



3rd Quarter 2021 Financial Results

1 November 2021



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3RD QUARTER 2021 HIGHLIGHTS



- **Vessels trading in pools or spot were affected by the continuously weak tanker market environment**
 - > Low oil production levels and ton-mile demand for tankers
 - > Negative result for the tankers operating in pools and the spot market
- **Lower fleet utilisation of 91% primarily due to the dry-docking of *FSL Singapore***
- **Net loss of US\$ 2.5m⁽¹⁾ in the 3rd quarter and US\$ 1.6m⁽¹⁾ in the 9-months period 2021**
 - > Compared to 3rd quarter and 9-months 2020 net profit of US\$ 0.5m⁽¹⁾ and US\$ 8.5m⁽¹⁾, respectively
- **Adjusted EBITDA of US\$ 0.6m⁽¹⁾⁽²⁾ in the 3rd quarter and US\$ 5.3m⁽¹⁾ in the 9-months period 2021**
 - > 3rd quarter 2021 adjusted EBITDA 81% lower than previous year (US\$ 3.3m)⁽¹⁾⁽²⁾
 - > 9-months 2021 adjusted EBITDA 80% lower than previous year (US\$ 26.1m)⁽¹⁾⁽²⁾
- **Acquisition of *Pelican Fisher* with an 8-years bareboat charter and extension of the charter for *Speciality* with James Fisher Everard**
 - > Contracted revenue increased to US\$ 29.8m⁽³⁾ as at 30 September 2021 compared to US\$ 22.3m⁽³⁾ as at 30 June 2021
- **Arranged a US\$ 3.95m-loan to refinance the acquisition of *Pelican Fisher* (closed in October 2021)**
- **Solid capital structure**
 - > Robust liquidity position of US\$ 28.1m⁽¹⁾
 - > Zero net interest-bearing debt and strong equity ratio of 86%⁽¹⁾
- **Distribution of 1.50 US cents per unit for the 3rd quarter 2021**

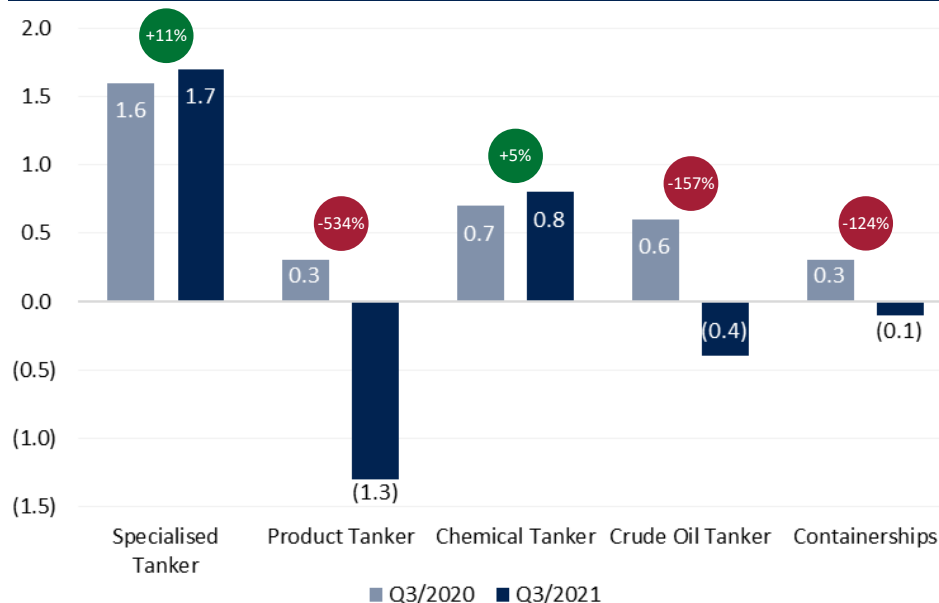
Note(s): ⁽¹⁾ Unaudited

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

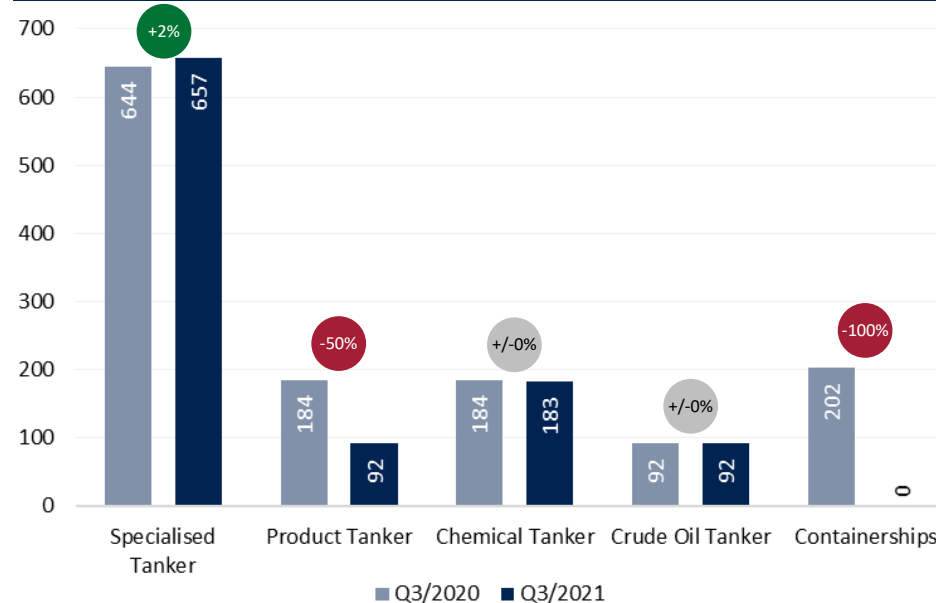
⁽³⁾ Excluding optional extension periods and early termination options

OPERATING PERFORMANCE REVIEW: WEAK MARKETS IMPACTED THE OPERATING PERFORMANCE

ADJUSTED EBITDA BY VESSEL TYPE (IN US\$m)⁽¹⁾⁽²⁾



OWNERSHIP DAYS BY VESSEL TYPE

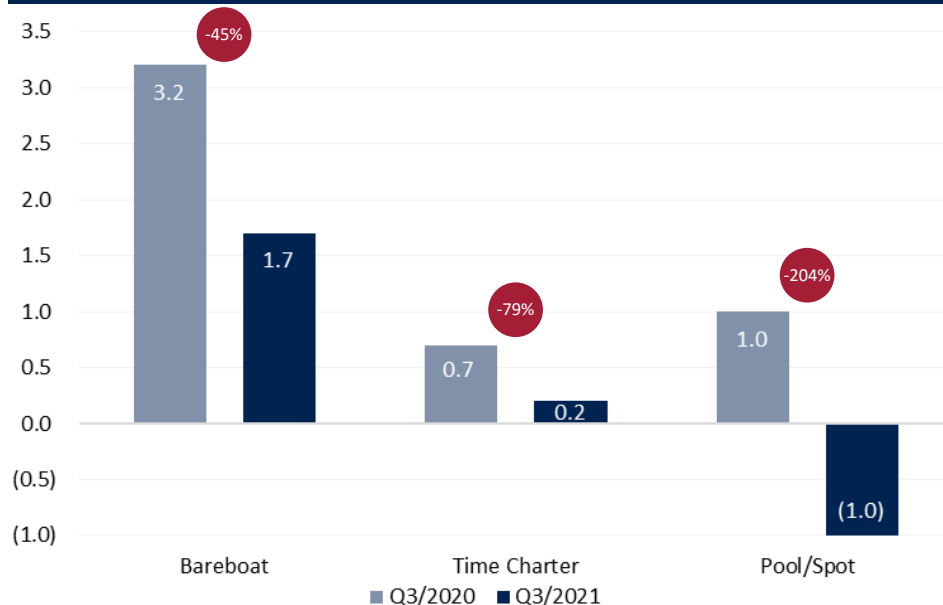


- > Increase adjusted EBITDA⁽¹⁾ for specialised tanker driven by increased charter rates and new vessel acquisition
- > Decline in adjusted EBITDA⁽¹⁾ for product tanker and crude oil tanker impacted by weak freight rates as well as the disposal of one product tanker in the 1st quarter 2021
- > Full exit from containerships in 2021

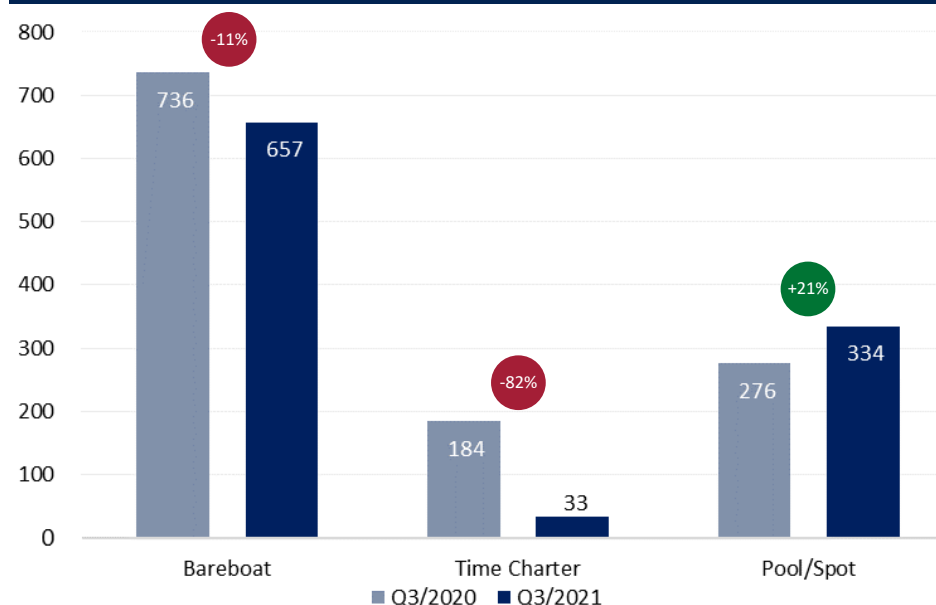
Note(s): ⁽¹⁾ Excluding gains/losses from the disposal of vessels and vessel impairments
⁽²⁾ Unaudited

OPERATING PERFORMANCE REVIEW: WEAK MARKETS IMPACTED THE OPERATING PERFORMANCE

ADJUSTED EBITDA BY EMPLOYMENT TYPE (IN US\$m)⁽¹⁾⁽²⁾



OWNERSHIP DAYS BY EMPLOYMENT TYPE



- > Adjusted EBITDA⁽¹⁾ of bareboat chartered vessels declined following the maturity of charters and subsequent disposal of containerships in 2020
- > Decline of adjusted EBITDA⁽¹⁾ of time chartered vessels as a result of a combination of the maturity of charters and subsequent switch to spot trading as well as the disposal of one chemical tanker
- > Pool and spot employed vessels were impacted by the weak tanker markets

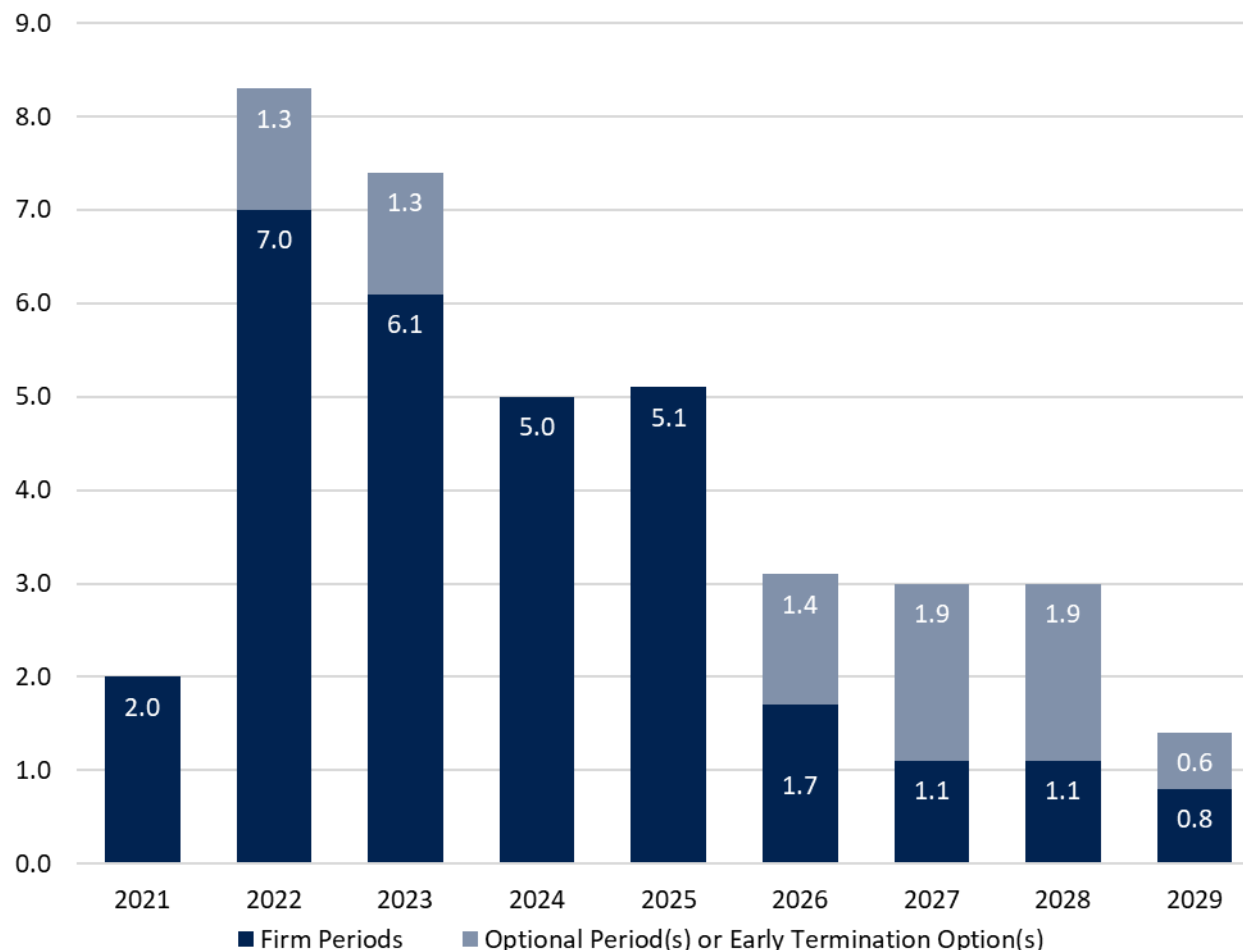
Note(s): ⁽¹⁾ Excluding gains/losses from the disposal of vessels and vessel impairments

⁽²⁾ Unaudited

FLEET EMPLOYMENT: VESSEL ACQUISITION LEADS TO HIGHER CONTRACTED REVENUE



US\$ 29.8m OF CONTRACTED REVENUE PLUS US\$ 8.3m OPTIONAL REVENUE⁽¹⁾



EMPLOYMENT UPDATE

- > 8-year bareboat charter for the newly acquired *Pelican Fisher*
- > Charter exercised option for one specialised tanker (*Speciality*) for 2022
- > Charter for one specialised tanker (*Clyde Fisher*) matures in December 2021, with extension options (not declared yet)
- > 2 chemical tankers (*FSL London* and *FSL New York*) have been trading spot since charters matured in June and July 2021

Note(s): ⁽¹⁾ As at 30 September 2021

FLEET EMPLOYMENT: MAJORITY OF THE VESSELS EMPLOYED ON PERIOD CHARTERS

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									
Pelican Fisher	2008	9,596	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	Spot									
<u>Chemical Tanker</u>												
FSL London ⁽²⁾	2006	19,996	Spot									
<u>Crude Oil Tanker</u>												
FSL Hong Kong	2007	115,000	Spot									

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

> Charter maturities for period employed vessels spread over the next years with certain optionality

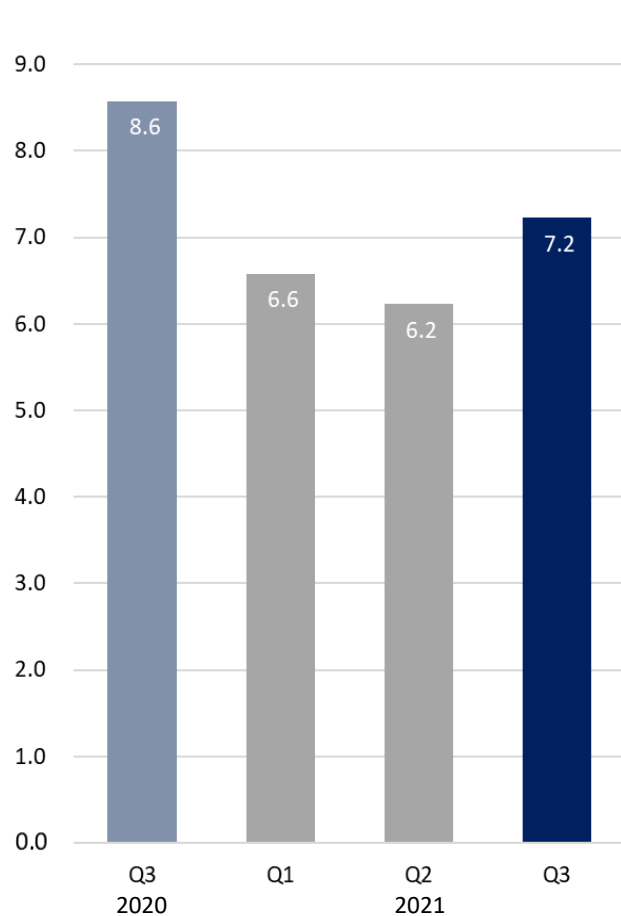
> 3 vessels operate in the spot market providing upside participation

Note(s): ⁽¹⁾ As at 30 September 2021

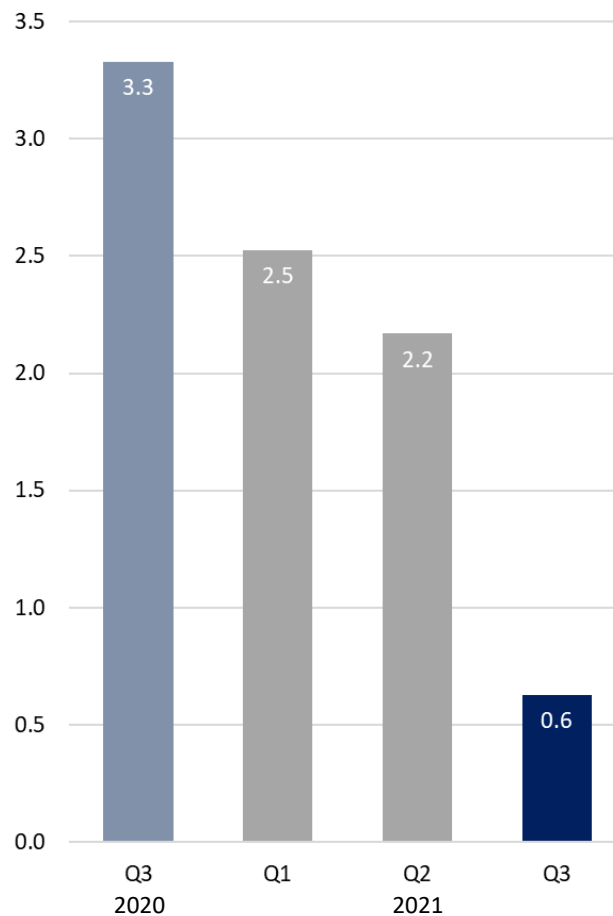
⁽²⁾ The vessel is agreed to be sold, pending delivery to the buyer

FINANCIAL PERFORMANCE REVIEW: LOWER EARNINGS REFLECT POOR TANKER MARKETS

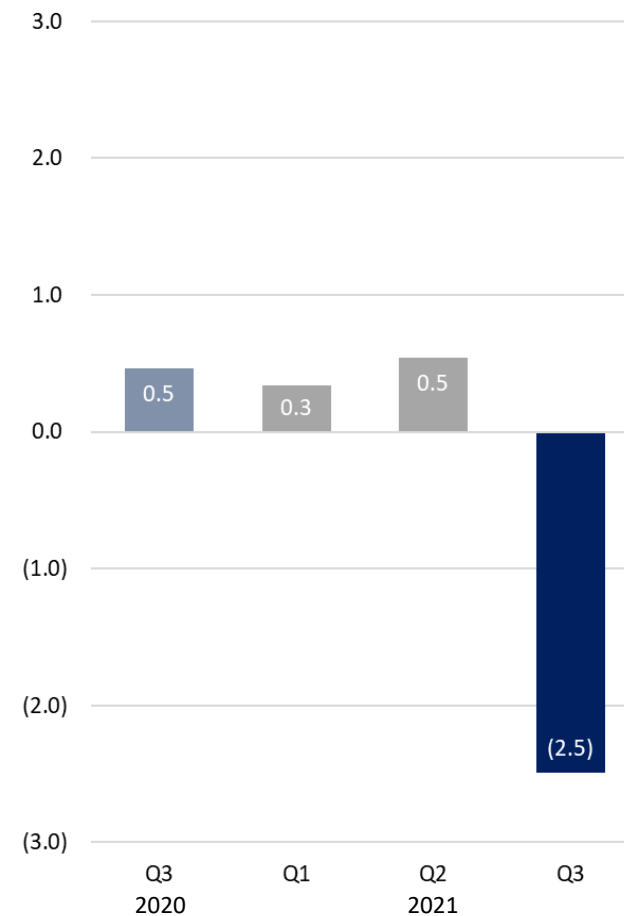
REVENUE (IN US\$m)⁽¹⁾



ADJUSTED EBITDA (IN US\$m)⁽¹⁾⁽²⁾



NET INCOME (IN US\$m)⁽¹⁾



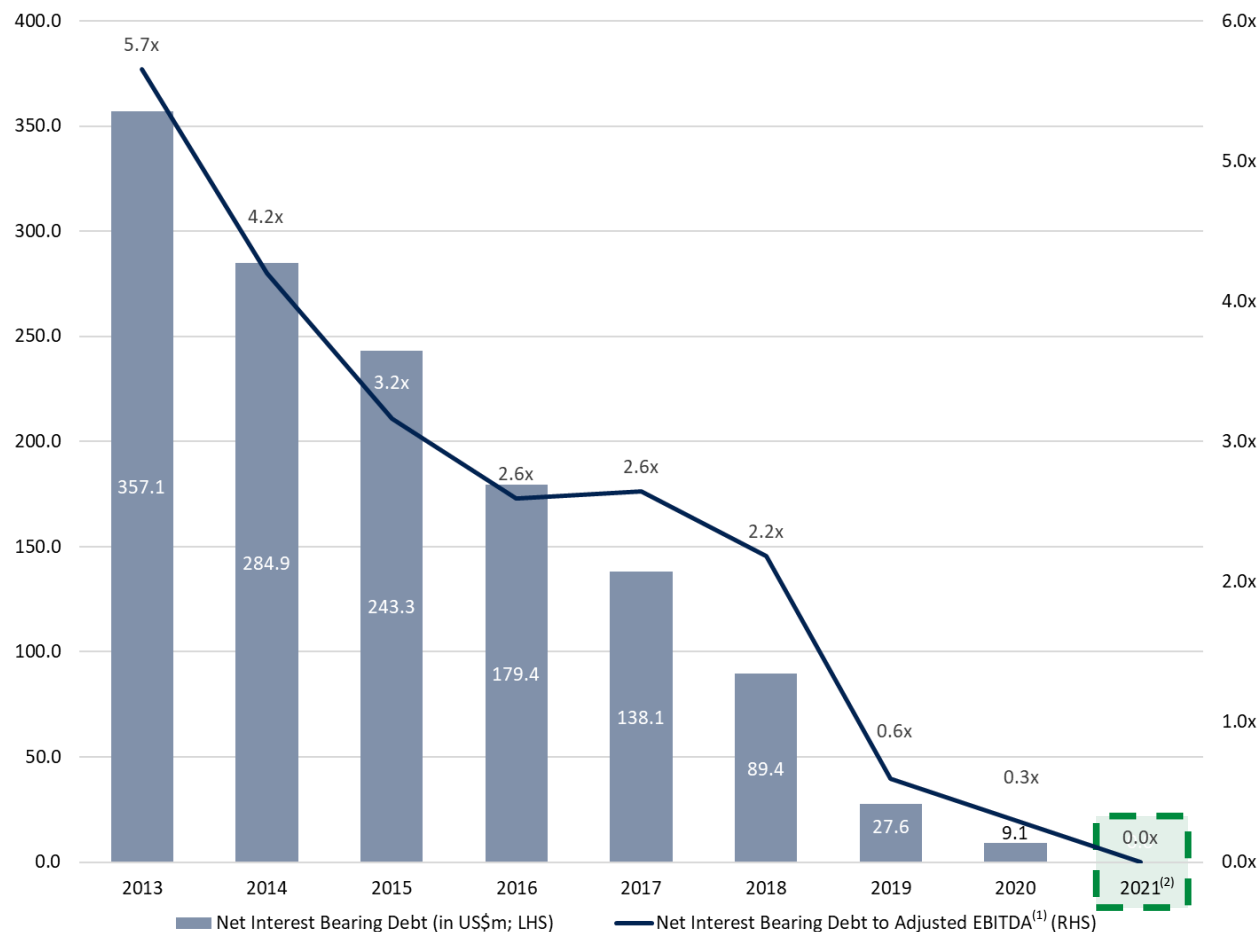
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⁽²⁾ Excluding gains/losses from the disposal of vessels and vessel impairments

FINANCIAL PERFORMANCE REVIEW: STRONG BALANCE SHEET PROVIDES RESILIENCE & OPTIONALITY



DEBT REDUCTION (IN US\$m)



BALANCE SHEET HIGHLIGHTS⁽²⁾

- > Robust liquidity position with US\$ 28.1m of cash and cash equivalents
- > US\$ 13.7m of interest-bearing debt outstanding with US\$ 3.0m of scheduled annual amortisation⁽³⁾
- > Zero net interest-bearing debt after consideration of liquidity
- > Low gearing of 15%⁽⁴⁾
- > Strong equity ratio of 86%⁽⁵⁾

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

⁽²⁾ Unaudited

⁽³⁾ Excluding the US\$ 3.95m loan raised in October 2021

⁽⁴⁾ Interest bearing debt to total equity

⁽⁵⁾ Total equity to total assets

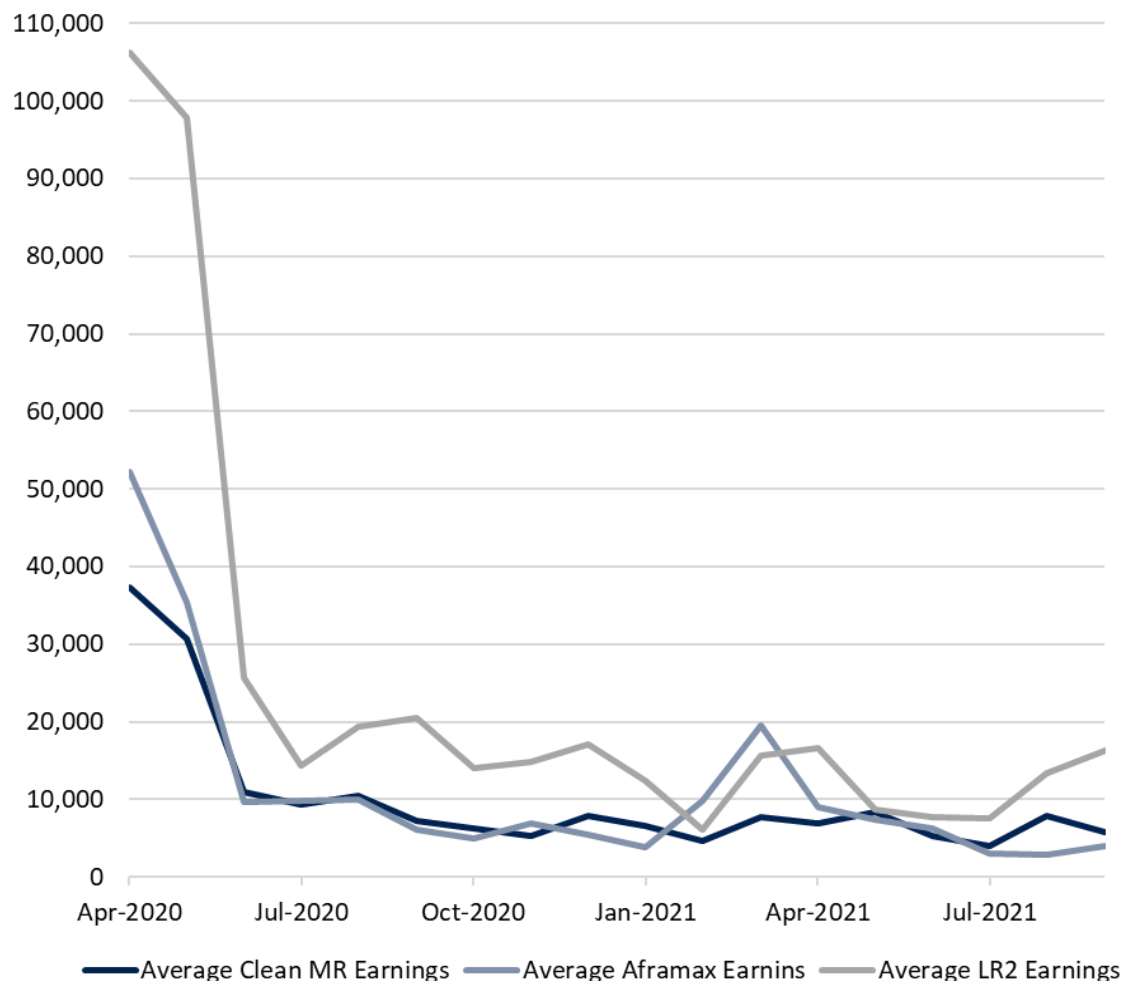
DISTRIBUTION FOR THE 3RD QUARTER 2021

- **Distribution period** 1 July 2021 – 30 September 2021
- **Distribution per unit** 1.50 US cents
- **Distribution timetable**



TANKER MARKET SNAPSHOT: MARKETS HAVE BOTTOMED WITH UPSIDE POTENTIAL

TANKER EARNINGS (IN USD/DAY)⁽¹⁾



COMMENTARY

- > Tanker demand has continuously been under pressure amid low oil production, remaining below pre-pandemic levels
- > OPEC+ has slightly increased production, whilst economic activity and commercial aviation is on the path of recovery, but uncertainties remain as to the pace of demand recovery and potential further production increases
- > The upcoming winter season, coupled with low oil inventories in major economies world-wide, is likely to support ton-mile demand and freight rates for tankers
- > Limited supply growth and a historically low orderbook meet an ageing fleet and tightening environmental regulation, potentially providing meaningful tanker market upside in the medium term

Sources(s): ⁽¹⁾ 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)

CONTACT



FSL Trust Management Pte. Ltd.

as Trustee Manager for First Ship Lease Trust
9 Temasek Boulevard, #19-03 Suntec Tower Two
Singapore 038989

Tel: +65 6836 3000

Email: enquiries@firstshiplease.com

Investor Relations Contact

Markus Wenker

Chief Financial Officer

Tel: +65 6836 3000

Email: investors@firstshiplease.com

www.firstshiplease.com

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APPENDIX: INCOME STATEMENT



INCOME STATEMENT (IN US\$m)⁽¹⁾

	Three months period ended			Nine months period ended		
	30 Sept 2021	30 Sept 2020	Change in %	30 Sept 2021	30 Sept 2020	Change in %
Revenue	7.22	8.57	(15.7)%	20.03	41.50	(51.7)%
Voyage expenses	(2.92)	0.01	n.m.	(4.11)	(0.28)	1,389.1%
Vessel operating expenses	(2.77)	(4.23)	(34.6)%	(8.87)	(12.24)	(27.6)%
Management fees	(0.11)	(0.21)	(48.1)%	(0.35)	(1.22)	(71.4)%
Trustee fees	(0.01)	(0.01)	(50.0)%	(0.02)	(0.04)	(44.4)%
Other Trust expenses	(0.79)	(0.80)	(1.0)%	(1.37)	(1.66)	(17.7)%
Adjusted EBITDA⁽²⁾	0.63	3.33	(81.1)%	5.32	26.06	(79.6)%
Depreciation	(1.32)	(2.41)	(45.4)%	(4.62)	(12.83)	(64.0)%
Impairment charges	(1.95)	(2.07)	(5.9)%	(2.57)	(7.38)	(65.2)%
Gain on disposal of vessel(s)	0.34	2.11	(84.0)%	0.91	4.80	(81.1)%
Operating result (EBIT)	(2.30)	0.96	n.m.	(0.96)	10.65	n.m.
Finance income	0.01	0.01	(33.3)%	0.03	0.26	(90.1)%
Finance expenses	(0.20)	(0.50)	(60.8)%	(0.68)	(2.44)	(72.3)%
EBT	(2.49)	0.47	n.m.	(1.61)	8.47	n.m.
Income tax	-	(0.00)	(100.0)%	-	(0.00)	(100.0)%
Net income	(2.49)	0.46	n.m.	(1.61)	8.47	n.m.
per unit (basic) (in US cents) ⁽³⁾	(0.14)	0.03	n.m.	(0.09)	0.48	n.m.
per unit (diluted) (in US cents) ⁽³⁾	(0.14)	0.03	n.m.	(0.09)	0.48	n.m.

Note(s):

⁽¹⁾ Unaudited

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APPENDIX: BALANCE SHEET



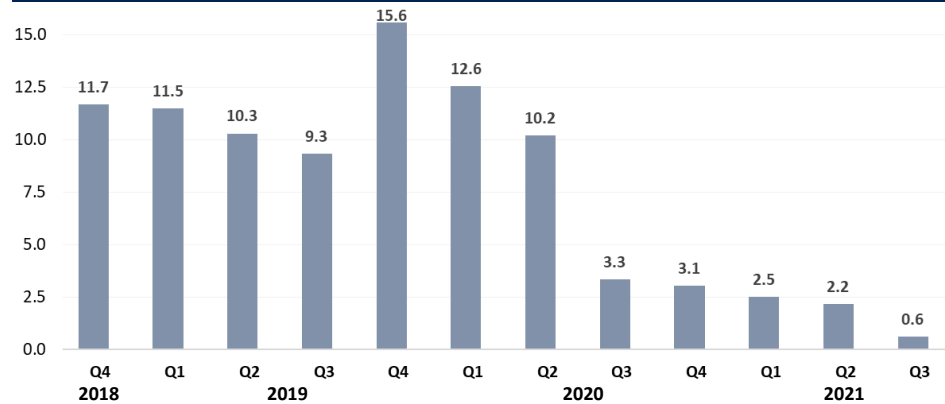
BALANCE SHEET (IN US\$m)⁽¹⁾

	30 Sept 2021	31 Dec 2020		30 Sept 2021	31 Dec 2020
Assets			Equity and liabilities		
Vessels ⁽²⁾	66.02	136.11	Units in issue	561.33	561.33
Non-current assets	66.02	136.11	Reserves	(468.74)	(431.77)
Inventories	0.35	-	Total unitholder's equity	92.59	129.56
Trade and other receivable	4.20	5.04	Bank loans	10.93	13.30
Cash and cash equivalents ⁽³⁾	28.14	20.69	Non-current liabilities	10.93	13.30
Non-current assets held-for-sale	8.89	-	Trade and other payables	1.26	1.67
Current assets	41.58	25.73	Bank loans (current portion)	2.82	16.54
			Lease income received in advance	-	0.76
			Income tax payable	-	0.01
			Current liabilities	4.08	18.98
			Total liabilities	15.01	32.28
Total assets	107.60	161.84	Total equity and liabilities	107.60	161.84

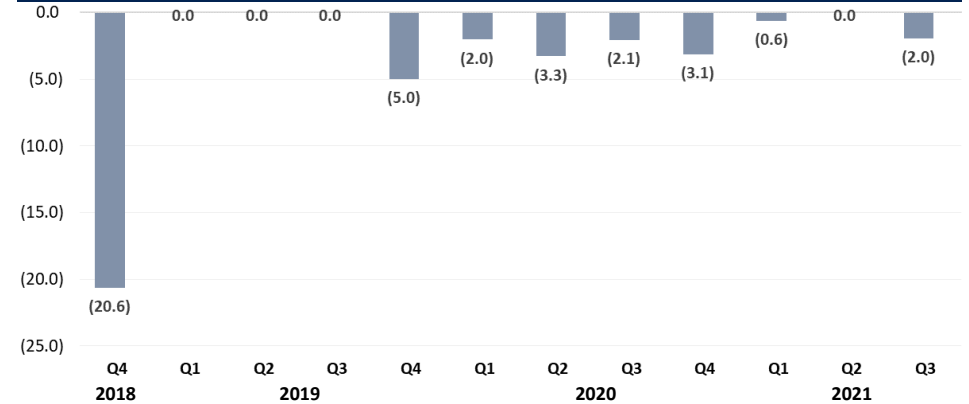
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APPENDIX: HISTORICAL FINANCIAL PERFORMANCE

ADJUSTED EBITDA (IN US\$m)⁽¹⁾⁽²⁾



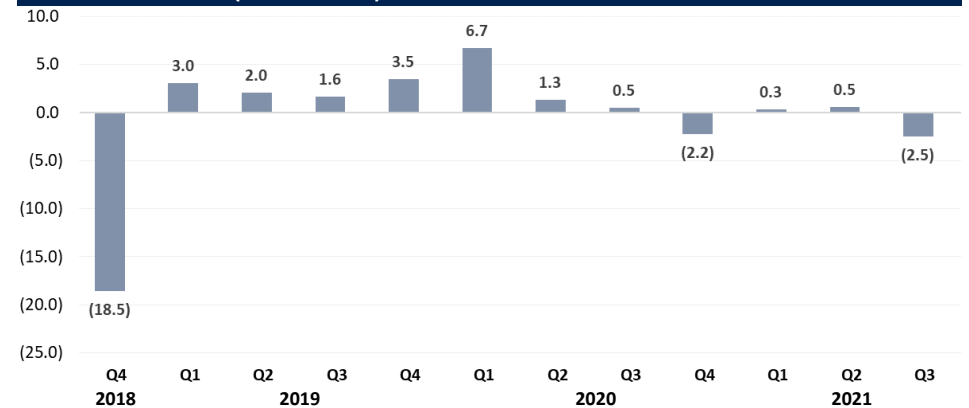
VESSEL IMPAIRMENTS (IN US\$m)⁽¹⁾



AVERAGE NUMBER OF VESSELS



NET INCOME (IN US\$m)⁽¹⁾



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