

Noble Drilling Deepwater A/S

Lyngby Hovedgade 85
DK-2800 Kgs. Lyngby

CVR no. 24 21 21 14

Annual report 2022

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

29 June 2023

DocuSigned by:

Steffen Dalgaard Andersen

Chairman of the annual general meeting

4678D44E500B478...

Noble Drilling Deepwater A/S
Annual report 2022
CVR no. 24 21 21 14

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Company details	5
Financial highlights	6
Operating review	7
Financial statements 1 January – 31 December	12
Income statement	12
Balance sheet	13
Statement of changes in equity	15
Notes	16

Noble Drilling Deepwater A/S
Annual report 2022
CVR no. 24 21 21 14

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 Deepwater 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.

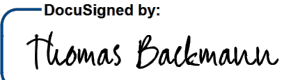
Lyngby, 29 June 2023

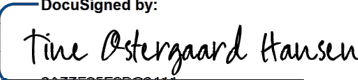
Executive Board:

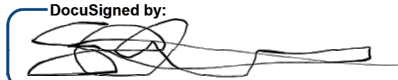
DocuSigned by:

1678D11E509B478
Steffen Dalgaard Andersen
CEO

Board of Directors:

DocuSigned by:

EE0ED5027036401
Thomas Backmann
Chairman

DocuSigned by:

0A77F35F2B00411
Tine Østergaard Hansen

DocuSigned by:

1678D11E509B478
Steffen Dalgaard Andersen

Independent auditor's report

To the shareholders of Noble Drilling Deepwater 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 Deepwater 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.

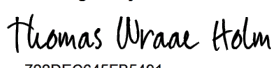
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 29 June 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR no. 33 77 12 31

DocuSigned by:

722DEC845FB5491...
Thomas Wraae Holm
State Authorised
Public Accountant
mne30141

DocuSigned by:

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

Noble Drilling Deepwater A/S
Annual report 2022
CVR no. 24 21 21 14

Management's review

Company details

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

CVR no.:	24 21 21 14
Established:	15 March 1977
Registered office:	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
Strandvejen 44
DK-2900 Hellerup
CVR no. 33 77 12 31

Noble Drilling Deepwater A/S
Annual report 2022
CVR no. 24 21 21 14

Management's review

Financial highlights

USD'000	2022	2021	2020	2019	2018
Key figures					
Revenue	26,930	15,797	32,801	17,365	32,779
Gross profit/loss	-14,869	1,097	-20,595	-23,434	-14,252
Profit/loss before financial income and expenses	-41,059	-18,893	-50,277	-30,822	18,846
Profit/loss from financial income and expenses	-7,387	-3,119	-1,810	-3,069	-7,958
Profit/loss before tax	-48,446	-22,012	-52,087	-33,258	10,888
Profit/loss for the year	-54,155	-11,038	-41,324	-32,258	10,355
Total assets	119,359	126,669	124,650	158,524	159,157
Equity	-17,373	36,782	47,820	89,144	121,402
Investment in property, plant and equipment	15,161	17,478	2,230	16,839	10,245
Ratios					
Operating margin	-152%	-120%	-153%	-177%	58%
Return on invested capital	33%	-15%	-35%	-29%	17%
Current ratio	21%	28%	27%	41%	98%
Return on equity	-558%	-26%	-47%	-31%	0%
Solvency ratio	-15%	29%	38%	56%	76%

The financial ratios have been calculated as follows:

Operating margin
$$\frac{\text{Profit/loss before financial income and expenses} \times 100}{\text{Revenue}}$$

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

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

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

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

Noble Drilling Deepwater A/S
Annual report 2022
CVR no. 24 21 21 14

Management's review

Operating review

Principal activities

The Company's principal activity is to lease the drilling rig, Noble Developer. The Company has leased out the semi-submersible drilling rig for operation in Suriname since February 2021. The Company has branches in Trinidad and Mexico.

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 Deepwater, Management has recognised a net impairment loss of USD 22,989 thousand.

Significant changes in the Company's activities and financial position

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.

On 3 October 2022, the Company formally changed its name from Maersk Drilling Deepwater A/S to Noble Drilling Deepwater A/S.

Development in activities and financial position

The Company's income statement for 2022 shows a loss of USD 54,155 thousand as against a loss of USD 11,038 thousand in 2021. Equity in the Company's balance sheet at 31 December 2022 is USD - 17,373 thousand as against USD 36,782 thousand at 31 December 2021.

The result for the year before tax and before impairment shows a loss of USD 25,457 thousands, which is lower than management expectations in the annual report for 2021.

Capital resources

The Company has lost more than 50% of its contributed capital as of 31 December 2022 and is thereby covered by the rules on capital loss laid down in the Danish Companies Act. Action plans have therefore been prepared to ensure the establishment of the Company's capital base. The Parent Company has issued a letter of support stating its intention to provide necessary liquidity to ensure the Company's continued operations. Accordingly, the financial statements are presented on a going concern basis.

Noble Drilling Deepwater A/S
Annual report 2022
CVR no. 24 21 21 14

Management's review

Operating review

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 from impairments, reversal of prior year impairments, management expects to reach a result for 2023 in the range of USD -5 to 5 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.

Financial risks

Currency risks

The Company 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 Noble Drilling Group periodically enter into derivative instruments to manage our net exposure to fluctuations in currency exchange rates.

Interest rate risks

The Company is 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.

Noble Drilling Deepwater A/S
Annual report 2022
CVR no. 24 21 21 14

Management's review

Operating review

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.

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.

Noble Drilling Deepwater A/S
Annual report 2022
CVR no. 24 21 21 14

Management's review

Operating review

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.

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.

Human rights

Noble Corporation and each of its wholly owned subsidiaries ("Noble Group") are committed to acting ethically and responsibly 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.

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.

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.

Noble Drilling Deepwater A/S
Annual report 2022
CVR no. 24 21 21 14

Management's review

Operating review

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 \(q4cdn.com\)](#).

Data Ethics and Data Security

We recognise 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.

Noble Drilling Deepwater A/S
Annual report 2022
CVR no. 24 21 21 14

Financial statements 1 January – 31 December

Income statement

USD'000	Note	2022	2021
Revenue	6	26,930	15,797
Other operating income		0	121
Other external costs		<u>-41,799</u>	<u>-14,821</u>
Gross profit/loss		-14,869	1,097
Depreciation, amortisation and impairment losses		<u>-26,190</u>	<u>-19,990</u>
Loss before financial income and expenses		-41,059	-18,893
Financial income	7	110	26
Financial expenses	8	<u>-7,497</u>	<u>-3,145</u>
Loss before tax		-48,446	-22,012
Tax on loss for the year	9	<u>-5,709</u>	<u>10,974</u>
Loss for the year	10	<u><u>-54,155</u></u>	<u><u>-11,038</u></u>

Noble Drilling Deepwater A/S
Annual report 2022
CVR no. 24 21 21 14

Financial statements 1 January – 31 December

Balance sheet

USD'000	Note	31/12 2022	31/12 2021
ASSETS			
Fixed assets			
Property, plant and equipment	11		
Rigs		90,156	87,906
Assets under construction		571	13,850
		<u>90,727</u>	<u>101,756</u>
Total fixed assets		<u>90,727</u>	<u>101,756</u>
Current assets			
Inventories			
Bunker and lube oil		0	1,633
Receivables			
Trade receivables		5,659	206
Receivables from group entities		15,146	8,644
Other receivables		2,548	2,721
Deferred tax asset	12	0	5,915
Corporation tax		1,571	4,835
Prepayments	13	2,515	0
		<u>27,439</u>	<u>22,321</u>
Cash at bank and in hand		<u>1,193</u>	<u>959</u>
Total current assets		<u>28,632</u>	<u>24,913</u>
TOTAL ASSETS		<u>119,359</u>	<u>126,669</u>

Noble Drilling Deepwater A/S
Annual report 2022
CVR no. 24 21 21 14

Financial statements 1 January – 31 December

Balance sheet

USD'000	Note	31/12 2022	31/12 2021
EQUITY AND LIABILITIES			
Equity			
Contributed capital		1,657	1,657
Retained earnings		-19,030	35,125
Total equity		-17,373	36,782
Liabilities			
Current liabilities			
Banks, current liabilities		125,000	55,000
Trade payables		10,058	7,800
Payables to group entities		287	27,085
Other payables		81	2
Deferred income	13	1,306	0
		136,732	89,887
Total liabilities		136,732	89,887
TOTAL EQUITY AND LIABILITIES		119,359	126,669
Going concern			
	2		
Disclosure of material uncertainties regarding recognition and measurement			
	3		
Disclosure of unusual circumstances			
	4		
Staff costs			
	5		
Contractual obligations, contingencies, etc.			
	15		
Mortgages and collateral			
	16		
Related party disclosures			
	17		
Disclosure of events after the balance sheet date			
	18		

Noble Drilling Deepwater A/S
 Annual report 2022
 CVR no. 24 21 21 14

Financial statements 1 January – 31 December

Statement of changes in equity

USD'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2022	1,657	35,125	36,782
Transferred over the distribution of loss	0	-54,155	-54,155
Equity at 31 December 2022	1,657	-19,030	-17,373

Noble Drilling Deepwater A/S
Annual report 2022
CVR no. 24 21 21 14

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Noble Drilling Deepwater 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.

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

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 consolidated cash flow statements of Noble Corporation plc, 1 Ashley Road, 3rd Floor, Altrincham, Cheshire WA14 2 DT, UK.

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 date.

USD is used as functional currency and as presentation currency because the majority of transactions are in USD. At 31 December 2022, the DKK/USD exchange rate was 695.7 (2021: 654.88).

Income statement

Revenue

Revenue from drilling activities, which typically comprises of bare boat hire income and other revenue related to the drilling activity, is recognised as 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.

Financial income and expenses

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

Noble Drilling Deepwater A/S
Annual report 2022
CVR no. 24 21 21 14

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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 is 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.

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

Impairment of fixed assets

The carrying amount of property, plant and equipment is subject to an 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.

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.

Noble Drilling Deepwater A/S
Annual report 2022
CVR no. 24 21 21 14

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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 is 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.

Liabilities

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

Deferred income

Deferred income comprise payments received relating to subsequent financial years. Deferred income are measured at payment for invoiced revenue net of VAT, duties and sales discounts.

Segment information

Segment information is provided on business segments and geographical markets. The segment information is in line with the Group's accounting policies, risks and internal financial management.

Noble Drilling Deepwater A/S
 Annual report 2022
 CVR no. 24 21 21 14

Financial statements 1 January – 31 December

Notes

2 Going concern

The Company has lost more than 50% of its contributed capital as of 31 December 2022 and is thereby covered by the rules on capital loss laid down in the Danish Companies Act. Action plans have therefore been prepared to ensure the re-establishment of the Company's capital base.

The Parent Company has issued a letter of support stating its intention to provide necessary liquidity to ensure the Company's continued operations. Accordingly, the financial statements are presented on a going concern basis.

3 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 set out in the Outlook section of the Management's review. As a result, the Company may face adjustments to the recognized impairment of property, plant and equipment in future reporting periods.

4 Disclosure of unusual circumstances

Following the revised assumptions to the fair value for the rig Noble Deepwater as described in Note 3, Management has recognised a net impairment loss of USD 22,989 thousand, which is included in the financial statements line item for Depreciation, amortisation and impairment losses.

5 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.

Noble Drilling Deepwater A/S
Annual report 2022
CVR no. 24 21 21 14

Financial statements 1 January – 31 December

Notes

6 Revenue

USD'000	2022	2021
Geographical markets		
Revenue, Suriname	0	15,797
Revenue, Brazil	26,930	0
	<u>26,930</u>	<u>15,797</u>
Line of services		
Floaters market	26,930	15,797
	<u>26,930</u>	<u>15,797</u>

7 Financial income

Interest income from group entities	110	0
Other financial income	0	4
Exchange rate adjustments	0	22
	<u>110</u>	<u>26</u>

8 Financial expenses

Interest expense to group entities	6,534	2,696
Other financial costs	17	10
Exchange rate adjustments costs	946	439
	<u>7,497</u>	<u>3,145</u>

9 Tax on loss for the year

Current tax for the year	-1,571	-1,581
Deferred tax for the year	5,915	-3,284
Adjustment of tax concerning previous years	1,365	-2,855
Adjustment of tax concerning previous years, tax losses used by APMM	0	-3,254
	<u>5,709</u>	<u>-10,974</u>

10 Proposed distribution of loss

Retained earnings	<u>-54,155</u>	<u>-11,038</u>
-------------------	----------------	----------------

Noble Drilling Deepwater A/S
Annual report 2022
CVR no. 24 21 21 14

Financial statements 1 January – 31 December

Notes

11 Property, plant and equipment

USD'000	Rigs	Assets under construction	Total
Cost at 1 January 2022	557,132	13,850	570,982
Additions for the year	0	15,161	15,161
Transfers for the year	28,440	-28,440	0
Cost at 31 December 2022	585,572	571	586,143
Depreciation and impairment losses at 1 January 2022	-469,226	0	-469,226
Impairment losses for the year	-22,989	0	-22,989
Depreciation for the year	-3,201	0	-3,201
Depreciation and impairment losses at 31 December 2022	-495,416	0	-495,416
Carrying amount at 31 December 2022	90,156	571	90,727

12 Deferred tax

Deferred tax is attributable to prepayments, deferred income and other provisions.

USD'000	31/12 2022	31/12 2021
Deferred tax at 1 January	-5,915	-2,631
Deferred tax adjustment for the year in the income statement	5,915	-3,284
	0	-5,915

The unrecognised deferred tax asset amount to USD 19.5 million.

13 Prepayments

Prepayments of USD 2,515 thousand (2021: USD 0 thousand) include prepayment of costs incurred relating to subsequent financial years.

14 Deferred income

Deferred income, USD 1,306 thousand, (2021: USD 0 thousand) comprises payments received from customers that cannot be recognised until the subsequent financial year.

15 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company is jointly taxed with all other Danish companies in the 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 company tax, withholding taxes on dividends, interest and royalties within the jointly taxed companies.

Noble Drilling Deepwater A/S
Annual report 2022
CVR no. 24 21 21 14

Financial statements 1 January – 31 December

Notes

16 Mortgages and collateral

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.

Property, plant and equipment with a carrying amount of USD 90 million (collateral rigs) has been provided as collateral for the credit facilities set out above. In addition to the collateral rigs, insurance coverage and certain bank accounts related to the collateral rigs and certain intra-group charterers in respect of the collateral rigs have been provided as collateral. In certain circumstances, earnings from drilling contracts for the collateral rigs will be assigned in favour of the lenders under the loan agreement.

17 Related party disclosures

Noble Drilling Deepwater 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 Deepwater 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.

18 Disclosure of events after the balance sheet date

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