



ODFJELL TECHNOLOGY LTD

(An exempted company limited by shares incorporated under the laws of Bermuda)

Listing of the Company's shares and a FRN Senior Secured bond issue on the Oslo Stock Exchange

This prospectus (the "**Prospectus**") has been prepared by Odfjell Technology Ltd, an exempted company limited by shares incorporated under the laws of Bermuda (the "**Company**" or the "**Issuer**") and, together with its subsidiaries, the "**Group**" or "**Odfjell Technology**"), in connection with the listing (the "**Listing**") on the Oslo Stock Exchange, a stock exchange being part of Euronext and operated by Oslo Børs ASA (the "**Oslo Stock Exchange**" or "**Oslo Børs**") of (i) all of the shares in the Company, each with a par value of USD 0.01 (the "**Shares**"); and (ii) a 4-year, senior secured bonds issue, with ISIN NO 001 2439480 (the "**Bond Issue**" and each a "**Bond**").

The Company applied for the Shares to be admitted for trading and listing on the Oslo Stock Exchange on 23 February 2022, and the board of directors of Oslo Børs approved the Company's listing application on 23 March 2022. Trading in the Shares on the Oslo Stock Exchange is expected to commence on or about 29 March 2022 under the ticker code "OTL". The Company applied for the Bonds to be listed on the Oslo Stock Exchange on 18 March 2022, and the application for listing of the Bonds was approved by the Oslo Stock Exchange on 22 March 2022. Trading in the Bonds on the Oslo Stock Exchange is expected to commence on or about 29 March 2022.

DNB Markets, a Part of DNB Bank ASA ("**DNB**") and Danske Bank, Norwegian branch ("**Danske Bank**") are acting as Joint Global Coordinators and Joint Lead Managers ("**Managers**") for the Listing. DNB has been acting as Global Coordinator for the Bond Issue, while Nordea Bank and Danske Bank have been acting as joint bookrunners.

The Shares and the Bonds are registered in Euronext Securities Oslo, the Norwegian Central Securities Depository (the "**VPS**") in book-entry form. All Shares and Bonds rank in parity with one another and carry one vote.

The distribution of this Prospectus in certain jurisdictions may be restricted by law. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. See Section 17 "Selling and transfer restrictions".

THIS PROSPECTUS SERVES AS A LISTING PROSPECTUS ONLY. THE PROSPECTUS DOES NOT CONSTITUTE AN OFFER, OR INVITATION TO PURCHASE, SUBSCRIBE OR SELL, ANY OF THE SECURITIES DESCRIBED HEREIN, AND NO SHARES OR OTHER SECURITIES ARE BEING OFFERED OR SOLD IN ANY JURISDICTION PURSUANT TO THIS PROSPECTUS.

Investing in the Shares and Bonds involves a high degree of risk. Prospective investors should read the entire Prospectus and, in particular, consider Section 2 "Risk factors" beginning on page 11 when considering an investment in the Company.

Listing

Joint Global Coordinators and Lead Managers

DNB Markets, a part of DNB Bank ASA

Danske Bank



Bond Issue

Global Coordinator and Joint Bookrunner

DNB Markets, a part of DNB Bank ASA

Joint Bookrunners

Danske Bank

Nordea

The date of this Prospectus is 25 March 2022

IMPORTANT INFORMATION

This Prospectus has been prepared in connection with the Listing of the Shares and the Bonds on the Oslo Stock Exchange.

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (as amended) (the "**Norwegian Securities Trading Act**") and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**"). This Prospectus has been prepared solely in the English language. This Prospectus has been approved by the Financial Supervisory Authority of Norway (*Nw.: Finanstilsynet*) (the "**Norwegian FSA**"), as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

For the purposes of this Prospectus, the capitalized terms "Group" and "Odfjell Technology" are, unless otherwise stated or the context otherwise requires, used to describe the Company and its subsidiaries following completion of the Split (as defined below). For definitions of certain other terms used throughout this Prospectus, see Section 19 "Definitions and glossary".

The information contained herein is current as at the date hereof and is subject to change, completion and amendment without notice. Neither the publication nor distribution of this Prospectus shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

No person is authorised to give information or to make any representation concerning the Group other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company or the Managers or by any of its affiliates, representatives, advisors or selling agents of any of the foregoing.

No Shares, Bonds or any other securities are being offered or sold in any jurisdiction pursuant to this Prospectus. The distribution of this Prospectus in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, any of the Shares or Bonds in any jurisdiction, including in any jurisdiction in which such offer or sale would be unlawful. Neither this Prospectus nor any advertisement or any other material pertaining to the securities of the Company may be distributed or published in any jurisdiction except under circumstances that will result in compliance with applicable laws and regulations. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. In addition, the Shares and Bonds are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of an investment in the Shares and Bonds for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. See Section 17 "Selling and transfer restrictions".

Any reproduction or distribution of this Prospectus, in whole or in part, and any disclosure of its contents is prohibited.

This Prospectus shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Prospectus.

In making an investment decision, prospective investors must rely on their own examination, and analysis of, and enquiry into the Group and the Shares and Bonds, including the merits and risks involved. None of the Company or the Managers or any of their respective representatives and advisers are making any representation to any purchaser of the Shares or the Bonds regarding the legality of an investment in the Shares and Bonds by such purchaser under the laws applicable to such purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares and the Bonds.

All Sections of the Prospectus should be read in context with the information included in Section 4 "General information".

EXCHANGE CONTROL

Consent under the Bermuda Exchange Control Act 1972 (and its related regulations) has been obtained from the Bermuda Monetary Authority ("**BMA**") for the issue and transfer of the Shares and the Bonds to and between residents and non-residents of Bermuda for exchange control purposes provided that the Shares and the Bonds respectively remain listed on an appointed stock exchange, which includes the Oslo Stock Exchange. In granting such consent the Bermuda Monetary Authority accepts no responsibility for the Company's financial soundness or the correctness of any of the statements made or opinions expressed in this Prospectus.

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares and the Bonds have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares and the Bonds offer no guaranteed income and

no capital protection; and an investment in the Shares and the Bonds is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the Shares and the Bonds is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile.

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Listing.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares or the Bonds.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Shares and the Bonds and determining appropriate distribution channels.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is an exempted company limited by shares incorporated under the laws of Bermuda. As a result, the rights of holders of the Shares will be governed by Bermuda law and the Company's memorandum of association (the "**Memorandum of Association**") and bye-laws of the Company which will be in effect immediately prior to consummation of the Listing (the "**Bye-Laws**"). The rights of shareholders under Bermuda law may differ from the rights of shareholders of companies incorporated in other jurisdictions.

The members of the Company's board of directors (the "**Board Members**" and the "**Board of Directors**", respectively) and the members of the senior management of the Group (the "**Management**") are not residents of the United States, and all of the Company's assets are located outside the United States. As a result, it may be very difficult for investors in the United States to effect service of process on the Company, the Board Members and members of Management in the United States or to enforce in the United States judgments obtained in U.S. courts against the Company or those persons, based on the civil liability provisions of the U.S. securities laws.

The United States does not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters with either Norway or Bermuda. Uncertainty exists as to whether courts in Norway or Bermuda will enforce judgments obtained in other jurisdictions, including the United States, against the Company or the Board Members or members of Management under the securities laws of those jurisdictions or entertain actions in Norway or Bermuda against the Company or its Board Members or members of Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway or Bermuda.

Similar restrictions may apply in other jurisdictions.

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1 SUMMARY**Introduction**

<i>Warning</i>	This summary should be read as an introduction to the Prospectus. Any decision to invest in the Shares and the Bonds (the " Securities ") should be based on a consideration of the Prospectus as a whole by the investor. An investment in the Company's Securities involves inherent risk and the investor could lose all or part of its invested capital. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such Securities.
<i>Securities</i>	The Company has one class of shares in issue. The Shares are registered in book-entry form with the VPS and have ISIN BMG6716L1081. The Bonds are electronically registered in book-entry form with the VPS with ISIN: NO 001 2439480.
<i>Issuer</i>	The Company's registration number with the Bermuda Registrar of Companies is 202100770 and its Legal Entity Identifier (" LEI ") code is 529900ZYHGCPTAD1R169. The Company's registered office is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The Group's corporate headquarters are located at Bergen House, Crawpeel Road, Altens Aberdeen AB12 3LG, United Kingdom, its main telephone number at that address is + 44 1224 856 000 and its e-mail is email@odfjelltechnology.com. The Group's investor website can be found at www.odfjelltechnology.com.
<i>Offeror(s)</i>	Not applicable. Neither the Shares nor the Bonds are subject to a public offer. The Bonds are already issued and settled.
<i>Competent authority</i>	The Financial Supervisory Authority of Norway (Nw.: <i>Finanstilsynet</i>), with registration number 840 747 972 and registered address at Revierstredet 3, N-0151 Oslo, Norway, and with telephone number +47 22 93 98 00 has reviewed and, on 25 March 2022, approved this Prospectus.

Key information on the issuer

<i>Corporate information</i> ...	The Company is an exempted company limited by shares incorporated and existing under the laws of Bermuda pursuant to the Companies Act 1981 of Bermuda (the " Bermuda Companies Act "). The Company was incorporated in Bermuda on 14 December 2021 as a holding company for the Group, its registration number in the Bermuda Register of Companies is 202100770 and its LEI code is 529900ZYHGCPTAD1R169.
<i>Principal activities</i>	Odfjell Technology is a provider of drilling and related services to the offshore oil and gas industry, more specifically platform drilling, engineering, rig inspection services, technical integrity management services, development of new technology related concepts, casing and tubular running services, wellbore cleaning, drilling tool and tubular rental services both for exploration wells and for production purposes, and business support services to Odfjell Drilling Ltd's business segment Mobile Offshore Drilling Units (MODU).
<i>Major shareholders</i>	Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. At the date of this Prospectus, Odfjell Drilling Ltd (" Odfjell Drilling ") holds 100% of the Shares in the Company. Upon completion of the Split, no shareholders other than Odfjell Partners Ltd. (~60.4%), Cairn Capital Limited and FMR LLC are expected to hold more than 5% of the Company's Shares.
<i>Key managing directors</i>	The Group's Management consists of seven individuals. The names of the members of the Management and their respective positions are presented in the table below.

Name	Position
Simen Lieungh	Group Chief Executive Officer
Jone Torstensen	Group Chief Financial Officer
George Taggart	Executive Vice President, Well Services
Elisabeth Haram	Executive Vice President, Drilling Operations and Engineering
Randi Øverland	Head of Global Business Services
Diane Stephen	General Manager
Kurt Werner Holsæter	Senior Vice President, Human Resources

Statutory auditor..... The Company's auditor is KPMG AS, with business registration number 935 174 627 in the Norwegian Register of Business Enterprises and registered address at Sørkedalsveien 6, 0369 Oslo, Norway.

What is the key financial information regarding the issuer?

Combined statement of profit and loss data

The Company was incorporated on 14 December 2021 and has not prepared any annual financial statements as at the date of this Prospectus. The financial information included in this Prospectus has therefore been derived from the historical financial records of the Company's parent company, Odfjell Drilling Ltd.

<i>USD thousand</i>	Year ended 31 December			
	2021	2020	2019	2018
Statement of Income				
Total operating income.....	342,899	273,283	272,508	270,447
Total operating expenses.....	(328,367)	(256,630)	(254,893)	(263,689)
Operating profit (EBIT).....	14,532	18,070	20,174	8,934
Profit (loss) for the period.....	13,060	15,176	25,020	14,045
Statement of Financial Position				
Total assets	444,476	385,536	395,315	343,792
Total equity	335,868	309,770	325,217	283,384
Total liabilities.....	108,609	75,766	70,098	60,408
Statement of Cash Flow				
Net cash flow from operating activities	40,209	54,557	29,515	30,994
Net cash from investing activities	(50,933)	(22,012)	(24,719)	(14,375)
Net cash flow from financing activities	56,215	(25,224)	(23,913)	(21,207)

What are the key risks that are specific to the issuer?

- Material risk factors*
- The Group's business, results of operations and financial condition depend on the level of exploration, development and production activity in the oil and gas industry, which is significantly affected by, among other things, volatile oil and gas prices
 - An over-supply or additional maintenance cost of Rental Equipment may lead to a reduction in prices for the Well Services segment, which may materially impact the Group's results of operations
 - Competition within the oil and gas services industry may have a material adverse effect on the Group's ability to market its services
 - The adoption of new governmental laws and regulations, could hinder or delay the Group's operations, increase the operating costs, reduce the demand for its services or restrict the Group's ability to provide its services

- The Group may be subject to environmental liability under contract or environmental legislation, which may have a material adverse effect on the Group's business, operation results and financial condition
- The Group's business involves numerous operating hazards, in addition to an inherent risk relating to international operations, and if a significant accident or other event occurs it could materially adversely affect the Group's results of operations, cash flows and financial condition
- The Group is exposed to risks regarding compliance with the complex laws and regulations inherent in its international operations, including but not limited to trademark and technology disputes, tax laws or litigation
- The Group does business in jurisdictions with inherent risks relating to fraud, bribery corruption, with poor physical infrastructure and logistics systems that currently are, or may become, subject to sanction regimes. Unplanned events or incidents in such jurisdiction can materially adversely affect the Group's business
- Operations of the Group may be materially affected by third-party relations, such as by client concentration risks, disruption of deliveries by suppliers, or non-performance of third-party subcontractors
- The Group's operations may be materially affected by maintenance and repair costs, equipment quality, unsuccessful implementation of strategies, and disruption to information technology systems essential for communication of the operations
- The Group's failure to keep pace with significant technological developments could have a material adverse effect on the Group's future success and profitability
- At the date of this Prospectus, the Split from Odfjell Drilling is not yet completed. Completion of the Split is subject to satisfaction of the conditions for Listing set by the Oslo Stock Exchange. No assurance can be given that the conditions for Listing will be satisfied in time or at all;
- The Group's backlog may not be ultimately realised and its contracts may be subject to early termination due to certain events
- The Group's divestments, existing or future debt arrangements, interest rate fluctuations and exchange rate fluctuation may materially affect the Group's cash flow and financial condition
- The Group may not be able to obtain sufficient financing in the future or financing at favourable terms
- The market value of the Shares may fluctuate significantly due to a number of factors, which could cause investors to lose a significant part of their investment
- The Company has adopted and implemented a corporate governance regime which is based on, and to a large extent complies with, the Corporate Governance Code. However, the corporate governance policy has certain deviations from the Corporate Governance Code
- The Bonds are supported by security and guarantees from various material companies of the Group. These entities are incorporated in various jurisdictions, where, inter alia, legal restrictions may exist on the right for Group companies to grant security and guarantees related to acquisition of shares in the Company (or other companies within the Group) as well as requirements to receive corporate benefit as consideration of the granting of full unlimited security and guarantees for the outstanding amounts under the Bonds
- Each bondholder will have a put-option in case of a change of control. However, it is possible that the Issuer will have insufficient funds at the time of the put-option event to make the required repurchase of the Bonds
- The Issuer may redeem all or parts of the Bonds at various call prices before the final redemption date. This is likely to limit the market value of the Bonds during any period the Issuer has this opportunity
- The Issuer intends to list the Bonds on Oslo Børs within six months of the issue date and prior to the first payment of interest of the Bonds. If such listing is delayed beyond the first interest payment date under the Bond terms, or such listing cannot be

obtained, the Issuer will be required by law to withhold tax in respect of such interest payments under present UK tax law

Key information on the securities

What are the main features of the securities?

<i>Type, class and ISIN</i>	<p>All of the Shares are common shares of the Company and have been created under the Bermuda Companies Act. The Shares are registered in book-entry form with the VPS and have ISIN BMG6716L1081.</p> <p>The Bonds are senior secured bonds. The Bond Issue is governed by Norwegian law Bond Terms and entered into between the Issuer as issuer and Nordic Trustee AS as the bond trustee on behalf of bondholders. The Bonds are registered in book-entry form with the VPS and have ISIN NO 001. The nominal value is NOK 1,250,000 per Bond, each of them ranking pari passu among themselves.</p> <p>The ISIN code of the Bond Issue is NO 001 2439480.</p>
<i>Currency, par value and number of securities</i>	<p>The Shares will be traded in NOK on the Oslo Stock Exchange. As at the date of this Prospectus, the Company's authorized share capital is USD 450,000, consisting of 45,000,000 Shares, each with a par value of USD 0.01, of which 39,463,867 Shares have been issued and are fully paid.</p> <p>The Bonds are issued in NOK. The initial borrowing amount is NOK 1,100 million, with a borrowing limit of NOK 1,500 million. The Nominal Amount of each Bond is NOK 1.25 million.</p>
<i>Rights attached to the securities.....</i>	<p>The Company has one class of shares in issue and all shares in that class provide equal rights in the Company, including rights to dividend and voting rights. Each of the Shares carries one vote per share.</p> <p>The Bond Terms have been entered into between the Issuer and the Bond Trustee. The Bond Terms regulate the Bondholders' rights and obligations in relation to the Bond Issue. The Bond Trustee is party to the Bond Terms on behalf of the Bondholders and is granted the authority to act on behalf of the Bondholders to the extent provided for in the Bond Terms. When the Bonds are subscribed/purchased, the Bondholder has accepted the Bond Terms and is bound by the terms of the Bond Issue.</p> <p>The Bonds constitute senior and unsubordinated debt obligations of the Issuer and for each of the Guarantors. The Bonds will rank pari passu between themselves and will rank at least pari passu between themselves and all other senior creditors (except in respect of claims mandatorily preferred by law). The Bonds will be secured on a pari passu basis with the other Secured Parties in respect of the Transaction Security, subject to the super senior status of the RCF and any hedging agreements of the Issuer for the interest rate of the bonds for non-speculative purposes as set out in the Intercreditor Principles. The creditors for the RCF and the permitted hedging will receive (i) the proceeds from any enforcement of the Transaction Security and certain distressed disposals and (ii) any payments following any other enforcement event (collectively the "Enforcement Proceeds") prior to the Bondholders (but otherwise rank pari passu in right of payment with the Bonds) in accordance with the waterfall provisions of the Intercreditor Agreement (to be entered into), subject to obligations which are mandatorily preferred by law.</p> <p>At the Bondholder's Meeting each Bondholder may cast one vote for each Voting Bond owned on the date falling on the immediate preceding business day to the date of that Bondholders' decision being made, or another date as accepted by the Bond Trustee.</p>
<i>Transfer restrictions.....</i>	<p>The Shares are deemed freely transferable for the purpose of the Oslo Stock Exchange's listing rules. However, pursuant to the Bye-Laws, the Board of Directors may decline to register the transfer of shares if the transfer would likely result in 50% or more of the shares or votes in the Company being held or owned directly or indirectly by individuals or legal persons resident for tax purposes in Norway or effectively connected to a Norwegian business activity, or if the Company is otherwise deemed a controlled foreign company as such term is defined under the Norwegian tax legislation ("CFC"). Said ownership restriction is in line with that of other non-Norwegian companies listed on the Oslo Stock Exchange. Furthermore, the Board of Directors shall refuse to register a share transfer unless all applicable consents, authorisations and permissions of any</p>

governmental body or agency in Bermuda have been obtained and may in its discretion refuse to register the transfer of a share which is not fully paid. The Company will have all required Bermuda governmental consents for the transfer of the Shares in the VPS from the time of, and subject to the continuance of, the Listing, and provided that Oslo Stock Exchange remains an Appointed Stock Exchange under Bermuda law.

The Bonds are freely transferable for the purpose of Oslo Stock Exchange's listing rules and in accordance with the rules and regulations governing securities registered in VPS. Certain purchase or selling restrictions may apply to shareholders and Bondholders under applicable local laws and regulations from time to time.

Dividend and dividend policy.....

Dividends will be subject to applicable laws and will be dependent on a number of factors, including but not limited to, the Company's financial condition, results of operations, capital requirements, contractual restrictions, general business conditions. The Company will target a long-term annual dividend pay-out representing approximately 30 – 50% of its net profit on a consolidated basis. The Board of Directors may revisit the dividend policy from time to time.

Where will the securities be traded?

The Company applied for the Shares to be admitted for trading and listing on the Oslo Stock Exchange on 23 February 2022, and the board of directors of Oslo Børs approved the Company's listing application on 23 March 2022 conditional upon certain conditions being met. Trading in the Shares on the Oslo Stock Exchange is expected to commence on or about 29 March 2022. The Company has not applied for admission to trading of the Shares on any other stock exchange, regulated market or a multilateral trading facility (MTF).

The Company applied for the Bonds to be listed on the Oslo Stock Exchange on 18 March 2022, and the application for listing of the Bonds was approved by the Oslo Stock Exchange on 22 March 2022. Trading in the Bonds on the Oslo Stock Exchange is expected to commence on or about 29 March 2022. The Company has not applied for admission to trading of the Bonds on any other stock exchange, regulated market or a multilateral trading facility (MTF).

Is there a guarantee attached to the securities?

The fulfilment of the secured obligations under the Bond Terms is secured by a corporate guarantee (Nw.: "selvskyldnerkausjon") issued by each Guarantor in respect of the secured obligations.

The fulfilment of the secured obligations under the Bond Terms is guaranteed by the following Guarantors:

Legal Name	Place of registration	Registration number	LEI Code
Odfjell Partners Invest Ltd.	Bermuda	33920	529900CK99K42CS2GS60
Odfjell Platform Drilling AS	Norway	918 646 175	529900V1Z8GB3B5HDO23
Odfjell Global Business Services AS	Norway	919 580 240	529900HZQ40J90NS7347

Relevant key financial information for the purpose of assessing the Guarantors' ability to fulfil its commitments under the Guarantee:

Odfjell Partners Invest Ltd.

<i>(In USD thousand)</i>	2020	2019
Profit / Loss for the year.....	27,349	(28)
Net financial debt (long term debt plus short term debt minus cash)...	290	(463)
Net Cash flows from operating activities.....	23,818	15,407
Net Cash flows from financing activities.....	0	0
Net Cash flow from investing activities	21,252	(24,084)

Odfjell Platform Drilling AS

<i>(In USD thousand)</i>	2020	2019
Profit / Loss for the year.....	(977)	11,271
Net financial debt (long term debt plus short term debt minus cash)...	(236)	(165)
Net Cash flows from operating activities.....	82	12,448
Net Cash flows from financing activities.....	(11,066)	(422)

Net Cash flow from investing activities	0	0
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Odfjell Global Business Services AS

<i>(In USD thousand)</i>	2020	2019
Profit / Loss for the year.....	589	423
Net financial debt (long term debt plus short term debt minus cash)...	(545)	(464)
Net Cash flows from operating activities	3,106	3,639
Net Cash flows from financing activities.....	(6,545)	162
Net Cash flow from investing activities	(897)	(1,596)

There are no qualifications in the audit reports relating to the historical financial information for the Issuer or the Guarantors.

What are the "key risks that are specific to the guarantors"?

Please see the "key risks that are specific to the Issuer" above.

What are the key risks that are specific to the securities?

Shares

- Material risk factors*
- Sales of substantial amounts of the Shares in the public, or the perception that such sales could occur, could adversely affect the market price of the Shares and make it more difficult for holders to sell their Shares at a time and price that they deem appropriate
 - Odfjell Partners Ltd. will be the largest shareholder of the Company and will, accordingly, continue to have a majority of the shareholder vote, thereby having the ability to significantly influence the outcome of matters submitted for the vote of the Company's shareholders. The commercial goals of Odfjell Partners Ltd. as a shareholder, may not always be aligned with interest of the Group's other shareholders

Bonds

- Material risk factors*
- Under the Bond terms the Issuer and/or any other obligors under the Bond Issue are permitted to incur liabilities, which may be significant and that will rank senior in priority to the Bonds, including revolving credit facilities and certain agreements for hedging of interest rate risk in relation to the Bonds. There can be no assurance that any enforcement proceeds will be sufficient to cover the prior ranking creditors or the claims under and in relation to the Bonds
 - The Bonds are subject to credit risk relating to the Group's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Group's operations and its financial position

Key information on the admission to trading on a regulated market

Admission to trading

Admission to trading On 23 February 2022, the Company applied for admission to trading of its Shares on the Oslo Stock Exchange and the board of directors of Oslo Børs approved the Company's listing application on 23 March 2022 conditional upon the Company obtaining a minimum of 500 shareholders, each holding shares with a value of more than NOK 10,000, and there being a minimum free float of the shares of 21.9%. The Company expects that these conditions will be fulfilled through completion of the Distribution.

The Company expects commencement of trading in the Shares on the Oslo Stock Exchange to occur on or about 29 March 2022. The Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market and the Shares have not previously been subject to public trading.

The Company applied for the Bonds to be listed on the Oslo Stock Exchange on 18 March 2022, and the application for listing of the Bonds was approved by the Oslo Stock Exchange on 22 March 2022. Trading in the Bonds on the Oslo Stock Exchange is expected to commence on or about 29 March 2022.

Total expenses of the Listing The Company's total costs and expenses of, and incidental to, the Listing (including the Bond Issue and the Split) are estimated to amount to approximately USD 4.0 million.

Why is this Prospectus being produced?

Reasons for the Listing... This Prospectus has been prepared in order to facilitate for the listing and subsequent trading of the Shares and the Bonds on the Oslo Stock Exchange.

Conflicts of interest..... The Company is not aware of any interest of any natural and legal persons involved in the Shares nor the Bonds that is deemed material.

2 RISK FACTORS

This Prospectus is a listing prospectus. Nevertheless, an investment in the Company and the Shares and Bonds involves inherent risk. Before making an investment decision, investors should carefully consider the risk factors and all information contained in this Prospectus, including the Financial Information and related notes appended hereto. The risks and uncertainties described in this Section 2 are the principal known risks and uncertainties faced by the Group as of the date hereof that the Company believes are the material risks relevant to an investment in the Shares and Bonds. An investment in the Company is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment.

The risk factors included in this Section 2 are presented in a limited number of categories, where each risk factor is sought to be placed in the most appropriate category based on the nature of the risk it represents. Within each category the risk factors deemed most material for the Group, taking into account their potential negative effect for the Company and its subsidiaries and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision. If any of the following risks were to materialise, individually or together with other circumstances, they could have a material adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Shares and/or the Bonds, resulting in loss of all or part of an investment in the Shares and/or Bonds. Additional factors of which the Company is currently unaware or which it currently deems not to be risks, may also have corresponding negative effects.

The risks mentioned herein could materialise individually or cumulatively. The information in this Section 2 is as of the date of this Prospectus.

2.1 Risks relating to the industry in which the Group operates

2.1.1 Market conditions

The Group's business, results of operations and financial condition depend on the level of exploration, development and production activity in the oil and gas industry, which is significantly affected by, among other things, volatile oil and gas prices

The Group's business depends on the level of activity in oil and gas exploration, as well as the identification and development of oil and gas reserves and production in onshore and offshore areas worldwide, particularly in the North Sea (UK and Norway), Europe, Middle East and Asia. The availability of quality drilling prospects, exploration success, relative production costs, the stage of reservoir development, political aspects and regulatory requirements all affect the Group's clients' levels of expenditure and drilling campaigns. In particular, oil and gas prices and market expectations of potential changes in these prices significantly affect the level of exploration and production ("**E&P**") activity by oil and gas companies.

The demand for the Group's services and, accordingly, the prices its well services ("**Well Services**"), drilling operations ("**Drilling Operations**") and engineering ("**Engineering**" and together with Drilling Operations "**Energy**") segments can achieve, depend on the level of E&P activity and expenditure by clients, and are therefore affected by trends in oil and gas prices. For example, historical significant decline in the oil price has led to significant cuts in the E&P spending budgets of major oil companies, significant overcapacity for the supply of the Group's services and significantly increased competition for the supply of such services. Further, the oil and gas prices may be affected by a number of factors, including but not limited to conflicts such as the ongoing war in Ukraine.

Due to the significant investments in exploration and, often production, made by the Group's clients at or before the time they contract for services provided by the Drilling Operations segment, this business is typically impacted by longer term E&P spending decisions based on long-term price trends. However the Well Services segment and the Engineering segment are more sensitive to E&P spending decisions by clients made in response to short-term fluctuations in oil and gas prices. Moreover, given the high E&P costs in ultra-deepwater and harsh environments, a significant decrease in oil and gas prices over a protracted period (rather than the short term) may result in such projects becoming uneconomical for the Group's clients. This may result in a decrease in demand for the Group's services.

Any developments affecting demand in any of the Group's business segments could have a material adverse effect on the Group's business, results of operations, cash flow, financial condition, ultimately the ability to pay dividends and/or prospects.

An over-supply or additional maintenance cost of Rental Equipment may lead to a reduction in prices for the Well Services segment, which may materially impact the Group's results of operations

The oil and gas services industry in which the Group operates is characterised by cyclical periods of high demand and low demand for its services, which in turn affects the supply side of the equipment base and relevant prices.

Oversupply of the equipment that the Group rents to clients ("**Rental Equipment**"), as offered by the Well Services segment, (this segment represented about 34% of the OTL Group's operating revenue for the year ended 31 December 2021), could lead to that segment experiencing decreased prices and/or client orders for its Rental Equipment. Currently, the Group has a limited number of global competitors in this segment, although that may change in the future. Rental Equipment maintenance costs fluctuate depending upon the type of activity the drilling unit is performing and the age and condition of the Rental Equipment.

There can be no assurances that the Well Services segment will not experience oversupply and, as a result, a decrease in day rates, lump sum payments and/or client orders for its Rental Equipment in the future. Further, there can be no assurances that the Group's operating and maintenance costs will be proportionate to changes in operating revenues, which may be a material adverse effect on the Group's business, results of operations, cash flow, financial condition and/or prospects.

Competition within the oil and gas services industry may have a material adverse effect on the Group's ability to market its services

The oil and gas services industry is highly competitive and fragmented and includes several large competitors in the markets the Group serves, or will serve, as well as numerous small competitors that compete with the Group on a local basis. The Group's operations may be materially adversely affected if its current competitors or new market entrants introduce new products or services with features, performance, prices or other characteristics similar to, or better than, the Group's products and services or expand into service areas where the Group operates. Competitive pressures or other factors that result in significant price competition, particularly during industry downturns, could have a material adverse effect on the Group's business, results of operations, cash flow, financial condition and/or prospects.

The Well Services segment has a limited number of global competitors but competes with various local and smaller suppliers in each of its geographic markets. Such smaller suppliers may be in a preferred position locally as they may be able to offer lower prices and may also have longer existing relationships with local clients. The increase in competition may result in a loss of market share for the Well Services segment, which could have a negative impact on the Group's revenue.

The Group's Drilling Operations segment currently has only two main competitors in the markets the Group serves, although no assurances can be given that this will not change in the future.

The Group's Engineering segment operates in a highly competitive market and may, as a consequence, suffer periods of low utilisation and/or lower day rates. Further, there can be no assurance that competition will not increase in the future.

Increased competition in the Well Service segment, the Drilling Operations segment and or the Engineering segment, may result in a loss of market share for the relevant segment, which could have a negative impact on the segment's or the Group's revenue.

2.1.2 Operational risks

The Group's business involves numerous operating hazards and if a significant accident or other event occurs it could materially adversely affect the Group's results of operations, cash flows, financial condition and/or prospects

The Group's operations are subject to hazards inherent in drilling for oil and gas, such as blowouts, reservoir damage, loss of production, loss of well control, lost or stuck drill strings, equipment defects, craterings, fires, explosions and pollution. Contract drilling and the provision of well services require the use of heavy equipment and exposure to hazardous conditions.

Damage to the environment could also result from the Group's operations and services, particularly from spillage of fuel, lubricants or other chemicals and substances used in drilling operations, or extensive uncontrolled fires. The Group may also be subject to property, environmental and other damage claims by oil and gas companies.

In addition, accidents or other operating hazards could result in the suspension of operations because of related machinery breakdowns, abnormal drilling conditions, failure of the Group's or the Group's clients' subcontractors to perform or supply goods or services, or personnel shortages, which may in turn have a material adverse effect on the Group's reputation, business, results of operations, cash flow, financial condition and/or prospects.

The Group's insurance coverage may prove insufficient if a significant accident or other event occurs

The Group's insurance policies and contractual rights to indemnity may not adequately cover losses, and the Group does not have insurance coverage or rights to an indemnity for all risks. In addition, the Group's insurance coverage will not provide sufficient funds in all situations to protect the Group from all liabilities that could result from its operations, the amount of the Group's insurance cover may be less than the related impact on enterprise value after a loss, and the Group's coverage also includes policy limits. As a result, the Group retains the risk through self-insurance for any losses in excess of these limits. The Group may also decide to retain substantially more risk through self-insurance in the future.

Although it is the Group's policy to obtain contractual indemnities, it may not always be able to negotiate such provisions. Further, indemnities that the Group receives from clients may not be easily enforced and may be of limited value if the relevant clients do not have adequate resources or do not have sufficient insurance coverage to indemnify the Group.

No assurance can be made that the Group has, or will be able to maintain in the future, adequate insurance or indemnity against certain risks, and there is no assurance that such insurance or indemnification agreements will adequately protect the Group against liability from all of the consequences of the hazards and risks described above. The occurrence of a significant accident or other adverse event which is not fully covered by the Group's insurance or any enforceable or recoverable indemnity from a client could result in substantial losses for the Group and could materially adversely affect the Group's results of operations, cash flow, financial condition and/or prospects.

Please see Section 8.15 "Insurance" for a discussion of the Group's insurance and indemnities.

The Group's business segments operate in various jurisdictions, thereby exposing the Group to risks inherent in international operations and subjecting the Group to compliance with the laws and regulations of the jurisdictions in which it operates

The Group currently operates in approximately 20 countries, and has historically conducted business in certain jurisdictions that are now subject to certain US trade embargoes and sanctions by the US Office of Foreign Assets Control, and analogous Norwegian and European Union ("EU") sanctions, thereby exposing it to risks that are inherent to conducting international operations.

Some of these risks, which may require or result in evacuation of personnel, cancellation of contracts, fraud, bribery and corruption or the loss of personnel or assets, could limit or disrupt the Group's operations and thereby have a material adverse effect on the Group's business, results of operations, cash flow, financial condition and/or prospects.

International oil and gas service providers, and shipment of goods, services and technology are subject to various laws and regulations in various countries and jurisdictions, including laws and regulations relating to:

- the equipment requirements for, and operation of, drilling units, fixed installations and provision of well services;
- repatriation of foreign earnings;
- oil and gas exploration and development;
- correct taxation of earnings and the earnings of expatriate personnel;
- trade, import, export and customs duties on the importation of equipment;
- the use and compensation of local employees; and
- the use of local suppliers, contractors, representatives and/or agents by the Group.

Some foreign governments favour, require or control (i) the awarding of contracts to local contractors or to equipment completely or partially owned by national individuals or legal persons, (ii) the use of a local representative/agent, (iii) the use of local suppliers, (iv) local registration of companies or branches of the operator (v) foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction and /or (vi) the export and re-export of certain

goods, services and technology. These practices, known as "local content requirements", may, to the extent that there is a limited supply of local suppliers, partners and contractors qualified for the Group's services, materially adversely affect the Group's ability to compete or to operate in those regions as well as the Group's costs and ultimately its results of operations.

Furthermore, local content requirements may result in risks related to corruption, fraud or bribery, the risk of the Company having less control of its operating entities due to joint venture structures and that a less experienced workforce is used, which again increases the operating risk.

It is difficult to predict what governmental regulations, especially within sanction regimes or regimes where inter alia certain individuals are subject to sanctions, may be enacted in the future or how the local authorities' implementation, interpretation or enforcement of such regulations or sanctions could adversely affect the international drilling industry and the Group's business. Further, failure to comply with applicable laws and regulations, economic or criminal sanctions or embargoes, including those relating to export restrictions, may subject the Group to exclusion from the relevant market, loss of future and existing contracts, and criminal sanctions or civil remedies, including fines, denial of export privileges, injunctions or seizures of equipment. While the Group maintains policies designed to comply with various foreign laws and regulations, it may not be possible for the Group to detect or prevent every violation in every jurisdiction in which its employees, agents, sub-contractors or joint venture partners are located.

The Group or its directors, officers, and employees may therefore be subject to civil and criminal penalties and to reputational damage for failure to comply with applicable legal and regulatory trading obligations.

Physical infrastructure and logistics systems in some of the areas where the Group operates are in poor condition

Physical infrastructure and logistics systems, such as roads, air transport facilities and lines of communication, in certain areas of the world may be underdeveloped and may not have been adequately funded and maintained. This may have an effect on the efficiency and safety of the Group's operations in these regions due to reduced efficiency, predictability and safety in the transportation of equipment and personnel.

Breakdowns or failures of any part of the physical infrastructure or logistics systems in the areas where the Group operates may disrupt the Group's normal business activities, cause the Group to suspend operations or result in environmental damage to the surrounding areas.

Such circumstances, or any further deterioration of the physical infrastructure in the areas where the Group operates, may increase the costs of doing business and interrupt business operations, any or all of which could have a material adverse effect on the Group's business, results of operations, cash flow, financial condition and/or prospects. In addition, as many new discoveries of oil are made in areas of the world that may still be developing the relevant infrastructure, the Group's exposure to this risk may increase in the future.

2.2 Risks relating to the Group

Risk related to the separation of the Group

The Company was incorporated on 14 December 2021 as a direct subsidiary of Odfjell Drilling. At the date of this Prospectus, the Distribution (as defined in Section 4.2 "The Split" below) step of the Split and the subsequent contemplated Listing, have not yet taken place. Completion of the Split is subject to satisfaction of the conditions for Listing set by the Oslo Stock Exchange. No assurances can be made as to whether the Distribution and conditions for Listing will be satisfied in time or at all.

Some customer contracts entered into by Group companies include change of control clauses. Such clauses may potentially give the contracting party a right to terminate or renegotiate the contract upon the Split and/or Listing or at a later stage if and when the Group companies undergo change of control. If such contracts are terminated or renegotiated on less favourable terms for the Group, this could adversely impact the Group's results of operations, cash flow and financial condition.

Furthermore, if the Distribution and the Listing is completed, the Group will be subject to various transitional risks inherent in such reorganisation and separation of the Group from the Odfjell Drilling group. For instance, the Group has no operating history as a group separate from the Odfjell Drilling group, and the historical financial statements of each of the contributed entities may have limited value in assessing the Group's potential future results.

Other risks that may materialise include, but are not limited to, implementation of systems, routines and/or other integration or separation measures taking a longer time and/or being costlier than anticipated, or that existing customers do not want to renew their customer relation with the Group as a separate entity.

If the transition of the Group as a stand-alone group fails, this could adversely impact the Group's results of operations, cash flow and financial condition.

The Group's backlog may not be ultimately realised

As of 31 December 2021, the Group had a backlog in its Well Services, Drilling Operations and Engineering segments of approximately USD 1.3 billion inclusive of priced optional periods. The Group's backlog represents the contracted future revenue under contracts for the services provided by its three segments. The Group presents backlog both inclusive and exclusive of any priced optional periods exercisable by clients calculated to reflect the nominal value of the contract, detailed in Section 10.3.3 "Backlog". 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 be actually realised in the timeframes anticipated or at all.

Backlog is computed based on contractual terms with the relevant client; however, revenue included in the backlog may be subject to price indexation clauses. There are a number of reasons why the Group may fail to realise expected backlog, including:

- cancellation, early termination or successful renegotiation of contracts by clients as a result of, among other reasons, adverse market conditions;
- clients' discretionary invocation of suspension periods;
- an inability of the Group to perform its obligations under contracts, including for reasons beyond its control; and
- a default by a client and failure to pay amounts owed.

The Group's inability to realise backlog amounts could have a material adverse effect on the Group's results of operations, cash flows, financial condition and/or prospects.

The Group's future business performance depends on its ability to renew and extend existing contracts, and to win new contracts

The Group's revenue is derived from contractual arrangements and its business areas use various contractual formats.

Contracts for the Well Services segment and the Drilling Operations segment are customarily for fixed lengths of time. The contracts for Engineering are mostly on a reimbursable basis (by hour/cost+). Engineering may also enter into fixed price contracts where scope is clearly defined and limited, however this is not a common contracting model for the Engineering segment, except for some minor projects from time to time.

Currently, the majority of the Group's Drilling Operations segment contracts are for fixed lengths of time. Contracts for the Drilling Operations segment may include extension options that are exercisable at the discretion of the client. The extension options do not represent guaranteed commitments from clients to extend the period of the contract and there can be no assurance that the Group's clients will exercise the extension options or that the work performed under such extension options will be at prevailing market day rates or prices at the time the option to extend is exercised, as the Group agrees the day rates and prices for extension periods at the time of signing the original contract.

For most of its businesses, particularly for the Well Services segment and the Drilling Operations segment, the Group is primarily awarded contracts and, in certain circumstances, successfully renews certain existing contracts by participating in tender processes. However, some of the Group's contracts, especially the Engineering segment's contracts, are entered into following direct negotiations with clients. Where the Group tenders for contracts, it is generally difficult to predict whether the Group will be awarded contracts on favourable terms or at all. The tenders are affected by a number of factors beyond the Group's control, such as market conditions, competition (including the intensity of the competition in a particular market), financing arrangements and governmental approvals required by clients.

In addition, the Drilling Operations segment is often required to pre-qualify to participate in tender processes by meeting certain thresholds of operational performance, including quality, health, safety and environment ("**QHSE**") requirements, and by demonstrating its ability to sufficiently comply with local requirements. Generally, these thresholds and

requirements for inclusion on pre-approved tender lists have become more stringent in recent years. If the Group fails to be pre-approved by clients, the Group will not be considered for inclusion in certain tender processes, the Group's business activities and/or utilisation may drop below expected levels, and its business, results of operations, cash flow and financial position may be adversely affected.

Several of the Well Services and Drilling Operation segments' contracts are due to expire in the next two years. For further information on these contracts, see Section 8.6.1.3 "Key contracts" and Section 8.6.2.3 "Key contracts".

The Group's ability to renew or extend existing contracts or sign new contracts will largely depend on prevailing market conditions. If the Group is unable to sign new contracts or, in the case of the Drilling Operations segment, if new contracts are entered into at rates or prices substantially below the current cost levels or on terms otherwise less favourable compared to existing contract terms, the Group's business, results of operations, cash flow and financial condition may be adversely affected.

Unforeseen or unanticipated risks, costs or timing when bidding on or managing contracts could adversely affect the Group's business, results of operations, and financial condition

In preparation for a tender of a new contract, the Group assesses its current capacity, and, if it is awarded the contract, it determines how to deploy resources in order to perform its obligations under the contract. The Group's financial and operating performance depends on making accurate assumptions and estimates, as well as identifying key issues and risks (including, but not limited to, the degree of complexity of the project assumptions regarding rig efficiency or utilisation of equipment, operational expenses, mobilisation costs, tax payments, availability of skilled personnel and availability of critical equipment with long lead times) with respect to potential projects at the tender stage of the project, and ensuring that the pricing and contractual arrangements in relation to each project adequately safeguard the Group against, or compensate it for, such risks.

Assumptions are particularly necessary when tendering for a new client or entering new product or geographic markets, as the Group does not yet have the experience on which it can base its assumptions for the tender. The Group must manage project risks efficiently and adapt to changes that occur during the life of a project. Even when a risk is properly identified, the Group may be unable to or may not accurately quantify it. Unforeseen or unanticipated risks, incorrect assumptions when bidding for a contract or unexpected client variation orders under contractual variation provisions (including, for example, orders for the modification of a drilling unit) may lead to increased costs for the Group and could adversely affect the Group's business, results of operations, cash flow and financial condition.

2.3 Risks relating to operations

The Group, and in particular the Drilling Operations segment, is exposed to client concentration risk

As of 31 December 2021, the Drilling Operations segment had seven clients, the Equinor group ("**Equinor**"), BP group ("**BP**"), the Wintershall group ("**WintershallIDEA**"), the ConocoPhillips group ("**ConocoPhillips**"), Abu Dhabi National Energy Company PJSC ("**TAQA**"), Serica Energy ("**Serica**") and Kuwait Drilling Company (Technical Assistance Agreement) which account for all of that segment's backlog.

A number of factors could lead to a deterioration in the Group's relationships with its major clients, including, for example, any disputes between the Group and its clients with regard to, among other things, contract terms, non-performance, quality of deliverables or additional costs exceeding the contract price or for work performed but not included in the original contract. These types of claims can arise for a number of reasons, including clients implementing new operating models and/ or new requirements for digitalising operations and work procedures. The Group's client concentration may exacerbate the impact of these disputes on the Group.

The Group's results of operations and cash flows could be materially adversely affected if any of its major clients fail to compensate the Group for its services, were to terminate their contracts with or without cause, fail to renew their existing contracts or refuse to award new contracts to the Group and the Group is unable to enter into contracts with new clients at comparable rates.

The Group must maintain and repair its managed drilling units, including maintaining the classification of the drilling units, failure of which may lead to reduced income

The operation of any managed drilling units requires effective maintenance routines and functioning equipment. Certain pieces of equipment are critical for the drilling units' performance of the drilling services as required in client contracts.

The drilling units go through an off-hire period for about four weeks in connection with the special period survey ("**SPS**") each fifth year to obtain re-classification. This is normally done at a shipyard. There is a risk that the duration of the yard stay is longer than scheduled.

For managed drilling units, the fixed management fee may be reduced under i.a. longer repair/lay-up periods, which may have a material adverse effect on the Group's results of operations, cash flows and financial condition. See Section 10.3.2 "Revenue generation".

The Group relies on third parties

The Group relies on a significant supply of consumables, spare parts and equipment to maintain and develop its Well Services segment's business and engages third-party subcontractors to perform parts of its projects for certain elements of the Engineering segment's projects. The Group may not have the contacts or opportunity to acquire consumables or spare parts from other suppliers or the skills to perform work undertaken by its subcontractors. Any inability to hire qualified subcontractors or receive the necessary parts could hinder the successful completion of a project. Further, the Group's employees may not be able to monitor or control the performance of these subcontractors as efficiently as they could if that work was performed by the Group itself.

The Group may suffer losses on contracts if the amounts it is required to pay for subcontractor services exceed its original estimates or if third parties disrupts the delivery of parts for any given reason. While the Group seeks to mitigate the risks associated with third parties by imposing contractual obligations that mirror those it has with its clients, obtaining insurance cover for the entire project and (in some cases) requesting bank guarantees to cover non-performance by subcontractors of the relevant parts of the projects, the subcontracting of work and dependency of delivery of parts exposes the Group to risks associated with non-performance, delayed performance or sub-standard performance. Cost increases, delays or unavailability could materially adversely affect the Group's future operations, and result in higher rig downtime due to delays in repair and maintenance of the Group's fleet, which may in turn have a material adverse effect on the Group's business, results of operations, cash flow and financial condition.

The Group relies on information technology systems to communicate with its operations and conduct its business, and disruption, failure or security breaches of these systems could adversely affect its business and results of operations

The Group relies heavily on information technology ("**IT**") systems in order to communicate with its operations and achieve its business objectives. The Group relies upon industry accepted security measures and technology such as access control systems to securely maintain confidential and proprietary information maintained on its IT systems, and market standard virus control systems. However, the Group's portfolio of hardware and software products, solutions and services and its enterprise IT systems may be vulnerable to damage or disruption caused by circumstances beyond its control, such as catastrophic events, power outages, natural disasters, computer system or network failures, computer viruses, cyber-attacks or other malicious software programs. The failure or disruption of the Group's IT systems to perform as anticipated for any reason could disrupt the Group's business and result in decreased performance, significant remediation costs, transaction errors, loss of data, processing inefficiencies, downtime, litigation, and the loss of suppliers or clients. A significant disruption or failure could have a material adverse effect on the Group's business operations, financial performance and financial condition.

The Group may not be able to keep pace with a significant step change in technological development

The market for the Group's services is affected by significant technological developments that have resulted in, and will likely continue to result in, substantial improvements in equipment functions and performance throughout the industry. As a result, the Group's future success and profitability will be dependent in part upon its ability to:

- improve existing services and Rental Equipment;
- address the increasingly sophisticated needs of its clients; and
- anticipate major changes in technology and industry standards and respond to technological developments on a timely basis.

If the Group is not successful in acquiring new equipment or upgrading its existing Rental Equipment, or the technical skill set of its employees, on a timely and cost-effective basis in response to technological developments or changes in industry standards, or if a significant step change in technology provides an alternative method for drilling, this could have a material adverse effect on the Group's business, results of operations, cash flow and financial condition.

Policies, procedures and systems to safeguard employee health, safety and security may not be adequate or sufficiently implemented or adhered to

The Group has detailed and specialised policies, procedures and systems to safeguard employee health, safety and security. The Group aims to follow best practices for employee health, safety and security in every country in which the Group operates. However, if these policies, procedures and systems are not adequate, or employees or contractors do not receive adequate training or instructions, or the Group's safety policies are not implemented properly in local jurisdictions, the consequences could be severe including injury or loss of life, which could impair the Group's reputation and operations and cause it to incur significant liability. Distance from certain principal locations can create further difficulty for the Group in implementing and impressing upon local workforces its policies on matters such as health and safety and can present challenges in the supervision of its sub-contracted employees.

Further, the Group's clients and/or other third parties are generally responsible for securing the areas surrounding the drilling units and the onshore bases from which the Group operates. Accordingly, the Group may have limited to no control over security measures and other systems designed to avoid or mitigate such hazards and must rely on third parties to ensure the security of the drilling units from risks. Although the Group's clients generally assume the responsibility and costs for security, there can be no assurance that the Group will not be required to assume the responsibility and costs for security in the areas surrounding its drilling units and onshore bases in the future.

Failure to deliver consistently high standards across all fields of operations could create risks for the Group, including legal action and reputational risks, and could impact its success in winning future contracts.

2.4 Risks relating to laws, regulation and litigation

Technology disputes involving the Group, the Group's suppliers or sub-suppliers could impact the Group's operations

The services provided by the Group utilise patented or otherwise proprietary technology, and consequently involve a potential risk of infringement of third-party rights. It is not uncommon for industry participants to pursue legal action to protect their intellectual property. The Group is not currently aware of patents that create the risk of the Group infringing third party rights. However, there can be no assurance that other industry participants will not pursue legal action against the Group to protect intellectual property that the Group utilises in Norway or in other jurisdictions in which the Group operates. Where such industry participants pursue legal action, it could result in limitations on the Group's ability to use the patented technology or require the Group to pay a fee for the continued use of intellectual property.

The majority of the intellectual property rights ("**IPR**") relating to Rental Equipment are owned by the Group's suppliers or sub-suppliers. In the event that one of the Group's suppliers or sub-suppliers, or the Group, becomes involved in a dispute over infringement of IPR relating to assets owned or used by the Group, the Group may lose access to repair services, replacement parts, or could be required to cease use of the relevant assets or intellectual property. The consequences of technology disputes involving the Group's suppliers could materially adversely affect the Group's business, results of operations and financial condition. The Group could also be required to pay royalties for the use of such assets or intellectual property.

In addition, the Group, and in particular its Well Services segment (which has the most established intellectual property portfolio of the Group's business segments), may choose to pursue legal action to protect the Group's intellectual property. If the Group is unable to protect and maintain its IPR, or if there are any successful intellectual property challenges or infringement proceedings against the Group, its ability to differentiate its service offerings could diminish. There are currently no such cases ongoing, but there is no guarantee that such cases or claims will not be raised in the future.

In addition, from time to time, the Group may pursue action to challenge patents of competitors, suppliers and others. Should these cases not succeed, the Group may be subject to legal costs and may not be able to use the patented technology or may have to pay a fee for the continued use of such patents.

The consequences of any of the intellectual property disputes with third parties described above could materially adversely affect the Group's business, results of operations, cash flow and financial condition.

The Group is exposed to risk due to its use of certain trademarks such as the "Odfjell" name

The Group has applied for trademark protection of the "Odfjell Technology" name and logo in Norway and will subsequently apply for protection in relevant jurisdictions in which it operates based on and with priority from the Norwegian application. The Group further holds various domains including www.odfjelltechnology.com and

www.odfjelltechnology.no, as well as other domains such as www.odfjellriginspection.com and odfjellwellservices.com. It should be noted that there are other companies such as the Odfjell Drilling group of companies, as well as other companies unrelated to the Group that may have similar names or marks, including Odfjell SE, a shipping group that also has the right to use the "Odfjell" name.

The Group can make no assurances as to whether the Group will obtain the trademark protection it has applied for or which it intends to apply for, or that the Group in the future will retain the right to continue to use its trademarks in its operations and marketing in any jurisdiction, particularly where unrelated companies using the same name already hold a relevant trademark. Further, the Group has no control over the actions of other such companies using the "Odfjell" name. Actions by such companies could harm the Group's reputation, which could in turn materially adversely affect the Group's business, results of operations, cash flow, financial condition and/or prospects.

A change in tax laws or tax practise of any country in which the Group operates from time to time, or complex tax laws associated with international operations and a continuously changing fact pattern which the Group may undertake from time to time, could result in a higher tax expense or a higher effective tax rate on the Group's earnings

The Company is incorporated in Bermuda, but tax resident in the UK. The Company expects to conduct its affairs in such a manner that its business will be treated as effectively managed from or carried on in the UK; the determination of which is dependent upon the facts existing at any such point in time, including (but not limited to) the place where its board of directors meet and the place where its management makes decisions or takes certain actions affecting its business. The Company's UK tax counsel has advised regarding certain measures the Company can take to limit the risk that its business may be treated as managed from or carried on elsewhere and has concluded that, provided that the Company adopts these measures and otherwise conduct its affairs in a manner consistent with the tax counsel's advice, which the Company intends to do, the business should be treated as carried out in the UK for taxation purposes. Nonetheless, there is no legal authority addressing the Company's specific circumstances, and conclusions in this area remain matters of interpretation. Thus, it is possible that other countries' tax authorities could challenge, or a court could disagree with, the Company's position.

The Group will from time to time conduct operations through various subsidiaries in countries throughout the world. Tax laws and regulations are highly complex and subject to interpretation and change. For example, if Norwegian shareholders control a company (i.e. directly or indirectly own or control at least 50% of the shares or the capital of the company) resident in a low tax jurisdiction, such Norwegian shareholders may be subject to Norwegian taxation according to the Norwegian Controlled Foreign Corporations regulations (Norwegian CFC-regulations). Such taxation could apply with respect to the Group if the Group becomes subject to the control of Norwegian shareholders, hereunder if the Company as such becomes fully taxable to Norway due to being effectively managed in Norway. If the Company, and thereby the Group, or Norwegian shareholders of the Group are subject to Norwegian CFC taxation, the Company or such Norwegian shareholders are taxed in Norway on their proportionate share of the net profits - trading and capital - generated by the relevant foreign company, including the Company, calculated according to Norwegian tax regulations. The income will be subject to Norwegian taxation, currently at a rate of 22%. For the purposes of minimising this risk, the Company will seek to conduct its affairs so that the risk of being effectively managed outside the UK is minimized. Furthermore, the Company's Bye-Laws provide that the Board of Directors may decline to register the transfer of any interest in any Share in the register of members or decline to direct any registrar, appointed by the Company, to register the transfer where such transfer would result in 50% or more of the shares or votes in the Company being held, controlled or owned directly or indirectly by individuals or legal persons resident for tax purposes in Norway or connected to a Norwegian business activity, in order to mitigate the possibility that the Company is deemed a "Controlled Foreign Company" as such term is defined under the Norwegian tax rules. Norwegian tax legislation and tax practise may, however, be subject to changes which can also possibly be made on a retrospective basis, and there can be no assurance that this approach will continue to mitigate the impact of the relevant tax legislation in the future. If the Group is subject to higher effective tax rate on the Group's earnings, this may affect the Company's ability to service its debt.

A loss of a major tax dispute or a successful tax challenge to the Group's operating structure or to the Group's tax payments, among other things, could result in a higher tax rate on the Group's earnings, which could have a material adverse effect on the Group's earnings and cash flows

From time to time, the Group's tax payments may be subject to review or investigation by tax authorities of the jurisdictions in which the Group operates. If any tax authority successfully challenges the Group's operational structure, intercompany pricing policies, the taxable presence of its subsidiaries in certain countries (which may also result in CFC taxation due to branch taxation exemptions in subsidiaries), or if the Group loses a material tax dispute in any country, or any tax challenge of the Group's tax payments is successful, the Group's effective tax rate on its earnings could

increase substantially and the Group's earnings and cash flows from operations could be materially adversely affected. There are, for instance, several transactions taking place between the companies in the Group, which must be carried out in accordance with arm's length principles in order to avoid adverse tax consequences. Statutory documentation on a transfer pricing policy with the aim of determining arm's length prices for intercompany transactions has been established in order to minimise this risk. However, there can be no assurance that the tax authorities will conclude that the Group's transfer pricing policy calculates correct arm's length prices for intercompany transactions, which could lead to an adjustment of the agreed price, which would in turn lead to an increased tax cost for the Group.

Odfjell Offshore Ltd. ("**Odfjell Offshore**"), a subsidiary of the Group, was registered as a Norwegian Registered Foreign Company (NUF) on 8 March 2016 after migration of the company for tax purposes in January 2016, and is taxable for income to Norway.

In 2018, the Norwegian Tax authorities requested further information regarding the deductibility for certain tax losses filed by Odfjell Offshore. In March 2021 Odfjell Offshore received a new letter from the Norwegian Tax authorities where they argue that Odfjell Offshore is not tax resident in Norway, and if it is deemed not so tax resident, that the losses are not deductible and require of a potential change in the company's tax return as a consequence of this. At the same time, further information has been requested by the tax authorities and Odfjell Offshore has answered all these requests in due time. If Odfjell Offshore is not recognised as a tax resident in Norway, the group contributions received in the period 2017 to 2020 will not be deductible for the Norwegian entities that have provided the group contributions. If the losses are not considered to be deductible, the Group will have a tax payable equal to approximately USD 28 million.

There is a risk of demand for interim payment from the tax authorities during the process, even if the matter is disputed.

The Group is of the opinion that the most likely outcome of any future proceedings is that the Company maintains the right to utilise its tax losses and that a final conclusion is expected to be in the Group's favour, but no guarantee can be made in this respect.

Pursuant to a letter of indemnity provided to facilitate the Split and Bond Issue dated 1 March 2022, Odfjell Drilling has undertaken to hold harmless the Company in respect of any liabilities incurred by reason of these matters. Odfjell Drilling will fund any interim payment of the potential liabilities to the Norwegian government and any litigation costs and to such extent Odfjell Drilling shall also have the right to receive any refund of such amounts or costs as a result of successful litigation (whether first received by the Group or not). Notwithstanding such letter of indemnity being provided by Odfjell Drilling, no assurances can be made by the Company that Odfjell Drilling would be able to settle such interim tax payment.

No assurances can be given that the Group may not be subject to litigation in the future. The operating hazards inherent in the Group's business expose the Group to several types of litigation, including but not limited to personal injury litigation and environmental litigation. Providing drilling and well services, project management, engineering and construction services involves the risk of contractual and professional errors, omissions, warranty claims and other liability claims, as well as negative publicity that may adversely affect the Group's business, financial condition, cash flow and results of operations. The Group is also exposed to intellectual property and tax litigation as well as maritime lawsuits.

Historical National Insurance Contributions

A Group subsidiary, Odfjell Drilling (UK) Ltd ("**OD UK**"), is subject to challenges by HM Revenue and Customs ("**HMRC**") on the historical application of Employer National Insurance Contributions ("**NICs**") to workers in the UK Continental Shelf in tax years 2003/2004 to 2013/2014 (the "**Disputed Period**"). On 1 October 2021, a decision was issued by HMRC against OD UK in respect of the historic application of NICs during that Disputed Period. OD UK has appealed against the decision and no payment has been made to HMRC nor is any payment required to be made to HMRC before OD UK's appeal is heard. A final verdict is not expected in the short to medium term.

Management, taking into consideration advice from independent legal and tax specialists, believes that OD UK should not be liable for NICs in respect of the Disputed Period and that the most probable outcome is that no outflow of resources embodying economic benefits will be required to settle the obligation, accordingly, no provision has been recognised. The potential exposure to OD UK in relation to NICs and interest should it be unsuccessful in defending its position is approximately USD 30 million.

Governmental laws and regulations relating to the oil and gas industry could hinder or delay the Group's operations, increase the Group's operating costs, reduce demand for its services and/or restrict the Group's ability to provide its services

As the Group depends on demand for services from oil and gas companies and/or relevant companies in this industry, it is also affected by changing laws and regulations relating to its clients and the oil and gas industry. The Group is also exposed to changes in recommended industry practices and applicable standards.

The adoption of new laws or regulations limiting exploration or production activities by oil and gas companies or imposing more stringent restrictions on such activities, could have a material adverse effect on the Group by increasing its operating costs, reducing the demand for its services and/or restricting its ability to provide its services. Further, the Group's clients may, as a consequence of certain new laws and regulations, have the contractual right to request changes to the Rental Equipment, the implementation of which may increase the Group's operating costs.

Regulatory authorities may exercise discretion in monitoring compliance and in interpreting and enforcing applicable laws and regulations, including but not limited to economic sanctions as a response to the current war in Ukraine. Future inspections by regulatory authorities may conclude that the Group or clients of the Group have violated applicable laws or regulations. If these violations are not remedied, the regulatory authorities may impose fines, criminal and/or administrative penalties or other sanctions, including compelling the Group or clients of the Group to cease certain of its business activities. The resulting loss of profits could have a material adverse effect on the Group's business, results of operations, cash flow, financial condition and/or prospects.

The Group may be subject to contractual environmental liability and liability under environmental laws and regulations, which could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects

The Group's operations are subject to regulations controlling the discharge of materials into the environment, requiring removal and clean-up of materials that may harm the environment, controlling carbon dioxide emissions or otherwise relating to the protection of the environment. The Group incurs, and expects to continue to incur, capital and operating costs to comply with environmental laws and regulations.

Generally, the Group's clients are the primary parties responsible for compliance with laws and regulations protecting the environment. Applicable laws and regulations may, however, impose direct and strict liability, impose significant fines, or otherwise render a Group company or person liable for environmental damage, or open for recourse depending on the circumstances. As an example, the Group may be subject to applicable regulations in the Norwegian Pollution Act of 13 March 1981 under which the Group's client may seek recourse from the Group in case of pollution caused by wilful misconduct or gross negligence of the Group.

In accordance with industry practice, the Group's clients take primary responsibility for any environmental pollution as a result of the client's use of the Group's services or equipment, while the Group typically assumes liability for pollution emanating from its own equipment. The Group has generally sought and has been able to obtain some degree of contractual indemnification pursuant to which its clients agree to protect, hold harmless and indemnify the Group against liability for pollution, well and environmental damage, including for exposure beyond pollution from its own equipment.

In the oil and gas services industry, there is increasing pressure from clients to pass on a larger portion of the liabilities to contractors, such as the Group, as part of their risk management policies. The Group may not be able to prevent or mitigate the increased apportionment of risk for environmental liabilities to contractors, and may not be able to obtain desired indemnities in its future contracts. Further, in the event of extensive pollution and environmental damage, its clients may not have the financial capability to fulfil their contractual obligations. Contractual indemnities may also be deemed legally unenforceable based on relevant law, including as a result of public policy.

All of the above-mentioned factors could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

2.5 Risks related to financing and market risk

The Group's existing or future debt arrangements could limit the Group's liquidity and flexibility in obtaining additional financing, in pursuing other business opportunities or the Company's ability to declare dividends to its shareholders

As at, the date of this Prospectus, the Group's current and non-current interest-bearing borrowings related to the business of the Group was approximately USD 150 million, excluding financial indebtedness related to real-estate and

operating leases, representing 51% of its pro forma adjusted total equities and liabilities. See Section 9 "Capitalisation and indebtedness". The current indebtedness and future indebtedness that the Group may incur could affect the Group's future operations, as a portion of the Group's cash flow from operations will be dedicated to the payment of interest and principal on such debt and will not be available for other purposes. Covenants contained in the Group's debt agreements require the Company, its subsidiaries and/or the Group to meet certain financial measures. These may affect the Group's flexibility in planning for, and reacting to, changes in its business and limit the Group's ability to dispose of assets or use the proceeds from such dispositions, withstand current or future economic or industry downturns or compete with others in the industry for strategic opportunities. In addition, such financial measures do and could further place restrictions on the Group's ability to declare dividends to its shareholders. See Section 10.10 "Material financing arrangements" for further information on any restrictive covenants pertaining to the Group's existing debt arrangements. The Group's ability to meet its debt service obligations and to fund planned expenditures, will be dependent upon the Group's future performance, which will be subject to general economic conditions, industry cycles and financial, business and other factors affecting the Group's operations, many of which are beyond the Group's control. The Group's future cash flows may be insufficient to meet all of its debt obligations and contractual commitments, and any such insufficiency could adversely affect the Group's business. To the extent that the Group is unable to repay its indebtedness as it becomes due or at maturity, the Group may need to refinance its debt, raise new debt, sell assets or repay the debt with the proceeds from equity offerings.

Additional indebtedness or equity financing may not be available to the Group in the future for the refinancing or repayment of existing indebtedness, and the Group may not be able to complete asset sales in a timely manner sufficient to make such repayments.

The Group's ability to raise additional secured debt is also restricted by its current debt arrangements, which limit the raising of new secured debt to a maximum loan amount of NOK 1,500 million under the Bonds, whereof NOK 400 million is available subject to certain covenants and market sentiment, and to a maximum Super Senior Revolving Credit Facility ("RCF") of USD 35 million whereof USD 10 million may become available subject to improved financial performance of the Group and availability of funds from the Group's lenders. See Section 10.10 "Material financing arrangements" for further information related to the Group's debt arrangements. In addition to secured debt, the Group may raise unsecured debt, however such debt may not be available at favourable terms.

Interest rate fluctuations could affect the Group's cash flow and financial condition

The Group has incurred, and may in the future incur, significant amounts of debt. The Group is exposed to interest rate risk primarily in relation to its long-term borrowings issued at floating interest rates. The Group evaluates the share of interest rate hedging based on an assessment of the Group's total interest rate risk. The intention is to hedge minimum 50% of the interest rate exposure related to the Bonds. 35% of the Group's interest rate exposure related to the Bonds was hedged at the time of this Prospectus. There can be no assurance that future hedging arrangements will be effective or that all or a material part of the Group's interest rate exposure will be hedged. See Section 10.10 "Material financing arrangements". As such, movements in interest rates could have material adverse effects on the Group's cash flow and financial condition.

2.6 Risks related to Group structure

The Company is a holding company and is dependent upon cash flow from subsidiaries to meet its obligations and in order to pay dividends to its shareholders

The Group currently conducts its operations through, and most of the Group's assets are owned by, the Group's subsidiaries. As such, the cash that the Group obtains from its subsidiaries is the principal source of funds necessary to meet its obligations. Contractual provisions or laws, including laws or regulations related to the repatriation of foreign earnings, as well as the Group's subsidiaries' financial condition, operating requirements, restrictive covenants in its debt arrangements and debt requirements, may limit the Group's ability to obtain cash from subsidiaries that it requires to pay its expenses or meet its current or future debt service obligations or to pay dividends to its shareholders. For example, the Norwegian Limited Liability Companies Act imposes certain legal restrictions on dividends, loans and advances from Norwegian subsidiaries that may affect the ability of the Group's subsidiaries to transfer funds to the Company. Applicable tax laws may also subject such payments to the Group by subsidiaries to further taxation. See Section 10.10 "Material financing arrangements" for further information on any restrictive covenants pertaining to the Group's existing debt arrangements.

The inability to transfer cash from the Group's subsidiaries may mean that, even though the Group may have sufficient resources on a consolidated basis to meet its obligations or to pay dividends to its shareholders, the Group may not be permitted to make the necessary transfers from its subsidiaries to meet such obligations or to pay dividends to its

shareholders. Likewise, the Group may not be able to make necessary transfers from its subsidiaries in order to provide funds for the payment of its obligations, for which the Group is or may become responsible under the terms of the governing agreements of the Group's indebtedness. A payment default by the Group, or any of the Group's subsidiaries, on any debt instrument would have a material adverse effect on the Group's business, results of operations, cash flow and financial condition.

The Group has engaged in divestments that may subject it to associated risks and liabilities

The Group has historically provided certain representations, warranties and indemnities for up to four years, in connection with the businesses it has sold. While the Group does not currently believe there will be claims under such representations, warranties and indemnities, it is possible that claims could be made against the Group in the future. If such a claim or claims were successful, it could have a material adverse effect on the Group's results of operations, cash flows and financial position.

The market value of the Rental Equipment and other assets the Group may acquire in the future may decrease, which could cause the Group to incur losses due to impairment of book values or if it decides to sell assets

The fair market value of the Rental Equipment currently owned by the Group and/or the Rental Equipment the Group may acquire in the future, may increase or decrease depending on a number of factors, including:

- general economic and market conditions affecting the offshore contract drilling industry, including competition from other oil service companies;
- types, sizes and ages of the Rental Equipment;
- supply and demand for equipment;
- prevailing level of services contract day rates;
- utilisation rates on rental equipment;
- government laws and regulations, including environmental protection laws and regulations and such laws becoming more stringent; and
- technological advances.

If the book value of any Rental Equipment exceeds the fair market value, the Group may suffer impairment of the book value of its assets and consequently suffer a loss. See Section 10.10 "Material financing arrangements ". Also, should the Group sell Rental Equipment when prices have fallen, the sale may be at a loss.

2.7 Risks relating to the Shares

The market value of the Shares may fluctuate significantly, which could cause investors to lose a significant part of their investment

An investment in the Shares may decrease in market value as well as increase. The market value of the Shares could fluctuate significantly in response to a number of factors beyond the Company's control, including quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, announcements by the Company or its competitors of new product and service offerings, significant contracts, acquisitions or strategic relationships, publicity about the Group, its products and services or its competitors, lawsuits against the Group, unforeseen liabilities, changes in management, changes to the regulatory environment in which it operates or general market conditions.

The market value of the Shares could also fluctuate significantly in response to the fact that the global energy markets are currently in a megatrend towards greener and more sustainable energy solutions. As the Group operates within the offshore oil and gas services industry, the increased focus on a greener future may negatively influence the pricing of the Shares. To mitigate the aforementioned risk and to take part in the transition towards more sustainable energy solutions, the Company's strategy includes a clear ambition to develop sustainable energy projects and venture into green technologies as further described in Section 8.3.4 "Build on existing engineering competencies to develop sustainable energy projects and venture into green technologies" below.

Odfjell Partners Ltd. has significant voting power and the ability to influence matters requiring shareholder approval

Following completion of the Distribution, it is expected that Odfjell Partners Ltd. will be the largest shareholder of the Company and will, accordingly, have a majority of the shareholder vote, thereby having the ability to significantly influence the outcome of matters submitted for the vote of the Company's shareholders, including the election of members of the Board of Directors. The commercial goals of Odfjell Partners Ltd. as a shareholder, and those of the Group, may not always be aligned and this concentration of ownership may not always be in the best interest of the Group's other shareholders. For example, Odfjell Partners Ltd. could delay, defer or prevent a change of control, impede a merger, deny a potential future equity offering, amalgamation, consolidation, takeover or other business combination involving the Group, sell substantial amounts of their Shares in the public market or discourage a potential acquirer from attempting to obtain control of the Group. Although it is expected that Odfjell Partners Ltd. will be the major shareholder of the Company after the distribution, no assurance can be given that this will continue on a permanent basis. If Odfjell Partners Ltd. were no longer a major shareholder of the Company, or if its commercial goals were not in the best interest of the Group, this could have a material adverse effect on the market value of the Shares.

Exchange rate fluctuations could adversely affect the value of the Shares and any dividends paid on the Shares for an investor whose principal currency is not NOK

The Shares will be priced and traded in NOK on the Oslo Stock Exchange and any dividends will be distributed through the VPS in NOK. Investors registered in the VPS whose address is outside Norway and who have not supplied the VPS with details of any NOK account, will however receive dividends by check in their local currency, as exchanged from the NOK amount distributed through the VPS. If it is not practical in the sole opinion of DNB Bank ASA, being the Company's VPS registrar, to issue a check in a local currency, a check will be issued in U.S. dollars. The issuing and mailing of checks will be executed in accordance with the standard procedures of DNB Bank ASA, Foreign Payments Department. The exchange rate(s) that is applied will be DNB Bank ASA's exchange rate on the date and time of day for execution of the exchange for the issuance of the check. Exchange rate movements of NOK will therefore affect the value of these dividends and distributions for investors whose principal currency is not NOK. Furthermore, the market value of the Shares as expressed in foreign currencies will fluctuate in part as a result of foreign exchange fluctuations. This could affect the value of the Shares and of any dividends paid on the Shares for an investor whose principal currency is not NOK.

The transfer of Shares is subject to restrictions under the securities laws of the United States and other jurisdictions

The Shares have not been registered under the U.S. Securities Act or any U.S. state securities laws or under the laws of any other jurisdiction outside Norway and Bermuda and are not expected to be registered in the future. As such, the Shares may not be offered or sold except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable securities laws. See Section 17 "Selling and transfer restrictions ". In addition, there can be no assurance that shareholders residing or domiciled in the United States will be able to participate in future capital increases or rights offerings.

Bermuda law permits the transfer of shares listed or admitted to trading on an appointed stock exchange (as such term is defined in the Bermuda Companies Act, as amended, (an "Appointed Stock Exchange")) such as the Oslo Stock Exchange, to be effected in accordance with the rules of such stock exchange without a written instrument of transfer. Further, the BMA pursuant to the Bermuda Exchange Control Act 1972 and associated regulations has granted (i) its consent for the issue and transfer of the Shares to and between residents and non-residents of Bermuda for exchange control purposes provided that the Shares are listed on the Oslo Stock Exchange or any other Appointed Stock Exchange on or within fourteen days, or the relevant issue or transfer, and (ii) a general permission for the issue and transfer of shares and/or securities in companies incorporated in Bermuda from and/or to a non-resident of Bermuda where such company has any "Equity Securities" (meaning a share issued by a Bermuda company which entitles the holder to vote for or to appoint one or more directors or a security which by its terms is convertible into a share which entitles the holder to vote for or appoint one or more directors) listed on an Appointed Stock Exchange. Accordingly, the Shares can be registered in the VPS and title to the Shares can be evidenced and transferred without a written instrument and the consent and the general permission of the BMA for the issuance and transfer of shares shall apply as long as the Shares are listed and traded on the Oslo Stock Exchange. If the Shares are no longer listed or admitted to trading on the Oslo Stock Exchange or any other Appointed Stock Exchange, or if the Oslo Stock Exchange ceases to be an Appointed Stock Exchange, the Shares may only be transferred by written instrument in accordance with the terms of the Bye-Laws of the Company and with the prior consent of the BMA.

Deviations from the Corporate Governance Code

The Company has adopted and implemented a corporate governance regime which is based on, and to a large extent complies with, the Corporate Governance Code. However, the corporate governance policy has certain deviations from the Corporate Governance Code. For further information about the relevant deviations from the Corporate Governance Code, please see Section 11.7 "Corporate governance".

2.8 Risks related to the Bonds and the Bond Issue

Risks relating to super senior creditors

Under the bond terms the Issuer and/or any other obligors under the Bond Issue are permitted to incur liabilities, which may be significant and that will rank senior in priority to the Bonds, including revolving credit facilities and certain agreements for hedging of interest rate risk in relation to the Bonds. The intercreditor agreement contains certain provisions regulating instruction rights over the security agent, including instructions as to enforcement. Upon certain conditions being met, such instruction right may be held entirely by a defined majority of such senior creditors (whose claims will rank senior to the Bonds with respect to enforcement proceeds). Such senior creditors may have conflicting interests with the Bondholders in a default and enforcement scenario, including an incentive to take enforcement steps which may be detrimental to the value of the Bonds. In general and in these situations in particular, there can be no assurance that any enforcement proceeds will be sufficient to cover the prior ranking creditors or the claims under and in relation to the Bonds.

Each guarantee and security interest is subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defences that may limit its validity and enforceability

The Bonds are supported by security and guarantees from various material companies of the Group. These entities are incorporated in various jurisdictions, where, inter alia, legal restrictions may exist on the right for companies to grant security and guarantees related to acquisition of shares in the Company (and/or other companies within the group) as well as requirements to receive corporate benefit as consideration of the granting of full unlimited security and guarantees for the outstanding amount under the Bonds, including section 8-10 of the Norwegian Private Limited Companies Act. The net proceeds from the Bond Issue have been employed inter alia to acquire shares in the companies owned by Odfjell Drilling which constitutes the service business area, making these restrictions applicable to security and guarantees granted by these entities. Also, the bond terms contain several agreed security principles pursuant to which the Group will not be required to grant security and/or guarantees under such and certain other circumstances, to the extent in conflict with applicable law. The security principles also entail that certain security and/or guarantees may be limited, cannot be perfected or are otherwise subject to defects (including, without limitation, that established security may become subject to new hardening periods or new and more onerous limitations because of transactions permitted under the bond terms). The security principles furthermore include a provision stating that no security and/or guarantees will be effective if and to an extent such security and/or guarantee is contrary to mandatory provision under local law.

The Issuer may have insufficient funds to make required repurchases of Bonds

Upon the occurrence of a change of control event (as defined in the terms of the Bonds), each individual bondholder shall have a right (put option) to require that the Issuer re-purchase the Bonds at a price of 101% of the nominal amount (plus accrued interest). However, it is possible that the Issuer will have insufficient funds at the time of the put-option event to make the required repurchase of the Bonds, which could adversely affect the Issuer, e.g. by causing insolvency or an event of default under the Bond Terms, and consequently adversely affect all Bondholders and not only those that choose to exercise the option.

Issuer's redemption of Bonds

The terms of the Bonds provide that the Issuer (i) may redeem all or parts of the Bonds at various call prices before the final redemption date. This is likely to limit the market value of the Bonds. During any period when the Issuer may elect to redeem the Bonds, the market value of the Bonds generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. If the Bonds are redeemed before the final redemption date, the holders of the Bonds have the right to receive an early redemption amount which may exceed the nominal amount in accordance with the Bond Terms. However, there is a risk that it may not be possible for Bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds and may only be able to do so at a significantly lower rate.

Potential withholding tax if listing of the Bonds on Oslo Børs is not successful or the listing process is delayed

The Issuer intends to list the Bonds on Oslo Børs within 6 months of the issue date and prior to the first payment of interest of the Bonds. The Bonds are new securities for which currently there is no trading market. No assurance can be made that such listing will be obtained, nor has the Issuer entered into any market-making scheme to ensure liquidity in the Bonds. If an active market does not develop or is not maintained, the price and liquidity of the Bonds may be adversely affected. If such listing is delayed beyond the first interest payment date under the Bond terms, or such listing cannot be obtained, the Issuer will be required by law to withhold tax in respect of such interest payments under present UK tax law due to the Issuer being a UK tax resident, whereas such tax withholding would not be required had the Bonds been listed. The terms of the Bonds state that if the Issuer is required by law to withhold any tax from any payment in respect of the Bonds the amount of the payment due will be grossed-up to such net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required. However, there is a risk that such withholding tax, if required to be paid, may adversely affect the Group's cash flow and financial condition.

The value of collateral may be insufficient to cover outstanding Bonds

Although the Bonds are secured obligations of the Issuer, there can be no assurance that the value of the assets securing the Bonds and the Issuer's other assets will be sufficient to cover all the outstanding Bonds together with accrued interests and expenses in case of a default and/or if the Issuer goes into liquidation.

The Bonds are structurally subordinated to liabilities of Issuer's subsidiaries

The Bonds are subject to credit risk relating to the Group's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Group's operations and its financial position. Generally, creditors under indebtedness and trade creditors of the Issuer's subsidiaries will be entitled to payments of their claims from the assets of such subsidiaries before these assets are made available for distribution to the Issuer, as a direct or indirect shareholder. Accordingly, in an enforcement scenario, creditors of the Issuer's subsidiaries, to the extent such subsidiaries are not also guarantors of the Bonds, will generally be entitled to payment in full from the sale or other disposal of the assets of such subsidiaries before the Issuer, as a direct or indirect shareholder, will be entitled to receive any distributions.

2.9 Risks related to the Company's incorporation in Bermuda**Investors in the United States may have difficulty enforcing any judgment obtained in the United States against the Company or its directors or executive officers**

The Company is an exempted company limited by shares incorporated under the laws of Bermuda. As a result, the rights of holders of the Shares will be governed by Bermuda law and the Company's memorandum of association and Bye-Laws. The rights of shareholders under Bermuda law may differ from the rights of shareholders of companies incorporated in other jurisdictions. No members of the Board of Directors are residents of the United States, and a substantial portion of the Company's assets are located outside the United States. As a result, it may be difficult for investors in the United States to effect service of process on those persons in the United States or to enforce in the United States judgments obtained in U.S. courts against the Company or those persons based on the civil liability provisions of the U.S. securities laws. It is doubtful whether courts in Bermuda will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its directors or officers under the securities laws of those jurisdictions or entertain actions in Bermuda against the Company or its directors or officers under the securities laws of other jurisdictions. The United States and Bermuda do not currently have a treaty providing for reciprocal recognition and enforcement of judgments (other than arbitral awards) in civil and commercial matters.

The Company has anti-takeover provisions in its Bye-Laws that may discourage a change of control

The Company's Bye-Laws contain provisions that could make it more difficult for a third party to acquire the Company without the consent of the Board of Directors. These provisions provide that:

- the Board of Directors can decline to register certain transfers of shares where the transfer would result in 50% or more of the issued and outstanding shares or votes of the Company being held, controlled by or owned directly or indirectly by individuals or legal persons resident for tax purposes in Norway or such shares or votes being effectively connected to a Norwegian business activity, in order to avoid the Company being deemed a "Controlled Foreign Company" pursuant to Norwegian tax rules;
- that the Board of Directors may take all necessary or desirable actions within its control to ensure that the Company is not deemed to be a CFC as such term is defined pursuant to Norwegian tax legislation;

- that the Board of Directors may issue any authorised but unissued Shares of the Company, subject to any resolution of the Company's shareholders to the contrary. Further the Company may purchase its own shares for cancellation or acquire them as treasury shares, in accordance with the Bermuda Companies Act. The powers of the Board of Directors to issue shares or purchase shares (for cancellation or to be held as treasury shares) are neither limited to specific purposes nor to a specified period;
- that the Board of Directors may exercise the power of the Company to purchase its own shares for cancellation or acquire them as Treasury Shares in accordance with the Companies Act 1981 on such terms as the Board shall think fit; and
- restrictions on the time period in which Board Members of the Company may be nominated.

Further, other future contractual obligations of the Group may contain change of control provisions.

In addition to the above, as is common practice for Bermuda exempted companies listed on the Oslo Stock Exchange, no shares in the Company carry pre-emption rights. These provisions could make it more difficult for a third party to acquire the Company, even if the third party's offer may be considered beneficial by many shareholders. As a result, shareholders may be limited in their ability to obtain a premium for their shares.

The Company's Bye-laws restrict shareholders from bringing legal action against its officers and directors

The Company's Bye-Laws contain a broad waiver by its shareholders of any claim or right of action, both individually and on its behalf, against any of its officers or directors. The waiver applies to any action taken by an officer or director, or the failure of an officer or director to take any action, in the performance of his or her duties, except with respect to any matter involving any fraud or dishonesty on the part of the officer or director. This waiver limits the right of shareholders to assert claims against our officers and directors unless the act or failure to act involves fraud or dishonesty.

Compliance with the Bermuda economic substance regime

Pursuant to the Economic Substance Act 2018 (as amended) of Bermuda (the "**ES Act**") that came into force on 1 January 2019, a registered entity other than an entity which is resident for tax purposes in certain jurisdictions outside Bermuda ("**Non-resident Entity**") that carries on as a business any one or more of the "relevant activities" referred to in the ES Act must comply with economic substance requirements. The ES Act may require in-scope Bermuda entities which are engaged in such "relevant activities" to be directed and managed in Bermuda, have an adequate level of qualified employees in Bermuda, incur an adequate level of annual expenditure in Bermuda, maintain physical offices and premises in Bermuda or perform core income-generating activities in Bermuda. The list of "relevant activities" includes carrying on any one or more of: banking, insurance, fund management, financing, leasing, headquarters, shipping, distribution and service centre, intellectual property and holding entities.

Based on the ES Act currently, for so long as the Company is a Non-resident Entity, it is not required to satisfy any such economic substance requirements other than providing the Bermuda Registrar of Companies annually information on the jurisdiction in which it claims to be resident for tax purposes together with sufficient evidence to support that tax residence. Although it is presently anticipated that the ES Act will have little material impact on the Company or its operations, as the legislation is new and remains subject to further clarification and interpretation, it is not currently possible to ascertain the precise impact of the ES Act on the Company.

3 RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared in connection with the Listing of the Shares and the Bonds on the Oslo Stock Exchange.

The Board of Directors of Odfjell Technology accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that, having taken all reasonable care to ensure that such is the case, to the best of their knowledge, the information contained in this Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import.

25 March 2022

The Board of Directors of Odfjell Technology Ltd

Helene Odfjell
Chair

Alasdair Shiach
Board member

Susanne Munch Thore
Board member

4 GENERAL INFORMATION

4.1 Other important investor information

This Prospectus has been approved by the Financial Supervisory Authority of Norway (*Nw.: Finanstilsynet*) (the "**Norwegian FSA**"), as competent authority under Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**"). The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129 (the EU Prospectus Regulation), and such approval should not be considered as an endorsement of the issuer or the quality of the Securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Securities.

The information contained herein is current as of the date hereof and subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus, which may affect the assessment of the Shares or Bonds and which arises or is noted between the time when the Prospectus is approved by the Norwegian FSA and the Listing, will be mentioned in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus, shall under any circumstance imply that there has not been any change in the Group's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

The Company has furnished the information in this Prospectus. Neither the Company nor the Managers nor any of their respective affiliates, representatives or advisors are making any representation to any offeree or purchaser of Shares or Bonds regarding the legality of an investment in the Shares and the Bonds. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares and the Bonds.

Investing in the Shares and the Bonds involves a high degree of risk. See Section 2 "Risk factors" beginning on page 11.

4.2 The Split

Odfjell Drilling has entered into certain restructuring transactions with the Company in order to facilitate the Listing. The Company is a newly established exempted company incorporated under the laws of Bermuda which has become the ultimate parent company of the Group through the following steps (the "**Split**") (of which only the last step, the Distribution, has not yet been completed as at the date of this Prospectus):

- (i) The incorporation by Odfjell Drilling of the Company (completed on 14 December 2021).
- (ii) The completion of the Bond Issue and establishment of the new USD 25 million RCF by the Company. The net proceeds raised was used to part finance the acquisition of Odfjell Partners Invest Ltd and to repay the existing debt facility related to Odfjell Platform Drilling AS, Odfjell Drilling Technology AS, Odfjell Partners Invest Ltd., Odfjell Oceanwind AS and Odfjell Drilling Philippines Corp (the "**Technology Entities**"). The purchase price for the remaining Technology Entities, as well as any outstanding balance for the purchase of Odfjell Partners Invest Ltd, was settled by a seller's credit immediately offset by a receivable held by Odfjell Offshore from an intercompany loan entered into between Odfjell Offshore, as lender, and Odfjell Drilling Services Ltd., as borrower. This intercompany loan receivable was distributed to the Company as a dividend distribution by Odfjell Offshore after Odfjell Offshore was transferred to the Company as described in (iii) below and used as settlement (offset).
- (iii) The transfer of the shares in the Technology Entities from (i) Odfjell Drilling Services Ltd, the direct subsidiary of Odfjell Drilling to the Company by way of share transfers against a seller's credit note immediately settled by the Company by offsetting a receivable the Company has against Odfjell Drilling Services Ltd. (ref (ii) above), and (ii) and by share contribution of Odfjell Global Business Services AS (to be renamed Odfjell Technology AS) against issuance of new shares in the Company and a contribution of Odfjell Offshore as contributed surplus by Odfjell Drilling to the Company.
- (iv) The transfer of Odfjell Drilling Philippines Corp from the Company to Odfjell Global Business Services AS on a seller's credit note.
- (v) The transfer of Odfjell Offshore from the Company to Odfjell Platform Drilling AS for consideration by means of shares in Odfjell Platform Drilling AS.
- (vi) The transfer of Odfjell Drilling Technology AS to Odfjell Platform Drilling AS in exchange for a loan note.
- (vii) A distribution of the Shares to the shareholders of Odfjell Drilling by way of a dividend *in specie* of common shares of the Company (the "**Distribution**"). The Distribution was declared by the board of directors of

Odfjell Drilling on 23 March 2022, and entails that the shareholders of Odfjell Drilling as of 24 March 2022 (being registered as such in the VPS on 28 March 2022 pursuant to the VPS' standard two days' settlement procedure (the "**Record Date**")) will receive one share in the Company for every six shares held in Odfjell Drilling as of the Record Date, rounded down to the nearest whole share. The Distribution is subject to satisfaction of the conditions for Listing set by the Oslo Stock Exchange. No assurance can be given at the date hereof that the conditions for Listing will be satisfied in time or at all.

The Company has received clearance from the HMRC that the share exchanges under the Split are not subject to UK taxation and that the Distribution of the Shares by Odfjell Drilling is an exempt distribution in the UK.

This Prospectus has been prepared in connection with the Listing of the Shares and the Bonds on the Oslo Stock Exchange. Given that the Company will have only become the parent company of the Group with effect from the completion of the Split (see Section 8.4.3 "The Split establishing the Group" for more information), certain information described herein relates to the period prior to completion of the Split, i.e. when Odfjell Drilling Ltd., an exempted company limited by shares incorporated under the laws of Bermuda listed on the Oslo Stock Exchange with company registration number 37607 and OSE ticker "ODL" ("**Odfjell Drilling**"), and not the Company, was the parent company of the Group. For more information in this respect, see Section 8.4.3 "The Split establishing the Group" and specifically for the financial information included herein, Section 4.3.1 "Historical financial information".

4.3 Presentation of financial and other information

4.3.1 Historical financial information

As the Company is a newly incorporated company (incorporated on 14 December 2021), the Company has not previously prepared any historical financial statements for previous financial years.

For the financial years ended 31 December 2018, 2019, and 2020, audited combined financial statements have been prepared for the Group using information extracted from information underlying Odfjell Drilling's audited consolidated financial statements showing balance sheet, comprehensive income statement, a statement of changes in equity, cash flow statement and accounting policies and explanatory notes (the "**Combined Annual Financial Statements**"), attached to this Prospectus as [Appendix B](#).

Unaudited condensed combined interim financial statements have also been prepared for the Group using information extracted from the records underlying Odfjell Drilling's unaudited condensed consolidated interim financial statements for the twelve months' period ended 31 December 2021, including comparative interim financial information for the same period in the prior financial year (the "**Combined Interim Financial Statements**"), attached to this Prospectus as [Appendix C](#). The Combined Annual Financial Statements and the Combined Interim Financial Statements are jointly referred to as the "**Financial Information**".

Furthermore, the Company has prepared financial information for the Company itself, covering the period from its incorporation on 14 December 2021 and until 31 December 2021 (the "**Company's Financial Statements**"), attached to this Prospectus as [Appendix D](#).

The Combined Annual Financial Statements have been prepared in compliance with International Financial Reporting Standards as adopted by the EU ("**IFRS**") to the extent appropriate since IFRS does not provide explicit guidance for the preparation of combined financial information, and with the following exceptions: the perimeter of the accounts does not conform with the control notion in IFRS 10 Consolidated Financial Statements because the Company, was not the parent company for the years covered by the predecessor combined financial statements. The Combined Interim Financial Statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the EU ("**IAS 34**") with the following exceptions: the perimeter of the accounts does not conform with the control notion in IFRS 10 Consolidated Financial Statements because the Company was not the parent company for the years covered by the predecessor combined financial statements.

The Company's Financial Statements have been prepared in compliance with the Norwegian Accounting Act and Norwegian Generally Accepted Accounting Principles.

The Combined Annual Financial Statements have been audited by PricewaterhouseCoopers AS ("**PwC**") as set forth in their reports included therein. The audit report is issued without qualifications. The Company's Financial Statements have been audited by KPMG AS ("**KPMG**"), as set forth in their reports included therein. KPMG has been the auditor of the Odfjell Drilling group since September 2021, replacing PwC which had been the auditor of the Odfjell Drilling group

since 2009. The Combined Interim Financial Statements for the period ended 31 December 2021 have not been reviewed. KPMG has not audited, reviewed or produced any report on any other information provided in this Prospectus.

For information regarding accounting policies and the use of estimates and judgments, please refer to note 1 of the Combined Annual Financial Statements and notes 1 and 32, as well as an integrated part of the other notes of the Combined Interim Financial Statements.

The Combined Annual Financial Statements, the Combined Interim Financial Statements and the Company's Financial Statements are appended to this Prospectus as [Appendix B](#), [Appendix C](#) and [Appendix D](#), respectively.

Apart from the auditor's report included in the Combined Annual Financial Statements and the Company's Financial Statements, KPMG or PwC have not audited, reviewed or produced any report on any other information provided in this Prospectus. There is no financial information in the Prospectus not extracted from the above mentioned financial statements.

4.3.2 *Presentation and functional currencies for the Group*

The Financial Information provided in this Prospectus have been prepared and audited with USD as presentation currency.

For each entity of the Group, the Group determines the functional currency based on the currency within the entity's primary economic environment. Items included in the financial statements of each entity are measured using that functional currency. The results and financial position of all the Group's entities that have a functional currency different from the presentation currency (USD) are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the relevant balance sheet;
- Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income.

4.3.3 *Alternative performance measures (APMs)*

In order to enhance investors' understanding of the Group's performance and liquidity, the Company presents in this Prospectus certain alternative performance measures ("**APMs**") as defined by the European Securities and Markets Authority ("**ESMA**") in the ESMA Guidelines on Alternative Performance Measures 2015/1057.

An APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specific in the applicable financial reporting framework (IFRS). The Company uses APMs to measure operating performance and is of the view that the APMs provide investors with relevant and specific operating figures which may enhance their understanding of the Group's performance and liquidity. The APMs presented herein have been used in the Prospectus, and it is the Management's opinion that the APMs presented herein are relevant for reporting purposes after the Company is listed on the Oslo Stock Exchange. The Company uses, or will use going forward, the APMs: EBIT, EBIT Margin, EBITDA, EBITDA Margin, Contract backlog, Net interest-bearing debt, Net (loss) profit and Earnings per share, as further defined below.

The APMs presented herein are not measurements of performance or liquidity under IFRS or other generally accepted accounting principles and investors should not consider any such measures to be an alternative to: (a) operating revenues or operating profit (as determined in accordance with IFRS or other generally accepted accounting principles), as a measure of the Group's operating performance; or (b) any other measures of performance under generally accepted accounting principles. The APMs presented herein may not be indicative of the Group's historical operating results, nor are such measures meant to be predictive of the Group's future results. The Company believes that the APMs presented herein are commonly reported by companies in the markets in which the Group competes and are widely used by investors in comparing performance on a consistent basis without regard to factors such as depreciation, amortization and impairment, which can vary significantly depending upon accounting measures (in particular when acquisitions have occurred), business practice or non-operating factors. Accordingly, the Group discloses the APMs presented herein to permit a more complete and comprehensive analysis of its operating performance relative to other companies across

periods, and of the Group's ability to service its debt. Because companies calculate the APMs presented herein differently, the Group's presentation of these APMs may not be comparable to similarly titled measures used by other companies.

The APMs used by the Group are set out below:

EBIT; Is defined as the profit/(loss) for the year/period before net financial income (expenses) and income tax expense. EBIT is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure. The Group has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of profit generation in the Group's operating activities.

EBIT Margin; Is defined as EBIT as a percentage of revenues. EBIT Margin is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure. The Group has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of profit generation in the Group's operating activities.

EBITDA; Is defined as the profit/(loss) for the year/period before net financial income (expenses), income tax expense, depreciation and amortization. EBITDA is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure. The Group has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of profit generation in the Group's operating activities.

EBITDA Margin; Is defined as EBITDA as a percentage of revenues. EBITDA Margin is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure. The Group has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of profit generation in the Group's operating activities.

Contract backlog; Is defined as contracted future revenue under contracts for the Group's services. Backlog provides an indication of future revenues, but not future EBIT, as costs may not fluctuate in proportion to revenue. Even if these are typically long-term framework agreements which do not provide for fixed volumes these segments have nonetheless had a relatively predictable revenue stream. Well Services contract backlog is based on remaining contract duration and estimated run-rate for the long-term contracts which have a solid counterpart, with options or extensions discounted 50%. Contract backlog for Drilling Operations is based on contracted duration and assumed operations for the contract period. For Engineering, the figures are based on backlog for the next 12 months only, including opportunities with high probability of materialising. The Group has presented this APM because it considers it to be an important supplemental measure for prospective investors to give an indication of the Group's future revenues. The backlog may change over time depending on any early termination of contracts, changes to the scope of work and changes to the applicable day rate.

Net interest-bearing debt; Is defined as non-current interest-bearing borrowings plus current interest-bearing borrowings less cash and cash equivalents. Interest-bearing borrowings do not include lease liabilities. The Group has presented this APM because this is a relevant and common measurement for listed companies.

Net (loss) profit; Is defined as the equal to profit (loss) for the period after taxes. The Group has historically not presented this as an APM, but intend to do so going forward, as this is a relevant and common measurement for listed companies.

Earnings per share; Is defined as net profit / number of outstanding shares. The Group has historically not presented this as an APM, but intend to do so going forward, as this is a relevant and common measurement for listed companies.

4.3.4 *Calculations and reconciliations of APMs*

The tables below set out certain APMs presented by the Group in this Prospectus on a historical interim and annual basis. The tables below show the relevant APMs on a reconciled basis, to provide investors with an overview of the basis of calculation of such APMs. See Section 4.3.3 "Alternative performance measures (APMs)" above for a further description of the APMs presented below.

The calculation of the APMs in this Prospectus is based on the Financial Information as further described in Section 4.3.1 "Historical financial information".

The table below sets forth reconciliation of, EBIT, EBITDA, EBIT Margin and EBITDA Margin.

<i>In USD million</i>	Year ended			
	31 December			
	2021¹	2020	2019	2018
Total operating income.....	342,899	273,283	272,508	270,447
Total operating expenses.....	(328,367)	(256,630)	(254,893)	(263,689)
(a)EBIT.....	14,532	18,070	20,174	8,934
Depreciation and amortization.....	(30,566)	(29,939)	(27,343)	(27,943)
(b)EBITDA.....	45,098	48,009	47,517	36,877
(c)Total revenue.....	342,899	273,283	272,508	270,447
EBIT Margin (a/c).....	4.2%	6.6%	7.4%	3.3%
EBITDA Margin (b/c).....	13.2%	17.6%	17.4%	13.6%

1 Based on the Combined Interim Financial Statements for the period ended 31 December 2021, which have not been audited.

The table below sets forth reconciliation of contract backlog, profit for the period, equity ratio and net interest-bearing debt:

<i>In USD million</i>	Year ended			
	31 December			
	2021¹	2020	2019	2018
Contract backlog.....	1,315	1,300	1,700	1,400
Profit for the period.....	13,060	15,176	25,020	14,045
Equity Ratio.....	76%	80%	82%	82%
Net interest-bearing debt².....	-	-	-	-

1 Based on the Combined Interim Financial Statements for the period ended 31 December 2021, which have not been audited at the date of this Prospectus.

2 Net interest-bearing debt in the Combined Financial Statements does not have any loans or other funding.

4.3.5 *Industry and market data*

In this Prospectus, the Company has used industry and market data from independent industry publications and market research.

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified, however, source references to websites shall not be deemed as incorporated by reference to this Prospectus.

The Company confirms that no statement or report attributed to a person as an expert is included in this Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

The Company cautions prospective investors not to place undue reliance on the above mentioned data. Unless otherwise indicated in the Prospectus, any statements regarding the Group's competitive position are based on the Company's own assessment and knowledge of the market in which it operates.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Company's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "Risk factors" and elsewhere in this Prospectus.

4.3.6 Other information

In this Prospectus, all references to "**NOK**" are to the lawful currency of Norway, all references to "**USD**" are to the lawful currency of the United States and all references to "**EUR**" are to the lawful common currency of the EU member states who have adopted the Euro as their sole national currency. No representation is made that the NOK, EUR or USD amounts referred to herein could have been or could be converted into NOK, EUR or USD, as the case may be, at any particular rate, or at all. The Financial Information is presented in USD.

4.3.7 Rounding

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

4.3.8 Exchange rates

The following table sets forth, for the previous five years as indicated, information regarding the average, high and low, reference rates for NOK, expressed in NOK per USD, in each case rounded to the nearest four decimal places, based on the daily exchange rate announced by the Central Bank of Norway:

Fiscal year	Average¹	High	Low	Period end
2017.....	8.2630	8.6781	7.7121	8.2050
2018.....	8.1338	8.7631	7.6579	8.6885
2019.....	8.8037	9.2607	8.4108	8.7803
2020.....	9.4003	11.4031	8.5326	8.5326
2021.....	8.5991	9.1205	8.1742	8.8194

¹ The average exchange rates in this table deviates from the average exchange rates applied by the Group for consolidation purposes to prepare the Financial Information.

The following table sets forth, for the previous five years as indicated, information regarding the average, high and low, reference rates for NOK, expressed in NOK per EUR, in each case rounded to the nearest four decimal places, based on the daily exchange rate announced by the Central Bank of Norway:

Fiscal year	Average	High	Low	Period end
2017.....	9.3271	9.9738	8.8070	9.8403
2018.....	9.5962	9.9738	9.4145	9.9483
2019.....	9.8527	10.2748	9.5578	9.8638
2020.....	10.7207	12.3165	9.8315	10.4703
2021.....	10.1648	10.6170	9.6828	9.9888

The following table sets forth, for the previous five years as indicated, information regarding the average, high and low, reference rates for NOK, expressed in NOK per GBP, in each case rounded to the nearest four decimal places, based on the daily exchange rate announced by the Central Bank of Norway:

Fiscal year	Average	High	Low	Period end
2017.....	10.6386	11.2474	9.9946	11.0910
2018.....	10.8463	11.1242	10.5792	11.1213
2019.....	11.2307	12.1113	10.6235	11.5936

Fiscal year	Average	High	Low	Period end
2020.....	12.0513	13.3162	11.5332	11.6462
2021.....	11.8254	12.3782	11.4078	11.8875

Please see Section 4.3.2 "Presentation and functional currencies for the Group" for details regarding presentation and functional currencies for the Group.

4.4 Cautionary note regarding Forward-looking Statements

This Prospectus includes Forward-looking Statements that reflect the Company's current views with respect to future events and financial and operational performance. These Forward-looking Statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "should", "projects", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These Forward-looking Statements as a general matter are all statements other than statements as to historic facts or present facts and circumstances. They appear in the following Sections in this Prospectus, Section 6 "Dividends and dividend policy", Section 7 "Industry and market overview", Section 8 "Business of the Group" and Section 10 "Operating and financial review", and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, financial strength and position of the Group, operating results, liquidity, prospects, growth, the implementation of strategic initiatives, as well as other statements relating to the Group's future business development and financial performance, and the industry in which the Group operates, such as but not limited to the Group's expansion in existing and entry into new markets in the future.

Prospective investors in the Shares and Bonds are cautioned that Forward-looking Statements are not guarantees of future performance and that the Group's actual financial position, operating results and liquidity, and the development of the industry and potential market in which the Group may operate in the future, may differ materially from those made in, or suggested by, the Forward-looking Statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, Forward-looking Statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the Forward-looking Statements. Important factors that could cause those differences include, but are not limited to:

- implementation of the Group's strategies;
- failure by the Group to adequately perform on projects or under contracts;
- the competitive nature of the business the Group operates in and the competitive pressure and changes to the competitive environment in general;
- earnings, cash flow, dividends and other expected financial results and conditions;
- inaccuracy relating to estimates or calculations of costs on large projects;
- failure by counterparties to meet their obligations;
- failure to attract, retain and motivate qualified personnel;
- increases in labour cost;
- legal proceedings;
- damage to the Group's reputation and business relationships;
- technological changes and new products and services introduced into the Group's market and industry;
- fluctuations of interest and exchange rates;

- changes in general economic and industry conditions, including changes to tax rates and regimes;
- political, governmental, social, legal and regulatory changes;
- access to funding;
- operating costs and other expenses; and
- consequences of consolidation in the industry, resulting in fewer but stronger competitors.

The risks that are currently known to the Company and which could affect the Group's future results and could cause results to differ materially from those expressed in the Forward-looking Statements are discussed in Section 2 "Risk factors".

The information contained in this Prospectus identifies additional factors that could affect the Group's financial position, operating results, cash flows, liquidity and performance. Prospective investors in the Shares and/or the Bonds are urged to read all Sections of this Prospectus for a more complete discussion of the factors that could affect the Group's future performance and the industry in which the Group operates when considering an investment in the Company.

These Forward-looking Statements speak only as at the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

5 DESCRIPTION OF THE BONDS

5.1 The use and estimated net amount of proceeds

The net proceeds from the Bond Issue of NOK 1,083,500,000 has been employed as part payment for the acquisition of Odfjell Partners Invest Ltd from Odfjell Drilling Services Ltd and thereafter to repay the existing debt related to the services business area.

5.2 Main terms of the Bonds

The Bond Issue is governed by Norwegian law bond terms entered into on 21 February 2022 between the Issuer as issuer and Nordic Trustee AS as bond trustee on behalf of the bondholders (the "**Bond Terms**").

The summary below describes the principal terms of the Bonds. Certain of the terms and conditions described below are subject to important limitations and exceptions. The Bond Terms attached to this Prospectus as Appendix B contains the complete terms and conditions of the Bonds.

In this Section 5.1 "The use and estimated net amount of proceeds", the capitalized terms used and not defined herein shall have the same meaning as in the Bond Terms.

ISIN Code:	NO 001 2439480
The Bond Issue:	Odfjell Technology Ltd FRN Senior Secured NOK 1,500,000,000 bonds 2022/2026.
Issuer/ borrower:	Odfjell Technology Ltd, an exempted company limited by shares incorporated under the laws of Bermuda with registration no. 202100770 and LEI code 529900ZYHGCPAD1R169.
Guarantors:	Odfjell Partners Invest Ltd., Odfjell Platform Drilling AS, Odfjell Global Business Services AS (to be renamed Odfjell Technology AS) and any other Material Group Company being directly owned by the Issuer (the " Guarantors ").
Group:	The Issuer and its Subsidiaries from time to time (each a " Group Company ").
Subsidiary:	An entity over which another entity has Decisive Influence.
Material Group Company:	The Guarantors and any Subsidiary of the Issuer which is designated as a Material Group Company by the Issuer pursuant to Clause 13.12 of the Bond Terms.
Security Type:	Senior secured bonds with floating interest rate.
Currency:	NOK.
Initial Issue Amount / Initial Bond Issue:	NOK 1,100 million.
Maximum Issue Amount:	NOK 1,500 million.
Tap Issues:	The Issuer may, provided that certain conditions set out in Clause 6.3 (Tap Issues) of the Bond Terms are met, at one or more occasions issue additional Bonds (each, a " Tap Issue ") until the Nominal Amount of all additional Bonds equals in aggregate the Maximum Issue Amount less the Initial Bond Issue. Each Tap Issue will be subject to identical terms as the Bonds issued pursuant to the Initial Bond Issue in all respects as set out in the Bond Terms, except that additional Bonds may be issued at a different price than for the Initial Bond Issue and which may be below or above the Nominal Amount.
Denomination per Bond / Initial Nominal Amount:	NOK 1,250,000 per Bond, each of them ranking pari passu among themselves.
Issue Price:	100% of the Initial Nominal Amount (par value).
Securities Form:	The Bonds are electronically registered in book-entry form in Euronext Securities Oslo (VPS).
Issue Date:	23 February 2022.

Interest Accrual Date:	Issue Date.
Interest Bearing To:	Maturity Date.
Maturity Date:	23 February 2026, adjusted according to the Business Day Convention.
Interest Rate / Coupon Rate:	3 months' NIBOR (zero floor) plus Margin.
Margin:	7.00 per cent per annum.
Interest Payment Date:	Interest on the Bonds is payable quarterly in arrears. The Interest Payment Date shall be the last day of each Interest Period, the first Interest Payment Date being 23 May 2022 and the last Interest Payment Date being the Maturity Date.
Interest Period:	Means, subject to adjustment in accordance with the Business Day Convention, the period between 23 February, 23 May, 23 August and 23 November each year, provided however that an Interest Period shall not extend beyond the Maturity Date.
Calculation of Interest:	<p>Each Outstanding Bond will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period.</p> <p>Any Additional Bond will accrue interest at the Interest Rate on the Nominal Amount commencing on the first date of the Interest Period in which the Additional Bonds are issued and thereafter in accordance with the above paragraph.</p> <p>Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis). The Interest Rate will be reset at each Interest Quotation Day by the Bond Trustee, who will notify the Issuer and the Paying Agent and, if the Bonds are listed, the exchange, of the new Interest Rate and the actual number of calendar days for the next Interest Period.</p>
Business Day Convention – Modified Following:	Means that if the last day of any Interest Period originally falls on a day that is not a Business Day, the Interest Period will be extended to include the first following Business Day unless that day falls in the next calendar month, in which case the Interest Period will be shortened to the first preceding Business Day (Modified Following).
Business Day:	Means a day on which both the relevant CSD settlement system is open and the relevant currency of the Bonds settlement system is open.
Reference Rate - NIBOR:	<p>Norwegian Interbank Offered Rate, being, (a) the interest rate fixed for a period comparable to the relevant Interest Period published by Global Rate Set Systems (GRSS) at approximately 12.00 (Oslo time) on the Interest Quotation Day, or (b) if no screen rate is available for the relevant Interest Period: (i) the linear interpolation between the two closest relevant interest periods, and with the same number of decimals, quoted under paragraph (a) above, or (ii) a rate for deposits in the currency of the Bonds for the relevant Interest Period as supplied to the Bond Trustee at its request quoted by a sufficient number of commercial banks reasonably selected by the Bond Trustee, or (c) if the interest rate under paragraph (a) is no longer available, the interest rate will be set by the Bond Trustee in consultation with the Issuer to: (i) any relevant replacement reference rate generally accepted in the market, or (ii) such interest rate that best reflects the interest rate for deposits in the currency of the Bonds offered for the relevant Interest Period. In each case, if any such rate is below zero, the Reference Rate will be deemed to be zero.</p> <p>For NIBOR that is set under (a) above, information about the past and the future performance and volatility can be obtained from the webpage of Norske Finansielle Referanser AS (https://www.referanserenter.no/).</p>

Interest Quotation Date:	Means, in relation to any period for which Interest Rate is to be determined, two Quotation Business Days before the first day of the relevant Interest Period.
Quotation Business Days:	Means a day on which Norges Bank's settlement system is open.
Yield:	<p>The yield of the Bonds is depending on (i) the applicable Interest Rate during the tenor of the Bond Issue, based on the method of calculation described above in this Section 5.1 "The use and estimated net amount of proceeds" of the Prospectus, (ii) for investors wishing to purchase or sell Bonds in the secondary market, the relevant market price for the Bonds at the time of the transaction, and (iii) if relevant, the applicable price payable upon a voluntary or mandatory early redemption of the Bonds, the method of calculation being described below in this Section 5.1 "The use and estimated net amount of proceeds" of the Prospectus.</p> <p>At par value and under an assumption that the Bond Reference Rate is constant at 1.17% from the Issue Date to Maturity Date, the yield will be 8.17%.</p>
Maturity / Amortization:	The Bonds will mature in full on the Maturity Date, and shall be redeemed by the Issuer on the Maturity Date at a price equal to 100% of the Nominal Amount (par value).
Voluntary early redemption – Call Option:	<p>The Issuer may redeem the Bonds (in whole or in part) at any time from and including:</p> <ul style="list-style-type: none"> (i) the Issue Date to, but not including, the First Call Date at a price equal to the Make Whole Amount; (ii) the First Call Date to, but not including, the Interest Payment Date in February 2025 at a price equal to 103.05% of Nominal Amount (the "First Call Price"); (iii) the Interest Payment Date in February 2025 to, but not including, the Interest Payment Date in August 2025, at a price equal to 102.04 per cent. of Nominal Amount; and (iv) the Interest Payment Date in August 2025 to, but not including, the Maturity Date at a price equal to 101.02 per cent. of Nominal Amount. <p>Any redemption of Bonds pursuant to the above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date. Written notice must be given at least 10 Business Days prior to the proposed Call Option Repayment Date. Any Call Option exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable procedures of the CSD.</p> <p>Any redemption notice given in respect of a Call Option may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent, in which case the exercise of the Call Option will be automatically cancelled unless such conditions precedent have been satisfied or waived at least 3 Business Days prior to such Call Option Repayment Date.</p>
First Call Date:	Means the Interest Payment Date in August 2024 (2.5 years after the Issue Date).
Make Whole Amount:	<p>Means an amount equal to the sum of the present value on the Repayment Date of:</p> <ul style="list-style-type: none"> (i) the First Call Price of the redeemed Bonds as if such payment originally should have taken place on the First Call Date; and

	<p>(ii) the remaining interest payments of the redeemed Bonds (less any accrued but unpaid interest on the redeemed Bonds as of the Call Option Repayment Date) to and including the First Call Date,</p> <p>where the "present value" (in respect of both (i) and (ii) above) shall be calculated by using a discount rate of 2.31 per cent, and where the Interest Rate applied for the remaining interest payments until the First Call Date shall be the applicable Interest Rate on the Call Option Repayment Date.</p>
Call Option Repayment Date:	Means the settlement date for the Call Option determined by the Issuer pursuant to Clause 10.2 of the Bond Terms (Voluntary early redemption – Call Option), paragraph (d) of Clause 10.3 of the Bond Terms or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.
Early redemption option due to a tax event:	If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents as a result of a change in applicable law implemented after the date of the Bond Terms, the Issuer will have the right to redeem all, but not only some, of the Bonds at a price equal to 100 per cent. of the Nominal Amount. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least twenty (20) Business Days prior to the relevant repayment date, provided that no such notice shall be given earlier than forty (40) Business Days prior to the earliest date on which the Issuer would be obliged to withhold such tax were a payment in respect of the Bonds then due.
Mandatory Repurchase – Long Stop Date:	If the conditions precedent for disbursement to the Issuer set out in Clause 6.1 of the Bond Terms have not been fulfilled within 90 days after the Issue Date (the " Long Stop Date "), the Issuer shall promptly, within two (2) Business Days after the Long Stop Date, redeem all the Bonds at a price equal to 101.00% of the Nominal Amount.
Change of Control - Put Option:	Upon a Change of Control Event occurring, each bondholder shall have a right (Put Option) to require that the Issuer re-purchase all or some of the Bonds held by such bondholder at a price of 101% of Nominal Amount during a period of 15 Business Days following the notice of a Change of Control Event.
Change of Control Event:	Means if: <ul style="list-style-type: none"> (i) any person or group of persons acting in concert, other than the Odfjell Family, gains Decisive Influence over the Issuer; (ii) the common Shares of the Issuer are delisted from the Oslo Stock Exchange; or (iii) for as long as the Interim Parent Guarantee is in place, the common Shares of the Interim Parent are delisted from the Oslo Stock Exchange.
Odfjell Family:	Means Helene Odfjell, her immediate family and heirs, direct descendants, any trust established for the benefit of any such person or any entity controlled directly or indirectly by any such person.
Decisive Influence:	Means a person having, as a result of an agreement or through the ownership of Shares or interests in another person (directly or indirectly): <ul style="list-style-type: none"> (i) a majority of the voting rights in that other person; or (ii) a right to elect or remove a majority of the members of the board of directors of that other person.
Redemption / Payments:	All payments to the bondholders in relation to the Bonds shall be made to each bondholder registered as such in the Securities Registry at the Relevant

	Record Date, by, if no specific order is made by the Bond Trustee, crediting the relevant amount to the bank account nominated by such bondholder in connection with its securities account in the Securities Registry. All claims for payment, including interest and principal, will be subject to the legislation regarding time-bar provisions of the Relevant Jurisdiction. Under the Norwegian Act relating to the Limitation Period for Claims of May 18 1979 no 18, such time-bar is currently 3 years for interest rates and 10 years for principal.
Status of the Bonds and Security:	<p>The Bonds constitute senior and unsubordinated obligations of the Issuer and will rank pari passu between themselves and at least pari passu with all other obligations of the Issuer (except such obligations which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).</p> <p>The Bonds will be secured on a pari passu basis with the other Secured Parties in respect of the Transaction Security subject to the super senior status of each Revolving Credit Facility and any hedging agreements of the Issuer for the interest rate of the bonds for non-speculative purposes as set out in the Intercreditor Principles. The RCF Creditors and Hedge Counterparties will receive (i) the proceeds from any enforcement of the Transaction Security and the Guarantees and certain distressed disposals and (ii) any payments following any other enforcement event in respect of any Transaction Security (collectively the "Enforcement Proceeds"), prior to the Bondholders and the Bond Trustee, but otherwise rank pari passu in right of payment with the Bonds, in accordance with the waterfall provisions of the Intercreditor Agreement, subject to obligations which are mandatorily preferred by law.</p>
Secured Parties:	Means the Security Agent and the Bond Trustee (on behalf of the bondholders), the RCF Creditors and the Hedge Counterparties.
Security Agent:	Means the Bond Trustee (or any other party to be appointed) as security agent for the Secured Parties.
Revolving Credit Facilities:	Means one or more credit facilities (each a " Revolving Credit Facility ") (including any working capital or overdraft facility, any guarantee, performance bond, documentary or stand-by letter of credit facility or any other facility) to be provided to the Issuer and/or any other Obligor by one or more banks with an aggregate maximum commitment of the higher of (a) USD 25,000,000 (or the equivalent in any other currency) and (b) 50 per cent. of EBITDA (up to an aggregate maximum commitment of USD 35,000,000 (or the equivalent in any other currency)) at the time of commitment.
Obligors:	The Issuer, the Guarantors and any other Group Company granting Security for the Bonds.
RCF Creditors:	Means the finance parties under the RCF Finance Documents.
RCF Finance Documents:	Means the agreement(s) for the Revolving Credit Facilities or other document entered into in relation thereto.
Hedge Counterparties:	Means any financial institutions that are counterparties to a Group Company under any interest rate hedging agreements of the Issuer for the interest rate of the Bonds for non-speculative purposes.
Intercreditor Agreement:	Means an intercreditor agreement in all material respects consistent with the Intercreditor Principles. The Bond Trustee shall be authorised to agree and execute the Intercreditor Agreement on behalf of the Bondholders.
Intercreditor Principles:	Means the principles for the Intercreditor Agreement set out in Attachment 3 to the Bond Terms.
Guarantees:	All the Secured Obligations, including (but not limited to) any principal amount and interest, premiums, fees, costs and expenses, shall be

	<p>guaranteed by unconditional and irrevocable Norwegian law corporate guarantees (Nw: "<i>Selvskyldnerkausjon</i>") from each of the Guarantors.</p> <p>The Guarantee Agreements are attached as Appendix F to this Prospectus.</p>
Secured Obligations:	<p>Means all present and future liabilities and obligations at any time due, owing or incurred by any Group Company to any of the Secured Parties under the Finance Documents, the RCF Finance Documents and the Hedge Finance Documents, both actual and contingent.</p>
Interim Parent Guarantee:	<p>A guarantee from Odfjell Drilling in the same form as the Guarantees described above, which shall lapse and automatically be released in full as soon as the shares in the Issuer are admitted to trading on Oslo Stock Exchange. For the avoidance of doubt, the Interim Parent shall not be considered a "Guarantor" for the purpose of the Bond Terms.</p>
Transaction Security:	<p>Subject to mandatory limitations under applicable law and the Agreed Security Principles, all amounts outstanding to the Bond Trustee and the bondholders under the Finance Documents, including (but not limited to) any principal amount and any interest, premiums, fees, costs and expenses, shall be secured by the following Security:</p> <p>Pre-Settlement Security:</p> <ul style="list-style-type: none"> (i) a pledge over the Escrow Account (according to Norwegian law) (the "Escrow Account Pledge"); <p>Pre-Disbursement Security:</p> <ul style="list-style-type: none"> (ii) the Guarantees; (iii) first priority charges over all the shares issued by any Material Group Company and owned by any Group Company; (iv) first priority assignment by way of a floating charge of the machinery and plant of each Material Group Company incorporated in Norway; (v) first priority assignment by way of a floating charge of the inventory of each Material Group Company incorporated in Norway; (vi) first priority assignment of any Intercompany Loan; and (vii) first priority floating charges over all assets of non-Norwegian Material Group Companies (to the extent legally possible in the relevant jurisdiction). <p>All Transaction Security shall be established on first priority, subject to the Intercreditor Agreement and the Agreed Security Principles, liens arising by operation of law and any mandatory limitations arising under any applicable law.</p> <p>The Escrow Account Pledge shall be made in favour of the Bond Trustee (on behalf of itself and the bondholders). The Pre-Disbursement Security shall be made in favour of the Security Agent on behalf of and in favour of the Secured Parties.</p> <p>The Pre-Disbursement Security (but not the Pre-Settlement Security) shall be shared between the Secured Parties in accordance with the terms of the Intercreditor Agreement. To the extent legally necessary, a parallel debt concept shall be applied. The Bond Trustee will, to the extent permitted by applicable law, act as security agent on behalf of the Secured Parties in respect of the Pre-Disbursement Security and any other Security provided in accordance with the terms of the Intercreditor Agreement (unless otherwise set out in the Intercreditor Agreement for any Permitted Security not to be shared among the Secured Parties).</p>

	The Bond Trustee (in its capacity as security agent) shall pursuant to the terms of the Intercreditor Agreement release any Guarantees and Transaction Security over Shares or assets (i) which (directly or indirectly) are sold or otherwise disposed of in any merger, de-merger or disposal permitted in compliance with the Bond Terms, or (ii) in connection with any enforcement or insolvency for the avoidance of doubt, notwithstanding anything to the contrary in the relevant Transaction Security Document.
Agreed Security Principles:	Means the security principles set out in Attachment 4 to the Bond Terms.
Undertakings:	Undertakings apply to the Issuer, including but not limited to certain information undertakings, general undertakings in respect of the business of the Issuer Group and certain financial covenants. For more information, please see the Bond Terms Clause 12 (Information Undertakings), and Clause 13 (General and Financial Undertakings).
Financial Covenants:	<p>The Issuer shall, on a consolidated basis, comply with the following financial covenants during the term of the Bonds:</p> <ul style="list-style-type: none"> (i) Liquidity of minimum USD 15 million of which no less than USD 5 million in Cash or Cash Equivalents; (ii) Leverage Ratio of maximum 4.00:1; and (iii) Net Working Capital to be above zero. <p>The Issuer undertakes to comply with the requirements at all times, in each case with such compliance to be tested with reference to each Quarter Date (a "Calculation Date"). The Issuer shall provide a compliance certificate ("Compliance Certificate") with supporting documentation to the Bond Trustee, confirming compliance with the Financial Covenants in connection with the publication of its Financial Reports. For more information, please see Clause 13.16 and 12.2 (a) of the Bond Terms.</p>
Finance Documents:	Means the Bond Terms, the Security Documents, the Bond Trustee Fee Agreement, the Intercreditor Agreement and any other document the Issuer and the Bond Trustee agree to be a Finance Document.
Events of Default:	Means the occurrence of an event or circumstance specified in the Bond Terms Clause 14.1.
Purpose / Use of Proceeds:	The Issuer will use the net proceeds from the Bond Issue (net of legal costs, fees of the Managers and the Bond Trustee and any other agreed costs and expenses) (i) to acquire shares in the companies owned by the Interim Parent which constitutes the services business area and to repay the Existing Debt related to such entities in full, and (ii) for general corporate purposes of the Group.
Existing Debt:	Means the USD 150,000,000 senior secured credit facility agreement (originally entered into on 6 May 2014), between, inter alia, Odfjell Drilling Services Ltd as borrower and DNB Bank ASA as agent.
Approvals:	The Bonds were issued in accordance with the approval of the Issuer's Board of Directors on 21 February 2022 and 22 February 2022.
Listing Requirement:	<p>The Issuer shall ensure that (i) the Bonds are listed on Oslo Stock Exchange within 6 months of the Issue Date and thereafter remain listed on Oslo Stock Exchange until the Bonds have been redeemed in full, and (ii) any Temporary Bonds (as defined below) are listed on Oslo Stock Exchange within 6 months of the issue date for such Temporary Bonds.</p> <p>Upon the occurrence of a Listing Failure Event and for as long as such event is continuing, the interest on any principal amount outstanding under the Bond Terms will accrue at the Interest Rate plus 1 percentage point per annum for the relevant Bonds or Temporary Bonds (as the case may be).</p>

	<p>If the Bonds are listed on Oslo Stock Exchange and there is a requirement for a new prospectus in order for the Additional Bonds to be listed together with the Bonds, the Additional Bonds may be issued under a separate ISIN (such Bonds referred to as the "Temporary Bonds"). Upon the approval of the prospectus, the Issuer shall (i) notify the Bond Trustee, Oslo Stock Exchange and the Paying Agent and (ii) ensure that the Temporary Bonds are converted into the ISIN for the Bonds.</p>
Bond Terms:	<p>The Bond Terms have been entered into by the Issuer and the Bond Trustee and constitute the terms and conditions of the Bond Issue. The bondholders shall be bound by the terms and conditions of the Bond Terms and any other Finance Document without any further action required to be taken or formalities complied with by the Bond Trustee, the bondholders, the Issuer or any other party.</p> <p>The Bond Trustee acts as the representative of all the bondholders, monitoring the Issuer's performance of obligations pursuant to the Bond Terms, supervising the timely and correct payment of principal or interest, arranging bondholders' meetings, and taking action on behalf of all the bondholders as and if required.</p> <p>For further details of the Bond Trustee's role and authority as the bondholders' representative, see Clause 16 (The Bond Trustee) of the Bond Terms.</p> <p>Information regarding bondholders' meeting and the bondholders' right to vote are described in Clause 15 of the Bond Terms.</p>
Finance Documents:	<p>Means the Bond Terms, the Bond Trustee Fee Agreement, the Intercreditor Agreement, any Transaction Security Document, any Security Agent Agreement and any other document designated by the Issuer and the Bond Trustee as a Finance Document.</p>
Availability of documentation:	<p>Following the listing of the Bonds, the public will have free access to the Bond Terms on www.odfjelltechnology.com and in addition the bondholders will have access to the Bond Terms on www.stamdata.no</p>
Bond Trustee:	<p>Nordic Trustee AS, Kronprinsesse Märthas plass 1, 0116 Vika, Norway.</p>
Managers:	<p>Global Coordinator: DNB Bank ASA, DNB Markets, Dronning Eufemias gate 30, 0021 Oslo, Norway as Global Coordinator.</p> <p>Joint Bookrunners: Danske Bank, Norwegian branch, Bryggetorget 4, 0150 Oslo, Norway and Nordea Bank Abp, filial i Norge, Essendrops gate 7, 0368 Oslo, Norway.</p>
Paying Agent:	<p>DNB Bank ASA, Dronning Eufemias gate 30, 0191 Oslo</p>
Calculation Agent:	<p>Nordic Trustee AS, Kronprinsesse Märthas plass 1, 0116 Vika, Norway.</p>
Securities Registry / CSD:	<p>Euronext Securities Oslo (Verdipapirsentralen ASA) (VPS), Fred. Olsens gate 1, 0152 Oslo, Norway.</p>
Transfer of Bonds:	<p>Certain purchase or selling restrictions may apply to bondholders under applicable local laws and regulations from time to time. Neither the Issuer nor the Bond Trustee shall be responsible for ensuring compliance with such laws and regulations and each bondholder is responsible for ensuring compliance with the relevant laws and regulations at its own cost and expense.</p> <p>A Bondholder who has purchased Bonds in breach of applicable restrictions may, notwithstanding such breach, benefit from the rights attached to the Bonds pursuant to the Bond Terms (including, but not limited to, voting rights), provided that the Issuer shall not incur any additional liability by complying with its obligations to such bondholder.</p>
Market Making:	<p>No market-maker agreement has been made for the Bond Issue.</p>

Tax gross up:	<p>Each Obligor is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it in relation to the Finance Documents.</p> <p>The Obligors shall, if any tax is withheld in respect of the Bonds under the Finance Documents:</p> <ul style="list-style-type: none"> (i) gross up the amount of the payment due from it up to such amount which is necessary to ensure that the bondholders or the Bond Trustee, as the case may be, receive a net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required; and (ii) at the request of the Bond Trustee, deliver to the Bond Trustee evidence that the required tax deduction or withholding has been made. <p>Any public fees levied on the trade of Bonds in the secondary market shall be paid by the bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.</p>
Legislation under which the Bonds have been created:	Norwegian law.
Estimated expenses of, and incidental to, the Listing, including the Bond Issue and the Split:	<p>Prospectus fee (NFSA): USD 0.02 million Listing fee (Oslo Stock Exchange): USD 0.03 million Registration (Oslo Stock Exchange): USD 0.16 million Legal fees (estimated): USD 0.9 million Nordic Trustee: USD 0.04 million Managers: USD 2.17 million Other: USD 0.68 million</p>

6 DIVIDENDS AND DIVIDEND POLICY

6.1 Dividend policy

Any future proposal by the Board of Directors to declare dividends will be subject to applicable laws and will depend on a number of factors, including the Company's financial condition, results of operations, capital requirements, contractual restrictions, general business conditions and other factors that the Board of Directors may deem relevant. See Section 6.2 "Legal constraints on the distribution of dividends" below for more information.

According to the Bond Terms and the RCF, no distributions shall be made during the first twelve months after the issuance of the Bonds. Distributions made by the Company at any time after 23 February 2023 shall not exceed 50% of the Group's consolidated net income for the then most recent annual financial statements. Distributions are subject to the Company meeting the Incurrence Test (as defined in the Bond Terms).

In addition to legal requirements and the restrictions set out in the Bond Terms and the RCF, the Board of Directors will, when deciding the annual dividend levels, take into consideration restrictions under any other debt facilities the Group may have, market outlook, potential growth opportunities, contract backlog, cash flow generation, capital expenditure plans and funding requirements whilst maintaining the appropriate strategic and financial flexibility. The Company will target a long-term annual dividend pay-out representing approximately 30% – 50% of its net profit on a consolidated basis. The Board of Directors may revisit the dividend policy from time to time.

No dividends have been distributed to the shareholders of the Company from its incorporation until the date of this Prospectus.

6.2 Legal constraints on the distribution of dividends

Under the Bermuda Companies Act, a Bermuda company may not declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that (i) the company is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) the realizable value of the company's assets would thereby be less than its liabilities. "Contributed surplus" is defined for purposes of section 54 of the Bermuda Companies Act to include the proceeds arising from donated shares, credits resulting from the redemption or conversion of shares at less than the amount set up as nominal capital and donations of cash and other assets to a Bermuda company. Further, the Company's subsidiaries may be subject to applicable legal constraints on the distribution of dividends in the jurisdiction in which they are incorporated, such as sufficiency of distributable reserves.

Under the Bye-Laws, the Board of Directors may declare dividends to be paid to the shareholders in proportion to the number of shares held by them.

6.3 Manner of dividend payments

The Company's equity capital is denominated in USD and all dividends on the Shares will therefore be declared in USD. As such, investors whose reference currency is a currency other than USD may be affected by currency fluctuations in the value of USD relative to such investor's reference currency in connection with a dividend distribution by the Company. Any future payments of dividends on the Shares will be denominated in the currency of the bank account of the relevant shareholder and will be paid to the shareholders through the VPS Registrar (as defined herein). Shareholders registered in the VPS who have not provided the VPS Registrar with details of their bank account, will not receive payment of dividends unless they register their bank account details with the VPS Registrar. The exchange rate(s) that is applied when denominating any future payments of dividends to the relevant shareholder's currency will be the VPS Registrar's exchange rate on the payment date. Dividends will be credited automatically to the VPS registered shareholders' accounts, or in lieu of such registered account, at the time when the shareholder has provided the VPS Registrar with their bank account details, without the need for shareholders to present documentation proving their ownership of the Shares. Shareholders' right to payment of dividend will lapse three years following the resolved payment date for those shareholders who have not registered their bank account details with the VPS Registrar within such date. Following the expiry of such date, the remaining, unpaid dividend will be returned from the VPS Registrar to the Company.

7 INDUSTRY AND MARKET OVERVIEW

This Section discusses the industry in which the Group operates. Certain parts of the information in this Section relating to market environment, market developments, growth rates, market trends, industry trends, competition and similar information are estimates based on market data from external and publicly available sources, and the Company's knowledge of the markets, see Section 4.3.5 "Industry and market data". The following discussion contains forward-looking statements, see Section 4.4 "Cautionary note regarding Forward-looking Statements". Any forecast information and other forward-looking statements in this Section are not guarantees of future outcomes and these future outcomes could differ materially from current expectations. Numerous factors could cause or contribute to such differences, see Section 2 "Risk factors".

7.1 Introduction

Odfjell Technology is a well services, drilling operations, engineering and sustainable energy solutions provider, offering engineering services, well services and drilling operation services to both onshore and offshore drilling operations, with an offshore focus.

7.2 General industry drivers

Growth and demand within the offshore oil and gas services industry are affected by the following key factors:

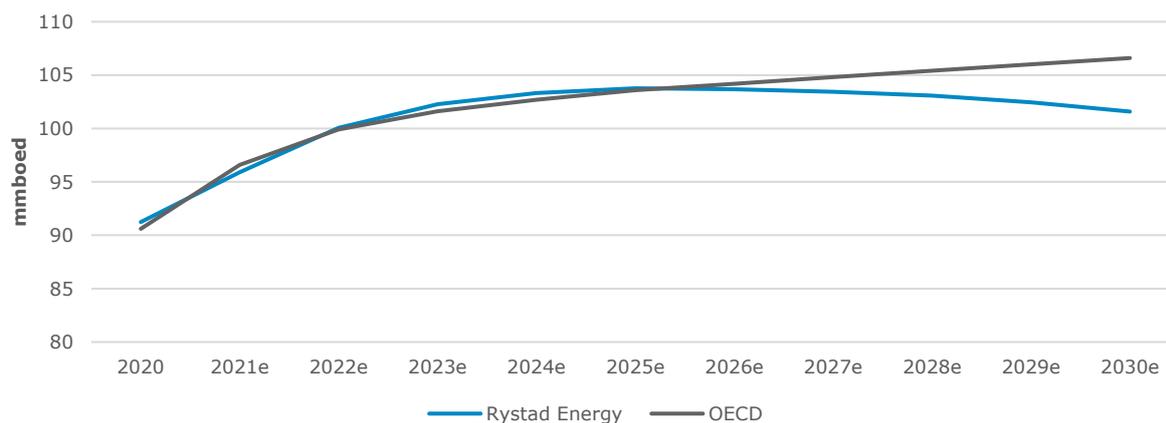
- (i) Oil and gas prices and demand: Oil and gas E&P spending is the key driver of demand in the oil and gas services industry. E&P spending is directly linked to the earnings of oil and gas companies which are, in turn, dependent on average oil and gas prices. Volatility in oil prices can therefore reduce the ability of oil and gas companies to budget for increased E&P spending.

Oil and gas demand is expected to remain strong in the foreseeable future and continue to be a key factor in the future energy mix in order to enable a balanced and efficient energy market². Among the key drivers for oil and gas demand are global population growth, improving living standards and continued economic expansion, which are all projected to remain positive in the long-term³. Still, for the first time, all scenarios examined by the International Energy Agency ("**IEA**") show an eventual decline in global oil demand, even though the speed and the timing of the drop varies. The global oil demand rebounded swiftly in 2021 after the Covid-19 shock, but remains well below 2019 levels of 96.6 mb/d. With today's policy settings, illustrated in the Stated Policies Scenario ("**STEPS**"), oil demand is expected to peak around 104 mb/d in the mid-2030s, before ending at 103.0 mb/d in 2050. In the Announced Pledges Scenario ("**APS**"), oil demand peaks around 97 mb/d shortly after 2025, and then declines towards 76.7 mb/d in 2050. Global oil demand will never reach 2019 levels in the Net Zero Emissions Scenario ("**NZE**") which shows a rapid decline towards 24.0 mb/d by 2050 (IEA, Oil 2021, 17 March 2021). However, as seen from the graph below, oil demand is expected to remain at high levels at least until 2030, in both the Rystad Energy and Organisation for Economic Co-operation and Development ("**OECD**") scenarios.

² Rystad Energy, 17 January 2022

³ IEA, World Energy Outlook 2021, 13 October 2021

Global oil demand forecast by scenario until 2030

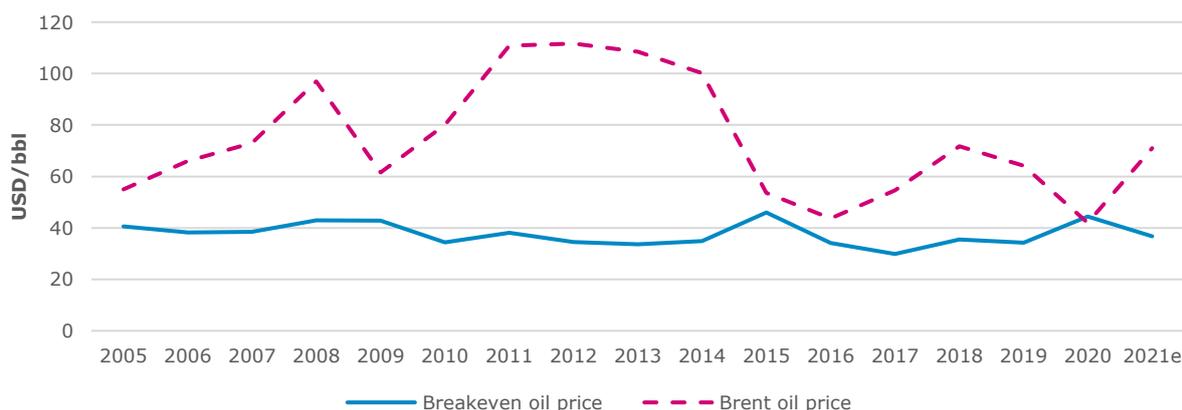


Source: Rystad Energy as of 17 December 2021

The average price of crude oil in 2050 is predicted to be USD 88/barrel (in year 2020 dollars) in the STEPS, USD 64/barrel in the APS and USD 24/barrel in the NZE (IEA, World Energy Outlook 2021, 13 October 2021). Non-OECD oil consumption is forecast to average out at approximately 53.7 mb/d in 2022, an increase of 2.0 mb/d (or 3.7%) compared to 2021 and well above the OECD average of 45.8 mb/d. China is forecast to remain the main engine of demand growth, followed by India, with demand projected to have an annual growth of 2.4 mb/d (2.4%) and 0.7 mb/d (1.8%), respectively.⁴

- (ii) **Reserve replacements:** The future production capacity of the oil and gas industry depends on the ability of oil and gas companies to maintain a sustainable reserve replacement ratio through the discovery and development of new reservoirs or improvements in oil recovery techniques. Currently, there has been a decline in the replacement of oil reserves which has persisted since 2014.⁵
- (iii) **Increased emphasis on E&P spending:** Oil and gas companies are expected to continue their investments into offshore well services and drilling tools. At current oil price levels far above the global estimated breakeven oil price, substantial cash generation is expected for oil companies, which in turn supports increased E&P spending.⁶

Brent oil price



Source: Rystad Energy as of 19 December 2021

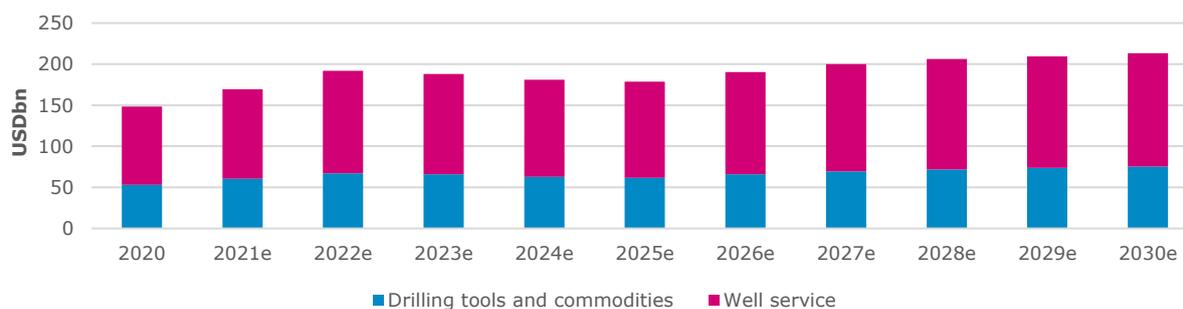
⁴ IEA, Oil 2021, 17 March 2021

⁵ IMF, End of the Line, 2021

⁶ Rystad Energy, 17 December 2021

According to the IEA, upstream oil and gas investments ended at USD 326 billion in 2020, which is a decline by approximately 31% relative to 2019 (IEA, Oil 2021, 17 March 2021). The IEA's predictions for upstream oil and gas investments are correlated with oil and gas demand which varies in three different scenarios. In the STEPS, the IEA predicts average upstream oil and gas spending at approximately USD 650 billion annually between 2021 and 2030, and USD 700 billion annually between 2031-2050. This is above the average in the 2010s and most is spent on new fields (IEA, World Energy Outlook 2021, 13 October 2021). Future upstream investments will have an increased offshore focus, as exploration and development continues to move towards harsher and deeper waters. The IEA predicts annual upstream oil and gas to average around USD 495 billion in the APS and USD 235 billion in the NZE between 2021-2050. In the NZE the spending on new fields is reduced drastically between 2021-2030, and is predicted at USD 0 between 2031-2050.⁷

Offshore E&P spending on well services and drilling tools worldwide



Source: Rystad Energy as of 17 December 2021

- (iv) **Drilling technology and innovation:** Recent advances in offshore technology have improved the ability of oil and gas companies to develop reservoirs in deeper waters, and in harsh and more remote locations. A new class of drilling rigs has emerged, with the ability to drill wells of up to 40,000 feet, in water depths of up to 12,000 feet, and with them, new types of subsea construction vessels and production facilities.
- (v) **General political and economic environment:** Changes in the political, economic and regulatory environment across regions affect global demand for oil services. The political and regulatory regimes of a country also have a significant impact on the level of oil and gas extraction activity within its territory. Changes in tax rules could also alter the profitability of certain projects and accordingly, E&P spending.
- (vi) **Increased focus on QHSE:** Due to the potentially serious consequences of an accident within the offshore oil and gas industry, the industry has developed high standards to mitigate risks associated with QHSE. There has been increased focus on this area after the Macondo incident in 2010, and, to an increasing extent, oil and gas companies will contract only with oil and gas companies that have the procedures and know-how to adequately manage these risks. This trend has increased the barriers to entry in the industry.

7.3 The well services market

Odfjell Technology's Well Services segment provides a wide range of services to the drilling industry, including casing and tubular running services, drilling tool rental, fishing services and well bore cleaning. The clients and consumers for these service areas are oil and gas companies involved in drilling operations, both onshore and offshore.

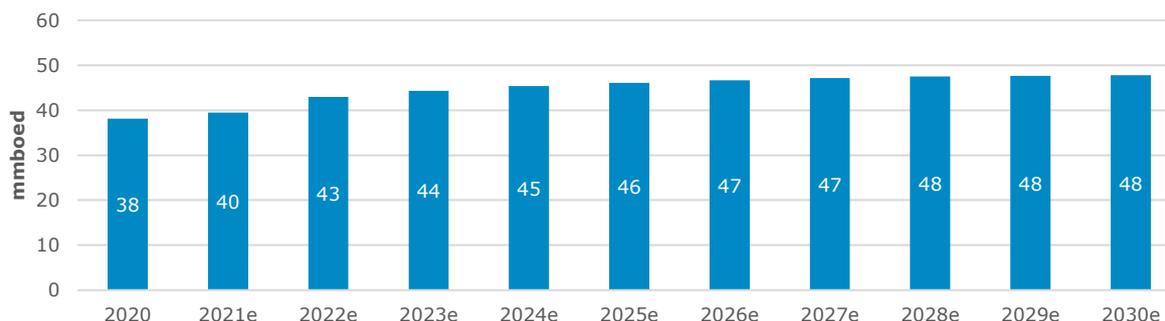
Casing and tubular running services involve the handling and installation of multiple joints of pipe to establish a closed and controllable perimeter for the well (the casing) and the installation of a smaller pipe inside the wellbore to transport oil and gas from the reservoir to the surface (the production string). The casing of a wellbore isolates the wellbore from the surrounding geologic formations and water table, provides structural integrity and pressure resistance, and allows well operators to target specific zones for production. Efficient tubular services are vital to the management of the overall cost of a well and are therefore an important part of the process of producing oil and gas.

The well services industry is subject to the same market drivers that affect the offshore oil and gas services industry generally. See Section 7.2 "General industry drivers". Well service providers also supply services to onshore drilling operations, thus they have access to a considerably larger market than just the offshore drilling sector. This opens up

⁷ IEA, World Energy Outlook 2021, 13 October 2021.

opportunities in other geographical areas such as in the Middle East, that are projected to have an increasing oil production in the next decade.⁸

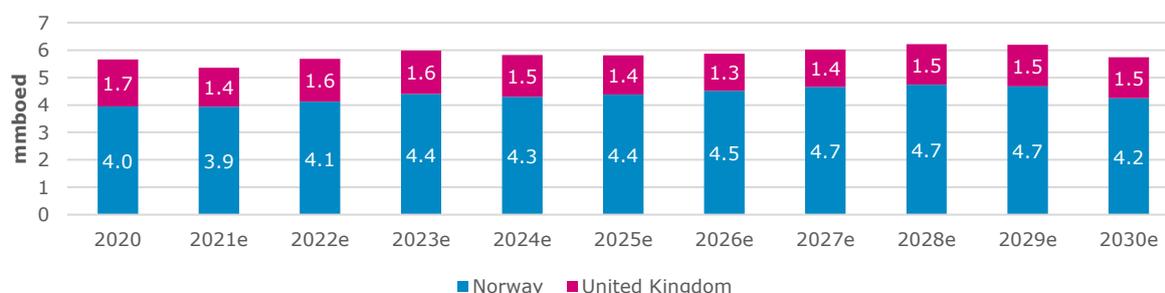
Oil production in the Middle East



Source: Rystad as of 17 December 2021

Oil production is also projected to remain high throughout the 2020s in key markets such as the UK and Norway.

Oil production in Norway and the UK



Source: Rystad as of 17 December 2021

An increased emphasis on improving safety standards and reducing the risk of pollution has increased oil and gas companies' focus on well integrity, particularly in offshore environments. Given the central role casing and tubular running services play in ensuring the structural integrity, reliability and safety of a well, the quality and reputation of companies that provide these services are becoming increasingly important to winning contracts. As of 9 June 2021, Rystad estimates that USD 26 billion will be spent on offshore well service activities in 2021, representing approximately 7.4% of total offshore E&P spending (USD 351 billion) in 2021.⁹

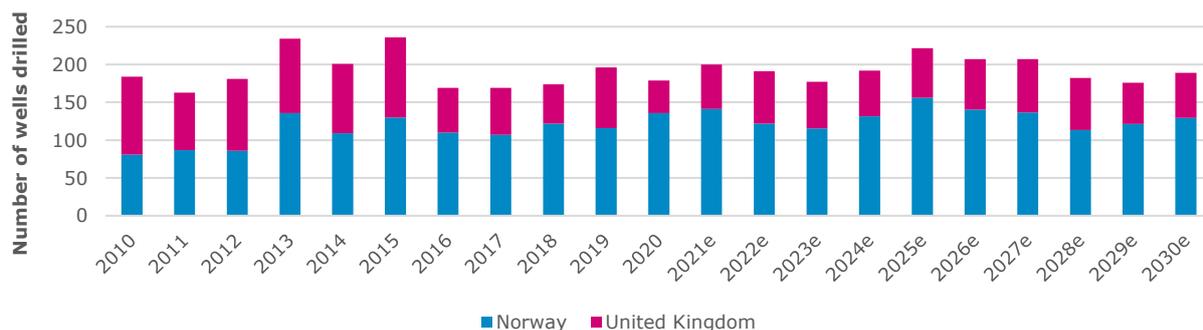
As wells become more complex and are drilled to greater depths, tubular services must provide solutions to increasingly challenging technical problems. Onshore wells are being constructed with longer horizontal laterals and deviated well bores, while offshore drilling is being carried out in deeper waters and to greater well depths. This requires longer and heavier strings, as well as tubular handling equipment capable of accommodating a more elaborate spectrum of equipment and hydraulic control lines deployed inside the well. These complicated drilling methods require new and more complex tubular services which are causing suppliers to develop new techniques and specialised tools to satisfy client demand.

The costs of deepwater drilling have increased with their complexity. Although several recent fixtures of ultra-deepwater rigs have been reported just below or above USD 300,000 per day, the total cost per day of drilling offshore is significantly higher when including cost for well services, supply vessels, wirelines, well logging services and other costs. Consequently, it is important for oil and gas companies to have efficient tubular services in order to minimise cost and maximise productivity. Oil companies generally spend more money on tubular services for more complex offshore wells compared to onshore.

⁸ Rystad Energy, 17 December 2021

⁹ IEA, World Energy Investment, 9 June 2021

Number of wells drilled in Norway and the UK



Source: Rystad as of 19 December 2021

The casing and tubular running services sector is composed of a few large international service companies as well as smaller, local companies that operate in a limited geographic area. The main competitors are shown below, as well as which product lines they operate in. Odfjell Technology is present in tubular running, rental services and well intervention, and among competitors, only Expro, Parker Wellbore and Weatherford are present in all three.

Main competitors in the Well Services market

Company	Tubular running	Rental services	Well intervention
	✓	✓	✓
	✓	✓	✓
	✓	✓	✓
	✓	✓	✓
	✓		✓
		✓	
			✓
		✓	
			✓
		✓	

Source: Company data

The Company's view is that the key requirements to compete in the Well Services market are:

- 1) Scale and logistics: Business opportunities and operational efficiencies dependent on both size and excellent systems for logistics and planning
- 2) Strong track record: Essential, with strong track records showcasing ability to handle complex operations in challenging environments
- 3) Competence and technology: Multi-skilled and experienced personnel is a necessity due to high complexity of operations

- 4) Client contact and relationships: Building relationships and trust with clients is extremely important and takes multiple years to develop. In addition, it is important to continuously work with clients to understand their challenges and be aware of any opportunities
- 5) Strict safety, performance and ESG requirements: Stringent requirements from oil companies regarding safety, performance and ESG footprint
- 6) High capital investments: Significant investments in equipment, materials and personnel

Customer preferences also varies to some extent across geographies. In the North Sea, clients value quality, safety, ESG and experience, while in the Far East there is a preference towards companies that are highly trusted in other key markets. However, in the Middle East, there is a higher emphasis on delivering cost competitive and efficient operations.

7.4 The drilling and technology market

Odfjell Technology engages in operations of offshore drilling platforms and the provision of engineering and support services through its Drilling & Technology business segment. The industry drivers described in 7.2 "General industry drivers" also apply to this market.

On the NCS, Equinor is the leading operator: the rigs and fixed installations it operates account for the majority of all oil and gas production on the NCS. Demand for drilling and technology services on the NCS is thus largely dependent on Equinor's E&P spending. Aker BP and other players like Vår Energy and WintershallDEA have however also made an increasing impact on the NCS activity level the last years.

Offshore E&P spending on maintenance on the NCS by Equinor

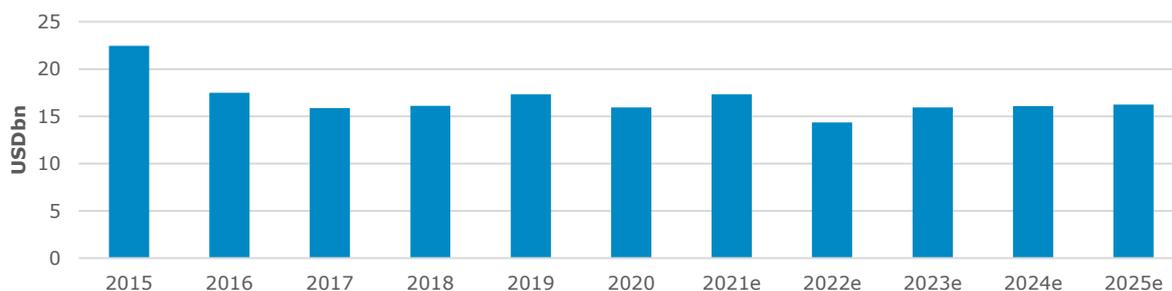


Source: Rystad as of 10 December 2021

The outlook for total capital investments on the NCS is also stable and is projected to remain around 16bn USD per year the next five years.¹⁰

¹⁰ Norwegian Petroleum Directorate, 19 December 2021

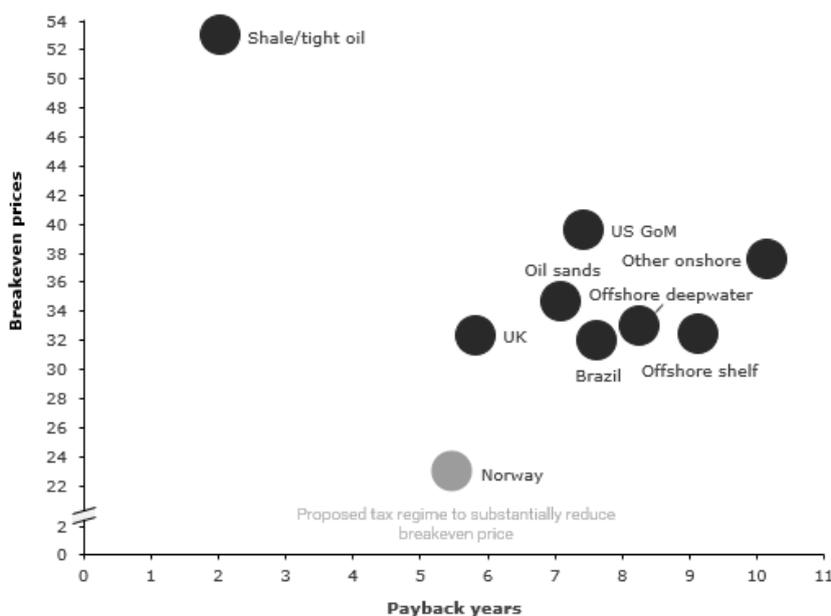
Capital investments on the NCS



Source: Rystad as of 10 December 2021

Norwegian fields are a highly competitive source of new production. With the newly proposed tax regime the breakeven price on the NCS is reduced by a substantial amount and will be far below most other regions with an average production opex of 3.8 USD/boe.¹¹

Average breakeven prices (USD/bbl) and payback time for not sanctioned projects by supply segment

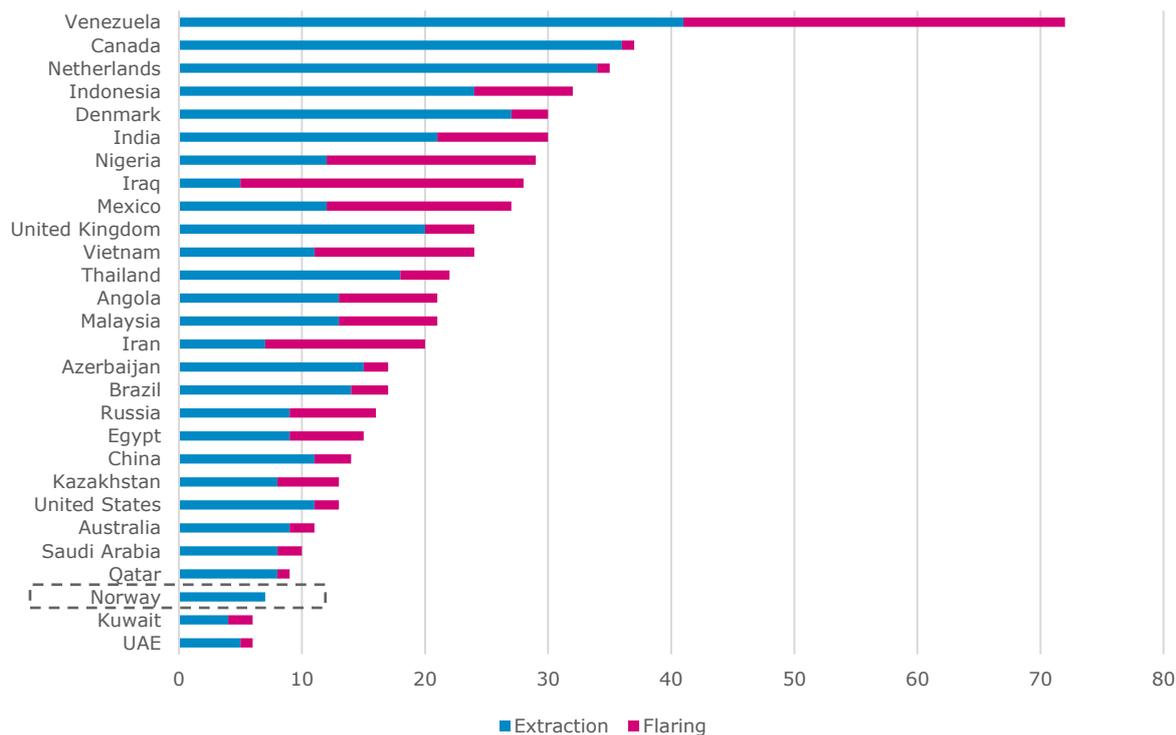


Source: Rystad as of 10 December 2021

In addition, Norway has a track record of maximising resource recovery and extending field life, which contributes to giving Norway one of the lowest CO₂ intensities per boe produced in the world.¹²

¹¹ Rystad Energy, 10 December 2021

¹² Rystad Energy, 17 December 2021

kgCO₂/boe by country

Source: Rystad as of 17 December 2021

The competitiveness of Norwegian fields will benefit Equinor and other operators in the long run and in turn affect the E&P spending on the NCS. Since approximately 50% of the reserves and resources on the NCS are yet to be produced, there are still large values that can be utilised by the operators.¹³

7.4.1 The platform drilling market

Onshore drilling on a producing field is carried out from fixed platforms, whereas offshore drilling on a producing field may be carried out through the use of either mobile offshore drilling units or fixed or floating platforms with built-in drilling equipment. Such equipment also enables the production facility to conduct maintenance on existing wells without the use of mobile offshore drilling units. Platform drilling services relate to the provision of a specialised crew to operate the drilling equipment on board fixed or floating platforms. This crew is also responsible for the maintenance of all equipment relating to drilling operations.

The job of the platform drilling crew is very similar to the work performed by the drilling crew on mobile offshore drilling units, with some differences depending on whether the wellhead is dry or submerged, and on the drilling equipment, which may be automatic or manual. On facilities with dry wellheads, the subsea blowout preventer ("**BOP**") is located on deck, whereas on facilities with wellheads located on the seabed, the BOP is placed on the wellhead and is often referred to as a subsea BOP. The drilling equipment associated with subsea BOPs is very similar to the equipment used on floating drilling rigs, while the equipment for surface located BOPs is similar to the equipment used on most jack-ups and for onshore drilling rigs. Most of the production facilities that Odfjell Technology services are fixed platforms that stand on the seabed and have surface BOPs.

There are a variety of offshore production platforms that have been built with their own drilling equipment. These include Spars, Tension Leg Platforms ("**TLPs**"), semi-submersibles and Floating Production Storage and Offloading units ("**FPSOs**"). Whether a production facility is built with its own drilling equipment depends on a variety of factors. Water depth is an important factor: it is more common to install drilling equipment on a fixed production plant for fields located in shallow waters like the NCS rather than on a floating deepwater installation. The size of the field and the expected number of wells to be drilled is another factor determining whether drilling equipment is installed onboard or not. The

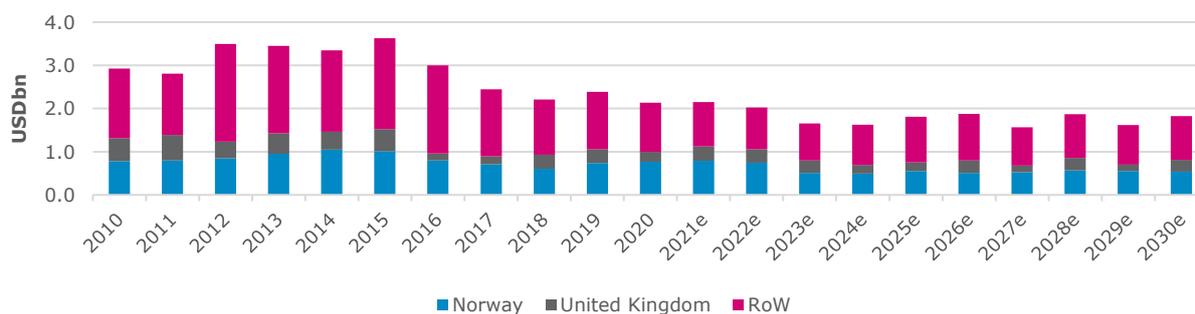
¹³ Norwegian Petroleum Directorate, 19 December 2021

characteristics of the reservoir and the accessibility of hydrocarbons from the production plant are also important parameters.

The demand for platform drilling services is directly linked to the number of active platform drilling contracts in the market. A stable, high oil price that will support the aim of oil and gas companies to maintain production on their existing fields and new technology that increases overall recovery rates are also important drivers for the platform drilling services industry. A low oil price will have the opposite effect on production and investment in new fields, which again will have a negative impact on the drilling services industry. The number of new production platforms built with their own drilling equipment also affects the level of activity in the market.

The market for platform drilling contracts on the UKCS and NCS has historically been relatively stable and predictable and is projected to be stable in the medium term as well. However, the market has also been impacted by the downturn in the oil and gas sector in recent years as illustrated by the chart below.

Global E&P platform drilling services spending



Source: Rystad as of 19 December 2021

Further growth is expected as there is a pipeline of new contracts for drilling in locations such as Johan Sverdrup, Mariner, Heidrun, Gullfaks, Scott, Ekofisk, Morecambe Bay, Fulmar and Brage.

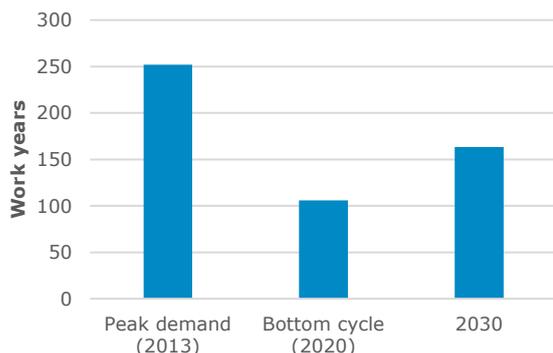
The platform drilling services market on the NCS and UKCS is dominated by KCA Deutag, Archer and Odfjell Technology. Outside the North Sea, the industry is serviced by several smaller companies, often with local focus. KCA Deutag is the world's largest platform drilling company and has operations all over the world. Based on the Company's assessment, there will be an increasing focus on efficiency and quality of operations when competing for future contracts on the NCS and UKCS. In addition, due to the high complexity of operations, some key requirements when competing in the platform drilling market are having a strong track record, highly competent and multi-skilled employees and long-lasting client relationships.

7.4.2 The engineering market

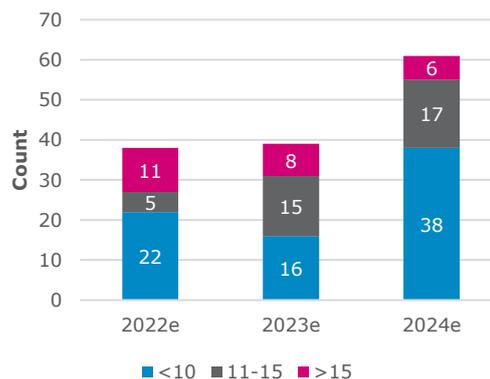
There is demand for engineering services at all stages of an offshore drilling unit's life cycle. Engineering services are requested for the design of newbuilds as well as for the modification and maintenance of existing offshore drilling units, both fixed and floating. Engineering expertise may also be needed when units are to be decommissioned. Demand for engineering services is thus affected by several factors, but foremost the level of activity in the offshore oil and gas industry. For Odfjell Technology, the activity in the North Sea is of particular importance as this is a core market for the Company. The need for modifications to existing rigs and platforms is dependent on the age of the respective rig or platform, changing reservoir characteristics for the relevant fields and general maintenance requirements. As a large number of oil and gas drilling units approach the end of their designated life expectancy, life enhancement programmes or decommissioning projects are other sources of demand for engineering services. There is also a significant demand for Special Periodic Surveys and other asset integrity services, with an average expected number of floater Special Periodic Surveys of more than 30 per year the next five years.¹⁴ It is beneficial for offshore drilling contractors to outsource these activities as it enables them to focus on their core activities. Thus, this creates both operational and cost efficiencies. As seen from the chart below, the demand for engineering services in the offshore energy industry is expected to increase by 2030.

¹⁴ Rystad Energy, 20 December 2021

Floater rig demand



Floater SPS per age group



Source: Rystad as of 20 December 2021

Engineering services within the offshore oil and gas industry are either provided for a specific project or to a particular client over a period of time. Projects provided over a period of time typically relate to maintenance, to ensure offshore drilling equipment is in the condition stipulated by relevant regulations, or such projects may be provided under frame agreements where the engineering company is tasked with the assessment and upgrading of platforms. Project specific engineering services typically have a more defined scope and may relate to a specific modification on a rig, a newbuild project or preparations for a yard stay.

The offshore engineering market is predominantly serviced by specialised engineering companies and yards specialising in the maintenance, modification and upgrade of offshore drilling and production units. The competitive landscape is characterised by some large competitors and many small niche players. An important requirement for competing in this market is to have highly competent and multi-skilled employees, as well as delivering integrated services.

7.5 The emerging energy markets

Odfjell Technology is also looking to grow into new business areas to gain traction within emerging energy markets and leverage on the energy transition. Based on the Company’s views, some potential business areas that might be relevant for Odfjell Technology are



Plug & abandonment (P&A)

- Decommissioning of oil & gas infrastructure, including P&A, expected to grow from ~USD 5.8bn in 2020 to ~USD 10.8bn in 2030¹⁴
- Over the next decade, P&A demand in the UK is expected to increase from 3.5 rig work years in 2020 to 5.7 rig work years in 2030¹⁵



Offshore wind

- Global offshore wind capacity is forecast to grow by 26% annually while global expenditure is expected to grow by 12% annually from 2020 to 2026¹⁴
- Exposure to floating offshore wind through Odfjell Oceanwind, which develops, owns and operates a fleet of Mobile Offshore Wind Units



Geothermal energy

- Developing and growing market in central EU and Asia
- New technology releasing new potential for energy production in areas former known as not suitable

¹⁵ Rystad Energy, 17 December 2021

¹⁶ Rystad Energy, 5 January 2022



Hydrogen production

- Hydrogen as an energy carrier is forecasted to grow by a CAGR of around 5% until 2050¹⁶
- Significant potential to reduce emissions within shipping and heavy transport, as well as for seasonal and long-duration energy storage



Carbon capture, utilisation and storage

- Solid growth outlook for carbon capture, utilisation and storage, of which the global capture capacity is expected to grow from 47 Mtpa in 2021 to 475 Mtpa in 2030¹⁶



Wave and tidal energy

- An increasing number of countries are pursuing wave and tidal energy projects, with the European Commission targeting at least 1 GW of installed capacity in the EU by 2030, and 40 GW by 2050¹⁷

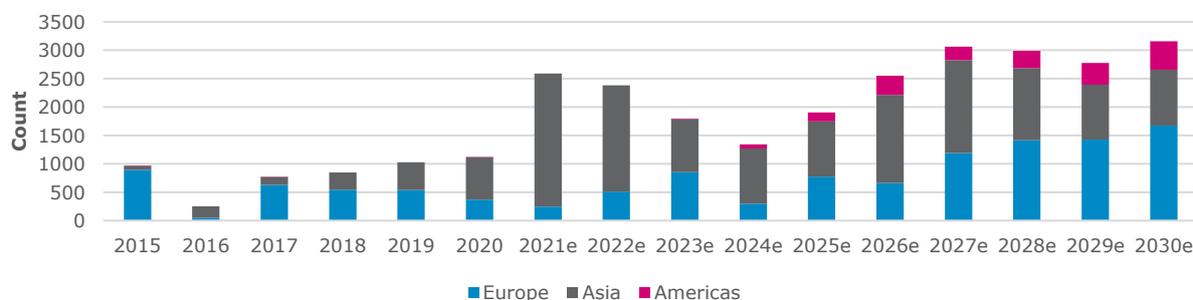


Offshore design & support to fish farming

- Unused acreages offshore provide substantial low-cost production potential, as traditional aquaculture areas are a scarcity
- Further technological advancements are necessary in order to become a viable source of energy

By 2050, Rystad Energy projects that renewables will make up 77% of the global energy mix compared to only 11% in 2020.¹⁷ In addition, oil and gas companies are already progressively expanding into renewables. Therefore, there are significant business opportunities within this space. A vital component of the energy transition is offshore wind, as there are vast amounts of available wind resources offshore. Governments have already made ambitious targets for offshore wind and there is strong demand visibility throughout this decade. Offshore and onshore wind are projected to make up 20% of the global energy mix in 2050 and could potentially become a major industry. Future offshore wind farms will also require larger turbines and be engineered to be towed, moored and float in deeper waters, meaning that the overall complexity will increase. Both project management and engineering services are needed during the installations of turbines, as well as advanced technological competence related to the operation of floating assets. The graphs below show an expected large increase in the number of new turbines installed, both floating and fixed-bottom.

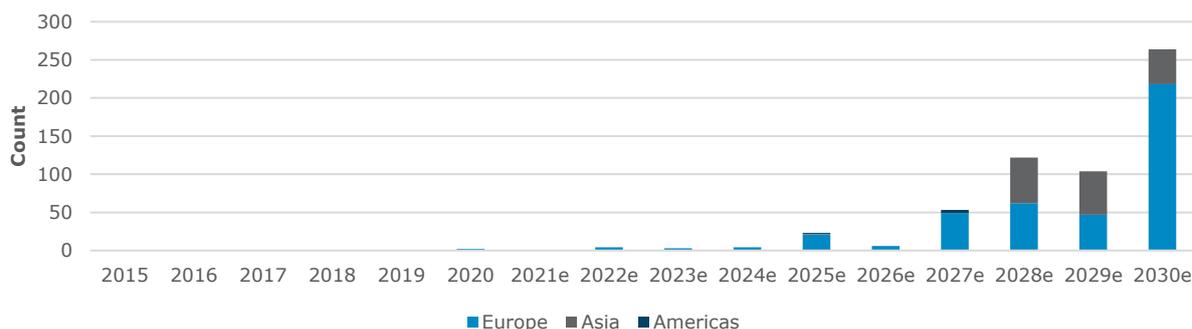
Number of new fixed-bottom turbines installed



Source: Rystad as of 20 December 2021

¹⁷ Rystad Energy, 20 December 2021

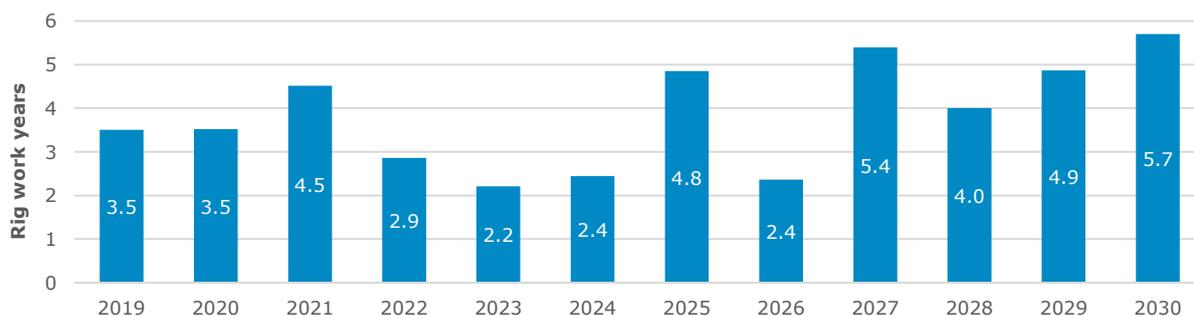
Number of new floating turbines installed



Source: Rystad as of 20 December 2021

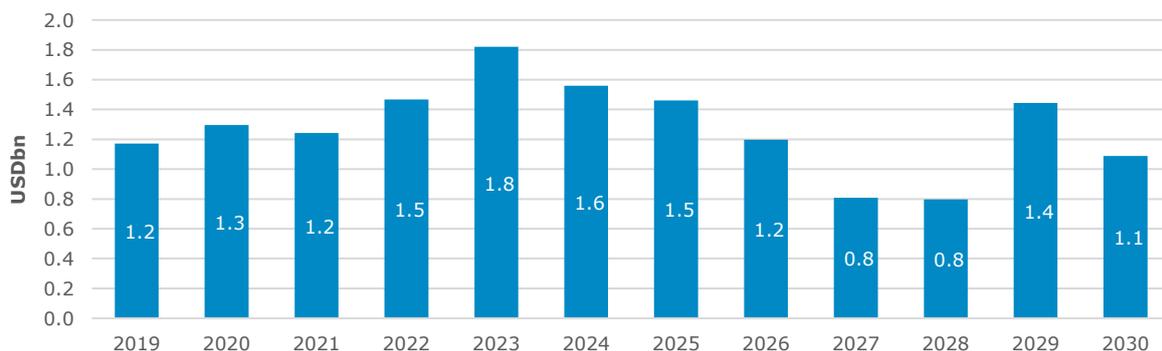
There are also expectations of high activity in the decommissioning market going forward, particularly within P&A. As ageing upstream infrastructure comes to the end of their operational life, a significant uptick in decommissioning activity is expected in relevant markets such as on the UKCS and NCS. P&A demand in the UK is expected to increase from 3.5 rig work years in 2020 to 5.7 rig work years in 2030, meaning that the market is set to grow, opening up large opportunities for the service industry in the longer term.¹⁸ As seen from the graphs below, both UK offshore E&P decommissioning spending and UK P&A demand is projected to stay high in the next years.

UK P&A demand



Source: Rystad as of 5 January 2022

UK offshore E&P decommissioning spending



Source: Rystad as of 5 January 2022

¹⁸ Rystad Energy, 5 January 2022

Within decommissioning there are services and competencies that are needed from well services, platform drilling and engineering. The UK offshore decommissioning spending between 2021-2030 is estimated to compose of 15% well services, 23% rigs and drilling contractors, 33% procurement, construction and installation, and 29% other services.¹⁹

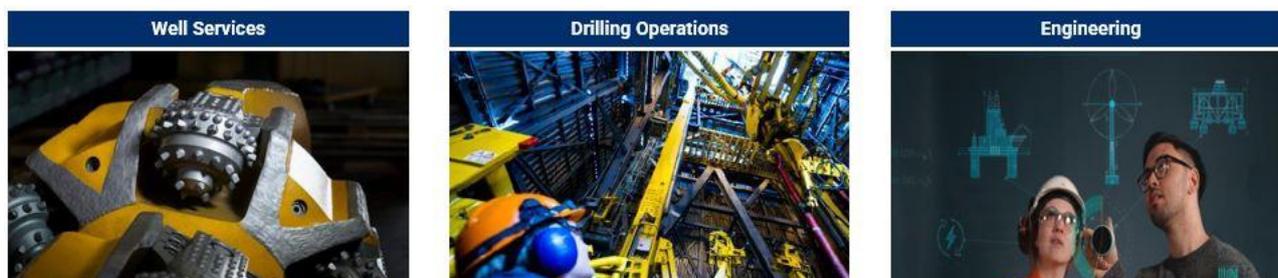
¹⁹ Rystad Energy, 5 January 2022

8 BUSINESS OF THE GROUP

8.1 Introduction to Odfjell Technology

Odfjell Technology is a well services, drilling operations and engineering provider with nearly 50 years of experience. The Drilling Operations and Engineering services are focused mainly on the North Sea. The Well Services performs work in strategic locations across mainland Europe, the Middle East, Africa and Asia. As of 31 December 2021, the Group had about 1,800 employees serving clients in around 20 countries from 12 bases in Europe, Asia and the Middle East. Odfjell Technology operates through three segments: Drilling Operations, Well Services and Engineering, and the Group's clients are primarily major oil and gas companies. In the Financial Information included in this Prospectus, the Group is reporting two segments; Well Services and Energy. Drilling Operations and Engineering are sub-segments to the Energy segment.

Below is an overview of the segments of the Group.



The following table sets forth each segment's revenues, EBITDA, plant, property and equipment ("**PP&E**") and number of employees for the year ended 31 December 2021 based on the unaudited Combined Interim Financial Statements.

	Year ended 31 December 2021		
	Well Services	Drilling Operations	Engineering
Revenues (USD millions)	115.8	175.1	41.7
EBITDA (USD millions)	30.0	12.3	2.0
PP&E (USD millions and as at 31 December)	85.8	0	0
Employees (as at 31 December 2021)	474 ¹	911 ¹	163 ¹

1 In addition there were 244 employees in various overhead and support functions (global business service ("**GBS**") and other). The total number of employees as at 31 December 2021 was 1,792.

8.1.1 Well Services

The Well Services segment provides casing and tubular running services (both automated and conventional), drilling tool and tubular rental services and specialist well intervention products and services for exploration wells and for production purposes. The Group provides services in approximately 20 countries, from 12 bases in Europe, Asia and the Middle East, with particular focus on the offshore markets in the North Sea. In total, the Group provides well services to more than 30 drilling rigs. The Group has approximately 35 years of experience in the global well services market, and is of the opinion that it is one of the leaders in remote operated handling equipment for casing and tubular running services.²⁰ In the drilling tool rental business, the Group benefits from a well-developed supplier base, and offers a large inventory of modern and high-quality drilling tools and equipment, which have been manufactured and certified in accordance with applicable industry standards. In addition to this the Group has a market leading product range of wellbore clean-up tools, developed through inhouse research and development ("**R&D**") and engineering along with a proven track record of fishing and casing-exit services in international markets.²¹ The Group aims to be a single supply source for drillers and operators and retains the capability to design custom-made equipment. The Well Services segment currently serves approximately 200 clients worldwide, of which 30 constitute material volumes.

8.1.2 Drilling Operations

The main service offering of the Drilling Operations business area is production of drilling and well completion on client's fixed platforms. Other types of services offered are slot recovery, plug and abandonment, workovers and maintenance activities. In this business area, the Group offers platform drilling services on both fixed production platforms and on

²⁰ Source: Company estimates, see Section 4.3.5

²¹ Source: Company estimates, see Section 4.3.5

floating production platforms along with the management of and performance of the same services on leased Jack-up rigs. The Group has approximately 40 years of experience in platform drilling operations and, due to long standing customer relations and consistent performance, the Group is of the opinion that it is one of three leading platform drilling service providers in the North Sea, focusing on the high-end of the market for platform drilling services. Within the Drilling Operations business area, the Group's clients are among others Equinor, BP, ConocoPhillips, TAQA, Serica and WintershallDEA.

8.1.3 Engineering

The Engineering business area offers engineering services ranging from design and engineering to project management, modifications and upgrades, rig re-activation, third party equipment installations, 5 yearly SPS re-certifications and yard stays. The engineering business area performs small or medium sized stand-alone projects, including engineering and project management, procurement and installation. The mobile offshore drilling unit ("**MODU**") services are mainly provided to the Odfjell Drilling fleet and MODU's clients and to oil and gas companies via the platform contracts.

The Engineering business area also has a successful track record of the MODU newbuild projects and yard stays spanning approximately 50 years. It also occupies a strong position in the North Sea market. The Engineering business has inter alia delivered engineering services during construction of Odfjell Drilling's units (Deepsea Atlantic (2006 – 2009), Deepsea Stavanger (2007 – 2010), Deepsea Metro I (2008 – 2011), Deepsea Metro II (2008 – 2011) and Deepsea Aberdeen (2012 – 2014), Deepsea Nordkapp (2018 – 2019) and Deepsea Yantai (2018). With respect to yard stays, the engineering business area provides services to drilling contractors and yards including Odfjell Drilling's fleet, Songa Trym (2011 – 2012), Songa Delta (2011 – 2012) and Island Innovator (2012 – 2013).

More recently the Engineering business area has sought to expand its services to new areas such as integrity management, and explore possibilities to apply their experience and competence to markets outside the oil and gas market. Specific focus is being placed on identifying opportunities to support the transition towards increased renewable energy and sustainable markets, especially in Norway. In this the Group has established an emissions and energy efficiency mapping group and entered into a collaboration agreement with Coast Centre Base AS. In response to the improving market conditions within oil and gas and an increased ambition towards the green transition, the Engineering business area is preparing for growth again and resources are being added where necessary to meet the demand. As of 31 December 2021, the Engineering business area consists of 158 employees and 133 contractors in total based on delivery obligations.

8.2 Competitive strengths

8.2.1 An experienced and safe drilling service provider

The Group is a drilling services provider, building on experience and expertise developed during more than 40 years of delivering a portfolio of complementary drilling and engineering services to clients.

The Group has a strong footprint on the Norwegian Continental Shelf ("**NCS**") and United Kingdom Continental Shelf ("**UKCS**"), two of the most demanding offshore markets with high barriers to entry due to stringent regulatory and technical requirements.²² In Norway, the Group has a long-standing and strong relationship with Equinor, the major oil and gas company on the NCS, dating back to 1979. Odfjell Technology's strong operational track record is further evidenced by the Group's ability to maintain relationships with major oil and gas clients such as BP, ConocoPhillips, WintershallDEA, TAQA, Serica and others through long-term contracts. This has been recently evidenced by the alliance agreement the Group entered into with BP in the UK for performance of work on the Clair field and renewal in 2021 of the contract with TAQA for a further 5 years.

The Group works systematically to improve QHSE and to maintain a high QHSE standard within all its activities. The Group has an overall zero fault philosophy related to incidents and failures, which also includes prevention of pollution of the environment. The Group has managed to maintain a high level of safety within all its activities and works continually to maintain the highest safety standards and to protect the health of its employees and others involved in its operations. The lost time incident frequency (H1), total recordable incident frequency rate (H2) and dropped object parameters have remained on a steady low frequency over time and new continuous improvement measures are initiated through safety step-up initiatives in all business areas. Safety is a cornerstone in Odfjell Technology and safety consciousness is one of its core values. Leadership, good risk understanding and continuous focus on safety is essential.

²² Source: Company estimates, see Section 4.3.5

The Group considers a safe operation to also be an efficient one and considers it to be important and necessary to work with safety as an integrated part of its operations.

8.2.2 *Strong well services and engineering competence with demonstrated project execution capabilities*

The Group is of the opinion that they are one of the leading providers in the market for tubular running services.²³ The Group's Well Services segment has a technologically advanced product and service portfolio, which includes automated tubular running services, remote operated handling equipment and a rental business with a large inventory of down-hole tools. In addition, the Group has developed patents for well intervention operations. The Group believes that its Rental Equipment is among the most modern in the industry and has been manufactured to high industry standards. The Well Services segment also has a proven track record of establishing and developing new services and business from in-house technological developments, joint developments with external parties and from being an early adopter of new commercially available technology. For example, the new generation, fully mechanical, casing running tool ("**CRTi**") has had a positive impact on the Group's casing operations by reducing the number of required personnel, saving rig-time and improving safety by eliminating the need for personnel presence in high-risk working areas on the drill floor. The CRTi is also expected to increase the success rate of setting casing through problem zones. The technological achievements of the Engineering business area have led to improved quality and safety results in its operations, and have reduced the impact of its operations on the environment.

The Well Services segment continues to face fierce competition for its services and the global Covid-19 pandemic has severely disrupted logistics and the movement of personnel, which Well Services rely upon heavily. However, during the same period the Group has continued to maintain acceptable margins, with EBITDA-margins in 2019, 2020 and 2021 of 28.9%, 31.1% and 25.9%, respectively; this is a result of a continuing focus on cost management along with the strength and diversity of the existing contract backlog. At the same time the Group has seen increased tender activity and demonstrated a winning strategy for many of these new and strategically important contracts. As a result of these contract awards and the entry into the mooring business, Well Services has increased its capital expenditure in 2021 and 2022 to supplement existing inventory, however capital expenditure is from 2023 expected to level-off at around USD 15-18 million per year in the medium term with the Group expecting to maximise utilisation of the equipment base. It is expected the over-supply of equipment in the market will, in the short to medium term, continue to keep pressure on prices. However, the Well Services segment has expanded gradually to markets such as Kuwait in the Middle East and Malaysia in South East Asia, and expects to find further growth opportunities by adopting similar strategies in other countries close to existing operations and locations.

Odfjell Technology, through its Engineering segment, employs permanent 163 skilled engineers and 133 temporarily. The engineers support both internal and external customers; their services include modifications, upgrades, project management, 5 yearly SPS re-certifications, audits, surveys, marine and subsea analysis in the MODU segment, and maintenance, modifications and upgrades to topside drilling equipment on fixed platforms. Since 1973, the Group has been successfully involved in 31 newbuilding projects, more than 70 commissioning, upgrade and renewal projects on fixed and floating drilling units, and has implemented innovative design and technology with core expertise within harsh environment and deepwater drilling operations. For example, the Group has introduced innovative technologies such as the battery pack solution being installed on the Odfjell Drilling fleet of units to ensure stable energy consumption with less peaks and troughs and in turn reducing diesel consumption. Such innovative technology is an enabler so that the drilling units can be powered by renewable energy from mobile offshore wind turbines. The Group has provided detailed engineering and installation of this solution to the MODU group.

Since the award of the first platform drilling contract with Mobil Exploration for Statfjord B in 1978, the Group has been a major provider of platform drilling services on the NCS and UKCS. Currently, the Group has a large number of contracts in its Drilling Operations segment. In 2013, the group won the platform drilling contract for the Equinor new build platform Mariner for the UKCS. In 2015, Equinor awarded the group the platform drilling contract for another new build platform, Johan Sverdrup. The contract included provision of detailed engineering for the topside drilling package as a subcontractor to Aibel in the construction contract. In 2016, the Group was awarded a platform drilling contract with WintershallDEA for the Brage field installation. On the UKCS in 2017, the Group was awarded a platform drilling contract with TAQA Bratani for five installations which was later renewed for a further 5 years after a tender in 2021. In 2018 Equinor awarded the Heidrun platform contract on the NCS. Most recently in 2021 Odfjell Technology entered into an alliance agreement with BP for the provision of services on the Clair field in the UK. Entering 2022, the Group has drilling and maintenance contracts for 16 fixed installations in the North Sea.

²³ Source: Company estimates, see Section 4.3.5

In the past, the Group has been able to add and sell other services under its contracts and thereby achieve greater economies of scale through more efficient usage of overhead and support functions. The Company intends to build on these experiences to achieve greater cost-efficiencies in the future. The Group's multiple contact points with its clients across its business segments provide cross selling opportunities. For example, Odfjell Technology has been awarded several contracts with BP across its three segments throughout their long-standing relationship:

- Platform drilling contract on the Gyda platform awarded in 1989 (Drilling Operations);
- Well intervention contract on the Gyda and Ula platform awarded in 2002 (Well Services);
- Well intervention contract on several UKCS fields awarded in 2003 (Well Services);
- Platform drilling contract for five installations in the UKCS sector awarded in 2009 (Drilling Operations);
- Site assistance, commissioning and platform drilling on newbuild Clair Ridge for BP with drilling start in 2018 (Drilling Operations);
- Wired drill pipe rental contract for use on Deepsea Nordkapp awarded in 2018 and subsequent extension in 2021 (Well Services); and
- Alliance agreement agreed for provision of integrated services on Clair field in UKCS (Drilling Operations and Well Services).

The same strategy has been followed with other key clients such as Shell, Equinor and others who are the Group's clients across several segments.

8.2.3 Favourable market dynamics with key Odfjell Technology's strengths matching underlying growth drivers

The global nature of the Group's organisation benefits it by affording the Group: (i) the ability to serve clients in several geographic locations; (ii) multiple revenue sources; (iii) increased flexibility in asset deployment; (iv) the ability to expand segment operations through existing relationships in other locations; and (v) the ability to use its experience in the challenging North Sea basin which is relevant as key growth areas globally are expected to be in challenging regions. Further, Odfjell Technology is well-placed to respond to certain key trends in the global oil and gas industry:

- Drilling operations are increasing in complexity, and are taking place in more challenging reservoirs – Odfjell Technology has multiple drilling competencies, specialist wellbore products and strong engineering capabilities;
- There is increasing focus on technology, innovation and the integration of services – Odfjell Technology has a reputation for quick and successful implementation of new technologies and operational models; and
- Strong focus on QHSE and an increasingly demanding regulatory climate – Odfjell Technology has a strong QHSE track record, evidenced by its strategic partnerships with clients like BP and Equinor for improved, safer and more efficient drilling operations.

8.2.4 Solid financial profile with diversified and predictable cash flow

Odfjell Technology has a mix of long- and medium-term contracts within the Drilling Operations segment, frame agreements/call off based contracts within the Well Service segment and secured engineering projects within the Engineering segment with the total order backlog as of 31 December 2021 was USD 1.315 billion including priced option periods for the Drilling Operations and Well Service segment, and USD 627 million excluding priced option periods. This backlog provides the Group with cash flow visibility. The Group's mix of long- and medium-term contracts also provides upside potential if the Group is able to obtain new contracts upon expiration of old contracts and the drilling and service markets remain strong. For further information about the condition of the markets in which the Group operates, please see Section 7.3 "The well services market" and Section 7.4 "The drilling and technology market".

8.2.5 Highly experienced organisation with reputable and experienced management team

The Group's senior management team has extensive experience in the oil and gas industry, and particularly in oilfield services, drilling and engineering, both at the corporate and divisional level. In addition, the Group has developed significant human capital throughout the organisation based on its long history and strong ability to attract and retain competent personnel as a result of its reputation as an attractive employer. Through the Group's employee development

programmes, a strong QHSE culture has been established, which the Company believes is a strong competitive advantage. The Company believes that the management team's experience, technical expertise and strong client relationships, together with its continued investments in the Group's employees, enhance its ability to deliver superior service to clients and operate effectively on a global basis.

8.3 Strategy

The Group has developed an overall business strategy that includes the following elements:

8.3.1 Retain the primary focus on Well Services, Drilling Operations and Engineering on the UK and Norwegian Continental Shelves and selected international areas

Even in the recent unpredictable and unstable market conditions brought about by the global Covid-19 pandemic, the Group has found the Norwegian sector to be resilient and remarkably more stable than other international markets. Fiscal relief and actions to stimulate and maintain the robustness of the oil and gas sector in Norway mean the market has continued to perform well and has been less impacted than many other areas. A consistent high number of operating platforms and mobile offshore drilling units has underpinned revenues in the well services sector of the market. In addition, the Group will seek to continue to leverage the strong and long-standing customer relationships in the UK and in Norway and other international areas to support diversification efforts and entry into new segments of the market for Well Services, Drilling Operations and Engineering.

8.3.2 Increase cost efficiencies and group-internal synergies without compromising on health and safety standards

The Group has a history of pursuing ways to increase cost efficiencies and it intends to continue to do so without compromising its QHSE standards. In recent years the Group has introduced several initiatives to save costs including pursuing greater operational integration by moving offshore positions onshore and selected onshore positions to lower cost countries. For example, the Group had as of 31 December 2021 96 employees in the Philippines providing engineering and support functions. As a cost-efficient drilling services provider, the Group will continue to look for synergies by standardising procedures, technology, systems and controls.

8.3.3 Prudent expansion and diversification

Historically, Odfjell Technology has expanded its business in a prudent and strategic manner and the Company expects to continue pursuing growth that is sustainable and within acceptable risk parameters. The Company aims for organic expansion within all its segments; but intends to enter new markets and alternative segments of existing markets by offering additional services and products that compliment and can be developed from our existing competencies. Pursuing a prudent growth strategy may also be achieved through joint ventures with local partners in order to reduce risk and also to leverage local partners' expertise operating in the market.

8.3.4 Build on existing engineering competencies to develop sustainable energy projects and venture into green technologies

Odfjell Technology's strategy is to utilise its oil and gas heritage and specialist competence to serve new energy markets with the recognition of the need to move away from fossil fuels to become a net-zero society. As a first phase, Odfjell Technology will build synergies and complementary technologies and services with Odfjell Oceanwind AS, as well as energy mapping and implementation of new energy efficient and low emission technologies, including use of hybrid solutions and green energy, onboard third-party vessels. Over the last years, the Group has taken planned steps to realise the strategic opportunities that lie in the energy transition. The Energy segment started its innovation department in 2020, and has since then expanded the service portfolio to help clients with screening, baseline analysis, funding applications and implementation of energy management. With the investment in Odfjell Oceanwind AS, the Group is taking steps into the renewables segment, using existing competence within hull, marine and electro-engineering to develop mobile offshore wind units. This is a good example of how the oil and gas industry can utilise decades of competence to develop solutions for the future. Further, the Company will evaluate other value chain entry points with the aim to over time transition into new energy markets.

8.3.5 Achieve a balanced portfolio that includes a diversity of clients, a mix of medium- and long-term contracts, and growth across all of its segments

Across the Group's segments, the core client base includes large, reputable companies such as Equinor, BP, ConocoPhillips, WintershallIDEA, the OMV group, Petronas and Halliburton. The Company intends to focus on building strong long-term relationships with a diverse range of oil and gas and service companies. In addition to having a diverse and strong client base, the Group intends to maintain a balanced mix of medium- and long-term contractual periods in order to secure predictable earnings as well as the capacity to react to and benefit from market improvements.

8.4 History and important events

8.4.1 Establishment of the Group

Odfjell Technology can trace its roots back to 1914, when the shipping company Odfjell A/S was first established, developing into an industry leader in the chemical tankers shipping industry. Towards the end of the 1960s, the Odfjell family decided to construct a semi-submersible drilling rig in Norway, built and funded by Norwegians, as the activity in the oil industry was growing rapidly. In October 1971, the Odfjell family led a Norwegian investment group that formed the company Deep Sea Drilling Company A/S.

The Aker group was initially a key partner of Odfjell Drilling, as its first construction contract was signed with Aker. After meeting several oil companies, a drilling contract was agreed with ELF in Paris on 15 January 1973, and the rig was delivered on 15 February 1974. This contract breakthrough and subsequent successful newbuild development, led to the establishment of Odfjell Drilling and Consulting Company A/S ("**ODCC**"), which was later renamed Odfjell Drilling A/S, on 8 February 1973.

Over the next years, ODCC used its experience from the building of the first H3 rigs to expand its consulting business. The procurement of drilling equipment had given the company expertise and a valuable network of American suppliers and in a short time ODCC became responsible for ordering and delivering eight drilling packages. The work entailed selecting, evaluating and purchasing drilling equipment/drilling packages, as well as follow-up and quality control of suppliers and follow-up and testing in connection with the installation of the equipment on board. ODCC thereby acquired unique expertise and a valuable basis for further developing the company.

When the first big crisis hit the Norwegian offshore industry in 1975/1976, this expertise came into its own in a new setting; a lot of drilling equipment became available and Odfjell Drilling used its expertise to buy relevant drilling equipment for the purpose of renting it out. Odfjell Rental, the predecessor of Odfjell Well Services was born.

When the "Statfjord A" platform was built, Odfjell Drilling rented its core machinery to the operating company, Mobil. Based on its past experience, Odfjell Drilling was able to build, own and operate drilling facilities for Mobil's new and prestigious "Statfjord B" platform in 1978. This was the first platform drilling contract ever awarded to a Norwegian company. In the years that followed, Odfjell Drilling established services in casing handling and expanded within tool rental and maintenance of drilling equipment, well maintenance and engineering services.

In an industry that was changing rapidly, the Group diversified its services to maintain a foothold in several business and geographical areas. In 1977, Odfjell Drilling established an office in the UK with the aim to manage its business on the UKCS. The Group's presence on the UKCS has gradually increased over the years.

The Group's well service division secured contracts in the Netherlands, the UK and Canada in the 1980s, and, as its business grew geographically, the services it offered were managed from offices and bases in 20 countries across Europe, Africa and Asia. Today, several international contracts are managed from the office in Dubai, UAE.

During 2002 and 2003, a new business was established in Aberdeen, UK to manage new platform drilling contracts for fixed installations. In addition, since the millennium Well Services has expanded its operations considerably, both geographically, and with new sophisticated equipment such as a top drive casing running tool and wired drill pipe ("**WDP**"); new methods such as "Casing while drilling" ("**CWD**"); and with new product lines such as well bore cleaning and mooring rental.

From the beginning of this century, Odfjell Technology has expanded in all its business areas and by the end of 2021 the Group had approximately 2,200 employees whereof 1,850 were working offshore. The Group currently has drilling and maintenance operations on 16 fixed installations in the North Sea and the well services business area provides services in approximately 30 countries from 12 strategic locations.

8.4.2 Historic development and milestones

The table below shows the Group's key milestones from its inception and up to the date of this Prospectus:.

Date	Key historical event
1975.....	• Odfjell Drilling and Consulting Company A/S was born and acquired drilling equipment for subsequent rental
1982.....	• Troms Oilfield Services AS (casing running company) established with the first employees hired

1984.....	• Present with casing running services on North Continental Shelf
1988.....	• Purchased Salvesen Tubular Services, and several other acquisitions in the 1980s including: KL Oil Tools A/S in Stavanger, Petroleum Tubular Services Ltd in Aberdeen and Norsk Brønnservice A/S
1990s	• Remote operated casing tongs introduced – developed in-house – and several M&A transactions and divestments occurred
1990-97	• Geographical expansion to South East Asia and Australia
1994.....	• Odfjell Snubbing Services established
2003.....	• Established in the Middle East through purchase of Ntera Ltd in Abu Dhabi and Dubai
2005.....	• Re-established Odfjell Well Services in UK and the Netherlands
2008.....	• Remote operated slips with safety clamp introduced, acquisition of automated casing running tool and deep sea mooring established
2010.....	• Acquisition in fishing services and wellbore clean-up
2010-2012.....	• Global geographical expansion in Middle East, Africa, Europe, Brazil and Asia within Well Services and rig and drillship operations
2013.....	• Deep Sea Mooring sold to HitecVision
2017.....	• DrillRDillo drilling scraper used for the first time in Angola
2018.....	• Successfully completed world's first Inflow Test in a High Temperature High Pressure well
2020.....	• Invested in Oceanwind which develops, owns and operates mobile offshore wind units
2020s	• Secured several multi-year contracts with clients
2021s	• Re-entry into mooring business
2022.....	• The Group split their Well Services, Operation Operations and Engineering business into Odfjell Technology Ltd through the Split

8.4.3 The Split establishing the Group

8.4.3.1 Background and reasons for the Split

The Company was incorporated as part of Odfjell Drilling's reorganisation whereby its business within the Well Services, Drilling Operations and Engineering segment was organised as a separate business group to be owned by the Company.

As part of the Split, the shares in the Technology Entities have been transferred to the Company. The decision to implement the Split was a result of Odfjell Drilling's board of directors and management evaluation of the most suitable organisation of its business in order to facilitate further growth and enhanced values for its shareholders. As there are few synergies between MODU and Technology, it was concluded that the Split would benefit both businesses. With the Split, a simpler and clearer corporate structure visualising the existing values has been created, and it is expected that the Split will provide both Odfjell Drilling and the Company with more flexibility and a better basis to raise capital for their respective businesses. Following the Split, Odfjell Drilling will focus on developing its core business area within MODUs, while the Company will focus on development of the Technology Entities.

8.4.3.2 Legal basis for the Split

Odfjell Drilling has implemented certain restructuring transactions with the Company in order to effect the Split, whereby Odfjell Drilling (or certain of its subsidiaries as applicable) have transferred all of the shares of the Technology Entities, Odfjell Offshore and Odfjell Global Business Services AS to the Company.

The transfers of the Technology Entities were carried out on a seller's credit note immediately settled by the Company. Odfjell Offshore was transferred to the Company as a contribution of surplus in kind and Odfjell Global Business Services AS was transferred to the Company as a share for share deal where the Company issued new fully paid common shares of the Company in consideration for the transfer of the shares from Odfjell Drilling (the "**Consideration Shares**").

Subsequently (i) the shares in Odfjell Drilling Philippines Corp were transferred from the Company to Odfjell Global Business Services AS on a seller's credit note, (ii) the shares of Odfjell Offshore were transferred from the Company to Odfjell Platform Drilling AS, as a share contribution where Odfjell Platform Drilling AS issued new fully paid common shares to the Company in consideration for the transfer of the shares and (iii) the Company transferred the shares in Odfjell Drilling Technology AS to Odfjell Platform Drilling AS on a seller's credit note.

Following this, on 23 March 2022, the board of directors of Odfjell Drilling declared a dividend in specie of the issued common shares of the Company to the shareholders of Odfjell Drilling as of 24 March 2022 (being registered as such in

the VPS on 28 March 2022 pursuant to the VPS' standard two days' settlement procedure (the "**Record Date**"). The Odfjell Drilling shareholders will receive one share in the Company for every six shares held in Odfjell Drilling as of the Record Date, rounded down to the nearest whole share. Any Shares that are not distributed due to downwards rounding will be kept by Odfjell Drilling. Since fractions of shares represent a small value, these will not be compensated through cash payments to the affected shareholders. The shares in the Company are expected to be delivered to the VPS accounts of the relevant Odfjell Drilling shareholders on or about 29 March 2022. However, the Distribution is subject to satisfaction of the conditions for Listing set by the Oslo Stock Exchange. No assurance can as at the date hereof be given that the conditions for Listing will be satisfied in time or at all.

8.4.3.3 Allocation of assets, rights and obligations in the Split

The assets and liabilities that were transferred from Odfjell Drilling (or certain of its subsidiaries) to the Company pursuant to the Split comprised 100% of the assets, rights and obligations connected to the Technology Entities, Odfjell Offshore and Odfjell OceanwindAS. The assets, debt and liabilities connected to the MODU business were retained in Odfjell Drilling following the completion of the Split.

In the event that there are assets, rights or liabilities of Odfjell Drilling that are not included in the allocation pursuant to the Split, and which are not taken into account upon the preparation of the Split, such assets, rights or liabilities will remain with Odfjell Drilling. The employees of all entities, except one company with minor adjustments, within the groups will continue their employment with their employing entity following the completion of the Split.

8.4.3.4 Issuance of Consideration Shares

As part of the restructuring transactions necessary to effect the Split, the Company increased its authorised share capital in order to ensure that there were sufficient authorised but unissued shares available to allow the Company to issue the Consideration Shares. As described in Section 8.4.3.2 "Legal basis for the Split", the Company issued the Consideration Shares to Odfjell Drilling as consideration for the transfer of the shares of Odfjell Global Business Services AS from Odfjell Drilling with such shares being issued as fully paid common shares of the Company.

8.5 Property, plant and equipment

The Group owns well service and mooring equipment necessary in connection with the performance of its services. As at 31 December 2021, the Group's investment in well service and mooring equipment amounted to approximately USD 86 million. Information about the Group's office space, is described in Section 8.5 "Property, plant and equipment".

8.6 Main assets and key contracts

8.6.1 Well Services

8.6.1.1 Main assets

The Well Services segment's assets mainly consist of casing and tubular running and rental drilling, wellbore cleaning and fishing equipment which is rented to rig sites from the Well Services segment's bases around the world. It also employs skilled technicians providing casing and tubing running, fishing and wellbore cleanout services. The drill tool Rental Equipment includes a broad range of high-performance drilling tools covering all drilling phases from exploration to completion and intervention.

Below is an overview of the capex of the Well Services segment and the book value of the Rental Equipment of the Well Services segment for the years 2018 to 2021, based on the Financial Information. In addition, Rental Equipment typically has a value beyond the length of its life for depreciation purposes, and can be utilised in regions with less demanding environmental and regulatory requirements. The current average age of the Rental Equipment is eight years.

<i>(In USD million)</i>	As at 31 December			
	2021	2020	2019	2018
Capex of the Well Services segment for the year ended	40	18	25	14
Book value of Rental Equipment	86	69	74	71
Accumulated cost price of Rental Equipment	408	377	365	352

8.6.1.2 Main clients and competitors

Equinor, BP, TAQA, ConocoPhillips, KOC, Petronas, OMV and Halliburton are Odfjell Technology's largest external clients within the Well Services segment, accounting for approximately 70% of the Well Services segment's total revenues in

the year ended 31 December 2021. The Group has developed good long-term relationships with its clients in the Well Services segment, which include the most active operators and drilling contractors in the North Sea along with some of the major national oil companies ("**NOC**") in the Europe, the Middle East and South East Asia. For example, the Group's client relationships with the clients listed here date back to more than a decade.

Odfjell Technology's main competitors within the Well Services segment in the North Sea are Weatherford, Expro and a number of smaller local service providers. Globally, competitors include Weatherford, Expro, ITS, Tesco, Workstrings, Schlumberger, Baker Hughes, Coretrax and various local service providers.

8.6.1.3 Key contracts

The contract portfolio of the Well Services segment consists of a combination of exclusive and non-exclusive framework agreements, under which the clients may call upon services to be provided periodically on pre-agreed terms, as well as exclusive service agreements priced at day rates or for lump sum payments. The Well Services segment's contract portfolio consists mainly of contracts where the Group is the primary provider. However, under some contracts the Group is the secondary provider or the back-up provider. Most rental service contracts do not impose a delivery obligation on the Group, while most casing, wellbore clean-up and fishing services contracts do impose such an obligation.

The rental service contracts are for rental of equipment only, with the exception of fishing and wellbore clean-up contracts which may also include hire of personnel. Casing and tubular running contracts are a combination of equipment rental and personnel hire with teams of personnel on rotation to operate the casing running.

The table below includes an overview of Odfjell Technology's key service contracts.

Customer	Scope of work	Commencement date	Expiry date	Options
Dragon Oil	Fishing	February 2014	August 2022	August 2022
Halliburton.....	Rental	September 2016	September 2022	
Brage.....	TRS/Rental	January 2017	January 2023	
Odfjell Drilling – Deepsea Stavanger	TRS/Rental	March 2017	January 2024	
ConocoPhillips (Norway)	TRS	September 2017	September 2023	1 x 2 years
ConocoPhillips (Norway)	Rental	January 2019	January 2024	
KOC.....	TRS/Rental/WBC	January 2018	December 2022	
KOC.....	Fishing	March 2018	March 2023	
Aker BP	TRS/Rental	July 2018	January 2022	
Aker BP	Wired Drillpipe	January 2019	January 2023	
KCA Deutag	TRS	October 2018	January 2022	
Heidrun	TRS	October 2018	January 2024	
BP	TRS/Rental/Wellbore Clean Up	January 2019	February 2025	
Odfjell Drilling – Deepsea Atlantic.....	TRS/Rental	January 2019	January 2024	
Equinor	TRS/Rental	May 2019	November 2023	
CIMC – Deepsea Yantai	TRS/Rental	October 2019	September 2022	
Carigali HESS.....	Wellbore Clean Up	September 2020	September 2023	
Johan Sverdrup	TRS/Rental	January 2020	December 2024	
AsiaPac	Fishing	January 2021	January 2026	
TAQA	TRS	June 2021	June 2026	
ADNOC.....	Wellbore Clean Up	August 2021	August 2024	
OMV Petrom.....	TRS	September 2021	September 2025	
Equinor – Johan Sverdrup Phase II	TRS/Wired Drillpipe	January 2022	June 2023	
ARAMCO.....	TRS	February 2022	November 2026	
Petronas.....	Wellbore Clean Up	March 2022	December 2024	
Equinor – Breidablikk	TRS/Wired Drillpipe	April 2022	April 2025	

8.6.2 Energy

8.6.2.1 Main assets

The main assets of the Drilling Operations and Engineering segments are human resources and system capital. The Drilling Operations business area has approximately 917 employees, both offshore and onshore, located in Norway and the UK, while the Engineering business area has employed approximately 158 skilled engineers (excluding contractors), across both locations.

Odfjell Technology's management system combines experience, technology and core values. The management system comprises the Group's consolidated procedures and guidelines for each type of operation in the Drilling Operations and Engineering segments; including installation specific procedures and checklists. Further, the systems also include environments for measurement, controlling and validation of QHSE-performance, maintenance and drilling operations.

8.6.2.2 Main clients and competitors

Odfjell Technology's clients in the Drilling Operations and Engineering area are typically large oil and gas companies. The main clients within this segment are Equinor, BP, WintershallIDEA, ConocoPhillips and Taqa, accounting for 52% of the total revenues in 2021.

Odfjell Technology's main competitors within the Drilling Operations and Engineering business area are Archer and KCA Deutag, which have the same structure with an in-house engineering group. Otherwise competitors include the larger engineering houses like Aibel, Aker and Wood Group, and in the UK PD&MS and other and smaller engineering companies specialising in drilling services. None of these engineering companies are specialist to drilling contractors and do not have the same tailored services as Odfjell Technology.

8.6.2.3 Key contracts

Platform drilling contracts

Below is an overview of Odfjell Technology's key platform drilling contracts on the NCS and UKCS:

	Equinor	BP	ConocoPhillips
Installations/platforms	Heidrun, and Johan Sverdup ¹	Clair, Andrew and Clair Ridge	Ekofisk 2/4 K, Ekofisk 2/4-X, Eldfisk 2/7B
Contract holder	Odfjell Drilling Management AS	Odfjell Drilling UK Ltd	Odfjell Drilling Management AS
Operator.....	Equinor	BP	ConocoPhillips
Area of operation.....	Norwegian Continental Shelf	UK Continental Shelf	Norwegian Continental Shelf
Commencement	October 2018 and November 2018	February 2022	July 2020
End of contract term (firm period)	October 2022 and September 2024	February 2025 ²	July 2025
End of current Optional term.....			
Options to extend contract term	2 x 2 year	2 x 2 year for both	2 x 3 years
Contract law	Norwegian	English	Norwegian
Annual turnover (MUSD)	23.3 and 25.2	26.3	45.6

1 For the second extension of the contract term, commencing on 1 October 2018, the Group has only been granted Heidrun.

2 Clair Ridge only.

3 Andrew only.

	WintershallIDEA	TAQA	Equinor
Installations/platforms	Brage	Harding, North Cormorant, Tern Alpha, East Brae, Brae Alpha	Mariner ¹
Contract holder	Odfjell Drilling Management AS	Odfjell Drilling UK Ltd	Odfjell Drilling UK Ltd
Operator.....	WintershallIDEA	TAQA	Equinor UK

Area of operation.....	Norwegian Continental Shelf	UK Continental Shelf	UK Continental Shelf
Commencement	January 2017	June 2021	November 2019
End of contract term (firm period)		June 2026	November 2023
End of current Optional term.....	December 2024	February 2025	
Options to extend contract term	None	3x1	3 x 2 year
Contract law	Norwegian	English	English
Annual turnover (MUSD)	18.0	16.9	17.3

1 This contract contains an option for Equinor to enter into a platform drilling contract with Odfjell Drilling for the Bressay Platform on the UKCS, such contract to commence in 2017 and to have a duration of four years, with three options to extend the contract by two years.

Serica

Installations/platforms	Bruce (maintenance mode)
Contract holder	Odfjell Drilling (UK) Ltd
Operator.....	Serica
Area of operation.....	UKCS
Commencement	November 2018
End of contract term (firm period)	November 2019
End of current Optional term.....	October 2022 (extension)
Options to extend contract term	2 x 1 years (non remaining)
Contract law	English
Annual turnover (MUSD)	1.2

In addition to the above, the Group has entered into an agreement as announced on 21 February 2022 with ConocoPhillips for management services for the harsh environment jack-up drilling rig West Linus. The Group will take over as manager of the rig as soon as regulatory approvals such as change of duty holder under the Acknowledgement of Compliance is approved by Norwegian authorities, expected to be in place no later than 1 October 2022. The agreement lasts until the fourth quarter of 2028.

As at 31 December 2021, the Drilling Operations business area had a firm contract backlog of USD 352 million, and the total value of optional periods was approximately USD 599 million. Customarily, the contracts (or parts thereof) may be cancelled by the client at its convenience by giving 60 days' notice. In such case, the client is only liable to pay the unpaid balance due for the work already performed, as well as documented and necessary expenses incurred as a direct result of the cancellation.

Engineering contracts

The Engineering business area's services are provided based on reimbursable hourly rates and sometimes as lump sums. Lump sum projects imply fixed lump sums payable upon completion of certain milestones whereas reimbursable projects imply clients paying monthly per project. The services are generally contracted under existing framework agreements with oil companies and rig owners.

The Engineering business area generates its revenues from long-term contracts with clients of the Drilling Operations business area providing engineering services (indirect external clients) and the Odfjell Drilling fleet. Odfjell Technology currently has drilling modification frame agreements on the majority of platforms where it is also the drilling contractor. This accounted for approximately 24% of the Engineering business area's revenue for the year ended 31 December 2021.

The key indirect external clients include, Equinor, BP, ConocoPhillips, WintershallDEA and TAQA. The Company expects to see additional volume to the Engineering business area's portfolio based on ongoing tenders and upcoming expected tenders for other platform operations.

8.7 Key operational focus areas and long-term strategy and growth opportunities

8.7.1 Well Services

8.7.1.1 Key operational focus areas

The key operational focus areas of the Well Services segment are to: (i) deliver safe and high quality services and meet clients' needs and expectations; (ii) train and enhance the competence of its personnel and the organisation; (iii) conduct lean and cost-efficient operations and increase process standardisation and efficiency throughout the organisation; (iv) increase market awareness of the Well Services segment; (v) continue to develop existing product lines to stay ahead of competition; and (vi) ensure that it has proprietary equipment and/or methods for all service areas.

8.7.1.2 Long-term strategy and growth opportunities

The long-term strategy and growth opportunities for the Well Services segment are to: (i) diversify and increase the number of products and services they offer (ii) expand its portfolio of well bore clean-up, fishing and remedial and well abandonment services; (iii) continue international expansion by targeting areas and product lines with high profit margins and high equipment utilisation potential and (iv) consider selective acquisitions of new technology or well service companies.

8.7.2 Energy

8.7.2.1 Key operational focus areas

The key operational focus areas of the Drilling Operations business area are to: (i) maintain a high level of QHSE performance; (ii) continuously improve operational efficiency to achieve the bonuses; (iii) continuously deliver high uptime; (iv) increase the volume of cross-divisional sales in the Group's operation model; (v) reduce the total POB through increased cross training; and (vi) improve operating margins.

The key operational focus areas of the Engineering business area are to: (i) achieve continued profitable growth by hiring an additional 50 new engineers each year and by broadening and growing its portfolio and client base globally; (ii) deliver consistently high-quality services; (iii) build adequate capabilities; and (iv) establish a new engineering hub.

8.7.2.2 Long-term strategy and growth opportunities

The long-term strategy and growth opportunities for the Drilling Operations business area are to: (i) maintain its position as one of three leading providers of platform drilling services in the North Sea; (ii) extend its scope of services, focusing on the management of Jack-up's or other (MOUs) expanding into new business areas such as being a full service provider for the plug and abandonment market including engineering, installation and operation of modular drilling unit and/or implementation of new technology for slot recovery opportunities and providing a full suite of well services on a subcontracted basis, (iii) continue its strong focus on safe and efficient operations; and (iv) use its competitive advantages and market position to establish a firm presence in a region outside the North Sea.

The long-term strategy and growth opportunities of the Engineering business area are to: (i) expand its position as a leading provider of specialist engineering competence for drilling equipment asset owners and project management of large modifications and upgrades on the NCS and UKCS; and (ii) broaden its service portfolio and expand the newly established product lines within integrity management and energy emissions mapping.

8.8 Material contracts

Except for the Bond agreement described in Section 5.2 "Main terms of the Bonds" and the RCF, no company in the Group has entered into any material contracts outside the ordinary course of business for the two years prior to the date of this Prospectus. Further, no company in the Group has entered into any other contract outside the ordinary course of business which contains any provision under which any member of the Group has any material obligation or entitlement.

8.9 Health, safety and environment

The Group's ability to provide safe and reliable services is crucial to its future development. The overall QHSE strategy is to maintain and further develop safe operations by constantly driving continuous improvement towards zero injuries and failures. Throughout more than 40-years of operations the Group has endeavoured to develop governance structure, organisational competence, capacity and a leadership culture that promote the objective of maintaining the highest safety standards. Through this approach, the Group aims to safeguard the health of all people involved in its operations, reduce environmental risks to develop a quality culture in which tasks are performed right the first time and in which the goal is to constantly strive to add value for clients and other stakeholders. The highest priorities in all QHSE efforts

are to manage risks and prevent injuries to personnel. Effective risk management is important to ensure a high safety level and prevent major accidents.

The Group has the following certifications:

- ISO 9001 Quality Management System (Group level)
- ISO 14001 Environmental Management System (Group level)
- API Q2 Specification for Quality Management System Requirements for Service Supply Organization for the Petroleum and Natural Gas Industries (UAE)

The Group believes that its competitors' QHSE records and ability to provide safe operations have become increasingly important to compete for and win contracts. Maintenance of a strong QHSE record acts as a high barrier to entry, limiting smaller and speculative providers' participation in the market. See Section 7.2 "General industry drivers". The Group believes that it has and will continue to benefit from this trend in view of its long and strong QHSE track record.

The following table summarises Odfjell Technology's QHSE results for the years ended 31 December 2019, 2020 and 2021:

	Years ended 31 December		
	2021	2020	2019
Lost time incident frequency (H1) – per 1 million working hours	2.3	0.7	2.9
Total recordable incident frequency (H2) ¹ – per 1 million working hours ..	2.6	2.2	4.0
Sick leave – percentage of total normal working days	4.8	3.4	3.1

¹ Incidents resulting in lost time or medical treatment

8.10 Employees

As at 31 December 2021, the Group had 1792 employees and 214 contractors (whose actions the Group remains responsible for). The table below shows the development in the number of full-time employees for the years ended 31 December 2021, 2020 and 2019 in addition to the number of contractors as at 31 December 2021.

	As of 31 December			
	Full-time employees			Contractors
	2021	2020	2019	
Total Group	1,792	1,584	1,435	214
<i>Well Services</i>	474	456	519	2
<i>Drilling Operations</i>	911	793	605	73
<i>Engineering</i>	163	103	84	133
<i>GBS/Others</i>	244	232	227	6

Each of the Group's local offices (outside NCS and UKCS) are encouraged to source and train its own local workforce rather than use expatriate personnel and the Group utilises in-house training schemes to promote this. In most jurisdictions, the senior workforce consists of expatriates, while the local workforce is trained onsite. The Group is of the opinion that its employee relations are good and has experienced neither significant labour-related work stoppages nor high turnover rates in each of 2021, 2020 and 2019.

The Group has specific procedures for screening, hiring, monitoring and training contractors. During the period of hire, the contractors are assigned an internal sponsor that follows the contractors during training and deliveries through an onboard programme to secure the correct level of quality in deliveries and utilisation. The onboard programme is based on a defined checklist.

8.11 Dependency on contracts, patents and licenses

It is the Company's opinion that the Group's existing business and profitability is not dependent upon any single contracts other than the financing agreements described in section 10.10 "Material financing arrangements". Reference is made to the key contracts described in Section 8.6 "Main assets and key contracts".

Other than the above, it is the Company's opinion that the Group's existing business or profitability is not materially dependent on any industrial, commercial or financial contracts, nor is it dependent on any patents or licenses.

8.12 Legal and arbitrational proceedings

From time to time, the Company and other companies in the Group are involved in litigation, disputes and other legal proceedings arising in the normal course of its business.

8.12.1 Dispute with HMRC

The Group is currently involved in a dispute with HMRC regarding historical national insurance contributions. On 1 October 2021, a decision was issued by HMRC against OD UK in respect of the historic application of NICs during the Disputed Period. OD UK has appealed against the decision and no payment has been made to HMRC nor is any payment required to be made to HMRC before OD UK's appeal is heard. A final verdict is not expected in the short to medium term. The potential exposure to OD UK in relation to NICs and interest should it be unsuccessful in defending its position is approximately USD 30 million.

Reference is made to Section 2.4 "Risks relating to laws, regulation and litigation (The Group may be subject to litigation that could have a material adverse effect on the Group's business, results of operations, cash flow and financial condition)" for details on the ongoing case.

8.12.2 Odfjell Offshore - Tax dispute

The Company's wholly owned subsidiary, Odfjell Offshore, received a notice from the Norwegian Tax Authorities ("**NTA**") dated 11 March 2021 whereby the tax authorities have presented claims as grounds to deny tax losses for the divestment in Deep Sea Metro Limited ("**DSM**").

The principal claim from the NTA is that Odfjell Offshore never migrated from Bermuda to Norway and thus did not become tax resident to Norway in 2016 and was neither tax resident to Norway in 2017 when the investment in DSM was realized.

Further, the NTA has claimed that in case Odfjell Offshore is considered tax migrated to Norway, the basis for calculating the loss/gain on the shares in DSM should be fair market value at the time of entry into Norway, not the historical tax cost base. Since the fair market value at the time of tax migration was arguably low, this position would result elimination of the tax loss of approximately NOK 2.3 billion. In addition to this, the NTA has claimed that the tax loss is denied based on the rules of circumvention by which the tax authorities argue that the main reason for relocating Odfjell Offshore to Norway was for tax purposes and to utilize a tax loss on its investment in DSM, in breach of the spirit of the law.

Pursuant to a letter of indemnity, Odfjell Drilling has undertaken to hold harmless the Company in respect of any liabilities incurred by reason of these matters. Reference is made to Section 2.4 "Risks relating to laws, regulation and litigation (A loss of a major tax dispute or a successful tax challenge to the Group's operating structure or to the Group's tax payments, among other things, could result in a higher tax rate on the Group's earnings, which could have a material adverse effect on the Group's earnings and cash flows)" for further information.

Other than the aforementioned, the Group is not, nor has it, during the course of the preceding 12 months prior to the date of this Prospectus, been involved in any other legal, governmental or arbitration proceedings which may have, or has had in the recent past, significant effects on the Group's financial position or profitability, and the Company is not aware of any such proceedings which are pending or threatened.

8.13 Regulatory framework

The Group's activities are subject to numerous specific laws and regulations in the form of national, state and local laws, international conventions and treaties, and national and international regulations in force in the jurisdictions in which the Group operates or is registered.

The Group is subject to a large number of national and international regulatory and environmental laws and regulations governing all business activities of the Group in the respective jurisdictions.

The Group is further subject to requirements on occupational health and safety as well as export control regulations. Also, laws relating to the import and operation of equipment, currency conversions and repatriation, taxation of earnings and earnings of expatriate personnel or the use of local employees and suppliers by foreign contractors may be affected.

The application of the various laws and regulations depends on the specific facilities, installations and activities at the business locations in the relevant jurisdictions. Operational sites may have to comply with several environmental and regulatory requirements. In addition, environmental liabilities can occur due to public or civil environmental laws.

Generally, the provisions under environmental and regulatory laws applicable to the Group's operations are regularly subject to change. They are continuously being adapted, at the national and international levels, in particular by the EU, to the level of technical sophistication and the increased need for safety and environmental protection in the energy sector. Due to the broad geographical scope of the Group's business operations, the contents and details as well as the practice of enforcement of the applicable legal framework varies throughout the different jurisdictions concerned. Generally, non-compliances may result in administrative (e.g. fines) or criminal sanctions.

Non-compliance with national and international laws and regulations may in certain circumstances impose strict liability, rendering companies in the Group liable for environmental and natural resource damages without regard to negligence or fault on the part of the Group.

8.14 Intellectual property and information technology

The IPR relating to most of the equipment utilized by the Group, are the proprietary rights of the Group's suppliers or sub-suppliers, or the Group's clients suppliers or sub-suppliers. Please see Section 2.4 "Risks relating to laws, regulation and litigation – Technology disputes involving the Group, the Group's suppliers or sub-suppliers could impact the Group's operations" for an overview of risk factors relating to potential technology disputes and status on relevant trademark, logo and domains.

Further, the Well Services segment has several patents registered and applications pending with the intention of patenting various processes relating to proprietary tools and their functionality.

The Group relies on information technology systems to communicate with its drilling units and conduct its business and have implemented customary virus control systems and access control systems to continuously evaluate its information technology and information security. The Group also relies upon security measures and technology to securely maintain confidential and proprietary information maintained on its information technology systems.

8.15 Insurance

The Group mitigates its exposure to the risks normally associated with its operations, such as environmental damage and accidents, through indemnification arrangements and insurance policies.

Service contracts entered into by the Group generally contain contractual indemnities against liability for pollution, well and environmental damages, damages to equipment and property, as well as personal injury. These indemnities provide that the Group's clients, the oil and gas companies or their contractors, will retain liability and indemnify the Group for (i) environmental pollution caused by any oil, gas, water or other fluids and pollutants originating from below the seabed, (ii) damage to client and third-party equipment and property including any damage to the sub-surface and reservoir, and (iii) personal injury to or death of client personnel.

The Group is self-insured for certain claims in amounts that the Company believes to be customary and reasonable to retain for its own account and maintains insurance worldwide for liability arising from its Drilling Operations, which covers all of its material assets, including all capital items such as the Rental Equipment. In addition to the Rental Equipment, the insurance covers, inter alia, loss of, or damage to third-party property during care custody and control, sickness, death or injury to employees and/or third parties, oil pollution, and third party liability, and statutory workers' compensation.

To protect the Group's service contracts, the Group has a primary General Third Party Liability insurance policy ("**GTPL**") for general third party and product liability. The policy covers legal liability up to an annual aggregate limit of NOK 75 million per occurrence for general liability, including damage caused to any third party and an annual aggregate limit of NOK 50 million but limited to NOK 30 million per occurrence for professional indemnity as a result of faulty product design, feasibility or engineering studies etc. The Group's general third party and product liability insurance policy does, however, expressly exclude coverage for certain types of environmental damages normally being the responsibility of the oil and gas companies. In all locations, except North America, the policy covers only environmental damages for the MODU operation that are the direct and unavoidable consequences of a sudden, unforeseen and identifiable event and, in the case of recoverable pollution damage, the policy also covers clean-up related expenses imposed by public authorities. To complement the primary GTPL policy, the Group also procured an excess/umbrella third party liability

insurance, subject to an annual aggregate limit of USD 50 million per occurrence. The excess/umbrella policy has also been extended to include pollution liability which is directly caused by or arising from the work with well(s), subject to a self-retention of USD 1 million.

The Group also maintains an insurance policy for transport and storage of the Group's equipment (excluding the drilling units) for coverage of up to NOK 53 million per occurrence.

The determination of the appropriate level of insurance coverage is made on an individual asset basis taking into account several factors, including the age, market value, cash flow value and replacement value of the asset.

However, there can be no assurance that the amount of insurance the Group carries is sufficient to protect the Group from all liabilities, and a successful liability claim for which the Group's is underinsured or uninsured could have a material adverse effect on the Group.

Odfjell Drilling has not made any material insurance claims under any of its insurance policies since 2014.

9 CAPITALISATION AND INDEBTEDNESS

9.1 Introduction

The financial information presented below provides information about the Group's unaudited consolidated capitalisation and net financial indebtedness on an actual basis as of 31 December 2021, and in the "As adjusted" column, the Group's unaudited consolidated capitalisation and financial indebtedness as of 31 December 2021 on an adjusted basis to give effect to (i) the Bond Issue and the RCF and (ii) the Split.

The financial information presented in this Section 9 "Capitalisation and indebtedness" should be read in connection with the financial information included elsewhere in this Prospectus, in particular Section 10 "Operating and financial review", as well as the Combined Annual Financial Statements and the Combined Interim Financial Statements and their related notes, attached to this Prospectus as [Appendix B](#) and [Appendix C](#), respectively.

This Section provides information about the Group's unaudited capitalisation and net financial indebtedness as reported in the Combined Interim Financial Statements as of 31 December 2021 and, in the "As adjusted" column, the Group's capitalisation and net financial indebtedness on an adjusted basis to give effect to the following material post-balance sheet events:

- the Bond Issue of NOK 1,100 million and the new USD 25 million RCF;
- the Split (including (i) the internal reorganisations; (ii) Odfjell Drilling's contribution in kind of the shares in Odfjell Global Business Services AS and Odfjell Offshore to the Company; (iii) the cash capital increase in the Company to align same number of shares as in Odfjell Drilling and the Company, and (iv) purchase of Odfjell Drilling's operational companies within the Well Services segment, Drilling Operations and Engineering segments (i.e. Odfjell Partners Invest Ltd, Odfjell Platform Drilling AS, Odfjell Drilling Technology AS and Odfjell Drilling Philippines Corp) and the shares in Odfjell Oceanwind AS all from Odfjell Drilling Services Ltd.))

The adjustments made in the tables in Section 9.2 "Capitalisation" and Section 9.3 "Net financial indebtedness" are made solely on the above assumptions.

Other than the above, there have been no material changes to the Group's unaudited consolidated capitalisation and net financial indebtedness since 31 December 2021 and until the Prospectus date.

9.2 Capitalisation

The following table sets forth information about the Group's unaudited consolidated capitalisation as of 31 December 2021, derived from the unaudited Combined Interim Financial Statements.

<i>(In USD thousands)</i>	As of 31 December 2021	Adjustment for the Bond Issue and the RCF	Adjustment for the Split	As adjusted
Indebtedness				
Total current debt:				
Guaranteed.....	-	-	-	-
Secured ¹	-	25,000.00	-	25,000.00
Unguaranteed/unsecured.....	88,290.00	-	(17,179.00)	71,111.00
Total non-current debt:				
Guaranteed	-	-	-	-
Secured ²	-	125,000.00	-	125,000.00
Unguaranteed/unsecured.....	20,318.00	-	-	20,318.00
Total indebtedness	108,608.00	150,000.00	(17,179.00)	241,429.00
Shareholders' equity				
Share capital.....	10.00	-	2,357.83	2,367.83
Other contributed	-	-	48,632.17	48,632.17
Retained earnings.....	335,858.00	-	(335,858.00)	-
Total shareholders' equity ...	335,868.00	-	(284,868.00)	51,000.00
Total capitalisation	444,476.00	150,000.00	(302,047.00)	292,429.00

- 1 Current secured debt is comprised of the following: Revolving Credit Facility (RCF) fully drawn.
- 2 Non-current secured debt is comprised of the following: Bond.

9.3 Net financial indebtedness

The following table sets forth information about the Group's unaudited net financial indebtedness as of 31 December 2021, derived from the unaudited Combined Interim Financial Statements.

<i>(In USD thousands)</i>	As of 31 December 2021	Adjustment for the Bond Issue and the RCF	Adjustment for the Split	As adjusted
Net indebtedness.....				
(A) Cash.....	56,446	-	(7,446)	49,000
(B) Cash equivalents.....	148,400	-	(148,400)	-
(C) Other current financial assets	-	-	-	-
(D) Liquidity (A)+(B)+(C) ...	204,846	-	(155,846)	49,000
(E) Current debt (including debt instruments, but excluding current portion of non-current financial debt).....	17,179	25,000	(17,179)	25,000
(F) Current portion of non- current debt.....	2,780	-	-	2,780
(G) Current financial debt (E)+(F)	19,959	25,000	(17,179)	27,780
(H) Net current financial indebtedness (G)-(D)	(184,887)	25,000	138,667	(21,220)
(I) financial debt (excluding current portion and debt instruments).....	-	-	-	-
(J) Debt instruments ¹	-	125,000	-	125,000
(K) Other non-current trade and other payables	9,422	-	-	9,422
(L) Non-current financial indebtedness (I)+(J)+(K) ...	9,422	125,000	-	134,422
(M) Net financial indebtedness (H)+(L).....	(175,465)	150,000	138,667	113,202

1 Only the Bond Issue.

9.4 Working capital statement

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements for the period covering at least 12 months from the date of this Prospectus.

9.5 Contingent and indirect indebtedness

As of 31 December 2021 and as of the date of the Prospectus, the Group does not have any contingent or indirect indebtedness other than exposure related to the ongoing litigation case regarding national insurance contributions to workers in the UK Continental Shelf, as described in Note 12 in the Combined Interim Financial Statements and Section 2.4 "Risks relating to laws, regulation and litigation" of this Prospectus.

As reported in the Annual Combined Financial Statements, Note 10, there are ongoing tax enquiries in Odfjell Offshore, a company included in the Group. Pursuant to a letter of indemnity provided to facilitate the Split and Bond Issue dated 1 March 2022, Odfjell Drilling has undertaken to hold harmless the Company in respect of any liabilities incurred by reason of these matters.

10 OPERATING AND FINANCIAL REVIEW

This operating and financial review should be read together the Financial Information and related notes included therein. The Financial Information are appended to this Prospectus as Appendix B and Appendix C, respectively.

This operating and financial review should also be read together with Section 4 "General information", Section 9 "Capitalisation and indebtedness ". This operating and financial review contains forward-looking statements. These forward-looking statements are not historical facts, but are rather based on the Group's current expectations, estimates, assumptions and projections about the Group's industry, business, strategy and future financial results. Actual results could differ materially from the results contemplated by these forward-looking statements because of a number of factors, including those discussed in Section 2 "Risk factors ", of this Prospectus, as well as other sections of this Prospectus. An overview of the APMs discussed in this operating and financial review is presented in Section 4.3.3 "Alternative performance measures (APMs)".

10.1 Overview

10.1.1 General overview

Odfjell Technology is a provider of Well Services, Engineering services and Drilling Operations and with more than 40 years of experience focusing on the offshore harsh environment and deepwater markets.

10.1.2 Operating segments and reporting segments

Odfjell Technology operates through three segments: Well Services, Drilling Operations and Engineering. In the financial statements included in this Prospectus, the Group is reporting two segments: Well Services and Energy. Drilling Operations and Engineering are sub-segments to the ("**Energy**") segment.

Well Services: The Well Services segment provides casing and tubular running services (both automated and conventional), drilling tool and tubular rental services, specialist well intervention products and services for exploration wells and for production purposes.

Drilling Operations (part of Energy segment): The main service offering of the Drilling Operations business area is production drilling and well completion on client's rigs. Other types of services offered are slot recovery, plug and abandonment, work-overs and maintenance activities. In this business area, the Group offers platform drilling services on both fixed production platforms and on floating production platforms with subsea blowout preventers ("**BOP**") along with the management of and performance of the same services on leased Jack-up rigs.

Engineering (part of Energy segment): The engineering business area offers engineering and integrity services, ranging from design and engineering to building supervision, project management and operational support for, units in operation, newbuild projects, SPS/RS recertification projects and yard stays.

10.2 Presentation of Financial Information

The Combined Annual Financial Statements have been prepared in accordance with IFRS and interpretations by IASB, as adopted by the EU to the extent appropriate since IFRS does not provide explicit guidance for the preparation of combined financial information. The Combined Interim Financial Statements have been prepared in accordance with IAS 34, as adopted by the EU, with the following exceptions: The perimeter of the accounts does not conform with the control notion in IFRS 10 Consolidated Financial Statements because the Company, was not the parent company for the years covered by the predecessor combined financial statements.

The Combined Annual Financial Statements have been audited by PwC, as set forth in their audit report included therein. The audit report is issued without qualifications. The Company's Financial Statement has been audited by KPMG, and has been issued without qualifications. The Combined Interim Financial Statements for 4Q 2021 have not been audited.

The Financial Information is presented in USD (presentation currency).

The below table sets out the main figures extracted from the Combined Annual Financial Statements for 2020, 2019 and 2018 and the Combined Interim Financial Statements for the year ended 31 December 2021:

<i>thousand USD</i>	Year ended 31 December			
	2021 (IAS 34)	2020 (IFRS)	2019 (IFRS)	2018 (IFRS)
Operating income	342,899	273,283	272,508	270,447
Operating profit	14,532	18,070	20,174	8,934
Profit for the period	13,060	15,176	25,020	14,045
Total assets	444,476	385,536	395,315	343,792
Equity	335,868	309,770	325,217	283,384

10.3 Principal factors affecting the Group's financial condition and results of operations

The Group's operations and results of operations have been, and may continue to be, affected by a range of factors. The factors that Management believes have had a material effect on the Group's results of operations during the periods under review, as well as those considered likely to have a material effect on its results of operations in the future, are described in the following.

10.3.1 Client demand and spending

Demand for the Group's services is principally driven by clients' (primarily oil and gas companies') spending to explore and develop oil and gas reserves and produce oil and gas products. The Group's clients also include companies that sell products and services to the oil and gas companies. The oil and gas companies' level of E&P activity will, consequently, also affect the level of activity of these clients and their demand for the Group's services.

The oil and gas industry is highly cyclical. Many factors can affect the level of exploration, development and production activities by the Group's clients including macroeconomic trends in the oil and gas industry. Global macroeconomic conditions and trends have a direct effect on the activity level of the Group, including, for example, its ability to secure new contracts and to build a stable contract backlog, and therefore its results of operations and financial performance. See Section 7 "Industry and market overview" for a discussion about the principal macroeconomic and industry trends affecting the Group's results of operations. In the two years prior to the global Covid-19 pandemic, global industry conditions were developing positively and the majority of oil and gas companies that the Group has significant client relationships with were increasing their E&P activities. The Company expects the positive trend to develop positively following the pandemic.

10.3.2 Revenue generation

The Group's three segments use different contracting models and performance indicators due to the different types of services offered by each segment, which have an impact on revenue generation, and therefore EBIT, for each segment.

Well Services

In the Group's Well Services segment, the Group provides a wide range of services under a variety of contractual arrangements, including medium- to long-term framework agreements (one year to four years) for Rental Equipment and services at identified rates but generally with no volume commitment from the client, as well as exclusive service agreements priced at day rates or for lump sum payments. The Well Services segment has both exclusive and non-exclusive contracts. As there are generally no volume commitments under the contracts, deployment of equipment and personnel is a key factor for revenue generation. The cost structure for Well Services contracts generally is evenly divided between fixed and variable costs. From 2020 to 2021, the Well Services segment had a revenue growth of 11.5% and an average EBITDA margin of 28.4% in the period.

Drilling Operations:

In the Drilling Operation segment, the Group offers platform drilling services on both fixed production platforms and on floating production platforms with BOP along with the management of and performance of the same services on leased Jack-up rigs. The Group has approximately 40 years of experience in platform drilling operations and the Group is of the opinion that it is one of the leading platform drilling service providers in the North Sea, focusing on the high-end of the market for platform drilling services. From 2020 to 2021, the Drilling Operation segment had a growth of 44% and an average EBITDA margin of 8%.

Engineering:

The engineering business area performs smaller or medium sized stand-alone projects, including engineering, procurement, construction and installation projects. The services are provided internally and to external clients that represent a diverse group, consisting mainly of owners of mobile offshore drilling units and oil and gas companies.

The engineering business area has a successful track record of MODU newbuild projects and yard stays spanning approximately 40 years. It also occupies a strong position in the North Sea market. The engineering business has inter alia delivered engineering services to Odfjell Drilling's units (Deepsea Atlantic (2006 – 2009), Deepsea Stavanger (2007 – 2010), Deepsea Metro I (2008 – 2011), Deepsea Metro II (2008 – 2011) and Deepsea Aberdeen (2012 – 2014). With respect to yard stays, the engineering business area provides services to drilling contractors and yards including Odfjell Drilling's fleet, Songa Trym (2011 – 2012), Songa Delta (2011 – 2012) and Island Innovator (2012 – 2013). From 2020 to 2021, the Engineering segment had a revenue growth of 17% and an average EBITDA margin of 10%.

10.3.3 Backlog

"Backlog" means contracted future revenue under contracts for the Group's services within Well Services, Drilling Operations and Engineering contracts. Even if these are typically long-term framework agreements which do not provide for fixed volumes these segments have nonetheless had a relatively predictable revenue stream. Well Services contract backlog is based on remaining contract duration and estimated run-rate for the long-term contracts which have a solid counterpart, with options or extensions discounted 50%. Contract backlog for Drilling Operations is based on contracted duration and assumed operations for the contract period. For Engineering, the figures are based on backlog for the next 12 months only, including opportunities with high probability of materialising.

The Group presents backlog both inclusive and exclusive of any priced optional periods exercisable by clients. The Group seeks to enter into long-term contracts for their business areas, with an option for the client to extend the contract for one or more optional periods.

Backlog provides an indication of future revenues, but not future EBIT, as costs may not fluctuate in proportion to revenue. While backlog is a key performance indicator of the Group's future business, backlog may change over time depending on any early termination of contracts, changes to the scope of work and changes to the applicable day rate. Changes in backlog provide an early indication of the future direction of sales and earnings and also provide an early indicator for Management to adjust resource levels or seek additional sales opportunities.

As of 31 December 2021, the Group had a total backlog within the segments of approximately USD 1.315 billion including priced option periods, and approximately USD 627 million excluding priced option periods.

The following table sets out the Group's backlog for the periods indicated:

<i>In USD millions</i>	As of 31 December								
	2022	2023	2024	2025	2026	2027	2028	After	Total
Firm contracts	257	180	128	48	14	0	0	0	627
Prices options	34	62	80	107	109	110	119	67	688
Total backlog	291	242	208	155	123	110	119	67	1315

10.3.4 Costs of operations**Personnel costs:**

Personnel costs are the costs related to (i) the Well Services segment, personnel that provide the casing and tubular running services, rental services and well intervention services; (ii) the Drilling Operations segment, onshore personnel and offshore crews that provide the drilling and maintenance services, (iii) the Engineering segment, the engineers that perform services, and (iv) corporate and administrative personnel. These costs, which vary by geographic market and location, consist of employees' salaries and wages, bonuses, NICs, pension expenses, other benefits and hired personnel.

Depreciation costs:

Depreciation costs primarily consist of depreciation of the Group's Rental Equipment. The Well Services segment's Rental Equipment is depreciated over the expected useful life of each individual asset. The Group's depreciation schedules are subject to on-going review based on experience and changes in technology and other factors which impact on the expected useful life.

10.3.5 *Borrowing costs*

With the Bond Issue and the RCF, the Group has in first quarter 2022 incurred, and may in the future incur, significant amounts of debt. As a result, borrowing costs will be a significant cost for the Group, and the Group is, and will continue to be exposed to interest rate risk primarily in relation to the portion of its long-term borrowings bearing floating interest rates. See Section 10.10 "Material financing arrangements".

The Group evaluates the extent to which it needs to enter into interest rate hedging transactions based on assessment of the Group's total interest rate risk. The Group intends to hedge minimum 50% of its interest rate exposure related to the Bonds. At the date of this Prospectus, 35% of the Group's interest rate exposure related to the Bonds was hedged.

Although interest rates were generally low during the periods under review, increases in interest rates may, to the extent not hedged pursuant to the Group's hedging policies, impact the Group's cash flow and financial condition in the future.

10.3.6 *Investments in joint ventures and disposals*

Historically, the Group has made few material acquisitions and disposals, and no material acquisitions have been made during the periods under review. As at 31 December 2021, the Group had a 15% investment in Odfjell Oceanwind AS, presented as a joint venture in the Interim Combined Financial Statements. Through a share issue in January 2022, the ownership increased to ~19% and will further increase to ~21% in June 2022, as a consequence of already committed contribution.

The investment in the joint venture is not likely to have a significant effect on the Group's assessment of its own assets and liabilities, financial position and/or profits and losses.

10.4 **Recent developments and trends**

10.4.1 *Recent developments*

The Group has not experienced or has any information about significant trends in production, sales and inventory, costs and selling prices, uncertainties, demands, commitments or events that are reasonably likely to have a material adverse effect or result in any material adverse change on the Group's prospects for the current financial year.

10.4.2 *Covid-19*

The Covid-19 pandemic has had a significant impact on the Group's business as the Group had to adapt and adjust the ways of working. It necessitated a renewed focus on QHSE and the Group acted quickly to implement required routines to limit the spread of the virus.

The Well Services business has been significantly impacted, predominately due to the geographical reach of the business and the need for international movement and cross border activity, while the negative financial impact in Drilling Operations services has been limited. The main impact in the Well Services business has been reduced operating revenues due to customers postponing contract commencements. Strict cost control and cost reducing measures have secured acceptable margin levels.

The Group will continue to monitor the situation and take actions as required and recommended by local authorities. Any unforeseen consequences of Covid-19 and other future pandemics may impact financial results.

10.4.3 *Significant changes in the financial position of the Group*

Since 31 December 2021, the following significant changes in the financial position of the Group has occurred: the Bond Issue as further described in Section 10.10.1 "Odfjell Technology Ltd FRN Senior Secured NOK 1,500 million Bonds 2022/2026", the RCF as further described in Section 10.10.2 "Revolving Credit Facility" and the Split as further described in Section 4.2 "The Split" and Section 8.4.3 "The Split establishing the Group".

10.4.4 *Significant changes in the financial performance of the Group*

There has not been any significant change in the financial performance of the Group since 31 December 2021 (being the end of the last financial period for which financial information has been published) and until the date of this Prospectus.

10.5 Results of operations

10.5.1 Results of operations for year ended 31 December 2021 compared to the year ended 31 December 2020

10.5.1.1 Income statement

The table below is extracted from the unaudited Combined Interim Financial Statements for the year ended 31 December 2021 and compared to the year ended 31 December 2020 extracted from the audited Combined Annual Financial Statements.

USD thousands	Year ended 31 December	
	2021	2020
Operating revenue	342,899	273,283
Other gains and losses	741	1,417
Personnel expenses	(220,640)	(166,145)
Other operating expenses	(77,901)	(60,546)
EBITDA	45,098	48,009
Depreciation, amortisation and impairment	(30,566)	(29,939)
Operating profit (EBIT)	14,532	18,070
Share of profit (loss) from joint ventures and associates	(539)	-
Net financial items	(1,998)	(3,272)
Profit (loss) before tax	11,995	14,798
Income tax expense.....	1,064	377
Net profit (loss)	13,060	15,176

Operating revenue

Operating revenue for the year ended 31 December 2021 was USD 342.9 million compared to USD 273.3 million for the year ended 31 December 2020, an increase of USD 69.6 million thousand, or approximately 25%. The increase in operating revenue was primarily attributable to increased activity in Drilling Operations.

Well Services

Operating revenue for the Well Service business segment for the year ended 31 December 2021 was USD 115.8 million compared to USD 103.9 million for the year ended 31 December 2020, an increase of USD 12.0 million, or approximately 12%. The increase in operating revenue was primarily attributable to higher activity in both the Norwegian and Middle East, Africa and Asia ("MEAA") markets offset by lower activity in the European sectors which have been impacted by the prolonged impacts of the Covid-19 restrictions.

Energy (Drilling Operations & Engineering)

Operating revenue for the Energy business segment for the year ended 31 December 2021 was USD 215.2 million compared to USD 155.6 million for the year ended 31 December 2020, an increase of USD 59.6 million, or approximately 38%. The increase in operating revenue was primarily attributable to more operating units in Operations and higher incentive bonuses in 2021.

Other gains / losses

Other gains / losses for the year ended 31 December 2021 were USD 0.7 million compared to USD 1.4 million for the year ended 31 December 2020. The other gains/losses relate to disposal of tangible fixed assets.

Personnel expenses

Personnel expenses for the year ended 31 December 2021 were USD 220.6 million compared to USD 166.1 million for the year ended 31 December 2020, an increase of USD 54.5 million or approximately 33%. The increase in personnel expenses was primarily attributable to more operating units in Operations.

Depreciation, amortisation and impairment loss

Depreciation, amortisation and impairment loss for the year ended 31 December 2021 were USD 30.6 million compared to USD 29.9 million for the year ended 31 December 2020.

Other operating expenses

Other operating expenses for the year ended 31 December 2021 were USD 77.9 million compared to USD 60.5 million for the year ended 31 December 2020, an increase of USD 17.3 million or approximately 29%. The increase in other operating expenses was attributable to higher activity level

EBITDA

EBITDA for the year ended 31 December 2021 were USD 45.1 million compared to USD 48.0 million for the year ended 31 December 2020, a decrease of USD 2.9 million or approximately 6%. See the following for more information on the changes in EBITDA for each of the Group's business segments for the relevant period.

Well Services

EBITDA for the Well Service business segment for the year ended 31 December 2021 was USD 30.0 million compared to USD 32.3 million for the year ended 31 December 2020, a decrease of USD 2.3 million, or approximately 7%. The reduction in EBITDA was primarily attributable to the lower activity in Europe and lower profitability in Norway, partly offset by improved profitability for the MEAA region.

Energy (Drilling Operations & Engineering)

EBITDA for the Energy business segment for the year ended 31 December 2021 was USD 13.4 million compared to USD 15.2 million for the year ended 31 December 2020, a increase of USD 1.8 million, or approximately 12%. The increase in EBITDA was primarily attributable to start-up costs related to new business lines and business development, as well as reduced utilization of the engineering resource base compared to last year.

Operating profit (EBIT)

Operating profit (EBIT) for the year ended 31 December 2021 was USD 14.5 million compared to USD 18.1 million for the year ended 31 December 2020, a decrease of USD 3.5 million, or approximately 20%. The decrease in operating profit (EBIT) was primarily attributable to variances in EBITDA as explained above.

Income tax (expense) / income

Income tax income for the year ended 31 December 2021 was USD 1.0 million compared to USD 0.4 million for the year ended 31 December 2020. The tax income was primarily due to utilisation of unrecognised tax losses.

Profit / (loss) for the period

Net profit for the year ended 31 December 2021 was USD 13.1 million compared to USD 15.2 million for the year ended 31 December 2020, an increase of USD 2.1 million or approximately 14%. Results of operations for the year ended 31 December 2020 compared to the year ended 31 December 2019.

10.5.2 Results of operations for the year ended 31 December 2020 compared to the year ended 31 December 2019

10.5.2.1 Income statement

The table below is extracted from the audited Combined Annual Financial Statements for the year ended 31 December 2020 and compared to the year ended 31 December 2019.

USD thousands	Year ended 31 December	
	2020	2019
Operating revenue.....	273,283	272,508
Total operating income.....	273,283	272,508

Other gains and losses	1,417	2,559
Total other items	1,417	2,559
Personnel expenses	(166,145)	(163,045)
Depreciation and amortisation	(29,939)	(27,343)
Other operating expenses	(60,546)	(64,505)
Total operating expenses	(256,630)	(254,893)
Operating profit (EBIT)	18,070	20,174
Interest income	1,124	2,774
Interest expenses	(610)	(851)
Other financial items	(3,785)	(243)
Net financial (expenses) / income	(3,272)	1,680
Profit before tax	14,798	21,854
Income tax expense	377	3,167
Profit for the period	15,176	25,020
Profit/(loss) attributable to:		
Non-controlling interests	(73)	-
Owners of the parent	15,249	25,020

Operating revenue

Operating revenue for the year ended 31 December 2020 was USD 273.3 million compared to USD 272.5 million for the year ended 31 December 2019, an increase of USD 0.8 million, or approximately 0.3%.

Well Services

Operating revenue for the Well Service business segment for the year ended 31 December 2020 was USD 103.9 million compared to USD 111.2 million for the year ended 31 December 2019, a reduction of USD 7.3 million, or approximately 6.6%. The drop in operating revenue was primarily attributable to reduced activity caused by Covid-19.

Energy (Drilling Operations & Engineering)

Operating revenue for the Energy business segment for the year ended 31 December 2020 was USD 155.6 million compared to USD 146.9 mill for the year ended 31 December 2019, an increase of USD 8.7 million, or approximately 6%. The increase in operating revenue was primarily attributable to changes in contract portfolio for Drilling Operations and increased delivery of engineering and execution work due to more yard stays for MODU segment in 2020.

Other gains / losses

Other gains / losses for the year ended 31 December 2020 were USD 1.4 million compared to USD 2.6 million for the year ended 31 December 2019, a decrease of USD 1.1 million or approximately 44.6%. The other gains/losses relate to disposal of tangible fixed assets.

Personnel expenses

Personnel expenses for the year ended 31 December 2020 were USD 166.1 million compared to USD 163.0 million for the year ended 31 December 2019, an increase of USD 3.1 million or approximately 1.9%.

Depreciation and amortisation

Depreciation, amortisation and impairment loss for the year ended 31 December 2020 were USD 29.9 million compared to USD 27.3 million for the year ended 31 December 2019, an increase of USD 2.6 million or approximately 9.5%.

Other operating expenses

Other operating expenses for the year ended 31 December 2020 were USD 60.5 million compared to USD 64.5 million for the year ended 31 December 2019, a decrease of USD 4.0 million or approximately 6.1%.

EBITDA

EBITDA for the year ended 31 December 2020 were USD 48.0 million compared to USD 47.5 million for the year ended 31 December 2019. See the following for more information on the changes in EBITDA for each of the Group's business segments for the relevant period.

Well Services

EBITDA for the Well Service business segment for the year ended 31 December 2020 was USD 32.2 million compared to USD 32.1 million for the year ended 31 December 2019, an increase of USD 0.2 million, or approximately 0.5%. The increase in EBITDA was primarily attributable to improved margin in Norway which offset the negative effects of Covid-19 in the other regions.

Energy (Drilling Operations & Engineering)

EBITDA for the Energy business segment for the year ended 31 December 2020 was USD 15.2 million compared to USD 17.4 million for the year ended 31 December 2019, a decrease of USD 2.2 million, or approximately 13%. The decrease in EBITDA was primarily attributable to lower margins in Drilling Operations due to less lump sums received for start-up of operations as compared to 2019, and less platforms in operation with favourable incentive program.

Operating profit (EBIT)

Operating profit (EBIT) for the year ended 31 December 2020 was USD 18.1 million compared to USD 20.2 million for the year ended 31 December 2019, a decrease of USD 2.1 million, or approximately 10.4%.

Income tax (expense) / income

Income tax income for the year ended 31 December 2020 was USD 0.4 million compared to USD 3.2 million for the year ended 31 December 2019, a decrease of USD 2.8 million or approximately 88.1%. The tax income was primarily due to utilisation of unrecognised tax losses.

Profit / (loss) for the period

Profit for the year ended 31 December 2020 was USD 15.2 million compared to USD 25.0 million for the year ended 31 December 2019, decrease of USD 9.8 million or approximately 39.3%.

10.5.3 Results of operations for the year ended 31 December 2019 compared to the year ended 31 December 2018.

10.5.3.1 Income statement

The table below is extracted from the audited Combined Annual Financial Statements for the year ended 31 December 2019 and compared to the year ended 31 December 2018.

<i>USD thousands</i>	Year ended 31 December	
	2019	2018
Operating revenue	272,508	270,447
Total operating income	272,508	270,447
Other gains and losses	2,559	2,176
Total other items	2,559	2,176
Personnel expenses	(163,045)	(168,460)
Depreciation and amortisation	(27,343)	(27,943)
Other operating expenses	(64,505)	(67,287)
Total operating expenses	(254,893)	(263,689)
Operating profit (EBIT)	20,174	8,934
Interest income	2,774	1,327
Interest expenses	(851)	(271)

Other financial items	(243)	(450)
Net financial (expenses) / income.....	1,680	606
Profit before tax	21,854	9,540
Income tax expense.....	3,167	4,505
Profit for the period.....	25,020	14,045
Profit/(loss) attributable to:		
Non-controlling interests	-	-
Owners of the parent	25,020	14,045

Operating revenue

Operating revenue for the year ended 31 December 2019 was USD 272.5 million compared to USD 270.4 million for the year ended 31 December 2018, an increase of USD 2.1 million, or approximately 0.76%.

Well Services

Operating revenue for the Well Service business segment for the year ended 31 December 2019 was USD 111.2 million compared to USD 106.8 million for the year ended 31 December 2018, an increase of USD 4.4 million, or approximately 4.1 %. The increase in operating revenue was primarily attributable to an increase in both the European and MEAA markets which was offset by a reduction in the Norwegian market due to a challenging first quarter

Energy (Drilling Operations & Engineering)

Operating revenue for the Energy business segment (Drilling Operations and Engineering) for the year ended 31 December 2019 was USD 146.9 million compared to USD 144.5 million for the year ended 31 December 2018, an increase of USD 2.4 million or approximately 1.6%. The increase in operating revenue was primarily attributable to increased activity levels.

Other gains / losses

Other gains / losses for the year ended 31 December 2019 were USD 2.6 million compared to USD 2.2 million for the year ended 31 December 2018, an increase of USD 0.4 million or approximately 17.6%. The other gains/losses relate to disposal of tangible fixed assets

Personnel expenses

Personnel expenses for the year ended 31 December 2019 were USD 163.0 million compared to USD 168.5 million for the year ended 31 December 2018, a decrease of USD 5.5 million or approximately 3.2%.

Depreciation and amortisation

Depreciation and amortisation for the year ended 31 December 2019 were USD 27.3 million compared to USD 27.9 million for the year ended 31 December 2018, a decrease of USD 0.6 million or approximately 2.1%.

Other operating expenses

Other operating expenses for the year ended 31 December 2019 were USD 64.5 million compared to USD 67.3 million for the year ended 31 December 2018, a decrease of USD 2.8 million or approximately 4.1%. EBITDA.

EBITDA

EBITDA for the year ended 31 December 2019 were USD 47.5 million thousand compared to USD 36.9 million thousand for the year ended 31 December 2018, an increase of USD 10.6 million thousand or approximately 29%. See the following for more information on the changes in EBITDA for each of the Group's business segments for the relevant period.

Well Services

EBITDA for the Well Service business segment for the year ended 31 December 2019 was USD 32.1 million compared to USD 26.0 million for the year ended 31 December 2018, an increase of USD 6.1 million, or approximately 23.4%. The increase in EBITDA was primarily attributable to the start-up of two large wired drill pipe projects in Norway and higher activity in the Middle East including a substantial gain on sale of asset.

Energy (Drilling Operations & Engineering)

EBITDA for the Energy business segment for the year ended 31 December 2019 was USD 17.4 million compared to USD 13.5 million for the year ended 31 December 2018, an increase of USD 3.9 million, or approximately 28.5%. The increase in EBITDA was primarily attributable to improved operational performance, lump sums received for start-up of operations and higher incentive bonuses.

Operating profit (EBIT)

Operating profit (EBIT) for the year ended 31 December 2019 was USD 20.2 million compared to USD 8.9 million for the year ended 31 December 2018, an increase of USD 11.2 million, or approximately 125.8%.

Income tax (expense) / income

Income tax income for the year ended 31 December 2019 was USD 3.2 million compared to USD 4.5 million for the year ended 31 December 2018, a decrease of USD 1.3 million or approximately 29.8%. The tax income was primarily due to utilisation of unrecognised tax losses

Profit / (loss) for the period

Profit for the year ended 31 December 2019 was USD 25.0 million compared to USD 14.0 million for the year ended 31 December 2018, increase of USD 11.0 million or approximately 78%.

10.6 Financial position

The tables below set forth the total assets, equity and total liabilities for the Group for the year ended 31 December 2021, extracted from the unaudited Combined Interim Financial Statements, compared to years ended 31 December 2020, 2019 and 2018 extracted from the audited Combined Annual Financial Statements.

<i>USD thousands</i>	Year ended 31 December			
	2021	2020	2019	2018
Assets				
Intangible assets	24,727	25,260	26,340	26,454
Deferred tax asset	1,756	1,883	1,467	1,829
Property, plant and equipment	100,619	77,583	84,563	72,938
Non-current interest-bearing receivables group companies	-	10,745	10,101	9,358
Other non-current assets	3,212	2,588	120	163
Total non-current assets.....	130,314	118,059	122,592	110,742
Current interest-bearing receivables group companies	148,400	165,681	174,759	127,984
Trade receivables	92,570	76,273	72,421	64,540
Contract assets	559	-	1,214	-
Other current receivables and assets.....	16,188	11,167	12,781	8,844
Cash and cash equivalents.....	56,446	14,356	11,548	31,682
Total current assets.....	314,163	267,477	272,722	233,050
Total assets	444,476	385,536	395,315	343,792
Equity and liabilities				
Other equity	335,868	309,135	325,217	283,384
Total equity attributable to owners of the parent	335,868	309,135	325,217	283,384

Non-controlling interests	-	636	-	-
Total equity	335,868	309,770	325,217	283,384
Non-current lease liabilities.....	9,422	4,351	5,155	-
Post-employment benefits	5,308	5,822	3,720	4,140
Non-current contract liabilities.....	5,589	3,688	1,559	369
Total non-current liabilities	20,318	13,861	10,434	4,509
Current interest-bearing liabilities group companies.....	17,179	6,375	6,480	6,517
Current lease liabilities	2,780	2,260	2,066	-
Trade payables.....	24,412	16,092	16,559	18,196
Current contract liabilities	135	48	279	136
Current income tax	318	367	314	178
Other current liabilities.....	43,466	36,763	33,966	30,872
Total current liabilities	88,290	61,905	59,664	55,899
Total liabilities.....	108,609	75,766	70,098	60,408
Total equity and liabilities	444,476	385,536	395,315	343,792

Year ended 31 December 2021 compared to year ended 31 December 2020

The Group's total assets increased by USD 59.0 million from USD 385.5 million as of 31 December 2020, to USD 444.5 million as of 31 December 2021, primarily as a result of increase in Property, plant and equipment, as well as trade receivables and other current assets.

The Group's total equity increased by USD 26.1 million from USD 309.8 million as of 31 December 2020, to USD 335.9 million as of 31 December 2021, primarily as a result of net profit and equity contributions.

The Group's total liabilities increased by USD 32.8 million from USD 75.8 million as of 31 December 2020, to USD 108.6 million as of 31 December 2021, primarily as a result of increased trade payables, interest bearing payables and other current liabilities.

Year ended 31 December 2020 compared to the year ended 31 December 2019

The Group's total assets decreased by USD 9.8 million from USD 395.3 million as of 31 December 2019, to USD 385.5 million as of 31 December 2020.

The Group's total equity decreased by USD 15.4 million from USD 325.2 million as of 31 December 2019, to USD 309.8 million as of 31 December 2020, primarily as a result of distribution to companies in Odfjell Drilling group.

The Group's total liabilities increased by USD 5.7 million from USD 70.1 million as of 31 December 2019, to USD 75.8 million as of 31 December 2020.

Year ended 31 December 2019 compared to the year ended 31 December 2018

The Group's total assets increased by USD 51.5 million from USD 343.8 million as of 31 December 2018, to USD 395.3 million as of 31 December 2019, primarily as a result of increase in current interest-bearing receivables.

The Group's total equity increased by USD 41.8 million from USD 283.4 million as of 31 December 2018, to USD 325.2 million as of 31 December 2019, primarily as a result of profit and equity contributions.

The Group's total liabilities decreased by USD 9.7 million from USD 60.4 million as of 31 December 2018, to USD 70.1 million as of 31 December 2019.

10.7 Liquidity and capital resources

10.7.1 Sources and use of cash

The Group's principal sources of liquidity are cash flow from operations and borrowings under its bank facilities. See Section 10.10 "Material financing arrangements ". The Group uses cash primarily for investments in well services

equipment and otherwise to fund its operations as well as to service its long-term debt obligations. As the functional currency of the Group is USD, the Group's policy is that the majority of its surplus cash shall be held in USD, but the Group deviates from this policy from time to time.

The primary objective of the Group's capital management policy is to ensure that the Group maintains capital ratios and adequate liquidity within such parameters that would enable the Group to take advantage of investment opportunities and generally support the business. The Group manages its capital structure with an aim to make it sufficiently robust to withstand prolonged adverse conditions in financial markets and ensure that the Group is positioned to comply with covenants under the terms of its interest-bearing debt. The Group continually evaluates its cash position, available financing, working capital requirements and expected capital expenditures and makes adjustments to its capital structure in order to maintain an optimal structure adapted to current economic conditions.

10.7.2 Cash flows

The following table summarises the Group's historical cash flows for the year ended 31 December 2021, extracted from the unaudited Combined Interim Financial Statements, compared to years ended 31 December 2020, 2019 and 2018 extracted from the audited Combined Annual Financial Statements:

<i>USD thousands</i>	Year ended 31 December			
	2021	2020	2019	2018
Cash flows from operating activities:				
Profit before tax	11,995	14,798	21,854	9,540
<i>Adjustments for provisions and other non-cash elements</i>	34,850	30,413	22,011	24,229
<i>Changes in working capital:</i>	(4,018)	12,457	(13,345)	(1,964)
Cash generated from operations.....	42,828	57,668	30,520	31,806
Net interest (paid) / received	(625)	(143)	1,274	390
Net income tax paid	(1,994)	(2,967)	(2,279)	(1,201)
Net cash flow from operating activities	40,209	54,557	29,515	30,994
Cash flows from investing activities:				
Purchase of property, plant and equipment.....	(51,371)	(21,413)	(28,111)	(16,988)
Proceeds from sale of property, plant and equipment	974	1,962	3,345	2,556
Other non-current receivables	(49)	(2,461)	46	56
Cash used in obtaining control of subsidiaries.....	(487)	(100)	-	-
Net cash from investing activities.....	(50,933)	(22,012)	(24,719)	(14,375)
Cash flows from financing activities:				
Net change group cash pool receivables and liabilities	39,424	8,973	(46,812)	(47,744)
Repayment of lease liabilities	(2,466)	(1,823)	(2,057)	-
Proceeds from transactions with non-controlling interests	-	355	-	-
Group contributions from companies in Odfjell Drilling group	19,257	12,041	24,956	27,689
Dividends paid to companies in Odfjell Drilling group	-	(44,769)	-	(1,151)
Net cash flow from financing activities.....	56,215	(25,224)	(23,913)	(21,207)
Effects of exchange rate changes on cash and cash equivalents.....	(3,402)	(4,512)	(1,016)	(4,823)
Net change in cash and cash equivalents	42,090	2,809	(20,134)	(9,411)
Cash and cash equivalents 01.01.....	14,356	11,548	31,682	41,093
Cash and cash equivalents at 31.12.....	56,446	14,356	11,548	31,682

10.7.3 Cash flows from / (used in) operating activities

Year ended 31 December 2021 compared to year ended 31 December 2020

Net cash inflow from operating activities for the year ended 31 December 2021 was USD 40.2 million compared to USD 54.6 million for the year ended 31 December 2020, a decrease of USD 14.3 million or approximately 26%. The increase was primarily attributable to changes in working capital.

Year ended 31 December 2020 compared to the year ended 31 December 2019

Net cash inflow from operating activities for the year ended 31 December 2020 was USD 54.6 million compared to USD 29.5 million for the year ended 31 December 2019, an increase of USD 25.0 million or approximately 84.5%. The increase was primarily attributable to changes in working capital.

Year ended 31 December 2019 compared to the year ended 31 December 2018

Net cash inflow from operating activities for the year ended 31 December 2019 was USD 29.5 million compared to USD 31.0 million for the year ended 31 December 2018, decrease of USD 1.5 million or approximately 4.8%.

*10.7.4 Cash flows from / (used in) investing activities***Year ended 31 December 2021 compared to the year ended 31 December 2020**

Net cash outflow from investing activities for the year ended 31 December 2021 was USD 50.9 million compared to USD 22.0 million for the year ended 31 December 2020, an increase of USD 28.9 million. The increase was primarily attributable to increase in purchase of property, plant and equipment.

Year ended 31 December 2020 compared to the year ended 31 December 2019

Net cash outflow from investing activities for the year ended 31 December 2020 was USD 22.0 million compared to USD 24.7 million for the year ended 31 December 2019, a decrease of USD 2.7 million, or approximately 11.0%. The decrease was primarily attributable to purchase of property, plant and equipment.

Year ended 31 December 2019 compared to the year ended 31 December 2018

Net cash outflow from investing activities for the year ended 31 December 2019 was USD 24.7 million compared to USD 14.4 million for the year ended 31 December 2018, an increase of USD 10.3 million or approximately 72%. The increase was primarily attributable to increase in purchase of property, plant and equipment.

*10.7.5 Cash flows from / (used in) financing activities***Year ended 31 December 2021 compared to the year ended 31 December 2020**

Net cash flow from financing activities for the year ended 31 December 2021 was USD 56.2 million compared to outflow of USD 25.2 million for the year ended 31 December 2020, an increase of USD 81.4 million. The increase was attributable to dividends paid in 2020 versus positive change in group cash pool receivables.

Year ended 31 December 2020 compared to the year ended 31 December 2019

Net cash outflow from financing activities for the year ended 31 December 2020 was USD 25.2 million compared to a net cash outflow of USD 23.9 million for the year ended 31 December 2019, an increase of USD 1.3 million or approximately 5%. The Group's net cash outflow from financing activities for 2020 primarily reflected change in group cash pool receivables, group contributions received, and dividends paid.

Year ended 31 December 2019 compared to year ended 31 December 2018

Net cash outflow from financing activities for the year ended 31 December 2019 was USD 23.9 million compared to USD 21.2 million for the year ended 31 December 2018, an increase of USD 2.7 million or approximately 12.8%. The Group's net cash outflow from financing activities for 2019 primarily reflected change in group cash pool receivables and group contributions received.

10.8 The Company's Financial Statements

The Company was incorporated on 14 December 2021 with a share capital of USD 10,000 divided into 10,000 shares with a par value of USD 1.00 per share. The Company has prepared financial statements for the period from its incorporation date until 31 December 2021.

During this period, the Company had no revenues and no operating expenses.

Equity as at 31 December 2021 was USD 10,000 and consisting of a share capital of USD 10,000.

The Company had as of 31 December 2021 total assets of USD 10,000 consisting of bank deposits of USD 10,000 and no liabilities.

10.9 Investments

10.9.1 Principal historical investments

The table below sets out an overview of the material investments made by the Group during the years ended 31 December 2021, 2020, 2019 and 2018.

<i>USD thousands</i>	Well Services equipment	Other fixed assets	Software and other intangible assets
Tubular Running Services	1,885	-	-
Downhole and Tubulars including Wired drill pipe.....	7,987	-	-
Well Intervention Services	4,428	-	-
Mooring Services	24,530	-	-
Global ERP system (IFS App10)	-	-	4,217
Other investments	895	1,772	1,542
Total capital investments in 2021	39,725	1,772	5,759
Tubular Running Services	3,006	-	-
Downhole and Tubulars including Wired drill pipe.....	10,427	-	-
Well Intervention Services	4,642	-	-
Global ERP system (IFS App10)	-	-	358
Other investments	-	576	885
Total capital investments in 2020	18,075	576	1,243
Tubular Running Services	7,391	-	-
Downhole and Tubulars including Wired drill pipe.....	15,511	-	-
Well Intervention Services	1,275	-	-
Other investments	1,028	2,132	3,242
Total capital investments in 2019	25,205	2,132	3,242
Tubular Running Services	8,874	-	-
Downhole and Tubulars including Wired drill pipe.....	4,249	-	-
Well Intervention Services	1,119	-	-
Other investments	0	1,046	1,700
Total capital investments in 2018	14,242	1,046	1,700

10.9.2 Principal investments in progress and planned principal investments

The table below sets out an overview of the material investments in progress and planned principal investments as of 31 December 2021, which are to be funded by the Company's cash balance and/or operating cash flow.

<i>USD thousands</i>	Well Services equipment	Asset owner	Geographic distribution	Method of financing
Tubular Running Services	362	UAE	Norway/KSA	Internal
Tubulars including Wired drill pipe	9,199	UAE	Norway/Kuwait	Internal
Well Intervention	5,618	UAE	Norway/UK/Roman.	Internal
Mooring	5,750	UAE	Norway	Internal
Other investments	1,312			

Total firm commitments as of 31 December	
2021	22,241

10.10 Material financing arrangements

The Group has the following material financing arrangements in place at the date of the Prospectus:

10.10.1 Odfjell Technology Ltd FRN Senior Secured NOK 1,500 million Bonds 2022/2026

On 21 February 2022, the Company entered into a NOK 1,500 million senior secured Bond Issue, with an initial issue amount of NOK 1,100 million. The Bond Issue matures on 23 February 2026.

The net proceeds from the Bond Issue has been employed as part payment for the acquisition of Odfjell Partners Invest Ltd from Odfjell Drilling Services Ltd and thereafter to repay the existing debt related to the services business area, both of which took place in connection with the Split.

Pursuant to the Bond Terms, the Issuer may, on one or more occasions and provided that it meets specific conditions set out in the Bond Terms, issue additional Bonds under the Bond Issue (each such issue, a "**Tap Issue**") until the outstanding issue amount equals a maximum issue amount of NOK 1,500 million. Any additional bonds issued in a Tap Issue shall be subject to identical terms as the bonds issued pursuant to the initial bond in all respect as set out in the Bonds Terms, except that additional bonds may be issued at a different price than that of the initial Bond Issue.

See Section 5 "Description of the Bonds" for further information regarding the Bond Issue.

10.10.2 Revolving Credit Facility

On 23 February 2022, the Company entered into a USD 25,000,000 super senior secured revolving credit facility agreement with DNB Bank ASA and Danske Bank A/S as mandated lead arrangers and bookrunners and with DNB Bank ASA as facility agent (the "**RCF**").

Loans drawn under the RCF has an applicable interest margin of 375 basis points per annum plus a compounded reference rate. In addition, the Company shall pay certain fees such as commitment fee, arrangement fee and agency fee.

On 1 March 2022, the Company made an initial draw-down of the RCF of USD 25 million, where the net amount has been employed as part payment for the acquisition of Odfjell Partners Invest Ltd from Odfjell Drilling Services Ltd and thereafter to repay the existing debt related to the services business area, both of which took place in connection with the Split. Loan amounts under the RCF shall otherwise be applied for general corporate purposes of the Group.

There is a Clean Down provision in the RCF. The Company shall either (i) repay all loan amounts then outstanding under the RCF so that the outstanding loan amount is USD zero for a period of not less than three consecutive business days (actual Clean Down) or (ii) ensure that the aggregate amount of all loan amounts then outstanding less the aggregate amount of Cash and Cash Equivalents (both as defined in the RCF) held by wholly owned Group companies shall not exceed USD zero for a period of not less than three consecutive business days (Net Clean Down). Not more than twelve (12) months shall elapse between two such periods and the first Clean Down or Net Clean Down shall occur no later than twelve months after the first draw down.

The RCF contains a change of control clause and related pre-payment obligations. The definition of change of control sets out that the Helene Odfjell Family (as defined in the RCF) shall own 33.4% or more of the voting rights and capital interest of the Company and that no other shareholder or group of shareholders acting in concert shall own more than 33.3% of the shares of the Company unless the Helene Odfjell Family controls (directly or indirectly) at least 50% of the voting rights and capital interest. Pre-payment obligations also apply if the Shares of the Company are delisted from Oslo Børs, or if Odfjell Drilling is delisted from Oslo Børs as long as an interim parent guarantee is in place. There is also a part-prepayment provision in case of a sale of companies defined as material group companies or assets which constitute sales proceeds in the aggregated amount of USD 50 million or more.

The RCF is subject to the following financial covenants: (a) Liquidity (as defined in the RCF) of the Group shall not fall below the higher of (i) USD 15,000,000 and (ii) 10% of the Interest Bearing Debt (excluding leasing obligations related to real estate leases, as defined in the RCF), in each case of which a minimum of USD 5,000,000 shall be free and unrestricted cash, (b) Leverage Ratio (as defined in the RCF) shall not exceed 3.75:1.0, and (c) the Net Working Capital (as defined in the RCF) of the Group shall not fall below zero.

The RCF also contains several other covenants and related default and acceleration clauses in line with market practice. The Company is currently not in, and not in risk of, breaching any of its covenants.

The RCF, the Bond Issue and any Secured Hedging Agreement share the same security package. The obligations and liabilities of the Company under the RCF, the Bond Issue and any Secured Hedging Agreement is secured on a first lien basis, *pari passu* between themselves, but subject to the super senior status of the RCF and any Secured Hedging Agreement as per an intercreditor agreement. Secured Hedging Agreements are hedging agreements with DNB and Danske Bank for the purpose of hedging interest exposure under the Bond Issue in the ordinary course of business for non-speculative purposes. See Section 5 "Description of the Bonds" for further information regarding the security.

The RCF matures on the earlier of (i) 4 years after drawdown and (ii) the date falling one (1) month prior to the maturity date of the Bond Issue.

10.11 Key financial information by segment

10.11.1 General

The Group provides services to the oil and gas industry. The split into segments is based on management structure and reporting. The reporting described below, is consistent with the financial reporting performed in the Odfjell Drilling Group. The Group is expected to carry forward the framework for the internal financial reporting, but may decide to amend the segments to support the future decision maker.

Operating segments are reported in a manner consistent with the internal financial reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board who makes the strategic decisions.

The table below sets out the key financial information the Group by segment for the year ended at 31 December 2021, 2020 2019 and 2018. Information for 2021 is extracted from the unaudited Combined Interim Financial Statements, while the information for 2020, 2019 and 2018 is extracted from the audited Combined Financial Statements.

<i>USD thousands</i>	Energy 2021	Well Services 2021	Corporate/Elimination 2021	Consolidated 2021
External segment revenue	215,231	98,685	28,983	342,899
Inter segment revenue.....	-	17,147	(17,147)	-
Total revenue	215,231	115,832	11,836	342,899
EBITDA	13,389	29,999	1,711	45,098
Depreciation and impairment	(79)	(24,551)	(5,937)	(30,566)
EBIT	13,311	5,448	(4,226)	14,532
Net financial items	-	-	-	(1,998)
Profit / (loss) before tax – Consolidated Group	-	-	-	11,995
	Energy 2020	Well Services 2020	Corporate/Elimination 2020	Consolidated 2020
External segment revenue	155,582	92,796	24,906	273,283
Inter segment revenue.....	-	11,072	(11,072)	-
Total revenue	155,582	103,868	13,834	273,283
EBITDA	15,184	32,226	559	48,009
Depreciation and impairment	(99)	(25,409)	(4,431)	(29,939)
EBIT	15,085	6,858	(3,872)	18,070
Net financial items	-	-	-	(3,272)
Profit / (loss) before tax – Consolidated Group	-	-	-	14,798

	Energy	Well	Corporate/Elimination	Consolidated
	2019	Services	2019	2019
	2019	2019	2019	2019
External segment revenue	146,904	101,556	24,048	272,508
Inter segment revenue.....	-	9,625	(9,625)	-
Total revenue	146,904	111,182	14,422	272,508
EBITDA	17,410	32,099	(1,992)	47,517
Depreciation and impairment	(84)	(22,986)	(4,274)	(27,343)
EBIT	17,326	9,113	(6,266)	20,174
Net financial items.....	-	-	-	1,680
Profit / (loss) before tax – Consolidated				
Group	-	-	-	21,854

	Energy	Well	Corporate/Elimination	Consolidated
	2018	Services	2018	2018
	2018	2018	2018	2018
External segment revenue	144,539	97,642	28,266	270,447
Inter segment revenue	-	9,134	(9,134)	-
Total revenue	144,539	106,776	19,132	270,447
EBITDA	13,544	25,995	(2,663)	36,877
Depreciation and impairment	(71)	(24,151)	(3,721)	(27,943)
EBIT	13,483	1,845	(6,383)	8,934
Net financial items.....	-	-	-	606
Profit / (loss) before tax – Consolidated				
Group	-	-	-	9,540

10.11.2 Segment by geographical markets

The tables below sets out the key financial information for the Group at 31 December for the years ended 2021, 2020, 2019 and 2018 sorted by geographical markets. Information for 2021 is extracted from the unaudited Combined Interim Financial Statements, while the information for 2020, 2019 and 2018 is extracted from the audited Combined Financial Statements.

<i>USD thousands</i>	Energy	Well	Corporate/Elimination	Consolidated
	2021	Services	2021	2021
	2021	2021	2021	2021
Norway	148,900	64,640	15,447	228,986
United Kingdom.....	66,331	10,193	(3,783)	72,742
Other countries Europe.....	-	12,879	-	12,879
Asia	-	27,613	172	27,785
Africa.....	-	277	-	277
Other geographical markets.....	-	229	-	229
Total operating income	215,231	115,832	11,836	342,899

	Energy	Well	Corporate/Elimination	Consolidated
	2020	Services	2020	2020
	2020	2020	2020	2020
Norway	103,031	55,085	10,540	168,639
United Kingdom.....	52,568	9,267	485	62,320
Other countries Europe.....	-	15,962	-	15,962
Asia	-	18,097	2,809	20,906
Africa.....	-	5,199	-	5,199
Other geographical markets.....	-	258	-	258

Total operating income	155,582	103,868	13,834	273,283
	Energy 2019	Well Services 2019	Corporate/Elimination 2019	Consolidated 2019
Norway	93,126	49,766	8,595	151,487
United Kingdom.....	53,778	9,906	1,014	64,697
Other countries Europe.....	-	22,769	33	22,802
Asia	-	27,508	3,348	30,855
Other geographical markets.....	-	1,233	1,433	2,666
Total operating income	146,904	111,182	14,422	272,508
	Energy 2018	Well Services 2018	Corporate/Elimination 2018	Consolidated 2018
Norway	91,111	54,518	15,134	160,764
United Kingdom.....	53,428	8,973	355	62,756
Other countries Europe.....	-	19,298	54	19,352
Asia	-	23,653	3,353	27,006
Other geographical markets.....	-	333	236	569
Total operating income	144,539	106,776	19,132	270,447

11 BOARD OF DIRECTORS, MANAGEMENT AND CORPORATE GOVERNANCE

11.1 The Board of Directors

11.1.1 Overview

The Board of Directors is responsible for the overall management of the Company and may exercise all of the powers of the Company not reserved to the Company's shareholders by its Bye-Laws or Bermuda law. The Bye-Laws provide that the Board of Directors shall consist of not less than three board members or such number in excess thereof as decided by the shareholders in a shareholder resolution. The Bye-Laws provide that a board member shall hold office for a term as determined by the shareholders upon their election at a general meeting, or, in the absence of such determination, until the next annual general meeting or until their successors are elected or appointed or their office is otherwise vacated.

The current Board of Directors consists of three Board Members, as listed in the table in Section 11.1.2 "Composition of the Board of Directors" below, and will from the time of Listing consist of four Board Members.

The board members are elected by the Company's shareholders at the relevant annual general meeting or any special general meeting called for that purpose and the shareholders may authorize the Board of Directors to fill any vacancy in their number left unfilled at a general meeting of the shareholders. If there is a vacancy on the Board of Directors occurring as a result of the death, disability, disqualification or resignation of any board member, such vacancy may be filled by the appointment of a person as a director by Board of Directors or at the next annual general meeting of the Company or any special general meeting called for such purpose pursuant to the Bye-Laws.

The Company is incorporated in Bermuda, but tax resident in the UK. To ensure that the Company continues to be tax resident in the UK, the majority of the Board Members shall be tax residents in the UK. Currently, two out of three Board Members are tax resident in the UK, and upon Listing three out of four Board Members will be tax resident in the UK.

Pursuant to the Norwegian Code of Practice for Corporate Governance, last updated 14 October 2021 (the "**Corporate Governance Code**"), (i) the majority of the shareholder-elected members of the board of directors should be independent of the company's executive management and material business contacts, (ii) at least two of the shareholder-elected board members should be independent of the company's main shareholders (being shareholders holding more than 10% of the shares in the company), and (iii) no member of the company's management should be on the board of directors.

All Board Members are independent of the executive management and material business contacts. The Chairperson of the Company, Helene Odfjell, is indirectly the Company's largest shareholder via her shareholding in Odfjell Partners Ltd. Odfjell Partners Ltd. will continue to be a large shareholder of the Company following Listing, and Helene Odfjell is thus not independent of the Company's main shareholders. All other board members are independent of the Company's main shareholders (i.e. shareholders holding more than 10% of the shares or votes). The requirements under the Norwegian Corporate Governance Code described above are thus met as at the date of this Prospectus.

11.1.2 Composition of the Board of Directors

The Company's business address at Bergen House, Crawpeel Road, Altens, Aberdeen AB12 3LG, Scotland, United Kingdom, serves as the business address for the members of the Board of Directors in relation to their directorship in the Company. The names, positions and current term of office of the Board Members as at the date of this Prospectus, in addition to the number of Shares and options it is expected that they will hold in the Company upon completion of the Distribution are set out in the table below.

Name	Position	Served since	Term expires	ODL shares ²	Options
Helene Odfjell	Chair	January 2022	AGM 2023	142,952,381 ¹	0
Alasdair Shiach.....	Director	January 2022	AGM 2023	0	0
Susanne Munch Thore ..	Director	January 2022	AGM 2023	3,000	0

1 All the shares are held indirectly through Odfjell Partners Ltd.

2 Shares held in Odfjell Drilling on 18 March 2022. The shareholders of Odfjell Drilling will receive one share in the Company for every six shares held in Odfjell Drilling as of the Record Date, rounded down to the nearest whole share. For a further description, please see Section 4.2 "The Split" of this Prospectus.

Additionally, the table below sets out the name, position and term of office for the person who has been appointed as an additional Board Member subject to, and with effect from, the Listing.

Name	Position	Served since	Term expires	ODL shares¹	Options
Victor Vadaneaux	Director	March 2022	AGM 2023	0	0

1 Shares held in Odfjell Drilling on 18 March 2022. The shareholders of Odfjell Drilling will receive one share in the Company for every six shares held in Odfjell Drilling as of the Record Date, rounded down to the nearest whole share. For a further description, please see Section 4.2 "The Split" of this Prospectus.

11.1.3 Brief biographies of the Board Members

Set out below are brief biographies of the Board Members. The biographies include each Board Member's relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a Board Member is or has been a member of the administrative management or supervisory bodies or partner in the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

Helene Odfjell, Chairperson

Chairperson of the Board of Directors, Helene Odfjell, has many years of experience within business and management, and holds several board and management positions in the affiliates of the Odfjell Drilling group. Mrs. Odfjell has been part of the Odfjell Drilling group since 1995 and has been the Chairperson of Odfjell Drilling since 2013. Prior to this, Mrs. Odfjell worked in corporate finance at UBS Limited and as an equity analyst. Mrs. Odfjell holds a Bachelor of Business Administration from the Norwegian School of Economics (NHH), a Master of Business Administration in Finance and Strategy from London Business School and is a Chartered Financial Analyst

Current directorships and senior management positions Odfjell Drilling Ltd (chairman of the board), Odfjell Invest Ltd (director), Odfjell Rig III Ltd (director), Odfjell Rig Owning Ltd (director), Deep Sea Atlantic (UK) Ltd (director), Deep Sea Stavanger (UK) Ltd (director), Odfjell Drilling Shetland Ltd (director), Odfjell Rig V Ltd (director), Odfjell Drilling South Africa Ltd (director), GRØNCO AS (director), Odfjell Drilling Services Ltd (director), and Odfjell Partners Ltd (director).

Previous directorships and senior management positions last five years Odfjell Rig II Ltd (director), Odfjell Drilling Technology Ltd (director), and Audit Committee (member).

Alasdair Shiach, Board Member

Alasdair Shiach has been a board member of the Odfjell Drilling group since 2018. Through his 40 years' experience in the oilfield service sector, having worked for Dresser Industries and Baker Hughes, Mr. Shiach has proven to be a global leader with extensive expertise in sales, business development, operations and management within the oil and gas industry. Prior to his retirement in May 2016, Mr. Shiach held senior executive leadership positions at Baker Hughes, including President of the Drilling Fluids product line, President of the Russia Caspian region as well as assignments in the US, UAE, Saudi Arabia and Norway. Mr. Shiach is also on the board of directors of Welltec International.

Mr. Shiach holds a bachelor's degree in Business from Robert Gordon's University, in addition to various executive educations and training classes within sales, management, business and leadership.

Current directorships and senior management positions Odfjell Drilling Ltd (board member), Welltec International ApS (director), Odfjell Rig Owning Ltd (director), Odfjell Drilling Shetland Ltd (director), Odfjell Rig V Ltd (director), Deep Sea Stavanger (UK) Ltd (director), Deep Sea Atlantic (UK) Ltd (director), Odfjell Invest Ltd (director), Odfjell Rig III Ltd (director), and Odfjell Drilling Services Ltd (director).

Previous directorships and senior management positions last five years Odfjell Rig II Ltd (director).

Susanne Munch Thore, Board Member

Susanne Munch Thore is a Partner at law firm Arntzen de Besche with its head office in Oslo, Norway. Prior to this, she was a Partner at Wikborg Rein and a Legal Officer at the Oslo Stock Exchange. Mrs. Munch Thore has a longstanding experience in assisting international and Norwegian clients in connection with M&A and corporate transactions, and acts as a trusted advisor to listed and private companies, as well as foundations and boards.

Mrs. Munch Thore holds a law degree from University of Oslo (cand.jur), a Master of Laws from Georgetown University and a Diploma of International Affairs from John Hopkins School of Advanced International Studies.

<i>Current directorships and senior management positions</i>	<i>Arntzen de Besche Advokatfirma AS (Partner), Cage Holding 1 (board member), Argentum Fondsforvaltning AS (deputy chair), Food Folks Group Holdings AS (board member), Norsk Hydro ASA (deputy chair of corporate assembly), SBANK ASA (chairman of nomination committee), Sandwater AS (board member), Odfjell Drilling Ltd (board member), Optin Bank ASA u offentlig administrasjon (board member), Zelda AS (board member (personal investment company)), and Feminvest AS (board member).</i>
<i>Previous directorships and senior management positions last five years</i>	<i>SBANK ASA (member of nomination committee), Oslo Areal AS (chair/board member), Norwegian Bar Association (deputy chair), The Crown Prince and Crown Princess' Endowment Fund (board member), and Norsk Hydro ASA (member of election committee).</i>

Victor Vadaneaux, Board Member

Victor Vadaneaux is a Senior Advisor in private equity and works independently with various private equity firms to assess investment opportunities and build significant value in their portfolio companies. Mr. Vadaneaux has extensive experience in leading management teams in manufacturing and distribution businesses, and has held a variety of management positions in various companies. Mr. Vadaneaux holds a Master of Business Administration from Harvard Business School, a Master of Science from Telecom Paris and an engineering degree from École Polytechnique.

<i>Current directorships and senior management positions</i>	<i>Astra Topco Limited (holding af Ability Matters Group Ltd) – UK (board member), Centerra Management UK LLP – UK (member) and Centerra Management Srl – Romania (board member) (dormant).</i>
<i>Previous directorships and senior management positions last five years</i>	<i>Via Location SAS – France (Chairman of the Supervisory Board), Time Out Market Ltd – UK (Executive Board member), North Thin Ply Technology LLC – USA (board member), National Timber Group Topco Ltd – UK (board member), Millbrook Healthcare Holdings Ltd – UK (board member), Altevax SAS – France (CEO and board member) and Centerra Capital Partners Limited – Guernsey (board member)</i>

11.2 Management

11.2.1 Composition of the Group's Management

The Group's Management consists of seven individuals. The names of the members of Management and their respective positions, in addition to their anticipated holding of Shares and options in the Company upon completion of the Distribution, are presented in the table below. The Company's business address at Bergen House, Crawpeel Road, Altens, Aberdeen AB12 3LG, Scotland, United Kingdom, serves as business address for all members of Management in relation to their positions with the Company.

Name	Position	Held position since	ODL shares¹	Options
Simen Lieungh	Group CEO	March 2022	0	0
Jone Torstensen	Group CFO	March 2022	0	0
George Taggart	EVP Well Services	October 2017	0	0
Elisabeth Haram	EVP Drilling Operations and Engineering	November 2019	0	0
Randi Øverland	Head of Global Business Services	September 2021	0	0
Diane Stephen	General Manager	March 2022	0	0
Kurt Werner Holsæter	SVP HR	March 2022	0	0

¹ Shares held in Odfjell Drilling on 18 March 2022. The shareholders of Odfjell Drilling will receive one share in the Company for every six shares held in Odfjell Drilling as of the Record Date, rounded down to the nearest whole share. For a further description, please see Section 4.2 "The Split" of this Prospectus.

11.2.2 Brief biographies of the members of Management

Set out below are brief biographies of the members of Management. The biographies include the members of Management's relevant management expertise and experience, an indication of any significant principal activities

performed by them outside the Company and names of companies and partnerships of which a member of Management is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

Simen Lieungh, Group Chief Executive Officer

Simen Lieungh was appointed as President and Group Chief Executive Officer of Odfjell Drilling in 2010 and holds the position as Group Chief Executive Officer. Prior to this, Mr. Lieungh held the position as CEO and President of Aker Solutions ASA (October 2007 – July 2010), in addition to holding various senior management positions within the oil and gas industry. Mr. Lieungh has more than 20 years of experience in working with large field development projects in all phases of development, from conceptual studies to completion and delivery of complete installations. Prior to joining Aker Solutions, Mr. Lieungh was a research scientist with the Norwegian Defence Research Establishment. Mr. Lieungh is a graduate of the Norwegian University of Science and Technology and holds a Master of Science in Mechanical Engineering.

Current directorships and senior management positions *Deep Sea Drilling Company AS (director), Odfjell Drilling AS (director) Deep Sea Management AS (director), Odfjell Invest AS (director), Odfjell Invest Ltd (director), Odfjell Offshore Ltd (director), Odfjell Invest II AS (director), Deep Sea Drilling Company I AS (director), Odfjell Rig II Ltd (director), Odfjell Rig Owning Ltd (director), Deep Sea Atlantic (UK) Ltd (director), Deep Sea Stavanger (UK) Ltd (director), Odfjell Drilling Shetland Ltd (director), Odfjell Rig V Ltd (director), Odfjell Drilling South Africa Ltd (director), Odfjell Drilling Brasil BV (director), Odfjell Drilling Netherlands BV (director), Odfjell Invest Holland BV (director), Odfjell Drilling Cooperatief UA (director), Odfjell Drilling Services Ltd (director), and Odfjell Oceanwind AS.*

Previous directorships and senior management positions last five years *Multiconsult ASA (director), Odfjell Rig II Ltd (director), Odfjell Drilling Technology Ltd (director), and Deep Sea Management International AS (director).*

Jone Torstensen, Group Chief Financial Officer

Jone Torstensen was appointed as Group Chief Financial Officer of Odfjell Drilling in August 2021 and holds the position as Group Chief Financial Officer. Prior to this, he held the position as Executive Vice President and Chief of Staff of the Odfjell Drilling group. Mr. Torstensen holds degrees in Finance from the University of Stavanger and Petroleum Economy from the University of Bergen, and has held various management positions in finance, project management and business development over his 18 years at Aker Kværner and Aker Solutions before he joined the Odfjell Drilling group in 2012.

Current directorships and senior management positions *Deep Sea Drilling Company I AS (director), Odfjell Drilling AS (director) Deep Sea Management AS (director), Odfjell Invest AS (director), Odfjell Invest II AS (director), Deep Sea Drilling Company AS (director), Odfjell Drilling Brasil BV (director), and Odfjell Drilling Netherlands BV (director).*

Previous directorships and senior management positions last five years *IMS International Limited (director), Golden Close II Ltd (director), and Deep Sea Metro Ltd (director).*

George Taggart, EVP Well Services

George Taggart was appointed as Executive Vice President of the business area Well Services in 2017. Mr. Taggart has over 30 years' experience within the drilling systems and equipment industry. Prior to joining the Odfjell Drilling group in 2017, Mr. Taggart spent almost 20 years with Aker Solutions and MHWirth in business development, operations and regional management positions and on international assignments in the UK, Norway, Caspian, USA and Middle East. Mr. Taggart has technical qualifications in electrical & mechanical engineering from North Highland College.

Current directorships and senior management positions *N/A.*

Previous directorships and senior management positions last five years *Odfjell Drilling South Africa Ltd (director).*

Elisabeth Haram, EVP Drilling Operations and Engineering

Elisabeth Cecilie Haram was appointed as Executive Vice President of Platform Drilling AS in 2019 and Executive Vice President of Odfjell Energy in 2020, and holds the position as Executive Vice President of the business areas Drilling Operations and Engineering. Ms. Haram joined Odfjell Drilling in 2004 and has held various management positions within the Odfjell Drilling group, such as Rig Manager, Operations Manager of Platform Drilling and Vice President of Well Services. Ms. Haram holds a Master of Science degree in Industrial Economics from the University of Stavanger, and a bachelor's degree in Petroleum Technology.

Current directorships and senior management positions Entech Solutions AS (board member).

Previous directorships and senior management positions last five years N/A.

Randi Øverland, Head of Global Business Services

Randi Øverland was appointed Head of Global Business Services of Odfjell Drilling in September 2021 and holds the position as Head of Global Business Services of the Company. Mrs. Øverland has been part of Odfjell Drilling since 2014 and has held various management positions within the Odfjell Drilling group. Prior to this, Mrs. Øverland started her career at Statoil ASA (currently known as Equinor) between the years 1985 – 2000 holding a variety of positions in the Finance function, and also worked as a Finance Manager for Rieber & Søn ASA (later Orkla ASA), Tilbords AS and OVDS Hotels AS. Mrs. Øverland holds a bachelor's degree in Finance and Administration from the Norwegian School of Economics (NHH), in addition to basic courses in Management and Industrial Psychology from the University of Bergen.

Current directorships and senior management positions OGBS AS (head of GBS).

Previous directorships and senior management positions last five years OGBS AS (VP finance).

Diane Stephen, General Manager

Diana Stephen was appointed as General Manager of Odfjell Drilling in January 2021 and holds the position as General Manager of the Company. Prior to this, she held the position of Vice President Global Business Services and Administration UK of Odfjell Drilling (UK) Ltd. Mrs. Stephen has 25 years of experience in the oil and gas industry and has worked for in a variety of finance and management roles, including an international secondment. Mrs. Stephen holds a master's degree in Accountancy from University of Aberdeen and is a Chartered Accountant.

Current directorships and senior management positions Odfjell Drilling Ltd (general manager), Odfjell Invest Ltd (general manager), Odfjell Rig III Ltd (general manager), Odfjell Rig Weninger Ltd (general manager), Odfjell Drilling (UK) Ltd (director), and Odfjell Drilling South Africa Ltd (director).

Previous directorships and senior management positions last five years Joint Venture International Ltd (director), IPERFORM Ltd (director), Plan Asset Management Ltd (director), Petrofac Facilities Management Ltd (director), Atlantic Resourcing Ltd (director), Scotvalve Services Ltd (director), Petrofac Engineering Ltd (director), Petrofac Training Ltd (director), Rubicon Response Ltd (director), Petrofac Training Group Ltd (director), Survivex TMS Ltd (director), Stephen Gillespie Consultants Ltd (director), and Petrohealth Ltd.

Kurt Werner Holsæter, SVP HR

Kurt Werner Holsæter was appointed as Senior Vice President of HR of Odfjell Drilling in November 2018 and holds the position as Senior Vice President of HR of the Company. Prior to this, Mr. Holsæter was part of the management team of National Oilwell Varco where he had strategic and operational responsibility for HR in Norway, Denmark and Poland. In addition, Mr. Holsæter is an officer and served 15 years in the Norwegian Army.

Current directorships and senior management positions Odfjell Drilling (director), and Deep Sea Management AS (director).

Previous directorships and senior management positions last five years N/A.

11.3 Remuneration and benefits

11.3.1 Remuneration of the Board of Directors

The Company has a limited operating history and has at the date of this Prospectus, not paid any remuneration to the members of the Board of Directors.

It is expected that the external members of the Board of Directors will be remunerated going forward. Subject to the approval of the Company's shareholders in general meeting, external board members are expected to be remunerated for serving on the Board of Directors, and that they will receive an additional remuneration if they are elected to serve on a board committee, act as Chairman or be appointed a director of subsidiaries as well.

11.3.2 Remuneration of Management

As the Company was incorporated on 14 December 2021 and has not had any operations until the completion of the Split, the Company has not paid any remuneration to the members of the Management.

Head of Global Business Services, Randi Øverland, has a bonus scheme based on achieved financial results and personal targets, which is limited up to 3 month's salary.

11.3.3 Benefits upon termination

The following members of the Management, have entered into employment agreements which potentially provide the below benefits upon termination:

- Simen Lieungh (Group CEO) has entered into an employment contract with Odfjell Global Business Services AS, effective from Listing. He has waived his protection against unfair dismissal under the Norwegian Working Environment Act (*Nw.:Arbeidsmiljøloven*) in return for twelve months severance pay after the statutory notification period, if the employment contract is terminated due to circumstances attributable to the Company.
- Jone Torstensen (Group CFO) has entered into an employment contract with Odfjell Global Business Services AS, effective from Listing. He is entitled to six months severance pay after the statutory notification period, if the employment contract is terminated due to circumstances attributable to the Company.
- Randi Øverland (Head of Global Business Services) has entered into an employment contract with Odfjell Global Business Services AS, effective from Listing. She is entitled to six months severance pay after the statutory notification period, if the employment contract is terminated due to circumstances attributable to the Company.
- Kurt Werner Holsæter (SVP HR) has entered into an employment contract with Odfjell Global Business Services AS, effective from Listing. He is entitled to six months severance pay after the statutory notification period, if the employment contract is terminated due to circumstances attributable to the Company.
- George Taggart (EVP Well Services) is entitled to six months severance pay after the statutory notification period, if the employment contract is terminated due to circumstances attributable to the Company.

None of the Board Members has a service contract that entitles them to any benefits upon termination of office.

11.3.4 Loans and guarantees

The Company has not granted any loans, guarantees or made any other similar commitments to any of its board members or members of Management.

11.3.5 Pension and retirement benefits

The Company has no pension or retirement benefits for its Board Members.

The Group has a defined contribution pension plan for all its employees which satisfies the statutory requirements in the Norwegian Mandatory Occupational Pension Act of 21 December 2005 no. 124 (*Nw.: Lov om obligatorisk tjenestepensjon*), except from 31 active employees who are on a defined benefits scheme. For more information regarding the Group's pension and retirement benefits, see note 21 to the Combined Annual Financial Statements for the year ended 2020.

In the Middle East locations where several of the entities connected to the Well Service segment operates from, there is labour law mandate to pay what's called gratuity to employees at the end of their employment, which is roughly the monthly basic salary (excluding allowances) per year of service.

The accrual of this amount is being accounted for by the Finance Department.

11.4 Incentive, share and bonus programmes

The Group has, or is expected to implement, three incentive programs for their employees as set out below.

11.4.1 Executive Variable Pay

The Company has established an executive variable pay program (the "**Executive Variable Pay Program**") for certain management employees with effect from Listing. The Executive Variable Pay Program gives the employee the possibility to variable bonus pay, limited to 100% of the annual salary. The criteria for receiving any payment under the Executive Variable Pay Program is measured in achieved EBITDA against EBITDA budget and several individual factors.

11.4.2 Bonus Program

The Company has established a bonus program for certain key members of the management with effect from Listing (the "**Bonus Program**"). Under the Bonus Program, relevant employees will have the right to receive a bonus limited up to three months gross salary. The criteria for receiving a bonus is linked to the Group's annual result compared to budget.

11.4.3 Share Option Program

The Company is in the process of establishing a share option program for the Group CEO, Simen Lieungh (the "**Share Option Program**") following Listing. The Company is of the opinion that a Share Option Program where Mr. Lieungh is granted options to subscribe for Shares in the Company is an attractive incentive for Mr. Lieungh to develop the Company according to the agreed targets and strategies, and to contribute towards established goals. Under the Share Option Program, the options are expected to have a vesting period from 12 to 36 months with a strike price dependent on the share price and market conditions.

11.5 Audit committee

The Board of Directors has, subject to and with effect from the Listing, established an audit committee comprising of Susanne Munch Thore (chair) and Helene Odfjell. Both members have relevant qualifications within accounting/auditing. The Group CFO, Jone Torstensen, will operate as secretary of the audit committee.

The primary purpose of the audit committee is to act as a preparatory and advisory committee for the Board of Directors in monitoring the Group's internal control of the risk management and financial reporting. This includes but is not limited to:

- understanding, assessing, and monitoring business risks and financial risks;
- monitoring annual and interim financial reporting;
- overseeing internal control and external audit activities;
- overseeing legal and regulatory compliance; and
- assessing the performance of internal control and external auditors.

The audit committee reports and makes recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

11.6 Remuneration and Nomination committee

The Company has not established a nomination committee or a remuneration committee.

11.7 Corporate governance

The Company has adopted and implemented a corporate governance regime which is based on, and to a large extent complies with, the Corporate Governance Code. The corporate governance policy has the following deviations from the Corporate Governance Code:

- (i) Deviation from section 2 "*Business*": In accordance with common practice for Bermuda exempted companies, the objects of the Company as set out in its Memorandum of Association are unrestricted, which is wider and more extensive than recommended by the Corporate Governance Code;
- (ii) Deviation from section 3 "*Equity and dividends*": Pursuant to Bermuda law and in accordance with common practice for Bermuda exempted companies, the Board of Directors may issue any authorized but unissued shares in the Company, subject to the Bye-Laws and any resolution of the Company's shareholders to the contrary. Further the Company may purchase its own shares for cancellation or acquire them as treasury shares, in accordance with the Bermuda Companies Act. The powers of the Board of Directors to issue shares or purchase shares (for cancellation or to be held as treasury shares) are neither limited to specific purposes nor to a specified period as recommended in the Corporate Governance Code;
- (iii) Deviation from section 4 "*Equal treatment of shareholders*": As is common practice for Bermuda exempted companies listed on the Oslo Stock Exchange, no shares in the Company carry pre-emption rights. This constitutes a deviation from section 4 of the Corporate Governance Code;
- (iv) Deviation from section 5 "*Shares and negotiability*": The Company's common shares are freely transferable in Norway, provided however, that the Bye-Laws include a right for the Board of Directors to decline to register a transfer of any share in the register of members, (or if required, refuse to direct any registrar appointed by the Company to transfer any interest in a share) where such transfer would result in 50% or more of the Company's shares or votes being held, controlled or owned directly or indirectly by individuals or legal persons resident for tax purposes in Norway. This represents a deviation from section 5 of the Corporate Governance Code, but the Board of Directors does not foresee that this provision will impact on the free transferability of its shares;
- (v) Deviation from section 6 "*General meetings*": In accordance with Bermuda law and the Bye-Laws, the Chair of the Board of Directors will chair the Company's General Meetings unless otherwise resolved by a majority vote at the General Meeting. This represents a deviation from section 6 of the Corporate Governance Code;
- (vi) Deviation from section 7 "*Nomination committee*": The Company does not have a Nomination Committee, as the Board of Directors is of the opinion that a nomination committee is deemed superfluous with the current shareholder structure. It is acknowledged that this represents a deviation from section 7 of the Corporate Governance Code;
- (vii) Deviation from section 8 "*Board of directors: composition and independence*": Pursuant to the Bye-Laws, the chairman of the Board of Directors will be elected by the Board of Directors, not by the general meeting; and
- (viii) Deviation from section 9 "*The work of the board of directors*": The Company does not have a remuneration Committee as the Board will consist of only four Board Members from the first day of Listing, and will as relevant and otherwise appropriate, address matters concerning managerial remunerations. It is acknowledged that this represents a deviation from section 9 of the Corporate Governance Code.

Neither the Board of Directors nor the Company's shareholders in a general meeting have adopted any resolutions which are deemed to have a material impact on the Group's corporate governance regime.

11.8 Conflict of interests etc.

The Chairperson of the Board of Directors, Helene Odfjell, is also the largest shareholder of the Company and will upon completion of the Distribution hold approximately 60.4% of the Shares in the Company through Odfjell Partners Ltd. Further, the business premises in Bergen are owned by an associated party to the Helene Odfjell, being Odfjell Land AS. Odfjell Land AS contracts with Odfjell Drilling AS for the property and Odfjell Drilling AS is in turn contracting with a subsidiary of the Company.

Other than the above, and as stated in Section 14.3.4 "Conflicts of interest", there are currently no other actual or potential conflicts of interest between the Company and the private interests or other duties of any of the members of the Management and the Board of Directors, including any family relationships between such persons.

No Board Member or member of Management has, or had, as applicable, during the last five years preceding the date of the Prospectus:

- any convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his or her capacity as a founder, member of the administrative body or supervisory body, director or senior manager of a company.

12 RELATED PARTY TRANSACTIONS

12.1 Introduction

This section provides information about certain transactions which the Company is a party to with its related parties for the periods covered by the Financial Information and up until the date of this Prospectus. For the purpose of the following disclosures of related party transactions, "related party transactions" are those transactions that are set out as such in accordance with the Regulation (EC) No 1606/2002 of the European Parliament and of the Council. Transactions between companies within the Group do not represent transactions with related parties for the purpose of this section.

The tables below set forth the Group's material transactions with related parties in the years ended 31 December 2021, 2020, 2019 and 2018.

	Year ended 31 December			
	2021	2020	2019	2018
Operating revenue:				
Companies within the Odfjell Drilling group	62,098	54,140	56,527	61,772
Total sales of services to related parties	62,098	54,140	56,527	61,772

Sales of services include administration services, business support, personnel hire, engineering services and casing & rental services.

	Year ended 31 December			
	2021	2020	2019	2018
Operating revenue to related parties by segment:				
Energy	23,921	20,514	22 006	20 973
Well Services	18,911	15,767	16 345	20 384
Other	19,266	17,859	18 176	20 416
Total operating revenue to related parties	62,098	54,140	56 527	61 772
Operating expenses:				
Companies within the Odfjell Drilling group.....	9,229	7,025	10,145	10,401
Total operating expenses to related parties	9,229	7,025	10,145	10,401

Lease agreements

The Group has lease agreements regarding offices and workshops with the related party Odfjell Land AS (previously called Kokstad Holding AS) and its subsidiaries;

- Lease liability to Odfjell Land AS as at 31 December 2019 of USD 2 million, while payments in 2019 amounted to USD 0.4 million.
- Lease liability to Odfjell Land AS as at 31 December 2020 of USD 0.2 million, while payments in 2020 amounted to USD 0.4 million.
- Lease liability to Odfjell Land AS as at 31 December 2021 of USD 5.5 million, while payments in 2021 amounted to USD 0.7 million.

12.1.1 Transactions carried out with related parties in the twelve month period ended 31 December 2021

Total sales of services to related parties for the year ended 31 December 2021 was USD 62.1 thousand. Total operating revenue from related parties for the year ended 31 December 2021 was USD 62.1 thousand, while total operating expenses to related parties for the year ended 31 December 2021 was USD 9.2 thousand.

The material related party transactions for the year ended 31 December 2021 were services provided to the Odfjell Drilling group's rig owners and rig operations within Engineering and Well Services and business support services provided to companies within the Odfjell Drilling group.

Odfjell Drilling AS has provided corporate staff services including office facilities at Kokstadflaten 35 to companies within the Odfjell Technology group.

Payments of USD 0.7 million was made to Odfjell Land AS and subsidiaries in 2021 related to lease agreements for offices and workshops.

12.1.2 Transactions carried out with related parties in the twelve month period ended 31 December 2020

Total sales of services to related parties for the year ended 31 December 2020 was USD 54.1 thousand. Total operating revenue from related parties for the year ended 31 December 2020 was USD 54.1 thousand, while total operating expenses to related parties for the year ended 31 December 2020 was USD 7.0 thousand.

The material related party transactions for the year ended 31 December 2020 were services provided to the Odfjell Drilling group's rig owners and rig operations within Engineering and Well Services and business support services provided to companies within the Odfjell Drilling group.

Odfjell Drilling AS has provided corporate staff services including office facilities at Kokstadflaten 35 to companies within the Odfjell Technology group.

Payments of USD 0.4 million was made to Odfjell Land AS and subsidiaries in 2020 related to lease agreements for offices and workshops.

12.1.3 Transactions carried out with related parties in the twelve month period ended 31 December 2019

Total sales of services to related parties for the year ended 31 December 2019 was USD 56.5 thousand. Total operating revenue from related parties for the year ended 31 December 2019 was USD 56.5 thousand, while total operating expenses to related parties for the year ended 31 December 2019 was USD 10.1 thousand.

The material related party transactions for the year ended 31 December 2019 were services provided to the Odfjell Drilling group's rig owners and rig operations within Engineering and Well Services and business support services provided to companies within the Odfjell Drilling group.

Odfjell Drilling AS has provided corporate staff services including office facilities at Kokstadflaten 35 to companies within the Odfjell Technology group.

Payments of USD 0.4 million was made to Odfjell Land AS and subsidiaries in 2019 related to lease agreements for offices and workshops.

12.1.4 Transactions carried out with related parties in the twelve month period ended 31 December 2018

Total sales of services to related parties for the year ended 31 December 2018 was USD 61.8 thousand. Total operating revenue from related parties for the year ended 31 December 2018 was USD 61.8 thousand, while total operating expenses to related parties for the year ended 31 December 2018 was USD 10.4 thousand.

The material related party transactions for the year ended 31 December 2018 were services provided to the Odfjell Drilling group's rig owners and rig operations within Engineering and Well Services and business support services provided to companies within the Odfjell Drilling group.

Odfjell Drilling AS has provided corporate staff services including office facilities at Kokstadflaten 35 to companies within the Odfjell Technology group.

12.1.5 Transactions carried out with related parties in the period following 31 December 2021

The same services as for previous years have been provided after 31 December 2021 from the Odfjell Technology to Odfjell Drilling companies and vice versa.

13 CORPORATE INFORMATION AND DESCRIPTION OF THE SHARE CAPITAL

The following is a summary of certain corporate information and material information relating to the Shares and share capital of the Company and certain other shareholder matters, including summaries of certain provisions of the Memorandum of Association, Bye-Laws and applicable Norwegian and Bermuda law in effect as of the date of this Prospectus, including the Bermuda Companies Act. The summary does not purport to be complete and is qualified in its entirety by the Memorandum of Association, Bye-Laws and applicable law.

13.1 Company corporate information

The Company's registered name is "Odfjell Technology Ltd", while the commercial name is "Odfjell Technology". The Company was incorporated on 14 December 2021 as an exempted company limited by shares organized and existing under the laws of Bermuda pursuant to the Bermuda Companies Act. The Company's registration number in the Bermuda Registrar of Companies is 202100770 and its LEI code is 529900ZYHGCPTAD1R169.

The Company's Shares are registered in book-entry form with the VPS under ISIN BMG6716L1081. The Company's register of shareholders in the VPS is administrated by DNB Bank ASA with address at Dronning Eufemiasgate 30, 0191 Oslo, Norway ("**DNB**" or the "**VPS Registrar**").

The Company's registered office is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The Group's headquarters is located at Bergen House, Crawpeel Rd, Altens, Aberdeen AB12 3LG, United Kingdom. The Company's main telephone number is +44 1224 856 000. The Group's website can be found at www.odfjelltechnology.com. The information on the website is not incorporated by reference into this Prospectus, nor does it in any other manner constitute a part of this Prospectus.

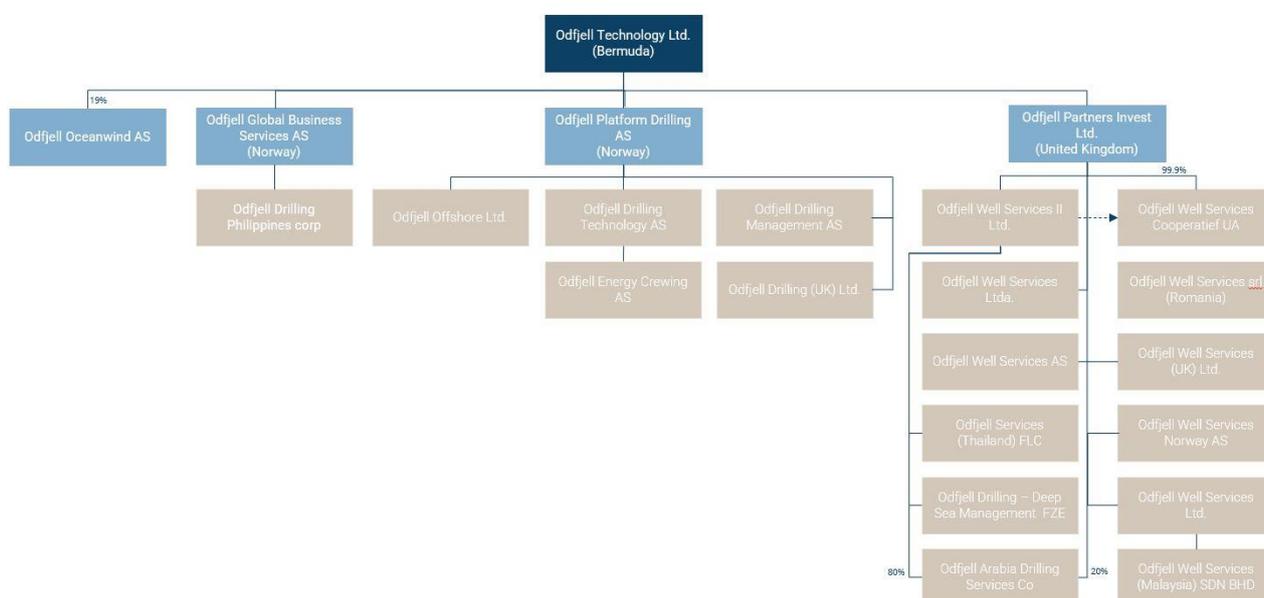
13.2 Legal structure

The Company functions as the holding company of the Group. The Company's operations are carried out through the Group's operating subsidiaries. The table below sets out brief information about the Group companies consolidated with the Company and associated companies, including country of incorporation, main activity carried out by such companies and the reporting segment they belong to.

Company name	Domicile	Principal activities	Ownership
Odfjell Global Business Services AS	Norway	Business support services to other companies within the Odfjell Drilling group.	100%
- Odfjell Drilling Philippines Corp	Philippines	Business support services and technical support.	100% (indirect)
Odfjell Platform Drilling AS	Norway	Platform drilling	100%
- Odfjell Drilling Management AS	Norway	Platform drilling contracts and employer of platform personnel working on the Norwegian continental shelf.	100% (indirect)
- Odfjell Drilling (UK) Ltd.	United Kingdom	Platform drilling	100% (indirect)
- Odfjell Offshore Ltd	Bermuda / resident in Norway	The company is dormant. It but holds certain receivables towards other entities within the Odfjell Drilling group.	100% (indirect)
- Odfjell Drilling Technology AS	Norway	Engineering services and rig inspection.	100% (indirect)
- Odfjell Energy Crewing AS	Norway	Offshore crewing company	100% (indirect)
Odfjell Partners Invest Ltd.	Bermuda / resident in UK	Owner of Odfjell Well Services rental equipment portfolio and holding company in the well services segment.	100%
- Odfjell Well Services Cooperatief UA	the Netherlands	Tubular running services and rental of well service equipment.	100% (indirect)
- Odfjell Well Services srl	Romania	Tubular running services and rental of well service equipment.	100% (indirect)
- Odfjell Well Services (UK) Ltd.	United Kingdom	Tubular running services and rental of well service equipment.	100% (indirect)
- Odfjell Well Services AS	Norway	Administrative and logistic functions for Norwegian activities.	100% (indirect)
- Odfjell Well Services Norway AS	Norway	Tubular running services and rental of well service equipment.	100% (indirect)

- Odfjell Well Services Ltd.	British Virgin Islands / resident in UK	Tubular running services and rental of well service equipment in the Middle East.	100% (indirect)
- Odfjell Well Services II Ltd.	Bermuda / resident in UK	Tubular running services and rental of well service equipment.	100% (indirect)
- Odfjell Well Services LTDA	Brazil	Dormant	100% (indirect)
- Odfjell Services (Thailand) FLC	Thailand	Tubular running services and rental of well service equipment.	100% (indirect)
- Odfjell Drilling – Deep Sea Management FZE (DMCC)	United Arab Emirates	Tubular running services and rental of well service equipment.	100% (indirect)
- Odfjell Arabia Drilling Services Co	Saudi Arabia	Tubular running services and rental of well service equipment.	100% (indirect)
- Odfjell Well Services (Malaysia) Sdn. Bhd.	Malaysia	Tubular running services and rental of well service equipment.	100% (indirect)
- Odfjell Oceanwind AS	Norway	Provider of mobile offshore wind units	19%

An overview of the Group structure is set out below.



All companies are 100% controlled unless specified

13.3 Authorized and issued share capital

As at the date of the Prospectus, the Company's authorized share capital is USD 450,000.00, consisting of 45,000,000 Shares, each with a par value of USD 0.01, of which 39,463,867 Shares are validly issued and fully paid up. The Board of Directors may issue any authorized but unissued shares of the Company subject to any resolution of the Company's shareholders to the contrary.

The Shares have been created under the Bermuda Companies Act. The Company has one class of shares and accordingly, there are no differences in the voting rights among the Shares. Neither the Company nor any of its subsidiaries directly or indirectly owns any shares in the Company.

13.4 Share capital history

The table below shows the development in the Company's share capital from the date of its incorporation (14 December 2021) and up to the date of the Prospectus:

Date of registration	Type of change	Change in authorized share capital (USD)	New authorized share capital (USD)	No. of authorized shares	Par value per share (USD)
14 December 2021	Incorporation	10,000	10,000	10,000	1.00
21 February 2022	Subdivision	Not applicable	Not applicable	1,000,000	0.01
21 February 2022	Increase of Capital	440,000	450,000	45,000,000	0.01

The table below provides an exhaustive overview of the development in the Company's issued share capital from the date of its incorporation (14 December 2021) and up to the date of this Prospectus:

Date of registration	Type of change	Change in issued share capital (USD)	New issued share capital (USD)	No. of issued shares	Par value per share (USD)
14 December 2021	Incorporation ¹	10,000	10,000	10,000	1.00
21 February 2022	Subdivision	Not applicable	Not applicable	1,000,000	0.01
28 February 2022	Share issuance	384,638.67	394,638.67	39,463,867	0.01

¹ The Shares were subscribed at a price of USD 1.00 each.

Other than the contribution of Odfjell Global Business Services AS in connection with the Split, no share capital increases in the Company have been paid for with assets other than cash.

There are no person or entity that have the right to get share options or right to subscribe for or acquire Shares in the Company at the first day of Listing.

13.5 Admission to trading

13.5.1 Shares

The Company applied for the Shares to be admitted for trading and listing on the Oslo Stock Exchange on 23 February 2022. Oslo Børs approved the Company's listing application on 23 March 2022, conditional upon the Company obtaining a minimum of 500 shareholders, each holding Shares with a value of more than NOK 10,000 and there being a minimum free float of the Shares of 21.9%. The Company expects that these conditions will be fulfilled through the Distribution.

Trading in the Shares on the Oslo Stock Exchange is expected to commence on or about 29 March 2022 under the ticker code "OTL".

The Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market and the Shares have not previously been subject to public trading.

13.5.2 Bonds

The Company applied for the Bonds to be listed on the Oslo Stock Exchange on 18 March 2022, and the application for listing of the Bonds was approved by the Oslo Stock Exchange on 22 March 2022. Listing of the Bonds is expected to take place on or about 29 March 2022. The Company has not applied for listing of the Bonds on any other stock exchange or regulated market and the Bonds have not previously been subject to public trading. Following the Listing of Shares described above, the Issuer will have shares listed on the Oslo Stock Exchange.

13.6 Major shareholders

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. See Section 15.8 "Disclosure obligations" for a description of the disclosure obligations under the Norwegian Securities Trading Act. Pursuant to the Company's shareholders' register at the date of this Prospectus, Odfjell Drilling holds 100% of the Shares in the Company. Following the Distribution, no shareholders other than Odfjell Partners Ltd (~60.4%), Cairn Capital Limited and FMR LLC are expected to hold more than 5% of the Company's Shares.

There are no differences in voting rights between the shareholders, who shall have one vote per Share held in the Company at a general meeting where a vote is conducted by poll.

To the extent known to the Company, there are no persons or entities, other than Odfjell Partners Ltd and Helene Odfjell that, directly or indirectly, jointly or severally, exercise or could exercise control over the Company. The Company is not

aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

The Bye-Laws do not contain any provisions that would have the effect of delaying, deferring or preventing a change of control of the Company, other than the provision where the Board of Directors may decline to register the transfer of shares if the transfer would likely result in 50% or more of the shares or votes in the Company being held or owned directly or indirectly by individuals or legal persons resident for tax purposes in Norway or effectively connected to a Norwegian business activity, or if the Company is otherwise deemed a CFC. The Shares have not been subject to any public takeover bids during the current or last financial year.

13.7 Authorizations to acquire treasury shares

Pursuant to the Bye-Laws, the Company may purchase its own Shares for cancellation or acquire them as treasury shares on such terms and in such manner as may be authorized by the Board of Directors, subject to the Bermuda Companies Act. The Board of Directors may exercise all the powers of the Company to purchase or acquire its own Shares.

As of the date of this Prospectus, the Company does not hold any Shares in treasury.

13.8 Other financial instruments

Neither the Company nor any of its subsidiaries have issued any options, warrants, convertible loans, subordinated debt or other instruments or transferrable securities that would entitle a holder of any such instrument to subscribe for shares in the Company or its subsidiaries. As set out in Section 11.4 "Incentive, share and bonus programmes", the Company is in the process of establishing a share option program for the Group CEO, Simen Lieungh.

13.9 VPS registration of the shares

VPS maintains a branch register in addition to the principal share register of the Company maintained at the registered office of the Company in Bermuda pursuant to the provisions of the Bermuda Companies Act. Bermuda law permits the transfer of shares listed or admitted to trading on the Oslo Stock Exchange to be effected in accordance with the rules of the Oslo Stock Exchange (provided that it remains an Appointed Stock Exchange). Accordingly, the title to the Shares will be evidenced and transferred without a written instrument by the VPS in accordance with the Bye-Laws, provided that they are listed or admitted to trading on the Oslo Stock Exchange. The Shares (and not only the beneficial interests in the Shares) are registered in the VPS.

13.10 Shareholder rights

The Company has one class of Shares in issue, and all Shares in that class have equal rights to all such other Shares in that class as set out in the Bye-Laws.

13.11 The Memorandum of Association, Bye-Laws and certain aspects of Bermuda law

The Memorandum of Association and Bye-Laws are set out in [Appendix A](#) to this Prospectus. Below is a summary of provisions of the Memorandum of Association, Bye-Laws and certain aspects of Bermuda law. Defined terms used in this Section 13.11 "The Memorandum of Association, Bye-Laws and certain aspects of Bermuda law" which are not defined in this Prospectus shall have the meanings given to them in the Bye-Laws.

13.11.1 Objects of the Company

In accordance with common practice for Bermuda incorporated companies, the objects of the Company as set out in its Memorandum of Association are unrestricted.

13.11.2 General meetings

The annual general meeting of the Company shall be held each year in the United Kingdom at such time and place as the chairman or any two directors or any director and the secretary or the Board of Directors shall appoint. The chairman or any two directors or any director and the secretary or the Board of Directors may convene a special general meeting whenever in their judgment such a meeting is necessary. The Board of Directors shall, on the requisition of shareholders holding at the date of the deposit of the requisition not less than one-tenth of the paid-up voting share capital of the Company, forthwith proceed to convene a special general meeting.

Pursuant to the Bye-Laws notice of an annual general meeting or special general meeting may be published on the Oslo Stock Exchange website (the "**OSE Notice**") and following such publication such general meeting may be held 21 days

(or such additional number of days as determined by the Board of Directors) after such date of publication; provided no later than the close of business on the business day following the publication of an OSE Notice (i) in relation to an annual general meeting, notice shall be given to each shareholder of the Company entitled to attend and vote thereat stating the date, place and time at which the meeting is to be held, that the election of directors will take place thereat, and as far as practicable, the other business to be conducted at the meeting; and (ii) in relation to a special general meeting, notice shall be given to each shareholder entitled to attend and vote thereat, stating the date, place and time and the general nature of the business to be considered at the meeting. The Board of Directors may fix any date as the record date for determining the shareholders entitled to receive notice of and to vote at any general meeting of the Company, provided that the Board of Directors may specify in the notice of the meeting or in any document sent to the shareholders by or on behalf of the Board of Directors in relation to such meeting, a time and date which is not more than five days before the date fixed for the meeting.

A general meeting of the Company shall, notwithstanding that it is called on shorter notice than that specified in the Bye-Laws, be deemed to have been properly called if it is so agreed by (i) all the shareholders of the Company entitled to attend and vote thereat in the case of an annual general meeting; and (ii) by a majority in number of the shareholders having the right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the Shares giving a right to attend and vote thereat in case of a special general meeting. The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

Shareholders may participate in any general meeting by means of such telephonic, electronic or other communication facilities or means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such meeting shall constitute presence in person at such meeting. Except as otherwise provided in the Bye-Laws, the quorum at any general meeting of the Company shall be constituted by two or more persons, present in person and representing in person or by proxy, in excess of one-third of the total issued voting shares throughout the meeting.

Subject to the Bye-Laws, anything which may be done by resolution of the Company in a general meeting, or by resolution of a meeting of any class of the shareholders may, without a meeting, be done by resolution in writing signed by such majority of shareholders required if the resolution was voted on at a meeting of shareholders at which all shareholders entitled to attend and vote at such meeting were present and voting. However, this does not apply to a resolution to remove an auditor from office before the expiration of his/her term of office, or a resolution for the purpose of removing a director before the expiration of his/her term of office.

13.11.3 Board of Directors and Management

Election and removal of Directors

The Board of Directors shall consist of not less than three Directors or such number in excess thereof as the shareholders of the Company may determine. The Board of Directors shall be elected or appointed at the relevant annual general meeting of the shareholders or at any special general meeting of the shareholders called for that purpose, unless there is a casual vacancy, and the shareholders of the Company may authorise the Board of Directors to fill any vacancy in their number left unfilled at a general meeting of the shareholders. If there is a vacancy of the Board of Directors occurring as a result of death, disability, disqualification or resignation of any Director or as a result of an increase in the size of the Board of Directors, the shareholders of the Company in general meeting or the Board of Directors has the power to appoint a Director to fill the vacancy. Any shareholder, the Board of Directors or the nomination committee, if there is one appointed, may propose any person for re-election or election as a Director. Where any person, other than a Director retiring at the meeting or a person proposed for re-election or election as a Director by the Board of Directors or the nomination committee, is to be proposed for election, notice must be given to the Company of the intention to propose him or her and of his or her willingness to serve as a Director. That notice must be given not less than twenty-one days before the date of the general meeting. Where the number of persons validly proposed for re-election or election as a Director is greater than the number of Directors to be elected, the persons receiving the most votes (up to the number of Directors to be elected) shall be elected as Directors, and an absolute majority of votes cast shall not be a prerequisite to the election of such Directors.

Subject to any provision to the contrary in the Bye-Laws, the shareholders entitled to vote for the election of Directors may, at any special general meeting convened and held in accordance with the Bye-Laws, remove a Director, provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director not less than 14 days before the meeting and at such meeting the Director shall be entitled to be heard on the motion for such Director's removal.

According to the Bye-Laws, the Company may have a nomination committee appointed by the shareholders in a general meeting.

Remuneration of Directors

The remuneration (if any) of the Directors shall be determined in a general meeting. The nomination committee, if one is appointed, may provide recommendations on the remuneration of the members of the Board.

Directors to manage the business

The business of the Company shall be managed and conducted by the Board of Directors.

Power to appoint manager to manage day-to-day business

The Board of Directors may, inter alia, appoint a person to act as manager of the Company's day-to-day business and may entrust to and confer upon such manager such powers and duties as it deems appropriate for the transaction or conduct of such business.

Appointment of officers

The Board of Directors may appoint such officers who may or may not be directors as the Board of Directors may determine for such terms as the Board of Directors deems fit. The chairman of the Board of Directors shall be appointed by the Board of Directors. The secretary shall be appointed by the Board of Directors from time to time. Currently, the Company has not appointed any officers other than the chairperson, secretary and General Manager.

Remuneration of officers

The officers shall receive such remuneration as the Board of Directors may determine.

Issuance of shares

The Board of Directors may issue any authorised but unissued Shares of the Company, subject to any resolution of the Company's shareholders to the contrary.

Indemnification and exculpation of Directors and officers

Section 98 of the Bermuda Companies Act provides that a Bermuda company may generally indemnify its directors, officers and auditors against any liability which by virtue of any rule of law would otherwise be imposed on them in respect of any negligence, default, breach of duty or breach of trust, except in cases where such liability arises from fraud or dishonesty of which such director, officer or auditor may be guilty in relation to the company. Section 98 further provides that a Bermuda company may indemnify its directors, officers and auditors against any liability incurred by them in defending any proceedings, whether civil or criminal, in which judgment is awarded in their favour or in which they are acquitted or granted relief by the Supreme Court of Bermuda pursuant to section 281 of the Bermuda Companies Act.

The Company has adopted provisions in its Bye-Laws that provide that it shall indemnify its officers and directors in respect of their actions and omissions, except in respect of their fraud or dishonesty. The Bye-Laws provide that the shareholders waive all claims or rights of action that they might have, individually or in right of the Company, against any of the Company's directors or officers for any act or failure to act in the performance of such director's or officer's duties, except in respect of any fraud or dishonesty of such director or officer. Section 98A of the Bermuda Companies Act permits the Company to purchase and maintain insurance for the benefit of any officer or director in respect of any loss or liability attaching to him in respect of any negligence, default, breach of duty or breach of trust, whether or not the Company may otherwise indemnify such officer or director. The Company will purchase and maintain a directors' and officers' liability policy for such a purpose as of the date of Listing.

13.11.4 Share rights

The holders of Shares have no pre-emptive, redemption, conversion or sinking fund rights. The holders of Shares are entitled to one vote per Share on all matters submitted to a vote of the holders of Shares.

Unless a different majority is required by law or by the Bye-Laws, resolutions to be approved by the holders of Shares require approval by the affirmative votes of a majority of the votes cast at a meeting at which a quorum is present.

In the event of the liquidation, dissolution or winding up of the Company, the holders of Shares are entitled to share equally and rateably in its assets, if any, remaining after the payment of all of the Company's debts and liabilities, subject to any liquidation preference on any issued and outstanding preference shares.

13.11.5 Variation of share rights

If at any time the Company has more than one class of shares, the rights attaching to any class, unless otherwise provided for by the terms of issue of the relevant class, may be varied either: (i) with the consent in writing of the holders of 75% of the issued shares of that class; or (ii) with the sanction of a resolution passed by a majority of the votes cast at a general meeting of the relevant class of shareholders at which a quorum consisting of at least two persons holding or representing one-third of the issued shares of the relevant class is present. The Bye-Laws specify that the creation or issue of shares ranking equally with existing shares will not, unless expressly provided by the terms of issue of existing shares, vary the rights attached to existing shares. In addition, the creation or issue of preference shares ranking prior to the Shares will not be deemed to vary the rights attached to the Shares or, subject to the terms of any other series of preference shares, to vary the rights attached to any other series of preference shares.

13.11.6 Voting rights

At any general meeting, every holder of Shares present in person and every person holding a valid proxy shall have one vote on a show of hands. On a poll, every such holder of Shares present in person or by proxy shall have one vote for every Share held, except as set out in Section 13.11.4 "Share rights".

Subject to the provisions of the Bermuda Companies Act, and the Bye-Laws, any question proposed for the consideration of the shareholders at any general meeting shall be decided by the affirmative votes of a majority of the votes cast in accordance with the provisions of the Bye-Laws and in the case of an equality of votes, the resolution shall fail.

13.11.7 Amendment of the Memorandum of Association and the Bye-Laws

The Bye-Laws provide that the Memorandum of Association may not be altered or amended, unless it shall have been approved by a resolution by the Board of Directors and by a resolution passed with the affirmative vote of a majority of the votes cast at a general meeting. The Bye-Laws further provide that no Bye-law shall be rescinded, altered or amended and no new Bye-law shall be made until the same has been approved by a resolution of the Board of Directors and by a resolution of the shareholders with the affirmative vote of not less than two-thirds of the votes cast at a general meeting.

Under the Bermuda Companies Act, the holders of an aggregate of not less than 20% in par value of the company's issued share capital or any class thereof have the right to apply to the Supreme Court of Bermuda for an annulment of any amendment of the memorandum of association adopted by shareholders at any general meeting, other than an amendment which alters or reduces a company's share capital as provided in the Bermuda Companies Act. Where such an application is made, the amendment becomes effective only to the extent that it is confirmed by the Supreme Court of Bermuda. An application for an annulment of an amendment of the memorandum of association must be made within 21 days after the date on which the resolution altering the company's memorandum of association is passed and may be made on behalf of persons entitled to make the application by one or more of their number as they may appoint in writing for the purpose. No application may be made by shareholders voting in favour of the amendment.

13.11.8 Amalgamations and mergers

The amalgamation or merger of a Bermuda company with another company or corporation (other than certain affiliated companies) requires the amalgamation or merger agreement to be approved by the company's Board of Directors and by its shareholders. Unless a company's bye-laws provide otherwise, the approval of 75% of the shareholders voting at such meeting is required to approve the amalgamation or merger agreement, and the quorum for such meeting must be two persons holding or representing more than one-third of the issued shares of the company. On the date hereof, the Company's Bye-Laws do not deviate from these requirements. See also Section 13.11.10 "Appraisal rights and shareholder suits".

13.11.9 Transfer of shares

The Bye-Laws provide that the Board of Directors may decline to register the transfer of any Share in the register of members or decline to direct any registrar appointed by the Company to register the transfer where such transfer is not permitted as described in Section 13.11.4 "Share rights" or would in the opinion of the Board of Directors be likely to result in 50% or more of the issued and outstanding shares or votes in the Company being held, controlled or owned

directly or indirectly by individuals or legal persons resident for tax purposes in Norway or effectively connected to a Norwegian business activity, or the Company otherwise being deemed a CFC as such term is defined under the Norwegian tax legislation.

Subject to the above, but notwithstanding anything else to the contrary in the Bye-Laws, shares that are listed or admitted to trading on an Appointed Stock Exchange may be transferred in accordance with the rules and regulations of such exchange. All transfers of uncertificated shares shall be made in accordance with and be subject to the facilities and requirements of the transfer of title to shares in that class by means of the VPS or any other relevant system concerned and, subject thereto, in accordance with any arrangements made by the Board of Directors in accordance with the Bye-Laws. The Board of Directors shall refuse to register a transfer of a share unless all applicable consents, authorisations and permissions of any governmental body or agency in Bermuda have been obtained. The Board of Directors may also refuse to recognise an instrument of transfer of a share unless it is accompanied by the relevant share certificate (if one has been issued) and such other evidence of the transferor's right to make the transfer as the Board of Directors shall reasonably require. Subject to these restrictions, a holder of Shares may transfer the title to all or any of his Shares by completing an instrument of transfer in the usual common form or in any other form as the Board of Directors may approve. The instrument of transfer must be signed by the transferor and transferee, although in the case of a fully paid share the Board of Directors may accept the instrument signed only by the transferor. Shares may be transferred without a written instrument if transferred by an appointed agent or otherwise in accordance with the Bermuda Companies Act.

In accordance with Bermuda law, share certificates are only issued in the names of companies, partnerships or individuals. In the case of a shareholder acting in a special capacity (for example as a trustee), subject to being entitled to a share certificate in accordance with the Bye-Laws, certificates may, at the request of the shareholder, record the capacity in which the shareholder is acting. Notwithstanding such recording of any special capacity, the Company is not bound to investigate or see to the execution of any such trust. The Company will take no notice of any trust applicable to any of the Shares, whether or not the Company has been notified of such trust.

See Section 2.9 "Risks related to the Company's incorporation in Bermuda " for a summary of the provisions in the Bye-Laws that contain provisions that could make it more difficult for a third party to acquire the Company without the consent of the Board of Directors.

13.11.10 Appraisal rights and shareholder suits

Under the Bermuda Companies Act, in the event of an amalgamation or merger of a Bermuda company with another company or corporation, a shareholder of the Bermuda company who did not vote in favour of the amalgamation or merger and who is not satisfied that fair value has been offered for such shareholder's shares may, within one month of notice of the general meeting, apply to the Supreme Court of Bermuda to appraise the fair value of those shares.

Class actions and derivative actions are generally not available to shareholders under Bermuda law. The Bermuda courts, however, would ordinarily be expected to permit a shareholder to commence an action in the name of a company to remedy a wrong to the company where the act complained of is alleged to be beyond the corporate power of the company or is illegal or would result in the violation of the company's memorandum of association or bye-laws.

Further, consideration would be given by a Bermuda court to acts that are alleged to constitute a fraud against the minority shareholders or, for instance, where an act requires the approval of a greater percentage of the company's shareholders than that which actually approved it.

When the affairs of a company are being conducted in a manner which is oppressive or prejudicial to the interests of some part of the shareholders, one or more shareholders may apply to the Supreme Court of Bermuda, which may make such order as it sees fit, including an order regulating the conduct of the company's affairs in the future or ordering the purchase of the shares of any shareholders by other shareholders or by the company.

The Bye-Laws contain a provision by virtue of which the Company's shareholders waive any claim or right of action that they have, both individually and on the Company's behalf, against any director or officer of the Company in relation to any action or failure to take action by such director or officer, except in respect of any fraud or dishonesty of such director or officer.

13.11.11 Capitalisation of profits and reserves

Pursuant to the Bye-Laws, the Board of Directors may (i) capitalise any part of the amount of the Company's share premium or other reserve accounts or any amount credited to the Company's profit and loss account or otherwise available for distribution by applying such sum in paying up unissued shares to be allotted as fully paid bonus shares pro-rata (except in connection with the conversion of shares) to the shareholders; or (ii) capitalise any amount standing to the credit of a reserve account or amounts otherwise available for dividend or distribution by paying up in full, partly or nil paid shares of those shareholders who would have been entitled to such sums if they were distributed by way of dividend or distribution.

13.11.12 Untraced shareholders

The Bye-Laws provide that the Board of Directors may forfeit any dividend or other monies payable in respect of any shares which remain unclaimed for seven years from the date when such monies became due for payment. In addition, the Company is entitled to cease sending dividend cheques and drafts by post or otherwise to a shareholder if such instruments have been returned undelivered to, or left uncashed by, such shareholder on at least two consecutive occasions or, following one such occasion, reasonable enquires have failed to establish the shareholder's new address. This entitlement ceases if the shareholder claims a dividend or cashes a dividend cheque or draft.

13.11.13 Access to books and records and dissemination of information

Members of the general public have the right to inspect the public documents of a Bermuda company available at the office of the Registrar of Companies in Bermuda. These documents include the Company's Memorandum of Association, including its objects and powers, and certain alterations to its Memorandum of Association. The shareholders have the additional right to inspect the Bye-Laws of the Company, minutes of general meetings and the Company's audited financial statements, which must be presented to the annual general meeting. The register of members of a Bermuda company is also open to inspection by shareholders and by members of the general public without charge. The register of members is required to be open for inspection for not less than two hours in any business day (subject to the ability of a company to close the register of members for not more than thirty days in a year). A company is required to maintain its share register in Bermuda but may, subject to the provisions of the Bermuda Companies Act, establish a branch register outside of Bermuda. A company is required to keep at its registered office a register of directors and officers that is open for inspection for not less than two hours in any business day by members of the public without charge. A company is also required to file with the Registrar of Companies in Bermuda a list of its directors to be maintained on a register which register will be available for public inspection subject to such conditions as the Registrar may impose and on payment of such fee as may be prescribed. However, Bermuda law does not provide a general right for shareholders to inspect or obtain copies of any other corporate records. Where a company (the shares of which are listed on an Appointed Stock Exchange) sends its summarised financial statements to its shareholders pursuant to section 87A of the Bermuda Companies Act, a copy of the full financial statements (as well as the summarised financial statements) must be available for inspection by the public at the company's registered office.

13.11.14 Dividends

Under Bermuda law, a company may not declare or pay dividends if there are reasonable grounds for believing that: (i) the company is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) that the realisable value of its assets would thereby be less than its liabilities. Under the Bye-Laws, each of the Shares is entitled to such dividends as the Board of Directors may from time to time declare, subject to any preferred dividend right of the holders of any preference shares.

According to the Bye-Laws, any dividend and or other monies payable in respect of a Share which has remained unclaimed for seven years from the date when it became due for payment shall, if the Board of Directors so resolves, be forfeited and cease to remain owing by the Company. The payment of any unclaimed dividend or other moneys payable in respect of a share may (but need not) be paid by the Company into an account separate from the Company's own account. Such payment shall not constitute the Company a trustee in respect thereof.

13.11.15 Winding up

A company may be wound up by the Bermuda court on application presented by the company itself, its creditors (including contingent or prospective creditors) or its contributories. The Bermuda court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the Bermuda court, just and equitable to do so.

A company may be wound up voluntarily when the members so resolve in general meeting, or, in the case of a limited duration company, when the period fixed for the duration of the company by its memorandum expires, or the event

occurs on the occurrence of which the memorandum provides that the company is to be dissolved. In the case of a voluntary winding up, the company shall, from the commencement of the winding up, cease to carry on its business, except so far as may be required for the beneficial winding up thereof.

Where, on a voluntary winding up, a majority of directors make a statutory declaration of solvency, the winding up will be deemed a "members' voluntary winding up". In any case where such declaration has not been made, the winding up will be deemed a "creditors' voluntary winding up".

In the case of a members' voluntary winding up of a company, the company in general meeting must appoint one or more liquidators within the period prescribed by the Bermuda Companies Act for the purpose of winding up the affairs of the company and distributing its assets. If the liquidator is at any time of the opinion that the company will not be able to pay its debts in full in the period stated in the directors' declaration of solvency, he is obliged to summon a meeting of creditors and lay before the meeting a statement of the assets and liabilities of the company.

As soon as the affairs of the company are fully wound up via a members' voluntary winding up, the liquidator must make up an account of the winding up, showing how the winding up has been conducted and the property of the company has been disposed of, and thereupon call a general meeting of the company for the purposes of laying before it the account, and giving any explanation thereof. This final general meeting shall be called by advertisement in an appointed newspaper, published at least one month before the meeting. Within one week after the meeting the liquidator shall notify the Registrar of Companies in Bermuda that the company has been dissolved and the Registrar shall record that fact in accordance with the Bermuda Companies Act.

In the case of a creditors' voluntary winding up of a company, the company must call a meeting of the creditors of the company to be summoned for the day, or the next day following the day, on which the meeting of the members at which the resolution for voluntary winding up is to be proposed is held. Notice of such meeting of creditors must be sent at the same time as notice is sent to members. In addition, the company must cause a notice to appear in an appointed newspaper on at least two occasions.

The creditors and the members at their respective meetings may nominate a person to be liquidator for the purposes of winding up the affairs of the company and distributing the assets of the company, provided that if the creditors and the members nominate different persons, the person nominated by the creditors shall be the liquidator. If no person is nominated by the creditors, the person (if any) nominated by the members shall be liquidator. The creditors at the creditors' meeting may also appoint a committee of inspection consisting of not more than five persons.

If a creditors' voluntary winding up continues for more than one year, the liquidator is required to summon a general meeting of the company and a meeting of the creditors at the end of each year and must lay before such meetings an account of his acts and dealings and of the conduct of the winding up during the preceding year.

As soon as the affairs of the company are fully wound up via a creditors' voluntary winding up, the liquidator must make up an account of the winding up, showing how the winding up has been conducted and the property of the company has been disposed of, and thereupon call a general meeting of the company and a meeting of the creditors for the purposes of laying the account before the meetings, and giving any explanation thereof. Each such meeting shall be called by advertisement in an appointed newspaper, published at least one month before the meeting. Within one week after the date of the meetings, or if the meetings are not held on the same date, after the date of the later meeting, the liquidator is required to send to the Registrar of Companies in Bermuda a copy of the account and make a return to him in accordance with the Bermuda Companies Act. The company will be deemed to be dissolved on the expiration of three months from the registration by the Registrar of Companies in Bermuda of the account and the return. However, a Bermuda court may, on the application of the liquidator or of some other person who appears to the court to be interested, make an order deferring the date at which the dissolution of the company is to take effect for such time as the court thinks fit.

13.12 Anti-takeover and change of control

The Company's Bye-Laws contain provisions that could make it more difficult for a third party to acquire the Company without the consent of the Board of Directors. These provisions include, among other things:

- that the Board of Directors can decline to register certain transfers of Shares in certain circumstances under the Bye-Laws where such the transfer is not in accordance with certain provisions in the Bye-Laws or would likely result in 50% or more of the aggregate issued and outstanding Shares or votes of the Company being held or owned directly or indirectly by individuals or legal persons resident for tax purposes in Norway or such

Shares being effectively connected to a Norwegian business activity, or the Company being deemed a CFC pursuant to Norwegian tax rules;

- that the Board of Directors may take all necessary or desirable actions within its control to ensure that the Company is not deemed to be a CFC as such term is defined pursuant to Norwegian tax legislation;
- that the Board of Directors may issue any authorised but unissued Shares of the Company on such terms and conditions as it may determine, subject to any resolution of the Company's shareholders to the contrary;
- that the Board of Directors may exercise the power of the Company to purchase its own shares for cancellation or acquire them as treasury shares in accordance with the Companies Act 1981 on such terms as the Board of Directors shall think fit; and
- restrictions on the time period in which Board Members of the Company may be nominated.

Further, other future contractual obligations of the Group may contain change of control provisions.

These provisions could make it more difficult for a third party to acquire the company, even if the third party's offer may be considered beneficial by many shareholders. As a result, shareholders may be limited in their ability to obtain a premium for their shares.

13.13 Shareholders agreement

To the Company's knowledge, there are no shareholders' agreements related to the Shares.

14 THE GUARANTORS

14.1 Legal structure of the Group:

Reference is made to Section 13.2 "Legal structure" for a legal structure of the Group. All Guarantors (Odfjell Partners Invest Ltd., Odfjell Platform Drilling AS and Odfjell Global Business Service AS) are owned 100% by the Company.

14.2 Corporate information

14.2.1 Odfjell Partners Invest Ltd.

Odfjell Partners Invest Ltd. is an exempted company limited by shares incorporated 10 July 2003 in Bermuda and regulated by the Bermuda Companies Act and supplementing laws and regulations. The company is registered in the Register of Companies in Bermuda with registration number 33920 and its LEI-code is: 529900CK99K42CS2GS60.

14.2.2 Odfjell Platform Drilling AS

Odfjell Platform Drilling AS is a Norwegian private limited liability company incorporated on 16 February 2017 and regulated by the Norwegian Private Limited Liability Companies Act and supplementing Norwegian laws and regulations. The company is registered in the Norwegian Companies Registry with registration number 918 646 175 and its LEI-code is: 529900V1Z8GB3B5HDO23.

14.2.3 Odfjell Global Business Services AS

Odfjell Global Business Services AS is a Norwegian private limited liability company incorporated on 1 September 2017 and regulated by the Norwegian Private Limited Liability Companies Act and supplementing Norwegian laws and regulations. The company is registered in the Norwegian Companies Registry with registration number 919 580 240 and its LEI-code is: 529900HZQ40J90NS7347.

14.3 Administrative, management and supervisory bodies of the Guarantors

14.3.1 Odfjell Partners Invest Ltd.

The names and positions of the board of directors of Odfjell Partners Invest Ltd. are set out in the table below:

Name:	Position:
Helene Odfjell	Director and President
Alasdair Shiach.....	Director
Simen Lieungh	Director

The names and positions of the management of Odfjell Partners Invest Ltd. are set out in the table below:

Name:	Position:
Paul Toner	VP Middle East, Africa & Asia, Branch Manager
Diane Stephen	General Manager

The company's registered business address Clarendon House, 2 Church Street, Hamilton HM11, Bermuda, is also the address for the members of the board of directors and the management in relation to their directorships and positions in the company.

14.3.2 Odfjell Platform Drilling AS

The names and positions of the board of directors of Odfjell Platform Drilling AS are set out in the table below:

Name:	Position:
Simen Lieungh	Chairperson
Janike Amundsen Myre.....	Board member
Kari Elisabeth Fotland	Board member
Harald Asle Hereid	Board member
Frederik Glenjen	Board member
Leif Helge Eikeseth	Board member
Kurt Werner Holsæter	Board member

Eirik Grimstad Øvreid	Board member
Jone Torstensen	Board member
Knut Bjarte Mossefinn	Deputy board member
Kurt Meinert Fjell	Deputy board member
Kjetil Gjersdal	Deputy board member
Frode Storebø	Deputy board member
Geir Magne Gammersvik	Deputy board member

Odfjell Platform Drilling AS's registered business address Kokstadflaten 35, 5257 Kokstad, Bergen, Norway, is also the address for the members of the board of directors and the management in relation to their directorships and positions in the company.

14.3.3 Odfjell Global Business Services AS

The names and positions of the board of directors of Odfjell Global Business Services AS are set out in the table below:

Name:	Position:
Simen Lieungh	Chairperson
Janike Amundsen Myre.....	Board member
Kari Elisabeth Fotland	Board member
Harald Asle Hereid	Board member
Frederik Glenjen	Board member
Leif Helge Eikeseth	Board member
Kurt Werner Holsæter	Board member
Eirik Grimstad Øvreid	Board member
Jone Torstensen	Board member
Knut Bjarte Mossefinn	Deputy board member
Kurt Meinert Fjell	Deputy board member
Kjetil Gjersdal	Deputy board member
Frode Storebø	Deputy board member
Geir Magne Gammersvik	Deputy board member

Odfjell Global Business Services AS's registered business address, Kokstadflaten 35, 5257 Kokstad, Bergen, Norway, is also the address for the members of the board of directors and the management in relation to their directorships and positions in the company.

14.3.4 Conflicts of interest

The potential conflicts of interests between the Issuer's and the Guarantors' duties, including any personal interests or other duties, are as set out below:

- Details of current directorships and other senior management positions (as well as those held in the last five years) for the Board Members and management can be found in their biographies provided in Section 11.1.3 "Brief biographies of the Board Members" and section 11.2.2 "Brief biographies of the members of Management"; and
- The business premises in Bergen are owned by Odfjell Land AS, an associated party to the Chairperson of the Company, Helene Odfjell. Odfjell Land AS contracts with Odfjell Drilling AS for the property and Odfjell Drilling AS is in turn contracting with a subsidiary of the Company.

The Company does not see any of the above potential conflict of interests as material.

14.4 Historical financial information

14.4.1 Odfjell Partners Invest Ltd.

Odfjell Partners Invest Ltd. has prepared its audited financial statements as of, and for the years ended 31 December 2020 and 31 December 2019, in accordance with IFRS. The historical financial information for 2020 and 2019, including income statement, statement of financial position, statement of cash flows, a summary of accounting principles and notes, can be found in Appendix O and N, respectively.

The page references refer to the pages in the annual report, and not the pages of this document.

Annual Financial Statements	2020	2019
Income statement	Page 6 and 28	Page 7
Statement of Financial Position.....	Page 7 and 8	Page 8-9
Statement of Cash Flows	Page 9	Page 10
Summary of Accounting Principles	Page 11-14	Page 11
Notes	Page 11-31	Page 11
Audit Report	Page 2	Page 2

14.4.2 Odfjell Platform Drilling AS

Odfjell Platform Drilling AS has prepared its audited financial statements as of, and for the years ended 31 December 2020 and 31 December 2019, in accordance with the Companies Act, the Accounting Act and generally accepted accounting principles in Norway. The historical financial information for 2020 and 2019, including income statement, statement of financial position, statement of cash flows, a summary of accounting principles and notes, can be found in Appendix K and J, respectively.

The page references refer to the pages in the annual report, and not the pages of this document.

Annual Financial Statements	2020	2019
Income statement	Page 8	Page 9
Statement of Financial Position.....	Page 9-10	Page 10-11
Statement of Cash Flows	Page 11	Page 12
Summary of Accounting Principles	Page 12-13	Page 13-14
Notes	Page 12-24	Page 13-25
Audit Report	Page 25-26	Page 26-27

14.4.3 Odfjell Global Business Services AS

Odfjell Global Business Services AS has prepared its audited financial statements as of, and for the years ended 31 December 2020 and 31 December 2019, in accordance with the Companies Act, the Accounting Act and generally accepted accounting principles in Norway. The historical financial information for 2020 and 2019, including income statement, statement of financial position, statement of cash flows, a summary of accounting principles and notes, can be found in Appendix M and L, respectively.

The page references refer to the pages in the annual report, and not the pages of this document.

Annual Financial Statements	2020	2019
Income statement	Page 7	Page 8
Statement of Financial Position.....	Page 8-9	Page 9-10
Statement of Cash Flows	Page 10	Page 11
Summary of Accounting Principles	Page 11-12	Page 12-13
Notes	Page 11-22	Page 12-23
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14.5 Independent Auditors

Odfjell Global Business Services AS and Odfjell Platform Drilling AS's independent auditor is KPMG AS with company registration number 935 174 627, and registered business address Sørkedalsveien 6, 0369, Oslo, Norway. KPMG AS and the partners of KPMG AS are members of The Norwegian Institute of Public Accountants (Nw.: Den Norske Revisorforening). KPMG has been the auditor of the Odfjell Global Business Services AS and Odfjell Platform Drilling since September 2021, replacing PwC which had been the auditor of Odfjell Global Business Services AS and Odfjell Platform Drilling since their incorporation. Odfjell Partners Invest Ltd.'s independent auditor is Kreston Menon Chartered Accountants with registration number 136, and registered business address Level 15, Lake Central, Marasi Drive, Business Bay, Dubai, UAE.

Odfjell Global Business Services AS and Odfjell Platform Drilling AS's financial statements for both 2019 and 2020 have been audited by PwC as set forth in their reports included therein.

Odfjell Partners Invest Ltd.'s financial statements for both 2019 and 2020 have been audited by Kreston Menon Chartered Accountants.

14.6 Significant change in the financial performance of the Group since 31 December 2021

Other than the Bond Issue and the RCF described in Section 10.10.1 and 10.10.2, there have been no significant change in the Group's financial position since 31 December 2021, including the Issuer and each of the Guarantors.

14.7 Significant changes in the financial position of the Group since 31 December 2021

Since 31 December 2021, the following significant changes in the financial position of the Group has occurred: the Bond Issue as further described in Section 10.10.1 "Odfjell Technology Ltd FRN Senior Secured NOK 1,500 million Bonds 2022/2026", the RCF as further described in Section 10.10.2 "Revolving Credit Facility" and the Split as further described in Section 4.2 "The Split" and Section 8.4.3 "The Split establishing the Group".

14.8 Recent events relevant to evaluation of the Company's or the Guarantors' solvency

There have been no recent events particular to the Company or the Guarantors that to a material extent are relevant for the evaluation of the Company's or any of the Guarantors' solvency.

14.9 Credit rating (Issuer and Guarantors)

There are no credit ratings assigned to the Company or the Guarantors at the request or with the cooperation of the Company or any Guarantor in the rating process.

15 SECURITIES TRADING IN NORWAY

Set out below is a summary of certain aspects of securities trading in Norway. The summary is based on the rules and regulations in force in Norway as at the date of this Prospectus, which may be subject to changes occurring after such date. This summary does not purport to be a comprehensive description of securities trading in Norway. Investors who wish to clarify aspects of securities trading in Norway should consult with and rely upon their own advisors.

15.1 Introduction

Oslo Børs was established in 1819 and offers the only regulated market for securities trading in Norway. Oslo Børs ASA is 100% owned by Oslo Børs VPS Holding ASA which was acquired by Euronext on 18 June 2019. Euronext owns seven regulated markets across Europe, including Amsterdam, Brussels, Dublin, Lisbon, London, Oslo and Paris.

Oslo Børs has entered into a strategic cooperation with the London Stock Exchange Group with regards to, inter alia, trading systems and product development across for equities, fixed income and derivatives markets.

15.2 Market value of the Shares

The market value of all shares on Oslo Børs, including the Shares, may fluctuate significantly, which could cause investors to lose a significant part of their investment. The market value of listed shares could fluctuate significantly in response to a number of factors beyond the respective issuer's control, including quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, announcements by the respective issuer or its competitors of new product and service offerings, significant contracts, acquisitions or strategic relationships, publicity about the issuer, its products and services or its competitors, lawsuits against the issuer, unforeseen liabilities, changes in management, changes to the regulatory environment in which the issuer operates or general market conditions.

Furthermore, future issuances of shares or other securities may dilute the holdings of shareholders and could materially affect the price of the shares. Any issuer, including the Company, may in the future decide to offer additional shares or other securities to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes, including for refinancing purposes. There are no assurances that any of the issuers on Oslo Børs will not decide to conduct further offerings of securities in the future. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. If a listed company raises additional funds by issuing additional equity securities, the holdings and voting interests of existing shareholders could be diluted, and thereby affect the share price.

15.3 Trading and settlement

Trading of equities on the Oslo Stock Exchange is carried out in Euronext's electronic trading system Optiq®. This trading system is in use by all markets operated by Euronext Official. Trading on the Oslo Stock Exchange takes place between 09:00 hours (CET/CEST) and 16:20 hours (CET/CEST) each trading day, with pre-trade period between 07:15 hours (CET/CEST) and 09:00 hours (CET/CEST), a closing auction from 16:20 hours (CET/CEST) to 16:25 hours (CET/CEST) and a trading at last period from 16:25 hours (CET/CEST) to 16:30 hours (CET/CEST). Reporting of Off-Book On Exchange trades can be done from 07:15 hours (CET/CEST) to 18:00 hours (CET/CEST). The settlement period for trading on Oslo Børs is two trading days (T+2). This means that securities will be settled on the investor's account in VPS two days after the transaction, and that the seller will receive payment after two days.

The Oslo Stock Exchange offers an interoperability model for clearing and counterparty services for equity trading through LCH Limited, EuroCCP and Six X-Clear.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from an EEA member state or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the Norwegian FSA or Oslo Børs except for the general obligation of investment firms that are members of Oslo Børs to report all trades in stock exchange listed securities.

15.4 Information, control and surveillance

Under Norwegian law, Oslo Børs is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of Oslo Børs monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company (i.e. precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. Oslo Børs may levy fines on companies violating these requirements.

15.5 The VPS and transfer of Shares

Upon Listing, the shareholder register of the Company will be maintained with the VPS, which will be a branch register for the purposes of the Bermuda Companies Act, in addition to the principal share register (Register of Members) of the Company maintained at the registered office of the Company in Bermuda pursuant to the provisions of the Bermuda Companies Act. Bermuda law permits the transfer of shares listed or admitted to trading on the Oslo Stock Exchange to be effected in accordance with the rules of the Oslo Stock Exchange (provided it remains an Appointed Stock Exchange). Accordingly, upon Listing the title to the Shares will be evidenced and transferred without a written instrument by the VPS in accordance with the Bye-Laws, provided that they are listed or admitted to trading on the Oslo Stock Exchange. The VPS is the Norwegian paperless centralized securities register. It is a computerized book-keeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded. The VPS and Oslo Børs are both wholly-owned by Oslo Børs VPS Holding ASA.

All transactions relating to securities registered with the VPS are made through computerized book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being, the Central Bank of Norway), authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, the entry of a transaction in the VPS is *prima facie* evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the relevant company's Bye-Laws or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an ongoing basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

15.6 Shareholder register

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) may not be able to vote for such Shares unless their ownership is re-registered in their names with the VPS prior to any general meeting. As a general rule, there are no arrangements for nominee registration and Norwegian shareholders are not allowed to register their shares in the VPS through a nominee. However, foreign shareholders may register their shares in the VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA. An approved and

registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions, but cannot vote in general meetings on behalf of the beneficial owners. There is no assurance that beneficial owners of the Shares will receive the notice of any general meeting in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners.

15.7 Foreign investment in shares listed in Norway

Foreign investors may trade shares listed on Oslo Børs through any broker that is a member of Oslo Børs, whether Norwegian or foreign.

15.8 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify Oslo Børs and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital.

15.9 Insider trading

According to Norwegian law, subscription for, purchase, sale or exchange or other acquisitions or disposals of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in Article 7 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, and as implemented in Norway in accordance with Section 3-21 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value or price either depends on or has an effect on the price or value of such financial instruments or incitement to such dispositions.

15.10 Mandatory offer requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third (or more than 40% or 50%) of the voting rights of a company listed on a Norwegian regulated market (with the exception of certain foreign companies) to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and Oslo Børs decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify Oslo Børs and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by Oslo Børs before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, Oslo Børs may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event

of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, Oslo Børs may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a company listed on a Norwegian regulated market (with the exception of certain foreign companies) is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies correspondingly if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

Any person, entity or consolidated group that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

15.11 Compulsory acquisition

Under Bermuda law, an acquiring party is generally able to compulsorily acquire the common shares of minority holders in the following ways:

- By a procedure under the Bermuda Companies Act of known as a "scheme of arrangement". A scheme of arrangement could be effected by obtaining the agreement of the company and of holders of common shares, representing in the aggregate a majority in number and at least 75% in value of the common shareholders present and voting at a court ordered meeting held to consider the scheme of arrangement. The scheme of arrangement must then be sanctioned by the Bermuda Supreme Court. If a scheme of arrangement receives all necessary agreements and sanctions upon the filing of the court order with the Registrar of Companies in Bermuda, all holders of common shares could be compelled to sell their shares under the terms of the scheme of arrangement.
- If the acquiring party is a company it may compulsorily acquire all the shares of the target company, by acquiring pursuant to a tender offer 90% of the shares or class of shares not already owned by, or by a nominee for, the acquiring party (the offeror) or any of its subsidiaries. If an offeror has, within four months after the making of an offer for all the shares or class of shares not owned by, or by a nominee for, the offeror, or any of its subsidiaries, obtained the approval of the holders of 90% or more of all the shares to which the offer relates, the offeror may, at any time within two months beginning with the date on which the approval was obtained, require by notice any non-tendering shareholder to transfer its shares on the same terms as the original offer. In those circumstances, non-tendering shareholders will be compelled to sell their shares unless the Supreme Court of Bermuda (on application made within a one-month period from the date of the offeror's notice of its intention to acquire such shares) orders otherwise.
- Where one or more parties hold not less than 95% of the shares or a class of shares of a company, such holder(s) may, pursuant to a notice given to the remaining shareholders or class of shareholders, acquire the shares of such remaining shareholders or class of shareholders. When this notice is given, the acquiring party is entitled and bound to acquire the shares of the remaining shareholders on the terms set out in the notice, unless a remaining shareholder, within one month of receiving such notice, applies to the Supreme Court of Bermuda for an appraisal of the value of their shares. This provision only applies where the acquiring party offers the same terms to all holders of shares whose shares are being acquired.

15.12 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

The BMA, has given its consent for the issue and free transferability of the Shares to and between residents and non-residents of Bermuda for exchange control purposes provided that the Shares are listed on an Appointed Stock Exchange (which includes the Oslo Stock Exchange). Approvals or permissions given by the BMA do not constitute a guarantee by the BMA as to the Company's performance or its creditworthiness. Accordingly, in giving such consent or permissions, the BMA shall not be liable for the financial soundness, performance or default of the Company's business or for the correctness of any opinions or statements expressed in this Prospectus. Certain issues and transfers of Shares involving persons deemed resident in Bermuda for exchange control purposes require the specific consent of the BMA.

The Company has been designated by the BMA as a non-resident for Bermuda exchange control purposes. This designation allows the Company to engage in transactions in currencies other than the Bermuda dollar, and there are no restrictions on the Company's ability to transfer funds (other than funds denominated in Bermuda dollars) in and out of Bermuda or to pay dividends to non-residents who are holders of Shares.

16 TAXATION

Set out below is a summary of certain Bermuda, UK and Norwegian tax matters related to an investment in the Company. The summary regarding Bermuda, UK and Norwegian taxation is based on the laws in force in Bermuda, UK and Norway as at the date of this Prospectus, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis.

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the shares in the Company. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisors. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (due to domestic tax law or tax treaty) should specifically consult with and rely upon their own tax advisors with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

The tax legislation in the Company's jurisdiction of incorporation and the tax legislation in the jurisdictions in which the shareholders are resident for tax purposes may have an impact on the income received from shares in the Company.

16.1 Bermuda taxation

At the present time, there is no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by the Company or by its shareholders in respect of the Shares. The Company obtained an assurance from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966 that, in the event that any legislation is enacted in Bermuda imposing any tax computed on profits or income, or computed on any capital asset, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not, until 31 March 2035, be applicable to the Company or to any of the Company's operations or to the Shares, debentures or other obligations except insofar as such tax applies to persons ordinarily resident in Bermuda or is payable by the Company in respect of real property owned or leased by the Company in Bermuda.

16.2 UK taxation

The below statements are intended to provide a general guide for UK resident shareholder as to their tax position under UK law and HMRC practice as at the date of this document. Such law and practice is subject to change.

The information provided is not a comprehensive description of all of the possible tax consequences that may need to be considered prior to the purchase or disposal of shares in the Company. Shareholders should seek independent advice to clarify their own tax situation based on their specific facts and circumstances. In particular, the information provided does not apply to potential UK resident Shareholders who:

- (i) do not hold ordinary shares as an investment and will be the absolute beneficial owners of them;
- (ii) intend to acquire, or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), more than 5%, of any of the classes of shares in the Company;
- (iii) will be required to treat the ordinary shares as "employment related securities" for UK tax purposes;
- (iv) intend to acquire ordinary shares as part of tax avoidance arrangements;
- (v) are subject to special rules, such as dealers in securities, broker-dealers, insurance companies and collective investment schemes; or
- (vi) are in any doubt as to their UK taxation position.

For the avoidance of doubt, ordinary shares ("**Ordinary Shares**") from a UK perspective refers to shares which represent the company's basic voting rights and reflect the equity ownership of a company.

Any UK resident shareholders falling into these categories should consult a professional adviser and obtain specific advice without delay.

16.2.1 *Taxation of dividends*

Under current UK tax legislation, no income tax is required to be withheld from dividend payments by the Company. The potential tax consequences of the recipient of such dividend payments are discussed below.

UK Corporate Shareholders

Shareholders within the charge to UK corporation tax ("**UK Corporate Shareholders**") which are "small companies" (for the purposes of UK taxation of dividends) will not generally expect to be subject to UK tax on dividends from the Company. Other shareholders within the charge to UK corporation tax will not be subject to UK tax on dividends (including dividends from the Company) so long as the dividends fall within an exempt class and certain conditions are met.

Generally, dividends paid on shares that are "ordinary share capital" for UK tax purposes and are not redeemable, also dividends paid to a person holding less than 10% of the issued share capital of the payer (or any class of that share capital), are examples of dividends that fall within an exempt class.

UK Personal Shareholders

Dividends distributed by the company to shareholders who are individuals resident in the UK for tax purposes ("**UK Personal Shareholders**") are subject to the following tax rates:

UK Personal Shareholders are entitled to an annual dividend allowance of £2,000 and therefore any dividends falling within this allowance will effectively be taxed at the rate of 0%.

If a UK Personal Shareholder receives dividends in excess of this allowance, the excess will be taxed at the dividend ordinary rate of 7.5% for basic rate taxpayers, at the dividend higher rate of 32.5% for higher rate taxpayers, and at the dividend additional rate of 38.1% for additional rate taxpayers. These rates will increase to 8.75% for basic rate taxpayers, 33.75% for higher rate taxpayers, and 39.35% for additional rate taxpayers for dividends paid after 6 April 2022. The tax payable on dividends received by UK personal shareholders is assessed each tax year running from 6 April to 5 April and the tax is payable through the UK self assessment tax return system on 31 January following the tax year of receipt.

16.2.2 *Taxation of capital gains on realization of shares*

For the purpose of UK tax on chargeable gains, the purchase of Ordinary Shares on a placing is regarded as an acquisition of a new holding in the share capital of the Company. Where a shareholder acquires Ordinary Shares allotted to him they should, for the purposes of UK tax on chargeable gains, be treated as acquired on the date of the purchase becoming unconditional. A disposal of all or any of the Ordinary Shares may, depending on the circumstances of the relevant Shareholder, give rise to a liability to UK taxation on chargeable gains.

UK Corporate Shareholders

Where a Shareholder is within the charge to UK corporation tax ("**UK Corporate Shareholders**"), a disposal of Ordinary Shares may give rise to a chargeable gain (or allowable loss) for the purposes of UK corporation tax, depending on the circumstances and subject to any available exemption or relief. For example, an exemption known as the substantial shareholding exemption may exempt a gain from UK corporation tax but this depends on the specific circumstances of each taxpayer. UK corporation tax is charged on chargeable gains at the rate applicable to that UK Corporate Shareholder. The rate of UK corporation tax is currently 19% and the rate will increase to 25% from 1 April 2023.

UK Personal Shareholders

Where a UK Personal Shareholder disposes of Ordinary Shares at a gain, UK capital gains tax will be levied to the extent that the gain, when aggregated with gains realised on the disposals of other assets, exceeds the annual exemption in the year of disposal (GBP 12,300 for 2021/22). It may be possible to set off any capital losses available to the individual, either brought forward or realised in the current year. For individuals, UK capital gains tax will be charged at 10% to the extent an individual's chargeable gains, when added to taxable income, come within the upper limit of the income tax basic rate band (GBP 37,700 for 2021/22). To the extent that any chargeable gains or part thereof exceed this basic rate threshold, capital gains tax will be charged at 20%.

Where a Shareholder disposes of Ordinary Shares at a loss, the loss should be available to offset against other current year gains or carried forward to offset against future gains. In certain circumstances the loss may be available to offset against taxable income in the current year (depending upon, inter alia, the circumstances of the Company and the Shareholder).

Foreign Shareholders

As a general rule, UK tax on chargeable / capital gains is levied on companies and individuals that are tax resident in the UK or ordinarily resident in the UK. Companies and individuals resident overseas will generally not be subject to UK tax on chargeable / capital gains. They may however be subject to tax on disposals of shares on OTL in their home jurisdiction. Foreign shareholders should therefore carefully consider this prior to disposing of their OTL shares.

For completeness, there are specific rules for non-resident individuals who realise gains when they are temporarily non-resident and return to the UK within 5 years of leaving the UK where the relevant assets were acquired or held while UK resident. Anti-avoidance legislation is in play to treat such gains as realised in the year of return to the UK and the capital gains tax rates in that year applied.

16.2.3 Stamp duty and Stamp Duty Reserve Tax ("SDRT")

As the Company will be listed on the Oslo Stock Exchange and is Bermudan incorporated, it is our expectation that no UK stamp duty or SDRT charge should arise on the sale or purchase of shares wholly within the VPS. Stamp duty should only arise on the transfers of the shares in materialised form if there is a matter or thing to be done in the UK, or the document of transfer is executed in the UK. Furthermore, no SDRT should arise on the agreement to transfer the shares as the shares are not "paired" with UK shares and the share registers are held outside of the UK.

16.2.4 Inheritance tax

Individual and trustee investors domiciled or deemed to be domiciled in any part of the UK may be liable on occasions to inheritance tax ("**IHT**") on the value of any Ordinary Shares held by them. IHT may also apply to individual Shareholders who are not domiciled in the UK although relief under a double tax convention may apply to those in this position.

Under current law, the chief occasions on which IHT is charged are on the death of the Shareholder, on any gifts made during the seven years prior to the death of the Shareholder, and on certain lifetime transfers, including transfers to trusts or appointments out of trusts to beneficiaries, save in very limited and exceptional circumstances.

16.2.5 Corporate tax on the Bond

The issuance of the Bond by the Company should fall within the UK Loan Relationship rules for tax purposes. As such, the Company on first principles should be able to take a tax deduction for interest payments made in relation to the Bond. It is however important to note that these deductions will be subject to the UK corporate interest restriction rules which limit the UK interest expense (and other UK financing costs) that can be deducted in an accounting period. There are also specific anti-avoidance provisions which would need to be considered further with regards to the tax deductibility of the interest payments made by the Company.

The Bond will be denominated in NOK, however the functional currency of the Company is USD. In this regard, any foreign exchange gains or losses arising on outstanding loan amounts should be treated as loan relationship debits or credits and taxable or relievably within the Company as part of its UK corporation tax assessment. The rate of UK corporation tax is currently 19% and the rate will increase to 25% from 1 April 2023.

16.3 Norwegian taxation

Set out below is a summary of certain Norwegian tax matters related to an investment in the Company. The summary regarding Norwegian taxation is based on the laws in force in Norway as of the date of this Prospectus, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis.

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the shares in the Company. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisors. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (due to domestic tax law or

tax treaty) should specifically consult with and rely upon their own tax advisors with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

The tax legislation in the Company's jurisdiction of incorporation and the tax legislation in the jurisdictions in which the shareholders are resident for tax purposes may have an impact on the income received from the Shares.

16.3.1 Taxation of dividends

Norwegian Personal Shareholders

Dividends distributed by the Company to shareholders who are individuals resident in Norway for tax purposes ("**Norwegian Personal Shareholders**") are taxable in Norway for such shareholders currently at an effective tax rate of 35.2% to the extent the dividend exceeds a tax-free allowance; i.e. dividends received, less the tax free allowance, shall be multiplied by 1.6 which are then included as ordinary income taxable at a flat rate of 22%, increasing the effective tax rate on dividends received by Norwegian Personal Shareholders to 35.2%.

The allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a determined risk free interest rate based on the effective rate of interest on treasury bills (Nw.: statskasserveksler) with three months maturity plus 0.5 percentage points, after tax. The allowance is calculated for each calendar year, and is allocated solely to Norwegian Personal Shareholders holding shares at the expiration of the relevant calendar year.

Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated allowance one year exceeding the dividend distributed on the share ("**Excess Allowance**") may be carried forward and set off against future dividends received on, or gains upon realization, of the same share.

Norwegian Personal Shareholders may hold the shares through a Norwegian share saving account (Nw.: aksjesparekonto). Dividends received on shares held through a share saving account will not be taxed with immediate effect. Instead, withdrawal of funds from the share saving account exceeding the paid in deposit will be regarded as taxable income, regardless of whether the funds are derived from gains or dividends related to the shares held in the account. Such income will be taxed with an effective tax rate of 35.2%, cf. above. Norwegian Personal Shareholders will still be entitled to a calculated tax-free allowance. Please refer to Section 16.3.2 "Taxation of capital gains on realization of shares – Norwegian personal shareholders" for further information in respect of Norwegian share saving accounts.

Norwegian Corporate Shareholders

Dividends distributed by the Company to shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**") are, as a main rule, taxed at 22%. For Norwegian Corporate Shareholders that are considered to be "Financial Institutions" under the Norwegian financial activity tax (banks, holding companies), the dividends are taxed at 25%

If any Norwegian Corporate Shareholders own at least 10% of the capital and have at least 10% of the votes in the general meeting in the Company for more than 2 years, and provided that the Company is not considered low taxed under Norwegian tax law, such shareholders are effectively taxed at a rate of currently 0.66% (3% of dividend income from such shares is included in the calculation of ordinary income for Norwegian Corporate Shareholders and ordinary income is subject to tax at a flat rate of currently 22%), and "Financial Institutions" are effectively taxed at a rate of 0.75%.

16.3.2 Taxation of capital gains on realization of shares

Norwegian Personal Shareholders

Sale, redemption or other disposal of shares is considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares is taxable or tax deductible in Norway. The effective tax rate on gain or loss related to shares realized by Norwegian Personal Shareholders is currently 35.2%; i.e. capital gains (less the tax free allowance) and losses shall be multiplied by 1.6 which are then included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is taxable at a flat rate of 22%, increasing the effective tax rate on gains/losses realized by Norwegian Personal Shareholders to 35.2%.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realization of the share. From this capital gain, Norwegian Personal Shareholders are entitled to deduct a calculated allowance provided that such allowance has not already been used to reduce taxable dividend income. Please refer to Section 16.3.1 "Taxation of dividends – Norwegian Personal Shareholders" above for a description of the calculation of the allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realization of a share will be annulled. Unused allowance may not be set off against gains from realization of other shares.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Special rules apply for Norwegian Personal Shareholders that cease to be tax-resident in Norway.

Gains derived upon the realization of shares held through a share saving account will be exempt from immediate Norwegian taxation and losses will not be tax deductible. Instead, withdrawal of funds from the share saving account exceeding the Norwegian Personal Shareholder's paid in deposit, will be regarded as taxable income, subject to tax at an effective tax rate of 35.2%. Norwegian Personal Shareholders will be entitled to a calculated tax-free allowance provided that such allowance has not already been used to reduce taxable dividend income, please refer to Section 16.3.1 "Taxation of dividends– Norwegian Personal Shareholders" above. The tax-free allowance is calculated based on the lowest paid in deposit in the account during the income year, plus any unused tax-free allowance from previous years. The tax-free allowance can only be deducted in order to reduce taxable income, and cannot increase or produce a deductible loss. Any Excess Allowance may be carried forward and set off against future withdrawals from the account or future dividends received on shares held through the account.

Norwegian Personal Shareholders holding shares through more than one share saving account may transfer their shares or securities between the share saving accounts without incurring Norwegian taxation.

Norwegian Corporate Shareholders

Norwegian Corporate Shareholders are taxed 22% on capital gains derived from the realization of shares in the Company. Losses upon the realization and costs incurred in connection with the purchase and realization of such shares are deductible for tax purposes. Any gains/losses is calculated as the difference between the sales consideration and the tax cost base of the shares.

16.3.3 Net wealth tax

The value of shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. Currently, the marginal net wealth tax rate is 0.95% of the value assessed, and 1.1% of assessed values exceeding NOK 20 million. The value for assessment purposes for listed shares is equal to 75% of the listed value as of 1 January in the year of assessment (i.e. the year following the relevant fiscal year). The value of debt allocated to the listed shares for Norwegian wealth tax purposes is reduced correspondingly (i.e. to 75%).

Norwegian Corporate Shareholders are not subject to net wealth tax.

17 SELLING AND TRANSFER RESTRICTIONS

The Shares may, in certain jurisdictions, be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Receipt of this Prospectus shall not constitute an offer for Shares and this Prospectus is for information only and should not be copied or redistributed. Accordingly, if an existing shareholder receives a copy of this Prospectus, the existing shareholder should not distribute or send the same, or transfer the Shares to any person or in or into any jurisdiction where to do so would or might contravene with local securities laws or regulations. If an existing shareholder forwards this Prospectus into any such territories (whether under a contractual or legal obligation or otherwise), the existing shareholder should direct the recipient's attention to the contents of this Section 17 "Selling and transfer restrictions".

The Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, any jurisdiction in which it would not be permissible to offer the Shares and this Prospectus shall not be accessed by any person in any jurisdiction in which it would not be permissible to offer the Shares.

Neither the Company nor its representatives, is making any representation to any purchaser of Shares regarding the legality of an investment in the Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

The information set out in this Section 17 "Selling and transfer restrictions" is intended as a general guide only. If you are in any doubt about any of the contents of these restrictions, or whether any of these restrictions apply to you, you should obtain independent professional advice without delay.

18 ADDITIONAL INFORMATION

18.1 Auditor and advisors

18.1.1 Independent auditor

The Company's independent auditor is KPMG AS with company registration number 935 174 627, and registered business address Sørkedalsveien 6, 0369, Oslo, Norway. KPMG AS and the partners of KPMG AS are members of The Norwegian Institute of Public Accountants (*Nw.: Den Norske Revisorforening*). KPMG has been the auditor of the Company since its incorporation.

18.1.2 Auditors

As further described in Section 4.3.1 "Historical financial information", KPMG has been the auditor of the Odfjell Drilling group since September 2021, replacing PwC with company registration number 987 009 713, and registered business address Dronning Eufemias gate 71, 0194, Oslo, Norway which had been the auditor of the Odfjell Drilling group since 2009. PwC and the partners of PwC are members of The Norwegian Institute of Public Accountants (*Nw.: Den Norske Revisorforening*)

The Combined Annual Financial Statements have been audited by PwC as set forth in their reports included therein. The Company's Financial Statements have been audited by KPMG AS, as set forth in their reports included therein. The Combined Interim Financial Statements for the period ended 31 December 2021 have not been reviewed. KPMG has not audited, reviewed or produced any report on any other information provided in this Prospectus.

18.1.3 Advisors

Advokatfirmaet Thommessen AS (Ruseløkkeveien 38, 0161 Oslo, Norway) is acting as Norwegian legal counsel to the Company and Conyers Dill & Pearman Limited (Clarendon House, 2 Church Street, Hamilton HM11, Bermuda) is acting as special Bermuda legal counsel to the Company in connecting with the Listing. Advokatfirmaet Schjødt AS is acting as Norwegian legal counsel to the Company's corporate advisors in connection with the Listing.

DNB Markets, a part of DNB ASA, is acting as the Company's corporate advisor in connection with the Listing. Danske Bank, Norwegian branch and Nordea Bank Abp, filial i Norge, are acting as joint bookrunners in connection with the Bond Issue.

18.2 Documents available

Copies of the following documents will be available for inspection at the Company's headquarters at Bergen House, Crawpeel Road, Altens, Aberdeen AB12 3LG, United Kingdom, during normal business hours from Monday to Friday each week (except public holidays) for a period of twelve months from the date of this Prospectus and on the Company's website (www.odfjelltechnology.com):

- The Company's Memorandum of Association and Bye-Laws;
- All reports, letters, and other documents, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in this Prospectus; and
- This Prospectus.

19 DEFINITIONS AND GLOSSARY

In the Prospectus, the following defined terms have the following meanings:

APMs.....	Alternative performance measures.
Appointed Stock Exchange....	An appointed stock exchange (as such term is defined in the Bermuda Companies Act, as amended), which includes the Oslo Stock Exchange.
APS.....	Announced Pledges Scenario.
Bermuda Companies Act.....	The Companies Act 1981 of Bermuda, as amended.
BMA.....	Bermuda Monetary Authority.
Board members.....	The members of Board of Directors.
Board of Directors.....	The Board of Directors of the Company.
Bond(s).....	A 4-year, senior secured bonds issue, with ISIN NO 001 2439480.
Bond Issue	A 4-year, senior secured bonds issue, with ISIN NO 001 2439480.
Bond Terms	The bond terms entered into on 21 February 2022 between the Issuer as issuer and Nordic Trustee AS as bond trustee on behalf of the bondholders.
Bonus Shares.....	Have the meaning ascribed to such term on page 66.
BOP	Subsea blowout preventers.
BP	BP Plc.
Bye-Laws.....	The Company's bye-laws attached hereto as Appendix A.
Calculation Date	Has the meaning ascribed to such term in Section 5.1.
CEO	Chief Executive Officer.
CET.....	Central European Time.
CFC.....	A controlled foreign company as such term is defined under the Norwegian tax legislation.
CFO	Chief Financial Officer.
Combined Annual Financial Statements.....	Combined financial statements have been prepared for the Group from using information extracted from information underlying Odfjell Drilling's audited consolidated financial statements showing balance sheet, comprehensive income statement, a statement of changes in equity, cash flow statement, and accounting policies and explanatory notes.
Combined Interim Financial Statements.....	Unaudited condensed combined interim financial statements have also been prepared for the Group from Odfjell Drilling's unaudited condensed consolidated interim financial statements for the twelve months' period ended 31 December 2021, including comparative interim financial information for the same period in the prior financial year.
Company.....	Odfjell Technology Ltd.
Company's Financial Statements.....	The Company's financial information of the Company itself, covering the period from its incorporation and until 31 December 2021.
Compliance Certificate.....	Has the meaning ascribed to such term in Section 5.1.
ConocoPhillips	The ConocoPhillips Group.
Consideration Shares	Shares that will be issued to Odfjell Drilling as consideration for the transfer of all the shares of the Technology Entities to the Company.
Corporate Governance Code..	The Norwegian Code of Practice for Corporate Governance last updated 14 October 2021.
CRTi.....	A new generation, fully mechanical, casing running tool.
CWD	Casing while drilling.

Distribution.....	The distribution of the Shares to the shareholders of Odfjell Drilling by way of a dividend in specie of common shares of the Company in proportion to the number of shares the shareholders own in Odfjell Drilling (one share in the Company for every six shares held in Odfjell Drilling as of the Record Date, rounded down to the nearest whole share).
Drilling Operations	The Group's drilling operations business segment.
DSM.....	Deep Sea Metro Limited.
E&P.....	Exploration and production.
EEA.....	The European Economic Area.
Energy	Drilling Operations segment and Engineering segments combined.
Engineering	The Groups Engineering business segment.
Enforcement Proceeds.....	The definition of (i) the proceeds from any enforcement of the Transaction Security and the Guarantees and certain distressed disposals and (ii) any payments following any other enforcement event in respect of any Transaction Security, collectively.
Equinor	Equinor ASA.
Equity Securities.....	Have the meaning ascribed to such term on page 29.
ES Act.....	The Economic Substance Act 2018 (as amended) of Bermuda.
Escrow Account Pledge.....	A pledge over the Escrow Account (according to Norwegian law).
ESMA	The European Securities and Markets Authority.
EU	The European Union.
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on this prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
EUR	The lawful currency of the participating member states in the European Union.
Excess Allowance.....	Calculated allowance one year exceeding the dividend distributed on the share.
Financial Information	Combined Annual Financial Statements and the Combined Interim Financial Statements, as incorporated by reference hereto, respectively.
Forward-looking Statements .	Statements that reflect the Company's current views with respect to future events and financial and operational performance, typically identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" or, in each case, their negative, or other variations or comparable terminology.
FPSOs	Floating Production Storage and Offloading units.
GBS	Global business service.
Group Company	The Issuer's Subsidiaries from time to time.
Group or Odfjell Technology..	The Company together with its subsidiaries.
GTPL.....	The Group's primary General Third Party Liability insurance policy for general third party and product liability.
Guarantors	Odfjell Partners Invest Ltd., Odfjell Platform Drilling AS and Odfjell Global Business Service AS.
HMRC.....	HM Revenue and Customs.
IAS 34.....	International Accounting Standard 34 "Interim Financial Reporting" as adopted by the EU.
IEA	International Energy Agency.
IFRS	International Financial Reporting Standards as adopted by the EU.
IPR	Intellectual property rights.

Issuer	Odfjell Technology Ltd.
IT	Information technologies.
KPMG	KPMG AS.
LEI.....	Legal Entity Identifier.
Listing	The listing of the Shares and the Bond on the Oslo Stock Exchange.
Long Stop Date	90 days after the Issue Date.
Management	The members of the management of the Group.
Managers.....	DNB Markets, a part of DNB ASA and Danske Bank.
MEAA	The Middle East, Africa and Asia.
Memorandum of Association..	The Company's memorandum of association attached hereto as Appendix A.
MiFID II.....	EU Directive 2014/65/EU on markets in financial instruments, as amended.
MiFID II Product Governance Requirements.....	MiFID II, Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II and local implementing measures.
MODU	Mobile Offshore Drilling Unit.
MTF	Multilateral trading facility.
NCS	Norwegian Continental Shelf.
NZE	Net Zero Emissions Scenario.
NICs	National insurance contributions.
NOC.....	National oil companies.
NOK.....	Norwegian Kroner, the lawful currency of Norway.
NOM-account	Nominee account.
Non-Norwegian Corporate Shareholders.....	Shareholders who are limited liability companies and certain similar corporate entities not resident in Norway for tax purposes.
Non-Norwegian Personal Shareholders.....	Shareholders who are individuals not resident in Norway for tax purposes.
Non-resident Entity.....	Pursuant to the ES Act of Bermuda, a registered entity which is resident for tax purposes in certain jurisdictions outside Bermuda.
Norwegian Corporate Shareholders.....	Shareholders who are limited liability companies and certain similar corporate entities resident in Norway for tax purposes.
Norwegian FSA.....	The Financial Supervisory Authority of Norway (<i>Nw.: Finanstilsynet</i>).
Norwegian Personal Shareholders.....	Shareholders who are individuals resident in Norway for tax purposes.
Norwegian Securities Trading Act.....	The Norwegian Securities Trading Act of 28 June 2007 No 75 (<i>Nw.: verdipapirhandeloven</i>).
NTA	Norwegian Tax Authorities.
NZE	Net Zero Emissions Scenario.
OD UK.....	Odfjell Drilling UK Ltd.
ODCC.....	Odfjell Drilling and Consulting Company A/S.
Odfjell Drilling	Odfjell Drilling Ltd.
Odfjell Offshore	Odfjell Offshore Ltd.
OECD	Organisation for Economic Co-operation and Development.
OPEC	Organisation of Petroleum Exporting Countries.
OSE Notice	A notice of an annual general meeting or special general meeting that is published on the Oslo Stock Exchange website.
Oslo Stock Exchange.....	Oslo Børs, a Norwegian stock exchange operated by Oslo Børs ASA.
PwC	PricewaterhouseCoopers AS.

Prospectus.....	This Prospectus dated 25 March 2022.
QHSE.....	Quality, health, safety and environment.
R&D.....	Research and development.
RCF.....	Super Senior Revolving Credit Facility.
Rental Equipment.....	The equipment that the Group rents to its clients.
Revolving Credit Facility.....	Has the meaning ascribed to such term in Section 5.1.
Serica.....	Serica Energy.
Securities.....	The Shares and the Bonds.
Share(s).....	Means the common shares of the Company, each with a par value of USD 0.01.
Split.....	Has the meaning ascribed to such term on page 29.
SPS.....	Special period survey.
STEPS.....	Stated Policies Scenario.
Tap Issue.....	The Issuer may on one or more occasions and provided that it meets the Incurrence Test (as defined in the Bond Terms) issue additional Bonds under the Bond Issue. Each such issue is a Tap Issue.
Target Market Assessment....	Has the meaning ascribed to such term on page 2.
TAQA.....	Abu Dhabi National Energy Company PJSC.
Technology Entities.....	Odfjell Technology's subsidiary companies, comprising Odfjell Platform Drilling AS, Odfjell Drilling Technology AS, Odfjell Partners Invest Ltd., Odfjell Oceanwind AS and Odfjell Drilling Philippines Corp, Odfjell Offshore Ltd. and Odfjell Global Business Services AS.
Temporary Bonds.....	Has the meaning ascribed to such term in Section 5.2.
TLPs.....	Spars, Tension Leg Platforms.
TRIF.....	Total recoverable incident frequency rate.
UK.....	The United Kingdom.
UKCS.....	The United Kingdom Continental Shelf.
U.S. or United States.....	The United States of America.
USD.....	The United States Dollar, the lawful currency of the United States of America.
VPS.....	Euronext Securities Oslo (<i>Nw.: Verdipapirsentralen</i>).
VPS Registrar.....	DNB Bank ASA.
WDP.....	Wired drill pipe.
Well Services.....	The Group's Well Services business segment.
WintershallIDEA.....	The Wintershall Group.

APPENDIX A

MEMORANDUM OF ASSOCIATION AND BYE-LAWS

Memorandum of Association
The Companies Act 1981
Section 7(1) and (2)

Odfjell Technology Ltd (202100770)

Filing Date 15-Dec-2021 11:05:50

General details

Type of company	Exempted
Company Name	Odfjell Technology Ltd
Entity type	Company Limited By Shares

Objects and provisions

The objects for which the Company is formed and incorporated are unrestricted only

Yes

Provisions regarding the powers of the Company

The Company may do all such things as are incidental or conducive to the attainment of its objects and shall have the capacity, rights, powers and privileges of a natural person, and – (i) pursuant to Section 42 of the Act, the Company shall have the power to issue preference shares which are, at the option of the holder, liable to be redeemed; (ii) pursuant to Section 42A of the Act, the Company shall have the power to purchase its own shares for cancellation; and (iii) pursuant to Section 42B of the Act, the Company shall have the power to acquire its own shares to be held as treasury shares.

Subscribers

Subscriber 1

Name Dawn C. GRIFFITHS

Address Clarendon House, 2 Church Street, Hamilton, Pembroke, HM 11, Bermuda

Nationality United Kingdom

Has Bermudian status Yes

Number of shares 1

Subscriber 2

Name Christopher G. GARROD

Address Clarendon House, 2 Church Street, Hamilton, Pembroke, HM 11, Bermuda

Nationality United Kingdom

Has Bermudian status Yes

Number of shares 1

Subscriber 3

Name Rovonne SAMPSON

Address Clarendon House, 2 Church Street, Hamilton, Pembroke, HM 11, Bermuda

Nationality United Kingdom

Has Bermudian status Yes

Number of shares 1

Shareholdings

Currency USD - United States Dollar

Authorised share capital 10,000.00

Declarations

The liability of the members of the Company Yes

is limited to the amount (if any) for the time being unpaid on the shares respectively held by them.

The subscribers listed in this application respectively agreed to take such number of shares of the Company as may be allotted to them respectively by the provisional directors of the Company, not exceeding the number of shares for which they have respectively subscribed, and to satisfy such calls as may be made by the directors, provisional directors or promoters of the Company in respect of the shares allotted to them respectively.

Yes

Submitted By

CONYERS CORPORATE SERVICES (BERMUDA) LIMITED
KAREN O'CONNOR
BERMUDA, CLARENDON HOUSE, 2 CHURCH STREET, HAMILTON,
PEMBROKE, HM11

APPENDIX B

THE COMBINED ANNUAL FINANCIAL STATEMENTS

List of Signatures

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Odfjell Technology Ltd PDC Financial Statements 2018-2020.pdf

Name	Method	Signed at
Thore, Susanne Elise Munch	BANKID	2022-01-14 17:12 GMT+01
Helene Odfjell	One-Time-Password	2022-01-14 15:48 GMT+01
Alasdair Shiach	One-Time-Password	2022-01-14 15:22 GMT+01



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Odfjell Technology Ltd.

Predecessor Combined Financial Statements

for the years ended 31 December
2018, 2019 and 2020



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Predecessor Combined Income Statement for the year ended 31 December

USD thousands	Note	2020	2019	2018
Operating revenue	6,30	273 283	272 508	270 447
Total operating income		273 283	272 508	270 447
Other gains and losses	8	1 417	2 559	2 176
Total other items		1 417	2 559	2 176
Personnel expenses	9,20	(166 145)	(163 045)	(168 460)
Depreciation and amortisation	17,18	(29 939)	(27 343)	(27 943)
Other operating expenses	8,30,31	(60 546)	(64 505)	(67 287)
Total operating expenses		(256 630)	(254 893)	(263 689)
Operating profit (EBIT)		18 070	20 174	8 934
Interest income	8	1 124	2 774	1 327
Interest expenses	8	(610)	(851)	(271)
Other financial items	8	(3 785)	(243)	(450)
Net financial (expenses) / income		(3 272)	1 680	606
Profit before tax		14 798	21 854	9 540
Income tax expense	10	377	3 167	4 505
Profit for the period		15 176	25 020	14 045
Profit/(loss) attributable to:				
Non-controlling interests		(73)	-	-
Owners of the parent		15 249	25 020	14 045

The accompanying notes are an integral part of these financial statements

for the years 2018, 2019 and 2020



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Predecessor Combined Statement of Comprehensive Income for the year ended 31 December

USD thousands	Note	2020	2019	2018
Profit / (loss) for the period		15 176	25 020	14 045
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Actuarial gain / loss on post employment benefit obligations	10,20	(1 474)	(586)	(616)
Items that are or may be reclassified to profit or loss:				
Cash flow hedges		-	-	
Currency translation differences		4 634	(2 576)	(7 761)
Other comprehensive income, net of tax		3 160	(3 162)	(8 378)
Total comprehensive income		18 336	21 859	5 668
Total comprehensive income is attributable to:				
Non-controlling interests		(21)	-	-
Owners of the parent		18 357	21 859	5 668

Items in the statement above are disclosed net of tax. The income tax relating to each item of other comprehensive income is disclosed in note 10.

The accompanying notes are an integral part of these financial statements.

for the years 2018, 2019 and 2020



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Predecessor Combined Statement of Financial Position

USD thousands	Note	31.12.2020	31.12.2019	31.12.2018
Assets				
Intangible assets	17	25 260	26 340	26 454
Deferred tax asset	10	1 883	1 467	1 829
Property, plant and equipment	18	77 583	84 563	72 938
Non-current interest-bearing receivables group companies	12	10 745	10 101	9 358
Other non-current assets	14	2 588	120	163
Total non-current assets		118 059	122 592	110 742
Current interest-bearing receivables group companies	12	165 681	174 759	127 984
Trade receivables	12,13	76 273	72 421	64 540
Contract assets	7	-	1 214	-
Other current receivables and assets	12,14	11 167	12 781	8 844
Cash and cash equivalents	15	14 356	11 548	31 682
Total current assets		267 477	272 722	233 050
Total assets		385 536	395 315	343 792
Equity and liabilities				
Other equity	21	309 135	325 217	283 384
Total equity attributable to owners of the parent		309 135	325 217	283 384
Non-controlling interests		636	-	-
Total equity		309 770	325 217	283 384
Non-current lease liabilities	19	4 351	5 155	-
Post-employment benefits	20	5 822	3 720	4 140
Non-current contract liabilities	7	3 688	1 559	369
Total non-current liabilities		13 861	10 434	4 509
Current interest-bearing liabilities group companies	12	6 375	6 480	6 517
Current lease liabilities	19	2 260	2 066	-
Trade payables	12,23	16 092	16 559	18 196
Current contract liabilities	7	48	279	136
Current income tax	10	367	314	178
Other current liabilities	12,16	36 763	33 966	30 872
Total current liabilities		61 905	59 664	55 899
Total liabilities		75 766	70 098	60 408
Total equity and liabilities		385 536	395 315	343 792

The accompanying notes are an integral part of these financial statements

The Board of Odfjell Technology Ltd.
14 January 2022

Helene Odfjell
Director

Susanne Munch Thore
Director

Alasdair Shiach
Director

for the years 2018, 2019 and 2020



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Predecessor Combined Statement of Cash Flows for the year ended 31 December

USD thousands	Note	2020	2019	2018
Cash flows from operating activities:				
Profit before tax - continuing operations		14 798	21 854	9 540
<i>Adjustments for:</i>				
Depreciation, amortisation and impairment loss		29 939	27 343	27 943
Interest expense - net		(513)	(1 923)	(1 056)
Net (gain) / loss on sale of tangible fixed assets		(1 417)	(2 559)	(1 844)
Post-employment benefit expenses less post-employment benefit payments		96	(1 125)	18
Net currency loss / (gain) not related to operating activities		730	202	(832)
Other adjustments for non-cash items		1 578	73	-
<i>Changes in working capital - continuing operations:</i>				
Spare parts		(170)	(310)	77
Trade receivables		44	(8 883)	(4 514)
Trade payables		(801)	(2 826)	(171)
Other accruals		13 384	(1 325)	2 644
Cash generated from operations		57 668	30 520	31 806
Net interest (paid) / received		(143)	1 274	390
Net income tax paid		(2 967)	(2 279)	(1 201)
Net cash flow from operating activities		54 557	29 515	30 994
Cash flows from investing activities:				
Purchase of property, plant and equipment	17,18	(21 413)	(28 111)	(16 988)
Proceeds from sale of property, plant and equipment		1 962	3 345	2 556
Other non current receivables		(2 461)	46	56
Cash used in obtaining control of subsidiaries		(100)	-	-
Net cash from investing activities		(22 012)	(24 719)	(14 375)
Cash flows from financing activities:				
Net change group cash pool receivables and liabilities		8 973	(46 812)	(47 744)
Repayment of lease liabilities	19	(1 823)	(2 057)	-
Proceeds from transactions with non-controlling interests		355	-	-
Group contributions from companies in Odfjell Drilling Ltd. Group		12 041	24 956	27 689
Dividends paid to companies in Odfjell Drilling Ltd. Group		(44 769)	-	(1 151)
Net cash flow from financing activities		(25 224)	(23 913)	(21 207)
Effects of exchange rate changes on cash and cash equivalents		(4 512)	(1 016)	(4 823)
Net change in cash and cash equivalents		2 809	(20 134)	(9 411)
Cash and cash equivalents 01.01		11 548	31 682	41 093
Cash and cash equivalents at 31.12		14 356	11 548	31 682

The accompanying notes are an integral part of these financial statements

for the years 2018, 2019 and 2020



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Predecessor Combined Statement of Changes in Equity

USD thousands	Note	Attributable to owners of the parent			Total attributable to owners of the parent	Non- controlling interest	Total equity
		Share capital	Other reserves	Retained earnings			
Balance at 1 January 2018		-	(9 907)	267 911	258 004	-	258 004
Profit/(loss) for the period		-	-	14 045	14 045	-	14 045
Other comprehensive income for the period		-	(7 761)	(616)	(8 378)	-	(8 378)
Total comprehensive income for the period		-	(7 761)	13 429	5 668	-	5 668
Equity contribution from other companies in Odfjell Drilling Ltd. Group		-	-	20 863	20 863	-	20 863
Distribution to other companies in Odfjell Drilling Ltd. Group		-	-	(1 151)	(1 151)	-	(1 151)
Transactions with owners		-	-	19 712	19 712	-	19 712
Balance at 31 December 2018		-	(17 668)	301 052	283 384	-	283 384
Profit/(loss) for the period		-	-	25 020	25 020	-	25 020
Other comprehensive income for the period		-	(2 576)	(586)	(3 162)	-	(3 162)
Total comprehensive income for the period		-	(2 576)	24 434	21 859	-	21 859
Equity contribution from other companies in Odfjell Drilling Ltd. Group		-	-	19 975	19 975	-	19 975
Distribution to other companies in Odfjell Drilling Ltd. Group		-	-	-	-	-	-
Transactions with owners		-	-	19 975	19 975	-	19 975
Balance at 31 December 2019		-	(20 244)	345 461	325 217	-	325 217
Profit/(loss) for the period		-	-	15 249	15 249	(73)	15 176
Other comprehensive income for the period		-	4 581	(1 474)	3 108	53	3 160
Total comprehensive income for the period		-	4 581	13 775	18 357	(21)	18 336
Equity contribution from other companies in Odfjell Drilling Ltd. Group		-	-	10 083	10 083	-	10 083
Acquisition of a subsidiary		-	-	-	-	549	549
Transactions with non-controlling interests		-	-	247	247	108	355
Distribution to other companies in Odfjell Drilling Ltd. Group		-	-	(44 769)	(44 769)	-	(44 769)
Transactions with owners		-	-	(34 439)	(34 439)	656	(33 783)
Balance at 31 December 2020		-	(15 663)	324 798	309 135	636	309 770

for the years 2018, 2019 and 2020



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Note 1 > Basis for preparation

General information

Odfjell Technology Ltd., was incorporated on 14 December 2021 for the purpose of continuing the service activities (OWS and Energy segments) of the parent company of Odfjell Drilling Ltd.

Odfjell Technology Ltd., is incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The head office is planned to be based in the United Kingdom, similar to Odfjell Drilling Ltd.

As part of a planned restructuring, Odfjell Technology Ltd., will subject to a final resolution, primo 2022 receive equity contributions, including shares in two subsidiaries, from Odfjell Drilling Ltd. Subject to a successful issuing of new debt in the company, Odfjell Technology Ltd. will purchase shares in other relevant subsidiaries from Odfjell Drilling Ltd. See note 28 for information about the planned group structure.

The transactions listed above are considered to be common control transactions, and is recognised on a carry-over basis (referred to as "predecessor accounting"). In general all amounts presented are therefore recorded at predecessor values as they have been included in Odfjell Drilling Ltd's financial statements.

Odfjell Technology Ltd., and its subsidiaries (together 'the Group') provides platform drilling, engineering, rig inspection services, technical integrity management services, development of new technology related concepts, casing and tubular running services, wellbore cleaning, drilling tool and tubular rental services both for exploration wells and for production purposes. In addition the group provides business support services, mainly to companies in the Odfjell Drilling Ltd.

Basis of preparation

Applying predecessor accounting, Odfjell Technology Ltd., account for the transaction as if the combination had taken place prior to the comparative periods presented. The combined predecessor financial statements therefore present historical information as if Odfjell Technology Ltd and its subsidiaries were a part of the same group for all periods presented.

Odfjell Technology Ltd was incorporated for the purpose of continuing the service and business support activities of Odfjell Drilling Ltd. Odfjell Drilling Ltd is to be the ultimate parent company of the Odfjell Technology Group, before and after the transactions transferring subsidiaries to Odfjell Technology Ltd. The shares in Odfjell Technology Ltd. will then distributed to the shareholders of Odfjell Drilling Ltd.

For the years ended 31 December 2018, 2019 and 2020 the Predecessor Combined Financial Statements presented herein have been carved out of the consolidated financial statements of Odfjell Drilling Ltd as if the Odfjell Technology group had been in existence from 1 January 2018.

The carrying amounts of the assets and liabilities in the Predecessor Combined Financial Statements are based on the predecessor values of Odfjell Drilling Ltd.

The Predecessor Combined Financial Statements are prepared on a basis consistent with IFRS as adopted by the EU with the following exceptions:

The perimeter of the accounts does not conform with the control notion in IFRS 10 *Consolidated Financial Statements* because Odfjell Technology Ltd., was not the parent company for the years covered by the predecessor consolidated combined financial statements.

The Predecessor Combined Financial Statements are otherwise prepared using the principles of IFRS 10, such as elimination of intra-group transactions and balances. Transactions with the remaining Odfjell Drilling Group have not been eliminated, as these are now regarded as external to the Odfjell Technology Group. These transactions are recognised based on intercompany agreements that were prevailing in the years reported. No adjustments are made to the predecessor values of income and expenses. See Note 30 for summary of transactions with Odfjell Drilling Group.

The Predecessor Combined Financial Statements include all entities over which Odfjell Technology Ltd., post restructuring in 2022, is expected to have the power to govern the financial and operating policies, generally accompanying a shareholding of more than half of the voting rights. These entities are included in the financial statements in the entire period covering 2018 - 2021. See Note 28 for listing of companies included.

The Predecessor Combined Financial Statements ended 31 December 2018, 31 December 2019 and 31 December 2020, comprise the income statement, statement of comprehensive income, statement of financial position, statement of cash flow, statement of changes in equity and note disclosures.

for the years 2018, 2019 and 2020



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Going concern

The Group has adopted the going concern basis in preparing its predecessor combined financial statements. The assessment regarding the going concern assumption is disclosed in note 4.

Basis of measurement

The predecessor combined financial statements have been prepared under the historical cost convention, except for derivative financial instruments, debt and equity financial assets, plan assets in defined benefit pension plans and contingent consideration that have been measured at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where the assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

The accounting policies outlined in relevant notes and in note 32 Accounting Principles have been applied consistently for all periods presented in these Predecessor Combined Financial Statements.

Basis of consolidation

The predecessor combined financial statements comprise the financial statements of Odfjell Technology Ltd., and its subsidiaries. Subsidiaries are all entities over which the group has control, post restructuring in 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including power to govern the financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. The Group companies are listed in Note 28.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity.

for the years 2018, 2019 and 2020



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Note 2 > Significant events and transactions in the reporting periods

The financial position and performance of the group was particularly affected by the following events and transactions during the reporting periods:

2018

Equinor awarded contract for Platform Drilling services

On 3 April 2018, Equinor awarded Odfjell Drilling a Fixed Platform Drilling Services contract for Heidrun, located on the Norwegian Continental Shelf. Odfjell Drilling operated both Grane and Heidrun until October 2018 and continued thereafter only on Heidrun. The firm contract is for 4 years with 3 x 2 years optional periods.

2019

Drilling contracts awarded

Odfjell Drilling has, on 29 January 2019, been awarded a contract for platform drilling and maintenance services on three of BP's platforms in the UK North Sea. The contract period is for two years, with an additional two x one year options. The new contract commenced 1 February 2019 and the firm contract period has an estimated value of up to USD 50 million.

2020

Platform drilling commenced Ekofisk operations

On 1 July 2020, Odfjell Drilling commenced the Platform Drilling and Maintenance and Minor Modifications contract for ConocoPhillips at the Greater Ekofisk Area. The contract work includes drilling operations, work-over campaigns, P&A activities and all preventative and corrective maintenance of ConocoPhillips' drilling facilities on three offshore platforms in the Greater Ekofisk Area. The contract period is for five years, with an option to extend two times, each time by up to three years.

Wintershall Dea exercises options on the Brage platform for platform drilling services

Odfjell Drilling and Wintershall Dea entered into a 4+2+2 year platform drilling services contract on the Brage Platform on 13 December 2016. The parties have agreed to continue the cooperation as Wintershall Dea exercised both the 2 year options in December 2020. This means that the contract has been extended for four years with effect from mid-December 2020.

Covid

The Covid-19 outbreak and downward shift in oil price, which both occurred during Q1 2020, have affected the global economy negatively. We have observed E&P companies taking measures to reduce their overall spending due to the uncertain situation.

The Covid-19 pandemic has had a significant impact on our business in terms of us having to adapt and adjust our ways of working. The pandemic necessitated a renewed focus on people and safety. Early in 2020, contingency and emergency planning got underway. A new section was added to our Company Management System to assist and navigate through the challenges being created by the pandemic. The project involved the creation of a vast number of new guidelines and procedures covering a large number of possible scenarios.

The Group acted quickly to implement required routines to limit the spread of the virus. We will continue to pay attention to the situation and take actions as required and recommended by local authorities.

The Well Services business has been significantly impacted by the Covid-19 pandemic, predominately due to the geographical reach of the business and the need for international movement and cross border activity, while the negative financial impact in Platform Drilling has been limited.

The main impact in the Well Services business has been reduced operating revenues due to customers postponing contract commencements. Strick cost control and cost reducing measures have secured acceptable margin levels.

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Note 3 > New accounting standards

IFRS 16 Leases

As of 1.1.2019 the group implemented IFRS 16 Leases using a modified retrospective approach for adoption. As permitted under the specific transition provisions in the standard, comparative figures for the 2018 reporting periods have not been restated.

On adoption of IFRS 16 Leases, the group recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 6.2 %.

The associated right-of-use assets were measured at the amount equal to the lease liability, adjusted for the amount of any prepaid or accrued lease payments related to that lease recognised in the balance sheet as at 31 December 2018.

In applying IFRS 16 for the first time, the group will use the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with similar characteristics
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- the exclusion of initial direct costs from the measurement of right-of-use assets as at 1.1.2019
- the use hindsight, such as in determining the lease term if the contract contains options to extend or terminate.

As at implementation date, the group had non-cancellable operating lease commitments of USD 11 million. The following table provides reconciliation from operating lease commitments as of 31 December 2018 under IAS 17 and lease liabilities recognised in the statement of financial position as of 1 January 2019:

USD thousands

Operating lease commitments discloses as at 31 December 2018	11 049
Effect of discounting using incremental borrowing rates for the relevant assets	(2 148)
Short-term leases recognised on a straight-line basis as expense	(225)
Low-value leases recognised on a straight-line basis as expense	(421)
Adjustment for leases not yet commenced	(241)
Lease liabilities recognised as at 1 January 2019	8 015

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The following tables show the impacts arising from IFRS16 on the opening balance and for the year of 2019.

Consolidated statement of financial position	Closing balance			Opening balance		
	IFRS 16 31.12.2019	Impact IFRS 16	IAS 17 31.12.2019	IFRS 16 01.01.2019	Impact IFRS 16	IAS 17 31.12.2018
USD thousands						
Assets						
Deferred tax asset	1 467	45	1 422	1 829	-	1 829
Property, plant and equipment	84 563	7 225	77 338	81 116	8 177	72 938
Other non-current assets	36 562	-	36 562	35 975	-	35 975
Total non-current assets	122 592	7 270	115 322	118 919	8 177	110 742
Trade receivables and contract assets	73 635	-	73 635	64 540	-	64 540
Other current assets	187 540	(334)	187 874	136 666	(163)	136 828
Cash and cash equivalents	11 548	-	11 548	31 682	-	31 682
Total current assets	272 722	(334)	273 056	232 888	(163)	233 050
Total assets	395 315	6 936	388 378	351 807	8 015	343 792
Equity and liabilities						
Total paid-in capital	-	-	-	-	-	-
Other equity	325 217	(285)	325 502	283 384	-	283 384
Total equity	325 217	(285)	325 502	283 384	-	283 384
Non-current interest-bearing borrowings	-	-	-	-	-	-
Non-current lease liabilities	5 155	5 155	-	5 764	5 764	-
Other non-current liabilities	5 279	-	5 279	4 509	-	4 509
Total non-current liabilities	10 434	5 155	5 279	10 274	5 764	4 509
Current interest-bearing borrowings	6 480	-	6 480	6 517	-	6 517
Current lease liabilities	2 066	2 066	-	2 250	2 250	-
Other current liabilities	51 118	-	51 118	49 382	-	49 382
Total current liabilities	59 664	2 066	57 598	58 149	2 250	55 899
Total liabilities	70 098	7 221	62 877	68 423	8 015	60 408
Total equity and liabilities	395 315	6 936	388 378	351 807	8 015	343 792
Equity ratio	82 %		84 %	81 %		82 %

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Consolidated Income Statement USD thousands	IFRS 16	Impact	IAS 17	IAS 17
	2019	IFRS 16 2019	2019	2018
Operating revenue	272 508	-	272 508	270 447
Other gains and losses	2 559	-	2 559	2 176
Personnel expenses	(163 045)	-	(163 045)	(168 460)
Other operating expenses	(64 505)	2 337	(66 842)	(67 287)
EBITDA	47 517	2 337	45 180	36 877
Depreciation, amortisation and impairment	(27 343)	(2 109)	(25 234)	(27 943)
Operating profit (EBIT)	20 174	228	19 946	8 934
Net financial items	1 680	(541)	2 221	606
Profit/(loss) before tax	21 854	(313)	22 167	9 540
Income taxes	3 167	31	3 136	4 505
Profit/(loss) for the period	25 020	(282)	25 302	14 045

Consolidated Statement of Cash Flows USD thousands	IFRS 16	Impact	IAS 17	IAS 17
	2019	IFRS 16 2019	2019	2018
Cash flows from operating activities:				
Profit/(loss) before tax	21 854	(313)	22 167	9 540
Adjustment for provisions and non-cash elements	22 011	2 649	19 361	24 229
Changes in working capital	(13 345)	152	(13 497)	(1 964)
Cash generated from operations	30 520	2 489	28 031	31 806
Interest paid	1 274	(431)	1 705	390
Net income tax (paid) / refunded	(2 279)	-	(2 279)	(1 201)
Net cash flow from operating activities	29 515	2 057	27 457	30 994
Net cash flow from investing activities	(24 719)	-	(24 719)	(14 375)
Repayment of lease liabilities	(2 057)	(2 057)	-	-
Cash flow from other financial activities	(21 856)	-	(21 856)	(21 207)
Net cash flow from financing activities	(23 913)	(2 057)	(21 856)	(21 207)
Effects of exchange rate changes on cash and cash equi	(1 016)	-	(1 016)	(4 823)
Net change in cash and cash equivalents	(20 134)	-	(20 134)	(9 411)

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Note 4 > Changes in the composition of the Group

Accounting principle

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition of a subsidiary are the fair values of the assets transferred, the liabilities incurred to the former owners of the acquired business and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquired entity's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of any pre-existing equity interest in the subsidiary is adjusted to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

The assets and liabilities recognised as a result of the acquisition are as follows:

USD thousands	<u>Fair value</u>
Cash	964
Other non-current payables	(31)
Net identifiable assets acquired	932
Less: non-controlling interests	(549)
Add: goodwill	680
Net assets acquired	1 064

Goodwill is initially measured as the excess of the aggregate consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

There were no business combinations in 2018 and 2019.

Business combinations in 2020

As at 30 September 2020, the Group had invested USD 0.1 million in Odfjell Oceanwind AS. The amount comprises cash consideration transferred of USD 1.1 million reduced by cash and cash equivalents of the acquired entity of USD 1.0 million. The transaction gave the Group a financial interest of about 40%, but Odfjell Oceanwind is included in consolidated financial statements because the Group has control. Control is achieved because the Group is exposed to variable returns from its involvement with Odfjell Oceanwind and has the ability to affect those returns through its power over the entity.

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Note 5 > Critical accounting estimates and judgements

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 that are outside the Group's control. The resulting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are listed below. Detailed information of these estimates and judgements are disclosed in the relevant notes.

- Revenue recognition (Note 6 - Revenue)
- Recognition of deferred tax asset for carried forward tax losses (Note 10 - Income taxes)
- Impairment of non-financial assets (Note 17 - Intangible assets)
- Provisions and contingent liabilities (Note 24 - Contingencies)

Going concern

Factors that, in the Group's view, could cause actual results to differ materially from the outlook contained in this report are the following: volatile oil and gas prices, competition within the oil and gas services industry, changes in client's spending budgets plus developments in the financial markets.

The volatility in market capitalisation for the oil and gas service providers has led the financial institutions to focus on contract backlog as the major criteria for debt financing. The market for rig financing is still challenging and additional funding sources may be restricted to the Group in the future for refinancing existing facilities as they mature. The uncertainties and volatility in today's financial market represent a risk for the Group with respect to funding, and hence the going concern principle, should these market conditions continue over time.

Taking all relevant risk factors and available options for financing into consideration, the Board has a reasonable expectation that the Group has adequate resources to continue its operational existence for the foreseeable future.

Hence, the Group has adopted the going concern basis in preparing its consolidated financial statements.

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Note 6 > Revenue and segment disclosure

Segment summary

The Group provides services to the oil and gas industry. The split into segments is based on management structure and reporting. The reporting described below, is consistent with the financial reporting performed in the Odfjell Drilling Ltd Group. The Odfjell Technology Ltd. Group is expected to carry forward the framework for the internal financial reporting, but may decide to amend the segments to support the future decision maker.

Operating segments are reported in a manner consistent with the internal financial reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board who makes the strategic decisions. Odfjell Energy business segment (Energy) and Odfjell Well Services business segment (OWS) have been determined as the operating segments.

- **Energy:** The Energy segment provides integrated drilling and maintenance services for fixed platform drilling rigs in the North Sea, as well as engineering services, including design, project management and operation and support. The Energy segment will also develop growth within new product lines where the strategy is to create a footprint within sustainable energy solutions.

- **OWS:** The OWS segment provides casing and tubular running services, wellbore cleaning in addition to drilling tool and tubular rental services both for exploration wells and for production purposes.

Segment results are evaluated on the basis of operating profit, and the information given below is based on information used for internal reporting. Internal transactions in the segments are eliminated in the segments.

The Corporate / Elimination column in tables below include business support services provided to both the group and to companies in the Odfjell Drilling Ltd. Group.

	Energy	Well Services	Corporate / Elimination	Consolidated
USD thousands	2020	2020	2020	2020
External segment revenue	155 582	92 796	24 906	273 283
Inter segment revenue		11 072	(11 072)	-
Total revenue	155 582	103 868	13 834	273 283
EBITDA	15 184	32 266	559	48 009
Depreciation and impairment	(99)	(25 409)	(4 431)	(29 939)
EBIT	15 085	6 858	(3 872)	18 070
Net financial items				(3 272)
Profit / (loss) before tax - Consolidated Group				14 798

	Energy	Well Services	Corporate / Elimination	Consolidated
USD thousands	2019	2019	2019	2019
External segment revenue	146 904	101 556	24 048	272 508
Inter segment revenue	-	9 625	(9 625)	-
Total revenue	146 904	111 182	14 422	272 508
EBITDA	17 410	32 099	(1 992)	47 517
Depreciation and impairment	(84)	(22 986)	(4 274)	(27 343)
EBIT	17 326	9 113	(6 266)	20 174
Net financial items				1 680
Profit / (loss) before tax - Consolidated Group				21 854

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	Energy	Well Services	Corporate / Elimination	Consolidated
USD thousands	2018	2018	2018	2018
External segment revenue	144 539	97 642	28 266	270 447
Inter segment revenue		9 134	(9 134)	-
Total revenue	144 539	106 776	19 132	270 447
EBITDA	13 544	25 995	(2 663)	36 877
Depreciation and impairment	(71)	(24 151)	(3 721)	(27 943)
EBIT	13 473	1 845	(6 383)	8 934
Net financial items				606
Profit / (loss) before tax - Consolidated Group				9 540

Disaggregation of revenue - Primary geographical markets

	Energy	Well Services	Corporate / Elimination	Consolidated
USD thousands	2020	2020	2020	2020
Norway	103 013	55 085	10 540	168 639
United Kingdom	52 568	9 267	485	62 320
Other countries Europe	-	15 962	-	15 962
Asia	-	18 097	2 809	20 906
Africa	-	5 199	-	5 199
Other geographical markets	-	258	-	258
Total operating income	155 582	103 868	13 834	273 283

	Energy	Well Services	Corporate / Elimination	Consolidated
USD thousands	2019	2019	2019	2019
Norway	93 126	49 766	8 595	151 487
United Kingdom	53 778	9 906	1 014	64 697
Other countries Europe	-	22 769	33	22 802
Asia	-	27 508	3 348	30 855
Other geographical markets	-	1 233	1 433	2 666
Total operating income	146 904	111 182	14 422	272 508

	Energy	Well Services	Corporate / Elimination	Consolidated
USD thousands	2018	2018	2018	2018
Norway	91 111	54 518	15 134	160 764
United Kingdom	53 428	8 973	355	62 756
Other countries Europe		19 298	54	19 352
Asia		23 653	3 353	27 006
Other geographical markets	-	333	236	569
Total operating income	144 539	106 776	19 132	270 447

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USD thousands	2020	2019	2018
Revenue from contracts with customers (IFRS 15)	244 570	239 625	244 217
Other operating revenue	28 713	32 883	26 230
Operating revenue	273 283	272 508	270 447

For revenues to related parties, refer to note 30.

Revenues from single external customers

(more than 10% of revenues)	2020	2019	2018
Equinor Energy	45 964	44 452	69 148
ConocoPhillips Skandinavia	26 557	6 101	n/a
Companies within the Odfjell Drilling Ltd. Group	54 140	56 527	61 772

Accounting Policies - Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control over rendered services to the customer.

Sometimes, the Group receives short-term advances from customers. Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The Group has, as a practical expedient in IFRS, recognised the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the entity otherwise would have recognised is one year or less.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Contingent rents are recognised as revenue in the period in which they are earned.

Significant judgement and estimation uncertainty

There is use of judgement in the Group's revenue recognition, and the judgement items include evaluation of whether the customer option represents a material right that gives rise to a performance obligation, and if so, to estimate the stand-alone selling price of the option. Further, judgement is based on a decision of whether to include any incentive bonus elements in the transaction price, and to estimate included variable considerations. In addition, the progress towards complete satisfaction of the performance obligation at the end of the reporting period is estimated.

Energy

Within the Energy segment, the Platform Drilling business area provides integrated drilling and maintenance services for fixed platform drilling rigs in the North Sea. Services are provided as a series of distinct services that are substantially the same and have the same pattern of transfer to the customer.

Revenue is based on the transaction price in the contracts with customers. The main part of the transaction price is fixed day rates, which can vary depending on the phase of contract. Payment of the dayrate based transaction price is usually due on a monthly basis. Some contracts may contain milestone payments or prepayment for maintenance services not yet performed. When milestone payments are to be received subsequent of providing the service, the Group may accrue revenue classified as a contract asset. Refer to Note 7 - Contract balances.

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The Group generally recognise revenue over time because of the continuous transfer of control to the customer. Some of the contracts include fees for variable or conditional service fee arrangements, such as bonuses for meeting or exceeding certain performance targets. The Group estimate these variable fees using a most likely amount approach on a contract by contract basis. Management makes a detailed assessment of the amount of revenue expected to be received and the probability of success in each case. Variable consideration is included in revenue only to the extent that it is highly probable that the amount will not be subject to significant reversal when the uncertainty is resolved (generally upon completion of a well or drilling program). The period for recognising revenue is generally equal to the contract period.

The Technology business area offers engineering services, including design, project management and operation and support. The transactions price in the contracts are mainly based on rates per hour, but the business area have from time to time some lump sum projects. The Group generally recognise revenue over time because of the continuous transfer of control to the customer. The period for recognising revenue is generally equal to the contract period.

Well Services

The Well Services segment provides casing and tubular running services and wellbore cleaning, as well as drilling tool and tubular rental services both for exploration wells and for production purposes.

Revenue for the rental services are recognised according to IFRS 16 Leases and is accounted for on a straight-line basis over the lease terms.

Services related to contracts with customers are provided as a series of distinct services that are substantially the same and have the same pattern of transfer to the customer. Revenue is based on the transaction price in the contracts with customers, which is a combination of fees for equipment used, personnel on board and other pricing elements. Payment of the transaction price is usually due on a monthly basis. The Group generally recognise revenue over time because of the continuous transfer of control to the customer. The period for recognising revenue is generally equal to the contract period.

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Note 7 > Contract balances

Accounting policies:

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Contract balances

USD thousands	Note	2020	2019	2018
Contract assets		-	1 214	-
Contract liabilities		(3 736)	(1 838)	(506)

The contract assets as at 31 December 2019 are mainly accrued revenue related the drilling contract with Equinor for the Mariner

Contract liabilities as at 31 December 2018, 31 December 2019 and 31 December 2020 were mostly related to unsatisfied performance obligations regarding periodic maintenance in the Platform Drilling services. Due to changes to contracts during 2018, all of the contract liabilities as at 1 January 2018 were recognised as revenue during 2018. The periodic maintenance services are normally expected to be performed and revenue recognised within the next one to five years.

Set out below is the amount of revenue recognised from:

USD thousands	2020	2019	2018
Amounts included in contract liabilities at the beginning of the year	597	-	1 679
Performance obligations satisfied in the previous years	3	121	163

Performance obligations related to unsatisfied long-term contracts

The Group's firm contract backlog as at 31 December 2020 is USD 0.3 billion (USD 0.4 billion as at 31 December 2019 and USD 0.3 billion as at 31 December 2018) related to Platform Drilling services. Approximately USD 0.1 billion is related to services that will be provided in 2021 (USD 0.1 billion to be provided in 2020, and USD 0.1 billion to be provided in 2019). The firm contract backlog does not include variable consideration which is constrained. The services provided under these contracts will be billed based on time incurred and at day rates according to contract. The Well Services contracts are for periods of one year or less and are billed based on time incurred. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Assets from contract costs

The group has not recognised assets for costs incurred to fulfil a contract with customers as at 31 December 2018, 31 December 2019 or 31 December 2020.

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Note 8 > Combined items, income statement**Other gains and losses**

USD thousands	2020	2019	2018
Net gain on disposal of tangible fixed assets	1 417	2 559	2 176
Total other gains and losses	1 417	2 559	2 176

Other operating expenses

USD thousands	2020	2019	2018
Hired services	1 988	2 431	4 106
Hired equipment	7 111	7 284	6 957
Repair and maintenance, inspection, tools, fixtures and fittings	27 146	26 738	24 540
Insurance	265	173	181
Freight and transport	4 174	4 790	5 054
Cost of premises	4 800	4 599	7 640
Travel and course expenses	5 552	6 917	6 740
Other operating and administrative expenses	9 510	11 573	12 069
Total other operating expenses	60 546	64 505	67 287

Financial income / (expenses)**Borrowing cost**

USD thousands	Note	2020	2019	2018
Interest expenses lease liabilities	19	(455)	(525)	-
Other interest expenses		(155)	(326)	(271)
Total interest expenses		(610)	(851)	(271)

Other financial items

USD thousands	2020	2019	2018
Net currency gain / (loss)	(3 950)	(397)	(777)
Other financial income	244	272	413
Other financial expenses	(79)	(118)	(86)
Total other financial items	(3 785)	(243)	(450)

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Note 9 > Personnel expenses**Personnel expenses**

USD thousands	Note	2020	2019	2018
Salaries and wages		120 136	113 938	118 893
Employer's national insurance contributions		14 813	14 425	15 732
Pension expenses	20	7 294	6 802	6 818
Other benefits		5 901	6 673	6 915
Hired personnel		18 002	21 206	20 102
Total personnel expenses continuing operations		166 145	163 045	168 460

No. of employees (annual average)		1 482	1 388	1 348
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Note 10 > Income Taxes

Accounting policies

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Withholding tax is the tax withheld on border-crossing gross income, generated in Middle East and some other countries. Withholding tax is presented as tax expense in the income statement as this is a major, and often the total, part of the

Significant judgement and estimation uncertainty

Odfjell Offshore Ltd, a subsidiary of the Group, was registered as a Norwegian Registered Foreign Company (NUF) on 08.03.2016 after migration of the company in January 2016, and is taxable for income to Norway. In 2017, the company filed for a tax deduction, of approximately NOK 2.3 billion, on redemption of shares in Deep Sea Metro Ltd. A total of NOK 1 billion of this loss has been utilised through group contributions received from other Norwegian entities within the Odfjell Drilling Ltd group in the period 2017 to 2020. As at 31 December 2020 the Group has an unrecognised tax asset of USD 37 million.

In 2018, the Norwegian Tax authorities requested further information regarding the deductibility for these tax losses. In March 2021 Odfjell Offshore received a new letter from the Norwegian Tax authorities where they argue that the company is not tax resident in Norway, and if it is, that the losses are not deductible and warn of a potential change in the company's tax return as a consequence of this. At the same time, further information was requested in the letter and Odfjell Offshore was given until 30 April 2021 to respond.

If the company is not recognised as a tax resident in Norway, the group contributions received in the period 2017 to 2020 will not be deductible for the Norwegian entities that have provided the group contributions. The companies in the Group will then have a payable tax equal to approximately USD 9 million, not taking into account any penalties or interest.

If the losses are not considered to be deductible the Group will have a payable tax equal to approximately USD 28 million (including tax payable related to group contribution formally received in June 2021), not taking into account any penalties or interest.

The Group is of the opinion that the most likely outcome of any further proceedings is that the company is recognised as a tax resident in Norway and maintains the right to utilise the tax losses.

There might be a risk of demand for payment from relevant authorities during such process, even if the final conclusion is in the Group's favour.

As described in Note 27 Events after the reporting period, Odfjell Drilling Ltd, has concluded to hold Odfjell Technology Ltd, and relevant subsidiaries, indemnified in respect of any liability that may incur in relation to the ongoing Odfjell Offshore Ltd tax enquiries.

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Income tax expense

USD thousands	2020	2019	2018
Withholding tax paid / payable	(1 552)	(1 578)	(1 349)
Payable income tax expense	(2 756)	(3 392)	(2 398)
Net utilisation of unrecognised tax losses	4 723	8 648	8 999
Change in deferred tax assets and liabilities	(38)	(511)	(746)
Total income tax expense	377	3 167	4 505
Effective tax rate	-2,5 %	-14,5 %	-47,2 %

Income tax reconciliation

USD thousands	2020	2019	2018
Profit / (loss) before tax	14 798	21 854	9 540
Tax calculated at domestic tax rates applicable to profits in respective countries* (including withholding tax)	(5 408)	(5 229)	(4 624)
Effect of changes in tax rates	-	-	(71)
Net utilisation of unrecognised tax losses	4 723	8 648	8 999
Effect of adjustments recognised related to prior periods	(280)	(74)	323
Effect of non-taxable income and expenses	1 343	(178)	(121)
Total tax expense	377	3 167	4 505

* Domestic tax rates applicable to the Group varies between 0 % and 25 % for corporate income taxes (CIT)

Deferred tax assets are recognised when it is likely that the benefit can be realised through expected future taxable profits.

Tax losses

USD thousands	31.12.2020	31.12.2019	31.12.2018
Unused tax losses for which no deferred tax asset has been recognised	166 918	183 319	223 532
Potential tax benefit 22%	36 776	40 386	49 493

The movement in unrecognised tax assets is as follows:

USD thousands	2020	2019	2018
Unrecognised tax asset as at 01.01	40 386	49 493	63 995
Net utilisation of unrecognised tax losses	(4 723)	(8 648)	(8 999)
Effect of changes in tax rates	-	-	(1 957)
Currency translation differences	1 113	(459)	(3 546)
Unrecognised tax asset as at 31.12	36 776	40 386	49 493

The Group has an unrecognised tax asset of USD 37 million, which is mainly related to operations in Norway as explained above. Due to current market uncertainties, the level of future taxable profits is too unpredictable to support a recognised tax asset.

The gross movement on the deferred tax account is as follows:

USD thousands	2020	2019	2018
Net deferred tax assets/(deferred tax liabilities) at 01.01	1 467	1 829	2 486
Income statement charge	(38)	(511)	(746)
Change in deferred tax on other comprehensive income	416	165	184
Currency translation differences	39	(16)	(96)
Net deferred tax assets/(deferred tax liabilities) at 31.12	1 883	1 467	1 829

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The Group's recognised deferred tax assets are related to operations in Norway and the UK.

Deferred tax assets - Specification and movements

USD thousands	Tax losses	Current assets	Net pension liabilities	Fixed assets	Lease liabilities	Total
Opening balance 01.01.2018	84	254	809	1 342	-	2 489
Income statement charge	(35)	(39)	(39)	(634)	-	(747)
Change in deferred tax on other comprehensive income	-	-	184	-	-	184
Currency translation differences	(3)	(14)	(43)	(36)	-	(96)
Closing balance 31.12.2018	46	201	911	673	-	1 831
Adjustment on adoption of IFRS 16 (see note 2)	-	26	-	-	1 508	1 533
Balance 01.01.2019	46	226	911	673	1 508	3 364
Income statement charge	-	(45)	(248)	(258)	(297)	(847)
Change in deferred tax on other comprehensive income	-	-	165	-	-	165
Currency translation differences	1	1	(10)	(8)	4	(12)
Balance 31.12.2019	48	183	818	406	1 215	2 670
Income statement charge	-	16	21	(109)	(131)	(203)
Change in deferred tax on other comprehensive income	-	-	416	-	-	416
Currency translation differences	2	8	26	0	34	69
Closing balance 31.12.2020	50	206	1 281	298	1 117	2 952

Deferred tax liabilities - Specification and movements

USD thousands	Deferred capital gains	Right-of-use Assets	Total
Opening balance 01.01.2018	(3)	-	(3)
Income statement charge	1	-	1
Currency translation differences	0	-	0
Closing balance 31.12.2018	(2)	-	(2)
Adjustment on adoption of IFRS 16 (see note 2)	-	(1 533)	(1 533)
Balance 01.01.2019	(2)	(1 533)	(1 536)
Income statement charge	0	336	336
Currency translation differences	0	(4)	(4)
Balance 01.01.2019	(2)	(1 202)	(1 203)
Income statement charge	0	164	165
Currency translation differences	(0)	(30)	(30)
Closing balance 31.12.2020	(1)	(1 067)	(1 068)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

USD thousands	2020	2019	2018
Deferred tax assets	2 952	2 670	1 831
Deferred tax liabilities offset in deferred tax assets	(1 068)	(1 203)	(2)
Net book value of deferred tax asset at 31.12.	1 883	1 467	1 829

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The tax (charge)/credit relating to components of the comprehensive income is as follows:

USD thousands	Tax (charge)/ credit			Tax (charge)/ credit		
	Before tax 2020	2020	After tax 2020	Before tax 2019	2019	After tax 2019
Actuarial loss on post employment benefit obligations	(1 889)	416	(1 474)	(751)	165	(586)
Other comprehensive income	(1 889)	416	(1 474)	(751)	165	(586)
Deferred tax	-	416	-	-	165	-

USD thousands	Tax (charge)/ credit		
	Before tax 2018	2018	After tax 2018
Actuarial loss on post employment benefit obligations	(800)	184	(616)
Other comprehensive income	(800)	184	(616)
Deferred tax	-	184	-

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Note 11 > Financial assets and liabilities

Accounting policies

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The Group classify financial assets in the following categories:

- amortised cost,
- financial assets at fair value through profit or loss (FVPL),
- financial assets at fair value through other comprehensive income (FVOCI)

Management determines the classification of financial assets at their initial recognition.

Derivatives are valued at fair value through profit or loss (FVPL) unless designated as hedges.

Debt instruments like loans and receivables held to receive payment of principal and interest are valued at amortised costs. The group has applied the practical expedient under IFRS 9 and are measuring the initial recognition of trade receivables at the transaction price determined under IFRS 15.

Debt instruments like bonds held to receive profit from sale in addition to interest are valued at fair value through profit and loss (FVPL).

Equity instruments like investments in shares are valued at fair value through profit and loss (FVPL).

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in in the income statement in the period they occur.

Financial assets are de-recognised when the contractual rights to the cash flows from the financial assets expire or are transferred. Realised gains and losses arise from financial assets not designated for hedging, are recognised in the income statement as financial item in the period they occur.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at :

- fair value through profit or loss,
- loans and borrowings,
- payables, or as
- derivatives designated as hedging instruments in an effective hedge.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, borrowings and derivative financial instruments.

The Group's financial liabilities at fair value through profit or loss include derivative financial instruments not designated as hedging instruments in hedge relationship as defined by IFRS 9.

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Fair value measurement

For information about fair value measurement, refer to Note 32 Accounting principles.

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Financial instruments by category and level

The tables below analyse financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3). For short term assets and liabilities at level 3, the value is approximately equal to the carrying amount. As the time horizon is due in short term, future cash flows are not discounted.

The Group had the following financial instruments at each reporting period:

USD thousands	Note	Level	2020	2019	2018
Debt instruments at amortised cost					
- Non-current interest-bearing receivables group companies	12		10 745	10 101	9 358
- Other non-current assets	14		2 588	120	163
- Current interest-bearing receivables group companies	12		165 681	174 759	127 984
- Trade receivables	13		76 273	72 421	64 540
- Other current receivables	14		2 023	3 244	2 368
- Cash and cash equivalents	15		14 356	11 548	31 682
Total assets as at 31.12			271 666	272 194	236 095

USD thousands	Note	Level	2020	2019	2018
Financial liabilities at amortised cost					
- Lease liabilities	19		6 611	7 221	-
- Current interest-bearing liabilities group companies	12		6 375	6 480	6 517
- Trade payables			16 092	16 559	18 196
- Other current liabilities	16		26 643	26 301	23 960
Total liabilities as at 31.12.			55 721	350 161	350 161

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Note 12 > Receivables and liabilities group companies

The Group have the following non-current and current receivables and liabilities to Odfjell Drilling Ltd group companies:

Loan to parent	Interest conditions	Maturity date	Receivables	Receivables	Receivables
			2020	2019	2018
Odfjell Drilling Ltd.	3 mnt LIBOR + 5.16% margin	28.08.2022	10 745	10 101	9 358
Total loan to Group company			10 745	10 101	9 358
			Interests	Interests	Interests
			2020	2019	2018
			644	743	666
			644	743	666

Non-current interest-bearing receivables group companies

The Group entered into a loan agreement with Odfjell Drilling Ltd., in August 2017. The maximum aggregated loan amount is USD 8.5 million plus interest added to the principal. The loan and interest shall be repaid in full at maturity date at the latest. No impairment indicators identified as at 31.12.2020, nor as at 31.12.2019 or 31.12.2018.

Movements in non-current interest-bearing receivables group companies are analysed as follows:

USD thousands	2020	2019	2018
Carrying amount as at 1 January	10 101	9 358	8 692
Non-cash flows:			
Interest accrued	644	743	666
Carrying amount as at 31 December	10 745	10 101	9 358

Current interest-bearing receivables and liabilities group companies

Some of the Group's bank deposits are part of the cash pool scheme where Odfjell Drilling Services Ltd. is the account owner and thus the owner of the bank funds. The cash pool has been created to help optimize liquidity management in Odfjell Drilling Ltd. Group. The Group has joint and several liability for deposits in the cash pool arrangement. The Group's loans or deposit is presented as current interest-bearing receivables group companies and current interest-bearing liabilities group companies

USD thousands	2020	2019	2018
Current interest-bearing receivables Odfjell Drilling Services Ltd. (Cash pool)	165 681	174 759	127 984
Current interest-bearing liabilities Odfjell Drilling Services Ltd. (Cash pool)	(6 375)	(6 480)	(6 517)
Net current interest-bearing receivables Odfjell Drilling Services Ltd.	159 306	168 279	121 467

Current receivables and liabilities group companies

As a part of the day-to-day running of the business, the group have the following current receivables and liabilities towards companies in the Odfjell Drilling group. All receivables and liabilities have less than one year maturity.

USD thousands	2020	2019	2018
Trade receivables	12 450	7 788	13 490
Other current receivables	1 184	2 868	2 199
Trade payables	(1 181)	(448)	(1 393)
Other current payables	(997)	(2 551)	(688)
Net current payables Odfjell Drilling Ltd Group	11 456	7 657	13 609

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Current receivables and liabilities group companies - Specification per company:

As at 31 December 2020	Relation	Trade receivables	Other current receivables	Trade payables	Other current payables
USD thousands		2020	2020	2020	2020
Odfjell Drilling Ltd.	Group company	12	624	-	-
Odfjell Drilling AS	Group company	1 983	124	1 176	997
Deep Sea Management AS	Group company	310	-	4	-
Odfjell Invest AS	Group company	1 791	-	-	-
Odfjell Invest II AS	Group company	1 466	-	-	-
Deep Sea Drilling Company AS	Group company	1 233	-	-	-
Odfjell Drilling Shetland Ltd.	Group company	385	-	-	-
Deep Sea Stavanger (UK) Ltd.	Group company	5 270	-	-	-
Deep Sea Atlantic (UK) Ltd.	Group company	-	436	-	-
Odfjell Rig V Ltd.	Group company	1	-	-	-
Total current		12 450	1 184	1 181	997

As at 31 December 2019	Relation	Trade receivables	Other current receivables	Trade payables	Other current payables
USD thousands		2019	2019	2019	2019
Odfjell Drilling Ltd.	Group company	-	585	-	-
Odfjell Drilling AS	Group company	482	1 895	378	1 370
Deep Sea Management AS	Group company	1	-	70	-
Odfjell Invest AS	Group company	3 132	-	-	-
Odfjell Invest II AS	Group company	908	-	-	-
Deep Sea Drilling Company I AS	Group company	444	-	-	-
Odfjell Drilling Shetland Ltd.	Group company	1 228	76	-	-
Deep Sea Stavanger (UK) Ltd.	Group company	1 441	79	-	-
Deep Sea Atlantic (UK) Ltd.	Group company	-	79	-	-
Odfjell Rig II Ltd.	Group company	-	76	-	-
Odfjell Rig V Ltd.	Group company	153	79	-	-
Odfjell Drilling Services Ltd.	Group company	-	-	-	1 181
Total current		7 788	2 868	448	2 551

As at 31 December 2018	Relation	Trade receivables	Other current receivables	Trade payables	Other current payables
USD thousands		2018	2018	2018	2018
Odfjell Drilling AS	Group company	1 764	1 817	830	609
Deep Sea Management AS	Group company	18	-	487	78
Odfjell Invest AS	Group company	8 605	-	-	-
Deep Sea Drilling Company I AS	Group company	68	101	-	-
Odfjell Drilling Shetland Ltd.	Group company	960	-	-	-
Odfjell Offshore Management Pte. Ltd.	Group company	-	-	75	-
Deep Sea Stavanger (UK) Ltd.	Group company	540	93	-	-
Deep Sea Atlantic (UK) Ltd.	Group company	1 482	93	-	-
Odfjell Rig V Ltd.	Group company	54	95	-	-
Total current		13 490	2 199	1 393	688

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Note 13 > Trade receivables

Accounting principle - Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Trade receivables are financial assets and are recognised and measured according to accounting policies for Financial instruments, listed in note 11.

Trade receivables

USD thousands	Note	2020	2019	2018
Trade receivables		54 358	51 732	46 038
Earned, not yet invoiced operating revenues		23 047	21 695	20 009
Provision for bad debt	23	(1 132)	(1 005)	(1 506)
Trade receivables - net		76 273	72 421	64 540

The fair value of trade receivables and other receivables are as follows:

USD thousands	2020	2019	2018
Trade receivables	76 273	72 421	64 540
Total	76 273	72 421	64 540

As the receivables are due in the short term, the fair value is approximately equal to the carrying amount, and the future cash flows are not discounted.

For information about currencies, aging and loss allowance, refer to note 23 *Financial Risk Management*.

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Note 14 > Other assets

Other non-current assets

USD thousands	Note	2020	2019	2018
Deposits		2 588	120	163
Total other non-current assets		2 588	120	163

Other current assets

USD thousands		2020	2019	2018
Spare parts		2 066	1 873	1 574
Prepaid expenses		3 692	3 479	2 566
VAT- receivables		2 810	3 868	2 292
Current tax assets		577	316	44
Current receivables companies in Odfjell Drilling Ltd. Group	12	1 184	2 868	2 199
Other current receivables		839	377	169
Total other current assets		11 167	12 781	8 844

The fair value of debt instruments at amortised cost are as follows:

USD thousands		2020	2019	2018
Deposits		2 588	120	163
Other current receivables		839	377	169
Total		3 427	497	332

As the receivables are due in the short term, the fair value is approximately equal to the carrying amount, and the future cash flows are not discounted.

Refer to Note 11 *Financial assets and liabilities* for definition of debt instruments at amortised cost.

Note 15 > Cash and cash equivalents

Accounting policy

Cash and cash equivalents include cash in hand, deposits held at call with banks, other current highly-liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown under borrowings in current liabilities in the balance sheet.

USD thousands	2020	2019	2018
Cash in bank	9 176	7 990	28 442
Restricted bank deposits	5 180	3 557	3 240
Total	14 356	11 548	31 682

Restricted bank deposits are mainly related to tax withholdings for employees.

The Group has no undrawn credit facilities as at 31 December 2020.

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Note 16 > Other liabilities**Other current liabilities**

USD thousands	Note	2020	2019	2018
Social security and other taxes		10 120	7 665	6 911
Accrued salaries, holiday pay and employee bonus provisions		17 408	13 609	12 382
Other payables and financial liabilities		28	94	225
Accrued expenses towards companies in Odfjell Drilling Ltd. Group	12	997	2 551	688
Other accrued expenses		8 210	10 047	10 666
Total other current liabilities		36 763	33 966	30 872

Refer to note 24 *Contingencies* for further information about accounting principle for provisions and accruals, as well as significant judgement applied and estimation uncertainty.

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Note 17 > Intangible assets

Accounting policies

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquired entity and the fair value of non-controlling interest in the acquired entity. Refer to Note 4 - Changes in the composition of the Group for further information.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units (CGUs), or groups of CGUs, that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Intangible assets

Software assets are stated at their historical cost less depreciation. Historical cost includes the purchase price and any directly attributable costs of bringing the asset to working condition. The estimated economical lifetime of the acquired software is 7 years.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

Significant judgement and estimation uncertainty

The value in use for is determined on the basis of the total estimated discounted cash flow, excluding financing expenses and taxes. In determining impairment of goodwill and other intangible assets, the management must make judgements and estimates to determine whether the discounted cash flows generated by those assets are less than their carrying amount, including determining the appropriate discount rate to be used. As the analysis in this note demonstrate, the impairment assessment is sensitive to changes in key assumptions.

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Spesification and movements 2020

USD thousands	Goodwill	Licences, patents and acquired R&D	Internally developed assets	Total intangible assets
Cost at 01.01.2020	15 121	23 211	787	39 120
Additions	-	745	497	1 243
Acquisition of subsidiary	680	-	-	680
Currency translation differences	520	704	-	1 225
Cost at 31.12.2020	16 322	24 660	1 284	42 267
Accumulated amortisation and impairm. losses 01.01.2020	-	12 633	146	12 779
Amortisation	-	3 290	244	3 534
Currency translation differences	-	694	-	694
Accumulated amortisation and impairm. losses 31.12.2020	-	16 616	391	17 007
Carrying amounts 31.12.2020	16 322	8 044	893	25 260
Useful lifetime		3-10 years	10 years	
Depreciation schedule		Straight line	Straight line	

Spesification and movements 2019

USD thousands	Goodwill	Licences, patents and acquired R&D	Internally developed assets	Total intangible assets
Cost at 01.01.2019	15 281	20 240	724	36 245
Additions	-	3 179	63	3 242
Disposals	-	-	-	-
Currency translation differences	(160)	(208)	-	(368)
Cost at 31.12.2019	15 121	23 211	787	39 120
Accumulated amortisation and impairm. losses 01.01.2019	-	9 718	72	9 791
Amortisation	-	3 008	74	3 082
Currency translation differences	-	(94)	-	(94)
Accumulated amortisation and impairm. losses 31.12.2019	-	12 633	146	12 779
Carrying amounts 31.12.2019	15 121	10 578	641	26 340

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Spesification and movements 2018

USD thousands	Goodwill	Licences, patents and acquired R&D	Internally developed assets	Total intangible assets
Cost at 01.01.2018	16 182	20 465	-	36 647
Additions	-	976	724	1 700
Disposals	-	-	-	-
Currency translation differences	(900)	(1 201)	-	(2 102)
Cost at 31.12.2018	15 281	20 240	724	36 245
Accumulated amoritsation and impairm. losses 01.01.2018	-	7 345	-	7 345
Amortisation	-	2 971	72	3 044
Currency translation differences	-	(598)	-	(598)
Accumulated amoritsation and impairm. losses 31.12.2018	-	9 718	72	9 791
Carrying amounts 31.12.2018	15 281	10 521	652	26 454

Internally developed assets

The carrying amount of internally developed assets include development expenses incurred in connection with developing a new drill-hole cleaning tool. The technology has been patented. The company have documented that the new technology met the criteria for recognition in the balance sheet. The new tool is part of Odfjell Well Services product line and is expected to generate future cash flow to support the book value as at 31 December 2020.

Impairment tests for goodwill

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units (CGUs), or groups of CGUs, that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Summary of goodwill allocation for each operating segment

	2020			2019		
	Energy	Well Services	Total	Energy	Well Services	Total
Opening	10 981	4 141	15 121	11 097	4 184	15 281
Acquisition of subsidiary	680	-	680	-	-	-
Translation differences	400	120	520	(116)	(44)	(160)
Closing	12 061	4 261	16 322	10 981	4 141	15 121
	2018					
	Energy	Well Services	Total			
Opening	11 751	4 431	16 182			
Acquisition of subsidiary	-	-	-			
Translation differences	(654)	(247)	(900)			
Closing	11 097	4 184	15 281			

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The Energy segment, as well as the Well Services segment, only consist of one Cash Generation Unit (CGU) each.

The recoverable amount of the CGUs has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on prognoses made by management covering a five-year period. The prognosis for the EBITDA margin in 2021 and the following years is based on past performance and expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax weighted average cost of capital and reflect specific risks relating to the relevant operating segments.

The key assumptions used for value-in-use calculations are as follows:	2020		2019	
	Energy	Well Services	Energy	Well Services
EBITDA margin in prognosis period	5% - 7%	25% - 29%	5% - 7%	30% - 34%
Growth rate year 6 and forward	0,0 %	0,0 %	0,0 %	0,0 %
Weighted Average Cost of Capital (WACC)	9,8%	9,7%	8,4%	8,6%

The key assumptions used for value-in-use calculations are as follows:	2018	
	Drilling & Technology	Well Services
EBITDA margin in prognosis period	5% - 6%	26% - 35%
Growth rate year 6 and forward	0.0%	0.0%
Weighted Average Cost of Capital (WACC)	8,5%	9,1%

Sensitivity analysis for goodwill impairment test as at 31.12.2020

The Group has performed sensitivity analysis for the goodwill impairment test by reducing operating income by one, five and ten percent and EBITDA margin by one, five and ten percentage points respectively for each of the segments. Reducing EBITDA margin by five percentage points indicated an impairment write-down of USD 12 million in the Energy segment, while reducing EBITDA margin by ten percentage points indicated impairment write-downs of USD 12 million in the Energy segment and USD 4 million in the Well Services segment. None of the other scenarios indicated any impairment write-down of goodwill as at 31 December 2020.

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Note 18 > Tangible fixed assets

Accounting policies - Property, plant and equipment

Property, plant and equipment comprise mainly of well services equipment and machinery and equipment.

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes its purchase price, any directly attributable costs of bringing the asset to working condition and borrowing costs.

Depreciation is calculated on a straight-line basis over the useful life of the asset or component. Depreciable amount equals historical cost less residual value. Items of property, plant and equipment with components that have substantially different useful lives are treated separately for depreciation purposes.

Subsequent costs for day-to-day repairs and maintenance are expensed as incurred.

The cost of modernisation and rebuilding projects is included in the asset's carrying amount when it is probable that the Group will derive future financial benefits and the cost of the item can be measured reliably. The carrying amount of the replaced part is written off. Modernisation and rebuilding projects are depreciated over the remaining useful life of the related assets.

The useful lives of assets and the depreciation methods are reviewed periodically in order to ensure that the method and period of depreciation are consistent with the expected pattern of financial benefits from the asset.

When assets are sold or retired, their cost and accumulated depreciation and accumulated impairment loss are eliminated from the accounts and any gain or loss resulting from their disposal is included in the income statement as gain on sale of assets.

For more information about Right-of-use assets, refer to note 19 - Leases.

Spesification and movements 2020

USD thousands	Well Services equipment	Other fixed assets	Right-of-use assets	Total fixed assets
Cost at 01.01.2020	365 057	20 530	9 356	394 943
Additions	18 075	576	1 038	19 690
Disposals	(7 739)	(855)	(194)	(8 788)
Currency translation differences	1 173	647	384	2 205
Cost at 31.12.2020	376 566	20 898	10 585	408 050
Accumulated depreciation and impairment losses 01.01	290 693	17 555	2 131	310 379
Depreciation	23 208	1 043	2 153	26 405
Disposals	(7 200)	(849)	(194)	(8 243)
Currency translation differences	1 141	571	213	1 925
Accumulated deprec. and impairm. losses 31.12.2020	307 842	18 321	4 304	330 467
Carrying amounts 31.12.2020	68 724	2 577	6 282	77 583
Useful lifetime	3 - 10 years	3 - 5 years	2 - 10 years	
Depreciation schedule	Straight line	Straight line	Straight line	

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Spesification and movements 2019

USD thousands	Well Services equipment	Other fixed assets	Right-of-use assets	Total fixed assets
Cost at 01.01.2019	352 105	19 780	-	371 885
Effect change in accounting policies	-	-	8 177	8 177
Additions	25 205	2 132	1 113	28 450
Disposals	(11 806)	(1 352)	-	(13 158)
Currency translation differences	(447)	(31)	66	(412)
Cost at 31.12.2019	365 057	20 530	9 356	394 943
Accumulated depreciation and impairment losses 01.01	280 868	18 079	-	298 947
Depreciation	21 286	867	2 109	24 261
Disposals	(11 020)	(1 352)	-	(12 372)
Currency translation differences	(440)	(39)	22	(457)
Accumulated deprec. and impair. losses 31.12.2019	290 693	17 555	2 131	310 379
Carrying amounts 31.12.2019	74 363	2 975	7 225	84 563
Useful lifetime	3 - 10 years	3 - 5 years	2 - 10 years	
Depreciation schedule	Straight line	Straight line	Straight line	

Spesification and movements 2018

USD thousands	Well Services equipment	Other fixed assets	Right-of-use assets	Total fixed assets
Cost at 01.01.2018	380 325	9 628	-	389 953
Additions	14 242	1 046	-	15 288
Reclassifications	(10 165)	10 165	-	-
Disposals	(29 896)	(72)	-	(29 968)
Currency translation differences	(2 401)	(986)	-	(3 387)
Cost at 31.12.2018	352 105	19 780	-	371 885
Accumulated depreciation and impairment losses 01.01	297 934	8 630	-	306 565
Depreciation	23 666	1 233	-	24 899
Reclassifications	(9 172)	9 172	-	-
Disposals	(29 202)	(54)	-	(29 256)
Currency translation differences	(2 358)	(903)	-	(3 261)
Accumulated deprec. and impair. losses 31.12.2018	280 868	18 079	-	298 947
Carrying amounts 31.12.2018	71 237	1 701	-	72 938
Useful lifetime	3 - 10 years	3 - 5 years	2 - 10 years	
Depreciation schedule	Straight line	Straight line	Straight line	

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Note 19 > Leases

The group's leasing activities and how these are accounted for

The Group leases various offices, workshops and warehouses in addition to some equipment. Rental contracts are typically made for fixed periods of 6 months to 10 years, but may have extension or termination options. Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments), less any lease incentives receivable, variable lease payments that are based on an index or a rate (initially measured using the index or rate as at the commencement date), amounts expected to be payable by the group under residual value guarantees, the exercise price of a purchase option if the group is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the group exercising that option. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, the group uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group and makes adjustments specific to the lease, e.g. term, country, currency and security.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Lease payments are allocated between the liability and finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising of the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs, and any restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise of IT-equipment and smaller items of office equipment.

The variable lease payments in the lease agreements currently held by the Group are based on an index or a rate, and are therefore included in the calculated lease liability as described above.

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Significant judgement and estimation uncertainty

The Group has some lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The Group cannot readily determine the interest rate implicit in the lease, therefore it uses its incremental borrowing rate (IBR) to measure lease liabilities. IBR is estimated using observable inputs, such as market interest rates, when available. It is required to make certain entity-specific estimates mentioned above.

The balance sheet shows the following amounts related to leases:

USD thousands	Properties	Total Right-of-use assets
Cost		
At 1 January 2020	9 356	9 356
Additions	1 038	1 038
Disposals	(194)	(194)
Currency translation differences	384	384
Cost as at 31 December 2019	10 585	10 585
Accumulated depreciation and impairment		
At 1 January 2019	2 131	2 131
Depreciation	2 153	2 153
Disposals	(194)	(194)
Currency translation differences	213	213
As at 31 December 2019	4 304	4 304
Net book value at 31 December 2019	6 282	6 282

USD thousands	Properties	Total Right-of-use assets
Cost		
At 1 January 2019	-	-
Effect change in accounting policies	8 177	8 177
Additions	1 113	1 113
Currency translation differences	66	66
Cost as at 31 December 2019	9 356	9 356
Accumulated depreciation and impairment		
At 1 January 2019	-	-
Depreciation	2 109	2 109
Currency translation differences	22	22
As at 31 December 2019	2 131	2 131
Net book value at 31 December 2019	7 225	7 225

The Right-of-use assets are included in the line item "Property, plant and equipment" in the balance sheet, refer to note 18.

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Lease liabilities		
USD thousands	31.12.2020	31.12.2019
Non-current	4 351	5 155
Current	2 260	2 066
Total	6 611	7 221

Movements in non-current lease liabilities are analysed as follows:	31.12.2020	31.12.2019
Carrying amount as at 1 January	5 155	5 764
Non-cash flows:		
New lease liabilities recognised in the year	1 038	1 097
Interest expense on lease liabilities	455	525
Reclassified to current portion of lease liabilities	(2 382)	(2 291)
Currency exchange differences	84	60
Carrying amount as at end of period	4 351	5 155

Movements in current lease liabilities are analysed as follows:	31.12.2020	31.12.2019
Carrying amount as at 1 January	2 066	2 250
Cash flows:		
Payments for the principal portion of the lease liability	(1 823)	(2 057)
Payments for the interest portion of the lease liability	(468)	(431)
Non-cash flows:		
Reclassified from non-current portion of lease liabilities	2 382	2 291
Currency exchange differences	104	13
Carrying amount as at end of period	2 260	2 066

Rental costs for exemptions		
USD thousands	2020	2019
Expenses relating to short-term leases	7 763	7 751
Expenses relating to low value items	943	498

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonable certain to be extended (or not terminated).

Most extension options have not been included in the lease liability, because the group could replace the asset without significant cost of business disruption, or because the group is not certain the it would need the asset in the option period.

As at 31 December 2020, potential future cash outflows of USD 1 million (not discounted) have not been included in the lease liability because it is not reasonable certain that these leases will be extended (or not terminated).

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Note 20 > Post-employment benefits

The Group has occupational pension plans in several countries established partly as defined benefit plans (in Norway), partly as multi-employer defined benefit plans accounted for as defined contribution plans (in Norway) and partly as defined contribution plans (in Norway and other countries). The pension plans are measured and presented according to IAS 19.

A number of the Norwegian subsidiaries in the Group are required to have a civil service pension scheme according to the Norwegian Act relating to mandatory occupational pensions. These subsidiaries have pension schemes in accordance with the requirements in this Act.

Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive upon retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in the income statement.

Mortality index used in actuarial calculations is K2013.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit pension plans

The Group has funded defined benefit pension schemes in four Norwegian companies covering a total of 32 active members and 12 pensioners as at 31 December 2020 (33 active members and 11 pensioners as at 31 December 2019, and 35 active members and 8 pensioners as at 31 December 2018). The scheme entitles employees to defined future benefits. These are mainly dependent on the number of years of service, the salary level at pensionable age and the size of benefits paid by the national insurance. The liabilities are covered through an insurance company.

In addition to the pension obligations that arises from the funded defined benefit plans, the Group's Norwegian companies have unfunded defined benefit obligations related to pensions and early retirement pensions. The early retirement pensions entitles staff to benefits (about NOK 100.000 a year) from the company from the age of 62 until they are eligible for a national insurance pension when reaching the age of 67, if they retire and meet requirement to receive CPA (see below).

The Group has contractual pension agreement (CPA) schemes in Norway established in multi-employer plans. These multi-employer plans are defined benefit plans, but the Group does not have access to the necessary information for the accounting years 2020, 2019 and 2018 required to account for these plans as defined benefit plans, and the plans are therefore accounted for as defined contribution plans.

Amounts recognised in the balance sheet:

USD thousands	2020	2019	2018
Present value of funded obligations	13 710	12 033	10 699
Fair value of plan assets	11 067	10 173	8 595
Deficit of funded plans	2 642	1 860	2 104
Present value of unfunded obligations	3 180	1 860	2 036
Total deficit of defined benefit pension plans	5 822	3 720	4 140

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Movement in the net defined benefit obligation over the years:

	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total
USD thousands	2020	2020	2020	2019	2019	2019
At 1 January	13 893	(10 173)	3 720	12 735	(8 595)	4 140
Current service cost	680	-	680	638	-	638
Interest expense/ (income)	234	(157)	77	325	(212)	113
Total amount recognised in profit or loss	914	(157)	757	963	(212)	751
Re-measurements:						
Loss from change in discount rate	1 349	-	1 349	828	-	828
Gain from change in other financial assumptions	(570)	33	(537)	(776)	80	(697)
Experience (gains)/loss	1 071	(77)	994	735	(158)	577
Investment management cost	-	84	84	-	43	43
Total amount recognised in other comprehensive income	1 850	39	1 889	787	(35)	751
Exchange differences	474	(356)	118	(132)	86	(46)
Contributions:						
Employers	(78)	(550)	(628)	(214)	(1 518)	(1 732)
Payments from plans:						
Benefit payments	(163)	129	(34)	(247)	102	(145)
Settlements	-	-	-	-	-	-
At 31 December	16 890	(11 067)	5 822	13 893	(10 173)	3 720

	Present value of obligation	Fair value of plan assets	Total
USD thousands	2018	2018	2018
At 1 January	13 384	(9 865)	3 519
Current service cost	666	-	666
Interest expense/ (income)	309	(226)	83
Total amount recognised in profit or loss	975	(226)	749
Remeasurements:			
Loss from change in discount rate	(750)	-	(750)
Gain from change in other financial assumptions	930	-	930
Experience (gains)/loss	(730)	1 350	620
Investment management cost	-	-	-
Total amount recognised in other comprehensive income	(550)	1 350	800
Exchange differences	(789)	592	(197)
Contributions:			
Employers	(83)	(589)	(673)
Payments from plans:			
Benefit payments	(201)	143	(59)
Settlements	-	-	-
At 31 December 2019	12 735	(8 595)	4 140

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The significant actuarial assumptions were as follows:	31.12.2020	31.12.2019	31.12.2018
Discount rate	1,50 %	2,30 %	2,60 %
Salary growth rate	2,00 %	2,25 %	2,75 %
Expected growth in G (base social security amount)	1,75 %	2,00 %	2,50 %
Pension growth rate	0.0%-1.75%	0.5%-2.0%	0.8%-2.5%

The fair value of plan assets is disaggregated by class as follows

	31.12.2020	31.12.2019	31.12.2018
Shares	7 %	12 %	12 %
Short term bonds	20 %	13 %	13 %
Money market	11 %	18 %	11 %
Long term bonds	31 %	31 %	29 %
Loans & Receivables	17 %	14 %	25 %
Real estate	14 %	11 %	9 %
Other	0 %	1 %	1 %

Estimated premium payments to funded defined benefit obligations in 2021 amounts to about USD 0.3 million.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions are:

	Change in assumption by:	Impact on Present value of obligation:		Change in assumption by:	Impact on Present value of obligation:	
		2020	2019		2020	2019
Discount rate	+0.5%	(1 137)	(1 115)	-0.5%	1 269	1 251
Salary growth rate	+0.5%	491	584	-0.5%	(547)	(585)
Pension growth rate	+0.5%	761	798	-0.5%	(35)	(648)

	Change in assumption by:	Impact on Present value of obligation:		Change in assumption by:	Impact on Present value of obligation:	
		2018			2018	
Discount rate	+0.5%	(894)		-0.5%	999	
Salary growth rate	+0.5%	517		-0.5%	(561)	
Pension growth rate	+0.5%	581		-0.5%	(829)	

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practise, this is unlikely to occur, and changes in some of the assumptions may be correlated.

Total pension expenses are decomposed as per below:

USD thousands	2020	2019	2018
Pension expenses (-net gain) from defined benefit scheme included in personnel expenses	680	638	666
Pension expenses from defined contribution schemes	5 544	5 108	4 893
Pension expenses from multi-employer plans accounted for as defined contribution schemes	1 070	1 056	1 259
Total pension expenses included in personnel expenses	7 294	6 802	6 818

See also note 9 for further information regarding personnel expenses.

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Note 21 > Other reserves

	Translation differences	Total
At 1 January 2018	(9 907)	(9 907)
Currency translation differences	(7 761)	(7 761)
At 31 December 2018	(17 668)	(17 668)
Currency translation differences	(2 576)	(2 576)
At 31 December 2019	(20 244)	(20 244)
Currency translation differences	4 581	4 581
At 31 December 2020	(15 663)	(15 663)

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Note 22 > Capital management and funding

The Group was carved out of Odfjell Drilling Ltd. Group and therefore has the same objectives and goals as the Odfjell Drilling Ltd. Group.

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains required capital ratios and liquidity available to support the business areas. Capital management should be such that the capital structure is sufficiently robust to withstand prolonged adverse conditions in significant risk factors, such as long-term down-cycles in our markets and unfavourable conditions in financial markets. Capital management also comprise securing the company to be in compliance with covenants on interest bearing debt.

The Group will manage the capital structure and make adjustments to it, to maintain an optimal structure adapted to current economic conditions. In order to maintain or adjust the capital structure, the Group may adjust dividend payments, return capital to shareholders or issue new shares.

Working Capital

The company's policy is to have working capital corresponding to two months' operating expenses.

Deposits / placements

The liquidity management has four main objectives:

- Matching of surplus funds against borrowing requirements.
- Secure a high level of liquidity in order to meet future plans of Odfjell Drilling.
- Limitation of credit risks.
- Maximise return on liquid assets.

Accordingly, investments may only be made in securities with a rating of Investment grade, BAA (Moody's) , BBB- (Standard and Poors and Fitch IBCA) or better.

A list of counter party exposure limits is reported to the Board of Directors on a yearly basis.

The following instruments are allowed for short term placements;

- Deposits in banks
- Loans to companies/institutions/funds (like fixed or floating rate bonds, senior or subordinated debt)
- Certificates
- Money-market funds

USD thousands	31.12.2020	31.12.2019	31.12.2018
Equity	309 135	325 217	283 384
Total assets	385 536	395 315	343 792
Equity ratio	80 %	82 %	82 %
Cash and cash equivalents excl. restricted capital	9 176	7 990	28 442
Available drawing facilities	-	-	-
Total available liquidity	9 176	7 990	28 442

Note 23 > Financial risk management

Financial risk factors

The Group is exposed to a range of financial risks: liquidity risk, market risk (including currency risk, interest rate risk, and price risk), and credit risk.

The financial risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. To some extent, the Group may use derivative financial instruments to reduce certain risk exposures.

Risk management has been carried out on Odfjell Drilling Ltd. Group level. The Group identifies, evaluates and hedges financial risks in close co-operation with the Group's operational units. The board of Odfjell Drilling Ltd., Group has established written principles for risk management of foreign exchange risk, interest rate risk and use of derivative financial instruments.

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Note 23 a) > Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of credit facilities and to have sufficient cash or cash equivalents at any time to be able to finance its operations and investments in accordance with the Group's strategic plan.

With regular forecasts and liquidity analysis updates, the Group will ensure sufficient available liquidity to fulfil its duties at loan maturity, without unacceptable loss or risk of damaging the Group's reputation.

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit lines available.

The Group's cash flow forecasting is performed by Group Finance. Group Finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs at all times, so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans and covenant compliance.

Surplus cash held by the operating entities over and above the balance required for working capital management is transferred to the Group Treasury. Group treasury invests surplus cash in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

The Group held cash and cash equivalents amounting to USD 14 million at the end of 2020 in addition to current interest bearing receivables group companies (cash pool) of USD 166 million. This is deemed to be sufficient funding for the Group's current activity levels and committed capital expenditures during 2021. The Group had no undrawn credit facilities as of 31 December 2020.

The liquidity risk is connected with the market risk related mainly to its Well Services business where the nature of its contracts is frame agreements with limited fixed volume. The management continuously focuses on securing new profitable contracts for the Group to generate sufficient cash flow from operations, hence reducing the liquidity risk going forward.

Operating in more than 20 jurisdictions Odfjell Drilling do from time to time receive enquiries from authorities about compliance related matters. The Group has per 31 December 2020 not received any formal material assessment which is not recognised in the financial statements. However, there might be a risk of demand for payment from relevant authorities during such process, even if the final conclusion is in the Groups favour.

Maturity of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows.

Maturity as at 31 December 2020:

USD thousands	Less than 6 months	6 - 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
Lease liabilities	1 216	1 046	1 619	2 839	924	7 644	6 611
Current interest bearing liabilities group companies	6 375	-	-	-	-	6 375	6 375
Trade payables	16 092	-	-	-	-	16 092	16 092
Other current payables	36 140	623	-	-	-	36 763	36 763

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Maturity as at 31 December 2019:

USD thousands	Less than 6 months	6 - 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
Lease liabilities	1 153	915	1 696	3 487	1 433	8 685	7 221
Current interest bearing liabilities group companies	6 480	-	-	-	-	6 480	6 480
Trade payables	16 365	194	-	-	-	16 559	16 559
Other current payables	31 311	2 655	-	-	-	33 966	33 966

Maturity as at 31 December 2018:

USD thousands	Less than 6 months	6 - 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
Current interest bearing liabilities group companies	6 517	-	-	-	-	6 517	6 517
Trade payables	18 196	-	-	-	-	18 196	18 196
Other current payables	30 872	-	-	-	-	30 872	30 872

Note 23 b) > Market risk

Market risk is the risk of a change in market prices and demand, as well as changes in currency exchange rates and interest levels.

The Group has been operating in two core business areas: Energy and Well Services (OWS).

The platform drilling market in the North Sea to which the Group is exposed, is characterised by a limited amount of suppliers, low volatility but also low margins, thus cost focus remains high. In general, the market for platform drilling activities has traditionally been stable during the last decade.

The engineering business in Energy has experienced an increase in demand for its services over the period related to Special Period Surveys.

Well Services still facing fierce competition for its services globally. We have observed an increase in operational activity in the Norwegian market, and expect in the short to medium term to face an overall increase in activity level for OWS. The Covid-19 pandemic development may impact the market improvement.

Derivative financial instruments and hedge accounting

The Group currently has no derivative financial instruments. Refer to Note 32 for accounting principles.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's current interest-bearing receivables and payables related to Odfjell Drilling Group cashpool. Refer to note 12. The interest rates are based on the external bank's interest rates for bank deposits. The interest rate risk is considered to be low.

Foreign exchange risk

The consolidated material subsidiaries' reporting and functional currencies are USD, NOK, GBP and EUR.

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD and NOK. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The group is exposed to risks due to fluctuations in exchange rates.

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Foreign exchange risk - Exposure

The group's exposure to foreign currency risk at the end of 31 December 2020, expressed in USD, was as follows:

USD thousands	NOK	GBP	Other non-USD currencies
Cash and cash equivalents	5 907	50	3 248
Trade receivables	39 282	20 112	8 249
Current interest-bearing receivables group companies	46 123	6 333	(197,347)
Lease liabilities	(2 883)	(1 803)	(1 925)
Trade payables	(7 930)	(3 311)	(3 112)
Current interest-bearing liabilities group companies	(5 838)	77	1 282
Other current payables	(26 866)	(2 291)	(2 778)

The group's exposure to foreign currency risk at the end of 31 December 2019, expressed in USD, was as follows:

USD thousands	NOK	GBP	Other non-USD currencies
Cash and cash equivalents	3 335	50	4 063
Trade receivables	27 465	19 772	12 287
Contract assets	-	1 214	-
Current interest-bearing receivables group companies	123 035	807	174
Lease liabilities	(3 057)	(2 087)	(2 077)
Trade payables	(6 624)	(5 045)	(2 115)
Current interest-bearing liabilities group companies	(5 698)	1 506	917
Other current payables	(20 297)	(3 373)	(2 595)

The group's exposure to foreign currency risk at the end of 31 December 2018, expressed in USD, was as follows:

USD thousands	NOK	GBP	Other non-USD currencies
Cash and cash equivalents	20 815	48	4 306
Trade receivables	29 814	14 826	12 424
Current interest-bearing receivables group companies	69 598	7 884	757
Current interest-bearing liabilities group companies	(6 271)	-	224

The aggregate net foreign exchange gains/losses recognised in profit or loss were:

USD thousands	2020	2019	2018
Net currency gain / (loss) included in finance costs	(3 950)	(397)	(777)

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Sensitivity

As shown in the table above, the Group is primarily exposed to changes in USD/NOK exchange rates.

USD thousands	USD is strengthened by 20 % against NOK		USD is strengthened by 10 % against NOK		USD is weakened by 10 % against NOK	
	2020	2019	2020	2019	2020	2019
Cash and cash equivalents	(2)	(3)	(1)	-2	1	2
Trade receivables	235	180	128	98	(156)	(120)
Current interest-bearing receivables group companies	(3 918)	(4 038)	(2 137)	-2 202	2 612	2 692
Current interest-bearing liabilities group companies	54	-	30	-	(36)	-
Trade and other current payables	(9)	5	(5)	3	6	(3)
Net effect on profit before tax	(3 639)	(3 856)	(1 985)	(2 103)	2 426	(2 773)
Effect on Other comprehensive income	(5 214)	(18 889)	(2 844)	(10 303)	3 476	12 593
Net effect on total comprehensive income / equity	(8 853)	(22 745)	(4 829)	(12 406)	5 902	8 288

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Note 23 c) > Credit risk

Accounting policy

The group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Further description

The market for the Group's services is the offshore oil and gas industry, and the customers consist primarily of major integrated oil companies, independent oil and gas producers and government owned oil companies. The Group performs ongoing credit evaluations of the customers and generally does not request material collateral.

With respect to credit risk arising from other financial assets of the Group, which comprise cash and cash equivalents, marketable securities, other receivables and certain derivatives instruments receivable amount, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. However, the Group believes this risk is limited as the counterparties mainly have a high credit quality.

During 2020, the Group has continued high focus on credit risk in general related to the uncertain conditions in some geographical markets. The maximum exposure regarding trade receivables is the carrying amount of USD 76 million.

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2020, 31 December 2019, or 31 December 2018 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Included in the Trade receivables as at 31 December 2018, 31 December 2019 and 31 December 2020 the Group has an outstanding amount of USD 4.6 million towards customers in Iran. The Group's activities in Iran ceased prior to reinforcement of US sanctions early November 2018. No payments have been received after this date, due to no current efficient bank channels out of Iran. The Iranian customers are working on improving the liquidity situation and finding appropriate payment routes. The Group's Iranian customers have previously demonstrated that they prioritize supplier payments, and although delayed, they have historically paid their outstanding. No impairment loss have been accrued for these Trade receivables as at 31 December 2020.

The ageing of the trade receivables

	Expected loss rate	Gross amount	Loss allowance	Net amount
USD thousands		2020	2020	2020
Not due	0,0%	57 470	(3)	57 467
0 to 3 months	1,2%	9 594	(113)	9 481
3 to 6 months	9,4%	1 880	(178)	1 702
Over 6 months	9,9%	8 461	(839)	7 622
Total		77 405	(1 132)	76 273

Contract assets

	Expected loss rate	Gross amount	Loss allowance	Net amount
USD thousands		2020	2020	2020
Not due	0,0%	-	-	-

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The ageing of the trade receivables

	Expected loss rate	Gross amount	Loss allowance	Net amount
USD thousands		2019	2019	2019
Not due	0,0%	41 828	-	41 828
0 to 3 months	0,1%	22 514	(25)	22 489
3 to 6 months	0,5%	980	(5)	975
Over 6 months	12,0%	8 105	(975)	7 129
Total		73 426	(1 005)	72 421

Contract assets

	Expected loss rate	Gross amount	Loss allowance	Net amount
USD thousands		2019	2019	2019
Not due	0,0%	1 214	-	1 214

The ageing of the trade receivables

	Expected loss rate	Gross amount	Loss allowance	Net amount
USD thousands		2018	2018	2018
Not due	0,1%	52 027	(54)	51 973
0 to 3 months	2,9%	11 964	(343)	11 621
3 to 6 months	20,5%	762	(156)	606
Over 6 months	73,7%	1 293	(953)	340
Total		66 047	(1 506)	64 540

Contract assets

	Expected loss rate	Gross amount	Loss allowance	Net amount
USD thousands		2018	2018	2018
Not due	0,0%	-	-	-

Movements on the provision for impairment of trade receivables are as follow:

	Trade receivables		
USD thousands	2020	2019	2018
Opening loss allowance as at 1 January	1 005	1 506	1 481
Utilised	(218)	(462)	(11)
Released provision	(213)	(165)	(46)
New provisions	502	149	140
Translation differences	56	(23)	(58)
Loss allowance (Provision for bad debt) as at 31.12	1 132	1 005	1 506

USD thousands	2020	2019	2018
Net gain (loss) related to trade receivables	279	17	(69)

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Note 24 > Contingencies

Accounting policy - Provisions, contingent liabilities and contingent assets

A provision is recognised when an obligation exists (legal or constructive) as a result of a past event, it is probable that an economic settlement will be required as a consequence of the obligation, and a reliable estimate can be made of the amount of the obligation.

The best estimate of the expenditure required to settle the obligation is recognised as a provision. When the effect is material, the provision is discounted using a market based pre-tax discount rate.

A provision for restructuring costs is recognised when a constructive obligation arises. Such an obligation is assumed to have arisen when the restructuring plan is approved and the implementation of the plan has begun or its main features are announced to those affected by it.

Contingent liabilities and contingent assets are not recognised. Contingent liabilities are disclosed unless the possibility of an economic settlement as a consequence of the obligation is remote. Contingent assets are disclosed where an economic settlement as a consequence of the asset is probable.

Significant judgement and estimation uncertainty

The Group may from time to time be subject to various legal proceedings, disputes and claims including regulatory discussions related to the Group's business, investments etc., of which the outcomes are subject to significant uncertainty. Management applies significant judgement when evaluating the degree of probability of an unfavourable outcome and the ability to make a reasonable estimate of the amount of loss. Unanticipated events or changes in these factors may require the Group to accrue for a matter that has not been previously accrued for because it was not considered probable or a reasonable estimate could not be made, or increase or decrease an amount accrued for a matter in previous reporting periods.

The Group is aware of challenges to historic employment practices which may have an impact on the Group. This includes a challenge by HMRC into the historic application of employer's National Insurance Contributions (NIC) to workers on the UK Continental Shelf. We believe that we are in a strong position to defend this challenge and that our technical position is robust, therefore as a result we do not expect that it is probable that a liability will arise and no provision has been made.

Refer to Note 27 *Events after the reporting period* for further information.

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Note 25 > Commitments

Capital Commitments

USD thousands	2020	2019	2018
Rental and casing equipment, due in 1 year	2 811	4 619	1 927
Total	2 811	4 619	1 927

The Group as a lessee - Operating lease commitments

Refer to note 19 *Leases* for further information.

Refer to note 30 for disclosure of commitments towards related parties.

The Group leases various offices under operating lease arrangements. The lease terms are between 1 and 10 years, and the majority of the lease arrangements are renewable at the end of the lease period at market rates.

In addition the Group has operating lease commitments related to equipment etc. with lease terms between 1 and 5 years.

From 1 January 2019, the group has recognised right-of-use assets for these leases, except for short term and low-value leases, see note 3 *New accounting standards* and note 19 *Leases* for further information.

The future aggregate minimum lease payments under operating leases are as follows:

USD thousands	2018
No later than 1 year	3 198
Later than 1 year and no later than 5 years	5 611
Later than 5 years	2 240
Total	11 049

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Note 26 > Guarantees and securities

The guarantees and securities listed below will be released and terminated as part of the planned refinancing and restructuring that is expected to take place in 2022.

Guarantee liabilities in relation to Odfjell Drilling Ltd. Group's loan agreements

USD thousands	31.12.2020	31.12.2019	31.12.2018
Loan agreement in Odfjell Drilling Services Ltd.	241 303	282 120	322 381
Loan agreement in Odfjell Rig III Ltd.	344 393	397 185	397 185
Total guarantee liabilities	585 696	679 305	719 566

Book value of assets pledged as security

USD thousands	31.12.2020	31.12.2019	31.12.2018
Property, plant and equipment	77 583	84 563	72 938
Receivables and contract assets	266 454	271 396	210 889
Bank deposits	14 356	11 548	31 682
Total book value of assets pledged as security	358 393	367 508	315 510

Guarantees and security for Odfjell Drilling Services Ltd. facility

USD 250 million senior secured credit facility agreement originally entered into in an amount of up to USD 450. The outstanding under the loan agreement was USD 190 million per 31 December 2020.

As security for the loan, Odfjell Well Services II Ltd., Odfjell Partners Invest Ltd., Odfjell Platform Drilling AS, Odfjell Drilling Technology AS, Odfjell Well Services AS, Odfjell Global Business Services AS and Odfjell Well Services Norway AS have guaranteed as and for its own debt the due and punctual observance and performance of the obligors' obligations under the finance documents. Further, substantially all of the assets of Odfjell Partners Invest Ltd., Odfjell Platform Drilling AS and Odfjell Drilling Technology AS have been pledged in favour of the lenders. This includes the shares owned by Odfjell Partners Invest Ltd., in Odfjell Well Services Norway AS, Odfjell Well Services AS, Odfjell Well Services Ltd., and Odfjell Well Services II Ltd., and pledge granted by Odfjell Partners Invest Ltd., and Odfjell Well Services II Ltd., over (in aggregate) 100% of the membership interests in Odfjell Well Services Cooperatief U.A.

The loan is also secured with first priority assignments by the guarantors (as listed above) of inter-company claims exceeding a certain threshold or term, as well as all accounts receivables, book debts, other debts, financial obligations or other amounts of other kind (including interest) owing, or which with the passage of time would become owing to the borrower and the guarantors.

Finally, the loan is secured by first priority floating charges over the assets of each of Odfjell Well Services II Ltd., and Odfjell Partners Invest Ltd.

Guarantees from Odfjell Offshore Ltd. in relation to Odfjell Drilling Ltd. Group's loan agreements

Odfjell Offshore Ltd., has furnished an On-Demand Guarantee under the USD 530 million term loan facility agreement entered into on 7 May 2013 with Odfjell Rig III Ltd as borrower and DNB Bank ASA as Agent on behalf of the Lenders. The outstanding under the loan agreement was USD 237 million per 31 December 2020.

Other Guarantees

Odfjell Offshore Ltd has furnished a guarantee in favour of BP Exploration Operating Company Limited for the obligations of Odfjell Drilling Shetland Limited under the time charter for the drilling unit Deepsea Aberdeen.

Joint registration value added tax

Odfjell Drilling group has joint registration for value added tax for the groups VAT registered companies. The norwegian companies included in these financial statements, except Odfjell Oceanwind AS, are registered as part of the joint registration and hence jointly and severally liable for VAT payable in Norway.

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Note 27 > Events after the reporting period

The following material events have occurred after balance date of 31 December 2020:

Odfjell Platform Drilling and Maintenance Contract Award

TAQA in the UK has on 19 March 2021 awarded Odfjell Drilling (UK) Limited ("Odfjell Drilling") a five-year contract for the provision of Platform Drilling & Maintenance Services on its North Sea installations including North Cormorant, Harding, Tern Alpha, Brae Alpha and East Brae. Odfjell Drilling is the incumbent Platform Drilling & Maintenance Services contractor for three of these installations under a contract awarded in 2017 and this new agreement will replace the existing contract, with the addition of Brae Alpha and East Brae. The new contract will be effective from June 15th 2021.

bp Alliance agreement for platform drilling and well services

The Group has entered into a long term contract with bp, which includes a tripartite Alliance Agreement together with Baker Hughes, to further develop the Clair field in the UK continental shelf.

The firm period is valid to Q1 2025 plus 2 x 2 year options. Under the contract, Odfjell Drilling will continue with the provision of platform drilling and drilling maintenance services on three of bp's platforms in the UK North Sea (Clair, Clair Ridge and Andrew). In addition, Odfjell Well Services will also provide integrated services covering equipment rental, well bore clean up and tubular running services. The contract has recently commenced and replaced the previous platform drilling contract between Odfjell Drilling and bp.

Historical National Insurance Contributions

As reported in Note 24, a Group subsidiary is subject to challenges by HM Revenue and Customs ("HMRC") on the historical application of National Insurance Contributions ("NICs") to workers in the UK Continental Shelf. 1 October 2021, a decision was issued by HMRC against Odfjell Drilling (UK) Ltd ("OD UK") in respect of the historic application of NICs. OD UK has appealed against the decision and no payment has been made to HMRC pending the outcome of the first level appeal. A final verdict is not expected in the short to medium term.

Management, taking into consideration advice from independent legal and tax specialists, believes that it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and accordingly, no provision has been recognised. The potential exposure to OD UK in relation to NICs and interest should it be unsuccessful in defending its position is approximately USD 30 million.

Other

Refer to Note - 10 Income Taxes for information regarding letter received in March 2021 from the Norwegian Tax authorities.

As part of the planned restructuring described in Note 1, the Board of Directors of Odfjell Drilling Ltd., has concluded to hold Odfjell Technology Ltd and relevant subsidiaries indemnified in respect of any liability that may incur in relation to the ongoing Odfjell Offshore Ltd tax enquiries.

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Note 28 > Predecessor Combined Financial Statements - Group structure

The Predecessor Combined Consolidated Financial Statements are presented on the basis of the following group structure:

Name of entity	Country of incorporation	Place of business	Functional currency	Ownership %			Principal activities
				2020	2019	2018	
Odfjell Platform Drilling AS	Norway	Norway	NOK	100	100	100	Drilling operation and maintenance of fixed installations
Odfjell Drilling Management AS	Norway	Norway	NOK	100	100	100	
Odfjell Drilling (UK) Ltd.	Scotland	UK	GBP	100	100	100	
Odfjell Drilling Technology AS	Norway	Norway	NOK	100	100	100	
Odfjell Oceanwind AS	Norway	Norway	NOK	28	-	-	Engineering Offshore wind turbines
		United Arab Emirates					Holding company / Well services
Odfjell Partners Invest Ltd.	Bermuda	Emirates	USD	100	100	100	equipment owner
Odfjell Well Services II Ltd.	Bermuda	Kurdistan	USD	100	100	100	Well services
Odfjell Services (Thailand) FLC	Thailand	Thailand	THB	100	100	100	Well services
Odfjell Arabia Drilling Services LLC	Saudi Arabia	Saudi Arabia	SAR	100	100	100	Well services
Odfjell Well Services Cooperatief U.A.	Netherlands	Europe	EUR	100	100	100	Well services
Odfjell Well Services SRL	Romania	Europe	RON	100	100	100	Well services
Odfjell Well Service (UK) Ltd.	UK	UK	GBP	100	100	100	Well services
Odfjell Well Services Norway AS	Norway	Norway	NOK	100	100	100	Well services
Odfjell Well Services AS	Norway	Norway	NOK	100	100	100	Well services
Odfjell Well Services Ltd.	British Virgin Islands	United Arab Emirates	USD	100	100	100	Well services
Odfjell Drilling Philippines Corporation	Philippines	Philippines	PHP	100	100	100	Group Business Services
Odfjell Global Business Services AS	Norway	Norway	NOK	100	100	100	Group Business Services
Odfjell Offshore Ltd.	Bermuda	Norway	USD	100	100	100	Holding company

Also refer to Note 4 > Changes in the composition of the Group.

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Note 29 > Investments in joint ventures and associates

Accounting policy

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost.

Joint ventures are accounted for using the equity method. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

Single Purpose Companies (SPC's)

The Group had, through subsidiary Odfjell Drilling Brasil BV, a owner share of 20% in Guarapari Drilling BV, Itaoca Drilling BV and Siri Drilling BV as of 31 December 2018 and 31 December 2019. These three companies were all SPC's related to the Sete newbuild projects in Brazil. Odfjell Drilling Brasil BV had suspended further equity contributions into the Sete newbuild projects.

During 2020 all shares in these three SPC's were sold for EUR 1.

The Group does not have any shares in any joint ventures or associates as of 31 December 2020.

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Note 30 > Related parties

The Group had the following material transactions with related parties:

Operating revenue:	Relation	2020	2019	2018
Companies within the Odfjell Drilling Ltd. Group	Group company	54 140	56 527	61 772
Total sales of services to related parties		54 140	56 527	61 772

Sales of services include administration services, business support, personnel hire, engineering services and casing & rental services.

Operating revenue to related parties by segment	2020	2019	2018
Energy	20 514	22 006	20 973
Well Services	15 767	16 345	20 384
Other	17 859	18 176	20 416
Total operating revenue to related parties	54 140	56 527	61 772

Operating expenses:	Relation	2020	2019	2018
Companies within the Odfjell Drilling Ltd. Group	Group company	7 025	10 145	10 401
Total operating expenses to related parties		7 025	10 145	10 401

Lease agreements

The Group have lease agreements regarding offices and workshops with the related party Kokstad Holding AS Group (related to main shareholder). Following the implementation of IFRS 16 *Leases* 1 January 2019, reported lease liability to Kokstad Holding AS Group as at 31 December 2019 is USD 2 million, while payments in 2019 amounts to USD 0.4 million. Reported lease liability to Kokstad Holding AS Group as at 31 December 2020 is USD 0.2 million, while payments in 2020 amounts to USD 0.4 million.

The future aggregate minimum lease payments under operating leases (prior to implementation of IFRS 16 *Leases*) are as follows:

No later than 1 year	430
Later than 1 year and no later than 5 years	215
Later than 5 years	-
Total	645

Receivables and liabilities with related parties in the Odfjell Drilling Ltd. Group

Please refer to note 12 for disclosure of Group company receivables and liabilities.

The Group had no receivables and liabilities with other related parties as at 31 December 2018, 31 December 2019 and 31 December 2020.

for the years 2018, 2019 and 2020



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Note 31 > Remuneration to the Board of Directors, key executive management and Group auditor

Key executive management:

Companies in the Group procure management services from Odfjell Drilling Ltd., and Odfjell Drilling AS, companies in the Odfjell Drilling Ltd. Group. This includes provision for the management group including CEO and CFO in Odfjell Drilling AS. The cost of these services are included in other operating expenses, see note 30 *Related parties*.

Board of non executive directors:

The Group has not had a separate Board of Directors. Remuneration of Board of Directors of Odfjell Drilling Ltd. Group has been paid by Odfjell Drilling Ltd., and is not included in these predecessor combined consolidated financial statements.

Fees to the Group's auditor

USD thousands	2020	2019	2018
Audit (incl. technical assistance with financial statements)	141	217	251
Other assurance services	3	-	-
Tax advisory fee (incl. technical assistance with tax returns)	-	76	-
Fees for other services	-	-	106
Total remuneration to the Group's auditor	144	293	423

The fees are net of VAT.

In addition to fees to the Group's auditor listed in the table above, audit fees paid to other auditors for statutory audits of subsidiaries amount to USD 48 thousands in 2020, USD 20 thousands in 2019 and USD 14 thousands in 2018.

for the years 2018, 2019 and 2020



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Note 32 > Accounting policies

General information

See guidance in note 1 Basis of preparation regarding going concern, basis of preparation and measurement in these predecessor combined financial statements.

This note provides a list of the significant accounting policies adopted in the preparation of these predecessor combined financial statements to the extent they have not already been disclosed in the other notes. These policies have been consistently applied to all the years presented, unless otherwise stated.

New and amended standards and interpretations effective after 1 January 2020 that have been adopted by the Group

- Definition of Material – amendments to IAS 1 and IAS 8
- Definition of a Business – amendments to IFRS 3
- Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7
- Revised Conceptual Framework for Financial Reporting

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New standards, amendments and interpretations issued but not effective for the financial year beginning January 1, 2020 and not early adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Business combinations and goodwill

Refer to Note 4.

Joint ventures and associates

Refer to Note 29.

Foreign currency translation

(a) Functional and presentation currency

Items included in the separate financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Financial Statements are presented in USD (in thousands), which is the Group's presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the monthly exchange rates for the month the transactions are recognised.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses are presented in the income statement within 'other financial items'.

(c) Group companies

The results and financial position of all the Group's entities that have a functional currency different from the presentation currency (USD) are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income.

Fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and

	Average rate		Closing rate as at 31.12	
	2020	2019	2020	2019
NOK	0,10609	0,11360	0,11720	0,11389
GBP	1,28175	1,27688	1,36491	1,32041
EUR	1,13944	1,11945	1,22709	1,12340
	Average rate		Closing rate as at 31.12	
			2018	2018
NOK			0,12293	0,11509
GBP			1,33408	1,28000
EUR			1,18045	1,14500

for the years 2018, 2019 and 2020



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Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Fair value measurement

The Group measures financial instruments such as derivatives, and non-financial assets such as investment properties, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Revenue recognition

Refer to Note 6.

Contract balances

Refer to Note 7.

Intangible assets

Refer to Note 17.

Research and development costs

Refer to Note 17.

Property, plant and equipment

Refer to Note 18.

Impairment of non-financial assets

Refer to Note 17 Intangible assets and 18 Tangible fixed asset.

Financial instruments

Refer to Note 11.

Current and deferred income tax, withholding tax

Refer to Note 10.

Cash and cash equivalents

Refer to Note 15.

Post-employment benefits

Refer to Note 20 *Post-employment benefits*.

for the years 2018, 2019 and 2020



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Derivative financial instruments and hedge accounting

The Group may use derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively.

Derivatives are recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured on a continuous basis at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates certain derivatives as hedges of highly probable forecast transactions (cash-flow hedges). At the date of the hedging transaction, the Group's documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

The effective portion of the gain or loss on the cash flow hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the income statement. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

Amounts recognised directly in other comprehensive income are reclassified as income or expense in the income statement in the period when the hedged liability or planned transaction will affect the income statement.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is reclassified when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement within financial income/expenses.

Spare parts

Spare parts are stated at the lower of cost and net realisable value. Cost is attributed using the first-in, first-out (FIFO) method. The costs of spare parts comprise the purchase price, import duties and other taxes, transport and handling and other costs directly attributable to the acquisition of the goods. Trade discounts, rebates and other similar items are deducted in determine cost.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade payables are financial liabilities recognised initially at fair value and subsequently measured at face value, due to short time to maturity. Also refer to accounting policies above regarding *Financial liabilities*.

Leases

Refer to Note 19.

Group as a lessor

Refer to Note 6.

Provisions, contingent liabilities and contingent assets

Refer to Note 24.

Cash dividend and group contributions

The Company recognises a liability to pay a dividend or a group contribution when the distribution is authorised and the distribution is no longer at the discretion of the Company. A corresponding amount is recognised directly in equity.

Statement of cash flows

The statement of cash flows is prepared under the indirect method. Cash and cash equivalents include cash, bank deposits and other monetary instruments with a maturity of less than three months at the date of purchase.

for the years 2018, 2019 and 2020



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To the General Meeting of Odfjell Technology Ltd

Independent Auditor's Report

Report on the Audit of Predecessor Combined Financial Statements

Opinion

We have audited the accompanying predecessor combined financial statements of Odfjell Technology Ltd. for the year ended 31 December 2018, 2019 and 2020. The predecessor combined financial statements comprise:

- The predecessor combined financial statements of the group, which comprise the statement of financial position of the entities set out in note 28 as at 31 December 2018, 2019 and 2020, and the related predecessor combined income statement, predecessor combined statement of comprehensive income, predecessor combined statement of changes in equity, predecessor combined statement of cash flows for the three years then ended, and notes to the predecessor combined financial statements, including a summary of significant accounting policies.

In our opinion:

- The predecessor combined financial statements for the year ended 31 December 2018, 2019 and 2020 are prepared in accordance with the law and regulations.
- The accompanying predecessor combined financial statements present fairly, in all material respects, the financial position of the group as at 31 December 2018, 2019 and 2020, and its financial performance and its cash flows for the three years then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with International



Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Predecessor Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the predecessor combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these predecessor combined financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

Bergen, 17 January 2022
PricewaterhouseCoopers AS

Marius Kaland Olsen
State Authorised Public Accountant

(This document is signed electronically)

Revisjonsberetning

Signers:

Name	Method	Date
Olsen, Marius Kaland	BANKID_MOBILE	2022-01-17 09:46



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APPENDIX C

THE COMBINED INTERIM FINANCIAL STATEMENTS

List of Signatures

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5. a. OT_Ltd_Group_Predecessor_Combined_Q4_2021.pdf

Name	Method	Signed at
Thore, Susanne Elise Munch	BANKID	2022-02-25 16:15 GMT+01
Alasdair Shiach	One-Time-Password	2022-02-24 19:34 GMT+01
Helene Odfjell	One-Time-Password	2022-02-24 17:09 GMT+01



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Odfjell Technology Ltd.

Predecessor Combined
Condensed
Financial Statements

4th quarter of 2021 and financial year ending 31
December 2021

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Predecessor Combined Condensed Consolidated Income Statement

USD thousands	Note	Q4 21	Q4 20	FY 21	FY 20
Operating revenue	2,3,11	94,976	75,977	342,899	273,283
Other gains and losses		76	366	741	1,417
Personnel expenses		(58,606)	(48,046)	(220,640)	(166,145)
Other operating expenses		(21,748)	(16,968)	(77,901)	(60,546)
EBITDA		14,699	11,329	45,098	48,009
Depreciation, amortisation and impairment	5,6,7	(8,323)	(7,959)	(30,566)	(29,939)
Operating profit (EBIT)		6,376	3,369	14,532	18,070
Share of profit (loss) from joint ventures and associates		(312)	-	(539)	-
Net financial items	10	(570)	332	(1,998)	(3,272)
Profit (loss) before tax		5,495	3,701	11,995	14,798
Income tax expense		(512)	(410)	1,064	377
Net profit (loss)		4,983	3,291	13,060	15,176
Profit (loss) attributable to:					
Non-controlling interests		-	(73)	(531)	(73)
Owners of the parent		4,983	3,364	13,591	15,249

Predecessor Combined Condensed Statement of Comprehensive Income

USD thousands	Q3 21	Q3 20	FY 21	FY 20
Net profit (loss)	4,983	3,291	13,060	15,176
Items that will not be reclassified to profit or loss:				
Actuarial gain (loss) on post employment benefit obligations	(222)	(172)	(317)	(1,474)
Items that are or may be reclassified to profit or loss:				
Currency translation differences	(17)	12,545	(1,616)	4,634
Other comprehensive income, net of taxes	(239)	12,372	(1,933)	3,160
Total comprehensive income	4,744	15,663	11,127	18,336
Total comprehensive income attributable to:				
Non-controlling interests	-	(21)	(524)	(21)
Owners of the parent	4,744	15,684	11,650	18,357

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Odfjell Technology Ltd.

Predecessor Combined Condensed Financial Statements for the interim period and year ending 31 December 2021

Predecessor Combined Condensed Consolidated Statement of Financial Position

USD thousands	Note	31.12.2021	31.12.2020
Assets			
Deferred tax asset		1,756	1,883
Intangible assets	5	24,727	25,260
Property, plant and equipment	6,7	100,619	77,583
Financial non-current assets	4,11	3,212	13,333
Total non-current assets		130,314	118,059
Trade receivables	11	92,570	76,273
Contract asset		559	-
Other current assets	4,11	16,188	11,167
Current interest-bearing receivables Odfjell Drilling Group	11	148,400	165,681
Cash and cash equivalents		56,446	14,356
Total current assets		314,163	267,477
Total assets		444,476	385,536
Equity and liabilities			
Paid-in capital		10	-
Other equity		335,858	309,135
Equity attributable to owners of the parent		335,868	309,135
Non-controlling interests		-	636
Total equity		335,868	309,770
Non-current lease liabilities	7	9,422	4,351
Post-employment benefits		5,308	5,822
Non-current contract liabilities		5,589	3,688
Total non-current liabilities		20,318	13,861
Current interest-bearing payables Odfjell Drilling Group	11	17,179	6,375
Current lease liabilities	7	2,780	2,260
Contract liabilities		135	48
Trade payables	11	24,412	16,092
Other current liabilities	4,11	43,784	37,130
Total current liabilities		88,290	61,905
Total liabilities		108,609	75,766
Total equity and liabilities		444,476	385,536

The Board of Odfjell Technology Ltd.
21 February 2022

Helene Odfjell
Director

Susanne Munch Thore
Director

Alasdair Shiach
Director

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Odfjell Technology Ltd.

Predecessor Combined Condensed Financial Statements for the interim period and year ending 31 December 2021

Predecessor Combined Condensed Consolidated Statement of Cash Flows

USD thousands	Note	Q4 21	Q4 20	FY 21	FY 20
Cash flows from operating activities:					
Profit/(loss) before tax		5,495	3,701	11,995	14,798
Adjustment for provisions and other non-cash elements		8,805	7,858	34,850	30,413
Changes in working capital		7,136	6,513	(4,018)	12,457
Cash generated from operations		21,436	18,072	42,828	57,668
Net interest (paid) / received		(216)	(188)	(625)	(143)
Net income tax paid		(336)	(722)	(1,994)	(2,967)
Net cash flow from operating activities		20,884	17,162	40,209	54,557
Cash flows from investing activities:					
Purchase of property, plant and equipment	5,6	(35,905)	(4,045)	(51,371)	(21,413)
Proceeds from sale of property, plant and equipment		98	359	974	1,962
Other non-current receivables		(50)	(110)	(49)	(2,461)
Cash used in obtaining control of subsidiaries		-	-	-	(100)
Cash flows from losing control of subsidiaries		-	-	(487)	-
Net cash flow from investing activities		(35,857)	(3,796)	(50,933)	(22,012)
Cash flows from financing activities:					
Net change group cash pool receivables and liabilities		48,901	807	39,424	8,973
Repayment of lease liabilities	7	(605)	(447)	(2,466)	(1,823)
Proceeds from transactions with non-controlling interests		-	355	-	355
Group contributions from companies in Odfjell Drilling Ltd. Group		-	-	19,257	12,041
Dividends paid to companies in Odfjell Drilling Ltd. Group		-	(44,769)	-	(44,769)
Net cash flow from financing activities		48,296	(44,055)	56,215	(25,224)
Effects of exchange rate changes on cash and cash equivalents		(601)	3,647	(3,402)	(4,512)
Net increase (decrease) in cash and cash equivalents		32,721	(27,042)	42,090	2,809
Cash and cash equivalents at beginning of period		23,725	41,399	14,356	11,548
Cash and cash equivalents at period end		56,446	14,356	56,446	14,356

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Odfjell Technology Ltd.

Predecessor Combined Condensed Financial Statements for the interim period and year ending 31 December 2021

Predecessor Combined Condensed Consolidated Statement of Changes in Equity

USD thousands	Paid-in capital	Other equity	Attributable to owners of the parent	Non- controlling interests	Total equity
Balance at 1 January 2020	-	325,217	325,217	-	325,217.152
Profit/(loss) for the period	-	15,176	15,176	(73)	15,102
Other comprehensive income for the period	-	3,181	3,181	53	3,234
Total comprehensive income for the period	-	18,357	18,357	(21)	18,336
Equity contribution from other companies in Odfjell Drilling Ltd.	-	10,083	10,083	-	10,083
Non-controlling interest on acquisition of a subsidiary	-	-	-	549	549
Transactions with non-controlling interests	-	247	247	108	355
Distribution to other companies in Odfjell Drilling Ltd. Group	-	(44,769)	(44,769)	-	(44,769)
Transactions with owners	-	(34,439)	(34,439)	656	(33,783)
Balance at 31 December 2020	-	309,135	309,135	636	309,770
Profit/(loss) for the period	-	13,591	13,591	(531)	13,060
Other comprehensive income for the period	-	(1,941)	(1,941)	7	(1,933)
Total comprehensive income for the period	-	11,650	11,650	(524)	11,127
Equity contribution from other companies in Odfjell Drilling Ltd.	10	15,073	15,083	-	15,083
Loss of control of a subsidiary	-	-	-	(112)	(112)
Transactions with owners	10	15,073	15,083	(112)	14,971
Balance at 31 December 2021	10	335,858	335,868	-	335,868

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Note 1 | Accounting Principles

General information

Odfjell Technology Ltd., was incorporated on 14 December 2021 for the purpose of continuing the service activities (OWS and Energy segments) of the parent company of Odfjell Drilling Ltd.

Odfjell Technology Ltd., is incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The head office is planned to be based in the United Kingdom, similar to Odfjell Drilling Ltd.

As part of a planned restructuring, Odfjell Technology Ltd., will subject to a final resolution, primo 2022 receive equity contributions, including shares in two subsidiaries, from Odfjell Drilling Ltd.. Subject to a successful issuing of new debt in the company, Odfjell Technology Ltd. will purchase shares in other relevant subsidiaries from Odfjell Drilling Ltd. See note 28 in the predecessor combined financial statements for the years 2018, 2019 and 2020 for information about the planned group structure.

The transactions listed above are considered to be common control transactions, and is recognised on a carry-over basis (referred to as "predecessor accounting"). In general all amounts presented are therefore recorded at predecessor values as they have been included in Odfjell Drilling Ltd's financial statements.

Odfjell Technology Ltd., and its subsidiaries (together 'the Group') provides platform drilling, engineering, rig inspection services, technical integrity management services, development of new technology related concepts, casing and tubular running services, wellbore cleaning, drilling tool and tubular rental services both for exploration wells and for production purposes. In addition the group provides business support services, mainly to companies in the Odfjell Drilling Ltd.

These interim Predecessor Combined Condensed Financial Statements were approved by the Board of Directors on 21 February 2022 and have not been audited.

Basis for preparation

For all periods presented, the interim Predecessor Combined Condensed Financial Statements presented herein have been carved out of the consolidated financial statements of Odfjell Drilling Ltd as if the restructuring had taken place prior to the earliest period presented.

These Predecessor Combined Condensed Financial Statements for the twelve months period ended 30 September 2021 have been prepared in accordance with IAS 34, 'Interim financial reporting' with the following exceptions: The perimeter of the accounts does not conform with the control notion in IFRS 10 Consolidated Financial Statements because Odfjell Technology Ltd., was not the parent company for the years covered by the predecessor combined financial statements.

The interim Predecessor Combined Condensed Financial Statements were otherwise prepared using the principles of IFRS 10, such as elimination of intra-group transactions and balances. Transactions with the remaining Odfjell Drilling Group have not been eliminated, as these are now regarded as external to the Odfjell Technology Group. These transactions are recognised based on intercompany agreements that were prevailing in the years reported. No adjustments are made to the predecessor values of income and expenses.

These interim Predecessor Combined Condensed 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 predecessor combined financial statements for the years 2018, 2019 and 2020 ("The Predecessor Combined Financial Statements") which also include a detailed description of the accounting policies applied.



Note 1 | Accounting Principles - cont.

Going concern

Factors that, in the Group's view, could cause actual results to differ materially from the outlook contained in this report are 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 and developments in the financial and fiscal markets.

The substantial reduction in market capitalisation for the oil and gas service providers has led financial institutions to focus on contract backlog as the major criteria for debt financing. The market for rig financing is still challenging and additional funding sources may be restricted to the Group in the future for refinancing existing facilities as they mature.

The uncertainties and volatility in today's financial market represent a risk for the Group with respect to funding, and hence the going concern principle, should these market conditions continue over time.

Taking all relevant risk factors and available options for financing into consideration, the Board has a reasonable expectation that the Group has adequate resources to continue its operational existence for the foreseeable future. Hence, the Group has adopted the going concern basis in preparing its consolidated financial statements.

Accounting principles

The accounting principles adopted are consistent with those of the The Predecessor Combined Financial Statements for the years 2018, 2019 and 2020 .

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 2020.

There will always be uncertainty related to judgement and assumptions related to accounting estimates. Reference is made to Note 5 where assumptions and sensitivity analysis for goodwill are presented. Reference is also made to liquidity risk in Note 4 and contingencies in Note 12.

Income tax expense and deferred income tax liability is calculated by applying the tax rate for each individual jurisdiction to measures of income for each jurisdiction.



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.

Odjell Energy business segment (Energy) and Odjell Well Services business segment (OWS) have been determined as the operating segments.

- **Energy:** The Energy segment provides integrated drilling and maintenance services for fixed platform drilling rigs in the North Sea, as well as engineering services, including design, project management and operation and support. The Energy segment will also develop growth within new product lines where the strategy is to create a footprint within sustainable energy solutions.

- **OWS:** The OWS segment provides casing and tubular running services, wellbore cleaning in addition to drilling tool and tubular rental services both for exploration wells and for production purposes.

USD thousands	Energy		Well Services		Corporate / Eliminations		Consolidated	
	Q4 21	Q4 20	Q4 21	Q4 20	Q4 21	Q4 20	Q4 21	Q4 20
External segment revenue	61,712	45,128	25,151	24,900	8,113	5,949	94,976	75,977
Inter segment revenue	-	-	5,487	2,714	(5,487)	(2,714)	-	-
Total revenue	61,712	45,128	30,638	27,614	2,626	3,235	94,976	75,977
EBITDA	5,540	3,478	8,748	8,892	410	(1,041)	14,699	11,329
Depreciation and impairment	(16)	(21)	(6,488)	(6,774)	(1,819)	(1,164)	(8,323)	(7,959)
EBIT	5,524	3,457	2,260	2,118	(1,408)	(2,206)	6,376	3,369
Share of profit (loss) from joint ventures and associates							(312)	-
Net financial items							(570)	332
Profit / (loss) before tax - Consolidated Group							5,495	3,701

Note 2 | Segment summary - cont.

	Energy		Well Services		Corporate / Eliminations		Consolidated	
	FY 21	FY 20	FY 21	FY 20	FY 21	FY 20	FY 21	FY 20
External segment revenue	215,231	155,582	98,685	92,796	28,983	24,906	342,899	273,283
Inter segment revenue	-	-	17,147	11,072	(17,147)	(11,072)	-	-
Total revenue	215,231	155,582	115,832	103,868	11,836	13,834	342,899	273,283
EBITDA	13,389	15,184	29,999	32,266	1,711	559	45,098	48,009
Depreciation and impairment	(79)	(99)	(24,551)	(25,409)	(5,937)	(4,431)	(30,566)	(29,939)
EBIT	13,311	15,085	5,448	6,858	(4,226)	(3,872)	14,532	18,070
Share of profit (loss) from joint ventures and associates							(539)	-
Net financial items							(1,998)	(3,272)
Profit / (loss) before tax - Consolidated Group							11,995	14,798

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Note 3 | Revenue

USD thousands	Q4 21	Q4 20	YTD 21	FY 20
Revenue from contracts with customers	89,615	68,931	319,388	244,661
Other operating revenue	5,361	7,047	23,511	28,622
Operating revenue	94,976	75,977	342,899	273,283

Disaggregation of revenue - Primary geographical markets

USD thousands	Energy		Well Services		Corporate / Elimination		Consolidated	
	Q4 21	Q4 20	Q4 21	Q4 20	Q4 21	Q4 20	Q4 21	Q4 20
Norway	41,797	31,445	16,766	14,604	6,388	2,412	64,950	48,460
UK	19,915	13,684	3,110	2,722	(3,787)	121	19,237	16,527
Europe - other countries	-	-	3,371	3,672	-	-	3,371	3,672
Asia	-	-	7,245	3,662	26	702	7,271	4,364
Africa	-	-	129	2,889	-	-	129	2,889
Other geographical markets	-	-	17	66	-	-	17	66
Total operating revenue	61,712	45,128	30,638	27,614	2,626	3,235	94,976	75,977

USD thousands	Energy		Well Services		Corporate / Elimination		Consolidated	
	FY 21	FY 20	FY 21	FY 20	FY 21	FY 20	FY 21	FY 20
Norway	148,900	103,013	64,640	55,085	15,447	10,540	228,986	168,639
UK	66,331	52,568	10,193	9,267	(3,783)	485	72,742	62,320
Europe - other countries	-	-	12,879	15,962	-	-	12,879	15,962
Asia	-	-	27,613	18,097	172	2,809	27,785	20,906
Africa	-	-	277	5,199	-	-	277	5,199
Other geographical markets	-	-	229	258	-	-	229	258
Total operating revenue	215,231	155,582	115,832	103,868	11,836	13,834	342,899	273,283



Note 4 | Financial risk management and Financial instruments

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed predecessor combined interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; consequently they should be read in conjunction with the Group's audited Predecessor Combined Financial Statements.

The Covid-19 pandemic has had a significant impact on our business in terms of us having to adapt and adjust our ways of working. The pandemic necessitated a renewed focus on people and safety. The Group acted quickly to implement required routines to limit the spread of the virus.

The Well Services business has been significantly impacted by the Covid-19 pandemic, predominately due to the geographical reach of the business and the need for international movement and cross border activity, while the negative financial impact in Platform Drilling has been limited. The main impact in the Well Services business has been reduced operating revenues due to customers postponing contract commencements. Strict cost control and cost reducing measures have secured acceptable margin levels. The Group will continue to monitor the situation and take actions as required and recommended by local authorities. Any unforeseen consequences of COVID-19 and other future pandemics may impact the financial result.

Liquidity risk

Operating in more than 20 jurisdictions Odfjell Drilling do from time to time receive enquiries from authorities about compliance related matters. Refer to Note 12 regarding notice of decision received 1 October 2021 from HM Revenue and Customs. The Group has per 31 - December 2021 not received any other formal material assessment which is not disclosed in the financial statements. However, there might be a risk of demand for payment from relevant authorities during such processes, even if the final conclusion is in the Groups favour.

As reported in The Predecessor Combined Financial Statements, Note 10, there are ongoing tax enquiries in Odfjell Offshore Ltd, a company included in the these financial statements. The Board of Directors of Odfjell Drilling Ltd has in January 2022, as part of the planned restructuring described in Note 1, concluded to hold Odfjell Technology Ltd and relevant subsidiaries indemnified in respect of any liability that may incur in relation to the ongoing Odfjell Offshore Ltd tax enquiries.

Compared to prior period, there was no material change in the contractual undiscounted cash outflows for financial liabilities.

Credit risk

Compared to year end, there was no material change in credit risk for the Group.

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Note 4 | Financial risk management and Financial instruments - cont.

Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3). For short term assets and liabilities at level 3, the value is approximately equal to the carrying amount.

Set out below, is an overview of financial assets and liabilities, other than cash and cash equivalents, held by the Group:

USD thousands	Level	31.12.2021	31.12.2020
Financial assets at amortised cost			
- Current interest-bearing receivables Odfjell Drilling Group		148,400	165,681
- Other non-current receivables		2,726	13,333
- Trade and other current receivables		97,429	78,296
Total financial assets		248,554	257,310
Financial liabilities at amortised cost			
- Non-current lease liabilities		9,422	4,351
- Current lease liabilities		2,780	2,260
- Trade and other payables		55,762	42,736
- Current interest-bearing payables Odfjell Drilling Group		17,179	6,375
Total financial liabilities		85,143	55,721

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Other non-current receivables
- Trade and other current receivables
- Cash and cash equivalents (excluding bank overdrafts)
- Trade and other payables
- Non-current lease liabilities
- Current lease liabilities
- Current interest-bearing receivables Odfjell Drilling Group
- Current interest-bearing payables Odfjell Drilling Group



Note 5 | Intangible assets

USD thousands	Goodwill	Software and other intangible assets	Total intangible assets
Opening net book amount as at 1 January 2021	16,322	8,938	25,260
Additions	-	5,759	5,759
Disposal due to loss of control of subsidiary *	(793)	-	(793)
Amortisation	-	(4,784)	(4,784)
Currency translation differences	(475)	(240)	(715)
Closing net book amount as at 31 December 2021	15,054	9,673	24,727
Opening net book amount as at 1 January 2020	15,121	11,219	26,340
Additions	-	1,243	1,243
Acquisition of subsidiary	680	-	680
Amortisation	-	(3,534)	(3,534)
Currency translation differences	520	10	531
Closing net book amount as at 31 December 2020	16,322	8,938	25,260

* Disposal due to loss of control of subsidiary relates to investment in Odfjell Oceanwind AS. Due to capital contributions from other investors, the Group's financial interest has been reduced to about 15%. Odfjell Oceanwind AS is now classified as a joint venture, and is accounted for using the equity method from May 2021.



Note 5 | Intangible assets - cont.

Impairment tests for goodwill

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The Group has conducted the annual impairment test as at 31 December 2021.

Goodwill is monitored by management at the operating segment level. The Energy segment, as well as the Well Services segment, only consist of one Cash Generation Unit (CGU) each.

The recoverable amount of the CGUs has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on prognoses made by management covering a five-year period. The prognosis for the EBITDA margin in 2022 and the following years is based on past performance and expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax weighted average cost of capital and reflect specific risks relating to the relevant operating segments.

These assumptions have been used for the analysis of each CGU within the operating segment. Impairment tests performed for goodwill within respective CGU's do not indicate any impairment requirement as at 31 December 2021.

The key assumptions used for value-in-use calculations as per Q4 2021 are as follows:

	Energy	Well Services
EBITDA margin in prognosis period	5% - 8%	22% - 36%
Growth rate year 6 and forward	0.0%	0.0%
Weighted Average Cost of Capital, pre-tax	10%	12%

Sensitivity analysis for goodwill impairment test

The Group has performed sensitivity analysis for the goodwill impairment test by reducing operating income by one, five and ten percent and EBITDA margin by one, five and ten percentage points respectively for each of the segments. Reducing EBITDA margin by five percentage points indicated an impairment write-down of USD 4 million in the Well Services segment, while reducing EBITDA margin by ten percentage points indicated impairment write-downs of USD 11 million in the Energy segment and USD 4 million in the Well Services segment. None of the other scenarios indicated any impairment write-down of goodwill as at 31 December 2021.

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Note 6 | Property, plant and equipment

USD thousands	Well Services equipment	Other fixed assets	Right-of-use assets	Total fixed assets
Opening net book amount as at 1 January 2021	68,724	2,577	6,282	77,583
Additions	39,725	1,772	8,341	49,838
Disposals	(411)	(99)	-	(510)
Depreciation	(22,218)	(1,115)	(2,449)	(25,782)
Currency translation differences	(29)	(116)	(364)	(509)
Net book amount as at 31 December 2021	85,792	3,018	11,809	100,619
Opening net book amount as at 1 January 2020	74,363	2,975	7,225	84,563
Additions	18,075	576	1,038	19,690
Disposals	(538)	(7)	-	(545)
Depreciation	(23,208)	(1,043)	(2,153)	(26,405)
Currency translation differences	32	76	172	279
Net book amount as at 31 December 2020	68,724	2,577	6,282	77,583
Useful lifetime	3 - 10 years	3 - 5 years	2-12 years	
Depreciation schedule	Straight line	Straight line	Straight line	

Refer to Note 7 for more information about Right-of-use assets.

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 exceed the recoverable amount.

The Group has not identified any impairment indicators, nor any indicators for reversal of impairment as at 31 December 2021.



Note 7 | Leases

The balance sheet shows the following amounts related to leases:

USD thousands	Properties	Total Right-of-use assets
Net book amount as at 1 January 2021	6,282	6,282
Additions	8,341	8,341
Depreciation	(2,449)	(2,449)
Currency translation differences	(365)	(364)
Net book amount as at 31 December 2021	11,809	11,809

USD thousands	Properties	Total Right-of-use assets
Net book amount as at 1 January 2020	7,225	7,225
Additions	1,038	1,038
Depreciation	(2,153)	(2,153)
Currency translation differences	172	172
Net book amount as at 31 December 2020	6,282	6,282

The Right-of-use assets are included in the line item "Property, plant and equipment" in the balance sheet, refer to Note 6.

Lease liabilities

USD thousands	31.12.2021	31.12.2020
Non-current	9,422	4,351
Current	2,780	2,260
Total	12,202	6,611

Movements in non-current lease liabilities are analysed as follows:

USD thousands	31.12.2021	31.12.2020
Carrying amount as at 1 January	4,351	5,155
Non-cash flows:		
New lease liabilities recognised in the year	8,341	1,038
Interest expense on lease liabilities	597	455
Reclassified to current portion of lease liabilities	(3,593)	(2,382)
Currency exchange differences	(274)	84
Carrying amount as at end of period	9,422	4,351

Movements in current lease liabilities are analysed as follows:

USD thousands	31.12.2021	31.12.2020
Carrying amount as at 1 January	2,260	2,066
Cash flows:		
Payments for the principal portion of the lease liability	(2,466)	(1,823)
Payments for the interest portion of the lease liability	(509)	(468)
Non-cash flows:		
Reclassified from non-current portion of lease liabilities	3,593	2,382
Currency exchange differences	(98)	104
Carrying amount as at end of period	2,780	2,260

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Note 8 | Commitments

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

USD thousands	31.12.2021	31.12.2020
Rental and casing equipment	22,241	2,811
Total	22,241	34,456

Note 9 | Contingencies

As reported in The Predecessor Combined Financial Statements, Note 24, a Group subsidiary is subject to challenges by HM Revenue and Customs ("HMRC") on the historical application of National Insurance Contributions ("NICs") to workers in the UK Continental Shelf. 1 October 2021, a decision was issued by HMRC against Odfjell Drilling (UK) Ltd ("OD UK") in respect of the historic application of NICs. OD UK has appealed against the decision and no payment has been made to HMRC pending the outcome of the first level appeal. A final verdict is not expected in the short to medium term. Management, taking into consideration advice from independent legal and tax specialists, believes that it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and accordingly, no provision has been recognised. The potential exposure to OD UK in relation to NICs and interest should it be unsuccessful in defending its position is approximately USD 30 million.

There are no other material contingencies to be disclosed as per 31 December 2021.

Note 10 | Net financial items

USD thousands	Note	Q4 21	Q4 20	FY 21	FY 20
Interest income		142	153	580	1,124
Interest expense lease liabilities	7	(187)	(113)	(597)	(455)
Other interest expenses		(34)	(37)	(102)	(155)
Net currency gain/(loss)		(626)	348	(1,934)	(3,950)
Other financial items		136	(20)	55	165
Net financial items		(570)	332	(1,998)	(3,272)

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Note 11 | Related-party transactions and balances

The Group had the following material transactions with related parties:

Operating revenue:

USD thousands	Relation	Q4 21	Q4 20	FY 21	FY 20
Companies within the Odfjell Drilling Ltd. Group	Group company	17,819	14,408	62,098	54,140
Total sales of services to related parties		17,819	14,408	62,098	54,140

Sales of services include administration services, business support, personnel hire, engineering services and casing & rental services.

Operating revenue to related parties by segment

USD thousands	Q4 21	Q4 20	FY 21	FY 20	
Energy	6,733	3,954	23,921	20,514	
Well Services	6,348	5,731	18,911	15,767	
Other	4,738	4,723	19,266	17,859	
Total operating revenue to related parties		17,819	14,408	62,098	54,140

Operating expenses:

USD thousands	Relation	Q4 21	Q4 20	FY 21	FY 20
Companies within the Odfjell Drilling Ltd. Group	Group company	1,988	2,144	9,229	7,025
Total operating expenses to related parties		1,988	2,144	9,229	7,025

Interest income:

USD thousands	Relation	Q4 21	Q4 20	FY 21	FY 20
Odfjell Drilling Ltd.	Group company	151	146	593	644
Total interest income from related parties		151	146	593	644

The Group have the following receivables and liabilities to related parties:

Non-current interest-bearing receivables

USD thousands	Relation	Type	31.12.2021	31.12.2020
Odfjell Drilling Ltd.	Group company	Loan	-	10,745
Total non-current interest-bearing receivables group companies			-	10,745

The maturity date for the loan agreement with Odfjell Drilling Ltd is 28 August 2022. The loans is classified as current as at 31 December 2021, and included in table below.

Cash pool

Some of the Group's bank deposits are part of the cash pool scheme where Odfjell Drilling Services Ltd. is the account owner and thus the owner of the bank funds. The cash pool has been created to help optimize liquidity management in Odfjell Drilling Ltd. Group. The Group has joint and several liability for deposits in the cash pool arrangement. The Group's loans or deposit is presented as current interest-bearing receivables group companies and current interest-bearing liabilities group companies

Current interest-bearing receivables

USD thousands	Relation	Type	31.12.2021	31.12.2020
Odfjell Drilling Ltd.	Group company	Loan	11,338	-
Odfjell Drilling Services Ltd.	Group company	Cash pool	137,061	165,681
Current interest-bearing receivables Odfjell Drilling Group			148,400	165,681



Note 11 | Related-party transactions and balances - cont.

Current interest-bearing liabilities

USD thousands	Relation	Type	31.12.2021	31.12.2020
Odfjell Drilling Services Ltd.	Group company	Cash pool	(17,179)	(6,375)
Current interest-bearing payables Odfjell Drilling Group			(17,179)	(6,375)

Current receivables and liabilities group companies

As a part of the day-to-day running of the business, the group have the following current receivables and liabilities towards companies in the Odfjell Drilling group. All receivables and liabilities have less than one year maturity.

USD thousands	31.12.2021	31.12.2020
Trade receivables	16,190	12,450
Other current receivables	485	1,184
Trade payables	(903)	(1,181)
Other current payables	(619)	(997)
Net current payables Odfjell Drilling Ltd Group	15,153	11,456

Lease agreements

The Group have lease agreements regarding offices and workshops with the related party Odfjell Land AS (previously called Kokstad Holding AS, related to main shareholder). Reported lease liability to Odfjell Land AS as at 31 December 2021 is USD 5.5 million, while payments in 2021 amounts to USD 0.7 million.

There are no material changes in related party transactions in 2021.

Note 12 - Important events occurring after the reporting period

As reported in The Predecessor Combined Financial Statements, Note 10, there are ongoing tax enquiries in Odfjell Offshore Ltd, a company included in the these financial statements. The Board of Directors of Odfjell Drilling Ltd has in January 2022, as part of the planned restructuring described in Note 1, concluded to hold Odfjell Technology Ltd and relevant subsidiaries indemnified in respect of any liability that may incur in relation to the ongoing Odfjell Offshore Ltd tax enquiries.

On 4 February 2022, Odfjell Technology successfully priced NOK 1.1bn in senior secured bonds through a private placement. The bonds will mature in February 2026 and bear interest of 3 months Nibor plus 700 basis points.

There have been no other events after the balance sheet date with material effect on the quarterly financial statements ended 31 December 2021.



APPENDIX D

THE COMPANY'S FINANCIAL STATEMENTS

List of Signatures

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Name	Method	Signed at
Thore, Susanne Elise Munch	BANKID	2022-01-26 09:15 GMT+01
Helene Odfjell	One-Time-Password	2022-01-24 18:30 GMT+01
Alasdair Shiach	One-Time-Password	2022-01-24 17:03 GMT+01



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Odfjell Technology Ltd.

Financial Statements for the period 14 December
2021 through 31 December 2021

Registration number 2021 00770



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Odfjell Technology Ltd.

Income Statement

USD	Notes	Period 14 Dec to 31 Dec 2021
Operating revenue		-
Operating expenses		-
Operating profit (EBIT)		-
Interest income	3	-
Financial income / (expenses)		-
Profit/(loss) before tax		-
Income tax (expense) income		-
Profit/(loss) for the period		-



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Odfjell Technology Ltd.

USD	Notes	31 Dec 2021
ASSETS		
Current assets		
Share capital to be paid in		10,000
Cash and cash equivalents	3	-
Total current assets		10,000
Total assets		10,000
EQUITY AND LIABILITIES		
Equity		
Paid-in capital	5	10,000
Retained earnings	5	-
Total equity		10,000
Current liabilities		
Other current liabilities		-
Total current liabilities		-
Total equity and liabilities		10,000

The Board of Odfjell Technology Ltd

Aberdeen, 25 January 2022

Helene Odfjell
Chairman

Alisdair Shiach
Director

Susanne Munch Thore
Director



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Odfjell Technology Ltd.

Cash Flow Statement

USD	Note	Period 14 Dec 2021 to 31 Dec 2021
Cash flows from operating activities:		
Profit before income tax		-
Finance cost - net		-
<i>Changes in working capital:</i>		
Trade and other receivables		-
Trade and other payables		-
Net cash generated from operating activities		-
<hr/>		
Interest received		-
Net cash generated from investing activities		-
<hr/>		
Cash flows from financing activities:		
Proceeds from owners	5	-
Cost of incorporation		-
Net cash used in financing activities		-
<hr/>		
Net change in cash and cash equivalents		-
<hr/>		
Cash and cash equivalents opening balance		-
Cash and cash equivalents at closing balance		-



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Odfjell Technology Ltd.

Notes to The Financial Statements for the period

Note 1 General

Odfjell Technology Ltd is registered in Bermuda and the registered address is Clarendon House, 2 Church Street, Hamilton HM 11. The company will be resident in the UK with business address Bergen House, Crawpeel Road, Altens, Aberdeen AB12 3LG, Scotland, United Kingdom

The Company is fully owned by Odfjell Drilling Ltd.

The principal activity of the company will be investments in companies who performs activities within Well Services, Drilling Operations and Engineering.

The company's financial year is from 1 January to 31 December. This Financial Statements are from the date of incorporation 14 December 2021 to 31 December 2021.

Note 2 Summary of significant Accounting Policies

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

Use of estimates

The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway

Balance sheet classification

Current assets and short term liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as fixed assets / long term liabilities. Current assets are valued at the lower of cost and fair value. Short term liabilities are recognized at nominal value.

Accounts receivable and other receivables

Other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.



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Note 3 Cash and cash equivalents

	<u>31 Dec 2021</u>
Cash and cash equivalents:	
Bank deposit	-
Interest income for the period	-

Note 4 Financial risk

The company does not have material financial risk to manage at the end of period.

Note 5 Share capital/Equity

Authorised and issued shares are 10.000 shares at nominal value USD 1 each fully subscribed. The share capital was paid in full 18 January 2022. The Company is fully owned by Odfjell Drilling Ltd.

USD	Share capital	Retained earnings	Total equity
Issue of share capital 14 December 2021	10 000	-	10 000
Net profit for the period	-	-	-
Equity 31 December 2021	10 000	-	10 000



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To the General Meeting of Odfjell Technology Ltd

Independent Auditor's Report

Opinion

We have audited the financial statements of Odfjell Technology Ltd (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Offices in:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Bergen, 26 January 2022
KPMG AS

Ståle Christensen
State Authorised Public Accountant
(This document is signed electronically)

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"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Ståle Christensen

Partner

På vegne av: KPMG AS

Serienummer: 9578-5999-4-1660746

IP: 80.232.xxx.xxx

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APPENDIX E
THE BOND TERMS

BOND TERMS

FOR

Odfjell Technology Ltd FRN Senior Secured

NOK 1,500,000,000 bonds 2022/2026

ISIN NO 001 2439480

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ATTACHMENT 1 COMPLIANCE CERTIFICATE

ATTACHMENT 2 RELEASE NOTICE – ESCROW ACCOUNT

ATTACHMENT 3 INTERCREDITOR PRINCIPLES

ATTACHMENT 4 AGREED SECURITY PRINCIPLES

BOND TERMS between	
ISSUER:	Odfjell Technology Ltd, an exempted company limited by shares incorporated under the laws of Bermuda with registration no. 202100770 and LEI code 529900ZYHGCPTAD1R169.
BOND TRUSTEE:	Nordic Trustee AS, a company existing under the laws of Norway with registration number 963 342 624 and LEI-code 549300XAKTM2BMKIPT85.
DATED:	21 February 2022
These Bond Terms shall remain in effect for so long as any Bonds remain outstanding.	

1. INTERPRETATION

1.1 Definitions

The following terms will have the following meanings:

"**Additional Bonds**" means the debt instruments issued under a Tap Issue, including any Temporary Bonds.

"**Agreed Security Principles**" means the security principles set out in Attachment 4 hereto.

"**Affiliate**" means, in relation to any person:

- (a) any person which is a Subsidiary of that person;
- (b) any person who has Decisive Influence over that person (directly or indirectly); and
- (c) any person which is a Subsidiary of an entity who has Decisive Influence over that person (directly or indirectly).

"**Annual Financial Statements**" means the audited consolidated annual financial statements of the Issuer for any financial year, prepared in accordance with GAAP, such financial statements to include an income statement, a balance sheet, and a statement of cash flows.

"**Attachment**" means any schedule, appendix or other attachment to these Bond Terms.

"**Bond Terms**" means these terms and conditions, including all Attachments which form an integrated part of these Bond Terms, in each case as amended and/or supplemented from time to time.

"**Bond Trustee**" means the company designated as such in the preamble to these Bond Terms, or any successor, acting for and on behalf of the Bondholders in accordance with these Bond Terms.

"**Bond Trustee Fee Agreement**" means the agreement entered into between the Issuer and the Bond Trustee relating among other things to the fees to be paid by the Issuer to the Bond Trustee for the services provided by the Bond Trustee relating to the Bonds.

"**Bondholder**" means a person who is registered in the CSD as directly registered owner or nominee holder of a Bond, subject however to Clause 3.3 (*Bondholders' rights*).

"**Bondholders' Meeting**" means a meeting of Bondholders as set out in Clause 15 (*Bondholders' Decisions*).

"**Bonds**" means (i) the debt instruments issued by the Issuer pursuant to these Bond Terms including any Additional Bonds, and (ii) any overdue and unpaid principal which has been issued under a separate ISIN in accordance with the regulations of the CSD from time to time.

"**Business Day**" means a day on which both the relevant CSD settlement system is open and the relevant currency of the Bonds settlement system is open.

"**Business Day Convention**" means that if the last day of any Interest Period originally falls on a day that is not a Business Day, the Interest Period will be extended to include the first following Business Day unless that day falls in the next calendar month, in which case the Interest Period will be shortened to the first preceding Business Day (*Modified Following*).

"**Call Option**" has the meaning given to it in Clause 10.2 (*Voluntary early redemption – Call Option*).

"**Call Option Repayment Date**" means the settlement date for the Call Option determined by the Issuer pursuant to Clause 10.2 (*Voluntary early redemption – Call Option*), paragraph (d) of Clause 10.3 or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.

"**Cash and Cash Equivalents**" means on any date, the aggregate equivalent in USD on such date of the then current market value of:

- (a) cash in hand or amounts standing to the credit of any current and/or on deposit accounts with a reputable bank; and
- (b) time deposits with reputable banks and certificates of deposit issued, and bills of exchange accepted, by a reputable bank,

in each case to which any Group Company is beneficially entitled at the time and to which any Group Company has free and unrestricted access and which is not subject to any security (other than in favour of the Secured Parties).

"**Change of Control Event**" means if:

- (a) any person or group of persons acting in concert, other than the Odfjell Family, gains Decisive Influence over the Issuer;
- (b) the common Shares of the Issuer are delisted from the Oslo Stock Exchange; or

- (c) for as long as the Interim Parent Guarantee is in place, the common Shares of the Interim Parent are delisted from the Oslo Stock Exchange.

"Closing Procedure" means a closing procedure for the release of funds from the issuance of the Bonds or the Escrow Account, in each case agreed between the Bond Trustee (in consultation with its advisors, the RCF Creditors and the Hedge Counterparties (if any)) and the Issuer, and, if applicable, existing creditors of the Group.

"Compliance Certificate" means a statement substantially in the form as set out in Attachment 1 hereto.

"Consolidated Net Income" means, for any period, for the Issuer and its Subsidiaries on a consolidated basis, net income (excluding extraordinary items), all as determined in accordance with GAAP, provided that:

- (a) net income shall be calculated without giving effect to the cumulative effect of a change in accounting principles;
- (b) net income of any person that is accounted for by the equity method of accounting will be included, but only to the extent of the amount of dividends or distributions paid in cash during the calculation period to the Issuer or any Subsidiary thereof; and
- (c) net losses of any person that is accounted for by the equity method of accounting will be included, but only to the extent of the value of any contributions to capital (in cash or in the form of other assets) made to such person by the Issuer or a Subsidiary thereof.

"CSD" means the central securities depository in which the Bonds are registered, being Verdipapirsentralen ASA (VPS).

"Current Assets" means, on any date, the aggregate value of the assets of the Group (on a consolidated basis), which are treated as current assets in accordance with GAAP and undrawn and available amounts under revolving credit facilities (with more than 6 months to maturity).

"Current Liabilities" means, on any date, the aggregate amount of all liabilities of the Group (on a consolidated basis) which are treated as current liabilities in accordance with GAAP, but excluding the current portion of the Group's long term debt.

"Decisive Influence" means a person having, as a result of an agreement or through the ownership of Shares or interests in another person (directly or indirectly):

- (a) a majority of the voting rights in that other person; or
- (b) a right to elect or remove a majority of the members of the board of directors of that other person.

"Default Notice" means a written notice to the Issuer as described in Clause 14.2 (*Acceleration of the Bonds*).

"Default Repayment Date" means the settlement date set out by the Bond Trustee in a Default Notice requesting early redemption of the Bonds.

"Distribution" means, in respect of the relevant entity, (a) any declaration, making or payment of any dividend or other distribution on or in respect of any of its Shares, (b) any redemption, repurchase, defeasance, retirement or repayment of its share capital and (c) any prepayment or repayment of any Subordinated Loan or any payment of any interest, fee, charge or premium accrued in respect thereof (other than through adding such amounts to the principal amount) provided, for the avoidance of doubt, that no repayment to the Interim Parent of any Tax Indemnification Liability in accordance with the terms thereof shall constitute a Distribution.

"EBITDA" means, in respect of the Relevant Period, the consolidated operating profit of the Group according to the latest Financial Report(s):

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any member of the Group;
- (b) before deducting any interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments whether paid, payable or capitalised by any Group Company (calculated on a consolidated basis) in respect of that Relevant Period;
- (c) not including any interest receivable or accruing in favour of any Group Company;
- (d) excluding any Transaction Costs;
- (e) excluding any items (positive or negative) of a one off, non-recurring, extraordinary, unusual or exceptional nature not exceeding 10 per cent. of EBITDA for any Relevant Period;
- (f) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which are accounted for on a hedge account basis);
- (g) excluding the charge to profit represented by the expensing of stock options and costs and provisions relating to share incentive schemes of the Group or other long-term management incentive programs;
- (h) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;
- (i) after deducting the amount of any profit (or adding back the amount of any loss) of any member of the Group which is attributable to minority interests;
- (j) after adding back or deducting, as the case may be, the Group's share of the profits or losses of entities which are not part of the Group;
- (k) after adding back any losses to the extent covered by any insurance;
- (l) before taking into account any Pension Items;

- (m) after adding back any loss attributable to the existing matter between Odfjell Drilling (UK) Ltd and HM Revenue and Customs in the UK related to employers' national insurance contribution;
- (n) after deducting any lease payments made by a Group Company in respect of any lease or hire purchase contract which would have been treated as an operating lease for accounting purposes in accordance with IFRS as applicable on 31 December 2018; and
- (o) after adding back any amount attributable to the amortisation, depreciation or depletion of assets of members of the Group,

to be calculated on a four quarter rolling basis by reference to the amount of EBITDA derived from the relevant Financial Report(s) for the relevant four quarter period (and in any Compliance Certificate(s) relating thereto) with the following adjustments for the purpose of calculating the requirements forming part of any Incurrence Test or calculation of the Leverage Ratio (where no amount shall be included or excluded more than once):

- (a) for any period until the Issuer has published Financial Reports covering four full quarters after the disbursement from the Escrow Account, the EBITDA shall be based on Financial Reports covering any period after such disbursement as well as management pro-forma EBITDA figures for the Group for any part of the Relevant Period falling prior to such disbursement;
- (b) any asset, company, business or undertaking acquired or disposed of by the Group during such period, or after the end of that period but on or before the relevant testing date, shall be included or excluded (as applicable) pro forma for the entire period;
- (c) any asset, company, business or undertaking to be acquired with the proceeds from the new Financial Indebtedness to be incurred based on such Incurrence Test shall be included, pro forma, for the entire period; and
- (d) EBITDA, shall take into account reasonable cost savings synergies expected to be achieved for the Group during the coming 12 months as a result of an acquisition referred to in paragraphs (b) or (c) above, as reasonably projected by the Issuer and certified by the Group's chief financial officer provided that such cost savings synergies shall not exceed 10 per cent. of consolidated EBITDA for the Group (pro forma including the acquired entity) for the Relevant Period, and such savings synergies shall be given effect in the pro forma calculation of the applicable prior four quarter period. The aggregate increase in EBITDA pursuant to this paragraph (d) when aggregated with any items of a one off, non-recurring, extraordinary, unusual or exceptional nature covered by paragraph (e) of the definition of "EBITDA" in respect of the Relevant Period shall not (in total for the Group) exceed 15 per cent. of EBITDA in respect of that period.

"Existing Debt" means the USD 150,000,000 senior secured credit facility agreement (originally entered into on 6 May 2014), between, *inter alios*, Odfjell Drilling Services Ltd as borrower and DNB Bank ASA as agent.

"Escrow Account" means an account in the name of the Issuer, blocked and pledged on first priority as security for the Issuer's obligations under the Finance Documents.

"**Escrow Account Pledge**" means the pledge over the Escrow Account, where the bank operating the account has waived any set-off rights.

"**Event of Default**" means any of the events or circumstances specified in Clause 14.1 (*Events of Default*).

"**Exchange**" means Oslo Børs (the Oslo Stock Exchange).

"**Finance Documents**" means these Bond Terms, the Bond Trustee Fee Agreement, the Intercreditor Agreement, any Transaction Security Document, any Security Agent Agreement and any other document designated by the Issuer and the Bond Trustee as a Finance Document.

"**Financial Indebtedness**" means any indebtedness for or in respect of:

- (a) moneys borrowed (and debit balances at banks or other financial institutions);
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialized equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument, including the Bonds;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the accounting standard in effect on 31 December 2018, be capitalized as an asset and booked as a corresponding liability in the balance sheet;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis provided that the requirements for de-recognition under GAAP are met);
- (f) any derivative transaction entered into and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount shall be taken into account);
- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of a person which is not a Group Company which liability would fall within one of the other paragraphs of this definition;
- (h) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the Issuer) before the Maturity Date or are otherwise classified as borrowings under GAAP;
- (i) any amount of any liability under an advance or deferred purchase agreement, if (a) the primary reason behind entering into the agreement is to raise finance or (b) the agreement is in respect of the supply of assets or services and payment is due more than 120 calendar days after the date of supply;

- (j) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing or otherwise being classified as a borrowing under GAAP; and
- (k) without double counting, the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (j) above.

"Financial Reports" means the Annual Financial Statements and the Interim Accounts.

"Financial Support" means any loans, guarantees, Security securing obligations of another person or other financial assistance (whether actual or contingent).

"First Call Date" means the Interest Payment Date in August 2024 (2.5 years after the Issue Date).

"GAAP" means generally accepted accounting practices and principles in the country in which the Issuer is incorporated including, if applicable, IFRS.

"Global Coordinator" means DNB Bank ASA, DNB Markets, Dronning Eufemias gate 30, 0021 Oslo, Norway.

"Group" means the Issuer and its Subsidiaries from time to time (each a **"Group Company"**).

"Guarantees" means the unconditional Norwegian law guarantee and indemnity (Norwegian: *"selvskyldnerkausjon"*) issued by each of the Guarantors in respect of the Secured Obligations.

"Guarantors" means each of Odfjell Partners Invest Ltd., Odfjell Platform Drilling AS and Odfjell Global Business Services AS and any other Material Group Company being directly owned by the Issuer and **"Guarantor"** means any of them.

"Hedge Counterparties" means any financial institutions that are counterparties to a Group Company under any interest rate hedging agreements of the Issuer for the interest rate of the Bonds for non-speculative purposes.

"IFRS" means the International Financial Reporting Standards and guidelines and interpretations issued by the International Accounting Standards Board (or any predecessor and successor thereof) in force from time to time and to the extent applicable to the relevant financial statement.

"Incurrence Test" has the meaning ascribed to such term in Clause 13.16 (*Financial covenants*)

"Initial Bond Issue" means the amount to be issued on the Issue Date as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

"Initial Nominal Amount" means the Nominal Amount of each Bond on the Issue Date as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

"Insolvent" means that a person:

- (a) is unable or admits inability to pay its debts as they fall due;
- (b) suspends making payments on any of its debts generally; or
- (c) is otherwise considered insolvent or bankrupt within the meaning of the relevant bankruptcy legislation of the jurisdiction which can be regarded as its centre of main interest as such term is understood pursuant to Regulation (EU) 2015/848 on insolvency proceedings (as amended from time to time).

"Intercompany Loans" means any loan or credit made by any Group Company to any Material Group Company where (a) the loan or credit is scheduled to be outstanding for at least 12 months and (b) the principal amount thereof, or together with any other loans or credits between such parties scheduled to be outstanding for at least 12 months, is at least of USD 5,000,000 (or the equivalent amount in another currency) and which pursuant to the Intercreditor Agreement (or a separate subordination undertaking acceptable to the Security Agent) shall be fully subordinated (but may be serviced prior to an acceleration event) to the claims under the Finance Documents, provided that no Financial Indebtedness under any cash pooling arrangement shall constitute an Intercompany Loan.

"Intercreditor Agreement" means an intercreditor agreement in all material respects consistent with the Intercreditor Principles. The Bond Trustee shall be authorised to agree and execute the Intercreditor Agreement on behalf of the Bondholders.

"Intercreditor Principles" means the principles for the Intercreditor Agreement set out in Attachment 3 hereto.

"Interest Payment Date" means the last day of each Interest Period, the first Interest Payment Date being 23 May 2022 and the last Interest Payment Date being the Maturity Date.

"Interest Period" means, subject to adjustment in accordance with the Business Day Convention, the period between 23 February, 23 May, 23 August and 23 November each year, provided however that an Interest Period shall not extend beyond the Maturity Date.

"Interest Quotation Day" means, in relation to any period for which Interest Rate is to be determined, 2 Quotation Business Days before the first day of the relevant Interest Period.

"Interest Rate" means the percentage rate per annum which is the aggregate of the Reference Rate for the relevant Interest Period plus the Margin.

"Interim Accounts" means the unaudited consolidated quarterly financial statements of the Issuer for the 3-month period ending on each 31 March, 30 June and 30 September, prepared in accordance with GAAP, such accounts to include a profit and loss account, balance sheet, cash flow statement and management report.

"Interim Parent" means Odfjell Drilling Ltd., an exempted company limited by shares incorporated under the laws of Bermuda with registration no. 37607 and LEI code 529900M08ZU24JXMPB85.

"Interim Parent Guarantee" means the unconditional Norwegian law guarantee and indemnity (Norwegian: "*selvskyldnerkausjon*") issued by the Interim Parent in respect of the Secured Obligations, provided however that it shall lapse and automatically be released in full as soon as the shares in the Issuer are admitted to trading on Oslo Stock Exchange (for the avoidance of doubt, the Interim Parent shall not be considered a "Guarantor" for the purpose of the Bond Terms).

"ISIN" means International Securities Identification Number.

"Issue Date" means 23 February 2022.

"Issuer" means the company designated as such in the preamble to these Bond Terms.

"Issuer's Bonds" means any Bonds which are owned by any Obligor or any Affiliate of an Obligor.

"Joint Bookrunners" means Danske Bank A/S, Bryggetorget 4, 0150 Oslo, Norway and Nordea Bank Abp, filial i Norge, Essendrops gate 7, 0368 Oslo, Norway.

"Leverage Ratio" means the ratio of Net Interest Bearing Debt to EBITDA.

"Liquidity" means the aggregate of the total Cash and Cash Equivalent and undrawn and available amounts under revolving credit facilities (with more than 6 months to maturity), as per the balance sheet for the financial quarter preceding the relevant Quarter Date.

"Listing Failure Event" means:

- (a) that the Bonds (save for any Temporary Bonds) have not been admitted to listing on an Exchange within 6 months following the Issue Date, or
- (b) in the case of a successful admission to listing, that a period of 6 months has elapsed since the Bonds ceased to be admitted to listing on an Exchange, or
- (c) that the Temporary Bonds have not been admitted to listing on the Exchange where the other Bonds are listed within 6 months following the issue date for such Temporary Bonds.

"Longstop Date" means the date falling 90 days after the Issue Date.

"Make Whole Amount" means an amount equal to the sum of the present value on the Repayment Date of:

- (a) the First Call Price of the redeemed Bonds as if such payment originally should have taken place on the First Call Date; and
- (b) the remaining interest payments of the redeemed Bonds (less any accrued but unpaid interest on the redeemed Bonds as of the Call Option Repayment Date) to and including the First Call Date,

where the "present value" (in respect of both (a) and (b) above) shall be calculated by using a discount rate of 2.31 per cent. and where the Interest Rate applied for the remaining interest payments until the First Call Date shall be the applicable Interest Rate on the Call Option Repayment Date.

"**Managers**" means the Global Coordinator and the Joint Bookrunners.

"**Mandatory Redemption Event**" means in the event that the conditions precedent set out in Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) have not been fulfilled within the Longstop Date.

"**Mandatory Redemption Repayment Date**" means the settlement date for the Mandatory Redemption Event pursuant to Clause 10.5 (*Mandatory early redemption due to a Mandatory Redemption Event*).

"**Margin**" means 7.00 per cent. p.a.

"**Material Adverse Effect**" means a material adverse effect on:

- (a) the Obligors' ability (taken as a whole) to perform and comply with their obligations under the Finance Documents, or
- (b) the validity or enforceability of any Finance Document.

"**Material Group Company**" means the Guarantors and any Subsidiary of the Issuer which is nominated as a Material Group Company by the Issuer pursuant to Clause 13.12 (*Nomination of Material Group Companies*).

"**Maturity Date**" means 23 February 2026, adjusted according to the Business Day Convention.

"**Maximum Issue Amount**" means the maximum amount that may be issued under these Bond Terms as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

"**Net Interest Bearing Debt**" means at the relevant time, the aggregate amount of all obligations of the Group Companies, determined on a consolidated basis, for or in respect of interest bearing Financial Indebtedness but:

- (a) excluding any such obligations to any other Group Company;
- (b) excluding any such obligations in respect of any Subordinated Loan;
- (c) excluding any Bonds held by the Group;
- (d) excluding any indebtedness in respect of any derivative transaction;
- (e) including, in the case of any lease contracts that are Financial Indebtedness, their capitalised value; and
- (f) deducting the aggregate amount of Cash and Cash Equivalents,

and so that no amount shall be included or excluded more than once, provided that, for the purpose of calculating the requirements forming part of any Incurrence Test or calculation of the Leverage Ratio, the Net Interest Bearing Debt shall be calculated as at the relevant testing date with the following adjustments:

- (a) the full amount of the Financial Indebtedness in respect of which the Incurrence Test shall be made (after deducting any Financial Indebtedness which shall be refinanced at the time of incurrence of such new Financial Indebtedness) shall be added to the Net Interest Bearing Debt for the purpose of calculating the Leverage Ratio; and
- (b) any cash balance resulting from the incurrence of the Financial Indebtedness shall not reduce the Net Interest Bearing Debt.

"Net Working Capital" means Current Assets less Current Liabilities.

"Nominal Amount" means nominal value of each Bond at any time. The Nominal Amount may be amended pursuant to paragraph (j) of Clause 16.2.

"Obligor" means the Issuer, the Guarantors and any other Group Company granting Security for the Bonds (for the avoidance of doubt, the Interim Parent shall not be considered an Obligor for the purposes of the Bond Terms).

"Odfjell Family" means Helene Odfjell, her immediate family and heirs, direct descendants, any trust established for the benefit of any such person or any entity controlled directly or indirectly by any such person.

"Outstanding Bonds" means any Bonds not redeemed or otherwise discharged.

"Overdue Amount" means any amount required to be paid by an Obligor under any of the Finance Documents but not made available to the Bondholders on the relevant Payment Date or otherwise not paid on its applicable due date.

"Partial Payment" means a payment that is insufficient to discharge all amounts then due and payable under the Finance Documents.

"Paying Agent" means the legal entity appointed by the Issuer to act as its paying agent with respect to the Bonds in the CSD.

"Payment Date" means any Interest Payment Date or any Repayment Date.

"Permitted Distribution" means:

- (a) any Distribution made by the Issuer at any time after the date occurring 12 months after the Issue Date, provided that:
 - (i) the Incurrence Test is satisfied if tested pro forma for the making of such Distribution; and
 - (ii) the amount of such Distribution (when aggregated with the amount of any other Distribution made by it during the same financial year) does not exceed an amount

equal to 50 per cent. of the Group's Consolidated Net Income for the then most recent Annual Financial Statements;

- (b) any Distribution by a Group Company (other than the Issuer) to the holders of its Shares on a pro rata basis.

provided in the case of (a) that no such Distribution is permitted if an Event of Default has occurred and is continuing or occurring as a direct consequence of such Distribution.

"Permitted Financial Indebtedness" means any Financial Indebtedness:

- (a) incurred pursuant to any of the Finance Documents;
- (b) any Revolving Credit Facility;
- (c) the Existing Debt (until repaid upon first disbursement from the Escrow Account);
- (d) subject to compliance with the Incurrence Test, arising under any Tap Issue;
- (e) subject to compliance with the Incurrence Test, arising under any future unsecured bonds, notes or similar instruments or loans issued solely by the Issuer (with maturity date after the Maturity Date of the Bonds and without any Financial Support from any other Group Company);
- (f) incurred under leases of facilities, infrastructure, office space or equipment, including vehicles and computers, in the ordinary course of business;
- (g) arising under any Subordinated Loans;
- (h) arising under any future bid-, payment- and performance bonds, guarantees and letters of credit incurred by any Group Company in the ordinary course of business;
- (i) incurred by any Group Company under any Permitted Hedging;
- (j) incurred by the Issuer under any hedging agreements in the ordinary course of business for non-speculative purposes;
- (k) arising under any Intercompany Loans and any unsecured intra-group loans between any Group Companies;
- (l) incurred under any advance or deferred purchase agreement on normal commercial terms by any member of the Group from any of its trading partners in the ordinary course of its trading activities;
- (m) incurred as a result of any Group Company acquiring another entity (or operations) and which is due to such acquired entity holding indebtedness, provided that such indebtedness is repaid, or otherwise refinanced within ninety (90) days of completion of such acquisition or transfer;

- (n) any Financial Indebtedness for the purpose of refinancing the Bonds in full provided that such Financial Indebtedness is fully cash collateralised until the Bonds are repaid;
- (o) any refinancing, amendment or replacement of any of the above from time to time;
- (p) any Tax Indemnification Liability; or
- (q) arising under any Financial Indebtedness not permitted by the preceding paragraphs and incurred by the Group in an aggregate outstanding principal amount which does not at any time exceed USD 10,000,000 (or its equivalent in other currencies).

"Permitted Financial Support" means any Financial Support:

- (a) granted under the Finance Documents;
- (b) granted in respect of the Revolving Credit Facility, subject to the Intercreditor Agreement;
- (c) granted by a Group Company to or for the benefit of any other Group Company or any joint venture in which a Group Company holds equity interests;
- (d) granted by the Issuer in respect of Financial Indebtedness incurred in accordance with paragraph (c) of the definition of "Permitted Financial Indebtedness";
- (e) for the benefit of third parties in the ordinary course of trading; or
- (f) arising under any Financial Support not permitted by the preceding paragraphs and incurred by the Group in an aggregate outstanding principal amount which does not at any time exceed USD 5,000,000 (or its equivalent in other currencies).

"Permitted Hedging" means any hedging agreements for non-speculative purposes in the ordinary course of business.

"Permitted Security" means any Security:

- (a) created under the Finance Documents;
- (b) granted in respect of the Revolving Credit Facility or in respect of any interest rate hedging agreements of the Issuer for the interest rate of the Bonds for non-speculative purposes, subject to the Intercreditor Agreement;
- (c) arising by operation of law or in the ordinary course of trading;
- (d) as Cash and Cash Equivalents in respect of Permitted Hedging;
- (e) up until the disbursement of the net proceeds of the relevant funds from the Escrow Account, granted in respect of the Existing Debt;
- (f) any netting or set-off arrangement arising in the ordinary course of banking arrangements (including, for the avoidance of doubt, consolidated cash management

arrangements) for the purposes of netting debit and credit balances between Group Companies;

- (g) any rental deposits or other Security in respect of any lease agreement in relation to real property entered into by a Group Company in the ordinary course of business and on normal commercial terms;
- (h) any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a Group Company in the ordinary course of business;
- (i) Security over its Shares in any joint venture, partnership or similar venture (whether or not incorporated) to secure such indebtedness of that joint venture, partnership or similar venture in favour of a participant or participants therein (including any financier or supplier to that joint venture, partnership or similar venture);
- (j) any deposits for any (current or potential) liabilities which are pre-funded by the Interim Parent (or any of its subsidiaries) under the Tax Indemnification Letter;
- (k) any security or deposit for or in relation to any litigation or the potential outcome thereof; and
- (l) Security not otherwise permitted by the preceding paragraphs securing indebtedness the outstanding amount of which does not exceed USD 5,000,000 (or its equivalent in other currencies) (on an aggregate level for the Group) at the time of which such Security is incurred.

"Put Option" has the meaning ascribed to such term in Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

"Put Option Event" means a Change of Control Event.

"Put Option Repayment Date" means the settlement date for the Put Option pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

"Quarter Date" means each 31 March, 30 June, 30 September and 31 December.

"Quotation Business Day" means a day on which Norges Bank's settlement system is open.

"RCF Creditors" means the finance parties under the RCF Finance Documents.

"RCF Finance Documents" means the agreement(s) for the Revolving Credit Facilities or other document entered into in relation thereto.

"Reference Rate" means NIBOR; (Norwegian Interbank Offered Rate) being;

- (a) the interest rate fixed for a period comparable to the relevant Interest Period published by Global Rate Set Systems (GRSS) at approximately 12.00 (Oslo time) on the Interest Quotation Day; or

- (b) if no screen rate is available for the relevant Interest Period:
 - (i) the linear interpolation between the two closest relevant interest periods, and with the same number of decimals, quoted under paragraph (a) above; or
 - (ii) a rate for deposits in the currency of the Bonds for the relevant Interest Period as supplied to the Bond Trustee at its request quoted by a sufficient number of commercial banks reasonably selected by the Bond Trustee; or
- (c) if the interest rate under paragraph (a) is no longer available, the interest rate will be set by the Bond Trustee in consultation with the Issuer to:
 - (i) any relevant replacement reference rate generally accepted in the market; or
 - (ii) such interest rate that best reflects the interest rate for deposits in the currency of the Bonds offered for the relevant Interest Period.

In each case, if any such rate is below zero, the Reference Rate will be deemed to be zero.

"**Relevant Jurisdiction**" means the country in which the Bonds are issued, being Norway.

"**Relevant Period**" means each period of four financial quarters ending on a Quarter Date.

"**Relevant Record Date**" means the date on which a Bondholder's ownership of Bonds shall be recorded in the CSD as follows:

- (a) in relation to payments pursuant to these Bond Terms, the date designated as the Relevant Record Date in accordance with the rules of the CSD from time to time; or
- (b) for the purpose of casting a vote with regard to Clause 15 (*Bondholders' Decisions*), the date falling on the immediate preceding Business Day to the date of that Bondholders' decision being made, or another date as accepted by the Bond Trustee.

"**Reorganisation**" means the reorganisation of the Interim Parent Group whereby the relevant entities to form part of the Group as set out in the final group structure in the investor presentation dated 31 January 2022 are transferred to the Issuer (but, for the avoidance of doubt, not including the subsequent distribution of the shares in the Issuer to the shareholders of the Interim Parent or listing of such shares).

"**Repayment Date**" means any Call Option Repayment Date, the Default Repayment Date, any Put Option Repayment Date, the Tax Event Repayment Date, the Mandatory Redemption Repayment Date or the Maturity Date.

"**Reporting Date**" means each date on which the Issuer reports its Financial Reports.

"**Revolving Credit Facilities**" means one or more credit facilities (each a "**Revolving Credit Facility**") (including any working capital or overdraft facility, any guarantee, performance bond, documentary or stand-by letter of credit facility or any other facility) to be provided to the Issuer and/or any other Obligor by one or more banks with an aggregate maximum commitment of the higher of (a) USD 25,000,000 (or the equivalent in any other currency) and

(b) 50 per cent. of EBITDA (up to an aggregate maximum commitment of USD 35,000,000 (or the equivalent in any other currency)) at the time of commitment.

"Secured Obligations" means all present and future liabilities and obligations at any time due, owing or incurred by any Group Company to any of the Secured Parties under the Finance Documents, the RCF Finance Documents and the Hedge Finance Documents, both actual and contingent.

"Secured Parties" means the Security Agent, the Bond Trustee (on behalf of the Bondholders), the RCF Creditors and the Hedge Counterparties.

"Securities Trading Act" means the Securities Trading Act of 2007 no.75 of the Relevant Jurisdiction.

"Security" means a mortgage, charge, deed of trust, pledge, lien, security assignment or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Security Agent" means the Bond Trustee (or any other party to be appointed) as security agent for and on behalf of the Secured Parties.

"Security Agent Agreement" means any agreement other than these Bond Terms whereby the Security Agent is appointed to act as such in the interest of the Bond Trustee (on behalf of itself and the Bondholders).

"Shares" means shares or other equity or ownership interests of any kind (including warrants and equity options), however classified in the relevant jurisdiction.

"Subordinated Loans" means any existing or future loan provided to the Issuer and provided such loans are fully subordinated to the Secured Obligations, and provided that no cash interest payment or repayment of principal shall occur prior to the Maturity Date other than to the extent permitted in accordance with Permitted Distributions or by way of conversion to equity.

"Subsidiary" means an entity over which another entity has Decisive Influence.

"Summons" means the call for a Bondholders' Meeting or a Written Resolution as the case may be.

"Tap Issue" has the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

"Tap Issue Addendum" has the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

"Tax Event Repayment Date" means the date set out in a notice from the Issuer to the Bondholders pursuant to Clause 10.4 (*Early redemption option due to a tax event*).

"Tax Indemnification Letter" means the indemnification letter issued by the Interim Parent to the Issuer and its relevant subsidiaries with respect to the potential tax treatment of group contributions received by Odfjell Offshore Ltd. in the period 2017 to 2020, whereby the Interim

Parent is holding the Issuer and the relevant subsidiaries harmless in relation to the outcome of such matter and costs of litigation.

"**Tax Indemnification Liability**" means any liability to the Interim Parent (or any of its subsidiaries) as a result of such entities having pre-funded any amount under the Tax Indemnification Letter, provided that such liabilities shall be forgiven and discharged without payment if and to the extent the funds pre-funded are required to be paid as a result of a final ruling that such tax liabilities or cost of litigation remain payable by the Group.

"**Temporary Bonds**" has the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

"**Transaction Costs**" means all fees, costs and expenses and taxes incurred by the Issuer or any other member of the Group in connection with the issuance of any Bonds, the establishment of any Revolving Credit Facility, the Reorganisation or listing of the shares in the Issuer and any future acquisitions (whether successfully completed or discontinued).

"**Transaction Security**" means the Security created or expressed to be created in favour of the Security Agent (on behalf of the Secured Parties) pursuant to the Transaction Security Documents.

"**Transaction Security Documents**" means, collectively, the Escrow Account Pledge, all of the documents which shall be executed or delivered pursuant to Clause 2.5 (*Transaction Security*) and any other document expressed to create any Security by the relevant grantor thereof in respect of the Issuer's and the Guarantors' obligations, including but not limited to principal, interest, fees and expenses, under any of the Finance Documents.

"**Voting Bonds**" means the Outstanding Bonds less the Issuer's Bonds.

"**Written Resolution**" means a written (or electronic) solution for a decision making among the Bondholders, as set out in Clause 15.5 (*Written Resolutions*).

1.2 Construction

In these Bond Terms, unless the context otherwise requires:

- (a) headings are for ease of reference only;
- (b) words denoting the singular number will include the plural and vice versa;
- (c) references to Clauses are references to the Clauses of these Bond Terms;
- (d) references to a time are references to Central European time unless otherwise stated;
- (e) references to a provision of "**law**" is a reference to that provision as amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law;
- (f) references to a "**regulation**" includes any regulation, rule, official directive, request or guideline by any official body;

- (g) references to a "**person**" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, unincorporated organization, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality;
- (h) references to Bonds being "**redeemed**" means that such Bonds are cancelled and discharged in the CSD in a corresponding amount, and that any amounts so redeemed may not be subsequently re-issued under these Bond Terms;
- (i) references to Bonds being "**purchased**" or "**repurchased**" by the Issuer means that such Bonds may be dealt with by the Issuer as set out in Clause 11.1 (*Issuer's purchase of Bonds*),
- (j) references to persons "**acting in concert**" shall be interpreted pursuant to the relevant provisions of the Securities Trading Act; and
- (k) an Event of Default is "**continuing**" if it has not been remedied or waived.

2. THE BONDS

2.1 Amount, denomination and ISIN of the Bonds

- (a) The Issuer has resolved to issue a series of Bonds up to the Maximum Issue Amount of NOK 1,500,000,000. The Bonds may be issued on different issue dates and the Initial Bond Issue will be in the amount of NOK 1,100,000,000. The Issuer may, provided that the conditions set out in Clause 6.3 (*Tap Issues*) are met, at one or more occasions issue Additional Bonds (each a "**Tap Issue**") until the Nominal Amount of all Additional Bonds equals in aggregate the Maximum Issue Amount less the Initial Bond Issue. Each Tap Issue will be subject to identical terms as the Bonds issued pursuant to the Initial Bond Issue in all respects as set out in these Bond Terms, except that Additional Bonds may be issued at a different price than for the Initial Bond Issue and which may be below or above the Nominal Amount. The Bond Trustee shall prepare an addendum to these Bond Terms evidencing the terms of each Tap Issue (a "**Tap Issue Addendum**").
- (b) If the Bonds are listed on an Exchange and there is a requirement for a new prospectus in order for the Additional Bonds to be listed together with the Bonds, the Additional Bonds may be issued under a separate ISIN (such Bonds referred to as the "**Temporary Bonds**"). Upon the approval of the prospectus, the Issuer shall (i) notify the Bond Trustee, the Exchange and the Paying Agent and (ii) ensure that the Temporary Bonds are converted into the ISIN for the Bonds.
- (c) The Bonds are denominated in Norwegian Kroner (NOK), being the legal currency of Norway.
- (d) The Initial Nominal Amount of each Bond is NOK 1,250,000.
- (e) The ISIN of the Bonds is set out on the front page. These Bond Terms apply with identical terms and conditions to (i) all Bonds issued under this ISIN, (ii) any Temporary Bonds and (iii) any Overdue Amounts issued under one or more separate ISIN in accordance with the regulations of the CSD from time to time.

- (f) Holders of Overdue Amounts related to interest claims will not have any other rights under these Bond Terms than their claim for payment of such interest claim which claim shall be subject to paragraph (b) of Clause 15.1.

2.2 Tenor of the Bonds

The tenor of the Bonds is from and including the Issue Date to but excluding the Maturity Date.

2.3 Use of proceeds

The Issuer will use the net proceeds from the issuance of the Bonds (net of legal costs, fees of the Managers and the Bond Trustee and any other agreed costs and expenses):

- (a) to acquire shares in the companies owned by the Interim Parent which constitutes the services business area and to repay the Existing Debt related to such entities in full, and
- (b) for general corporate purposes of the Group.

2.4 Status of the Bonds

- (a) The Bonds shall constitute senior and unsubordinated obligations of the Issuer and will rank pari passu between themselves and at least pari passu with all other obligations of the Issuer (except such obligations which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).
- (b) The Bonds will be secured on a pari passu basis with the other Secured Parties in respect of the Transaction Security subject to the super senior status of each Revolving Credit Facility and any hedging agreements of the Issuer for the interest rate of the bonds for non-speculative purposes as set out in the Intercreditor Agreement.
- (c) The RCF Creditors and Hedge Counterparties will receive (i) the proceeds from any enforcement of the Transaction Security and the Guarantees and certain distressed disposals and (ii) any payments following any other enforcement event in respect of any Transaction Security (collectively the "**Enforcement Proceeds**"), prior to the Bondholders and the Bond Trustee, but otherwise rank pari passu in right of payment with the Bonds, in accordance with the waterfall provisions of the Intercreditor Agreement, subject to obligations which are mandatorily preferred by law.

2.5 Transaction Security

As Security for the due and punctual fulfilment of the Secured Obligations, the Issuer shall procure that the following Transaction Security is granted in favour of the Security Agent within the times agreed in Clause 6 (*Conditions for disbursement*):

Pre-Settlement Security:

- (i) a pledge over the Escrow Account (according to Norwegian law) (the "**Escrow Account Pledge**");

Pre-Disbursement Security:

- (ii) the Guarantees;

- (iii) charges over all the shares issued by any Material Group Company and owned by any Group Company;
 - (iv) assignment by way of a floating charge of the machinery and plant of each Material Group Company incorporated in Norway;
 - (v) assignment by way of a floating charge of the inventory of each Material Group Company incorporated in Norway;
 - (vi) assignment of any Intercompany Loan; and
 - (vii) floating charges over all assets of non-Norwegian Material Group Companies (to the extent legally possible in the relevant jurisdiction).
- (b) All Transaction Security shall be established on first priority, subject to the Intercreditor Agreement and the Agreed Security Principles, liens arising by operation of law and any mandatory limitations arising under any applicable law.
 - (c) The Escrow Account Pledge shall be made in favour of the Bond Trustee (on behalf of itself and the Bondholders). The Pre-Disbursement Security shall be made in favour of the Security Agent on behalf of and in favour of the Secured Parties.
 - (d) The Pre-Disbursement Security (but not the Pre-Settlement Security) shall be shared between the Secured Parties in accordance with the terms of the Intercreditor Agreement. To the extent legally necessary, a parallel debt concept shall be applied. The Bond Trustee will, to the extent permitted by applicable law, act as security agent on behalf of the Secured Parties in respect of the Pre-Disbursement Security and any other Security provided in accordance with the terms of the Intercreditor Agreement (unless otherwise set out in the Intercreditor Agreement for any Permitted Security not to be shared among the Secured Parties).
 - (e) The Transaction Security and the Intercreditor Agreement shall be entered into on such terms and conditions as the Bond Trustee in its discretion deems appropriate in order to create the intended benefit for the Secured Parties under the relevant document.
 - (f) The Security Agent shall pursuant to the terms of the Intercreditor Agreement (i) release any Guarantees and Transaction Security over Shares or assets (i) which (directly or indirectly) are sold or otherwise disposed of in any merger, de-merger or disposal permitted in compliance with the Bond Terms, or (ii) in connection with any enforcement or insolvency for the avoidance of doubt, notwithstanding anything to the contrary in the relevant Transaction Security Document.

3. THE BONDHOLDERS

3.1 Bond Terms binding on all Bondholders

- (a) By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by these Bond Terms and any other Finance Document, without any further action required to be taken or formalities to be complied with by the Bond Trustee, the Bondholders, the Issuer or any other party.

- (b) The Bond Trustee is always acting with binding effect on behalf of all the Bondholders.

3.2 Limitation of rights of action

- (a) No Bondholder is entitled to take any enforcement action, instigate any insolvency procedures, or take other legal action against the Issuer or any other party in relation to any of the liabilities of the Issuer or any other party under or in connection with the Finance Documents, other than through the Bond Trustee and in accordance with these Bond Terms, provided, however, that the Bondholders shall not be restricted from exercising any of their individual rights derived from these Bond Terms, including the right to exercise the Put Option.
- (b) Each Bondholder shall immediately upon request by the Bond Trustee provide the Bond Trustee with any such documents, including a written power of attorney (in form and substance satisfactory to the Bond Trustee), as the Bond Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Bond Trustee is under no obligation to represent a Bondholder which does not comply with such request.

3.3 Bondholders' rights

- (a) If a beneficial owner of a Bond not being registered as a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain proof of ownership of the Bonds, acceptable to the Bond Trustee.
- (b) A Bondholder (whether registered as such or proven to the Bond Trustee's satisfaction to be the beneficial owner of the Bond as set out in paragraph (a) above) may issue one or more powers of attorney to third parties to represent it in relation to some or all of the Bonds held or beneficially owned by such Bondholder. The Bond Trustee shall only have to examine the face of a power of attorney or similar evidence of authorisation that has been provided to it pursuant to this Clause 3.3 (*Bondholders' rights*) and may assume that it is in full force and effect, unless otherwise is apparent from its face or the Bond Trustee has actual knowledge to the contrary.

4. ADMISSION TO LISTING

The Issuer shall ensure that:

- (a) the Bonds are listed on an Exchange within 6 months of the Issue Date and thereafter remain listed on an Exchange until the Bonds have been redeemed in full; and
- (b) any Temporary Bonds are listed on an Exchange within 6 months of the issue date for such Temporary Bonds.

5. REGISTRATION OF THE BONDS

5.1 Registration in the CSD

The Bonds shall be registered in dematerialised form in the CSD according to the relevant securities registration legislation and the requirements of the CSD.

5.2 Obligation to ensure correct registration

The Issuer will at all times ensure that the registration of the Bonds in the CSD is correct and shall immediately upon any amendment or variation of these Bond Terms give notice to the CSD of any such amendment or variation.

5.3 Country of issuance

The Bonds have not been issued under any other country's legislation than that of the Relevant Jurisdiction. Save for the registration of the Bonds in the CSD, the Issuer is under no obligation to register, or cause the registration of, the Bonds in any other registry or under any other legislation than that of the Relevant Jurisdiction.

6. CONDITIONS FOR DISBURSEMENT

6.1 Conditions precedent for disbursement to the Issuer

- (a) Payment of the net proceeds from the issuance of the Bonds to the Escrow Account shall be conditional on the Bond Trustee having received in due time (as determined by the Bond Trustee) prior to the Issue Date each of the following documents, in form and substance satisfactory to the Bond Trustee:
 - (i) these Bond Terms duly executed by all parties hereto;
 - (ii) certified copies of all necessary corporate resolutions of the Issuer to issue the Bonds and execute the Finance Documents to which it is a party;
 - (iii) a certified copy of a power of attorney (unless included in the corporate resolutions) from the Issuer to relevant individuals for their execution of the Finance Documents to which it is a party, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute such Finance Documents on behalf of the Issuer;
 - (iv) certified copies of the Issuer's memorandum of association and bye-laws and a copy of a certificate of compliance issued by Registrar of Companies in respect of the Issuer evidencing that the Issuer is validly existing;
 - (v) the Escrow Account Pledge duly executed by all parties thereto and perfected in accordance with applicable law;
 - (vi) copies of the Issuer's latest Financial Reports (if any);
 - (vii) confirmation that the applicable prospectus requirements (ref the EU prospectus regulation ((EU) 2017/1129)) concerning the issuance of the Bonds have been fulfilled;
 - (viii) copies of any necessary governmental approval, consent or waiver (as the case may be) required at such time to issue the Bonds;
 - (ix) confirmation that the Bonds are registered in the CSD (by obtaining an ISIN for the Bonds);

- (x) confirmation of acceptance from any process agent;
 - (xi) copies of any written documentation used in marketing the Bonds or made public by the Issuer or any Manager in connection with the issuance of the Bonds;
 - (xii) the Bond Trustee Fee Agreement duly executed by the parties thereto; and
 - (xiii) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of these Bond Terms and the Finance Documents).
- (b) The net proceeds from the issuance of the Bonds (on the Escrow Account) will not be disbursed to the Issuer unless the Bond Trustee has received or is satisfied that it will receive in due time (as determined by the Bond Trustee) prior to such disbursement to the Issuer each of the following documents, in form and substance satisfactory to the Bond Trustee:
- (i) a duly executed release notice from the Issuer, as set out in Attachment 2;
 - (ii) unless delivered under paragraph (a) above, as pre-settlement conditions precedent:
 - (A) certified copies of all necessary corporate resolutions of each Obligor and any other company required to provide Transaction Security and execute the Finance Documents to which it is a party;
 - (B) a certified copy of a power of attorney (unless included in the relevant corporate resolutions) from each Obligor and any other company required to provide Transaction Security to relevant individuals for their execution of the Finance Documents to which it is a party, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute such Finance Documents on behalf of the relevant Obligor and any other company required to provide Transaction Security;
 - (C) certified copies of the articles of association (or equivalent constitutional document) and of a full extract from the relevant company register in respect of each Obligor and any other company required to provide Transaction Security evidencing that it is validly existing;
 - (iii) satisfactory documentation evidencing that the amount to be released shall be applied in accordance with Clause 2.3 (*Use of proceeds*);
 - (iv) evidence that the Reorganisation has been completed;
 - (v) the Transaction Security Documents duly executed by all parties thereto and evidence of the establishment and perfection of the Transaction Security;
 - (vi) the relevant Finance Documents (unless delivered pre-settlement) in satisfactory form duly executed and perfected (as applicable);

- (vii) satisfactory documentation evidencing that Existing Debt will be repaid in full, and the Security granted by any Group Company for any amount outstanding thereunder will be released and discharged, directly following the release of funds from the Escrow Account;
 - (viii) a statement from the Issuer confirming that no Event of Default has occurred and is continuing;
 - (ix) the Interim Parent Guarantee being duly executed by all parties thereto;
 - (x) nomination by the Issuer of the Material Group Companies based on predecessor unaudited year to date third quarter 2021 interim accounts; and
 - (xi) legal opinions or other statements as may be required by the Bond Trustee, including in respect of corporate matters relating to the Obligors and the legality, validity and enforceability of the Finance Documents (unless delivered under paragraph (a) as pre-settlement conditions precedent).
- (c) The Bond Trustee, acting in its sole discretion, may, regarding this Clause 6.1 (*Conditions precedent for disbursement to the Issuer*), waive the requirements for documentation or decide that delivery of certain documents shall be made subject to an agreed closing procedure between the Bond Trustee and the Issuer.

6.2 Disbursement of the proceeds

Disbursement of the proceeds from the issuance of the Bonds is conditional on the Bond Trustee's confirmation to the Paying Agent that the conditions in Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) have been either satisfied in the Bond Trustee's discretion or waived by the Bond Trustee pursuant to paragraph (c) of Clause 6.1 above and/or subject to a Closing Procedure whereby perfection of the Transaction Security shall be established as soon as possible on or after the first release of funds from the Escrow Account according to the terms of the Closing Procedure, meaning *inter alia* that any documents to be registered may be filed for registration subsequent to disbursement of the net proceeds from the issuance of the Bonds from the Escrow Account.

6.3 Tap Issues

- (a) The Issuer may issue Additional Bonds if:
- (i) a Tap Issue Addendum is duly executed by all parties thereto;
 - (ii) the representations and warranties contained in Clause 7 (*Representations and Warranties*) of these Bond Terms are true and correct in all material respects and repeated by the Issuer as at the date of issuance of such Additional Bonds;
 - (iii) confirmation from the Issuer that the Incurrence Test for the Tap Issue is complied with;
 - (iv) copies of corporate resolutions required for the Tap Issue and any power of attorney or other authorisation required for execution of the Tap Issue Addendum and any other Finance Documents; and

- (v) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of the Tap Issue Addendum and any other Finance Documents (if applicable)).
- (b) The Bond Trustee may (at its sole discretion and in each case) waive or postpone the delivery of certain conditions precedent, and the Bond Trustee may on behalf of the Bondholders agree on the Closing Procedure with the Issuer.

7. REPRESENTATIONS AND WARRANTIES

The Issuer makes the representations and warranties set out in this Clause 7 (*Representations and warranties*), in respect of itself and in respect of each Group Company to the Bond Trustee (on behalf of the Bondholders) at the following times and with reference to the facts and circumstances then existing:

- (a) at the date of these Bond Terms;
- (b) at the Issue Date;
- (c) on each date of disbursement of proceeds from the Escrow Account; and
- (d) at the date of issuance of any Additional Bonds.

7.1 Status

It is a limited liability company, duly incorporated and validly existing and registered under the laws of its jurisdiction of incorporation, and has the power to own its assets and carry on its business as it is being conducted.

7.2 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated by those Finance Documents.

7.3 Valid, binding and enforceable obligations

These Bond Terms and each other Finance Document to which it is a party constitutes (or will constitute, when executed by the respective parties thereto) its legal, valid and binding obligations, enforceable in accordance with their respective terms, and (save as provided for therein) no further registration, filing, payment of tax or fees or other formalities are necessary or desirable to render the said documents enforceable against it.

7.4 Non-conflict with other obligations

The entry into and performance by it of these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated thereby do not and will not conflict with (i) any law or regulation or judicial or official order; (ii) its constitutional documents; or (iii) any agreement or instrument which is binding upon it or any of its assets.

7.5 No Event of Default

- (a) No Event of Default exists or is likely to result from the making of any drawdown under these Bond Terms or the entry into, the performance of, or any transaction contemplated by, any Finance Document.
- (b) No other event or circumstance has occurred which constitutes (or with the expiry of any grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (howsoever described) under any other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or any of its Subsidiaries') assets are subject which has or is likely to have a Material Adverse Effect.

7.6 Authorizations and consents

All authorisations, consents, approvals, resolutions, licenses, exemptions, filings, notarizations or registrations required:

- (a) to enable it to enter into, exercise its rights and comply with its obligations under these Bond Terms or any other Finance Document to which it is a party; and
- (b) to carry on its business as presently conducted and as contemplated by these Bond Terms,

have been obtained or effected and are in full force and effect.

7.7 Litigation

No litigation, arbitration or administrative proceedings or investigations of or before any court, arbitral body or agency which, if adversely determined, is likely to have a Material Adverse Effect have (to the best of its knowledge and belief) been started or threatened against it or any of its Subsidiaries.

7.8 Financial Reports

Its most recent Financial Reports fairly and accurately represent the assets and liabilities and financial condition as at their respective dates, and have been prepared in accordance with GAAP, consistently applied.

7.9 No Material Adverse Effect

Since the date of the most recent Financial Reports, there has been no change in its business, assets or financial condition that is likely to have a Material Adverse Effect.

7.10 No misleading information

Any factual information provided by it to the Bondholders or the Bond Trustee for the purposes of the issuance of the Bonds was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

7.11 No withholdings

The Issuer is not required to make any deduction or withholding from any payment which it may become obliged to make to the Bond Trustee or the Bondholders under these Bond Terms.

7.12 Pari passu ranking

Its payment obligations under these Bond Terms or any other Finance Document to which it is a party ranks as set out in Clause 2.4 (*Status of the Bonds*).

7.13 Security

No Security exists over any of the present assets of any Group Company in conflict with these Bond Terms.

8. PAYMENTS IN RESPECT OF THE BONDS

8.1 Covenant to pay

- (a) The Issuer will unconditionally make available to or to the order of the Bond Trustee and/or the Paying Agent all amounts due on each Payment Date pursuant to the terms of these Bond Terms at such times and to such accounts as specified by the Bond Trustee and/or the Paying Agent in advance of each Payment Date or when other payments are due and payable pursuant to these Bond Terms.
- (b) All payments to the Bondholders in relation to the Bonds shall be made to each Bondholder registered as such in the CSD at the Relevant Record Date, by, if no specific order is made by the Bond Trustee, crediting the relevant amount to the bank account nominated by such Bondholder in connection with its securities account in the CSD.
- (c) Payment constituting good discharge of the Issuer's payment obligations to the Bondholders under these Bond Terms will be deemed to have been made to each Bondholder once the amount has been credited to the bank holding the bank account nominated by the Bondholder in connection with its securities account in the CSD. If the paying bank and the receiving bank are the same, payment shall be deemed to have been made once the amount has been credited to the bank account nominated by the Bondholder in question.
- (d) If a Payment Date or a date for other payments to the Bondholders pursuant to the Finance Documents falls on a day on which either of the relevant CSD settlement system or the relevant currency settlement system for the Bonds are not open, the payment shall be made on the first following possible day on which both of the said systems are open, unless any provision to the contrary has been set out for such payment in the relevant Finance Document.

8.2 Default interest

- (a) Default interest will accrue on any Overdue Amount from and including the Payment Date on which it was first due to and excluding the date on which the payment is made at the Interest Rate plus 3 percentage points per annum.
- (b) Default interest accrued on any Overdue Amount pursuant to this Clause 8.2 (*Default interest*) will be added to the Overdue Amount on each Interest Payment Date until the Overdue Amount and default interest accrued thereon have been repaid in full.
- (c) Upon the occurrence of a Listing Failure Event and for as long as such Listing Failure Event is continuing, the interest on any principal amount outstanding under these Bonds Terms will accrue at the Interest Rate plus 1 percentage point per annum. In the event

the Listing Failure Event relates to Temporary Bonds, the Interest Rate will only be increased in respect of such Temporary Bonds.

8.3 Partial Payments

- (a) If the Paying Agent or the Bond Trustee receives a Partial Payment, such Partial Payment shall, in respect of the Issuer's debt under the Finance Documents be considered made for discharge of the debt of the Issuer in the following order of priority:
 - (i) firstly, towards any outstanding fees, liabilities and expenses of the Bond Trustee (and any Security Agent);
 - (ii) secondly, towards accrued interest due but unpaid; and
 - (iii) thirdly, towards any other outstanding amounts due but unpaid under the Finance Documents.
- (b) Notwithstanding paragraph (a) above, any Partial Payment which is distributed to the Bondholders, shall, after the above mentioned deduction of outstanding fees, liabilities and expenses, be applied (i) firstly towards any principal amount due but unpaid and (ii) secondly, towards accrued interest due but unpaid, in the following situations:
 - (i) the Bond Trustee has served a Default Notice in accordance with Clause 14.2 (*Acceleration of the Bonds*), or
 - (ii) as a result of a resolution according to Clause 15 (*Bondholders' decisions*).

8.4 Taxation

- (a) Each Obligor is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it in relation to the Finance Documents.
- (b) The Obligors shall, if any tax is withheld in respect of the Bonds under the Finance Documents:
 - (i) gross up the amount of the payment due from it up to such amount which is necessary to ensure that the Bondholders or the Bond Trustee, as the case may be, receive a net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required; and
 - (ii) at the request of the Bond Trustee, deliver to the Bond Trustee evidence that the required tax deduction or withholding has been made.
- (c) Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.

8.5 Currency

- (a) All amounts payable under the Finance Documents shall be payable in the denomination of the Bonds set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*). If,

however, the denomination differs from the currency of the bank account connected to the Bondholder's account in the CSD, any cash settlement may be exchanged and credited to this bank account.

- (b) Any specific payment instructions, including foreign exchange bank account details, to be connected to the Bondholder's account in the CSD must be provided by the relevant Bondholder to the Paying Agent (either directly or through its account manager in the CSD) within 5 Business Days prior to a Payment Date. Depending on any currency exchange settlement agreements between each Bondholder's bank and the Paying Agent, and opening hours of the receiving bank, cash settlement may be delayed, and payment shall be deemed to have been made once the cash settlement has taken place, provided, however, that no default interest or other penalty shall accrue for the account of the Issuer for such delay.

8.6 Set-off and counterclaims

No Obligor may apply or perform any counterclaims or set-off against any payment obligations pursuant to these Bond Terms or any other Finance Document.

9. INTEREST

9.1 Calculation of interest

- (a) Each Outstanding Bond will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period.
- (b) Any Additional Bond will accrue interest at the Interest Rate on the Nominal Amount commencing on the first date of the Interest Period in which the Additional Bonds are issued and thereafter in accordance with Clause 9.1 (a) above.
- (c) Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis). The Interest Rate will be reset at each Interest Quotation Day by the Bond Trustee, who will notify the Issuer and the Paying Agent and, if the Bonds are listed, the Exchange, of the new Interest Rate and the actual number of calendar days for the next Interest Period.

9.2 Payment of interest

Interest shall fall due on each Interest Payment Date for the corresponding preceding Interest Period and, with respect to accrued interest on the principal amount then due and payable, on each Repayment Date.

10. REDEMPTION AND REPURCHASE OF BONDS

10.1 Redemption of Bonds

The Outstanding Bonds will mature in full on the Maturity Date and shall be redeemed by the Issuer on the Maturity Date at a price equal to 100 per cent. of the Nominal Amount.

10.2 Voluntary early redemption - Call Option

- (a) The Issuer may redeem (in whole or in part) the Outstanding Bonds (the "**Call Option**") on any Business Day from and including:

- (i) the Issue Date to, but not including, the First Call Date at a price equal to the Make Whole Amount;
 - (ii) the First Call Date to, but not including, the Interest Payment Date in February 2025 at a price equal to 103.05 per cent. of Nominal Amount (the "**First Call Price**");
 - (iii) the Interest Payment Date in February 2025 to, but not including, the Interest Payment Date in August 2025 at a price equal to 102.04 per cent. of Nominal Amount; and
 - (iv) the Interest Payment Date in August 2025 to, but not including, the Maturity Date at a price equal to 101.02 per cent.
- (b) Any redemption of Bonds pursuant to Clause 10.2 (a) above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date.
 - (c) The Call Option may be exercised by the Issuer by written notice to the Bond Trustee at least 10 Business Days prior to the proposed Call Option Repayment Date.
 - (d) Any notice given in respect of a Call Option may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent, in which case the exercise of the Call Option will be automatically cancelled unless such conditions precedent have been satisfied or waived at least 3 Business Days prior to such Call Option Repayment Date.
 - (e) Any Call Option exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.

10.3 Mandatory repurchase due to a Put Option Event

- (a) Upon the occurrence of a Put Option Event, each Bondholder will have the right (the "**Put Option**") to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to 101 per cent. of the Nominal Amount.
- (b) The Put Option must be exercised within 15 Business Days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Put Option Event has occurred pursuant to Clause 12.3 (*Put Option Event*). Once notified, the Bondholders' right to exercise the Put Option is irrevocable.
- (c) Each Bondholder may exercise its Put Option by written notice to its account manager for the CSD, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be the 5th Business Day after the end of 15 Business Days exercise period referred to in paragraph (b) above. However, the settlement of the Put Option will be based on each Bondholders holding of Bonds at the Put Option Repayment Date.
- (d) If Bonds representing more than 90 per cent. of the Outstanding Bonds have been repurchased pursuant to this Clause 10.3 (*Mandatory repurchase due to a Put Option Event*), the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in paragraph (a) above by notifying the remaining Bondholders of its

intention to do so no later than 10 Business Days after the Put Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date.

10.4 Early redemption option due to a tax event

If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents pursuant to Clause 8.4 (*Taxation*) as a result of a change in applicable law implemented after the date of these Bond Terms, the Issuer will have the right to redeem all, but not only some, of the Outstanding Bonds at a price equal to 100 per cent. of the Nominal Amount. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least 20 Business Days prior to the Tax Event Repayment Date, provided that no such notice shall be given earlier than 40 Business Days prior to the earliest date on which the Issuer would be obliged to withhold such tax were a payment in respect of the Bonds then due.

10.5 Mandatory early redemption due to a Mandatory Redemption Event

Upon a Mandatory Redemption Event, the Issuer shall, within 2 Business Days after the Mandatory Redemption Event, redeem all the Outstanding Bonds at a price of 101.00 per cent. of the Nominal Amount, by inter alia applying the funds deposited on the Escrow Account for such redemption.

11. PURCHASE AND TRANSFER OF BONDS

11.1 Group's purchase of Bonds

The Issuer and the Group Companies may purchase and hold Bonds and such Bonds may in the Issuer's discretion be retained or sold, including with respect to Bonds purchased pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*), but not discharged.

11.2 Restrictions

- (a) Certain purchase or selling restrictions may apply to Bondholders under applicable local laws and regulations from time to time. Neither the Issuer nor the Bond Trustee shall be responsible for ensuring compliance with such laws and regulations and each Bondholder is responsible for ensuring compliance with the relevant laws and regulations at its own cost and expense.
- (b) A Bondholder who has purchased Bonds in breach of applicable restrictions may, notwithstanding such breach, benefit from the rights attached to the Bonds pursuant to these Bond Terms (including, but not limited to, voting rights), provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.

12. INFORMATION UNDERTAKINGS

12.1 Financial Reports

- (a) The Issuer shall prepare Annual Financial Statements in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than 4 months after the end of the financial year (first time for the financial year 2022).

- (b) The Issuer shall prepare Interim Accounts in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than 2 months after the end of the relevant interim period (first time for the quarter ending 31 March 2022).

12.2 Requirements as to Financial Reports

- (a) The Issuer shall supply to the Bond Trustee, in connection with the publication of its Financial Reports pursuant to Clause 12.1 (*Financial Reports*), a Compliance Certificate with a copy of the Financial Reports attached thereto. The Compliance Certificate shall be duly signed by the chief executive officer, the chief financial officer or general manager of the Issuer, certifying inter alia that the Financial Reports are fairly representing its financial condition as at the date of the relevant Financial Report and setting out (in reasonable detail) computations evidencing compliance with Clause 13.16 (*Financial covenants*) as at such date.
- (b) The Issuer shall procure that the Financial Reports delivered pursuant to Clause 12.1 (Financial Reports) are prepared using the GAAP consistently applied.

12.3 Put Option Event

The Issuer shall promptly inform the Bond Trustee in writing after becoming aware that a Put Option Event has occurred.

12.4 Listing Failure Event

The Issuer shall promptly inform the Bond Trustee in writing if a Listing Failure Event has occurred. However, no Event of Default shall occur if the Issuer fails (i) to list the Bonds in accordance with Clause 4 (*Admission to Listing*) or (ii) to inform of such Listing Failure Event, only default interest in accordance with paragraph (c) of Clause 8.2 will accrue as long as such Listing Failure Event is continuing.

12.5 Information: Miscellaneous

The Issuer shall:

- (a) promptly inform the Bond Trustee in writing of any Event of Default or any event or circumstance which the Issuer understands or could reasonably be expected to understand may lead to an Event of Default and the steps, if any, being taken to remedy it;
- (b) at the request of the Bond Trustee, report the balance of the Issuer's Bonds (to the best of its knowledge, having made due and appropriate enquiries);
- (c) send the Bond Trustee copies of any statutory notifications of the Issuer, including but not limited to in connection with mergers, de-mergers and reduction of the Issuer's share capital or equity;
- (d) if the Bonds are listed on an Exchange, send a copy to the Bond Trustee of its notices to the Exchange;

- (e) if the Issuer and/or the Bonds are rated, inform the Bond Trustee of its and/or the rating of the Bonds, and any changes to such rating;
- (f) inform the Bond Trustee of changes in the registration of the Bonds in the CSD; and
- (g) within a reasonable time, provide such information about the Issuer's and the Group's business, assets and financial condition as the Bond Trustee may reasonably request.

13. GENERAL AND FINANCIAL UNDERTAKINGS

The Issuer undertakes to (and shall, where applicable, procure that the other Group Companies will) comply with the undertakings set forth in this Clause 13 (*General and financial Undertakings*).

13.1 Authorisations

The Issuer shall, and shall procure that each other Group Company will, obtain, maintain and comply with the terms of any authorisation, approval, license and consent required for the conduct of its business as carried out from time to time except where the failure to so comply would not have a Material Adverse Effect.

13.2 Compliance with laws

The Issuer shall, and shall procure that each other Group Company will, comply with all laws and regulations to which it may be subject from time to time except where the failure to so comply would not have a Material Adverse Effect.

13.3 Continuation of business

The Issuer shall procure that no material change is made to the general nature of the business from that carried on by the Group at the Issue Date provided (a) any disposal of any Group Company, assets, business or business segment, which is otherwise permitted by the Bond Terms and (b) any new business reasonably related to or extending that carried on at the Issuer Date or otherwise entered into by the Group as part of the energy transition, shall in each case be permitted hereby.

13.4 Corporate status

The Issuer shall not change its type of organization or jurisdiction of incorporation.

13.5 Mergers and de-mergers

The Issuer shall not, and shall procure that no other Obligor will, carry out:

- (a) any merger or other business combination or corporate reorganisation involving the consolidation of assets and obligations of the Issuer or any other Obligor with any other person other than with a Group Company; or
- (b) any demerger or other corporate reorganisation having the same or equivalent effect as a demerger involving the Issuer and any Obligor;

if such merger, demerger, combination or reorganisation would have a Material Adverse Effect.

13.6 Financial Indebtedness

The Issuer shall not, and shall ensure that no other Group Company shall, incur, create, maintain or permit to subsist any Financial Indebtedness other than Permitted Financial Indebtedness.

13.7 Negative pledge

The Issuer shall not, and shall ensure that no other Group Company shall, create or permit to subsist any Security over any of its assets or enter into arrangements having a similar effect other than Permitted Security.

13.8 Financial support

The Issuer shall not, and shall ensure that no other Group Company shall, grant any Financial Support to or for the benefit of any person, other than Permitted Financial Support.

13.9 Disposals

The Issuer shall not, and shall ensure that no other Group Company will sell or otherwise dispose of all or substantial part of its assets or operations unless (i) the transaction is carried out at fair market value and (ii) such transaction would not have a Material Adverse Effect.

13.10 Maintain Security Documents

The Issuer shall ensure that each Obligor shall, except if released as a result of a disposal not prohibited by the Bond Terms, maintain the Transaction Security Documents to which it is a party in full force and effect, and do all acts which may be necessary to ensure that Transaction Security created or contemplated thereunder remains duly created, enforceable and perfected with first priority ranking, creating the Security contemplated thereunder, at the expense of the relevant Group Company.

13.11 Related party transactions

The Issuer shall not, and shall ensure that no other Group Company will, enter into any transaction with any Person except on arm's length terms.

13.12 Nomination of Material Group Companies

(a) The Issuer shall once every year (simultaneously with the delivery to the Bond Trustee of the Annual Financial Statements and first time with respect to the Annual Financial Statements for 2022) or at the date of delivery of the first Interim Accounts following completion of any acquisition of any company and at the date of delivery of the first Interim Accounts following completion of any merger or de-merger of any Material Group Company in accordance with Clause 13.5 (*Mergers and de-mergers*) nominate as Material Group Companies:

- (i) each such Group Company which (on a consolidated basis in the case of a Group Company which itself has Subsidiaries) has a total EBITDA or Total Assets which represent more than ten (10) per cent. of the total EBITDA or Total Assets of the Group (excluding goodwill and intra-group transfers) on a consolidated basis, based on the Relevant Period; and

- (ii) such Group Companies as are necessary to ensure that the Issuer and the Material Group Companies (calculated on an unconsolidated basis and excluding all intra-Group items and investments in Subsidiaries of any Group Company) in aggregate account for at least eighty-five (85) per cent. of EBITDA and the Total Assets of the Group (calculated on a consolidated basis), and the Issuer shall, and shall ensure that each such Material Group Company no later than 90 days after its nomination provide Transaction Security in accordance with the Transaction Security Documents.
- (b) The identity of the Material Group Companies nominated by the Issuer in accordance with this Clause 13.12 shall be listed in the Compliance Certificate to be provided to the Bond Trustee in connection with the provision of the relevant Financial Statements.

13.13 Revolving Credit Facilities

The Issuer shall procure that all cash loans under the Revolving Credit Facility shall be subject to simultaneous net clean down (net of Cash and Cash Equivalents of the Group) for 3 consecutive Business Days once in every 12 month rolling period.

13.14 Distributions

The Issuer shall not, and shall ensure that no other Group Company will, make any Distribution other than any Permitted Distribution.

13.15 Subsidiary Distributions

The Issuer shall not permit any of its Subsidiaries to create or permit to exist any contractual obligation (or encumbrance) restricting the right of any Subsidiary to pay dividends or make other distributions to its shareholders, other than creating or permitting to subsist such contractual obligation which is not reasonably likely to prevent the Issuer from complying with its payment obligations under these Bond Terms.

13.16 Financial covenants

- (a) Subject to paragraph (c) below, the Issuer shall, on a consolidated basis, comply with the following financial covenants for as long as any amount is outstanding under these Bond Terms:
 - (i) Liquidity of minimum USD 15 million of which no less than USD 5 million in Cash or Cash Equivalents;
 - (ii) Leverage Ratio of maximum 4.00:1; and
 - (iii) Net Working Capital to be above zero.
- (b) The Issuer undertakes to comply with the requirements at all times, in each case with such compliance to be tested with reference to each Quarter Date (a "**Calculation Date**").
- (c) If the Issuer fails (or would otherwise fail) to comply with any Financial Covenant as at any Calculation Date, and the Issuer receives cash proceeds in the form of new equity or a Subordinated Loan (the "**Cure Amount**") within 20 Business Days of the date on

which the Annual Report or the Interim Reports are due hereunder, then such Financial Covenant shall be recalculated after giving effect to the following pro forma adjustments:

- (i) Liquidity: Cash and Cash Equivalents on that Calculation Date shall be increased by an amount equal to the Cure Amount;
- (ii) Leverage Ratio: EBITDA on that Calculation Date shall be increased by an amount equal to the Cure Amount; and
- (iii) Current Assets: Current Assets on that Calculation Date shall be increased by an amount equal to the Cure amount,

("Equity Cure") and if, after giving effect to the foregoing recalculations, the Issuer is in compliance with the requirements of all Financial Covenants, the Issuer shall be deemed to have satisfied the requirements of such Financial Covenants with reference to such Calculation Date as though there had been no failure to comply with such requirement, and the applicable breach or default of such Financial Covenants which had occurred shall be deemed to have been prevented or cured. Any Cure Amount shall be included in the EBITDA calculation for the subsequent three quarterly reporting periods.

- (d) The Issuer shall be limited to a maximum of one Equity Cure of actual failure to satisfy the Financial Covenants during the term of the Bonds.

13.17 Incurrence Test

The Incurrence Test is met if the Leverage Ratio is less than 3.00 to 1.00 and no Event of Default is continuing or would result from the event for which the Incurrence Test is applied. The Incurrence Test shall be calculated at a testing date determined by the Issuer falling no earlier than 30 days prior to the event in respect of which the Incurrence Test shall be made, and:

- (a) tested with reference to the latest available Financial Report(s) and any compliance certificate(s) relating thereto; and
- (b) calculated in accordance with GAAP, accounting practices and financial reference periods consistent with those applied in its previous Financial Reports published (or delivered) pursuant to the terms hereof.

14. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS

14.1 Events of Default

Each of the events or circumstances set out in this Clause 14.1 shall constitute an Event of Default:

- (a) *Non-payment*

The Issuer or an Obligor fails to pay any amount payable by it under the Finance Documents when such amount is due for payment, unless:

- (i) its failure to pay is caused by administrative or technical error in payment systems or the CSD and payment is made within 5 Business Days following the original due date; or
- (ii) in the discretion of the Bond Trustee, the Issuer has substantiated that it is likely that such payment will be made in full within 5 Business Days following the original due date.

(b) *Breach of other obligations*

The Issuer or a Material Group Company does not comply with any provision of the Finance Documents other than set out under paragraph (a) (*Non-payment*) above, unless such failure is capable of being remedied and is remedied within 20 Business Days after the earlier of the Issuer's actual knowledge thereof, or notice thereof is given to the Issuer by the Bond Trustee.

(c) *Misrepresentation*

Any representation, warranty or statement (including statements in Compliance Certificates) made by the Issuer or a Material Group Company under or in connection with any Finance Documents is or proves to have been incorrect, inaccurate or misleading in any material respect when made.

(d) *Cross default*

If for the Issuer or a Material Group Company

- (i) any Financial Indebtedness is not paid when due nor within any applicable grace period;
- (ii) any commitment for any Financial Indebtedness is cancelled or suspended by a creditor as a result of an event of default (however described), or
- (iii) any creditor becomes entitled to declare any Financial Indebtedness due and payable prior to its specified maturity as a result of non-payment, insolvency, insolvency proceedings and creditor's process; or
- (iv) any Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of any other defaults (however described, including breach of any maintenance covenants),

provided however that the aggregate amount of such Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iv) above exceeds a total of USD 10,000,000 (or the equivalent thereof in any other currency).

(e) *Insolvency and insolvency proceedings*

The Issuer or a Material Group Company:

- (i) is Insolvent; or

- (ii) is object of any corporate action or any legal proceedings is taken in relation to:
 - (A) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than a solvent liquidation or reorganization; or
 - (B) a composition, compromise, assignment or arrangement with any creditor which may materially impair its ability to perform its payment obligations under these Bond Terms; or
 - (C) the appointment of a liquidator (other than in respect of a solvent liquidation), receiver, administrative receiver, administrator, compulsory manager or other similar officer of any of its assets; or
 - (D) enforcement of any Security over any of its or their assets having an aggregate value exceeding the threshold amount set out in 14.1 (d) (*Cross default*) above; or
 - (E) for (A) - (D) above, any analogous procedure or step is taken in any jurisdiction in respect of any such company,

however this shall not apply to any petition which is frivolous or vexatious and is discharged, stayed or dismissed within 20 Business Days of commencement.

(f) *Creditor's process*

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of the Issuer or a Material Group Company having an aggregate value exceeding the threshold amount set out in paragraph (d) (*Cross default*) above and is not discharged within 20 Business Days.

(g) *Unlawfulness*

It is or becomes unlawful for the Issuer or a Material Group Company to perform or comply with any of its obligations under the Finance Documents to the extent this may materially impair:

- (i) the ability of the Issuer or a Material Group Company to perform its obligations under these Bond Terms; or
- (ii) the ability of the Bond Trustee or any Security Agent to exercise any material right or power vested to it under the Finance Documents.

14.2 Acceleration of the Bonds

If an Event of Default has occurred and is continuing, the Bond Trustee may, in its discretion in order to protect the interests of the Bondholders, or upon instruction received from the Bondholders pursuant to Clause 14.3 (*Bondholders' instructions*) below, by serving a Default Notice:

- (a) declare that the Outstanding Bonds, together with accrued interest and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable; and/or
- (b) exercise (or direct the Security Agent to exercise) any or all of its rights, remedies, powers or discretions under the Finance Documents or take such further measures as are necessary to recover the amounts outstanding under the Finance Documents.

14.3 Bondholders' instructions

The Bond Trustee shall serve a Default Notice pursuant to Clause 14.2 (*Acceleration of the Bonds*) if:

- (a) the Bond Trustee receives a demand in writing from Bondholders representing a simple majority of the Voting Bonds, that an Event of Default shall be declared, and a Bondholders' Meeting has not made a resolution to the contrary; or
- (b) the Bondholders' Meeting, by a simple majority decision, has approved the declaration of an Event of Default.

14.4 Calculation of claim

The claim derived from the Outstanding Bonds due for payment as a result of the serving of a Default Notice will be calculated at the call prices set out in Clause 10.2 (*Voluntary early redemption – Call Option*), as applicable at the following dates (and regardless of the Default Repayment Date);

- (a) for any Event of Default arising out of a breach of Clause 14.1 (*Events of Default*) paragraph (a) (*Non-payment*), the claim will be calculated at the call price applicable at the date when such Event of Default occurred; and
- (b) for any other Event of Default, the claim will be calculated at the call price applicable at the date when the Default Notice was served by the Bond Trustee.

However, if the situations described in (a) or (b) above takes place prior to the First Call Date, the calculation shall be based on the call price applicable on the First Call Date.

15. BONDHOLDERS' DECISIONS

15.1 Authority of the Bondholders' Meeting

- (a) A Bondholders' Meeting may, on behalf of the Bondholders, resolve to alter any of these Bond Terms, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes.
- (b) The Bondholders' Meeting cannot resolve that any overdue payment of any instalment shall be reduced unless there is a pro rata reduction of the principal that has not fallen due, but may resolve that accrued interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.
- (c) The Bondholders' Meeting may not adopt resolutions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders.

- (d) Subject to the power of the Bond Trustee to take certain action as set out in Clause 16.1 (*Power to represent the Bondholders*), if a resolution by, or an approval of, the Bondholders is required, such resolution may be passed at a Bondholders' Meeting. Resolutions passed at any Bondholders' Meeting will be binding upon all Bondholders.
- (e) At least 50 per cent. of the Voting Bonds must be represented at a Bondholders' Meeting for a quorum to be present.
- (f) Resolutions will be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set out in paragraph (g) below.
- (g) Save for any amendments or waivers which can be made without resolution pursuant to Clause 17.1 (*Procedure for amendments and waivers*) paragraph (a), section (i) and (ii), a majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for approval of any waiver or amendment of these Bond Terms.

15.2 Procedure for arranging a Bondholders' Meeting

- (a) A Bondholders' Meeting shall be convened by the Bond Trustee upon the request in writing of:
 - (i) the Issuer;
 - (ii) Bondholders representing at least 1/10 of the Voting Bonds;
 - (iii) the Exchange, if the Bonds are listed and the Exchange is entitled to do so pursuant to the general rules and regulations of the Exchange; or
 - (iv) the Bond Trustee.

The request shall clearly state the matters to be discussed and resolved.

- (b) If the Bond Trustee has not convened a Bondholders' Meeting within 10 Business Days after having received a valid request for calling a Bondholders' Meeting pursuant to paragraph (a) above, then the requesting party may call the Bondholders' Meeting itself.
- (c) Summons to a Bondholders' Meeting must be sent no later than 10 Business Days prior to the proposed date of the Bondholders' Meeting. The Summons shall be sent to all Bondholders registered in the CSD at the time the Summons is sent from the CSD. If the Bonds are listed, the Issuer shall ensure that the Summons is published in accordance with the applicable regulations of the Exchange. The Summons shall also be published on the website of the Bond Trustee (alternatively by press release or other relevant information platform).
- (d) Any Summons for a Bondholders' Meeting must clearly state the agenda for the Bondholders' Meeting and the matters to be resolved. The Bond Trustee may include additional agenda items to those requested by the person calling for the Bondholders' Meeting in the Summons. If the Summons contains proposed amendments to these Bond Terms, a description of the proposed amendments must be set out in the Summons.

- (e) Items which have not been included in the Summons may not be put to a vote at the Bondholders' Meeting.
- (f) By written notice to the Issuer, the Bond Trustee may prohibit the Issuer from acquiring or dispose of Bonds during the period from the date of the Summons until the date of the Bondholders' Meeting, unless the acquisition of Bonds is made by the Issuer pursuant to Clause 10 (*Redemption and Repurchase of Bonds*).
- (g) A Bondholders' Meeting may be held on premises selected by the Bond Trustee, or if paragraph (b) above applies, by the person convening the Bondholders' Meeting (however to be held in the capital of the Relevant Jurisdiction). The Bondholders' Meeting will be opened and, unless otherwise decided by the Bondholders' Meeting, chaired by the Bond Trustee. If the Bond Trustee is not present, the Bondholders' Meeting will be opened by a Bondholder and be chaired by a representative elected by the Bondholders' Meeting (the Bond Trustee or such other representative, the "**Chairperson**").
- (h) Each Bondholder, the Bond Trustee and, if the Bonds are listed, representatives of the Exchange, or any person or persons acting under a power of attorney for a Bondholder, shall have the right to attend the Bondholders' Meeting (each a "**Representative**"). The Chairperson may grant access to the meeting to other persons not being Representatives, unless the Bondholders' Meeting decides otherwise. In addition, each Representative has the right to be accompanied by an advisor. In case of dispute or doubt with regard to whether a person is a Representative or entitled to vote, the Chairperson will decide who may attend the Bondholders' Meeting and exercise voting rights.
- (i) Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders Meeting may resolve to exclude the Issuer's representatives and/or any person holding only Issuer's Bonds (or any representative of such person) from participating in the meeting at certain times, however, the Issuer's representative and any such other person shall have the right to be present during the voting.
- (j) Minutes of the Bondholders' Meeting must be recorded by, or by someone acting at the instruction of, the Chairperson. The minutes must state the number of Voting Bonds represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the results of the vote on the matters to be decided at the Bondholders' Meeting. The minutes shall be signed by the Chairperson and at least one other person. The minutes will be deposited with the Bond Trustee who shall make available a copy to the Bondholders and the Issuer upon request.
- (k) The Bond Trustee will ensure that the Issuer, the Bondholders and the Exchange are notified of resolutions passed at the Bondholders' Meeting and that the resolutions are published on the website of the Bond Trustee (or other relevant electronically platform or press release).
- (l) The Issuer shall bear the costs and expenses incurred in connection with convening a Bondholders' Meeting regardless of who has convened the Bondholders' Meeting, including any reasonable costs and fees incurred by the Bond Trustee.

15.3 Voting rules

- (a) Each Bondholder (or person acting for a Bondholder under a power of attorney) may cast one vote for each Voting Bond owned on the Relevant Record Date, ref. Clause 3.3 (*Bondholders' rights*). The Chairperson may, in its sole discretion, decide on accepted evidence of ownership of Voting Bonds.
- (b) Issuer's Bonds shall not carry any voting rights. The Chairperson shall determine any question concerning whether any Bonds will be considered Issuer's Bonds.
- (c) For the purposes of this Clause 15 (*Bondholders' decisions*), a Bondholder that has a Bond registered in the name of a nominee will, in accordance with Clause 3.3 (*Bondholders' rights*), be deemed to be the owner of the Bond rather than the nominee. No vote may be cast by any nominee if the Bondholder has presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*) stating that it is the owner of the Bonds voted for. If the Bondholder has voted directly for any of its nominee registered Bonds, the Bondholder's votes shall take precedence over votes submitted by the nominee for the same Bonds.
- (d) Any of the Issuer, the Bond Trustee and any Bondholder has the right to demand a vote by ballot. In case of parity of votes, the Chairperson will have the deciding vote.

15.4 Repeated Bondholders' Meeting

- (a) Even if the necessary quorum set out in paragraph (e) of Clause 15.1 (*Authority of the Bondholders' Meeting*) is not achieved, the Bondholders' Meeting shall be held and voting completed for the purpose of recording the voting results in the minutes of the Bondholders' Meeting. The Bond Trustee or the person who convened the initial Bondholders' Meeting may, within 10 Business Days of that Bondholders' Meeting, convene a repeated meeting with the same agenda as the first meeting.
- (b) The provisions and procedures regarding Bondholders' Meetings as set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and Clause 15.3 (*Voting rules*) shall apply *mutatis mutandis* to a repeated Bondholders' Meeting, with the exception that the quorum requirements set out in paragraph (e) of Clause 15.1 (*Authority of the Bondholders' Meeting*) shall not apply to a repeated Bondholders' Meeting. A Summons for a repeated Bondholders' Meeting shall also contain the voting results obtained in the initial Bondholders' Meeting.
- (c) A repeated Bondholders' Meeting may only be convened once for each original Bondholders' Meeting. A repeated Bondholders' Meeting may be convened pursuant to the procedures of a Written Resolution in accordance with Clause 15.5 (*Written Resolutions*), even if the initial meeting was held pursuant to the procedures of a Bondholders' Meeting in accordance with Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and vice versa.

15.5 Written Resolutions

- (a) Subject to these Bond Terms, anything which may be resolved by the Bondholders in a Bondholders' Meeting pursuant to Clause 15.1 (*Authority of the Bondholders' Meeting*) may also be resolved by way of a Written Resolution. A Written Resolution passed with

the relevant majority is as valid as if it had been passed by the Bondholders in a Bondholders' Meeting, and any reference in any Finance Document to a Bondholders' Meeting shall be construed accordingly.

- (b) The person requesting a Bondholders' Meeting may instead request that the relevant matters are to be resolved by Written Resolution only, unless the Bond Trustee decides otherwise.
- (c) The Summons for the Written Resolution shall be sent to the Bondholders registered in the CSD at the time the Summons is sent from the CSD and published at the Bond Trustee's web site, or other relevant electronic platform or via press release.
- (d) The provisions set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), 15.2 (*Procedure for arranging a Bondholders' Meeting*), Clause 15.3 (*Voting Rules*) and Clause 15.4 (*Repeated Bondholders' Meeting*) shall apply *mutatis mutandis* to a Written Resolution, except that:
 - (i) the provisions set out in paragraphs (g), (h) and (i) of Clause 15.2 (*Procedure for arranging Bondholders Meetings*); or
 - (ii) provisions which are otherwise in conflict with the requirements of this Clause 15.5 (*Written Resolution*),shall not apply to a Written Resolution.
- (e) The Summons for a Written Resolution shall include:
 - (i) instructions as to how to vote to each separate item in the Summons (including instructions as to how voting can be done electronically if relevant); and
 - (ii) the time limit within which the Bond Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority (the "**Voting Period**"), which shall be at least 10 Business Days but not more than 15 Business Days from the date of the Summons.
- (f) Only Bondholders of Voting Bonds registered with the CSD on the Relevant Record Date, or the beneficial owner thereof having presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*), will be counted in the Written Resolution.
- (g) A Written Resolution is passed when the requisite majority set out in paragraph (e) or paragraph (f) of Clause 15.1 (*Authority of Bondholders' Meeting*) has been obtained, based on a quorum of the total number of Voting Bonds, even if the Voting Period has not yet expired. A Written Resolution will also be resolved if the sufficient numbers of negative votes are received prior to the expiry of the Voting Period.
- (h) The effective date of a Written Resolution passed prior to the expiry of the Voting Period is the date when the resolution is approved by the last Bondholder that results in the necessary voting majority being obtained.

- (i) If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the close of business on the last day of the Voting Period, and a decision will be made based on the quorum and majority requirements set out in paragraphs (e) to (g) of Clause 15.1(*Authority of Bondholders' Meeting*).

16. THE BOND TRUSTEE

16.1 Power to represent the Bondholders

- (a) The Bond Trustee has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of these Bond Terms, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.
- (b) The Issuer shall promptly upon request provide the Bond Trustee with any such documents, information and other assistance (in form and substance satisfactory to the Bond Trustee), that the Bond Trustee deems necessary for the purpose of exercising its and the Bondholders' rights and/or carrying out its duties under the Finance Documents.

16.2 The duties and authority of the Bond Trustee

- (a) The Bond Trustee shall represent the Bondholders in accordance with the Finance Documents, including, inter alia, by following up on the delivery of any Compliance Certificates and such other documents which the Issuer is obliged to disclose or deliver to the Bond Trustee pursuant to the Finance Documents and, when relevant, in relation to accelerating and enforcing the Bonds on behalf of the Bondholders.
- (b) The Bond Trustee is not obligated to assess or monitor the financial condition of the Issuer or any other Material Group Company unless to the extent expressly set out in these Bond Terms, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Bond Trustee is entitled to assume that no Event of Default has occurred. The Bond Trustee is not responsible for the valid execution or enforceability of the Finance Documents, or for any discrepancy between the indicative terms and conditions described in any marketing material presented to the Bondholders prior to issuance of the Bonds and the provisions of these Bond Terms.
- (c) The Bond Trustee is entitled to take such steps that it, in its sole discretion, considers necessary or advisable to protect the rights of the Bondholders in all matters pursuant to the terms of the Finance Documents. The Bond Trustee may submit any instructions received by it from the Bondholders to a Bondholders' Meeting before the Bond Trustee takes any action pursuant to the instruction.
- (d) The Bond Trustee is entitled to engage external experts when carrying out its duties under the Finance Documents.
- (e) The Bond Trustee shall hold all amounts recovered on behalf of the Bondholders on separated accounts.
- (f) The Bond Trustee will ensure that resolutions passed at the Bondholders' Meeting are properly implemented, provided, however, that the Bond Trustee may refuse to

implement resolutions that may be in conflict with these Bond Terms, any other Finance Document, or any applicable law.

- (g) Notwithstanding any other provision of the Finance Documents to the contrary, the Bond Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (h) If the cost, loss or liability which the Bond Trustee may incur (including reasonable fees payable to the Bond Trustee itself) in:
 - (i) complying with instructions of the Bondholders; or
 - (ii) taking any action at its own initiative,

will not, in the reasonable opinion of the Bond Trustee, be covered by the Issuer or the relevant Bondholders pursuant to paragraphs (e) and (g) of Clause 16.4 (*Expenses, liability and indemnity*), the Bond Trustee may refrain from acting in accordance with such instructions, or refrain from taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.

- (i) The Bond Trustee shall give a notice to the Bondholders before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Bond Trustee under the Finance Documents.
- (j) The Bond Trustee may instruct the CSD to split the Bonds to a lower nominal value in order to facilitate partial redemptions, write-downs or restructurings of the Bonds or in other situations where such split is deemed necessary.

16.3 Equality and conflicts of interest

- (a) The Bond Trustee shall not make decisions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders. The Bond Trustee shall, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- (b) The Bond Trustee may act as agent, trustee, representative and/or security agent for several bond issues relating to the Issuer notwithstanding potential conflicts of interest. The Bond Trustee is entitled to delegate its duties to other professional parties.

16.4 Expenses, liability and indemnity

- (a) The Bond Trustee will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss. Irrespective of the foregoing, the Bond Trustee shall have no liability to the Bondholders for damage caused by the Bond Trustee acting in accordance with instructions given by the Bondholders in accordance with these Bond Terms.

- (b) The Bond Trustee will not be liable to the Issuer for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss.
- (c) Any liability for the Bond Trustee for damage or loss is limited to the amount of the Outstanding Bonds. The Bond Trustee is not liable for the content of information provided to the Bondholders by or on behalf of the Issuer or any other person.
- (d) The Bond Trustee shall not be considered to have acted negligently in:
 - (i) acting in accordance with advice from or opinions of reputable external experts;
or
 - (ii) taking, delaying or omitting any action if acting with reasonable care and provided the Bond Trustee considers that such action is in the interests of the Bondholders.
- (e) The Issuer is liable for, and will indemnify the Bond Trustee fully in respect of, all losses, expenses and liabilities incurred by the Bond Trustee as a result of negligence by the Issuer (including its directors, management, officers, employees and agents) in connection with the performance of the Bond Trustee's obligations under the Finance Documents, including losses incurred by the Bond Trustee as a result of the Bond Trustee's actions based on misrepresentations made by the Issuer in connection with the issuance of the Bonds, the entering into or performance under the Finance Documents, and for as long as any amounts are outstanding under or pursuant to the Finance Documents.
- (f) The Issuer shall cover all costs and expenses incurred by the Bond Trustee in connection with it fulfilling its obligations under the Finance Documents. The Bond Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents. The Bond Trustee's obligations under the Finance Documents are conditioned upon the due payment of such fees and indemnifications. The fees of the Bond Trustee will be further set out in the Bond Trustee Fee Agreement.
- (g) The Issuer shall on demand by the Bond Trustee pay all costs incurred for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Bond Trustee reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or any of the Finance Documents which the Bond Trustee reasonably believes may constitute or lead to a breach of any of the Finance Documents or otherwise be detrimental to the interests of the Bondholders under the Finance Documents.
- (h) Fees, costs and expenses payable to the Bond Trustee which are not reimbursed in any other way due to an Event of Default, the Issuer being Insolvent or similar circumstances pertaining to the Issuer or any Material Group Company, may be covered by making an equal reduction in the proceeds to the Bondholders hereunder of any costs and expenses incurred by the Bond Trustee or the Security Agent in connection therewith. The Bond Trustee may withhold funds from any escrow account (or similar arrangement) or from

other funds received from the Issuer or any other person, irrespective of such funds being subject to Transaction Security, and to set-off and cover any such costs and expenses from those funds.

- (i) As a condition to effecting any instruction from the Bondholders (including, but not limited to, instructions set out in Clause 14.3 (*Bondholders' instructions*) or Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*)), the Bond Trustee may require satisfactory Security, guarantees and/or indemnities for any possible liability and anticipated costs and expenses from those Bondholders who have given that instruction and/or who voted in favour of the decision to instruct the Bond Trustee.

16.5 Replacement of the Bond Trustee

- (a) The Bond Trustee may be replaced by a majority of 2/3 of Voting Bonds in accordance with the procedures set out in Clause 15 (*Bondholders' Decisions*), and the Bondholders may resolve to replace the Bond Trustee without the Issuer's approval.
- (b) The Bond Trustee may resign by giving notice to the Issuer and the Bondholders, in which case a successor Bond Trustee shall be elected pursuant to this Clause 16.5 (*Replacement of the Bond Trustee*), initiated by the retiring Bond Trustee.
- (c) If the Bond Trustee is Insolvent, or otherwise is permanently unable to fulfil its obligations under these Bond Terms, the Bond Trustee shall be deemed to have resigned and a successor Bond Trustee shall be appointed in accordance with this Clause 16.5 (*Replacement of the Bond Trustee*). The Issuer may appoint a temporary Bond Trustee until a new Bond Trustee is elected in accordance with paragraph (a) above.
- (d) The change of Bond Trustee shall only take effect upon execution of all necessary actions to effectively substitute the retiring Bond Trustee, and the retiring Bond Trustee undertakes to co-operate in all reasonable manners without delay to such effect. The retiring Bond Trustee shall be discharged from any further obligation in respect of the Finance Documents from the change takes effect, but shall remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Bond Trustee. The retiring Bond Trustee remains entitled to any benefits and any unpaid fees or expenses under the Finance Documents before the change has taken place.
- (e) Upon change of Bond Trustee, the Issuer shall co-operate in all reasonable manners without delay to replace the retiring Bond Trustee with the successor Bond Trustee and release the retiring Bond Trustee from any future obligations under the Finance Documents and any other documents.

16.6 Security Agent

- (a) The Bond Trustee is appointed to act as Security Agent for the Bonds, unless any other person is appointed. The main functions of the Security Agent may include holding Transaction Security on behalf of the Secured Parties and monitoring compliance by the Issuer and other relevant parties of their respective obligations under the Transaction Security Documents with respect to the Transaction Security on the basis of information made available to it pursuant to the Finance Documents.

- (b) The Bond Trustee shall, when acting as Security Agent for the Bonds, at all times maintain and keep all certificates and other documents received by it, that are bearers of right relating to the Transaction Security in safe custody on behalf of the Bondholders. The Bond Trustee shall not be responsible for or required to insure against any loss incurred in connection with such safe custody.
- (c) Before the appointment of a Security Agent other than the Bond Trustee, the Issuer shall be given the opportunity to state its views on the proposed Security Agent, but the final decision as to appointment shall lie exclusively with the Bond Trustee.
- (d) The functions, rights and obligations of the Security Agent may be determined by a Security Agent Agreement to be entered into between the Bond Trustee and the Security Agent, which the Bond Trustee shall have the right to require the Issuer, the Obligors and any other party to a Finance Document to sign as a party, or, at the discretion of the Bond Trustee, to acknowledge. The Bond Trustee shall at all times retain the right to instruct the Security Agent in all matters, whether or not a separate Security Agent Agreement has been entered into.
- (e) The provisions set out in Clause 16.4 (*Expenses, liability and indemnity*) shall apply *mutatis mutandis* to any expenses and liabilities of the Security Agent in connection with the Finance Documents.

17. AMENDMENTS AND WAIVERS

17.1 Procedure for amendments and waivers

- (a) The Issuer and the Bond Trustee (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document, provided that:
 - (i) such amendment or waiver is not detrimental to the rights and benefits of the Bondholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes;
 - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
 - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 15 (*Bondholders' Decisions*).
- (b) Any changes to these Bond Terms necessary or appropriate in connection with the appointment of a Security Agent other than the Bond Trustee shall be documented in an amendment to these Bond Terms, signed by the Bond Trustee (in its discretion). If so desired by the Bond Trustee, any or all of the Transaction Security Documents shall be amended, assigned or re-issued, so that the Security Agent is the holder of the relevant Security (on behalf of the Bondholders). The costs incurred in connection with such amendment, assignment or re-issue shall be for the account of the Issuer.

17.2 Authority with respect to documentation

If the Bondholders have resolved the substance of an amendment to any Finance Document, without resolving on the specific or final form of such amendment, the Bond Trustee shall be considered authorised to draft, approve and/or finalise (as applicable) any required documentation or any outstanding matters in such documentation without any further approvals or involvement from the Bondholders being required.

17.3 Notification of amendments or waivers

- (a) The Bond Trustee shall as soon as possible notify the Bondholders of any amendments or waivers made in accordance with this Clause 17 (*Amendments and waivers*), setting out the date from which the amendment or waiver will be effective, unless such notice according to the Bond Trustee's sole discretion is unnecessary. The Issuer shall ensure that any amendment to these Bond Terms is duly registered with the CSD.
- (b) Prior to agreeing to an amendment or granting a waiver in accordance with Clause 17.1(a)(i) (*Procedure for amendments and waivers*), the Bond Trustee may inform the Bondholders of such waiver or amendment at a relevant information platform.

18. MISCELLANEOUS

18.1 Limitation of claims

All claims under the Finance Documents for payment, including interest and principal, will be subject to the legislation regarding time-bar provisions of the Relevant Jurisdiction.

18.2 Access to information

- (a) These Bond Terms will be made available to the public and copies may be obtained from the Bond Trustee or the Issuer. The Bond Trustee will not have any obligation to distribute any other information to the Bondholders or any other person, and the Bondholders have no right to obtain information from the Bond Trustee, other than as explicitly stated in these Bond Terms or pursuant to statutory provisions of law.
- (b) In order to carry out its functions and obligations under these Bond Terms, the Bond Trustee will have access to the relevant information regarding ownership of the Bonds, as recorded and regulated with the CSD.
- (c) The information referred to in paragraph (b) above may only be used for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

18.3 Notices, contact information

Written notices to the Bondholders made by the Bond Trustee will be sent to the Bondholders via the CSD with a copy to the Issuer and the Exchange (if the Bonds are listed). Any such notice or communication will be deemed to be given or made via the CSD, when sent from the CSD.

- (a) The Issuer's written notifications to the Bondholders will be sent to the Bondholders via the Bond Trustee or through the CSD with a copy to the Bond Trustee and the Exchange (if the Bonds are listed).
- (b) Notwithstanding paragraph (a) above and provided that such written notification does not require the Bondholders to take any action under the Finance Documents, the Issuer's written notifications to the Bondholders may be published by the Bond Trustee on a relevant information platform only.
- (c) Unless otherwise specifically provided, all notices or other communications under or in connection with these Bond Terms between the Bond Trustee and the Issuer will be given or made in writing, by letter, e-mail or fax. Any such notice or communication will be deemed to be given or made as follows:
 - (i) if by letter, when delivered at the address of the relevant party;
 - (ii) if by e-mail, when received;
 - (iii) if by fax, when received; and
 - (iv) if by publication on a relevant information platform, when published.
- (d) The Issuer and the Bond Trustee shall each ensure that the other party is kept informed of changes in postal address, e-mail address, telephone and fax numbers and contact persons.
- (e) When determining deadlines set out in these Bond Terms, the following will apply (unless otherwise stated):
 - (i) if the deadline is set out in days, the first day of the relevant period will not be included and the last day of the relevant period will be included;
 - (ii) if the deadline is set out in weeks, months or years, the deadline will end on the day in the last week or the last month which, according to its name or number, corresponds to the first day the deadline is in force. If such day is not a part of an actual month, the deadline will be the last day of such month; and
 - (iii) if a deadline ends on a day which is not a Business Day, the deadline is postponed to the next Business Day.

18.4 Defeasance

- (a) Subject to paragraph (b) below and provided that:
 - (i) an amount sufficient for the payment of principal and interest on the Outstanding Bonds to the relevant Repayment Date (including, to the extent applicable, any premium payable upon exercise of a Call Option), and always subject to paragraph (c) below (the "**Defeasance Amount**") is credited by the Issuer to an account in a financial institution acceptable to the Bond Trustee (the "**Defeasance Account**");

- (ii) the Defeasance Account is irrevocably pledged and blocked in favour of the Bond Trustee on such terms as the Bond Trustee shall request (the "**Defeasance Pledge**"); and
- (iii) the Bond Trustee has received such legal opinions and statements reasonably required by it, including (but not necessarily limited to) with respect to the validity and enforceability of the Defeasance Pledge,

then;

- (A) the Issuer will be relieved from its obligations under paragraph (a) of Clause 12.2 (*Requirements as to Financial Reports*), Clause 12.3 (*Put Option Event*), Clause 12.5 (*Information: Miscellaneous*) and Clause 13 (*General and financial undertakings*);
 - (B) any Transaction Security shall be released and the Defeasance Pledge shall be considered replacement of the Transaction Security; and
 - (C) any Obligor shall be released from any Guarantee or other obligation applicable to it under any Finance Document.
- (b) The Bond Trustee shall be authorised to apply any amount credited to the Defeasance Account towards any amount payable by the Issuer under any Finance Document on the due date for the relevant payment until all obligations of the Issuer and all amounts outstanding under the Finance Documents are repaid and discharged in full.
 - (c) The Bond Trustee may, if the Defeasance Amount cannot be finally and conclusively determined, decide the amount to be deposited to the Defeasance Account in its discretion, applying such buffer amount as it deems necessary.

A defeasance established according to this Clause 18.4 may not be reversed.

19. GOVERNING LAW AND JURISDICTION

19.1 Governing law

These Bond Terms are governed by the laws of the Relevant Jurisdiction, without regard to its conflict of law provisions.

19.2 Main jurisdiction

The Bond Trustee and the Issuer agree for the benefit of the Bond Trustee and the Bondholders that the City Court of the capital of the Relevant Jurisdiction shall have jurisdiction with respect to any dispute arising out of or in connection with these Bond Terms. The Issuer agrees for the benefit of the Bond Trustee and the Bondholders that any legal action or proceedings arising out of or in connection with these Bond Terms against the Issuer or any of its assets may be brought in such court.

19.3 Alternative jurisdiction

Clause 19 (*Governing law and jurisdiction*) is for the exclusive benefit of the Bond Trustee and the Bondholders and the Bond Trustee have the right:

- (a) to commence proceedings against the Issuer or any other Obligor or any of their respective assets in any court in any jurisdiction; and
- (b) to commence such proceedings, including enforcement proceedings, in any competent jurisdiction concurrently.

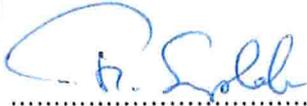
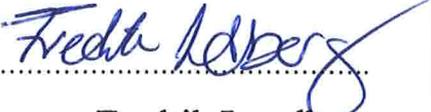
19.4 Service of process

- (a) Without prejudice to any other mode of service allowed under any relevant law, the Issuer:
 - (i) irrevocably appoints Odfjell Global Business Services AS as its agent for service of process in relation to any proceedings in connection with these Bond Terms; and
 - (ii) agrees that failure by an agent for service of process to notify the Issuer of the process will not invalidate the proceedings concerned.
- (b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Issuer must immediately (and in any event within 10 Business Days of such event taking place) appoint another agent on terms acceptable to the Bond Trustee. Failing this, the Bond Trustee may appoint another agent for this purpose.

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These Bond Terms have been executed in two originals, of which the Issuer and the Bond Trustee shall retain one each.

SIGNATURES:

<p>The Issuer:</p> <p>ODFJELL TECHNOLOGY LTD</p>  <p>.....</p> <p>By: Frode Skage Syslak</p> <p>Position: Authorised Signatory</p>	<p>As Bond Trustee and Security Agent:</p> <p>NORDIC TRUSTEE AS</p>  <p>.....</p> <p>By: Fredrik Lundberg</p> <p>Position: Authorised signatory</p>
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ATTACHMENT 1
COMPLIANCE CERTIFICATE

[date]

Odfjell Technology Ltd FRN Senior Secured NOK 1,500,000,000 bonds 2022/2026

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer. Pursuant to Clause 13.16 (*Financial covenants*) of the Bond Terms a Compliance Certificate shall be issued in connection with each delivery of Financial Reports to the Bond Trustee.

This letter constitutes the Compliance Certificate for the period [●].

Capitalised terms used herein will have the same meaning as in the Bond Terms.

With reference to Clause 12.2 (*Requirements as to Financial Reports*) we hereby certify that all information delivered under cover of this Compliance Certificate is true and accurate. Copies of our latest consolidated [Annual Financial Statements] / [Interim Accounts] are enclosed.

The financial covenants set out in Clause 13.16 (*Financial covenants*) are met, please see the calculations and figures in respect of the ratios attached hereto.

We confirm that, to the best of our knowledge, no Event of Default has occurred or is likely to occur.

The following Group Companies are nominated as Material Group Companies [●].

Yours faithfully,

Odfjell Technology Ltd

Name of authorised person

Enclosure: Annual Financial Statements / Interim Accounts; [and any other written documentation]

ATTACHMENT 2
RELEASE NOTICE – ESCROW ACCOUNT

[date]

Dear Sir / Madam,

Odfjell Technology Ltd FRN Senior Secured NOK 1,500,000,000 bonds 2022/2026

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer.

Capitalised terms used herein will have the same meaning as in the Bond Terms.

We hereby give you notice that we on [date] wish to draw an amount of [currency and amount] from the Escrow Account applied pursuant to the purpose set out in the Bond Terms, and request you to instruct the bank to release the above mentioned amount.

We hereby represent and warrant that (i) no Event of Default has occurred and is continuing or is likely to occur as a result of the release from the Escrow Account, and (ii) we repeat the representations and warranties set out in the Bond Terms as being still true and accurate in all material respects at the date hereof.

Yours faithfully,

Odfjell Technology Ltd

Name of authorized person

Enclosure: [copy of any written documentation evidencing the use of funds]

ATTACHMENT 3
INTERCREDITOR PRINCIPLES

The main principles on which the intercreditor agreement (the "**Intercreditor Agreement**") will be based are as follows:

Parties:	The Intercreditor Agreement will be entered into between, among others, (a) the Issuer and the other obligors (collectively, the " Debtors "), (b) certain intra-group lenders (the " Intra-Group Lenders "), (c) the agent (the " Credit Facility Agent "), (d) the arranger (the " Credit Facility Arranger ") and (e) the lenders (the " Credit Facility Lenders ") under any Credit Facility, the hedge counterparties of any Hedging Liabilities (the " Hedge Counterparties "), (f) the Bond Trustee and (g) the Security Agent.
Ranking and priority:	<p>The Credit Facility Liabilities, the Hedging Liabilities and the Pari Passu Debt Liabilities owed by the Debtors to the Primary Creditors shall rank in right and priority of payment <i>pari passu</i> and without any preference between them, subject to the super senior right of the RCF Creditors and Hedge Counterparties to receive certain enforcement proceeds in priority to the Bondholders and the Bond Trustee in accordance with the section "Application of proceeds" below.</p> <p>Any Guarantee and the Transaction Security shall rank and secure the Credit Facility Liabilities, the Hedging Liabilities and the Pari Passu Debt Liabilities (subject to section "Application of proceeds" below) <i>pari passu</i> and without any preference between them (but only to the extent that such Guarantee or Transaction Security is expressed to secure those liabilities).</p> <p>The Intra-Group Liabilities are postponed and subordinated to the liabilities owed by the Debtors to the Primary Creditors.</p>
Option to purchase:	The Bond Trustee (and any other bond trustee or lenders which are owed any Pari Passu Debt Liabilities) may after a Distress Event and subject to certain customary conditions being fulfilled (and after having given each other bond trustee and all lenders which are owed any Pari Passu Debt Liabilities the opportunity to participate in such purchase), by giving not less than 10 days' notice to the Security Agent, require the transfer to them of all, but not part, of the rights, benefits and obligations in respect of the Credit Facility Liabilities and the Hedging Liabilities, at a price equal to the par value of the Credit Facility Liabilities and Hedging Liabilities (plus costs and expenses, including any early termination fees/break costs in relation to such transfer).
Permitted payments in respect of Intra-Group Liabilities:	The Debtors may make payments or prepayments in respect of Intra-Group Liabilities from time to time until an acceleration event has occurred under the relevant Debt Documents, provided that such payments may in any event be made if (a) the Majority Super Senior Creditors and the Required Pari Passu Creditors consent to that payment being made or (b) that payment is made to facilitate prompt payment of Credit Facility Liabilities, Hedging Liabilities or Pari Passu Debt Liabilities in accordance with the terms of the Intercreditor Agreement.
Effect of insolvency event:	After the occurrence of an insolvency event in relation to any member of the Group, any party entitled to receive a distribution out of the assets of that member of the Group (in the case of a Primary Creditor, only to the extent

	<p>that such amount constitutes enforcement proceeds) in respect of liabilities owed to that party shall, to the extent it is able to do so, direct the person responsible for the distribution of the assets of that member of the Group to make that distribution to the Security Agent (or to such other person as the Security Agent shall direct) until the liabilities owing to the Secured Parties have been paid in full.</p> <p>The Security Agent shall apply such distributions made to it in accordance with section "Application of proceeds" below.</p>
Turnover of receipts:	<p>If at any time prior to the final discharge date of the Primary Creditors, any Creditor receives or recovers any payment other than as permitted by the Intercreditor Agreement, that Creditor will promptly pay or distribute an amount equal to that receipt or recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.</p>
Enforcement of Transaction Security:	<p>Subject to the below, all Primary Creditors are senior ranking, and therefore have an equal right to declare an event of default and commence enforcement proceedings under and in accordance with the provisions of their respective Debt Documents. Except as set out below, there is neither any standstill period applicable on enforcement, nor any obligation to consult with the other Primary Creditors before declaring an event of default or commencing enforcement proceedings.</p> <p>If either the Majority Super Senior Creditors or the Majority Pari Passu Creditors wish to issue instructions as to enforcement of any Transaction Security ("Enforcement Instructions"), the creditor representatives representing the relevant Primary Creditors shall deliver a copy of those proposed Enforcement Instructions (an "Initial Enforcement Notice") to the Security Agent and the Security Agent shall promptly forward such Initial Enforcement Notice to each creditor representative which did not deliver such Initial Enforcement Notice.</p> <p>Subject to the exceptions set out below, the Security Agent will act in accordance with Enforcement Instructions received from the Majority Pari Passu Creditors.</p> <p>If (a) the Majority Pari Passu Creditors have not either (i) made a determination as to the method of enforcement they wish to instruct the Security Agent to pursue (and notified the Security Agent of that determination in writing) or (ii) appointed a financial adviser to assist them in making such a determination, in each case within 3 months of the date of the Initial Enforcement Notice or (b) the Super Senior Discharge Date has not occurred within 6 months of the date of the Initial Enforcement Notice, then the Security Agent will act in accordance with Enforcement Instructions received from the Majority Super Senior Creditors until that discharge date has occurred.</p> <p>If an insolvency event is continuing with respect to a Debtor then the Security Agent will, to the extent the Majority Super Senior Creditors elect to provide such Enforcement Instructions, act in accordance with Enforcement Instructions received from the Majority Super Senior Creditors until the Super Senior Discharge Date has occurred.</p> <p>If the Majority Pari Passu Creditors have not either (a) made a determination as to the method of enforcement they wish to instruct the Security Agent to pursue (and notified the Security Agent of that determination in writing) or</p>

	<p>(b) appointed a financial adviser to assist them in making such a determination, and the Majority Super Senior Creditors (i) determine in good faith (and notify the other creditor representatives and the Security Agent) that a delay in issuing Enforcement Instructions could reasonably be expected to have a material adverse effect on the ability to effect a distressed disposal or on the expected realisation proceeds of any enforcement and (ii) deliver Enforcement Instructions which they reasonably believe to be consistent with section "Enforcement principles" below before the Security Agent has received any Enforcement Instructions from the Majority Pari Passu Creditors, then the Security Agent will act in accordance with the Enforcement Instructions received from the Majority Super Senior Creditors until the Super Senior Discharge Date has occurred.</p>
Manner of enforcement:	<p>If the Transaction Security is being enforced, the Security Agent shall enforce the Transaction Security in such manner as the Instructing Group shall instruct (provided that such instructions are consistent with section "Enforcement principles" below) or, in the absence of any such instructions, as the Security Agent considers in its discretion to be appropriate and consistent with those principles.</p> <p>The Secured Parties shall not have any independent power to enforce, or have recourse to, any of the Transaction Security or to exercise any right, power, authority or discretion arising under the documents evidencing the terms of the Transaction Security except through the Security Agent.</p>
Non-distressed disposals:	<p>If a disposal of an asset is a non-distressed disposal, the Security Agent shall be irrevocably authorised to, among others, release the Transaction Security or any claim over the relevant asset or the relevant Debtor's other property.</p> <p>If any disposal proceeds are required to be applied in mandatory prepayment of the Credit Facility Liabilities, the Hedging Liabilities or the Pari Passu Debt Liabilities, or required to be deposited into a segregated bank account under the Debt Documents, then those disposal proceeds shall be applied or deposited in accordance with the Debt Documents and the consent of any other party shall not be required for that application.</p>
Distressed disposals:	<p>If a disposal of an asset is a distressed disposal, the Security Agent shall be irrevocably authorised:</p> <p>(a) to release the Transaction Security and any other claim over the relevant asset; and</p> <p>(b) if the relevant asset consists of shares or ownership interests in a Debtor or a holding company of a Debtor (each, a "Disposed Entity"), (i) to release any Transaction Security granted by the Disposed Entity, or any subsidiary of the Disposed Entity, over any of its assets, (ii) to release the Disposed Entity, or any subsidiary of the Disposed Entity, from all or any part of its liabilities, (iii) to release any other claim of any Creditor or another Debtor over that Disposed Entity's assets or over the assets of any subsidiary of that Disposed Entity, (iv) to release the Disposed Entity, any other member of the Group from all or any part of its liabilities arising out of or in connection with that distressed disposal, or dispose of (including by way of appropriation) all or any part of those liabilities, (v) to dispose of (including by way of</p>

	<p>appropriation) all or any part of the liabilities owing by the Disposed Entity, or any subsidiary of the Disposed Entity and/or (vi) to dispose of (including by way of appropriation) all or any part of the liabilities owing to the Disposed Entity, or any subsidiary of the Disposed Entity,</p> <p>in each case, (A) that may, in the discretion of the Security Agent, be considered necessary or desirable and (B) on behalf of the relevant Creditors, Secured Parties and Debtors.</p> <p>The net proceeds of each distressed disposal (and each debt disposal) shall be paid, or distributed, to the Security Agent for application in accordance with section "Application of proceeds" below.</p> <p>For the purposes of distressed disposals, the Security Agent (a) shall act on the instructions of the Instructing Group, or in the absence of any such instructions, as the Security Agent sees fit and (b) may engage, or approve the engagement of, pay for and rely on the services of a financial adviser in accordance with section "Enforcement principles" below.</p>
<p>Application of proceeds:</p>	<p>All amounts from time to time received or recovered by the Security Agent (a) pursuant to the terms of any Debt Document, (b) in connection with the realisation or enforcement of all or any part of the Transaction Security or (c) in connection with the making of any demand under any Guarantee (collectively, the "Recoveries") shall be applied by the Security Agent in the following order of priority:</p> <ul style="list-style-type: none"> (i) in discharging any sums owing to the Security Agent (including its advisers), any receiver, any delegate or any other creditor representatives (for its own account); (ii) in payment or distribution to: <ul style="list-style-type: none"> (a) the Credit Facility Agent on its own behalf and on behalf of the Credit Facility Creditors for application towards the discharge of the Credit Facility Liabilities up to an aggregate maximum amount equal to the Credit Facility Liabilities Maximum Amount on a pro rata basis; and (b) the Hedge Counterparties for application towards the discharge of the Hedging Liabilities on a pro rata basis, <p>in that order of priority, unless another priority is agreed between them;</p> (iii) in payment or distribution to the creditor representatives in respect of any Pari Passu Debt Liabilities on its own behalf and on behalf of the Pari Passu Creditors for which it is the creditor representative for application towards the Pari Passu Debt Liabilities on a pro rata basis; (iv) if none of the Debtors is under any further actual or contingent liability under any document evidencing the terms of any Credit Facility Liabilities or Pari Passu Debt Liabilities, in payment or distribution to

	<p>any person to whom the Security Agent is obliged to pay or distribute in priority to any Debtor; and</p> <p>(v) the balance, if any, in payment or distribution to the relevant Debtor, subject to certain customary exceptions in respect of prospective liabilities and treatment of cash cover in respect of any Credit Facility.</p>
Enforcement principles:	<p>The main enforcement principles are as follows:</p> <p>(a) it shall be the primary and over-riding aim of any enforcement of any Transaction Security to maximise, to the extent consistent with a prompt and expeditious realisation of value, the value realised from any such enforcement;</p> <p>(b) the Security Agent shall be under no obligation to appoint a financial adviser or to seek the advice of a financial adviser unless expressly required to do so by the Intercreditor Agreement; and</p> <p>(c) any fairness opinion from a financial adviser will be conclusive evidence that the enforcement objective set out above has been met.</p>
Bond Trustee protection:	<p>Customary Bond Trustee protection provisions will be included in the Intercreditor Agreement.</p>
Modifications:	<p>The Bond Trustee (on behalf of the bondholders) may consent to any amendment or waiver of the terms of the Bond Terms and the requisite Super Senior Creditors may consent to any amendment or waiver of the terms of the Debt Documents relevant to such Super Senior Creditor, provided that such amendment or waiver does not increase the nominal amount outstanding or committed under any Credit Facility, not including any increase in commitments under the Credit Facility permitted by the Bond Terms or the interest payable thereunder.</p> <p>Subject to certain exceptions, no amendment or waiver may be made or given that has the effect of changing or which relates to an amendment to any material term of the Intercreditor Agreement (including to the order of priority or subordination under the Intercreditor Agreement) without the prior written consent of the Bond Trustee (on behalf of the Bondholders) and the requisite Super Senior Creditors. For the avoidance of doubt, the requisite Super Senior Creditors shall always be permitted to waive drawstop events under the Credit Facility.</p> <p>The prior written consent of the Bond Trustee (on behalf of the Bondholders) and the requisite Super Senior Creditors is required to authorise any amendment or waiver of, or consent under, any Security Document which would affect the nature or scope of the security created or purported to be created under it or the manner in which the proceeds of enforcement or Distressed Disposal of the Security Documents are distributed.</p>
Governing law and jurisdiction:	<p>The Intercreditor Agreement shall be governed by Norwegian law and be subject to the jurisdiction of the Oslo District Court (<i>Oslo tingrett</i>).</p>
Definitions:	<p>"Credit Facility" means any super senior revolving facility made available to the Issuer or any other Debtor in accordance with the Bond Terms.</p>

"Credit Facility Creditors" means any Credit Facility Agent, any Credit Facility Lender and each Credit Facility Lender.

"Credit Facility Liabilities" means the liabilities owed by any Debtor to any Credit Facility Creditors under or in connection with the relevant Debt Documents.

"Credit Facility Liabilities Maximum Amount" means the aggregate principal amount being the higher of (a) USD 25,000,000 (or the equivalent in any other currency) and (b) 50 per cent. of EBITDA (up to an aggregate maximum aggregate principal amount of USD 35,000,000 (or the equivalent in any other currency)) at the time of commitment plus any accrued but unpaid interest, fees, costs and expenses under the Debt Documents evidencing the terms of the Credit Facility Liabilities.

"Creditors" means the Primary Creditors and the Intra-Group Lenders.

"Debt Document" means the Intercreditor Agreement, any documents evidencing the terms of any Credit Facility Liabilities, the Hedging Liabilities or any Pari Passu Debt Liabilities, any Intra-Group Liabilities, any Guarantee or any Transaction Security and any other document designated as such by the Security Agent and the Issuer.

"Distress Event" means (a) any exercise of any rights under any acceleration provisions, or any acceleration provisions being automatically invoked, in each case under any Debt Document evidencing the terms of any Credit Facility Liabilities, Hedging Liabilities or any Pari Passu Liabilities, (b) the enforcement of any Transaction Security or (c) (unless the context otherwise requires) the making of any demand under any Guarantee.

"Guarantee" means any guarantee, indemnity or other assurance against loss granted by any Debtor in respect of the obligations of any of the Debtors under any of the Debt Documents.

"Hedging Liabilities" means the liabilities under any interest rate hedging agreements of the Issuer for the interest rate of the Bonds for non-speculative purposes owing to the Hedging Counterparties.

"Instructing Group" means:

- (a) subject to paragraph (b) below, the Majority Super Senior Creditors and the Majority Pari Passu Creditors; and
- (b) in relation to instructions as to the enforcement of any Transaction Security, the group of Primary Creditors entitled to give instructions as to such enforcement under section "Enforcement of Transaction Security" above.

"Intra-Group Liabilities" means the liabilities owed by a Debtor to any of the Intra-Group Lenders.

"Majority Pari Passu Creditors" means, at any time, those Pari Passu Creditors whose pari passu credit participations at that time aggregate more than 50.00 per cent. of the total pari passu credit participations at that time (and where each bond trustee shall act (and be considered to act) on behalf of all the pari passu bondholders represented by it regardless of whether all or only the required majority of those pari passu bondholders voted in favour or

against the decision to be made by the Majority Pari Passu Creditors under the Intercreditor Agreement).

"Majority Super Senior Creditors" means, at any time, those Super Senior Creditors whose super senior credit participations at that time aggregate more than 50.00 per cent. of the total super senior credit participations at that time.

"Pari Passu Creditors" means the Bondholders, the Bond Trustee and each other creditor which pursuant to section "Ranking and priority" above shall rank (a) in right and priority of payment and (b) in respect of any Guarantee and Transaction Security *pari passu* with the Bondholders and the Bond Trustee and without any preference between them.

"Pari Passu Debt Liabilities" means the liabilities owed by the Debtors to the Pari Passu Creditors under or in connection with the relevant Debt Documents.

"Pari Passu Liabilities" means the Pari Passu Debt Liabilities.

"Primary Creditors" means the Super Senior Creditors, the Hedging Counterparties and the Pari Passu Creditors.

"Required Pari Passu Creditors" means each creditor representative acting on behalf of any lenders or bondholders which are owed any Pari Passu Debt Liabilities.

"Secured Parties" means the Security Agent, any receiver or delegate and each of the Primary Creditors from time to time but, in the case of each Primary Creditor, only if it (or, in the case of a Pari Passu Creditor being a bondholder, its bond trustee) is a party or has acceded to the Intercreditor Agreement in the proper capacity pursuant to the terms thereof.

"Security Agent" means the Bond Trustee (or any other party to be appointed) as security agent for the Secured Parties.

"Super Senior Creditors" means the Credit Facility Creditors and the Hedging Counterparties.

"Super Senior Discharge Date" means the first date on which all Super Senior Liabilities have been fully and finally discharged to the satisfaction of the relevant creditor representative(s) (in the case of the Credit Facility Liabilities) and each Hedge Counterparty (in the case of its Hedging Liabilities), whether or not as the result of an enforcement, and the Super Senior Creditors are under no further obligation to provide financial accommodation to any of the Debtors under the Debt Documents.

"Super Senior Liabilities" means the Credit Facility Liabilities and the Hedging Liabilities.

"Transaction Security" means the security granted by any Debtor in respect of the obligations of any of the Debtors under any of the Debt Documents (other than any Escrow Account Pledge).

ATTACHMENT 4
AGREED SECURITY PRINCIPLES

The granting of the transaction Security (including guarantees) as contemplated under the Bond Terms and the Intercreditor Agreement is subject to, *inter alia*, the following security principles:

- (a) where legally permissible, all Transaction Security and any Guarantee shall be created in favour of the Security Agent and not the other Secured Parties individually. Parallel debt provisions shall be used where legally necessary;
- (b) to the extent legally permissible, Transaction Security will be first ranking unless any prior ranking Security is permitted by all the relevant Debt Documents;
- (c) where legally permissible, Transaction Security Documents shall automatically create Security over future assets of the same type as those already subject to Transaction Security thereunder, and if such Security may not be automatically created, Transaction Security over such future assets shall be created promptly upon the acquisition of such assets;
- (d) any requirement for any deliverable by any person not being a Group Company shall be considered complied with if the relevant Group Company has used reasonable endeavours to obtain such deliverable;
- (e) general statutory limitations (including, but not limited to, such relating to financial assistance, corporate benefit, fraudulent preference, "thin capitalisation" rules, capital maintenance, retention of title claims and similar principles) may limit the ability of a Debtor to provide any Security or Guarantee without inclusion of provisions limiting the responsibility for granting full legal valid and perfected security or require that such security is limited by an amount or otherwise;
- (f) the granting of Transaction Security and the extent of its perfection and scope shall take into account the costs and expenses (including, without limitation, any stamp duty, taxes, registration fees or similar), work and time of providing such Security which must be proportionate to the benefit accruing to the Secured Parties with respect to such Security, including, without limitation, that no Transaction Security shall be provided or perfected where any fee calculated as a percentage or share of the Secured Obligations will be payable as a result thereof (unless de minimis);
- (g) the Debtors (as defined in the Intercreditor Principles) will not be required to provide Transaction Security or any Guarantee if it would conflict with the fiduciary duties of their directors or officers or contravene any legal prohibition or result in a material risk of personal or criminal liability on the part of any director or officer, provided that the relevant Debtor shall use reasonable endeavours to overcome any such obstacle and relevant limitation language may be included in the relevant security document;
- (h) the Debtors will not be required to provide Transaction Security in respect of assets which are subject to third party arrangement which prevent those assets from being charged, provided that the relevant entity shall use its commercially reasonable endeavours to obtain consent to charging such assets;

- (i) Transaction Security Documents shall operate to create Security rather than to impose any new commercial obligations and shall, accordingly, not contain additional or duplicate representations or undertakings (including, for the avoidance of doubt, reporting requirements) to those contained in the relevant Debt Documents unless required for the creation, perfection, preservation or enforcement of the Transaction Security and shall not be unduly burdensome on the Debtors or interfere unreasonably with the operation of their business or operations;
- (j) the granting and perfection of Transaction Security shall operate as a security interest only and, absent exercise by the Security Agent of any of its rights following the occurrence of an Event of Default which is continuing, shall not relieve the relevant Obligor of its control or disposition rights over that asset. Any Transaction Security shall only be granted and perfected to the extent legally possible without depriving the relevant Obligor of the control or ownership rights to the relevant asset.

APPENDIX F

GUARANTEE AGREEMENT

GUARANTEE

This GUARANTEE is made this 28 February 2022

by: Odfjell Global Business Services AS with registration number 919 580 240 (the "**Guarantor**"),

in favour of: Nordic Trustee AS with registration number 963 342 624 (the "**Security Agent**").

WHEREAS

- (A) Reference is made to the bond terms dated 21 February 2022 with ISIN NO 001 2439480 (as amended, restated, supplemented or novated from time to time, the "**Bond Terms**"), entered into between Odfjell Technology Ltd as issuer (the "**Issuer**") and Nordic Trustee AS as bond trustee (the "**Bond Terms**"), pursuant to which the Issuer has issued bonds in the initial amount of NOK 1,100,000,000 and a maximum issue amount of NOK 1,500,000,000, subject to the terms and conditions set out therein (the "**Bond Issue**").
- (B) Further reference is made to super senior secured revolving credit facility in the current amount of USD 25,000,000 (which may later be increased to USD 35,000,000 on certain terms and conditions) with expected utilisation shortly following settlement under the Bond Issue and with a maturity of four years provided that such maturity shall be no later than one month before the maturity of the bonds under the Bond Issue (the "**Revolving Credit Facility**"), in the form of an agreement to be entered into between the Issuer as borrower, DNB Bank ASA (as bookrunner, mandated lead arranger, fronting bank, facility agent and lender) and Danske Bank A/S (as bookrunner, mandated lead arranger and lender);
- (C) Reference is also made to the intercreditor agreement dated on or about the date hereof between, among others, the Issuer, the original debtors, the intra-group lenders, the subordinated creditors, the credit facilities agent, the credit facility lender, the hedge counterparties, the senior secured bond trustee and the Security Agent (the "**Intercreditor Agreement**").
- (D) The execution by the Guarantor of this Guarantee is a condition under the terms of the Senior Liabilities.
- (E) In connection therewith, the Guarantor has been provided with and has reviewed a copy of the terms of the Senior Liabilities and has agreed to provide this guarantee which is an independent and irrevocable corporate guarantee (Nw: *selvskyldnerkausjon*) (the "**Guarantee**").
- (F) Capitalised terms used but not defined in this Guarantee shall have the meaning ascribed to them in the Intercreditor Agreement.

NOW THEREFORE, it is hereby agreed:

1 GUARANTEE AND INDEMNITY

The Guarantor hereby irrevocably and unconditionally:

- (a) guarantees to the Security Agent (on behalf of itself and the Secured Parties), as and for its own debt as principal obligor and not merely as a surety (Norwegian: "*selvskyldnergaranti*"),

the due and punctual performance of the Issuer and the other Debtors' obligations under the terms of the Senior Liabilities (as amended from time to time), including amounts arising as a result of interests, default interests, costs and expenses;

- (b) undertakes with the Security Agent, on behalf of the Secured Parties, that whenever a Debtor does not pay any amount when due under the Senior Liabilities, the Guarantor shall immediately on demand from the Security Agent pay that amount as if it was the principal obligor; and
- (c) agrees to indemnify the Security Agent and the Secured Parties immediately on demand from the Security Agent in respect of any cost, loss or liability suffered by the Security Agent or the Secured Parties due to any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability will not exceed the amount which the terms of the Senior Liabilities and the Secured Parties would otherwise have been entitled to recover.

Considering the provisions of section 61 of the Norwegian Financial Contracts Act, this Guarantee is limited to NOK 1,800,000,000 plus USD 42,000,000, plus interest and costs under the terms of the Senior Liabilities plus the amount of any interest, default interest, costs and expenses related to the liabilities of the Guarantor hereunder.

Notwithstanding anything to the contrary provided in this Guarantee, the parties agree that the guarantee and security provided hereunder or any other obligations (whether in the form of a guarantee, indemnity, payment and/or set-offs) of the Guarantor towards the Security Agent or the Secured Parties shall not extend to any obligation which would otherwise be illegal or voidable financial assistance according to sections 8-7 and 8-10 of the Norwegian Companies Act of 13 June 1997 no. 45.

2 CONTINUING GUARANTEE

This Guarantee is:

- (a) continuing and will extend to the ultimate balance of sums payable by any Debtor under the Senior Liabilities, regardless of any intermediate payment or discharge in whole or in part and
- (b) in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by the Secured Parties.

3 REINSTATEMENT

If any payment by a Debtor or any discharge given by the Security Agent (whether in respect of the obligations of the Debtor or any security for those obligations or otherwise) is avoided or must be restored as a result of insolvency or any similar event:

- (a) the liability of the Guarantor shall continue as if the payment, discharge, avoidance or repayment had not occurred; and
- (b) the Security Agent shall be entitled to recover the value or amount of that security or payment from the Guarantor, as if the payment, discharge, avoidance or repayment had not occurred.

4 WAIVER OF DEFENCES

The obligations of the Guarantor hereunder shall not be affected by any act, omission, matter or thing which would reduce, release or prejudice any of its obligations (without limitation and whether or not known to it, the Security Agent or any Secured Party) including:

- (a) any time, waiver or consent granted to, or composition with, a Debtor or other person;
- (b) the release of a Debtor or other person under the terms of any composition or arrangement with any creditor of a Debtor;

- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Issuer or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the issuer or any other person;
- (e) any amendment (however fundamental) or replacement of the terms of the Senior Liabilities or any other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under the terms of the Senior Liabilities or any other document or security; or
- (g) any insolvency or similar proceedings,

and the Guarantor specifically waives any rights established by the provisions of sections 62 (1), 63, 65, 66, 67, 70, 71, 72, 73 and 74 of the Norwegian Financial Contracts Act.

5 IMMEDIATE RECOURSE

The Guarantor waives any right it may have of first requiring the Security Agent or any Secured Party to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Guarantor. This waiver applies irrespective of any law or any provision of the terms under the Senior Liabilities to the contrary.

6 APPROPRIATIONS

Until all amounts which may be or become payable by the Debtors under or in connection with the Senior Liabilities have been irrevocably paid in full, the Security Agent may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by the Security Agent or a Secured Party in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Guarantor shall not be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from the Guarantor or on account of the Guarantor's liability under this Guarantee.

7 DEFERRAL OF GUARANTOR'S RIGHTS

Until all amounts which may be or become payable by a Debtor under or in connection with the Senior Liabilities have been irrevocably paid in full and unless the Security Agent otherwise directs, the Guarantor shall not exercise any rights which it may have by reason of performance by it of its obligations under the Senior Liabilities:

- (a) to be indemnified by a Debtor;
- (b) to claim any contribution from the Issuer under the Senior Liabilities; and/or
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Security Agent or the Secured Parties under the terms of the Senior Liabilities or of any other guarantee or security taken pursuant to, or in connection with, the Senior Liabilities.

8 ADDITIONAL SECURITY

This Guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by the Security Agent or a Secured Party.

9 NOTICES

Any notice, demand or other communication under this Guarantee shall be made as set out in the Intercreditor Agreement.

10 GOVERNING LAW AND JURISDICTION

This Guarantee shall be governed by and interpreted in accordance with Norwegian law, with venue as set out in Clause 27.1 of the Intercreditor Agreement.

[signature page follows on next page]

ODFJELL GLOBAL BUSINESS SERVICES AS
As the Guarantor



.....
By: Frode Skage Syslak
Authorised Signatory

GUARANTEE

This GUARANTEE is made this 28 February 2022

by: Odfjell Partners Invest Ltd, an exempted company incorporated under the laws of Bermuda with registration number 33920, whose registered office is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda (the "**Guarantor**"),

in favour of: Nordic Trustee AS with registration number 963 342 624 (the "**Security Agent**").

WHEREAS

- (A) Reference is made to the bond terms dated 21 February 2022 with ISIN NO 001 2439480 (as amended, restated, supplemented or novated from time to time, the "**Bond Terms**"), entered into between Odfjell Technology Ltd as issuer (the "**Issuer**") and Nordic Trustee AS as bond trustee (the "**Bond Terms**"), pursuant to which the Issuer has issued bonds in the initial amount of NOK 1,100,000,000 and a maximum issue amount of NOK 1,500,000,000, subject to the terms and conditions set out therein (the "**Bond Issue**").
- (B) Further reference is made to super senior secured revolving credit facility in the current amount of USD 25,000,000 (which may later be increased to USD 35,000,000 on certain terms and conditions) with expected utilisation shortly following settlement under the Bond Issue and with a maturity of four years provided that such maturity shall be no later than one month before the maturity of the bonds under the Bond Issue (the "**Revolving Credit Facility**"), in the form of an agreement to be entered into between the Issuer as borrower, DNB Bank ASA (as bookrunner, mandated lead arranger, fronting bank, facility agent and lender) and Danske Bank A/S (as bookrunner, mandated lead arranger and lender);
- (C) Reference is also made to the intercreditor agreement dated on or about the date hereof between, among others, the Issuer, the original debtors, the intra-group lenders, the subordinated creditors, the credit facilities agent, the credit facility lender, the hedge counterparties, the senior secured bond trustee and the Security Agent (the "**Intercreditor Agreement**").
- (D) The execution by the Guarantor of this Guarantee is a condition of the terms of the Senior Liabilities and the same is executed by the Guarantor in consideration therefore and other good and valuable consideration (the sufficiency of which the Guarantor hereby acknowledges).
- (E) In connection therewith, the Guarantor has been provided with and has reviewed a copy of the terms of the Senior Liabilities and has agreed to provide this guarantee which is an independent and irrevocable corporate guarantee (Nw: *selvskyldnerkausjon*) (the "**Guarantee**").

- (F) Capitalised terms used but not defined in this Guarantee shall have the meaning ascribed to them in the Intercreditor Agreement.

NOW THEREFORE, it is hereby agreed:

1 GUARANTEE AND INDEMNITY

The Guarantor hereby irrevocably and unconditionally:

- (a) guarantees to the Security Agent (on behalf of itself and the Secured Parties), as and for its own debt as principal obligor and not merely as a surety (Norwegian: “*selvskyldnergaranti*”), the due and punctual performance of the Issuer and the other Debtors’ obligations under the terms of the Senior Liabilities (as amended from time to time), including amounts arising as a result of interests, default interests, costs and expenses;
- (b) undertakes with the Security Agent, on behalf of the Secured Parties, that whenever a Debtor does not pay any amount when due under the Senior Liabilities, the Guarantor shall immediately on demand from the Security Agent pay that amount as if it was the principal obligor; and
- (c) agrees to indemnify the Security Agent and the Secured Parties immediately on demand from the Security Agent in respect of any cost, loss or liability suffered by the Security Agent or the Secured Parties due to any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability will not exceed the amount which the terms of the Senior Liabilities and the Secured Parties would otherwise have been entitled to recover.

Considering the provisions of section 61 of the Norwegian Financial Contracts Act, this Guarantee is limited to NOK 1,800,000,000 plus USD 42,000,000, plus any unpaid amount of interest, fees, costs and expenses under the terms of the Senior Liabilities plus the amount of any interest, default interest, costs and expenses related to the liabilities of the Guarantor hereunder.

2 CONTINUING GUARANTEE

This Guarantee is:

- (a) continuing and will extend to the ultimate balance of sums payable by any Debtor under the Senior Liabilities, regardless of any intermediate payment or discharge in whole or in part and
- (b) in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by the Secured Parties.

3 REINSTATEMENT

If any payment by a Debtor or any discharge given by the Security Agent (whether in respect of the obligations of the Debtor or any security for those obligations or otherwise) is avoided or must be restored as a result of insolvency or any similar event:

- (a) the liability of the Guarantor shall continue as if the payment, discharge, avoidance or repayment had not occurred; and
- (b) the Security Agent shall be entitled to recover the value or amount of that security or payment from the Guarantor, as if the payment, discharge, avoidance or repayment had not occurred.

4 WAIVER OF DEFENCES

The obligations of the Guarantor hereunder shall not be affected by any act, omission, matter or thing which would reduce, release or prejudice any of its obligations (without limitation and whether or not known to it, the Security Agent or any Secured Party) including:

- (a) any time, waiver or consent granted to, or composition with, a Debtor or other person;
- (b) the release of a Debtor or other person under the terms of any composition or arrangement with any creditor of a Debtor;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Issuer or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the issuer or any other person;
- (e) any amendment (however fundamental) or replacement of the terms of the Senior Liabilities or any other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under the terms of the Senior Liabilities or any other document or security; or
- (g) any insolvency or similar proceedings,

and the Guarantor specifically waives any rights established by the provisions of sections 62 (1), 63, 65, 66, 67, 70, 71, 72, 73 and 74 of the Norwegian Financial Contracts Act.

5 IMMEDIATE RECOURSE

The Guarantor waives any right it may have of first requiring the Security Agent or any Secured Party to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Guarantor. This waiver applies irrespective of any law or any provision of the terms under the Senior Liabilities to the contrary.

6 APPROPRIATIONS

Until all amounts which may be or become payable by the Debtors under or in connection with the Senior Liabilities have been irrevocably paid in full, the Security Agent may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by the Security Agent or a Secured Party in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Guarantor shall not be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from the Guarantor or on account of the Guarantor's liability under this Guarantee.

7 DEFERRAL OF GUARANTOR'S RIGHTS

Until all amounts which may be or become payable by a Debtor under or in connection with the Senior Liabilities have been irrevocably paid in full and unless the Security Agent otherwise directs, the Guarantor shall not exercise any rights which it may have by reason of performance by it of its obligations under the Senior Liabilities:

- (a) to be indemnified by a Debtor;
- (b) to claim any contribution from the Issuer under the Senior Liabilities; and/or

- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Security Agent or the Secured Parties under the terms of the Senior Liabilities or of any other guarantee or security taken pursuant to, or in connection with, the Senior Liabilities.

8 ADDITIONAL SECURITY

This Guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by the Security Agent or a Secured Party.

9 NOTICES

Any notice, demand or other communication under this Guarantee shall be made as set out in the Intercreditor Agreement.

10 GOVERNING LAW AND JURISDICTION

This Guarantee shall be governed by and interpreted in accordance with Norwegian law, with venue as set out in Clause 27.1 of the Intercreditor Agreement.

[signature page follows on next page]

ODFJELL PARTNERS INVEST LTD

As the Guarantor



By:

Frode Skage Syslak

Authorised Signatory

GUARANTEE

This **GUARANTEE** is made this 28 February 2022

by: Odfjell Platform Drilling AS with registration number 918 646 175 (the "**Guarantor**"),

in favour of: Nordic Trustee AS with registration number 963 342 624 (the "**Security Agent**").

WHEREAS

- (A) Reference is made to the bond terms dated 21 February 2022 with ISIN NO 001 2439480 (as amended, restated, supplemented or novated from time to time, the "**Bond Terms**"), entered into between Odfjell Technology Ltd as issuer (the "**Issuer**") and Nordic Trustee AS as bond trustee (the "**Bond Terms**"), pursuant to which the Issuer has issued bonds in the initial amount of NOK 1,100,000,000 and a maximum issue amount of NOK 1,500,000,000, subject to the terms and conditions set out therein (the "**Bond Issue**").
- (B) Further reference is made to super senior secured revolving credit facility in the current amount of USD 25,000,000 (which may later be increased to USD 35,000,000 on certain terms and conditions) with expected utilisation shortly following settlement under the Bond Issue and with a maturity of four years provided that such maturity shall be no later than one month before the maturity of the bonds under the Bond Issue (the "**Revolving Credit Facility**"), in the form of an agreement to be entered into between the Issuer as borrower, DNB Bank ASA (as bookrunner, mandated lead arranger, fronting bank, facility agent and lender) and Danske Bank A/S (as bookrunner, mandated lead arranger and lender);
- (C) Reference is also made to the intercreditor agreement dated on or about the date hereof between, among others, the Issuer, the original debtors, the intra-group lenders, the subordinated creditors, the credit facilities agent, the credit facility lender, the hedge counterparties, the senior secured bond trustee and the Security Agent (the "**Intercreditor Agreement**").
- (D) The execution by the Guarantor of this Guarantee is a condition under the terms of the Senior Liabilities.
- (E) In connection therewith, the Guarantor has been provided with and has reviewed a copy of the terms of the Senior Liabilities and has agreed to provide this guarantee which is an independent and irrevocable corporate guarantee (Nw: *selvskyldnerkausjon*) (the "**Guarantee**").
- (F) Capitalised terms used but not defined in this Guarantee shall have the meaning ascribed to them in the Intercreditor Agreement.

NOW THEREFORE, it is hereby agreed:

1 GUARANTEE AND INDEMNITY

The Guarantor hereby irrevocably and unconditionally:

- (a) guarantees to the Security Agent (on behalf of itself and the Secured Parties), as and for its own debt as principal obligor and not merely as a surety (Norwegian: "*selvskyldnergaranti*"), the due and punctual performance of the Issuer and the other Debtors' obligations under the

terms of the Senior Liabilities (as amended from time to time), including amounts arising as a result of interests, default interests, costs and expenses;

- (b) undertakes with the Security Agent, on behalf of the Secured Parties, that whenever a Debtor does not pay any amount when due under the Senior Liabilities, the Guarantor shall immediately on demand from the Security Agent pay that amount as if it was the principal obligor; and
- (c) agrees to indemnify the Security Agent and the Secured Parties immediately on demand from the Security Agent in respect of any cost, loss or liability suffered by the Security Agent or the Secured Parties due to any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability will not exceed the amount which the terms of the Senior Liabilities and the Secured Parties would otherwise have been entitled to recover.

Considering the provisions of section 61 of the Norwegian Financial Contracts Act, this Guarantee is limited to NOK 1,800,000,000 plus USD 42,000,000, plus interest and costs under the terms of the Senior Liabilities plus the amount of any interest, default interest, costs and expenses related to the liabilities of the Guarantor hereunder.

Notwithstanding anything to the contrary provided in this Guarantee, the parties agree that the guarantee and security provided hereunder or any other obligations (whether in the form of a guarantee, indemnity, payment and/or set-offs) of the Guarantor towards the Security Agent or the Secured Parties shall not extend to any obligation which would otherwise be illegal or voidable financial assistance according to sections 8-7 and 8-10 of the Norwegian Companies Act of 13 June 1997 no. 45.

2 CONTINUING GUARANTEE

This Guarantee is:

- (a) continuing and will extend to the ultimate balance of sums payable by any Debtor under the Senior Liabilities, regardless of any intermediate payment or discharge in whole or in part and
- (b) in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by the Secured Parties.

3 REINSTATEMENT

If any payment by a Debtor or any discharge given by the Security Agent (whether in respect of the obligations of the Debtor or any security for those obligations or otherwise) is avoided or must be restored as a result of insolvency or any similar event:

- (a) the liability of the Guarantor shall continue as if the payment, discharge, avoidance or repayment had not occurred; and
- (b) the Security Agent shall be entitled to recover the value or amount of that security or payment from the Guarantor, as if the payment, discharge, avoidance or repayment had not occurred.

4 WAIVER OF DEFENCES

The obligations of the Guarantor hereunder shall not be affected by any act, omission, matter or thing which would reduce, release or prejudice any of its obligations (without limitation and whether or not known to it, the Security Agent or any Secured Party) including:

- (a) any time, waiver or consent granted to, or composition with, a Debtor or other person;
- (b) the release of a Debtor or other person under the terms of any composition or arrangement with any creditor of a Debtor;

- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Issuer or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the issuer or any other person;
- (e) any amendment (however fundamental) or replacement of the terms of the Senior Liabilities or any other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under the terms of the Senior Liabilities or any other document or security; or
- (g) any insolvency or similar proceedings,

and the Guarantor specifically waives any rights established by the provisions of sections 62 (1), 63, 65, 66, 67, 70, 71, 72, 73 and 74 of the Norwegian Financial Contracts Act.

5 IMMEDIATE RECOURSE

The Guarantor waives any right it may have of first requiring the Security Agent or any Secured Party to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Guarantor. This waiver applies irrespective of any law or any provision of the terms under the Senior Liabilities to the contrary.

6 APPROPRIATIONS

Until all amounts which may be or become payable by the Debtors under or in connection with the Senior Liabilities have been irrevocably paid in full, the Security Agent may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by the Security Agent or a Secured Party in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Guarantor shall not be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from the Guarantor or on account of the Guarantor's liability under this Guarantee.

7 DEFERRAL OF GUARANTOR'S RIGHTS

Until all amounts which may be or become payable by a Debtor under or in connection with the Senior Liabilities have been irrevocably paid in full and unless the Security Agent otherwise directs, the Guarantor shall not exercise any rights which it may have by reason of performance by it of its obligations under the Senior Liabilities:

- (a) to be indemnified by a Debtor;
- (b) to claim any contribution from the Issuer under the Senior Liabilities; and/or
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Security Agent or the Secured Parties under the terms of the Senior Liabilities or of any other guarantee or security taken pursuant to, or in connection with, the Senior Liabilities.

8 ADDITIONAL SECURITY

This Guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by the Security Agent or a Secured Party.

9 NOTICES

Any notice, demand or other communication under this Guarantee shall be made as set out in the Intercreditor Agreement.

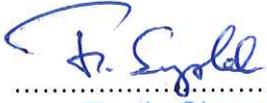
10 GOVERNING LAW AND JURISDICTION

This Guarantee shall be governed by and interpreted in accordance with Norwegian law, with venue as set out in Clause 27.1 of the Intercreditor Agreement.

[signature page follows on next page]

ODFJELL PLATFORM DRILLING AS

As the Guarantor



.....
Frode Skage Syslak

By:

Authorised Signatory

APPENDIX G

ARTICLES OF ASSOCIATION ODFJELL PLATFORM DRILLING AS

**VEDTEKTER
FOR
ODFJELL PLATFORM DRILLING AS**

Pr. 8. november 2018

§ 1 Selskapets foretaksnavn

Selskapets navn er Odfjell Platform Drilling AS.

§ 2 Forretningskommune

Selskapets forretningskontor er i Bergen kommune. Generalforsamling kan også holdes utenfor Bergen kommune.

§ 3 Selskapets virksomhet

Selskapets formål er å drive oljeboring, konsulentvirksomhet og ingeniørtjenester, herunder eie aksjer i selskaper, og dermed forbundet virksomhet.

§ 4 Aksjekapital og aksjer

Selskapets aksjekapital er NOK 1 328 589 fordelt på 1 328 589 aksjer pålydende NOK 1.

§ 5 Styret

Selskapets styre består av 3 til 9 medlemmer. Selskapets firma tegnes av styrets formann eller to styremedlemmer i felleskap, der både et aksjonærvalgt styremedlem og en ansattrepresentant skal være representert. Styret kan meddele prokura.

§ 6 Generalforsamling

Generalforsamlingen innkalles av styret ved skriftlig henvendelse til alle aksjeeiere med kjent oppholdssted.

§ 7 Særlig om ordinær generalforsamling

På den ordinære generalforsamling behandles og avgjøres:

1. Godkjenning av årsregnskapet og årsberetningen, herunder utdeling av utbytte.
2. Andre saker som etter lov eller vedtekter hører inn under generalforsamlingen.

§ 8 Generelle bestemmelser

For øvrig henvises det til den enhver tid gjeldende aksjelovgivning.

APPENDIX H

ARTICLES OF ASSOCIATION ODFJELL GLOBAL BUSINESS SERVICE AS

VEDTEKTER

FOR

ODFJELL GLOBAL BUSINESS SERVICES AS

(pr. 8. november 2018)

§ 1

Foretaksnavn

Selskapets navn er Odfjell Global Business Services AS.

§ 2

Forretningskommune

Selskapet skal ha sitt forretningskontor i Bergen kommune.

§ 3

Selskapets virksomhet

Selskapets virksomhet skal være å yte tjenester innen forretningsstøtte til andre selskaper i konsernet samt alt det som står i forbindelse herved.

§ 4

Aksjekapital og aksjer

Selskapets aksjekapital er NOK 249 194 fordelt på 249 194 aksjer pålydende NOK 1.

§ 5

Signatur

Selskapets styre består av 3 til 9 medlemmer. Selskapets firma tegnes av styrets formann eller to styremedlemmer i felleskap, der både et aksjonærvalgt styremedlem og en ansatterrepresentant skal være representert. Styret kan meddele prokura.

§ 6

Innkalling til generalforsamling

Når dokumenter som gjelder saker som skal behandles på generalforsamlingen, er gjort tilgjengelige for aksjeeierne på selskapets internettsider, gjelder ikke aksjelovens krav om at dokumentene skal sendes til aksjeeierne. Dette gjelder også dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen.

§ 7

Forkjøpsrett m.v. til aksjer

Aksjeeierne har rett til å overta en aksje som har skiftet eier.

Aksjeeierne har rett til å overta en aksje som ikke har skiftet eier dersom; (i) aksjen eies direkte eller indirekte av et selskap som har som vesentlig del av sin virksomhet å eie aksjen, og (ii) aksje i slikt selskap har skiftet eier eller har blitt utstedt til ny eier. Fristen for å gjøre kjøperett gjeldende etter dette avsnitt løper fra det tidspunkt selskapet mottar skriftlig melding om slikt eierskifte. Reglene om forkjøpsrett i aksjeloven § 4-19 flg. gjelder tilsvarende for slik kjøperett så langt de passer.

Retten til å overta en aksje etter første og andre avsnitt kan gjøres gjeldende overfor enhver erverver og er ikke betinget av styrets samtykke.

Aksjeeier som erverver en aksje anses ikke å ha utøvd forkjøpsrett med mindre også utøvelse av forkjøpsrett har blitt gjort gjeldende ved uttrykkelig melding til selskapet i overensstemmelse med aksjeloven § 4-23 (1).

APPENDIX I

BYE-LAWS OF ODFJELL PARTNERS INVEST LTD.

AMENDED

BYE-LAWS

OF

ODFJELL PARTNERS INVEST LTD.

Adopted: 11 April 2013
Amended: (45(k)) 9 May 2017
Amended: (19, 44, 53, 55 & 57) **21 December 2018**

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INTERPRETATION

1. Definitions

1.1 In these Bye-laws, the following words and expressions shall, where not inconsistent with the context, have the following meanings, respectively:

Act	the Companies Act 1981;
Alternate Director	an alternate director appointed in accordance with these Bye-laws;
Auditor	includes an individual or partnership;
Board	the board of directors (including, for the avoidance of doubt, a sole director) appointed or elected pursuant to these Bye-laws and acting by resolution in accordance with the Act and these Bye-laws or the directors present at a meeting of directors at which there is a quorum;
Company	the company for which these Bye-laws are approved and confirmed;
Director	a director of the Company and shall include an Alternate Director;
Member	the person registered in the Register of Members as the holder of shares in the Company and, when two or more persons are so registered as joint holders of shares, means the person whose name stands first in the Register of Members as one of such joint holders or all of such persons, as the context so requires;
notice	written notice as further provided in these Bye-laws unless otherwise specifically stated;
Officer	any person appointed by the Board to hold an office in the Company;
Register of Directors and Officers	the register of directors and officers referred to in these Bye-laws;
Register of Members	the register of Members referred to in these Bye-

	laws;
Resident Representative	any person appointed to act as resident representative and includes any deputy or assistant resident representative;
Secretary	the person appointed to perform any or all of the duties of secretary of the Company and includes any deputy or assistant secretary and any person appointed by the Board to perform any of the duties of the Secretary; and
Treasury Share	a share of the Company that was or is treated as having been acquired and held by the Company and has been held continuously by the Company since it was so acquired and has not been cancelled.

1.2 In these Bye-laws, where not inconsistent with the context:

- (a) words denoting the plural number include the singular number and *vice versa*;
- (b) words denoting the masculine gender include the feminine and neuter genders;
- (c) words importing persons include companies, associations or bodies of persons whether corporate or not;
- (d) the words:-
 - (i) "may" shall be construed as permissive; and
 - (ii) "shall" shall be construed as imperative;
- (e) a reference to statutory provision shall be deemed to include any amendment or re-enactment thereof;
- (f) the word "corporation" means a corporation whether or not a company within the meaning of the Act; and
- (g) unless otherwise provided herein, words or expressions defined in the Act shall bear the same meaning in these Bye-laws.

1.3 In these Bye-laws expressions referring to writing or its cognates shall, unless the contrary intention appears, include facsimile, printing, lithography, photography, electronic mail and other modes of representing words in visible form.

- 1.4 Headings used in these Bye-laws are for convenience only and are not to be used or relied upon in the construction hereof.

SHARES

2. Power to Issue Shares

- 2.1 Subject to these Bye-laws and to any resolution of the Members to the contrary, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the Board shall have the power to issue any unissued shares on such terms and conditions as it may determine and any shares or class of shares may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise as the Company may by resolution of the Members prescribe.
- 2.2 Subject to the Act, any preference shares may be issued or converted into shares that (at a determinable date or at the option of the Company or the holder) are liable to be redeemed on such terms and in such manner as may be determined by the Board (before the issue or conversion).

3. Power of the Company to Purchase its Shares

- 3.1 The Company may purchase its own shares for cancellation or acquire them as Treasury Shares in accordance with the Act on such terms as the Board shall think fit.
- 3.2 The Board may exercise all the powers of the Company to purchase or acquire all or any part of its own shares in accordance with the Act.

4. Rights Attaching to Shares

- 4.1 Subject to any resolution of the Members to the contrary (and without prejudice to any special rights conferred thereby on the holders of any other shares or class of shares), the share capital shall be divided into shares of a single class the holders of which shall, subject to these Bye-laws:
- (a) be entitled to one vote per share;
 - (b) be entitled to such dividends as the Board may from time to time declare;
 - (c) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganisation or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company; and
 - (d) generally be entitled to enjoy all of the rights attaching to shares.

4.2 All the rights attaching to a Treasury Share shall be suspended and shall not be exercised by the Company while it holds such Treasury Share and, except where required by the Act, all Treasury Shares shall be excluded from the calculation of any percentage or fraction of the share capital, or shares, of the Company.

5. Calls on Shares

5.1 The Board may make such calls as it thinks fit upon the Members in respect of any monies (whether in respect of nominal value or premium) unpaid on the shares allotted to or held by such Members and, if a call is not paid on or before the day appointed for payment thereof, the Member may at the discretion of the Board be liable to pay the Company interest on the amount of such call at such rate as the Board may determine, from the date when such call was payable up to the actual date of payment. The Board may differentiate between the holders as to the amount of calls to be paid and the times of payment of such calls.

5.2 The joint holders of a share shall be jointly and severally liable to pay all calls and any interest, costs and expenses in respect thereof.

5.3 The Company may accept from any Member the whole or a part of the amount remaining unpaid on any shares held by him, although no part of that amount has been called up.

6. Forfeiture of Shares

6.1 If any Member fails to pay, on the day appointed for payment thereof, any call in respect of any share allotted to or held by such Member, the Board may, at any time thereafter during such time as the call remains unpaid, direct the Secretary to forward such Member a notice in writing in the form, or as near thereto as circumstances admit, of the following:

Notice of Liability to Forfeiture for Non-Payment of Call
[Name of Company] (the "Company")

You have failed to pay the call of [amount of call] made on [date], in respect of the [number] share(s) [number in figures] standing in your name in the Register of Members of the Company, on [date], the day appointed for payment of such call. You are hereby notified that unless you pay such call together with interest thereon at the rate of [] per annum computed from the said [date] at the registered office of the Company the share(s) will be liable to be forfeited.

Dated this [date]

[Signature of Secretary] By Order of the Board

- 6.2 If the requirements of such notice are not complied with, any such share may at any time thereafter before the payment of such call and the interest due in respect thereof be forfeited by a resolution of the Board to that effect, and such share shall thereupon become the property of the Company and may be disposed of as the Board shall determine. Without limiting the generality of the foregoing, the disposal may take place by sale, repurchase, redemption or any other method of disposal permitted by and consistent with these Bye-laws and the Act.
- 6.3 A Member whose share or shares have been so forfeited shall, notwithstanding such forfeiture, be liable to pay to the Company all calls owing on such share or shares at the time of the forfeiture, together with all interest due thereon and any costs and expenses incurred by the Company in connection therewith.
- 6.4 The Board may accept the surrender of any shares which it is in a position to forfeit on such terms and conditions as may be agreed. Subject to those terms and conditions, a surrendered share shall be treated as if it had been forfeited.

7. Share Certificates

- 7.1 Every Member shall be entitled to a certificate under the common seal (or a facsimile thereof) of the Company or bearing the signature (or a facsimile thereof) of a Director or the Secretary or a person expressly authorised to sign specifying the number and, where appropriate, the class of shares held by such Member and whether the same are fully paid up and, if not, specifying the amount paid on such shares. The Board may by resolution determine, either generally or in a particular case, that any or all signatures on certificates may be printed thereon or affixed by mechanical means.
- 7.2 The Company shall be under no obligation to complete and deliver a share certificate unless specifically called upon to do so by the person to whom the shares have been allotted.
- 7.3 If any share certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid, or destroyed the Board may cause a new certificate to be issued and request an indemnity for the lost certificate if it sees fit.

8. Fractional Shares

The Company may issue its shares in fractional denominations and deal with such fractions to the same extent as its whole shares and shares in fractional denominations shall have in proportion to the respective fractions represented thereby all of the rights of whole shares including (but without limiting the generality of the foregoing) the right to vote, to receive dividends and distributions and to participate in a winding-up.

REGISTRATION OF SHARES

9. Register of Members

9.1 The Board shall cause to be kept in one or more books a Register of Members and shall enter therein the particulars required by the Act.

9.2 The Register of Members shall be open to inspection without charge at the registered office of the Company on every business day, subject to such reasonable restrictions as the Board may impose, so that not less than two hours in each business day be allowed for inspection. The Register of Members may, after notice has been given in accordance with the Act, be closed for any time or times not exceeding in the whole thirty days in each year.

10. Registered Holder Absolute Owner

The Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not be bound to recognise any equitable claim or other claim to, or interest in, such share on the part of any other person.

11. Transfer of Registered Shares

11.1 An instrument of transfer shall be in writing in the form of the following, or as near thereto as circumstances admit, or in such other form as the Board may accept:

Transfer of a Share or Shares
[Name of Company] (the "Company")

FOR VALUE RECEIVED..... [amount], I, [name of transferor] hereby sell, assign and transfer unto [transferee] of [address], [number] shares of the Company.

DATED this [date]

Signed by:

In the presence of:

Transferor

Witness

Signed by:

In the presence of:

Transferee

Witness

- 11.2 Such instrument of transfer shall be signed by (or in the case of a party that is a corporation, on behalf of) the transferor and transferee, provided that, in the case of a fully paid share, the Board may accept the instrument signed by or on behalf of the transferor alone. The transferor shall be deemed to remain the holder of such share until the same has been registered as having been transferred to the transferee in the Register of Members.
- 11.3 The Board may refuse to recognise any instrument of transfer unless it is accompanied by the certificate in respect of the shares to which it relates and by such other evidence as the Board may reasonably require showing the right of the transferor to make the transfer.
- 11.4 The joint holders of any share may transfer such share to one or more of such joint holders, and the surviving holder or holders of any share previously held by them jointly with a deceased Member may transfer any such share to the executors or administrators of such deceased Member.
- 11.5 The Board may in its absolute discretion and without assigning any reason therefor refuse to register the transfer of a share. The Board shall refuse to register a transfer unless all applicable consents, authorisations and permissions of any governmental body or agency in Bermuda have been obtained. If the Board refuses to register a transfer of any share the Secretary shall, within three months after the date on which the transfer was lodged with the Company, send to the transferor and transferee notice of the refusal.
- 11.6 Notwithstanding anything to the contrary in these Bye-laws, shares that are listed or admitted to trading on an appointed stock exchange may be transferred in accordance with the rules and regulations of such exchange.

12. Transmission of Registered Shares

- 12.1 In the case of the death of a Member, the survivor or survivors where the deceased Member was a joint holder, and the legal personal representatives of the deceased

Member where the deceased Member was a sole holder, shall be the only persons recognised by the Company as having any title to the deceased Member's interest in the shares. Nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by such deceased Member with other persons. Subject to the Act, for the purpose of this Bye-law, legal personal representative means the executor or administrator of a deceased Member or such other person as the Board may, in its absolute discretion, decide as being properly authorised to deal with the shares of a deceased Member.

- 12.2 Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may be registered as a Member upon such evidence as the Board may deem sufficient or may elect to nominate some person to be registered as a transferee of such share, and in such case the person becoming entitled shall execute in favour of such nominee an instrument of transfer in writing in the form, or as near thereto as circumstances admit, of the following:

Transfer by a Person Becoming Entitled on Death/Bankruptcy of a
Member
[Name of Company] (the "Company")

I/We, having become entitled in consequence of the [death/bankruptcy] of [name and address of deceased/bankrupt Member] to [number] share(s) standing in the Register of Members of the Company in the name of the said [name of deceased/bankrupt Member] instead of being registered myself/ourselves, elect to have [name of transferee] (the "Transferee") registered as a transferee of such share(s) and I/we do hereby accordingly transfer the said share(s) to the Transferee to hold the same unto the Transferee, his or her executors, administrators and assigns, subject to the conditions on which the same were held at the time of the execution hereof; and the Transferee does hereby agree to take the said share(s) subject to the same conditions.

DATED this [date]

Signed by:

In the presence of:

Transferor

Witness

Signed by:

In the presence of:

Transferee

Witness

- 12.3 On the presentation of the foregoing materials to the Board, accompanied by such evidence as the Board may require to prove the title of the transferor, the transferee shall be registered as a Member. Notwithstanding the foregoing, the Board shall, in any case, have the same right to decline or suspend registration as it would have had in the case of a transfer of the share by that Member before such Member's death or bankruptcy, as the case may be.
- 12.4 Where two or more persons are registered as joint holders of a share or shares, then in the event of the death of any joint holder or holders the remaining joint holder or holders shall be absolutely entitled to such share or shares and the Company shall recognise no claim in respect of the estate of any joint holder except in the case of the last survivor of such joint holders.

ALTERATION OF SHARE CAPITAL

13. Power to Alter Capital

- 13.1 The Company may if authorised by resolution of the Members increase, divide, consolidate, subdivide, change the currency denomination of, diminish or otherwise alter or reduce its share capital in any manner permitted by the Act.
- 13.2 Where, on any alteration or reduction of share capital, fractions of shares or some other difficulty would arise, the Board may deal with or resolve the same in such manner as it thinks fit.

14. Variation of Rights Attaching to Shares

If, at any time, the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound-up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a resolution passed by a majority of the votes cast at a separate general meeting of the holders of the shares of the class at which meeting the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class. The rights conferred upon the holders of the shares of any class or series issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class or series, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

DIVIDENDS AND CAPITALISATION

15. Dividends

- 15.1 The Board may, subject to these Bye-laws and in accordance with the Act, declare a dividend to be paid to the Members, in proportion to the number of shares held by

them, and such dividend may be paid in cash or wholly or partly in specie in which case the Board may fix the value for distribution in specie of any assets. No unpaid dividend shall bear interest as against the Company.

- 15.2 The Board may fix any date as the record date for determining the Members entitled to receive any dividend.
- 15.3 The Company may pay dividends in proportion to the amount paid up on each share where a larger amount is paid up on some shares than on others.
- 15.4 The Board may declare and make such other distributions (in cash or in specie) to the Members as may be lawfully made out of the assets of the Company. No unpaid distribution shall bear interest as against the Company.

16. Power to Set Aside Profits

The Board may, before declaring a dividend, set aside out of the surplus or profits of the Company, such amount as it thinks proper as a reserve to be used to meet contingencies or for equalising dividends or for any other purpose.

17. Method of Payment

- 17.1 Any dividend, interest, or other monies payable in cash in respect of the shares may be paid by cheque or draft sent through the post directed to the Member at such Member's address in the Register of Members, or to such person and to such address as the holder may in writing direct.
- 17.2 In the case of joint holders of shares, any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or draft sent through the post directed to the address of the holder first named in the Register of Members, or to such person and to such address as the joint holders may in writing direct. If two or more persons are registered as joint holders of any shares any one can give an effectual receipt for any dividend paid in respect of such shares.
- 17.3 The Board may deduct from the dividends or distributions payable to any Member all monies due from such Member to the Company on account of calls or otherwise.

18. Capitalisation

- 18.1 The Board may capitalise any amount for the time being standing to the credit of any of the Company's share premium or other reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such amount in paying up unissued shares to be allotted as fully paid bonus shares pro rata to the Members.

- 18.2 The Board may capitalise any amount for the time being standing to the credit of a reserve account or amounts otherwise available for dividend or distribution by applying such amounts in paying up in full, partly or nil paid shares of those Members who would have been entitled to such amounts if they were distributed by way of dividend or distribution.

MEETINGS OF MEMBERS

19. Annual General Meetings

Subject to an election made by the Company in accordance with the Act to dispense with the holding of annual general meetings, an annual general meeting of the Company shall be held in each year (other than the year of incorporation) in the United Kingdom at such time and place as the President or the Chairman (if any) or any two Directors or any Director and the Secretary or the Board shall appoint.

20. Special General Meetings

The president or the chairman of the Company (if any) or any two Directors or any Director and the Secretary or the Board may convene a special general meeting whenever in their judgment such a meeting is necessary.

21. Requisitioned General Meetings

The Board shall, on the requisition of Members holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up share capital of the Company as at the date of the deposit carries the right to vote at general meetings, forthwith proceed to convene a special general meeting and the provisions of the Act shall apply.

22. Notice

- 22.1 At least five days' notice of an annual general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held, that the election of Directors will take place thereat, and as far as practicable, the other business to be conducted at the meeting.
- 22.2 At least five days' notice of a special general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, time, place and the general nature of the business to be considered at the meeting.
- 22.3 The Board may fix any date as the record date for determining the Members entitled to receive notice of and to vote at any general meeting.
- 22.4 A general meeting shall, notwithstanding that it is called on shorter notice than that specified in these Bye-laws, be deemed to have been properly called if it is so agreed by

(i) all the Members entitled to attend and vote thereat in the case of an annual general meeting; and (ii) by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving a right to attend and vote thereat in the case of a special general meeting.

22.5 The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

23. Giving Notice and Access

23.1 A notice may be given by the Company to a Member:

- (a) by delivering it to such Member in person, in which case the notice shall be deemed to have been served upon such delivery; or
- (b) by sending it by post to such Member's address in the Register of Members, in which case the notice shall be deemed to have been served seven days after the date on which it is deposited, with postage prepaid, in the mail; or
- (c) by sending it by courier to such Member's address in the Register of Members, in which case the notice shall be deemed to have been served two days after the date on which it is deposited, with courier fees paid, with the courier service; or
- (d) by transmitting it by electronic means (including facsimile and electronic mail, but not telephone) in accordance with such directions as may be given by such Member to the Company for such purpose, in which case the notice shall be deemed to have been served at the time that it would in the ordinary course be transmitted; or
- (e) by delivering it in accordance with the provisions of the Act pertaining to delivery of electronic records by publication on a website, in which case the notice shall be deemed to have been served at the time when the requirements of the Act in that regard have been met.

23.2 Any notice required to be given to a Member shall, with respect to any shares held jointly by two or more persons, be given to whichever of such persons is named first in the Register of Members and notice so given shall be sufficient notice to all the holders of such shares.

23.3 In proving service under paragraphs 23.1(b), (c) and (d), it shall be sufficient to prove that the notice was properly addressed and prepaid, if posted or sent by courier, and the time when it was posted, deposited with the courier, or transmitted by electronic means.

24. Postponement of General Meeting

The Secretary may postpone any general meeting called in accordance with these Bye-laws (other than a meeting requisitioned under these Bye-laws) provided that notice of postponement is given to the Members before the time for such meeting. Fresh notice of the date, time and place for the postponed meeting shall be given to each Member in accordance with these Bye-laws.

25. Electronic Participation in Meetings

Members may participate in any general meeting by such telephonic, electronic or other communication facilities or means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

26. Quorum at General Meetings

26.1 At any general meeting two or more persons present in person and representing in person or by proxy in excess of 50% of the total issued voting shares in the Company throughout the meeting shall form a quorum for the transaction of business, provided that if the Company shall at any time have only one Member, one Member present in person or by proxy shall form a quorum for the transaction of business at any general meeting held during such time.

26.2 If within half an hour from the time appointed for the meeting a quorum is not present, then, in the case of a meeting convened on a requisition, the meeting shall be deemed cancelled and, in any other case, the meeting shall stand adjourned to the same day one week later, at the same time and place or to such other day, time or place as the Secretary may determine. Unless the meeting is adjourned to a specific date, time and place announced at the meeting being adjourned, fresh notice of the resumption of the meeting shall be given to each Member entitled to attend and vote thereat in accordance with these Bye-laws.

27. Chairman to Preside at General Meetings

Unless otherwise agreed by a majority of those attending and entitled to vote thereat, the chairman or the president of the Company, if there be one, shall act as chairman of the meeting at all general meetings at which such person is present. In their absence a chairman of the meeting shall be appointed or elected by those present at the meeting and entitled to vote.

28. Voting on Resolutions

28.1 Subject to the Act and these Bye-laws, any question proposed for the consideration of the Members at any general meeting shall be decided by the affirmative votes of a

majority of the votes cast in accordance with these Bye-laws and in the case of an equality of votes the resolution shall fail.

- 28.2 No Member shall be entitled to vote at a general meeting unless such Member has paid all the calls on all shares held by such Member.
- 28.3 At any general meeting a resolution put to the vote of the meeting shall, in the first instance, be voted upon by a show of hands and, subject to any rights or restrictions for the time being lawfully attached to any class of shares and subject to these Bye-laws, every Member present in person and every person holding a valid proxy at such meeting shall be entitled to one vote and shall cast such vote by raising his hand.
- 28.4 In the event that a Member participates in a general meeting by telephone, electronic or other communication facilities or means, the chairman of the meeting shall direct the manner in which such Member may cast his vote on a show of hands.
- 28.5 At any general meeting if an amendment is proposed to any resolution under consideration and the chairman of the meeting rules on whether or not the proposed amendment is out of order, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.
- 28.6 At any general meeting a declaration by the chairman of the meeting that a question proposed for consideration has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in a book containing the minutes of the proceedings of the Company shall, subject to these Bye-laws, be conclusive evidence of that fact.

29. Power to Demand a Vote on a Poll

- 29.1 Notwithstanding the foregoing, a poll may be demanded by any of the following persons:
- (a) the chairman of such meeting; or
 - (b) at least three Members present in person or represented by proxy; or
 - (c) any Member or Members present in person or represented by proxy and holding between them not less than one-tenth of the total voting rights of all the Members having the right to vote at such meeting; or
 - (d) any Member or Members present in person or represented by proxy holding shares in the Company conferring the right to vote at such meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total amount paid up on all such shares conferring such right.

- 29.2 Where a poll is demanded, subject to any rights or restrictions for the time being lawfully attached to any class of shares, every person present at such meeting shall have one vote for each share of which such person is the holder or for which such person holds a proxy and such vote shall be counted by ballot as described herein, or in the case of a general meeting at which one or more Members are present by telephone, electronic or other communication facilities or means, in such manner as the chairman of the meeting may direct and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded and shall replace any previous resolution upon the same matter which has been the subject of a show of hands. A person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
- 29.3 A poll demanded for the purpose of electing a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and in such manner during such meeting as the chairman (or acting chairman) of the meeting may direct. Any business other than that upon which a poll has been demanded may be conducted pending the taking of the poll.
- 29.4 Where a vote is taken by poll, each person physically present and entitled to vote shall be furnished with a ballot paper on which such person shall record his vote in such manner as shall be determined at the meeting having regard to the nature of the question on which the vote is taken, and each ballot paper shall be signed or initialled or otherwise marked so as to identify the voter and the registered holder in the case of a proxy. Each person present by telephone, electronic or other communication facilities or means shall cast his vote in such manner as the chairman of the meeting shall direct. At the conclusion of the poll, the ballot papers and votes cast in accordance with such directions shall be examined and counted by a committee of not less than two Members or proxy holders appointed by the chairman of the meeting for the purpose and the result of the poll shall be declared by the chairman of the meeting.

30. Voting by Joint Holders of Shares

In the case of joint holders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.

31. Instrument of Proxy

- 31.1 An instrument appointing a proxy shall be in writing in substantially the following form or such other form as the chairman of the meeting shall accept:

Proxy
[Name of Company] (the "Company")

I/We, [insert names here], being a Member of the Company with [number] shares, HEREBY APPOINT [name] of [address] or failing him, [name] of [address] to be my/our proxy to vote for me/us at the meeting of the Members to be held on [date] and at any adjournment thereof. [Any restrictions on voting to be inserted here.]

Signed this [date]

Member(s)

- 31.2 The instrument appointing a proxy must be received by the Company at the registered office or at such other place or in such manner as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting at which the person named in the instrument appointing a proxy proposes to vote, and an instrument appointing a proxy which is not received in the manner so prescribed shall be invalid.
- 31.3 A Member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf in respect of different shares.
- 31.4 The decision of the chairman of any general meeting as to the validity of any appointment of a proxy shall be final.

32. Representation of Corporate Member

- 32.1 A corporation which is a Member may, by written instrument, authorise such person or persons as it thinks fit to act as its representative at any meeting and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation which such person represents as that corporation could exercise if it were an individual Member, and that Member shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.
- 32.2 Notwithstanding the foregoing, the chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at general meetings on behalf of a corporation which is a Member.

33. Adjournment of General Meeting

The chairman of a general meeting may, with the consent of the Members at any general meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the

meeting. Unless the meeting is adjourned to a specific date, place and time announced at the meeting being adjourned, fresh notice of the date, place and time for the resumption of the adjourned meeting shall be given to each Member entitled to attend and vote thereat in accordance with these Bye-laws.

34. Written Resolutions

- 34.1 Subject to these Bye-laws, anything which may be done by resolution of the Company in general meeting or by resolution of a meeting of any class of the Members may be done without a meeting by written resolution in accordance with this Bye-law.
- 34.2 Notice of a written resolution shall be given, and a copy of the resolution shall be circulated to all Members who would be entitled to attend a meeting and vote thereon. The accidental omission to give notice to, or the non-receipt of a notice by, any Member does not invalidate the passing of a resolution.
- 34.3 A written resolution is passed when it is signed by (or in the case of a Member that is a corporation, on behalf of) the Members who at the date that the notice is given represent such majority of votes as would be required if the resolution was voted on at a meeting of Members at which all Members entitled to attend and vote thereat were present and voting.
- 34.4 A resolution in writing may be signed in any number of counterparts.
- 34.5 A resolution in writing made in accordance with this Bye-law is as valid as if it had been passed by the Company in general meeting or by a meeting of the relevant class of Members, as the case may be, and any reference in any Bye-law to a meeting at which a resolution is passed or to Members voting in favour of a resolution shall be construed accordingly.
- 34.6 A resolution in writing made in accordance with this Bye-law shall constitute minutes for the purposes of the Act.
- 34.7 This Bye-law shall not apply to:
- (a) a resolution passed to remove an Auditor from office before the expiration of his term of office; or
 - (b) a resolution passed for the purpose of removing a Director before the expiration of his term of office.
- 34.8 For the purposes of this Bye-law, the effective date of the resolution is the date when the resolution is signed by (or in the case of a Member that is a corporation, on behalf of) the last Member whose signature results in the necessary voting majority being

achieved and any reference in any Bye-law to the date of passing of a resolution is, in relation to a resolution made in accordance with this Bye-law, a reference to such date.

35. Directors Attendance at General Meetings

The Directors shall be entitled to receive notice of, attend and be heard at any general meeting.

DIRECTORS AND OFFICERS

36. Election of Directors

36.1 The Board shall be elected or appointed in the first place at the statutory meeting of the Company and thereafter, except in the case of a casual vacancy, at the annual general meeting or at any special general meeting called for that purpose.

36.2 At any general meeting the Members may authorise the Board to fill any vacancy in their number left unfilled at a general meeting.

37. Number of Directors

The Board shall consist of not less than one Director or such number in excess thereof as the Members may determine.

38. Term of Office of Directors

Directors shall hold office for such term as the Members may determine or, in the absence of such determination, until the next annual general meeting or until their successors are elected or appointed or their office is otherwise vacated.

39. Alternate Directors

39.1 At any general meeting, the Members may elect a person or persons to act as a Director in the alternative to any one or more Directors or may authorise the Board to appoint such Alternate Directors.

39.2 Unless the Members otherwise resolve, any Director may appoint a person or persons to act as a Director in the alternative to himself by notice deposited with the Secretary.

39.3 Any person elected or appointed pursuant to this Bye-law shall have all the rights and powers of the Director or Directors for whom such person is elected or appointed in the alternative, provided that such person shall not be counted more than once in determining whether or not a quorum is present.

39.4 An Alternate Director shall be entitled to receive notice of all Board meetings and to attend and vote at any such meeting at which a Director for whom such Alternate Director was appointed in the alternative is not personally present and generally to

perform at such meeting all the functions of such Director for whom such Alternate Director was appointed.

39.5 An Alternate Director's office shall terminate –

- (a) in the case of an alternate elected by the Members:
 - (i) on the occurrence in relation to the Alternate Director of any event which, if it occurred in relation to the Director for whom he was elected to act, would result in the termination of that Director; or
 - (ii) if the Director for whom he was elected in the alternative ceases for any reason to be a Director, provided that the alternate removed in these circumstances may be re-appointed by the Board as an alternate to the person appointed to fill the vacancy; and
- (b) in the case of an alternate appointed by a Director:
 - (i) on the occurrence in relation to the Alternate Director of any event which, if it occurred in relation to his appointor, would result in the termination of the appointor's directorship; or
 - (ii) when the Alternate Director's appointor revokes the appointment by notice to the Company in writing specifying when the appointment is to terminate; or
 - (iii) if the Alternate Director's appointor ceases for any reason to be a Director.

40. Removal of Directors

40.1 Subject to any provision to the contrary in these Bye-laws, the Members entitled to vote for the election of Directors may, at any special general meeting convened and held in accordance with these Bye-laws, remove a Director provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director not less than 14 days before the meeting and at such meeting the Director shall be entitled to be heard on the motion for such Director's removal.

40.2 If a Director is removed from the Board under this Bye-law the Members may fill the vacancy at the meeting at which such Director is removed. In the absence of such election or appointment, the Board may fill the vacancy.

41. Vacancy in the Office of Director

41.1 The office of Director shall be vacated if the Director:

- (a) is removed from office pursuant to these Bye-laws or is prohibited from being a Director by law;
- (b) is or becomes bankrupt, or makes any arrangement or composition with his creditors generally;
- (c) is or becomes of unsound mind or dies; or
- (d) resigns his office by notice to the Company.

41.2 The Board shall have the power to appoint any person as a Director to fill a vacancy on the Board occurring as a result of the death, disability, disqualification or resignation of any Director and to appoint an Alternate Director to any Director so appointed.

42. Remuneration of Directors

The remuneration (if any) of the Directors shall be determined by the Company in general meeting and shall be deemed to accrue from day to day. The Directors may also be paid all travel, hotel and other expenses properly incurred by them (or in the case of a director that is a corporation, by its representative or representatives) in attending and returning from the Board meetings, any committee appointed by the Board, general meetings, or in connection with the business of the Company or their duties as Directors generally.

43. Defect in Appointment

All acts done in good faith by the Board, any Director, a member of a committee appointed by the Board, any person to whom the Board may have delegated any of its powers, or any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or person acting as aforesaid, or that he was, or any of them were, disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director or act in the relevant capacity.

44. Directors to Manage Business

The business of the Company shall be managed and conducted by the Board in the United Kingdom. In managing the business of the Company, the Board may exercise all such powers of the Company as are not, by the Act or by these Bye-laws, required to be exercised by the Company in general meeting.

45. Powers of the Board of Directors

The Board may:

- (a) appoint, suspend, or remove any manager, secretary, clerk, agent or employee of the Company and may fix their remuneration and determine their duties;
- (b) exercise all the powers of the Company to borrow money and to mortgage or charge or otherwise grant a security interest in its undertaking, property and uncalled capital, or any part thereof, and may issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party;
- (c) appoint one or more Directors to the office of managing director or chief executive officer of the Company, who shall, subject to the control of the Board, supervise and administer all of the general business and affairs of the Company;
- (d) appoint a person to act as manager of the Company's day-to-day business and may entrust to and confer upon such manager such powers and duties as it deems appropriate for the transaction or conduct of such business;
- (e) by power of attorney, appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be an attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such period and subject to such conditions as it may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions so vested in the attorney;
- (f) procure that the Company pays all expenses incurred in promoting and incorporating the Company;
- (g) delegate any of its powers (including the power to sub-delegate) to a committee of one or more persons appointed by the Board which may consist partly or entirely of non-Directors, provided that every such committee shall conform to such directions as the Board shall impose on them and provided further that the meetings and proceedings of any such committee shall be governed by the provisions of these Bye-laws regulating the meetings and proceedings of the Board, so far as the same are applicable and are not superseded by directions imposed by the Board;
- (h) delegate any of its powers (including the power to sub-delegate) to any person on such terms and in such manner as the Board may see fit;

- (i) present any petition and make any application in connection with the liquidation or reorganisation of the Company;
- (j) in connection with the issue of any share, pay such commission and brokerage as may be permitted by law; authorise any company, firm, person or body of persons to act on behalf of the Company for any specific purpose and in connection therewith to execute any deed, agreement, document or instrument on behalf of the Company; and
- (k) notwithstanding any other powers of the Directors, any Director of the Company, acting singly or the Secretary upon receipt of the written confirmation of any one Director, be and is hereby authorised to approve, execute and deliver a power of attorney on behalf of the Company in such form and with such terms as such Director may in their unfettered discretion determine, (such determination to be conclusively evidenced by such Director's execution or written confirmation thereof), including under the common seal of the Company (if appropriate) for the purposes of authorising any one or more individuals to sign on behalf of the Company acting as shareholder of any of its subsidiaries.

46. Register of Directors and Officers

The Board shall cause to be kept in one or more books at the registered office of the Company a Register of Directors and Officers and shall enter therein the particulars required by the Act.

47. Appointment of Officers

The Board may appoint such Officers (who may or may not be Directors) as the Board may determine for such terms as the Board deems fit.

48. Appointment of Secretary

The Secretary shall be appointed by the Board from time to time for such term as the Board deems fit.

49. Duties of Officers

The Officers shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Board from time to time.

50. Remuneration of Officers

The Officers shall receive such remuneration as the Board may determine.

51. Conflicts of Interest

- 51.1 Any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in any capacity for, be employed by or render services to the Company on such terms, including with respect to remuneration, as may be agreed between the parties. Nothing herein contained shall authorise a Director or a Director's firm, partner or company to act as Auditor to the Company.
- 51.2 A Director who is directly or indirectly interested in a contract or proposed contract with the Company (an "Interested Director") shall declare the nature of such interest as required by the Act.
- 51.3 An Interested Director who has complied with the requirements of the foregoing By-law may:
- (a) vote in respect of such contract or proposed contract; and/or
 - (b) be counted in the quorum for the meeting at which the contract or proposed contract is to be voted on,

and no such contract or proposed contract shall be void or voidable by reason only that the Interested Director voted on it or was counted in the quorum of the relevant meeting and the Interested Director shall not be liable to account to the Company for any profit realised thereby.

52. Indemnification and Exculpation of Directors and Officers

- 52.1 The Directors, Resident Representative, Secretary and other Officers (such term to include any person appointed to any committee by the Board) acting in relation to any of the affairs of the Company or any subsidiary thereof and the liquidator or trustees (if any) acting in relation to any of the affairs of the Company or any subsidiary thereof and every one of them (whether for the time being or formerly), and their heirs, executors and administrators (each of which an "indemnified party"), shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and no indemnified party shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any monies or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any monies of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of

their respective offices or trusts, or in relation thereto, PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty in relation to the Company which may attach to any of the indemnified parties. Each Member agrees to waive any claim or right of action such Member might have, whether individually or by or in the right of the Company, against any Director or Officer on account of any action taken by such Director or Officer, or the failure of such Director or Officer to take any action in the performance of his duties with or for the Company or any subsidiary thereof, PROVIDED THAT such waiver shall not extend to any matter in respect of any fraud or dishonesty in relation to the Company which may attach to such Director or Officer.

- 52.2 The Company may purchase and maintain insurance for the benefit of any Director or Officer against any liability incurred by him under the Act in his capacity as a Director or Officer or indemnifying such Director or Officer in respect of any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the Director or Officer may be guilty in relation to the Company or any subsidiary thereof.
- 52.3 The Company may advance monies to a Director or Officer for the costs, charges and expenses incurred by the Director or Officer in defending any civil or criminal proceedings against him, on condition that the Director or Officer shall repay the advance if any allegation of fraud or dishonesty in relation to the Company is proved against him.

MEETINGS OF THE BOARD OF DIRECTORS

53. Board Meetings

- 53.1 All meetings of the Board shall be held in the United Kingdom.
- 53.2 Subject to Bye-law 53.1, the Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit. Subject to these Bye-laws, a resolution put to the vote at a meeting of the Board shall be carried by the affirmative votes of a majority of the votes cast and in the case of an equality of votes the resolution shall fail.

54. Notice of Board Meetings

A Director may, and the Secretary on the requisition of a Director shall, at any time summon a Board meeting. Notice of a Board meeting shall be deemed to be duly given to a Director if it is given to such Director verbally (including in person or by telephone) or otherwise communicated or sent to such Director by post, electronic means or other mode of representing words in a visible form at such Director's last known address or in accordance with any other instructions given by such Director to the Company for this purpose.

55. Electronic Participation in Meetings

55.1 Subject to Bye-law 55.2, Directors may participate in any meeting by such telephonic, electronic or other communication facilities or means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

55.2 Any meeting of the Board held by means of telephone, electronic or other communication facilities shall be initiated from the United Kingdom.

56. Representation of Corporate Director

56.1 A Director which is a corporation may, by written instrument, authorise such person or persons as it thinks fit to act as its representative at any meeting and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation which such person represents as that corporation could exercise if it were an individual Director, and that Director shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.

56.2 Notwithstanding the foregoing, the chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at Board meetings on behalf of a corporation which is a Director.

57. Quorum at Board Meetings

The quorum necessary for the transaction of business at a meeting of the Board shall be the majority of the Directors in office, and the majority of Directors present at a meeting of the Board must be individuals who are resident in the United Kingdom.

58. Board to Continue in the Event of Vacancy

The Board may act notwithstanding any vacancy in its number but, if and so long as its number is reduced below the number fixed by these Bye-laws as the quorum necessary for the transaction of business at Board meetings, the continuing Directors or Director may act for the purpose of (i) summoning a general meeting; or (ii) preserving the assets of the Company.

59. Chairman to Preside

Unless otherwise agreed by a majority of the Directors attending, the chairman or the president of the Company, if there be one, shall act as chairman of the meeting at all Board meetings at which such person is present. In their absence a chairman of the meeting shall be appointed or elected by the Directors present at the meeting.

60. Written Resolutions

A resolution signed by (or in the case of a Director that is a corporation, on behalf of) all the Directors, which may be in counterparts, shall be as valid as if it had been passed at a Board meeting duly called and constituted, such resolution to be effective on the date on which the resolution is signed by (or in the case of a Director that is a corporation, on behalf of) the last Director. For the purposes of this Bye-law only, "the Directors" shall not include an Alternate Director.

61. Validity of Prior Acts of the Board

No regulation or alteration to these Bye-laws made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation or alteration had not been made.

CORPORATE RECORDS

62. Minutes

The Board shall cause minutes to be duly entered in books provided for the purpose:

- (a) of all elections and appointments of Officers;
- (b) of the names of the Directors present at each Board meeting and of any committee appointed by the Board; and
- (c) of all resolutions and proceedings of general meetings of the Members, Board meetings, meetings of managers and meetings of committees appointed by the Board.

63. Place Where Corporate Records Kept

Minutes prepared in accordance with the Act and these Bye-laws shall be kept by the Secretary at the registered office of the Company.

64. Form and Use of Seal

64.1 The Company may adopt a seal in such form as the Board may determine. The Board may adopt one or more duplicate seals for use in or outside Bermuda.

64.2 A seal may, but need not, be affixed to any deed, instrument or document, and if the seal is to be affixed thereto, it shall be attested by the signature of (i) any Director, or (ii) any Officer, or (iii) the Secretary, or (iv) any person authorised by the Board for that purpose.

- 64.3 A Resident Representative may, but need not, affix the seal of the Company to certify the authenticity of any copies of documents.

ACCOUNTS

65. Records of Account

- 65.1 The Board shall cause to be kept proper records of account with respect to all transactions of the Company and in particular with respect to:
- (a) all amounts of money received and expended by the Company and the matters in respect of which the receipt and expenditure relates;
 - (b) all sales and purchases of goods by the Company; and
 - (c) all assets and liabilities of the Company.
- 65.2 Such records of account shall be kept at the registered office of the Company or, subject to the Act, at such other place as the Board thinks fit and shall be available for inspection by the Directors during normal business hours.
- 65.3 Such records of account shall be retained for a minimum period of five years from the date on which they are prepared.

66. Financial Year End

The financial year end of the Company may be determined by resolution of the Board and failing such resolution shall be 31st December in each year.

AUDITS

67. Annual Audit

Subject to any rights to waive laying of accounts or appointment of an Auditor pursuant to the Act, the accounts of the Company shall be audited at least once in every year.

68. Appointment of Auditor

- 68.1 Subject to the Act, the Members shall appoint an auditor to the Company to hold office for such term as the Members deem fit or until a successor is appointed.
- 68.2 The Auditor may be a Member but no Director, Officer or employee of the Company shall, during his continuance in office, be eligible to act as an Auditor of the Company.

69. Remuneration of Auditor

- 69.1 The remuneration of an Auditor appointed by the Members shall be fixed by the Company in general meeting or in such manner as the Members may determine.
- 69.2 The remuneration of an Auditor appointed by the Board to fill a casual vacancy in accordance with these Bye-laws shall be fixed by the Board.

70. Duties of Auditor

- 70.1 The financial statements provided for by these Bye-laws shall be audited by the Auditor in accordance with generally accepted auditing standards. The Auditor shall make a written report thereon in accordance with generally accepted auditing standards.
- 70.2 The generally accepted auditing standards referred to in this Bye-law may be those of a country or jurisdiction other than Bermuda or such other generally accepted auditing standards as may be provided for in the Act. If so, the financial statements and the report of the Auditor shall identify the generally accepted auditing standards used.

71. Access to Records

The Auditor shall at all reasonable times have access to all books kept by the Company and to all accounts and vouchers relating thereto, and the Auditor may call on the Directors or Officers for any information in their possession relating to the books or affairs of the Company.

72. Financial Statements and the Auditor's Report

- 72.1 Subject to the following bye-law, the financial statements and/or the auditor's report as required by the Act shall
- (a) be laid before the Members at the annual general meeting; or
 - (b) be received, accepted, adopted, approved or otherwise acknowledged by the Members by written resolution passed in accordance with these Bye-laws; or
 - (c) in circumstances where the Company has elected to dispense with the holding of an annual general meeting, be made available to the Members in accordance with the Act in such manner as the Board shall determine.
- 72.2 If all Members and Directors shall agree, either in writing or at a meeting, that in respect of a particular interval no financial statements and/or auditor's report thereon need be made available to the Members, and/or that no auditor shall be appointed then there shall be no obligation on the Company to do so.

73. Vacancy in the Office of Auditor

The Board may fill any casual vacancy in the office of the auditor.

VOLUNTARY WINDING-UP AND DISSOLUTION

74. Winding-Up

If the Company shall be wound up the liquidator may, with the sanction of a resolution of the Members, divide amongst the Members in specie or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in the trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, but so that no Member shall be compelled to accept any shares or other securities or assets whereon there is any liability.

CHANGES TO CONSTITUTION

75. Changes to Bye-laws

No Bye-law may be rescinded, altered or amended and no new Bye-law may be made save in accordance with the Act and until the same has been approved by a resolution of the Board and by a resolution of the Members.

76. Changes to the Memorandum of Association

No alteration or amendment to the Memorandum of Association may be made save in accordance with the Act and until same has been approved by a resolution of the Board and by a resolution of the Members.

77. Discontinuance

The Board may exercise all the powers of the Company to discontinue the Company to a jurisdiction outside Bermuda pursuant to the Act.

APPENDIX J

FINANCIAL STATEMENT OF ODFJELL PLATFORM DRILLING AS 2019

Årsrapport 2019

Odfjell Platform Drilling AS

Org.nr. 918 646 175

Signers:

Name	Method	Date
Glenjen, Frederik	BANKID_MOBILE	2020-04-17 12:14 GMT+2
Olsen, Bengt Alvar	BANKID	2020-04-17 12:27 GMT+2
Hereid, Harald Asle	BANKID	2020-04-17 12:29 GMT+2
Haram, Elisabeth Cecilie	BANKID_MOBILE	2020-04-17 13:08 GMT+2
Leif Helge Eikeseth	BANKID_MOBILE	2020-04-17 13:22 GMT+2
Knoph, Jarle	BANKID_MOBILE	2020-04-17 13:36 GMT+2
Myre, Janike Amundsen	BANKID_MOBILE	2020-04-17 13:37 GMT+2
Fotland, Kari Elisabeth	BANKID_MOBILE	2020-04-17 20:41 GMT+2
Atle Saeboe	One-Time-Password	2020-04-20 20:41 GMT+2
Lieungh, Simen	BANKID_MOBILE	2020-04-21 15:17 GMT+2

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Årsregnskap 2019

Odfjell Platform Drilling AS

Org.nr. 918 646 175



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Årsberetning 2019

Odfjell Platform Drilling AS

Virksomhetens art og tilholdssted

Odfjell Plattform Drilling AS er lokalisert i Bergen. Selskapet inngår i konsernet Odfjell Drilling Ltd. som driver internasjonal virksomhet innenfor drilling, plattformboring, brønnservice og ingeniørtjenester.

Odfjell Plattform Drilling AS yter tjenester innenfor forretningsstøtte, konsulentvirksomhet og er juridisk ansettelsesselskap for landansatte tilknyttet plattformboring.

Fortsatt drift

Årsberetningen og fremlagte årsregnskap for Odfjell Plattform Drilling AS er utarbeidet under forutsetning om fortsatt drift.

I samsvar med regnskapsloven § 3-3a bekreftes det at forutsetningene om fortsatt drift er til stede. Det er etter styrets vurdering ikke knyttet usikkerhet til den fortsatte driften av selskapet.

Forventet markedsutvikling

Som del av Odfjell Drilling Ltd. konsernet vil også Odfjell Plattform Drilling AS være påvirket av den krevende perioden som olje- og gassindustrien har vært inne i, som følge av fall i oljepris og etterspørsel etter boretjenester fra oljeselskapene. Odfjell Drilling Ltd. konsernet har gjennomført og iverksatt flere kostnadsreduksjonstiltak og effektiviseringsprogram for å effektivisere drift og redusere kostnader så mye som mulig. Det har imidlertid vært økt aktivitet i markedet gjennom 2019, og forventet markedsutvikling er fortsatt stigende.

Det vil alltid knyttes usikkerhet til vurdering av fremtidige markedsforhold. Det settes sterkt fokus på å sikre høy kvalitet og sikkerhet i de tjenestene som utføres for selskapets kunder.

Gitt det nylige utbruddet av Coronavirus sykdom (COVID-19) er det ekstremt vanskelig å gjøre anslag på videre utvikling av pandemien og konsekvenser av denne. Krisesituasjonen i kombinasjon med pågående oljepriskrig har ført til betydelige implikasjoner for den globale økonomien som har resultert i sterk nedgang i oljepris, så vel som aksjemarkedene i løpet av første halvdel av mars. Konsekvensene har også nådd oljeservicebransjen da de fleste segmenter forventer å lide av redusert aktivitet. Selv om det fremdeles er for tidlig å måle den fulle økonomiske effekten av Coronavirus, er det klart at vi vil måtte kjempe med denne nye epidemien i noen tid fremover, og på kort sikt vil vi sannsynligvis se et fall i etterspørsel og dagrater. Dette vil igjen kunne medføre reduksjon i inntekter og likviditet. Aktuell ordresreserve og ingen signaler fra kunde om bruk av force majeure klausuler, gjør sitt til at selskapet i begrenset grad vurderes eksponert for bortfall av inntekter.

Som et svar på utbruddet lanserer en rekke regjeringer og sentralbanker programmer for å yte bistand til krevende industrier og befolkninger. Disse programmene og ytterligere assistanse som sannsynligvis kommer, vil bidra til å stabilisere markedene. Selskapet og konsernet har utarbeidet



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konkrete aksjonsplaner for å sikre videreførte operasjoner, derigjennom nødvendig likviditet og grunnlag for fortsatt drift gitt denne situasjonen.

Resultat, investeringer, finansiering og likviditet

Årsresultatet for Odfjell Plattform Drilling AS viser et overskudd på MNOK 99,2 for 2019 sammenlignet med et underskudd på MNOK 8,0 i 2018. Driftsresultatet for 2019 var underskudd på MNOK 7,8 som tilsvarte underskuddet i 2018.

Ved utgangen av 2019 hadde selskapet en total kapital på MNOK 255,3. Egenkapital var på MNOK 239,44 og utgjorde 94 % pr 31.12.19. For 2018 var total kapital MNOK 157,4 og egenkapital på MNOK 143,6 utgjorde 91 %.

Selskapets kortsiktige gjeld ved utgangen av 2019 var MNOK 15,6 mot MNOK 13,7 i 2018.

Samlet kontantstrøm fra operasjonelle aktiviteter for selskapet i 2019 var MNOK 109,6 mot negativ MNOK 1,1 i 2018. Avvik mot driftsresultat skyldes i all hovedsak mottatt utbytte fra datterselskapet Odfjell Drilling (UK) Ltd., på MNOK 107,7, samt ordinære avskrivninger. Kontantstrøm fra investeringsaktiviteter var i 2019 var MNOK 0,0, tilsvarende for 2018. Kontantstrøm fra finansieringsaktiviteter var i 2019 negativ med MNOK 3,7, som er knyttet til endring i trekk konsernkontoordning samt utbetalt konserbidrag, mot positivt MNOK 2,2 i 2018.

Selskapets evne til egenfinansiering er tilknyttet eierskap i datterselskaper. Begge datterselskaper leverte positive resultater for 2019.

Selskapets finansielle stilling anses som tilfredsstillende pr 31.12.2019. Styret er ikke kjent med at det har inntrådt forhold etter regnskapsårets slutt som er av betydning for bedømmelsen av selskapets og selskapets stilling, annet enn det som er omtalt under avsnittet «Forventet markedsutvikling».

Finansiell risiko

Markedsrisiko

Selskapet vurderes til å ha en begrenset valutarisiko da størsteparten av både inntekter og kostnader er i NOK. Risiko er knyttet til endringer i valutakursene på den delen av selskapets fordringer som er i utenlandsk valuta (GBP) samt valutaregulering av bankkonti. Selskapet har således en naturlig sikring, som tilsier at det ikke foreligger noen vesentlig driftstilknyttet markedsrisiko.

Kreditrisiko

Selskapet leverer tjenester til offshore olje- og gassindustri og virksomhetens kunder består i hovedsak av interne konsernselskaper, hvor kreditrisiko er indirekte knyttet til konsernselskapenes kunder. I all hovedsak er disse kundene store oljeselskaper med tilfredsstillende likviditet. Selv om markedsutsiktene i bransjen ikke er på et historisk godt nivå, vurderes ikke dette å være en faktor som påvirker kreditrisiko på kort og mellomlang sikt. Kreditrisiko vurderes dermed å være lav.

Likviditetsrisiko

Selskapet har likviditetsrisiko knyttet til eventuelt bortfall av inntekter. Siden kunder i hovedsak består av interne konsernselskaper reflekteres risikoen fra Odfjell Drilling Ltd. konsernet (konsernet) inn i selskapet. Konsernet har i 2018 og 2019 sikret nye borekontrakter for flere av sine borerigger som vil generere likviditet og inntjening de nærmeste årene.

Se også omtale under avsnittet «Forventet markedsutvikling».



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Arbeidsmiljø og personale

Selskapets visjon, verdier, bedriftskultur og krav til ledere er beskrevet i konsernets styrende dokumentasjon. Dokumentene skal fremstå som et grunnleggende felleseie for alle ansatte - ledere som medarbeidere - i selskapet og gi alle medarbeidere den identitet og det verdigrunnlag som skal kjennetegne Odfjell Plattform Drilling AS.

Selskapet er en kompetanseintensiv virksomhet som er avhengig av et høyt nivå av ekspertise og teknologisk kunnskap blant sine ansatte. Virksomheten tilbyr omfattende opplæring for å sikre kontinuerlig oppdatering av kunnskap, kompetanseheving og karriereutvikling for ansatte.

Antall ansatte ved utgangen av 2019 var 27 mot 25 i 2018, med en turnover på 3,9 % i 2019. Det har ikke vært skader og ulykker i 2019.

Sykefravær

Totalt sykefravær for selskapet i 2019 var 2,5 %. Oppfølging og forebygging av sykefraværet har hatt høy fokus i 2019 og vil ha det videre i 2020. Konsernet har etablert bedriftshelsetjeneste og selskapet følger opp sykemeldt personell etter de prinsipper som ligger til grunn for et inkluderende arbeidsliv.

Det er i konsernet etablert både verneombud og arbeidsmiljøutvalg med tilrettelagt opplæring for de valgte personer. Videre har konsernet eget sosial- og attføringsutvalg og AKAN utvalg.

Arbeidsmiljø:

Arbeidsmiljøet i Odfjell Plattform Drilling AS anses for å være bra, noe som avdekkes gjennom jevnlig organisasjon- og arbeidsmiljøundersøkelser for ansatte i selskapet. Gjennom undersøkelsene får selskapet verdifull informasjon om hvordan ansatte opplever arbeidsoppgaver, arbeidsprosesser, arbeidsmengde, sosialt samspill og ledelse. Den gir også informasjon om hva som krever ytterlig fokus og virkninger av forbedringstiltak. Det er et viktig verktøy for å fremme og videreutvikle et godt arbeidsmiljø.

Diskriminering og likestilling

Selskapet har krav til at all aktivitet skal gjennomføres i tråd med gjeldende lovgivning nasjonalt og internasjonalt, og i henhold til selskapets etiske retningslinjer. Diskrimineringsloven inngår som en del av det regelverk som er adoptert av selskapet og innarbeidet i selskapets styrende dokumentasjon for all aktivitet i inn og utland. Selskapets vedtatte personal policy presiserer at Odfjell Drilling konsernet skal rekruttere og utvikle medarbeidere basert på like muligheter og rettigheter uavhengig av etnisk bakgrunn, nasjonal opprinnelse, religion, kjønn, alder, seksuell legning, sivilstand og uførhet.

Konsernet arbeider aktivt, målrettet og planmessig for å unngå diskriminering, både gjennom tilpasning av konsernets styrende dokumentasjon, gjennom opplæring og ulike tiltak. Slike tiltak omfatter blant annet rekruttering, lønns- og arbeidsvilkår, forfremmelse, utviklingsmuligheter og beskyttelse mot trakassering.

Organisasjonsfrihet og retten til kollektive forhandlinger er stadfestet i selskapets styrende dokumentasjon og følges opp kontinuerlig for alle aktiviteter.

Tiltak som er iverksatt for å fremme likestilling, er innlemmet i selskapets policy, der det vektlegges at alle arbeidstakere gis samme mulighet til arbeid og faglig utvikling, og likestilles med hensyn til ansettelse, lønn, opplæring og avansement. Følgelig har bedriften i sin personalpolitikk ivaretatt likestillingsperspektivet ved ansettelser, lønn, forfremmelser og kompetansegivende etter- og videreutdanning m.m.



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Alle parter i bedriften har et felles ansvar for gjennomføring av likestilling og gjennom de etablerte hovedavtaler er det enighet om å legge vekt på tiltak for at kvinner og menn tildeles kvalifiserte oppgaver på lik linje, og at det gis like muligheter for avansement i virksomheten, samt rekruttering av kvinner til lederstillinger på alle nivå. I tillegg bedre fordeling og organisering av arbeidstid slik at det fremmer likestilling. Det arbeides kontinuerlig med å rekruttere flere kvinner til høyere nivåer. Kvinneandelen er 22 % i styret (2 av 9 styremedlemmer).

I Odfjell Platform Drilling AS var kvinneandelen 22 % ved utgangen av 2019.

Helse, miljø og sikkerhet

Selskapets HMS policy er å opprettholde den høyeste sikkerhetsstandard og beskytte helsen til våre arbeidstakere. Selskapet skal arbeide for å redusere negative effekter for ytre miljø og en bærekraftig utvikling.

Odfjell Drilling Ltd. konsernet arbeider kontinuerlig for forbedringsprosesser innenfor helse, miljø og sikkerhet (KHMS) for å forhindre situasjoner som kan få uønskede konsekvenser, og på denne måten oppnå målsetningen om 0 feil. Utvikling innen risikonivået for konsernet har gjennom de siste årene vist en positiv innen HMS. Konsernet har ikke hatt hendelser med høyt potensiale i 2019 og viser en god utvikling innen rapporteringspliktige utslipp til sjø og fallende gjenstander.

Miljørapportering

Selskapet har en gjennomgående «null feil filosofi» relatert til KHMS og uønskede hendelser. Denne filosofien omfatter også potensialet for miljøforurensning. HMS Policy og selskapets styringssystem for miljø, basert på ISO 14000, definerer krav og forventninger for å unngå negativ påvirkning av miljøet. Samtlige forretningsområder i Odfjell Drilling ble sertifisert til ISO-14001, standard for Miljøstyring første kvartal 2014. Odfjell Drilling vil fortsatt fokusere på miljøbevissthet og forvaltning i 2020. Odfjell Drilling har etablert miljøstrategier som støtter opp om selskapets HMS Policy.

Odfjell Drilling jobber også aktivt med bærekraft og ESG-rapportering på konsernnivå. Det vises til årsrapporten for konsernet i denne sammenheng.



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Årets resultat og overføringer

Styret foreslår at følgende disponeringer for 2019:

Avgitt konsernbidrag (etter skatt)	NOK	3 364 140
<u>Overført til annen egenkapital</u>	<u>NOK</u>	<u>95 850 666</u>
Sum disponert	NOK	99 214 806

Bergen, 23. mars 2020

Simen Lieungh
Styreleder

Janike A. Myre
Styremedlem

Atle Sæbø
Styremedlem

Kari E. Fotland
Styremedlem

Bengt A. Olsen
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Jarle Knoph
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Elisabeth Cecilie Haram
Daglig leder



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Odfjell Platform Drilling AS

RESULTATREGNSKAP

Beløp i NOK 1000	Note	2019	2018
DRIFTSINNEKTER			
Driftsinntekter	2, 14	47 800	51 886
DRIFTSKOSTNADER			
Lønnskostnad	3, 14	43 143	47 532
Avskrivninger	7	9 180	9 180
Andre driftskostnader	3, 4	3 315	3 017
Sum andre driftskostnader		55 638	59 729
DRIFTSRESULTAT		(7 838)	(7 843)
FINANSINNEKTER OG FINANSKOSTNADER			
Inntekt på investering i datterselskap	8	107 650	-
Finansinntekter	5	558	227
Finanskostnader	5	(28)	(79)
Netto finansposter		108 180	148
ORDINÆRT RESULTAT FØR SKATTEKOSTNAD		100 342	(7 695)
Skattekostnad på ordinært resultat	6	1 127	337
ÅRSRESULTAT		99 215	(8 031)
Opplysninger om avsetninger til:			
Avsatt til konsernbidrag (etter skatt)	12	3 364	1 137
Avsatt til/overført fra annen egenkapital	12	95 851	(9 169)
Sum disponert		99 215	(8 031)



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Odfjell Platform Drilling AS

EIENDELER

Beløp i NOK 1000	Note	31.12.2019	31.12.2018
ANLEGGSMIDLER			
Immatrielle eiendeler			
Goodwill	7	20 654	29 834
Sum immatrielle eiendeler		20 654	29 834
Finansielle anleggsmidler			
Pensjonsmidler	13	1 373	562
Investeringer i datterselskap	8	113 393	113 393
Sum finansielle anleggsmidler		114 766	113 955
Sum anleggsmidler		135 421	143 790
OMLØPSMIDLER			
Fordringer			
Fordringer på selskap i samme konsern	9	12 694	12 213
Fordring konsernkontoordning Odfjell Drilling Services Ltd	11	105 602	-
Andre kortsiktige fordringer	10	151	198
Sum fordringer		118 447	12 411
Bankinnskudd, kontanter og lignende	11	1 449	1 196
Sum omløpsmidler		119 896	13 607
SUM EIENDELER		255 316	157 397



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Odfjell Platform Drilling AS

EGENKAPITAL OG GJELD

Beløp i NOK 1000	Note	31.12.2019	31.12.2018
EGENKAPITAL			
Innskudd egenkapital			
Aksjekapital	12	1 329	1 329
Annen innskutt egenkapital	12	17 155	17 155
Sum innskutt egenkapital		18 484	18 484
Opptjent egenkapital			
Annen egenkapital	12	220 919	125 069
Sum opptjent egenkapital		220 919	125 069
Sum egenkapital		239 404	143 553
GJELD			
Avsetning for forpliktelser			
Utsatt skatt	6	302	124
Sum avsetning for forpliktelser		302	124
Kortsiktig gjeld			
Leverandørgjeld		159	187
Betalbar skatt	6	0	0
Skyldig offentlige avgifter		2 574	2 595
Gjeld til selskap i samme konsern	9	4 341	1 736
Gjeld konsernkontoordning Odfjell Drilling Services Ltd	11	-	2 239
Annen kortsiktig gjeld	16	8 537	6 963
Sum kortsiktig gjeld		15 611	13 720
Sum gjeld		15 913	13 844
SUM EGENKAPITAL OG GJELD		255 316	157 397

Bergen, 23. mars 2020

Simen Lieungh
styreleder

Atle Sæbø
styremedlem

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Odfjell Platform Drilling AS

KONTANTSTRØMSANALYSE

Beløp i NOK 1000	Note	2019	2018
KONTANTSTRØMMER FRA OPERASJONELLE AKTIVITETER			
Ordinært resultat før skattekostnad		100 342	(7 695)
Ordinære avskrivninger	7	9 180	9 180
Forskjell mellom kostnadsført pensjon og inn-/utbetalinger		(811)	(11)
Endring i varer, kundefordringer og leverandørgjeld		(28)	187
Endring i kortsiktig konsernmellomværende ekskl. konsernbidrag		(712)	(12 133)
Endring i andre tidsavgrensingsposter		1 600	9 398
Netto kontantstrøm fra operasjonelle aktiviteter		109 571	(1 074)
KONTANTSTRØMMER FRA INVESTERINGSAKTIVITETER			
Netto kontantstrømmer fra investeringsaktiviteter		-	-
KONTANTSTRØMMER FRA FINANSIERINGSAKTIVITETER			
Innbetalinger/(utbetalinger) knyttet til trekk på konsernkontoordningen	11	(2 239)	2 239
Utbetalinger av konsernbidrag		(1 477)	-
Netto kontantstrøm fra finansieringsaktiviteter		(3 716)	2 239
Netto endring i likvider i året		105 855	1 165
Konter og kontantekvivalenter per 01.01		1 196	30
Konter og kontantekvivalenter per 31.12		107 051	1 196
⁽¹⁾ Herav innestående på konto som er del av konsernkontoordningen	11	105 602	-

Konter og kontantekvivalenter omfatter konter og bankinnskudd, fordring konsernkontoordning og andre kortsiktige, likvide plasseringer.



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Odfjell Platform Drilling AS
Noter til selskapsregnskap 2019
(alle tall er i hele tusen hvis intet annet er angitt)

Note 1 - Regnskapsprinsipper

Selskapet ble stiftet 16. februar 2017 og driver virksomhet innenfor platformboring, i hovedsak for selskaper i Odfjell Drilling konsern.

Årsregnskapet består av resultatregnskap, balanse, noteopplysninger, kontantstrømpoppstilling og er avlagt i samsvar med regnskapslov og god regnskapskikk i Norge. Norske kroner benyttes som funksjonell og rapporterings valuta i regnskapet.

Selskapet er en del av Odfjell Drilling konsernet. Det ultimate morselskap er Odfjell Drilling Ltd som har forretningskontor i Aberdeen, Scotland.

Konsernregnskapet er tilgjengelig på selskapets hjemmeside www.odfjelldrilling.com

Bruk av estimater

Utarbeidelse av regnskaper i samsvar med regnskapsloven krever bruk av estimater. Videre krever anvendelse av selskapets regnskapsprinsipper at ledelsen må utøve skjønn. Områder som i stor grad inneholder slike skjønnsmessige vurderinger, høy grad av kompleksitet, eller områder hvor forutsetninger og estimater er vesentlige for årsregnskapet, er beskrevet i notene.

Valuta

Transaksjoner i annen valuta som er med i resultatregnskapet er omregnet til norske kroner etter månedlige kurser. Pengeposter i utenlandsk valuta er omregnet til norske kroner ved å benytte balansedagens kurs. Ikke-pengeposter som måles til historisk kurs uttrykt i utenlandsk valuta, omregnes til norske kroner ved å benytte valutakursen på transaksjonstidspunktet. Ikke-pengeposter som måles til virkelig verdi uttrykt i utenlandsk valuta, omregnes til valutakursen fastsatt på balansetidspunktet. Valutakursendringer resultatføres løpende i regnskapsperioden.

Inntektsføring

Selskapets tjenester inntektsføres etter hvert som de leveres.

Periodisering

Inntekter og kostnader periodiseres i den perioden tjenesten er utført.

Skatt

Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt er beregnet med gjeldende skattesats på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt skattemessig underskudd til fremføring ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverseres eller kan reverseres i samme periode er utlignet. Netto utsatt skattefordel balanseføres i den grad det er sannsynlig at denne kan bli nyttegjort. Utsatt skatt beregnes med nominell verdi.

Betalbar skatt og utsatt skatt er regnskapsført direkte mot egenkapitalen i den grad skattepostene relaterer seg til egenkapitaltransaksjoner.

Skatt på avgitt konsernbidrag som føres som økt kostpris på aksjer i datterselskap, og skatt på mottatt konsernbidrag som føres som reduksjon av balanseført beløp på investeringen i datterselskap, føres direkte mot skatt i balansen (mot betalbar skatt hvis konsernbidraget har virkning på betalbar skatt, og mot utsatt skatt hvis konsernbidraget har virkning på utsatt skatt).

Klassifisering og vurdering av balanseposter

Omløpsmidler og kortsiktig gjeld omfatter poster som forfaller til betaling innen ett år etter anskaffelsestidspunktet, samt poster som knytter seg til varekretsløpet. Øvrige poster er klassifisert som anleggsmiddel/langsiktig gjeld.

Omløpsmidler vurderes til laveste av anskaffelseskost og virkelig verdi. Kortsiktig gjeld balanseføres til nominelt beløp på opptakstidspunktet.

Anleggsmidler vurderes til anskaffelseskost, fratrukket av- og nedskrivninger. Langsiktig gjeld balanseføres til nominelt beløp på etableringstidspunktet.

Immateriell eiendeler

Immaterielle eiendeler ervervet separat balanseføres til kost, redusert for eventuell av- og nedskrivning. Immaterielle eiendeler med bestemt økonomisk levetid avskrives over økonomisk levetid og testes for nedskrivning ved indikasjoner på dette. Internt genererte immaterielle eiendeler, med unntak av balanseførte utviklingskostnader, balanseføres ikke, men kostnadsføres løpende. Goodwill testes for verdifall årlig, eller oftere hvis hendelser eller endringer i omstendigheter indikerer et mulig verdifall. Bokført verdi sammenlignes mot gjenvinnbart beløp, som er det høyeste av bruksverdi og virkelig verdi fratrukket salgsutgifter. Eventuelt verdifall innregnes umiddelbart som en kostnad og ikke senere reversert. Ved verdifallstest allokteres goodwill til hver kontantgenererende enhet (KGE), eller grupper av kontantgenererende enheter, der hver enhet eller gruppe av enheter representerer det laveste nivået innenfor foretaket der goodwill blir overvåket for interne styringsformål.

Fordringer

Kundefordringer og andre fordringer er oppført i balansen til pålydende etter fradrag for avsetning til forventet tap. Avsetning til tap gjøres på grunnlag av en individuell vurdering av de enkelte fordringer.



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Note 1 - Regnskapsprinsipper - forts.

Aksjer i datterselskap

Datterselskaper er selskaper der morselskapet har kontroll, og dermed bestemmende innflytelse på enhetens finansielle og operasjonelle strategi, normalt ved å eie mer enn halvparten av den stemmeberettigede kapitalen.

Investering i datterselskap vurderes etter kostmetoden i selskapsregnskapet. Investeringen er vurdert til anskaffelseskost for aksjene med mindre nedskrivning har vært nødvendig. Det er foretatt nedskrivning til virkelig verdi når verdifall skyldes årsaker som ikke kan antas å være forbigående og det må anses nødvendig etter god regnskapskikk. Nedskrivninger er reversert når grunnlaget for nedskrivning ikke lenger er til stede.

Utbytte, konsernbidrag og andre utdelinger fra datterselskap er inntektsført samme år som det er avsatt i givers regnskap. Overstiger utbyttet / konsernbidraget andel av opptjent resultat etter anskaffelsestidspunktet, representerer den overskytende del tilbakebetaling av investert kapital, og utdelingene er fratrukket investeringens verdi i balansen til morselskapet.

Pensjoner

Ytelsesbaserte pensjonsordninger vurderes til nåverdien av de fremtidige pensjonsytelser som regnskapsmessig anses opptjent på balansedagen. Pensjonsmidler vurderes til virkelig verdi.

Endring i ytelsesbaserte pensjonsforpliktelser som skyldes endringer i pensjonsplaner resultatføres med full virkning i regnskapsåret.

Akkumulert virkning av estimatendringer og endringer i finansielle og aktuarielle forutsetninger (aktuarielle gevinster og tap) under 10 % av det som er størst av pensjonsforpliktelsene og pensjonsmidlene ved begynnelsen av året innregnes ikke.

Når den akkumulerte virkningen er over 10 %-grensen ved årets begynnelse, resultatføres det overskytende over antatt gjennomsnittlig gjenværende opptjeningstid.

Periodens netto pensjonskostnad klassifiseres som lønns- og personalkostnader.

Pensjonspremie i innskuddsbasert pensjonsordninger kostnadsføres fortløpende.

Kontantstrømoppstilling

Kontantstrømoppstillingen er utarbeidet etter den indirekte metoden. Kontanter og kontantekvivalenter omfatter kontanter og bankinnskudd, fordring konsernkontoordning og andre kortsiktige, likvide plasseringer.

Reklassifisering

Ved reklassifisering av resultat- og balanseposter omarbeides sammenligningstallene tilsvarende.



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Odfjell Platform Drilling AS
Noter til selskapsregnskap 2019
(alle tall er i hele tusen hvis intet annet er angitt)

Note 2 - Driftsinntekter

Driftsinntekter, forretningsområder:	2019	2018
Teknisk management Norge	44 560	44 978
Teknisk management UK	3 107	6 596
Utleie personell Norge	132	312
Sum	47 800	51 886

Selskapets driftsinntekter er i hovedsak knyttet til tekniske og administrative tjenester utført for datterselskap i Norge og UK.

Note 3 - Lønnskostnad, antall ansatte, godtgjørelser, lån til ansatte m.m

Lønnskostnad	2019	2018
Lønn	31 492	32 148
Arbeidsgiveravgift	4 284	5 071
Pensjonskostnader	2 759	2 627
Andre ytelser	1 385	1 936
Innleid personell	3 223	5 749
Sum	43 143	47 532

Gjennomsnittlig antall ansatte	25	25
--------------------------------	----	----

Ytelser til ledende personer (tall i hele kroner)	Lønn	Bonus	Pensjon
Daglig leder	301 295	0	12 746

Det har vært endringer i daglig leder i løpet av året. Ny daglig leder ble tilsatt med virkning fra 01.12.2019. Tidligere daglig leder var ansatt i Odfjell Drilling (UK) Ltd, hvor kostnadene ble dekket av selskapet via prising av leverte tjenester.

Det er ikke utbetalt styrehonorar eller ytet lån eller stilt garantier til daglig leder, styreleder eller andre nærstående parter

Kostnader til revisor ekskl mva (tall i hele tusen)	2019	2018
Lovpålagt revisjon	40	70
Sum	40	70



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Note 4 - Andre driftskostnader

	2019	2018
Innleide tjenester	597	170
Kurs og reiseutgifter	2 014	2 078
Andre drifts- og administrasjonskostnader	704	769
Sum	3 315	3 017

Note 5 - Finansinntekter og kostnader

Finansinntekter	2019	2018
Renteinntekter	418	2
Andre finansinntekter	140	225
Sum finansinntekter	558	227

Finanskostnader	2019	2018
Rentekostnader	(24)	(62)
Netto valuta tap	(4)	(14)
Andre finanskostnader	-	(2)
Sum finanskostnader	(28)	(79)



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Note 6 - Skatt

Årets skattekostnad fremkommer slik:	2019	2018
Endring i utsatt skatt	178	3
Korreksjon tidligere års skattekostnad	(0)	(0)
Betalbar skatt	949	340
Skattekostnad	1 127	342
Estimatendring utsatt skatt som følge av endret skattesats	-	(6)
Sum total skattekost	1 127	337

Betalbar skatt i året skattekostnad fremkommer slik:	2019	2018
Resultat før skattekostnad	100 342	(7 695)
Permanente forskjeller	(95 218)	9 183
Endring midlertidig forskjeller	(811)	(11)
Årest skattegrunnlag	4 313	1 477
Nominell skattesats	22 %	23 %
Betalbar skatt	949	340
Betalbar skatt på avgitt konsernbidrag	(949)	(340)
Betalbar skatt balanseført 31.12	0	0

Spesifikasjon av grunnlag for utsatt skatt:	31.12.2019	31.12.2018
Netto pensjonsmidler	1 373	562
Grunnlag for beregning av utsatt skatt	1 373	562
Nominell skattesats	22 %	22 %
Utsatt skatt (+) / Utsatt skattefordel (-)	302	124

Avstemming fra nominell til faktisk skattesats	2019	2018
Resultat før skattekostnad	100 342	(7 695)
Nominell skattesats	22 %	23 %
Forventet inntektsskatt etter nominell skattesats	22 075	-1 770

Skatteeffekt av følgende poster:	2019	2018
Ikke fradragsberettigede kostnader og skattepliktige inntekter	(20 948)	2 112
Estimatendring utsatt skatt som følge av endret skattesats	-	(6)
Korreksjon tidligere års skattekostnad	(0)	(0)
	1 127	337
Effektiv skattesats	1 %	-4 %



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Note 7 - Immaterielle eiendeler

	<u>Goodwill</u>
Anskaffelseskost pr 1.1	121 632
Anskaffelseskost pr 31.12	121 632
Akkumulert avskrivninger pr 1.1	-
Årets avskrivninger	-91 798
Akkumulert avskrivninger pr 31.12	-100 977
Bokført verdi pr 31.12	20 654
Årets avskrivninger	9 180
Økonomisk levetid	20 år
Avskrivningsplan	Lineær

Bokført goodwill oppstod i konsernet i mars 2002 og ble overført ved fusjon gjennomført til regnskapsmessig konsernkontinuitet til Odfjell Drilling AS (OD) i 2009. Selskapet overtok fra OD i 2017 alle eiendeler, rettigheter og forpliktelser som relaterer seg til ODs virksomhet innenfor plattformdrilling. Denne virksomheten ble fusjonert inn i selskapet med regnskapsmessig virkning og kontinuitet fra 1. januar 2017. Selskapets foretningsaktivitet er langsiktig og industriell innenfor de aktuelle foretningsområdene og verdien av ervervet goodwill fordeles således over en total periode på 20 år.

Det er pr 31.12.2019 foretatt nedskrivningstest av selskapets goodwill, med bakgrunn i generelt press på priser og marginer knyttet til operasjoner som er knyttet til selskapets goodwill. Det er ikke identifisert nedskrivningsbehov for selskapets balanseførte goodwill pr 31.12.2019.



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Odfjell Platform Drilling AS
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Note 8 - Aksjer i datterselskap, tilknyttet selskap mv

Selskap	Foretnings- kontor	Stemme og eierandel	Resultat 2019	Egenkapital 31.12.2019	Balanseført verdi
Odfjell Drilling Management AS	Bergen	100 %	28 325	81 497	52 943
Odfjell Drilling (UK) Ltd	Storbritannia	100 %	47 851	151 019	60 450
Sum					113 393

Oppgitt resultat for OD (UK) Ltd for 2019 er omregnet med snittkurs 11.2397 fra GBP til NOK. Egenkapitalen til OD (UK) Ltd er omregnet med balansedagens kurs 11,5936 fra GBP til NOK pr 31.12.2019.

	2019	2018
Inntekt på investering i datterselskaper		
Inntektsført utbytte fra Odfjell Drilling (UK) Ltd	107 650	-
Sum	107 650	-

Selskapet mottok GBP 10 millioner i utbytte fra datterselskapet Odfjell Drilling (UK) Ltd. 13. august 2019. Utbyttet ble inntektsført i sin helhet.



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Odfjell Platform Drilling AS
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Note 9 - Mellomværende med selskap i samme konsern m.v

Fordringer og gjeld mellom konsernselskaper knytter seg til den løpende drift og konsernbidrag. Konsernmellomværende er gjengitt på egne linjer i balansen

	Fordringer	Gjeld	Fordringer	Gjeld
Kortsiktig	2019	2019	2018	2018
Odfjell Drilling AS	48	-	-	1
Deep Sea Management AS	-	-	-	252
Odfjell Drilling Management AS	11 626	-	10 958	-
Odfjell Drilling Technology AS	-	-	36	-
Odfjell Global Business Services AS	174	-	-	-
Odfjell Drilling (UK) Ltd	845	-	1 220	-
Odfjell Drilling Philippines Corp	-	28	-	7
Sum driftsrelaterte fordringer og gjeld	12 694	28	12 213	259
Odfjell Offshore Ltd - Konsernbidrag		4 313	-	1 477
Sum fordringer og gjeld på selskap i samme konsern	12 694	4 341	12 213	1 736

Note 10 - Fordringer

	2019	2018
Andre fordringer		
Forskuddsbetalte kostnader	118	165
Andre kortsiktige fordringer	32	33
Sum	151	198



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Note 11 - Kontanter og kontantekvivalenter

	31.12.2019	31.12.2018
Skattetrekkmidler (bundne midler)	1 449	1 196
Sum bankinnskudd, kontanter og lignende	1 449	1 196

Fordring / (Trekk) bankkonto NOK	105 602	(2 239)
Sum fordring / (gjeld) konsernkontoordning Odfjell Drilling Services Ltd	105 602	(2 239)

Selskapets driftkontoer på inngår i konsernkontoordning hvor Odfjell Drilling Services Ltd. er konsernkontoeier og således eier av bankmidlene. Konsernkontosystemet er opprettet for å bidra til en optimal likviditetsstyring i Odfjell Drilling Service Ltd. konsernet. Selskapet har solidaransvar for innskudd i konsernkontoordning, og har ikke separatistrettighet for midler som inngår i konsernkontoordningen. Netto innestående på konsernkontoordningen er klassifisert som annen kortsiktig fordring i balansen.

Note 12 - Aksjekapital og aksjonærinformasjon / Egenkapital

Aksjekapital i selskapet består pr 31.12 av 1 328 589 aksjer pålydende NOK 1. Total NOK 1 328 589.

Eierstruktur

Navn	Aksjer	Eierandel	Stemmeandel
Odfjell Drilling Services Ltd	1 328 589	100 %	100 %
Totalt antall aksjer (i hele tall)	1 328 589	100 %	100 %

Alle aksjer i selskapet tilhører samme aksjeklasse, og har like stemmerettigheter

	Aksjekapital	Annen innskutt egenkapital	Annen egenkapital	Sum
Egenkapital 31.12.2018	1 329	17 155	125 069	143 553
Årets resultat			99 215	99 215
Avgitt konsernbidrag			-3 364	-3 364
Egenkapital 31.12.2019	1 329	17 155	220 919	239 404



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Note 13 - Pensjonskostnader, -midler og -forpliktelser

Selskapet er pliktig til å ha tjenestepensjonsordning etter lov om obligatorisk tjenestepensjon, og selskapet har tjenesteordninger som oppfyller kravene etter denne loven.

Selskapet har en kollektiv innskuddsbasert ordning med sparedel og tilhørende risikodekning av uføre-, ektefelle- og barnepensjon. Denne ordningen omfatter 24 personer pr. 31.12.2019.

Selskapet har i tillegg en lukket kollektiv ytelsesbasert pensjonsordning som omfatter 2 aktive. Ordningen er forsikret i porteføljen til DNB Liv ASA. Ordningen gir rett til definerte fremtidige ytelser. Disse er i hovedsak avhengig av antall opptjeningsår, lønnsnivå ved oppnådd pensjonsalder og størrelsen på ytelsene fra folketrygden. I tilknytning til ytelsesordningen har selskapet risikodekning av uføre-, ektefelle- og barnepensjon.

Forpliktelser i (ny) AFP-ordning

Selskapet er medlem av den nye AFP-ordningen. AFP-ordningen er en ordning som gir livslangt tillegg på den ordinære pensjonen. De ansatte kan velge å ta ut den nye AFP-ordningen fra og med fylte 62 år. Den nye AFP-ordningen er en ytelsesbasert flerforetakspensjonsordning og finansieres gjennom premier som fastsettes som en prosent av lønn. Foreløpig foreligger ingen pålitelig måling og allokering av forpliktelse og midler i ordningen. Regnskapsmessig blir ordningen behandlet som en innskuddsbasert pensjonsordning hvor premiebetalingene kostnadsføres løpende, og ingen avsetning foretas i regnskapet.

I 2019 utgjorde premien 2,5 % av lønn mellom 1G og 7,1G. Premiesatsen vil være uendret i 2020.

Selskapet har et pensjonsløfte overfor de ansatte på inntil 1G årlig i perioden 62-67 år ved fratredelse av stilling, forutsatt at de tilfredsstillt kravene til å motta ny AFP. Sannsynligheten for uttak er så lav at forpliktelsen ikke er balanseført. Ved faktisk uttak av gavepensjon blir totalkostnad kostnadsført umiddelbart.

	2019	2018
Årets pensjonsopptjening	354	313
Rentekostnad av pensjonsforpliktelsen	174	131
Avkastning på pensjonsmidler	-236	-188
Administrasjonskostnader	62	56
Resultatført estimatavvik	172	140
Periodisert arbeidsgiveravgift	50	44
Netto pensjonskostnad ytelsesordning	574	496
Kostnad innskuddspensjon inkludert risikodekning	1 842	1 806
Kostnad flerforetaksordning regnskapsført som innskuddsbasert (AFP)	342	325
Sum total pensjonskostnad	2 759	2 627

	31.12.2019	31.12.2018
Påløpte pensjonsforpliktelser pr. 31.12	7 633	6 677
Pensjonsmidler (til markedsverdi) pr. 31.12	-6 415	-5 180
Netto pensjonsforpliktelser pr.31.12 ekskl. arbeidsgiveravgift	1 218	1 497
Arbeidsgiveravgift	172	211
Ikke resultatført virkning av estimatavvik	-2 763	-2 270
Netto balanseført pensjonsforpliktelse (+)/-midler (-)	-1 373	-562

Økonomiske forutsetninger:

	31.12.2019	31.12.2018
Diskonteringsrente	2,30 %	2,60 %
Forventet avkastning på pensjonsmidlene	3,80 %	4,30 %
Lønnsregulering/inflasjon	2,25 %	2,75 %
Pensjonsregulering	0,50 %	0,80 %
Regulering av folketrygdens grunnbeløp	2,00 %	2,50 %

Som aktuarmessig forutsetninger for demografiske faktorer og avgang er lagt til grunn vanlig benyttede forutsetninger innen forsikring.



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Note 13 - Pensjonskostnader, -midler og -forpliktelser (forts.)

Sammensetning pensjonsmidler i porteføljen til DnB Liv ASA	31.12.2019	31.12.2018
Aksjer	12,00 %	12,10 %
Omløpsobligasjoner	13,40 %	12,50 %
Pengemarked	17,60 %	11,00 %
Anleggsobligasjoner	31,40 %	29,40 %
Utlån og fordringer	14,20 %	25,20 %
Eiendom	10,50 %	9,10 %
Annet	0,90 %	0,70 %



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Note 14 - Nærstående transaksjoner

Selskapet har hatt flere forskjellige transaksjoner med nærstående parter.

Inntekt fra nærstående parter

Type transaksjon	Nærstående part	Tilknytning	Beløp 2019	Beløp 2018
Ledelses-tjenester	Odfjell Drilling Management AS	Datterselskap	43 253	45 132
Ledelses-tjenester	Odfjell Drilling (UK) Ltd	Datterselskap	3 107	6 596
Tekniske tjenester	Odfjell Drilling Technology AS	Konsernselskap	-	158
Tekniske tjenester	Odfjell Invest AS	Konsernselskap	1 400	-
Tekniske tjenester	Odfjell Drilling AS	Konsernselskap	40	-
Inntektsført utbytte	Odfjell Drilling (UK) Ltd	Datterselskap	107 650	-
Garantiprovisjon	Odfjell Drilling Services Ltd	Konsernselskap	140	225
Sum			155 590	52 111

Kjøp/kostnad fra nærstående parter

Type transaksjon	Nærstående part	Tilknytning	Beløp 2019	Beløp 2018
Innleide personelltjenester	Odfjell Drilling Management AS	Datterselskap	2 725	2 811
Innleide personelltjenester	Odfjell Drilling (UK) Ltd	Datterselskap	-	1 632
Innleide personelltjenester	Odfjell Drilling AS	Konsernselskap	156	168
Innleide personelltjenester	Deep Sea Management AS	Konsernselskap	418	604
Innleide personelltjenester	Odfjell Drilling Philippines Corporation	Konsernselskap	58	10
Sum			3 357	5 225



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Note 15 - Garantistillelse

Odfjell Platform Drilling AS sine aksjer er pantsatt som sikkerhet for Odfjell Drilling Services Ltd.'s USD 250 millioner (tidligere 450 millioner) låneavtale med og til fordel for Danske Bank AS, DNB Bank ASA, Nordea Bank Norge ASA og Swedbank AB (publ) som långivere den 6. mai 2014.

Odfjell Platform Drilling AS er også garantist for Odfjell Drilling Services Ltd.'s banklån på USD 250 millioner og har stilt sine fordringer som sikkerhet.

Konsernet Odfjell Drilling har fellesregistrering knyttet til merverdiavgift for konsernets avgiftsregistrerte foretak. Selskapet inngår i denne fellesregistreringen og er således solidarisk ansvarlig for skyldig merverdiavgift i Norge.

Note 16 - Annen kortsiktig gjeld

	2019	2018
Skyldig lønnsgodtgjørelse og feriepenger	4 732	5 493
Andre påløpte kostnader	3 805	1 470
Sum	8 537	6 963

Note 17 - Hendelser etter balansedagen

Etterfølgende hendelser er gjennomgått fra periodeslutt til utstedelse av regnskapet. Det nylige utbruddet av Coronavirus-sykdommen (COVID-19) og pågående oljepriskrig har ført til betydelige implikasjoner for den globale økonomien.

Konsekvensene har også nådd oljeservicebransjen da de fleste segmenter forventer å lide av redusert aktivitet. Selv om det fremdeles er for tidlig å måle den fulle økonomiske effekten av Coronavirus, er det klart at vi vil måtte kjempe med denne nye epidemien i noen tid fremover, og på kort sikt vil vi sannsynligvis se et fall i etterspørsel og dagrater. Aktuell ordreservert og ingen signaler fra kunde om bruk av force majeure klausuler, gjør sitt til at selskapet i begrenset grad vurderes eksponert for bortfall av inntekter.

Som et svar på utbruddet lanserer en rekke regjeringer og sentralbanker programmer for å yte bistand til krevende industrier og befolkninger. Disse programmene og ytterligere assistanse som sannsynligvis kommer, vil bidra til å stabilisere markedene. Selskapet og konsernet har utarbeidet konkrete aksjonsplaner for å sikre videreførte operasjoner, derigjennom nødvendig likviditet og grunnlag for fortsatt drift gitt denne situasjonen

Bortsett fra det ovennevnte relatert til Coronavirus og oljepriser er det ingen vesentlige hendelser å rapportere.



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Til generalforsamlingen i Odfjell Platform Drilling AS

Uavhengig revisors beretning

Uttalelse om revisjonen av årsregnskapet

Konklusjon

Vi har revidert Odfjell Platform Drilling AS' årsregnskap som består av eiendeler, egenkapital og gjeld per 31. desember 2019, resultatregnskap og kontantstrømanalyse for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening er det medfølgende årsregnskapet avgitt i samsvar med lov og forskrifter og gir et rettviseende bilde av selskapets finansielle stilling per 31. desember 2019, og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder de internasjonale revisjonsstandardene International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet i Revisors oppgaver og plikter ved revisjon av årsregnskapet. Vi er uavhengige av selskapet slik det kreves i lov og forskrift, og har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Øvrig informasjon

Ledelsen er ansvarlig for øvrig informasjon. Øvrig informasjon omfatter informasjon i årsrapporten bortsett fra årsregnskapet og den tilhørende revisjonsberetningen.

Vår uttalelse om revisjonen av årsregnskapet dekker ikke øvrig informasjon, og vi attesterer ikke den øvrige informasjonen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese øvrig informasjon med det formål å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom øvrig informasjon og årsregnskapet, kunnskap vi har opparbeidet oss under revisjonen, eller hvorvidt den tilsynelatende inneholder vesentlig feilinformasjon.

Dersom vi konkluderer med at den øvrige informasjonen inneholder vesentlig feilinformasjon er vi pålagt å rapportere det. Vi har ingenting å rapportere i så henseende.

Styrets og daglig leders ansvar for årsregnskapet

Styret og daglig leder (ledelsen) er ansvarlig for å utarbeide årsregnskapet i samsvar med lov og forskrifter, herunder for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik internkontroll som den finner nødvendig

for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avvirket.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål med revisjonen er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, alltid vil avdekke vesentlig feilinformasjon som eksisterer. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon blir vurdert som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke økonomiske beslutninger som brukerne foretar basert på årsregnskapet.

For videre beskrivelse av revisors oppgaver og plikter vises det til:
<https://revisorforeningen.no/revisjonsberetninger>

Uttalelse om andre lovmessige krav

Konklusjon om registrering og dokumentasjon

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendig i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon», mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av selskapets regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge.

Bergen, 21. april 2020
PricewaterhouseCoopers AS

Hallvard Aarø
Statsautorisert revisor
(elektronisk signert)

Revisjonsberetning

Signers:

<i>Name</i>	<i>Method</i>	<i>Date</i>
Aarø, Hallvard	BANKID_MOBILE	2020-04-24 22:09

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APPENDIX K

FINANCIAL STATEMENT OF ODFJELL PLATFORM DRILLING AS 2020

Odfjell Platform Drilling AS Årsregnskap 2020.pdf

Signers:

<i>Name</i>	<i>Method</i>	<i>Date</i>
Glenjen, Frederik	BANKID_MOBILE	2021-03-23 16:15 GMT+1
Eikeseth, Leif Helge	BANKID_MOBILE	2021-03-23 20:34 GMT+1
Hereid, Harald Asle	BANKID_MOBILE	2021-03-24 07:46 GMT+1
Haram, Elisabeth Cecilie	BANKID_MOBILE	2021-03-24 08:09 GMT+1
Myre, Janike Amundsen	BANKID_MOBILE	2021-03-24 11:01 GMT+1
Atle Saeboe	One-Time-Password	2021-03-24 11:45 GMT+1
Lieungh, Simen	BANKID_MOBILE	2021-03-24 15:06 GMT+1
Fotland, Kari Elisabeth	BANKID_MOBILE	2021-03-24 17:10 GMT+1
Holsæter, Kurt Werner	BANKID_MOBILE	2021-03-24 18:54 GMT+1
Knoph, Jarle	BANKID_MOBILE	2021-03-25 11:01 GMT+1

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Årsrapport 2020

Odfjell Platform Drilling AS

Org.nr. 918 646 175



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Årsregnskap 2020

Odfjell Platform Drilling AS

Org.nr. 918 646 175



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Årsberetning 2020

Odfjell Platform Drilling AS

Virksomhetens art og tilholdssted

Odfjell Platform Drilling AS er lokalisert i Bergen. Selskapet inngår i konsernet Odfjell Drilling Ltd. som driver internasjonal virksomhet innenfor plattformboring, vedlikehold og ingeniørtjenester.

Odfjell Platform Drilling AS yter tjenester innenfor forretningsstøtte, konsulentvirksomhet og er juridisk ansettelsesselskap for landansatte tilknyttet hovedsakelig plattformboring.

Fortsatt drift

Årsberetningen og fremlagte årsregnskap for Odfjell Platform Drilling AS er utarbeidet under forutsetning om fortsatt drift.

I samsvar med regnskapsloven § 3-3a bekreftes det at forutsetningene om fortsatt drift er til stede. Det er etter styrets vurdering ikke knyttet usikkerhet til den fortsatte driften av selskapet.

Forventet markedsutvikling

Som del av Odfjell Drilling Ltd. konsernet vil også Odfjell Platform Drilling AS være påvirket av den krevende perioden som olje- og gassindustrien har vært inne i, som følge av fall i oljepris og etterspørsel etter boretjenester fra oljeselskapene. Odfjell Drilling Ltd. konsernet har gjennomført og iverksatt flere kostnadsreducerende tiltak og effektiviseringsprogram for å effektivisere drift og redusere kostnader så mye som mulig.

Det vil alltid knyttes usikkerhet til vurdering av fremtidige markedsforhold. Det settes sterkt fokus på å sikre høy kvalitet og sikkerhet i de tjenestene som utføres for selskapets kunder.

Utbruddet av Covid-19 har påvirket den globale økonomien negativt. Mange selskaper innen olje- og gassindustrien har satt i verk kostnadsreducerende tiltak som følge av den usikre situasjonen. Odfjell Platform Drilling AS har i begrenset grad vært direkte påvirket av utbruddet av Covid -19. Selskapet vil fortsette å overvåke situasjonen og innføre de tiltak som er påkrevd av myndighetene. Selskapet og konsernet har utarbeidet konkrete aksjonsplaner for å sikre videreførte operasjoner, derigjennom nødvendig likviditet og grunnlag for fortsatt drift gitt denne situasjonen.

Aktuell ordresreserve og ingen signaler fra kunde om bruk av force majeure klausuler, gjør sitt til at selskapet i begrenset grad vurderes eksponert for bortfall av inntekter. Selskapet vil jobbe aktivt for å opprettholde omsetning i årene fremover. Det presiseres at det alltid vil være knyttet usikkerhet til fremtidig utvikling.

Resultat, investeringer, finansiering og likviditet

Årsresultatet for Odfjell Platform Drilling AS viser et underskudd på MNOK 9,2 for 2020 sammenlignet med et overskudd på MNOK 99,2 i 2019. Driftsresultatet for 2020 var underskudd på MNOK 10,3 som tilsvarte MNOK 7,8 underskuddet i 2019.



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Ved utgangen av 2020 hadde selskapet en totalkapital på MNOK 149,1 (MNOK 255,3 i 2019). Egenkapital var på MNOK 130,2 og utgjorde 87 % pr 31.12.2020. For 2019 var egenkapital på MNOK 239,4 og utgjorde 94 %. Reduksjonen i 2020 skyldes hovedsakelig avgitt utbytte til Odfjell Drilling Services Ltd på MNOK 100.

Selskapets kortsiktige gjeld ved utgangen av 2020 var MNOK 18,6 mot MNOK 15,6 i 2019.

Samlet kontantstrøm fra operasjonelle aktiviteter for selskapet i 2020 var MNOK 0,7 mot MNOK 109,6 i 2019. Avvik mot driftsresultat skyldes hovedsakelig ordinære avskrivninger. Kontantstrøm fra investeringsaktiviteter var i 2020 MNOK 0,0, tilsvarende for 2019. Kontantstrøm fra finansieringsaktiviteter var i 2020 negativ med MNOK 104,3, som er knyttet til avgitt utbytte til Odfjell Drilling Services Ltd samt utbetalt konsernbidrag, mot negativ MNOK 3,7 i 2019.

Selskapets evne til egenfinansiering er tilknyttet eierskap i datterselskaper. Begge datterselskaper leverte positive resultater for 2019.

Selskapets finansielle stilling anses som tilfredsstillende pr 31.12.2020. Styret er ikke kjent med at det har inntrådt forhold etter regnskapsårets slutt som er av betydning for bedømmelsen av selskapets og konsernets stilling, annet enn det som er omtalt under avsnittet «Forventet markedsutvikling».

Finansiell risiko

Markedsrisiko

Selskapet vurderes til å ha en begrenset valutarisiko da størsteparten av både inntekter og kostnader er i NOK. Risiko er knyttet til endringer i valutakursene på den delen av selskapets fordringer som er i utenlandsk valuta (GBP) samt valutaregulering av bankkonti. Selskapet har således en naturlig sikring, som tilsier at det ikke foreligger noen vesentlig driftstilknyttet markedsrisiko.

Kredittrisiko

Selskapet leverer tjenester til offshore olje- og gassindustri og virksomhetens kunder består i hovedsak av interne konsernselskaper, hvor kredittrisiko er indirekte knyttet til konsernselskapenes kunder. I all hovedsak er disse kundene store oljeselskaper med tilfredsstillende likviditet. Selv om markedsutsiktene i bransjen ikke er på et historisk godt nivå, vurderes ikke dette å være en faktor som påvirker kredittrisiko på kort og mellomlang sikt. Kredittrisiko vurderes dermed å være lav.

Likviditetsrisiko

Selskapet har likviditetsrisiko knyttet til eventuelt bortfall av inntekter. Siden kunder i hovedsak består av interne konsernselskaper reflekteres risikoen fra Odfjell Drilling Ltd. konsernet (konsernet) inn i selskapet. Konsernet har i 2020 og 2019 sikret nye og forlengelse av eksisterende borekontrakter for flere av sine borerigger som vil generere likviditet og inntjening de nærmeste årene.

Se også omtale under avsnittet «Forventet markedsutvikling».

Arbeidsmiljø og personale

Selskapets visjon, verdier, bedriftskultur og krav til ledere er beskrevet i konsernets styrende dokumentasjon. Dokumentene skal fremstå som et grunnleggende felleseie for alle ansatte - ledere som medarbeidere - i selskapet og gi alle medarbeidere den identitet og det verdigrunnlag som skal kjennetegne Odfjell Platform Drilling AS.

Selskapet er en kompetanseintensiv virksomhet som er avhengig av et høyt nivå av ekspertise og teknologisk kunnskap blant sine ansatte. Virksomheten tilbyr omfattende opplæring for å sikre kontinuerlig oppdatering av kunnskap, kompetanseheving og karriereutvikling for ansatte.



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Antall ansatte ved utgangen av 2020 var 34 mot 27 i 2019, med en turnover på 9.84 % i 2020.

Sykefravær

Totalt sykefravær for Odfjell Platform Drilling AS i 2020 var på 0,94%. Oppfølging og forebygging av sykefraværet har hatt høy fokus i 2020 og særlig i forhold til Covid-19. Det var ingen sykefravær relatert til Covid-19 i 2020. Konsernet har etablert bedriftshelsetjeneste og selskapet følger opp sykemeldt personell etter de prinsipper som ligger til grunn for et inkluderende arbeidsliv. I tillegg har alle våre ansatte helseforsikring som tilbyr både forebyggende og konsekvensreducerende helsetiltak.

Det er i konsernet etablert både verneombud og arbeidsmiljøutvalg med tilrettelagt opplæring for de valgte personer. Videre har konsernet eget sosial- og attføringsutvalg og AKAN utvalg.

Arbeidsmiljø:

Arbeidsmiljøet i Odfjell Platform Drilling AS anses for å være bra, noe som avdekkes gjennom jevnlig organisasjon- og arbeidsmiljøundersøkelser for ansatte i selskapet. Gjennom undersøkelsene får selskapet verdifull informasjon om hvordan ansatte opplever arbeidsoppgaver, arbeidsprosesser, arbeidsmengde, sosialt samspill og ledelse. Den gir også informasjon om hva som krever ytterlig fokus og virkninger av forbedringstiltak. Det er et viktig verktøy for å fremme og videreutvikle et godt arbeidsmiljø. Fra mars av måtte personalet ha hjemmekontor store deler av året grunnet Covid-19 restriksjoner. Dette ga potensielt risiko for både lavere trivsel og ergonomiske utfordringer. Tiltak for å motvirke dette, som tett ledelsesoppfølging, informasjon om forebygging av potensiell risiko og trivselstiltak via teams ble iverksatt og resultatet på arbeidsmiljøundersøkelsen for landansatte for 2020 viste høy score på alle faktorer.

Diskriminering og likestilling

Redegjørelse i henhold til Likestillings- og diskrimineringsloven §26 er tilgjengelig på Odfjell Drilling's offentlige website; www.odfjelldrilling.com.

I Odfjell Platform Drilling AS var kvinneandelen 26 % ved utgangen av 2020.

Helse, miljø og sikkerhet

Selskapets HMS policy er å opprettholde den høyeste sikkerhetsstandard og beskytte helsen til våre arbeidstakere. Selskapet skal arbeide for å redusere negative effekter for ytre miljø og en bærekraftig utvikling.

Odfjell Drilling arbeider kontinuerlig for forbedringsprosesser innenfor helse, miljø og sikkerhet (KHMS) for å forhindre situasjoner som kan få uønskede konsekvenser, og på denne måten oppnå målsetningen om å beskytte våre arbeidstakeres helse. Odfjell Platform Drilling AS har ikke hatt arbeidsrelaterte skader siste år.

Miljørapportering

Selskapet HMS Policy og selskapets styringssystem for miljø, basert på ISO 14000, definerer krav og forventninger for å unngå negativ påvirkning av miljøet. Samtlige forretningsområder i Odfjell Drilling er sertifisert til ISO-14001. Odfjell Drilling jobber også aktivt med bærekraft og ESG-rapportering på konsernnivå. Det vises til årlig ESG rapport og årsrapport for konsernet i denne sammenheng.



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Årets resultat og overføringer

Styret foreslår at følgende disponeringer for 2020:

Overført til annen egenkapital	NOK	-9 210 000
Sum disponert	NOK	-9 210 000

Bergen, 22. mars 2021

Simen Lieungh
Styreleder

Janike A. Myre
Styremedlem

Atle Sæbø
Styremedlem

Kari E. Fotland
Styremedlem

Kurt W.Holsæter
Styremedlem

Frederik Glenjen
Styremedlem

Harald A. Hereid
Styremedlem

Leif Helge Eikeseth
Styremedlem

Jarle Knoph
Styremedlem

Elisabeth Cecilie Haram
Daglig leder



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Odfjell Platform Drilling AS

RESULTATREGNSKAP

Beløp i NOK 1000	Note	2020	2019
DRIFTSINNEKTER			
Driftsinntekter	2, 14	59 473	47 800
DRIFTSKOSTNADER			
Lønnskostnad	3, 14	57 349	43 143
Avskrivninger	7	9 180	9 180
Andre driftskostnader	3, 4	3 197	3 315
Sum andre driftskostnader		69 725	55 638
DRIFTSRESULTAT		(10 252)	(7 838)
FINANSINNEKTER OG FINANSKOSTNADER			
Inntekt på investering i datterselskap	8	656	107 650
Finansinntekter	5	504	558
Finanskostnader	5	(122)	(28)
Netto finansposter		1 038	108 180
ORDINÆRT RESULTAT FØR SKATTEKOSTNAD		(9 213)	100 342
Skattekostnad på ordinært resultat	6	(3)	1 127
ÅRSRESULTAT		(9 210)	99 215
Opplysninger om avsetninger til:			
Avsatt til konsernbidrag (etter skatt)	12	-	3 364
Avsatt til/overført fra annen egenkapital	12	(9 210)	95 851
Sum disponert		(9 210)	99 215



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Odfjell Platform Drilling AS

EIENDELER

Beløp i NOK 1000	Note	31.12.2020	31.12.2019
ANLEGGSMIDLER			
Immatrielle eiendeler			
Goodwill	7	11 475	20 654
Sum immatrielle eiendeler		11 475	20 654
Finansielle anleggsmidler			
Pensjonsmidler	13	1 360	1 373
Investeringer i datterselskap	8	113 393	113 393
Sum finansielle anleggsmidler		114 754	114 766
Sum anleggsmidler		126 228	135 421
OMLØPSMIDLER			
Fordringer			
Fordringer på selskap i samme konsern	9	19 258	12 694
Fordring konsernkontoordning Odfjell Drilling Services Ltd	11	1 501	105 602
Andre kortsiktige fordringer	10	47	151
Sum fordringer		20 806	118 447
Bankinnskudd, kontanter og lignende	11	2 011	1 449
Sum omløpsmidler		22 816	119 896
SUM EIENDELER		149 045	255 316



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Odfjell Platform Drilling AS

EGENKAPITAL OG GJELD

Beløp i NOK 1000	Note	31.12.2020	31.12.2019
EGENKAPITAL			
Innskudd egenkapital			
Aksjekapital	12	1 329	1 329
Annen innskutt egenkapital	12	17 155	17 155
Sum innskutt egenkapital		18 484	18 484
Opptjent egenkapital			
Annen egenkapital	12	111 709	220 919
Sum opptjent egenkapital		111 709	220 919
Sum egenkapital		130 193	239 404
GJELD			
Avsetning for forpliktelser			
Utsatt skatt	6	299	302
Sum avsetning for forpliktelser		299	302
Kortsiktig gjeld			
Leverandørgjeld		89	159
Betalbar skatt	6	(0)	0
Skyldig offentlige avgifter		3 584	2 574
Gjeld til selskap i samme konsern	9	339	4 341
Annen kortsiktig gjeld	16	14 540	8 537
Sum kortsiktig gjeld		18 553	15 611
Sum gjeld		18 852	15 913
SUM EGENKAPITAL OG GJELD		149 045	255 316

Bergen, 22. mars 2021

Simen Lieungh
styreleder

Alle Sæbø
styremedlem

Kari Elisabeth Folland
styremedlem

Leif Helge Eikeseth
styremedlem

Janike Amundsen Myre
styremedlem

Harald Asle Hereid
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daglig leder



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Odfjell Platform Drilling AS

KONTANTSTRØMSANALYSE

Beløp i NOK 1000	Note	2020	2019
KONTANTSTRØMMER FRA OPERASJONELLE AKTIVITETER			
Ordinært resultat før skattekostnad		(9 213)	100 342
Ordinære avskrivninger	7	9 180	9 180
Forskjell mellom kostnadsført pensjon og inn-/utbetalinger		13	(811)
Endring i varer, kundefordringer og leverandørgjeld		(70)	(28)
Endring i kortsiktig konsemmellomværende ekskl. konsembidrag		(6 252)	(712)
Endring i andre tidsavgrensingsposter		7 117	1 600
Netto kontantstrøm fra operasjonelle aktiviteter		774	109 571
KONTANTSTRØMMER FRA INVESTERINGSAKTIVITETER			
Netto kontantstrømmer fra investeringsaktiviteter		-	-
KONTANTSTRØMMER FRA FINANSIERINGSAKTIVITETER			
Innbetalinger/(utbetalinger) knyttet til trekk på konsemmkontoordningen	11	-	(2 239)
Utbetalinger av konsembidrag		(4 313)	(1 477)
Utbetaling av utbytte		(100 000)	-
Netto kontantstrøm fra finansieringsaktiviteter		(104 313)	(3 716)
Netto endring i likvider i året		(103 539)	105 855
Kontanter og kontantekvivalenter per 01.01		107 051	1 196
Kontanter og kontantekvivalenter per 31.12		3 512	107 051
⁽¹⁾ Herav inntestående på konto som er del av konsemmkontoordningen	11	1 501	105 602

Kontanter og kontantekvivalenter omfatter kontanter og bankinnskudd, fordring konsemmkontoordning og andre kortsiktige, likvide plasseringer.



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Odfjell Platform Drilling AS
Noter til selskapsregnskap 2020
(alle tall er i hele tusen hvis intet annet er angitt)

Note 1 - Regnskapsprinsipper

Selskapet ble stiftet 16. februar 2017 og driver virksomhet innenfor plattformboring, i hovedsak for selskaper i Odfjell Drilling konsern.

Årsregnskapet består av resultatregnskap, balanse, noteopplysninger, kontantstrømoppstilling og er avlagt i samsvar med regnskapslov og god regnskapsskikk i Norge. Norske kroner benyttes som funksjonell og rapporterings valuta i regnskapet.

Selskapet er en del av Odfjell Drilling konsernet. Det ultimate morselskap er Odfjell Drilling Ltd som har forretningskontor i Aberdeen, Scotland.

Konsernregnskapet er tilgjengelig på selskapets hjemmeside www.odfjelldrilling.com

Bruk av estimater

Utarbeidelse av regnskaper i samsvar med regnskapsloven krever bruk av estimater. Videre krever anvendelse av selskapets regnskapsprinsipper at ledelsen må utøve skjønn. Områder som i stor grad inneholder slike skjønnsmessige vurderinger, høy grad av kompleksitet, eller områder hvor forutsetninger og estimater er vesentlige for årsregnskapet, er beskrevet i notene.

Valuta

Transaksjoner i annen valuta som er med i resultatregnskapet er omregnet til norske kroner etter månedlige kurser. Pengeposter i utenlandsk valuta er omregnet til norske kroner ved å benytte balansedagens kurs. Ikke-pengeposter som måles til historisk kurs uttrykt i utenlandsk valuta, omregnes til norske kroner ved å benytte valutakursen på transaksjonstidspunktet. Ikke-pengeposter som måles til virkelig verdi uttrykt i utenlandsk valuta, omregnes til valutakursen fastsatt på balansestidspunktet. Valutakursendringer resultatføres løpende i regnskapsperioden.

Inntektsføring

Selskapets tjenester inntektsføres etter hvert som de leveres.

Periodisering

Inntekter og kostnader periodiseres i den perioden tjenesten er utført.

Skatt

Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt er beregnet med gjeldende skattesats på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt skattemessig underskudd til fremføring ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverseres eller kan reverseres i samme periode er utlignet. Netto utsatt skattefordel balanseføres i den grad det er sannsynlig at denne kan bli nyttegjørt. Utsatt skatt beregnes med nominell verdi.

Betalbar skatt og utsatt skatt er regnskapsført direkte mot egenkapitalen i den grad skattepostene relaterer seg til egenkapitaltransaksjoner.

Skatt på avgitt konsernbidrag som føres som økt kostpris på aksjer i datterselskap, og skatt på mottatt konsernbidrag som føres som reduksjon av balanseført beløp på investeringen i datterselskap, føres direkte mot skatt i balansen (mot betalbar skatt hvis konsernbidraget har virkning på betalbar skatt, og mot utsatt skatt hvis konsernbidraget har virkning på utsatt skatt).

Klassifisering og vurdering av balanseposter

Omløpsmidler og kortsiktig gjeld omfatter poster som forfaller til betaling innen ett år etter anskaffelsestidspunktet, samt poster som knytter seg til varekretsløpet. Øvrige poster er klassifisert som anleggsmiddel/langsiktig gjeld.

Omløpsmidler vurderes til laveste av anskaffelseskost og virkelig verdi. Kortsiktig gjeld balanseføres til nominelt beløp på opptakstidspunktet.

Anleggsmidler vurderes til anskaffelseskost, fratrukket av- og nedskrivninger. Langsiktig gjeld balanseføres til nominelt beløp på etableringstidspunktet.

Immateriell eiendeler

Immaterielle eiendeler ervervet separat balanseføres til kost, redusert for eventuell av- og nedskrivning. Immaterielle eiendeler med bestemt økonomisk levetid avskrives over økonomisk levetid og testes for nedskrivning ved indikasjoner på dette. Internt genererte immaterielle eiendeler, med unntak av balanseførte utviklingskostnader, balanseføres ikke, men kostnadsføres løpende. Goodwill testes for verdifall årlig, eller oftere hvis hendelser eller endringer i omstendigheter indikerer et mulig verdifall. Bokført verdi sammenlignes mot gjenvinnbart beløp, som er det høyeste av bruksverdi og virkelig verdi fratrukket salgsutgifter. Eventuelt verdifall innregnes umiddelbart som en kostnad og ikke senere reversert. Ved verdifallstest allokteres goodwill til hver kontantgenererende enhet (KGE), eller grupper av kontantgenererende enheter, der hver enhet eller gruppe av enheter representerer det laveste nivået innenfor foretaket der goodwill blir overvåket for interne styringsformål.

Fordringer

Kundefordringer og andre fordringer er oppført i balansen til pålydende etter fradrag for avsetning til forventet tap. Avsetning til tap gjøres på grunnlag av en individuell vurdering av de enkelte fordringer.



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Note 1 - Regnskapsprinsipper - forts.

Aksjer i datterselskap

Datterselskaper er selskaper der morselskapet har kontroll, og dermed bestemmende innflytelse på enhetens finansielle og operasjonelle strategi, normalt ved å eie mer enn halvparten av den stemmeberettigede kapitalen.

Investering i datterselskap vurderes etter kostmetoden i selskapsregnskapet. Investeringen er vurdert til anskaffelseskost for aksjene med mindre nedskrivning har vært nødvendig. Det er foretatt nedskrivning til virkelig verdi når verdifall skyldes årsaker som ikke kan antas å være forbigående og det må anses nødvendig etter god regnskapskikk. Nedskrivninger er reversert når grunnlaget for nedskrivning ikke lenger er til stede.

Utbytte, konsernbidrag og andre utdelinger fra datterselskap er inntektsført samme år som det er avsatt i givers regnskap. Overstiger utbyttet / konsernbidraget andel av opptjent resultat etter anskaffelsestidspunktet, representerer den overskytende del tilbakebetaling av investert kapital, og utdelingene er fratrukket investeringens verdi i balansen til morselskapet.

Pensjoner

Ytellesbaserte pensjonsordninger vurderes til nåverdien av de fremtidige pensjonsytelser som regnskapsmessig anses opptjent på balansedagen. Pensjonsmidler vurderes til virkelig verdi.

Endring i ytellesbaserte pensjonsforpliktelser som skyldes endringer i pensjonsplaner resultatføres med full virkning i regnskapsåret.

Akkumulert virkning av estimatendringer og endringer i finansielle og aktuarielle forutsetninger (aktuarielle gevinster og tap) under 10 % av det som er størst av pensjonsforpliktelsene og pensjonsmidlene ved begynnelsen av året innregnes ikke. Når den akkumulerte virkningen er over 10 %-grensen ved årets begynnelse, resultatføres det overskytende over antatt gjennomsnittlig gjenværende opptjeningstid.

Periodens netto pensjonskostnad klassifiseres som lønns- og personalkostnader.

Pensjonspremie i innskuddsbasert pensjonsordninger kostnadsføres fortløpende.

Kontantstrømoppstilling

Kontantstrømoppstillingen er utarbeidet etter den indirekte metoden. Kontanter og kontantekvivalenter omfatter kontanter og bankinnskudd, fordring konsernkontoordning og andre kortsiktige, likvide plasseringer.

Reklassifisering

Ved reklassifisering av resultat- og balanseposter omarbeides sammenligningstallene tilsvarende.



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Note 2 - Driftsinntekter

Driftsinntekter, forretningsområder:	Note	2020	2019
Teknisk management Norge		45 885	44 560
Teknisk management UK	14	11 115	3 107
Utleie personell Norge		2 449	132
Andre driftsinntekter		24	0
Sum		59 473	47 800

Selskapets driftsinntekter er i hovedsak knyttet til tekniske og administrative tjenester utført for datterselskap i Norge og UK.

Note 3 - Lønnskostnad, antall ansatte, godtgjørelser, lån til ansatte m.m

Lønnskostnad	2020	2019
Lønn	41 895	31 492
Arbeidsgiveravgift	5 474	4 284
Pensjonskostnader	3 683	2 759
Andre ytelser	1 320	1 385
Innleid personell	4 976	3 223
Sum	57 349	43 143

Gjennomsnittlig antall ansatte	31	25
--------------------------------	----	----

Ytelser til ledende personer (tall i hele kroner)	Lønn	Andre ytelser*	Bonus	Pensjon	Total
Daglig leder	2 049 622	167 479	446 429	113 839	2 777 369

* Forsikringer, firmabil/bilgodtgjørelse, telefon/it, fri avis, fordel ledsager på reise og andre naturalytelser.

Det er ikke utbetalt styrehonorar eller ytet lån eller stilt garantier til daglig leder, styreleder eller andre nærstående parter.

Kostnader til revisor ekskl mva (tall i hele tusen)	2020	2019
Lovpålagt revisjon	39	40
Sum	39	40



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Note 4 - Andre driftskostnader

	2020	2019
Innleide tjenester	677	597
Kurs og reiseutgifter	1 332	2 014
Andre drifts- og administrasjonskostnader	1 187	704
Sum	3 197	3 315

Note 5 - Finansinntekter og kostnader

	2020	2019
Finansinntekter		
Renteinntekter	304	418
Andre finansinntekter	200	140
Sum finansinntekter	504	558

	2020	2019
Finanskostnader		
Rentekostnader	(5)	(24)
Netto valuta tap	(116)	(4)
Sum finanskostnader	(122)	(28)



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Note 6 - Skatt

	2020	2019
Årets skattekostnad fremkommer slik:		
Endring i utsatt skatt	(3)	178
Korreksjon tidligere års skattekostnad	(0)	(0)
Betalbar skatt	(0)	949
Sum total skattekost	(3)	1 127

	2020	2019
Betalbar skatt i året skattekostnad fremkommer slik:		
Resultat før skattekostnad	(9 213)	100 342
Permanente forskjeller	9 201	(95 218)
Endring midlertidig forskjeller	13	(811)
Årest skattegrunnlag	(0)	4 313
Nominell skattesats	22 %	22 %
Betalbar skatt	(0)	949
Betalbar skatt på avgitt konsernbidrag	-	(949)
Betalbar skatt balanseført 31.12	(0)	0

	31.12.2020	31.12.2019
Spesifikasjon av grunnlag for utsatt skatt:		
Netto pensjonsmidler	1 360	1 373
Grunnlag for beregning av utsatt skatt	1 360	1 373
Nominell skattesats	22 %	22 %
Utsatt skatt (+) / Utsatt skattefordel (-)	299	302

	2020	2019
Avstemming fra nominell til faktisk skattesats		
Resultat før skattekostnad	(9 213)	100 342
Nominell skattesats	22 %	22 %
Forventet inntektsskatt etter nominell skattesats	-2 027	22 075

	2020	2019
Skatteeffekt av følgende poster:		
Ikke fradragsberettigede kostnader og skattepliktige inntekter	2 024	(20 948)
Korreksjon tidligere års skattekostnad	(0)	(0)
Skattekostnad	-3	1 127
Effektiv skattesats	0 %	1 %



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Odfjell Platform Drilling AS
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Note 7 - Immaterielle eiendeler

	<u>Goodwill</u>
Anskaffelseskost pr 1.1	121 632
Anskaffelseskost pr 31.12	121 632
Akkumulert avskrivninger pr 1.1	-100 977
Årets avskrivninger	-9 180
Akkumulert avskrivninger pr 31.12	-110 157
Bokført verdi pr 31.12	11 475
Årets avskrivninger	9 180
Økonomisk levetid	20 år
Avskrivningsplan	Lineær

Bokført goodwill oppstod i konsernet i mars 2002 og ble overført ved fusjon gjennomført til regnskapsmessig konsernkontinuitet til Odfjell Drilling AS (OD) i 2009. Selskapet overtok fra OD i 2017 alle eiendeler, rettigheter og forpliktelser som relaterer seg til ODs virksomhet innenfor plattformdrilling. Denne virksomheten ble fusjonert inn i selskapet med regnskapsmessig virkning og kontinuitet fra 1. januar 2017. Selskapets foretaksaktivitet er langsiktig og industriell innenfor de aktuelle foretaksområdene og verdien av ervervet goodwill fordeles således over en total periode på 20 år.

Det er pr 31.12.2020 foretatt nedskrivningstest av selskapets goodwill, med bakgrunn i generelt press på priser og marginer knyttet til operasjoner som er knyttet til selskapets goodwill. Det er ikke identifisert nedskrivningsbehov for selskapets balanseførte goodwill pr 31.12.2020.



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Note 8 - Aksjer i datterselskap, tilknyttet selskap mv

Selskap	Foretnings- kontor	Stemme og eierandel	Resultat 2020	Egenkapital 31.12.2020	Balanseført verdi
Odfjell Drilling Management AS	Bergen	100 %	29 385	81 984	52 943
Odfjell Drilling (UK) Ltd	Storbritannia	100 %	25 977	176 743	60 450
Sum					113 393

Opgitt resultat for OD (UK) Ltd for 2020 er omregnet med snittkurs 12.0823 fra GBP til NOK. Egenkapitalen til OD (UK) Ltd er omregnet med balansedagens kurs 11,6462 fra GBP til NOK pr 31.12.2020.

Inntekt på investering i datterselskaper	2020	2019
Inntektsført utbytte fra Odfjell Drilling (UK) Ltd	-	107 650
Inntektsført konsernbidrag fra Odfjell Drilling Management AS	656	-
Sum	656	107 650

Selskapet pr. 31.1.2020 avsatt NOK 656 tusen i konsernbidrag fra datterselskapet Odfjell Drilling Management AS.



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Note 9 - Mellomværende med selskap i samme konsern m.v

Fordringer og gjeld mellom konsernselskaper knytter seg til den løpende drift og konsernbidrag. Konsernmellomværende er gjengitt på egne linjer i balansen

	Fordringer	Gjeld	Fordringer	Gjeld
	2020	2020	2019	2019
Kortsiktig				
Odfjell Drilling AS	-	220	48	-
Odfjell Well Services AS	-	115	-	-
Odfjell Drilling Management AS	14 048	-	11 626	-
Odfjell Drilling Technology AS	1 829	-	-	-
Odfjell Global Business Services AS	-	-	174	-
Odfjell Drilling (UK) Ltd	2 725	-	845	-
Odfjell Drilling Philippines Corp	-	4	-	28
Sum driftsrelaterte fordringer og gjeld	18 602	339	12 694	28
Odfjell Drilling Management AS - konsernbirag	656	-	-	4 313
Odfjell Offshore Ltd - Konsernbidrag	-	-	-	-
Sum fordringer og gjeld på selskap i samme konsern	19 258	339	12 694	4 341

Note 10 - Fordringer

Andre fordringer	2020	2019
Forskuddsbetalte kostnader	-	118
Merverdiavgift	35	-
Andre kortsiktige fordringer	12	32
Sum	47	151



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Note 11 - Kontanter og kontantekvivalenter

	31.12.2020	31.12.2019
Skattetrekksmidler (bundne midler)	2 011	1 449
Sum bankinnskudd, kontanter og lignende	2 011	1 449

Fordring / (Trekk) bankkonto NOK	1 501	105 602
Sum fordring / (gjeld) konsernkontoordning Odfjell Drilling Services Ltd	1 501	105 602

Selskapets driftkontoer på inngår i konsernkontoordning hvor Odfjell Drilling Services Ltd. er konsernkontoeier og således eier av bankmidlene. Konsernkontosystemet er opprettet for å bidra til en optimal likviditetsstyring i Odfjell Drilling Service Ltd. konsernet. Selskapet har solidaransvar for innskudd i konsernkontoordning, og har ikke separalistrettighet for midler som inngår i konsernkontoordningen. Netto innestående på konsernkontoordningen er klassifisert som annen kortsiktig fordring i balansen.

Note 12 - Aksjekapital og aksjonærinformasjon / Egenkapital

Aksjekapital i selskapet består pr 31.12 av 1 328 589 aksjer pålydende NOK 1. Total NOK 1 328 589.

Eierstruktur

Navn	Aksjer	Eierandel	Stemmeandel
Odfjell Drilling Services Ltd	1 328 589	100 %	100 %
Totalt antall aksjer (i hele tall)	1 328 589	100 %	100 %

Alle aksjer i selskapet tilhører samme aksjeklasse, og har like stemmerettigheter

	Aksjekapital	Annen innskutt egenkapital	Annen egenkapital	Sum
Egenkapital 01.01.2020	1 329	17 155	220 919	239 404
Årets resultat			-9 210	-9 210
Avgitt utbytte			-100 000	-100 000
Egenkapital 31.12.2020	1 329	17 155	111 709	130 193



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Note 13 - Pensjonskostnader, -midler og -forpliktelser

Selskapet er pliktig til å ha tjenstepensjonsordning etter lov om obligatorisk tjenstepensjon, og selskapet har tjensteordninger som oppfyller kravene etter denne loven.

Selskapet har en kollektiv innskuddsbasert ordning med sparedel og tilhørende risikodekning av uføre-, ektefelle- og barnepensjon. Denne ordningen omfatter 30 personer pr. 31.12.2020 (24 personer pr. 31.12.2019).

Selskapet har i tillegg en lukket kollektiv ytelsesbasert pensjonsordning som omfatter 2 aktive. Ordningen er forsikret i porteføljen til DNB Liv ASA. Ordningen gir rett til definerte fremtidige ytelser. Disse er i hovedsak avhengig av antall opptjeningsår, lønnsnivå ved oppnådd pensjonsalder og størrelsen på ytelsene fra folketrygden. I tilknytning til ytelsesordningen har selskapet risikodekning av uføre-, ektefelle- og barnepensjon.

Forpliktelser i (ny) AFP-ordning

Selskapet er medlem av den nye AFP-ordningen. AFP-ordningen er en ordning som gir livslangt tillegg på den ordinære pensjonen. De ansatte kan velge å ta ut den nye AFP-ordningen fra og med fylte 62 år. Den nye AFP-ordningen er en ytelsesbasert flerforetakspensjonsordning og finansieres gjennom premier som fastsettes som en prosent av lønn. Foreløpig foreligger ingen pålitelig måling og allokering av forpliktelse og midler i ordningen. Regnskapsmessig blir ordningen behandlet som en innskuddsbasert pensjonsordning hvor premiebetalingene kostnadsføres løpende, og ingen avsetning foretas i regnskapet.

I 2020 utgjorde premien 2,5 % av lønn mellom 1G og 7,1G. Premiesatsen vil være uendret i 2021.

Selskapet har et pensjonsløfte overfor de ansatte på inntil 1G årlig i perioden 62-67 år ved fratredelse av stilling, forutsatt at de tilfredsstillere kravene til å motta ny AFP. Sannsynligheten for uttak er så lav at forpliktelsen ikke er balanseført. Ved faktisk uttak av gavepensjon blir totalkostnad kostnadsført umiddelbart.

	2020	2019
Årets pensjonsopptjening	427	354
Rentekostnad av pensjonsforpliktelsen	137	174
Avkastning på pensjonsmidler	-279	-236
Administrasjonskostnader	102	62
Resultatført estimatavvik	236	172
Periodisert arbeidsgiveravgift	55	50
Netto pensjonskostnad ytelsesordning	678	574
Kostnad innskuddspensjon inkludert risikodekning	2 552	1 842
Kostnad flerforetaksordning regnskapsført som innskuddsbasert (AFP)	454	342
Sum total pensjonskostnad	- 3 683	2 759

	31.12.2020	31.12.2019
Påløpte pensjonsforpliktelser pr. 31.12	8 544	7 633
Pensjonsmidler (til markedsverdi) pr. 31.12	-7 054	-6 415
Netto pensjonsforpliktelse pr.31.12 ekskl. arbeidsgiveravgift	1 489	1 218
Arbeidsgiveravgift	210	172
Ikke resultatført virkning av estimatavvik	-3 060	-2 763
Netto balanseført pensjonsforpliktelse (+)/-midler (-)	-1 360	-1 373

Økonomiske forutsetninger:	31.12.2020	31.12.2019
Diskonteringsrente	1,50 %	2,30 %
Forventet avkastning på pensjonsmidlene	2,40 %	3,80 %
Lønnsregulering/inflasjon	2,00 %	2,25 %
Pensjonsregulering	0,00 %	0,50 %
Regulering av folketrygdens grunnbeløp	1,75 %	2,00 %

Som aktuarmessig forutsetninger for demografiske faktorer og avgang er lagt til grunn vanlig benyttede forutsetninger innen forsikring.



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Note 13 - Pensjonskostnader, -midler og -forpliktelser (forts.)

Sammensetning pensjonsmidler i porteføljen til DnB Liv ASA	31.12.2020	31.12.2019
Aksjer	7,20 %	12,00 %
Omløpsobligasjoner	20,40 %	13,40 %
Pengemarked	10,60 %	17,60 %
Anleggsobligasjoner	30,80 %	31,40 %
Utlån og fordringer	17,00 %	14,20 %
Eiendom	13,60 %	10,50 %
Annet	0,40 %	0,90 %



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Note 14 - Nærstående transaksjoner

Selskapet har hatt flere forskjellige transaksjoner med nærstående parter.

Inntekt fra nærstående parter

Type transaksjon	Nærstående part	Tilknytning	Beløp 2020	Beløp 2019
Ledelses-tjenester	Odfjell Drilling Management AS	Datterselskap	43 608	43 253
Inntektsført konsernbidrag	Odfjell Drilling Management AS	Datterselskap	656	-
Ledelses-tjenester	Odfjell Drilling (UK) Ltd	Datterselskap	11 115	3 107
Tekniske tjenester	Odfjell Drilling Technology AS	Konsernselskap	4 619	-
Tekniske tjenester	Odfjell Invest AS	Konsernselskap	-	1 400
Tekniske tjenester	Odfjell Well Services AS	Konsernselskap	14	-
Tekniske tjenester	Odfjell Drilling AS	Konsernselskap	65	40
Inntektsført utbytte	Odfjell Drilling (UK) Ltd	Datterselskap	-	107 650
Garantiprovisjon	Odfjell Drilling Services Ltd	Konsernselskap	200	140
Sum			60 278	155 590

Kjøp/kostnad fra nærstående parter

Type transaksjon	Nærstående part	Tilknytning	Beløp 2020	Beløp 2019
Innleide personelltjenester	Odfjell Drilling Management AS	Datterselskap	3 031	2 725
Innleide personelltjenester	Odfjell Well Services AS	Konsernselskap	115	-
Innleide personelltjenester	Odfjell Drilling AS	Konsernselskap	171	156
Innleide personelltjenester	Deep Sea Management AS	Konsernselskap	-	418
Innleide personelltjenester	Odfjell Drilling Philippines Corporation	Konsernselskap	72	58
Sum			3 389	3 357



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Note 15 - Garantistillelse

Odfjell Platform Drilling AS sine aksjer er pantsatt som sikkerhet for Odfjell Drilling Services Ltd.'s USD 250 millioner (tidligere 450 millioner) låneavtale med og til fordel for Danske Bank AS, DNB Bank ASA, Nordea Bank Norge ASA og Swedbank AB (publ) som långivere den 6. mai 2014.

Odfjell Platform Drilling AS er også garantist for Odfjell Drilling Services Ltd.'s banklån på USD 250 millioner og har stilt sine fordringer som sikkerhet.

Konsernet Odfjell Drilling har fellesregistrering knyttet til merverdiavgift for konsernets avgiftsregistrerte foretak. Selskapet inngår i denne fellesregistreringen og er således solidarisk ansvarlig for skyldig merverdiavgift i Norge.

Note 16 - Annen kortsiktig gjeld

Skyldig lønnsgodtgjørelse og feriepenger	2020	2019
	8 091	4 732
Andre påløpte kostnader	6 449	3 805
Sum	14 540	8 537

Note 17 - Hendelser etter balansedagen

Selskapet har i perioden 2017 til 2019 gitt konsernbidrag på NOK 5,8 millioner til søsterselskapet Odfjell Offshore Ltd. Skatteetaten har i perioden 2018-2020 forespurt Odfjell Offshore Ltd. om informasjon knyttet til krevd fradrag for tap på aksjer i selskapet i Deep Sea Metro Ltd. I mars 2021 mottok Odfjell Offshore Ltd et nytt brev med varsel om at Skatteetaten vurderer endring av skattefastsettning hvor de anfører at Odfjell Offshore Ltd. ikke var å anse som skattemessig hjemmehørende i Norge på tidspunktet for realisasjon av tapet, eventuelt at det ikke forelå rett til fradrag dersom selskapet likevel var hjemmehørende i Norge. Det ble i brevet forespurt om mer informasjon og svarfrist er gitt til 30. april 2021.

Som en eventuell konsekvens av at Odfjell Offshore Ltd. ikke anses hjemmehørende i Norge vil skattefradrag som er krevd for ytede konsernbidrag til Odfjell Offshore Ltd i perioden 2017 til 2019, på totalt NOK 1,3 millioner bortfalle.

Selskapet mener at det mest sannsynlig utfallet er at Odfjell Offshore Ltd. var å anse som skattemessig hjemmehørende i Norge på tidspunktet for realisasjon av tapet på aksjene i Deep Sea Metro Ltd og at det forelå fradragsrett for tap på aksjene.

Det har etter balansedagen ikke inntruffet hendelser av vesentlig betydning for det avlagte regnskapet.



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Til generalforsamlingen i Odfjell Platform Drilling AS

Uavhengig revisors beretning

Uttalelse om revisjonen av årsregnskapet

Konklusjon

Vi har revidert Odfjell Platform Drilling AS' årsregnskap som består av eiendeler, egenkapital og gjeld per 31. desember 2020, resultatregnskap og kontantstrømanalyse for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening er det medfølgende årsregnskapet avgitt i samsvar med lov og forskrifter og gir et rettviseende bilde av selskapets finansielle stilling per 31. desember 2020, og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder de internasjonale revisjonsstandardene International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet i Revisors oppgaver og plikter ved revisjon av årsregnskapet. Vi er uavhengige av selskapet slik det kreves i lov og forskrift, og har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Øvrig informasjon

Ledelsen er ansvarlig for øvrig informasjon. Øvrig informasjon omfatter informasjon i årsrapporten bortsett fra årsregnskapet og den tilhørende revisjonsberetningen.

Vår uttalelse om revisjonen av årsregnskapet dekker ikke øvrig informasjon, og vi attesterer ikke den øvrige informasjonen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese øvrig informasjon med det formål å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom øvrig informasjon og årsregnskapet, kunnskap vi har opparbeidet oss under revisjonen, eller hvorvidt den tilsynelatende inneholder vesentlig feilinformasjon.

Dersom vi konkluderer med at den øvrige informasjonen inneholder vesentlig feilinformasjon er vi pålagt å rapportere det. Vi har ingenting å rapportere i så henseende.

Styrets og daglig leders ansvar for årsregnskapet

Styret og daglig leder (ledelsen) er ansvarlig for å utarbeide årsregnskapet i samsvar med lov og forskrifter, herunder for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik internkontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.



Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avvirket.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål med revisjonen er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, alltid vil avdekke vesentlig feilinformasjon som eksisterer. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon blir vurdert som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke økonomiske beslutninger som brukerne foretar basert på årsregnskapet.

For videre beskrivelse av revisors oppgaver og plikter vises det til:
<https://revisorforeningen.no/revisjonsberetninger>

Uttalelse om andre lovmessige krav

Konklusjon om registrering og dokumentasjon

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendig i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon», mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av selskapets regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge.

Bergen, 22. mars 2021
PricewaterhouseCoopers AS

Marius Kaland Olsen
Statsautorisert revisor
(elektronisk signert)

Revisjonsberetning - OPD AS

Signers:

<i>Name</i>	<i>Method</i>	<i>Date</i>
Olsen, Marius Kaland	BANKID_MOBILE	2021-03-22 16:27



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APPENDIX L

FINANCIAL STATEMENT OF ODFJELL GLOBAL BUSINESS SERVICE AS 2019

Årsrapport 2019

Odfjell Global Business Services AS

Org.nr. 919 580 240

Signers:

Name	Method	Date
Olsen, Bengt Alvar	BANKID	2020-04-17 12:11 GMT+2
Glenjen, Frederik	BANKID_MOBILE	2020-04-17 12:13 GMT+2
Hereid, Harald Asle	BANKID	2020-04-17 12:29 GMT+2
Leif Helge Eikeseth	BANKID_MOBILE	2020-04-17 13:23 GMT+2
Myre, Janike Amundsen	BANKID_MOBILE	2020-04-17 13:37 GMT+2
Fotland, Kari Elisabeth	BANKID_MOBILE	2020-04-17 20:42 GMT+2
Atle Saeboe	One-Time-Password	2020-04-20 20:41 GMT+2
Knoph, Jarle	BANKID_MOBILE	2020-04-21 14:09 GMT+2
Lieungh, Simen	BANKID_MOBILE	2020-04-21 15:32 GMT+2
Jone Torstensen	One-Time-Password	2020-04-22 08:33 GMT+2

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Årsregnskap 2019

Odfjell Global Business Services AS

Org.nr. 919 580 240



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Årsberetning 2019

Odfjell Global Business Services AS

Virksomhetens art og tilholdssted

Odfjell Global Business Services AS er lokalisert i Bergen. Selskapet inngår i konsernet Odfjell Drilling Ltd. som driver internasjonal virksomhet innenfor drilling, plattformboring, brønnservice og engineering.

Odfjell Global Business Services AS yter tjenester innen med forretningsstøtte til andre selskaper i konsernet og er juridisk ansettelsesselskap for felles stabsavdelinger.

Fortsatt drift

Årsberetningen og fremlagte årsregnskap for Odfjell Global Business Services AS er utarbeidet på forutsetning av fortsatt drift.

I samsvar med regnskapsloven § 3-3a bekreftes det at forutsetningene om fortsatt drift er til stede. Det er etter styrets vurdering ikke knyttet usikkerhet til den fortsatte driften av selskapet.

Forventet markedsutvikling

Som del av Odfjell Drilling Ltd. konsernet vil også Odfjell Global Business Services AS være påvirket av svingninger innen olje- og gassindustrien som følge av fall i oljepris og etterspørsel etter boretjenester fra oljeselskapene. Odfjell Drilling Ltd. konsernet har kontinuerlig fokus på kostnadsreducerende tiltak og effektiviseringsprogram for å effektivisere drift og redusere kostnader så mye som mulig.

Markedet fremover er fremdeles noe preget av usikkerhet og det settes sterkt fokus på å sikre høy kvalitet og sikkerhet i de tjenestene som utføres for selskapets kunder.

Gitt det nylige utbruddet av Coronavirus sykdom (COVID-19) er det ekstremt vanskelig å gjøre anslag på videre utvikling av pandemien og konsekvenser av denne. Krisesituasjonen i kombinasjon med pågående oljepriskrig har ført til betydelige implikasjoner for den globale økonomien som har resultert i sterk nedgang i oljepris, så vel som aksjemarkedene i løpet av første halvdel av mars. Konsekvensene har også nådd oljeservicebransjen da de fleste segmenter forventer å lide av redusert aktivitet. Selv om det fremdeles er for tidlig å måle den fulle økonomiske effekten av Coronavirus, er det klart at vi vil måtte kjempe med denne nye epidemien i noen tid fremover, og på kort sikt vil vi sannsynligvis se et fall i etterspørsel og dagrater. Dette vil igjen kunne medføre reduksjon i inntekter og likviditet. Aktuell ordreservert og ingen signaler fra kunde om bruk av force majeure klausuler, gjør sitt til at selskapet i begrenset grad vurderes eksponert for bortfall av inntekter.

Som et svar på utbruddet lanserer en rekke regjeringer og sentralbanker programmer for å yte bistand til krevende industrier og befolkninger. Disse programmene og ytterligere assistanse som sannsynligvis kommer, vil bidra til å stabilisere markedene. Selskapet og konsernet har utarbeidet konkrete aksjonsplaner for å sikre videreførte operasjoner, derigjennom nødvendig likviditet og grunnlag for fortsatt drift gitt denne situasjonen.



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Resultat, investeringer, finansiering og likviditet

Årsresultatet for Odfjell Global Business Services AS viser et overskudd på MNOK 3,7 for 2019, sammenlignet med MNOK 0,5 i 2018. Driftsresultatet for 2019 var overskudd på MNOK 4,3 mot MNOK 0,9 i 2018.

Ved utgangen av 2019 hadde selskapet en total kapital på MNOK 166,7. Egenkapital var på MNOK 135,9 og utgjorde 82 % pr 31.12.19. For 2018 var total kapital MNOK 152,2, og egenkapital på MNOK 128,1 utgjorde 84 %.

Selskapets kortsiktige gjeld ved utgangen av 2019 var MNOK 28,6 mot MNOK 24,1 i 2018.

Samlet kontantstrøm fra operasjonelle aktiviteter for selskapet i 2019 var MNOK 32,0 mot MNOK 26,7 i 2018. Kontantstrøm fra investeringsaktiviteter var i 2019 negativ med MNOK 14,0 som følge av utbetalinger i forbindelse med erverv av varige og immaterielle driftsmidler. Tilsvarende for 2018 var MNOK 9,9. Kontantstrøm fra finansieringsaktiviteter var i 2019 MNOK 1,4 mot MNOK 8,2 i 2018.

Selskapets finansielle stilling anses som tilfredsstillende pr 31.12.2019. Styret er ikke kjent med at det har inntrådt forhold etter regnskapsårets slutt som er av betydning for bedømmelsen av selskapets og selskapets stilling, annet enn omtalt under avsnittet «Forventet markedsutvikling».

Finansiell risiko

Overordnet

Selskapets finansielle forpliktelser består av kortsiktig gjeld til andre konsernselskap og leverandørgjeld. Hovedformålet med disse passiva er å finansiere selskapets drift. Selskapet har finansielle eiendeler som bankinnskudd, fordring andre konsernselskaper og kundefordringer.

Kredittrisiko

Selskapet leverer tjenester til offshore olje- og gassindustri og virksomhetens kunder består i hovedsak av interne konsernselskaper, og kredittrisiko vurderes som lav.

Likviditetsrisiko

Selskapet har likviditetsrisiko knyttet til eventuelt bortfall av inntekter. Siden kunder i hovedsak består av interne konsernselskap reflekteres risikoen fra Odfjell Drilling Ltd. konsernet (konsernet) inn i selskapet. Konsernet har i 2019 sikret nye borekontrakter for flere av sine borerigger som vil generere likviditet og inntjening de nærmeste årene. Se også omtale under avsnittet «Forventet markedsutvikling».

Valutarisiko

Selskapet har i all hovedsak sine driftskostnader, inntekter og investeringer i norske kroner, og har følgelig lav valutarisiko.

Arbeidsmiljø og personale

Selskapets visjon, verdier, bedriftskultur og krav til ledere er beskrevet i konsernets styrende dokumentasjon. Dokumentene skal fremstå som et grunnleggende felleseie for alle ansatte - ledere som medarbeidere - i selskapet og gi alle medarbeidere den identitet og det verdigrunnlag som skal kjennetegne Odfjell Global Business Services AS.

Selskapet er en kompetanseintensiv virksomhet som er avhengig av et høyt nivå av ekspertise og teknologisk kunnskap blant sine ansatte. Virksomheten tilbyr omfattende opplæring for å sikre kontinuerlig oppdatering av kunnskap, kompetanseheving og karriereutvikling for ansatte.



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Antall ansatte ved utgangen av 2019 var 110 mot 120 i 2018, med en turnover på 5 % i 2019.

Sykefravær

Totalt sykefravær for selskapet i 2019 var 2%. Oppfølging og forebygging av sykefraværet har hatt høy fokus i 2019 og vil ha det videre i 2020. Konsernet har etablert bedriftshelsetjeneste og selskapet følger opp sykemeldt personell etter de prinsipper som ligger til grunn for et inkluderende arbeidsliv.

Det er i konsernet etablert både verneombud og arbeidsmiljøutvalg med tilrettelagt opplæring for de valgte personer. Videre har konsernet eget sosial- og attføringsutvalg og AKAN utvalg.

Arbeidsmiljø:

Arbeidsmiljøet i Odfjell Global Business Services AS ansees for å være bra, noe som avdekkes gjennom jevnlig organisasjon- og arbeidsmiljøundersøkelser for ansatte i selskapet. Gjennom undersøkelsene får selskapet verdifull informasjon om hvordan ansatte opplever arbeidsoppgaver, arbeidsprosesser, arbeidsmengde, sosialt samspill og ledelse. Den gir også informasjon om hva som krever ytterlig fokus og virkninger av forbedringstiltak. Det er et viktig verktøy for å fremme og videreutvikle et godt arbeidsmiljø.

Diskriminering og likestilling

Selskapet har krav til at all aktivitet skal gjennomføres i tråd med gjeldende lovgivning nasjonalt og internasjonalt, og i henhold til selskapets etiske retningslinjer. Diskrimineringsloven inngår som en del av det regelverk som er adoptert av selskapet og innarbeidet i selskapets styrende dokumentasjon for all aktivitet i inn og utland. Selskapets vedtatte personal policy presiserer at Odfjell Drilling konsernet skal rekruttere og utvikle medarbeidere basert på like muligheter og rettigheter uavhengig av etnisk bakgrunn, nasjonal opprinnelse, religion, kjønn, alder, seksuell legning, sivilstand og uførhet.

Konsernet arbeider aktivt, målrettet og planmessig for å unngå diskriminering, både gjennom tilpasning av konsernets styrende dokumentasjon, gjennom opplæring og ulike tiltak. Slike tiltak omfatter blant annet rekruttering, lønns- og arbeidsvilkår, forfremmelse, utviklingsmuligheter og beskyttelse mot trakassering.

Organisasjonsfrihet og retten til kollektive forhandlinger er stadfestet i selskapets styrende dokumentasjon og følges opp kontinuerlig for alle aktiviteter.

Tiltak som er iverksatt for å fremme likestilling, er innlemmet i selskapets policy, der det vektlegges at alle arbeidstakere gis samme mulighet til arbeid og faglig utvikling, og likestilles med hensyn til ansettelse, lønn, opplæring og avansement. Følgelig har bedriften i sin personalpolitikk ivaretatt likestillingsperspektivet ved ansettelser, lønn, forfremmelser og kompetansegivende etter- og videreutdanning m.m.

Alle parter i bedriften har et felles ansvar for gjennomføring av likestilling og gjennom de etablerte hovedavtaler er det enighet om å legge vekt på tiltak for at kvinner og menn tildeles kvalifiserte oppgaver på lik linje, og at det gis like muligheter for avansement i virksomheten, samt rekruttering av kvinner til lederstillinger på alle nivå. I tillegg bedre fordeling og organisering av arbeidstid slik at det fremmer likestilling. Det arbeides kontinuerlig med å rekruttere flere kvinner til høyere nivåer. Kvinneandelen i styret er 22 % (2 av 9 styremedlemmer).

I Odfjell Global Business Service AS var kvinneandelen 56 % ved utgangen av 2019.



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Helse, miljø og sikkerhet

Odfjell Drilling Ltd. konsernet arbeider kontinuerlig for forbedringsprosesser innenfor helse, miljø og sikkerhet (KHMS) for å forhindre situasjoner som kan få uønskede konsekvenser, og på denne måten oppnå målsetningen om 0 feil. Utvikling innen risikonivået for konsernet har gjennom de siste årene vist en positiv trend innen de fleste HMS-områdene. Konsernet viser en god utvikling også innenfor uønskede hendelser med høyt potensiale, rapporteringspliktige utslipp til sjø og fallende gjenstander.

Miljørapportering

Selskapet har en gjennomgående «null feil filosofi» relatert til KHMS og uønskede hendelser. Denne filosofien omfatter også potensialet for miljøforurensning. HMS Policy og selskapets styringssystem for miljø, basert på ISO 14000, definerer krav og forventninger for å unngå negativ påvirkning av miljøet. Samtlige forretningsområder i Odfjell Drilling ble sertifisert til ISO-14001, standard for Miljøstyring første kvartal 2014. Odfjell Drilling vil fortsatt fokusere på miljøbevissthet og forvaltning i 2020. Odfjell Drilling har etablert miljøstrategier som støtter opp om selskapets HMS Policy.

Årets resultat og overføringer

Styret foreslår at selskapets overskudd på NOK 3 720 174 disponeres som følger:

Overført til annen egenkapital 3 720 174 NOK

Bergen, 23. mars 2020

Simen Lieungh
Styreleder

Atle Sæbø
Styremedlem

Janike A. Myre
Styremedlem

Bengt A. Olsen
Styremedlem

Kari E. Fotland
Styremedlem

Harald A. Hereid
Styremedlem

Frederik Glenjen
Styremedlem

Leif Helge Eikeseth
Styremedlem

Jarle Knoph
Styremedlem

Jone Torstensen
Daglig leder



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Odfjell Global Business Services AS

RESULTATREGNSKAP

Beløp i NOK 1000	Note	2019	2018
DRIFTSINNEKTER			
Driftsinntekter	2, 13	228 908	211 985
DRIFTSKOSTNADER			
Lønnskostnad	3, 12	152 420	138 551
Avskrivninger	7	27 641	28 579
Andre driftskostnader	3, 4	44 543	43 987
Sum andre driftskostnader		224 605	211 117
DRIFTSRESULTAT		4 303	868
FINANSINNEKTER OG FINANSKOSTNADER			
Finansinntekter	5	537	227
Finanskostnader	5	(40)	(436)
Netto finansposter		496	(209)
ORDINÆRT RESULTAT FØR SKATTEKOSTNAD		4 799	659
Skattekostnad på ordinært resultat	6	1 079	160
ÅRSRESULTAT		3 720	500
Opplysninger om avsetninger til:			
Avsatt til konsernbidrag (etter skatt)		-	-
Overført annen egenkapital	11	3 720	500
Sum disponert		3 720	500



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Odfjell Global Business Services AS

EIENDELER

Beløp i NOK 1000	Note	31.12.2019	31.12.2018
ANLEGGSMIDLER			
Immatrielle eiendeler			
Konsesjoner, patenter, lisenser, varemerker o.l.	7	78 470	91 414
Utsatt skattefordel	6	-	81
Sum immatrielle eiendeler		78 470	91 495
Varige driftsmidler			
Maskiner og inventar	7	1 622	2 269
Sum varige driftsmidler		1 622	2 269
Finansielle anleggsmidler			
Pensjonsmidler	12	9 938	3 937
Sum finansielle anleggsmidler		9 938	3 937
Sum anleggsmidler		90 030	97 701
OMLØPSMIDLER			
Fordringer			
Fordringer på selskap i samme konsern	9	12 352	19 424
Fordring konsernkontoordning Odfjell Drilling Services Ltd	10	41 489	22 241
Andre kortsiktige fordringer	8	18 714	8 900
Sum fordringer		72 555	50 565
Bankinnskudd, kontanter og lignende	10	4 077	3 915
Sum omløpsmidler		76 631	54 480
SUM EIENDELER		166 661	152 181



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Odfjell Global Business Services AS

EGENKAPITAL OG GJELD

Beløp i NOK 1000	Note	31.12.2019	31.12.2018
EGENKAPITAL			
Innskudd egenkapital			
Aksjekapital (6 255 370 aksjer á kr 50 øre)	11	249	249
Annen innskutt egenkapital	11	22 433	18 326
Sum innskutt egenkapital		22 682	18 575
Opptjent egenkapital			
Annen egenkapital	11	113 196	109 476
Sum opptjent egenkapital		113 196	109 476
Sum egenkapital		135 878	128 051
GJELD			
Avsetning for forpliktelser			
Utsatt skatt	6	2 156	-
Sum avsetning for forpliktelser		2 156	-
Kortsiktig gjeld			
Leverandørgjeld		3 740	3 437
Betalbar skatt	6	0	0
Skyldig offentlige avgifter		8 223	7 655
Gjeld til selskap i samme konsern	9	2 241	1 331
Annen kortsiktig gjeld	15	14 422	11 708
Sum kortsiktig gjeld		28 627	24 131
Sum gjeld		30 783	24 131
SUM EGENKAPITAL OG GJELD		166 661	152 181

Bergen, 23. mars 2020

Simen Lieungh
styreleder

Atle Sæbø
styremedlem

Janike Amundsen Myre
styremedlem

Bengt Alvar Olsen
styremedlem

Kari Elisabeth Fotland
styremedlem

Harlad Asle Hereid
styremedlem

Frederik Glenjen
styremedlem

Leif Helge Eikeseth
styremedlem

Jarle Knoph
styremedlem

Jone Torstensen
Daglig leder



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Odfjell Global Business Services AS

KONTANTSTRØMSANALYSE

Beløp i NOK 1000	Note	2 019	2018
KONTANTSTRØMMER FRA OPERASJONELLE AKTIVITETER			
Ordinært resultat før skattekostnad		4 799	659
Betalte skatter	6	(0)	(0)
Ordinære avskrivninger	7	27 641	28 579
Forskjell mellom kostnadsført pensjon og inn-/utbetalinger	12	(6 001)	357
Endring i kortsiktig konsernmellomværende ekskl. konsernbidrag	9	11 823	(23 431)
Endring i andre tidsavgrensningsposter	8,15	(6 227)	20 561
Netto kontantstrøm fra operasjonelle aktiviteter		32 035	26 726
KONTANTSTRØMMER FRA INVESTERINGSAKTIVITETER			
Utbetalinger ved kjøp av varige- og immatrielle driftsmidler	7	(14 049)	(9 932)
Netto kontantstrømmer fra investeringsaktiviteter		(14 049)	(9 932)
KONTANTSTRØMMER FRA FINANSIERINGSAKTIVITETER			
Innbetalinger av konsernbidrag	11	1 424	18 470
Utbetalinger av konsernbidrag	11	-	(313)
Utbetalinger av utbytte	11	-	(10 000)
Netto kontantstrøm fra finansieringsaktiviteter		1 424	8 157
Netto endring i likvider i året	10	19 410	24 951
Konter og kontantekvivalenter per 01.01	10	26 156	1 205
Konter og kontantekvivalenter per 31.12*		45 566	26 156
⁽¹⁾ Herav inntående på konto som er del av konsernkontoordningen	10	41 489	22 241

Konter og kontantekvivalenter omfatter konter og bankinnskudd, fordring konsernkontoordning og andre kortsiktige, likvide plasseringer.



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Note 1 - Regnskapsprinsipper

Selskapet ble stiftet 1. september 2017. Selskapet driver virksomhet innenfor forretningsstøtte for andre selskap i Odfjell Drilling konsernet.

Årsregnskapet består av resultatregnskap, balanse, noteopplysninger, kontantstrømpoppstilling og er avlagt i samsvar med regnskapslov og god regnskapskikk i Norge. Norske kroner benyttes som funksjonell og rapporterings valuta i regnskapet.

Selskapet er en del av Odfjell Drilling konsernet. Det ultimate morselskap er Odfjell Drilling Ltd som har forretningskontor i Aberdeen, Scotland.

Konsernregnskapet er tilgjengelig på selskapets hjemmeside www.odfjelldrilling.com"

Bruk av estimater

Utarbeidelse av regnskaper i samsvar med regnskapsloven krever bruk av estimater. Videre krever anvendelse av selskapets regnskapsprinsipper at ledelsen må utøve skjønn. Områder som i stor grad inneholder slike skjønsmessige vurderinger, høy grad av kompleksitet, eller områder hvor forutsetninger og estimater er vesentlige for årsregnskapet, er beskrevet i notene.

Valuta

Transaksjoner i annen valuta som er med i resultatregnskapet er omregnet til norske kroner etter månedlige kurser. Pengeposter i utenlandsk valuta er omregnet til norske kroner ved å benytte balansedagens kurs. Ikke-pengeposter som måles til historisk kurs uttrykt i utenlandsk valuta, omregnes til norske kroner ved å benytte valutakursen på transaksjonstidspunktet. Ikke-pengeposter som måles til virkelig verdi uttrykt i utenlandsk valuta, omregnes til valutakursen fastsatt på balansetidspunktet. Valutakursendringer resultatføres løpende i regnskapsperioden

Inntektsføring

Selskapets tjenester inntektsføres etter hvert som de leveres.

Periodisering

Inntekter og kostnader periodiseres i den perioden tjenesten er utført.

Skatt

Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt er beregnet med gjeldende skattesats på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt skattemessig underskudd til fremføring ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverseres eller kan reverseres i samme periode er utlignet. Netto utsatt skattefordel balanseføres i den grad det er sannsynlig at denne kan bli nyttegjørt. Utsatt skatt beregnes med nominell verdi.

Betalbar skatt og utsatt skatt er regnskapsført direkte mot egenkapitalen i den grad skattepostene relaterer seg til egenkapitaltransaksjoner.

Skatt på avgitt konsernbidrag som føres som økt kostpris på aksjer i datterselskap, og skatt på mottatt konsernbidrag som føres som reduksjon av balanseført beløp på investeringen i datterselskap, føres direkte mot skatt i balansen (mot betalbar skatt hvis konsernbidraget har virkning på betalbar skatt, og mot utsatt skatt hvis konsernbidraget har virkning på utsatt skatt).

Klassifisering og vurdering av balanseposter

Omløpsmidler og kortsiktig gjeld omfatter poster som forfaller til betaling innen ett år etter anskaffelsestidspunktet, samt poster som knytter seg til varekretsløpet. Øvrige poster er klassifisert som anleggsmiddel/langsiktig gjeld.

Omløpsmidler vurderes til laveste av anskaffelseskost og virkelig verdi. Kortsiktig gjeld balanseføres til nominelt beløp på opptakstidspunktet.

Anleggsmidler vurderes til anskaffelseskost, fratrukket av- og nedskrivninger. Langsiktig gjeld balanseføres til nominelt beløp på etableringstidspunktet.

Varige driftsmidler

Varige driftsmidler balanseføres og avskrives lineært over driftsmidlets forventede levetid. Vesentlige driftsmidler som består av betydelige komponenter med ulik levetid er dekomponert med ulik avskrivningstid for de ulike komponentene. Direkte vedlikehold av driftsmidler kostnadsføres løpende under driftskostnader, mens påkostninger eller forbedringer tillegges driftsmidlets kostpris og avskrives i takt med driftsmidlet. Dersom gjenvinnbart beløp av driftsmiddelet er lavere enn balanseført verdi foretas nedskrivning til gjenvinnbart beløp. Gjenvinnbart beløp er det høyeste av netto salgsverdi og verdi i bruk. Verdi i bruk er nåverdien av de fremtidige kontantstrømmene som eiendelen forventes å generere.

Immateriell eiendeler

Immaterielle eiendeler ervervet separat balanseføres til kost, redusert for eventuell av- og nedskrivning. Immaterielle eiendeler med bestemt økonomisk levetid avskrives over økonomisk levetid og testes for nedskrivning ved indikasjoner på dette. Internt genererte immaterielle eiendeler, med unntak av balanseførte utviklingskostnader, balanseføres ikke, men kostnadsføres løpende. Goodwill testes for verdifall årlig, eller oftere hvis hendelser eller endringer i omstendigheter indikerer et mulig verdifall. Bokført verdi sammenlignes mot gjenvinnbart beløp, som er det høyeste av bruksverdi og virkelig verdi fratrukket salgsutgifter. Eventuelt verdifall innregnes umiddelbart som en kostnad og ikke senere reversert. Ved verdifallstest allokteres goodwill til hver kontantgenererende enhet (KGE), eller grupper av kontantgenererende enheter, der hver enhet eller gruppe av enheter representerer det laveste nivået innenfor foretaket der goodwill blir overvåket for interne styringsformål.

Fordringer

Kundefordringer og andre fordringer er oppført i balansen til pålydende etter fradrag for avsetning til forventet tap. Avsetning til tap gjøres på grunnlag av en individuell vurdering av de enkelte fordringer.



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Note 1 - Regnskapsprinsipper - forts.

Pensjoner

Ytelsesbaserte pensjonsordninger vurderes til nåverdien av de fremtidige pensjonsytelser som regnskapsmessig anses opptjent på balansedagen. Pensjonsmidler vurderes til virkelig verdi.

Endring i ytelsesbaserte pensjonsforpliktelser som skyldes endringer i pensjonsplaner resultatføres med full virkning i regnskapsåret.

Akkumulert virkning av estimatendringer og endringer i finansielle og aktuarielle forutsetninger (aktuarielle gevinster og tap) under 10 % av det som er størst av pensjonsforpliktelsene og pensjonsmidlene ved begynnelsen av året innregnes ikke. Når den akkumulerte virkningen er over 10 %-grensen ved årets begynnelse, resultatføres det overskytende over antatt gjennomsnittlig gjenværende opptjeningstid.

Periodens netto pensjonskostnad klassifiseres som lønns- og personalkostnader.

Pensjonspremie i innskuddsbasert pensjonsordninger kostnadsføres fortløpende.

Kontantstrømoppstilling

Kontantstrømoppstillingen er utarbeidet etter den indirekte metoden. Kontanter og kontantekvivalenter omfatter kontanter og bankinnskudd, fordring konsernkontoordning og andre kortsiktige, likvide plasseringer.

Reklassifisering

Ved reklassifisering av resultat- og balanseposter omarbeides sammenligningstallene tilsvarende.



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Note 2 - Driftsinntekter

Driftsinntekter, forretningsområder:	2019	2018
Ledelses- og administrasjonstjenester / støttetjenester	225 999	208 090
Teknisk management	2 100	3 100
Utleie personell	809	795
Sum	228 908	211 985

Selskapets driftsinntekter er i hovedsak knyttet til aktivitet utført i Norge

Note 3 - Lønnskostnad, antall ansatte, godtgjørelser, lån til ansatte m.m

Lønnskostnad	Note	2019	2018
Lønn		98 287	92 271
Arbeidsgiveravgift		14 854	13 459
Pensjonskostnader	12	10 538	10 188
Andre ytelser		3 252	2 567
Innleid personell		25 490	20 066
Sum		152 420	138 551

Gjennomsnittlig antall ansatte	118	117
--------------------------------	-----	-----

Daglig leder er ansatt i Odfjell Drilling AS og kostnadene dekkes av selskapet via prising av leverte tjenester.

Det er ikke gitt ytelser til styret for inneværende år.

Det er ikke yttet lån eller stilt garantier til daglig leder, styreleder eller andre personlige nærstående parter. Se note 14 for garantier til nærstående selskaper.

Kostnader til revisor ekskl mva (tall i hele tusen)	2019	2018
Lovpålagt revisjon	40	20
Sum	40	20



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Note 4 - Andre driftskostnader

	2019	2018
Innleide tjenester og underleveranser	1 641	1 051
Verktøy, inventar og driftsmidler	4 143	5 151
Reperasjon og vedlikehold IT utstyr	25 313	24 609
Kurskostnader	150	118
Transport og frakt	16	62
Kostnader kontorlokaler	256	774
Reisekostnader	3 731	2 564
IT-konsulenttjenester	7 021	7 287
Andre drifts- og administrasjonskostnader	2 273	2 371
Sum	44 543	43 987

Note 5 - Finansinntekter og kostnader

Finansinntekter	2019	2018
Renteinntekter	394	227
Netto valutagevinst	143	-
Sum finansinntekter	537	227
Finanskostnader	2019	2018
Rentekostnader	(40)	(196)
Netto valutap	-	(239)
Andre finanskostnader	-	(1)
Sum finanskostnader	(40)	(436)
Valuta	2019	2018
Realisert valutagevinst	139	92
Realisert valutatap	(124)	(301)
Urealisert valutagevinst	197	42
Urealisert valutatap	(69)	(71)
Netto valutagevinst	143	(239)



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Note 6 - Skatt

Årets skattekostnad fremkommer slik:	2019	2018
Endring i utsatt skatt	1 079	156
Betalbar skatt	-	-
Skattekostnad	1 079	156
Estimatendring utsatt skatt som følge av endret skattesats	-	4
Sum total skattekost	1 079	160
Betalbar skatt i året skattekostnad fremkommer slik:	2019	2018
Resultat før skattekostnad	4 799	659
Permanente forskjeller	106	19
Endring midlertidig forskjeller	(10 170)	(2 101)
Mottatt konsernbidrag til dekning av skattemessig underskudd	5 265	1 424
Årest skattegrunnlag	1	1
Nominell skattesats	22 %	23 %
Betalbar skatt	-	-
Betalbar skatt balanseført 31.12	-	-
Spesifikasjon av grunnlag for utsatt skatt:	31.12.2019	31.12.2018
Anleggsmidler	(136)	(4 305)
Netto pensjonsmidler	9 938	3 937
Grunnlag for beregning av utsatt skatt	9 802	(368)
Nominell skattesats	22 %	22 %
Utsatt skatt (+) / Utsatt skattefordel (-)	2 156	(81)
Avstemming fra nominell til faktisk skattesats	2019	2018
Resultat før skattekostnad	4 799	659
Nominell skattesats	22 %	23 %
Forventet inntektsskatt etter nominell skattesats	1 056	152
Skatteeffekt av følgende poster:	2019	2018
Ikke fradragsberettigede kostnader og skattepliktige inntekter	23	4
Estimatendring utsatt skatt som følge av endret skattesats	-	4
Skattekostnad	1 079	160
Effektiv skattesats	22,49 %	24,21 %



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Note 7 - Immaterielle eiendeler og varige driftsmidler

	Software (immateriell)	Datautstyr og inventar
Anskaffelseskost pr 1.1.	175 853	36 019
Tilgang	13 416	633
Anskaffelseskost pr 31.12	189 270	36 652
Akkumulert avskrivninger pr 1.1.	-84 439	-33 750
Årets avskrivninger	-26 361	-1 281
Akkumulert avskrivninger pr 31.12	-110 800	-35 030
Bokført verdi pr 31.12	78 470	1 622
Årets avskrivninger	26 361	1 281
Økonomisk levetid	7 år	3-5 år
Avskrivningsplan	Lineær	Lineær



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Note 8 - Kundefordringer og andre kortsiktige fordringer

Andre fordringer	2019	2018
Forskuddsbetalte kostnader	13 846	7 091
Fordring merverdiavgift	4 788	1 808
Andre kortsiktige fordringer	80	1
Sum	18 714	8 900

Note 9 - Mellomværende med selskap i samme konsern m.v

Fordringer og gjeld mellom konsernselskaper knytter seg til den løpende drift og konsernbidrag. Konsernmellomværende er gjengitt på egne linjer i balansen

Kortsiktig	Fordringer 2019	Gjeld 2019	Fordringer 2018	Gjeld 2018
Odfjell Drilling AS	3 969	-	14 110	-
Odfjell Platform Drilling AS	-	174	-	-
Odfjell Well Services AS	19	-	-	30
Odfjell Well Services Norway AS	-	-	33	-
Deep Sea Management AS	-	28	155	-
Odfjell Drilling Management AS	1	-	2 023	-
Odfjell Well Services (UK) Ltd	-	-	2	-
Odfjell Invest AS	-	-	238	-
Odfjell Well Services Cooperatief U.A.	-	-	5	-
Odfjell Drilling Technology AS	2 016	-	687	-
Odfjell Drilling (UK) Ltd.	1 082	-	631	-
Odfjell Drilling Philippines Corporation	-	2 039	-	1 301
Odfjell Partners Invest Ltd	-	-	100	-
Odfjell Well Services Ltd	-	-	16	-
Sum driftsrelaterte fordringer og gjeld	7 087	2 241	18 000	1 331
Odfjell Drilling AS - konsernbidrag	5 265	-	1 424	-
Sum fordringer og gjeld på selskap i samme konsern	12 352	2 241	19 424	1 331



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Note 10 - Kontanter og kontantekvivalenter

	31.12.2019	31.12.2018
Skattetrekksmidler (bundne midler)	4 077	3 915
Sum bankinnskudd, kontanter og lignende	4 077	3 915

Bankinnskudd USD	1 680	762
Bankinnskudd NOK	39 809	21 478
Sum fordring konsernkontoordning Odfjell Drilling Services Ltd	41 489	22 241

Selskapets driftkonto inngår i konsernkontoordning hvor Odfjell Drilling Services Ltd. er konsernkontoeier og således eier av bankmidlene.

Note 11 - Aksjekapital og aksjonærinformasjon / Egenkapital

Aksjekapital i selskapet består pr 31.12 av 249 194 aksjer pålydende NOK 1. Total NOK 249 194.

Eierstruktur

Navn	Aksjer	Eierandel	Stemmeandel
Odfjell Drilling Ltd.	249 194	100 %	100 %
Totalt antall aksjer	249 194	100 %	100 %

Alle aksjer i selskapet tilhører samme aksjeklasse, og har like stemmerettigheter

	Aksjekapital	Annen innskutt egenkapital	Annen egenkapital	Sum
Egenkapital 31.12.2018	249	18 326	109 476	128 051
Arets resultat			3 720	3 720
Mottatt konsenbidrag		4 107		4 107
Egenkapital 31.12.2019	249	22 433	113 196	135 878



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Note 12 - Pensjonskostnader, -midler og -forpliktelser

Selskapet er pliktig til å ha tjenestepensjonsordning etter lov om obligatorisk tjenestepensjon, og selskapet har tjenesteordninger som oppfyller kravene etter denne loven.

Selskapet har en kollektiv innskuddsbasert ordning med sparedel og tilhørende risikodekning av uføre-, ektefelle- og barnepensjon. Denne ordningen omfatter 93 personer pr. 31.12.2019.

Selskapet har i tillegg en lukket kollektiv ytelsesbasert pensjonsordning som omfatter i alt 21 aktive (3 pensjonister). Ordningen er forsikret i porteføljen til DNB Liv ASA. Ordningen gir rett til definerte fremtidige ytelser. Disse er i hovedsak avhengig av antall opptjeningsår, lønnsnivå ved oppnådd pensjonsalder og størrelsen på ytelsene fra folketrygden. I tilknytning til ytelsesordningen har selskapet risikodekning av uføre-, ektefelle- og barnepensjon.

Forpliktelser i (ny) AFP-ordning

Selskapet er medlem av den nye AFP-ordningen. AFP-ordningen er en ordning som gir livslangt tillegg på den ordinære pensjonen. De ansatte kan velge å ta ut den nye AFP-ordningen fra og med fylte 62 år. Den nye AFP-ordningen er en ytelsesbasert flerforetakspensjonsordning og finansieres gjennom premier som fastsettes som en prosent av lønn. Foreløpig foreligger ingen pålitelig måling og allokering av forpliktelse og midler i ordningen. Regnskapsmessig blir ordningen behandlet som en innskuddsbasert pensjonsordning hvor premiebetalingene kostnadsføres løpende, og inøen avsetning foretas i regnskapet.

I 2019 utgjorde premien 2,5 % av lønn mellom 1G og 7,1G. Premiesatsen vil være uendret i 2020.

Selskapet har et pensjonsløfte overfor de ansatte på inntil 1G årlig i perioden 62-67 år ved fratredelse av stilling, forutsatt at de tilfredsstillere kravene til å motta ny AFP. Sannsynligheten for uttak er så lav at forpliktelsen ikke er balanseført. Ved faktisk uttak av gavepensjon blir totalkostnad kostnadsført umiddelbart.

	2019	2018
Årets pensjonsopptjening	1 529	1 699
Rentekostnad av pensjonsforpliktelsen	1 028	878
Avkastning på pensjonsmidler	-1 508	-1 281
Administrasjonskostnader	130	378
Resultatført estimatavvik	1 104	1 015
Periodisert arbeidsgiveravgift	166	236
Netto pensjonskostnad ytelsesordning	2 450	2 925
Kostnad risikodekninger og utløsning gavepensjon	940	427
Kostnad innskuddspensjon inkludert risikodekning	5 520	5 422
Kostnad flerforetaksordning regnskapsført som innskuddsbasert (AFP)	1 628	1 415
Sum total pensjonskostnad	10 538	10 188

	31.12.2019	31.12.2018
Påløpte pensjonsforpliktelser pr. 31.12	50 236	39 629
Pensjonsmidler (til markedsverdi) pr. 31.12	-42 313	-31 518
Netto pensjonsforpliktelser pr.31.12 ekskl. arbeidsgiveravgift	7 923	8 111
Arbeidsgiveravgift	1 117	1 144
Ikke resultatført virkning av estimatavvik	-18 979	-13 192
Netto balanseført pensjonsforpliktelse (+)/-midler (-)	-9 938	-3 937

Økonomiske forutsetninger:	31.12.2019	31.12.2018
Diskonteringsrente	2,30 %	2,60 %
Forventet avkastning på pensjonsmidlene	3,80 %	4,30 %
Lønnsregulering/inflasjon	2,25 %	2,75 %
Pensjonsregulering	0,50 %	0,80 %
Regulering av folketrygdens grunnbeløp	2,00 %	2,50 %

Som aktuarmessig forutsetninger for demografiske faktorer og avgang er lagt til grunn vanlig benyttede forutsetninger innen forsikring.



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Note 12 - Pensjonskostnader, -midler og -forpliktelser (forts.)

Sammensetning pensjonsmidler i porteføljen til DnB Liv ASA	31.12.2019	31.12.2018
Aksjer	12,00 %	12,10 %
Omløpsobligasjoner	13,40 %	12,50 %
Pengemarked	17,60 %	11,00 %
Anleggsobligasjoner	31,40 %	29,40 %
Utlån og fordringer	14,20 %	25,20 %
Eiendom	10,50 %	9,10 %
Annet	0,90 %	0,70 %



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(alle tall er i hele tusen hvis intet annet er angitt)

Note 13 - Nærstående transaksjoner (vesentlige transaksjoner over 10 MNOK)

Selskapet har hatt flere forskjellige transaksjoner med nærstående parter. Alle transaksjoner er foretatt som del av den ordinære virksomheten.

Inntekt fra nærstående parter

Type transaksjon	Nærstående part	Tilknytning	Beløp 2019	Beløp 2018
Støtte-/Administrasjonstjenester	Odfjell Drilling AS	Konsernselskap	131 632	135 466
Støtte-/Administrasjonstjenester	Odfjell Well Services Norway AS	Konsernselskap	22 854	17 695
Støtte-/Administrasjonstjenester	Odfjell Drilling Management AS	Konsernselskap	21 425	24 273
Støtte-/Administrasjonstjenester	Odfjell Drilling Technology AS	Konsernselskap	18 235	8 241
Støtte-/Administrasjonstjenester	Odfjell Drilling (UK) Ltd	Konsernselskap	12 983	7 574
Støtte-/Administrasjonstjenester	Sum andre konsernselskap under 10 MNOK		20 970	17 935
Sum			228 099	211 183

Kjøp/kostnad fra nærstående parter

Type transaksjon	Nærstående part	Tilknytning	Beløp 2019	Beløp 2018
Innleide personelltjenester	Odfjell Drilling Philippines Corporation	Konsernselskap	18 043	14 602
Innleide personelltjenester	Sum andre konsernselskap under 10 MNOK		1 129	1 283
Sum			19 172	15 884



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Odfjell Global Business Service AS
Noter til selskapsregnskap 2019
(alle tall er i hele tusen hvis intet annet er angitt)

Note 14 - Garantistillelse

Odfjell Global Business Service AS sine aksjer er pantsatt som sikkerhet for Odfjell Drilling Services Ltd.'s USD 250 millioner (tidligere 450 millioner) låneavtale med og til fordel for Danske Bank AS, DNB Bank ASA, Nordea Bank Norge ASA og Swedbank AB (publ) som långivere den 6. mai 2014.

Odfjell Global Business Service AS er også garantist for Odfjell Drilling Services Ltd.'s banklån på USD 250 millioner og har stilt sine fordringer som sikkerhet.

Konsernet Odfjell Drilling har fellesregistrering knyttet til merverdiavgift for konsernets avgiftsregistrerte foretak. Selskapet inngår i denne fellesregistreringen og er således solidarisk ansvarlig for skyldig merverdiavgift i Norge.

Note 15 - Annen kortsiktig gjeld

	2019	2018
Skyldig lønnsgodtgjørelse og feriepenger	13 696	10 994
Andre påløpte kostnader	535	359
Annen kortsiktig gjeld	192	355
Sum	14 422	11 708

Note 16 - Hendelser etter balansedagen

Etterfølgende hendelser er gjennomgått fra periodeslutt til utstedelse av regnskapet. Det nylige utbruddet av Coronavirus-sykdommen (COVID-19) og pågående oljepriskrig har ført til betydelige implikasjoner for den globale økonomien.

Konsekvensene har også nådd oljeservicebransjen da de fleste segmenter forventer å lide av redusert aktivitet. Selv om det fremdeles er for tidlig å måle den fulle økonomiske effekten av Coronavirus, er det klart at vi vil måtte kjempe med denne nye epidemien i noen tid fremover, og på kort sikt vil vi sannsynligvis se et fall i etterspørsel og dagrater. Aktuell ordresreserve og ingen signaler fra kunde om bruk av force majeure klausuler, gjør sitt til at selskapet i begrenset grad vurderes eksponert for bortfall av inntekter.

Som et svar på utbruddet lanserer en rekke regjeringer og sentralbanker programmer for å yte bistand til krevende industrier og befolkninger.

Disse programmene og ytterligere assistanse som sannsynligvis kommer, vil bidra til å stabilisere markedene. Selskapet og konsernet har utarbeidet konkrete aksjonsplaner for å sikre videreførte operasjoner, derigjennom nødvendig likviditet og grunnlag for fortsatt drift gitt denne situasjonen

Bortsett fra det ovennevnte relatert til Coronavirus og oljepriser er det ingen vesentlige hendelser å rapportere.



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Til generalforsamlingen i Odfjell Global Business Services AS

Uavhengig revisors beretning

Uttalelse om revisjonen av årsregnskapet

Konklusjon

Vi har revidert Odfjell Global Business Services AS' årsregnskap som består av eiendeler, egenkapital og gjeld per 31. desember 2019, resultatregnskap og kontantstrømanalyse for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening er det medfølgende årsregnskapet avgitt i samsvar med lov og forskrifter og gir et rettviseende bilde av selskapets finansielle stilling per 31. desember 2019, og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder de internasjonale revisjonsstandardene International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet i Revisors oppgaver og plikter ved revisjon av årsregnskapet. Vi er uavhengige av selskapet slik det kreves i lov og forskrift, og har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Øvrig informasjon

Ledelsen er ansvarlig for øvrig informasjon. Øvrig informasjon omfatter informasjon i årsrapporten bortsett fra årsregnskapet og den tilhørende revisjonsberetningen.

Vår uttalelse om revisjonen av årsregnskapet dekker ikke øvrig informasjon, og vi attesterer ikke den øvrige informasjonen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese øvrig informasjon med det formål å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom øvrig informasjon og årsregnskapet, kunnskap vi har opparbeidet oss under revisjonen, eller hvorvidt den tilsynelatende inneholder vesentlig feilinformasjon.

Dersom vi konkluderer med at den øvrige informasjonen inneholder vesentlig feilinformasjon er vi pålagt å rapportere det. Vi har ingenting å rapportere i så henseende.

Styrets og daglig leders ansvar for årsregnskapet

Styret og daglig leder (ledelsen) er ansvarlig for å utarbeide årsregnskapet i samsvar med lov og forskrifter, herunder for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik internkontroll som den finner nødvendig

for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avvirket.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål med revisjonen er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, alltid vil avdekke vesentlig feilinformasjon som eksisterer. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon blir vurdert som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke økonomiske beslutninger som brukerne foretar basert på årsregnskapet.

For videre beskrivelse av revisors oppgaver og plikter vises det til:
<https://revisorforeningen.no/revisjonsberetninger>

Uttalelse om andre lovmessige krav

Konklusjon om årsberetningen

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, mener vi at opplysningene i årsberetningen om årsregnskapet, forutsetningen om fortsatt drift og forslaget til resultatdisponering er konsistente med årsregnskapet og i samsvar med lov og forskrifter.

Konklusjon om registrering og dokumentasjon

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendig i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon», mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av selskapets regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge.

Bergen, 21. april 2020
PricewaterhouseCoopers AS

Hallvard Aarø
Statsautorisert revisor
(elektronisk signert)

Revisjonsberetning

Signers:

<i>Name</i>	<i>Method</i>	<i>Date</i>
Aarø, Hallvard	BANKID_MOBILE	2020-04-24 22:09

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APPENDIX M

FINANCIAL STATEMENT OF ODFJELL GLOBAL BUSINESS SERVICE AS 2020

Signers:

Name	Method	Date
Glenjen, Frederik	BANKID_MOBILE	2021-03-23 16:16 GMT+1
Jone Torstensen	One-Time-Password	2021-03-23 17:08 GMT+1
Eikeseth, Leif Helge	BANKID_MOBILE	2021-03-23 20:33 GMT+1
Hereid, Harald Asle	BANKID_MOBILE	2021-03-24 07:47 GMT+1
Myre, Janike Amundsen	BANKID_MOBILE	2021-03-24 11:02 GMT+1
Atle Saeboe	One-Time-Password	2021-03-24 11:45 GMT+1
Lieungh, Simen	BANKID_MOBILE	2021-03-24 15:07 GMT+1
Fotland, Kari Elisabeth	BANKID_MOBILE	2021-03-24 17:11 GMT+1
Holsæter, Kurt Werner	BANKID_MOBILE	2021-03-24 18:55 GMT+1
Knoph, Jarle	BANKID_MOBILE	2021-03-25 11:01 GMT+1

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Årsregnskap 2020

Odfjell Global Business Services AS

Org.nr. 919 580 240



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Årsberetning 2020

Odfjell Global Business Services AS

Virksomhetens art og tilholdssted

Odfjell Global Business Services AS er lokalisert i Bergen. Selskapet inngår i konsernet Odfjell Drilling Ltd. som driver internasjonal virksomhet innenfor drilling, plattformboring, brønnservice og engineering.

Odfjell Global Business Services AS yter tjenester innen med forretningsstøtte til andre selskaper i konsernet og er juridisk ansettelsesselskap for felles stabsavdelinger.

Fortsatt drift

Årsberetningen og fremlagte årsregnskap for Odfjell Global Business Services AS er utarbeidet på forutsetning av fortsatt drift.

I samsvar med regnskapsloven § 3-3a bekreftes det at forutsetningene om fortsatt drift er til stede. Det er etter styrets vurdering ikke knyttet usikkerhet til den fortsatte driften av selskapet.

Forventet markedsutvikling

Som del av Odfjell Drilling Ltd. konsernet vil også Odfjell Global Business Services AS være påvirket av svingninger innen olje- og gassindustrien som følge av fall i oljepris og etterspørsel etter boretjenester fra oljeselskapene. Odfjell Drilling Ltd. konsernet har kontinuerlig fokus på kostnadsreducerende tiltak og effektiviseringsprogram for å effektivisere drift og redusere kostnader så mye som mulig.

Markedet fremover er fremdeles noe preget av usikkerhet og det settes sterkt fokus på å sikre høy kvalitet og sikkerhet i de tjenestene som utføres for selskapets kunder.

Aktuell ordresreserve og ingen signaler fra kunder om bruk av force majeure klausuler, gjør sitt til at selskapet ikke har vært eksponert negativt av den pågående Corona pandemien gjennom 2020. Selskapet og konsernet har i perioden utarbeidet konkrete aksjonsplaner for å sikre videreførte operasjoner, derigjennom nødvendig likviditet og grunnlag for fortsatt drift gitt den pågående pandemien.

Resultat, investeringer, finansiering og likviditet

Årsresultatet for Odfjell Global Business Services AS viser et overskudd på MNOK 5,5 for 2020, sammenlignet med MNOK 3,7 i 2019. Driftsresultatet for 2020 var et overskudd på MNOK 7,2 mot MNOK 4,3 i 2019.

Ved utgangen av 2020 hadde selskapet en total kapital på MNOK 113,9. Egenkapital var på MNOK 69,2 og utgjorde 61 % pr 31.12.20. For 2019 var total kapital MNOK 166,7, og egenkapital på MNOK 135,9 utgjorde 82 %.

Selskapets kortsiktige gjeld ved utgangen av 2020 var MNOK 42,4 mot MNOK 28,6 i 2019.



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Samlet kontantstrøm fra operasjonelle aktiviteter for selskapet i 2020 var MNOK 29,3 mot MNOK 32,0 i 2019. Kontantstrøm fra investeringsaktiviteter var i 2020 negativ med MNOK 8,4 som følge av utbetalinger i forbindelse med erverv av varige og immaterielle driftsmidler. Tilsvarende for 2019 var MNOK 14,0. Kontantstrøm fra finansieringsaktiviteter var i 2020 negativ med MNOK 61,7 som følge av utbetaling av utbytte. Tilsvarende for 2019 var MNOK 1,4.

Selskapets finansielle stilling anses som tilfredsstillende pr 31.12.2020. Styret er ikke kjent med at det har inntrådt forhold etter regnskapsårets slutt som er av betydning for bedømmelsen av selskapets og selskapets stilling, annet enn omtalt under avsnittet «Forventet markedsutvikling».

Finansiell risiko

Overordnet

Selskapets finansielle forpliktelser består av kortsiktig gjeld til andre konsernselskap og leverandørgjeld. Hovedformålet med disse passiva er å finansiere selskapets drift. Selskapet har finansielle eiendeler som bankinnskudd, fordring andre konsernselskaper og kundefordringer.

Kreditrisiko

Selskapet leverer tjenester til offshore olje- og gassindustri og virksomhetens kunder består i hovedsak av interne konsernselskaper, og kreditrisiko vurderes som lav.

Likviditetsrisiko

Selskapet har likviditetsrisiko knyttet til eventuelt bortfall av inntekter. Siden kunder i hovedsak består av interne konsernselskap reflekteres risikoen fra Odfjell Drilling Ltd. konsernet (konsernet) inn i selskapet. Konsernet har i 2020 sikret nye borekontrakter for flere av sine borerigger som vil generere likviditet og inntjening de nærmeste årene. Se også omtale under avsnittet «Forventet markedsutvikling».

Valutarisiko

Selskapet har i all hovedsak sine driftskostnader, inntekter og investeringer i norske kroner, og har følgelig lav valutarisiko.

Arbeidsmiljø og personale

Selskapets visjon, verdier, bedriftskultur og krav til ledere er beskrevet i konsernets styrende dokumentasjon. Dokumentene skal fremstå som et grunnleggende felleseie for alle ansatte - ledere som medarbeidere - i selskapet og gi alle medarbeidere den identitet og det verdigrunnlag som skal kjennetegne Odfjell Global Business Services AS.

Selskapet er en kompetanseintensiv virksomhet som er avhengig av et høyt nivå av ekspertise og teknologisk kunnskap blant sine ansatte. Virksomheten tilbyr omfattende opplæring for å sikre kontinuerlig oppdatering av kunnskap, kompetanseheving og karriereutvikling for ansatte.

Antall ansatte ved utgangen av 2020 var 114 mot 110 i 2019, med en turnover på 3,5 % i 2020.

Sykefravær

Totalt sykefravær for selskapet i 2020 var 2,3%. Oppfølging og forebygging av sykefraværet har hatt høy fokus i 2020 og vil ha det videre i 2021. Konsernet har etablert bedriftshelsetjeneste og selskapet følger opp sykemeldt personell etter de prinsipper som ligger til grunn for et inkluderende arbeidsliv.

Det er i konsernet etablert både verneombud og arbeidsmiljøutvalg med tilrettelagt opplæring for de valgte personer. Videre har konsernet eget sosial- og attføringsutvalg og AKAN utvalg.



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Arbeidsmiljø:

Arbeidsmiljøet i Odfjell Global Business Services AS ansees for å være bra, noe som avdekkes gjennom jevnlig organisasjon- og arbeidsmiljøundersøkelser for ansatte i selskapet. Gjennom undersøkelsene får selskapet verdifull informasjon om hvordan ansatte opplever arbeidsoppgaver, arbeidsprosesser, arbeidsmengde, sosialt samspill og ledelse. Den gir også informasjon om hva som krever ytterlig fokus og virkninger av forbedringstiltak. Det er et viktig verktøy for å fremme og videreutvikle et godt arbeidsmiljø.

Diskriminering og likestilling

Selskapet har krav til at all aktivitet skal gjennomføres i tråd med gjeldende lovgivning nasjonalt og internasjonalt, og i henhold til selskapets etiske retningslinjer. Diskrimineringsloven inngår som en del av det regelverk som er adoptert av selskapet og innarbeidet i selskapets styrende dokumentasjon for all aktivitet i inn og utland. Selskapets vedtatte personal policy presiserer at Odfjell Drilling konsernet skal rekruttere og utvikle medarbeidere basert på like muligheter og rettigheter uavhengig av etnisk bakgrunn, nasjonal opprinnelse, religion, kjønn, alder, seksuell legning, sivilstand og uførhet.

Konsernet arbeider aktivt, målrettet og planmessig for å unngå diskriminering, både gjennom tilpasning av konsernets styrende dokumentasjon, gjennom opplæring og ulike tiltak. Slike tiltak omfatter blant annet rekruttering, lønns- og arbeidsvilkår, forfremmelse, utviklingsmuligheter og beskyttelse mot trakassering.

Organisasjonsfrihet og retten til kollektive forhandlinger er stadfestet i selskapets styrende dokumentasjon og følges opp kontinuerlig for alle aktiviteter.

Tiltak som er iverksatt for å fremme likestilling, er innlemmet i selskapets policy, der det vektlegges at alle arbeidstakere gis samme mulighet til arbeid og faglig utvikling, og likestilles med hensyn til ansettelse, lønn, opplæring og avansement. Følgelig har bedriften i sin personalpolitikk ivaretatt likestillingsperspektivet ved ansettelser, lønn, forfremmelser og kompetansegivende etter- og videreutdanning m.m.

Redegjørelse i henhold til Likestillings- og diskrimineringsloven §26 er tilgjengelig på Odfjell Drillings offisielle website; www.odfjelldrilling.com

Alle parter i bedriften har et felles ansvar for gjennomføring av likestilling og gjennom de etablerte hovedavtaler er det enighet om å legge vekt på tiltak for at kvinner og menn tildeles kvalifiserte oppgaver på lik linje, og at det gis like muligheter for avansement i virksomheten, samt rekruttering av kvinner til lederstillinger på alle nivå. I tillegg bedre fordeling og organisering av arbeidstid slik at det fremmer likestilling. Det arbeides kontinuerlig med å rekruttere flere kvinner til høyere nivåer. Kvinneandelen i styret er 22 % (2 av 9 styremedlemmer).

I Odfjell Global Business Service AS var kvinneandelen 56 % ved utgangen av 2020.

Helse, miljø og sikkerhet

Odfjell Drilling Ltd. konsernet arbeider kontinuerlig for forbedringsprosesser innenfor helse, miljø og sikkerhet (KHMS) for å forhindre situasjoner som kan få uønskede konsekvenser, og på denne måten oppnå målsetningen om 0 feil. Utvikling innen risikonivået for konsernet har gjennom de siste årene vist en positiv trend innen de fleste HMS-områdene. Konsernet viser en god utvikling



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også innenfor uønskede hendelser med høyt potensiale, rapporteringspliktige utslipp til sjø og fallende gjenstander.

Miljørapportering

Selskapet har en gjennomgående «null feil filosofi» relatert til KHMS og uønskede hendelser. Denne filosofien omfatter også potensialet for miljøforurensning. HMS Policy og selskapets styringssystem for miljø, basert på ISO 14000, definerer krav og forventninger for å unngå negativ påvirkning av miljøet. Samtlige forretningsområder i Odfjell Drilling ble sertifisert til ISO-14001, standard for Miljøstyring første kvartal 2014. Odfjell Drilling vil fortsatt fokusere på miljøbevissthet og forvaltning i 2020. Odfjell Drilling har etablert miljøstrategier som støtter opp om selskapets HMS Policy.

Årets resultat og overføringer

Styret foreslår at selskapets overskudd på NOK 5.551.681 disponeres som følger:

Avsatt til konsernbidrag	5.211.180 NOK
Overført til annen egenkapital	340.501 NOK

Bergen, 22. mars 2021

Simen Lieungh
Styreleder

Atle Sæbø
Styremedlem

Janike A. Myre
Styremedlem

Kurt Werner Holsæter
Styremedlem

Kari E. Fotland
Styremedlem

Harald A. Hereid
Styremedlem

Frederik Glenjen
Styremedlem

Leif Helge Eikeseth
Styremedlem

Jarle Knoph
Styremedlem

Jone Torstensen
Daglig leder



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Odfjell Global Business Services AS

RESULTATREGNSKAP

Beløp i NOK 1000	Note	2020	2019
DRIFTSINNEKTER			
Driftsinntekter	2, 13	241 710	228 908
DRIFTSKOSTNADER			
Lønnskostnad	3, 12	156 753	152 420
Avskrivninger	7	30 785	27 641
Andre driftskostnader	3, 4	46 953	44 543
Sum andre driftskostnader		234 490	224 605
DRIFTSRESULTAT		7 220	4 303
FINANSINNEKTER OG FINANSKOSTNADER			
Finansinntekter	5	230	537
Finanskostnader	5	(322)	(40)
Netto finansposter		(92)	496
ORDINÆRT RESULTAT FØR SKATTEKOSTNAD		7 128	4 799
Skattekostnad på ordinært resultat	6	1 577	1 079
ÅRSRESULTAT		5 552	3 720
Opplysninger om avsetninger til:			
Avsatt til konsemdrag (etter skatt)		5 211	-
Overført annen egenkapital	11	341	3 720
Sum disponert		5 552	3 720



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Odfjell Global Business Services AS

EIENDELER

Beløp i NOK 1000	Note	31.12.2020	31.12.2019
ANLEGGSMIDLER			
Immatrielle eiendeler			
Konsesjoner, patenter, lisenser, varemerker o.l.	7	55 991	78 470
Sum immatrielle eiendeler		55 991	78 470
Varige driftsmidler			
Maskiner og inventar	7	1 770	1 622
Sum varige driftsmidler		1 770	1 622
Finansielle anleggsmidler			
Pensjonsmidler	12	9 452	9 938
Sum finansielle anleggsmidler		9 452	9 938
Sum anleggsmidler		67 213	90 030
OMLØPSMIDLER			
Fordringer			
Fordringer på selskap i samme konsern	9	22 801	12 352
Fordring konsernkontoordning Odfjell Drilling Services Ltd	10	-	41 489
Andre kortsiktige fordringer	8	19 225	18 714
Sum fordringer		42 026	72 555
Bankinnskudd, kontanter og lignende	10	4 689	4 077
Sum omløpsmidler		46 715	76 631
SUM EIENDELER		113 928	166 661



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Odfjell Global Business Services AS

EGENKAPITAL OG GJELD

Beløp i NOK 1000	Note	31.12.2020	31.12.2019
EGENKAPITAL			
Innskudd egenkapital			
Aksjekapital (249 194 aksjer á kr 1)	11	249	249
Annen innskutt egenkapital	11	22 433	22 433
Sum innskutt egenkapital		22 682	22 682
Opptjent egenkapital			
Annen egenkapital	11	46 536	113 196
Sum opptjent egenkapital		46 536	113 196
Sum egenkapital		69 218	135 878
GJELD			
Avsetning for forpliktelser			
Utsatt skatt	6	2 263	2 156
Sum avsetning for forpliktelser		2 263	2 156
Kortsiktig gjeld			
Gjeld konsernkontoordning Odfjell Drilling Services Ltd	10	36	-
Leverandørgjeld		5 501	3 740
Betalbar skatt	6	0	0
Skyldig offentlige avgifter		8 841	8 223
Gjeld til selskap i samme konsern	9	10 407	2 241
Annen kortsiktig gjeld	15	17 662	14 422
Sum kortsiktig gjeld		42 447	28 627
Sum gjeld		44 710	30 783
SUM EGENKAPITAL OG GJELD		113 928	166 661

Bergen, 22. mars 2021

Simen Lieungh
styreleder

Atle Sæbø
styremedlem

Janike Amundsen Myre
styremedlem

Kurt Werner Holsæter
styremedlem

Kari Elisabeth Fotland
styremedlem

Harlad Asle Hereid
styremedlem

Frederik Glenjen
styremedlem

Leif Helge Eikeseth
styremedlem

Jarle Knoph
styremedlem

Jone Torstensen
Daglig leder



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Odfjell Global Business Services AS

KONTANTSTRØMSANALYSE

Beløp i NOK 1000	Note	2020	2019
KONTANTSTRØMMER FRA OPERASJONELLE AKTIVITETER			
Ordinært resultat før skattekostnad		7 128	4 799
Betalte skatter	6	(0)	(0)
Ordinære avskrivninger	7	30 785	27 641
Forskjell mellom kostnadsført pensjon og inn-/utbetalinger	12	486	(6 001)
Endring i kortsiktig konsernmellomværende ekskl. konsernbidrag	9	(14 229)	11 823
Endring i andre tidsavgrensningsposter	8,15	5 106	(6 227)
Netto kontantstrøm fra operasjonelle aktiviteter		29 277	32 035
KONTANTSTRØMMER FRA INVESTERINGSAKTIVITETER			
Utbetalinger ved kjøp av varige- og immatrielle driftsmidler	7	(8 455)	(14 049)
Netto kontantstrømmer fra investeringsaktiviteter		(8 455)	(14 049)
KONTANTSTRØMMER FRA FINANSIERINGSAKTIVITETER			
Innbetaling vedrørende gjeld konsernkontoordning Odfjell Drilling Services Ltd	10	36	-
Innbetalinger av konsernbidrag	11	5 265	1 424
Utbetalinger av utbytte	11	(67 000)	-
Netto kontantstrøm fra finansieringsaktiviteter		(61 699)	1 424
Netto endring i likvider i året	10	(40 877)	19 410
Kontanter og kontantekvivalenter per 01.01	10	45 566	26 156
Kontanter og kontantekvivalenter per 31.12*		- 4 689	45 566
⁽¹⁾ Herav inntående på konto som er del av konsernkontoordningen	10	-	41 489

Kontanter og kontantekvivalenter omfatter kontanter og bankinnskudd, fordring konsernkontoordning og andre kortsiktige, likvide plasseringer.



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Odfjell Global Business Service AS
Noter til selskapsregnskap 2020
(alle tall er i hele tusen hvis intet annet er angitt)

Note 1 - Regnskapsprinsipper

Selskapet ble stiftet 1. september 2017. Selskapet driver virksomhet innenfor forretningsstøtte for andre selskap i Odfjell Drilling konsernet.

Årsregnskapet består av resultatregnskap, balanse, noteopplysninger, kontantstrømoppstilling og er avlagt i samsvar med regnskapslov og god regnskapskikk i Norge. Norske kroner benyttes som funksjonell og rapporterings valuta i regnskapet.

Selskapet er en del av Odfjell Drilling konsernet. Det ultimate morselskap er Odfjell Drilling Ltd som har forretningskontor i Aberdeen, Scotland.

Konsernregnskapet er tilgjengelig på selskapets hjemmeside www.odfjelldrilling.com"

Bruk av estimater

Utarbeidelse av regnskaper i samsvar med regnskapsloven krever bruk av estimater. Videre krever anvendelse av selskapets regnskapsprinsipper at ledelsen må utøve skjønn. Områder som i stor grad inneholder slike skjønsmessige vurderinger, høy grad av kompleksitet, eller områder hvor forutsetninger og estimater er vesentlige for årsregnskapet, er beskrevet i notene.

Valuta

Transaksjoner i annen valuta som er med i resultatregnskapet er omregnet til norske kroner etter månedlige kurser. Pengeposter i utenlandsk valuta er omregnet til norske kroner ved å benytte balansedagens kurs. Ikke-pengeposter som måles til historisk kurs uttrykt i utenlandsk valuta, omregnes til norske kroner ved å benytte valutakursen på transaksjonstidspunktet. Ikke-pengeposter som måles til virkelig verdi uttrykt i utenlandsk valuta, omregnes til valutakursen fastsatt på balansetidspunktet. Valutakursendringer resultatføres løpende i regnskapsperioden

Inntektsføring

Selskapets tjenester inntektsføres etter hvert som de leveres.

Periodisering

Inntekter og kostnader periodiseres i den perioden tjenesten er utført.

Skatt

Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt er beregnet med gjeldende skattesats på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt skattemessig underskudd til fremføring ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverseres eller kan reverseres i samme periode er utlignet. Netto utsatt skattefordel balanseføres i den grad det er sannsynlig at denne kan bli nyttegjort. Utsatt skatt beregnes med nominell verdi.

Betalbar skatt og utsatt skatt er regnskapsført direkte mot egenkapitalen i den grad skattepostene relaterer seg til egenkapitaltransaksjoner.

Skatt på avgitt konsernbidrag som føres som økt kostpris på aksjer i datterselskap, og skatt på mottatt konsernbidrag som føres som reduksjon av balanseført beløp på investeringen i datterselskap, føres direkte mot skatt i balansen (mot betalbar skatt hvis konsernbidraget har virkning på betalbar skatt, og mot utsatt skatt hvis konsernbidraget har virkning på utsatt skatt).

Klassifisering og vurdering av balanseposter

Omløpsmidler og kortsiktig gjeld omfatter poster som forfaller til betaling innen ett år etter anskaffelsestidspunktet, samt poster som knytter seg til varekretsløpet. Øvrige poster er klassifisert som anleggsmiddel/langsiktig gjeld.

Omløpsmidler vurderes til laveste av anskaffelseskost og virkelig verdi. Kortsiktig gjeld balanseføres til nominelt beløp på opptakstidspunktet.

Anleggsmidler vurderes til anskaffelseskost, fratrukket av- og nedskrivninger. Langsiktig gjeld balanseføres til nominelt beløp på etableringstidspunktet.

Varige driftsmidler

Varige driftsmidler balanseføres og avskrives lineært over driftsmidlets forventede levetid. Vesentlige driftsmidler som består av betydelige komponenter med ulik levetid er dekomponert med ulik avskrivningstid for de ulike komponentene. Direkte vedlikehold av driftsmidler kostnadsføres løpende under driftskostnader, mens påkostninger eller forbedringer tillegges driftsmidlets kostpris og avskrives i takt med driftsmidlet. Dersom gjenvinnbart beløp av driftsmiddelet er lavere enn balanseført verdi foretas nedskrivning til gjenvinnbart beløp. Gjenvinnbart beløp er det høyeste av netto salgsverdi og verdi i bruk. Verdi i bruk er nåverdien av de fremtidige kontantstrømmene som eiendelen forventes å generere.

Immateriell eiendeler

Immaterielle eiendeler ervervet separat balanseføres til kost, redusert for eventuell av- og nedskrivning. Immaterielle eiendeler med bestemt økonomisk levetid avskrives over økonomisk levetid og testes for nedskrivning ved indikasjoner på dette. Internt genererte immaterielle eiendeler, med unntak av balanseførte utviklingskostnader, balanseføres ikke, men kostnadsføres løpende. Goodwill testes for verdifall årlig, eller oftere hvis hendelser eller endringer i omstendigheter indikerer et mulig verdifall. Bokført verdi sammenlignes mot gjenvinnbart beløp, som er det høyeste av bruksverdi og virkelig verdi fratrukket salgsgiffter. Eventuelt verdifall innregnes umiddelbart som en kostnad og ikke senere reversert. Ved verdifallstest allokteres goodwill til hver kontantgenererende enhet (KGE), eller grupper av kontantgenererende enheter, der hver enhet eller gruppe av enheter representerer det laveste nivået innenfor foretaket der goodwill blir overvåket for interne styringsformål.

Fordringer

Kundefordringer og andre fordringer er oppført i balansen til pålydende etter fradrag for avsetning til forventet tap. Avsetning til tap gjøres på grunnlag av en individuell vurdering av de enkelte fordringer.



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Note 1 - Regnskapsprinsipper - forts.

Pensjoner

Ytellesbaserte pensjonsordninger vurderes til nåverdien av de fremtidige pensjonsytelser som regnskapsmessig anses oppløst på balansedagen. Pensjonsmidler vurderes til virkelig verdi.

Endring i ytellesbaserte pensjonsforpliktelser som skyldes endringer i pensjonsplaner resultatføres med full virkning i regnskapsåret.

Akkumulert virkning av estimatendringer og endringer i finansielle og aktuarielle forutsetninger (aktuarielle gevinster og tap) under 10 % av det som er størst av pensjonsforpliktelsene og pensjonsmidlene ved begynnelsen av året innregnes ikke. Når den akkumulerte virkningen er over 10 %-grensen ved årets begynnelse, resultatføres det overskytende over antatt gjennomsnittlig gjenværende opptjeningstid.

Periodens netto pensjonskostnad klassifiseres som lønns- og personalkostnader.

Pensjonspremie i innskuddsbasert pensjonsordninger kostnadsføres fortløpende.

Kontantstrømpoppstilling

Kontantstrømpoppstillingen er utarbeidet etter den indirekte metoden. Kontanter og kontantekvivalenter omfatter kontanter og bankinnskudd, fordring konsernkontoordning og andre kortsiktige, likvide plasseringer.

Reklassifisering

Ved reklassifisering av resultat- og balanseposter omarbeides sammenligningstallene tilsvarende.



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Odfjell Global Business Service AS
Noter til selskapsregnskap 2020
(alle tall er i hele tusen hvis intet annet er angitt)

Note 2 - Driftsinntekter

Driftsinntekter, forretningsområder:	2020	2019
Ledelses- og administrasjonstjenester / støttetjenester	239 359	225 999
Teknisk management	1 900	2 100
Utleie personell	451	809
Sum	241 710	228 908

Selskapets driftsinntekter er i hovedsak knyttet til aktivitet utført i Norge

Note 3 - Lønnskostnad, antall ansatte, godtgjørelser, lån til ansatte m.m

Lønnskostnad	Note	2020	2019
Lønn		99 145	98 287
Arbeidsgiveravgift		14 098	14 854
Pensjonskostnader	12	11 227	10 538
Andre ytelser		3 174	3 252
Innleid personell		29 109	25 490
Sum		156 753	152 420

Gjennomsnittlig antall ansatte	113	118
--------------------------------	-----	-----

Daglig leder er ansatt i Odfjell Drilling AS og kostnadene dekkes av selskapet via prising av leverte tjenester.

Det er ikke gitt ytelser til styret for inneværende år.

Det er ikke ytet lån eller stilt garantier til daglig leder, styreleder eller andre personlige nærstående parter. Se note 14 for garantier til nærstående selskaper.

Kostnader til revisor eksl mva (tall i hele tusen)	2020	2019
Lovpålagt revisjon	39	40
Sum	39	40



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Odfjell Global Business Service AS
Noter til selskapsregnskap 2020
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Note 4 - Andre driftskostnader

	2020	2019
Innleide tjenester og underleveranser	1 470	1 641
Verktøy, inventar og driftsmidler	5 235	4 143
Reperasjon og vedlikehold IT utstyr	29 220	25 313
Kurskostnader	58	150
Transport og frakt	4	16
Kostnader kontorlokaler	170	256
Reisekostnader	996	3 731
IT-konsulenttjenester	6 933	7 021
Andre drifts- og administrasjonskostnader	2 867	2 273
Sum	46 953	44 543

Note 5 - Finansinntekter og kostnader

Finansinntekter	2020	2019
Renteinntekter	230	394
Netto valutagevinst	-	143
Sum finansinntekter	230	537
Finanskostnader	2020	2020
Rentekostnader	(35)	(40)
Netto valutap	(286)	-
Andre finanskostnader	(1)	-
Sum finanskostnader	(322)	(40)
Valuta	2020	2020
Realisert valutagevinst	709	139
Realisert valutatap	(878)	(124)
Urealisert valutagevinst	(160)	197
Urealisert valutatap	42	(69)
Netto valutagevinst	(286)	143



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Odfjell Global Business Service AS
Noter til selskapsregnskap 2020
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Note 6 - Skatt

Årets skattekostnad fremkommer slik:	2020	2019
Endring i utsatt skatt	107	1 079
Betalbar skatt	1 470	-
Skattekostnad	1 577	1 079
Estimatendring utsatt skatt som følge av endret skattesats	-	-
Sum total skattekost	1 577	1 079
Betalbar skatt i årest skattekostnad fremkommer slik:	2020	2019
Resultat før skattekostnad	7 128	4 799
Permanente forskjeller	39	106
Endring midlertidig forskjeller	(485)	(10 170)
Mottatt konsernbidrag til dekning av skattemessig underskudd	-	5 265
Årest skattegrunnlag	6 682	1
Nominell skattesats	22 %	22 %
Betalbar skatt	1 470	-
Betalbar skatt på avgitt konsernbidrag	(1 470)	-
Betalbar skatt balanseført 31.12	0	-
Spesifikasjon av grunnlag for utsatt skatt:	31.12.2020	31.12.2019
Anleggsmidler	836	(136)
Netto pensjonsmidler	9 452	9 938
Grunnlag for beregning av utsatt skatt	10 288	9 802
Nominell skattesats	22 %	22 %
Utsatt skatt (+) / Utsatt skattefordel (-)	2 263	2 156
Avstemming fra nominell til faktisk skattesats	2020	2020
Resultat før skattekostnad	7 128	4 799
Nominell skattesats	22 %	22 %
Forventet inntektsskatt etter nominell skattesats	1 568	1 056
Skatteeffekt av følgende poster:	2020	2020
Ikke fradragsberettigede kostnader og skattepliktige inntekter	9	23
Estimatendring utsatt skatt som følge av endret skattesats	-	-
Skattekostnad	1 577	1 079
Effektiv skattesats	22,12 %	22,49 %



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Odfjell Global Business Service AS
Noter til selskapsregnskap 2020
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Note 7 - Immaterielle eiendeler og varige driftsmidler

	Software (immateriell)	Datautstyr og inventar
Anskaffelseskost pr 1.1.	189 270	28 045
Tilgang	6 976	1 479
Anskaffelseskost pr 31.12	196 245	29 525
Akkumulert avskrivninger pr 1.1.	-110 800	-26 424
Årets avskrivninger	-29 454	-1 331
Akkumulert avskrivninger pr 31.12	-140 254	-27 754
Bokført verdi pr 31.12	55 991	1 770
Årets avskrivninger	29 454	1 331
Økonomisk levetid	7 år	7 år
Avskrivningsplan	Lineær	Lineær



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Odfjell Global Business Service AS
 Noter til selskapsregnskap 2020
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Note 8 - Kundefordringer og andre kortsiktige fordringer

	2020	2019
Andre fordringer		
Forskuddsbetalte kostnader	15 354	13 846
Fordring merverdiavgift	3 504	4 788
Andre kortsiktige fordringer	367	80
Sum	19 225	18 714

Note 9 - Mellomværende med selskap i samme konsern m.v

Fordringer og gjeld mellom konsernselskaper knytter seg til den løpende drift og konsernbidrag. Konsernmellomværende er gjengitt på egne linjer i balansen

	Fordringer		Gjeld	
	2020	2020	2019	2019
Kortsiktig				
Odfjell Drilling AS	12 908	947	3 969	-
Odfjell Platform Drilling AS	-	-	-	174
Odfjell Well Services AS	-	348	19	-
Odfjell Well Services Norway AS	2 206	-	-	-
Deep Sea Management AS	257	-272	-	28
Odfjell Drilling Management AS	2 343	450	1	-
Odfjell Well Services (UK) Ltd	-	-	-	-
Odfjell Invest AS	-	-	-	-
Odfjell Well Services Cooperatief U.A.	487	-	-	-
Odfjell Drilling Technology AS	2 734	-	2 016	-
Odfjell Drilling (UK) Ltd.	1 104	-	1 082	-
Odfjell Drilling Philippines Corporation	133	2 253	-	2 039
Odfjell Drilling Ltd	100	-	-	-
Odfjell Well Services Ltd	530	-	-	-
Sum driftsrelaterte fordringer og gjeld	22 801,269	3 726,4230	7 087	2 241
Odfjell Drilling AS - konsernbidrag	-	-	5 265	-
Odfjell Offshore Ltd - Konsernbidrag	-	6 681	-	-
Sum fordringer og gjeld på selskap i samme konsern	22 801	10 407	12 352	2 241



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Odfjell Global Business Service AS
Noter til selskapsregnskap 2020
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Note 10 - Kontanter og kontantekvivalenter

	31.12.2020	31.12.2019
Skatetrekksmidler (bundne midler)	4 689	4 077
Sum bankinnskudd, kontanter og lignende	4 689	4 077
Bankinnskudd USD	-1 013	1 680
Bankinnskudd NOK	977	39 809
Sum fordring/(gjeld) konsernkontoordning Odfjell Drilling Services Ltd	-36	41 489

Selskapets driftkonto inngår i konsernkontoordning hvor Odfjell Drilling Services Ltd. er konsernkontoeier og således eier av bankmidlene.

Note 11 - Aksjekapital og aksjonærinformasjon / Egenkapital

Aksjekapital i selskapet består pr 31.12 av 249 194 aksjer pålydende NOK 1. Total NOK 249 194.

Eierstruktur

Navn	Aksjer	Eierandel	Stemmeandel
Odfjell Drilling Ltd.	249 194	100 %	100 %
Totalt antall aksjer	249 194	100 %	100 %

Alle aksjer i selskapet tilhører samme aksjeklasse, og har like stemmerettigheter

	Aksjekapital	Annen innskutt egenkapital	Annen egenkapital	Sum
Egenkapital 31.12.2019	249	22 433	113 196	135 878
Utbetalt utbytte til Odfjell Drilling Ltd.			-67 000	-67 000
Årets resultat			5 552	5 552
Avgitt konsernbidrag			-5 211	-5 211
Egenkapital 31.12.2020	249	22 433	46 536	69 218



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Odfjell Global Business Service AS
Noter til selskapsregnskap 2020
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Note 12 - Pensjonskostnader, -midler og -forpliktelser

Selskapet er pliktig til å ha tjenestepensjonsordning etter lov om obligatorisk tjenestepensjon, og selskapet har tjenesteordninger som oppfyller kravene etter denne loven.

Selskapet har en kollektiv innskuddsbasert ordning med sparedel og tilhørende risikodekning av uføre-, ektefelle- og barnepensjon. Denne ordningen omfatter 94 personer pr. 31.12.2020 (93 personer pr. 31.12.2019).

Selskapet har i tillegg en lukket kollektiv ytelsesbasert pensjonsordning som omfatter i alt 18 aktive og 4 pensjonister pr. 31.12.2020 (21 aktive og 3 pensjonister pr. 31.12.2019). Ordningen er forsikret i porteføljen til DNB Liv ASA. Ordningen gir rett til definerte fremtidige ytelser. Disse er i hovedsak avhengig av antall opptjeningsår, lønnsnivå ved oppnådd pensjonsalder og størrelsen på ytelsene fra folketrygden. I tilknytning til ytelsesordningen har selskapet risikodekning av uføre-, ektefelle- og barnepensjon.

Forpliktelser i (ny) AFP-ordning

Selskapet er medlem av den nye AFP-ordningen. AFP-ordningen er en ordning som gir livslangt tillegg på den ordinære pensjonen. De ansatte kan velge å ta ut den nye AFP-ordningen fra og med fylte 62 år. Den nye AFP-ordningen er en ytelsesbasert flerforetakspensjonsordning og finansieres gjennom premier som fastsettes som en prosent av lønn. Foreløpig foreligger ingen pålitelig måling og allokering av forpliktelse og midler i ordningen. Regnskapsmessig blir ordningen behandlet som en innskuddsbasert pensjonsordning hvor premiebetalingene kostnadsføres løpende, og ingen avsetning foretas i regnskapet.

I 2020 utgjorde premien 2,5 % av lønn mellom 1G og 7,1G. Premiesatsen vil være uendret i 2021.

Selskapet har et pensjonsløfte overfor de ansatte på inntil 1G årlig i perioden 62-67 år ved fratredelse av stilling, forutsatt at de tilfredsstillere kravene til å motta ny AFP. Sannsynligheten for uttak er så lav at forpliktelsen ikke er balanseført. Ved faktisk uttak av gavepensjon blir totalkostnad kostnadsført umiddelbart.

	2020	2019
Årets pensjonsoppløsning	2 100	1 529
Rentekostnad av pensjonsforpliktelsen	901	1 028
Avkastning på pensjonsmidler	-1 816	-1 508
Administrasjonskostnader	355	130
Resultatført estimatavvik	1 719	1 104
Periodisert arbeidsgiveravgift	217	166
Netto pensjonskostnad ytelsesordning	3 476	2 450
Kostnad risikodekninger og utløsning gavepensjon	0	940
Kostnad innskuddspensjon inkludert risikodekning	6 196	5 520
Kostnad flerforetaksordning regnskapsført som innskuddsbasert (AFP)	1 555	1 628
Sum total pensjonskostnad	11 227	10 538

	31.12.2020	31.12.2019
Påløpte pensjonsforpliktelser pr. 31.12	54 888	50 236
Pensjonsmidler (til markedsverdi) pr. 31.12	-45 028	-42 313
Netto pensjonsforpliktelser pr.31.12 ekskl. arbeidsgiveravgift	9 860	7 923
Arbeidsgiveravgift	1 390	1 117
Ikke resultatført virkning av estimatavvik	-20 702	-18 979
Netto balanseført pensjonsforpliktelse (+)/-midler (-)	-9 452	-9 938

Økonomiske forutsetninger:	31.12.2020	31.12.2019
Diskonteringsrente	1,50 %	2,30 %
Forventet avkastning på pensjonsmidlene	2,40 %	3,80 %
Lønnsregulering/inflasjon	2,00 %	2,25 %
Pensjonsregulering	0,00 %	0,50 %
Regulering av folketrygdens grunnbeløp	1,75 %	2,00 %

Som aktuariemessig forutsetninger for demografiske faktorer og avgang er lagt til grunn vanlig benyttede forutsetninger innen forsikring.



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Odfjell Global Business Service AS
Noter til selskapsregnskap 2020
(alle tall er i hele tusen hvis intet annet er angitt)

Note 12 - Pensjonskostnader, -midler og -forpliktelser (forts.)

Sammensetning pensjonsmidler i porteføljen til DnB Liv ASA	31.12.2020	31.12.2019
Aksjer	6,80 %	12,00 %
Omløpsobligasjoner	20,00 %	13,40 %
Pengemarked	11,00 %	17,60 %
Anleggsobligasjoner	30,90 %	31,40 %
Utlån og fordringer	16,80 %	14,20 %
Eiendom	13,00 %	10,50 %
Annet	1,50 %	0,90 %



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Odfjell Global Business Service AS
Noter til selskapsregnskap 2020
(alle tall er i hele tusen hvis intet annet er angitt)

Note 13 - Nærstående transaksjoner (vesentlige transaksjoner over 10 MNOK)

Selskapet har hatt flere forskjellige transaksjoner med nærstående parter. Alle transaksjoner er foretatt som del av den ordinære virksomheten.

Inntekt fra nærstående parter

Type transaksjon	Nærstående part	Tilknytning	Beløp 2020	Beløp 2019
Støtte-/Administrasjonstjenester	Odfjell Drilling AS	Konsernselskap	143 399	131 632
Støtte-/Administrasjonstjenester	Odfjell Well Services Norway AS	Konsernselskap	26 445	22 854
Støtte-/Administrasjonstjenester	Odfjell Drilling Management AS	Konsernselskap	17 101	21 425
Støtte-/Administrasjonstjenester	Odfjell Drilling Technology AS	Konsernselskap	24 581	18 235
Støtte-/Administrasjonstjenester	Odfjell Drilling (UK) Ltd	Konsernselskap	13 253	12 983
Støtte-/Administrasjonstjenester	Sum andre konsernselskap under 10 MNOK		16 480	20 970
Sum			241 259	228 099

Kjøp/kostnad fra nærstående parter

Type transaksjon	Nærstående part	Tilknytning	Beløp 2020	Beløp 2019
Innleide personelltjenester	Odfjell Drilling Philippines Corporation	Konsernselskap	22 148	18 043
Innleide personelltjenester	Sum andre konsernselskap under 10 MNOK		767	1 129
Sum			22 916	19 172



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Odfjell Global Business Service AS
Noter til selskapsregnskap 2020
(alle tall er i hele tusen hvis intet annet er angitt)

Note 14 - Garantistillelse

Odfjell Global Business Service AS sine aksjer er pantsatt som sikkerhet for Odfjell Drilling Services Ltd.'s USD 250 millioner (tidligere 450 millioner) låneavtale med og til fordel for Danske Bank AS, DNB Bank ASA, Nordea Bank Norge ASA og Swedbank AB (publ) som långivere den 6. mai 2014.

Odfjell Global Business Service AS er også garantist for Odfjell Drilling Services Ltd.'s banklån på USD 250 millioner og har stilt sine fordringer som sikkerhet.

Konsernet Odfjell Drilling har fellesregistrering knyttet til merverdiavgift for konsernets avgiftsregistrerte foretak. Selskapet inngår i denne fellesregistreringen og er således solidarisk ansvarlig for skyldig merverdiavgift i Norge.

Note 15 - Annen kortsiktig gjeld

	2020	2019
Skyldig lønnsgodtgjørelse og feriepenger	16 290	13 696
Andre påløpte kostnader	1 176	535
Annen kortsiktig gjeld	196	192
Sum	17 662	14 422

Note 16 - Hendelser etter balansedagen

Selskapet har i perioden 2017 til 2020 gitt konsernbidrag på NOK 0,3 millioner til søsterselskapet Odfjell Offshore Ltd., og det er i regnskapet for 2020 avsatt ytterligere NOK 6,7 millioner i konsernbidrag.

Skatteetaten har i perioden 2018-2020 forespurt Odfjell Offshore Ltd. om informasjon knyttet til krevd fradrag for tap på aksjer i selskapet i Deep Sea Metro Ltd.

I mars 2021 mottok Odfjell Offshore Ltd et nytt brev med varsel om at Skatteetaten vurderer endring av skattefastsetting hvor de anfører at Odfjell Offshore Ltd. ikke var å anse som skattemessig hjemmehørende i Norge på tidspunktet for realisasjon av tapet, eventuelt at det ikke forelå rett til fradrag dersom selskapet likevel var hjemmehørende i Norge. Det ble i brevet forespurt om mer informasjon og svarfrist er gitt til 30. april 2021.

Som en eventuell konsekvens av at Odfjell Offshore Ltd. ikke anses hjemmehørende i Norge vil skattefradrag som er krevd for ytede konsernbidrag til Odfjell Offshore Ltd i perioden 2017 til 2019, på totalt NOK 0,08 millioner bortfalle.

Selskapet mener at det mest sannsynlig utfallet er at Odfjell Offshore Ltd. var å anse som skattemessig hjemmehørende i Norge på tidspunktet for realisasjon av tapet på aksjene i Deep Sea Metro Ltd og at det forelå fradagsrett for tap på aksjene.



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Til generalforsamlingen i Odfjell Global Business Services AS

Uavhengig revisors beretning

Uttalelse om revisjonen av årsregnskapet

Konklusjon

Vi har revidert Odfjell Global Business Services AS' årsregnskap som består av eiendeler, egenkapital og gjeld per 31. desember 2020, resultatregnskap og kontantstrømanalyse for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening er det medfølgende årsregnskapet avgitt i samsvar med lov og forskrifter og gir et rettviseende bilde av selskapets finansielle stilling per 31. desember 2020, og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder de internasjonale revisjonsstandardene International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet i Revisors oppgaver og plikter ved revisjon av årsregnskapet. Vi er uavhengige av selskapet slik det kreves i lov og forskrift, og har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Øvrig informasjon

Ledelsen er ansvarlig for øvrig informasjon. Øvrig informasjon omfatter informasjon i årsrapporten bortsett fra årsregnskapet og den tilhørende revisjonsberetningen.

Vår uttalelse om revisjonen av årsregnskapet dekker ikke øvrig informasjon, og vi attesterer ikke den øvrige informasjonen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese øvrig informasjon med det formål å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom øvrig informasjon og årsregnskapet, kunnskap vi har opparbeidet oss under revisjonen, eller hvorvidt den tilsynelatende inneholder vesentlig feilinformasjon.

Dersom vi konkluderer med at den øvrige informasjonen inneholder vesentlig feilinformasjon er vi pålagt å rapportere det. Vi har ingenting å rapportere i så henseende.

Styrets og daglig leders ansvar for årsregnskapet

Styret og daglig leder (ledelsen) er ansvarlig for å utarbeide årsregnskapet i samsvar med lov og forskrifter, herunder for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik internkontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.



Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avvirket.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål med revisjonen er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, alltid vil avdekke vesentlig feilinformasjon som eksisterer. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon blir vurdert som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke økonomiske beslutninger som brukerne foretar basert på årsregnskapet.

For videre beskrivelse av revisors oppgaver og plikter vises det til:
<https://revisorforeningen.no/revisjonsberetninger>

Uttalelse om andre lovmessige krav

Konklusjon om årsberetningen

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, mener vi at opplysningene i årsberetningen om årsregnskapet, forutsetningen om fortsatt drift og forslaget til resultatdisponering er konsistente med årsregnskapet og i samsvar med lov og forskrifter.

Konklusjon om registrering og dokumentasjon

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendig i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon», mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av selskapets regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge.

Bergen, 22. mars 2021
PricewaterhouseCoopers AS

Marius Kaland Olsen
Statsautorisert revisor
(elektronisk signert)

Revisjonsberetning - OGBS AS

Signers:

Name	Method	Date
Olsen, Marius Kaland	BANKID_MOBILE	2021-03-22 16:27

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- The original document(s)
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APPENDIX N

FINANCIAL STATEMENT OF ODFJELL PARTNERS INVEST LTD. 2019

List of Signatures

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Odfjell Partners Invest Ltd. 2019.pdf

Name	Method	Signed at
Lieungh, Simen	BANKID_MOBILE	2022-02-10 23:42 GMT+01
Alasdair Shiach	One-Time-Password	2022-02-10 19:43 GMT+01
Helene Odfjell	One-Time-Password	2022-02-10 18:47 GMT+01



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**ODFJELL PARTNERS INVEST LTD.
SEPARATE FINANCIAL STATEMENTS AND REPORTS
FOR THE YEAR ENDED 31 DECEMBER 2019**



**ODFJELL PARTNERS INVEST LTD.
SEPARATE FINANCIAL STATEMENTS AND REPORTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Contents	Pages
Directors' report	1
Independent auditor's report	2 - 4
Separate statement of financial position	5
Separate statement of profit or loss and other comprehensive income	6
Separate statement of changes in equity	7
Separate statement of cash flows	8
Notes to the separate financial statements	9 - 28



ODFJELL PARTNERS INVEST LTD.**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

The Directors submit their report together with the audited separate financial statements of Odfjell Partners Invest Ltd. (the Company) for the year ended 31 December 2019.

Principal activities

The principal activities of the Company include owning, investing, trading and rental of oilfield & natural gas equipment & spare parts. The Company is also engaged in investment activities.

Financial results and appropriations

The financial results of the Company for the year ended 31 December 2019 are set out in the separate statement of profit or loss and other comprehensive income.

Events after the reporting period

Significant events after the reporting period are appropriately reflected in the separate financial statements.

Shareholders and their interests

M/s Odfjell Drilling Services Ltd., a company registered in Bermuda is the sole shareholder holding 100% of the issued share capital of the Company as at the reporting date. There were no changes to the shareholding structure during the year.

Directors

The Directors who served during the year were as follows;

Ms. Helene Odfjell

Mr. Simen Lieungh

Mr. Alasdair G. Shiach

Auditors

The separate financial statements have been audited by M/s. Kreston Menon Chartered Accountants, who retire and, being eligible, offer themselves for reappointment.

Helene Odfjell
Director
10 February 2022

Simen Lieungh
Director

Alasdair G. Shiach
Director



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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF
ODFJELL PARTNERS INVEST LTD.**

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of Odfjell Partners Invest Ltd. (the Company), which comprise the separate statement of financial position as at 31 December 2019, and the separate statement of profit or loss and other comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the unconsolidated financial position of the Company as at 31 December 2019, and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Separate Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the separate financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

These separate financial statements relate to the first year of audit and the opening balances are brought forward from the unaudited management accounts.

**Responsibilities of Management and Those Charged with Governance for the Separate
Financial Statements**

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF
ODFJELL PARTNERS INVEST LTD. (Continued)**

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF
ODFJELL PARTNERS INVEST LTD. (Continued)**

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Dubai
10 February 2022




Saju Augustine FCA
Reg. No: 136
Kreston Menon Chartered Accountants

**ODFJELL PARTNERS INVEST LTD.
SEPARATE STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	Notes	<u>31.12.2019</u> <u>USD</u>	<u>31.12.2018</u> <u>USD</u>
Assets			
Non-current assets			
Operating equipment	5	73,181,933	70,634,557
Intangible assets	6	3,151,798	1,701,572
Investment in subsidiaries	7	24,906,874	24,906,875
Total non-current assets		101,240,605	97,243,004
Current assets			
Inventories	8	1,197,430	680,144
Prepayments and other receivables	9	1,954,391	813,407
Due from related parties	10.b	8,779,986	4,205,304
Cash and cash equivalents	11	5,168,462	13,658,224
Total current assets		17,100,269	19,357,079
Total assets		118,340,874	116,600,083
Equity and liabilities			
Equity			
Share capital	12	12,000	12,000
Contributed capital	13	113,752,562	113,752,562
Retained earnings		1,378,429	1,406,493
Total equity		115,142,991	115,171,055
Liabilities			
Non-current liabilities			
Provision for employees' end of service benefits	14	81,599	57,285
Total non-current liabilities		81,599	57,285
Current liabilities			
Trade and other payables	15	3,090,305	1,317,494
Due to related parties	10.c	25,979	54,249
Total current liabilities		3,116,284	1,371,743
Total liabilities		3,197,883	1,429,028
Total equity and liabilities		118,340,874	116,600,083

The accompanying notes on pages 9 to 28 form an integral part of these separate financial statements.

The report of the independent auditor is set forth on pages 2 to 4.

Authorised for issue by directors on 10 February 2022.

For Odfjell Partners Invest Ltd.

Helene Odfjell
Director

Simen Lieungh
Director

Alasdair G. Shiach
Director



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**ODFJELL PARTNERS INVEST LTD.
SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	<u>31.12.2019</u> <u>USD</u>	<u>31.12.2018</u> <u>USD</u>
Revenue	16	20,422,544	17,536,908
Cost of revenue	17	(21,926,605)	(24,115,774)
Gross (loss)		(1,504,061)	(6,578,866)
Other income	18	2,659,951	2,632,282
Administrative expenses	19	(1,183,954)	(973,773)
(Loss) from operating activities		(28,064)	(4,920,357)
Impairment on investment in subsidiaries		-	(247,273)
(Loss) for the year		(28,064)	(5,167,630)
Other comprehensive income for the year		-	-
Total comprehensive (loss) for the year		(28,064)	(5,167,630)

The accompanying notes on pages 9 to 28 form an integral part of these separate financial statements.

The report of the independent auditor is set forth on pages 2 to 4.



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**ODFJELL PARTNERS INVEST LTD.
SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Share capital USD	Contributed capital USD	Retained earnings USD	Total USD
Balance at 1 January 2018	12,000	113,752,562	6,574,123	120,338,685
Total comprehensive (loss) for the year	-	-	(5,167,630)	(5,167,630)
Balance at 31 December 2018	12,000	113,752,562	1,406,493	115,171,055
Total comprehensive (loss) for the year	-	-	(28,064)	(28,064)
Balance at 31 December 2019	12,000	113,752,562	1,378,429	115,142,991

The accompanying notes on pages 9 to 28 form an integral part of these separate financial statements.

The report of the independent auditor is set forth on pages 2 to 4.



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**ODFJELL PARTNERS INVEST LTD.
SEPARATE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<u>31.12.2019</u> <u>USD</u>	<u>31.12.2018</u> <u>USD</u>
Cash flows from operating activities		
(Loss) for the year	(28,064)	(5,167,630)
Adjustments for:		
Depreciation	21,663,891	23,794,379
Amortisation	262,714	247,388
(Gain) on disposal of operating equipment	(2,357,116)	(2,321,393)
Provision for employees' end of service benefits	24,314	17,217
Interest income	(187,535)	(135,953)
Impairment on investment in subsidiaries	-	247,273
Construction-in-progress written off	-	74,007
Operating cash flows before changes in working capital	19,378,204	16,755,288
(Increase) in inventories	(517,286)	(261,578)
(Increase)/decrease in prepayments and other receivables	(1,140,984)	109,642
(Increase) in due from related parties	(4,574,682)	(1,256,188)
Increase in trade and other payables	1,772,811	497,468
(Decrease)/increase in due to related parties	(28,270)	54,249
Cash generated from operations	14,889,793	15,898,881
Employees' end of service benefits paid	-	(29,329)
Net cash generated from operating activities	14,889,793	15,869,552
Cash flows from investing activities		
Interest received	187,535	135,953
Purchase of operating equipment	(23,782,824)	(15,174,323)
Additions to capital work-in-progress	(1,293,421)	(883,147)
Proceeds from disposal of operating equipment	3,159,154	2,859,193
Proceeds from disposal of investment	1	-
Additions to intangible assets	(1,650,000)	-
Net cash (used in) investing activities	(23,379,555)	(13,062,324)
Cash flows from financing activities		
	-	-
Net (decrease)/increase in cash and cash equivalents	(8,489,762)	2,807,228
Cash and cash equivalents at beginning of year	13,658,224	10,850,996
Cash and cash equivalents at end of year (Note 11)	5,168,462	13,658,224

The accompanying notes on pages 9 to 28 form an integral part of these separate financial statements.

The report of the independent auditor is set forth on pages 2 to 4.



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**ODFJELL PARTNERS INVEST LTD.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
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1. GENERAL INFORMATION :

Odfjell Partners Invest Ltd. (the Company) was incorporated on 10 July 2003 in Bermuda under Registration no. 33920, issued by the Registrar of Companies in Bermuda. The registered address of the Company is Clarendon House, 2 Church street, Hamilton HM 11, Bermuda and is a tax resident in the United Kingdom with its head office at Bergen House, Crawpeel Road, Altens, Aberdeen, Scotland, United Kingdom. The Company has a branch established in Dubai, United Arab Emirates. The parent company is Odfjell Drilling Services Ltd. and the ultimate parent company is Odfjell Drilling Ltd. The ultimate parent company is incorporated in Bermuda and is a tax resident in United Kingdom with its head office at Bergen House, Crawpeel Road, Altens, Aberdeen, Scotland, United Kingdom.

The principal activities of the Company include owning, investing, trading and rental of oilfield or natural gas equipment or spare parts. The Company is also engaged in investment activities.

2. PRESENTATION OF SEPARATE FINANCIAL STATEMENTS OF THE PARENT COMPANY :

These financial statements are presented as separate financial statements wherein investments of the Company in its subsidiaries are carried at cost without consolidating the financial results of the subsidiaries. A copy of the consolidated financial statements of the ultimate parent company can be obtained from Odfjell Drilling Ltd, Bergen House, Crawpeel Road, Altens, Aberdeen, Scotland, United Kingdom and the consolidated financial statements comply with International Financial Reporting Standards.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES :

3.1 Basis of preparation

The separate financial statements have been prepared on the historical cost basis. The separate financial statements are presented in United States Dollar (USD) and all values are rounded to the nearest USD. The principal accounting policies adopted are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.2 Statement of compliance

The separate financial statements of the Company have been prepared in accordance with International Financial Reporting Standards.

3.3 Adoption of new and revised International Financial Reporting Standards

The following new and revised Standards including amendments thereto and Interpretations which became effective for the current reporting period have been adopted, wherever applicable. Their adoption has not had any significant impact on the amounts reported in these separate financial statements but may affect the financial reporting for future transactions or arrangements.

IFRS 16: Leases

Amendments to IFRS 9: Financial Instruments - Amendments regarding Prepayment Features with Negative Compensation

Amendments to IAS 19: Employee Benefits - Amendments regarding Employee Benefit Plan, Curtailment or Settlement

Amendments to IAS 28: Investment in Associates and Joint Ventures - Amendments regarding long-term interests in Associates and Joint Ventures

Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23: Amendments resulting from Annual Improvements 2015-17 cycle



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The following Standards, amendments thereto and interpretations have been issued prior to 31 December 2019 but have not been applied in these separate financial statements as their effective dates of adoption are for future periods. It is anticipated that their adoption in the relevant accounting periods will have impact only on disclosures within the separate financial statements.

IFRS 17: Insurance Contracts - 1 January 2023

Amendments to IFRS 3: Business Combinations - Amendments to clarify the definition of a Business - 1 January 2020

Amendments to IFRS 9, IAS 39 and IFRS 7: Amendments requiring additional disclosures around uncertainty arising from the interest rate benchmark reform - 1 January 2020

Amendments to IAS 1 and IAS 8: Amendments regarding the definition of Material - 1 January 2020

Amendments to References to the Conceptual Framework in IFRS Standards - 1 January 2020

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Date to be determined

3.4 Foreign currencies

(a) Functional and presentation currency

The separate financial statements are prepared and the items included in the separate financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The separate financial statements are presented in USD, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of outstanding amounts of such transactions and from the re-translation of monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are recognised in the profit or loss. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

3.5 Operating equipment

Operating equipment is stated at cost less accumulated depreciation and identified impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items including installation costs. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the profit or loss during the reporting period in which they are incurred.

Capital work-in-progress is stated at cost, less any recognised impairment loss. Depreciation of these assets commences when the assets are ready for their intended use.

The depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows;

	Years
Operating equipment	3 - 10



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The assets' residual values and useful lives are reviewed at the end of the reporting period, with the effect of any changes in estimates adjusted on a prospective basis. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The gains or losses arising on the disposal or retirement of an item of operating equipment is determined by comparing the disposal proceeds with the carrying amount of the asset and is recognised in the profit or loss.

3.6 Investment in subsidiaries

Subsidiaries are entities (including structured entities) controlled by the Company. Control is achieved when the Company has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power.

Investment in subsidiaries are stated at cost less identified impairment losses, if any.

3.7 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Development costs that are directly attributable to the design and testing of identifiable assets controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the operating asset so that it will be available for use;
- management intends to complete the operating asset to use or sell it;
- there is an ability to use or sell the operating asset;
- it can be demonstrated how the operating asset will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the operating asset are available; and
- the expenditure attributable to the operating asset during the development can be reliably measured.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each reporting period end.

Intangible assets represent intellectual property rights and are amortised over their estimated useful life of 10 years.



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3.8 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined using the first-in first-out method and comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing them to their present location and condition. Net realisable value represents the estimate of the selling price in the ordinary course of business, less all estimated costs to completion and costs necessary to make the sale.

3.9 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as revaluation increase.

3.10 Financial instruments

Financial assets and financial liabilities are recognised in the Company's separate statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) are initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Financial assets

A financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVTOCI") – debt investment; fair value through other comprehensive income ("FVTOCI") – equity investment; or fair value through profit or loss ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.



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A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are; solely; payments of principal and interest on the outstanding principal amount.

All financial assets of the Company are classified and are subsequently measured at amortised cost using the effective interest method and is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognised in profit or loss.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another Company. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss.

All financial liabilities of the Company are classified and are subsequently measured at amortised cost using the effective interest method.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the sum of consideration paid and payable is recognised in profit or loss.

3.11 Impairment of financial assets

Expected credit loss (ECL) model which requires considerable judgement in selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. IFRS 9 requires the Company to record an allowance for ECLs for all financial assets at amortised cost, debt investments at FVTOCI, but not to investments in equity instruments.

The Company measures impairment allowances using general or simplified approach as considered appropriate. Under IFRS 9, loss allowances are measured on either of the following bases:

12 month ECLs: these are ECLs that result from possible default within 12 months after the reporting date; and

Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.



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ECLs under the general approach are a probability weighted estimate of credit losses which are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

ECLs under the standard's simplified approach are calculated based on lifetime expected credit losses. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment.

The Company considers a financial asset in default when contractual payments are past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by Company.

3.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and other short-term highly liquid investments with a maturity date of three months or less from the date of investment, net of temporary bank overdrafts.

3.13 Contributed capital

Ordinary shares are classified as equity. Contribution from shareholder which are non-reciprocal in nature are considered as contributed capital presented in the statement of changes in equity.

3.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is recognised in the profit or loss, net of any reimbursement.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Provisions are not recognised for future operating losses.

3.15 Provision for employees' benefits

Provision for employees' end of service benefits is made in accordance with the UAE labour laws, and is based on current remuneration and periods of service at the end of the reporting period.

Provision is made for the estimated liability for employees' entitlement to annual leave as a result of services rendered by the employees up to the end of the reporting period. The provision relating to annual leave is disclosed as a current liability, while the provision relating to employees' end of service benefits is disclosed as a non-current liability.



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3.16 Revenue recognition

Revenue is recognised when a customer obtains control of the services. Determining the timing of the transfer of control, at a point in time or over time, requires judgement. The Company recognises revenue from rendering of services based on a five-step model as set out in IFRS 15:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer for rendering of services to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for rendering services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the Company satisfies a performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which performance obligation is satisfied.

When the Company satisfies a performance obligation by rendering the promised services, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty.

Sale of operating equipment

Revenue from sale of operating equipment is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment and issuance of the invoices to customers.



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Services rendered

Revenue is recognised during the rental period in which the equipment and related services are utilised by the customer.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and effective interest rate applicable.

4. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS :

The preparation of the Company's separate financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

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. Actual results may differ from these estimates.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below;

a) *Estimated useful life of operating equipment and intangible assets*

Management assigns useful lives and residual values to operating equipment and intangible assets based on the intended use and the economic lives of those assets. Subsequent changes in circumstances could result in the actual useful lives or residual values differing from initial estimates. Where management determines that the useful life or residual value of an asset requires amendment, the net book amount in excess of the residual value is depreciated/amortized over the revised remaining useful life.

b) *Impairment of non-financial assets*

Assessments of net recoverable amounts of operating equipment, intangible assets and other non-financial assets are based on assumptions regarding future cash flows expected to be received from the related assets.

c) *Inventory provisions*

The Company reviews the carrying amounts of the inventories at the end of the reporting period and assesses the likely realization proceeds taken into account, the age of inventory, estimated future demand for various items in the inventory, and physical damage etc. Based on the assessment, no provisions are required as at the end of the reporting period.

d) *Significant increase in credit risk*

ECLs are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.



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e) Business model assessment

Classification and measurement of financial assets depends on the results of the Solely Payments of Principal and Interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

f) Calculation of loss allowance

When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

5. OPERATING EQUIPMENT :

	<u>Operating equipment</u> <u>USD</u>	<u>Capital work-in- progress</u> <u>USD</u>	<u>Total</u> <u>USD</u>
Cost			
At 1 January 2018	295,639,432	1,987,048	297,626,480
Additions	15,174,323	883,147	16,057,470
Transfers	67,723	(67,723)	-
Transfer to intangible assets (Note 6)	-	(723,954)	(723,954)
Disposals	(5,130,562)	-	(5,130,562)
Capital work-in-progress written off (Note 17)	-	(74,007)	(74,007)
At 31 December 2018	305,750,916	2,004,511	307,755,427
Additions	23,782,824	1,293,421	25,076,245
Transfers	395,665	(395,665)	-
Transfer to intangible assets (Note 6)	-	(62,940)	(62,940)
Disposals	(11,003,714)	-	(11,003,714)
At 31 December 2019	318,925,691	2,839,327	321,765,018



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	<u>Operating equipment USD</u>	<u>Capital work-in- progress USD</u>	<u>Total USD</u>
Accumulated depreciation			
At 1 January 2018	217,919,253	-	217,919,253
Charge for the year (Note 17)	23,794,379	-	23,794,379
Adjustment on disposals	(4,592,762)	-	(4,592,762)
At 31 December 2018	237,120,870	-	237,120,870
Charge for the year (Note 17)	21,663,891	-	21,663,891
Adjustment on disposals	(10,201,676)	-	(10,201,676)
At 31 December 2019	248,583,085	-	248,583,085
Net book amount			
At 31 December 2019	70,342,606	2,839,327	73,181,933
At 31 December 2018	68,630,046	2,004,511	70,634,557

Capital work-in-progress represents the costs incurred for specialised tools and operating equipment which were not ready for their intended use as at the end of the reporting period.

Capital work-in-progress additions include capitalised staff cost aggregating to USD 468,200/- (2018: USD 371,345/-) for the development of certain specialised tools (Note 20).

6. INTANGIBLE ASSETS :

	<u>31.12.2019 USD</u>	<u>31.12.2018 USD</u>
Cost		
Balance at beginning of year	2,473,954	1,750,000
Additions during the year	1,650,000	-
Transfer from operating equipment (Note 5)	62,940	723,954
Balance at end of year	4,186,894	2,473,954
Accumulated amortisation		
Balance at beginning of year	772,382	524,994
Charge for the year (Note 17)	262,714	247,388
Balance at end of year	1,035,096	772,382
Net book amount	3,151,798	1,701,572

Intangible assets represent intellectual property rights purchased and developed for tools and operating equipment and are amortised on a straight line basis over their estimated useful life of 10 years.



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7. INVESTMENT IN SUBSIDIARIES :

	<u>31.12.2019</u> <u>USD</u>	<u>31.12.2018</u> <u>USD</u>
Investments in subsidiaries	24,906,874	24,906,875

Listing of investments is as follows:

	<u>31.12.2019</u> <u>USD</u>	<u>31.12.2018</u> <u>USD</u>
Odfjell Well Services Ltd.	11,689,437	11,689,437
Odfjell Well Services Norway AS	13,184,090	13,184,090
Odfjell Well Services Cooperatief U.A.	-	-
Odfjell Well Services II Ltd.	18,823	18,823
Odfjell Arabia Drilling Services Co.	-	-
Odfjell Well Services AS	14,524	14,524
Odfjell Well Services (UK) Ltd.	-	-
Odfjell Well Services Eurasia Ltd	-	1
	<u>24,906,874</u>	<u>24,906,875</u>

The Company has ownership interest in the following subsidiaries as at 31 December 2019:

Name of Subsidiary	Country of incorporation	Principal activity	Ownership interest of the Company	
			2019	2018
i) Odfjell Well Services Ltd.	British Virgin Islands	Well Services	100%	100%
ii) Odfjell Well Services Norway AS	Norway	Well Services	100%	100%
iii) Odfjell Well Services Cooperatief U.A.	The Netherlands	Well Services	99%	99%
iv) Odfjell Well Services II Ltd.	Bermuda	Well Services	100%	100%
v) Odfjell Arabia Drilling Services Co.*	Kingdom of Saudi Arabia	Well Services	20%	20%
vi) Odfjell Well Services AS	Norway	Well Services	100%	100%
vii) Odfjell Well Services (UK) Ltd.	United Kingdom	Well Services	100%	100%
viii) Odfjell Well Services Eurasia Ltd	Scotland	Well Services	-	100%

*Though the Company's ownership interest is 20%, the Company has 100% beneficial ownership and control in this subsidiary.

The Company has impaired investments in Odfjell Well Services Cooperatief U.A., Odfjell Arabia Drilling Services Co. and Odfjell Well Services (UK) Ltd.

During 2019, the Company has transferred its equity interest in Odfjell Well Services Eurasia Ltd to Odfjell Rig III Ltd (affiliate) at cost.

The Company has pledged its investment in Odfjell Well Services Norway AS, Odfjell Well Services AS, Odfjell Well Services Ltd., Odfjell Well Services II Ltd and its membership interest in Odfjell Well Services Cooperatief U.A. in order to fulfil collateral requirements of borrowing facilities availed by the parent company.



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**ODFJELL PARTNERS INVEST LTD.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. INVENTORIES :

	<u>31.12.2019</u> <u>USD</u>	<u>31.12.2018</u> <u>USD</u>
Spare parts	1,197,430	680,144

Inventories aggregating to USD 587,704/- (2018: USD 305,270/-) (net) were transferred to related parties (Note 10.a).

9. PREPAYMENTS AND OTHER RECEIVABLES :

	<u>31.12.2019</u> <u>USD</u>	<u>31.12.2018</u> <u>USD</u>
Prepayments	188,181	166,797
Refundable deposits	4,534	4,902
Advance for operating equipment	627,364	298,944
Taxes and duties receivable ¹	1,048,864	284,414
VAT receivable ²	14,004	58,350
Other receivables	71,444	-
	<u>1,954,391</u>	<u>813,407</u>

¹Taxes and duties receivable represent net VAT receivable as per the local laws applicable in the Netherlands and Norway.

²Value Added Tax (VAT) receivable represents net VAT amount receivable from the U.A.E. Federal Tax Authority against the input tax charged by the vendors on their taxable supplies to the Company in excess of the output tax charged to customers on the taxable supplies by the Company as per the Executive Regulations of the Federal Decree Law No. 8 and Cabinet Decision No. 52 of 2017 on Value Added Tax.

10. RELATED PARTY TRANSACTIONS :

Related parties include the parent company, ultimate parent company, key management personnel, fellow subsidiaries, associates, joint ventures, directors and entities which are controlled directly or indirectly by the shareholder or directors or over which they exercise significant management influence. Balances and transactions between the Company and its related parties are described below. Transactions with related parties were entered into on terms agreed by the management.

- a. During the year, the Company entered into the following transactions with related parties:

	<u>31.12.2019</u> <u>USD</u>	<u>31.12.2018</u> <u>USD</u>
Hiring out equipment (Note 16)		
Odfjell Well Services Norway AS (subsidiary)	10,317,937	11,251,130
Odfjell Well Services Cooperatief U.A. (subsidiary)	7,007,111	6,285,778
Odfjell Well Services Ltd. (subsidiary)	3,097,496	-
	<u>20,422,544</u>	<u>17,536,908</u>



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ODFJELL PARTNERS INVEST LTD.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	<u>31.12.2019</u>	<u>31.12.2018</u>
	<u>USD</u>	<u>USD</u>
Sale of operating equipment		
Odfjell Well Services Cooperatief U.A. (subsidiary)	715,537	1,611,983
Odfjell Well Services Ltd. (subsidiary)	2,187,803	349,760
Odfjell Well Services Norway AS (subsidiary)	236,871	808,981
Odfjell Well Services II Ltd. (subsidiary)	-	107,498
	<u>3,140,211</u>	<u>2,878,222</u>

The cost of operating equipment incurred by the Company for the above sales were USD 783,095/- (2018: USD 556,829/-). The net profit on the sales is recorded in the profit and loss (Note 18).

	<u>31.12.2019</u>	<u>31.12.2018</u>
	<u>USD</u>	<u>USD</u>
Inventory transferred (Note 8)		
Odfjell Well Services Ltd. (subsidiary)	299,502	145,824
Odfjell Well Services Norway AS (subsidiary)	141,774	43,216
Odfjell Well Services II Ltd. (subsidiary)	-	8,923
Odfjell Well Services SRL (affiliate)	68,706	41,408
Odfjell Well Services Cooperatief U.A. (subsidiary)	57,996	12,158
Odfjell Well Services (UK) Ltd. (subsidiary)	(4,657)	53,741
Odfjell Arabia Drilling Services Co. (subsidiary)	24,383	-
	<u>587,704</u>	<u>305,270</u>
Management fee (Note 19)		
Odfjell Global Business Services AS (affiliate)	11,385	11,694
Recharge of expenses by related parties (Note 19)		
Odfjell Drilling AS (affiliate)	8,457	-
Odfjell Well Services Norway AS (subsidiary)	1,774	11,232
Odfjell Drilling Ltd. (ultimate parent company)	60,659	64,762
Odfjell Well Services Ltd.(subsidiary)	323,996	477,971
	<u>394,886</u>	<u>553,965</u>
Recharge of expenses to related parties		
Odfjell Drilling Deep Sea Management DMCC (affiliate)	-	34
Odfjell Well Services Ltd. (subsidiary)	98,186	-
Odfjell Well Services Norway AS (subsidiary)	-	10,073
	<u>98,186</u>	<u>10,107</u>
Guarantee commission income (Note 18)		
Odfjell Drilling Services Ltd (parent company)	115,300	174,936



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**ODFJELL PARTNERS INVEST LTD.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

The following balances were outstanding at the end of the reporting period:

	<u>31.12.2019</u> <u>USD</u>	<u>31.12.2018</u> <u>USD</u>
b. Due from related parties		
Odfjell Well Services Cooperatief U.A. (subsidiary)	1,333,617	3,818,269
Odfjell Well Services Norway AS (subsidiary)	5,305,854	289,598
Odfjell Well Services Ltd. (subsidiary)	2,049,880	31,230
Odfjell Drilling AS (affiliate)	56,417	33,147
Odfjell Well Services SRL (affiliate)	34,218	-
Odfjell Well Services II Ltd. (subsidiary)	-	26,106
Odfjell Drilling Deep Sea Management DMCC (affiliate)	-	34
Odfjell Well Services (UK) Ltd. (subsidiary)	-	6,920
	<u>8,779,986</u>	<u>4,205,304</u>
c. Due to related parties		
Odfjell Well Services SRL (affiliate)	-	42,740
Odfjell Global Business Services AS (affiliate)	-	11,509
Odfjell Well Services AS (subsidiary)	25,979	-
	<u>25,979</u>	<u>54,249</u>

The directors did not receive any emoluments from the Company during the year. The directors of the Company are also directors of fellow Odfjell Drilling Ltd. group companies and receive their remuneration directly from those companies. The directors do not believe that it is practicable to apportion their remuneration between services as directors of the Company and their services as directors of the other group companies.

Related party balances are unsecured and are expected to be settled by cash. No expense has been recognised in the current or prior years for bad and doubtful debts in respect of the amounts owed by related parties.

11. CASH AND CASH EQUIVALENTS :

	<u>31.12.2019</u> <u>USD</u>	<u>31.12.2018</u> <u>USD</u>
Cash on hand	1,679	594
Cash at bank:		
Current accounts	5,166,783	13,657,630
	<u>5,168,462</u>	<u>13,658,224</u>

The Company's bank balances are part of the cash pool scheme wherein the parent company is the account owner and thus the owner of the bank funds. The cash pool has been created to optimize liquidity management within the group.



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**ODFJELL PARTNERS INVEST LTD.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. SHARE CAPITAL :	<u>31.12.2019</u> <u>USD</u>	<u>31.12.2018</u> <u>USD</u>
Authorized, issued and fully paid; 12,000 ordinary shares (2018: 12,000) of USD 1/- each	12,000	12,000
13. CONTRIBUTED CAPITAL :	<u>31.12.2019</u> <u>USD</u>	<u>31.12.2018</u> <u>USD</u>
Balance at end of year	113,752,562	113,752,562
14. PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS :	<u>31.12.2019</u> <u>USD</u>	<u>31.12.2018</u> <u>USD</u>
Balance at beginning of year	57,285	69,397
Provision made during the year (Note 20)	24,314	17,217
Payments during the year	-	(29,329)
Balance at end of year	81,599	57,285
15. TRADE AND OTHER PAYABLES :	<u>31.12.2019</u> <u>USD</u>	<u>31.12.2018</u> <u>USD</u>
Trade payables	1,772,704	1,298,381
Accrued expenses	17,601	19,113
Payables for intangible assets	1,300,000	-
	3,090,305	1,317,494
16. REVENUE :	<u>31.12.2019</u> <u>USD</u>	<u>31.12.2018</u> <u>USD</u>
Revenue from hiring out equipment	20,422,544	17,536,908
The entire revenue recognized by the Company is from related parties (Note 10.a).		
17. COST OF REVENUE :	<u>31.12.2019</u> <u>USD</u>	<u>31.12.2018</u> <u>USD</u>
Depreciation (Note 5)	21,663,891	23,794,379
Amortisation (Note 6)	262,714	247,388
Capital work-in-progress written off (Note 5)	-	74,007
	21,926,605	24,115,774



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**ODFJELL PARTNERS INVEST LTD.
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FOR THE YEAR ENDED 31 DECEMBER 2019**

18. OTHER INCOME :	<u>31.12.2019</u>	<u>31.12.2018</u>
	USD	USD
Gain on sale of operating equipment	2,357,116	2,321,393
Interest income	187,535	135,953
Guarantee commission income (Notes 10.a and 26)	115,300	174,936
	<u>2,659,951</u>	<u>2,632,282</u>
19. ADMINISTRATIVE EXPENSES :	<u>31.12.2019</u>	<u>31.12.2018</u>
	USD	USD
Employee costs (Note 20)	468,311	481,038
Legal and professional charges	203,482	153,715
Operating lease charges	125,301	101,631
Travelling	106,481	83,854
Foreign currency exchange loss	91,000	-
Freight, transport and insurance	79,635	51,093
Other expenses	71,356	77,590
Communication	27,003	13,158
Management fee (Note 10.a)	11,385	11,694
	<u>1,183,954</u>	<u>973,773</u>
Administrative expenses include USD 406,271/- (2018: USD 565,659/-) recharged by related parties (Note 10.a).		
20. EMPLOYEE COSTS :	<u>31.12.2019</u>	<u>31.12.2018</u>
	USD	USD
Salaries and allowances	483,723	444,333
End of service benefits (Note 14)	24,314	17,217
Other benefits	286,389	228,929
Recharge from related parties (Note 10.a)	142,085	161,904
	<u>936,511</u>	<u>852,383</u>
Costs capitalised (Note 5)	(468,200)	(371,345)
	<u>468,311</u>	<u>481,038</u>
21. FINANCIAL INSTRUMENTS :		
The net carrying amounts of financial assets and financial liabilities at the end of the reporting period are classified as follows:		
	<u>31.12.2019</u>	<u>31.12.2018</u>
	USD	USD
Financial assets - At amortised cost		
Prepayments and other receivables (excluding prepayments and advance for operating equipment)	1,138,846	347,666
Due from related parties	8,779,986	4,205,304
Cash and cash equivalents	5,168,462	13,658,224
	<u>15,087,294</u>	<u>18,211,194</u>



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**ODFJELL PARTNERS INVEST LTD.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<u>31.12.2019</u> <u>USD</u>	<u>31.12.2018</u> <u>USD</u>
Financial liabilities - At amortised cost		
Trade and other payables	3,090,305	1,317,494
Due to related parties	25,979	54,249
	<u>3,116,284</u>	<u>1,371,743</u>

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the separate financial statements.

22. CAPITAL RISK MANAGEMENT :

The Company manages its capital to ensure that the Company will be able to continue as a going concern while providing maximum return to stakeholders through the optimisation of the debt and equity balance and to maintain an optimal capital structure to reduce the cost of capital. The Company's overall strategy on capital risk management remains unchanged from the previous year.

The capital structure of the Company consists of equity funds as presented in the statement of financial position. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

23. FINANCIAL RISK MANAGEMENT :

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. the Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's management. The management identifies and evaluates financial risks on regular basis to minimise the adverse impact over the Company's operation.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises: interest rate risk and currency risk. the Company's activities are exposed primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities, when revenue or expense are denominated in a different currency from the Company's functional currency which is USD. The Company manages the risks through regular monitoring of the currency markets to determine appropriate action to minimise the exposure to the foreign currency risk.



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**ODFJELL PARTNERS INVEST LTD.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Financial assets and financial liabilities are denominated in US Dollars except for the following:

	<u>31.12.2019</u> <u>USD</u>	<u>31.12.2018</u> <u>USD</u>
Other receivables		
Euro	256,202	182,901
Norwegian Krone	122,732	26,984
Pound Sterling	-	5,507
	<u>378,934</u>	<u>215,392</u>
Due from related parties		
Euro	20,259	400,143
Norwegian Krone	90,032	94,607
	<u>110,291</u>	<u>494,750</u>
Cash and cash equivalents		
Euro	71,458	304,556
Norwegian Krone	3,575,015	6,219,850
Pound Sterling	260,897	(209,382)
	<u>3,907,370</u>	<u>6,315,024</u>
Trade and other payables		
Canadian Dollar	37,148	102,799
Euro	60,106	18,569
Pound Sterling	38,584	25,780
Kuwaiti Dinar	4,252	33,707
Norwegian Krone	117,599	227,785
	<u>257,689</u>	<u>408,640</u>
Due to related parties		
Norwegian Krone	25,979	11,509
Euro	-	16,770
Romanian Leu	-	25,970
	<u>25,979</u>	<u>54,249</u>



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**ODFJELL PARTNERS INVEST LTD.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any significant exposure to interest rate risk.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for committed transactions) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

The Company deals only with highly reputed local and international banks. The Company's customers are solely related parties. As a result, the Company believes the credit risk related to customer is limited.

(c) Liquidity risks

Liquidity risk refers to the risk that an Company will encounter difficulty in meeting obligations associated with its financial liabilities at maturity date.

The Company manages the liquidity risk through risk management framework for the Company's short, medium and long-term funding and liquidity management requirements by maintaining adequate reserves, sufficient cash and cash equivalent to ensure funds are available to meet its commitments for liabilities as they fall due.

The table analyses the Company's remaining contractual maturity for its financial liabilities based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. The contractual maturity is based on the earliest date on which the Company may be required to pay.

<u>Less than 1 year</u>	<u>31.12.2019</u> <u>USD</u>	<u>31.12.2018</u> <u>USD</u>
Trade and other payables (Note 15)	3,090,305	1,317,494
Due to related parties (Note 10.c)	25,979	54,249
	3,116,284	1,371,743

24. FAIR VALUE :

The fair value of a particular asset or liability is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values of the financial assets and liabilities approximate their carrying amounts as reflected in these separate financial statements.

25. CAPITAL COMMITMENT :

As at the end of the reporting period, the Company has approved capital commitments of USD 4,192,460/- (2018: USD 1,927,282/-) relating to the acquisition of and construction of rental and casing equipments.



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**ODFJELL PARTNERS INVEST LTD.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

26. GUARANTEES AND SECURITY :

The Company is a guarantor under the USD 250 million senior secured credit facility agreement entered with the parent company as borrower and DNB Bank ASA acting as agent on behalf of the lenders. The liability of the Company as guarantor shall be limited to USD 500 million added with any unpaid amount of interest, fee and expenses, and shall be reduced with amounts actually repaid (and prepaid, if any) under this loan agreement.

The Company has pledged its shares, as well as its shares in Odfjell Well Services Norway AS, Odfjell Well Services AS, Odfjell Well Services Ltd., Odfjell Well Services II Ltd and its membership interest in Odfjell Well Services Cooperatief U.A. as security for this credit facility. The loan is also secured by first priority assignment of receivables and the parent company pays guarantee commission to the Company.

27. TAXES :

The Company is a tax resident in the United Kingdom and no liability has arisen in 2019 against this registration. The Company and its branch are not subject to any corporate taxes in their respective tax jurisdictions.

28. EVENTS AFTER THE REPORTING PERIOD :

As the outbreak of COVID-19 continues through subsequent phases, the Management is continuously monitoring the situation and will take appropriate actions on a timely basis to respond as necessary. Following the analysis of different possible scenarios, the Management has concluded that sufficient reserves are available in respect of the liquidity and also the equity base of the Company to guarantee continuity of its operations at the date of the authorization of these separate financial statements. Accordingly, the Management remains wholly satisfied that it is appropriate for the Company to prepare the separate financial statements on a going concern basis.



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APPENDIX O

FINANCIAL STATEMENT OF ODFJELL PARTNERS INVEST LTD. 2020

List of Signatures

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Odfjell Partners Invest Ltd.-2020.pdf

Name	Method	Signed at
Lieungh, Simen	BANKID_MOBILE	2022-02-10 23:41 GMT+01
Alasdair Shiach	One-Time-Password	2022-02-10 19:44 GMT+01
Helene Odfjell	One-Time-Password	2022-02-10 18:47 GMT+01



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**ODFJELL PARTNERS INVEST LTD.
SEPARATE FINANCIAL STATEMENTS AND REPORTS
FOR THE YEAR ENDED 31 DECEMBER 2020**



**ODFJELL PARTNERS INVEST LTD.
SEPARATE FINANCIAL STATEMENTS AND REPORTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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Separate statement of profit or loss and other comprehensive income	6
Separate statement of changes in equity	7
Separate statement of cash flows	8
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ODFJELL PARTNERS INVEST LTD.**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

The Directors submit their report together with the audited separate financial statements of Odfjell Partners Invest Ltd. (the Company) for the year ended 31 December 2020.

Principal activities

The principal activities of the Company include owning, investing, trading and rental of oilfield & natural gas equipment & spare parts. The Company is also engaged in investment activities.

Financial results and appropriations

The financial results of the Company for the year ended 31 December 2020 are set out in the separate statement of profit or loss and other comprehensive income.

Events after the reporting period

There are no significant events after the reporting period.

Shareholders and their interests

M/s Odfjell Drilling Services Ltd., a Company registered in Bermuda is the sole shareholder holding 100% of the issued share capital of the Company as at the reporting date. There were no changes to the shareholding structure during the year.

Directors

The Directors who served during the year were as follows;

Ms. Helene Odfjell

Mr. Simen Lieungh

Mr. Alasdair G. Shiach

Auditors

The separate financial statements have been audited by M/s. Kreston Menon Chartered Accountants, who retire and, being eligible, offer themselves for reappointment.

Helene Odfjell
Director
10 February 2022

Simen Lieungh
Director

Alasdair G. Shiach
Director



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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF
ODFJELL PARTNERS INVEST LTD.**

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of Odfjell Partners Invest Ltd. (the Company), which comprise the separate statement of financial position as at 31 December 2020, and the separate statement of profit or loss and other comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the unconsolidated financial position of the Company as at 31 December 2020, and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the separate financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF
ODFJELL PARTNERS INVEST LTD. (Continued)**

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF
ODFJELL PARTNERS INVEST LTD. (Continued)**

- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Dubai
10 February 2022




Saju Augustine FCA
Reg. No: 136
Kreston Menon Chartered Accountants

ODFJELL PARTNERS INVEST LTD.
SEPARATE STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	<u>31.12.2020</u> <u>USD</u>	<u>31.12.2019</u> <u>USD</u>
Assets			
Non-current assets			
Operating equipment	5	67,155,940	73,181,933
Intangible assets	6	3,064,693	3,151,798
Investment in subsidiaries	7	13,206,874	24,906,874
Total non-current assets		83,427,507	101,240,605
Current assets			
Inventories	8	1,114,437	1,197,430
Prepayments and other receivables	9	1,071,749	1,954,391
Due from related parties	10.b	7,302,343	8,779,986
Cash and cash equivalents	11	50,992,603	5,168,462
Total current assets		60,481,132	17,100,269
Total assets		143,908,639	118,340,874
Equity and liabilities			
Equity			
Share capital	12	12,000	12,000
Contributed capital	13	113,752,562	113,752,562
Retained earnings		28,727,531	1,378,429
Total equity		142,492,093	115,142,991
Liabilities			
Non-current liabilities			
Provision for employees' end of service benefits	14	112,797	81,599
Total non-current liabilities		112,797	81,599
Current liabilities			
Trade and other payables	15	808,911	3,090,305
Due to related parties	10.c	494,838	25,979
Total current liabilities		1,303,749	3,116,284
Total liabilities		1,416,546	3,197,883
Total equity and liabilities		143,908,639	118,340,874

The accompanying notes on pages 9 to 28 form an integral part of these separate financial statements.

The report of the independent auditor is set forth on pages 2 to 4.

Authorised for issue by directors on 10 February 2022.

For Odfjell Partners Invest Ltd.

Helene Odfjell
Director

Simen Lieungh
Director

Alasdair G. Shiach
Director



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**ODFJELL PARTNERS INVEST LTD.
SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	<u>31.12.2020</u> <u>USD</u>	<u>31.12.2019</u> <u>USD</u>
Revenue	16	24,049,865	20,422,544
Cost of revenue	17	(23,975,461)	(21,926,605)
Gross profit/(loss)		<u>74,404</u>	<u>(1,504,061)</u>
Other income	18	2,055,975	2,659,951
Administrative expenses	19	(906,603)	(1,183,954)
Profit/(loss) from operating activities		<u>1,223,776</u>	<u>(28,064)</u>
Dividend income	7	37,825,326	-
Impairment on investment in subsidiary	7	(11,700,000)	-
Profit/(loss) for the year		<u>27,349,102</u>	<u>(28,064)</u>
Other comprehensive income for the year		-	-
Total comprehensive income/(loss) for the year		<u><u>27,349,102</u></u>	<u><u>(28,064)</u></u>

The accompanying notes on pages 9 to 28 form an integral part of these separate financial statements.

The report of the independent auditor is set forth on pages 2 to 4.



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**ODFJELL PARTNERS INVEST LTD.
SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<u>Share capital USD</u>	<u>Capital contribution USD</u>	<u>Retained Earnings USD</u>	<u>Total USD</u>
Balance at 1 January 2019	12,000	113,752,562	1,406,493	115,171,055
Total comprehensive (loss) for the year	-	-	(28,064)	(28,064)
Balance at 31 December 2019	12,000	113,752,562	1,378,429	115,142,991
Total comprehensive income for the year	-	-	27,349,102	27,349,102
Balance at 31 December 2020	12,000	113,752,562	28,727,531	142,492,093

The accompanying notes on pages 9 to 28 form an integral part of these separate financial statements.

The report of the independent auditor is set forth on pages 2 to 4.



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**ODFJELL PARTNERS INVEST LTD.
SEPARATE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<u>31.12.2020</u> <u>USD</u>	<u>31.12.2019</u> <u>USD</u>
Cash flows from operating activities		
Profit/(loss) for the year	27,349,102	(28,064)
Adjustments for:		
Depreciation	23,390,989	21,663,891
Amortisation	584,472	262,714
(Gain) on disposal of operating equipment	(1,206,244)	(2,357,116)
Provision for employees' end of service benefits	31,198	24,314
Impairment on investment in subsidiary	11,700,000	-
Interest income	(10,313)	(187,535)
Dividend income	(37,825,326)	-
Operating cash flows before changes in working capital	24,013,878	19,378,204
Decrease/(increase) in inventories	82,993	(517,286)
Decrease/(increase) in prepayments and other receivables	882,642	(1,140,984)
Decrease/(increase) in due from related parties	1,477,643	(4,574,682)
(Decrease)/increase in trade and other payables	(2,281,394)	1,772,811
Increase/(decrease) in due to related parties	468,859	(28,270)
Net cash generated from operating activities	24,644,621	14,889,793
Cash flows from investing activities		
Interest received	10,313	187,535
Purchase of operating equipment	(16,755,006)	(23,782,824)
Additions to capital work-in-progress	(1,648,597)	(1,293,421)
Proceeds from disposal of operating equipment	1,747,484	3,159,154
Proceeds from disposal of investment	-	1
Additions to intangible assets	-	(1,650,000)
Dividend received	37,825,326	-
Net cash generated from/(used in) investing activities	21,179,520	(23,379,555)
Cash flows from financing activities		
	-	-
Net increase/(decrease) in cash and cash equivalents	45,824,141	(8,489,762)
Cash and cash equivalents at beginning of year	5,168,462	13,658,224
Cash and cash equivalents at end of year (Note 11)	50,992,603	5,168,462

The accompanying notes on pages 9 to 28 form an integral part of these separate financial statements.

The report of the independent auditor is set forth on pages 2 to 4.



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**ODFJELL PARTNERS INVEST LTD.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. GENERAL INFORMATION :

Odfjell Partners Invest Ltd. (the Company) was incorporated on 10 July 2003 in Bermuda under Registration no. 33920, issued by the Registrar of Companies in Bermuda. The registered address of the Company is Clarendon House, 2 Church street, Hamilton HM 11, Bermuda and is a tax resident in the United Kingdom with its head office at Bergen House, Crawpeel Road, Altens, Aberdeen, Scotland, United Kingdom. The Company has a branch established in Dubai, United Arab Emirates. The parent company is Odfjell Drilling Services Ltd. and the ultimate parent company is Odfjell Drilling Ltd. The ultimate parent company is incorporated in Bermuda and is a tax resident in United Kingdom with its head office at Bergen House, Crawpeel Road, Altens, Aberdeen, Scotland, United Kingdom.

The principal activities of the Company include owning, investing, trading and rental of oilfield & natural gas equipment & spare parts. The Company is also engaged in investment activities.

2. PRESENTATION OF SEPARATE FINANCIAL STATEMENTS OF THE PARENT COMPANY :

These financial statements are presented as separate financial statements wherein investments of the Company in its subsidiaries are carried at cost without consolidating the financial results of the subsidiaries. A copy of the consolidated financial statements of the ultimate parent company can be obtained from Odfjell Drilling Ltd, Bergen House, Crawpeel Road, Altens, Aberdeen, Scotland, United Kingdom and the consolidated financial statements comply with International Financial Reporting Standards.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES :

3.1 Basis of preparation

The separate financial statements have been prepared on the historical cost basis. The separate financial statements are presented in United States Dollar (USD) and all values are rounded to the nearest USD. The principal accounting policies adopted are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.2 Statement of compliance

The separate financial statements of the Company have been prepared in accordance with International Financial Reporting Standards.

3.3 Adoption of new and revised International Financial Reporting Standards

The following new and revised Standards including amendments thereto and Interpretations which became effective for the current reporting period have been adopted, wherever applicable. Their adoption has not had any significant impact on the amounts reported in these separate financial statements but may affect the financial reporting for future transactions or arrangements.

Amendments to IFRS 3: Business Combinations - Amendments to clarify the definition of a Business
Amendments to IAS 1 and IAS 8: Amendments regarding the definition of Material
Amendments to References to the Conceptual Framework in IFRS Standards
Amendments to IFRS 9, IAS 39 and IFRS 7: Amendments regarding interest rate benchmark reform

The following Standards, amendments thereto and interpretations have been issued prior to 31 December 2020 but have not been applied in these separate financial statements as their effective dates of adoption are for future periods. It is anticipated that their adoption in the relevant accounting periods will have impact only on disclosures within the separate financial statements.



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**ODFJELL PARTNERS INVEST LTD.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Amendment to IFRS 16 - COVID-19-Related Rent Concessions - 1 April 2021
 Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform - Phase 2 - 1 January 2021
 Amendments to IAS 37 - Onerous Contracts - Cost of Fulfilling a Contract - 1 January 2022
 Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use - 1 January 2022
 Amendments to IFRS 3 - Reference to the Conceptual Framework - 1 January 2022
 Annual Improvements to IFRS Standards 2018-2020 - 1 January 2022
 IFRS 17: Insurance Contracts - 1 January 2023
 Amendments to IAS 1 - Classification of Liabilities as Current or Non-current - 1 January 2023
 Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Date to be determined

3.4 Foreign currencies

(a) Functional and presentation currency

The separate financial statements are prepared and the items included in the separate financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The separate financial statements are presented in USD, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of outstanding amounts of such transactions and from the re-translation of monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are recognised in the profit or loss. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

3.5 Operating equipment

Operating equipment is stated at cost less accumulated depreciation and identified impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items including installation costs. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the profit or loss during the reporting period in which they are incurred.

Capital work-in-progress is stated at cost, less any recognised impairment loss. Depreciation of these assets commences when the assets are ready for their intended use.

The depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows;

	Years
Operating equipment	3 - 10



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**ODFJELL PARTNERS INVEST LTD.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

The assets' residual values and useful lives are reviewed at the end of the reporting period, with the effect of any changes in estimates adjusted on a prospective basis. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The gains or losses arising on the disposal or retirement of an item of operating equipment is determined by comparing the disposal proceeds with the carrying amount of the asset and is recognised in the profit or loss.

3.6 Investment in subsidiaries

Subsidiaries are entities (including structured entities) controlled by the Company. Control is achieved when the Company has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power.

Investment in subsidiaries are stated at cost less identified impairment losses, if any.

3.7 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Development costs that are directly attributable to the design and testing of identifiable assets controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the operating asset so that it will be available for use;
- management intends to complete the operating asset to use or sell it;
- there is an ability to use or sell the operating asset;
- it can be demonstrated how the operating asset will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the operating asset are available; and
- the expenditure attributable to the operating asset during the development can be reliably measured.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each reporting period end.

Intangible assets represent intellectual property rights and are amortised over their estimated useful life of 10 years.



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**ODFJELL PARTNERS INVEST LTD.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

3.8 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined using the first-in first-out method and comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing them to their present location and condition. Net realisable value represents the estimate of the selling price in the ordinary course of business, less all estimated costs to completion and costs necessary to make the sale.

3.9 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as revaluation increase.

3.10 Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) are initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Financial assets

A financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVTOCI") – debt investment; fair value through other comprehensive income ("FVTOCI") – equity investment; or fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.



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**ODFJELL PARTNERS INVEST LTD.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are; solely; payments of principal and interest on the outstanding principal amount.

All financial assets of the Company are classified as and are subsequently measured at amortised cost using the effective interest method and is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognised in profit or loss.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another Company. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss.

All financial liabilities of the Company are classified as and are subsequently measured at amortised cost using the effective interest method.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the sum of consideration paid and payable is recognised in profit or loss.

3.11 Impairment of financial assets

'Expected Credit Loss' (ECL) model requires considerable judgement in selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. The Company records an allowance for ECLs for all financial assets at amortised cost, debt investments at FVTOCI, but not to investments in equity instruments.

The Company measures impairment allowances using general or simplified approach as considered appropriate. Loss allowances are measured on either of the following bases:

12 month ECLs: these are ECLs that result from possible default within 12 months after the reporting date; and

Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.



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**ODFJELL PARTNERS INVEST LTD.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

ECLs under the general approach are a probability weighted estimate of credit losses which are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

ECLs under the standard's simplified approach are calculated based on lifetime expected credit losses. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment.

The Company considers a financial asset in default when contractual payments are past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by Company.

3.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and other short-term highly liquid investments with a maturity date of three months or less from the date of investment, net of temporary bank overdrafts.

3.13 Contributed capital

Ordinary shares are classified as equity. Contribution from shareholder which are non-reciprocal in nature are considered as contributed capital presented in the statement of changes in equity.

3.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is recognised in the profit or loss, net of any reimbursement.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Provisions are not recognised for future operating losses.

3.15 Provision for employees' benefits

Provision for employees' end of service benefits is made in accordance with the UAE labour laws, and is based on current remuneration and periods of service at the end of the reporting period.

Provision is made for the estimated liability for employees' entitlement to annual leave as a result of services rendered by the employees up to the end of the reporting period. The provision relating to annual leave is disclosed as a current liability, while the provision relating to employees' end of service benefits is disclosed as a non-current liability.



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**ODFJELL PARTNERS INVEST LTD.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

3.16 Revenue recognition

Revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control, at a point in time or over time, requires judgement. The Company recognises revenue from sale of goods or rendering of services based on a five-step model as follows:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer for rendering of services to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for rendering services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the Company satisfies a performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which performance obligation is satisfied.

When the Company satisfies a performance obligation by rendering the promised services, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty.

Sale of operating equipment

Revenue from sale of operating equipment is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment and issuance of the invoices to customers.

Services rendered

Revenue is recognised during the rental period in which the equipment and related services are utilised by the customer.



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**ODFJELL PARTNERS INVEST LTD.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and effective interest rate applicable.

Dividend income

Dividend income is recognised in the profit or loss on the date on which the Company's right to receive payment is established.

4. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS :

The preparation of the Company's separate financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

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. Actual results may differ from these estimates.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below;

a) *Estimated useful life of operating equipment and intangible assets*

Management assigns useful lives and residual values to operating equipment and intangible assets based on the intended use and the economic lives of those assets. Subsequent changes in circumstances could result in the actual useful lives or residual values differing from initial estimates. Where management determines that the useful life or residual value of an asset requires amendment, the net book amount in excess of the residual value is depreciated/amortized over the revised remaining useful life.

b) *Impairment of non-financial assets*

Assessments of net recoverable amounts of operating equipment, intangible assets and other non-financial assets are based on assumptions regarding future cash flows expected to be received from the related assets.

c) *Inventory provisions*

The Company reviews the carrying amounts of the inventories at the end of the reporting period and assesses the likely realization proceeds taken into account, the age of inventory, estimated future demand for various items in the inventory, and physical damage etc. Based on the assessment, no provisions are required as at the end of the reporting period.

d) *Significant increase in credit risk*

ECLs are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.



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e) Business model assessment

Classification and measurement of financial assets depends on the results of the Solely Payments of Principal and Interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

f) Calculation of loss allowance

When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

5. OPERATING EQUIPMENT :

	<u>Operating equipment</u> <u>USD</u>	<u>Capital work-in- progress</u> <u>USD</u>	<u>Total</u> <u>USD</u>
Cost			
At 1 January 2019	305,750,916	2,004,511	307,755,427
Additions	23,782,824	1,293,421	25,076,245
Transfers	395,665	(395,665)	-
Transfer to intangible assets (Note 6)	-	(62,940)	(62,940)
Disposals	(11,003,714)	-	(11,003,714)
At 31 December 2019	318,925,691	2,839,327	321,765,018
Additions	16,755,006	1,648,597	18,403,603
Transfers	1,661,774	(1,661,774)	-
Transfer to intangible assets (Note 6)	-	(497,367)	(497,367)
Disposals	(6,707,509)	-	(6,707,509)
At 31 December 2020	330,634,962	2,328,783	332,963,745



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	<u>Operating equipment USD</u>	<u>Capital work-in- progress USD</u>	<u>Total USD</u>
Accumulated depreciation			
At 1 January 2019	237,120,870	-	237,120,870
Charge for the year (Note 17)	21,663,891	-	21,663,891
Adjustment on disposals	(10,201,676)	-	(10,201,676)
At 31 December 2019	248,583,085	-	248,583,085
Charge for the year (Note 17)	23,390,989	-	23,390,989
Adjustment on disposals	(6,166,269)	-	(6,166,269)
At 31 December 2020	265,807,805	-	265,807,805
Net book amount			
At 31 December 2020	64,827,157	2,328,783	67,155,940
At 31 December 2019	70,342,606	2,839,327	73,181,933

Capital work-in-progress represents the costs incurred for specialised tools and operating equipment which were not ready for their intended use as at the end of the reporting period.

Capital work-in-progress additions include capitalised staff cost aggregating to USD 776,555/- (2019: USD 468,200/-) for the development of certain specialised tools (Note 20).

6. INTANGIBLE ASSETS :

	<u>31.12.2020 USD</u>	<u>31.12.2019 USD</u>
Cost		
Balance at beginning of year	4,186,894	2,473,954
Additions during the year	-	1,650,000
Transfer from operating equipment (Note 5)	497,367	62,940
Balance at end of year	4,684,261	4,186,894
Accumulated amortisation		
Balance at beginning of year	1,035,096	772,382
Charge for the year (Note 17)	584,472	262,714
Balance at end of year	1,619,568	1,035,096
Net book amount	3,064,693	3,151,798

Intangible assets represent intellectual property rights purchased and developed for tools and operating equipment and are amortised on a straight line basis over their estimated useful life of 10 years.



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7. INVESTMENT IN SUBSIDIARIES :

	<u>31.12.2020</u> <u>USD</u>	<u>31.12.2019</u> <u>USD</u>
Investments in subsidiaries	13,206,874	24,906,874
Listing of investments is as follows:		
Odfjell Well Services Ltd.	11,689,437	11,689,437
Odfjell Well Services Norway AS	1,484,090	13,184,090
Odfjell Well Services Cooperatief U.A.	-	-
Odfjell Well Services II Ltd.	18,823	18,823
Odfjell Arabia Drilling Services Co.	-	-
Odfjell Well Services AS	14,524	14,524
Odfjell Well Services (UK) Ltd.	-	-
	<u>13,206,874</u>	<u>24,906,874</u>

The Company has ownership interest in the following subsidiaries as at 31 December 2020 as follows:

Name of subsidiary	Country of incorporation	Principal activity	Ownership interest of the Company	
			2020	2019
i) Odfjell Well Services Ltd.	British Virgin Islands	Well services	100%	100%
ii) Odfjell Well Services Norway AS	Norway	Well services	100%	100%
iii) Odfjell Well Services Cooperatief U.A.	The Netherlands	Well services	99%	99%
iv) Odfjell Well Services II Ltd.	Bermuda	Well services	100%	100%
v) Odfjell Arabia Drilling Services Co.*	Kingdom of Saudi Arabia	Well services	20%	20%
vi) Odfjell Well Services AS	Norway	Well services	100%	100%
vii) Odfjell Well Services (UK) Ltd.	United Kingdom	Well services	100%	100%

*Though the Company's ownership interest is 20%, the Company has 100% beneficial ownership and control in this subsidiary.

The Company has impaired investments in Odfjell Well Services Cooperatief U.A., Odfjell Arabia Drilling Services Co. and Odfjell Well Services (UK) Ltd.

During 2020, the Company received dividend amounting to USD 37,825,326/- from Odfjell Well Services Norway AS and the Company has recorded impairment loss amounting to USD 11,700,000/- against its investment in this subsidiary.

The Company has pledged its investment in Odfjell Well Services Norway AS, Odfjell Well Services AS, Odfjell Well Services Ltd., Odfjell Well Services II Ltd and its membership interest in Odfjell Well Services Cooperatief U.A. in order to fulfil collateral requirements of borrowing facilities availed by the parent company.

8. INVENTORIES :

	<u>31.12.2020</u> <u>USD</u>	<u>31.12.2019</u> <u>USD</u>
Spare parts	1,114,437	1,197,430



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Inventories aggregating to USD 550,555/- (2019: USD 587,704/-) (net) were transferred to/from related parties (Note 10.a).

9. PREPAYMENTS AND OTHER RECEIVABLES :

	<u>31.12.2020</u>	<u>31.12.2019</u>
	<u>USD</u>	<u>USD</u>
Prepayments	167,887	188,181
Refundable deposits	4,534	4,534
Advance for operating equipment	612,762	627,364
VAT receivable ¹	80,907	14,004
Taxes and duties receivable ²	205,659	1,048,864
Other receivables	-	71,444
	<u>1,071,749</u>	<u>1,954,391</u>

¹Value Added Tax (VAT) receivable represents net VAT amount receivable from the U.A.E. Federal Tax Authority against the input tax charged by the vendors on their taxable supplies to the Company in excess of the output tax charged to customers on the taxable supplies by the Company as per the Executive Regulations of the Federal Decree Law No. 8 and Cabinet Decision No. 52 of 2017 on Value Added Tax.

²Taxes and duties receivable represent net VAT receivable as per the local laws applicable in the Netherlands and Norway.

10. RELATED PARTY TRANSACTIONS :

Related parties include the parent company, ultimate parent company, key management personnel, fellow subsidiaries, associates, joint ventures, directors and entities which are controlled directly or indirectly by the shareholder or directors or over which they exercise significant management influence. Balances and transactions between the Company and its related parties are described below. Transactions with related parties were entered into on terms agreed by the management.

- a. During the year, the Company entered into the following transactions with related parties:

	<u>31.12.2020</u>	<u>31.12.2019</u>
	<u>USD</u>	<u>USD</u>
Hiring out equipment (Note 16)		
Odfjell Well Services Norway AS (subsidiary)	16,990,744	10,317,937
Odfjell Well Services Cooperatief U.A. (subsidiary)	6,179,636	7,007,111
Odfjell Well Services Ltd. (subsidiary)	879,485	3,097,496
	<u>24,049,865</u>	<u>20,422,544</u>
Sale of operating equipment		
Odfjell Well Services Cooperatief U.A. (subsidiary)	593,591	715,537
Odfjell Well Services Ltd. (subsidiary)	230,188	2,187,803
Odfjell Well Services Norway AS (subsidiary)	920,856	236,871
	<u>1,744,635</u>	<u>3,140,211</u>



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The cost of operating equipment incurred by the Company for the above sales were USD 538,391/- (2019: USD 783,095/-). The net profit on the sales is recorded in the profit and loss.

	<u>31.12.2020</u>	<u>31.12.2019</u>
	<u>USD</u>	<u>USD</u>
Inventory transferred (Note 8)		
Odfjell Well Services Ltd. (subsidiary)	296,925	299,502
Odfjell Well Services Norway AS (subsidiary)	240,579	141,774
Odfjell Well Services SRL (affiliate)	(6,172)	68,706
Odfjell Well Services Cooperatief U.A. (subsidiary)	12,540	57,996
Odfjell Well Services (UK) Ltd. (subsidiary)	6,683	(4,657)
Odfjell Arabia Drilling Services Co. (subsidiary)	-	24,383
	<u>550,555</u>	<u>587,704</u>
Management fee (Note 19)		
Odfjell Global Business Services AS (affiliate)	<u>10,421</u>	<u>11,385</u>
Recharge of expenses by related parties (Note 19)		
Odfjell Drilling AS (affiliate)	9,178	8,457
Odfjell Well Services Norway AS (subsidiary)	-	1,774
Odfjell Drilling Ltd. (ultimate parent company)	68,389	60,659
Odfjell Well Services Ltd. (subsidiary)	359,155	323,996
	<u>436,722</u>	<u>394,886</u>
Recharge of expenses to related parties		
Odfjell Well Services Ltd. (subsidiary)	<u>-</u>	<u>98,186</u>
Guarantee commission income (Note 18)		
Odfjell Drilling Services Ltd (parent company)	<u>95,500</u>	<u>115,300</u>

The following balances were outstanding at the end of the reporting period:

	<u>31.12.2020</u>	<u>31.12.2019</u>
	<u>USD</u>	<u>USD</u>
b. Due from related parties		
Odfjell Well Services Cooperatief U.A. (subsidiary)	1,199,598	1,333,617
Odfjell Well Services Norway AS (subsidiary)	6,099,257	5,305,854
Odfjell Well Services Ltd. (subsidiary)	-	2,049,880
Odfjell Drilling AS (affiliate)	-	56,417
Odfjell Well Services SRL (affiliate)	-	34,218
Odfjell Drilling Ltd. (ultimate parent company)	3,488	-
	<u>7,302,343</u>	<u>8,779,986</u>



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	<u>31.12.2020</u> <u>USD</u>	<u>31.12.2019</u> <u>USD</u>
c. Due to related parties		
Odfjell Well Services AS (subsidiary)	22,441	25,979
Odfjell Well Services Ltd. (subsidiary)	472,397	-
	<u>494,838</u>	<u>25,979</u>

The directors did not receive any emoluments from the Company during the year. The directors of the Company are also directors of fellow Odfjell Drilling Ltd. group companies and receive their remuneration directly from those companies. The directors do not believe that it is practicable to apportion their remuneration between services as directors of the Company and their services as directors of the other group companies.

Related party balances are unsecured and are expected to be settled by cash. No expense has been recognised in the current or prior years for bad and doubtful debts in respect of the amounts owed by related parties.

11. CASH AND CASH EQUIVALENTS :

	<u>31.12.2020</u> <u>USD</u>	<u>31.12.2019</u> <u>USD</u>
Cash on hand	1,362	1,679
Cash at bank:		
Current accounts	50,991,241	5,166,783
	<u>50,992,603</u>	<u>5,168,462</u>

The Company's bank balances are part of the cash pool scheme wherein the parent company is the account owner and thus the owner of the bank funds. The cash pool has been created to optimize liquidity management within the group.

12. SHARE CAPITAL :

	<u>31.12.2020</u> <u>USD</u>	<u>31.12.2019</u> <u>USD</u>
Authorized, issued and fully paid; 12,000 ordinary shares (2019: 12,000) of USD 1/- each	12,000	12,000

13. CONTRIBUTED CAPITAL :

	<u>31.12.2020</u> <u>USD</u>	<u>31.12.2019</u> <u>USD</u>
Balance at end of year	113,752,562	113,752,562



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14. PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS :

	<u>31.12.2020</u> <u>USD</u>	<u>31.12.2019</u> <u>USD</u>
Balance at beginning of year	81,599	57,285
Provision made during the year (Note 20)	31,198	24,314
Balance at end of year	<u>112,797</u>	<u>81,599</u>

15. TRADE AND OTHER PAYABLES :

	<u>31.12.2020</u> <u>USD</u>	<u>31.12.2019</u> <u>USD</u>
Trade payables	802,035	1,772,704
Accrued expenses	6,876	17,601
Payables for intangible assets	-	1,300,000
	<u>808,911</u>	<u>3,090,305</u>

16. REVENUE :

	<u>31.12.2020</u> <u>USD</u>	<u>31.12.2019</u> <u>USD</u>
Revenue from hiring out equipment	24,049,865	20,422,544

The entire revenue recognized by the Company is from related parties (Note 10.a).

17. COST OF REVENUE :

	<u>31.12.2020</u> <u>USD</u>	<u>31.12.2019</u> <u>USD</u>
Depreciation (Note 5)	23,390,989	21,663,891
Amortisation (Note 6)	584,472	262,714
	<u>23,975,461</u>	<u>21,926,605</u>

18. OTHER INCOME :

	<u>31.12.2020</u> <u>USD</u>	<u>31.12.2019</u> <u>USD</u>
Gain on sale of operating equipment	1,206,244	2,357,116
Foreign currency exchange gain	743,918	-
Interest income	10,313	187,535
Guarantee commission income (Notes 10.a and 26)	95,500	115,300
	<u>2,055,975</u>	<u>2,659,951</u>



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19. ADMINISTRATIVE EXPENSES :

	<u>31.12.2020</u> <u>USD</u>	<u>31.12.2019</u> <u>USD</u>
Employee costs (Note 20)	257,468	468,311
Legal and professional charges	201,554	203,482
Operating lease charges	138,406	125,301
Travelling	112,494	106,481
Freight, transport and insurance	102,116	79,635
Other expenses	61,570	71,356
Communication	22,574	27,003
Management fee (Note 10.a)	10,421	11,385
Foreign currency exchange loss	-	91,000
	<u>906,603</u>	<u>1,183,954</u>

Administrative expenses include USD 447,143/- (2019: USD 406,271/-) recharged by related parties (Note 10.a).

20. EMPLOYEE COSTS :

	<u>31.12.2020</u> <u>USD</u>	<u>31.12.2019</u> <u>USD</u>
Salaries and allowances	610,279	483,723
End of service benefits (Note 14)	31,198	24,314
Other benefits	305,577	286,389
Recharge from related parties (Note 10.a)	86,969	142,085
	<u>1,034,023</u>	<u>936,511</u>
Costs capitalised (Note 5)	(776,555)	(468,200)
	<u>257,468</u>	<u>468,311</u>

21. FINANCIAL INSTRUMENTS :

The net carrying amounts of financial assets and financial liabilities at the end of the reporting period are classified as follows:

	<u>31.12.2020</u> <u>USD</u>	<u>31.12.2019</u> <u>USD</u>
Financial assets - At amortised cost		
Prepayments and other receivables (excluding prepayments and advance for operating equipment)	291,100	1,138,846
Due from related parties	7,302,343	8,779,986
Cash and cash equivalents	50,992,603	5,168,462
	<u>58,586,046</u>	<u>15,087,294</u>



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	<u>31.12.2020</u>	<u>31.12.2019</u>
	<u>USD</u>	<u>USD</u>
Financial liabilities - At amortised cost		
Trade and other payables	808,911	3,090,305
Due to related parties	494,838	25,979
	<u>1,303,749</u>	<u>3,116,284</u>

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the separate financial statements.

22. CAPITAL RISK MANAGEMENT :

The Company manages its capital to ensure that the Company will be able to continue as a going concern while providing maximum return to stakeholders through the optimisation of the debt and equity balance and to maintain an optimal capital structure to reduce the cost of capital. The Company's overall strategy on capital risk management remains unchanged from the previous year.

The capital structure of the Company consists of equity funds as presented in the statement of financial position. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

23. FINANCIAL RISK MANAGEMENT :

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. the Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's management. The management identifies and evaluates financial risks on regular basis to minimise the adverse impact over the Company's operation.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises: interest rate risk and currency risk. the Company's activities are exposed primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities, when revenue or expense are denominated in a different currency from the Company's functional currency which is USD. The Company manages the risks through regular monitoring of the currency markets to determine appropriate action to minimise the exposure to the foreign currency risk.



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Financial assets and financial liabilities are denominated in US Dollars except for the following:

	<u>31.12.2020</u> <u>USD</u>	<u>31.12.2019</u> <u>USD</u>
Other receivables		
Euro	245,645	256,202
Norwegian Krone	84,140	122,732
	<u>329,785</u>	<u>378,934</u>
Due from related parties		
Euro	1,964	20,259
Norwegian Krone	127,873	90,032
Pound Sterling	3,488	-
	<u>133,325</u>	<u>110,291</u>
Cash and cash equivalents		
Euro	(362,409)	71,458
Norwegian Krone	23,787,161	3,575,015
Pound Sterling	45,460	260,897
	<u>23,470,212</u>	<u>3,907,370</u>
Trade and other payables		
Canadian Dollar	-	37,148
Euro	275,861	60,106
Pound Sterling	14,951	38,584
Kuwaiti Dinar	14,865	4,252
Norwegian Krone	32,027	117,599
Malaysian Ringgit	96	-
Omani Rial	2,164	-
	<u>339,964</u>	<u>257,689</u>
Due to related parties		
Norwegian Krone	-	25,979

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any significant exposure to interest rate risk.



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(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for committed transactions) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

The Company deals only with highly reputed local and international banks. The Company's customers are solely related parties. As a result, the Company believes the credit risk related to customer is limited.

(c) Liquidity risks

Liquidity risk refers to the risk that an Company will encounter difficulty in meeting obligations associated with its financial liabilities at maturity date.

The Company manages the liquidity risk through risk management framework for the Company's short, medium and long-term funding and liquidity management requirements by maintaining adequate reserves, sufficient cash and cash equivalent to ensure funds are available to meet its commitments for liabilities as they fall due.

The table analyses the Company's remaining contractual maturity for its financial liabilities based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. The contractual maturity is based on the earliest date on which the Company may be required to pay.

<u>Less than 1 year</u>	<u>31.12.2020</u> <u>USD</u>	<u>31.12.2019</u> <u>USD</u>
Trade and other payables (Note 15)	808,911	3,090,305
Due to related parties (Note 10.c)	494,838	25,979
	1,303,749	3,116,284

24. FAIR VALUE :

The fair value of a particular asset or liability is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values of the financial assets and liabilities approximate their carrying amounts as reflected in these separate financial statements.

25. CAPITAL COMMITMENTS :

As at the end of the reporting period, the Company has approved capital commitments of USD 2,397,235/- (2019: USD 4,192,460/-) relating to the acquisition of and construction of rental and casing equipments.

26. GUARANTEES AND SECURITY :

The Company is a guarantor under the USD 250 million senior secured credit facility agreement entered with the parent company, as borrower and DNB Bank ASA acting as agent on behalf of the lenders. The liability of the Company as guarantor shall be limited to USD 500 million added with any unpaid amount of interest, fee and expenses, and shall be reduced with amounts actually repaid (and prepaid, if any) under this loan agreement.



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**ODFJELL PARTNERS INVEST LTD.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

The Company has pledged its shares, as well as its shares in Odfjell Well Services Norway AS, Odfjell Well Services AS, Odfjell Well Services Ltd., Odfjell Well Services II Ltd and its membership interest in Odfjell Well Services Cooperatief U.A. as security for this credit facility. The loan is also secured by first priority assignment of receivables and the parent company pays guarantee commission to the Company.

27. TAXES :

The Company is a tax resident in the United Kingdom and no liability has arisen in 2020 against this registration. The Company and its branch are not subject to any corporate taxes in their respective tax jurisdictions.

28. COVID-19 IMPACT :

As the outbreak of COVID-19 continues through subsequent phases, the Management is continuously monitoring the situation and will take appropriate actions on a timely basis to respond as necessary. The Company was proactive in implementing a range of measures designed to mitigate the impact of COVID-19 and to fully implement governmental regulations and recommendations to ensure the safety and security of staff and provide, to the extent possible, uninterrupted services. Following the analysis of different possible scenarios, the Management has concluded that sufficient reserves are available in respect of the liquidity and also the equity base of the Company to guarantee continuity of its operations at the date of the authorization of these separate financial statements. Accordingly, the Management remains wholly satisfied that it is appropriate for the Company to prepare the separate financial statements on a going concern basis.



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