

Odfjell Rig III Ltd.



Annual
Report **2025**



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Board of Directors during the year

Erik Askvik

Appointed 30 November 2023

Erik Askvik, born 1962 and a Malta resident, has a BSc in Petroleum and Drilling Engineering and is CEO of Odfjell Drilling Malta. Mr Askvik has been with the Odfjell Drilling Group since 1986 in a number of positions, including EVP Operations, EVP Business Development and General Manager of the Group's rig owning entities.

Øivind Haraldsen

Appointed 30 November 2023

Øivind Haraldsen, born 1960 and was a Malta resident during the year, has a Master of Business & Administration from the University of Oregon, USA. He is Managing Director at Ocean Yield Malta Ltd and previously spent 16 years in Danske Bank AS, mainly as Global Head of Shipping. Prior to that he spent 15 years at Nordea Bank, holding positions in the shipping and offshore group, including Head of Shipping in London.

John Carbone

Appointed 30 November 2023

John Carbone, born 1975 and a Malta resident, is a member of the Association of Certified Chartered Accountants and Malta Institute of Accountants, and holds a warrant issued by the Malta Accountancy Board to act as a Certified Public Accountant. He has also completed a Diploma in Financial Services Operations and Compliance. He has worked in a number of financial roles as well as previously being CEO of Fast Track Diagnostics Limited, a Siemens Healthineers subsidiary.

Corporate Governance Report



Odfjell Rig III Ltd. (the Company) is incorporated in Bermuda and is subject to Bermudan law. It is 100% owned by Odfjell Rig Owning Ltd, which is in turn 100% owned by Odfjell Drilling Ltd. (ODL) which is listed on the Oslo Stock Exchange. The Company is managed and controlled from Malta. The Board of Directors (the Board) were all Maltese resident during the year, and the Company is resident in Malta for tax purposes. Odfjell Rig III Ltd. and its subsidiaries (the "OR III Group" or "Group") are also subject to the laws of the countries in which it operates at any time, as well as international law and conventions.

The OR III Group seeks to comply with the applicable legal framework for companies with listings on the Oslo Stock Exchange.

The Board is committed to maintaining and adopting good corporate governance practices. The Board has adopted a framework of policies which apply across Odfjell Drilling Ltd, the Company's ultimate parent, and its subsidiaries (the "ODL Group"). These policies seek to regulate decision-making by ensuring that decisions within the Group receive sufficient scrutiny by means of robust processes, and that decisions are taken at the appropriate level. The policies are reviewed periodically and whenever there is a change of circumstances.

The objectives of the governance framework are to have systems for communication, monitoring, and allocation of responsibility, and to ensure appropriate management motivation. This will contribute to increasing and maximising the Group's financial results and support long-term sustainable success.

Governance structure

The shareholders exercise their shareholder rights at General Meetings. In accordance with the Company's Bye-laws, the Board has authority to manage and conduct the business of the Company. In doing so, the Board may exercise all such powers which are not by law or by the Bye-laws required to be exercised in a General Meeting. The Board is therefore responsible for the overall management, strategic direction and supervision of the Executive Management, who carry out the day-to-day management of the Company and OR III Group.

The General Meeting elects the members of the Board. Biographies of the directors can be found in the [Board of Directors section](#).

Board and committee attendance

The Board convened eight times during 2025 with actual attendance compared to possible attendance as follows:

Board Member	Attendance
Erik Askvik	7/8
Øivind Haraldsen	8/8
John Carbone	7/8

The Company's business activities

In accordance with common practice for Bermuda incorporated companies, the Company's objects, as set out in its memorandum of association and Bye-laws are wide.

The OR III Group offers three state-of-the-art mobile offshore drilling units to the harsh environment, ultra-deep water, and deep water markets.

The Group's vision is to be the leading supplier of drilling units designed to the highest environmental and safety standards in the offshore oil and gas industry. This will be done utilising the Group's substantial track record and drilling expertise, along with investment in the latest and best technological solutions, and ability to implement best practice, based on experience and lessons learned. The Group has a zero incident and failures objective and aims to be a trusted and leading partner for its clients.

The Board takes account of and refers to objectives and strategies when taking decisions, as well as financial considerations. A framework of operational processes and procedures is in place to support the implementation of the Group strategies.

Equity and dividends

The Group had book equity of USD 748 million and a book equity ratio of 50% as of 31 December 2025. The Board regards the Group's present capital structure as appropriate and tailored to its objectives, strategy, and risk profile.

Pursuant to Bermuda law and common practice for Bermuda incorporated companies, the Board has wide powers to issue any authorised but unissued shares of the Company on such terms and conditions as it may decide. Any shares or class of shares may be issued with preferred, deferred, or other special rights, or such restrictions, whether with regard to dividend, voting, return on capital, or otherwise, as the Company may prescribe. Such issuance of shares by the Company is subject to prior approval given by resolution of a General Meeting.

Pursuant to Bermuda law and common practice for Bermuda incorporated companies, the Board also has the power to authorise the Company's purchase of its own shares, whether for cancellation or acquiring as treasury shares, and the power to declare dividends. These powers are neither limited to specific purposes nor to a specified period.

Rights attaching to shares and transactions with close-related parties

The Company has divided the share capital into shares of a single class. The holders of any shares are entitled to one vote per share, as well as any dividends the Board may declare.

As is common practice for Bermuda incorporated companies, no shares in the Company carry pre-emption rights. The Company's constituting documents do not impose any transfer restrictions on the Company's common shares.

Members of the Board and employees must notify the Board if they have a significant (direct or indirect) interest in a transaction carried out by the Company and must declare potential conflicts of interest on an annual basis. Directors are reminded to declare any such interests at the start of every Board meeting. Employees are required to report potential conflicts via an internal portal which is monitored, and escalated to the Board if appropriate.

General Meetings

The Board ensures that:

- the notice, supporting documents, and information on the resolutions to be considered at the General Meeting, are made available 21 days before the meeting is held
- the resolutions and supporting documentation, if any, are sufficiently detailed, comprehensive, and specific, to allow shareholders to understand and form a view on matters that are to be considered at the General Meeting
- the person who chairs the meeting shall ensure that the shareholders have the opportunity to vote separately on each candidate nominated for election to the Company's Board
- in accordance with the Bye-laws, unless otherwise agreed by a majority of those attending and entitled to vote, the Chair, if there be one, and if not the President, if there be one, shall act as chairman at all General Meetings. In their absence, a chair shall be appointed or elected by those present at the meeting and entitled to vote

Shareholders who cannot be present at the General Meeting will be given the opportunity to vote using proxies and the Company will:

- provide information about the procedure for attending via proxy
- nominate a person who will be available to vote on behalf of a shareholder as their proxy
- prepare a proxy form which shall, insofar as possible, be formulated so that the shareholder can vote on each item that is to be addressed and vote for each of the candidates that are nominated for election

Nomination Committee

The Company does not have a Nomination Committee. The Board considers itself able to adequately fulfil the roles and responsibilities ordinarily assigned to a Nomination Committee.

When a need arises to appoint a new or additional director, a review of potential candidates will be carried out, considering the need for a diverse mix of skills, talent, and expertise, whilst also considering the importance of independence.

The Board of Directors - composition and independence during 2025

The Board is comprised of two non-executive directors which are considered independent of the Group's Executive Management and one executive director, all male.

The [Board of Director's section](#) provides further details on each director's background, skills and expertise. They are elected on an annual basis at the General Meeting, with the exception of vacancies, which may be filled by the Board. The composition of the Board ensures they can attend to the common interests of all shareholders and that the Board can function effectively as a collegiate body. The Board exercises proper supervision of the management of the Company and its operations.

The Board is comfortable that there is no conflict of interest or compromise to the independence of directors who also serve as directors on Odfjell Rig III Ltd.'s subsidiary boards. Further, the Board has no concerns about external appointments held by the directors.

The work of the Board of Directors

The Board hold regular meetings throughout the year and ad hoc meetings may be called should the need arise. The agenda for Board meetings is provided in advance.

The Board has in place Decisions Guidelines for Sub Holding Companies and Decisions Guidelines for Rig Ownership, which have been put in place by the ODL Board. These clearly define matters which are reserved for the decision of the OR III Board, and subsidiaries operate within these guidelines, involving the Board in matters of strategic importance to the OR III Group. Delegations by the Board are recorded in Board minutes, resolutions, powers of attorney or service agreements.

The Board is responsible for the Company's strategic planning, (inter alia):

- approval of plans and budgets

- monitoring and supervising the management and business of the Company
- ensuring that the accounts and the management of the assets are subject to adequate supervision and are conducted in accordance with applicable legislation
- monitoring, reviewing and approving annual and interim financial reporting, assessing the performance of internal controls, and overseeing the external auditors and legal and regulatory compliance
- taking or endorsing decisions or authorising decisions to be taken, as appropriate, in matters of an unusual nature, or of importance to the Company and the OR III Group
- following the ODL Group's policies on ethics, conflicts of interest and compliance with competition law

The Board has appointed a Chief Executive Officer, who is one of the directors, to undertake day to day management and activities of the Company.

The Board maintains oversight of operational activities through a review of reports such as operational updates, financial and QHSE status reports, tenders and opportunities updates, and quarterly and full-year results.

The Company does not have an Audit Committee as this is appointed at the ODL Board level. The Company has not established a Remuneration Committee.

An annual review of directors' interests is undertaken, and directors are reminded to declare any potential conflicts at the start of every Board meeting. A register of directors' interests is maintained.

Risk management and internal controls

The Board recognises its responsibility to secure appropriate risk management systems and internal controls, including internal and external financial reporting.

The ODL Group has comprehensive corporate manuals and procedures for all aspects of managing the operational business and financial reporting. These are continuously revised to incorporate best practice, derived from experience or regulatory requirements and changes.

Routines have been established to provide frequent and relevant management reporting on operational matters. The Board is updated on the capital and liquidity situation and the performance of the business. This ensures adequate information is available for decision-making, and allows the Board to respond quickly to changing conditions.

The ODL Group has clear and safe communication channels between employees and management to ensure effective reporting of any illegal or unethical activities in the ODL Group, via a whistleblower reporting portal.

The Board also recognises its responsibilities with regards to the Group's values and guidelines for ethics and corporate responsibilities. Core Values reflect the Group's focus on commitment, safety consciousness, creativity, competency, and result orientation. Guidelines for the behaviour of Group representatives are outlined in ODL's Ethical Principles, and described in detail in the Code of Business Conduct. The Core Values and Code of Business Conduct are available at www.odfjelldrilling.com.

Information on risk management systems and internal controls can be read in the [Board of Directors Report](#).

Remuneration of the Board of Directors

The remuneration of the Board is decided by the shareholders at the Annual General Meeting of the Company. The level of compensation to the members of the Board reflects the responsibility, expertise, and the level of activity. The remuneration is not linked to the Company's performance and the Company does not grant share options to members of the Board.

During the year, none of the members of the Board and/or companies with whom the Board members are associated, have taken on paid assignments for the OR III Group in addition to their appointments as members of the Board.

Information and communication

The Company has established guidelines for reporting to the market and is committed to providing timely and precise information to its bondholders, Oslo Stock Exchange, and the financial markets in general, through the Oslo Stock Exchange information system. Such information is given in the form of annual reports, quarterly reports, and notices to the stock exchange.

The Company publishes an annual electronic financial calendar, with an overview of the dates of important events such as the publishing of interim reports.

Auditors

The Group has appointed KPMG as the auditor for 2025. The shareholders authorised the Board to determine the auditor's annual remuneration.

Processes are in place to ensure that the Company does not utilise the services of the appointed auditor for advice beyond certain thresholds determined in law. Details of fees paid to the auditor, including details of the fee paid for auditing work and any fees paid for other specific assignments can be found in [Note 30 - Remuneration to the Board of Directors, key executive management and auditor](#).

Board of Directors Report



Business and market overview

History

The ultimate parent, ODL, was founded in 1973. Over the past five decades the business has built a solid reputation as a trusted drilling partner focused on delivering quality, value, and results for its client base, in a safe manner. Odfjell Rig III Ltd. was incorporated November 2011.

Following a reorganisation within the ODL Group in 2025, the OR III Group now owns and operates three high quality mid-water to ultra-deep-water harsh environment mobile offshore drilling units.

The Company issued a bond of USD 650 million in December 2025, which is expected to be listed on the Oslo Stock Exchange within 9 months from issue date.

Corporate structure

The Company, incorporated in Bermuda, has a registered address at 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.

Information regarding related parties can be found at [Note 30 - Related parties - transactions, receivables, liabilities and commitments](#).

Corporate strategy

The mission of the ODL Group is to be an experienced, competence-driven, international drilling contractor for harsh and deepwater operations, chosen by clients for our expertise and reputation.

Quality, Health, Safety, Security and Environmental (QHSSE) Management are of paramount importance, and we strive for high quality performance and safe and secure operations through continuous improvement programmes. We aim for organisational robustness, zero injuries and failures, strong cyber and physical security, and stringent well controls, delivered by a competent and motivated workforce.

This philosophy defines not only the team-focused character of the Group, but also the way we run our rigs. Onshore support centres operate as the nerve centres of our offshore rigs, providing the best technological and management support, to back up the hands-on expertise of our colleagues at sea. This integrated approach delivers tangible benefits for our clients, namely:

- Increased efficiency
- Reduced down-time
- Reduced costs
- Improved planning and security

Our Core Values



Committed



Safety
conscious



Creative



Competent



Result
Oriented

Equity and shares

The Odfjell Rig III Group had book equity of USD 748 million and a book equity ratio of 50% as at 31 December 2025.

The Company has only one class of shares. Each share in the Company carries one vote, and all shares carry equal rights, including the right to participate in General Meetings. All shareholders are treated on an equal basis. All 10,000 shares in the Company are owned by Odfjell Rig Owning Ltd.

Taxation

The Company and the three rig owning subsidiaries, are governed from, and tax resident, in Malta. All three directors of the Company were Malta residents during the year. The ODL Group has published its tax strategy on its [website](#).

The Group maintains internal policies and procedures to support its tax control framework. Key risks and issues related to tax are escalated to and considered by the Board. Where appropriate, the Group looks to engage with tax authorities to disclose, discuss and resolve issues, risks, and uncertain tax positions. The subjective nature of tax legislation means that it is often not possible to mitigate all known tax risks. As a result, at any given time, the Group may be exposed to financial and reputational risks arising from its tax affairs.

The Group seeks to comply with its tax filing, tax reporting and tax payment obligations and to foster good relationships with tax authorities.

Focus areas

During 2025, the main areas of focus were securing further backlog, complete the Special Periodic Survey (SPS) for Deepsea Aberdeen, reorganise the Group with the addition of Deepsea Nordkapp and issuing the new USD 650 million bond.

Sustainability

Odfjell Drilling Ltd prepares a Sustainability Statement in full compliance with the Corporate Sustainability Reporting Directive and the European Sustainability Reporting Standards.

The ODL Group human rights statement can be found on the website [Human rights - Odfjell Drilling](#) as well as the [Modern slavery statement - Odfjell Drilling](#).

Gender pay gap reporting for Norway, can also be found on the website at [Gender pay gap - Odfjell Drilling](#).

Growth

Demand for our units has been high, with options being exercised during the period and firm contracts secured until at least the second quarter of 2027, with priced and unpriced options thereafter. Work is constantly ongoing to secure backlog.

Activity in 2025

The Group's semi-submersible drilling units operated across multiple projects in Norway during 2025.

The Deepsea Atlantic operated for Equinor in the North Sea during 2025 and will continue to work for Equinor until the end of Q2 2027. Deepsea Atlantic worked in Norway during the year and transitted to the UK during Q1 2026.

The Deepsea Aberdeen also worked for Equinor throughout 2025. In Q2 2025, the unit completed its 10-year SPS on time and on budget, before returning on contract with Equinor. In December 2025 Equinor extended its contract for use of the Deepsea Aberdeen; which is estimated to have extended the rig's firm contract coverage until Q1 2029.

Deepsea Nordkapp, the new addition to the OR III Group, worked under the Alliance agreement with Aker BP. The current firm contract runs up to the end of 2027, following a 1-year options exercise by Aker BP in Q4.

Outlook

Energy security and the need to sustain offshore production continue to support a constructive offshore drilling market.

Demand for drilling on the Norwegian Continental Shelf remains strong, characterised by:

- Tight supply of Tier 1 harsh-environment rigs

- High operational and regulatory entry barriers
- Increasing day rates

The Group secured multiple contract extensions during 2025 and the fleet is fully contracted into 2026, with limited near-term availability.

Tendering activity in the international markets increased during 2025, particularly in Namibia and Canada. Project maturity in these regions is expected to be in 2027–2028, aligning with the Group's future availability profile.

Industry consolidation during the year further supports disciplined capital allocation and supply rationalisation within the sector.

At year-end, the Group held approximately USD 1.2 billion of firm backlog, providing strong forward earnings visibility.

While market fundamentals are constructive, performance remains subject to commodity price volatility and broader macroeconomic developments

Financial Reviews

Consolidated Accounts

Income Statement

Odfjell Rig III Group generated operating revenue of USD 376 million in 2025 (USD 313 million), an increase of USD 63 million. The year-on-year variance was mainly driven by USD 42 million increased revenue for Deepsea Atlantic due to higher day rates and more operating days following the 2024 SPS, partly offset by lower bonus income. Deepsea Aberdeen had a USD 11 million increased revenue, primarily from rate uplift partly offset by Q2 2025 SPS and lower bonus. The addition of Deepsea Nordkapp added USD 10 million to the 2025 revenue.

Total operating expenses were USD 266 million (USD 247 million), an increase of USD 19 million, and the operating profit (EBIT) amounted to USD 110 million (USD 66 million), an increase of USD 44 million.

Net financial expenses amounted to USD 55 million (USD 36 million), an increase of USD 19 million, mainly due to the refinancing.

The income tax expense was USD 10 million (positive USD 3 million), and the net profit was USD 44 million (USD 27 million).

Balance Sheet

Consolidated total assets as at 31 December 2025 amounted to USD 1,506 million (USD 1,040 million), an increase of USD 466 million mainly due to the addition of Deepsea Nordkapp. Total non-current assets amounted to USD 1,404 million (USD 975 million), while current assets amounted to USD 102 million (USD 65 million).

The Group held cash and cash equivalents of USD 29 million at year end (USD 33 million).

Total equity amounted to USD 748 million (USD 624 million), and the equity ratio was 50% (60%).

Total liabilities amounted to USD 757 million (USD 415 million), an increase of USD 342 million due to the reorganisation and refinancing of the Group.

Cash Flow

Cash flow from operating activities amounted to USD 164 million (USD 135 million). The variance of USD 54 million from EBIT is mainly explained by depreciation, partly offset by interest paid.

The cash outflow from investing activities amounted to USD 297 million (USD 106 million). The 2025 outflow was related to the acquisition by the rig owning and operating companies for Deepsea Nordkapp, and purchases of fixed assets.

The cash inflow in financing activities amounted to USD 128 million (cash outflow of USD 57 million). The refinancing of the group, had a net positive cash effect of USD 174 million, while USD 47 million was paid in instalments on leases and the old bond loan.

Critical accounting estimates

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.

There is estimation uncertainties in the Group's revenue recognition and the evaluation of useful life of the assets. There is use of significant judgement in the Group's evaluation of impairment indicators for the assets.

Parent Company accounts

The business of the Parent Company, Odfjell Rig III Ltd., is as a holding company for investments in subsidiaries.

The Parent Company reported an operating loss (EBIT) of USD 0.1 million (USD 0.2 million).

The cash flow used in operating activities was USD 25 million (cash flow from operating activities was USD 68 million). The variance of USD 25 million from EBIT is mainly explained by dividends received, partly offset by net interest paid.

The Parent Company reported a net profit of USD 74 million (USD 44 million). The increase is mainly explained by dividends received, partly offset by interest expenses.

The equity in the Parent Company amounted to USD 542 million (USD 325 million), corresponding to an equity ratio of 45% (50%).

Risk review

Operational and industrial risk factors

The Group provides drilling rigs and services for the oil and gas industry, which historically has been cyclical in its development. The level of activity in the offshore oil and gas industry will depend, among other things, on the general climate in the global economy, oil and gas prices, the investment level for oil and gas exploration, production and drilling, and regulatory issues relating to operational safety and environmental hazards. Financial performance will also depend on the balance of supply and demand for mobile offshore drilling units.

The Group seeks to mitigate these risks by securing contracts, preferably long term, with reputable clients, for its main assets and services. All offshore contracts are associated with risk and responsibilities, including technical, operational, commercial, and political risks. The Group will continuously adjust the insurance coverage as required to limit these risks.

Furthermore, as the Group's fleet currently consists of only three own assets, any operational downtime, or any failure to secure employment at satisfactory rates, will affect the Group's results more significantly than for a group with a larger fleet. The Group has invested significant time and efforts to maintain a safe, predictable and profitable performance.

Factors that could cause actual results to differ materially from the outlook contained in this report include, but are not limited to, the following: volatile oil and gas prices, global political changes regarding energy composition, competition within the oil and gas services industry, changes in clients' spending budgets, cost inflation, access to qualified resources and developments in the financial and fiscal markets.

Financial risk factors

The Group is exposed to a range of financial risks: liquidity risk, market risk (including currency, interest rate), and credit risk.

The financial risk management process 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 uses derivative financial instruments to reduce certain risk exposures.

Financial risk management is carried out at the ODL Group level. The ODL Group identifies, evaluates, and hedges financial risks in close co-operation with the ODL Group's operational units. ODL has written principles for risk management of foreign exchange risk, interest rate risk, and the use of derivative financial instruments.

Liquidity risk

Odfjell Rig III held cash and cash equivalents amounting to USD 29 million at the end of 2025. This is deemed to be sufficient funding for the Group's current activity levels and committed capital expenditures during 2026.

The liquidity risk is connected with the market risk and the re-contracting risk for mobile offshore drilling units. Management continuously focuses on securing new profitable contracts for the Group's mobile offshore drilling units to generate sufficient cash flow from operations, hence reducing the liquidity risk going forward.

The OR III Group's refinancing risk is considered low, as the Group completed a full refinancing in 2025 and the bond matures in March 2031.

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 recontracting risk for the Group's owned mobile offshore drilling units is limited in 2026, as all three units have medium to long-term contracts.

Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various exposures to currency fluctuations, primarily with respect to USD, GBP and NOK. The Group seeks to minimise these risks through currency hedging via financial instruments, or by off-setting local currency elements in charter contracts.

Interest rate risk

As at 31 December 2025, the OR III Group is not materially exposed to changes in market interest rates, as the bond loan has a fixed interest rate. The fixed-rate portion of the OR III Group's interest bearing debt as at 31 December 2025 is 100%.

Credit risk

The current main market for the Group's services is the offshore oil and gas industry, and the clients consist primarily of major international oil companies, independent oil and gas producers, and government owned oil companies. The Group performs ongoing credit evaluations of clients and generally does not request material collateral. Credit risk is considered to be limited.

Sustainability risk

Sustainability risks are considered in day to day operations in line with legislative requirements. There are robust processes in place to assess QHSSE risks and mitigating actions. Human rights risk registers are maintained.

Climate risk

Following an assessment performed by the ODL Group of climate risks and opportunities, both physical and transitional risks in the short, medium and long-term, were prioritised. The most significant transition risks identified, along with mitigating actions were:

- Changes in fossil energy demand due to policies and consumer behaviour changes, leading to reduced demand for our assets and reduced revenue. This will be factored in to any asset growth decisions and alternative use of assets will be considered
- Cost of and access to capital may go up as banks move to low carbon portfolios, leading to increased interest costs. Consider debt structure and ensure carbon reducing initiatives understood by capital markets
- Cost increase from carbon pricing regimes, regulatory emission standards and potential rig retrofitting requirements. The Group works proactively to reduce its climate footprint in line with its transition plans and integrates regulatory developments into long-term planning.

The most significant physical risk identified, along with mitigating actions is:

- Impact of extreme weather offshore on crew and equipment logistics could increase costs and result in downtime. Critical spares analysis and robust planning required, as well as protection in commercial contracts

Director & Officer's liability insurance

ODL has a group insurance policy for the liability of the Company's and its subsidiaries' Directors and Officers. The insurance covers personal legal liabilities including legal costs for defence. The limit of liability is NOK 200 million per claim and in aggregate per year.

Going concern

The financial statements have been prepared on the basis of the going concern assumption and the Directors have confirmed that this was realistic at the time the accounts were approved.

When assessing the going concern assumption, the Directors and management have considered cash flow forecasts, funding requirements, and order backlog.

The Group's refinancing risk is considered low given the full refinancing exercise undertaken in 2025. The bond does not mature until March 2031.

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.

Subsequent events

There have been no events after the balance date with material effect for the financial statements ended 31 December 2025.

The Board of Odfjell Rig III Ltd.
20 April 2026, St. Julian's, Malta

John Carbone
Director

Erik Askvik
Director

Øivind Haraldsen
Director

Consolidated Group Financial Statements



Consolidated Income Statement

for the year ended 31 December

USD million	Note	2025	2024
OPERATING REVENUE	4,5	375.6	313.1
Other gains and losses		-	0.6
Personnel expenses	6	(87.8)	(72.7)
Depreciation	9	(97.5)	(107.3)
Other operating expenses	7	(80.7)	(67.3)
Total operating expenses		(266.0)	(247.3)
OPERATING PROFIT (EBIT)		109.6	66.4
Interest income		1.4	2.1
Interest expenses	7	(51.9)	(38.8)
Other financial items	7	(4.7)	0.5
Net financial expenses		(55.1)	(36.1)
PROFIT BEFORE INCOME TAX		54.5	30.2
Income tax expense	8	(10.2)	(3.2)
NET PROFIT		44.4	27.0
Profit attributable to:			
Owners of the parent		44.4	27.0

Consolidated Statement of Comprehensive Income

for the year ended 31 December

USD million	Note	2025	2024
NET PROFIT		44.4	27.0
Items that are or may be reclassified to profit or loss:			
Cash flow hedges, net of tax	8,20	2.3	(3.4)
Currency translation differences		4.0	(3.6)
OTHER COMPREHENSIVE INCOME, NET OF TAX		6.3	(7.0)
TOTAL COMPREHENSIVE INCOME		50.7	20.0
Total comprehensive income is attributable to:			
Owners of the parent		50.7	20.0

Items in the statement of comprehensive income are disclosed net of tax. The income tax relating to each item of other comprehensive income is disclosed in Note 8 - Income Taxes.

Consolidated Statement of Financial Position

USD million	Note	31.12.2025	31.12.2024
Assets			
Property, plant and equipment	9	1,403.7	971.9
Deferred tax asset	8	0.3	3.3
TOTAL NON-CURRENT ASSETS		1,404.1	975.2
Trade receivables	13	67.7	30.2
Other current assets	10	5.4	1.6
Cash and cash equivalents	14	28.5	33.0
TOTAL CURRENT ASSETS		101.6	64.7
TOTAL ASSETS		1,505.7	1,039.9
Equity and liabilities			
Paid in equity	22	427.0	283.8
Other equity	23	321.4	340.6
TOTAL EQUITY		748.4	624.4
Non-current interest-bearing borrowings	15	619.6	285.8
Non-current lease liabilities	16	11.6	3.6
Deferred tax liability	8	5.8	-
Non-current contract liabilities	12	8.7	-
Other non-current liabilities	12	5.3	-
TOTAL NON-CURRENT LIABILITIES		650.9	289.3
Current interest-bearing borrowings	15	25.5	42.7
Current lease liabilities	16	9.2	7.5
Contract liabilities	12	17.8	35.4
Trade payables		28.7	27.2
Current income tax		3.2	2.1
Other current liabilities	17	22.0	11.1
TOTAL CURRENT LIABILITIES		106.3	126.1
TOTAL LIABILITIES		757.2	415.4
TOTAL EQUITY AND LIABILITIES		1,505.7	1,039.9

The accompanying notes are an integral part of these financial statements.

The Board of Odfjell Rig III Ltd.
20 April 2026, St. Julian's, Malta

John Carbone
Director

Erik Askvik
Director

Øivind Haraldsen
Director

Consolidated Statement of Changes in Equity

<i>USD million</i>	Note	Share capital	Other contributed capital	Total paid in equity	Other reserves	Retained earnings	Total other equity	Total equity
Balance at 1 January 2024		0.0	290.0	290.0	(9.4)	330.0	320.6	610.6
Profit/(loss) for the period		-	-	-	-	27.0	27.0	27.0
Other comprehensive income for the period		-	-	-	(7.0)	-	(7.0)	(7.0)
Total comprehensive income for the period		-	-	-	(7.0)	27.0	20.0	20.0
Dividends paid to shareholders		-	(6.2)	(6.2)	-	-	-	(6.2)
Transactions with owners		-	(6.2)	(6.2)	-	-	-	(6.2)
BALANCE AT 31 DECEMBER 2024		0.0	283.8	283.8	(16.4)	357.0	340.6	624.4
Profit/(loss) for the period		-	-	-	-	44.4	44.4	44.4
Other comprehensive income for the period		-	-	-	6.3	-	6.3	6.3
Total comprehensive income for the period		-	-	-	6.3	44.4	50.7	50.7
Capital contribution		-	143.2	143.2	-	-	-	143.2
Continuity difference	27	-	-	-	-	(69.8)	(69.8)	(69.8)
Transactions with owners		-	143.2	143.2	-	(69.8)	(69.8)	73.3
BALANCE AT 31 DECEMBER 2025		0.0	427.0	427.0	(10.0)	331.5	321.4	748.4

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 December

<i>USD million</i>	Note	2025	2024
Cash flows from operating activities:			
Profit before tax		54.5	30.2
Adjustments for:			
Depreciation	9	97.5	107.3
Net interest expense		50.5	36.6
Net currency loss (gain) not related to operating activities		(3.5)	(2.5)
Other provisions and adjustments for non-cash items		-	(0.5)
Changes in working capital:			
Trade receivables		(1.1)	(1.8)
Trade payables		0.5	0.8
Other accruals		3.3	2.4
Cash generated from operations		201.6	172.5
Net interest paid		(34.8)	(34.9)
Net income tax paid		(2.3)	(2.7)
NET CASH FLOW FROM OPERATING ACTIVITIES		164.5	134.9
Cash flows from investing activities:			
Purchase of property, plant and equipment		(60.3)	(106.2)
Cash used in obtaining control of subsidiaries	27	(237.0)	-
NET CASH FLOW USED IN INVESTING ACTIVITIES		(297.3)	(106.2)
Cash flows from financing activities:			
Proceeds from borrowings	15	641.6	-
Repayment of borrowings external	15	(471.3)	(40.0)
Repayment of borrowings related parties	15	(35.9)	-
Repayment of lease liabilities	16	(6.6)	(10.7)
Dividends paid		-	(6.2)
NET CASH FLOW FROM FINANCING ACTIVITIES		127.8	(56.8)
Effects of exchange rate changes on cash and cash equivalents		0.5	(1.7)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(4.5)	(29.8)
Cash and cash equivalents at 01.01		33.0	62.8
CASH AND CASH EQUIVALENTS AT 31.12		28.5	33.0

| Notes to the Consolidated Financial Statements 2025

All amounts are in USD millions unless otherwise stated

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Note 1 General information

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

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

The consolidated financial statements including notes for Odfjell Rig III Ltd. for the year 2025 were approved by the Board of Directors on 20 April 2026.

Changes in Group Structure

In December 2025, the Company acquired the rig owning company Odfjell Rig V Ltd and the operating company Odfjell Invest II AS. Refer to [Note 27 Changes in group structure](#) for further information.

Note 2 Basis for preparing the consolidated financial statements

Basis of preparation

The consolidated financial statements of the Group for the year ended 31 December 2025 comply with IFRS® Accounting Standards as endorsed by the European Union (EU).

The consolidated financial statements ended 31 December 2025 comprise the income statement, statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and note disclosures.

Going concern

Factors that, in the OR III 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, cost inflation, and developments in the financial and fiscal markets.

The Group's refinancing risk is considered low given the full refinancing exercise undertaken in December 2025. The Bond loan does not mature until March 2031.

Taking all relevant risk factors and available options for financing into consideration, the Board has a reasonable expectation that the OR III Group has adequate resources to continue its operational existence for the foreseeable future. Hence, the OR III Group has adopted the going concern basis in preparing its consolidated financial statements.

Basis of measurement

The consolidated 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 considerations that have been measured at fair value.

The preparation of financial statements in conformity with Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise 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 each relevant note.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries.

Subsidiaries are all entities over which the Group has control. Subsidiaries are listed in [Note 28](#).

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.

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 million), 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.

The following are the most significant exchange rates used in the consolidation:

	Average rate		Closing rate as at	
	2025	2024	31.12.2025	31.12.2024
USD/NOK	10.39810	10.74810	10.07910	11.35340
GBP/USD	1.31646	1.27820	1.34656	1.25292

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, when it is held primarily for the purpose of trading, when it is expected to be realised within twelve months after the reporting period, or when it is 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, when it is held primarily for the purpose of trading, when it is due to be settled within twelve months after the reporting period, or when 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.

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.

The cash flow statement represents the cash flows for the total Group, including both continuing and discontinued operations. The split between continuing and discontinued operations are presented as separate lines within each category of the cash flow statement.

Note 3 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 which 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 amount of estimation uncertainty and use of judgement are listed below.

Detailed information of significant estimates are disclosed in the relevant notes:

- Revenue recognition (Note 5 - Revenue)
- Useful life of tangible assets (Note 9 - Tangible fixed assets)

Detailed information of significant judgements are disclosed in the relevant notes:

- Evaluation of indicators of impairment (Note 9 - Tangible fixed assets)

Note 4 Operating and geographic segment information

Accounting policy

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.

Operating segment reporting

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 three mobile offshore drilling units with similar services, revenues, customers and production processes. Own drilling units (Own Fleet) is therefore assessed as one reporting segment.

Disaggregation of revenue by primary geographical markets

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

Non-current operating assets by country

USD million	31.12.2025	31.12.2024
Malta	1,396.5	969.1
Norway	7.2	2.8
TOTAL NON-CURRENT OPERATING ASSETS *	1,403.7	971.9

* Non-current assets for this purpose consists of property, plant and equipment.

Non-current operating assets in Malta consist of the three offshore mobile drilling units.

Note 5 Revenue

Accounting policy - 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 15, 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. The Group has only operating leases as a lessor. Lease component of drilling contracts is accounted for over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

Significant estimation uncertainty

There is estimation uncertainty in the Group's revenue recognition related to incentive bonus and other variable considerations. Most 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 programme).

Own fleet

The revenue is primarily derived from drilling contracts with customers. The core promise in the contracts with the customers is to be available to provide drilling services over the operation period of a contract. Drilling services primarily comprise of providing the mobile offshore drilling unit, crews, related equipment, and services necessary to operate the rig.

The contract rates include both a lease component and a service component. Services are provided as a series of distinct services that are substantially the same and have the same pattern of transfer to the customer. Therefore, the Group follow the series guidance in IFRS 15 and treat the series of distinct services as a single performance obligation.

Revenue is based on the transaction price in the contracts with the customers. The main part of the transaction price is day rates, which range from a full operating day rate, to lower or zero rates for periods when drilling operations are interrupted. Payment of the day rate based transaction price is usually due on a monthly basis. Some of the rig contracts contain variable consideration in the form of performance incentives, including section based elements and total well delivery bonuses based on efficiency and operational performance.

Some contracts entitle the Group to receive compensation for mobilisation and demobilisation, contract preparation, customer-requested goods and services, or capital upgrades. The compensations are either as fixed lump-sums or based on variable day rates. Lump-sums are usually paid up-front or when certain milestones are met. The payment terms do not contain any significant financing components.

Revenue from drilling contracts is generally recognised in the period from commencing a contract and until completion of the drilling programme ("the drilling operation period"). No revenue is recognised in the mobilisation and demobilisation period.

Since the customers continuously gain control over the drilling services, revenue is recognised over time, in line with transfer of control.

The likelihood of options being exercised, and thereby included in estimates for expected total revenue and the drilling operation period, is based on an assessment of whether a customer option provides a material right for the customer. If a contract includes an option that provides a material right for the customer, a proportion of contract revenue will be allocated to the material right and recognised as revenue when the additional service is provided or when the option expires.

Day rate considerations in the drilling operation period are attributed to the period to which the drilling operations are performed, and recognised as revenue in the same period. Other compensations, as described above, are allocated to the contract and recognised as revenue on a straight-line basis over the drilling operation period. Refer to [Note 12 - Contract balances](#). Bonuses and other variable or conditional service fees are allocated to either the entire drilling operation period or to individual periods during the contract (using the series of services guidance in IFRS 15) depending on what the variable contract revenue relates to.

The costs to prepare the rig for contract and the cost for mobilisation of the rig to the drilling location, are capitalised as *Assets from contract costs* and expensed as operating cost over the drilling operations period. Refer to [Note 12 - Contract balances](#). Demobilisation expenses are expensed as incurred.

Revenue specification

<i>USD million</i>	2025	2024
Revenue from contracts with customers	185.1	154.9
Lease component in Own Fleet contracts	190.5	158.2
OPERATING REVENUE	375.6	313.1

Revenue from single external customers (> 10% of revenues)

<i>USD million</i>	2025	2024
Customer 1	365.4	313.1

Performance obligations in contracts

Amounts allocated to performance obligations that are to be completed under existing customer contracts are set out as service elements in the following table.

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.

<i>USD million</i>	Future minimum lease payments	Performance obligations	Total firm backlog
Within one year	342	201	543
Between one and two years	263	162	425
Between two and three years	106	66	172
Between three and four years	20	12	32
Between four and five years	-	-	-
After five years	-	-	-
TOTAL	730	442	1,172

Note 6 Personnel expenses

<i>USD million</i>	2025	2024
Other benefits and personnel expenses	0.0	0.0
Hired personnel	87.8	72.7
TOTAL PERSONNEL EXPENSES	87.8	72.7

The Group have no employees. Personnel expenses relates to hired personnel and board of director's fee.

Note 7 Combined items, income statement

Other operating expenses

USD million	Note	2025	2024
Hired services		11.2	12.3
Hired equipment		23.5	17.1
Repair and maintenance, inspection, tools, fixtures and fittings		21.6	17.9
Insurance		1.6	1.6
Freight and transport		1.4	0.8
Costs of premises		0.0	0.0
Other operating and administrative expenses		20.3	17.1
Amortised other operating contract cost	12	1.1	0.5
TOTAL OTHER OPERATING EXPENSES		80.7	67.3

Interest expenses

USD million	Note	2025	2024
Interest expenses external borrowings		30.7	33.1
Amortised transaction costs borrowings *		17.7	1.4
Interest expenses lease liabilities	16	0.8	1.3
Other interest expenses		2.6	2.9
TOTAL INTEREST EXPENSES		51.9	38.8

* The 2025 figures are affected by refinancing expenses, including called bond premium of USD 13.4 million

Other financial items

USD million	2025	2024
Net currency gain / (loss)	(3.4)	1.9
Other financial expenses	(1.2)	(1.4)
TOTAL OTHER FINANCIAL ITEMS	(4.7)	0.5

Note 8 Income taxes

Accounting policy

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 tax 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.

OECD Pillar Two model rules

The Odfjell Drilling Group, which the Odfjell Rig III Group is part of, is within the scope of the OECD Pillar Two model rules, however the effects of the global minimum tax (GloBE) it is not expected to come into effect for the Odfjell Drilling Group until 2027, due to the revenue thresholds in the rules. 2025 is the first year the ODL Group obtained revenue above the threshold. Since the Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12, issued in May 2023. Under the legislation, the Group will be liable to pay a top-up tax for the difference between their GloBE effective tax rate per jurisdiction, and the 15% minimum tax rate.

The Group continue to assess its exposure to the Pillar Two legislation for when it comes into effect. Due to the complexities in applying the legislation and calculating GloBE income, the quantitative impact of the enacted or substantively enacted legislation is not yet reasonably estimable.

Income tax expense

<i>USD million</i>	2025	2024
Payable taxes	(2.1)	(2.0)
Change in deferred tax	(8.0)	(1.2)
TOTAL INCOME TAX EXPENSE	(10.2)	(3.2)
Effective tax rate	18.6 %	10.7 %

Tax reconciliation

<i>USD million</i>	2025	2024
Profit before income tax expense	54.5	30.2
Tax calculated at domestic tax rates applicable to profits in respective countries*	(4.2)	(3.6)
Effect of adjustments recognised related to prior periods	(3.3)	0.2
Effect of net non-taxable income / (expenses)	(2.7)	0.2
INCOME TAX EXPENSE	(10.2)	(3.2)

* Domestic tax rates applicable to the Group varies between 5% and 22% for corporate income taxes (CIT).

On 1 December 2023, Odfjell Rig III Ltd and the rig owning subsidiaries, completed a tax relocation from the United Kingdom to Malta. Later in December 2023 the mobile offshore rigs were transferred from the Dubai branches to the Malta taxable companies. The tax value of the rigs when entering the Malta tax jurisdiction were set to estimated market values, which was higher than the book value of the assets. This resulted in a deferred income tax asset of USD 3.5 million being recognised in 2023. The market values approved by Malta Tax Authorities was lower than the estimates used in 2023, resulting in USD 1.2 million of the tax asset being reversed in 2025 and presented as part of the adjustments recognised related to prior periods in the table above.

Adjustments recognised related to prior periods also include USD 2.0 million due to the reversal of the tax assets in Odfjell Rig III Ltd. In prior periods, deferred tax assets was calculated based on the assumption that Odfjell Rig III Ltd would have taxable income in Malta and thereby claim tax deduction for its expenses. However, this proved to be incorrect as Odfjell Rig III Ltd only earn income classified as passive for Malta taxation.

The gross movement on the deferred tax account is as follows:

<i>USD million</i>	2025	2024
Net deferred tax assets / (deferred tax liabilities) at 01.01	3.3	4.3
Addition through acquisition	(0.8)	-
Income statement charge	(8.0)	(1.2)
Change in deferred tax on other comprehensive income	0.1	0.2
Currency translation differences	0.1	(0.0)
NET DEFERRED TAX ASSETS / (DEFERRED TAX LIABILITIES) AT 31.12	(5.5)	3.3

The Group's recognised deferred tax assets are related to operations in Malta and Norway.

Deferred tax assets - Specification and movements

<i>USD million</i>	Tax losses	Current assets	Lease liabilities	Total deferred tax assets	Deferred tax liabilities offset in	Net book value of deferred tax asset
Opening balance 01.01.2024	4.9	0.0	4.1	9.0	(4.7)	4.3
Income statement charge	(0.1)	(0.0)	(2.6)	(2.7)		
Change in deferred tax on other comprehensive income	-	0.2	-	0.2		
Currency translation differences	-	-	(0.2)	(0.2)		
CLOSING BALANCE 31.12.2024	4.8	0.2	1.2	6.2	(3.0)	3.3
Addition through acquisition	2.1	-	0.1	2.3		
Income statement charge	(5.5)	(0.0)	(0.6)	(6.2)		
Change in deferred tax on other comprehensive income	-	0.1	-	0.1		
Currency translation differences	-	0.0	0.1	0.1		
CLOSING BALANCE 31.12.2025	1.4	0.3	0.8	2.5	(2.2)	0.3

Deferred tax liabilities - Specification and movements

<i>USD million</i>	Fixed assets	Right-of-use Assets	Total	Deferred tax assets offset in deferred tax liabilities	Net book value of deferred tax liability
Opening balance 01.01.2024	(1.2)	(3.5)	(4.7)	4.7	-
Income statement charge	(0.8)	2.3	1.5		
Currency translation differences	-	0.2	0.2		
CLOSING BALANCE 31.12.2024	(2.0)	(1.0)	(3.0)	3.0	-
Addition through acquisition	(3.0)	(0.1)	(3.1)		
Income statement charge	(2.3)	0.5	(1.8)		
Currency translation differences	-	(0.1)	(0.1)		
CLOSING BALANCE 31.12.2025	(7.3)	(0.7)	(8.0)	2.2	(5.8)

The income tax (charge)/credit relating to components of the other comprehensive income is as follows:

<i>USD million</i>	Tax (charge)/credit			Tax (charge)/credit		
	Before tax	2025	After tax	Before tax	2024	After tax
Cash flow hedges	2.2	0.1	2.3	(3.6)	0.2	(3.4)
Other comprehensive income	2.2	0.1	2.3	(3.6)	0.2	(3.4)
Deferred tax		0.1			0.2	

Note 9 Tangible fixed assets

Accounting policy

Property, plant and equipment comprise mainly of mobile offshore drilling units, periodic maintenance, and right-of-use assets. Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes 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. The 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. The total expenditure on the rigs is therefore allocated into groups of components that have different expected useful lifetimes.

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.

Residual values for mobile offshore drilling units are determined based on the estimated second hand prices for mobile drilling units after a 30 year useful lifetime. Any changes are accounted for prospectively as a change in the accounting estimate. The estimated useful life of the rig could change, resulting in different depreciation amounts in the future. Residual values for property, plant and equipment are estimated to be zero.

Rig and equipment are depreciated over a period from 5 to 30 years. Periodic maintenance is depreciated over the expected period until next docking, estimated as 5 years.

Government grants

Government grants are recognised when it is reasonably certain that the company will meet the conditions stipulated for the grants and that the grants will be received. Investment grants are capitalised and recognised systematically over the asset's useful life. Investment grants are recognised as a deduction of the asset's carrying amount.

Impairment of non-financial assets

All non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). For mobile offshore drilling units, each unit is deemed to be a CGU. Value in use represents the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Non-financial assets, other than goodwill, that have suffered an impairment, are reviewed for reversal of the impairment whenever events or changes in circumstances indicate that the impairment loss recognised in prior periods may no longer exist or may have decreased.

Assets subject to operating leases

Mobile drilling units and Periodic maintenance contain assets used in contracts with customers that contain a lease component.

Specification and movements 2025

USD million	Mobile drilling units	Periodic maintenance	Right-of-use assets	Total fixed assets
Cost				
At 1 January 2025	1,654.9	124.7	31.8	1,811.3
Additions	16.8	35.5	12.9	65.2
Additions through acquisition *	577.4	42.4	11.9	631.7
Disposals	(0.6)	(42.5)	-	(43.1)
Currency translation differences	0.0	0.0	1.6	1.6
Cost as at 31 December 2025	2,248.5	160.1	58.2	2,466.7
Accumulated depreciation and impairment				
At 1 January 2025	(768.8)	(49.8)	(20.7)	(839.4)
Depreciation	(66.4)	(24.5)	(6.5)	(97.5)
Additions through acquisition *	(144.6)	(14.1)	(9.5)	(168.1)
Disposals	0.6	42.5	-	43.1
Currency translation differences	0.0	-	(1.1)	(1.1)
As at 31 December 2025	(979.2)	(45.9)	(37.9)	(1,063.0)
NET BOOK VALUE AT 31 DECEMBER 2025				
	1,269.3	114.1	20.3	1,403.7
<i>Useful lifetime</i>	<i>5 - 30 years</i>	<i>5 years</i>	<i>2-12 years</i>	
<i>Depreciation schedule</i>	<i>Straight line</i>	<i>Straight line</i>	<i>Straight line</i>	

Specification and movements 2024

USD million	Mobile drilling units	Periodic maintenance	Right-of-use assets	Total fixed assets
Cost				
At 1 January 2024	1,613.3	127.1	49.3	1,789.7
Additions	41.6	51.3	5.1	97.9
Disposals	-	(53.7)	(20.2)	(73.9)
Currency translation differences	-	-	(2.4)	(2.4)
Cost as at 31 December 2024	1,654.9	124.7	31.8	1,811.3
Accumulated depreciation and impairment				
At 1 January 2024	(689.6)	(84.6)	(28.2)	(802.4)
Depreciation	(79.2)	(19.0)	(9.1)	(107.3)
Disposals	-	53.7	15.0	68.7
Currency translation differences	-	-	1.5	1.5
As at 31 December 2024	(768.8)	(49.8)	(20.7)	(839.4)
NET BOOK VALUE AT 31 DECEMBER 2024				
	886.1	74.8	11.0	971.9
<i>Useful lifetime</i>	<i>5 - 30 years</i>	<i>5 years</i>	<i>2-12 years</i>	
<i>Depreciation schedule</i>	<i>Straight line</i>	<i>Straight line</i>	<i>Straight line</i>	

* Additions through acquisition are based on the values of ODL, the ultimate parent company (continuity). Refer to Note 27 - Changes in group structure for more information about the acquisition

All the right-of-use assets relate to mooring and drilling equipment leased from companies in the Odfjell Technology Group (related to the main shareholder).

Significant estimation uncertainty

There is uncertainty in the evaluation of useful lifetime of the mobile drilling units. The estimated useful life of the rig could change, resulting in different depreciation amounts in the future. Management evaluates both external and internal sources of information when assessing remaining useful lifetime, including estimated effects of climate change and the shift to renewable energy sources.

Significant judgement exercised

Management exercises significant judgement in determining whether there are any indicators of impairment. Management evaluates both external and internal sources of information in the indicator assessments. The assessments include estimated effects of climate change and the shift to renewable energy sources.

The Group has not identified any impairment indicators as at 31 December 2025.

Note 10 Other assets

Other current assets

<i>USD million</i>	Note	31.12.2025	31.12.2024
Derivative financial assets	20	0.1	-
Prepaid expenses		1.3	0.5
Assets from contract costs	12	3.0	0.7
VAT receivables		1.0	0.3
Other current receivables		0.0	0.1
TOTAL OTHER CURRENT ASSETS		5.4	1.6

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

Derivatives are valued at fair value through profit or loss unless designated as hedges.

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.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred. Realised gains and losses arising from financial assets not designated for hedging, are recognised in the income statement as financial items in the period they occur.

Financial liabilities

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 loans and borrowings category is the most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged, or cancelled, or expires.

Fair value measurement

The Group measures financial instruments such as derivatives, at fair value at each balance sheet date.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements, are categorised within the fair value hierarchy, described below, based on the lowest level input that is significant to the fair value measurement as a whole.

Financial instruments by category and level

The tables below analyse financial instruments carried at fair value, by valuation method, based on the lowest level input that is significant to the fair value measurement as a whole. The different levels have been defined as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - 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 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). 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.

Valuation techniques used to derive Level 2 fair values

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

The Group had the following financial instruments at each reporting period:

<i>USD million</i>	Note	Level	31.12.2025	31.12.2024
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
Derivatives designated as hedging instruments				
Foreign exchange forward contracts - Other current assets	20	2	0.1	-
OTHER FINANCIAL ASSETS				
Trade receivables	13		67.7	30.2
Other current receivables	10		0.0	0.1
Cash and cash equivalents	14		28.5	33.0
TOTAL ASSETS AS AT 31.12.			96.3	63.2

<i>USD million</i>	Note	Level	31.12.2025	31.12.2024
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
Derivatives designated as hedging instruments				
Foreign exchange forward contracts - Other current liabilities	20	2	1.3	3.4
OTHER FINANCIAL LIABILITIES				
Non-current interest-bearing borrowings	15		619.6	285.8
Current interest-bearing borrowings	15		25.5	42.7
Non-current lease liabilities	16		11.6	3.6
Current lease liabilities	16		9.2	7.5
Other non-current liabilities	12		5.3	-
Trade payables			28.7	27.2
Other current liabilities	17		20.7	7.7
TOTAL LIABILITIES AS AT 31.12.			721.8	377.9

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

Note 12 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.

For costs to fulfil contracts where the Group operates as a lessor, the Group has chosen to apply the guidance in IFRS 15 by analogy.

Accounting policies - 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 specification

<i>USD million</i>	31.12.2025	31.12.2024
Contract assets	-	-
Non-current contract liabilities	(8.7)	-
Current contract liabilities	(17.8)	(35.4)

Per 31 December 2025, contract liabilities that are expected to be recognised as revenue in 2026 are classified as current liabilities. All other contract liabilities are classified as non-current liabilities. Of the contract liabilities per 31 December 2024, about USD 12 million was expected to be recognised as revenue during the first twelve months, and consequently USD 23 million would have been classified as non-current liability when applying the same classification as per 31 December 2025. The change in classification do not affect revenue recognition, the cash flow statement or the statement of changes in equity.

In addition to the contract liabilities listed above, the Group have received prepayments from customers that have to be repaid if the drilling contract is not extended beyond the current fixed backlog. This prepayment amount to USD 5.3 million and is presented as other non-current liabilities.

Set out below is the amount of revenue recognised from:

<i>USD million</i>	2025	2024
Amounts included in contract liabilities at the beginning of the year	12.2	6.7
Performance obligations satisfied in the previous years	2.3	-

Assets from contract costs

<i>USD million</i>	2025	2024
Asset recognised at 31 December from costs incurred to fulfil a contract	3.0	0.7
Amortisation recognised as cost of providing services during the period	1.1	0.5

The Group has recognised assets for costs incurred to fulfil a contract with customers. The assets are presented within other current assets in the balance sheet. The asset is amortised on a straight-line basis over the term of the specific contract it relates to, consistent with the pattern of recognition of the associated revenue.

Note 13 Trade receivables

Accounting policy

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 described in Note 11 - Financial assets and liabilities.

Trade receivables specification

<i>USD million</i>	31.12.2025	31.12.2024
Trade receivables	62.8	24.4
Earned, not yet invoiced operating revenues	4.9	5.8
TRADE RECEIVABLES - NET	67.7	30.2

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, ageing and loss allowance, refer to Note 21 - Credit risk.

Note 14 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other current highly-liquid investments with original maturities of three months or less.

<i>USD million</i>	31.12.2025	31.12.2024
Cash in bank	28.4	30.3
Time deposits	0.1	2.7
TOTAL CASH AND CASH EQUIVALENTS	28.5	33.0

None of the cash and cash equivalents are restricted.

Note 15 Interest-bearing borrowings

Accounting policy

Borrowings are financial liabilities recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings, using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

Also refer to accounting policies regarding *Financial liabilities* in Note 11 - Financial assets and liabilities.

Interest-bearing borrowings specification as at 31 December

<i>USD million</i>	Non-current 31.12.2025	Current 31.12.2025	Total 31.12.2025	Non-current 31.12.2024	Current 31.12.2024	Total 31.12.2024
Bond loan	627.5	22.5	650.0	290.0	40.0	330.0
Transaction cost, unamortised	(7.9)	-	(7.9)	(4.2)	-	(4.2)
Accrued interest expenses	-	3.0	3.0	-	2.8	2.8
CARRYING AMOUNTS INTEREST-BEARING BORROWINGS	619.6	25.5	645.1	285.8	42.7	328.5

Movements in interest-bearing borrowings

<i>USD million</i>	Non-current 2025	Current 2025	Total 2025	Non-current 2024	Current 2024	Total 2024
Carrying amount as at 1 January	285.8	42.7	328.5	324.3	42.9	367.2
CASH FLOWS:						
New bond loan *	649.6	-	649.6	-	-	-
Paid transaction costs related to new loan	(8.0)	-	(8.0)	-	-	-
Repayment called bond	(289.6)	-	(289.6)	-	-	-
Paid premium called bond	(13.4)	-	(13.4)	-	-	-
Repayment external borrowings	-	(40.0)	(40.0)	-	(40.0)	(40.0)
Repayment acquired company bank loan	(128.3)	-	(128.3)	-	-	-
Repayment acquired company borrowings related parties	(35.9)	-	(35.9)	-	-	-
NON-CASH FLOWS:						
Reclassified	(22.5)	22.5	-	(40.0)	40.0	-
Additions through acquisition	164.2	1.4	165.6	-	-	-
Change in transaction cost, unamortised	17.7	-	17.7	1.4	-	1.4
Change in accrued interest cost	-	(1.2)	(1.2)	0.0	(0.2)	(0.2)
CARRYING AMOUNT AS AT 31 DECEMBER	619.6	25.5	645.1	285.8	42.7	328.5

* Net of roll-over bonds

Borrowings related parties

The Company have a frame loan agreement with parent company Odfjell Rig Owning Ltd. The subordinated frame loan can be up to USD 400 million and has a floating interest rate based on 3 months term SOFR plus a margin of 4%. The final maturity date is 1 June 2028. The facility is undrawn as at 31 December 2025.

Repayment schedule for interest-bearing borrowings as at 31 December

USD million	Non-current	Current	Total
	31.12.2025	31.12.2025	31.12.2025
Within 3 months	-	-	-
Between 3 and 6 months	-	-	-
Between 6 and 9 months	-	22.5	22.5
Between 9 months and 1 year	-	-	-
Between 1 and 2 years	45.0	-	45.0
Between 2 and 3 years	45.0	-	45.0
Between 3 and 4 years	45.0	-	45.0
Between 4 and 5 years	45.0	-	45.0
Beyond 5 years	447.5	-	447.5
TOTAL CONTRACTUAL AMOUNTS	627.5	22.5	650.0

Refer to [Note 19](#) and [Note 20](#) for further information regarding liquidity risk and interest risk.

Refinancing

The OR III Group has in December 2025 completes its planned refinancing through the issuance of a new secured bond.

The Odfjell Rig III 2025/2031 senior secured bond

On the 8 December 2025, the Company issued a USD 650 million senior secured bond. The bond, with maturity in March 2031, has a fixed coupon of 7.25% p.a. and semi-annual instalments of USD 22.5 million, first time 9 months from the issue date. The bond is secured by standard first lien security related to the Deepsea Aberdeen, Deepsea Atlantic and Deepsea Nordkapp, as well as guaranteed by ODL, Odfjell Rig Owning Ltd and relevant rig owners and charter companies.

The Odfjell Rig III 2023/2028 senior secured bond loan

The USD 390 million secured bond maturing in May 2028 with an outstanding amount of USD 290 million was called and repaid in full 11 December 2025 in addition to a call premium of USD 13.4 million.

The Odfjell Rig V Ltd Facility

As part of the reorganisation of the group, see further description in [Note 27](#), the Deepsea Nordkapp term loan facility with an outstanding amount of USD 128 million was added to the group 9 December 2025 and was repaid in full the same day.

The interest-bearing loan related parties

As part of the reorganisation of the group, see further description in [Note 27](#), an interest-bearing loan with an outstanding amount of USD 36 million was added to the group 9 December 2025 and was repaid in full the same day.

The carrying amount and fair value of the non-current liabilities are as follows:

The fair value of the bond liability that do not materially deviate from the carrying amount at 31 December 2025.

Available drawing facilities

Refer to information above regarding the undrawn frame loan agreement with parent company of USD 400 million. Other than that, the OR III Group has no available drawing facilities as per 31 December 2025.

Compliance with financial covenants as at 31.12.2025

The applicable financial covenants are calculated at the Odfjell Drilling Group level. Both the Odfjell Rig III Group and Odfjell Drilling Group are compliant with all financial covenants as at 31 December 2025.

Financial covenants related to the Odfjell Rig III 2025/2031 senior secured bond loan

Equity ratio	≥ 30%
Free liquidity (incl. Undrawn RCF)	≥ USD 50m
Current ratio	≥ 1.0x

Note 16 Leases

The Group's leasing activities as a lessee and how these are accounted for

This note relates to the Group as a lessee only.

The Group leases mooring and drilling equipment from companies in the Odfjell Technology Group (related to the main shareholder). Rental contracts are typically made for fixed periods of 6 months to 5 years, and usually have extension and/or termination options. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised. 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.

The lease payments are discounted using the incremental borrowing rate. 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.

Right-of-use assets are measured at cost, comprising 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.

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 IT-equipment and smaller items of office equipment.

Right-of-use assets in the balance sheet

The Right-of-use assets consist of mooring and drilling equipment, and are included in the line item "Property, plant and equipment" in the balance sheet, refer to [Note 9 - Tangible fixed assets](#) for specification of movements.

Lease liabilities

USD million	31.12.2025	31.12.2024
Non-current	11.6	3.6
Current	9.2	7.5
TOTAL	20.8	11.1

Movements in lease liabilities are analysed as follows:

	Non-current	Current	Total	Non-current	Current	Total
<i>USD million</i>	2025	2025	2025	2024	2024	2024
Carrying amount as at 1 January	3.6	7.5	11.1	6.0	17.2	23.2
CASH FLOWS:						
Payments for the principal portion of the lease liability	-	(6.6)	(6.6)	-	(10.7)	(10.7)
Payments for the interest portion of the lease liability	-	(0.8)	(0.8)	-	(1.3)	(1.3)
NON-CASH FLOWS:						
New lease liabilities recognised in the year	12.9	-	12.9	5.1	-	5.1
Additions through acquisition	0.1	2.4	2.5			
Disposals	-	-	-	(5.7)	-	(5.7)
Interest expense on lease liabilities	0.8	-	0.8	1.3	-	1.3
Reclassified to current portion of lease liabilities	(6.3)	6.3	-	(2.7)	2.7	-
Currency exchange differences	0.5	0.4	0.9	(0.3)	(0.4)	(0.8)
CARRYING AMOUNT AS AT 31 DECEMBER	11.6	9.2	20.8	3.6	7.5	11.1

Rental costs for exemptions

<i>USD million</i>	2025	2024
Expenses relating to low value items and short-term leases	11.8	8.6

Extension and termination options

Extension and termination options are included in the 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 reasonably certain to be extended (or not terminated).

The extension options mainly are contingent on the drilling contracts with external customers. As at 31 December 2025, potential future cash outflows of USD 1 million (not discounted) have not been included in the lease liability because it is not reasonably certain that these leases will be extended.

Note 17 Other liabilities

Other current liabilities specification

<i>USD million</i>	Note	31.12.2025	31.12.2024
Derivative financial liabilities	20	1.3	3.4
Other payables and financial liabilities		9.8	1.3
Other accrued expenses		10.9	6.4
TOTAL OTHER CURRENT LIABILITIES		22.0	11.1

Note 18 Financial risk management

Capital management and funding

Capital management is carried out at Odfjell Drilling Group level.

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. 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 comprises securing the Company to be in compliance with covenants on interest bearing debt. Reference is made to Note 15 - Interest-bearing borrowings which discloses information about covenants on long-term interest-bearing liabilities.

The Group will manage the capital structure and adjust it, to maintain an optimal structure adapted to current economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payments, buy treasury shares, return capital to shareholders, or issue new shares.

	31.12.2025	31.12.2024
Equity	748.4	624.4
Total assets	1,505.7	1,039.9
EQUITY RATIO	50%	60%
Cash and cash equivalents excl.restricted capital	28.5	33.0
Available drawing facilities	-	-
TOTAL AVAILABLE LIQUIDITY	28.5	33.0

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 uses derivative financial instruments to reduce certain risk exposures.

Risk management is carried out at the Odfjell Drilling 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. has established written principles for risk management of foreign exchange risk, interest rate risk, and use of derivative financial instruments.

Note 19 Liquidity risk

The OR III Group applies the ODL Group policy regarding the management of the cash positions which has three main objectives:

- Matching of surplus funds against borrowing requirements
- Secure a high level of liquidity in order to meet future plans of the Group, with a targeted minimum of two months' cash flow at all times
- Limitation of credit risks

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. The Board can approve deviations on a case by case basis.

A list of counter-party exposure limits is reported to the Board of Odfjell Drilling 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

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.

The Group's cash flow forecasting is performed by Odfjell Drilling 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 Odfjell Rig III Group held cash and cash equivalents amounting to USD 29 million at the end of 2025. This is deemed to be sufficient funding for the Group's current activity levels and committed capital expenditures during 2026.

The liquidity risk is connected with the market risk and the re-contracting risk for mobile drilling units. The management continuously focuses on securing new profitable contracts for the Group's mobile drilling units to generate sufficient cash flow from operations, hence reducing the liquidity risk going forward.

The Group's refinancing risk is considered low, as the Group completed a refinancing in 2025 and the bond matures in March 2031.

Maturity of financial liabilities

The amounts disclosed in the table are the contractual non-discounted cash flows. The table includes estimated interest payments for drawn facilities at the balance sheet date, based on the remaining period at the end of the reporting period to the contractual maturity date. The estimated interest payments include payments based on forward rates for the interest rate swaps.

Maturity of financial liabilities – 31.12.2025

<i>USD million</i>	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 31.12.2025
Interest-bearing borrowings	11.8	46.6	90.3	251.1	463.8	863.6	645.1
Lease liabilities	4.6	4.7	8.3	5.7	-	23.2	20.8
Trade payables	28.7	-	-	-	-	28.7	28.7
Other current payables	20.7	-	-	-	-	20.7	20.7

Maturity of financial liabilities – 31.12.2024

<i>USD million</i>	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 31.12.2024
Interest-bearing borrowings	35.3	34.3	65.9	281.9	-	417.4	328.5
Lease liabilities	3.9	3.8	3.7	0.9	-	12.3	11.1
Trade payables	27.2	-	-	-	-	27.2	27.2
Other current payables	7.7	-	-	-	-	7.7	7.7

Note 20 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 re-contracting risk for the Group's wholly owned mobile drilling units is limited in 2025, as all units in the fleet have medium to long-term contracts.

Contract status and currency exposure in rig rates

The Deepsea Atlantic operated for Equinor in the North Sea during 2025 and will continue to work for Equinor until the end of Q2 2027. Deepsea Atlantic started the Rosebank contract in 2025 but continued to work on the Norwegian Continental shelf. The rig will transit to the UK during Q1 2026. The current drilling contract consists of a USD element, a GBP element, and a NOK element, where the GBP and NOK elements combined covers the operating costs per day, which mainly is in NOK. The Group has been hedging the GBP residual exposure in 2025 and will continue to do so in 2026.

The Deepsea Aberdeen worked under the Equinor contract for the entire 2025. From 21 May to 15 June 2025 the rig underwent the 10-year SPS. In December 2025 Equinor extended the contract with Deepsea Aberdeen on the Norwegian Continental shelf, for use of the unit to drill an unspecified scope in an interim period before moving to the Fram Sør project. The work will begin in Q4 2026, in direct continuation of Deepsea Aberdeen's current contract with Equinor and is estimated to continue to Q1 2029. The day rate consists of a USD element and a NOK element, where the NOK element typically covers the NOK operating costs per day.

The Deepsea Nordkapp worked under the Alliance agreement with Aker BP the entire year, an agreement which commenced on 10 May 2019. The current firm contract runs up to the end of 2027. The day rate consists of a USD element and a NOK element, where the NOK element typically covers the NOK operating costs per day.

Climate Risk

Following an assessment performed by Odfjell Drilling Group of climate risks and opportunities, both physical and transitional risks in the short, medium and long-term, were prioritised. The most significant transition risks identified, along with mitigating actions were:

- Changes in fossil energy demand due to policies and consumer behaviour changes, leading to reduced demand for our assets and reduced revenue. This will be factored in to any asset growth decisions and alternative use of assets will be considered
- Cost of and access to capital may go up as banks move to low carbon portfolios, leading to increased interest costs. Consider debt structure and ensure carbon reducing initiatives understood by capital markets
- Cost increase from carbon pricing regimes, regulatory emission standards and potential rig retrofitting requirements. The Group works proactively to reduce its climate footprint in line with its transition plans and integrates regulatory developments into long-term planning.

The most significant physical risk identified, along with mitigating actions is:

- Impact of extreme weather offshore on crew and equipment logistics could increase costs and result in downtime. Critical spares analysis and robust planning required as well as protection in commercial contracts

Derivative financial instruments and hedge accounting

The Group uses 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 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.

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, or the Group has elected not to apply hedge accounting, they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period, or they are expected to be settled in the normal operating cycle.

The Group has the following derivative financial instruments in the following line items in the balance sheet:

<i>USD million</i>	31.12.2025	31.12.2024
Current assets		
Foreign exchange contracts - cash flow hedges under hedge accounting	0.1	-
TOTAL CURRENT DERIVATIVE FINANCIAL INSTRUMENTS ASSET	0.1	-
Current liabilities		
Foreign exchange contracts - cash flow hedges under hedge accounting	1.3	3.4
TOTAL CURRENT DERIVATIVE FINANCIAL INSTRUMENTS LIABILITIES	1.3	3.4

The Group's hedging reserves disclosed in Note 23 - Other reserves related to the following instruments:

Cash flow hedging reserves

<i>USD million</i>	Currency forwards	Total hedge reserves
Opening balance 1 January 2024	0.2	0.2
Change in fair value of hedging instruments recognised in OCI	(3.5)	(3.5)
Reclassified from OCI to profit or loss	(0.1)	(0.1)
CLOSING BALANCE 31 DECEMBER 2024	(3.4)	(3.4)
Change in fair value of hedging instruments recognised in OCI	1.7	1.7
Reclassified from OCI to profit or loss	0.5	0.5
CLOSING BALANCE 31 DECEMBER 2025	(1.2)	(1.2)

There are no additional amounts recognised in profit or loss in relation to derivatives.

Foreign exchange risk

The consolidated subsidiaries' reporting and functional currencies are USD and NOK.

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, especially as charter contracts are mainly priced in USD, while most of the operating expenses are in local currency. The Group seeks to minimise these risks through currency hedging via financial instruments or by off-setting local currency elements in charter contracts.

Quoted mark-to-market values from financial institutions have been used to determine the fair value of the foreign exchange contracts at the end of the year. The foreign exchange contracts are only used for economic hedging purposes and not as speculative investments.

<i>Foreign currency contracts</i>	Currency	Notional amount	Maturity date	Hedge ratio	Weighted average hedged rate	Carrying amount
31.12.2025						
Buy foreign currency (cash flow hedges under hedge accounting)	NOK	154.9	15.01.2026-15.01.2027	1:1	USD/NOK 10.0791	(0.9)
Sell foreign currency (cash flow hedges under hedge accounting)	GBP	12.0	15.01.2026-15.01.2027	1:1	GBP/USD 1.2809	*
Buy foreign currency (cash flow hedges under hedge accounting)	NOK	144.8	15.05.2026-15.12.2026	1:1	USD/NOK 10.0791	0.5
Sell foreign currency (cash flow hedges under hedge accounting)	GBP	10.3	15.05.2026-15.12.2026	1:1	GBP/USD 1.3947	*
Buy foreign currency (cash flow hedges under hedge accounting)	USD	9.8	15.05.2026-15.12.2026	1:1	1.0000	(0.7)
Sell foreign currency (cash flow hedges under hedge accounting)	GBP	7.8	15.05.2026-15.12.2026	1:1	GBP/USD 1.2611	*
Buy foreign currency (cash flow hedges under hedge accounting)	NOK	69.9	17.09.2026-17.12.2026	1:1	USD/NOK 10.0791	0.2
Sell foreign currency (cash flow hedges under hedge accounting)	GBP	5.1	17.09.2026-17.12.2026	1:1	GBP/USD 1.3593	(0.1)
Buy foreign currency (cash flow hedges under hedge accounting)	NOK	21.0	22.01.2026 - 22.04.2026	1:1	USD/NOK 10.4998	0.1
Sell foreign currency (cash flow hedges under hedge accounting)	NOK	22.1	22.01.2026 - 22.04.2026	1:1	USD/NOK 11.0500	(0.0)
Buy foreign currency (cash flow hedges under hedge accounting)	NOK	70.8	15.01.2026	1:1	USD/NOK 10.0791	0.0
Sell foreign currency (cash flow hedges under hedge accounting)	GBP	5.2	15.01.2026	1:1	GBP/USD 1.3508	*
Buy foreign currency (cash flow hedges under hedge accounting)	USD	7.3	15.01.2026 - 18.05.2027	1:1	1.0000	(0.4)
Sell foreign currency (cash flow hedges under hedge accounting)	GBP	5.8	15.01.2026 - 18.05.2027	1:1	GBP/USD 1.2753	*
31.12.2024						
Buy foreign currency (cash flow hedges under hedge accounting)	NOK	257.5	16.06.2025-17.08.2026	1:1	USD/NOK 11.3534	(2.5)
Sell foreign currency (cash flow hedges under hedge accounting)	GBP	20.0	16.06.2025-17.08.2026	1:1	GBP/USD 1.1341	*
Buy foreign currency (cash flow hedges under hedge accounting)	NOK	80.3	20.01.2025-20.05.2025	1:1	USD/NOK 10.7000	(0.3)
Sell foreign currency (cash flow hedges under hedge accounting)	NOK	82.5	20.01.2025-20.05.2025	1:1	USD/NOK 11.0000	0.0
Buy foreign currency (cash flow hedges under hedge accounting)	NOK	165.4	20.01.2025 - 20.04.2026	1:1	USD/NOK 10.5000	(0.7)
Sell foreign currency (cash flow hedges under hedge accounting)	NOK	175.7	20.01.2025 - 20.04.2026	1:1	USD/NOK 11.1579	0.1
Buy foreign currency (cash flow hedges under hedge accounting)	NOK	202.0	16.06.2025 - 23.12.2025	1:1	USD/NOK 11.3534	(0.1)
Sell foreign currency (cash flow hedges under hedge accounting)	GBP	14.3	16.06.2025 - 23.12.2025	1:1	GBP/USD 1.2441	*

* Carrying amount included in the line above

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in USD, was as follows:

Foreign exchange risk - Exposure - 31.12.2025

<i>USD million</i>	NOK	GBP	USD
Cash and cash equivalents	0.6	2.1	13.4
Trade receivables	0.0	5.6	33.7
Interest-bearing borrowings	-	-	-
Lease liabilities	(13.3)	-	(7.5)
Trade payables	(1.4)	(0.9)	(1.6)
Other current payables	-	(0.8)	(0.0)
Foreign currency contracts			
Buy foreign currency (cash flow hedges under hedge accounting)	45.8	-	17.2
Sell foreign currency (cash flow hedges under hedge accounting)	2.2	62.1	-

Foreign exchange risk - Exposure - 31.12.2024

<i>USD million</i>	NOK	GBP	USD
Cash and cash equivalents	4.8	0.3	17.1
Trade receivables	1.5	-	13.8
Interest-bearing borrowings	-	-	-
Lease liabilities	(3.8)	-	(7.2)
Trade payables	(2.7)	(0.3)	(1.2)
Other current payables	(0.1)	(0.0)	(0.0)
Foreign currency contracts			
Buy foreign currency (cash flow hedges under hedge accounting)	62.1	-	-
Sell foreign currency (cash flow hedges under hedge accounting)	22.7	43.0	-

The aggregate net foreign exchange gains/losses recognised in profit or loss were:

<i>USD million</i>	2025	2024
Net currency gain / (loss) included in finance costs	(3.4)	1.9

As shown in the tables above, the Group is primarily exposed to changes in USD/NOK exchange rates.

Sensitivity to changes in USD/NOK exchange rates

<i>Sensitivity to changes in USD/NOK exchange rates</i>	USD is strengthened by 20 % against NOK		USD is weakened by 20 % against NOK		USD is strengthened by 10 % against NOK		USD is weakened by 10 % against NOK	
<i>USD million</i>	2025	2024	2025	2024	2025	2024	2025	2024
Cash and cash equivalents	0.4	2.1	0.0	1.7	0.2	1.1	(0.3)	(1.4)
Current receivables	6.7	2.5	(6.7)	(2.4)	3.4	1.2	(3.4)	(1.2)
Liabilities	1.6	0.3	(2.3)	(0.4)	0.9	0.1	(1.0)	(0.2)
NET EFFECT ON PROFIT BEFORE TAX	8.7	4.8	(9.0)	(1.1)	4.4	2.5	(4.7)	(2.8)

Interest rate risk

As at 31 December 2025, the Group is not exposed to changes in market interest rates, as the bond loan has a fixed interest rate (7.25%).

The Group evaluates the share of interest rate hedging based on assessment of the Group's total interest rate risk and currently has only fixed interest rates.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the end of the reporting period are as follows:

<i>USD million</i>	31.12.2025	% of total loans	31.12.2024	% of total loans
Variable rate borrowings	-	0%	-	0%
Fixed rate borrowings - repricing or maturity dates:				
Less than 1 year	-	0%	-	0%
1-5 years	-	0%	330.0	100%
Later than 5 years	650.0	100%	-	0%
TOTAL CONTRACTUAL AMOUNTS	650.0	100%	330.0	100%

Note 21 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, other receivables, and certain derivatives instruments receivable amount, the Group's exposure to credit risk arises from default of the counter-party, with a maximum exposure equal to the carrying amount of these instruments. However, the Group believes this risk is limited as the counter-parties mainly have a high credit quality.

The maximum exposure regarding trade receivables is the carrying amount of USD 68 million.

The Group has not recognised any impairment losses in 2024 or 2025 and the expected loss rate is set to 0.

No provision for impairment losses is recognised as at 31 December 2025.

The ageing of the trade receivables - 31.12.2025

<i>USD million</i>	Expected loss rate	Gross amount	Loss allowance	Net amount
		31.12.2025	31.12.2025	31.12.2025
Not due	0.0%	67.5	-	67.5
0 to 3 months	0.0%	0.1	-	0.1
3 to 6 months	0.0%	-	-	-
Over 6 months	0.0%	-	-	-
TOTAL		67.7	-	67.7

The ageing of the trade receivables - 31.12.2024

<i>USD million</i>	Expected loss rate	Gross amount	Loss allowance	Net amount
		31.12.2024	31.12.2024	31.12.2024
Not due	0.0%	30.1	-	30.1
0 to 3 months	0.0%	0.0	-	0.0
3 to 6 months	0.0%	-	-	-
Over 6 months	0.0%	-	-	-
TOTAL		30.2	-	30.2

Note 22 Share capital and shareholder information

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 23 Other reserves

<i>USD million</i>	Note	Cash flow hedges	Translation differences	Total
AT 1 JANUARY 2024		0.2	(9.5)	(9.4)
Change in fair value of hedging instruments recognised in OCI		(3.5)	-	(3.5)
Reclassified from OCI to profit or loss		(0.1)	-	(0.1)
Deferred taxes cashflow hedges		0.2	-	0.2
Currency translation difference		-	(3.6)	(3.6)
AT 31 DECEMBER 2024		(3.2)	(13.2)	(16.4)
Change in fair value of hedging instruments recognised in OCI	20	1.7	-	1.7
Reclassified from OCI to profit or loss	20	0.5	-	0.5
Deferred taxes cashflow hedges		0.1	-	0.1
Currency translation difference		-	4.0	4.0
AT 31 DECEMBER 2025		(0.9)	(9.2)	(10.0)

Note 24 Securities and mortgages

Liabilities secured by mortgage

<i>USD million</i>	31.12.2025	31.12.2024
Non-current liabilities - contractual amounts	627.5	290.0
Current liabilities	25.5	42.7
TOTAL	653.0	332.7

Carrying amount of mortgaged assets:

<i>USD million</i>	31.12.2025	31.12.2024
Property, plant and equipment	1,403.7	971.9
Receivables	73.1	31.7
Bank deposits	28.5	33.0
TOTAL	1,505.3	1,036.6

The Odfjell Rig III 2025/2031 senior secured bond loan

Guarantors	Odfjell Drilling Ltd, Odfjell Rig Owning Ltd, relevant rig owners and charter companies.
Collateral Rigs	Deepsea Aberdeen, Deepsea Atlantic and Deepsea Nordkapp

Note 25 Contingencies

There are no material contingencies to be disclosed as per 31 December 2025.

Note 26 Commitments

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

<i>USD million</i>	31.12.2025	31.12.2024
Rig investments	7.1	15.1
TOTAL	7.1	15.1

The committed capital expenditure as at 31 December 2025 is mainly expected to be paid within the next 12 months.

Note 27 Changes in group structure

As part of the refinancing of the Odfjell Drilling Ltd Group ('ODL group') in the last quarter of 2025, where the Company issued a bond of USD 650 million, there was a reorganisation of the ODL group. The reorganisation was a business combination under common control by ODL, where the Company 9 December 2025 acquired the rig owning company Odfjell Rig V Ltd and the operating company Odfjell Invest II AS.

The purchase price for all the shares in Odfjell Rig V Ltd and Odfjell Invest II AS was USD 399.8 million, of which a total cash payment of USD 246.9 million was made, utilising funds from the bond loan as well as other funds available in the Company. The remaining share price was financed by loan notes, of which USD 9.8 million was repaid in January 2026 while the USD 143.2 million loan note from the parent company which was converted to equity 18 December 2025.

The USD 237 million presented as 'Cash used in obtaining control of subsidiaries' in the cashflow statement is net of USD 9.9 million of cash acquired.

The carrying amounts of the assets and liabilities acquired are based on the values of ODL, the ultimate parent company. The share purchase price of USD 399.8 million less book value of the net assets received of USD 329.9 million is equal to the negative USD 69.8 million continuity difference in the statement of changes in the equity.

The acquired companies have from the date of acquisition contributed to the group's revenues and profit before taxes by USD 10.1 million and USD 3.0 million respectively.

If the acquisition had occurred at the beginning of 2025, revenues for 2025 and profit before taxes for 2025 for the group would have been USD 532.6 million and USD 101.2 million respectively.

The net assets acquired in the reorganisation are as follows:

<i>USD million</i>	
Assets	
Fixed assets	463.6
Deferred tax asset	-
Trade accounts receivable	33.1
Other current receivable	3.4
Cash and cash equivalents	9.9
TOTAL ASSETS	510.0
Liabilities	
Non-current interest-bearing borrowings external parties	(128.3)
Non-current interest-bearing borrowings related parties	(35.9)
Deferred tax liability	(0.8)
Non-current lease liabilities	(0.1)
Current interest-bearing borrowings	(1.4)
Current lease liabilities	(2.4)
Trade creditors	(9.4)
Other current liabilities	(1.8)
TOTAL LIABILITIES	(180.1)
NET BOOK VALUE ASSETS AND LIABILITIES	329.9
Continuity difference	69.8
PURCHASE PRICE	399.8

<i>USD million</i>	
Cash payments	246.8
Loan notes *	152.9
TOTAL PURCHASE PRICE	399.8
Paid in cash	(246.8)
Cash received	9.9
NET DECREASE/(INCREASE) IN CASH	(237.0)

* USD 143.1 million of the loan notes was converted to capital in December 2025, while the remaining USD 9.8 million was paid in January 2026.

Note 28 Subsidiaries

Name of entity	Country of incorporation	Principal place of business	Functional currency	Ownership 2025	Ownership 2024	Principal activities
Odfjell Drilling Shetland Ltd.	Scotland	Malta	USD	100	100	Rig owning
Deep Sea Drilling Company AS	Norway	Norway	NOK	100	100	Drilling operations
Deep Sea Atlantic (UK) Ltd.	England	Malta	USD	100	100	Rig owning
Odfjell Invest AS	Norway	Norway	NOK	100	100	Drilling operations
Deep Sea Rig (UK) Ltd.	England	Malta	USD	100	100	Drilling operations
Odfjell Rig V Ltd	England	Malta	USD	100	-	Rig owning
Odfjell Invest II AS	Norway	Norway	NOK	100	-	Drilling operations

The Group's subsidiaries are set out in the table above. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group.

Note 29 Related parties - transactions, receivables, liabilities and commitments

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

The Group had the following material transactions with related parties:

USD million	Relation	2025	2024
Companies within the ODL group	Ultimate parent group	0.1	0.3
TOTAL SALES OF SERVICES TO RELATED PARTIES		0.1	0.3

The revenues are mainly related to administration services provided to other rig owning companies in the Group.

USD million	Relation	2025	2024
Companies within the ODL group	Ultimate parent group	110.2	96.2
Companies within the OTL group	Related to main shareholder	22.9	27.1
TOTAL PURCHASES FROM RELATED PARTIES		133.1	123.2

Purchases from companies within the ODL Group mainly relates to offshore personnel.

Purchases from companies within the OTL Group consist of services and rentals, as well as global business services. Amounts listed in the table above do not include payment for rentals considered as leases.

All transactions have been carried out as part of the ordinary operations.

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 31 December 2025.

Current receivables and liabilities

As a part of the day-to-day running of the business, Odfjell Rig III Group have the following current receivables and liabilities towards companies in the ODL and OTL Groups. All receivables and liabilities have less than one year maturity.

USD million	Related party	Relation	31.12.2025	31.12.2024
Other current receivables	Companies in ODL group and OTL group	Related to main shareholder	0.0	4.1
Trade payables	Companies in ODL group and OTL group	Related to main shareholder	(11.3)	(10.9)
Other current payables	Companies in ODL group and OTL group	Related to main shareholder	(14.2)	(5.2)
NET CURRENT PAYABLES RELATED PARTIES			(25.5)	(12.0)

Lease agreements

All lease agreements are with companies in the Odfjell Technology Group, and are therefore considered related party transactions. Refer to Note 16 - Leases.

Note 30 Remuneration to the Board of Directors, key executive management and auditor

Group management

Companies in the Odfjell Rig III Ltd Group procure management services from the ultimate parent company Odfjell Drilling Ltd and operational services from Odfjell Drilling AS, a company in the Odfjell Drilling Ltd. Group. This includes provision for the executive management group functions including CEO and CFO in Odfjell Drilling AS. The cost of these services are included in other operating expenses.

Fees paid to Board of non-executive directors:

John Carbone and Øivind Haraldsen were paid a fee equal to USD 12 thousand each in 2025, and were paid a fee equal to USD 7 thousands each in 2024.

Fees to the Group's auditor

USD thousands	2025	2024
Audit (incl. technical assistance with financial statements)	57	53
TOTAL REMUNERATION TO THE GROUP'S AUDITOR	57	53

All listed fees are net of VAT.

Note 31 Events after the reporting period

There have been no events after the balance sheet date with material effect on the financial statements ended 31 December 2025.

Parent Company Financial Statements



Income Statement

for the year ended 31 December

<i>USD thousands</i>	Note	2025	2024
Total operating expenses	4	(100)	(236)
OPERATING PROFIT / (LOSS) - EBIT		(100)	(236)
Interest income	3, 5	439	661
Dividend income from subsidiaries	3	125,143	77,998
Interest expenses	5	(48,423)	(34,578)
Other financial items	5	(1,543)	(2,045)
Net financial items		75,616	42,036
PROFIT / (LOSS) BEFORE TAX		75,516	41,800
Income tax	14	(2,005)	2,005
PROFIT / (LOSS) FOR THE PERIOD		73,511	43,805
Of which attributable to owners of Odfjell Rig III Ltd.		73,511	43,805

Statement of Comprehensive Income

for the year ended 31 December

<i>USD thousands</i>	Note	2025	2024
Profit / (loss) for the period		73,511	43,805
Other comprehensive income:			
Items that will not be reclassified to profit or loss:		-	-
Items that are or may be reclassified to profit or loss:		-	-
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		73,511	43,805
Total comprehensive income for the period is attributable to:			
Owners of Odfjell Rig III Ltd.		73,511	43,805

The accompanying notes are an integral part of these financial statements.

Statement of Financial Position

<i>USD thousands</i>	Note	31.12.2025	31.12.2024
Assets			
Investments in subsidiaries	6	1,048,634	648,858
Deferred tax asset	14	0	2,005
Non-current receivables group companies	3	152,148	0
TOTAL NON-CURRENT ASSETS		1,200,783	650,863
Other current receivables		139	541
Other current receivables group companies	3	348	4,510
Cash and bank deposits	8	536	1,234
TOTAL CURRENT ASSETS		1,023	6,285
Total assets		1,201,806	657,149
Equity and liabilities			
Share capital	10	10	10
Other contributed capital		426,976	283,823
Retained earnings		115,164	41,653
TOTAL EQUITY		542,150	325,486
Non-current interest-bearing borrowings	9	619,589	285,757
TOTAL NON-CURRENT LIABILITIES		619,589	285,757
Current interest-bearing borrowings	9	25,511	42,750
Trade payables		516	10
Current liabilities to group companies	3	12,759	2,621
Other current liabilities		1,280	526
TOTAL CURRENT LIABILITIES		40,066	45,906
TOTAL LIABILITIES		659,656	331,663
TOTAL EQUITY AND LIABILITIES		1,201,806	657,149

The Board of Odfjell Rig III Ltd.
20 April 2026, St. Julian's, Malta

John Carbone
Director

Erik Askvik
Director

Øivind Haraldsen
Director

Statement of Changes in Equity

<i>USD thousands</i>	Note	Share capital	Other contributed capital	Total paid-in capital	Retained earnings	Total other equity	Total equity
Balance at 1 January 2024		10	289,973	289,983	(2,152)	(2,152)	287,831
Profit/(loss) for the period		-	-	-	43,805	43,805	43,805
Total comprehensive income for the period		-	-	-	43,805	43,805	43,805
Dividends		-	(6,150)	(6,150)	-	-	(6,150)
Transactions with owners		-	(6,150)	(6,150)	-	-	(6,150)
BALANCE AT 31 DECEMBER 2024		10	283,823	283,833	41,653	41,653	325,486
Profit/(loss) for the period		-	-	-	73,511	73,511	73,511
Total comprehensive income for the period		-	-	-	73,511	73,511	73,511
Capital contribution		-	143,153	143,153	-	-	143,153
Transactions with owners		-	143,153	143,153	-	-	143,153
BALANCE AT 31 DECEMBER 2025		10	426,976	426,986	115,164	115,164	542,150

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flow

for the year ended 31 December

<i>USD thousands</i>	Note	2025	2024
Cashflow from operating activities			
Profit/loss before tax		75,516	41,800
Adjustments for:			
Net interest expense		47,984	33,917
Dividend income from subsidiaries		(125,143)	(77,998)
Net currency loss / (gain) not related to operating activities		(0)	47
Changes in working capital			
Trade payables		507	(4)
Other accruals and current receivables /payables		5,681	378
Cash generated from operations		4,544	100,138
Net interest paid		(29,981)	(32,254)
NET CASH FLOW FROM OPERATING ACTIVITIES		(25,436)	67,884
Cash flows from investing activities			
Received payment of dividends from subsidiaries		125,143	101,998
Proceeds from non-current lending facilities group companies		-	3,333
Net proceeds/(payments) intercompany receivables and payables		(152,148)	(32,563)
Cash used in obtaining control of subsidiaries		(246,847)	-
NET CASH FLOW USED IN INVESTING ACTIVITIES		(273,852)	(29,230)
Cash flows from financing activities			
Proceeds from borrowings	9	628,141	-
Repayment of borrowings external	9	(329,551)	(40,000)
Dividend paid		-	(6,150)
NET CASH FROM FINANCING ACTIVITIES		298,590	(46,150)
Exchange gains/(losses) on cash and cash equivalents		0	(47)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(698)	(7,543)
Cash and cash equivalents at beginning of period		1,234	8,777
CASH AND CASH EQUIVALENTS AT PERIOD END		536	1,234

The accompanying notes are an integral part of these financial statements.

Notes to the Parent Company Financial Statements

All amounts are in USD thousands unless otherwise stated

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Note 1 Accounting policies

The principal activities of the Company is owning its shares in subsidiaries, as well as providing management services.

The financial statements for Odfjell Rig III Ltd., have been prepared and presented in accordance with IFRS® Accounting Standards as endorsed by EU, and are based on the same accounting policies as the Consolidated Group Financial Statements with the following additions:

Investments in subsidiaries

Investments in subsidiaries are based on the cost method. Refer to Note 6 - Investments in subsidiaries.

Dividends

Dividends and Group contribution from subsidiaries are recognised in profit or loss in the parent company financial statements when the Company's right to receive the dividend is established.

For further information, reference is made to the consolidated Group financial statements.

Note 2 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 Company 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 Company'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 addressed below.

The most important areas where estimates and judgements are having an impact are listed below. Detailed information of these estimates and judgements are disclosed in the relevant notes.

- Impairment of investment in subsidiaries (Note 6 - Investment in subsidiaries)

Going concern

Refer to Consolidated Financial Statements Note 3 - Critical accounting estimates and judgements.

Taking all relevant risk factors and available options for financing into consideration, the Board has a reasonable expectation that the Company has adequate resources to continue its operational existence for the foreseeable future.

Note 3 Related parties - transactions, receivables and liabilities

Revenue from related parties

<i>USD thousands</i>				
<i>Type of transaction</i>	<i>Related party</i>	<i>Relation</i>	2025	2024
Dividend income	Deep Sea Atlantic (UK) Ltd	Subsidiary	60,000	-
Dividend income	Deep Sea Drilling Company AS	Subsidiary	3,684	3,627
Dividend income	Odfjell Drilling Shetland Ltd.	Subsidiary	57,000	68,800
Dividend income	Odfjell Invest AS	Subsidiary	4,459	5,571
Interest income	Odfjell Rig V Ltd	Subsidiary	67	-
TOTAL			125,210	77,998

Related parties expenses

<i>USD thousands</i>				
<i>Type of transaction</i>	<i>Related party</i>	<i>Relation</i>	2025	2024
Management services	Odfjell Drilling AS	Related to ultimate parent	(10)	(9)
Guarantee Commission	Odfjell Drilling Ltd	Ultimate parent	(630)	(738)
Guarantee Commission	Odfjell Rig Owning Ltd	Parent	(473)	(568)
Guarantee Commission	Companies in Odfjell Rig III Group	Subsidiaries	(396)	(478)
TOTAL			(1,508)	(1,792)

Non-current receivables - related parties

In 2025, the Company provided frame loan to the subsidiary Odfjell Rig V Ltd. The subordinated frame loan can be up to USD 250 million and has a fixed interest of 7.25% and final maturity date is 31 March 2031. The interest and maturity are equal to terms of the external financing of the Company.

Refer to Note 6 - Investments in subsidiaries for impairment indicator assessment as at 31 December 2025.

Non-current interest-bearing borrowings

1 June 2023, the Company entered into a frame loan agreement with parent company Odfjell Rig Owning Ltd. The subordinated frame loan can be up to USD 400 million and has a floating interest rate based on 3 months term SOFR plus a margin of 4%. The final maturity date is 1 June 2028. The facility is undrawn as at 31 December 2025.

Current receivables and liabilities - related parties

<i>USD thousands</i>			2025	2025	2024	2024
<i>Type of transaction</i>	<i>Related party</i>	<i>Relation</i>	Receivables	Liabilities	Receivables	Liabilities
Other current	Odfjell Rig Owning Ltd	Parent	-	-	-	(567)
Loan - current	Odfjell Drilling Shetland Ltd	Subsidiary	-	-	-	(1,299)
Loan - non-current	Odfjell Rig V Ltd	Subsidiary	152,148	-	-	-
Other current	Companies in Odfjell Rig III Group	Subsidiaries	348	(2,937)	4,510	(8)
Other current	Other companies in Odfjell Drilling Group	Related to parent company	-	(9,832)	-	(747)
TOTAL			152,496	(12,769)	4,510	(2,621)

Note 4 Operating expenses

<i>USD thousands</i>	Note	2025	2024
Fee to the auditor (excluding VAT):			
Auditors fee		27	30
Other operating expenses:			
Fees for financial and legal assistance		51	178
Management and support services	3	10	9
Other operating expenses		12	19
TOTAL OPERATING EXPENSES		100	236

There are no employees in the Company.

No remuneration was paid to the Board of Directors during the year.

Note 5 Financial income and expenses

<i>USD thousands</i>	Note	2025	2024
Interest income from subsidiaries	3	67	-
Other interest income		372	661
TOTAL INTEREST INCOME		439	661

<i>USD thousands</i>	Note	2025	2024
Interest expenses external borrowings		(30,680)	(33,143)
Amortised transaction costs borrowings		(17,742)	(1,435)
TOTAL INTEREST EXPENSES		(48,423)	(34,578)

<i>USD thousands</i>	Note	2025	2024
Guarantee commissions	3	(1,499)	(1,783)
Net currency gain / (loss)		64	(202)
Other financial expenses		(108)	(59)
TOTAL OTHER FINANCIAL ITEMS		(1,543)	(2,045)

Note 6 Investments in subsidiaries

Listing of directly owned subsidiaries

<i>Company</i>	Acquisition/ formation date	Registered office	Place of business	Shares owned	Voting rights
Odfjell Drilling Shetland Ltd.	2011	Aberdeen, United Kingdom	Malta	100%	100%
Deep Sea Drilling Company AS	2020	Bergen, Norway	Norway	100%	100%
Deep Sea Atlantic (UK) Ltd	2023	Aberdeen, United Kingdom	Malta	100%	100%
Deep Sea Rig (UK) Ltd	2024	Eastleigh, United Kingdom	England	100%	100%
Odfjell Invest AS	2023	Bergen, Norway	Norway	100%	100%
Odfjell Rig V Ltd	2025	Eastleigh, United Kingdom	Malta	100%	100%
Odfjell Invest II AS	2025	Bergen, Norway	Norway	100%	100%

<i>Company</i>	Amount in USD		Amount in USD thousands		
	Functional currency	Share capital in USD	Profit / (loss) 2025	Equity as at 31.12.2025	Book value as at 31.12.2025
Odfjell Drilling Shetland Ltd.	USD	43,235	37,978	483,479	160,351
Deep Sea Drilling Company AS	NOK	3,516	4,706	8,209	3
Deep Sea Atlantic (UK) Ltd	USD	3	52,949	365,546	474,000
Deep Sea Rig (UK) Ltd	USD	-	-	-	-
Odfjell Invest AS	NOK	23,202	2,758	12,652	14,504
Odfjell Rig V Ltd	USD	-	42,617	323,978	390,000
Odfjell Invest II AS	NOK	3,453	4,008	8,892	9,776
TOTAL					1,048,634

<i>USD thousands</i>	2025	2024
Book value 1 January	648,858	648,858
Acquisition subsidiaries	399,776	-
BOOK VALUE 31 DECEMBER	1,048,634	648,858

Accounting policy

Investments in subsidiaries are valued at cost in the Company accounts. The investment is valued as cost of acquiring shares, providing they are not impaired. An impairment loss is recognised for the amount by which the carrying amount of the subsidiary exceeds its recoverable amount. The recoverable amount is the higher of fair value less cost to sell and value in use. The recoverable amount of an investment in a subsidiary would normally be based on the present value of the subsidiary's future cash flow.

Dividend received

The Company has in 2025 received USD 60 million from Deep Sea Atlantic (UK) Ltd, USD 3.7 million from Deep Sea Drilling Company AS, USD 57 million from Odfjell Drilling Shetland Ltd and USD 4.5 million from Odfjell Invest AS.

Impairment assessment

Investments in subsidiaries are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount of the investment exceeds the recoverable amount.

Recoverable amount of the investments are expected to be higher than book value, and this is based on current backlog and long-term forecasts. No material off balance sheet liabilities have been identified in the subsidiaries.

The Company has not identified any additional impairment indicators for the investments as at 31.12.2025.

Note 7 Financial assets and liabilities

The Company had the following financial instruments at each reporting period:

<i>USD thousands</i>	Note Level	31.12.2025	31.12.2024
Other financial assets			
Current receivables group companies	3	348	4,510
Other current receivables		91	541
Cash and cash equivalents	8	536	1,234
TOTAL ASSETS AS AT 31.12		975	6,285

<i>USD thousands</i>	Note Level	31.12.2025	31.12.2024
Other financial liabilities			
Interest-bearing borrowings (non-current and current)	9	645,100	328,506
Trade payables		516	10
Current liabilities group companies	3	12,759	2,621
Other current liabilities		1,280	526
TOTAL LIABILITIES AS AT 31.12.		659,656	331,663

The fair value of the financial assets and liabilities at amortised cost approximate their carrying amount.

Note 8 Cash and cash equivalents

<i>USD thousands</i>	31.12.2025	31.12.2024
Current account NOK	6	105
Current account USD	472	57
Time deposits NOK	-	41
Time deposits USD	59	1,031
Retention account USD*	0	0
TOTAL CASH AND BANK DEPOSITS	536	1,234

* Retention accounts consist of cash provision for accrued, but not paid, interest and instalments due within one to five months.

None of the bank deposits are restricted.

Note 9 Interest-bearing borrowings

<i>USD thousands</i>	Non-current 31.12.2025	Current 31.12.2025	Total 31.12.2025	Non-current 31.12.2024	Current 31.12.2024	Total 31.12.2024
Borrowings	627,500	22,500	650,000	290,000	40,000	330,000
Transaction cost, unamortised	(7,911)	-	(7,911)	(4,243)	-	(4,243)
Accrued interest expenses	-	3,011	3,011	-	2,750	2,750
CARRYING AMOUNTS INTEREST-BEARING BORROWINGS	619,589	25,511	645,100	285,757	42,750	328,506

Refer to Consolidated Financial Statements Note 15 for information regarding changes in 2025, movements, covenants, and other information regarding the interest-bearing borrowings.

Note 10 Share capital and shareholders

Refer to Note 22 in the Group Financial Statements.

Note 11 Securities and mortgages

Refer to Note 24 in the Consolidated Financial Statements.

Liabilities secured by mortgage

<i>USD thousands</i>	31.12.2025	31.12.2024
Non-current liabilities - contractual amounts	(627,500)	(290,000)
Current liabilities	(22,500)	(42,750)
TOTAL LIABILITIES SECURED BY MORTGAGE	(650,000)	(332,750)

Book value of assets pledged as security

<i>USD thousands</i>	31.12.2025	31.12.2024
Shares in Odfjell Drilling Shetland Ltd	160,351	160,351
Shares in Deep Sea Drilling Company AS	3	3
Shares in Deep Sea Atlantic (UK) Ltd	474,000	474,000
Shares in Odfjell Invest AS	14,504	14,504
Shares in Odfjell Rig V Ltd	390,000	-
Shares in Odfjell Invest II AS	9,776	-
Receivables group companies	4,510	4,510
Bank deposits	1,234	1,234
Total book value of assets pledged as security	1,054,379	654,603

Note 12 Guarantees

Odfjell Rig III Ltd. has issued a parent company guarantee related to Deep Sea Drilling Company AS' drilling contract with Equinor Energy AS for the drilling unit Deepsea Aberdeen, and a parent company guarantee related to Odfjell Invest AS' drilling contract with Equinor Energy AS for the drilling unit Deepsea Atlantic.

Note 13 Financial Risk Management

Refer to Note 18 - Financial risk management in the Group Financial Statements.

Liquidity risk

The liquidity risk is low as a result of adequate long-term funding and available liquidity in subsidiaries.

The amounts disclosed in the table are the contractual non-discounted cash flows. The table include estimated interest payments for drawn facilities at the balance sheet date, based on the remaining period at the end of the reporting period to the contractual maturity date.

Maturity of financial liabilities – 31.12.2025

<i>USD thousands</i>	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
Interest-bearing borrowings	11,781	46,586	90,292	251,146	463,812	863,617	645,100
Trade payables	516	-	-	-	-	516	516
Current liabilities group companies	12,759	-	-	-	-	12,759	12,759

Maturity of financial liabilities – 31.12.2024

<i>USD thousands</i>	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
Interest-bearing borrowings	35,263	34,338	65,900	281,913	-	417,413	328,506
Trade payables	10	-	-	-	-	10	10
Current liabilities group companies	2,621	-	-	-	-	2,621	2,621

Foreign exchange risk

Exchange-rate risk is low since the Company's operating income and expenses are mostly in USD, however the Company have some exposure related to cash in bank. The Company is expected to have the majority of its future revenues and expenses in USD, and currency risk is assessed to be limited. Odfjell Rig III Ltd. has not entered into any foreign exchange hedging instruments as per 31.12.2025.

Foreign exchange risk – Exposure 31.12.2025

The only foreign exchange risk in the Company is the NOK 6 thousand held as cash and cash equivalents.

Foreign exchange risk – Sensitivity

The Company is to a limited extent exposed to changes in USD/NOK exchange rates. If USD is strengthened by 10% against NOK, the reduction cash and cash equivalents of USD 0.005 million will reduce net profit before taxes. If USD is weakened by 10% against NOK, the increase Cash and cash equivalents of USD 0.006 million will increase net profit before taxes.

Interest rate risk

The Company's interest risk is low, as the bond loan has a fixed interest rate.

Credit risk

The Company is exposed to credit risk related to related party current and non-current receivables as listed in Note 3 - Related parties - transactions, receivables and liabilities.

Following IFRS 9 Financial Instruments, the Company assess expected credit losses at each reporting date. The credit risk for the receivables and financial guarantee contracts mentioned above has not increased significantly since initial recognition, and the Company therefore measures the loss allowance to an amount equal to 12-months expected credit losses.

Due to the low estimated probability of default in the next 12-month period no loss provision is recognised.

Note 14 Income taxes

Odfjell Rig III Ltd. is registered in Bermuda.

There is no Bermuda income, corporation, or profit tax, withholding tax, capital gains, capital transfer tax, estate duty or inheritance tax payable by the Company or its shareholders not ordinarily resident in Bermuda. The Company is not subject to Bermuda stamp duty on the issue, transfer or redemption of its shares.

The Company has received from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1996 an assurance that, in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income, or computed on any capital assets, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, such tax shall not until 2035 be applicable to the Company or to any of its operations, or to the shares, debentures, or other obligations of the Company except insofar as such tax applies to persons ordinarily resident in Bermuda and holding such shares, debentures, or other obligations of the Company, or any land leased or let to the Company.

The Company is from 1 December 2023 tax resident in Malta. The Company did not pay any taxes to Malta for the fiscal year 2025.

Income tax reconciliation

<i>USD thousands</i>	2025	2024
Profit / (loss) before tax	75,516	41,800
Tax calculated at domestic tax rates - 5%	(3,776)	(2,090)
Effect of changes in unrecognised tax assets	-	195
Effect of non-taxable income and expenses	3,776	3,900
TOTAL INCOME TAX EXPENSE	(2,005)	2,005

Deferred tax asset related to tax losses

<i>USD thousands</i>	2025	2024
Opening balance	2,005	-
Income statement charge	(2,005)	2,005
CLOSING BALANCE	-	2,005

In prior periods, deferred tax assets was calculated based on the assumption that Odfjell Rig III Ltd would have taxable income in Malta and thereby claim tax deduction for its expenses. However, this proved to be incorrect as Odfjell Rig III Ltd only earn income classified as passive for Malta taxation and the deferred tax asset was reversed in 2025.

Note 15 Events after the reporting period

There have been no events after the balance sheet date with material effect on the financial statements ended 31 December 2025.

Responsibility Statement



We confirm, to the best of our knowledge, that the financial statements for the period 1 January to 31 December 2025 have been prepared in accordance with IFRS Accounting Standards as adopted by the EU, and that the information presented in the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the entity and the Group taken as a whole.

We also confirm that the Board of Directors' Report includes a fair review of the development and performance of the business, and the position of the entity and the Group, together with a description of the principle risks and uncertainties facing the entity and the Group.

The Board of Odfjell Rig III Ltd.
20 April 2026, St. Julian's, Malta

John Carbone
Director

Erik Askvik
Director

Øivind Haraldsen
Director

Auditor's Report



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To the General Meeting of Odfjell Rig III Ltd

Independent Auditor's Report

Opinion

We have audited the financial statements of Odfjell Rig III Ltd, which comprise:

- the financial statements of the parent company Odfjell Rig III Ltd (the Company), which comprise the statement of financial position as at 31 December 2025, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including material accounting policy information, and
- the consolidated financial statements of Odfjell Rig III Ltd and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2025, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

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 and the Group as required by relevant laws and regulations in Norway 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.

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Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

Offices in:

Oslo	Kristiansand
Arendal	Stavanger
Bergen	Trondheim
Drammen	Tynset
Hamar	



Other Information

The Board of Directors (management) is responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting 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 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 skepticism throughout the audit. We also:

- 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 and the Group'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 and the Group'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 and the Group 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.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

KPMG AS

Ståle Christensen

State Authorised Public Accountant

(This document is signed electronically)

Definitions of Alternative Performance Measures

CONTRACT BACKLOG

The Company's fair estimation of revenue in firm contracts and relevant optional periods for the fleet measured in USD - subject to variations in currency exchange rates. The calculation does not include anything on performance bonuses and fuel incentives.

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

FINANCIAL UTILISATION

Financial utilisation is measured on a monthly basis and comprises the actual recognised revenue for all hours in a month, expressed as a percentage of the full day rate for all hours in a month. Financial utilisation is only measured for periods on charter. The calculation does not include any recognised incentive payments.

NET INTEREST-BEARING DEBT

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

NET (LOSS) PROFIT

Equal to Profit (loss) for the period

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