

# **Maersk Drilling North Sea A/S**

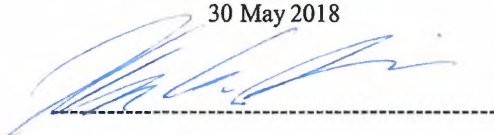
Lyngby Hovedgade 85  
2800 Kgs. Lyngby  
Company Reg. No. 38281283

## **Annual Report 2017**

(Financial year No. 2)

As adopted by the Company at the Annual General Meeting

30 May 2018



Klaus Greven Kristensen

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## Statement of the Board of Directors and Management

The Board of Directors and the Management have today discussed and approved the annual report for 2017 of Maersk Drilling North Sea A/S.

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

In our opinion, the Financial Statements provide a true and fair view of the Company's assets, liabilities, and financial position 31 December 2017 and of the results of the Company's operations for the financial year 2017.

It is also our opinion that the Management review includes a true and fair view of the development in the Company's operations and financial conditions, the results for the year and financial position.

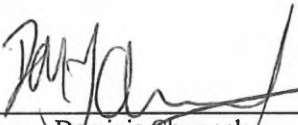
We recommend that the annual report be approved at the Annual General Meeting.


Lyngby, 30 May 2018

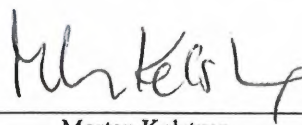
Management:

  
\_\_\_\_\_  
Angela Durkin

Board of Directors:

  
\_\_\_\_\_  
Dominic Charnock  
(Chairman)

  
\_\_\_\_\_  
Klaus Greven Kristensen

  
\_\_\_\_\_  
Morten Kelstrup

## Independent Auditor's Report

To the shareholder of Maersk Drilling North Sea A/S

### *Opinion*

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2017, and of the results of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Maersk Drilling North Sea A/S for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

### *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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Statement on Management's Review*

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

## Independent Auditor's Report

### *Management's Responsibilities 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 as 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.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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.

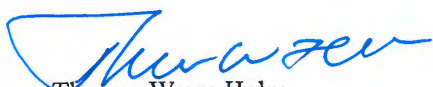
## Independent Auditor's Report

- 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.

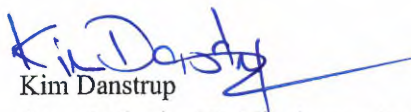
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 30 May 2018

**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
CVR No 33771231



Thomas Wraae Holm  
State Authorised Public Accountant  
mne30141



Kim Danstrup  
State Authorised Public Accountant  
mne32201

## **Management's Review**

### **Company details**

Maersk Drilling North Sea A/S  
Lyngby Hovedgade 85  
2800 Kgs. Lyngby

Company Reg. No.: 38281283  
Date of incorporation: 13 December 2016  
Registered office: Lyngby  
Financial year: 1 January 2017 - 31 December 2017

### **Board of Directors**

Dominic Charnock (Chairman)  
Klaus Greven Kristensen  
Morten Kelstrup

### **Management**

Angela Durkin

### **Auditors**

**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

### **Annual General Meeting**

Annual General Meeting will be held 30 May 2018.

## Management's Review

### Financial Highlights and Key Figures

USD ('000)	2017	2016
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#### Financial Highlights

Revenue	64,862	177,924
Gross result	44,939	143,075
Result before financial items	(27,146)	39,799
Financial items, net	(96)	53
Result before tax	(27,242)	39,852
<b>Result for the year</b>	<b>(23,344)</b>	<b>61,478</b>

Total assets	346,611	371,339
Investing activities*	(2,268)	0
<b>Total equity (incl. proposed dividend)</b>	<b>282,392</b>	<b>305,737</b>

#### Key Figures

Return on invested capital	(16)%	10%
Liquidity ratio	199%	63%
Equity ratio	82%	82%
Return on equity	(17)%	20%

\*) Does not include fixed assets taken over as part of the non-cash contribution 1 January 2017 from A.P. Møller - Mærsk A/S, net USD net USD ('000) 346,987 in non-current assets.



## **Management's Review**

### **The Company's main activities**

On 1 January 2017 the shared capital of the company was increased by a non-cash contribution from A.P Møller-Mærsk A/S consisting of the drilling rigs Mærsk Innovator, Mærsk Gallant, Mærsk Inspirer and Mærsk Giant.

The Company's main activity is lease of the above mentioned four drilling rigs.

### **Development in activities and finances**

During 2017 Mærsk Innovator has been employed in the Norwegian North Sea while Mærsk Gallant has been employed in the United Kingdom North Sea. The two rigs Mærsk Inspire and Mærsk Giant were idle during the entire 2017.

The result for the year amounts to a loss of USD 23m, which is unsatisfactory, however this is due to an impairment loss of USD 34m was recognised in 2017.

### **Particular risks**

#### **Market risks**

The main risks to the Group's performance and strategy execution relate to future employment of rigs and operational performance. The offshore market continues to remain depressed due to weak demand for drilling rigs and significant excess capacity in global rig supply. Leading indicators, however, showed signs of support for future drilling rig activity. Buoyed by an increase in tendering activity, the number of contracts awarded globally has risen approximately 20% compared to 2016, while the average duration of these contracts remained largely unchanged.

Impairment indicators in Maersk Drilling are lower day rates on new contracts and a decline in fair values of rigs and drillships, which in many cases have dropped below carrying amount. The fair value estimates are highly uncertain due to the character of the assets and few transactions. The value in use calculations for the individual cash generating units are sensitive to the day rates expected to apply when contracts expire and to the risks of idle periods in the forecasts. In addition, the discount rate, growth rate and EBITDA margin in the terminal period are critical variables. The day rates in the short to medium term are significantly lower than the rates at which the Group has prior contracted. In line with analysts in the market, management expects a gradual move towards more economically sustainable rates in the long-term.

#### **Financial exposure**

The Company's revenue is mainly denominated in USD, while costs are in USD and other currencies. The currency exposure is not considered to be significant.

The Company has a small concentration of customers, but is not considered to have any credit risks.

## **Outlook**

For 2018 management expects to reach a better result than 2017. Due to the uncertain prospects for off-contract rigs, further impairment losses may be recognised in the coming years, if markets develop significantly adverse compared to current expectations.

## **Particular risks**

### **Financial exposure**

The Company's revenue is mainly denominated in USD and NOK, while costs are in USD, NOK and other currencies. The currency exposure is not considered to be significant.

The Company has a small concentration of customers, but is not considered to have any credit risks.

## **Sustainability**

At Maersk Drilling, 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 Maersk Drilling, but also to the people and the environment which are affected by our company. Our major focus area is safety, but we also put much effort into the areas of e.g. local content as well as environment and climate. Please refer to our online Sustainability Report 2017 at <http://www.maerskdrilling.com/>, in which we provide a complete overview of Maersk Drilling's work with sustainability and our sustainability performance.

## **Safety**

It is our belief that fundamentally, safety is an active decision and the result of a serious commitment from all employees in Maersk Drilling, and we have an ambition of reaching zero incidents by 2018. Our people and the environment will only be safe with the right systems, procedures, technology, and a strong safety culture.

## **Local content**

Training and developing the talent of local employees, assigning our third party code of conduct to local suppliers and transferring knowledge to local communities all continue to be a priority for Maersk Drilling. We want to move beyond compliance with local content requirements and to increase shared value by proactively engaging with stakeholders.

### **Environment & climate**

Discharges, air emissions, and how we manage chemicals and waste are our primary focus areas when it comes to minimising the environmental impact of our operations. We work with our customers, local communities and internationally recognised bodies to ensure that environmental factors are integrated into our business principles and into operational practices.

### **Subsequent events**

A merger plan has been prepared by the boards of directors of Maersk Volve A/S and Maersk Drilling North Sea A/S for the purpose of undertaking a merger between the companies whereby Maersk Drilling North Sea A/S will be the continuing company and Maersk Volve A/S will be the discontinuing company.

The merger shall be implemented by transfer of the discontinuing company's assets and liabilities as a whole to the continuing company. The discontinuing company will be dissolved without liquidation in connection with the merger.

Maersk Drilling A/S holds all the shares in the two merging companies.

Following completion of formal requirements including publication of Declaration of on the Creditor's Position, it is expected that the shareholders of the two merging companies will approve the merger with effect retroactively 1 January 2018.

## **Financial Statements 1 January - 31 December**

### **Accounting policies**

The Financial Statements of Maersk Drilling North Sea A/S for 2017 have been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B.

The tax-exempt capital contribution and transfer of the four rigs from A.P. Møller - Mærsk A/S to Maersk Drilling North Sea A/S were recognized at book value at the date of transfer, 1 January 2017, due to pooling of interests. Due to this the comparative figures for 2016 has been restated.

Additional note disclosures required by reporting class C has been included in the financial statements.

### **Change in accounting policies**

In accordance with sections 16 of the Danish Financial Statement Act, the company has elected to report its financial result in USD since the majority of the transactions are in USD. In 2016 the reporting currency was DKK. The financial results for 2016 and 2017 are not influenced by the change in accounting policies. All transactions in 2016 have been recognised with the original USD currency rate at the original transaction date.

### **Recognition and measurement**

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised costs are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, write-downs and provisions and reversals as a result of changes in accounting estimates of amounts previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

## **Financial Statements 1 January - 31 December**

### **Accounting policies**

#### **Income statement**

##### **Revenue**

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

##### **Lease Income**

Lease income from operating leases is recognised over the lease term of the rig.

##### **Other external cost**

Other external costs comprise expenses incurred during the year for repair and maintenance, catering, hired crew and administrative costs.

##### **Financial income and expenses**

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

##### **Tax on result for the year**

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the result for the year is recognised in the income statement, whereas the tax attributable to equity transactions 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 concerning tax losses).

## **Financial Statements 1 January - 31 December**

### **Accounting policies**

#### **Balance sheet**

##### **Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. The depreciation base is the cost prices less estimated residual value at the end of useful life, which for rigs (newbuildings) typically constitute 25 years and other equipment, fixtures, etc. typically constitute 5-10 years.

Estimates of useful lives and residual values are reassessed periodically. Impairment losses are recognised when carrying amount of an asset exceeds the highest of the capital value (value in use) and net selling price.

Cost of yard stays for rigs are recognised when incurred in the value of rigs, etc. and depreciated over the period until the next yard stay.

Gains and losses on sale of property, plant and equipment are calculated as the difference between sales price less cost of sale and the carrying amount of the asset at the time of sale. Gains & losses are recognised in the income statement.

##### **Impairment of non-current assets**

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If the recoverable amount is lower than the carrying amount, the asset is written down to its lower recoverable amount.

## **Financial Statements 1 January - 31 December**

### **Accounting policies**

#### **Balance sheet**

##### **Receivables**

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

##### **Prepayments**

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

##### **Deferred tax assets and liabilities**

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity or within joint taxation.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

##### **Current tax receivables and liabilities**

Current tax liabilities and current tax receivables are recognized in the balance sheet as calculated tax on the taxable income adjusted for tax on prior years' taxable income and paid on account taxes.

##### **Provisions**

Provisions are recognised when the company has a current legal or constructive obligation, and if the amount can be measured reliably. Provisions are recognised on the basis of best estimates.

##### **Financial debt**

Other debts are recognised at amortised cost, which, essentially corresponds to the nominal value.

## **Financial Statements 1 January - 31 December**

### **Accounting policies**

#### **Balance sheet**

#### **Translation policies**

Transactions in foreign currencies are translated at the exchange rates at the date of the transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

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

USD is used as functional currency and as presentation currency because the majority of transactions are in U.S. dollars. At 31 December 2017 the exchange rate DKK/USD was 620.77 (2016: 705.50).



## Financial Statements 1 January - 31 December

### Accounting policies

#### Financial highlights

The financial highlights have been defined as follows:

Return on invested capital	$\frac{\text{Profit/loss before financial items} \times 100}{\text{Average invested capital}^1}$
Liquidity ratio	$\frac{\text{Total current assets} \times 100}{\text{Short-term liabilities}}$
Equity ratio	$\frac{\text{End year equity} \times 100}{\text{End year total assets}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

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<sup>1</sup> Average invested capital is calculated excluding cash, cash equivalents and non-interest bearing debt.

## Financial Statements 1 January - 31 December

### Income statement

Note	2017 USD ('000)	2016 USD ('000)
1	64,862	177,924
	(19,923)	(34,850)
	<b>44,939</b>	<b>143,075</b>
6, 7	(72,085)	(103,276)
	<b>(27,146)</b>	<b>39,799</b>
2	0	53
3	(96)	0
	<b>(27,242)</b>	<b>39,852</b>
4	3,898	21,626
	<b>(23,344)</b>	<b>61,478</b>

## Financial Statements 1 January - 31 December

### Balance sheet

Note	ASSETS	2017 USD ('000)	2016 USD ('000)
	<b>Property, plant and equipment</b>		
5	Rigs	285,109	357,194
	Assets under construction	2,268	0
		<u>287,377</u>	<u>357,194</u>
	<b>Total non-current assets</b>	<u>287,377</u>	<u>357,194</u>
	<b>Current assets</b>		
	<b>Receivables</b>		
	Receivables from subsidiaries and group enterprises	57,535	13,712
	Other receivables	1,599	18
6	Prepayments, etc.	99	415
	<b>Total receivables</b>	<u>59,234</u>	<u>14,145</u>
	<b>Total current assets</b>	<u>59,234</u>	<u>14,145</u>
	<b>TOTAL ASSETS</b>	<u>346,611</u>	<u>371,339</u>

## Financial Statements 1 January - 31 December

### Balance sheet

Note	EQUITY AND LIABILITIES	2017 USD ('000)	2016 USD ('000)
	<b>Equity</b>		
	Share capital	1,418	1,418
	Retained earnings	280,975	304,319
	<b>Total equity</b>	<b>282,393</b>	<b>305,737</b>
	<b>Provisions</b>		
7	Deferred tax liability	34,457	43,233
	<b>Total non-current liabilities</b>	<b>34,457</b>	<b>43,233</b>
	<b>Short-term liabilities</b>		
8	Current share of borrowings from group enterprises	2,225	0
	Trade payables	6,141	10,507
	Payables to subsidiaries and group enterprises	16,517	9,748
	Other payables	4,878	0
	Deferred income	0	2,114
		<b>29,762</b>	<b>22,369</b>
	<b>Total liabilities</b>	<b>64,219</b>	<b>22,369</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>346,611</b>	<b>371,339</b>
9	<b>Appropriation</b>		
10	<b>Commitments and contingent liabilities, etc.</b>		
11	<b>Employee remuneration</b>		
12	<b>Related parties</b>		
13	<b>Consolidation</b>		
14	<b>Events after the balance sheet date</b>		

## Financial Statements 1 January - 31 December

### Equity statement

USD ('000)	Share- capital	Retained earnings	Total
Equity 1 January 2016	1,418	242,841	244,259
Result for the year	0	61,478	61,478
<b>Equity 1 January 2017</b>	<b>1,418</b>	<b>304,319</b>	<b>305,737</b>
Result for the year	0	(23,344)	(23,344)
<b>Equity 31 December 2017</b>	<b>1,418</b>	<b>280,975</b>	<b>282,393</b>

The share capital comprises 1,000 shares of DKK 1,000. No shares hold special rights.

## Financial Statements 1 January - 31 December

### Notes

	2017	2016
	USD ('000)	USD ('000)
<b>1 Revenue</b>		
Revenue, Norway	64,862	177,262
Revenue, UK	0	662
	<u>64,862</u>	<u>177,924</u>
<b>2 Financial income</b>		
Exchange gain from group enterprises	0	53
	<u>0</u>	<u>53</u>
<b>3 Financial expenses</b>		
Exchange loss to group enterprises	(96)	0
	<u>(96)</u>	<u>0</u>
<b>4 Tax on the result of the year</b>		
Tax for the year	(4,877)	0
Change in deferred tax	10,870	17,254
Adjustments to prior years change in deferred tax	(2,095)	4,372
	<u>3,898</u>	<u>21,626</u>

## Financial Statements 1 January - 31 December

### Notes

#### 5 Property, plant and equipment

USD ('000)	Rigs	Assets under construction	Total
Cost price 1 January 2017	976,543	0	976,543
Additions	0	2,268	2,268
Cost price 31 December 2017	976,543	2,268	978,811
Depreciation and impairment losses 1 January 2017	(619,349)	0	(619,349)
Depreciation and impairment losses	(72,085)	0	(72,085)
<b>Carrying amount 31 December 2017</b>	<b>285,109</b>	<b>2,268</b>	<b>287,377</b>

## Financial Statements 1 January - 31 December

### Notes

**6 Prepayments, etc.**

Current assets, prepayments USD 99k (2016: USD 415k) include advance payments for next year's engineering services for the rig.

**7 Deferred tax**

Deferred tax relates to deferred tax on the carrying amount of the rigs and provisions.

USD ('000)	Assets	Liabilities
Deferred tax 1 January 2017	0	43,233
Change in deferred tax	0	(8,776)
<b>Deferred tax 31 December 2017</b>	<b>0</b>	<b>34,457</b>

**8 Borrowings**

USD ('000)	Total balance 31/12/17	Install- ment next year	Balance due after 5 years
Loan from group enterprises	2,225	2,225	0
	<b>2,225</b>	<b>2,225</b>	<b>0</b>



## Financial Statements 1 January - 31 December

### Notes

#### 9 Appropriation

	2017	2016
	USD ('000)	USD ('000)
Retained earnings	<u>(23,344)</u>	<u>61,478</u>
	<b><u>(23,344)</u></b>	<b><u>61,478</u></b>

#### 10 Commitments and contingent liabilities, etc.

##### Operating lease commitments

The company has no commitments entered into.

##### 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.

## Financial Statements 1 January - 31 December

### Notes

#### 11 Employee remuneration

Maersk Drilling North Sea A/S has not had employees in 2017 and 2016. Personnel are hired from affiliates in the A.P. Møller - Maersk Group.

The Board of Directors has not been remunerated.

#### 12 Related parties

The following related parties have a controlling interest in Maersk Drilling North Sea A/S;

The A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene formaal, Copenhagen, Denmark and A.P. Møller Holding A/S has control over the A.P. Møller - Maersk Group.

Other related parties with dominant influence include;

- A.P. Møller - Mærsk A/S, Esplanaden 50, 1098 Copenhagen K.
- Maersk Drilling A/S, Lyngby Hovedgade 85, 2800 Kgs. Lyngby. The parent company

#### Other related parties

Subsidiaries and affiliates to A.P. Møller Holding A/S.

Related parties also include the Board of Directors and leading employees and their family members. Related parties also include companies in which the above persons have significant interests.

## **Financial Statements 1 January - 31 December**

### **Notes**

#### **13 Consolidation**

The consolidated financial statements of A.P. Møller - Mærsk A/S, Esplanaden 50, 1098 Copenhagen can be obtained by contacting this company or at its website <http://www.maersk.dk>. The consolidated financial statements of A.P. Møller - Holding A/S can be obtained by contacting this company.

#### **14 Events after the balance sheet date**

A merger plan has been prepared by the boards of directors of Maersk Volve A/S and Maersk Drilling North Sea A/S. Maersk Drilling A/S holds all the shares in the two merging companies.

Maersk Drilling North Sea A/S will be the continuing company and Maersk Volve A/S will be the discontinuing company.

It is expected that the shareholders of the two merging companies will approve the merger with effect retroactively 1 January 2018.

No further events other than above mentioned have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.