



FSL Trust Management Pte. Ltd.

as Trustee Manager for First Ship Lease Trust

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FSL Trust reports a net profit of US\$ 0.5 million for the 3rd quarter of 2020 and declares a distribution to unitholders

Key Financial Highlights

- Net profit of US\$ 0.5 million for the 3rd quarter 2020 and US\$ 8.5 million for the 9-months period ended 30 September 2020, up 27% y-o-y
- Adjusted EBITDA¹ of US\$ 3.3 million for the 3rd quarter 2020 and US\$ 26.1million for the 9-months period ended 30 September of 2020, down 16% y-o-y
- Strong liquidity position and zero net debt
- Distribution of 1.50 US cents per unit

Singapore, 5th November 2020 – FSL Trust Management Pte. Ltd. (“FSLTM”), as trustee-manager of First Ship Lease Trust (“FSL Trust” or the “Trust”), today announced the financial results of FSL Trust for the 3rd quarter 2020 and 9-months period ended 30th September 2020.

Despite a weak tanker demand during the summer months and the impact of the redelivery of the containerships *FSL Eminence* and *FSL Elixir* at the end of the term of the charters in the 2nd quarter 2020 on revenue, FSL Trust ended the 3rd quarter 2020 with a positive net result of c.US\$ 0.5 million and an adjusted EBITDA¹ of US\$ 3.3 million. For the 9-months period ended on 30 September 2020, FSL Trust reported a net profit of US\$ 8.5 million and an adjusted EBITDA¹ US\$ 26.1 million, an increase of 27% y-o-y and a decrease of 16% y-o-y, respectively.

Amid the challenges posed by the COVID-19 pandemic, the Trust maintains a robust capital structure and ended the 3rd quarter 2020 with US\$ 41.2 million of cash and cash equivalents. The amount outstanding under the loan facilities has further reduced to US\$ 31.7 million through scheduled amortisation and voluntary prepayments, resulting in zero net debt and an equity ratio of 82% versus 70% the year before. Given the strong liquidity position, the Trust will pay a distribution to unitholders of 1.50 US cents for the 3rd quarter 2020, while maintaining a conservative capital structure.

In August 2020, the Trust has agreed to sell all its containerships and delivered the vessels *FSL Eminence* and *FSL Elixir* to their buyers. The vessel *FSL Enhancer* was delivered to her buyers subsequently, on 26th October 2020. The aggregate net sales proceeds from the disposal of all three containerships were approximately US\$ 22.9 million.

In the meantime, the construction of the two LR2 tanker newbuildings progressed smoothly and is expected to be completed early 2021. In September 2020, the Trust accepted an offer for the sale and leaseback of the newbuildings. Subject to definitive documentation being entered into, the net aggregate amount to be raised is US\$ 58.56 million and the lease term will be 10 years from the delivery of the newbuildings with a purchase obligation at the end of the lease term.

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

Commenting on the results, Roger Woods, Chief Executive Officer, said:

“The COVID-19 pandemic continues to be the dominant factor for the shipping industry, having caused a softening of demand for seaborne transportation across segments and disruptions to the operations of vessels.

After a very strong start to the year, we have witnessed a significant decline in freight rates in the tanker markets during the summer months as a result of the reduced oil production as well as weaker demand and elevated inventory levels. The 3rd quarter 2020 result of FSL Trust is a reflection of the softer tanker markets but also the redelivery of some of our containerships as the charters ended. Despite the challenges the industry is currently facing, we ended the quarter with a positive result and expect a positive result for the full year 2020.”

Stathis Topouzoglou, Chairman of the Board of Directors, commented:

“As we announced the results of FSL Trust for the 3rd quarter 2020 today, the Board of Directors again expresses its gratitude to the entire FSL team and the crews on board our vessels for their dedication and commitment during this challenging period. With the continuous impact of the pandemic weighing on the world economy and the shipping markets, our focus on streamlining the vessel portfolio and reducing the financial risk over the last years has proven right. The Trust’s robust financial position with ample liquidity provides resilience during these trying times.

Whilst the investment environment is clouded by increased uncertainty and we continue to follow a ‘wait and see’ approach, we have decided to pay out part of the excess liquidity to unitholders by declaring a distribution of 1.50 US cents per unit.”

3rd Quarter 2020 Results Live Webcast

FSLTM will host a live webcast for all registered participants on Friday, 6th November 2020 at 10:00 am (Singapore time) to discuss the results followed by a Q&A session. An audio recording of the conference call will be available on FSL Trust's website www.firstshiplease.com from 12:00 pm (Singapore time) on Monday, 9th November 2020.

About First Ship Lease Trust

First Ship Lease Trust ("FSL Trust" or the "Trust") is a Singapore-based business trust which owns a diversified fleet of well-maintained, oceangoing vessels across different segments. The current vessel portfolio comprises 14 tankers of different sizes, including 2 tanker newbuildings under construction. Of the 12 operating vessels, 9 vessels are chartered to international shipping companies on fixed-rate period charters, whilst the other 3 vessels are employed in pools. The 2 tanker newbuildings under construction are expected to be delivered to FSL Trust in late 2020 and early 2021, respectively.

FSL Trust is listed on the Mainboard of the Singapore Exchange (SGX: D8DU; Bloomberg: FSLT SP; Reuters: FSLT.SI).

This news release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies, changes in operating expenses, trust expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.

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