

Fourth quarter 2025



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Unless otherwise indicated, the terms "Northern Ocean", "NOL" and the "Company" refer to Northern Ocean Ltd. and its consolidated subsidiaries. All numbers are in USD.



This is Northern Ocean

Northern Ocean owns and operates one of the world's newest and most capable harsh-environment semi-submersible drilling rig – *Deepsea Mira* – ideally suited for operations across all major offshore basins. With a modern rig, completed capex programs, and strong commercial and operational execution, NOL is well-positioned to benefit from a tightening supply of high-end rigs and an expected increase in long-term demand.

Northern Ocean maintain flexibility to pursue high-value opportunities. Near-term priorities include securing new contracts for *Deepsea Mira*, continued focus on operational efficiency and cost control, and preparing for refinancing – all aimed at enhancing earnings and unlocking long-term value for shareholders.

Deepsea Mira is one of the world's most advanced drilling rigs. It is based on the Moss Maritime CS60 design, capacity of drilling in water depth of up to 10,000 feet. The rig is capable of drilling in all harsh environment areas globally.

The Company is listed on Oslo Stock Exchange under the ticker symbol "NOL".

DEEPSEA MIRA



Built (yard):	Hyundai Heavy Industries
Delivered:	2018
Design:	Moss Maritime CS-60E
NCS compliant:	Yes
Ultra-deep water:	Yes
Dynamic positioning:	DP3
Mooring:	12-point mooring

CEO letter

Dear Shareholders,

The fourth quarter was demanding and transformative for Northern Ocean Ltd. Most notably, we successfully completed the closing of the *Deepsea Bollsta* transaction. This reshaped the company, simplified and deleveraged our structure, and created significant shareholder value. Importantly, it also positions Northern Ocean to better capitalize on the long-term potential of our remaining asset, the *Deepsea Mira*.

Operational performance

Throughout the quarter, we delivered strong operational execution and maintained uninterrupted operations on the *Deepsea Mira*. Keeping *Mira* working through a hectic period is a clear testament to rig performance, operational discipline, and—just as importantly—the partnerships built in Namibia with Rhino and BW. During the campaign, *Deepsea Mira* drilled one of the most efficient exploration wells executed in West Africa in the last decade: the Rhino “Volans” well. This performance strengthens our market position and reinforces our reputation as a reliable, high-performing operator in ultra-deepwater and harsh-environment segments.

Market environment and outlook

While the market remains challenging through 2026, we are encouraged by a strengthening pipeline of longer-term opportunities emerging for drilling programs starting in 2027. We are seeing the early formation of prospects that could translate into meaningful term work across several regions.

In parallel, following the Valaris/Transocean merger, we expect stronger and more disciplined pricing behavior in the ultra-deepwater market. Over time, this should support improved overall market conditions and positively influence pricing across deepwater asset classes.

Capital discipline, contracting strategy, and financial position

Northern Ocean will continue to evaluate each opportunity carefully—both on commercial terms and on timing. Our contracting strategy remains focused on optimizing value for shareholders, ensuring that any commitment for our

remaining asset is made on terms that reflect *Deepsea Mira*'s demonstrated operational performance and the evolving market structure.

Additionally, we have chosen to preserve capital until we have firmly secured contracting visibility through 2026 and established the necessary runway to begin returning capital to shareholders. This same disciplined approach applies to refinancing. The existing USD 100 million *Sterna* facility will remain in place until we have built sufficient backlog to support an optimal refinancing on improved pricing and terms—enabling Northern Ocean to return as much capital to shareholders as possible.

Thank you for your continued support and trust in Northern Ocean Ltd. We enter the next period with a simplified company, a proven rig, and a disciplined strategy to maximize long-term shareholder value.



Sincerely
Arne Jacobsen
Chief Executive Officer

Results

In the fourth quarter, operating revenue was \$111.3 million, up from \$57.4 million in the previous quarter. This increase primarily reflects the higher number of operational days for *Deepsea Bollsta* and *Deepsea Mira* in the quarter, 167 days in total, compared to 117 days in the previous quarter. Revenue also includes \$38.2 million in deferred revenue as *Deepsea Bollsta* was sold 15 December.

Total operating expenses amounted \$150.7 million, compared with \$65.9 million in the previous quarter. The increase was primarily driven by a deferred cost of \$54.8 million and a \$4.6 million expense related to the termination of a management agreement. Projected daily operating costs continue to align with expectations.

Administrative expenses amounted to \$1.7 million, compared to \$2.0 million in the previous quarter.

Interest expense was \$10.1 million compared to \$15.9 million in the previous quarter. The reduction was mainly due to the Company paying cash rather than Payment-In-Kind ("PIK") interest on the *Sterna Finance Ltd. ("Sterna")* facility for the six month period since late June 2025. The Company prepaid the remaining \$285million on the bank loan and reduced the *Sterna* facility from approximately \$249 million to \$100 million. On the back of the reduced debt the interest expense will be considerably lower going forward.

Foreign exchange loss were \$1.2 million, compared to loss of \$1.4 million in the previous quarter. This reflects the increase in the FX exchange rate between NOK and USD in the quarter, although NOL is a USD based company it still has considerable costs in NOK.

The net loss from continuing operations after taxes was \$50.4 million, compared to a loss of \$25.9 million in the previous quarter. This includes cost in relation to the sale of *Deepsea Bollsta*,

The basic and diluted loss per share for the quarter was \$0.17, compared to a loss of \$0.09 in the previous quarter.



Company Update

Deepsea Bollsta Transaction

On 17 November the Company announced that its subsidiary had entered into an agreement to sell *Deepsea Bollsta* to a subsidiary of Odfjell Drilling for cash settlement of \$480 million, with an effective date of 15 December 2025.

In December 2025, the Company announced that the transaction had been completed, whereby ownership of *Deepsea Bollsta* was transferred to a subsidiary of Odfjell Drilling and NOL received cash proceeds of \$480 million.

The successful completion of the transaction enabled NOL to prepay a material portion of its outstanding debt and significantly improve capital efficiency, allowing the Company to prepare for return of capital to shareholders.

Contracts

On 12 November 2025, the Company announced a contract extension for *Deepsea Mira* with Rhino Resources for one additional firm well test. On 11 December, the Company announced a contract award for *Deepsea Mira* with a subsidiary of Shell plc., commencing in April 2026 with an estimated duration of 45 days.

Operations

Deepsea Mira continued to operate in Namibia throughout the quarter. On 23 November 2025, the rig completed its contract with a subsidiary of BW Energy and subsequently commenced a contract with Rhino Resources. Economical utilization for the quarter was 99.1%. The contract with Rhino Resources was completed 31 January, and the rig is now preparing to commence the Shell contract announced on 11 December 2025, which is expected to start in early second quarter of 2026.

Deepsea Bollsta continued operations under contract for Equinor in Norway, with an economical utilization of 87.7%. The rig was sold on 15 December 2025.

As of 26 February, the Company's order backlog is approximately \$17 million.

Forward Looking Statements

The Company's activities are subject to significant risks and uncertainties that can have an adverse effect on the Company's business, financial condition, results of operations and cash flow. See Notes to the unaudited condensed consolidated financial statements.

This report contains certain forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which it operates, sometimes identified by the words "believes", "expects", "intends", "plans", "estimates" and similar expressions. The forward-looking statements contained in this report, including assumptions, opinions and views of the Company or cited from third-party sources, are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. The Company does not provide any assurance that the assumptions underlying such forward-looking statements are free from errors, nor does the Company accept any responsibility for the future accuracy of the opinions expressed in the presentation or the actual occurrence of the forecasted developments. No obligations are assumed to update any forward-looking statements or to confirm these forward-looking statements to actual results.

The Board of Directors and the Chief Executive Officer
Northern Ocean Ltd.
Hamilton, Bermuda
26 February, 2026



Consolidated Statements of Operations

(in thousands of \$)	Note	Quarters			Full Year	
		Q4 2025	Q3 2025	Q4 2024	2025	2024
Contract revenue	3	111,405	55,918	62,850	271,916	252,615
Reimbursable revenue		(102)	1,448	2,474	7,380	10,912
Other income		45	70	30	122	333
Total operating revenues		111,348	57,436	65,354	279,418	263,860
Rig operating expenses	4	123,778	46,429	46,959	241,227	206,316
Reimbursable expenses		585	1,431	2,773	7,906	10,809
Depreciation		11,478	16,008	13,333	55,134	49,929
Impairment	5	13,130	—	—	13,130	—
Administrative expenses		1,714	2,048	2,157	7,880	7,011
Total operating expenses		150,685	65,916	65,222	325,277	274,065
Net operating gain (loss)		(39,337)	(8,480)	132	(45,859)	(10,205)
Interest income		332	324	599	1,613	2,679
Interest expense		(10,110)	(15,906)	(15,359)	(56,303)	(56,300)
Foreign exchange gain		(1,187)	(1,389)	1,228	44	610
Other financial expenses		(10)	(9)	—	(33)	(41)
Net loss from continuing operations before taxes		(50,312)	(25,460)	(13,400)	(100,538)	(63,257)
Tax charge		(160)	(428)	(425)	(2,127)	(2,400)
Net loss from continuing operations		(50,472)	(25,888)	(13,825)	(102,665)	(65,657)
Basic and diluted loss from continuing operations per share (\$)		(0.17)	(0.09)	(0.05)	(0.34)	(0.32)

Consolidated Statements of Comprehensive Income

<i>(in thousands of \$)</i>	Quarters			Full Year	
	Q4 2025	Q3 2025	Q4 2024	2025	2024
Net loss	(50,472)	(25,888)	(13,825)	(102,665)	(65,657)
Foreign currency translation (loss) gain	350	843	(57)	780	56
Other comprehensive (loss) income	350	843	(57)	780	56
Comprehensive loss	(50,122)	(25,045)	(13,882)	(101,885)	(65,601)

See accompanying notes that are an integral part of these unaudited condensed consolidated financial statements.

Consolidated Balance Sheets

<i>(in thousands of \$)</i>	Note	Dec 2025	Dec 2024
ASSETS			
Short-term assets			
Cash and cash equivalents		37,510	42,751
Restricted cash	8	169	138
Related party receivables		—	—
Accounts receivable, net		23,505	47,410
Unbilled receivables		1,513	7,556
Short-term portion of deferred costs		—	2,200
Material and supplies, net		—	344
Other current assets	10	4,449	1,973
Right-of-use assets under operating leases		19	128
Total short-term assets		67,165	102,500
Long-term assets			
Drilling units	9	439,841	929,049
Fixtures and fittings		14	18
LT Deferred Assets		—	—
Total long-term assets		439,855	929,067
Total assets		507,020	1,031,567

<i>(in thousands of \$)</i>	Note	Dec 2025	Dec 2024
LIABILITIES AND EQUITY			
Short-term liabilities			
Short-term portion of long-term debt	13	100,000	14,950
Other current liabilities	11	59,306	47,861
Short-term portion of deferred revenue		110	3,970
Related party payables		33	54
Lease dilapidations		—	5
Related party debt		—	—
Obligations under operating leases		25	112
Total short-term liabilities		159,474	66,952
Long-term liabilities			
Long-term debt	12	—	284,006
Long-term deferred revenue		2,495	2,605
Long-term related party debt		—	231,840
Total long-term liabilities		2,495	518,451
Commitments and contingencies			
Total equity		345,051	446,164
Total liabilities and equity		507,020	1,031,567

See accompanying notes that are an integral part of these unaudited condensed consolidated financial statements.

Consolidated Statements of Cash Flows

<i>(in thousands of \$)</i>	Quarters			Full Year	
	Q4 2025	Q3 2025	Q4 2024	2025	2024
NET LOSS	(50,472)	(25,888)	(13,825)	(102,665)	(65,657)
Adjustment to reconcile net (loss) income to net cash used in operating activities;					
Amortization of deferred charges	508	181	181	1,045	504
Amortization of deferred costs	59,333	2,367	6,264	63,900	33,337
Amortization of deferred revenue	(38,221)	(538)	(4,358)	(43,718)	(19,073)
Depreciation	11,478	16,008	13,333	55,134	49,929
Impairment	13,130	—	—	13,130	—
Compensation cost	167	193	205	770	273
Unrealized foreign exchange loss (gain)	350	843	(57)	780	56
Accrued demobilization income	—	—	(752)	(752)	(752)
Accrued demobilization costs	—	—	878	878	878
Change in operating assets and liabilities;					
Receivables	(4,145)	11,567	(22,642)	23,904	(6,022)
Unbilled receivables	1,153	14,507	(3,926)	6,795	(284)
Other current assets	755	(1,064)	3,196	(2,132)	136
Right-of-use assets under operating leases	6	35	48	109	2
Additions to deferred costs	(10)	(11,551)	(7,793)	(61,699)	(8,464)
Additions to deferred revenue	—	15,709	7,191	39,748	8,191
Other current liabilities	(22,801)	6,530	(9,378)	9,291	(12,684)
Related party balances	—	(59)	67	(20)	186
Obligations under operating leases	(5)	(4)	(48)	(87)	6
Net cash provided by (used in) operating activities	(28,774)	28,836	(31,416)	4,411	(19,438)

Consolidated Statements of Cash Flows

<i>(in thousands of \$)</i>	Quarters			Full Year	
	Q4 2025	Q3 2025	Q4 2024	2025	2024
INVESTING ACTIVITIES					
Additions to drilling units	(16,250)	(5,680)	(13,920)	(57,753)	(55,404)
Additions to Fixtures and fittings	(5)	(6)	—	(26)	—
Gross proceeds from sale of Drilling unit	480,000	—	—	480,000	—
Net cash provided by investing activities	463,745	(5,686)	(13,920)	422,221	(55,404)
FINANCING ACTIVITIES					
Net proceeds from share issuances	—	—	—	—	59,598
Related party debt: proceeds	—	—	16,840	16,893	94,891
Related party debt: repayments	(148,733)	—	—	(148,733)	—
Long-term debt: repayments	(292,500)	(7,500)	—	(300,000)	(90,000)
Debt fees paid	—	—	—	—	(1,250)
Net cash provided by financing activities	(441,233)	(7,500)	16,840	(431,840)	63,239
Net change	(6,262)	15,650	(28,496)	(5,208)	(11,603)
Cash, cash equivalents and restricted cash at start of the period	43,943	28,293	71,385	42,889	54,492
Cash, cash equivalents and restricted cash at end of the period	37,681	43,943	42,889	37,681	42,889

See accompanying notes that are an integral part of these unaudited condensed consolidated financial statements.

Consolidated Statements of Changes in Equity

<i>(in thousands of \$ except number of shares)</i>	2025	2024
Number of shares outstanding		
Balance at beginning of period	303,215,392	182,677,107
Shares issued	—	120,538,285
Balance at end of period	303,215,392	303,215,392
Share capital		
Balance at beginning of period	151,608	91,339
Shares issued	—	60,269
Balance at end of period	151,608	151,608
Additional paid in capital		
Balance at beginning of period	580,214	565,613
Shares issued	—	14,328
Stock options	771	273
Balance at end of period	580,985	580,214
Accumulated other comprehensive income (loss)		
Balance at beginning of period	(53)	(110)
Other comprehensive income	780	57
Balance at end of period	727	(53)
Retained deficit		
Balance at beginning of period	(285,604)	(219,947)
Net loss	(102,665)	(65,657)
Balance at end of period	(388,269)	(285,604)
Total equity	345,051	446,165

See accompanying notes that are an integral part of these unaudited condensed consolidated financial statements.

Notes

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

Northern Ocean Ltd. owns and operates the modern harsh-environment semi-submersible drilling rig *Deepsea Mira*, with the primary purpose of providing offshore drilling services for the oil and gas industry in harsh environments worldwide.

Deepsea Mira continued to operate in Namibia throughout the quarter. On 23 November 2025, the rig completed its contract with a subsidiary of BW Energy and subsequently commenced a contract with Rhino Resources. Economical utilization for the quarter was 99.1%. The contract with Rhino Resources was completed 31 January 2026, and the rig is now preparing to commence the Shell contract announced on 11 December 2025, which is expected to start in early second quarter of 2026.

At the date of this report, the Company's total firm backlog is approximately \$17 million.

2. BASIS OF ACCOUNTING

The unaudited condensed consolidated financial statements are stated in accordance with generally accepted accounting principles in the United States of America. The unaudited condensed consolidated financial statements do not include all of the disclosures required in annual and interim consolidated financial statements and should be read in conjunction with the Company's audited financial statements for the year ended 31 December 2024.

Going concern assumption

These consolidated financial statements are prepared under the going concern assumption.

As the *Deepsea Mira* currently has no long term backlog, the Group's financial position is reliant on securing additional drilling contracts for the rig. This situation potentially gives rise to substantial doubt regarding the Group's ability

to continue as a going concern. In the absence of new contract awards, the Group will need to rely on loan amendments, new financing arrangements, and/or equity issuances to meet its loan obligations and working capital requirements over the next twelve months. However, the Board remains confident that a solution will be reached.

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table provides information about composition of contract revenue:

<i>(in thousands of \$)</i>	Q4 2025	Jan 1 to Dec 31, 2025
Dayrate revenue	64,768	199,141
Amortization of deferred revenue	38,194	43,608
Demobilization revenue	—	7,544
Other	8,443	21,622
Contract revenue	111,405	271,915

Dayrate revenue

Dayrate revenue earned from *Deepsea Bollsta* and *Deepsea Mira* drilling contracts.

Amortization of deferred revenue

The Company may receive fees from its customers for the mobilization of rigs. These activities are not considered to be distinct within the context of the contract and therefore, where these fees are known and probable the associated revenue is allocated to the overall performance obligation and recognized ratably over the initial firm term of the related drilling contract.

The following table provides information about the composition of amortization of deferred revenue related to contract revenue:

<i>(in thousands of \$)</i>	Q4 2025
Balance at 31 December 2024	3,860
Additions to deferred revenue	39,748
Amortization of deferred revenue	(43,608)
Balance at 31 December 2025	—
Short-term deferred revenue	—
Long-term deferred revenue	—

Note the deferred revenue assets in the balance sheet also contain funds received from the Norwegian government as a grant, due to the *Deepsea Mira* being equipped with systems which reduce NOx emissions. The grant is being amortized over the estimated useful life of the *Deepsea Mira*, resulting in annual amortization of \$0.1 million. At the date of this report \$2.5 million is held as deferred revenue in relation to the NOx grant, split between short-term and long-term.

4. RIG OPERATING EXPENSES

The following table provides information about the composition of rig operating expenses:

<i>(in thousands of \$)</i>	Q4 2025	Jan 1 to Dec 31, 2025
Daily operating expenses	53,410	154,394
Maintenance projects	9,878	20,028
Amortization of deferred costs	59,332	63,900
Accrued demobilization costs	—	—
Other	1,158	2,905
Rig operating expenses	123,778	241,227

Daily operating expenses

This category includes the costs associated with the daily operations of the rigs. The notable constituents of the daily operating expenses are the expenses for offshore personnel, repairs and maintenance (excluding maintenance projects referred to below), onshore support services, catering costs and management fees payable to Odfjell Drilling.

Included in daily operating expenses are incremental costs associated with providing customers with add-on services for which the commercial terms differ from those services provided on a reimbursable basis. The costs and the associated revenue for these services are reported on a gross basis under rig operating expenses and contract revenue respectively.

Maintenance projects

Maintenance projects which are considered non-recurring and with an individual cost in excess of \$100,000 are not considered to be indicative of the ordinary daily running costs of our operations and have been disaggregated from daily operating expenses. These projects are either preventive or corrective in nature.

Amortization of deferred costs

Certain direct and incremental costs incurred for upfront preparation, initial mobilization and modifications of the contracted rigs represent costs of fulfilling a contract as they relate directly to a contract and enhance resources that will be used in satisfying performance obligations. Such costs are deferred and

amortized ratably to rig operating expenses as services are rendered over the initial term of the related drilling contract.

The following table provides information about the deferred costs to fulfill a contract with customers;

<i>(in thousands of \$)</i>	Q4 2025
Balance at 31 December 2024	2,200
Cost additions	61,700
Amortization	(63,900)
Balance at 31 December 2025	—
Short-term deferred costs	—
Long-term deferred costs	—

5. IMPAIRMENT

On 17 November 2025 the Group entered into an agreement to sell *Deepsea Bollsta* to a subsidiary of Odfjell Drilling for cash settlement of \$480 million, with effective date 15 December 2025. The rig was classified as assets held for sale from 17 November 2025 until completion of the sale on 15 December 2025. Depreciation of the rig has been calculated up until 17 November 2025. From 17 November 2025 the rig has been measured at the lower of carrying amount and fair value less costs to sell, resulting in an impairment loss of \$13.1 million.

In addition to the impairment loss of \$13.1 million, Deferred cost and Deferred revenue relating to the Equinor contract for *Deepsea Bollsta*, \$59.3 million and \$38.2 million respectively, has been charged to the income statement in Q4 2025.

6. INCOME TAXES

Under current Bermuda law, the Company is not required to pay taxes in Bermuda on either income or capital gains. The Company has received written assurance from the Minister of Finance in Bermuda that, in the event of any such taxes being imposed, the Company will be exempted from taxation until 31 March, 2035.

Other jurisdictions

The Company has subsidiaries, which are incorporated in the Marshall Islands and are not subject to income tax. Certain of the Company's subsidiaries and branches in Norway, Ireland, Namibia, Cyprus and the U.S. are subject to income tax in their respective jurisdictions.

Deferred tax

Deferred tax assets and liabilities are based on temporary differences that arise between carrying values of assets and liabilities used for financial reporting purposes and amounts used for taxation purposes and the future tax benefits of tax loss carry forwards.

The Company does not have any unrecognized tax benefits, material accrued interest or penalties relating to income taxes.

7. EARNINGS PER SHARE

The computation of basic earnings per share is calculated by dividing the net loss attributable to the Company by the weighted average number of shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net income attributable to the Company by the weighted average number of shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. If in the period there is a loss then any dilutive potential ordinary shares have been excluded from the calculation of diluted loss per share, as their effect would be anti-dilutive.

The components of the numerator and the denominator in the calculation are as follows:

	Q4 2025	Q4 2024	Jan 1 to Dec 31, 2025	Jan 1 to Dec 31, 2024
<i>Net loss (in thousands of \$)</i>	(50,472)	(13,825)	(102,665)	(65,657)
Weighted average number of ordinary shares (in thousands)	303,215	303,215	303,215	238,182
Loss per share	(0.17)	(0.05)	(0.34)	(0.28)

8. RESTRICTED CASH

As of 31 December 2025, restricted cash of \$0.2 million consists of funds held for an NIS guarantee and payroll taxes.

9. DRILLING UNITS

Movements in the carrying value of drilling units in the three months ended 31 December 2025, are summarized as follows:

<i>(in thousands of \$)</i>	Cost	Accumulated depreciation	Net carrying value
Balance at 31 December 2024	1,103,489	(174,440)	929,049
Additions	57,755	–	57,755
Retirement of assets	(596,563)	117,833	(478,730)
Depreciation	–	(68,231)	(68,231)
Balance at 31 December 2025	564,683	(124,838)	439,844

10. OTHER CURRENT ASSETS

Other current assets as of 31 December 2025, are summarized as follows:

(in thousands of \$)

Deposit held	35
VAT receivable	3,370
Other	1,045
Other current assets	4,449

Other

This category principally consist of prepayments for insurance and operational costs.

11. OTHER CURRENT LIABILITIES

Other current liabilities as of 31 December 2025, are summarized as follows:

(in thousands of \$)

Accounts payable	9,440
Accrued administrative expense	2,039
Accrued operating expense	34,255
Other payables	12,231
Accrued interest expense	510
Contract demobilization liability	140
VAT liability	691
Other current liabilities	59,306

Other payables

Other payables primarily consist of withholding and corporate taxes due to the Namibian tax authorities.

12. DEBT

In connection with the sale of *Deepsea Bollsta* on 15 December 2025, NOL prepaid the outstanding loan amount of \$285 million under this facility, reducing the principal balance to zero. The facility was subsequently cancelled.

13. RELATED PARTY DEBT

As of 31 December 2025, debt due to related parties is summarized as follows:

<i>(in thousands of \$)</i>	
<hr/>	
\$ denominated floating rate debt:	
\$215.0 million credit loan facility	100,000
Total debt	100,000
<hr/>	
Short-term debt	100,000
Long-term debt	—
Total debt	100,000

At the start of the year, the Company held a single \$215.0 million facility. The facility requires no amortization and has a final maturity date in December 2026. The Company also has the option to convert cash interest payments into Payment-In-Kind ("PIK") interest at a pre-agreed premium. In connection with the sale of *Deepsea Bollsta* NOL prepaid part of the outstanding amount on this facility, reducing the principal balance from \$248.4 million to \$100 million, which is outstanding as of 31 December 2025.

Assets pledged

<i>(in thousands of \$)</i>	
<hr/>	
Drilling units	439,855
<hr/>	

The outstanding debt as of 31 December 2025, is repayable as follows:

<i>(in thousands of \$)</i>	
<hr/>	
Year 1	100,000
Year 2	—
Year 3	—
Year 4	—
Year 5	—
Thereafter	—
<hr/>	
	100,000

The Company is in compliance with the covenants set out in the agreement with Sterna Finance Ltd. ("Sterna").

14. SHARE CAPITAL

There were no changes to the Company's share capital during the second quarter of 2025.

As of 31 December 2025, the Company continues to have 303,215,392 fully paid common shares outstanding and authorized share capital of \$968,098,811, divided into 1,936,197,622 common shares of a par value of \$0.50 each.

15. FAIR VALUES

The carrying value and estimated fair value of the Company's financial instruments as of 31 December 2025, are as follows:

<i>(in thousands of \$)</i>	Carrying value	Fair value
Assets:		
Cash and cash equivalents	37,510	37,510
Restricted cash	169	169
Liabilities:		
Short-term related party debt	100,000	99,002

The estimated fair values of financial assets and liabilities are as follows:

<i>(in thousands of \$)</i>	Fair value	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	37,510	37,510	–	–
Restricted cash	169	169	–	–
Liabilities:				
Short-term related party debt	100,000	–	–	100,000

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

- Cash and cash equivalents – the carrying values in the balance sheet approximate fair value.
- Restricted cash – the carrying value in the balance sheet approximates fair value.

- Floating rate debt (being total debt less the carrying value of deferred charges) – the fair value has been determined using level 3 inputs being the discounted expected cash flows of the outstanding debt.
- Long-term related party debt – the fair value has been determined using level 3 inputs being the discounted expected cash flows of the outstanding debt.

16. RELATED PARTY TRANSACTIONS

Hemen Holdings Ltd. ("Hemen"), a Cyprus holding company, was the Company's largest shareholder as at 31 December 2025. The Company currently transacts, or has previously transacted, with the following related parties, being companies in which Hemen, or companies affiliated with Hemen, have a significant interest:

- Sterna;
- Front Ocean Management Ltd. and Front Ocean Management AS (together "Front Ocean");
- Frontline Management (Bermuda) Ltd. ("Frontline");
- Seatankers Management Co. Ltd. ("Seatankers").

Sterna transactions

See related party debt (Note 13).

Frontline, Front Ocean and Seatankers transactions

The Company and its subsidiaries have received treasury, accounting, corporate secretarial and advisory services from these entities and were charged \$0.2 million in the quarter ending 31 December 2025 (2024: \$0.2 million).

17. COMMITMENTS AND CONTINGENCIES

As of 31 December 2025, the Company had outstanding capital commitments for projects completed during the year, including the *Deepsea Mira* blowout preventer certificate renewal.

18. SHARE BASED COMPENSATION

In the third quarter of 2024, the Company granted a total of 9,500,000 share options to members of management. As of 31 December 2025, 6,333,333 of these options were outstanding and remained unvested. The options have a weighted average exercise price of NOK 12.00 and a weighted average remaining contractual term of 1.2 years.

19. SUBSEQUENT EVENTS

On 31 January 2026 *Deepsea Mira* completed its contract with Rhino Resources Ltd. and is now preparing to start the Shell contract announced on 11 December 2025, early second quarter this year.

We confirm, to the best of our knowledge, that the condensed consolidated financial statements for the period 1 January to 31 December 2025, have been prepared in accordance with U.S. generally accepted accounting principles and give a true and fair view of the Company's assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the financial year and their impact on the condensed consolidated financial statements, a description of the principal risks and uncertainties for the period, and major related party transactions.

**The Board of Directors and the Chief Executive Officer
Northern Ocean Ltd.**

Hamilton, Bermuda, 26 February, 2026

Gary W. Casswell, Chairman (S)

James Ayers, Director (S)

Sven Børre Larsen, Director (S)

Mikhael Bothbol, Director (S)

Jan Erik Klepsland, Director (S)

Arne Jacobsen, Chief Executive Officer (S)

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