

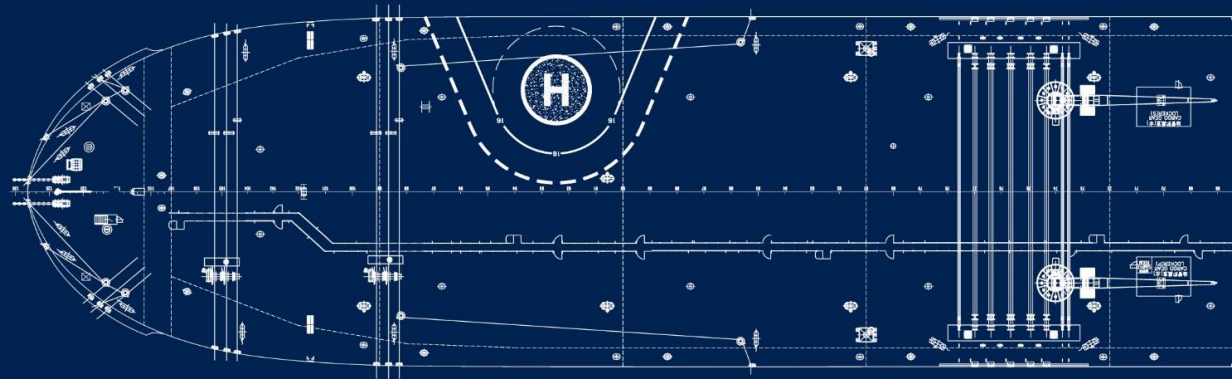


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Annual General Meeting

Singapore, 23 April 2021

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DISCLAIMER



This communication may contain forward-looking statements with respect to current expectations and forecasts of the financial condition and performance as well as the operations and business of First Ship Lease Trust (“FSL Trust” or the “Trust”). Forward-looking statements include expectations or forecasts of future events, statements about the beliefs, plans, objectives, intentions, assumptions and other statements of FSL Trust Management Pte. Ltd. (the “Trustee-Manager”), as trustee-manager of the Trust, that are not historical facts. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of FSL Trust to be materially different from any future results or performance expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding, amongst others, the Trust’s present and future business strategy, access to financing, and the political and economic environment in which FSL Trust will operate in the future.

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The past performance of FSL Trust is not indicative of its future performance. Similarly, the past performance of the Trustee-Manager is not indicative of the Trustee-Manager. The value of the units of FSL Trust (the “Units”) and any income derived may increase or decrease. The Units are not obligations of, deposits in, or guaranteed by, FSL Trust and/or the Trustee-Manager or any of its affiliates.

Unitholders should note that there is no right to request or demand FSL Trust and/or the Trustee-Manager to redeem or purchase Units. The Units are listed on the Mainboard of the Singapore Stock Exchange Securities Trading Limited (SGX-ST) and may be traded there. However, a liquid market for the trading of the Units is not guaranteed.

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Before acting on any information you should consider the appropriateness of the information contained in this communication and, in particular, you should seek independent financial, legal, etc. advice. All and any investment in the Units involve risks, including, but not limited to, the risk of adverse or unanticipated market, financial or political developments, currency risk in international transactions and the total loss of the investment. Neither the Trust, nor the Trustee-Manager shall be held liable for any losses suffered whatsoever from the investment in the Units.

AGENDA

1 2020 – THE YEAR IN NUMBERS

2 OPERATIONAL REVIEW

3 FLEET & FLEET EMPLOYMENT

4 FINANCIAL REVIEW

5 OUTLOOK

6 Q&A

2020 – THE YEAR IN NUMBERS

14.5

Average number
of vessels

US\$ 29.1m

Adjusted EBITDA⁽¹⁾

US\$ 6.2m

Net profit

US\$ 38.0m

Net cash generated
from operations

US\$ 87.3m

Net proceeds from
vessel disposals

US\$ 79.6m

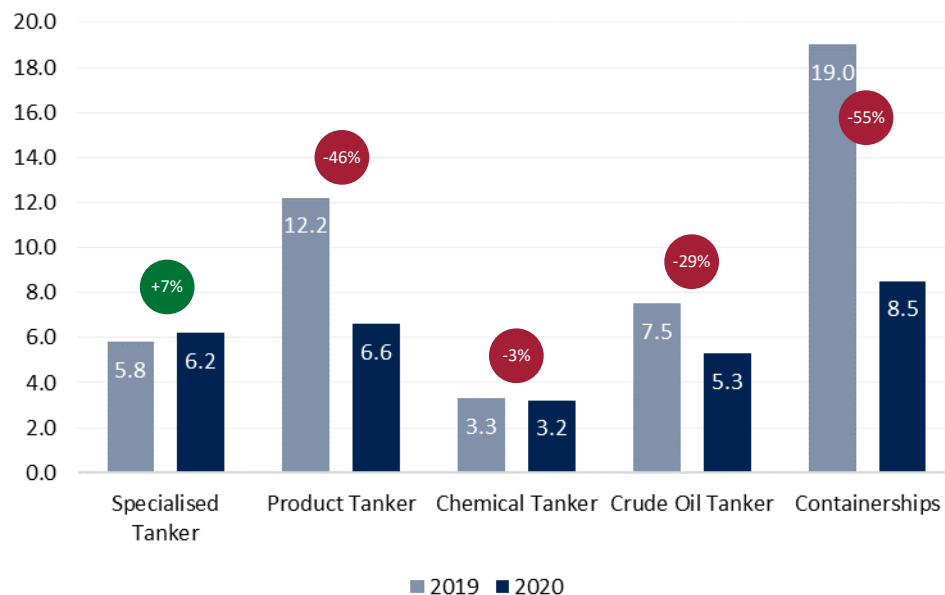
Distributions paid⁽²⁾

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

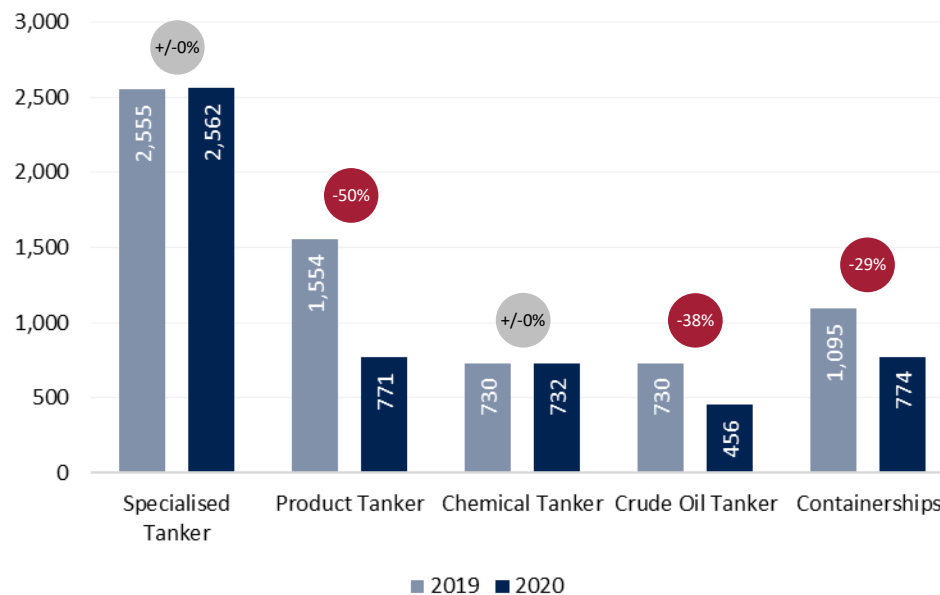
⁽²⁾ For the 4th quarter 2019 (paid on 13 March 2020), 1st quarter 2020 (paid on 12 June 2020) and the 3rd quarter 2020 (paid on 14 December 2020)

OPERATING PERFORMANCE REFLECTS THE REDUCED FLEET

ADJUSTED EBITDA BY VESSEL TYPE (IN US\$m)⁽¹⁾



OWNERSHIP DAYS BY VESSEL TYPE

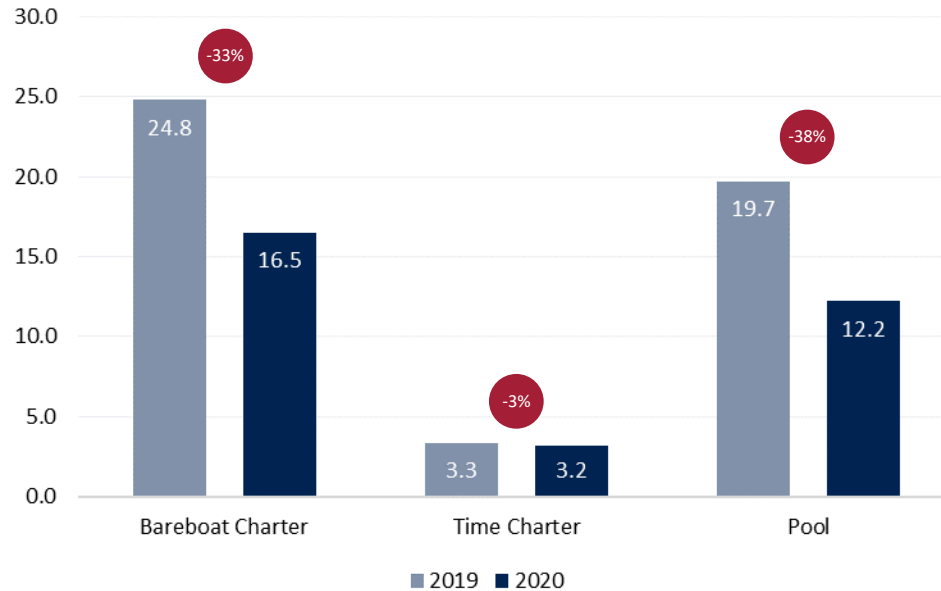


- > Decline of adjusted EBITDA⁽¹⁾ from product tanker and crude oil tanker (negative 46% and negative 29%, respectively, y-o-y) lower than reduction of ownership days (negative 50% and negative 38%, respectively)
- > Decline of adjusted EBITDA⁽¹⁾ from containerships (negative 55% y-o-y), due to expiry of charters and subsequent disposal of the vessels

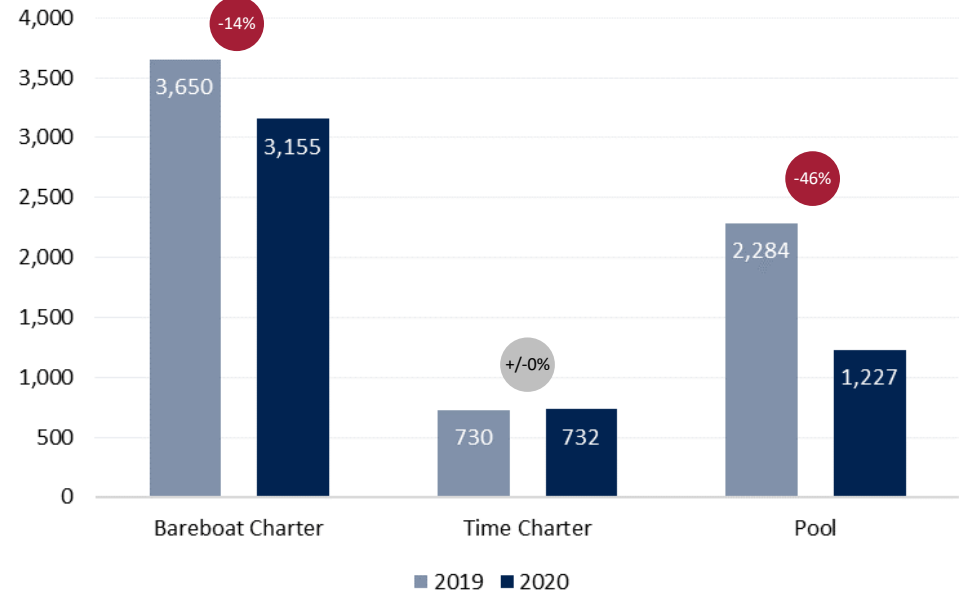
Note(s): ⁽¹⁾ Excluding gains/losses from the disposal of vessels and vessel impairments

OPERATING PERFORMANCE REFLECTS THE REDUCED FLEET (CONT'D)

ADJUSTED EBITDA BY EMPLOYMENT TYPE (IN US\$m)⁽¹⁾



OWNERSHIP DAYS BY EMPLOYMENT TYPE



- > Decline of adjusted EBITDA⁽¹⁾ from bareboat charters (negative 33% y-o-y), due to expiry of charters for containerships and subsequent disposal
- > Decline of adjusted EBITDA⁽¹⁾ from pools (negative 38% y-o-y) lower than reduction of ownership days (negative 46%)

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

FURTHER IMPROVED ENVIRONMENTAL PERFORMANCE

Zero

Lost time injuries

Zero

Oil spills



Further improved
performance in Port
State Controls



Disposal of
environmentally less
friendly vessels

INCREASED CONTRACTED REVENUE PROVIDE STABILITY IN UNCERTAIN TIMES

DIVERSIFIED CHARTER PORTFOLIO

7

Bareboat charters

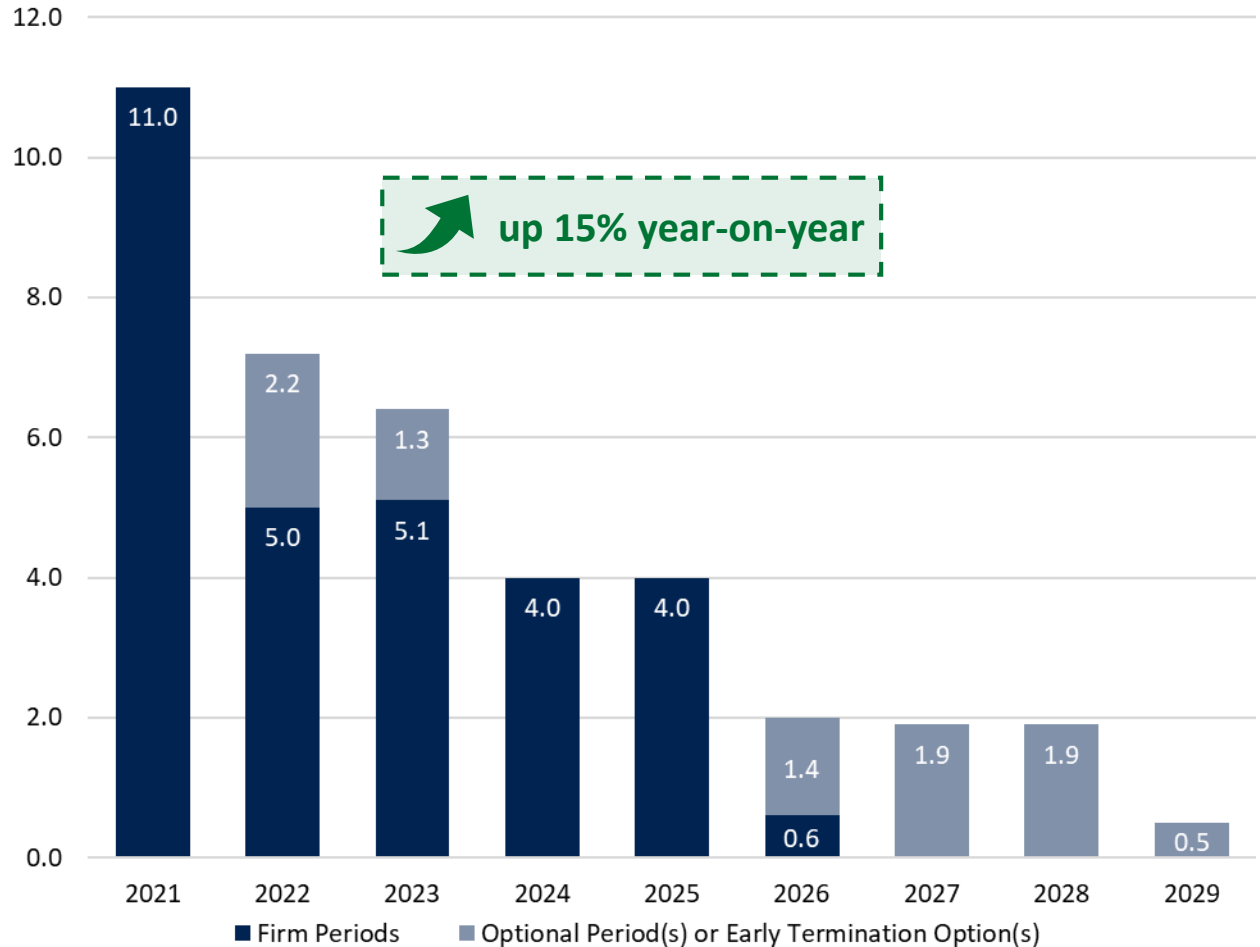
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Time charters

3

Pool employments and revenue sharing agreement

CONTRACTED REVENUE INCREASED TO US\$ 30 MILLION⁽¹⁾



Note(s): ⁽¹⁾ As at 31 December 2020, excluding optional periods (extension options or early termination options)

PERIOD CHARTER COVERAGE EXTENDED UP TO 2029

FLEET EMPLOYMENT PROFILE⁽¹⁾

Vessel	Built	Size	Employment	2021	2022	2023	2024	2025	2026	2027	2028	2029
	Year	DWT	Type Charterer/ Manager									
<u>Product Tanker</u>												
Cumbrian Fisher	2004	12,921	BBC									
Clyde Fisher	2005	12,984	BBC									
Shannon Fisher	2006	5,421	BBC									
Solway Fisher	2006	5,421	BBC									
Speciality	2006	4,426	BBC									
Seniority	2006	4,426	BBC									
Superiority	2007	4,426	BBC									
FSL Singapore	2006	47,470	Pool									
FSL Osaka ⁽²⁾	2007	45,998	Pool									
<u>Chemical Tanker</u>												
FSL New York	2006	19,970	TC									
FSL London	2006	19,996	TC									
<u>Crude Oil Tanker</u>												
FSL Hong Kong	2007	115,000	RSA									

Firm Periods
 Optional Period(s) or Early Termination Option(s)

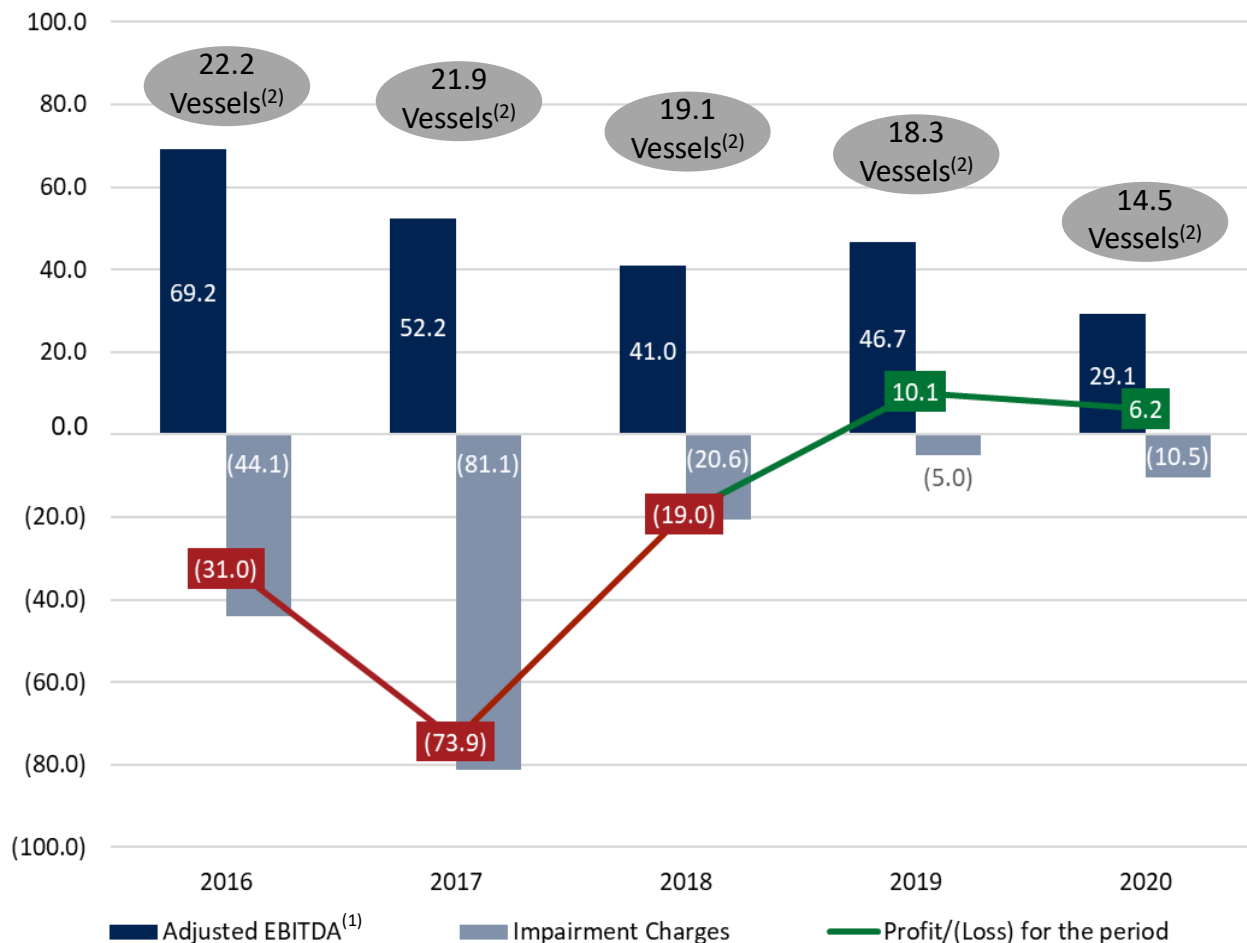
Note(s): ⁽¹⁾ As at 31 December 2020

⁽²⁾ Vessel sold subsequent to year-end 2020

FLEET CONSOLIDATION HAS BEEN KEY TO FINANCIAL TURNAROUND



HISTORICAL ADJUSTED EBITDA⁽¹⁾, IMPAIRMENT CHARGES AND PROFIT/LOSS



KEY INCOME METRICS

13%

Net profit margin⁽³⁾

5%

Return on average capital employed⁽⁴⁾

4%

Return on average equity⁽⁵⁾

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

⁽²⁾ Average number of vessels

⁽³⁾ Profit/loss for the period to revenue

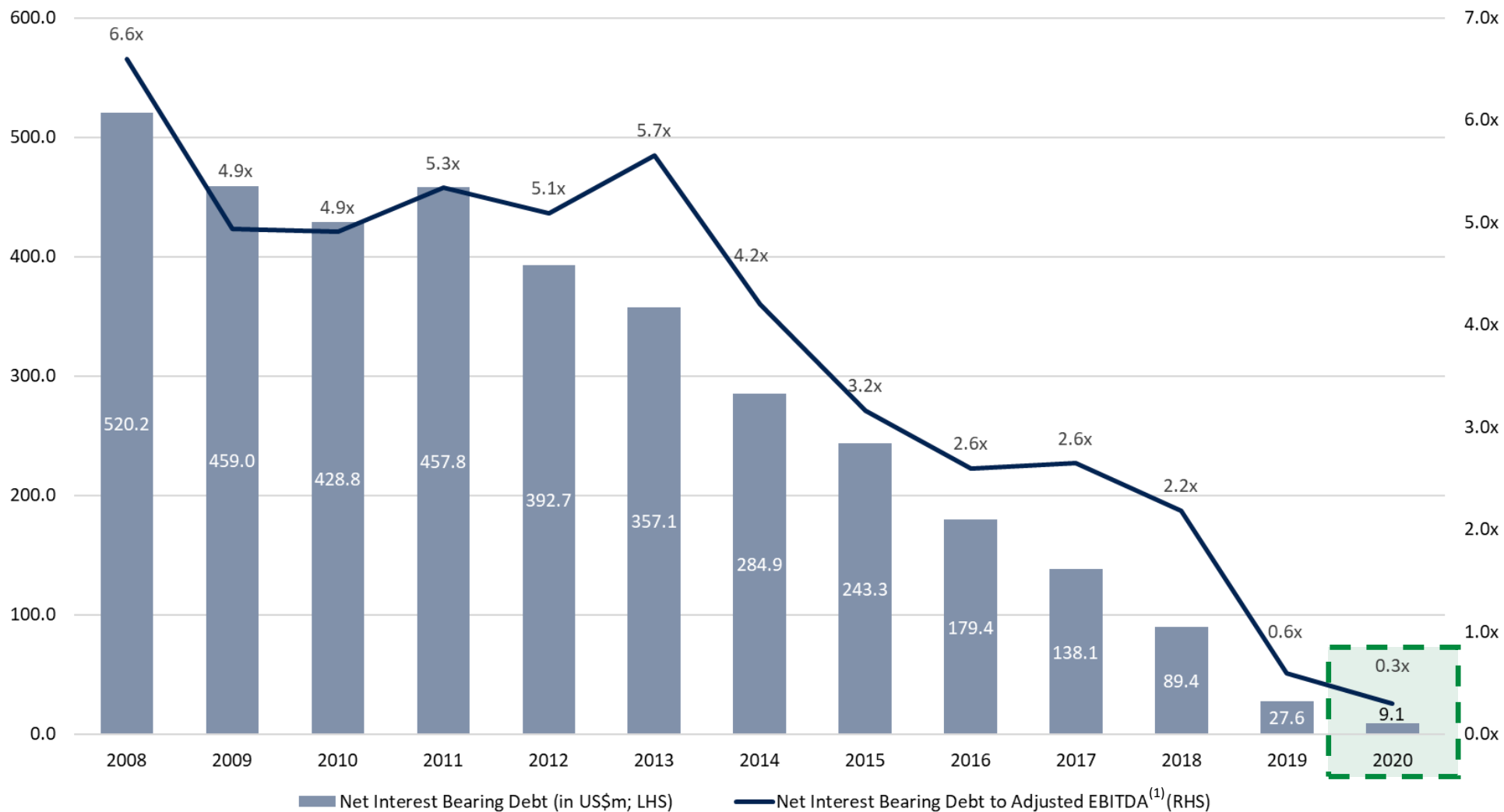
⁽⁴⁾ Result from operating activities for the period to the average capital employed (average total assets less average current liabilities)

⁽⁵⁾ Profit/loss for the period to the average total equity

... AND HELPED DELEVERAGING THE TRUST



HISTORICAL LEVERAGE



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

THE STRONG BALANCE SHEET PROVIDES OPTIONALITY

BALANCE SHEET HIGHLIGHTS	BALANCE SHEET METRICS
US\$ 20.7m Cash and cash equivalents	0.3x Net interest bearing debt to adjusted EBITDA ⁽²⁾
US\$ 9.1m Net interest bearing debt ⁽¹⁾	23% Gearing ratio ⁽³⁾
US\$ 129.6m Net asset value	80% Equity ratio ⁽⁴⁾

- Note(s): ⁽¹⁾ Interest bearing debt less cash and cash equivalents
⁽²⁾ Excluding gains/losses from the disposal of vessels and vessel impairments
⁽³⁾ Interest bearing debt to total equity
⁽⁴⁾ Total equity to total assets

FOCUS CONTINUES TO BE ON STREAMLINING THE FLEET WHILE WORKING ON NEW PROJECTS AND MANAGING THE CAPITAL STRUCTURE

1

**Disposal of
ageing vessels**

2

New Projects

3

**Capital
Structure**



T R U S T