



STANDARD SUPPLY

Investor Presentation
Second Quarter 2023

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Standard Supply in brief

Second Quarter 2023 Highlights

Market Outlook

Appendix

Euronext Growth listed PSV operator

- Total fleet of eight Platform Supply Vessels (PSVs)
 - 3x large-sized PSVs and 5x medium-sized with 51% ownership
- Opportunistic S&P approach
 - 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

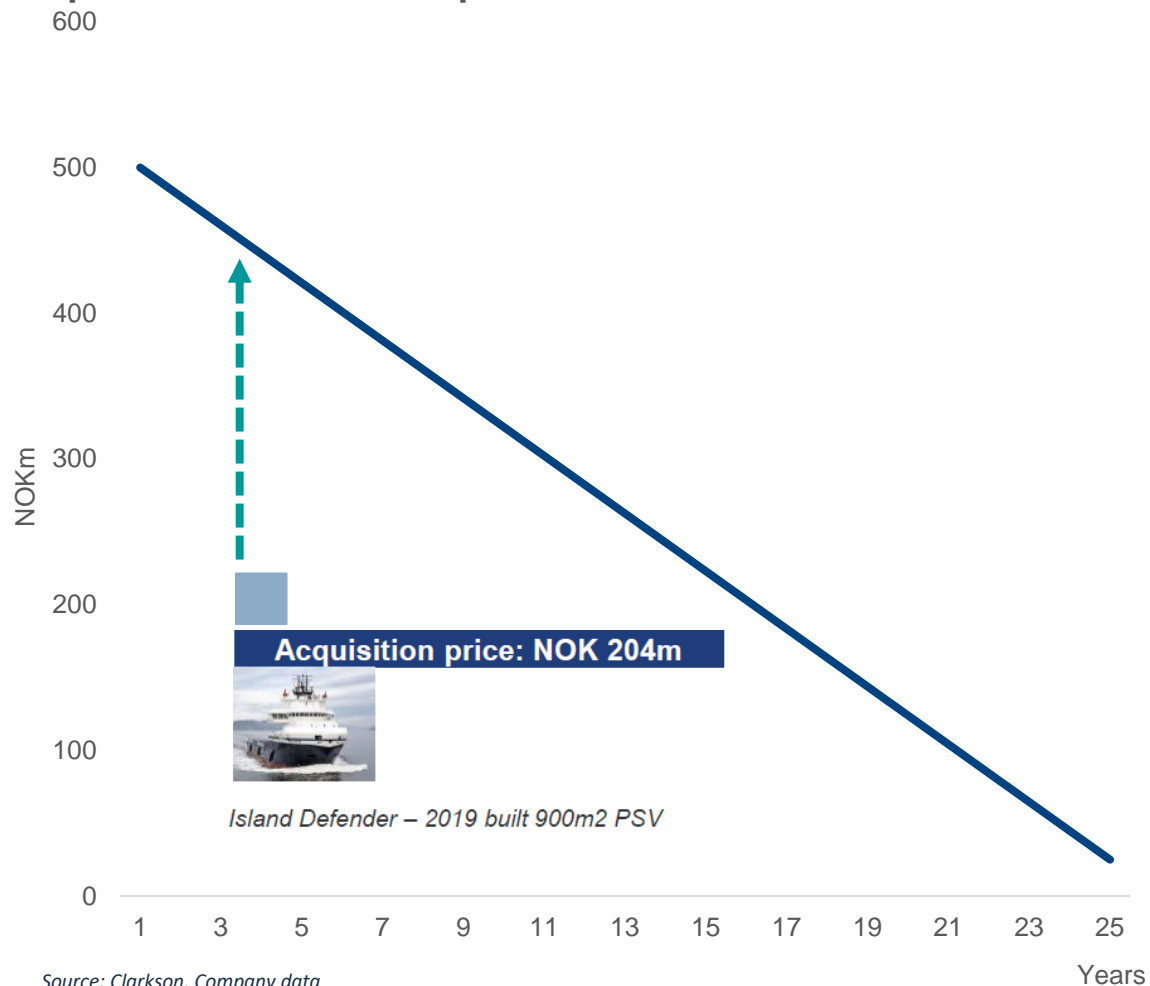
- Long experience investing in offshore assets
- Investing in generic assets with operating track record



Recent transactions

Acquisition: Standard Defender – 2019 built large-sized PSV

Acquired c. 50% below replacement cost

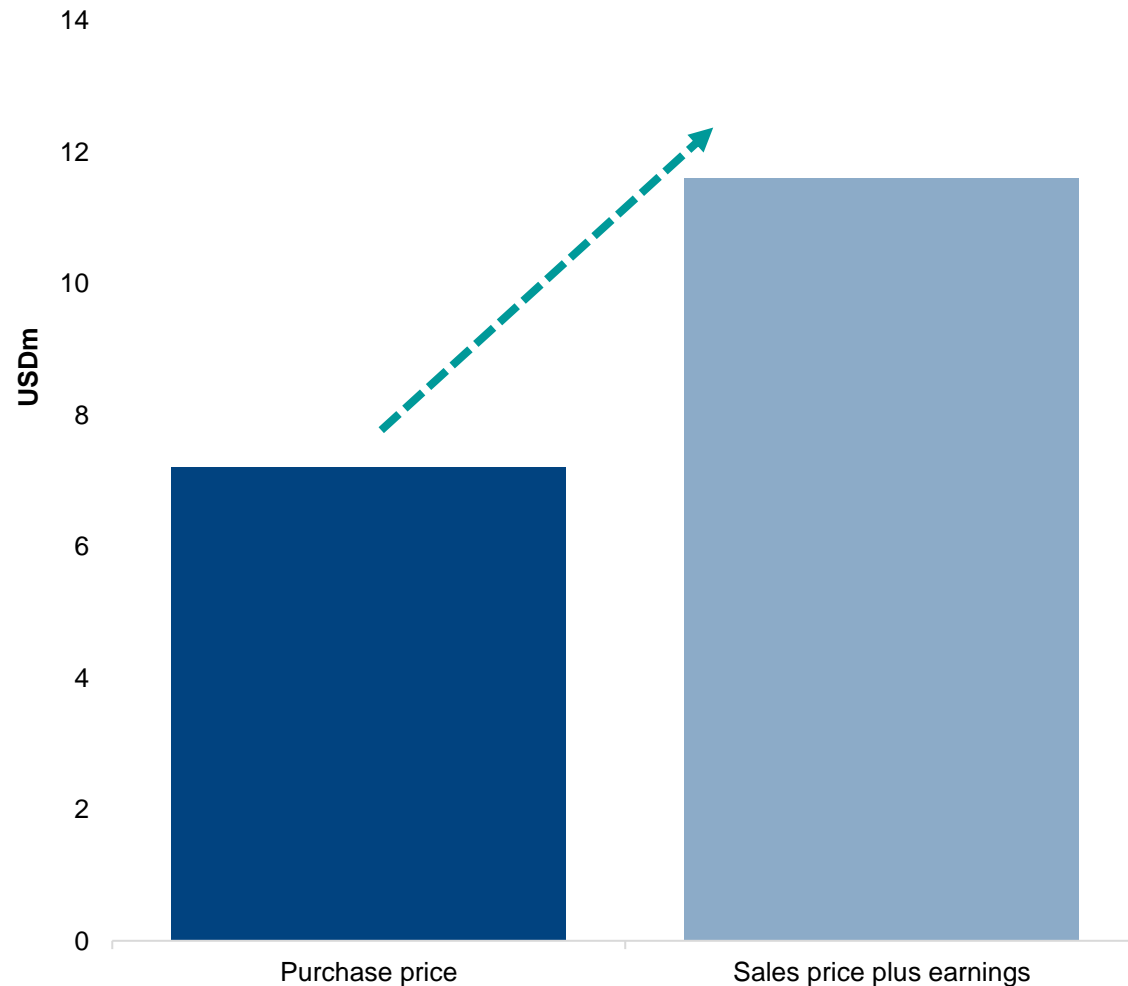


Source: Clarkson, Company data

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



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2q23 results – EBITDA of USD 5.9 million (0.0 million in 2q22)

- Time charter equivalent earnings (TCE) of USD 15,600 per day and utilization of 97% based on availability (USD 11,200 per day/ 98% utilization in 2q22)
- Net cash of USD 15.3 million on consolidated basis and USD 10.4 million adjusted for ownership
- Board resolution on total distribution of NOK 0.70 per share
 - NOK 0.20/sh reflecting operating results and NOK 0.50/sh from the sale of Standard Duke

Subsequent events

- Achieved TCE of USD 17,700 per day in July with 99% utilization
- Sold Standard Duke for USD 11 million and repaid revolving credit facility (RCF) of USD 2.7 million
- New contracts:
 - Standard Defender 5-months from mid/ late September at USD 22,500 per day in West Africa
 - FS Balmoral 2-3 months from early September at USD 33,700 per day off Germany
 - FS Crathes 3-months from mid-August at USD 15,000 per day in the North Sea

Standard Supply in brief

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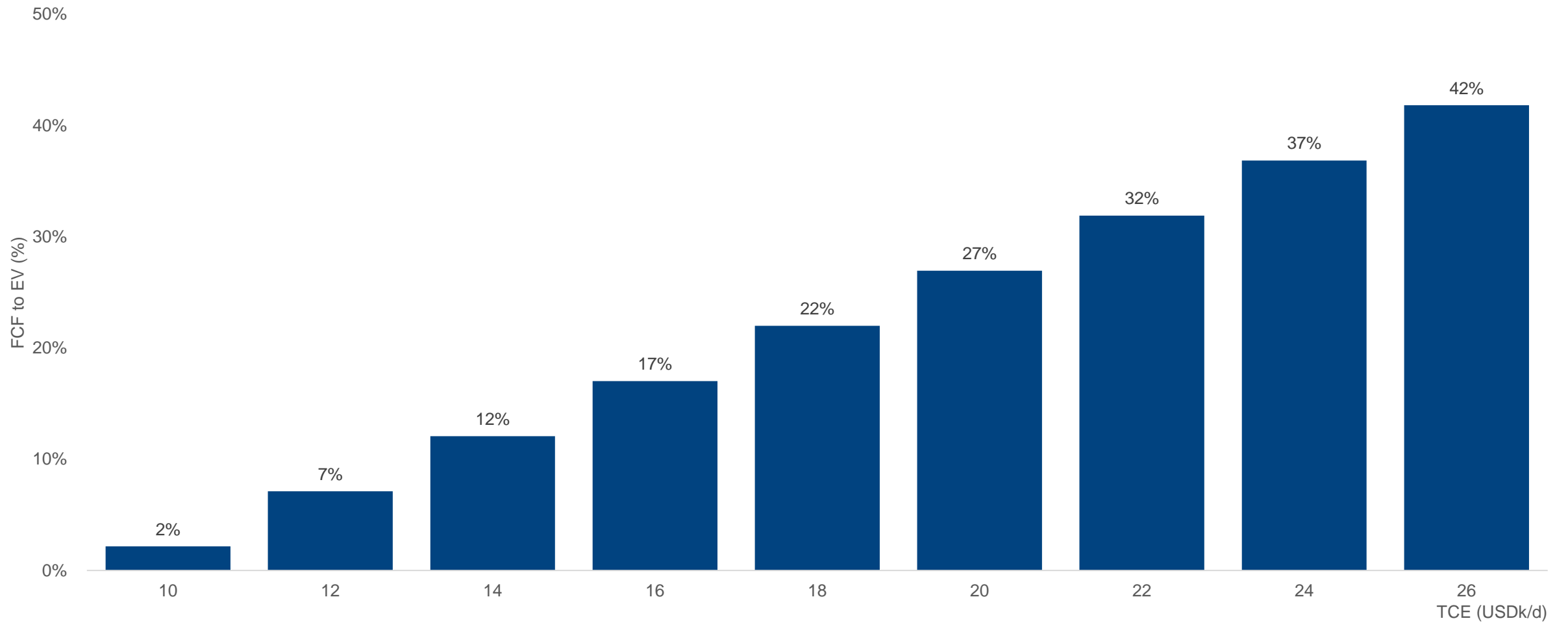
Fleet of eight PSVs with high operational leverage

Vessels	Built	Deck (m2)	Employment	Dayrate	Firm end	Option end	Next DD	3q23	4q23	1q24	2q24	3q24	4q24
Standard Viking	2007	1 060	TC	16 500	feb.24	feb.24	2027						
Standard Supplier	2007	1 060	TC	23 700	jun.24	nov.24	2027						
Standard Defender	2019	900	TC	25 100/ 22 500	mar.24	mar.24	2024						
FS Balmoral	2008	710	TC	33 700	nov.23	nov.23	2028						
FS Kristiansand	2005	710	TC	16 500	okt.23	jan.24	2025						
FS Braemar	2007	710	TC	18 500	sep.23	mar.24	2027						
FS Abergeldie	2008	680	TC	8 800	okt.23	apr.25	2023						
FS Crathes	2008	680	TC	15 000	nov.23	feb.24	2028						

TC
Option
Spot

Note: Dayrates converted from EUR/ GBP to USD per end of June 2023.
Firm end/ option end based on management estimates.

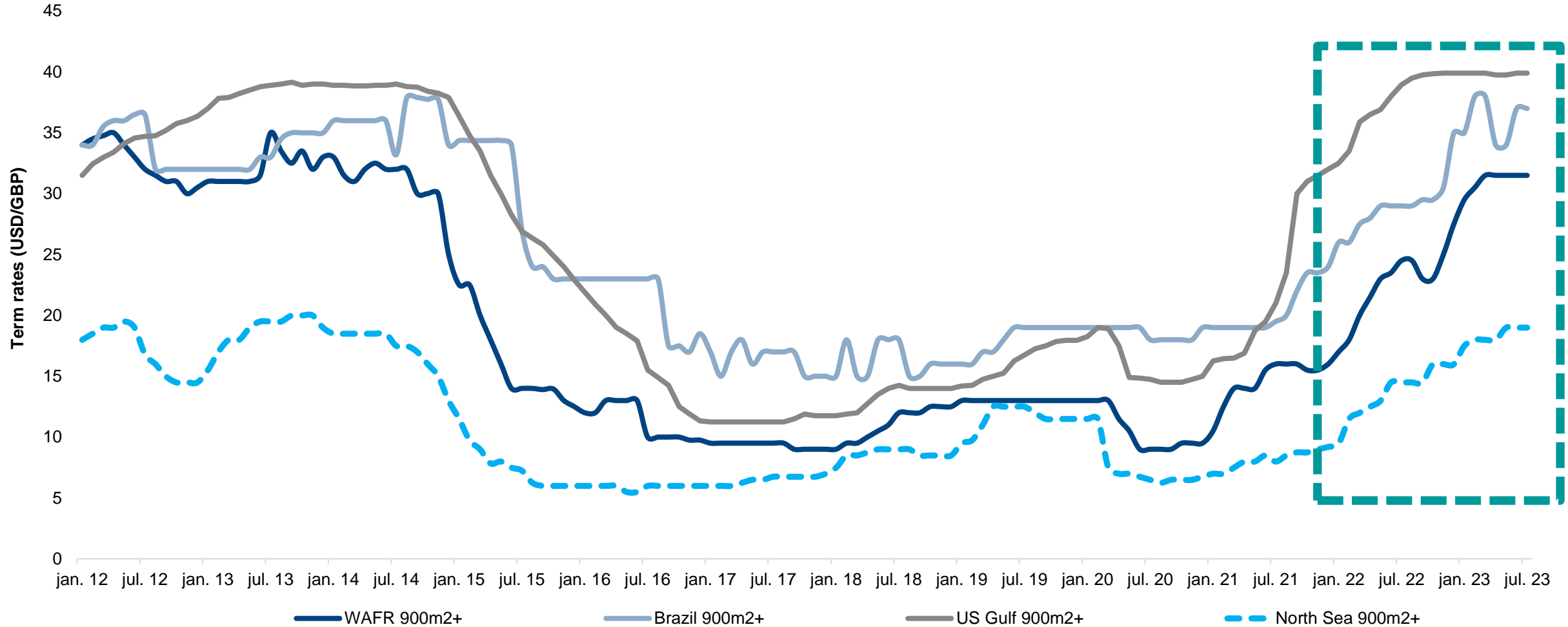
FCF potential



Assumptions: Proportionate balance sheet items per June 2023 on NOK 5.5 per share price adjusted for sale of Standard Duke.
Net ownership of 5.5x vessels.
Utilization of 95%. Opex + G&A of USD 7,700 per day and DD provisions of USD 800/d.

Global Market – PSV Term Rates

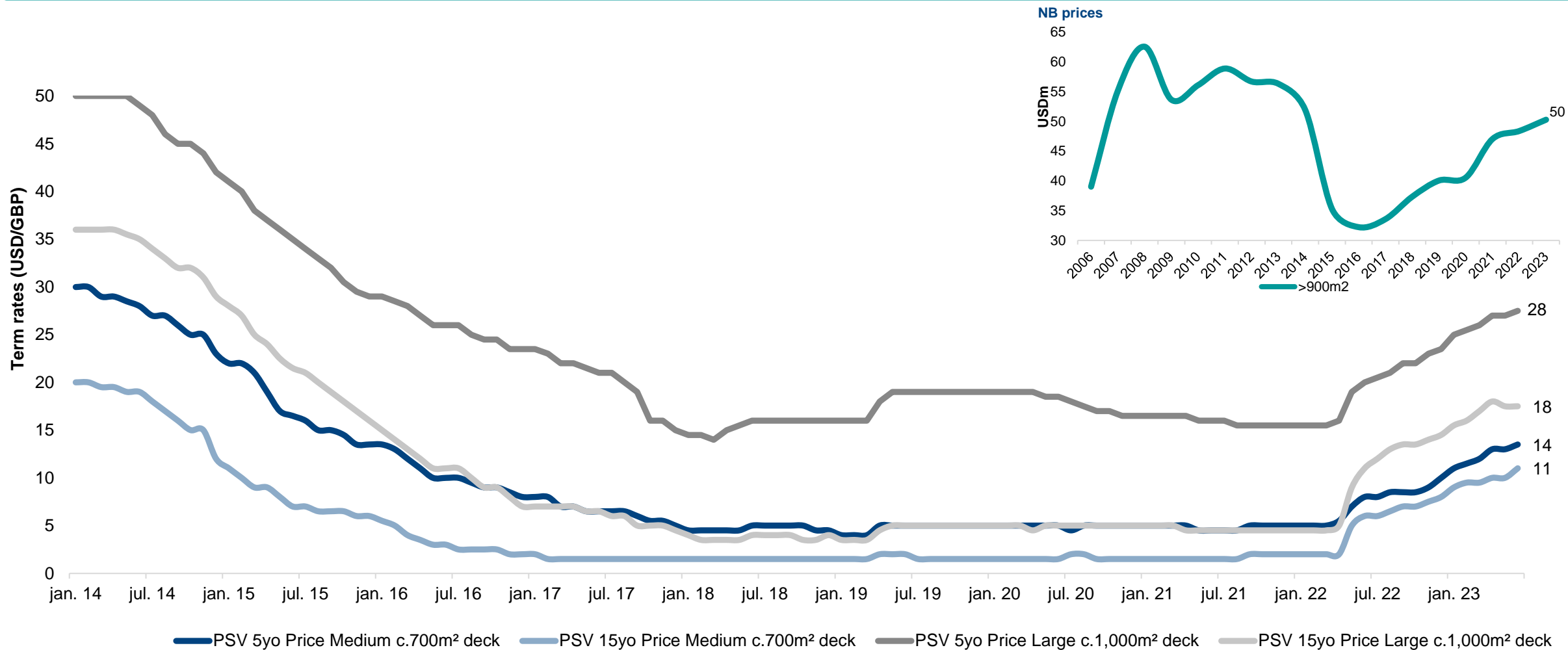
Improvements in Wafr/ Brazil driving up North Sea term expectations



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

Total PSV fleet – Key regions

	North Sea	Brazil	US GoM	Wafr	TOTAL
2015	240	224	352	209	1 025
2016	263	192	393	203	1 051
2017	267	179	395	199	1 041
2018	255	178	387	193	1 013
2019	240	174	358	202	975
2020	235	172	342	184	933
2021	211	176	335	163	885
2022	188	184	326	170	868
2023	178	192	310	171	851
Current	175	194	308	168	845

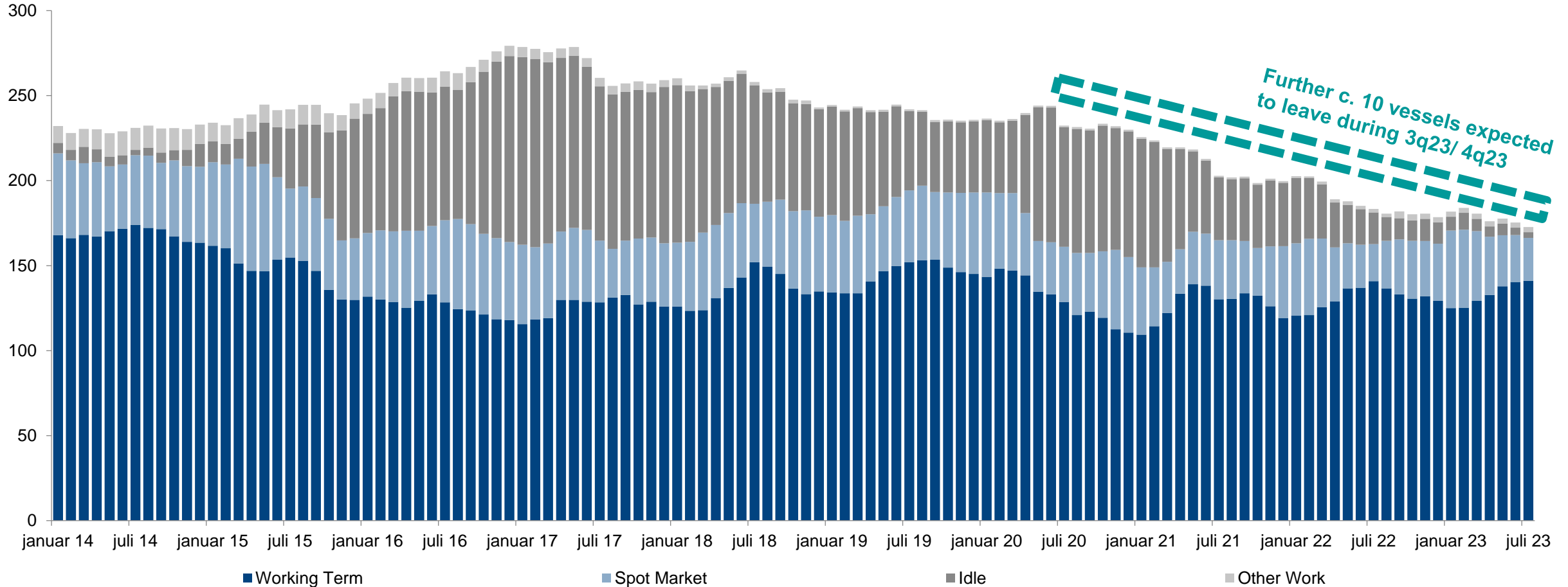
Source: Clarkson

Note: Include term, spot and idle vessels

Global Market – Further North Sea Capacity Reductions Ahead

Ten vessels left since June 2022 (c. 5% of available fleet) on higher international activity

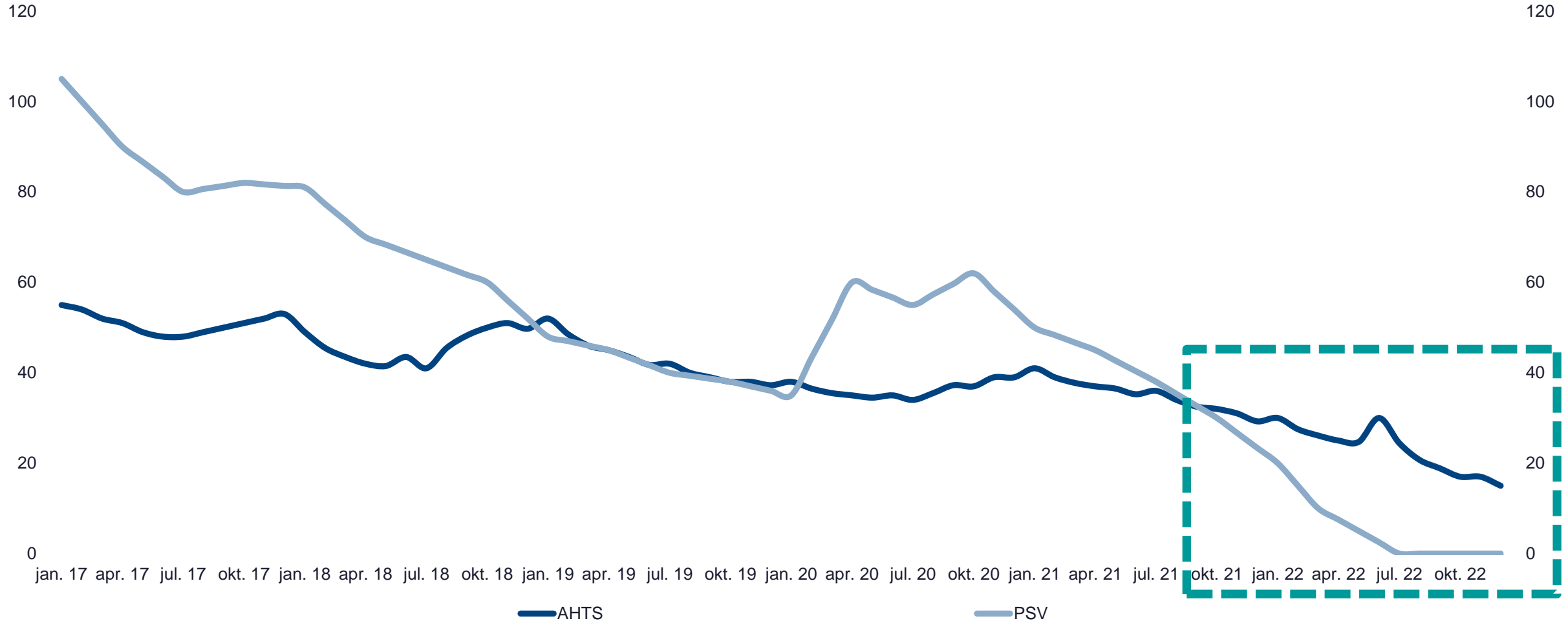
Number of PSVs - North Sea (UK + Norway)



Source: Clarkson, Westshore

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	278	256	233	211	190
Marketed supply	263	193	194	172	167
Contracted demand	250	141	157	131	148
Total utilization	90 %	55 %	67 %	62 %	78 %
Marketed utilization	95 %	73 %	81 %	76 %	89 %
6/ 7th gen	12-14 Peak	17-18 Trough	Pre-covid	Covid-trough	Current
Total supply	50	84	85	80	80
Marketed supply	50	73	72	63	73
Contracted demand	50	51	57	48	58
Total utilization	99 %	61 %	67 %	60 %	72 %
Marketed utilization	99 %	70 %	79 %	77 %	79 %
Benign semis and other	12-14 Peak	17-18 Trough	Pre-covid	Covid-trough	Current
Total supply	160	104	80	73	61
Marketed supply	146	71	64	60	51
Contracted demand	133	49	50	41	38
Total utilization	84 %	48 %	62 %	56 %	62 %
Marketed utilization	91 %	70 %	77 %	68 %	75 %

Source: IHS Petrodata

Global Market – Brazil Firing Up

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

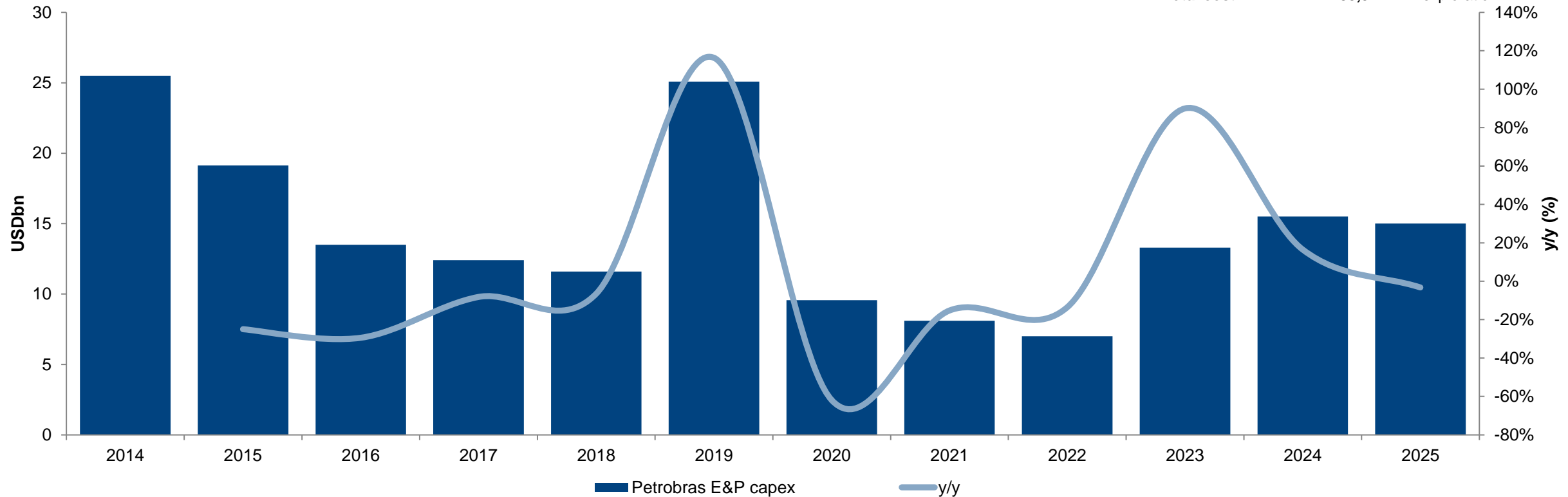
2023-2027 drilling activity

	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

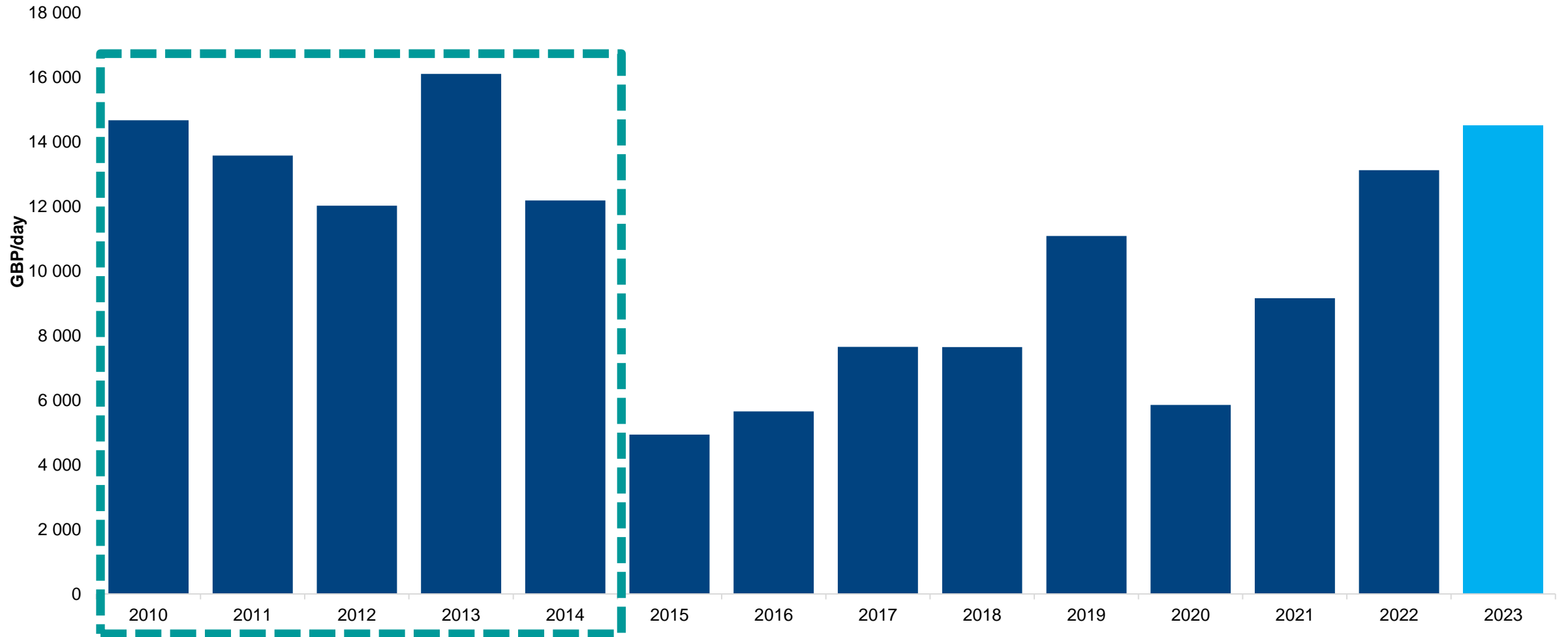


Source: Petrobras

Note: Lifting cost ex leasing cost and government taxes

North Sea Market – PSV Spot Rates

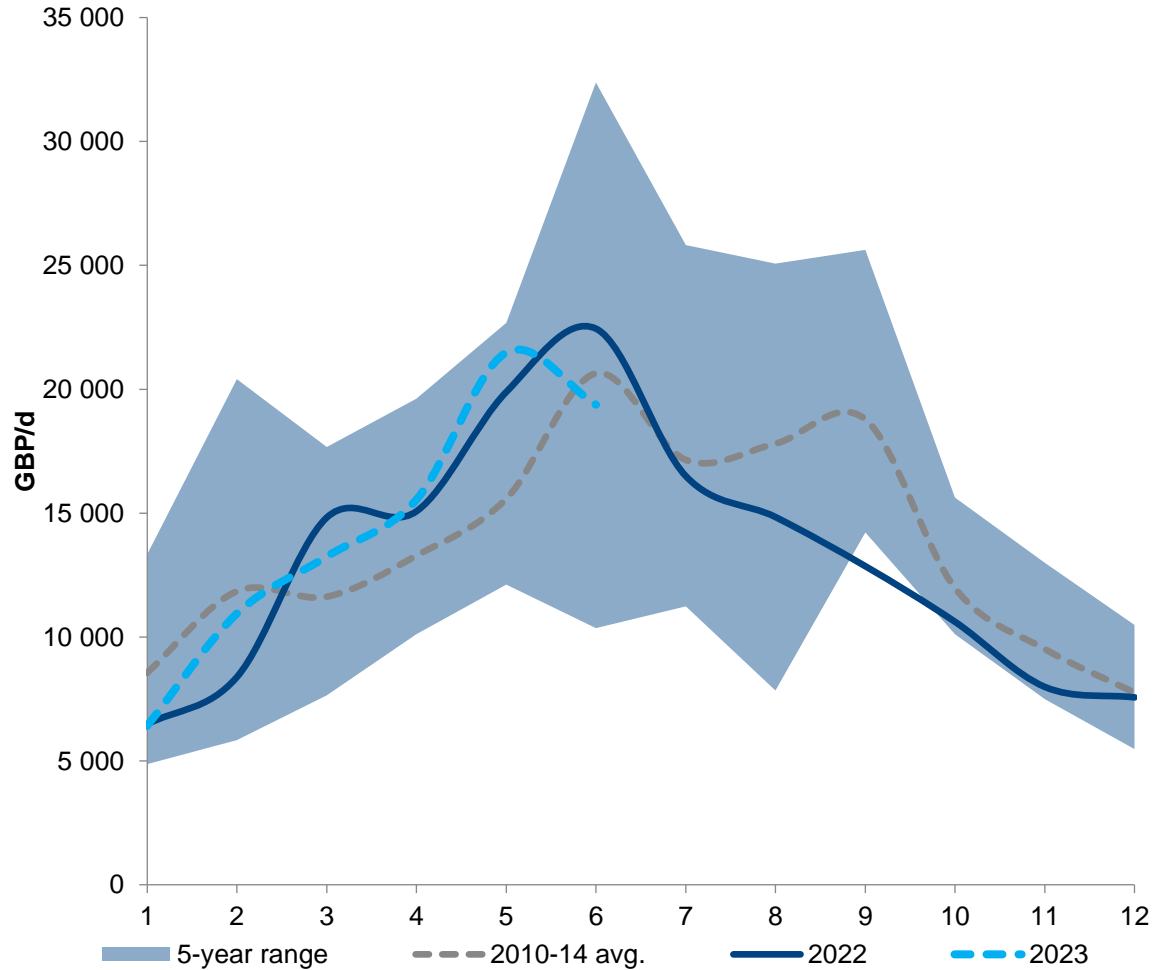
2023 average spot dayrates nearing historical peaks



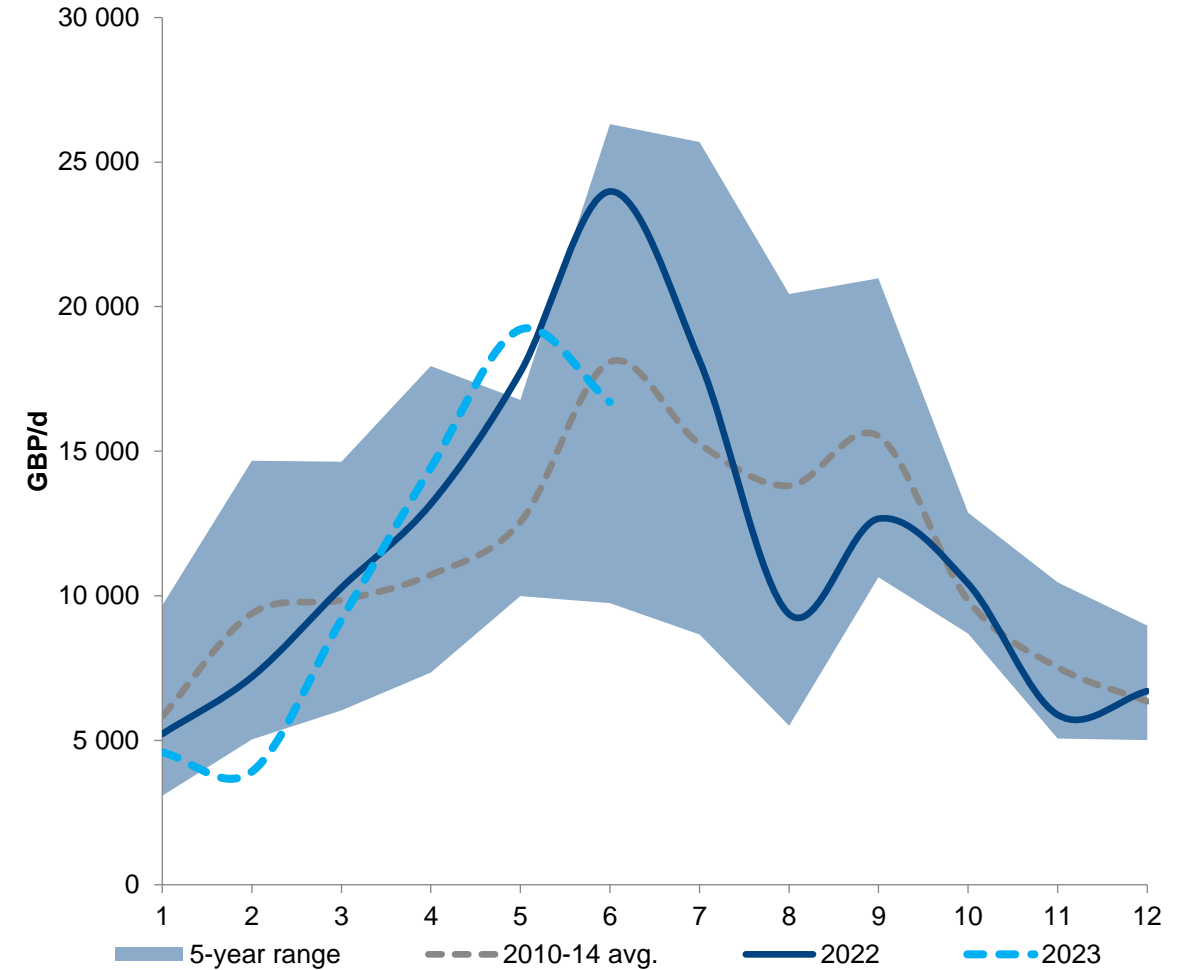
Source: Clarkson, Westshore

North Sea Market – PSV Spot Market Seasonality

PSV North Sea Spot – Large sized



PSV North Sea Spot – Medium sized

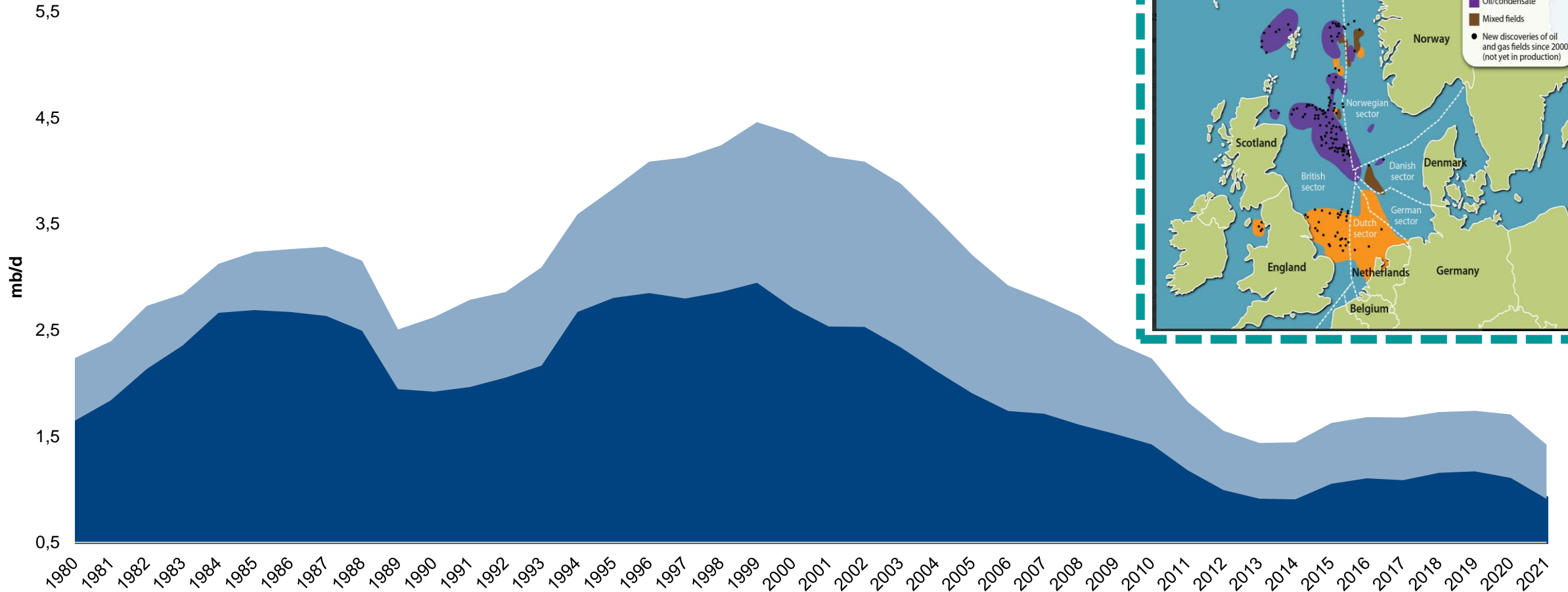


Source: Clarkson, Westshore

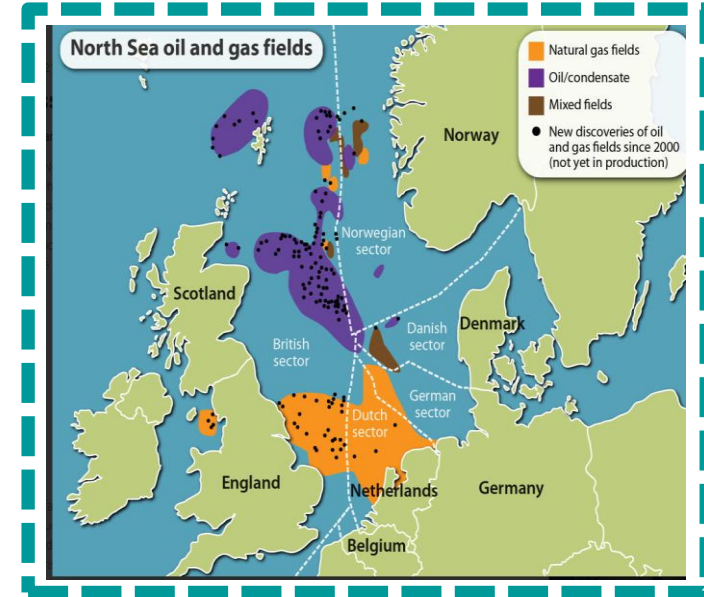
North Sea Market – UK Energy Security in Focus

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
 - TC levels for large-sized PSVs yielding c. NOK 30 cents/share of dividend capacity
- North Sea PSV fleet reduced c. 5% since June '22 and further c. 10 vessels expected to leave in 3q/4q23

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

- Significant dividend capacity and opportunistic growth potential

Standard Supply in brief

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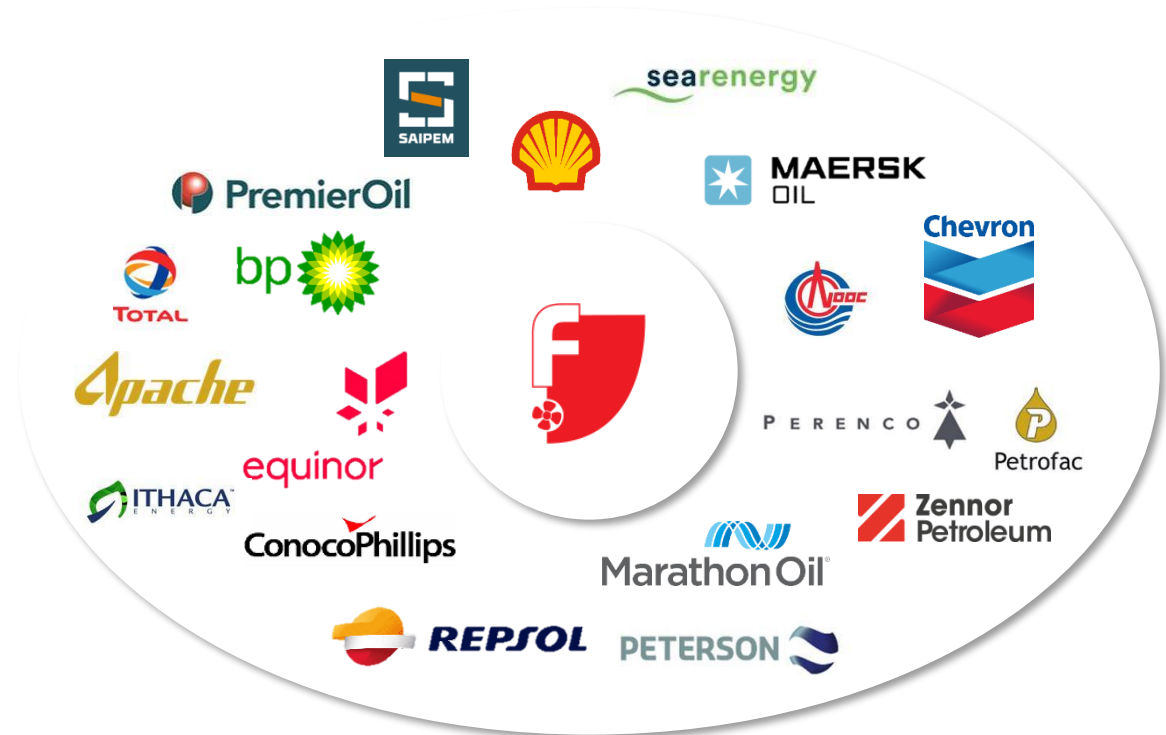
Appendix

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