

Preliminary earnings release

Q4 2025



DOLPHIN DRILLING AS

## Preliminary Results for 2025

Oslo, Norway, 27 February 2026.

Dolphin Drilling AS (OSE: DDRIL) announced today its preliminary financial results for the three months ended 31 December 2025 and full year 2025.

### As of December 31, 2025

- Revenues of USD 47.0 million for the fourth quarter, compared to USD 37.7 million in Q3 2025. 2025 revenues were USD 177.7 million, up from USD 96.5 million reported for 2024
- EBITDA of USD 8.2 million for the fourth quarter, a significant improvement from a loss of USD 4.7 million in Q3 2025. For the full year, EBITDA was USD 13.9 million compared to a loss of USD 34.2 million in 2024
- Net Earnings: The company reported a loss of USD 1.6 million or USD 0.01 per share, compared to a loss of USD 18.2 million in Q3 2025 or USD 0.06 per share. 2025 earnings per share were a loss of USD 0.1 per share, in comparison to a loss of USD 0.38 per share in the previous year
- Rig Utilization: Paul B. Loyd, Jr (“PBLJ”) had rig uptime of 98.9% while Blackford Dolphin achieved 92.1%. Utilisation for 2025 was 98.0% and 91.7% respectively
- Contract award: The company signed new firm contracts representing USD 100 million, USD 60 million in revenue backlog for the Borgland Dolphin with Repsol SA as well as a contract extension adding USD 40 million for the Blackford Dolphin with Oil India
- New shares: Company raised gross proceeds of approximately USD 15 million in a Private Placement of shares
- Leadership Change: In December, Michael Boyd was appointed CEO

### Financial Results Q4 2025

The company reported total revenues of USD 47.0 million in the fourth quarter of 2025, versus revenues of USD 37.7 million in the previous quarter. Following the completion of her 5-year rig survey in the third quarter and 62 days off contract, PBLJ was back on contract in full in the current quarter which was the main reason for the improved revenue. PBLJ’s charter revenue in the quarter was USD 15.1 million plus USD 1.2 million of deferred revenue related to Harbour’s contractual contribution to the rig survey. PBLJ’s uptime was also high in the quarter at 98.9% but actual earnings efficiency in the quarter was 89.3%. Bad weather during the winter months caused 639 hours within the quarter being charged to our customer at the contractual 75% waiting on weather rate, reducing our maximum earnings capability.

Blackford Dolphin, generated charter revenues of USD 20.0 million, USD 8.9 million related to other services, and USD 1.8 million was deferred mobilisation income. Blackford Dolphin’s earnings efficiency achieved was 90.9% with operational uptime of 92.1%. Revenue fell

slightly short of our expectations as some downtime was experienced in November due to repair work. A rig move conducted within the period also affected the revenues.

The company made improvements to its cost base during the fourth quarter. Total rig operating expenses was reduced to USD 22.6 million in the fourth quarter 2025 (USD 24.0 million in Q3 2025).

PBLJ reported a significant reduction in operating expenses, falling to USD 8.4 million from USD 10.0 million in the previous quarter. Blackford Dolphin rig operating expenses was USD 14.2 million.

The largest spend within the project cost was USD 9.4 million related to vessels to service the Blackford Dolphin contract. Amortisation of mobilization costs represent the remaining USD 1.8 million of project costs which is offset in other revenue. Lay-up cost for Borgland Dolphin totalled USD 2.1 million for the fourth quarter, reduced from USD 2.4 million in the previous quarter with a reduction in personnel costs the main contributor.

We have again trimmed our quarterly G&A cost down to USD 2.7 million a significant reduction from USD 4.0 reported in the previous quarter. This decrease was primarily by USD 1.6 million due to revision to legacy cost provisions. Also included in the total G&A are USD 0.4 million in professional fees linked to the refinancing as well as cost related to enforcement of the arbitration award against General Hydrocarbons Limited.

Net finance cost in the fourth quarter of 2025 was USD 5.6 million inclusive of debt interest of USD 4.1 million, and fees of USD 1.4 million related to accounting for commission shares offered in the Private Placement.

During the quarter, legacy tax cost provisions were also reviewed / revised and this contributed to reduction in tax expense of USD 3.8 million.

The company reported a Net Loss of USD 1.6 million for the fourth quarter of 2025.

### **Financial Results 2025**

The company reported total revenues of USD 177.7 million for 2025. PBLJ has achieved 93% earnings efficiency. Reduced earnings caused by waiting on weather periods in January and all months in quarter 4. Blackford Dolphin recorded 90.8% earnings efficiency for 2025. Other revenue includes USD 9.5 million in deferred mobilisation fees, USD 1.3 million of deferred contribution, and USD 34.7 million in recharges to Oil India for vessels, while sales of equipment totalling USD 1.2 million contributed to revenue increase.

Operating expenses in 2025 were USD 89.6 million. Blackford Dolphin totalled USD 55.8 million while PBLJ ended 2025 with operating cost of USD 33.8 million. In project cost the other services to the Blackford Dolphin contract represent USD 37.2 million whilst amortisation of mobilization cost represents the remaining USD 9.5 million. Lay-up cost for Borgland Dolphin totalled USD 9.6 million for 2025. G&A cost of USD 17.6 million include USD 3.0 million legal cost and professional fees.

Depreciation and amortization of our tangible and intangible assets totalled USD 23.3 million for 2025.

Net finance costs in 2025 were USD 29.5 million which outside of loan interest and fees includes a loss on FX of USD 6.9 million, USD 5.9 million interest from the legacy tax case and a cumulative USD 3.5 million related to the cost of commission shares offered in the refinancing.

The company reported a Net Loss of USD 54.2 million for 2025, materially impacted by the booking of the legacy tax claim.

## **Balance sheet as at December 2025**

### Non-Current Assets

During 2025, the company spent approximately USD 34.1 million on capex (USD 2.0 million in the fourth quarter) and incurred depreciation and amortisation charges of USD 23.3 million (USD 6.6 million in the fourth quarter). Due to the 5-year rig survey, capital spend for PBLJ was USD 29.9 million for 2025, in line with budget. Blackford Dolphin capex cost ended at USD 1.4 million for 2025, below budget. For Borgland Dolphin capex cost at USD 2.6 million as continued preparation for reactivation that is on schedule for 2026.

### Current Assets

As of 31 December 2025, the company had approximately USD 30.5 million of cash and cash equivalents, including restricted cash amounts of approximately USD 4.1 million relating to outstanding bid and performance bonds that support ongoing contracts.

Accounts receivable balance of USD 23.4 million represents 60 days payment practice from invoicing on the Blackford Dolphin and 30 days for PBLJ. An additional USD 3.9 million of revenue was accrued and reported on other current assets, the majority of which is for the Blackford contract.

The inventory we hold slightly increased from USD 23.7 million to USD 25.0 million in the year mainly due to PBLJ items consumed and replenished (also reflecting that original items were accounted at a low value upon the rig acquisition).

Other current assets total at 31 December 2025 is USD 20.0 million This is a decrease from the end of the prior year balance USD 26.5 million. Material items include accrued revenues representing USD 3.9 million, prepayments total of USD 1.8 million, USD 1.1 million Blackford Dolphin mobilisation costs which are amortising over the duration of the rig's contract (reduced from USD 10.6 million at 31<sup>st</sup> December 2024), a USD 7.2 million debt service coverage balance which is linked to our long-term loan, and approximately USD 5.5 of finance fees related to our debt facilities that will be amortised over the duration of the debt repayment period.

## Current Liabilities

Accounts payable have remained at a higher level versus normal, USD 31.6 million (at 31<sup>st</sup> December 2024: USD 30.3 million). Contributing factors to the higher accounts payable number is due to the capital spend required in the third quarter for the PBLJ rig survey. Based on the current situation with two rigs contracted we expect to reduce overall balance in the coming quarters, except towards the Borgland Dolphin for reactivation and completion of rig survey that primarily will take affect later in 2026.

Accrued expenses has reduced to USD 15.8 million, in comparison to the end of the prior year total of USD 22.5 million. This is due to the previously referenced revision to legacy provisions.

We have reported an increase in our other current liabilities as at year-end 2025 to USD 22.8 million in comparison to 31<sup>st</sup> December 2024 USD 15.0 million. This is due to the loss of the legacy tax case resulting in USD 19.2 million interest and costs liability being accrued. USD 9.7 million (GBP 7.2 million) of the obligation remains at year end 2025. Other significant items include a deferred rig survey contribution fee from Harbour of USD 8.8 million, deferred mobilisation fee from Oil India of USD 1.1 million. Both liabilities unwind over the course of the PBLJ and Blackford Dolphin contracts respectively. The Blackford Dolphin 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 31<sup>st</sup> December is USD 79.2 million. We have booked a total interest-bearing debt of USD 86.4 million with USD 26 million included in the current portion of debt and USD 60.4 million as non-current. The loan 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.

All of the three rigs are pledged as security to the groups interest-bearing debt. In November 2025 the company strengthened its financial flexibility by raising additional equity worth NOK 151.5 million (approximately USD 15 million).

## **Rig operational update**

In the fourth 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 following 62 days off contract undergoing her planned five-year Special Periodic Survey (SPS) in the prior quarter. The firm contract continues until February 2028 with an additional five times one-year options.

The Blackford Dolphin has been on contract for Oil India throughout 2025. The firm drilling program comprises of three exploration wells and is expected to continue on such drilling program until May 2026 or later subject to time of completion.

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**

Dolphin Drilling's 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. Dolphin Drilling's global footprint is supported by onshore offices located in the UK, Norway, India, and Brazil.

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 view 2026 as a positioning year, prioritising contract coverage, backlog visibility, and operational reliability over near-term rate maximisation. From the second half of 2026 into 2027, the semi-submersible market is expected to move into a healthier, supply-constrained phase.

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 we have 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 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.

## **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 and December 2025 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 is currently working on this evaluation as part of the accounting year close 2025 – the figures presented do not include any adjustment for this result.

#### 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 being 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. The figures presented do not include any adjustment for this result.

#### **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

Q4 2025 REPORT (UNAUDITED)

| DOLPHIN DRILLING AS<br>Income Statement<br>(\$ in millions) | 2025<br>4th Qtr | 2025<br>3rd Qtr | 2024<br>4th Qtr | 2025<br>FY     | 2024<br>FY     |
|---|-----------------|-----------------|-----------------|----------------|----------------|
| Charter Revenue   | 35.1            | 25.7            | 26.0            | 130.8          | 68.3           |
| Other Revenue   | 11.9            | 12.0            | 24.0            | 46.8           | 28.2           |
| <b>Total Revenue</b>  | <b>47.0</b>     | <b>37.7</b>     | <b>50.0</b>     | <b>177.7</b>   | <b>96.5</b>    |
| Rig Operating Expenses                                      | (22.6)          | (24.0)          | (21.7)          | (89.6)         | (66.1)         |
| Project Costs   | (11.3)          | (12.0)          | (12.7)          | (46.8)         | (35.5)         |
| Lay-up Expense  | (2.1)           | (2.4)           | (0.0)           | (9.7)          | (7.1)          |
| <b>Total Operating Expense</b>                              | <b>(36.0)</b>   | <b>(38.4)</b>   | <b>(34.5)</b>   | <b>(146.1)</b> | <b>(108.7)</b> |
| G&A   | (2.7)           | (4.0)           | (3.9)           | (17.6)         | (20.0)         |
| Other   | -               | -               | (0.6)           | -              | (2.1)          |
| <b>EBITDA</b>   | <b>8.2</b>      | <b>(4.7)</b>    | <b>11.0</b>     | <b>13.9</b>    | <b>(34.2)</b>  |
| D&A   | (6.6)           | (5.2)           | (51.2)          | (23.3)         | (61.8)         |
| <b>EBIT</b>   | <b>1.7</b>      | <b>(9.9)</b>    | <b>(40.1)</b>   | <b>(9.4)</b>   | <b>(96.0)</b>  |
| Net finance (cost) / income                                 | (5.6)           | (6.8)           | 1.8             | (29.5)         | (2.8)          |
| <b>EBT</b>  | <b>(4.0)</b>    | <b>(16.8)</b>   | <b>(38.3)</b>   | <b>(38.9)</b>  | <b>(98.9)</b>  |
| Taxes   | 2.3             | (1.4)           | (1.0)           | (15.4)         | (1.6)          |
| <b>Net Income (Loss)</b>                                    | <b>(1.6)</b>    | <b>(18.2)</b>   | <b>(39.3)</b>   | <b>(54.2)</b>  | <b>(100.4)</b> |

| Balance Sheet<br>(\$ in Millions)                   | 2025<br>FY   | 2024<br>FY   |
|---|--------------|--------------|
| Unrestricted Cash                                   | 26.4         | 29.0         |
| Restricted Cash                                     | 4.1          | 5.4          |
| Cash  | 30.5         | 34.4         |
| Accounts Receivable                                 | 23.4         | 22.3         |
| Inventory   | 25.0         | 23.7         |
| Other Current Assets                                | 20.0         | 26.5         |
| <b>Total Current Assets</b>                         | <b>98.9</b>  | <b>107.0</b> |
| Tangible  | 87.1         | 68.7         |
| Intangible  | 13.0         | 20.6         |
| <b>Total Non Current Assets</b>                     | <b>100.1</b> | <b>89.3</b>  |
| <b>Total Assets</b>                                 | <b>199.1</b> | <b>196.3</b> |
| Accounts Payables                                   | 31.6         | 30.3         |
| Accrued Interest                                    | (0.0)        | 2.7          |
| Accrued Expenses                                    | 15.8         | 22.5         |
| Current Portion of Debt                             | 26.0         | 35.0         |
| Other Current Liabilities                           | 22.8         | 15.0         |
| <b>Total Current Liabilities</b>                    | <b>96.2</b>  | <b>105.5</b> |
| Other Non-Current Liabilities                       | 3.5          | 3.3          |
| Non Current Portion of Debt                         | 60.4         | 45.4         |
| <b>Total Non-Current Liabilities</b>                | <b>63.9</b>  | <b>48.7</b>  |
| <b>Total Shareholders Equity</b>                    | <b>39.0</b>  | <b>42.0</b>  |
| <b>Total Liabilities &amp; Shareholders' Equity</b> | <b>199.1</b> | <b>196.3</b> |

| Statement of Cash Flows<br>(\$ in millions)       | 2025<br>FY | 2024<br>FY |
|---|------------|------------|
| <b>Operating Cash Flows</b>                       |            |            |
| Net Income  | (54.2)     | (100.4)    |
| Add-Back: Depreciation and Amortization           | 23.3       | 61.8       |
| Less gain / Add loss on disposal of assets        | -          | 1.5        |
| Change in Accounts Receivable                     | (1.0)      | (11.3)     |
| Change in Inventory                               | (1.3)      | (2.6)      |
| Change in Other Current Assets                    | 6.4        | (15.8)     |
| Change in Accounts Payable                        | 1.3        | 23.1       |
| Change in Accrued Interest                        | (2.7)      | 1.9        |
| Change in Accrued Expenses                        | (6.7)      | 4.0        |
| Change in Other Current Liabilities               | 7.9        | 4.2        |
| Change in Non Current Liabilities                 | 0.1        | (0.8)      |
| <b>Net Change in Working Capital</b>              | 4.0        | 2.7        |
| <b>Cash Flow from Operations</b>                  | (26.9)     | (34.4)     |
| <b>Cash Flow From Investing</b>                   | (34.1)     | (62.4)     |
| <b>Free Cash Flow Before Financing Activities</b> | (61.1)     | (96.8)     |
| <b>Cash Flow from Financing</b>                   | 57.2       | 97.2       |
| <b>Net Change in Cash</b>                         | (3.9)      | 0.5        |