



Odfjell Technology Ltd

Pareto Securities Energy Conference 2024

CEO – Simen Lieungh

11 September 2024

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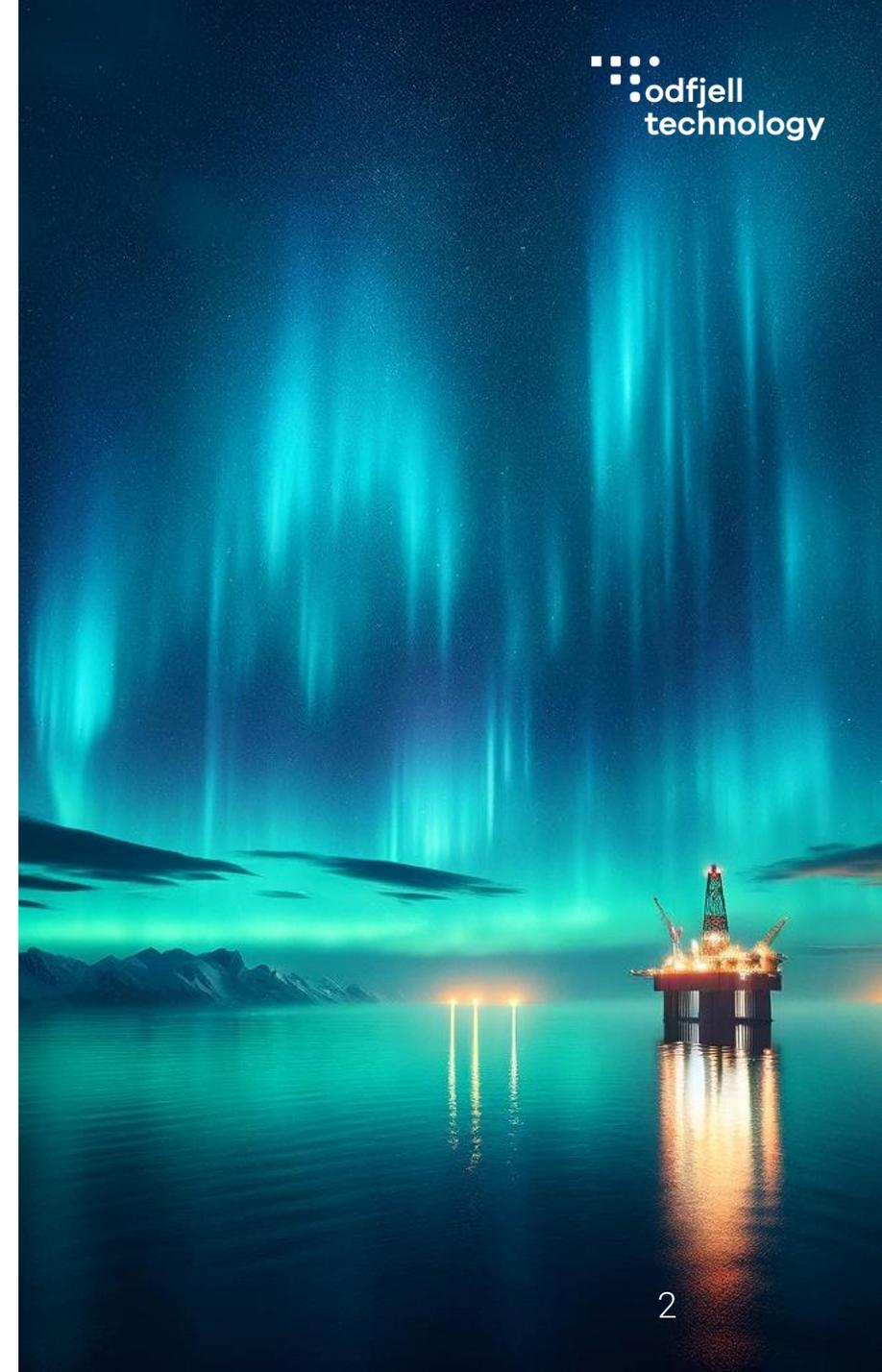
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Odfjell Technology – who we are

Highly integrated technology and engineering company delivering specialist services, technology and competence across the energy value chain



Projects & Engineering

Engineering and project execution solutions to optimise operation and drilling and to support activities in the energy transition



Well Services

Global technology & service provider for well construction, intervention, slot recovery and plug & abandonment



Operations

Extensive experience and competency in operating offshore drilling facilities and in jack-up management



50+

Years Experience

2,400+

Employees

200+

Customers served yearly

NOK 846_m

Available liquidity

NOK 13.4_{bn}

Backlog

30

Countries

15

Offices & bases

0.7x¹

Leverage ratio

Note: Figures as of Q2 2024

1. Leverage ratio is defined as NIBD (excl. lease liabilities) / adjusted EBITDA (net of operational lease expense and debt transactions costs)

Odfjell Technology What we do

Strategic partner of Odfjell Oceanwind

Platform drilling, slot recovery, P&A, maintenance, modifications, and upgrades

Projects & Engineering hubs in Norway, UK, Dubai and Manila

Serving onshore and offshore segments



Rig expertise:

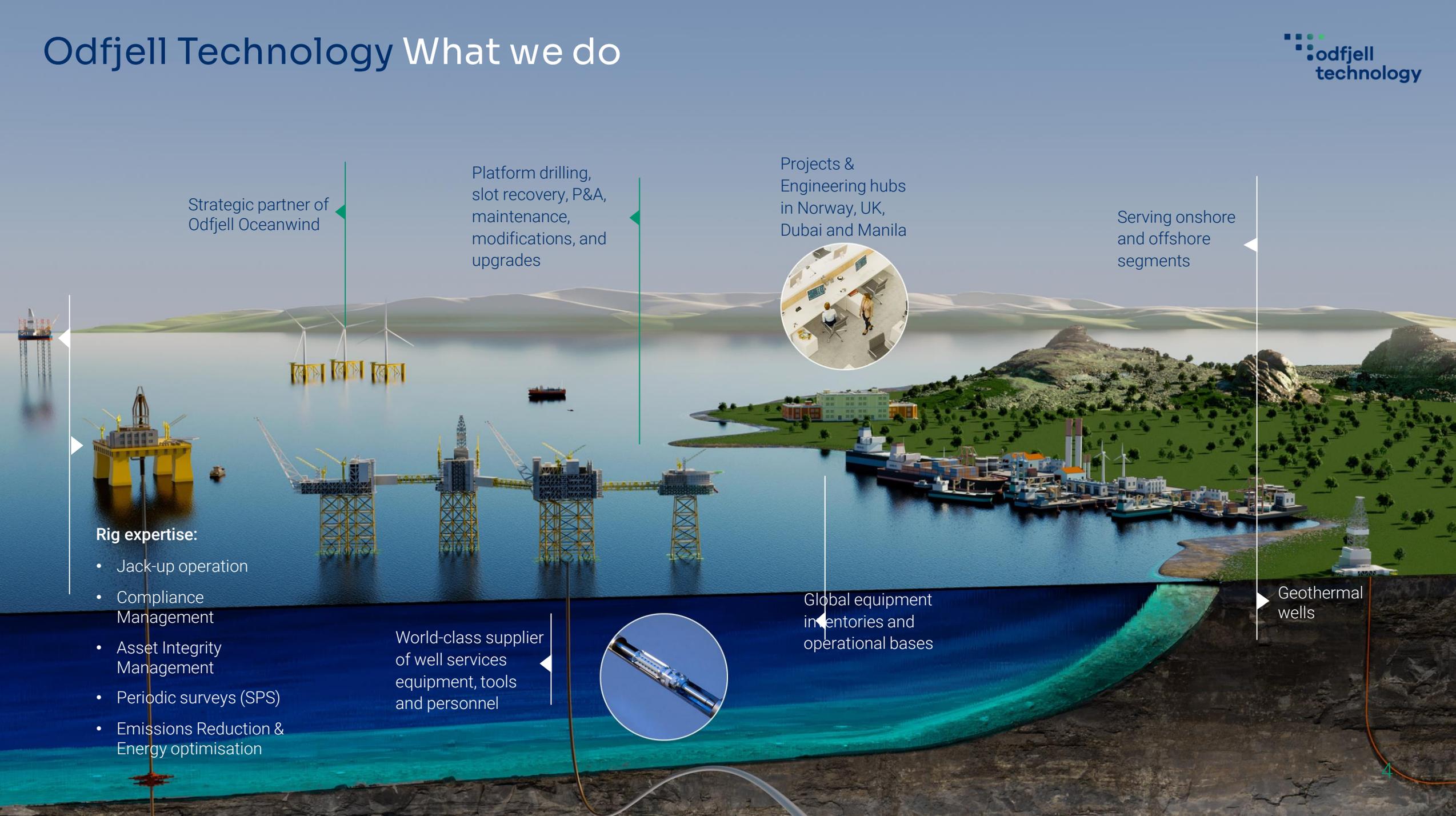
- Jack-up operation
- Compliance Management
- Asset Integrity Management
- Periodic surveys (SPS)
- Emissions Reduction & Energy optimisation

World-class supplier of well services equipment, tools and personnel



Global equipment inventories and operational bases

Geothermal wells



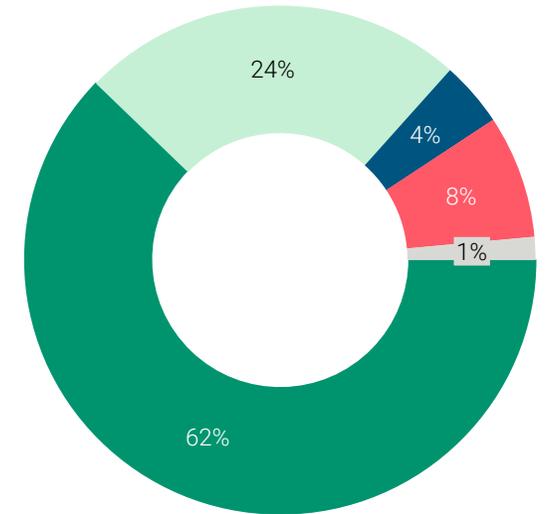
Current global presence and strategic targets

Well positioned for further growth in coming years

Global presence



Revenue Q2 LTM per geographical market

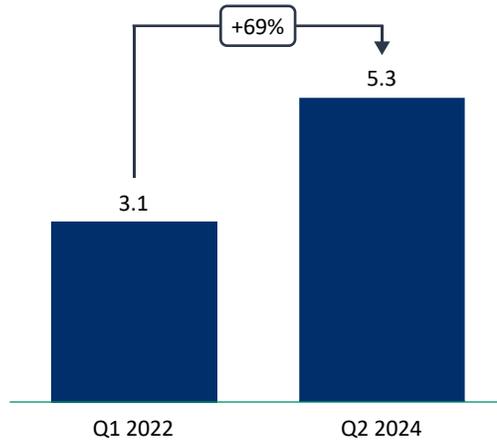


- Norway
- UK
- Europe - Other countries
- Asia and Middle East
- Africa and Americas

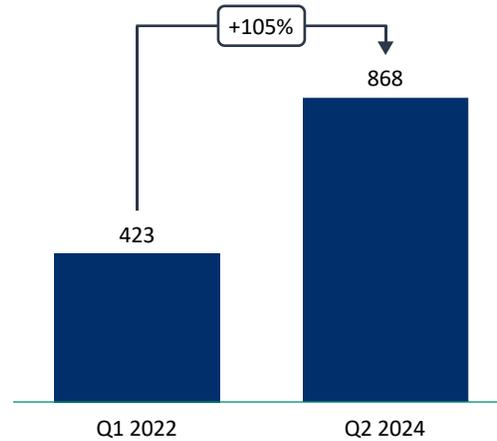
Summary of financial performance since listing

Substantial improvements in earnings and capital structure

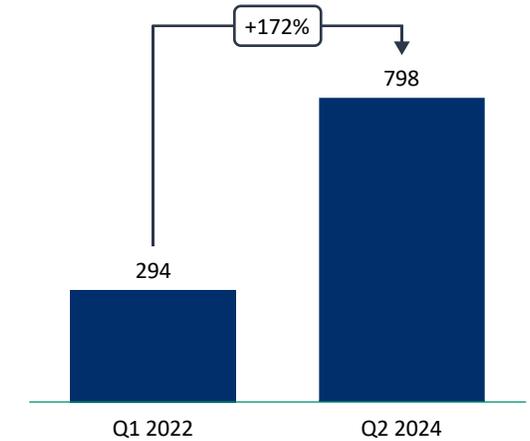
Revenue (NOKbn)



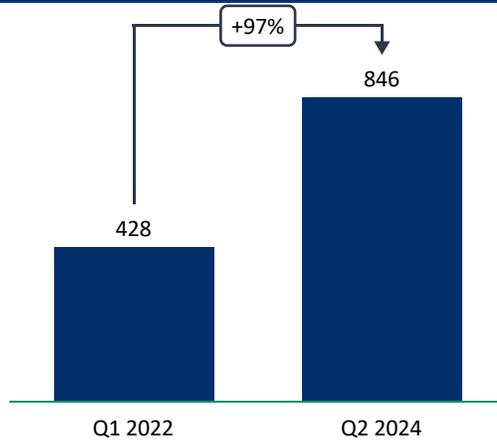
EBITDA (NOKm)



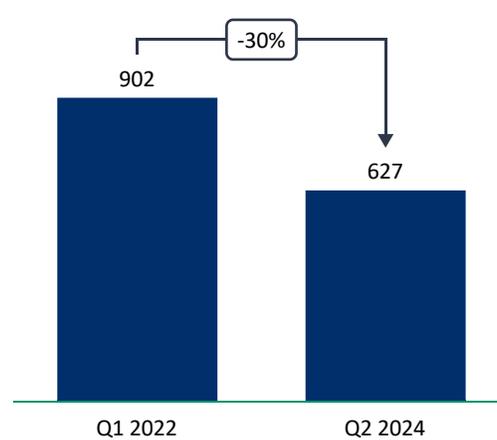
Cash from Operations (NOKm)



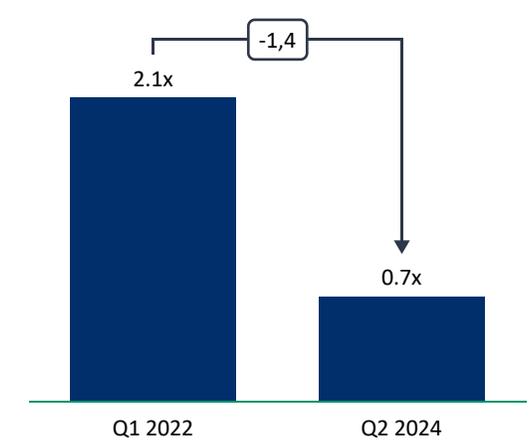
Available Liquidity



NIBD¹



Leverage Ratio²

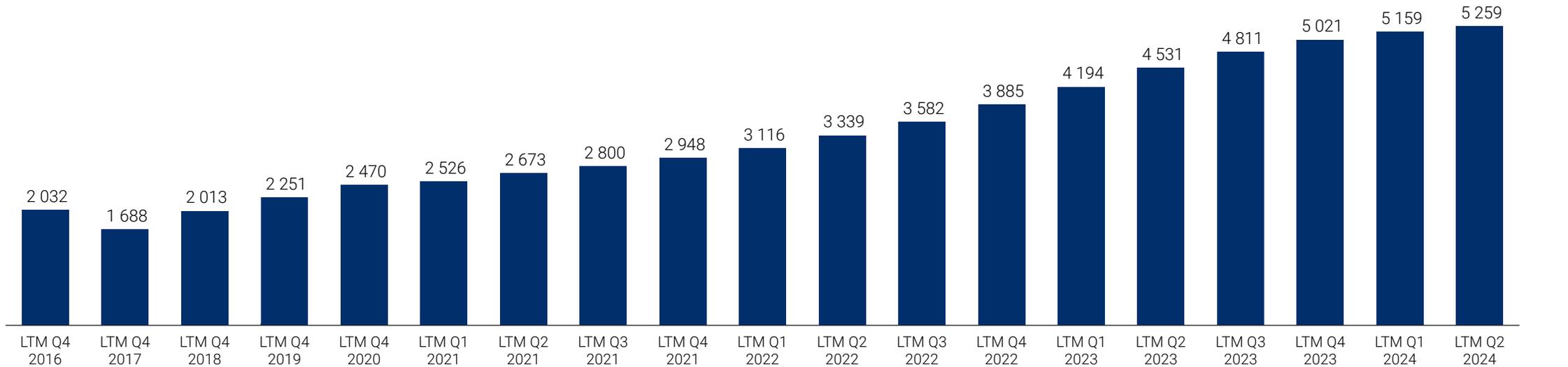


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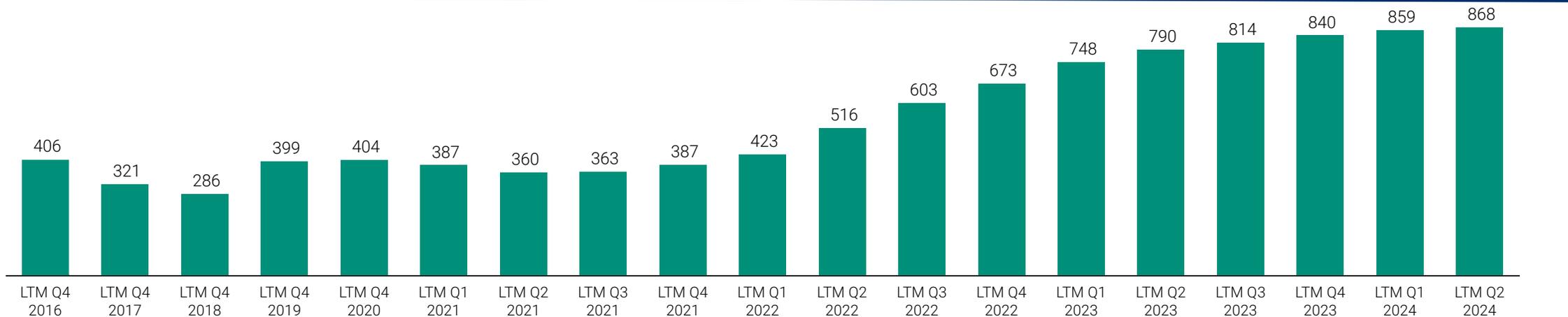
Revenue and EBITDA trailing twelve months (LTM) figures

LTM figures demonstrate consistent growth trend

Revenue LTM (NOKm)



EBITDA LTM (NOKm)



Note: Company listed as separate entity following spin-off from Odfjell Drilling in Q1 2022

Successful placement of new NOK 1.1 bn bond and USD 50 m RCF

Secured new 4-year term financing with significantly improved terms

Key transaction terms

- Senior Secured NOK 1,100 m
- Tap facility at NOK 600 m
- Coupon 3mth Nibor + 350 bps
- Tenor – 4 years
- Joint Bookrunners – DNB & Danske Bank
- Restriction on distribution based on cash position and leverage ratio instead of net profit

Deal highlights

- The order book peaked at nearly NOK 4 bn
- Based on strong investor interest and high # of IOI's (indication of interest), the original timeline was accelerated
- The final margin of 350 bps was 75 bps below the initial price talks

Outcomes

- Substantial 3.5% margin reduction - annual interest cost savings of approx. NOK 40 m
- Expanded bond and RCF framework providing additional capacity for investments
- Increased flexibility in capital allocation to benefit shareholders

Key takeaways

- Strategically positioned for growth, with a clear plan to expand into new markets and enhance service offerings
- Strong cash flow enabling both investments in growth and the return of capital to shareholders
- Targeting bolt-on and technology M&A opportunities which are aligned with our strategy and enhance shareholder value
- Refinancing facilitates the redesign of our dividend program – opportunity to scale up the regular quarterly payouts



Supporting slides

Projects & Engineering

Specialised engineering and energy transition solutions

Who we are

- **Trusted project & engineering partner:** Expertise in operational engineering and offshore disciplines
- **End-to-end project management**
- **Specialised in offshore floating wind:** Expertise in design, production preparation, and project development
- **Strong focus on emerging energy markets:** Committed to emission reduction and sustainable new energy solutions



Main service offerings

270

Permanent employees

80

Hired-in

12%

Of total OTL revenue per Q2 2024

NOK 0.6bn

Backlog



Projects execution



Special Periodic Surveys (SPS) and yard stay management



Modifications and upgrades



Offshore wind



Asset integrity management



HVAC



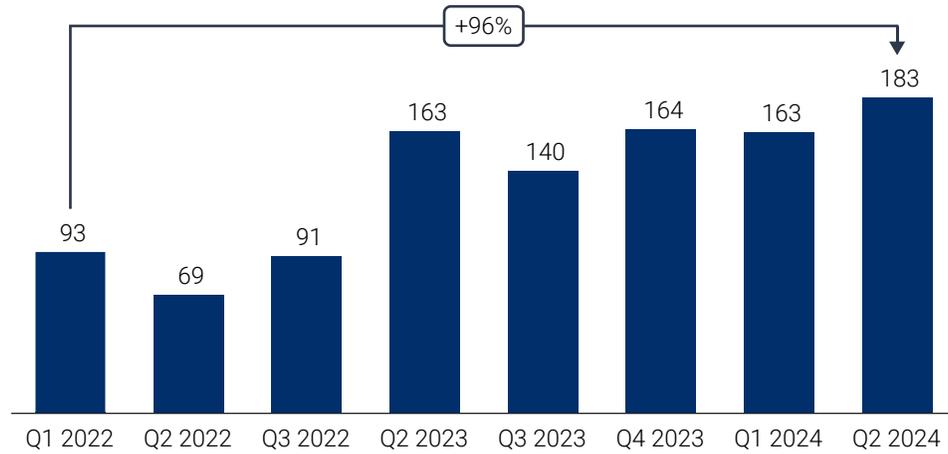
Marine services



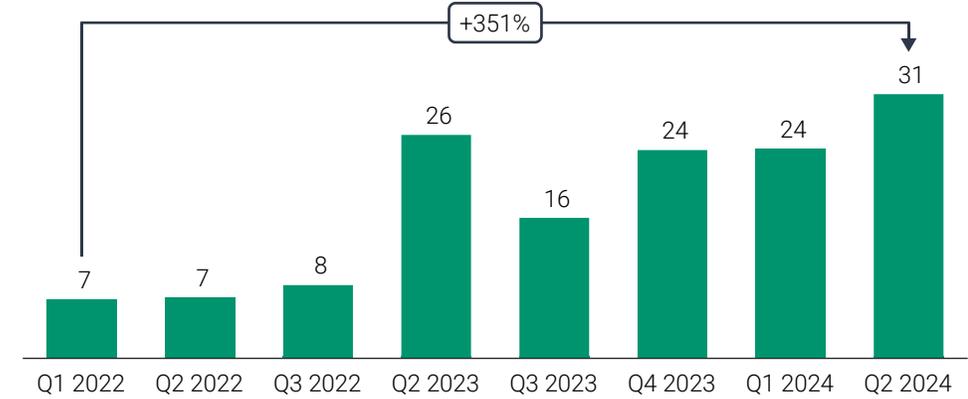
Energy transition and emission reduction

Projects & Engineering – key financial performance

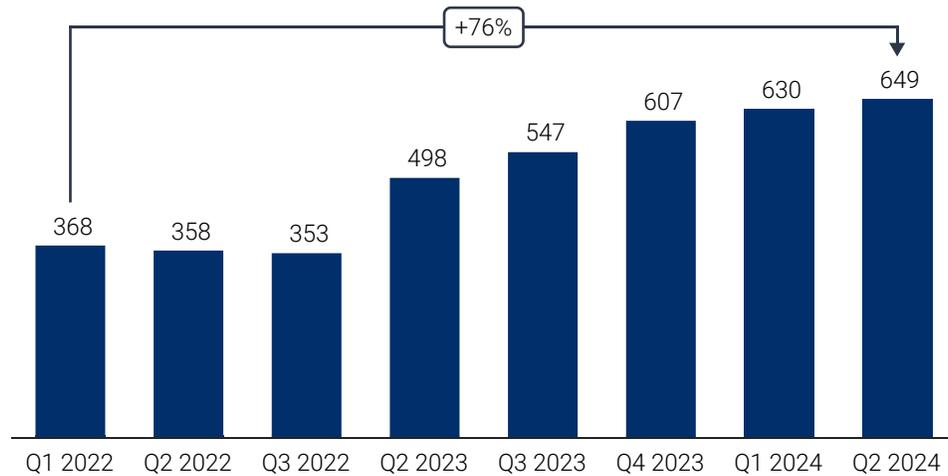
Revenue by quarter (NOKm)



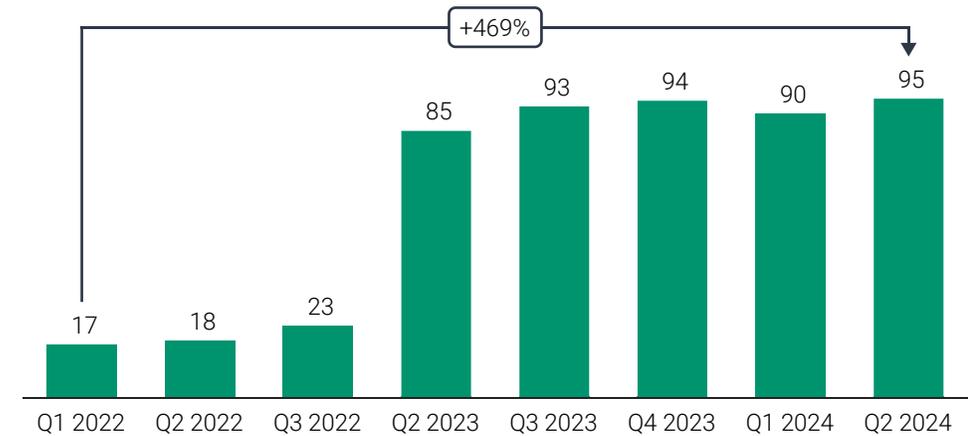
EBITDA by quarter (NOKm)



Revenue LTM (NOKm)



EBITDA LTM (NOKm)



Operations

Extensive expertise in operating offshore drilling facilities and managing jack-up rigs

Who we are

- **Major platform drilling contractor in the North Sea:** Known for our regional expertise, quality delivery, safety commitment, and adherence to the highest regulatory standards
- **Comprehensive services:** Providing production drilling, completions, slot recoveries, P&A, workovers, and maintenance
- **Versatile operations:** Operating fixed and floating production drilling platforms in Norway and the UK
- **Established partnerships:** Holding long-term contracts with major operators



Main product lines

1,200

Employees

17

Platforms & Jack-ups

47%

Of total OTL revenue per Q2 2024

NOK 9.6bn

Backlog



Platform drilling services



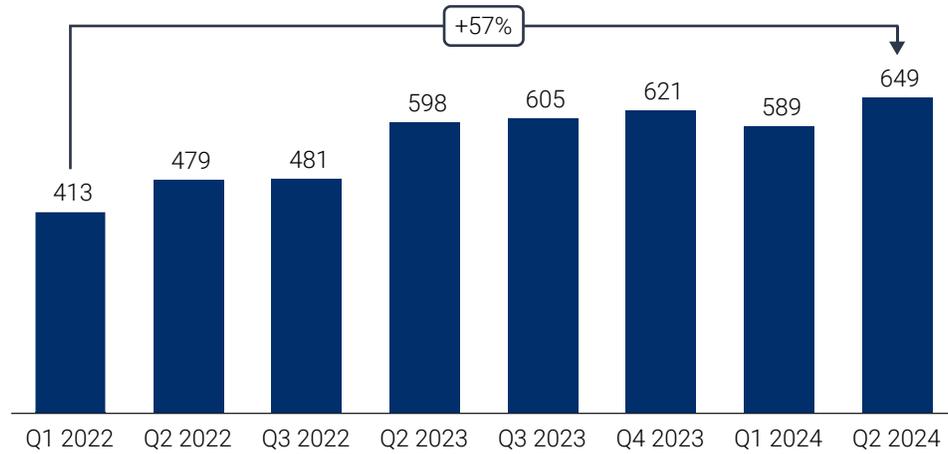
Jack-up Management



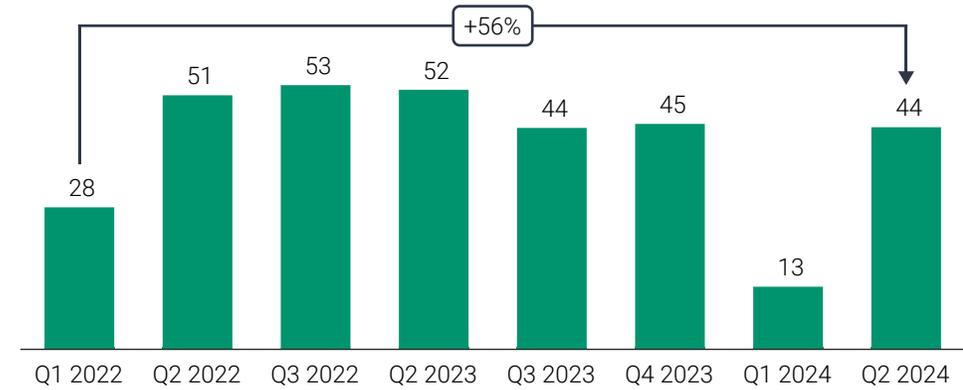
Offshore construction and inspection services

Operations – key financial performance

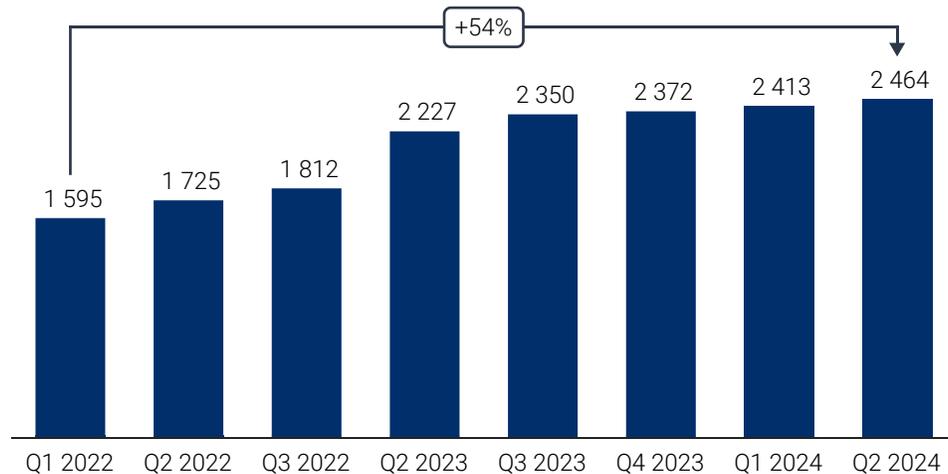
Revenue by quarter (NOKm)



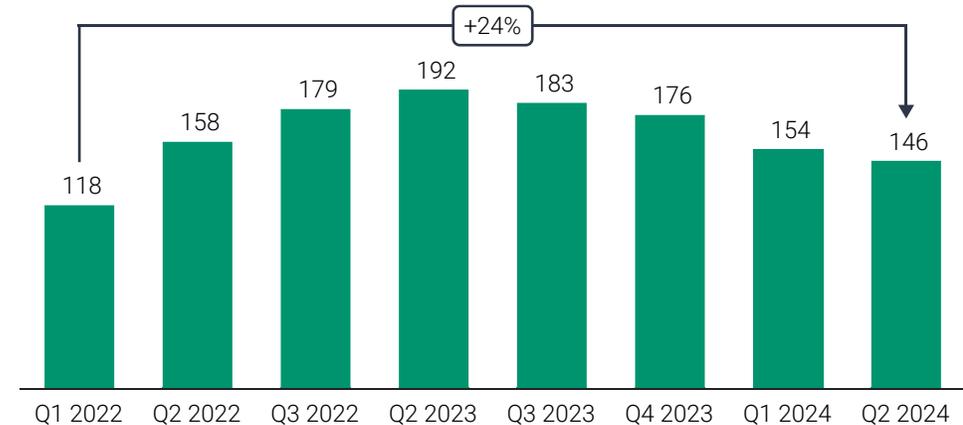
EBITDA by quarter (NOKm)



Revenue LTM (NOKm)



EBITDA LTM (NOKm)



Well Services

Specialist provider of essential services and equipment for the entire lifecycle of a field

Who we are

- **Global technology & service provider:** Focus on delivering the technology and equipment to execute efficiently and safely. Evolving to meet the changing priorities of our clients and the challenges and opportunities of emerging sectors
- **Diverse customer base:** Major contracts with operators, rig owners, and service companies
- **Wide reach:** Serving over 200 customers across 30 countries, we deliver the right equipment and expertise where it's needed, backed by a NOK 4.3bn tool portfolio
- **Targeting P&A:** By providing a range of integrated services and specialised expertise, we aim to become a prominent provider and contribute to industry standards

30

Countries served in 2024

13

Offices & bases in Europe, Asia,
Middle East and Africa

36%

Of total OTL revenue per Q2 2024

NOK 3.2bn

Backlog

Main product lines



Tubular running operations



Drilling tool rental



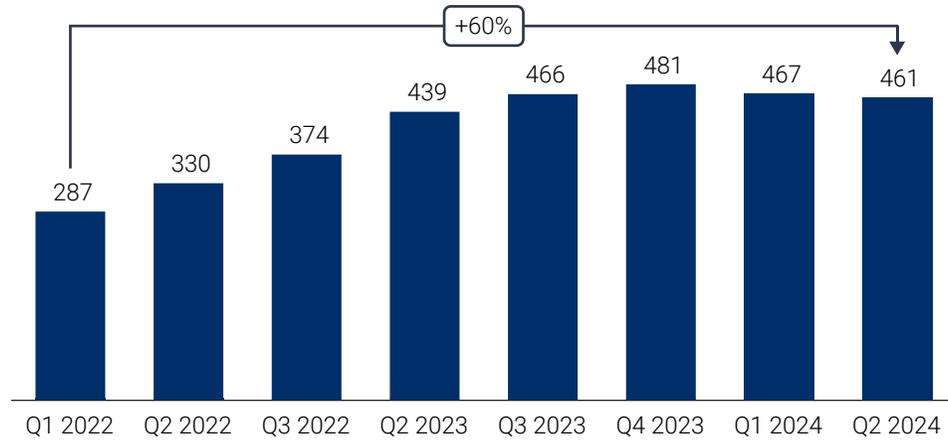
Well intervention services



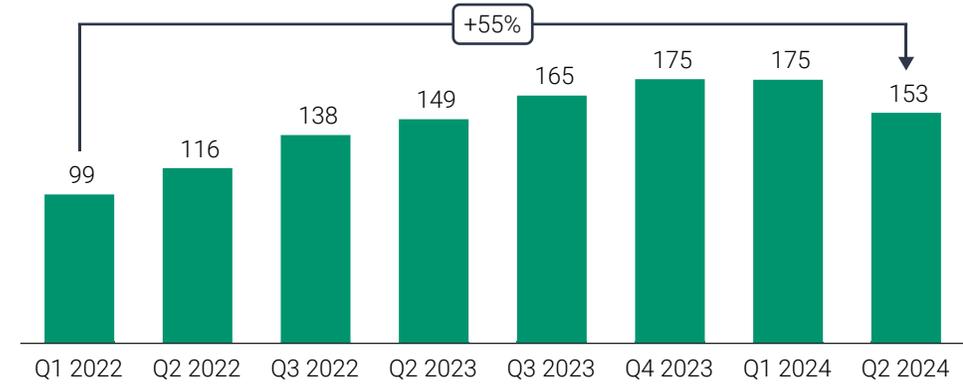
Slot recovery and P&A

Well Services - Key financial performance

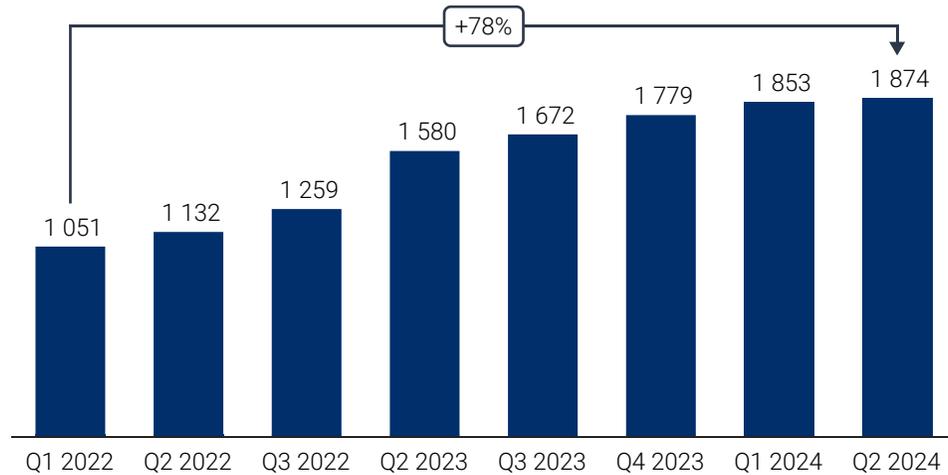
Revenue by quarter (NOKm)



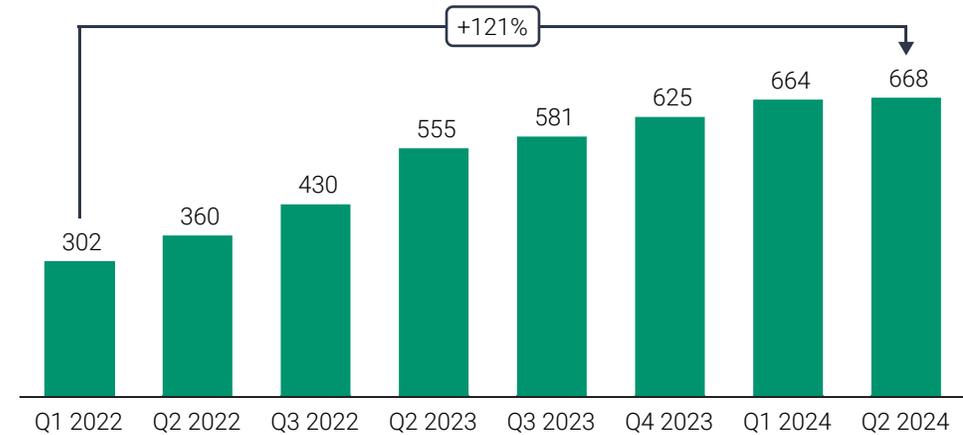
EBITDA by quarter (NOKm)



Revenue LTM (NOKm)



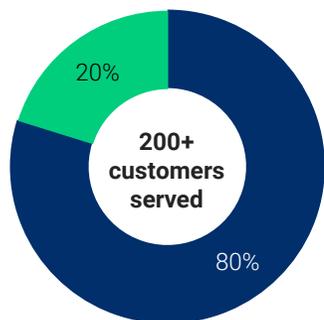
EBITDA LTM (NOKm)



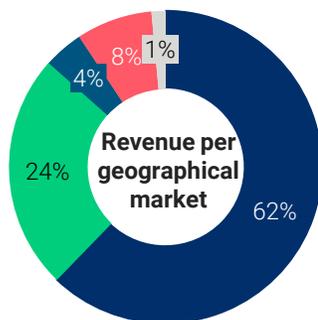
Customer base

Long-lasting relationships with leading energy companies in key markets and regions

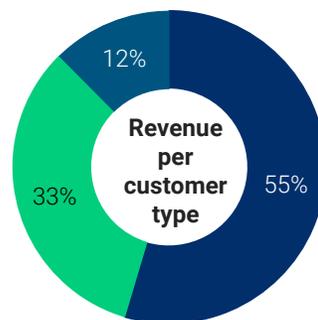
Customer overview



Others
Top 10 customers



Norway
UK
Europe - Other countries
Asia and Middle East
Africa and Americas



Operators
Rig owners
Service companies/other

Key highlights



Stable customer base provides resiliency and consistent sales
Significant degree of repeat business through long-term contracts



Strong relationships with major energy companies
55% of revenue from energy majors, several relationships since the 1980s



Global and highly diversified customer base
No dependence on a single end-market creates stability through the cycle

Selection of customers



Notes: As per 30 June 2024. Direct contracts with mostly investment grade type operators such as Equinor, ConocoPhillips, Aker BP, BP, OMV and TAQA
Customer data based on 2024 Q2 LTM

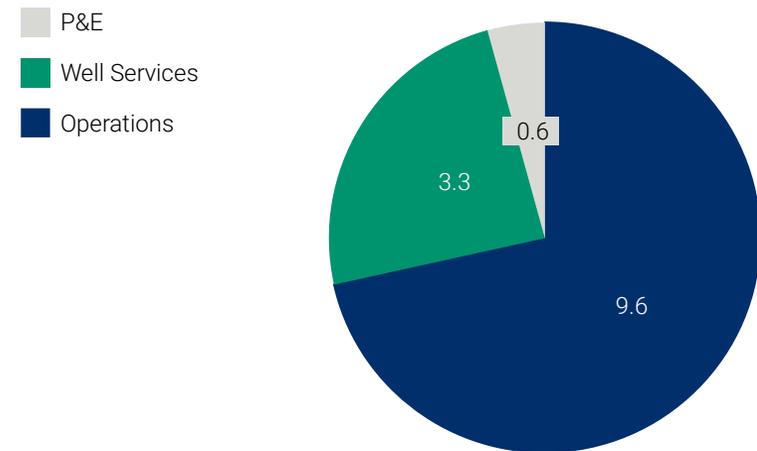
Order backlog of NOK 13.4 bn

Robust order backlog

Backlog development (NOKbn)



Backlog by segment (NOKbn)



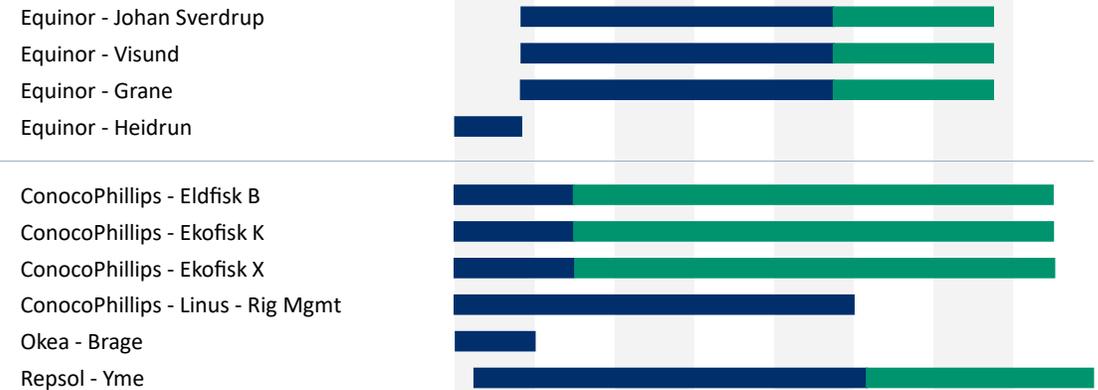
Operations contract overview

Options Firm

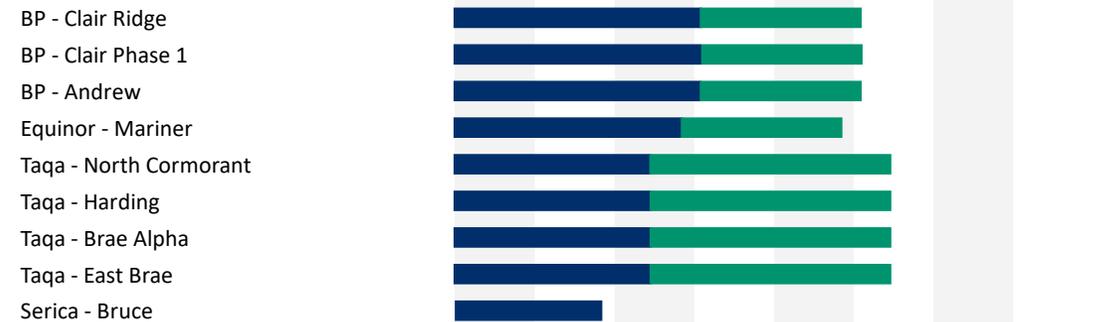
Contract

2024 2025 2026 2027 2028 2029 2030 2031

Norway



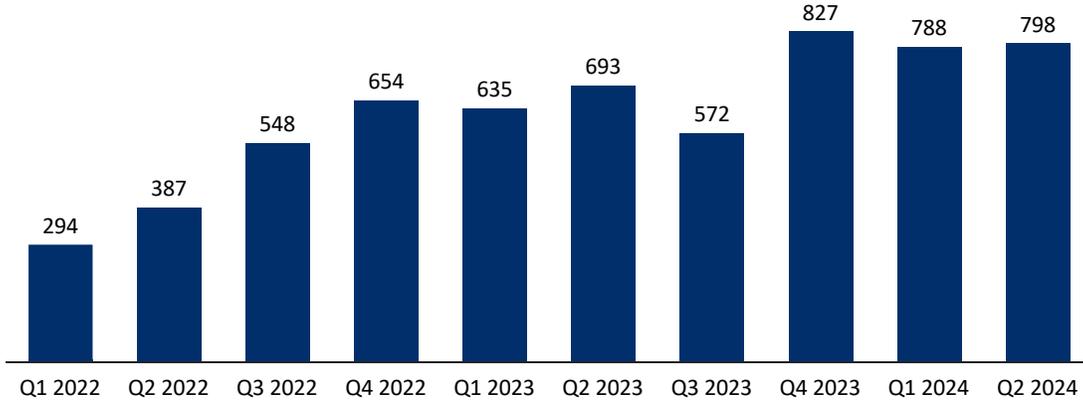
UK



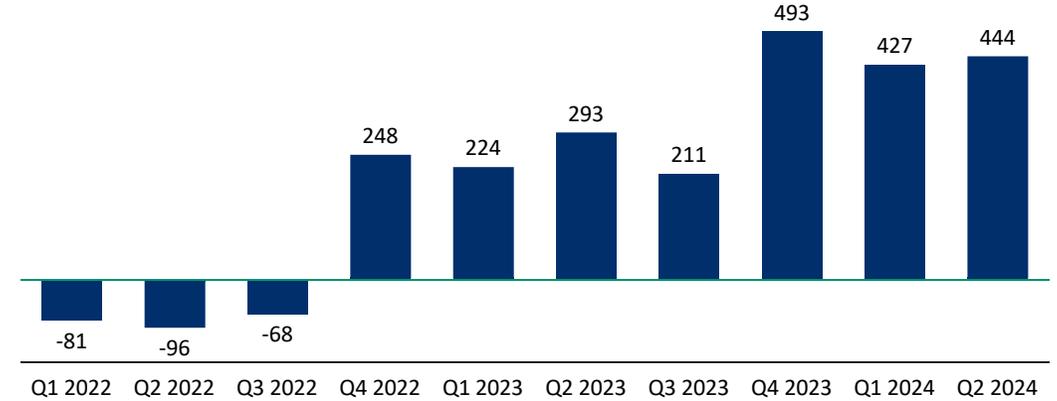
Financial highlights

Improved earnings converted to strengthened cash and debt position

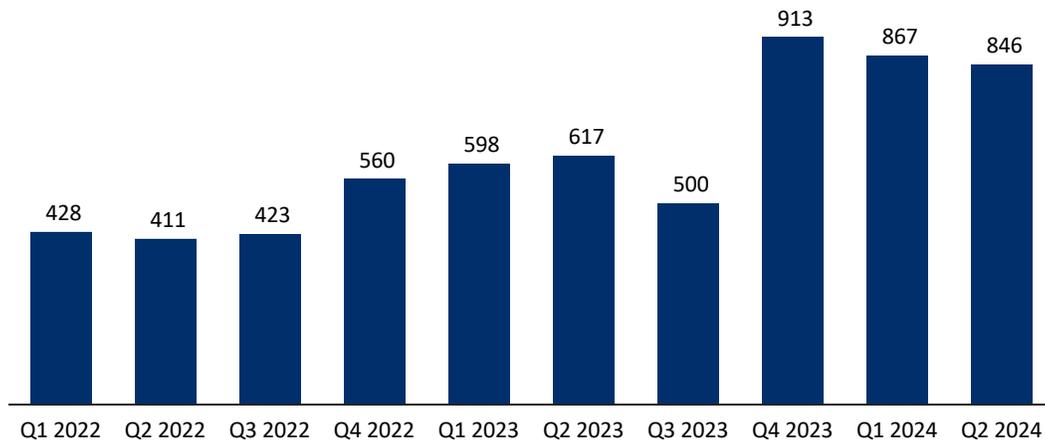
Cash from Operations LTM (NOKm)



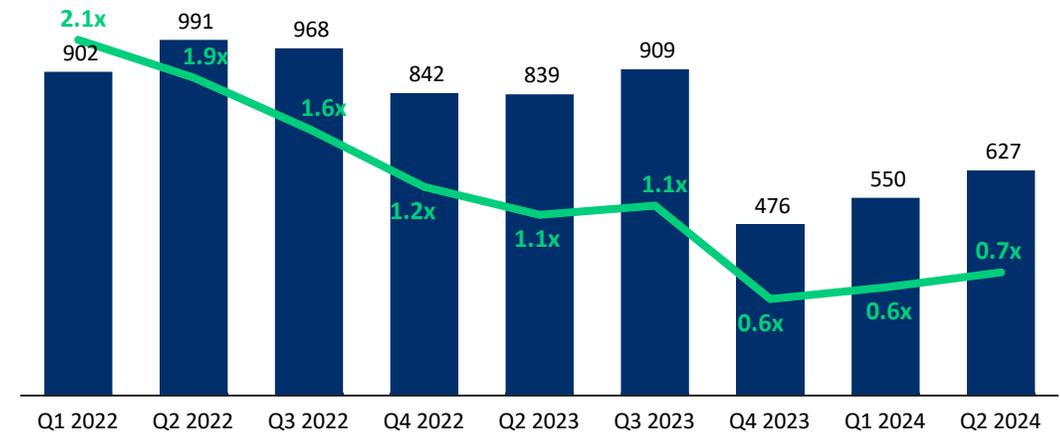
Free cash flow LTM (NOKm)



Available liquidity (NOKm)



Net interest-bearing debt¹ (NOKm) & Leverage Ratio²

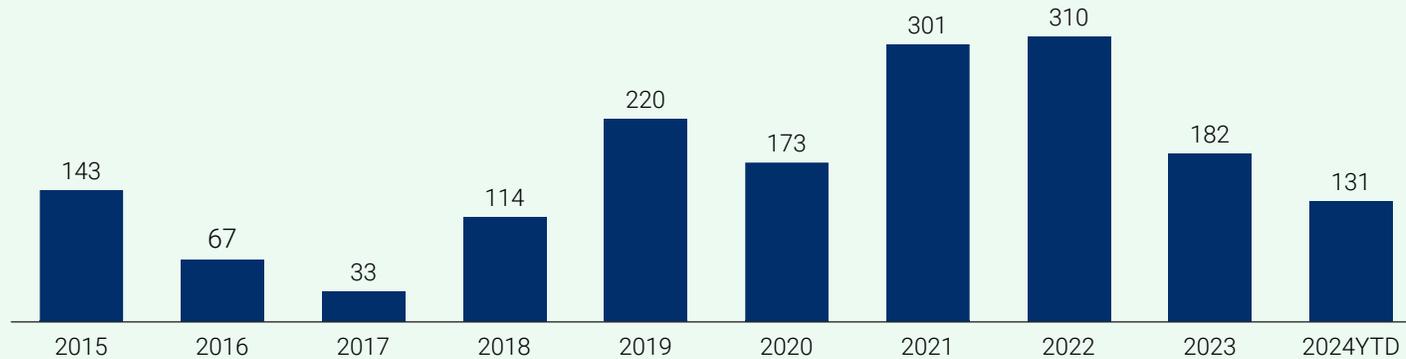


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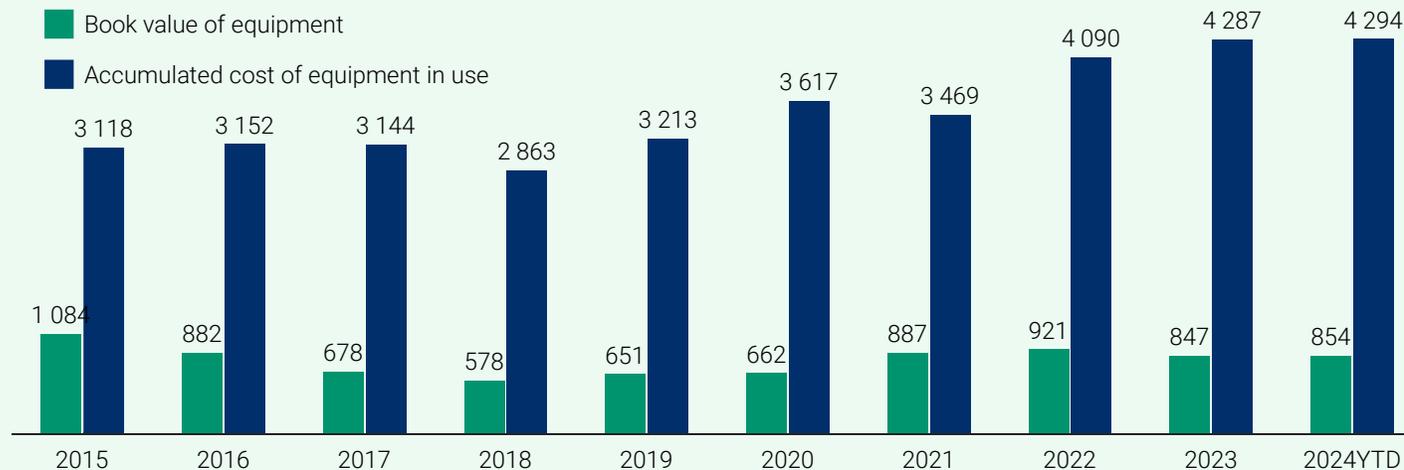
Equipment capital expenditures

Capex level is highly correlated with growth

Capex (NOKm)



Book value Well Service equipment (NOKm)



Comments

Capex overview:

- All capex is related to Well Services.
- Rental tools represent most of both capex and net book value

2024 capex estimate:

- 2024 capex estimate is approximately NOK 250-300m, including NOK 70-110m per year in replacement capex required to sustain the current activity level
- The major part of the investments will be allocated to the products lines with the highest margin

Booked value and accumulated cost of equipment in use:

- The actual operational lifetime of rental assets far exceeds the accounting lifetime of typically 4-10 years
- Average age of active rental tools is around 8 years
- Historically a low portion of inventory is scrapped, lost/damaged each year and we expect this trend to continue going forward
- Replacement cost of well service equipment is estimated to be approximately 5-10% higher than the accumulated historical cost

Historical capex figures:

- Capex 2018-2022 is primarily driven by contract wins and growth in high margin product lines

Capital allocation strategy and targets

Prioritize maximum return and profitable growth while balancing risk

Strong balance sheet

- Conservative debt level
- Strong cash position
- Flexibility to act and invest

Capex investment

- Optimize investment allocation to sustain ongoing needs and promote growth
- All investments evaluated with focus on payback period, rate of return and business impact

M&A investments

- Clear strategy established with priority on bolt-on acquisitions and technology companies
- Disciplined approach with strict guidelines on value proposition for potential investments

Dividends

- Dividends distribution to be balanced with financial performance.
- Cash generation and profitability to support both distribution to shareholders and growth investments

Robust cash position

Long-term dividend program

Improved return on capital

Financial flexibility

Reduced finance cost

Enhanced M&A and Capex Decision-Making

Our strategy

Combining 50 years of industry experience with the technology of tomorrow, we develop solutions for the changing energy market

Goals

- Deliver Safe and Efficient Operations
- Ensure Financial Predictability and Robustness
- Expand and Enhance Core Business
- Advance the Energy Transition
- Strengthen Organisational Capacity and Competency
- Expand Internationally through Organic Growth and M&As
- Lead in Integrated Services and P&A Projects

Enablers

- Safety and Compliance
- Commitment to Excellence
- Strong Financial Performance
- Flexible Organizational Structure
- Leadership Excellence & Training
- Business Development Expertise

Our energy transition strategy

1 Vision

- ✓ Using our heritage and expertise to support the energy transition

2 Strategic framework

- ✓ Support our customer's energy transition ambition and evaluate new opportunities

3 Rationale & Plan

- ✓ Fit for purpose asset light business models
- ✓ Further develop existing energy transition service offering

4 Market attractiveness

Currently we believe the highest potential for OTL is within:

- ✓ P&A
- ✓ Geothermal
- ✓ O&G Lower Emission projects
- ✓ Offshore Wind services



