



STANDARD**SUPPLY**

Investor Presentation
September 2023

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Standard Supply in brief

Market Outlook

Appendix

Fleet profile

- 3x large-sized PSVs and 5x medium-sized with 51% ownership
- Unrivalled dividend potential

Opportunistic S&P approach

- Active buyer and seller – continuing to look for growth across different avenues

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 c. 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

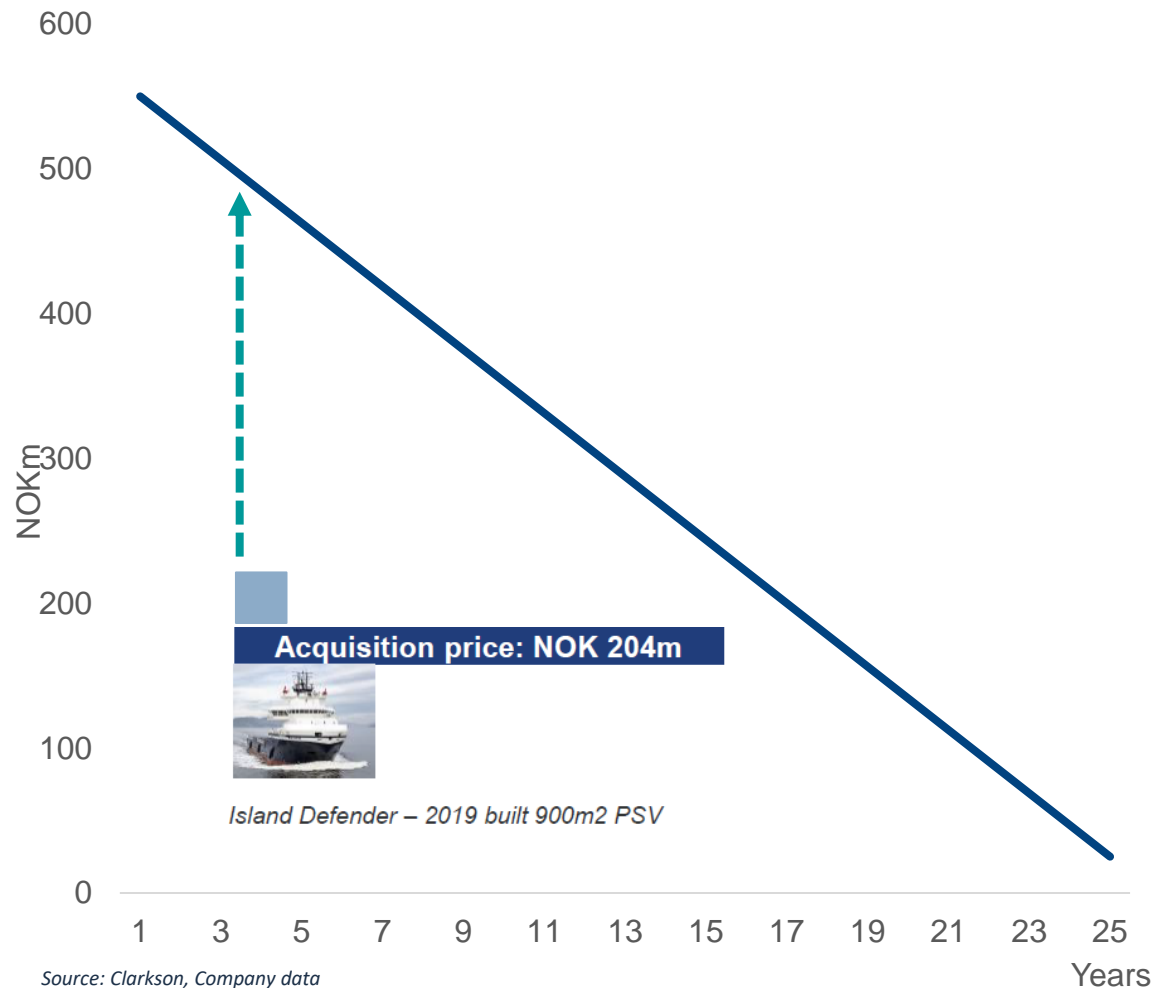
- Long experience investing in offshore assets
- Investing in generic assets with operating track record



Recent transactions

Acquisition: Standard Defender – 2019 built large-sized PSV

Acquired more than 50% below replacement cost



Source: Clarkson, Company data

Note: Earnings defined as EBITDA in holding period

Acquisition and sale: Standard Duke – 2012 built mid-sized PSV

Acquired and sold with c. 60% profit in 13-months



Fleet of eight PSVs with high operational leverage

- Very limited capital expenditures next three years (2024-2026)

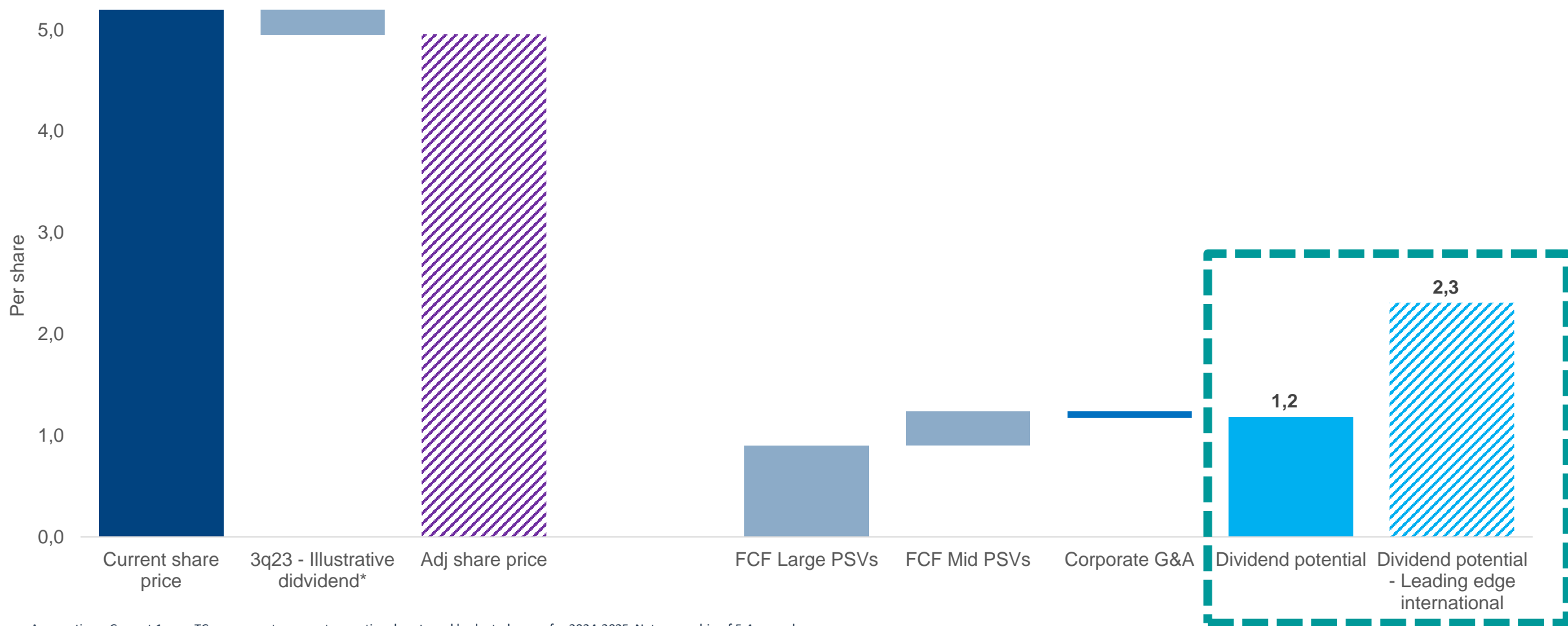
Vessels	Built	Deck (m2)	Employment	Dayrate	Firm end	Option end	Next DD	3q23	4q23	1q24	2q24	3q24	4q24
Standard Viking	2007	1 060	TC	16 200	feb.24	feb.24	2027						
Standard Supplier	2007	1 060	TC	23 200	jun.24	nov.24	2027						
Standard Defender	2019	900	TC	22 500	jun.24	sep.24	2024						
FS Balmoral	2008	710	TC	33 100	nov.23	nov.23	2028						
FS Kristiansand	2005	710	TC	16 200	okt.23	jan.24	2025						
FS Braemar	2007	710	TC	18 100	okt.23	mar.24	2027						
FS Abergeldie	2008	680	TC	8 700	apr.24	apr.25	2023						
FS Crathes	2008	680	TC	14 700	nov.23	feb.24	2028						

TC
Option
Spot

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

Unrivalled Dividend Potential?

Dividend potential = Free cash flow after capital expenditures and corporate G&A



Assumptions: Current 1-year TC assessments, current operational costs and budgeted capex for 2024-2025. Net ownership of 5.4x vessels.
 Note: Current share price adjusted for illustrative third quarter dividend.

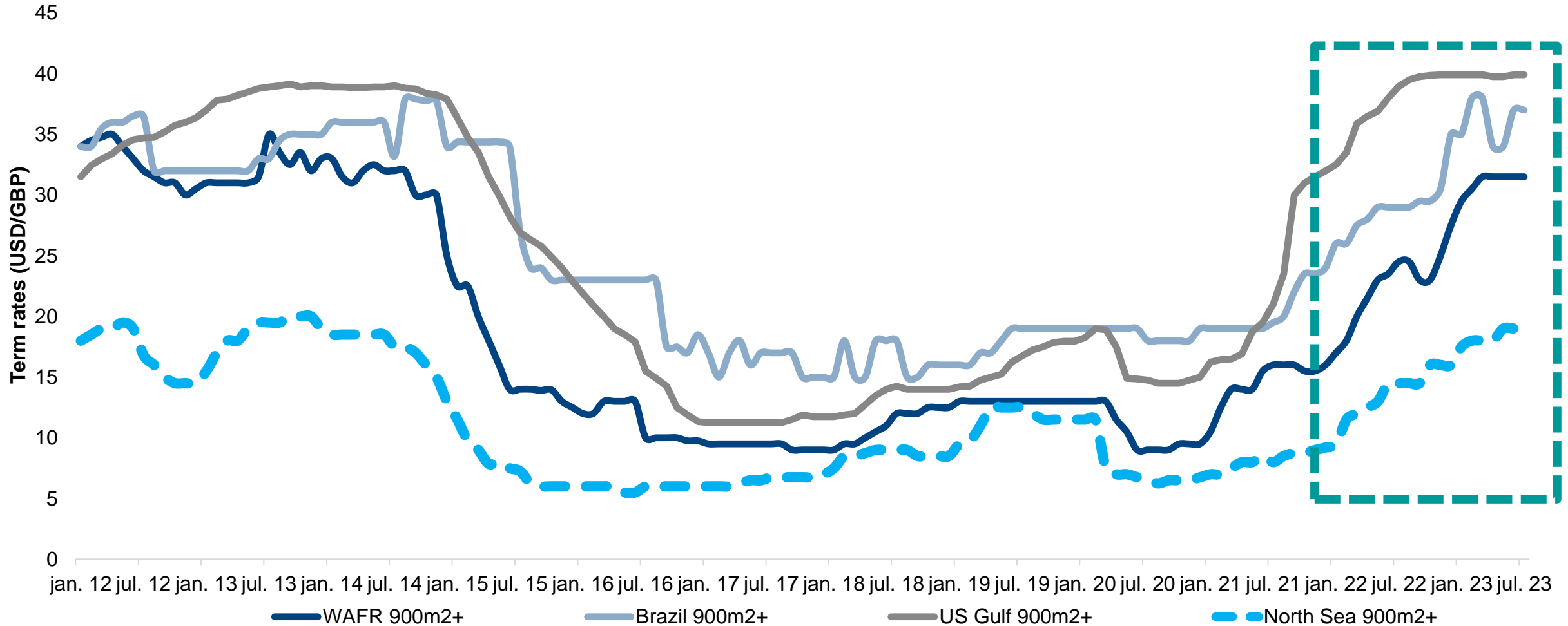
Standard Supply in brief

Market Outlook

Appendix

Global Market – PSV Term Rates

Improvements in Wafr/ Brazil driving up North Sea term expectations

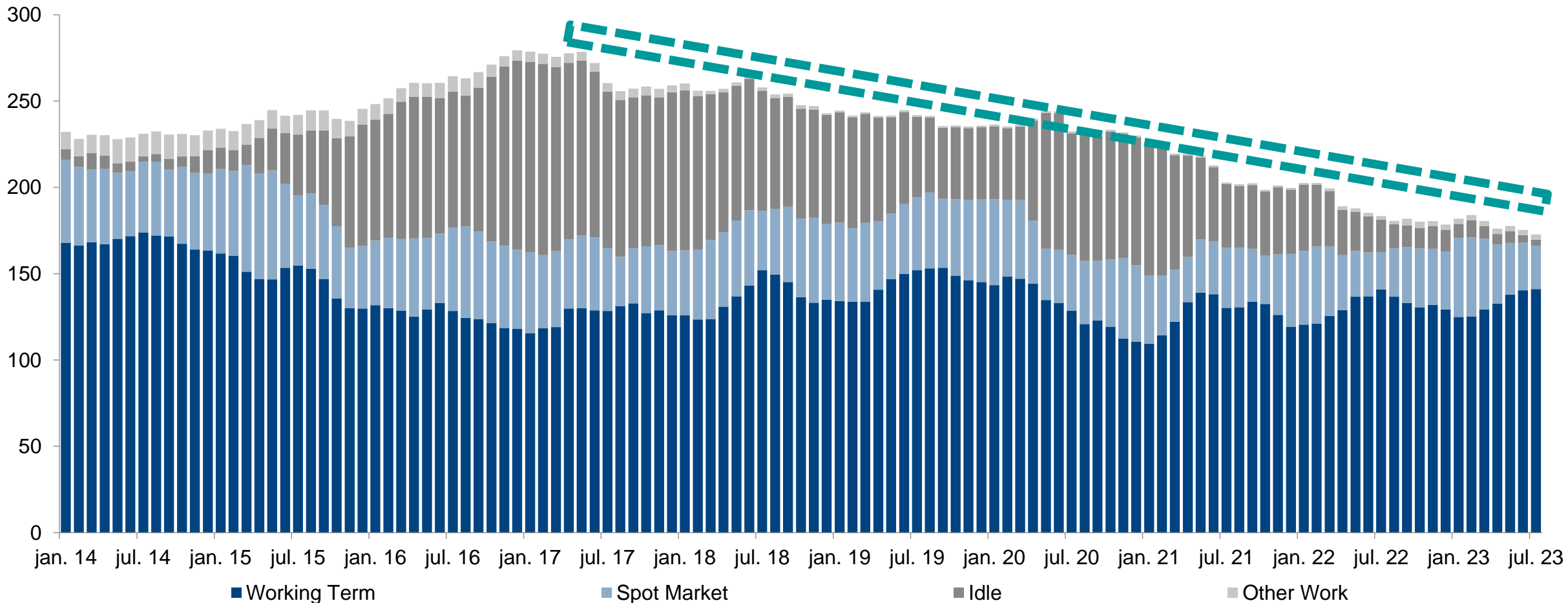


Source: Clarkson, Westshore
Note: North Sea in GBP, others in USD.

Global Market – North Sea Capacity Down c. 40% from Peak

Ten vessels left since June 2022. Further c. 10 vessels expected to leave in 3q/ 4q23

Number of PSVs - North Sea (UK + Norway)

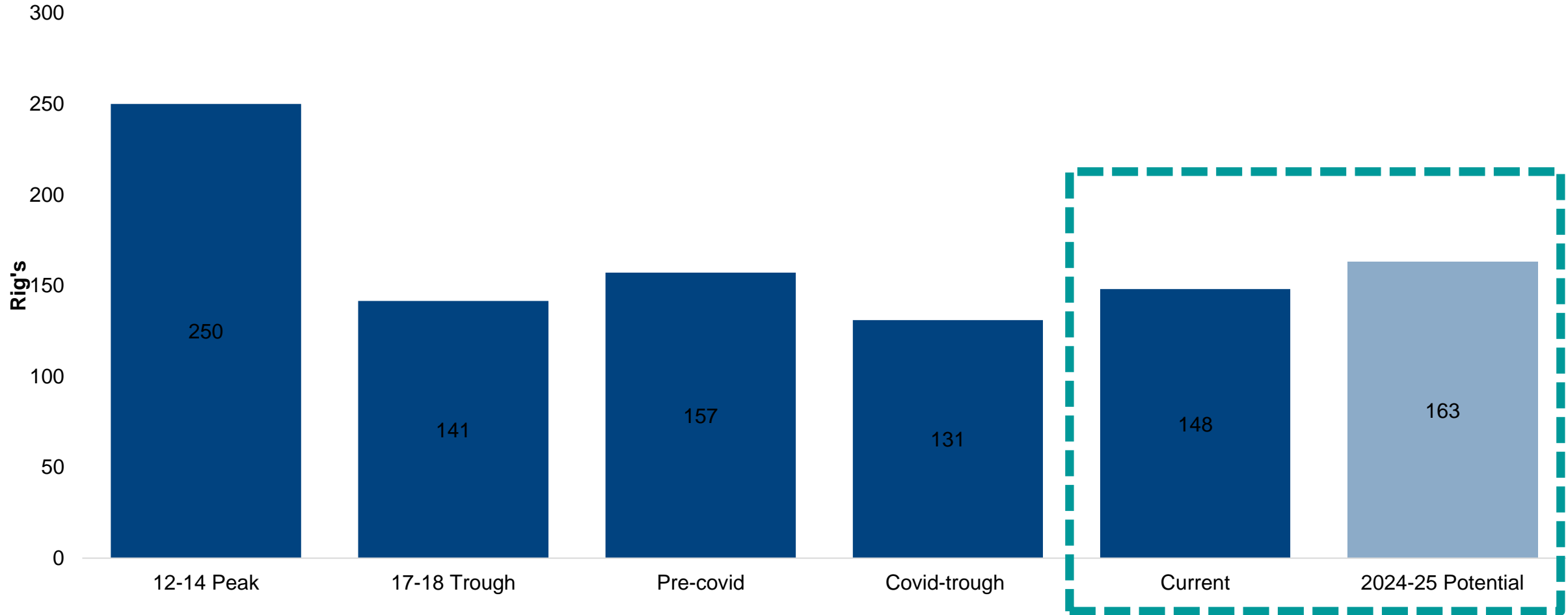


Source: Clarkson, Westshore

Global Market – Recovering Rig Activity

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

All floaters- Contracted demand



Source: IHS Petrodata. Potential basis offshore drillers comments in second quarter earnings call.

Global Market – Brazil Firing Up

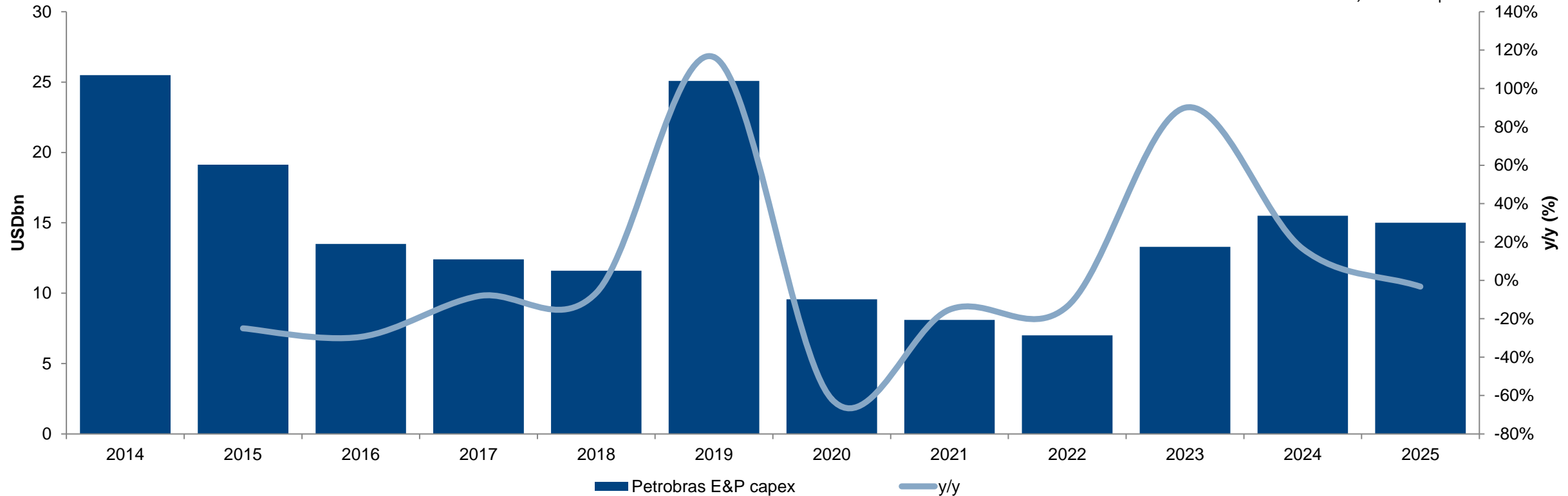
Brazil to put 18 new FPSOs on stream between 2023 and 2027

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

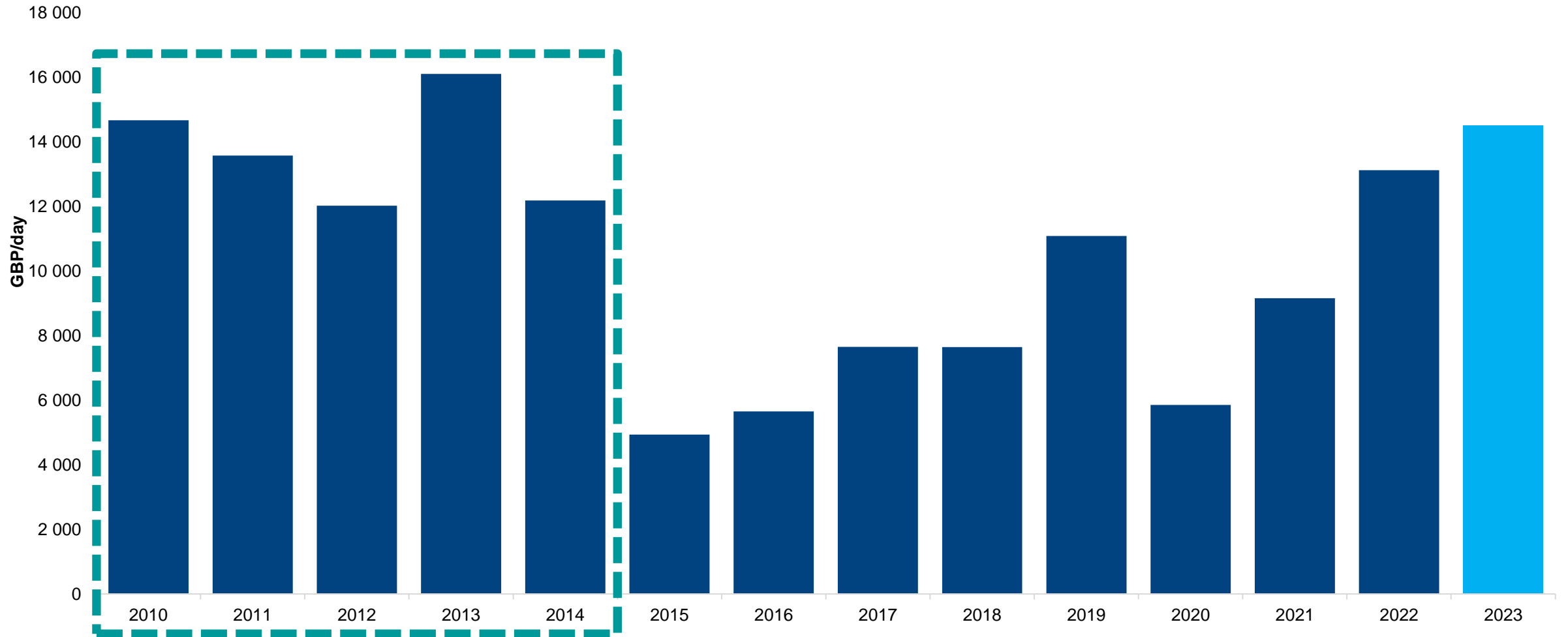


Source: Petrobras

Note: Lifting cost ex leasing cost and government taxes

North Sea Market – PSV Spot Rates

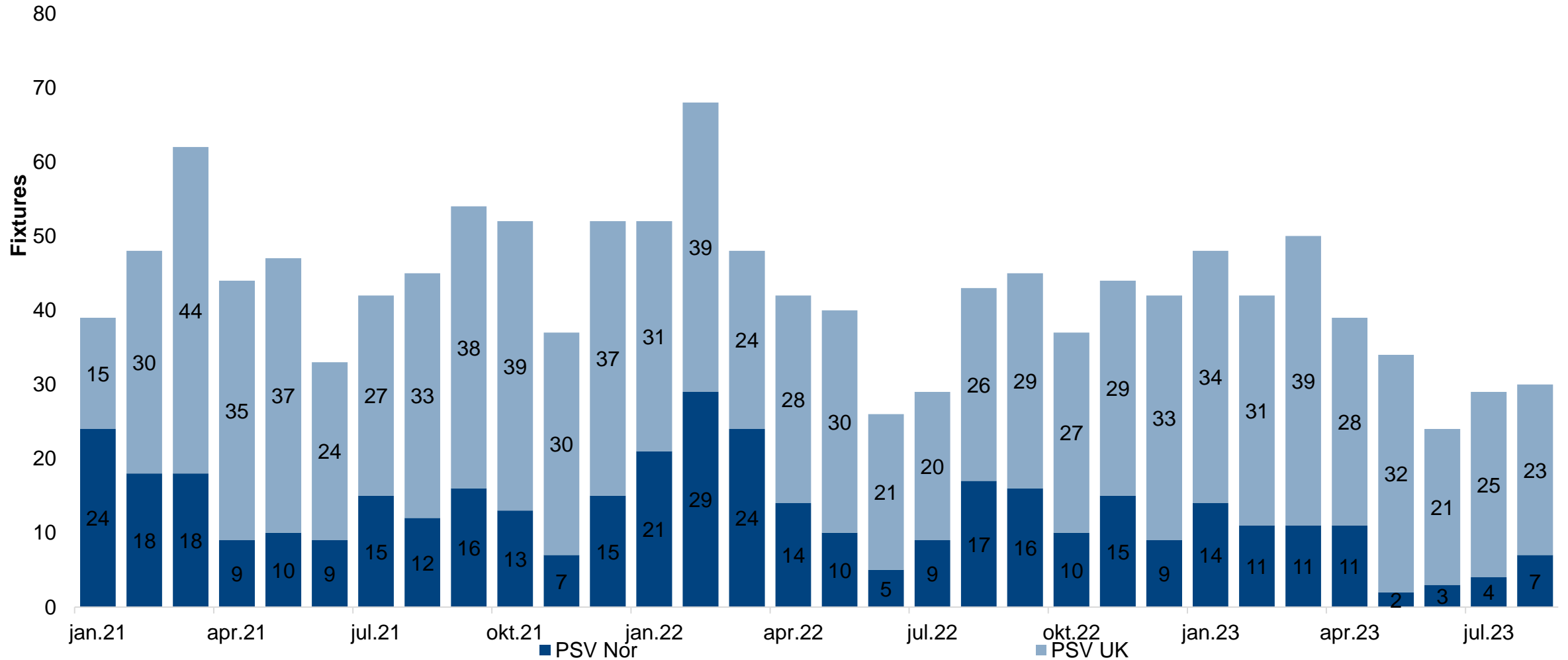
2023 average spot dayrates nearing historical peaks



Source: Clarkson, Westshore

North Sea Market – UK Represents c.70% of Spot Activity

PSV Spot fixtures – North Sea



Source: Clarkson, Westshore

Good risk/ reward on market trajectory

- Activity surging in Brazil and Waf
- Continued capacity reductions in the North Sea - shortage when Norway rebounds in 2025?

Current TC levels indicating dividend capacity > NOK 1/sh

- Very limited capital expenditures until 2027
- Opportunistic S&P approach

Standard Supply in brief

Second Quarter 2023 Highlights

Market Outlook

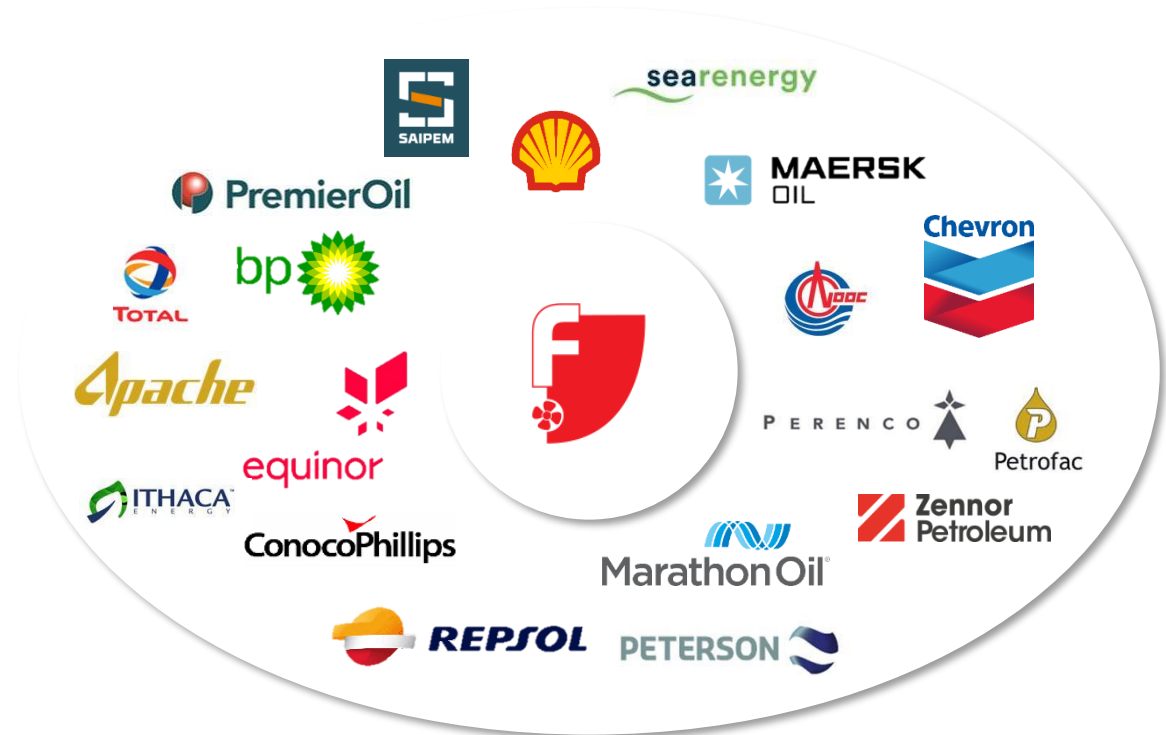
Appendix

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

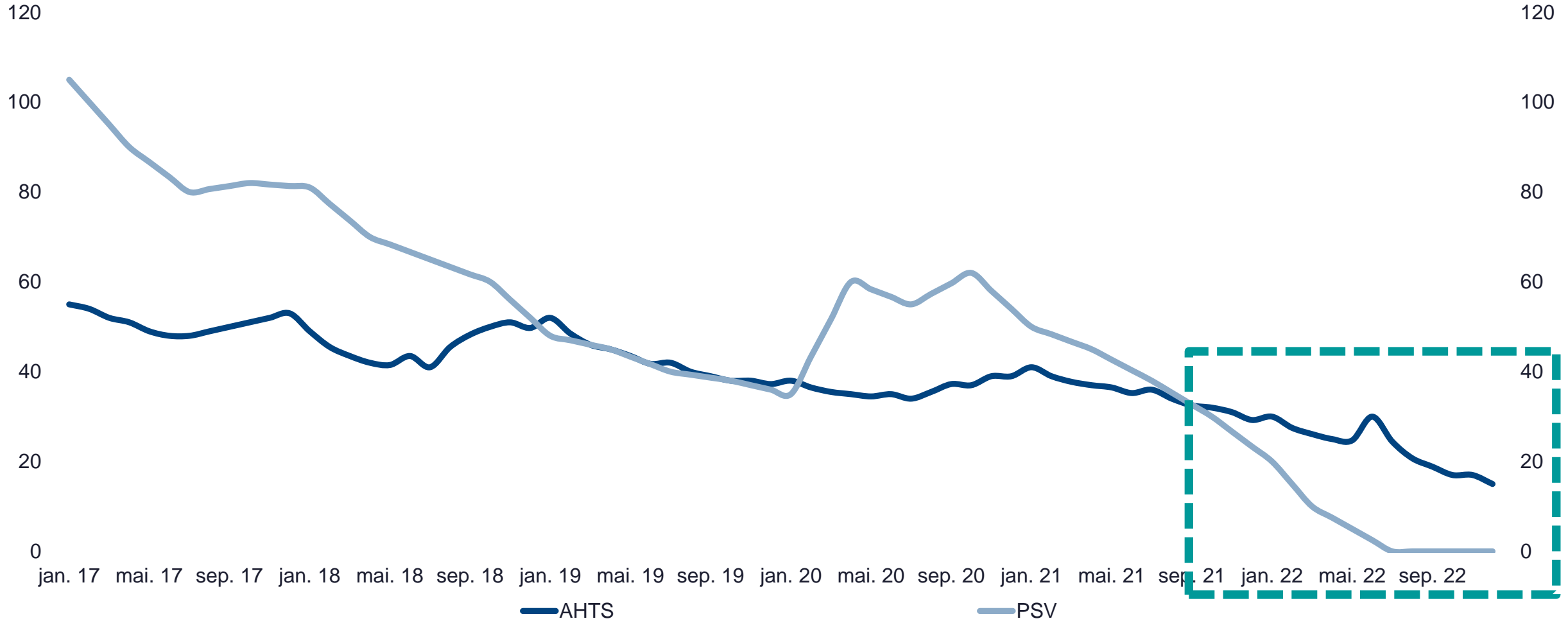
- Fletcher Group is a privately held group of companies with roots tracing back to 2000
- The company is headquartered in Dundee and receives additional operational support across the fleet from their office in Aberdeen
- Operates and manages a modern fleet of 15 large- and medium-sized PSVs
- Fleet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



Selected clients of Fletcher Group

Global Market – Diminishing Layup Pool. Non-existing Orderbook

NW Europe layup pool



Source: Clarkson