

S.D. STANDARD ETC PLC
THIRD QUARTER REPORT 2024



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

In accordance with Article 10 sections (3) (c) and (7) of the Transparency Requirements (Securities for Trading on Regulated Markets) Law of 2007 and 2009 ("Law") we, the members of the Board of Directors and other responsible persons for the drafting of the interim condensed financial statements of S.D. Standard ETC Plc (the "Company"), for the nine months ended 30 September 2024 we confirm that, to the best of our knowledge:

- a) The interim condensed financial statements of the Company for the nine months ended 30 September 2024 which are presented on pages 7 to 17:
 - (i) were prepared in accordance with International Financial Reporting Standards IAS 34 "Interim Financial Reporting", as adopted by the European Union in accordance with provisions of Article 10, section (4) of the Law, and
 - (ii) give a true and fair view of the assets and liabilities, the financial position and the profit or losses of the Company, and the business that are included in the financial statements as a total, and
- b) The Interim Management Report provides a fair overview of the information required as per section 6 of article 10 of Law 190(I)/2007.

Limassol, 6 November 2024

Martin Nes
Chairman

Konstantinos Pantelidis
Independent Director

George Crystallis
Independent Director

Christos Neokleous
Chief Financial Officer

Evangelia Panagide
General Manager

Third Quarter Management Report 2024

Selected Financial Information

	Three Months Ended		Nine Months Ended	
	2024 Q3	2023 Q3	2024 Q3	2023 Q3
<i>(Amounts in USD 000)</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>
Operating (loss) / profit	(202)	18 372	(11 796)	5 264
(Loss) / profit for the period before tax	(211)	18 370	(11 813)	5 233
Total comprehensive (loss) / profit for the period	(211)	18 370	(11 983)	5 198

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

Presentation of Interim Condensed Financial Statements

These interim condensed financial statements for the third quarter of the year 2024 are prepared and presented on a standalone basis, since the Company is an investment entity and shall not consolidate its subsidiaries.

The Company measures its investment in subsidiary Standard Supply AS and associate Dolphin Drilling AS at fair value through profit or loss. Consequently, the Company's investments in Standard Supply AS and Dolphin Drilling AS are valued based on the traded share price on Euronext Growth Oslo respectively as of 30 September 2024.

With regards to the subsidiary Standard Invest AS which is not an investment entity and its main purpose is to provide services relating to the investment activity of the Company, the management of the Company decided not to consolidate this subsidiary since the effect of its results for the third quarter of the year 2024 are considered immaterial.

Highlights Third Quarter

1. The Company recognized an unrealized loss of USD 12,1 million in Standard Supply AS and Dolphin Drilling AS combined in addition to the unrealized loss of USD 45,4 million recognised in Q1 and Q2 2024, reflecting the respective share price development during the quarter. Taking into consideration that the Company received a dividend from Standard Supply AS of USD 35.8 million during the nine months of 2024, the combined net loss on Standard Supply AS and Dolphin Drilling AS during the first nine months of the year is USD 21,7 million. The market value of these investments as of 30 September 2024 was USD 28 million.
2. The Company recognised a gain from the revaluation of other financial assets held for trading of USD 1,6 million. The fair value of the financial assets held for trading as of 30 September 2024 was USD 34,7 million.
3. In addition, interest income for Q3 2024 earned mainly from the ETC portfolio which includes debt securities and loans receivable, was USD 1,1 million.
4. In July 2024, the Company received in full the loan plus interest amounting to USD 20 million, as disclosed in note 12.2 (b).

Third Quarter Management Report 2024 (Continued)

Selected Financial Information

Alternative Performance Measures

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

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

More information on the APMs used in the Q3 2024 Report, their definition and calculation are provided below, as well as a reference to the respective pages of Q3 2024 and of the presentation which is released together with this interim report on the Company’s website:

APM	Definition and Calculation	Reference
Operating Profit / (Loss)	Income from operating activities subtracting administration expenses as presented in the income statement	Q3 2024 Report – Interim Condensed Statement of Comprehensive Income on page 6
Profit / (Loss) before tax	Operating profit less finance costs	Presentation Highlights on page 6 and Income Statement on page 11
Profit / (Loss) after tax	Operating profit less finance costs and income tax	

Subsequent Events

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

1. In October 2024, the Company received a dividend distribution from its subsidiary Standard Supply AS amounting to NOK 110,3 million.
2. On 6 November 2024, the Board of Directors of the Company resolved the payment of an interim dividend of NOK 0.20 per share (formally declared in USD as the functional currency of the Company).

THIRD QUARTER MANAGEMENT REPORT 2024 (CONTINUED)

RESULTS FOR THE THIRD QUARTER 2024

The operating loss for the three months ended on 30 September 2024 was USD 202 thousands compared to the three months ended 30 September 2023 profit of USD 18,4 million. The operating loss includes an unrealized loss on revaluation of financial assets of USD 12,1 million, a fair value profit of USD 1,6 million from investments held for trading, dividend income of USD 9,7 million and interest income of USD 1,1 million and is after deducting administration expenses of USD 408 thousands, a net foreign currency loss of USD 74 thousands and finance cost of USD 9 thousand. Loss after the deduction of income tax expense for the period is approximately USD 211 thousands. Loss per share was USD 0,00 for the Quarter.

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

RESULTS FOR THE NINE MONTHS OF 2024 AND FINANCIAL COMPARISON WITH THE NINE MONTHS OF 2023

The operating loss for the nine months ended on the 30 September 2024 was USD 11,8 million compared to the nine months ended 30 September 2023 profit of USD 5,3 million. The operating loss in Q3 24 compared to Q3 23 profit, is mainly due to an unrealized loss on revaluation of financial assets of USD 57,5 million (compared to a revaluation loss of USD 4,7 million in Q3 23), a fair value gain from investments held for trading of USD 7,8 million (compared to a fair value gain of USD 757 thousands in Q3 23), dividend income of USD 36,2 million (compared to dividend income of USD 8,7 million in Q3 23) and is after deducting administration expenses of USD 817 thousands (compared to administration expenses of USD 1,2 million in Q3 23) and a net foreign currency loss of USD 738 thousands (compared to a loss of USD 52 thousands in Q3 23). Loss after the deduction of income tax expense is approximately USD 12 million (Q3 23: Profit after tax of USD 5,2 million). Loss per share was USD 0,02 for the nine months.

The Company's results for the nine months of the year 2024 are not considered satisfactory when compared to the results of the respective period in 2023, since they were impacted by an unrealized net loss of USD 21.7 million on Standard Supply AS and Dolphin Drilling AS reflecting the respective share price development.

The operating loss and loss before tax for the nine months are presented on the interim condensed statement of comprehensive income on page 7.

LIQUIDITY AND CAPITAL STRUCTURE

The available cash position of the Company as of 30 September 2024 was USD 58,1 million (excluding cash held by subsidiaries).

During the nine months of 2024, net cash used in operating activities was USD 13,5 million and net cash generated from investing activities was USD 46,8 million.

As of 30 September 2024, the Company had 1 621 shareholders.

The share price as of 30 September 2024 was NOK 1,82 (USD 0,17).

PRINCIPLE RISK AND UNCERTAINTIES

The Company's activities are exposed to the overall economic environment as well as regulatory, market, political and other financial risks associated with the market in which the specific investments are held, as disclosed in Note 3 of the annual report and financial statements for the year ended 31 December 2023.

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

OUTLOOK

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

THIRD QUARTER MANAGEMENT REPORT 2024 (CONTINUED)

The Company has a sound financial position with no debt and the Board of Directors believe that the Company is well positioned to take advantage of opportunities that may appear in markets the Company operates within. The Company aims to achieve solid returns over time at attractive risk levels.

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

6 November 2024

*Martin Nes
Chairman*

*Christos Neokleous
CFO*

INTERIM CONDENSED STATEMENT
OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2024

	Note	Three Months Ended		Nine Months Ended	
		2024 Q3	2023 Q3	2024 Q3	2023 Q3
<i>(Amounts in USD 000)</i>		<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>
Income					
Changes in fair value on financial assets at fair value through profit or loss	4.1	(12 088)	11 184	(57 539)	(4 718)
Changes in fair value on financial assets at fair value through profit or loss – held for trading	4.2	1 631	493	7 766	757
Dividend income on financial assets at fair value through profit or loss	5	9 733	6 608	36 189	8 697
Interest income from cash balance at amortised cost		1 143	542	3 482	1 760
Other losses		(139)	-	(139)	-
Net foreign currency losses		(74)	9	(738)	(52)
Total net (loss) / income		206	18 836	(10 979)	6 444
Expenses					
Administration and operating expenses	11	(408)	(464)	(817)	(1 180)
Total operating expenses		(408)	(464)	(817)	(1 180)
Operating (loss) / income		(202)	18 372	(11 796)	5 264
Finance costs					
Sundry finance expenses		(9)	(2)	(17)	(31)
(Loss) / income for the period before tax		(211)	18 370	(11 813)	5 233
Income tax expense	6	-	-	(170)	(35)
(Loss) / income for the period after tax		(211)	18 370	(11 983)	5 198
Other comprehensive income for the period		-	-	-	-
Total comprehensive (loss) / income for the period		(211)	18 370	(11 983)	5 198
Earnings per share					
Basic earnings per share (USD)	3	0,00	0,04	(0,02)	0,01
Diluted earnings per share (USD)	3	0,00	0,04	(0,02)	0,01

INTERIM CONDENSED STATEMENT
OF FINANCIAL POSITION
AT 30 SEPTEMBER 2024

<i>(Amounts in USD 000)</i>	Note	30.09.2024	31.12.2023
ASSETS		<i>Unaudited</i>	<i>Audited</i>
Financial assets at fair value through profit or loss	4.1	27 969	80 973
Total non-current assets		27 969	80 973
Receivables and prepayments	7	1 203	610
Financial assets at fair value through profit or loss held for trading	4.2	34 674	21 713
Loans receivable from related parties – at fair value through profit or loss	12.2	8 729	16 081
Cash and bank balances		58 129	25 523
Total current assets		102 735	63 927
Total Assets		130 704	144 900
EQUITY AND LIABILITIES			
Ordinary shares	8	15 734	15 734
Other paid-in equity		706	715
Accumulated profits		113 950	125 933
Total equity		130 390	142 382
Trade and other payables	9	314	2 471
Current tax liability		-	47
Total current liabilities		314	2 518
Total Equity and Liabilities		130 704	144 900

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

Martin Nes
Chairman

Christos Neokleous
CFO

INTERIM CONDENSED STATEMENT
OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2024

<i>(Amounts in USD 000)</i>	Share Capital	Other paid-in equity	Accumulated Profits/(Losses)	Total
Balance at 01.01.2023	15 734	526	123 342	139 602
Comprehensive income				
Profit for the period	-	-	5 198	5 198
Option and share program (note 13)	-	116	-	116
Balance at 30.09.2023 (unaudited)	15 734	642	128 540	144 916
Balance at 01.01.2024	15 734	715	125 933	142 382
Comprehensive income				
Loss for the period	-	-	(11 983)	(11 983)
Option and share program (note 13)	-	(9)	-	(9)
Balance at 30.09.2024 (unaudited)	15 734	706	113 950	130 390

INTERIM CONDENSED STATEMENT
OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2024

<i>(Amounts in USD 000)</i>	Note	Nine Months Ended	
		2024	2023
		Q3	Q3
		<i>Unaudited</i>	<i>Unaudited</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit for the period before income tax		(11 813)	5 233
Unrealised exchange loss		738	52
Interest income		(3 482)	(1 760)
Dividend Income	5	(36 189)	(8 697)
Fair value loss in financial assets fair value through profit or loss	4.1	57 539	4 718
Gain in financial assets fair value through profit or loss – held for trading	4.2	(7 766)	(757)
Option and share program	13	(9)	193
CHANGES IN WORKING CAPITAL			
Payments to acquire financial assets at fair value through profit or loss	4.1	(4 535)	(6 905)
Payments to financial assets at fair value through profit or loss held for trading	4.2	(39 765)	(53 125)
Receipts from financial assets at fair value through profit or loss held for trading	4.2	34 570	38 633
Increase in receivables and prepayments	7	(593)	(395)
(Decrease) / increase in trade and other payables	9	(2 157)	5 253
Net cash used in operating activities		(13 462)	(17 557)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received – net of withholding tax	5	36 189	8 687
Interest received		2 697	1 370
Loans granted to related companies	12.2	(22 916)	(10 200)
Receipts from loans granted to related companies	12.2	30 836	2 700
Net cash generated from investing activities		46 806	2 557
Net increase / (decrease) in cash and cash equivalents		33 344	(15 000)
Cash and cash equivalents at beginning of year		25 523	46 251
Effect of exchange rate changes on the balance of cash held in foreign currencies		(738)	(52)
Cash and cash equivalents at end of the period		58 129	31 199

NOTES TO THE FINANCIAL INFORMATION

NOTE 1 – INCORPORATION AND PRINCIPAL ACTIVITIES

Country of Incorporation

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

Principal Activities

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

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The interim condensed financial statements for the nine months ended 30 September 2024, have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”. The interim condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2023. The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2022 which have been prepared in accordance with IFRS as adopted in the (EU) and the requirements of the Cyprus Companies Law, Cap. 113.

In the current period the Company has adopted all the new and revised standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (the IFRIC) of the IASB that are relevant to its operations and effective for annual periods beginning on 1 January 2024.

At the date of approval of these interim condensed financial statements, there are a number of amendments to accounting standards that become applicable for annual reporting periods commencing on or after 1 January 2024 and the Company has adopted these:

- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants – Amendments to IAS 1
- Lease liability in sale and leaseback – Amendments to IFRS 16
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The adoption of the above did not have an effect on the Company’s operations or financial statements.

Going Concern

These interim condensed financial statements for the nine months ended 30 September 2024, have been prepared under the assumption that the Company is going concern.

NOTE 3 – EARNINGS PER SHARE

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

	Three Months Ended		Nine Months Ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
<i>(Amounts in USD 000)</i>				
Basic/diluted EPS				
(Loss) / profit attributable to equity holders of the Company	(211)	18 370	(11 983)	5 198
Weighted average number of ordinary shares in issue (thousands)	524 483	524 483	524 483	524 483
Weighted average number of ordinary shares diluted (thousands)	529 821	527 688	529 821	527 688
Basic earnings per share (USD)	0,00	0,04	(0,02)	0,01
Diluted earnings per share (USD)	0,00	0,04	(0,02)	0,01

NOTES TO THE FINANCIAL INFORMATION

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

4.1 Investments at fair value through profit or loss

<i>(Amounts in USD 000)</i>	30.09.2024	31.12.2023
Balance at 1 January	80 973	87 762
Additions	4 535	6 905
Sales/Reduction	-	-
Changes in fair value	(57 539)	(13 694)
Balance at the end of the period / year (note 10.1)	27 969	80 973

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	
			30.09.2024	31.12.2023
Standard Supply AS	Platform Supply Vessels	Norway	53%	53%
Dolphin Drilling AS	Drilling operations	Norway	17%	19%
Standard Invest AS	Provision of services	Norway	100%	100%

The above investments are measured at fair value.

In April 2024, the associate Dolphin Drilling AS proceeded with an equity issue 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 equivalent to USD 4,5 million, however its holding was reduced to 17%.

During the nine months of the year 2024, no transactions took place with investments apart from those disclosed above and in note 12.

<i>(Amounts in USD 000)</i>	30.09.2024	30.09.2023
<i>Other net changes in fair value on financial assets at fair value through profit or loss</i>		
Realised (losses)/gains	-	-
Unrealised change	(57 539)	(4 718)
Total net losses	(57 539)	(4 718)
<i>Other net changes in fair values on assets designated at fair value through profit or loss</i>		
Total net losses	(57 539)	(4 718)

4.2 Investments held for trading

<i>(Amounts in USD 000)</i>	30.09.2024	31.12.2023
Balance at 1 January	21 713	5 746
Additions	39 765	67 067
Disposals	(34 570)	(52 752)
Changes in fair value	7 766	1 652
Balance at the end of the period / year	34 674	21 713

During the nine months of the year 2024, the Company invested USD 39,8 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 5 million. As of 30 September 2024, investments held for trading had a fair value of USD 34,7 million.

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

NOTES TO THE FINANCIAL INFORMATION

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

During the nine months of the year 2024, the Company received from its subsidiary Standard Supply AS dividends amounting to USD 35,8 million (Q3 2023: USD 8,6 million).

In addition, the Company received dividends of USD 390 thousands (Q3 2023: USD 34 thousands) from its financial assets held for trading.

NOTE 6 – INCOME TAX EXPENSE

<i>(Amounts in USD 000)</i>	30.09.2024	30.09.2024
Current tax:		
Current year corporation tax	102	-
Prior year corporation tax	68	25
Withholding tax on dividend income	-	10
Total current tax	170	35

NOTE 7 – RECEIVABLES AND PREPAYMENTS

<i>(Amounts in USD 000)</i>	30.09.2024	31.12.2023
Tax refund on dividends received	249	249
Accrued interest receivable	235	320
Collateral for financial instruments	381	-
Prepayments for financial assets	219	-
VAT refundable	37	10
Other prepayments	82	31
Total trade and other receivables at the end of the period	1 203	610

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

NOTE 8 – SHARE CAPITAL AND PREMIUM

Authorised	Number of shares (thousands)	Ordinary shares	Total
<i>(Amounts in USD 000)</i>			
2024			
Balance at the beginning of the year	865 000	25 950	25 950
Balance at the end of the period	865 000	25 950	25 950
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
Issued and fully paid	Number of shares (thousands)	Ordinary shares	Total
<i>(Amounts in USD 000)</i>			
2024			
Balance at the beginning of the year	524 483	15 734	15 734
Balance at the end of the period	524 483	15 734	15 734
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

As of 30 September 2024, the Company didn't hold any own shares.

NOTES TO THE FINANCIAL INFORMATION

NOTE 9 – TRADE AND OTHER PAYABLES

<i>(Amounts in USD 000)</i>	30.09.2024	31.12.2023
Creditors and accrued expenses	42	69
Amount due for investments acquired	-	1 995
Amounts due to related parties (note 12.1)	-	274
Provision for fair value loss on commodities	139	-
Provision social security option program (note 13)	133	133
Total trade and other payables at the end of the period at amortised cost	314	2 471

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

NOTE 10 – FAIR VALUE MEASUREMENTS

10.1 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 30 September 2024				
Assets				
Financial Assets through profit or Loss				
- Financial assets at fair value through profit or loss (note 4.1)	27 854	-	-	27 854
- Financial assets at fair value through profit or loss-held for trading – equity securities (note 4.2)	15 617	-	-	15 617
- Financial assets at fair value through profit or loss- debt securities/loans receivable (note 4.2 and 12.2)	-	22 718	-	22 718
- Financial assets at fair value through profit or loss-held for trading – investment in Fund (note 4.2)	-	5 068	-	5 068
Total financial assets measured at fair value	43 471	27 786	-	71 257
At 31 December 2023				
Assets				
Financial Assets through profit or Loss				
- Financial assets at fair value through profit or loss (note 4.1)	80 858	-	-	80 858
- Financial assets at fair value through profit or loss-held for trading – equity securities (note 4.2)	2 214	4 625	-	6 839
- Financial assets at fair value through profit or loss – debt securities/loans receivable (notes 4.2 and 12.2)	-	26 377	-	26 377
- Financial assets at fair value through profit or loss-held for trading – investment in Fund (note 4.2)	-	4 578	-	4 578
Total financial assets measured at fair value	83 072	35 580	-	128 652

10.2 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 fair value was determined based on the traded share price on Euronext Growth Oslo as of 30 September 2024.

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.

NOTES TO THE FINANCIAL INFORMATION

NOTE 10 – FAIR VALUE MEASUREMENTS (CONTINUED)

10.2 Valuation processes (continued)

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

(ii) The fair values for debt securities have been determined by using the traded security price as of 30 September 2024. 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.

NOTE 11 – ADMINISTRATIVE AND OPERATING EXPENSES

<i>(Amounts in USD 000)</i>	30.09.2024	30.09.2023
Legal, consulting and professional fees	72	81
Management fees from related company (note 12.1)	90	90
Service fees from subsidiary company (note 12.1)	339	344
Other expenses	107	242
Transactions costs for trading in shares	43	56
Accrual option program (note 13)	(9)	116
Provision social security option program (note 13)	-	77
Directors' fees, salaries and other short-term employee benefits	175	174
Total administrative and operating expenses	817	1 180

NOTE 12 – RELATED-PARTY TRANSACTIONS

12.1 Provision of services

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

<i>(Amounts in USD 000)</i>	Nature of transactions	30.09.2024	30.09.2023
Ferncliff TIH AS *	Management fees	90	90
Standard Invest AS	Service fees	339	344
Total		429	434

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

a) 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 nine months ended 30 September 2024 amounted to USD 90 thousands (Q3 2023: USD 90 thousands).

b) In 2021 the Company entered into a services agreement with its wholly owned subsidiary Standard Invest AS, whereby Standard Invest AS provides portfolio management services to the Company. Fees paid under this agreement for the nine months ended 30 September 2024 amounted to USD 339 thousands (Q3 2023: USD 344 thousands).

There were no balances due to related parties as at 30 September 2024.

NOTES TO THE FINANCIAL INFORMATION

NOTE 12 – RELATED-PARTY TRANSACTIONS (CONTINUED)

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

<i>(Amounts in USD 000)</i>	Nature of transactions	30.09.2024	31.12.2023
Dolphin Drilling AS	Loan facility	8 729	8 090
Fernclyff Opportunities AS**	Loan facility	-	7 991
Total		8 729	16 081

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

- a) In March 2023, the Company entered into a shareholder bridge loan facility agreement with the associate Dolphin Drilling AS for the granting of an unsecured bridge loan facility of an amount up to USD 7,5 million, at an interest rate of 8,5%, a 3% exit fee on total drawings made and with final repayment date on 31 May 2024. During the year 2023, the Company disbursed the amount of USD 7,5 million in two tranches. In February 2024, an addendum was signed with the associate, 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. In June 2024, a second addendum was signed with the associate, extending the existing bridge loan facility final repayment date to 30 November 2025.
- b) In June 2022, the Company concluded a revolving credit facility ("RCF") with its subsidiary Standard Supply AS ("subsidiary") for the amount of USD 20 million at a margin of 5%, an upfront fee of 0.75% and maturity on 31 December 2024. The amounts provided under the RCF during 2022 and 2023 were settled before the respective year ends. In February 2024, the Company provided under the RCF to its subsidiary the amount of USD 11,8 million which was settled in March 2024.
- c) In November 2023, the Company entered into an agreement with Fernclyff Opportunities AS, to provide an unsecured loan for USD 7,9 million at an interest rate of 12%. In March 2024, the Company provided an additional amount of USD 2,8 million, as part of the unsecured loan concluded in November 2023. In April 2024, the Company provided an additional amount of USD 5,2 million and in June 2024 a further amount of USD 3,2 million. The loan has been used to finance an investment of Fernclyff Opportunities AS and was repayable on 30 September 2024 or earlier in case the investment is sold. In July 2024, Fernclyff Opportunities AS has repaid in full the loan plus the accrued interest.

12.3 Dividend income

During the nine months of the year 2024, the Company received from its subsidiary Standard Supply AS dividends amounting to USD 35,8 million (Q3 2023: USD 8,6 million).

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

NOTES TO THE FINANCIAL INFORMATION

NOTE 13 – OPTION AND SHARE PROGRAM

An equity settled option and share program was initiated by the Company in January 2022 towards a certain key employee of the subsidiary Standard Invest AS, granting the employee the option to purchase 10 000 000 shares of the Company on the date falling 18 months after 1 August 2021 and 10 000 000 shares on the date falling 30 months after 1 August 2021 at the strike prices of NOK1,25 and NOK 1,40 respectively. Total estimated fair value of the option at the grant date was calculated in Q1 2022 to USD 1,1 million. The Company has recognized the amount of USD 706 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 30 September 2024.

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

The following are the amounts expensed to income statement for the six months ended 30 September 2024:

<i>(Amounts in USD 000)</i>	30.09.2024	30.09.2023
Expenses arising from equity-settled share-based payment transactions	(9)	116
Social security reserves for equity-settled share-based payment transactions*	-	77
Total (income) / expenses arising from share-based payment transactions	(9)	193

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

NOTE 14 – APPROVAL OF INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements have been approved by the Board of Directors of the Company on 6 November 2024.

