

A photograph of an offshore oil rig at sunset. The rig is a large, complex structure with multiple levels and a tall derrick. The sky is a mix of blue and orange, with some clouds. The water in the foreground is dark and choppy. The rig is illuminated by its own lights, which are visible as small yellow and orange points of light. The overall scene is industrial and dramatic.

Odfjell Rig III Ltd

Report for the 1st quarter of 2026

odfjell
drilling

Key figures for the Odfjell Rig III Group

All figures in USD million

Key figures	Q1 26	Q1 25	FY 25
Operating revenue	163	80	376
EBITDA	97	44	207
EBIT	65	20	110
Net profit	46	7	44
EBITDA margin	59%	54%	55%
Total assets	1,545	1,058	1,506
Net interest-bearing debt	631	312	617
Equity	799	635	748
Equity ratio	52%	60%	50%

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

Profit Q1 2026

Operating revenue for Q1 2026 was USD 163 million (USD 80 million), an increase of USD 83 million. The increase was primarily driven by the reorganisation of the group and the addition of Deepsea Nordkapp to the fleet which added USD 51 million to the 2026 revenue. Deepsea Atlantic increased revenue by USD 17 million, primarily due to higher day rates, supported by improved

utilization and higher bonus. Deepsea Aberdeen reported a revenue increase of USD 15 million, driven by higher rates and increased bonus.

EBITDA in Q1 2026 was USD 97 million (USD 44 million), an increase of USD 53 million. The increase was mainly driven by Nordkapp USD 32 million, Deepsea Atlantic USD 11 million, and Deepsea Aberdeen USD 11 million. The EBITDA margin in Q1 2026 was 59% (54%).

Depreciation cost in Q1 2026 was USD 32 million (USD 23 million), an increase of USD 9 million mainly driven by the addition of Deepsea Nordkapp to the group.

Net financial expenses in Q1 2026 amounted to USD 14 million (USD 12 million), an increase of USD 2 million.

Net profit in Q4 2025 was USD 46 million (USD 7 million), an increase of USD 39 million.

Cash flow Q1 2026

Net cash flow from operating activities in Q1 2026 was negative USD 6 million (USD positive 59 million). This includes paid net interest of USD 13 million (USD 1 million).

Net cash outflow from investing activities in Q1 2026 was USD 7 million (USD 16 million) related to purchases of fixed assets.

Net cash flow from financing activities in Q1 2026 was USD 2 million (outflow of USD 2 million) related to instalments on leases.

Balance sheet

Total assets as at 31 March 2026 amounted to USD 1,545 million (USD 1,506 million as at 31 December 2025), an increase of USD 39 million.

Total equity as at 31 March 2025 amounted to USD 799 million, and the equity ratio was 52% (USD 748 million and an equity ratio on 50% at 31 December 2025).

Net interest-bearing debt as at 31 March 2026 amounted to USD 631 million (USD 617 million as at 31 December 2025), an increase of USD 14 million.

At 31 March 2026, cash amounted to USD 14 million, (USD 29 million as at 31 December 2025), a decrease of USD 15 million.

Risks and uncertainties

Forward-looking statements and estimates in this report reflect current views about future events and are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future, and may not be within our control. In the OR III Group's view, factors that could cause actual results to differ materially from the outlook contained in this report include, but are not limited to, the following: volatile oil and gas prices, global political changes regarding

energy composition, competition within the oil and gas services industry, changes in clients' spending budgets, cost inflation, access to qualified resources and developments in the financial and fiscal markets.

Furthermore, as the OR III Group's fully owned fleet consists of three units, any operational downtime, increased capex requirements or any failure to secure employment at satisfactory rates will affect the OR III Group's results relatively more than for a group with a larger fleet.

In particular, the OR III Group emphasises that the financial impact of the Deepsea Atlantic equipment handling incident is, in this early phase, uncertain and depends on a number of factors such as but not limited to; regulatory approvals, cooperation with client, insurers and vendors, potential termination or renegotiation of contract, availability of long lead items, further assessment of the damages and other operational uncertainties.

The OR III Group has strong backlog and a robust balance sheet with low leverage.

Contract backlog and its timing may be impacted by periods of off-hire or other operational interruptions or terminations, and there can be no assurance that such revenues will be realised in full.

The Group has a continuous focus on cost reductions, efficiency improvement programmes, and capital discipline, in order to maintain its competitiveness.

St. Julian's, Malta

11 May 2026

Board of Directors of Odfjell Rig III Ltd.

John Carbone, Director

Erik Askvik, Director

Øivind Haraldsen, Director

Condensed Consolidated Financial Statements



Condensed Consolidated Income Statement

<i>USD million</i>	Note	Q1 26	Q1 25	FY 25
OPERATING REVENUE	2,3	163.4	80.1	375.6
Personnel expenses		(34.7)	(19.3)	(87.8)
Other operating expenses		(31.6)	(17.2)	(80.7)
EBITDA		97.0	43.7	207.1
Depreciation, amortisation and impairment	5	(32.4)	(23.5)	(97.5)
OPERATING PROFIT (EBIT)		64.7	20.2	109.6
Net financial items	4	(14.1)	(12.1)	(55.1)
Profit before tax		50.6	8.1	54.5
Income tax expense		(4.1)	(1.5)	(10.2)
NET PROFIT		46.5	6.6	44.4
Profit attributable to:				
Owners of the parent		46.5	6.6	44.4

Condensed Consolidated Statement of Comprehensive Income

<i>USD million</i>	Q1 26	Q1 25	FY 25
Net profit	46.5	6.6	44.4
Items that are or may be reclassified to profit or loss:			
Cash flow hedges	2.0	1.9	2.3
Currency translation differences	1.8	2.1	4.0
OTHER COMPREHENSIVE INCOME, NET OF TAXES	3.7	3.9	6.3
TOTAL COMPREHENSIVE INCOME	50.2	10.5	50.7
Total comprehensive income attributable to:			
Owners of the parent	50.2	10.5	50.7

Condensed Consolidated Statement of Financial Position

<i>USD million</i>	Note	31.03.2026	31.03.2025	31.12.2025
ASSETS				
Property, plant and equipment	5	1,380.0	957.7	1,403.7
Deferred tax asset		0.0	1.4	0.3
TOTAL NON-CURRENT ASSETS		1,380.0	959.1	1,404.1
Trade receivables		78.0	33.5	67.7
Other current assets		72.5	41.5	5.4
Cash and cash equivalents		14.2	24.2	28.5
TOTAL CURRENT ASSETS		164.6	99.3	101.6
TOTAL ASSETS		1,544.7	1,058.4	1,505.7
EQUITY AND LIABILITIES				
Paid-in capital		427.0	283.8	427.0
Other equity		371.7	351.1	321.4
TOTAL EQUITY		798.7	635.0	748.4
Non-current interest-bearing borrowings	6	597.5	286.1	619.6
Non-current lease liabilities	7	10.0	3.0	11.6
Deferred tax liability		8.2	-	5.8
Other non-current liabilities		9.9	-	14.0
TOTAL NON-CURRENT LIABILITIES		625.7	289.1	650.9
Current interest-bearing borrowings	6	48.0	50.1	25.5
Current lease liabilities	7	9.3	6.9	9.2
Trade payables		31.2	23.0	28.7
Other current liabilities		31.8	54.3	42.9
TOTAL CURRENT LIABILITIES		120.3	134.3	106.3
TOTAL LIABILITIES		746.0	423.4	757.2
TOTAL EQUITY AND LIABILITIES		1,544.7	1,058.4	1,505.7

Condensed Consolidated Statement of Changes in Equity

<i>USD million</i>	Paid-in capital	Other equity	Total equity
Balance at 1 January 2025	283.8	340.6	624.4
Profit for the period	-	6.6	6.6
Other comprehensive income for the period	-	3.9	3.9
Total comprehensive income for the period	-	10.5	10.5
Transactions with owners	-	-	-
BALANCE AT 31 MARCH 2025	283.8	351.1	635.0
Total comprehensive income for the period Q2-Q4	-	40.2	40.2
Transactions with owners for the period Q2-Q4	143.2	(69.8)	73.3
BALANCE AT 31 DECEMBER 2025	427.0	321.4	748.4
Profit for the period	-	46.5	46.5
Other comprehensive income for the period	-	3.7	3.7
Total comprehensive income for the period	-	50.2	50.2
Transactions with owners	-	-	-
BALANCE AT 31 MARCH 2026	427.0	371.7	798.7

Co2h Flows

<i>USD million</i>	Note	Q1 26	Q1 25	FY 25
CASH FLOWS FROM OPERATING ACTIVITIES:				
Profit before tax		50.6	8.1	54.5
Adjustment for provisions and other non-cash elements		42.7	33.0	144.4
Changes in working capital		(82.7)	(31.8)	2.7
Cash generated from operations		10.6	9.3	201.6
Net interest paid		(12.7)	(0.7)	(34.8)
Net income tax paid		(4.0)	(1.0)	(2.3)
NET CASH FLOW FROM OPERATING ACTIVITIES		(6.1)	7.6	164.5
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of property, plant and equipment		(6.7)	(15.6)	(60.3)
Cash used in obtaining control of subsidiaries		-	-	(237.0)
NET CASH FLOW FROM INVESTING ACTIVITIES		(6.7)	(15.6)	(297.3)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from borrowings		-	-	641.6
Repayment of borrowings external		-	-	(471.3)
Repayment of borrowings related parties		-	-	(35.9)
Repayment of lease liabilities	7	(1.9)	(1.7)	(6.6)
NET CASH FLOW FROM FINANCING ACTIVITIES		(1.9)	(1.7)	127.8
Effects of exchange rate changes on cash and cash equivalents		0.4	0.9	0.5
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(14.3)	(8.8)	(4.5)
Cash and cash equivalents at beginning of period		28.5	62.8	33.0
CASH AND CASH EQUIVALENTS AT PERIOD END		14.2	51.7	28.5

| Note 1 Accounting Principles

General information

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

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

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

These condensed interim financial statements were approved by the Board of Directors on 11 May 2026 and have not been audited.

Basis for preparation

These condensed interim financial statements for the three months period ended 31 March 2026 have been prepared in accordance with IAS 34, 'Interim financial reporting'. These condensed consolidated interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the [Annual report](#) for the year ended 31 December 2025.

Accounting principles

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

Use of estimates

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

The OR III group makes estimates and assumptions concerning the future. These estimates are based on the actual underlying business, its present and forecast profitability over time, and

expectations about external factors such as interest rates, foreign exchange rates and other factors which are outside the group's control. The resulting estimates will, by definition, seldom equal the related actual results.

In preparing these interim financial statements, the significant judgements made by management in applying the OR III group's accounting policies and the key sources of estimation were the same as those that applied to the [consolidated financial statements](#) for the year ended 31 December 2025.

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

Note 2 Segment summary

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

Note 3 Revenue

<i>USD million</i>	Q1 26	Q1 25	FY 25
Revenue from contracts with customers	76.4	38.6	185.1
Lease component in drilling contracts	87.0	41.5	190.5
OPERATING REVENUE	163.4	80.1	375.6

The OR III Group had the following contract liabilities related to contracts with customers:

<i>USD million</i>	31.03.2026	31.03.2025	31.12.2025
Non-current contract liabilities	4.7	-	8.7
Current contract liabilities	20.3	46.9	17.8
TOTAL CONTRACT LIABILITIES	25.0	46.9	26.5

Per 31 March 2026 and 31 December 2025 contract liabilities that are expected to be recognised as revenue during the first twelve months are classified as current liabilities. All other contract liabilities are classified as non-current liabilities.

Of the contract liabilities per 31 March 2025, about USD 27 million was expected to be recognised as revenue during the first twelve months, and consequently USD 20 million would have been classified as non-current liability when applying the same classification as per 31 March 2026 and 31 December 2025. The change in classification do not affect revenue recognition, the cash flow statement or the statement of changes in equity.

Disaggregation of revenue - Primary geographical markets

<i>USD million</i>	Q1 26	Q1 25	FY 25
Norway	149.1	80.1	375.6
UK	14.3	-	-
OPERATING REVENUE	163.4	80.1	375.6

Note 4 Net financial expenses

<i>USD million</i>	Note	Q1 26	Q1 25	FY 25
Interest income		0.2	0.3	1.4
Interest expense lease liabilities	7	(0.4)	(0.2)	(0.8)
Other interest expenses		(12.5)	(8.1)	(33.3)
Other borrowing expenses *		(0.4)	(0.3)	(17.7)
Net currency gain/(loss)		(1.0)	(3.7)	(3.4)
Other financial items		(0.0)	(0.0)	(1.2)
NET FINANCIAL ITEMS		(14.1)	(12.1)	(55.1)

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

Note 5 Property, plant and equipment

Specification and movements

<i>USD million</i>	Mobile drilling units	Periodic maintenance	Right-of-use assets	Total fixed assets
Net book value as at 1 January 2026	1,269.3	114.1	20.3	1,403.7
Additions	6.1	2.3	-	8.4
Depreciation	(21.4)	(8.9)	(2.1)	(32.4)
Currency translation differences	-	-	0.2	0.2
NET BOOK VALUE AS AT 31 MARCH 2026	1,254.1	107.5	18.5	1,380.0

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

Impairment of property, plant and equipment

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

The OR III Group has not identified any impairment indicators as at 31 March 2026.

Note 6 Interest-bearing borrowings

Interest-bearing borrowings specification

<i>USD million</i>	31.03.2026	31.03.2025	31.12.2025
Non-current interest-bearing borrowings external	597.5	286.1	619.6
Current interest-bearing borrowings	48.0	50.1	25.5
TOTAL	645.5	336.2	645.1

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

<i>USD million</i>	Non-current	Current	Total
Carrying amount as at 1 January 2026	619.6	25.5	645.1
NON-CASH FLOWS:			
Reclassified from / (to) current borrowings	(22.5)	22.5	-
Change in transaction cost, unamortised	0.4	-	0.4
CARRYING AMOUNT AS AT 31 MARCH 2026	597.5	48.0	645.5

Available drawing facilities

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

Covenants

The covenants listed above is calculated based on the ODL Group consolidated figures.

The OR III group is compliant with all financial covenants as at 31 March 2026, and ODL group is compliant as at 31 March 2026 with all financial covenants that could impact the OR III group through cross default clauses.

Note 7 Leases

The OR III group leases mooring and drilling equipment from companies in the OTL group.

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

Lease liabilities:

<i>USD million</i>	31.03.2026	31.03.2025	31.12.2025
Non-current	10.0	3.0	11.6
Current	9.3	6.9	9.2
TOTAL	19.3	9.9	20.8

Movements in lease liabilities are analysed as follows:

<i>USD million</i>	Non-current	Current	Total
Carrying amount as at 1 January 2026	11.6	9.2	20.8
CASH FLOWS:			
Payments for the principal portion of the lease liability	-	(1.9)	(1.9)
Payments for the interest portion of the lease liability	-	(0.4)	(0.4)
NON-CASH FLOWS:			
Interest expense on lease liabilities	0.4	-	0.4
Reclassified to current portion of lease liabilities	(2.2)	2.2	-
Currency exchange differences	0.3	0.2	0.5
CARRYING AMOUNT AS AT 31 MARCH 2026	10.0	9.3	19.3

Note 8 Financial assets and liabilities

Valuation techniques used to derive Level 2 fair values

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

The OR III group had the following financial instruments at each reporting period:

USD million	Level	31.03.2026	31.03.2025	31.12.2025
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
Derivatives designated as hedging instruments				
- Foreign exchange forward contracts - Other current assets	2	1.3	0.8	0.1
Other financial assets				
- Trade and other current receivables		131.8	71.3	67.7
- Cash and cash equivalents		14.2	24.2	28.5
TOTAL FINANCIAL ASSETS		147.4	96.3	96.3

USD million	Level	31.03.2026	31.03.2025	31.12.2025
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
Derivatives designated as hedging instruments				
- Foreign exchange forward contracts - current	2	-	2.2	1.3
Other financial liabilities				
- Non-current interest-bearing borrowings		597.5	286.1	619.6
- Non-current lease liabilities		10.0	3.0	11.6
- Other non-current payables		9.9	-	5.3
- Current interest-bearing borrowings		48.0	50.1	25.5
- Current lease liabilities		9.3	6.9	9.2
- Trade and other payables		39.0	27.3	49.3
TOTAL FINANCIAL LIABILITIES		713.8	375.6	721.8

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

Note 9 Commitments

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

USD million	31.03.2026	31.03.2025	31.12.2025
Rig investments	8.4	16.1	7.1
TOTAL	8.4	16.1	7.1

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

Note 10 Share information and dividend

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

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

Note 11 Related-party transactions

The company's ultimate parent company is 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 OTL. All companies in the OTL group is therefore defined as 'Related to the main shareholder' in the tables below.

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

USD million	Relation	Q1 26	Q1 25	FY 25
Companies within the Odfjell Drilling group	Group company	0.0	0.1	0.1
TOTAL SALES OF SERVICES TO RELATED PARTIES		0.0	0.1	0.1

Sales of services include administration services and personnel hire.

USD million	Relation	Q1 26	Q1 25	FY 25
Companies within the Odfjell Drilling group	Group company	43.7	23.2	110.2
Companies within the Odfjell Technology group	Related to main shareholder	8.8	4.6	22.9
TOTAL PURCHASES FROM RELATED PARTIES		52.5	27.8	133.1

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

Non-current interest-bearing frame loan agreement

The Company has a frame loan agreement up to USD 400 million with parent company Odfjell Rig Owning Ltd. The loan is undrawn as at 31 March 2026.

As at 31 March 2026 the Company does not have any related party non-current interest-bearing borrowings.

Current receivables and liabilities related parties

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

USD million	31.03.2026	31.03.2025	31.12.2025
Trade receivables	0.0	0.0	0.0
Other current receivables	53.9	36.3	0.0
Trade payables	(14.0)	(9.0)	(11.3)
Other current payables	(5.1)	(2.3)	(14.2)
NET CURRENT PAYABLES RELATED PARTIES	34.8	25.0	(25.5)

Lease agreements related parties

The OR III group has lease agreements regarding mooring and drilling equipment with companies in the OTL group.

USD million	31.03.2026	31.03.2025	31.12.2025
Mooring and drilling equipment	19.3	9.9	20.8
LEASE LIABILITY	19.3	9.9	20.8

USD million	Q1 26	Q1 25	FY 25
Mooring and drilling equipment	2.4	1.9	7.5
LEASE PAYMENTS (BOTH INTEREST AND INSTALMENTS)	2.4	1.9	7.5

| Note 12 Events after the reporting period

On 18 April, during operational preparations on Deepsea Atlantic, an equipment handling incident occurred causing damage to equipment on the rig and resulted in the Blowout Preventer ("BOP") and part of the riser string being dropped to the seabed, at an approximate depth of 1,100 metres. No personnel were injured during the incident and there is no indication of any environmental damage. The rig was made secure and since the incident the Group has been working on multiple work streams to bring the rig back on hire. This includes repairing damage to rig equipment, recovering the dropped BOP or replacing the BOP with the Company's spare BOP stack. An investigation is ongoing to understand the cause of the incident and the Company is engaging closely with client, vendors and authorities.

The rig has been off hire since 18 April. At this early stage the Group cannot be conclusive of total financial impact, but current estimates suggest around 3-4 months since the incident before the rig will be ready for operations. The Group has insurance in place which covers recovery, replacement and/or repair of the damaged equipment.

There have been no events after the balance sheet date with material effect on the interim financial statements ended 31 March 2026.

Appendix 1: Definitions of alternative performance measures

EBIT

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

EBIT margin

EBIT/Operating revenue.

EBITDA

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

EBITDA margin

EBITDA/Operating revenue.

Equity ratio

Total equity/total equity and liabilities.

Net interest-bearing debt

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

Net profit (loss)

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

For more information visit odfjelldrilling.com

