

Preliminary earnings release

Q3 2025



DOLPHIN DRILLING AS

Preliminary Results as of Third Quarter 2025

Oslo, Norway, 28 November 2025.

Dolphin Drilling AS (OSE: DDRIL) announced today its preliminary financial results for the three months ended 30 September 2025.

Q3 2025 and Subsequent Events

- Q3 Revenue: USD 37.7 million, compared to USD 16.5 million in Q3 2024
- Q3 EBITDA: a loss of USD 4.7 million, an improvement from a loss of USD 22.1 million in Q3 2024, impacted by the planned out of service days for Paul B Loyd Jr and her rig survey
- Q3 G&A cost: USD 4.0 million, a reduction from USD 5.3 million in Q3 2024
- Q3 Net Earnings: loss of USD 18.2 million or USD 0.06 per share, compared to a loss of USD 30.2 million in Q3 2024 or USD 0.14 per share
- Q3 Rig Utilization: PBLJ had rig uptime of 98.3% (on contract for 30 days due to the planned rig survey). Blackford Dolphin on contract for the full quarter at an average of 89.8%. In September 2025, Paul B. Loyd, Jr ("PBLJ") completed its 5-year rig survey within the capex budget of USD 30 million
- USD 100 million contract awards: The company signed a contract adding USD 60 million in revenue backlog for the Borgland Dolphin with Repsol SA as well as contract extension adding USD 40 million for the Blackford Dolphin with Oil India

Financial Results

The company reported total revenues of USD 37.7 million. The majority of the revenues were generated from Blackford with USD 20.5 million in rig revenues, USD 8.9 million related to other services, and USD 2.6 million related to deferred mobilisation income. Blackford had uptime of 89.8% in the quarter with essential electrical repairs required for the Top Drive System the main cause of downtime in the quarter. The PBLJ was off contract for 62 days undergoing her 5-year rig survey and achieved 98.3% for the period on contract. This resulted in USD 5.2 million in rig revenues. In other revenues we recorded USD 10 million in a payment from Harbour as their contractual contribution related to the rig survey, however, this revenue will be accounted for over the remaining fixed contract period.

The remaining portion of the other revenue achieved in the quarter includes USD 0.4 million of equipment sales

Rig operating expenses in the third quarter 2025 were USD 24.0 million. Blackford total was USD 14.0 million, on par with the previous quarter. We had less repairs and maintenance costs in the prior quarter, however, offset by increased fuel and freight costs for mobilising equipment.

Due to the PBLJ undergoing her rig survey, there is a different mix of operating expenditure in comparison to normal operations. In the current quarter, operating cost of USD 10.0 million

was reported which is USD 2.0 million higher in comparison to the previous quarter. Travel, accommodation and other related costs increased sharply for crew personnel during the rigs yard stay, and agency personnel costs also increased due to additional resources required during the yard stay. During the rig survey, critical repairs and additional maintenance work were identified which increased our operating cost in the current quarter.

In project costs, the largest spend was USD 9.3 million which is related to other services, vessels to service the Blackford contract. Amortisation of mobilization costs represent the remaining USD 2.7 million of project costs which is offset in other revenue. Lay-up cost for Borgland totalled USD 2.4 million for the third quarter, largely in line with the previous quarter.

We have trimmed our quarterly G&A cost down to USD 4.0 million, a significant reduction from last year overhead cost, as well as previous quarter. Included in the total G&A are USD 0.6 million in professional fees linked to the refinancing as well as cost related to enforcement of the arbitration award against General Hydrocarbons Limited, and legal fees associated with Borgsten case versus HMRC.

Net finance cost in the third quarter of 2025 was USD 6.8 million inclusive of a loss on FX of USD 0.7 million, debt interest of USD 3.8 million, and fees of USD 2.1 million related to accounting for commission shares offered in the refinancing.

The company reported a Net Loss of USD 18.2 million for the third quarter of 2025, materially impacted by the 62-day rig survey period of PBLJ.

Balance sheet as at September 2025

Non-Current Assets

During the nine months year to date the company has spent approximately USD 32.1 million on capex (USD 26.7 million in the third quarter) and incurred depreciation and amortisation charges of USD 16.7 million (USD 5.2 million in the third quarter). The total capital expenditure forecast for 2025 is estimated at USD 36 million. PBLJ is expected to total approximately USD 30 million for 2025, Blackford Dolphin forecast at approximately USD 2 million, (which is reduced from earlier guidance of USD 7 million) and Borgland estimated at USD 3.5 million, with USD 2.2 million spent year to date.

Current Assets

As of 30 September 2025, the company had approximately USD 32.9 million of cash and cash equivalents, including restricted cash amounts of approximately USD 4.0 million relating to outstanding bid and performance bonds that support ongoing contracts.

Accounts receivable balance of USD 30.2 million represents 60 days payment practice from invoicing on the Blackford. For PBLJ, 8 days of charter revenue was billed to Harbour Energy after operations restarted following the rig survey, while an additional USD 10.0 million from Harbour Energy representing their contribution to the rig survey was booked as receivable as of September, and payment received in early October. In comparison, at the end of the prior year the outstanding accounts receivable balance was USD 22.3 million which was 30 days

and 60 days payment practice for PBLJ and Blackford contract respectively with minimal revenue accrued.

The Inventory we hold for our rigs has slightly increased from USD 23.7 million to USD 24.5 million in the year. PBLJ inventories have increased in 2025 due to increase in consumable items, while we have also replenished stock items that were accounted at a low value upon the initial rig acquisition.

Other current assets total as at 30 September 2025 is USD 22.9 million. This is a decrease from the end of the prior year balance USD 26.5 million. Material items include prepayments total of USD 5.7 million; USD 2.9 million of Blackford mobilisation costs which are amortising over the duration of the Blackford contract (reduced from USD 10.6 million at 31st December 2024); a USD 7.2 million debt service coverage balance (an increase of USD 0.7 million from last quarter) which is linked to our long-term loan; and an input tax receivable of USD 0.9 million which has accumulated during the year. The input tax is primarily related to Blackford operations in India and the requirement to pay reverse charge goods and services taxes in India.

Current Liabilities

Accounts payable have remained at a higher level versus normal, USD 38.6 million (at 31st December 2024: USD 30.3 million) which can be traced back to the extended exit from Nigeria and thereafter increased costs for the rig transit and mobilisation to the next contract commencement in India. Another contributing factor to the accounts payable number is due to the capital spend required in the third quarter as well as a normal increase in rig operating expenditure for the PBLJ while completing the rig survey.

Accrued expenses has increased to USD 26.0 million, in comparison to the end of the prior year total of USD 22.5 million. This is also due to an increase in purchase orders receipts accruals required in order to correctly account for timing of spend related to the rig survey on PBLJ.

We have reported an increase in our other current liabilities as at 30th September 2025 to USD 32.4 million in comparison to 31st December 2024 USD 15.0 million. This is due to the loss of the HMRC tax case resulting in USD 19.2 million interest and costs liability being accrued in the prior quarter. USD 16.4 million (GBP 12.2 million) liability remains for the HMRC tax case as at 30th September 2025. After the quarter end we have repaid an additional USD 4 million (GBP 3 million) to HMRC. Other significant items include a deferred rig survey contribution fee from Harbour of USD 9.9 million, deferred mobilisation fee from Oil India of USD 2.9 million. Both of these liabilities unwind over the course of the PBLJ and Blackford contracts respectively. The Blackford fee is an offset of mobilisation costs in current assets and a reduction from USD 10.6 million from the prior year.

The previously reported USD 15.0 million shareholder loan plus interest was repaid in July 2025 as part of the group refinancing.

Non-Current Liabilities

Outstanding interest bearing debt as of 30th September is USD 89.3 million with USD 25.2 million included in the current portion of debt and USD 64.1 million as non-current. The facility includes a USD 7.2 million debt service coverage balance which is recorded as a current asset in the balance sheet, leaving the actual outstanding debt reduced with the same USD 7.2 million.

The debt comprises of a fully drawn loan facility and a bond. The loan total USD 67.2 million including the USD 7.2 million debt service coverage, following scheduled debt amortisation of USD 5 million earlier this year, and later on upsized with USD 7.2 million. In July the lender accepted to defer debt repayments totalling USD 20 million for the period up to second quarter of 2026. The loan has a maturity in September 2027.

The refinancing that concluded in July 2025 included certain amendments to terms in the existing loan facility, an upsize amount of USD 7.2 million, and a new secured bond of USD 21.5 million. All of the three rigs are pledged as security to the groups long term loans. As part of the group refinancing USD 29 million in new equity issue was issued.

After the quarter end the company has negotiated certain other amendments to the secured bond including waivers of scheduled debt amortisation for five months in 2026. The company strengthened its financial flexibility by raising equity worth NOK 151.3 million (approximately USD 15 million).

Rig operational update

In the third quarter Dolphin Drilling had two rigs on-contract and one rig stacked pending contract start-up in 2026.

The PBLJ semisubmersible drilling rig continued throughout the period for Harbour Energy in the UK but was off contract for 62 days undergoing her planned five-year Special Periodic Survey (SPS). The rig returned to work on its long-term contract in the UK late September.

The Blackford Dolphin has been on contract for Oil India throughout 2025. The firm drilling program comprises of three exploration wells, and an option for one further well. As of 30 September, the rig is currently drilling the second of the firm wells and will move in late October to the third well.

The Borgland Dolphin semisubmersible drilling rig is in lay-up at Las Palmas, Gran Canaria. A contract has been awarded for Borgland with Repsol SA, a major Spanish multinational energy petrochemical company for a firm 7 wells spanning 220 days, with an option to extend for a further 3 wells. Contract start date is currently expected for late 2026 and early preparation work has commenced to prepare the rig for operations.

Strategy and outlook

In 2025, Dolphin Drilling celebrates its 60th anniversary, reaffirming its status as one of the industry's earliest established offshore drilling companies. Over the past six decades, the company has operated drilling rigs in most offshore oil and gas basins around the world.

Dolphin Drillings current fleet 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. Dolphins global footprint is supported by onshore offices located in the UK, Norway, India, and Brazil.

Dolphin Drilling's experience and operational footprint allows 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.

Utilisation continues to be a challenge for the sector; however, the low seen in 2025 is likely to be improved upon as we move into 2026 and beyond. Primarily, this increase in rig utilisation will be driven by the deepwater market, but we're cautiously optimistic that increases will be seen throughout the sector further supported by the decline in offshore moored supply. Overall growth is likely to come from Africa and Asia, and potentially from the North Sea for moored units, where there is visibility of some longer-term requirements for P&A. As such, the UK, Norway, India, and Southeast Asia continue to represent key regions of opportunity.

Whilst we expect day rates for moored units to remain flat for the immediate future, this increased utilisation will eventually translate into higher day rates.

Presently, two of Dolphin Drilling's three rigs are under contract, with the third successfully awarded a contract commencing late 2026. Key focus areas are now on adding backlog to our existing rigs, improve cost efficiency and continuing to evaluate strategic initiatives, all aimed at enhancing long-term shareholder value in a competitive and evolving market environment.

Other Items

On 24 October 2025, an announcement was made to the market in connection with the payment of an outstanding corporation tax liability of Dolphin Drilling Limited ('DDL') to His Majesty's Revenue and Customs ('HMRC') across a period until 30 April 2026. In this period, DDL shall make a programme of monthly instalment payments to HMRC in order that the total liability be paid in full by no later than 30 April 2026.

On 8 November 2025, an announcement was made to the market in connection with the arbitration award held by Dolphin Drilling Limited and DD Offshore West Africa Limited (together 'Dolphin') against General Hydrocarbons Limited ('GHL'). Dolphin is continuing with efforts to collect payment of sums due under the arbitration award.

On 24 December 2023, an announcement was made to the market in connection with legal action by Peak Petroleum Industries Nigeria Limited ('Peak'). In the period since 30 September 2025, the Federal High Court of Nigeria has granted Peak's application to discontinue this legal action with no order having been made against, and with no payment having been made by, any Dolphin group company.

Accounting items

Accounting for provisions v contingent liabilities

The outcome of the legal process with the UK Tax Authorities (HMRC) is no longer unknown. The result of the ruling has resulted in a liability for tax and estimated interest being recorded.

Accounting for project cost – mobilisation of Blackford Dolphin

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. Cost which outweighed income on mobilisation has been recorded in full in the prior year.

Accounting for project cost – Special Periodic Survey Paul B Loyd Jr

Expenditure for major replacement and renewal that significantly increases the service life of an asset are capitalised. The capital expenditure incurred on the Paul B Loyd Jr represents investment towards future economic benefit over the five-year renewal life span. Contribution fees received 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 modification – IFRS 9

In July 2025 and subsequent to quarter end the company have amended terms to its debt facilities. IFRS 9 requires a modification of debt to be evaluated from the perspective of ascertaining whether the exchange constitutes 'substantially different' terms. If the exchange meets the evaluation of 'substantially different' terms then it will be accounted for as an extinguishment of the original facility and recognition of a new facility. If the exchange does not meet the evaluation of 'substantially different' terms then it will be accounted for by recalculating the amortised cost of the financial liability, computing the present value of estimate future cashflows discounted at the original effective interest rate ("EIR"). Any adjustment recognised in the profit / loss. The company will make this evaluation for closing the accounting year on 31 December 2025.

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

Q3 2025 REPORT (UNAUDITED)

DOLPHIN DRILLING AS	2025	2025	2024	2025	2024
Income Statement (\$ in millions)	3rd Qtr	2nd Qtr	3rd Qtr	YTD Sep	YTD Sep
Charter Revenue	25.7	35.8	16.0	95.7	42.3
Other Revenue	12.0	11.6	0.5	35.0	4.2
Total Revenue	37.7	47.4	16.5	130.7	46.5
Rig Operating Expenses	(24.0)	(22.1)	(17.0)	(67.0)	(44.3)
Project Costs	(12.0)	(11.7)	(15.8)	(35.5)	(22.8)
Lay-up Expense	(2.4)	(2.4)	(0.4)	(7.5)	(7.0)
Total Operating Expense	(38.4)	(36.2)	(33.2)	(110.1)	(74.2)
G&A	(4.0)	(5.6)	(5.3)	(14.9)	(16.0)
Other	-	-	(0.1)	-	(1.5)
EBITDA	(4.7)	5.5	(22.1)	5.7	(45.3)
D&A	(5.2)	(5.9)	(3.7)	(16.7)	(10.6)
EBIT	(9.9)	(0.4)	(25.7)	(11.0)	(55.9)
Net finance (cost) / income	(6.8)	(10.8)	(4.4)	(23.9)	(4.6)
EBT	(16.8)	(11.3)	(30.1)	(34.9)	(60.5)
Taxes	(1.4)	(14.9)	(0.1)	(17.7)	(0.6)
Net Income (Loss)	(18.2)	(26.2)	(30.2)	(52.6)	(61.1)

Balance Sheet (\$ in Millions)	2025 Sep	2024 Dec
Cash	32.8	34.4
Accounts Receivable	30.2	22.3
Inventory	24.5	23.7
Other Current Assets	22.9	26.5
Total Current Assets	110.4	107.0
Tangible	89.8	68.7
Intangible	14.9	20.6
Total Non Current Assets	104.7	89.3
Total Assets	215.1	196.3
Accounts Payables	38.6	30.3
Accrued Interest	(0.0)	2.7
Accrued Expenses	26.0	22.5
Current Portion of Debt	25.2	35.0
Other Current Liabilities	32.4	15.0
Total Current Liabilities	122.2	105.5
Other Non-Current Liabilities	3.6	3.3
Non Current Portion of Debt	64.1	45.4
Total Non-Current Liabilities	67.7	48.7
Total Shareholders Equity	25.3	42.0
Total Liabilities & Shareholders' Equity	215.1	196.3

Statement of Cash Flows (\$ in millions)	Sep-25	Sep-24
Operating Cash Flows		
Net Income	(52.6)	(61.1)
Add-Back: Depreciation and Amortization	16.7	10.6
Less gain / Add loss on disposal of assets	-	1.5
Change in Accounts Receivable	(7.9)	5.8
Change in Inventory	(0.8)	(2.8)
Change in Other Current Assets	3.6	(9.8)
Change in Accounts Payable	8.3	13.1
Change in Accrued Interest	(2.7)	1.0
Change in Accrued Expenses	3.5	(0.9)
Change in Other Current Liabilities	17.4	(7.1)
Change in Non Current Liabilities	0.3	(0.5)
Net Change in Working Capital	21.7	(1.1)
Cash Flow from Operations	(14.2)	(50.1)
Cash Flow From Investing	(32.1)	(48.1)
Free Cash Flow Before Financing Activities	(46.3)	(98.2)
Cash Flow from Financing	44.7	101.8
Net Change in Cash	(1.6)	3.6