



STANDARD SUPPLY

Investor Presentation
September 2022

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Company Overview

Market Fundamentals

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
 - Recent 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
 - Management owned company 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

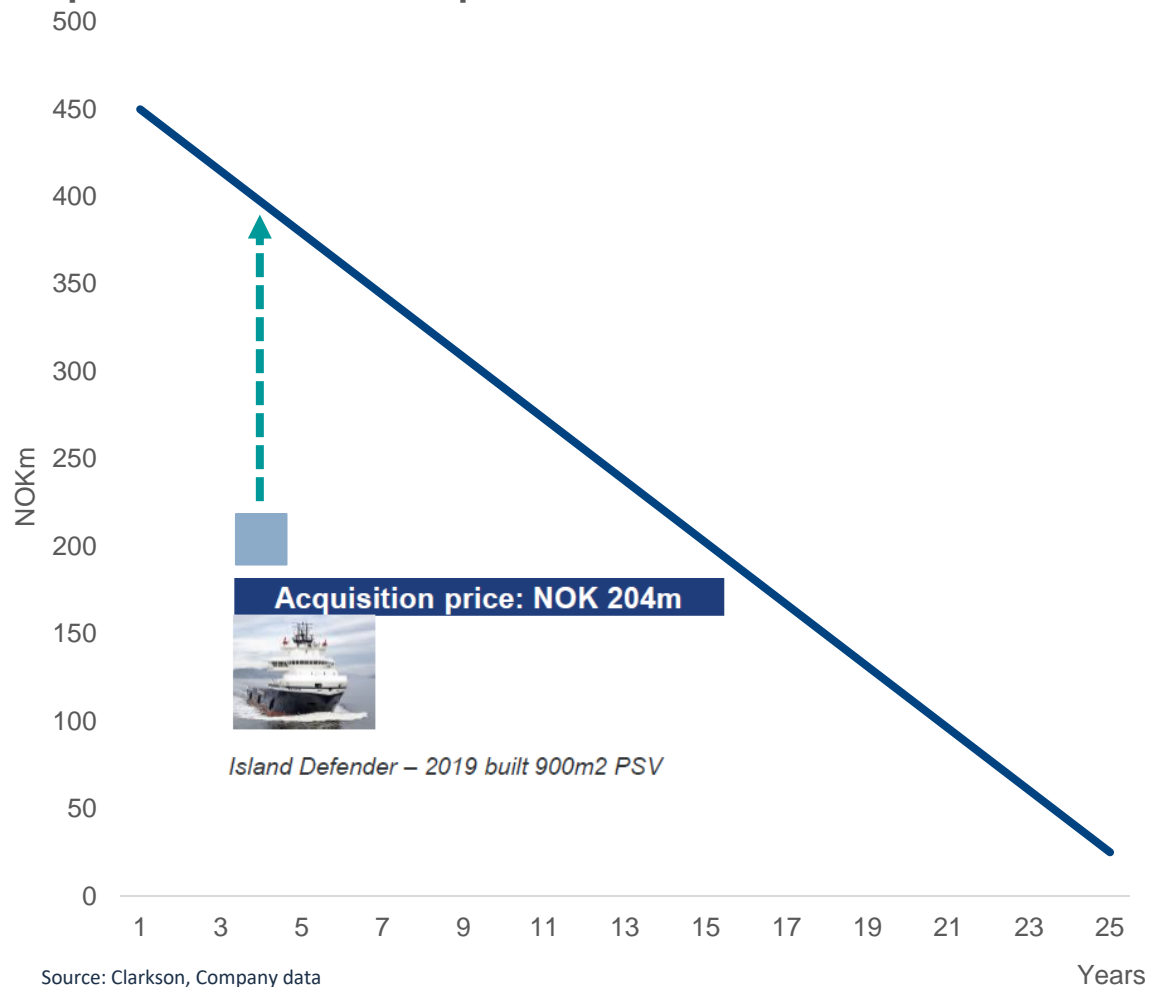
- Ferncliff has 30-years experience investing in offshore assets
- We invest in generic assets with operating track record



Recent Investments

Standard Defender – 2019 built large-sized PSV

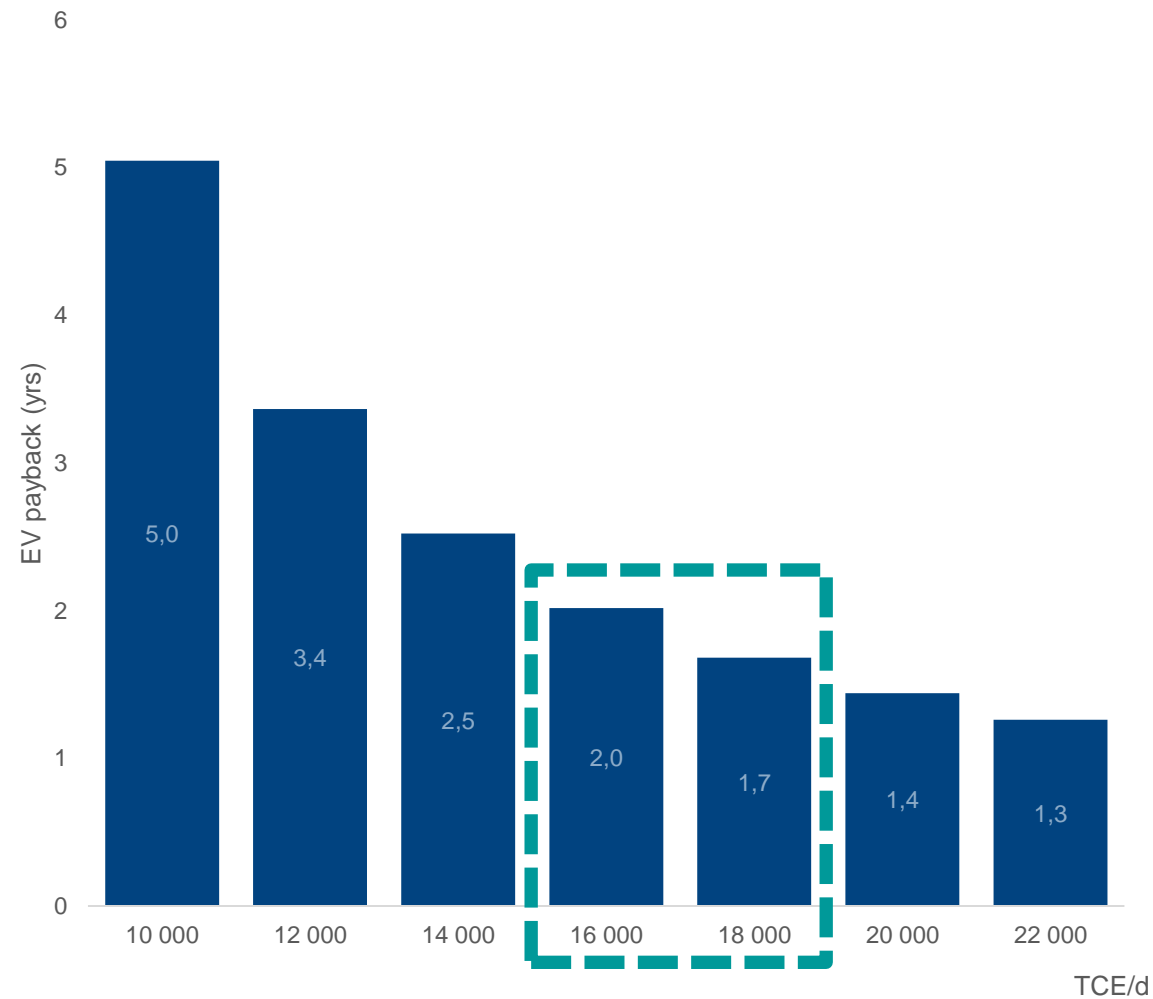
Acquired c. 50% below replacement cost



Source: Clarkson, Company data

Standard Duke – 2012 built mid-sized PSV

EV payback at various TCE's



Fleet of 9x PSVs, all in operation or in the process of being reactivated¹

- High operational leverage through vessels open to take advantage of tightening market

Vessels	Built	Deck (m2)	Country	Dayrate	Contract end	Option end	3q22	4q22	1q23	2q23	3q23	4q23	1q24	2q24	3q24	4q24
Standard Viking	2007	1 060	UK	12 700	feb.23	feb.24	TC	TC	Option	Option	Option	Option	Spot	Spot	Spot	Spot
Standard Supplier	2007	1 060	Germany	30 000	okt.22	okt.22	TC	Spot	Spot	Spot	Spot	Spot	Spot	Spot	Spot	Spot
Standard Defender	2019	900					Spot	Spot	Spot	Spot	Spot	Spot	Spot	Spot	Spot	Spot
Standard Duke	2012	716					Spot	Spot	Spot	Spot	Spot	Spot	Spot	Spot	Spot	Spot
FS Balmoral	2008	710	Turkey / Israel	20 000	okt.22	nov.22	TC	Spot	Spot	Spot	Spot	Spot	Spot	Spot	Spot	Spot
FS Kristiansand	2005	710	UK	12 100	sep.22	sep.22	TC	Spot	Spot	Spot	Spot	Spot	Spot	Spot	Spot	Spot
FS Braemar	2007	710	Turkey / Israel	20 000	okt.22	okt.22	TC	Spot	Spot	Spot	Spot	Spot	Spot	Spot	Spot	Spot
FS Abergeldie	2008	680	UK	9 300	apr.23	apr.25	TC	TC	Option	Option	Option	Option	Option	Option	Option	Option
FS Crathes	2008	680	UK	16 500	sep.22	sep.22	Spot	Spot	Spot	Spot	Spot	Spot	Spot	Spot	Spot	Spot

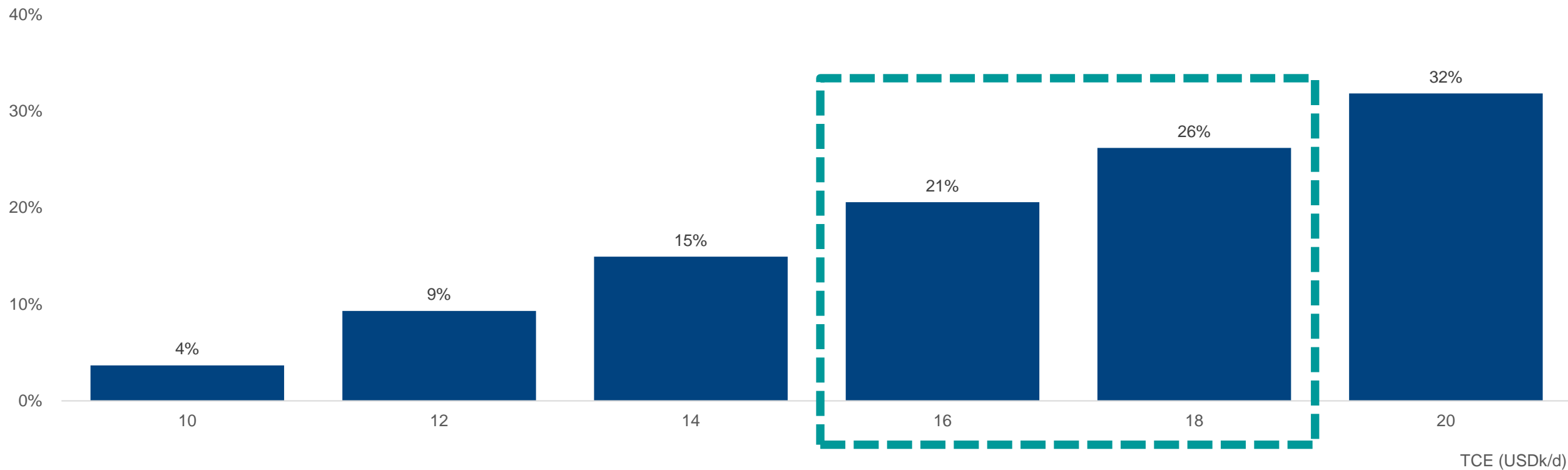
TC
Option
Spot

1): Includes Standard Defender that delivers in October and Standard Duke that is currently being reactivated
 Note: Dayrates converted from EUR/ GBP to USD per day

Current FCF yield in excess of 20%

- August TCE of USD 16,700 per day

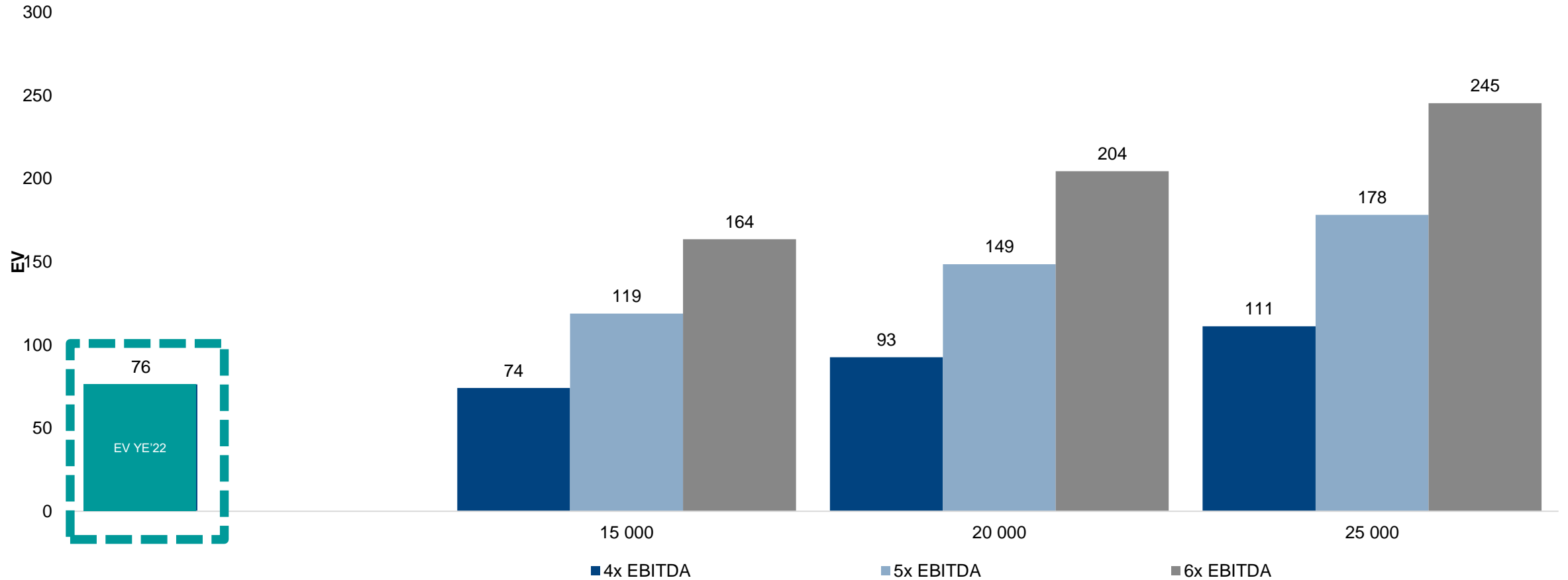
FCF yield (EV basis)



Assumptions: YE'22 EV of USD 76m. Utilization of 95%. Opex + G&A of USD 7,000 per day, interest cost of USD 300/d and DD provisions of USD 800/d. Net ownership of 6.5x vessels.

Valuation – Earnings Multiples

Trading at 4x EV/ EBITDA in current market



Assumptions: North Sea term dayrates of USD 15k/d. YE'22 EV of USD 76m. Utilization of 95%. Opex + G&A of USD 7,000 per day. Net ownership of 6.5x vessels.



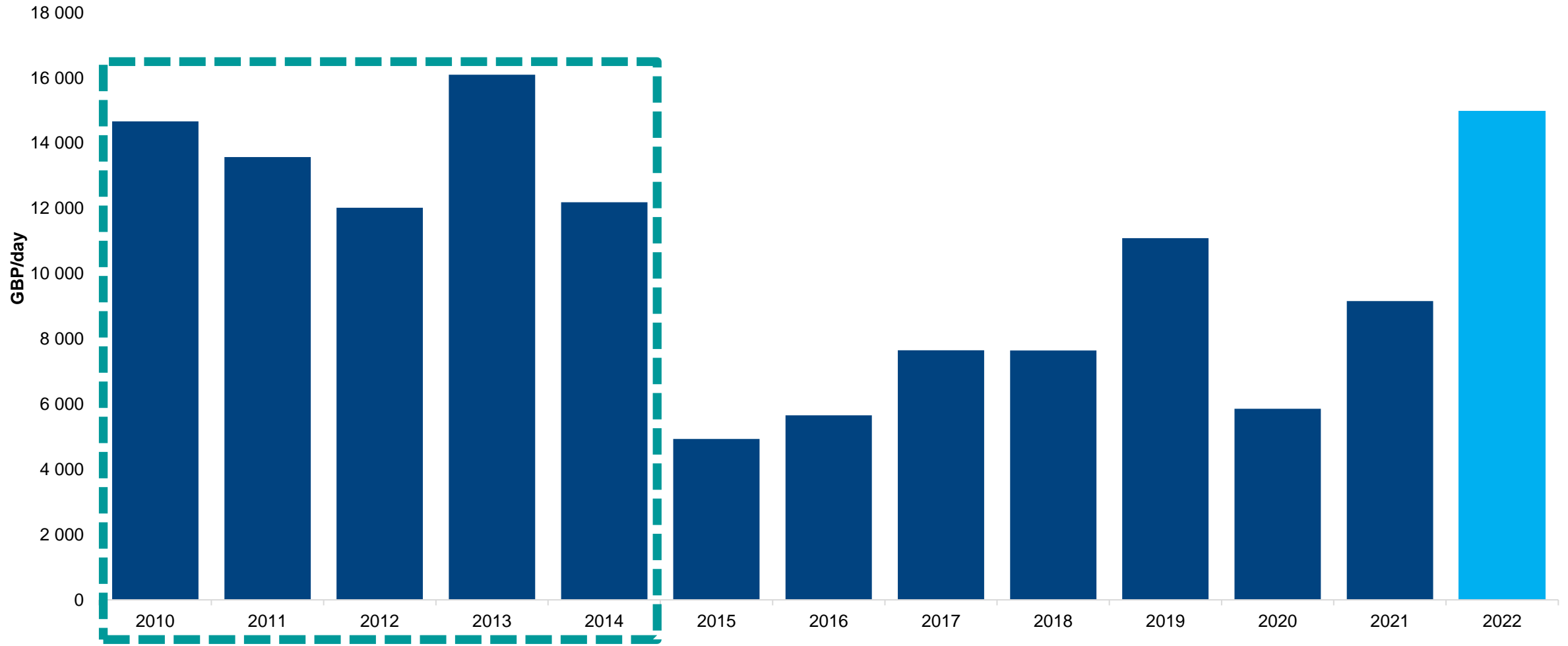
Company Overview

Market Fundamentals

Appendix

North Sea Market – PSV Spot Rates

2022 spot dayrates nearing historical peaks

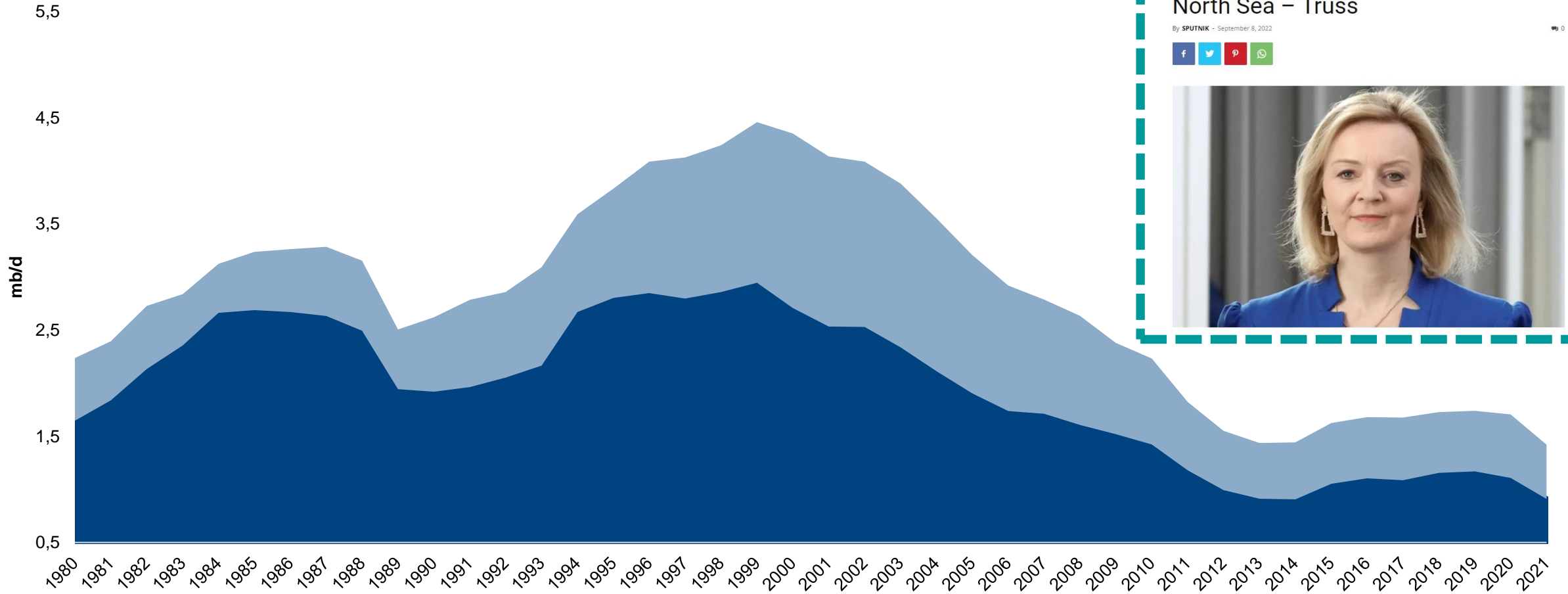


Source: Clarkson, Westshore

North Sea Market – UK Energy Security in Focus

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

UK total hydrocarbon production



Source: IEA

UK to Issue 100 Oil, Gas Licenses in North Sea – Truss

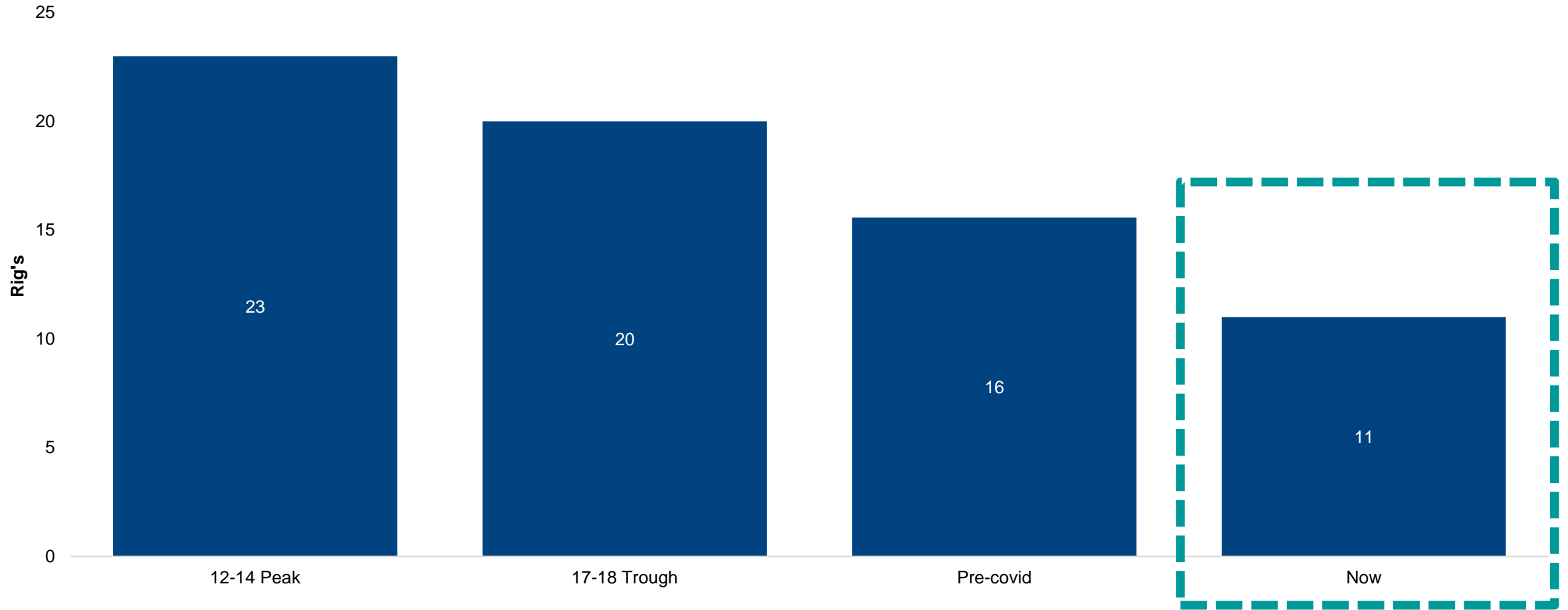
By SPUTNIK - September 8, 2022



North Sea Market – Inflection Point in UK Rig Count

UK semi rig count down c. 50% vs. 2017-2018

UK Floater market - Marketed supply

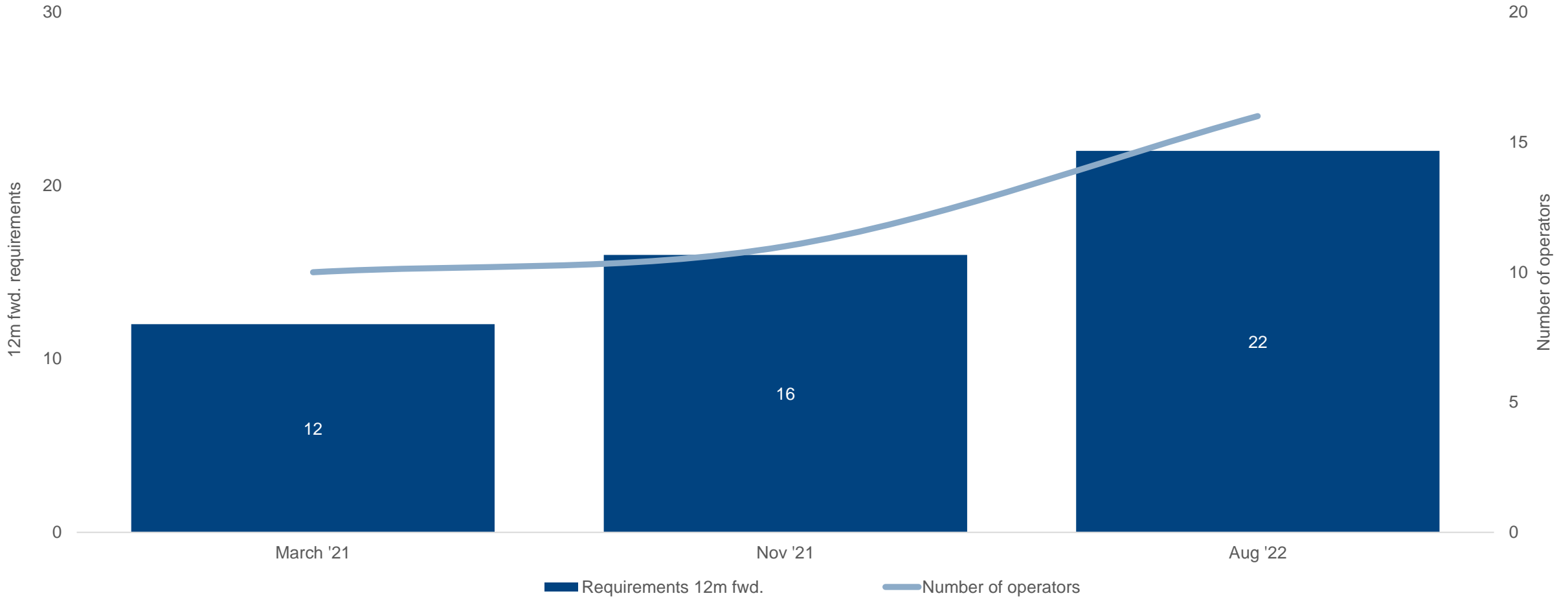


Source: IEA, IHS

North Sea Market – Growing Rig Count Drives Requirement List

Highly fragmented operating landscape

UK PSV requirements next twelve months and number of operators

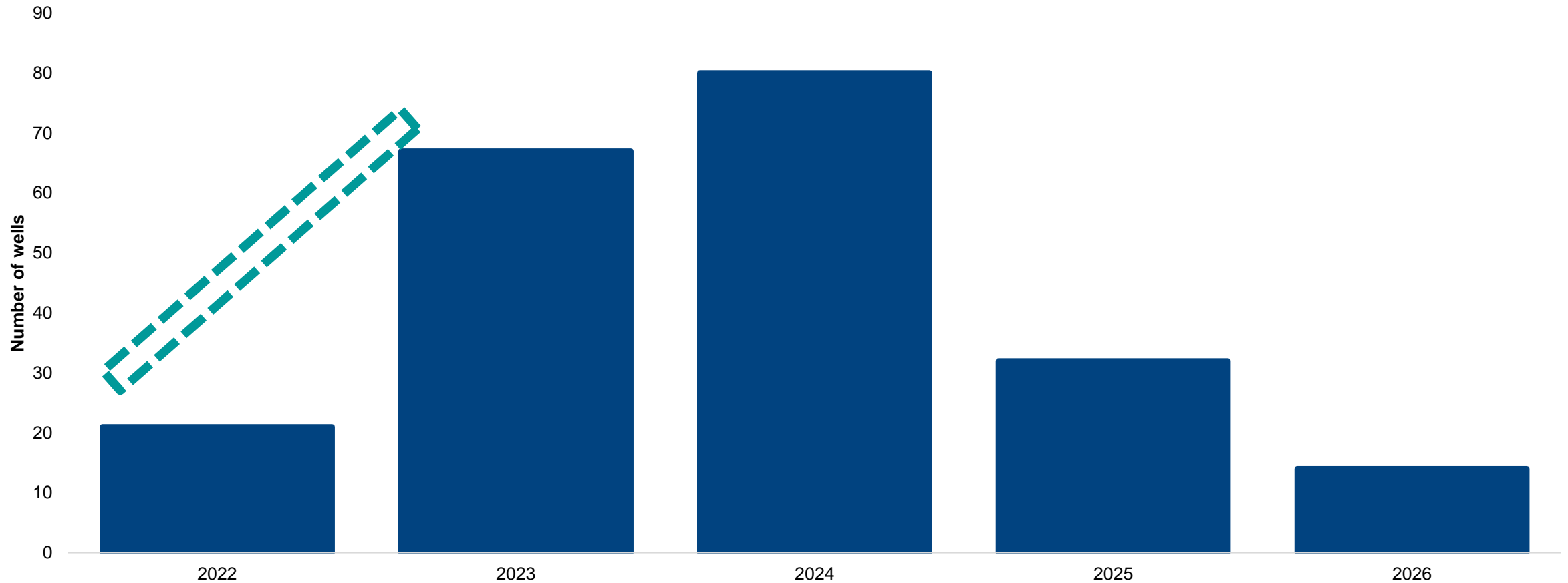


Source: Braemar

North Sea Market – Similar Story in Norway

Norwegian NCS today has 90 producing fields. In 2022 more than 30 new projects are planned to FID

Planned drilled wells on Norwegian NCS 2022-2026



Source: Rystad

Good risk/ reward on market trajectory

- UK: Hydrocarbon production peaked in the late 1990s, when rig count was c. 2x current levels
- Norway: Number of producing fields increasing by c. 30% from '23-27
- North Sea fleet reduced by c. 25% (in 2017 more than 100 PSVs were in lay-up in Europe)

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

- Trading c. 50% off replacement cost and 4x run-rate EV/ EBITDA
- Built for shareholders, not management!

Company Overview

Market Fundamentals

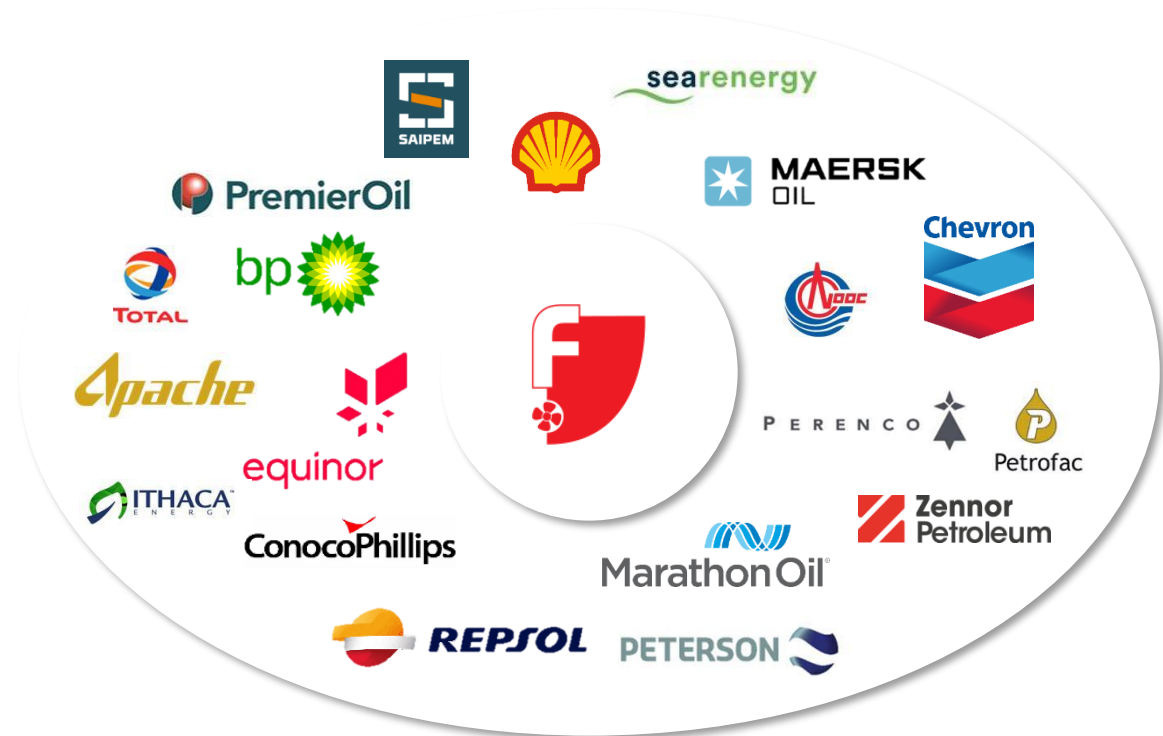
Appendix

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