

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: **December 31, 2021**
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: **001-36211**

Noble Corporation

(Exact name of registrant as specified in its charter)

Cayman Islands

(State or other jurisdiction of incorporation or organization)

98-1575532

(I.R.S. employer identification number)

13135 Dairy Ashford, Suite 800, Sugar Land, Texas, 77478

(Address of principal executive offices) (Zip Code)

Registrant's Telephone Number, Including Area Code: (281) 276-6100

Commission file number: **001-31306**

Noble Finance Company

(Exact name of registrant as specified in its charter)

Cayman Islands

(State or other jurisdiction of incorporation or organization)

98-0366361

(I.R.S. employer identification number)

13135 Dairy Ashford, Suite 800, Sugar Land, Texas 77478

(Address of principal executive offices) (Zip Code)

Registrant's Telephone Number, Including Area Code: (281) 276-6100

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary Shares, par value \$0.00001 per share, of Noble Corporation	NE	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Noble Corporation	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Noble Finance Company	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Noble Corporation	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Noble Finance Company	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>

Indicate by check mark whether each registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Noble Corporation	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Noble Finance Company	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>

Indicate by check mark whether each registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Noble Corporation	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Noble Finance Company	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>

Indicate by check mark whether each registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Noble Corporation	Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>	Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>	Emerging growth company	<input type="checkbox"/>
Noble Finance Company	Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>	Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>	Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Noble Corporation	<input type="checkbox"/>
Noble Finance Company	<input type="checkbox"/>

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether each registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Noble Corporation	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Noble Finance Company	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>

As of June 30, 2021, the aggregate market value of the registered shares of Noble Corporation held by non-affiliates was \$1.5 billion based on the closing price of such shares on such date as reported on the New York Stock Exchange. Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed

by a court. Yes No

Number of shares outstanding at February 15, 2022: Noble Corporation — 61,856,875

Number of shares outstanding: Noble Finance Company — 261,246,093

DOCUMENTS INCORPORATED BY REFERENCE

Items 10, 11, 12, 13 and 14 of Part III of this Annual Report on Form 10-K will be incorporated by reference from an amendment to this Annual Report on Form 10-K to be filed with the Securities and Exchange Commission.

This Form 10-K is a combined annual report being filed separately by two registrants: Noble Corporation, a Cayman Islands company, and its wholly-owned subsidiary, Noble Finance Company, a Cayman Islands company.

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This combined Annual Report on Form 10-K is separately filed by Noble Corporation, an exempted company incorporated in the Cayman Islands with limited liability (“Noble” or “Successor”), and Noble Finance Company (formerly known as Noble Corporation), an exempted company incorporated in the Cayman Islands with limited liability and a wholly-owned subsidiary of Noble (“Finco”). Information in this filing relating to Finco is filed by Noble and separately by Finco on its own behalf. Finco makes no representation as to information relating to Noble (except as it may relate to Finco) or any other affiliate or subsidiary of Noble.

This report should be read in its entirety as it pertains to each Registrant. Except where indicated, the Consolidated Financial Statements and the Notes to the Consolidated Financial Statements are combined. References in this Annual Report on Form 10-K to “Noble,” the “Company,” “we,” “us,” “our” and words of similar meaning refer collectively to Noble and its consolidated subsidiaries, including Finco.

Forward-Looking Statements

This Annual Report on Form 10-K (“Annual Report”) includes “forward-looking statements” within the meaning of Section 27A of the US Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the US Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements other than statements of historical facts included in this report or in the documents incorporated by reference, including those regarding the impact of our emergence from bankruptcy on our business and relationships, the global novel strain of coronavirus (“COVID-19”) pandemic and agreements regarding production levels among members of the Organization of Petroleum Exporting Countries (“OPEC”) and other oil and gas producing nations (together with OPEC, “OPEC+”), and any expectations we may have with respect thereto, and those regarding rig demand, peak oil, the offshore drilling market, oil prices, contract backlog, fleet status, our future financial position, business strategy, impairments, repayment of debt, credit ratings, liquidity, borrowings under any credit facilities or other instruments, sources of funds, future capital expenditures, contract commitments, dayrates, contract commencements, extension or renewals, contract tenders, the outcome of any dispute, litigation, audit or investigation, plans and objectives of management for future operations, foreign currency requirements, results of joint ventures, indemnity and other contract claims, reactivation, refurbishment, conversion and upgrade of rigs, rig acquisitions and dispositions, industry conditions, access to financing, impact of competition, governmental regulations and permitting, availability of labor, worldwide economic conditions, taxes and tax rates, indebtedness covenant compliance, dividends and distributable reserves, timing, benefits or results of acquisitions or dispositions (including the Pacific Drilling Merger and the Business Combination (each as defined herein) and our plans, objectives, expectations and intentions related to the Pacific Drilling Merger and the Business Combination), and timing for compliance with any new regulations are forward-looking statements. When used in this report or in the documents incorporated by reference, the words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “should,” “would,” “shall,” “will” and similar expressions are intended to be among the statements that identify forward-looking statements. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we cannot assure you that such expectations will prove to be correct. These forward-looking statements speak only as of the date of this Annual Report on Form 10-K and we undertake no obligation to revise or update any forward-looking statement for any reason, except as required by law. We have identified factors, including but not limited to risks and uncertainties relating to the Pacific Drilling Merger (including the risk that the Pacific Drilling Merger disrupts the parties’ current plans and operations as a result of the consummation of the transactions contemplated by the Pacific Drilling Merger Agreement, the ability to recognize the anticipated benefits of the Pacific Drilling Merger, which may be affected by, among other things, competition, the ability of the combined company to grow and manage growth profitably, maintain relationships with customers and suppliers and retain its management and key employees, costs related to the Pacific Drilling Merger, changes in applicable laws or regulations, the possibility that the combined company may be adversely affected by other economic, business, and/or competitive factors and the ability of the combined company to improve its operating structure, financial results and profitability and to maintain relationships with suppliers, customers, employees and other third parties), the Business Combination with Maersk Drilling (as defined herein) (including the risk that the Business Combination may not be completed in a timely manner or at all, the failure to satisfy the conditions to the consummation of the Business Combination, the occurrence of any event, change or other circumstance that could give rise to the termination of the Business Combination Agreement (as defined herein), the effect of the announcement or pendency of the Business Combination on Noble’s or Maersk Drilling’s business relationships, performance and business generally, the risk that the proposed Business Combination disrupts current plans of Noble or Maersk Drilling and potential difficulties in Noble’s or Maersk Drilling’s employee retention as a result of the proposed Business Combination, the outcome of any legal proceedings that may be instituted against Noble or Maersk Drilling related to the Business Combination Agreement or the proposed Business Combination, requirements, conditions or costs that may be imposed on Noble or Maersk Drilling in connection with obtaining regulatory approvals of the Business Combination, the ability of Topco (as defined herein) to list the Topco Shares (as defined herein) on the New York Stock Exchange (the “NYSE”) or Nasdaq Copenhagen A/S (“Nasdaq Copenhagen”), volatility in the price of the securities of the combined companies (Noble and Maersk Drilling) due to a variety of factors, including changes in the competitive markets in which Topco plans to operate, variations in performance across competitors, changes in laws and regulations affecting Topco’s business and changes in the combined capital structure, the ability to implement business plans, forecasts, and other expectations (including with respect to synergies and financial and operational metrics, such as EBITDA and free cash flow) after the completion of the proposed Business Combination, and to identify and realize additional opportunities, the failure to realize anticipated benefits of the proposed Business Combination, the potential impact of announcement or consummation of the proposed Business Combination on relationships with third parties, and risks associated with assumptions that parties make in connection with the parties’ critical accounting estimates and other judgments), the effects of public health threats, pandemics and epidemics, such as the ongoing outbreak of COVID-19, and the adverse impact thereof on our business, financial condition and results of operations (including but not limited to our growth, operating costs, supply chain, availability of labor, logistical capabilities, customer demand for our services and industry demand generally, our liquidity, the price of our securities and trading markets with respect thereto, our ability to access capital markets, and the global economy and financial markets generally), the effects of actions by or disputes among OPEC+ members with respect to production levels or other matters related to the price of oil, market conditions, factors affecting the level of activity in the oil and gas industry, supply and demand of drilling rigs, factors affecting the duration of contracts, the actual amount of downtime, factors that reduce applicable dayrates, operating hazards and delays, risks associated with operations outside the United States (“US”), actions by regulatory authorities, credit rating agencies, customers, joint venture partners, contractors, lenders and other third parties, legislation and regulations affecting drilling operations, compliance with or changes in

environmental, health, safety, tax and other regulations or requirements or initiatives (including those addressing the impact of global climate change or air emissions), violations of anti-corruption laws, shipyard risk and timing, delays in mobilization of rigs, hurricanes and other weather conditions, and the future price of oil and gas, that could cause actual plans or results to differ materially from those included in any forward-looking statements. Actual results could differ materially from those expressed as a result of various factors. These factors include those referenced or described under “Risk Factors” included in this report, or in our other filings with the US Securities and Exchange Commission (“SEC”). We cannot control such risk factors and other uncertainties, and in many cases, we cannot predict the risks and uncertainties that could cause our actual results to differ materially from those indicated by the forward-looking statements. You should consider these risks and uncertainties when you are evaluating us.

Risk Factors Summary

The following is a summary of the principal risks that could adversely affect our business, operating results and financial condition.

Risks Related to Our Business and Operations

- our business depends on the level of activity in the oil and gas industry;
- the impact of the COVID-19 pandemic;
- the offshore contract drilling industry is a highly competitive and cyclical business;
- an over-supply of offshore rigs;
- our ability to renew or replace existing contracts;
- our current backlog of contract drilling revenue may not be ultimately realized;
- our substantial dependence on several of our customers;
- risks relating to operations in international locations;
- our and our service providers’ failure to adequately protect sensitive information technology systems and critical data;
- our failure to attract and retain skilled personnel;
- supplier capacity constraints or shortages in parts or equipment or price increases;
- risks associated with future mergers, acquisitions or dispositions of businesses or assets;
- inflation may adversely affect our operating results;
- we are a holding company, and we are dependent upon cash flow from subsidiaries to meet our obligations;
- the warrants we issued pursuant to the Plan (as defined herein) are exercisable for Ordinary Shares (as defined herein);
- future sales or the availability for sale of substantial amounts of the Ordinary Shares could adversely affect the trading price of the Ordinary Shares;
- the potential for US Gulf of Mexico hurricane related windstorm damage or liabilities;

Risks Related to the Pacific Drilling Merger

- the integration of Pacific Drilling (as defined herein) into the combined company may not be as successful as anticipated, and the combined company may not achieve the intended benefits;

Financial and Tax Risks

- we may record impairment charges on property and equipment;
- Noble conducts substantially all of its business through Finco and its subsidiaries, and the indenture governing the Second Lien Notes (as defined herein) contains operating and financial restrictions that may restrict Finco’s business and financing activities;
- the Revolving Credit Agreement (as defined herein) contains various restrictive covenants limiting the discretion of our management in operating our business;
- the impact of a loss of a major tax dispute or a successful tax challenge to our operating structure, intercompany pricing policies or the taxable presence of our subsidiaries in certain countries on our tax rate on our worldwide earnings;

Regulatory and Legal Risks

- the impact of governmental laws and regulations on our costs and drilling activity;
- increasing attention to environmental, social and governance matters and climate change;
- changes in, compliance with, or our failure to comply with certain laws and regulations;
- compliance with laws and regulations relating to the protection of the environment and of human health and safety;
- we are subject to litigation;

Risks Related to the Business Combination with Maersk Drilling

- the Business Combination may not be as successful as anticipated, and the combined company may not achieve the intended benefits;

- the Business Combination remains subject to conditions that neither Noble nor Maersk Drilling can control;
- Noble shareholders and Maersk Drilling shareholders will have a reduced ownership and voting interest after the Business Combination;
- we could be required to make a significant cash payment in connection with the Compulsory Purchase (as defined herein);
- each of Noble and Maersk Drilling may have liabilities that are not known to the other party;
- our failure to consummate the Business Combination;
- future sales or the availability for sale of substantial amounts of the Topco Shares could adversely affect the trading price of the Topco Shares; and
- direct and indirect costs incurred as a result of the Business Combination.

For a more complete discussion of the material risks facing our business, see Part I, Item 1A, “Risk Factors” below.

PART I

Item 1. Business.

Overview

Noble is a leading offshore drilling contractor for the oil and gas industry. We provide contract drilling services to the international oil and gas industry with our global fleet of mobile offshore drilling units. We focus on a high-specification fleet of floating and jackup rigs and the deployment of our drilling rigs in oil and gas basins around the world. Noble and its predecessors have been engaged in the contract drilling of oil and gas wells since 1921.

On July 31, 2020 (the “Petition Date”), our former parent company, Noble Holding Corporation plc (formerly known as Noble Corporation plc), a public limited company incorporated under the laws of England and Wales (“Legacy Noble” or the “Predecessor”), and certain of its subsidiaries, including Finco, filed voluntary petitions in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”) seeking relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). On September 4, 2020, the Debtors (as defined herein) filed with the Bankruptcy Court the Joint Plan of Reorganization of Noble Corporation plc and its Debtor Affiliates, which was subsequently amended on October 8, 2020 and October 13, 2020 and modified on November 18, 2020 (as amended, modified or supplemented, the “Plan”), and the related disclosure statement. On September 24, 2020, six additional subsidiaries of Legacy Noble (together with Legacy Noble and its subsidiaries that filed on the Petition Date, as the context requires, the “Debtors”) filed voluntary petitions in the Bankruptcy Court. The chapter 11 proceedings were jointly administered under the caption Noble Corporation plc, et al. (Case No. 20-33826) (the “Chapter 11 Cases”). On November 20, 2020, the Bankruptcy Court entered an order confirming the Plan.

In connection with the Chapter 11 Cases and the Plan, on and prior to the Effective Date (as defined herein), Legacy Noble and certain of its subsidiaries effectuated certain restructuring transactions pursuant to which Legacy Noble formed Noble as an indirect wholly-owned subsidiary of Legacy Noble and transferred to Noble substantially all of the subsidiaries and other assets of Legacy Noble. On February 5, 2021 (the “Effective Date”), the Plan became effective in accordance with its terms, the Debtors emerged from the Chapter 11 Cases and Noble became the new parent company. For additional information on the financial restructuring, see Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Executive Overview—Recent Events—Emergence from Chapter 11.” For a description of the events that occurred on the Effective Date, including the issuance of ordinary shares of Noble with a nominal value of \$0.00001 per share (the “Ordinary Shares”), the Tranche 1 Warrants, the Tranche 2 Warrants and the Tranche 3 Warrants (each as defined herein), see “Note 2— Chapter 11 Emergence” to our consolidated financial statements included in Item 8 of Part II of this Annual Report on Form 10-K. In accordance with the Plan, Legacy Noble and its remaining subsidiary will in due course be wound down and dissolved in accordance with applicable law. The Bankruptcy Court closed the Chapter 11 Cases with respect to all Debtors other than Legacy Noble, pending its wind down.

Noble is the successor issuer to Legacy Noble for purposes of and pursuant to Rule 15d-5 of the Exchange Act. References to the “Company,” “we,” “us” or “our” in this Annual Report are to Noble, together with its consolidated subsidiaries, when referring to periods following the Effective Date, and to Legacy Noble, together with its consolidated subsidiaries, when referring to periods prior to the Effective Date.

Finco was an indirect, wholly-owned subsidiary of Legacy Noble prior to the Effective Date and has been a direct, wholly-owned subsidiary of Noble, our parent company, since the Effective Date. Noble’s principal asset is all of the shares of Finco. Finco has no public equity outstanding. The consolidated financial statements of Noble include the accounts of Finco, and Noble conducts substantially all its business through Finco and its subsidiaries. As such, the terms “Predecessor” and “Successor” also refer to Finco, as the context requires.

Contract Drilling Services

We report our contract drilling operations as a single reportable segment, Contract Drilling Services, which reflects how we manage our business. The mobile offshore drilling units comprising our offshore rig fleet operate in a global market for contract drilling services and are often redeployed to different regions due to changing demands of our customers, which consist primarily of large, integrated, independent and government-owned or controlled oil and gas companies throughout the world.

We typically provide contract drilling services under an individual contract, on a dayrate basis. Although each contract’s final terms and conditions are the result of negotiations with our customers, many contracts are awarded through a competitive bidding process. Our drilling contracts may contain the following terms:

- contract duration extending over a specific period of time or a period necessary to drill a defined number of wells;

- payment of compensation to us (generally in US Dollars although some customers, typically national oil companies, require a part of the compensation to be paid in local currency) on a “daywork” basis, so that we receive a fixed amount for each day (“dayrate”) that the drilling unit is operating under contract (a lower rate or no compensation is payable during periods of equipment breakdown and repair or adverse weather or in the event operations are interrupted by other conditions, some of which may be beyond our control);
- provisions permitting early termination of the contract by the customer (i) if the unit is lost or destroyed, (ii) if operations are suspended for a specified period of time due to breakdown of equipment or breach of contract or (iii) for convenience with the payment of contractually specified termination amounts;
- provisions allowing the impacted party to terminate the contract if specified “force majeure” events beyond the contracting parties’ control occur for a defined period of time;
- payment by us of the operating expenses of the drilling unit, including labor costs and the cost of incidental supplies;
- provisions that allow us to recover our mobilization and demobilization costs associated with moving a drilling unit from one regional location to another which, under certain market conditions, may not allow us to receive full reimbursement of such costs;
- provisions that allow us to recover certain cost increases from our customers in certain long-term contracts; and
- provisions that require us to lower dayrates for documented cost decreases in certain long-term contracts.

During periods of depressed market conditions, such as the one we recently experienced for a number of years, our customers may attempt to renegotiate or repudiate their contracts with us although we seek to enforce our rights under our contracts. The renegotiations may include changes to key contract terms, such as pricing, termination and risk allocation.

For a discussion of our backlog of commitments for contract drilling services, please read Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations— Contract Drilling Services Backlog.”

Drilling Fleet

Noble is a leading offshore drilling contractor for the oil and gas industry. Noble owns and operates one of the most modern, versatile and technically advanced fleets of mobile offshore drilling units in the offshore drilling industry. Noble provides, through its subsidiaries, contract drilling services with a fleet of 20 offshore drilling units, consisting of 12 floaters and eight jackups at the date of this report, focused largely on ultra-deepwater and high-specification drilling opportunities in both established and emerging regions worldwide. Each type of drilling rig is described further below. Several factors determine the type of unit most suitable for a particular job, the most significant of which include the water depth and the environment of the intended drilling location, whether the drilling is being done over a platform or other structure, and the intended well depth. At December 31, 2021, our fleet was located in Africa, Far East Asia, the Middle East, the North Sea, Oceania, South America and the US Gulf of Mexico. Our fleet consists of the following types of mobile offshore drilling units:

Floaters

A drillship is a type of floating drilling unit that is based on the ship-based hull of the vessel and equipped with modern drilling equipment that gives it the capability of easily transitioning from various worldwide locations and carrying high capacities of equipment while being able to drill ultra-deepwater oil and gas wells in up to 12,000 feet of water. Drillships can stay directly over the drilling location without anchors in open seas using a dynamic positioning system (“DPS”), which coordinates position references from satellite signals and acoustic seabed transponders with the drillship's six to eight thrusters to keep the ship directly over the well that is being drilled. Drillships are selected to drill oil and gas wells for programs that require a high level of simultaneous operations, where drilling loads are expected to be high, or where there are occurrences of high ocean currents, where the drillship's hull shape is the most efficient. Noble's fleet consists of 11 drillships capable of water depths from 10,000 feet to 12,000 feet.

Semisubmersible drilling units are designed as a floating drilling platform incorporating one or several pontoon hulls, which are submerged in the water to lower the center of gravity and make this type of drilling unit exceptionally stable in the open sea. Semisubmersible drilling units are generally categorized in terms of the water depth in which they are capable of operating, from the mid-water range of 300 feet to 4,000 feet, the deepwater range of 4,000 feet to 7,500 feet, to the ultra-deepwater range of 7,500 feet to 12,000 feet as well as by their generation, or date of construction. This type of drilling unit typically exhibits excellent stability characteristics, providing a stable platform for drilling in even rough seas. Semisubmersible drilling units hold their position over the drilling location using either an anchored mooring system or a DPS and may be self-propelled. Noble’s fleet consists of one moored ultra-deepwater semisubmersible drilling unit.

Jackups

Jackup drilling units are designed to provide drilling solutions in depths ranging from less than 100 feet to as deep as 500 feet of water with drilling hookloads up to 2,500,000 pounds. Jackup rigs can be used in open water exploration locations, as well as over fixed, bottom-supported platforms. A jackup drilling unit is a towed mobile vessel consisting of a floating hull equipped with three or four legs, which are lowered to the seabed at the drilling location. The hull is then elevated out of the water by the jacking system using the legs to support weight of the hull and drilling equipment against the seabed. Once the hull is elevated to the desired level, or jacked up, the drilling package can be extended out over an existing production platform or the open water location and drilling can commence. Noble's fleet of eight jackups consists of high-specification units capable of drilling in up to 500 feet of water.

The following table presents certain information concerning our offshore fleet at February 16, 2022. We own and operate all of the units included in the table.

Name	Make	Year Built or Rebuilt ⁽¹⁾	Water Depth Rating (feet)	Drilling Depth Capacity (feet)	Location	Status ⁽³⁾
Floaters—12						
Drillships—11						
Noble Bob Douglas	GustoMSC P10000	2013 N	12,000	40,000	Guyana	Active
Noble Don Taylor	GustoMSC P10000	2013 N	12,000	40,000	Guyana	Active
Noble Faye Kozack	Samsung 120000 Double Hull	2013 N	12,000	40,000	US Gulf of Mexico	Active
Noble Gerry de Souza	Samsung 120000 Double Hull	2011 N	12,000	40,000	Las Palmas	Active
Noble Globetrotter I	Globetrotter Class	2011 N	10,000	30,000	US Gulf of Mexico	Active
Noble Globetrotter II	Globetrotter Class	2013 N	10,000	30,000	US Gulf of Mexico	Active
Noble Sam Croft	GustoMSC P10000	2014 N	12,000	40,000	Guyana	Active
Noble Stanley Lafosse	Samsung 120000 Double Hull	2014 N	12,000	40,000	US Gulf of Mexico	Active
Noble Tom Madden	GustoMSC P10000	2014 N	12,000	40,000	Guyana	Active
Pacific Meltem	Samsung 120000 Double Hull	2014 N	12,000	40,000	Las Palmas	Stacked
Pacific Scirocco	Samsung 120000 Double Hull	2011 N	12,000	40,000	Las Palmas	Stacked
Semisubmersibles—1						
Noble Clyde Boudreaux	F&G 9500 Enhanced Pacesetter	2007 R	10,000	35,000	Malaysia	Stacked
Independent Leg Cantilevered Jackups—8						
Noble Hans Deul ⁽⁴⁾	F&G JU-2000E	2008 N	400	30,000	UK	Active
Noble Houston Colbert ⁽⁴⁾	F&G JU-3000N	2014 N	400	30,000	UK	Available
Noble Lloyd Noble ⁽⁴⁾	GustoMSC CJ70-x150-ST	2016 N	500	32,000	Norway	Active
Noble Mick O'Brien ⁽⁴⁾	F&G JU-3000N	2013 N	400	30,000	Qatar	Active
Noble Regina Allen ⁽⁴⁾	F&G JU-3000N	2013 N	400	30,000	Trinidad and Tobago	Active
Noble Sam Hartley ⁽⁴⁾	F&G JU-3000N	2014 N	400	30,000	UK	Available
Noble Sam Turner ⁽⁴⁾	F&G JU-3000N	2014 N	400	30,000	Denmark	Active
Noble Tom Prosser ⁽⁴⁾	F&G JU-3000N	2014 N	400	30,000	Australia	Active

(1) Rigs designated with an "R" were modified, refurbished or otherwise upgraded in the year indicated by capital expenditures of an amount deemed material by management. Rigs designated with an "N" are newbuilds.

(2) Rated water depth for drillships and semisubmersibles reflects the maximum water depth for which a floating rig has been designed for drilling operations.

(3) Rigs listed as "active" are operating, preparing to operate or under contract; rigs listed as "available" are actively seeking contracts and may include those that are idle or warm stacked; rigs listed as "shipyard" are in a shipyard for construction, repair, refurbishment or upgrade; rigs listed as "stacked" are idle without a contract and have reduced or no crew and are not actively marketed in present market conditions.

(4) Harsh environment capability.

Market

The offshore contract drilling industry is a highly competitive and cyclical business. Demand for offshore drilling services is driven by the offshore exploration and development programs of oil and gas operators, which in turn are influenced by many factors. Those factors include, but are not limited to, the price and price stability of oil and gas, the relative cost and carbon footprint of offshore resources within each operator's broader energy portfolio, global macroeconomic conditions, world energy demand, the operator's strategy toward renewable energy sources, environmental considerations and governmental policies.

In the provision of offshore contract drilling services, success in securing contracts is primarily governed by price, a rig's availability, drilling capabilities and technical specifications and its safety performance record. Other factors include experience of the workforce, process efficiency, condition of equipment, operating integrity, reputation, industry standing and client relations.

Our business strategy focuses on a high-specification fleet of both floating and jackup rigs and the deployment of our drilling rigs in established and emerging offshore oil and gas basins around the world. We emphasize safe operations, environmental stewardship, social responsibility, and robust governance to sustain superior performance and maximize stakeholder value, achieved through the employment of our qualified and well-trained crews, the care of our surroundings and neighboring communities, a regimented management system, and a superior fleet. We also carefully manage rig operating costs through the implementation and continuous improvement of innovative systems and processes, which includes the use of data analytics and predictive maintenance technology.

We maintain a global operational presence and compete in many of the major offshore oil and gas basins worldwide. All our drilling rigs are mobile, and we may reposition our drilling rigs among regions for a variety of reasons, including in response to customer requirements. We compete in both the jackup and floating rig market segments, each of which may have different supply and demand dynamics at a given period in time or in different regions.

Since 2014, the offshore drilling industry has faced the challenging combination of a significant rig oversupply and an overall reduction in offshore development and exploration activity that has reduced global offshore rig demand. Industry conditions gradually improved in 2019, which was evidenced by increasing utilization and improving dayrates. However, in the first half of 2020, this gradual recovery was abruptly halted as oil prices experienced concurrent supply and demand shocks. The supply shock was driven by production disagreements among OPEC+ members that resulted in a sudden and a significant oversupply of oil, and the demand shock by the onset of the global COVID-19 pandemic that resulted in a meaningful reduction in global economic activity and produced significant uncertainty among our customers. However, by early 2021, oil prices returned to pre-pandemic levels and continued to rise throughout 2021. Concurrent with this oil price recovery, contracting activity improved as our customer base started to increase their capital budgets.

The global rig supply continues to come down from historic highs as Noble and other offshore drilling contractors retire less capable and idle assets. Concurrently, the incoming supply of newbuild offshore drilling rigs has diminished materially, with several newbuild rigs stranded in shipyards generally requiring dayrates in excess of current market rates in order to be economic to be brought into the global fleet.

Looking forward to 2022, we expect offshore drilling activity to increase as the global economy continues to improve. However, the market outlook in our business varies by geographical region and water depth. We are continually encouraged by the ongoing indications of recovery in the ultra-deepwater floater market in the US Gulf of Mexico, South America, and Africa. Harsh environment jackup markets show stable opportunities and remain an important portion of our business.

While we are cautiously optimistic that recent positive trends will continue, our industry continues to face uncertainties and is unlikely to return to activity levels experienced in historical cycle peaks. Energy rebalancing trends have accelerated in recent years as evidenced by promulgated or proposed government policies and commitments by many of our customers to further invest in sustainable energy sources. Our industry could be further challenged as our customers rebalance their capital investments to include alternative energy sources, as well as respond to the normal cycles that have historically existed in our industry. We also expect inflationary pressures to persist as well as continue to experience disruptions in supply chains and distribution channels. Nonetheless, the global energy demand is predicted to increase over the coming decades, and we expect that offshore oil and gas will continue to play an important and sustainable role in meeting this demand.

Significant Customers

During the three years ended December 31, 2021, we principally conducted our contract drilling operations in Canada, Far East Asia, the Middle East, the North Sea, Oceania, the Black Sea, Africa, South America and the US Gulf of Mexico.

The following table sets forth revenues from our customers as a percentage of our consolidated operating revenues:

	Successor	Predecessor		
	Period From February 6, 2021 through December 31, 2021	Period From January 1, 2021 through February 5, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019 ⁽¹⁾
Royal Dutch Shell plc (“Shell”)	13.3 %	30.0 %	21.7 %	36.5 %
Exxon Mobil Corporation (“ExxonMobil”)	39.1 %	29.8 %	26.6 %	13.7 %
Equinor ASA (“Equinor”)	3.1 %	5.2 %	14.3 %	13.1 %
Saudi Arabian Oil Company (“Saudi Aramco”)	9.8 %	13.9 %	13.8 %	11.9 %

⁽¹⁾ Excluding the *Noble Bully II* contract buyout, revenues from Shell, ExxonMobil, Equinor and Saudi Aramco accounted for approximately 27.1 percent, 15.7 percent, 15.1 percent and 13.6 percent, respectively, of our consolidated operating revenues for the year ended December 31, 2019.

No other customer accounted for more than 10 percent of our consolidated operating revenues in 2021, 2020 or 2019.

Human Capital

At December 31, 2021, we had approximately 1,800 employees, excluding approximately 1,000 persons we engaged through labor contractors or agencies. Approximately 88 percent of our workforce is located offshore. We are not a party to any material collective bargaining agreements, and we consider our employee relations to be satisfactory.

Our compliance program is focused on ensuring adherence with the highest ethical standards and applicable laws and setting the tone for an ethical work environment. Noble’s commitment to a strong compliance culture is fundamental to who we are as a leading offshore drilling contractor. We uphold our Core Value of respecting the dignity and worth of all employees and are committed to advancing a more diverse and inclusive workplace. The Noble Code, Noble’s code of business conduct and ethics (the “Code of Conduct”), provides the foundation for our culture and underscores our commitment to our Core Values of safety, environmental stewardship, honesty and integrity, respect and performance. It also includes our responsibility and commitment to follow all applicable laws as well as our own internal policies, and requires any supplier or third party who works with Noble to comply with similar fundamental principles.

Operating our business in a socially responsible way is integral to who we are. Internally, our employee-focused programs, such as training and continuing education, our promotion and advancement program, diversity, equity, and inclusion, recruitment initiatives, and retirement and benefits, are key to our commitment to the personal and professional growth of our workforce. Externally, our dedication is evidenced by our affiliations and how we contribute to and invest in the communities where we operate.

Recruitment and Promotions. We value a healthy culture of ingenuity and adaptability where everyone has an equal opportunity to thrive. We recognize that an inclusive and diverse workforce is key to the advancement and retention of the best qualified people leading to strong innovation and our continued success. We are committed to a policy of recruitment and promotion based upon job qualifications, performance and merit without discrimination.

Safety and Environmental Stewardship. Noble is committed to delivering excellent health, safety and environmental (“HSE”) performance as part of our business strategy in order to add further value for employees, customers, and shareholders. Safety and environmental stewardship are the cornerstone of who we are, what we stand for and what we do every day to deliver a high-quality operation. All personnel, regardless of job or position onboard our vessels or at any Noble facility, has the authorization and obligation to immediately stop any unsafe act, practice or job that that poses any risk or danger to people or the environment. Noble’s pursuit of exceptional HSE performance begins with our strong corporate culture and by starting SAFE every day: one tour, one task and one person at a time. SAFE is an acronym for the phrase: follow Standards, be Accountable, stay Focused, achieve Excellence. Daily, the crew onboard each rig work together to achieve specific safety and environmental objectives and if all objectives are met, then the day is counted as a SAFE Day. Under our SAFE Day program, in 2021, our rigs achieved the SAFE objectives 98.9% of available days, which is an increase over 2020 performance, and our total recordable incident rate for 2021 increased 9% from the prior year.

Training and Continuing Education. We place considerable value on the training and development of our employees and maintain a practice of keeping them informed on matters affecting them, as well as on the performance of the Company. Accordingly, we conduct formal and informal meetings with employees, maintain a Company intranet website with matters of interest, issue periodic publications of Company activities and other matters of interest, and offer a variety of in-house training, including through NobleAdvances, our state-of-the-art training facility in Sugar Land, Texas. When travel became a challenge, we developed and enhanced virtual and worksite training courses, some of which are facilitated through our rig-based leadership and are accredited through the International Association of Drilling Contractors.

In consideration of the negative impact of COVID-19 on our employees, customers, suppliers and the communities in which we operate, as well as associated human rights concerns that may exist in the areas in which we operate, we have taken, and will continue to take, incremental measures to monitor, identify and manage risks associated with the COVID-19 pandemic. Throughout the pandemic, we have continued operations in support of essential infrastructure in the energy industry while carefully ensuring worker safety. We have been able to maintain operation of our rigs by implementing several mitigations, such as extending crew schedules to offset travel delays due to limitations or restrictions, implementing quarantine measures in advance of persons boarding our rigs to prevent the spread of COVID-19 on board and enhancing crew health monitoring and response measures to prevent an outbreak on board any of our vessels. We have also continued the operation of our shore-side offices by implementing social distancing programs and implementing staggered rotational schedules for facility employees to reduce the number of persons on site. In addition, we have increased internal contingency planning, protective measures and employee communications and reinforced our employee wellness programs with all offshore and shore-side employees to offset the potential impact on employees both personally and professionally.

Governmental Regulations and Environmental Matters

Our environmental commitment is to protect our world and its resources in a manner led by our Mission and Core Values. With our experience and procedural discipline, we are able to operate with excellence, delivering efficient and reliable services for the benefit of our customers as well as our community, which includes everyone from our investors, to our workers, and the communities where we live and operate. Political developments and numerous governmental regulations, which may relate directly or indirectly to the contract drilling industry, affect many aspects of our operations. Our contract drilling operations are subject to various laws and regulations in countries in which we operate, including laws and regulations relating to the equipping, supplying and operation of drilling units, environmental protection and related recordkeeping, health and safety of personnel, safety management systems, the reduction of atmospheric emissions that contribute to a cumulative effect on the overall air quality and environment (commonly referred to as greenhouse gases), economic sanctions, currency conversions and repatriation, oil and gas exploration and development, taxation of capital equipment, taxation of offshore earnings and earnings of expatriate personnel, employee benefits and use of local employees, content and suppliers by foreign contractors. A number of countries actively regulate and control the ownership of concessions and companies holding concessions, the exportation of oil and gas and other aspects of the oil and gas industries in their countries. In addition, government actions, including initiatives by OPEC and OPEC+, may continue to contribute to oil price volatility. In some areas of the world, this government activity has adversely affected the amount of exploration and development work done by oil and gas companies and influenced their need for offshore drilling services, and likely will continue to do so.

The regulations applicable to our operations include provisions that regulate the discharge of materials into the environment or require remediation of contamination under certain circumstances. Many of the countries in whose waters we operate from time to time regulate the discharge of oil and other contaminants in connection with drilling and marine operations. Failure to comply with these laws and regulations, or failure to obtain or comply with permits, may result in the assessment of administrative, civil and criminal penalties, imposition of remedial requirements and the imposition of injunctions to force future compliance. Although these requirements impact the oil and gas and energy services industries, generally, they do not appear to affect us in any material respect that is different, or to any materially greater or lesser extent, than other companies in the energy services industry. However, our business and prospects could be adversely affected by regulatory activity that prohibits or restricts our customers' exploration and production activities, resulting in reduced demand for our services or imposing environmental protection requirements that result in increased costs to us, our customers or the oil and natural gas industry in general.

The following is a summary of some of the existing laws and regulations that apply in the United States and Europe, which serves as an example of the various laws and regulations to which we are subject. While laws vary widely in each jurisdiction, each of the laws and regulations below addresses regulatory issues similar to those in most of the other jurisdictions in which we operate.

Offshore Regulation and Safety. In response to the Macondo well blowout incident in April 2010, the United States Congress, the US Department of Interior, through the Bureau of Ocean Energy Management ("BOEM") and the Bureau of Safety and Environmental Enforcement ("BSEE"), and the US Department of Homeland Security, through the United States Coast Guard ("USCG"), have undertaken an aggressive overhaul of the offshore oil and natural gas related regulatory processes, which has significantly impacted oil and gas development and operational requirements in the US Gulf of Mexico. Such actions by the US government has, on occasion, served as a leading indicator for similar regulatory developments or requirements by other countries where, from time to time, new rules, regulations and requirements in the United States and in other countries have been proposed and implemented that materially limit or prohibit, and increase the cost of, offshore

drilling and related operations. Other similar regulations impact certain operational requirements on rigs and govern liability for vessel or cargo loss, or damage to life, property, or the marine environment. See Part I, Item 1A, “Risk Factors —Regulatory and Legal Risks—Changes in, compliance with, or our failure to comply with the certain laws and regulations may negatively impact our operations and could have a material adverse effect on our results of operations” and “Risk Factors—Regulatory and Legal Risks— Governmental laws and regulations may add to our costs, result in delays, or limit our drilling activity” for additional information.

Spills and Releases. The US Oil Pollution Act of 1990 (“OPA”), the Comprehensive Environmental Response, Compensation, and Liability Act in the United States (“CERCLA”), and similar regulations, including but not limited to the International Convention for the Prevention of Pollution from Ships (“MARPOL”), adopted by the International Maritime Organization (“IMO”), as enforced in the United States through the domestic implementing law called the Act to Prevent Pollution from Ships, impose certain operational requirements on offshore rigs operating in the United States and govern liability for leaks, spills and blowouts involving pollutants. OPA imposes strict, joint and several liabilities on “responsible parties” for damages, including natural resource damages, resulting from oil spills into or upon navigable waters, adjoining shorelines or in the exclusive economic zone of the United States. A “responsible party” includes the owner or operator of an onshore facility and the lessee or permit holder of the area in which an offshore facility is located. CERCLA and similar state and foreign laws and regulations, impose joint and several liabilities, without regard to fault or the legality of the original act, on certain classes of persons that contributed to the release of a “hazardous substance” into the environment. In the course of our ordinary operations, we may generate waste that may fall within the scope of CERCLA’s definition of a “hazardous substance.” However, we have to-date not received any notification that we are, or may be, potentially responsible for cleanup costs under CERCLA.

Regulations under OPA require owners and operators of rigs in United States waters to maintain certain levels of financial responsibility. The failure to comply with OPA’s requirements may subject a responsible party to civil, criminal, or administrative enforcement actions. We are not aware of any action or event that would subject us to liability under OPA, and we believe that compliance with OPA’s financial assurance and other operating requirements will not have a material impact on our operations or financial condition.

Waste Handling. The US Resource Conservation and Recovery Act (“RCRA”), and similar state, local and foreign laws and regulations govern the management of wastes, including the treatment, storage and disposal of hazardous wastes. RCRA imposes stringent operating requirements, and liability for failure to meet such requirements, on a person who is either a “generator” or “transporter” of hazardous waste or an “owner” or “operator” of a hazardous waste treatment, storage or disposal facility. RCRA and many state counterparts specifically exclude from the definition of hazardous waste drilling fluids, produced waters, and other wastes associated with the exploration, development, or production of crude oil and natural gas. As a result, our operations generate minimal quantities of RCRA hazardous wastes. We do not believe the current costs of managing our wastes, as they are presently classified, to be significant. However, any repeal or modification of this or similar exemption in similar state statutes, would increase the volume of hazardous waste we are required to manage and dispose of, and would cause us, as well as our competitors, to incur increased operating expenses with respect to our US operations.

Water Discharges. The US Federal Water Pollution Control Act of 1972, as amended, also known as the “Clean Water Act,” and similar state laws and regulations impose restrictions and controls on the discharge of pollutants into federal and state waters. These laws also regulate the discharge of storm water in process areas. Pursuant to these laws and regulations, we are required to obtain and maintain approvals or permits for the discharge of wastewater and storm water. In addition, the USCG has promulgated requirements for ballast water management as well as supplemental ballast water requirements, which includes limits and, in some cases, water treatment requirements applicable to specific discharge streams, such as deck runoff, bilge water and gray water. Further, in October 2020, the United States Environmental Protection Agency (“EPA”) published proposed national standards of performance for incidental discharges pursuant to the Vessel Incidental Discharge Act. The proposed rule would establish discharge standards for a range of vessels, including mobile offshore drilling units. We do not anticipate that compliance with these laws and regulations will cause a material impact on our operations or financial condition.

Air Emissions. The US Federal Clean Air Act and associated state laws and regulations restrict the emission of air pollutants from many sources, including oil and natural gas operations. New facilities may be required to obtain permits before operations can commence, and existing facilities may be required to obtain additional permits, and incur capital costs, in order to remain in compliance. Federal and state regulatory agencies can impose administrative, civil and criminal penalties for non-compliance with air permits or other requirements of the Clean Air Act and associated state laws and regulations. In general, we believe that compliance with the Clean Air Act and similar state laws and regulations will not have a material impact on our operations or financial condition.

Climate Change. Climate change is an environmental, social and economic challenge facing everyone today. We are committed to continuous improvement and a sustainable energy future, supported by our efforts to protect the environment throughout our operations and safely provide reliable and efficient services to allow access to resources essential for human and economic prosperity. There is increasing attention concerning the issue of climate change and the effect of greenhouse gas (“GHG”) emissions. The EPA regulates the permitting of GHG emissions from stationary sources under the Clean Air Act’s Prevention of Significant Deterioration and Title V permitting programs, which require the use of “best available control technology” for GHG emissions from new and modified major stationary sources, which can

sometimes include our rigs. The EPA has also adopted rules requiring the monitoring and reporting of GHG emissions from specified sources in the United States, including, among other things, certain onshore and offshore oil and natural gas production facilities, on an annual basis.

Moreover, in 2005, the Kyoto Protocol to the 1992 United Nations Framework Convention on Climate Change, which establishes a binding set of emission targets for GHGs, became binding on all countries that had ratified it. In 2015, the United Nations (“U.N.”) Climate Change Conference in Paris resulted in the creation of the Paris Agreement. In September 2016, the US deposited its instrument of acceptance of the Paris Agreement, which later entered into force on November 4, 2016. The Paris Agreement requires countries to review and “represent a progression” in their nationally determined contributions, which set emissions reduction goals, every five years beginning in 2020. In November 2019, the US submitted formal notification to the U.N. of its decision to withdraw from the Paris Agreement, which took effect on November 4, 2020. However, in January 2021, shortly after Joseph Biden was sworn into office as the President of the United States, a series of executive orders were issued regarding climate change, which in part led to the US again depositing an instrument of acceptance of the Paris Agreement, which thereafter re-entered into force for the US on February 19, 2021. The terms of the Paris Agreement and the executive orders are expected to result in additional regulations or changes to existing regulations, which could have a material adverse effect on our business in the US and that of our customers. In addition, incentives to conserve energy or use alternative energy sources in many of the countries where we currently operate or may operate in the future, could have a negative impact on our business in those countries and worldwide. See Part I, Item 1A, “Risk Factors—Regulatory and Legal Risks—Governmental laws and regulations may add to our costs, result in delays, or limit our drilling activity” for additional information.

Countries in the European Union (“EU”) implement the U.N.’s Kyoto Protocol on GHG emissions through the Emissions Trading System (“ETS”). The ETS program establishes a GHG “cap and trade” system for certain industry sectors, including power generation at some offshore facilities. Total GHG from these sectors is capped, and the cap is reduced over time to achieve GHG reductions from these sectors. In July 2021, the European Commission adopted a series of legislative proposals setting out how it intends to achieve climate neutrality in the EU by 2050, including an intermediate 55% GHG reduction target by 2030. In order to reach this goal, the European Commission has proposed potential revisions and expansions of the EU ETS.

In addition, the United Kingdom (“UK”) government implemented its own ETS in January 2021 to replace the UK’s participation in the EU ETS. The UK has also introduced an auction price floor to prevent carbon prices from dropping below a set level during the initial implementation of the UK ETS. The cost of compliance with the UK ETS and the EU ETS can be expected to increase over time. Additional member state climate change legislation may result in potentially material capital expenditures.

Combustion of ultra-low sulfur fuel oil aboard all of our vessels worldwide (Scope 1) is the Company’s primary source of GHG emissions, which includes carbon dioxide, methane and nitrous oxide. Based upon the emissions calculation factor provided by the Environmental and Emissions Monitoring System (“EEMS”), we estimate our carbon dioxide equivalent (“CO₂e”) gas emissions to have been 449,119 tons for the year ended December 31, 2021 as compared to 413,628 tons for the year ended December 31, 2020. When expressed as an intensity measure of tons of CO₂e gas emissions per contract day for our vessels worldwide, we estimate that the intensity measure during 2021 and 2020 was 80.81 and 80.34 tons per contract day, respectively. In 2020, the scope of reporting of energy, GHG and other emissions has been changed from a financial scope to operational scope to further increase transparency on GHG emissions for Noble operating days. Prior years have been restated.

Noble utilizes emission coefficient factors directly from the OEM engine manufacturers carefully calculated per engine type and fuel usage to determine emissions generated from our direct operations throughout the year. While OEM provided coefficients are one method of calculation, there are other relevant industry and regulatory approved standards for calculating GHG production that lead us to a broader understanding of our GHG impact. Each of these methods of calculation vary in assumptions made during the calculation process. By providing these additional calculations such as the Environmental Emissions Monitoring System (EEMS), we feel we are more prepared to compare our emissions data to those relevant industry standards and accurately compare to peer performance with a higher degree of transparency.

Our Scope 1 CO₂e gas emissions reporting has been prepared with reference to the requirements set out in the UK Companies Act 2006 Regulations 2013, the Environmental Reporting Guidelines (June 2013) issued by the Department for Environment Food & Rural Affairs, the World Resources Institute and World Business Council for Sustainable Development GHG Protocol Corporate Accounting and Reporting Standard Revised and the International Organization for Standardization (“ISO”) 14064-1, “Specification with guidance at the organizational level for quantification and reporting of greenhouse gas emissions and removals (2006).”

Finally, climate change could increase the frequency and severity of adverse weather conditions, including hurricanes, typhoons, cyclones, winter storms and rough seas. If such effects were to occur, they could have an adverse impact on our operations.

Worker Safety. The US Occupational Safety and Health Act (“OSHA”) and other similar laws and regulations govern the protection of the health and safety of employees. The OSHA hazard communication standard, EPA community right-to-know regulations under Title III of CERCLA and similar state statutes require that information be maintained about hazardous materials used or produced in our operations and

that this information be provided to employees, state and local governments and citizens. EU member states have also adopted regulations pursuant to EU Directive 2013/30/EU, on the safety of offshore oil and gas operations within the exclusive economic zone (which can extend up to 200 nautical miles from a coast) or the continental shelf. We believe that we are in substantial compliance with OSHA requirements and EU directive 2013/30/EU (as well as the extensive current health and safety regimes implemented in the member states in which we operate), but future developments could require the Company to incur significant costs to comply with the directive's implementation.

International Regulatory Regime. The IMO provides international regulations governing shipping and international maritime trade. IMO regulations have been widely adopted by U.N. member countries, and in some jurisdictions in which we operate, these regulations have been expanded upon. The requirements contained in the International Management Code for the Safe Operation of Ships and for Pollution Prevention, or ISM Code, promulgated by the IMO, govern much of our drilling operations. Among other requirements, the ISM Code requires the party with operational control of a vessel to develop an extensive safety management system that includes, among other things, the adoption of a safety and environmental protection policy setting forth instructions and procedures for operating its vessels safely and describing procedures for responding to emergencies.

The IMO has also adopted and revised MARPOL, including Annex VI to MARPOL, which limits the main air pollutants contained in exhaust gas from ships, including sulfur oxides (“SOx”) and nitrous oxides (“NOx”), prohibits deliberate emissions of ozone depleting substances, regulates shipboard incineration and the emissions of volatile organic compounds from tankers, sets a progressive reduction globally in emissions of SOx, NOx and particulate matter, introduces emission control areas to reduce emissions of those air pollutants further in designated sea areas, and effective from January 1, 2020, reduces the global sulfur limit in fuel oil from the current 3.50% to 0.50% m/m (mass by mass) sulfur content. Prior to January 1, 2020, our rigs were operating and continue to operate with low sulfur fuel oil at or below the global limits of 0.50%.

The IMO has also negotiated international conventions that impose liability for oil pollution in international waters and the territorial waters of the signatory to such conventions such as the Ballast Water Management Convention, (the “BWM Convention”) and the International Convention for Civil Liability for Bunker Oil Pollution Damage of 2001 (the “Bunker Convention”). The BWM Convention's implementing regulations call for a phased introduction of mandatory ballast of water exchange requirements, to be replaced in time with a requirement for mandatory ballast water treatment. The Bunker Convention provides a liability, compensation and compulsory insurance system for the victims of oil pollution damage caused by spills of bunker oil. We believe that all of our drilling rigs are currently compliant in all material respects with these regulations. However, the IMO continues to review and introduce new regulations. It is impossible to predict what additional regulations, if any, may be passed by the IMO and what effect, if any, such regulation may have on our operations.

Insurance and Indemnification Matters

Our operations are subject to many hazards inherent in the drilling business, including blowouts, fires, collisions, groundings, punch-throughs, and damage or loss from adverse weather and sea conditions. These hazards could cause personal injury or loss of life, loss of revenues, pollution and other environmental damage, damage to or destruction of property and equipment and oil and natural gas producing formations, and could result in claims by employees, customers or third parties and fines and penalties.

Our drilling contracts provide for varying levels of indemnification from our customers and in most cases also require us to indemnify our customers for certain losses. Under our drilling contracts, liability with respect to personnel and property is typically assigned on a “knock-for-knock” basis, which means that we and our customers assume liability for our respective personnel and property, generally irrespective of the fault or negligence of the party indemnified. In addition, our customers may indemnify us in certain instances for damage to our down-hole equipment and, in some cases, our subsea equipment. Also, we generally obtain a mutual waiver of consequential losses in our drilling contracts.

Our customers typically assume responsibility for and indemnify us from loss or liability resulting from pollution or contamination, including third-party damages and clean-up and removal, arising from operations under the contract and originating below the surface of the water. We are generally responsible for pollution originating above the surface of the water and emanating from our drilling units. Additionally, our customers typically indemnify us for liabilities incurred as a result of a blow-out or cratering of the well and underground reservoir loss or damage. In the current market, we are under increasing pressure to accept exceptions to the above-described allocations of risk and, as a result, take on more risk. In such cases where we agree, we generally limit the exposure with a monetary cap and other restrictions.

In addition to the contractual indemnities described above, we also carry Protection and Indemnity (“P&I”) insurance, which is a comprehensive general liability insurance program covering liability resulting from offshore operations. Our P&I insurance includes coverage for liability resulting from personal injury or death of third parties and our offshore employees, third-party property damage, pollution, spill clean-up and containment and removal of wrecks or debris. We also carry hull and machinery insurance that protects us against physical loss or damage to our drilling rigs. Our P&I and hull and machinery insurance program is renewed in April of each year, with the P&I program currently carrying a limit of \$50.0 million per occurrence of which Noble retains the first \$5.0 million per occurrence, plus excess liability

coverage of \$700.0 million in the aggregate. Our hull and machinery insurance is subject to a deductible that is currently \$5.0 million, except with respect to loss or damage from named windstorms in the Gulf of Mexico, in which event the current deductible is \$10.0 million.

Our insurance policies and contractual rights to indemnity may not adequately cover our losses and liabilities in all cases. For additional information, please read Part I, Item 1A, “Risk Factors—Risks Related to Our Business and Operations—We may have difficulty obtaining or maintaining insurance in the future and our insurance coverage and contractual indemnity rights may not protect us against all the risks and hazards we face.”

The above description of our insurance program and the indemnification provisions of our drilling contracts is only a summary as of the time of preparation of this report and is general in nature. Our insurance program and the terms of our drilling contracts may change in the future. In addition, the indemnification provisions of our drilling contracts may be subject to differing interpretations, and enforcement of those provisions may be limited by public policy and other considerations.

Available Information

Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act are available free of charge at our website. The SEC maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at <http://www.sec.gov>.

You may also find information related to our corporate governance, committees of our Board of Directors (our “Board of Directors” or the “Board”) and company code of ethics (and any amendments or waivers of compliance) at our website. Among the documents you can find there are the following:

- Amended and Restated Articles of Association;
- Code of Conduct;
- Corporate Governance Guidelines;
- Audit Committee Charter;
- Compensation Committee Charter;
- Nominating, Governance and Sustainability Committee Charter;
- Finance Committee Charter; and
- Sustainability Report

Our website address is <http://www.noblecorp.com>. Investors should also note that we announce material financial information in SEC filings, press releases and public conference calls. Based on guidance from the SEC, we may use the investor relations section of our website to communicate with our investors. It is possible that the financial and other information posted there could be deemed to be material information. Except to the extent explicitly stated herein, documents and information contained on or linked to or from our website are not part of, and are not incorporated by reference into, this report.

Item 1A. Risk Factors.

You should carefully consider the following risk factors in addition to the other information included in this Annual Report on Form 10-K. Each of these risk factors could affect our business, operating results and financial condition, as well as affect an investment in our shares.

Risks Related to Our Business and Operations

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, recently had and may in the future have a material adverse effect on our business, financial condition and results of operations.

Demand for drilling services depends on a variety of economic and political factors and the level of activity in offshore oil and gas exploration and development and production markets worldwide. The price of oil and gas, and market expectations of potential changes in the price, significantly affect this level of activity, as well as dayrates that we can charge customers for our services. Crude oil prices started to steeply decline in late 2014 and dropped to as low as approximately \$19.33 per barrel of Brent Crude in April 2020. Recently, oil prices have partially recovered to a price of approximately \$93.28 per barrel of Brent Crude on February 15, 2022 but have been volatile and have not reached early 2014 levels.

However, higher prices do not necessarily translate into increased drilling activity because our clients take into account a number of considerations when they decide to invest in offshore oil and gas resources, including expectations regarding future commodity prices and demand for hydrocarbons. The price of oil and gas and the level of activity in offshore oil and gas exploration and development are extremely volatile and are affected by numerous factors beyond our control, including:

- worldwide production, current demand, and our customer's views of future demand for oil and gas (including any over-supply of oil and gas as a result of the COVID-19 pandemic or actions by OPEC+ members), which are impacted by the COVID-19 pandemic and the governmental, company and individual reactions thereto and changes in the rate of economic growth in the global economy;
- the cost of exploring for, developing, producing and delivering oil and gas;
- the ability of OPEC to set and maintain production levels and pricing;
- expectations regarding future energy prices;
- increased supply of oil and gas resulting from onshore hydraulic fracturing activity and shale development;
- the relative cost of offshore oil and gas exploration versus onshore oil and gas production;
- potential acceleration in the development, and the price and availability, of alternative fuels or energy sources;
- the level of production in non-OPEC countries;
- inventory levels, and the cost and availability of storage and transportation of oil, gas and their related products;
- worldwide financial instability or recessions;
- regulatory restrictions or any moratorium on offshore drilling;
- the discovery rate of new oil and gas reserves either onshore or offshore;
- the rate of decline of existing and new oil and gas reserves;
- available pipeline and other oil and gas transportation capacity;
- oil refining capacity;
- the ability of oil and gas companies to raise capital;
- limitations on liquidity and available credit;
- advances in exploration, development and production technology either onshore or offshore;
- technical advances affecting energy consumption, including the displacement of hydrocarbons through increasing transportation fuel efficiencies;
- merger and divestiture activity among oil and gas producers;
- the availability of, and access to, suitable locations from which our customers can produce hydrocarbons;
- adverse weather conditions, including hurricanes, typhoons, cyclones, winter storms and rough seas, the frequency and severity of which may be increased due to climate change;
- the occurrence or threat of epidemic or pandemic diseases, such as COVID-19, or any governmental response to such occurrence or threat;
- tax laws, regulations and policies;
- laws, regulations and other initiatives related to environmental matters, including those addressing alternative energy sources, the phase-out of fossil fuel vehicles and the risks of global climate change;
- the political environment of oil-producing regions, including uncertainty or instability resulting from civil disorder, an outbreak or escalation of armed hostilities or acts of war or terrorism; and
- the laws, regulations and policies of governments regarding exploration and development of their oil and gas reserves or speculation regarding future laws or regulations.

Adverse developments affecting the industry as a result of one or more of these factors, including a decline in the price of oil and gas from their current levels or the failure of the price of oil and gas to remain consistently at a level that encourages our clients to expand their capital spending, the inability of our customers to access capital on economically advantageous terms, including as a result of the increasing focus on climate change by investors, a global recession, reduced demand for oil and gas products, or a perception that the demand for hydrocarbons will significantly decrease, increased supply due to the development of new onshore drilling and production technologies, and increased regulation of drilling and production, particularly if several developments were to occur in a short period of time, would have a material adverse effect on our business, financial condition and results of operations. However, increases in near-term commodity prices do not necessarily translate into increased offshore drilling activity because customers' expectations of longer-term future commodity prices and expectations regarding future demand for hydrocarbons typically have a greater impact on demand for our rigs. The level of oil and gas prices has had, and may in the future have, a material adverse effect on demand for our services, and we expect that future declines in prices would have a material adverse effect on our business, results of operations and financial condition.

Public health issues, including epidemics or pandemics such as the COVID-19 pandemic, have resulted in, and may in the future cause, significant adverse consequences for our business, financial position and results of operations.

Public health issues, such as the COVID-19 (including new variants thereof) pandemic, worldwide mitigation efforts necessitated by the COVID-19 pandemic, our own mitigation efforts, and the effect from the actual and potential disruption of operations of our business partners, suppliers and customers, have had, and may in the future have, a material negative impact on our business, financial position and results of operations. In response to COVID-19, governmental authorities around the world took, and may continue to take, various actions to mitigate the spread of COVID-19, such as imposing mandatory closures of non-essential business facilities, attempting to mandate certain employee

vaccinations, mandating testing for certain travelers, international and otherwise, seeking voluntary closures of certain businesses, and imposing certain other restrictions on, or advisories with respect to, travel, business operations and public gatherings or interactions. While many of the restrictions and measures initially implemented during 2020 have since been softened or lifted in varying degrees in different locations around the world, and the manufacture and distribution of COVID-19 vaccines during 2021 helped to initiate a recovery from the pandemic, the uncertainty regarding existing and new potential variants of COVID-19 and the success of any vaccines in respect thereof, may in the future cause a reduction in global economic activity or prompt the re-imposition of certain restrictions and measures. In addition, even if not required by governmental authorities, increases in COVID-19 cases, such as if a new variant emerges, may result in significantly reduced economic activity, particularly in affected areas, which could result in a sharp reduction in the demand for oil and a decline in oil prices as occurred during 2020.

We continue to experience increased costs and inefficiencies as a result of the comprehensive precautionary measures we take to help minimize the risk of COVID-19 to our business, employees, customers, suppliers and the communities in which we operate, including testing employees for COVID-19 prior to transport to a rig and quarantining any operational employee on a rig who has shown signs of COVID-19 (regardless of whether such employee has been confirmed to be infected). A variety of other precautionary measures which enable us to continue operating have nonetheless had a material negative impact on our business, financial condition and results of operations. One such measure, which has resulted in an increase in the cost of operations, has been when a situation required individuals to isolate in a designated facility and subsequently test negative for COVID-19 prior to being permitted to travel to our rigs. We also have experienced increased costs in maintaining a pool of employees that are available to substitute for employees who are not able to travel to a rig.

Many of our non-operational employees continue to work remotely a substantial majority of their time, which has created certain logistical challenges, inefficiencies and operational risks such as an increased risk of security breaches or other cyber-incidents or attacks, loss of data, fraud and other disruptions. While we are actively assessing and planning for various operational contingencies, we cannot guarantee that any actions taken by us, including the precautionary measures noted above, will be effective in preventing an interruption of operations on one or more of our rigs from an outbreak of COVID-19 or vacancies of essential positions due to COVID-19 infections. To the extent there is such an outbreak or vacancies, we have previously, and may in the future have to, temporarily shut down operations of one or more of our rigs, which could have a material negative impact on our business, financial condition and results of operations.

Governmental authorities around the world have implemented at various times during the COVID-19 pandemic, and continue to develop, policies with the goal of re-opening sectors of the economy. Certain jurisdictions have completed, or nearly completed, their respective re-opening processes. However, others have returned, or may in the future return, to a restricted environment because of increases, and expected increases, in COVID-19 cases. The recent increase in COVID-19 cases resulting from the Omicron variant has created uncertainty as to whether prior protocols remain effective. In turn, the ultimate impact of that Omicron variant is unknown.

As a result of complying with travel restrictions and mandatory quarantine measures imposed by governmental authorities and responding to surges in COVID-19 cases, we have experienced, and may continue to experience, increased difficulties, delays and expenses in moving our personnel to and from our operating locations. We have been unable, and may in the future be unable, to pass these increased expenses to our customers. Additionally, disruptions to the ability of our suppliers, manufacturers and service providers to supply labor, parts, equipment or services in the jurisdictions in which we operate, whether as a result of government actions, labor shortages, travel restrictions, the inability to source labor, parts or equipment from affected locations or other effects related to the COVID-19 pandemic, have increased our operating costs and the risk of rig downtime and negatively impacted our ability to meet commitments to customers and may continue to do so in the future.

COVID-19 has had a material negative impact on the financial condition of many of our customers and resulted in, and may in the future result in, reductions to their drilling and production expenditures and delays or cancellations of projects, thereby decreasing demand for our services. We have experienced: customers seeking price reductions for our services, payment deferrals and termination of our contracts; customers seeking to not perform under our contracts pursuant to a force majeure claim; and customers that are unable or unwilling to timely pay outstanding receivables owed to us, all of which present liquidity challenges for us. In addition, we have experienced, and may in the future experience, pressure to reduce dayrates on existing contracts and idle or suspend existing operations. Any early termination payment made in connection with an early contract termination may not fully compensate us for the loss of the contract or may result in a negative impact to our projected future earnings due to the required accounting treatment of such a termination payment. Accordingly, the actual amount of revenues earned may be substantially lower than the backlog reported.

The factors described above, including the ultimate duration and scope of the COVID-19 pandemic (including any potential future outbreaks of new variants and the success of vaccination programs), the impact on customers, suppliers, manufacturers and service providers, the timing to return to normal economic conditions, the impact on our operations, the demand for our services, and any permanent behavioral changes that the pandemic may cause, have had, and may continue to have, a material negative impact on our business, results of operations and financial condition. We cannot predict when this negative impact will end, or whether it may worsen.

The offshore contract drilling industry is a highly competitive and cyclical business with intense price competition. We have competitors who are larger and have more financial resources than us. If we are unable to compete successfully, our profitability may be materially reduced.

The offshore contract drilling industry is a highly competitive and cyclical business characterized by high capital and operating costs and evolving capability of newer rigs. Drilling contracts are traditionally awarded on a competitive bid basis. Price competition, rig availability, location and suitability and technical specifications are the primary factors in determining which rig is qualified for a job, and additional factors are considered when determining which contractor is awarded a job. Such additional factors include experience of the workforce, operating efficiency, safety performance record, condition of equipment, operating integrity, reputation, industry standing and client relations. Our future success and profitability will partly depend upon our ability to keep pace with our customers' demands with respect to these factors. In the past several years, the pace of consolidation in our industry has increased, leading to the creation of a number of larger and financially stronger competitors. If we are unable, or our customers believe that we are unable, to compete with the scale and financial strength of these larger competitors, it could harm our ability to maintain existing drilling contracts and secure new ones. Moreover, certain of our competitors have engaged, or may in the future engage, in bankruptcy proceedings, debt refinancing transactions, management changes or other strategic initiatives in an attempt to reduce operating costs to maintain their competitive position in the market, which could result in stronger or healthier balance sheets and, in turn, an improved ability to compete with us. Further, if current competitors or new market entrants implement new or differentiated technical capabilities, services or standards, which may be more attractive to our customers or price their product offerings more competitively, it could have a material adverse effect on our business, financial condition and results of operations.

Our industry is also cyclical. The offshore contract drilling industry has recently been, and currently is, in a period characterized by excess rig supply. Periods of low demand or excess rig supply intensify the competition in the industry and have resulted in, and may continue to result in, many of our rigs earning substantially lower dayrates or being idle for long periods of time. Although the industry is experiencing a rationalization and correction of the global offshore rig supply, we cannot provide you with any assurances as to when such period of excess rig supply will end, and when there will be higher demand for contract drilling services or a more meaningful reduction in the number of drilling rigs.

An over-supply of offshore rigs has depressed, and may in the future depress, dayrates and demand for our rigs, which may adversely impact our revenues and profitability.

Prior to the downturn that began in 2014, we experienced an extended period of high utilization and high dayrates, and industry participants materially increased the supply of drilling rigs by building new drilling rigs, including some that have not yet entered service. This increase in supply, combined with the decrease in demand for drilling rigs resulting from, among other factors, a substantial decline in the price of oil beginning in 2014, resulted in an oversupply of drilling rigs, which contributed to the recent decline in utilization and dayrates.

Although the industry is experiencing a rationalization and correction of the global offshore rig supply, which has resulted in an increase in dayrates, we continue to experience competition from newbuild rigs that have either already entered the market or are available to enter the market. The entry of these rigs into the market has resulted, and may in the future result, in lower dayrates for both newbuilds and existing rigs rolling off their current contracts. Lower utilization and dayrates have adversely affected our revenues and profitability and may continue to do so. In addition, our competitors may relocate rigs to geographic markets in which we operate, which could exacerbate any excess rig supply, or depress the current rationalization and correction of offshore rig supply, and result in lower dayrates and utilization in those regions. To the extent that the drilling rigs currently under construction or on order do not have contracts upon their completion, there may be increased price competition as such vessels become operational, which could lead to a reduction in dayrates and in utilization. Rig operators may take lower dayrates and shorter contract durations on older rigs to keep their rigs operational and avoid scrapping or retiring them. As a result, our business, financial condition and results of operations would be materially adversely affected.

We have not been, and may continue not to be, able to renew or replace certain expiring contracts, and our customers have sought, and may continue to seek, to terminate, renegotiate or repudiate our drilling contracts and have had, and may continue to have, financial difficulties that prevent them from meeting their obligations under our drilling contracts.

Beginning with the market downturn that began in 2014, the new customer contracts we have entered into have generally had less favorable terms, including dayrates, than contracts entered into prior to the downturn. In addition, for some of our older rigs we were unable to find any replacement contracts. Our ability to renew contracts that expire or obtain new contracts and the terms of any such contracts will depend on market conditions and our customers' expectations and assumptions of future oil prices and other factors.

We have also experienced: customers seeking price reductions for our services, payment deferrals and termination of our contracts; customers seeking to not perform under our contracts pursuant to a force majeure claim; and customers that are unable or unwilling to timely pay outstanding receivables owed to us, all of which present liquidity challenges for us. Our customers may generally terminate our drilling contracts if a drilling rig is destroyed or lost or if we have to suspend drilling operations for a specified period of time as a result of a breakdown of equipment or, in some cases, due to other events beyond the control of either party. In the case of nonperformance and under

certain other conditions, our drilling contracts generally allow our customers to terminate without any payment to us. The terms of some of our drilling contracts permit the customer to terminate the contract after a specified notice period by tendering contractually specified termination amounts or, in some cases, without any payment. These termination payments, if any, may not fully compensate us for the loss of a contract. The early termination of a contract may result in a rig being idle for an extended period of time and a reduction in our contract backlog and associated revenue, which could have a material adverse effect on our business, financial condition and results of operations. Moreover, if any of our long-term contracts were to be terminated early, such termination could affect our future earnings flow and could have material adverse effect on our future financial condition and results of operations, even if we were to receive the contractually specified termination amount.

During periods of depressed market conditions, we are subject to an increased risk of our customers seeking to renegotiate or repudiate their contracts. The ability of our customers to perform their obligations under drilling contracts with us may also be adversely affected by the financial condition of the customer, restricted credit markets, economic downturns and industry downturns. We may elect to renegotiate the rates we receive under our drilling contracts downward if we determine that to be a reasonable business solution. If our customers cancel or are unable to perform their obligations under their drilling contracts, including their payment obligations, and we are unable to secure new contracts on a timely basis on substantially similar terms or if we elect to renegotiate our drilling contracts and accept terms that are less favorable to us, it could have a material adverse effect on our business, financial condition and results of operations.

Our current backlog of contract drilling revenue may not be ultimately realized.

Generally, contract backlog only includes future revenues under signed drilling contracts; however, from time to time, we may report anticipated commitments under letters of intent or awards for which definitive agreements have not yet been, but are expected to be, signed. We may not be able to perform under these contracts as a result of operational or other breaches or due to events beyond our control, and we may not be able to ultimately execute a definitive agreement in cases where one does not currently exist. Moreover, we can provide no assurance that our customers will be able to or willing to fulfill their contractual commitments to us or that they will not seek to renegotiate or repudiate their contracts, especially during an industry downturn. The terms of some of our drilling contracts permit the customer to terminate the contract after specified notice periods by tendering contractually specified termination amounts or, in certain cases, without any payment. In estimating backlog, we make certain assumptions about applicable dayrates for our longer-term contracts with dayrate adjustment mechanisms (like certain of our contracts with Shell and Exxon Mobil). We cannot assure you that actual results will mirror these assumptions. Our inability to perform under our contractual obligations or to execute definitive agreements, our customers' inability or unwillingness to fulfill their contractual commitments to us, including as a result of contract repudiations or our decision to accept less favorable terms on our drilling contracts, or the failure of actual results to reflect the assumptions we use to estimate backlog for certain contracts, may have a material adverse effect on our business, financial condition and results of operations.

We are substantially dependent on several of our customers, including ExxonMobil, Shell and Equinor, and the loss of any of these customers would have a material adverse effect on our financial condition and results of operations.

Any concentration of customers increases the risks associated with any possible termination or nonperformance of drilling contracts, failure to renew contracts or award new contracts or reduction of their drilling programs. As of December 31, 2021, ExxonMobil, Shell and Equinor represented approximately 60.2 percent, 18.1 percent and 5.1 percent of our contract backlog, respectively. ExxonMobil and Shell accounted for approximately 39.1 percent and 13.3 percent, respectively, of our consolidated operating revenues for the period from February 6 through December 31, 2021. Shell, ExxonMobil and Saudi Aramco accounted for approximately 30.0 percent, 29.8 percent and 13.9 percent, respectively, of our consolidated operating revenues for the period from January 1 through February 5, 2021. 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 we were not able to find other customers for the affected drilling units promptly, our financial condition and results of operations could be materially adversely affected.

Our business involves numerous operating hazards.

Our operations are subject to many hazards inherent in the drilling business, including:

- well blowouts;
- fires;
- collisions or groundings of offshore equipment and helicopter accidents;
- punch-throughs;
- mechanical or technological failures;
- failure of our employees or third-party contractors to comply with our internal environmental, health and safety guidelines;
- pipe or cement failures and casing collapses, which could release oil, gas or drilling fluids;
- adverse weather conditions, including hurricanes, typhoons, tsunamis, cyclones, winter storms and rough seas, the frequency and severity of which may be increased due to climate change;
- geological formations with abnormal pressures;

- loop currents or eddies;
- failure of critical equipment;
- toxic gas emanating from the well; and
- spillage handling and disposing of materials.

These hazards could cause personal injury or loss of life, suspend drilling operations, result in regulatory investigation or penalties, seriously damage or destroy property and equipment, result in claims by employees, customers or third parties, cause environmental damage and cause substantial damage to oil and gas producing formations or facilities. Operations also may be suspended because of machinery breakdowns, abnormal drilling conditions, and failure of subcontractors to perform or supply goods or services or personnel shortages. The occurrence of any of the hazards we face could have a material adverse effect on our business, financial condition and results of operations.

We are exposed to risks relating to operations in international locations.

We operate in various regions throughout the world that may expose us to political and other uncertainties, including risks of:

- seizure, nationalization or expropriation of property or equipment;
- monetary policies, government credit rating downgrades and potential defaults, and foreign currency fluctuations and devaluations;
- limitations on the ability to repatriate income or capital;
- complications associated with repairing and replacing equipment in remote locations;
- repudiation, nullification, modification or renegotiation of contracts;
- limitations on insurance coverage, such as war risk coverage, in certain areas;
- import-export quotas, wage and price controls and imposition of trade barriers;
- delays in implementing private commercial arrangements as a result of government oversight;
- compliance with and changes in taxation rules or policies;
- compliance with and changes in various jurisdictional regulatory or financial requirements, including rig flagging and local ownership requirements;
- other forms of government regulation and economic conditions that are beyond our control and that create operational uncertainty;
- governmental corruption;
- the occurrence or threat of epidemic or pandemic diseases, such as COVID-19, or any government response to such occurrence or threat;
- piracy; and
- terrorist acts, war, revolution and civil disturbances.

Further, we operate or have operated in certain less-developed countries with legal systems that are not as mature or predictable as those in more developed countries, which can lead to greater uncertainty in legal matters and proceedings. Examples of challenges of operating in these countries include:

- procedural requirements for temporary import permits, which may be difficult to obtain; and
- the effect of certain temporary import permit regimes, where the duration of the permit does not coincide with the general term of the drilling contract.

Our ability to do business in a number of jurisdictions is subject to maintaining required licenses and permits and complying with applicable laws and regulations. For example, all of our drilling units are subject to regulatory requirements of the flag state where the drilling unit is registered. The flag state requirements are international maritime requirements and, in some cases, further interpolated by the flag state itself. In addition, each of our drilling units must be “classed” by a classification society, signifying that such drilling rig has been built and maintained in accordance with the rules of the classification society and complies with applicable rules and regulations of the flag state. If any drilling unit loses its flag, does not maintain its class or fails any periodical survey or special survey, the drilling unit will be unable to carry on operations and will be unemployable and uninsurable.

Jurisdictions where we operate may attempt to impose requirements that our drilling units operating in such a jurisdiction have some local ownership or be registered under the flag of that jurisdiction, or both. If our debt agreements do not permit us to change the flag of a rig to a certain jurisdiction or register a rig under the flag of that jurisdiction (and consequently comply with local ownership requirements), and if we are otherwise unable to successfully object to registration, we may no longer be able to operate in that country. Any such inability to carry on operations in jurisdictions where we operate or desire to operate, or our failure to comply with any other laws and regulations of the countries where we operate, could have a material adverse effect on our results of operations.

In addition, OPEC and OPEC+ initiatives, as well as other governmental actions, have caused and may continue to cause oil price volatility. In some areas of the world, this governmental activity has adversely affected the amount of exploration and development work done

by major oil companies, which may continue. In addition, some governments favor or effectively require the awarding of drilling contracts to local contractors, require use of a local agent, require partial local ownership or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. These practices may adversely affect our ability to compete and our results of operations.

In June 2016, the UK held a referendum in which voters approved an exit from the EU (“Brexit”). The UK exited the EU on January 31, 2020, consistent with the terms of the EU-UK Withdrawal Agreement, with a transition period that ended on December 31, 2020. On January 1, 2021, the UK left the EU Single Market and Customs Union as well as all EU policies and international agreements. As a result, the free movement of persons, goods, services and capital between the UK and the EU ended, and the EU and the UK formed two separate markets and two distinct regulatory and legal spaces. On December 24, 2020, the European Commission reached a trade agreement with the UK on the terms of its future cooperation with the EU. The trade agreement, which was signed on December 30, 2020, applied provisionally from January 1, 2021 to April 30, 2021 and formally entered into force on May 1, 2021, offers UK and EU companies preferential access to each other’s markets, ensuring imported goods will be free of tariffs and quotas (subject to rules of origin requirements). Uncertainty exists regarding the ultimate impact of this trade agreement, as well as the extent of possible financial, trade, regulatory and legal implications of Brexit. Brexit also contributes to global political and economic uncertainty, which may cause, among other consequences, volatility in exchange rates and interest rates, and changes in regulations. The Company provides contract drilling services to the international oil and gas industry and our fleet operates globally across multiple locations. Based on our global operating model and the versatility and marketability of our fleet, to date we have not seen the impact of Brexit to be significant to the Company.

Operating and maintenance costs of our rigs may be significant and may not correspond to revenue earned.

Our operating expenses and maintenance costs depend on a variety of factors including: crew costs, costs of provisions, equipment, insurance, maintenance and repairs, and shipyard costs, many of which are beyond our control. Our total operating costs are generally related to the number of drilling rigs in operation and the cost level in each country or region where such drilling rigs are located. Equipment maintenance costs fluctuate depending upon the type of activity that the drilling rig is performing and the age and condition of the equipment. Operating and maintenance costs will not necessarily fluctuate in proportion to changes in operating revenues. While operating revenues may fluctuate as a function of changes in dayrate, costs for operating a rig may not be proportional to the dayrate received and may vary based on a variety of factors, including the scope and length of required rig preparations and the duration of the contractual period over which such expenditures are amortized. Any investments in our rigs may not result in an increased dayrate for or income from such rigs. A disproportionate amount of operating and maintenance costs in comparison to dayrates could have a material adverse effect on our business, financial condition and results of operations.

Drilling contracts with national oil companies may expose us to greater risks than we normally assume in drilling contracts with non-governmental clients.

Contracts with national oil companies are often non-negotiable and may expose us to greater commercial, political and operational risks than we assume in other contracts, such as exposure to materially greater environmental liability and other claims for damages (including consequential damages) and personal injury related to our operations, or the risk that the contract may be terminated by our client without cause on short-term notice, contractually or by governmental action, under certain conditions that may not provide us an early termination payment, collection risks and political risks. In addition, our ability to resolve disputes or enforce contractual provisions may be negatively impacted with these contracts. We can provide no assurance that the increased risk exposure will not have an adverse impact on our future operations or that we will not increase the number of rigs contracted to national oil companies with commensurate additional contractual risks.

Operational interruptions or maintenance or repair work may cause our customers to suspend or reduce payment of dayrates until operation of the respective drilling rig is resumed, which may lead to loss of revenue or termination or renegotiation of the drilling contract.

If our drilling rigs are idle for reasons that are not related to the ability of the rig to operate, our customers are entitled to pay a waiting, or standby, rate that is lower than the full operational rate. In addition, if our drilling rigs are taken out of service for maintenance and repair for a period of time that exceeds the scheduled maintenance periods set forth in our drilling contracts, we will not be entitled to payment of dayrates until the rig is able to work. Several factors could cause operational interruptions, including:

- breakdowns of equipment and other unforeseen engineering problems;
- work stoppages, including labor strikes;
- shortages of material and skilled labor;
- delays in repairs by suppliers;
- surveys by government and maritime authorities;
- periodic classification surveys;
- inability to obtain permits;
- severe weather, strong ocean currents or harsh operating conditions;
- force majeure events; and

- the occurrence or threat of epidemic or pandemic diseases, such as COVID-19, or any government response to such occurrence or threat.

Several of these factors have been exacerbated by current global supply chain disruptions. If the interruption of operations exceeds a determined period due to an event of force majeure, our customers have the right to pay a rate that is significantly lower than the waiting rate for a period of time and, thereafter, may terminate the drilling contracts related to the subject rig. Suspension of drilling contract payments, prolonged payment of reduced rates or termination of any drilling contract as a result of an interruption of operations as described herein could materially adversely affect our business, financial condition and results of operations.

We may have difficulty obtaining or maintaining insurance in the future and our insurance coverage and contractual indemnity rights may not protect us against all the risks and hazards we face.

We do not procure insurance coverage for all of the potential risks and hazards we may face. Furthermore, no assurance can be given that we will be able to obtain insurance against all of the risks and hazards we face or that we will be able to obtain or maintain adequate insurance at rates and with deductibles or retention amounts that we consider commercially reasonable. In addition, our insurance carriers may interpret our insurance policies such that they do not cover losses for which we make claims.

Although we maintain insurance in the geographic areas in which we operate, pollution, reservoir damage and environmental risks generally are not fully insurable. Our insurance policies may not adequately cover our losses or may have exclusions of coverage for some losses. We do not have insurance coverage or for all risks, including loss of hire insurance on most of the rigs in our fleet. Uninsured exposures may include expatriate activities prohibited by US laws and regulations, radiation hazards, cyber risks, certain loss or damage to property onboard our rigs and losses relating to shore-based terrorist acts or strikes. In addition, our insurance may not cover losses associated with pandemics such as the COVID-19 pandemic. Furthermore, the damage sustained to offshore oil and gas assets in the United States as a result of hurricanes has negatively impacted certain aspects of the energy insurance market, resulting in more restrictive and expensive coverage for US named windstorm perils due to the price or lack of availability of coverage. Accordingly, we have in the past self-insured the rigs in the US Gulf of Mexico for named windstorm perils. We currently have US windstorm coverage for most of our US fleet subject to certain limits but will continue to monitor the insurance market conditions in the future and may decide not to, or be unable to, purchase named windstorm coverage for some or all of the rigs operating in the US Gulf of Mexico.

Under our drilling contracts, liability with respect to personnel and property is customarily assigned on a “knock-for-knock” basis, which means that we and our customers assume liability for our respective personnel and property, irrespective of the fault or negligence of the party indemnified. Although our drilling contracts generally provide for indemnification from our customers for certain liabilities, including liabilities resulting from pollution or contamination originating below the surface of the water, enforcement of these contractual rights to indemnity may be limited by public policy and other considerations and, in any event, may not adequately cover our losses from such incidents. There can also be no assurance that those parties with contractual obligations to indemnify us will necessarily be in a financial position to do so. During depressed market periods, such as the one in which we recently operated, the contractual indemnity provisions we are able to negotiate in our drilling contracts may require us to assume more risk than we would during normal market periods.

If a significant accident or other event occurs and is not fully covered by insurance or contractual indemnity, it could adversely affect our business, financial condition and results of operations.

Our failure to adequately protect our sensitive information technology systems and critical data and our service providers’ failure to protect their systems and data could have a material adverse effect on our business, results of operations and financial condition.

We increasingly depend on information technology systems that we manage, and others that are managed by our third-party service and equipment providers, to conduct our day-to-day operations, including critical systems on our drilling units, and these systems are subject to risks associated with cyber incidents or attacks. It has been reported that unknown entities or groups have mounted cyber-attacks on businesses and other organizations solely to disable or disrupt computer systems, disrupt operations and, in some cases, steal data. In addition, the US government has issued public warnings that indicate that energy assets and companies engaging in significant transactions, such as acquisitions, might be specific targets of cybersecurity threats. Also, in response to the COVID-19 pandemic, many of our non-operational employees continue to work remotely a substantial majority of their time, which has created certain logistical challenges, inefficiencies and operational risks such as an increased risk of security breaches or other cyber-incidents or attacks, loss of data, fraud and other disruptions. Working remotely has significantly increased the use of online conferencing services and remote networking, which enable employees to work outside of our corporate infrastructure and, in some cases, use their own personal devices. This remote work model has resulted in an increased demand for information technology resources and may expose us to additional risks of security breaches or other cyber-incidents or attacks, loss of data, fraud and other disruptions as a consequence of more employees accessing sensitive and critical information from remote locations. Due to the nature of cyber-attacks, breaches to our systems or our service or equipment providers’ systems could go undetected for a prolonged period of time. A breach could also originate from, or compromise, our customers’ and vendors’ or other third-party networks outside of our control. A breach may also result in legal claims or proceedings against us by our shareholders, employees, customers, vendors and governmental

authorities, both US and non-US. While the Company has a cybersecurity program, a significant cyber-attack could disrupt our operations and result in downtime, loss of revenue, harm to the Company's reputation, or the loss, theft, corruption or unauthorized release of critical data of us or those with whom we do business as well as result in higher costs to correct and remedy the effects of such incidents. If our or our service or equipment providers' systems for protecting against cyber incidents or attacks prove to be insufficient and an incident were to occur, it could have a material adverse effect on our business, financial condition and results of operations, along with our reputation. Even though we carry cyber insurance that may provide insurance coverage under certain circumstances, we might suffer losses as a result of a security breach that exceeds the coverage available under our policy or for which we do not have coverage.

In addition, laws and regulations governing data privacy and the unauthorized disclosure of confidential or protected information, including the European Union General Data Protection Regulation, the Data Protection Law, as revised, of the Cayman Islands, the California Consumer Privacy Act and other recent legislation in various US states and non-US jurisdictions, pose increasingly complex compliance challenges and potentially elevate costs, and any failure to comply with these laws and regulations could result in significant penalties and legal liability.

Upgrades, refurbishment and repair of rigs are subject to risks, including delays and cost overruns, that could have an adverse impact on our available cash resources and results of operations.

We will continue to make upgrades, refurbishment and repair expenditures to our fleet from time to time, some of which may be unplanned. In addition, we may reactivate rigs that have been cold or warm stacked and make selective acquisitions of rigs. Our customers may also require certain shipyard reliability upgrade projects for our rigs. These projects and other efforts of this type are subject to risks of cost overruns or delays inherent in any large construction project as a result of numerous factors, including the following:

- shortages of equipment, materials or skilled labor;
- work stoppages and labor disputes;
- unscheduled delays in the delivery of ordered materials and equipment;
- local customs strikes or related work slowdowns that could delay importation of equipment or materials;
- weather interferences;
- difficulties in obtaining necessary permits or approvals or in meeting permit or approval conditions;
- design and engineering problems;
- inadequate regulatory support infrastructure in the local jurisdiction;
- latent damages or deterioration to hull, equipment and machinery in excess of engineering estimates and assumptions;
- unforeseen increases in the cost of equipment, labor and raw materials, particularly steel;
- unanticipated actual or purported change orders;
- client acceptance delays;
- disputes with shipyards and suppliers;
- delays in, or inability to obtain, access to funding;
- shipyard availability, failures and difficulties, including as a result of financial problems of shipyards or their subcontractors; and
- failure or delay of third-party equipment vendors or service providers.

The failure to complete a rig upgrade, refurbishment or repair on time, or at all, may result in related loss of revenues, penalties, or delay, renegotiation or cancellation of a drilling contract or the recognition of an asset impairment. Additionally, capital expenditures could materially exceed our planned capital expenditures. Moreover, when our rigs are undergoing upgrade, refurbishment and repair, they may not earn a dayrate during the period they are out of service. If we experience substantial delays and cost overruns in our shipyard projects, it could have a material adverse effect on our business, financial condition and results of operations. We currently have no new rigs under construction.

Failure to attract and retain skilled personnel or an increase in personnel costs could adversely affect our operations.

We require skilled personnel to operate and provide technical services and support for our drilling units. In the past, during periods of high demand for drilling services and increasing worldwide industry fleet size, shortages of qualified personnel have occurred. During the last few years of reduced demand, there were layoffs of qualified personnel (including offshore personnel), who often find work with competitors or leave the industry. As a result, if market conditions further improve and we seek to reactivate warm or cold stacked rigs, upgrade our working rigs or purchase additional rigs, we may face shortages of qualified personnel, which would impair our ability to attract qualified personnel for our new or existing drilling units, impair the timeliness and quality of our work and create upward pressure on personnel costs, any of which could adversely affect our operations. In addition, the unexpected loss of members of management, qualified personnel or a significant number of employees due to disease, including COVID-19, disability or death, could have a material adverse effect on us.

Supplier capacity constraints or shortages in parts or equipment, supplier production disruptions, supplier quality and sourcing issues or price increases could increase our operating costs, decrease our revenues and adversely impact our operations.

Our reliance on third-party suppliers, manufacturers and service providers to secure equipment used in our drilling operations exposes us to volatility in the quality, price and availability of such items. Certain specialized parts and equipment we use in our operations may be available only from a single or small number of suppliers. During the last few years of reduced demand, many of these third-party suppliers reduced their inventories of parts and equipment and, in some cases, reduced their production capacity. Moreover, the global supply chain has recently been disrupted by the COVID-19 pandemic, resulting in shortages of, and increased pricing pressures on, among other things, certain raw materials and labor. If the market for our services improves and we seek to reactivate warm or cold stacked rigs, upgrade our working rigs or purchase additional rigs, these reductions and global supply chain constraints could make it more difficult for us to find equipment and parts for our rigs. A disruption or delay in the deliveries from such third-party suppliers, capacity constraints, production disruptions, price increases, defects or quality-control issues, recalls or other decreased availability or servicing of parts and equipment could adversely affect our ability to reactivate rigs, upgrade working rigs, purchase additional rigs or meet our commitments to customers on a timely basis, adversely impact our operations and revenues by resulting in uncompensated downtime, reduced dayrates, the incurrence of liquidated damages or other penalties or the cancellation or termination of contracts, or increase our operating costs.

We may experience risks associated with future mergers, acquisitions or dispositions of businesses or assets or other strategic transactions.

As part of our business strategy, and as evidenced by the completed Pacific Drilling Merger and the proposed Business Combination with Maersk Drilling, we have pursued and completed, and may continue to pursue, mergers, acquisitions or dispositions of businesses or assets or other strategic transactions that we believe will enable us to strengthen or broaden our business. We may be unable to implement this element of our strategy if we cannot identify suitable companies, businesses or assets, reach agreement on potential strategic transactions on acceptable terms, manage the impacts of such transactions on our business or for other reasons. Moreover, mergers, acquisitions, dispositions and other strategic transactions, such as the Pacific Drilling Merger and the proposed Business Combination with Maersk Drilling, involve various risks, including, among other things, (i) difficulties relating to integrating or disposing of a business and unanticipated changes in customer and other third-party relationships subsequent thereto, (ii) diversion of management's attention from day-to-day operations, (iii) failure to realize the anticipated benefits of such transactions, such as cost savings and revenue enhancements, (iv) potentially substantial transaction costs associated with such transactions and (v) potential impairment resulting from the overpayment for an acquisition.

Future mergers or acquisitions may require us to obtain additional equity or debt financing, which may not be available on attractive terms. Moreover, to the extent a transaction financed by non-equity consideration results in goodwill, it will reduce our tangible net worth, which might have an adverse effect on credit availability.

Acts of terrorism, piracy and political and social unrest could affect the markets for drilling services, which may have a material adverse effect on our results of operations.

Acts of terrorism and social unrest, brought about by world political events or otherwise, have caused instability in the world's financial and insurance markets in the past and may occur in the future. Such acts could be directed against companies such as ours. In addition, acts of terrorism, piracy and social unrest could lead to increased volatility in prices for crude oil and natural gas and could affect the markets for drilling services. Insurance premiums could increase and coverage may be unavailable in the future. Government regulations may effectively preclude us from engaging in business activities in certain countries. These regulations could be amended to cover countries where we currently operate or where we may wish to operate in the future.

Our drilling contracts do not generally provide indemnification against loss of capital assets or loss of revenues resulting from acts of terrorism, piracy or political or social unrest. We have limited insurance for our assets providing coverage for physical damage losses resulting from risks, such as terrorist acts, piracy, vandalism, sabotage, civil unrest, expropriation and acts of war, and we do not carry insurance for loss of revenues resulting from such risks.

Fluctuations in exchange rates and nonconvertibility of currencies could result in losses to us.

We may experience currency exchange losses when revenues are received or expenses are paid in nonconvertible currencies, when we do not hedge an exposure to a foreign currency, when the result of a hedge is a loss or if any counterparty to our hedge were to experience financial difficulties. We may also incur losses as a result of an inability to collect revenues due to a shortage of convertible currency available to the country of operation, controls over currency exchange or controls over the repatriation of income or capital.

Inflation may adversely affect our operating results.

Inflationary factors such as increases in the labor costs, material costs and overhead costs may adversely affect our operating results. Although we have experienced increases in the cost of labor and materials as noted above, we do not believe that inflation has had a material impact on our financial position or results of operations to date; however, a high rate of inflation, including a continuation of inflation at the

current rate, may have an adverse effect on our ability to maintain current levels of gross margin and general and administrative expenses as a percentage of total revenue, if our dayrates do not increase with these increased costs.

We are a holding company, and we are dependent upon cash flow from subsidiaries to meet our obligations.

We currently conduct our operations through our subsidiaries, and our operating income and cash flow are generated by our subsidiaries. As a result, cash we obtain from our subsidiaries is the principal source of funds necessary to meet our debt service obligations. Unless they are guarantors of our indebtedness, our subsidiaries do not have any obligation to pay amounts due on our indebtedness or to make funds available for that purpose. Contractual provisions or laws, as well as our subsidiaries' financial condition and operating requirements, may also limit our ability to obtain the cash that we require from our subsidiaries to pay our debt service obligations. Applicable tax laws may also subject such payments to us by our subsidiaries to further taxation.

The warrants we issued pursuant to the Plan are exercisable for Ordinary Shares, and the exercise of such equity instruments would have a dilutive effect to shareholders of the Company.

On the Effective Date and pursuant to the Plan, we issued 8,333,081 Tranche 1 Warrants and 8,333,081 Tranche 2 Warrants to the holders of Legacy Notes (as defined herein) and 2,777,698 Tranche 3 Warrants to the holders of Legacy Noble's ordinary shares outstanding prior to the Effective Date. The Tranche 1 Warrants are exercisable for one Ordinary Share per warrant at an exercise price of \$19.27 per warrant, the Tranche 2 Warrants are exercisable for one Ordinary Share per warrant at an exercise price of \$23.13 per warrant and the Tranche 3 Warrants are exercisable for one Ordinary Share per warrant at an exercise price of \$124.40 per warrant (in each case as may be adjusted from time to time pursuant to the applicable warrant agreement). The Tranche 1 Warrants and the Tranche 2 Warrants are exercisable until 5:00 p.m., Eastern time, on February 4, 2028 and the Tranche 3 Warrants are exercisable until 5:00 p.m., Eastern time, on February 4, 2026. The Tranche 1 Warrants and the Tranche 2 Warrants have Black-Scholes protections, including in the event of a Fundamental Transaction (as defined in the applicable warrant agreement). The Tranche 1 Warrants and the Tranche 2 Warrants also provide that while the Mandatory Exercise Condition (as defined in the applicable warrant agreement) set forth in the applicable warrant agreement has occurred and is continuing, Noble or the holders of Tranche 1 Warrants or Tranche 2 Warrants representing at least 20% of such tranche (the "Required Mandatory Exercise Warrantholders") have the right and option (but not the obligation) to cause all or a portion of the warrants to be exercised on a cashless basis. In the case of Noble, under the Mandatory Exercise Condition, all of the Tranche 1 Warrants or the Tranche 2 Warrants (as applicable) would be exercised. In the case of the electing Required Mandatory Exercise Warrantholders, under the Mandatory Exercise Condition, all of their respective Tranche 1 Warrants or Tranche 2 Warrants (as applicable) would be exercised. Mandatory exercises entitle the holder of each warrant subject thereto to (i) the number of Ordinary Shares issuable upon exercise of such warrant on a cashless basis and (ii) an amount payable in cash, Ordinary Shares or a combination thereof (in Noble's sole discretion) equal to the Black-Scholes Value (as defined in the applicable warrant agreement) with respect to the number of Ordinary Shares withheld upon exercise of such warrant on a cashless basis. As of February 15, 2022, the Mandatory Exercise Condition set forth in the warrant agreements for the Tranche 1 Warrants has been satisfied and the Tranche 2 Warrants was not satisfied. Between January 1, 2022 and February 15, 2022, an aggregate of 1,330,845 Ordinary Shares were issued pursuant to Tranche 1 Warrants and Tranche 2 Warrants pursuant to all exercises. These exercises, and continued exercises of these warrants into Ordinary Shares pursuant to the terms of the outstanding warrants, will have a dilutive effect to the holdings of our existing shareholders.

Future sales or the availability for sale of substantial amounts of the Ordinary Shares, or the perception that these sales may occur, could adversely affect the trading price of the Ordinary Shares and could impair our ability to raise capital through future sales of equity securities.

Pursuant to the Memorandum of Association of Noble Corporation, the share capital of Noble is \$6,000 divided into 500,000,000 ordinary shares of a par value of \$0.00001 each and 100,000,000 shares of a par value of \$0.00001, each of such class or classes having the rights as our Board of Directors may determine from time to time. On February 15, 2022, there were 61,856,875 Ordinary Shares outstanding and 6,463,182 Penny Warrants (as defined herein) issued and outstanding. In addition, as of February 15, 2022, 6,274,240 Tranche 1 Warrants, 8,318,837 Tranche 2 Warrants and 2,777,562 Tranche 3 Warrants were outstanding and exercisable. We also have 7,131,501 Ordinary Shares authorized and reserved for issuance pursuant to equity awards under the Noble Corporation 2021 Long-Term Incentive Plan.

A large percentage of the Ordinary Shares (or warrants exercisable for Ordinary Shares) are held by a relatively small number of investors. We entered into (i) the Equity Registration Rights Agreement (as defined herein) with certain parties who received Ordinary Shares under the Plan associated with the Chapter 11 reorganization and (ii) a registration rights agreement with the holders identified therein in connection with the closing of the Pacific Drilling Merger, in each case pursuant to which we have agreed to file a registration statement with the SEC to facilitate potential future sales of such Ordinary Shares by them.

Sales of a substantial number of the Ordinary Shares in the public markets, exercise of a substantial number of warrants or even the perception that these sales or exercises might occur (such as upon the filing of the aforementioned registration statements), could impair our ability to raise capital for our operations through a future sale of, or pay for acquisitions using, our equity securities.

We may issue Ordinary Shares or other securities from time to time as consideration for future acquisitions and investments. If any such acquisition or investment is significant, the number of Ordinary Shares, or the number or aggregate principal amount, as the case may be, of other securities that we may issue may in turn be substantial. We may also grant registration rights covering those Ordinary Shares or other securities in connection with any such acquisitions and investments.

We cannot predict the effect that future sales of Ordinary Shares will have on the price at which the Ordinary Shares trades or the size of future issuances of Ordinary Shares or the effect, if any, that future issuances will have on the market price of the Ordinary Shares. Sales of substantial amounts of the Ordinary Shares, or the perception that such sales could occur, may adversely affect the trading price of the Ordinary Shares.

Certain shareholders own a significant portion of our outstanding equity securities, and their interests may not always coincide with the interests of other holders of the Ordinary Shares.

As noted above, a large percentage of the Ordinary Shares are held by a relatively small number of investors. As a result, these investors could have significant influence over all matters presented to our shareholders for approval, including election and removal of our directors, change in control transactions and the outcome of all actions requiring a majority shareholder approval.

The interests of these investors may not always coincide with the interests of the other holders of the Ordinary Shares, and the concentration of control in these investors may limit other shareholders' ability to influence corporate matters. The concentration of ownership and voting power of these investors may also delay, defer or even prevent an acquisition by a third party or other change of control of our Company and may make some transactions more difficult or impossible without their support, even if such events are in the best interests of our other shareholders. In addition, the concentration of voting power may adversely affect the trading price of the Ordinary Shares.

The potential for US Gulf of Mexico hurricane related windstorm damage, liabilities, or claims could result in uninsured losses, impacts to customer contracts and/or may cause us to alter our operating procedures during hurricane season, which could adversely affect our business.

Certain areas of the world such as the US Gulf of Mexico experience hurricanes and other extreme weather conditions on a relatively frequent basis. Some of our drilling rigs in the US Gulf of Mexico are located in areas that could cause them to be susceptible to damage and/or total loss by these storms. Damage caused by high winds, turbulent seas and other severe weather conditions could result in rig loss or damage (some of which may be uninsured), termination of drilling contracts for lost or severely damaged rigs or curtailment of operations on damaged drilling rigs with reduced or suspended dayrates for significant periods of time until the damage can be repaired, which could adversely affect our business. Moreover, our operating procedures may be altered during hurricane season in preparation for such severe weather conditions.

Our drilling operations in the US Gulf of Mexico have been impacted by hurricanes. On August 29, 2021, the *Noble Globetrotter II* encountered severe weather conditions related to Hurricane Ida in the US Gulf of Mexico. In preparation for the approaching storm, the rig successfully secured the well it was drilling and detached the Lower Marine Riser Package ("LMRP") from the blowout preventer without incident. The LMRP is a series of controls that sits above the blowout preventer. During transit to avoid the storm, a small number of riser joints and the LMRP separated from the rig. Although the riser and LMRP were successfully recovered and *Noble Globetrotter II* was cleared by regulators and has returned to service, and we have insurance coverage for property damage with a \$10.0 million deductible, our insurance policies may not adequately cover our losses and related claims, which could adversely affect our business. Additionally, we have given force majeure notice to the customer of the *Noble Globetrotter II* in accordance with the governing drilling services contract, although there can be no assurance the customer will agree with our position.

Failure to effectively and timely respond to the impact of energy rebalancing could adversely affect our business, results of operations and cash flows.

Our long-term success depends on our ability to effectively respond to the impact of energy rebalancing, which could require adapting our fleet and business to potentially changing government requirements and customer preferences, as well as engaging with our customers to develop solutions to decarbonize oil and gas operations. If the energy rebalancing landscape changes faster than anticipated or in a manner that we do not anticipate, demand for our services could be adversely affected. Furthermore, if we fail to, or are perceived not to, effectively implement an energy rebalancing strategy, or if investors or financial institutions shift funding away from companies in fossil fuel-related industries, our access to capital or the market for our securities could be negatively impacted.

Risks Related to the Pacific Drilling Merger

The integration of Pacific Drilling into the combined company may not be as successful as anticipated, and the combined company may not achieve the intended benefits or do so within the intended timeframe.

The Pacific Drilling Merger involves numerous operational, strategic, financial, accounting, legal, tax and other risks, including potential liabilities associated with the acquired business. Difficulties in integrating Pacific Drilling into the combined company may result in the combined company performing differently than expected, in operational challenges or in the delay or failure to realize anticipated expense-related efficiencies, and could have an adverse effect on the financial condition, results of operations or cash flows of Noble. Potential difficulties that may be encountered in the integration process include, among other factors:

- the inability to successfully integrate the businesses of Pacific Drilling into the combined company, operationally and culturally, in a manner that permits the combined company to achieve the full revenue and cost savings anticipated from the Pacific Drilling Merger;
- complexities associated with managing a larger, more complex, integrated business;
- difficulties in conforming accounting policies and standards to the combined entity;
- not realizing anticipated synergies;
- the inability to retain key employees and otherwise integrate personnel from the two companies and the loss of key employees;
- potential unknown liabilities and unforeseen expenses associated with the Pacific Drilling Merger;
- difficulty or inability to comply with the covenants of the debt of the combined company;
- integrating relationships with customers, vendors and business partners;
- performance shortfalls, including operating, safety, or environmental performance at one or both of the companies as a result of the diversion of management's attention caused by completing the Pacific Drilling Merger and integrating Pacific Drilling's operations into the combined company; and
- the disruption of, or the loss of momentum in, each company's ongoing business or inconsistencies in standards, controls, procedures and policies.

Additionally, the success of the Pacific Drilling Merger will depend, in part, on the combined company's ability to realize the anticipated benefits and cost savings from combining Noble's and Pacific Drilling's businesses. The anticipated benefits and cost savings of the Pacific Drilling Merger may not be realized fully or at all, may take longer to realize than expected or could have other adverse effects that Noble does not currently foresee. Some of the assumptions that Noble has made, such as the achievement of certain synergies, may not be realized.

As noted above, certain shareholders own a substantial percentage of our Ordinary Shares. Certain of such shareholders may also have received additional Ordinary Shares in the Pacific Drilling Merger. As a result, the risks relating to concentrated ownership of the Ordinary Shares, described above in "—Risks Related to Our Business and Operations—Future sales or the availability for sale of substantial amounts of the Ordinary Shares, or the perception that these sales may occur, could adversely affect the trading price of the Ordinary Shares and could impair our ability to raise capital through future sales of equity securities," would be increased.

Financial and Tax Risks

We may record impairment charges on property and equipment, including rigs and related capital spares.

We evaluate the impairment of property and equipment, which include rigs and related capital spares, whenever events or changes in circumstances (including a decision to cold stack, retire or sell rigs) indicate that the carrying amount of an asset may not be recoverable. An impairment loss on our property and equipment may exist when the estimated undiscounted cash flows expected to result from the use of the asset and its eventual disposition are less than its carrying amount. Any impairment loss recognized represents the excess of the asset's carrying value over the estimated fair value. As part of this analysis, we make assumptions and estimates regarding future market conditions. To the extent actual results do not meet our estimated assumptions, for a given rig or piece of equipment, we may take an impairment loss in the future. In addition, we may also take an impairment loss on capital spares and other capital equipment when we deem the value of those items has declined due to factors like obsolescence, deterioration or damage. Based upon our impairment analyses for the years ended December 31, 2021 and 2020, we recorded impairment charges of zero and \$3.9 billion, respectively, on various rigs and certain capital spares during those periods. There can be no assurance that we will not have to take additional impairment charges in the future if depressed market conditions return, or that we will be able to return cold stacked rigs to service in the time frame and at the reactivation costs or at the dayrates that we projected. It is reasonably possible that the estimate of undiscounted cash flows may change in the near term, resulting in the need to write down the affected assets to their corresponding estimated fair values.

Noble conducts substantially all of its business through Finco and its subsidiaries, and the indenture governing the Second Lien Notes contains operating and financial restrictions that may restrict Finco's business and financing activities.

On the Effective Date, and pursuant to the terms of the Plan, Finco issued an aggregate principal amount of \$216.0 million of Second Lien Notes. The Second Lien Notes are fully and unconditionally guaranteed, jointly and severally, on a senior secured second-priority basis, by the direct and indirect subsidiaries of Finco that are Credit Parties under the Revolving Credit Facility (as defined herein). The Second Lien Notes and such guarantees are secured by senior priority liens on the assets subject to liens securing the Revolving Credit Facility, including the equity interests in Finco and each guarantor of the Second Lien Notes, all of the rigs owned by the Company as of the Effective Date or acquired thereafter, certain assets related thereto, and substantially all other assets of Finco and such guarantors, in each case, subject to certain exceptions and limitations. Neither Pacific Drilling nor any of its current subsidiaries is a subsidiary guarantor of the Revolving Credit Facility or the Second Lien Notes, and none of their assets secure the Revolving Credit Facility or the Second Lien Notes. In addition, none of the Maersk Drilling assets will secure the Revolving Credit Facility or the Second Lien Notes upon the closing of the Business Combination. Finco is entitled to pay interest on the Second Lien Notes in the form of PIK Notes (as defined herein) at its option in lieu of paying cash interest. As a result, we cannot assure you that Finco will make cash interest payments on the Second Lien Notes. The payment of interest through PIK Notes will increase the amount of Finco's indebtedness and increase the risks associated with its level of indebtedness.

Noble conducts substantially all of its business through Finco and its subsidiaries. The primary restrictive covenants contained in the indenture under which the Second Lien Notes were issued limit Finco's ability and the ability of certain of its subsidiaries to pay dividends or make other distributions or repurchase or redeem its capital stock and certain indebtedness, create liens securing certain indebtedness, incur certain indebtedness, consolidate, merge or transfer all or substantially all of its properties and assets, enter into transactions with affiliates and dispose of assets and use proceeds from the dispositions of assets.

Finco's ability to comply with the covenants and restrictions contained in the indenture governing the Second Lien Notes may be affected by events beyond its control. If market or other economic conditions deteriorate, Finco's ability to comply with these covenants and restrictions may be impaired. A failure to comply with the covenants, ratios or tests in the indenture governing the Second Lien Notes, if not cured or waived, could have a material adverse effect on Finco's and our business, financial condition and results of operations. Finco's existing and future indebtedness may have cross-default and cross-acceleration provisions. Upon the triggering of any such provision, the relevant creditor may:

- not be required to lend any additional amounts to Finco;
- elect to declare all borrowings outstanding due to them, together with accrued and unpaid interest and fees, to be due and payable (and, with respect to Finco's secured indebtedness, foreclose on the collateral securing such indebtedness);
- elect to require that all obligations accrue interest at the default rate provided therein, if such rate has not already been imposed;
- have the ability to require Finco to apply all of its available cash to repay such borrowings; and/or
- prevent Finco from making debt service payments under its other agreements, any of which could result in an event of default under the Second Lien Notes.

If any of Finco's existing indebtedness were to be accelerated, there can be no assurance that it would have, or be able to obtain, sufficient funds to repay such indebtedness in full. Even if new financing were available, it may be on terms that are less attractive to Finco than the Revolving Credit Facility or the Second Lien Notes or it may not be on terms that are acceptable to Finco.

The Revolving Credit Agreement contains various restrictive covenants limiting the discretion of our management in operating our business.

The Revolving Credit Agreement contains various restrictive covenants that may limit our management's discretion in certain respects. In particular, the Revolving Credit Agreement limits Finco's ability and the ability of its restricted subsidiaries to, among other things and subject to certain limitations and exceptions, (i) incur, assume or guarantee additional indebtedness; (ii) pay dividends or distributions on capital stock or redeem or repurchase capital stock; (iii) make investments; (iv) repay, redeem or amend certain indebtedness; (v) sell stock of its subsidiaries; (vi) transfer or sell assets; (vii) create, incur or assume liens; (viii) enter into transactions with certain affiliates; (ix) merge or consolidate with or into any other person or undergo certain other fundamental changes; and (x) enter into certain burdensome agreements. In addition, the Revolving Credit Agreement obligates Finco and its restricted subsidiaries to comply with certain financial maintenance covenants and, under certain conditions, to make mandatory prepayments and reduce the amount of credit available under the Revolving Credit Facility, all as described in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations— Liquidity and Capital Resources— Post-emergence Debt—Senior Secured Revolving Credit Facility." Such mandatory prepayments and commitment reductions may affect cash available for use in the Company's business. Our failure to comply with these covenants could result in an event of default which, if not cured or waived, could result in all obligations under the Revolving Credit Facility to be declared due and payable immediately and all commitments thereunder to be terminated.

The phase-out and replacement of LIBOR with an alternative reference rate may adversely affect financial markets and the interest rate we pay on our floating rate debt.

The loans outstanding under the Revolving Credit Facility bear interest at a rate per annum equal to the applicable margin plus, at Finco's option, either: (i) the reserve-adjusted London Interbank Offered Rate ("LIBOR") or (ii) a base rate. On March 5, 2021, the Financial Conduct Authority in the UK issued an announcement on the future cessation or loss of representativeness for LIBOR benchmark settings currently published by ICE Benchmark Administration. The announcement confirmed that LIBOR will either cease to be provided by any administrator or will no longer be representative after December 31, 2021 for all non-USD LIBOR reference rates, and for certain short-term USD LIBOR reference rates, and after June 30, 2023 for other reference rates. While the Revolving Credit Facility contains hardwired "fallback" provisions providing for an alternative reference rate upon the occurrence of certain events related to the phase-out of LIBOR, the alternative reference rate plus any associated spread adjustment may result in interest rates higher than LIBOR. As a result, our interest expense could increase on our floating rate debt. In addition, the overall financial markets may be disrupted as a result of the phase-out or replacement of LIBOR. Uncertainty as to the nature of such potential phase-out and alternative reference rates or disruption in the financial market could have an adverse effect on our financial condition, results of operations and cash flows.

A loss of a major tax dispute or a successful tax challenge to our operating structure, intercompany pricing policies or the taxable presence of our subsidiaries in certain countries could result in a higher tax rate on our worldwide earnings, which could result in a material adverse effect on our financial condition and results of operations.

Income tax returns that we file will be subject to review and examination. We recognize the benefit of income tax positions we believe are more likely than not to be sustained upon challenge by a tax authority. If any tax authority successfully challenges our operational structure, intercompany pricing policies or the taxable presence of our subsidiaries in certain countries, if the terms of certain income tax treaties are interpreted in a manner that is adverse to our structure, or if we lose a material tax dispute in any country, our effective tax rate on our worldwide earnings could increase substantially and result in a material adverse effect on our financial condition.

Our consolidated effective income tax rate may vary substantially from one reporting period to another.

We cannot provide any assurances as to what our consolidated effective income tax rate will be because of, among other matters, uncertainty regarding the nature and extent of our business activities in any particular jurisdiction in the future and the tax laws of such jurisdictions, as well as potential changes in the UK, US, Switzerland, Luxembourg and other tax laws, regulations or treaties or the interpretation or enforcement thereof, changes in the administrative practices and precedents of tax authorities or any reclassification or other matter (such as changes in applicable accounting rules) that increases the amounts we have provided for income taxes or deferred tax assets and liabilities in our consolidated financial statements. For example, certain countries within which we operate or own substantial assets have enacted changes to their tax laws in response to the Organization for Economic Cooperation and Development's ongoing Base Erosion and Profit Shifting initiatives and these and other countries may enact changes to their tax laws or practices in the future (prospectively or retroactively), which may have a material adverse effect on our financial position, operating results and/or cash flows.

In addition, as a result of frequent changes in the taxing jurisdictions in which our drilling rigs are operated and/or owned, changes in the overall level of our income and changes in tax laws, our consolidated effective income tax rate may vary substantially from one reporting period to another. Income tax rates imposed in the tax jurisdictions in which our subsidiaries conduct operations vary, as does the tax base to which the rates are applied. In some cases, tax rates may be applicable to gross revenues, statutory or negotiated deemed profits or other bases utilized under local tax laws, rather than to net income. Our drilling rigs frequently move from one taxing jurisdiction to another to perform contract drilling services. In some instances, the movement of drilling rigs among taxing jurisdictions will involve the transfer of ownership of the drilling rigs among our subsidiaries. If we are unable to mitigate the negative consequences of any change in law, audit, business activity or other matter, this could cause our consolidated effective income tax rate to increase and cause a material adverse effect on our financial position, operating results and/or cash flows.

Pension expenses associated with our retirement benefit plans may fluctuate significantly depending upon changes in actuarial assumptions, future investment performance of plan assets and legislative or other regulatory actions.

A portion of our current and retired employee population is covered by pension and other post-retirement benefit plans, the costs of which are dependent upon various assumptions, including estimates of rates of return on benefit plan assets, discount rates for future payment obligations, mortality assumptions, rates of future cost growth and trends for future costs. In addition, funding requirements for benefit obligations of our pension and other post-retirement benefit plans are subject to legislative and other government regulatory actions. Future changes in estimates and assumptions associated with our pension and other post-retirement benefit plans could have a material adverse effect on our financial condition, results of operations, cash flows and/or financial disclosures.

Regulatory and Legal Risks

Governmental laws and regulations may add to our costs, result in delays, or limit our drilling activity.

Our business is affected by public policy and laws and regulations relating to the energy industry in the geographic areas where we operate.

The drilling industry is dependent on demand for services from the oil and gas exploration and production industry, and accordingly, we are directly affected by the adoption of laws and regulations that for economic, environmental or other policy reasons curtail exploration and development drilling for oil and gas. We may be required to make significant capital expenditures to comply with governmental laws and regulations. Governments in some foreign countries are increasingly active in regulating and controlling the ownership of concessions, the exploration for oil and gas, and other aspects of the oil and gas industries.

There is increasing attention in the United States and worldwide concerning the issue of climate change and the effect of GHGs and other sustainability and energy rebalancing matters, such as the phase-out of fossil fuel powered vehicles. This increased attention may result in new environmental laws or regulations that may unfavorably impact us, our suppliers and our customers. However, it is not possible at this time to predict the timing and effect of climate change, the adoption of additional GHG legislation, regulations or other measures at the federal, state or local levels. For more information on climate change, see “Business—Governmental Regulations and Environmental Matters—Climate Change.”

The modification of existing laws or regulations or the adoption of new laws or regulations that result in the curtailment of exploratory or developmental drilling for oil and gas could materially and adversely affect our operations by limiting drilling opportunities increasing our cost of doing business, discouraging our customers from drilling for hydrocarbons, disrupting revenue through permitting or similar delays, or subjecting us to liability. For example, on January 20, 2021, the Acting Secretary for the Department of the Interior signed an order effectively suspending new fossil fuel leasing and permitting on federal lands, including in the US Gulf of Mexico, for 60 days. Then on January 27, 2021, President Biden issued an executive order indefinitely suspending new oil and natural gas leases on public lands or in offshore waters pending completion of a comprehensive review and reconsideration of federal oil and gas permitting and leasing practices. Several states filed lawsuits challenging the suspension and on June 15, 2021, a judge in the US District Court for the Western District of Louisiana issued a nationwide temporary injunction blocking the suspension. The Department of the Interior appealed the US District Court’s ruling, but resumed oil and gas leasing pending resolution of the appeal. In November 2021, the Department of the Interior completed its review and issued a report on the federal oil and gas leasing program. The Department of the Interior’s report recommends several changes to federal leasing practices, including changes to royalty payments, bidding, and bonding requirements. In addition, on November 19, 2021, the US House of Representatives passed the Build Back Better Act. Among other things, the Build Back Better Act would prohibit the Secretary of the Interior from issuing a lease or any other authorization for the exploration, development, or production of oil or natural gas in several areas of the Outer Continental Shelf, including the Eastern Gulf of Mexico. However, the Build Back Better Act has yet to be approved by the US Senate. At this time, it is uncertain whether, and in what form, the Build Back Better Act may become law.

If the Department of the Interior succeeds on its appeal of the US District Court’s decision and reinstitutes a leasing suspension, the suspension could reduce demand for our services. Further, to the extent that the Department of the Interior’s report, Senate approval of the Build Back Better Act or other initiatives to reform federal leasing practices result in the development of additional restrictions on offshore drilling, limitations on the availability of offshore leases, or restrictions on the ability to obtain required permits, it could have a material adverse impact on our operations by reducing drilling opportunities and the demand for our services.

Increasing attention to environmental, social and governance matters and climate change may impact our business and financial results.

In recent years, increasing attention has been given to corporate activities related to environmental, social and governance (“ESG”) matters in public discourse and the investment community. A number of advocacy groups, both domestically and internationally, have campaigned for governmental and private action to promote change at public companies related to ESG matters, including through the investment and voting practices of investment advisers, public pension funds, universities and other members of the investing community. These activities include increasing attention and demands for action related to climate change and energy rebalancing matters, such as promoting the use of substitutes to fossil fuel products and encouraging the divestment of fossil fuel equities, as well as pressuring lenders and other financial services companies to limit or curtail activities with fossil fuel companies. If this were to continue, it could have a material adverse effect on our ability to access equity capital markets. Members of the investment community have begun to screen companies such as ours for sustainability performance, including practices related to GHGs and climate change. If we are unable to find economically viable, as well as publicly acceptable, solutions that reduce our GHG emissions and/or GHG intensity for new and existing projects, we could experience additional costs or financial penalties, delayed or cancelled projects, and/or reduced production and reduced demand for hydrocarbons, which could have a material adverse effect on our earnings, cash flows and financial condition.

In addition, our business could be impacted by governmental initiatives to address greenhouse gases and climate change and incentives to conserve energy or use alternative energy sources. For example, the Build Back Better Act, passed by the US House of Representatives and supported by President Biden, includes incentives to increase wind and solar electric generation and encourage consumers to use these alternative energy sources. At this time, it is uncertain whether, and in what form, the Build Back Better Act may become law. However, the Build Back Better Act or similar state or federal initiatives to incentivize a shift away from fossil fuels could reduce demand for hydrocarbons, thereby reducing demand for our services and causing a material adverse effect on our earnings, cash flows and financial condition.

Any violation of anti-bribery or anti-corruption laws, including the Foreign Corrupt Practices Act, the United Kingdom Bribery Act, or similar laws and regulations could result in significant expenses, divert management attention, and otherwise have a negative impact on us.

We operate in countries known to have a reputation for corruption. We are subject to the risk that we, our affiliated entities or their respective officers, directors, employees and agents may take action determined to be in violation of such anti-corruption laws, including the US Foreign Corrupt Practices Act of 1977 (the “FCPA”), the United Kingdom Bribery Act 2010 (the “UK Bribery Act”), the United Kingdom Modern Slavery Act 2015 (the “UK Modern Slavery Act”) and similar laws in other countries. Any violation of the FCPA, UK Bribery Act, UK Slavery Act or other applicable anti-corruption laws could result in substantial fines, sanctions, civil and/or criminal penalties and curtailment of operations in certain jurisdictions and might adversely affect our business, financial condition and results of operations. In addition, actual or alleged violations could damage our reputation and ability to do business. Further, detecting, investigating and resolving actual or alleged violations is expensive and can consume significant time and attention of our senior management.

Changes in, compliance with, or our failure to comply with the certain laws and regulations may negatively impact our operations and could have a material adverse effect on our results of operations.

Our operations are subject to various laws and regulations in countries in which we operate, including laws and regulations relating to:

- the environment and the health and safety of personnel;
- the importing, exporting, equipping and operation of drilling rigs;
- currency exchange controls;
- oil and gas exploration and development;
- taxation of offshore earnings and earnings of expatriate personnel; and
- use and compensation of local employees and suppliers by foreign contractors.

Public and governmental scrutiny of the energy industry has resulted in increased regulations being proposed and often implemented. In addition, existing regulations might be revised or reinterpreted, new laws, regulations and permitting requirements might be adopted or become applicable to us, our rigs, our customers, our vendors or our service providers, and future changes in laws and regulations could significantly increase our costs and could have a material adverse effect on our business, financial condition and results of operations. In addition, we may be required to post additional surety bonds to secure performance, tax, customs and other obligations relating to our rigs in jurisdictions where bonding requirements are already in effect and in other jurisdictions where we may operate in the future. These requirements would increase the cost of operating in these countries, which could materially adversely affect our business, financial condition and results of operations.

From time to time, new rules, regulations and requirements regarding oil and gas development have been proposed and implemented by BOEM, BSEE or the United States Congress, as well as other jurisdictions outside the United States, that could materially limit or prohibit, and increase the cost of, offshore drilling. For example, in July 2016, BOEM and BSEE finalized a rule revising and adding requirements for drilling on the US Arctic Outer Continental Shelf. Similarly, in April 2016, BSEE announced a final blowout preventer systems and well control rule. BSEE also finalized a rule in September 2016 concerning production safety systems for oil and natural gas operations on the Outer Continental Shelf. BSEE issued final rules amending both the September 2016 production safety systems rule and the April 2016 blowout preventer systems and well control rule in September 2018 and May 2019, respectively. In addition, BOEM released a Notice to Lessees and Operators in the Outer Continental Shelf (“NTL”) in September 2016 that updated offshore bonding requirements. The NTL was only partially implemented before being rescinded and replaced by a proposed rule addressing offshore bonding published in October 2020. However, on January 20, 2021, President Biden issued executive orders freezing the issuance of new rules pending further review and directing all executive departments and agencies to review and consider suspending, revising, or rescinding all regulations issued between January 20, 2017 and January 20, 2021 determined to be inconsistent with President Biden’s environmental and climate goals. To the extent these recent proposed and final rules are reviewed and determined to be inconsistent under the executive orders, BOEM and BSEE could issue new rules reinstating the requirements of the 2016 rules and/or reimplement the NTL.

We are also subject to increasing regulatory requirements and scrutiny in the North Sea jurisdictions and other countries. New rules, regulations and requirements, or a return to the requirements of the 2016 versions of the BSEE and BOEM regulations, including the adoption of new safety requirements and policies relating to the approval of drilling permits, restrictions on oil and gas development and production activities in the US Gulf of Mexico and elsewhere, implementation of safety and environmental management systems, mandatory third party

compliance audits, and the promulgation of numerous Notices to Lessees or similar new regulatory requirements outside of the United States, may impact our operations by causing increased costs, delays and operational restrictions. If new regulations, policies, operating procedures and the possibility of increased legal liability resulting from the adoption or amendment of rules and regulations applicable to our operations in the United States or other jurisdictions are viewed by our current or future customers as a significant impairment to expected profitability on projects, then they could discontinue or curtail their offshore operations in the impacted region, thereby adversely affecting our operations by limiting drilling opportunities or imposing materially increased costs.

We could also be affected by challenges and restrictions to offshore operations by environmental groups, coastal states and the federal government. For example, in December 2018, environmental groups challenged incidental harassment authorizations issued by the National Marine Fisheries Service that allow companies to conduct air gun seismic surveys for oil and gas exploration off the Atlantic coast. The attorney generals for ten US coastal states also intervened as plaintiffs. The litigation concluded in October 2020 and the authorizations expired in November 2020. Restrictions on authorizations needed to conduct seismic surveys could impact our customers' ability to identify oil and gas reserves, thereby reducing demand for our services. Several coastal states have also taken steps to prohibit offshore drilling. For example, California passed laws in September 2018 barring the construction of new oil drilling-related infrastructure in state waters. Similarly, in November 2018, voters in Florida approved an amendment to the state constitution that would ban oil and gas drilling in offshore state waters. Such initiatives could reduce opportunities for our customers and thereby reduce demand for our services. In addition, the federal government has taken steps to restrict offshore drilling opportunities. For example, on January 20, 2021, the Acting Secretary for the Department of the Interior signed an order effectively suspending new fossil fuel leasing and permitting on federal lands, including in the US Gulf of Mexico, for 60 days. Then on January 27, 2021, President Biden issued an executive order indefinitely suspending new oil and natural gas leases on public lands or in offshore waters pending completion of a comprehensive review and reconsideration of federal oil and gas permitting and leasing practices. Several states filed lawsuits challenging the suspension and on June 15, 2021, a judge in the US District Court for the Western District of Louisiana issued a nationwide temporary injunction blocking the suspension. The Department of the Interior appealed the US District Court's ruling, but resumed oil and gas leasing pending resolution of the appeal. In November 2021, the Department of the Interior completed its review and issued a report on the federal oil and gas leasing program. The Department of the Interior's report recommends several changes to federal leasing practices, including changes to royalty payments, bidding, and bonding requirements. In addition, on November 19, 2021, the US House of Representatives passed the Build Back Better Act. Among other things, the Build Back Better Act would prohibit the Secretary of the Interior from issuing a lease or any other authorization for the exploration, development, or production of oil or natural gas in several areas of the Outer Continental Shelf, including the Eastern Gulf of Mexico. However, the Build Back Better Act has yet to be approved by the US Senate. At this time, it is uncertain whether, and in what form, the Build Back Better Act may become law.

If the Department of the Interior succeeds on its appeal of the US District Court's decision and reinstitutes a leasing suspension, the suspension could reduce demand for our services. Further, to the extent that the Department of the Interior's report, Senate approval of the Build Back Better Act or other initiatives to reform federal leasing practices result in the development of additional restrictions on offshore drilling, limitations on the availability of offshore leases, or restrictions on the ability to obtain required permits, it could have a material adverse impact on our operations by reducing drilling opportunities and the demand for our services.

Adverse effects may continue as a result of the uncertainty of ongoing inquiries, investigations and court proceedings, or additional inquiries and proceedings by federal or state regulatory agencies or private plaintiffs. In addition, we cannot predict the outcome of any of these inquiries or whether these inquiries will lead to additional legal proceedings against us, civil or criminal fines or penalties, or other regulatory action, including legislation or increased permitting requirements. Legal proceedings or other matters against us, including environmental matters, suits, regulatory appeals, challenges to our permits by citizen groups and similar matters, might result in adverse decisions against us. The result of such adverse decisions, both individually or in the aggregate, could be material and may not be covered fully or at all by insurance.

Our operations are subject to numerous laws and regulations relating to the protection of the environment and of human health and safety, and compliance with these laws and regulations could impose significant costs and liabilities that exceed our current expectations.

Substantial costs, liabilities, delays and other significant issues could arise from environmental, health and safety laws and regulations covering our operations, and we may incur substantial costs and liabilities in maintaining compliance with such laws and regulations. Our operations are subject to extensive international conventions and treaties, and national or federal, state and local laws and regulations, governing environmental protection, including with respect to the discharge of materials into the environment and the security of chemical and industrial facilities. These laws govern a wide range of environmental issues, including:

- the release of oil, drilling fluids, natural gas or other materials into the environment;
- air emissions from our drilling rigs or our facilities;
- handling, cleanup and remediation of solid and hazardous wastes at our drilling rigs or our facilities or at locations to which we have sent wastes for disposal;
- restrictions on chemicals and other hazardous substances; and

- wildlife protection, including regulations that ensure our activities do not jeopardize endangered or threatened animals, fish and plant species, nor destroy or modify the critical habitat of such species.

Various governmental authorities have the power to enforce compliance with these laws and regulations and the permits issued under them, oftentimes requiring difficult and costly actions. Failure to comply with these laws, regulations and permits, or the release of oil or other materials into the environment, may result in the assessment of administrative, civil and criminal penalties, the imposition of remedial obligations, the imposition of stricter conditions on or revocation of permits, the issuance of moratoria or injunctions limiting or preventing some or all of our operations, delays in granting permits and cancellation of leases, or could affect our relationship with certain consumers.

There is an inherent risk of the incurrence of environmental costs and liabilities in our business, some of which may be material, due to the handling of our customers' hydrocarbon products as they are gathered, transported, processed and stored, air emissions related to our operations, historical industry operations, and water and waste disposal practices. For example, we, as an operator of mobile offshore drilling units in navigable US waters and certain offshore areas, including the US Outer Continental Shelf, are liable for damages and for the cost of removing oil spills for which we may be held responsible, subject to certain limitations. Our operations may involve the use or handling of materials that are classified as environmentally hazardous. Environmental laws and regulations may expose us to liability for the conduct of or conditions caused by others or for acts that were in compliance with all applicable laws at the time they were performed. Joint, several or strict liability may be incurred without regard to fault under certain environmental laws and regulations for the remediation of contaminated areas and in connection with past, present or future spills or releases of natural gas, oil and wastes on, under, or from past, present or future facilities. Private parties may have the right to pursue legal actions to enforce compliance as well as to seek damages for non-compliance with environmental laws and regulations or for personal injury or property damage arising from our operations. In addition, increasingly strict laws, regulations and enforcement policies could materially increase our compliance costs and the cost of any remediation that may become necessary. Our insurance may not cover all environmental risks and costs or may not provide sufficient coverage if an environmental claim is made against us.

Our business may be adversely affected by increased costs due to stricter pollution control equipment requirements or liabilities resulting from non-compliance with required operating or other regulatory permits. Also, we might not be able to obtain or maintain from time to time all required environmental regulatory approvals for our operations. If there is a delay in obtaining any required environmental regulatory approvals, or if we fail to obtain and comply with them, the operation or construction of our facilities could be prevented or become subject to additional costs. In addition, the steps we could be required to take to bring certain facilities into regulatory compliance could be prohibitively expensive, and we might be required to shut down, divest or alter the operation of those facilities, which might cause us to incur losses.

We make assumptions and develop expectations about possible expenditures related to environmental conditions based on current laws and regulations and current interpretations of those laws and regulations. If the interpretation of laws or regulations, or the laws and regulations themselves, change, our assumptions may change, and new capital costs may be incurred to comply with such changes. In addition, new environmental laws and regulations might adversely affect our operations, as well as waste management and air emissions. For instance, governmental agencies could impose additional safety requirements, which could affect our profitability. Further, new environmental laws and regulations might adversely affect our customers, which in turn could affect our profitability.

Finally, although some of our drilling rigs will be separately owned by our subsidiaries, under certain circumstances a parent company and all of the unit-owning affiliates in a group under common control engaged in a joint venture could be held liable for damages or debts owed by one of the affiliates, including liabilities for oil spills under environmental laws. Therefore, it is possible that we could be subject to liability upon a judgment against us or any one of our subsidiaries.

Unionization efforts and labor regulations in certain countries in which we operate could materially increase our costs or limit our flexibility.

Certain of our employees and contractors in international markets are represented by labor unions or work under collective bargaining or similar agreements, which are subject to periodic renegotiation. Efforts may be made from time to time to unionize portions of our workforce. In addition, we may be subject to strikes or work stoppages and other labor disruptions in the future. Additional unionization efforts, new collective bargaining agreements or work stoppages could materially increase our costs, reduce our revenues or limit our operational flexibility.

Any failure to comply with the complex laws and regulations governing international trade could adversely affect our operations.

The shipment of goods, services and technology across international borders subjects our business to extensive trade laws and regulations. Import activities are governed by unique customs laws and regulations in each of the countries of operation. Moreover, many countries, including the United States, control the export and re-export of certain goods, services and technology and impose related export recordkeeping and reporting obligations. Governments also may impose economic sanctions against certain countries, persons and other entities that may restrict or prohibit transactions involving such countries, persons and entities. US sanctions, in particular, are targeted against certain countries that are heavily involved in the petroleum and petrochemical industries, which includes drilling activities.

The laws and regulations concerning import activity, export recordkeeping and reporting, export control and economic sanctions are complex and constantly changing. These laws and regulations may be enacted, amended, enforced or interpreted in a manner materially impacting our operations. Shipments can be delayed and denied export or entry for a variety of reasons, some of which are outside our control and some of which may result from failure to comply with existing legal and regulatory regimes. Shipping delays or denials could cause unscheduled operational downtime. Any failure to comply with applicable legal and regulatory trading obligations could also result in criminal and civil penalties and sanctions, such as fines, imprisonment, debarment from government contracts, seizure of shipments and loss of import and export privileges.

Currently, we do not, nor do we intend to, operate in countries that are subject to significant sanctions and embargoes imposed by the US government or identified by the US government as state sponsors of terrorism, such as the Crimean region of the Ukraine, Cuba, Iran, North Korea and Syria. The US sanctions and embargo laws and regulations vary in their application, as they do not all apply to the same covered persons or proscribe the same activities, and such sanctions and embargo laws and regulations may be amended or strengthened over time. There can be no assurance that we will be in compliance in the future, particularly as the scope of certain laws may be unclear and may be subject to changing interpretations. Any such violation could result in fines or other penalties and could result in some investors deciding, or being required, to divest their interest, or not to invest, in us. In addition, certain institutional investors may have investment policies or restrictions that prevent them from holding securities of companies that have contracts with countries identified by the US government as state sponsors of terrorism or with countries that are otherwise subject to US sanctions and embargo laws. In addition, our reputation and the market for our securities may be adversely affected if we engage in certain other activities, such as entering into drilling contracts with individuals or entities in countries subject to significant US sanctions and embargo laws that are not controlled by the governments of those countries, or engaging in operations associated with those countries pursuant to contracts with third parties that are unrelated to those countries or entities controlled by their governments.

We are subject to litigation that could have an adverse effect on us.

We are, from time to time, involved in various litigation matters. These matters may include, among other things, contract disputes, personal injury claims, asbestos and other toxic tort claims, environmental claims or proceedings, employment matters, issues related to employee or representative conduct, governmental claims for taxes or duties, and other litigation that arises in the ordinary course of our business. Although we intend to defend or pursue such matters vigorously, we cannot predict with certainty the outcome or effect of any claim or other litigation matter, and there can be no assurance as to the ultimate outcome of any litigation. Litigation may have an adverse effect on us because of potential negative outcomes, legal fees, the allocation of management's time and attention, and other factors.

We could also face increased climate-related litigation with respect to our operations both in the US and around the world. Governmental and other entities in various US states, such as California and New York, have filed lawsuits against coal, gas oil and petroleum companies. These suits allege damages as a result of climate change, and the plaintiffs are seeking unspecified damages and abatement under various tort theories. Similar lawsuits may be filed in other jurisdictions both in the US and globally. Though we are not currently a party to any such lawsuit, these suits present uncertainty regarding the extent to which companies who are not producing oil or gas, but who are engaged in such production, such as offshore drillers, face an increased risk of liability stemming from climate change, which risk would also adversely impact the oil and gas industry and impact demand for our services.

Risks Related to the Business Combination with Maersk Drilling

The Business Combination may not be as successful as anticipated, and the combined company may not achieve the intended benefits or do so within the intended timeframe and the integration costs may exceed estimates.

The Business Combination involves numerous operational, strategic, financial, accounting, legal, tax and other risks, including potential liabilities associated with the integrated businesses. Difficulties in integrating the business practices and operations of Noble and Maersk Drilling may result in the combined company performing differently than expected, in operational challenges or in the delay or failure to realize anticipated expense-related efficiencies, and could have an adverse effect on the financial condition, results of operations or cash flows of Noble and Maersk Drilling. Potential difficulties that may be encountered in the integration process include, among other factors:

- the inability to successfully integrate the businesses of Noble and Maersk Drilling, operationally and culturally, in a manner that permits the combined company to achieve the cost savings anticipated from the Business Combination;
- complexities, including demands on management, associated with managing a larger, more complex, integrated business;
- difficulties in integrating Maersk Drilling's and Noble's restrictive enterprise resource planning software;
- attempts by third parties to terminate or alter their contracts with the combined company, including as a result of change of control provisions;
- the inability to retain key employees and otherwise integrate personnel from the two companies;
- potential unknown liabilities and unforeseen expenses associated with the Business Combination;

- regulatory authorities, including competition authorities may impose requirements, limitations or costs on, or require divestitures or place restrictions on the conduct of, Topco's business after the completion of the Business Combination;
- difficulty or inability to comply with the covenants of the debt of the combined company;
- difficulty or inability in refinancing existing indebtedness of Noble or Maersk Drilling as it comes due, including certain indebtedness of Maersk Drilling that will become current in the fourth quarter of 2022 and is due to mature in the fourth quarter of 2023;
- integrating relationships with customers, vendors and business partners;
- performance shortfalls, including operating, safety, or environmental performance at one or both of the companies as a result of the diversion of management's and employees' attention caused by completing the Business Combination and integrating Noble's and Maersk Drilling's operations into the combined company; and
- the disruption of, or the loss of momentum in, each company's ongoing business or inconsistencies in standards, controls, procedures and policies.

Additionally, the success of the Business Combination will depend, in part, on the combined company's ability to realize the anticipated benefits and cost savings from combining Noble's and Maersk Drilling's businesses. Although the parties expect to realize run-rate annual cost-synergies of \$125 million within two years of the closing of the Business Combination, Noble's ability to realize such synergies may be affected by a number of factors, including, but not limited to, the use of more cash or other financial resources on integration and implementation activities than anticipated; unanticipated increases in expenses unrelated to the Business Combination, which may offset the expected cost savings and other synergies from the Business Combination; and Noble's ability to eliminate duplicative back office overhead and redundant selling, general, and administrative functions. The anticipated benefits and cost savings of the Business Combination may not be realized fully or at all, may take longer to realize than expected or could have other adverse effects that neither Noble nor Maersk Drilling currently foresee. In addition, the anticipated benefits and cost savings of the Business Combination as well as the related integration costs are based on a number of estimates and assumptions that are inherently uncertain and subject to risks that could cause the actual results to differ materially from those contained in such cost estimates. Some of the assumptions that Noble and Maersk Drilling have made, such as the achievement of certain synergies, may not be realized within the anticipated timeframe, or at all.

If the combined company fails to realize the anticipated synergies or other benefits or recognize further synergies or benefits, or the estimated integration costs of the Business Combination are exceeded, the business rationale of the Business Combination could not be realized and the value of the shareholders' investment into the combined company could decrease.

The Business Combination is conditioned on the receipt of certain required approvals and governmental and regulatory consents, which, if delayed, not granted or granted with unfavorable conditions, may delay or jeopardize the completion of the Business Combination, result in additional expenditures of money and resources and/or reduce the anticipated benefits of the Business Combination.

The completion of the Business Combination is generally conditioned on, among other things, clearance by antitrust and foreign direct investment authorities in the United Kingdom and Norway and Denmark, as well as certain other jurisdictions as agreed between the parties. The governmental agencies from which the parties seek certain of these approvals and consents have broad discretion in administering the governing regulations. Neither Noble nor Maersk Drilling can provide any assurance that all required approvals and consents will be obtained. Moreover, as a condition to the approvals, the governmental agencies may impose requirements, limitations or costs on, or require divestitures or place restrictions on the conduct of, Topco's business after the completion of the Business Combination. These requirements, limitations, costs, divestitures or restrictions could jeopardize or delay the completion of the Business Combination or reduce the anticipated benefits of the Business Combination. Further, no assurance can be given as to the terms, conditions and timing of the approvals. If Noble and Maersk Drilling agree to any material requirements, limitations, costs, divestitures or restrictions in order to obtain any approvals required to consummate the Business Combination, these requirements, limitations, costs, divestitures or restrictions could adversely affect Noble's ability to integrate Maersk Drilling's operations with Noble's operations and/or reduce the anticipated benefits of the Business Combination. This could have a material adverse effect on Topco's business and results of operations. On January 12, 2022, the Norwegian Competition Authority (Konkurransetilsynet) provided unconditional approval to the Business Combination. On January 26, 2022, the Danish Business Authority determined that the Business Combination does not require prior authorization under the Danish Act on Screening of Certain Foreign Direct Investments (Act no. 842 of 10 May 2021) or associated regulations.

The Business Combination remains subject to conditions that neither Noble nor Maersk Drilling can control.

The Business Combination is subject to conditions, including, among others, the adoption of the Business Combination Agreement by the affirmative vote of at least two-thirds of the votes cast at Noble's extraordinary general shareholder meeting (the "General Meeting"), the termination of waiting periods and the receipt of approvals or clearances under applicable antitrust laws and applicable foreign direct investment laws, the Business Combination occurring on or before August 10, 2022 (the "End Date"); provided, however, that if all of the conditions to the Offer (as defined herein), other than the condition relating to antitrust approvals, have been satisfied or are capable of being satisfied at such time, the End Date will automatically be extended to November 10, 2022; further provided that if all of the conditions to the

Offer, other than the condition relating to antitrust approvals, have been satisfied or are capable of being satisfied at such time, the End Date will automatically be extended to February 10, 2023, and authorization of the listing of the combined company's shares on the NYSE and Nasdaq Copenhagen. Noble's obligation to consummate the Business Combination is also subject to the Minimum Acceptance Condition (as defined herein).

If the conditions to the Business Combination are not satisfied or waived, then the Business Combination may not be consummated.

Each of Noble and Maersk Drilling may waive one or more of the conditions to the Business Combination without shareholder approval.

Each of Noble and Maersk Drilling may determine to waive, in whole or in part, one or more of the conditions to its obligations to complete the Business Combination, to the extent permitted by applicable laws. Each of Noble and Maersk Drilling will evaluate the materiality of any such waiver and its effect on its shareholders in light of the facts and circumstances at the time to determine whether any amendment of the proxy statement/prospectus in Noble's Registration Statement on Form S-4 initially filed on December 20, 2021 (as amended, the "Form S-4 Registration Statement") and the offering document relating to the Offer (the "exchange offer prospectus") and, in the case of Noble, any resolicitation of proxies is required or warranted. Each of Noble and Maersk Drilling may waive any of these conditions prior to the General Meeting, and if any such waiver is material, the proxy statement/prospectus in the Form S-4 Registration Statement and the exchange offer prospectus will be amended as necessary to reflect such waiver. If either of Noble and Maersk Drilling determines to waive any conditions after receiving shareholder approval at the General Meeting, it may have the discretion to complete the Business Combination without seeking further shareholder approval.

Because the Exchange Ratios are fixed, the market value of the Topco Shares received by Noble shareholders or Maersk Drilling shareholders as part of the Business Combination may be less than the market value of the Ordinary Shares or Maersk Drilling Shares that such holder held prior to the completion of the Business Combination.

Noble shareholders will receive one Topco Share for each of their Ordinary Shares in the Maersk Drilling Merger (as defined herein) and Maersk Drilling shareholders who tender their Maersk Drilling Shares (as defined herein) in the Offer will receive 1.6137 Topco Shares for each Maersk Drilling Share tendered and not withdrawn. These Exchange Ratios (as defined herein) are fixed and will not vary even if the market price of Ordinary Shares or Maersk Drilling Shares varies. Upon completion of the Business Combination, and assuming that all outstanding Maersk Drilling Shares are exchanged for Topco Shares in the Offer, former Noble and Maersk Drilling shareholders will each own approximately 50% of the outstanding Topco Shares on a fully diluted basis, i.e., taking into consideration Topco Shares still to be issued, immediately after completion of the Business Combination. The market value of Ordinary Shares and Maersk Drilling Shares at the time of the completion of the Business Combination may vary significantly from the value on the date of the execution of the Business Combination Agreement, the date of this document, the date on which Ordinary Shares vote on the Maersk Drilling Merger, the date on which Maersk Drilling shareholders tender their shares in the Offer or the expiration of the period commencing as soon as practically possible after the offering circular, which refers to one or more prospectuses (or similar exemption document prepared in reliance on an applicable exemption under Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017, as amended, and the rules and regulations promulgated thereunder (the "EU Prospectus Regulation") and in accordance with the requirements of Commission Delegated Regulation (EU) 2021/528 of 16 December 2020) to be prepared by Topco and/or Noble Parent pursuant to the EU Prospectus Regulation, and the Offer Document (as defined herein) have been approved by the DFSA (as defined herein) with an expected duration of at least four weeks (the "Offer Period"). Because the Exchange Ratios will not be adjusted to reflect any changes in the market price of the Ordinary Shares or Maersk Drilling Shares, the value of the consideration paid to the Noble shareholders in the Maersk Drilling Merger or to the Maersk Drilling shareholders who tender their shares in the Offer may be lower than the market value of their Ordinary Shares or Maersk Drilling Shares, respectively, on earlier dates.

Changes in share prices may result from a variety of factors that are beyond the control of Topco, Noble or Maersk Drilling, including their respective business, operations and prospects, market conditions, economic development, geopolitical events, regulatory considerations, governmental actions, legal proceedings and other developments. Market assessments of the benefits of the Business Combination and of the likelihood that the Business Combination will be completed, as well as general and industry-specific market and economic conditions, may also have an adverse effect on share prices.

In addition, it is possible that the Business Combination may not be completed until a significant period of time has passed after the General Meeting and the expiration of the Offer Period. As a result, the market values of the Ordinary Shares or Maersk Drilling Shares may vary significantly from the date of the General Meeting or the expiration of the Offer Period to the date of the completion of the Business Combination. Investors are urged to obtain up-to-date prices for Ordinary Shares, which are admitted to trading and official listing on the NYSE under the symbol "NE" and Maersk Drilling Shares, which are listed on Nasdaq Copenhagen under the symbol "DRLCO" and securities code DK0061135753.

If Maersk Drilling shareholders do not tender their Maersk Drilling Shares in the Offer, Maersk Drilling shareholders may receive consideration in the Compulsory Purchase that is substantially different in form and/or value from the consideration that they would have received in the Offer.

If the Business Combination is consummated and Topco holds more than 90% of the shares in Maersk Drilling, Topco will initiate a squeeze-out of the minority shareholders of Maersk Drilling. The Compulsory Purchase would eliminate any minority shareholder interests in Maersk Drilling remaining after the settlement of the Offer. Due to the statutory legal framework applicable to the Compulsory Purchase, holders of Maersk Drilling Shares who do not exchange their shares in the Offer may receive a different (including a lower) amount or a different form of consideration than they would have received had they exchanged their Maersk Drilling Shares in the Offer. Furthermore, if the value of Topco Shares offered as compensation in the context of a Compulsory Purchase has declined after the completion of the Business Combination, there may be no obligation of Topco to pay Maersk Drilling shareholders who did not exchange their shares in the Offer the implied value of the offer consideration received by Maersk Drilling shareholders who exchanged their shares in the Offer.

Any failure by Topco to acquire more than 90% of the Maersk Drilling Shares could lead to Maersk Drilling not becoming a wholly-owned subsidiary of Topco, and might prevent the delisting of Maersk Drilling Shares from Nasdaq Copenhagen.

The closing of the Business Combination and the completion of the Offer is conditioned upon the satisfaction of the Minimum Acceptance Condition, unless waived by Topco in accordance with the terms of an offer document with respect to the Offer approved by the DFSA in accordance with the DFSA's Executive Order on Takeover Bids, Executive Order no 636/2020 of 15 May 2020 (the "Danish Takeover Order" and such document, the "Offer Document"). Thus, at the completion of the Offer, Topco may own more than 80% (or, if lowered by Topco in its sole discretion, more than 70%) but 90% or less of the share capital and voting rights of Maersk Drilling. Pursuant to the Danish Companies Act, Topco must own more than 90% of the share capital and voting rights of Maersk Drilling to implement a compulsory purchase of the remaining outstanding Maersk Drilling Shares (Maersk Drilling Shares held in treasury being excluded for the purpose of the calculation).

Whilst Topco may be able to exercise a Compulsory Purchase if it subsequently acquires more than 90% of the outstanding Maersk Drilling Shares and voting rights (excluding shares held in treasury), for instance where it acquires further Maersk Drilling Shares or where Maersk Drilling repurchases Maersk Drilling Shares, there can be no guarantee that this will happen. If Topco fails to acquire all of the issued and outstanding Maersk Drilling Shares, Maersk Drilling will not be a wholly-owned subsidiary of Topco and minority Maersk Drilling shareholders will have certain minority protection rights under Danish law and under the articles of association of Topco that will be adopted and take effect at the Acceptance Time (as defined herein). Any temporary or permanent delay in acquiring all Maersk Drilling Shares could adversely affect Topco's ability to integrate Maersk Drilling's business, including achieving targeted business benefits and synergies, as well as the market value of the Topco Shares and Topco's access to capital and other sources of funding on acceptable terms.

Failure to acquire more than 90% of the Maersk Drilling Shares could also result in Topco not succeeding in removing the Maersk Drilling Shares from trading and official listing on Nasdaq Copenhagen. Nasdaq Copenhagen may refuse to delist the Maersk Drilling Shares, which would result in more onerous regulatory compliance obligations for the combined company and affect Topco's ability to integrate the businesses and operations of Maersk Drilling and Noble. Further, refusal of the request to delist the Maersk Drilling Shares may increase the expenses of the Business Combination and the overall expenses of the combined company.

Each of Noble's and Maersk Drilling's directors and executive officers have interests in the Business Combination that are in addition to, or different from, any interests they might have as shareholders.

The directors and executive officers of each of Noble and Maersk Drilling have interests in the Business Combination that are in addition to, or different from, any interests they might have as shareholders, including the fact that Robert W. Eifler will serve as the President and Chief Executive Officer of Topco and Charles M. (Chuck) Sledge, the current Chairman of the Board of Noble, will become chairman of the Topco Board (as defined herein) and that Claus V. Hemmingsen, the current Chairman of Maersk Drilling's board of directors, will be one of the three directors designated to the Topco Board by Maersk Drilling upon the closing of the Business Combination.

Each of Noble and Maersk Drilling may have liabilities that are not known to the other party or to Topco.

Each of Noble and Maersk Drilling may have liabilities that the other party failed, or was unable, to discover in the course of performing its respective due diligence investigations. Noble, Maersk Drilling or Topco may learn additional information about the other party that materially adversely affects it, such as unknown or contingent liabilities and liabilities related to compliance with applicable laws. As a result of these factors, Noble, Maersk Drilling or Topco may incur additional costs and expenses and may be forced to later write-down or write-off assets, restructure operations, or incur impairment or other charges that could result in Noble, Maersk Drilling or Topco reporting losses. Even if Noble's and Maersk Drilling's due diligence has identified certain risks, unexpected risks may arise and previously known risks may materialize in a manner not consistent with its preliminary risk analysis. If any of these risks materialize, this could have a material adverse effect on Noble's, Maersk Drilling's or Topco's financial condition and results of operations and could contribute to negative market perceptions about Noble's, Maersk Drilling's or Topco's securities. Additionally, Noble and Maersk Drilling do not have any indemnification

rights against the other party under the Business Combination Agreement. Accordingly, securityholders of Noble or Maersk Drilling could suffer a reduction in the value of their securities. Such securityholders are unlikely to have a remedy for such reduction in value unless they are able to successfully claim that the reduction was due to the breach by its directors or officers of a duty of care or other fiduciary duty owed to them, or if they are able to successfully bring a private claim under securities laws that the registration statement or proxy statement/prospectus and the exchange offer prospectus relating to the Business Combination contained an actionable material misstatement or material omission.

Noble shareholders and Maersk Drilling shareholders are not entitled to appraisal or dissent rights in connection with the Business Combination or the Offer.

Appraisal or dissent rights are statutory rights that enable shareholders to dissent from certain extraordinary transactions, such as certain mergers, and to demand that the corporation pay the fair value for their Ordinary Shares or Maersk Drilling Shares, as applicable, as determined by a court in a judicial proceeding instead of receiving the consideration offered to shareholders in connection with the applicable transaction. Under Cayman law, holders of Ordinary Shares will not have rights to an appraisal of the fair value of their Ordinary Shares in connection with the Business Combination, and under Danish law, holders of Maersk Drilling Shares will not have rights to an appraisal of the fair value of their Maersk Drilling Shares in connection with the Offer.

Failure to consummate the Business Combination could negatively impact the share price and the future business and financial results of Noble.

If the Business Combination is not completed, the ongoing business of Noble may be adversely affected and, without realizing any of the benefits of having consummated the Business Combination, Noble will be subject to a number of risks, including (but not limited to) the following:

- Noble may experience negative reactions from the financial markets, current equity and debt holders, bank relationships and other stakeholders, including negative impacts on the price of the Ordinary Shares;
- Noble may experience negative reactions from its customers, regulators and employees;
- the consideration, negotiation and implementation of the Business Combination (including integration planning) will have required substantial commitments of time and resources by Noble management, which could otherwise have been devoted to other opportunities beneficial to Noble;
- Noble could be subject to litigation related to any failure to complete the Business Combination or related to any enforcement proceeding commenced against Noble to perform its respective obligations under the Business Combination Agreement;
- Noble will be required to pay certain costs and expenses relating to the Business Combination, whether or not the Business Combination is completed; and
- the Business Combination Agreement places certain restrictions on the conduct of Noble's business prior to completion of the Business Combination that may prevent Noble from taking certain specified actions or otherwise pursuing business opportunities during the pendency of the Business Combination that Noble would have taken or pursued if these restrictions were not in place.

If the Business Combination Agreement is terminated by Maersk Drilling because a final merger control decision by a governmental entity is issued that either prohibits one or more of the transactions contemplated by the Business Combination Agreement, or prevents the consummation of such transactions without the carrying out of certain actions, then Noble will be required to pay Maersk Drilling a termination fee of \$50 million. Further, if the Business Combination Agreement is terminated under certain other specified circumstances, Noble may be required to pay Maersk Drilling a termination fee equal to \$15 million.

There can be no assurance that the risks described above will not materialize. If any of those risks materialize, they may materially and adversely affect Noble's business, financial condition, financial results, ratings and share prices.

Noble shareholders and Maersk Drilling shareholders will have a reduced ownership and voting interest after the Business Combination and may exercise less influence over management in Topco than they currently have in Noble and Maersk Drilling, respectively.

Upon the completion of the Business Combination, Noble shareholders and Maersk Drilling shareholders will hold a percentage ownership of Topco that is smaller than such shareholder's current percentage ownership of Noble or Maersk Drilling, respectively. Upon completion of the Business Combination, and assuming that all of the issued Maersk Drilling Shares are exchanged in the Offer, former shareholders of Noble as a group and former shareholders of Maersk Drilling as a group will each receive shares in the Business Combination constituting approximately 50% of the outstanding Topco Shares immediately after the consummation of the Business Combination. Because of this, current shareholders may have less influence on the management and policies of Topco than they currently have on the management and policies of Noble or Maersk Drilling, respectively.

Future sales or the availability for sale of substantial amounts of the Topco Shares, or the perception that these sales may occur, including following the Business Combination, could adversely affect the trading price of the Topco Shares and could impair the combined company's ability to raise capital through future sales of equity securities.

Following the Business Combination, a relatively small number of shareholders will hold a large portion of the shares of the combined company and Topco will enter into the Maersk Drilling Merger RRA (as defined herein) upon the closing of the Business Combination to facilitate future sales of such shares.

Sales of a substantial number of the Topco Shares in the public markets, including sales of large blocks of Topco Shares by the parties entering into the Maersk Drilling Merger RRA, or even the perception that these sales might occur (such as upon the filing of registration statements in connection with such sales), could impair the combined company's ability to raise capital for its operations through a future sale of, or pay for acquisitions using, Topco's equity securities.

Topco Shares or other securities may be issued from time to time as consideration for future acquisitions and investments. If any such acquisition or investment is significant, the number of Topco Shares, or the number or aggregate principal amount, as the case may be, of other securities that Topco may issue may in turn be substantial. Registration rights may also be granted covering those Topco Shares or other securities in connection with any such acquisitions and investments.

Topco cannot predict the effect that future sales of Topco Shares will have on the price at which the Topco Shares trades or the size of future issuances of Topco Shares or the effect, if any, that future issuances will have on the market price of the Topco Shares. Sales of substantial amounts of the Topco Shares, or the perception that such sales could occur, may adversely affect the trading price of the Topco Shares.

Topco will incur direct and indirect costs as a result of the Business Combination.

Topco will incur costs and expenses in connection with and as a result of the Business Combination. These costs and expenses include professional fees incurred in connection with Topco's compliance with UK corporate and tax laws and financial reporting requirements, costs and other administrative expenses related to the expanded global scope of Topco's operations, as well as any additional costs Topco may incur going forward as a result of its new corporate structure. The combined company cannot assure you that it will realize all of the anticipated benefits of the Business Combination, including the synergies related to public company expenses, back-office support functions, sales and distribution, and integration of senior management and administration. Topco can also not assure you that its estimates of pre-tax cost savings are accurate. While direct and indirect costs incurred as a result of the Business Combination are not expected to have such an effect, the costs could exceed the costs historically borne by Noble and Maersk Drilling.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

The description of our rig fleet included under “Part I, Item 1, Business” is incorporated by reference herein. We lease office space in Sugar Land, Texas, where our corporate headquarters are located. In addition, we own and lease operational, administrative and marketing offices, as well as other sites used primarily for operations, storage and maintenance and repairs for drilling rigs and equipment in various locations worldwide.

Item 3. Legal Proceedings.

We may, from time to time, be a defendant to various legal proceedings, disputes and claims arising in the ordinary course of our business and in connection with strategic acquisitions or divestitures, such as the Business Combination. Following our announcement of the Business Combination, in the first quarter of 2022, we received one demand letter, and two complaints were filed against us, all challenging the Business Combination. The outcome of these complaints and the demand letter, as well as those that may in the future be received or filed with respect to the Business Combination, is uncertain. We believe that we and our directors and officers acted appropriately in connection with the Business Combination and have valid defenses to the allegations and we intend to defend the lawsuits vigorously. While we do not anticipate a negative outcome with respect to such litigation, we cannot assure you as to the outcome or any material negative effect thereof.

Additional information regarding legal proceedings is presented in “Note 16— Commitments and Contingencies” to our consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market for Shares and Related Shareholder Information

On June 9, 2021, our Ordinary Shares began trading on the NYSE under the symbol "NE."

On February 15, 2022, there were 61,856,875 Ordinary Shares outstanding held by 261 shareholder accounts of record, and there were 6,463,182 Penny Warrants issued and outstanding. This figure does not include an estimate of the indeterminate number of beneficial holders whose shares may be held of record by brokerage firms and clearing agencies.

Exercises of Warrants

During the year ended December 31, 2021:

- 21,496 Ordinary Shares were issued to holders of Tranche 1 Warrants pursuant to exercises of 21,983 Tranche 1 Warrants;
- 13,080 Ordinary Shares were issued to holders of Tranche 2 Warrants pursuant to exercises of 13,507 Tranche 2 Warrants; and
- 136 Ordinary Shares were issued to holders of Tranche 3 Warrants pursuant to exercises of 136 Tranche 3 Warrants.

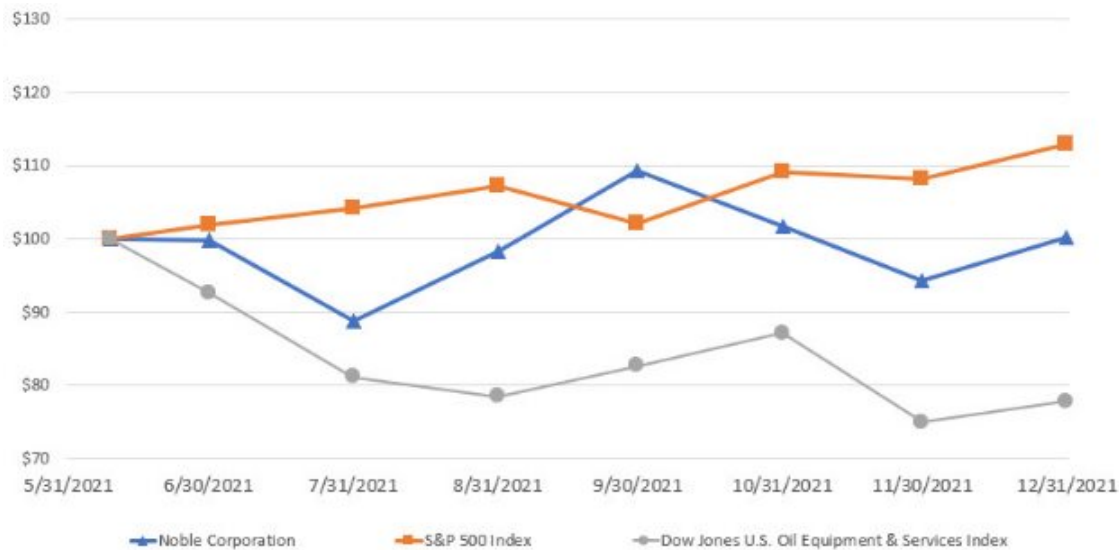
Such Ordinary Shares were issued pursuant to the exemptions from the registration requirements of the Securities Act under Section 4(a)(2) under the Securities Act and Section 1145 of the Bankruptcy Code. For more information on the terms of exercise and other features of the warrants, see "Note 9—Equity—Warrants" to our consolidated financial statements included in Item 8 of Part II of this Annual Report on Form 10-K.

Dividends

Legacy Noble and Noble have not paid dividends since the third quarter of 2016. The payment of future dividends will depend on our results of operations, financial condition, cash requirements, future business prospects, contractual and indenture restrictions and other factors deemed relevant by our Board of Directors.

Stock Performance Graph

The chart below presents a comparison of the cumulative total returns, assuming \$100 was invested at the beginning of the period for Noble, the Standard & Poor's 500 Index and the Dow Jones US Oil Equipment and Services. Total return assumes the reinvestment of dividends, if any, in the security on the ex-dividend date. This graph depicts the past performance for the period from June 9, 2021, the day our Ordinary Shares began trading on the NYSE, through December 31, 2021, and in no way should be used to predict future share performance.



Company / Index	INDEXED RETURNS			
	June 9, 2021	June 30, 2021	September 30, 2021	December 31, 2021
Noble Corporation	\$ 100.00	\$ 99.92	\$ 109.33	\$ 100.24
S&P 500 Index	100.00	101.85	102.09	112.95
Dow Jones US Oil Equipment & Services	100.00	92.64	82.72	77.84

The above graph and related information shall not be deemed “soliciting material” or to be “filed” with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act or the Exchange Act, except to the extent that we specifically incorporate it by reference into such filing.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion is intended to assist you in understanding our financial position at December 31, 2021 and 2020, and our results of operations for the period from February 6 through December 31, 2021, the period from January 1 through February 5, 2021, and for each of the years in the two-year period ended December 31, 2020. The following discussion should be read in conjunction with the consolidated financial statements and related notes contained in this Annual Report on Form 10-K for the period from February 6 through December 31, 2021 and the period from January 1 through February 5, 2021 filed by Noble and Finco.

Executive Overview

We provide contract drilling services to the international oil and gas industry with our global fleet of mobile offshore drilling units. Our business strategy focuses on a high-specification fleet of both floating and jackup rigs, and the deployment of our drilling rigs in established and emerging offshore oil and gas basins around the world.

We emphasize safe operations, environmental stewardship, social responsibility, and robust governance to sustain the superior performance and maximize stakeholder value achieved through our qualified and well-trained crews, the care of our surroundings and local communities, an effective management system, and a superior fleet. We also carefully manage rig operating costs through innovative systems and processes, including the use of data analytics and predictive maintenance technology.

As of the filing date of this Annual Report on Form 10-K, our fleet of 20 drilling rigs consisted of 12 floaters and eight jackups strategically deployed worldwide. We typically employ each drilling unit under an individual contract, and many contracts are awarded based upon a competitive bidding process.

For the period from February 6, 2021 through December 31, 2021, our financial and operating results from continuing operations include:

- operating revenues totaling \$770.3 million;
- net income attributable to Noble Corporation of \$102.0 million, or \$1.51 per diluted share;
- net cash provided by operating activities totaling \$51.6 million;
- successfully completed our financial restructuring and emerged from the Chapter 11 Cases with a substantially delevered balance sheet; and
- nothing drawn on the Revolving Credit Facility as of December 31, 2021 and cash of approximately \$194.1 million.

Demand for our services is driven by the offshore exploration and development programs of oil and gas operators, which in turn are influenced by many factors. Those factors include, but are not limited to, the price and price stability of oil and gas, the relative cost and carbon footprint of offshore resources within each operator's broader energy portfolio, global macroeconomic conditions, world energy demand, the operator's strategy toward renewable energy sources, environmental considerations and governmental policies.

Since 2014, the offshore drilling industry has faced the challenging combination of a significant rig oversupply and an overall reduction in offshore development and exploration activity that has reduced global offshore rig demand. Industry conditions gradually improved in 2019, which was evidenced by increasing utilization and improving dayrates. However, in the first half of 2020, this gradual recovery was abruptly halted as oil prices experienced concurrent supply and demand shocks. The supply shock was driven by production disagreements among OPEC+ member that resulted in sudden and a significant oversupply of oil, and the demand shock by the onset of the global COVID-19 pandemic that resulted in meaningful reduction in global economic activity and produced significant uncertainty among our customers. However, by early 2021, oil prices returned to pre-pandemic levels and continued to rise throughout 2021. Concurrent with this oil price recovery, contracting activity improved as our customer base started to increase their capital budgets. These events had significant impact on our results in 2020 and 2021.

Recent Events

Business Combination with Maersk Drilling. On November 10, 2021, Noble entered into a Business Combination Agreement (the “Business Combination Agreement”) with Noble Finco Limited, a private limited company formed under the laws of England and Wales and an indirect, wholly owned subsidiary of Noble (“Topco”), Noble Newco Sub Limited, a Cayman Islands exempted company and a direct, wholly owned subsidiary of Topco (“Merger Sub”), and The Drilling Company of 1972 A/S, a Danish public limited liability company (“Maersk Drilling”), pursuant to which, among other things, (i) (x) Noble will merge with and into Merger Sub (the “Maersk Drilling Merger”), with Merger Sub surviving the Maersk Drilling Merger as a wholly owned subsidiary of Topco, and (y) the Ordinary Shares will convert into an equivalent number of class A ordinary shares, par value \$0.00001 per share, of Topco (the “Topco Shares”), and (ii) (x) Topco will make a voluntary tender exchange offer to Maersk Drilling’s shareholders as described below (the “Offer” and, together with the Maersk Drilling Merger and the other transactions contemplated by the Business Combination Agreement, the “Business Combination”) and (y) upon the consummation of the Offer, if more than 90% of the issued and outstanding shares of Maersk Drilling, nominal value Danish krone (“DKK”) 10 per share (“Maersk Drilling Shares”), are acquired by Topco, Topco will redeem any Maersk Drilling Shares not exchanged in the Offer by Topco for Topco Shares or cash, at the election of the holder (cash for holders that do not make an election), under Danish law by way of a compulsory purchase (the “Compulsory Purchase”). The Board and the board of directors of Maersk Drilling have unanimously approved and adopted the Business Combination Agreement. The Business Combination is subject to Noble shareholder approval, acceptance of the Offer by holders of at least 80% of Maersk Drilling Shares, merger clearance and other regulatory approvals, listing on the NYSE and Nasdaq Copenhagen and other customary conditions.

Following the closing of the Business Combination, assuming all of the Maersk Drilling Shares are acquired by Topco through the Offer and no cash is paid by Topco in the Offer, Topco will own all of Noble’s and Maersk Drilling’s respective businesses and the former shareholders of Noble and former shareholders of Maersk Drilling will each own approximately 50% of the outstanding Topco Shares (or 50.8% and 49.2%, respectively, if Topco pays \$50.0 million cash consideration in the Offer). Topco will be renamed Noble Corporation Plc, will be a public limited company domiciled (tax resident) in the United Kingdom and will be headquartered in the area of Houston, Texas. Topco is expected to have certain management functions relating to the holding of shares, financing, cash management, incentive compensation and other relevant holding company functions. In addition, the board of directors of the combined company (the “Topco Board”) will be comprised of seven individuals, including three individuals designated by Noble, three individuals designated by Maersk Drilling, and Robert W. Eifler, who will serve as the President and Chief Executive Officer of the combined company. Charles M. (Chuck) Sledge, the current Chairman of the Board, will become chairman of the Topco Board, and Claus V. Hemmingsen, the current Chairman of Maersk Drilling’s board of directors, will be one of the three directors designated by Maersk Drilling.

Topco will apply to have Topco Shares listed on the NYSE and on Nasdaq Copenhagen.

At the effective time of the Maersk Drilling Merger (the “Maersk Drilling Merger Effective Time”), subject to the terms and conditions set forth in the Business Combination Agreement, (i) each Ordinary Share of Noble issued and outstanding immediately prior to the Maersk Drilling Merger Effective Time will be converted into one newly and validly issued, fully paid and non-assessable Topco Share, (ii) each Penny Warrant outstanding immediately prior to the Maersk Drilling Merger Effective Time will cease to represent the right to acquire Ordinary Shares and will be automatically cancelled, converted into and exchanged for a number of Topco Shares equal to the number of Ordinary Shares underlying such Penny Warrant, rounded to the nearest whole share, and (iii) each Emergence Warrant (as defined herein) outstanding immediately prior to the Maersk Drilling Merger Effective Time will be converted automatically into a warrant to acquire a number of Topco Shares equal to the number of Ordinary Shares underlying such Emergence Warrant, with the same terms as were in effect immediately prior to the Maersk Drilling Merger Effective Time under the terms of the applicable warrant agreement. In addition, each award of restricted share units representing the right to receive Ordinary Shares, or value based on the value of Ordinary Shares (each, a “Noble RSU Award”) that is outstanding immediately prior to the Maersk Drilling Merger Effective Time will cease to represent a right to acquire Ordinary Shares (or value equivalent to Ordinary Shares) and will be converted into the right to acquire, on the same terms and conditions as were applicable under the Noble RSU Award (including any vesting conditions), that number of Topco Shares equal to the number of Ordinary Shares subject to such Noble RSU Award immediately prior to the Maersk Drilling Merger Effective Time.

Subject to the terms and conditions set forth in the Business Combination Agreement, following the approval of certain regulatory filings with the Danish Financial Supervisory Authority (the “DFSA”), Topco has agreed to commence the Offer to acquire up to 100% of the then outstanding Maersk Drilling Shares and voting rights of Maersk Drilling, not including any treasury shares held by Maersk Drilling. The Offer is conditioned upon, among other things, holders of at least 80% of the then outstanding Maersk Drilling Shares and voting rights of Maersk Drilling tendering their shares in the Offer (which percentage may be lowered by Topco in its sole discretion to not less than 70%) (the “Minimum Acceptance Condition”). In the Offer, Maersk Drilling shareholders may exchange each Maersk Drilling Share for 1.6137 newly and validly issued, fully paid and non-assessable Topco Shares (the “Exchange Ratio”), and will have the ability to elect cash consideration for up to \$1,000 of their Maersk Drilling Shares (payable in DKK), subject to an aggregate cash consideration cap of \$50.0 million. Each of Maersk Drilling and Topco will take steps to procure that each Maersk Drilling restricted stock unit award (a “Maersk Drilling RSU Award”) that is outstanding immediately prior to the acceptance time of the Offer (the “Acceptance Time”) is converted, at the Acceptance Time, into

the right to receive, on the same terms and conditions as were applicable under the Maersk Drilling RSU Long-Term Incentive Programme for Executive Management 2019 and the Maersk Drilling RSU Long-Term Incentive Programme 2019 (including any vesting conditions), that number of Topco Shares equal to the product of (1) the number of Maersk Drilling Shares subject to such Maersk Drilling RSU Award immediately prior to the Acceptance Time and (2) the Exchange Ratio, with any fractional Maersk Drilling Shares rounded to the nearest whole share. Upon conversion such Maersk Drilling RSU Awards will cease to represent a right to receive Maersk Drilling Shares (or value equivalent to Maersk Drilling Shares).

The Business Combination Agreement contains customary warranties and covenants by Noble, Topco, Merger Sub and Maersk Drilling. The Business Combination Agreement also contains customary pre-closing covenants.

Topco's obligation to accept for payment or, subject to any applicable rules and regulations of Denmark, pay for any Maersk Drilling Shares that are validly tendered in the Offer and not validly withdrawn prior to the expiration of the Offer is subject to certain customary conditions, including, among others, that the Minimum Acceptance Condition shall have been satisfied. Maersk Drilling may require that Topco does not accept for payment or, subject to any applicable rules and regulations of Denmark, pay for the Maersk Drilling Shares that are validly tendered in the Offer and not validly withdrawn prior to the expiration of the Offer if certain customary conditions are not met. Subject to the satisfaction or waiver of the conditions set forth in the Business Combination Agreement, the Business Combination is expected to close in mid-2022.

The Business Combination Agreement contains certain termination rights for both Noble and Maersk Drilling.

Irrevocable Undertaking. Concurrently with the entry into the Business Combination Agreement, APMH Invest A/S ("APMH Invest"), which holds approximately 41.6% of the issued and outstanding Maersk Drilling Shares, entered into an irrevocable undertaking (the "Undertaking") with Noble, Topco and Maersk Drilling, pursuant to which APMH Invest has, among other things, agreed to (a) accept the Offer in respect of the Maersk Drilling Shares that it owns and not withdraw such acceptance; (b) waive the right to receive any cash consideration in the Offer; (c) not vote in favor of any resolution to approve a competing alternative proposal; and (d) subject to certain exceptions, be bound by certain transfer restrictions with respect to the Maersk Drilling Shares that it owns. The Undertaking will lapse if (i) the Business Combination Agreement is terminated in accordance with its terms; (ii) Topco announces that it does not intend to make or proceed with the Business Combination; or (iii) the Offer lapses or is withdrawn and no new, revised or replacement offer is announced within 10 business days.

Letters of Intent. In addition, certain other Maersk Drilling shareholders, together holding approximately 12% of the issued and outstanding Maersk Drilling Shares, have delivered letters of intent expressing their intention to accept or procure the acceptance of the Offer in respect of the Maersk Drilling Shares that they own.

Maersk Drilling Voting Agreements. Concurrently with the entry into the Business Combination Agreement, Noble and Maersk Drilling entered into voting agreements (collectively, the "Maersk Drilling Voting Agreements") with certain Noble shareholders (each, a "Noble Supporting Shareholder"), which collectively hold approximately 53% of the issued and outstanding Ordinary Shares. Pursuant to the Maersk Drilling Voting Agreements, each Noble Supporting Shareholder has, among other things, agreed to (a) consent to and vote (or cause to be voted) its Ordinary Shares (i) in favor of all matters, actions and proposals contemplated by the Business Combination Agreement for which Noble shareholder approval is required and any other matters, actions or proposals required to consummate the Business Combination in accordance with the Business Combination Agreement, and (ii) among other things, against any competing alternative proposal; (b) be bound by certain other covenants and agreements relating to the Business Combination; and (c) subject to certain exceptions, be bound by certain transfer restrictions with respect to a portion of their securities. The Maersk Drilling Voting Agreements will terminate upon the earliest to occur of (x) the date that is ten months from the date of the Maersk Drilling Voting Agreements, (y) the closing date of the Business Combination and (z) the termination of the Business Combination Agreement pursuant to its terms. Notwithstanding the foregoing, each Noble Supporting Shareholder will have the right to terminate the applicable Maersk Drilling Voting Agreement if the Business Combination Agreement has been amended in a manner that materially and adversely affects such Noble Supporting Shareholder (including, without limitation, a reduction of the economic benefits to the Noble Supporting Shareholders contemplated thereby or an extension of the End Date beyond the date (as such date may be extended) set forth in the Business Combination Agreement).

New Relationship Agreement. At the closing of the Business Combination, Topco will enter into a Relationship Agreement (the "New Relationship Agreement") with certain funds and accounts (the "Existing Noble Investor") party to the Relationship Agreement, dated as of February 5, 2021, and APMH Invest, which will set forth certain director designation rights of such Topco shareholders following the closing of the Business Combination. In particular, pursuant to the New Relationship Agreement, each of the Existing Noble Investor and APMH Invest will be entitled to designate (a) two nominees to the Topco Board so long as the Existing Noble Investor or APMH Invest, as applicable, owns no fewer than 20% of the then outstanding Topco Shares and (b) one nominee to the Topco Board so long as the Existing Noble Investor or APMH Invest, as applicable, owns fewer than 20% but no fewer than 15% of the then outstanding Topco Shares. Each nominee of the Existing Noble Investor and APMH Invest will meet the independence standards of the NYSE with respect to Topco; provided, however, that

APMH Invest shall be permitted to have one nominee who does not meet such independence standards so long as such nominee is not an employee of Topco or any of its subsidiaries.

Maersk Drilling Merger Registration Rights Agreement. At the closing of the Business Combination, Topco will enter into a Registration Rights Agreement (the “Maersk Drilling Merger RRA”) with APMH Invest pursuant to which, among other things, and subject to certain limitations set forth therein, APMH Invest will have customary demand and piggyback registration rights. In addition, pursuant to the Maersk Drilling Merger RRA, APMH Invest will have the right to require Topco, subject to certain limitations set forth therein, to effect a distribution of any or all of its Topco Shares by means of an underwritten offering. Topco is not obligated to effect any underwritten offering unless the dollar amount of the securities of APMH Invest to be sold is reasonably likely to result in gross sale proceeds of at least \$20.0 million.

Saudi Purchase and Sale Agreement. On August 25, 2021, Finco and certain subsidiaries of the Company entered into a Purchase and Sale Agreement (the “Purchase and Sale Agreement”) to sell the jackup rigs operated by the Company in Saudi Arabia to ADES International Holding Limited (“ADES”) for a purchase price of \$292.4 million in cash. Pursuant to the terms of the Purchase and Sale Agreement, the jackups, *Noble Roger Lewis*, *Noble Scott Marks*, *Noble Joe Knight*, and *Noble Johnny Whitstine*, together with certain related assets, were sold to ADES. The closing of the sale occurred in November 2021, and the Company recognized a gain of \$185.9 million, net of transaction costs, associated with the disposal of these assets. The Purchase and Sale Agreement also included certain covenants that the Company has agreed to not carry on or be engaged in the operation of jackup drilling rigs in the territorial waters of the Kingdom of Saudi Arabia in the Arabian Gulf for a term after the closing date of (i) one year for purposes of drilling gas wells and (ii) two years for the purposes of drilling oil wells.

Hurricane Ida. During the period from February 6 through December 31, 2021, costs related to damages resulting from the encounter of the *Noble Globetrotter II* with Hurricane Ida in the US Gulf of Mexico, including costs to recover the lower marine riser package (the “LMRP”), totaled \$23.4 million, inclusive of insurance proceeds of \$7.5 million. In preparation for the approaching storm, the rig successfully secured the well it was drilling and detached the LMRP from the blowout preventer without incident. However, during transit to avoid the storm, a number of suspended riser joints and the LMRP separated from the rig, which were later successfully recovered. Due to the environmental conditions, a number of crew members were treated for minor injuries and released from medical care. The Company has given force majeure notice to the customer of the *Noble Globetrotter II* in accordance with the governing drilling services contract. The Company has insurance coverage for property damage to rigs due to named storms in the US Gulf of Mexico with a \$10.0 million deductible per occurrence and a \$50.0 million annual limit; however, our insurance policies may not adequately cover our losses and related claims, which could adversely affect our business.

NYSE Listing. On June 9, 2021, our Ordinary Shares began trading on the New York Stock Exchange under the symbol “NE.”

Pacific Drilling Merger. On March 25, 2021, Noble entered into an Agreement and Plan of Merger (the “Pacific Drilling Merger Agreement”) with Pacific Drilling Company LLC (“Pacific Drilling”), pursuant to which Noble acquired Pacific Drilling in an all-stock transaction (the “Pacific Drilling Merger”) on April 15, 2021. Pursuant to the terms and conditions set forth in the Pacific Drilling Merger Agreement, (a) each membership interest in Pacific Drilling was converted into the right to receive 6.366 Ordinary Shares and (b) each of Pacific Drilling’s warrants outstanding immediately prior to the effective time of the Pacific Drilling Merger was converted into the right to receive 1.553 Ordinary Shares. As part of the transaction, Pacific Drilling’s equity holders received 16.6 million Ordinary Shares, or approximately 24.9% of the outstanding Ordinary Shares and Penny Warrants at closing. In connection with this acquisition, the Company acquired seven floaters and subsequently sold two floaters, the *Pacific Bora* and *Pacific Mistral*, in June 2021 for net proceeds of \$29.7 million.

The Pacific Drilling Merger provided incremental capacity to serve existing customers in the floater market, broadening our customer relationships and facilitating Noble’s reentry into the growing West Africa and Mexico regions. For additional information, see “Note 4— Acquisitions and Divestitures” to our consolidated financial statements.

Emergence from Chapter 11. On the Effective Date, Legacy Noble successfully completed its financial restructuring and Legacy Noble and its debtor affiliates emerged from the Chapter 11 Cases. As a result, Noble emerged from bankruptcy on the Effective Date with a substantially delevered balance sheet and less than \$400.0 million of debt. Noble’s capital structure as of the Effective Date includes a \$675.0 million Revolving Credit Facility, of which nothing is drawn as of December 31, 2021, and \$216.0 million of our senior secured second lien notes (the “Second Lien Notes”). On the Effective Date, Legacy Noble’s ordinary shares were cancelled and Ordinary Shares of Noble were issued to Legacy Noble’s former bondholders. Certain former bondholders and former equity holders of Legacy Noble were also issued warrants to purchase shares of the Company. All cash payments made by the Company under the Plan on the Effective Date were funded from cash on hand, proceeds of our rights offering (the “Rights Offering”), and proceeds from the new revolving credit facility. For additional information regarding the Chapter 11 Cases, the Rights Offering and our emergence, see “Note 2— Chapter 11 Emergence” to our consolidated financial statements included in Item 8 of Part II of this Annual Report on Form 10-K.

Fresh Start Accounting. In connection with our emergence from bankruptcy, Noble and Finco qualified for and applied fresh start accounting on the Effective Date. With the application of fresh start accounting, we allocated the reorganization value to our individual assets

and liabilities based on their estimated fair values. The Effective Date fair values of our assets and liabilities differed materially from their recorded values as reflected on the historical balance sheets. The application of fresh start accounting resulted in new reporting entities with no beginning retained earnings or accumulated deficit. Accordingly, our financial statements and notes thereto after the Effective Date are not comparable to our financial statements and notes to prior to that date. To facilitate our discussion and analysis of our financial condition and results of operations herein, we refer to the reorganized company as the “Successor” for periods subsequent to the Effective Date, and “Predecessor” for periods prior to the Effective Date. Furthermore, our presentations herein include a “black line” division to delineate the lack of comparability between the Predecessor and Successor.

Outlook

The global rig supply continues to come down from historic highs as Noble and other offshore drilling contractors retire less capable and idle assets. Concurrently, the incoming supply of newbuild offshore drilling rigs has diminished materially, with several newbuild rigs stranded in shipyards generally requiring dayrates in excess of current market rates in order to be economic to be brought into the global fleet.

Looking forward to 2022, we expect business opportunities and results in offshore drilling to improve as the global economy continues to stabilize and improve. However, the market outlook in our business varies by geographical region and water depth. We are continually encouraged by the ongoing indications of recovery in the ultra-deepwater floater market in the US Gulf of Mexico, South America, and Africa. Harsh environment jackup markets show stable opportunities and remain an important portion of our business.

While we are cautiously optimistic about recent positive trends, our industry continues to face challenges and uncertainties and is unlikely to return to activity levels experienced in historical cycle peaks. Energy rebalancing trends have accelerated in recent years as evidenced by promulgated or proposed government policies and commitments by many of our customers to further invest in sustainable energy sources. Our industry could be further challenged as our customers rebalance their capital investments to include alternative energy sources, as well as respond to the normal cycles that have historically existed in our industry. We also expect inflationary pressures to persist as well as continue to experience disruptions in supply chains and distribution channels. Nonetheless, the global energy demand is predicted to increase over the coming decades, and we expect that offshore oil and gas will continue to play an important and sustainable role in meeting this demand.

At December 31, 2021, we had a total contract drilling services backlog of approximately \$1.2 billion, which includes a commitment of approximately 58 percent of available days for 2022. For additional information regarding our backlog, see “—Contract Drilling Services Backlog” below.

Contract Drilling Services Backlog

We maintain a backlog of commitments for contract drilling services. Our contract drilling services backlog reflects estimated future revenues attributable to signed drilling contracts. While backlog did not include any letters of intent as of December 31, 2021, in the past we have included in backlog certain letters of intent that we expect to result in binding drilling contracts.

We calculate backlog for any given unit and period by multiplying the full contractual operating dayrate for such unit by the number of days remaining in the period, and include certain assumptions based on the terms of certain contractual arrangements, discussed in the notes to the table below. The reported contract drilling services backlog does not include amounts representing revenues for mobilization, demobilization and contract preparation, which are not expected to be significant to our contract drilling services revenues, amounts constituting reimbursables from customers or amounts attributable to uncommitted option periods under drilling contracts or letters of intent. Backlog herein also has not been adjusted for the non-cash amortization related to favorable customer contract intangibles which were recognized on the Effective Date.

The table below presents the amount of our contract drilling services backlog and the percent of available operating days committed for the periods indicated:

	Year Ending December 31, ⁽¹⁾			
	Total	2022	2023	2024
(In thousands)				
Contract Drilling Services Backlog				
Floaters ^{(2) (3)}	\$ 1,065,168	\$ 615,645	\$ 448,226	\$ 1,297
Jackups	169,619	165,044	4,575	—
Total	<u>\$ 1,234,787</u>	<u>\$ 780,689</u>	<u>\$ 452,801</u>	<u>\$ 1,297</u>
Percent of Available Days Committed ⁽⁴⁾				
Floaters ⁽³⁾		62 %	43 %	**
Jackups		52 %	2 %	— %
Total		<u>58 %</u>	<u>26 %</u>	<u>**</u>

** Not a meaningful percentage.

(1) Represents a twelve-month period beginning January 1. Some of our drilling contracts provide customers with certain early termination rights and, in limited cases, those termination rights require minimal or no notice and minimal financial penalties.

(2) Two of our long-term drilling contracts with Shell, the *Noble Globetrotter I* and *Noble Globetrotter II*, contain a dayrate adjustment mechanism that utilizes an average of market rates that match a set of distinct technical attributes and is subject to a modest discount, beginning on the fifth-year anniversary of the contract and continuing every six months thereafter. Each of the contracts now has a contractual dayrate floor of \$275,000 per day. Once the dayrate adjustment mechanism becomes effective and following any idle periods, the dayrate for these rigs will not be lower than the higher of (i) the contractual dayrate floor or (ii) the market rate as calculated under the adjustment mechanism. The impact to contract backlog from these amendments has been reflected in the table above and the backlog calculation assumes that, after any idle period at the contractual stacking rate, each rig will work at its respective dayrate floor for the remaining contract term.

(3) Noble entered into a multi-year Commercial Enabling Agreement (the “CEA”) with ExxonMobil in February 2020. Under the CEA, dayrates earned by each rig will be updated at least twice per year to the projected market rate at the time the new rate goes into effect, subject to a scale-based discount and a performance bonus that appropriately aligns the interests of Noble and ExxonMobil. Under the CEA, the table above includes awarded and remaining term of two years related to each of the four following rigs: the *Noble Tom Madden*, *Noble Bob Douglas*, *Noble Don Taylor* and *Noble Sam Croft*. Under the CEA, ExxonMobil may reassign terms among rigs. The aforementioned additional backlog included in the table above for periods where the rate is yet to be determined is estimated by using the most recently negotiated CEA rate.

(4) Percent of available days committed is calculated by dividing the total number of days our rigs are operating under contract for such period by the product of the number of our rigs and the number of calendar days in such period.

The amount of actual revenues earned and the actual periods during which revenues are earned may be materially different than the backlog amounts and backlog periods presented in the table above due to various factors, including, but not limited to, the impact of the COVID-19 pandemic, current oversupply of oil, shipyard and maintenance projects, unplanned downtime, the operation of market benchmarks for dayrate resets, achievement of bonuses, weather conditions, reduced standby or mobilization rates and other factors that result in applicable dayrates lower than the full contractual operating dayrate. In addition, amounts included in the backlog may change because drilling contracts may be varied or modified by mutual consent or customers may exercise early termination rights contained in some of our drilling contracts or decline to enter into a drilling contract after executing a letter of intent. As a result, our backlog as of any particular date may not be indicative of our actual operating results for the periods for which the backlog is calculated. See Part I, Item 1A, “Risk Factors—Risks Related to Our Business and Operations—Our current backlog of contract drilling revenue may not be ultimately realized.”

As of December 31, 2021, ExxonMobil and Shell represented approximately 60.2 percent and 18.1 percent of our backlog, respectively.

Results of Operations

Results for the period from February 6 through December 31, 2021, the period from January 1 through February 5, 2021 Compared to the year ended December 31, 2020

Net income for the period from February 6 through December 31, 2021 was \$102.0 million, or \$1.51 per diluted share, on operating revenues of \$770.3 million. Net income for the period from January 1 through February 5, 2021 was \$250.2 million, or \$0.98 per diluted share, on operating revenues of \$77.5 million, compared to a net loss for the year ended December 31, 2020 of \$4.0 billion, or \$15.86 per diluted share, on operating revenues of \$1.0 billion.

As a result of Noble conducting all of its business through Finco and its subsidiaries, the financial position and results of operations for Finco, and the reasons for material changes in the amount of revenue and expense items between the period from February 6 through December 31, 2021, the period from January 1 through February 5, 2021 and the year ended December 31, 2020, would be the same as the information presented below regarding Noble in all material respects, with the exception of operating income (loss), the gain on bargain purchase and reorganization cost, net. For the period from February 6 through December 31, 2021 and the period from January 1 through February 5, 2021, Finco's operating income was \$47.7 million and \$0.3 million higher, respectively, than that of Noble. The operating income difference for both the predecessor and successor period is primarily a result of expenses related to corporate legal costs and administration attributable to Noble for operations support and stewardship-related services. Included in the difference in operating income for the period from February 6 through December 31, 2021 were additional charges related to Merger and integration costs, primarily for the proposed Business Combination with Maersk Drilling and the acquisition of Pacific Drilling. In addition to the difference in operating income, the Noble successor period included a gain on bargain purchase of \$62.3 million which was not recognized by Finco. In addition to the difference in operating income, the Noble predecessor period from January 1, 2021 through February 5, 2021 included a gain related to litigation claims of \$77.3 million, which was not recognized by Finco.

During the year ended December 31, 2020, Finco's operating loss was \$100.6 million lower than that of Noble. The operating loss difference is primarily a result of expenses related to ongoing litigation, administration, and Chapter 11 bankruptcy charges directly attributable to Noble for operations support and stewardship-related services. Included in the difference in operating income for the year ended December 31, 2020, Noble recorded a \$46.5 million expense related to litigation claims, which was not recognized by Finco and was settled in the fourth quarter of 2020 through reorganization costs, net. This resulted in a net gain of \$15.0 million which is included in Noble's Net loss but was not recognized by Finco.

Key Operating Metrics

Operating results for our contract drilling services segment are dependent on three primary metrics: operating days, dayrates and operating costs. We also track rig utilization, which is a function of operating days and the number of rigs in our fleet. For more information on operating costs, see "—Contract Drilling Services" below.

The following table presents the average rig utilization, operating days and average dayrates for our rig fleet for the periods indicated

	Average Rig Utilization ⁽¹⁾			Operating Days ⁽²⁾			Average Dayrates ⁽²⁾		
	Successor	Predecessor		Successor	Predecessor		Successor	Predecessor	
	Period From February 6, 2021 through December 31, 2021	Period From January 1, 2021 through February 5, 2021	Year Ended December 31, 2020	Period From February 6, 2021 through December 31, 2021	Period From January 1, 2021 through February 5, 2021	Year Ended December 31, 2020	Period From February 6, 2021 through December 31, 2021	Period From January 1, 2021 through February 5, 2021	Year Ended December 31, 2020
Floater ⁽³⁾	71 %	86 %	60 %	2,561	216	2,354	\$ 208,443	\$ 231,745	\$ 208,723
Jackups ⁽³⁾	68 %	58 %	71 %	2,545	252	3,147	88,742	95,212	132,722
Total ⁽³⁾	70 %	68 %	66 %	5,106	468	5,501	\$ 148,780	\$ 158,228	\$ 165,276

⁽¹⁾ We define utilization for a specific period as the total number of days our rigs are operating under contract, divided by the product of the total number of our rigs, including cold stacked rigs, and the number of calendar days in such period. Information reflects our policy of reporting on the basis of the number of available rigs in our fleet, excluding newbuild rigs under construction.

⁽²⁾ An operating day is defined as a calendar day during which a rig operated under a drilling contract. We define average dayrates as revenue from contract drilling services earned per operating day. Average dayrates have not been adjusted for the non-cash amortization related to favorable customer contract intangibles.

⁽³⁾ Calculations in the above table include the rigs acquired from the Pacific Drilling Merger after the effective date of April 15, 2021. Calculations in the above table exclude the four jackups sold in the fourth quarter of 2021, following the closing of the sale on November 5, 2021.

Contract Drilling Services

The following table presents the operating results for our contract drilling services segment for the period from February 6 through December 31, 2021, the period from January 1 through February 5, 2021 and the year ended 2020 (dollars in thousands):

	Successor	Predecessor	
	Period From February 6, 2021 through December 31, 2021	Period From January 1, 2021 through February 5, 2021	Year Ended December 31, 2020
Operating revenues:			
Contract drilling services	\$ 708,131	\$ 74,051	\$ 909,236
Reimbursables and other ⁽¹⁾	62,194	3,430	55,036
	\$ 770,325	\$ 77,481	\$ 964,272
Operating costs and expenses:			
Contract drilling services	\$ 639,442	\$ 46,965	\$ 567,487
Reimbursables ⁽¹⁾	55,832	2,737	48,188
Depreciation and amortization	89,535	20,622	374,129
General and administrative	62,476	5,727	121,196
Merger and integration costs	24,792	—	—
Gain on sale of operating assets, net	(185,934)	—	—
Hurricane losses and (recoveries), net	23,350	—	—
Pre-petition charges	—	—	14,409
Loss on impairment	—	—	3,915,408
	709,493	76,051	5,040,817
Operating income (loss)	\$ 60,832	\$ 1,430	\$ (4,076,545)

⁽¹⁾ We record reimbursements from customers for out-of-pocket expenses as operating revenues and the related direct costs as operating expenses. Changes in the amount of these reimbursables generally do not have a material effect on our financial position, results of operations or cash flows.

Contract Drilling Services Revenues.

	Successor		Predecessor			
	Period from February 6, 2021 through December 31, 2021		Period from January 1, 2021 through February 5, 2021		Year Ended December 31, 2020	
	Floaters	Jackups	Floaters	Jackups	Floaters	Jackups
Contract drilling services revenues	\$ 482.3	\$ 225.8	\$ 50.1	\$ 24.0	\$ 491.4	\$ 417.8
Utilization	71 %	68 %	86 %	58 %	60 %	71 %
Operating Days	2,561	2,545	216	252	2,354	3,147
Average Dayrates	\$ 208,443	\$ 88,742	\$ 231,745	\$ 95,212	\$ 208,723	\$ 132,722
Contracted rigs						
— Beginning	7	11	7	11	7	13
— Ending	9	6	7	11	7	11
Total rigs						
— Beginning	7	12	7	12	12	13
— Acquired	7	—	—	—	—	—
— Disposed	(2)	(4)	—	—	(5)	(1)
— Ending	12	8	7	12	7	12

Floaters. During the period from February 6, 2021 to December 31, 2021, average rig utilization for the fleet was primarily benefited by the disposal of five floaters in November and December 2020 and, to a lesser extent, the lack of suspensions due to the COVID-19 pandemic. The five floaters disposed in 2020 did not operate throughout 2020. In April 2021, we acquired seven floaters in the Pacific Drilling Merger and disposed of two acquired cold stacked floaters in June 2021. The prompt disposal of these rigs mitigated downward impact on utilization. Of the five floaters acquired in 2021, one remained under contract the entire period since its acquisition, contributing to operating days at average dayrates similar to certain rigs in our existing fleet, two contributed operating days a portion of the period at similar or higher dayrates to certain rigs our existing fleet, and two remained cold stacked since acquisition. The two acquired cold stacked rigs had a downward effect on average rig utilization. During 2021, four legacy floaters had a modest rise in average dayrates. The higher dayrates on the acquired rigs in 2021 and the rise in dayrates on our four legacy floaters were partly offset by a lower dayrate on our semisubmersible rig when it began operations under a new contract during 2021. Contract drilling revenue for the period from February 6, 2021 to December 31, 2021 included \$91.3 million related to the floaters acquired in the Pacific Drilling Merger, and was reduced by (i) \$51.5 million of non-cash amortization related to customer contract intangibles which were recognized on the Effective Date, (ii) \$11.6 million related to the *Noble Globetrotter II* when it went on a lower force majeure rate in August 2021 until late December 2021 due to damage sustained by Hurricane Ida and (iii) the lack of amortizations related to deferred revenue that could not be recognized on the Effective Date. During the year ended December 31, 2020, fleet utilization and operating days were affected by owning five floaters which did not operate substantially all of the year and a short-term suspension of one floater during the COVID-19 pandemic.

Jackups. We began 2020 with each rig in our fleet of 13 jackups contracted. However, during the first half of 2020, primarily as a result of the COVID-19 pandemic, three of our 13 rigs in our jackup fleet rolled off contracts with few opportunities for renewal, two were placed on temporary suspension during the year, and one was placed on long-term suspension through the remainder of 2020. Three other jackups experienced breaks in contracted operating days. In August 2020, we disposed of one jackup. The largest effect on our average dayrates during 2020 was a reduction in the dayrate on the *Noble Lloyd Noble* in September 2020, which historically carried a dayrate significantly higher than the average dayrates of our jackup fleet. Despite the challenges of 2020, we ended the year with 11 of our 12 jackups contracted. During the period from February 6, 2021 to December 31, 2021, the average dayrate of our jackup fleet was negatively impacted further when the *Noble Lloyd Noble* incurred extended shipyard time of approximately eight months before it returned to operations at end of October 2021. In early November 2021, Noble disposed of four operating jackups in Saudi Arabia. Operating days were reduced by the sale of these rigs while the utilization metric is unaffected. The lingering effects of the COVID-19 pandemic, suspensions and the lack of new contracts at higher rates in our jackup fleet had negative effects on our average dayrate in the jackup fleet in the period ended December 31, 2021.

January 1, 2021 to February 5, 2021. During the period ended February 5, 2021, average dayrates for our floaters were benefited by a general rise in dayrates in late 2020. Utilization for our floaters during this period was benefited by the fact we had disposed of idled floaters in 2020 and had not yet acquired certain uncontracted rigs in the Pacific Drilling Merger in April 2021. Average dayrates and utilization for our jackup fleet during this period were negatively affected by the lingering effects of the COVID-19 pandemic, where five of the 12 jackups we began 2021 with were idled, as compared to one of 13 rigs to begin the year 2020.

Operating Costs and Expenses

During the period from February 6 through December 31, 2021, contract drilling services costs, which includes our local administrative and operations support, totaled \$639.4 million. Ten of our 12 floaters were contracted and operated during the period, four of which were contracted and operated for the full period. Eleven of our 12 jackups were contracted and operated during the period, one of which was contracted and operated for the full period. Operating costs within the period increased due to: (i) the five floaters that were acquired in the Pacific Drilling Merger, (ii) the *Noble Hans Duel* for contract commencement in early April, including repairs subsequent to contract commencement, and (iii) the *Noble Lloyd Noble*'s shipyard projects for its contract in Norway, which commenced in late October. Operating costs within the period decreased due to the sale of four jackups operating in Saudi Arabia in November 2021.

During the period from January 1 through February 5, 2021, contract drilling services costs totaled \$47.0 million. Reduced operating costs in the period was a result of rigs stacked during the entire period including the *Noble Clyde Boudreaux*, *Noble Houston Colbert*, *Noble Hans Deul* and *Noble Tom Prosser*.

During the year ended December 31, 2020, contract drilling services costs totaled \$567.5 million. Operating costs for this period included costs related to 15 rigs which were contracted and operating the majority of the period. In addition, the period also included costs related to the jackup *Noble Joe Beall* sold in the first quarter of 2020 and five floaters that were stacked and ultimately retired and sold in the fourth quarter of 2020, including the *Noble Bully I*, *Noble Bully II*, *Noble Danny Adkins*, *Noble Jim Day*, and *Noble Paul Romano*. The *Noble Tom Prosser* and *Noble Tom Madden* were placed on special standby rates during this period due to the effects of the COVID-19 pandemic. The *Noble Hans Duel* and *Noble Houston Colbert* were warm stacked for the majority of the period, contributing to a reduction in costs.

Depreciation and Amortization. Depreciation and amortization totaled \$89.5 million, \$20.6 million, \$374.1 million during the period from February 6 through December 31, 2021, the period from January 1 through February 5, 2021 and the year ended December 31, 2020, respectively. Depreciation during February 6 through December 31, 2021 was impacted by the fair value remeasurement of our rigs as a result of the implementation of fresh start accounting on the Effective Date and has increased due to the rigs acquired from the Pacific Drilling Merger. Depreciation during the year ended December 31, 2020 declined due to impairments of assets recognized during the first quarter of 2020.

Loss on Impairments. We recorded a loss on impairment of \$3.9 billion for the year ended December 31, 2020. We impaired the carrying value to estimated fair value for seven floaters and nine jackups and certain capital spare equipment during 2020. For additional information, see Part II, Item 8, "Financial Statements and Supplementary Data, Note 7— Loss on Impairment."

General and Administrative Expenses. General and administrative expenses totaled \$62.5 million, \$5.7 million and \$121.2 million during the period from February 6 through December 31, 2021, the period from January 1 through February 5, 2021 and the year ended December 31, 2020, respectively. The year ended December 31, 2020 included \$54.0 million of charges related to litigation that has been settled.

Pre-Petition Charges. Noble incurred \$14.4 million of pre-petition charges during the year ended December 31, 2020. These costs relate to attorneys' and financial advisors' fees and other professional fees incurred in connection with the Chapter 11 Cases, prior to the Petition Date.

Merger and Integration Costs. Noble incurred \$24.8 million of merger and integration costs in connection with the Pacific Drilling Merger and proposed Business Combination with Maersk Drilling during the period from February 6 through December 31, 2021. Finco incurred \$8.3 million of merger and integration costs in connection with the Pacific Drilling Merger during the period from February 6 through December 31, 2021. For additional information, see Part II, Item 8 "Financial Statements and Supplementary Data, Note 4— Acquisitions and Divestitures" to our consolidated financial statements.

Gain on Sale of Operating Assets, Net. Noble recorded a gain of \$185.9 million resulting from the sale of rigs to ADES during the period from February 6 through December 31, 2021. Finco recorded a gain of \$187.5 million resulting from the sale of rigs to ADES during the period from February 6 through December 31, 2021. The closing of the sale occurred in November 2021, and the Company recognized a gain, net of transaction costs, in the fourth quarter of 2021 associated with the disposal of these assets. Transaction costs included broker fees, statutory termination benefits and professional fees. For additional information, see Part II, Item 8 "Financial Statements and Supplementary Data, Note 4— Acquisitions and Divestitures" to our consolidated financial statements.

Hurricane Losses and Recoveries, Net. Noble incurred \$30.9 million of costs and received recoveries of \$7.5 million from our insurance in connection to damages sustained from Hurricane Ida during the period from February 6 through December 31, 2021. We have incurred \$25.2 million in charges related to equipment recovery efforts and damage assessment, and a write-off of assets of \$5.4 million as a result of the damage assessment. For additional information, see Part II, Item 8 "Financial Statements and Supplementary Data, Note 6— Property and Equipment" to our consolidated financial statements.

Other Income and Expenses

Reorganization Items, Net. Noble incurred a net gain of \$252.1 million for reorganization items during the period from January 1 through February 5, 2021. Finco incurred a net gain of \$195.4 million for reorganization items during the period from January 1 through February 5, 2021. The gain was primarily the result of gains on the settlement of Liabilities subject to compromise exceeding other net reorganization charges and net charges related to fresh start accounting. Noble incurred net charges of \$23.9 million for reorganization items during the year ended December 31, 2020. Finco incurred net charges of \$50.8 million for reorganization items during the year ended December 31, 2020. These costs relate to attorneys' and financial advisors' fees, write-off of deferred financing costs and debt discounts, revisions of estimated claims, adjustments to legal contingencies and other professional fees incurred in connection with the Chapter 11 Cases.

Interest Expense. Interest expense totaled \$31.7 million, \$0.2 million and \$164.7 million during the period from February 6 through December 31, 2021, the period from January 1 through February 5, 2021 and the year ended December 31, 2020, respectively. The Predecessor period of 2021 and 2020 included reduced expenses due to the Bankruptcy Court order of a stay on all interest expense during the pendency of the Chapter 11 Cases. The Successor period of 2021 includes interest expense on our newly issued Second Lien Notes as well as borrowings under our Revolving Credit Facility, slightly offset by capitalized interest of \$2.0 million. For additional information, see Part II, Item 8, "Financial Statements and Supplementary Data, Note 8— Debt."

Gain on Bargain Purchase. Noble recognized a \$62.3 million gain on the bargain purchase of Pacific Drilling during the period from February 6 through December 31, 2021. For additional information, see Part II, Item 8 "Financial Statements and Supplementary Data, Note 4— Acquisitions and Divestitures" to our consolidated financial statements.

Income Tax Provision (Benefit). We recorded an income tax expense of \$0.4 million and \$3.4 million, and an income tax benefit of \$260.4 million during the period from February 6 through December 31, 2021, the period from January 1 through February 5, 2021 and the year ended December 31, 2020, respectively.

During the period from February 6, 2021 to December 31, 2021, our tax provision included tax benefits of \$24.2 million related to US and non-US reserve releases, \$12.6 million related to a US tax refund, \$22.8 million related to deferred tax assets previously not recognized, \$1.9 million related to recognition of a non-US refund claim and \$1.2 million related primarily to deferred tax adjustments. Such tax benefits were offset by tax expenses of \$21.2 million related to various recurring items primarily comprised of Guyana withholding tax on gross revenue and \$42.0 million related to non-US tax reserves.

During the period ended on February 5, 2021, our income tax provision included a tax benefit of \$1.7 million related to non-US reserve release and tax expense of \$2.5 million related to fresh start and reorganization adjustments, and other recurring tax expenses of approximately \$2.6 million.

During the year ended December 31, 2020, our tax benefit included the tax effect from asset impairments of \$99.7 million, the tax impact of the application of the CARES Act of \$39 million, a non-US reserve release due to a statute expiration of \$4.6 million, a reduction of US tax reserves of \$111.9 million, and the tax benefits of an internal restructuring net of resulting adjustment to the valuation allowance of \$17.9 million and other recurring tax benefits of approximately \$47.3 million. These tax benefits were partially offset by a 2019 US return-to-provision adjustment and resulting adjustment to the valuation allowance of \$21.2 million, an increase in UK valuation allowance of \$31.1 million, and an increase in non-US tax reserves of \$7.8 million.

2020 Compared to 2019

Information related to a comparison of our results of operations for our fiscal year ended December 31, 2020 compared to our fiscal year ended December 31, 2019 is included in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2020, filed with the SEC on March 12, 2021.

Liquidity and Capital Resources

As a result of the financial restructuring through the Chapter 11 Cases, Noble emerged with a new \$675.0 million Revolving Credit Facility and \$216.0 million of Second Lien Notes. At emergence, Legacy Noble's ordinary shares were cancelled and Ordinary Shares were issued to Legacy Noble's former bondholders. Certain former bondholders and former equity holders of Legacy Noble were also issued warrants to purchase shares of the Company.

Post-emergence Debt

Senior Secured Revolving Credit Facility

On the Effective Date, Finco and Noble International Finance Company ("NIFCO") entered into a senior secured revolving credit agreement (the "Revolving Credit Agreement") providing for a \$675.0 million senior secured revolving credit facility (with a \$67.5 million

submit for the issuance of letters of credit thereunder) (the “Revolving Credit Facility”) and cancelled all debt that existed immediately prior to the Effective Date. The Revolving Credit Facility matures on July 31, 2025. Subject to the satisfaction of certain conditions, Finco may from time to time designate one or more of Finco’s other wholly-owned subsidiaries as additional borrowers under the Revolving Credit Agreement (collectively with Finco and NIFCO, the “Borrowers”). As of the Effective Date, \$177.5 million of loans were outstanding, and \$8.8 million of letters of credit were issued, under the Revolving Credit Facility. As of December 31, 2021, we had no loans outstanding and \$8.8 million of letters of credit issued under the Revolving Credit Facility and an additional \$6.3 million in letters of credit and surety bonds issued under bilateral arrangements.

All obligations of the Borrowers under the Revolving Credit Agreement, certain cash management obligations and certain swap obligations are unconditionally guaranteed, on a joint and several basis, by Finco and certain of its direct and indirect subsidiaries (collectively with the Borrowers, the “Credit Parties”), including a guarantee by each Borrower of the obligations of each other Borrower under the Revolving Credit Agreement. All such obligations, including the guarantees of the Revolving Credit Facility, are secured by senior priority liens on substantially all assets of, and the equity interests in, each Credit Party, subject to certain exceptions and limitations described in the Revolving Credit Agreement. Neither Pacific Drilling Company LLC nor any of its current subsidiaries is a subsidiary guarantor of the Revolving Credit Facility, and none of their assets secure the Revolving Credit Facility. In addition, none of the Maersk Drilling assets will secure the Revolving Credit Facility upon the closing of the Business Combination.

The loans outstanding under the Revolving Credit Facility bear interest at a rate per annum equal to the applicable margin plus, at Finco’s option, either: (i) the reserve-adjusted LIBOR or (ii) a base rate, determined as the greatest of (x) the prime loan rate as published in the Wall Street Journal, (y) the federal funds effective rate plus 1/2 of 1%, and (z) the reserve-adjusted one-month LIBOR plus 1%. The applicable margin is initially 4.75% per annum for LIBOR loans and 3.75% per annum for base rate loans and will be increased by 50 basis points after July 31, 2024, and may be increased by an additional 50 basis points under certain conditions described in the Revolving Credit Agreement.

The Borrowers are required to pay customary quarterly commitment fees and letter of credit and fronting fees.

Availability of borrowings under the Revolving Credit Agreement is subject to the satisfaction of certain conditions, including restrictions on borrowings if, after giving effect to any such borrowings and the application of the proceeds thereof, (i) the aggregate amount of Available Cash (as defined in the Revolving Credit Agreement) would exceed \$100.0 million, (ii) the Consolidated First Lien Net Leverage Ratio (as defined in the Revolving Credit Agreement) would be greater than 5.50 to 1.00 and the aggregate principal amount outstanding under the Revolving Credit Facility would exceed \$610.0 million, or (iii) the Asset Coverage Ratio (as described below) would be less than 2.00 to 1.00.

Mandatory prepayments and, under certain circumstances, commitment reductions are required under the Revolving Credit Facility in connection with (i) certain asset sales, asset swaps and events of loss (subject to reinvestment rights if no event of default exists) and (ii) certain debt issuances. Available Cash in excess of \$150.0 million is also required to be applied periodically to prepay loans (without a commitment reduction). The loans under the Revolving Credit Facility may be voluntarily prepaid, and the commitments thereunder voluntarily terminated or reduced, by the Borrowers at any time without premium or penalty, other than customary breakage costs.

The Revolving Credit Agreement obligates Finco and its restricted subsidiaries to comply with the following financial maintenance covenants:

- as of December 31, 2021, Adjusted EBITDA (as defined in the Revolving Credit Agreement) is not permitted to be lower than \$25.0 million for the four fiscal quarter periods ending on December 31, 2021;
- as of the last day of each fiscal quarter ending on or after March 31, 2022, the ratio of Adjusted EBITDA to Cash Interest Expense (as defined in the Revolving Credit Agreement) is not permitted to be less than (i) 2.00 to 1.00 for each four fiscal quarter period ending on or after March 31, 2022 until June 30, 2024, and (ii) 2.25 to 1.00 for each four fiscal quarter period ending thereafter; and
- for each fiscal quarter ending on or after June 30, 2021, the ratio of (i) Asset Coverage Aggregate Rig Value (as defined in the Revolving Credit Agreement) to (ii) the aggregate principal amount of loans and letters of credit outstanding under the Revolving Credit Facility (the “Asset Coverage Ratio”) as of the last day of any such fiscal quarter is not permitted to be less than 2.00 to 1.00.

The Revolving Credit Facility contains affirmative and negative covenants, representations and warranties and events of default that the Company considers customary for facilities of this type.

Second Lien Notes Indenture

On the Effective Date, pursuant to the Backstop Commitment Agreement and in accordance with the Plan, Noble and Finco consummated the Rights Offering of Second Lien Notes and associated Ordinary Shares at an aggregate subscription price of \$200.0 million.

An aggregate principal amount of \$216.0 million of Second Lien Notes was issued in the Rights Offering, which includes the aggregate subscription price of \$200.0 million plus a backstop fee of \$16.0 million which was paid in kind. The Second Lien Notes mature on February 15, 2028. The Second Lien Notes are fully and unconditionally guaranteed, jointly and severally, on a senior secured second-priority basis, by the direct and indirect subsidiaries of Finco that are Credit Parties under the Revolving Credit Facility. Neither Pacific Drilling nor any of its current subsidiaries is a subsidiary guarantor of the Second Lien Notes, and none of their assets secure the Second Lien Notes. In addition, none of the Maersk Drilling assets will secure the Second Lien Notes upon the closing of the Business Combination.

The Second Lien Notes and such guarantees are secured by senior priority liens on the assets subject to liens securing the Revolving Credit Facility, including the equity interests in Finco and each guarantor of the Second Lien Notes, all of the rigs owned by the Company as of the Effective Date or acquired thereafter, certain assets related thereto, and substantially all other assets of Finco and such guarantors, in each case, subject to certain exceptions and limitations. Such collateral does not include any assets of or equity interests in Pacific Drilling or any of its current subsidiaries.

Interest on the Second Lien Notes accrues, at Finco's option, at a rate of: (i) 11% per annum, payable in cash; (ii) 13% per annum, with 50% of such interest to be payable in cash and 50% of such interest to be payable by issuing additional Second Lien Notes ("PIK Notes"); or (iii) 15% per annum, with the entirety of such interest to be payable by issuing PIK Notes. Finco shall pay interest semi-annually in arrears on February 15 and August 15 of each year, commencing August 15, 2021.

On or after February 15, 2024, Finco may redeem all or part of the Second Lien Notes at fixed redemption prices (expressed as percentages of the principal amount), plus accrued and unpaid interest, if any, to, but excluding, the redemption date. Finco may also redeem the Second Lien Notes, in whole or in part, at any time and from time to time on or before February 14, 2024 at a redemption price equal to 106% of the principal amount plus accrued and unpaid interest, if any, to, but excluding, the applicable redemption date, plus a "make-whole" premium. Notwithstanding the foregoing, if a Change of Control (as defined in the Second Lien Notes Indenture) occurs prior to (but not including) February 15, 2024, then, within 120 days of such Change of Control, Finco may elect to purchase all remaining outstanding Second Lien Notes at a redemption price equal to 106% of the principal amount, plus accrued and unpaid interest, if any, to, but excluding, the applicable redemption date.

The Second Lien Notes contain covenants and events of default that the Company considers customary for notes of this type.

Sources and Uses of Cash

Our principal sources of capital in 2021 were cash generated from operating activities and funding from our Revolving Credit Facility and Second Lien Notes. Cash on hand during 2021 was primarily used for the following:

- normal recurring operating expenses;
- fees and expenses related to the Chapter 11 Cases; and
- capital expenditures.

Our currently anticipated cash flow needs, both in the short-term (fiscal year 2022) and long-term (beyond fiscal year 2022), may include the following:

- normal recurring operating expenses;
- planned and discretionary capital expenditures;
- repurchase, redemptions, or repayments of debt and interest; and
- certain contractual cash obligations and commitments.

We may, from time to time, redeem, repurchase or otherwise acquire our outstanding Second Lien Notes through open market purchases, tender offers or pursuant to the terms of such securities.

We currently expect to fund our cash flow needs with cash generated by our operations, cash on hand, proceeds from sales of assets, or borrowings under our Revolving Credit Facility and we believe this will provide us with sufficient ability to fund our cash flow needs over the next 12 months. Subject to market conditions and other factors, we may also issue equity or long-term debt securities to fund our cash flow needs and for other purposes.

Net cash provided by operating activities was \$51.6 million during the period from February 6 through December 31, 2021, net cash used in operating activities was \$45.4 million for the period from January 1 through February 5, 2021 and net cash provided by operating activities was \$273.2 million for the year ended December 31, 2020. The Successor and prior year Predecessor periods benefited from a cash

inflow from operating assets and liabilities, while the Predecessor had a cash outflow from operating assets and liabilities. We had working capital of \$207.3 million at December 31, 2021 and \$383.9 million at December 31, 2020.

Net cash provided by investing activities was \$207.9 million during the period from February 6 through December 31, 2021 and net cash used in investing activities was \$14.4 million during the period from January 1 through February 5, 2021 and \$121.5 million during the year ended December 31, 2020. The Successor period includes proceeds from the sale of the *Noble Roger Lewis*, *Noble Scott Marks*, *Noble Joe Knight*, and *Noble Johnny Whitstine* to ADES in November 2021, cash acquired from the Pacific Drilling Merger and proceeds from the sale of the *Pacific Bora* and *Pacific Mistral* in late June 2021. The Predecessor and Successor periods include shipyard work on the *Noble Lloyd Noble* and the managed pressure drilling upgrade on the *Noble Don Taylor* and *Noble Tom Madden*. The year ended December 31, 2020 also included proceeds from the sale of six rigs.

Net cash used in financing activities was \$176.8 million during the period from February 6 through December 31, 2021 and \$191.2 million during the period from January 1 through February 5, 2021 and net cash provided by financing activities was \$107.4 million for the year ended December 31, 2020. The 2021 Predecessor period included the repayment of the 2017 Credit Facility, issuances of the Second Lien Notes and borrowings on the Revolving Credit Facility. The Successor period includes net repayments on the Revolving Credit Facility, resulting in no loans outstanding under the facility as of December 31, 2021. The year ended December 31, 2020 included net borrowings on the 2017 Credit Facility and the early repayment of the 2018 Seller Loan and the 2019 Seller Loan. See Part II, Item 8, “Financial Statements and Supplementary Data, Note 8— Debt.”

At December 31, 2021, we had a total contract drilling services backlog of approximately \$1.2 billion, which includes a commitment of 58 percent of available days for 2022. For additional information regarding our backlog, see “—Contract Drilling Services Backlog.”

Capital Expenditures

Capital expenditures totaled \$159.9 million, \$10.3 million, \$148.2 million and \$306.4 million during the period from February 6 through December 31, 2021, the period from January 1 through February 5, 2021, and the years ended December 31, 2020 and 2019, respectively. Capital expenditures during the period from February 6 through December 31, 2021 consisted of the following:

- \$65.0 million for sustaining capital;
- \$70.1 million in major projects, including subsea and other related projects;
- \$2.0 million for capitalized interest; and
- \$22.8 million for rebillable capital and contract modifications.

Capital expenditures during the period from January 1 through February 5, 2021 consisted of the following:

- \$1.5 million for sustaining capital;
- \$2.1 million in major projects, including subsea and other related projects; and
- \$6.7 million for rebillable capital and contract modifications.

Our total capital expenditure estimate for 2022 is expected to range between \$155.0 million and \$170.0 million, of which approximately \$100.0 to \$115.0 million is currently anticipated to be spent for sustaining capital, and approximately \$25.0 million is anticipated to be reimbursed by our customers. Our current capital expenditure estimates are not inclusive of any potential merger capital outlay.

From time to time we consider possible projects that would require expenditures that are not included in our capital budget, and such unbudgeted expenditures could be significant. In addition, while liquidity and preservation of capital remains our top priority, we will continue to evaluate acquisitions of drilling units from time to time.

Share Capital

Pursuant to the Memorandum of Association of Noble Corporation, the share capital of Noble is \$6,000 divided into 500,000,000 ordinary shares of a par value of \$0.00001 each and 100,000,000 shares of a par value of \$0.00001, each of such class or classes having the rights as the Board may determine from time to time.

In accordance with the Plan, all agreements, instruments and other documents evidencing, relating to or otherwise connected with any of Legacy Noble’s equity interests outstanding prior to the Effective Date, including all equity-based awards, were cancelled and all such equity interests have no further force or effect after the Effective Date. Pursuant to the Plan, the holders of Legacy Noble’s ordinary shares, par value \$0.01 per share, outstanding prior to the Effective Date received their pro rata share of the Tranche 3 Warrants to acquire Ordinary Shares.

The payment of future dividends will depend on our results of operations, financial condition, cash requirements, future business prospects, contractual and indenture restrictions and other factors deemed relevant by our Board of Directors; however, at this time, we do not expect to pay any dividends in the foreseeable future.

Summary of Contractual Cash Obligations and Commitments

We have \$75.0 million of long-term tax reserves for uncertain tax positions, including interest and penalties, which are included in “Other liabilities” due to the difficulty in making reasonably reliable estimates of the timing of cash settlements to taxing authorities. See Part II, Item 8, “Financial Statements and Supplementary Data, Note 13— Income Taxes.”

At December 31, 2021, no long-term debt will be due in the next twelve months and \$216.0 million will be due subsequent to 2022. See Part II, Item 8, “Financial Statements and Supplementary Data, Note 8— Debt.”

At December 31, 2021, \$12.2 million of pension obligations will be due in the next twelve months and the remainder of \$128.2 million will be due subsequent to 2022. See Part II, Item 8, “Financial Statements and Supplementary Data, Note 14— Employee Benefit Plans.”

For a description of our operating lease obligations, refer to Part II, Item 8, “Financial Statements and Supplementary Data, Note 12— Leases.

At December 31, 2021, we had other commitments that we are contractually obligated to fulfill with cash if the obligations are called. These obligations include letters of credit that guarantee our performance as it relates to our drilling contracts, tax and other obligations in various jurisdictions. These letters of credit obligations are not normally called, as we typically comply with the underlying performance requirement. At December 31, 2021, \$9.4 million letters of credit and commercial commitments will be due in the next twelve months and the remainder of \$5.7 million will be due subsequent to 2022.

Guarantees of Registered Securities

Finco has issued the Second Lien Notes due 2028. The Second Lien Notes are fully and unconditionally guaranteed, jointly and severally, on a senior secured second-priority basis, by the direct and indirect subsidiaries of Finco that are Credit Parties under the Revolving Credit Facility (the “Guarantors”). The guarantees are unconditional, irrevocable, joint and several senior obligations of each Guarantor and rank equally in right of payment with all future senior indebtedness of such Guarantor and effectively senior to all of such Guarantor’s unsecured senior indebtedness.

The Second Lien Notes and such guarantees are secured by second priority liens on the collateral securing the obligations under the Revolving Credit Facility, including, among other things, (i) a pledge of the equity interests in Finco, (ii) pledges of the equity interests in the Guarantors and (iii) a lien on substantially all of the assets of Finco and the Guarantors (including the equity interests in substantially all of the other direct subsidiaries of Finco and the Guarantors), in each case, subject to certain exceptions and limitations (collectively, the “Collateral”). The Collateral also includes mortgages on certain rigs owned by the Guarantors. Neither Pacific Drilling nor any of its current subsidiaries is a subsidiary guarantor of the Revolving Credit Facility or the Second Lien Notes. The Collateral does not include any assets of, or equity interests in, Pacific Drilling or any of its current subsidiaries. In addition, none of the Maersk Drilling assets will secure the Revolving Credit Facility or the Second Lien Notes upon the closing of the Business Combination, and the Collateral does not include any assets of Maersk Drilling.

Second Lien Note Guarantees

The guarantees by the Guarantors are unconditional, irrevocable, joint and several senior obligations of each Guarantor and rank equally in right of payment with all future senior indebtedness of such Guarantor and effectively senior to all of such Guarantor's unsecured senior indebtedness. The guarantees rank senior in right of payment to any existing and future subordinated obligations of such Guarantor and are effectively junior to any obligations of such Guarantor that are secured by senior liens on the Collateral or secured by assets which do not constitute Collateral. Under the indenture governing the Second Lien Notes, a Guarantor may be released and relieved of its obligations under its guarantee under certain circumstances, including: (1) upon Finco's exercise of legal defeasance in accordance with the relevant provisions of the indenture governing the Second Lien Notes, (2) in the event of any sale or other disposition of all of the capital stock of any Guarantor in compliance with the provisions of the indenture governing the Second Lien Notes, (3) upon the dissolution or liquidation of a Guarantor, (3) with the requisite consent of the noteholders, (4) if such Guarantor is properly designated as an unrestricted subsidiary in accordance with the indenture governing the Second Lien Notes, (5) upon the release or discharge of the Guarantor's obligations under its guarantee or (6) with respect to certain future immaterial guarantors, upon a written notice from Finco to the trustee for the Second Lien Notes.

Finco is a holding company with no significant operations or material assets other than the direct and indirect equity interests it holds in the Guarantors and other non-guarantor subsidiaries. Finco conducts its operations primarily through its subsidiaries. As a result, its ability to pay principal and interest on the Second Lien Notes is dependent on the cash flow generated by its subsidiaries and their ability to make such cash available to Finco by dividend or otherwise. The Guarantors' earnings will depend on their financial and operating performance, which will be affected by general economic, industry, financial, competitive, operating, legislative, regulatory and other factors beyond Finco's control. Any payments of dividends, distributions, loans or advances to Finco by the Guarantors could also be subject to restrictions on dividends under applicable local law in the jurisdictions in which the Guarantors operate. In the event that Finco does not receive distributions from the Guarantors, or to the extent that the earnings from, or other available assets of, the Guarantors are insufficient, Finco may be unable to make payments on the Second Lien Notes.

Pledged Securities of Affiliates

Pursuant to the terms of the Second Lien Notes collateral documents, the collateral agent under the indenture governing the Second Lien Notes may pursue remedies, or pursue foreclosure proceedings on the Collateral (including the equity of the Guarantors and other direct subsidiaries of Finco and the Guarantors), following an event of default under the indenture governing the Second Lien Notes. The collateral agent's ability to exercise such remedies is limited by the intercreditor agreement for so long as any priority lien debt is outstanding.

The pledged equity of the Guarantors constitutes substantially all of the securities of our affiliates which have been pledged to secure the obligations under the Second Lien Notes. The value of the pledged equity is subject to fluctuations based on factors that include, among other things, general economic conditions and the ability to realize on the collateral as part of a going concern and in an orderly fashion to available and willing buyers and not under distressed circumstances. There is no trading market for the pledged equity interests.

Under the terms of the documents governing the Second Lien Notes (the "Second Lien Notes Documents"), Finco and the Guarantors will be entitled to the release of the Collateral from the liens securing the Second Lien Notes under one or more circumstances, including (1) to the extent required by or pursuant to the terms of the Second Lien Notes Documents; (2) to the extent that proceeds continue to constitute Collateral, in the event that Collateral is sold, transferred, disbursed or otherwise disposed of to third parties; or (3) as otherwise provided in the Second Lien Notes Documents, including the release of the priority lien on such Collateral. Upon the release of any subsidiary from its guarantee, if any, in accordance with the terms of the indenture governing the Second Lien Notes, the lien on any pledged equity interests issued by such Guarantor and on any assets of such Guarantor will automatically terminate.

Guarantor Summarized Financial Information

The summarized financial information below reflects the combined accounts of the Guarantors and the non-consolidated accounts of Finco (collectively, the "Obligors"), for the dates and periods indicated. The financial information is presented on a combined basis and intercompany balances and transactions between entities in the Obligor group have been eliminated.

Summarized Balance Sheet Information:

	Successor	Predecessor
	December 31, 2021	December 31, 2020
Current assets	\$ 333,127	\$ 461,587
<i>Amounts due from non-guarantor subsidiaries, current</i>	5,150,694	5,552,158
Noncurrent assets	1,214,111	3,590,865
<i>Amounts due from non-guarantor subsidiaries, noncurrent</i>	646,778	1,045,237
Current liabilities	189,177	159,601
<i>Amounts due from non-guarantor subsidiaries, current</i>	5,254,540	5,532,634
Noncurrent liabilities	281,218	120,033
<i>Amounts due from non-guarantor subsidiaries, noncurrent</i>	168,873	480,460

Summarized Statement of Operations Information:

	Successor ⁽¹⁾	Predecessor ⁽²⁾	
	Obligors	Obligors	
	Period From February 6, 2021 through December 31, 2021	Period From January 1, 2021 through February 5, 2021	Year Ended December 31, 2020
Operating revenues	\$ 615,432	\$ 70,584	\$ 895,295
Operating costs and expenses	480,367	63,255	4,320,475
Income (loss) from continuing operations before income taxes	111,251	(2,303,528)	(3,414,898)
Net income (loss)	99,011	(2,318,932)	(3,468,407)

(1) Includes operating revenue of \$31.3 million, operating costs and expenses of \$17.1 million and other expense of \$26.3 million attributable to transactions with non-guarantor subsidiaries for the period from February 6, 2021 through December 31, 2021.

(2) Includes operating revenue of \$3.8 million, operating costs and expenses of \$1.1 million and other expense of \$(1.2) million attributable to transactions with non-guarantor subsidiaries for the period from January 1, 2021 through February 5, 2021. Includes operating revenue of \$88.2 million, operating costs and expenses of \$23.7 million and other expense of \$3.3 million attributable to transactions with non-guarantor subsidiaries for the year ended December 31, 2020.

Environmental Matters

We are subject to numerous international, federal, state and local laws and regulations relating to the protection of the environment and of human health and safety. For a discussion of the most significant of these laws and regulations, see “Business—Governmental Regulations and Environmental Matters.”

Continuing political and social attention to the issue of global climate change has resulted in a broad range of proposed or promulgated laws focusing on greenhouse gas reduction. These proposed or promulgated laws apply or could apply in countries where we have interests or may have interests in the future. Laws in this field continue to evolve, and while it is not possible to accurately estimate either a timetable for implementation or our future compliance costs relating to implementation, such laws, if enacted, could have a material impact on our results of operations and financial condition. Climate change could also increase the frequency and severity of adverse weather conditions, including hurricanes, typhoons, cyclones, winter storms and rough seas. If such effects were to occur, they could have an adverse impact on our operations. For a discussion of climate change, see “Business—Governmental Regulations and Environmental Matters—Climate Change.”

In addition, increasing social attention to ESG matters and climate change has resulted in demands for action related to climate change and energy rebalancing matters, such as promoting the use of substitutes to fossil fuel products, encouraging the divestment of fossil fuel equities, and pressuring lenders and other financial services companies to limit or curtail activities with fossil fuel companies. Initiatives to incentivize a shift away from fossil fuels could reduce demand for hydrocarbons, thereby reducing demand for our services and causing a material adverse effect on our earnings, cash flows and financial condition. For further discussion of these risks, see Part I, Item 1A, “Risk

Factors—Regulatory and Legal Risks—Increasing attention to environmental, social and governance matters and climate change may impact our business and financial results.”

Critical Accounting Estimates

We prepare our consolidated financial statements in accordance with accounting principles generally accepted in the United States (“US GAAP”), which require us to make estimates that affect the reported amounts of assets, liabilities, revenues, expenses and related disclosures of contingent assets and liabilities. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from our estimates and assumptions and any such differences could be material to our consolidated financial statements. The following accounting policies involve critical accounting estimates because they are particularly dependent on estimates and assumptions made by Noble about matters that are inherently uncertain.

Impairment

We evaluate our property and equipment and intangible assets for impairment whenever there are changes in facts that suggest that the value of the asset is not recoverable. An impairment loss is recognized when and to the extent that an asset's carrying value exceeds its estimated fair value. To the extent actual results do not meet our estimated assumptions for a given rig, piece of equipment or intangible customer contract, we may take an impairment loss in the future. In determining the fair value of the assets, we make significant assumptions and estimates regarding future market conditions. Typical assumptions used in our estimate include current market conditions, timing of future contract awards and expected operating dayrates, operating costs, utilization rates, discount rates, capital expenditures, market values, weighting of market values, reactivation costs, estimated economic useful lives and marketability of a unit.

During the years ended December 31, 2020 and 2019, we recognized non-cash, before-tax impairment charges of \$3.9 billion and \$615.3 million, respectively, related to certain rigs and related capital spares. These impairments were driven by factors such as customer suspensions of drilling programs, contract cancellations, a further reduction in the number of new contract opportunities, capital spare equipment obsolescence, and our belief that a drilling unit is no longer marketable and is unlikely to return to service.

Impairment assessment inherently involves management judgments as to assumptions about expected future cash flows and the impact of market conditions on those assumptions. Due to the many variables inherent in this estimation, differences in assumptions may have a material effect on the results of our impairment analysis.

Income Taxes

We estimate income taxes and file tax returns in each of the taxing jurisdictions in which we operate and are required to file a tax return. At the end of each year, an estimate for income taxes is recorded in the financial statements. Tax returns are generally filed in the subsequent year. A reconciliation of the estimate to the final tax return is done at that time, which will result in changes to the original estimate. We believe that our tax return positions are appropriately supported, but tax authorities can challenge certain of our tax positions.

We currently operate, and have in the past operated, in a number of countries throughout the world and our tax returns filed in those jurisdictions are subject to review and examination by tax authorities within those jurisdictions. We recognize uncertain tax positions that we believe have a greater than 50 percent likelihood of being sustained upon challenge by a tax authority. We cannot predict or provide assurance as to the ultimate outcome of any existing or future assessments. A change in judgment related to the expected ultimate resolution of uncertain tax positions will be recognized in earnings in the quarter of such change. We believe that our reserve for uncertain tax positions, including related interest and penalties, is adequate. As of December 31, 2021, the Company had \$75.0 million of long-term tax reserves for unrecognized tax benefits, including interest and penalties, which are included in “Other liabilities”. The amounts ultimately paid upon resolution of audits could be materially different from the amounts previously included in our income tax expense and, therefore, could have a material impact on our tax provision, net income and cash flows.

Our gross deferred tax asset balance at year-end reflects the application of our income tax accounting policies and is based on management's estimates, judgments and assumptions regarding realizability. If it is more likely than not that a portion of the deferred tax assets will not be realized in a future period, the deferred tax assets will be reduced by a valuation allowance based on management's estimates. In evaluating our ability to recover our deferred tax assets, in full or in part, we consider all available positive and negative evidence, including our past operating results, and our forecast of future earnings, future taxable income and prudent and feasible tax planning strategies. The assumptions utilized in determining future taxable income require significant judgment. Although we believe our assumptions, judgments and estimates are reasonable, changes in tax laws or our interpretation of tax laws and the resolution of any tax audits could have a material impact our consolidated financial statements.

Insurance Reserves

We maintain various levels of self-insured retention for certain losses including property damage, loss of hire, employment practices liability, employers' liability and general liability, among others. We accrue for property damage and loss of hire charges on a per event basis.

Employment practices liability claims are accrued based on actual claims during the year. Maritime employer's liability claims are generally estimated using actuarial determinations. General liability claims are estimated by our internal claims department by evaluating the facts and circumstances of each claim (including incurred but not reported claims) and making estimates based upon historical experience with similar claims. The amount of our loss reserves for personal injury and protection claims is based on an analysis performed by a third-party actuary which uses our historical loss patterns and trends as well as industry data to estimate the unpaid loss and allocated loss adjustment expense. Claim severity experienced in each year, ranging from minor incidents to permanent disability or injuries requiring extensive medical care, is a key driver of the variability around our reserve estimates. These estimates are further subject to uncertainty because the ultimate disposition of claims incurred is subject to the outcome of events which have not yet transpired. Accordingly, we may be required to increase or decrease our reserve levels. At December 31, 2021 and 2020, loss reserves for personal injury and protection claims totaled \$14.8 million and \$30.9 million, respectively, and such amounts are included in "Other liabilities" and "Liabilities subject compromise" in the accompanying Consolidated Balance Sheets.

Pension Plans

Accounting for employee benefit plans involves numerous assumptions and estimates. Discount rate and expected return on plan assets are two critical assumptions in measuring the cost and benefit obligation of the Company's pension plans, which we evaluate when the plans are re-measured. Other assumptions include the healthcare cost trend rate and employee demographic factors such as retirement patterns, mortality, turnover and rate of compensation increase.

The discount rate enables us to state expected future cash payments for benefits as a present value on the measurement date. A lower discount rate increases the present value of benefit obligations and increases pension expense. The discount rates used to calculate the net present value of future benefit obligations for our US plans is based on the average of current rates earned on long-term bonds that receive a Moody's rating of "Aa" or better. We have determined that the timing and amount of expected cash outflows on our plans reasonably match this index. For our non-US plan, the discount rate used to calculate the net present value of future benefit obligations is determined by using a yield curve of high quality bond portfolios with an average maturity approximating that of the liabilities. A one percentage point decrease in the assumed discount rate would increase total pension expense for 2022 by approximately \$1.3 million and would increase the projected benefit obligation at December 31, 2021 by approximately \$51.8 million. A one percentage point increase in the assumed discount rate would increase total pension expense and decrease the projected benefit obligation by approximately \$0.7 million and \$41.1 million, respectively.

To determine the expected long-term rate of return on the plan assets, we consider the current level of expected returns on risk free investments (primarily government bonds), the historical level of risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets for the portfolio.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk.

Market risk is the potential for loss due to a change in the value of a financial instrument as a result of fluctuations currency exchange rates or equity prices, as further described below.

Interest Rate Risk

We are subject to market risk exposure related to changes in interest rates on borrowings under the Revolving Credit Facility. Interest on borrowings under our Revolving Credit Facility is at an agreed upon percentage point spread over LIBOR, or a base rate stated in the agreements. Borrowings under the Revolving Credit Facility bear interest at LIBOR plus an applicable margin, which is currently the maximum contractual rate of 4.25%. On March 5, 2021, the Financial Conduct Authority in the UK issued an announcement on the future cessation or loss of representativeness for LIBOR benchmark settings currently published by ICE Benchmark Administration. The announcement confirmed that LIBOR will either cease to be provided by any administrator or will no longer be representative after December 31, 2021 for all non-USD LIBOR reference rates, and for certain short-term USD LIBOR reference rates, and after June 30, 2023 for other reference rates. While the Revolving Credit Facility contains hardwired "fallback" provisions providing for an alternative reference rate upon the occurrence of certain events related to the phase-out of LIBOR, the alternative reference rate plus any associated spread adjustment may result in interest rates higher than LIBOR. As a result, our interest expense could increase on our floating rate debt.

At December 31, 2021, we had no borrowings outstanding under the Revolving Credit Facility and \$8.8 million of performance letters of credit.

We maintain certain debt instruments at a fixed rate whose fair value will fluctuate based on changes in market expectations for interest rates and perceptions of our credit risk. The fair value of our total debt was \$236.8 million December 31, 2021.

Foreign Currency Risk

Although we are a Cayman Islands company, we define foreign currency as any non-US denominated currency. Our functional currency is the US Dollar. However, outside the United States, 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).

We are exposed to risks on future cash flows to the extent that local currency expenses exceed revenues denominated in local currency that are other than the functional currency. To help manage this potential risk, we periodically enter into derivative instruments to manage our exposure to fluctuations in currency exchange rates, and we may conduct hedging activities in future periods to mitigate such exposure. These contracts are primarily accounted for as cash flow hedges, with the effective portion of changes in the fair value of the hedge recorded on the Consolidated Balance Sheets and in “Accumulated other comprehensive income (loss)” (“AOCI”). Amounts recorded in AOCI are reclassified into earnings in the same period or periods that the hedged item is recognized in earnings. The ineffective portion of changes in the fair value of the hedged item is recorded directly to earnings. We have documented policies and procedures to monitor and control the use of derivative instruments. We do not engage in derivative transactions for speculative or trading purposes, nor are we a party to leveraged derivatives.

Several of our regional shorebases have a significant amount of their cash operating expenses payable in local currencies. To limit the potential risk of currency fluctuations, we periodically enter into forward contracts, which have historically settled monthly in the operations’ respective local currencies. All of these contracts had a maturity of less than 12 months. During the period from February 6 through December 31, 2021, the period from January 1 through February 5, 2021 and the year ended December 31, 2020, we did not enter into any forward contracts. During the period from February 6 through December 31, 2021, the period from January 1 through February 5, 2021 and the year ended December 31, 2020, we had no outstanding derivative contracts. Based on current projections, a 10% increase in the average exchange rates of all foreign currencies would hypothetically increase our future estimated operating expenses by approximately \$8.5 million.

Market Risk

We have a US noncontributory defined benefit pension plan that covers certain salaried employees and a US noncontributory defined benefit pension plan that covers certain hourly employees, whose initial date of employment is prior to August 1, 2004 (collectively referred to as our “qualified US plans”). These plans are governed by the Noble Drilling Employees’ Retirement Trust. The benefits from these plans are based primarily on years of service and, for the salaried plan, employees’ compensation near retirement. These plans are designed to qualify under the Employee Retirement Income Security Act of 1974 (“ERISA”), and our funding policy is consistent with funding requirements of ERISA and other applicable laws and regulations. We make cash contributions, or utilize credits available to us, for the qualified US plans when required. The benefit amount that can be covered by the qualified US plans is limited under ERISA and the Internal Revenue Code of 1986. Therefore, we maintain an unfunded, nonqualified excess benefit plan designed to maintain benefits for specified employees at the formula level in the qualified salary US plan. We refer to the qualified US plans and the excess benefit plan collectively as the “US plans.”

In addition to the US plans, Noble Drilling (Land Support) Limited, an indirect, wholly-owned subsidiary of Noble, maintains a pension plan that covers all of its salaried, non-union employees, whose most recent date of employment is prior to April 1, 2014 (referred to as our “non-US plan”). Benefits are based on credited service and employees’ compensation, as defined by the non-US plan.

The Company’s pension plan assets are exposed to the market prices of debt and equity securities. Changes to the pension plan asset values can impact the Company’s pension expense, funded status and future minimum funding requirements. The Company aims to reduce risk through asset diversification and by investing in long duration fixed-income securities that have a duration similar to that of its pension liabilities. At December 31, 2021, the value of the investments in the pension funds was \$305.3 million, and a hypothetical 10.0% percent decrease in the value of the investments in the fund would have reduced the value of the fund by approximately \$30.5 million. A significant decline in the value of pension assets could require Noble to increase funding of its pension plans in future periods, which could adversely affect cash flows in those periods. In addition, a decline in the fair value of these plan assets, in the absence of additional cash contributions to the plans by Noble, could increase the amount of pension cost required to be recorded in future periods by Noble.

Item 8. Financial Statements and Supplementary Data.

The following financial statements are filed in this Item 8:

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Noble Corporation

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheet of Noble Corporation and its subsidiaries (Successor) (the "Company") as of December 31, 2021, and the related consolidated statements of operations, of comprehensive income (loss), of equity and of cash flows for the period from February 6, 2021 through December 31, 2021, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and the results of its operations and its cash flows for the period from February 6, 2021 through December 31, 2021 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis of Accounting

As discussed in Note 1 to the consolidated financial statements, the United States Bankruptcy Court for the Southern District of Texas confirmed the Joint Plan of Reorganization of Noble Corporation plc and its Debtor Affiliates (the "plan") on February 5, 2021. Confirmation of the plan resulted in the discharge of all claims against the Company that arose before February 5, 2021 and terminates all rights and interests of equity security holders as provided for in the plan. The plan was substantially consummated on February 5, 2021 and the Company emerged from bankruptcy. In connection with its emergence from bankruptcy, the Company adopted fresh start accounting as of February 5, 2021.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Acquisition of Pacific Drilling Company LLC - Fair Value of Pacific Drilling's Mobile Offshore Drilling Units and the Fair Value of the Consideration Paid

As described in Notes 4 and 6 to the consolidated financial statements, the Company purchased Pacific Drilling Company LLC (Pacific Drilling) in an all-stock transaction on April 15, 2021. The Company's drilling equipment and facilities assets were \$1.47 billion as of December 31, 2021, a portion of which related to the mobile offshore drilling units acquired as part of the Pacific Drilling purchase. Further, as described in Note 4 to the consolidated financial statements, the total purchase price consideration was \$357.7 million. Management determined the fair value of the mobile offshore drilling units using a combination of (i) the discounted cash flows expected to be generated from the drilling assets over their remaining useful lives and (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, utilization rates, tax rates, discount rate, capital expenditures, market values, weighting of market values, reactivation costs, and estimated economic useful lives. As the Company was not yet trading on the New York Stock Exchange at the time of the acquisition, management's valuation of the ordinary shares issued by the Company as consideration for the acquisition of Pacific Drilling required an analysis of the discounted cash flows expected to be generated by the drilling assets of the combined entity. These discounted cash flows were derived utilizing many of the same types of assumptions as were used in the determination of the fair value of the Pacific Drilling mobile offshore drilling units. In addition, the discounted cash flows of the combined entity considered annual cost saving synergies from the operation of the Company and Pacific Drilling assets as a single fleet.

The principal considerations for our determination that performing procedures relating to the fair value of Pacific Drilling's mobile offshore drilling units acquired and the fair value of the consideration paid from the Company to Pacific Drilling is a critical audit matter are (i) the significant judgment by management when determining the fair value of the mobile offshore drilling units acquired and the fair value of the ordinary shares issued by the Company as consideration for the acquisition of Pacific Drilling; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to the expected operating dayrates, operating costs, utilization rates, tax rates, discount rate, market values, and weighting of market values; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the valuation of the mobile offshore drilling units acquired and the valuation of the consideration paid in the acquisition of Pacific Drilling. These procedures also included, among others (i) testing management's process for determining the fair value of the mobile offshore drilling units and the fair value of the consideration paid; (ii) evaluating the appropriateness of the discounted cash flow model; (iii) testing the completeness and accuracy of underlying data used in the model; and (iv) evaluating the significant assumptions used by management related to the expected operating

dayrates, operating costs, utilization rates, tax rates, discount rate, market values, and weighting of those market values. Evaluating management's assumptions related to the expected operating dayrates, operating costs, utilization rates, tax rates, and the weighting of market values involved evaluating whether the assumptions used by management were reasonable considering (i) the current and past performance of the assets; (ii) the consistency with external market and industry data; and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in the evaluation of the discounted cash flow model and evaluating the reasonableness of the discount rate and market values assumptions.

/s/ PricewaterhouseCoopers LLP

Houston, Texas
February 17, 2022

We have served as the Company's auditor since 1994.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Noble Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Noble Holding Corporation plc (formerly known as Noble Corporation plc) and its subsidiaries (Predecessor) (the “Company”) as of December 31, 2020 and the related consolidated statements of operations, of comprehensive income (loss), of equity and of cash flows for the period from January 1, 2021 through February 5, 2021, and for each of the two years in the period ended December 31, 2020, including the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020, and the results of its operations and its cash flows for the period from January 1, 2021 through February 5, 2021, and for each of the two years in the period ended December 31, 2020 in conformity with accounting principles generally accepted in the United States of America.

Basis of Accounting

As discussed in Note 1 to the consolidated financial statements, Noble Corporation plc (subsequently renamed Noble Holding Corporation plc) and certain of its subsidiaries filed voluntary petitions on July 31, 2020 with the United States Bankruptcy Court for the Southern District of Texas for reorganization under the provisions of Chapter 11 of the Bankruptcy Code. The Joint Plan of Reorganization of Noble Corporation plc and its Debtor Affiliates was substantially consummated on February 5, 2021 and the Company emerged from bankruptcy. In connection with its emergence from bankruptcy, the Company adopted fresh start accounting. This matter is also described in the “Critical Audit Matters” section of our report.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Fresh Start Accounting – Valuation of Mobile Offshore Drilling Units within Drilling Equipment and Facilities Assets

As described above and in Notes 2 and 3 to the consolidated financial statements, Noble Holding Corporation plc and certain of its subsidiaries emerged from bankruptcy on February 5, 2021 and the Company applied fresh start accounting, which resulted in a new basis of accounting

and the Company becoming a new entity for financial reporting purposes. With the application of fresh start accounting, management allocated the reorganization value to individual assets and liabilities (except for deferred income taxes) based on their estimated fair values. The Company's reorganization adjustments, net, were \$252 million for the period from January 1, 2021 through February 5, 2021, which included a fresh start fair value adjustment to property, plant, and equipment of \$2.41 billion. Included within property, plant and equipment were drilling equipment and facilities assets, which had a balance of \$1.07 billion, as of February 5, 2021, a portion of which related to the mobile offshore drilling units. Management determined the fair value of the mobile offshore drilling units using a combination of (i) the discounted cash flows expected to be generated from the drilling assets over their remaining useful lives and (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, utilization rates, tax rates, discount rate, capital expenditures, market values, weighting of market values, reactivation costs, and estimated economic useful lives.

The principal considerations for our determination that performing procedures relating to the fresh start accounting – valuation of mobile offshore drilling units within drilling equipment and facilities assets is a critical audit matter are (i) the significant judgment by management when determining the fair value of the mobile offshore drilling units within drilling equipment and facilities assets; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's assumptions related to the expected operating dayrates, operating costs, utilization rates, tax rates, and discount rate; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included, among others (i) testing management's process for determining the fair value of the mobile offshore drilling units within drilling equipment and facilities assets; (ii) evaluating the appropriateness of the discounted cash flow model; (iii) testing the completeness and accuracy of underlying data used in the discounted cash flow model; and (iv) evaluating the assumptions used by management related to the expected operating dayrates, operating costs, utilization rates, tax rates, and discount rate. Evaluating management's assumptions related to the expected operating dayrates, operating costs, utilization rates, and tax rates involved evaluating whether the assumptions used by management were reasonable considering (i) the current and past performance of the assets; (ii) the consistency with external market and industry data; and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in evaluating the appropriateness of the discounted cash flow model and the reasonableness of the discount rate assumption.

/s/ PricewaterhouseCoopers LLP

Houston, Texas
February 17, 2022

We have served as the Company's auditor since 1994.

NOBLE CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands)

	Successor December 31, 2021	Predecessor December 31, 2020
ASSETS		
Current assets		
Cash and cash equivalents	\$ 194,138	\$ 343,332
Accounts receivable, net	200,419	147,863
Taxes receivable	16,063	30,767
Prepaid expenses and other current assets	45,026	80,322
Total current assets	455,646	602,284
Intangible assets		
Property and equipment, at cost	1,555,975	4,777,697
Accumulated depreciation	(77,275)	(1,200,628)
Property and equipment, net	1,478,700	3,577,069
Other assets	77,247	84,584
Total assets	\$ 2,073,442	\$ 4,263,937
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	\$ 120,389	\$ 95,159
Accrued payroll and related costs	48,346	36,553
Taxes payable	28,735	36,819
Interest payable	9,788	—
Other current liabilities	41,136	49,820
Total current liabilities	248,394	218,351
Long-term debt	216,000	—
Deferred income taxes	13,195	9,292
Other liabilities	95,226	108,039
Liabilities subject to compromise	—	4,239,643
Total liabilities	572,815	4,575,325
Commitments and contingencies (Note 16)		
Shareholders' equity (deficit)		
Predecessor common stock, \$0.01 par value, ordinary shares; 251,084 shares outstanding as of December 31, 2020	—	2,511
Successor common stock, \$0.00001 par value, ordinary shares; 60,172 shares outstanding as of December 31, 2021	1	—
Additional paid-in capital	1,393,255	814,796
Retained earnings (accumulated deficit)	101,982	(1,070,683)
Accumulated other comprehensive income (loss)	5,389	(58,012)
Total shareholders' equity (deficit)	1,500,627	(311,388)
Total liabilities and equity	\$ 2,073,442	\$ 4,263,937

See accompanying notes to the consolidated financial statements.

NOBLE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

	Successor	Predecessor		
	Period From February 6, 2021 through December 31, 2021	Period From January 1, 2021 through February 5, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Operating revenues				
Contract drilling services	\$ 708,131	\$ 74,051	\$ 909,236	\$ 1,246,058
Reimbursables and other	62,194	3,430	55,036	59,380
	<u>770,325</u>	<u>77,481</u>	<u>964,272</u>	<u>1,305,438</u>
Operating costs and expenses				
Contract drilling services	639,442	46,965	567,487	698,343
Reimbursables	55,832	2,737	48,188	49,061
Depreciation and amortization	89,535	20,622	374,129	440,221
General and administrative	62,476	5,727	121,196	168,792
Merger and integration costs	24,792	—	—	—
Gain on sale of operating assets, net	(185,934)	—	—	—
Hurricane losses and (recoveries), net	23,350	—	—	—
Prepetition and restructuring costs	—	—	14,409	—
Loss on impairment	—	—	3,915,408	615,294
	<u>709,493</u>	<u>76,051</u>	<u>5,040,817</u>	<u>1,971,711</u>
Operating income (loss)	60,832	1,430	(4,076,545)	(666,273)
Other income (expense)				
Interest expense, net of amount capitalized	(31,735)	(229)	(164,653)	(279,435)
Bargain purchase gain	62,305	—	—	—
Gain on extinguishment of debt, net	—	—	17,254	30,616
Interest income and other, net	10,945	399	9,012	6,007
Reorganization items, net	—	252,051	(23,930)	—
Income (loss) from continuing operations before income taxes	102,347	253,651	(4,238,862)	(909,085)
Income tax benefit (provision)	(365)	(3,423)	260,403	38,540
Net income (loss) from continuing operations	101,982	250,228	(3,978,459)	(870,545)
Net loss from discontinued operations, net of tax	—	—	—	(3,821)
Net income (loss)	101,982	250,228	(3,978,459)	(874,366)
Net loss attributable to noncontrolling interests	—	—	—	173,776
Net income (loss) attributable to Noble Corporation	<u>\$ 101,982</u>	<u>\$ 250,228</u>	<u>\$ (3,978,459)</u>	<u>\$ (700,590)</u>
Net income (loss) attributable to Noble Corporation				
Income (loss) from continuing operations	\$ 101,982	\$ 250,228	\$ (3,978,459)	\$ (696,769)
Net loss from discontinued operations, net of tax	—	—	—	(3,821)
Net income (loss) attributable to Noble Corporation	<u>\$ 101,982</u>	<u>\$ 250,228</u>	<u>\$ (3,978,459)</u>	<u>\$ (700,590)</u>
Per share data				
Basic:				
Income (loss) from continuing operations	\$ 1.61	\$ 1.00	\$ (15.86)	\$ (2.79)
Loss from discontinued operations	—	—	—	(0.02)
Net income (loss) attributable to Noble Corporation	<u>\$ 1.61</u>	<u>\$ 1.00</u>	<u>\$ (15.86)</u>	<u>\$ (2.81)</u>
Diluted:				
Income (loss) from continuing operations	\$ 1.51	\$ 0.98	\$ (15.86)	\$ (2.79)
Loss from discontinued operations	—	—	—	(0.02)
Net income (loss) attributable to Noble Corporation	<u>\$ 1.51</u>	<u>\$ 0.98</u>	<u>\$ (15.86)</u>	<u>\$ (2.81)</u>
Weighted- Average Shares Outstanding				
Basic	63,186	251,115	250,792	248,949
Diluted	67,628	256,571	250,792	248,949

See accompanying notes to the consolidated financial statements.

NOBLE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands)

	Successor	Predecessor		
	Period From February 6, 2021 through December 31, 2021	Period From January 1, 2021 through February 5, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Net income (loss)	\$ 101,982	\$ 250,228	\$ (3,978,459)	\$ (874,366)
Other comprehensive income (loss)				
Foreign currency translation adjustments	—	(116)	(521)	260
Net pension plan gain (loss) (net of tax provision (benefit) of \$1,597, \$59, \$(537) and \$(924) for the period from February 6 through December 31, 2021, the period from January 1 through February 5, 2021 and the years ended December 31, 2020 and 2019, respectively)	5,844	224	(1,407)	(3,744)
Amortization of deferred pension plan amounts (net of tax provision of zero, zero, \$583 and \$584 for the period from February 6 through December 31, 2021, the period from January 1 through February 5, 2021 and the years ended December 31, 2020 and 2019, respectively)	—	—	2,183	2,197
Net pension plan curtailment and settlement gain (loss) (net of tax provision (benefit) of \$(121), zero, \$32 and \$(8) for the period from February 6 through December 31, 2021, the period from January 1 through February 5, 2021 and the years ended December 31, 2020 and 2019, respectively)	(455)	—	122	(30)
Other comprehensive income (loss), net	5,389	108	377	(1,317)
Net comprehensive loss attributable to noncontrolling interests	—	—	—	173,776
Comprehensive income (loss) attributable to Noble Corporation	\$ 107,371	\$ 250,336	\$ (3,978,082)	\$ (701,907)

See accompanying notes to the consolidated financial statements.

NOBLE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Successor	Predecessor		
	Period From February 6, 2021 through December 31, 2021	Period From January 1, 2021 through February 5, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Cash flows from operating activities				
Net income (loss)	\$ 101,982	\$ 250,228	\$ (3,978,459)	\$ (874,366)
Adjustments to reconcile net loss to net cash flow from operating activities:				
Depreciation and amortization	89,535	20,622	374,129	440,221
Loss on impairment	—	—	3,915,408	615,294
Amortization of intangible assets	51,540	—	—	—
Gain on extinguishment of debt, net	—	—	(17,254)	(30,616)
Gain on sale of operating assets, net	(185,934)	—	—	—
Gain on bargain purchase	(62,305)	—	—	—
Reorganization items, net	—	(280,790)	(17,366)	—
Deferred income taxes	(34,264)	2,501	(26,325)	(17,825)
Amortization of share-based compensation	16,510	710	9,169	14,737
Other costs, net	1,146	(10,754)	(61,550)	60,259
Changes in components of working capital				
Change in taxes receivable	27,847	(1,789)	29,880	(11,225)
Net changes in other operating assets and liabilities	45,559	(26,176)	45,565	(9,708)
Net cash provided by (used in) operating activities	51,616	(45,448)	273,197	186,771
Cash flows from investing activities				
Capital expenditures	(154,411)	(14,629)	(148,886)	(268,783)
Cash acquired in stock-based business combination	54,970	—	—	—
Proceeds from disposal of assets, net	307,324	194	27,366	12,753
Net cash provided by (used in) investing activities	207,883	(14,435)	(121,520)	(256,030)
Cash flows from financing activities				
Issuance of second lien notes	—	200,000	—	—
Borrowings on credit facilities	40,000	177,500	210,000	755,000
Repayments of credit facilities	(217,500)	(545,000)	—	(420,000)
Repayments of debt	—	—	(101,132)	(400,000)
Debt issuance costs	—	(23,664)	—	(1,092)
Warrants exercised	730	—	—	—
Purchase of noncontrolling interests	—	—	—	(106,744)
Dividends paid to noncontrolling interests	—	—	—	(25,109)
Cash paid to settle equity awards	—	—	(1,010)	—
Taxes withheld on employee stock transactions	—	(1)	(418)	(2,779)
Net cash provided by (used in) financing activities	(176,770)	(191,165)	107,440	(200,724)
Net increase (decrease) in cash, cash equivalents and restricted cash	82,729	(251,048)	259,117	(269,983)
Cash, cash equivalents and restricted cash, beginning of period	113,993	365,041	105,924	375,907
Cash, cash equivalents and restricted cash, end of period	<u>\$ 196,722</u>	<u>\$ 113,993</u>	<u>\$ 365,041</u>	<u>\$ 105,924</u>

See accompanying notes to the consolidated financial statements.

NOBLE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(In thousands)

	Shares		Additional Paid-in Capital	Retained Earnings (accumulated deficit)	Accumulated Other Comprehensive income (Loss)	Noncontrolling Interests	Total Equity (Deficit)
	Balance	Par Value					
Balance at December 31, 2018 (Predecessor)	<u>246,794</u>	<u>\$ 2,468</u>	<u>\$ 699,409</u>	<u>\$ 3,608,366</u>	<u>\$ (57,072)</u>	<u>\$ 401,403</u>	<u>\$ 4,654,574</u>
Employee related equity activity							
Amortization of share-based compensation	—	—	14,737	—	—	—	14,737
Issuance of share-based compensation shares	2,406	24	(24)	—	—	—	—
Tax benefit of equity transactions	—	—	(2,803)	—	—	—	(2,803)
Purchase of noncontrolling interests	—	—	95,774	—	—	(202,518)	(106,744)
Net loss	—	—	—	(700,590)	—	(173,776)	(874,366)
Dividends paid to noncontrolling interests	—	—	—	—	—	(25,109)	(25,109)
Other comprehensive loss, net	—	—	—	—	(1,317)	—	(1,317)
Balance at December 31, 2019 (Predecessor)	<u>249,200</u>	<u>\$ 2,492</u>	<u>\$ 807,093</u>	<u>\$ 2,907,776</u>	<u>\$ (58,389)</u>	<u>\$ —</u>	<u>\$ 3,658,972</u>
Employee related equity activity							
Amortization of share-based compensation	—	—	8,159	—	—	—	8,159
Issuance of share-based compensation shares	1,884	19	(19)	—	—	—	—
Tax benefit of equity transactions	—	—	(437)	—	—	—	(437)
Net loss	—	—	—	(3,978,459)	—	—	(3,978,459)
Other comprehensive loss, net	—	—	—	—	377	—	377
Balance at December 31, 2020 (Predecessor)	<u>251,084</u>	<u>\$ 2,511</u>	<u>\$ 814,796</u>	<u>\$ (1,070,683)</u>	<u>\$ (58,012)</u>	<u>\$ —</u>	<u>\$ (311,388)</u>
Employee related equity activity							
Amortization of share-based compensation	—	—	710	—	—	—	710
Issuance of share-based compensation shares	43	—	—	—	—	—	—
Shares withheld for taxes on equity transactions	—	—	(1)	—	—	—	(1)
Net income	—	—	—	250,228	—	—	250,228
Other comprehensive income, net	—	—	—	—	108	—	108
Cancellation of Predecessor equity	(251,127)	(2,511)	(815,505)	820,455	57,904	—	60,343
Issuance of Successor common stock and warrants	50,000	1	1,018,767	—	—	—	1,018,768
2/5/2021 (Predecessor)	<u>50,000</u>	<u>\$ 1</u>	<u>\$ 1,018,767</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,018,768</u>
2/6/2021 (Successor)	<u>50,000</u>	<u>\$ 1</u>	<u>\$ 1,018,767</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,018,768</u>
Employee related equity activity							
Amortization of share-based compensation	—	—	16,096	—	—	—	16,096
Exchange of common stock for penny warrants	(6,463)	—	—	—	—	—	—
Exercise of common stock warrants	35	—	730	—	—	—	730
Issuance of common stock for Pacific Drilling merger	16,600	—	357,662	—	—	—	357,662
Net income	—	—	—	101,982	—	—	101,982
Other comprehensive income, net	—	—	—	—	5,389	—	5,389
12/31/21 (Successor)	<u>60,172</u>	<u>\$ 1</u>	<u>\$ 1,393,255</u>	<u>\$ 101,982</u>	<u>\$ 5,389</u>	<u>\$ —</u>	<u>\$ 1,500,627</u>

See accompanying notes to the consolidated financial statements.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholder of Noble Finance Company

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheet of Noble Finance Company and its subsidiaries (Successor) (the "Company") as of December 31, 2021, and the related consolidated statements of operations, of comprehensive income (loss), of equity and of cash flows for the period from February 6, 2021 through December 31, 2021, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and the results of its operations and its cash flows for the period from February 6, 2021 through December 31, 2021 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis of Accounting

As discussed in Note 1 to the consolidated financial statements, the United States Bankruptcy Court for the Southern District of Texas confirmed the Joint Plan of Reorganization of Noble Corporation plc and its Debtor Affiliates (the "plan") on February 5, 2021. Confirmation of the plan resulted in the discharge of all claims against the Company that arose before February 5, 2021 and terminates all rights and interests of equity security holders as provided for in the plan. The plan was substantially consummated on February 5, 2021 and the Company emerged from bankruptcy. In connection with its emergence from bankruptcy, the Company adopted fresh start accounting as of February 5, 2021.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Acquisition of Pacific Drilling Company LLC - Fair Value of Pacific Drilling's Mobile Offshore Drilling Units and the Fair Value of the Consideration Paid

As described in Notes 4 and 6 to the consolidated financial statements, the Company purchased Pacific Drilling Company LLC (Pacific Drilling) in an all-stock transaction on April 15, 2021. The Company's drilling equipment and facilities assets were \$1.47 billion as of December 31, 2021, a portion of which related to the mobile offshore drilling units acquired as part of the Pacific Drilling purchase. Further, as described in Note 4 to the consolidated financial statements, the total purchase price consideration was \$357.7 million. Management determined the fair value of the mobile offshore drilling units using a combination of (i) the discounted cash flows expected to be generated from the drilling assets over their remaining useful lives and (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, utilization rates, tax rates, discount rate, capital expenditures, market values, weighting of market values, reactivation costs, and estimated economic useful lives. As the Company was not yet trading on the New York Stock Exchange at the time of the acquisition, management's valuation of the ordinary shares issued by the Company as consideration for the acquisition of Pacific Drilling required an analysis of the discounted cash flows expected to be generated by the drilling assets of the combined entity. These discounted cash flows were derived utilizing many of the same types of assumptions as were used in the determination of the fair value of the Pacific Drilling mobile offshore drilling units. In addition, the discounted cash flows of the combined entity considered annual cost saving synergies from the operation of the Company and Pacific Drilling assets as a single fleet.

The principal considerations for our determination that performing procedures relating to the fair value of Pacific Drilling's mobile offshore drilling units acquired and the fair value of the consideration paid from the Company to Pacific Drilling is a critical audit matter are (i) the significant judgment by management when determining the fair value of the mobile offshore drilling units acquired and the fair value of the ordinary shares issued by the Company as consideration for the acquisition of Pacific Drilling; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to the expected operating dayrates, operating costs, utilization rates, tax rates, discount rate, market values, and weighting of market values; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the valuation of the mobile offshore drilling units acquired and the valuation of the consideration paid in the acquisition of Pacific Drilling. These procedures also included, among others (i) testing management's process for determining the fair value of the mobile offshore drilling units and the fair value of the consideration paid; (ii) evaluating the appropriateness of the discounted cash flow model; (iii) testing the completeness and accuracy of underlying data used in the model; and (iv) evaluating the significant assumptions used by management related to the expected operating

dayrates, operating costs, utilization rates, tax rates, discount rate, market values, and weighting of those market values. Evaluating management's assumptions related to the expected operating dayrates, operating costs, utilization rates, tax rates, and the weighting of market values involved evaluating whether the assumptions used by management were reasonable considering (i) the current and past performance of the assets; (ii) the consistency with external market and industry data; and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in the evaluation of the discounted cash flow model and evaluating the reasonableness of the discount rate and market values assumptions.

/s/ PricewaterhouseCoopers LLP

Houston, Texas
February 17, 2022

We have served as the Company's auditor since 1994.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholder of Noble Finance Company

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Noble Corporation and its subsidiaries (Predecessor) (the “Company”) as of December 31, 2020 and the related consolidated statements of operations, of comprehensive income (loss), of equity and of cash flows for the period from January 1, 2021 through February 5, 2021, and for each of the two years in the period ended December 31, 2020, including the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020, and the results of its operations and its cash flows for the period from January 1, 2021 through February 5, 2021, and for each of the two years in the period ended December 31, 2020 in conformity with accounting principles generally accepted in the United States of America.

Basis of Accounting

As discussed in Note 1 to the consolidated financial statements, Noble Corporation plc (subsequently renamed Noble Holding Corporation plc) and certain of its subsidiaries, including Noble Corporation (subsequently renamed Noble Finance Company), filed voluntary petitions on July 31, 2020 with the United States Bankruptcy Court for the Southern District of Texas for reorganization under the provisions of Chapter 11 of the Bankruptcy Code. The Joint Plan of Reorganization of Noble Corporation plc and its Debtor Affiliates was substantially consummated on February 5, 2021 and the Company emerged from bankruptcy. In connection with its emergence from bankruptcy, the Company adopted fresh start accounting. This matter is also described in the “Critical Audit Matters” section of our report.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Fresh Start Accounting – Valuation of Mobile Offshore Drilling Units within Drilling Equipment and Facilities Assets

As described above and in Notes 2 and 3 to the consolidated financial statements, Noble Holding Corporation plc and certain of its subsidiaries emerged from bankruptcy on February 5, 2021 and the Company applied fresh start accounting, which resulted in a new basis of accounting and the Company becoming a new entity for financial reporting purposes. With the application of fresh start accounting, management allocated the reorganization value to individual assets and liabilities (except for deferred income taxes) based on their estimated fair values. The Company’s reorganization adjustments, net, were \$195 million for the period from January 1, 2021 through February 5, 2021, which included a

fresh start fair value adjustment to property, plant, and equipment of \$2.41 billion. Included within property, plant and equipment were drilling equipment and facilities assets, which had a balance of \$1.07 billion, as of February 5, 2021, a portion of which related to the mobile offshore drilling units. Management determined the fair value of the mobile offshore drilling units using a combination of (i) the discounted cash flows expected to be generated from the drilling assets over their remaining useful lives and (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, utilization rates, tax rates, discount rate, capital expenditures, market values, weighting of market values, reactivation costs, and estimated economic useful lives.

The principal considerations for our determination that performing procedures relating to the fresh start accounting – valuation of mobile offshore drilling units within drilling equipment and facilities assets is a critical audit matter are (i) the significant judgment by management when determining the fair value of the mobile offshore drilling units within drilling equipment and facilities assets; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management’s assumptions related to the expected operating dayrates, operating costs, utilization rates, tax rates, and discount rate; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included, among others (i) testing management’s process for determining the fair value of the mobile offshore drilling units within drilling equipment and facilities assets; (ii) evaluating the appropriateness of the discounted cash flow model; (iii) testing the completeness and accuracy of underlying data used in the discounted cash flow model; and (iv) evaluating the assumptions used by management related to the expected operating dayrates, operating costs, utilization rates, tax rates, and discount rate. Evaluating management’s assumptions related to the expected operating dayrates, operating costs, utilization rates, and tax rates involved evaluating whether the assumptions used by management were reasonable considering (i) the current and past performance of the assets; (ii) the consistency with external market and industry data; and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in evaluating the appropriateness of the discounted cash flow model and the reasonableness of the discount rate assumption.

/s/ PricewaterhouseCoopers LLP

Houston, Texas
February 17, 2022

We have served as the Company’s auditor since 1994.

NOBLE FINANCE COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands)

	<u>Successor</u> <u>December 31,</u> <u>2021</u>	<u>Predecessor</u> <u>December 31,</u> <u>2020</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 192,636	\$ 343,332
Accounts receivable, net	200,419	147,863
Accounts receivable from affiliates	—	31,214
Taxes receivable	16,063	30,767
Prepaid expenses and other current assets	36,545	50,469
Total current assets	445,663	603,645
Intangible asset		
Property and equipment, at cost	1,555,975	4,777,697
Accumulated depreciation	(77,275)	(1,200,628)
Property and equipment, net	1,478,700	3,577,069
Other assets	77,247	84,584
Total assets	\$ 2,063,459	\$ 4,265,298
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	\$ 116,030	\$ 83,649
Accrued payroll and related costs	48,346	36,516
Taxes payable	28,735	36,819
Interest payable	9,788	—
Other current liabilities	40,949	49,820
Total current liabilities	243,848	206,804
Long-term debt		
Deferred income taxes	13,195	9,292
Other liabilities	94,998	108,039
Liabilities subject to compromise	—	4,154,555
Total liabilities	568,041	4,478,690
Commitments and contingencies (Note 16)		
Shareholder equity (deficit)		
Predecessor common stock, \$0.10 par value, 261,246 ordinary shares outstanding as of December 31, 2020	—	26,125
Successor common stock, \$0.10 par value, 261,246 ordinary shares outstanding as of December 31, 2021	26,125	—
Capital in excess of par value	1,393,410	766,714
Retained earnings (accumulated deficit)	70,494	(948,219)
Accumulated other comprehensive income (loss)	5,389	(58,012)
Total shareholder equity (deficit)	1,495,418	(213,392)
Total liabilities and equity	\$ 2,063,459	\$ 4,265,298

See accompanying notes to the consolidated financial statements.

NOBLE FINANCE COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands)

	Successor	Predecessor		
	Period From February 6, 2021 through December 31, 2021	Period From January 1, 2021 through February 5, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Operating revenues				
Contract drilling services	\$ 708,131	\$ 74,051	\$ 909,236	\$ 1,246,058
Reimbursables and other	62,194	3,430	55,036	59,380
	<u>770,325</u>	<u>77,481</u>	<u>964,272</u>	<u>1,305,438</u>
Operating costs and expenses				
Contract drilling services	637,004	46,703	566,231	696,265
Reimbursables	55,832	2,737	48,188	49,061
Depreciation and amortization	89,503	20,631	372,560	437,690
General and administrative	35,300	5,729	37,798	34,602
Merger and integration costs	8,289	—	—	—
Gain on sale of operating assets, net	(187,493)	—	—	—
Hurricane losses and (recoveries), net	23,350	—	—	—
Loss on impairment	—	—	3,915,408	615,294
	<u>661,785</u>	<u>75,800</u>	<u>4,940,185</u>	<u>1,832,912</u>
Operating income (loss)	108,540	1,681	(3,975,913)	(527,474)
Other income (expense)				
Interest expense, net of amount capitalized	(31,735)	(229)	(164,653)	(279,435)
Gain on extinguishment of debt, net	—	—	17,254	30,616
Interest income and other, net	10,945	400	9,014	6,670
Reorganization items, net	—	195,395	(50,778)	—
Income (loss) from continuing operations before income taxes	87,750	197,247	(4,165,076)	(769,623)
Income tax benefit (provision)	(365)	(3,422)	260,403	38,540
Net income (loss) from continuing operations	87,385	193,825	(3,904,673)	(731,083)
Net loss from discontinued operations, net of tax	—	—	—	(3,821)
Net income (loss)	87,385	193,825	(3,904,673)	(734,904)
Net loss attributable to noncontrolling interests	—	—	—	173,776
Net income (loss) attributable to Noble Finance Company	<u>\$ 87,385</u>	<u>\$ 193,825</u>	<u>\$ (3,904,673)</u>	<u>\$ (561,128)</u>

See accompanying notes to the consolidated financial statements.

NOBLE FINANCE COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands)

	Successor	Predecessor		
	Period From February 6, 2021 through December 31, 2021	Period From January 1, 2021 through February 5, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Net income (loss)	\$ 87,385	\$ 193,825	\$ (3,904,673)	\$ (734,904)
Other comprehensive income (loss)				
Foreign currency translation adjustments	—	(116)	(521)	260
Net pension plan gain (loss) (net of tax provision (benefit) of \$1,597, \$59, \$(537) and \$(924) for the period from February 6 through December 31, 2021, the period from January 1 through February 5, 2021 and the years ended December 31, 2020 and 2019, respectively)	5,844	224	(1,407)	(3,744)
Amortization of deferred pension plan amounts (net of tax provision of zero, zero, \$583 and \$584 for the period from February 6 through December 31, 2021, the period from January 1 through February 5, 2021 and the years ended December 31, 2020 and 2019, respectively)	—	—	2,183	2,197
Net pension plan curtailment and settlement gain (loss) (net of tax provision (benefit) of \$(121), zero, \$32 and \$(8) for the period from February 6 through December 31, 2021, the period from January 1 through February 5, 2021 and the years ended December 31, 2020 and 2019, respectively)	(455)	—	122	(30)
Other comprehensive income (loss), net	5,389	108	377	(1,317)
Net comprehensive loss attributable to noncontrolling interests	—	—	—	173,776
Comprehensive income (loss) attributable to Noble Finance Company	\$ 92,774	\$ 193,933	\$ (3,904,296)	\$ (562,445)

See accompanying notes to the consolidated financial statements.

NOBLE FINANCE COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Successor	Predecessor		
	Period From February 6, 2021 through December 31, 2021	Period From January 1, 2021 through February 5, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Cash flows from operating activities				
Net income (loss)	\$ 87,385	\$ 193,825	\$ (3,904,673)	\$ (734,904)
Adjustments to reconcile net loss to net cash flow from operating activities:				
Depreciation and amortization	89,503	20,631	372,560	437,690
Loss on impairment	—	—	3,915,408	615,294
Amortization of intangible assets	51,540	—	—	—
Gain on extinguishment of debt, net	—	—	(17,254)	(30,616)
Gain on sale of operating assets, net	(187,493)	—	—	—
Reorganization items, net	—	(203,490)	44,134	—
Deferred income taxes	(34,264)	2,501	(26,325)	(17,825)
Amortization of share-based compensation	16,510	710	9,169	14,689
Other costs, net	1,146	(3,054)	(115,550)	(39,741)
Change in components of working capital				
Change in taxes receivable	27,847	(1,789)	29,880	(11,225)
Net changes in other operating assets and liabilities	46,680	(21,808)	20,714	(6,456)
Net cash provided by (used in) operating activities	98,854	(12,474)	328,063	226,906
Cash flows from investing activities				
Capital expenditures	(154,411)	(14,629)	(148,886)	(268,783)
Proceeds from disposal of assets	308,883	194	27,366	12,753
Net cash provided by (used in) investing activities	154,472	(14,435)	(121,520)	(256,030)
Cash flows from financing activities				
Issuance of second lien notes	—	200,000	—	—
Borrowings on credit facilities	40,000	177,500	210,000	755,000
Repayment of credit facilities	(217,500)	(545,000)	—	(420,000)
Repayments of debt	—	—	(101,132)	(400,000)
Debt issuance costs	—	(10,139)	—	(1,092)
Cash contributed by parent in connection with Pacific Drilling merger	54,970	—	—	—
Purchase of noncontrolling interests	—	—	—	(106,744)
Dividends paid to noncontrolling interests	—	—	—	(25,109)
Distributions to parent company, net	(49,569)	(26,503)	(76,245)	(42,103)
Net cash provided by (used in) financing activities	(172,099)	(204,142)	32,623	(240,048)
Net increase (decrease) in cash, cash equivalents and restricted cash	81,227	(231,051)	239,166	(269,172)
Cash, cash equivalents and restricted cash, beginning of period	113,993	345,044	105,878	375,050
Cash, cash equivalents and restricted cash, end of period	\$ 195,220	\$ 113,993	\$ 345,044	\$ 105,878

See accompanying notes to the consolidated financial statements.

NOBLE FINANCE COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(In thousands)

	Shares		Additional Paid-in Capital	Retained Earnings (accumulated deficit)	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total Equity (Deficit)
	Balance	Par Value					
Balance at December 31, 2018 (Predecessor)	261,246	\$ 26,125	\$ 647,082	\$ 3,635,930	\$ (57,072)	\$ 401,403	\$ 4,653,468
Distributions to parent company, net	—	—	—	(42,103)	—	—	(42,103)
Capital contribution by parent - share-based compensation	—	—	14,689	—	—	—	14,689
Purchase of noncontrolling interests	—	—	95,774	—	—	(202,518)	(106,744)
Net loss	—	—	—	(561,128)	—	(173,776)	(734,904)
Dividends paid to noncontrolling interests	—	—	—	—	—	(25,109)	(25,109)
Other comprehensive loss, net	—	—	—	—	(1,317)	—	(1,317)
Balance at December 31, 2019 (Predecessor)	261,246	\$ 26,125	\$ 757,545	\$ 3,032,699	\$ (58,389)	\$ —	\$ 3,757,980
Distributions to parent company, net	—	—	—	(76,245)	—	—	(76,245)
Capital contribution by parent - share-based compensation	—	—	9,169	—	—	—	9,169
Net loss	—	—	—	(3,904,673)	—	—	(3,904,673)
Other comprehensive loss, net	—	—	—	—	377	—	377
Balance at December 31, 2020 (Predecessor)	261,246	\$ 26,125	\$ 766,714	\$ (948,219)	\$ (58,012)	\$ —	\$ (213,392)
Distributions to parent company, net	—	—	—	(26,503)	—	—	(26,503)
Capital contribution by parent - share-based compensation	—	—	710	—	—	—	710
Net income	—	—	—	193,825	—	—	193,825
Other comprehensive income, net	—	—	—	—	108	—	108
Elimination of Predecessor equity	—	—	222,601	780,897	57,904	—	1,061,402
Balance at 2/5/2021 (Predecessor)	261,246	\$ 26,125	\$ 990,025	\$ —	\$ —	\$ —	\$ 1,016,150
Balance at 2/6/2021 (Successor)	261,246	\$ 26,125	\$ 990,025	\$ —	\$ —	\$ —	\$ 1,016,150
Distributions to parent company, net	—	—	(32,678)	(16,891)	—	—	(49,569)
Capital contribution by parent - share-based compensation	—	—	16,096	—	—	—	16,096
Capital contribution by parent - Pacific Drilling merger	—	—	419,967	—	—	—	419,967
Net income	—	—	—	87,385	—	—	87,385
Other comprehensive income, net	—	—	—	—	5,389	—	5,389
Balance at 12/31/2021 (Successor)	261,246	\$ 26,125	\$ 1,393,410	\$ 70,494	\$ 5,389	\$ —	\$ 1,495,418

See accompanying notes to the consolidated financial statements.

NOBLE CORPORATION AND SUBSIDIARIES
NOBLE FINANCE COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Note 1— Organization and Significant Accounting Policies

Noble Corporation, an exempted company incorporated in the Cayman Islands with limited liability (“Noble” or “Successor”), is a leading offshore drilling contractor for the oil and gas industry. We provide contract drilling services to the international oil and gas industry with our global fleet of mobile offshore drilling units. Noble and its predecessors have been engaged in the contract drilling of oil and gas wells since 1921. As of December 31, 2021, our fleet of 20 drilling rigs consisted of 12 floaters and eight jackups.

We report our contract drilling operations as a single reportable segment, Contract Drilling Services, which reflects how we manage our business. The mobile offshore drilling units comprising our offshore rig fleet operate in a global market for contract drilling services and are often redeployed to different regions due to changing demands of our customers, which consist primarily of large, integrated, independent and government-owned or controlled oil and gas companies throughout the world.

On July 31, 2020 (the “Petition Date”), our former parent company, Noble Holding Corporation plc (formerly known as Noble Corporation plc), a public limited company incorporated under the laws of England and Wales (“Legacy Noble” or the “Predecessor”), and certain of its subsidiaries, including Noble Finance Company (formerly known as Noble Corporation), a Cayman Islands company (“Finco”), filed voluntary petitions in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”) seeking relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). On September 4, 2020, the Debtors (as defined herein) filed with the Bankruptcy Court the *Joint Plan of Reorganization of Noble Corporation plc and its Debtor Affiliates*, which was subsequently amended on October 8, 2020 and October 13, 2020 and modified on November 18, 2020 (as amended, modified or supplemented, the “Plan”), and the related disclosure statement. On September 24, 2020, six additional subsidiaries of Legacy Noble (together with Legacy Noble and its subsidiaries that filed on the Petition Date, as the context requires, the “Debtors”) filed voluntary petitions in the Bankruptcy Court. The chapter 11 proceedings were jointly administered under the caption *Noble Corporation plc, et al. (Case No. 20-33826)* (the “Chapter 11 Cases”). On November 20, 2020, the Bankruptcy Court entered an order confirming the Plan. In connection with the Chapter 11 Cases and the Plan, on and prior to the Effective Date (as defined herein), Legacy Noble and certain of its subsidiaries effectuated certain restructuring transactions pursuant to which Legacy Noble formed Noble as an indirect wholly-owned subsidiary of Legacy Noble and transferred to Noble substantially all of the subsidiaries and other assets of Legacy Noble. On February 5, 2021 (the “Effective Date”), the Plan became effective in accordance with its terms and the Debtors emerged from the Chapter 11 Cases and Noble became the new parent company. In accordance with the Plan, Legacy Noble and its remaining subsidiary will in due course be wound down and dissolved in accordance with applicable law. The Bankruptcy Court closed the Chapter 11 Cases with respect to all Debtors other than Legacy Noble, pending its wind down.

Noble is the successor issuer to Legacy Noble for purposes of and pursuant to Rule 15d-5 of the Exchange Act. References to the “Company,” “we,” “us” or “our” in this Annual Report are to Noble, together with its consolidated subsidiaries, when referring to periods following the Effective Date, and to Legacy Noble, together with its consolidated subsidiaries, when referring to periods prior to the Effective Date.

Upon emergence, the Company applied fresh start accounting in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 852 – Reorganizations (“ASC 852”). The application of fresh start accounting resulted in a new basis of accounting and the Company becoming a new entity for financial reporting purposes. Accordingly, our financial statements and notes after the Effective Date are not comparable to our financial statements and notes on and prior to that date. See “Note 3— Fresh Start Accounting” for additional information.

Finco was an indirect, wholly-owned subsidiary of Legacy Noble prior to the Effective Date and has been a direct, wholly-owned subsidiary of Noble, our parent company, since the Effective Date. Noble’s principal asset is all of the shares of Finco. Finco has no public equity outstanding. The consolidated financial statements of Noble include the accounts of Finco, and Noble conducts substantially all of its business through Finco and its subsidiaries. As such, the terms “Predecessor” and “Successor” also refers to Finco, as the context requires.

Principles of Consolidation

The consolidated financial statements include our accounts and those of our wholly-owned subsidiaries and entities in which we hold a controlling financial interest.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States (“US GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Certain accounting policies involve judgments and uncertainties to such an extent that there is reasonable likelihood that materially different

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amounts could have been reported under different conditions, or if different assumptions had been used. We evaluate our estimates and assumptions on a regular basis. We base our estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates and assumptions used in preparation of our consolidated financial statements.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits with banks and all highly liquid investments with original maturities of three months or less. Our cash, cash equivalents and short-term investments are subject to potential credit risk, and certain of our cash accounts carry balances greater than the federally insured limits. Cash and cash equivalents are primarily held by major banks or investment firms. Our cash management and investment policies restrict investments to lower risk, highly liquid securities and we perform periodic evaluations of the relative credit standing of the financial institutions with which we conduct business.

Restricted Cash

We classify restricted cash balances in current assets if the restriction is expected to expire or otherwise be resolved within one year and in other assets if the restriction is expected to expire or otherwise be resolved in more than one year. As of December 31, 2021 and 2020, our Noble restricted cash balance consisted of \$2.6 million and \$21.7 million, respectively. As of December 31, 2021 and 2020, our Finco restricted cash balance consisted of \$2.6 million and \$1.7 million, respectively. All restricted cash is recorded in "Prepaid expenses and other current assets." As of December 31, 2021, our restricted cash balance was associated cash collateral on the Company's purchase cards and a performance guarantee on the *Noble Faye Kozack*. As of December 31, 2020, our restricted cash balance is to comply with restrictions from a Bankruptcy Court order to settle certain professional fees incurred upon or prior to our emergence from bankruptcy.

Accounts Receivable

We record accounts receivable at the amount we invoice our clients, net of allowance for credit losses. We provide an allowance for uncollectible accounts, as necessary. Our allowance for doubtful accounts as of December 31, 2021 and 2020 was zero and \$1.1 million, respectively.

Property and Equipment

Property and equipment is stated at cost, reduced by provisions to recognize economic impairment. Major replacements and improvements are capitalized. When assets are sold, retired or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts and the gain or loss is recognized. Drilling equipment and facilities are depreciated using the straight-line method over their estimated useful lives as of the date placed in service or date of major refurbishment. Estimated useful lives of our drilling equipment range from three to 30 years. Other property and equipment is depreciated using the straight-line method over useful lives ranging from two to 40 years. Included in accounts payable were \$36.5 million and \$35.3 million of capital accruals as of December 31, 2021 and 2020, respectively.

Interest is capitalized on long-term construction project using the weighted average cost of debt outstanding during the period of construction.

Scheduled maintenance of equipment is performed based on the number of hours operated in accordance with our preventative maintenance program. Routine repair and maintenance costs are charged to expense as incurred; however, the costs of the overhauls and asset replacement projects that benefit future periods and which typically occur every three to five years are capitalized when incurred and depreciated over an equivalent period. These overhauls and asset replacement projects are included in "Drilling equipment and facilities" in "Note 6— Property and Equipment."

We evaluate our property and equipment for impairment whenever there are changes in facts that suggest that the value of the asset is not recoverable. As part of this analysis, we make assumptions and estimates regarding future market conditions. When circumstances indicate that the carrying value of the assets may not be recoverable, management compares the carrying value to the expected undiscounted pre-tax future cash flows for the associated rig for which identifiable cash flows are independent of cash flows of other assets. If the expected undiscounted pre-tax future cash flows are lower than the carrying value, the net capitalized costs are reduced to fair value. An impairment loss is recognized to the extent that an asset's carrying value exceeds its estimated fair value. Fair value is generally estimated using a discounted cash flow model. The expected future cash flows used for impairment assessment and related fair value measurements are typically based on judgmental assessments of, but were not limited to, timing of future contract awards and expected operating dayrates, operating costs, utilization rates, discount rates, capital expenditures, reactivation costs, estimated economic useful lives and, in certain cases, our belief that a

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drilling unit is no longer marketable and is unlikely to return to service in the near to medium term, and considering all available information at the date of assessment. For more detailed information, see “Note 7— Loss on Impairment.”

Fair Value Measurements

We measure certain of our assets and liabilities based on a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three-level hierarchy, from highest to lowest level of observable inputs, are as follows:

Level 1 - Valuations based on quoted prices in active markets for identical assets;

Level 2 - Valuations based on observable inputs that do not meet the criteria for Level 1, including quoted prices in inactive markets and quoted prices in active markets for similar but not identical instruments; and

Level 3 - Valuations based on unobservable inputs.

Revenue Recognition

The activities that primarily drive the revenue earned in our drilling contracts include (i) providing a drilling rig and the crew and supplies necessary to operate the rig, (ii) mobilizing and demobilizing the rig to and from the drill site, and (iii) performing rig preparation activities and/or modifications required for the contract. Consideration received for performing these activities may consist of dayrate drilling revenue, mobilization and demobilization revenue, contract preparation revenue and reimbursement revenue. We account for these integrated services provided within our drilling contracts as a single performance obligation satisfied over time and comprised of a series of distinct time increments in which we provide drilling services.

Our standard drilling contracts require that we operate the rig at the direction of the customer throughout the contract term (which is the period we estimate to benefit from the corresponding activities and generally ranges from two to 60 months). The activities performed and the level of service provided can vary hour to hour. Our obligation under a standard contract is to provide whatever level of service is required by the operator, or customer, over the term of the contract. We are, therefore, under a stand-ready obligation throughout the entire contract duration. Consideration for our stand-ready obligation corresponds to distinct time increments, though the rate may be variable depending on various factors, and is recognized in the period in which the services are performed. The total transaction price is determined for each individual contract by estimating both fixed and variable consideration expected to be earned over the term of the contract. We have elected to exclude from the transaction price measurement all taxes assessed by a governmental authority. See further discussion regarding the allocation of the transaction price to the remaining performance obligations below.

The amount estimated for variable consideration may be subject to interrupted or restricted rates and is only included in the transaction price to the extent that it is probable that a significant reversal of previously recognized revenue will not occur throughout the term of the contract (“constrained revenue”). When determining if variable consideration should be constrained, management considers whether there are factors outside the Company’s control that could result in a significant reversal of revenue as well as the likelihood and magnitude of a potential reversal of revenue. These estimates are re-assessed each reporting period as required.

Dayrate Drilling Revenue. Our drilling contracts generally provide for payment on a dayrate basis, with higher rates for periods when the drilling unit is operating and lower rates or zero rates for periods when drilling operations are interrupted or restricted. The dayrate invoices billed to the customer are typically determined based on the varying rates applicable to the specific activities performed on an hourly basis. Such dayrate consideration is allocated to the distinct hourly increment it relates to within the contract term, and therefore, recognized in line with the contractual rate billed for the services provided for any given hour.

Mobilization/Demobilization Revenue. We may receive fees (on either a fixed lump-sum or variable dayrate basis) for the mobilization and demobilization of our rigs. These activities are not considered to be distinct within the context of the contract and, therefore, the associated revenue is allocated to the overall performance obligation and the associated pre-operating costs are deferred. We record a contract liability for mobilization fees received and a deferred asset for costs. Both revenue and pre-operating costs are recognized ratably over the initial term of the related drilling contract.

In most contracts, there is uncertainty as to the amount of expected demobilization revenue due to contractual provisions that stipulate that certain conditions must be present at contract completion for such revenue to be received and as to the amount thereof, if any. For example, contractual provisions may require that a rig demobilize a certain distance before the demobilization revenue is payable or the amount may vary dependent upon whether or not the rig has additional contracted work within a certain distance from the wellsite. Therefore, the estimate for such revenue may be constrained, as described earlier, depending on the facts and circumstances pertaining to the specific contract. We assess the likelihood of receiving such revenue based on past experience and knowledge of the market conditions. In cases where demobilization revenue is expected to be received upon contract completion, it is estimated as part of the overall transaction price at contract inception and recognized in earnings ratably over the initial term of the contract with an offset to an accretive contract asset.

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Contract Preparation Revenue. Some of our drilling contracts require downtime before the start of the contract to prepare the rig to meet customer requirements. At times, we may be compensated by the customer for such work (on either a fixed lump-sum or variable dayrate basis). These activities are not considered to be distinct within the context of the contract and, therefore, the related revenue is allocated to the overall performance obligation and recognized ratably over the initial term of the related drilling contract. We record a contract liability for contract preparation fees received, which is amortized ratably to contract drilling revenue over the initial term of the related drilling contract.

Bonuses, Penalties and Other Variable Consideration. We may receive bonus increases to revenue or penalty decreases to revenue. Based on historical data and ongoing communication with the operator/customer, we are able to reasonably estimate this variable consideration. We will record such estimated variable consideration and re-measure our estimates at each reporting date. For revenue estimated, but not received, we will record to “Prepaid expenses and other current assets” on our Consolidated Balance Sheets.

Capital Modification Revenue. From time to time, we may receive fees from our customers for capital improvements to our rigs to meet contractual requirements (on either a fixed lump-sum or variable dayrate basis). Such revenue is allocated to the overall performance obligation and recognized ratably over the initial term of the related drilling contract as these activities are integral to our drilling activities and are not considered to be a stand-alone service provided to the customer within the context of our contracts. We record a contract liability for such fees and recognize them ratably as contract drilling revenue over the initial term of the related drilling contract commencing when the asset is ready for its intended use.

Revenues Related to Reimbursable Expenses. We generally receive reimbursements from our customers for the purchase of supplies, equipment, personnel services and other services provided at their request in accordance with a drilling contract or other agreement. Such reimbursable revenue is variable and subject to uncertainty, as the amounts received and timing thereof is highly dependent on factors outside of our influence. Accordingly, reimbursable revenue is constrained revenue and not included in the total transaction price until the uncertainty is resolved, which typically occurs when the related costs are incurred on behalf of a customer. We are generally considered a principal in such transactions and record the associated revenue at the gross amount billed to the customer as “Reimbursables and other” in our Consolidated Statements of Operations. Such amounts are recognized ratably over the period within the contract term during which the corresponding goods and services are to be consumed.

Deferred revenues from drilling contracts totaled \$27.8 million and \$59.9 million at December 31, 2021 and 2020, respectively. Such amounts are included in either “Other current liabilities” or “Other liabilities” in the accompanying Consolidated Balance Sheets, based upon our expected time of recognition. Related expenses deferred under drilling contracts totaled \$5.7 million at December 31, 2021 as compared to \$13.9 million at December 31, 2020 and are included in either “Prepaid expenses and other current assets,” “Other assets” or “Property and equipment, net” in the accompanying Consolidated Balance Sheets, based upon our expected time of recognition.

We record reimbursements from customers for “out-of-pocket” expenses as revenues and the related direct cost as operating expenses.

Income Taxes

Income taxes are based on the laws and rates in effect in the countries in which operations are conducted or in which we or our subsidiaries are considered resident for income tax purposes. In certain circumstances, we expect that, due to changing demands of the offshore drilling markets and the ability to redeploy our offshore drilling units, certain of such units will not reside in a location long enough to give rise to future tax consequences. As a result, no deferred tax asset or liability has been recognized in these circumstances. Should our expectations change regarding the length of time an offshore drilling unit will be used in a given location, we will adjust deferred taxes accordingly.

Deferred tax assets and liabilities are recognized for the anticipated future tax effects of temporary differences between the financial statement basis and the tax basis of our assets and liabilities using the applicable jurisdictional tax rates at year-end. A valuation allowance for deferred tax assets is recorded when it is more likely than not that the deferred tax asset will not be realized in a future period.

We operate through various subsidiaries in numerous countries throughout the world, including the United States. Consequently, we are subject to changes in tax laws, treaties or regulations or the interpretation or enforcement thereof in the United States, UK and any other jurisdictions in which we or any of our subsidiaries operate or are resident. Our income tax expense is based upon our interpretation of the tax laws in effect in various countries at the time that the expense was incurred. If the IRS or other taxing authorities do not agree with our assessment of the effects of such laws, treaties and regulations, this could have a material adverse effect on us including the imposition of a higher effective tax rate on our worldwide earnings or a reclassification of the tax impact of our significant corporate restructuring transactions. The Company has adopted an accounting policy to look through the outside basis of partnerships and all other flow-through entities and exclude these from the computation of deferred taxes.

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Insurance Reserves

We maintain various levels of self-insured retention for certain losses including property damage, loss of hire, employment practices liability, employers' liability and general liability, among others. We accrue for property damage and loss of hire charges on a per event basis.

Employment practices liability claims are accrued based on actual claims during the year. Maritime employer's liability claims are generally estimated using actuarial determinations. General liability claims are estimated by our internal claims department by evaluating the facts and circumstances of each claim (including incurred but not reported claims) and making estimates based upon historical experience with similar claims. At December 31, 2021 and 2020, loss reserves for personal injury and protection claims totaled \$14.8 million and \$30.9 million, respectively, and such amounts are included in "Other current liabilities" and "Other current liabilities" or "Liabilities subject to compromise," respectively, in the accompanying Consolidated Balance Sheets.

Earnings per Share

Our unvested share-based payment awards, which contain non-forfeitable rights to dividends, are participating securities and are included in the computation of earnings per share pursuant to the two-class method. The two-class method allocates undistributed earnings between common shares and participating securities. The diluted earnings per share calculation under the two-class method also includes the dilutive effect of potential shares issued in connection with stock warrants and options. The dilutive effect of stock warrants and options is determined using the treasury stock method. The diluted earnings per share calculation is adjusted for mandatory exercise, under the treasury stock method, if the condition is met at the balance sheet date. At December 31, 2021, the Mandatory Exercise Condition (as defined in the applicable warrant agreement) set forth in the warrant agreements for the Tranche 1 Warrants and the Tranche 2 Warrants was not satisfied.

Share-Based Compensation Plans

We record the grant date fair value of share-based compensation arrangements as compensation cost using a straight-line method over the service period. Share-based compensation is expensed or capitalized based on the nature of the employee's activities.

Liability-Classified Awards

The Company classified certain awards that will be settled in cash as liability awards. The fair value of a liability-classified award is determined on a quarterly basis beginning at the grant date until final vesting. Changes in the fair value of liability-classified awards are expensed or capitalized based on the nature of the employee's activities over the vesting period of the award.

Litigation Contingencies

We are involved in legal proceedings, claims, and regulatory, tax or government inquiries and investigations that arise in the ordinary course of business. Certain of these matters include speculative claims for substantial or indeterminate amounts of damages. We record a liability when we believe that it is both probable that a loss has been incurred and the amount can be reasonably estimated. If we determine that a loss is reasonably possible and the loss or range of loss can be estimated, we disclose the possible loss in the notes to the consolidated financial statements.

We review the developments in our contingencies that could affect the amount of the provisions that has been previously recorded, and the matters and related possible losses disclosed. We make adjustments to our provisions and changes to our disclosures accordingly to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and updated information. Significant judgement is required to determine both the probability and the estimated amount.

Foreign Currency Translation

Although we are a Cayman Islands company, our functional currency is the US dollar, and we define any non-US dollar denominated currency as "foreign currencies." In non-US locations where the US Dollar has been designated as the functional currency (based on an evaluation of factors including the markets in which the subsidiary operates, inflation, generation of cash flow, financing activities and intercompany arrangements), local currency transaction gains and losses are included in net income or loss. In non-US locations where the local currency is the functional currency, assets and liabilities are translated at the rates of exchange on the balance sheet date, while statement of operations items are translated at average rates of exchange during the year. The resulting gains or losses arising from the translation of accounts from the functional currency to the US Dollar are included in "Accumulated other comprehensive loss" in the Consolidated Balance Sheets. We did not recognize any material gains or losses on foreign currency transactions or translations during the three years ended December 31, 2021.

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Discontinued Operations

On August 1, 2014, Legacy Noble completed the separation and spin-off of a majority of its standard specification offshore drilling business (the “Spin-off”) through a pro rata distribution of all of the ordinary shares of its wholly-owned subsidiary, Paragon Offshore plc (“Paragon Offshore”), to the holders of Noble’s ordinary shares. Paragon Offshore, which had been reflected as continuing operations in our consolidated financial statements prior to the Spin-off, meets the criteria for being reported as discontinued operations and has been reclassified as such in our results of operations.

Prior to the completion of the Spin-off, Legacy Noble and Paragon Offshore entered into a series of agreements to effect the separation and Spin-off and govern the relationship between the parties after the Spin-off (the “Separation Agreements”), including the Master Separation Agreement and the Tax Sharing Agreement. During the year ended December 31, 2019, we recognized charges of \$3.8 million recorded in “Net loss from discontinued operations, net of tax” on our Consolidated Statement of Operations relating to settlement of Mexico customs audits from rigs included in the Spin-off. For additional information related to the Spin-off, refer to “Note 16— Commitments and Contingencies.”

Accounting Pronouncements

Accounting Standards Adopted

In December 2019, the FASB issued Accounting Standards Update (“ASU”) No. 2019-12, which amends ASC Topic 740, Income Taxes. This update simplifies the accounting for income taxes by removing certain exceptions to general principles. The amendment is effective for fiscal years beginning after December 15, 2020, and interim periods within those fiscal years, and is required to be adopted on a retrospective basis for all periods presented.

We adopted ASU No. 2019-12, effective January 1, 2021. The adoption of this guidance did not have a material impact on our consolidated financial statements.

Recently Issued Accounting Standards

In October 2021, the FASB issued ASU No. 2021-08, Accounting for Contract Assets and Contract Liabilities from Contracts with Customers, in order to provide clarity on how to account for acquired revenue contracts with customers in a business combination. This guidance is effective for public business entities for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years. The amendments should be applied prospectively to business combinations occurring on or after the effective date. Early adoption is permitted. The Company is planning on early adopting this standard on January 1, 2022 and we do not anticipate this will have a material impact on our financial statements.

With the exception of the updated standards discussed above, there have been no new accounting pronouncements not yet effective that have significance, or potential significance, to our consolidated financial statements.

Note 2— Chapter 11 Emergence

On the Petition Date, Legacy Noble and certain of its subsidiaries, including Finco, filed voluntary petitions in the Bankruptcy Court seeking relief under chapter 11 of the Bankruptcy Code. The Plan was confirmed by the Bankruptcy Court on November 20, 2020, and the Debtors emerged from the bankruptcy proceedings on the Effective Date.

On the Effective Date, and pursuant to the terms of the Plan, the Company:

- Appointed five new members to the Successor’s board of directors to replace all of the directors of the Predecessor, other than the director also serving as President and Chief Executive Officer, who was re-appointed pursuant to the Plan. Subsequent to the Effective Date, an additional director was appointed.
- Terminated and cancelled all ordinary shares and equity-based awards of Legacy Noble that were outstanding immediately prior to the Effective Date;
- Transferred approximately 31.7 million ordinary shares of Noble with a nominal value of \$0.00001 per share (“Ordinary Shares”) to holders of Legacy Noble’s then outstanding Senior Notes due 2026 (the “Guaranteed Notes”) in the cancellation of the Guaranteed Notes;
- Transferred approximately 2.1 million Ordinary Shares, approximately 8.3 million seven-year warrants with Black-Scholes protection (the “Tranche 1 Warrants”) with an exercise price of \$19.27 and approximately 8.3 million seven-year warrants

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with Black-Scholes protection (the “Tranche 2 Warrants”) with an exercise price of \$23.13 to holders of Legacy Noble’s then outstanding senior notes (other than the Guaranteed Notes) (the “Legacy Notes”) in cancellation of the Legacy Notes;

- Issued approximately 7.7 million Ordinary Shares and \$216.0 million principal amount of our senior secured second lien notes (the “Second Lien Notes”) to participants in a rights offering (the “Rights Offering”) at an aggregate subscription price of \$200.0 million;
- Issued approximately 5.6 million Ordinary Shares to the backstop parties (the “Backstop Parties”) to a Backstop Commitment Agreement, dated October 12, 2020 (the “Backstop Commitment Agreement”), among the Debtors and the Backstop Parties as Holdback Securities (as defined in the Backstop Commitment Agreement);
- Issued approximately 1.7 million Ordinary Shares to the Backstop Parties in respect of their backstop commitment to subscribe for Unsubscribed Securities (as defined in the Backstop Commitment Agreement);
- Issued approximately 1.2 million Ordinary Shares to the Backstop Parties in connection with the payment of the Backstop Premiums (as defined in the Backstop Commitment Agreement);
- Issued 2.8 million five-year warrants with no Black-Scholes protection (the “Tranche 3 Warrants”) with an exercise price of \$124.40 to the holders of Legacy Noble’s ordinary shares outstanding prior to the Effective Date;
- Entered into a senior secured revolving credit agreement (the “Revolving Credit Agreement”) that provides for a \$675.0 million senior secured revolving credit facility (with a \$67.5 million sublimit for the issuance of letters of credit thereunder) (the “Revolving Credit Facility”);
- Entered into an indenture governing the Second Lien Notes;
- Entered into a registration rights agreement with certain parties who received Ordinary Shares under the Plan (the “Equity Registration Rights Agreement”); and
- Entered into a registration rights agreement with certain parties who received Second Lien Notes under the Plan.

In addition, Noble entered into an exchange agreement with certain Backstop Parties which provided that, as soon as reasonably practicable after the Effective Date, the other parties to such agreement would deliver to the Company an aggregate of approximately 6.5 million Ordinary Shares issued pursuant to the Plan in exchange for the issuance of penny warrants to purchase up to approximately 6.5 million Ordinary Shares, with an exercise price of \$0.01 per share (“Penny Warrants”). This exchange was completed in late February 2021.

Management Incentive Plan. The Plan contemplated that on or after the Effective Date, the Company would adopt a long-term incentive plan and authorize and reserve 7.7 million Ordinary Shares for issuance pursuant to equity incentive awards to be granted under such plan. On February 18, 2021, the Company adopted the long-term incentive plan and authorized and reserved 7.7 million Ordinary Shares for awards to be granted under such plan.

Sources of Cash for Plan Distribution. All cash payments made by the Company under the Plan on the Effective Date were funded from cash on hand, proceeds of the Rights Offering, and proceeds of the Revolving Credit Facility.

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Reorganization Items, Net

In accordance with ASC 852, any incremental expenses, gains and losses that are realized or incurred as of or subsequent to the Petition Date and before the Effective Date that are a direct result of the Chapter 11 Cases are recorded under “Reorganization items, net.” The following table summarizes the components of reorganization items included in our Consolidated Statements of Operations for the period from January 1, 2021 through February 5, 2021:

	Predecessor	
	Noble	Finco
	Period From January 1, 2021 through February 5, 2021	Period From January 1, 2021 through February 5, 2021
Professional fees ⁽¹⁾	\$ (28,739)	\$ (8,095)
Adjustments for estimated allowed litigation claims	77,300	—
Write-off of unrecognized share-based compensation	(4,406)	(4,406)
Gain on settlement of liabilities subject to compromise	2,556,147	2,556,147
Loss on fresh start adjustments	(2,348,251)	(2,348,251)
Total Reorganization items, net	\$ 252,051	\$ 195,395

⁽¹⁾ Payments of \$44.2 million and \$7.2 million related to professional fees have been presented as cash outflows from operating activities in our Consolidated Statements of Cash Flows for the period from January 1, 2021 through February 5, 2021 for Noble and Finco, respectively.

Liabilities Subject to Compromise

From the Petition Date until the Effective Date, the Company operated as a debtor-in-possession under the jurisdiction of the Bankruptcy Court and in accordance with provisions of the Bankruptcy Code. In accordance with ASC 852, on our Consolidated Balance Sheets prior to the Effective Date, the caption “Liabilities subject to compromise” reflects the expected allowed amount of the pre-petition claims that are not fully secured and that have at least a possibility of not being repaid at the full claim amount. The Company has considered the chapter 11 motions approved by the Bankruptcy Court with respect to the amount and classification of its pre-petition liabilities. The Company evaluated and adjusted the amount and classification of its pre-petition liabilities through the Effective Date.

Note 3— Fresh Start Accounting

In connection with our emergence from bankruptcy and in accordance with ASC 852, Noble and Finco qualified for and applied fresh start accounting on the Effective Date. Noble and Finco were required to apply fresh start accounting because (i) the holders of existing Legacy Noble voting shares received less than 50% of the voting shares of the Successor, and (ii) the reorganization value of Noble's and Finco's assets, each of which approximated \$1.7 billion, immediately prior to confirmation of the Plan was less than the corresponding post-petition liabilities and allowed claims, each of which approximated \$4.0 billion. Applying fresh start accounting resulted in new reporting entities with no beginning retained earnings or accumulated deficit. Accordingly, our financial statements and notes after the Effective Date are not comparable to our financial statements and notes on and to prior to that date.

With the application of fresh start accounting, we allocated the reorganization value to our individual assets and liabilities (except for deferred income taxes) based on their estimated fair values in conformity with ASC Topic 805, Business Combinations. The amount of deferred taxes was determined in accordance with ASC Topic 740, Income Taxes and ASC 852. The Effective Date fair values of our assets and liabilities differed materially from their recorded values as reflected on the historical balance sheets.

As described in “Note 1— Organization and Significant Accounting Policies,” Noble and Finco are referred to as Successor, as the context requires, and includes the financial position and results of operations of the reorganized Noble and Finco subsequent to February 5,

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2021. References to Predecessor relate to the financial position and results of operations of Legacy Noble and Finco prior to, and including, February 5, 2021.

Reorganization Value and Valuation of Assets

The reorganization value represents the fair value of the Successor's and Finco's total assets and was derived from the enterprise value, which represents the estimated fair value of an entity's long-term debt and equity. As set forth in the Plan, the enterprise value of the reorganized Debtors was estimated to be in the range of \$1.1 billion to \$1.6 billion with a midpoint of \$1.3 billion. The enterprise value range was determined by using a discounted cash flow analysis and a peer group trading analysis, excluding unrestricted cash at emergence. Based on the estimates and assumptions discussed above, we estimated the enterprise value to be the midpoint of the range of estimated enterprise value of \$1.3 billion.

The following table reconciles the enterprise value to the Successor equity as of the Effective Date:

	February 5, 2021
Enterprise Value	\$ 1,300,300
Plus: Cash and cash equivalents	111,968
Less: Fair value of debt	(393,500)
Fair Value of Successor Equity	<u>\$ 1,018,768</u>

The following table reconciles the enterprise value to the reorganization value as of the Effective Date:

	February 5, 2021
Enterprise Value	\$ 1,300,300
Plus: Cash and cash equivalents	111,968
Plus: Non-interest bearing current liabilities	185,410
Plus: Non-interest bearing non-current liabilities	108,268
Reorganization value of Successor assets	<u>\$ 1,705,946</u>

With the assistance of financial advisors, we determined the enterprise and corresponding equity value of the Successor by calculating the present value of future cash flows based on our financial projections. The enterprise value and corresponding equity value are dependent upon achieving future financial results set forth in our valuations, as well as the realization of certain other assumptions. All estimates, assumptions, valuations and financial projections, including the fair value adjustments, the enterprise value and equity value projections, are inherently subject to significant uncertainties and the resolution of contingencies beyond our control. Accordingly, the estimates, assumptions, valuations or financial projections may not be realized and actual results could vary materially.

Valuation Process

Under the application of fresh start accounting and with the assistance of valuation experts, we conducted an analysis of the Consolidated Balance Sheet to determine if any of the Company's net assets would require a fair value adjustment as of the Effective Date. The results of our analysis indicated that our principal assets, which include mobile offshore drilling units, certain intangibles and debt issued at emergence would require a fair value adjustment on the Effective Date. The rest of the Company's net assets were determined to have carrying values that approximated fair value on the Effective Date. Further details regarding the valuation process is described further below.

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Property, Plant and Equipment

The valuation of the Company's mobile offshore drilling units and other related tangible assets was determined by using a combination of (1) the discounted cash flows expected to be generated from our drilling assets over their remaining useful lives and (2) the cost to replace our drilling assets, as adjusted by the current market for similar offshore drilling assets. Assumptions used in our 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, utilization rates, tax rates, discount rate, capital expenditures, market values, weighting of market values, reactivation costs, estimated economic useful lives 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. We included an allocation for corporate overhead when calculating the discounted cash flows expected to be generated from our drilling assets over their remaining useful lives. The cash flows were discounted at our weighted average cost of capital ("WACC"), which was derived from a blend of our after-tax cost of debt and our cost of equity, and computed using public share price information for similar offshore drilling market participants, certain US Treasury rates, and certain risk premiums specific to the Company.

The valuation of our remaining property and equipment, including owned real estate, construction in progress assets, and other equipment essential to our operations, was determined utilizing a combination of replacement cost and market valuation approaches. Specifically, the land was valued using a sales comparison method of the market approach, in which we utilized recent sales of comparable properties to estimate the fair value on a US Dollar per acre basis. The remaining property and equipment were valued using a cost approach, in which we estimated the replacement cost of the assets and applied adjustments for physical depreciation and obsolescence, where applicable, to arrive at a fair value.

Intangible Assets

At emergence, we held contracts for drilling services related to certain long-term contracts. Given the contract dayrates relative to market dayrates at the Effective Date, we determined the contracts represent favorable contract intangible assets. Based on a discounted cash flow analysis utilizing the dayrate differential between current market dayrates and the contract dayrates, and a risk-adjusted discount rate of 17%, we determined the aggregate fair value of our contracts for these certain contracts to be \$113.4 million above the fair value of the contracts if they were priced at current market dayrates on the Effective Date. The dayrate differential on these contracts as compared to prior years was primarily driven by the combination of continued market oversupply of offshore drilling units, the volatility in oil and gas price and the unprecedented crude product consumption levels experienced in 2020.

Debt

The valuations of the Company's Revolving Credit Facility and Second Lien Notes were based on relevant market data as of the Effective Date and the terms of each of the respective instruments. Considering the interest rates and implied yields for the Revolving Credit Facility and Second Lien Notes were within a range of comparable market yields (with considerations for term and seniority), fair value adjustments were recorded relating to each of the instruments.

Successor Warrants

On the Effective Date, the Company issued Tranche 1 Warrants and Tranche 2 Warrants to certain former bondholders as part of the settlement of their pre-petition claims. The Company also issued Tranche 3 Warrants to holders of the Predecessor's ordinary shares. The fair values of the warrants on the Effective Date were determined using an options pricing model while considering the contractual terms for each respective tranche, including the mandatory exercise provisions related to Tranche 1 Warrants and Tranche 2 Warrants. The key market data assumptions for the options pricing model are the estimated volatility and the risk-free rate. The volatility assumption was estimated using market data for similar offshore drilling market participants with consideration for differences in size and leverage. The risk-free rate assumption was based on US Constant Maturity Treasury rates as of the Effective Date.

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Consolidated Balance Sheet at Emergence

The adjustments set forth in the following Consolidated Balance Sheet as of February 5, 2021 reflect the consummation of the transactions contemplated by the Plan and carried out by the Company (“Reorganization Adjustments”) and the fair value adjustments as a result of the application of fresh start accounting (“Fresh Start Adjustments”). The explanatory notes provide additional information with regard to the adjustments recorded, the methods used to determine fair values and significant assumptions or inputs.

The following table reflects the reorganization and application of ASC 852 on our consolidated balance sheet as of February 5, 2021:

	Predecessor	Reorganization Adjustments		Fresh Start Adjustments		Successor
ASSETS						
Current assets						
Cash and cash equivalents	\$ 317,962	\$ (205,994)	(a)	\$ —		\$ 111,968
Accounts receivable, net	189,207	—		—		189,207
Taxes receivable	32,556	—		—		32,556
Prepaid expenses and other current assets	63,056	(20,302)	(b)	(10,073)	(m)	32,681
Total current assets	602,781	(226,296)		(10,073)		366,412
Intangible assets						
Property and equipment, at cost	4,787,661	—		(3,631,936)	(o)	1,155,725
Accumulated depreciation	(1,221,033)	—		1,221,033	(o)	—
Property and equipment, net	3,566,628	—		(2,410,903)		1,155,725
Other assets	69,940	10,983	(c)	(10,503)	(m)	70,420
Total assets	\$ 4,239,349	\$ (215,313)		\$ (2,318,090)		\$ 1,705,946
LIABILITIES AND EQUITY						
Current liabilities						
Accounts payable	\$ 89,215	\$ (7,266)	(d)	\$ —		\$ 81,949
Accrued payroll and related costs	35,615	—		—		35,615
Taxes payable	34,211	—		—		34,211
Other current liabilities	64,943	21,305	(e)	(52,613)	(m)	33,635
Total current liabilities	223,984	14,039		(52,613)		185,410
Long-term debt	—	352,054	(f)	41,446	(p)	393,500
Deferred income taxes	9,303	(17,328)	(g)	29,550	(q)	21,525
Other liabilities	108,489	4,659	(h)	(26,405)	(m)	86,743
Liabilities subject to compromise	4,143,812	(4,143,812)	(i)	—		—
Total liabilities	4,485,588	(3,790,388)		(8,022)		687,178
Shareholders' equity (deficit)						
Common stock (Predecessor)	2,511	(2,511)	(j)	—		—
Common stock (Successor)	—	1	(k)	—		1
Additional paid-in capital (Predecessor)	815,505	(815,505)	(j)	—		—
Additional paid-in capital (Successor)	—	1,018,767	(k)	—		1,018,767
Accumulated deficit	(1,006,351)	3,374,323	(l)	(2,367,972)	(r)	—
Accumulated other comprehensive loss	(57,904)	—		57,904	(s)	—
Total shareholders' equity (deficit)	(246,239)	3,575,075		(2,310,068)		1,018,768
Total liabilities and equity	\$ 4,239,349	\$ (215,313)		\$ (2,318,090)		\$ 1,705,946

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Reorganization Adjustments

(a) Represents the reorganization adjustment to cash and cash equivalents:

Proceeds from Rights Offering	\$	200,000
Proceeds from the Revolving Credit Facility, net of issuance costs		167,361
Transfer of cash from restricted cash		300
Payment of professional service fees		(23,261)
Payment of the pre-petition revolving credit facility principal and accrued interest		(550,019)
Deconsolidation of NHUK		(300)
Payment of recurring debt fees		(75)
Change in cash and cash equivalents	\$	<u>(205,994)</u>

(b) Represents the reorganization adjustment for the following:

Payment of professional service fees from escrow	\$	(12,380)
Payment of Paragon litigation settlement from escrow		(7,700)
Transfer of restricted cash to cash		(300)
Adjustment to miscellaneous receivables related to the deconsolidation of NHUK upon emergence		78
Change in prepaid expenses and other current assets	\$	<u>(20,302)</u>

(c) Adjustments to other assets relates to capitalization of long-term debt issuance costs related to the Revolving Credit Facility of \$11.1 million and the impact of reorganization adjustments on deferred tax assets of \$(0.1) million.

(d) Adjustments to accounts payable related to the payment of professional fees \$(15.2) million and the reinstatement of trade payables from liabilities subject to compromise of \$8.0 million.

(e) Adjustment of \$21.3 million to other current liabilities related to the reinstatement of liabilities subject to compromise.

(f) Represents \$352.1 million of outstanding borrowings, net of financing costs, under the Second Lien Notes and Revolving Credit Facility.

(g) Represents the write-off of \$(17.3) million deferred income taxes as the result of the Company's internal restructuring.

(h) Represents cancellation of \$(0.1) million cash-based compensation plans and the reinstatement of \$4.7 million right-of-use lease liabilities.

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(i) Liabilities subject to compromise settled or reinstated in accordance with the Plan and the resulting gain were determined as follows:

4.900% senior notes due Aug. 2020	\$	62,535
4.625% senior notes due Mar. 2021		79,937
3.950% senior notes due Mar. 2022		21,213
7.750% senior notes due Jan. 2024		397,025
7.950% senior notes due Apr. 2025		450,000
7.875% senior notes due Feb. 2026		750,000
6.200% senior notes due Aug. 2040		393,597
6.050% senior notes due Mar. 2041		395,000
5.250% senior notes due Mar. 2042		483,619
8.950% senior notes due Apr. 2045		400,000
5.958% revolving credit facility maturing Jan. 2023		545,000
Accrued and unpaid interest		110,300
Protection and indemnity insurance liabilities		25,669
Accounts payable and other payables		8,163
Estimated loss on litigation		15,700
Lease liabilities		6,054
Total consolidated liabilities subject to compromise		4,143,812
Issuance of Successor common stock		(854,909)
Issuance of Successor warrants to certain Predecessor creditors		(141,029)
Payment of the pre-petition revolving credit facility principal and accrued interest		(550,020)
Payment of Paragon litigation settlement from escrow		(7,700)
Reinstatement of Transocean litigation liability		(8,000)
Reinstatement of protection and indemnity insurance liabilities		(11,791)
Reinstatement of trade payables and right-of-use lease liabilities		(14,216)
Gain on settlement of liabilities subject to compromise	\$	2,556,147

(j) Represents the cancellation of the Predecessor's common stock of \$(2.5) million and Additional paid-in capital of \$(815.5) million.

(k) Represents the reorganization adjustments to common stock and additional paid in capital:

Par value of 50 million shares of new common stock issued	\$	1
Capital in excess of par value of 50 million issued and authorized shares of new common stock issued		875,931
Fair value of new warrants issued		142,836
Total Successor equity issued on the Effective Date	\$	1,018,768

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(l) Represents the reorganization adjustments to accumulated deficit:

Gain on settlement of liabilities subject to compromise	\$	2,556,147
Professional fees and success fees		(15,017)
Write-off of unrecognized share-based compensation		(4,406)
Reorganization items, net		2,536,724
Cancellation of Predecessor common stock and additional paid-in capital		820,299
Cancellation of Predecessor cash and equity compensation plans		2,183
Issuance of Successor warrants to Predecessor equity holders		(1,807)
Deconsolidation of NHUK		(222)
Recognition of recurring debt fees		(75)
Tax impacts of reorganization		17,221
Net impact to Accumulated Deficit	<u>\$</u>	<u>3,374,323</u>

Fresh Start Adjustments

(m) Reflects adjustments to capitalized deferred costs, deferred revenue and pension balances due to the application of fresh start accounting as follows:

	<u>Prepaid expenses and other current assets</u>	<u>Other assets</u>	<u>Other current liabilities</u>	<u>Other liabilities</u>
Deferred contract assets and revenues	\$ (10,073)	\$ (2,616)	\$ (52,616)	\$ (20,320)
Write-off of certain financing costs	—	(6,238)	—	—
Pension assets and obligations	—	(1,010)	3	(6,085)
Fair value adjustments to other assets	—	(639)	—	—
	<u>\$ (10,073)</u>	<u>\$ (10,503)</u>	<u>\$ (52,613)</u>	<u>\$ (26,405)</u>

(n) Reflects the fair value adjustment of \$113.4 million to record an intangible asset for favorable contracts with customers.

(o) Reflects the fair value adjustment of \$2.4 billion to property and equipment of the Predecessor. The following table presents a comparison of the historical and new fair values upon emergence:

	<u>Historical Value</u>	<u>Fair Value</u>
Drilling equipment and facilities	\$ 4,355,384	\$ 1,070,931
Construction in progress	231,626	75,159
Other	200,651	9,635
Less: accumulated depreciation	(1,221,033)	—
Property and equipment, at cost	<u>\$ 3,566,628</u>	<u>\$ 1,155,725</u>

(p) Reflects a fair value adjustment of \$41.4 million to the carrying value of the Second Lien Notes due to application of fresh start accounting.

(q) New deferred tax balances of \$29.6 million were established for favorable contracts with customers due to application of fresh start accounting.

(r) The following table summarizes the cumulative impact of the fresh start adjustments, as discussed above, the elimination of the Predecessor's accumulated other comprehensive loss, and the adjustments required to eliminate accumulated deficit:

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Fair value adjustment to Prepaid and other current assets	\$	(10,073)
Fair value adjustment to Intangible assets		113,389
Fair value adjustment to Property and equipment, net		(2,410,903)
Fair value adjustment to Other assets		(10,503)
Fair value adjustment to Other current liabilities		52,613
Fair value adjustment to Long-term debt		(41,446)
Fair value adjustment to Deferred income taxes		(9,829)
Fair value adjustment to Other liabilities		26,405
Derecognition of Predecessor Accumulated other comprehensive loss		(57,904)
Total fresh start adjustments included in Reorganization items, net		(2,348,251)
Tax impact of fresh start adjustments		(19,721)
Net change in accumulated deficit	\$	(2,367,972)

(s) Reflects \$57.9 million for the derecognition of Predecessor Accumulated other comprehensive loss through Reorganization items, net.

Note 4— Acquisitions and Divestitures

Proposed Business Combination with Maersk Drilling

On November 10, 2021, Noble entered into a Business Combination Agreement (the “Business Combination Agreement”) with Noble Finco Limited, a private limited company formed under the laws of England and Wales and an indirect, wholly owned subsidiary of Noble (“Topco”), Noble Newco Sub Limited, a Cayman Islands exempted company and a direct, wholly owned subsidiary of Topco (“Merger Sub”), and The Drilling Company of 1972 A/S, a Danish public limited liability company (“Maersk Drilling”), pursuant to which, among other things, (i) (x) Noble will merge with and into Merger Sub (the “Maersk Drilling Merger”), with Merger Sub surviving the Maersk Drilling Merger as a wholly owned subsidiary of Topco, and (y) the Ordinary Shares will convert into an equivalent number of class A ordinary shares, par value \$0.00001 per share, of Topco (the “Topco Shares”), and (ii) (x) Topco will make a voluntary tender exchange offer to Maersk Drilling’s shareholders as described below (the “Offer” and, together with the Maersk Drilling Merger and the other transactions contemplated by the Business Combination Agreement, the “Business Combination”) and (y) upon the consummation of the Offer, if more than 90% of the issued and outstanding shares of Maersk Drilling, nominal value Danish krone (“DKK”) 10 per share (“Maersk Drilling Shares”), are acquired by Topco, Topco will redeem any Maersk Drilling Shares not exchanged in the Offer by Topco for Topco Shares or cash, at the election of the holder (cash for holders that do not make an election), under Danish law by way of a compulsory purchase. The board of directors of Noble (the “Board”) and the board of directors of Maersk Drilling have unanimously approved and adopted the Business Combination Agreement. The Business Combination is subject to Noble shareholder approval, acceptance of the Offer by holders of at least 80% of Maersk Drilling Shares, merger clearance and other regulatory approvals, listing on the NYSE and Nasdaq Copenhagen and other customary conditions.

Following the closing of the Business Combination, assuming all of the Maersk Drilling Shares are acquired by Topco through the Offer and no cash is paid by Topco in the Offer, Topco will own all of Noble’s and Maersk Drilling’s respective businesses and the former shareholders of Noble and former shareholders of Maersk Drilling will each own approximately 50% of the outstanding Topco Shares (or 50.8% and 49.2%, respectively, if Topco pays \$50.0 million in the Offer). Topco will be renamed Noble Corporation Plc, will be a public limited company domiciled (tax resident) in the United Kingdom and will be headquartered in Houston, Texas. Topco is expected to have certain management functions relating to the holding of shares, financing, cash management, incentive compensation and other relevant holding company functions. In addition, the board of directors of the combined company (the “Topco Board”) will be comprised of seven individuals, including three individuals designated by Noble, three individuals designated by Maersk Drilling, and Robert W. Eifler, who will serve as the President and Chief Executive Officer of the combined company. Charles M. (Chuck) Sledge, the current Chairman of the Board, will become chairman of the Topco Board, and Claus V. Hemmingsen, the current Chairman of Maersk Drilling’s board of directors, will be one of the three directors designated by Maersk Drilling.

Topco will apply to have Topco Shares listed on the New York Stock Exchange and on Nasdaq Copenhagen A/S.

At the effective time of the Maersk Drilling Merger (the “Maersk Drilling Merger Effective Time”), subject to the terms and conditions set forth in the Business Combination Agreement, (i) each Ordinary Share of Noble issued and outstanding immediately prior to the Maersk Drilling Merger Effective Time will be converted into one newly and validly issued, fully paid and non-assessable Topco Share, (ii) each Penny Warrant outstanding immediately prior to the Maersk Drilling Merger Effective Time will cease to represent the right to acquire Ordinary

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Shares and will be automatically cancelled, converted into and exchanged for a number of Topco Shares equal to the number of Ordinary Shares underlying such Penny Warrant, rounded to the nearest whole share, and (iii) each Emergence Warrant (as defined herein) outstanding immediately prior to the Maersk Drilling Merger Effective Time will be converted automatically into a warrant to acquire a number of Topco Shares equal to the number of Ordinary Shares underlying such Emergence Warrant, with the same terms as were in effect immediately prior to the Maersk Drilling Merger Effective Time under the terms of the applicable warrant agreement. In addition, each award of restricted share units representing the right to receive Ordinary Shares, or value based on the value of Ordinary Shares (each, a “Noble RSU Award”) that is outstanding immediately prior to the Maersk Drilling Merger Effective Time will cease to represent a right to acquire Ordinary Shares (or value equivalent to Ordinary Shares) and will be converted into the right to acquire, on the same terms and conditions as were applicable under the Noble RSU Award (including any vesting conditions), that number of Topco Shares equal to the number of Ordinary Shares subject to such Noble RSU Award immediately prior to the Maersk Drilling Merger Effective Time.

Subject to the terms and conditions set forth in the Business Combination Agreement, following the approval of certain regulatory filings with the Danish Financial Supervisory Authority, Topco has agreed to commence the Offer to acquire up to 100% of the then outstanding Maersk Drilling Shares and voting rights of Maersk Drilling, not including any treasury shares held by Maersk Drilling. The Offer is conditioned upon, among other things, holders of at least 80% of the then outstanding Maersk Drilling Shares and voting rights of Maersk Drilling tendering their shares in the Offer (which percentage may be lowered by Topco in its sole discretion to not less than 70%) (the “Minimum Acceptance Condition”). In the Offer, Maersk Drilling shareholders may exchange each Maersk Drilling Share for 1.6137 newly and validly issued, fully paid and non-assessable Topco Shares (the “Exchange Ratio”), and will have the ability to elect cash consideration for up to \$1,000 of their Maersk Drilling Shares (payable in DKK), subject to an aggregate cash consideration cap of \$50 million. Each of Maersk Drilling and Topco will take steps to procure that each Maersk Drilling restricted stock unit award (a “Maersk Drilling RSU Award”) that is outstanding immediately prior to the acceptance time of the Offer (the “Acceptance Time”) is converted, at the Acceptance Time, into the right to receive, on the same terms and conditions as were applicable under the Maersk Drilling RSU Long-Term Incentive Programme for Executive Management 2019 and the Maersk Drilling RSU Long-Term Incentive Programme 2019 (including any vesting conditions), that number of Topco Shares equal to the product of (1) the number of Maersk Drilling Shares subject to such Maersk Drilling RSU Award immediately prior to the Acceptance Time and (2) the Exchange Ratio, with any fractional Maersk Drilling Shares rounded to the nearest whole share. Upon conversion such Maersk Drilling RSU Awards will cease to represent a right to receive Maersk Drilling Shares (or value equivalent to Maersk Drilling Shares).

The Business Combination Agreement contains customary warranties and covenants by Noble, Topco, Merger Sub and Maersk Drilling. The Business Combination Agreement also contains customary pre-closing covenants.

Topco’s obligation to accept for payment or, subject to any applicable rules and regulations of Denmark, pay for any Maersk Drilling Shares that are validly tendered in the Offer and not validly withdrawn prior to the expiration of the Offer is subject to certain customary conditions, including, among others, that the Minimum Acceptance Condition shall have been satisfied. Maersk Drilling may require that Topco does not accept for payment or, subject to any applicable rules and regulations of Denmark, pay for the Maersk Drilling Shares that are validly tendered in the Offer and not validly withdrawn prior to the expiration of the Offer if certain customary conditions are not met. Subject to the satisfaction or waiver of the conditions set forth in the Business Combination Agreement, the Business Combination is expected to close in mid-2022.

The Business Combination Agreement contains certain termination rights for both Noble and Maersk Drilling.

Pacific Drilling Merger

On April 15, 2021, Noble purchased Pacific Drilling Company LLC (“Pacific Drilling”), an international offshore drilling contractor, in an all-stock transaction (the “Pacific Drilling Merger”). Pursuant to the terms and conditions set forth in an Agreement and Plan of Merger dated March 25, 2021, (a) each membership interest in Pacific Drilling was converted into the right to receive 6.366 Ordinary Shares and (b) each of Pacific Drilling’s warrants outstanding immediately prior to the effective time of the Pacific Drilling Merger was converted into the right to receive 1.553 Ordinary Shares. As part of the transaction, Pacific Drilling’s equity holders received 16.6 million Ordinary Shares, or approximately 24.9% of the outstanding Ordinary Shares and Penny Warrants at closing. The results of Pacific Drilling’s operations are included in the Company’s results of operations effective April 15, 2021. In connection with this acquisition, the Company acquired seven floaters and subsequently sold two floaters in June 2021 for net proceeds of \$29.7 million. In connection with this acquisition, the Company incurred \$15.9 million of acquisition related costs during the period from February 6 through December 31, 2021.

Purchase Price Allocation

The transaction has been accounted for using the acquisition method of accounting under ASC Topic 805, Business Combinations, with Noble being treated as the accounting acquirer. Under the acquisition method of accounting, the assets and liabilities of Pacific Drilling and its subsidiaries have been recorded at their respective fair values as of the date of completion of the Pacific Drilling Merger and added to Noble’s.

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The preliminary purchase price assessment remains an ongoing process and is subject to change for up to one year subsequent to the closing date of the Pacific Drilling Merger.

Determining the fair values of the assets and liabilities of Pacific Drilling and the consideration paid requires judgment and certain assumptions to be made, the most significant of these being related to the valuation of Pacific Drilling's mobile offshore drilling units and other related tangible assets and the fair value of the Ordinary Shares issued by Noble. The valuation of the Pacific Drilling's mobile offshore drilling units was determined by using a combination of (1) the discounted cash flows expected to be generated from the drilling assets over their remaining useful lives and (2) the cost to replace the drilling assets, as adjusted by the current market for similar offshore drilling assets. Assumptions used in our 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, utilization rates, tax rates, discount rate, capital expenditures, market values, weighting of market values, reactivation costs, estimated economic useful lives 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. We included an allocation for corporate overhead when calculating the discounted cash flows expected to be generated from our drilling assets over their remaining useful lives. The cash flows were discounted at our WACC, which was derived from a blend of our after-tax cost of debt and our cost of equity, and computed using public share price information for similar offshore drilling market participants, certain US Treasury rates, and certain risk premiums specific to the Company. The inputs and assumptions related to these assets are categorized as Level 3 in the fair value hierarchy.

As Noble was not yet trading on the New York Stock Exchange at the time of the Pacific Drilling Merger, the valuation of our Ordinary Shares issued by Noble as consideration required an analysis of the discounted cash flows expected to be generated by the drilling assets of the combined entity. These discounted cash flows were derived utilizing many of the same types of assumptions as were used in the valuation of the Noble drilling assets at emergence as well the Pacific Drilling assets. In addition, the discounted cash flows of the combined entity considered annual cost saving synergies from the operation of the Noble and Pacific Drilling assets as a single fleet, and were accordingly discounted at a market participant WACC for the combined entity. Lastly, the valuation of the Ordinary Shares considered the fair value of debt, warrants and the management incentive plan of the combined entity to arrive at the fair value of common equity. The inputs and assumptions related to the value of Noble's Ordinary Shares are also categorized as Level 3 in the fair value hierarchy.

The Pacific Drilling Merger resulted in a gain on bargain purchase due to the estimated fair value of the identifiable net assets acquired exceeding the purchase consideration transferred by \$62.3 million and is shown as a gain on bargain purchase on Noble's consolidated statement of operations. Management reviewed the Pacific Drilling assets acquired and liabilities assumed as well as the assumptions utilized in estimating their fair values. An adjustment of \$2.2 million to the valuation allowance on the deferred tax assets acquired in the Pacific Drilling Merger was recorded in the three months ended December 31, 2021. Upon completion of our assessment, the Company concluded that recording a gain on bargain purchase was appropriate and required under US GAAP. The bargain purchase was a result of a combination of factors, including a prolonged downturn in the drilling industry which led to challenging fundamentals for many competitors in the offshore drilling sector. The Company believes the seller was motivated to complete the transaction as the emerging market dynamics do not appear to be favorable to smaller rig fleets which operate across multiple regions.

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The following table represents the preliminary allocation of the total purchase price of Pacific Drilling to the identifiable assets acquired and the liabilities assumed based on the fair values as of the acquisition date.

Consideration:

Pacific Drilling membership interests outstanding	2,500	
Exchange Ratio	6.366	15,915
Pacific Drilling warrants outstanding	441	
Exchange Ratio	1.553	685
Noble Ordinary Shares issued		16,600
Fair value of Noble Ordinary Shares on April 15, 2021	\$	21.55
Total consideration	\$	357,662

Assets acquired:

Cash and cash equivalents	\$	54,970
Accounts receivable		17,457
Taxes receivable		1,585
Prepaid expenses and other current assets		14,081
Total current assets		88,093
Property and equipment, net		346,167
Assets held for sale		30,063
Other assets		457
Total assets acquired		464,780

Liabilities assumed:

Accounts payable		18,603
Other current liabilities		2,900
Accrued payroll and related costs		16,128
Taxes payable		1,951
Total current liabilities		39,582
Deferred income taxes		798
Other liabilities		4,433
Total liabilities assumed		44,813

Net assets acquired	\$	419,967
Gain on bargain purchase		62,305
Purchase price consideration	\$	357,662

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Pacific Drilling Revenue and Net Income

The following table represents Pacific Drilling's revenue and earnings included in Noble's consolidated statement of operations subsequent to the closing of the Pacific Drilling Merger.

	Successor
	Period From
	February 6, 2021
	through
	December 31, 2021
Revenue	\$ 94,506
Net loss	\$ (46,646)

Pro Forma Financial Information

The following unaudited pro forma summary presents the results of operations as if the Pacific Drilling Merger had occurred on February 6, 2021. The pro forma summary uses estimates and assumptions based on information available at the time. Management believes the estimates and assumptions to be reasonable; however, actual results may have differed significantly from this pro forma financial information. The pro forma information does not reflect any synergy savings that might have been achieved from combining the operations and is not intended to reflect the actual results that would have occurred had the companies actually been combined during the periods presented.

	Successor
	Period From
	February 6, 2021
	through
	December 31, 2021
Revenue	\$ 792,999
Net income	\$ 69,966
Net income per share	
Basic	\$ 1.05
Diluted	\$ 0.98

The pro forma results include, among others, (i) a reduction in Pacific Drilling's historically reported depreciation expense for adjustments to property and equipment and (ii) an adjustment to reflect the gain on bargain purchase as if the Pacific Drilling Merger had occurred on February 6, 2021.

Sale of Rigs in Saudi Arabia

On August 25, 2021, Finco and certain subsidiaries of the Company entered into a Purchase and Sale Agreement (the "Purchase and Sale Agreement") to sell the jackup rigs operated by the Company in Saudi Arabia to ADES International Holding Limited ("ADES") for a purchase price of \$292.4 million in cash. Pursuant to the terms of the Purchase and Sale Agreement, the jackups, *Noble Roger Lewis*, *Noble Scott Marks*, *Noble Joe Knight*, and *Noble Johnny Whitstine*, together with certain related assets, were sold to ADES. The closing of the sale occurred in November 2021, and the Company recognized a gain of \$185.9 million, net of transaction costs, in the fourth quarter of 2021 associated with the disposal of these assets.

The Purchase and Sale Agreement also included certain covenants that the Company has agreed to not carry on or be engaged in the operation of jackup drilling rigs in the territorial waters of the Kingdom of Saudi Arabia in the Arabian Gulf for a term after the closing date of (i) one year for purposes of drilling gas wells and (ii) two years for the purposes of drilling oil wells.

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Note 5— Earnings Per Share

The following table presents the computation of basic and diluted earnings per share:

	Successor	Predecessor		
	Period From February 6, 2021 through December 31, 2021	Period From January 1, 2021 through February 5, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Numerator:				
Basic				
Net income (loss) from continuing operations	\$ 101,982	\$ 250,228	\$ (3,978,459)	\$ (696,769)
Net loss from discontinued operations, net of tax	—	—	—	(3,821)
Net income (loss) attributable to Noble Corporation	\$ 101,982	\$ 250,228	\$ (3,978,459)	\$ (700,590)
Diluted				
Net income (loss) from continuing operations	\$ 101,982	\$ 250,228	\$ (3,978,459)	\$ (696,769)
Net loss from discontinued operations, net of tax	—	—	—	(3,821)
Net income (loss) attributable to Noble Corporation	\$ 101,982	\$ 250,228	\$ (3,978,459)	\$ (700,590)
Denominator:				
Weighted average shares outstanding — basic	63,186	251,115	250,792	248,949
Dilutive effect of share-based awards	3,180	5,456	—	—
Dilutive effect of warrants	1,262	—	—	—
Weighted average shares outstanding — diluted	67,628	256,571	250,792	248,949
Income (loss) per share				
Basic:				
Income (loss) from continuing operations	\$ 1.61	\$ 1.00	\$ (15.86)	\$ (2.79)
Loss from discontinued operations	—	—	—	(0.02)
Net income (loss) attributable to Noble Corporation	\$ 1.61	\$ 1.00	\$ (15.86)	\$ (2.81)
Diluted:				
Income (loss) from continuing operations	\$ 1.51	\$ 0.98	\$ (15.86)	\$ (2.79)
Loss from discontinued operations	—	—	—	(0.02)
Net income (loss) attributable to Noble Corporation	\$ 1.51	\$ 0.98	\$ (15.86)	\$ (2.81)

Only those items having a dilutive impact on our basic loss per share are included in diluted loss per share. The following table displays the share-based instruments that have been excluded from diluted income or loss per share since the effect would have been anti-dilutive:

	Successor	Predecessor		
	Period From February 6, 2021 through December 31, 2021	Period From January 1, 2021 through February 5, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Share-based awards	—	556	6,082	11,892
Warrants ⁽¹⁾	11,097	—	—	—

⁽¹⁾ Represents the total number of warrants outstanding which did not have a dilutive effect.

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Note 6— Property and Equipment

Property and equipment, at cost, for Noble consisted of the following:

	Successor	Predecessor
	Year Ended December 31,	Year Ended December 31,
	2021	2020
Drilling equipment and facilities	\$ 1,467,772	\$ 4,476,960
Construction in progress	77,363	99,812
Other	10,840	200,925
Property and equipment, at cost	\$ 1,555,975	\$ 4,777,697

Capital expenditures, including capitalized interest, during the period from February 6 through December 31, 2021 and the period from January 1 through February 5, 2021 totaled \$159.9 million and \$10.3 million, respectively. During the years ended 2020 and 2019, capital expenditures, including capitalized interest, totaled \$148.2 million and \$306.4 million, respectively. During the period from February 6 through December 31, 2021 and the period from January 1 through February 5, 2021, capitalized interest was \$2.0 million and zero, respectively. During the years ended 2020 and 2019, capitalized interest was zero and \$9.6 million, respectively.

During the period from February 6 through December 31, 2021 and the period from January 1 through February 5, 2021, we recognized no impairment charges to our long-lived assets. During the years ended 2020 and 2019, we recognized a non-cash loss on impairment of \$3.9 billion and \$615.3 million, respectively, related to our long-lived assets. See “Note 7— Loss on Impairment” for additional information.

In preparation for Hurricane Ida in the US Gulf of Mexico, the *Noble Globetrotter II* successfully secured the well it was drilling and detached from the blowout preventer without incident. However, during transit, the lower marine riser package and a number of riser joints separated from the rig, and certain other damage occurred. Due to the environmental conditions, a number of crew members were treated for minor injuries and released from medical care. The Company has given force majeure notice to the customer of the *Noble Globetrotter II* in accordance with the governing drilling services contract. The Company has insurance coverage for property damage to rigs due to named storms in the US Gulf of Mexico with a \$10.0 million deductible per occurrence and a \$50.0 million annual limit; however, our insurance policies may not adequately cover our losses and related claims, which could adversely affect our business. Timing differences are likely to exist between the damage costs, capital expenditures made to repair or restore properties and recognition and receipt of insurance proceeds reflected in the Company’s financial statements. The Company assessed the damage sustained on the *Noble Globetrotter II*, which resulted in \$5.4 million of assets written off during the period from February 6 through December 31, 2021. We have received \$7.5 million of insurance proceeds during the period from February 6 through December 31, 2021. The majority of the remaining charges are costs related to the equipment recovery efforts, inspection and repairs of the *Noble Globetrotter II* and are presented in “Hurricane losses and (recoveries), net” on the Consolidated Statement of Operations.

For the year ended December 31, 2020, we sold six rigs, which had a net book value of \$17.1 million for total proceeds of \$26.7 million, resulting in a gain of \$8.9 million.

Note 7— Loss on Impairment

Asset Impairments

Consistent with our accounting policies discussed in “Note 1— Organization and Significant Accounting Policies,” we evaluate our property and equipment for impairment whenever there are changes in facts which suggest that the value of the asset is not recoverable. For the period from January 1, 2021 through February 5, 2021 and the period from February 6, 2021 through December 31, 2021, we did not identify any impairment triggers for our property and equipment.

During the first quarter of 2020, the pandemic and OPEC+ production level disagreements resulted in an unprecedented steep decline in the demand for oil and a substantial surplus of oil. We considered these events to be an impairment indicator and based on our assumptions and analysis, we impaired the carrying value of four floaters. For our impaired units, the carrying values were written down to scrap value and subsequently sold in late 2020.

During the fourth quarter of 2020, the combination of the growing commitments by many of our customers to a transition to cleaner energy options, and the prolonged impacts of the pandemic, the continued oversupply of offshore drilling units placed further downward pressure on global oil demand and on our industry, potentially lengthening what was already expected to be a slow recovery. We considered

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these events to be an impairment indicator and based on our assumptions and analysis, we impaired the carrying value of three floaters and nine jackups. We estimated the fair values of these units using a weighting between an income valuation approach and a market approach, utilizing significant unobservable inputs, representative of a Level 3 fair value measurement. Assumptions used in our 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, utilization rates, discount rates, capital expenditures, market values, weighting of market values, reactivation costs, estimated economic useful lives 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.

During the quarters ended March 31, 2020 and December 31, 2020, we recognized non-cash losses on impairment of \$1.1 billion and \$2.8 billion, respectively, related to certain rigs and related capital spares. If we experience prolonged unfavorable changes to current market conditions, reactivation costs or dayrates or if we are unable to secure new or extended contracts for our rigs, it is reasonably possible that the estimate of undiscounted cash flows may change in the near term, resulting in the need to write down the affected assets to their corresponding estimated fair values. The impact of the current global economic turmoil on our customers' and our business continues to be uncertain. During the year ended December 31, 2020, we recognized approximately \$3.9 billion in impairment charges for seven floaters and nine jackups, and \$24.0 million of impairment charges related to certain capital spare equipment.

Based upon our impairment analysis, we impaired the carrying values to their corresponding estimated fair values for two floaters, and certain capital spare equipment, which resulted in an impairment charge of approximately \$615.3 million for the year ended December 31, 2019. During the year ended December 31, 2019, we recognized a \$595.5 million impairment on the *Noble Bully II*, of which \$265.0 million was attributable to our joint venture partner at the time of impairment. For our impaired units, we estimated the fair value of these units by applying the income valuation approach utilizing significant unobservable inputs, representative of a Level 3 fair value measurement. If we experience unfavorable changes to current market conditions, reactivation costs or dayrates, or we are unable to return cold stacked rigs to service in the anticipated time frame or if we are unable to secure new or extended contracts for our active rigs, it is reasonably possible that the estimate of undiscounted cash flows may change in the near term, resulting in the need to write down the affected assets to their corresponding estimated fair values.

Note 8— Debt

Post-emergence Debt

Senior Secured Revolving Credit Facility

On the Effective Date, Finco and Noble International Finance Company ("NIFCO") entered into the Revolving Credit Agreement providing for the \$675.0 million Revolving Credit Facility and cancelled all debt that existed immediately prior to the Effective Date. The Revolving Credit Facility matures on July 31, 2025. Subject to the satisfaction of certain conditions, Finco may from time to time designate one or more of Finco's other wholly-owned subsidiaries as additional borrowers under the Revolving Credit Agreement (collectively with Finco and NIFCO, the "Borrowers"). As of the Effective Date, \$177.5 million of loans were outstanding, and \$8.8 million of letters of credit were issued, under the Revolving Credit Facility. As of December 31, 2021, we had no loans outstanding and \$8.8 million of letters of credit issued under the Revolving Credit Facility and an additional \$6.3 million in letters of credit and surety bonds issued under bilateral arrangements.

All obligations of the Borrowers under the Revolving Credit Agreement, certain cash management obligations and certain swap obligations are unconditionally guaranteed, on a joint and several basis, by Finco and certain of its direct and indirect subsidiaries (collectively with the Borrowers, the "Credit Parties"), including a guarantee by each Borrower of the obligations of each other Borrower under the Revolving Credit Agreement. All such obligations, including the guarantees of the Revolving Credit Facility, are secured by senior priority liens on substantially all assets of, and the equity interests in, each Credit Party, subject to certain exceptions and limitations described in the Revolving Credit Agreement. Neither Pacific Drilling Company LLC nor any of its current subsidiaries is a subsidiary guarantor of the Revolving Credit Facility, and none of their assets secure the Revolving Credit Facility. In addition, none of the Maersk Drilling assets will secure the Revolving Credit Facility upon the closing of the Business Combination.

The loans outstanding under the Revolving Credit Facility bear interest at a rate per annum equal to the applicable margin plus, at Finco's option, either: (i) the reserve-adjusted LIBOR or (ii) a base rate, determined as the greatest of (x) the prime loan rate as published in the Wall Street Journal, (y) the federal funds effective rate plus 1/2 of 1%, and (z) the reserve-adjusted one-month LIBOR plus 1%. The applicable margin is initially 4.75% per annum for LIBOR loans and 3.75% per annum for base rate loans and will be increased by 50 basis points after July 31, 2024, and may be increased by an additional 50 basis points under certain conditions described in the Revolving Credit Agreement.

The Borrowers are required to pay customary quarterly commitment fees and letter of credit and fronting fees.

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Availability of borrowings under the Revolving Credit Agreement is subject to the satisfaction of certain conditions, including restrictions on borrowings if, after giving effect to any such borrowings and the application of the proceeds thereof, (i) the aggregate amount of Available Cash (as defined in the Revolving Credit Agreement) would exceed \$100.0 million, (ii) the Consolidated First Lien Net Leverage Ratio (as defined in the Revolving Credit Agreement) would be greater than 5.50 to 1.00 and the aggregate principal amount outstanding under the Revolving Credit Facility would exceed \$610.0 million, or (iii) the Asset Coverage Ratio (as described below) would be less than 2.00 to 1.00.

Mandatory prepayments and, under certain circumstances, commitment reductions are required under the Revolving Credit Facility in connection with (i) certain asset sales, asset swaps and events of loss (subject to reinvestment rights if no event of default exists) and (ii) certain debt issuances. Available Cash in excess of \$150.0 million is also required to be applied periodically to prepay loans (without a commitment reduction). The loans under the Revolving Credit Facility may be voluntarily prepaid, and the commitments thereunder voluntarily terminated or reduced, by the Borrowers at any time without premium or penalty, other than customary breakage costs.

The Revolving Credit Agreement obligates Finco and its restricted subsidiaries to comply with the following financial maintenance covenants:

- as of December 31, 2021, Adjusted EBITDA (as defined in the Revolving Credit Agreement) is not permitted to be lower than \$25.0 million for the four fiscal quarter periods ending on December 31, 2021;
- as of the last day of each fiscal quarter ending on or after March 31, 2022, the ratio of Adjusted EBITDA to Cash Interest Expense (as defined in the Revolving Credit Agreement) is not permitted to be less than (i) 2.00 to 1.00 for each four fiscal quarter period ending on or after March 31, 2022 until June 30, 2024, and (ii) 2.25 to 1.00 for each four fiscal quarter period ending thereafter; and
- for each fiscal quarter ending on or after June 30, 2021, the ratio of (i) Asset Coverage Aggregate Rig Value (as defined in the Revolving Credit Agreement) to (ii) the aggregate principal amount of loans and letters of credit outstanding under the Revolving Credit Facility (the "Asset Coverage Ratio") as of the last day of any such fiscal quarter is not permitted to be less than 2.00 to 1.00.

The Revolving Credit Facility contains affirmative and negative covenants, representations and warranties and events of default that the Company considers customary for facilities of this type.

Second Lien Notes Indenture

On the Effective Date, pursuant to the Backstop Commitment Agreement and in accordance with the Plan, Noble and Finco consummated the Rights Offering of Second Lien Notes and associated Ordinary Shares at an aggregate subscription price of \$200.0 million.

An aggregate principal amount of \$216.0 million of Second Lien Notes was issued in the Rights Offering, which includes the aggregate subscription price of \$200.0 million plus a backstop fee of \$16.0 million which was paid in kind. The Second Lien Notes mature on February 15, 2028. The Second Lien Notes are fully and unconditionally guaranteed, jointly and severally, on a senior secured second-priority basis, by the direct and indirect subsidiaries of Finco that are Credit Parties under the Revolving Credit Facility. Neither Pacific Drilling Company LLC nor any of its current subsidiaries is a subsidiary guarantor of the Second Lien Notes, and none of their assets secure the Second Lien Notes. In addition, none of the Maersk Drilling assets will secure the Second Lien Notes upon the closing of the Business Combination.

The Second Lien Notes and such guarantees are secured by senior priority liens on the assets subject to liens securing the Revolving Credit Facility, including the equity interests in Finco and each guarantor of the Second Lien Notes, all of the rigs owned by the Company as of the Effective Date or acquired thereafter, certain assets related thereto, and substantially all other assets of Finco and such guarantors, in each case, subject to certain exceptions and limitations. Such collateral does not include any assets of, or equity interests in, Pacific Drilling or any of its current subsidiaries.

Interest on the Second Lien Notes accrues, at Finco's option, at a rate of: (i) 11% per annum, payable in cash; (ii) 13% per annum, with 50% of such interest to be payable in cash and 50% of such interest to be payable by issuing additional Second Lien Notes ("PIK Notes"); or (iii) 15% per annum, with the entirety of such interest to be payable by issuing PIK Notes. Finco shall pay interest semi-annually in arrears on February 15 and August 15 of each year, commencing August 15, 2021. For accrual purposes, we have assumed we will make the next interest payment in cash and have accrued at a rate of 11%; however, the actual interest election will be made no later than the record date for such interest payment.

On or after February 15, 2024, Finco may redeem all or part of the Second Lien Notes at fixed redemption prices (expressed as percentages of the principal amount), plus accrued and unpaid interest, if any, to, but excluding, the redemption date. Finco may also redeem the Second Lien Notes, in whole or in part, at any time and from time to time on or before February 14, 2024 at a redemption price equal to

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106% of the principal amount plus accrued and unpaid interest, if any, to, but excluding, the applicable redemption date, plus a “make-whole” premium. Notwithstanding the foregoing, if a Change of Control (as defined in the Second Lien Notes Indenture) occurs prior to (but not including) February 15, 2024, then, within 120 days of such Change of Control, Finco may elect to purchase all remaining outstanding Second Lien Notes at a redemption price equal to 106% of the principal amount, plus accrued and unpaid interest, if any, to, but excluding, the applicable redemption date.

The Second Lien Notes contain covenants and events of default that the Company considers customary for notes of this type.

Pre-emergence Debt

2017 Credit Facility

In December 2017, Noble Cayman Limited, a Cayman Islands company and a wholly-owned indirect subsidiary of Finco; Noble International Finance Company, a Cayman Islands company and a wholly-owned indirect subsidiary of Finco; and Noble Holding UK Limited, a company incorporated under the laws of England and Wales and a wholly-owned direct subsidiary of Legacy Noble (“NHUK”), as parent guarantor, entered into a senior unsecured credit agreement (as amended, the “2017 Credit Facility”). In July 2019, we executed a first amendment to our 2017 Credit Facility, which, among other things, reduced the maximum aggregate amount of commitments thereunder from \$1.5 billion to \$1.3 billion.

Prior to the filing of the Chapter 11 Cases, the 2017 Credit Facility was scheduled to mature in January 2023. Borrowings were available for working capital and other general corporate purposes. The 2017 Credit Facility provided for a letter of credit sub-facility in the amount of \$15.0 million, with the ability to increase such amount up to \$500.0 million with the approval of the lenders. The 2017 Credit Facility had provisions that varied the applicable interest rates for borrowings based upon our debt ratings. Borrowings under the 2017 Credit Facility bore interest at LIBOR plus an applicable margin. NHUK guaranteed the obligations of the borrowers under the 2017 Credit Facility. In addition, certain indirect subsidiaries of Legacy Noble that owned rigs were guarantors under the 2017 Credit Facility.

In April 2020, we borrowed \$100.0 million under the 2017 Credit Facility to pay down our indebtedness under the Seller Loans (as defined herein) as further described below. At December 31, 2020, we had \$545.0 million of borrowings outstanding under the 2017 Credit Facility. At December 31, 2020, we had \$8.8 million of letters of credit issued under the 2017 Credit Facility and an additional \$6.0 million in letters of credit and surety bonds issued under unsecured or cash collateralized bilateral arrangements.

The filing of the Chapter 11 Cases constituted events of default that accelerated the Company’s obligations under the indentures governing our outstanding senior notes and under our 2017 Credit Facility. In addition, the unpaid principal and interest due under our indentures and the 2017 Credit Facility became immediately due and payable. However, any efforts to enforce such payment obligations with respect to our senior notes and 2017 Credit Facility were automatically stayed as a result of the filing of the Chapter 11 Cases, and the creditors’ rights of enforcement were subject to the applicable provisions of the Bankruptcy Code. See “Note 1— Organization and Basis of Presentation” for additional information.

The Company had \$545.0 million outstanding under the 2017 Credit Facility prior to the Effective Date. On the Effective Date, all outstanding obligations under the 2017 Credit Facility were terminated and the holders of claims under the 2017 Credit Facility had such obligations repaid using cash on hand, repaid using proceeds from the Rights Offering, or refinanced through the Revolving Credit Facility. On the Effective Date, all liens and security interests granted to secure such obligations were terminated and are of no further force and effect.

2015 Credit Facility

Effective January 2018, in connection with entering into the 2017 Credit Facility, we amended our \$300.0 million senior unsecured credit facility that would have matured in January 2020 and was guaranteed by our indirect, wholly-owned subsidiaries, Noble Holding (US) LLC and Noble Holding International Limited (“NHIL”), a finance subsidiary of Finco, (as amended, the “2015 Credit Facility”). As a result of the 2015 Credit Facility’s reduction in the aggregate principal amount of commitments, we recognized a net loss of approximately \$2.3 million in the year ended December 31, 2018. On December 20, 2019, we repaid \$300.0 million of outstanding borrowings and terminated the 2015 Credit Facility.

Seller Loans

In February 2019, we purchased the *Noble Joe Knight* for \$83.8 million with a \$53.6 million seller-financed secured loan (the “2019 Seller Loan”). The 2019 Seller Loan had a term of four years and required a 5% principal payment at the end of the third year with the remaining 95% of the principal due at the end of the term. The 2019 Seller Loan bore a cash interest rate of 4.25% and the equivalent of a 1.25% interest rate paid-in-kind over the four-year term of the 2019 Seller Loan. Based on the terms of the 2019 Seller Loan, the 1.25% paid-

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in-kind interest rate was accelerated into the first year, resulting in an overall first year interest rate of 8.91%, of which only 4.25% was payable in cash. Thereafter, the paid-in-kind interest ended and the cash interest rate of 4.25% was payable for the remainder of the term.

In September 2018, we purchased the *Noble Johnny Whitstine* for \$93.8 million with a \$60.0 million seller-financed secured loan (the “2018 Seller Loan” and, together with the 2019 Seller Loan, the “Seller Loans”). The 2018 Seller Loan had a term of four years and required a 5% principal payment at the end of the third year with the remaining 95% of the principal due at the end of the term. The 2018 Seller Loan bore a cash interest rate of 4.25% and the equivalent of a 1.25% interest rate paid-in-kind over the four-year term of the 2018 Seller Loan. Based on the terms of the 2018 Seller Loan, the 1.25% paid-in-kind interest rate was accelerated into the first year, resulting in an overall first year interest rate of 8.91%, of which only 4.25% was payable in cash. Thereafter, the paid-in-kind interest ended and the cash interest rate of 4.25% was payable for the remainder of the term.

Both of the Seller Loans were guaranteed by Finco and each was secured by a mortgage on the applicable rig and by the pledge of the shares of the applicable single-purpose entity that owned the relevant rig. Each Seller Loan contained a debt to total capitalization ratio requirement that such ratio not exceed 0.55 at the end of each fiscal quarter, a \$300.0 million minimum liquidity financial covenant and an asset and revenue covenant substantially similar to the Guaranteed Notes, as well as other covenants and provisions customarily found in secured transactions, including a cross-default provision. Each Seller Loan required immediate repayment on the occurrence of certain events, including the termination of the drilling contract associated with the relevant rig or circumstances in connection with a material adverse effect.

In April 2020, the Company agreed with the lender under the Seller Loans to pay off 85% of the outstanding principal amount of the Seller Loans in exchange for a discount to the outstanding loan balance. On April 20, 2020, the Company made a payment of \$48.1 million under the 2019 Seller Loan and \$53.6 million under the 2018 Seller Loan, and, upon the lender’s receipt of such payment, interest ceased accruing, and the financial covenants set forth in the agreements relating to the Seller Loans ceased to apply. On July 20, 2020, at the conclusion of the 90-day period following the payment date, all outstanding amounts were reduced to zero, all security was released, and the Seller Loans were terminated.

As a result of the early repayment of the Seller Loans and the conclusion of the 90-day period following the payment date, we recognized gains of approximately and \$17.3 million in the year ended December 31, 2020.

Senior Notes

In March 2019, we completed cash tender offers for our Senior Notes due 2020, Senior Notes due 2021, Senior Notes due 2022 and Senior Notes due 2024. Pursuant to such tender offers, we purchased \$440.9 million aggregate principal amount of these senior notes for \$400.0 million, plus accrued interest, using cash on hand and borrowings under the 2015 Credit Facility. As a result of these transactions, we recognized a net gain of approximately \$31.3 million.

On the Effective Date, in accordance with the Plan, all outstanding obligations under our senior notes were cancelled and the indentures governing such obligations were cancelled, except to the limited extent expressly set forth in the Plan. See “Note 2— Chapter 11 Emergence” for additional information.

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Fair Value of Debt

Fair value represents the amount at which an instrument could be exchanged in a current transaction between willing parties. The estimated fair value of our debt instruments was based on the quoted market prices for similar issues or on the current rates offered to us for debt of similar remaining maturities (Level 2 measurement). The carrying amount of the Revolving Credit Facility approximates fair value as the interest rate is variable and reflective of market rates. All remaining fair value disclosures are presented in “Note 15— Fair Value of Financial Instruments.”

The following table presents the carrying value, net of unamortized debt issuance costs and discounts or premiums, and the estimated fair value of our total debt, not including the effect of unamortized debt issuance costs, respectively:

	Successor December 31, 2021		Predecessor December 31, 2020 ⁽¹⁾	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Senior secured notes				
11.000% Senior Notes due February 2028	\$ 216,000	\$ 236,792	\$ —	\$ —
Senior unsecured notes				
4.900% Senior Notes due August 2020	\$ —	\$ —	\$ 62,535	\$ 1,366
4.625% Senior Notes due March 2021	—	—	79,936	1,596
3.950% Senior Notes due March 2022	—	—	21,213	354
7.750% Senior Notes due January 2024	—	—	397,025	7,925
7.950% Senior Notes due April 2025	—	—	450,000	8,348
7.875% Senior Notes due February 2026	—	—	750,000	301,935
6.200% Senior Notes due August 2040	—	—	393,596	7,966
6.050% Senior Notes due March 2041	—	—	395,002	7,327
5.250% Senior Notes due March 2042	—	—	483,619	9,701
8.950% Senior Notes due April 2045	—	—	400,000	7,420
Credit facility:				
Senior Secured Revolving Credit Facility matures July 2025	—	—	—	—
2017 Credit Facility due to mature January 2023	—	—	545,000	545,000
Total debt	216,000	236,792	3,977,926	898,938
Less: Current maturities of long-term debt	—	—	—	—
Long-term debt	\$ 216,000	\$ 236,792	\$ —	\$ —

⁽¹⁾ Includes write-off of applicable deferred financing cost and discounts of \$45.5 million. See “Note 2— Chapter 11 Emergence” for additional information.

As discussed in “Note 1— Organization and Basis of Presentation,” from the Petition Date until the Effective Date, the Company operated as a debtor-in-possession under the jurisdiction of the Bankruptcy Court and in accordance with provisions of the Bankruptcy Code. Accordingly, all of our long-term debt obligations were presented as “Liabilities subject to compromise” on our Consolidated Balance Sheet at December 31, 2020.

On the Effective Date, in accordance with the Plan, all outstanding obligations under our senior notes were cancelled and the indentures governing such obligations were cancelled, except to the limited extent expressly set forth in the Plan. See “Note 2— Chapter 11 Emergence” for additional information.

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Note 9— Equity

Share Capital

As of December 31, 2021, Noble had approximately 60.2 million shares outstanding and trading. As of December 31, 2020, Legacy Noble had approximately 251.1 million shares outstanding and trading. At Legacy Noble's 2020 Annual General Meeting, Legacy Noble's shareholders authorized its Board of Directors to increase share capital through the issuance of up to approximately 8.7 million ordinary shares (at then current nominal value of \$0.01 per share). That authority to allot shares has expired on the Effective Date. Other than shares issued to Legacy Noble's directors under the Noble Corporation 2017 Director Omnibus Plan, the authority was not used to allot shares during the period from January 1, 2021 through February 5, 2021 or the period from February 6, 2021 through December 31, 2021. Pursuant to the Memorandum of Association of Noble Corporation, the share capital of Noble is \$6,000 divided into 500,000,000 ordinary shares of a par value of \$0.00001 each and 100,000,000 shares of a par value of \$0.00001, each of such class or classes having the rights as the Board may determine from time to time.

The payment of future dividends will depend on our results of operations, financial condition, cash requirements, future business prospects, contractual and indenture restrictions and other factors deemed relevant by our current Board of Directors.

In accordance with the Plan, all agreements, instruments and other documents evidencing, relating to or otherwise connected with any of Legacy Noble's equity interests outstanding prior to the Effective Date, including all equity-based awards, were cancelled and all such equity interests have no further force or effect after the Effective Date. Pursuant to the Plan, the holders of Legacy Noble's ordinary shares, par value \$0.01 per share, outstanding prior to the Effective Date received their pro rata share of the Tranche 3 Warrants to acquire Ordinary Shares.

Warrants

At December 31, 2021, we had outstanding 8.3 million Tranche 1 Warrants, 8.3 million Tranche 2 Warrants and 2.8 million Tranche 3 Warrants. The Tranche 1 Warrants are exercisable for one Ordinary Share per warrant at an exercise price of \$19.27 per warrant, the Tranche 2 Warrants are exercisable for one Ordinary Share per warrant at an exercise price of \$23.13 per warrant and the Tranche 3 Warrants are exercisable for one Ordinary Share per warrant at an exercise price of \$124.40 per warrant (in each case as may be adjusted from time to time pursuant to the applicable warrant agreement). The Tranche 1 Warrants and the Tranche 2 Warrants are exercisable until 5:00 p.m., Eastern time, on February 4, 2028 and the Tranche 3 Warrants are exercisable until 5:00 p.m., Eastern time, on February 4, 2026. The Tranche 1 Warrants and the Tranche 2 Warrants have Black-Scholes protections, including in the event of a Fundamental Transaction (as defined in the applicable warrant agreement). The Tranche 1 Warrants and the Tranche 2 Warrants also provide that while the Mandatory Exercise Condition (as defined in the applicable warrant agreement) set forth in the applicable warrant agreement has occurred and is continuing, Noble or the holders of Tranche 1 Warrants or Tranche 2 Warrants representing at least 20% of such tranche (the "Required Mandatory Exercise Warrantholders") have the right and option (but not the obligation) to cause all or a portion of the warrants to be exercised on a cashless basis. In the case of Noble, under the Mandatory Exercise Condition, all of the Tranche 1 Warrants or the Tranche 2 Warrants (as applicable) would be exercised. In the case of the electing Required Mandatory Exercise Warrantholders, under the Mandatory Exercise Condition, all of their respective Tranche 1 Warrants or Tranche 2 Warrants (as applicable) would be exercised. Mandatory exercises entitle the holder of each warrant subject thereto to (i) the number of Ordinary Shares issuable upon exercise of such warrant on a cashless basis and (ii) an amount payable in cash, Ordinary Shares or a combination thereof (in Noble's sole discretion) equal to the Black-Scholes Value (as defined in the applicable warrant agreement) with respect to the number of Ordinary Shares withheld upon exercise of such warrant on a cashless basis. At December 31, 2021, the Mandatory Exercise Condition set forth in the warrant agreements for the Tranche 1 Warrants and the Tranche 2 Warrants was not satisfied.

Successor Share-Based Compensation Plans

Stock Plans

On February 18, 2021, the Company adopted the long-term incentive plan (the "Noble Incentive Plan"), which permits grants of options, stock appreciation rights, stock or stock unit awards or cash awards, any of which may be structured as a performance award, from time to time to employees and non-employee directors who are to be granted awards under the Noble Incentive Plan and authorized and reserved 7.7 million Ordinary Shares for equity incentive awards to be granted under such plan. At December 31, 2021, we had 7.7 million shares remaining available for grants to employees and non-employee directors.

Restricted Stock Units ("RSUs")

We have awarded both Time Vested RSUs ("TVRSUs") and Performance Vested RSUs ("PVRsUs") under the Noble Incentive Plan. The TVRSUs generally vest over a three-year period. The number of PVRsUs which vest will depend on the degree of achievement of specified corporate performance criteria over a three-year performance period. These criteria consist of market and performance based criteria.

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The TVRSUs are valued on the date of award at our underlying share price. The total compensation for units that ultimately vest is recognized over the service period. The shares and related nominal value are recorded when the RSU vests and additional paid-in capital is adjusted as the share-based compensation cost is recognized for financial reporting purposes.

In 2021, 40 percent of the TVRSUs granted to non-employee directors will be settled in cash and accounted for as liability awards, which were valued on the date of grant based on the estimated fair value of the Company's share price. Under the fair value method for liability-classified awards, compensation expense is remeasured each reporting period at fair value based upon the closing price of the Company's Ordinary Shares.

The market-based PVRsUs are valued on the date of grant based on the estimated fair value. Estimated fair value is determined based on numerous assumptions, including an estimate of the likelihood that our stock price performance will achieve the targeted thresholds and the expected forfeiture rate. The fair value is calculated using a Monte Carlo Simulation Model. The assumptions used to value the PVRsUs include historical volatility and risk-free interest rates over a time period commensurate with the remaining term prior to vesting, as follows for the respective grant dates:

	February 19, 2021	October 1, 2021	December 1, 2021
Valuation assumptions:			
Expected volatility	50.0 %	92.2 %	95.1 %
Expected dividend yield	— %	— %	— %
Risk-free interest rate	0.19 %	0.33 %	0.58 %

Additionally, similar assumptions were made for each of the companies included in the defined index and the peer group of companies in order to simulate the future outcome using the Monte Carlo Simulation Model.

A summary of the RSUs awarded for the period from February 6, 2021 through December 31, 2021 is as follows:

	2021
Equity-classified TVRSU	
Units awarded	1,735,843
Weighted-average share price at award date	\$ 16.68
Weighted-average vesting period (years)	2.94
Liability-classified TVRSU	
Units awarded	52,364
Weighted-average share price at award date	\$ 16.76
Weighted-average vesting period (years)	2.81
PVRsU	
Units awarded	1,457,842
Weighted-average share price at award date	\$ 16.74
Three-year performance period ended December 31	2023
Weighted-average award date fair value	\$ 20.82

During the period from February 6, 2021 through December 31, 2021, we awarded 78,546 shares equity-classified TVRSUs and 52,364 shares liability-classified TVRSUs to our non-employee directors.

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A summary of the status of non-vested RSUs at December 31, 2021 and changes for the period from February 6, 2021 through December 31, 2021 is presented below:

	Equity-Classified TVRSUs Outstanding	Weighted Average Award-Date Fair Value	PVRsUs Outstanding ⁽¹⁾	Weighted Average Award-Date Fair Value
Non-vested RSUs at February 5, 2021 (Successor)	—	\$ —	—	\$ —
Awarded	1,735,843	16.68	1,457,842	20.82
Vested	—	—	—	—
Forfeited	(66,081)	16.44	—	—
Non-vested RSUs at December 31, 2021 (Successor)	1,669,762	\$ 16.69	1,457,842	\$ 20.82

⁽¹⁾For awards granted during 2021, the number of PVRsUs shown equals the shares that would vest if the “target” level of performance is achieved. The minimum number of units is zero and the “maximum” level of performance is 200 percent of the amounts shown.

During the period from February 6, 2021 through December 31, 2021, we granted 52,364 liability-classified TVRSUs at a weighted-average grant date fair value of \$16.76, no units were vested during the period and no units were forfeited during the period. At December 31, 2021, we had 52,364 liability-classified TVRSUs outstanding with an associated total liability of \$414.4 thousand.

At December 31, 2021, there was \$20.1 million of total unrecognized compensation cost related to the equity-classified TVRSUs, to be recognized over a remaining weighted-average period of 2.09 years. At December 31, 2021, there was \$0.9 million of total unrecognized compensation cost related to the liability-classified TVRSUs, to be recognized over a remaining weighted-average period of 1.97 years.

At December 31, 2021, there was \$22.1 million of total unrecognized compensation cost related to the PVRsUs, to be recognized over a remaining weighted-average period of 2.00 years. The total potential compensation for PVRsUs is recognized over the service period regardless of whether the performance thresholds are ultimately achieved.

Share-based amortization recognized during for the period from February 6, 2021 through December 31, 2021 related to all restricted stock totaled \$16.5 million (\$16.4 million net of income tax). During the period from February 6, 2021 through December 31, 2021, there was no capitalized share-based amortization.

Predecessor Share-Based Compensation Plans

All outstanding shares and equity awards of Legacy Noble were cancelled as a result of the Chapter 11 Cases.

Stock Plans

During 2015, Legacy Noble shareholders approved a new equity plan, the Noble Corporation plc 2015 Omnibus Incentive Plan (the “Legacy Noble Incentive Plan”), which permitted grants of options, stock appreciation rights, stock or stock unit awards or cash awards, any of which could be structured as a performance award, from time to time to employees who were to be granted awards under the Legacy Noble Incentive Plan. Neither consultants nor non-employee directors were eligible for awards under the Legacy Noble Incentive Plan. The Legacy Noble Incentive Plan replaced the Noble Corporation 1991 Stock Options and Restricted Stock Plan, as amended (the “1991 Plan”). The 1991 Plan was terminated, and equity awards were thereafter only made under the Legacy Noble Incentive Plan. Stock option awards previously granted under the 1991 Plan remained outstanding in accordance with their terms until being cancelled as a result of the Chapter 11 Cases.

During 2020 and 2019, the Legacy Noble Incentive Plan was restated and Legacy Noble shareholders approved amendments, primarily to increase the number of Legacy Noble ordinary shares available for issuance as long-term incentive compensation under the Legacy Noble Incentive Plan by 8.7 million, 5.8 million and 5.0 million shares, respectively. The maximum aggregate number of Legacy Noble ordinary shares that could be granted for any and all awards under the Legacy Noble Incentive Plan could not exceed 40.0 million shares.

During 2017, upon Legacy Noble shareholder approval, the Noble Corporation 2017 Director Omnibus Plan (the “Legacy Noble Director Plan”) replaced the previous plans that were terminated. Legacy equity awards to our non-employee directors were thereafter only made under the Legacy Noble Director Plan. No awards made under previous plans remained outstanding.

During 2019, Legacy Noble shareholders approved amendments to increase the number of Legacy Noble ordinary shares available for issuance under the Legacy Noble Director Plan by 0.9 million shares, bringing the maximum aggregate number of Legacy Noble ordinary shares that could be granted for any and all awards under the Legacy Noble Director Plan to 1.8 million shares.

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Stock Options

Options had a term of 10 years, an exercise price equal to the fair market value of a share on the date of grant and generally would vest over a three-year period. A summary of the status of stock options granted under the 1991 Plan and the changes during the period ended on February 5, 2021, December 31, 2020 and December 31, 2019 are presented below:

	February 5, 2021		December 31, 2020		December 31, 2019	
	Number of Shares Underlying Options	Weighted Average Exercise Price	Number of Shares Underlying Options	Weighted Average Exercise Price	Number of Shares Underlying Options	Weighted Average Exercise Price
Outstanding at beginning of period	556,155	\$ 30.39	708,400	\$ 30.90	1,103,242	\$ 28.74
Expired or cancelled	(556,155)	30.39	(152,245)	32.78	(394,842)	24.85
Outstanding at end of period	—	—	556,155	30.39	708,400	30.90
Exercisable at end of period	—	\$ —	556,155	\$ 30.39	708,400	\$ 30.90

All outstanding options were cancelled as a result of the Chapter 11 Cases and there were no stock options outstanding at December 31, 2021.

The fair value of each option was estimated on the date of grant using a Black-Scholes pricing model. The expected term of options granted represented the period of time that the options were expected to be outstanding and was derived from historical exercise behavior, then current trends and values derived from lattice-based models. Expected volatilities were based on implied volatilities of traded options on our shares, historical volatility of our shares, and other factors. The expected dividend yield was based on historical yields on the date of grant. The risk-free rate was based on the US Treasury yield curve in effect at the time of grant.

There were no non-vested stock option balances at December 31, 2021 or any changes during the period from January 1, 2021 through February 5, 2021. No new stock options were granted during the period from January 1 through February 5, 2021 and the years ended December 31, 2020 and 2019. There was no compensation cost recognized during the period from January 1 through February 5, 2021 and the years ended December 31, 2020 and 2019 related to stock options.

Restricted Stock Units

We awarded both TVRSUs and PVRUSUs under the Legacy Noble Incentive Plan. The TVRSUs generally vested over a three-year period. The number of PVRUSUs which would vest depended on the degree of achievement of specified corporate performance criteria over a three-year performance period. Depending on the date the PVRSU was awarded, these criteria consisted of market based criteria or market and performance based criteria.

The TVRSUs were valued on the date of award at our underlying share price. The total compensation for units that ultimately vested was recognized over the service period. The shares and related nominal value were recorded when the RSUs vested and additional paid-in capital was adjusted as the share-based compensation cost was recognized for financial reporting purposes.

The market-based PVRUSUs were valued on the date of grant based on the estimated fair value. Estimated fair value was determined based on numerous assumptions, including an estimate of the likelihood that our stock price performance would achieve the targeted thresholds and the expected forfeiture rate. The fair value was calculated using a Monte Carlo Simulation Model. The assumptions used to value the PVRUSUs included historical volatility and risk-free interest rates over a time period commensurate with the remaining term prior to vesting, as follows:

	2020	2019
<u>Valuation assumptions:</u>		
Expected volatility	69.8 %	59.6 %
Expected dividend yield	— %	— %
Risk-free interest rate	1.40 %	2.50 %

Additionally, similar assumptions were made for each of the companies included in the defined index and the peer group of companies in order to simulate the future outcome using the Monte Carlo Simulation Model.

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A summary of the RSUs awarded for each of the years ended 2020 and 2019 is as follows:

	2020	2019
TVRSU		
Units awarded	5,559,678	4,639,119
Weighted-average share price at award date	\$ 0.82	\$ 3.02
Weighted-average vesting period (years)	3.0	3.0
PVRSU		
Units awarded	2,696,774	1,623,399
Weighted-average share price at award date	\$ 0.91	\$ 3.13
Three-year performance period ended December 31	2022	2021
Weighted-average award date fair value	\$ 1.14	\$ 3.61

There were no RSUs granted during the period from January 1, 2021 through February 5, 2021.

During the period from January 1 through February 5, 2021 and the years ended December 31, 2020 and 2019, we awarded zero, 280,635 and 267,204 shares, respectively, to our non-employee directors.

A summary of the status of non-vested RSUs at February 5, 2021 and changes during the period from January 1 through February 5, 2021 is presented below:

	TVRSUs Outstanding	Weighted Average Award-Date Fair Value	PVRSUs Outstanding ⁽¹⁾	Weighted Average Award-Date Fair Value
Non-vested RSUs at January 1, 2021 (Predecessor)	2,362,500	\$ 3.43	3,163,113	\$ 3.22
Awarded	—	—	—	—
Vested	(61,050)	5.46	—	—
Forfeited or cancelled	(2,301,450)	3.37	(3,163,113)	3.22
Non-vested RSUs at February 5, 2021 (Predecessor)	—	\$ —	—	\$ —

⁽¹⁾For awards granted prior to 2019, the number of PVRSUs shown equals the shares that would vest if the “maximum” level of performance was achieved. The minimum number of shares was zero and the “target” level of performance was 50 percent of the amounts shown. For awards granted during 2020 and 2019, the number of PVRSUs shown equals the shares that would vest if the “target” level of performance was achieved. The minimum number of shares was zero and the “maximum” level of performance was 200 percent of the amounts shown.

The total award-date fair value of TVRSUs vested during the period from January 1 through February 5, 2021 was \$0.3 million.

Share-based amortization recognized during the period from January 1 through February 5, 2021 and the years ended December 31, 2020 and 2019 related to all restricted stock totaled \$0.7 million (\$0.7 million net of income tax), \$9.2 million (\$8.6 million net of income tax) and \$14.7 million (\$14.1 million net of income tax), respectively. During the period from January 1 through February 5, 2021 and the years ended December 31, 2020 and 2019, capitalized share-based amortization was zero.

Liability-Classified Cash Incentive Awards

In 2020, the Company granted cash incentive awards that would vest over a three-year period and the final cash payment depended on the degree of achievement of specified corporate performance criteria over a three-year performance period. These criteria consisted of market based criteria or market and performance based criteria. These awards were valued on the date of grant based on the estimated fair value. Estimated fair value was determined based on numerous assumptions, including an estimate of the likelihood that our stock price performance would achieve the targeted thresholds and the expected forfeiture rate. The fair value was calculated using a Monte Carlo Simulation Model. The assumptions used to value the awards included historical volatility of 69.8% and a risk-free interest rate of 1.4% over a time period commensurate with the remaining term prior to vesting. Additionally, similar assumptions were made for each of the companies included in the defined index and the peer group of companies in order to simulate the future outcome using the Monte Carlo Simulation Model. During 2020, the remaining balance of the vested awards were cancelled and replaced as part of the 2020 Other Cash Award Plan.

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Note 10— Accumulated Other Comprehensive Income (Loss)

The following table presents the changes in the accumulated balances for each component of “Accumulated other comprehensive income (loss)” during the period from February 6, 2021 to December 31, 2021, the period from January 1 through February 5, 2021 and the year ended December 31, 2020. All amounts within the tables are shown net of tax.

	Defined Benefit Pension Items ⁽¹⁾	Foreign Currency Items	Total
Balance at 12/31/2019 (Predecessor)	\$ (40,635)	\$ (17,754)	\$ (58,389)
Activity during period:			
Other comprehensive loss before reclassifications	—	(521)	(521)
Amounts reclassified from AOCI	898	—	898
Net other comprehensive loss	898	(521)	377
Balance at 12/31/2020 (Predecessor)	\$ (39,737)	\$ (18,275)	\$ (58,012)
Activity during period:			
Other comprehensive income before reclassifications	—	(116)	(116)
Amounts reclassified from AOCI	224	—	224
Net other comprehensive income (loss)	224	(116)	108
Cancellation of Predecessor equity	39,513	18,391	57,904
Balance at Balance at 2/5/2021 (Predecessor)	\$ —	\$ —	\$ —
Balance at Balance at 2/6/2021 (Successor)	\$ —	\$ —	\$ —
Activity during period:			
Other comprehensive income before reclassifications	—	—	—
Amounts reclassified to AOCI	5,389	—	5,389
Net other comprehensive income	5,389	—	5,389
Balance at December 31, 2021	\$ 5,389	\$ —	\$ 5,389

⁽¹⁾ Defined benefit pension items relate to actuarial changes and the amortization of prior service costs. Reclassifications from AOCI are recognized as expense on our Consolidated Statements of Operations through “Other income (expense).” See “Note 14— Employee Benefit Plans” for additional information.

Note 11— Revenue and Customers

Contract Balances

Accounts receivable are recognized when the right to consideration becomes unconditional based upon contractual billing schedules. Payment terms on invoiced amounts are typically 30 days. Current contract asset and liability balances are included in “Prepaid expenses and other current assets” and “Other current liabilities,” respectively, and noncurrent contract assets and liabilities are included in “Other assets” and “Other liabilities,” respectively, on our Consolidated Balance Sheets.

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The following table provides information about contract assets and contract liabilities from contracts with customers:

	Successor December 31, 2021	Predecessor December 31, 2020
Current contract assets	\$ 5,744	\$ 10,687
Noncurrent contract assets	—	3,174
Total contract assets	5,744	13,861
Current contract liabilities (deferred revenue)	(18,403)	(34,990)
Noncurrent contract liabilities (deferred revenue)	(9,352)	(24,896)
Total contract liabilities	\$ (27,755)	\$ (59,886)

Significant changes in the remaining performance obligation contract assets and the contract liabilities balances during the period from February 6, 2021 to December 31, 2021, the period from January 1 through February 5, 2021 and the year ended December 31, 2020, are as follows:

	Contract Assets	Contract Liabilities
Net balance at December 31, 2019 (Predecessor)	\$ 30,800	\$ (65,055)
Amortization of deferred costs	(27,043)	—
Additions to deferred costs	10,104	—
Amortization of deferred revenue	—	57,915
Additions to deferred revenue	—	(52,746)
Total	(16,939)	5,169
Net balance at December 31, 2020 (Predecessor)	\$ 13,861	\$ (59,886)
Amortization of deferred costs	(1,607)	—
Additions to deferred costs	432	—
Amortization of deferred revenue	—	4,142
Additions to deferred revenue	—	(25,479)
Fresh start accounting revaluation	(12,686)	72,936
Total	(13,861)	51,599
Net balance at 2/5/21 (Predecessor)	\$ —	\$ (8,287)
Net balance at 2/6/21 (Successor)	\$ —	\$ (8,287)
Amortization of deferred costs	(3,908)	—
Additions to deferred costs	9,652	—
Amortization of deferred revenue	—	13,729
Additions to deferred revenue	—	(33,197)
Total	5,744	(19,468)
Net balance at 12/31/2021 (Successor)	\$ 5,744	\$ (27,755)

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Contract Costs

Certain direct and incremental costs incurred for upfront preparation, initial rig mobilization and modifications are costs of fulfilling a contract and are recoverable. These recoverable costs are deferred and amortized ratably to contract drilling expense as services are rendered over the initial term of the related drilling contract. Certain of our contracts include capital rig enhancements used to satisfy our performance obligations. These capital items are capitalized and depreciated in accordance with our existing property and equipment accounting policy.

Costs incurred for the demobilization of rigs at contract completion are recognized as incurred during the demobilization process. Costs incurred for rig modifications or upgrades required for a contract, which are considered to be capital improvements, are capitalized as drilling and other property and equipment and depreciated over the estimated useful life of the improvement.

Customer Contract Intangible Assets

Upon emergence from the Chapter 11 Cases, the Company recognized a fair value adjustment of \$113.4 million related to intangible assets for certain favorable customer contracts. These intangible assets will be amortized as a reduction of contract drilling services revenue from the Effective Date through the remainder of the contracts, approximately 18 months and 32 months, respectively. As of December 31, 2021, the net carrying amount was \$61.8 million, \$113.4 million gross less \$51.5 million accumulated amortization. The expected remaining amortization is as follows: \$43.5 million and \$18.4 million for the years ending December 31, 2022 and 2023, respectively. We assess the recoverability of the unamortized balance when indicators of impairment are present. Should the review indicate that the carrying value is not fully recoverable, the portion not fully recoverable would be recognized as an impairment loss.

We considered the events surrounding Hurricane Ida and the *Noble Globetrotter II*, including the associated force majeure notice and the need for the rig to go into the shipyard, to be a triggering event. After the Company's review, we determined the carrying value of the related customer contract intangible was recoverable and no impairment loss was recognized.

Future Amortization of Deferred Revenue

The following table reflects revenue expected to be recognized in the future related to deferred revenue, by rig type, at the end of the reporting period:

	Year Ending December 31,						Total
	2022	2023	2024	2025	2026 and beyond		
Floaters	\$ 11,930	\$ 9,323	\$ 29	\$ —	\$ —	\$ —	\$ 21,282
Jackups	6,473	—	—	—	—	—	6,473
Total	\$ 18,403	\$ 9,323	\$ 29	\$ —	\$ —	\$ —	\$ 27,755

The revenue included above consists of expected mobilization, demobilization, and upgrade revenue for unsatisfied performance obligations. The amounts are derived from the specific terms within drilling contracts that contain such provisions, and the expected timing for recognition of such revenue is based on the estimated start date and duration of each respective contract based on information known at December 31, 2021. The actual timing of recognition of such amounts may vary due to factors outside of our control. We have taken the optional exemption, permitted by accounting standards, to exclude disclosure of the estimated transaction price related to the variable portion of unsatisfied performance obligations at the end of the reporting period, as our transaction price is based on a single performance obligation consisting of a series of distinct hourly, or more frequent, periods, the variability of which will be resolved at the time of the future services.

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Disaggregation of Revenue

The following table provides information about contract drilling revenue by rig types:

	Successor	Predecessor		
	Period From February 6, 2021 through December 31, 2021	Period From January 1, 2021 through February 5, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Floaters	\$ 482,283	\$ 50,057	\$ 491,407	\$ 727,177
Jackups	225,848	23,994	417,829	518,881
Total	\$ 708,131	\$ 74,051	\$ 909,236	\$ 1,246,058

Note 12— Leases

Leases

We determine if an arrangement is a lease at inception. Our operating lease agreements are primarily for real estate, equipment, storage, dock space and automobiles and are included within “Other current liabilities,” “Other assets” and “Other liabilities,” on our Consolidated Balance Sheets. As discussed in “Note 1 — Organization and Basis of Presentation,” in the 2020 Predecessor period, the Company operated as a debtor-in-possession under the jurisdiction of the Bankruptcy Court and in accordance with provisions of the Bankruptcy Code. Accordingly, all of the leases liabilities on the Debtor companies have been presented as “Liabilities subject to compromise” on our Consolidated Balance Sheet at December 31, 2020.

As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. Certain of our lease agreements include options to extend or terminate the lease, which we do not include in our minimum lease terms unless management is reasonably certain to exercise and reasonably certain not to exercise, respectively.

Supplemental balance sheet information related to leases was as follows:

	Successor	Predecessor	
	December 31, 2021	December 31, 2020	
Operating Leases			
Operating lease right-of-use assets	\$ 17,066	\$	26,648
Current operating lease liabilities	3,923		1,942
Long-term operating lease liabilities ⁽¹⁾	13,166		4,969
Weighted average remaining lease term for operating leases (years)	6.25		7.8
Weighted average discounted rate for operating leases	9.5 %		11.1 %

⁽¹⁾ \$21.0 million of lease liabilities were classified as “Liabilities subject to compromise” on our Consolidated Balance Sheet at December 31, 2020.

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The components of lease cost were as follows:

	Successor	Predecessor	
	Period From February 6, 2021 through December 31, 2021	Period From January 1, 2021 through February 5, 2021	Year Ended December 31, 2020
Operating lease cost	\$ 4,803	\$ 365	\$ 9,065
Short-term lease cost	634	(124)	2,893
Variable lease cost	412	(605)	1,265
Total lease cost	\$ 5,849	\$ (364)	\$ 13,223

Supplemental cash flow information related to leases was as follows:

	Successor	Predecessor	
	Period From February 6, 2021 through December 31, 2021	Period From January 1, 2021 through February 5, 2021	Year Ended December 31, 2020
Operating cash flows used for operating leases	\$ 5,568	\$ 979	\$ 9,614
Right-of-use assets obtained in exchange for a lease liability	9,647	—	1,217

Maturities of lease liabilities as of December 31, 2021 were as follows:

	Operating Leases
2022	\$ 5,245
2023	4,375
2024	4,252
2025	2,881
2026	2,523
Thereafter	4,332
Total lease payments	23,608
Less: Interest	(6,372)
Present value of lease liability	\$ 17,236

Note 13— Income Taxes

Legacy Noble is a tax resident in the UK and, as such, is subject to UK corporation tax on its taxable profits and gains. Noble is incorporated in the Cayman Islands and therefore not subject to tax in any jurisdiction. With respect to Legacy Noble, a UK tax exemption is available in respect of qualifying dividends income and capital gains related to the sale of qualifying participations. We operate in various countries throughout the world, including the United States. The income or loss of the non-UK subsidiaries of Legacy Noble is not subject to UK corporation tax.

Consequently, we have taken account of the above exemption and provided for income taxes based on the laws and rates in effect in the countries in which operations are conducted, or in which we or our subsidiaries have a taxable presence for income tax purposes.

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The components of the net deferred taxes are as follows:

	Successor 2021	Predecessor 2020
Deferred tax assets		
United States		
Net operating loss carry forwards	\$ 3,485	\$ 79,047
Disallowed interest deduction carryforwards	—	62,337
Deferred pension plan amounts	3,427	10,568
Accrued expenses not currently deductible	5,780	5,625
Other	121	3,178
Non-United States		
Net operating loss carry forwards	1,013,281	47,187
Transition attribute	888,962	—
Tax credits carryover	23,849	—
Disallowed interest deduction carryforwards	13,625	13,625
Deferred pension plan amounts	—	558
Accrued expenses not currently deductible	170	—
Deferred tax assets	1,952,700	222,125
Less: valuation allowance	(1,899,092)	(191,835)
Net deferred tax assets	\$ 53,608	\$ 30,290
Deferred tax liabilities		
United States		
Excess of net book basis over remaining tax basis	\$ —	\$ (30,349)
Contract asset	(10,067)	—
Deferred revenue	(3,438)	—
Other	(1,116)	(1,796)
Non-United States		
Excess of net book basis over remaining tax basis	(690)	(5,474)
Contract asset	(4,173)	—
Other	(1,912)	(1,272)
Deferred tax liabilities	(21,396)	(38,891)
Net deferred tax assets (liabilities)	\$ 32,212	\$ (8,601)

Loss from continuing operations before income taxes consists of the following:

	Successor	Predecessor		
	Period From February 6, 2021 through December 31, 2021	Period From January 1, 2021 through February 5, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
United States	\$ (47,686)	\$ 1,878,637	\$ (2,150,591)	\$ (65,062)
Non-United States	150,033	(1,624,986)	(2,088,271)	(844,022)
Total	\$ 102,347	\$ 253,651	\$ (4,238,862)	\$ (909,084)

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The income tax provision (benefit) for continuing operations consists of the following:

	Successor	Predecessor			
	Period From	Period From		Year Ended	
	February 6, 2021 through December 31, 2021	January 1, 2021 through February 5, 2021		December 31, 2020	December 31, 2019
Current- United States	\$ (33,323)	\$ —	\$ (257,552)	\$ (34,726)	
Current- Non-United States	67,952	922	23,474	14,011	
Deferred- United States	(7,460)	(4,689)	(57,514)	(5,307)	
Deferred- Non-United States	(26,804)	7,190	31,189	(12,518)	
Total	\$ 365	\$ 3,423	\$ (260,403)	\$ (38,540)	

The following is a reconciliation of our reserve for uncertain tax positions, excluding interest and penalties.

	Successor	Predecessor			
	Period From	Period From		Year Ended	
	February 6, 2021 through December 31, 2021	January 1, 2021 through February 5, 2021		December 31, 2020	December 31, 2019
Gross balance at beginning of period	\$ 37,156	\$ 37,721	\$ 130,837	\$ 161,256	
Additions based on tax positions related to current year	26,463	1,347	20,266	934	
Additions for tax positions of prior years	21,465	—	206	224	
Reductions for tax positions of prior years	(12,331)	(5)	(109,330)	(28,542)	
Expiration of statutes	(9,310)	(1,907)	(4,258)	(1,629)	
Tax settlements	—	—	—	(1,406)	
Gross balance at end of period	63,443	37,156	37,721	130,837	
Related tax benefits	(384)	(384)	(384)	(400)	
Net reserve at end of period	\$ 63,059	\$ 36,772	\$ 37,337	\$ 130,437	

The liabilities related to our reserve for uncertain tax positions are comprised of the following:

	Successor	Predecessor	
	Period From	Period From	
	February 6, 2021 through December 31, 2021	January 1, 2021 through February 5, 2021	Year Ended December 31, 2020
Reserve for uncertain tax positions, excluding interest and penalties	\$ 63,059	\$ 36,772	\$ 37,337
Interest and penalties included in "Other liabilities"	11,930	5,273	5,164
Reserve for uncertain tax positions, including interest and penalties	\$ 74,989	\$ 42,045	\$ 42,501

At December 31, 2021, the reserves for uncertain tax positions totaled \$75.0 million. If a portion or all of the December 31, 2021 reserves are not realized, the provision for income taxes could be reduced by up to \$53.6 million. At December 31, 2020, the reserves for uncertain tax positions totaled \$42.5 million.

It is reasonably possible that our existing liabilities related to our reserve for uncertain tax positions may fluctuate in the next 12 months primarily due to the completion of open audits or the expiration of statutes of limitation.

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We include, as a component of our “Income tax benefit (provision),” potential interest and penalties related to recognized tax contingencies within our global operations. Interest and penalties resulted in an income tax expense of \$6.7 million and \$0.1 million for the period from February 6, 2021 to December 31, 2021 and for the period from January 1 through February 5, 2021, respectively. Interest and penalties resulted in an income tax benefit of \$24.1 million in 2020 and \$3.0 million in 2019.

We recorded an income tax expense of \$0.4 million and \$3.4 million and income tax benefit \$260.4 million during the period from February 6, 2021 to December 31, 2021, the period from January 1 through February 5, 2021 and the year ended December 31, 2020, respectively.

During the period from February 6, 2021 to December 31, 2021, our tax provision included tax benefits of \$24.3 million related to US and non-US reserve releases, \$12.6 million related to a US tax refund, \$22.8 million related to deferred tax assets previously not recognized, \$1.9 million related to recognition of a non-US refund claim and \$1.2 million related primarily to deferred tax adjustments. Such tax benefits were offset by tax expenses of \$21.2 million related to various recurring items primarily comprised of Guyana withholding tax on gross revenue and \$42.0 million related to non-US tax reserves.

During the period from January 1 through February 5, 2021, our income tax provision included a tax benefit of \$1.7 million related to non-US reserve release and tax expense of \$2.5 million related to fresh start and reorganization adjustment, and other recurring tax expenses of approximately \$2.6 million.

During the year ended December 31, 2020, our tax benefit included the tax effect from asset impairments of \$99.7 million, the tax impact of the application of the CARES Act of \$39.0 million, a non-US reserve release due to a statute expiration of \$4.6 million, a reduction of US tax reserves of \$111.9 million, and the tax benefits of an internal restructuring net of resulting adjustment to the valuation allowance of \$17.9 million and other recurring tax benefits of approximately \$47.3 million. These tax benefits were partially offset by a 2019 US return-to-provision adjustment and resulting adjustment to the valuation allowance of \$21.2 million, an increase in UK valuation allowance of \$31.1 million, and an increase in non-US tax reserves of \$7.8 million.

Our gross deferred tax asset balance at year-end reflects the application of our income tax accounting policies and is based on management’s estimates, judgments and assumptions regarding realizability. If it is more likely than not that a portion of the deferred tax assets will not be realized in a future period, the deferred tax assets will be reduced by a valuation allowance based on management’s estimates. During 2021, our deferred tax asset balance after consideration of valuation allowances increased \$23.3 million due primarily to increases related to new realizable deferred tax assets in Switzerland and Luxembourg, additional deferred tax assets in Nigeria as a result of the Pacific Drilling acquisition, and additional deferred taxes in the US as a result of fresh start adjustments. Such increases were partially offset by decreases related to the write-off of deferred tax assets in the US as a result of an internal restructuring effected by the Company at Emergence.

During the period ending December 31, 2021, we recognized deferred tax benefits of \$22.8 million out of the total available tax benefits of \$1.8 billion related to tax attributes available in Switzerland and Luxembourg. The available tax benefits in Switzerland are related to transition attributes created by a tax ruling we obtained in December 2021. These tax benefits are scheduled to expire by 2036. The available tax benefits in Luxembourg are related to net operating losses generated in years prior to 2021 by Pacific Drilling. Most of these tax losses are scheduled to expire between 2035 and 2038; however, a portion of the tax losses has no expiration date.

In deriving the \$22.8 million in tax benefits being recognized, we relied on sources of income attributable to the reversal of taxable temporary differences in the same periods as the relevant tax attributes and projected taxable income for the period covered by our relevant existing drilling contracts. Given the mobile nature of our assets, we are not able to reasonably forecast the jurisdiction of our taxable income from future drilling contracts. We also have limited objective positive evidence in historical periods for Switzerland and Luxembourg. Accordingly, in determining the amount of deferred tax benefits to recognize related to our Switzerland and Luxembourg rig-owning entities, we did not consider projected book income beyond the conclusion of existing drilling contracts with the exception of interest income projected to be generated over a finite period beyond the conclusion of the relevant existing drilling contracts. As new drilling contracts are executed, we will reassess the amount of deferred tax assets in Switzerland and Luxembourg that are realizable. Finally, once we have established sufficient objective positive evidence in Switzerland and Luxembourg for historical periods, we may consider reliance on forecasted taxable income from future drilling contracts.

We conduct business globally and, as a result, we file numerous income tax returns in the US and in non-US jurisdictions. In the normal course of business, we are subject to examination by taxing authorities throughout the world, including in jurisdictions such as Brazil, Brunei, Bulgaria, Canada, Cyprus, Egypt, Ghana, Guyana, Hungary, Malta, Mexico, Nigeria, Norway, Saudi Arabia, Argentina, Australia, Denmark, Gabon, Luxembourg, Malaysia, Morocco, Myanmar, the Netherlands, Oman, Qatar, Tanzania, Timor-Leste, Singapore, Suriname, Switzerland, the United Kingdom and the United States. We are no longer subject to US Federal income tax examinations for years before 2018 and non-US income tax examinations for years before 2007.

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Legacy Noble conducted substantially all of its business through Finco and its subsidiaries in the pre-emergence period and Noble conducted substantially all of its business through Finco and its subsidiaries in the post-emergence period. In the pre-emergence period, the income or loss of our non-UK subsidiaries is not subject to UK income tax. Earnings are taxable in the United Kingdom at the UK statutory rate of 19 percent. In the post-emergence period, Noble is incorporated in the Cayman Islands and therefore not subject to tax in any jurisdiction. A reconciliation of tax rates outside of the United Kingdom for the pre-emergence period and the Cayman Islands for the post-emergence period to our Noble effective rate for continuing operations is shown below:

	Successor	Predecessor		
	Period From February 6, 2021 through December 31, 2021	Period From January 1, 2021 through February 5, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Effect of:				
Tax rates which are different than the Cayman Islands (Successor) and UK (Predecessor) rates	22.6 %	0.5 %	0.4 %	4.3 %
Tax impact of asset impairment and disposition	— %	— %	4.5 %	0.3 %
Tax impact of restructuring	— %	1.0 %	2.1 %	(4.1) %
Tax impact of the tax regulation change	— %	— %	0.9 %	— %
Tax impact of valuation allowance	(25.2) %	— %	(4.3) %	0.5 %
Resolution of (reserve for) tax authority audits	2.9 %	(0.2) %	2.5 %	3.2 %
Total	0.3 %	1.3 %	6.1 %	4.2 %

At December 31, 2021, the Company asserts that its unremitted earnings and/or book/tax outside basis differences in certain of its subsidiaries are either permanently reinvested or are not expected to result in a material taxable event in the foreseeable future. Therefore, no material deferred taxes have been recorded related to such earnings and/or investments.

Certain of the restructuring transactions effected by the Company in connection with the Plan have a material impact on the Company. For example, cancellation of indebtedness income from such restructuring transaction has significantly reduced the Company's US tax attributes, including but not limited to NOL carryforwards. Further, the Plan was approved by the Bankruptcy Court on November 20, 2020. As a result, on the Effective Date, the Company experienced an ownership change under Section 382 of the Internal Revenue Code of 1986, as amended (the "Code"), which subjects certain remaining tax attributes to an annual limitation under Section 382 of the Code.

Note 14— Employee Benefit Plans

Defined Benefit Plans

Noble Drilling (Land Support) Limited, an indirect, wholly-owned subsidiary of Noble ("NDLS"), maintains a pension plan that covers all of its salaried, non-union employees, whose most recent date of employment is prior to April 1, 2014 (referred to as our "non-US plan").

In addition to the non-US plan discussed above, we have a US noncontributory defined benefit pension plan that covers certain salaried employees and a US noncontributory defined benefit pension plan that covers certain hourly employees, whose initial date of employment is prior to August 1, 2004 (collectively referred to as our "qualified US plans"). These plans are governed by the Noble Drilling Employees' Retirement Trust (the "Trust"). The benefits from these plans are based primarily on years of service and, for the salaried plan, employees' compensation near retirement. These plans are designed to qualify under the Employee Retirement Income Security Act of 1974 ("ERISA"), and our funding policy is consistent with funding requirements of ERISA and other applicable laws and regulations. We make cash contributions, or utilize credits available to us, for the qualified US plans when required. The benefit amount that can be covered by the qualified US plans is limited under ERISA and the Internal Revenue Code of 1986. Therefore, we maintain an unfunded, nonqualified excess benefit plan designed to maintain benefits for specified employees at the formula level in the qualified salaried US plan. We refer to the qualified US plans and the excess benefit plan collectively as the "US plans."

During the fourth quarter of 2016, we approved amendments, effective as of December 31, 2016, to our non-US and US defined benefit plans. With these amendments, employees and alternate payees will accrue no future benefits under the plans after December 31, 2016. However, these amendments will not affect any benefits earned through that date.

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A reconciliation of the changes in projected benefit obligations (“PBO”) for our non-US and US plans is as follows:

	Successor		Predecessor			
	Period From February 6, 2021 through December 31, 2021		Period From January 1, 2021 through February 5, 2021		Year Ended December 31, 2020	
	Non-US	US	Non-US	US	Non-US	US
Benefit obligation at beginning of period	\$ 63,729	\$ 256,417	\$ 67,943	\$ 266,090	\$ 62,485	\$ 240,249
Interest cost	1,228	5,993	97	615	1,877	7,567
Actuarial loss (gain)	1,548	(6,465)	(4,366)	(6,491)	7,190	28,266
Plan amendments	—	—	—	—	104	—
Benefits paid	(2,456)	(7,199)	(138)	(1,515)	(2,261)	(8,024)
Settlements and curtailments	—	(5,208)	—	(2,282)	(3,751)	(1,968)
Foreign exchange rate changes	(983)	—	193	—	2,299	—
Benefit obligation at end of period	<u>\$ 63,066</u>	<u>\$ 243,538</u>	<u>\$ 63,729</u>	<u>\$ 256,417</u>	<u>\$ 67,943</u>	<u>\$ 266,090</u>

A reconciliation of the changes in fair value of plan assets is as follows:

	Successor		Predecessor			
	Period From February 6, 2021 through December 31, 2021		Period From January 1, 2021 through February 5, 2021		Year Ended December 31, 2020	
	Non-US	US	Non-US	US	Non-US	US
Fair value of plan assets at beginning of period	\$ 79,146	\$ 221,743	\$ 83,808	\$ 222,417	\$ 76,429	\$ 194,160
Actual return on plan assets	2,998	12,254	(4,763)	838	8,741	36,247
Employer contributions	—	5,240	—	2,285	—	2,002
Benefits paid	(2,456)	(7,199)	(138)	(1,515)	(2,261)	(8,024)
Settlement and curtailment	—	(5,208)	—	(2,282)	(3,751)	(1,968)
Foreign exchange rate changes	(1,223)	—	239	—	4,650	—
Fair value of plan assets at end of period	<u>\$ 78,465</u>	<u>\$ 226,830</u>	<u>\$ 79,146</u>	<u>\$ 221,743</u>	<u>\$ 83,808</u>	<u>\$ 222,417</u>

The funded status of the plans is as follows:

	Successor		Predecessor	
	Year Ended December 31, 2021		Year Ended December 31, 2020	
	Non-US	US	Non-US	US
Funded status	\$ 15,399	\$ (16,708)	\$ 15,865	\$ (43,673)

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Amounts recognized in the Consolidated Balance Sheets consist of:

	Successor		Predecessor	
	Year Ended December 31,		Year Ended December 31,	
	2021		2020	
	Non-US	US	Non-US	US
Other assets (noncurrent)	\$ 15,399	\$ 971	\$ 15,865	\$ —
Other liabilities (current)	—	(67)	—	(8,169)
Other liabilities (noncurrent)	—	(17,612)	—	(35,504)
Net amount recognized	\$ 15,399	\$ (16,708)	\$ 15,865	\$ (43,673)

Amounts recognized in AOCI consist of:

	Successor		Predecessor	
	As of December 31, 2021		As of December 31, 2020	
	Non-US	US	Non-US	US
Net actuarial (gain) loss	\$ (369)	\$ (6,496)	\$ 3,108	\$ 47,094
Deferred income tax asset (liability)	112	1,364	(558)	(9,890)
Accumulated other comprehensive income (loss)	\$ (257)	\$ (5,132)	\$ 2,550	\$ 37,204

Pension costs include the following components:

	Successor		Predecessor							
	Period From		Period From		Year Ended December 31,					
	February 6, 2021		January 1, 2021		February 5, 2021		2020		2019	
	through		through		Non-US	US	Non-US	US	Non-US	US
	Non-US	US	Non-US	US	Non-US	US	Non-US	US	Non-US	US
Service cost	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Interest cost	1,228	5,993	97	615	1,877	7,567	1,814	8,711	1,814	8,711
Return on plan assets	(845)	(11,648)	(85)	(1,239)	(1,649)	(11,676)	(2,471)	(10,313)	(2,471)	(10,313)
Amortization of prior service cost	—	—	1	—	10	—	10	—	10	—
Recognized net actuarial loss	—	—	—	281	—	2,866	—	2,771	—	2,771
Settlement and curtailment gains	—	(575)	—	301	9	154	—	(37)	—	(37)
Net pension benefit cost (gain)	\$ 383	\$ (6,230)	\$ 13	\$ (42)	\$ 247	\$ (1,089)	\$ (647)	\$ 1,132	\$ (647)	\$ 1,132

There is zero and zero estimated net actuarial losses and prior service costs for the non-US plan and the US plans, respectively, that will be amortized from AOCI into net periodic pension cost in 2022.

During the years ended December 31, 2021, 2020 and 2019, we adopted the Retirement Plan (“RP”) mortality tables with the Mortality Projection (“MP”) scale as issued by the Society of Actuaries for each of the respective years. The RP 2021, 2020 and 2019 mortality tables represent the new standard for defined benefit mortality assumptions due to adjusted life expectancies. The adoption of the updated mortality tables and the mortality improvement scales increased our pension liability on our US plans by approximately \$0.7 million as of December 31, 2021 and decreased our pension liability by approximately \$1.7 million and \$2.1 million as of December 31, 2020 and 2019.

During the fourth quarter of 2018, the UK High Court made a judgement confirming that UK pension schemes are required to equalize male and female members’ benefits for the effect of guaranteed minimum pensions (GMP). We have accounted for the impact of the GMP equalization as a plan amendment to our non-US plan, and the impact is included as a prior service cost as of December 31, 2020, which will be amortized over the average life expectancy of the members at that date.

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Defined Benefit Plans—Disaggregated Plan Information

Disaggregated information regarding our non-US and US plans is summarized below:

	Successor		Predecessor	
	Years Ended December 31,		Years Ended December 31,	
	2021		2020	
	Non-US	US	Non-US	US
Projected benefit obligation	\$ 63,066	\$ 243,538	\$ 67,943	\$ 266,090
Accumulated benefit obligation	63,066	243,538	67,943	266,090
Fair value of plan assets	78,465	226,830	83,808	222,417

The following table provides information related to those plans in which the PBO exceeded the fair value of the plan assets at December 31, 2021 and 2020. The PBO is the actuarially computed present value of earned benefits based on service to date and includes the estimated effect of any future salary increases. Employees and alternate payees have no longer accrued future benefits under the plans since December 31, 2017.

	Successor		Predecessor	
	Years Ended December 31,		Years Ended December 31,	
	2021		2020	
	Non-US	US	Non-US	US
Projected benefit obligation	\$ —	\$ 207,059	\$ —	\$ 266,090
Fair value of plan assets	—	189,382	—	222,417

The PBO for the unfunded excess benefit plan was \$1.5 million at December 31, 2021 as compared to \$9.7 million in 2020, and is included under “US” in the above tables.

The following table provides information related to those plans in which the accumulated benefit obligation (“ABO”) exceeded the fair value of plan assets at December 31, 2021 and 2020. The ABO is the actuarially computed present value of earned benefits based on service to date, but differs from the PBO in that it is based on current salary levels. Employees and alternate payees have no longer accrued future benefits under the plans since December 31, 2016.

	Successor		Predecessor	
	Years Ended December 31,		Years Ended December 31,	
	2021		2020	
	Non-US	US	Non-US	US
Accumulated benefit obligation	\$ —	\$ 207,059	\$ —	\$ 266,090
Fair value of plan assets	—	189,382	—	222,417

The ABO for the unfunded excess benefit plan was \$1.5 million at December 31, 2021 as compared to \$9.7 million in 2020, and is included under “US” in the above tables.

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Defined Benefit Plans—Key Assumptions

The key assumptions for the plans are summarized below:

	Successor		Predecessor			
	Period From February 6, 2021 through December 31, 2021		Period From January 1, 2021 through February 5, 2021		Year Ended December 31, 2020	
	Non-US	US	Non-US	US	Non-US	US
	Non-US	US	Non-US	US	Non-US	US
Weighted-average assumptions used to determine benefit obligations:						
Discount Rate	1.80%	2.63% - 2.89%	1.80%	1.92% - 2.77%	1.40%	1.82% - 2.60%
Rate of compensation increase	N/A	N/A	N/A	N/A	N/A	N/A

	Successor		Predecessor			
	Period From February 6, 2021 through December 31, 2021		Period From January 1, 2021 through February 5, 2021		Years Ended December 31, 2020	2019
	Non-US	US	Non-US	US	Non-US	Non-US
	Non-US	US	Non-US	US	Non-US	Non-US
Weighted-average assumptions used to determine periodic benefit cost:						
Discount Rate	1.80%		1.80%		2.10%	2.90%
Expected long-term return on assets	1.20%		1.20%		2.90%	3.70%
Rate of compensation increase	N/A		N/A		N/A	N/A

	Successor		Predecessor				
	Period From February 6, 2021 through December 31, 2021		Period From January 1, 2021 through February 5, 2021		Years Ended December 31, 2020		2019
	US	US	US	US	US	US	
	US	US	US	US	US	US	
Weighted-average assumptions used to determine periodic benefit cost:							
Discount Rate	1.92% - 2.77%		1.82% - 2.60%		2.56% - 3.32%	3.65% - 4.29%	
Expected long-term return on assets	5.00% - 5.80%		5.10% - 6.10%		5.40% - 6.30%	5.40% - 6.50%	
Rate of compensation increase	N/A		N/A		N/A	N/A	

The discount rates used to calculate the net present value of future benefit obligations for our US plans is based on the average of current rates earned on long-term bonds that receive a Moody's rating of "Aa" or better. We have determined that the timing and amount of expected cash outflows on our plans reasonably match this index. For our non-US plan, the discount rate used to calculate the net present value of future benefit obligations is determined by using a yield curve of high quality bond portfolios with an average maturity approximating that of the liabilities.

In developing the expected long-term rate of return on assets, we considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets for the portfolio. To assist us with this analysis, we employ third-party consultants for our US and non-US plans that use a portfolio return model.

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Defined Benefit Plans—Plan Assets

Non-US Plan

As of December 31, 2021, the NDLS pension Scheme targets an asset allocation of 20.0% return-seeking securities (growth) and 80.0% in debt securities (matching) and adopts a de-risking strategy whereby the level of investment risk reduces as the Scheme's funding level improves. The overall investment objective of the Scheme, as adopted by the Scheme's Trustees, is to reach a fully funded position on the agreed de-risking basis of gilts - 0.20% per annum. The objectives within the Scheme's overall investment strategy is to outperform the cash + 4% per annum long term objective for growth assets and to sufficiently hedge interest rate and inflation risk within the matching portfolio in relation to the Scheme's liabilities. By achieving these objectives, the Trustees believe the Scheme will be able to avoid significant volatility in the contribution rate and provide sufficient assets to cover the Scheme's benefit obligations. To achieve this the Trustees have given Mercer, the appointed investment manager, full discretion in the day-to-day management of the Scheme's assets and implementation of the de-risking strategy, who in turn invests in multiple underlying investment managers where appropriate. The Trustees meet with Mercer periodically to review and discuss their investment performance.

The actual fair values of the non-US plan are as follows:

	As of December 31, 2021			
	Carrying Amount	Estimated Fair Value Measurements		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Successor:				
Cash and cash equivalents	\$ 938	\$ 938	\$ —	\$ —
Equity securities:				
International companies	10,546	10,546	—	—
Fixed income securities:				
Corporate bonds	66,981	66,981	—	—
Total	<u>\$ 78,465</u>	<u>\$ 78,465</u>	<u>\$ —</u>	<u>\$ —</u>

	As of December 31, 2020			
	Carrying Amount	Estimated Fair Value Measurements		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Predecessor:				
Cash and cash equivalents	\$ 5,405	\$ 5,405	\$ —	\$ —
Equity securities:				
International companies	4,179	4,179	—	—
Fixed income securities:				
Corporate bonds	72,407	72,407	—	—
Other	1,817	1,817	—	—
Total	<u>\$ 83,808</u>	<u>\$ 83,808</u>	<u>\$ —</u>	<u>\$ —</u>

US Plans

The fundamental objective of the US plan is to provide the capital assets necessary to meet the financial obligations made to plan participants. In order to meet this objective, the Investment Policy Statement depicts how the investment assets of the plan are to be managed in accordance with the overall target asset allocation of approximately 38.9% equity securities, 59.9% fixed income securities, and 1.2% in cash and equivalents. The target asset allocation is intended to generate sufficient capital to meet plan obligations and provide a portfolio rate of return equal to or greater than the return realized using appropriate blended, market benchmark over a full market cycle (usually a five to seven year time period). Actual allocations may deviate from the target range, however any deviation from the target range of asset allocations must be approved by the Trust's governing committee.

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For investments in mutual funds, the assets of the Trust are subject to the guidelines and limits imposed by such mutual fund's prospectus and the other governing documentation at the fund level.

No shares of Noble were included in equity securities at either December 31, 2021 or 2020.

The actual fair values of US plan assets are as follows:

Successor:	As of December 31, 2021			
	Carrying Amount	Estimated Fair Value Measurements		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	\$ 3,718	\$ 3,718	\$ —	\$ —
Equity securities:				
United States	86,237	—	86,237	—
Fixed income securities:				
Corporate bonds	103,504	100,342	3,162	—
Treasury bonds	33,371	33,371	—	—
Total	<u>\$ 226,830</u>	<u>\$ 137,431</u>	<u>\$ 89,399</u>	<u>\$ —</u>

Predecessor:	As of December 31, 2020			
	Carrying Amount	Estimated Fair Value Measurements		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	\$ 1,727	\$ 1,727	\$ —	\$ —
Equity securities:				
United States	78,019	32,387	45,632	—
International	32,310	32,310	—	—
Fixed income securities:				
Corporate bonds	83,645	82,669	976	—
Treasury bonds	26,716	26,716	—	—
Total	<u>\$ 222,417</u>	<u>\$ 175,809</u>	<u>\$ 46,608</u>	<u>\$ —</u>

Defined Benefit Plans—Cash Flows

During the period from January 1, 2021 to February 5, 2021 and the period from February 6, 2021 to December 31, 2021, we made no contributions to our non-US plan. During the period from January 1, 2021 to February 5, 2021 and the period from February 6, 2021 to December 31, 2021, we made contributions of \$2.3 million and \$5.2 million, respectively, to our US plans. In 2020, we made no contributions to our non-US plan and contributions of \$2.0 million to our US plans. In 2019, we made no contributions to our non-US plan and contributions of \$1.3 million to our US plans. We expect our aggregate minimum contributions to our non-US and US plans in 2022, subject to applicable law, to be zero and \$0.1 million, respectively. We continue to monitor and evaluate funding options based upon market conditions and may increase contributions at our discretion.

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The following table summarizes our estimated benefit payments at December 31, 2021:

	Payments by Period						
	Total	2022	2023	2024	2025	2026	Thereafter
Estimated benefit payments							
Non-US plans	\$ 30,302	\$ 2,514	\$ 2,616	\$ 2,723	\$ 2,835	\$ 2,951	\$ 16,663
US plans	110,107	9,710	10,190	10,397	10,844	11,059	57,907
Total estimated benefit payments	<u>\$ 140,409</u>	<u>\$ 12,224</u>	<u>\$ 12,806</u>	<u>\$ 13,120</u>	<u>\$ 13,679</u>	<u>\$ 14,010</u>	<u>\$ 74,570</u>

Other Benefit Plans

We sponsor a 401(k) Restoration Plan, which is a nonqualified, unfunded employee benefit plan under which specified employees may elect to defer compensation in excess of amounts deferrable under our 401(k) savings plan. The 401(k) Restoration Plan has no assets, and amounts withheld for the 401(k) Restoration Plan are kept by us for general corporate purposes. The investments selected by employees and associated returns are tracked on a phantom basis. Accordingly, we have a liability to the employee for amounts originally withheld plus phantom investment income or less phantom investment losses. We are at risk for phantom investment income and, conversely, benefit should phantom investment losses occur. At December 31, 2021 and 2020, our liability for the 401(k) Restoration Plan was \$2.8 million and \$7.8 million, respectively, and is included in "Accrued payroll and related costs." The primary reason for the decrease is due to benefits paid during the calendar year 2021. Subsequent to December 31, 2021, the board has approved the termination of the 401(k) Restoration Plan and distribution of benefits is expected to occur within the next 12 months.

In 2005, we enacted a profit sharing plan, the Noble Drilling Services Inc. Profit Sharing Plan, which covers eligible employees, as defined in the plan. Participants in the plan become fully vested in the plan after three years of service. We sponsor other retirement, health and welfare plans and a 401(k) savings plan for the benefit of our employees. On January 1, 2019, the 401(k) savings plan and the profit sharing plan were merged into the Noble Drilling Services Inc. 401(k) and Profit Sharing Plan.

Profit sharing contributions are discretionary, require Board of Directors approval and are made in the form of cash. Contributions recorded related to this plan totaled zero, zero, \$2.4 million and \$2.4 million, respectively, for the period from February 6, 2021 to December 31, 2021, the period from January 1 through February 5, 2021 and the years end December 31, 2020 and 2019. The cost of maintaining these plans for continuing operations aggregated approximately \$29.8 million, \$1.6 million, \$24.9 million and \$28.1 million for the period from February 6, 2021 to December 31, 2021, the period from January 1 through February 5, 2021 and the years ended December 31, 2020 and 2019, respectively. We do not provide post-retirement benefits (other than pensions) or any post-employment benefits to our employees.

Note 15— Fair Value of Financial Instruments

The following tables present the carrying amount and estimated fair value of our financial instruments recognized at fair value on a recurring basis:

	12/31/2021 (Successor)			
	Carrying Amount	Estimated Fair Value Measurements		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets -				
Marketable securities	\$ 7,645	\$ 7,645	\$ —	\$ —

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	12/31/2020 (Predecessor)			
	Carrying Amount	Estimated Fair Value Measurements		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets -				
Marketable securities	\$ 12,326	\$ 12,326	\$ —	\$ —

Our cash and cash equivalents, and restricted cash, accounts receivable, marketable securities and accounts payable are by their nature short-term. As a result, the carrying values included in our Consolidated Balance Sheets approximate fair value.

Note 16— Commitments and Contingencies

Tax matters

In June 2021, the IRS completed its limited scope examination in relation to our CARES Act refund claim and did not propose any adjustments to the taxable years ended December 31, 2012, 2013, 2014, 2018 and 2019. In June 2021, the IRS completed its audit of taxable year 2009 in relation to our foreign tax credit refund claim. No other taxable years are currently under audit in the US. We believe that we have accurately reported all amounts in our returns.

Audit claims of approximately \$618.0 million attributable to income and other business taxes were assessed against Noble entities in Mexico related to tax years 2007, 2009 and 2010, in Australia related to tax years 2013 to 2016, in Guyana related to tax years 2019 and 2020 in Saudi Arabia related to tax years 2015 to 2019 and against Pacific Drilling entities in Nigeria related to tax years 2010 to 2018. We intend to vigorously defend our reported positions and currently believe the ultimate resolution of the audit claims will not have a material adverse effect on our consolidated financial statements.

We operate in a number of countries throughout the world and our tax returns filed in those jurisdictions are subject to review and examination by tax authorities within those jurisdictions. We recognize uncertain tax positions that we believe have a greater than 50 percent likelihood of being sustained upon challenge by a tax authority. We cannot predict or provide assurance as to the ultimate outcome of any existing or future assessments.

Hurricane Ida Personal Injury Claims

We have had 14 employees and third parties that were onboard the *Noble Globetrotter II* during Hurricane Ida file suit in Texas and Louisiana state district courts against certain of our subsidiaries seeking damages related to physical and emotional harm suffered as a result of the incident. See “Note 6— Property and Equipment” for additional information regarding the incident. We have received letters of representation from a number of other potential plaintiffs, and more suits may be brought with respect to the incident. We are in the early stages of litigation. We intend to defend ourselves vigorously against these claims although there is inherent risk in litigation, and we cannot provide assurance as to the outcome of this lawsuit. We have insurance for such claims with a deductible of \$5.0 million.

Other contingencies

Legacy Noble had entered into agreements with certain of our executive officers, as well as certain other employees. These agreements were effective upon a change of control of Noble (within the meaning set forth in the agreements) or a termination of employment in connection with or in anticipation of a change of control and remained effective for three years thereafter. These agreements provided for compensation and certain other benefits under such circumstances. On the Effective Date of our emergence from the Chapter 11 Cases, the Legacy Noble agreements were superseded by new employment agreements.

We are a defendant in certain other claims and litigation arising out of operations in the ordinary course of business, including personal injury claims, the resolution of which, in the opinion of management, will not be material to our financial position, results of operations or cash flows. There is inherent risk in any litigation or dispute and no assurance can be given as to the outcome of these claims.

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Note 17— Segment and Related Information

We report our contract drilling operations as a single reportable segment, Contract Drilling Services, which reflects how we manage our business. The mobile offshore drilling units comprising our offshore rig fleet operate in a global market for contract drilling services and are often redeployed to different regions due to changing demands of our customers, which consist primarily of large, integrated, independent and government-owned or controlled oil and gas companies throughout the world. As of December 31, 2021, our contract drilling services segment conducts contract drilling operations in Far East Asia, the Middle East, the North Sea, Oceania, South America and the US Gulf of Mexico. Included in our long-lived assets balance below is our property and equipment and right-of-use assets. We used the geographic location of each drilling rig for our property and equipment or operating lease for our right-of-use assets, as of December 31, 2021 and 2020 for our long-lived asset geographic disclosure shown below. The December 31, 2020 asset amounts shown below have been revised from previously presented amounts, which displayed total assets, to conform to the new presentation.

The following table presents revenues and long lived assets by country based on the location of the service provided during the Successor period:

	<u>Revenues</u>	<u>Long-Lived Assets as of</u>
	<u>Period From</u>	
	<u>February 6, 2021</u>	
	<u>through</u>	
	<u>December 31, 2021</u>	<u>December 31, 2021</u>
Australia	\$ 1,954	\$ 20,704
Brazil	251	1,702
Canada	10	—
Canary Islands	—	88,092
Denmark	25,119	18,407
Guyana	244,638	678,852
Indonesia	23,964	—
Malaysia	—	7,341
Mauritania	29,616	—
Mexico	11,022	—
Norway	20,351	228,687
Qatar	23,247	20,487
Saudi Arabia	75,676	371
Suriname	62,090	—
Timor-Leste	32,257	—
Trinidad and Tobago	35,710	19,387
United Arab Emirates	—	607
United Kingdom	28,126	53,198
United States	156,294	360,478
Other	—	55
Total	\$ 770,325	\$ 1,498,368

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The following table presents revenues and identifiable assets by country based on the location of the service provided during the Predecessor period:

	Revenues			Long-Lived Assets as of
	Period From January 1, 2021 through February 5, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019	December 31, 2020
Australia	\$ 54	\$ 50,434	\$ 33,623	\$ 20,886
Brazil	—	—	—	4,794
Bulgaria	—	—	61,525	—
Canada	—	28,915	46,147	—
Denmark	—	7,662	31,076	—
Egypt	—	—	49,209	—
Gabon	—	147	—	—
Guyana	23,012	222,088	132,414	1,753,914
Malaysia	—	—	251,497	6,310
Myanmar	—	21,084	56,207	—
Qatar	2,263	31,024	36,948	18,582
Saudi Arabia	10,745	133,246	154,807	301,121
Suriname	6,029	61,474	17,374	565,327
Trinidad and Tobago	4,995	9,468	—	18,355
United Arab Emirates	—	—	—	18,134
United Kingdom	7,142	180,610	243,063	674,704
United States	23,241	209,401	191,548	223,653
Vietnam	—	8,719	—	—
Other	—	—	—	130
Total	\$ 77,481	\$ 964,272	\$ 1,305,438	\$ 3,605,910

Significant Customers

The following table sets forth revenues from our customers as a percentage of our consolidated operating revenues:

	Successor	Predecessor		
	Period From February 6, 2021 through December 31, 2021	Period From January 1, 2021 through February 5, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019 ⁽¹⁾
Royal Dutch Shell plc (“Shell”)	13.3 %	30 %	21.7 %	36.5 %
Exxon Mobil Corporation (“ExxonMobil”)	39.1 %	29.8 %	26.6 %	13.7 %
Equinor ASA (“Equinor”)	3.1 %	5.2 %	14.3 %	13.1 %
Saudi Arabian Oil Company (“Saudi Aramco”)	9.8 %	13.9 %	13.8 %	11.9 %

⁽¹⁾ Excluding the *Noble Bully II* contract buyout, revenues from Shell, ExxonMobil, Equinor and Saudi Aramco accounted for approximately 27.1 percent, 15.7 percent, 15.1 percent and 13.6 percent, respectively, of our consolidated operating revenues for the year ended December 31, 2019.

No other customer accounted for more than 10 percent of our consolidated operating revenues in 2021, 2020 or 2019.

NOBLE CORPORATION AND SUBSIDIARIES
NOBLE FINANCE COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unless otherwise indicated, dollar and share amounts in tables are in thousands)

Note 18— Supplemental Financial Information

Consolidated Statements of Cash Flows Information

Operating cash activities

The net effect of changes in other assets and liabilities on cash flows from operating activities is as follows:

	Noble			
	Successor	Predecessor		
	Period From February 6, 2021 through December 31, 2021	Period From January 1, 2021 through February 5, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Accounts receivable	\$ 6,245	\$ (41,344)	\$ 50,802	\$ 2,057
Other current assets	2,295	17,884	(866)	3,573
Other assets	(11,650)	8,521	(2,369)	16,218
Accounts payable	11,429	(16,819)	357	(2,279)
Other current liabilities	4,312	11,428	8,582	(4,700)
Other liabilities	32,928	(5,846)	(10,941)	(24,577)
Total net change in assets and liabilities	\$ 45,559	\$ (26,176)	\$ 45,565	\$ (9,708)

	Finco			
	Successor	Predecessor		
	Period From February 6, 2021 through December 31, 2021	Period From January 1, 2021 through February 5, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Accounts receivable	\$ 6,245	\$ (41,344)	\$ 19,588	\$ 2,057
Other current assets	(594)	19,398	7,830	4,046
Other assets	(11,618)	8,512	(800)	18,749
Accounts payable	15,822	(14,061)	(11,018)	(2,182)
Other current liabilities	4,125	11,623	16,055	(4,549)
Other liabilities	32,700	(5,936)	(10,941)	(24,577)
Total net change in assets and liabilities	\$ 46,680	\$ (21,808)	\$ 20,714	\$ (6,456)

Non-cash investing and financing activities

Additions to property and equipment, at cost for which we had accrued a corresponding liability in accounts payable as of December 31, 2021, 2020 and 2019 were \$36.5 million, \$35.3 million and \$36.0 million, respectively.

We entered into the \$53.6 million 2019 Seller Loan to finance a portion of the purchase price for the *Noble Joe Knight* in February 2019. See “Note 8—Debt” for additional information.

NOBLE CORPORATION AND SUBSIDIARIES
NOBLE FINANCE COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unless otherwise indicated, dollar and share amounts in tables are in thousands)

Additional cash flow information is as follows:

	Noble			
	Successor	Predecessor		
	Period From February 6, 2021 through December 31, 2021	Period From January 1, 2021 through February 5, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Cash paid during the period for:				
Interest, net of amounts capitalized	\$ 21,150	\$ —	\$ 138,040	\$ 289,457
Income taxes paid (refunded), net ⁽¹⁾	(8,113)	4,385	(133,708)	8,181

	Finco			
	Successor	Predecessor		
	Period From February 6, 2021 through December 31, 2021	Period From January 1, 2021 through February 5, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Cash paid during the period for:				
Interest, net of amounts capitalized	\$ 21,150	\$ —	\$ 138,040	\$ 289,457
Income taxes paid (refunded), net ⁽¹⁾	(8,113)	4,385	(133,708)	8,181

⁽¹⁾ The net tax refund for the period from February 6, 2021 to December 31, 2021 excludes withholding tax in Guyana of \$15.1 million on gross revenue reimbursed by Exxon. Excluding such withholding tax, the net tax refund would be \$23.3 million. The net tax refund for the period from January 1, 2021 to February 5, 2021 excludes withholding tax in Guyana of \$1.4 million on gross revenue reimbursed by Exxon. Excluding such withholding tax, the net tax payment would be \$3.0 million.

Note 19— Subsequent Events

Potential Litigation Matters related to the Business Combination

Following our announcement of the Business Combination, in the first quarter of 2022, we received one demand letter, and two complaints were filed against us, all challenging the Business Combination. The outcome of these complaints and the demand letter, as well as those that may in the future be received or filed with respect to the Business Combination, is uncertain. We believe that we and our directors and officers acted appropriately in connection with the Business Combination and have valid defenses to the allegations and we intend to defend the lawsuits vigorously. While we do not anticipate a negative outcome with respect to such litigation, we cannot assure you as to the outcome or any material negative effect thereof.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Evaluation of Disclosure Controls and Procedures

Noble Corporation

Conclusions Regarding Disclosure Controls and Procedures

Robert W. Eifler, President and Chief Executive Officer (Principal Executive Officer) of Noble, and Richard B. Barker, Senior Vice President and Chief Financial Officer (Principal Financial Officer) of Noble, have evaluated the disclosure controls and procedures of Noble as of the end of the period covered by this report. On the basis of this evaluation, Mr. Eifler and Mr. Barker have concluded that Noble's disclosure controls and procedures were effective as of December 31, 2021. Noble's disclosure controls and procedures are designed to ensure that information required to be disclosed by Noble in the reports that it files with or submits to the SEC are recorded, processed, summarized

and reported within the time periods specified in the SEC's rules and forms and is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in Noble's internal control over financial reporting that occurred during the quarter ended December 31, 2021 that have materially affected, or are reasonably likely to materially affect, the internal control over financial reporting of Noble.

Management's Annual Report on Internal Control Over Financial Reporting

The management of Noble is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) promulgated under the US Securities Exchange Act of 1934, as amended.

Internal control over financial reporting includes the controls themselves, monitoring (including internal auditing practices), and actions taken to correct deficiencies as identified. There are inherent limitations to the effectiveness of internal control over financial reporting, however well designed, including the possibility of human error and the possible circumvention or overriding of controls. The design of an internal control system is also based in part upon assumptions and judgments made by management about the likelihood of future events, and there can be no assurance that an internal control will be effective under all potential future conditions. As a result, even an effective system of internal controls can provide no more than reasonable assurance with respect to the fair presentation of financial statements and the processes under which they were prepared.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. Based on the assessment by management of Noble, Noble maintained effective internal control over financial reporting as of December 31, 2021.

PricewaterhouseCoopers LLP, the independent registered public accounting firm that audited our financial statements included in this Annual Report on Form 10-K, has audited the effectiveness of internal control over financial reporting as of December 31, 2021 as stated in their report, which is provided in Part II, Item 8, "Financial Statements and Supplementary Data" in this Annual Report on Form 10-K.

Noble Finance Company

Conclusions Regarding Disclosure Controls and Procedures

Robert W. Eifler, President and Chief Executive Officer (Principal Executive Officer) of Finco, and Richard B. Barker, Director, Senior Vice President and Chief Financial Officer (Principal Financial Officer) of Finco, have evaluated the disclosure controls and procedures of Finco as of the end of the period covered by this report. On the basis of this evaluation, Mr. Eifler and Mr. Barker have concluded that Finco's disclosure controls and procedures were effective as of December 31, 2021. Finco's disclosure controls and procedures are designed to ensure that information required to be disclosed by Finco in the reports that it files with or submits to the SEC are recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in Finco's internal control over financial reporting that occurred during the quarter ended December 31, 2021 that have materially affected, or are reasonably likely to materially affect, the internal control over financial reporting of Finco.

Management's Annual Report on Internal Control Over Financial Reporting

The management of Finco is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) promulgated under the US Securities Exchange Act of 1934, as amended.

Internal control over financial reporting includes the controls themselves, monitoring (including internal auditing practices), and actions taken to correct deficiencies as identified. There are inherent limitations to the effectiveness of internal control over financial reporting, however well designed, including the possibility of human error and the possible circumvention or overriding of controls. The design of an internal control system is also based in part upon assumptions and judgments made by management about the likelihood of future events, and there can be no assurance that an internal control will be effective under all potential future conditions. As a result, even an effective system of internal controls can provide no more than reasonable assurance with respect to the fair presentation of financial statements and the processes under which they were prepared.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control—

Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. Based on the assessment by management of Finco, Finco maintained effective internal control over financial reporting as of December 31, 2021.

PricewaterhouseCoopers LLP, the independent registered public accounting firm that audited our financial statements included in this Annual Report on Form 10-K, has audited the effectiveness of internal control over financial reporting as of December 31, 2021 as stated in their report, which is provided in Part II, Item 8, “Financial Statements and Supplementary Data” in this Annual Report on Form 10-K.

Item 9B. Other Information.

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required by this item will be provided in an amendment to this Annual Report on Form 10-K/A.

Item 11. Executive Compensation.

The information required by this item will be provided in an amendment to this Annual Report on Form 10-K/A.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by this item will be provided in an amendment to this Annual Report on Form 10-K/A.

Item 13. Certain Relationships and Related Transactions and Director Independence.

The information required by this item will be provided in an amendment to this Annual Report on Form 10-K/A.

Item 14. Principal Accounting Fees and Services.

The information required by this item will be provided in an amendment to this Annual Report on Form 10-K/A.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a) The following documents are filed as part of this report:

(1) A list of the financial statements filed as a part of this report is set forth in Item 8 on page 52 and is incorporated herein by reference.

(2) Financial Statement Schedules:

All schedules are omitted because they are either not applicable or required information is shown in the financial statements or notes thereto.

(3) Exhibits:

The information required by this Item 15(a)(3) is set forth in the Index to Exhibits accompanying this Annual Report on Form 10-K and is incorporated herein by reference.

Item 16. Form 10-K Summary.

None.

Index to Exhibits

Exhibit Number	Exhibit
2.1	<u>Modified Second Amended Joint Plan of Reorganization of Noble Corporation plc (n/k/a Noble Holding Corporation plc), a company incorporated under the laws of England and Wales (“Legacy Noble”), and its Debtor Affiliates (filed as Exhibit 2.1 to Legacy Noble’s Current Report on Form 8-K filed on November 23, 2020 and incorporated herein by reference).</u>
2.2†	<u>Agreement and Plan of Merger, dated as of March 25, 2021, by and among Noble Corporation, a Cayman Islands company (“Noble”), Duke Merger Sub, LLC and Pacific Drilling Company LLC (filed as Exhibit 2.1 to Noble’s Current Report on Form 8-K filed on March 25, 2021 and incorporated herein by reference).</u>
2.3†	<u>Purchase and Sale Agreement, dated as of August 25, 2021, by and among Noble Finance Company, Noble Drilling (TVL) Ltd., Noble SA Limited, Noble Rig Holding 1 Limited, Noble Rig Holding 2 Limited, Noble Drilling Arabia Co. Ltd. and ADES International Holding Limited (filed as Exhibit 2.1 to Noble’s Current Report on Form 8-K filed on August 26, 2021 and incorporated herein by reference).</u>
2.4†	<u>Amendment No. 1 to Purchase and Sale Agreement, dated as of October 15, 2021, by and among Noble Finance Company, Noble Drilling (TVL) Ltd., Noble SA Limited, Noble Rig Holding 1 Limited, Noble Rig Holding 2 Limited, Noble Drilling Arabia Co. Ltd., ADES International Holding Limited and ADES Saudi Limited Company (filed as Exhibit 2.7 to Noble’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2021 and incorporated herein by reference).</u>
2.5†	<u>Business Combination Agreement, dated as of November 10, 2021, by and among Noble Corporation, Noble Finco Limited, Noble Newco Sub Limited and The Drilling Company of 1972 A/S (filed as Exhibit 2.1 to Noble’s Current Report on Form 8-K filed on November 10, 2021 and incorporated herein by reference).</u>
3.1	<u>Amended and Restated Memorandum of Association of Noble (filed as Exhibit 3.1 to Noble’s Current Report on Form 8-K filed on February 8, 2021 and incorporated herein by reference).</u>
3.2	<u>Amended and Restated Articles of Association of Noble (filed as Exhibit 3.2 to Noble’s Current Report on Form 8-K filed on February 8, 2021 and incorporated herein by reference).</u>
3.3	<u>Memorandum and Articles of Association of Finco, as amended by shareholder resolutions (filed as Exhibit 3.2 to Noble’s Amendment No. 1 to the Annual Report on Form 10-K/A for the year ended December 31, 2020 and incorporated herein by reference).</u>
3.4	<u>Form of Articles of Association of Noble Finco Limited (filed as Exhibit 3.1 to Noble’s Current Report on Form 8-K filed on November 10, 2021 and incorporated herein by reference).</u>
4.1	<u>Indenture, dated as of February 5, 2021, among Noble Finance Company, the subsidiaries of Noble Finance Company party thereto, as guarantors, and U.S. Bank National Association, a national banking association, as collateral agent and trustee (including the form of Second Lien Note attached thereto) (filed as Exhibit 4.1 to Noble’s Current Report on Form 8-K filed on February 8, 2021 and incorporated herein by reference).</u>
4.2	<u>Supplemental Indenture, dated as of December 17, 2021, among Pacific Drilling S.A., as guarantor, and U.S. Bank National Association, a national banking association, as collateral agent and trustee (filed as Exhibit 4.2 to Amendment No. 2 to Noble’s Registration Statement on Form S-3/A dated December 22, 2021 (No. 333-255406) and incorporated herein by reference).</u>
10.1*	<u>Noble Drilling Corporation 401(k) Savings Restoration Plan (filed as Exhibit 10.1 to Noble Drilling Corporation’s Registration Statement on Form S-8 dated January 18, 2001 (No. 333-53912) and incorporated herein by reference).</u>

Exhibit Number	Exhibit
10.2*	<u>Amendment No. 1 to the Noble Drilling Corporation 401(k) Savings Restoration Plan (filed as Exhibit 10.1 to Post-Effective Amendment No. 1 to Finco's Registration Statement on Form S-8 (No. 333-53912) and incorporated herein by reference).</u>
10.3*	<u>Amendment No. 2 to the Noble Drilling Corporation 401(k) Savings Restoration Plan, dated February 25, 2003 (filed as Exhibit 10.30 to Finco's Annual Report on Form 10-K for the year ended December 31, 2005 and incorporated herein by reference).</u>
10.4*	<u>Amendment No. 3 to the Noble Drilling Corporation 401(k) Savings Restoration Plan, dated March 9, 2005 (filed as Exhibit 10.31 to Finco's Annual Report on Form 10-K for the year ended December 31, 2005 and incorporated herein by reference).</u>
10.5*	<u>Amendment No. 4 to the Noble Drilling Corporation 401(k) Savings Restoration Plan, dated March 30, 2007 (filed as Exhibit 10.41 to Finco's Annual Report on Form 10-K for the year ended December 31, 2007 and incorporated herein by reference).</u>
10.6*	<u>Amendment No. 5 to the Noble Drilling Corporation 401(k) Savings Restoration Plan, effective May 1, 2010 (filed as Exhibit 10.11 to Noble-Swiss' Annual Report on Form 10-K for the year ended December 31, 2010 and incorporated herein by reference).</u>
10.7*	<u>Noble Drilling Corporation Retirement Restoration Plan dated December 29, 2008, effective as of January 1, 2009 (filed as Exhibit 10.32 to Finco's Annual Report on Form 10-K for the year ended December 31, 2008 and incorporated herein by reference).</u>
10.8*	<u>Amendment No. 1 to the Noble Drilling Corporation Retirement Restoration Plan, dated July 10, 2009 (filed as Exhibit 10.16 to Noble-Swiss' Annual Report on Form 10-K for the year ended December 31, 2010 and incorporated herein by reference).</u>
10.9*	<u>Noble Drilling Corporation 2009 401(k) Savings Restoration Plan, effective January 1, 2009 (filed as Exhibit 10.31 to Finco's Annual Report on Form 10-K for the year ended December 31, 2008 and incorporated herein by reference).</u>
10.10*	<u>Amendment No. 1 to the Noble Drilling Corporation 2009 401(k) Savings Restoration Plan, effective May 1, 2010 (filed as Exhibit 10.23 to Noble-Swiss' Annual Report on Form 10-K for the year ended December 31, 2010 and incorporated herein by reference).</u>
10.11*	<u>Amendment No. 2 to the Noble Drilling Corporation 2009 401(k) Savings Restoration Plan, effective November 1, 2013 (filed as Exhibit 10.32 to Legacy Noble's Annual Report on Form 10-K for the year ended December 31, 2013 and incorporated herein by reference).</u>
10.12*	<u>Noble Corporation plc 2020 Short-Term Incentive Plan (filed as Exhibit 10.1 to Legacy Noble's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 and incorporated herein by reference).</u>
10.13*	<u>Form of Noble Corporation Performance-Vested Restricted Stock Unit Award under the Noble Corporation 2015 Omnibus Incentive Plan (filed as Exhibit 10.2 to Legacy Noble's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 and incorporated herein by reference).</u>
10.14*	<u>Form of Noble Corporation Performance-Vested Cash Award under the Noble Corporation 2015 Omnibus Incentive Plan (filed as Exhibit 10.3 to Legacy Noble's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 and incorporated herein by reference).</u>

Exhibit Number	Exhibit
10.15*	<u>Amendment to Noble Corporation plc 2015 Omnibus Incentive Plan (filed as Exhibit 10.5 to Legacy Noble’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 and incorporated herein by reference).</u>
10.16*	<u>General Release Agreement, dated February 10, 2020, by Scott W. Marks (filed as Exhibit 10.1 to Legacy Noble’s Current Report on Form 8-K filed on February 12, 2020 and incorporated herein by reference).</u>
10.17*	<u>Transition Agreement, dated February 19, 2020, by and among Noble Corporation plc, Noble Drilling Services Inc. and Julie J. Robertson (filed as Exhibit 10.1 to Legacy Noble’s Current Report on Form 8-K filed on February 21, 2020 and incorporated herein by reference).</u>
10.18*	<u>Separation Agreement, dated as of March 11, 2020, by and among Noble Corporation plc, Noble Drilling Services Inc. and Stephen M. Butz (filed as Exhibit 10.1 to Legacy Noble’s Current Report on Form 8-K filed on February 21, 2020 and incorporated herein by reference).</u>
10.19*	<u>Noble Corporation plc 2015 Omnibus Incentive Plan, restated as of May 21, 2020 (filed as Exhibit 10.1 to Legacy Noble’s Current Report on Form 8-K filed on May 27, 2020 and incorporated herein by reference).</u>
10.20*	<u>Noble Corporation plc 2015 Omnibus Incentive Plan, restated as of June 26, 2020 (filed as Exhibit 10.1 to Legacy Noble’s Current Report on Form 8-K filed on July 2, 2020 and incorporated herein by reference).</u>
10.21*†	<u>Noble Corporation plc 2020 Short-Term Incentive Plan, amended and restated effective as of July 1, 2020 (filed as Exhibit 10.3 to Legacy Noble’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2020 and incorporated herein by reference).</u>
10.22*†	<u>Noble Corporation plc 2020 Other Cash Award Plan, effective as of July 1, 2020 (filed as Exhibit 10.4 to Legacy Noble’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2020 and incorporated herein by reference).</u>
10.23*	<u>Form of Letter Agreement relating to Restructured 2020 Executive Incentive Compensation (filed as Exhibit 10.3 to Legacy Noble’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 and incorporated herein by reference).</u>
10.24*	<u>Noble Corporation plc Time-Vested Cash Award (Inducement Award) Agreement, effective July 1, 2020, by and between Noble Corporation plc and Robert W. Eifler (filed as Exhibit 10.4 to Legacy Noble’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 and incorporated herein by reference).</u>
10.25*†	<u>Noble Corporation plc Performance-Vested Cash Award (Inducement Award) Agreement, effective July 1, 2020, by and between Noble Corporation plc and Robert W. Eifler (filed as Exhibit 10.5 to Legacy Noble’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 and incorporated herein by reference).</u>
10.26†	<u>Restructuring Support Agreement, dated July 31, 2020, by and among Noble Corporation plc, the subsidiaries of Noble Corporation plc party thereto and the Consenting Creditors party thereto (filed as Exhibit 10.1 to Legacy Noble’s Current Report on Form 8-K filed on July 31, 2020 and incorporated herein by reference).</u>

Exhibit Number	Exhibit
10.27†	<u>First Amendment to Restructuring Support Agreement, dated August 20, 2020, by and among Noble Corporation plc and the Consenting Creditors party thereto (filed as Exhibit 10.1 to Legacy Noble’s Current Report on Form 8-K filed on August 26, 2020 and incorporated herein by reference).</u>
10.28†	<u>Settlement Agreement, dated September 23, 2020, by and among the Paragon Litigation Trust and Noble Corporation plc, Noble Corporation Holdings Ltd, Noble Corporation, Noble FDR Holdings Limited, Noble Holding International Limited, Noble Holding (U.S.) LLC and Noble International Finance Company (filed as Exhibit 10.1 to Legacy Noble’s Current Report on Form 8-K filed on September 28, 2020 and incorporated herein by reference).</u>
10.29†	<u>Backstop Commitment Agreement, dated October 12, 2020, by and among Noble Corporation plc, the subsidiaries of Noble Corporation plc party thereto and the Backstop Parties party thereto (filed as Exhibit 10.1 to Legacy Noble’s Current Report on Form 8-K filed on October 15, 2020 and incorporated herein by reference).</u>
10.30†	<u>Amendment No. 1 to Backstop Commitment Agreement, dated as of November 25, 2020, by and among Noble Corporation plc, the subsidiaries of Noble Corporation plc party thereto and the Backstop Parties party thereto (filed as Exhibit 10.1 to Legacy Noble’s Current Report on Form 8-K filed on December 1, 2020 and incorporated herein by reference).</u>
10.31	<u>Settlement Agreement, dated as of February 3, 2021, by and among Michael A. Cawley, Julie H. Edwards, Gordon T. Hall, Jon A. Marshall, James A. MacLennan, Mary P. Ricciardello, Julie J. Robertson, and David Williams, Noble Corporation plc and the Paragon Litigation Trust (filed as Exhibit 10.1 to Legacy Noble’s Current Report on Form 8-K filed on February 5, 2021 and incorporated herein by reference).</u>
10.32†	<u>Senior Secured Revolving Credit Agreement, dated as of February 5, 2021, by and among Noble Finance Company and Noble International Finance Company, as borrowers, the lenders and issuing banks party thereto from time to time, and JPMorgan Chase Bank, N.A., as administrative agent, collateral agent and security trustee (filed as Exhibit 10.1 to Noble’s Current Report on Form 8-K filed on February 8, 2021 and incorporated herein by reference).</u>
10.33	<u>Tranche 1 Warrant Agreement, dated as of February 5, 2021, by and between Noble Corporation and Computershare Inc. and Computershare Trust Company, N.A. (filed as Exhibit 10.2 to Noble’s Current Report on Form 8-K filed on February 8, 2021 and incorporated herein by reference).</u>
10.34	<u>Tranche 2 Warrant Agreement, dated as of February 5, 2021, by and between Noble Corporation and Computershare Inc. and Computershare Trust Company, N.A. (filed as Exhibit 10.3 to Noble’s Current Report on Form 8-K filed on February 8, 2021 and incorporated herein by reference).</u>
10.35	<u>Tranche 3 Warrant Agreement, dated as of February 5, 2021, by and between Noble Corporation and Computershare Inc. and Computershare Trust Company, N.A. (filed as Exhibit 10.4 to Noble’s Current Report on Form 8-K filed on February 8, 2021 and incorporated herein by reference).</u>
10.36	<u>Penny Warrant Agreement, dated as of February 5, 2021, by and between Noble Corporation and Computershare Inc. and Computershare Trust Company, N.A. (filed as Exhibit 10.5 to Noble’s Current Report on Form 8-K filed on February 8, 2021 and incorporated herein by reference).</u>

Exhibit Number	Exhibit
10.37	<u>Equity Registration Rights Agreement, dated as of February 5, 2021, by and among Noble Corporation and the holders party thereto (filed as Exhibit 10.6 to Noble's Current Report on Form 8-K filed on February 8, 2021 and incorporated herein by reference).</u>
10.38	<u>Notes Registration Rights Agreement, dated as of February 5, 2021, by and among Noble Finance Company and the holders party thereto (filed as Exhibit 10.7 to Noble's Current Report on Form 8-K filed on February 8, 2021 and incorporated herein by reference).</u>
10.39*	<u>Executive Employment Agreement, dated as of February 5, 2021, by and between Noble Services Company LLC and Robert Eifler (including the Deed of Guaranty of Noble Corporation attached thereto) (filed as Exhibit 10.8 to Noble's Current Report on Form 8-K filed on February 8, 2021 and incorporated herein by reference).</u>
10.40*	<u>First Amendment to Executive Employment Agreement, dated as of March 9, 2021, by and between Noble Services Company LLC and Robert Eifler (filed as Exhibit 10.2 to Noble's Current Report on Form 8-K filed on March 11, 2021 and incorporated herein by reference).</u>
10.41*	<u>Executive Employment Agreement, dated as of February 5, 2021, by and between Noble Services Company LLC and Richard Barker (including the Deed of Guaranty of Noble Corporation attached thereto) (filed as Exhibit 10.9 to Noble's Current Report on Form 8-K filed on February 8, 2021 and incorporated herein by reference).</u>
10.42*	<u>Executive Employment Agreement, dated as of February 5, 2021, by and between Noble Services Company LLC and William Turcotte (including the Deed of Guaranty of Noble Corporation attached thereto) (filed as Exhibit 10.10 to Noble's Current Report on Form 8-K filed on February 8, 2021 and incorporated herein by reference).</u>
10.43*	<u>Form of Indemnification Agreement, by and between Noble Corporation and its officers and directors (filed as Exhibit 10.11 to Noble's Current Report on Form 8-K filed on February 8, 2021 and incorporated herein by reference).</u>
10.44	<u>Relationship Agreement, dated as of February 5, 2021, by and between Noble Corporation, the Investors and certain of the former holders of the Legacy Notes (filed as Exhibit 10.12 to Noble's Current Report on Form 8-K filed on February 8, 2021 and incorporated herein by reference).</u>
10.45*	<u>Noble Corporation 2021 Long-Term Incentive Plan (filed as Exhibit 10.1 to Noble's Current Report on Form 8-K filed on February 24, 2021 and incorporated herein by reference).</u>
10.46*	<u>Form of Time-Vested Restricted Stock Unit Award (Officers) under the Noble Corporation 2021 Long-Term Incentive Plan (filed as Exhibit 10.16 to Noble's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 and incorporated herein by reference).</u>
10.47*	<u>Form of Time-Vested Restricted Stock Unit Award (Non-Officers) under the Noble Corporation 2021 Long-Term Incentive Plan (filed as Exhibit 10.17 to Noble's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 and incorporated herein by reference).</u>
10.48*	<u>Form of Performance-Vested Restricted Stock Unit Award (CEO) under the Noble Corporation 2021 Long-Term Incentive Plan (filed as Exhibit 10.18 to Noble's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 and incorporated herein by reference).</u>

Exhibit Number	Exhibit
10.49*	<u>Form of Performance-Vested Restricted Stock Unit Award (Non-CEO) under the Noble Corporation 2021 Long-Term Incentive Plan (filed as Exhibit 10.19 to Noble’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 and incorporated herein by reference).</u>
10.50*	<u>Form of Director Restricted Stock Unit Award under the Noble Corporation 2021 Long-Term Incentive Plan (filed as Exhibit 10.20 to Noble’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 and incorporated herein by reference).</u>
10.51*	<u>Amended and Restated Noble Corporation 2021 Short-Term Incentive Plan (filed as Exhibit 10.2 to Noble’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2021 and incorporated herein by reference).</u>
10.52*	<u>Noble Corporation Summary of Director Compensation (filed as Exhibit 10.22 to Noble’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 and incorporated herein by reference).</u>
10.53	<u>Form of Voting and Support Agreement, dated as of March 25, 2021, by and among Noble Corporation and each member of Pacific Drilling Company LLC party thereto (filed as Exhibit 10.1 to Noble’s Current Report on Form 8-K filed on March 25, 2021 and incorporated herein by reference).</u>
10.54	<u>Registration Rights Agreement, dated as of April 15, 2021, by and among Noble Corporation and the holders party thereto (filed as Exhibit 10.1 to Noble’s Current Report on Form 8-K filed on April 16, 2021 and incorporated herein by reference).</u>
10.55	<u>Irrevocable Undertaking, dated as of November 10, 2021, by and among APMH Invest A/S, Noble Corporation, Noble Finco Limited and The Drilling Company of 1972 A/S (filed as Exhibit 10.1 to Noble’s Current Report on Form 8-K filed on November 10, 2021 and incorporated herein by reference).</u>
10.56	<u>Form of Transaction Support Deed, dated as of November 10, 2021, by and among Noble Finco Limited, Noble Corporation, The Drilling Company of 1972 A/S and the shareholders party thereto (filed as Exhibit 10.2 to Noble’s Current Report on Form 8-K filed on November 10, 2021 and incorporated herein by reference).</u>
10.57	<u>Form of Relationship Agreement, between Noble Finco Limited, the existing investors party thereto, APMH Invest A/S and Noble Corporation (filed as Exhibit 10.3 to Noble’s Current Report on Form 8-K filed on November 10, 2021 and incorporated herein by reference).</u>
10.58	<u>Form of Registration Rights Agreement, by and among Noble Finco Limited and the holders party thereto (filed as Exhibit 10.4 to Noble’s Current Report on Form 8-K filed on November 10, 2021 and incorporated herein by reference).</u>
10.59	<u>Amendment No. 1 to Tranche 1 Warrant Agreement, dated as of December 27, 2021, by and between Noble Corporation and Computershare Inc. and Computershare Trust Company, N.A.</u>
10.60	<u>Amendment No. 1 to Tranche 2 Warrant Agreement, dated as of December 27, 2021, by and between Noble Corporation and Computershare Inc. and Computershare Trust Company, N.A.</u>
21.1	<u>List of Subsidiaries of Noble and Finco.</u>
22.1	<u>List of Guarantor Subsidiaries and Affiliate Securities Pledged as Collateral.</u>
23.1	<u>Consent of PricewaterhouseCoopers LLP.</u>
31.1	<u>Certification of Robert W. Eifler, Noble, pursuant to the U.S. Securities Exchange Act of 1934, as amended, Rule 13a-14(a) or Rule 15d-14(a).</u>

Exhibit Number	Exhibit
31.2	Certification of Robert W. Eifler, Finco, pursuant to the U.S. Securities Exchange Act of 1934, as amended, Rule 13a-14(a) or Rule 15d-14(a).
31.3	Certification of Richard B. Barker, Noble, pursuant to the US Securities Exchange Act of 1934, as amended, Rule 13a-14(a) or Rule 15d-14(a).
31.4	Certification of Richard B. Barker, Finco, pursuant to the US Securities Exchange Act of 1934, as amended, Rule 13a-14(a) or Rule 15d-14(a).
32.1+	Certification of Robert W. Eifler, Noble, pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2+	Certification of Robert W. Eifler, Finco, pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.3+	Certification of Richard B. Barker, Noble, pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.4+	Certification of Richard B. Barker, Finco, pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Management contract or compensatory plan or arrangement.

† Certain portions of the exhibit have been omitted. The Company agrees to furnish a supplemental copy with any omitted information to the SEC upon request.

+ Furnished in accordance with Item 601(b)(32)(ii) of Regulation S-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Noble Corporation, a Cayman Islands company

February 17, 2022 _____ By: /s/ Robert W. Eifler
Robert W. Eifler
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Robert W. Eifler February 17, 2022
Robert W. Eifler
President and Chief Executive Officer
(Principal Executive Officer) Date

/s/ Richard B. Barker February 17, 2022
Richard B. Barker
Senior Vice President and Chief Financial Officer
(Principal Financial Officer) Date

/s/ Laura D. Campbell February 17, 2022
Laura D. Campbell
Vice President, Chief Accounting Officer and Controller
(Principal Accounting Officer) Date

/s/ Patrick J. Bartels, Jr. February 17, 2022
Patrick J. Bartels, Jr.
Director Date

/s/ Alan J. Hirshberg February 17, 2022
Alan J. Hirshberg
Director Date

/s/ Ann Pickard February 17, 2022
Ann Pickard
Director Date

/s/ Charles Sledge February 17, 2022
Charles Sledge
Director Date

/s/ Melanie M. Trent February 17, 2022
Melanie M. Trent
Director Date

/s/ Paul Aronzon February 17, 2022
Paul Aronzon
Director Date

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Noble Finance Company, a Cayman Islands company

February 17, 2022

By: /s/ Robert W. Eifler

Robert W. Eifler
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Robert W. Eifler

Robert W. Eifler
President and Chief Executive Officer
(Principal Executive Officer)

February 17, 2022

Date

/s/ Richard B. Barker

Richard B. Barker
Director, Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

February 17, 2022

Date

/s/ Laura D. Campbell

Laura D. Campbell
Vice President and Controller
(Principal Accounting Officer)

February 17, 2022

Date

/s/ David M.J. Dujacquier

David M.J. Dujacquier
Director

February 17, 2022

Date

/s/ Brad A. Baldwin

Brad A. Baldwin
Director

February 17, 2022

Date

**AMENDMENT NO. 1 TO
TRANCHE 1 WARRANT AGREEMENT**

THIS AMENDMENT NO. 1 to the TRANCHE 1 WARRANT AGREEMENT (this “Amendment”), dated as of December 27, 2021, is entered into and effectuated pursuant to Section 13 of the Tranche 1 Warrant Agreement, dated as of February 5, 2021 (the “Agreement”), by and between Noble Corporation, a Cayman Islands exempted company (the “Company”), and Computershare Inc., a Delaware corporation (“Computershare”), and Computershare Trust Company, N.A., a federally chartered trust company, as warrant agent (together with Computershare, the “Warrant Agent”). Capitalized terms used but not defined herein shall have the respective meanings set forth in the Agreement.

WHEREAS, Section 13 of the Agreement provides, among other things, that the Company and the Warrant Agent may, without the consent or concurrence of any of the Warranholders, by supplemental agreement or otherwise, amend the Agreement for the purpose of making any changes or corrections in this Agreement that (a) are required to cure any ambiguity or to correct or supplement any defective or inconsistent provision or clerical omission or mistake or manifest error contained in the Agreement, or (b) add to the covenants and agreements of the Company in the Agreement further covenants and agreements of the Company thereafter to be observed, or surrender any rights or powers reserved to or conferred upon the Company in the Agreement;

WHEREAS, Section 3.3 of the Agreement provides that, under certain circumstances, the Required Mandatory Exercise Warranholders shall have the right and option (but not the obligation) to cause the automatic exercise of all, but not less than all, of their respective Warrants (a “Mandatory Exercise”) by delivering to the Warrant Agent, for delivery to the Company, a Mandatory Exercise Notice;

WHEREAS, the Warrants have been issued in the form of a Global Warrant Certificate and registered in the name of the Depository and, as such, the Depository is the sole Warranholder as of the date of this Amendment;

WHEREAS, (a) Section 2.4(a) of the Agreement provides, among other things, that the holder of a Global Warrant may authorize Persons that hold beneficial interests in such Global Warrant to take any action that a Warranholder is entitled to take under the Agreement in accordance with the Depository’s applicable procedures, (b) Section 2.4(b)(ii) of the Agreement provides that the rights of beneficial owners in a Global Warrant shall generally be exercised through the Depository subject to the applicable procedures of the Depository, and (c) Section 8.3(b)(i) of the Agreement provides, among other things, that, so long as a Global Warrant is registered in the name of the Depository, holders of beneficial interests in the Warrants evidenced thereby shall have no rights under the Warrant Certificate with respect to such Global Warrant;

WHEREAS, the Depository does not have procedures that facilitate the provision of a Mandatory Exercise Notice by beneficial owners in a Global Warrant;

WHEREAS, Section 3.3 of the Agreement is defective or ambiguous in that it is not possible or it is impracticable for the Company to deliver the required statement to the Warrant Agent at least five (5) days prior to the Mandatory Exercise Date if the Mandatory Exercise Date is less than ten (10) Business Days after the date on which the Mandatory Exercise Notice is delivered to the Warrant Agent;

WHEREAS, the Company wishes to amend the Agreement to (a) clarify that, subject to compliance with the other requirements of Section 3.3 of the Agreement, one or more beneficial owners in a Global Warrant that otherwise meet the ownership thresholds set forth in the definition of Required Mandatory Exercise Warrantholders are entitled to cause a Mandatory Exercise, (b) clarify that, subject to satisfaction of the ownership thresholds set forth in the definition of Required Mandatory Exercise Warrantholders and the other requirements of Section 3.3 of the Agreement, the election by beneficial owners in a Global Warrant to cause a Mandatory Exercise under Section 3.3 of the Agreement does not require that the Depositary cause a Mandatory Exercise with respect to all Warrants represented by a Global Warrant Certificate, (c) establish procedures to facilitate the provision of a Mandatory Exercise Notice by beneficial owners in a Global Warrant pursuant to, and in accordance with, Section 3.3 of the Agreement, and (d) correct the defect or ambiguity in Section 3.3 of the Agreement to permit the Company to comply with the requirement that it deliver to the Warrant Agent certain information on a timely basis.

NOW, THEREFORE, it is hereby agreed as follows:

1. **Amendment to Definitions Section.** Section 1.1 of the Agreement is hereby amended to add the following definition:

“Mandatory Beneficial Owner Exercise Threshold” means one or more beneficial owners in a Global Warrant that collectively (i) hold the beneficial interest in more than 1,666,616 Warrants or (ii) from and after such time as 1,666,616 or fewer Warrants remain outstanding, hold the beneficial interest in all outstanding Warrants.

2. **Amendment to Section 3.3(a).** Clause (iii) of the second sentence of Section 3.3(a) of the Agreement is hereby amended to read in its entirety to read as follows:

“(iii) the date (the “Mandatory Exercise Date”) upon which such Mandatory Exercise shall be effective (which date shall be no earlier than ten (10) Business Days after, and no later than thirty (30) days after, the date on which the Mandatory Exercise Notice is delivered to the Warrant Agent)”

3. **Addition of Section 8.9.** The Agreement is hereby amended to add the following new Section 8.9:

“8.9 Election by Beneficial Owners to Cause Mandatory Exercise. For the avoidance of doubt, (a) from and after the date on which the Mandatory Exercise Condition has occurred and is continuing, one or more beneficial owners in a Global Warrant that meet the Mandatory Beneficial Owner Exercise Threshold shall be entitled to cause a Mandatory Exercise on the terms and subject to the conditions set forth in

Section 3.3, including that the Mandatory Exercise applies to all, but not less than all, of the Warrants beneficially owned by such beneficial owners, by delivering to the Warrant Agent for delivery to the Company a single Mandatory Exercise Notice in the form of Exhibit C attached hereto, duly executed by each such beneficial owner and accompanied by the documentation described therein in order to permit the Company to confirm the satisfaction of the Mandatory Beneficial Owner Exercise Threshold and the other conditions to the Mandatory Exercise set forth in Section 3.3, and (b) the fact that the Depositary is the sole Warrantholder, or is not causing a Mandatory Exercise with respect to all Warrants represented by a Global Warrant Certificate, shall not restrict the ability of such beneficial owners to cause a Mandatory Exercise as provided in the immediately preceding clause (a).”

4. **References to the Agreement.** After giving effect to this Amendment, each reference in the Agreement to “this Agreement”, “hereof”, “hereunder”, “herein” or words of like import referring to the Agreement shall refer to the Agreement as amended by this Amendment.

5. **Construction.** For the avoidance of doubt, all references in the Agreement to the “Effective Date”, “the date hereof” and “the date of this Agreement” shall continue to refer to February 5, 2021.

6. **Other Miscellaneous Terms.** The provisions of Sections 1.2, 10, 16, 18, 19, 20, 21, 22 and 23 of the Agreement shall apply *mutatis mutandis* to this Amendment and to the Agreement as modified by this Amendment, taken together as a single agreement reflecting the terms therein as modified hereby.

7. **No Further Amendment.** Except as modified by this Amendment, the Agreement shall remain in full force and effect. In the event of any conflict between this Amendment and the Agreement, this Amendment shall control.

8. **Counterparts.** This Amendment may be executed in two or more counterparts, each of which will be deemed to be an original, but all of which together constitute one and the same instrument. Any signature page delivered electronically or by facsimile (including transmission by .pdf, other fixed imaged form or DocuSign or similar program) will be binding to the same extent as an original signature page.

[The remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the day and year first above written.

NOBLE CORPORATION

By: /s/ Craig Muirhead
Name: Craig Muirhead

Title: Vice President Investor Relations
and Treasurer

COMPUTERSHARE INC.
COMPUTERSHARE TRUST COMPANY, N.A.,
as Warrant Agent

By: /s/ Collin Ekeogu
Name: Collin Ekeogu

Title: Manager, Corporate Actions

[Signature Page to Amendment No. 1 to Tranche 1 Warrant Agreement]

Form of Mandatory Exercise Notice for Beneficial Owners

[See Attached]

MANDATORY EXERCISE NOTICE

Reference is made to Sections 3.3 and 8.9 of that certain Tranche 1 Warrant Agreement, dated as of February 5, 2021, as amended (the “Warrant Agreement”), by and between Noble Corporation, a Cayman Islands exempted company (the “Company”), and Computershare Inc. and Computershare Trust Company, N.A., as warrant agent (the “Warrant Agent”).

Each of the undersigned hereby certifies as to the information set forth below and, in addition, hereby certifies that: (i) such undersigned is a beneficial owner of Warrants of the Company issued pursuant to the Warrant Agreement in the respective numbers set forth below; (ii) such undersigned, collectively with the other undersigned holders below, beneficially owns Warrants representing the Mandatory Beneficial Owner Exercise Threshold; and (iii) such undersigned hereby irrevocably elects to exercise all, but not less than all, of the Warrants beneficially owned by it.

All capitalized terms used in this Mandatory Exercise Notice that are not defined herein but are defined in the Warrant Agreement shall have the meanings given to them in the Warrant Agreement.

Describe in reasonably appropriate detail the occurrence of the Mandatory Exercise Condition:

Exercise Price:

Date of Effectiveness of this Mandatory Exercise Notice:

For each of the undersigned, complete the following (if the undersigned’s Warrants are held through multiple DTC participant accounts, please complete a separate line for each separate DTC participant account):

Beneficial Owner	Social Security or Other Taxpayer Identification Number	Address of Beneficial Owner (also include Country of Residence if different)	Number of Warrants Exercised	DTC Participant Information	Wire Instructions for Cash

The undersigned certifies that the information set forth herein is true and correct in all respects and requests that Ordinary Shares issuable upon exercise of the undersigned’s Warrants be issued by the Company in the name of the undersigned Warrant beneficial owner, and to the DTC participant account, as indicated above, and that any cash payable upon exercise of the undersigned’s Warrants be paid to the bank account as indicated above:

Dated: , 20__

Name: Signature:

Name: Signature:

Name: Signature:

**AMENDMENT NO. 1 TO
TRANCHE 2 WARRANT AGREEMENT**

THIS AMENDMENT NO. 1 to the TRANCHE 2 WARRANT AGREEMENT (this “Amendment”), dated as of December 27, 2021, is entered into and effectuated pursuant to Section 13 of the Tranche 2 Warrant Agreement, dated as of February 5, 2021 (the “Agreement”), by and between Noble Corporation, a Cayman Islands exempted company (the “Company”), and Computershare Inc., a Delaware corporation (“Computershare”), and Computershare Trust Company, N.A., a federally chartered trust company, as warrant agent (together with Computershare, the “Warrant Agent”). Capitalized terms used but not defined herein shall have the respective meanings set forth in the Agreement.

WHEREAS, Section 13 of the Agreement provides, among other things, that the Company and the Warrant Agent may, without the consent or concurrence of any of the Warranholders, by supplemental agreement or otherwise, amend the Agreement for the purpose of making any changes or corrections in this Agreement that (a) are required to cure any ambiguity or to correct or supplement any defective or inconsistent provision or clerical omission or mistake or manifest error contained in the Agreement, or (b) add to the covenants and agreements of the Company in the Agreement further covenants and agreements of the Company thereafter to be observed, or surrender any rights or powers reserved to or conferred upon the Company in the Agreement;

WHEREAS, Section 3.3 of the Agreement provides that, under certain circumstances, the Required Mandatory Exercise Warranholders shall have the right and option (but not the obligation) to cause the automatic exercise of all, but not less than all, of their respective Warrants (a “Mandatory Exercise”) by delivering to the Warrant Agent, for delivery to the Company, a Mandatory Exercise Notice;

WHEREAS, the Warrants have been issued in the form of a Global Warrant Certificate and registered in the name of the Depository and, as such, the Depository is the sole Warranholder as of the date of this Amendment;

WHEREAS, (a) Section 2.4(a) of the Agreement provides, among other things, that the holder of a Global Warrant may authorize Persons that hold beneficial interests in such Global Warrant to take any action that a Warranholder is entitled to take under the Agreement in accordance with the Depository’s applicable procedures, (b) Section 2.4(b)(ii) of the Agreement provides that the rights of beneficial owners in a Global Warrant shall generally be exercised through the Depository subject to the applicable procedures of the Depository, and (c) Section 8.3(b)(i) of the Agreement provides, among other things, that, so long as a Global Warrant is registered in the name of the Depository, holders of beneficial interests in the Warrants evidenced thereby shall have no rights under the Warrant Certificate with respect to such Global Warrant;

WHEREAS, the Depository does not have procedures that facilitate the provision of a Mandatory Exercise Notice by beneficial owners in a Global Warrant;

WHEREAS, Section 3.3 of the Agreement is defective or ambiguous in that it is not possible or it is impracticable for the Company to deliver the required statement to the Warrant Agent at least five (5) days prior to the Mandatory Exercise Date if the Mandatory Exercise Date is less than ten (10) Business Days after the date on which the Mandatory Exercise Notice is delivered to the Warrant Agent;

WHEREAS, the Company wishes to amend the Agreement to (a) clarify that, subject to compliance with the other requirements of Section 3.3 of the Agreement, one or more beneficial owners in a Global Warrant that otherwise meet the ownership thresholds set forth in the definition of Required Mandatory Exercise Warrantholders are entitled to cause a Mandatory Exercise, (b) clarify that, subject to satisfaction of the ownership thresholds set forth in the definition of Required Mandatory Exercise Warrantholders and the other requirements of Section 3.3 of the Agreement, the election by beneficial owners in a Global Warrant to cause a Mandatory Exercise under Section 3.3 of the Agreement does not require that the Depositary cause a Mandatory Exercise with respect to all Warrants represented by a Global Warrant Certificate, (c) establish procedures to facilitate the provision of a Mandatory Exercise Notice by beneficial owners in a Global Warrant pursuant to, and in accordance with, Section 3.3 of the Agreement, and (d) correct the defect or ambiguity in Section 3.3 of the Agreement to permit the Company to comply with the requirement that it deliver to the Warrant Agent certain information on a timely basis.

NOW, THEREFORE, it is hereby agreed as follows:

1. **Amendment to Definitions Section.** Section 1.1 of the Agreement is hereby amended to add the following definition:

“**Mandatory Beneficial Owner Exercise Threshold**” means one or more beneficial owners in a Global Warrant that collectively (i) hold the beneficial interest in more than 1,666,616 Warrants or (ii) from and after such time as 1,666,616 or fewer Warrants remain outstanding, hold the beneficial interest in all outstanding Warrants.

2. **Amendment to Section 3.3(a).** Clause (iii) of the second sentence of Section 3.3(a) of the Agreement is hereby amended to read in its entirety to read as follows:

“(iii) the date (the “**Mandatory Exercise Date**”) upon which such Mandatory Exercise shall be effective (which date shall be no earlier than ten (10) Business Days after, and no later than thirty (30) days after, the date on which the Mandatory Exercise Notice is delivered to the Warrant Agent)”

3. **Addition of Section 8.9.** The Agreement is hereby amended to add the following new Section 8.9:

“8.9 Election by Beneficial Owners to Cause Mandatory Exercise. For the avoidance of doubt, (a) from and after the date on which the Mandatory Exercise Condition has occurred and is continuing, one or more beneficial owners in a Global Warrant that meet the Mandatory Beneficial Owner Exercise Threshold shall be entitled to cause a Mandatory Exercise on the terms and subject to the conditions set forth in

Section 3.3, including that the Mandatory Exercise applies to all, but not less than all, of the Warrants beneficially owned by such beneficial owners, by delivering to the Warrant Agent for delivery to the Company a single Mandatory Exercise Notice in the form of Exhibit C attached hereto, duly executed by each such beneficial owner and accompanied by the documentation described therein in order to permit the Company to confirm the satisfaction of the Mandatory Beneficial Owner Exercise Threshold and the other conditions to the Mandatory Exercise set forth in Section 3.3, and (b) the fact that the Depositary is the sole Warrantholder, or is not causing a Mandatory Exercise with respect to all Warrants represented by a Global Warrant Certificate, shall not restrict the ability of such beneficial owners to cause a Mandatory Exercise as provided in the immediately preceding clause (a).”

4. **References to the Agreement.** After giving effect to this Amendment, each reference in the Agreement to “this Agreement”, “hereof”, “hereunder”, “herein” or words of like import referring to the Agreement shall refer to the Agreement as amended by this Amendment.

5. **Construction.** For the avoidance of doubt, all references in the Agreement to the “Effective Date”, “the date hereof” and “the date of this Agreement” shall continue to refer to February 5, 2021.

6. **Other Miscellaneous Terms.** The provisions of Sections 1.2, 10, 16, 18, 19, 20, 21, 22 and 23 of the Agreement shall apply *mutatis mutandis* to this Amendment and to the Agreement as modified by this Amendment, taken together as a single agreement reflecting the terms therein as modified hereby.

7. **No Further Amendment.** Except as modified by this Amendment, the Agreement shall remain in full force and effect. In the event of any conflict between this Amendment and the Agreement, this Amendment shall control.

8. **Counterparts.** This Amendment may be executed in two or more counterparts, each of which will be deemed to be an original, but all of which together constitute one and the same instrument. Any signature page delivered electronically or by facsimile (including transmission by .pdf, other fixed imaged form or DocuSign or similar program) will be binding to the same extent as an original signature page.

[The remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the day and year first above written.

NOBLE CORPORATION

By: /s/ Craig Muirhead

Name: Craig Muirhead

Title: Vice President Investor Relations
and Treasurer

COMPUTERSHARE INC.
COMPUTERSHARE TRUST COMPANY, N.A.,
as Warrant Agent

By: /s/ Collin Ekeogu

Name: Collin Ekeogu

Title: Manager, Corporate Actions

[Signature Page to Amendment No. 1 to Tranche 2 Warrant Agreement]

Form of Mandatory Exercise Notice for Beneficial Owners

[See Attached]

MANDATORY EXERCISE NOTICE

Reference is made to Sections 3.3 and 8.9 of that certain Tranche 2 Warrant Agreement, dated as of February 5, 2021, as amended (the “Warrant Agreement”), by and between Noble Corporation, a Cayman Islands exempted company (the “Company”), and Computershare Inc. and Computershare Trust Company, N.A., as warrant agent (the “Warrant Agent”).

Each of the undersigned hereby certifies as to the information set forth below and, in addition, hereby certifies that: (i) such undersigned is a beneficial owner of Warrants of the Company issued pursuant to the Warrant Agreement in the respective numbers set forth below; (ii) such undersigned, collectively with the other undersigned holders below, beneficially owns Warrants representing the Mandatory Beneficial Owner Exercise Threshold; and (iii) such undersigned hereby irrevocably elects to exercise all, but not less than all, of the Warrants beneficially owned by it.

All capitalized terms used in this Mandatory Exercise Notice that are not defined herein but are defined in the Warrant Agreement shall have the meanings given to them in the Warrant Agreement.

Describe in reasonably appropriate detail the occurrence of the Mandatory Exercise Condition:

Exercise Price:

Date of Effectiveness of this Mandatory Exercise Notice:

For each of the undersigned, complete the following (if the undersigned’s Warrants are held through multiple DTC participant accounts, please complete a separate line for each separate DTC participant account):

Beneficial Owner	Social Security or Other Taxpayer Identification Number	Address of Beneficial Owner (also include Country of Residence if different)	Number of Warrants Exercised	DTC Participant Information	Wire Instructions for Cash

The undersigned certifies that the information set forth herein is true and correct in all respects and requests that Ordinary Shares issuable upon exercise of the undersigned’s Warrants be issued by the Company in the name of the undersigned Warrant beneficial owner, and to the DTC participant account, as indicated above, and that any cash payable upon exercise of the undersigned’s Warrants be paid to the bank account as indicated above:

Dated: , 20__

Name: Signature:

Name: Signature:

Name: Signature:

NOBLE CORPORATION SUBSIDIARIES (as of December 31, 2021)

Name	State or other jurisdiction of incorporation or organization
Bully 1 (Switzerland) GmbH	Switzerland
Bully 1 (US) Corporation	Delaware
Bully 2 (Switzerland) GmbH	Switzerland
Frontier Driller Cayman, Ltd.	Cayman Islands
Frontier Driller Kft.	Hungary
Frontier Driller, Inc.	Delaware
Frontier Driller, Ltd.	Cayman Islands/Luxembourg
Maurer Technology LLC (fka Maurer Technology Incorporated)	Delaware
NDSI Holding Limited	Cayman Islands
NE do Brasil Participacoes E Investimentos Ltda.	Brazil
NE Drilling Servicos do Brasil Ltda.	Brazil
NL Cayman Limited	Cayman Islands
NL III Cayman Limited	Cayman Islands
Noble (Servco) UK Limited	United Kingdom
Noble 2018-I Guarantor LLC	Delaware
Noble 2018-II Guarantor LLC	Delaware
Noble 2018-III Guarantor LLC	Delaware
Noble 2018-IV Guarantor LLC	Delaware
Noble Asset Mexico LLC	Delaware
Noble BD LLC	Delaware
Noble Bill Jennings LLC	Delaware
Noble Boudreaux Limited	Cayman Islands
Noble Campeche Limited	Cayman Islands
Noble Cayman Limited	Cayman Islands
Noble Cayman SCS Holding Limited	Cayman Islands
Noble Contracting II GmbH	Switzerland
Noble Contracting Offshore Drilling (M) Sdn Bhd	Malaysia
Noble Corporation Holding LLC	Delaware
Noble Corporation Holdings Ltd.	Cayman Islands
Noble Corporation Limited (fka Noble Corporation plc, fka Noble Corporation 2020 plc)	United Kingdom
Noble Deepwater (B) Sdn Bhd	Brunei
Noble Downhole Technology Ltd.	Cayman Islands
Noble Drilling (Carmen) Limited	Cayman Islands
Noble Drilling (Ghana) Limited	Ghana
Noble Drilling (Guyana) Inc.	Guyana
Noble Drilling (Jim Thompson) LLC	Delaware
Noble Drilling (Land Support) Limited	Scotland
Noble Drilling (Luxembourg) S.à r.l.	Luxembourg
Noble Drilling (Myanmar) Limited	Myanmar
Noble Drilling (Nederland) II B.V.	Netherlands
Noble Drilling (Norway) AS	Norway
Noble Drilling (TVL) Ltd.	Cayman Islands

NOBLE CORPORATION SUBSIDIARIES (as of December 31, 2021)

Noble Drilling (U.S.) LLC	Delaware
Noble Drilling Americas LLC	Delaware
Noble Drilling Arabia Company Ltd.	Saudi Arabia
Noble Drilling Arabia Services LLC	Delaware
Noble Drilling Contracting (Egypt) LLC	Egypt
Noble Drilling Doha LLC	Doha, Qatar
Noble Drilling Egypt LLC	Egypt
Noble Drilling Exploration Company LLC (fka Noble Drilling Exploration Company)	Delaware
Noble Drilling Holding LLC	Delaware
Noble Drilling Holdings (Cyprus) Limited	Cyprus
Noble Drilling International GmbH	Switzerland
Noble Drilling Mexico, S. De R.L. De C.V.	Mexico
Noble Drilling NHIL LLC	Delaware
Noble Drilling Offshore (Labuan) Pte. Ltd.	Labuan, Malaysia
Noble Drilling Offshore Limited	Cayman Islands
Noble Drilling Services (Canada) Corporation	Nova Scotia, Canada
Noble Drilling Services 2 LLC	Delaware
Noble Drilling Services 3 LLC	Delaware
Noble Drilling Services 6 LLC	Delaware
Noble Drilling Services LLC (fka Noble Drilling Services Inc.)	Delaware
Noble Drilling Singapore Pte. Ltd.	Singapore
Noble Drilling West Africa Limited	Nigeria
Noble Drillships 2 S.à r.l.	Luxembourg
Noble Drillships Holdings 2, Ltd.	Cayman Islands
Noble Drillships Holdings, Ltd.	Cayman Islands
Noble Drillships S.à r.l.	Luxembourg
Noble DT LLC	Delaware
Noble Eagle LLC (fka Noble Eagle Corporation)	Delaware
Noble Earl Frederickson LLC	Delaware
Noble Engineering & Development de Venezuela C.A.	Venezuela
Noble FDR Holdings Limited	Cayman Islands
Noble Finance Company (fka Noble Corporation)	Cayman Islands
Noble Finance Luxembourg S.à r.l.	Luxembourg
Noble Finco Limited (fka Noble Finco plc)	United Kingdom
Noble Gene Rosser Limited	Cayman Islands
Noble Holding (Luxembourg) S.à. r.l.	Luxembourg
Noble Holding (Switzerland) GmbH	Switzerland
Noble Holding (U.S.) Eagle LLC (fka Noble Holding (U.S.) Eagle Corporation)	Delaware
Noble Holding (U.S.) LLC	Delaware
Noble Holding Corporation plc (fka Noble Corporation plc)	United Kingdom
Noble Holding Europe S.à r.l.	Luxembourg

NOBLE CORPORATION SUBSIDIARIES (as of December 31, 2021)

Noble Holding International Limited	Cayman Islands
Noble Holding Land Support Limited	Scotland
Noble Holding UK Limited	United Kingdom
Noble International Finance Company	Cayman Islands
Noble International Services LLC	Delaware
Noble Leasing (Switzerland) GmbH	Switzerland
Noble Leasing III (Switzerland) GmbH	Switzerland
Noble Mexico Limited	Cayman Islands
Noble Mexico Services Limited	Cayman Islands
Noble NBD Cayman LP	Cayman Islands
Noble NBD GP Holding	Cayman Islands
Noble NBD LP Holding	Cayman Islands
Noble NDC Holding (Cyprus) Limited	Cyprus
Noble NEC Holdings Limited	United Kingdom
Noble Newco Sub Limited	Cayman Islands
Noble North Africa Limited	Cayman Islands
Noble Offshore (Ireland) Limited	Ireland
Noble Offshore (North Sea) Ltd.	Cayman Islands
Noble Offshore Contracting Limited	Cayman Islands
Noble Offshore Mexico Limited	Cayman Islands
Noble Offshore Services de Mexico, S. de R.L. de C.V.	Mexico
Noble Pacific Limited	Cayman Islands
Noble Resources Limited	Cayman Islands
Noble Rig Holding 2 Limited	Cayman Islands
Noble Rig Holding 1 Limited	Cayman Islands
Noble Rig Holdings Limited	Cayman Islands
Noble SA Limited	Cayman Islands
Noble SCS Cayman LP	Cayman Islands
Noble Services Company LLC	Delaware
Noble Services International Limited	Cayman Islands
Pacific Bora Ltd.	Liberia
Pacific Deepwater Construction Ltd	British Virgin Islands
Pacific Drilling Administrator Limited	British Virgin Islands
Pacific Drilling Company LLC	Cayman Islands
Pacific Drilling do Brasil Investimentos Ltda.	Brazil
Pacific Drilling do Brasil Serviços de Perfuração Ltda.	Brazil
Pacific Drilling Finance S.à r.l.	Luxembourg
Pacific Drilling Ghana Limited	Ghana
Pacific Drilling Holding (Delaware) LLC	Delaware
Pacific Drilling Holding (Gibraltar) Limited	Gibraltar
Pacific Drilling International Ltd	British Virgin Islands

NOBLE CORPORATION SUBSIDIARIES (as of December 31, 2021)

Pacific Drilling International, LLC	Delaware
Pacific Drilling Limited	Liberia
Pacific Drilling Manpower Ltd.	British Virgin Islands
Pacific Drilling Manpower S.à r.l.	Luxembourg
Pacific Drilling Manpower, Inc.	Delaware
Pacific Drilling N.V.	Netherlands Antilles
Pacific Drilling Netherlands Coöperatief U.A.	Netherlands
Pacific Drilling Operations Limited	British Virgin Islands
Pacific Drilling Operations, Inc.	Delaware
Pacific Drilling S.A.	Luxembourg
Pacific Drilling South America 1 Ltd	British Virgin Islands
Pacific Drilling South America 2 Ltd	British Virgin Islands
Pacific Drilling V Limited	British Virgin Islands
Pacific Drilling VII Limited	British Virgin Islands
Pacific Drilling VIII Limited	British Virgin Islands
Pacific Drilling, Inc.	Delaware
Pacific Drilling, LLC	New York
Pacific Drillship México, S. de R.L. de C.V.	Mexico
Pacific Drillship Nigeria Limited	British Virgin Islands
Pacific Drillship S.à r.l.	Luxembourg
Pacific International Drilling West Africa Limited	Nigeria
Pacific Menergy Ghana Limited	Ghana
Pacific Mistral Ltd.	Liberia
Pacific Santa Ana Limited	British Virgin Islands
Pacific Scirocco Ltd.	Liberia
Pacific Sharav Korlátolt Felelősségű Társaság	Hungary
Pacific Sharav S.à r.l.	Luxembourg
Sedco Dubai LLC	Dubai, UAE
Triton Engineering Services Company LLC (fka Triton Engineering Services Company)	Delaware
Triton Engineering Services Company, S.A.	Venezuela
Triton International de Mexico S.A. De C.V.	Mexico
Triton International LLC (fka Triton International, Inc.)	Delaware

List of Guarantor Subsidiaries and Affiliate Securities Pledged as Collateral

As of December 31, 2021, the 11%/ 13%/ 15% Senior Secured PIK Toggle Notes due 2028 (the “Notes”) issued by Noble Finance Company, an exempted company incorporated in the Cayman Islands with limited liability (“Finco”), are fully and unconditionally guaranteed by each of the following wholly-owned subsidiaries of Finco (the “Guarantors”).

Concurrently with the issuance of the Notes, Finco and certain of its subsidiaries entered into pledge, collateral and mortgage agreements. Pursuant to the terms of these agreements, the Notes are secured on a second-priority basis by a pledge of the equity interests of the Guarantors and substantially all of the other direct subsidiaries of Finco and the Guarantors. Unless otherwise indicated, all pledges are 100% of the equity interests of the Guarantors.

Guarantor

Bully 1 (Switzerland) GmbH
 Noble BD LLC
 Noble Cayman SCS Holding Ltd
 Noble Contracting II GmbH
 Noble Drilling (Guyana) Inc.
 Noble Drilling (Norway) AS
 Noble Drilling (TVL) Ltd.
 Noble Drilling (U.S.) LLC
 Noble Drilling Doha LLC (49% of equity pledged)
 Noble Drilling International GmbH
 Noble Drilling Services LLC (fka Noble Drilling Services Inc.)
 Noble DT LLC
 Noble International Finance Company
 Noble Leasing (Switzerland) GmbH
 Noble Leasing III (Switzerland) GmbH
 Noble Resources Limited
 Noble Rig Holding 2 Limited
 Noble Rig Holding I Limited
 Noble SA Limited
 Noble Services Company LLC
 Noble Services International Limited
 Pacific Drilling S.A.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-262492) of Noble Corporation of our reports dated February 17, 2022 relating to the financial statements and the effectiveness of internal control over financial reporting, which appear in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Houston, Texas

February 17, 2022

Noble Corporation, a Cayman Islands company

I, Robert W. Eifler, certify that:

1. I have reviewed this annual report on Form 10-K of Noble Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Robert W. Eifler

Robert W. Eifler

February 17, 2022

Date

President and Chief Executive Officer (Principal Executive Officer) of Noble Corporation, a Cayman Islands company

Noble Finance Company, a Cayman Islands company

I, Robert W. Eifler, certify that:

1. I have reviewed this annual report on Form 10-K of Noble Finance Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Robert W. Eifler

Robert W. Eifler

February 17, 2022

Date

President and Chief Executive Officer (Principal Executive Officer) of Noble Finance Company, a Cayman Islands company

Noble Corporation, a Cayman Islands company

I, Richard B. Barker, certify that:

1. I have reviewed this annual report on Form 10-K of Noble Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Richard B. Barker

Richard B. Barker

Senior Vice President and Chief Financial Officer (Principal Financial Officer) of Noble Corporation, a Cayman Islands company

February 17, 2022

Date

Noble Finance Company, a Cayman Islands company

I, Richard B. Barker, certify that:

1. I have reviewed this annual report on Form 10-K of Noble Finance Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Richard B. Barker

February 17, 2022

Richard B. Barker

Date

Director, Senior Vice President and Chief Financial Officer (Principal Financial Officer) of Noble Finance Company,
a Cayman Islands company

Noble Corporation, a Cayman Islands company

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Noble Corporation, a Cayman Islands company (the “Company”) on Form 10-K for the period ended December 31, 2021, as filed with the United States Securities and Exchange Commission on the date hereof (the “Report”), I, Robert W. Eifler, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

February 17, 2022

/s/ Robert W. Eifler

Robert W. Eifler

President and Chief Executive Officer (Principal Executive Officer) of Noble Corporation, a Cayman Islands company

Noble Finance Company, a Cayman Islands company

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Noble Finance Company, a Cayman Islands company (the “Company”) on Form 10-K for the period ended December 31, 2021, as filed with the United States Securities and Exchange Commission on the date hereof (the “Report”), I, Robert W. Eifler, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

February 17, 2022

/s/ Robert W. Eifler

Robert W. Eifler

President and Chief Executive Officer (Principal Executive Officer) of Noble Finance Company, a Cayman Islands company

Noble Corporation, a Cayman Islands company

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Noble Corporation, a Cayman Islands company (the “Company”) on Form 10-K for the period ended December 31, 2021, as filed with the United States Securities and Exchange Commission on the date hereof (the “Report”), I, Richard B. Barker, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

February 17, 2022

/s/ Richard B. Barker

Richard B. Barker

Senior Vice President and Chief Financial Officer (Principal Financial Officer) of
Noble Corporation, a Cayman Islands company

Noble Finance Company, a Cayman Islands company

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Noble Finance Company, a Cayman Islands company (the “Company”) on Form 10-K for the period ended December 31, 2021, as filed with the United States Securities and Exchange Commission on the date hereof (the “Report”), I, Richard B. Barker, Director, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

February 17, 2022

/s/ Richard B. Barker

Richard B. Barker

Director, Senior Vice President and Chief Financial Officer (Principal Financial Officer) of Noble Finance Company, a Cayman Islands company