

S.D. STANDARD ETC PLC
(FORMER S.D. STANDARD DRILLING PLC)
FIRST QUARTER REPORT 2023



CONTENTS

STATEMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS AND OTHER RESPONSIBLE PERSONS OF THE COMPANY FOR THE INTERIM CONDENSED FINANCIAL STATEMENTS	2
FIRST QUARTER MANAGEMENT REPORT	3
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME	7
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION	8
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY	9
INTERIM CONDENSED STATEMENT OF CASH FLOWS	10
NOTES TO THE FINANCIAL INFORMATION	11

STATEMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS AND OTHER RESPONSIBLE PERSONS OF THE COMPANY FOR THE INTERIM CONDENSED FINANCIAL STATEMENTS

In accordance with Article 10 sections (3) (c) and (7) of the Transparency Requirements (Securities for Trading on Regulated Markets) Law of 2007 and 2009 ("Law") we, the members of the Board of Directors and other responsible persons for the drafting of the interim condensed financial statements of S.D. Standard ETC Plc (the "Company"), for the three months ended 31 March 2023 we confirm that, to the best of our knowledge:

- a) The interim condensed financial statements of the Company for the three months ended 31 March 2023 which are presented on pages 7 to 17:
 - (i) were prepared in accordance with International Financial Reporting Standards IAS 34 "Interim Financial Reporting", as adopted by the European Union in accordance with provisions of Article 10, section (4) of the Law, and
 - (ii) give a true and fair view of the assets and liabilities, the financial position and the profit or losses of the Company, and the business that are included in the financial statements as a total, and
- b) The Interim Management Report provides a fair overview of the information required as per section 6 of article 10 of Law 190(I)/2007.

Limassol, 10 May 2023

Martin Nes
Chairman

Konstantinos Pantelidis
Independent Director

George Crystallis
Independent Director

Christos Neokleous
Chief Financial Officer

Evangelia Panagide
General Manager

First Quarter Management Report 2023

Selected Financial Information

	Three Months Ended	
	2023 Q1	2022 Q1
<i>(Amounts in USD 000)</i>	<i>Unaudited</i>	<i>Unaudited</i>
Operating profit	1 303	8 228
Profit for the period before tax	1 295	8 220
Total comprehensive income for the period	1 261	8 191

(*) Analytical income statement is presented on page 7 of the fourth quarter report.

Presentation of Interim Condensed Financial Statements

These interim condensed financial statements for the first quarter of the year 2023 are prepared and presented on a standalone basis, since the Company is an investment entity and shall not consolidate its subsidiaries.

The Company measures its investment in subsidiary Standard Supply AS and associate Dolphin Drilling AS at fair value through profit or loss. Consequently, the Company's investments in Standard Supply AS and Dolphin Drilling AS are valued based on the traded share price on Euronext Growth Oslo respectively as of 31 March 2023.

With regards to the subsidiary Standard Invest AS which is not an investment entity and its main purpose is to provide services relating to the investment activity of the Company, the management of the Company decided not to consolidate this subsidiary since the effect of its results for the first quarter of the year 2023 are considered immaterial.

Highlights First Quarter

1. The Company recognized an unrealized gain of USD 451 thousands from the revaluation of its investments in Standard Supply AS and Dolphin Drilling AS at fair value. The fair value of these investments as of 31 March 2023 was USD 88,2 million.
2. The Company recognised a loss from the revaluation of other financial assets held for trading of USD 263 thousands. The fair value of the financial assets held for trading as of 31 March 2023 was USD 11,5 million.

First Quarter Management Report 2023 (Continued)

Selected Financial Information

Alternative Performance Measures

The Company is an investment entity and shall not consolidate its subsidiaries. The Company measures its investment in subsidiary Standard Supply AS and associates at fair value through profit or loss.

In reporting financial information, the Company presents alternative performance measures, “APMs”, which are not defined or specified under the requirements of IFRS. The Company believes that these APMs, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional helpful information on the performance of the subsidiary and associate companies.

More information on the APMs used in the Q1 2023 Report, their definition and calculation are provided below, as well as a reference to the respective pages of Q1 2023 and of the presentation which is released together with this interim report on the Company’s website:

APM	Definition and Calculation	Reference
Operating Profit / Loss	Income from operating activities subtracting administration expenses as presented in the income statement	Q1 2023 Report - Interim Condensed Statement of Comprehensive Income on page 7
Profit / Loss before tax	Operating profit less finance costs	Presentation Highlights on page 6 and Income Statement on page 11
Profit / Loss after tax	Operating profit less finance costs and income tax	

Subsequent Events

There have been no material subsequent events that have an impact on these interim condensed financial statements.

FIRST QUARTER MANAGEMENT REPORT 2023 (CONTINUED)

RESULTS FOR THE FIRST QUARTER OF 2023 AND FINANCIAL COMPARISON WITH THE FIRST QUARTER OF 2022

The operating profit for the three months ended on the 31 March 2023 was USD 1,3 million compared to the three months ended 31 March 2022 profit of USD 8,2 million. The reduction of the operating profit in 2023 compared to Q1 22 profit is mainly due to a fair value loss from investments held for trading of USD 263 thousands (compared to a fair value gain of USD 7,8 million in Q1 22), an unrealized gain on revaluation of financial assets of USD 451 thousands (compared to a revaluation gain of USD 761 thousands in Q1 22), dividend income of USD 977 thousands (compared to dividend income of USD 97 thousands in Q1 22) and is after deducting administration expenses of USD 436 thousands. Profit after the deduction of income tax expense is approximately USD 1,3 million (Q1 22: Profit after tax of USD 8,2 million). Profit per share was USD 0,00 for the Quarter.

The Company's results for the three months of the year 2023 are considered satisfactory taking into consideration the current market situation.

The operating profit / (loss) and profit / (loss) before tax for the three months are presented on the interim condensed statement of comprehensive income on page 7.

LIQUIDITY AND CAPITAL STRUCTURE

The available cash position of the Company as of 31 March 2023 was USD 35,5 million (excluding cash held by subsidiaries).

During the three months of 2023 net cash used in operating activities was USD 6,7 million and net cash used in investing activities was USD 4 million.

As of 31 March 2023, the Company had 1 971 shareholders.

The share price as of 31 March 2023 was NOK 1,95 (USD 0,186).

PRINCIPLE RISK AND UNCERTAINTIES

The Company's activities are exposed to the overall economic environment as well as regulatory, market and other financial risks associated with the market in which the specific investments are held, as disclosed in Note 3 of the annual report and financial statements for the year ended 31 December 2022.

Russo-Ukrainian War

The Russo-Ukrainian War that began in February 2022 in combination with the various economic sanctions imposed to Russia by multiple jurisdictions, have a global impact and took place at a time of significant global economic uncertainty and volatility. The effects and outcome of the war are highly uncertain.

The Company does not have any operations or investments directly impacted by the present war in Ukraine, however the continuance and a potential escalation of the war may cause material impact on equity and assets prices worldwide, which in turn may affect the Company's earnings and balance sheet.

The management of the Company has established and implemented sufficient systems and procedures to monitor the markets it has invested into and stay alert to changes in the marketplace in order to help mitigate any financial and operational risks in a timely manner.

OUTLOOK

The objective of the Company is to generate significant medium to long-term capital growth. The main focus of the Company is in the oil-service industry and other liquid investments within the energy, transport and commodities, although the Company will pursue any attractive investment opportunities that may arise within the framework of industries it operates.

FIRST QUARTER MANAGEMENT REPORT 2023 (CONTINUED)

The Company has a sound financial position with no debt and the Board of Directors believe that the Company is well positioned to take advantage of opportunities that may appear in markets the Company operates within. The main drivers are maximizing the return and minimizing the risk.

*On Behalf of the Board of Directors of
S.D. Standard ETC Plc.*

10 May 2023

*Martin Nes
Chairman*

*Christos Neokleous
CFO*

INTERIM CONDENSED STATEMENT
OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2023

<i>(Amounts in USD 000)</i>	Note	Three Months Ended	
		2023 Q1	2022 Q1
		<i>Unaudited</i>	<i>Unaudited</i>
Income			
Changes in fair value on financial assets at fair value through profit or loss	4.1	451	761
Changes in fair value on financial assets at fair value through profit or loss – held for trading	4.2	(263)	7 819
Dividend income on financial assets at fair value through profit or loss	5	977	97
Interest income from cash balance at amortised cost		531	12
Net foreign currency gains or (losses)		43	(27)
Total net income		1 739	8 662
Expenses			
Administration and operating expenses	11	(436)	(434)
Total operating expenses		(436)	(434)
Operating profit		1 303	8 228
Finance costs			
Sundry finance (expenses)/income		(8)	(8)
Profit for the period before tax		1 295	8 220
Income tax expense	6	(34)	(29)
Profit for the period after tax		1 261	8 191
Other comprehensive income for the period		-	-
Total comprehensive income for the period		1 261	8 191
Earnings per share			
Basic earnings per share (USD)	3	0,00	0,02
Diluted earnings per share (USD)	3	0,00	0,02

INTERIM CONDENSED STATEMENT
OF FINANCIAL POSITION
AT 31 MARCH 2023

<i>(Amounts in USD 000)</i>	Note	31.03.2023	31.12.2022
ASSETS		<i>Unaudited</i>	<i>Audited</i>
Equipment and machinery		-	-
Financial assets at fair value through profit or loss	4.1	88 213	87 762
Total non-current assets		88 213	87 762
Receivables and prepayments	7	409	77
Financial assets at fair value through profit or loss held for trading	4.2	11 481	5 746
Loans receivable from related parties	12.2	5 516	-
Cash and bank balances		35 478	46 251
Total current assets		52 884	52 074
Total Assets		141 097	139 836
EQUITY AND LIABILITIES			
Ordinary shares	8	15 734	15 734
Other paid-in equity		565	526
Accumulated profits		124 603	123 342
Total equity		140 902	139 602
Trade and other payables	9	172	234
Current tax liability		23	-
Total current liabilities		195	234
Total Equity and Liabilities		141 097	139 836

On Behalf of the Board of Directors of
S.D. Standard ETC Plc.

Martin Nes
Chairman

Christos Neokleous
CFO

INTERIM CONDENSED STATEMENT
OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2023

<i>(Amounts in USD 000)</i>	Share Capital	Other paid-in equity	Accumulated Profits/(Losses)	Total
Balance at 01.01.2022	15 734	-	83 570	99 304
Comprehensive income				
Profit for the period	-	-	8 191	8 191
Option and share program (note 13)	-	128	-	128
Balance at 31.12.2022 (unaudited)	15 734	128	91 761	107 623
Balance at 01.01.2023	15 734	526	123 342	139 602
Comprehensive income				
Profit for the period	-	-	1 261	1 261
Option and share program (note 13)	-	39	-	39
Balance at 31.12.2023 (unaudited)	15 734	565	124 603	140 902

INTERIM CONDENSED STATEMENT
OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2023

<i>(Amounts in USD 000)</i>	Note	Three Months Ended	
		2023	2022
		Q1	Q1
		Unaudited	Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period before income tax		1 295	8 220
Unrealised exchange (gain) / loss		(43)	27
Interest income		(531)	(12)
Dividend Income	5	(977)	(97)
Fair value (gain) / loss in financial assets fair value through profit or loss	4.1	(451)	(761)
(Loss) / gain in financial assets fair value through profit or loss – held for trading	4.2	263	(7 819)
Option and share program	13	117	143
CHANGES IN WORKING CAPITAL			
Payments to financial assets at fair value through profit or loss held for trading	4.2	(30 248)	(30 754)
Receipts from financial assets at fair value through profit or loss held for trading	4.2	24 250	17 326
(Increase) / decrease in receivables and prepayments	7	(332)	265
(Decrease) / increase in trade and other payables	9	(62)	(78)
Net cash used in operating activities		(6 719)	(13 540)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received – net of withholding tax	5	967	68
Interest received		515	12
Loans granted to related companies	12.2	(5 500)	-
Net cash (used in) / generated from investing activities		(4 018)	80
Net decrease in cash and cash equivalents		(10 737)	(13 460)
Cash and cash equivalents at beginning of year		46 251	31 990
Effect of exchange rate changes on the balance of cash held in foreign currencies		(36)	(26)
Cash and cash equivalents at end of year		35 478	18 504

NOTES TO THE FINANCIAL INFORMATION

NOTE 1 – INCORPORATION AND PRINCIPAL ACTIVITIES

Country of Incorporation

S.D. Standard ETC Plc (the “Company”) is a limited liability Company incorporated and domiciled in Cyprus on 2 December 2010 in accordance with the provisions of the Cyprus Companies Law, Cap. 113. The Company was renamed from S.D. Standard Drilling Plc to S.D. Standard ETC Plc in January 2022 through a decision by its shareholders. The Company was converted into a public company on 23 December 2010. On 25 March 2011 the Company’s shares were listed on Oslo Axess and on 31 May 2017 on Oslo Bors. The address of the Company’s registered office is Chrysanthou Mylona 1, Panayides Building, 2nd floor, Office 3, 3030, Limassol, Cyprus.

Principal Activities

The principal activity of the Company is to operate as an investment entity within the shipping and offshore segments including renewables. The Company invests directly or indirectly into companies, securities, commodities and/or assets. The objective of the Company is to generate significant medium to long term capital growth. The main focus of the Company has previously been on the Rig, PSV and VLCC tanker markets, however, is now focusing on more diversified and liquid investment portfolio within the energy, transport and commodities markets, although the Company will pursue any attractive investment opportunities that may arise within the framework of industries it operates.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The interim condensed financial statements for the three months ended 31 March 2023, have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”. The interim condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2022. The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2022 which have been prepared in accordance with IFRS as adopted in the (EU) and the requirements of the Cyprus Companies Law, Cap. 113.

In the current period the Company has adopted all the new and revised standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (the IFRIC) of the IASB that are relevant to its operations and effective for annual periods beginning on 1 January 2023.

At the date of approval of these interim condensed financial statements, a number of accounting standards and interpretations were issued by the International Accounting Standards Board but were not yet effective. The effect and impact of those standards is not expected to be material to the Company.

Going Concern

These interim condensed financial statements for the three months ended 31 March 2023, have been prepared under the assumption that the Company is going concern.

NOTE 3 – EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

<i>(Amounts in USD 000)</i>	Three Months Ended	
	31.03.2023	31.03.2022
Basic/diluted EPS		
Profit attributable to equity holders of the Company	1 261	8 191
Weighted average number of ordinary shares in issue (thousands)	524 483	524 483
Weighted average number of ordinary shares diluted (thousands)	527 652	541 394
Basic earnings per share (USD)	0,00	0,02
Diluted earnings per share (USD)	0,00	0,02

NOTES TO THE FINANCIAL INFORMATION

NOTE 4 – FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

4.1 Investments at fair value through profit or loss

<i>(Amounts in USD 000)</i>	31.03.2023	31.12.2022
Balance at 1 January	87 762	42 391
Additions	-	20 011
Sales/Reduction	-	(329)
Changes in fair value	451	25 689
Balance at the end of the period/year (note 9.1)	88 213	87 762

Investments designated at fair value through profit or loss are analysed as follows:

Name of Investment	Principal activity	Place of establishment and principal place of business	Proportion of ownership/ interest held	
			31.03.2023	31.12.2022
Standard Supply AS	Investment Holding	Norway	53%	53%
Dolphin Drilling AS	Drilling operations	Norway	25%	25%
Standard Invest AS	Provision of services	Norway	100%	100%

The above investments are measured at fair value.

During the three months of the year 2023, no transactions took place with investments apart from those disclosed in note 12.

<i>(Amounts in USD 000)</i>	31.03.2023	31.03.2022
<i>Other net changes in fair value on financial assets at fair value through profit or loss</i>		
Realised (losses)/gains	-	-
Unrealised change	-	761
Total net gains/(losses)	-	761
Other net changes in fair values on assets designated at fair value through profit or loss	-	761
Total net gains/(losses)	-	761

4.2 Investments held for trading

<i>(Amounts in USD 000)</i>	31.03.2023	31.12.2022
Balance at 1 January	5 746	24 784
Additions	30 248	54 605
Disposals	(24 250)	(77 648)
Changes in fair value	(263)	4 005
Balance at the end of the period / year	11 481	5 746

During the three months of the year 2023, the Company invested USD 30,2 million for the acquisition of shares listed on the US and Oslo Stock Exchange, some of which were disposed realizing a loss of USD 467 thousand. As of 31 March 2023, investments held for trading had a fair value of USD 11,5 million.

All investments traded in active markets are valued based on quoted prices and are classified as level 1, whereas those unlisted investments are classified as level 2.

NOTES TO THE FINANCIAL INFORMATION

NOTE 5 – DIVIDEND INCOME ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

In March 2022, the Company received from its subsidiary Standard Supply AS a dividend of USD 943 thousands.

In addition, during the three months of the year 2023, the Company received dividends of USD 34 thousands from its financial assets held for trading. The withholding tax on these dividends received amounted to USD 10 thousands.

NOTE 6 – INCOME TAX EXPENSE

<i>(Amounts in USD 000)</i>	31.03.2023	31.03.2022
Current tax:		
Prior year corporation tax	24	-
Withholding tax on dividend income	10	47
Total current tax	34	47

NOTE 7 – RECEIVABLES AND PREPAYMENTS

<i>(Amounts in USD 000)</i>	31.03.2023	31.12.2022
Tax refund on dividends received	236	-
Accrued interest	66	
Prepayments	107	77
Total trade and other receivables at the end of the period	409	77

The fair value of trade and other receivables due within one year approximate to their carrying amounts as presented above.

NOTE 8 – SHARE CAPITAL AND PREMIUM

Authorised	Number of shares (thousands)	Ordinary shares	Total
<i>(Amounts in USD 000)</i>			
2023			
Balance at the beginning of the period	865 000	25 950	25 950
Balance at the end of the period	865 000	25 950	25 950
2022			
Balance at the beginning of the year	865 000	25 950	25 950
Balance at the end of the year	865 000	25 950	25 950
Issued and fully paid	Number of shares (thousands)	Ordinary shares	Total
<i>(Amounts in USD 000)</i>			
2023			
Balance at the beginning of the period	524 483	15 734	15 734
Balance at the end of the period	524 483	15 734	15 734
2022			
Balance at the beginning of the year	524 483	15 734	15 734
Balance at the end of the year	524 483	15 734	15 734

As of 31 March 2023, the Company didn't hold any own shares.

NOTES TO THE FINANCIAL INFORMATION

NOTE 9 – TRADE AND OTHER PAYABLES

<i>(Amounts in USD 000)</i>	31.03.2023	31.12.2022
Creditors and accrued expenses	34	174
Provision social security option program (note 13)	138	60
Total trade and other payables at the end of the period at amortised cost	172	234

The fair value of trade and other payables which are due within one year approximates their carrying amount at the balance sheet date.

NOTE 10 – FAIR VALUE MEASUREMENTS

9.1 The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following tables present the Company's fair value hierarchy of the financial assets that are measured at fair value:

<i>(Amounts in USD 000)</i>	Level 1	Level 2	Level 3	Total
At 31 March 2023				
Assets				
Financial Assets through profit or Loss				
- Financial assets at fair value through profit or loss (note 4.1)	88 097	-	-	88 097
- Financial assets at fair value through profit or loss-held for trading – equity securities (note 4.2)	9 004	-	-	9 004
- Financial assets at fair value through profit or loss-held for trading – investment in Fund (note 4.2)	-	2 477	-	2 477
Total financial assets measured at fair value	97 101	2 477	-	99 578
At 31 December 2022				
Assets				
Financial Assets through profit or Loss				
- Financial assets at fair value through profit or loss (note 4.1)	87 647	-	-	87 647
- Financial assets at fair value through profit or loss-held for trading – equity securities (note 4.2)	3 452	-	-	3 452
- Financial assets at fair value through profit or loss-held for trading – investment in Fund (note 4.2)	-	2 294	-	2 294
Total financial assets measured at fair value	91 099	2 294	-	93 393

9.2 Valuation processes (Level 1)

a) Investment in Standard Supply AS and Dolphin Drilling AS

The fair values of securities that are quoted in active markets are determined by the traded share prices. For the investments in Standard Supply AS and Dolphin Drilling AS, the value was determined based on the traded share price on Euronext Growth Oslo as of 31 March 2023.

b) Investment in Fund (Level 2)

The fair values of securities that are not quoted in an active market, such as interests in investment funds, are determined by using the net asset value ("NAV") of the fund as calculated by the independent fund administrators and this is considered to be the market value as the fund shares are redeemable by the fund at NAV in any need.

NOTES TO THE FINANCIAL INFORMATION

NOTE 10 – FAIR VALUE MEASUREMENTS (CONTINUED)

9.3 Reconciliation of Level 3 fair value measurements

The following table presents the changes in Level 3 investments for the three months ended 31 March 2023:

(Amount in USD 000)

	Financial assets designated at fair value through profit or loss	Total
31 March 2023		
Opening balance	-	-
Total gains or losses:		
- In profit or loss	-	-
Purchases	-	-
Sales / Reduction	-	-
Transfers out of level 3 (1)	-	-
Closing balance	-	-

The following table presents the changes in Level 3 investments for the year ended 31 December 2022:

(Amount in USD 000)

	Financial assets designated at fair value through profit or loss	Total
31 December 2022		
Opening balance	5 466	5 466
Total gains or losses:		
- In profit or loss	397	397
Purchases	-	-
Sales / Reduction	-	-
Transfers out of level 3 (1)	(5 863)	(5 863)
Closing balance	-	-

- (1) During Q2 2022, financial assets at fair value through profit or loss amounted to USD 5 863 thousands, have been reclassified from Level 3 to Level 1 as the valuation technique uses prices and other relevant information generated by market transactions involving identical or comparable (similar) Vessels. The data used is based on observable input. The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels at the end of each quarter.

Unrealised gains or (losses) recognized in profit and loss attributable to assets held at the end of the reporting period (included in gains/losses) disclosed above:

31 March 2023	-	-
31 December 2022	397	397

NOTES TO THE FINANCIAL INFORMATION

NOTE 11 – ADMINISTRATIVE AND OPERATING EXPENSES

<i>(Amounts in USD 000)</i>	31.03.2023	31.03.2022
Legal, consulting and professional fees	29	22
Management fees from related company (note 12.1)	30	15
Service fees from subsidiary company (note 12.1)	119	135
Other expenses	59	35
Transactions costs for trading in shares	24	26
Accrual option program (note 13)	39	128
Provision social security option program (note 13)	78	15
Directors' fees, salaries and other short-term employee benefits	58	58
Total administrative and operating expenses	436	434

NOTE 12 – RELATED-PARTY TRANSACTIONS

The following transactions were carried out with related parties and are included in the operating expenses of the period:

12.1 Provision of services

<i>(Amounts in USD 000)</i>	Nature of transactions	31.03.2023	31.03.2022
Fernclyff TIH AS	Management fees	30	15
Standard Invest AS	Service fees	119	135
Total		149	150

- a) The Company has entered into a consultancy agreement with Fernclyff TIH AS whereby Fernclyff TIH AS provides certain management services to the Company. Fees paid under this agreement for Q1 2023 amounted to USD 30 thousands (Q1 2022: USD 15 thousands).
- b) In 2021 the Company entered into a services agreement with its wholly owned subsidiary Standard Invest AS, whereby Standard Invest AS provides portfolio management services to the Company. Fees paid under this agreement for Q1 2023 amounted to USD 124 thousands (Q1 2022: USD 135 thousands). As at 31 March 2023, the Company had no balance due towards its subsidiary.

12.2 Related party loans

<i>(Amounts in USD 000)</i>	Nature of transactions	31.03.2023	31.12.2022
Dolphin Drilling AS	Loan facility	4 010	-
Standard Supply AS	Revolving credit facility	1 506	-
Total		5 516	-

- a) In March 2023, the Company entered into a shareholder bridge loan facility agreement with the associate Dolphin Drilling AS for the granting of an unsecured bridge loan facility of an amount up to USD 7,5 million, at an interest rate of 8,5%, a 3% exit fee on total drawings made and with final repayment date on 31 May 2024. In March 2023, the Company disbursed the amount of USD 4 million.
- b) In June 2022, the Company concluded a revolving credit facility ("RCF") with its subsidiary Standard Supply AS ("subsidiary") for the amount of USD 20 million at a margin of 5%, an upfront fee of 0.75% and maturity on 31 December 2023. The amount provided under the RCF during 2022 was settled in November 2022. In March 2023, the Company provided its subsidiary with the amount of USD 1,5 million.

The Company had no transactions with shareholders or other related parties other than those disclosed above.

NOTES TO THE FINANCIAL INFORMATION

NOTE 13 – OPTION AND SHARE PROGRAM

An equity settled option and share program was initiated by the Company in January 2022 towards a certain key employee of the subsidiary Standard Invest AS, granting the employee the option to purchase 10 000 000 shares of the Company on the date falling 18 months after 1 August 2021 and 10 000 000 shares on the date falling 30 months after 1 August 2021 at the strike prices of NOK1,25 and NOK 1,40 respectively. Total estimated fair value of the option at the grant date was calculated in Q1 2022 to USD 1,1 million. The Company has recognized the amount of USD 565 thousands as an expense with a corresponding increase in equity and a provision for social security cost of the option program of USD 138 thousands up to 31 March 2023.

The vesting periods of the current program end in the period between 20 January 2023 and 30 January 2024. At initial recognition, the fair value of the options, as estimated by the Black-Scholes model, are straight-lined through the vesting period as administration expenses with corresponding entry against other paid in equity. Since the options are equity settled, no subsequent measurement is required under IFRS. As of 31 March 2023, no options have been exercised.

The following are the amounts expensed to income statement during Q1 2023:

<i>(Amounts in USD 000)</i>	31.03.2023	31.03.2022
Expenses arising from equity-settled share-based payment transactions	39	128
Social security reserves for equity-settled share-based payment transactions*	78	15
Total expenses arising from share-based payment transactions	117	143

*Social security expenses are accrued for if the options are in the money and the accrual for social security expenses will be updated quarterly, based on the development in the share price. An increase in share price, will increase the value of the options, hence increase the social security expenses, whereas a decrease in share price will reduce the reserves, creating an income.

NOTE 14 – APPROVAL OF INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements have been approved by the Board of Directors of the Company on 10 May 2023.

S.D. Standard ETC Plc

Financial Calendar (Release of Financial Reports)

Q1 2023	11 May 2023
Q2 2023	10 August 2023
Q3 2023	9 November 2023

S.D. Standard ETC Plc

Chrysanthou Mylona 1,
Panayides Building,
2nd Floor, Office 3
CY 3030
Limassol, Cyprus
Tel: +357 25875474

www.standard-etc.com