Maersk Drilling Services A/S

Lyngby Hovedgade 85
DK-2800 Kgs. Lyngby

CVR no. 24 20 69 98

Annual report 2021

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

21 June 2022

DocuSigned by:
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Klaus Greven Kristensen
Chairman of the annual general meeting

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Maersk Drilling Services A/S for the financial year 1 January – 31 December 2021.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Lyngby, 21 June 2022
Executive Board:

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Morten Kelstrup
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Morten Kelstrup

Board of Directors:

DocuSigned by: Christine Brennet E47E8E5F8C11416...	DocuSigned by: Thomas Lysgaard Falk 485ACDF23B294AB...	DocuSigned by: 96E4ECA2585140B...
Christine Brennet (Morris) Chairman	Thomas Lysgaard Falk	Claus Bachmann

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Morten Kelstrup

Independent auditor's report

To the shareholders of Maersk Drilling Services A/S

Opinion

We have audited the financial statements of Maersk Drilling Services A/S for the financial year 1 January – 31 December 2021 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

— identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

— obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

— evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

— conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

— evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Copenhagen, 21 June 2022
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

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Thomas Wraae Holm State Authorised Public Accountant mne30141	Kim Danstrup State Authorised Public Accountant mne32201

Management's review

Company details

Maersk Drilling Services A/S
Lyngby Hovedgade 85
2800 Kgs. Lyngby

CVR no.:	24 20 69 98
Established:	9 December 1986
Registered office:	Lyngby
Financial year:	1 January – 31 December

Board of Directors

Christine Brennet (Morris), Chairman
Thomas Lysgaard Falk
Claus Bachmann
Morten Kelstrup

Executive Board

Morten Kelstrup

Auditor

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup
CVR no. 33 77 12 31

Management's review

Financial highlights

USD'000	2021	2020	2019	2018	2017
Key figures					
Revenue	178,015	94,411	81,876	87,692	74,060
Gross profit/loss	5,627	12,795	8,543	6,796	7,562
Operating profit/loss	5,620	12,788	8,536	6,779	7,533
Profit/loss from financial income and expenses	-1,083	1,485	5,840	6,959	340
Profit/loss before tax	12,771	14,273	14,376	13,738	7,873
Profit/loss for the year	12,019	11,392	12,651	1,916	6,546
Total assets	116,559	66,960	39,944	39,632	43,421
Equity	41,011	28,992	17,600	8,949	17,033
Investment in property, plant and equipment	0	0	0	34	0
Ratios					
Operating margin	3%	14%	10%	8%	10%
Return on invested capital	6%	24%	64%	70%	0%
Current ratio	163%	198%	215%	106%	156%
Return on equity	34%	49%	53%	16%	0%
Solvency ratio	35%	43%	44%	23%	39%

The financial ratios have been calculated as follows:

Operating margin	Operating profit/loss x 100 / Revenue
Return on invested capital	Operating profit/loss * 100 / Average invested capital
Current ratio	Current assets x 100 / Current liabilities
Return on equity	Profit/loss from ordinary activities after tax x 100 / Average equity
Solvency ratio	Equity ex. non-controlling interests at year-end x 100 / Total equity and liabilities at year-end

Management's review

Operating review

Principal activities

The Company and its subsidiaries are operators of high-technology drilling rigs and provide offshore drilling services to oil and gas companies.

The Company has branches in Brunei, Suriname and Ghana.

Development in activities and financial position

The Company's income statement for 2021 shows a profit of USD 12,019 thousand as against a profit of USD 11,392 thousand in 2020. Equity in the Company's balance sheet at 31 December 2021 is USD 41,011 thousand as against USD 28,992 thousand at 31 December 2020.

2021 was another year of strong performance by our people despite the continued challenges posed by the pandemic. Societies across the globe are finding the remedies necessary to return to a more normalized way of life and the global economy has regained strength.

Outlook

The result for 2022 are continued subject to risks and uncertainties as various factors, many of which are beyond the company’s control, may cause the actual development and results to differ materially from expectations. Under the current circumstances, management expects to reach a result for 2022 in the range from 10 - 15 million.

Particular risks

Operating risks

A fundamental factor in driving demand for offshore drilling rigs is the level of spending by oil and gas companies on exploration, development, production and maintenance as well as decommissioning activities. This level is to a large extent a function of project sanctioning, which is based on oil and gas companies’ long-term assessment of oil and gas prices impacting their cash flow generation as well as the economics of the offshore exploration and development projects in their portfolios.

Over the past years, oil and gas companies have optimised their business models to structurally reduce offshore project costs through project optimisation, standardisation, digitisation, simplification and service cost deflation. As a result of the lower cost levels, more than 90% of offshore oil and gas projects are today economically feasible at an oil price around USD 60 per barrel. Combined with the oil and gas companies’ increasing positive cash flows, this has provided them with the opportunity to invest in new offshore projects.

The price of Brent crude oil recovered to between USD 70-85 per barrel in 2021, the highest levels since 2014, spurring an increase in the demand for, and the utilisation of, offshore drilling rigs. This has provided support to day rates, which gradually increased throughout 2021 from COVID-19 lows. In the past, current oil prices would have likely led to increased capital spending and the emergence of longer duration contracts by operators looking to replace current production with new reserves. Subsequent to year-end, the oil price has increased over USD 90 per barrel due to the war on Ukraine. This may lead the oil and gas companies to further increase exploration and drilling activities.

Management's review

Operating review

Currency risks

Currency risk is the risk that future cash flows will fluctuate because of changes in foreign exchange rates. Currency exposure arises from the Company operating in countries with different local currencies. Revenue is primarily denominated in USD, which is also the presentation currency of the Company, while related operating costs are incurred in both USD and local currencies.

The exposure to changes in foreign exchange rates is generally mitigated by entering into customer contracts where an element of the contract value is in local currency to create a natural hedge between the contracted revenue and local operating costs. The Maersk Drilling Group uses foreign exchange forward contract to hedge any excess exposure, but such changes are generally not entered into by individual subsidiaries.

The currency exposure is not considered to be significant.

Interest rate risks

Interest rate risk is the risk that future cash flows from financial instruments will fluctuate because of changes in market interest rates. The interest rate exposure arises from loans and other credit facilities carrying floating interest rates.

The Maersk Drilling Group mitigates the exposure towards interest rates by entering into fixed rate loans or interest rate swaps at the parent company level whereas individual subsidiaries generally are funded through loans carrying floating interest rates.

Credit risks

For drilling contracts, credit risk is minimised by undertaking a credit assessment of the counterparty prior to entering into the contracts. Depending on the creditworthiness, the Company may seek protection in the form of parent company guarantees, prepayments or other types of collateral.

The Company has a concentration of customers, but is not considered to be exposed to material credit risks, as the customers are major international oil companies.

Safety

For the Company, safety is a top priority. It is an unwavering commitment, rooted in our Core Values. Safety permeates everything we do and stand for, onshore and offshore, and it is the foundation for delivering reliable and efficient operations to our customers. Our ambition is to have zero serious incidents.

Environmental matters

The Company’s ambition is to provide responsible drilling services, and reducing the environmental impact of our operations is an important part of this. We mainly target impacts relating to spills, waste and the use of chemicals onboard our rigs. Our Health, Safety, Security and Environment (HSSE) function works in close cooperation with our rigs to optimise activities governed by our HSSE Policy as well as our Corporate Major Accident Prevention Policy.

Management's review

Operating review

Corporate social responsibility

At the Company, we firmly believe that by conducting our operations through sustainable practices, we ensure a sound and viable business for the future. We have a responsibility to the people who work for the Company, but also to the people and the environment which are affected by our Company.

In 2020, Maersk Drilling launched one of the industry's most ambitious sustainability strategies based on three pillars: Sustainable Energy Future, Caring for People, and Responsible Business. During 2021, progress has been made with a special focus on the two main components of the strategy: Climate Action and Diversity & Inclusion.

Maersk Drilling's sustainability approach is described in further details on our website and in our Sustainability Report which also serves as our reporting pursuant to section 99a of the Danish Financial Statements Act. It can be found online at https://www.maerskdrilling.com/who-we-are/sustainability

Goals and policies for the underrepresented gender

The composition of the Company's Board of Directors is considered diverse, as one out of four shareholder-elected Board members is female. The Company is therefore not required to set a target for the underrepresented gender in the Board of Directors.

The Company adheres to the Diversity and Inclusion Policy, which was adopted by the Board of Directors of The Drilling Company of 1972 A/S, the parent company of the Maersk Drilling Group, on 11 February 2021. The Company does not discriminate based on age, gender, nationality, socioeconomic background, disability, religion or sexual orientation. The Company believes that diversity and inclusion can contribute to improved performance and high quality decision-making and is essential to innovation and organisational learning; critical elements to maintaining our position as a leading player in the offshore drilling industry.

In 2021, Maersk Drilling Group saw a slight improvement in diversity performance and with the new strategic focus, these developments will be accelerated. In 2021, the share of female employees stayed the same from 14% in 2020 to 14% in 2021. Onshore, women represent 40% of our workforce. Female leaders made up 25% of our onshore leadership in 2021 compared to 23% in 2020. Offshore, women only make up 2% of the workforce. Regarding the Executive Leadership team of the Drilling Company of 1972 A/S, a new female CFO started in January 2021, bringing the female representation to 25%.

In 2020, Maersk Drilling Group developed a dedicated D&I plan with targets and initiatives to make significant progress within a time-frame of three years. Maersk Drilling Group believes in the value of diverse role models at the top, and are therefore tackling the industry-specific challenge of gender diversity in leadership. Maersk Drilling is pursuing a significant leap forward on gender diversity to increase female representation on all onshore leadership levels through a female leadership target of 30% across leadership levels, 25% for senior leaders, and 20% for the Executive Leadership Team by end-year 2023.

Maersk Drilling Group's initial targets focus on female representation in leadership, as Maersk Drilling Group expects this to produce cascade effects across all diversity parameters. At the same time, Maersk Drilling Group is focusing on inclusion in the company to truly make diversity thrive.

In addition to the new leadership target, Maersk Drilling Group will be targeting four focus areas:

- Attracting and hiring female talent by removing bias from our recruitment process.

- Promoting impactful leadership careers through a more inclusive approach to talent identification and development.

- Transitioning to greater flexibility in ways of working and making inclusive leadership part of our

Management's review

Operating review

leadership development programs.

- Showing senior leadership commitment and increasing awareness across the company.

Data Ethics

Please refer to The Drilling Company of 1972 A/S statutory report on data ethics pursuant to section 99d of the Danish Financial Statements Act, which can be found online at:ggggggggggggggggggggggggggg https://investor.maerskdrilling.com/static-files/6dc9ccc7-834f-4b5a-b3b4-83c3e60da097

Financial statements 1 January – 31 December

Income statement

USD'000	Note	2021	2020
Revenue	2	178,015	94,411
Other external costs		-172,388	-81,616
Gross profit		5,627	12,795
Depreciation, amortisation and impairment losses		-7	-7
Profit before financial income and expenses		5,620	12,788
Income from equity investments in group entities		8,234	0
Financial income	3	587	1,766
Financial expenses	4	-1,670	-281
Profit before tax		12,771	14,273
Tax on profit/loss for the year	5	-752	-2,881
Profit for the year	6	12,019	11,392

Financial statements 1 January – 31 December

Balance sheet

USD'000	Note	31/12 2021	31/12 2020
ASSETS			
Fixed assets			
Property, plant and equipment	7		
Fixtures and fittings, tools and equipment		12	19
Investments	8		
Equity investments in group entities		1,324	1,251
Total fixed assets		1,336	1,270
Current assets			
Inventories			
Bunker and lube oil		0	159
Receivables			
Trade receivables		31,620	19,517
Receivables from group entities		78,695	43,782
Other receivables		3,178	1,395
Deferred tax asset	9	12	11
Corporation tax		978	0
Prepayments	10	740	826
		115,223	65,531
Total current assets		115,223	65,690
TOTAL ASSETS		116,559	66,960

Financial statements 1 January – 31 December

Balance sheet

USD'000	Note	31/12 2021	31/12 2020
EQUITY AND LIABILITIES			
Equity			
Contributed capital	11	1,613	1,613
Retained earnings		31,398	27,379
Proposed dividends for the financial year		8,000	0
Total equity		41,011	28,992
Liabilities			
Provisions	12		
Other provisions		4,700	4,700
Current liabilities			
Trade payables		16,176	8,723
Payables to group entities		54,173	21,079
Corporation tax		0	3,327
Other payables		336	139
Deferred income		163	0
		70,848	33,268
Total liabilities		75,548	37,968
TOTAL EQUITY AND LIABILITIES		116,559	66,960

Financial statements 1 January – 31 December

Statement of changes in equity

USD'000	Contributed capital	Retained earnings	Proposed dividends	Total
Equity at 1 January 2020	1,613	15,987	0	17,600
Transferred over the profit appropriation	0	11,392	0	11,392
Equity at 1 January 2021	1,613	27,379	0	28,992
Transferred over the profit appropriation	0	4,019	8,000	12,019
Equity at 31 December 2021	1,613	31,398	8,000	41,011

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Maersk Drilling Services A/S for 2021 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

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

Omission of consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of Maersk Drilling Services A/S and group entities are included in the consolidated financial statements of The Drilling Company of 1972 A/S, Lyngby Hovedgade 85, 2800 Kgs. Lyngby, Denmark, CVR no. 40404716

Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of The Drilling Company of 1972 A/S.

Change in comparative figures

Some adjustments of comparative figures have been made as a result of reclassifications.

Omission of audit fee disclosure

Pursuant to section 96(3) of the Danish Financial Statements Act, audit fee disclosures have been omitted as this information is included in the consolidated financial statements of The Drilling Company of 1972 A/S.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Fixed assets acquired in foreign currencies are measured at the exchange rates at the transaction day.

USD is used as functional currency and as presentation currency because the majority of transactions are in USD. At 31 December 2021, the exchange rate DKK/USD was 654.88 (2020: 605.76).

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Income statement

Revenue

Income from drilling activities, which are typically carried out under long-term agreements with fixed day rates, is recognised under revenue for the operating time related to the financial year.

Revenue from sale of goods is recognised upon the transfer of risk to the buyer.

Segment information

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

Other external costs

Other external costs comprise costs incurred during the year for bareboat hire of the rigs (operating lease), repair and maintenance, catering, hired crew and administrative expenses.

Financial income and expenses

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

Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity. The Company is part of A.P. Møller Holding A/S' joint taxation. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with refund for tax losses).

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Fixtures and fittings, tools and equipment	3-5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Investments

Equity investments in group entities and participating interests (including associates) are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value. The cost is reduced by dividends received exceeding accumulated earnings after the acquisition date.

Other receivables and deposits are recognised at amortised cost.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less write-down for bad debts. Write-down for bad debts is determined on the basis of an individual assessment of each receivable.

Prepayments

Prepayments comprise prepayment of costs incurred concerning rent, insurance premiums, subscriptions and interest relating to subsequent financial years.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Equity

Dividend

Dividends distribution proposed by Management for the year is disclosed as a separate equity item.

Provisions

Provisions are recognised when the company has a present legal or constructive obligation from past events. The item includes, among other, provisions for legal disputes, disputes over indirect taxes or duties and restructuring provisions. Provisions are recognised based on best estimates and are discounted where the time element is significant and where the time of settlement is reasonably determinable.

Liabilities

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

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Financial statements 1 January – 31 December

Notes

USD'000	2021	2020

2 Revenue

Geographical segments

Revenue, Brunei	45,326	27,038
Revenue, The Netherlands	0	44,453
Revenue, Suriname	132,608	22,920
Revenue, UK	81	0
	178,015	94,411

Business segments

Jack-up market	45,407	71,491
Floaters market	132,608	22,920
	178,015	94,411

3 Financial income

Interest income from group entities	12	42
Exchange gains from group entities	575	1,724
	587	1,766

4 Financial expenses

Interest expense to group entities	152	130
Other financial costs	301	51
Exchange losses	1,217	100
	1,670	281

5 Tax on profit/loss for the year

Current tax for the year	1,048	3,327
Deferred tax for the year	-1	0
Adjustment of tax concerning previous years	-1,720	-446
Tax paid in Suriname, no tax credit	1,397	0
Adjustment of tax concerning previous years; other adjustments	28	0
	0	0
	752	2,881

6 Proposed profit appropriation

Proposed dividends for the year	8,000	0
Retained earnings	4,019	11,392

Financial statements 1 January – 31 December

Notes

7 Property, plant and equipment

USD'000	Fixtures and fittings, tools and equipment
Cost at 1 January 2021	35
Cost at 31 December 2021	35
Depreciation and impairment losses at 1 January 2021	-16
Depreciation for the year	-7
Depreciation and impairment losses at 31 December 2021	-23
Carrying amount at 31 December 2021	12

8 Investments

USD'000	Investments in group entities
Cost at 1 January 2021	1,251
Additions for the year	73
Cost at 31 December 2021	1,324
Carrying amount at 31 December 2021	1,324

Name/legal form	Registered office	Voting rights and ownership interest	Equity	Profit/loss for the year
Subsidiaries:			USD'000	USD'000
Maersk Drilling Abu Dhabi	UAE	33,33%	176	0
Maersk Drilling JS-Services Lda Angola JV	Angola	49%	-481	-2,407
Maersk Drilling UK Limited	United Kingdom	100%	24,741	6,863
Maersk Drilling Brasil Serviços de Petróleo	Brasil	100%	-112	-218
			24,324	4,238

Financial statements 1 January – 31 December

Notes

9 Deferred tax assets

USD'000	31/12 2021	31/12 2020
Deferred tax at 1 January	11	11
Deferred tax adjustment for the year in the income statement	1	0
	12	11

10 Prepayments

Prepayments of USD 740 thousand (2020: USD 826 thousand) include advance payments for next year for insurance, training, rent, etc.

11 Contributed capital

The contributed capital consists of 6 shares in total: 2 shares of DKK 4,400,000, 1 share of 1,200,000, 2 shares of DKK 144,000 and 1 share of DKK 12,000.

No shares hold special rights. There have been no changes to the contributed capital during the last five years.

12 Other provisions

Non-current corporation tax relate to tax risk exposure Maersk Drilling Services A/S's operations in Ghana's old branch for the period 2010 to 2017. The non-current payable corporation tax is recognised at Management's best estimate.

13 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company is jointly taxed with all other Danish companies in the A.P. Møller Holding Group. As a fully owned subsidiary, the Company has unlimited and joint liability together with the other companies under joint taxation for Danish company tax, withholding taxes on dividends, interest and royalties within the jointly taxed companies.

Operating lease obligations

The Company has entered into operating lease contracts with a total lease obligation of USD 36 million (2020: USD 21 million), which all fall due within 1 year.

14 Mortgages and collateral

Jointly with other Maersk Drilling entities, the Company has guaranteed a total of USD 1,037 million related to a Term and Revolving Facilities Agreement held by The Drilling Company of 1972 A/S. As at 31 December 2021, USD 400 million of the facility was undrawn.

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Notes

15 Related party disclosures

The A.P. Moller og Hustru Chastine Mc-Kinney Møllers Fond til Almene Formaal, Copenhagen, Denmark is the ultimate owner.

Other related parties with a controlling interest:

- A.P. Møller Holding A/S, Esplanaden 50, DK-1263 Copenhagen K (ultimate parent company preparing consolidated financial statements)
- APMH Invest A/S, Esplanaden 50, DK-1263 Copenhagen K
- The Drilling Company of 1972 A/S, Lyngby Hovedgade 85, DK-2800 Kgs. Lyngby (initial parent company preparing consolidated financial statements)
- Maersk Drilling A/S, Lyngby Hovedgade 85, DK- 2800 Kgs. Lyngby (immediate parent company).

Other related parties

The Board of Directors and the Executive Management of the entities listed above with a controlling interest in Maersk Drilling Services A/S including their close relatives and undertakings under their significant influence are also considered related parties. This includes subsidiaries and affiliates to A.P. Møller Holding A/S, including A.P. Møller - Mærsk A/S and its subsidiaries and affiliates and Danske Bank A/S.

Related party transactions

Transactions with related parties are carried out on an arm’s length basis and are therefore not separately disclosed pursuant to section 98 C (7) of the Danish Financial Statements Act.

16 Disclosure of events after the balance sheet date

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