



# 1<sup>st</sup> Quarter 2021 Financial Results Presentation

26 April 2021

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# 1<sup>ST</sup> QUARTER 2021 HIGHLIGHTS



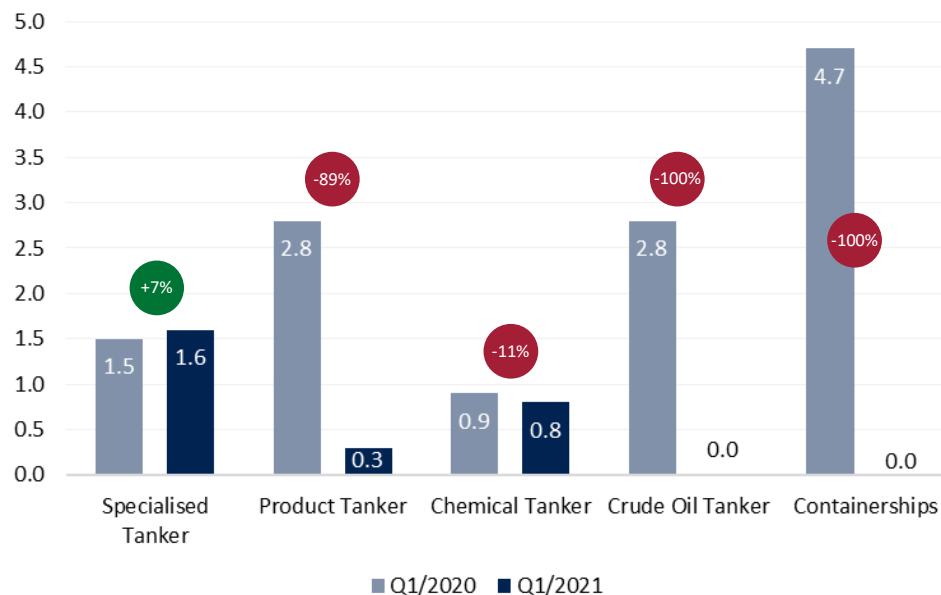
- **Continuously weak tanker market environment**
  - > Negative result for tankers operating in pools
- **Adjusted EBITDA of US\$ 2.5m<sup>(1)(2)</sup>**
  - > 80% lower than previous year<sup>(1)(2)</sup>
  - > Decline reflecting reduced fleet and weak tanker markets
- **Net profit of US\$ 0.3m<sup>(1)</sup>**
  - > 95% lower than previous year<sup>(1)</sup>,
  - > Impacted by weak tanker markets and non-cash impairments of US\$ 0.6m<sup>(1)</sup>
- **Fleet utilisation of 99%**
  - > Only off-hire related to vessel disposals
- **Disposal of 3 vessels**
  - > FSL Suez, FSL Fos and FSL Osaka
- **Robust capital structure**
  - > Strong liquidity position of US\$ 47.8m<sup>(1)</sup>
  - > No interest bearing debt
- **Distribution of 2.00 US cents per unit**

Note(s): <sup>(1)</sup> Unaudited

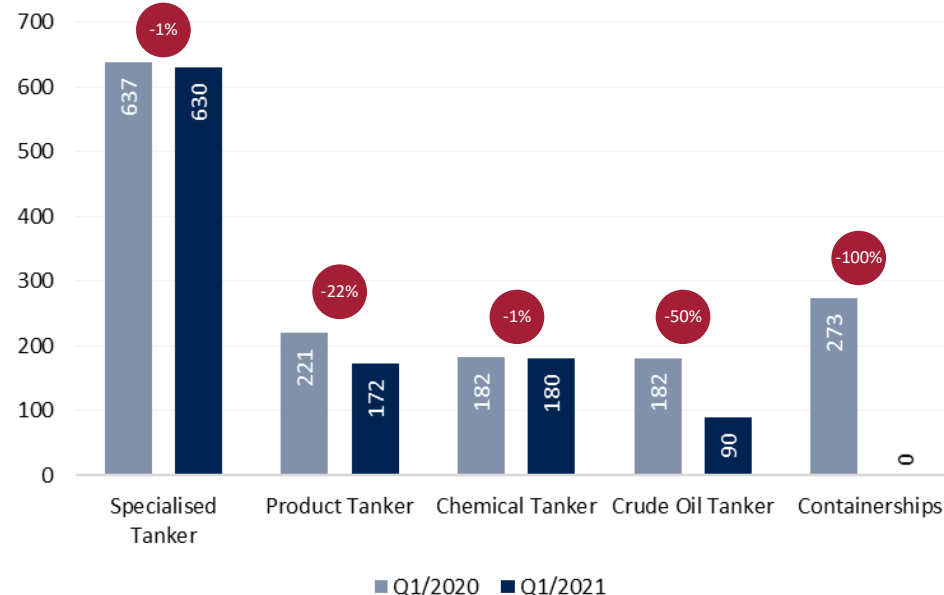
<sup>(2)</sup> Excluding gains/losses from the disposal of vessels and vessel impairments

# OPERATING PERFORMANCE REVIEW

## ADJUSTED EBITDA BY VESSEL TYPE (IN US\$m)<sup>(1)(2)</sup>



## OWNERSHIP DAYS BY VESSEL TYPE



## Commentary

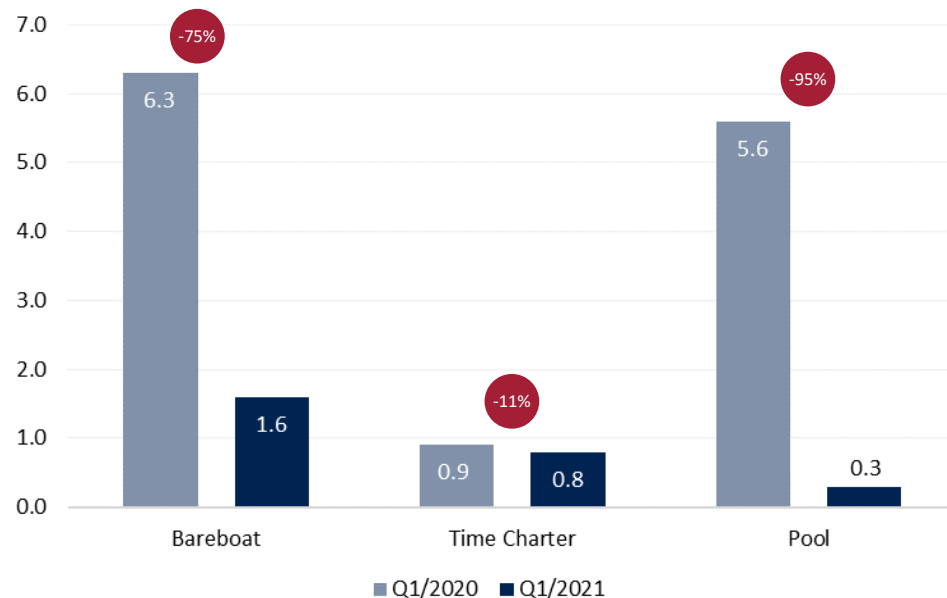
- > Decline of adjusted EBITDA<sup>(1)</sup> from product tanker and crude oil tanker (negative 89% and negative 100%, respectively, y-o-y), due to disposal of vessels (ownership days negative 22% and negative 50%, respectively, y-o-y) and weak tanker market environment
- > Decline of adjusted EBITDA<sup>(1)</sup> from containerships (negative 100% y-o-y), due to maturity of charters and subsequent disposal of the vessels (ownership days negative 100% y-o-y)

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

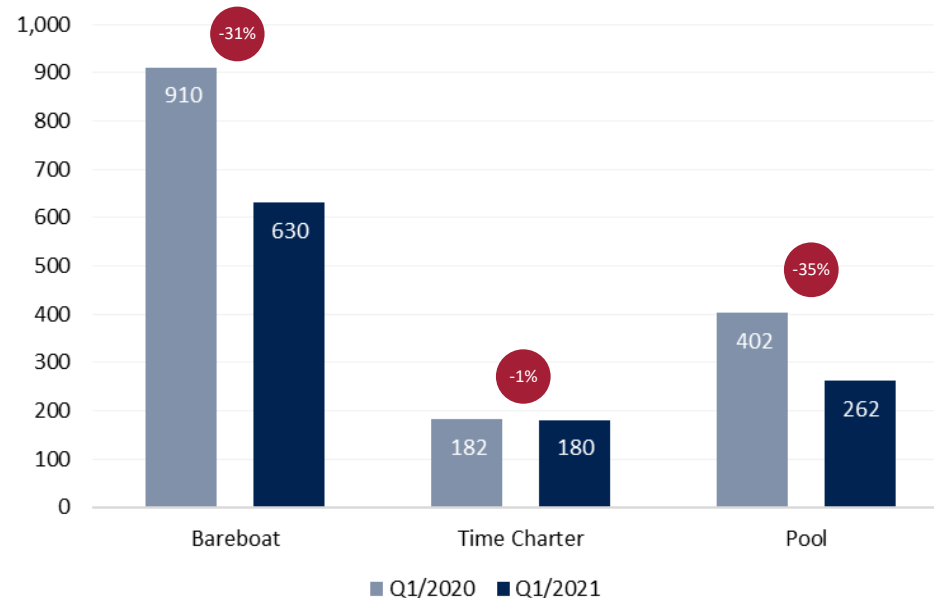
<sup>(2)</sup> Unaudited

# OPERATING PERFORMANCE REVIEW (CONT'D)

## ADJUSTED EBITDA BY EMPLOYMENT TYPE (IN US\$m)<sup>(1)(2)</sup>



## OWNERSHIP DAYS BY EMPLOYMENT TYPE



## Commentary

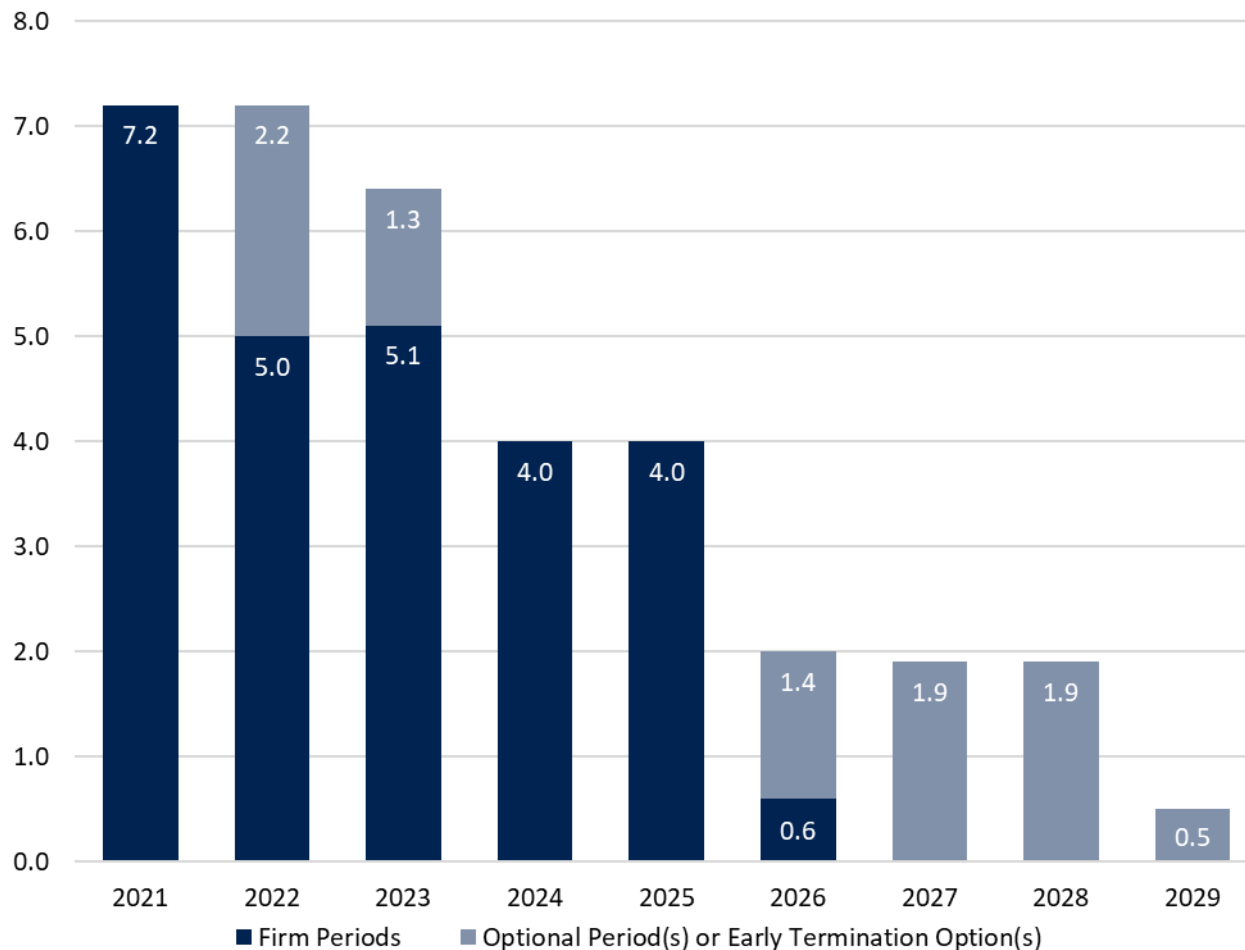
- > Decline of adjusted EBITDA<sup>(1)</sup> from bareboat charters (negative 75% y-o-y), due to maturity of charters and subsequent disposal of the vessels (ownership days negative 30%)
- > Decline of adjusted EBITDA<sup>(1)</sup> from pools (negative 95% y-o-y), due to disposal of vessels (ownership days negative 35% y-o-y) and weak tanker market environment

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

<sup>(2)</sup> Unaudited

# FLEET EMPLOYMENT

## US\$ 26 MILLION OF CONTRACTED REVENUE<sup>(1)</sup>



## EMPLOYMENT UPDATE



- > Execution of the extension of the charters of 3 specialised tankers with maturity in December 2020 and 2 specialised tankers with maturities in January 2021 and June 2021, respectively, which was agreed in principle (subject to documentation) in December 2020
- > Charter maturities for 2 chemical tankers in June 2021
- > Charter maturities for 2 specialized tankers in December 2021, with extension options

Note(s): <sup>(1)</sup> As at 31 March 2021, excluding optional periods (extension options or early termination options)

# FLEET EMPLOYMENT (CONT'D)

## FLEET EMPLOYMENT PROFILE<sup>(1)</sup>

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									
<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									

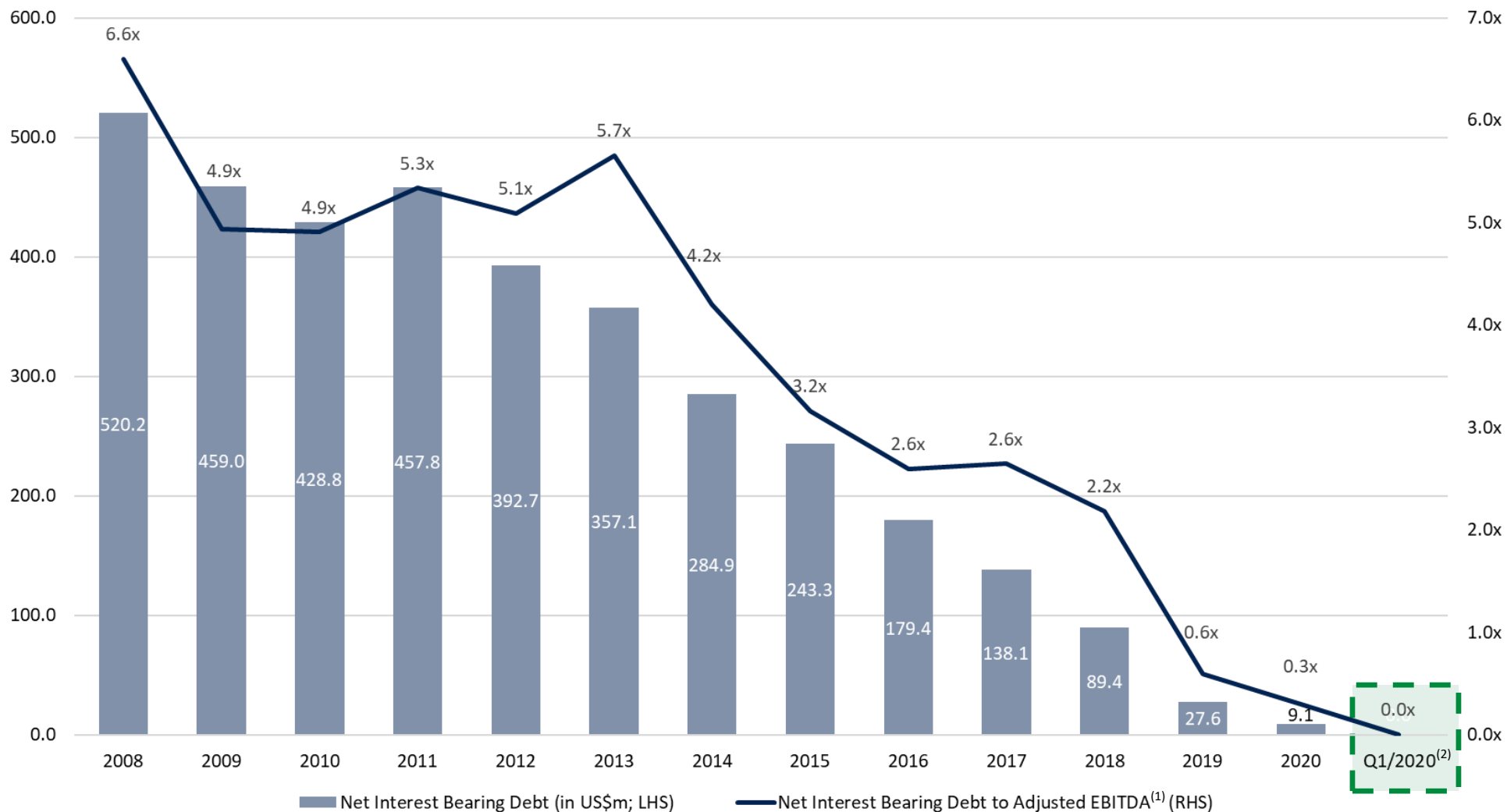
 Firm Periods    
  Optional Period(s) or Early Termination Option(s)

## Commentary

- > Majority of vessels with firm employment
- > Charter maturities spread over the next years with certain optionality

Note(s): <sup>(1)</sup> As at 31 March 2021

# DEBT REDUCTION



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

<sup>(2)</sup> Unaudited



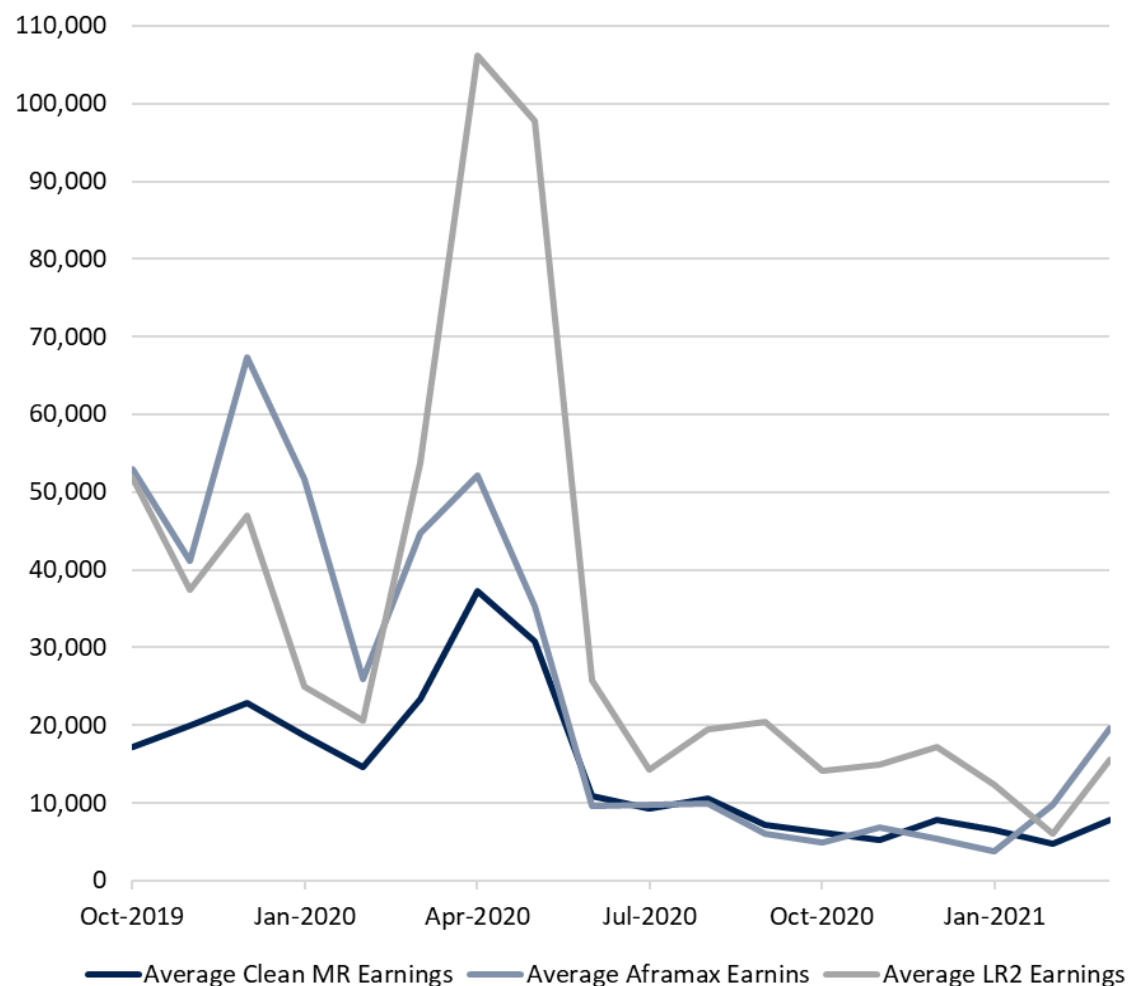
# DISTRIBUTION FOR THE 1<sup>ST</sup> QUARTER 2021

- **Distribution period** 1 January 2021 – 31 March 2021
- **Distribution per unit** 2.00 US cents
- **Distribution timetable**



# TANKER MARKET SNAPSHOT

## TANKER EARNINGS (IN USD/DAY)<sup>(1)</sup>



## COMMENTARY

- As the second half of 2020, the first quarter 2021 was characterised by low freight rates following the reduced oil production and refinery throughput as demand for oil and oil products remains below pre-pandemic levels
- Floating storage has returned to normal levels, adding tonnage to the trading fleet
- Market uncertainties remain due to COVID-19, despite recent temporary improvements in March 2021
- Whilst contracting of newbuildings picked up, the orderbook remains at historical lows for most tanker sizes
- Activity in the S&P as well as the demolition market slowly picks up
- More than 25% of the active fleet will reach 20 years of age by 2023

Sources(s): <sup>(1)</sup> Clarkson Research Limited (Shipping Intelligence Network); MR: Average MR Clean Products Long Run Historical Earnings; Aframax: Average Aframax Long Run Historical Earnings; LR2: average of East combination (Ras Tanura - Chiba - Ulsan - Singapore) and East-West combination (Ulsan - Singapore - Mina Al - Ahmadi - Rotterdam - Skikda - Chiba)

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# APPENDIX: INCOME STATEMENT (1<sup>ST</sup> QUARTER 2021)



Income Statement (in US\$m) <sup>(1)</sup>			
	1 <sup>st</sup> Quarter 2021	1 <sup>st</sup> Quarter 2020	Change in %
Revenue	6.58	18.41	(64.3%)
Voyage expenses	(0.45)	(0.30)	50.5%
Vessel operating expenses	(3.22)	(4.65)	(30.6%)
Management fees	(0.13)	(0.55)	(77.0%)
Trustee fees	(0.01)	(0.01)	(42.9%)
Other Trust expenses	(0.25)	(0.35)	(28.7%)
<b>Adjusted EBITDA<sup>(2)</sup></b>	<b>2.52</b>	<b>12.55</b>	<b>(79.9%)</b>
Depreciation	(1.68)	(5.45)	(69.2%)
Impairment charges	(0.62)	(2.03)	(69.6%)
Gain on disposal of vessel(s)	0.47	2.68	(82.6%)
<b>Results from operating activities (EBIT)</b>	<b>0.69</b>	<b>7.74</b>	<b>(91.1%)</b>
Finance income	0.01	0.16	(95.7%)
Finance expenses	(0.36)	(1.24)	(70.8%)
<b>EBT</b>	<b>0.34</b>	<b>6.67</b>	<b>(95.0%)</b>
Income tax	./.	0.01	(100.0%)
<b>Result for the period</b>	<b>0.34</b>	<b>6.68</b>	<b>(95.0)</b>
per unit (basic) (in US cents) <sup>(3)</sup>	0.02	0.38	(94.7%)
per unit (diluted) (in US cents) <sup>(3)</sup>	0.02	0.38	(94.7%)

Note(s):

<sup>(1)</sup> Unaudited

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

<sup>(3)</sup> Based on the weighted average number of issued units

# APPENDIX: BALANCE SHEET



Balance Sheet (in US\$m) <sup>(1)</sup>					
	31 Mar 2021	31 Dec 2020		31 Mar 2021	31 Dec 2020
<b>Assets</b>			<b>Equity and liabilities</b>		
Vessels <sup>(2)</sup>	80.40	136.11	Units in issue	561.33	561.33
<b>Non-current assets</b>	<b>80.40</b>	<b>136.11</b>	Reserves	-431.43	-431.77
			<b>Total unitholder's equity</b>	<b>129.90</b>	<b>129.56</b>
Trade and other receivable	4.39	5.04	Bank loans	./.	13.30
Cash and cash equivalents <sup>(3)</sup>	47.83	20.69	<b>Non-current liabilities</b>	<b>./.</b>	<b>13.30</b>
<b>Current assets</b>	<b>52.22</b>	<b>25.73</b>			
			Trade and other payables	1.99	1.67
			Bank loans (current portion)	./.	16.54
			Lease income received in advance	0.73	0.76
			Income tax payable	./.	0.01
			<b>Current liabilities</b>	<b>2.72</b>	<b>18.98</b>
			<b>Total liabilities</b>	<b>2.72</b>	<b>32.28</b>
<b>Total assets</b>	<b>132.62</b>	<b>161.84</b>	<b>Total equity and liabilities</b>	<b>132.62</b>	<b>161.84</b>

**Note(s):**

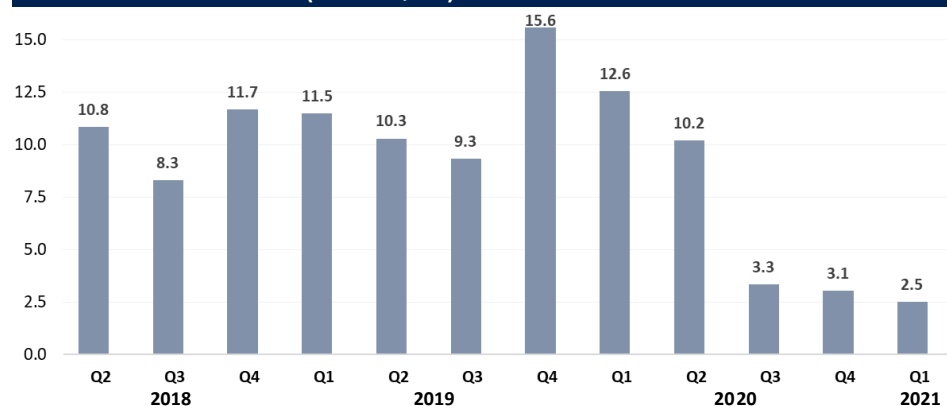
<sup>(1)</sup> Unaudited

<sup>(2)</sup> Includes operating vessels of US\$ 80.4m (2020: US\$ 92.5m) and vessels under construction of US\$ 43.6m as at 31 Dec 2020

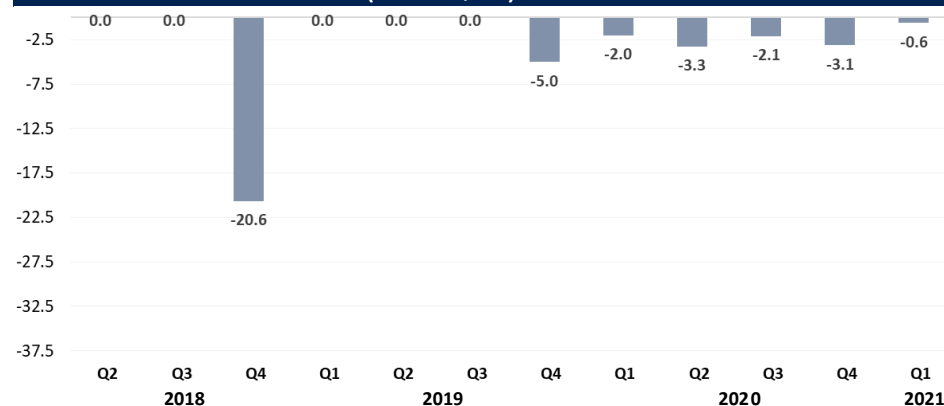
<sup>(3)</sup> Includes US\$ 0.50m of restricted cash as at 31 Dec 2020

# APPENDIX: HISTORICAL FINANCIAL PERFORMANCE

## ADJUSTED EBITDA (IN US\$m)<sup>(1)(2)</sup>



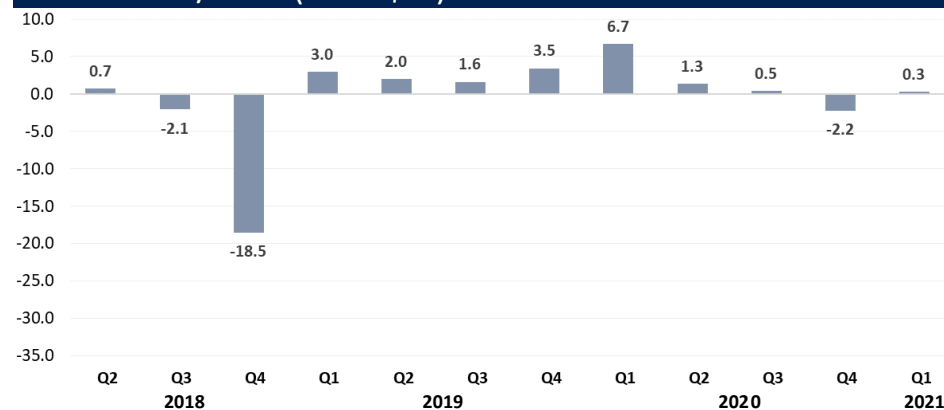
## VESSEL IMPAIRMENTS (IN US\$m)<sup>(1)</sup>



## AVERAGE NUMBER OF VESSELS



## NET PROFIT/LOSS (IN US\$m)<sup>(1)</sup>



**Note(s):**

<sup>(1)</sup> Unaudited

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