



STANDARD SUPPLY

Investor Presentation
April 2023

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Standard Supply in brief and Q1 2023

Market Outlook

Appendix

Euronext Growth listed PSV operator

- Total fleet of nine Platform Supply Vessels (PSVs)
 - 3x large-sized PSVs, 1x medium-sized and 5x medium-sized owned 51%
- Opportunistic growth profile
 - Acquisitions done at 50-65% discount to replacement cost
- Highly experienced- and active majority owner
 - S.D. Standard ETC (“SDSD”) was founded in 2010 and has a long history of cyclical asset plays
 - Active owner that has paid USD ~425m in dividends to shareholders since inception

Focus on maximizing cash flow to investors

- Low-cost platform through management agreement with Fletcher
- Fully exposed to unprecedented dayrate inflation in the OSV market
- Clear target of returning excess cash to shareholders

Betting on market – not design and technology

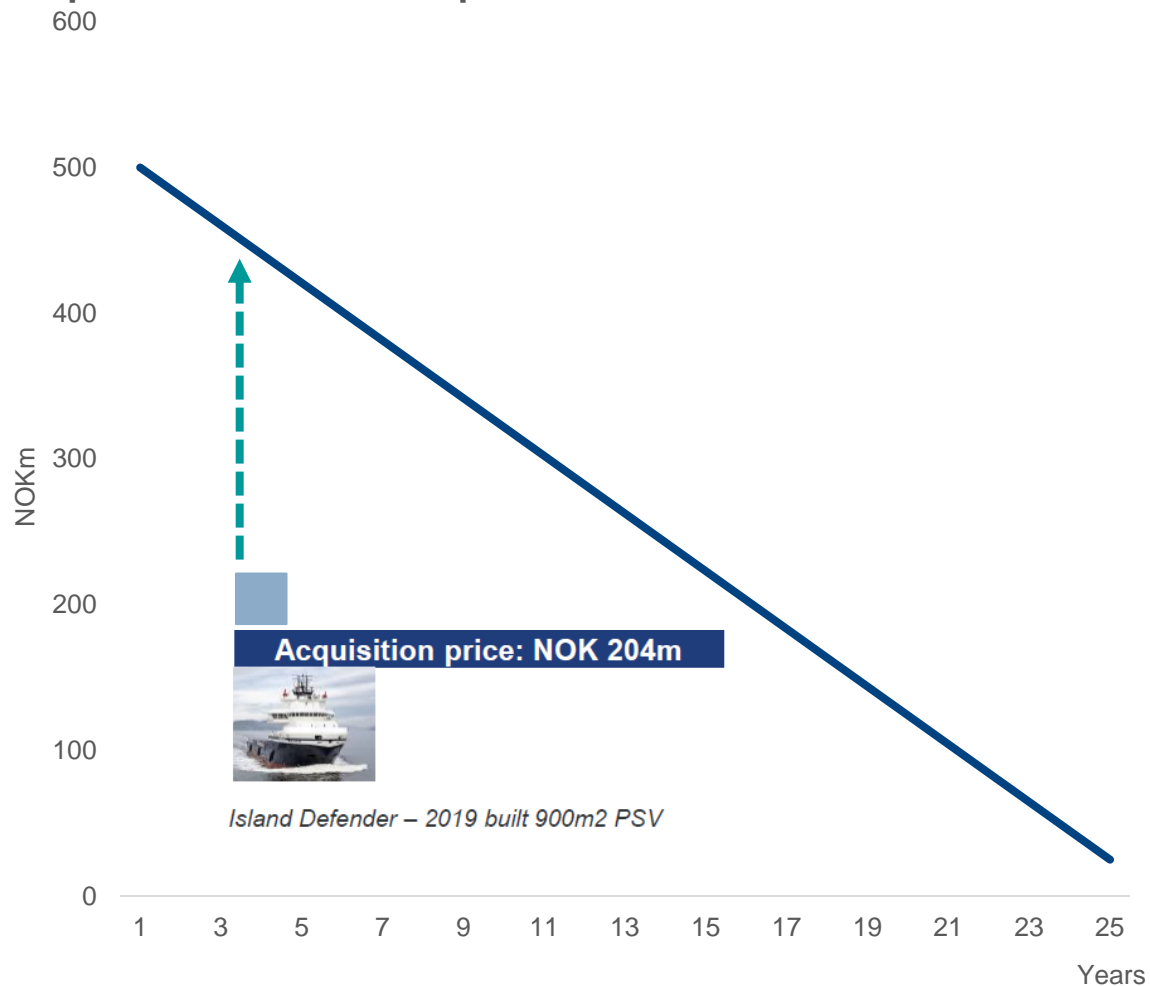
- Ferncliff has 30-years experience investing in offshore assets
- We invest in generic assets with operating track record



Recent Investments

Standard Defender – 2019 built large-sized PSV

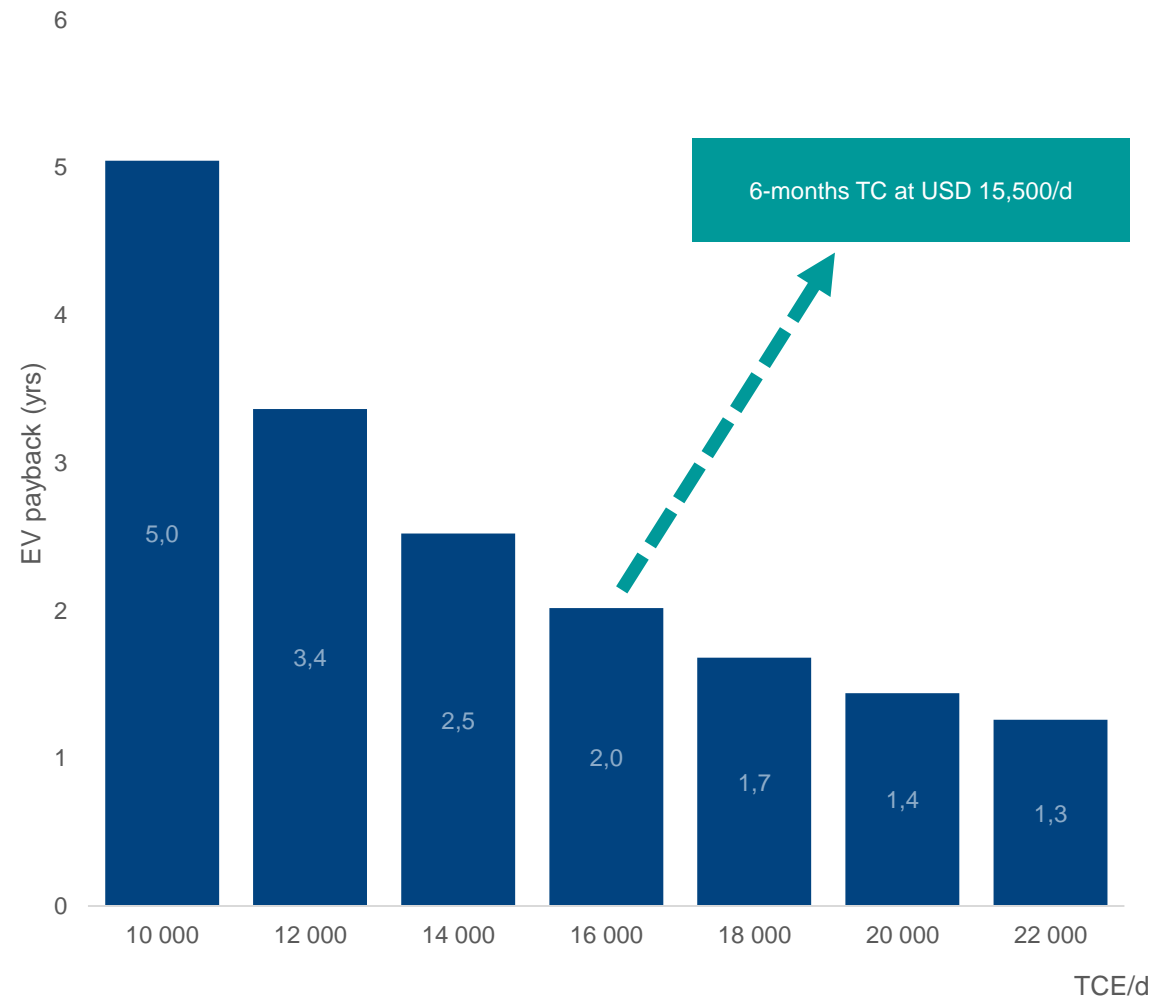
Acquired c. 50% below replacement cost



Source: Clarkson, Company data

Standard Duke – 2012 built mid-sized PSV

EV payback at various TCE's



1q23 preliminary results – EBITDA of USD 1.4m

- TCE of USD 9,600 per day and utilization of 74% based on availability
 - Jan/ Feb/ March: USD 7,700/ 8,200/ 12,900 per day
- Proposed dividend of NOK 0.12 per share
- Consolidated net cash and working capital at quarter end of USD 12.8m

Commercial highlights

- 1-year extension on Standard Viking at c. USD 16,100 per day until Feb'24
- Three six months contracts on the midsize fleet at an average rate of c. USD 16,700 per day
- 120 days contract for Standard Defender in the North Sea at an undisclosed rate

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Fleet of 9x PSVs with high operational leverage

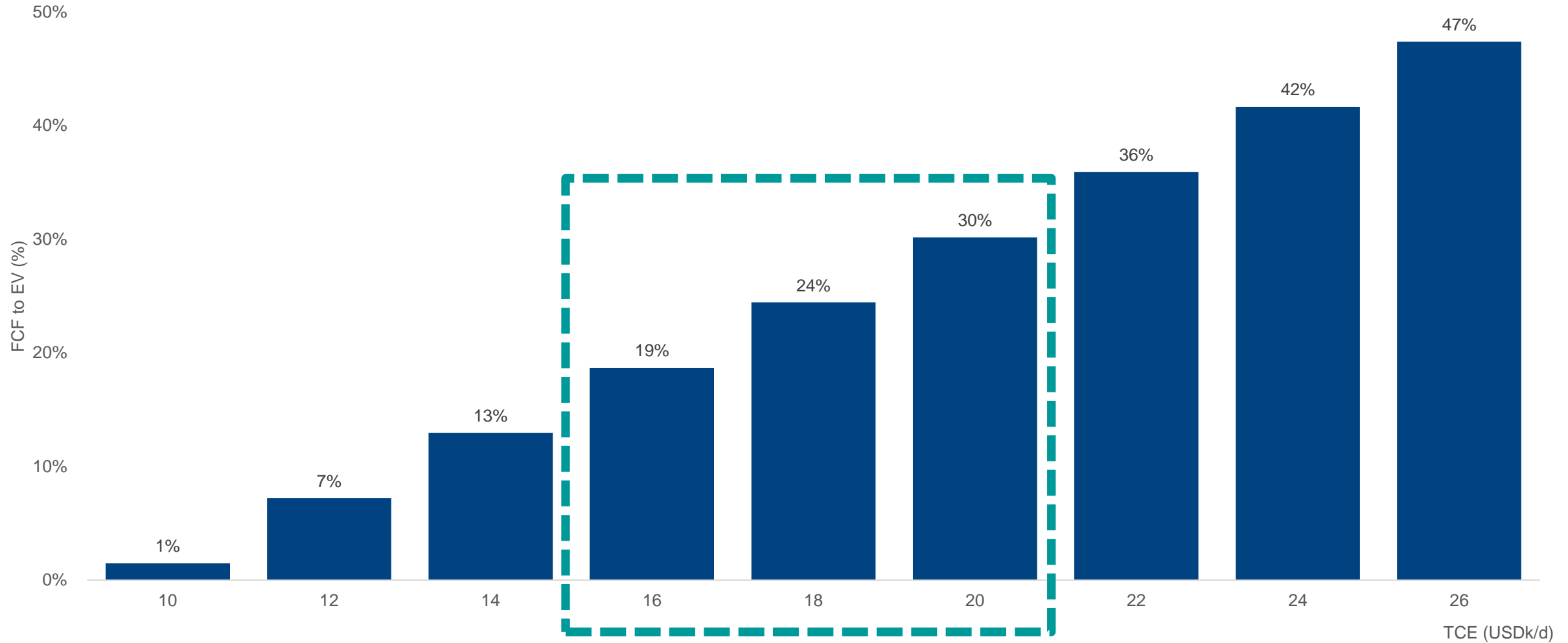
Vessels	Built	Deck (m2)	Employment	Dayrate	Firm end	Option end	jan. 23	feb. 23	mar. 23	apr. 23	mai. 23	jun. 23	jul. 23	aug. 23	sep. 23	okt. 23	nov. 23	des. 23	
Standard Viking	2007	1 060	TC	16 100	feb.24														
Standard Supplier	2007	1 060	Spot																
Standard Defender	2019	900	TC	20 500	sep.23	okt.23													
Standard Duke	2012	716	TC	15 500	aug.23														
FS Balmoral	2008	710	Spot/ TC																
FS Kristiansand	2005	710	TC	16 100	okt.23	jan.24													
FS Braemar	2007	710	TC	18 000	sep.23	mar.24													
FS Abergeldie	2008	680	TC	10 100	apr.23	apr.25													
FS Crathes	2008	680	TC	16 800	aug.23	feb.24													

TC
Option
Spot

Note: Dayrates converted from EUR/ GBP to USD per day
Firm end/ option end based on management estimates.

Fleet Economics

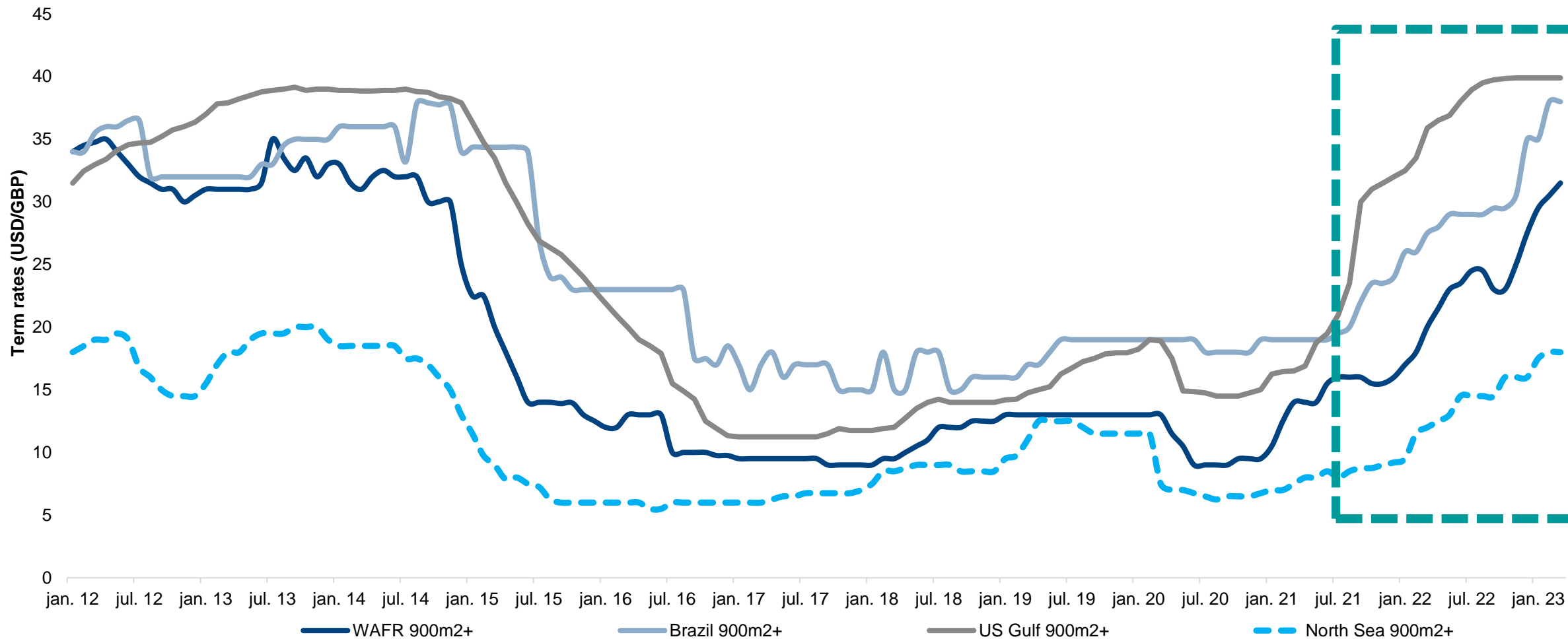
Per April - Seven of nine vessels on fixed charters averaging c. USD 16,000 per day



Assumptions: Proportionate balance sheet items per March 2023 on NOK 4.9 per share price.
Net ownership of 6.6x vessels.
Utilization of 95%. Opex + G&A of USD 7,700 per day and DD provisions of USD 1,300/d.

Global Market – PSV Term Rates

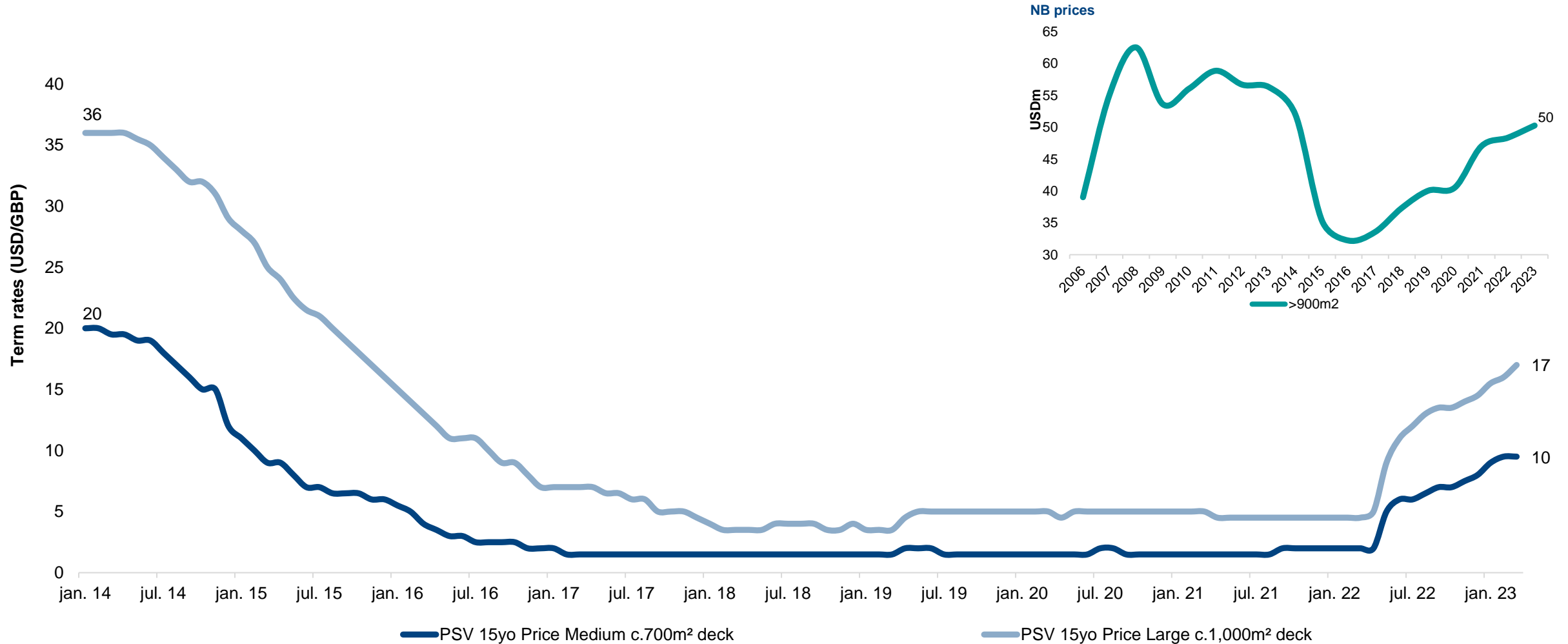
Improvements in Wafr/ Brazil driving up North Sea term expectations



Source: Clarkson, Westshore
Note: North Sea in GBP, others in USD.

Global Market – PSV Asset Values

Asset values far from reflecting time-charter earnings and replacement cost



Source: Clarkson, Westshore

Global Market – c. 20% Capacity Reductions Since 2017

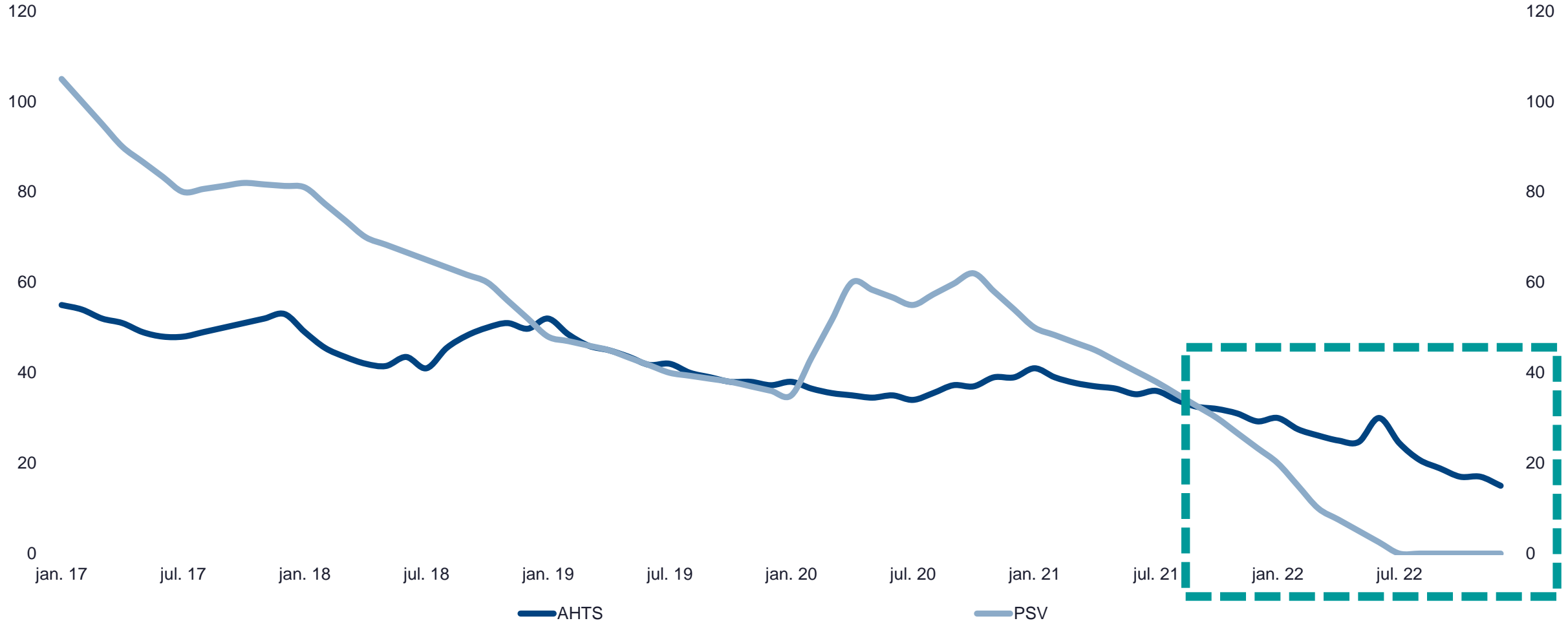
PSV fleet – Key regions

	North Sea	Brazil	US GoM	Wafr	TOTAL
2014	228	227	330	201	986
2015	238	224	355	210	1 027
2016	263	192	396	203	1 054
2017	269	179	396	199	1 043
2018	252	178	391	193	1 014
2019	241	174	362	202	979
2020	233	172	347	186	938
2021	210	176	333	164	883
2022	191	184	327	169	871
Current	186	185	323	173	867

Source: Clarkson

Global Market – Diminishing Layup Pool. Non-existing Orderbook

NW Europe layup pool



Source: Clarkson

Global Market – Recovering Rig Activity

PSV demand is ~2/3rd regular field maintenance and ~1/3rd drilling/ other

Floaters	12-14 Peak (max)	17-18 Trough (min)	Pre-covid (min)	Covid-trough (min)	Current
Total supply	337	234	226	204	188
Marketed supply	303	186	185	161	165
Contracted demand	281	126	144	127	142
Total utilization	84 %	54 %	64 %	62 %	76 %
Marketed utilization	93 %	68 %	78 %	79 %	86 %
6/ 7th gen	12-14 Peak	17-18 Trough	Pre-covid	Covid-trough	Current
Total supply	69	83	85	79	80
Marketed supply	69	71	72	62	70
Contracted demand	67	49	57	50	58
Total utilization	97 %	59 %	67 %	63 %	72 %
Marketed utilization	97 %	69 %	79 %	80 %	83 %
Benign semis and other	12-14 Peak	17-18 Trough	Pre-covid	Covid-trough	Current
Total supply	161	86	80	72	62
Marketed supply	150	66	64	56	54
Contracted demand	140	44	50	44	49
Total utilization	87 %	51 %	62 %	61 %	79 %
Marketed utilization	93 %	68 %	77 %	78 %	91 %

Source: IHS Petrodata

Global Market – Brazil firing up

Brazil to put 18 new FPSOs on stream between 2023 and 2027

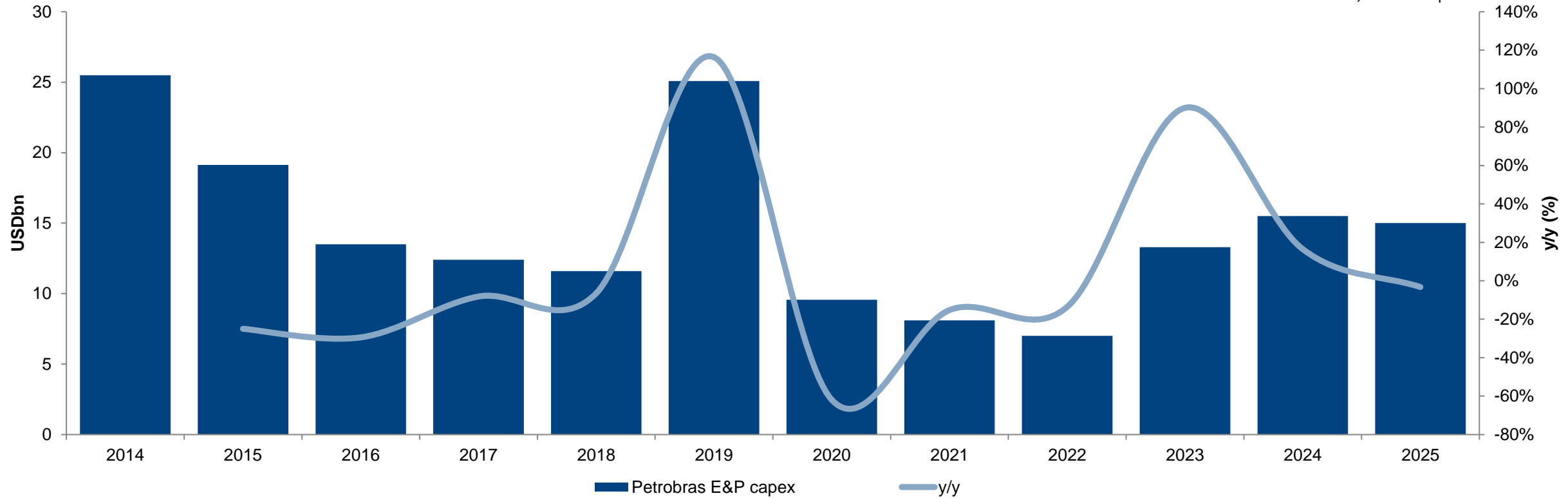
2023-2027 drilling activity

	Total
Number of new production wells	300
Total FPSOs	18
Total new projects	60
Production per well (2000-2005)	5-6k
Pre-salt production (current)	20-40k

Lifting cost	Pre-salt	Post-salt	2023-2027
USD/bbl	4,2	10,7	5,5
Total cost '23-27			
Lifting	5,5		
DD&A	14,0		
Govt takes	14,0		
Total cost	33,5		

Ex. exploration

Petrobras Upstream (E&P) capex

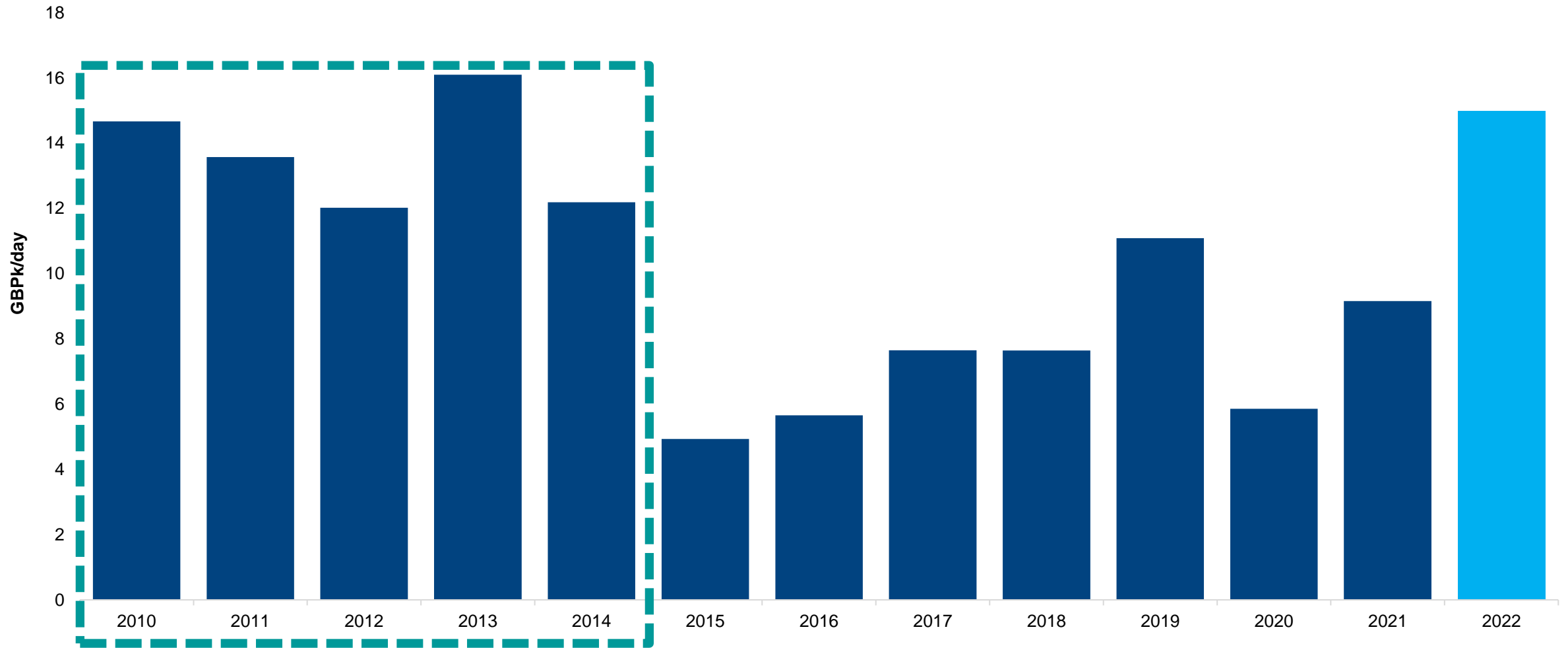


Source: Petrobras

Note: Lifting cost ex leasing cost and government taxes

North Sea Market – PSV Spot Rates

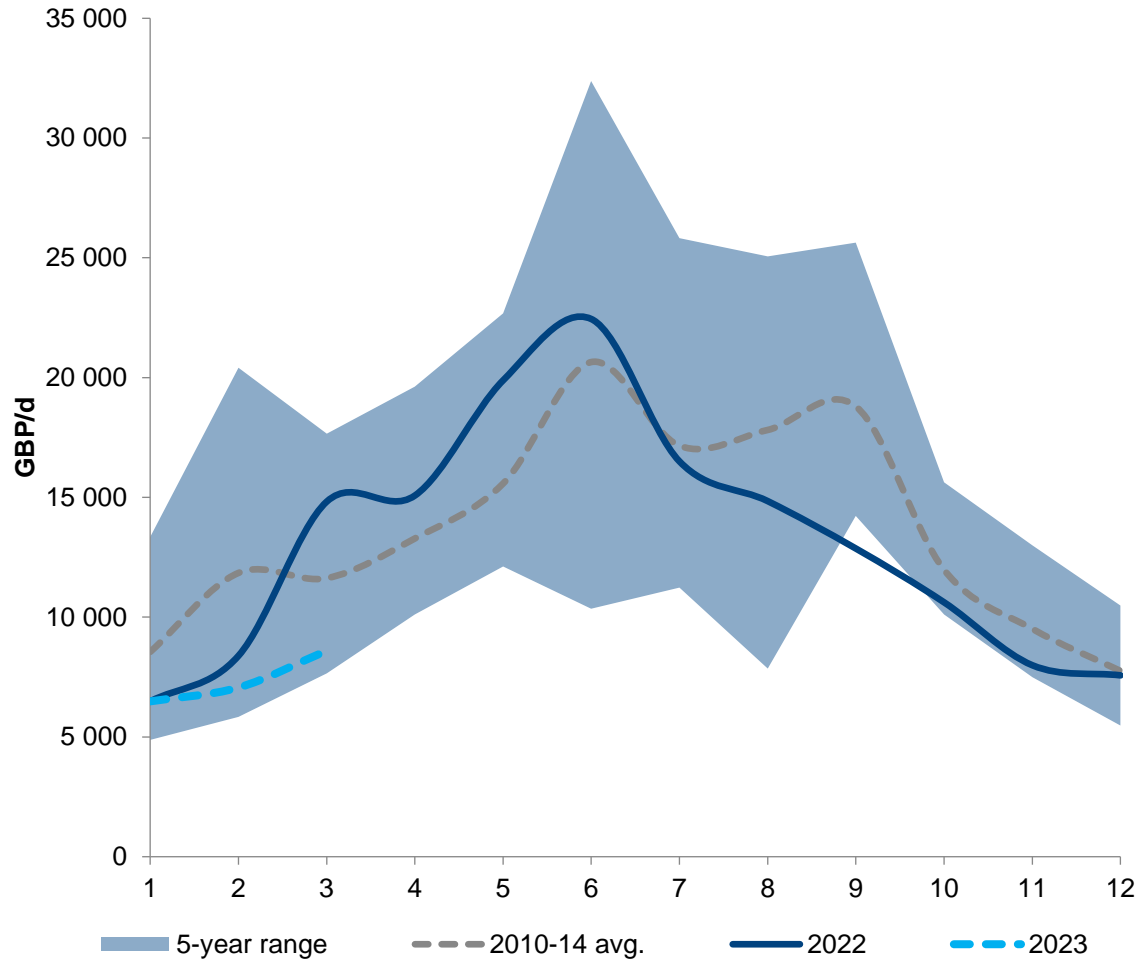
2022 spot dayrates nearing historical peaks



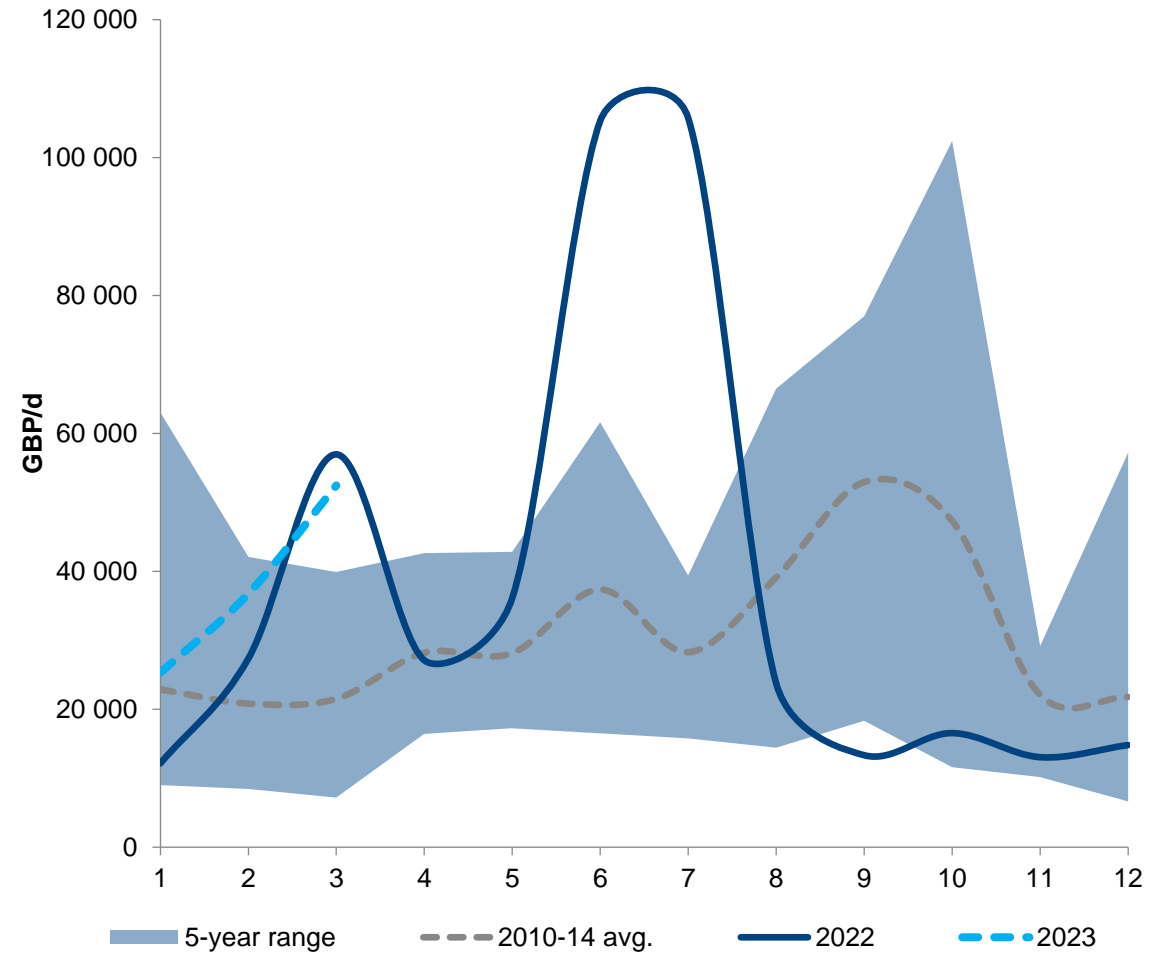
Source: Clarkson, Westshore

North Sea Market – PSVs into slower start to 2023 than AHTS

PSV North Sea Spot – Large sized



AHTS North Sea Spot – 20k+

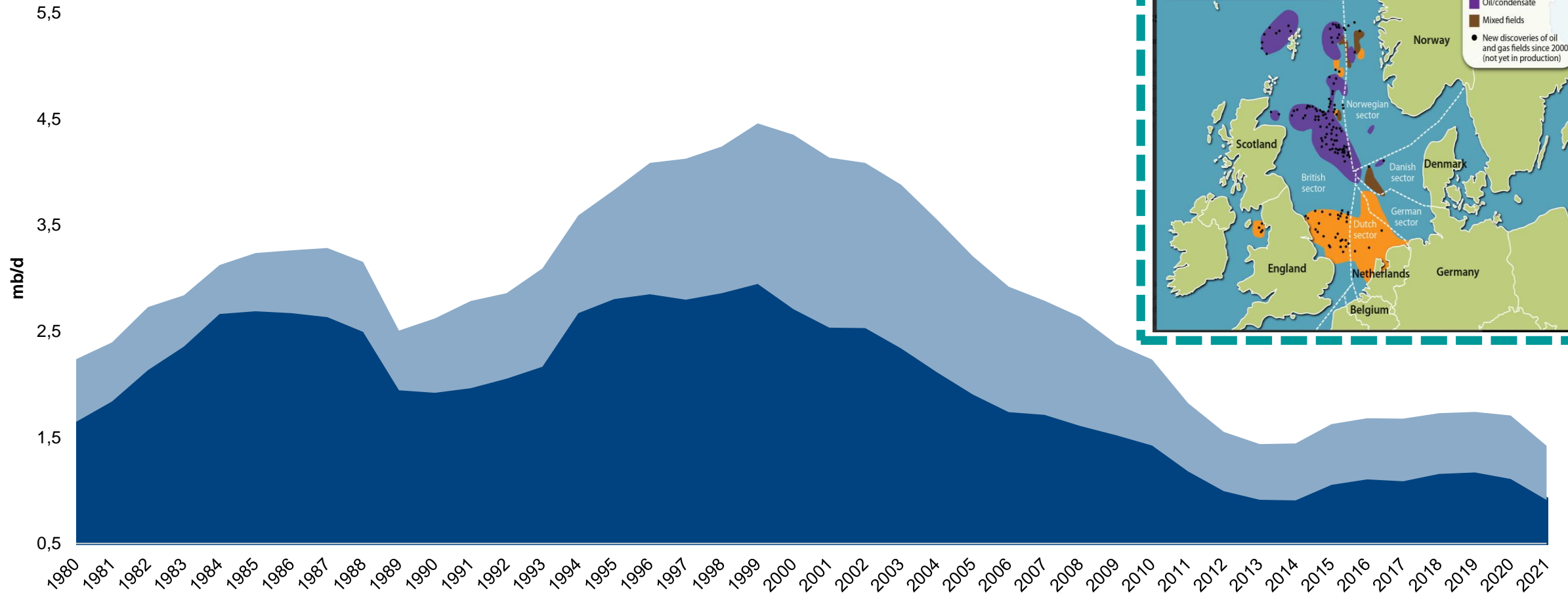


Source: Clarkson, Westshore

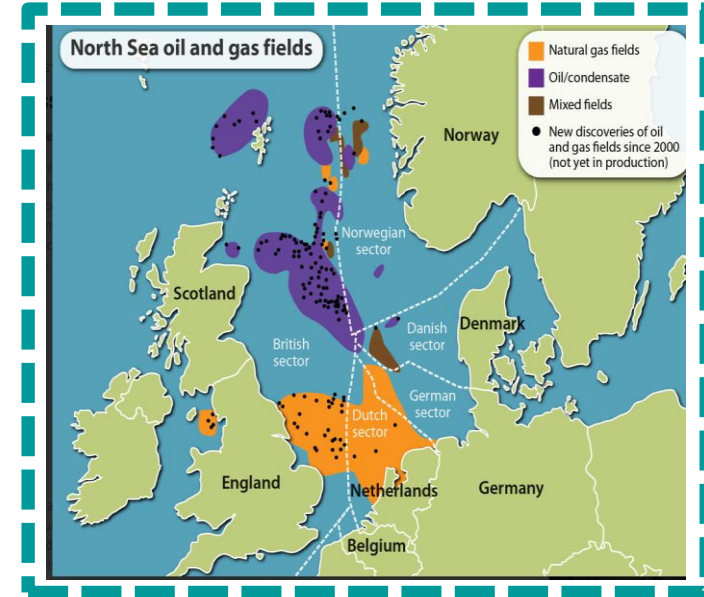
North Sea Market – UK Energy Security in Focus

UK is ~2/3rds of North Sea spot market

UK total hydrocarbon production



Source: IEA



Good risk/ reward on market trajectory

- Global term rates nearing new high's, driven by activity improvements in Waf and Brazil
 - Current TC levels returning vessel EV in 2-4 years
- North Sea activity continuing to improve on recent surge in FIDs
 - North Sea PSV fleet reduced by c. 25% (lay-up fleet reduced from 100 vessels to ~0)

Standard Supply – Spot operator with 20%+ yield in current market

- Significant dividend capacity
- Opportunistic growth potential
- Built for shareholders, not management!

Standard Supply in brief and Q1 2023

Market Outlook

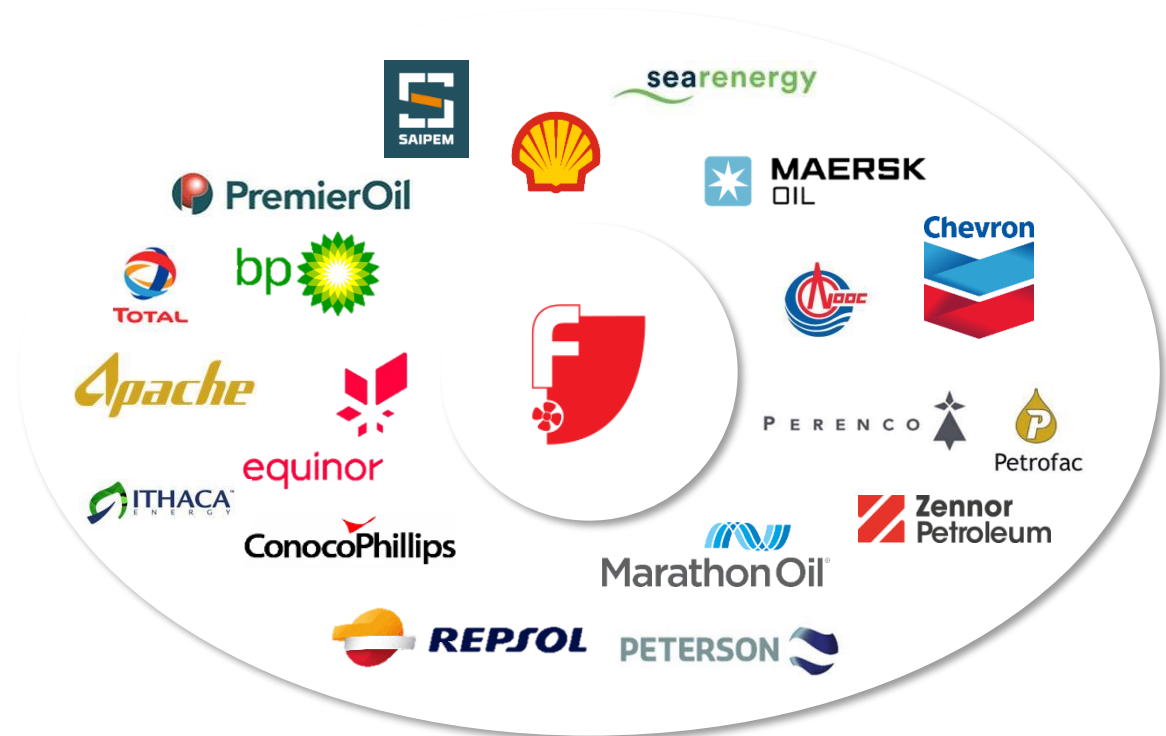
Appendix

Standard Supply has used Fletcher Group as technical and commercial manager since 2016

- Fletcher provides commercial, technical and corporate services incl. vessel maintenance, crewing and shipyard supervision
- Fletcher has successfully- and economically operated PSVs in the North Sea for 15-years

Fletcher Group in brief

- Fletcher Group is a privately held group of companies with roots tracing back to 2000
- The company is headquartered in Dundee and receives additional operational support across the fleet from their office in Aberdeen
- Operates and manages a modern fleet of 15 large- and medium-sized PSVs
- Fleet is maintained to the highest standard, with DNV and Lloyds being the selected classification societies



Selected clients of Fletcher Group