

Noble Drilling North Sea A/S

Lyngby Hovedgade 85
DK-2800 Kgs. Lyngby

CVR no. 38 28 12 83


Annual report 2022

The annual report was presented and approved at
the Company's annual general meeting on

28 June 2023

Steffen Dalgaard Andersen
Chairman of the annual general meeting

DocuSigned by:



1678D11E509B478

Noble Drilling North Sea A/S
Annual report 2022
CVR no. 38 28 12 83

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Company details	5
Operating review	6
Financial statements 1 January – 31 December	7
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes	11

Noble Drilling North Sea A/S
Annual report 2022
CVR no. 38 28 12 83

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Noble Drilling North Sea A/S for the financial year 1 January – 31 December 2022.


The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.


We recommend that the annual report be approved at the annual general meeting.

Kgs. Lyngby, 28 June 2023
Executive Board:

DocuSigned by:

1678D11E509B478...

Steffen Dalgaard Andersen
CEO

Board of Directors:

DocuSigned by:

EF0ED5027036401
Thomas Backmann
Chairman

DocuSigned by:

8A77F95F2BC6411...
Tine Østergaard Hansen

DocuSigned by:

1678D11E509B478...
Steffen Dalgaard Andersen

Independent auditor's report

To the shareholders of Noble Drilling North Sea A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January – 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Noble Drilling North Sea A/S for the financial year 1 January – 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.


We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


Copenhagen, 28 June 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR no. 33 77 12 31

DocuSigned by:

722DEC645FB5491...
Thomas Wraae Holm
State Authorised
Public Accountant
mne30141

DocuSigned by:

036278C0F0AE497...
Kim Danstrup
State Authorised
Public Accountant
mne32201

Noble Drilling North Sea A/S
Annual report 2022
CVR no. 38 28 12 83

Management's review

Company details

Noble Drilling North Sea A/S
Lyngby Hovedgade 85
DK-2800 Kgs. Lyngby

CVR no.:	38 28 12 83
Established:	13 December 2016
Registered office:	Kgs. Lyngby
Financial year:	1 January – 31 December

Board of Directors

Thomas Backmann, Chairman
Tine Østergaard Hansen
Steffen Dalgaard Andersen

Executive Board

Steffen Dalgaard Andersen, CEO

Auditor

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
DK-2900 Hellerup
CVR no. 33 77 12 31

Noble Drilling North Sea A/S
Annual report 2022
CVR no. 38 28 12 83

Management's review

Operating review

Principal activities

The Company is a leading global operator of high-technology drilling rigs and provides offshore drilling services to oil and gas companies. The Company's principal activity is to lease the drilling rig Noble Innovator.

On 30 September 2022, Noble Corporation plc became the ultimate parent of the Maersk Drilling Group and its subsidiaries. On 3 October 2022, the Company formally changed its name from Maersk Drilling North Sea A/S to Noble Drilling North Sea A/S.

Uncertainty regarding recognition and measurement

When preparing the annual report, Management undertakes a number of accounting estimates and judgements to recognise, measure and classify the assets and liabilities. The only significant accounting estimate and judgement relates to the assessment of impairment of property, plant and equipment.

Management assesses impairment indicators for property, plant and equipment and determines the recoverable amount generally consistent with the assumptions described in note 2 to the financial statements, to which reference is made.

Following the revised assumptions to the fair value for the rig Noble Innovator, Management has recognised a reversal of net impairment loss of USD 7,716 thousand.

Development in activities and financial position

The Company's income statement for 2022 shows a profit of USD 13,491 thousand as against USD 164,641 thousand in 2021. Equity in the Company's balance sheet at 31 December 2022 stood at USD 294,105 thousand as against USD 280,614 thousand at 31 December 2021.

The result before tax and before impairment reversals shows a loss of USD 3,062 thousand, which is lower than management expectations in the annual reports for 2021.

Noble Drilling North Sea A/S
Annual report 2022
CVR no. 38 28 12 83

Financial statements 1 January – 31 December

Income statement

USD'000	Note	2022	2021
Gross profit		1,992	221,027
Depreciation, amortisation and reversal of impairment		805	-9,914
Profit before financial income and expenses		2,797	211,113
Financial income	4	3,599	1,326
Financial expenses	5	-1,742	-1,743
Profit before tax		4,654	210,696
Tax on profit/loss for the year	6	8,837	-46,055
Profit for the year		13,491	164,641
Proposed profit appropriation			
Retained earnings		13,491	164,641

Noble Drilling North Sea A/S
Annual report 2022
CVR no. 38 28 12 83

Financial statements 1 January – 31 December

Balance sheet

USD'000	Note	31/12 2022	31/12 2021
ASSETS			
Fixed assets			
Property, plant and equipment	7		
Rigs		70,743	69,979
Assets under construction		20	3
		<u>70,763</u>	<u>69,982</u>
Total fixed assets		<u>70,763</u>	<u>69,982</u>
Current assets			
Inventories			
Bunkers		0	194
Receivables			
Trade receivables		848	167
Receivables from group entities		239,959	311,635
Other receivables		14	1,339
Prepayments		0	109
		<u>240,821</u>	<u>313,250</u>
Total current assets		<u>240,821</u>	<u>313,444</u>
TOTAL ASSETS		<u><u>311,584</u></u>	<u><u>383,426</u></u>

Noble Drilling North Sea A/S
Annual report 2022
CVR no. 38 28 12 83

Financial statements 1 January – 31 December

Balance sheet

USD'000	Note	31/12 2022	31/12 2021
EQUITY AND LIABILITIES			
Equity			
Contributed capital		1,579	1,579
Retained earnings		292,526	279,035
Total equity		<u>294,105</u>	<u>280,614</u>
Provisions			
Provisions for deferred tax		15,563	15,395
Total provisions		<u>15,563</u>	<u>15,395</u>
Liabilities other than provisions			
Current liabilities other than provisions			
Trade payables		379	6,227
Payables to group entities		424	36,997
Corporation tax		1,074	44,193
Other payables		39	0
		<u>1,916</u>	<u>87,417</u>
Total liabilities other than provisions		<u>1,916</u>	<u>87,417</u>
TOTAL EQUITY AND LIABILITIES		<u><u>311,584</u></u>	<u><u>383,426</u></u>
Disclosure of material uncertainties regarding recognition and measurement	2		
Disclosure of unusual circumstances	3		
Contractual obligations, contingencies, etc.	9		
Related party disclosures	10		

Noble Drilling North Sea A/S
 Annual report 2022
 CVR no. 38 28 12 83

Financial statements 1 January – 31 December

Statement of changes in equity

USD'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2022	1,579	279,035	280,614
Transferred over the profit appropriation	0	13,491	13,491
Equity at 31 December 2022	1,579	292,526	294,105

Noble Drilling North Sea A/S
Annual report 2022
CVR no. 38 28 12 83

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Noble Drilling North Sea A/S for 2022 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Fixed assets acquired in foreign currencies are measured at the exchange rates at the transaction day.

USD is used as functional currency and as presentation currency because the majority of transactions are in USD. At 31 December 2022, the exchange rate DKK/USD was 695.7 (2021: 654.8).

Income statement

Gross profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Revenue

Revenue from drilling activities, which typically comprises bare boat hire income and other revenue related to the drilling activity, is recognised under revenue for the operating period related to the financial year.

Other external costs

Other external costs comprise costs incurred during the year for repair and maintenance, catering, hired crew and administrative expenses.

Other operating income

Other operating income comprises mainly income from the sale of the rigs: Noble Gallant in May, 2021 and Noble Inspirer in October, 2021.

Noble Drilling North Sea A/S
Annual report 2022
CVR no. 38 28 12 83

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity. For the period 1 January - 3 October 2022, the Company was part of A.P. Møller Holding A/S' joint taxation, and for the period 4 October - 31 December 2022, the Company was jointly taxed with The Drilling Company of 1972 A/S. Current Danish income tax is allocated among the jointly taxed companies in proportion to their taxable income (full allocation with refund for tax losses).

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Rigs	25 years
------	----------

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Costs of yard stay for rigs are recognised when incurred in the value of rigs, etc. and depreciated over the period until the next yard stay.

Noble Drilling North Sea A/S
Annual report 2022
CVR no. 38 28 12 83

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Impairment of fixed assets

The carrying amount of property, plant and equipment is subject to annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less write-down for bad debts. Write-down for bad debts are determined on the basis of an individual assessment of each receivable.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Noble Drilling North Sea A/S
Annual report 2022
CVR no. 38 28 12 83

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Liabilities other than provisions

Financial liabilities are measured at amortised cost, which essentially corresponds to nominal value.

2 Disclosure of material uncertainties regarding recognition and measurement

On 30 September 2022, Noble Corporation plc became the ultimate parent of the Maersk Drilling Group and its subsidiaries.

In 2022, the business combination for the Group has been accounted for using the acquisition method of accounting under IFRS 3, Business Combinations. Under the acquisition method of accounting, the assets and liabilities of Maersk Drilling and its subsidiaries were reassessed and recorded at their respective fair values on the Closing Date 3 October 2022.

The valuation of Maersk Drilling's assets including the mobile offshore drilling units was determined using either (i) the discounted cash flows expected to be generated from the drilling assets over their remaining useful lives or (ii) the cost to replace the drilling assets, as adjusted by the current market for similar offshore drilling assets. Assumptions used in the assessment included, but were not limited to, future marketability of each unit in light of the current market conditions and its current technical specifications, timing of future contract awards and expected operating dayrates, operating costs, rig utilisation rates, tax rates, discount rate, capital expenditures, synergies, market values, estimated economic useful lives of the rigs and, in certain cases, our belief that a drilling unit is no longer marketable and is unlikely to return to service in the near to medium term.

In the annual report ended 31 December 2022, the business combination and reassessment of asset values are considered an impairment indicator for the company, as there are changes in the assumptions used to determine the asset value. As such indication and changes in assumptions exists, Management has adjusted the assets value to the new recoverable amounts.

The assessment of indications of impairment of property, plant and equipment is based on the expectations for future profitability, contract coverage, etc applicable as of 31 December 2022, which may be different from the expectations for future profitability, contract coverage, etc applicable as of the approval of this annual report. As a result, the Company may face adjustments to the recognized impairment of property, plant and equipment in future reporting periods.

3 Disclosure of unusual circumstances

Following the revised assumptions to the fair value for the rig Noble Innovator as described in Note 2, Management has recognised a reversal of net impairment loss of USD 7,716 thousand, which is included in the financial statements line item for Depreciation, amortisation and reversal of impairment.

4 Financial income

USD'000	2022	2021
Interest income from group entities	3,599	0
Exchange gains from group entities	0	1,326
	<u>3,599</u>	<u>1,326</u>

Noble Drilling North Sea A/S
Annual report 2022
CVR no. 38 28 12 83

Financial statements 1 January – 31 December

Notes

USD'000	2022	2021	
5 Financial expenses			
Interest expense to group entities	304	1,163	
Other financial expenses	7	3	
Exchange losses to group entities	1,431	577	
	<u>1,742</u>	<u>1,743</u>	
6 Tax on profit/loss for the year			
Current tax for the year	1,074	44,821	
Deferred tax for the year	168	2,815	
Adjustment of tax concerning previous years	-10,079	-1,581	
	<u>-8,837</u>	<u>46,055</u>	
7 Property, plant and equipment			
USD'000	Rigs	Assets under construction	Total
Cost at 1 January 2022	289,613	3	289,616
Additions for the year	0	17	17
Assets sold during the year	-41	0	-41
Cost at 31 December 2022	<u>289,572</u>	<u>20</u>	<u>289,592</u>
Depreciation and impairment losses at 1 January 2022	-219,634	0	-219,634
Depreciation for the year	-6,911	0	-6,911
Impairment reversal	7,716	0	7,716
Depreciation and impairment losses at 31 December 2022	<u>-218,829</u>	<u>0</u>	<u>-218,829</u>
Carrying amount at 31 December 2022	<u>70,743</u>	<u>20</u>	<u>70,763</u>
8 Deferred tax			
Deferred tax relates to deferred tax on the carrying amount of rigs and provisions.			
USD'000	31/12 2022	31/12 2021	
Deferred tax at 1 January	15,395	12,581	
Deferred tax adjustment for the year in the income statement	168	2,814	
	<u>15,563</u>	<u>15,395</u>	

Noble Drilling North Sea A/S
Annual report 2022
CVR no. 38 28 12 83

Financial statements 1 January – 31 December

Notes

9 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company is jointly taxed with all other Danish companies in the Drilling Company of 1972 Group. As a fully owned subsidiary, the Company has unlimited and joint liability together with the other companies under joint taxation for Danish corporation tax and withholding taxes on dividends, interest and royalties within the jointly taxed entity.

10 Related party disclosures

Noble Drilling North Sea A/S' related parties comprise the following:

Control

Noble Drilling A/S, Lyngby Hovedgade 85, DK-2800 Kgs. Lyngby, holds the majority of the contributed capital in the Company.

Noble Drilling North Sea A/S is part of the consolidated statements of Noble Corporation plc, 1 Ashley Road, 3rd Floor, Altrincham, Cheshire WA14 2 DT, UK, which is the smallest group in which the Company is included as subsidiary.

The consolidated financial statements of Noble Corporation plc can be obtained by contacting this company or at <https://noblecorp.com/investors/reports-and-filings>.