



Odfjell Rig III Ltd

Report for the 2nd quarter and 1st half year of 2025



Key figures for the Odfjell Rig III Group

<i>All figures in USD million</i>	Q2 25	Q2 24	YTD 25	YTD 24	FY 24
Operating revenue	86	76	166	154	313
EBITDA	47	42	91	84	174
EBIT	23	20	43	37	66
Net profit	12	10	19	17	27
EBITDA margin	55%	56%	55%	55%	55%
Total assets			1,036	1,041	1,040
Net interest bearing debt			280	320	296
Equity			647	625	624
Equity ratio			62%	60%	60%

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

Profit Q2 2025

Operating revenue for Q2 2025 was USD 86 million (USD 76 million), an increase of USD 10 million. This was driven by higher revenue for Deepsea Atlantic (USD 11 million), mainly driven by rate uplift towards Equinor after completion of the Johan Sverdrup (JS) contract in July 2024. The positive variation was partly offset by Deepsea Aberdeen with a negative deviation of USD 1 million driven by the Special Periodical Survey (SPS) in Q2 2025, partly offset by rate uplift.

EBITDA in Q2 2025 was USD 47 million (USD 42 million), an increase of USD 5

million. The increase in EBITDA for Deepsea Atlantic is partly offset by a decrease for Deepsea Aberdeen. The EBITDA margin in Q2 2025 was 55% (56%).

Depreciation cost in Q2 2025 was USD 24 million (USD 22 million).

Net financial expenses in Q2 2025 amounted to USD 10 million (USD 9 million). The negative variance in net currency losses was offset by a USD 1 million decrease in interest expenses.

Net profit in Q2 2025 was USD 12 million (USD 10 million).

Profit YTD 2025

Operating revenue YTD 2025 was USD 166 million (USD 154 million), an increase of

USD 12 million, mainly driven by rate uplift for Deepsea Atlantic after completion of the JS contract in July 2024.

EBITDA YTD 2025 was USD 91 million (USD 84 million), an increase of USD 7 million. The increase in EBITDA for Deepsea Atlantic is partly offset by a decrease for Deepsea Aberdeen. The EBITDA margin YTD 2025 was 55% (55%).

Depreciation cost YTD 2025 was USD 47 million (USD 47 million).

Net financial expenses YTD 2025 amounted to USD 22 million (USD 18 million), an increase of USD 4 million. The USD 5 million negative variance in net currency losses was partly offset by a USD 2 million decrease in interest expenses.

Net profit YTD 2025 was USD 19 million (USD 17 million).

Cash flow Q2 2025

Net cash flow from operating activities in Q2 2025 was USD 42 million (USD 20 million). This includes paid net interest of USD 16 million (USD 18 million) and paid income taxes of USD 1 million (USD 1 million).

Net cash outflow from investing activities in Q2 2025 was USD 16 million (USD 22 million) related to purchases of fixed assets.

Net cash outflow from financing activities in Q2 2025 was USD 22 million (USD 23 million) related to instalment on leases and bond loan.

Cash flow YTD 2025

Net cash flow from operating activities YTD 2025 was USD 49 million (USD 36 million). This includes paid net interest of USD 17 million (USD 18 million) and paid income taxes of USD 2 million (USD 3 million).

Net cash outflow from investing activities YTD 2025 was USD 31 million (USD 44

million) related to purchases of fixed assets.

Net cash outflow from financing activities YTD 2025 was USD 24 million (USD 26 million) related to instalment on leases and bond loan.

Balance sheet

Total assets as at 30 June 2025 amounted to USD 1,036 million (USD 1,040 million as at 31 December 2024), a decrease of USD 4 million.

Total equity as at 30 June 2025 amounted to USD 647 million, and the equity ratio was 62% (USD 624 million and an equity ratio on 60% at 31 December 2024).

Net interest bearing debt as at 30 June 2025 amounted to USD 280 million (USD 296 million as at 31 December 2024), a decrease of USD 16 million.

At 30 June 2025, cash amounted to USD 29 million, (USD 33 million as at 31 December 2024), a decrease of USD 4 million.

St. Julian's, Malta

18 August 2025

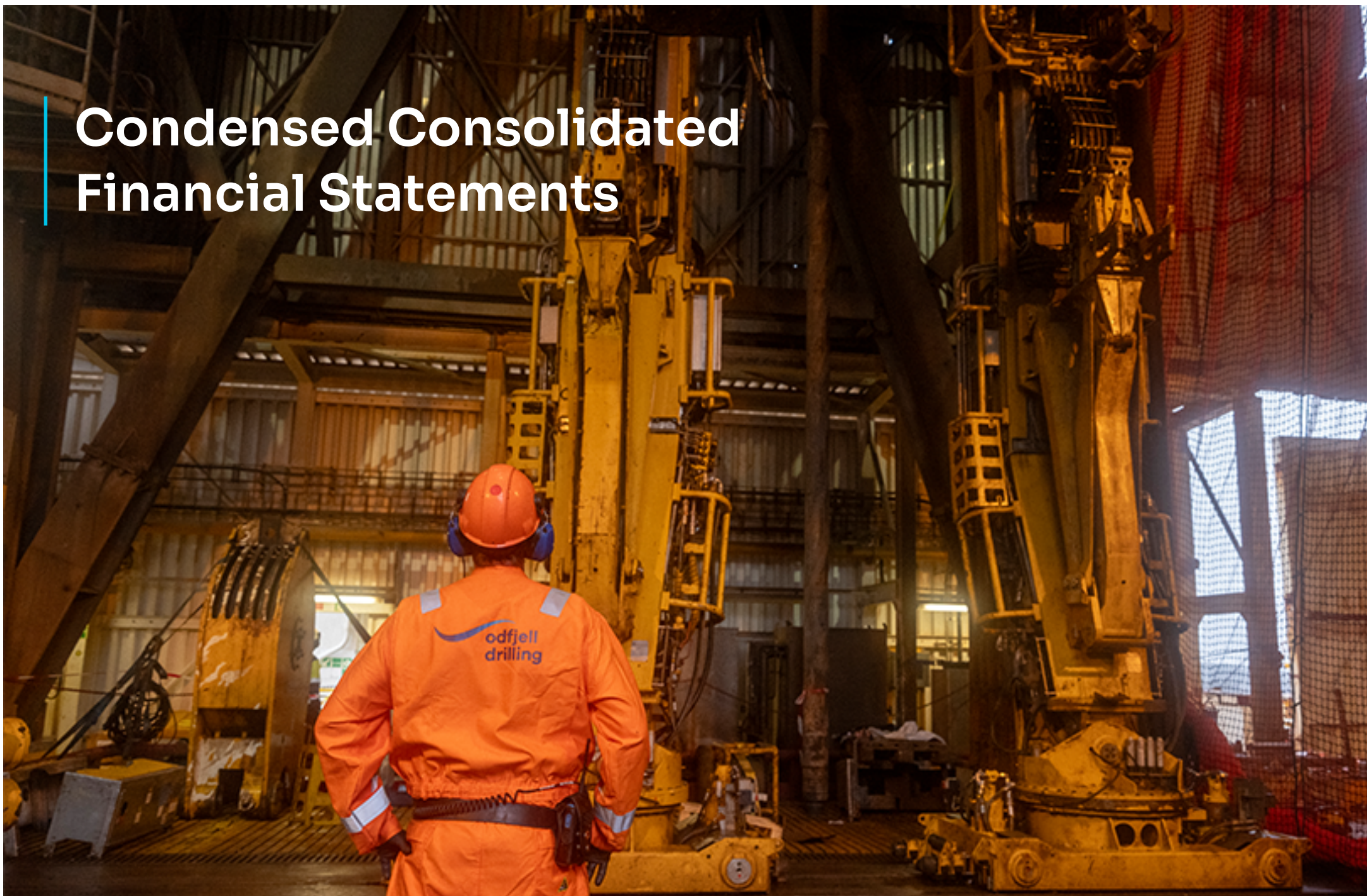
Board of Directors of Odfjell Rig III Ltd.

John Carbone, Director

Erik Askvik, Director

Øivind Haraldsen, Director

Condensed Consolidated Financial Statements



Condensed Consolidated Income Statement

USD million	Note	Q2 25	Q2 24	YTD 25	YTD 24	FY 24
OPERATING REVENUE	3	85.7	76.2	165.9	154.1	313.1
Other gains and losses		-	(0.0)	-	0.8	0.6
Personnel expenses		(19.9)	(17.9)	(39.2)	(36.5)	(72.7)
Other operating expenses		(18.9)	(15.9)	(36.1)	(34.1)	(67.3)
EBITDA		46.8	42.4	90.5	84.2	173.6
Depreciation	5	(24.0)	(22.0)	(47.5)	(47.2)	(107.3)
OPERATING PROFIT (EBIT)		22.8	20.4	43.0	37.0	66.4
Net financial expenses	4	(9.6)	(9.2)	(21.7)	(18.1)	(36.1)
Profit before income tax		13.2	11.1	21.3	18.9	30.2
Income tax expense		(0.9)	(1.0)	(2.4)	(1.9)	(3.2)
NET PROFIT		12.3	10.2	18.9	17.1	27.0
Profit attributable to:						
Owners of the parent		12.3	10.2	18.9	17.1	27.0

Condensed Consolidated Statement of Comprehensive Income

USD million	Q2 25	Q2 24	YTD 25	YTD 24	FY 24
Net profit	12.3	10.2	18.9	17.1	27.0
Items that are or may be reclassified to profit or loss:					
Cash flow hedges, net of tax	(1.5)	0.5	0.3	(1.1)	(3.4)
Currency translation differences	1.4	(0.1)	3.5	(1.7)	(3.6)
OTHER COMPREHENSIVE INCOME, NET OF TAX	(0.1)	0.4	3.8	(2.8)	(7.0)
TOTAL COMPREHENSIVE INCOME	12.2	10.6	22.7	14.3	20.0
Total comprehensive income attributable to:					
Owners of the parent	12.2	10.6	22.7	14.3	20.0

Condensed Consolidated Statement of Financial Position

USD million	Note	30.06.2025	30.06.2024	31.12.2024
ASSETS				
Property, plant and equipment	5	952.7	966.9	971.9
Deferred tax asset		1.2	3.5	3.3
TOTAL NON-CURRENT ASSETS		953.9	970.5	975.2
Trade receivables		26.4	26.4	30.2
Other current assets		26.9	15.9	1.6
Cash and cash equivalents		28.9	27.9	33.0
TOTAL CURRENT ASSETS		82.2	70.3	64.7
TOTAL ASSETS		1,036.1	1,040.7	1,039.9

USD million	Note	30.06.2025	30.06.2024	31.12.2024
EQUITY AND LIABILITIES				
Paid-in capital		283.8	290.0	283.8
Other equity		363.3	334.9	340.6
TOTAL EQUITY		647.1	624.9	624.4
Non-current interest-bearing borrowings	6	266.4	305.0	285.8
Non-current lease liabilities	7	2.3	4.3	3.6
TOTAL NON-CURRENT LIABILITIES		268.7	309.3	289.3
Current interest-bearing borrowings	6	42.4	42.7	42.7
Current lease liabilities	7	6.1	10.2	7.5
Trade payables		21.2	18.1	27.2
Other current liabilities		50.5	35.5	48.7
TOTAL CURRENT LIABILITIES		120.2	106.5	126.1
TOTAL LIABILITIES		389.0	415.9	415.4
TOTAL EQUITY AND LIABILITIES		1,036.1	1,040.7	1,039.9

Condensed Consolidated Statement of Changes in Equity

USD million	Note	Paid-in capital	Other equity	Total equity
Balance at 1 January 2024		290.0	320.6	610.6
Profit for the period		-	17.1	17.1
Other comprehensive income for the period		-	(2.8)	(2.8)
Total comprehensive income for the period		-	14.3	14.3
Transactions with owners		-	-	-
BALANCE AT 30 JUNE 2024		290.0	334.9	624.9
Total comprehensive income for the period Q3-Q4		-	5.7	5.7
Transactions with owners for the period Q3-Q4		(6.2)	-	(6.2)
BALANCE AT 31 DECEMBER 2024		283.8	340.6	624.4
Profit for the period		-	18.9	18.9
Other comprehensive income for the period		-	3.8	3.8
Total comprehensive income for the period		-	22.7	22.7
Transactions with owners		-	-	-
BALANCE AT 30 JUNE 2025		283.8	363.3	647.1

Condensed Consolidated Statement of Cash Flows

USD million	Note	Q2 25	Q2 24	YTD 25	YTD 24	FY 24
CASH FLOWS FROM OPERATING ACTIVITIES:						
Profit before tax		13.2	11.1	21.3	18.9	30.2
Adjustment for interest, provisions and non-cash elements		33.5	30.6	66.5	63.6	140.9
Changes in working capital		12.0	(3.5)	(19.8)	(26.7)	1.4
Cash generated from operations		58.7	38.2	68.0	55.9	172.5
Net interest paid		(15.9)	(17.6)	(16.5)	(17.7)	(34.9)
Net income tax paid		(1.2)	(0.8)	(2.2)	(2.5)	(2.7)
NET CASH FLOW FROM OPERATING ACTIVITIES		41.7	19.8	49.3	35.6	134.9
CASH FLOWS FROM INVESTING ACTIVITIES:						
Purchase of property, plant and equipment		(15.9)	(21.6)	(31.5)	(43.6)	(106.2)
NET CASH FLOW FROM INVESTING ACTIVITIES		(15.9)	(21.6)	(31.5)	(43.6)	(106.2)

USD million	Note	Q2 25	Q2 24	YTD 25	YTD 24	FY 24
CASH FLOWS FROM FINANCING ACTIVITIES:						
Repayment of borrowings external		(20.0)	(20.0)	(20.0)	(20.0)	(40.0)
Repayment of lease liabilities	7	(1.8)	(2.6)	(3.5)	(6.0)	(10.7)
Dividends paid to shareholders			-		-	(6.2)
NET CASH FLOW FROM FINANCING ACTIVITIES		(21.8)	(22.6)	(23.5)	(26.0)	(56.8)
Effects of exchange rate changes on cash and cash equivalents		0.7	0.5	1.6	(0.9)	(1.7)
NET CHANGE IN CASH AND CASH EQUIVALENTS		4.7	(23.8)	(4.1)	(34.9)	(29.8)
Cash and cash equivalents at beginning of period		24.2	51.7	33.0	62.8	62.8
CASH AND CASH EQUIVALENTS AT PERIOD END		28.9	27.9	28.9	27.9	33.0

| Note 1 Accounting Principles

General information

Odfjell Rig III Ltd ('the Company') is incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The Company is tax resident in Malta with its head office at 132, Portomaso Business Centre, Portomaso Avenue, St. Julian's STJ 4011, Malta.

Odfjell Rig III Ltd and its subsidiaries (together 'the OR III group') owns and operates two high quality harsh environment mobile offshore drilling units.

The ultimate parent company Odfjell Drilling Ltd ('ODL') is listed on the Oslo Stock Exchange.

These condensed interim financial statements were approved by the Board of Directors on 18 August 2025 and have not been audited.

Basis for preparation

These condensed interim financial statements for the six months period ended 30 June 2025 have been prepared in accordance with IAS 34, 'Interim financial reporting'. These condensed consolidated interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the [Annual report](#) for the year ended 31 December 2024.

Accounting principles

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

Use of estimates

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

The OR III 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 OR III 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 2024.

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

Note 2 Segment summary

The OR III group receives strategic direction from its ultimate parent company, Odfjell Drilling Ltd. The internal management reporting to the Board is integrated with the Odfjell Drilling Ltd group reporting.

The OR III group provides drilling and related services to oil and gas companies. The OR III group own two mobile offshore drilling units with similar services, revenues, customers and production processes. Own drilling units (Own Fleet) is therefore assessed as one reporting segment.

Note 3 Revenue

USD million	Q2 25	Q2 24	YTD 25	YTD 24	FY 24
Revenue from contracts with customers	41.1	37.1	79.7	78.7	154.9
Lease component in drilling contracts	44.6	39.1	86.2	75.3	158.2
OPERATING REVENUE	85.7	76.2	165.9	154.1	313.1

Disaggregation of revenue - Primary geographical markets

All revenue is related to operations on the Norwegian Continental shelf and is therefore allocated to Norway.

Note 4 Net financial expenses

USD million	Note	Q2 25	Q2 24	YTD 25	YTD 24	FY 24
Interest income		0.3	0.6	0.6	1.6	2.1
Interest expense lease liabilities	7	(0.2)	(0.3)	(0.4)	(0.8)	(1.3)
Other interest expenses		(7.5)	(9.1)	(15.6)	(18.4)	(33.4)
Other borrowing expenses		(1.1)	(0.4)	(1.4)	(0.7)	(1.4)
Net currency gain/(loss)		(1.2)	0.0	(4.9)	0.2	1.9
Other financial items		(0.0)	(0.0)	(0.0)	(0.0)	(4.0)
NET FINANCIAL EXPENSES		(9.6)	(9.2)	(21.7)	(18.1)	(36.1)

Note 5 Property, plant and equipment

Specification and movements

USD million	Mobile drilling units	Periodic maintenance	Right-of-use assets	Total fixed assets
Net book value as at 1 January 2025	886.1	74.8	11.0	971.9
Additions	8.1	19.9	-	28.0
Disposals	-	-	-	-
Depreciation	(32.5)	(11.5)	(3.5)	(47.5)
Currency translation differences	-	-	0.3	0.3
NET BOOK VALUE AS AT 30 JUNE 2025	861.7	83.2	7.8	952.7

The right-of-use assets are mooring and drilling equipment leased from companies in the Odfjell Technology group (related to the main shareholder).

Impairment of property, plant and equipment

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

Odfjell Rig III has not identified any impairment indicators as at 30 June 2025.

Note 6 Interest-bearing borrowings

Interest-bearing borrowings specification

USD million	Note	30.06.2025	30.06.2024	31.12.2024
Non-current interest-bearing borrowings external		266.4	305.0	285.8
Current interest-bearing borrowings		42.4	42.7	42.7
TOTAL		308.8	347.7	328.5

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

USD million	Non-current	Current	Total
Carrying amount as at 1 January 2025	285.8	42.7	328.5
CASH FLOWS:			
Repayment of borrowings	-	(20.0)	(20.0)
NON-CASH FLOWS:			
Reclassified	(20.0)	20.0	-
Change in transaction cost, unamortised	0.7	-	0.7
Change in accrued interest cost	-	(0.4)	(0.4)
CARRYING AMOUNT AS AT 30 JUNE 2025	266.4	42.4	308.8

Available drawing facilities

The OR III group has a frame loan with the parent company with undrawn amount of USD 400 million, refer to Note 11.

Covenants

The OR III group is compliant with all financial covenants as at 30 June 2025, and Odfjell Drilling group is compliant as a 30 June 2025 with all financial covenants that could impact the OR III group through cross default clauses.

Note 7 Leases

The OR III group leases mooring and drilling equipment from companies in the Odfjell Technology group (related to the main shareholder).

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

Lease liabilities:

USD million	30.06.2025	30.06.2024	31.12.2024
Non-current	2.3	4.3	3.6
Current	6.1	10.2	7.5
TOTAL	8.4	14.5	11.1

Movements in lease liabilities are analysed as follows:

USD million	Non-current	Current	Total
Carrying amount as at 1 January 2025	3.6	7.5	11.1
CASH FLOWS:			
Payments for the principal portion of the lease liability	-	(3.5)	(3.5)
Payments for the interest portion of the lease liability	-	(0.4)	(0.4)
NON-CASH FLOWS:			
Interest expense on lease liabilities	0.4	-	0.4
Reclassified to current portion of lease liabilities	(2.2)	2.2	-
Currency exchange differences	0.5	0.4	0.8
CARRYING AMOUNT AS AT 30 JUNE 2025	2.3	6.1	8.4

Note 8 Financial assets and liabilities

Valuation techniques used to derive Level 2 fair values

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

The Odfjell Rig III group had the following financial instruments at each reporting period

USD million	Level	30.06.2025	30.06.2024	31.12.2024
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
Derivatives designated as hedging instruments				
Foreign exchange forward contracts (Current assets)	2	0.3	0.2	-
OTHER FINANCIAL ASSETS				
Trade and other current receivables		49.5	41.7	30.2
Cash and cash equivalents		28.9	27.9	33.0
TOTAL FINANCIAL ASSETS		78.8	69.8	63.2
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
Derivatives designated as hedging instruments				
Foreign exchange forward contracts (Current liabilities)	2	3.7	1.2	3.4
OTHER FINANCIAL LIABILITIES				
Non-current interest-bearing borrowings		266.4	305.0	285.8
Non-current lease liabilities		2.3	4.3	3.6
Current interest-bearing borrowings		42.4	42.7	42.7
Current lease liabilities		6.1	10.2	7.5
Trade and other payables		29.2	24.7	34.9
TOTAL FINANCIAL LIABILITIES		350.0	388.1	377.9

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

Note 9 Commitments

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

USD million	30.06.2025	31.12.2024
Rig investments	12.6	15.1
TOTAL	12.6	15.1

The major part of committed capital expenditure is expected to be paid within the next 12 months.

Note 10 Share information and dividend

The shares in the Company are owned by Odfjell Rig Owning Ltd, which is a subsidiary of the ultimate parent company Odfjell Drilling Ltd.

The issued share capital consists of 10,000 shares with a nominal value of USD 1 each and all shares are fully paid up.

Note 11 Related-party transactions

The company's ultimate parent company is Odfjell Drilling Ltd, and all companies in the Odfjell Drilling group is defined as a 'Group company' in the tables below. The main shareholder of Odfjell Drilling Ltd is also the main shareholder of Odfjell Technology Ltd. All companies in the Odfjell Technology group is therefore defined as 'Related to the main shareholder' in the tables below.

The OR III group had the following material transactions with related parties:

USD million	Relation	Q2 25	Q2 24	YTD 25	YTD 24	FY 24
Companies within the Odfjell Drilling group	Group company	0.0	0.1	0.1	0.2	0.3
TOTAL SALES OF SERVICES TO RELATED PARTIES		0.0	0.1	0.1	0.2	0.3

Sales of services include administration services and personnel hire.

USD million	Relation	Q2 25	Q2 24	YTD 25	YTD 24	FY 24
Companies within the Odfjell Drilling group	Group company	26.9	22.9	50.1	45.7	96.2
Companies within the Odfjell Technology group	Related to main shareholder	6.0	7.0	10.7	12.9	27.1
TOTAL PURCHASES FROM RELATED PARTIES		32.9	29.8	60.7	58.5	123.2

Purchases consist of hired personnel (mainly offshore), services and rentals, as well as global business services. All transactions have been carried out as part of the ordinary operations. Amounts listed in the table above do not include payment for rentals considered as leases, see table below.

Non-current interest-bearing frame loan agreement

The Company has a frame loan agreement up to USD 400 million with parent company Odfjell Rig Owning Ltd. The loan is undrawn as at 30 June 2025.

As at 30 June 2025 the Company does not have any related party non-current interest-bearing borrowings.

Current receivables and liabilities related parties

As a part of the day-to-day running of the business, the OR III group have the following current receivables and liabilities towards companies in the Odfjell Drilling Ltd group and Odfjell Technology Ltd. group. All receivables and liabilities have less than one year maturity.

USD million	30.06.2025	30.06.2024	31.12.2024
Other current receivables	19.9	13.9	4.1
Trade payables	(10.2)	(3.8)	(10.9)
Other current payables	(3.9)	(2.5)	(5.2)
NET CURRENT PAYABLES RELATED PARTIES	5.8	7.7	(12.0)

Lease agreements related parties

The OR III group have lease agreements regarding mooring and drilling equipment with companies in the Odfjell Technology group (related to the main shareholder).

Lease liability

<i>USD million</i>	30.06.2025	30.06.2024	31.12.2024
Mooring and drilling equipment	8.4	14.5	11.1
TOTAL LEASE LIABILITY	8.4	14.5	11.1

Lease payments related parties

<i>USD million</i>	Q2 25	Q2 24	YTD 25	YTD 24	FY 24
Mooring and drilling equipment	2.0	2.9	4.0	6.8	11.9
TOTAL LEASE PAYMENTS (BOTH INTEREST AND INSTALMENTS)	2.0	2.9	4.0	6.8	11.9

| Note 12 Events after the reporting period

There have been no events after the balance sheet date with material effect on the interim financial statements ended 30 June 2025.

Responsibility statement

We confirm, to the best of our knowledge, that the condensed consolidated interim financial statements for the period 1 January to 30 June 2025 have been prepared in accordance with IAS 34 Interim Financial Reporting, and give a true and fair

view of the assets, liabilities, financial position and profit or loss of the Group taken as a whole.

We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of

consolidated financial statements, any major related parties transactions, and a description of the principal risks and uncertainties for the remaining six months of the financial year.

St. Julian's, Malta

18 August 2025

Board of Directors of Odfjell Rig III Ltd.

John Carbone, Director

Erik Askvik, Director

Øivind Haraldsen, Director

| Appendix 1: Definitions of alternative performance measures

EBIT

Earnings before taxes, interest and other financial items. Equal to Operating profit.

EBIT margin

EBIT/Operating revenue.

EBITDA

Earnings before depreciation, amortisation and impairment, taxes, interest and other financial items.

EBITDA margin

EBITDA/Operating revenue.

Equity ratio

Total equity/total equity and liabilities.

Net interest-bearing debt

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

Net profit (loss)

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

For more information visit odfjelldrilling.com

