

COMPANY ANNOUNCEMENT – DRAFT FOR CONTINGENCY PURPOSES

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## Maersk Drilling revises financial guidance for 2020 and takes steps to reduce onshore organisation

Today, The Drilling Company of 1972 A/S (“Maersk Drilling”) provides the following update on the impact of COVID-19 and lower oil prices.

### Revised financial guidance for 2020

On 20 March 2020, Maersk Drilling revised its profitability guidance for 2020 for EBITDA before special items to USD 325-375m. Since then, oil and gas companies have announced further reductions in spending budgets and sanctioning of new projects and ongoing tenders have been postponed or cancelled. Further, certain existing contracts have been renegotiated, suspended or terminated.

Consequently, Maersk Drilling has re-assessed the commercial and operational assumptions underlying the financial forecasts for 2020 and revises its guidance for 2020 for EBITDA before special items to USD 250-300m (previous guidance of USD 325-375m). The guidance for capital expenditures for 2020 is revised to around USD 150m (previous guidance of USD 150-200m).

The revised guidance reflects expected adjustments to the existing contracts based on current customer dialogues, no additional contracts with financial impact in 2020, and COVID-19 related costs. To adapt the cost structure to the new business environment, Maersk Drilling has taken precautionary measures, including stacking of rigs and revised maintenance programmes. The impact of these measures is included in the revised guidance.

### Steps taken to reduce onshore organisation

As announced on 24 April 2020, Maersk Drilling has taken steps to adapt the offshore crew pool to the lower activity in the offshore drilling market. Further, the need for onshore support is expected to be adversely impacted by the reduced offshore activity. Therefore, Maersk Drilling today announces that it intends to reduce its onshore organisation in the Danish headquarters and offices globally, and that steps have been taken to initiate consultations with employee representatives and trade unions where such consultations are required locally.

Maersk Drilling expects that the initiated steps will lead to a total of 150-170 onshore redundancies globally. The consultation processes will follow varying timelines in compliance with local regulations.

### CEO Jorn Madsen quote

“With the outbreak of COVID-19 and the lower oil prices we are facing an unprecedented reality with significant implications for our business. Our ambition is to remain a leading company in our industry, and in order to safeguard that position we need to adapt our cost structure to the current business environment.

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This means that we need to take steps to reduce the workforce, which is unfortunate, not least in the light of the great efforts by our competent and dedicated employees, also over the past critical months.”

Maersk Drilling expects to release its Q1 2020 trading statement on 27 May 2020.

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