

STANDARD SUPPLY AS
THIRD QUARTER REPORT 2022



STANDARD**SUPPLY**

CONTENTS

THIRD QUARTER MANAGEMENT REPORT

INTERIM CONDENSED INCOME STATEMENT

INTERIM CONDENSED BALANCE SHEET

INTERIM CONDENSED CASH FLOW STATEMENT

NOTES TO THE FINANCIAL STATEMENT

Third Quarter Management Report 2022

Key Financials

	Three Months Ended		Nine Months Ended	
	2022 Q3	2021 Q3	2022 YTD Q3	2021 YTD Q3
(Amounts in USD 000)	Unaudited	Unaudited	Unaudited	Unaudited
Operating income	9 718	2 812	14 480	9 122
EBITDA	4 806	79	5 254	787
Net profit	2 977	-1 607	2 589	-3 377

Highlights Third Quarter

- The Group reported net profit of USD 3.0m and EBITDA of USD 4.8m for the third quarter of 2022.
- Achieved average time charter equivalent earnings of approximately USD 15,600 per day and utilization of 96% based on availability.
- Cash at quarter end of USD 25.1m.

Subsequent events

- Achieved average time charter equivalent earnings in October of USD 10,800 per day and utilization of 86% based on availability.
- Took delivery of Standard Defender on October 11th. The vessel has been fixed for approx. 140 days starting mid-November at USD 18,500 per day.
- Standard Duke completed reactivation and is expected to commence trading during the course of November.
- Signed a 1-year contract for FS Kristiansand at GBP 12,995/d plus three months options at GBP 14,500/d with commencement on 19th October.
- Raising NOK 207 million (USD 20m) in a private placement on November 6th.

Commercial update

During the third quarter the Group had seven (7x) PSVs in operation, whereof five (5x) trading on the UK continental shelf and two (2x) in the Mediterranean. The current chartering status is displayed below.

Vessels	Built	Deck (m2)	Employment	Dayrate*	Firm end	Option end
Standard Viking	2007	1 060	TC	12 900	feb.23	feb.24
Standard Supplier	2007	1 060	Spot			
Standard Defender	2019	900	TC	18 500	apr.23	apr.23
Standard Duke	2012	716	Spot			
FS Balmoral	2008	710	TC	19 950	nov.22	des.22
FS Kristiansand	2005	710	TC	15 300	sep.23	des.23
FS Braemar	2007	710	Spot			
FS Abergeldie	2008	680	TC	9 500	apr.23	apr.25
FS Crathes	2008	680	Spot			

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

Third Quarter Management Report 2022 (Continued)

Consolidated Income Statement

Three months ending September 30, 2022

Operating revenues were USD 9.7m for the three months ending September 30, 2022 (USD 2.8m for the three months ending September 30, 2021). USD 6.9m were related to Northern Supply in 2022 which were not consolidated in 2021. The comparative figures for the three months period in 2021 include revenues related to Princess and Olympus on USD 1.1m which were sold during 2021.

Operating expenses were USD 4.5m for the three months ending September 30, 2022 (USD 2.5m for the three months ending September 30, 2021). Operating expenses for the three months period in 2022 include USD 3.1m in expenses from Northern Supply which were not consolidated in 2021. The comparative figures for the three months period in 2021 include expenses related to Princess and Olympus on USD 1.1m which were sold during 2021.

General and administrative expenses was USD 0.4m for the three months ending September 30, 2022 (USD 0.2m for the three months ending September 30, 2021). This includes approximately USD 0.1m of costs associated with the Euronext Growth Listing.

Depreciation were USD 1.6m for the three months ending September 30, 2022 (USD 1.0m for the three months ending September 30, 2021).

Net financial items were USD -0.2m for the three months ending September 30, 2022 (USD -0.2m for the three months ending September 30, 2021).

Nine months ending September 30, 2022

Operating revenues were USD 14.5m for the nine months ending September 30, 2022 (USD 9.1m for the nine months ending September 30, 2021). USD 7.5m were related to Northern Supply in 2022 which were not consolidated in 2021. The comparative figures for the nine months period in 2021 include revenues related to Princess and Olympus on USD 3.8m which were sold during 2021.

Operating expenses were USD 7.9m for the nine months ending September 30, 2022 (USD 7.7m for the nine months ending September 30, 2021). Operating expenses for the nine months period in 2022 include USD 3.3m in expenses from Northern Supply which were not consolidated in 2021. The comparative figures for the nine months period in 2021 include expenses related to Princess and Olympus on USD 3.7m which were sold during 2021.

General and administrative expenses was USD 1.3m for the nine months ending September 30, 2022 (USD 0.7m for the nine months ending September 30, 2021). This includes approximately USD 0.6m of costs associated with the Euronext Growth Listing.

Depreciation were USD 2.9m for the nine months ending September 30, 2022 (USD 3.3m for the nine months ending September 30, 2021).

Net financial items were USD -0.4m for the nine months ending September 30, 2022 (USD -0.1m for the nine months ending September 30, 2021). The financial items in 2022 relates to a USD 0.2 currency loss and arrangement fee and interests cost on the RCF on USD 0.2m

Consolidated Cash Flow Statement

Nine months ending September 30, 2022

Net cash provided by operating activities were USD 1.4m for the nine months ending September 30, 2022 (USD -0.7m for the nine months ending September 30, 2021).

Net cash used in investing activities were USD -14.9m for the nine months ending September 30, 2022 (USD 7.4m for the nine months ending September 30, 2021). Cash used for investing activities in 2022 relates to investments in new vessels and dry-dock expenses on USD 12.2m of which Standard Duke constitutes USD 7m, prepayment on USD 1.9m on Standard Defender and net cash used in the business combination with Northern Supply on USD 0.8m.

Net cash received in financing activities was USD 24.0m for the nine months ending September 30, 2022 (USD 0.0m for the nine months ending September 30, 2021). For 2022 this is related to USD 17m in equity issue (USD 2m from minority interest in Standard Defender), USD 18.1m draw-down on the RCF and a dividend of -11.1m to majority owner.

Consolidated Balance Sheet

Total assets were USD 93.0m per end of September 2022.

Total equity was USD 70.1m per end of September 2022 including minority interests on USD 20.1m

Total cash and cash equivalents were USD 25.1m per end of September 2022, including USD 4.5m in Northern Supply.

Total draw-down on RCF were USD 18.15m per end of September 2022.

UNAUDITED CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT

USD	Note	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021
OPERATING INCOME					
Operating income	3	9 718 468	2 811 514	14 479 549	9 121 616
Total operating income		9 718 468	2 811 514	14 479 549	9 121 616
OPERATING COSTS					
Ship operating expenses		4 528 269	2 490 377	7 878 803	7 664 861
Administration expenses		384 079	242 097	1 346 394	670 247
Net loss sale of fixed assets		-	684 405	-	684 405
Depreciations	5	1 625 374	1 043 935	2 907 881	3 301 751
Total operating expenses		6 537 722	4 460 815	12 133 078	12 321 264
NET OPERATING RESULT		3 180 746	-1 649 300	2 346 471	-3 199 648
Share of income in associated company	4	-	214 752	759 306	-20 664
FINANCIAL ITEMS					
Interest income		-	3	8 321	1 715
Net currency gain/(loss)		-110 554	-173 183	-236 629	-141 059
Interest costs		67 633	-5 289	64 713	1 526
Other finance costs		-	-	146 286	-
Net financial items		-178 187	-167 892	-439 307	-140 869
NET RESULT BEFORE TAX		3 002 560	-1 602 440	2 666 470	-3 361 180
Tax		25 750	4 281	77 249	15 793
RESULT OF THE PERIOD		2 976 810	-1 606 721	2 589 221	-3 376 973
Attributed to majority interest		1 475 008	-1 606 721	921 441	-3 376 973
Attributed to minority interest		1 501 802	-	1 667 781	-

UNAUDITED CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

USD	Note	30 Sept 2022	31 Dec 2021*
NON-CURRENT ASSETS			
Fixed assets			
Investment in associated company	4	-	6 013 304
Vessels	5	56 054 955	18 817 015
Total fixed assets		56 054 955	24 830 319
Total fixed assets		56 054 955	24 830 319
CURRENT ASSETS			
Inventory			
Inventory		104 747	-
Accounts receivables			
Receivable ship manager		1 400 294	1 225 926
Other receivables		2 029 725	235 255
Accrued income		92 663	-
Trade receivables		8 201 711	1 480 892
Total receivables		11 724 394	2 942 073
Cash and cash equivalents		25 097 981	14 636 171
Total current assets		36 927 121	17 578 244
TOTAL ASSETS		92 982 076	42 408 563
EQUITY			
Paid in capital			
Share capital	6	1 492 121	24 749
Premium of shares	6	64 350 190	65 541 325
Total paid in equity		65 842 311	65 566 074
Other equity			
Uncovered loss	6	-11 846 869	-23 818 823
Total other equity		-11 846 869	-23 818 823
Minority interests	6	20 076 295	-
Currency translation differences	6	-3 967 781	-708 488
Total equity		70 103 956	41 038 763
LIABILITIES			
Long term liabilities			
Debt to owners	9	18 150 000	-
Total long-term liabilities		18 150 000	-
Short term liabilities			
Debt ship manager		4 018 979	873 286
Accounts payable		343 819	398 490
Tax payable		96 734	34 427
Other current liabilities		268 588	63 597
Total short-term liabilities		4 728 120	1 369 800
Total liabilities		22 878 120	1 369 800
TOTAL EQUITY AND LIABILITIES		92 982 076	42 408 563

*The comparative figures have been revised. See note 8

UNAUDITED CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT

USD	YTD Q3 2022	YTD Q3 2021
Cash-flow from operational activities		
Profit before tax	2 666 470	-3 361 180
Share of income in associated company	-759 306	20 664
Depreciations	2 907 881	3 301 751
Income tax paid	-33 129	-29 116
Loss/(-gain) on sale fixed assets	-	684 405
Change in inventories	69 523	-
Change in receivables and prepayments	-2 513 692	-593 044
Change in payables and accruals	1 557 554	-274 661
Change in other provisions	-2 465 238	-491 591
Net cash-flow from operational activities	1 430 064	-742 773
Cash-flow from investment activities		
Cash used in business combination net of cash acquired	-814 492	-
Investment in fixed assets	-12 240 141	-
Advance payment on vessel	-1 878 903	-
Proceeds from sale of vessel	-	7 357 005
Net-Cash-flow from investment activities	-14 933 535	7 357 005
Cash-flow from financing activities		
Equity issue	14 918 492	-
Equity issue non-controlling interests	2 044 688	-
Drawdown RCF	18 150 000	-
Dividends and repayment to controlling interests	-11 147 899	-
Net cash-flow from financing activities	23 965 281	-
Net change in cash and cash-equivalents	10 461 810	6 614 232
Cash and cash-equivalents at beginning of period	14 636 171	2 468 459
Cash and cash-equivalents at end of period	25 097 981	9 082 691

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 will be 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. The vessel is estimated to be commercially ready in the beginning of November 2022.

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 18.8m). The vessel will be 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 will be 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 30 September 2022 two large size PSVs and one medium size PSV (in dry-dock) and had an 51 % ownership share in five medium size PSVs.

The Group is listed on Euronext Growth in Oslo and as of 30 September 2022 owned 69.8% 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.

The vessels are as of 30 September 2022 operating in the offshore market in the North Sea and the Mediterranean 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 activated in the balance sheet. Comparative figures 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 mother 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 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. 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 returns, 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 fair value when any impairment is not expected to be transitory.

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 30 September 2022: 1.1040 (31.12.2021: 1.3479)

NOK/USD per 30 September 2022: 0.0921 (31.12.2021: 0.1134)

NOTE 3 - INCOME:

The Group operated as of 30 September 2022 two large size PSVs and one medium size PSV (in dry-dock) which are 100% owned, and five medium size PSVs through its investment in Northern Supply AS at an 51 % ownership share.

The two large size PSVs are on 30 September 2022 engaged on contracts at the British shelf. Weighted average of utilizations for these vessels was 91 % for YTD Q3 2022 (88% in Q3 2022) based on availability.

For the five medium size PSVs in Northern Supply, two are engaged on contracts in the Mediterranean and three on contracts at the British shelf. Weighted average of utilization for these vessels was 96% YTD Q3 2022 (100% in Q3 2022) based on availability.

Total operating income related to the spot marked YTD Q3 2022 was USD 4.3m and USD 2.2m for Q3 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
On 01 January 2022	6 013 304
Share of profit for the period	759 306
Currency exchange differences	-746 543
Derecognition of associate to subsidiary	-6 026 067
On 30 September 2022	-

NOTE 5 – FIXED ASSETS:

The Group has as per end of Q3 2022 eight 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 the end of the period, no requirement for impairments has been identified.

Vessels	2022	Revised 2021
Purchase cost 01 January	30 056 569	48 936 398
Change of principles	-	6 039 479
Vessels acquired through business combination	29 104 064	-
Purchase	12 240 141	-
Sale	-	-24 919 308
Purchase cost 30 September / 31 December	71 400 773	30 056 569
Acc. depreciation 01 January	11 239 556	10 726 963
Change of principles	-	3 073 000
Depreciation of the period	2 907 881	4 281 296
Acc. depreciation sold vessels	-	-6 841 703
Acc. Depreciation 30 September / 31 December	14 147 437	11 239 556
Currency translation differences	-1 198 383	-
Book value 30 September / 31 December	56 054 955	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 cost - Private placement	-	-720 232	-	-	-	-720 232
Gain on derecognition of associated company	-	-	3 853 294	-	-	3 853 294
Net profit for the period	-	-	921 441	-	1 667 781	2 589 221
Addition of minority interest	-	-	-	-	19 550 518	19 550 518
Other comprehensive income	-	-	-	-3 259 294	-1 142 004	-4 401 298
Dividends to majority owner	-	-11 147 899	-	-	-	-11 147 899
Total equity 30 September 2022	1 492 121	64 350 190	-11 846 869	-3 967 781	20 076 295	70 103 956

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 on the Vessels, which are now capitalized in the balance sheet and depreciated over the dry-dock cycle on five years. Comparative figures have been revised as of 1st January 2021 and residual effects on the financial statement as of 31st December 2021 are detailed below.

USD	31.12.2021 Revised	31.12.2021 As audited	Effect of principle change
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

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 30 September 2022, USD 18.15m was drawn under the RCF. Accrued not capitalized interest under the RCF were YTD Q3 2022 USD 63 086 and the arrangement fee was USD 150 000.

Other transactions with related parties YTD Q3 2022:

Tycoon Industrier AS: Fee for CFO services - USD 58 345

Fernclyff TIH AS: Fee management services - USD 365 498, Fee related to listing and transactions - USD 320 000 - Total USD 685 498

Standard Invest AS: Fee for CEO services - USD 41 676

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%. 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 whole company. 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.

If Northern Supply had been consolidated as of 1st January 2021, total operating income for the Group for the nine months period ending 30 September 2021 would have been 18.3m USD and 20.5m USD for the nine months period ending 30 September 2022.

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.

NOTE 11 – SUBSEQUENT EVENTS:

On 6 November 2022 Standard Supply AS ("Company") announce that the Private Placement was significantly oversubscribed, and that the Company has allotted 44,085,106 New Shares at the subscription price of NOK 4.70 per New Share (the "Subscription Price"), corresponding to gross proceeds of approximately NOK 207 million / USD 20 million. The Company's Board of Directors has consequently resolved to increase the share capital of the Company with NOK 4,408,510.60 through the issuance of 44,085,106 New Shares, each with a par value of NOK 0.10. The net proceeds from the Private Placement will be used to fund further fleet growth in the PSV segment and for general corporate purposes. Upon completion of the Private Placement, the Company will have a share capital of NOK 18,772,629.10, divided by 187,726,291 shares, each with a par value of NOK 0.10.

