



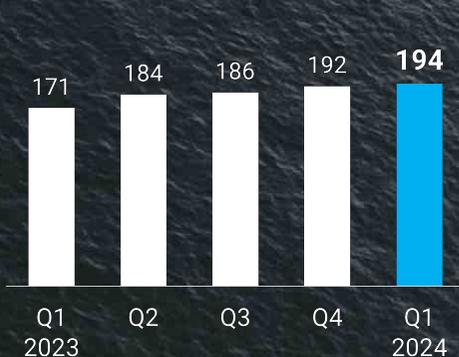
Report for 1st Quarter of 2024

15 May 2024

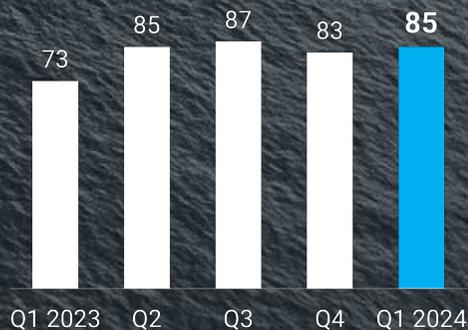


Q1 Key Financials

REVENUE (\$m)



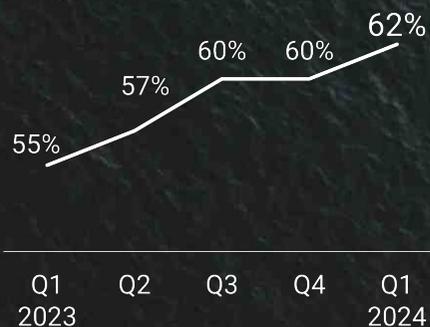
EBITDA (\$m)



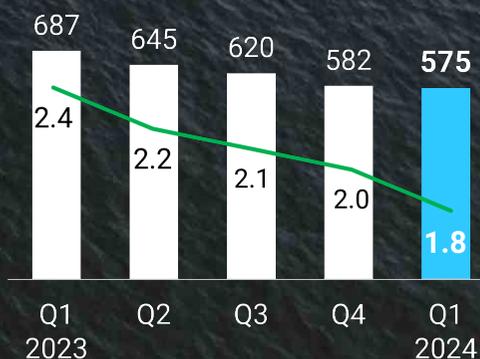
LIQUIDITY (\$m)



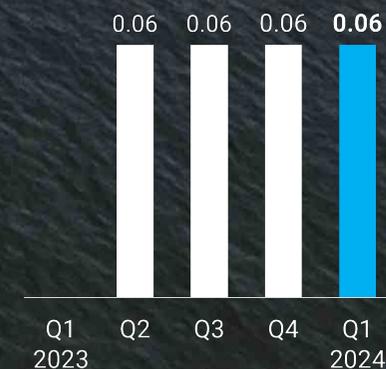
EQUITY RATIO



NET DEBT (\$m) & LEVERAGE RATIO



Dividend Per Share (\$)



Q1 Highlights

Good revenue generation, despite tough weather

- Q1 Revenue of USD 194 million
- Q1 EBITDA of USD 85 million

Further deleveraging of balance sheet

- Leverage ratio of 1.8x
- Equity Ratio of 62%
- Repayment of USD 53 million Samsung Yard Credit

Fully booked until 2026

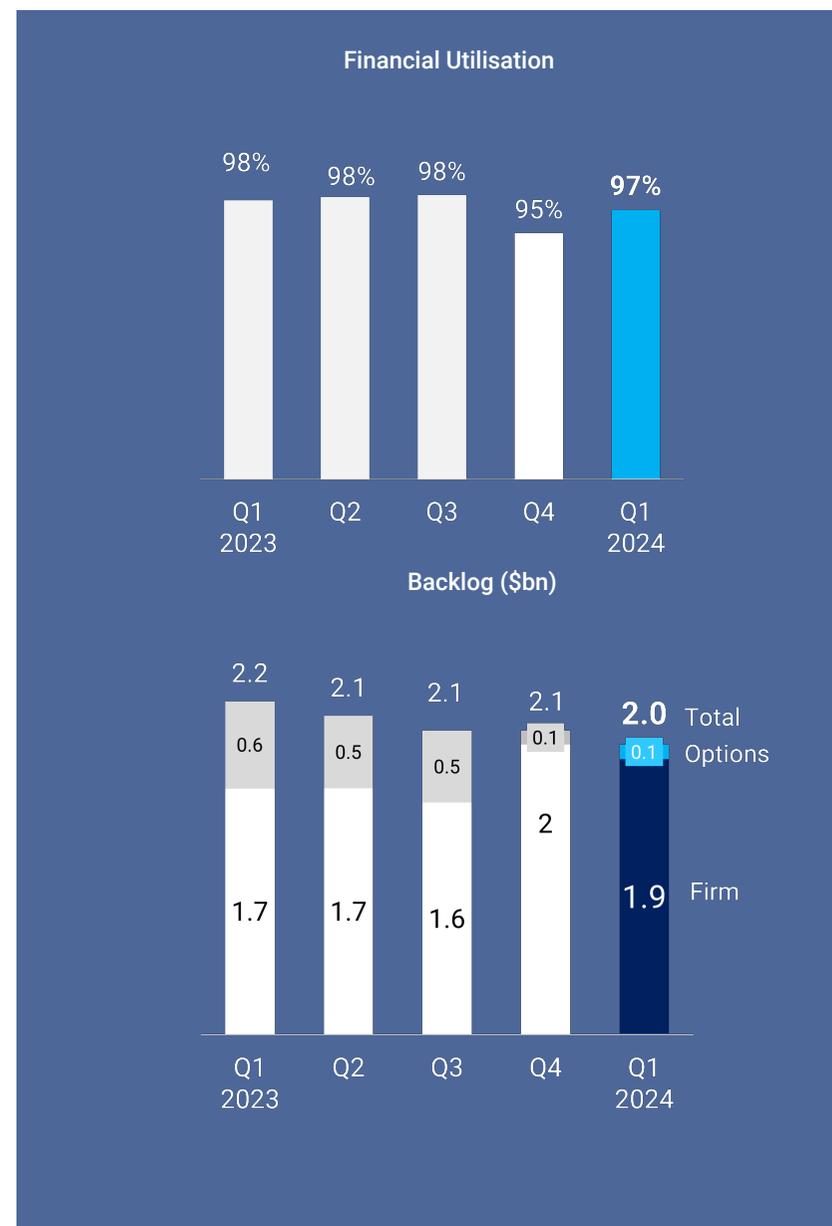
- Order backlog USD 2.0 billion
 - USD 1.9 billion from firm contract
 - USD 0.1 billion from priced options
- Priced options exercised by Equinor for work on Deepsea Stavanger

SPS programs ongoing

- Average capex allocation for the three remaining SPS programs now estimated to be around USD 50 million per unit, with 2-4 weeks of off hire time
- New Deepsea Atlantic ultra-deepwater BOP cost increased to USD 50 million from USD 45 million

Shareholder Distributions

- Q1 Quarterly Dividend of USD 14.2 million declared



Kjetil Gjersdal Odfjell Drilling AS CEO Commented:

"Q1 has been a positive start to the year for our Company, with all units operating well throughout the period despite the challenging winter weather conditions offshore Norway and the unpredictable weather offshore Namibia. Thanks to this steady operational performance, this quarter we have also further solidified our balance sheet, moving to a leverage ratio of 1.8x, and will return our fourth quarterly dividend to shareholders. As a result, we continue to have one of the most robust balance sheets amongst our peers and with firm backlog secured on all of our owned units until 2026, we expect to continue to build on this trend.

"2024 is going to be a very important year for our Company. In addition to our units moving countries, fields and operators, we must also co-ordinate three SPS programs on our owned fleet as well as three on our external fleet within the next 12 months. We are making good progress on all of these, however have noticed increased costs on our own fleet due to scope increase and delayed commencement of the yard stay for the Deepsea Atlantic. As we complete these processes and reduce associated capex risk, we look forward to this positively impacting our capability to distribute cash via dividend to our shareholders."

Q1 Dividend Details

- Announced currency: USD
- Dividend amount: 0.06 USD / share
- Payment amount: USD 14.2 million
- Last day including right: 23 May 2024
- Ex-Dividend date: 24 May 2024
- Record date: 27 May 2024
- Payment date: 13 June 2024

The dividend has been declared in USD with actual NOK payments per share to be determined based on the Norges Bank exchange rate at the last day including rights.

Key figures for the Group

All figures in USD million	Q1 24	Q1 23	FY 23
Operating revenue	194	171	732
EBITDA	85	73	329
EBIT	37	28	306
Net profit	14	2	222
EBITDA margin	44%	43%	45%
Total assets	2,236	2,192	2,309
Net interest bearing debt	575	687	582
Equity	1,387	1,206	1,394
Equity ratio	62%	55%	60%

A busy start

Solid performance, despite the weather

During Q1, the Odfjell Drilling own fleet was active throughout the quarter in the Norwegian Continental Shelf (“NCS”) and, despite harsh winter weather, achieved an average financial utilisation of 97%.

The Deepsea Atlantic and Deepsea Stavanger were both on contracts with Equinor, which saw them continuing their drilling campaigns on the Johan Sverdrup Phase II project and various exploration projects respectively. The Deepsea Atlantic and Deepsea Stavanger achieved an average financial utilisation of 98.3% and 96.3% respectively.

The Deepsea Aberdeen was also working with Equinor in the NCS during the period; firstly completing its short term drilling campaign on the Svalin field until mid Q1 2024 before returning to the Breidablikk field towards the end of the period. The Deepsea Aberdeen achieved a financial utilisation of 93.4% during the quarter, down due to weather related downtime.

Having successfully completed its SPS in Q4 2023 at an estimated total cost of USD 40 million, with circa 65% of total capex paid by end Q1 2024, the Deepsea Nordkapp resumed its work on the Alvheim development for Aker BP and achieved a financial uptime of 99.4%.

A key focus of the quarter has been to prepare for the remaining three SPS

programs, beginning with the Deepsea Atlantic following completion of the Johan Sverdrup Phase II scope in Q2 2024, later than originally anticipated. This delay and following changes to the scope, has resulted in an increased cost to complete the SPS as well as the installation of the BOP, which is now estimated to cost USD 50 million. The average capex allocation for the remaining three SPS programs is now estimated to be around USD 50 million per unit, with 2-4 weeks of off-hire time.

During Q1, the external fleet was fully operational, with the Deepsea Yantai continuing to drill on the NCS for Vår Energi while the Deepsea Mira, Deepsea Bollsta and the Hercules were all drilling in Namibia for Total, Shell and Galp Energi respectively. Of particular note during the period was the exceptional work done by the Hercules which drilled the Mopane Discovery, which Galp Energi estimates to contain in place hydrocarbon volumes of 10 billion barrels of oil equivalent or higher. Further exploration work is planned in the Orange Basin by operators in 2024 in both Namibia and South Africa.

The three management units will continue to drill in Namibia until mid Q2 2024, whereafter the Hercules will be returning to Canada to drill for Equinor, Deepsea Mira will move to Congo for Total and the Deepsea Bollsta will commence its SPS program.

Balance sheet strengthened

In Q1, the Company continued to build on the momentum generated in 2023 and delivered another quarter of increased revenue and solid EBITDA generation, with the Company's leverage ratio moving to 1.8x and the equity ratio to 62%.

The Company also repaid the USD 53 million Samsung Yard Credit in Q1, which was arranged as part of the purchase of the Deepsea Nordkapp. The warrants agreement with Akastor ASA matures 31 May 2024 following which the Company is expected to issue shares to the warrant holder, further details of which can be found in the Company's Q1 2024 Presentation, its recently published 2023 Annual Report and a prospectus related to the acquisition of Deepsea Nordkapp filed in 2018.

Solidifying cash generation

In addition to a strengthening balance sheet, the Company noted that Equinor exercised the remaining priced options on the Deepsea Stavanger, resulting in the Company now having a backlog of USD 2 billion and all of the Own fleet enjoying firm contract coverage until at least 2026.

As a result of the Company's contract coverage, operational performance as well as the prevailing market conditions, the Company has elected to pay a dividend for the quarter of USD 14.2 million.



Outlook

Market Outlook

Supply and demand for our services continues to be well balanced, with day rates for new contracts continuing to increase. With all of our fleet now secured following the exercise of options on the Deepsea Stavanger, the Company's focus has been on securing additional firm backlog in 2026, where we continue to see demand outpacing supply.

Internationally, the recent discoveries in Namibia and the upcoming drilling campaign in the Orange Basin offshore South Africa could present significant further demand for our services in the

future, with operators now considering development and appraisal campaigns in the area.

The Company sees the likelihood of newbuilds extremely unlikely and does not expect significantly more supply to come from stacked capacity. As noted in our previous quarterly results, the Company expects that day rates will continue to rise for tier 1 units in the medium to long term.

Company Outlook

Further contract awards are expected to be secured during 2024, with the Company

being actively involved in new tenders and contract discussions. The Company notes the trend of operators seeking longer term contracts with high performing units, such as those within its fleet, and expects this to continue.

During 2024, the Company anticipates beginning its SPS on the Deepsea Atlantic in Q2 2024 and the Deepsea Aberdeen around Q4 2024. Currently the Deepsea Stavanger is expected to begin its SPS in Q1/Q2 2025.

With the fleet moving to higher value contracts and with significant firm backlog

secured across its owned fleet for years to come, Odfjell Drilling remains highly optimistic about the future. The Company is well funded, with flexible covenants on its financing facilities and maintains a strong see-through to significant cash flow in the years ahead.



Segments

Own Fleet

All figures in USD million

	Q1 24	Q1 23	FY 23
Operating revenue	151	134	573
EBITDA	81	70	315
EBIT	34	25	296
EBITDA margin	54%	52%	55%

(Comparable figures for last comparable period in brackets)

Q1 2024

Operating revenue for the Own Fleet segment in Q1 2024 was USD 151 million (USD 134 million) driven by higher revenue on all four rigs. Deepsea Stavanger (USD 5 million) is driven by rate increase and

higher add-on sales. Deepsea Atlantic (USD 5 million) and Deepsea Nordkapp (USD 4 million) is driven by higher bonus, rate increase, and higher add-on sales. Deepsea Aberdeen (USD 3 million) is driven by

higher rate working on the Svalin field which was offset by lower utilisation.

EBITDA for the Own Fleet segment in Q1 2024 was USD 81 million (USD 70 million),

driven by improved EBITDA for Deepsea Stavanger (USD 4 million), Deepsea Nordkapp (USD 3 million), Deepsea Aberdeen (USD 3 million) and Deepsea Atlantic (USD 3 million).

Own Fleet - Financial Utilisation

The financial utilisation for Odfjell Drilling's fully owned mobile offshore drilling units was as follows:

	Q1 24	Q1 23	FY 23
Deepsea Stavanger	96.3 %	95.6 %	94.1 %
Deepsea Atlantic	98.3 %	98.4 %	98.6 %
Deepsea Aberdeen	93.4 %	98.0 %	97.0 %
Deepsea Nordkapp	99.4 %	99.4 %	99.4 %

- Deepsea Stavanger, Deepsea Atlantic and Deepsea Aberdeen have been operating for Equinor on the NCS during 2024.
- Deepsea Nordkapp has been operating for Aker BP on the NCS during 2024.

External Fleet

All figures in USD million

	Q1 24	Q1 23	FY 23
Operating revenue	42	36	156
EBITDA	6	5	24
EBIT	6	5	24
EBITDA margin	16%	14%	15%

(Comparable figures for last comparable period in brackets)

Q1 2024

Operating revenue for the External Fleet was USD 42 million (USD 36 million). The main driver of the increase is Hercules

(USD 2 million), which was in full operation during Q1 2024, Deepsea Yantai (USD 2

million) and Deepsea Bollsta (USD 1 million).

EBITDA for the External Fleet in Q1 2024 was USD 6 million (USD 5 million). The main driver is Hercules (USD 1 million).

Consolidated group financials

(Comparable figures for same period in prior year in brackets)

Profit Q1 2024

Operating revenue for Q1 2024 was USD 194 million (USD 171 million), an increase of USD 23 million, mainly due to increased activity in the Own Fleet segment.

EBITDA in Q1 2024 was USD 85 million (USD 73 million), an increase of USD 12 million. The EBITDA margin in Q1 2024 was 44% (43%).

Depreciation and amortisation cost in Q1 2024 was USD 48 million (USD 45 million), an increase of USD 3 million.

Net financial expenses in Q1 2024 amounted to USD 20 million (USD 24 million), a decrease of USD 4 million. The decrease is mainly explained by a net positive change in currency gains and losses partly offset by a negative change related to fair value of derivatives.

Net profit in Q1 2024 was USD 14 million (USD 2 million).

Cash flow Q1 2024

Net cash flow from operating activities in Q1 2024 was USD 63 million (USD 56 million). This includes paid net interest of USD 7 million (USD 15 million) and income taxes of USD 4 million (USD 0 million).

Net cash outflow from investing activities in Q1 2024 was USD 27 million (USD 45 million). The 2024 cashflow is mainly related to purchases of fixed assets.

Net cash outflow from financing activities in Q1 2024 was USD 69 million (USD 25 million). USD 15 million was drawn on the Odfjell Invest Revolving Credit Facility (RCF) in Q1 2024. The Group repaid the Samsung Yard Credit of USD 53 million and further paid USD 17 million in instalment on facilities and leases. A dividend of USD 14 million was paid to the shareholders in Q1 2024.

Balance sheet

Total assets as at 31 March 2024 amounted to USD 2,236 million (USD 2,309

million at 31 December 2023), a decrease of USD 73 million.

Total equity as at 31 March 2024 amounted to USD 1,387 million (USD 1,394 million at 31 December 2023), a decrease of USD 7 million.

Net interest bearing debt as at 31 March 2024 amounted to USD 575 million (USD 582 million at 31 December 2023), a decrease of USD 7 million.

At 31 March 2024, cash amounted to USD 95 million (USD 129 million at 31 December 2023), a decrease of USD 34 million. In addition, the Company has available undrawn facilities of USD 145 million, taking the available liquidity to USD 240 million.

Risks and uncertainties

Forward-looking statements and estimates in this report reflect current views about future events and are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and may not be within our control. In the Group's view, factors that could cause actual results to differ materially from the outlook contained

in this report include but are not limited to the following: volatile oil and gas prices, global political changes regarding energy composition, competition within the oil and gas services industry, changes in clients' spending budgets, cost inflation, access to qualified resources and developments in the financial and fiscal markets. Furthermore, as Odfjell Drilling's fully owned fleet consists of four units, any

operational downtime or any failure to secure employment at satisfactory rates will affect the Group's results relatively more than for a group with a larger fleet. In order to avoid operational downtime with potential impact on the Group's results, and to secure long term order backlog, Odfjell Drilling has invested significant time and efforts to maintain a safe, predictable and profitable performance.

Odfjell Drilling has strong backlog and a robust balance sheet with low leverage.

The Group has a continuous focus on cost reductions, efficiency improvement programs and capital discipline, in order to maintain its competitiveness.

Quality, health, safety & environment (QHSE)

Key figures QHSE

	YTD 24	FY 23
Lost time incident frequency (as per 1 million working hours)	0.4	0.7
Total recordable incident frequency (as per 1 million working hours)	2.0	2.6
Sick leave (percentage)	3.6	4.7
Dropped objects frequency (as per 1 million working hours)	3.3	3.3

London, United Kingdom

14 May 2024

Board of Directors of Odfjell Drilling Ltd.

Simen Lieungh, Chair

Helene Odfjell, Director

Harald Thorstein, Director

Knut Hatleskog, Director

Condensed Consolidated Financial Statements



Condensed Consolidated Income Statement

<i>USD million</i>	Note	Q1 24	Q1 23	FY 23
OPERATING REVENUE	2,3	193.6	170.9	732.5
Other gains and losses		0.8	-	-
Personnel expenses		(70.7)	(63.7)	(262.4)
Other operating expenses		(38.2)	(34.3)	(141.6)
EBITDA		85.5	72.9	328.5
Depreciation, amortisation and impairment	5,6	(48.1)	(45.2)	(22.1)
OPERATING PROFIT (EBIT)		37.4	27.7	306.4
Net financial expenses	4	(20.3)	(23.7)	(84.0)
Profit before taxes		17.1	4.0	222.4
Income tax expense		(3.3)	(2.0)	(0.3)
NET PROFIT		13.8	2.0	222.1
Profit (loss) attributable to:				
Owners of the parent		13.8	2.0	222.1
Earnings per share (USD)				
Basic earnings per share	13	0.06	0.01	0.94
Diluted earnings per share	13	0.06	0.01	0.94

Condensed Consolidated Statement of Comprehensive Income

<i>USD million</i>	Q1 24	Q1 23	FY 23
NET PROFIT	13.8	2.0	222.1
Items that will not be reclassified to profit or loss:			
Remeasurements of post employment benefit obligations (net of tax)	-	-	(0.4)
Items that are or may be reclassified to profit or loss:			
Cash flow hedges (net of tax)	(1.7)	(1.8)	(7.6)
Currency translation differences	(4.8)	(2.9)	(0.5)
OTHER COMPREHENSIVE INCOME, NET OF TAX	(6.5)	(4.7)	(8.5)
TOTAL COMPREHENSIVE INCOME	7.3	(2.7)	213.6
Total comprehensive income attributable to:			
Owners of the parent	7.3	(2.7)	213.6

Condensed Consolidated Statement of Financial Position

<i>USD million</i>	Note	31.03.2024	31.03.2023	31.12.2023
ASSETS				
Property, plant and equipment	5	1,975.7	1,908.3	2,013.0
Intangible assets	6	2.8	3.1	3.0
Deferred tax asset		8.0	0.6	8.5
Non-current receivable	11	28.5	29.6	30.2
Other non-current assets	9	0.0	5.7	-
TOTAL NON-CURRENT ASSETS		2,015.0	1,947.3	2,054.7
Trade receivables		100.7	90.9	100.0
Contract assets		7.9	8.2	8.4
Other current assets		17.4	7.7	16.6
Cash and cash equivalents		94.8	138.3	129.2
TOTAL CURRENT ASSETS		220.7	245.1	254.2
TOTAL ASSETS		2,235.7	2,192.4	2,308.8

<i>USD million</i>	Note	31.03.2024	31.03.2023	31.12.2023
EQUITY AND LIABILITIES				
Paid-in capital	12	370.2	370.2	370.2
Other equity		1,017.1	835.7	1,023.9
TOTAL EQUITY		1,387.2	1,205.8	1,394.0
Non-current interest-bearing borrowings	7	565.1	469.9	561.8
Non-current lease liabilities	8	33.7	36.1	38.4
Other non-current liabilities		0.9	2.5	2.1
TOTAL NON-CURRENT LIABILITIES		599.8	508.4	602.3
Current interest-bearing borrowings	7	104.9	355.0	149.6
Current lease liabilities	8	20.0	26.0	24.9
Contract liabilities		28.3	9.0	22.1
Trade payables		37.4	34.6	48.9
Other current liabilities		58.2	53.5	67.0
TOTAL CURRENT LIABILITIES		248.8	478.2	312.5
TOTAL LIABILITIES		848.5	986.6	914.8
TOTAL EQUITY AND LIABILITIES		2,235.7	2,192.4	2,308.8

Condensed Consolidated Statement of Changes in Equity

<i>USD million</i>	Note	Paid-in capital	Other equity	Total equity
Balance at 1 January 2023		370.2	838.3	1,208.5
Profit/(loss) for the period		-	2.0	2.0
Other comprehensive income for the period		-	(4.7)	(4.7)
Total comprehensive income for the period		-	(2.7)	(2.7)
Cost of share-based option plan		-	0.1	0.1
Transactions with owners		-	0.1	0.1
BALANCE AT 31 MARCH 2023		370.2	835.7	1,205.8
Total comprehensive income for the period Q2 - Q4		-	216.3	216.3
Transactions with owners for the period Q2 - Q4		-	(28.1)	(28.1)
BALANCE AT 31 DECEMBER 2023		370.2	1,023.9	1,394.0
Profit/(loss) for the period		-	13.8	13.8
Other comprehensive income for the period		-	(6.5)	(6.5)
Total comprehensive income for the period		-	7.3	7.3
Dividends paid	12	-	(14.2)	(14.2)
Cost of share-based option plan		-	0.1	0.1
Transactions with owners		-	(14.1)	(14.1)
BALANCE AT 31 MARCH 2024		370.2	1,017.1	1,387.2

Condensed Consolidated Statement of Cash Flows

<i>USD million</i>	Note	Q1 24	Q1 23	FY 23
CASH FLOWS FROM OPERATING ACTIVITIES:				
Profit/(loss) before tax		17.1	4.0	222.4
Adjustment for interest, provisions and non-cash elements		65.7	67.6	109.4
Changes in working capital		(8.2)	(0.6)	(4.9)
Cash generated from operations		74.6	71.0	326.9
Net interest paid		(6.9)	(14.6)	(56.2)
Net income tax paid		(4.5)	(0.0)	(6.0)
NET CASH FLOW FROM OPERATING ACTIVITIES		63.2	56.4	264.7
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of property, plant and equipment		(26.6)	(13.9)	(66.2)
Proceeds from grants		-	-	12.7
Proceeds from sale of property, plant and equipment		0.0	-	0.0
Payment regarding letter of indemnity to Odfjell Technology Ltd.	11	-	(30.8)	(30.8)
Other investing activities		-	-	(1.6)
NET CASH FLOW FROM INVESTING ACTIVITIES		(26.6)	(44.6)	(85.9)
-of which from continuing operations		(26.6)	(13.9)	(55.1)
-of which from discontinued operations		-	(30.8)	(30.8)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from borrowings	7	15.0	-	534.9
Repayment of borrowings	7	(65.6)	(19.6)	(680.2)
Repayment of lease liabilities	8	(4.3)	(5.5)	(22.7)
Dividends paid		(14.2)	-	(28.4)
NET CASH FLOW FROM FINANCING ACTIVITIES		(69.1)	(25.1)	(196.4)
Effects of exchange rate changes on cash and cash equivalents		(2.1)	(5.6)	(10.3)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(34.4)	(18.9)	(28.0)
Cash and cash equivalents at beginning of period		129.2	157.2	157.2
CASH AND CASH EQUIVALENTS AT PERIOD END		94.8	138.3	129.2

| Note 1 Accounting Principles

General information

Odfjell Drilling Ltd. ('the Company') and its subsidiaries (together 'the Group') own and operate mobile offshore drilling units.

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

These condensed interim financial statements were approved by the Board of Directors on 14 May 2024 and have not been audited.

Basis for preparation

These condensed interim financial statements for the three months period ended 31 March 2024 have been prepared in accordance with IAS 34, 'Interim financial reporting'. These condensed consolidated interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the [annual report](#) for the year ended 31 December 2023.

Accounting principles

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

Use of estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. These estimates are based on the actual underlying business, its present and forecast profitability over time, and expectations about external factors such as interest rates, foreign exchange rates and other factors which are outside the Group's control. The resulting estimates will, by definition, seldom equal the related actual results.

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation were the same as those that applied to the consolidated financial statements for the year ended 31 December 2023.

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

Note 2 Segment summary

The Board is the Group's chief operating decision maker. Management has determined the operating segments based on the information reviewed by the Board for the purposes of allocating resources and assessing performance.

The Group provides drilling and related services to oil and gas companies. The group owned four drilling units during 2023 and 2024 with similar services, revenues, customers and production processes. Own drilling units (Own Fleet) is therefore assessed as one reporting segment. The same applies for rig management services

provided to other owners of other drilling units (External Fleet).

Own Fleet

The segment operates drilling units owned by Odfjell Drilling.

External Fleet

The segment offers management services to other owners of drilling units; mainly operational management, management of regulatory requirements, marketing, contract negotiations and client relations, preparations for operation and mobilisation.

USD million	Own Fleet			External Fleet			Corporate / other			Consolidated		
	Q1 24	Q1 23	FY 23	Q1 24	Q1 23	FY 23	Q1 24	Q1 23	FY 23	Q1 24	Q1 23	FY 23
External segment revenue	151.1	133.9	572.9	41.7	36.1	156.3	0.7	0.8	3.3	193.6	170.9	732.5
Inter segment revenue	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	151.1	133.9	572.9	41.7	36.1	156.3	0.7	0.8	3.3	193.6	170.9	732.5
EBITDA	81.0	69.6	315.1	6.5	5.0	23.6	(2.0)	(1.7)	(10.2)	85.5	72.9	328.5
Depreciation, amortisation and impairment	(47.2)	(44.4)	(18.8)	-	-	-	(0.9)	(0.8)	(3.3)	(48.1)	(45.2)	(22.1)
EBIT	33.7	25.2	296.3	6.5	5.0	23.6	(2.9)	(2.5)	(13.5)	37.4	27.7	306.4
Net financial expenses										(20.3)	(23.7)	(84.0)
PROFIT BEFORE TAX - CONSOLIDATED GROUP										17.1	4.0	222.4

Note 3 Revenue

<i>USD million</i>	Q1 24	Q1 23	FY 23
Revenue from contracts with customers	121.9	111.0	448.7
Lease component in Own Fleet contracts	71.6	59.8	283.4
Other operating revenue	0.0	0.1	0.4
OPERATING REVENUE	193.6	170.9	732.5

Disaggregation of revenue - Primary geographical markets

<i>USD million</i>	Own Fleet			External Fleet			Corporate / Other			Consolidated		
	Q1 24	Q1 23	FY 23	Q1 24	Q1 23	FY 23	Q1 24	Q1 23	FY 23	Q1 24	Q1 23	FY 23
Norway	151.1	133.9	572.9	11.9	27.3	65.5	0.7	0.8	3.3	163.7	162.0	641.7
Namibia	-	-	-	29.9	8.9	82.4	-	-	-	29.9	8.9	82.4
Canada	-	-	-	-	-	8.4	-	-	-	-	-	8.4
TOTAL OPERATING REVENUE	151.1	133.9	572.9	41.7	36.1	156.3	0.7	0.8	3.3	193.6	170.9	732.5

Note 4 Net financial expenses

<i>USD million</i>	Note	Q1 24	Q1 23	FY 23
Interest income		1.7	1.2	5.3
Interest expense lease liabilities	8	(1.1)	(1.1)	(4.2)
Other interest expenses		(16.4)	(15.7)	(63.1)
Other borrowing expenses *		(0.5)	(1.2)	(7.9)
Change in fair value of derivatives		(5.2)	(2.5)	(3.8)
Net currency gain / (loss)		1.4	(4.5)	(8.6)
Other financial items		(0.1)	(0.0)	(1.7)
NET FINANCIAL EXPENSES		(20.3)	(23.7)	(84.0)

* FY 23 figures include recognised modification loss related to the extension and amendment to the Odfjell Rig V Ltd. facility, as a result of recalculating amortised cost according to IFRS 9.

Note 5 Property, plant and equipment

<i>USD million</i>	Mobile drilling units	Periodic maintenance	Other fixed assets	Right-of-use assets	Total fixed assets
Opening net book amount as at 1 January 2024	1,867.6	83.9	1.8	59.7	2,013.0
Additions	1.4	13.8	0.0	1.2	16.4
Disposals	-	-	-	(3.4)	(3.4)
Depreciation	(31.5)	(11.2)	(0.1)	(5.2)	(48.0)
Currency translation differences	-	-	(0.1)	(2.1)	(2.2)
NET BOOK AMOUNT AS AT 31 MARCH 2024	1,837.4	86.5	1.6	50.2	1,975.7
<i>Useful lifetime</i>	<i>5 - 30 years</i>	<i>5 years</i>	<i>3 - 5 years</i>	<i>2-12 years</i>	
<i>Depreciation schedule</i>	<i>Straight line</i>	<i>Straight line</i>	<i>Straight line</i>	<i>Straight line</i>	

Impairment of property, plant and equipment

Assets are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds the recoverable amount.

Odfjell Drilling has not identified any impairment indicators as at 31 March 2024.

Note 6 Intangible assets

<i>USD million</i>	Goodwill	Software	Total intangible assets
Opening net book amount as at 1 January 2024	2.9	0.1	3.0
Additions	-	-	-
Amortisation	-	(0.1)	(0.1)
Currency translation differences	(0.2)	(0.0)	(0.2)
CLOSING NET BOOK AMOUNT AS AT 31 MARCH 2024	2.7	0.0	2.8

Impairment test for goodwill

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment.

Odfjell Drilling has not identified any impairment indicators as at 31 March 2024.

Note 7 Interest-bearing borrowings

<i>USD million</i>	31.03.2024	31.03.2023	31.12.2023
Non-current	565.1	469.9	561.8
Current	104.9	355.0	149.6
TOTAL	670.0	824.9	711.4

The Odfjell Rig V Ltd. seller's credit

The seller's credit of USD 53 million was repaid as scheduled in January 2024.

The Odfjell Invest Revolving Credit Facility (RCF)

USD 15 million was drawn on the Odfjell Invest Revolving Credit Facility (RCF) in Q1 2024.

Available drawing facilities

Odfjell Drilling has USD 145 million available on the RCF facility as per 31 March 2024.

Covenants

Odfjell Drilling is compliant with all financial covenants as at 31 March 2024.

Movements in the interest-bearing borrowings are analysed as follows:

<i>USD million</i>	31.03.2024		
	Non-current	Current	Total
Carrying amount as at 1 January	561.8	149.6	711.4
CASH FLOWS:			
New borrowings	15.0	-	15.0
Paid transaction costs related to new borrowings	-	-	-
Repayment borrowings and seller's credit	-	(65.6)	(65.6)
NON-CASH FLOWS:			
Reclassified from / (to) current borrowings	(12.3)	12.3	-
Change in transaction cost, unamortised	0.5	-	0.5
Change in accrued interest cost	-	8.6	8.6
CARRYING AMOUNT AS AT END OF PERIOD	565.1	104.9	670.0

Repayment schedule for interest-bearing borrowings

<i>USD million</i>	31.03.2024	31.03.2023	31.12.2023
Within 3 months	32.3	45.6	64.5
Between 3 and 6 months	12.3	19.6	32.3
Between 6 and 9 months	32.3	225.2	12.3
Between 9 months and 1 year	12.3	60.5	32.3
Between 1 and 2 years	92.3	387.5	91.2
Between 2 and 3 years	93.3	85.0	93.3
Between 3 and 4 years	151.2	-	93.3
Between 4 and 5 years	237.1	-	284.8
Beyond 5 years	-	-	8.6
TOTAL CONTRACTUAL AMOUNTS	663.0	823.3	712.6

The table above analyses Odfjell Drilling's financial liabilities into relevant maturity groupings based on the remaining payments due at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual cash flows.

Note 8 Leases

The Right-of-use assets are included in the line item "Property, plant and equipment" in the balance sheet, refer to Note 5.

Lease liabilities:

<i>USD million</i>	31.03.2024	31.03.2023	31.12.2023
Non-current	33.7	36.1	38.4
Current	20.0	26.0	24.9
TOTAL	53.8	62.1	63.3

Movements in lease liabilities are analysed as follows:

<i>USD million</i>	31.03.2024		
	Non-current	Current	Total
Carrying amount as at 1 January	38.4	24.9	63.3
CASH FLOWS:			
Payments for the principal portion of the lease liability	-	(4.3)	(4.3)
Payments for the interest portion of the lease liability	-	(0.7)	(0.7)
NON-CASH FLOWS:			
New lease liabilities recognised in the year	1.2	-	1.2
Disposals	(4.2)	-	(4.2)
Interest expense on lease liabilities	1.1	-	1.1
Reclassified to current portion of lease liabilities	(1.0)	1.0	-
Currency exchange differences	(1.8)	(0.9)	(2.6)
CARRYING AMOUNT AS AT END OF PERIOD	33.7	20.0	53.8

Note 9 Financial risk management and financial instruments

Valuation techniques used to derive Level 2 fair values

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

Valuation techniques used to derive Level 3 fair values

Warrant liabilities are Level 3 derivatives held at fair value through profit or loss. The Company has calculated fair value of the warrant liability using a modelling technique with Monte Carlo simulation together with judgement regarding modelling assumptions. No changes have been made as of 31 December 2023 related to the warrant agreements, nor to the modelling technique used to calculate fair value. Changes in book value relate to fair value changes.

The Odfjell Drilling Group had the following financial instruments at each reporting period

<i>USD million</i>	Level	31.03.2024	31.03.2023	31.12.2023
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
Derivatives designated as hedging instruments				
- Interest rate swaps - Other non-current assets	2	0.0	5.7	-
- Foreign exchange forward contracts - Other current assets	2	-	-	1.6
Investment in bonds	2	1.6		1.6
OTHER FINANCIAL ASSETS				
Trade and other current receivables		106.1	100.0	111.3
Cash and cash equivalents		94.8	138.3	129.2
TOTAL FINANCIAL ASSETS		202.5	244.0	243.8

<i>USD million</i>	Level	31.03.2024	31.03.2023	31.12.2023
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
Derivatives not designated as hedging instruments				
- Foreign exchange forward contracts - Other current liabilities	2	0.4	0.9	0.0
Derivatives designated as hedging instruments				
- Interest rate instruments - Other non-current liabilities	2	0.2	-	1.3
- Foreign exchange forward contracts - Other current liabilities	2	1.5	-	0.2
Warrant liabilities - Other non-current liabilities	3	-	2.0	-
Warrant liabilities - Other current liabilities	3	9.0	-	4.2
OTHER FINANCIAL LIABILITIES				
Non-current interest-bearing borrowings		565.1	469.9	561.8
Current interest-bearing borrowings		104.9	355.0	149.6
Non-current lease liabilities		33.7	36.1	38.4
Current lease liabilities		20.0	26.0	24.9
Trade and other payables		66.7	70.5	82.4
TOTAL FINANCIAL LIABILITIES		801.6	960.4	862.9

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

| Note 10 Commitments

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

<i>USD million</i>	31.03.2024	31.03.2023	31.12.2023
Rig investments	50.1	57.0	51.5
TOTAL	50.1	57.0	51.5

The major part of committed capital expenditure as at 31 March 2024 is expected to be paid in the next 12 months.

| Note 11 Contingencies

Letter of indemnity and related receivable

Refer to Note 28 in the Annual Report 2023 for information about the letter of indemnity issued to Odfjell Technology Ltd regarding the Odfjell Offshore Ltd tax case, and the NOK 307 million upfront payment in 2023. As described in the note, Odfjell Offshore Ltd has appealed the tax ruling, and both the company and the Group is still of the opinion that the most likely outcome of a court case is that the anti-avoidance rule should not be applicable and the denial of the tax loss should be revoked.

As stated above the Group's best judgement is that the tax case will be won by Odfjell Offshore Ltd. The Group has therefore not recognised a provision for the contingent indemnification liability. Consequently, the Group has recognised the upfront payment made in 2023 as a non-current receivable that will be repaid if the legal appeal prevails.

There are no other material contingencies to be disclosed as per 31 March 2024.

| Note 12 Share information and dividend

	No. of shares	Nominal value	Share capital - USD thousands
Listed shares / Common shares issued as at 1 January 2024	236,783,202	USD 0.01	2,368
LISTED SHARES / COMMON SHARES ISSUED AS AT 31 MARCH 2024	236,783,202	USD 0.01	2,368
TOTAL SHARE CAPITAL			2,368

Authorised, not issued shares was 63,216,798 as at 31 March 2024

There are no changes in issued common shares in 2024. All issued shares are fully paid.

The Group has not acquired any of its own shares in 2024, and no shares are held by entities in the Group.

14 February 2024, the Board of Directors approved a dividend distribution of 0.06 USD per share, equal to approximately USD 14.2 million, which was paid in March 2024.

| Note 13 Earnings per share

The Company has issued warrants for 6,837,492 common shares, see Note 23 in the [Annual report 2023](#) for further information. The warrants represent contingently issuable shares.

The Company has in addition a share option plan for 1,850,000 common shares, see Note 33 in the [Annual report 2023](#) for further information.

<i>USD million</i>	Q1 24	Q1 23	FY 23
Profit/(loss) due to owners of the parent	13.8	2.0	222.1
Adjustment related to warrants and share option plan	-	-	-
Diluted profit/(loss) for the period due to owners of the parent	13.8	2.0	222.1
	Q1 24	Q1 23	FY 23
Weighted average number of common shares in issue	236,783,202	236,783,202	236,783,202
Effects of dilutive potential common shares:			
• Warrants	1,474,255	-	-
• Share option plan	478,607	-	-
Diluted average number of shares outstanding	238,736,064	236,783,202	236,783,202
	Q1 24	Q1 23	FY 23
Earnings per share - total			
Basic earnings per share (USD)	0.06	0.01	0.94
Diluted earnings per share (USD)	0.06	0.01	0.94

Note 14 Related-party transactions

The Group had the following material transactions with related parties:

<i>USD million</i>	Relation	Q1 24	Q1 23	FY 23
Companies within the Odfjell Technology Ltd. Group	Related to main shareholder	0.8	0.6	2.9
Odfjell Oceanwind AS	Related to main shareholder	0.1	0.2	0.5
Odfjell Land AS	Related to main shareholder	0.0	0.1	0.4
TOTAL SALES OF SERVICES TO RELATED PARTIES		0.9	0.9	3.7

The revenues are related to administration services and are included in "Corporate/Other" column in the segment reporting.

<i>USD million</i>	Relation	Q1 24	Q1 23	FY 23
Companies within the Odfjell Technology Ltd. Group	Related to main shareholder	16.9	10.3	51.5
Odfjell Oceanwind AS	Related to main shareholder	0.0	-	0.1
TOTAL PURCHASES FROM RELATED PARTIES		16.9	10.3	51.6

Purchases consist of services and rentals, as well as global business services, provided by well services, engineering and technology companies within the Odfjell Technology Group. All transactions have been carried out as part of the ordinary operations. Amounts listed in the table above do not include payment for rentals considered as leases, see table below.

Non-current receivable

Refer to Note 11 for information regarding the non-current receivable towards Odfjell Technology Ltd.

Current receivables and liabilities

As a part of the day-to-day running of the business, Odfjell Drilling have the following current receivables and liabilities towards companies in the Odfjell Technology Ltd. Group (the discontinued operations). All receivables and liabilities have less than one year maturity.

<i>USD million</i>	31.03.2024	31.03.2023	31.12.2023
Trade receivables	0.3	0.5	0.3
Other current receivables	-	0.0	0.4
Trade payables	(2.9)	(7.0)	(4.7)
Other current payables	(1.6)	(1.9)	(6.4)
NET CURRENT PAYABLES RELATED PARTIES	(4.1)	(8.3)	(10.4)

Lease agreements

<i>USD million</i>			31.03.2024	Q1 24
<i>Related party</i>	<i>Relation</i>	<i>Type of asset</i>	<i>Lease liability</i>	<i>Payments</i>
Odfjell Land AS	Related to main shareholder	Properties	25.3	0.1
Companies within the Odfjell Technology Ltd. Group	Related to main shareholder	Mooring and drilling equipment	26.9	4.8
TOTAL			52.2	4.9

Shareholdings by related parties

Helene Odfjell (Director), controls Odfjell Partners Holding Ltd, which owns 60.37% of the common shares in the Company as per 31 March 2024.

Simen Lieungh (Director) owns 20.000 shares (0.01%), Kjetil Gjersdal (CEO of Odfjell Drilling AS) and his close associate owns 42.450 shares (0.02%), while Frode Syslak (CFO of Odfjell Drilling AS) owns 25.000 shares (0.01%) in the Company as per 31 March 2024.

| Note 15 Events after the reporting period

14 May 2024, the Board of Directors approved a dividend distribution of 0.06 USD per share, equal to approximately USD 14.2 million, with payment later in Q2 2024.

There have been no other events after the balance sheet date with material effect on the interim financial statements ended 31 March 2024.

Appendix 1: Definitions of alternative performance measures

Contract backlog

The Company's fair estimation of basis revenue in firm contracts and relevant priced options (which are at clients discretion) for Own Fleet measured in USD - subject to variations in currency exchange rates.

The calculation does not include performance bonuses or fuel incentives.

The backlog is calculated based on estimated duration of wells or contracted number of days. Backlog does not provide a precise indication of the time period over which the Group is contractually entitled to receive such revenues and there is no assurance that such revenue will actually be realised in full.

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.

Equity ratio

Total equity/total equity and liabilities.

Financial utilisation

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 utilisation is only measured for periods on charter. The calculation does not include any recognised incentive payments.

Net interest-bearing debt

Non-current interest-bearing borrowings plus current interest-bearing borrowings less cash and cash equivalents. Interest-bearing borrowings do not include lease liabilities.

Net profit (loss)

Equal to profit (loss) for the period after taxes.

Leverage ratio

		31.03.2024	
Non-current interest-bearing borrowings	USD	565.1	million
Current interest-bearing borrowings	USD	104.9	million
Non-current lease liabilities	USD	33.7	million
Current lease liabilities	USD	20.0	million
Adjustment for real estate lease liabilities	USD	(26.8)	million
A Adjusted financial indebtedness	USD	697.0	million
Cash and cash equivalents	USD	94.8	million
Adjustment for restricted cash and other cash not readily available	USD	(14.2)	million
B Adjusted cash and cash equivalents	USD	80.5	million
A-B=C Adjusted Net interest-bearing debt	USD	616.4	million
EBITDA last 12 months	USD	341.1	million
Adjustment for effects of real estate leases	USD	(4.8)	million
D Adjusted EBITDA	USD	336.2	million
C/D=E LEVERAGE RATIO		1.8	

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