Preliminary earnings release

Q2 2026

DOLPHIN DRILLING AS

Preliminary Results as of Second Quarter and First Half 2026

Oslo, Norway, 19 August 2026.

Dolphin Drilling AS (OSE: DDRIL) announced today its preliminary financial results for the six months ended 30 June 2026.

The second quarter represented a significant step forward in Dolphin Drilling's repositioning, with increased long-term contract coverage, continued strong safety and operational performance and a completed refinancing materially strengthening earnings visibility, liquidity and financial flexibility.

Q2 2026 Highlights

- **Revenue of USD 44.9 million**, broadly stable compared with USD 44.7 million in Q1 2026
- **EBITDA of USD 7.0 million**, compared with USD 8.3 million in Q1 2026

Operational Performance

- **Paul B. Loyd, Jr.** delivered USD 16.2 million in revenue, 100% uptime
- **Blackford Dolphin** delivered USD 28.7 million in revenue, 90% uptime

Balance Sheet and Liquidity

- **Cash and cash equivalents of USD 55.1 million**, including USD 4.2 million of restricted cash
- **Refinancing completed**, including extended maturities, deferred 2026 amortisation and a USD 62.5 million equity raise

Backlog and Market Visibility

- **USD 557 million firm backlog** and USD 446 million of options at quarter-end, supporting long-term earnings visibility
  - **Paul B. Loyd, Jr.** contracted to September 2030, with up to five years of priced options thereafter
  - **Borgland Dolphin** contracted to November 2031, with five years of priced options thereafter
  - **Blackford Dolphin** contracted to Oil India, currently on the last well of a 3 well exploration campaign offshore India

Financial and Operational Review Q2 2026

Revenues for the second quarter of 2026 totalled USD 44.9 million, compared with USD 44.7 million in Q1 2026. Revenue was therefore broadly stable quarter-on-quarter, with stronger earnings efficiency on Paul B. Loyd, Jr. offsetting the impact of downtime on Blackford Dolphin. Charter revenue was USD 34.4 million and other revenue was USD 10.5 million.

Paul B. Loyd, Jr. generated total revenue of USD 16.2 million in the quarter, compared with USD 15.6 million in Q1 2026. The rig achieved 96% earnings efficiency and 99.8% uptime. During the quarter, a new longer-term contract was secured with Harbour Energy. The revised terms included a reduced dayrate; however, despite lower dayrate a substantial reduction in waiting-on-weather hours compared with Q1 2026, resulted in a favourable sequential revenue performance.

Blackford Dolphin generated total revenue of USD 28.7 million, compared with USD 29.1 million in Q1 2026. Earnings efficiency was 89.8% and uptime was 90.2%. During the quarter, the rig experienced downtime primarily driven by BOP-related issues in April and May, resulting in 216 zero-rate hours.

Total operating expenses increased modestly to USD 32.7 million in Q2 2026 from USD 32.2 million in Q1 2026. Paul B. Loyd, Jr. operating expenditure decreased to USD 8.1 million from USD 8.3 million, reflecting lower personnel costs. Blackford Dolphin operating expenditure was USD 22.2 million, compared with USD 22.0 million in the prior quarter. Costs related to other services had a minor increase in the quarter.

Borgland Dolphin operating expenditure increased to USD 2.4 million from USD 1.9 million in Q1 2026, as we have started the preparations for the planned class renewal.

Total G&A was USD 5.2 million, compared with USD 4.2 million in Q1 2026. Adjusted G&A was USD 4.3 million versus USD 3.9 million in the prior quarter. The increase was driven by costs incurred for the refinancing project successfully concluded in May and reimbursement of HMRC legal costs associated with the 2025 tribunal.

The Company reported EBITDA of USD 7.0 million for Q2 2026, compared with USD 8.3 million in Q1 2026, explained by the costs associated with the group refinancing. EBIT improved to USD 3.5 million, reflecting lower depreciation and amortisation due to reduced carrying values of the rigs following impairments realized in the full-year 2025 accounts. Net loss reduced to USD 2.3 million from USD 6.2 million in the prior quarter.

1H 2026 financial review

For the first half of 2026, Dolphin Drilling generated combined revenues of USD 89.6 million, reflecting stable activity levels across the first two quarters. Total rig operating expenses amounted to USD 64.9 million, while total G&A was USD 9.4 million, resulting in EBITDA of USD 15.3 million for the period.

Balance Sheet as at 30 June 2026

Non-Current Assets

Non-current assets decreased to USD 95.9 million from USD 103.4 million at year-end 2025. During the second quarter of 2026, the Company incurred approximately USD 0.9 million in capital expenditure (USD 2.1 million in first half 2026), primarily related to routine maintenance and operational readiness across the fleet. Depreciation and amortisation of USD 3.5 million was recognised in the second quarter of 2026.

Current Assets

As at 30 June 2026, current assets totalled USD 107.5 million, compared with USD 77.1 million at year-end 2025. The Company's cash position increased materially to USD 55.1 million, including USD 4.2 million of restricted cash primarily related to a performance bond supporting ongoing contracts.

Accounts receivable amounted to USD 24.4 million, on par with normal levels. Inventory increased to USD 3.8 million from USD 3.1 million at year-end 2025, all related to Paul B. Loyd, Jr.

Other current assets totalled USD 24.2 million, including approximately 30 days of accrued revenue of USD 12.2 million, the majority of which relates to the Blackford Dolphin contract. Other material items include a USD 7.2 million debt service coverage balance, fees related to debt facilities that will be amortised over the debt maturity period, and prepayments.

Current Liabilities

Current liabilities excluding interest bearing debt totalled USD 36.3 million, materially reduced from USD 68.4 million at year-end 2025. The new Accounts payable level of USD 14.0 million indicate normalized levels. Accrued expenses reduced to USD 12.0 million from USD 19.7 million, and final settlement of outstanding interest liabilities to HMRC was made.

Non-Current Liabilities and Financing

Outstanding interest-bearing debt as at 30 June 2026 amounted to net USD 79.8 million. Total recognised interest-bearing debt of USD 87.0 million comprised USD 19.7 million classified as current and USD 67.3 million classified 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 first half of 2026, the Company's external lender provided a short-term bridge facility of USD 7.5 million, which was fully drawn by April 2026 and fully repaid in May 2026.

During Q2 2026, 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 and suspend covenant testing for 2026. In addition, a USD 62.5 million equity raise was completed during the period, materially strengthening liquidity and financial flexibility.

Rig Operational Update

During the second quarter of 2026, Dolphin Drilling operated two rigs on contract, while Borgland Dolphin remained in preparation for future operations.

The Paul B. Loyd, Jr. semisubmersible drilling rig continued operations for Harbour Energy in the UK. A new contract was secured during the quarter with Harbour Energy, extending the rig's earnings visibility. The new contract plus options provided to the existing client indicate that the rig should have the potential to remain in operation in the UK until 2035.

The Blackford Dolphin's contract with Oil India Ltd was extended several times, the current estimated end date is subject to completion of the 3 well exploration campaign plus associated production tests. We pursue several opportunities in various offshore basins for Blackford post existing contract.

The Borgland Dolphin remained in lay-up in preparation for its final part of the rig survey and thereafter commencement of the rig contract with Repsol. We are pleased to see Borgland securing firm contract backlog for the next 5 years, plus options provided to client potentially resulting in contract work until November 2036.

Total firm revenue backlog at the end of the second quarter of 2026 amounts to USD 557 million plus USD 446 million in options.

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 year-to-date represented with multi-year award secured for Paul B. Loyd, Jr, extended contract term for the Blackford Dolphin and signed a 4.5 yr + options for another 5 years for Borgland Dolphin. With the above we have regained the robustness of the operational platform which allows us to explore growth initiatives to improve and maximize the group's cash flow potential.

The medium-term outlook for offshore drilling remains positive supported by a combination of increased focus on energy security, de facto no newbuild activity for more than a decade, and operators increasingly locking in available rig capacity for multi-year drilling campaigns. This creates a sound industry backdrop, with tightening supply and longer contract durations supporting improved visibility across the floater segment.

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.

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.

Dolphin Drilling continues to evaluate strategic initiatives aimed at enhancing long-term shareholder value. The Company is currently engaged in preliminary, non-binding discussions concerning certain organic growth opportunities as well as potential business combinations.

Accounting items

<u>Accounting for project cost – Special Periodic Survey</u>

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 *Income Statement ($ in millions)*	**Q2 2026**	**Q2 2025**	**1H 2026**	**1H 2025**	***FY 2025**
Charter Revenue	**34.4**	35.8	**68.7**	70.0	130.8
Other Revenue	**10.5**	11.6	**20.9**	23.0	47.8
Total Revenue	**44.9**	**47.4**	**89.6**	**93.0**	**178.6**
Rig Operating Expenses	**(21.1)**	(22.1)	**(42.4)**	(43.1)	(90.5)
Project Costs	**(9.2)**	(11.7)	**(18.2)**	(23.5)	(46.8)
Lay-up Expense	**(2.4)**	(2.4)	**(4.3)**	(5.1)	(9.7)
Total Operating Expense	**(32.7)**	**(36.2)**	**(64.9)**	**(71.7)**	**(147.0)**
G&A	**(5.2)**	(5.6)	**(9.4)**	(10.9)	(17.6)
Other	**-**	-	-	-	0.5
EBITDA	**7.0**	**5.5**	**15.3**	**10.4**	**14.5**
D&A	**(3.5)**	(5.9)	**(9.9)**	(11.5)	(41.6)
EBIT	**3.5**	**(0.4)**	**5.4**	**(1.1)**	**(27.1)**
Net finance (cost) / income	**(4.5)**	(10.8)	**(11.2)**	(17.0)	(28.7)
EBT	**(0.9)**	**(11.3)**	**(5.8)**	**(18.1)**	**(55.8)**
Taxes	**(1.4)**	(14.9)	**(2.8)**	(16.3)	(15.4)
Net Income (Loss)	**(2.3)**	**(26.2)**	**(8.6)**	**(34.4)**	**(71.2)**

Amounts in USD millions. Totals may not add due to rounding.
**FY 2025 updated following completion of financial audit and publication of the integrated annual report*

Balance Sheet ($ in millions)	30 June 2026	30 June 2025	*31 Dec 2025
Cash	**55.1**	21.8	30.5
Accounts Receivable	**24.4**	16.2	23.4
Inventory	**3.7**	25.3	3.1
Other Current Assets	**24.3**	33.0	20.0
Total Current Assets	**107.5**	**96.3**	**77.1**
Tangible	**86.7**	66.4	91.0
Intangible	**9.2**	16.8	12.4
Total Non-Current Assets	**95.9**	**83.2**	**103.4**
Total Assets	**203.4**	**179.5**	**180.5**
Accounts Payables	**14.0**	30.0	31.6
Accrued Interest	**-**	4.0	-
Accrued Expenses	**12.0**	19.9	19.7
Current Portion of Debt	**19.7**	35.0	25.7
Other Current Liabilities	**10.3**	28.1	17.1
Total Current Liabilities	**56.0**	**117.0**	**94.1**
Other Non-Current Liabilities	**3.2**	3.6	3.3
Non-Current Portion of Debt	**67.3**	46.5	61.1
Total Non-Current Liabilities	**70.5**	**50.1**	**64.4**
Total Shareholders Equity	**76.9**	**12.4**	**22.0**
Total Liabilities & Shareholders' Equity	**203.4**	**179.5**	**180.5**

**FY 2025 updated following completion of financial audit and publication of the integrated annual report*

Statement of Cash Flows ($ in millions)	30 June 2026	30 June 2025	*31 Dec 2025
Operating Cash Flows			
Net Income	**(8.6)**	(34.4)	(71.2)
Add-Back: Depreciation and Amortization	**9.9**	11.5	41.6
Less gain / Add loss on disposal of assets	**-**	-	-
Change in Accounts Receivable	**(1.0)**	6.1	(1.0)
Change in Inventory	**(0.6)**	(1.6)	(1.3)
Change in Other Current Assets	**(4.2)**	(6.5)	6.4
Change in Accounts Payable	**(17.6)**	(0.3)	1.3
Change in Accrued Interest	**-**	1.2	(2.8)
Change in Accrued Expenses	**(2.5)**	(2.6)	(8.0)
Change in Other Current Liabilities	**(12.7)**	13.1	8.0
Change in Non-Current Liabilities	**(0.1)**	0.2	-
Net Change in Working Capital	**(38.7)**	9.7	2.6
Cash Flow from Operations	**(37.4)**	(13.2)	(27.0)
Cash Flow from Investing	**(2.1)**	(5.4)	(34.1)
Free Cash Flow Before Financing Activities	**(39.5)**	(18.6)	(61.1)
Cash Flow from Financing	**64.1**	6.0	57.2
Net Change in Cash	**24.6**	(12.6)	(3.9)

**FY 2025 updated following completion of financial audit and publication of the integrated annual report*