The Drilling Company of 1972 A/S

Lyngby Hovedgade 85
DK-2800 Kongens Lyngby

CVR no. 40 40 47 16

Annual report 2023

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

29 July 2024

DocuSigned by:
Claus Bachmann
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Claus Bachman
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 2023.

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 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

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.

Kongens Lyngby, 29 July 2024
Executive Board:

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Peter Asboe
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Peter Asboe
CEO

Board of Directors:

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Claus Bachmann Chairman	Bruce Boyle	Peter Asboe

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 2023, and of the results of the Company's operations for the financial year 1 January – 31 December 2023 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 2023, 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 29 July 2024
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

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Thomas Wraae Holm State Authorised Public Accountant mne30141	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

Claus Bachmann, Chairman
Bruce Boyle
Peter Asboe

Executive Board

Peter Asboe, CEO

Auditor

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

Management's review

Financial highlights

USD'000	2023	2022	2021	2020	2019
Key figures					
Revenue	605	314	310	0	0
Income/loss	-415	-26,659	-9,469	-7,376	-1,961
Loss before financial income and expenses	-636	-26,753	-9,563	-1,726,068	-2,056
Loss from financial income and expenses	-15,582	-83,947	-35,580	-52,750	-1,420
Profit/loss for the year	-557,720	-115,887	-35,833	-1,775,335	-16,296
Total assets	2,699,059	3,463,292	3,173,207	3,441,544	5,334,850
Equity	2,120,203	2,205,025	2,102,352	2,138,186	3,918,249
Investment in property, plant and equipment	0	0	0	0	4,039
Ratios					
Gross margin	-68.6%	-8,490.1%	-3,054.5%	0.0%	0.0%
Operating margin	-105.1%	-8,520.1%	-3,084.8%	0.0%	0.0%
Return on invested capital	4.0%	-0.8%	-0.3%	-39.3%	-0.1%
Current ratio	88.9%	58.2%	300.1%	486.3%	602.7%
Return on equity	-25.8%	-5.4%	-1.7%	-58.6%	-0.8%
Solvency ratio	78.6%	63.7%	66.3%	62.1%	73.4%

The financial ratios have been calculated as follows:

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

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

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

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

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.

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Development in activities and financial position

The Company's income statement for 2023 shows a loss of USD 557,720 thousand as against a loss of USD 115,887 thousand in 2022. This is mainly a result of additional impairment on investments in subsidiaries in the amount of USD 546,721 thousand. Equity in the Company's balance sheet at 31 December 2023 stood at USD 2,120,203 thousand as against USD 2,205,025 thousand at 31 December 2022.

The Parent Company granted Promissory Notes owed by the Company to the Parent Company as a tax-exempt group contributions (skattefrit koncerntilskud) under Section 31D of the Danish Corporate Tax Act, resulting in a capital increase of USD 472,898 thousand.

Financial statements 1 January – 31 December

Income statement

USD'000	Note	2023	2022
Revenue		605	314
Other external costs		-1,020	-26,973
Gross loss		-415	-26,659
Depreciation and impairment losses		-221	-94
Loss before financial income and expenses		-636	-26,753
Loss on investments in group entities	7	-546,721	0
Financial income	4	33,339	31,408
Financial expenses	5	-48,921	-115,355
Loss before tax		-562,939	-110,700
Tax on loss for the year		5,219	-5,187
Loss for the year		-557,720	-115,887

Proposed distribution of loss

Retained earnings		-557,720	-115,887

Financial statements 1 January – 31 December

Balance sheet

USD'000	Note	31/12 2023	31/12 2022
ASSETS			
Non-current assets			
Property, plant and equipment	6		
Land and buildings		3,440	3,661
Investments	7		
Investments in group entities		2,180,776	2,727,497
Total non-current assets		2,184,216	2,731,158
Current assets			
Receivables			
Trade receivables		66	0
Receivables from group entities		505,521	725,264
Other receivables		23	2,447
Deferred tax asset		293	244
Corporation tax, joint taxation		8,231	3,061
Prepayments		663	721
		514,797	731,737
Cash at bank and in hand		46	397
Total current assets		514,843	732,134
TOTAL ASSETS		2,699,059	3,463,292

Financial statements 1 January – 31 December

Balance sheet

USD'000	Note	31/12 2023	31/12 2022
EQUITY AND LIABILITIES			
Equity			
Contributed capital		62,520	62,520
Retained earnings		2,057,683	2,142,505
Total equity		2,120,203	2,205,025
Liabilities			
Current liabilities			
Other credit institutions		0	497,519
Trade payables		216	3,042
Payables to group entities		577,815	751,227
Other payables		825	6,479
		578,856	1,258,267
Total liabilities		578,856	1,258,267
TOTAL EQUITY AND LIABILITIES		2,699,059	3,463,292
Disclosure of unusual circumstances	2		
Staff costs	3		
Contingencies	8		
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Disclosure of events after the balance sheet date	10		

Financial statements 1 January – 31 December

Statement of changes in equity

USD'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2023	62,520	2,142,505	2,205,025
Capital increase	0	472,898	472,898
Transferred over the profit appropriation	0	-557,720	-557,720
Equity at 31 December 2023	62,520	2,057,683	2,120,203

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of The Drilling Company of 1972 A/S for 2023 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.

Change in reporting class

The Company has changed its reporting class from class C medium-sized to class B entities for the financial year. 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.

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 2023, the exchange rate DKK/USD was 6.74 (2022: 6.95).

Income statement

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.

Financial statements 1 January – 31 December

Notes

1 **Accounting policies (continued)**

Tax on loss for the year

The Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries.

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.

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

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 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.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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.

Cash at bank and in hand

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

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.

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.

Financial statements 1 January – 31 December

Notes

2 Disclosure of unusual circumstances

The Parent Company granted the Promissory Notes owed by the Company to the former as a tax-exempt group contributions under Section 31D of the Danish Corporate Tax Act, resulting in a capital increase with a total amount of USD 472,898 thousand.

3 Staff costs

In 2023, 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 (2022: USD 5 thousand) is attributable to the Company.

USD'000	2023	2022
4 Financial income		
Interest income from group entities	25,947	30,755
Other financial income	365	653
Exchange gains	7,027	0
	33,339	31,408
5 Financial expenses		
Interest expense to group entities	33,874	27,043
Other financial costs	15,047	88,312
	48,921	115,355

The impairment losses on financial assets, please refer to note 7.

Financial statements 1 January – 31 December

Notes

6 Property, plant and equipment

USD'000	Land and buildings
Cost at 1 January 2023	4,039
Cost at 31 December 2023	4,039
Depreciation and impairment losses at 1 January 2023	-378
Impairment losses for the year	-142
Depreciation for the year	-79
Depreciation and impairment losses at 31 December 2023	-599
Carrying amount at 31 December 2023	3,440

7 Investments

USD'000	Equity investments in group entities
Cost at 1 January 2023	4,446,095
Cost at 31 December 2023	4,446,095
Revaluations at 1 January 2023	-1,718,598
Impairment losses	-546,721
Revaluations 31 December 2023	-2,265,319
Carrying amount at 31 December 2023	2,180,776

Name/legal form	Registered office	Voting rights and ownership interest	Equity	Loss for the year
Subsidiaries:			USD'000	USD'000
Noble Drilling A/S	Kgs. Lyngby	100%	2,180,775	-647,310
			2,180,775	-647,310

Financial statements 1 January – 31 December

Notes

8 Contingencies

Contingent assets

The Company has non-recognised deferred tax assets amounting to USD 21,000 thousand.

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.

Guarantees Jointly with other Noble entities, the Company has guaranteed a total of USD 149.7 million related to a Term Facility Agreement held by The Drilling Company of 1972 A/S that was cancelled in 2023. No guarantees in 2023.

9 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..

10 Disclosure of events after the balance sheet date

No event have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.