

STANDARD SUPPLY AS
FOURTH QUARTER REPORT 2024



STANDARD**SUPPLY**

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FOURTH QUARTER MANAGEMENT REPORT

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Fourth Quarter Management Report 2024

Key Financials

	Three Months Ended		Twelve Months Ended	
	2024 Q4	2023 Q4	2024 YTD Q4	2023 YTD Q4
<i>(Amounts in USD 000)</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
Operating income, adjusted*	-	6 713	1 537	39 440
EBITDA	-83	1 501	-2 345	15 156
Net profit	-164	30 402	11 626	41 603

*Excluding net gain on sale of vessels USD 12.8m in 2024 and USD 33.9m in 2023.

Highlights Fourth Quarter 2024

- The Group reported EBITDA of USD -0.1 million and net profit of USD -0.2 million.
- Distributed NOK 1.1 per share before share consolidation (reverse share split), corresponding to NOK 206 million in total.
- Share capital increase of nine shares to facilitate for the share consolidation in a ratio of 100:1, i.e. one hundred (100) old shares to one (1) new share.
- Terminated the management service agreement with Ferncliff TIH AS.
- Cash at quarter end of USD 5.0 million.

Fourth Quarter Management Report 2024 (Continued)

Consolidated Income Statement

Three months ending December 31, 2024

Operating revenues were USD 0m for Q4, 2024 (USD 36.5m for Q4, 2023). The last vessel Standard Supplier was sold on 3rd April 2024.

Ship operating expenses were USD -0.2m for Q4, 2024 (USD 4.6m for Q4, 2023). The expenses in Q4 2024 consists of reversals of deductibles and write-down on the insurance claim related to the repair of one of the azimuth thrusters on Standard Supplier.

General and administrative expenses were USD 0.3m for Q4, 2024 (USD 0.6m for Q4, 2023). The reduction is mainly explained by reduced activity as most of the subsidiaries have been dissolved.

Depreciation was USD 0.0m for Q4, 2024 (USD 1.5m for Q4, 2023). Decrease in depreciation is explained by the sale of the last vessel in the fleet.

Net financial items were USD -0.1m for Q4, 2024 (USD 0.7m for Q4, 2023). The net financial items in 2024 are related to interest income of USD 0.1m and net currency loss of USD -0.2m.

Twelve months ending December 31, 2024

Operating revenues were USD 14.3m for the twelve months ending December 31, 2024 (USD 73.3m for the twelve months ending December 31, 2023). For 2024, USD 12.8m were related to net gain on sale of Standard Supplier and 1.5m related to net charter hire up to the sale on 3rd April 2024. Operating revenues in Q1 2024 were negatively impacted by Standard Supplier being off-hire until late January 2024 due to repair of one of the azimuth thrusters.

Ship operating expenses were USD 1.2m for the twelve months ending December 31, 2024 (USD 22.5m for the twelve months ending December 31, 2023). The reduction is explained by the Group sold its last vessel on 3rd April 2024.

General and administrative expenses were USD 2.7m for the twelve months ending December 31, 2024 (USD 1.8m for the twelve months ending December 31, 2023). The increase is mainly explained by bonuses to management and extraordinary remuneration to the Board of Directors, approved by the general meeting in October 2024 (USD 1.4m).

Depreciation was USD 0.4m for the twelve months ending December 31, 2024 (USD 7.6m for the twelve months ending December 31, 2023). Decrease in depreciation is explained by the sale of vessels during 2023 and the last vessel early in Q2 2024.

Net financial items were USD 2.1m for the twelve months ending December 31, 2024 (USD 0.5m for the twelve months ending December 31, 2023). The net financial items in 2024 are related to net interest income of USD 1.9m and net currency gain of USD 0.2m.

Income tax expenses were USD 0.6m for the twelve months ending December 31, 2024 (USD 0.3m for the twelve months ending December 31, 2023). The increase in income tax for 2024 are mainly explained by agio effects on cash holdings as taxation is done in Norwegian kroner.

Consolidated Cash Flow Statement

Twelve months ending December 31, 2024

Net cash provided by operating activities were USD -0.2m for the twelve months period ending December 31, 2024 (USD 20.3m for the twelve months period ending December 31, 2023). Decrease in net cash provided by operating activities are mainly a result of the decreased fleet in 2024.

Net cash received from investing activities were USD 21.9m for the twelve months period ending December 31, 2024 (USD 94.7m for the twelve months period ending December 31, 2023). Net cash received from investing activities in 2024 relates to net proceeds from the sale of Standard Supplier of USD 22.2m and dry-dock expenses of USD 0.3m.

Net cash used in financing activities were USD -106.2m for the twelve months ending December 31, 2024 (USD -33.7m for the twelve months ending December 31, 2023). For 2024 this is related to dividends and repayments of USD 85.8m to controlling interest and USD 20.4m to non-controlling interests.

Consolidated Balance Sheet

Total assets were USD 5.5m as of December 31, 2024, a decrease of USD 101.2m since December 31, 2023. The decrease is mainly driven by dividends and repayments to controlling and non-controlling interests.

Total equity was USD 5.2m as of December 31, 2024.

Total cash and cash equivalents were USD 5.0m as of December 31, 2024.

The RCF were un-drawn as of December 31, 2024, and expired the same date on maturity.

UNAUDITED CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT

USD	Note	Q4 2024	Q4 2023	YTD Q4 2024	YTD Q4 2023
OPERATING INCOME					
Operating income	3	-	6 713 497	1 536 688	39 439 569
Net gain sale of vessels	4,6	-	29 808 253	12 774 227	33 852 824
Total operating income		-	36 521 750	14 310 915	73 292 392
OPERATING COSTS					
Ship operating expenses		-189 517	4 591 044	1 157 770	22 513 425
Administration expenses	6,7	272 252	621 185	2 724 021	1 770 244
Depreciations	4	-	1 522 609	363 795	7 586 987
Total operating expenses		82 735	6 734 838	4 245 585	31 870 657
NET OPERATING RESULT		-82 735	29 786 911	10 065 330	41 421 736
FINANCIAL ITEMS					
Interest income		149 281	352 505	2 012 882	540 318
Net currency gain/(loss)		-222 877	388 597	155 457	141 463
Interest costs	6	2 638	31 541	49 515	200 178
Net financial items		-76 234	709 561	2 118 824	481 603
NET RESULT BEFORE TAX		-158 969	30 496 472	12 184 154	41 903 339
Tax		4 568	94 608	558 189	300 325
RESULT OF THE PERIOD		-163 537	30 401 864	11 625 965	41 603 014
Attributed to majority interest	5	-163 537	23 644 831	11 702 585	32 651 897
Attributed to minority interest	5	-	6 757 032	-76 620	8 951 117

UNAUDITED CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

USD	Note	31 Dec 2024	31 Dec 2023
NON-CURRENT ASSETS			
Fixed assets			
Vessels	4	-	9 519 857
Total fixed assets		-	9 519 857
Total fixed assets		-	9 519 857
CURRENT ASSETS			
Inventory			
Inventory		-	151 108
Accounts receivables			
Receivable ship manager		169 923	2 593 167
Other receivables		289 702	192 877
Trade receivables		-	4 685 417
Total receivables		459 625	7 471 461
Cash and cash equivalents		5 034 652	89 533 527
Total current assets		5 494 276	97 156 096
TOTAL ASSETS		5 494 276	106 675 953
EQUITY			
Paid in capital			
Share capital	5	1 927 926	1 927 926
Premium of shares	5	5 524 200	60 352 617
Total paid in equity		7 452 126	62 280 543
Other equity			
Uncovered loss	5	-2 234 975	17 967 494
Currency translation differences	5	-	-979 368
Total other equity		-2 234 975	16 988 126
Minority interests	5	-	20 519 934
Total equity		5 217 151	99 788 603
LIABILITIES			
Short term liabilities			
Debt to owners	6	-	-
Debt ship manager		-	2 645 559
Accounts payable		5 209	3 814 173
Tax payable		174 885	302 337
Other current liabilities		97 032	125 281
Total short-term liabilities		277 125	6 887 350
Total liabilities		277 125	6 887 350
TOTAL EQUITY AND LIABILITIES		5 494 276	106 675 953

UNAUDITED CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT

USD	Note	YTD Q4 2024	YTD Q4 2023
Cash-flow from operational activities			
Profit before tax		12 184 154	41 903 339
Depreciations	4	363 795	7 586 987
Income tax paid		-685 641	-167 418
Paid interest on RCF	6	-46 813	-98 709
Gain on sale of vessels	4	-12 774 227	-33 852 824
Change in inventories		151 108	968 185
Change in receivables and prepayments		7 011 837	337 545
Change in payables and accruals		-6 407 710	3 687 904
Change in other provisions		-28 250	-34 772
Net cash-flow from operational activities		-231 747	20 330 237
Cash-flow from investment activities			
Investment in fixed assets	4	-290 052	-4 580 778
Net proceeds from sale of vessel	4	22 220 341	99 316 528
Net-Cash-flow from investment activities		21 930 289	94 735 750
Cash-flow from financing activities			
Share issue	5	0,1	-
Drawdown RCF	6	11 800 000	3 700 000
Repayment RCF	6	-11 800 000	-3 700 000
Dividends and repayment to non-controlling interests	5	-20 443 314	-8 743 010
Dividends and repayment to controlling interests	5	-85 754 103	-24 916 394
Net cash-flow from financing activities		-106 197 417	-33 659 404
Net change in cash and cash-equivalents		-84 498 875	81 406 584
Cash and cash-equivalents at beginning of period		89 533 527	8 126 943
Cash and cash-equivalents at end of period		5 034 652	89 533 527

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 was consolidated from this point in time. The acquisition of shares in Northern Supply was accounted for as a business combination. All the vessels in Northern Supply AS were sold during 2023.

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 was held through the company Standard Duke AS, which was a wholly owned subsidiary of Wanax. The purchase of the vessel was 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. Standard Duke was sold on 7 August 2023.

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 was 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 was accounted for as an asset acquisition. Standard Defender and Standard Viking were sold on 11 December 2023.

As of 31 December 2024, the Group owns no vessels after the sale of Standard Supplier on 3rd April 2024.

The Group is listed on Euronext Growth in Oslo and as of 31 December 2024 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.

The condensed consolidated 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 consolidated audited annual financial statements for the year ended 31 December 2023 for Standard Supply AS.

The accounting principles applied in the preparation of the condensed interim financial statements are consistent with those presented in Annual Report of 2023.

Functional currency

The financial statements are presented in USD, which is also the functional currency of the holding company and its subsidiaries. Northern Supply AS and Standard Defender AS changed functional currency to USD from 1 January 2023. The group is operating in the oil-service segment, where USD is considered to be the prevailing currency.

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 Dec 2024: 1.2529 (31.12.2023: 1.2715)

NOK/USD per 31 Dec 2024: 0.0881 (31.12.2023: 0.0983)

NOTE 3 - INCOME:

The Group operated one large size PSV (Platform supply vessel) until 3rd April 2024.

The large size PSV had a weighted average of utilizations of 100% based on availability for the whole period.

Operating income in the period is solely related to the term market.

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

NOTE 4 – FIXED ASSETS:

Vessels	2024	2023
Purchase cost 1 January	17 895 278	93 787 178
Investments	290 052	4 580 778
Sale	-18 185 330	-80 643 334
Purchase cost 31 December	-	17 724 621
Acc. depreciation 1 January	8 375 421	15 968 064
Depreciation of the period	363 795	7 586 987
Acc. depreciation sold vessels	-8 739 215	-15 179 630
Acc. Depreciation 31 December	-	8 375 421
Acc. currency translation differences	-	170 656
Book value 31 December	-	9 519 857

As of December 31, 2024, the group owns no vessels. The Group sold its last vessel Standard Supplier on 3rd April 2024. The vessel has until the sale been depreciated linearly down to scrap value over an expected economic lifespan of 25 years. Activated dry-dock expenses has been depreciated over the dry-dock cycle on 5 years. At time of sale, the book value of the vessel was USD 9.4m. Gross proceeds from the sale was USD 22.7m and transaction costs were USD 0.5m which resulted in a net gain on USD 12.8m.

NOTE 5 – EQUITY:

	Share capital	Premium of shares	Retained earnings/ Uncovered loss	Currency translations	Minority interests	Total
Equity 01 January 2024	1 927 926	60 352 617	17 967 494	-979 368	20 519 934	99 788 603
Net profit for the period	-	-	11 702 585	-	-76 620	11 625 965
Liquidation of subsidiaries reclassification	-	-	-979 368	979 368	-	-
Share issuance – Private placement	0,1	-	-	-	-	0,1
Dividends to non-controlling interests*	-	-	-	-	-20 443 314	-20 443 314
Dividends to controlling interests	-	-54 828 417	-30 925 686	-	-	-85 754 103
Total equity 31 December 2024	1 927 926	5 524 200	-2 234 975	-	-	5 217 151

* Consists of ordinary dividends on USD 3.8m and liquidation dividends on USD 16.6m

NOTE 6 – RELATED PARTY:

The Group had a revolving credit facility (“RCF”) with its majority owner SD. Standard ETC Plc with a committed amount of USD 20m and the maturity date was 31 December 2024. Interest was calculated based on Term SOFR 3m and a margin of 5%. As of 31 December 2024, the RCF was un-drawn. Interest expense amounts to 46 813 USD.

Other transactions with related parties for the twelve months period ending 31 December 2024:

Tycoon Industrier AS: Fee for CFO services – USD 84 451, Office rental – USD 28 098 – Total USD 112 549

Ferncliff TIH AS: Fee management services and expenses – USD 420 819, Fee assistance with the sale of one vessel – USD 227 330 – Total USD 648 149. The management services agreement with Ferncliff TIH AS was terminated in Q4 2024.

Standard Invest AS: Fee for CEO services – USD 140 751.

NOTE 7 – ADMINISTRATION EXPENSES:

Administration expenses consist of:

	2024	2023
Corporate Management fee	719 657	1 357 999
Consultant, accountant, and other fees	450 360	89 294
Legal fee	159 945	65 033
Auditor's remuneration	67 515	120 098
Board of Director's remuneration	859 642	41 964
Other costs	466 902	95 857
Total for the twelve months period ending 31 December	2 724 021	1 770 244

NOTE 8 – SUBSIDIARIES:

Name of entity	Office	Ownership	Voting rights
Standard Supplier AS – Under liquidation	Oslo	100 %	100 %
Wanax AS – Under liquidation	Oslo	100 %	100 %
Standard Opportunities AS*	Oslo	100 %	100 %

*Empty company established for potential investments.

Standard Supply AS

Financial Calendar (Release of Financial Reports)

Q4 2024	14 February 2025
Annual report	30 April 2025
Q1 2025	16 May 2025
Annual General Meeting	11 June 2025
Q2 2025	28 August 2025
Q3 2025	20 November 2025
Q4 2025	12 February 2026

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