

Q3 2021 Presentation



ODFJELL DRILLING

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Contents

- Introduction to ODL
- Q3 2021 - key summary
- Segment reporting
- Financial information
- Summary





ODFJELL DRILLING

Odfjell Drilling is a listed international drilling, well service and engineering company with close to 3,000 employees and operations in approx. 20 countries. Odfjell Drilling was established in 1973.

Key Financials Q3 2021

\$ 227 Mill
Revenue

\$ 135 Mill
Cash

\$ 88 Mill
EBITDA

2.6x
Leverage ratio (adj)

\$ 2.3 Bill
Backlog

49%
Equity ratio

Our Businesses

Mobile offshore drilling units



- ✓ Modern fleet of 6th generation high spec and efficient harsh environment units
- ✓ Reduced environmental impact through efficiency and energy optimisation
- ✓ Journey towards zero emission drilling

Well services



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

Energy



- ✓ Platform drilling contracts for 16 installations in Norway and the UK
- ✓ Engineering & inspection services
- ✓ Innovation and development
- ✓ Green technology



Q3 21 - key summary

- **Strong operational performance across all MODUs**
- **Master Frame Agreement work for Deepsea Stavanger**
- **More work to Deepsea Yantai and signed frame agreement with Neptune Energy**
- **Odfjell Energy and Odfjell Well Services form Norwegian P&A and slot recovery alliance**
- **Odfjell Drilling Sustainability Report 2020 scored A- following assessment by the Governance Group**



Mobile Offshore Drilling Units (MODU)

- Continued strong operations

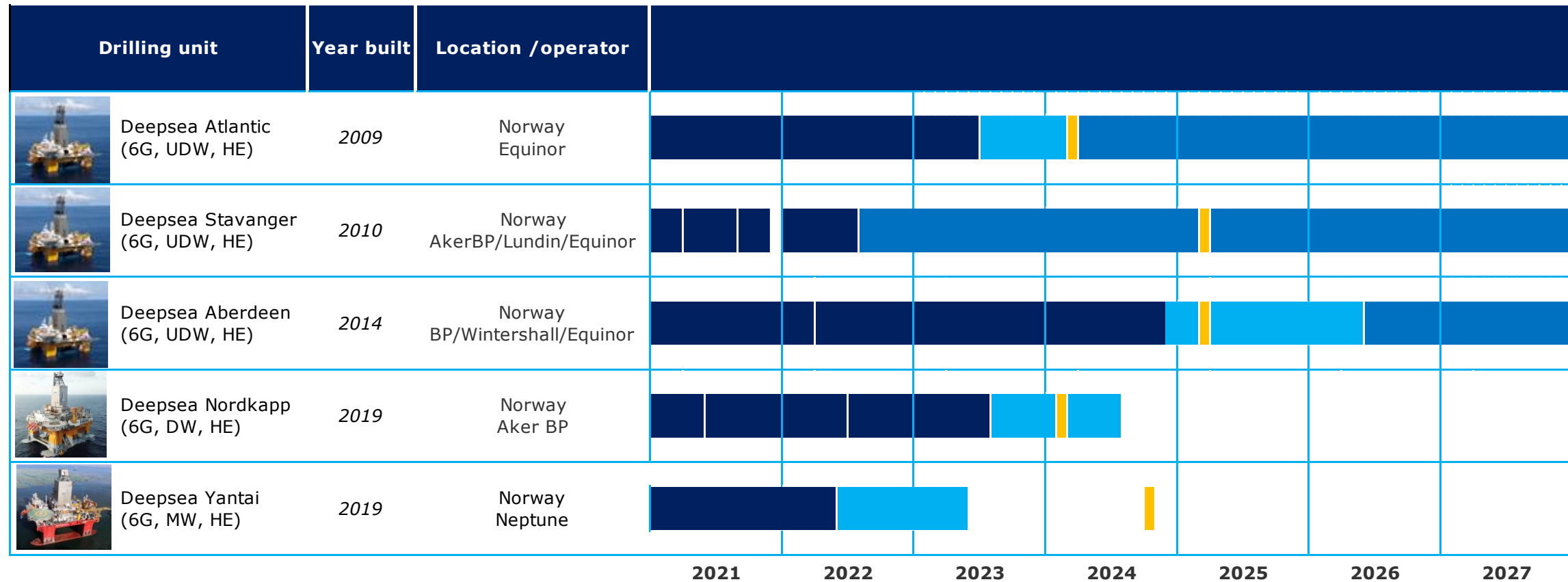
Q3 2021 Financial Utilization

Financial Utilization ¹	Q3 21	Q3 20	YTD 21	YTD 20	FY 20
Deepsea Stavanger	98.5 %	99.5 %	99.0 %	98.9 %	99.2 %
Deepsea Atlantic	98.8 %	99.8 %	94.2 %	99.1 %	98.9 %
Deepsea Bergen	n/a	n/a	n/a	92.7 %	92.7 %
Deepsea Aberdeen	99.7 %	96.5 %	98.6 %	89.5 %	92.1 %
Deepsea Nordkapp	98.8 %	99.4 %	98.7 %	99.0 %	99.0 %
Deepsea Yantai	99.2 %	94.4 %	96.0 %	94.1 %	93.3 %

1) Financial Utilisation is measured on a monthly basis and comprises the actual recognised revenue for all hours in a month, expressed as a percentage of the full day rate for all hours in a month. Financial Utilization, by definition, does not take into account periods of non-utilisation when the units are not under contract. The calculation does not include any recognised incentive payments.

Mobile Offshore Drilling Units (MODU)

- Contract status



 Contract
  Option
  Continued optionality under frame agreement
  Scheduled SPS

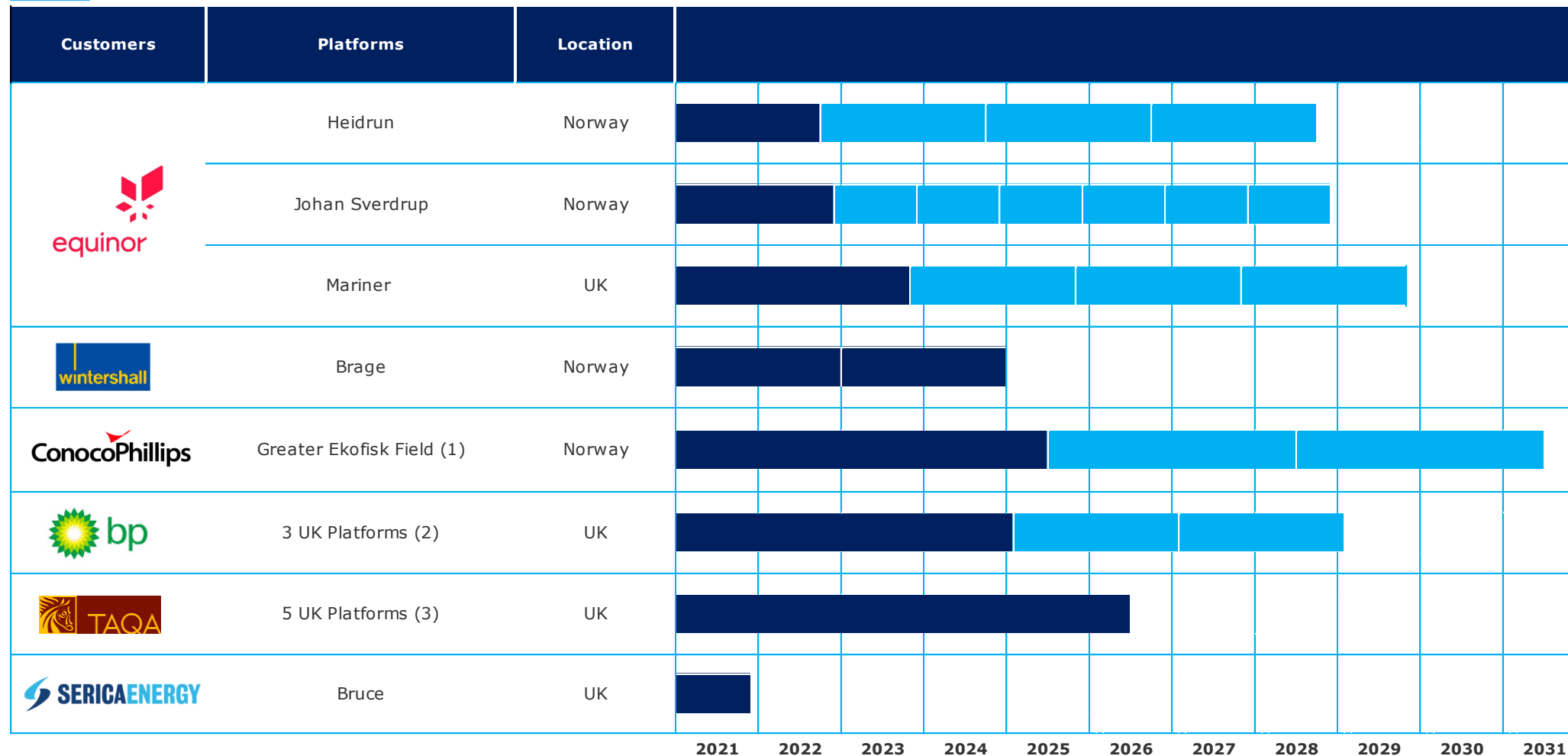
**Firm MODU contract backlog at 30 September 2021 of USD 0.9 billion
with additional priced options valued at USD 0.4 billion****

* Base rate excluding any bonus element. Rates may include mix of currencies and fluctuate based on exchange rates.
 ** The backlog does not include management revenue from Deepsea Yantai

Other definitions: 6G: Sixth generation, MW: Mid water, DW: Deep water, UDW: Ultra deep water, HE: Harsh environment

Energy – Platform Drilling

- Portfolio secured by medium to long-term contracts



Firm contract backlog of USD 0.4 billion at 30 September 2021
Value of priced optional periods of USD 0.6 billion*

- 1) Eldfisk B, Ekofisk K, Ekofisk X
- 2) Clair, Andrew, Clair Ridge
- 3) North Cormorant, Harding, Tern Alpha, Brae Alpha and East Brae

* The backlog calculation is subject operational activity. Rates may include mix of currencies and fluctuate based on exchange rates.

Well Services

- Global presence and diversified service lines

Product Lines



Well Intervention Services

- Wellbore Clean-Up
- Fishing & Milling
- Casing Exits / Side-tracking
- Plug & Abandonment
- Rigless Intervention



Drilling Tool Services

- Wired Drill Pipe
- Smart Circulation Tools
- Drilling Tubulars and Tubular Handling Equipment
- Downhole Tools



Tubular Running Services

- Conventional & Remote-Operated Tubular Running
- Top Drive Casing Running (CRT) and Chrome Handling
- Fully Integrated TRS with Rig
- Casing Accessories



Casing Drilling Services

- Directional Casing Drilling
- Non-Directional Casing Drilling
- High Speed Casing Reaming

Key Figures

500+
Employees

40
Years Experience

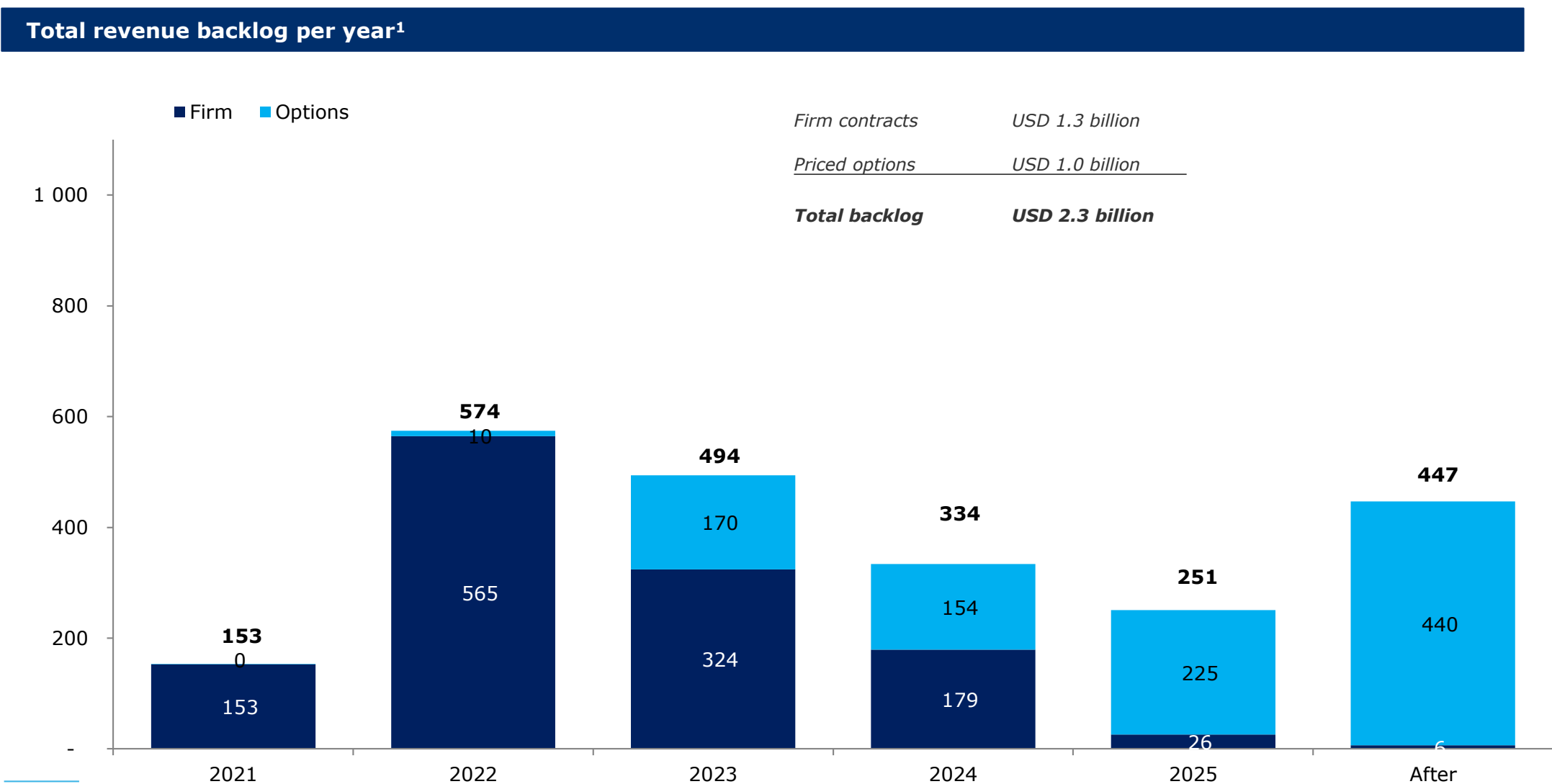
20+
Countries

14
Operational Bases

200+
Customers Worldwide

5.4/6
Customer Rating
(Average, last 5 years)

Earnings visibility through USD 2.3 billion order backlog



1) Estimates at 30 September 2021. Revenue from frame agreements and call-off contracts in Well Services and revenue from Technology and MODU Management is not included in the backlog.

Our most recent ESG score A-

- The Governance Group issues ESG 100 annually of the 100 biggest companies on the Oslo Stock Exchange
- Last report was issued in September 2021 and Odfjell Drilling received an A-
- To get an A means that a company has:
 - «Very good reporting in accordance with best practice and standards. It has clearly disclosed material topics and relevant results. There is a concrete strategy and clear, tangible targets».

Norsk Hydro	A+	Nordic Semiconductor	A-	Ocean Yield	C
Scatec	A+	SalMar	B+	SpareBank 1 Ringerike	C
Yara International	A	Sbanken	B+	Kitron	C
Equinor	A	XXL	B+	NEL	C
SpareBank 1 Østlandet	A	Asetek	B+	Norwegian Property	C
Storebrand	A	Wallenius Wilhelmsen	B+	Hofseth BioCare	C
Mowi	A	AF Gruppen	B+	Akva Group	C
Aker Solutions	A	Schibsted	B+	B2Holding	C
Gjensidige Forsikring	A	Tomra Systems	B+	Kongsberg Automotive	C
DNB	A	Telenor	B+	Selvaag Bolig	C
Orkla	A	Norway Royal Salmon	B	Bonheur	C
Bakkafrøst	A	Sparebanken Møre	B	BW Energy Limited	D
Aker BP	A	Hexagon Composites	B	Arcus	D
Veidekke	A	BW LPG	B	Photocure	D
TGS-NOPEC Geophysical Company	A	Wih. Wilhelmsen Holding	B	Medistim	D
Norske Skog	A-	Aker	B	Norwegian Air Shuttle	D
TietoEVRY	A-	Flex LNG	B	Fjord1	D
SpareBank 1 Nord-Norge	A-	Entra	B	VOW	D
Grieg Seafood	A-	SAS AB	B	Multiconsult	D
Subsea 7	A-	Adevinta	B	Norwegian Energy	D
Austevoll Seafood	A-	BW Offshore Limited	B	Hafnia Limited	E
Kongsberg Gruppen	A-	Pexip Holding	B	REC Silicon	E
Atea	A-	Olav Thon Eiendomsselskap	B	Protector Forsikring	E
Lerøy Seafood Group	A-	Kid	B	DNO	E
Borregaard	A-	Fjordkraft Holding	B	Link Mobility Group	E
SpareBank 1 SR-Bank	A-	SpareBank 1 Østfold Akershus	B	ABG Sundal Collier	E
Elkem	A-	Stolt-Nielsen	B	NTS	E
Odfjell Drilling	A-	Frontline	B-	Otello Corporation	E
Europpris	A-	Bouvet	B-	KMC Properties	F
Sparebanken Vest	A-	Cadeler	B-	Crayon Group Holding	F
Salmones Camanchaca	A-	Arendals Fossekompagni	B-	Arctic Zymes Technologies	F
SATS	A-	Golden Ocean Group	B-	Treasure	F
Atlantic Sapphire	A-	BEWI	B-		
SpareBank 1 SMN	A-	Norwegian Finans Holding	C		

Market outlook

General

- Increased appetite for field development and production across the segment, with the exception of some regional differences
- Need for continued exploration and production of oil and gas to bridge the increasing energy demand as new energy sources take time to implement
 - => **Market has developed positively in recent years due to a strong focus on cost discipline and more efficient operations, together with oil price recovery**

MODU

- Improved activity in the global rig market - several chapter 11 processes completed/ongoing - expect additional market consolidation
- Harsh environment markets are closer to supply/demand balance
- Present dayrate and market activity level do not support any newbuild activity based on expected capital return for the short to medium term
- Norwegian tax incentive scheme has increased activity on the NCS
- Preference by E&P companies for high-spec and efficient 6G units
- => **Continued strong demand for ODL fleet**

Well Services

- Improved markets are expected in the short to medium term to face an overall increase in activity level for OWS
- The COVID-19 pandemic development may impact any market improvement
 - => **Improved markets are expected**

Energy

- More tendering within the platform drilling market and additional activities within maintenance and upgrades are expected
- Focus on new service areas with ambition to expand the Energy service portfolio
 - => **Positive market outlook**

Financial information



ODFJELL DRILLING
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Group summary financials

Condensed consolidated income statement

P&L - (USD million)	Q3 21	Q3 20	YTD 21	YTD 20	FY 20
Operating revenue	227	210	642	574	930
Other gains/losses	0	0	1	1	3
Personnel expenses	-99	-90	-301	-229	-340
Other operating expenses	-40	-34	-124	-97	-172
EBITDA	88	87	218	250	420
Depreciation	-46	-49	-136	-160	-204
Operating profit (EBIT)	43	38	83	90	216
Net financial items	-12	-18	-34	-51	-71
Profit/(loss) before tax	31	20	49	39	146
Income taxes	-1	-1	-3	-3	-2
Profit/(loss) for the period	30	19	46	36	143

Segment reporting

- MODU financials

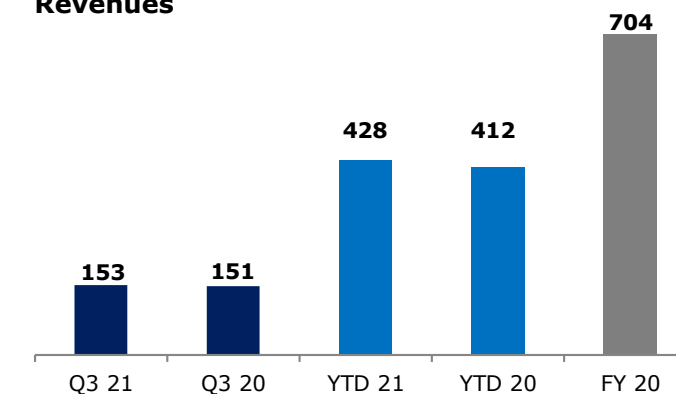
MODU

Condensed P&L - (USD million)	Q3 21	Q3 20	YTD 21	YTD 20	FY 20
Operating revenue	153	151	428	412	704
EBITDA	78	76	191	214	375
Depreciation and impairments	-37	-40	-110	-135	-169
EBIT	41	36	81	80	206
Book value rigs	2,029	2,092	2,029	2,092	2,089
EBITDA-margin	50.9 %	50.2 %	44.6 %	52.0 %	53.3 %
EBIT-margin	26.6 %	23.8 %	18.9 %	19.3 %	29.2 %
Share of group revenue ¹	64.7 %	69.4 %	64.2 %	68.8 %	73.1 %
Share of group EBITDA ¹	86.6 %	86.2 %	86.8 %	85.9 %	88.8 %
Share of group EBIT ¹	86.9 %	86.4 %	88.1 %	82.9 %	90.4 %

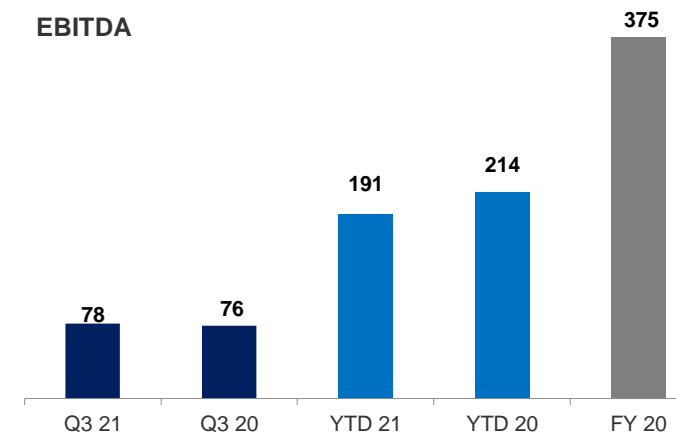
1) Before group eliminations and corporate overheads

Key Financials (USD million)

Revenues



EBITDA



Segment reporting

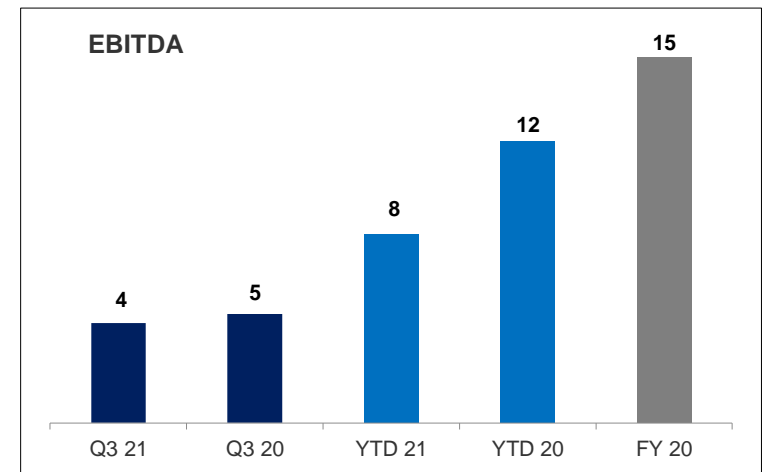
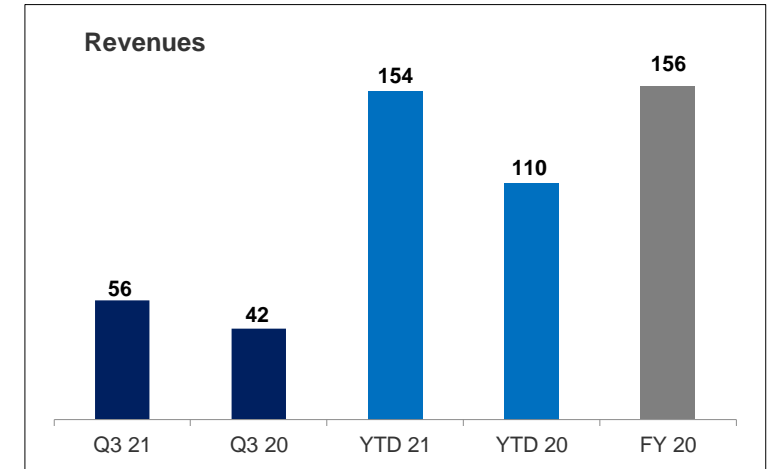
- Energy financials

Energy

Condensed P&L - (USD million)	Q3 21	Q3 20	YTD 21	YTD 20	FY 20
Operating revenue	56	42	154	110	156
EBITDA	4	5	8	12	15
Depreciation and impairments	-0	-0	-0	-0	-0
EBIT	4	5	8	12	15
EBITDA-margin	7.5 %	10.7 %	5.1 %	10.6 %	9.8 %
EBIT-margin	7.4 %	10.7 %	5.1 %	10.5 %	9.7 %
Share of group revenue ¹	23.5 %	19.5 %	23.0 %	18.5 %	16.2 %
Share of group EBITDA ¹	4.6 %	5.2 %	3.6 %	4.7 %	3.6 %
Share of group EBIT ¹	8.8 %	10.8 %	8.5 %	12.1 %	6.6 %

1) Before group eliminations and corporate overheads

Key Financials (USD million)



Segment reporting

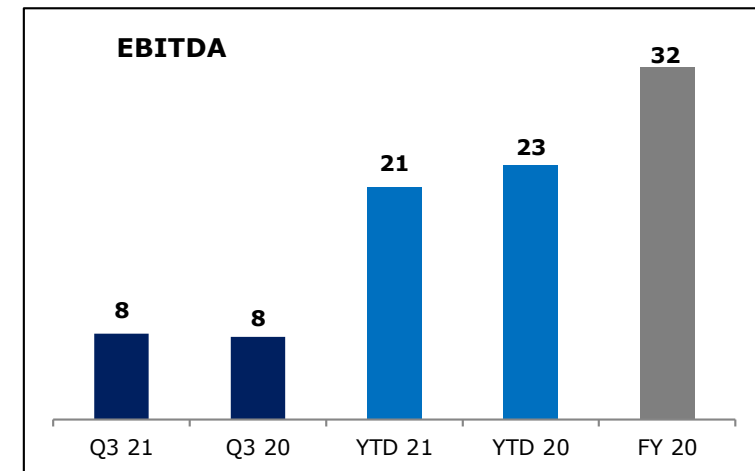
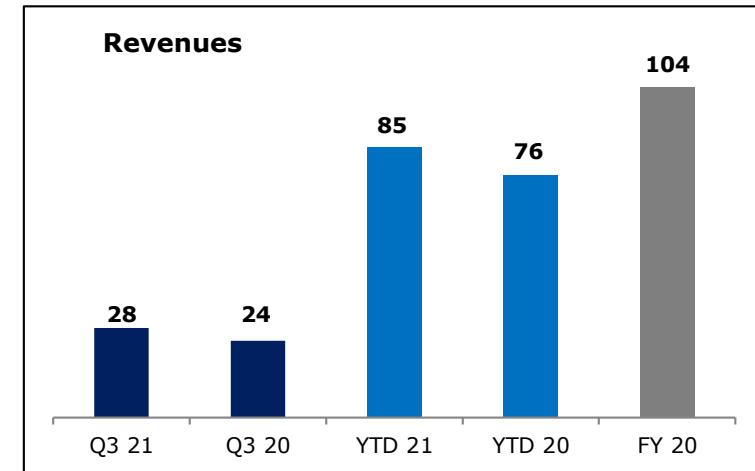
- Well Services financials

Well Services

Condensed P&L - (USD million)	Q3 21	Q3 20	YTD 21	YTD 20	FY 20
Operating revenue	28	24	85	76	104
EBITDA	8	8	21	23	32
Depreciation and impairments	-6	-6	-18	-19	-25
EBIT	2	1	3	5	7
Book value of equipment	61	74	61	74	69
Cost price for equipment in use	379	367	379	367	377
EBITDA-margin	27,9 %	31,4 %	24,9 %	30,7 %	31,1 %
EBIT-margin	7,2 %	4,8 %	3,7 %	6,2 %	6,6 %
Share of group revenue ¹	11,9 %	11,1 %	12,8 %	12,7 %	10,8 %
Share of group EBITDA ¹	8,7 %	8,6 %	9,7 %	9,4 %	7,6 %
Share of group EBIT ¹	4,3 %	2,8 %	3,5 %	4,9 %	3,0 %

1) Before group eliminations and corporate overheads

Key Financials (USD million)



Group

- eliminations, corporate overhead & net financial items

Group – eliminations, corporate overhead & net financial items

(USD million)	Q3 21	Q3 20	YTD 21	YTD 20	FY 20
EBIT - MODU	41	36	81	80	206
EBIT - Energy	4	5	8	12	15
EBIT - Well Services	2	1	3	5	7
EBIT for reportable segments	47	42	92	96	228
Eliminations/corporate	-4	-3	-9	-6	-11
Group EBIT	43	38	83	90	216
Net financial items	-12	-18	-34	-51	-71
Group profit before tax - Consolidated Group	31	20	49	39	146

Summary statement of financial position

Group statement of financial position

Assets (USDm)	30.09.21	30.09.20	31.12.20
Deferred tax asset	1	1	1
Intangible assets	28	27	29
Property, plant and equipment	2 137	2 206	2 203
Financial fixed assets	6	2	3
Total non-current assets	2 173	2 236	2 236
Trade receivables	170	154	162
Contract assets	11	9	10
Other current assets	27	61	26
Cash and cash equivalents	135	149	207
Total current assets	344	373	405
Total assets	2 516	2 609	2 640

- Group's gross interest bearing debt was USD 1,083 million (net of capitalized financing fees) at 30 September 2021.
- USD 135 million in cash and cash equivalents at 30 September 2021.
- Equity-ratio of 49.3% at 30 September 2021.

Equity and liabilities (USDm)	30.09.21	30.09.20	31.12.20
Total paid-in capital	565	565	565
Other equity	675	507	633
Equity attributable to owners of ODL	1 240	1 072	1 198
Non-controlling interests	-	1	1
Total equity	1 240	1 073	1 199
Non-current interest-bearing borrowings	926	1 095	696
Non-current lease liabilities	38	34	37
Post-employment benefits	6	6	7
Non-current contract liabilities	6	3	4
Other non-current liabilities	8	16	17
Total non-current liabilities	983	1 154	760
Current interest-bearing borrowings	157	184	516
Current lease liabilities	8	7	8
Contract liabilities	20	83	14
Trade payables	38	41	53
Other current liabilities	70	67	92
Total current liabilities	293	382	682
Total liabilities	1 276	1 536	1 442
Total equity and liabilities	2 516	2 609	2 640

Summary statement of cash flow

Group statement of cash flow

Cash Flow - (USDm)	Q3 21	Q3 20	YTD 21	YTD 20	FY 20
Profit before income tax	31	20	49	39	146
Adjustment for provisions and other non-cash elements	58	66	171	199	267
Change in working capital	-18	-15	-33	4	3
Cash from operations	71	71	187	242	416
Interest paid	-11	-14	-38	-51	-67
Income tax paid	-0	-1	-2	-2	-3
Net cash from operations	60	56	148	188	346
Purchase of property, plant and equipment	-17	-20	-79	-81	-114
Other cash flows from investment activities	0	-2	0	-1	1
Net cash used in investing activities	-17	-23	-79	-82	-113
Net change in debt	-43	-39	-131	-116	-183
Other financing	-1	-2	-7	-6	-10
Net cash from financing activities	-44	-41	-138	-123	-193
Net change in cash and cash equivalents	-1	-7	-69	-16	39
Cash and cash equivalents at period start	137	154	207	170	170
FX gains/(losses) on cash and cash equivalents	-1	3	-3	-5	-2
Cash and cash equivalents at period end	135	149	135	149	207

Summary Q3 2021

MODU:

- Continue to build backlog and be a preferred partner in the harsh environment
- Attractive harsh environment assets and healthy outlook

Energy:

- Increased activity in platform drilling
- Focus to develop the service portfolio into new areas

Well Services:

- Increased activity in Norway and MEAA

ESG:

- Sustainability Report 2020 scored A- by the Governance Group

Key Financials:

- Earnings visibility through USD 2.3 billion order backlog
- Continue to deleverage
- Sound cash position





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Next event:

Q4 2021 results tentatively scheduled to be published 24 February 2022

For more information see: www.odfjelldrilling.com



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