

S.D. STANDARD ETC PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS 2023



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BOARD OF DIRECTORS AND OTHER OFFICERS

MARTIN NES

CHAIRMAN

NON-EXECUTIVE DIRECTOR

Mr. Martin Nes (born 1969) has been involved with the Company since its incorporation in 2010 and has previously held the role of Acting CEO. He is well versed in the Company, as well as in the shipping and offshore industry. He has been the CEO of Ferncliff TIH AS since 2010.

Mr. Nes holds a law degree from the University of Oslo and a Master of Laws degree from University of Southampton, England. Prior to joining Ferncliff, he spent several years with the Norwegian law firm Wikborg Rein, working in both the Oslo and London offices; and has also worked with the shipping law firm Evensen & Co. He has extensive corporate experience and is chairman and/or a member of the board of directors of several other listed companies; including Saga Pure ASA, NEL ASA, Arribatec ASA, Standard Supply AS, Ayfie AS and Dolphin Drilling AS. He was re-elected as a Chairman of S.D. Standard ETC Plc on 9 August 2023.

He is a Norwegian citizen and resides in Norway.

KONSTANTINOS PANTELIDIS

NON-EXECUTIVE / INDEPENDENT DIRECTOR

Mr. Konstantinos Pantelidis (born 1970) has over 30 years' experience in the service industry and an extensive knowledge in accounting and audit, banking, financial management and budgeting. His experience includes participation in board meetings under his capacity as a non-executive director and finance director of various companies and organizations, including PLC's.

Since November 2008, Konstantinos is the founder and Director of Rombus Services Ltd. Konstantinos is a fellow member of the Chartered Association of Certified Accountants (ACCA) and a member of the Institute of Certified Public Accountants of Cyprus (ICPAC).

Mr. Pantelidis has been involved with the company from 2016, where he served as a member and chairman of the Nomination Committee. He was appointed to the Board of Standard Drilling in June 2018 and he also serves as a Chairman of the Audit committee.

GEORGE CRYSTALLIS

NON-EXECUTIVE / INDEPENDENT DIRECTOR

Mr. George Crystallis (born 1956) is Managing Director of M.G. Crystallis & Co Limited, a Cyprus trading company.

Mr. Crystallis has extensive board experience and serves on the boards of several Cypriot companies. He was appointed to the Board of S.D. Standard ETC in December 2010. Mr. Crystallis holds a degree in Economics from the University of Freiburg.

EVANGELIA PANAGIDE

GENERAL MANAGER

Mrs. Evangelia Panagide (born 1974) has, from 1 September 2013, been appointed as General Manager of the Company. She is based in the Company's headquarters in Cyprus and has run this office since 2011.

CHRISTOS NEOKLEOUS

CHIEF FINANCIAL OFFICER

Mr. Christos Neokleous (born 1970) has been appointed as Chief Financial Officer on 1 July 2017 but has been involved with the Company since its incorporation. He has more than 30 years of experience as auditor and advisor with a demonstrated history of working as a Partner in one of the Big 4 audit firms in Cyprus. He is skilled in numerous audit and accounting fields, and has extensive knowledge of International Financial Reporting Standards, Taxation Policies, Cyprus Companies Law, Corporate Governance matters and day to day administration processes.

Mr. Neokleous is a Fellow member of the Chartered Association of Certified Accountants (FCCA), a member of the Institute of Certified Public Accountants of Cyprus (ICPAC), a member of The Association of Accounting Technicians (MAAT) and a licensed Insolvency Practitioner in Cyprus.

ALFO SECRETARIAL LIMITED

COMPANY SECRETARY

Griva Digeni
Panayides Building, 2nd floor
Office 3,
3030 Limassol, Cyprus

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

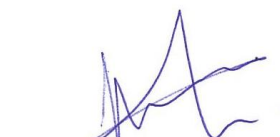
In accordance with Article 9 sections (3c) and (7) of the Transparency Requirements (Securities for Trading on Regulated Markets) Law of 2007, 2009, 2012 and 2016 of Cyprus (“Law”) we, the members of the Board of Directors and other responsible persons for the financial statements of S.D. Standard ETC Plc (“the Company”), for the year ended 31 December 2023 we confirm that, to the best of our knowledge:

- a) the financial statements of the Company for the year ended 31 December 2023 which are presented on pages 11 to 39.
 - (i) were prepared in accordance with International Financial Reporting Standards, as adopted by the European Union in accordance with provisions of Article 9, 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 S.D. Standard ETC Plc, and the business that are included in the financial statements as a total, and
- b) the Management Report provides a fair review of the developments and the performance of the business as well as the financial position of S.D. Standard ETC Plc, together with a description of the principal risks and uncertainties that they are facing.

Limassol, 17 April 2024



Martin Nes
Chairman



Konstantinos Pantelidis
Independent Director



George Crystallis
Independent Director



Christos Neokleous
Chief Financial Officer



Evangelia Panagide
General Manager

REPORT ON CORPORATE GOVERNANCE

As a limited liability company incorporated in the Republic of Cyprus, S.D. Standard ETC Plc (“SDSD” or the “Company”) \ is subject to Cypriot laws and regulations. Additionally, as a consequence of being listed on Oslo Bors, the Company must comply with certain aspects of Norwegian Securities Law and has decided to adhere to the Norwegian Code of Practice for Corporate Governance dated 14 October 2021 (the “Code of Practice”) on a “comply or explain” basis.

SDSD’s Board of Directors and management annually review the principles for corporate governance in the Code of Practice and how they are implemented in the Company. Pursuant to the Code of Practice, SDSD hereby gives an account of the Company’s corporate governance principles and practice.

The description below accounts for SDSD’s compliance with the 15 sections in the Code of Practice.

IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

As SDSD is a Cyprus registered company, the Company intends to comply with the Code of Practice as long as it is in accordance with mandatory provisions in the Cyprus Companies Law, Cap 113 and Cypriot practice and principles for public limited companies. To ensure adherence to the Code of Practice the Company has adopted specific guidelines such as:

- Rules of procedure for the Board of Directors
- Instructions for the Chief Executive Officer/General Manager
- Guidelines for the duties of the nomination committee
- Guidelines for the auditor’s and associated persons’ non-auditing work
- Code of conduct of business ethics and corporate social responsibility (Code of Ethics)
- Investor relations policy
- Audit committee charter
- Remuneration policy for the Board of Directors and Management team

The Company’s adoption of the Code of Practice and the above guidelines ensures an appropriate division of roles and responsibility and well-functioning cooperation among the Company’s shareholders, the Board of Directors and its senior management, and that the Company’s activities are subject to satisfactory control. An appropriate division of roles, effective cooperation, and satisfactory control contribute to the best possible value creation over time, to the benefit of owners and other stakeholders.

The Company’s Code of Ethics addresses impartiality, conflicts of interests, relations with customers and suppliers, relations with media, insider trading and relevant financial interests of a personal nature. The code of ethics applies to all employees in SDSD.

BUSINESS

The Company is an investment entity with a special focus on shipping, offshore and energy. 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 in a sustainable manner. The main focus of the Company has previously been on the Rig, PSV and VLCC tanker markets, however the Company has expanded its S.D. Standard ETC Plc. – Annual Report and Financial Statements 2023

investment strategy and is now also focusing on a 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 objectives of the Company are within the framework of the Memorandum of Association, which is available on the Company’s website, <http://www.standard-etc.com>. The Company’s Memorandum of Association contains the description of the Company’s objectives and strategies under Cypriot law but does not clearly define the Company’s business as this is not in accordance with Cypriot practice.

The annual report describes the Company’s targets and principal strategies and the market is kept updated through the quarterly reports. The Board of Directors leads the Company’s strategic planning, sets the objectives and makes the necessary decisions which provide guidance to the management of the Company for implementing the strategy and create value for shareholders in a sustainable manner. The Company’s objectives, strategy and risk profiles are evaluated by the Board at least annually.

Having a sound financial position with no debt, the Board of Directors believe that the Company is well positioned to take advantage of opportunities that may appear within the markets it operates.

EQUITY AND DIVIDEND

The Board of Directors continuously reviews the capital structure in light of the Company’s targets, strategies and intended risk profile. The Company aims to manage its resources in a manner which will ensure shareholders a competitive return in the form of dividends and increases in share price relative to comparable investment alternatives.

The Company does not have a dividend policy. The annual dividend payment will depend on the Company’s results, its financial situation and the need for working capital and investments.

Authorizations to the Board of Directors

At the AGM of the year 2023, the Board of Directors was granted the following authorizations:

- Following a waiver of the pre-emption rights of the shareholders, the Board was granted an authorization to issue 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. The authorization is valid until the AGM of the year 2024.
- To acquire own shares in accordance with the relevant provisions and terms prescribed by the Cyprus Companies Law and within a time period of twelve months from the date of approval of the resolution.

Cyprus practice and the Cypriot legal system with issued and authorized capital is different from the Norwegian Company law mandates that are specific to the Board of Directors and the recommendations in the Code of Practice. The above authorization given to the Board of Directors for the issue of new shares is not in line with the recommendations in the Code of Practice as it covers

more than one purpose. However, the Board believes that it gives sufficient flexibility to raise capital quickly in the future with respect to private placements by allowing a proactive approach 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.

EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

As of 31 December 2023, the Company had 1 935 shareholders. The Company has only one share class, with identical voting rights. All shareholders are treated equally and the Articles of Association do not contain any restrictions on voting rights.

Where there is a need to waive the pre-emption rights of existing shareholders this will be justified at the time of approval or were based on an existing mandate justified in the Stock Exchange announcement in relation to the relevant share increase. Equal treatment of all shareholders is crucial. The Board of Directors has not made any resolutions to increase the share capital based on the authorization granted at the AGM of 2023.

All information relevant to the share price is published through the notification system of the Oslo Bors Stock Exchange and the Company's website. Any transactions in own (treasury) shares will be executed on the Oslo Bors Stock Exchange or by other means at prevailing stock exchange prices. The Company has not purchased own shares during the year 2023.

All transactions between the Company and its close associates are disclosed in the financial statements. If there are material transactions between the Company and a shareholder, Board member, member of senior management, or a party closely related to any of the aforementioned, the Board of Directors will generally ensure that the transactions are on market terms.

The Company has adopted guidelines to ensure that members of Board of Directors and executive personnel notify the Board if they may have any direct or indirect interest in any transaction entered by the Company. Information about the composition of the Company's shareholders is presented in note 18 to the financial statements.

SHARES AND NEGOTIABILITY

The shares are listed on the Oslo Bors and are freely transferable. The Articles of Association include no form of restriction on negotiability.

GENERAL MEETINGS

The Annual General Meeting ("AGM") is the forum for the Company's shareholders to participate in major decisions and shall be held no later than fifteen months from the date of the previous AGM. The Company's Articles of Association require 21 days' notice for Annual and Extraordinary General Meetings specifying the matters to be considered.

The Company's AGM is open to all the Company's shareholders and the Board of Directors is taking steps as recommended by the Code of Practice ensuring that as many shareholders as possible may exercise their rights by participating in general meetings of the Company.

Shareholders may exercise their vote through a representative or proxy. All shares have equal voting rights. There are no restrictions

on ownership or any known shareholder agreements. The AGM minutes are published through the notification system of the Oslo Bors Stock Exchange and on the Company's website, <https://www.standard-etc.com>.

All the members of the Board of Directors as well as the Chairman of the Nomination Committee shall attend the AGM. Pursuant to the articles of association of the Company, the Chairman of the Board will chair the general meeting or in case he is absent or unwilling to do so, the directors present shall elect one of their number to act as the chairman of the meeting. This is a deviation from the Code but the Company has concluded that the chair of the Board is in the best position to chair the general meeting.

COMMITTEES

Nomination Committee

At the extraordinary general meeting (EGM) held on 30 May 2012 the shareholders approved the establishment of a Nomination Committee which will operate in accordance with the "Guidelines for the Nomination Committee", which have been posted on the company's website, <https://www.standard-etc.com>. The Company's Articles of Association were also amended in the same EGM to provide that the Company shall have a Nomination Committee. The term of appointment is for two years. The current Nomination Committee is comprised by Mr. George Papanicolaou (Chairman) and Mr. Demetris Kyriakou (member) and its tenure ends at the AGM of the year 2024.

The Nomination Committee submits recommendations to AGMs for the election of members of the Board of Directors. The recommendation will include relevant information on each candidate's background and independence. Furthermore, the Nomination Committee proposes remuneration to the members of the Board of Directors.

It is the Board of Directors' proposal that the composition of the Nomination Committee is in line with the Code of Practice.

Audit Committee

The Audit Committee is appointed by the Board of Directors of the Company and is currently comprised by Mr. Konstantinos Pantelidis (Chairman) and Mr. George Crystallis (member).

The responsibilities of the Audit Committee are to monitor the Company's financial reporting process and the effectiveness of its systems for internal control and risk management as well as to review ethics and compliance issues. The Audit Committee shall also keep in regular contact with the Company's auditor regarding the auditing of the annual accounts, evaluate, and oversee the auditor's independence.

The composition of the audit committee is in line with the provisions of the Auditors' Law of Cyprus and the Code of Practice of Cyprus and Norway.

THE BOARD OF DIRECTORS COMPOSITION

The Company does not have a corporate assembly. According to the Articles of Association, the Company shall have a Board of Directors consisting of a minimum of two and a maximum of ten members. At present, the Board of Directors consists of three members.

The Board members are elected at the AGM. The election is based on a recommendation prepared and presented by the Nomination Committee to be adopted at the AGM. The recommendation is

distributed to the shareholders along with the convening letter to the AGM. Decisions on the composition of the Board of Directors require a simple majority and Directors are elected for two-year terms and can be re-elected.

The Company aims to ensure a balanced composition of the Board of Directors in terms of competence, experience and background relevant to the Company's operations. It is also preferable that the Board of Directors reflect both the Company's ownership structure and the need for independent representatives. The current composition of the Board of Directors satisfies the requirements for independence as set forth in the Code of Practice.

THE WORK OF THE BOARD OF DIRECTORS

The Board annually adopts a plan for its work, emphasizing goals, strategies and implementation. The Board regularly receives financial reports for the Company and its subsidiaries and associate Companies with the management's comments on the financial status and other relevant issues. The Board discusses strategy and budgets in extended board meetings. Special attention is taken when considering transactions with related parties and any conflicts of interests of participants are made aware.

The Board of Directors holds more than six board meetings per year and conducts an annual self-evaluation of its work.

As set forth under Section "Implementation and Reporting on Corporate Governance" above, the Board of Directors has adopted guidelines in line with the recommendations in the Code of Practice. The Board of Directors has also adopted committees as recommended, cf. also Section "Committees" above.

RISK MANAGEMENT AND INTERNAL CONTROL

Risk management and internal control is performed through various processes within the Company, both on a Board level and in daily management of the Company. The Board of Directors receives regular reports from management outlining the financial and operational performance of the Company and its subsidiaries and associate. The Board of Directors evaluates the internal control systems on an ongoing basis and assesses the most important risk factors that the Company will be confronted with. In view of the Company's strategy, the Board pays particular attention to ensuring that the internal control systems apply to all aspects of the Company's activities. The Board also considers the need for any further measures in relation to the risk factors identified.

In line with the Code of Practice, the Board of Directors has adopted guidelines that encompass the Company's corporate and ethical values and corporate social responsibility, cf. Section "Implementation and Reporting on Corporate Governance" (Code of Ethics).

REMUNERATION OF THE BOARD OF DIRECTORS

The Company has considered it necessary to adopt guidelines for remuneration of the members of the Board of Directors. The remuneration policy was adopted at the AGM that took place on 14 June 2021 and was updated at the EGM that took place on 14 January 2022.

The remuneration paid to the members of the Board had been decided at the AGM that took place on 14 June 2023, having

considered proposals by the Nomination Committee in line with the Code of Practice. Information about the fees paid to the Board of Directors and Committees is presented in note 20 to the financial statements.

REMUNERATION OF EXECUTIVE PERSONNEL

The Company has considered it necessary to adopt guidelines for remuneration of the management team in line with the Code of Practice. The remuneration policy was adopted at the AGM that took place on 14 June 2021 and was updated at the EGM that took place on 14 January 2022. Information on remuneration for the year 2023 for members of the senior management, is presented in note 19 to the financial statements.

INFORMATION AND COMMUNICATIONS

The Company complies with the Oslo Børs Code of Practice for Reporting Investor Relations Information and as well as additional reporting requirements under Cypriot laws and regulations.

TAKEOVERS

The Board of Directors has as part of its Corporate Governance Principles adopted guidelines on how it will act in the event of a take-over bid, in line with the Code of Practice.

The Company will not seek to hinder or obstruct take-over bids for the Company's activities or shares unless there are particular reasons for this. In the event of a take-over bid for the Company's shares, the Board of Directors should not exercise mandates or pass any resolutions with the intention of obstructing the take-over bid, unless this is approved by the general meeting following announcement of the bid. If an offer is made for the Company's shares, SDSA's Board of Directors should issue a statement making a recommendation, as to whether shareholders should or should not accept the offer.

The Board of Director's statement on the offer should make it clear whether the views expressed are unanimous, and if this is not the case, it should explain the basis on which specific members of the Board of Directors have excluded themselves from the Board of Directors' statement. The Board of Directors should arrange a valuation from an independent expert. The valuation should include an explanation and it should be made public, no later than at the time of the public disclosure of the statement. Any transaction that is in effect a disposal of the Company's activities should be decided by a general meeting.

AUDITOR

The Company's appointed external auditor is PricewaterhouseCoopers Limited, Cyprus ("PwC"). The auditor participates in Audit Committee meetings during which the audit plan and results of the audit are discussed. Also, the auditor participates in the meeting of the Board of Directors in which the financial statements are reviewed and approved. The auditor also participates in the AGM. Information about the fee paid to the auditor is stated in the Annual Report.

The Company has adopted guidelines for the auditor's and associated persons' non-auditing work, in line with the Code of Practice and the EU regulation.

MANAGEMENT REPORT

The Board of Directors presents its report together with the audited financial statements of S.D. Standard ETC Plc. ("SDSD" or the "Company") for the year ended 31 December 2023.

HISTORY AND PRINCIPAL ACTIVITIES

The Company was incorporated as a private limited liability company under the laws of Cyprus with the name of S.D. Standard Drilling Limited on 2 December 2010. The Company was converted into a public limited liability company on 23 December 2010 and the Company's name was changed to S.D. Standard ETC Plc in January 2022. On 25 March 2011 the Company's shares were listed on Oslo Axess and on 31 May 2017 were listed on Oslo Bors, under the ticker SDSD.

The principal activity of the Company is to operate as an investment entity with a special focus on shipping, offshore and energy segments, with direct or indirect exposure into companies, securities and / or assets.

BUSINESS STRATEGY

The Company's strategy is to invest in the shipping, offshore and energy segments, directly or indirectly into companies, securities, commodities and / or assets with the objective 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 the Company has expanded its strategy and is now also focusing on more diversified and liquid investment portfolio within the energy, transport and commodities markets.

SDSD has incorporated a wholly owned subsidiary named Standard Invest AS which provides portfolio management services to the Company.

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 within the markets it operates. This includes, but is not limited to, asset play, or investment directly in other companies. The main drivers are maximizing the return and minimizing the risk.

REVIEW OF DEVELOPMENTS, POSITION AND PERFORMANCE OF THE COMPANY'S BUSINESS

The Company achieved several important milestones during the year 2023:

1. 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. During the year 2023, the Company disbursed the amount of USD 7,5 million in two tranches.

In February 2024, an addendum was signed extending the bridge loan facility final repayment date to 31 May 2025 and also providing the possibility of earlier repayment after 31 May 2024.

2. In June 2023 and as part of a reorganization, Dolphin Drilling AS (hereinafter "Dolphin") successfully completed a private

placement of 84 million new shares. The Company acquired additional shares for USD 6,9 million.

Overall, the Company has invested during 2022 and 2023 the amount of USD 26,9 million to Dolphin. As of 31 December 2023, the Company held 19% of the issued share capital of Dolphin having a fair value of USD 34,5 million.

3. During the year 2023, the Company provided its subsidiary Standard Supply AS, under the revolving credit facility ("RCF") that was concluded in June 2022, the amount of USD 3,7 million in three tranches all of which were settled by 31 December 2023.
4. In November 2023, the Company entered into an agreement with Ferncliff Opportunities AS, to provide an unsecured loan for the amount of USD 7,9 million at an interest rate of 12%. The loan has been used to finance an investment of Ferncliff Opportunities AS and is repayable on 30 June 2024 or earlier in case the investment is sold.
5. During the year 2023, the Company received from its subsidiary Standard Supply AS dividends amounting to USD 13,2 million (2022: USD 11,1 million).
6. Moreover, during 2023 the Company invested USD 67,1 million for the acquisition of securities listed on the US and Oslo Stock Exchange, debt investments as well as unlisted securities, some of which were disposed realizing a profit of USD 1,2 million and a fair value gain of USD 0,5 million. As of 31 December 2023, investments held for trading had a fair value of USD 21,7 million.

More information on investments and transactions with related parties is provided in notes 5 and 21 respectively.

Non-Financial KPIs

Health, Safety and Environmental regulations

The Company aims to comply in all material respects with the health, safety and environmental regulations affecting its operations in the countries and jurisdictions in which the Company is operating. In this respect the management has developed and is currently monitoring a system of Non-Financial KPIs with regards to the health, safety and environmental regulations. As of today, the Company was not found in breach of any of the regulations. The Company is not, nor has been involved in any legal, governmental or arbitration proceedings. This is in line with the overall culture and vision of the Company.

Corporate Social Responsibility

The Company has formalized guidelines regarding corporate social responsibility and is constantly focused and conducts its business through a sound code of ethics.

FINANCIAL RESULTS

The Company's results for the year are set out on page 11. The Company's profit after tax for the year ended 31 December 2023, which is attributable to the equity holders, was USD 2,6 million compared to a profit of USD 39,8 million for the year ended 31 December 2022. The total assets of the Company for 2023 were USD 144,9 million and the net assets were USD 142,4 million, compared to USD 139,8 million and USD 139,6 million respectively in 2022.

The Company's results for the year 2023 are not considered satisfactory when compared to the results of the year 2022, since they were impacted by an unrealized loss recognized on the shares held in Dolphin Drilling AS.

PRINCIPAL RISKS 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.

Russo-Ukrainian and Israel-Hamas Wars

The Russo-Ukrainian War that began in February 2022 in combination with the various economic sanctions imposed to Russia by multiple jurisdictions, as well as the armed conflict between Israel and Hamas-led Palestinian militants from the Gaza Strip that broke out in October 2023, are still ongoing. However, both conflicts have a global impact the effects of which are uncertain.

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

The Company has in place systems and procedures to maintain its status in the market and to stay alert to changes in the marketplace in order to help mitigate market risk. Internal procedures have been and are continuously being developed to help monitor developments and mitigate financial and operational risks.

All principal risks and uncertainties are disclosed in more detail in Note 3 to these financial statements.

USE OF FINANCIAL INSTRUMENTS BY THE COMPANY

The Company is exposed to a variety of financial risks: market risk (including currency risk and price risk), PSV and oil drilling services market risk, credit risk and liquidity risk. The detailed analysis of the Company's exposure to financial risks as at the balance sheet date are disclosed in Note 3.1 of the financial statements.

FUTURE DEVELOPMENTS OF THE COMPANY

Going forward, the Company will continue monitoring the current global economy uncertainty and volatility created by the recent global banking crisis and the Russo-Ukraine and Israel-Hamas wars and their impact on its business activity. Having a sound financial position with no debt, the Board believes that the Company is well positioned to seek and take advantage of any attractive investment opportunities that may appear within the framework of industries it operates.

DIVIDENDS

The Board of Directors does not recommend the payment of a dividend for the year 2023.

SHARE CAPITAL AND PREMIUM

During the year 2023, no changes took place in the share capital and share premium accounts of the Company.

As of 31 December 2023, the Company has issued 524 482 901 ordinary shares and the number of authorised but not issued shares was 340 517 099.

TREASURY SHARES

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

BOARD OF DIRECTORS

The members of the Board of Directors as at 31 December 2023 and at the date of this report are shown on page 3.

There were no significant changes in the assignment of responsibilities as well as other changes in the composition of the Board of Directors during 2023, other than the following:

- At the Annual General Meeting of the Company that took place on 14 June 2023, Mr. George Crystallis was re-elected in office.
- Mr. Martin Nes was re-appointed in the position of the Chairman of the Board on 9 August 2023.

In accordance with the Company's Articles of Association, Mr. Konstantinos Pantelidis will retire by rotation and he is eligible for re-election at the Annual General Meeting of the Company.

The remuneration of the Members of the Board of Directors is shown in note 19 to these financial statements.

DIRECTORS' INTEREST IN THE SHARE CAPITAL OF THE COMPANY

None of the directors holding office at the end of the financial year had any interest in the shares of the Company, except the following indirect shareholdings:

- Martin Nes through Hanekamb Invest AS (1,69%).

EVENTS AFTER THE BALANCE SHEET DATE

Any material post balance sheet events are described in detail in note 22 to these financial statements.

BRANCHES

The Company did not operate through any branches during the year.

CORPORATE GOVERNANCE

The Directors of S.D. Standard ETC Plc recognize the importance of the corporate governance policies, practices and procedures. Being listed on the Oslo Bors Stock Exchange in Norway, the Company must comply with certain aspects of Norwegian Securities Law and is also obligated to adhere to the Norwegian Code of Practice for Corporate Governance dated 14 October 2021 (the "Code of Practice") on a "comply or explain" basis (see separate section on corporate governance on pages 5 to 7).

INDEPENDENT AUDITORS

The Independent Auditors, PricewaterhouseCoopers Limited, have expressed their willingness to continue in office. A resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

ALTERNATIVE PERFORMANCE MEASURES

This section describes the financial Alternative Performance Measures (APMs) that are used in the Annual Report and Financial Statements for the year 2023.

The following APMs are not defined nor specified in the applicable financial reporting framework of IFRS, however their definition and calculation are provided below:

- *Operating Profit / (Loss)* is defined as Income from operating activities after subtracting administration and operating expenses.
- *Profit / (Loss) before tax* is defined as Operating loss less finance costs.
- *Profit / (Loss) after tax* is defined as Operating loss less finance costs and income tax.

All the above APMs can be found on the Statement of Comprehensive Income for the year ended 31 December 2023, on page 11 of the Annual Report.

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



*Alfo Secretarial Limited
Secretary*

Limassol, 17 April 2024

ALFO SECRETARIAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

<i>(Amounts in USD 000)</i>	Note	31.12.2023	31.12.2022
		<i>Audited</i>	<i>Audited</i>
Income			
Changes in fair value on financial assets at fair value through profit or loss	5.1	(13 694)	25 689
Changes in fair value on financial assets at fair value through profit or loss – held for trading	5.2	1 652	4 005
Dividend income on financial assets at fair value through profit or loss	6	13 335	11 384
Interest income	7	2 766	1 073
Net foreign currency gains/(losses)		625	(217)
		4 684	41 934
Expenses			
Administration and operating expenses	12	(1 920)	(2 042)
Total operating expenses		(1 920)	(2 042)
Operating profit		2 764	39 892
Finance costs			
Sundry finance expenses	13	(43)	(49)
Profit for the year before tax		2 721	39 843
Income tax expense	14	(130)	(71)
Profit for the year after tax		2 591	39 772
Profit attributable to the owners of the Company		2 591	39 772
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Other comprehensive income for the year		-	-
Total comprehensive income for the year		2 591	39 772
Earnings per share			
Basic earnings per share in USD	15	0,00	0,08
Diluted earnings per share in USD	15	0,01	0,08

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2023

<i>(Amounts in USD 000)</i>	Note	31.12.2023	31.12.2022
ASSETS		<i>Audited</i>	<i>Audited</i>
Financial assets at fair value through profit or loss	5.1	80 973	87 762
Total non-current assets		80 973	87 762
Receivables and prepayments	8	610	77
Financial assets at fair value through profit or loss held for trading	5.2	21 713	5 746
Loans receivable from related parties – at fair value through profit or loss	21.2	16 081	-
Cash and bank balances	9	25 523	46 251
Total current assets		63 927	52 074
Total Assets		144 900	139 836
EQUITY AND LIABILITIES			
Ordinary shares	10	15 734	15 734
Other paid-in equity		715	526
Retained earnings		125 933	123 342
Total equity		142 382	139 602
Trade and other payables	11	2 471	234
Current tax liability	14	47	-
Total current liabilities		2 518	234
Total Equity and Liabilities		144 900	139 836

On 17 April 2024, the Board of Directors of S.D. Standard ETC Plc authorized these financial statements for issue.



Martin Nes
Chairman



Konstantinos Pantelidis
Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

<i>(Amounts in USD 000)</i>	Share Capital	Other paid-in equity	Retained earnings	Total
Balance at 01.01.2022	15 734	-	83 570	99 304
Comprehensive income				
Profit for the year	-	-	39 772	39 772
Option and share program (note 17)	-	526	-	526
Balance at 31.12.2022 (audited)	15 734	526	123 342	139 602
Balance at 01.01.2023	15 734	526	123 342	139 602
Comprehensive income				
Profit for the year	-	-	2 591	2 591
Option and share program (note 17)	-	189	-	189
Balance at 31.12.2023 (audited)	15 734	715	125 933	142 382

Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, by the end of the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at the rate of 17% will be payable on such deemed dividend to the extent that the shareholders for deemed dividend distribution purposes at the end of the period of two years from the end of the year of assessment to which the profits refer, are Cyprus tax residents and domiciled. From 1 March 2019, the deemed dividend distribution is subject to a 1,70% contribution to the National Health System, increased to 2,65% from 1 March 2020, with the exception of April 2020 until June 2020 when the 1,70% rate was applicable. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year by the end of the period of two years from the end of the year of assessment to which the profits refer. This special contribution for defence is paid by the Company for the account of the shareholders.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

<i>(Amounts in USD 000)</i>		31.12.2023	31.12.2022
	Note	<i>Audited</i>	<i>Audited</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period before income tax		2 721	39 843
Unrealised exchange (gain)/loss		(625)	217
Dividend Income	6	(13 335)	(11 384)
Interest income		(2 766)	(1 073)
Fair value loss / (gain) in financial assets fair value through profit or loss	5.1	13 694	(25 689)
Gains in financial assets fair value through profit or loss – held for trading	5.2	(1 652)	(4 005)
Option and share program	17	189	526
CHANGES IN WORKING CAPITAL			
Payments to acquire financial assets at fair value through profit or loss	5	(6 905)	(20 011)
Receipts from sale of financial assets at fair value through profit or loss	5	-	329
Payments to acquire financial assets at fair value through profit or loss held for trading	5.2	(67 067)	(54 605)
Receipts from financial assets at fair value through profit or loss held for trading	5.2	52 752	77 648
(Increase) / decrease in receivables and prepayments		(533)	303
Increase / (decrease) in trade and other payables		2 237	(9)
Net cash generated (used in)/from operating activities		(21 290)	2 090
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received – net of withholding tax	6	13 324	11 313
Interest received		2 006	608
Loans granted to related companies	21.2	(19 120)	(19 750)
Proceeds from repayment of loans granted to related companies	21.2	3 700	20 215
Net cash (used in) / generated from investing activities		(90)	12 386
Net (decrease) / increase in cash and cash equivalents		(21 380)	14 476
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		625	(215)
Cash and cash equivalents at end of year	9	25 523	46 251

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 1 – INCORPORATION AND PRINCIPAL ACTIVITIES

COUNTRY OF INCORPORATION

S.D. Standard ETC Plc (formerly S.D. Standard Drilling 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 following 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 were listed on Oslo Bors. The head office is located in Limassol, Cyprus and its registered office is at 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 with a special focus on shipping, offshore and energy segments. 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 the Company has expanded its strategy and is now also focusing on a 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 – SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Management seeks not to reduce the understandability of these financial statements by obscuring material information with immaterial information. Hence, only material accounting policy information is disclosed, where relevant, in the related disclosure notes.

2.1 BASIS OF PREPARATION

The financial statements of S.D. Standard ETC Plc. have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and the requirements of the Cyprus Companies Law, Cap. 113 and are expressed in United States Dollars. The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets at fair value through profit or loss. All figures in these financial statements are in USD’000 unless otherwise stated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

The Company meets the definition of an investment entity as per IFRS 10 and is required to account for the investment in the subsidiary Standard Supply AS and associate Dolphin Drilling AS at fair value through profit or loss.

With regards to the subsidiary Standard Invest AS established in 2021 which 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 year 2023 are considered immaterial.

These financial statements are the only financial statements presented by the Company.

2.1.1 Going concern

These financial statements have been prepared under the assumption that the Company is a going concern. The directors of the Company have reassessed the going concern assumption and confirm that the Company has adequate resources to continue in operational existence for the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1.2 Adoption of new and revised IFRS's

As of the date of the authorization of the financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 January 2023 and are relevant to the Company's operations, have been adopted by the EU through the endorsement procedure established by the European Commission.

In the current year, 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. The adoption of these Standards did not have a material effect on the financial statements.

At the date of approval of these financial statements a number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2023, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company.

2.2 INVESTMENT ENTITY

The Company, being a listed entity, has multiple unrelated investors and holds multiple investments. The Board has determined that the Company meets the definition of an investment entity per IFRS as the following conditions exist:

- The Company has announced and subsequently obtained funds for the purpose of providing investors with professional investment management services;
- The business purpose of the Company is to invest within the shipping and offshore segments including renewables. The main focus of the Company has previously been in the PSV and VLCC tanker markets, however the Company has updated its strategy and is now focusing on more diversified and liquid investments portfolio within the energy, transport and commodities market, although will pursue any attractive investment opportunities that may arise within the framework of industries it operates, for the purposes of capital appreciation and investment income; and
- The Investments are measured and evaluated by management on a fair value basis.

2.3 INVESTMENT IN SUBSIDIARIES AND CONSOLIDATION

The Company does not have any other subsidiaries other than those determined to be controlled subsidiary investments. Controlled subsidiary investments are measured at fair value through profit or loss and are not consolidated in accordance with IFRS 10. The Company's controlled subsidiary investment, Standard Supply AS, has been incorporated for the purpose of holding the underlying investments on behalf of the Company. With regards to the subsidiary Standard Invest AS which 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 year 2023 are considered immaterial.

2.4 INVESTMENT IN ASSOCIATES

An associate is an entity, including an unincorporated entity such as a partnership, over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture.

Investments in an associate are carried in the balance sheet at fair value as required by IAS 28, 'Investment in Associates', which allows investments that are held by investment entities to be recognized and measured as at fair value through profit or loss and accounted for in accordance with IFRS 9 and IFRS 13, with changes in fair value recognized in profit or loss in the statement of comprehensive income in the period of the change.

2.5 INTEREST INCOME

Interest revenue on financial assets at amortised cost is calculated using the effective interest method. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit – impaired financial assets – Stage 3 the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance), for Stage 1 and Stage 2 – gross amount of financial assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 FOREIGN CURRENCY TRANSLATION

a) *Functional and presentation currency*

The Company's financial statements are measured in US dollars (USD) which is the currency that is used primarily in the economic area where the unit operates (functional currency). The Company's financial statements are presented in USD.

b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within finance income or cost. All other foreign exchange gains and losses are presented on the face in the income statement.

2.7 DIVIDEND INCOME

Dividends are received from financial assets measured at fair value through profit or loss (FVTPL). Dividends are recognised in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment.

2.8 CASH AND CASH EQUIVALENTS

In the statement of cash flows and the balance sheet, cash and cash equivalents include deposits held at call of three months or less with banks which are subject to an insignificant risk of changes in value. Cash and cash equivalents are carried at amortised cost ("AC") because: (i) they are held for the collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

2.9 SHARE BASED PAYMENTS

The Company has an equity-settled share-based remuneration program towards an employee of one of its subsidiary companies. The cost of this program is determined by the fair value at the grant date, as calculated by the Black-Scholes model. The cost is recognised as administration expenses, together with a corresponding increase in other equity, over the vesting period. As this is equity settled, no subsequent fair value measurements are made post grant date.

2.10 SOCIAL SECURITY SHARE BASED PAYMENTS

The potential social security related to the share-based program, will be payable at expiration, based on the end value – if any – of the options. Reserves for social security are made, based in the current value of the option, as if it was at its expiration, hence, a full undiscounted reserve. The calculation is based on the difference between the strike price of the option, and the current stock price. If the option at the time of measurement is "out of the money" – no reserves is made.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 TRADE PAYABLES

Trade payables are obligations to pay for services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.12 CURRENT AND DEFERRED INCOME TAX

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns, with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate, based on the amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities; and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where there is an intention to settle the balances on a net basis.

2.13 DIVIDENDS

Dividend distribution to the Company's shareholders is recognized in the Company's financial statements in the year in which they are declared by the Board of Directors in case of interim dividends and approved by the Company's shareholders in case of final dividends.

2.14 SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Share premium is the difference between the fair value of the consideration receivable for the issue of shares and the nominal value of the shares. Share premium account can only be resorted to for limited purposes, which do not include the distribution of dividends, and is otherwise subject to the provisions of the Cyprus Companies Law on reduction of share capital.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 INVESTMENTS AND OTHER FINANCIAL ASSETS

The below are the accounting policies relating to the measurement, recognition and classification of financial instruments in accordance with IFRS 9:

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through Other Comprehensive Income (OCI), or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). For financial instruments held for trading, gains and losses are recorded in profit or loss. Cash flows from financial instruments held for trading are recognized under operating activities in statement of cash flows.

Financial assets at amortised cost are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principals and interest.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the group commits to purchase or sell the asset. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The debt instruments can be classified into the following categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income. Financial assets measured at amortised cost comprise mainly cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 INVESTMENTS AND OTHER FINANCIAL ASSETS (CONTINUED)

Debt instruments (Continued)

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses); and impairment expenses are presented as separate line items in the statement of comprehensive income.

FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL, is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Financial assets – write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

(v) Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and cash and cash equivalents. The impairment methodology applied, depends on whether there has been a significant increase in credit risk.

For financial assets that are subject to impairment under IFRS 9, the Company applies the general approach – three-stage model for impairment. The Company applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to Note 3.1, Credit risk section, for a description of how the Company determines when an SICR has occurred. If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Company's definition of credit impaired assets and definition of default is explained in Note 3.1, Credit risk section.

Additionally, the Company has decided to use the low credit risk assessment exemption for investment grade financial assets. Refer to Note 3.1, Credit risk section for a description of how the Company determines low credit risk financial assets.

2.16 SEGMENTAL INFORMATION

The Company does not operate and consequently does not report through any segments as all the investments are fair valued, are currently within the same market and industry and are disclosed in more detail in the statement of financial position and related notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 3 – FINANCIAL RISK MANAGEMENT

3.1 FINANCIAL RISK FACTORS

The Company's activities expose it to market risk (including currency risk, interest rate risk and price risk), PSV and Tanker markets risk, credit risk, and liquidity risk. The Company's overall risk management strategy seeks to minimize any adverse effect from the unpredictability of financial markets on the Company's financial performance.

(a) Market risk

(i) Currency risk

The Company's functional currency is US dollars. The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to Euro and the NOK. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

(Amounts in USD 000)	Liabilities		Assets	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Norwegian Kroner	264	118	12 719	81
Total	264	118	12 719	81

Sensitivity analysis:

A 10% strengthening of the USD against NOK at 31 December 2023 would have increased/(decreased) equity and profit by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 10% weakening of the USD against the relevant currency, there would be an equal and opposite impact on the profit and other equity.

(Amounts in USD 000)	Equity		Profit or loss	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Norwegian Kroner	1 246	12	1 246	12
Total	1 246	12	1 246	12

(ii) Price risk

The Company is exposed to equity price risk because investments held have been classified on the balance sheet as at fair value through profit or loss and equity securities held for trading recognised at fair value through profit or loss. The fair value through profit or loss investments are susceptible to market risk arising from the operations, performance and the fair value of the PSV vessels held through its controlled subsidiary and its associate.

The Company's investments are highly concentrated in equity securities of entities which are active in the PSV and Oil Drilling markets. These investments consist 56% of total assets as at 31 December 2023 (2022: 63%). The Company's investments held for trading represents 15% of total assets as of 31 December 2023 (2022: 4%). The Company's management monitors the Company's price risk exposure on a continuous basis and acts accordingly.

The carrying amounts of the Company's financial assets at fair value through profit or loss held for trading at the reporting date are as follows:

(Amounts in USD 000)	Assets	
	31.12.2023	31.12.2022
NASDAQ Stock Exchange	2 214	3 452
Unlisted debt and equity securities	14 921	-
Investment in a Fund	4 578	2 294
Total	21 713	5 746

Sensitivity analysis:

A 10% strengthening of the fair value of the investments at 31 December 2023 would have increased equity and profit by the amounts shown below. For a 10% weakening of the fair value of the investments, there would be an equal and opposite impact on the profit and equity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 3 – FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 FINANCIAL RISK FACTORS (CONTINUED)

(ii) Price risk - Sensitivity analysis (continued) (Amounts in USD 000)	Equity		Profit or loss	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	1 142	575	1 142	575
Total	1 142	575	1 142	575

(iii) Cash flow and fair value interest rate risk.

The Company's interest rate risk arises from interest-bearing assets and liabilities. Interest-bearing instruments at variable rates expose the Company to cash flow interest rate risk. Interest bearing instruments at fixed rates expose the Company to fair value interest rate risk. The Company's interest rate risk is mainly derived from cash balances held by the Company as at year end. Management does not consider the Company's interest rate risk exposure to be significant.

(b) PSV and Oil Drilling services markets risk

The Company has made significant investments in the PSV and Oil Drilling markets. However, the PSV fleet owned by the subsidiary Standard Supply AS were sold at year end. Although the Company believes that the investments have been made on favourable terms, there is a risk that a downturn in the Oil Drilling services markets will affect the Company's investments significantly. The risk factors specific to the *Oil Drilling services* market, are described below:

Oil Drilling services market

The Oil Drilling services market in which the Company has invested in 2022, historically has been cyclical with volatility in profitability, and asset values resulting from changes in supply of, and demand for, oil and gas products. Based on market analysts, the market is expected to grow in the following years.

Dependency on oil and gas prices

The Company's return on the investments in the PSV market is significantly affected by, among other things, volatile oil and gas prices and may be materially adversely affected by a further decline in offshore oil and gas exploration, development and production.

Oil and gas prices are volatile and are affected by numerous factors beyond the Company's control, including, but not limited to, the following:

- worldwide supply and demand for natural oil and gas;
- increase in production creating oversupply in the market and leading to lower prices;
- the cost of exploring for, developing, producing, transporting and distributing oil and gas;
- expectations regarding future energy prices – for both oil and gas and other sources of energy;
- the ability of the Organization of Petroleum Exporting Countries ("OPEC") to set and maintain production and impact pricing;
- level of worldwide production;
- government laws and regulations, including environmental protection laws and regulations;
- the development and exploitation of alternative fuels, and the competitive, social and political position of oil and gas as a source of energy compared with other energy sources;
- local and international political, economic and weather conditions;
- current situation of the war is further described in post balance sheet events;
- political and military conflicts; and
- the development and exploitation of alternative energy sources.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 3 – FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 FINANCIAL RISK FACTORS (CONTINUED)

Fluctuating value of the fleet

The value of the vessels in which the Company has an indirect ownership may increase or decrease depending on a number of factors, including (but not limited to):

- general economic and market conditions affecting the offshore and shipping industries, including completion from other owners of platform supply vessels;
- types, sizes and ages of the vessels;
- supply and demand for the vessels;
- cost of new buildings;
- prevailing and expected level of contract day rates; and
- technological advances.

Russo-Ukrainian and Israel-Hamas Wars

The Russo-Ukrainian War that began in February 2022 in combination with the various economic sanctions imposed to Russia by multiple jurisdictions, as well as the armed conflict between Israel and Hamas-led Palestinian militants from the Gaza Strip that broke out in October 2023, are still ongoing. However, both conflicts have a global impact the effects of which are uncertain.

The war in Ukraine and Gaza have no direct impact on the Company, however the continuance and a potential escalation of both events may cause material impact on equity and assets prices worldwide, which in turn may affect the Company's earnings and balance sheet.

The management 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 those risks in a timely manner. The Company has a sound financial position with no debt and the management will continue to monitor developments closely to assess its impact in our business and respond accordingly.

(c) Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company's credit risk arises from deposits with banks and financial institutions.. For banks and financial institutions, only independent rated parties with a minimum rating of 'C' are accepted.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the balance sheet. The Company's major classes of financial assets are bank deposits and other receivables.

Cash and cash equivalents:

The Company's cash and cash equivalents which have investment grade credit ratings with at least one major rating agency, are considered to have low credit risk, and the loss allowance to be recognised during the period was therefore limited to 12 months expected losses. The identified impairment loss for cash and cash equivalents was immaterial to be accounted for. For the split of cash and cash equivalents by credit rating refer to the table below:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 3 – FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 FINANCIAL RISK FACTORS (CONTINUED)

(c) Credit risk (continued)

Cash and cash equivalents (continued)

The external credit ratings of the main financial institutions with which the Company holds its funds are as follows:

(Amounts in USD 000)	31.12.2023	31.12.2022	Credit ratings	
			Long term rating	Short term rating
DNB Bank ASA (Standard & Poor's)	25 498	46 234	AAA – (2022: AA)	A-1+ (2022: A-1+)
Bank of Cyprus Public Company Limited (Moody's)	25	17	Baa3 (2022: Ba2)	Not Prime (2022: Not Prime)

Other receivables:

The Company considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's/counterparty's ability to meet its obligations;
- actual or expected significant changes in the operating results of the borrower/counterparty; and
- significant changes in the expected performance and behaviour of the borrower/counterparty, including changes in the payment status of counterparty and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed, if a debtor is more than 30 days past due in making a contractual payment.

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorizes a receivable for write-off when a debtor fails to make contractual payments greater than 180 days past due. Where receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

No expected credit loss was recognised as at 31 December 2023 in relation to other receivables as the expected credit loss identified was insignificant.

Debt investments at fair value through profit or loss

The entity is also exposed to credit risk in relation to debt investments that are measured at fair value through profit or loss. The maximum exposure at the end of the reporting period is the carrying amount of these investments (US\$26.377; 2022: nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 3 – FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and cash equivalents, as well as securing availability of funding through adequate amount of credit facilities to meet future obligations.

The following are the contractual maturities of financial liabilities:

<i>(Amounts in USD 000)</i>	Carrying Amounts	Contractual Cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
2023							
Trade and other payables	2 471	2 471	2 471	-	-	-	-
Loan commitments (Note 20)	20 000	20 000		20 000			
Total	22 471	22 471	2 471	20 000	-	-	-

<i>(Amounts in USD 000)</i>	Carrying Amounts	Contractual Cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
2022							
Trade and other payables	234	234	234	-	-	-	-
Loan commitments (Note 20)	20 000			20 000			
Total	20 234	234	234	20 000	-	-	-

3.2 Capital risk management

The Company's objectives when managing capital, are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders; and to maintain an optimal capital structure to reduce the cost of capital. The capital as defined by management at 31 December 2023 and 2022 consists of equity as shown on the face of the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 3 – FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 FAIR VALUE MEASUREMENTS

3.3.1 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 December 2023				
Assets				
Financial Assets through profit or Loss				
- Financial assets at fair value through profit or loss (note 5.1)	80 858	-	-	80 858
- Financial assets at fair value through profit or loss-held for trading – equity securities (note 5.2)	2 214	4 625	-	6 839
- Financial assets at fair value through profit or loss – debt securities/loans receivable (notes 5.2 and 21.2)	-	26 377	-	26 377
- Financial assets at fair value through profit or loss-held for trading – investment in Fund (note 5.2)	-	4 578	-	4 578
Total financial assets measured at fair value	83 072	35 580	-	128 652
At 31 December 2022				
Assets				
Financial Assets through profit or Loss				
- Financial assets at fair value through profit or loss (note 5.1)	87 647	-	-	87 647
- Financial assets at fair value through profit or loss-held for trading – equity securities (note 5.2)	3 452	-	-	3 452
- Financial assets at fair value through profit or loss-held for trading – investment in Fund (note 5.2)	-	2 294	-	2 294
Total financial assets measured at fair value	91 099	2 294	-	93 393

3.3.2 Valuation processes

a) Investment in Standard Supply AS, Dolphin Drilling AS and traded equity securities (Level 1)

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 December 2023.

b) Investment in Fund, debt securities and unlisted equity securities (Level 2)

- (i) The fair values of 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.
- (ii) The fair values for debt securities has been determined by using the traded security price as of 31 December 2023. The fair values for loans receivable from related parties have been determined based on their carrying amount due to their short-term nature.
- (iii) The fair values of unlisted equity securities that are traded over the counter, are determined by the initial cost price adjusted by an indexation factor of the fluctuations of the share price of listed comparable companies from the date of acquisition up to the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 3 – FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3.3 Reconciliation of Level 3 fair value measurements

The following table presents the changes in Level 3 investments for the year ended 31 December 2023:

(Amount in USD 000)

	Financial assets designated at fair value through profit or loss	Total
31 December 2023		
Opening balance	-	-
Total gains or losses:		
- In profit or loss	-	-
Purchases	-	-
Sales / Reduction	-	-
Transfers out of level 3	-	-
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 the year 2022, financial assets at fair value through profit or loss amounted to USD 5 863, 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 as 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 December 2023	-	-
31 December 2022	397	397

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 4 – CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The following are the critical judgements and estimations, that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognized in financial statements.

Income taxes and deferred tax assets

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Investment entity status

In determining the Company's status as an investment entity in accordance with IFRS 10, the Board of Directors considered the following:

- a) The Company has announced and subsequently obtained funds for the purpose of providing investors with professional investment management services;
- b) The business purpose of the Company is to invest within the shipping and offshore segments including renewables. The main focus of the Company has previously been in the PSV and VLCC tanker markets, however the Company has updated its strategy and is now focusing on more diversified and liquid investments portfolio within the energy, transport and commodities market, although will pursue any attractive investment opportunities that may arise within the framework of industries it operates, for the purposes of capital appreciation and investment income; and
- c) The Investments are measured and evaluated by management on a fair value basis.

The Company exercised its judgement and concluded that the Company met all three defining criteria. In addition, the Board of Directors has assessed the business purpose of the Company and concluded that the Company qualifies as an investment entity. The Company's intermediary subsidiary Wanax AS does not provide any investment related services or activities and as a result it is also measured at fair value through profit and loss and is not consolidated.

With regards to the subsidiary Standard Invest AS which 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 year 2023 are considered immaterial.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

5.1 Investments at fair value through profit or loss

<i>(Amounts in USD 000)</i>	31.12.2023	31.12.2022
Balance at 1 January	87 762	42 391
Additions	6 905	20 011
Sales / Reductions	-	(329)
Changes in fair value	(13 694)	25 689
Balance at the end of the year (note 3.3.1)	80 973	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	
			31.12.2023	31.12.2022
Standard Supply AS	Investment Holding	Norway	53%	53%
Dolphin Drilling AS	Drilling Operations	Norway	19%	25%
Standard Invest AS	Provision of services	Norway	100%	100%

During 2023, the following transactions took place:

- In June 2023 and as part of a reorganization, Dolphin Drilling AS (hereinafter “Dolphin”) successfully completed a private placement of 84 million new shares. The Company acquired additional shares for USD 6,9 million. Overall, the Company has invested during 2022 and 2023 the amount of USD 26,9 million to Dolphin. As of 31 December 2023, the Company held 19% of the issued share capital of Dolphin having a fair value of USD 34,5 million.

During 2022, the following transactions took place:

- In May 2022, the Company incorporated the subsidiary Standard Supply AS. In June 2022 the Company contributed to the subsidiary the shares held in Wanax AS at a valuation of USD 47,4 million. Following two private placements that took place in mid-June 2022 and early-November 2022, the Company’s holding was reduced to 53%. On 22 July 2022, the shares of Standard Supply AS commenced trading at Euronext Growth Oslo.
- In May 2022, the Company acquired a 25% holding in Dolphin Drilling Holdings Limited (Dolphin Drilling) for USD 10 million and invested a further USD 10 million in August 2022. In September 2022, 100% of the shares of Dolphin Drilling were acquired by Dolphin Drilling AS by way of a share-swap agreement (the “share-swap”) against the issuance of consideration shares in Dolphin Drilling AS to the existing shareholders of Dolphin Drilling. Following the share-swap, a private placement took place in Dolphin Drilling AS in order to fund its’ operations and as a result the holding of the Company was diluted to 25%. On 28 October 2022, the shares of Dolphin Drilling commenced public trading at Euronext Growth Oslo.

The above investments are measured at fair value.

<i>(Amounts in USD 000)</i>	31.12.2023	31.12.2022
<i>Net changes in fair value on financial assets at fair value through profit or loss</i>		
Realised (losses) / gains	-	-
Unrealised change	(13 694)	25 689
Total net (losses)/gains	(13 694)	25 689

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 5 – FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

5.2 Investments held for trading

<i>(Amounts in USD 000)</i>	31.12.2023	31.12.2022
Balance at 1 January	5 746	24 784
Additions	67 067	54 605
Disposal	(52 752)	(77 648)
Changes in fair value	1 652	4 005
Balance at the end of year	21 713	5 746

During the year 2023, the Company invested USD 51,8 million (2022: USD 54,6 million) for the acquisition of securities listed on the US and Oslo Stock Exchange as well as unlisted securities, some of which were disposed realizing a profit of USD 0,8 million (2022: USD 5,7 million) and a fair value gain of USD 0,5 million (2022: USD 1,7 million loss). As of 31 December 2023, investments held for trading had a fair value of USD 11,4 million (2022: USD 5,7 million).

Moreover, the Company invested USD 15,3 million (2022: Nil) for the acquisition of debt investments, some of which were disposed realizing a profit of USD 0,4 million (2022: Nil). As of 31 December 2023, debt investments held for trading had a fair value of USD 10,3 million (2022: Nil).

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 (refer to note 3.3 for details).

NOTE 6 – DIVIDEND INCOME FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

During the year 2023, the Company received from its subsidiary Standard Supply AS dividends amounting to USD 13,2 million (2022: USD 11,1 million).

In addition, the Company received dividends of USD 135 thousands (2022: USD 284 thousands) from its financial assets held for trading. The withholding tax on these dividends received amounted to USD 11 thousands (2022: USD 71 thousands).

NOTE 7 – INTEREST INCOME

<i>(Amounts in USD 000)</i>	31.12.2023	31.12.2022
<i>Interest income:</i>		
Financial assets at amortised cost:		
Bank balances	1 523	588
Total interest income calculated using effective interest rate method for financial assets at amortised cost	1 523	588
<i>Financial assets measured at fair value through profit or loss</i>		
Security notes	484	20
Loans to related parties (Note 21.2)	619	315
Total interest income calculated using effective interest rate method for financial assets at fair value through profit or loss	1 103	335
<i>Other interest income</i>	140	150
Total interest income	2 766	1 073

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 8 – RECEIVABLES AND PREPAYMENTS

<i>(Amounts in USD 000)</i>	31.12.2023	31.12.2022
Tax refund on dividends received	249	-
Accrued interest receivable	320	-
VAT refundable	10	34
Prepayments	31	43
Total trade and other receivables at the end of the year	610	77

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

NOTE 9 – CASH AND CASH EQUIVALENTS

<i>(Amounts in USD 000)</i>	31.12.2023	31.12.2022
Cash at bank	25 523	46 251
Cash and cash equivalents at the end of the year	25 523	46 251

Cash and bank balances are denominated in the following currencies.

<i>(Amounts in USD 000)</i>	31.12.2023	31.12.2022
US Dollar – functional and presentation currency	12 782	46 159
Norwegian Kroner	12 719	78
Euro	22	14
	25 523	46 251

Cash and bank balances for the purposes of statement of cash flows is USD 25,5 million (2022: USD 46,3 million).

Note on significant non-cash transactions

During the year ended 31 December 2022, the Company contributed the shares held in Wanax AS to its subsidiary Standard Supply AS for USD 47,4 million (note 5.1).

There were no non-cash transaction during the year 2023.

NOTE 10 – 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 year	865 000	25 950	25 950	
Balance at the end of the year	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	Share premium	Total
<i>(Amounts in USD 000)</i>				
2023				
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
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

All shares issued have the same rights and are of nominal value of USD 0,03 each.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 11 – TRADE AND OTHER PAYABLES

<i>(Amounts in USD 000)</i>	31.12.2023	31.12.2022
Creditors and accrued expenses	69	174
Amount due for investments acquired	1 995	-
Amounts due to related parties (note 21)	274	-
Provision social security option program (note 17)	133	60
Total trade and other payables at the end of the year at amortised cost	2 471	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 12 – ADMINISTRATIVE AND OPERATING EXPENSES

<i>(Amounts in USD 000)</i>	31.12.2023	31.12.2022
Legal, consulting and professional fees (note 21.1)	366	163
Management fees from related company (note 21.1)	120	90
Service fees from subsidiary company (note 21.1)	499	710
Other expenses	297	150
Transactions costs for trading in shares	105	82
Accrual option program (note 17)	189	526
Provision social security option program (note 17)	73	60
Salary and other short-term employee benefits (note 19)	271	261
Total administrative and operating expenses	1 920	2 042

During 2023, audit fees of USD 49 thousand (2022: USD 48 thousand – inclusive of irrecoverable VAT) were charged by the Company's statutory audit firm. No fees for other assurance services were charged.

13.1 Employees full time

	31.12.2023	31.12.2022
Employees (note *)	3	3

Note: Including the employee of the subsidiary Standard Invest AS (note 17).

NOTE 13 – FINANCE COSTS

<i>(Amounts in USD 000)</i>	31.12.2023	31.12.2022
Finance costs:		
Bank charges	(43)	(49)
Total finance cost	(43)	(49)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 14 – INCOME TAX EXPENSE

<i>(Amounts in USD 000)</i>	31.12.2023	31.12.2022
Current tax:		
Current year corporation tax	94	-
Under provision of prior year corporation tax	25	-
Withholding tax on dividend income	11	71
Total current tax	130	71
Deferred tax:		
Origination of temporary differences	-	-
Total deferred tax	-	-
Income tax expense	130	71

The total charge for the year can be reconciled to the accounting profit as follows:

<i>(Amounts in USD 000)</i>	31.12.2023	31.12.2022
Profit before tax	2 721	39 843
Tax calculated at the applicable tax rates	340	4 980
Tax effect of expenses/ losses not deductible for tax purposes	1 769	234
Tax effect of allowances and income not subject to tax	(2 015)	(5 214)
Under provision of prior year corporation tax	25	-
Withholding tax on dividend income	11	71
Tax charge	130	71

The corporation tax rate is 12,5%.

Brought forward losses of only five years may be utilized.

Under certain conditions interest income may be subject to defence contribution at the rate of 30% (2022: 30%). In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17% for 2022 (2022: 17%).

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon etc) are exempted from Cyprus income tax.

The withholding tax on dividends represents income tax withheld from dividends received from financial assets at fair value through profit or loss – held for trading.

Balance sheet

Current tax asset:

<i>(Amounts in USD 000)</i>	31.12.2023	31.12.2022
Corporate income tax refundable	-	-
Total current tax asset at the end of the year	-	-

Current tax liability:

<i>(Amounts in USD 000)</i>	31.12.2023	31.12.2022
Corporate income tax	47	-
Total current tax liability at the end of the year	47	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 15 – EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year excluding the effect of shares purchased by the Company and held as treasury shares.

Basic earnings per share

(Amounts in USD 000)

	31.12.2023	31.12.2022
Profit attributable to equity holders of the Company	2 591	39 772
Weighted average number of ordinary shares in issue (thousands)	524 483	524 483
Weighted average number of ordinary shares diluted (thousands)	529 863	526 860
Basic earnings per share (USD)	0,00	0,08
Diluted earnings per share (USD)	0,01	0,08

NOTE 16 – DEFERRED INCOME TAX

Deferred income tax assets are recognized for tax loss carry forwards to the extent that realization of the related tax benefit through future taxable profits is probable. As of 31 December 2023, the Company has no unutilized losses (2022: USD NIL) which can be carried forward.

NOTE 17 – 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 715 thousands as an expense with a corresponding increase in equity and a provision for social security cost of the option program of USD 133 thousands from the grant date up to 31 December 2023.

The vesting periods of the current program are ending 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 December 2023, no options have been exercised.

Expenses recognised for employee service during the year:

(Amounts in USD 000)

	31.12.2023	31.12.2022
Expenses arising from equity-settled share-based payment transactions	189	526
Social security reserves for equity-settled share-based payment transactions*	73	60
Total expenses arising from share-based payment transactions	262	586

*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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 17 – OPTION AND SHARE PROGRAM (CONTINUED)

Input parameters for Black-Scholes option pricing model as applied for options granted in 2022:

Grant date:	14.01.2022
Number of options granted (thousands)	10 000 / 10 000
Fair value at measurement date (NOK)	0,38 / 0,37
Share price (spot) at grant date (NOK)	1,36
Strike price (initial – ex dividends) (NOK)	1,25 / 1,40
First exercise (months)*	18 / 30
Expiry (months)	37 / 49
Expected annualized volatility	32,50%
Risk-free interest rate	1,50%
Expected dividends	Not applicable

*The right to exercise the stock options is subject to that the employment agreement have not been terminated at the time of exercise.

Movements during the year:

	2023 Number (in thousands)	2023 Weighted average exercise price (NOK)	2022 Number (in thousands)	2022 Weighted average exercise price (NOK)
Outstanding on 1 January	20 000	1,36	-	-
Granted during the year	-	-	20 000	1,36
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding on 31 December	20 000	1,85	20 000	1,78
Exercisable on 31 December	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 18 – SHAREHOLDERS' INFORMATION

The Company's 20 largest shareholders are as follows:

Owner	31.12.2023		31.12.2022	
	Number of Shares	Ownership interest in %	Number of Shares	Ownership interest in %
Fernclyff Listed DAI AS	155 918 109	29,73	155 918 109	29,73
State Street Bank and Trust Comp	41 356 024	7,89	41 494 430	7,91
Apollo Asset Limited	36 785 714	7,01	36 785 714	7,01
Titan Venture AS	30 350 000	5,79	30 350 000	5,79
Goldman Sachs & Co. LLC	14 000 000	2,67	16 920 000	3,23
Gronland Steinar	11 781 316	2,25	-	-
TVENGE	10 000 000	1,91	7 550 000	1,44
EGD Shipping Invest AS	9 901 749	1,89	9 901 749	1,89
Norsk Hedge-Fond AS	8 894 668	1,70	-	-
Hanekamb Invest AS	8 844 864	1,69	8 844 864	1,69
EL Investment AS	8 313 161	1,59	8 313 161	1,59
Injektor AS	6 850 000	1,31	-	-
Active Pro AS	6 350 000	1,21	-	-
TVECO AS	6 000 000	1,14	6 000 000	1,14
Profond AS	5 141 643	0,98	4 750 000	0,91
Froiland Invest AS	5 000 000	0,95	5 000 000	0,95
Heggelund Jan	4 600 000	0,88	3 800 000	0,72
Nordnet Livsforsikring AS	4 504 672	0,86	-	-
UBS Switzerland AG	4 182 150	0,80	4 962 229	0,95
SINGLE T AS	4 100 000	0,78	4 000 000	0,76
Thabo Energy AS	-	-	9 145 541	1,74
Solan Capital AS	-	-	7 156 047	1,36
INRO Holding AS	-	-	5 600 000	1,07
Camaca AS	-	-	4 000 000	0,76
Hagen Roy	-	-	3 775 000	0,72
Total 20 largest	382 874 070	73,00	374 266 844	71,36
Others	141 608 831	27,00	150 216 057	28,64
Total	524 482 901	100,00	524 482 901	100,00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 19 – REMUNERATION TO THE BOARD OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

<i>(Amounts in USD 000)</i>	Fees	Gross Salary	Social Insurance & other contributions	31.12.2023 Total	Fees	Gross Salary	Social Insurance & other contributions	31.12.2022 Total
Executive management:								
Christos Neokleous – Chief Financial Officer	18	65	9	92	15	63	9	87
Evangelia Panagide – General Manager	-	55	7	62	-	51	6	57
Subsidiary employee:								
Option and share program expenses (note 17)	-	-	-	262	-	-	-	586
Total remuneration executive management	18	120	16	416	15	114	15	730

<i>(Amounts in USD 000)</i>	Directors’ Fees	Salary	31.12.2023 Total	31.12.2022 Total
Board of Directors:				
Martin Nes (Chairman)	75	-	75	75
Konstantinos Pantelidis (Independent Director)	15	-	15	15
George Crystallis (Independent Director)	15	-	15	15
Total remuneration of Board of Directors	105	-	105	105

<i>(Amounts in USD 000)</i>	Fees	Salary	31.12.2023 Total	31.12.2022 Total
Nomination Committee:				
George Papanicolaou (Chairman)	2	-	2	2
Demetris Kyriakou (Member)	2	-	2	2
Total remuneration	4	-	4	4
Audit Committee:				
Kostas Pantelidis (Chairman)	5	-	5	5
George Crystallis (Member)	3	-	3	3
Total remuneration	8	-	8	8

NOTE 20 – COMMITMENTS

Loans to related parties (Note 21.2)

Loans amount contracted for at the year-end date but not provided to related parties is US\$20 million (2022: US\$20 million).

NOTE 21 – RELATED-PARTY TRANSACTIONS

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

21.1 Provision of services

<i>(Amounts in USD 000)</i>	Nature of transactions	31.12.2023	31.12.2022
Ferncliff TIH AS *	Management fees	120	90
Ferncliff TIH AS *	Consulting services	197	-
Standard Invest AS	Service fees	499	710
Total		816	800

* Ferncliff TIH AS holds 100% of the issued share capital of Ferncliff Listed Dai AS, the major shareholder of the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 21 – RELATED-PARTY TRANSACTIONS (CONTINUED)

21.1 Provision of services (continued)

1. The Company has entered into a consultancy agreement with Ferncliff TIH AS whereby Ferncliff TIH AS provides certain management services to the Company. Fees paid under this agreement for the twelve months ended 31 December 2023 amounted to USD 120 thousands (2022: USD 90 thousands). In addition, during the year the Company received from Ferncliff TIH AS consulting services amounting to USD 197 thousands (2022: USD Nil). As of 31 December 2023, the Company owed to Ferncliff TIH AS the amount of USD 207 thousands (2022: USD Nil).
2. 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 the twelve months ended 31 December 2023 amounted to USD 499 thousands (2022: USD 710 thousands). As of 31 December 2023, the Company owed to its subsidiary the amount of USD 67 thousands (2022: USD Nil).

21.2 Related party loans – at fair value through profit or loss

<i>(Amounts in USD 000)</i>	31.12.2023	31.12.2022
Loans to Dolphin Drilling AS (associate)		
Loans advanced	7 500	-
Interest charged	449	-
Exit fees	141	-
Total	8 090	-

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. During the year 2023, the Company disbursed the amount of USD 7,5 million in two tranches.

<i>(Amounts in USD 000)</i>	31.12.2023	31.12.2022
Loans to Ferncliff Opportunities AS**		
Loans advanced	7 920	-
Interest charged	71	-
Total	7 991	-

** Ferncliff Opportunities AS and Ferncliff Listed Dai AS, the major shareholder of the Company, are both part of the Ferncliff TIH AS group.

In November 2023, the Company entered into an agreement with Ferncliff Opportunities AS, to provide an unsecured loan for USD 7,9 million at an interest rate of 12%. The loan has been used to finance an investment of Ferncliff Opportunities AS and is repayable on 30 June 2024 or earlier in case the investment is sold.

<i>(Amounts in USD 000)</i>	31.12.2023	31.12.2022
Loans to Standard Supply AS (subsidiary)		
Loans advanced	3 700	19 900
Interest charged	99	315
Loans repaid	(3 799)	(20 215)
Total	-	-

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. During the year 2023, the Company provided under the RCF the amount of USD 3,7 million in three tranches all of which were settled by 31 December 2023.

Note 3.1 sets out information about the Company's exposure to credit risk.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 21 – RELATED-PARTY TRANSACTIONS (CONTINUED)

21.3 Dividend income

During the year 2023, the Company received from its subsidiary Standard Supply AS dividends amounting to USD 13,2 million (2022: USD 11,1 million).

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

NOTE 22 – SUBSEQUENT EVENTS

The following events took place between the Balance Sheet date and the date of approval of these financial statements:

1. In February 2024, the Company received from its subsidiary Standard Supply AS a dividend amounting to USD 26,3 million.
2. In February 2024, the Company provided to its subsidiary Standard Supply AS the amount of USD 11,8 million under the existing revolving credit facility ("RCF"). The amount provided under the RCF was settled in March 2024.
3. In February 2024, an addendum was signed with the associate Dolphin Drilling AS, extending the existing bridge loan facility final repayment date to 31 May 2025 and also providing the possibility of earlier repayment after 31 May 2024.
4. In March 2024, the Company provided to Ferncliff Opportunities AS an additional amount of USD 5,6 million in two tranches, as part of the unsecured loan concluded in November 2023.
5. In April 2024, the associate Dolphin Drilling AS proceeded with an equity raise through a private placement raising gross proceeds of the NOK equivalent of USD 40 million. The Company, as one of the largest shareholders, was allocated shares for NOK 50 million.

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



Independent Auditor's Report

To the Members of S.D. Standard ETC Plc

Report on the Audit of the Financial Statements

Our opinion

In our opinion, the accompanying financial statements of S.D. Standard ETC Plc (the “Company”) give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

What we have audited

We have audited the financial statements which are presented in pages 11 to 39 and comprise:

- the statement of financial position as at 31 December 2023;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include material accounting policy information.

The financial reporting framework that has been applied in the preparation of the financial statements is International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

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

Independence

We remained independent of the Company throughout the period of our appointment in accordance with the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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Our audit approach

Overview

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the Board of Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality	Overall materiality: US\$1.304.000, which represents 0,9% of total assets.
Key audit matters	We have determined that there are no Key Audit Matters to communicate in our report.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall materiality	US\$1.304.000
How we determined it	0,9% of total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark, because in our view, it is the benchmark against which the performance of the Company is most commonly measured by the users, and is a generally accepted benchmark. We chose 0,9% which is within the range of acceptable quantitative materiality thresholds in auditing standards.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above US\$65.200 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.



Key audit matters incorporating the most significant risks of material misstatements, including assessed risk of material misstatements due to fraud

We have determined that there are no Key Audit Matters to communicate in our report.

Reporting on other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report, the Report on Corporate Governance and the Statement of the Members of the Board of Directors and Other Responsible Persons of the Company for the Financial Statements but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information 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 other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and those charged with governance for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors 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, the Board of Directors 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 unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 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 in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting 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 content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

Pursuant to the requirements of Article 10(2) of the EU Regulation 537/2014 we provide the following information in our Independent Auditor's Report, which is required in addition to the requirements of International Standards on Auditing.



Appointment of the Auditor and Period of Engagement

We were first appointed as auditors of the Company in 2011 by the Board of Directors for the audit of the financial statements for the period ended 31 December 2010. Our appointment has been renewed annually, since then, by shareholder resolution. In 2011 the Company's securities were listed in Oslo Axess and in 2017 the securities were listed in Oslo Bors. Accordingly, the first financial year that the Company qualified as an EU PIE was the year ended 31 December 2011. Since then, the total period of uninterrupted engagement appointment was 13 years.

Consistency of the Additional Report to the Audit Committee

We confirm that our audit opinion on the financial statements expressed in this report is consistent with the additional report to the Audit Committee of the Company, which we issued on 17 April 2024 in accordance with Article 11 of the EU Regulation 537/2014.

Provision of Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5 of the EU Regulation 537/2014 and Section 72 of the Auditors Law of 2017 were provided. In addition, there are no non-audit services which were provided by us to the Company and which have not been disclosed in the financial statements or the management report.

European Single Electronic Format

We have examined the digital file of the European Single Electronic Format (ESEF) of S.D. Standard ETC Plc for the year ended 31 December 2023 comprising the XHTML file which includes the annual financial statements for the year then ended (the "digital file").

The Board of Directors of S.D. Standard ETC Plc is responsible for preparing and submitting the financial statements for the year ended 31 December 2023 in accordance with the requirements set out in the EU Delegated Regulation 2019/815 of 17 December 2018 of the European Commission, as amended from time to time (the "ESEF Regulation").

Our responsibility is to examine the digital file prepared by the Board of Directors of S.D. Standard ETC Plc. According to the Audit Guidelines issued by the Institute of Certified Public Accountants of Cyprus (the "Audit Guidelines"), we are required to plan and perform our audit procedures in order to examine whether the content of the financial statements included in the digital file corresponds to the financial statements we have audited, and whether the digital file has been prepared in all material respects, in accordance with the requirements of the ESEF Regulation.

In our opinion, the digital file examined corresponds to the financial statements, and the financial statements included in the digital file, are presented in all material respects, in accordance with the requirements of the ESEF Regulation.

Other Legal Requirements


Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, based on the work undertaken in the course of our audit, the management report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and the information given is consistent with the financial statements.
- In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the management report. We have nothing to report in this respect.
- In our opinion, based on the work undertaken in the course of our audit, the information included in the corporate governance statement in accordance with the requirements of subparagraphs (iv) and (v) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113, and which is included as a specific section of the management report, has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and is consistent with the financial statements.
- In our opinion, based on the work undertaken in the course of our audit, the corporate governance statement includes all information referred to in subparagraphs (i), (ii), (iii), (vi) and (vii) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113.
- In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the corporate governance statement in relation to the information disclosed for items (iv) and (v) of subparagraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113. We have nothing to report in this respect.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Article 10(1) of the EU Regulation 537/2014 and Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

The engagement partner on the audit resulting in this independent auditor's report is Yiangos Kaponides.



Yiangos Kaponides
Certified Public Accountant and Registered Auditor
for and on behalf of

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

City House, 6 Karaiskakis Street
CY-3032 Limassol, Cyprus

17 April 2024