



Second Quarter 2023

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Standard ETC in brief

Second Quarter 2023 Highlights

Portfolio Update

Company overview

- Founded in 2010, listed on Oslo Stock Exchange under ticker SDSD
- Actively managing portfolio companies

Long history of cyclical asset plays

- Offshore Drilling (2010-2013): Ordered 7x JU's at Keppel, later sold for a total profit of USD 220m
- Offshore Supply (2016-): Acquired 23 PSVs, so far 11 of 15 sold with profits

Portfolio

- Listed Portfolio: Dolphin Drilling (20%) and Standard Supply (53%)
- ETC Portfolio: Other marketable securities and cash



A vertical teal bar on the left side of the slide.

Standard ETC in brief

Second Quarter 2023 Highlights

Portfolio Update

2q23 results – Net loss of USD 14.4m

- DDRIL (41m shares): Unrealized loss of USD 17.8m following the USD 60m placement in late June
- STSU (100m shares) Unrealized gain and dividends received of USD 2.6m

At quarter end Listed Portfolio of USD 79m and ETC Portfolio of USD 47m

Commercial highlights

- Raised USD 60m in Dolphin Drilling to acquire two semi-submersible rigs with multi-year backlog
 - Acquiring an asset with a two-year payback period, accelerating cash flow and dividend potential
- Strong commercial performance in Standard Supply with second quarter TCE of USD 15,600 per day
 - Distributing NOK 0.7/sh in dividends, nearly 15% of market capitalization

(1) Listed Portfolio reflects Standard ETC's equity value in Standard Supply AS (STSU NO) and Dolphin Drilling (DDRIL NO) per 30.06.2023.

(2) ETC Portfolio represents other marketable securities and cash at end of June 2023.

Standard ETC in brief

First Quarter 2023 Highlights

Portfolio Update

Commercial highlights

- In June 2023 Dolphin acquired two semi-submersible rigs from Transocean for USD 61.5m
- Showcasing operational capacity to incorporate additional assets and generate robust cash flow

New acquisition

	Borgland Dolphin <i>Enhanced Aker H-3</i>	Blackford Dolphin <i>Enhanced Aker H-3</i>	Bideford Dolphin <i>Enhanced Aker H-3</i>	Paul B. Lloyd Jr. <i>Aker H-4.2</i>	Transocean Leader <i>Aker H-4.2</i>
					
Rebuild Year	1997-1999	2006-2008	1997-1999	1990	1987 / 1997 and 2012
Operating Water Depth	210 - 1,500 ft	210 - 6,000 ft	210 - 1,500 ft	210 – 1,969 ft	210 – 5,500 ft
Rig Design	Enhanced Aker H-3	Enhanced Aker H-3	Enhanced Aker H-3	Aker H-4.2	Aker H-4.2
Derrick / Drawworks	MH – 5 th gen	NOV 6 th gen	MH – 5 th gen	Dreco / NOV	Dreco / NOV
Built for Market	All regions	All regions excl. Norway	All regions	All regions excl. Norway	All regions excl. Norway
DP	N	N	N	N	N
Drilling Depth	27,800 ft	30,000 ft	21,325 ft	25,000 ft	25,000 ft
Total Mudpumps	3	3	3	3	3
BOP WP Max	15,000 psi	15,000 psi	10,000 psi	15,000 psi	15,000 psi
Top Drive Mfr	Maritime Hydraulics DDM-650-HY	National Oilwell Varco HPS-750-E-AC-KT	Maritime Hydraulics MH DDM-650L-HY	National Oilwell Varco TDS-4SH	National Oilwell Varco TDS-4H
Next SPS^{1,2}	Prior to new contract	Q4 2027	Prior to new contract	Q4 2025	Prior to a new contract

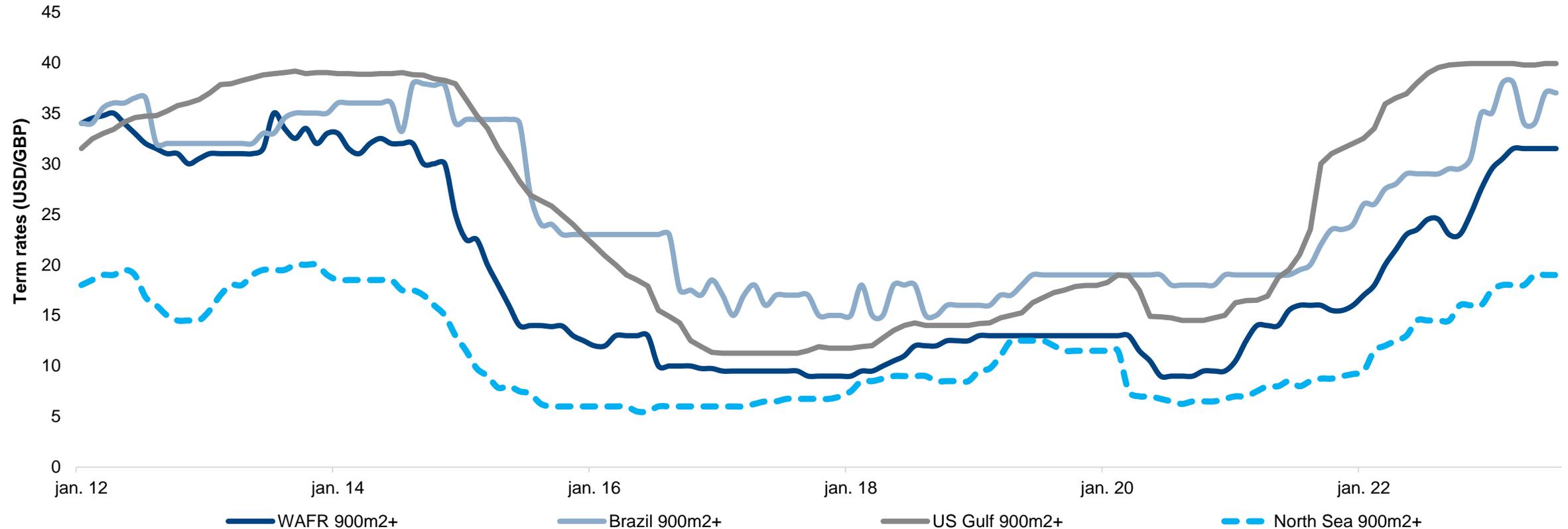
Illustrative economics

Dayrate scenario <i>95% utilization</i>	Two rigs (current)	Five rigs (bidding levels)
Int'l semisubmersible market	1x rig USD 230k	3x rigs x USD 300-350k
UK semisubmersible market	1x rig USD 175k	2x rigs x USD 175-225k
Illustrative Rig EBITDA <i>3 rigs</i>	c. USD 60m	c. USD 270m
G&A	USD 17m	USD 22
Capex (normalised)	USD 6m	USD 15m
Illustrative FCF	c. USD 40m	c. USD 235m

Commercial highlights

- Second quarter TCE of USD 15,600, increasing to USD 17,700 per day in July

Global term rates (Clarkson)



Note: North Sea in GBP, others in USD.



	Note	Three Months Ended		Six Months Ended	
		2023 Q2 <i>Unaudited</i>	2022 Q2 <i>Unaudited</i>	2023 Q2 <i>Unaudited</i>	2022 Q2 <i>Unaudited</i>
<i>(Amounts in USD 000)</i>					
Income					
Changes in fair value on financial assets at fair value through profit or loss	4.1	(16 353)	10 820	(15 902)	11 581
Changes in fair value on financial assets at fair value through profit or loss – held for trading	4.2	527	(6 015)	264	1 804
Dividend income on financial assets at fair value through profit or loss	5	1 112	11 207	2 089	11 304
Interest income from cash balance at amortised cost		687	52	1 218	64
Net foreign currency losses		(104)	(2)	(61)	(29)
Total net (loss) / income		(14 131)	16 062	(12 392)	24 724
Expenses					
Administration and operating expenses	11	(280)	(428)	(716)	(862)
Total operating expenses		(280)	(428)	(716)	(862)
Operating (loss) / profit		(14 411)	15 634	(13 108)	23 862
Finance costs					
Sundry finance (expenses)/income		(21)	(27)	(29)	(35)
(Loss) / profit for the period before tax		(14 432)	15 607	(13 137)	23 827
Income tax expense	6	(1)	(18)	(35)	(47)
(Loss) / profit for the period after tax		(14 433)	15 589	(13 172)	23 780
Other comprehensive income for the period		-	-	-	-
Total comprehensive (loss) / income for the period		(14 433)	15 589	(13 172)	23 780
Earnings per share					
Basic (loss) / earnings per share (USD)	3	(0,03)	0,03	(0,03)	0,05
Diluted (loss) / earnings per share (USD)	3	(0,03)	0,03	(0,03)	0,04

(Amounts in USD 000)

	Note	30.06.2023	31.12.2022
		Unaudited	Audited
ASSETS			
Equipment and machinery		-	-
Financial assets at fair value through profit or loss	4.1	78 765	87 762
Total non-current assets		78 765	87 762
Receivables and prepayments	7	535	77
Financial assets at fair value through profit or loss held for trading	4.2	9 576	5 746
Loans receivable from related parties	12.2	10 380	-
Cash and bank balances		34 254	46 251
Total current assets		54 745	52 074
Total Assets		133 510	139 836
EQUITY AND LIABILITIES			
Ordinary shares	8	15 734	15 734
Other paid-in equity		591	526
Accumulated profits		110 170	123 342
Total equity		126 495	139 602
Trade and other payables	9	7 015	234
Current tax liability		-	-
Total current liabilities		7 015	234
Total Equity and Liabilities		133 510	139 836

		Six Months Ended	
		2023	2022
		Q2	Q2
<i>(Amounts in USD 000)</i>			
	Note	<i>Unaudited</i>	<i>Unaudited</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit for the period before income tax		(13 137)	23 827
Unrealised exchange loss		61	29
Interest income		(1 218)	(64)
Dividend Income	5	(2 089)	(11 304)
Fair value loss / (gain) in financial assets fair value through profit or loss	4.1	15 902	(11 581)
Gain in financial assets fair value through profit or loss – held for trading	4.2	(264)	(1 804)
Option and share program	13	102	248
CHANGES IN WORKING CAPITAL			
Payments to acquire financial assets at fair value through profit or loss	4.1	(6 905)	(10 003)
Payments to financial assets at fair value through profit or loss held for trading	4.2	(38 404)	(45 325)
Receipts from financial assets at fair value through profit or loss held for trading	4.2	34 838	41 099
Increase in receivables and prepayments	7	(458)	(1 081)
Increase / (decrease) in trade and other payables	9	6 781	(182)
Net cash used in operating activities		(4 791)	(16 141)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received – net of withholding tax	5	2 079	11 257
Interest received		976	64
Loans granted to related companies	12.2	(10 200)	-
Net cash (used in) / generated from investing activities		(7 145)	11 321
Net decrease in cash and cash equivalents		(11 936)	(4 820)
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		(61)	(27)
Cash and cash equivalents at end of period		34 254	27 143