Shelf Drilling, Ltd. – Q2 2025 trading update

Dubai, August 5, 2025 – Shelf Drilling, Ltd. (the "Company") will publish its financial report for the second quarter 2025 on August 7, 2025.

Today, the Company provides an update on key figures and guidance. Please refer to the attached presentation.

For further queries, please contact:

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About Shelf Drilling

Shelf Drilling is a leading international shallow water offshore drilling contractor with rig operations across the Middle East, Southeast Asia, India, West Africa, the Mediterranean and the North Sea. Shelf Drilling was founded in 2012 and has established itself as a leader within its industry through its fit-for-purpose strategy and close working relationship with industry leading clients. The Company is incorporated under the laws of the Cayman Islands with corporate headquarters in Dubai, United Arab Emirates. The Company is listed on the Oslo Stock Exchange under the ticker “SHLF”.

Additional information about Shelf Drilling can be found at www.shelfdrilling.com.

This information is subject to the disclosure requirements pursuant to section 5 -12 of the Norwegian Securities Trading Act.

Special Note Regarding Forward-Looking Statements

Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", “strategy”, "intends", "estimate", "will", "may", "continue", "should" and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and may be beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. Given these factors, users of this information should not place undue reliance on the forward-looking statements.

Shelf Drilling Preliminary Q2 2025 Results Highlights

August 05, 2025

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The Company uses certain financial information calculated on a basis other than in accordance with accounting principles generally accepted in the United States ("GAAP"), including Adjusted Revenues, EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Capital expenditures and deferred costs and Net Debt, as supplemental financial measures in this Presentation. These non-GAAP financial measures are provided as additional insight into the Company's ongoing financial performance and to enhance the user's overall understanding of the Company's financial results and the potential impact of any corporate development activities.

"Adjusted Revenues" is defined as the Revenues less the amortization of intangible liability. Adjusted Revenues provide investors with a financial measure used in our industry to better evaluate our results without regard to non-cash amortization of intangible liability. ''EBITDA'' as used herein represents revenue less: operating & maintenance expenses, selling, general & administrative expenses, provision for / (reversal of provision for) credit losses, net, share-based compensation expense, net of forfeitures, and other, net, and excludes amortization of intangible liability, interest expense and financing charges, interest income, income tax expense, depreciation, amortization of deferred costs, impairment loss and loss / (gain) on disposal of assets. ''Adjusted EBITDA'' as used herein represents EBITDA as adjusted for the exclusion of one-time corporate transaction costs and gain on insurance recovery. These terms, as we define them, may not be comparable to similarly titled measures employed by other companies and are not a measure of performance calculated in accordance with U.S. GAAP. "Adjusted EBITDA margin" as used herein represents Adjusted EBITDA divided by the total revenues excluding the amortization of intangible liability. EBITDA and Adjusted EBITDA should not be considered in isolation or as a substitute for operating income, net income or other income or cash flow statement data prepared in accordance with U.S. GAAP. We believe that Adjusted Revenues, EBITDA and Adjusted EBITDA are useful because they are widely used by investors in our industry to measure a company's operating performance without regard to items such as interest, income tax expense, depreciation and amortization and other non-recurring expenses (benefits), which can vary substantially from company to company. EBITDA and Adjusted EBITDA have significant limitations, such as not reflecting our cash requirements for capital expenditures and deferred costs, contractual commitments, working capital, taxes or debt service. Our management uses EBITDA and Adjusted EBITDA for the reasons stated above. In addition, our management uses Adjusted EBITDA in presentations to our Board of Directors to provide a consistent basis to measure operating performance of management; as a measure for planning and forecasting overall expectations; for evaluation of actual results against such expectations; and in communications with equity holders, lenders, note holders, rating agencies and others concerning our financial performance.

Due to the forward-looking nature of Adjusted EBITDA, management cannot reliably predict certain of the necessary components of the most directly comparable forward-looking GAAP measure. Accordingly, the company is unable to present a quantitative reconciliation of such forward-looking non-GAAP financial measure to the most directly comparable forward-looking GAAP financial measure without unreasonable effort.

"Capital expenditures and deferred costs" as used herein include rig acquisition and other fixed asset purchases, construction expenditures on newbuild rigs and certain expenditures associated with regulatory inspections, major equipment overhauls, contract preparation (including rig upgrades), mobilization and stacked rig reactivations. Capital expenditures are included in property and equipment. Deferred costs are included in other current assets and other long-term assets. This term, as we define it, may not be comparable to similarly titled measures employed by other companies and is not calculated in accordance with U.S. GAAP. Capital expenditures and deferred costs should not be considered in isolation or as a substitute for capital expenditures prepared in accordance with U.S. GAAP. We believe that Capital expenditures and deferred costs is a useful measure as it better represents the overall level of the Company's capital investments. Capital expenditures and deferred costs as used herein is a non-U.S. GAAP measure defined and periodically reported in the Company's financial statements on a consistent basis.

"Net Debt" as used herein represents Total Debt less Cash and Cash Equivalents. This term, as we define it, may not be comparable to similarly titled measures employed by other companies and is not a measure of performance calculated in accordance with U.S. GAAP. Net Debt should not be considered in isolation or as a substitute for total debt prepared in accordance with U.S. GAAP. We believe that Net Debt is useful because it is widely used by investors in our industry to measure a company's financial position.

The quarterly financial information included in this Presentation has not been audited and may be subject to modifications.

The Presentation contains information obtained from third parties. You are advised that such third party information has not been prepared specifically for inclusion in the Presentation and the Company has not undertaken any independent investigation to confirm the accuracy or completeness of such information.

An investment in the Company involves risk, and several factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by statements and information in the Presentation, including, among others, the risk factors described in the Company's Form 10-K equivalent for the year ended December 31, 2024. Should any risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the Presentation. An investment in the Company is only suitable for investors who understand the risk factors associated with this type of investment and who can afford to a loss of all or part of their investment.

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The Presentation speaks as of August 5, 2025. Neither the delivery of this Presentation nor any further discussions of the Company with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date.

Q2 2025 Preliminary Results Highlights[1]

	SDL Consol.		SDNS		SDL Excl. SDNS	
	Actual Q1 25	Actual Q2 25	*Actual Q1 25*	*Actual Q2 25*	*Actual Q1 25*	*Actual Q2 25*
Adj. Revenue[2]	$243	$240	$63	$61	$180	$179
Adj. EBITDA[2]	$96	$94	$28	$21	$68	$73
Net Income/(Loss)	$14	$11	$12	$4	$2	$7
Capex/Deferred	$16	$18	$4	$4	$12	$14
Cash	$207	$171	$35	$33	$172	$138

All figures in USD millions.
Note 1: Contract backlog of ~$1.5 billion as of 30 June 2025. Final Q2 2025 Results to be published on Thursday, 7 August 2025.
Note 2: Excludes amortization of drilling contract intangibles.

2025 Financial Guidance – Revised

FY 2025 Adjusted EBITDA

$320 – $360 million

- $10 million increase in low end of guidance range, reflecting strong financial performance delivered in H1 2025 mainly due to higher revenue efficiency and lower operating expenses
  - Recent contract awards support revenue visibility in H2 2025
- Revenues in Q3 2025 expected to be down 5% to 10% sequentially, primarily due to completion of three contracts in North Sea and Southeast Asia
- Revenues in Q4 2025 expected to be higher than earlier in 2025 primarily due to expected contribution from rigs commencing new contracts in North Sea and West Africa

FY 2025 Capital Expenditures & Deferred Costs

$85 – $115 million

- Unchanged from prior guidance communicated in May 2025
  - Contract preparations anticipated in H2 2025 for one rig in North Sea and one rig in Southeast Asia
  - Lower planned out-of-service project spending in Saudi Arabia for one rig
  - Reflects targeted savings and reduction in spending across fleet

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