

Report of the Board of Directors of S.D. Standard Etc Plc explaining the reasons for proposing a resolution for the waiving of the pre-emption rights afforded pursuant to section 60B(5) of Companies Law Cap.113

Waiver:

The Board of Directors is putting forward the following two resolutions for consideration and approval:

1. **“That the pre-emption rights granted to the existing shareholders of the Company in relation to any new shares to be issued for any future public offering(s) and/or private placement(s) and/or allotment to the existing shareholders and new investors and/or conversion(s) of any convertible bonds issued by and/or convertible loans granted to the Company, pursuant to section 60B of the Companies Law Cap. 113, for an indicative price range in United States Dollars equivalent to NOK0,20 – NOK5,00 per share, provided that no issue shall be for a price below the nominal value of the shares, be and are hereby waived and be valid until the Annual General Meeting of the Company of the year 2024.”**

and

2. **“That the Board of Directors be and is hereby generally authorized and empowered to issue and allot new shares to the existing shareholders and/or new investors and/or convertible bondholders and/or convertible lenders up to the limit of the authorized share capital as it stands on the day of such new issue, for an indicative price range in United States Dollars equivalent to NOK0,20 – NOK5,00 per share and provided that no issue shall be for a price below the nominal value of the shares, no later than the Annual General Meeting of the Company of the year 2024.”**

The authorized share capital of the Company is 865.000.000 ordinary shares and currently the Company has issued 524.482.901 ordinary shares and as a result the number of authorized, but not issued shares, is 340.517.099 shares of US\$ 0,03 each.

The aim of the above proposed resolutions is to give to the Company’s Board of Directors sufficient flexibility to raise capital quickly in the future and to provide to the Company the ability to proceed and allot additional shares up to the limit of the authorized share capital through future issues and allotments of further new ordinary shares to existing shareholders and / or new investors and/or convertible bondholders and/or convertible lenders within the price range set forth in the resolutions and for a period up to the Annual General Meeting of the year 2024.

The Board of Directors is of the opinion that the above resolutions will maintain the ability of the Company to carry out future private placements in a swift manner and allow a proactive approach and flexible and swift responses to favorable market conditions for raising equity capital, thus making it more attractive to potential investors to approach the Company for investment.

The Board of Directors will continue to pursue the Company's investment strategy, aiming for investments in the shipping, offshore and energy segments, directly or indirectly into companies, securities, commodities and / or assets. The main focus of the Company has previously been on the Rig, PSV and VLCC tanker markets, however the Company has updated its strategy and is now also 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. The objective of the Company is to generate significant medium to long term capital growth. The raising of equity through private placements enables the Company to raise capital in a timely and cost-efficient manner. The Board of Directors considers that this investment and financing strategy is in the best interest of the Company and its shareholders.

In addition to the above, the Board of Directors shall have no right to proceed with the allotment of any of the issued shares to any third party or parties if such allotment is related to take-over situations as described in the Norwegian Securities Trading Act Section 6-17 and therefore we are of the opinion that this restriction provides a sufficient level of protection to the existing shareholders of the Company.

Having taken full consideration of the above, we the members of the Board of Directors of the Company recommend the approval of the said resolutions.

On behalf of the Board of Directors



Konstantinos Pantelidis
Director

Limassol, 19 May 2023