

S.D. Standard Drilling Plc.

2Q 2021 Presentation

26 August 2021



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2Q21 Highlights

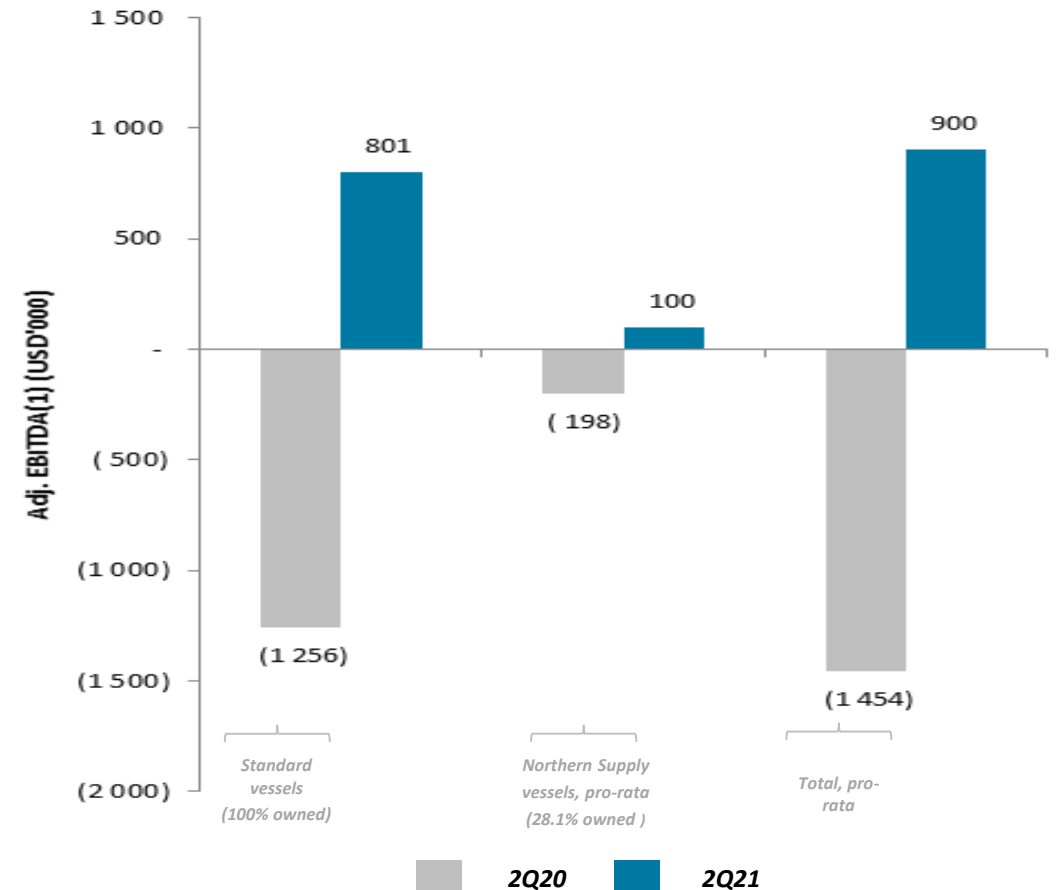
Financials

- Profit after tax of USD 8.3m (USD -3.6m) incl. unrealized gains from investment portfolio and financial assets
- Adj. EBITDA of USD 0.9m (USD -1.5m) ⁽¹⁾ – whereof USD 0.8m from the large-sized PSVs
- Total cash balance of USD 10.9m (USD 37.4m) ⁽²⁾
- Listed share portfolio of USD 26m
- Equity book value of USD 92m or NOK 1.5/sh ⁽³⁾

Commercial/ Investments

- Invested USD 10.6m in Weatherford International
- Entered into a MOA in June to sell Standard Olympus for USD 7.5m
- Utilization of 100%/ 96% for large/ medium-sized PSVs

Adj. EBITDA PSVs – 2q21 vs. 2q20



⁽¹⁾ Note: Not consolidated. EBITDA for PSV vessels only (pro-rata), adjusted for start up cost, non-recurring cost and dry dock, special survey, maintenance and repairs. Numbers in brackets are comparable numbers from 2q 20

⁽²⁾ Including pro-rata ownership of cash in subsidiaries and investments in PSV's and VLCC, of which USD 8.3 is cash in SDDSD and subsidiaries.

⁽³⁾ Basis USD/NOK 8.6 end of June-21 and 524,482,901 issued shares (excluding treasury shares)

Subsequent events

Financials

- Sold all shares in Noble Corporation, realizing a profit of USD 2m
- Completed sale of Standard Olympus, receiving gross USD 7.5m
- Cancelled 8m treasury shares, total number of outstanding shares are then 524.5m

Commercial/ Investment update

- Strengthened investment team with Espen Landmark Fjermestad and Espen Westeren
- Average utilization of 100%/ 88% in July for large/ medium sized PSVs
- Gustavia S completed her fifth voyage in mid-July (TCE of USD 25.5k/d from delivery through 2q21 vs. CBE of USD 26k/d)

Company update

Investment Portfolio

- Weatherford: Purchased 0.75m shares at USD 14.1 in 2q21
- Other investments
- Cash of USD 25m per August ⁽¹⁾

Asset portfolio

- Investments in medium- and large size PSVs
- Investment in the VLCC "Gustavia S"

(1) Cash include SD Standard Drilling Plc only and the sale of Standard Olympus

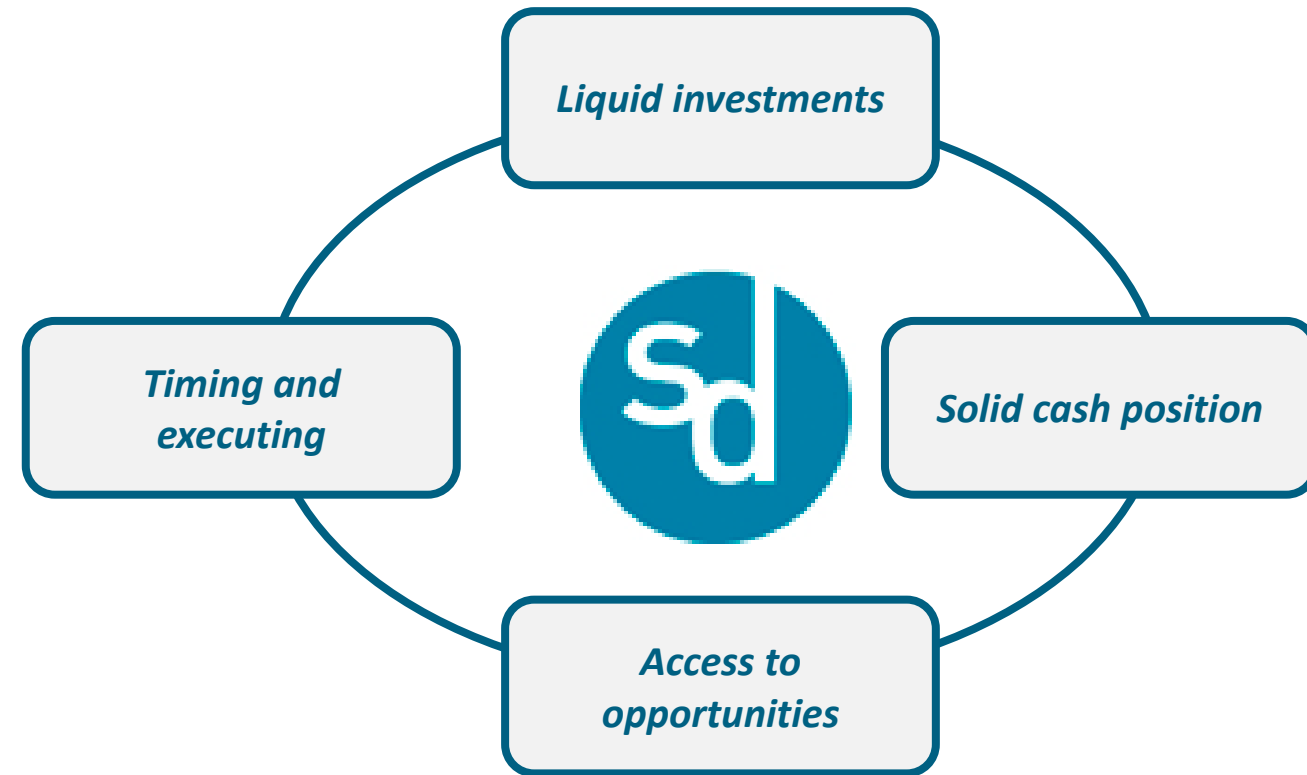
Strategy update

Investment theme

- Previously: Playing the cycles through physical assets and levered cases
- Future: Liquid investments within shipping, offshore, energy, renewables and commodities

Focus areas

- Opportunistically build portfolio of liquid investments
- Research driven, trading oriented
- Maintain high operational performance of PSVs and VLCCs



Investment Universe – Playing the Different Cycles

Liquid investments in shipping, offshore, energy and renewables

Shipping/ Offshore/ Renewables
~200 companies / ~USD 2,000bn cap



Liquid investments in cyclical commodities

Commodities
~USD 20,000bn+



Investment Portfolio- Main investments

Weatherford International Plc (WFRD)

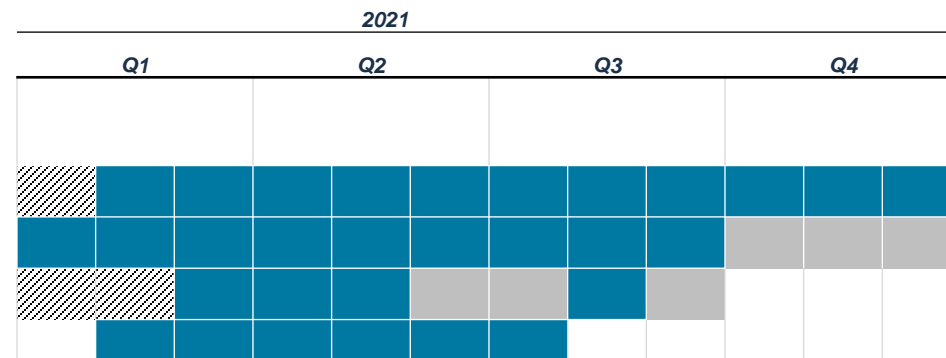
- Purchased 0.75m shares in Weatherford (WFRD) at USD 14.1/sh, corresponding to USD 10.6m
- WFRD completed its restructuring- and Chapter 11 process in late 2019
- Leading wellbore- and production solution company
- Has divested the low-margin businesses and focused on cost cutting
- Solid margin businesses such as Managed Pressure Drilling, Tubular Running Services, Cementation Products and artificial lift
- Listed on Nasdaq with ticker WFRD

Noble Corporation (sold in 3q21)

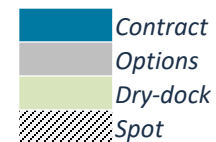
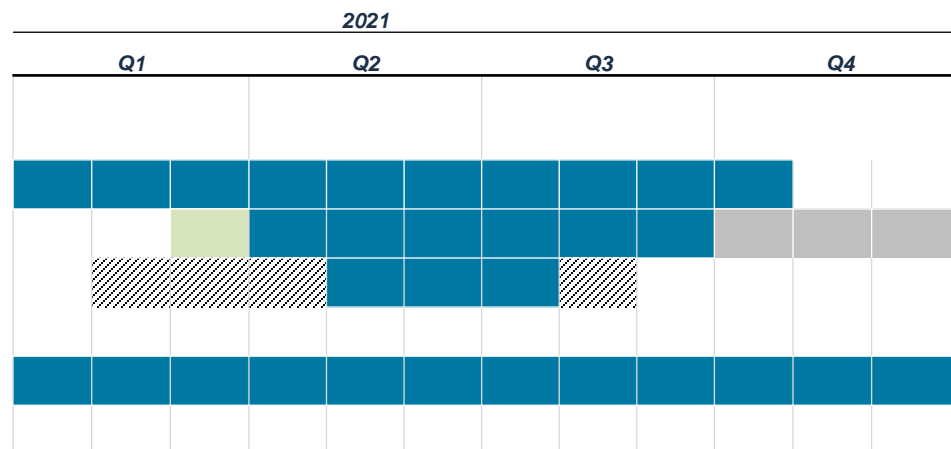
- Purchased 0.5m shares in Noble Corporation (NE) at USD 18.5/sh, corresponding to USD 9.3m
- Shares sold in July, realizing a profit of USD 2m

PSVs – Contract overview

Vessel	Built	Client	Country
Large-size Vessels			
Standard Viking	2007	Shell UK	UK
Standard Princess	2008	CNR	UK
Standard Supplier	2007	ASCO	UK
Standard Olympus	2014	SOLD	UK

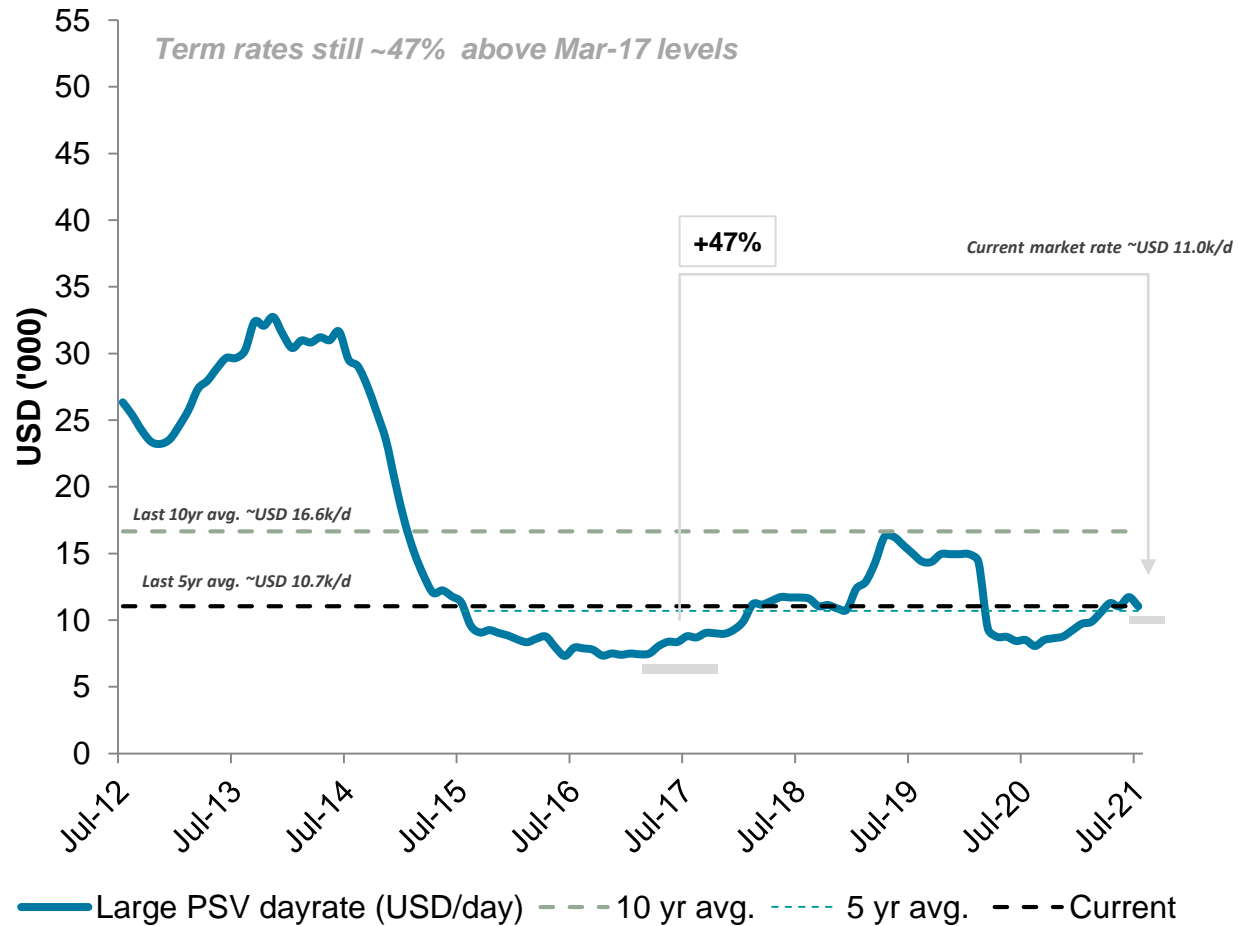


Vessel	Built	Client	Country
Mid-size Vessels			
FS Balmoral	2008	Serica Energy (UK) Limited	UK
FS Kristiansand	2005	Perenco	UK
FS Braemar	2007	Spot	UK
FS Bergen	2006	Lay-up	UK
FS Abergeldie	2008	SeaRenergy	DE
FS Crathes	2008	Lay-up	UK

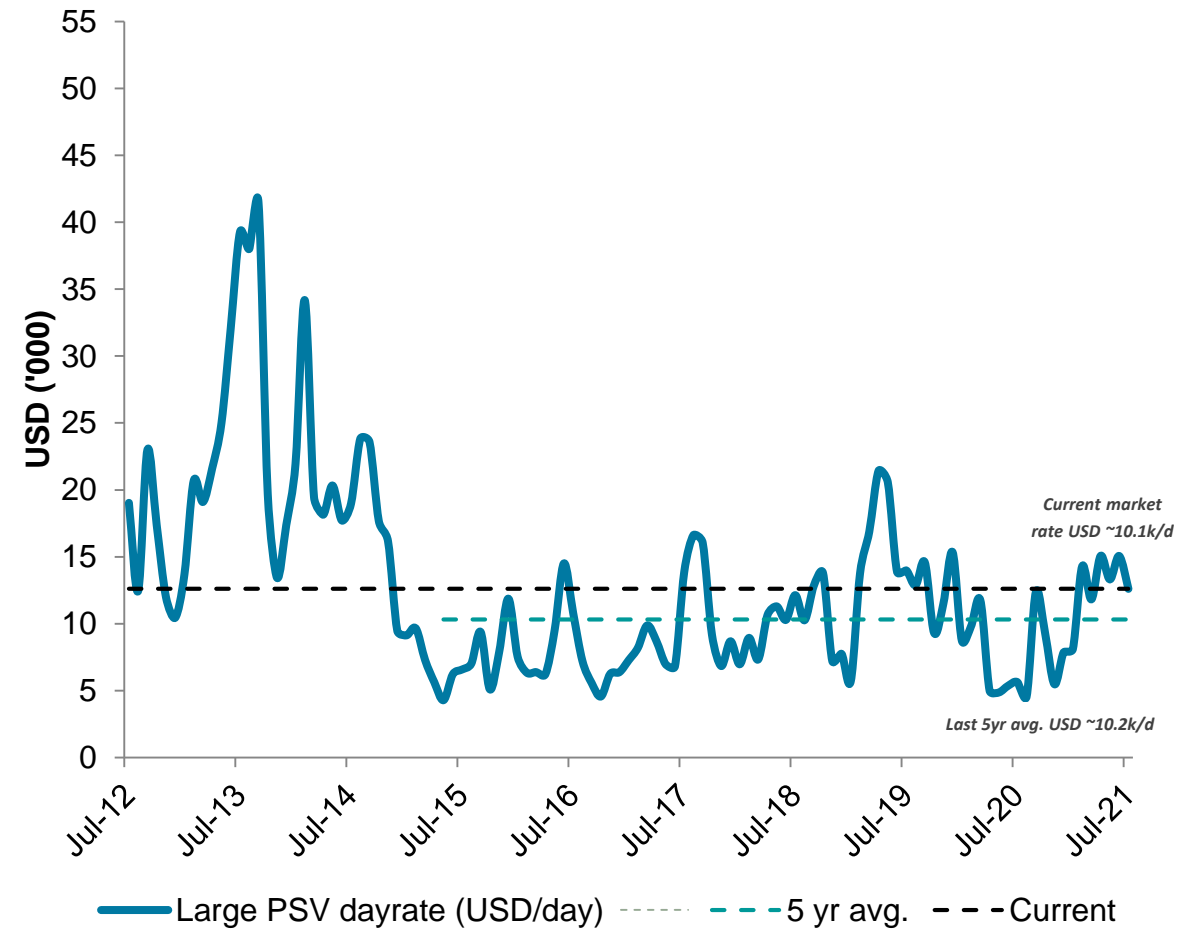


PSVs – Commercial update large-size PSVs

Large-size PSV term rates (900m²)

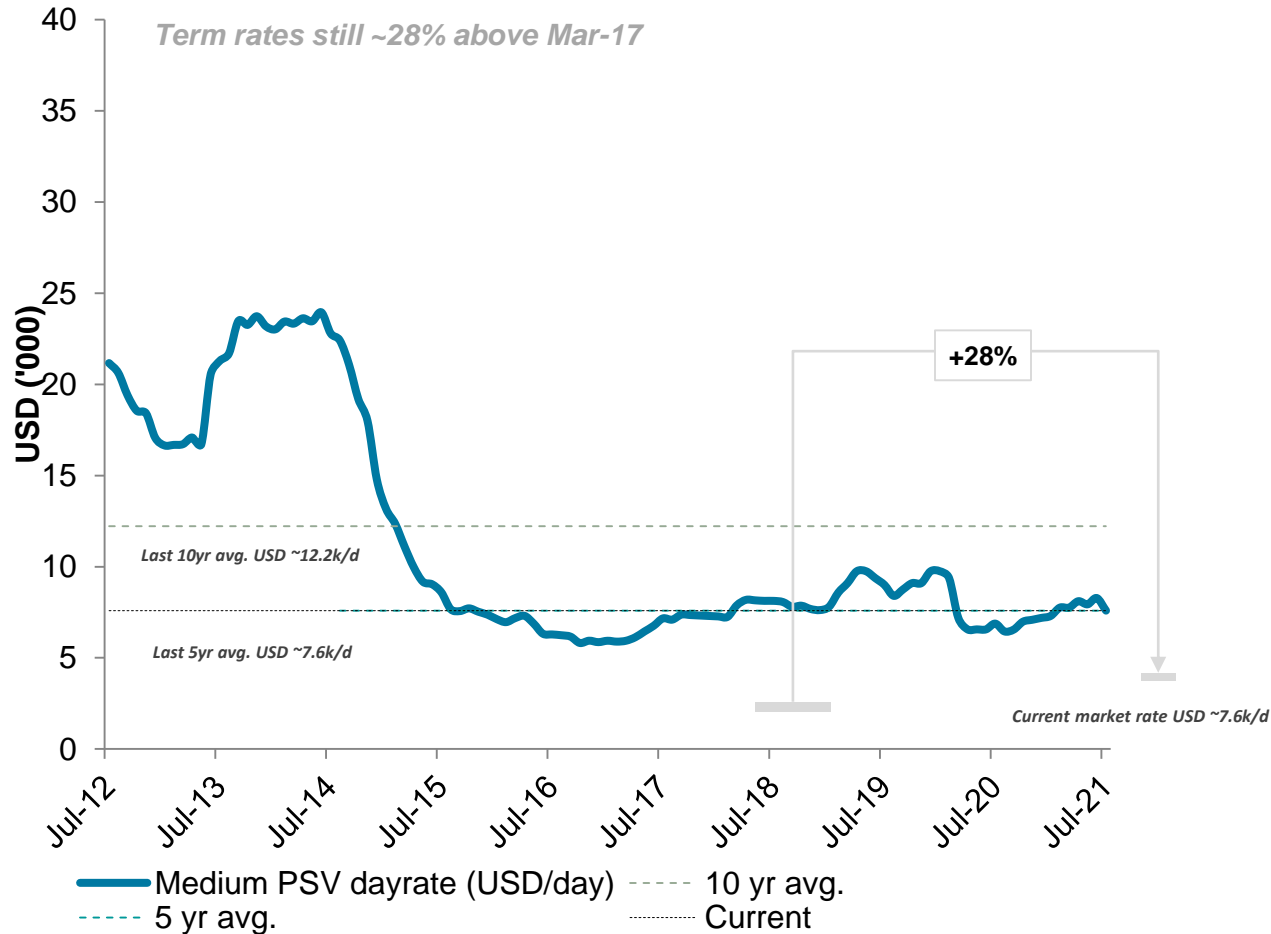


Large-size PSV spot rates (900m²)

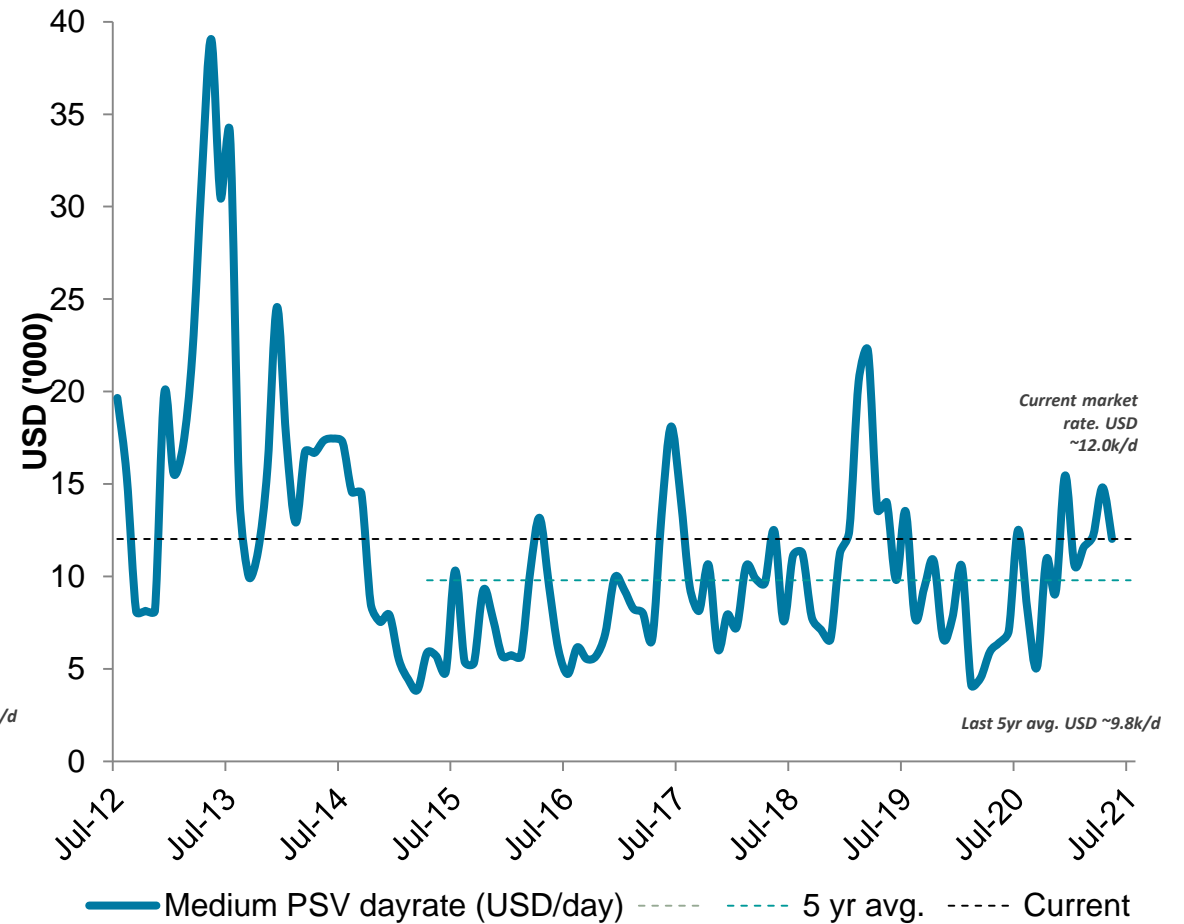


PSVs – Commercial update mid-size PSVs

Mid-size PSV term rates (500-749m²)

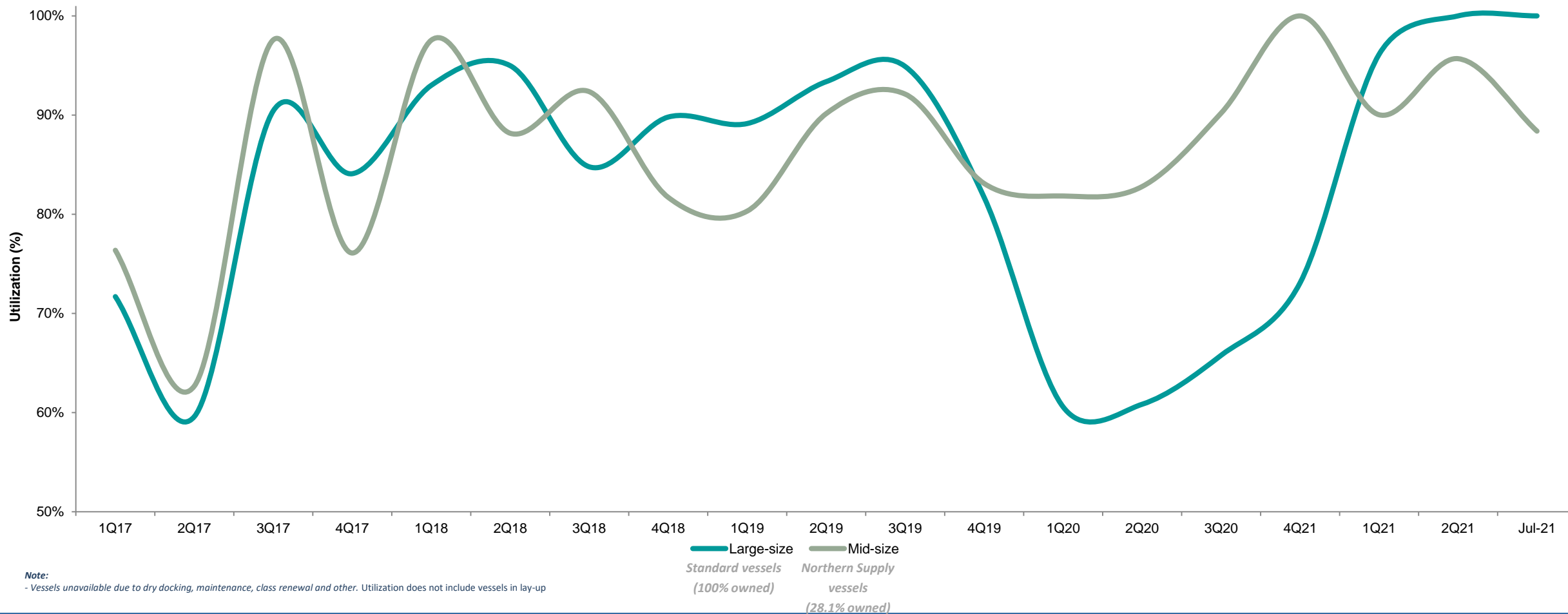


Mid-size PSV spot rates (500-899m²)



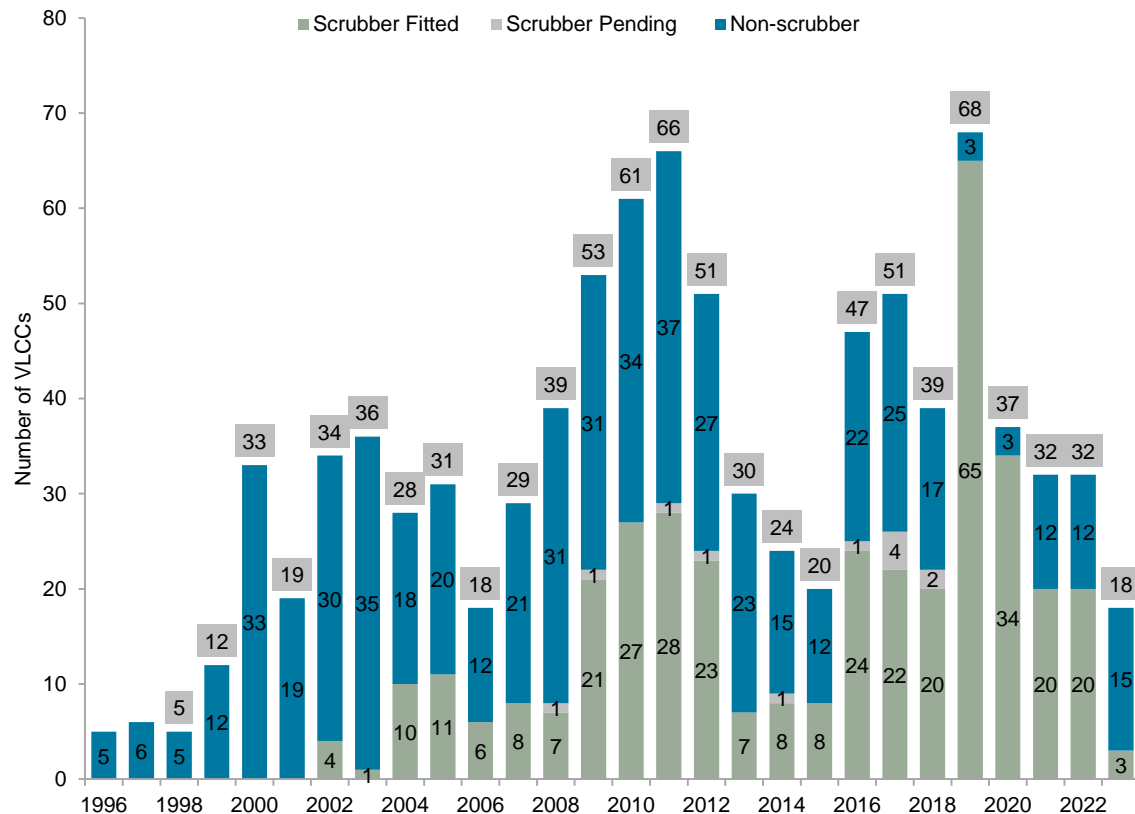
PSVs – Fleet utilization

Combined fleet utilization 1Q17 to July-21



VLCCs – Limited orderbook

VLCC fleet by year of build and orderbook



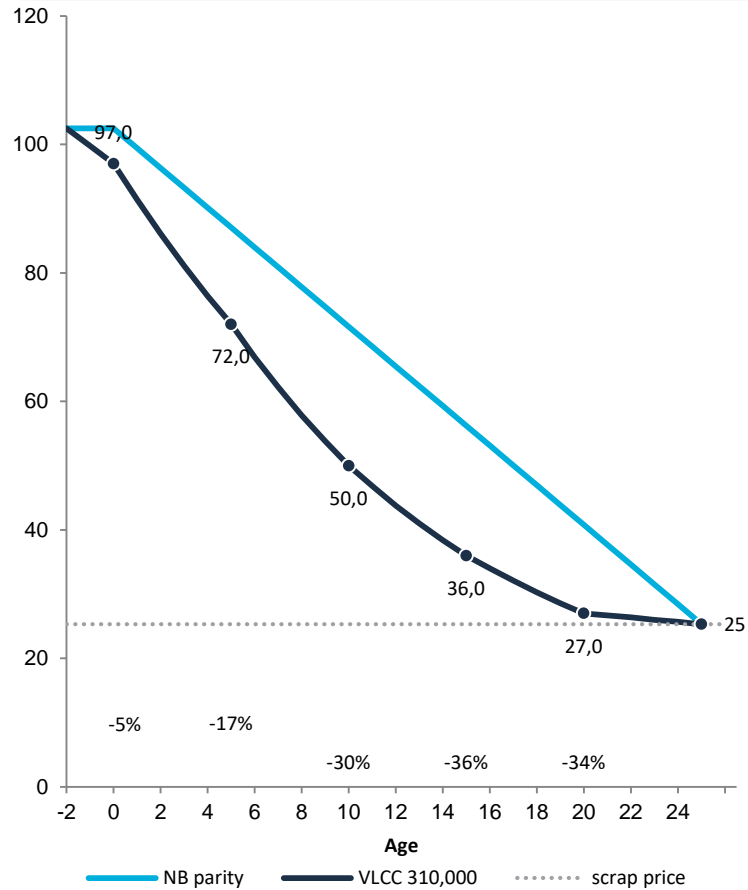
VLCC orderbook % of fleet



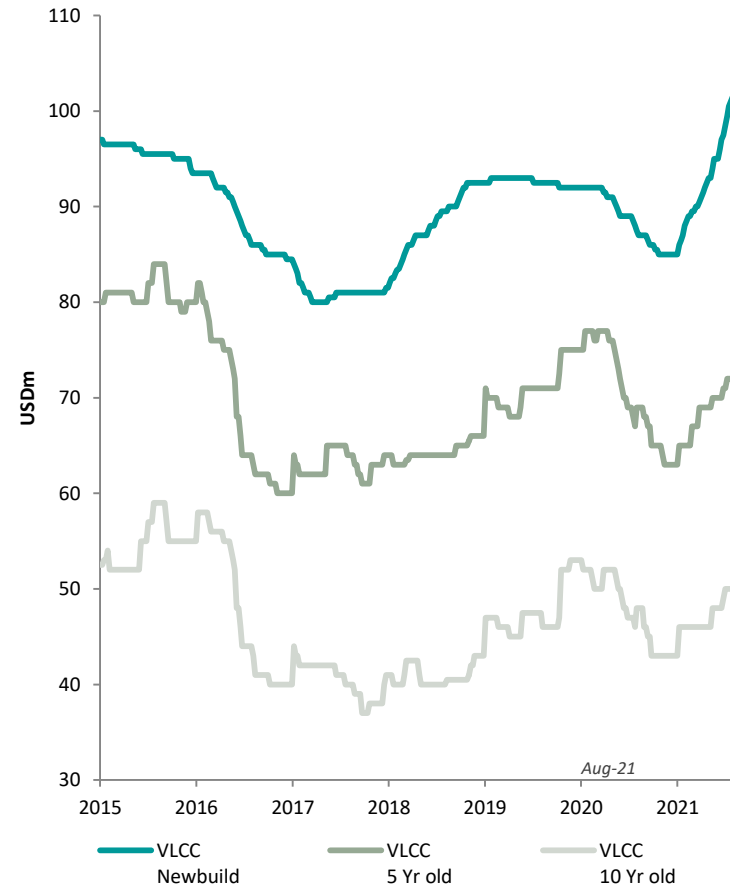
Ageing asset profile and low net fleet growth

VLCCs – Limited orderbook

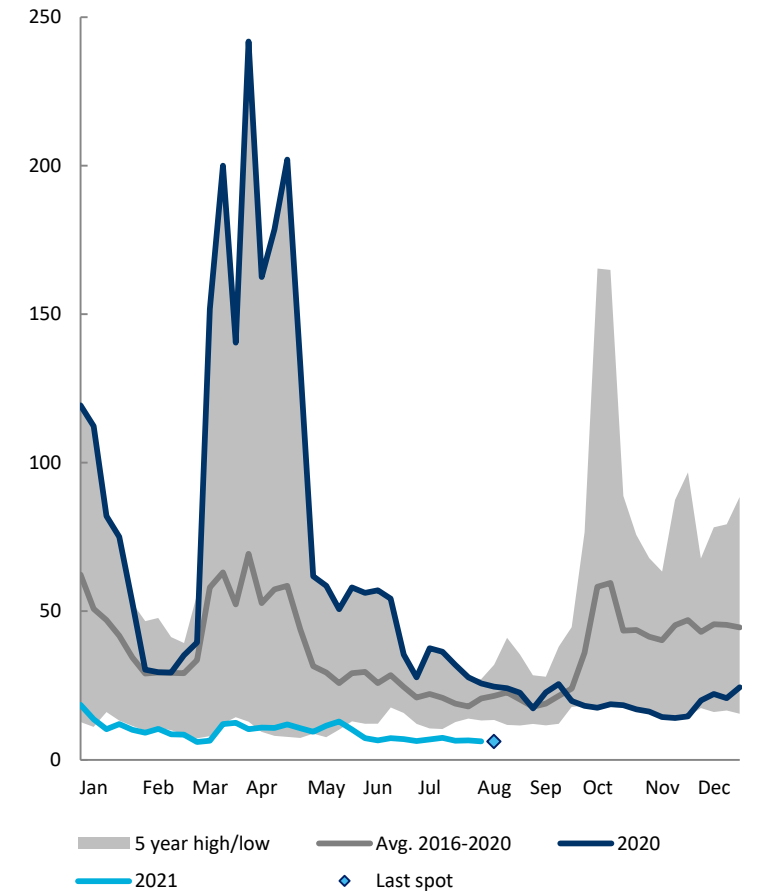
VLCC NB parity



VLCC values last 5 years



VLCC dayrates



Appendix



Income statement

S.D. Standard Drilling – Income statement for 2Q21

	Three Months Ended		Six Months Ended	
	2021 Q2	2020 Q2	2021 Q2	2020 Q2
(Amounts in USD 000)	Unaudited	Unaudited	Unaudited	Unaudited
Income				
Changes in fair value on financial assets at fair value through profit or loss	2 166	(7 307)	89	(16 768)
Changes in fair value on financial assets at fair value through profit or loss – held for trading	6 250	9	6 415	9
Other income	-	3 437	-	3 437
Interest income from cash balance at amortised cost	7	1	21	38
Net foreign currency gains or (losses)	(2)	412	(5)	(627)
Total net income /(loss)	8 421	(3 448)	6 520	(13 911)
Expenses				
Administration fees	(137)	(137)	(285)	(256)
Total operating expenses	(137)	(137)	(285)	(256)
Operating profit/(loss)	8 284	(3 585)	6 235	(14 167)
Finance costs				
Sundry finance income/(expenses)	(1)	(1)	(2)	(2)
Profit/(loss) for the period before tax	8 283	(3 586)	6 233	(14 169)
Income tax expense	-	-	-	-
Profit/(loss) for the period after tax	8 283	(3 586)	6 233	(14 169)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income/(loss) for the period	8 283	(3 586)	6 233	(14 169)
Earnings/(loss) per share				
Basic/diluted earnings/(loss) per share (USD)	0,02	(0,01)	0,01	(0,02)

Balance sheet

S.D. Standard Drilling – Balance sheet for 2Q21

<i>(Amounts in USD 000)</i>	Note	30.06.2021	31.12.2020
ASSETS		<i>Unaudited</i>	<i>Audited</i>
Equipment and machinery		1	1
Financial assets at fair value through profit or loss	4.1	59 568	58 862
Total non-current assets		59 569	58 863
Trade and other receivables		14	14
Current tax asset		1	1
Financial assets at fair value through profit or loss held for trading	4.2	26 015	-
Cash and bank balances		6 216	27 623
Total current assets		32 246	27 638
Total Assets		91 815	86 501
EQUITY AND LIABILITIES			
Ordinary shares	5	15 981	17 281
Share premium	5	-	96 861
Own shares	6	(1 011)	(4 453)
Accumulated profits/(losses)		76 830	(23 231)
Total equity		91 800	86 458
Trade and other payables	8	15	43
Total current liabilities		15	43
Total Equity and Liabilities		91 815	86 501

Cash flow statement

S.D. Standard Drilling – Cash flow statement for 2Q21

	Six Months Ended	
	2021	2020
	Q2	Q2
<i>(Amounts in USD 000)</i>		
	<i>Unaudited</i>	<i>Unaudited</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) for the period before income tax	8 283	(14 169)
Unrealised exchange (gain)/loss	5	627
Payments to acquire financial assets at fair value through profit or loss	(617)	(36 742)
Receipts from financial assets at fair value through profit or loss	-	18 786
Other income	-	(3 437)
Interest income	(21)	(38)
Increase in trade and other receivables	-	(30)
(Increase) / decrease in financial assets fair value through profit or loss	(89)	16 768
Increase in financial assets fair value through profit or loss – held for trading	(6 199)	(9)
Profit on disposal of financial assets held for trading	(216)	-
Decrease in trade and other payables	(28)	(28)
Net cash (used in) / generated from operating activities	(932)	(18 272)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments to financial assets at fair value through profit or loss held for trading	(20 872)	(1 038)
Receipts from financial assets at fair value through profit or loss held for trading	1 272	1 047
Dividend received from subsidiary	-	3 437
Interest received	21	38
Net cash (used in) / generated from investing activities	(19 579)	3 484
CASH FLOWS FROM FINANCING ACTIVITIES		
Purchase of own shares	(891)	-
Proceeds from loan from subsidiary	-	2 500
Repayment of loan to subsidiary	-	(2 500)
Net cash (used in) / generated from financing activities	(891)	-
Net (decrease)/increase in cash and cash equivalents	(21 402)	(14 788)
Cash and cash equivalents at beginning of year	27 623	41 095
Effect of exchange rate changes on the balance of cash held in foreign currencies	(5)	(627)
Cash and cash equivalents at end of period	6 216	25 680

Large-size PSV vessels – 100% owned

Standard vessels (3x)



Standard Viking (2008)

Purchase price:
~USD 13.3m⁽¹⁾

Ownership: 100%

Deck-space: 1,060m²

Design: ST-216 L CD

Yard: Aker Brattvaag

Age: ~13 years



Standard Supplier (2007)

Purchase price:
~USD 13.3m⁽¹⁾

Ownership: 100%

Deck-space: 1,060m²

Design: ST-216 L CD

Yard: Aker Brattvaag

Age: ~14 years



Standard Princess (2008)

Purchase price:
~USD 13.3m⁽¹⁾

Ownership: 100%

Deck-space: 1,060m²

Design: ST-216 L CD

Yard: Aker Brattvaag

Age: ~13 years



Standard Olympus (2014)

Purchase price:
~USD 8.1m⁽⁴⁾

Ownership: 100%

Deck-space: 800m²

Design: Havyard 832

Yard: Havyard Ship Technology

Age: ~7 years

**SOLD June 2021 for USD
7.5million**

Average purchase price: USD 13.3⁽¹⁾

Average age 13.3 years⁽²⁾

Average newbuild price: ~USD 41.9⁽³⁾

Mid-size PSV vessels – Partly owned

Northern Supply vessels (6x) – 28.1% owned



1x vessel

Purchase price:

~USD 2.5m⁽¹⁾

Ownership: 25.5%

Deck-space: 680m²

Design: UT 755 LN

Yard: Aker Aukra

Avg. age: ~13 years

FS Crathes (2008)

~~FS Carrick (2009)~~



1x vessel

Purchase price:

~USD 5.4m⁽¹⁾

Ownership: 25.5%

Deck-space: 680m²

Design: UT 755 LN

Yard: Aukra

Avg. age: ~13 years

FS Abergeldie (2008)

~~FS Aberdour (2009)~~



2x vessels

Purchase price:

~USD 5.9m⁽¹⁾

Ownership: 25.5%

Deck-space: 710m²

Design: UT 755 LN

Yard: Aker Brevik

Avg. age: ~14 years

FS Braemar (2007)

FS Balmoral (2008)



2x vessels

Purchase price:

~USD 2.5m⁽¹⁾

Ownership: 25.5%

Deck-space: 700m²

Design: VS 470 MK II

Yard: Kleven

Avg. age: ~16 years

FS Kristiansand (2005)

FS Bergen (2006)

FS Aberdour and FS Carrick sold Feb 2021 for enbloc USD 6.6 million

Large-size PSV vessels – EBITDA overview

4x Standard vessels (100% owned) ⁽¹⁾

Standard Vessels (USD)	Three months ended, 2Q21	Three months ended, 2Q20	2021 YTD	2020 YTD
Net hire (net of commission)	3 618 993	1 415 259	6 310 102	3 671 917
	-	-	-	-
Admin expenses	(52 784)	(60 569)	(100 067)	(108 420)
Technical and Commercial Management Fee	(254 837)	(227 337)	(505 719)	(464 116)
OPEX/Lay-up costs (2)	(2 480 099)	(2 059 445)	(4 842 912)	(4 443 211)
Start up / Liquidation expenses (2)	-	-	-	(5 807)
Dry docking expenses / Surveys / Repairs (2)	(76 035)	-	(76 035)	-
Bunkers on delivery / redelivery / repositioning	(30 449)	(323 950)	(91 800)	(450 278)
	-	-	-	-
Total operation expenses	(2 894 203)	(2 671 301)	(5 616 532)	(5 471 831)
EBITDA	724 790	(1 256 042)	693 570	(1 799 914)
Adj. EBITDA excluding non-recurring costs	724 790	(1 256 042)	693 570	(1 794 107)
Adj. EBITDA excluding dry docking and non-recurring costs (3)	800 824	(1 256 042)	769 604	(1 794 107)
Adj. EBITDA excluding dry docking and non-recurring costs margin (%)	22 %	n.a.	12 %	n.a.

Note:

(1) Note that the above unaudited EBITDA breakdown is not found in the company report. Include operation of the two large size PSV's sold in Q4 19.

(2) Non-recurring costs are costs directly related to preparing newly acquired vessels for the market.

(3) Illustrates the day-to-day operations of the vessel, excluding (a) non-recurring costs and (b) dry dock, special survey, maintenance and repairs.

(4) The numbers are based on the fleet at the current time

Mid-size PSV vessels – EBITDA overview

8x Northern Supply vessels (28.1% owned) ⁽¹⁾, pro-rata overview

Northern Supply Vessels	Three months ended, 2Q21	Three months ended, 2Q20	2021 YTD	2020 YTD
Net hire (net of commission)	862 692	741 519	1 606 819	1 788 098
Admin expenses	(24 112)	(24 843)	(53 017)	(51 937)
Technical and Commercial Management Fee	(71 495)	(102 033)	(195 078)	(204 092)
OPEX/Lay-up costs	(658 728)	(759 219)	(1 350 853)	(1 728 421)
Start up / Liquidation expenses	-	-	-	-
Dry docking expenses / Surveys / Repairs	2 661	(2 107)	2 661	(2 107)
Bunkers on delivery / redelivery / repositioning	(8 813)	(45 094)	3 685	(89 109)
Other	-	(8 570)	-	(45 481)
Total operation expenses	(760 488)	(941 865)	(1 592 602)	(2 121 146)
EBITDA	102 204	(200 345)	14 218	(333 048)
Adj. EBITDA excluding non-recurring costs	102 204	(200 345)	14 218	(333 048)
Adj. EBITDA excluding dry docking and non-recurring costs (3)	99 544	(198 239)	11 557	(330 941)
Adj. EBITDA excluding dry docking and non-recurring costs margin (%)	12 %	n.a.	1 %	n.a.

Note:

(1) Note that the above unaudited EBITDA breakdown is not found in the company report. Increased the ownership to 28.1% in Q4 2020.

(2) USD calculated from native NOK by application of average exchange each month.

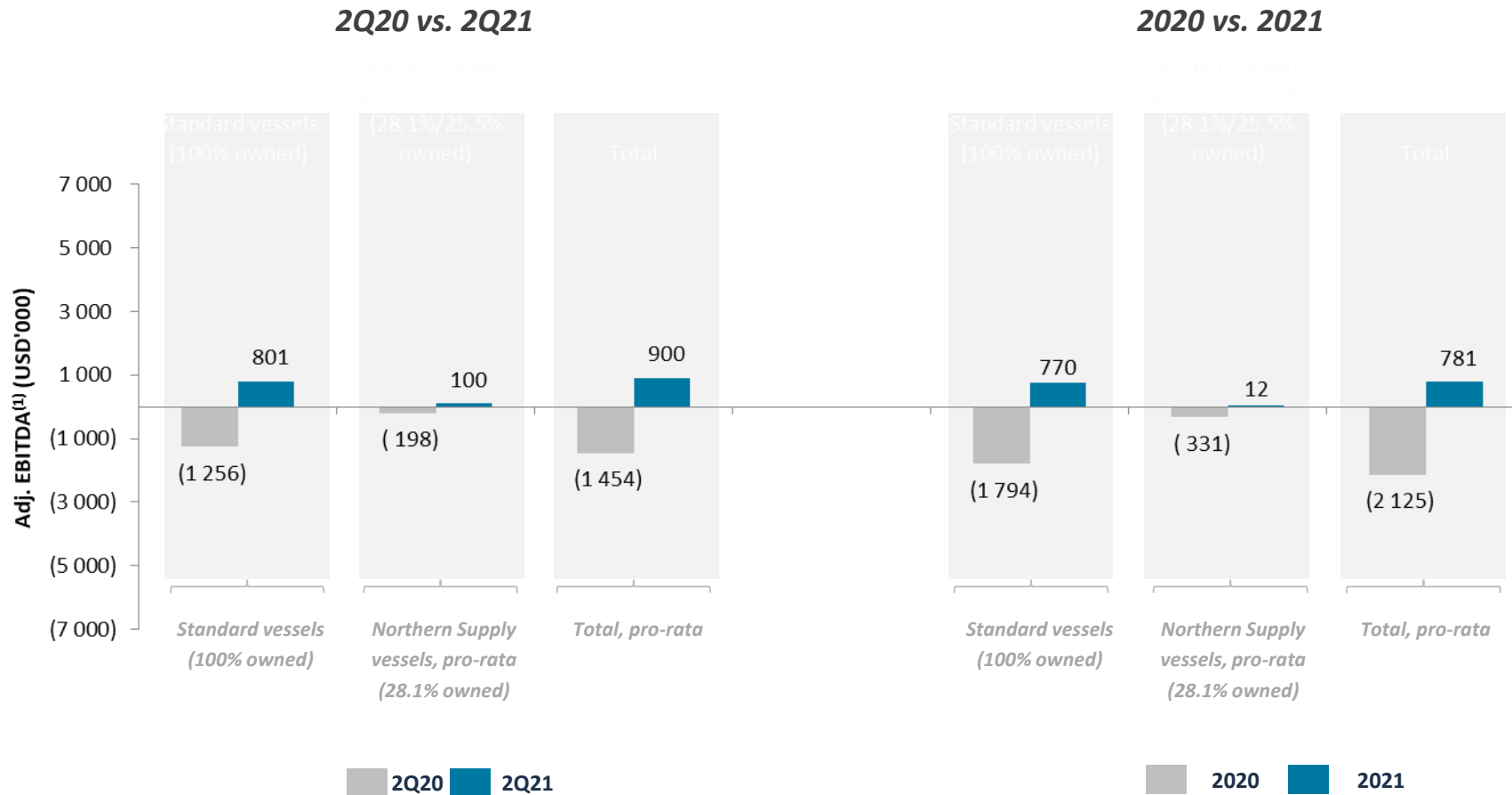
(3) Non-recurring costs are costs directly related to preparing newly acquired vessels for the market.

(4) Illustrates the day-to-day operations of the vessel, excluding (a) non-recurring costs and (b) dry dock, special survey, maintenance and repairs.

(5) The numbers are based on the fleet at the current time

Summary – Adj. EBITDA excluding dry docking and non-recurring costs ⁽¹⁾

Standard vessels (100% owned) and Northern Supply vessels (28.1% owned), pro-rata



(1) Illustrates the day-to-day operations of the vessel, excluding (a) non-recurring costs and (b) dry dock, special survey, maintenance and repairs.

Large-size PSV vessels – Utilization overview

Historical utilization of operating vessels (%)

Utilization	S.Viking	S. Princess	S. Supplier	S.Provider ⁽¹⁾	S. Supporter ⁽¹⁾	S. Olympus	Weighted average
1Q19	100 %	100 %	88 %	79 %	78 %	n.a.	89 %
2Q19	100 %	99 %	100 %	98 %	86 %	63 %	93 %
3Q19	99 %	100 %	100 %	98 %	84 %	89 %	95 %
4Q19	100 %	77 %	82 %	80 %	95 %	48 %	82 %
2019, weighted avg.	100 %	94 %	92 %	91 %	85 %	71 %	90 %
1Q20	100 %	54 %	61 %	-	-	25 %	61 %
2Q20	100 %	41 %	43 %	-	-	32 %	61 %
3Q20	71 %	91 %	37 %	-	-	-	66 %
4Q20	59 %	79 %	81 %	-	-	-	73 %
2020, weighted avg.	84 %	67 %	56 %	n.a	n.a	26 %	65 %
1Q21	97 %	100 %	89 %	-	-	100 %	96 %
2Q21	100 %	100 %	100 %	-	-	100 %	100 %
July - 21	100 %	100 %	100 %	-	-	100 %	100 %
2021 YTD, weighted avg.	99 %	100 %	95 %	n,a	n,a	100 %	98 %

Total days	S.Viking	S. Princess	S. Supplier	S.Provider	S. Supporter	S. Olympus	Weighted average
Tot. avail. days, 2019	342	360	339	295	316	190	1840
Tot. days work., 2019	341	338	313	267	267	135	1661
Total utilization, 2019	100 %	94 %	92 %	91 %	85 %	71 %	90 %
	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Tot. avail. days, 2020	334	347	361	n.a.	n.a.	101	1143
Tot. days work, 2020	279	234	201	n.a.	n.a.	26	740
Total utilization, 2020	84 %	67 %	56 %	n.a.	n.a.	26 %	65 %
Tot. avail. days, YTD Jul-21	187	209	204	n.a.	n.a.	168	769
Tot. days work., YTD Jul-21	185	209	195	n.a.	n.a.	168	757
Total utilization, YTD July-21	99 %	100 %	95 %	n.a.	n.a.	100 %	98 %

Note: - Vessels unavailable due to dry docking, maintenance, class renewal and other. Utilization does not include vessels in lay-up

Mid-size PSV vessels – Utilization overview

Historical utilization of operating vessels (%)

Utilization	FS Aberdour	FS Arendal	FS Balmoral	FS Kr. Sand	FS Braemar	FS Carrick	FS Crathes	FS Aberg.	Weighted average
1Q19	-	100 %	53 %	81 %	90 %	94 %	-	65 %	80 %
2Q19	89 %	100 %	89 %	100 %	92 %	82 %	-	79 %	90 %
3Q19	100 %	100 %	92 %	88 %	100 %	92 %	-	73 %	92 %
4Q19	100 %	100 %	58 %	88 %	100 %	78 %	-	56 %	83 %
2019, weighted avg.	97 %	100 %	73 %	90 %	95 %	87 %	0 %	68 %	87 %
1Q20	100 %	100 %	46 %	100 %	100 %	50 %	-	77 %	82 %
2Q20	100 %	100 %	65 %	93 %	100 %	100 %	0 %	89 %	83 %
3Q20	-	-	56 %	100 %	100 %	100 %	-	100 %	90 %
4Q20	-	-	100 %	100 %	100 %	100 %	-	100 %	100 %
2020, weighted avg.	100 %	100 %	67 %	98 %	100 %	81 %	0 %	92 %	87 %
1Q21	-	-	100 %	-	42 %	-	-	100 %	90 %
2Q21	-	-	97 %	100 %	87 %	-	-	100 %	96 %
July - 21	-	-	57 %	100 %	96 %	-	-	100 %	88 %
2021 YTD, weighted avg.	N.A	N.A	92 %	100 %	78 %	N.A	-	100 %	93 %

Total days	FS Aberdour	FS Arendal	FS Balmoral	FS Kr. Sand	FS Braemar	FS Carrick	FS Crathes	FS Aberg.	Weighted average
Tot. avail. days, 2019	253	337	359	342	362	345	0	352	2350
Tot. days work., 2019	244	337	261	306	346	300	0	241	2035
Total utilization, 2019	97 %	100 %	73 %	90 %	95 %	87 %	-	68 %	87 %
Tot. avail. days, 2020	109	116	362	305	296	224	30	360	1802
Tot. days work, 2020	109	116	243	299	296	181	0	330	1574
Total utilization, 2020	100 %	100 %	67 %	98 %	100 %	81 %	0 %	92 %	87 %
Tot. avail. days, YTD Jul-21	0	0	209	103	159	0	0	211	682
Tot. days work., YTD Jul-21	0	0	193	103	124	0	0	211	631
Total utilization, YTD July-21	n.a	-	92 %	100 %	78 %	n.a	-	100 %	93 %

- Vessels unavailable due to dry docking, maintenance, class renewal and other. Utilization does not include vessels in lay-up

VLCC «Gustavia S»- Commercial

- Purchase price of USD 106m
- The Joint Venture owning company (“JV”) of “Gustavia S”, secured in 2020 a senior secured loan facility of up to USD 60 million, resulting to a distribution to SDS received of total USD 19.67 million. The accumulated investment in the JV was USD 37.3m.
- TCE of approx. USD 25 500 from delivery Jan 2020 to end of June 2021
- TCE of approx. USD 14 400 from April 2021 to end of June 2021
- Average cash breakeven of ~USD 26 000 per day, including interest and amortization ⁽¹⁾



(1) Excluding voyage expenses, bunkers and drydock allowance

VLCC «Gustavia S»- Technical

- Builder : Daewoo Shipbuilding & Marine Engineering
- Built : January 2020
- Ship Type: Oil Tanker
- Classification Society: DNVGL
- Class Notations :
+1A Tanker for oil, BIS, BWM (T), Clean, CMON,
COAT-PSPC(B,C), CSR, E0, ESP, LCS, NAUT (NAV),
Recycable, SPM, TMON (oil lubricated)
VCS (2), ER (EGCS Open)
- Length Overall/Between Perpendiculars: 336/330m
- Breadth : 60m
- Depth: 29.50m
- Draught (design/scantling): 20.5/21.6m
- DWT (at scantling draught) : 299,995mt
- Cargo tanks capacity (100%): 341,870m³
- Bunkers Tanks capacity – cruising range : HFO 6435m³ – MGO 650m³ – 31,700 miles at service speed
- Service Speed (at design draught) : 14.8kn
- Main engine : HSD MAN 7G80ME-C9.5 – 24,510kW
- Loading/Discharge rate: 20,500/16,500 m³/hr
- Complement : 30 persons + 6 Suez crew



Explanation of the fair value accounting loss in 2Q21

- **SDSD is classified as an investment entity in accordance with IFRS 10**
 - Investments, including subsidiaries, are not consolidated but measured at fair value through profit and loss every quarter based on estimates made by reputable independent valuers
 - The underlying operational activities are not directly reflected in the interim financial statements of the company
 - Consequently, SDSD reported an unrealized gain on revaluation of financial assets of ~USD 2.17 million.
 - Different approach has been applied in the valuation process for the investment in VLCC as opposed to PSV Vessels, explained in more detail in the notes below
- **Example of fair value calculation for Standard Viking (applicable to PSV Fleet):**

Figures in USDm	Independent Valuer A ⁽¹⁾				Independent Valuer B ⁽¹⁾				Alternative value	Applied value
	Willing buyer/seller		Distressed		Willing buyer/seller		Distressed		Willing buyer/seller	Distressed
	Upper	Lower	Upper	Lower	Upper	Lower	Upper	Lower	Average	Average
Standard Viking (2Q21)	14.0	12.0	10.0	8.0	13.0	11.0	9.3	7.3	12.5	8.7

Notes for valuation processes:

(1) For PSV Vessels, fair value estimates have been obtained from two independent Valuers ("Valuer A" and "Valuer B"). Both Valuers have provided a value range based on a willing buyer and willing seller market scenario. Valuer A has also provided a value range based on a distressed value market scenario. Valuer B has not provided a distressed value range, however, a distressed value range has been derived by applying the same discount rate to Valuer B's willing buyer and willing seller range as the implied discount rate between Valuer A's willing buyer and willing seller value range and Valuer A's distressed value range. The applied value for the vessel in the S.D. Standard Drilling accounts is then set to the average of these two distressed ranges as the Company decided to apply a more conservative approach due to the current market condition. The value is set to USD 8.7m as opposed to an average value of USD 12.5m for scenarios of transactions between two willing parties.

(2) For VLCC vessel, fair value estimates have been obtained from two independent Valuers. Both Valuers have provided a point estimate based on a willing buyer and willing seller market scenario. The applied fair value for the asset in the Company's financial statements is then set to the average of these two point estimates as the Company decided to apply a more conservative approach due to current market conditions and the frequency of such transactions in the market. The Company decided to apply a different approach in the valuation process of the investment in ZETA Owners Inc. when compared to the investment in Wanax AS, since this investment relates to a different type of asset which was acquired brand new and not at a distressed value when opposed to assets of Wanax AS



STANDARD DRILLING