



4Q 2022 Presentation  
February 9<sup>th</sup> 2023

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## Standard ETC in brief

**Fourth Quarter 2022 Highlights**

**Portfolio Update**

## Company overview

- Founded in 2010, listed on Oslo Stock Exchange under ticker SDSD
- Active ownership

## 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 10 of 14 sold with profits

## Portfolio

- Listed Portfolio: Dolphin Drilling (25%) and Standard Supply (53%)
- ETC Portfolio: Marketable securities and cash





**Standard ETC in brief**

**Fourth Quarter 2022 Highlights**

**Portfolio Update**

## 4q22 results – Profit after tax of USD 13.8m

- USD 13.8m gain from Listed Portfolio
- Per end of December Listed Portfolio of USD 88m and ETC Portfolio of USD 52m (incl. cash)
- For the full year of 2022 the Company had a net profit of USD 39.8m

## Commercial highlights

- On October 28<sup>th</sup> Dolphin Drilling commenced trading on Euronext Growth
- On November 4<sup>th</sup> Standard Supply raised USD 20m in a private placement

(1) Listed Portfolio reflects Standard ETC's equity value in Standard Supply AS (STSU NO) and Dolphin Drilling (DDRIL NO) per 31.12.2022.

(2) ETC Portfolio represents other marketable securities at end of December 2022.

**Standard ETC in brief**

**Fourth Quarter 2022 Highlights**

**Portfolio Update**

## Ownership – 31.6m shares (25%)





- Market value c. USD 47m per end of December
- Active ownership through board representation

## Strategy

- Return existing fleet to work with firm backlog
- Management contracts and opportunistic growth

## Market outlook

- Inflection point for moored semi’s fueled by energy security
- UK semi market nearing sold out

<p><b>Borgland Dolphin</b></p>  <p>5<sup>th</sup> gen. topside Enhanced Aker H-3 Total rebuild in 1999</p>	<p><b>Blackford Dolphin</b></p>  <p>6<sup>th</sup> gen. topside Enhanced Aker H-3 Total rebuild in 2009</p>	<p><b>Bideford Dolphin</b></p>  <p>5<sup>th</sup> gen. topside Enhanced Aker H-3 Total rebuild in 1999</p>	<p><b>Keppel opportunity</b></p>  <p>2x CS60 ECO MW Under construction</p>
<p>Harsh Environment Norway and UK</p>	<p>Harsh Environment UK + International</p>	<p>Harsh Environment Norway and UK</p>	<p>Harsh Environment Norway and UK</p>

## Illustrative EBITDA and FCF sensitivity<sup>1</sup>

Dayrate scenario	Current	Avg. 2007-2016
Int'l semisubmersible market	USD 250k	USD 355k
UK semisubmersible market	USD 200k	USD 310k
<b>Illustrative Rig EBITDA 3 rigs</b>	<b>c. USD 130m</b>	<b>c. USD 250m</b>
G&A	USD 17m	USD 17m
Capex (normalised)	USD 15m	USD 15m
Cash interest and taxes	-	-
<b>Illustrative FCF</b>	<b>c. USD 100m</b>	<b>c. USD 200m</b>

(1) Assumptions include 95% annual rig utilization, opex per day of USD 100k for int'l and USD 80k for UK, G&A of 15k/day per rig and capex (normalised) of USD 5m per rig



## Ownership – 100.3m shares (53%)

- Market value c. USD 42m per end of December
- Active ownership through management- and board representation

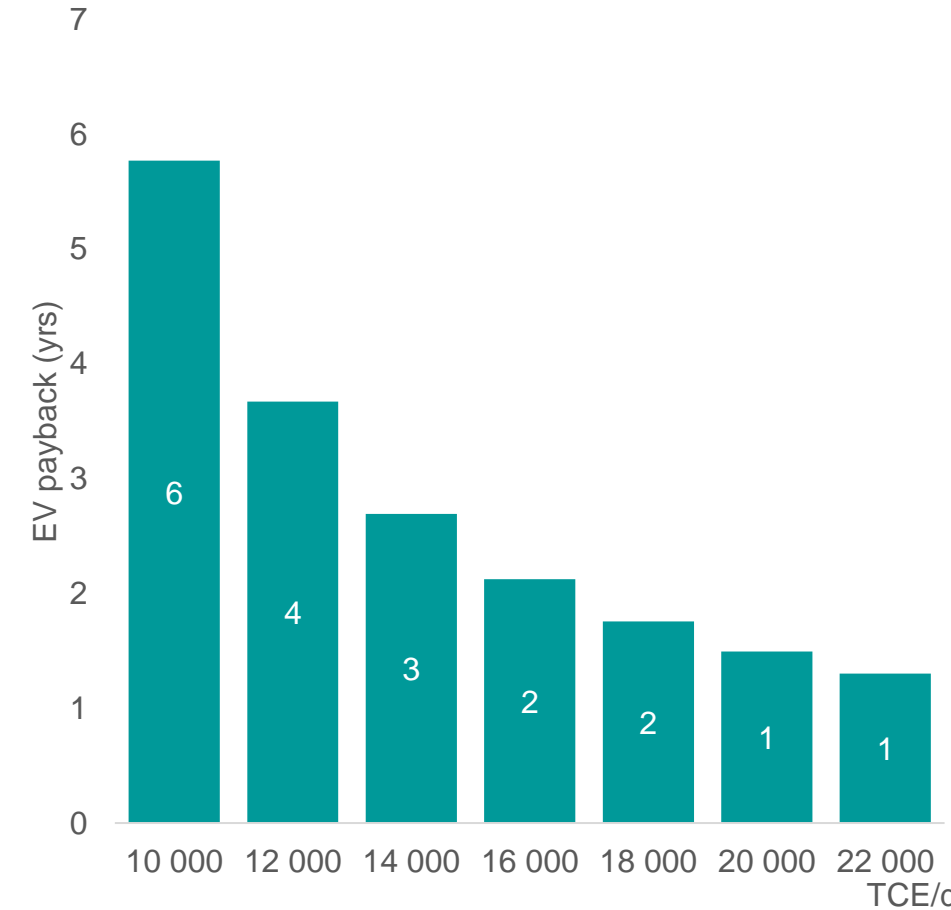
## Strategy

- Low-cost platform with high North Sea spot exposure
- Clear target of returning excess cash to shareholders

## Market outlook

- Significant tightening spot/ term charter rates in 2022
- Increasing rig count resulting in potential 20-30% incremental PSV demand in '23-24
- Growth opportunities with attractive payback periods (2-3 years)

Illustrative EV payback at various TCE's<sup>1</sup>



(1) Assumptions: Standard Duke (2012) purchase price of USD 7m incl. reactivation cost. Operating expenses plus G&A of USD 6,500 per day.



	Note	Three Months Ended		Twelve Months Ended	
		2022 Q4 <i>Unaudited</i>	2021 Q4 <i>Audited</i>	2022 Q4 <i>Unaudited</i>	2021 Q4 <i>Audited</i>
<i>(Amounts in USD 000)</i>					
<b>Income</b>					
Changes in fair value on financial assets at fair value through profit or loss	4.1	13 765	13	25 689	(2 984)
Changes in fair value on financial assets at fair value through profit or loss – held for trading	4.2	39	4 323	4 005	11 206
Dividend income on financial assets at fair value through profit or loss	5	79	6 478	11 384	6 478
Interest income from cash balance at amortised cost		591	118	1 073	145
Net foreign currency (losses) or gains		58	69	(217)	93
<b>Total net income / (loss)</b>		<b>14 532</b>	<b>11 001</b>	<b>41 934</b>	<b>14 938</b>
<b>Expenses</b>					
Administration and operating expenses	10	(718)	(760)	(2 042)	(1 137)
<b>Total operating expenses</b>		<b>(718)</b>	<b>(760)</b>	<b>(2 042)</b>	<b>(1 137)</b>
<b>Operating profit / (loss)</b>		<b>13 814</b>	<b>10 241</b>	<b>39 892</b>	<b>13 801</b>
<b>Finance costs</b>					
Sundry finance (expenses)/income		(2)	(10)	(49)	(17)
<b>Profit for the period before tax</b>		<b>13 812</b>	<b>10 231</b>	<b>39 843</b>	<b>13 784</b>
Income tax expense	5	(24)	-	(71)	(47)
<b>Profit for the period after tax</b>		<b>13 788</b>	<b>10 231</b>	<b>39 772</b>	<b>13 737</b>
<b>Other comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>13 788</b>	<b>10 231</b>	<b>39 772</b>	<b>13 737</b>
<b>Earnings per share</b>					
Basic earnings per share (USD)	3	0,03	0,02	0,08	0,03
Diluted earnings per share (USD)	3	0,03	0,02	0,07	0,03

(Amounts in USD 000)

	Note	31.12.2022	31.12.2021
		Unaudited	Audited
<b>ASSETS</b>			
Equipment and machinery		-	1
Financial assets at fair value through profit or loss	4.1	87 762	42 391
<b>Total non-current assets</b>		<b>87 762</b>	<b>42 392</b>
Current tax asset		-	1
Receivables and prepayments	6	77	380
Financial assets at fair value through profit or loss held for trading	4.2	5 746	24 784
Cash and bank balances		46 251	31 990
<b>Total current assets</b>		<b>52 074</b>	<b>57 155</b>
<b>Total Assets</b>		<b>139 836</b>	<b>99 547</b>
<b>EQUITY AND LIABILITIES</b>			
Ordinary shares	7	15 734	15 734
Other paid-in equity		526	-
Accumulated profits		123 342	83 570
<b>Total equity</b>		<b>139 602</b>	<b>99 304</b>
Trade and other payables	8	234	243
<b>Total current liabilities</b>		<b>234</b>	<b>243</b>
<b>Total Equity and Liabilities</b>		<b>139 836</b>	<b>99 547</b>

		Twelve Months Ended	
		2022	2021
		Q4	Q4
		Unaudited	Unaudited
		Note	
<i>(Amounts in USD 000)</i>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit for the period before income tax		39 843	13 737
Unrealised exchange loss/(gain)		217	(93)
Interest income		(1 073)	(145)
Dividend Income	5	(11 384)	(6 478)
Fair value (gain) / loss in financial assets fair value through profit or loss	4.1	(25 689)	2 984
Gains in financial assets fair value through profit or loss – held for trading	4.2	(4 005)	(11 206)
Option and share program	12	526	-
<b>CHANGES IN WORKING CAPITAL</b>			
Payments to acquire financial assets at fair value through profit or loss	4.1	(20 011)	(793)
Receipts from financial assets at fair value through profit or loss	4.1	329	14 280
Payments to financial assets at fair value through profit or loss held for trading	4.2	(54 605)	(64 106)
Receipts from financial assets at fair value through profit or loss held for trading	4.2	77 648	50 528
Decrease / (increase) in receivables and prepayments	6	303	(366)
(Decrease) / increase in trade and other payables	8	(9)	200
<b>Net cash generated from / (used in) operating activities</b>		<b>2 090</b>	<b>(1 458)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividends received – net of withholding tax	5	11 313	6 478
Interest received		608	145
Loan granted to subsidiary company	11.3	(19 750)	-
Repayment of subsidiary loan	11.3	20 215	-
<b>Net cash generated from investing activities</b>		<b>12 386</b>	<b>6 623</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Purchase of own shares		-	(891)
<b>Net cash generated from / (used in) financing activities</b>		<b>(891)</b>	<b>(891)</b>
<b>Net increase in cash and cash equivalents</b>		<b>14 476</b>	<b>4 274</b>
Cash and cash equivalents at beginning of year		31 990	27 623
Effect of exchange rate changes on the balance of cash held in foreign currencies		(215)	93
Cash and cash equivalents at end of year		46 251	31 990