

**STANDARD SUPPLY AS**

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS 2022**



**STANDARD****SUPPLY**

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# Letter to the shareholders

We are pleased to present you with Standard Supply's Annual report for 2022. The report encapsulates a dynamic six-month period following our IPO, which included the acquisition of two vessels in June, our initial trading day on Euronext Growth in July, and a successful NOK 150 million private placement in November.

Our primary ambition with Standard Supply is to proactively seek growth opportunities within the Platform Supply Vessel (PSV) industry. Throughout 2022, we acquired two vessels at a significant discount to replacement costs, with payback periods projected at a brief two to three years. Standard Supply boasts an unlevered balance sheet and a proven history of making strategic investments in cyclical assets. Moreover, we have established a clear dividend policy, committing to return surplus cash to our shareholders through quarterly dividends starting from the fourth quarter of 2022.

In the course of an eight-year offshore downturn, considerable efforts have been made to reduce capacity. At its lowest point in 2017, there were over 100 PSVs in lay-up in Europe. Today, we believe that number has effectively been reduced to zero. Most of these vessels have either been sold for scrap or repurposed. Overall, about 25-30% of the fleet previously operational in the North Sea has been taken out of service.

In terms of potential demand growth for OSV tonnage, it is usually tied to rig demand and production support. The North Sea market has shown particularly promising indicators. On the Norwegian continental shelf, there are currently approximately 90 fields producing oil and natural gas. In 2022 alone, around 30 new projects reached Final Investment Decision (FID) stage. This suggests that the number of productive fields could increase by more than 30% within the next 3-5 years, with many of these fields necessitating drilling campaigns.

In the UK activity has been impacted by the Energy Profit Levy that was introduced in the spring of 2022. In short, UK operators has seen its headline tax rate increase from 40% to 75%. Since the 1990s UK's oil and gas production has dropped with roughly 3.0mb/d to 1.5mb/d, effectively becoming a major net importer of its energy needs. Fortunately, improving demand internationally from Brazil and West Africa in particular has more than made up for the reduction in the UK activity, allowing for higher time-charter rates also in the UK.

Standard Supply is dedicated to owning and managing a fleet of platform supply vessels, while simultaneously upholding a lean and cost-effective operational structure. This is achieved by maintaining market-leading SG&A (selling, general, and administrative expenses) per vessel and ensuring operational adaptability through a management agreement with the third-party vessel manager, Fletcher Shipping. Maintaining a high standard of operational performance and fleet utilization will be critical for the company's future success, particularly in conjunction with improving market fundamentals.

**Martin Nes**  
Chairman of the Board

# Highlights 2022-2023

<p><b>June 2022</b> NOK 150m private placement</p>	<p><b>June 2022</b> Acquisition of Standard Duke for USD 5m</p>	<p><b>June 2022</b> Acquisition of Standard Defender for USD 20.7m</p>	<p><b>June 2022</b> Acquisition of 23% of Northern Supply for USD 8m</p>
<p><b>July 2022</b> First day trading Euronext Growth</p>			
<p><b>August 2022</b> First monthly commercial update</p>			
<p><b>November 2022</b> NOK 200m private placement</p>	<p><b>November 2022</b> 1-year TC for FS Kristiansand</p>		
<p><b>February 2023</b> NOK 0.10/sh dividend for 4q22</p>	<p><b>February 2023</b> Three 6-months contract for mid-sized PSVs</p>		
<p><b>April 2023</b> NOK 0.12/sh dividend for 1q23</p>			



**Market capitalization: USD ~85m**  
**Number of shareholders: ~600**

## Key Financials

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

## Highlights 2022

- The Group reported EBITDA of USD 6.5 million and net profit of USD 1.8 million in 2022.
- Achieved average time charter equivalent earnings of approximately USD 11,600 per day.
- Consolidated cash at year end of USD 8.1 million.

## Fleet overview

The current chartering status is displayed below.

Vessels	Built	Deck (m2)	Employment	Dayrate*	Firm end	Option end
Standard Viking	2007	1 060	TC	16 200	feb.24	
Standard Supplier	2007	1 060	Spot			
Standard Defender	2019	900	TC	23 000	oct.23	
Standard Duke	2012	716	TC	15 600	jul.23	
FS Balmoral	2008	710	Spot			
FS Kristiansand	2005	710	TC	16 200	oct.23	jan.24
FS Braemar	2007	710	TC	18 100	sep.23	mar.24
FS Abergeldie	2008	680	TC	10 100	oct.23	apr.25
FS Crathes	2008	680	TC	16 800	aug.23	Feb.24

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

# Board of Directors' report

Standard Supply AS is a Norwegian investment company, located at Skøyen in Oslo. The Company was established on March 1<sup>st</sup>, 2022 and became the new parent company for the Standard Supply AS Group on 9 June 2022 when SD Standard ETC Plc. transferred all its shares in Wanax AS to Standard Supply AS as a contribution in kind. Standard Supply AS Group consists in addition to the parent company of four wholly owned subsidiaries, one subsidiary owned 51 % and one owned 90 % as of December 31<sup>st</sup>, 2022.

The Group conducts its business through active investments, investments in vessels and other investments. The object of the Group is to acquire and operate offshore supply vessels (PSV) with best possible results for its owners, in addition to other business related to shipping.

Standard Supply focus on active ownership, common conception of objectives between the owners, the Board of Directors and the management, as well as growth, efficient operations and an optimal financial structure in the subsidiaries.

## **Financial results**

The parent Company, Standard Supply AS, reports a net result of the year of USD -0.2m. Total equity and total assets as of December 31<sup>st</sup>, 2022, is USD 85.3m and USD 85.5m accordingly.

The Group reports a total operating income of USD 22.4m (USD 11.9m in 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.

The Group reports a total operating expense of USD 20.7m (USD 16m for 2021), and it consists of ship operating expenses of USD 14.1m, depreciations of USD 4.7m, as well as other expenses of USD 1.8m of which approximately USD 0.6m is related to the Euronext Growth Listing. Ship operating expenses in 2022 include USD 8.3m in expenses related to Northern Supply, Standard Duke and Standard Defender and the comparative figures for 2021 include expenses to Princess and Olympus on USD 4.8m. Depreciation increased with 0.4m in 2022 compared to 2021 explained by net increase in the fleet of vessels during 2022.

Share of income in associated company for the period is USD 0.8m (USD -0.3m for 2021) and is related to Northern Supply AS until the Group gained control on 21 June 2022.

Net result before tax for the Group is USD 2m (USD -4.5m for 2021), and the total result of the year ends at USD 1.8m (USD -4.6m for 2021).

The Group's total assets is USD 95.0m as of December 31<sup>st</sup>, 2022 (USD 42.4 per 2021).

The Group has a cash balance of USD 8.1m as of December 31<sup>st</sup>, 2022 (USD 14.6m per 2021), which is sufficient to cover the total short term liabilities as of year-end.

The Group's net cash-flow from operating activities increased in 2022 with USD 3.5m compared to 2021 mainly driven by the increase in EBITDA. Net cash-flow from investment activities in 2022 were -35.4m and 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-flow from financing activities in 2022 were USD 24.7m and 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.

## **Risk factors**

Market risk and financial risk are considered as the main risk factors for the Group.

The main activity for the Group is shipping, and eight of the vessels are operating in the offshore market in the North Sea and one in West Africa as of year-end with the risk factors involved.

Market risk related to the investments within shipping is affected by the general development in the offshore market.

The Group has no interest-bearing debt as of year-end and is mainly financed by equity. Total equity for the Group was USD 91.8m at year end 2022.

The Group has a moderate exposure to liquidity risk, as the assets are mainly equity-financed, the total current assets amount to USD 17.1m at year-end 2022 and the Group has a committed revolving credit facility (RCF) on USD 20m with its majority owner SD Standard ETC Plc which is undrawn at year-end 2022.

Ferncliff TIH AS and S.D. Standard ETC Plc has a directors and officers liability insurance for the group and its subsidiaries. The Standard Supply Group – Annual Report and Financial Statements 2022

insurance covers defense costs and potential legal liability for directors and officers arising out of claims made against them while serving on a board of directors and or as an officer and includes also positions outside these groups. The insurance renews annually, and the sum insured was NOK 100 million on 31 December 2022.

**Health, safety and environment**

The Group had no employees as of year-end.

The Group's goal is to ensure that it operates in such a way that no detrimental effects are made on the environment in which it operates.

**Transparency Act**

The Group is subject to the Transparency Act. The Act requires, amongst other things, the entities which fall under the act, to carry out Integrity Due Diligence assessments of its suppliers. The outcome of this process is to be made public. The Group is in progress and the Groups Transparency Report will be published on the Groups website in June 2023.

**Subsequent events**

Standard Supply AS distributed an extraordinary dividend on NOK 0.10 per share in April 2023. Standard Supply AS's Board of Directors has decided to propose to distribute an additional distribution of NOK 0.12 per share. The distribution must be approved by the general meeting of the Company, and further information will be given in due course.

**Going concern**

The results and financial position for the Group indicates a satisfactory financial state. The Board of Directors confirms that the annual accounts are based on the going concern assumptions, and that these conditions exist, in accordance with the Norwegian Accounting Act, § 3-3.

**Allocation of the result**

The Board of Directors suggests that the Parent Company net loss of the year is transferred to uncovered loss.

Oslo, May 22<sup>nd</sup>, 2023



Martin Nes  
Chairman



Espen Lundaas  
Board Member

## CONSOLIDATED INCOME STATEMENT

USD	Note	2022	2021*
<b>OPERATING INCOME</b>			
Operating income	3	22 430 209	11 854 638
<b>Total operating income</b>		<b>22 430 209</b>	<b>11 854 638</b>
<b>OPERATING COSTS</b>			
Ship operating expenses	4	14 129 841	10 054 182
Administration expenses	5	1 846 299	839 617
Net loss sale of fixed assets		-	805 945
Depreciations	6	4 728 508	4 281 296
<b>Total operating expenses</b>		<b>20 704 647</b>	<b>15 981 039</b>
<b>NET OPERATING RESULT</b>		<b>1 725 562</b>	<b>-4 126 401</b>
Share of income in associated company	7	759 306	-296 557
<b>FINANCIAL ITEMS</b>			
Interest income		39 519	1 745
Net currency gain/(loss)		-180 023	-104 382
Interest costs	8	366 895	1 526
<b>Net financial items</b>		<b>-507 399</b>	<b>-104 163</b>
<b>NET RESULT BEFORE TAX</b>		<b>1 977 470</b>	<b>-4 527 117</b>
Tax	9	166 490	34 427
<b>RESULT OF THE PERIOD</b>		<b>1 810 980</b>	<b>-4 561 544</b>
Attributed to majority interest	10	-28 591	-4 561 544
Attributed to minority interest	10	1 839 570	-

\*The comparative figures have been revised. See note 16



## CONSOLIDATED BALANCE SHEET

USD	Note	31 Dec 2022	31 Dec 2021*
<b>NON-CURRENT ASSETS</b>			
<b>Fixed assets</b>			
Investment in associated company	7	-	6 013 304
Vessels	6	77 989 771	18 817 015
<b>Total fixed assets</b>		<b>77 989 771</b>	<b>24 830 319</b>
<b>Total fixed assets</b>		<b>77 989 771</b>	<b>24 830 319</b>
<b>CURRENT ASSETS</b>			
<b>Inventory</b>			
Inventory	4	1 119 293	-
<b>Accounts receivables</b>			
Receivable ship manager	4,11	771 443	1 225 926
Other receivables	11	190 282	235 255
Accrued income	11	879 867	-
Trade receivables	11	5 967 414	1 480 892
<b>Total receivables</b>		<b>7 809 007</b>	<b>2 942 073</b>
Cash and cash equivalents		8 126 943	14 636 171
<b>Total current assets</b>		<b>17 055 242</b>	<b>17 578 244</b>
<b>TOTAL ASSETS</b>		<b>95 045 013</b>	<b>42 408 563</b>

\*The comparative figures have been revised. See note 16

## CONSOLIDATED BALANCE SHEET

USD	Note	31 Dec 2022	31 Dec 2021*
<b>EQUITY</b>			
<b>Paid in capital</b>			
Share capital	10,12	1 927 926	24 749
Premium of shares	10	83 504 766	65 541 325
<b>Total paid in equity</b>		<b>85 432 692</b>	<b>65 566 074</b>
<b>Other equity</b>			
Retained loss	10	-12 917 419	-23 818 823
Currency translation differences	10	-979 369	-708 488
<b>Total other equity</b>		<b>-13 896 788</b>	<b>-24 527 311</b>
Minority interests	10	20 309 088	-
<b>Total equity</b>		<b>91 844 992</b>	<b>41 038 763</b>
<b>LIABILITIES</b>			
<b>Long term liabilities</b>			
Debt to owners	8	-	-
<b>Total long-term liabilities</b>		<b>-</b>	<b>-</b>
<b>Short term liabilities</b>			
Debt ship manager	4,13	2 429 508	873 286
Accounts payable	13	441 028	398 490
Tax payable	9	169 430	34 427
Other current liabilities	13	160 055	63 597
<b>Total short-term liabilities</b>		<b>3 200 022</b>	<b>1 369 800</b>
<b>Total liabilities</b>		<b>3 200 022</b>	<b>1 369 800</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>95 045 013</b>	<b>42 408 563</b>

\*The comparative figures have been revised. See note 16

Oslo, May 22<sup>nd</sup>, 2023



Martin Nes  
Chairman



Espen Lundaas  
Board Member

## CONSOLIDATED CASH FLOW STATEMENT

USD	Note	2022	2021*
<b>Cash-flow from operational activities</b>			
Profit before tax		1 977 470	-4 527 117
Share of income in associated company	7	-759 306	296 557
Depreciations	6	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
<b>Net cash-flow from operational activities</b>		<b>4 194 267</b>	<b>685 830</b>
<b>Cash-flow from investment activities</b>			
Cash used in business combination net of cash acquired	17	-814 492	-
Investment in fixed assets	6	-34 626 545	-
Net payments from/(to) associated companies		-	531 221
Proceeds from sale of vessel		-	17 271 661
<b>Net-Cash-flow from investment activities</b>		<b>-35 441 037</b>	<b>17 802 882</b>
<b>Cash-flow from financing activities</b>			
Equity issue	10	35 401 301	-
Equity issue non-controlling interests	10	2 044 688	-
Drawdown RCF	8	19 900 000	-
Repayment RCF	8	-19 900 000	-
Paid interest on RCF	8	-314 554	-
Dividends and repayment to non-controlling interests	10	-1 245 994	-
Dividends and repayment to controlling interests	10	-11 147 899	-6 321 000
<b>Net cash-flow from financing activities</b>		<b>24 737 542</b>	<b>-6 321 000</b>
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
<b>Cash and cash-equivalents at end of period</b>		<b>8 126 943</b>	<b>14 636 171</b>

\*The comparative figures have been revised. See note 16

# NOTES TO THE 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 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 in accordance with Norwegian accounting standards.

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 16 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 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 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% for 2022 based on availability.

Total operating income related to the spot marked in 2022 was USD 5.3m and USD 17.1m was related to the term marked.

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

## **NOTE 4 – SHIP OPERATING EXPENSES**

The Group has entered into management agreements with Fletcher Supply Vessels Ltd. ("FSV") which inter alia includes the technical and commercial management of the vessels, crew management, purchase of provisions/consumables, insurance arrangements and accounting services in respect to the operating accounts.

FSV receives a remuneration of GBP 500.00 per day per vessel if the vessel is fixed.

In addition, FSV receives a fee equal to 1.25% of the gross hire under the charter parties when the vessel is fixed and a brokerage fee of 1.25% up to 2.50%. This cost is in the accounts considered commission and is recognized in the calculation of the net income, cf. Note No. 3. (USD 711 272 for 2022 and USD 334 130 for 2021)

The main cost component of the ship operating expenses includes crew cost, maintenance and repairs, bunkers and lube oil, insurances as well as fees to the technical and commercial management. The tonnage tax, cf. Note No.9 is also included in ship operating expenses. Total ship operating expenses for 2022 was USD 14,129,841 (01.01.2021-31.12.2021: USD 10,054,182).

Balance with the ship manager:

	31.12.2022		31.12.2021	
	GBP	USD	GBP	USD
Inventories on board	930 747	1 119 293	-	-
Current assets	641 495	771 443	909 522	1 225 926
Current liabilities	-2 020 262	-2 429 508	-647 896	-873 286
<b>Net balance</b>	<b>-448 020</b>	<b>-538 773</b>	<b>261 626</b>	<b>352 640</b>

**NOTE 5 – ADMINISTRATION EXPENSES:**

Administration expenses consist of:

	2022	2021
Corporate Management fee*	1 000 401	763 924
Consultant, accountant, and other fees**	366 111	-
Legal fee	229 115	1 940
Auditor's remuneration	70 803	57 153
Other costs	179 869	16 600
<b>Total</b>	<b>1 846 299</b>	<b>839 617</b>

Auditors' remuneration consists of:

	2022	2021
Audit fee	38 948	50 272
Other attestation services	9 710	6 881
Other services	22 145	-
<b>Total</b>	<b>70 803</b>	<b>57 153</b>

\* Corporate Management fee to Clarkssons (USD 279 005), Tycoon Industrier AS (USD 105 610 – Related Party), Ferncliff TIH AS (USD 474 675 – Related Party) and Standard Invest AS (USD 141 111 – Related Party)

\*\* Ferncliff TIH (Fee related to listing and transaction – USD 320 000 – Related Party)

The Group has no employees. The Group is not obligated to establish mandatory occupational pension.

No remuneration has been paid to the Board of Directors.

**NOTE 6 – FIXED ASSETS:**

The Group has as per year-end 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 of 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
<b>Purchase cost 31 December</b>	<b>93 787 178</b>	<b>30 056 569</b>
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
<b>Acc. Depreciation 31 December</b>	<b>15 968 064</b>	<b>11 239 556</b>
Currency translation differences	170 656	-
<b>Book value 31 December</b>	<b>77 989 771</b>	<b>18 817 015</b>

**NOTE 7 – ASSOCIATED COMPANIES:**

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

**NOTE 8 – 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.

See note 5 for other transactions with related parties in 2022.

**NOTE 9 – TAX / DEFERRED TAX:**

	2022	Revised 2021
<i>Income tax expense:</i>		
Current tax on profits for the year	166 490	34 427
Decrease (increase) in deferred tax assets	-	-
<b>Income tax expense (benefit)</b>	<b>166 490</b>	<b>34 427</b>
Tonnage taxes payable presented as ship operating expenses	2 648	1 337
<i>Reconciliation of income tax expense:</i>		
Profit (loss) before income tax expense	1 977 470	-4 527 117
<b>Tax at tax rate of 22%</b>	<b>435 043</b>	<b>-995 966</b>
Income tax expense	166 490	34 427
<b>Difference</b>	<b>268 553</b>	<b>-1 030 393</b>
<i>Difference comprises of:</i>		
Permanent differences	-594 294	-
Tax effect of Norwegian tonnage tax legislation	259 187	-1 023 151
Tax effect of deferred tax assets not recognized	639 789	-7 241
Change in previous tax payable	-	-
Total difference:	<b>268 553</b>	<b>-1 030 393</b>
<i>Current tax assets and liabilities in balance sheet</i>		
Current tax on profits for the year	166 490	34 427
Currency translation differences	2 940	-
<b>Tax payable</b>	<b>169 430</b>	<b>34 427</b>
<i>Temporary differences and tax losses:</i>		
<b>Net temporary differences</b>	<b>-</b>	<b>-</b>
Tax losses	-2 865 557	-74 009
<b>Total basis for potential deferred tax asset</b>	<b>-2 865 557</b>	<b>-74 009</b>
Potential deferred tax asset - 22%	630 423	16 282
Unrecognized deferred tax asset*	-630 423	-16 282
<b>Carrying amount of deferred tax asset</b>	<b>-</b>	<b>-</b>

\* Deferred tax assets on basis of tax losses carried forward, are not recognised based on uncertainty on when/if it will be set off against taxable profit.



**NOTE 10 – EQUITY:**

	Share capital	Premium of shares	Uncovered loss	Currency translations	Minority interests	Total
Equity 31 December 2020	24 749	71 862 325	-22 223 761	-474 988	-	49 188 326
Change of dry dock accounting principle	-	-	2 966 480	-	-	2 966 480
Revised equity 01 January 2021	24 749	71 862 325	-19 257 281	-474 988	-	52 154 806
Net profit for the period	-	-	-4 561 544	-	-	-4 561 544
Currency translation adjustment	-	-	-	-233 500	-	-233 500
Dividends	-	-6 321 000	-	-	-	-6 321 000
<b>Total equity 31 December 2021</b>	<b>24 749</b>	<b>65 541 325</b>	<b>-23 818 823</b>	<b>-708 488</b>	<b>-</b>	<b>41 038 763</b>

	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
<b>Total equity 31 December 2022</b>	<b>1 927 926</b>	<b>83 504 766</b>	<b>-12 917 419</b>	<b>-979 369</b>	<b>20 309 088</b>	<b>91 844 992</b>

**NOTE 11 – SHORT TERM RECEIVABLES:**

Short-term receivables are due within one year.

## NOTE 12 – SHAREHOLDERS:

The share capital of the parent company is NOK 18 772 629.1, equal to USD 1 927 926, distributed at 187 726 291 shares at NOK 0.1

The Group does not hold any own shares.

The parent company's 20 largest shareholders are as follows:

	31.12.2022	
Owner	Number of Shares	Ownership interest in %
S.D. STANDARD ETC PLC	100 300 000	53,43
Goldman Sachs & Co. LLC	14 105 697	7,51
SONGA CAPITAL AS	10 584 978	5,64
Goldman Sachs International	7 550 500	4,02
UTHALDEN AS	5 215 493	2,78
The Bank of New York Mellon SA/NV	3 374 468	1,80
Morgan Stanley & Co. Int. Plc.	3 225 582	1,72
SURFSIDE HOLDING AS	2 500 000	1,33
PACTUM VEKST AS	2 492 379	1,33
Skandinaviska Enskilda Banken AB	2 450 000	1,31
TITAN VENTURE AS	2 050 000	1,09
MUSTANG CAPITAL AS	1 700 000	0,91
GM CAPITAL AS	1 500 000	0,80
NÆRINGSLIVETS HOVEDORGANISASJON	1 400 000	0,75
MOSVOLD RUUD-PEDERSEN AS	1 300 000	0,69
TYCOON INDUSTRIER AS	1 155 613	0,62
NORUS AS	1 118 818	0,60
BECK ASSET MANAGEMENT AS	1 004 024	0,53
TVECO AS	1 000 000	0,53
TORSTEIN INGVALD TVENGE	1 000 000	0,53
Total 20 largest	165 027 552	87,91
Others	22 698 739	12,09
<b>Total</b>	<b>187 726 291</b>	<b>100,00</b>

## NOTE 13 – CURRENT LIABILITIES:

Current liabilities are due within one year.

## NOTE 14 – SHARES OWNED/REPRESENTED BY THE BOARD:

Name	Position	Represents	Owned directly
Martin Nes	Chairman	53 %	0 %
Espen Lundaas	Director	53 %	0 %

## NOTE 15 – 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 16 – 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
<b>OPERATING INCOME</b>			
Net gain sale of fixed assets	-	397 060	-397 060
<b>Total operating income</b>	<b>11 854 638</b>	<b>12 251 698</b>	<b>-397 060</b>
<b>OPERATING COSTS</b>			
Net loss sale of fixed assets	805 945	-	805 945
Depreciations	4 281 296	2 817 123	1 464 173
<b>Total operating expenses</b>	<b>15 981 039</b>	<b>13 710 922</b>	<b>2 270 117</b>
<b>NET OPERATING RESULT</b>	<b>-4 126 401</b>	<b>-1 459 224</b>	<b>-2 667 177</b>
<b>NET RESULT BEFORE TAX</b>	<b>-4 527 117</b>	<b>-1 859 940</b>	<b>-2 667 177</b>
<b>RESULT OF THE PERIOD</b>	<b>-4 561 544</b>	<b>-1 894 367</b>	<b>-2 667 177</b>
Attributed to majority interest	-4 561 544	-1 894 367	-2 667 177
USD	<b>31.12.2021 Revised</b>	<b>31.12.2021 As audited</b>	<b>Effect of principle change</b>
<b>Fixed assets</b>			
Vessels	18 817 015	18 517 712	299 303
<b>Total fixed assets</b>	<b>24 830 319</b>	<b>24 531 016</b>	<b>299 303</b>
<b>TOTAL ASSETS</b>	<b>42 408 563</b>	<b>42 109 260</b>	<b>299 303</b>
<b>Other equity</b>			
Uncovered loss	-23 818 823	-24 118 126	299 303
<b>Total other equity</b>	<b>-23 818 823</b>	<b>-24 118 126</b>	<b>299 303</b>
<b>Total equity</b>	<b>41 038 763</b>	<b>40 739 460</b>	<b>299 303</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>42 408 563</b>	<b>42 109 260</b>	<b>299 303</b>
USD	<b>2021 Revised</b>	<b>2021 As audited</b>	<b>Effect of principle change</b>
<b>Cash-flow from operational activities</b>			
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
<b>Net cash-flow from operational activities</b>	<b>685 830</b>	<b>685 830</b>	<b>-</b>

## **NOTE 17 – 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 3.853 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 25.3m USD and 29.0m USD for the year ending 31 December 2022.

## **NOTE 18 – SUBSEQUENT EVENTS:**

Standard Supply AS distributed an extraordinary dividend on NOK 0.10 per share in April 2023. Standard Supply AS's Board of Directors has decided to propose to distribute an additional distribution of NOK 0.12 per share. The distribution must be approved by the general meeting of the Company, and further information will be given in due course.

# Standard Supply AS

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## Financial Calendar (Release of Financial Reports)

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.

# **Annual Report 2022**

## **Standard Supply AS**

**Income statement**  
**Balance sheet**  
**Cash flows**  
**Notes to the Accounts**

## INCOME STATEMENT

### STANDARD SUPPLY AS

OPERATING INCOME AND OPERATING EXPENSES	Note	01.03.2022 - 31.12.2022
Administration expenses	1, 8	1 197 670
<b>Total operating expenses</b>		<b>1 197 670</b>
<b>Operating profit</b>		<b>-1 197 670</b>
<b>FINANCIAL INCOME AND EXPENSES</b>		
Interest income from group companies	2, 8	585 431
Other interest income	2	1 305
Gain on financial assets	2	360 971
Other financial income	2	450 298
Interest expense to group companies	2, 8	364 554
<b>Net financial items</b>		<b>1 033 451</b>
<b>Net profit before tax</b>		<b>-164 220</b>
Income tax expense	5	0
<b>Net profit or loss</b>	<b>6</b>	<b>-164 220</b>
<b>ATTRIBUTABLE TO</b>		
Loss brought forward		164 220
<b>Total</b>		<b>-164 220</b>

## BALANCE SHEET

### STANDARD SUPPLY AS

	Note	2022
<b>NON-CURRENT ASSETS</b>		
<b>FINANCIAL ASSETS</b>		
Investment in subsidiaries	3	83 936 113
<b>Total financial assets</b>		<b>83 936 113</b>
<b>CURRENT ASSETS</b>		
<b>ACCOUNTS RECEIVABLES</b>		
Other receivables	4	169 755
<b>Total receivables</b>		<b>169 755</b>
Cash and cash equivalents		1 349 413
<b>Total current assets</b>		<b>1 519 168</b>
<b>Total assets</b>		<b>85 455 281</b>



## BALANCE SHEET

### STANDARD SUPPLY AS

EQUITY	Note	2022
<b>PAID-IN CAPITAL</b>		
Share capital	7, 9	1 927 926
Share Premium	7	83 504 766
<b>Total paid-up equity</b>		<b>85 432 692</b>
<b>OTHER EQUITY</b>		
Uncovered loss	6	-164 220
<b>Total other equity</b>		<b>-164 220</b>
<b>Total equity</b>	<b>6</b>	<b>85 268 472</b>
<b>LIABILITIES</b>		
<b>Short term liabilities</b>		
Accounts payable		63 824
Other current liabilities		122 985
<b>Total short term liabilities</b>		<b>186 809</b>
<b>Total liabilities</b>		<b>186 809</b>
<b>Total equity and liabilities</b>		<b>85 455 281</b>

Oslo 22 / 5 - 2023

The board of Standard Supply AS



Martin Nes  
chairman of the board



Espen Lundaas  
member of the board

## CASH FLOW STATEMENT

### STANDARD SUPPLY AS

	Note	01.03.2022 - 31.12.2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/loss before tax		-164 220
Loss/(-gain) on sale financial assets	3	-360 971
Change in payables and accruals		186 809
Change in other provisions		-1 884 507
Change in receivables and prepayments		-169 755
<b>Net cash flows from operating activities</b>		<b>-2 392 645</b>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		
Investments in subsidiaries	3	-32 644 689
Repayments from subsidiaries	3	1 300 000
<b>Net cash flows from investment activities</b>		<b>-31 344 689</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Equity issue	6	35 401 301
Drawdown RCF	8	19 900 000
Repayment RCF	8	-19 900 000
Paid interest on RCF	8	-314 554
<b>Net cash flows from financing activities</b>		<b>35 086 747</b>
<b>Net change in cash and cash equivalents</b>		<b>1 349 414</b>
Cash and cash equivalents at the start of the period		0
<b>Cash and cash equivalents at the end of the period</b>		<b>1 349 414</b>

## **Accounting principles**

### **General information**

The financial statements have been prepared in accordance with the Norwegian Accounting Act and Generally Accepted Accounting Principles in Norway ("NGAAP").

The accounting principles are described below.

### **FUNCTIONAL CURRENCY**

The financial statements are presented in USD, which is also the functional currency of the company. The group is operating in the oil-service segment, where USD is considered to be the prevailing currency.

### **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 assessed at cost but are written down to fair value when the fall in value is not expected to be transitory. 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.

### **SHARES IN SUBSIDIARIES**

Subsidiaries are valued using the cost method in the company accounts. The investment is valued at acquisition cost for the shares unless a write-down has been necessary. A write-down to fair value is made when a fall in value is due to reasons that cannot be expected to be temporary and such write-down must be considered as necessary in accordance with good accounting practice. Write-downs are reversed when the basis for the write-down is no longer present.

Dividends, group contributions and other distributions from subsidiaries are posted to income in the same year as provided for in the distributor's accounts. To the extent that dividends/ group contributions exceed the share of profits earned after the date of acquisition, the excess amounts represents a repayment of invested capital, and distributions are deducted from the investment's value in the balance sheet of the company.

### **TAX**

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 accountingwise and taxwise values.

### **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents includes bank accounts in USD and foreign currency. Cash and cash equivalents in foreign currency is booked in USD using exchange rates as of 31.12. Agio/disagio is booked in the income statement.

## **RECEIVABLES**

Receivables from customers and other receivables are entered at par value after deducting a provision for expected losses. The provision for losses is made on the basis of an individual assessment of the respective receivables.

## **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: NOK/USD per 31 December 2022: 0.1014

### Note 1 Personnel expenses, number of employees, remuneration, loan to employees

The company has no employees.

No loans/securities has been granted to the general manager, the Board chairman or other related parties. The company has no mandatory pension scheme (OTP).

#### Audit fees including VAT

	<b>2022</b>
Audit services	2 509
Other audit services	28 851
<b>Sum</b>	<b>31 360</b>

Audit fee, USD 2007, related to the listing on Euronext Growth has been booked against Share Premium.

### Note 2 Items that are aggregated in the accounts

<b>Financial income</b>	<b>01.03 -31.12.2022</b>
Gain on financial assets	360 971
Interest income from companies in the same group	585 431
Other interest income	1 305
Other financial income (agio)	450 298
<b>Total financial income</b>	<b>1 398 005</b>
<b>Financial costs</b>	<b>01.03 -31.12.2022</b>
Interest costs to companies in the same group	364 554
<b>Total financial costs</b>	<b>364 554</b>

### Note 3 Investments in subsidiaries

Investments in subsidiaries, associated companies and joint ventures are booked according to the cost method. Amount in USD.

<b>Company</b>	<b>Location</b>	<b>Ownership/ voting rights</b>	<b>Cost</b>	<b>Bookvalue</b>	<b>Result for the year</b>	<b>Equity as of 31.12</b>
Wanax AS	Oslo	100 %	83 936 113	83 936 113	9 210 564	80 817 192

On 21 June 2022 Standard Supply AS purchased 22.88 % of the shares in Northern Supply AS. The purchase price were settled with USD 3.9m in cash and through issuance of 9.7m shares in Standard Supply AS. To consolidate the Groups shareholdings in Northern Supply AS, Standard Supply ASs 22.88% ownership share where transferred to Wanax AS as a contribution in kind on 26 August 2022.

**Note 4 Other short-term receivables**

	<b>2022</b>
Arrangement fee	100 000
Prepaid expenses	69 755
<b>Total other short-term receivables</b>	<b>169 755</b>

## Note 5 Tax

	<b>2022</b>
<b>This year's tax expense</b>	
Entered tax on ordinary profit/loss:	
Payable tax	0
Changes in deferred tax assets	0
<b>Tax expense on ordinary profit/loss</b>	<b>0</b>
Taxable income:	
Result before tax	-164 220
Permanent differences	-1 974 263
Currency translation differences	-727 075
<b>Taxable income</b>	<b>-2 865 557</b>
Payable tax in the balance:	
Payable tax on this year's result	0
<b>Total payable tax in the balance</b>	<b>0</b>

The tax effect of temporary differences and loss for to be carried forward that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences

	<b>2022</b>
Accumulated loss to be brought forward	-2 865 557
Not included in the deferred tax calculation	2 865 557
<b>Deferred tax assets (22 %)</b>	<b>0                      0                      0</b>

Deferred tax assets on basis of tax losses carried forward, are not recognized based on uncertainty on when/if it will be set off against taxable profit.

## Note 6 Equity capital

	Share capital	Share premium	Uncovered loss	Total equity capital
<b>Equity at 01.01.2022</b>				
Incorporation of Standard Supply - 01.03.2022	3 396	-631		2 766
Contribution in kind - Wanax AS - 09.06.2022	1 055 119	46 165 835		47 220 955
Share issuance - Private Placement - 16.06.2022	334 433	14 581 293		14 915 726
Contribution in kind - Northern Supply AS - 21.06.2022	99 173	4 323 925		4 423 098
Share issuance - Private Placement - 06.11.2022	435 804	20 047 004		20 482 809
Share issuance costs - Private Placements		-1 612 661		-1 612 661
Net profit for the period			-164 220	-164 220
<b>Total equity 31.12.2022</b>	<b>1 927 926</b>	<b>83 504 766</b>	<b>-164 220</b>	<b>85 268 472</b>

## Note 7 Share capital and shareholder information

Share capital	Number of shares	Nominal value NOK	Total Share capital NOK	Book value USD
Ordinary shares	187 726 291	0,1	18 772 629,10	1 927 926

Owner	Number of shares	Ownership interest in %
S.D. STANDARD ETC PLC	100 300 000	53,43
Goldman Sachs & Co. LLC	14 105 697	7,51
SONGA CAPITAL AS	10 584 697	5,64
Goldman Sachs International	7 550 500	4,02
UTHALDEN AS	5 215 493	2,78
The Bank of New York Mellon SA/NV	3 374 468	1,80
Morgan Stanley & Co. Int. Plc..	3 225 582	1,72
SURFSIDE HOLDING AS	2 500 000	1,33
PACTUM VEKST AS	2 492 379	1,33
Skandinaviska Enskilda Banken AB	2 450 000	1,31
TITAN VENTURE AS	2 050 000	1,09
MUSTANG CAPITAL AS	1 700 000	0,91
GM CAPITAL AS	1 500 000	0,80
NÆRINGSLIVETS HOVEDORGANISASJON	1 400 000	0,75
MOSVOLD RUUD-PEDERSEN AS	1 300 000	0,69
TYCOON INDUSTRIER AS	1 155 613	0,62
NORUS AS	1 118 818	0,60
BECK ASSET MANAGEMENT AS	1 004 024	0,53
TVECO AS	1 000 000	0,53
TORSTEIN INGVALD TVENGE	1 000 000	0,53
<b>Total 20 largest</b>	<b>165 027 271</b>	<b>87,91</b>
Others	22 698 739	12,09
<b>Total number of shares</b>	<b>187 726 291</b>	<b>100</b>



## Note 8 Related Party

Standard Supply AS 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

		2022
Tycoon Industrier AS	Fee for CFO services	USD 105 610
Fernclyff TIH AS	Fee management services	USD 474 675
Fernclyff TIH AS	Fee related to listing and transactions	USD 320 000
Standard Invest AS	Fee for CEO services	USD 141 111
Wanax AS	Interest income	USD 585 431

## Note 9 Going concern

Standard Supply AS ("Company") was founded 1 March 2022 and became the new parent company in the Standard Supply Group ("Group") on 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 purpose of the Company is to invest in offshore supply vessels, and other business related therewith. Standard Supply AS has one wholly owned subsidiary as of 31 December 2022.

The Company 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.

The financial statements are presented under the going concern assumption.



To the General Meeting of Standard Supply AS

## Independent Auditor's Report

### Opinion

We have audited the financial statements of Standard Supply AS, which comprise:

- the financial statements of the parent company Standard Supply AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Standard Supply AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

### 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 are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The Board of Directors (management) is responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the



Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management 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, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

### **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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Oslo, 22 May 2023

**PricewaterhouseCoopers AS**

Bjørn Lund  
State Authorised Public Accountant  
(This document is signed electronically)

## Revisjonsberetning

### Signers:

<i>Name</i>	<i>Method</i>	<i>Date</i>
Lund, Bjørn	BANKID_MOBILE	2023-05-22 15:28



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