The Drilling Company of 1972 A/S

Lyngby Hovedgade 85
DK-2800 Kongens Lyngby

CVR no. 40 40 47 16

Annual report 2022

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

30 June 2023

DocuSigned by:
1678D11E509B478...

Steffen Dalgaard Andersen
Chairman of the annual general meeting

Contents

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 The Drilling Company of 1972 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 development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

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

Kongens Lyngby, 30 June 2023
Executive Board:

DocuSigned by:
1678D11E500B478...
Steffen Dalgaard Andersen
CEO

Board of Directors:

DocuSigned by:	DocuSigned by:	DocuSigned by:
E3B0DA2D011E42A...	EF0FD5027036401...	1678D11E500B478...
Richard Benjamin Ashby Barker Chairman	Thomas Backmann	Steffen Dalgaard Andersen

Independent auditor's report

To the shareholders of The Drilling Company of 1972 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 The Drilling Company of 1972 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 30 June 2023
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

DocuSigned by:
Thomas Wraae Holm
722DEC645FB5491...
Thomas Wraae Holm
State Authorised
Public Accountant
mne30141

DocuSigned by:
Kim Danstrup
036278C0F0AE497...
Kim Danstrup
State Authorised
Public Accountant
mne32201

Management's review

Company details

The Drilling Company of 1972 A/S
Lyngby Hovedgade 85
DK-2800 Kongens Lyngby

CVR no.:	40 40 47 16
Established:	2 April 2019
Registered office:	Lyngby
Financial year:	1 January – 31 December

Board of Directors

Richard Benjamin Ashby Barker, Chairman
Thomas Backmann
Steffen Dalgaard Andersen

Executive Board

Steffen Dalgaard Andersen, CEO

Auditor

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup
CVR no. 33 77 12 31

Management's review

Financial highlights

USD'000	2022	2021	2020	2019
Key figures				
Gross loss	-26,659	-9,469	-7,376	-1,961
Loss before financial income and expenses	-26,753	-9,563	-1,726,068	-2,056
Loss from financial income and expenses	-83,947	-35,580	-52,750	-1,420
Loss for the year	-115,887	-35,833	-1,775,335	-16,296
Total assets	3,463,292	3,173,207	3,441,544	5,334,850
Equity	2,205,025	2,102,352	2,138,186	3,918,249
Investment in property, plant and equipment	0	0	0	4,039
Ratios				
Return on invested capital	-0.8%	-0.3%	-39.3%	-0.1%
Current ratio	58.2%	300.1%	486.3%	602.7%
Return on equity	-5.4%	-1.7%	-58.6%	-0.8%
Solvency ratio	63.7%	66.3%	62.1%	73.4%

The financial ratios have been calculated as follows:

Return on invested capital $\dfrac{\text{Profit/loss before financial income and expenses x 100}}{\text{Average invested capital}}$

Current ratio $\dfrac{\text{Current assets x 100}}{\text{Current liabilities}}$

Return on equity $\dfrac{\text{Profit after tax x 100}}{\text{Average equity}}$

Solvency ratio $\dfrac{\text{Equity ex. non-controlling interests at year-end x 100}}{\text{Total equity and liabilities at year-end}}$

Management's review

Operating review

Principal activities

The Company's principal activity is directly or indirectly to conduct business within offshore drilling services. The Company may also, directly or indirectly, carry out commercial activities and other activities linked to this, including through investments or holdings in other companies.

The Company and its subsidiaries and parent companies (the Group) are a leading global operator of high-technology drilling rigs and provide offshore drilling services to oil and gas companies and have one of the world's youngest and most advanced fleets.

Significant changes in the state of affairs

On 30 September 2022, Noble Corporation plc became the ultimate parent of the Maersk Drilling Group and its subsidiaries. The business combination is creating one of the youngest and highest specification fleets of global scale in the industry, with diversification across asset classes, geographic regions and customers. The combined group of companies has a track record of industry-leading utilisation; coupled with an unwavering commitment to best-in-class safety performance and customer satisfaction. The combined group of companies strive to be a leader in industry innovation and first-mover in sustainability.

Development in activities and financial position

The Company's income statement for 2022 shows a loss of USD 115,887 thousand as against a loss of USD 35,833 thousand in 2021. Equity in the Company's balance sheet at 31 December 2022 stood at USD 2,205,025 thousand as against USD 2,102,352 thousand at 31 December 2021. The result for the year is lower than management expectations in the annual report for 2021.

The results for the year 2022 are impacted by continued challenges with utilisation, especially in the North Sea. While we are starting to see some increased tender activity in the UK North Sea, overall activity levels remain subdued compared to historical levels. It is currently a similar story in the Norway ultra-harsh environment jackup market where current activity also remains below historical levels, despite the market being attractive to operators given it is characterised by low-cost and low-emission barrels.

Outlook

Results for 2023 are continued subject to risks and uncertainties as various factors, many of which are beyond the Company's control, may cause the actual development and results to differ materially from expectations. The result for 2023 are primarily sensitive to the level of contracting of additional days to the current backlog and the day rates hereon. Capital expenditures are sensitive to final scheduling and scoping of rig upgrades and yard stays, which are subject to commercial and operational planning. Under current circumstances and excluding the potential impact on the Company and its subsidiaries from impairments, reversal of prior year impairments and gains/losses from the disposal of non-current assets, management expects to reach a result for 2023 in the range of USD 25 – 50 million.

Particular risks

Operating risks

Our business depends on the level of activity in the oil and gas industry. Adverse developments affecting the industry, including a decline in the price of oil or gas, reduced demand for oil and gas products and increased regulation of drilling and production, have in the past had and may in the future have a material adverse effect on our business, financial condition and results of operations.

Management's review

Operating review

Financial risks

Currency risks

The Company's functional currency is the US Dollar. However, a portion of our expenses are incurred in local currencies. Therefore, when the US Dollar weakens (strengthens) in relation to the currencies of the countries in which we operate, our expenses reported in US Dollars will increase (decrease).

Future cash flows are exposed to risks to the extent that foreign currency expenses exceed revenues denominated in the same foreign currency. To help manage this potential risk, the Group periodically enter into derivative instruments to manage our net exposure to fluctuations in currency exchange rates.

Interest rate risks

The Company are subject to market risk exposure related to changes in interest rates on borrowings and may be subject to similar exposure on future borrowing arrangements. Future cash flows for financial instruments will fluctuate because of changes in market interest rates.

The Company mitigates interest rate exposure by entering into fixed rate loans or interest rate swaps at the parent company level whereas individual subsidiaries generally are funded through loans carrying floating interest rates.

Credit risks

For drilling contracts, credit risk is minimised by undertaking a credit assessment of the counterparty prior to entering into the contracts. Depending on creditworthiness, the Company may seek protection in the form of parent company guarantees, prepayments or other types of collateral.

Further the Company has a concentration of customers. This concentration of customers increases the risks associated with any possible termination or nonperformance of contracts, in addition to our exposure to credit risk. If any of these customers were to terminate or fail to perform their obligations under their contracts and the Company were not able to find other customers for the affected drilling units promptly, the financial condition and results of operations could be materially adversely affected.

Corporate social responsibility (statement accounting for 99a)

Refer to the section ”Principal activities” for a brief description of the Company’s business model.

The Company's compliance program is focused on ensuring adherence with high ethical standards and applicable laws and setting the tone for an ethical business practices and work environment throughout the Company. The Noble Code, Noble’s code of business conduct and ethics, exemplifies the foundation of our commitments to our Core Values of safety, environmental stewardship, honesty and integrity, respect and performance. The Code of Conduct also includes our responsibility and commitment to follow all applicable laws as well as our own internal policies, and extends requirements to any supplier or third party who works with Noble to comply with similar fundamental principles, among others.

Management's review

Operating review

Climate and environment

Grounded in our core value of Environmental Stewardship, Noble wants to do its part in addressing the risk of pollution and climate change. Our approach is comprehensive and includes pursuing lowcarbon initiatives, protecting the environment within which we operate, and being conscious of consumption patterns.

The well-being of future generations depends on the wisdom of today's decisions. That is why we follow all government-mandated environmental regulations as well as all Noble policies regarding environmental safeguarding, incident prevention and reporting, and minimising waste - no exceptions. Every Noble employee or contractor is accountable for always conducting operations in an environmentally responsible manner. To ensure that Noble meets its commitments to the environment and the protection of its people, our environmental requirements are communicated on a regular basis to all employees.

Highlights for 2022 includes amount others, further installations of energy efficiency Insight (EEI), a total of 14 rigs in the Noble fleet now have EEI monitoring equipment. In addition, 30 new hire classes was held to prepare approximately 240 people for their safe offshore careers with Noble.

Going forward we will continue our collective efforts to assure that current and future generations enjoy the benefits of a cleaner environment.

Social and personnel matters

Noble is first and foremost a people business, focused on acting with integrity and respect, and keeping people safe. With operations globally, Noble recognizes the risk of safety and its responsibility with regard to the impact it has on people on many levels, including employees, partners, customers, and the local communities where we operate.

By maintaining a structured approach and actively pursuing procedural discipline, we maintain our focus on the health, safety, and social wellbeing of our personnel, and support our goal to advance the development and retention of our diverse and talented workforce.

In 2022, Noble carried out three studies on board Noble Venturer, Noble Invincible and Noble Integrator, with the purpose of learning how to increase the safety of operations through positive observation of how the crew adds safety to the work process during normal everyday tasks. The focus of the studies was work in red zones and how this is managed and coordinated.

Results from these studies have been shared amongst crews to foster a learning culture and have also generated a positive response from customers, with feedback garnered that this is the right direction for the industry to move in.

Going forward we will continue to strive to create a workplace that keeps people safe and offers meaningful career opportunities.

Human rights

Noble Corporation and each of its wholly owned subsidiaries ("Noble Group") are committed to acting ethically and responsible in carrying out our business. This includes complying with applicable anti-slavery and human trafficking laws and implementing policies to mitigate the risk related to human rights violation in the supply chain.

Management's review

Operating review

Noble Group's commitment to a strong compliance culture is fundamental to our continued growth as a leading offshore drilling contractor for the oil and gas industry. Noble's Code of conduct provides the foundation for our culture and underscores our commitment to performance with honest, integrity, and respect. The Code also includes our responsibility and commitment to follow all applicable laws as well as our own internal policies and processes, and to require any supplier of third party who works with Noble Group to comply with similar fundamental principles.

In September 2022, Noble hosted a Supplier Day in Suriname for prospective suppliers. Topics included an introduction to the Company's safety culture and company values, responsible procurement practices, including anti-bribery and anti-corruption controls, as well as the standards required to work as a supplier in the oil and gas industry. Through events such as this one, Noble aspires to play a part in developing emerging economies, dispersing knowledge about good business practices, and strengthening local suppliers.

Going forward we continue to be committed to conducting business responsibly, addressing a wide range of components constituting ethical behavior such as, employing responsible supplier practices, anti-bribery, anti-corruption and upholding labor and human rights.

Anti-corruption and anti-bribery

Noble is committed to conducting business responsibly, addressing a wide range of components constituting ethical behavior such as anti-competitive behavior, antibribery and corruption controls. With operations globally, Noble recognizes corruption and bribery as a potential risk.

Our commitment to honesty and integrity extends to every aspect of our operations. Noble prohibits bribery in the conduct of all its business, all over the world. Bribery can take many forms, including payments, goods or services provided "in-kind," and lavish entertainment and gifts. We must comply with all applicable laws against bribery and corruption and to uphold our commitment our policies are regularly communicated to all employees.

Going forward we continue to be committed to conducting business responsibly and prohibit bribery in the conduct of all our business, all over the world.

Sustainability – Environmental, Social & Governance

As a responsible drilling contractor with a comprehensive approach to sustainability, Noble remains committed to building on the Company's strategy of enabling long-term sustainable value creation. Noble's sustainability mission is to help provide affordable energy efficiently, safely and sustainably, by leveraging longstanding customer relationships and unique innovation capabilities.

Operating business in a responsible way is fundamental to who we are as a company. Our commitments are manifested in our core values of Safety, Environmental Stewardship, Honesty and Integrity, Respect, and Performance.

Noble's sustainability approach is described in further details on our website and in our Sustainability Highlights which also serves as our reporting pursuant to section 99a of the Danish Financial Statements Act. It can be found online at Noble-Sustainability-Highlights-2022v2.pdf (q4cdn.com).

Management's review

Operating review

Data Ethics and Data Security

We recognises the increasing importance of data ethics and data security in today's digital business environment. We have implemented stringent policies and procedures to ensure that our processing and handling of data align with applicable laws and good practices.

We safeguard the confidentiality, integrity, and availability of our customers' and stakeholders' data. Our responsible data processing entails careful and ethical utilisation of data collection, storage, processing, and sharing.

Our employees are committed to adhering to confidentiality and data security measures. We provide ongoing education and updates on data ethics and data security to ensure that our employees are up to date with the latest developments in the field.

The Company strive to minimise the risks associated with data collection and processing and ensure that our IT systems are robust and protected against unauthorised access, data loss, or misuse.

Furthermore, the Company continue to monitor and evaluate our data ethics practices ensuring they align with best practices and expectations. We are committed to maintaining the trust of our customers, stakeholders, and the broader society through responsible data handling and data security.

Financial statements 1 January – 31 December

Income statement

USD'000	Note	2022	2021
Gross loss		-26,659	-9,469
Depreciation		-94	-94
Loss before financial income and expenses		-26,753	-9,563
Financial income	3	31,408	24,633
Financial expenses	4	-115,355	-60,213
Loss before tax		-110,700	-45,143
Tax on loss for the year	5	-5,187	9,310
Loss for the year	6	-115,887	-35,833

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		
Land and buildings		3,661	3,755
Investments	8		
Investments in group entities		2,727,497	2,727,497
Total fixed assets		2,731,158	2,731,252
Current assets			
Receivables			
Receivables from group entities		725,264	41,709
Other receivables	9	2,447	114
Deferred tax asset	10	244	223
Corporation tax, joint taxation		3,061	12,836
Prepayments	11	721	687
		731,737	55,569
Cash at bank and in hand		397	386,386
Total current assets		732,134	441,955
TOTAL ASSETS		3,463,292	3,173,207

Financial statements 1 January – 31 December

Balance sheet

USD'000	Note	31/12 2022	31/12 2021
EQUITY AND LIABILITIES			
Equity			
Contributed capital		62,520	62,520
Retained earnings		2,142,505	2,039,832
Total equity		2,205,025	2,102,352
Liabilities			
Non-current liabilities	12		
Other credit institutions		0	907,346
Other payables		0	16,241
		0	923,587
Current liabilities			
Current portion of non-current liabilities		0	3,213
Other credit institutions	12	497,519	130,000
Trade payables		3,042	24
Payables to group entities		751,227	1,987
Corporation tax, joint taxation		0	4,342
Other payables	9	6,479	7,702
		1,258,267	147,268
Total liabilities		1,258,267	1,070,855
TOTAL EQUITY AND LIABILITIES		3,463,292	3,173,207

Staff costs	2
Contractual obligations, contingencies, etc.	13
Related party disclosures	14
Disclosure of events after the balance sheet date	15

Financial statements 1 January – 31 December

Statement of changes in equity

USD'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2022	62,520	2,039,832	2,102,352
Capital injection	0	200,000	200,000
Hedges	0	18,560	18,560
Transferred over the distribution of loss	0	-115,887	-115,887
Equity at 31 December 2022	62,520	2,142,505	2,205,025

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of The Drilling Company of 1972 A/S for 2022 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

Change in reporting class

The Company has changed its reporting class from class D to class C medium-sized entities for the financial year following the acquisition by Noble Ndus Holdings UK Limited and the possibility of omission of consolidated financial statements. The change in reporting class has no impact on recognition and measurement in the current and prior year financial statements.

Omission of consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of The Drilling Company of 1972 A/S and group entities are included in the consolidated financial statements of Noble Corporation plc, 1 Ashley Road, 3rd Floor, Altrincham, Cheshire WA14 2DT, UK.

Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Noble Corporation plc.

Foreign currency translation

On initial recognition, transaction 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.

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).

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised in the balance sheet at cost and subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are recognised as other receivables and other payables, respectively.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a fair value hedge of a recognised asset or liability are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future transactions are recognised as other receivables or other payables and in equity until the realisation of the hedged transactions. If the future transaction results in the recognition of assets or liabilities, amounts that were previously recognised in equity are transferred to the cost of the asset or liability. If the future transaction results in income or costs, amounts that were previously recognised in equity are transferred to the income statement for the period when the hedged item affects the income statement.

For derivative financial instruments not qualifying for treatment as hedging instruments, changes in fair value are recognised in the income statement on an ongoing basis.

Changes in the fair value of derivative financial instruments used for hedging of net investments in independent foreign subsidiaries or associates are recognised directly in equity.

Income statement

Gross loss

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

Other external costs

Other external costs comprise administrative expenses, etc.

Financial income and expenses

Financial income and expenses comprise receivables and interest income and expenses, financial income and costs regarding receivables, payables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on loss for the year

The Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

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 the administration Company for the Danish companies in the joint taxation. Current Danish income tax is allocated among the jointly taxed companies in proportion to their taxable income (full allocation with refund for tax losses).

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Property, plant and equipment

Land and buildings are measured at cost less accumulated depreciation and impairment losses.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

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:

Land and buildings	25-40 years

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

Land is not depreciated.

Investments

Equity investments in group entities and associates are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write down is made to this lower value.

Impairment of fixed assets

The carrying amount of property, plant and equipment as well as equity investments in group entities is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation.

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.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Prepayments

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

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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.

Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

Liabilities

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at amortised cost.

2 Staff costs

In 2022, the remuneration of the Executive Board and Board of Directors was paid by other companies within the Noble Drilling Group. An estimated amount of USD 5 thousand (2021: USD 5 thousand) is attributable to the Company.

USD'000	2022	2021
3 Financial income		
Interest income from group entities	30,755	18,659
Other financial income	653	5,974
	31,408	24,633

Financial statements 1 January – 31 December

Notes

4 Financial expenses

Interest expense to group entities	27,043	4,814
Other financial costs	88,312	55,399
	115,355	60,213

5 Tax on loss for the year

USD'000	2022	2021
Current tax for the year	-3,006	-8,464
Deferred tax for the year	-21	595
Adjustment of tax concerning previous years	8,214	-623
Adjustment of deferred tax concerning previous years	0	-818
	5,187	-9,310

6 Proposed distribution of loss

Retained earnings	-115,887	-35,833

7 Property, plant and equipment

USD'000	Land and buildings
Cost at 1 January 2022	4,039
Cost at 31 December 2022	4,039
Depreciation and impairment losses at 1 January 2022	-284
Depreciation for the year	-94
Depreciation and impairment losses at 31 December 2022	-378
Carrying amount at 31 December 2022	3,661

Financial statements 1 January – 31 December

Notes

8 Investments

USD'000	Equity investments in group entities
Cost at 1 January 2022	4,446,095
Cost at 31 December 2022	4,446,095
Revaluations at 1 January 2022	-1,718,598
Revaluations 31 December 2022	-1,718,598
Carrying amount at 31 December 2022	2,727,497

Name/legal form	Registered office	Voting rights and ownership interest	Equity	Profit/loss for the year
Subsidiaries:			USD'000	USD'000
Noble Drilling A/S	Kgs. Lyngby	100%	2,781,030	-201,477
			2,781,030	-201,477

9 Derivative financial instruments

As part of the hedging of recognised and unrecognised transactions, the Company makes use of hedging instruments such as forward exchange contracts on behalf of the group. Hedging of recognised transactions primarily comprises receivables and payables denominated in foreign currencies.

The Company hedges forecast currency risks relating to the sale and purchase of goods within the coming year using forward exchange contracts.

The notional amount of forward exchange contracts amounts to USD 191 million (31 December 2021: USD 112 million) with an accumulated fair value gain of USD 3,546 thousand (31 December 2021: USD 3,203 thousand) and fair value loss of USD 3,546 thousand as of 31 December 2022 (31 December 2021: USD 16,241 thousand non-current part, 3,212 thousands current part). The fair value of the forward exchange contracts is recognised as other receivables and other payables, respectively.

10 Deferred tax assets

USD'000	31/12 2022	31/12 2021
Deferred tax at 1 January	223	0
Deferred tax adjustment for the year in the income statement	21	223
	244	223

11 Prepayments

Prepayments of USD 721 thousand (2021: USD 687 thousand) include advance payments for insurance, and other fees etc. for the next year.

Financial statements 1 January – 31 December

Notes

12 Non-current liabilities

Liabilities can be specified as follows:

USD'000	31/12 2022	31/12 2021
Credit institutions:		
0-1 years	497,519	130,000
1-5 years	0	907,346
>5 years	0	0
	497,519	1,037,346

13 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company is jointly taxed with all other Danish companies in the Group. As the management company for the Danish entities in the joint taxation, the Company has unlimited and joint liability together with the other companies under joint taxation for Danish corporation tax, withholding taxes on dividends, interest and royalties within the jointly taxed companies.

Shares in the subsidiary Maersk Drilling A/S are pledged as security for borrowings with a carrying amount at 31 December 2022 of USD 149.7 million.

14 Related party disclosures

The Drilling Company of 1972 A/S' related parties comprise the following:

Control

Noble Ndus Holdings UK Limited, 1 Ashley Road, 3rd Floor, Altrincham, Cheshire WA14 2DT, UK, holds the majority of the contributed capital in the Company.

The Drilling Company of 1972 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.

Related party transactions

Transactions with related parties are carried out on an arm's length basis and are therefore not separately disclosed pursuant to section 98 C (7) of the Danish Financial Statements Act..

15 Disclosure of events after the balance sheet date

In April 2023, a global refinancing was completed successfully, fully paying off the USD 497.5 million debt to other credit institutions as of 31 December 2022. This was achieved through a USD 350 million capital contribution from the Parent Company, NDUS Holdings UK, a group loan of USD 120 million due in 2031, and the remaining amount from the Company's cash.