

Annual Report 2025



**NORTHERN
OCEAN**



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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 and it is capable of drilling in all 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

Capable of working in all basins



- Rig location
- Harsh environment areas

CEO Letter

Dear Shareholders,

2025 has been a defining and transitional year for Northern Ocean Ltd, characterized by disciplined execution, strategic repositioning, and a continued focus on protecting shareholder value in a challenging market environment. While industry conditions have remained demanding, we have taken important steps to strengthen the Company and position it for the improving cycle ahead.

A key milestone during the year was the successful sale of *Deepsea Bollsta*, enabling a significant reduction in debt and enhancing our financial flexibility. This transaction, combined with continued financial discipline, has reinforced our balance sheet and improved our ability to navigate near-term market uncertainty.

The industry landscape continues to evolve, with increasing momentum toward consolidation. Developments such as the Valaris-Transocean combination highlight the need for scale and efficiency across the sector. We expect further consolidation and attrition through 2026 and into 2027, contributing to a tightening supply-demand balance and supporting a stronger market outlook over time.

Operationally, our priority throughout 2025 has been to secure utilization, maintain high-quality delivery, and build runway into a more favorable pricing environment. Despite the challenges faced during the year, we have successfully protected Northern Ocean's equity through strong operational performance, financial discipline, and our ability to secure contracts in a competitive market. These efforts have been critical in maintaining stability during a period of transition.

Looking ahead, 2026 and the beginning of 2027 is expected to remain a challenging year and will require continued focus on securing additional backlog. Our primary objective is to establish long-term contracts on terms that reflect the underlying value of our assets and deliver sustainable returns for our shareholders. We are working relentlessly toward this goal, with a constant focus on commercial execution and strategic positioning.

Encouragingly, the long-term outlook for our industry continues to improve. Recent developments in the Middle East are driving a reallocation of capital expenditure by the oil majors toward other deepwater regions, reinforcing the fundamentals of a tightening market from 2027 and beyond. We believe these trends will support improved utilization and pricing over time.

Northern Ocean Ltd. will continue to build on its core strengths; operational excellence, financial discipline, and commercial agility to protect and create long-term value for all shareholders. While 2025 has been a transformative year, it has also demonstrated the resilience of our business and the strength of our strategic direction.

We thank you for your continued trust and support.

Sincerely,



Arne Jacobsen
CEO



Executive Management



Arne Jacobsen

Chief Executive Officer

Arne Jacobsen has been working for the Company since August 2024. Mr. Jacobsen was previously the CEO of Orion, a joint venture between Hayfin Capital and Transocean, and has experience as a senior investment advisor for the oil and gas investment portfolio of Hayfin Capital. Beyond his background as an investment professional, he holds extensive commercial and operational experience from the oil and gas industry. Before joining Hayfin Capital, he held leading positions in Songa Offshore and Ocean Rig, where he was positioned in Brazil, South Korea and Norway. He is a Norwegian citizen.



Jonas Ytreland

Chief Financial Officer

Jonas Ytreland has been working for the Company since August 2020 and was appointed CFO of NOL in January 2022. Mr. Ytreland has more than 24 years' financial experience within the Shipping, Offshore and Oil industries. Before joining NOL, he worked with Seadrill Management Ltd for 10 years, a company managing all of Seadrill Limited's operations, the last 8 of those as VP and Treasurer. Prior to joining Seadrill, he held various positions within the shipping and banking sectors. Mr. Ytreland holds a degree in financial analysis from BI Norwegian Business School. He is a Norwegian citizen.



Eirik Sunde

Chief Commercial Officer

Eirik Sunde has been working for the Company since December 2024. Before joining NOL, he worked for Transocean, for 19 years the last 14 of these overseeing marketing on the Norwegian Sector. Mr. Sunde holds a master's degree in Economics from the University of Edinburgh. He is a Norwegian citizen.



Vidar Skjelbred

Chief Operating Officer

Vidar Skjelbred was appointed COO of NOL in November 2023. Mr. Skjelbred has more than 35 years' experience in the offshore drilling industry in operational, business development and management roles. Prior to his appointment within NOL, he worked for Schlumberger for 5 years on a Total Well delivery program, and 10 years with Songa Offshore. Mr. Skjelbred holds a degree in Petroleum Engineering from the University in Stavanger. He is a Norwegian citizen.

Board of Directors

In accordance with applicable corporate governance guidelines, the Board has assessed the independence of its members. 5 of the 5 directors are deemed independent of management, and 3 are deemed independent of the Company's major shareholder.



Gary W. Casswell

Chair

Gary W. Casswell has more than 45 years industry experience and currently serves as a Director and Chairman of Northern Ocean, Ltd. Mr. Casswell also serves as a Director of Ensign Energy Services, Inc. Most recently Mr. Casswell served as President and CEO of Northern Offshore Ltd from 2010 until mid-2017. Mr. Casswell has served with the IADC and received the IADC Exemplary Service award in 2007 and is a member of The Society of Petroleum Engineers. Mr. Casswell holds a Bachelor of Science degree in Business Administration from the University of California, Long Beach. He is a US citizen.



Sven Børre Larsen

Director

Sven Børre Larsen has served as CFO of TGS, a leading global energy data and intelligence company. Before joining TGS in 2015, Mr. Larsen was CFO of Prosafe, the world's leading owner and operator of semisubmersible accommodation vessels for the offshore oil and gas industry. Mr. Larsen was also CFO of the FPSO contractor Prosafe Production, one of the world's leading FPSO contractors. Mr. Larsen holds an M.S. degree in business specializing in finance from Bodo Graduate School of Business in Norway. He is a Norwegian citizen.



Mikhael Botbol

Director

Mikhael Botbol is a senior advisor to Hayfin Capital, prior to this he was a senior partner and Portfolio Manager for Private Credit, responsible for the firm's special opportunities investment activities for Hayfin. Before joining Hayfin, Mr. Botbol spent five years as Portfolio Manager at MB Asset Management, a European credit fund he founded. Mr. Botbol has previously worked for Brevan Horward Asset Management, HBK Capital Management, Goldman Sachs and Morgan Stanley. Mr. Botbol holds a BA in Mathematics from University of Paris VI, an MSc from UCLA, and an MBA from INSEAD. He is an Israeli citizen.



Jan Erik Klepsland

Director

Jan Erik Klepsland is an Investment Director in Seatankers Management Norway AS. Prior to joining Seatankers, he held the position as Partner at ABG Sundal Collier and prior to that Director at Nordea. He has experience within equity/debt financing, M&A and restructuring. Mr. Klepsland holds a MSc in Finance from Norwegian School of Economics (NHH). Mr. Klepsland is also a Director in Archer Limited, SFL Corporation Ltd. and Noram Drilling AS. He is a Norwegian citizen.



James Ayers

Director

James Ayers has served as Director and Secretary of the Company since February 2019. Mr. Ayers has more than ten years of industry experience with a range of director and management positions across the sector. Mr. Ayers is the CEO of Front Ocean Management and Company Secretary for the Fredriksen Group companies based in Bermuda. Mr. Ayers holds a Masters in International Business and Commercial Law (LLM), a Bachelors in Law (LLB) and a professional qualification in Legal Practice (LPC). He is a British citizen.

Board of Directors' Report

Key Information

Unless otherwise indicated, the terms "Northern Ocean", "we", "us", "our", the "Company", the "Northern Group" and the "Group" refer to Northern Ocean Ltd. and its consolidated subsidiaries.

Unless otherwise indicated, all references to "U.S. dollars", "USD", "dollars", "US\$" and "\$" in this Annual Report are to the lawful currency of the United States of America, references to "Norwegian Kroner", and "NOK" are to the lawful currency of Norway.

Company Background

Northern Ocean was incorporated under the laws of Bermuda on March 3, 2017. The Company's primary purpose is to engage in offshore contract drilling services for the oil and gas industry in harsh environments worldwide through the ownership of offshore drilling rigs.

As of the date of this report, the Company owns one semi-submersible rig, *Deepsea Mira*, which is currently operating under a drilling contract with a subsidiary of Shell plc. ("Shell") off the coast of Namibia and is expected to remain in West Africa through the contract term.

The Company's shares are registered for trading on the Norwegian Stock Exchange (ticker "NOL") and commenced trading on December 9, 2019.

Our registered office is at Par-La-Ville Place, 14 Par-La-Ville Road, Hamilton, Bermuda. Our website is www.northernoceanltd.com.

Operational Activity

In 2025, *Deepsea Bollsta* transitioned from international operations to the Norwegian Continental Shelf, marking a year of strong operational activity and strategic milestones. The rig completed a one-well contract in Namibia for a Chevron subsidiary in January before mobilizing to Norway. It received its Acknowledgement of Compliance on 9 May and subsequently commenced operations with OMV Norge AS, completing the contract on 23 July.

Following this, *Deepsea Bollsta* began a long-term contract with Equinor Energy AS, a subsidiary of Equinor ASA, on 31 August. The agreement included a firm two-year period with five optional one-year extensions, this added approximately \$335 million in firm backlog, along with an additional \$80 million related to upgrades, integrated services, and mobilization.

A key strategic development occurred in November, when the company agreed to sell *Deepsea Bollsta* to a subsidiary of Odfjell Drilling for a cash consideration of \$480 million. The transaction was completed on 15 December following regulatory approval. The proceeds enabled the company to significantly reduce debt, strengthen its balance sheet, and enhance capital efficiency.

Deepsea Mira operated in Namibia under contract with a subsidiary of TotalEnergies SE during the first half of 2025, completing its campaign on 12 May before commencing demobilization and BOP maintenance. In July, the rig secured a new contract with Rhino Resources Ltd. and began operations on 29 July.

During the fourth quarter, *Deepsea Mira* continued operations in Namibia, completing work for BW Energy and Rhino Resources. Following completion of the Rhino contract on 31 January 2026, the rig prepared to commence a new contract with a subsidiary of Shell plc. The rig commenced the contract on 29 March 2026.

During 2025 both rigs continued to demonstrate exceptional operational performance under the management of Odfjell and in operations maintained an average technical utilization of 97% for the year. Additionally, all clients have been able to realize benefits from the high specification semi-submersible design of the *Deepsea Mira* and *Deepsea Bollsta*, until the rig was sold on 15 December last year. The rigs have proven their ability to drill at water depths exceeding 3,000 meters (9,842 ft) and withstood severe weather and sea conditions with very minimal impact on performance efficiencies.

During the first quarter of 2025, Northern Ocean initiated a significant organizational restructuring, including the strategic closure of the Dublin office and a targeted reduction in workforce. These actions were aimed at streamlining

operations, reducing the cost base, and enhancing long-term efficiency. The restructuring was largely completed during the second quarter, with the full financial impact realized in the second half of the year.

Overall, 2025 was characterized by successful contract execution, strong backlog generation, and a transformative asset sale that improved the company's financial flexibility and strategic outlook.

Corporate Social Responsibility

Ensuring high standards environmentally, ethically, and socially are key values of the Company for which the Group has established policies, procedures and guidelines. The sections below of 'The Working, Safety and Social Environment', 'Employment Equality', 'Impact on the External Environment', 'Human Rights and 'Anti-bribery and Anti-corruption' more specifically detail how the Company operates in accordance with these values.

The Working, Safety and Social Environment

The Company operates in an industry which poses an inherent risk to personnel health and safety. It is therefore paramount that the Company conducts its business in a manner designed to protect the health and safety of its employees. The health and safety record of potential operational managers was therefore a significant consideration when selection of the Company's new rig manager was performed in December 2021. The operational manager, Odfjell, has over 50 years' experience in the industry and is well regarded in terms of safety. On 23 September 2025 *Deepsea Bollsta* experienced a well control situation. The rig activated the blowout preventer, all rig-based safety barriers worked as intended and the crew handled the situation well.

In the countries where the Company operates, it is committed, together with its operational manager, to make a positive impact on the local communities. During 2025, the Company continued its commitment to workforce localization by hiring and training Namibian nationals for offshore rig roles. In the second quarter of 2025, the Company initiated development of the Green Hat Program in partnership with a local training provider, focused on preparing Namibians for careers in the offshore drilling industry. The program consists of an intensive two-week introductory course, and the Company successfully launched and completed its first session in the first quarter of 2026.

At the end of 2025, the Company had 7 direct employees, all office based. The mental and physical well-being of employees is of paramount importance to the Company. The Company provides competitive medical and wellness benefits. Northern Ocean invests in employees through providing training to develop skill sets, including providing financial and time-based support to allow employees to develop personally and professionally.

The Company's Board of Directors currently consists of five men and the employee workforce is 14% female.

Employment Equality

The Company is an equal opportunities employer and will not discriminate against any employee or job applicant because of race, color, religion, national origin, sex, age, physical or mental disability. The Company's recruitment policy is based on these values. The Company has in 2025 been, and remains, committed to base any decision with respect to any person on the Company's needs and the performance and potential of the person, and not on any other criterion.

Impact on the External Environment

The Company acknowledges that its operations have an environmental impact through emissions to air and potentially through accidental spills and discharges of contaminants to sea, which could have a severe adverse impact to the external environment. The Company is committed to ensuring that the environmental impacts of its operations are reduced wherever possible. Northern Ocean invested in systems and technology on *Deepsea Mira* that potentially lower fuel consumption, reduce NOx and CO2 emissions, and perform the drilling operations more efficiently to reduce time in operations thereby making the rigs more environmentally friendly.

Human Rights

The Company does not perform, and strictly prohibits any of its business partners, including contractors and suppliers from practices such as modern slavery, child labor, forced or indentured servitude, and other human rights abuses. The operations of Northern Ocean is global with its rig potentially operating in countries or regions with high human rights abuse risk profiles. We recognize that respect for human rights is a global standard and that it is our responsibility to uphold this standard wherever we operate. The Company's

operational manager Odfjell has since 1 July 2022, established human rights risk profiles for all new suppliers, further reducing the risk of human rights violations.

Anti-Bribery and Anti-corruption

The operations of Northern Ocean are global with its rig potentially operating in countries or regions with high reputations for corruption or bribery. To mitigate the risks the Company and its operations manager have strict policies, procedures and guidelines in place.

Going Concern Assumption

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

Deepsea Mira is currently operating under a drilling contract with Shell off the coast of Namibia and is expected to remain in West Africa through the contract term.

The Company continues to have a positive outlook on Northern Ocean's ability to obtain further profitable contracts, with the Company continuing ongoing dialogues with potential customers in the West Africa region and other harsh environment markets.

The Company had a remaining estimated firm revenue backlog of \$17 million as of 31 December 2025.

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 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.

Risk Assessment

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. Such risks and uncertainties include, among others, decreasing market value of the rig and maintaining sufficient operating liquidity. In addition, public health threats, such as the Coronavirus, influenza and other highly communicable diseases or viruses, outbreaks of which have from time to time occurred in various parts of the world in which we operate could adversely impact our operations as well as the operations of our customers. The Company also needs to comply with certain financial covenants under the terms of its existing loan facility and failure to do so would require the outstanding loan to be pre-paid. Further, the success and growth of the Company relies on favorable contracts for its rig continuing to be obtained, which is heavily dependent on the level of activity in the offshore oil and gas industry generally and the drilling industry specifically. The industry is highly competitive and significantly impacted by the price of oil, which can be very volatile. The Company's reliance on a single rig makes it particularly vulnerable to revenue loss in the event that the rig becomes unavailable due to market developments or technical or regulatory issues. The Company is dependent on technical and commercial services from third parties, including dependency on Odfjell for the provision of manager services for the operation of the rig and for the compliance with requirements under applicable drilling contracts with its customers. The company relies of the rig require certain governmental approval, which may vary depending on the jurisdictions of operations. If the Company fails to secure the necessary approvals or permits in a timely manner, the Company's customers may have the right to terminate or seek to renegotiate their drilling contracts to the Company's detriment. The company is also subject to complex laws and regulations, including environmental laws and regulations that can adversely affect the cost, manner or feasibility of doing business. Additional risks relating to the listing and the shares includes risk related to holders of shares being registered through nominee accounts, certain few shareholders controlling a large portion of the listed shares, and a risk of further financing requirements potentially having a dilutive impact on current shareholders.

Outlook

Northern Ocean enters 2026 as a more focused company following the sale of *Deepsea Bollsta* in December 2025, with *Deepsea Mira* now representing the Company's remaining operating asset. The transaction simplified the corporate structure, reduced leverage and strengthened the Company's financial flexibility, while allowing management to concentrate on maximizing the value of *Deepsea Mira* through disciplined commercial execution.

The Company believes the offshore drilling market presents a mixed near-term picture. While management has indicated that market conditions are expected to remain challenging through 2026, Northern Ocean is encouraged by a strengthening pipeline of longer-term opportunities for drilling programs expected to start in 2027. The Company sees early signs of opportunities emerging across several regions that could develop into meaningful term work for *Deepsea Mira*.

Northern Ocean also expects market structure to improve over time. In its latest 4Q 2025 reporting, the Company highlighted that consolidation in the ultra-deepwater segment, including the Valaris/Transocean combination, could support more disciplined pricing behavior. Over time, this is expected to contribute to stronger overall market conditions and have a positive effect on pricing across deepwater asset classes.

Operationally, the Company continues to benefit from *Deepsea Mira's* strong performance in Namibia, where the rig operated through 2025 and demonstrated high-quality execution for TotalEnergies, BW Energy and Rhino Resources. Northern Ocean strengthened this position with the Rhino contract in July 2025, an extension in November 2025, and a further contract award from Shell announced in December 2025 for work that commenced on 29 March this year. These awards underline continued customer demand for high-specification harsh-environment and deepwater units, while also improving near-term contract visibility for the Company's remaining rig.

Against this backdrop, Northern Ocean states that its contracting strategy remains value-focused. The Company intends to evaluate opportunities carefully

with emphasis on commercial terms, timing and risk-adjusted shareholder returns. Management has also stated that it will preserve capital until contracting visibility through 2026 is further secured and backlog is sufficient to support refinancing on improved pricing and terms.

Overall, Northern Ocean's outlook is centered less on broad market tightness than in the prior year and more on selective contracting, capital discipline and positioning *Deepsea Mira* for higher-value work as the market develops. With a simplified company structure, a proven modern rig and an improving pipeline of longer-duration opportunities beyond 2026, the Company believes it is well positioned to enhance earnings and create long-term shareholder value.

Corporate Governance Report

Section 1 "Implementation and reporting on corporate governance": As a company incorporated in Bermuda, the Company is subject to Bermuda laws and regulations. Additionally, as a consequence of being listed on the Oslo Stock Exchange, the Company must comply with section 2-9 of the Norwegian Accounting Act and certain aspects of Norwegian securities law and is also obligated to adhere to the Norwegian Code of Practice for Corporate Governance, or the Code of Practice, on a "comply or explain" basis. Further, the Company has in place a Memorandum of Association and Bye-Laws, which set forth certain governance provisions. The Norwegian Accounting Act is found on www.lovdata.no and the Code of Practice is found on www.nues.no.

The Company's corporate governance principles are based on the Code of Practice. However, since the Company is governed by Bermuda laws and regulations, and given the nature of the Group's activities, certain practices are applied which deviate from some of the recommendations of the Code of Practice.

In the following sections, the Company's corporate governance policies and procedures will be explained with reference to the principles of corporate governance as set out in the sections identified in the Code of Practice. This summary does not purport to be complete and is qualified in its entirety by the Company's Memorandum of Association and Bye-Laws, Bermuda and Norwegian law.

Section 2 "Business": The Company is an international offshore drilling contractor to the oil and gas industry, with the ambition of acquiring and operating modern drilling assets. The Company has initially targeted the harsh environment sector and will continue to dedicate resources for further growth within this segment. The Company has an opportunistic strategy and will carefully review and consider all business prospects identified.

In accordance with normal practice for Bermuda companies, the Company's Bye-Laws do not include a specific description of its business. According to the Memorandum of Association, the objects for which the Company was formed and incorporated are unrestricted. As a Bermuda incorporated company, the

Company has chosen to establish the constitutional framework in compliance with the normal practice of Bermuda and accordingly deviate from section 2 of the Code of Practice.

Section 3 "Equity and dividends": The Company's equity capital is at a level appropriate for its objectives, strategy, and risk profile. In accordance with Bermuda law, the Board of Directors is authorized to permit its own shares to be held as treasury shares, and to issue any unissued shares within the limits of the authorized share capital without further shareholder approval. These authorities are neither limited to specific purposes nor to a specific period as recommended in section 3 of the Code of Practice. The Board of Directors will propose to the shareholders that they consider and, if necessary, resolve to increase the authorized capital of the Company that will allow the Board of Directors some flexibility to increase the number of issued shares without further shareholder approval. Any increase of the authorized capital is, however, subject to approval by the shareholders by simple majority of the votes cast. While the Company aims to provide a competitive long-term return on the investments of its shareholders, it does not currently have a formal dividend policy.

Section 4 "Equal treatment of shareholders and transactions with close associates": Neither the Company's Bye-Laws nor Bermuda company laws include regulation of pre-emptive rights for shareholders in connection with share capital increases. The Bye-Laws provide for the Board of Directors in its sole discretion to direct a share issue to existing shareholders at par value or at a premium price. The Company is subject to the general principle of equal treatment of shareholders under the Norwegian Securities Trading Act section 5-14. The Board of Directors will, in connection with any future share issues, on a case-by-case basis, evaluate whether deviation from the principle of equal treatment is justified. The Board of Directors will consider and determine on a case-by-case basis whether independent third party evaluations are required if entering into agreements with close associates in accordance with the Code of Practice section 5. The Board of Directors may decide, however, due to the specific agreement or transaction, to deviate from this recommendation if the interests of the shareholders in general are believed to be maintained in a satisfactory manner through other measures.

Section 5 "Freely negotiable shares": With limited exceptions, all shares in the Company are freely negotiable, and the Bye-Laws contain no form of restriction on the negotiability of the shares, or on voting rights.

Section 6 "General meetings": The Company's Bye-Laws require five days' notice for a meeting of the shareholders, rather than 21 days. Given the Company's current commercial position, this shorter period is considered to be sufficient for shareholders to consider the matters being voted on.

The Company strives to maintain an open and fair dialogue with its shareholders through the publishing of information, presentations and responding to questions from shareholders. The Company has not, however, taken specific measures for obtaining shareholders' proposals for matters to be proposed to the meeting of shareholders. In the view of the Company, the current shareholder structure, the shareholder representation, and the policy to communicate with shareholders is sufficient to ensure that shareholders may communicate their points of view to the executive management and the Board.

The Board of Directors has not made arrangements for an independent Chairman for each annual meeting of the shareholders as the Company believes that the Chairman of the Board can act independently and in the interests of shareholders. Further, the Company does not believe that it is necessary for all directors and the auditor to be physically present at the meeting of the shareholders.

As a Bermuda registered company, the general meetings of the Company can be conducted through proxy voting. The VPS registered shareholders are holders of interests in the shares and thus represented by the VPS Registrar in the general meetings and not through their own physical presence. This is in line with the general practice of other non-Norwegian companies listed on the Oslo Stock Exchange. The Company complies in all other respects with the recommendations for general meetings as set out in the Code of Practice.

Section 7 "Nomination committee": As permitted under Bermuda law, the Company will not have a nomination committee as recommended by the Code of Practice

section 7. In lieu of a nomination committee comprised of independent directors, the Board of Directors is responsible for identifying and recommending potential candidates to become board members and recommending directors for appointment to board committees.

Section 8 "Corporate assembly and board of directors": The Company's Board of Directors shall consist of a minimum of two members, and shall at all times comprise a majority of directors who are not resident in the United Kingdom. The current composition of the Company's Board of Directors is in compliance with the independence requirements of the Code of Practice. The Company's shareholders may determine the minimum and maximum number of directors by the vote of shareholders representing a majority of the total number of votes which may be cast at any annual or extraordinary general meeting, or by written resolution. Each director is elected at an annual general meeting of shareholders for a term commencing upon election and expiring on the date of the next scheduled annual general meeting of shareholders or until his or her successor is appointed. The Bye-Laws do not permit cumulative voting for directors.

The Board of Directors elects its Chairman, rather than the shareholders. Given the Company's current development status the Company believe that this is satisfactory and that the Chairman can ensure that the Board is effective in its tasks of setting and implementing the Company's direction and strategy.

As a Bermuda registered company with a limited number of employees and contractors, the Company does not have a corporate assembly. Given the size of the Company this is not believed to be necessary.

Section 9 "The work of the board of directors": The Board is ultimately responsible for the management of the Company and for supervising its day-to-day management. The entire Board of Directors is responsible for any decisions otherwise subject to review and preparation by an audit committee, including oversight of the Company's financial reporting process, internal controls, and the relationship with the external auditor. The Board of Directors has adopted instructions governing the respective responsibilities of the Board and the Chief Executive Officer. The Board conducts an annual evaluation of its own performance, composition, and working methods, the results of which are

considered when determining the need for any changes to the Board's composition or procedures.

Section 10 "Risk management and internal control": The Board shall ensure that the Company has sound internal controls and systems for risk management that are appropriate in relation to the extent and nature of the Company's activities. Further, the Board in conjunction with the executive management evaluates the risk inherent in the operations of the Company. Principal among these risks currently are risks associated with the capacity of the Group to obtain future financing on reasonable terms, risks associated with the ability of the Company to retain key staff, the general drilling market conditions and trends and the charter market conditions for the drilling rig. In addition, the following risks inherent in the business of the Group are monitored: risk associated with changes in exchange rates, increased competition, the political, regulatory and tax environment of the Group, counterparty performance and risks associated with potential growth of the business. The Board ensures that the Company has reliable internal controls and systems for risk management through this annual assessment.

The Board has the responsibility to evaluate risk exposure and internal controls on an annual basis. The Board is also presented financial statements on a quarterly basis, which are reviewed with the executive management. The Company's annual accounts provide information on internal control and risk management systems as they relate to its financial reporting.

Section 11 "Remuneration of the board of directors": The remuneration of the Company's Board of Directors is determined at the annual shareholders meeting, where the shareholders approve an appropriate cap on the collective Board compensation for that year. Board remuneration is to reflect the Board's responsibility, expertise, time spent, and the complexity of the business. Remuneration does not depend on the Company's financial performance and the Company does not grant share options to the board members. There is no obligation to present the guidelines for remuneration of the Board of Directors to the shareholders of a Bermuda incorporated company. The Company therefore deviates from this part of section 11 of the Code of Practice. There are no service

contracts between the Company and any of its directors providing for benefits upon termination of their service.

Section 12 "Remuneration of executive personnel": The remuneration of the Chief Executive Officer is determined by the Board of Directors. The process aims to link the performance related element of the remuneration (options and bonus) to value creation for shareholders. There is no obligation to present the guidelines for remuneration of the executive management to the shareholders of a Bermuda incorporated company. In the view of the Company there is sufficient transparency and simplicity in the remuneration structure and information provided through the annual report and financial statements are sufficient to keep shareholders adequately informed. The Company therefore deviates from this part of section 12 of the Code of Practice.

Section 13 "Information and communications": The Company will ensure that the shareholders receive accurate, clear, relevant and timely information in accordance with the legal requirements and good corporate governance practices. Publication methods will be selected to ensure simultaneous and equal access for all equity shareholders and the information is provided in English. The Company also provides information to the market through financial reports. Events of importance are made available to the stock exchange market through notification to the Oslo Stock Exchange in accordance with the Stock Exchange regulations. Stock Exchange announcements are also made available on the Company's website.

Section 14 "Take-overs": The Company has not yet established guiding principles for how it will act in the event of a take-over bid. Although a deviation from the Code of Practice, the Board has thus far not deemed it appropriate to adopt specific guidelines for takeover situations. Notwithstanding this deviation, the Board of Directors is committed to acting in the best interests of shareholders as a whole in the event of any take-over approach. The Board of Directors will keep under review the need to adopt formal takeover guidelines as the Company's circumstances develop. Notwithstanding this deviation, the Board of Directors is committed to acting in the best interests of shareholders as a whole in the event of any take-over approach. The Board of Directors will keep under review the

need to adopt formal takeover guidelines as the Company's circumstances develop.

Section 15 "Auditors": The auditor shall annually present its assessment of accounting risk and audit plan to the Board. The Board of Directors have established procedures for regular contact with the external auditor through the management. This contact will include, but is not limited to, the auditor presenting the audit plan for the coming year, contributing to meetings concerning the Company's annual financial statements, presentation of audit findings, including changes in accounting principles, significant estimates and judgments reflected in the annual financial statements, any areas of disagreement with management and identified internal control process improvement opportunities.

Annually, the auditor will present to the Board of Directors a review of the Company's internal control procedures, and the Board of Directors holds a meeting with the auditor at least once a year at which no member of the executive management is present. At present, the Company believes this is sufficient given its size and enables the auditor to communicate with members of the Board.

The Board of Directors has established guidelines in respect of the use of the auditor by the Company's executive management for services other than the audit. The Board of Directors shall report the remuneration paid to the auditor at the annual general meeting, including details of the fee paid for audit work and any fees paid for other specific assignments.

The external auditor has provided the Board with written confirmation of its independence.

Responsibility Statement

We confirm that, to the best of our knowledge, the financial statements for the year ended 31 December 2025 have been prepared in accordance with U.S. generally accepted accounting principles, and give a fair view of the Company's assets, liabilities, financial position and profit or loss of the Company and the Group 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 Company and the Group, together with a description of the principal risks and uncertainties facing the Company and the Group.

Board of Directors and Chief Executive Officer
Northern Ocean Ltd.
Hamilton, Bermuda
30 April 2026

/s/ Gary W. Casswell
Gary W. Casswell (Director and Chairman)

/s/ Sven Børre Larsen
Sven Børre Larsen (Director)

/s/ James Ayers
James Ayers (Director)

/s/ Arne Jacobsen
Arne Jacobsen (Chief Executive Officer)

/s/ Mikhael Botbol
Mikhael Botbol (Director)

/s/ Jan Erik Klepsland
Jan Erik Klepsland (Director)

Consolidated Statements of Comprehensive Income

<i>(in thousands of \$, except loss per share)</i>	Note	2025	2024
Operating revenues			
Contract revenue	4	271,916	252,615
Reimbursable revenue		7,380	10,912
Other revenues		122	333
Total operating revenues		279,418	263,860
Operating expenses			
Rig operating expenses	5	241,227	206,316
Reimbursable expenses		7,906	10,809
Depreciation	2	55,134	49,929
Impairment	6	13,130	—
Administrative expenses		7,880	7,011
Total operating expenses		325,277	274,065
Net operating loss		(45,859)	(10,205)
Other income (expenses)			
Interest income		1,613	2,679
Interest expense	7	(56,303)	(56,300)
Foreign exchange loss		44	610
Other financial expenses		(33)	(41)
Total other income (expenses)		(54,679)	(53,052)
Net loss before taxes		(100,538)	(63,257)
Tax charge	8	(2,127)	(2,400)
Net loss		(102,665)	(65,657)
Basic and diluted loss per share (\$)		(0.34)	(0.23)

<i>(in thousands of \$)</i>	2025	2024
Net loss	(102,665)	(65,657)
Foreign currency translation income	780	56
Other comprehensive income	780	56
Comprehensive loss	(101,885)	(65,601)

See accompanying Notes to the Consolidated Financial Statements.

Consolidated Balance Sheets

<i>(in thousands of \$)</i>	Note	2025	2024
ASSETS			
Short-term assets			
Cash and cash equivalents		37,510	42,751
Restricted cash	10	169	138
Related party receivables		–	–
Accounts receivable, net		23,505	47,410
Unbilled receivables		1,513	7,556
Deferred costs	5	–	2,200
Other current asset	12	4,449	1,973
Materials and supplies, net		–	344
Right-of-use assets		19	128
Total short-term assets		67,165	102,500
Long-term assets			
Drilling units	11	439,841	929,049
Fixtures and fittings		14	18
Total long-term assets		439,855	929,067
Total assets		507,020	1,031,567

<i>(in thousands of \$)</i>	Note	2025	2024
LIABILITIES AND EQUITY			
Short-term liabilities			
Short-term debt	14	–	14,950
Other current liabilities	13	59,306	47,861
Deferred revenue	4	110	3,970
Related party payables		33	54
Related party debt	15, 18	100,000	–
Lease dilapidations		–	5
Obligations under operating leases		25	112
Total short-term liabilities		159,474	66,952
Long-term liabilities			
Long-term debt	14	–	284,006
Long-term deferred revenue	4	2,495	2,605
Long-term related party debt	15, 18	–	231,840
Total long-term liabilities		2,495	518,451
Total liabilities		161,969	585,403
Equity			
Share capital		151,608	151,608
Additional paid in capital		580,985	580,214
Accumulated other comprehensive loss		727	(54)
Retained deficit		(388,269)	(285,604)
Total equity		345,051	446,164
Total liabilities and equity		507,020	1,031,567

See accompanying Notes to the Consolidated Financial Statements.

Consolidated Statements of Cash Flows

<i>(in thousands of \$)</i>	2025	2024
Net loss	(102,665)	(65,657)
Adjustments to reconcile net (loss) income to net cash used in operating activities		
Amortization of deferred charges	1,045	504
Amortization of deferred costs	63,900	33,337
Amortization of deferred revenue	(43,718)	(19,073)
Depreciation	55,134	49,929
Impairment	13,130	—
Compensation cost	770	273
Unrealized foreign exchange gain	780	56
Accrued demobilization income	(752)	(752)
Accrued demobilization costs	878	878
Change in operating assets and liabilities		
Receivables	23,904	(6,022)
Unbilled receivables	6,795	(284)
Other current assets	(2,132)	136
Right-of-use assets under operating leases	109	2
Additions to deferred costs	(61,699)	(8,464)
Additions to deferred revenue	39,748	8,191
Other current liabilities	4,278	(12,684)
Related party balances	(20)	186
Obligations under operating leases	(87)	6
Net cash used in operating activities	(602)	(19,438)

<i>(in thousands of \$)</i>	2025	2024
Investing activities		
Additions to drilling units	(52,740)	(55,404)
Additions to Fixtures and fittings	(26)	
Gross proceeds from sale of Drilling unit	480,000	
Net cash used in investing activities	427,234	(55,404)
Financing activities		
Net proceeds from share issuances	—	59,598
Related party debt: Proceeds	16,893	94,891
Long term debt: Repayments	(148,733)	(90,000)
Debt fees paid	(300,000)	(1,250)
Net cash provided by financing activities	(431,840)	63,239
Net change	(5,208)	(11,603)
Cash, cash equivalents and restricted cash at start of the year	42,889	54,492
Cash, cash equivalents and restricted cash at end of the year	37,681	42,889

See accompanying Notes to the 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
Reduction in nominal value of shares	—	—
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 option	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)

<i>(in thousands of \$, except number of shares)</i>	2025	2024
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 to the Consolidated Financial Statements.

Notes

Notes to the Consolidated Financial Statements

1. GENERAL

Northern Ocean was incorporated under the laws of Bermuda on 3 March, 2017. The Company's primary purpose is to engage in offshore contract drilling services for the oil and gas industry in harsh environments worldwide through the ownership of offshore drilling rigs.

As of the date of this report, the Company owns one semi-submersible rig, *Deepsea Mira* which is currently operating under a drilling contract with a subsidiary of Shell plc. ("Shell") off the coast of West Africa.

2. BASIS OF ACCOUNTING

Basis of accounting

The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of the consolidated financial statements requires that management make estimates and assumptions affecting the reported amounts of assets and liabilities. Actual results could differ from those estimates.

We evaluated all of our activity through 30 April, 2026, being the date these financial statements were issued, and concluded that no subsequent events have occurred that would require recognition in the financial statements.

Going concern

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

Deepsea Mira is currently operating under a drilling contract with a subsidiary of Shell off the coast of Namibia and is expected to remain in West Africa through the contract term.

The Company had a remaining estimated firm revenue backlog of \$17 million as of 31 December, 2025.

The Company continues to have a positive outlook on Northern Ocean's ability to obtain further profitable contracts, with the Company continuing ongoing dialogues with potential customers in the West Africa region and other harsh environment markets.

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 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.

Principles of consolidation

The Company's consolidated financial statements comprise of Northern Ocean and its directly wholly owned subsidiaries. Intra-group transactions and balances, including internal profits and unrealized gains and losses, have been eliminated upon consolidation.

Revenue from contracts with customers

The activities that primarily drive the revenue earned from our drilling contracts include (i) providing a drilling rig and the crew and supplies necessary to operate the rig, (ii) mobilizing and demobilizing the rig to and from the drill site and (iii) performing rig preparation activities and/or modifications required for the contract. Consideration received for performing these activities may consist of dayrate drilling revenue, mobilization and demobilization revenue, contract preparation revenue and reimbursement revenue. We account for these integrated services as a single performance obligation that is (i) satisfied over time and (ii) comprised of a series of distinct time increments.

We recognize consideration for activities that correspond to a distinct time increment within the contract term in the period the services are performed. We recognize consideration for activities that are (i) not distinct within the context of our contracts and (ii) do not correspond to a distinct time increment, ratably over the estimated contract term.

We determine the total transaction price for each individual contract by estimating both fixed and variable consideration expected to be earned over the term of the contract. The amount estimated for variable consideration may be constrained and is only included in the transaction price to the extent that it is probable that a significant reversal of previously recognized revenue will not occur throughout the term of the contract. When determining if variable consideration should be constrained, we consider whether there are factors outside of our control that could result in a significant reversal of revenue as well as the likelihood and magnitude of a potential reversal of revenue. We re-assess these estimates each reporting period as required. Refer to Note 4 - Revenue from Contracts with Customers.

Dayrate drilling revenue

Our drilling contracts generally provide for payment on a dayrate basis, with higher rates for periods when the drilling unit is operating and lower rates or zero rates for periods when drilling operations are interrupted or restricted. The dayrate invoices billed to the customer are typically determined based on the varying rates applicable to the specific activities performed on an hourly basis. Such dayrate consideration is allocated to the distinct hourly increment it relates to within the contract term, and therefore, recognized in line with the contractual rate billed for the services provided for any given hour.

Mobilization revenue

We may receive fees (on either a fixed lump-sum or variable dayrate basis) for the mobilization of our rig. These activities are not considered to be distinct within the context of the contract and therefore, the associated revenue is allocated to the overall performance obligation and recognized ratably over the expected term of the related drilling contract. We record a contract liability for mobilization fees received, which is amortized ratably to contract drilling revenue as services are rendered over the initial term of the related drilling contract.

Demobilization revenue

We may receive fees (on either a fixed lump-sum or variable dayrate basis) for the demobilization of our rig. These activities are not considered to be distinct within the context of the contract and therefore, the associated revenue is allocated to the overall performance obligation and recognized ratably over the expected term of the related drilling contract. We record a contract asset for demobilization fees earned, which is recognized ratably to contract drilling

revenue as services are rendered over the initial term of the related drilling contract.

Revenues related to reimbursable expenses

We generally receive reimbursements from our customers for the purchase of supplies, equipment, personnel services and other services provided at their request in accordance with a drilling contract or other agreement. Such reimbursable revenue is variable and subject to uncertainty, as the amounts received and timing thereof are highly dependent on factors outside of our influence. Accordingly, reimbursable revenue is fully constrained and not included in the total transaction price until the uncertainty is resolved, which typically occurs when the related costs are incurred on behalf of a customer. We are generally considered a principal in such transactions and record the associated revenue at the gross amount billed to the customer, at a point in time, as "Reimbursable revenues" in our Consolidated Statements of Operations.

Contract balances

Accounts receivable is recognized when the right to consideration becomes unconditional based upon contractual billing schedules. Contract asset balances consist primarily of demobilization revenues which have been recognized during the period but are contingent on future demobilization activities. Contract liabilities include payments received for mobilization as well as rig preparation and upgrade activities which are allocated to the overall performance obligation and recognized ratably over the initial term of the contract.

Local taxes

In some countries, the local government or taxing authority may assess taxes on our revenues. Such taxes may include sales taxes, use taxes, value-added taxes, gross receipts taxes and excise taxes. We generally record tax-assessed revenue transactions on a net basis.

Deferred contract costs

Certain direct and incremental costs incurred for upfront preparation, initial mobilization and modifications of contracted rig represent costs of fulfilling a contract as they relate directly to a contract, enhance resources that will be used in satisfying our performance obligations in the future and are expected to be recovered. Such costs are deferred and amortized ratably to contract drilling expense as services are rendered over the initial term of the related drilling contract.

Technical utilization

Technical utilization for a period is defined as the percentage of hours deemed to be operational out of the total number of rig hours in the measurement period.

Economic utilization

Economic utilization for a period is defined as the dayrate drilling revenue obtained as a percentage of the maximum possible dayrate drilling revenue which could have been obtained.

Rig operating expenses

Rig operating expenses are costs associated with operating a drilling unit that is either in operation or stacked and include the remuneration of offshore crews and related costs, rig supplies, insurance costs, expenses for repairs and maintenance and costs for onshore support personnel. We expense such costs as incurred.

Mobilization and demobilization expenses

We incur costs to prepare a drilling unit for a new customer contract and to move the rig to a new contract location. We capitalize the mobilization and preparation costs for a rig's first contract as a part of the rig value and recognize them as depreciation expense over the expected useful life of the rig (i.e. 30 years). For subsequent contracts, we defer these costs over the expected contract term (see deferred contract costs above), unless we don't expect the costs to be recoverable, in which case we expense them as incurred.

We incur costs to transfer a drilling unit to a safe harbor or different geographic area at the end of a contract. We expense such demobilization costs as incurred. We also expense any costs incurred to relocate drilling units that are not under contract.

Repairs, maintenance and periodic surveys

Costs related to periodic overhauls of drilling units are capitalized and amortized over the anticipated period between overhauls, which is generally five years. Related costs are primarily yard costs and the cost of employees directly involved in the work. We include amortization costs for periodic overhauls in depreciation expense. Costs for other repair and maintenance activities are included in vessel and rig operating expenses and are expensed as incurred.

Cash and cash equivalents

All demand and time deposits, and highly liquid low risk investments with original maturities of three months or less, are considered equivalent to cash.

Restricted cash

Restricted cash consists of bank deposits which are subject to restrictions due to legislation, regulation or contractual arrangements.

Deferred charges

Loan costs, including debt arrangement fees, are capitalized and amortized on a straight-line basis over the term of the relevant loan. The straight line basis of amortization approximates the effective interest method. Amortization of loan costs is included in other financial expenses. The Company has recorded debt issuance costs (i.e. deferred charges) as a direct deduction from the carrying amount of the related debt.

Receivables

Receivables, including accounts receivable, are recorded in the balance sheet at their nominal amount less an allowance for doubtful accounts. We establish reserves for doubtful accounts on a case-by-case basis when it is unlikely that required payments of specific amounts will occur. In establishing these reserves, we consider the financial condition of the customer as well as specific circumstances related to the receivable such as customer disputes. Receivable amounts determined as being unrecoverable are written off. Interest income on receivables is recognized as earned.

Drilling units

Rigs, vessels and related equipment are recorded at historical cost less accumulated depreciation. The cost of these assets, less estimated residual value is depreciated on a straight-line basis over their estimated remaining economic useful lives. The estimated residual value is taken to be offset by any decommissioning costs that may be incurred. The estimated economic useful life of our rig, when new, is 30 years. Significant investments are capitalized and depreciated in accordance with the nature of the investment. Significant investments that are deemed to increase an asset's value for its remaining useful life are capitalized and depreciated over the remaining life of the asset.

Impairment of long-lived assets

The carrying value of the Drilling Units is assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may no longer be appropriate. The Company first assesses recoverability of the carrying value of the asset by estimating the undiscounted future net cash flows expected to result from the asset, including eventual disposition. If the undiscounted future net cash flows are less than the carrying value of the asset, an impairment loss is recorded based on the difference between the carrying value and the fair value.

Related parties

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also related if they are subject to common control or common significant influence.

Earnings per share

Basic earnings per share is computed based on the income available to ordinary shareholders and the weighted average number of shares outstanding. The Company does not have any potentially dilutive instruments.

Foreign currencies

The functional currency of the Company and all of its subsidiaries is either the USD or the NOK, as the majority of expenditures are denominated in USD or NOK. The Company's reporting currency is USD. Assets and liabilities are translated into the functional currency at exchange rates existing at the date of the balance sheet. Such currency translation gains and losses are included in the Consolidated Statement of Operations. Transactions in currencies other than the functional currency are translated into the functional currency at the exchange rate at the transaction date. Exchange gains and losses on translation of our net equity investments in subsidiaries are reported as a separate component of accumulated other comprehensive loss in shareholders' equity. The Company utilizes various cash management tools to maintain a balance of exposure to any one particular currency and works to match cash inflows and outflows to minimize foreign currency impact. In the twelve months ended 31 December, 2025, the NOK strengthened against the USD resulting in a foreign currency loss.

Fair values

We have determined the estimated fair value amounts presented in these consolidated financial statements using available market information and

appropriate methodologies. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. The estimates presented in these consolidated financial statements are not necessarily indicative of the amounts that we could realize in a current market exchange.

Fuel

Fuel is stated at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

Recently adopted accounting standards

The Company adopted no new accounting standard in the period.

3. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

There have been no significant accounting pronouncements issued in 2025 or thereafter, up to the date of this report that are expected to have significance to our consolidated financial statements.

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table provides information about the composition of contact revenue:

(in thousands of \$)	2025	2024
Dayrate revenue	199,141	222,121
Amortization of deferred revenue	43,608	18,934
Demobilization revenue	7,544	3,152
Add-on revenue	21,622	8,378
Contract revenue	271,915	252,585

Dayrate revenue

Dayrate revenue earned from the *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.

Demobilization revenue

The Company may receive fees from its customers for the demobilization of our rig. 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.

Add-on revenue

This balance consists of 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 revenue and costs for these services are reported on a gross basis under rig operating expenses and contract revenue respectively.

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

<i>(in thousands of \$)</i>	2025	2024
Balance at beginning of period	3,860	14,633
Deferred revenue accruing in the period	39,748	8,191
Amortization of deferred revenue	(43,608)	(18,964)
Balance at the end of period	3,860	3,860
Short-term deferred revenue	—	3,860
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 circa \$110 thousand. 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.

The following table provides information about the composition of the accrued demobilization revenue:

<i>(in thousands of \$)</i>	2025	2024
Balance at beginning of period	752	—
Accrual of demobilization revenue	—	3,152
Demobilization payments received	(752)	(2,400)
Balance at the end of period	—	752
Short-term accrued revenue	—	752
Long-term accrued revenue	—	—

The following table provides information about receivables from contracts outstanding at year-end:

<i>(in thousands of \$)</i>	2025	2024
Accounts receivable, net	23,505	47,410
Unbilled receivables	1,513	7,556
Receivables from contracts with customers	25,018	54,966

Receivables are typically billed in the fortnight following the month the performance obligations were satisfied, and have credit terms of between 30 and 45 days.

5. RIG OPERATING EXPENSES

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

<i>(in thousands in \$)</i>	2025	2024
Daily operating expenses	154,394	148,409
Maintenance projects	20,028	5,142
Amortization of deferred costs	63,900	33,337
Accrued demobilization costs	—	4,248
Other	2,905	15,180
Rig operating expenses	241,227	206,316

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.

Other

Balance primarily consists of the cost of fuel sold at contract commencement and withholding taxes payable in Namibia.

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

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

<i>(in thousands of \$)</i>	2025	2024
Balance at beginning of period	2,200	27,073
Cost additions	61,700	8,464
Amortization	(63,900)	(33,337)
Balance at the end of period	—	2,200
Short-term deferred costs	—	2,200
Long-term deferred costs	—	—

6. 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.

7. INTEREST EXPENSE

Interest expense remained relatively stable around \$15 million per quarter, from the first through third quarter, with minor fluctuations broadly reflecting movements in SOFR during 2025. In the fourth quarter, it decreased significantly to \$10.1 million, primarily due to a shift from PIK to cash interest payments on the Sterna facility, combined with the prepayments described in Notes 14 and 15, resulting in lower expected interest costs going forward.

8. INCOME TAXES

Bermuda

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 exempt from taxation until 31 March, 2035.

Namibia

The Company is currently operating in Namibia through a branch of one of the Company's subsidiaries. This branch is subject to income tax, VAT and withholding taxes.

Other jurisdictions

The Company has subsidiaries which were incorporated in the Marshall Islands and thus are not subject to income tax. Certain of the Company's subsidiaries and branches in Norway, Ireland, Angola, Namibia, Cyprus and the USA 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.

9. EARNINGS PER SHARE

The computation of basic earnings per share is calculated by dividing the net income 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:

(in thousands of \$, except number of shares)	2025	2024
Net loss	(102,665)	(65,657)
Weighted average number of ordinary shares (in thousands)	303,215	283,071

10. RESTRICTED CASH

The restricted cash as of 31 December 2025, of \$0.2 million (31 December 2024, \$0.1 million) consists of cash withheld for a guarantee to NIS and payroll taxes.

11. DRILLING UNITS

Movements in the carrying value of drilling units in the years ended 31 December 2025 and 2024 may be summarized as follows:

<i>(in thousands of \$)</i>	Cost	Accumulated depreciation	Net carrying value
Balance at December 31, 2023	1,066,716	(143,156)	923,560
Retirement of assets	(18,631)	18,631	–
Additions	55,403	–	55,403
Depreciation	–	(49,914)	(49,914)
Balance at December 31, 2024	1,103,488	(174,440)	929,049
Retirement of assets	(596,563)	117,833	(478,730)
Additions	57,755	–	57,755
Depreciation	–	(68,231)	(68,231)
Balance at December 31, 2025	564,680	(124,838)	439,841

No interest costs were capitalized during the years ending 31 December, 2025 or 31 December 2024.

Retirement of assets

This category represents previously capitalized assets which have been retired from use, and therefore removed from the fixed asset register.

12. OTHER CURRENT ASSETS

Other current assets at 31 December 2025 and 2024, are summarized as follows:

<i>(in thousands in \$)</i>	2025	2024
Deposit held	35	35
VAT receivable	3,370	600
Other	1,045	1,338
Short-term portion of deferred assets	–	–
	4,449	1,973

Short-term portion of deferred assets

Certain direct and incremental costs incurred for upfront preparation, initial mobilization and modifications of 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 firm term of the related drilling contract.

Other

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

13. OTHER CURRENT LIABILITIES

Other current liabilities at 31 December 2025 and 2024, are summarized as follows:

<i>(in thousands in \$)</i>	2025	2024
Accounts payable	9,440	12,586
Accrued administrative expenses	2,039	1,602
Accrued operating expenses	34,255	9,522
Other payables	12,231	17,703
Accrued interest expense	510	5,570
Contract demobilization liability	140	878
VAT liability	691	878
	59,306	48,739

Other payables

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

14. DEBT

Debt due to non-related parties as of 31 December 2025 and 2024, are summarized as follows

<i>(in thousands of \$)</i>	2025	2024
U.S. dollar denominated floating rate debt:		
\$200.0 million term loan facility - <i>Deepsea Mira</i>	—	126,923
\$200.0 million term loan facility - <i>Deepsea Bollsta</i>	—	134,615
\$50.0 million term loan facility - <i>Deepsea Mira</i> and <i>Deepsea Bollsta</i>	—	38,462
Total debt - gross of deferred charges	—	300,000
Short-term portion of debt issuance costs	—	(50)
Long-term portion of debt issuance costs	—	(994)
Total debt - net of deferred charges	—	298,956
Short-term debt	—	14,950
Long-term debt	—	284,006

\$200.0 million senior secured term loan facility - *Deepsea Mira*

The *Deepsea Mira* term loan facility was originally established in 2018 and has since been amended and extended on multiple occasions, most recently in June 2024. Outstanding amount at the beginning of the year was \$126.9 million and the facility had a final maturity date in June 2026.

The loan was secured by a mortgage on *Deepsea Mira* and contained certain financial covenants on a consolidated basis, which required a certain equity ratio, positive working capital and a minimum liquidity amount.

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

\$200.0 million senior secured term loan facility - *Deepsea Bollsta*

The *Deepsea Bollsta* facility was established in 2019 and, like the *Mira* facility, has undergone several amendments and extensions, the most recent occurring in June 2024. Outstanding amount at the beginning of the year was \$134.6 million and the facility had a final maturity date in June 2026.

The loan was secured by a mortgage on *Deepsea Bollsta* and contained certain financial covenants on a consolidated basis, which required a certain equity ratio, positive working capital and a minimum liquidity amount.

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

\$50.0 million senior secured term loan facility - *Deepsea Mira* and *Deepsea Bollsta*

In 2019, as part of a revision in the bank facility, a new revolving credit facility of up to \$50.0 million was made available to the Company. In all other material respects, the revised bank facility (including the additional revolving credit facility) had similar terms as the initial facility, including financial covenants and interest rates. With the loan amendment in June 2024 \$11.4 million of this facility was repaid. Outstanding amount at the beginning of the year was \$38.6 million and the facility had a final maturity date in June 2026.

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

Deferred charges

<i>(in thousands of \$)</i>	2025	2024
Debt arrangement fees	2,080	2,080
Accumulated amortization	(2,080)	(1,036)
	—	1,044

15. RELATED PARTY DEBT

Debt due to related parties as of 31 December 2025 and 2024, are summarized as follows

<i>(in thousands of \$)</i>	2025	2024
U.S. dollar denominated fixed rate debt:		
\$100.0 million term loan facility	—	—
\$50.0 million term loan facility	—	—
\$215.0 million credit loan facility	100,000	231,840
Total debt	100,000	231,840
Short-term debt	—	—
Long-term debt	—	231,840
Total debt	—	231,840

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

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

All related party debt is repayable to Sterna Finance Ltd. ("Sterna").

At the start of 2024, the Company held two credit facilities with its related party, Sterna, a \$100.0 million facility and a \$50.0 million facility.

As part of the June 2024 refinancing, Sterna elected to perform a debt conversion, reducing the Company's debt by \$15.0 million and converting this amount into shares at a conversion price of \$0.50 per share. In addition, the loan agreements with Sterna were consolidated and extended into a single \$215.0

million facility. The outstanding debts, including compounded and accrued interest, were rolled into this facility, leaving approximately \$70 million available for drawdown, which was utilized as part of the refinancing on June 28, 2024.

The amended and extended 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 PIK interest at a pre-agreed premium, which it utilized in December 2024 and June 2025.

In connection with the sale of *Deepsea Bollsta* on 15 December 2025, NOL prepaid part of the outstanding loan amount under this facility, reducing the principal balance to \$100 million. Simultaneously with the bank debt described in Note 12 being prepaid the loan was secured by a first priority mortgage on *Deepsea Mira*.

Assets pledged

<i>(in thousands of \$)</i>	2025	2024
Drilling units	439,855	—

The Company is in compliance with the covenants set out in the agreement with Sterna.

16. SHARE CAPITAL

As at 31 December 2025, the Company had 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.

17. FAIR VALUES

The carrying value and estimated fair value of the Company's financial instruments as of 31 December 2025 and 2024 are as follows:

<i>(in thousands of \$)</i>	2025		2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets:				
Cash and cash equivalents	37,510	37,510	42,751	42,751
Restricted cash	169	169	138	138
Liabilities:				
Floating rate debt	—	—	298,956	297,214
Related party long-term debt	—	—	231,840	247,278
Related party short-term debt	100,000	99,002	—	—

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

<i>(in thousands of \$)</i>	2025			
	Fair Value	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	37,510	37,510	—	—
Restricted cash	169	169	—	—
Liabilities:				
Floating rate debt	—	—	—	—
Related party long-term debt	—	—	—	—
Related party short-term debt	99,002	99,002	—	—

<i>(in thousands of \$)</i>	2024			
	Fair Value	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	42,751	42,751	—	—
Restricted cash	138	138	—	—
Liabilities:				
Floating rate debt	297,214	—	—	297,214
Related party long-term debt	247,278	—	—	247,278
Related party short-term debt	—	—	—	—

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.

Related party long-term debt – the fair value has been determined using level 3 inputs being the discounted expected cash flows of the outstanding debt.

Related party short-term debt – the fair value has been determined using level 3 inputs being the discounted expected cash flows of the outstanding debt.

18. RELATED PARTY TRANSACTIONS

Hemen Holdings Ltd. ("Hemen"), a Cyprus holding company, indirectly controlled by trusts established by Mr. John Fredriksen, for the benefit of his immediate family, owned 34.3% of the Company's outstanding ordinary shares at 31 December, 2025.

The Company currently transacts, or previously has transacted, business with the following related parties, being companies in which Hemen, or companies affiliated with Hemen, has a significant interest:

- Sterna Finance Ltd.;
- Front Ocean Management Ltd. and Front Ocean Management AS (together "Front Ocean");
- Frontline Management (Bermuda) Ltd. ("Frontline");
- Seatankers Management Co. Ltd. and STM Cyprus Ltd. (together "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 \$0.5 million in the year ended 31 December 2025 (2024: \$0.6 million).

A summary of short-term balances due to related parties at 31 December 2025 and 2024 is as follows:

<i>(in thousands of \$)</i>	2025	2024
Sterna	100,000	—

A summary of long-term balances due to related parties at 31 December, 2024 and 2023 is as follows:

<i>(in thousands of \$)</i>	2025	2024
Sterna	—	231,840

19. COMMITMENTS AND CONTINGENCIES

As of 31 December 2025, the Company had no capital commitments.

20. SHARE BASED COMPENSATION

On 20 August 2024, the Company granted a total of 6,500,000 share options to Arne Jacobsen, CEO of Northern Ocean. An additional 3,000,000 share options were granted on 11 September 2024. These options were allocated equally among Jonas Ytreland (CFO), Vidar Skjelbred (COO), and Eirik Sunde (CCO) of Northern Ocean.

The terms of all share options are consistent across grants. Each option has a five-year contractual term from the date of grant and is subject to a three-year graded vesting schedule, under which one-third of the options vest each year. The exercise price is NOK 12.00 per share. Once exercised, the resulting shares are subject to a two-year holding period before they may be sold. The exercise price will be adjusted for any dividends distributed prior to the option's expiry.

The first part of the granted share options totalling 3,166,667, vested in August and September 2025 and with the share price being below the exercise price of NOK 12.00 per share, no options were declared.

As of 31 December 2025, the Company had the following share options outstanding, all of which are either fully vested or are expected to vest:

Tranche	Share options	Initial exercise price (NOK)	Vesting date	Risk-free interest rate	Expected volatility
August 2024 Tranche	2,166,667	12.00	Aug-26	3.62%	88.33%
August 2024 Tranche	2,166,666	12.00	Aug-27	3.45%	108.18%
September 2024 Tranche	1,000,000	12.00	Sep-26	3.62%	88.33%
September 2024 Tranche	1,000,000	12.00	Sep-27	3.45%	108.18%
Total	6,333,333				

The fair value of share options granted was determined using the Black-Scholes option pricing model, with tranche-specific inputs for risk-free interest rate and expected volatility. A summary of these assumptions is presented in the table above. Risk-free rates were derived from relevant U.S. Treasury yields at the time of grant, while expected volatility was estimated based on historical share price movements. The Company assumed a 0% dividend yield, as the exercise price is adjusted for any dividends declared between the grant date and exercise. No forfeiture rate was assumed at grant; the effect of forfeitures is recognized as incurred.

A summary of option activity under the Share Option Scheme as of 31 December 2025, and changes during the year is presented below:

	Share options	Weighted average exercise price per share (NOK)	Weighted average remaining contractual term (years)	Aggregated intrinsic value (\$'000)
Outstanding at December 31, 2023	—	—	—	—
Granted	9,500,000	12.00	1.7	0
Outstanding at December 31, 2024	9,500,000	12.00	1.7	0
Exercisable at in 2025	3,166,667	12.00	1.7	0
Outstanding at December 31, 2025	6,333,333	12.00	1.2	N/A

A summary of the status of the Company's non-vested shares as of 31 December 2025, and changes during the year ended 31 December 2025, is presented below:

Non-vested Shares	Shares	Weighted average grant date fair value (\$)
Non-vested at December 31, 2023	—	—
Granted	9,500,000	0.19
Non-vested at December 31, 2024	9,500,000	0.19
Vested 2025	3,166,667	0.19
Non-vested at December 31, 2025	6,333,333	0.19

As of 31 December 2025, there was \$0.7 million of total unrecognized compensation expense related to non-vested share-based payment arrangements. This cost is expected to be recognized over a weighted-average period of 1.2 years. The total share-based compensation expense recognized in administrative expenses during the year ended 31 December 2025, was \$0.5 million (2024: \$0.3 million).

There were no cash flow effects resulting from share option activity during the year ended 31 December 2025, or the prior year.

21. SUBSEQUENT EVENTS

On 31 January 2026, *Deepsea Mira* completed its contract with Rhino Resources Ltd. On 29 March 2026, the rig commenced operations under the Shell contract announced on 11 December 2025.



To the General Meeting of Northern Ocean Ltd

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Northern Ocean Ltd and its subsidiaries (the Group), which comprise the balance sheets as at 31 December 2025, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion 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 the accounting principles generally accepted in the United States of America (USGAAP).

Our opinion is consistent with our additional report to the Audit Committee.

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 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) as applicable to audits of financial statements of public interest entities, 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.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Northern Ocean Ltd for 8 years from the election by the general meeting in 2018 for the accounting year 2018.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements and the Board of Director's Report, which indicate that the Group due to the short-term nature of the current contract portfolio, will be dependent on securing additional drilling contracts. In absence of new contract awards the Group will need to rely on loan amendments, obtaining new loans, and/or equity issuances to finance its loan obligations and working capital in the next twelve months. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, raise substantial doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect to this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How our audit addressed the Key Audit Matter
<p>Impairment Assessment of Drilling units</p> <p>Refer to Note 2 (Basis for Accounting) and Note 11 (Drilling units) where management explains how they assess value of the drilling unit.</p> <p>The Group's remaining drilling unit (Deepsea Mira) represents a significant portion of total assets. At the balance sheet date, the carrying value of the rig where USD 439,841,000, which represents approximately 87% of the Group's total assets.</p> <p>Management performs an assessment of impairment of long-lived assets whenever events or changes in circumstances indicate that the carrying amount may no longer be appropriate. Management identified no impairment indicators in 2025. As a result, we have focused on management's assessment of impairment indicators in the 2025 audit.</p> <p>We focused on this area due to the significant carrying value of Deepsea Mira and the judgment inherent in management's identification of potential impairment indicators. Due to the relative size of the items on the balance sheet, the potential impact of any fall in value of the rig could be of significant consequence.</p>	<p>We evaluated and challenged management's estimate of indicators of impairment and the process by which this was performed. Management considers the drilling unit Deepsea Mira to be a cash generated unit ("CGU") in their assessment of impairment indicators. Consequently, we assessed impairment indicators on the same basis. We assessed management's accounting policy against US GAAP and obtained explanations from management as to how the specific requirements of the standards, in particular ASC 360, were met. We also assessed the consistency year-on-year of the application of the accounting policy.</p> <p>To assess the estimated fair value less costs of disposal as an indicator of impairment, management compiled broker valuation for the drilling unit. We evaluated whether the external broker had both the objectivity and the competence to provide the estimate. We assessed and found that management sufficiently understood the valuations from the external broker. We also obtained an understanding of the methodology used by management in arriving at the valuations and of management's sensitivity analyses and comparisons to other available market data.</p> <p>To assess each of the assumptions in the impairment indicator assessment, we interviewed management and challenged their assumptions. We used current and historical external market data to corroborate the drilling unit rates assessed by management, including the short-term nature of the current contract portfolio. We challenged management on their assessment of current market rates. We considered the drilling unit rates used by management were within an appropriate range.</p> <p>We read the disclosure in note 2 and 11 and assessed them to be adequate and in accordance with the requirements.</p> <p>No matter of consequence arose from the procedures above.</p>

Other Information

The Board of Directors and the Managing Director (management) are 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.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

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 the accounting principles generally accepted in the United States of America, 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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 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 substantial doubt on 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.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Northern Ocean Ltd, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name NOL-2025-12-31-ENG.xhtml, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Stavanger, 29 April 2026
PricewaterhouseCoopers AS



Arne Birkeland
State Authorised Public Accountant

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