

Preliminary earnings release

Q1 2026



DOLPHIN DRILLING AS

Preliminary Results as of First Quarter 2026

Oslo, Norway, 29 May 2026.

Dolphin Drilling AS (OSE: DDRIL) announced today its preliminary financial results for the three months ended 31 March 2026.

Q1 2026 Financial Performance and Subsequent Events

- **Revenues of USD 44.7 million**, broadly stable versus **USD 47.0 million in Q4 2025**, reflecting consistent contract execution and high operational uptime across the fleet.
- **Adjusted EBITDA of USD 8.6 million, up sequentially from USD 8.2 million in Q4 2025** and significantly higher year-on-year, demonstrating continued operational leverage and disciplined cost control.
- **Earnings trajectory improving**, with year-on-year reduction in net loss despite higher financing and non-cash items.

Operational Performance

- **Paul B. Loyd, Jr.** delivered **99.3% uptime** (Q4 2025: 98.9%)
- **Blackford Dolphin** achieved **92.0% utilisation**, improving from **90.9% in Q4 2025**
- Strong and improving utilisation supports earnings quality and cash flow visibility

Balance Sheet and Liquidity

- **USD 62.5 million equity raise completed post-quarter**, materially strengthening liquidity and financial flexibility
- **Debt maturities extended to March 2028 (subject to certain conditions)**, with scheduled 2026 amortisation deferred, improving near-term cash flow profile

Backlog and Market Visibility

- **USD 362 million firm backlog plus USD 818 million in Letter of Intents and options**, providing long-term earnings visibility and significant upside:
 - **Paul B. Loyd, Jr.** secured firm contract to **September 2030**, with multi-year priced options thereafter
 - **Blackford Dolphin** contract extended in India through **July 2026**
 - **Borgland Dolphin** awarded Letter of Intent for a potential 4.2 yrs + options for another 5 year

Financial and Operational Review Q1 2026

Revenues for the first quarter of 2026 totalled USD 44.7 million, compared with USD 47.0 million in Q4 2025. The quarter-on-quarter decrease was primarily driven by fewer operating days during the quarter reduced revenue potential by approximately USD 0.8 million compared with the previous quarter, and in addition due to accounting items. Despite these temporary effects, underlying contract execution and operational performance remained strong.

Paul B. Loyd, Jr. remained fully contracted throughout the quarter and generated revenues of USD 15.1 million, comprising USD 14.5 million of charter revenue and USD 1.1 million of deferred revenue related to Harbour's contractual contribution to the rig survey. Operational uptime remained exceptionally strong at 99.3%. Earnings efficiency declined modestly to 87.3% from 89.3% in the prior quarter, reflecting prolonged adverse winter weather conditions during January and February, during which approximately 40% of on-contract hours were billed at a waiting-on-weather rate.

Blackford Dolphin generated charter revenues of USD 19.8 million, with an additional USD 8.5 million from other services and USD 0.7 million in deferred mobilisation income. Earnings efficiency for the quarter was 92.0%, supported by operational uptime of 92.2%. While revenues were higher than in the prior quarter, performance modestly trailed internal expectations due to planned repair-related downtime during January and February.

The Company continued to make meaningful progress in cost optimisation during the quarter. Total rig operating expenses were reduced to USD 21.3 million in Q1 2026, compared to USD 22.6 million in Q4 2025. Blackford Dolphin drove a significant portion of this improvement, with operating expenses declining to USD 13.0 million from USD 14.2 million in the previous quarter. This reduction was primarily attributable to lower repair and maintenance activity, as well as reduced third-party equipment and personnel costs.

Within project costs, the largest expenditure was USD 8.3 million related to offshore supply and anchor handling vessels supporting the Blackford Dolphin contract. This represents a reduction versus the prior quarter following successful rate renegotiations across all vessels. Additional savings were realised through lower crew-related costs, associated taxes, and consumables. Amortisation of mobilisation costs amounted to USD 1.2 million of project costs, which is offset with USD 0.7 million in other revenue. Lay-up costs for Borgland Dolphin declined to USD 1.9 million from USD 2.1 million, reflecting continued efficiency gains.

Adjusted general and administrative expenses decreased quarter-on-quarter to USD 3.9 million from USD 4.3 million, noting that the prior quarter included a one-off accounting gain of USD 1.6 million. The quarter also included USD 0.3 million of additional legal costs related to ongoing refinancing activities and enforcement of the arbitration award against General Hydrocarbons Limited.

Net finance costs for the quarter amounted to USD 3.7 million, comprising USD 3.5 million of debt interest.

The Company reported a net loss of USD 6.2 million for the first quarter of 2026, reflecting continued refinancing-related costs and non-cash items, while underlying operating performance and cash generation continued to improve.

Balance Sheet as at 31 March 2026

Non-Current Assets

During the first quarter of 2026, the Company incurred approximately USD 1.2 million in capital expenditure, while recognising USD 6.4 million in depreciation and amortisation. Capital expenditure was primarily related to routine maintenance and operational readiness across the fleet, with USD 0.5 million invested in *Blackford Dolphin*, USD 0.6 million in *Paul B. Loyd, Jr.*, and USD 0.1 million related to *Borgland Dolphin*. The Borgland Dolphin expenditure remained limited as the rig was held in lay-up, pending its planned reactivation and the completion of the special periodic survey required ahead of the expected contract commencement in November 2026.

Current Assets

As at 31 March 2026, the Company held USD 22.4 million in cash and cash equivalents, including USD 4.1 million of restricted cash primarily related to bid and performance bonds supporting ongoing contracts.

Accounts receivable amounted to USD 27.5 million, reflecting standard payment terms for *Blackford Dolphin* and *Paul B. Loyd, Jr.* Inventory increased marginally to USD 25.3 million, compared with USD 25.0 million at year-end 2025, reflecting normal operational requirements.

Other current assets totalled USD 14.0 million, down from USD 20.0 million at year-end 2025. Key components included USD 3.4 million in prepayments, USD 0.3 million of deferred Blackford Dolphin mobilisation costs (amortised over the contract term and reduced from USD 1.1 million at year-end), and a USD 7.2 million debt service coverage balance linked to the Group's long-term financing arrangements. In addition, USD 4.3 million of capitalised finance fees related to debt facilities continues to be amortised over the remaining debt maturity period. Input taxes payable of USD 2.1 million were recorded, associated with Blackford Dolphin.

Current Liabilities

Accounts payable stood at USD 24.7 million, remaining above typical run-rate levels but significantly reduced from USD 31.6 million at year-end 2025. The elevated balance primarily reflects capital expenditure activity associated with the *Paul B. Loyd, Jr.* rig survey. Accrued expenses declined to USD 13.3 million, compared with USD 15.8 million at year-end.

Other current liabilities were reduced to USD 15.1 million, down from USD 22.8 million at 31 December 2025. The primary driver of this reduction was scheduled instalment payments related to the legacy UK tax matter, as we paid USD 3.9 million during the quarter. The remaining outstanding amount was settled in May 2026. Additional items included a USD 7.9 million

deferred rig survey contribution from Harbour (Paul B. Loyd, Jr.) and a USD 0.3 million deferred mobilisation fee from Oil India (Blackford Dolphin), both of which unwind over the respective contract terms.

Non-Current Liabilities and Financing

Outstanding interest-bearing debt as at 31 March 2026 amounted to USD 84.5 million. Total recognised interest-bearing debt of USD 91.7 million comprised USD 15.4 million classified as current and USD 76.3 million as non-current. This includes a USD 7.2 million debt service coverage reserve, recorded as a current asset, which effectively reduces net outstanding debt by an equivalent amount.

During the quarter, the Group's external lender provided a short-term bridge facility of USD 7.5 million, of which USD 5.0 million was drawn before quarter-end and a further USD 2.5 million in April. The bridge facility was fully repaid in May 2026.

Subsequent to quarter-end, the lender and bondholders agreed to defer all scheduled repayment instalments in 2026, extend the maturity of both the loan and bond facilities to 31 March 2028 (subject to agreed conditions), and suspend covenant testing for 2026. The Group's interest-bearing debt consists of a fully drawn term loan facility and outstanding bonds, with all three rigs pledged as security, materially strengthening creditor alignment with the asset base.

Rig Operational Update

During the first quarter of 2026, Dolphin Drilling operated two rigs on contract, with one rig stacked pending contract start-up later in the year. Fleet utilisation and contract visibility remained strong, reflecting a solid operational platform and improving market conditions.

The Paul B. Loyd, Jr. semisubmersible drilling rig continued uninterrupted operations for Harbour Energy in the UK throughout the quarter. Earnings visibility for the rig has been materially strengthened following the successful award of a new firm contract extending operations through end-August 2030. In addition, Harbour Energy holds unpriced extension options of up to five additional years, providing significant long-term upside and reinforcing the strategic importance of this asset within the Company's fleet.

The Blackford Dolphin remained on contract with Oil India Ltd, executing a firm drilling programme comprising three exploration wells. The programme is currently expected to conclude by end of July 2026, or later depending on well durations. Operational performance during the quarter remained robust, underpinning continued cash flow generation and contract execution.

The Borgland Dolphin semisubmersible drilling rig is currently in lay-up in Las Palmas, Gran Canaria, awaiting mobilisation for its next contract. The rig has been awarded a contract with Repsol S.A., a major multinational energy company, covering seven firm wells over approximately 220 days, with options for a further three wells. Contract commencement is currently anticipated for late 2026, and preparatory activities to return the rig to operations are

underway. In addition, the Company has entered into a Letter of Intent with an undisclosed party for work expected to commence in the second half of 2027, in direct continuation of the Repsol campaign. The options and LOI is expected to have a value in excess of USD 245 million plus five years of option periods, providing further long-term earnings visibility and reinforcing the Company's positive medium-term outlook.

Strategy and outlook

Dolphin Drilling strategy has been to secure long-term earning visibility for its fleet, which consists of three, harsh environment moored semisubmersible drilling rigs; Borgland Dolphin, Blackford Dolphin, and Paul B. Loyd Jr. Two of the units are equipped to operate in midwater, and the third equipped to operate in deepwater. Dolphin Drilling's global footprint is supported by onshore offices located in the UK, Norway, India, and Brazil. We are pleased with the progress so far represented with multi-year award secured for Paul B. Loyd, Jr, extended contract term for the Blackford Dolphin and signed a 4.2 yr + options for another 5 years for Borgland Dolphin. With the above we have regained the robustness of the operational platform and will be exploring growth initiatives to improve and maximize the group's cash flow potential.

Dolphin Drilling's experience and operational footprint allow the company to maintain drilling licences in most of the key offshore basins. This competency enables Dolphin to deploy its own fleet, as well as manage rigs on behalf of third-party owners, positioning the company as a flexible and reliable partner in the international offshore drilling market.

Management views 2026 as a deliberate positioning year, focused on strengthening the Company's earnings foundation through enhanced contract coverage, backlog visibility, and operational reliability, rather than pursuing short-term rate optimisation. This disciplined approach reflects a clear prioritisation of risk-adjusted returns and balance-sheet resilience, ensuring the fleet is optimally positioned to capture value through the next phase of the offshore cycle. By securing high-quality contracts and reinforcing operating performance, the Company is laying the groundwork for improved earnings durability and long-term shareholder value creation.

The broader offshore drilling market has improved and continues to exhibit favourable structural dynamics. We see a strengthened outlook for our rigs, supported by higher utilisation, increased tendering activity, and expanding contract durations. This is occurring against the backdrop of a rig supply-constrained environment, following years of capacity attrition and limited newbuild additions. As a result, operators are facing a reduced pool of competitive assets, improving pricing power and dayrate resilience across multiple segments. Importantly, this constricted supply profile provides a more resilient contracting visibility and attractive medium-term earnings upside.

Rig utilisation has improved across the global floater market, with the most pronounced gains observed in the non-high-spec segment, where supply tightening has been particularly acute approaching 90% from earlier lower levels. Management is optimistic that utilisation and pricing momentum should continue to broaden across the sector. This outlook is supported by

an extended period of elevated oil and gas production, a renewed focus on energy security, and increasing emphasis on exploration and development activity. These demand drivers are reinforced by the structurally reduced global fleet, creating a favourable balance between supply and demand that is expected to persist.

Geographically, growth opportunities are anticipated to be led by Africa and Asia, complemented by continued strength in the North Sea. Within this landscape, the UK, Norway, India, and Southeast Asia remain core focus regions for the Company, offering a combination of near-term contracting opportunities and longer-cycle development activity. Management believes the fleet is well aligned with the requirements of these markets, subject to timing and potential delays related to planned contract opportunities, positioning the Company to benefit from improving market fundamentals while maintaining a prudent and value-focused contracting strategy.

Accounting items

Accounting for mobilisation income and cost

In connection with some contracts, lump-sum fees or similar compensation for the mobilisation of equipment and personnel prior to the commencement of drilling services are received. Mobilisation fees received and costs incurred are deferred and recognised on a straight-line basis over the period that the related drilling services are performed.

Accounting for project cost – Special Periodic Survey

Expenditure for major replacement and renewal that significantly increases the service life of an asset are capitalised. The capital expenditure incurred represents investment towards future economic benefit over the five-year renewal life span. Contribution fees (if any) received (from customers) associated with the investment made are deferred and recognised on a straight-line basis over the period that the continuing related drilling services are performed.

Accounting for debt

External debt is accounted for at amortised cost using the effective interest rate (EIR) method. The interest expense is recognised over the life of the debt at a constant rate based on the expected future cash flows of the instrument. Transaction costs are included in the carrying amount and amortised through finance costs over the term of the debt. Where debt terms are modified without derecognition, the carrying amount is recalculated using the original EIR, with any resulting adjustment recognised in profit or loss.

Review for impairment indicators – rig asset carrying values

In accordance with IAS 36 the company must, at least annually, review for indicators of impairment and perform an impairment review related to Goodwill. An evaluation is conducted to assess the value in use / cash flow model supporting the carrying value of rig related asset balances (including customer relationships and inventory). Future cash flow models are judgemental and highly sensitive to a number of factors including commodity prices, charter day rates, rig utilisation, discount rates and growth rates.

Cautionary statement regarding forward looking statements

This Operating and Financial Review contains certain forward-looking statements that involve risks and uncertainties. Forward-looking statements are sometimes, but not always, identified by such phrases as “will”, “expects”, “is expected to”, “should”, “may”, “is likely to”, “intends” and “believes”. These forward-looking statements reflect current views with respect to future events and are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. These statements are based on various assumptions, many of which are based, in turn, upon further assumptions, including an examination of historical operating trends. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including the competitive nature of the offshore drilling industry, oil and gas prices, technological developments, government regulations, changes in economic conditions or political events, the inability of the Company to obtain financing on favourable terms, changes of the spending plan of our customers, changes in the Company’s operating expenses including crew wages, insurance, dry-docking, repairs and maintenance, failure of shipyards to comply with delivery schedules on a timely basis and other important factors mentioned from time to time in our report.

DOLPHIN DRILLING AS

Q1 2026 REPORT (UNAUDITED)

DOLPHIN DRILLING AS Income Statement (\$ in millions)	2026 1st Qtr	2025 4th Qtr	2025 1st Qtr
Charter Revenue	34.3	35.1	34.2
Other Revenue	10.4	11.9	11.4
Total Revenue	44.7	47.0	45.6
Rig Operating Expenses	(21.3)	(22.6)	(20.9)
Project Costs	(9.0)	(11.3)	(11.8)
Lay-up Expense	(1.9)	(2.1)	(2.7)
Total Operating Expense	(32.2)	(36.0)	(35.5)
G&A	(4.2)	(2.7)	(5.2)
Other	-	-	-
EBITDA	8.3	8.2	4.9
D&A	(6.4)	(6.6)	(5.6)
EBIT	1.9	1.7	(0.7)
Net finance (cost) / income	(6.7)	(5.6)	(6.2)
EBT	(4.8)	(4.0)	(6.8)
Taxes	(1.4)	2.3	(1.4)
Net Income (Loss)	(6.2)	(1.6)	(8.2)

Balance Sheet (\$ in Millions)	2026 Mar	2025 Dec
Cash	22.4	30.5
Accounts Receivable	27.5	23.4
Inventory	25.3	25.0
Other Current Assets	14.0	20.0
Total Current Assets	89.1	98.9
Tangible	83.8	87.1
Intangible	11.1	13.0
Total Non Current Assets	94.9	100.1
Total Assets	184.1	199.1
Accounts Payables	24.7	31.6
Accrued Interest	(0.0)	(0.0)
Accrued Expenses	13.3	15.8
Current Portion of Debt	15.4	26.0
Other Current Liabilities	15.1	22.8
Total Current Liabilities	68.5	96.2
Other Non-Current Liabilities	3.5	3.5
Non Current Portion of Debt	76.3	60.4
Total Non-Current Liabilities	79.8	63.9
Total Shareholders Equity	35.7	39.0
Total Liabilities & Shareholders' Equity	184.1	199.1

Statement of Cash Flows (\$ in millions)	2026 Mar	2025 Mar
Operating Cash Flows		
Net Income	(6.2)	(8.2)
Add-Back: Depreciation and Amortization	6.4	5.6
Less gain / Add loss on disposal of assets	-	-
Change in Accounts Receivable	(4.1)	5.6
Change in Inventory	(0.3)	(0.8)
Change in Other Current Assets	6.1	3.6
Change in Accounts Payable	(6.9)	0.3
Change in Accrued Interest	(0.0)	0.6
Change in Accrued Expenses	(2.5)	(4.8)
Change in Other Current Liabilities	(7.7)	(2.9)
Change in Non Current Liabilities	0.0	0.2
Net Change in Working Capital	(15.4)	1.8
Cash Flow from Operations	(15.2)	(0.8)
Cash Flow From Investing	(1.2)	(1.6)
Free Cash Flow Before Financing Activities	(16.4)	(2.4)
Cash Flow from Financing	8.3	(2.4)
Net Change in Cash	(8.1)	(4.8)