

STANDARD SUPPLY AS
FOURTH QUARTER REPORT 2022



STANDARD**SUPPLY**

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FOURTH QUARTER MANAGEMENT REPORT

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Fourth Quarter Management Report 2022

Key Financials

	Three Months Ended		Twelve Months Ended	
	2022 Q4	2021 Q4	2022 YTD Q4	2021 YTD Q4
<i>(Amounts in USD 000)</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
Operating income	7 951	2 733	22 430	11 855
EBITDA	1 200	174	6 454	961
Net profit	-778	-1 185	1 811	-4 562

Highlights Fourth Quarter

- The Group reported net profit of USD -0.8m and EBITDA of USD 1.2m for the fourth quarter of 2022.
- Achieved average time charter equivalent earnings of approximately USD 10,600 per day and utilization of 84% based on availability.
- Cash at year end of USD 8.1m plus an undrawn RCF of USD 20m.

Subsequent events

- Board of Directors proposes a dividend of NOK 0.10 per share for the fourth quarter of 2022.
- Achieved average time charter equivalent earnings in January of USD 7,700 per day and utilization of 68% based on availability.
- Shell declares 1-year option for Standard Viking at GBP 12,995/d starting in February.
- Signed 130 days contract for Standard Duke at GBP 13,250/d starting in late February.

Commercial update

During the fourth quarter the Group had nine (9x) PSVs in operation, whereof eight (8x) trading on the UK continental shelf and one (1x) in West Africa. The current chartering status is displayed below.

Vessels	Built	Deck (m2)	Employment	Dayrate*	Firm end	Option end
Standard Viking	2007	1 060	TC	16 000	feb.24	
Standard Supplier	2007	1 060	Spot			
Standard Defender	2019	900	TC	20 900	apr.23	apr.23
Standard Duke	2012	716	TC	16 300	Jul.23	
FS Balmoral	2008	710	Spot			
FS Kristiansand	2005	710	TC	16 000	sep.23	des.23
FS Braemar	2007	710	Spot			
FS Abergeldie	2008	680	TC	10 000	apr.23	apr.25
FS Crathes	2008	680	Spot			

*Note contracts converted to USD utilizing current GBP/ EURO conversions.

Fourth Quarter Management Report 2022 (Continued)

Consolidated Income Statement

Three months ending December 31, 2022

Operating revenues were USD 8.0m for the three months ending December 31, 2022 (USD 2.7m for the three months ending December 31, 2021). USD 5.9m were related to Northern Supply, Standard Duke and Standard Defender in 2022 which were not consolidated in 2021. The comparative figures for the three months period in 2021 include revenues of USD 0.6 million related to Princess which were sold during 2021.

Operating expenses were USD 6.3m for the three months ending December 31, 2022 (USD 2.4m for the three months ending December 31, 2021). Operating expenses for the three months period in 2022 include USD 4.7m in expenses from Northern Supply, Standard Duke and Standard Defender which were not consolidated in 2021. The comparative figures for the three months period in 2021 include expenses related to Princess USD of 1.0m.

General and administrative expenses was USD 0.5m for the three months ending December 31, 2022 (USD 0.2m for the three months ending December 31, 2021).

Depreciation were USD 1.8m for the three months ending December 31, 2022 (USD 1.0m for the three months ending December 31, 2021). Increase in depreciation is explained by net increase in the fleet of vessels during 2022.

Net financial items were USD -0.1m for the three months ending December 31, 2022 (USD +0.04m for the three months ending December 31, 2021).

Twelve months ending December 31, 2022

Operating revenues were USD 22.4m for the year ending December 31, 2022 (USD 11.9m for the year ending December 31, 2021). USD 13.4m were related to Northern Supply, Standard Duke and Standard Defender in 2022 which were not consolidated in 2021. The comparative figures for the twelve months period in 2021 include revenues related to Princess and Olympus of USD 4.5m which were sold during 2021.

Operating expenses were USD 14.1m for the twelve months ending December 31, 2022 (USD 10.1m for the year ending December 31, 2021). Operating expenses for the year 2022 include USD 8.3m in expenses from Northern Supply, Standard Duke and Standard Defender. The comparative figures for the twelve months period in 2021 include expenses related to Princess and Olympus on USD 4.8m.

General and administrative expenses was USD 1.8m for the year ending December 31, 2022 (USD 0.8m for the twelve months ending December 31, 2021). This includes approximately USD 0.6m of costs associated with the Euronext Growth Listing.

Depreciation were USD 4.7m for the year ending December 31, 2022 (USD 4.3m for the year ending December 31, 2021). Increase in depreciation is explained by net increase in the fleet of vessels during 2022.

Net financial items were USD -0.5m for the year ending December 31, 2022 (USD -0.1m for the year ending December 31, 2021). The financial items in 2022 relates to a USD 0.2 currency loss and interests cost on the RCF on USD 0.3m

Consolidated Cash Flow Statement

Twelve months ending December 31, 2022

Net cash provided by operating activities were USD 4.2m for the year ending December 31, 2022 (USD 0.7m for the year ending December 31, 2021). Increase in net cash provided by operating activities are mainly driven by an increase in net result before tax.

Net cash used in investing activities were USD -35.4m for the year ending December 31, 2022 (USD 17.8m for the year ending December 31, 2021). Cash used for investing activities in 2022 relates to investments in new vessels and dry-dock expenses of USD 34.6m of which Standard Duke and Standard Defender constitutes USD 7m and USD 20.8m respectively and net cash used in the business combination with Northern Supply of USD 0.8m.

Net cash received in financing activities was USD 24.7m for the year ending December 31, 2022 (USD -6.3m for the year ending December 31, 2021). For 2022 this is related to USD 37.4m in equity issue (USD 2m from minority interest in Standard Defender), USD 0.3m in paid interest on the RCF and a dividend of USD -11.1m and USD -1.2 to majority owner and non-controlling interest respectively.

Consolidated Balance Sheet

Total assets were USD 95m as of year-end 2022.

Total equity was USD 91.8m as of year-end 2022 including minority interests of USD 20.3m

Total cash and cash equivalents were USD 8.1m as of year-end 2022, including USD 4.3m in Northern Supply.

Total draw-down on RCF were USD 0m by the end of 2022.

UNAUDITED CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT

USD	Note	Q4 2022	Q4 2021	2022	2021*
OPERATING INCOME					
Operating income	3	7 950 660	2 733 022	22 430 209	11 854 638
Total operating income		7 950 660	2 733 022	22 430 209	11 854 638
OPERATING COSTS					
Ship operating expenses		6 251 037	2 389 321	14 129 841	10 054 182
Administration expenses		499 905	169 370	1 846 299	839 617
Net loss sale of fixed assets		-	121 540	-	805 945
Depreciations	5	1 820 627	979 545	4 728 508	4 281 296
Total operating expenses		8 571 569	3 659 775	20 704 647	15 981 039
NET OPERATING RESULT		-620 909	-926 754	1 725 562	-4 126 401
Share of income in associated company	4	-	-275 893	759 306	-296 557
FINANCIAL ITEMS					
Interest income		31 198	30	39 519	1 745
Net currency gain/(loss)		56 606	36 677	-180 023	-104 382
Interest costs		155 897	-	366 895	1 526
Net financial items		-68 092	36 706	-507 399	-104 163
NET RESULT BEFORE TAX		-689 001	-1 165 941	1 977 470	-4 527 117
Tax		89 241	18 634	166 490	34 427
RESULT OF THE PERIOD		-778 242	-1 184 575	1 810 980	-4 561 544
Attributed to majority interest		-950 031	-1 184 571	-28 591	-4 561 544
Attributed to minority interest		171 790	-	1 839 570	-

*The comparative figures have been revised. See note 8

UNAUDITED CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

USD	Note	31 Dec 2022	31 Dec 2021*
NON-CURRENT ASSETS			
Fixed assets			
Investment in associated company	4	-	6 013 304
Vessels	5	77 989 771	18 817 015
Total fixed assets		77 989 771	24 830 319
Total fixed assets		77 989 771	24 830 319
CURRENT ASSETS			
Inventory			
Inventory		1 119 293	-
Accounts receivables			
Receivable ship manager		771 443	1 225 926
Other receivables		190 282	235 255
Accrued income		879 867	-
Trade receivables		5 967 414	1 480 892
Total receivables		7 809 007	2 942 073
Cash and cash equivalents		8 126 943	14 636 171
Total current assets		17 055 242	17 578 244
TOTAL ASSETS		95 045 013	42 408 563
EQUITY			
Paid in capital			
Share capital	6	1 927 926	24 749
Premium of shares	6	83 504 766	65 541 325
Total paid in equity		85 432 692	65 566 074
Other equity			
Uncovered loss	6	-12 917 419	-23 818 823
Currency translation differences	6	-979 369	-708 488
Total other equity		-13 896 788	-24 527 311
Minority interests	6	20 309 088	-
Total equity		91 844 992	41 038 763
LIABILITIES			
Long term liabilities			
Debt to owners	9	-	-
Total long-term liabilities		-	-
Short term liabilities			
Debt ship manager		2 429 508	873 286
Accounts payable		441 028	398 490
Tax payable		171 293	34 427
Other current liabilities		158 192	63 597
Total short-term liabilities		3 200 022	1 369 800
Total liabilities		3 200 022	1 369 800
TOTAL EQUITY AND LIABILITIES		95 045 013	42 408 563

*The comparative figures have been revised. See note 8

UNAUDITED CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT

USD	Note	2022	2021*
Cash-flow from operational activities			
Profit before tax		1 977 470	-4 527 117
Share of income in associated company	4	-759 306	296 557
Depreciations	5	4 728 508	4 281 296
Income tax paid		-49 657	-29 116
Loss/(-gain) on sale fixed assets		-	805 945
Change in inventories		-927 342	-
Change in receivables and prepayments		-31 836	217 090
Change in payables and accruals		-90 289	256 821
Change in other provisions		-653 281	-615 645
Net cash-flow from operational activities		4 194 267	685 830
Cash-flow from investment activities			
Cash used in business combination net of cash acquired	10	-814 492	-
Investment in fixed assets	5	-34 626 545	-
Net payments from/(to) associated companies		-	531 221
Proceeds from sale of vessel		-	17 271 661
Net-Cash-flow from investment activities		-35 441 037	17 802 882
Cash-flow from financing activities			
Equity issue	6	35 401 301	-
Equity issue non-controlling interests	6	2 044 688	-
Drawdown RCF	9	19 900 000	-
Repayment RCF	9	-19 900 000	-
Paid interest on RCF	9	-314 554	-
Dividends and repayment to non-controlling interests	6	-1 245 994	-
Dividends and repayment to controlling interests	6	-11 147 899	-6 321 000
Net cash-flow from financing activities		24 737 542	-6 321 000
Net change in cash and cash-equivalents		-6 509 228	12 167 712
Cash and cash-equivalents at beginning of period		14 636 171	2 468 459
Cash and cash-equivalents at end of period		8 126 943	14 636 171

*The comparative figures have been revised. See note 8

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT

NOTE 1 - THE PURPOSE OF THE GROUP AND THE BASIS FOR CONTINUED OPERATIONS:

The Standard Supply Group ("Group") was established 9 June 2022 when SD Standard ETC Plc. transferred all its shares in Wanax AS to Standard Supply AS as a contribution in kind. The transaction established the very same shareholder structure of Standard Supply AS as had been in Wanax AS immediately prior to the transaction. The transaction represents a capital reorganization, and not a business combination. The carrying values of assets and liabilities in Wanax AS are recognized in the combined group (with Standard Supply AS as the new parent company) with the same carrying values as in Wanax AS in line with predecessor accounting (i.e. to continuity) and with no fair value adjustments. The historical comparable financial information prior to the capital reorganization described above is therefore the historical financial information for Wanax AS and its subsidiaries.

On 21 June 2022 the BoD in Standard Supply approved the purchase of 290 878 shares in Northern Supply AS bringing the total ownership to 51% for the Group. Following the acquisition, the Group gained control over Northern Supply and Northern Supply will thus be consolidated from this point in time. The acquisition of shares in Northern Supply is accounted for as a business combination. See note 10 for further information.

On 27 June 2022, the Group announced that it had agreed to acquire the 2012 built medium-size PSV Standard Duke for a cash consideration of USD 5 million. The vessel is held through the company Standard Duke AS, which is a wholly owned subsidiary of Wanax. The purchase of the vessel is accounted for as an asset acquisition. The Group took possession of the vessel on 1 July 2022 and the vessel was thereafter sent to UK to undergo reactivation- and drydocking.

On 28 June 2022, the Group announced that it had agreed to acquire the 2019 built large-sized PSV Standard Defender for a cash consideration of NOK 204 million (USD 20.7m). The vessel is held through the company Standard Defender AS, which is a 90 % owned subsidiary of Wanax. The Group took possession of the vessel on 11 October 2022 and the purchase of the vessel is accounted for as an asset acquisition.

The purpose of the Group is to acquire and operate the offshore supply vessels (PSV) and all other business related therewith to the most profitable outcome for the owners. The Groups administration is in Oslo.

The Group operated as of 31 December 2022 three large size PSVs (one owned 90%) and one medium size PSV and had an 51 % ownership share in five medium size PSVs.

The Group is listed on Euronext Growth in Oslo and as of 31 December 2022 owned 53.4% by the Cyprus-based and Oslo-Stock exchange listed company SD Standard ETC Plc. SD Standard ETC Plc is an investment entity as set out in IFRS 10 and does not consolidate its subsidiaries. Investment in subsidiaries, including the Standard Supply group, are measured at fair value through profit and loss in accordance with IFRS 9.

Eight of the vessels are as of 31 December 2022 trading in the offshore market in the North Sea and one in West Africa with the risk factors involved. The imperative factor for the PSV market is the price of oil and gas. After several years with low prices, the recent rise is showing effects in form of increased rates and activity within the PSV market.

The condensed interim financial statements are presented under the going concern assumption.

NOTE 2 - ACCOUNTING PRINCIPLES:

General information

The financial statements have been prepared in accordance with the Norwegian Accounting Act and NRS 11 Interim Financial Statements on a condensed basis. The consolidated interim financial information should be read in conjunction with the audited annual financial statements for the year ended 31 December 2021 for Wanax AS Group.

The accounting principles are described below.

Change of accounting principles

In 2022 the Group changed its accounting principles related to dry-dock expenses on the Vessels, which are now capitalized as part of the vessels. Comparative figures for 2021 have been revised. See note 8 for details on this effect.

Functional currency

The financial statements are presented in USD, which is also the functional currency of the holding company and most of its 100% owned subsidiaries. The group is operating in the oil-service segment, where USD is considered to be the prevailing currency.

Basis of consolidation

The consolidated financial statements comprise of the financial statements of Standard Supply AS, and its subsidiaries and associated entities (the "Group").

Subsidiaries

Subsidiaries are fully consolidated from the date of acquisition, which is defined as the date on which the Group obtains control. Control is obtained when the Group has the power to govern the financial and operating policies. This is usually achieved when the Group owns, either directly or indirectly, more than 50 per cent of the share capital, has corresponding voting rights, or otherwise has an actually controlling interest. Subsidiaries are de-consolidated from the date on which control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All inter-company transactions and balances are eliminated in the consolidated financial statements

Business combinations

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, any liabilities incurred to the former owners of the acquiree and any equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognizes noncontrolling interest in the acquiree at fair value. In addition, previously owned equity method interest owned related to the acquired entity is derecognized and gain is recognized directly in equity.

Associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20 % and 50 % of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount adjacent to 'share of profit/ (loss) of associates in the income statement.

Dilution gains and losses arising in investments in associates are recognized in the income statement.

The general rule when assessing and classifying assets and liabilities

Assets determined for permanent ownership or use are classified as fixed assets. Other assets are classified as current assets.

Fixed assets are recognized at cost but are written down to the higher of fair value and value in use. Fixed assets with finite economic lives are systematically depreciated.

Receivables to be repaid within one year are classified as current assets.

Corresponding criteria form the basis when classifying short-term and long-term liabilities.

Current assets are assessed at the lower of acquisition cost and fair value. Short-term liabilities are recognized at the nominal amount received on the date of establishment. Certain items are assessed according to other rules as explained below.

Revenue and expense recognition

The Group's activity is to employ PSVs. Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of rebates, commissions and discounts and after elimination of sales within the Group.

Time charter revenue (term and spot) is accounted for as an operating lease and is recognized on a straight-line basis over the term of the time charter arrangement.

Certain contracts include mobilization fees payable at the start of the contract. Mobilization fees are recognized on a straight line basis over the term of the arrangement.

Ship operating expenses and administrative expenses are recognized as an expense when incurred.

Tax

The companies owning vessels and owning shares in vessel owning companies, are subject to taxation under the Norwegian tonnage tax regime. Under the tonnage tax regime, profit from operations is exempt from taxes. Taxable profit is calculated on the basis of financial income after deduction of a portion of financial expenses. The portion is calculated as financial assets in percent of total assets. Tonnage tax is payable based on the net tonnage of vessels. Tonnage tax is classified as an operating expense.

Tax expense comprise tax payable and deferred tax expense. Tax payable is measured at the amount expected to be paid to authorities while deferred tax assets/liabilities are calculated based on temporary differences at the reporting date. Deferred tax assets are recognized to the extent that it is probable that they can be utilized in the future. Deferred tax is calculated with 22 % of the basis of temporary differences existing between accounting wise and taxwise values.

Tangible fixed assets

Tangible fixed asset are vessels, and they are entered in the financial position statement at cost less accumulated depreciation. Depreciation is linear and based on an assessment of the asset`s remaining useful lifespan.

The tangible fixed asset will be written down to the higher of fair value and value in use.

Costs related to repair and maintenance of the vessels are expensed, as this is deemed as costs necessary in order to keep the vessels in good seaworthy condition.

Receivables

Trade debtors and other receivables are posted at nominal after provisions for losses have been deducted. Provisions for losses are made on the basis of an individual assessment of each receivable.

Exchange rates

Liquid assets in foreign currencies are assessed in accordance with the current exchange rate principle. Long-term liabilities are posted at the current exchange rate.

The following exchange rate is used in the accounts:

GBP/USD per 31 December 2022: 1.2026 (31.12.2021: 1.3479)

NOK/USD per 31 December 2022: 0.1014 (31.12.2021: 0.1134)

NOTE 3 - INCOME:

The Group operated as of 31 December 2022 two large size PSVs and one medium size PSV which are 100% owned, one large size PSV which are 90% owned, and five medium size PSVs through its investment in Northern Supply AS at an 51 % ownership share.

The three large size PSVs had a weighted average of utilizations on 87 % for YTD Q4 2022 (80 % in Q4 2022) based on availability.

The five medium size PSVs in Northern Supply and the one medium sized PSV owned 100% had a weighted average of utilization on 93% YTD Q4 2022 (87 % in Q4 2022) based on availability.

Total operating income related to the spot marked YTD Q4 2022 was USD 5.3m and USD 1.1m for Q4 2022.

The Group operates in international waters, hence, there are no relevant geographical segmentation of income and costs.

NOTE 4 – ASSOCIATED COMPANIES:

	Northern Supply AS
1 January 2022	6 013 304
Share of profit for the period	759 306
Currency exchange differences	-746 543
Derecognition of associate due to acquisition	-6 026 067
31 December 2022	-

NOTE 5 – FIXED ASSETS:

The Group has as per end of Q4 2022 nine vessels. The vessels are being depreciated linearly down to scrap value over an expected economic lifespan on 25 years. Activated dry-dock expenses are depreciated over the dry-dock cycle on 5 years.

Indicators of impairment has been assessed at year-end 2022 and no indicators for impairment were identified.

Vessels	2022	Revised 2021
Purchase cost 1 January	30 056 569	48 936 398
Change of dry dock accounting principle	-	6 039 479
Vessels acquired through business combination	29 104 064	-
Purchase	34 626 545	-
Sale	-	-24 919 308
Purchase cost 31 December	93 787 178	30 056 569
Acc. depreciation 1 January	11 239 556	10 726 963
Change of dry dock accounting principle	-	3 073 000
Depreciation of the period	4 728 508	4 281 296
Acc. depreciation sold vessels	-	-6 841 703
Acc. Depreciation 31 December	15 968 064	11 239 556
Currency translation differences	170 656	-
Book value 31 December	77 989 771	18 817 015

NOTE 6 – EQUITY:

	Share capital	Premium of shares	Uncovered loss	Currency translations	Minority interests	Total
Equity 01 January 2022 - Revised	24 749	65 541 325	-23 818 823	-708 488	-	41 038 763
Incorporation of Standard Supply	3 396	-631	-	-	-	2 766
Contribution in kind - Wanax AS	1 030 370	-8 227 591	7 197 220	-	-	-
Share issuance - Private placement	334 433	14 581 293	-	-	-	14 915 726
Contribution in kind - Northern Supply AS	99 173	4 323 925	-	-	-	4 423 098
Share issuance – Private placement	435 804	20 047 004	-	-	-	20 482 809
Share issuance cost - Private placements	-	-1 612 662	-120 519	-	-13 391	-1 746 572
Gain on derecognition of associated company	-	-	3 853 294	-	-	3 853 294
Net profit for the period	-	-	-28 591	-	1 839 570	1 810 980
Addition of minority interest	-	-	-	-	19 550 518	19 550 518
Currency translation adjustment	-	-	-	-270 882	178 384	-92 498
Dividends to minority	-	-	-	-	-1 245 994	-1 245 994
Dividends to majority owner	-	-11 147 899	-	-	-	-11 147 899
Total equity 31 December 2022	1 927 926	83 504 766	-12 917 419	-979 369	20 309 088	91 844 992

NOTE 7 – SUBSIDIARIES:

Name of entity	Office	Ownership	Voting-rights
Standard Supplier AS	Oslo	100 %	100 %
Standard Viking AS	Oslo	100 %	100 %
Standard Defender AS	Oslo	90 %	90 %
Standard Duke AS	Oslo	100 %	100 %
Northern Supply AS	Oslo	51 %	51 %
Wanax AS	Oslo	100 %	100 %

NOTE 8 – CHANGE OF ACCOUNTING PRINCIPLES:

In 2022 the Group changed its accounting principles related to dry-dock expenses for the Vessels, which are now capitalized as part of the vessels and depreciated over the dry-dock cycle which is five years. Comparative figures have been revised as of 1 January 2021 and residual effects on the financial statement as of 31st December 2021 are detailed below.

USD	2021 Revised	2021 As audited	Effect of principle change
OPERATING INCOME			
Net gain sale of fixed assets	-	397 060	-397 060
Total operating income	11 854 638	12 251 698	-397 060
OPERATING COSTS			
Net loss sale of fixed assets	805 945	-	805 945
Depreciations	4 281 296	2 817 123	1 464 173
Total operating expenses	15 981 039	13 710 922	2 270 117
NET OPERATING RESULT	-4 126 401	-1 459 224	-2 667 177
NET RESULT BEFORE TAX	-4 527 117	-1 859 940	-2 667 177
RESULT OF THE PERIOD	-4 561 544	-1 894 367	-2 667 177
Attributed to majority interest	-4 561 544	-1 894 367	-2 667 177
	31.12.2021 Revised	31.12.2021 As audited	Effect of principle change
Fixed assets			
Vessels	18 817 015	18 517 712	299 303
Total fixed assets	24 830 319	24 531 016	299 303
TOTAL ASSETS	42 408 563	42 109 260	299 303
Other equity			
Uncovered loss	-23 818 823	-24 118 126	299 303
Total other equity	-23 818 823	-24 118 126	299 303
Total equity	41 038 763	40 739 460	299 303
TOTAL EQUITY AND LIABILITIES	42 408 563	42 109 260	299 303
	2021 Revised	2021 As audited	Effect of principle change
Cash-flow from operational activities			
Profit before tax	-4 527 117	-1 859 940	-2 667 177
Depreciations	4 281 296	2 817 123	1 464 173
Loss/(-gain) on sale fixed assets	805 945	-397 060	1 203 005
Net cash-flow from operational activities	685 830	685 830	-

NOTE 9 – RELATED PARTY:

The Group has a revolving credit facility ("RCF") with its majority owner SD. Standard ETC Plc with a committed amount of USD 20m and a maturity 31 December 2023. Interest is calculated based on Term SOFR 3m and a margin on 5%. As of 31 December 2022, the RCF was undrawn. Paid interest under the RCF were in 2022 USD 314 554 and the arrangement fee was USD 150 000 of which USD 50 000 has been amortized in 2022.

Other transactions with related parties in 2022:

Tycoon Industrier AS: Fee for CFO services - USD 105 610

Ferncliff TIH AS: Fee management services - USD 474 675, Fee related to listing and transactions - USD 320 000 - Total USD 794 675

Standard Invest AS: Fee for CEO services - USD 141 111

NOTE 10 – BUSINESS COMBINATION:

On 21 June 2022 the BoD in Standard Supply approved the purchase of 290 878 shares in Northern Supply AS corresponding to an ownership share of 22.88%. Northern Supply AS is a company holding 5 mid-size PSV's, being the FS Kristiansand, FS Crathes, FS Balmoral, FS Abergeldie and FS Braemar. The Group already owned 28.12% of the shares in Northern Supply and the total ownership share after the acquisition was 51% and Northern Supply will thus be consolidated from this point in time.

The purchase price for the shares were settled with NOK 38,383,861.40 in cash and through issuance of 9,708,898 shares in Standard Supply AS at NOK 4.46. The total purchase price for the 22.88% ownership shares in Northern Supply was hence NOK 81 685 546.48 corresponding to a valuation of USD 35.8m for the company as a whole. A purchase price allocation was performed, resulting in an allocation of all surplus values of USD 14m to the vessels in Northern Supply on a 100% basis. No deferred tax has been accounted for as Northern Supply are subject to taxation under the Norwegian tonnage tax regime. A gain of USD 3.583 thousand upon derecognition of the previously held interest of 28.12% has been recognized directly in equity

If Northern Supply had been consolidated as of 1 January 2021, total operating income for the Group for the year ended 31 December 2021 would have been 27.9m USD and 29.0m USD for the year ending 31 December 2022.

NOTE 11 – SUBSEQUENT EVENTS:

Standard Supply AS's Board of Directors has decided to propose to distribute an extraordinary dividend of NOK 0.10 per share. The dividend distribution must be approved by an extraordinary general meeting of the Company, and further information will be given in due course.

Standard Supply AS

Financial Calendar (Release of Financial Reports)

Q4 2022	16 February 2023
Q1 2023	16 May 2023
Annual Report 2022	23 May 2023
Annual General Meeting	13 June 2023
Q2 2023	24 August 2023
Q3 2023	16 November 2023

<https://standard-supply.com/>

About Standard Supply:

Standard Supply owns a fleet of nine (9) Platform Supply Vessels (PSVs); three large-sized (one owned 90%), one medium-sized and five (5) medium-sized PSVs with 51% ownership interest. Standard Supply will actively seek further growth opportunities and is well positioned to capture improvements in the market with most of the fleet trading in the spot market. The company has a clear ambition to return excess cash to its shareholders.