
Short term bonds	5%	15%
Money market	12%	8%
Long term bonds	50%	32%
Loans & Receivables	10%	22%
Real estate	11%	11%
Other	0%	1%

NOTE 19 Other liabilities

Other current liabilities specification

NOK million	Note	31.12.2023	31.12.2022
Contract liabilities	13	84.3	25.1
Social security and other taxes		162.4	129.4
Accrued salaries, holiday pay and employee bonus provisions		244.2	212.3
Other payables and financial liabilities		17.8	2.4
Other accrued expenses		86.9	95.5
TOTAL OTHER CURRENT LIABILITIES		**595.6**	**464.6**

Refer to Note 27 - Contingencies for further information about accounting policy for provisions and accruals, as well as significant judgement applied and estimation uncertainty.

NOTE 20 Financial risk management

Capital management and funding

The primary objective of the Group's capital management is to ensure that it maintains required capital ratios and liquidity available to support the Business Areas. Capital management should be such that the capital structure is sufficiently robust to withstand prolonged adverse conditions in significant risk factors, such as long-term down-cycles in our markets and unfavourable conditions in financial markets. Capital management also comprise securing the company to be in compliance with covenants on interest bearing debt. Reference is made to Note 16 - Interest-bearing borrowings which disclose information about covenants on long term interest bearing liabilities.

The Group will manage the capital structure and make adjustments to it, to maintain an optimal structure adapted to current economic conditions. In order to maintain or adjust the capital structure, the Group may adjust dividend payments, buy treasury shares, return capital to shareholders or issue new shares.

	31.12.2023	31.12.2022
Equity	1,076.6	778.8
Total assets	3,694.6	3,114.9
EQUITY RATIO	**29%**	**25%**
Cash and cash equivalents excl. restricted capital	587.7	497.4
Available drawing facilities	254.3	-
TOTAL AVAILABLE LIQUIDITY	**842.0**	**497.4**

Deposits / placements

The liquidity management has four main objectives:

- Matching of surplus funds against borrowing requirements.
- Secure a high level of liquidity (a targeted minimum of two months operating expenses) in order to meet future plans of the Group.
- Limitation of credit risks.
- Maximise return on liquid assets.

Accordingly, investments may only be made in securities with a rating of Investment grade, BAA (Moodys) , BBB- (Standard and Poors and Fitch IBCA) or better.

A list of counter-party exposure limits is reported to the Board of Odfjell Drilling on a yearly basis.

The following instruments are allowed for short term placements;

- Deposits in banks
- Loans to companies/institutions/funds (like fixed or floating rate bonds, senior or subordinated debt)
- Certificates
- Money-market funds

Working Capital

The company's policy is to have a positive working capital.

Financial risk factors

The Group is exposed to a range of financial risks: liquidity risk, market risk (including currency risk, interest rate risk, and price risk), and credit risk.

The financial risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. To some extent, the Group uses derivative financial instruments to reduce certain risk exposures.

Risk management is carried out on a Group level. The Group identifies, evaluates and hedges financial risks in close co-operation with the Group's operational units. The board of Odfjell Technology Ltd. has established principles for risk management of foreign exchange risk, interest rate risk and use of derivative financial instruments.

NOTE 21 Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of credit facilities and to have sufficient cash or cash equivalents at any time to be able to finance its operations and investments in accordance with the Group's strategic plan.

With regular forecasts and liquidity analysis updates, the Group will ensure sufficient available liquidity to fulfil its duties at loan maturity, without unacceptable loss or risk of damaging the Group's reputation.

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit lines available.

The Group's cash flow forecasting is performed by Group Finance. Group Finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs at all times, so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans and covenant compliance.

Surplus cash held by the operating entities over and above the balance required for working capital management is transferred to the Group Treasury. Group treasury invests surplus cash in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

The Group held cash and cash equivalents amounting to NOK 659 million in addition to available drawing facilities of NOK 254 million at the end of 2023. This is deemed to be sufficient funding for the Group's current activity levels and committed capital expenditures during 2024.

The liquidity risk is connected with the market risk and the re-contracting risk for the segments. The management continuously focuses on securing new profitable contracts to generate sufficient cash flow from operations, hence reducing the liquidity risk going forward.

Operating in more than 20 jurisdictions the Group do from time to time receive enquiries from authorities about compliance related matters. Refer to Note 27 regarding notice of decision received 1 October 2021 from HM Revenue and Customs. The Group has per 31 December 2023 not received any formal material assessment which is not disclosed in the financial statements.

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

Maturity of financial liabilities

The amounts disclosed in the table are the contractual non-discounted cash flows. The table include estimated interest payments for drawn facilities at the balance sheet date, based on the remaining period at the end of the reporting period to the contractual maturity date. The estimated interest payments include payments based on forward rates for the interest rate swaps.

31.12.2023 - NOK million	Less than 6 months	6 - 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount 31.12.2023
Interest-bearing borrowings	60.4	61.8	120.9	1,130.2	-	1,373.3	1,098.9
Lease liabilities	18.4	18.6	34.1	87.7	53.9	212.6	169.6
Trade payables	338.9	-	-	-	-	338.9	338.9
Other current payables	342.1	6.8	-	-	-	348.9	348.9

31.12.2022 - NOK million	Less than 6 months	6 - 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount 31.12.2022
Interest-bearing borrowings	306.6	56.1	112.1	1,238.6	-	1,713.4	1,340.0
Lease liabilities	15.4	15.2	30.0	59.2	30.6	150.4	127.4
Trade payables	264.1	-	-	-	-	264.1	264.1
Other current payables	305.8	4.3	-	-	-	310.1	310.1

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NOTE 22 Market risk

Market risk is the risk of a change in market prices and demand, as well as changes in currency exchange rates and interest levels.

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 regions we operate 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 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.

Climate Risk

Following an assessment of climate risks and opportunities, both physical and transitional risks in the short, medium and long term, were prioritised.

The most significant transition risks identified, along with mitigating actions were:

- Increased resources, skills and tools required to measure, track and report on climate data, leading to increased costs. In house expertise being developed, gap analysis being conducted, and software tools evaluated.
- Impact on the ability to attract and retain talent, increasing costs. Training programmes to be reviewed and increase focus on communicating our sustainable activities.
- Changes in consumer behaviours reducing the demand for oil and gas and therefore revenue. To be addressed through diversification of our client portfolio and services to support the energy transition.
- Cost of and access to capital may go up as banks move to low carbon portfolios, leading to increased interest costs. Consider green funding resources for investments and diversify to low carbon portfolio.

The most significant physical risks identified, along with mitigating actions were:

- Impact of extreme weather offshore on crew and equipment logistics could increase costs and result in downtime. Critical spares analysis and robust planning required, as well as protection in commercial contracts.
- Heat, floods and tropical storms may increase in certain geographies we operate in, damaging infrastructure and increasing costs. Business continuity plans, remote working and reviews of locations required to address risk.
- Heat stress will impact employees and equipment working outside in certain locations. Health tracking and storage of equipment to be monitored.

Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively.

Derivatives are recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured on a continuous basis at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates certain derivatives as hedges of highly probable forecast transactions (cash-flow hedges). At the date of the hedging transaction, the Group's documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

- The effective portion of the gain or loss on the cash flow hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the income statement. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.
- Amounts recognised directly in other comprehensive income are reclassified as income or expense in the income statement in the period when the hedged liability or planned transaction will affect the income statement.

Derivatives are only used for economic hedging purposes and not as speculative investments.

Derivatives are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

The Group has the following derivative financial instruments in the following line items in the balance sheet:

NOK million	31.12.2023	31.12.2022
NON-CURRENT ASSETS		
Interest rate swaps - cash flow hedges under hedge accounting	11.7	10.8
Total non-current derivative financial instruments asset	**11.7**	**10.8**

The Group's hedging reserves disclosed in Note 25 - Other reserves.

Cash flow hedging reserves

NOK million	Interest rate swaps	Total hedge reserves
Opening balance 1 January 2022	-	-
Change in fair value of hedging instruments recognised in OCI	11.3	11.3
Reclassified from OCI to profit or loss	(0.5)	(0.5)
CLOSING BALANCE 31 DECEMBER 2022	**10.8**	**10.8**
Change in fair value of hedging instruments recognised in OCI	(5.5)	(5.5)
Reclassified from OCI to profit or loss	6.4	6.4
CLOSING BALANCE 31 DECEMBER 2023	**11.7**	**11.7**

Foreign exchange risk

The consolidated material subsidiaries' reporting and functional currencies are NOK, USD, GBP and EUR.

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD and NOK. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Group is exposed to risks due to fluctuations in exchange rates as the customer contracts are denominated in multiple currencies with cost mainly in local currency, while capital expenditure is in USD.

The Group seeks to minimise these risks through natural hedging by balancing the currency in and out flow and will use financial hedging instruments if required.

The foreign exchange contracts are only used for economic hedging purposes and not as speculative investments. However, these derivatives did not meet the hedge accounting criteria, and are accounted for at fair value through profit or loss.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in NOK, was as follows:

Foreign exchange risk - Exposure - 31.12.2023

NOK million	USD	NOK	GBP
Cash and cash equivalents *	(239.9)	212.0	(30.6)
Trade receivables	92.6	13.7	3.1
Interest-bearing borrowings	-	-	-
Trade payables	(37.6)	(13.0)	(1.2)
Other current payables	(1.2)	(0.1)	(1.3)

Foreign exchange risk - Exposure - 31.12.2022

NOK million	USD	NOK	GBP
Cash and cash equivalents	132.3	-	-
Trade receivables	65.8	8.5	-
Interest-bearing borrowings	(244.1)	-	-
Trade payables	(23.8)	(5.7)	(1.2)
Other current payables	(2.6)	(10.6)	(3.8)

The aggregate net foreign exchange gains/losses recognised in profit or loss were:

NOK million	2023	2022
Net currency gain / (loss) included in finance costs	(1.0)	(31.8)

Sensitivity to changes in USD/NOK exchange rates

The Group's profit or loss is primarily exposed to changes in USD/NOK exchange rates.

The sensitivity shown in table below is calculated based on USD balances in companies with NOK as functional currency, and NOK balances in companies with USD as functional currency.

Sensitivity to changes in USD/NOK exchange rates	USD is strengthened by 20 % against NOK		USD is strengthened by 10 % against NOK		USD is weakened by 10 % against NOK		USD is weakened by 20 % against NOK	
NOK million	2023	2022	2023	2022	2023	2022	2023	2022
Cash and cash equivalents	(31.6)	3.4	(19.5)	1.7	19.5	(1.7)	38.9	(3.4)
Current receivables	12.1	1.3	6.0	0.6	(5.9)	(0.6)	(11.8)	(1.3)
Current liabilities	0.3	(48.8)	0.1	(24.4)	(0.1)	24.4	(0.3)	48.8
NET EFFECT ON PROFIT BEFORE TAX	**(19.2)**	**(44.2)**	**(13.3)**	**(22.1)**	**13.4**	**22.1**	**26.9**	**44.2**

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowing debt obligations at floating interest rates. The Group evaluates the share of interest rate hedging based on assessment of the Group's total interest rate risk and currently has a combination of fixed and floating interest rates in order to limit exposure. The Board of Directors is on regular basis considering the interest payment hedging of the external financing and mandate administration to execute necessary changes.

Where all relevant criteria are met, hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item. This will effectively result in recognising interest expense at a fixed interest rate for the hedged floating rate loans.

The Group had 2 interest rate swap agreements at 31 December 2023. Quoted mark-to-market values from financial institutions have been used to determine the fair value of the swap agreements at the end of the year. The instruments were documented as cash flow hedges and changes in fair value were recognised in other comprehensive income (cash flow hedging).

Including interest rate swaps entered into, the fixed-rate portion of the Group's interest bearing debt per 31 December 2023 is approximately 35%.

The swap contracts require settlement of net interest receivable or payable. The settlement dates coincide with the dates on which interest is payable on the underlying debt.

Average interest rate at 31 December 2022 was about 10.9% including the effect of interest rate hedging.

Estimated fair value calculations from external financial institutions have been used to determine the fair value of the swap agreement at the end of the year.

The Group monitors its interest rate exposure on a dynamic basis. The Group calculates the impact on profit and loss of a defined interest rate shift.

The Group held the following interest rate swaps:

NOK million	Interest	Notional amount	Maturity date	Hedge ratio	Weighted average hedged rate	Carrying amount 31.12.2023	Carrying amount 31.12.2022
Cash flow hedges under hedge accounting	NOK Nibor	275.0	2026	1:1	2.0700%	9.3	9.0
Cash flow hedges under hedge accounting	NOK Nibor	110.0	2026	1:1	2.6140%	2.4	1.7

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the end of the reporting period are as follows:

NOK million	31.12.2023	% of total loans	31.12.2022	% of total loans
Variable rate borrowings - NOK NIBOR	715.0	65%	715.0	53%
Variable rate borrowings - USD SOFR	-	0%	246.4	18%
Fixed rate borrowings - repricing or maturity dates:				
Less than 1 year	-	0%	-	0%
1-5 years	385.0	35%	385.0	29%
Later than 5 years	-	0%	-	0%
TOTAL CONTRACTUAL AMOUNTS	**1,100.0**	**100%**	**1,346.4**	**100%**

The result of the calculation on sensitivities returns the following expected values (incl. interest rate swaps entered into as at 31 December):

If interest rate is increased by 1.0 %, the effect would be an increase in financing costs of NOK 7 million for the next 12 months as at 31 December 2023.

NOTE 23 Credit risk

Accounting policy

The Group assesses, on a forward looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Further description

The Group operates in three core Business Areas: Well Services (OWS), Operations and Projects & Engineering. The market for the Group's services is the offshore oil and gas industry, and the customers consist primarily of major integrated oil companies, independent oil and gas producers and government owned oil companies. The Group performs ongoing credit evaluations of the customers and generally does not request material collateral.

With respect to credit risk arising from other financial assets of the Group, which comprise cash and cash equivalents, other receivables and certain derivatives instruments receivable amount, the Group's exposure to credit risk arises from default of the counter-party, with a maximum exposure equal to the carrying amount of these instruments. However, the Group believes this risk is limited as the counter-parties mainly have a high credit quality.

During 2023, the Group has continued its focus on credit risk in general related to the uncertain conditions in some geographical markets. The maximum exposure regarding trade receivables is the carrying amount of NOK 1,006 million.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to non-billed work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2023 or 31 December 2022 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Significant estimation uncertainty

Management exercises judgement in determining the impairment loss related to the trade receivables.

Included in the Trade receivables as at 31 December 2023 and 31 December 2022 the Group has an outstanding amount of EUR 4 million (NOK 45 million) towards customers in Iran. The Group's activities in Iran ceased prior to reinforcement of US sanctions early November 2018. No payments have been received after this date, due to no current efficient bank channels out of Iran. The Iranian customers are working on improving the liquidity situation and finding appropriate payment routes. The Group's Iranian customers have previously demonstrated that they prioritise supplier payments, and although delayed, they have historically paid their outstanding.

An impairment loss of EUR 0.7 million (NOK 7.5 million) have been accrued for related to these trade receivables as at 31 December 2022, an increase of EUR 0.2 million (NOK 2 million) from 31 December 2022.

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The ageing of the trade receivables - 31.12.2023

	Expected loss rate	Gross amount	Loss allowance	Net amount
NOK million		31.12.2023	31.12.2023	31.12.2023
Not due	0.0%	850.9	-	850.9
0 to 3 months	0.4%	89.4	(0.3)	89.0
3 to 6 months	14.6%	16.9	(2.5)	14.4
Over 6 months	22.7%	66.3	(15.0)	51.2
TOTAL		**1,023.4**	**(17.8)**	**1,005.6**

Contract assets - 2023

	Expected loss rate	Gross amount	Loss allowance	Net amount
NOK million		31.12.2023	31.12.2023	31.12.2023
Not due	0.0%	-	-	-

The ageing of the trade receivables - 31.12.2022

	Expected loss rate	Gross amount	Loss allowance	Net amount
NOK million		31.12.2022	31.12.2022	31.12.2022
Not due	0.0%	781.9	-	781.9
0 to 3 months	0.0%	105.4	-	105.4
3 to 6 months	2.7%	9.6	(0.3)	9.3
Over 6 months	23.6%	60.2	(14.2)	46.0
TOTAL		**957.0**	**(14.5)**	**942.6**

Contract assets - 2022

	Expected loss rate	Gross amount	Loss allowance	Net amount
NOK million		31.12.2022	31.12.2022	31.12.2022
Not due	0.0%	0.9	-	0.9

Movements in loss allowance / the provision for impairment of trade receivables and contract assets are as follows:

	Trade receivables		Contract assets	
NOK million	2023	2022	2023	2022
Loss allowance as at 1 January	14.5	12.4	-	-
Utilised	(1.8)	(2.6)	-	-
Released provision	(0.6)	(0.0)	-	-
New provisions	5.4	3.6	-	-
Translation differences	0.4	1.1	-	-
LOSS ALLOWANCE AS AT 31 DECEMBER	**17.8**	**14.5**	**-**	**-**

NOK million	2023	2022
Net gain (loss) related to trade receivables	(4.8)	(3.7)

The impairment losses recognised are related to receivables arising from the Group's contracts with customers.

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NOTE 24 Share capital and shareholder information

	No.of shares	Nominal value	Share capital - USD thousands
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.

Largest common shareholders at 31 December 2023	Account type	Holding	% of shares
Odfjell Technology Holding Ltd.	Ordinary	23,825,396	60.37%
SPACE AS	Ordinary	1,025,262	2.60%
BNP Paribas	Nominee	727,213	1.84%
Avanza Bank AB	Nominee	599,589	1.52%
Citibank, N.A.	Nominee	587,712	1.49%
State Street Bank and Trust Comp	Nominee	545,897	1.38%
KONTRARI AS	Ordinary	500,000	1.27%
DNB BANK ASA	Nominee	428,077	1.08%
Goldman Sachs International	Nominee	425,376	1.08%
State Street Bank and Trust Comp	Nominee	393,221	1.00%
Goldman Sachs & Co. LLC	Nominee	333,443	0.84%
Nordnet Bank AB	Nominee	324,350	0.82%
NORDNET LIVSFORSIKRING AS	Ordinary	312,937	0.79%
TOLUMA NORDEN AS	Ordinary	303,244	0.77%
Pershing LLC	Nominee	269,423	0.68%
VERDIPAPIRFONDET DNB SMB	Ordinary	260,414	0.66%
SONGA CAPITAL AS	Ordinary	257,644	0.65%
AS CLIPPER	Ordinary	249,758	0.63%
SKANDINAVISKA ENSKILDA BANKEN AB	Ordinary	215,957	0.55%
KARSTEN ELLINGSEN AS	Ordinary	205,000	0.52%
Total 20 largest common shareholders		**31,789,913**	**80.55%**
Other common shareholders		7,673,954	19.45%
TOTAL COMMON SHAREHOLDERS		**39,463,867**	**100.00%**

Common shares

The Company has only one class of ordinary shares. Each common share in the Company carries one vote, and all common shares carry equal rights, including the right to participate in General Meetings. All shareholders are treated on an equal basis.

The Company's common shares are freely transferable in Norway, provided however, that the Bye-laws include a right for the Board to decline to register a transfer of any share in the register of members, (or if required, refuse to direct any registrar appointed by the Company to transfer any interest in a share) where such transfer would result in 50% or more of the Company's shares or votes being held, controlled or owned directly or indirectly by individuals or legal persons resident for tax purposes in Norway (or, alternatively, such shares or votes being effectively connected to a Norwegian business activity).

Cash dividend paid in 2023

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.

In total Odfjell Technology Ltd Group paid cash dividend of 1.899 NOK per share, equal to approximately NOK 100 million.

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NOTE 25 Other reserves

NOK million	Note	Cash flow hedges	Translation differences	Share-Option plan	Total
At 1 January 2022		**-**	**645.4**	**-**	**645.4**
Change in fair value of hedging instruments recognised in OCI	22	11.3	-	-	11.3
Reclassified from OCI to profit or loss	22	(0.5)	-	-	(0.5)
Currency translation difference		-	140.6	-	140.6
Cost of share-based option plan	33	-	-	2.8	2.8
AT 31 DECEMBER 2022		**10.8**	**786.0**	**2.8**	**799.7**
Change in fair value of hedging instruments recognised in OCI	22	(5.5)	-	-	(5.5)
Reclassified from OCI to profit or loss	22	6.4	-	-	6.4
Deferred tax related to hedging instruments	8	(2.9)	-	-	(2.9)
Currency translation difference		-	58.4	-	58.4
Cost of share-based option plan	33	-	-	6.0	6.0
AT 31 DECEMBER 2023		**8.8**	**844.4**	**8.9**	**862.1**

NOTE 26 Securities and mortgages

Liabilities secured by mortgage

NOK million	31.12.2023	31.12.2022
Non current liabilities - contractual amounts	1,100.0	1,100.0
Current liabilities	12.9	259.6
TOTAL	**1,112.9**	**1,359.6**

Carrying amount of mortgaged assets:

NOK million	31.12.2023	31.12.2022
Property, plant and equipment	1,040.9	1,068.4
Spare parts	45.9	29.3
Receivables and contract assets	1,155.6	1,059.0
Bank deposits	658.8	560.1
TOTAL	**2,901.2**	**2,716.9**

Odfjell Technology Ltd – NOK 1,100 million bond loan and USD 25 million Senior Secured Rolling Credit Facility

As security for the loans, substantially all of the assets of Odfjell Technology Ltd., and its subsidiaries have been pledged in favour of the lenders.

Subsidiaries Odfjell Technology Invest Ltd, Odfjell Platform Drilling AS and Odfjell Technology AS. have guaranteed as and for its own debt the due and punctual observance and performance of the obligors' obligations under the finance documents.

NOTE 27 Contingencies

Accounting policy - Provisions, contingent liabilities and contingent assets

A provision is recognised when an obligation exists (legal or constructive) as a result of a past event, it is probable that an economic settlement will be required as a consequence of the obligation, and a reliable estimate can be made of the amount of the obligation.

The best estimate of the expenditure required to settle the obligation is recognised as a provision. When the effect is material, the provision is discounted using a market based pre-tax discount rate.

A provision for restructuring costs is recognised when a constructive obligation arises. Such an obligation is assumed to have arisen when the restructuring plan is approved and the implementation of the plan has begun, or its main features are announced to those affected by it.

Contingent liabilities and contingent assets are not recognised. Contingent liabilities are disclosed unless the possibility of an economic settlement as a consequence of the obligation is remote. Contingent assets are disclosed where an economic settlement as a consequence of the asset is probable.

Significant judgement exercised

The Group may from time to time be subject to various legal proceedings, disputes and claims including regulatory discussions related to the Group's business, investments etc., of which the outcomes are subject to significant uncertainty. Management applies significant judgement when evaluating the degree of probability of an unfavourable outcome and the ability to make a reasonable estimate of the amount of loss. Unanticipated events or changes in these factors may require the Group to accrue for a matter that has not been previously accrued for because it was not considered probable, or a reasonable estimate could not be made, or increase or decrease an amount accrued for a matter in previous reporting periods.

A Group subsidiary is subject to challenges by HM Revenue and Customs ("HMRC") on the historical application of National Insurance Contributions ("NICs") to workers in the UK Continental Shelf. 1 October 2021, a decision was issued by HMRC against Odfjell Technology (UK) Ltd "OT UK" (Previously Odfjell Drilling (UK) Ltd) in respect of the historic application of NICs. OT UK has appealed against the decision and no payment has been made to HMRC pending the outcome of the first level appeal. This appeal has now been listed to take place towards the end of 2024. 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 327 million.

Refer to Note 8 Income Taxes for information about the Odfjell Offshore Ltd tax case.

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

NOTE 28 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 Service equipment	146.5	88.3
TOTAL	**146.5**	**88.3**

NOTE 29 Subsidiaries

Name of entity	Country of incorporation	Principal place of business	Functional currency	Ownership 2023	Ownership 2022	Principal activities
Odfjell Technology Invest Ltd.	Bermuda	United Arab Emirates	USD	100	100	Holding company / Well services equipment owner
Odfjell Well Services II Ltd.	Bermuda	Kurdistan	USD	100	100	Well services
Odfjell Services (Thailand) FLC	Thailand	Thailand	THB	100	100	Well services
Odfjell Well Services Cooperatief U.A.	Netherlands	Europe	EUR	100	100	Well services
Odfjell Well Services SRL	Romania	Europe	RON	100	100	Well services
Odfjell Arabia Drilling Services LLC	Saudi Arabia	Saudi Arabia	USD	100	100	Well services
Odfjell Well Service (UK) Ltd.	Scotland	UK	GBP	100	100	Well services
Odfjell Well Services Norway AS	Norway	Norway	NOK	100	100	Well services
Odfjell Well Services AS	Norway	Norway	NOK	100	100	Well services
Odfjell Energy (Malaysia) SDN BHD	Malaysia	Malaysia	MYR	100	100	Well services
Odfjell Well Services (Malaysia) SDN BHD	Malaysia	Malaysia	MYR	100	100	Well services
Odfjell Well Services (Namibia) (Pty) Ltd	Namibia	Namibia	USD	100	n/a	Well services
Odfjell Well Services Ltd.	British Virgin Islands	United Arab Emirates	USD	100	100	Well services
Odfjell Platform Drilling AS	Norway	Norway	NOK	100	100	Holding company / Operations, Projects & Engineering
Odfjell Operations AS	Norway	Norway	NOK	100	100	Operations
Odfjell Technology (UK) Ltd.	Scotland	UK	GBP	100	100	Operations
Odfjell Offshore Ltd.	Bermuda	Norway	NOK	100	100	Operations
Odfjell Engineering AS	Norway	Norway	NOK	100	100	Projects & Engineering
Odfjell Energy Crewing AS	Norway	Norway	NOK	100	100	Offshore crewing rig inspection and installation services
Odfjell Technology AS	Norway	Norway	NOK	100	100	Group Business Services
Odfjell Drilling Philippines Corporation	Philippines	Philippines	PHP	100	100	Group Business Services

The Group's principal subsidiaries are set out in table above. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group.

Other subsidiaries included in the consolidated Group financial statements:

Name of entity	Country of incorporation	Principal place of business	Functional currency	Ownership 2023	Ownership 2022	Principal activities
Odfjell Well Services Ltda	Brazil	Brazil	BRL	100	100	No activity
Odfjell Drilling Brasil Ltda.	Brazil	Brazil	BRL	100	100	No activity
Odfjell Gestao de Perfurancoes do Brasil Ltda.	Brazil	Brazil	BRL	100	100	No activity

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NOTE 30 Investments in joint ventures and associates

Accounting policy

Joint ventures are accounted for using the equity method. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

Joint ventures

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.*

NOK million	2023	2022
The company's share of equity	61.7	1.0
Goodwill	13.4	13.4
Mandatory convertible loan	-	35.6
Eliminations	(0.1)	-
BOOK VALUE AS AT 31.12	**75.0**	**50.0**

Odfjell Oceanwind AS does not have observable market values in form of market price or similar.

Description of the business in Odfjell Oceanwind

Odfjell Oceanwind is a provider of designs, technologies and solutions for floating offshore wind projects, develops projects based on these products and provides services to own and third party owned projects.

The table below shows the condensed consolidated financial information of Odfjell Oceanwind Group, based on 100%

NOK million	2023	2022
Total revenue	121.0	16.7
Other gains and losses	8.3	-
Total operating expenses	(96.9)	(124.7)
Share of profit or loss from joint ventures	(22.1)	-
Net financial items	(0.1)	(0.3)
Net profit/(loss)	10.3	(108.3)
Current assets	258.8	70.4
-whereof cash and cash equivalents	248.1	65.5
Non-current assets	69.8	-
Current liabilities	37.8	65.7
-whereof current financial liabilities	-	-
Non-current liabilities	-	-
Equity	290.8	4.7

NOTE 31 Related parties - transactions, receivables, liabilities and commitments

The Group had the following material transactions with related parties:

NOK million	Relation	2023	2022
Odfjell Oceanwind AS	Joint-venture	31.9	30.5
Companies within the Odfjell Drilling Ltd. Group	Related to main shareholder	798.8	816.7
TOTAL SALES OF SERVICES TO RELATED PARTIES		**830.6**	**847.2**

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

NOK million	2023	2022
Well Services	391.7	374.7
Operations	57.5	148.8
Projects & Engineering	128.2	133.2
Corporate / GBS	253.2	190.5
TOTAL OPERATING REVENUE TO RELATED PARTIES	**830.6**	**847.2**

NOK million	Relation	2023	2022
Odfjell Oceanwind AS	Joint-venture	1.5	-
Companies within the Odfjell Drilling Ltd. Group	Related to main shareholder	21.3	35.0
TOTAL OPERATING EXPENSES TO RELATED PARTIES		**22.8**	**35.0**

NOK million	Relation	2023	2022
Odfjell Drilling Ltd.	Related to main shareholder	-	0.8
Odfjell Oceanwind AS	Joint-venture	1.9	0.2
TOTAL INTEREST INCOME FROM RELATED PARTIES		**1.9**	**1.0**

The Group had the following receivables and liabilities to related parties

NOK million	Related party	Relation	31.12.2023	31.12.2022
Trade receivables	Companies in Odfjell Drilling Ltd Group	Related to main shareholder	84.2	119.2
Other current receivables	Companies in Odfjell Drilling Ltd Group	Related to main shareholder	21.6	9.4
Trade payables	Companies in Odfjell Drilling Ltd Group	Related to main shareholder	(1.5)	(3.8)
Other current payables	Companies in Odfjell Drilling Ltd Group	Related to main shareholder	(0.8)	(5.8)
NET CURRENT PAYABLES RELATED PARTIES			**103.6**	**119.1**

Refer to Note 8 Income taxes for information about the non-current liability repayment to Odfjell Drilling Ltd.

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 as per 31 December 2022

Simen Lieungh (CEO of Odfjell Technology AS) controls 40,000 (0.10%) of the common shares, and Jone Torstensen (CFO of Odfjell Technology AS) controls 5,000 (0.01%) of the common shares in the company as per 31 December 2023.

NOTE 32 Remuneration to the Board of Directors, key executive management and auditor

Details of salary, variable pay and other benefits provided to Group management in 2023:

NOK thousands		Salary	Bonus	Other remuneration	Pension premium	Expense share-based payments	Total
Simen Lieungh	CEO - Odfjell Technology AS	6,344	5,000	288	127	2,668	14,426
Jone Torstensen	CFO - Odfjell Technology AS	3,076	2,400	238	140	889	6,743
Diane Stephen	General Manager - Odfjell Technology Ltd.	1,093	260	59	53	-	1,465
TOTAL		**10,513**	**7,660**	**585**	**320**	**3,557**	**22,634**

The amounts listed as Salary, Bonus, and Other remuneration in the table above represent cash payments in 2023. Refer to the Executive Remuneration Report for bonuses earned in 2023.

Amounts listed as Pension premium and Expense share-based payments relates to the expense accounted for as personnel expenses in the respective year.

For details regarding incentive share option programme, refer to the Executive Remuneration Report and Note 33 - Share-based payments

Details of salary, variable pay and other benefits provided to Group management in 2022:

NOK thousands		Salary	Bonus	Pension premium	Other remuneration	Expense share-based payments	Total
Simen Lieungh	CEO from 29 March 2022 - Odfjell Technology AS	4,018	-	99	175	1,367	5,659
Jone Torstensen	CFO from 29 March 2022 - Odfjell Technology AS	2,009	-	100	174	456	2,738
Diane Stephen	General Manager - Odfjell Technology Ltd.	689	119	36	40	-	883
TOTAL		**6,715**	**119**	**235**	**389**	**1,822**	**9,280**

Fees paid to Board of non-executive directors:

NOK thousands	2023	2022
Helene Odfjell	800	206
Susanne Munch Thore	475	122
Alasdair Shiach	425	109
Victor Vadaneaux	375	97
TOTAL REMUNERATION PAID TO BOARD OF NON-EXECUTIVE DIRECTORS	**2,075**	**534**

Fees to the Group's auditor

NOK thousands	2023	2022
Audit	2,546	1,794
Other assurance services	-	-
Tax advisory fee	-	-
Fees for other services	186	185
TOTAL REMUNERATION TO THE GROUP'S AUDITOR	**2,732**	**1,978**

All listed fees are net of VAT.

NOTE 33 Share-based payments

Accounting principle

The company have a long term equity settled incentive share option programme, in which the employee receives remuneration in the form of share-based payment for services rendered.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details below.

That cost is recognised in personnel expenses together with a corresponding increase in equity, over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Details regarding share option programme:

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

The options can only be exercised in three equal tranches, with vesting periods of one, two and three years. The options may be exercised during the subsequent year. Any options not exercised in the first two tranches can be rolled forward to the next tranches. Any options not exercised by the end of period (Q3 2025) will be terminated.

Overview of outstanding options:	2023	2022
Outstanding options 1.1	1,995,000	-
Options granted	-	1,995,000
Options forfeited	-	-
Options exercised	-	-
Options expired	-	-
OUTSTANDING OPTIONS 31.12	**1,995,000**	**1,995,000**
Of which exercisable	665,000	-

The fair value of the options has been calculated using Black & Scholes option-pricing model. The average fair value of the options granted in 2022 is NOK 9.07. The total cost of the share option plan is calculated based on the fair value 1,995,000 options granted. The total cost equals approximately NOK 18 million and is recognised over the period until August 2025.

The calculations are based on the following assumptions:

- The share price on the grant dates were set to the stock exchange price on the grant dates (27 June 2022, 15 August 2022 and 1 September 2022).
- The strike price per options were a weighted average of NOK 22.75.
- The expected price volatility of the company's shares was set to 55% based on historical volatility adjusted for expected changes.
- The expiry date was set to 4 July 2025, 22 August 2025 and 8 September 2025.
- The expected dividend yield was set to 0%.
- The risk-free interest rate was set to 3.67%

NOTE 34 Earnings per share

Accounting policy

The basic earnings per share are calculated as the ratio of the profit for the year that is due to the shareholders of the parent divided by the weighted average number of common shares outstanding.

When calculating the diluted earnings per share, the profit that is attributable to the common shareholders of the parent and the weighted average number of common shares outstanding are adjusted for all the dilution effects relating to share options.

The calculation takes account of all the share options that are"in-the-money" and can be exercised. In the calculations, share options are assumed to have been converted/ exercised on the first date in the fiscal year. The dilution effect on share options is calculated as the difference between average fair value in an active market and exercise price and the sum of the not recognised cost portion of the options.

Further description

The Company has a share option plan for 1,995,000 common shares, see further description in Note 33 - Share-based payments.

As shown in the tables below; the options affected the diluted number of shares in 2023.

NOK million	2023	2022
Profit/(loss) due to owners of the parent	344.2	253.0
Diluted profit/(loss) for the period due to the holders of common shares	344.2	253.0

	2023	2022 *
Weighted average number of common shares in issue	**39,463,867**	**39,463,867**
Effects of dilutive potential common shares:		
Share option plan	879,705	-
Diluted average number of shares outstanding	**40,343,572**	**39,463,867**

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

	2023	2022
BASIC EARNINGS PER SHARE (NOK)	**8.722**	**6.410**
DILUTED EARNINGS PER SHARE (NOK)	**8.532**	**6.410**

NOTE 35 Events after the reporting period

There have been no other events after the balance date with material effect for the financial statements ended 31 December 2023.

Parent Company Financial Statements

Income Statement

for the year ended 31 December

NOK thousands	Note	2023	2022
OPERATING REVENUES	3	**2,748**	**934**
Personnel expenses	4	(9,793)	(4,744)
Other operating expenses	5	(10,617)	(19,239)
Total operating expenses		(20,410)	(23,983)
OPERATING PROFIT / (LOSS) - EBIT		**(17,662)**	**(23,049)**
Share of profit (loss) from joint ventures	**8**	**5,086**	**(19,042)**
Interest income		10,817	1,451
Interest expenses	6	(144,154)	(101,111)
Dividends from subsidiaries		-	1,036,092
Impairment of investments in subsidiaries		-	(1,036,092)
Other financial items	6	(14,639)	(34,272)
Net financial items		**(147,977)**	**(133,933)**
PROFIT / (LOSS) BEFORE TAX		**(160,552)**	**(176,023)**
Income tax (expense) / income	17	-	-
PROFIT / (LOSS) FOR THE PERIOD		**(160,552)**	**(176,023)**
Of which attributable to common shareholders		(160,552)	(176,023)
Earnings per share (NOK)			
Basic earnings per share (NOK)	18	(4.068)	(4.460)
Diluted earnings per share (NOK)	18	(3.973)	(4.460)

Statement of Comprehensive Income

for the year ended 31 December

NOK thousands	Note	2023	2022
PROFIT / (LOSS) FOR THE PERIOD		**(160,552)**	**(176,023)**
OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified to profit or loss		-	-
Items that are or may be reclassified to profit or loss:			
Cash flow hedges	15	(1,999)	10,773
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**(1,999)**	**10,773**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**(162,552)**	**(165,250)**
Total comprehensive income for the period is attributable to:			
Common shareholders		(162,552)	(165,250)

The accompanying notes are an integral part of these financial statements.

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Statement of Financial Position

NOK thousands	Note	31.12.2023	31.12.2022
ASSETS			
Investments in subsidiaries	7	2,196,887	2,190,860
Investments in joint ventures	8	94,305	69,314
Derivative financial instruments	9	11,698	10,773
TOTAL NON-CURRENT ASSETS		**2,302,889**	**2,270,946**
Trade receivables		3,148	934
Other current assets	10	2,966	3,136
Current receivables group cash pool overdrafts	3	334,577	218,455
Cash and cash equivalents	11	399,579	197,897
TOTAL CURRENT ASSETS		**740,270**	**420,422**
TOTAL ASSETS		**3,043,159**	**2,691,368**

The accompanying notes are an integral part of these financial statements.

NOK thousands	Note	31.12.2023	31.12.2022
EQUITY AND LIABILITIES			
Share capital	14	3,530	3,530
Other contributed capital		1,090,305	1,090,305
Other reserves	15	17,647	13,619
Retained earnings		(436,537)	(176,023)
TOTAL EQUITY		**674,945**	**931,431**
Non-current interest-bearing borrowings	12	1,088,640	1,084,238
Liability repayment to Odfjell Drilling Ltd.	16	307,163	-
Deferred tax liability	17	2,924	-
TOTAL NON-CURRENT LIABILITIES		**1,398,728**	**1,084,238**
Current interest-bearing liabilities	12	10,258	255,716
Current liabilities group cash pool deposits	3	948,339	415,966
Trade payables		1,208	1,429
Other current liabilities	10	9,683	2,588
TOTAL CURRENT LIABILITIES		**969,487**	**675,699**
TOTAL LIABILITIES		**2,368,215**	**1,759,937**
TOTAL EQUITY AND LIABILITIES		**3,043,159**	**2,691,368**

The Board of Odfjell Technology Ltd.
17 April 2024, London, United Kingdom

Helene Odfjell	Susanne Munch Thore	Alasdair Schiach	Victor Vadaneaux	Diane Stephen
Chair	Director	Director	Director	General Manager

Statement of Changes in Equity

NOK thousands	Note	Share capital	Other contributed capital	Other reserves	Retained earnings	Total equity
BALANCE AT 1 JANUARY 2022		**88**	**-**	**-**	**-**	**88**
Profit/(loss) for the period		-	-	-	(176,023)	(176,023)
Other comprehensive income for the period		-	-	10,773	-	10,773
Total comprehensive income for the period		**-**	**-**	**10,773**	**(176,023)**	**(165,250)**
Equity contribution from Odfjell Drilling Ltd.		3,442	1,090,305	-	-	1,093,746
Share-based option plan	15	-	-	2,847		2,847
Transactions with owners		**3,442**	**1,090,305**	**2,847**	**-**	**1,096,593**
BALANCE AT 31 DECEMBER 2022		**3,530**	**1,090,305**	**13,619**	**(176,023)**	**931,431**
Profit/(loss) for the period		-	-	-	(160,552)	(160,552)
Other comprehensive income for the period		-	-	(1,999)	-	(1,999)
Total comprehensive income for the period		**-**	**-**	**(1,999)**	**(160,552)**	**(162,552)**
Dividends paid to shareholders	14	-	-	-	(99,962)	(99,962)
Share-based option plan	15	-	-	6,027	-	6,027
Transactions with owners		**-**	**-**	**6,027**	**(99,962)**	**(93,935)**
BALANCE AT 31 DECEMBER 2023		**3,530**	**1,090,305**	**17,647**	**(436,537)**	**674,945**

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flow

for the year ended 31 December

NOK thousands	Note	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES:			
Profit/(loss) before tax		(160,552)	(176,023)
Adjustments for:			
Share of profit (loss) from joint ventures	8	(5,086)	19,042
Net interest expense / (income)		133,337	99,661
Income from subsidiaries		-	(1,036,092)
Impairment of investments in subsidiaries		-	1,036,092
Net currency loss / (gain) not related to operating activities		9,645	30,709
Changes in working capital:			
Trade receivables		(2,214)	(934)
Trade payables		(221)	1,429
Other accruals and current receivables /payables		7,418	(554)
Cash generated from operations		**(17,673)**	**(26,671)**
Net interest received / (paid)		(130,030)	(82,123)
NET CASH FLOW FROM OPERATING ACTIVITIES		**(147,704)**	**(108,794)**

NOK thousands	Note	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash used in obtaining control of subsidiaries		-	(2,312,575)
Cash payments to acquire interests in joint-ventures	8	-	(14,994)
Mandatory convertible loan to joint venture	8	(17,989)	(35,403)
Dividend received from subsidiaries		-	1,036,092
Proceeds from sale of shares		-	99,800
Funds received from Odfjell Drilling Ltd regarding indemnity letter	16	307,163	-
Net cash flow current group cash pool deposits and overdrafts		416,251	197,511
NET CASH FLOW FROM INVESTING ACTIVITIES		**705,425**	**(1,029,568)**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from external borrowings	12	-	1,295,548
Repayment of borrowings	12	(268,920)	-
Net proceeds from capital increases		-	44,729
Dividends paid	14	(99,962)	-
NET CASH FROM FINANCING ACTIVITIES		**(368,882)**	**1,340,277**
Exchange gains/(losses) on cash and cash equivalents		12,843	(4,019)
NET CHANGE IN CASH AND CASH EQUIVALENTS		**201,682**	**197,896**
Cash and cash equivalents at 01.01		197,896	-
CASH AND CASH EQUIVALENTS AT 31.12		**399,579**	**197,896**

The accompanying notes are an integral part of these financial statements.

Notes to the Parent Company Financial Statements

All amounts are in NOK thousands unless otherwise stated

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NOTE 1 Accounting policies

The principal activities of the Company is owning its shares in subsidiaries, as well as providing management services.

Odfjell Technology Ltd was founded in December 2021, and these are the first-time financial statements prepared for the Company.

The financial statements for Odfjell Technology Ltd., have been prepared and presented in accordance with IFRS® Accounting Standards as endorsed by EU, and are based on the same accounting policies as the Consolidated Group Financial Statements with the following exceptions:

Investments in subsidiaries

Investments in subsidiaries are based on the cost method. Refer to Note 7 - Investments in subsidiaries

Dividends

Dividends and Group contribution from subsidiaries are recognised in profit or loss in the parent company financial statements when the Company's right to receive the dividend is established.

For further information, reference is made to the consolidated Group financial statements

NOTE 2 Critical accounting estimates and judgements

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 Company 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 Company's control. The resulting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Detailed information regarding significant judgements is disclosed in the following notes.

- Note 16 Liability repayment to Odfjell Drilling Ltd
- Note 7 Evaluation of indicators of impairment of investment in subsidiaries

Going concern

Refer to Consolidated Financial Statements Note 3 - Critical accounting estimates and judgements.

Taking all relevant risk factors and available options for financing into consideration, the Board has a reasonable expectation that the Company has adequate resources to continue its operational existence for the foreseeable future.

NOTE 3 Related parties - transactions, receivables and liabilities

Revenue from related parties

Type of transaction	Related party	Relation	2023	2022
Management services	Odfjell Drilling Ltd	Related to main shareholder	2,748	934
Dividends	Odfjell Offshore Ltd.	Subsidiary	-	1,036,092
Interest income	Companies in Odfjell Technology Group	Subsidiary	3,422	-
Interest income	Odfjell Oceanwind AS	Joint Venture	1,938	184
TOTAL			**8,108**	**1,037,211**

Related parties expenses

Type of transaction	Related party	Relation	2023	2022
Service fee	Odfjell Technology AS	Subsidiary	1,100	1,100
Facility services	Odfjell Technology (UK) Ltd	Subsidiary	1,957	-
Guarantee commissions	Companies in Odfjell Technology Group	Subsidiary	6,670	5,775
TOTAL			**9,726**	**6,875**

Other current receivables and liabilities - related parties

NOK thousands			2023	2023	2022	2022
Type of transaction	Related party	Relation	Receivables	Liabilities	Receivables	Liabilities
Trade and other receivables	Odfjell Drilling Ltd	Related to main shareholder	5,252	(652)	934	(1,226)
Trade	Odfjell Technology AS	Subsidiary	-	-	-	(1,100)
Trade	Odfjell Drilling (UK) Ltd	Subsidiary	-	(191)	-	-
Guarantee commissions	Group companies	Subsidiary	-	(6,670)	-	-
TOTAL CURRENT*			**5,252**	**(7,512)**	**934**	**(2,326)**

** The current receivables and liabilities have less than one year maturity.*

Refer to Note 16 for information about the non-current liability repayment to Odfjell Drilling Ltd.

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Group Cash Pool

Odfjell Technology Ltd. is the Group account holder of the cash pool for the Odfjell Technology group as per 31.12.2022, hence the company is the owner of the bank deposits included in the cash pool. Odfjell Technology Ltd. and the Group companies included in the cash pool are jointly liable for the outstanding amount of bank deposits in the cash pool.

Listing in Note 11 - Cash and Cash equivalents shows balance on the top accounts in each currency, representing Odfjell Technology Ltd.'s net balance towards the bank, DNB.

Each subsidiary's net loan or deposit is presented as current receivable Group cash pool loans or current liabilities Group cash pool deposits, on separate lines in the Statement of Financial Position.

To facilitate optimal interest calculations on the Group's net balance towards DNB, the company uses an overnight sweep account to net bank balances in subsidiary Odfjell Technology (UK) Ltd. Balances are transferred back to the UK company the next morning. Net liability related to the sweep account is classified as current liabilities Group cash pool deposits, and included in the listing below.

Specification of cash pool receivables:

NOK thousands	Relation	31.12.2023	31.12.2022
Odfjell Energy Crewing AS	Subsidiary	8,315	3,766
Odfjell Offshore Ltd.	Subsidiary	105,580	- 0
Odfjell Platform Drilling AS	Subsidiary	7,618	84,038
Odfjell Technology AS	Subsidiary	62,303	50,187
Odfjell Well Services AS	Subsidiary	71,682	35,893
Odfjell Well Services Cooperatief UA.	Subsidiary	50,259	38,099
Odfjell Well Services Ltd	Subsidiary	28,820	6,472
TOTAL CURRENT RECEIVABLES GROUP CASH POOL OVERDRAFTS		**334,577**	**218,455**

Specification of cash pool payables

NOK thousands	Relation	31.12.2023	31.12.2022
Odfjell Engineering AS	Subsidiary	(88,517)	(55,978)
Odfjell Offshore Ltd.	Subsidiary	-	(21,986)
Odfjell Operations AS	Subsidiary	(109,096)	(148,564)
Odfjell Technology Invest Ltd.	Subsidiary	(366,441)	(120,297)
Odfjell Well Services II Ltd.	Subsidiary	(1,311)	(1,545)
Odfjell Well Services Norge AS	Subsidiary	(70,708)	(9,110)
Odfjell Technology (UK) Ltd.	Subsidiary	(312,267)	(58,485)
TOTAL CURRENT LIABILITIES GROUP CASH POOL DEPOSITS		**(948,339)**	**(415,966)**

NOTE 4 Personnel expenses

NOK thousands	2023	2022
Salaries	6,242	2,855
Payroll tax	793	231
Pension costs	456	77
Employee benefits	226	10
Board of directors fee	2,075	1,572
TOTAL PERSONNEL EXPENSES	**9,793**	**4,744**

The company had three employees at 31 December 2023 and (two at 31 December 2022.)

For details of salary, variable pay and other benefits provided to the General Manager and compensation to the Board of Directors, refer to Note 32 - Remuneration to the Board of Directors, key executive management and Group auditor in the Group Financial Statements.

Refer to Note 33 - Share-based payments in the Group Financial Statements for information about the Share-option plan.

No loans or guarantees have been given to the members of the board of directors.

NOTE 5 Operating expenses

NOK thousands	Note	2023	2022
FEE TO THE AUDITOR (EXCLUDING VAT):			
Auditors fee		1,686	1,080
Other services from auditor		186	185
OTHER OPERATING EXPENSES:			
Service fee	3	1,100	1,100
Facility services	3	1,957	-
Fees legal and financial assistance		3,427	14,643
Travel expenses		25	134
Other expenses		2,236	2,097
TOTAL OPERATING EXPENSES		**10,617**	**19,239**

NOTE 6 Combined items, income statement

NOK thousands	2023	2022
Interest expense external borrowings	(138,510)	(96,606)
Amortised transaction costs borrowings	(5,642)	(4,505)
Other interest expenses	(1)	(1)
TOTAL INTEREST EXPENSES	**(144,154)**	**(101,111)**

NOK thousands		2023	2022
Guarantee commissions	3	(6,670)	(5,775)
Net currency gain / (loss)		(7,659)	(28,219)
Other financial expenses		(311)	(277)
TOTAL OTHER FINANCIAL ITEMS		**(14,639)**	**(34,272)**

NOTE 7 Investments in subsidiaries

Accounting policy

Investments in subsidiaries are valued at cost in the company accounts. The investment is valued as cost of acquiring shares, providing they are not impaired. An impairment loss is recognised for the amount by which the carrying amount of the subsidiary exceeds its recoverable amount. The recoverable amount is the higher of fair value less cost to sell and value in use. The recoverable amount of an investment in a subsidiary would normally be based on the present value of the subsidiary's future cash flow.

Listing of directly owned subsidiaries

Company	Acquisition / formation date	Registered office	Place of business	Shares owned	Voting rights	Functional currency	Share capital in NOK thousand	Profit / (loss) 2023	Equity as at 31.12.2023	Book value as at 31.12.2023
Odfjell Technology Invest Ltd.	2022 / 2003	Hamilton, Bermuda	Aberdeen, UK	100%	100%	USD	106	225,012	1,628,720	1,621,076
Odfjell Platform Drilling AS	2022 / 2017	Bergen, Norway	Bergen, Norway	100%	100%	NOK	1,337	25,308	206,387	565,675
Odfjell Technology AS	2022 / 2017	Bergen, Norway	Bergen, Norway	100%	100%	NOK	249	10,669	81,930	10,136
										2,196,887

odfjell technology

Dividends received and impairment recognised in 2022

As part of the internal re-organisation in 2022, the subsidiary Odfjell Offshore Ltd distributed a dividend of USD 117 million, approximately NOK 1 billion to the Company. An impairment assessment was performed and an impairment of NOK 1 billion was recognised to align book value of the investment with the calculated value in use. The company had no operations and the only asset was a bank deposit. Discount rate was not relevant.

Subsequent of the dividend received and impairment posted, the shares in Odfjell Offshore Ltd was contributed to subsidiary Odfjell Platform Drilling AS

Impairment assessment

Investment in subsidiaries are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount of the investment exceed the recoverable amount.

Significant judgement exercised

Management exercises significant judgement in determining whether there are any indicators of impairment. No impairment of assets in the subsidiaries have been identified. No material off balance sheet liabilities have been identified in the subsidiaries, other than contingency listed in Note 27 - Contingencies in the consolidated financial statements and the tax issue described in Note 8 - Income taxes in the consolidated financial statements.

The Company has not identified any impairment indicators for the investments as at 31.12.2023

NOTE 8 Investment in joint ventures

NOK thousands	2023	2022
Book value as at 1.1.	69,314	-
Investment 1 March 2022	-	37,775
Share of profit after tax	5,086	(19,042)
Amortisation of excess value	-	-
Capital contributions **	55,492	14,994
Mandatory convertible loan *	(35,588)	35,588
BOOK VALUE AS AT 31.12	**94,305**	**69,314**

** 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.*

NOK thousands	2023	2022
The company's share of equity	61,564	985
Goodwill	32,741	32,741
Mandatory convertible loan	-	35,588
BOOK VALUE AS AT 31.12	**94,305**	**69,314**

Refer to Note 30 - Investments in joint ventures in the consolidated financial statements for information about the joint venture, including the mandatory convertible loan provided to the joint venture.

Due to different acquisition dates in the Company versus the consolidated Group, the book value of the investment in the Company is higher than the book value in the consolidated financial statements.

NOTE 9 Financial assets and liabilities

Financial instruments by category and level

The tables below analyse financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3). For short term assets and liabilities at level 3, the value is approximately equal to the carrying amount. As the time horizon is due in short term, future cash flows are not discounted.

The Company had the following financial instruments at each reporting period:

NOK thousands	Note	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	13	2	11,698	10,773
Other financial assets				
Trade receivables			3,148	934
Other current assets			2,169	736
Current receivables group cash pool overdrafts	3		334,577	218,455
Cash and cash equivalents	11		399,579	197,897
TOTAL ASSETS AS AT 31.12			**751,170**	**428,794**

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.

NOK thousands	Note	Level	31.12.2023	31.12.2022
Other financial liabilities				
Non-current interest-bearing borrowings	12		1,088,640	1,084,238
Current interest-bearing liabilities	12		10,258	255,716
Current liabilities group cash pool deposits	3		948,339	415,966
Trade payables			1,208	1,429
Other current liabilities			8,483	2,427
TOTAL LIABILITIES AS AT 31.12.			**2,056,927**	**1,759,776**

Fair value for instruments at amortised cost

The fair value of the financial assets and liabilities at amortised cost approximate their carrying amount.

NOTE 10 Other assets and liabilities

NOK thousands	31.12.2023	31.12.2022
VAT receivables	-	1,870
Prepayments	797	530
Other current receivables	2,169	736
TOTAL OTHER CURRENT ASSETS	**2,966**	**3,136**

NOK thousands	Note	31.12.2023	31.12.2022
Social security and other taxes		1,126	161
Accrued salaries, holiday pay, bonus provisions and Board of Director's fee		1,910	1,082
Other accrued expenses	3	6,646	1,345
TOTAL OTHER CURRENT LIABILITIES		**9,683**	**2,588**

NOTE 11 Cash and cash equivalents

NOK thousands	31.12.2023	31.12.2022
Current account NOK	194,429	18,565
Current account USD	59,011	33,741
Current account GBP	133,558	60,958
Current account EUR	6,936	5,774
Current account CAD	5,645	-
Time deposit USD	-	78,858
TOTAL CASH AND BANK DEPOSITS	**399,579**	**197,897**

None of the bank deposits are restricted.

NOTE 12 Interest-bearing borrowings

Refer to Note 16 - Interest-bearing borrowings in the Group Financial Statements.

NOTE 13 Financial Risk Management

Refer to Note 20 - Financial risk management in the Group Financial Statements.

Liquidity risk

The liquidity risk is low as a result of adequate long-term funding and available liquidity in subsidiaries.

The amounts disclosed in the table are the contractual non-discounted cash flows. The table include estimated interest payments for drawn facilities at the balance sheet date, based on the remaining period at the end of the reporting period to the contractual maturity date.

Maturity of financial liabilities - 31.12.2023

NOK thousands	Less than 6 months	6 - 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
Interest-bearing borrowings	60,429	61,757	120,859	1,130,215	-	1,373,260	1,098,898
Current liabilities group cash pool deposits	948,339	-	-	-	-	948,339	948,339
Trade payables	1,208	-	-	-	-	1,208	1,208
Other current liabilities	8,483	1,038	-	-	-	9,520	8,483

Maturity of financial liabilities - 31.12.2022

NOK thousands	Less than 6 months	6 - 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
Interest-bearing borrowings	306,622	56,050	112,100	1,238,602	-	1,713,375	1,339,955
Current liabilities group cash pool deposits	415,966	-	-	-	-	415,966	415,966
Trade payables	1,429	-	-	-	-	1,429	1,429
Other current liabilities	2,427	-	-	-	-	2,427	2,427

Foreign exchange risk

Foreign exchange risk - Exposure

The Company's exposure to foreign currency risk at the end of the reporting period, expressed in NOK, was as follows:

NOK thousands	USD	GBP	Other non-NOK currencies
Cash and cash equivalents	59,011	133,558	12,581
Trade receivables	-	3,148	-
Other current assets	-	2,169	-
Interest-bearing borrowings	-	-	-
Net liabilities group cash pool	(127,432)	(149,696)	(12,538)
Trade payables	-	(808)	-
Other current payables	-	(849)	-

Aggregated net foreign exchange gains/losses recognised in profit or loss:

NOK thousands	2023	2022
Net currency gain / (loss) included in finance costs	(7,659)	(28,219)

The net currency loss in 2022 is mainly related to the USD 25 million credit facility.

Foreign exchange risk - Sensitivity

As shown in the table above, net exposure in GBP is not material. The sensitivity table below therefore shows effects of changes in the USD vs NOK exchange rate.

Sensitivity to changes in USD/NOK exchange rates	USD is strengthened by 20 % against NOK		USD is strengthened by 10 % against NOK		USD is weakened by 10 % against NOK	
NOK million	2023	2022	2023	2022	2023	2022
Cash and cash equivalents	11,802	22,520	5,901	11,260	(5,901)	(11,260)
Interest-bearing borrowings	-	(49,287)	-	(24,643)	-	24,643
Net liabilities group cash pool	(25,486)	(6,483)	(12,743)	(3,241)	12,743	3,241
NET EFFECT ON PROFIT BEFORE TAX	**(13,684)**	**(33,249)**	**(6,842)**	**(16,625)**	**6,842**	**16,625**

Interest rate risk

Refer to Note 22 in the consolidated financial statements.

Credit risk

The company is exposed to credit risk related to related party current and non-current receivables as listed in Note 3 - Related parties - transactions, receivables and liabilities.

Following IFRS 9 Financial Instruments, the company assess expected credit losses at each reporting date. The credit risk for the receivables mentioned above has not increased significantly since initial recognition, and the company therefore measures the loss allowance to an amount equal to 12-months expected credit losses.

Due to the low estimated probability of default in the next 12-month period no loss provision is recognised.

NOTE 14 Share capital and shareholders

Refer to Note 24 - Share capital and shareholder information in the Group Financial Statements.

Information about dividend payments in 2023 of NOK 100 million can be found in the same note.

NOTE 15 Other reserves

NOK thousands	Note	Cash flow hedges	Share-Option plan	Total
AT 1 JANUARY 2023		**-**	**-**	**-**
Change in fair value of hedging instruments recognised in OCI		11,305	-	11,305
Reclassified from OCI to profit or loss		(532)	-	(532)
Cost of share-based option plan		-	2,847	2,847
AT 31 DECEMBER 2022		**10,773**	**2,847**	**13,619**
Change in fair value of hedging instruments recognised in OCI		(5,495)	-	(5,495)
Reclassified from OCI to profit or loss		6,420	-	6,420
Deferred tax related to hedging instruments	17	(2,924)		(2,924)
Currency translation difference		-	-	-
Cost of share-based option plan		-	6,027	6,027
AT 31 DECEMBER 2023		**8,773**	**8,874**	**17,647**

Refer to Note 22 in the consolidated financial statements for information about the cash flow hedges.

Refer to Note 33 in the consolidated financial statements for information about the share based option plan.

NOTE 16 Liability repayment to Odfjell Drilling Ltd.

As reported in Note 8 - Income taxes in the consolidated financial statements, Odfjell Offshore Ltd, a subsidiary of Odfjell Technology, 21 December 2022 received a tax ruling from the Norwegian Tax Authorities 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 will appeal the ruling, and the Company 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.

Odfjell Offshore Ltd made an upfront payment 1 February 2023 of NOK 307 million in taxes and interest for the financial years 2017 through to 2021. The amount was financed and refunded to Odfjell Technology Ltd from Odfjell Drilling Ltd., as it is covered by the letter of indemnity issued 1 March 2022 to Odfjell Technology Ltd. .Odfjell Drilling Ltd will hold the Company indemnified in respect of any liability that may occur in relation to the ongoing Odfjell Offshore Ltd tax case for the financial years 2017 through to 2021. This includes financing of prepayments to the Norwegian Tax Authorities, and funds for legal proceedings.

Odfjell Technology Ltd has on 1 March 2022 issued a letter of financial support to Odfjell Offshore Ltd, declaring that if the Company is indemnified by Odfjell Drilling Ltd for the relevant tax liability, the Company will, if so requested and if needed, contribute relevant funds into Odfjell Offshore Ltd.

Significant judgement exercised

Management 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. Funds received of NOK 307 million from Odfjell Drilling Ltd regarding the indemnity letter is recognised as a non-current liability, because the company expect to have to repay the amount.

NOTE 17 Income taxes

Odfjell Technology Ltd. is registered in Bermuda.

There is no Bermuda income, corporation, or profit tax, withholding tax, capital gains, capital transfer tax, estate duty or inheritance tax payable by the company or its shareholders not ordinarily resident in Bermuda. The company is not subject to Bermuda stamp duty on the issue, transfer or redemption of its shares.

The company has received from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1996 an assurance that, in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income, or computed on any capital assets, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not until 2035 be applicable to the company or to any of its operations, or to the shares, debentures or other obligations of the company except insofar as such tax applies to persons ordinarily resident in Bermuda and holding such shares, debentures or other obligations of the company or any land leased or let to the company.

As an exempted company, the company is liable to pay an annual registration fee in Bermuda.

The company is tax resident in the United Kingdom. The company is as all United Kingdom resident companies residents liable for UK corporate income taxes.

The company did not pay any taxes to the United Kingdom for the fiscal year 2022, and does not expect to pay any taxes to the United Kingdom for the fiscal year 2023. There are no material temporary differences to disclose, other than the one listed below.

Income tax reconciliation

NOK thousands	2023	2022
Profit / (loss) before tax	(160,552)	(176,023)
Tax calculated at domestic tax rate - 25% (19%)	40,138	33,444
Effect of non-taxable income and expenses	(25,929)	(21,474)
Effect of group relief	(14,209)	(11,970)
TOTAL INCOME TAX EXPENSE	**-**	**-**

Deferred tax liabilities - Specification and movements

NOK thousands	Cash flow hegdes
Closing balance 31.12.2022	-
Income statement charge	-
Change in deferred tax on other comprehensive income	(2,924)
CLOSING BALANCE 31.12.2023	**(2,924)**

NOTE 18 Earnings per share

NOK thousands	2023	2022
Profit/(loss) for the period	(160,552)	(176,023)
Profit/(loss) for the period due to holders of common shares	(160,552)	(176,023)
Diluted profit/(loss) for the period due to the holders of common shares	(160,552)	(176,023)

Refer to Note 34 - Earnings per share in the Group Financial Statements for accounting policy and further description

	2023	2022
Weighted average number of common shares in issue	39,463,867	39,463,867
Effects of dilutive potential common shares:		
Share option plan	944,031	-
Diluted average number of shares outstanding	**40,407,898**	**39,463,867**

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

	2023	2022
Basic earnings per share	(4.068)	(4.46)
Diluted earnings per share	(3.973)	(4.46)

NOTE 19 Guarantees

Guarantees from the company in relation to subsidiaries' agreements

Odfjell Technology Ltd., has issued parent company guarantees regarding Odfjell Technology (UK) Ltd's platform drilling service contracts for Mariner with Equinor UK.

The company has also issued parent company guarantees regarding subsidiaries' platform drilling service and drilling equipment contracts with ConocoPhillips Skandinavia AS.

The company has also issued a parent company guarantee regarding a subsidiary's frame agreement with Aker BP for engineering services and maintenance for HVAC+R.

NOTE 20 Events after the reporting period

There have been no other events after the balance date with material effect for the financial statements ended 31 December 2023.

Responsibility Statement

We confirm, to the best of our knowledge, that the financial statements for the period 1 January to 31 December 2023 have been prepared in accordance with current applicable accounting standards, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the entity and the Group taken as a whole.

We also confirm that the Board of Directors' Report includes a true and fair review of the development and performance of the business and the position of the entity and the Group, together with a description of the principal risks and uncertainties facing the entity and the Group.

The Board of Odfjell Technology Ltd.

17 April 2024, London, United Kingdom

Helene Odfjell	Susanne Munch Thore	Alasdair Schiach	Victor Vadanueax	Diane Stephen
Chair	Director	Director	Director	General Manager

Auditors Report

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To the General Meeting of Odfjell Technology Ltd

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Odfjell Technology Ltd, which comprise:

- the financial statements of the parent company Odfjell Technology Ltd (the Company), which comprise the statement of financial position as at 31 December 2023, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including material accounting policy information, and
- the consolidated financial statements of Odfjell Technology Ltd and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2023, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical

Auditors Report

KPMG

responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit have been provided.

We have been the auditor of the Company for 3 years from the election by the general meeting of the shareholders on 11 January 2022 for the accounting year 2021.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

Reference is made to Note 3 Critical accounting estimates and judgements, Note 5 Revenue and the Board of Directors report section "Critical accounting estimates"

The Key Audit Matter	How the matter was addressed in our audit
As of 31 December 2022, the Group recognized NOK 5,021 million in revenue. The Group has multiple revenue sources generated from three different operating segments. The Group generally recognise revenue over time because of the continuous transfer of control to the customer. Certain contracts contain milestone payments, lump sum projects, prepayments for maintenance services as well as variable or conditional service fee arrangements. Management's judgement is required to assess the key elements for determining revenue recognition in the contracts. Significant management judgment can be required in determining the appropriate measurement and timing of revenue recognition, particularly for variable consideration such as incentive bonuses. The high volume of transactions and varying contract elements give a higher inherent risk of material misstatement.	Our audit procedures in this area included: • Obtaining an understanding of the revenue recognition process • Applying professional scepticism and critically assessing that the accounting judgments are in compliance with the relevant requirements for revenue recognition, including an assessment of the timing of revenue recognised in the period. • Challenging management's assessment of the revenue recognition criteria in particular for variable consideration in the operations segment. • Inspecting a selection of contracts with customers, to assess if the identified performance obligations and method for revenue recognition was appropriate. • Performing cut-off procedures over a selection of both billed and unbilled amounts before and after the balance sheet date to ensure revenue is recognized in the correct period. • Vouching a sample of recorded revenue to invoice, customer approval and cash receipt. • Vouching revenue accruals to client confirmation of receipt of services provided. • Evaluating the adequacy of the financial statement disclosures, including accounting policy for revenue recognition.

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Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statement on Corporate Governance.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of

Auditors Report

accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion
As part of the audit of the financial statements of Odfjell Technology Ltd, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name 529900ZYHGCPTAD1R169-2023-12-31, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities
Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities
Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Bergen, 17 April 2024

KPMG AS

Ståle Christensen
State Authorised Public Accountant
(This document is signed electronically)

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. .

EBIT

Earnings before interest and taxes. Equal to Operating profit.

EBIT MARGIN

EBIT / Operating revenue

EBITDA

Earnings before depreciation, amortisation and impairment, interest and taxes.

EBITDA MARGIN

EBITDA / Operating revenue

EBITDA backlog vs NIBD

Estimated EBITDA for illustrative purposes based on revenue backlog and 2022 EBITDA margins (36%, 8% and 12% for Well Services, Drilling Operations and Engineering, respectively), excluding corporate overhead costs. This does not constitute an opinion of anticipated EBITDA and actual results may differ from the illustrative EBITDA backlog.

EQUITY RATIO

Total equity/total equity and liabilities

NET INTEREST-BEARING DEBT

Non-current interest-bearing borrowings plus current interest-bearing borrowings less cash and cash equivalents. Interest-bearing borrowings do not include lease liabilities.

NET (LOSS) PROFIT

Equal to Profit (loss) for the period

EARNINGS PER SHARE

Net profit / number of outstanding shares

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**	

Appendix: EU Taxonomy reporting

Turnover

Financial year 2023		Year		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm') (h)									
Economic Activities (1)	Code (a) (2)	Turnover (3)	Proportion of Turnover, year N (4)	Climate change: Mitigation (5)	Climate change: Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change: Mitigation (11)	Climate change: Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
		NOK million	%	Y ; N ; N/EL (b) (c)	Y ; N ; N/EL (b) (c)	Y ; N ; N/EL (b) (c)	Y ; N ; N/EL (b) (c)	Y ; N ; N/EL (b) (c)	Y ; N ; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY - ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0%																
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Turnover of Taxonomy-eligible Activities (A.1 + A.2)		0	0%																
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy Non-eligible activities		5,021.4	100%																
Total		**5,021.4**	**100%**																

	Proportion of turnover / Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Appendices

Capex

Financial year 2023		Year		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm') (h)									
Economic Activities (1)	Code (a) (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate change: Mitigation (5)	Climate change: Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change: Mitigation (11)	Climate change: Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
		NOK million	%	Y ; N ; N/EL (b) (c)	Y ; N ; N/EL (b) (c)	Y ; N ; N/EL (b) (c)	Y ; N ; N/EL (b) (c)	Y ; N ; N/EL (b) (c)	Y ; N ; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY - ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Capex of environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0%																
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Capex of Taxonomy-eligible Activities (A.1 + A.2)		0	0%																
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Capex of Taxonomy Non-eligible activities		304.3																	
Total		**304.3**																	

	Proportion of CapEx / Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Appendices

Opex

Financial year 2023		Year		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm') (h)									
Economic Activities (1)	Code (a) (2)	OpEx (3)	Proportion of OpEx, year N (4)	Climate change: Mitigation (5)	Climate change: Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change: Mitigation (11)	Climate change: Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
		NOK million	%	Y ; N ; N/EL (b) (c)	Y ; N ; N/EL (b) (c)	Y ; N ; N/EL (b) (c)	Y ; N ; N/EL (b) (c)	Y ; N ; N/EL (b) (c)	Y ; N ; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY - ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Opex of environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0%																
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Opex of Taxonomy-eligible Activities (A.1 + A.2)		0	0%																
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Opex of Taxonomy Non-eligible activities		507.9	100%																
Total		**507.9**	**100%**																

	Proportion of OpEx / Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Appendix: Sustainability data

Performance evaluation: Health and safety

Type	2023
Percentage of people in its own workforce who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines	100%
Number of fatalities in own workforce as result of work-related injuries and work-related ill health	0
Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites	0
Number of recordable work-related accidents for own workforce	8
Rate of recordable work-related accidents for own workforce	1,65*
Number of cases of recordable work-related ill health of employees	0
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health related to employees	68
Number of cases of recordable work-related ill health of non-employees	1
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health related to non-employees	3
Percentage of own workforce who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines and which has been internally audited and (or) audited or certified by external party	100%
Number of fatalities in own workforce as result of work-related injuries	0
Number of fatalities in own workforce as result of work-related ill health	0
Number of fatalities as result of work-related injuries of other workers working on undertaking's sites	0
Number of fatalities as result of work-related ill health of other workers working on undertaking's sites	0
Number of cases of recordable work-related ill health detected among former own workforce	Not available
Description of underlying standards for internal audit or external certification of health and safety management system	The CMS document HSE management system manual is in accordance to ISO 45001

** based on 1,000,000 working hours*

Performance evaluation: Selected employee data

Measuring our impact

All data related to employees in our workforce (and to contractors) is extracted from the HR module in the Group's Enterprise Resource Planning ("ERP") system. The ERP system is used in all locations in the Group, and all registrations in the HR module follow the same templates and data requirements.

The global work environment survey documents our employees' experiences within areas of diversity and inclusion, including anti-harassment. While our scores are very good in these areas, we continue to keep focus on training and operational practices. In 2023 the Group ran extensive campaigns to train in Unconscious Bias as well as Mental Health awareness campaigns.

Our gender pay gap comparisons are available on our website each year and show equitable levels between men and women across our Group.

All employees are entitled to parental leaves, and the Group ensures adherence to legislation in our countries of operation.

Odfjell Technology does not register any data related to religion, sexual orientation, medical history or other sensitive information.

Employees by country[1]

Country	2023
Norway	1,357
United Kingdom	529
Romania	55
United Arab Emirates	53
Philippines	156
Saudi Arabia	65
Other	183
Total	**2,398**

New employees by country[1]

Country	Count of new employees
Norway	157
United Kingdom	101
Romania	11
United Arab Emirates	3
Philippines	51
Saudi Arabia	29
Other	50
Total	**402**

[1] *Selected data for significant locations only. Significant locations means locations with more than 50 employees.*

Employees by employment contract and gender

Employment contract	Gender	2023
Permanent	Female	343
	Male	1,964
Temporary	Female	23
	Male	68
Total		**2,398**

New employees by gender

Gender	2023
Female	75
Male	327
	402

Employment by employment type and gender

Type of employment contract	Gender	2023
Full time	Female	359
	Male	2,015
Part Time (1-99%)	Female	7
	Male	17
Total		**2,398**

New employees by age group

Age group	2023
18 - 20	17
20-29	109
30-39	124
40-49	107
50-59	38
60-69	7
70+	1
Total	**402**

Appendices

Turnover by country[1]

Country	Turnover YTD %
Norway	3,3%
United Kingdom	9.5%
Romania	20.4%
United Arab Emirates	1.9%
Philippines	7.3%
Saudi Arabia	36.2%
Total	**6.4%**

[1] *Selected data for significant locations only. Significant locations means locations with more than 50 employees.*

Female representation by location

Location	2023
Offshore	1.2%
Onshore	34.7%

Employees by business segment

Business segment	2023
Corporate	23
Global Business Services	347
Operations	1,205
Projects & Engineering	220
Well Services	603
Total	**2,398**

Turnover by gender

Turnover by gender	Turnover YTD %
Female	7.9%
Male	6.1%
Total	**6.4%**

Turnover by location

Location	2023
Offshore	4.4%
Onshore	9.0%

Age distribution by location

Location	Indicator	2023
Onshore	Under 30	16.8%
	30-50	59.6%
	Over 50	23.6%
Offshore	Under 30	9.8%
	30-50	51.3%
	Over 50	38.9%

Turnover by age group

Turnover by age group	Turnover YTD %
18-20	5.4%
20-29	7.5%
30-39	10.0%
40-49	7.9%
50-59	2.6%
60-69	0.9%
70+	0.0%
Total	**6.4%**

Nationalities by location

Location	2023
Offshore	34
Onshore	43

Performance evaluation: Selected governance data

Governance[1]	2023
Compliance e-learning programme	
Compliance e-learning courses[2]	82%
Annual COC confirmation[3]	81%
Supplier performance evaluation	
Supplier audits completed	19
Supplier performance reviews completed	51
Registration of hospitality payment	
Hospitality provided (valued more than NOK 1,500 pr. recipient)	0
Hospitality received (valued more than NOK 1,500 pr. recipient)	9
Registered violations of Odfjell Technology Code of Conduct	**0**
Registered whistleblowing cases[4]	**6**
Data losses or breaches	**0**

1 Governance figures are extracted from our internal governance system, where they are registered manually. Whistleblower reports are registered in our whistleblower system. Data losses and breaches are registered manually in Odfjell Technology's internal system and notified to the Norwegian Data Protection Authority.

2 Compliance e-learning courses include conflicts of interest and anti-corruption challenge.

3 All employees are required to confirm that they have read, understood and complied with the COC annually.

4 All solved and closed, no critical concern. No reports were related to non-compliance with the COC. Also, no whistleblowing cases were required to be communicated to the highest governance body in 2023.

For more information visit

www.odfjelltechnology.com

odfjell technology

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