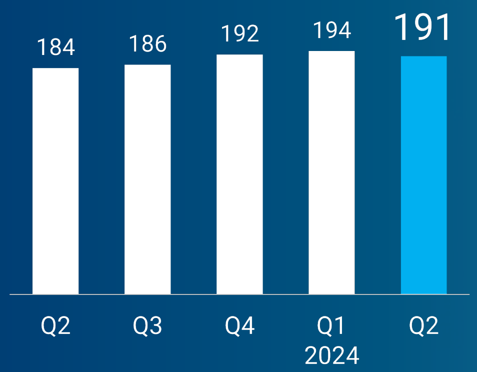
2^{nd} Quarter and 1^{st} half year of 2024

Report

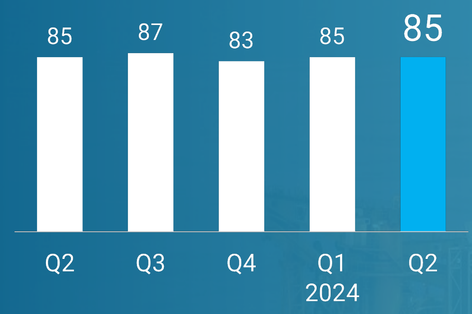
21 August 2024

Q2 Key Results

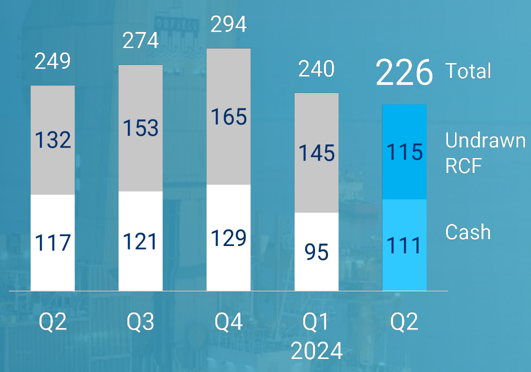
REVENUE ($m)



EBITDA ($m)

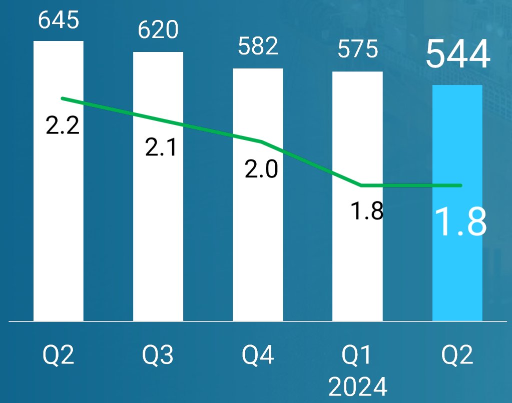


LIQUIDITY ($m)

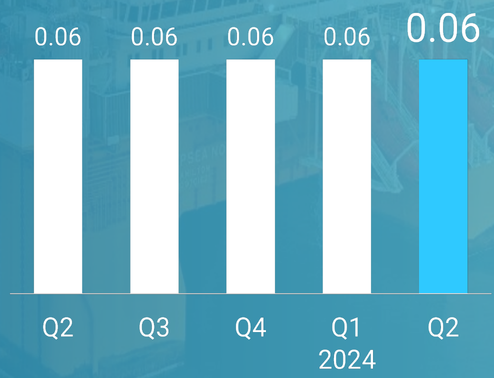


EQUITY RATIO

NET DEBT ($m) & LEVERAGE RATIO



DIVIDEND PER SHARE ($)



Q2 Highlights

Good delivery across the business

- Q2 EBITDA of USD 85 million
- Q2 Revenue of USD 191 million
- 98% Financial Utilisation

Industry leading contracts secured, further increasing backlog until mid-2026

- Contract agreed with Equinor for use of the Deepsea Aberdeen for 8 x wells at a contract value of USD 121 million
- Order Backlog of USD 2.1 billion
  - USD 2 billion from firm contracts
  - USD 0.1 billion from priced options

Preparatory work for Deepsea Atlantic completed during the quarter, resulting in SPS completion on time and on budget

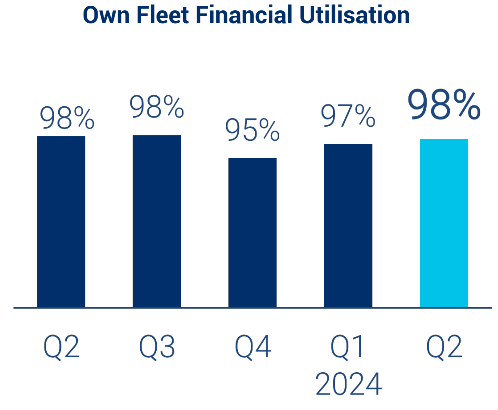
- Deepsea Atlantic SPS completed in early Q3, within budgeted time and cost
- Unit now moves onto higher day rate contract

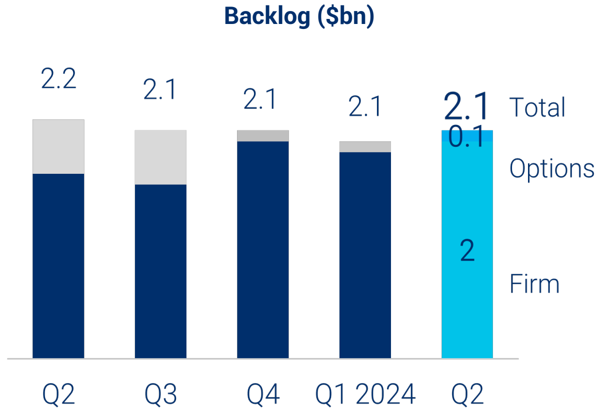
Balance sheet strengthened despite SPS capex

- Leverage ratio of 1.8x
- Equity Ratio of 63%

Q2 Dividend of USD 14.4 million

- Q2 Quarterly Dividend of USD 0.06 per share declared





Kjetil Gjersdal, Odfjell Drilling AS CEO, commented:

"During the second quarter of 2024, Odfjell Drilling continued to build on the success of the first quarter with another period of high financial utilisation and strong revenue, as well as adding new firm backlog on Deepsea Aberdeen at industry leading day rates. All of this was achieved whilst also preparing for our most demanding yard stay in our history, on the Deepsea Atlantic.

"I am therefore delighted to note that, through extensive planning over the last 2 years, focused execution and a lot of hard work by our team, we have, during some hectic summer weeks, successfully completed significant upgrades to the Deepsea Atlantic whilst also completing its 15-year SPS within budget and ahead of schedule.

"The rig is now upgraded on several areas, and we were pleased to see the rig sail away bright and shiny on higher day rates, in early August.

"With yet more backlog being added to our owned fleet, all of our rigs are fully booked with firm contracts until at least mid-2026. As such, we remain highly optimistic about our forward free cash-flow generating capabilities."

Q2 Dividend Details

• Announced currency:	USD
• Dividend amount:	0.06 USD / share
• Payment amount:	USD 14.4 million
• Last day including right:	29 August 2024
• Ex-Dividend date:	30 August 2024
• Record date:	2 September 2024
• Payment date:	19 September 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	Q2 24	Q2 23	YTD 24	YTD 23	FY 23
Operating revenue	191	184	385	355	732
EBITDA	85	85	170	158	329
EBIT	42	40	80	67	306
Net profit	16	11	30	13	222
EBITDA margin	44%	46%	44%	45%	45%
Total assets			2,226	2,140	2,309
Net interest bearing debt			544	645	582
Equity			1,406	1,210	1,394
Equity ratio			63%	57%	60%

Planning, Preparation, Performance

Enjoying the Spring waves

During Q2, Odfjell Drilling's own fleet remained fully active throughout the quarter in the Norwegian Continental Shelf ("NCS") and successfully achieved an average financial utilisation of 98%.

The Deepsea Atlantic and Deepsea Stavanger remained on contracts with Equinor, working on the Johan Sverdrup Phase II Project and various exploration campaigns respectively. Contrary to expectations, the Deepsea Atlantic, owing to requirements on the final wells of its Johan Sverdrup Phase II contract, did not begin its planned Special Periodic Survey program in Q2; instead entering the yard in early Q3. During the quarter the Deepsea Atlantic and Deepsea Stavanger achieved an average financial utilisation of 99.2% and 94% respectively.

The Deepsea Aberdeen was also on contract with Equinor in the NCS during Q2, having returned to the Breidablikk field at the end of Q1, having previously been working on the Svalin field. The Deepsea Aberdeen achieved a financial utilisation of 98.3% during the quarter.

Finally, the Deepsea Nordkapp continued its planned work on the Alvheim development for Aker BP achieving a financial utilisation of 99.4%; the 11th quarter in a row that the unit has achieved a financial utilisation above 99%, achieving 99.4%.

The Company's external fleet was also operational during the period, with the Deepsea Mira working for Total in Congo and Deepsea Bollsta completing its program with Shell in Namibia. Following completion of activities, the Deepsea Bollsta returned to Walvis Bay in Namibia where it began its SPS program.

The Hercules also completed its planned activities in Namibia during Q2, before it began mobilising for work in Canada with Equinor where it will remain until Q3.

The Deepsea Yantai was operational in the NCS throughout the period, working with Vår Energi and Shell on various exploration projects.

SPS and Upgrades

The SPS program for the Deepsea Atlantic has been a key focus for the Company this year. In addition to its 15-year SPS, the Deepsea Atlantic was being upgraded with a new blowout preventer and increased variable deck-load capacity. During Q2, the Company was focused on making the unit's off-hire time as short as possible and its time in yard as efficient as possible.

As a result of the planning during Q2, the unit's upgrades and SPS were successfully completed within the budgeted time allowance and returned to drilling during August.

Fully booked until mid-2026

During Q2, the Company was pleased to also announce the exercise of options for a batch of eight wells for the Deepsea Aberdeen, which has been on a continuous contract with Equinor since 2022, for work on the NCS. This work is anticipated to begin in early 2026 for a total contract value of USD 121 million; achieving some of the highest day rates in the sector when it was announced. The contract maintains further optional periods which, if exercised, could keep the Deepsea Aberdeen contracted until 2029.

As a result of this contract and others achieved during 2024, the Company's owned fleet now has secured firm backlog until at earliest, mid-2026.

Free cashflow assured

With 1.8x net debt to EBITDA and an equity ratio of 63%, the Company's balance sheet continues to strengthen, despite capex requirements from the SPS programs ongoing. Considering this and with 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 14.4 million.

The Company has the ambition to increase future dividends reflecting cash flow generation and prudent leverage over time.

Outlook

Market Outlook

The market continues to support good day rates for our services with several notable, high value contracts, including our own for the Deepsea Aberdeen, being awarded during the period and post-period. These contracts all indicate a continually increasing day rate for harsh environment semi-submersibles.

We expect this momentum to incrementally increase in the coming months and years, particularly in Norway, our core market, where we see multiple new opportunities and requirements for rigs such as those within our fleet. We note new entrants into Norway, with Harbour Energy and Vår Energi adding further demand in the NCS in addition to our core clients Equinor and Aker BP.

Internationally, we see further demand in West Africa where we expect new drilling programs to begin in 2025 and 2026. Namibia remains a highly interesting opportunity for our sector, with many new discoveries likely to be further developed.

With no newbuilds likely to enter the market in the near future, the Company remains optimistic that the market will remain well balanced; facilitating strong, increasing day rates for our rigs.

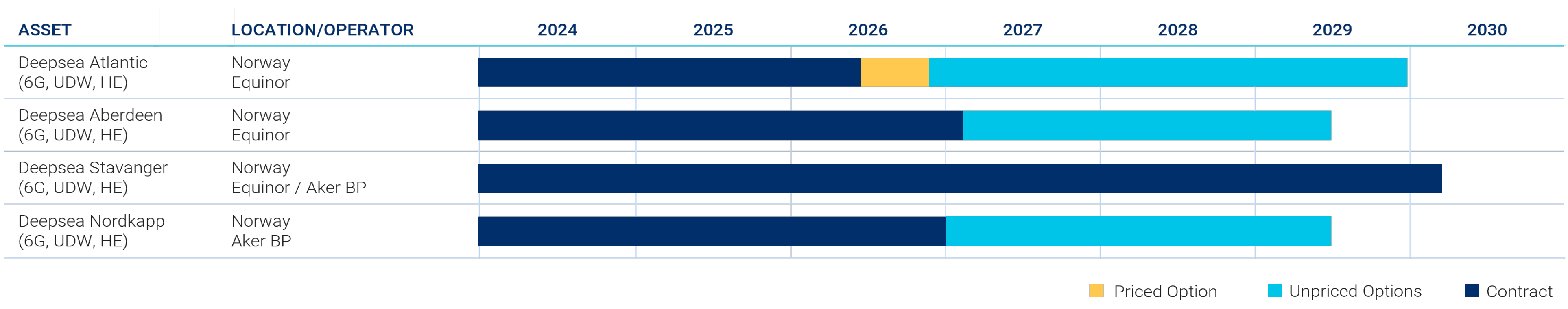
Company Outlook

The Company maintains its highly optimistic outlook for its stakeholders.

During the quarter, the Company added further high value backlog resulting in the owned fleet now having secured firm contract coverage until mid 2026 and beyond. This gives confidence for the Company to generate significant free cash flow, with the Deepsea Atlantic moving onto a new contract in the NCS at significantly higher day rates. In addition, the three other owned units will then also be moving onto similarly priced contracts towards the end of 2024 and early 2025.

Further to this, the Company is pleased to note the successful completion of the upgrade and SPS project on Deepsea Atlantic. As has been noted, this was a highly complex process and was a key focus for the Company to successfully complete within budget.

As a result of the Company's backlog and completion of the Deepsea Atlantic SPS project and, despite recent macro economic uncertainties, the Board are confident about the long term future of the business and the wider market. As such, the Board have declared a further dividend for Q2 2024.



Segments

Own Fleet

All figures in USD million	Q2 24	Q2 23	YTD 24	YTD 23	FY 23
Operating revenue	145	145	297	279	573
EBITDA	80	83	161	153	315
EBIT	38	39	72	64	296
EBITDA margin	55%	57%	54%	55%	55%

(Comparable figures for last comparable period in brackets)

Q2 2024

Operating revenue for the Own Fleet segment in Q2 2024 was USD 145 million (USD 145 million). Higher revenue for Deepsea Atlantic (USD 5 million) was driven partly by higher bonus in Q2 2024. This was offset by reduced revenue from Deepsea Stavanger (USD 2 million) as a result of lower bonus in Q2 2024. Similarly, the Deepsea Aberdeen was also reduced by USD 2 million, driven by lower bonus in Q2 2024 as well as reduced add-on income related to leased equipment which was removed during Q1 2024.

EBITDA for the Own Fleet segment in Q2 2024 was USD 80 million (USD 83 million), driven by improved EBITDA for Deepsea Atlantic (USD 4 million) offset by reduced EBITDA for Deepsea Stavanger (USD 4 million), Deepsea Aberdeen (USD 2 million) and Deepsea Nordkapp (USD 2 million).

YTD 2024

Operating revenue for the Own Fleet segment YTD 2024 was USD 297 million (USD 279 million) mainly driven by higher revenue on Deepsea Atlantic (USD 10 million) due to higher bonus and escalated rate. Additionally, there is higher revenue on Deepsea Nordkapp (USD 4 million) and Deepsea Stavanger (USD 3 million) driven by rate increases and higher add-on sales offset by lower bonus, and Deepsea Aberdeen (USD 1 million) driven by higher rate working on the Svalin field during Q1 2024, which was offset by lower bonus and reduced add on income during Q2 2024.

EBITDA for the Own Fleet segment in YTD 2024 was USD 161 million (USD 153 million), mainly driven by improved EBITDA for Deepsea Atlantic (USD 7 million).

Own Fleet - Financial Utilisation

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

	Q2 24	Q2 23	YTD 24	YTD 23	FY 23
Deepsea Stavanger	94.0 %	98.5 %	95.1 %	97.1 %	94.1 %
Deepsea Atlantic	99.2 %	99.4 %	98.6 %	98.8 %	98.6 %
Deepsea Aberdeen	98.3 %	95.7 %	95.8 %	96.8 %	97.0 %
Deepsea Nordkapp	99.4 %	99.3 %	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	Q2 24	Q2 23	YTD 24	YTD 23	FY 23
Operating revenue	45	38	87	74	156
EBITDA	7	5	13	10	24
EBIT	7	5	13	10	24
EBITDA margin	15%	14%	15%	14%	15%

(Comparable figures for last comparable period in brackets)

Q2 2024

Operating revenue for the External Fleet was USD 45 million (USD 38 million). The main driver of the increase is Deepsea Bollsta (USD 3 million), Hercules (USD 2 million) and Deepsea Yantai (USD 2 million).

EBITDA for the External Fleet in Q2 2024 was USD 7 million (USD 5 million). The main driver is Deepsea Yantai (USD 1 million) and Deepsea Mira (USD 1 million).

YTD 2024

Operating revenue for the External Fleet YTD 2024 was USD 87 million (USD 74 million). The main driver of the increase is Hercules (USD 4 million), Deepsea Yantai (USD 4 million) and Deepsea Bollsta (USD 4 million).

EBITDA for the External Fleet YTD 2024 was USD 13 million (USD 10 million). The main driver of the increase is Hercules (USD 1 million), Deepsea Yantai (USD 1 million) and Deepsea Mira (USD 1 million).

Consolidated group financials

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

Profit Q2 2024

Operating revenue for Q2 2024 was USD 191 million (USD 184 million), an increase of USD 7 million, mainly due to increased activity in the External Fleet segment.

EBITDA in Q2 2024 was USD 85 million (USD 85 million). The EBITDA margin in Q2 2024 was 44% (46%).

Depreciation and amortisation cost in Q2 2024 was USD 42 million (USD 46 million), a decrease of USD 4 million, mainly due to termination of leased equipment on Deepsea Aberdeen from mid-March in 2024.

Net financial expenses in Q2 2024 amounted to USD 23 million (USD 27 million), a decrease of USD 4 million. The decrease is mainly explained by a net positive change in currency gains, net positive change in borrowing expenses and losses partly offset by a negative change related to fair value of derivatives.

Net profit in Q2 2024 was USD 16 million (USD 11 million).

Profit YTD 2024

Operating revenue YTD 2024 was USD 385 million (USD 355 million), an increase of USD 30 million. Increase is explained by increased activity in the Own Fleet segment with USD 18 million and increase in the External Fleet segment of USD 13 million.

EBITDA YTD 2024 was USD 170 million (USD 158 million), an increase of USD 12 million, explained with increased EBITDA in the Own Fleet segment of USD 8 million and increased EBITDA in the External Fleet segment of USD 3 million. The EBITDA margin YTD 2024 was 44% (45%).

Depreciation and amortisation cost YTD 2024 was USD 90 million (USD 91 million), a decrease of USD 1 million.

Net financial expenses YTD 2024 amounted to USD 43 million (USD 50 million), a decrease of USD 7 million. The decrease is mainly explained by a net positive change in currency gains, net positive change in borrowing expenses and losses partly offset by a negative change related to fair value of derivatives.

Net profit YTD 2024 was USD 30 million (USD 13 million).

Cash flow Q2 2024

Net cash flow from operating activities in Q2 2024 was USD 71 million (USD 66 million). This includes paid net interest of USD 24 million (USD 15 million) and income taxes of USD 3 million (USD 6 million).

Net cash outflow from investing activities in Q2 2024 was USD 30 million (USD 8 million). The 2024 cashflow is mainly related to purchases of fixed assets.

Net cash outflow from financing activities in Q2 2024 was USD 25 million (USD 73 million). USD 25 million was drawn on the Odfjell Invest Revolving Credit Facility (RCF) in Q2 2024. The Group paid USD 36 million in instalments on facilities and leases. A dividend of USD 14 million was paid to the shareholders in Q2 2024.

Cash flow YTD 2024

Net cash flow from operating activities YTD 2024 was USD 135 million (USD 122 million). This includes paid net interest of USD 31 million (USD 30 million) and income taxes of USD 8 million (USD 6 million).

Net cash outflow from investing activities YTD 2024 was USD 56 million (USD 53 million). The 2024 cashflow is mainly related to purchases of fixed assets.

Net cash outflow from financing activities YTD 2024 was USD 94 million (USD 98 million). USD 40 million was drawn on the Odfjell Invest Revolving Credit Facility (RCF) YTD 2024. The Group repaid the Samsung Yard Credit of USD 53 million and further paid USD 52 million in instalments on facilities and leases. Two dividends of total USD 28 million were paid to the shareholders during 1st half of 2024.

Balance sheet

Total assets as at 30 June 2024 amounted to USD 2,226 million (USD 2,309 million at 31 December 2023), a decrease of USD 83 million.

Total equity as at 30 June 2024 amounted to USD 1,406 million (USD 1,394 million at 31 December 2023), an increase of USD 12 million.

Net interest bearing debt as at 30 June 2024 amounted to USD 544 million (USD 582 million at 31 December 2023), a decrease of USD 38 million.

At 30 June 2024, cash amounted to USD 111 million (USD 129 million at 31 December 2023), a decrease of USD 18 million. In addition, the Company has available undrawn facilities of USD 115 million, taking the available liquidity to USD 226 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, increased capex requirements 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.

Sustainability

Reducing emissions

Since the publishing of its annual sustainbility report, the Company continues to work closely with partners, clients and government to reduce emissions from its operations and achieve its targets for net zero by 2050.

A key initiative on our road to net zero is to reduce emissions from our rigs. Odfjell Drilling has seen a 30 percent reduction in absolute emissions per well for our rig fleet compared to the reference year 2019. This is as a result of our own fleet experiencing a significant decrease in CO2 emissions due to more efficient drilling, a new anchoring philosophy and other modifications. Rig modifications, including the installation of a hybridized power system, have resulted in the use of fewer generators and a significant reduction in power consumption related to cooling.

Emissions from our fleet are activity-dependent and can vary significantly from quarter to quarter and year to year, even without implementing emission-reducing measures. Rig emissions are related to our drilling activity, including both production and exploration wells.

Odfjell Drilling is actively engaging with key stakeholders on enabling zero emission ready solutions.

Human Rights

Odfjell Drilling is committed to internationally adopted human rights. It is our target to have human rights integrated into the overall risk assessment processes in the group, ensuring that the human rights focus is operationalised as part of day-to-day business. Odfjell Drilling has a company-wide approach to commitment to the Norwegian Transparency Act and the UK modern anti slavery act. The 2023 statement has been published on our website.

Sustainability assurance ready

Odfjell Drilling is on track for the EU Corporate Sustainability Reporting Directive ("CSRD") and the applicable European Sustainability Reporting Standards ("ESRS"), developing required internal controls and related processes for limited assurance and will continue to prioritise sustainability issues that matter.

Quality, health, safety & environment (QHSE)

Key figures QHSE	**YTD 24**	**FY 23**
Lost time incident frequency (as per 1 million working hours)	0.0	0.7
Total recordable incident frequency (as per 1 million working hours)	2.7	2.0
Sick leave (percentage)	3.8	3.6
Dropped objects frequency (as per 1 million working hours)	2.9	3.3

London, United Kingdom

20 August 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

USD million	Note	Q2 24	Q2 23	YTD 24	YTD 23	FY 23
OPERATING REVENUE	2,3	**191.3**	**183.8**	**384.9**	**354.7**	**732.5**
Other gains and losses		(0.0)	-	0.8	-	-
Personnel expenses		(72.4)	(64.0)	(143.1)	(127.7)	(262.4)
Other operating expenses		(34.2)	(34.5)	(72.4)	(68.8)	(141.6)
EBITDA		**84.7**	**85.3**	**170.2**	**158.2**	**328.5**
Depreciation, amortisation and impairment	5,6	(42.4)	(45.5)	(90.5)	(90.7)	(22.1)
OPERATING PROFIT (EBIT)		**42.4**	**39.8**	**79.7**	**67.5**	**306.4**
Net financial expenses	4	(22.7)	(26.8)	(42.9)	(50.5)	(84.0)
Profit before taxes		**19.7**	**13.0**	**36.8**	**17.0**	**222.4**
Income tax expense		(3.3)	(1.6)	(6.6)	(3.6)	(0.3)
NET PROFIT		**16.4**	**11.4**	**30.2**	**13.4**	**222.1**
Profit (loss) attributable to:						
Owners of the parent		16.4	11.4	30.2	13.4	222.1
Earnings per share (USD)						
Basic earnings per share	13	0.07	0.05	0.13	0.06	0.94
Diluted earnings per share	13	0.07	0.05	0.13	0.06	0.94

Condensed Consolidated Statement of Comprehensive Income

USD million	Q2 24	Q2 23	YTD 24	YTD 23	FY 23
NET PROFIT	**16.4**	**11.4**	**30.2**	**13.4**	**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)	0.8	(3.0)	(0.9)	(4.8)	(7.6)
Currency translation differences	(0.5)	(4.1)	(5.3)	(7.0)	(0.5)
OTHER COMPREHENSIVE INCOME, NET OF TAX	**0.3**	**(7.1)**	**(6.2)**	**(11.8)**	**(8.5)**
TOTAL COMPREHENSIVE INCOME	**16.7**	**4.3**	**24.0**	**1.6**	**213.6**
Total comprehensive income attributable to:					
Owners of the parent	16.7	4.3	24.0	1.6	213.6

Condensed Consolidated Statement of Financial Position

USD million	Note	30.06.2024	30.06.2023	31.12.2023
ASSETS				
Property, plant and equipment	5	1,958.9	1,875.5	2,013.0
Intangible assets	6	2.7	2.9	3.0
Deferred tax asset		7.2	0.8	8.5
Non-current receivable	11	28.7	28.5	30.2
Other non-current assets	9	0.1	-	-
TOTAL NON-CURRENT ASSETS		**1,997.7**	**1,907.7**	**2,054.7**
Trade receivables		95.5	94.3	100.0
Contract assets		8.0	7.9	8.4
Other current assets		14.2	12.6	16.6
Cash and cash equivalents		111.1	117.2	129.2
TOTAL CURRENT ASSETS		**228.8**	**232.0**	**254.2**
TOTAL ASSETS		**2,226.5**	**2,139.7**	**2,308.8**

USD million	Note	30.06.2024	30.06.2023	31.12.2023
EQUITY AND LIABILITIES				
Paid-in capital	12	386.2	370.2	370.2
Other equity		1,019.6	840.1	1,023.9
TOTAL EQUITY		**1,405.8**	**1,210.2**	**1,394.0**
Non-current interest-bearing borrowings	7	558.9	634.2	561.8
Non-current lease liabilities	8	33.0	34.9	38.4
Other non-current liabilities		0.9	1.4	2.1
TOTAL NON-CURRENT LIABILITIES		**592.8**	**670.4**	**602.3**
Current interest-bearing borrowings	7	95.7	128.4	149.6
Current lease liabilities	8	18.9	26.0	24.9
Contract liabilities		27.9	7.0	22.1
Trade payables		32.2	31.1	48.9
Other current liabilities		53.1	66.6	67.0
TOTAL CURRENT LIABILITIES		**227.8**	**259.1**	**312.5**
TOTAL LIABILITIES		**820.6**	**929.5**	**914.8**
TOTAL EQUITY AND LIABILITIES		**2,226.5**	**2,139.7**	**2,308.8**

Condensed Consolidated Statement of Changes in Equity

USD million	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		-	13.4	13.4
Other comprehensive income for the period		-	(11.8)	(11.8)
Total comprehensive income for the period		**-**	**1.6**	**1.6**
Cost of share-based option plan		-	0.2	0.2
Transactions with owners		**-**	**0.2**	**0.2**
BALANCE AT 30 JUNE 2023		**370.2**	**840.1**	**1,210.2**
Total comprehensive income for the period Q3 - Q4		-	212.0	212.0
Transactions with owners for the period Q3 - Q4		-	(28.2)	(28.2)
BALANCE AT 31 DECEMBER 2023		**370.2**	**1,023.9**	**1,394.0**
Profit/(loss) for the period		-	30.2	30.2
Other comprehensive income for the period		-	(6.2)	(6.2)
Total comprehensive income for the period		**-**	**24.0**	**24.0**
Dividends paid	12	-	(28.4)	(28.4)
Warrants exercised	12	16.0	-	16.0
Cost of share-based option plan		-	0.2	0.2
Transactions with owners		**-**	**(28.2)**	**(12.2)**
BALANCE AT 30 JUNE 2024		**386.2**	**1,019.6**	**1,405.8**

Condensed Consolidated Statement of Cash Flows

USD million	Note	Q2 24	Q2 23	YTD 24	YTD 23	FY 23
CASH FLOWS FROM OPERATING ACTIVITIES:						
Profit/(loss) before tax		19.7	13.0	36.8	17.0	222.4
Adjustment for interest, provisions and non-cash elements		64.7	65.5	130.4	133.0	109.4
Changes in working capital		14.3	7.8	6.1	7.3	(4.9)
Cash generated from operations		**98.7**	**86.3**	**173.3**	**157.3**	**326.9**
Net interest paid		(23.9)	(15.1)	(30.8)	(29.6)	(56.2)
Net income tax paid		(3.3)	(5.7)	(7.8)	(5.7)	(6.0)
NET CASH FLOW FROM OPERATING ACTIVITIES		**71.5**	**65.5**	**134.7**	**121.9**	**264.7**
CASH FLOWS FROM INVESTING ACTIVITIES:						
Purchase of property, plant and equipment		(29.9)	(20.7)	(56.5)	(34.6)	(66.2)
Proceeds from grants		-	12.7	-	12.7	12.7
Proceeds from sale of property, plant and equipment		(0.0)	-	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		**(29.9)**	**(8.0)**	**(56.5)**	**(52.6)**	**(85.9)**
-of which from continuing operations		(29.9)	(8.0)	(56.5)	(21.9)	(55.1)
-of which from discontinued operations		-	-	-	(30.8)	(30.8)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Proceeds from borrowings	7	25.0	414.9	40.0	414.9	534.9
Repayment of borrowings	7	(31.9)	(482.1)	(97.5)	(501.7)	(680.2)
Repayment of lease liabilities	8	(4.1)	(5.4)	(8.4)	(10.9)	(22.7)
Proceeds from issuing shares	12	0.0	-	0.0	-	
Dividends paid	12	(14.2)	-	(28.4)	-	(28.4)
NET CASH FLOW FROM FINANCING ACTIVITIES		**(25.2)**	**(72.7)**	**(94.3)**	**(97.7)**	**(196.4)**
Effects of exchange rate changes on cash and cash equivalents		(0.0)	(5.9)	(2.1)	(11.5)	(10.3)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**16.3**	**(21.1)**	**(18.1)**	**(39.9)**	**(28.0)**
Cash and cash equivalents at beginning of period		94.8	138.3	129.2	157.2	157.2
CASH AND CASH EQUIVALENTS AT PERIOD END		**111.1**	**117.2**	**111.1**	**117.2**	**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 20 August 2024 and have not been audited.

Basis for preparation

These condensed interim financial statements for the six months period ended 30 June 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.

	Own Fleet		External Fleet		Corporate / other		Consolidated	
USD million	Q2 24	Q2 23	Q2 24	Q2 23	Q2 24	Q2 23	Q2 24	Q2 23
External segment revenue	145.5	145.1	45.1	38.0	0.7	0.7	191.3	183.8
Inter segment revenue	-	-	-	-	-	-	-	-
TOTAL REVENUE	**145.5**	**145.1**	**45.1**	**38.0**	**0.7**	**0.7**	**191.3**	**183.8**
EBITDA	**79.9**	**83.2**	**6.9**	**5.3**	**(2.0)**	**(3.2)**	**84.7**	**85.3**
Depreciation, amortisation and impairment	(41.5)	(44.7)	-	-	(0.9)	(0.8)	(42.4)	(45.5)
EBIT	**38.4**	**38.5**	**6.9**	**5.3**	**(2.9)**	**(4.0)**	**42.4**	**39.8**
Net financial expenses							(22.7)	(26.8)
PROFIT BEFORE TAX - CONSOLIDATED GROUP							**19.7**	**13.0**

	Own Fleet			External Fleet			Corporate / other			Consolidated		
USD million	YTD 24	YTD 23	FY 23	YTD 24	YTD 23	FY 23	YTD 24	YTD 23	FY 23	YTD 24	YTD 23	FY 23
External segment revenue	296.6	279.0	572.9	86.8	74.1	156.3	1.5	1.6	3.3	384.9	354.7	732.5
Inter segment revenue	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	**296.6**	**279.0**	**572.9**	**86.8**	**74.1**	**156.3**	**1.5**	**1.6**	**3.3**	**384.9**	**354.7**	**732.5**
EBITDA	**160.8**	**152.8**	**315.1**	**13.4**	**10.3**	**23.6**	**(4.0)**	**(4.9)**	**(10.2)**	**170.2**	**158.2**	**328.5**
Depreciation, amortisation and impairment	(88.7)	(89.1)	(18.8)	-	-	-	(1.7)	(1.7)	(3.3)	(90.5)	(90.7)	(22.1)
EBIT	**72.1**	**63.8**	**296.3**	**13.4**	**10.3**	**23.6**	**(5.7)**	**(6.5)**	**(13.5)**	**79.7**	**67.5**	**306.4**
Net financial expenses										(42.9)	(50.5)	(84.0)
PROFIT BEFORE TAX - CONSOLIDATED GROUP										**36.8**	**17.0**	**222.4**

Note 3 Revenue

USD million	Q2 24	Q2 23	YTD 24	YTD 23	FY 23
Revenue from contracts with customers	119.3	109.8	241.2	220.7	448.7
Lease component in Own Fleet contracts	72.0	73.9	143.6	133.7	283.4
Other operating revenue	0.0	0.1	0.1	0.2	0.4
OPERATING REVENUE	**191.3**	**183.8**	**384.9**	**354.7**	**732.5**

Disaggregation of revenue - Primary geographical markets

	Own Fleet		External Fleet		Corporate / Other		Consolidated	
USD million	Q2 24	Q2 23	Q2 24	Q2 23	Q2 24	Q2 23	Q2 24	Q2 23
Norway	145.5	145.1	13.4	16.4	0.7	0.7	159.6	162.2
Namibia	-	-	19.5	20.4	-	-	19.5	20.4
Congo	-	-	6.7	-	-	-	6.7	-
Canada	-	-	5.5	1.2	-	-	5.5	1.2
TOTAL OPERATING REVENUE	**145.5**	**145.1**	**45.1**	**38.0**	**0.7**	**0.7**	**191.3**	**183.8**

	Own Fleet			External Fleet			Corporate / Other			Consolidated		
USD million	YTD 24	YTD 23	FY 23	YTD 24	YTD 23	FY 23	YTD 24	YTD 23	FY 23	YTD 24	YTD 23	FY 23
Norway	296.6	279.0	572.9	25.3	43.7	65.5	1.5	1.6	3.3	323.3	324.2	641.7
Namibia	-	-	-	49.4	29.3	82.4	-	-	-	49.4	29.3	82.4
Congo	-	-	-	6.7	-	-	-	-	-	6.7	-	-
Canada	-	-	-	5.5	1.2	8.4	-	-	-	5.5	1.2	8.4
TOTAL OPERATING REVENUE	**296.6**	**279.0**	**572.9**	**86.8**	**74.1**	**156.3**	**1.5**	**1.6**	**3.3**	**384.9**	**354.7**	**732.5**

Note 4 Net financial expenses

USD million	Note	Q2 24	Q2 23	YTD 24	YTD 23	FY 23
Interest income		1.3	2.0	3.0	3.2	5.3
Interest expense lease liabilities	8	(0.9)	(1.1)	(2.0)	(2.2)	(4.2)
Other interest expenses		(15.3)	(15.1)	(31.7)	(30.8)	(63.1)
Other borrowing expenses		(0.7)	(5.7)	(1.2)	(6.9)	(7.9)
Change in fair value of derivatives *		(6.6)	1.4	(11.7)	(1.1)	(3.8)
Net currency gain / (loss)		(0.5)	(6.8)	0.9	(11.2)	(8.6)
Other financial items		(0.1)	(1.5)	(0.2)	(1.6)	(1.7)
NET FINANCIAL EXPENSES		**(22.7)**	**(26.8)**	**(42.9)**	**(50.5)**	**(84.0)**

** Change in value of market-based derivatives includes change in fair value of warrant liabilities.*

Note 5 Property, plant and equipment

USD million	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	16.8	21.6	0.1	3.1	41.6
Disposals	-	-	(0.0)	(3.4)	(3.4)
Depreciation	(62.1)	(18.7)	(0.2)	(9.3)	(90.4)
Currency translation differences	-	-	(0.1)	(1.8)	(1.9)
NET BOOK AMOUNT AS AT 30 JUNE 2024	**1,822.2**	**86.8**	**1.6**	**48.3**	**1,958.9**
Useful lifetime	*5 - 30 years*	*5 years*	*3 - 5 years*	*2-12 years*	
Depreciation schedule	*Straight line*	*Straight line*	*Straight line*	*Straight line*	

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 30 June 2024.

Note 6 Intangible assets

USD million	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	(0.1)	(0.0)	(0.1)
CLOSING NET BOOK AMOUNT AS AT 30 JUNE 2024	**2.7**	**(0.0)**	**2.7**

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 30 June 2024.

Note 7 Interest-bearing borrowings

USD million	30.06.2024	30.06.2023	31.12.2023
Non-current	558.9	634.2	561.8
Current	95.7	128.4	149.6
TOTAL	**654.6**	**762.6**	**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 in Q1 and USD 25 million in Q2 have been drawn on the Odfjell Invest Revolving Credit Facility (RCF).

Available drawing facilities

Odfjell Drilling has USD 114.5 million available on the RCF facility as per 30 June 2024.

Covenants

Odfjell Drilling is compliant with all financial covenants as at 30 June 2024.

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

	30.06.2024		
USD million	Non-current	Current	Total
Carrying amount as at 1 January	561.8	149.6	711.4
CASH FLOWS:			-
New borrowings	40.0	-	40.0
Repayment borrowings and seller's credit	-	(97.5)	(97.5)
NON-CASH FLOWS:			
Reclassified from / (to) current borrowings	(44.2)	44.2	-
Change in transaction cost, unamortised	1.2	-	1.2
Change in accrued interest cost	-	(0.6)	(0.6)
CARRYING AMOUNT AS AT END OF PERIOD	**558.9**	**95.7**	**654.6**

Repayment schedule for interest-bearing borrowings

USD million	30.06.2024	30.06.2023	31.12.2023
Within 3 months	12.3	8.6	64.5
Between 3 and 6 months	32.3	28.6	32.3
Between 6 and 9 months	12.3	58.9	12.3
Between 9 months and 1 year	32.3	28.6	32.3
Between 1 and 2 years	93.3	114.2	91.2
Between 2 and 3 years	93.3	129.2	93.3
Between 3 and 4 years	354.7	74.2	93.3
Between 4 and 5 years	25.7	299.9	284.8
Beyond 5 years	-	25.7	8.6
TOTAL CONTRACTUAL AMOUNTS	**656.1**	**767.7**	**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:

USD million	30.06.2024	30.06.2023	31.12.2023
Non-current	33.0	34.9	38.4
Current	18.9	26.0	24.9
TOTAL	**51.9**	**60.8**	**63.3**

Movements in lease liabilities are analysed as follows:

		30.06.2024	
USD million	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	-	(8.4)	(8.4)
Payments for the interest portion of the lease liability	-	(1.7)	(1.7)
NON-CASH FLOWS:			
New lease liabilities recognised in the year	3.1	-	3.1
Disposals	(4.2)	-	(4.2)
Interest expense on lease liabilities	2.0	-	2.0
Reclassified to current portion of lease liabilities	(4.9)	4.9	-
Currency exchange differences	(1.4)	(0.9)	(2.3)
CARRYING AMOUNT AS AT 30 JUNE 2024	**33.0**	**18.9**	**51.9**

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 modelling technique used to calculate fair value. Changes in book value relate to fair value changes.The warrants were exercised in May 2024, refer to Note 12 for further information.

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

USD million	Level	30.06.2024	30.06.2023	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	0.1	-	-
- Interest rate swaps - Other current assets	2	-	3.5	-
- Foreign exchange forward contracts - Other current assets	2	0.4	-	1.6
Investment in bonds	2	1.6	-	1.6
OTHER FINANCIAL ASSETS				
Trade and other current receivables		105.4	104.4	111.3
Cash and cash equivalents		111.1	117.2	129.2
TOTAL FINANCIAL ASSETS		**218.6**	**225.2**	**243.8**

USD million	Level	30.06.2024	30.06.2023	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	-	0.3	0.0
Derivatives designated as hedging instruments				
- Interest rate instruments - Other non-current liabilities	2	0.2	-	1.3
- Foreign exchange forward contracts - Other non-current liabilities	2	-	0.9	-
- Foreign exchange forward contracts - Other current liabilities	2	1.2	-	0.2
Warrant liabilities - Other current liabilities	3	-	1.3	4.2
OTHER FINANCIAL LIABILITIES				
Non-current interest-bearing borrowings		558.9	634.2	561.8
Current interest-bearing borrowings		95.7	128.4	149.6
Non-current lease liabilities		33.0	34.9	38.4
Current lease liabilities		18.9	26.0	24.9
Trade and other payables		58.4	76.2	82.4
TOTAL FINANCIAL LIABILITIES		**766.2**	**902.0**	**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:

USD million	30.06.2024	30.06.2023	31.12.2023
Rig investments	54.3	52.4	51.5
TOTAL	**54.3**	**52.4**	**51.5**

The major part of committed capital expenditure as at 30 June 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 30 June 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
New common shares issued 31 May 2024	3,023,886	USD 0.01	30
LISTED SHARES / COMMON SHARES ISSUED AS AT 30 JUNE 2024	**239,807,088**		**2,398**
TOTAL SHARE CAPITAL			**2,398**

New shares issued

Following an exercise of warrants by Akastor ASA, refer to Note 23 in the Annual report 2023, 3,023,886 new ordinary shares were issued to Akastor 31 May 2024.The new shares are ordinary shares without any special rights and are freely transferable negotiable instruments.

As a result, the Company now have a share capital of USD 2,398,070.88, divided into 239,807,088 shares in issue, with no further warrants outstanding.

The fair value of the warrant liability at the exercise date of USD 16 million was converted to equity and classified as other paid in capital.

Other information

Authorised, not issued common shares was 40,192,912 as at 30 June 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.

Dividend payments

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

14 May 2024, the Board of Directors approved a dividend distribution of 0.06 USD per share, equal to USD 14.2 million, which was paid in June 2024. Accumulated dividend distribution YTD 2024 amounts to 0.12 USD per share, equal to USD 28.4 million.

Note 13 Earnings per share

The Company had issued warrants for up to 6,837,492 common shares, see Note 23 in the Annual report 2023 for further information. On 31 May 2024 3,023,886 new ordinary shares were issued to Akastor under the warrant agreement, see further description in Note 12. There are no further warrants outstanding at 30 June 2024.

The Company has a share option plan for 1,850,000 common shares at 30 June 2024, see Note 33 in the Annual report 2023 for further information. In July 2024 120,000 of the options were exercised with a cash settlement.

USD million	Q2 24	Q2 23	YTD 24	YTD 23	FY 23
Profit/(loss) due to owners of the parent	16.4	11.4	30.2	13.4	222.1
Adjustment related to warrants and share option plan	-	-			-
Diluted profit/(loss) for the period due to owners of the parent	**16.4**	**11.4**	**30.2**	**13.4**	**222.1**

	Q2 24	Q2 23	YTD 24	YTD 23	FY 23
Weighted average number of common shares in issue	237,791,164	236,783,202	237,270,384	236,783,202	236,783,202
Effects of dilutive potential common shares:					
• Warrants	n/a	-	n/a	-	-
• Share option plan	773,099	-	654,206	-	-
Diluted average number of shares outstanding	**238,564,263**	**236,783,202**	**237,924,590**	**236,783,202**	**236,783,202**

	Q2 24	Q2 23	YTD 24	YTD 23	FY 23
Earnings per share - total					
Basic earnings per share (USD)	0.07	0.05	0.13	0.06	0.94
Diluted earnings per share (USD)	0.07	0.05	0.13	0.06	0.94

Note 14 Related-party transactions

The Group had the following material transactions with related parties:

USD million	Relation	Q2 24	Q2 23	YTD 24	YTD 23	FY 23
Companies within the Odfjell Technology Ltd. Group	Related to main shareholder	0.8	0.6	1.5	1.2	2.9
Odfjell Oceanwind AS	Related to main shareholder	0.1	0.1	0.1	0.3	0.5
Odfjell Land AS	Related to main shareholder	0.0	0.1	0.1	0.2	0.4
TOTAL SALES OF SERVICES TO RELATED PARTIES		**0.9**	**0.8**	**1.8**	**1.7**	**3.7**

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

USD million	Relation	Q2 24	Q2 23	YTD 24	YTD 23	FY 23
Companies within the Odfjell Technology Ltd. Group	Related to main shareholder	13.3	13.1	25.4	23.4	51.5
Odfjell Oceanwind AS	Related to main shareholder	-	0.0	0.0	0.1	0.1
TOTAL PURCHASES FROM RELATED PARTIES		**13.3**	**13.1**	**25.4**	**23.4**	**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.

USD million	30.06.2024	30.06.2023	31.12.2023
Trade receivables	0.4	0.1	0.3
Other current receivables	-	0.0	0.4
Trade payables	(4.8)	(5.6)	(4.7)
Other current payables	(1.9)	(3.7)	(6.4)
NET CURRENT PAYABLES RELATED PARTIES	**(6.3)**	**(9.2)**	**(10.4)**

Lease agreements

USD million			30.06.2024	Q2 24	YTD 24
Related party	**Relation**	**Type of asset**	**Lease liability**	**Payments**	**Payments**
Odfjell Land AS	Related to main shareholder	Properties	24.7	1.1	1.2
Companies within the Odfjell Technology Ltd. Group	Related to main shareholder	Mooring and drilling equipment	25.7	3.8	8.7
TOTAL			**50.4**	**5.0**	**9.8**

Shareholdings by related parties

Helene Odfjell (Director), controls Odfjell Partners Holding Ltd, which owns 59.61% of the common shares in the Company as per 30 June 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 30 June 2024.

Note 15 Events after the reporting period

20 August 2024, the Board of Directors approved a dividend distribution of 0.06 USD per share, equal to approximately USD 14.4 million, with payment later in Q3 2024.

There have been no other events after the balance sheet date with material effect on the interim financial statements ended 30 June 2024.

Responsibility statement

We confirm, to the best of our knowledge, that the condensed set of consolidated financial statements for the period 1 January to 30 June 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the group taken as a whole.

We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of consolidated financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year and major transactions with related parties.

London, United Kingdom

20 August 2024

Board of Directors of Odfjell Drilling Ltd.

Simen Lieungh, Chair	Helene Odfjell, Director	Harald Thorstein, Director	Knut Hatleskog, Director	Diane Stephen, General Manager

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

		30.06.2024	
Non-current interest-bearing borrowings	USD	558.9	million
Current interest-bearing borrowings	USD	95.7	million
Non-current lease liabilities	USD	33.0	million
Current lease liabilities	USD	18.9	million
Adjustment for real estate lease liabilities	USD	(26.1)	million
A Adjusted financial indebtedness	**USD**	**680.3**	**million**
Cash and cash equivalents	USD	111.1	million
Adjustment for restricted cash and other cash not readily available	USD	(19.3)	million
B Adjusted cash and cash equivalents	**USD**	**91.7**	**million**
A-B=C Adjusted Net interest-bearing debt	**USD**	**588.6**	**million**
EBITDA last 12 months	USD	340.5	million
Adjustment for effects of real estate leases	USD	(4.9)	million
D Adjusted EBITDA	**USD**	**335.6**	**million**
C/D=E LEVERAGE RATIO		**1.8**	


For more information visit odfjelldrilling.com
odfjell drilling
Design & Production: POMELO-PARADIGM