

Company Registration Number: 07672698

NOBLE DRILLING UK LIMITED
(Formerly known as Maersk Drilling UK Limited)
ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2022



TABLE OF CONTENTS	Page
Company information	1
Strategic Report	2
Directors' Report	5
Independent Auditors' Report to the Members of Noble Drilling UK Limited	8
Statement of Profit or Loss and Other Comprehensive Income	11
Statement of Financial Position	12
Statement of Changes in Equity	13
Notes to the Financial Statements	14

COMPANY INFORMATION

Noble Drilling UK Limited

Company number: 07672698

Directors

Carolyn Fiona Cosgrove

Claus Bachmann

Bruce Boyle

Secretary

Carolyn Cosgrove

Klaus Kristensen

Appointed on 3 October 2022

Resigned on 3 October 2022

Independent auditors

PricewaterhouseCoopers LLP

The Capitol, 431 Union Street

Aberdeen, AB11 6DA

Bank

Citibank

Canada Square, Canary Wharf

London, E14 5LB

United Kingdom

Registered office

3rd Floor,

1 Ashley Road

Altrincham, Cheshire

WA14 2DT

STRATEGIC REPORT

The Directors present their Strategic Report for the year ended 31 December 2022.

Business Review

During the year the Company operated Three drilling units Noble Innovator, Noble Resolve and Noble Resilient in the North Sea. Noble Innovator was on contract with Harbour Energy from 26 February 2022 until 3 December 2022. Then from the 4 December 2022 until 3 February 2023. Noble Resolve was on contract with Spirit Energy from 23 April 2022 until 21 November 2022. Noble Resilient was on contract with Petrogas from 22 January 2022 until 1 May 2022. Then from 12 November 2022 until 26 February 2023 with Shell UK.

The performance for the year shows a profit for the financial year of \$849k (2021: \$6,957k) and a gross profit of \$5,062k (2021: \$13,314k).

Total equity at the end of year was \$26,032k (2021: \$25,128k).

Total assets at the end of the year are \$74,160k (2021: \$34,374k). The increase in total assets is primarily due to the movement in non-current assets. During the year ended 31 December 2022, as a result of an intercompany change set up for the distribution of capital spare parts to the rigs, the Company became an inventory hub by purchasing the spare parts from Noble Drilling A/S.

Streamlined Energy and Carbon Reporting

The table below sets out total energy consumption and resulting GHG emissions by Scope arising from business operations of the Company. The methodology used are:

- Our GHG scope 1 emissions are calculated indirectly via default conversion factors for fuel consumption from our rigs. The conversion factors for 2022 have been based on the UK DBEIS (Department of Business, Energy & Industrial Strategy) Greenhouse gas reporting conversion factors for 2022.
- Greenhouse gas emissions that occur at the point of energy generation (owned or operated by a third party) for electricity, heat or steam imported (i.e. purchased) for use on site. Indirect GHG emissions from imported energy correspond to Scope 2 emissions as defined by the GHG Protocol and WRI/WBCSD.

ESG Performance

Environmental Performance Summary

Environmental Performance		2022	2021
Energy Consumption	UoM		
Fuel Oil	1,000 tonnes	8.0	6.8
Electricity - shore power for rigs	1,000 MWh	-	-
Electricity	1,000 MWh	-	0.029458
GHG emissions (rigs on contract)			
Direct GHG emissions (Scope 1)	1,000 CO2 eq.	23.6	22.1
Indirect GHG emissions (Scope 2)	1,000 CO2 eq.	0	0.01
Total	1,000 CO2 eq.	23.6	22.2
Carbon intensity			
CO2/Revenue	tonnes CO2 eq/Million \$.	322.2	344.8
Economic & Operational Performance			
Revenue	Million \$	73,357	64,231

STRATEGIC REPORT (continued)

Principal risks and uncertainties

On 10 November 2021, Noble Corporation Plc and The Drilling Company of 1972 A/S ("Maersk Drilling") announced that they have entered into a definitive business combination agreement to combine in a primarily all-stock transaction. The combined company has been named 'Noble Corporation Plc' and its shares listed on the New York Stock Exchange ("NYSE") and Nasdaq Copenhagen. The transaction closed in October 2022.

Financial risk management

Financial Instruments held by the Company comprise of trade debtors, amounts owed by group undertakings, trade creditors and amounts owed to group undertakings. The Company's activities expose it to a variety of financial risks: market risk (including currency risk), credit risk and liquidity risk. The Noble group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

Risk management is carried out by a central treasury department (group treasury) under policies approved by the board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the group's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Credit risk

Credit risk is managed on a group basis, except for credit risk relating to trade debtors. Credit risk arises from cash and cash equivalents with banks and financial Institutions, as well as credit exposures to customers including outstanding receivables and committed transactions.

Trade debtors

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Company does not require collateral in respect of financial assets.

At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. There were no assets past due at the balance sheet date and therefore no aged analysis has been presented.

Cash and cash equivalents

The Company's credit risk attributed to amounts deposited with Noble Drilling Operating Services A/S in Copenhagen is managed by assessing the nature of the funds and by ensuring that no restrictions are applicable on any monies deposited. The Directors are of the view that such credit risk is minimal in view of Noble Drilling Operating Services A/S financial position.

Liquidity risk

Cash flow forecasting is performed by the Company and aggregated by group finance. The Company monitors rolling forecasts of the liquidity requirements to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the Company's compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements, for example currency restrictions.

Current financial assets and liabilities

The carrying amounts of trade and other receivables and trade and other payables, approximate fair values due to the relatively short-term nature of these financial instruments.

STRATEGIC REPORT (continued)

Capital management

The Board's policy is to maintain a strong capital base so as to sustain future operations of the business. Capital consists of share capital and retained earnings. The Company regularly reviews its capital structure and is not subject to external controls on its capital structure. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, reduce capital to shareholders, issue new shares or sell assets to reduce debt. The board monitors the return on capital as well as the level of dividends to ordinary shareholders.

Section 172 Statement

In compliance with sections 172 and 414CZA of the UK Companies Act, the Board makes the following statement in relation to the year ended 31 December 2022. The members of the Board consider that they have acted in a way that, in good faith, would be most likely to promote the success of Noble Drilling UK Limited for the benefit of its members as a whole and, in so doing, have had regard (amongst other matters) to: (a) the likely consequences of any decision in the long term; (b) the interests of the company's employees; (c) the need to foster the company's business relationships with suppliers, customers and others; (d) the impact of the company's operations on the community and the environment; (e) the desirability of the company maintaining a reputation for high standards of business conduct; and (f) the need to act fairly between members of the company.

The company's mission is to create long-term value for its stakeholders by being the safest and most reliable offshore driller. The Board believes that adherence to the company's core values - Honesty and Integrity; Safety, Environmental Stewardship, Respect, and Performance - is the key to achieving its mission. The Board considers and aims to demonstrate these core values in its decision-making and its dealings with the company's stakeholders, which include its shareholders, employees, customers, suppliers, and the communities in which it operates.

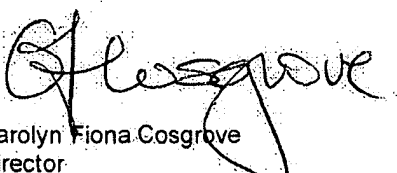
To ensure that the interests of the company's stakeholders are taken into account, the Board and management actively engage with such stakeholders to foster relationships and develop a better understanding of each stakeholder company's interests and priorities. The Board recognises that the long-term success of the company is largely linked with value-creation for, and effective engagement with, its stakeholders.

The Board generally oversees risk management and the internal control framework, and considers the most significant risks, including but not limited to strategic, business, accounting, and liquidity risks; and the CEO and other members of executive management generally manage, monitor, and communicate the actual and potential risks material to the Company, collectively through the Enterprise Risk Management ("ERM") program. The Board provides oversight and regularly receives reports and monitors the effectiveness and results of the ERM program and internal control framework, along with other risk management information provided by management and other resources, on a quarterly basis and provides feedback to management as part of the continuous improvement and alignment of risk management practices, strategies, and systems, consistent with the risk philosophy and risk tolerances of the Company.

In our Directors' Report under "Stakeholder Engagement" we set out existing engagement mechanisms for interacting with stakeholders, which are grouped by area of interest. Mechanisms relative to each stakeholder group include: (a) why they are important to the company; (b) why the company is of interest to them; (c) activities in place to promote or facilitate engagement; (d) principal topics of engagement; and (e) outcomes of engagement efforts. By establishing such mechanisms in the active pursuit of engagement, the Board has ensured that the consideration of stakeholder interests is embedded within the company culture and its decision-making and dealings with the company's stakeholders.

When making decisions, the Board considers available stakeholder feedback in conjunction with the commitment to promote the success of the company for the benefit of its members, the duty to maintain high standards of business conduct and the responsibility to act fairly between members of the company.

Approved by the Board of Directors on 27 March 2024 and signed on its behalf by:


Carolyn Fiona Cosgrove
Director

3rd Floor
1 Ashley Road
Altrincham, Cheshire
WA14 2DT

DIRECTORS' REPORT

The Directors present their report together with the audited financial statements for the year ended 31 December 2022.

Principal activities

The principal activities of the Company are the provision of drilling rigs and associated services.

Directors

The Directors in office during the year ended 31 December 2022 and to the date of approval of these financial statements were:

Carolyn Fiona Cosgrove	
Claus Bachmann	
Predrag Berlafa	Resigned on 25 October 2022
Christine Brennet	Resigned on 3 October 2022
Bruce Boyle	Appointed on 3 October 2022

No Director had a beneficial interest at the shares of the Company at any time during the year.

Results and dividends

The Company recognised a profit for the financial year of \$849k (2021: \$6,957k). Dividends of \$nil were paid in the financial year (2021: \$nil). The Directors do not recommend the payment of a final dividend.

Future developments

The Directors consider the Company to be well positioned to address the continued volatility within the oil service sector, and are confident that the Company remains competitive in the market. Oil and gas prices are supportive of exploration and development activities fuelling rig demand growth in 2023, especially in the global floater segment, however the pace of recovery remains constrained by continued capital discipline by operators.

Post balance sheet events

Please refer note 18 for the subsequent events.

Going concern

The Company has sufficient funds to meet its future commitments and liabilities as they fall due, and participates in The Drilling Company of 1972 A/S ("the Group") centralised treasury arrangements and so shares banking arrangements with its immediate parent, Noble Drilling Operating Services A/S.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 2-4. The Company meets its day-to-day working capital requirements through access to funds as part of the cash pooling arrangement that is administered through Noble Drilling Operating Services A/S, a fellow group company, which acts as an internal bank for the group. The Company has access to its own funds plus an overdraft limit on each account set as part of the contractual cash pooling terms and conditions.

Under the cash pooling arrangements, there is no cash held by the Company - all balances are 'swept' to Noble Drilling Operating Services A/S at the end of each business day. The Company therefore has a \$nil cash balance and is wholly dependent on the cash pooling arrangements for access to the cash flows necessary for the day-to-day running of the Company and to support the going concern assumption.

DIRECTORS' REPORT (continued)

Going concern (continued)

The Company has received confirmation from the ultimate parent company – Noble Corporation plc that it will continue to provide financial support to the Company such that the Company is able to operate as a going concern and to settle its liabilities as they fall due for at least the next 12 months from the date of signing of the financial statements.

On 10 November 2021, Noble Corporation plc and The Drilling Company of 1972 A/S ("Maersk Drilling") announced that they have entered into a definitive business combination agreement to combine in a primarily all-stock transaction. The combined company has been named 'Noble Corporation Plc' and its shares listed on the New York Stock Exchange ("NYSE") and Nasdaq Copenhagen. The transaction closed in October 2022.

On this basis, the Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Matters covered in the strategic report

As permitted by s414c(11) of the Companies Act 2006, the directors have elected to disclose information required to be in the directors' report by Schedule 7 of the "Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008", in the strategic report.

Employment policies

The Company is committed to ensuring that no discrimination is practised against any employee or prospective employee on the grounds of colour, race, creed, sexual orientation or gender. In particular the Company has a policy of giving full and fair consideration to applications for employment from registered disabled people. In cases where disablement occurs whilst in service, Company policy is, as far as possible, to continue employment and to arrange for any necessary re-training facilities. Opportunities for training, career development and promotion apply equally across the Company to disabled and non-disabled alike.

The Company has developed harmonised arrangements for communication and consultation with employees including an intranet web site, electronic mail for the announcement of key issues, staff newsletters and magazines and senior management briefings to staff.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and Audited Financial Statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
 - state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
 - make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's financial statements published on the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' REPORT (continued)

Statement of disclosure of information to auditors

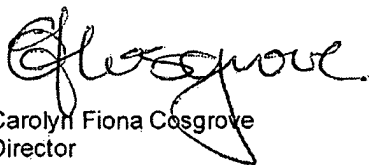
In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditors

Pursuant to section 487 of the Companies Act 2006, the independent auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

Approved by the Board of Directors on 27 March 2024 and signed on its behalf by:



Carolyn Fiona Cosgrove
Director

3rd Floor
1 Ashley Road
Altrincham, Cheshire
WA14 2DT

Independent auditors' report to the members of Noble Drilling UK Limited (formerly Maersk Drilling UK Limited)

Report on the audit of the financial statements

Opinion

In our opinion, Noble Drilling UK Limited (formerly Maersk Drilling UK Limited)'s financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2022; Statement of Profit and Loss and Other Comprehensive Income and Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine 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, the directors are 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 unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 (UK) 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 users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Health and Safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and UK tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journals entries to increase revenue or profitability and potential management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Enquiries made of management personnel around known or suspected instances of non-compliance with laws and regulations, claims and litigation, and instances of fraud;
- Enquiries made of management in relation to any actual or potential disagreements with the tax authorities;
- Understanding management's controls designed to prevent and detect irregularities;
- Review of board minutes;
- Challenging management on assumptions and judgements made in their significant accounting estimates; and
- Identifying and testing journal entries with specific focus on entries containing unusual account combinations in response to the risk of management override of controls.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.


Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Kenneth Wilson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
27 March 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2022

	Note	2022 \$000	2021 \$000
Turnover	3	73,357	64,231
Cost of sales		(68,295)	(50,917)
GROSS PROFIT		5,062	13,314
Administrative expenses		(5,062)	(3,623)
OPERATING PROFIT	4	-	9,691
Finance income	6	1,008	-
Finance expenses	7	(37)	(1,154)
Net finance income/(expenses)		971	(1,154)
PROFIT BEFORE INCOME TAX		971	8,537
Income tax expense	8	(122)	(1,580)
PROFIT FOR THE FINANCIAL YEAR		849	6,957
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
Effective portion of changes in fair value of cash flow hedges		55	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		55	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		904	6,957

All results are derived from continuing operations.

The accompanying notes on pages 14 to 29 form an integral part of these financial statements.

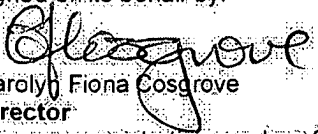
NOBLE DRILLING UK LIMITED
(Formerly known as Maersk Drilling UK Limited)
As at 31 December 2022

STATEMENT OF FINANCIAL POSITION
As at 31 December 2022

	Note	2022 \$000	2021 \$000
ASSETS			
Fixed assets			
Right-of-use assets	9	-	-
Plant and machinery	10	20,652	-
Deferred tax assets	11	120	143
		<u>20,772</u>	<u>143</u>
Current assets			
Trade and other receivables	12	17,510	14,187
Amounts owed by group undertakings	12	35,878	20,044
		<u>53,388</u>	<u>34,231</u>
TOTAL ASSETS		<u><u>74,160</u></u>	<u><u>34,374</u></u>
LIABILITIES			
Current liabilities			
Trade and other payables	14	24,488	9,066
Amounts owed to group undertakings	14	23,535	75
		<u>48,023</u>	<u>9,141</u>
Non-current liabilities			
Other Provisions	15	105	105
		<u>105</u>	<u>105</u>
TOTAL LIABILITIES		<u><u>48,128</u></u>	<u><u>9,246</u></u>
Net assets		<u><u>26,032</u></u>	<u><u>25,128</u></u>
Capital and reserves			
Called up share capital	13	1,000	1,000
Cash flow hedge reserve	13	55	-
Profit and loss account	13	24,977	24,128
Total equity		<u><u>26,032</u></u>	<u><u>25,128</u></u>
TOTAL CAPITAL RESERVES AND LIABILITIES		<u><u>74,160</u></u>	<u><u>34,374</u></u>

The accompanying notes on pages 14 to 29 form an integral part of these financial statements.

The financial statements on pages 11 to 29 were approved by the Board of Directors on 27 March 2024 and were signed on its behalf by:


Carolyn Fiona Cosgrove
Director
Company registration number: 07672698

NOBLE DRILLING UK LIMITED
(Formerly known as Maersk Drilling UK Limited)
For the year ended 31 December 2022

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2022

	Share capital \$000	Cash flow hedge reserve \$000	Retained earnings \$000	Total equity \$000
Balance at 1 January 2021	1,000	-	17,171	18,171
Profit for the financial year and total comprehensive income	-	-	6,957	6,957
Balance at 31 December 2021	<u>1,000</u>	<u>-</u>	<u>24,128</u>	<u>25,128</u>
Balance at 1 January 2022	<u>1,000</u>	<u>-</u>	<u>24,128</u>	<u>25,128</u>
Profit for the financial year	-	-	849	849
Other comprehensive income	-	55	-	55
Balance at 31 December 2022	<u><u>1,000</u></u>	<u><u>55</u></u>	<u><u>24,977</u></u>	<u><u>26,032</u></u>

The accompanying notes on pages 14 to 29 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Noble Drilling UK Limited (the "Company") is a private Company limited by shares incorporated and registered in England and Wales and domiciled in the United Kingdom. The registered office of the Company changed from 2 New Bailey, 6 Stanley Street, Salford, Great Manchester, M3 5GS, United Kingdom to is 3rd Floor, 1 Ashley Road, Altrincham, WA14 2DT and principal place of business is Aberdeen.

The Company name changed from Maersk Drilling UK Limited to Noble Drilling UK Limited effective 6th October 2022.

2 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all years presented, unless otherwise stated.

Basis of preparation

The financial statements of Noble Drilling UK Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards ("UK-adopted IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken. The financial statements have been prepared under the historical cost convention.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Certain disclosures regarding revenue
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - paragraph 79(a)(iv) of IAS 1:
 - paragraph 73(e) of IAS 16 Property, plant and equipment
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flow),
 - 16 (statement of compliance with all IFRS),
 - 38A (requirement for minimum or two primary statements, including cash flow statements),
 - 38B-D (additional comparative information),
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases.

As the consolidated financial statements of ultimate parent undertaking include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- FRS 7, 'Financial Instruments: Disclosures'

NOTES TO THE FINANCIAL STATEMENTS (continued)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

New standard and amendments and IFRIC interpretations

The following new and revised Standards and Interpretations have been issued and are effective for the current financial year of the Company:

- Amendments to IAS 37: Onerous Contracts-Cost of Fulfilling a Contract (effective 1 January 2022). This resulted in a change in accounting policy for performing an onerous contracts assessment. Previously, the Company included only incremental costs to fulfil a contract when determining whether that contract was onerous. The revised policy is to include both incremental costs and an allocation of other direct costs.
 The amendments apply prospectively to contracts existing at the date when the amendments are first applied. The Company has analysed all contracts existing at 1 January 2022 and determined that none of them would be identified as onerous applying the revised accounting policy i.e. there is no impact on the opening equity balances as at 1 January 2022 as a result of the change.
- Amendments to References to the Conceptual Framework in IFRS 3 (effective 1 January 2022). The amendment refers to the Conceptual Framework issued in 2018 under which the definition of liabilities is broader than that in the previous versions. There is no material effect of this amendment as the Company has not made any new acquisitions during the year.
- Amendments to IAS 16: Property, Plant and Equipment-Proceeds before Intended Use (effective date 1 January 2022). The amendments prohibit a Company from deducting from the cost of an item of PPE any proceeds from selling items produced while making that item of PPE available for its intended use. There is no material effect of this amendment on the items of PPE recorded during the year.
- Annual Improvements to IFRS Standards 2018-2020 (effective 1 January 2022):
 - (i) IFRS 9 - Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities. The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. There is no material effect on the adoption of the standard in these financial statements.
 - (ii) IFRS 16 - Leases - Lease incentives. The amendment to the Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. There is no material effect on the adoption of the standard in these financial statements.

Going concern

The Company has sufficient funds to meet its future commitments and liabilities as they fall due, and participates in The Drilling Company of 1972 A/S ("the Group") centralised treasury arrangements and so shares banking arrangements with its immediate parent, Noble Drilling Operating Services A/S.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 2-6. The Company meets its day-to-day working capital requirements through access to funds as part of the cash pooling arrangement that is administered through Noble Drilling Operating Services A/S, a fellow group company, which acts as an internal bank for the group. The Company has access to its own funds plus an overdraft limit on each account set as part of the contractual cash pooling terms and conditions.

Under the cash pooling arrangements, there is no cash held by the Company - all balances are 'swept' to Noble Drilling Operating Services A/S at the end of each business day. The Company therefore has a \$nil cash balance and is wholly dependent on the cash pooling arrangements for access to the cash flows necessary for the day-to-day running of the Company and to support the going concern assumption.

The Company has received confirmation from the ultimate parent company – Noble Corporation plc that it will continue to provide financial support to the Company such that the Company is able to operate as a going concern and to settle its liabilities as they fall due for at least the next 12 months from the date of signing of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Going concern (continued)

On 10 November 2021, Noble Corporation Plc and The Drilling Company of 1972 A/S ("Maersk Drilling") announced that they have entered into a definitive business combination agreement to combine in a primarily all-stock transaction. The combined company has been named 'Noble Corporation Plc' and its shares listed on the New York Stock Exchange("NYSE") and Nasdaq Copenhagen. The transaction closed in October 2022.

On this basis, the Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Functional and presentation currency

These financial statements are presented in US dollar, which is also the Company's functional currency. All financial information presented in US dollar has been rounded to the nearest thousand.

Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recorded in the functional currency using the exchange rates prevailing at the date of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit or Loss and other comprehensive income. Foreign exchange gains and losses are presented in the Profit or Loss and other comprehensive income within 'Administrative expenses'.

Impairment of non-financial assets

The carrying amounts of the Company's assets, other than deferred tax assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the Profit or Loss and other comprehensive income.

Plant and machinery

Plant and machinery are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of Profit or Loss during the financial year in which they are incurred.

Depreciation on plant and equipment is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

- Drilling rig spare equipment 5 - 30 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Plant and machinery (continued)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other income/expense' in the Statement of Profit or Loss.

When revalued assets are sold, the amounts included in revaluation reserve are transferred to retained earnings.

Financial instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

Subsequent measurement and gains and losses

Financial assets at FVTPL - these assets (other than derivatives designated as hedging instruments) are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

(b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derivative financial instruments and hedging

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the hedging reserve (OCI). Any ineffective portion of the hedge is recognised immediately in the profit or loss and other comprehensive income.

When the forecasted transaction subsequently results in recognition of a non-financial asset (for example inventory), the associated cumulative gain or loss is removed from the hedging reserve and is included in the initial carrying amount of the non-financial asset or liability.

For all other hedged forecasted transactions, the associated cumulative gain or loss is reclassified to the profit or loss and other comprehensive income in the same year, or years during which the hedged expected future cash flows affects profit or loss.

When the hedging instrument is sold, expires, is terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the profit or loss and other comprehensive income immediately.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI and contract assets.

The Company measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL.

Loss allowances for trade receivables and contract assets that do not contain a significant financing component are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Derecognition

Financial assets

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

A provision for restructuring is recognised when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

Employee benefits

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the Profit or Loss and other comprehensive income when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. An asset or liability may result from advance payments or payments due, respectively, to a defined contribution fund.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from vendors. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Turnover recognition

Turnover represents the amount receivable in respect of day rate and tariff from rig operations and management and is recognised on an accruals basis on delivery of the related services. Turnover is measured at the fair value of the consideration received or receivable.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Expenses

Net financing costs:

Net financing costs comprise interest payable, interest receivable on funds invested and foreign exchange gains and losses on financial assets and financial liabilities that are recognised in the Profit or Loss and other comprehensive income.

Interest income and interest payable is recognised in the Profit or Loss and other comprehensive income as it accrues, using the effective interest method.

Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the Profit or Loss and other comprehensive income except to the extent that it relates to items recognised directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a Lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

As a Lessee (continued)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise,
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a Lessor

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract applying IFRS 15.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

The Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

Dividends paid

Dividends are recognised as a liability in the Statement of Financial Position in the year in which they are declared.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Critical accounting estimates and judgements

The preparation of financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are detailed below.

Finance leases:

Each lease, when entered into, is assessed using the guidelines in IFRS 16 'Leases', to determine whether the lease is a finance or operating lease. The lease is then accounted for in the appropriate manner.

3 TURNOVER

	2022 \$000	2021 \$000
Analysis of turnover by geography:		
United Kingdom	73,357	64,231
	<u>73,357</u>	<u>64,231</u>
Analysis of turnover by category:		
Rendering of services	55,574	59,655
Lease revenue	17,783	4,576
	<u>73,357</u>	<u>64,231</u>

Revenue from drilling activities, is recognised in accordance with the agreed day rates for the work performed to date. The day rates include both lease revenue and service fees related to the activities of the Company.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4 OPERATING PROFIT

Expenses by nature	2022	2021
The operating profit is stated after charging/(crediting):	\$000	\$000
Bareboat and management fees	21,838	8,230
Net foreign exchange gain	(570)	-
	<u>21,268</u>	<u>8,230</u>

Auditors' remuneration

Included in administrative expenses are the following:

Audit fee payable to the Company's auditors	51	28
	<u>51</u>	<u>28</u>

Bareboat and management fees include recharges of operational expenses related to stacked rigs during the year.

There were no fees paid to the Company's auditors and its associates towards non-audit services to the Company (2021: \$nil).

5 STAFF COSTS

The monthly average number of persons employed by the Company during the year, analysed by category, was as follows;

	2022 No.	2021 No.
Administration	16	29
	<u>16</u>	<u>29</u>

	2022 \$000	2021 \$000
Wages and salaries	2,316	3,368
Social security costs	281	318
Other pension costs	272	308
	<u>2,869</u>	<u>3,994</u>

Directors' remuneration

	2022 \$000	2021 \$000
Directors' remuneration	560	-
Company contributions to money purchase pension schemes	31	-
Compensation for loss of office	992	-
	<u>1,583</u>	<u>-</u>

Retirement benefits were accruing to 1 director (2021: 0) in respect of money purchase schemes. The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was \$323,000 (2021: \$nil). During the year, the highest paid director received compensation for loss of office of \$992,000 (2021: \$nil).

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 STAFF COSTS (CONTINUED)

In 2021 the Directors neither received nor waived any emoluments during the year from the Company. Their remuneration was allocated to companies in the A.P.Moller-Maersk group as part of an overall management charge and therefore it was not possible to determine the elements of Directors' remuneration relevant to this Company in a practical manner.

6 FINANCE INCOME

	2022 \$000	2021 \$000
Other Interest income	216	-
Net foreign exchange gain on liquid funds and cash pool	792	-
	<u>1,008</u>	<u>-</u>

7 FINANCE EXPENSES

	2022 \$000	2021 \$000
Net foreign exchange loss on liquid funds and cash pool	-	981
Other interest expense	24	153
Bank charges	13	18
Interest on lease liability	-	2
	<u>37</u>	<u>1,154</u>

8 INCOME TAX EXPENSE

	2022 \$000	2021 \$000
Tax expense included in profit or loss		
Current tax:		
Current year	196	1,578
Tax provision, prior year adjustments	(97)	14
	<u>99</u>	<u>1,592</u>
Deferred tax:		
Current year tax adjustment	23	30
Adjustments in respect of prior periods	-	(1)
Effect of tax rate change on opening balance	-	(41)
	<u>122</u>	<u>1,580</u>
Income tax expense		

NOTES TO THE FINANCIAL STATEMENTS (continued)

8 INCOME TAX EXPENSE (continued)

Tax charge for the year is lower (2021: tax charge was lower) than the standard rate of corporation tax in UK for the year ended 31 December 2022 of 19% (2021: 19%). The differences are explained below:

	2022 \$000	2021 \$000
Profit before income tax	971	8,537
Profit before income tax multiplied by the standard rate of tax in the UK of 19% (2021: 19%)	184	1,622
Effects of:		
- Expenses and income not deductible for tax purposes	64	11
- Income not taxable for tax purposes	(59)	-
- Adjustments in respect of prior years	-	(4)
- Adjustments in respect of prior years - deferred tax	-	(1)
- Adjust deferred tax to average rate of 19%	6	(34)
- Current tax (current & prior period) exchange difference arising on movement between opening and closing spot rates	(73)	(14)
Total tax expense	122	1,580

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

9 RIGHT-OF-USE ASSETS

	Noble Rig \$000
Cost	
At 1 January 2022 and 31 December 2022	32,630
Accumulated depreciation	
At 1 January 2022 and 31 December 2022	(32,630)
Net balance as at 31 December 2022	-
Net balance as at 31 December 2021	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

10 PLANT AND MACHINERY

	Drilling rig spare equipment \$000
Cost	
Balance at 1 January 2022	-
Additions	22,031
Balance at 31 December 2022	<u>22,031</u>
Accumulated depreciation	
Balance at 1 January 2022	-
Depreciation expense	(1,379)
Balance at 31 December 2022	<u>(1,379)</u>
Carrying value at 31 December 2022	<u><u>20,652</u></u>
Carrying value at 31 December 2021	<u><u>-</u></u>

During the year ended 31 December 2022, the Company purchased drilling rig spare parts from Noble Drilling A/S.

11 DEFERRED TAX ASSETS

	2022 \$000	2021 \$000
Deferred tax assets are attributable to the following:		
Capital allowances	<u>120</u>	<u>143</u>

The deferred tax asset will be utilised against future taxable profits or through the surrender of group relief.

Movement in temporary differences during the year

	Balance Opening \$000	Recognised in profit or loss account in 2022 \$000	Balance Closing \$000	Balance Opening \$000	Recognised in profit or loss account in 2021 \$000	Balance Closing \$000
Capital allowances	<u>143</u>	<u>(23)</u>	<u>120</u>	<u>130</u>	<u>13</u>	<u>143</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

12 TRADE AND OTHER RECEIVABLES

	2022	2021
	\$000	\$000
Trade debtors	5,724	6,170
Prepayments and accrued income	8,747	7,319
Other debtors	2,638	698
Corporation tax receivable	401	-
	<u>17,510</u>	<u>14,187</u>

Amounts owed by group undertakings relates to cash pool and amounts relating to services provided.

The Company participates in a central cash management system maintained under the overall group treasury strategy. At the end of each day, funds in some of the Branch's own bank accounts are placed in a central bank account managed by its immediate holding, on behalf of the ultimate holding corporation. Funds under this arrangement have been classified as cash and cash equivalents (to changes to amount owed by/owed to group undertakings). The account balance with the immediate holding corporation is unsecured, interest-bearing and calculated based on a reference rate plus a spread (margin).

13 CAPITAL AND RESERVES

	2022	2021
	\$000	\$000
Allotted, called up and fully paid:		
1,000,000 (2021: 1,000,000) ordinary shares of \$1 each	<u>1,000</u>	<u>1,000</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital (2021: nil).

Profit and loss account

Represents the reserves for net gains and losses recognised in the profit and loss account.

Cash flow hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

14 TRADE AND OTHER PAYABLES

	2022	2021
	\$000	\$000
Trade creditors	6,872	5,523
Other creditors including taxation and social security	16,731	1,989
Accruals and deferred income	885	982
Tax payables	-	572
	<u>24,488</u>	<u>9,066</u>

Amount owed to group undertakings relates to payables for services received. Amount owed to group undertaking is unsecured, interest-bearings and calculated based on a reference rate plus a spread (margin).

NOTES TO THE FINANCIAL STATEMENTS (continued)

15 OTHER PROVISIONS

	Other provisions \$000	Total \$000
Balance at 1 January 2022	105	105
Balance at 31 December 2022	<u>105</u>	<u>105</u>

Where the Company has a legal obligation arising under the terms of a lease, provision is made for maintenance and dry dock overhauls. The provisions are discounted to present value, calculated on current factors including the lease terms and latest yard costs. The provision is expected to unwind in January 2024.

16 PENSION COMMITMENTS

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to \$nil (2021: \$nil). Contributions totalling \$nil (2021: \$nil) were payable to the fund at the balance sheet date.

17 CONTROLLING PARTIES

Immediate holding company

Noble Drilling UK Limited's immediate holding company is Noble Drilling Operating Services A/S, a company incorporated in Denmark. The registered address for Noble Drilling Operating Services A/S is Lyngby Hovedgade 85 2800 Kongens Lyngby, Denmark. The immediate holding company prior to acquisition was Maersk Drilling Services A/S before the acquisition.

Ultimate holding company

The ultimate holding company at 31 December 2022 was Noble Corporation Plc, a company incorporated in England. The registered address for Noble Corporation Plc, is 3rd Floor, 1 Ashley Road, Altrincham, Cheshire, United Kingdom, WA14 2DT. The ultimate holding company prior to acquisition was The Drilling Company of 1972 A/S.

Copies of the consolidated financial statements can be obtained from the Company's website at www.noblecorp.com.

18 POST BALANCE SHEET EVENT

There were no subsequent events post balance sheet date.

