



2nd Quarter 2020 Financial Results Presentation

5 August 2020

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2ND QUARTER 2020 HIGHLIGHTS



- **Strong freight rates for tankers continued in the 2nd quarter 2020**
 - > Benefitted tankers operating in pools
- **Net profit of US\$ 1.3m⁽¹⁾ in the 2nd quarter 2020 and US\$ 8.0m⁽¹⁾ in the 1st half 2020**
 - > 2nd quarter 2020 profit 35% lower than previous year (US\$ 2.0m)⁽¹⁾
 - > 6th consecutive quarterly net profit
 - > 1st half 2020 profit up 59% from previous year (US\$ 3.01m)⁽¹⁾
- **Adjusted EBITDA of US\$ 10.2m⁽¹⁾⁽²⁾ in the 2nd quarter 2020 and US\$ 22.7m⁽¹⁾⁽²⁾ in the 1st half 2020**
 - > 2nd quarter 2020 adjusted EBITDA slightly down 1% from previous year (US\$ 10.3m)⁽¹⁾
 - > 1st half 2020 adjusted EBITDA slightly up 4%, despite reduced fleet
- **Fleet utilisation of 96%**
 - > Slightly reduced due to redelivery of 2 containerships
- **Robust capital structure**
 - > Strong liquidity position of US\$ 33.3m⁽¹⁾
 - > Solid financial ratios
 - > Very low leverage of 0.1x⁽¹⁾⁽²⁾⁽³⁾ only
- **Joined the Getting to Zero Coalition of the Global Maritime Forum**
 - > An alliance of more than 110 companies in the shipping industry ecosystem with the goal to realise commercially viable vessel technology and fuels with net zero emissions by 2030

Note(s):

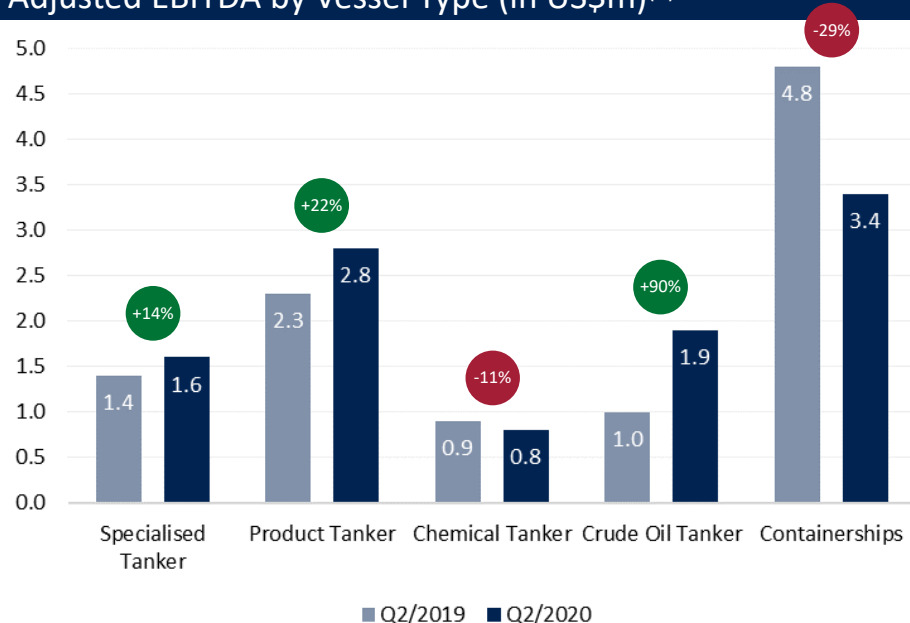
⁽¹⁾ Unaudited

⁽²⁾ Excluding gains/losses from the disposal of vessels and vessel impairments

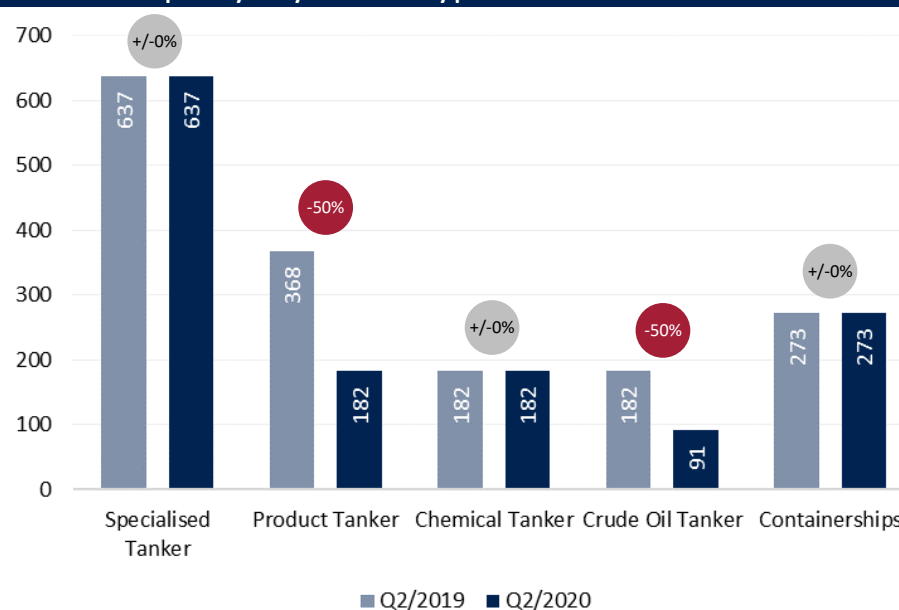
⁽³⁾ Net interest bearing debt to trailing 12-months adjusted EBITDA

OPERATING PERFORMANCE REVIEW

Adjusted EBITDA by Vessel Type (in US\$m)⁽¹⁾



Ownership Days by Vessel Type



Commentary

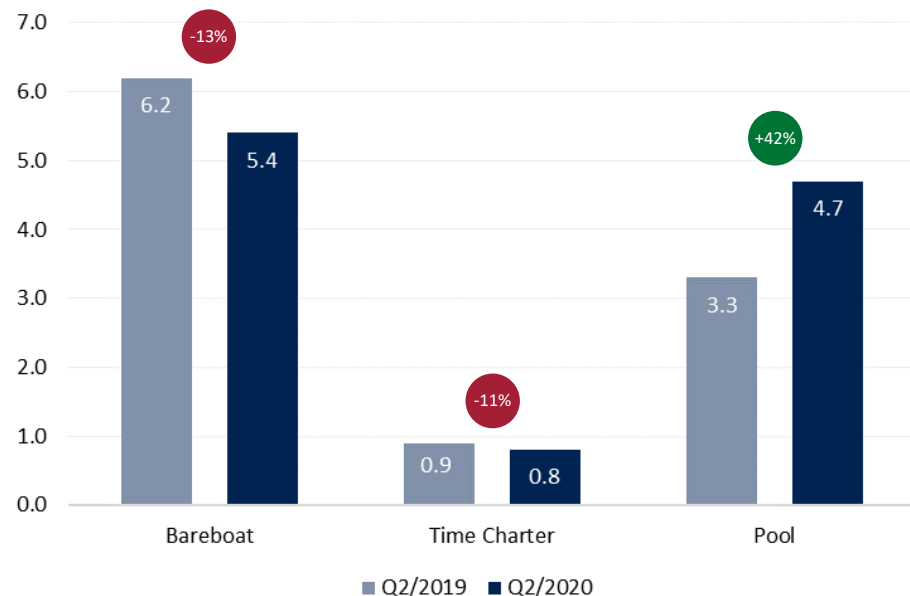
- > Disposal of 4 tankers led to significant reduction (negative 17% y-o-y) of ownership days
- > Increase (22% y-o-y) of adjusted EBITDA⁽¹⁾ from product tankers due to strong freight rates
- > Significant increase (90%) of adjusted EBITDA⁽¹⁾ from crude oil tankers due to strong freight rates

Note(s):

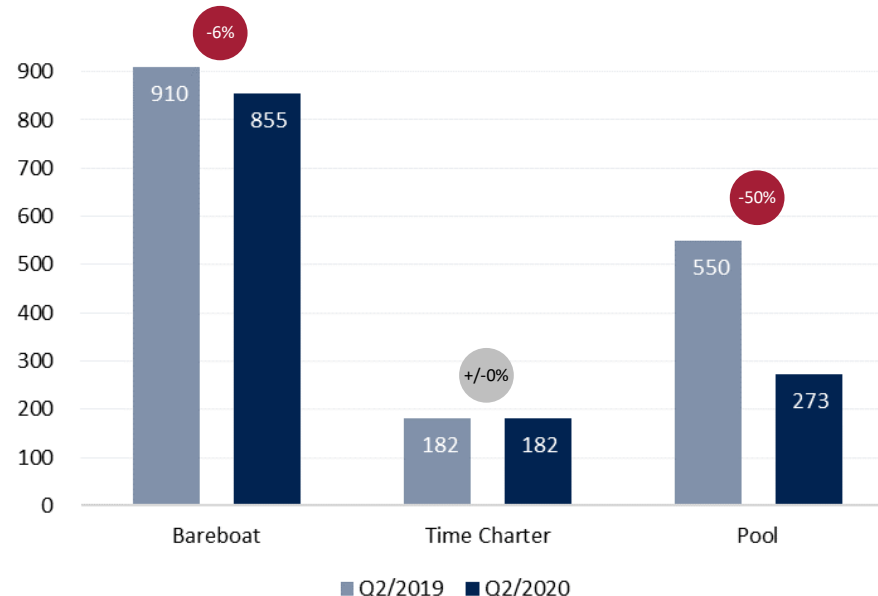
⁽¹⁾ Excluding gains/losses from the disposal of vessels and vessel impairments

OPERATING PERFORMANCE REVIEW (CONT'D)

Adjusted EBITDA by Employment Type (in US\$m)⁽¹⁾



Ownership Days by Employment Type



Commentary

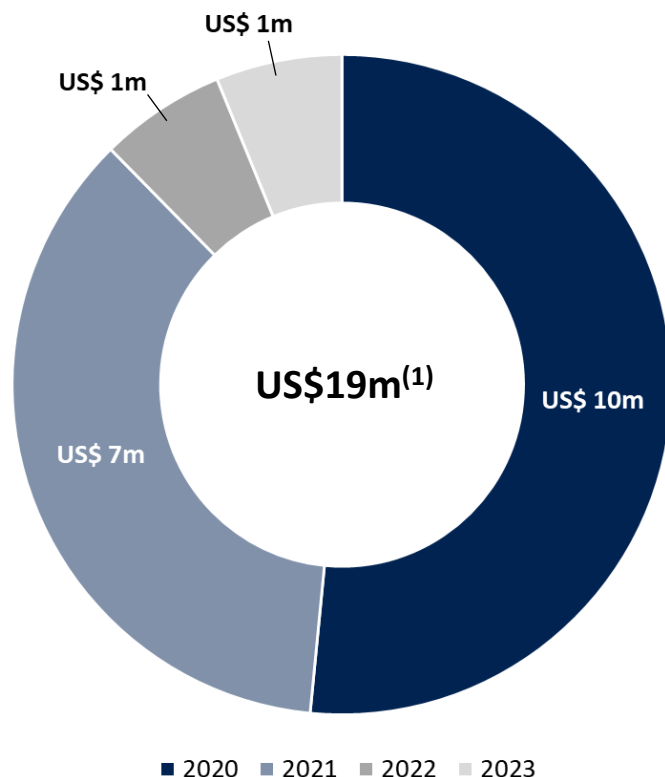
- > Adjusted EBITDA from bareboat charters reduced (negative 13%) due to the redelivery of 2 Container-ships
- > Adjusted EBITDA from pool employment (product and crude oil tankers) increased significantly (42% y-o-y), despite reduced fleet and ownership days (minus 50% y-o-y)

Note(s):

⁽¹⁾ Excluding gains/losses from the disposal of vessels and vessel impairments

FLEET EMPLOYMENT

US\$ 19m of Contracted Revenue⁽¹⁾



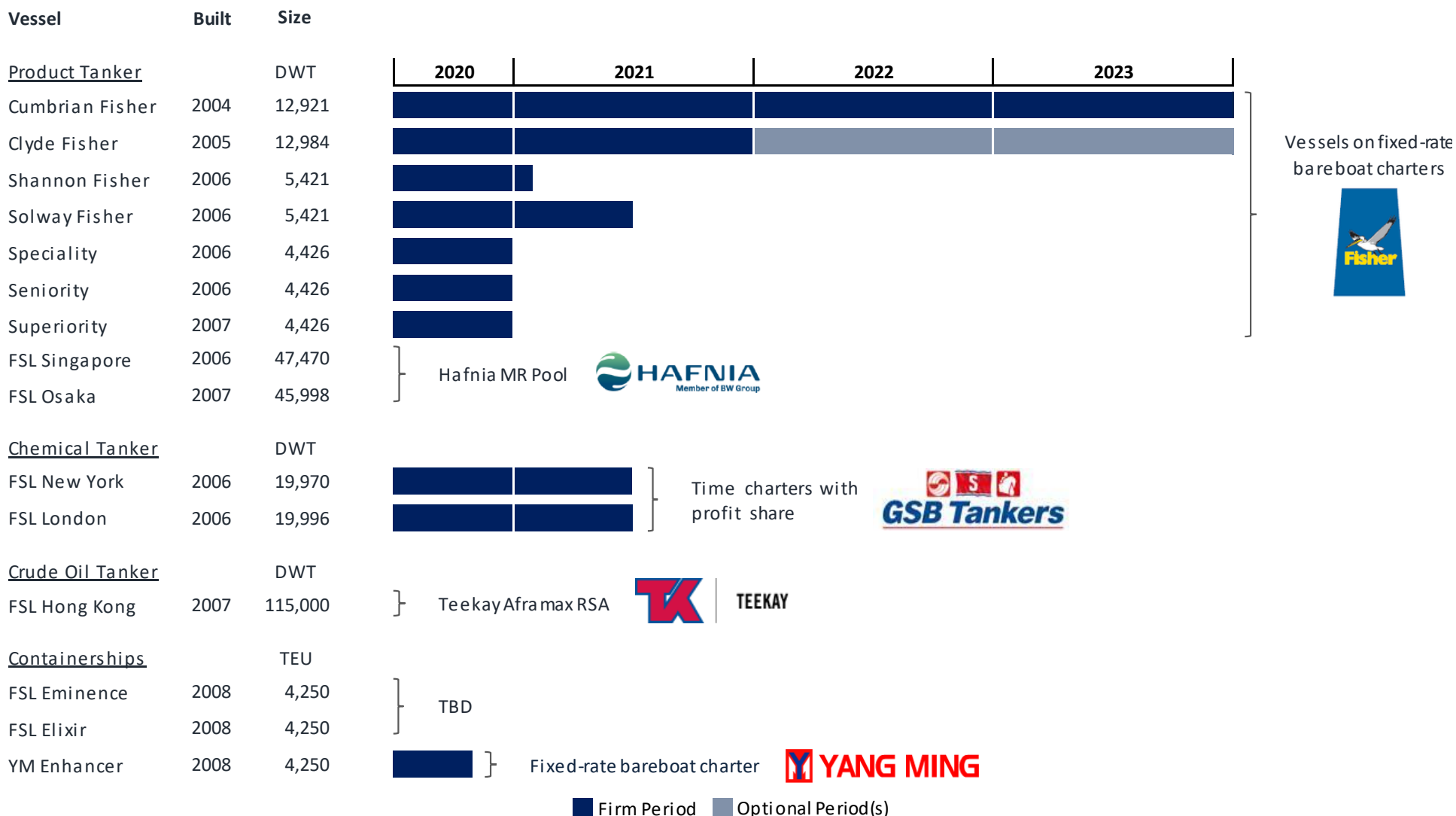
Charter Expiries in 2020

- > 2 containerships completed the charters and were redelivered in May and June 2020, respectively, and 1 containership will be redelivered in October 2020, currently considering strategic alternatives
- > Charter maturity for 3 specialised tankers in December 2020, in discussions with charterer for a potential extension of the charters
- > Options to extend the charters for 2 chemical tankers were exercised by charterer with new charter maturity in June 2021

Note(s):

⁽¹⁾ As at 30 June 2020, based on revenue from 8 bareboat charters and 2 time charters, excluding optional extensions

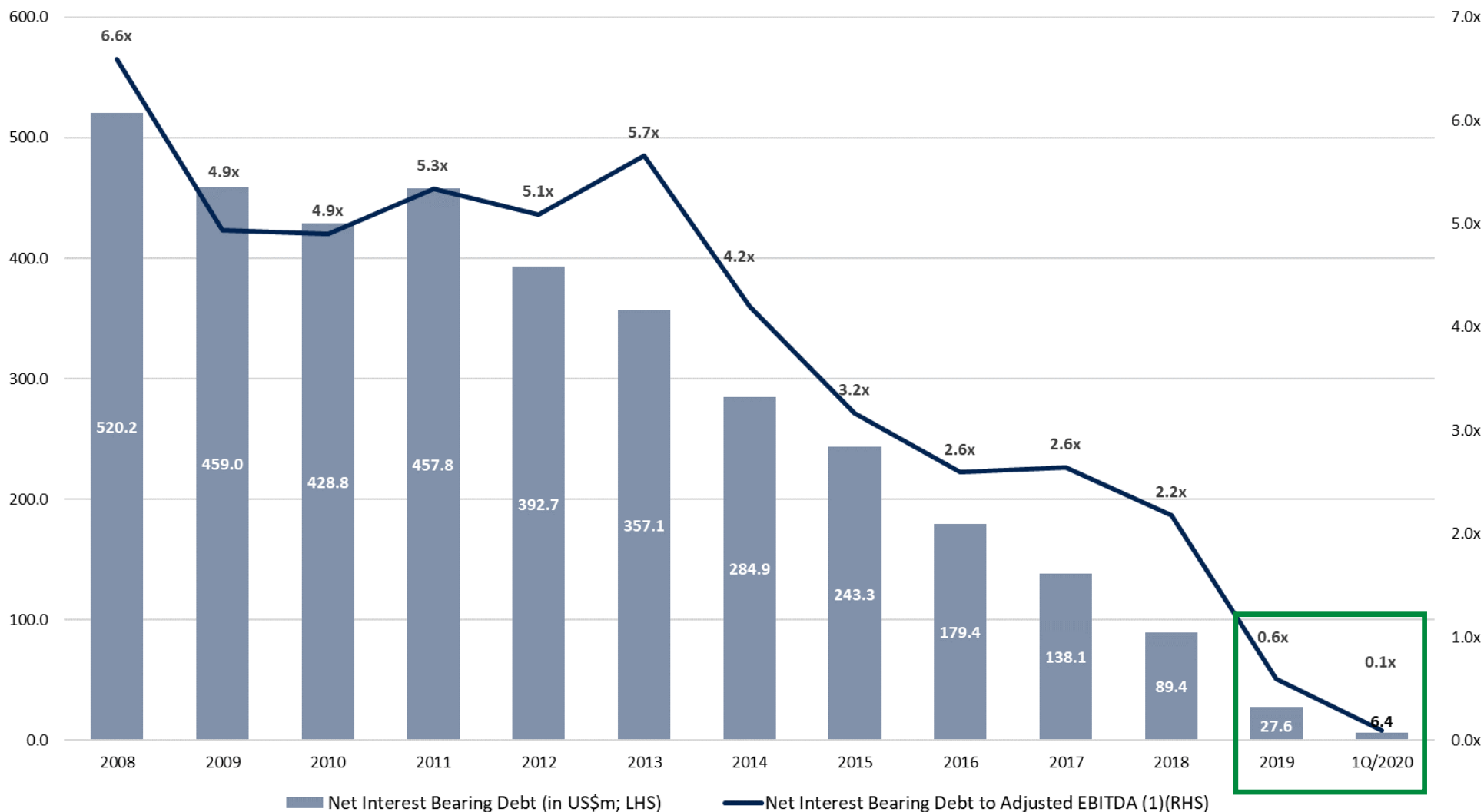
FLEET EMPLOYMENT PROFILE⁽¹⁾



Note(s):
⁽¹⁾ As of 1 July 2020

■ Firm Period ■ Optional Period(s)

DEBT REDUCTION



Note(s):

⁽¹⁾ Trailing 12-months; excluding gains/losses from the disposal of vessels and vessel impairments

UPDATE ON THE USE OF PROCEEDS FROM THE PREFERENTIAL OFFERING AND THE NEWBUILDING PROGRAMME

- Opening balance on 1 April 2020 of US\$ 6.14m
- US\$ 4.88m were used for the 3rd instalment of 10% for the keel laying for the newbuilding hull no. N945 in April 2020
- US\$ 1.26m were used to partly finance the 4th instalment of 10% for the launching of the newbuilding hull no. N944 in June 2020; the balance was financed with available liquidity of the Trust
- The proceeds from the preferential offering have now been fully utilised
- The construction of the newbuildings is progressing smoothly



Containerships

- Unprecedented demand contraction in the containership-trade with an expected decline in excess of 7% for the full year 2020
- Inactive containership fleet reached an all-time high of 2.7m TEU in May 2020, representing c.12% of the total capacity; slight reduction to 8% in July
- Containership port calls in TEU down 4% in June after a decline of 7% in May 2020
- New tonnage entering the market reduced with deliveries down 41% y-o-y
- Orderbook at historical lows and subdued contracting of newbuildings
- Increase of demolitions y-o-y (>140k TEU y-t-d versus c.210k TEU f-y 2019) with larger and younger vessels being sold for demolition
- Early signs of improvement in the chartering and S&P market, but continue market risk

Tankers

- Strong demand for tonnage and record high freight markets in the first 5 months of the year driven by an oil price war between OPEC+ members, coupled with demand contraction leading to an oversupply of oil and historically low oil prices
- OPEC+ output cut of c.11m bpd since May 2020, high inventory levels, lower refinery throughput and seasonality led to reduced demand for seaborne transportation of oil and oil products in the recent weeks whilst oil storage on tankers remains at elevated levels due to oil surplus
- Freight markets have significantly softened for both crude oil tankers and product tankers with an expectation of an improvement towards the end of the year
- Orderbook at historical lows and subdued contracting of newbuildings
- Low liquidity in the S&P market due to travel restrictions

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APPENDIX: INCOME STATEMENT



Income Statement (in US\$m) ⁽¹⁾			
	2 nd Quarter 2019	2 nd Quarter 2020	Change in %
Revenue	16.30	14.51	-11.0%
Voyage expenses/(Income)	-0.08	-0.02	-81.0%
Vessel operating expenses	5.30	3.37	-36.5%
Management fees	0.46	0.45	-0.9%
Trustee fees	0.01	0.01	-7.7%
Other Trust expenses	0.32	0.51	61.0%
Adjusted EBITDA⁽²⁾	10.29	10.18	-1.1%
Depreciation	6.30	4.97	-21.2%
Impairment charges	0	3.27	100.0%
Gain on disposal of vessel(s)	0.01	0.01	11.1%
Results from operating activities (EBIT)	4.00	1.95	-51.2%
Finance income	0.05	0.09	64.8%
Finance expenses	2.02	0.71	-65.1%
EBT	2.03	1.33	-34.4%
Income tax	0	0.01	100%
Profit for the quarter	2.03	1.33	-34.7%
per unit (basic) (in US cents)	0.24	0.07	-70.8%
per unit (diluted) (in US cents)	0.23	0.07	-69.6%

Note(s):

⁽¹⁾ Unaudited

⁽²⁾ Excluding gains/losses from the disposal of vessels and vessel impairments

APPENDIX: BALANCE SHEET



Balance Sheet (in US\$m)⁽¹⁾

	30 June 2020	31 Dec 2019		30 June 2020	31 Dec 2019
Assets			Equity and liabilities		
Vessels ⁽²⁾	158.28	180.70	Units in issue	561.33	561.33
Non-current assets	158.28	180.70	Reserves	-403.49	-358.45
			Total unitholder's equity	157.84	202.88
Inventories	0.36	0	Bank loans	15.76	34.52
Trade and other receivable	8.37	13.18	Non-current liabilities	15.76	34.52
Cash and cash equivalents ⁽³⁾	33.28	42.44			
Non-current assets held for sale	0	38.88	Trade and other payables	2.02	2.22
Current assets	42.01	94.50	Bank loans (current portion)	23.90	35.54
			Lease income received in advance	0.76	0
			Income tax payable	0.01	0.04
			Current liabilities	26.68	37.80
			Total liabilities	42.44	72.32
Total assets	200.29	275.20	Total equity and liabilities	200.29	275.20

Note(s):

⁽¹⁾ Unaudited

⁽²⁾ Includes operating vessels of US\$ 121.10m (2019: US\$ 158.60m) and vessels under construction of US\$ 37.18m (2019: US\$ 22.10m)

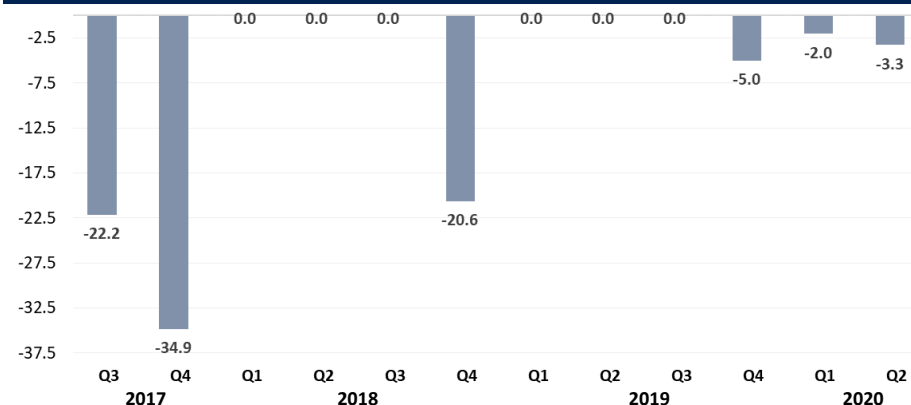
⁽³⁾ Includes US\$ 0.50m of restricted cash (2019: US\$ 0.50m)

APPENDIX: HISTORICAL FINANCIAL PERFORMANCE

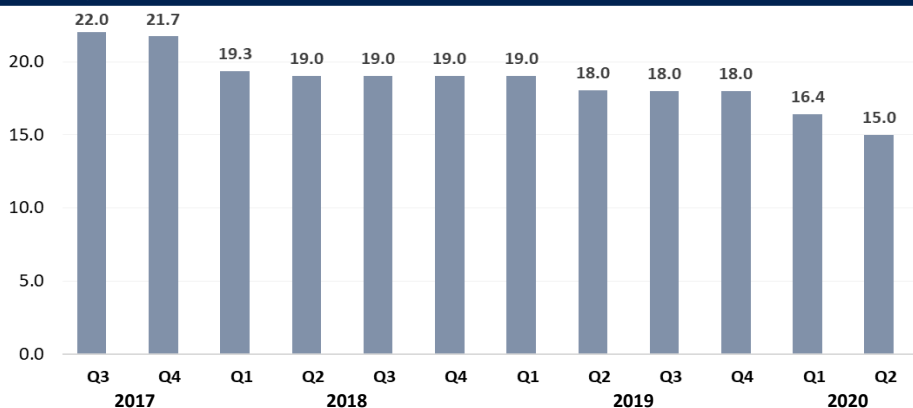
Adjusted EBITDA (in US\$m)⁽¹⁾⁽²⁾



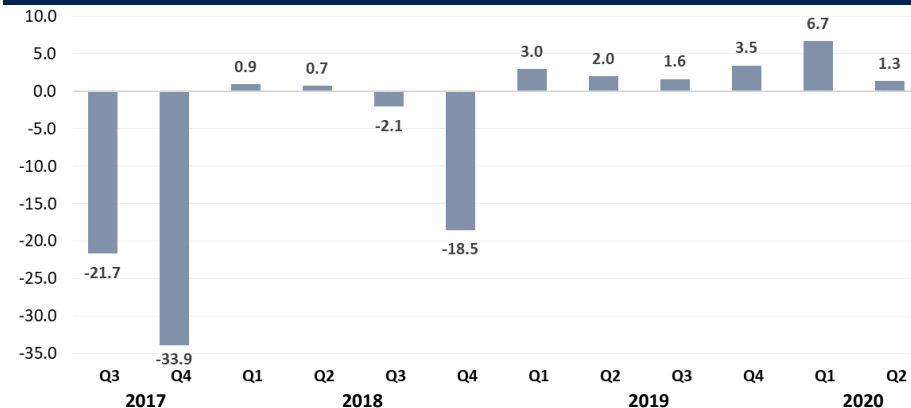
Vessel Impairments (in US\$m)⁽¹⁾



Average Number of Vessels



Net Profit/Loss (in US\$m)⁽¹⁾



- > Significant improvement of financial performance over the last few quarters, despite reducing fleet
- > Legacy issues (vessel impairments) left behind, focus on operations and strategy

Note(s):

⁽¹⁾ Unaudited

⁽²⁾ Excluding gains/losses from the disposal of vessels and vessel impairments