Transocean Ltd. and subsidiaries
Non-GAAP Financial Measures and Reconciliations
Adjusted Net Income (Loss) and Adjusted Diluted Earnings (Loss) Per Share
(in millions, except per share data)

Year ending December 31, 2026	YTD 09/30/26	QTD 09/30/26	YTD 06/30/26	QTD 06/30/26	YTD 03/31/26
Net income	$ 267	$ 26	$ 241	$ 170	$ 71
Acquisition and restructuring costs	29	10	19	12	7
(Gain) loss on disposal of assets, net	(6)	(4)	(2)	3	(5)
Loss on retirement of debt	9	-	9	-	9
Benefit plan termination settlement cost	62	62	-	-	-
Discrete tax items	(230)	(93)	(137)	(27)	(110)
Adjusted Net Income (Loss)	$ 131	$ 1	$ 130	$ 158	$ (28)
Diluted earnings per share	$ 0.24	$ 0.02	$ 0.21	$ 0.04	$ 0.06
Acquisition and restructuring costs	0.02	0.01	0.02	0.01	-
(Gain) loss on disposal of assets, net	-	-	-	-	-
Loss on retirement of debt	0.01	-	0.01	-	0.01
Benefit plan termination settlement cost	0.05	0.05	-	-	-
Discrete tax items	(0.20)	(0.08)	(0.12)	(0.02)	(0.10)
Adjusted Diluted Earnings (Loss) Per Share	$ 0.12	$ -	$ 0.12	$ 0.03	$ (0.03)

Year ended December 31, 2025	YTD 12/31/25	QTD 12/31/25	YTD 09/30/25	QTD 09/30/25	YTD 06/30/25	QTD 06/30/25	YTD 03/31/25
Net income (loss) attributable to controlling interest	$ (2,915)	$ 25	$ (2,940)	$ (1,923)	$ (1,017)	$ (938)	$ (79)
Restructuring costs	3	-	3	3	-	-	-
Loss on impairment of assets, net of tax	3,036	-	3,036	1,908	1,128	1,128	-
Gain on disposal of assets, net	(4)	(4)	-	-	-	-	-
Loss on conversion of debt to equity	99	-	99	75	24	24	-
Gain on retirement of debt	(3)	(3)	-	-	-	-	-
Discrete tax items	(179)	3	(182)	(1)	(181)	(195)	14
Adjusted Net Income (Loss)	$ 37	$ 21	$ 16	$ 62	$ (46)	$ 19	$ (65)
Diluted earnings (loss) per share	$ (3.04)	$ 0.02	$ (3.23)	$ (2.00)	$ (1.15)	$ (1.06)	$ (0.11)
Restructuring costs	-	-	-	-	-	-	-
Loss on impairment of assets, net of tax	3.16	-	3.34	1.98	1.27	1.27	-
Gain on disposal of assets, net	-	-	-	-	-	-	-
Loss on conversion of debt to equity	0.10	-	0.11	0.08	0.03	0.03	-
Gain on retirement of debt	-	-	-	-	-	-	-
Discrete tax items	(0.18)	-	(0.20)	-	(0.20)	(0.22)	0.01
Dilutive effect, 4.625% exchangeable bonds due December 2029	-	-	(0.03)	-	(0.05)	(0.02)	-
Adjusted Diluted Earnings (Loss) Per Share	$ 0.04	$ 0.02	$ (0.01)	$ 0.06	$ (0.10)	$ -	$ (0.10)

Year ended December 31, 2024	YTD 12/31/24	QTD 12/31/24	YTD 09/30/24	QTD 09/30/24	YTD 06/30/24	QTD 06/30/24	YTD 03/31/24
Net income (loss) attributable to controlling interest	$ (512)	$ 7	$ (519)	$ (494)	$ (25)	$ (123)	$ 98
Loss on impairment of assets, net of tax	755	-	755	617	138	138	-
Loss on impairment of investment in unconsolidated affiliates	5	-	5	-	5	4	1
Gain on retirement of debt	(161)	-	(161)	(21)	(140)	(140)	-
Discrete tax items	(141)	20	(161)	(38)	(123)	(2)	(121)
Adjusted Net Income (Loss)	$ (54)	$ 27	$ (81)	$ 64	$ (145)	$ (123)	$ (22)
Diluted earnings (loss) per share	$ (0.76)	$ (0.11)	$ (0.65)	$ (0.58)	$ (0.03)	$ (0.15)	$ 0.11
Loss on impairment of assets, net of tax	0.82	-	0.82	0.64	0.17	0.17	-
Loss on impairment of investment in unconsolidated affiliates	0.01	-	0.01	-	-	-	-
Gain on retirement of debt	(0.18)	-	(0.18)	(0.02)	(0.17)	(0.17)	-
Discrete tax items	(0.15)	0.02	(0.18)	(0.04)	(0.15)	-	(0.14)
Adjusted Diluted Loss Per Share	$ (0.26)	$ (0.09)	$ (0.18)	$ -	$ (0.18)	$ (0.15)	$ (0.03)