

Diamond Offshore Drilling, Inc.
Non-GAAP Financial Measures and Reconciliations
(In thousands)

Non-GAAP Financial Measures (Unaudited)

To supplement the Company's consolidated financial statements presented on a basis in conformity with generally accepted accounting principles in the United States (GAAP), management has provided investors with adjusted earnings before interest, taxes and depreciation and amortization (or Adjusted EBITDA), which is a non-GAAP financial measure. Management believes that this measure provides meaningful information about the Company's performance by excluding certain items that may not be indicative of the Company's ongoing operating results. This allows investors and others to better compare the Company's financial results across previous and subsequent accounting periods and to those of peer companies and to better understand the long-term performance of the Company. Non-GAAP financial measures should be considered a supplement to, and not as a substitute for, or superior to, contract drilling revenue, contract drilling expense, operating income or loss, cash flows from operations or other measures of financial performance prepared in accordance with GAAP.

Reconciliation of Loss Before Income Tax (Expense) Benefit to Adjusted EBITDA:

(In thousands)

	Twelve Months Ended		
	December 31, 2023	December 31, 2022	December 31, 2021⁽¹⁾
As reported loss before income tax (expense) benefit	\$ (13,723)	\$ (105,606)	\$ (2,177,083)
Interest expense	53,416	40,423	61,007
Interest income	(1,637)	(18)	(33)
Foreign currency transaction loss	5,920	3,023	1,169
Depreciation	111,301	103,478	161,262
Asset impairments	—	—	329,476
Restructuring	—	—	—
Reorganization items, net	—	—	1,647,851
Loss on extinguishment of long-term debt	6,529	—	—
Gain on disposition of assets	(4,382)	(4,895)	(6,510)
Other, net	556	(1,267)	(11,150)
Adjusted EBITDA	\$ 157,980	\$ 35,138	\$ 5,989

(1) Numbers presented reflect the combined results of the Successor and Predecessor Company as described in our Form 10-K filed February 28, 2024.

**Pro Forma Combined Consolidated Statement of Operations for the Year Ended
December 31, 2021**
(In thousands)

	<u>Successor</u> <u>Period from</u> <u>April 24, 2021</u> <u>through</u> <u>December 31,</u> <u>2021</u>	<u>Predecessor</u> <u>Period from</u> <u>January 1, 2021</u> <u>through</u> <u>April 23, 2021</u>	<u>Combined ⁽¹⁾</u> <u>Twelve Months</u> <u>Ended</u> <u>December 31,</u> <u>2021</u>
Revenues:			
Contract drilling	\$ 465,328	\$ 153,364	\$ 618,692
Revenues related to reimbursable expenses	90,738	16,015	106,753
Total revenues	<u>556,066</u>	<u>169,379</u>	<u>725,445</u>
Operating expenses:			
Contract drilling, excluding depreciation	364,539	181,626	546,165
Reimbursable expenses	89,284	15,477	104,761
Depreciation	68,504	92,758	161,262
General and administrative	53,494	15,036	68,530
Impairment of assets	132,449	197,027	329,476
Gain on disposition of assets	(1,024)	(5,486)	(6,510)
Total operating expenses	<u>707,246</u>	<u>496,438</u>	<u>1,203,684</u>
Operating income (loss)	(151,180)	(327,059)	(478,239)
Other income (expense):			
Interest income	3	30	33
Interest expense	(26,180)	(34,827)	(61,007)
Foreign currency transaction loss	(997)	(172)	(1,169)
Loss on extinguishment of long-term debt	—	—	—
Reorganization items, net	(8,088)	(1,639,763)	(1,647,851)
Other, net	10,752	398	11,150
Loss before income tax (expense) benefit	(175,690)	(2,001,393)	(2,177,083)
Income tax (expense) benefit	(1,654)	39,404	37,750
Net loss	<u>\$ (177,344)</u>	<u>\$ (1,961,989)</u>	<u>\$ (2,139,333)</u>

(1) Numbers presented reflect the combined results of the Successor and Predecessor Company as described in our Form 10-K filed February 28, 2024.