

Q2 2021 Presentation



ODFJELL DRILLING

Important information

By reading this company presentation dated 26 August 2021 (the "Presentation"), or attending any meeting or presentation held in relation thereto, you (the "Recipient") agree to be bound by the following terms, conditions and limitations.

The Presentation has been prepared by Odfjell Drilling Ltd. (the "Company") solely for information purposes in connection with publication of the Company's results for the second quarter of 2021 and may not be reproduced or redistributed, in whole or in part, to any other person.

The Presentation is being made only to, and is only directed at, persons to whom such presentation may lawfully be communicated ('relevant persons'). Any person who is not a relevant person should not act or rely on the Presentation or any of its contents. The Presentation does not constitute any recommendation to buy, sell or otherwise transact with any securities issued by the Company. The distribution of this Presentation may be restricted by law in certain jurisdictions, and the Recipient should inform itself about, and observe, any such restriction. Any failure to comply with such restrictions may constitute a violation of the laws of any such jurisdiction.

No representation, warranty or undertaking, express or implied, is made by the Company and no reliance should be placed on the fairness, accuracy, completeness or correctness of the information or the opinions in this Presentation. The Company shall have no responsibility or liability whatsoever (for negligence or otherwise) for any loss arising from the use by any person or entity of the information set forth in the Presentation. All information set forth in the Presentation may change materially and without notice.

This Presentation includes "forward looking statements". Forward looking statements are statements that are not historical facts and are usually identified by words such as "believes", "expects", "anticipates", "intends", "estimates", "will", "may", "continues", "should" etc. These forward looking statements reflect the Company's beliefs, intentions and current expectations concerning, among other things, the Company's results, financial condition, liquidity position, prospects, growth and strategies. These statements involve risks and uncertainties because they relate to future events and depend on future circumstances that may or may not occur. In light of the Covid-19 pandemic and unprecedented complications thereof, the Company emphasize the inherent uncertainty pertaining to future developments, including but not limited to the economic effects Covid-19 may have globally and within the industry the Company operates. Forward looking statements are not guarantees of future performance and no representation that any such statements or forecasts will be achieved are made.

The Company uses certain financial information calculated on a basis other than in accordance with IFRS, including EBITDA and EBITDA margin, as supplemental financial measures in this Presentation. These non-IFRS financial measures are provided as additional insight into the Company's ongoing financial performance and to enhance the user's overall understanding of the Company's financial results and the potential impact of any corporate development activities.

An investment in the Company involves significant risk, and several factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by statements and information in the Presentation.

The Presentation speaks as of 26 August 2021. The Company disclaims any obligation to update or revise any information set out in this Presentation, including the forward-looking statements, whether as a result of new information, future events or otherwise.

This Presentation is subject to Norwegian law, and any dispute arising in respect of this Presentation is subject to the exclusive jurisdiction of Norwegian courts.

Contents

- Introduction to ODL
- Q2 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 Q2 2021

\$ 233 Mill
Revenue

\$ 137 Mill
Cash

\$ 85 Mill
EBITDA

2.7x
Leverage ratio (adj)

\$ 2.4 Bill
Backlog

48%
Equity ratio

Our Businesses

Mobile 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



Q2 21 - key summary

- **Strong operational performance across all MODUs**
- **More wells allocated to Deepsea Atlantic**
- **Equinor work to Deepsea Stavanger**
- **Alliance agreement with bp for platform drilling services**
- **Bank facilities extension completed**



Mobile Offshore Drilling Units (MODU)

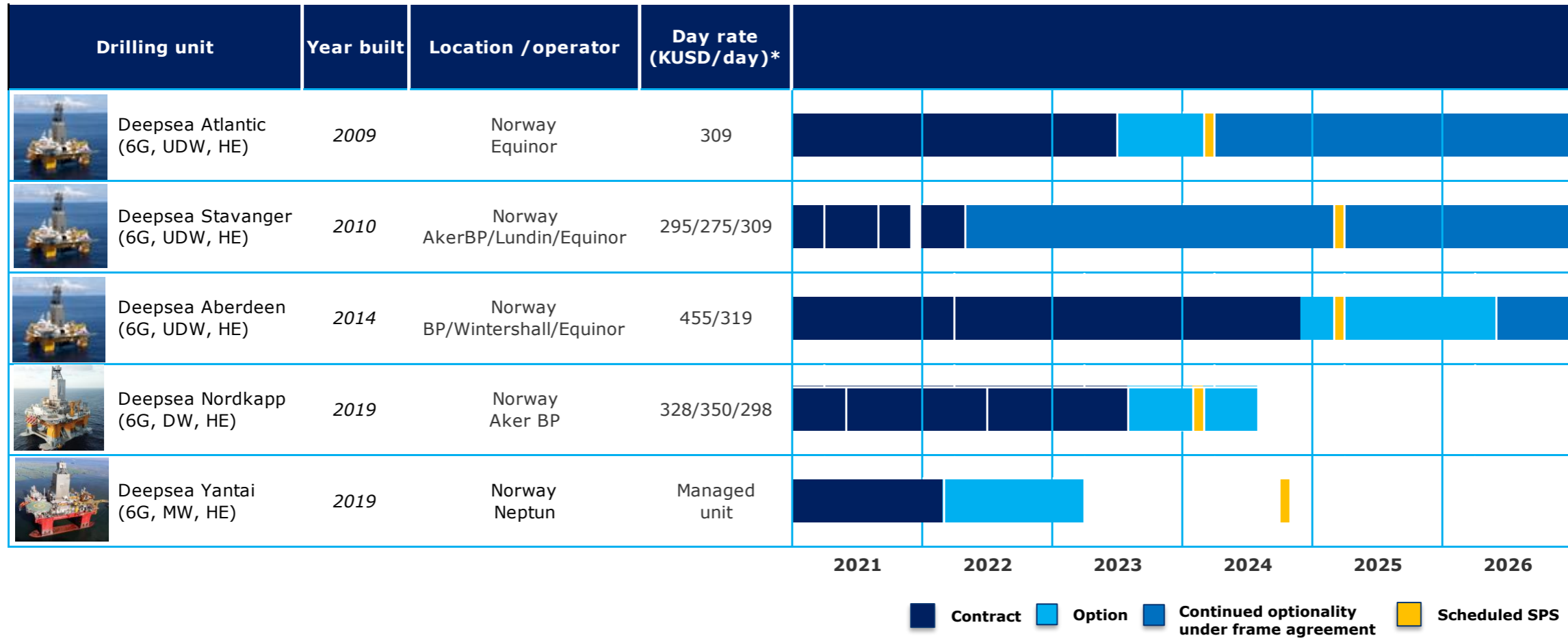
- Continued strong operations

Q2 2021 Financial Utilization

Financial Utilization¹	Q2 21	Q2 20	YTD 21	YTD 20	FY 20
Deepsea Stavanger	99,6 %	99,6 %	99,6 %	98,8 %	99,2 %
Deepsea Atlantic	97,8 %	98,6 %	91,9 %	98,8 %	98,9 %
Deepsea Bergen	n/a	n/a	n/a	92,7 %	92,7 %
Deepsea Aberdeen	98,7 %	97,1 %	98,0 %	86,0 %	92,1 %
Deepsea Nordkapp	98,7 %	99,6 %	98,6 %	98,8 %	99,0 %
Deepsea Yantai	90,2 %	94,8 %	94,4 %	94,0 %	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



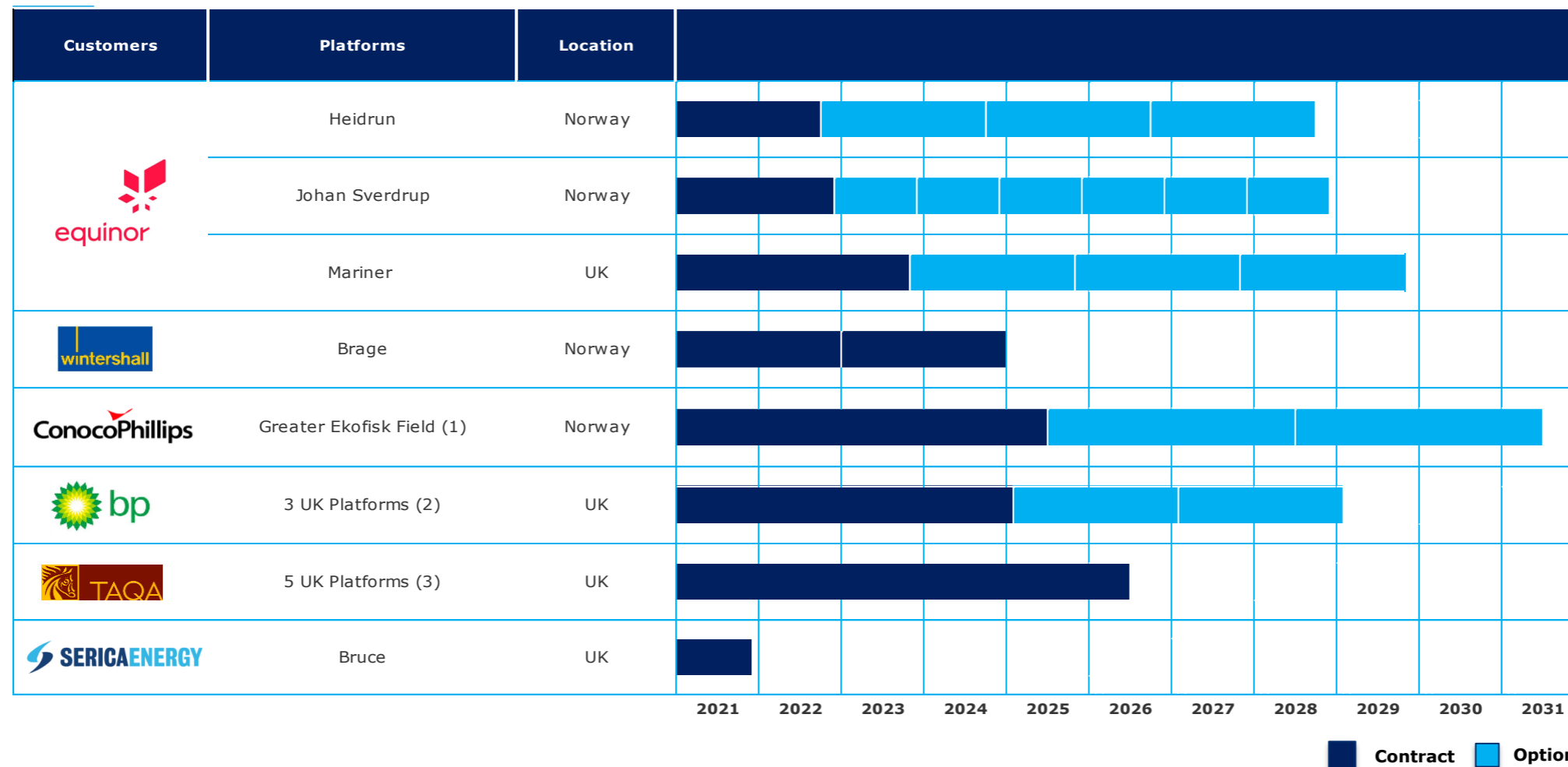
Firm MODU contract backlog at 30 June 2021 of USD 1.0 billion with additional priced options valued at USD 0.4 billion**

* 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 0.5 billion at 30 June 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

14
Operational Bases

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

20+
Countries

200+
Customers Worldwide

Overview

Excellent safety record. Over 1 Year LTI free.

Time, cost and carbon reducing technologies.

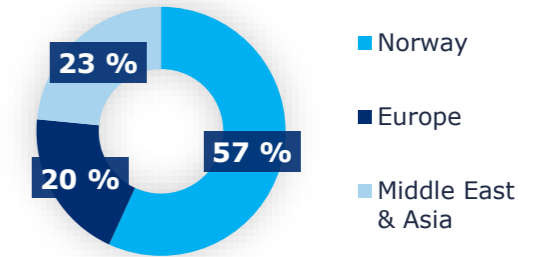
Engineering function with in-house R&D competence.

Experts in fully integrated, remote operated TRS.

Market-leading range of Wellbore Cleanup tools.

Major contracts with international operators.

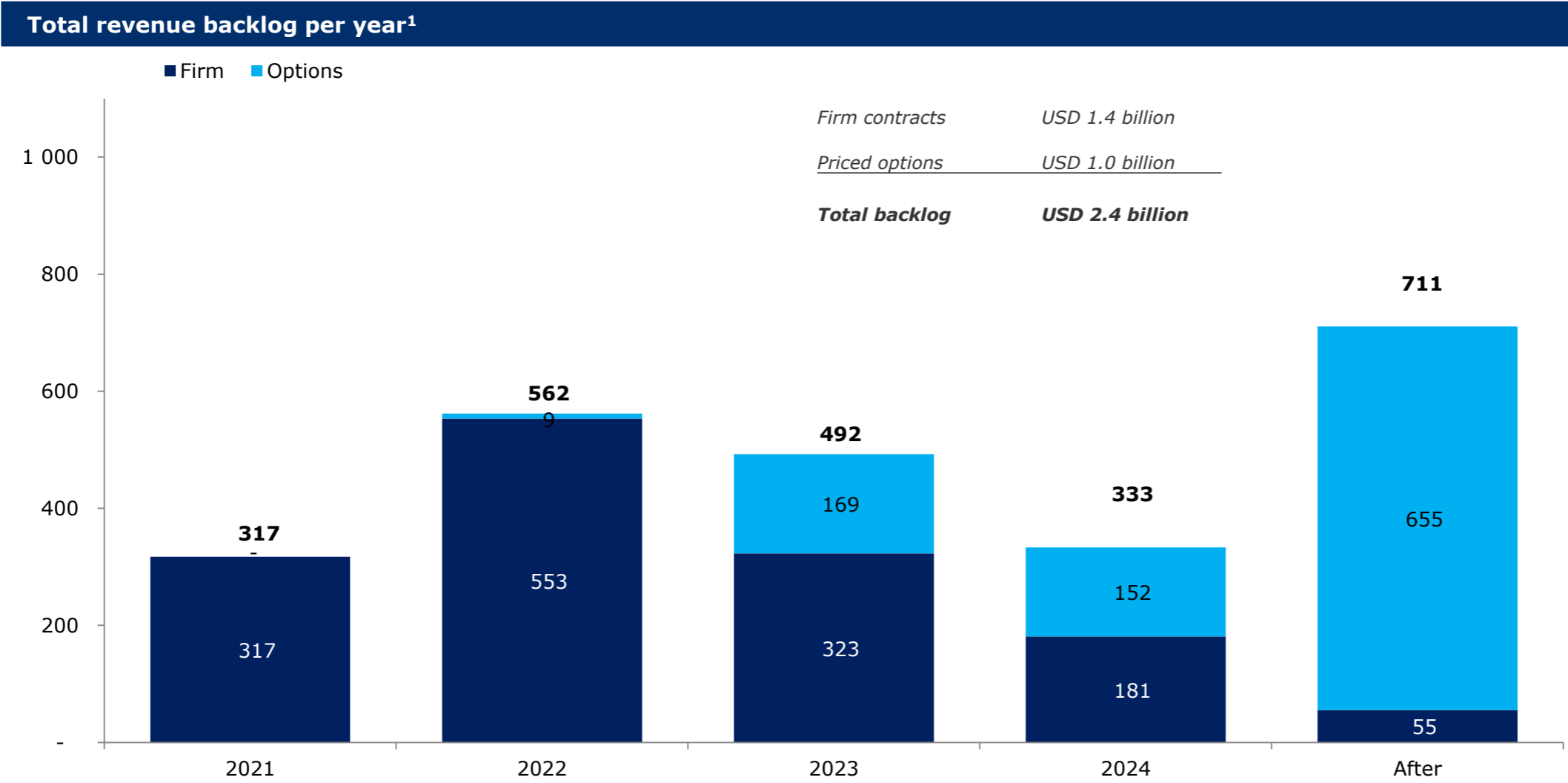
Revenue YTD



Key Clients



Earnings visibility through USD 2.4 billion order backlog



1) Estimates at 30 June 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.

ESG in Odfjell Drilling



ENVIRONMENTAL IMPACT

There are ongoing “zero emission drilling” projects on all rigs. Odfjell Drilling aims to optimise power consumption and supply, and develop KPI measurement systems to quantify and document emission reductions. So far, the results exceed initial expectations. A full scale flywheel/battery hybrid solution has been installed on one rig and similar systems will be implemented on all Odfjell Drilling rigs in the coming years. OWS’ “Green Day challenges”, part of its campaign to “Reduce, Reuse and Recycle” at work and at home, included measures to save energy, reduce plastics and reduce consumption.



PEOPLE AND SAFETY

Continued focus on Covid 19 procedures on- and offshore with satisfactory results. The organisation is working on returning-to-office policies based on local requirements in all our locations. Increased efforts on safety awareness to meet the target of «zero incidents» also during summer months. OWS introduced the CARE principles, to improve our competence and increase our awareness related to mental health.



ETHICS AND GOVERNANCE

Odfjell Drilling's priority is always a secure operation, and we work continuously with security on both physical and digital areas. The pandemic had immediate impact on our means of communicating. Odfjell Drilling installed new video technology just before the pandemic hit in March 2020. After a year of operation it is clear that it enabled effective communication and “business as usual”, with the required level of cyber and data security.



Market outlook

General

- Still COVID-19 related uncertainty in some market segments despite oil price recovery
- E&P companies will monitor the market closely and adjust their activities accordingly
 - => **Decreasing E&P activity due to overall uncertainty**

MODU

- Significant oversupply in the global rig market - several chapter 11 processes completed/ongoing - expect market consolidation
- Harsh environment markets are closer to supply/demand balance
- Present dayrate level does 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

- Still over-supply of available resources and equipment
- Observe an increased activity in the Norwegian market and expect 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
 - => **Some turbulence still expected to impact the demand in the short to medium term**

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
- for Decades

Group summary financials

Condensed consolidated income statement

P&L - (USD million)	Q2 21	Q2 20	YTD 21	YTD 20	FY 20
Operating revenue	233	167	415	364	930
Other gains/losses	-0	0	0	1	3
Personnel expenses	-107	-60	-201	-139	-340
Other operating expenses	-42	-26	-84	-63	-172
EBITDA	85	81	130	163	420
Depreciation	-45	-62	-90	-111	-204
Operating profit (EBIT)	39	18	40	51	216
Net financial items	-11	-24	-22	-32	-71
Profit/(loss) before tax	28	-5	18	19	146
Income taxes	-2	-1	-2	-3	-2
Profit/(loss) for the period	27	-6	16	16	143

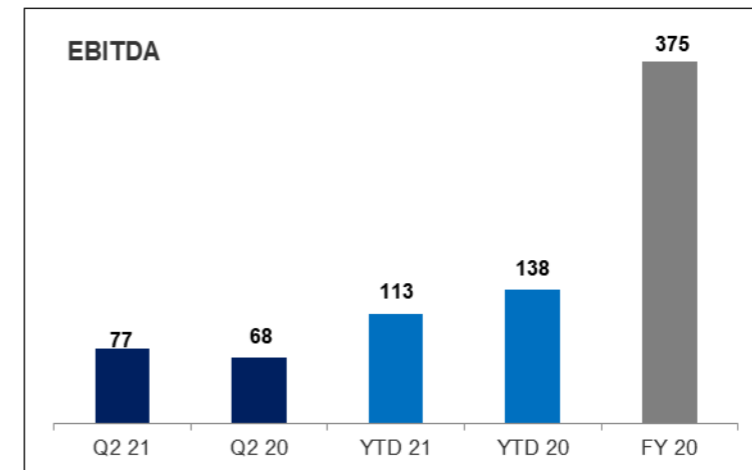
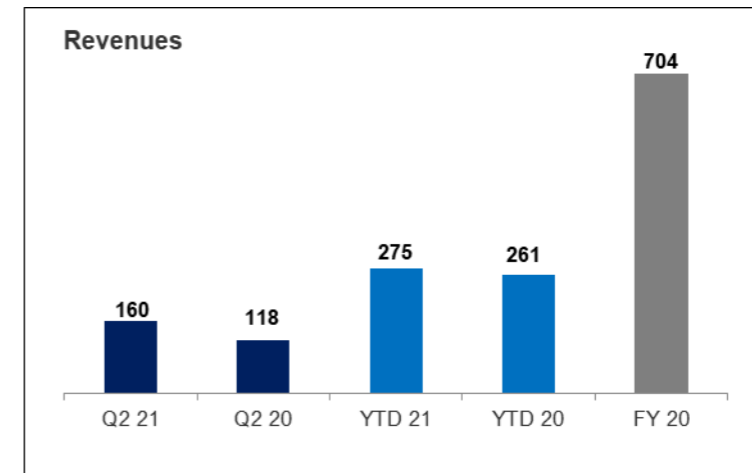
Segment reporting - MODU financials

MODU

Condensed P&L - (USD million)	Q2 21	Q2 20	YTD 21	YTD 20	FY 20
Operating revenue	160	118	275	261	704
EBITDA	77	68	113	138	375
Depreciation and impairments	-37	-54	-73	-95	-169
EBIT	40	14	40	44	206
Book value rigs	2 055	2 114	2 055	2 114	2 089
EBITDA-margin	47,7 %	57,7 %	41,2 %	53,1 %	53,3 %
EBIT-margin	24,8 %	12,2 %	14,6 %	16,7 %	29,2 %
Share of group revenue ¹	66,6 %	68,0 %	63,9 %	68,4 %	73,1 %
Share of group EBITDA ¹	90,0 %	85,6 %	86,9 %	85,8 %	88,8 %
Share of group EBIT ¹	94,0 %	73,6 %	89,3 %	80,3 %	90,4 %

1) Before group eliminations and corporate overheads

Key Financials (USD million)



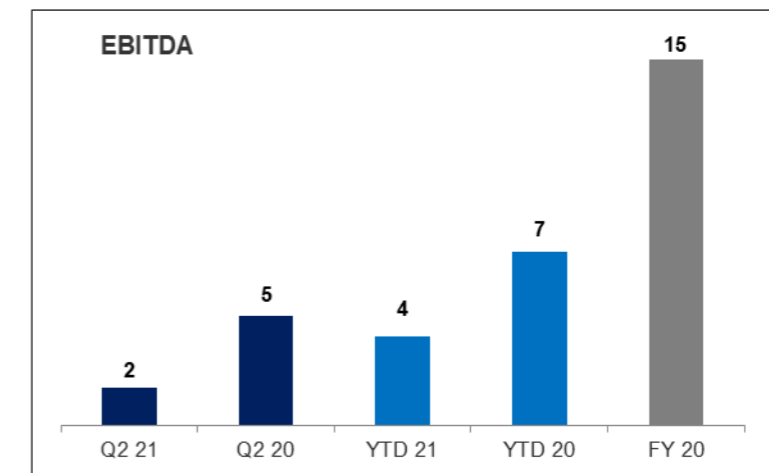
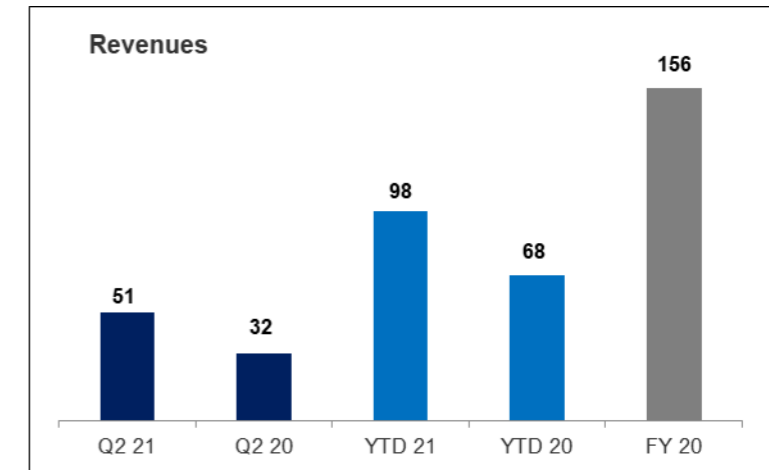
Segment reporting - Energy financials

Energy

Condensed P&L - (USD million)	Q2 21	Q2 20	YTD 21	YTD 20	FY 20
Operating revenue	51	32	98	68	156
EBITDA	2	5	4	7	15
Depreciation and impairments	-0	-0	-0	-0	-0
EBIT	2	4	4	7	15
EBITDA-margin	3,1 %	14,2 %	3,8 %	10,5 %	9,8 %
EBIT-margin	3,0 %	14,1 %	3,7 %	10,4 %	9,7 %
Share of group revenue ¹	21,0 %	18,3 %	22,8 %	17,9 %	16,2 %
Share of group EBITDA ¹	1,8 %	5,7 %	2,8 %	4,4 %	3,6 %
Share of group EBIT ¹	3,6 %	23,0 %	8,1 %	13,1 %	6,6 %

1) Before group eliminations and corporate overheads

Key Financials (USD million)



Segment reporting

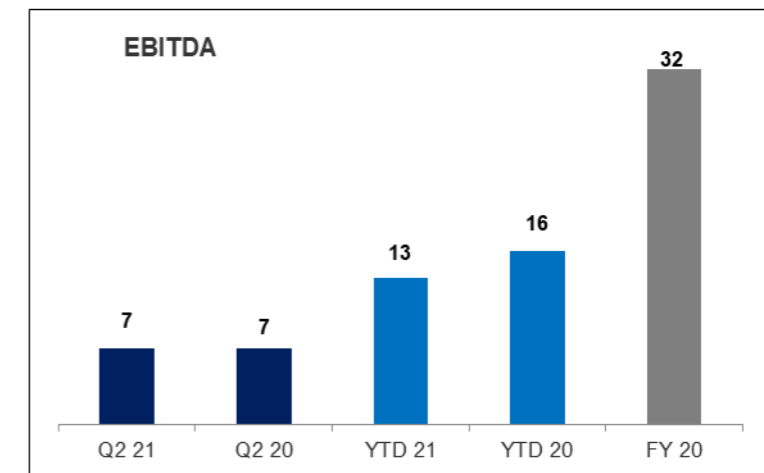
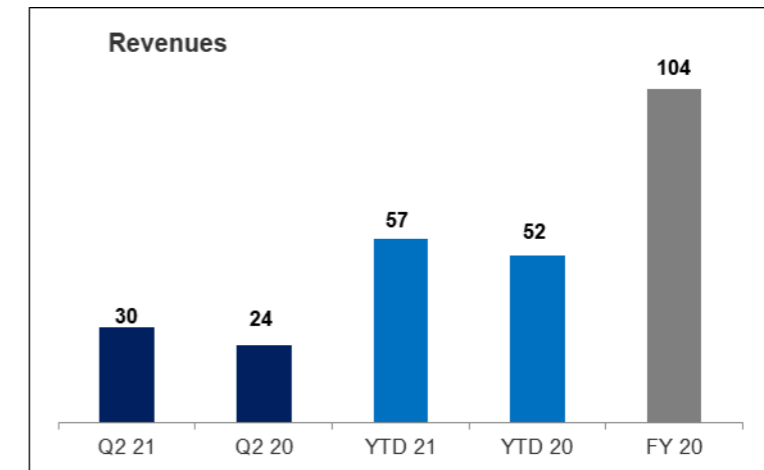
- Well Services financials

Well Services

Condensed P&L - (USD million)	Q2 21	Q2 20	YTD 21	YTD 20	FY 20
Operating revenue	30	24	57	52	104
EBITDA	7	7	13	16	32
Depreciation and impairments	-6	-6	-12	-12	-25
EBIT	1	1	1	4	7
Book value of equipment	64	74	64	74	69
Cost price for equipment in use	379	367	379	367	377
EBITDA-margin	23,3 %	29,1 %	23,5 %	30,3 %	31,1 %
EBIT-margin	3,4 %	2,8 %	2,0 %	6,9 %	6,6 %
Share of group revenue ¹	12,4 %	13,7 %	13,3 %	13,7 %	10,8 %
Share of group EBITDA ¹	8,1 %	8,7 %	10,3 %	9,8 %	7,6 %
Share of group EBIT ¹	2,4 %	3,4 %	2,6 %	6,6 %	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)	Q2 21	Q2 20	YTD 21	YTD 20	FY 20
EBIT - MODU	40	14	40	44	206
EBIT - Energy	2	4	4	7	15
EBIT - Well Services	1	1	1	4	7
EBIT for reportable segments	42	20	45	54	228
Eliminations/corporate	-3	-1	-5	-3	-11
Group EBIT	39	18	40	51	216
Net financial items	-11	-24	-22	-32	-71
Group profit before tax - Consolidated Group	28	-5	18	19	146

Summary statement of financial position

Group statement of financial position

Assets (USDm)	30.06.21	30.06.20	31.12.20	Equity and liabilities (USDm)	30.06.21	30.06.20	31.12.20
Deferred tax asset	1	1	1	Total paid-in capital	565	565	565
Intangible assets	28	26	29	Other equity	648	483	633
Property, plant and equipment	2 163	2 230	2 203	Equity attributable to owners of ODL	1 213	1 048	1 198
Financial fixed assets	6	0	3	Non-controlling interests	-	-	1
Total non-current assets	2 198	2 257	2 236	Total equity	1 213	1 048	1 199
Trade receivables	178	127	162	Non-current interest-bearing borrowings	952	1 114	696
Contract assets	11	9	10	Non-current lease liabilities	36	34	37
Other current assets	29	39	26	Post-employment benefits	6	6	7
Cash and cash equivalents	137	154	207	Non-current contract liabilities	5	2	4
Total current assets	355	329	405	Other non-current liabilities	10	17	17
Total assets	2 553	2 586	2 640	Total non-current liabilities	1 009	1 173	760
				Current interest-bearing borrowings	172	201	516
				Current lease liabilities	6	7	8
				Contract liabilities	21	55	14
				Trade payables	48	35	53
				Other current liabilities	85	67	92
				Total current liabilities	331	366	682
				Total liabilities	1 340	1 538	1 442
				Total equity and liabilities	2 553	2 586	2 640

- Group's gross interest bearing debt was USD 1,123 million (net of capitalized financing fees) at 30 June 2021.
- USD 137 million in cash and cash equivalents at 30 June 2021.
- Equity-ratio of 48% at 30 June 2021.

Summary statement of cash flow

Group statement of cash flow

Cash Flow - (USDm)	Q2 21	Q2 20	YTD 21	YTD 20	FY 20
Profit before income tax	28	-5	18	19	146
Adjustment for provisions and other non-cash elements	57	90	113	134	267
Change in working capital	-27	26	-16	19	3
Cash from operations	58	110	116	172	416
Interest paid	-14	-19	-27	-37	-67
Income tax paid	-1	-1	-1	-2	-3
Net cash from operations	44	89	88	133	346
Purchase of property, plant and equipment	-29	-37	-62	-61	-114
Other cash flows from investment activities	-0	1	0	1	1
Net cash used in investing activities	-29	-37	-62	-60	-113
Net change in debt	-67	-74	-88	-77	-183
Other financing	-4	-3	-6	-5	-10
Net cash from financing activities	-71	-77	-94	-82	-193
Net change in cash and cash equivalents	-56	-25	-68	-9	39
Cash and cash equivalents at period start	194	174	207	170	170
FX gains/(losses) on cash and cash equivalents	-1	4	-1	-7	-2
Cash and cash equivalents at period end	137	154	137	154	207

Summary Q2 2021

MODU:

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

Energy:

- Signed a strategic alliance agreement with bp in the UK for platform drilling activities
- Focus to develop the service portfolio into new areas

Well Services:

- Continued high activity although the service market has been affected by less demand due to COVID-19/oil price turbulence

Key Financials:

- Earnings visibility through USD 2.4 billion order backlog
- Completed refinancing - no debt maturity before mid 2023
- Continue to deleverage
- Sound cash position





For further information, please contact:

Vice President Corporate Finance & Investor Relations

Eirik Knudsen, eikn@odfjelldrilling.com +47 934 59 173

Next event:

Q3 2021 results tentatively scheduled to be published 25 November 2021

For more information see: www.odfjelldrilling.com



ODFJELL DRILLING
- for Decades