Investor Presentation December 2020

Maersk Drilling (CSE: DRLCO)

MAERSK DRILLING

Important notice

Forward-looking statements

This presentation contains certain forward-looking statements (being all statements that are not entirely based on historical facts including, but not limited to, statements as to the expectations, beliefs and future business, contract terms, including commencement dates, contract durations and day rates, rig availability, financial performance and prospects of The Drilling Company of 1972 A/S, hereinafter referred to as "Maersk Drilling" or "the Company"). These forward-looking statements are based on our current expectations and are subject to certain risks, assumptions, trends and uncertainties that could cause actual results to differ materially from those indicated by the forward-looking statements due to external factors, including, but not limited to, oil and natural gas prices and the impact of the economic climate; changes in the offshore drilling market, including fluctuations in supply and demand; variable levels of drilling activity and expenditures in the energy industry; changes in day rates; ability to secure future contracts; cancellation, early termination or renegotiation by our customers of drilling contracts; customer credit and risk of customer bankruptcy; risks associated with fixed cost drilling operations; unplanned downtime; cost overruns or delays in transportation of drilling units; cost overruns or delays in maintenance, repairs, or other rig projects; operating hazards and equipment failure; risk of collision and damage; casualty losses and limitations on insurance coverage; weather conditions in the Company's operating areas; increasing costs of compliance with regulations; changes in tax laws and interpretations by taxing authorities, hostilities, terrorism, and piracy; impairments; cyber incidents; the outcomes of disputes, including tax disputes and legal proceeding; and other risks disclosed in Maersk Drilling's Annual Reports and company announcements. Each forward-looking statement speaks only as of the date hereof, and the Company expressly disclaims any obligation to update or revise any forward-looking statements, except as required by law.

Third-party data and information

The data ("Rystad Data") included in this document sourced to Rystad Energy AS ("Rystad Energy") is included on an "as is" basis without any warranties of any kind, either express or implied. The Rystad Data speak as of the original publication date thereof and not as of the date of this document. The information and opinions expressed in the Rystad Data are subject to change without notice and Rystad has no duty or responsibility to update the Rystad Data. Rystad Energy expressly disclaims any and all legal liability or responsibility for the accuracy, completeness or fitness for a particular purpose (e.g. investment activities), or for the usefulness of any information used or disclosed in this document.

About Maersk Drilling

Maersk Drilling (CSE: DRLCO) owns and operates a fleet of 22 offshore rigs specialising in harsh-environment and deepwater drilling operations. With more than 45 years of experience operating in the most challenging environments Maersk Drilling provides safe, efficient, and reliable drilling services to oil and gas companies around the world. Headquartered in Denmark, Maersk Drilling employs 2,850 people. For more information about Maersk Drilling, visit www.maerskdrilling.com.

A unique strategic and financial position

Unparalleled CJ70 jack-up fleet

Unique customer relations and partnerships

High revenue visibility and financial flexibility

MAERSK DRILLING

Strategic position

MAERSK DRILLING

Versatile offshore rig fleet serving customers globally

Rig types
Number of rigs by rig type

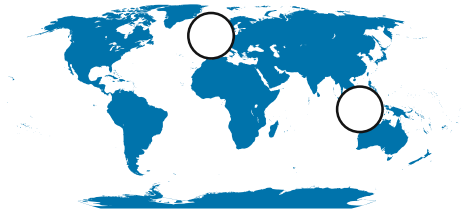
Geography
Current areas of operation

Customers
Current customers

Jack-ups

Jack-ups

14 rigs

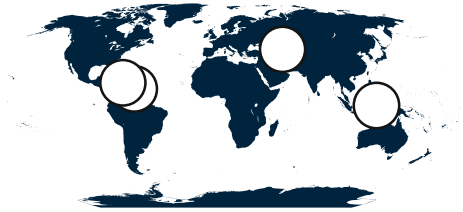


AkerBP, Total, dana PETROLEUM, equinor, SERICAENERGY, PETROGAS E&P, MOL NORGE, Brunei, Shell, REPSOL

Floaters

Semi-submersibles

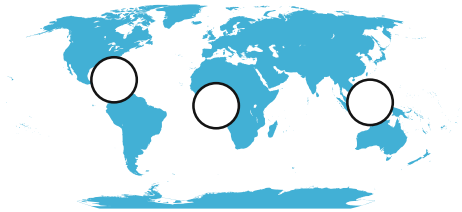
4 rigs



bp, Total, PETRONAS, INPEX

Drillships

4 rigs



Total, Brunei, Shell

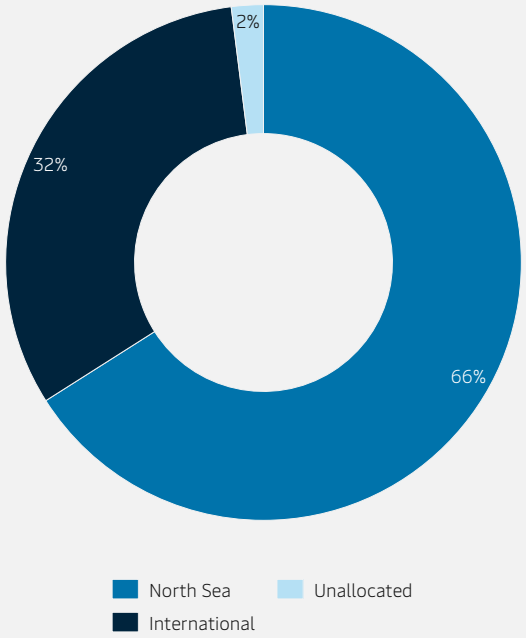
Note: Above illustration shows areas of operations and customers as of 20 November 2020. For more information about fleet deployment, please see Maersk Drilling's Fleet Status Report dated 20 November 2020

MAERSK DRILLING

North Sea jack-up fleet generating the largest share of revenue

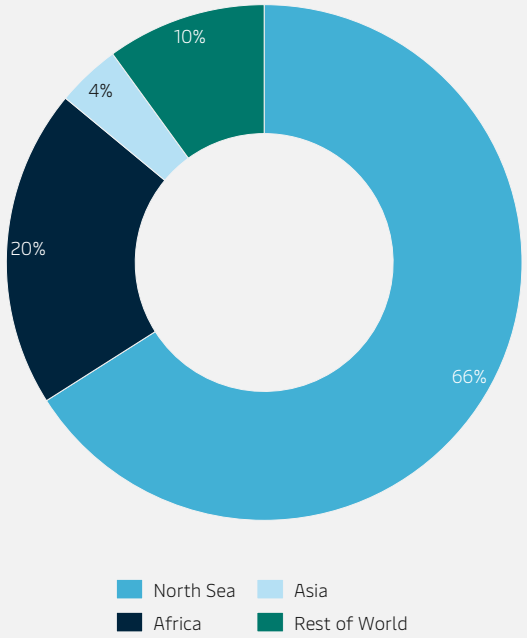
Revenue split by segment[1]

Share of total revenue, 2019



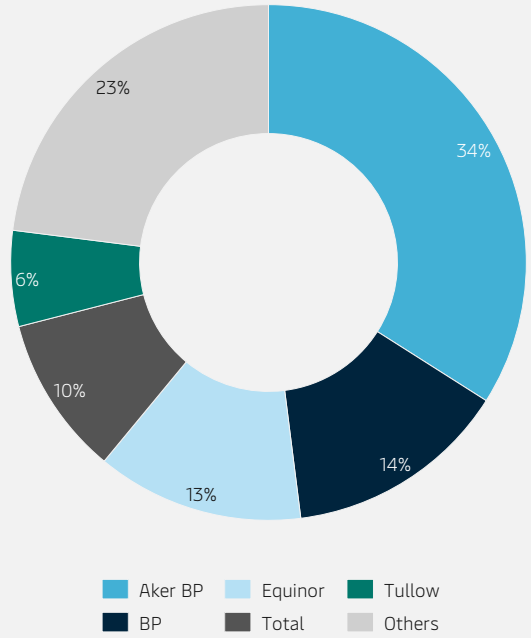
Revenue split by geographic area

Share of total revenue, 2019



Revenue split by customers

Share of total revenue, 2019



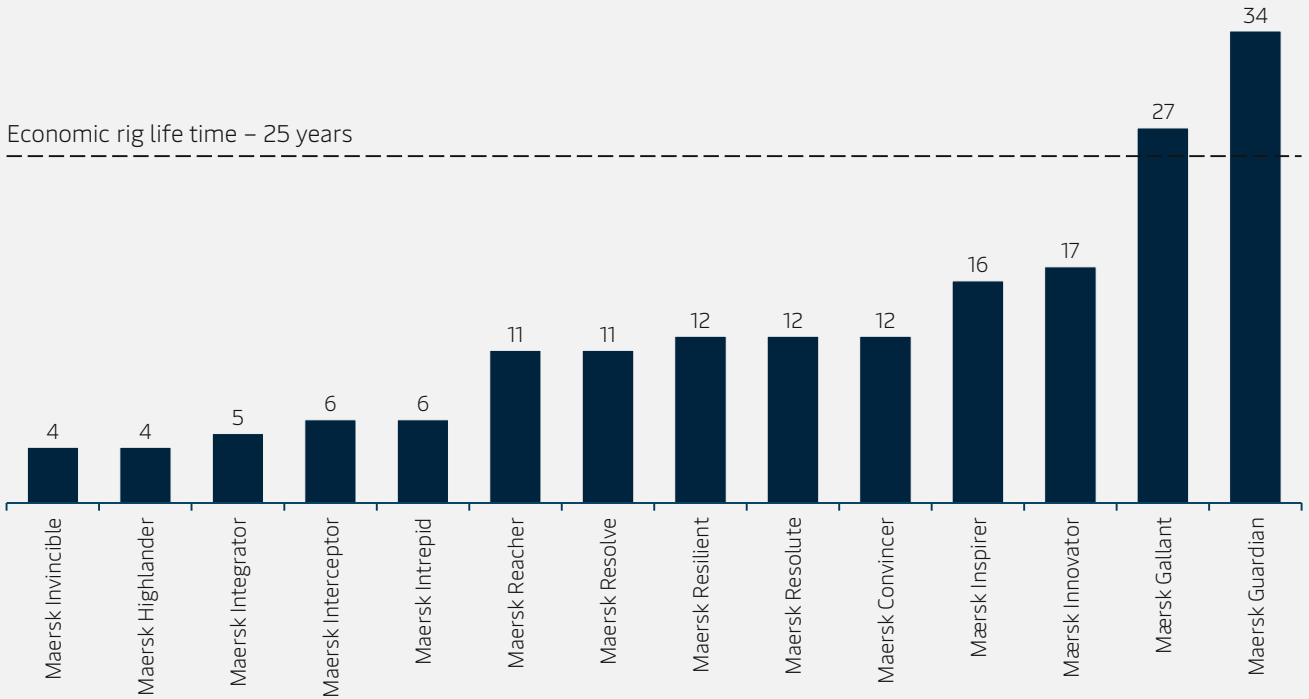
(1) The benign jack-up rigs Maersk Completer, which was sold on 7 January 2020, and Maersk Convincer are not included in either segment and are reported under unallocated activities

MAERSK DRILLING

Modern fleet with substantial future earnings capacity

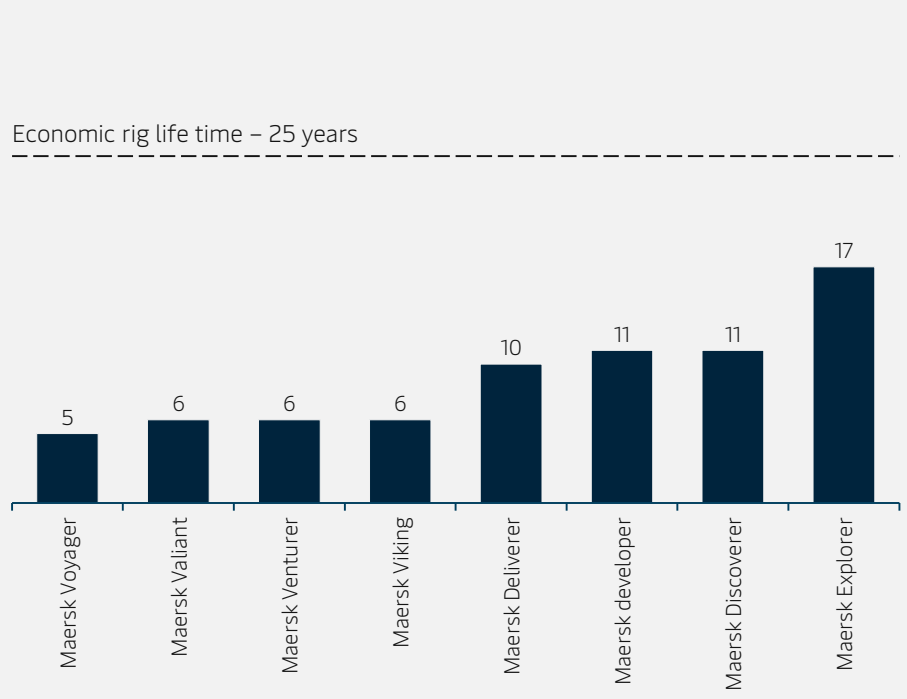
Jack-up fleet age

Years



Floater fleet age

Years



MAERSK DRILLING

Harsh-environment focused jack-up fleet

Rig name	Rig type	Design	Delivery year	Harsh environment	Norwegian AoC[1]	Rated water depth (ft.)	Rated drilling depth (ft.)
Mærsk Innovator	Jack-up	MSC CJ70-150 MC	2003	Yes	Yes	492	30,000
Mærsk Inspirer	Jack-up	MSC CJ70-150 MC	2004	Yes	Yes	492	30,000
Maersk Integrator	Jack-up	MSC CJ70-X150 MD	2015	Yes	Yes	492	40,000
Maersk Interceptor	Jack-up	MSC CJ70-X150 MD	2014	Yes	Yes	492	40,000
Maersk Intrepid	Jack-up	MSC CJ70-X150 MD	2014	Yes	Yes	492	40,000
Maersk Invincible	Jack-up	MSC CJ70-X150 MD	2016	Yes	Yes	492	40,000
Maersk Reacher	Jack-up	MSC CJ50-X100 MC	2009	Yes	Yes	350	30,000
Maersk Resilient	Jack-up	MSC CJ50-X100 MC	2008	Yes	No	350	30,000
Maersk Resolute	Jack-up	MSC CJ50-X100 MC	2008	Yes	No	350	30,000
Maersk Resolve	Jack-up	MSC CJ50-X100 MC	2009	Yes	No	350	30,000
Maersk Highlander	Jack-up	Friede & Goldman JU2000E	2016	Yes	No	400	30,000
Mærsk Gallant	Jack-up	CJ62-S120 JU	1993	Yes	Yes	394	25,000
Maersk Guardian	Jack-up	Hitachi Zosen, self-elevating cantilever unit	1986	Yes	No	350	n/a[2]
Maersk Convincer	Jack-up	Baker Pacific Class 375	2008	No	No	375	30,000

(1) Acknowledgement of Compliance (2) Unit working as an accommodation rig. Derrick and drilling equipment have been removed
Note: For more information about fleet deployment, please see Maersk Drilling's Fleet Status Report dated 20 November 2020

MAERSK DRILLING

Position as market-leader in Norway centred around CJ70 jack-up rigs

Eight rigs capable of working in Norway

Maersk Drilling ultra-harsh environment jack-up fleet and design

CJ70s


Mærsk Inspirer


Mærsk Innovator

Others


Maersk Reacher


Maersk Integrator


Maersk Interceptor

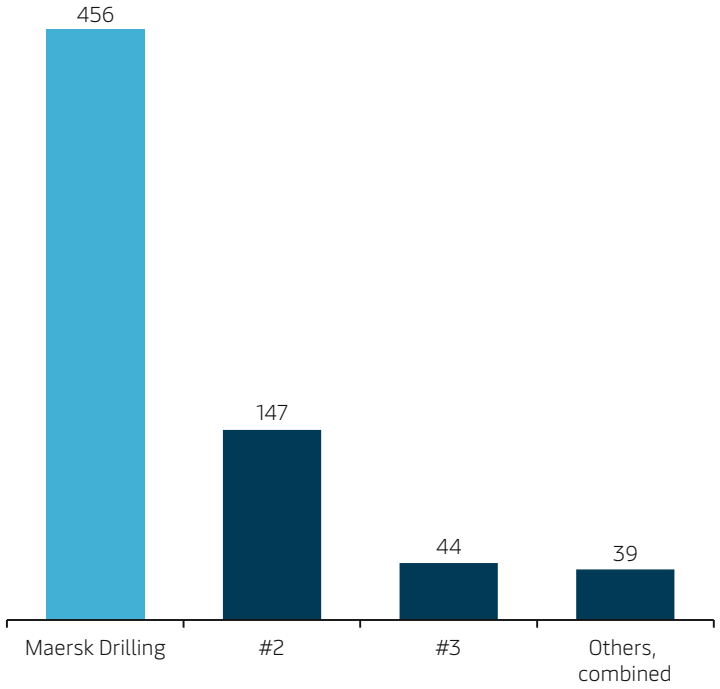

Maersk Gallant


Maersk Intrepid


Maersk Invincible

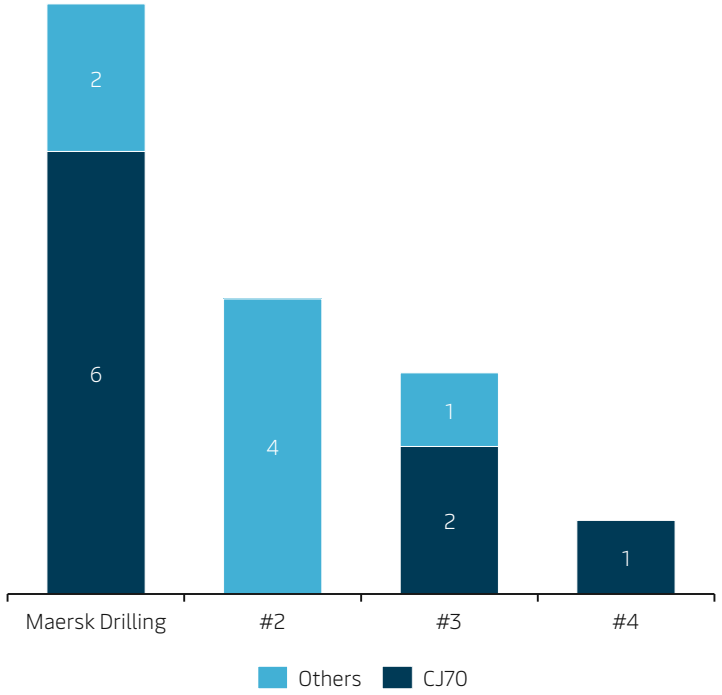
Unmatched experience in Norway

Number of wells drilled in Norway using jack-up rigs over the period 1990 to November 2020[1], ranked



Leader in the ultra-harsh environment segment

Number of ultra-harsh environment jack-up rigs per drilling contractor[2], ranked



(1) Excludes drilling contractors that have drilled less than five wells during the period 1990 to November 2020. Excludes well drilled by drilling contractors not specified (i.e. 'unknown'). Excludes wells drilled by E&P companies (e.g. Equinor). 'Others' includes AMNGR, Seadrill, and Transocean. (2) Excluding two ultra-harsh environment jack-up rigs owned by Equinor.
Source: IHS Markit – RigPoint, Rystad

MAERSK DRILLING

CJ70 – the largest and most capable jack-up rigs

	GustoMSC CJ70	KFELS N Class	F&G JU-3000N	LT 219-C Super Gorilla	GustoMSC CJ50	F&G JU-2000E
Leg length	100%	84%	82%	88%	71%	81%
Water depth	100%	89%	83%	86%	73%	83%
Drilling depth	100%	95%	95%	95%	81%	86%
Variable load	100%	42%	60%	68%	41%	39%
Crane capacity	100%	80%	66%	61%	80%	69%
Cantilever lateral	100%	64%	42%	28%	64%	42%
Cantilever reach	100%	71%	71%	90%	66%	71%
Quarters capacity	100%	80%	100%	80%	80%	90%

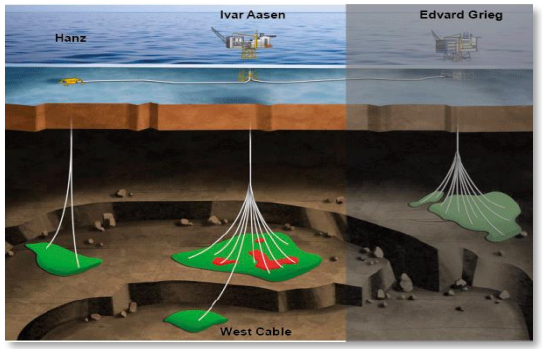
Note: Percentages are calculated as an index based on the highest number in each of the different specification categories. Only rigs in Maersk Drilling's peer group are included. Specifications may vary for rigs of similar designs.
Source: IHS Markit – RigPoint

MAERSK DRILLING

The CJ70s are contributing to resource management in all modes

Valhall Plug & Abandonment

Maersk Invincible



Hanz appraisal

Maersk Intrepid

Gina Krog platform

Maersk Integrator

Oda subsea development

Maersk Interceptor

MAERSK DRILLING

CJ70 case study: Oda Field subsea development

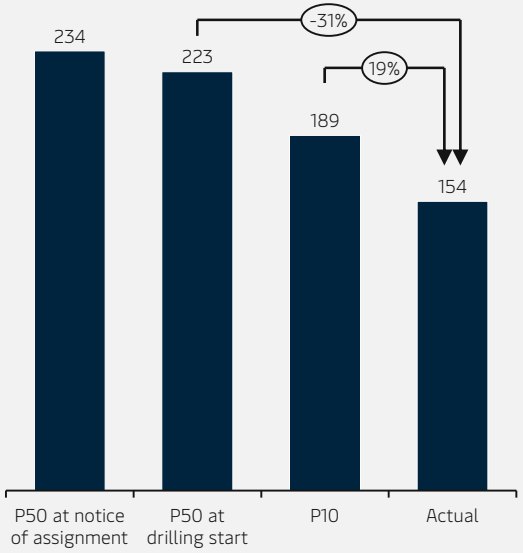
Our technical proposals, solutions and ability to work as one team...

SPIRIT ENERGY MAERSK DRILLING

ONE TEAM
WELL PREPARED

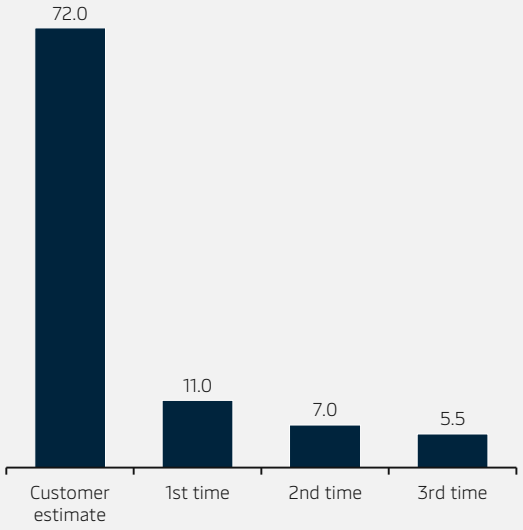
...resulted in significant project cost savings through early completion

Number of days



Example of how we drove down time spent on a drilling riser

Hours spent per repetition



"The [CJ70] XLE's are so efficient that it is actually logistics that become one of the key challenges in projects"
– Well Operations Manager, Spirit Energy

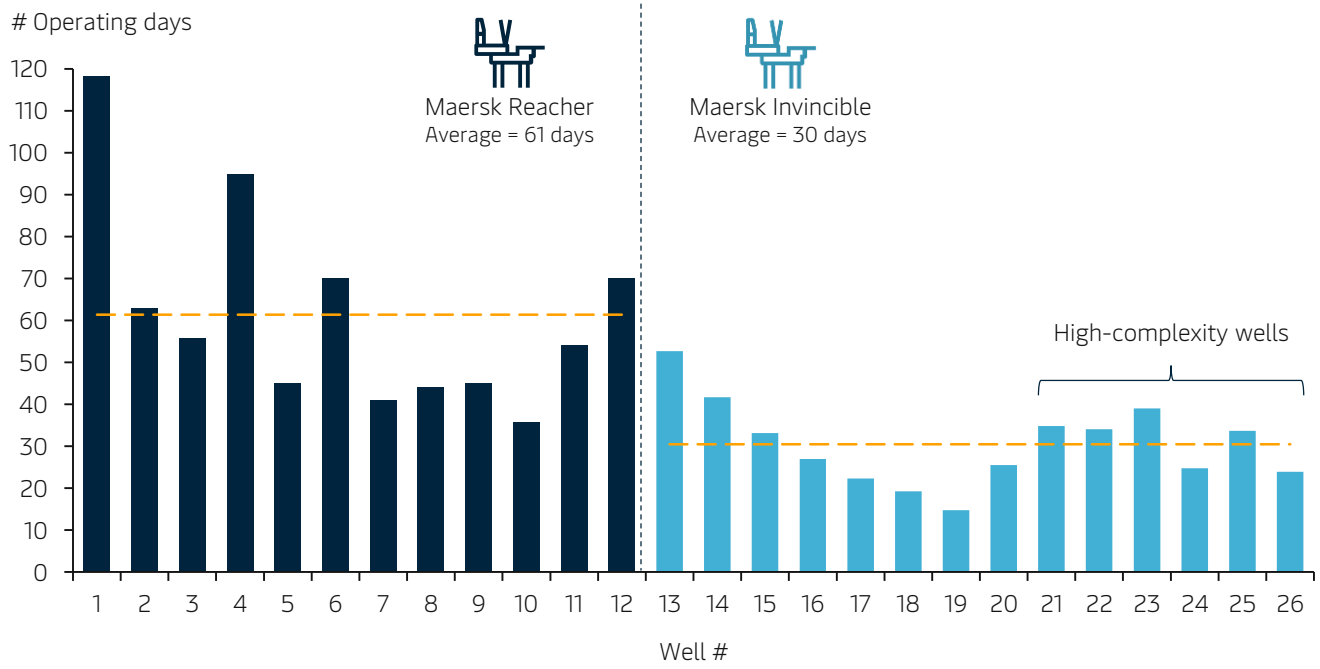
Note: P50 and P10 indicate 50% and 10% probability of outcome, respectively

MAERSK DRILLING

CJ70 case study: Valhall Plug & Abandonment

Significantly reducing well time spent in Plug & Abandonment campaign

Number of days spent per well

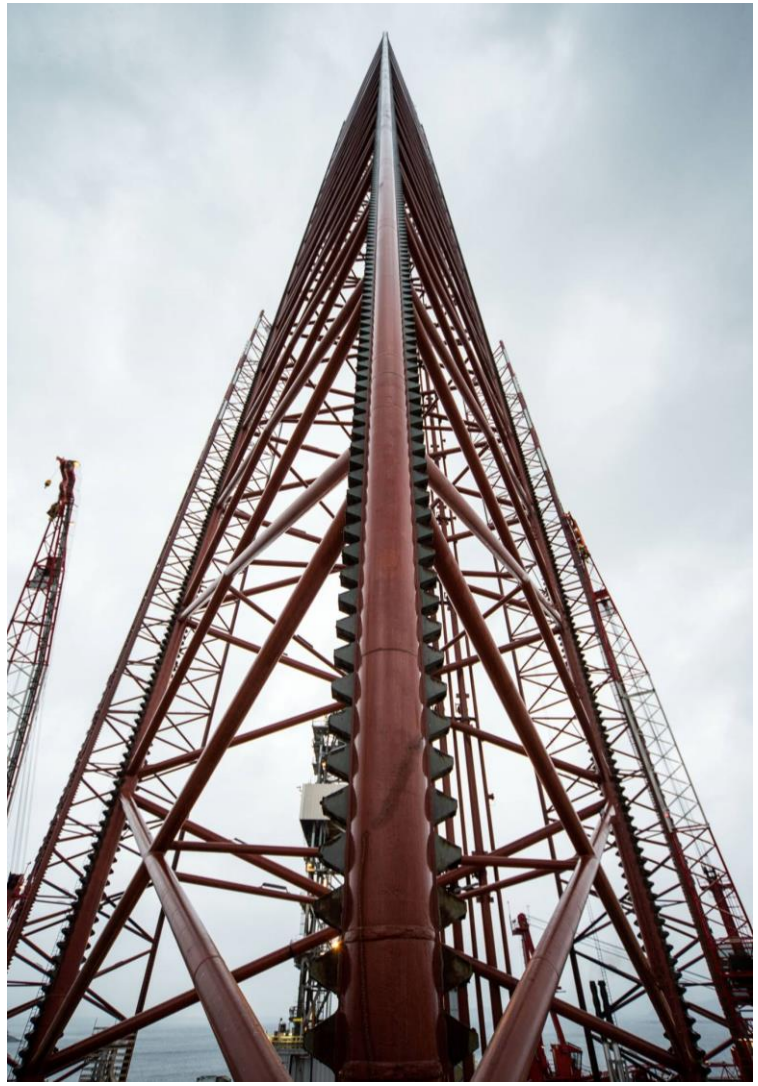


MAERSK DRILLING

CJ70-efficiency provides significant total well cost savings

Illustrative example	CJ50	CJ70
Day rate *(USDk/day)*	100	254
Financial uptime *(Average across segment)*	99%	99%
Days per well *(Drilling)*	61	30
Days on contract *(Total, based on 12-well programme)*	739	364
Drilling days *(Days on contract * financial uptime)*	732	360
Drilling cost *(Day rate * drilling days, USDm)*	73	91
Spread cost *(Based on USD 300k/day on contract, USDm)*	222	109
Total well cost ***(Drilling cost + spread cost, USDm)***	**295**	**200**

Note: Above is an illustrative example with day rates from the two most recent contracts Maersk Drilling has signed for each rig-type. Spread cost comprises the total cost to drill a well, excluding drilling cost, and will vary from project to project, but will typically comprise between 40% and 60% of the total well cost.

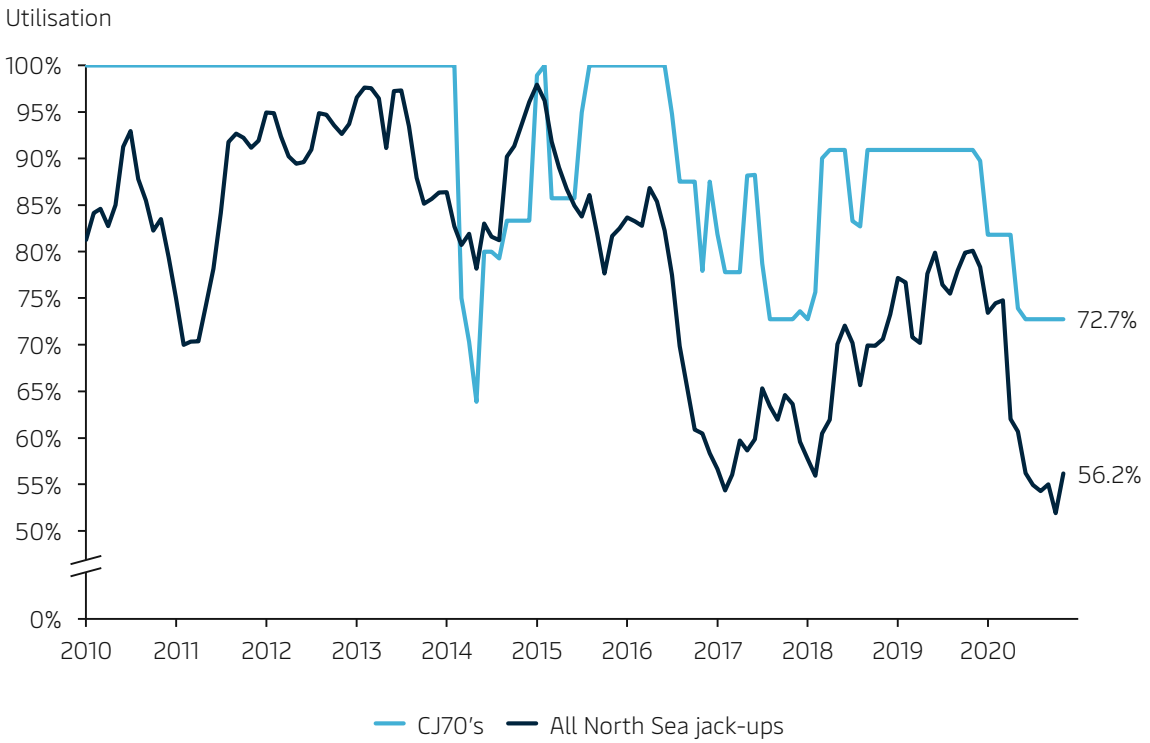


MAERSK DRILLING

The CJ70 market has historically enjoyed higher utilisation and day rates

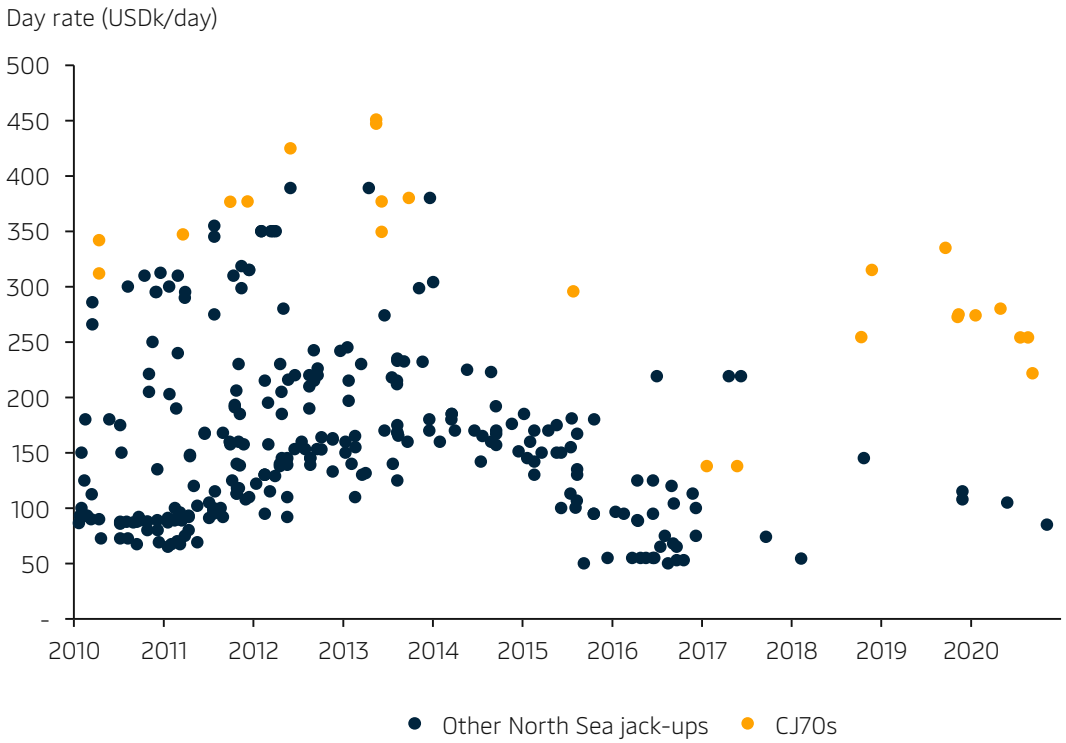
CJ70-utilisation versus all North Sea[1] jack-ups

Marketed monthly utilisation[2]



Jack-up fixtures[3] and corresponding day rates in the North Sea[1]

Jack-up fixture dates and day rates

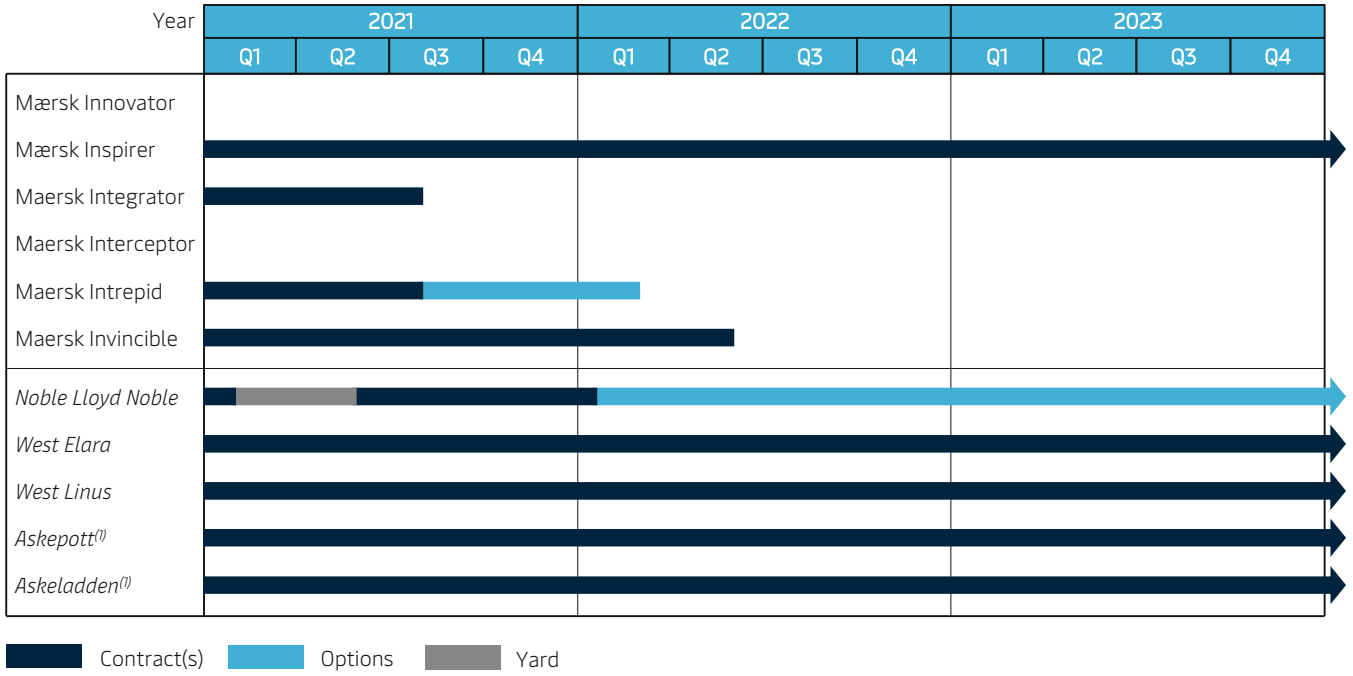


(1) North Sea defined as Denmark, Netherlands, Norway and UK (2) Based on rigs which were actually under contract at the time (i.e. excludes any future contracts) (3) Only fixtures with publicly available day rates are shown
Source: IHS Markit – RigPoint

MAERSK DRILLING

Maersk Drilling is the only driller with free and clear near-term available CJ70 capacity

Deployment overview for CJ70 jack-up rigs



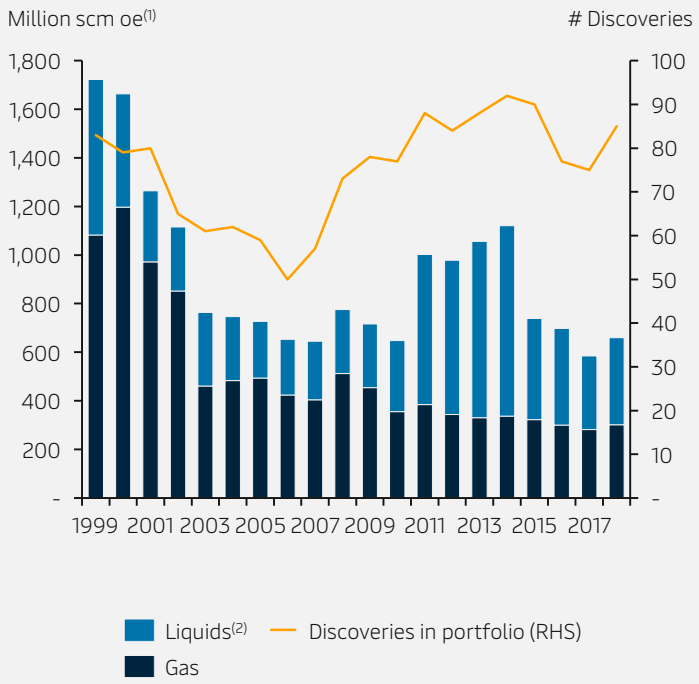
(1) Rig is owner-operated
Note: As of end-Q3 2020. For more information, about fleet deployment, please see Maersk Drilling's Fleet Status Report dated 20 November 2020
Source: IHS Markit – RigPoint

MAERSK DRILLING

Subsea development to become increasingly important offshore Norway

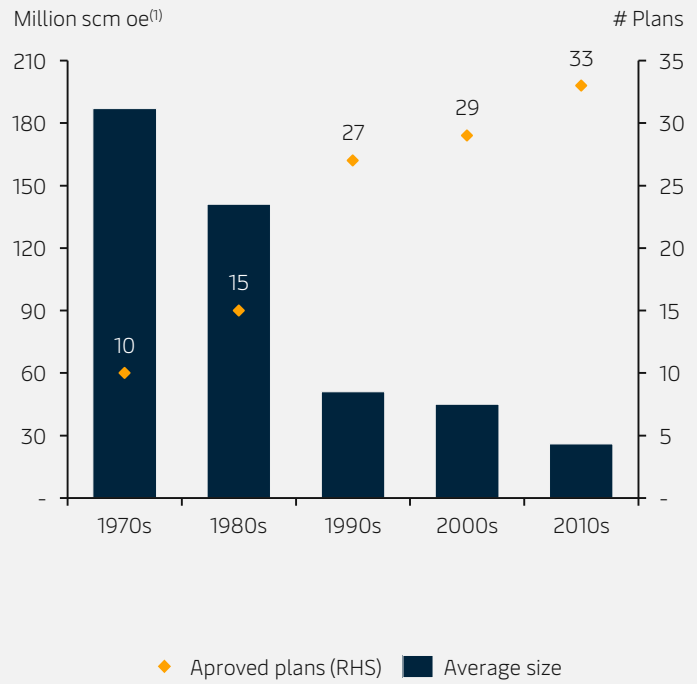
Average size of discoveries has declined over the past 20 years...

Development of resources and number of discoveries



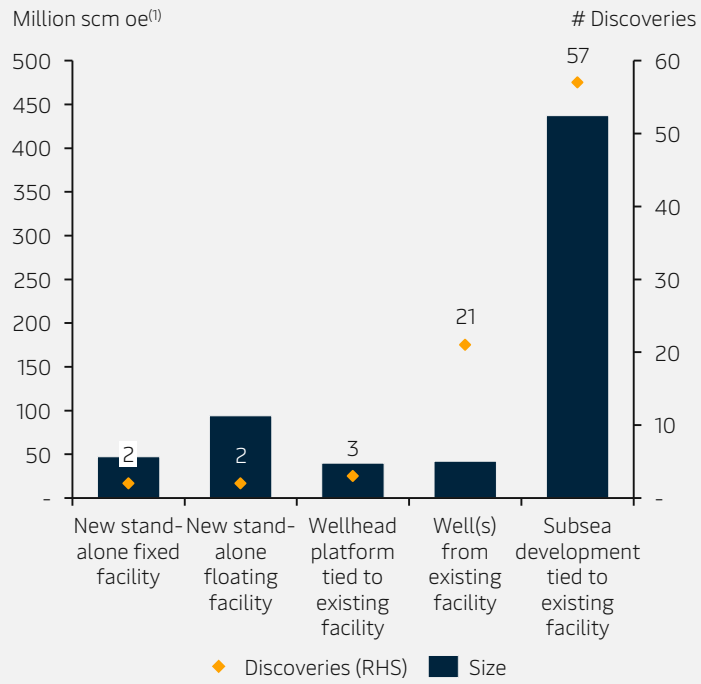
...however, more discoveries are being developed, calling for new solutions to maintain profitability

Average size at first PDO(3) and number of approved plans



Phasing into existing infrastructure will be most likely development solution for majority of discoveries

Discoveries and resources in portfolio by most profitable solution



(1) Standard Cubic Meters of Oil Equivalent (2) Consists of oil, natural gas liquids (NGL) and condensate (3) PDO = Plan for Development and Operation
Source: Norwegian Petroleum Directorate, Resource Report Discoveries and Fields 2019, published September 2019

MAERSK DRILLING

The CJ70s' subsea advantages put them in front for future employment

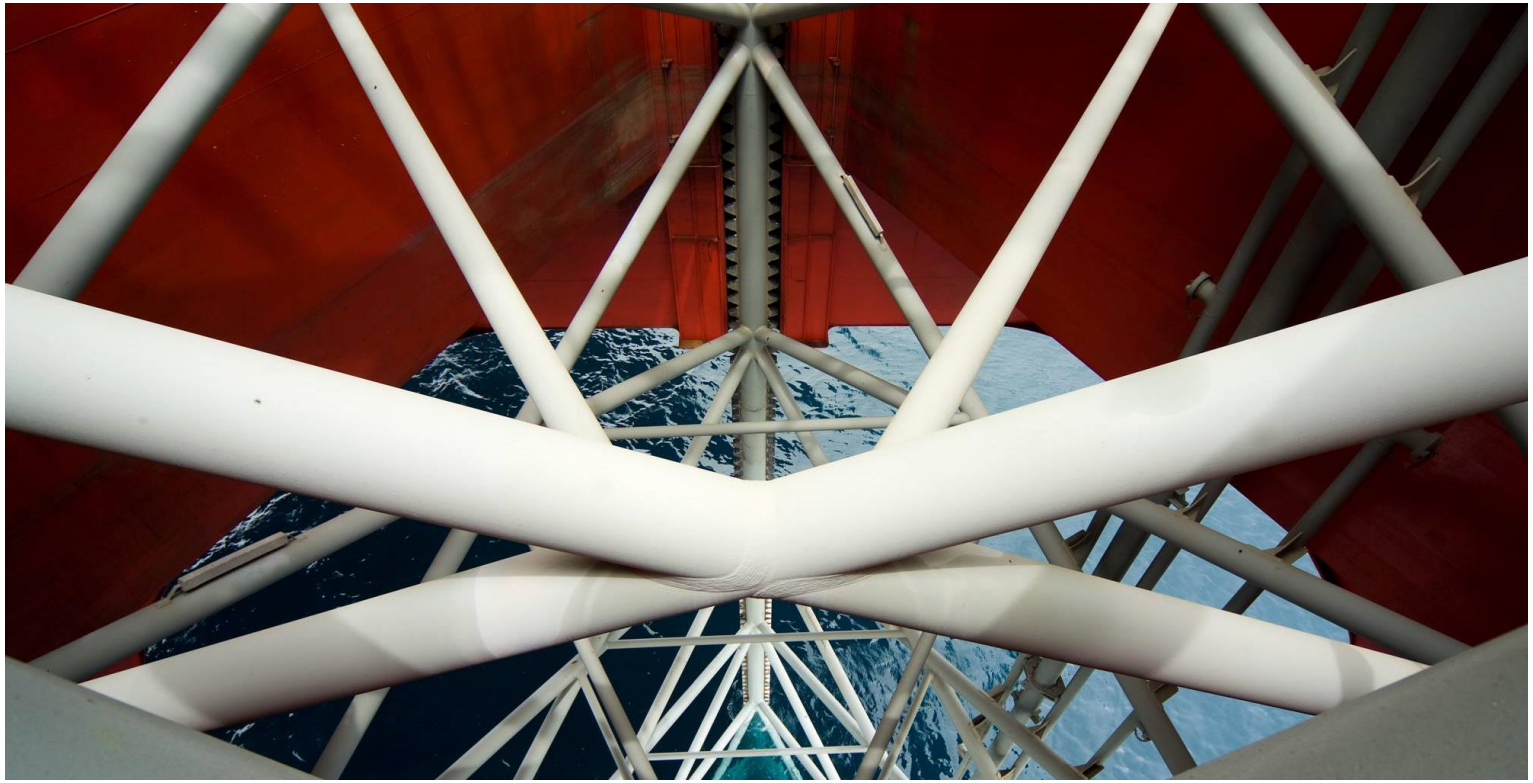
Main CJ70 subsea advantages[1]

Reduced downtime caused by weather

Improved equipment lifetime

Optimised riser and BOP handling

Potential cost and emissions upsides



(1) Compared to the use of a semi-submersible rig

MAERSK DRILLING

The CJ70s are fronting the drive towards low-emission drilling

1. Maersk Invincible running entirely on shore-power

During part of 2017 and 2018, the rig was running on 100% hydropower via a 294 km long cable to a Norwegian hydropower plant

In addition to reducing emissions, the solution also reduces cost and time for maintenance and improves work environment due to reduced noise and vibrations

2. Energy and Emissions Efficiency (EEE) software

Fully digitalised fuel an energy monitoring system providing near real-time information to be used for learning and optimisation towards more fuel-efficient behaviour

The system has been used on the Maersk Integrator since 2018, significantly reducing fuel consumption

3. Selective Catalytic Reduction (SCR)

Captures NOx exhausts and use ammonia injections to convert the gas into harmless water and nitrogen.

By installing SCR units on all the rig's engine exhaust pipes, Maersk Drilling expects to be able to reduce NOx emissions by more than 90%, while also reducing soot emissions significantly

4. Hybrid upgrades on Norwegian jack-ups

Combining hybrid power, data intelligence (EEE) and cleaning technology (SCR), Maersk Drilling's hybrid jack-ups will push the boundaries for low-emission drilling on conventionally powered offshore drilling rigs

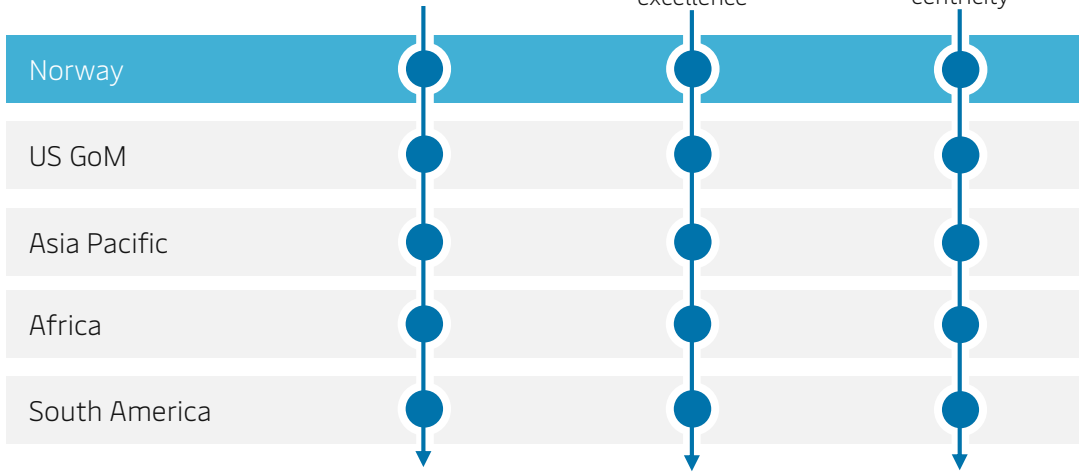
Modern deepwater-focused floater fleet

Rig name	Rig type	Design	Delivery year	Generation	Rated water depth (ft.)	Rated drilling depth (ft.)
Maersk Valiant	Drillship	Samsung 96K	2014	7G	12,000	40,000
Maersk Venturer	Drillship	Samsung 96K	2014	7G	12,000	40,000
Maersk Viking	Drillship	Samsung 96K	2014	7G	12,000	40,000
Maersk Voyager	Drillship	Samsung 96K	2015	7G	12,000	40,000
Maersk Deliverer	Semisubmersible	DSS21-DP2	2010	6G	10,000	32,800
Maersk Developer	Semisubmersible	DSS21-DP2	2009	6G	10,000	32,800
Maersk Discoverer	Semisubmersible	DSS21-DP2	2009	6G	10,000	32,800
Maersk Explorer	Semisubmersible	DSS10-CAM-M	2003	5G	3,281	30,000

Note: For information about fleet contracting status, please see Maersk Drilling's latest Fleet Status Report available at investor.maerskdrilling.com

Norway-experience successfully transferred to floater operations

Transferring Norway capabilities to floater operations



Selected operational achievements in the floater segment

Maersk Developer

Reactivation from warm-stacking in just eight weeks, completing the operation with 99.3% uptime

Maersk Venturer

World's deepest well (3,411 meters) drilled with 99.2% uptime in strong currents up to 3 knots

Maersk Discoverer

Longest well drilled in the Mediterranean and deepest in Egypt. Completed 64 days ahead of AFE target

Maersk Voyager

In 15 months, the rig drilled 15 new wells, re-entered three well, drilled four side-track sections and ran lower completion on nine wells. All completed 200 days ahead of schedule

MAERSK DRILLING

Unique customer service delivery model drives partnerships and value pricing

Relationship taken to the next level

Five-year framework agreement with the option to extend for a further five years. Alliance is based on an integrated well-delivery model with aligned incentives.

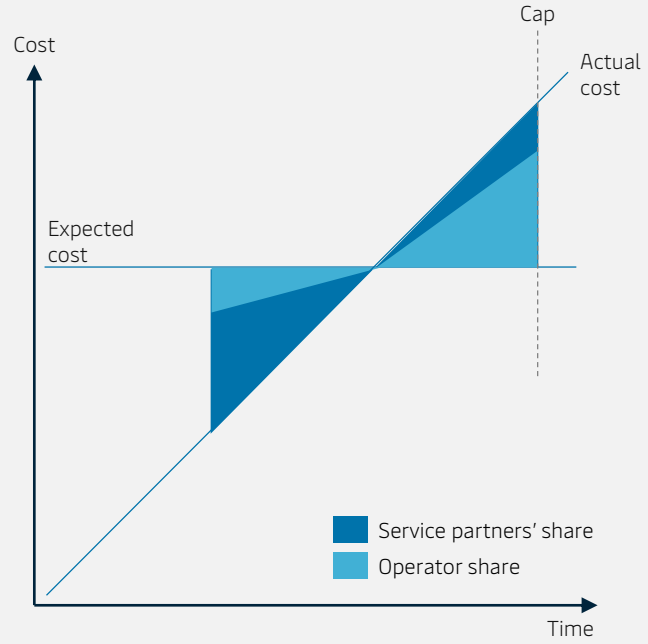
Focus on increasing collaboration efficiency and enabling standardisation and simplification of processes, ultimately shortening the lead time from discovery to first oil.

Participants:

- Aker BP
- Maersk Drilling
- Halliburton

Key aim:

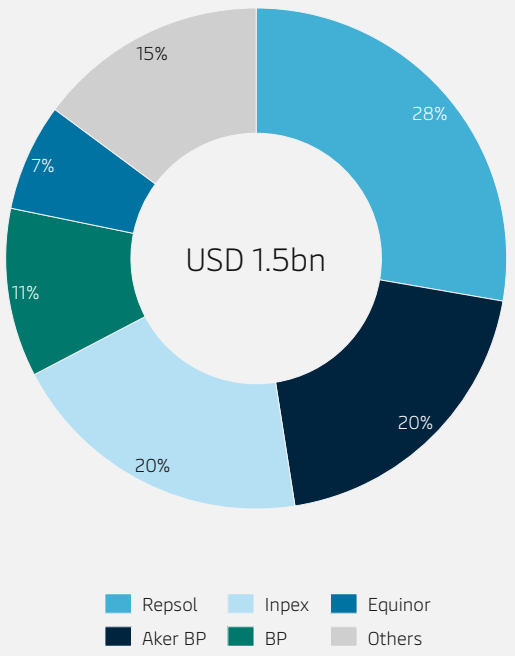
- Lowering the cost per barrel for Aker BP
- Increase the profitability for the alliance partners



A solid contract backlog ensuring earnings visibility

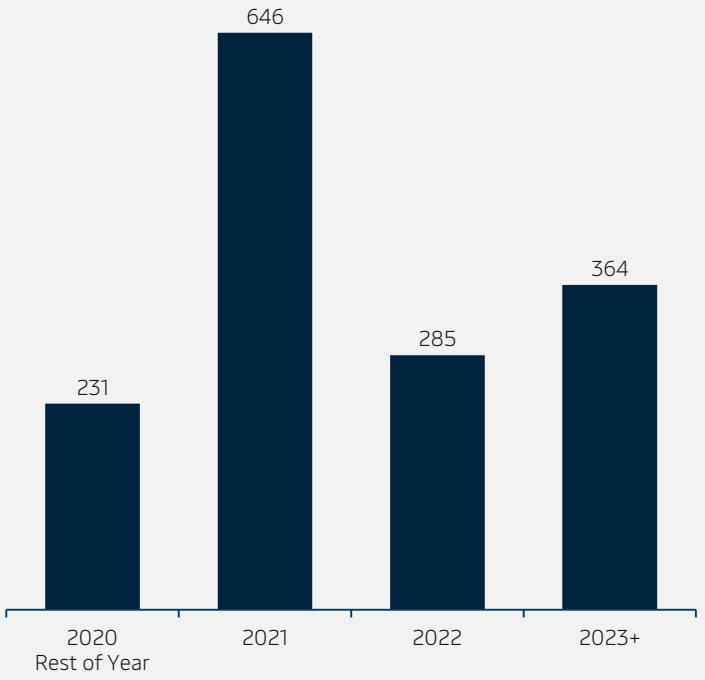
Contract revenue backlog by customer

Share of total contract revenue backlog[1]



Contract revenue backlog by year[1]

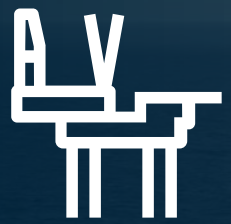
USDm



(1) As of 30 September 2020

MAERSK DRILLING

Sustainability strategy includes ambitious climate target



50%

emissions intensity reduction target by 2030

We will be utilising a combination of key levers to reach our carbon reduction target

- Efficiency gains deriving from our strategic ambition of Smarter Drilling for Better Value
- Known technical and economically feasible solutions such as low-emission upgrades and shore power
- Future tech such as hydrogen and ammonia fuel

MAERSK DRILLING

Innovation driving new technological solutions…

We have established a dedicated Emissions Task Force responsible for recommending the deployment of low emission investments, leveraging the company's unique innovation capabilities to develop new solutions.

In addition to investing in innovation, we believe that close collaboration with customers and partners will be a crucial part of reaching our ambitious goals.

We believe that digitalisation will play a large role in developing sustainable solutions within oil & gas

Drilling Process Platform (DPP)

Maersk Drilling is currently piloting a ground breaking digital product, DPP, together with a customer. DPP transforms the information flow between the well design and the offshore rig operations, providing transparency and driving efficiency to reduce emissions.

MAERSK DRILLING

...and a view to potential new revenue streams

Consortium:

Maersk Drilling has joined a new CO2 storage consortium together with INEOS Oil & Gas Denmark and Wintershall Dea.

The consortium is maturing one of the most progressed carbon capture and storage projects inside Danish jurisdiction and targets the development of permanent CO2 storage capacity offshore Denmark.

Maersk Drilling expects that its offshore rigs will be used to repurpose the existing oil and gas wells for CO2 injection.

Consortium goal:

3.5 million

tonnes CO2 stored per year by 2030, corresponding to 15-20% of reduction required to reach Denmark's 70% reduction target in 2030

MAERSK DRILLING

Financial profile

MAERSK DRILLING

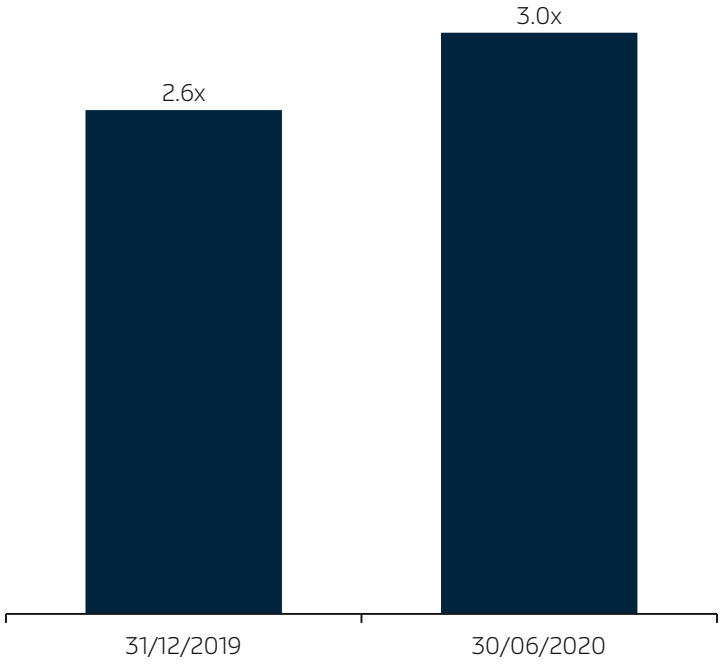
Levers for generating free cash-flow to equity

- Solid balance sheet and liquidity position
- Strong operating cash-flow generation
- No newbuild capex commitments and limited off-balance re-activation cost exposure
- Long maturity runway and attractive funding costs

Solid balance sheet and liquidity position

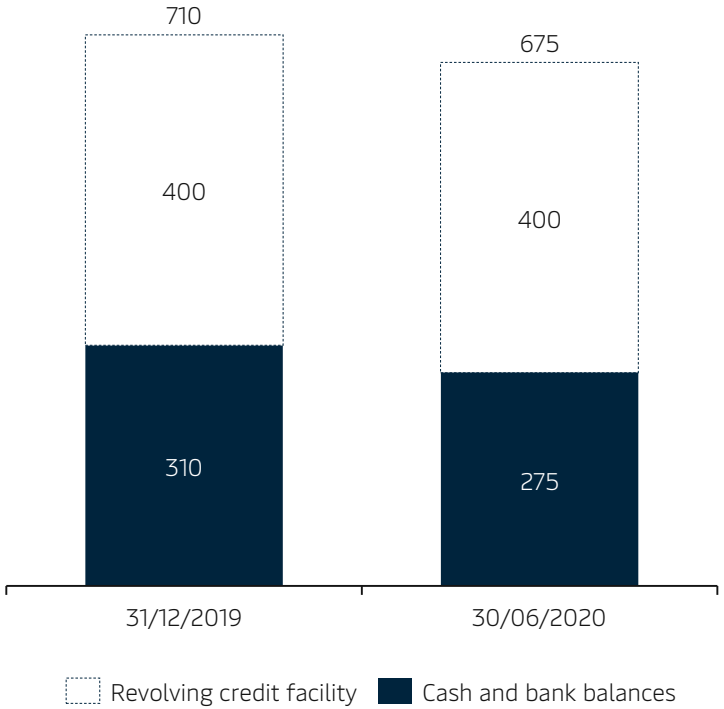
Leverage ratio

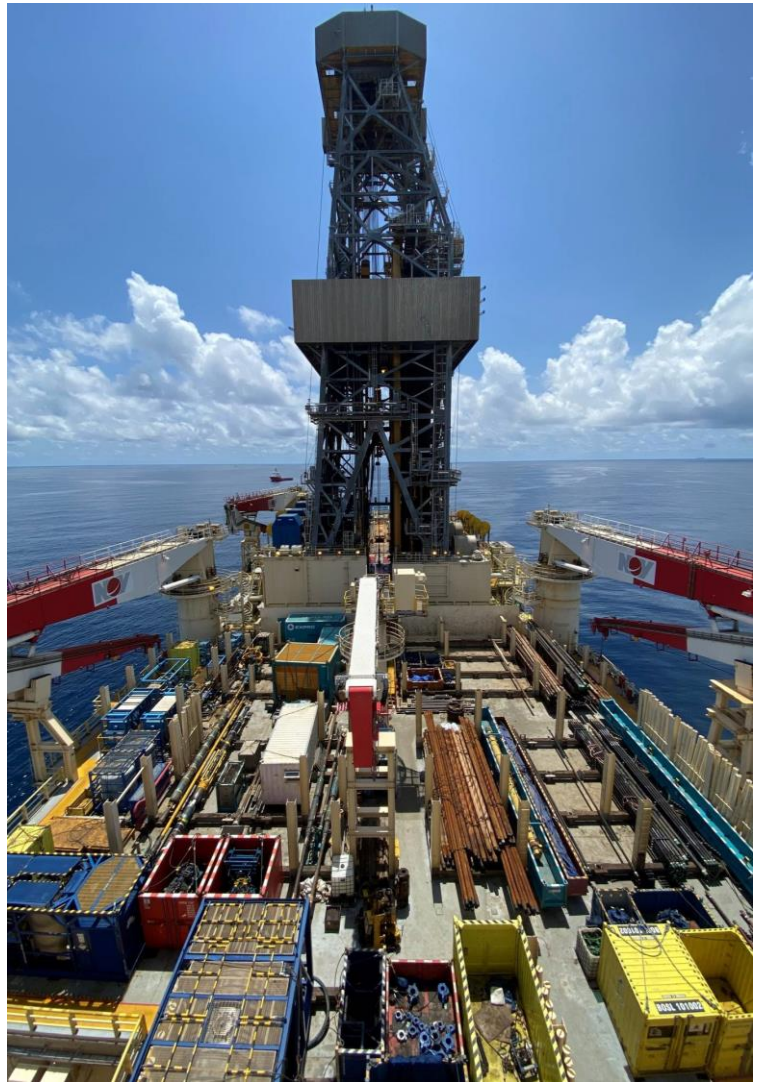
Net interest bearing debt to EBITDA before special items



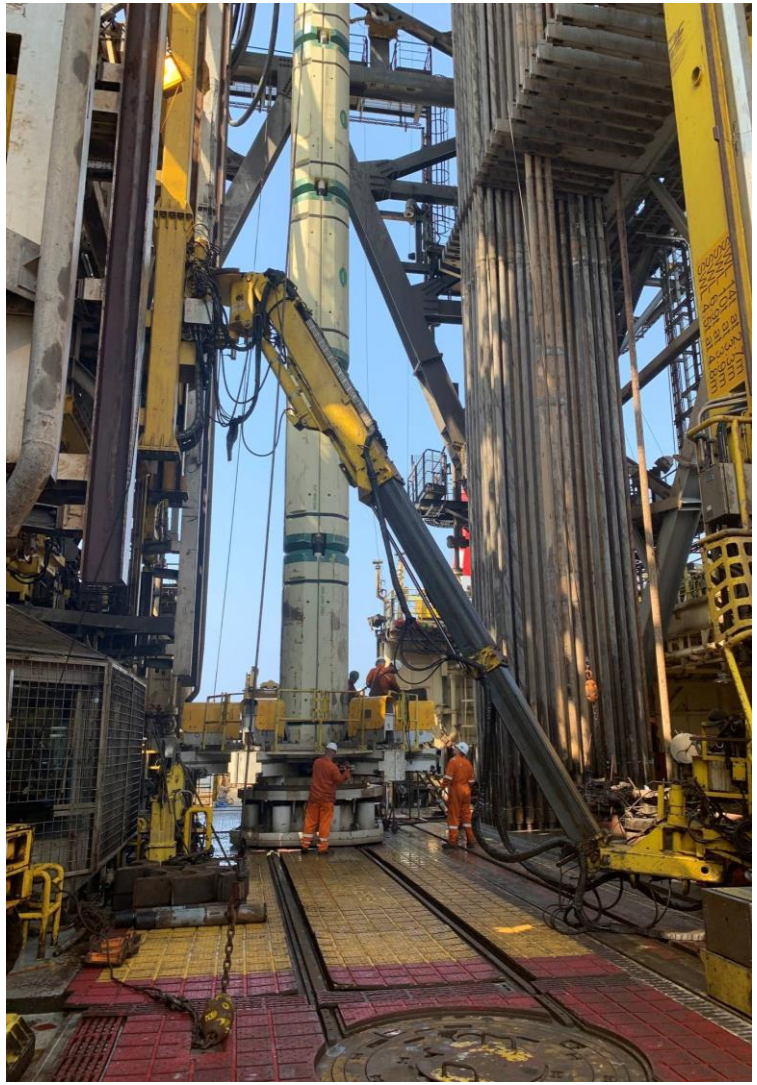
Total liquidity

USDm





MAERSK DRILLING



Revised full-year 2020 profitability guidance

EBITDA (before special items)

275-300

Previously 250-300
(USDm)

- Reflects current contract backlog
- Assuming no additional contracts with financial impact in 2020
- Cost-saving initiatives implemented onshore and offshore are included

Capital expenditures

~150

Unchanged
(USDm)

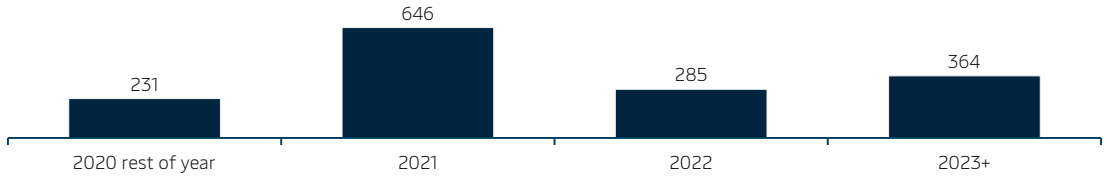
- Expectation of three SPSs to be completed in 2020
- Also includes planned rolling maintenance on certain other rigs

MAERSK DRILLING

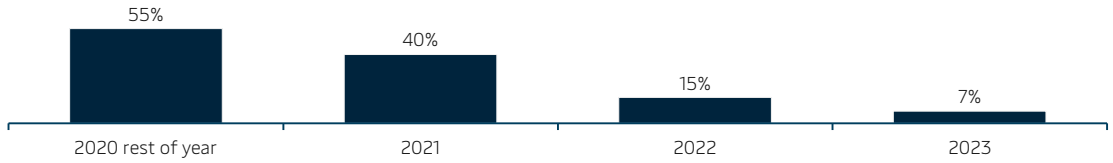
2021 forward contract coverage of 40%, with USD 646m of revenue backlog for execution in 2021

Total contract backlog

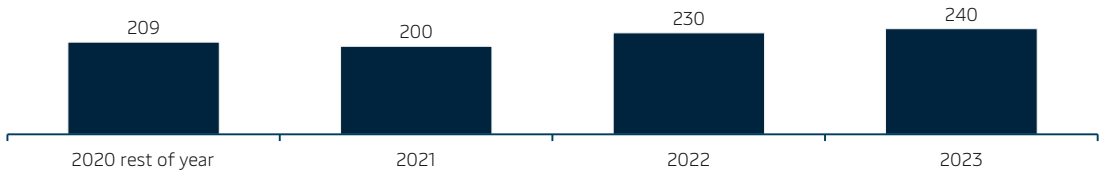
Total backlog (USDm)



Forward contract coverage[1]

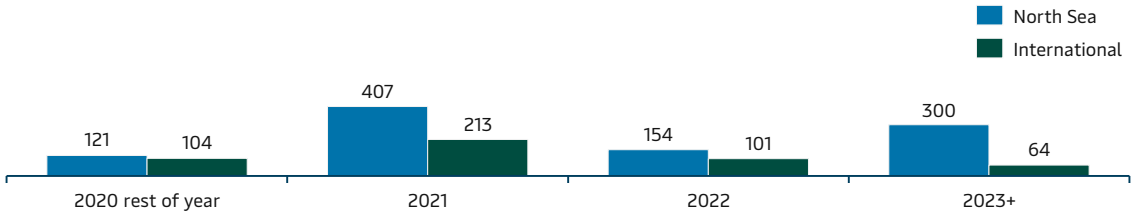


Average backlog day rate (USDk/day)

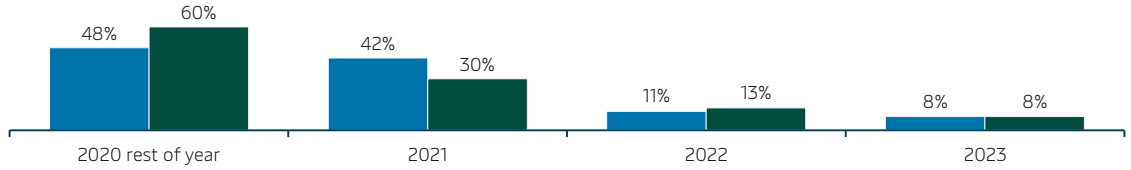


Contract backlog per segment

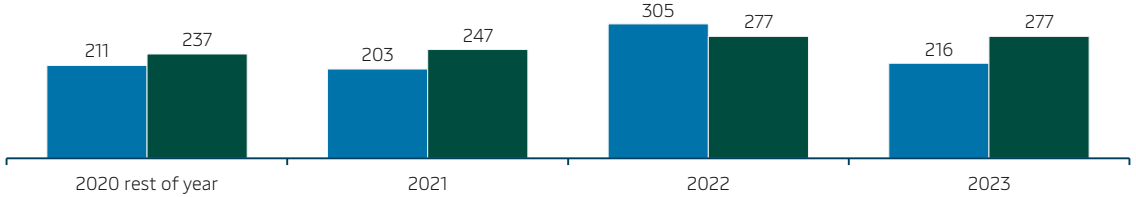
Total backlog (USDm)



Forward contract coverage[1]



Average backlog day rate (USDk/day)



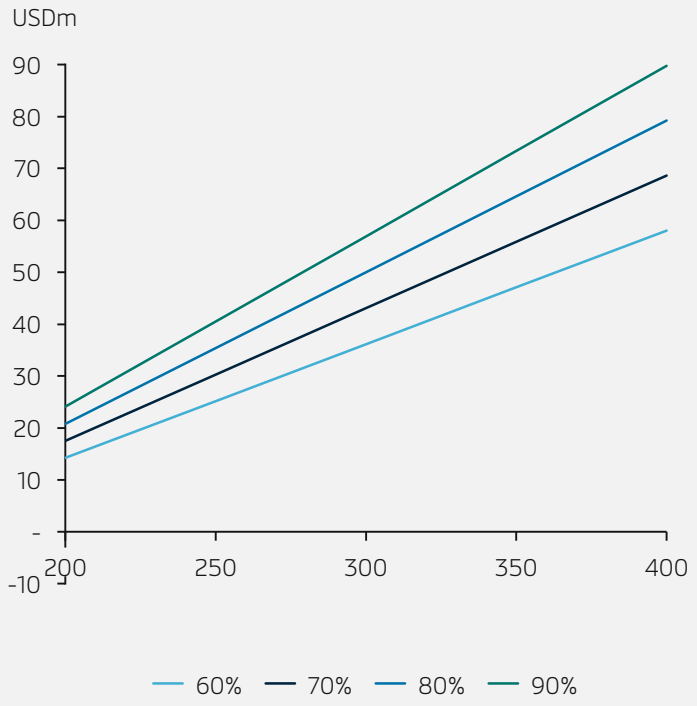
(1) Calculated as the total number of contracted days for jack-ups and floaters, divided by total number of available days. Available days are defined as the aggregate number of calendar days in the period less yard stay days for current fleet, or, with respect to new rigs entering service, when the rig is in operation.
Note: In addition to the North Sea jack-ups and International floaters, totals for Maersk Drilling include the benign jack-up rigs Maersk Completer, which was sold on 7 January 2020, and Maersk Convincer. These are not included in either segment and are not reported separately due to limited materiality. Charts as of end-Q3 2020.

MAERSK DRILLING

Earnings sensitivity

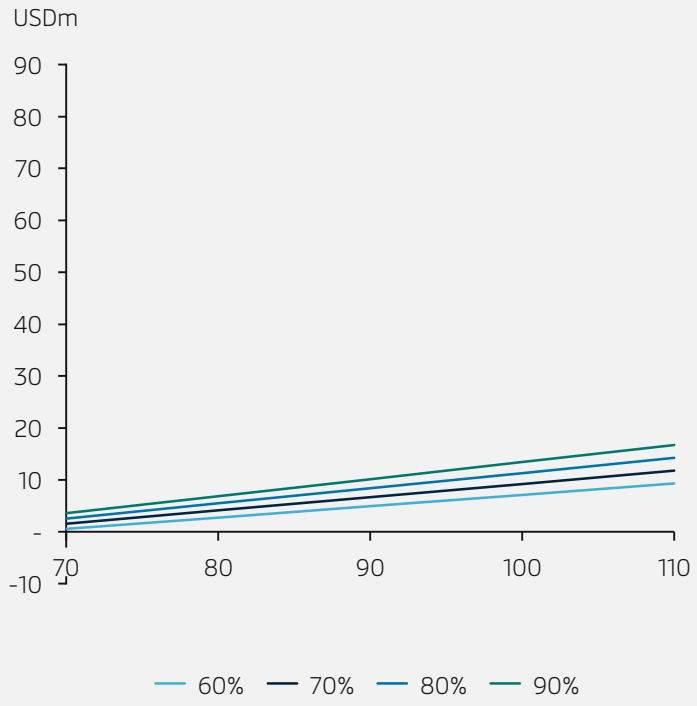
Ultra-harsh environment (CJ70) jack-up per rig

Illustrative pre-SG&A EBITDA sensitivity by utilisation level(1)



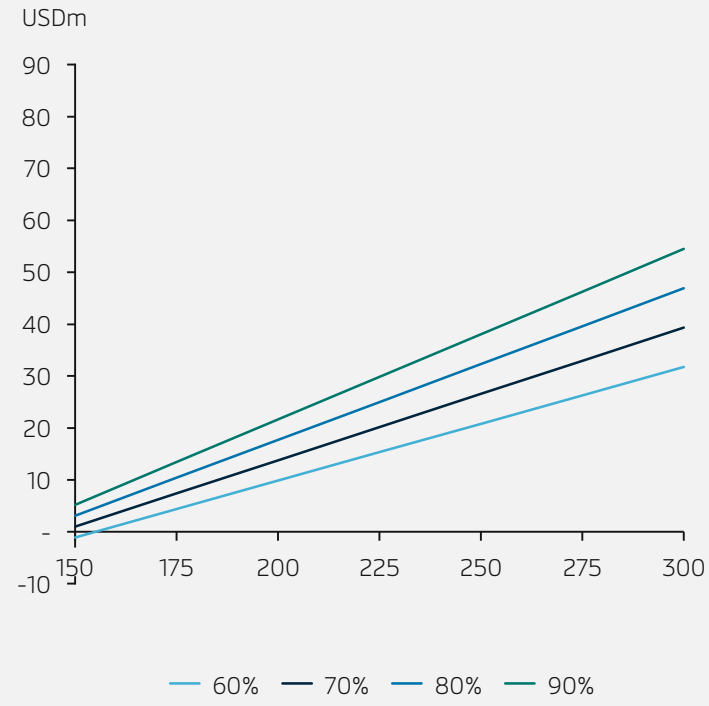
Harsh environment jack-up per rig

Illustrative pre-SG&A EBITDA sensitivity by utilisation level(2)



Global floater per rig

Illustrative pre-SG&A EBITDA sensitivity by utilisation level(3)



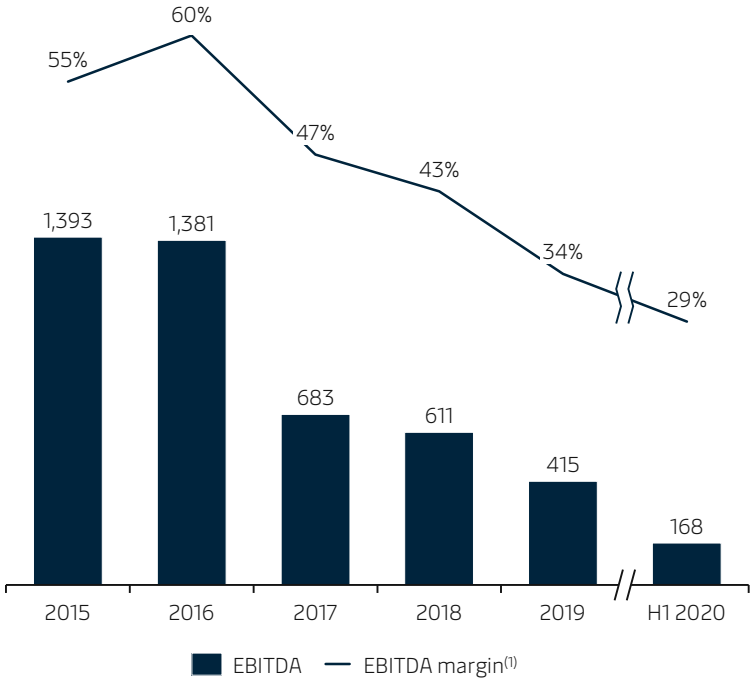
(1) Assumptions: Daily opex while operating = USD 140k/day, daily opex while idle = USD 15k/day, number of days in year = 365 (2) Assumptions: Daily opex while operating = USD 57.5k/day, daily opex while idle = USD 15k/day, number of days in year = 365
(3) Assumptions: Daily opex while operating = USD 150k/day, daily opex while idle = USD 37.5k/day, number of days in year = 365
Note: Examples show pre-SG&A EBITDA sensitivity for one rig in each category

MAERSK DRILLING

Earnings converted to operating cash-flow

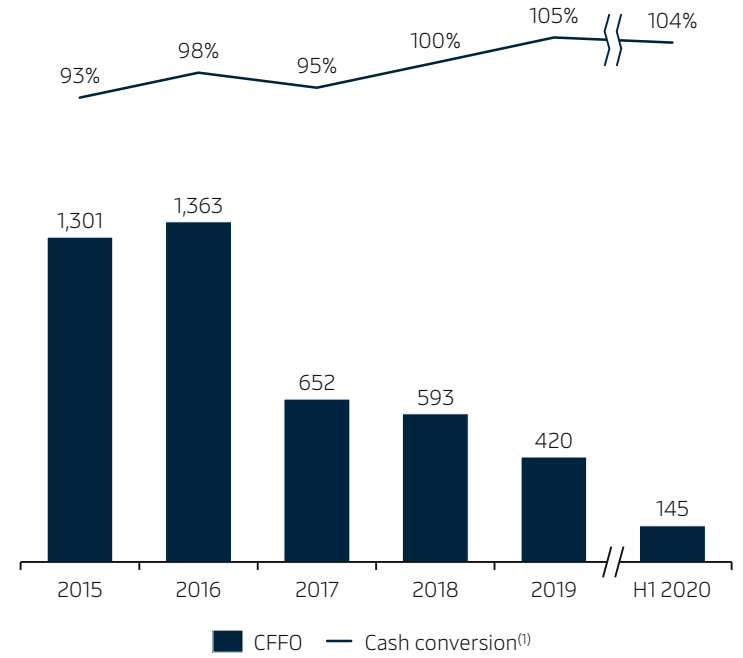
EBITDA before special items and EBITDA margin

USDm

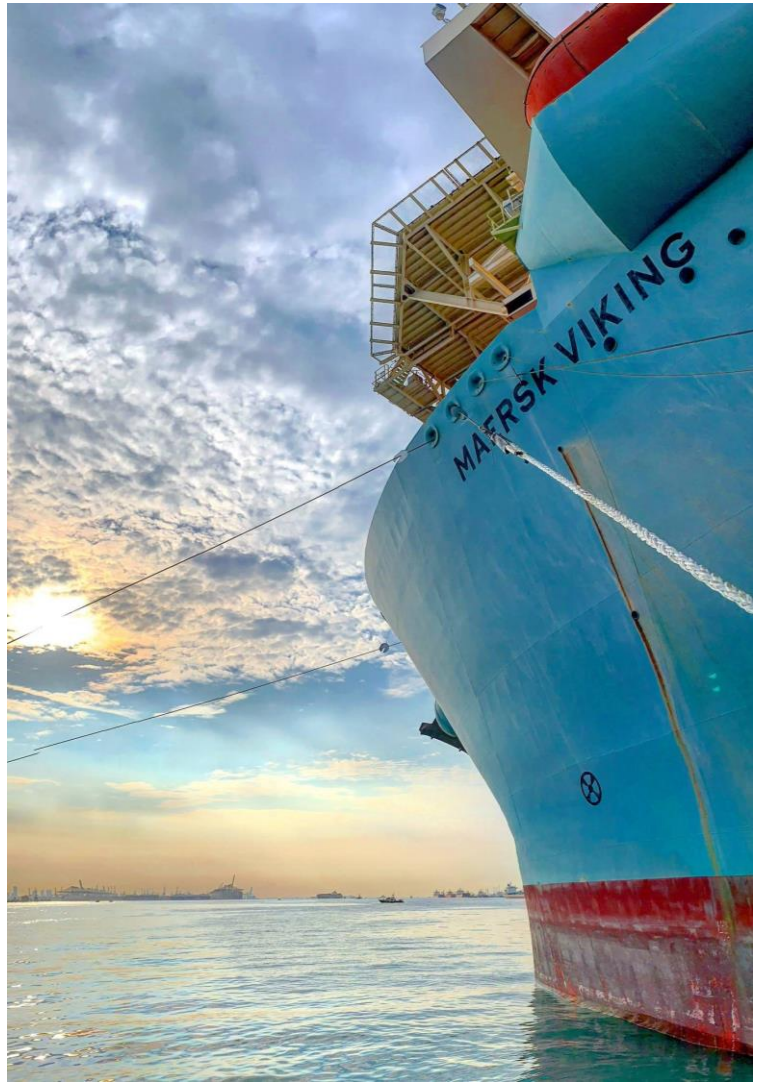


Operating cash-flow and cash conversion(1)

USDm



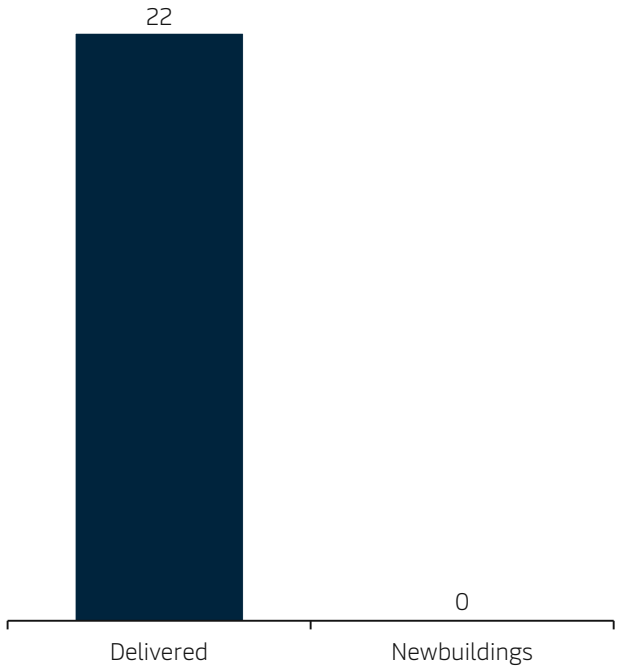
(1) Calculated as operating cash-flow divided by EBITDA after special items. Operating cash-flow does not include interest expenses.



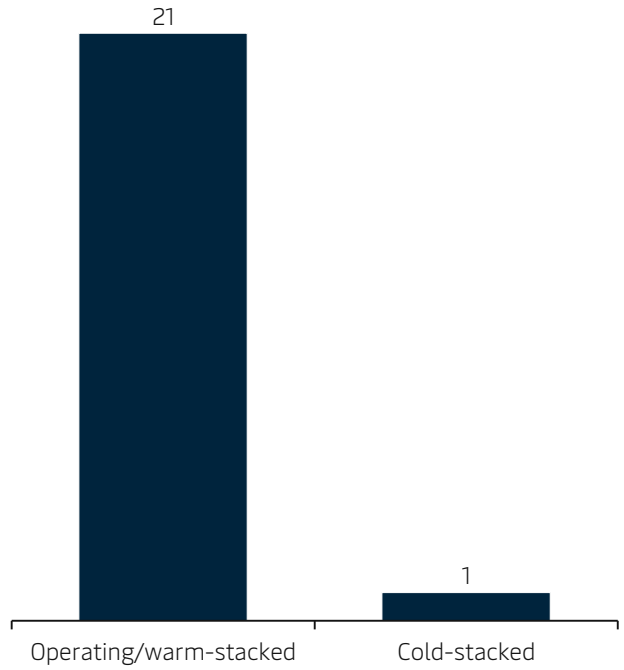
MAERSK DRILLING

No newbuild capex commitments and limited off-balance re-activation cost exposure

Number of rigs by delivery status



Number of rigs by current status



MAERSK DRILLING

Maintenance capex mainly relates to Special Periodic Surveys

5-yearly Special Periodic Survey cost requirements by rig type and annual run-rate

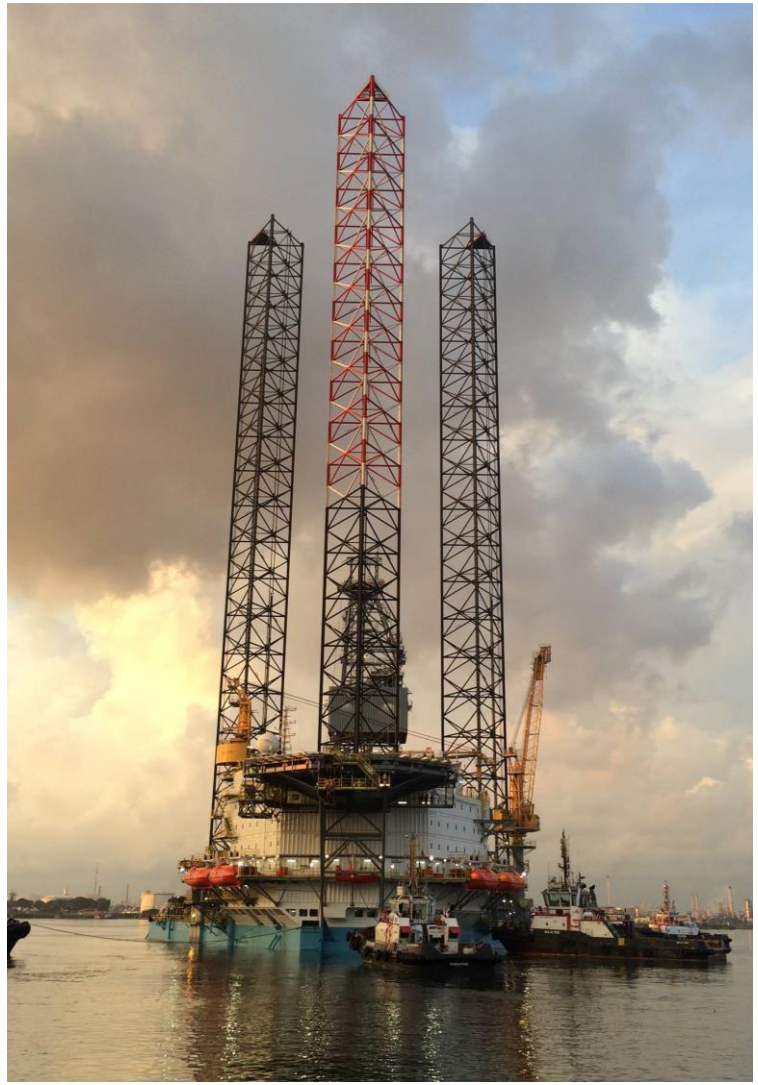
Jack-up rigs	Floaters	Expected run-rate(1)
15-20	40-60	150
(USDm)	(USDm)	(USDm)

Levers to reduce maintenance capex

Further improvements from rolling condition-based maintenance programme still achievable

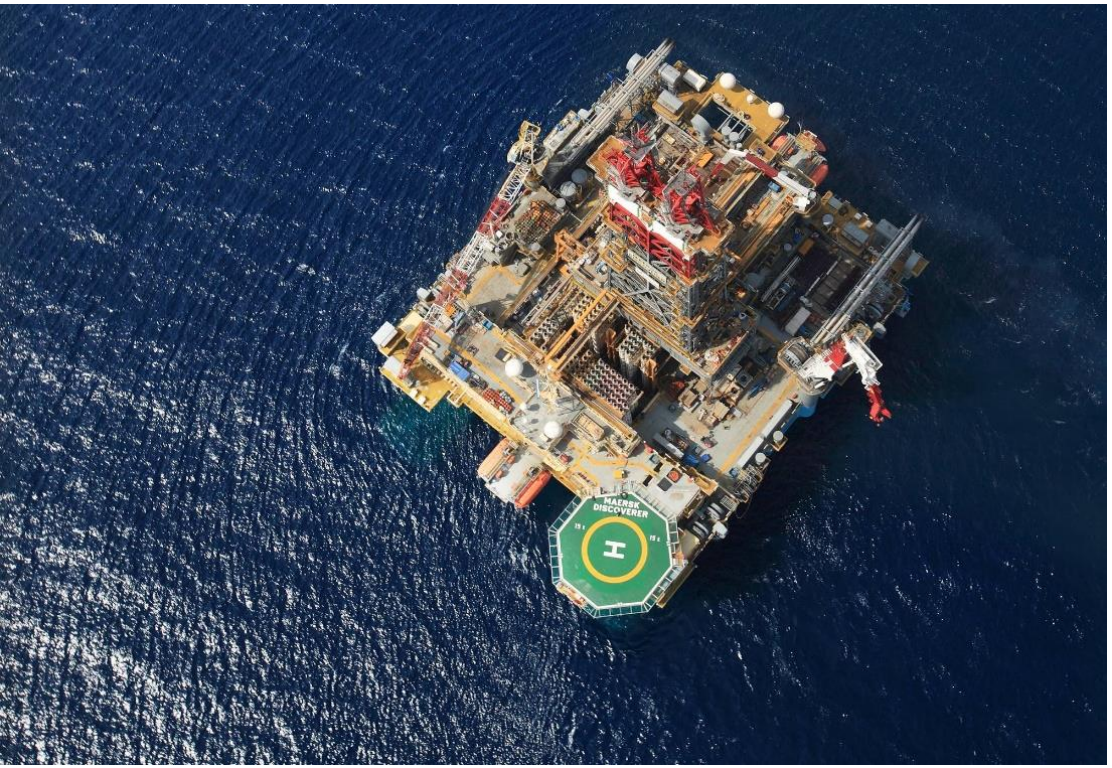
Removing non-essential maintenance

(1) Expected average over the 5-yearly SPS cycle across Maersk Drilling's fleet



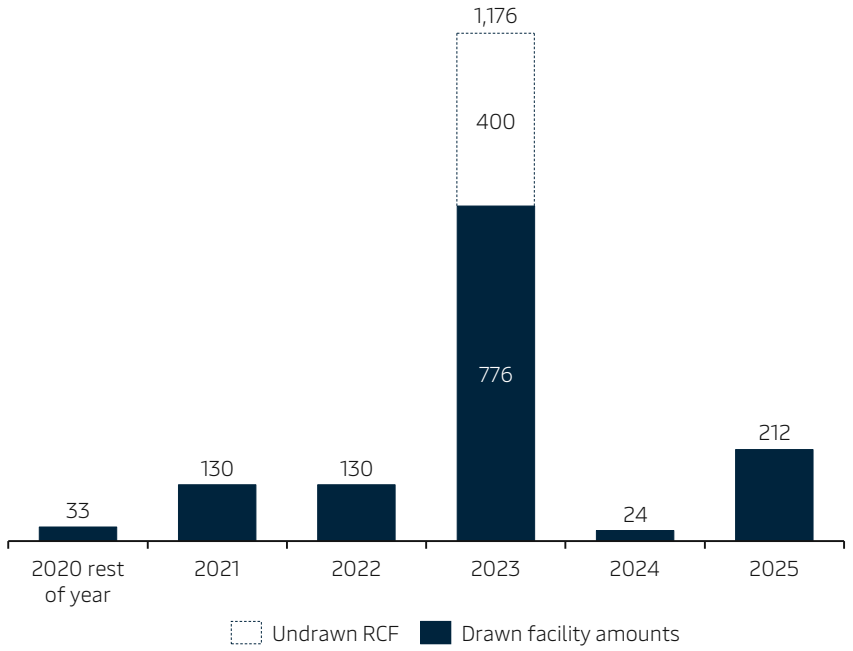
MAERSK DRILLING

Long maturity runway with attractive funding cost



Debt maturity profile

USDm



Average funding cost

Percent

FY 2020[1]

~4.5

Q3 2020

4.6

(1) Expected average funding costs based on current expectations

MAERSK DRILLING

Financial policy

Capital allocation priorities

1. Maintain a robust capital structure with sufficient funding available to support the business through the cycle
2. Pursue investment opportunities that will support long-term shareholder value creation
3. Provided that the capital structure is deemed solid, return surplus capital to shareholders

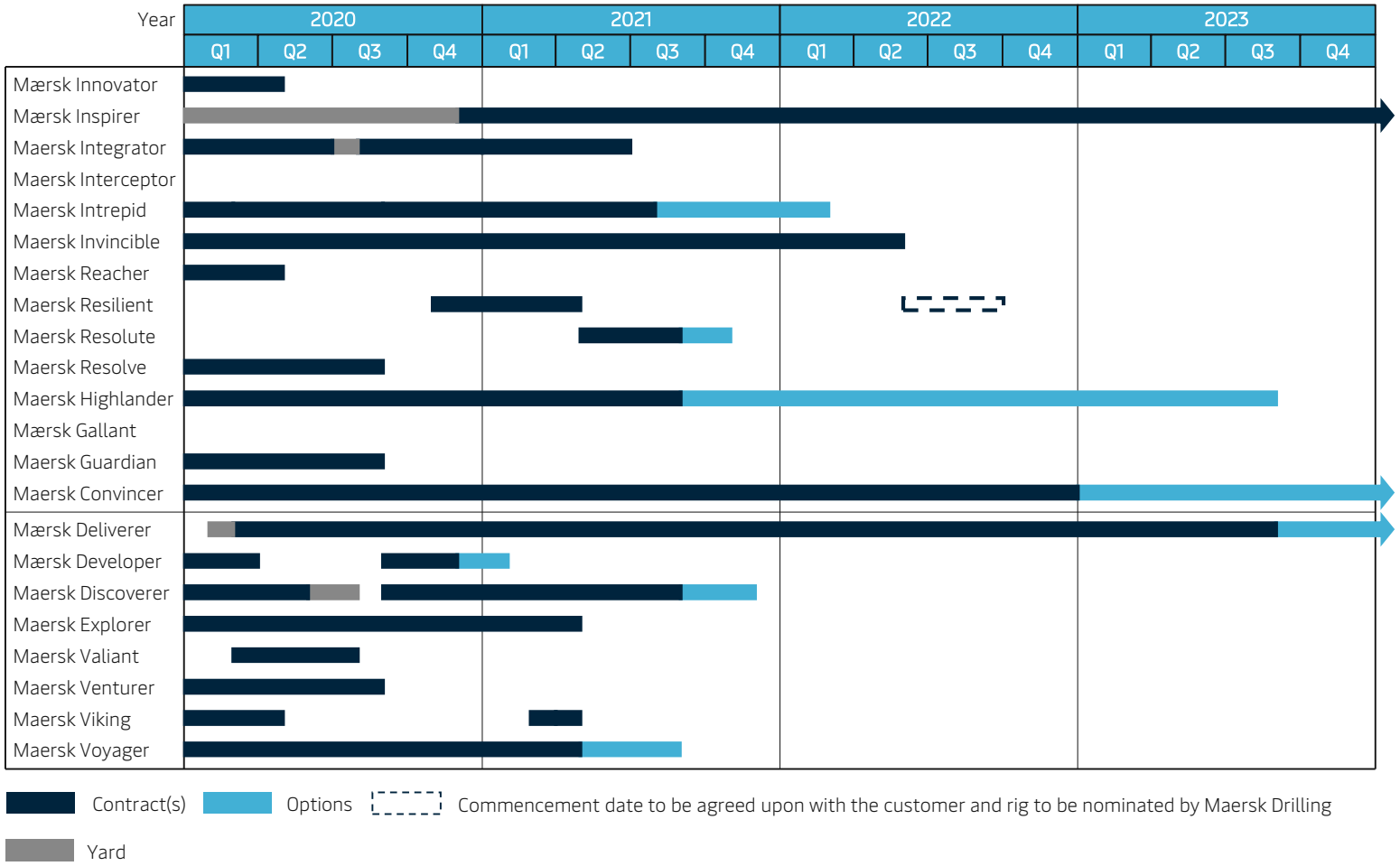
Target leverage

- Maersk Drilling will generally work towards a leverage ratio (net debt divided by EBITDA before special items) of around 2.5x.
- If the leverage ratio is below 2.5x and no attractive investment opportunities have been identified, Maersk Drilling will seek to return capital to share-holders by means of dividends and/or share buy backs
- If value adding investment opportunities that require a need for additional funding arise, or if EBITDA is reduced in a business down-cycle, the leverage may exceed the target level of around 2.5x for a period of time. The focus here will be to reduce net debt to reach the targeted leverage level of around 2.5x

Commercial update

MAERSK DRILLING

Maersk Drilling's fleet well positioned for the near-term demand pipeline



Key levers for future fleet deployment

Continued solid operational performance driving high customer satisfaction

Strong customer relations, alliances and partnerships

New customer solutions (digital and low emission) and business models

Modern, high-end fleet

Only drilling contractor with free and clear CJ70 capacity for the coming years

Note: For more information, please see Maersk Drilling's Fleet Status Report dated 20 November 2020

MAERSK DRILLING

Healthy activity across Maersk Drilling's key markets

Norway jack-ups

Currently, a few short duration drilling campaigns with commencement in 2021

Currently, a few programs with longer duration with commencement in 2022

Certain projects realised, e.g., Aker BP's Hod project, under the introduced temporary changes to the Norwegian Petroleum tax system

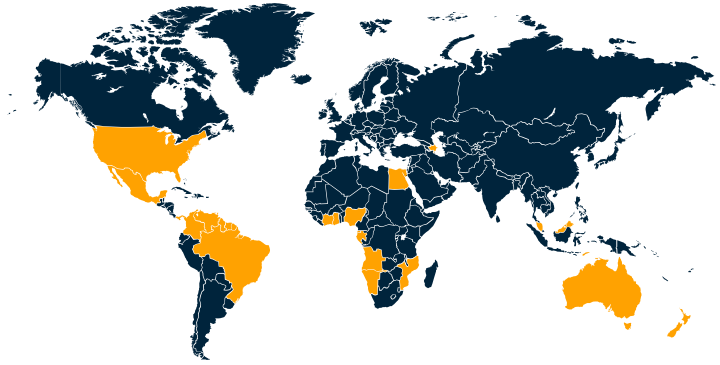
In 2021, more projects are expected to be realised

Other North Sea jack-ups (DK, NL, and UK)

Several requirements with commencement in mid-2021

Contracts durations range from one well to multi-year

Further, a few requirements outside the North Sea, but with need for high-spec harsh environment rigs, are adding to the demand pipeline



Global benign floaters

Requirements are building with commencement in 2021

Increase in activity levels across most main markets, including in Africa, South America, and South East Asia

Contract durations ranging from one-well to multi-year

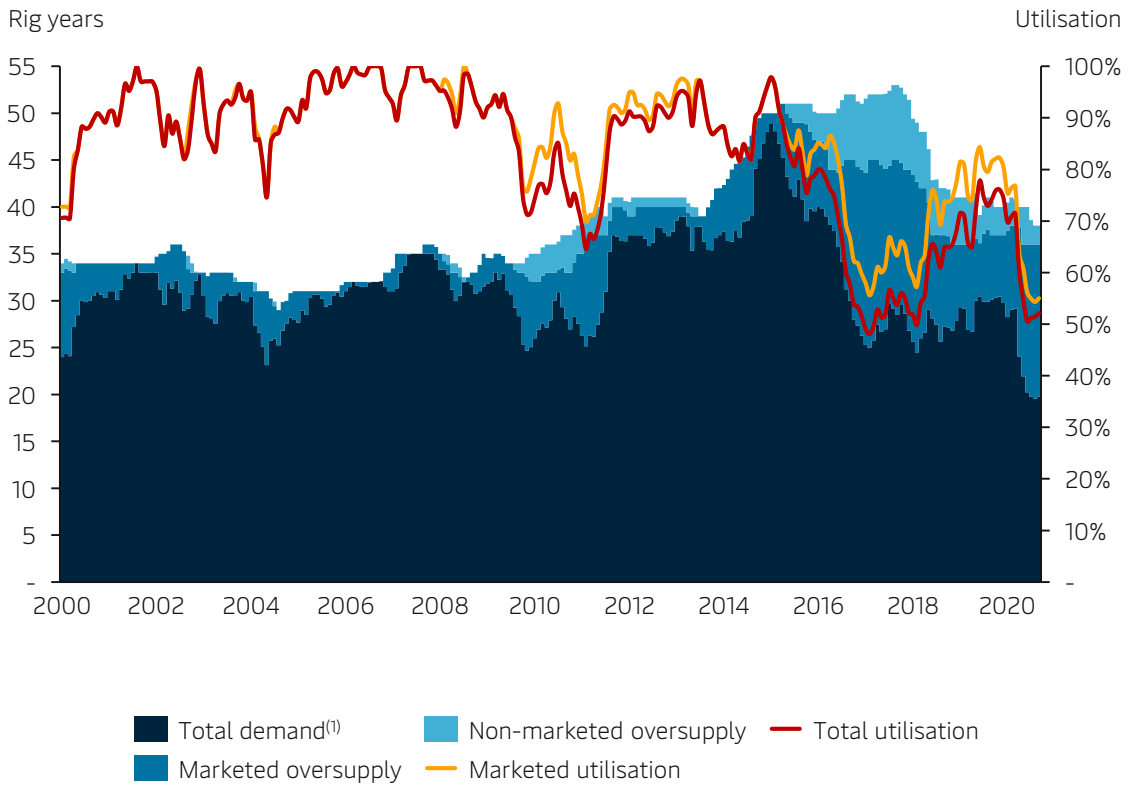
Multi-year campaigns include Tullow Oil's development programme offshore Ghana, and Total's development program offshore Mozambique

MAERSK DRILLING

North Sea jack-up demand stabilised in Q3 2020, but utilisation and forward coverage remain subdued

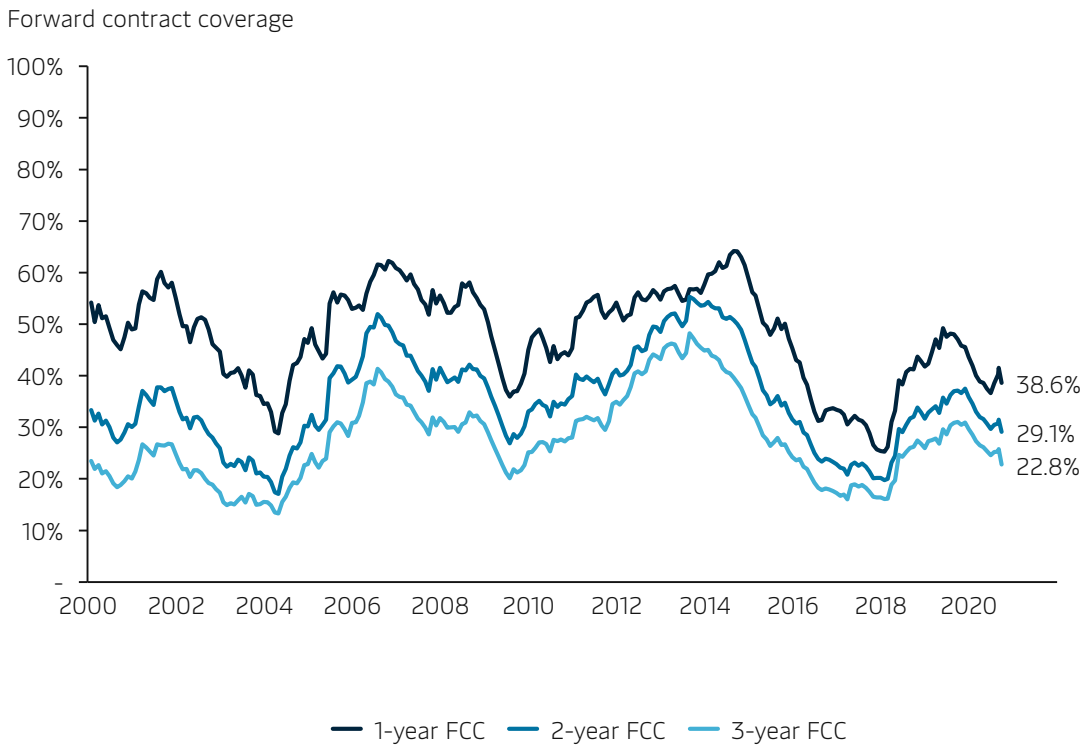
Supply, demand, and utilisation

Number of rigs and utilisation



Forward contract coverage ("FCC")

Percent



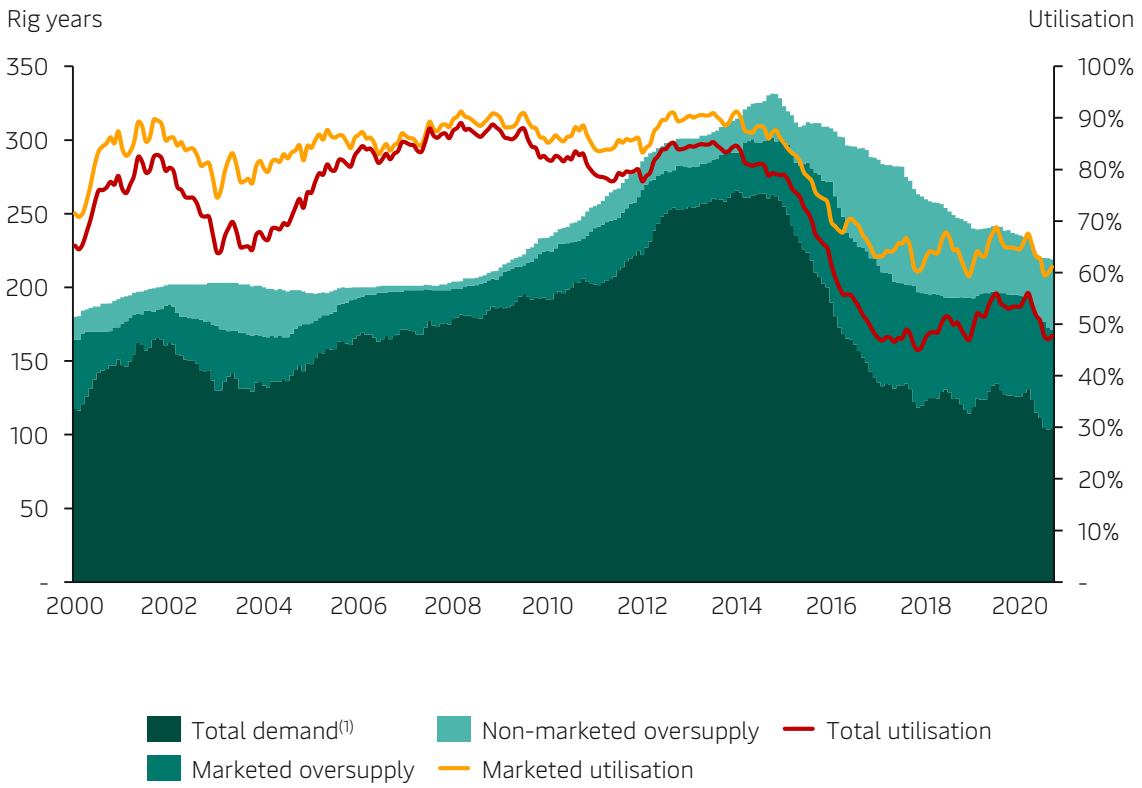
(1) 'Total demand' counts days actually on contract and does not include any future commitments
Sources: IHS Markit - RigPoint

MAERSK DRILLING

Global floater demand stabilised in Q3 2020 and supply rationalisations continued, but utilisation and forward coverage remain subdued

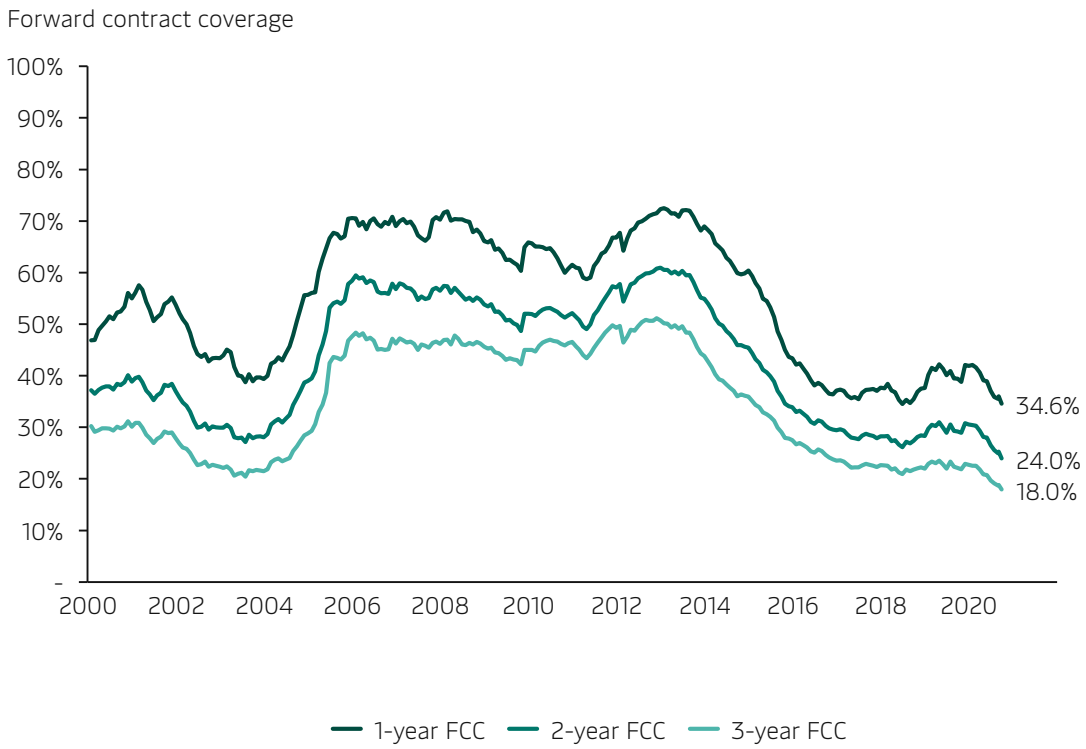
Supply, demand, and utilisation

Number of rigs and utilisation



Forward contract coverage ("FCC")

Percent



(1) 'Total demand' counts days actually on contract and does not include any future commitments
Sources: IHS Markit - RigPoint

MAERSK DRILLING

The Drilling Company of 1972 A/S

Lyngby Hovedgade 85
2800 Kongens Lyngby
Denmark

Contacts

Michael Harboe-Jørgensen
Head of Investor Relations
T: +45 2328 5733
M: Michael.Harboe-Jorgensen@maerskdrilling.com

Andreas Escherich Holkjær
Investor Relations Officer
T: +45 3137 6076
M:Andreas.Escherich.Holkjaer@maerskdrilling.com

Maersk Drilling is trading on the Nasdaq Copenhagen Stock Exchange under the ticker, DRLCO

MAERSK DRILLING