



# FIRST SHIP LEASE TRUST

ANNUAL GENERAL MEETING

21 APRIL 2023

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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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# AGENDA



<b>1</b>	<b>2022 HIGHLIGHTS</b>
<b>2</b>	<b>OPERATIONAL REVIEW</b>
<b>3</b>	<b>FINANCIAL REVIEW</b>
<b>4</b>	<b>OUTLOOK</b>
<b>5</b>	<b>Q&amp;A</b>

# FSL TRUST HAD A POSITIVE YEAR: HIGHLIGHTS



**Stronger tanker markets despite macro-economic uncertainties**



**US\$ 13.3 million net profit and non-cash impairments of US\$ 1.0 million**



**Disposal of 3 older vessels reduced spot market exposure and generated substantial liquidity**



**Extension of bareboat charter for two vessels, *Clyde Fisher* and *Speciality* for 2 and 3 years respectively**



**Prepayment of loans and reducing the Trust's outstanding debt to US\$ 13.9 million**



**US\$ 28.3 million of distributions to unitholders**

# THE CURRENT VESSEL PORTFOLIO COMPRISES 8 TANKERS

## SPECIALISED TANKERS

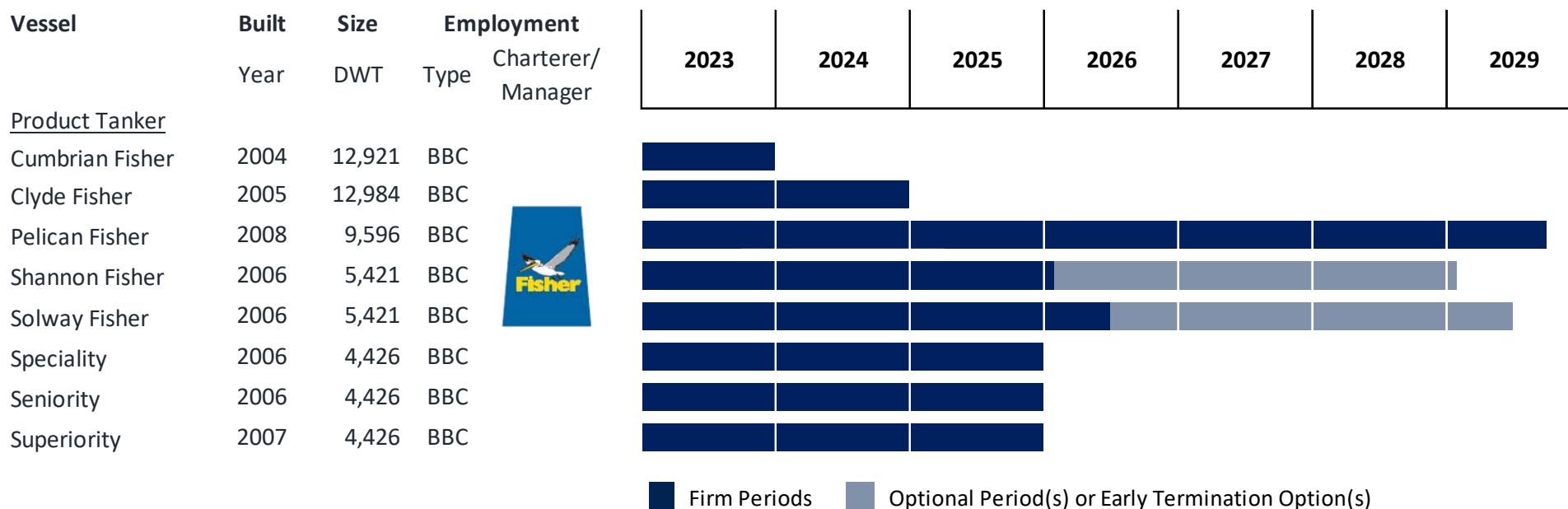


> During FY2022, the Trust sold the crude oil tanker *FSL Hong Kong* in June 2022, followed by the chemical tanker *FSL London* in July 2022 and the product tanker *FSL Singapore* in October 2022.



# ALL VESSELS ARE NOW ARE EMPLOYED ON PERIOD CHARTERS

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



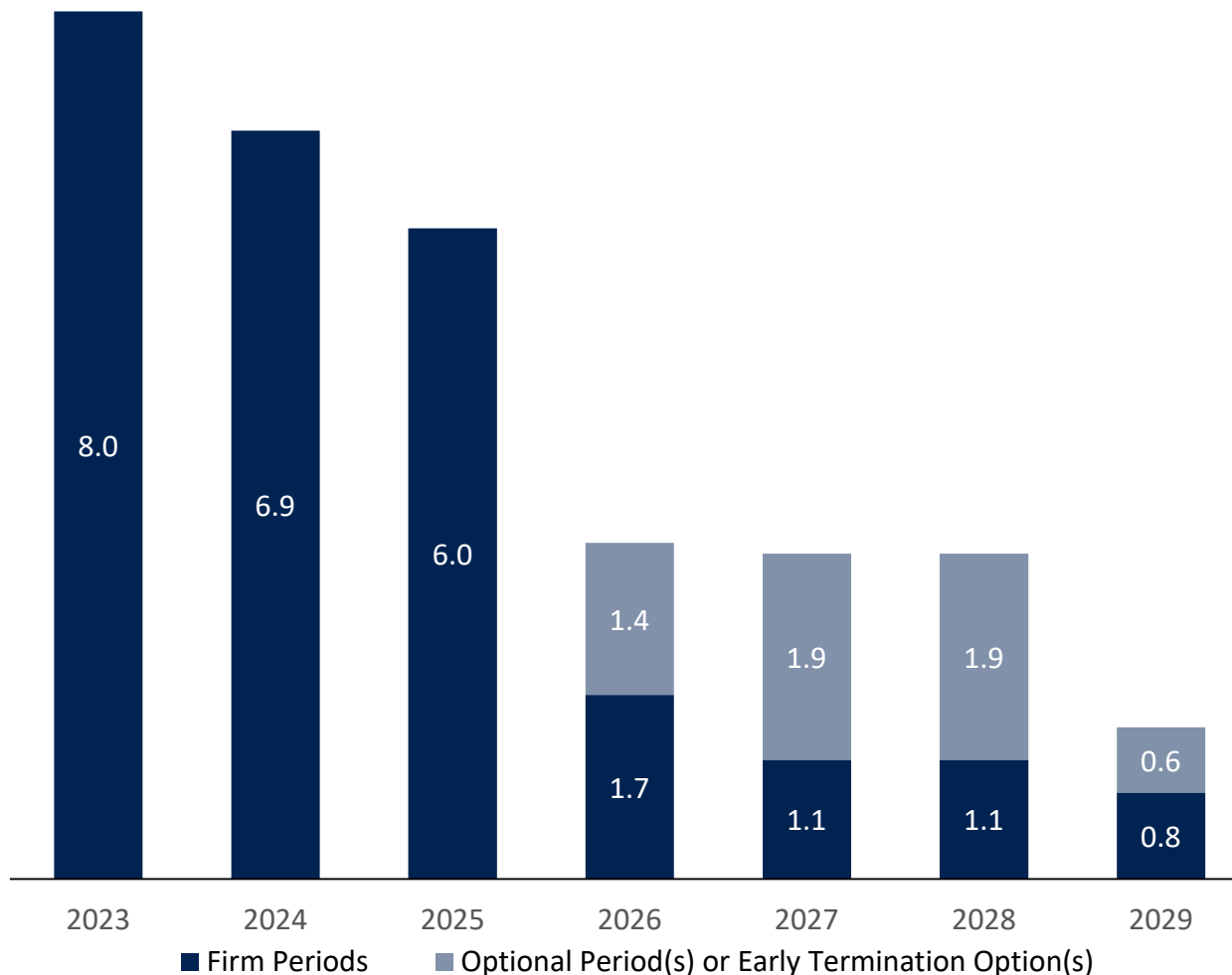
> All eight vessels on period bareboat charters in 2023 provide predictable cash flows and downside protection.

Note(s): <sup>(1)</sup> As at 31 December 2022

# US\$ 25.6 MILLION OF FIRM CONTRACTED REVENUE PLUS UP TO US\$ 5.8 MILLION OF OPTIONAL CONTRACTED REVENUE



## CONTRACTED REVENUE (IN US\$m)<sup>(1)</sup>



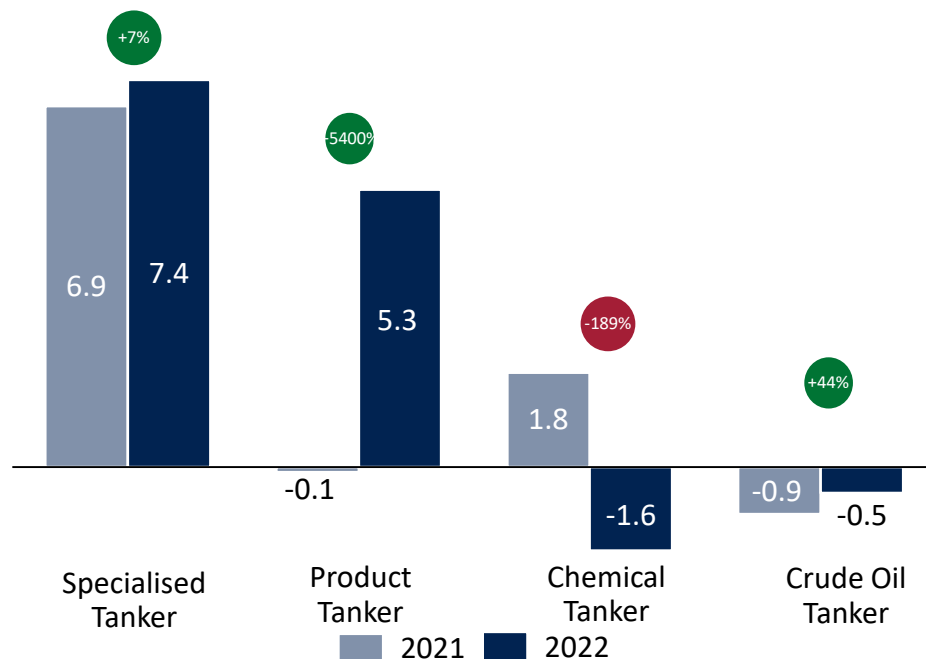
## EMPLOYMENT UPDATE

- > Charters for two specialised tankers (*Clyde Fisher* and *Speciality*) renewed in December 2022.
- > *Clyde Fisher* and *Speciality* charter extended by two and three years respectively.
- > No scheduled charter maturities until year-end 2023

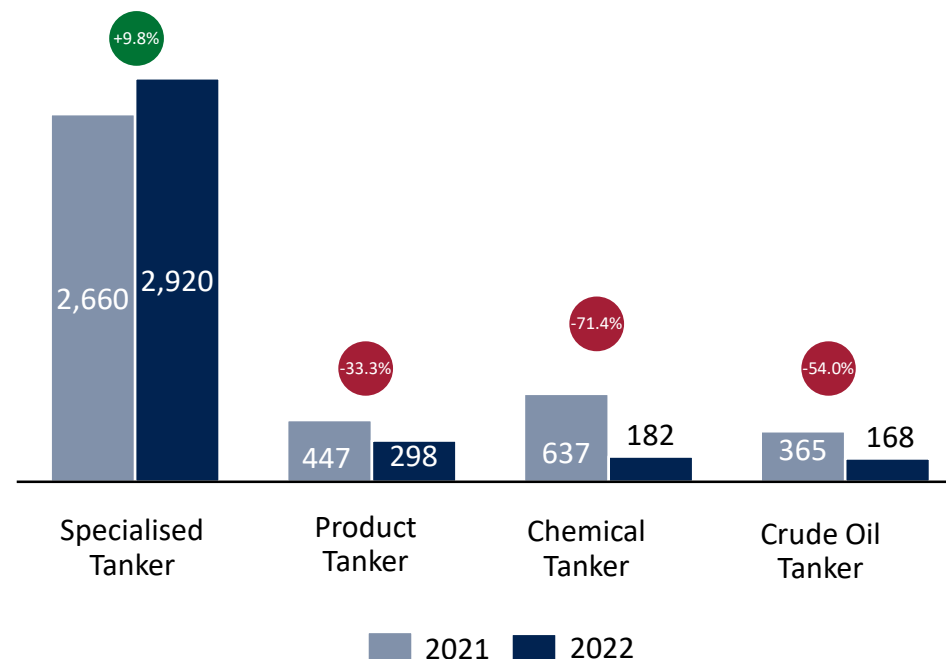
Note(s): <sup>(1)</sup> As at 31 December 2022

# THE OPERATING RESULTS REFLECT THE SMALLER FLEET AND TANKER MARKET ENVIRONMENT

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



OWNERSHIP DAYS BY VESSEL TYPE



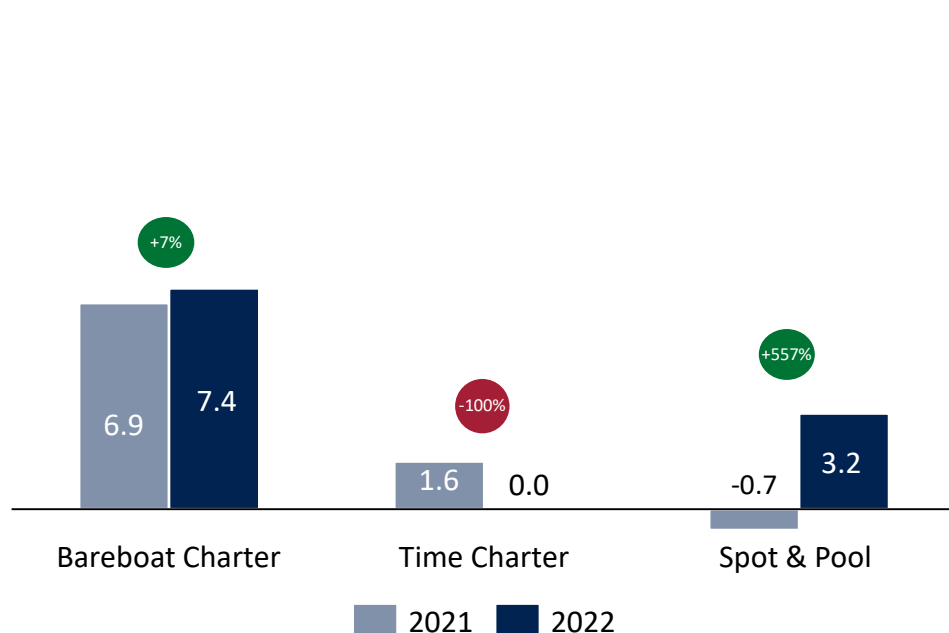
- > Adjusted EBITDA<sup>(1)</sup> and ownership days of core fleet (specialised tanker) increased following the *Pelican Fisher*-acquisition and incremental rate increases for some of the other vessels
- > Despite reduced ownership days, adjusted EBITDA<sup>(1)</sup> for product tanker increased amid improved products market
- > Decline in adjusted EBITDA<sup>(1)</sup> for the chemical tanker as *FSL London* was held in India until June 2022 and subsequently disposed in July 2022
- > Marginal negative adjusted EBITDA<sup>(1)</sup> for crude oil tanker driven by the reduced fleet (lower ownership days) following the disposal of *FSL Hong Kong*

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

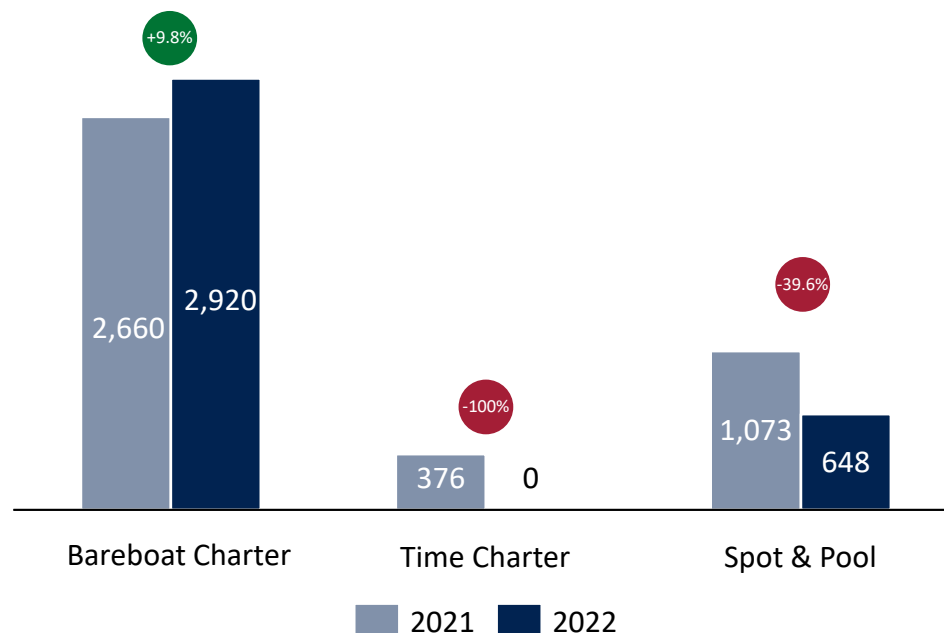


# THE OPERATING RESULTS REFLECT THE SMALLER FLEET AND TANKER MARKET ENVIRONMENT (CONT'D)

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



OWNERSHIP DAYS BY EMPLOYMENT TYPE

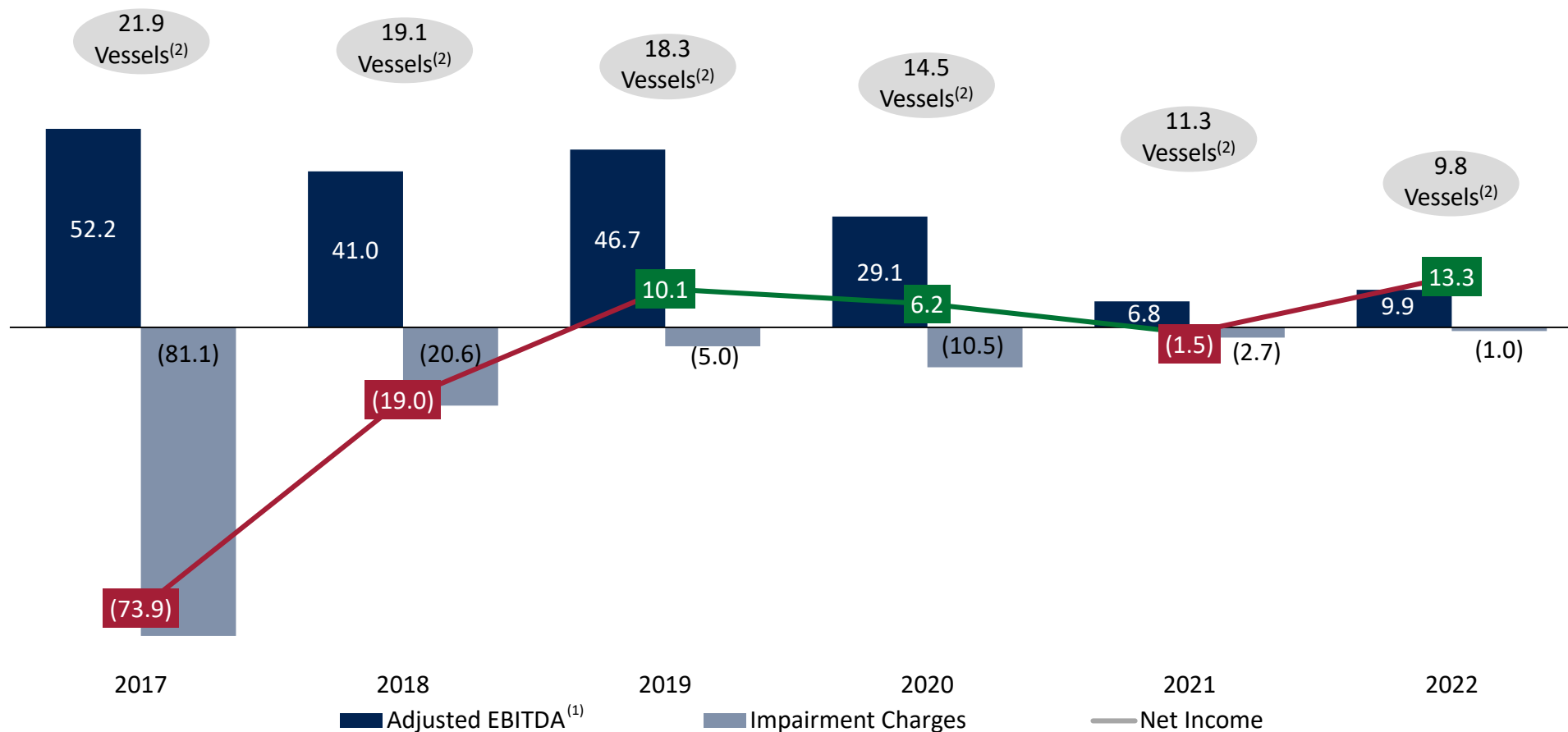


- > Increase in adjusted EBITDA<sup>(1)</sup> and ownership days for bareboat charters following the *Pelican Fisher* acquisition and incremental rate increases for some of the other vessels
- > Time charter for the chemical tankers matured in summer 2021 and subsequently switch to spot trading amid unsatisfactory period charter markets
- > Results from spot and pool trading vessels improved amid strong tanker markets, despite the adverse impact by *FSL London* being held in India

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

# STRONG TANKER MARKETS IMPROVE 2022 RESULTS

## FINANCIAL PERFORMANCE (IN US\$m)

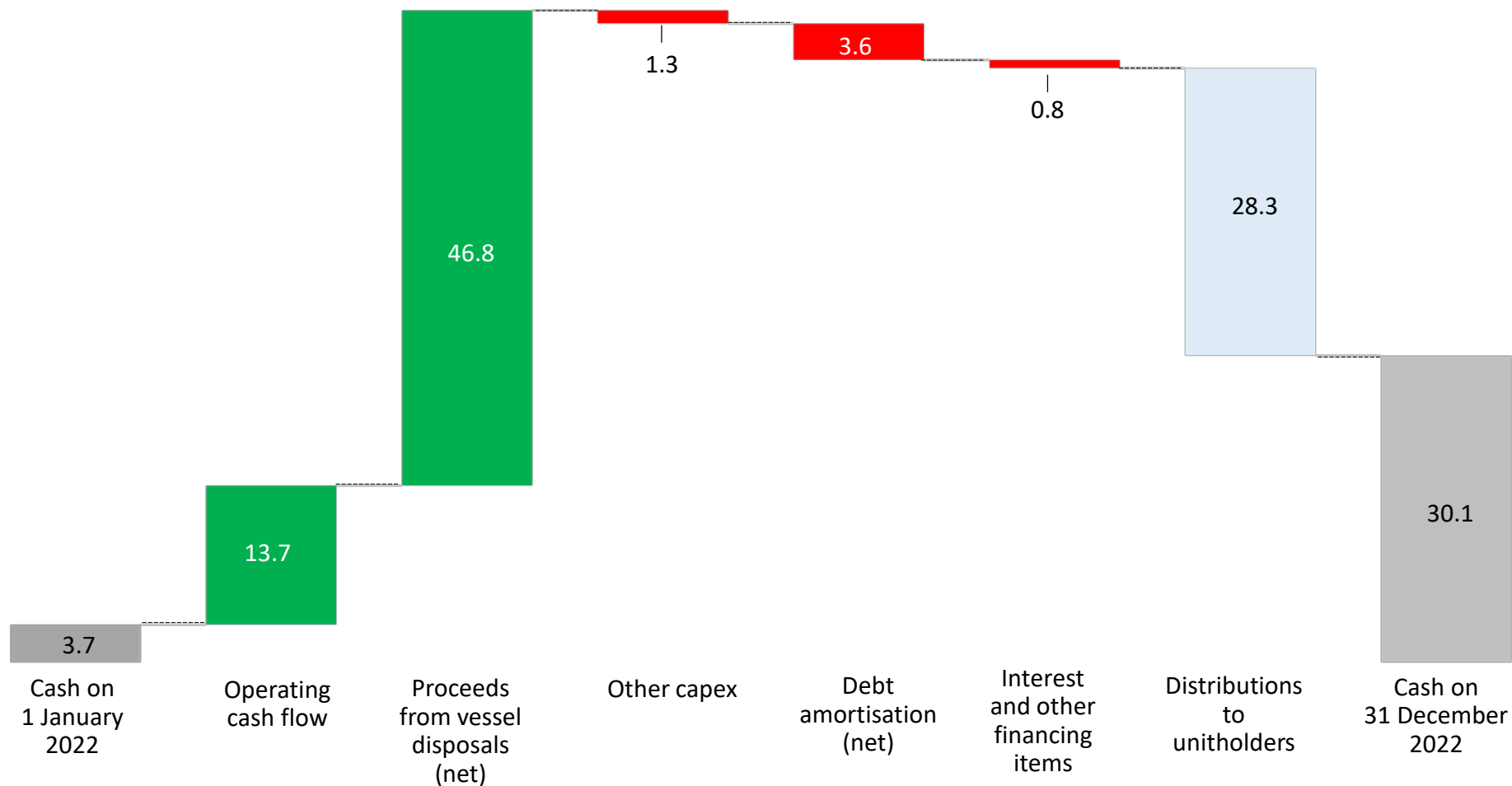


Note(s): <sup>(1)</sup> Excluding gains/losses from the disposal of vessels and vessel impairments

<sup>(2)</sup> Average number of vessels on the water

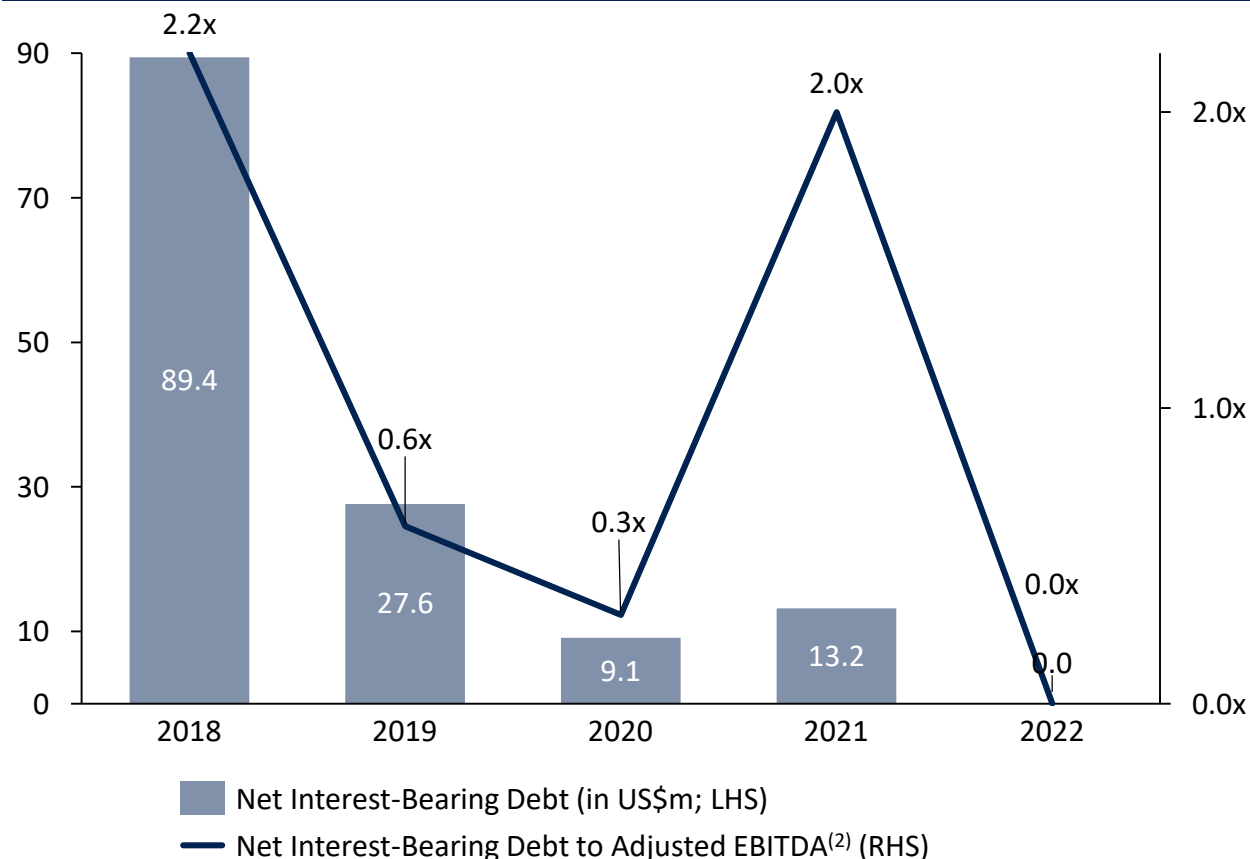
# VESSEL SALES REDUCED MARKET EXPOSURE AND GENERATED STRONG CASH FLOWS TO DISTRIBUTE US\$ 28 MILLION

## RECONCILIATION OF CASH FLOWS (IN US\$m)

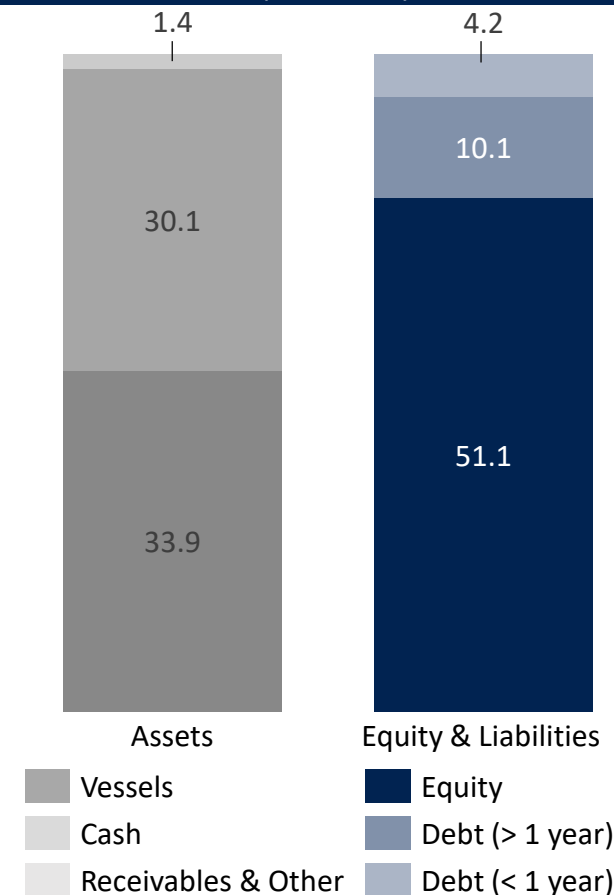


# FOCUS ON DEBT REDUCTION OVER THE LAST FEW YEARS LED TO A HEALTHY BALANCE SHEET TODAY

## DEBT REDUCTION<sup>(1)</sup>



## BALANCE SHEET (IN US\$m)<sup>(1)</sup>

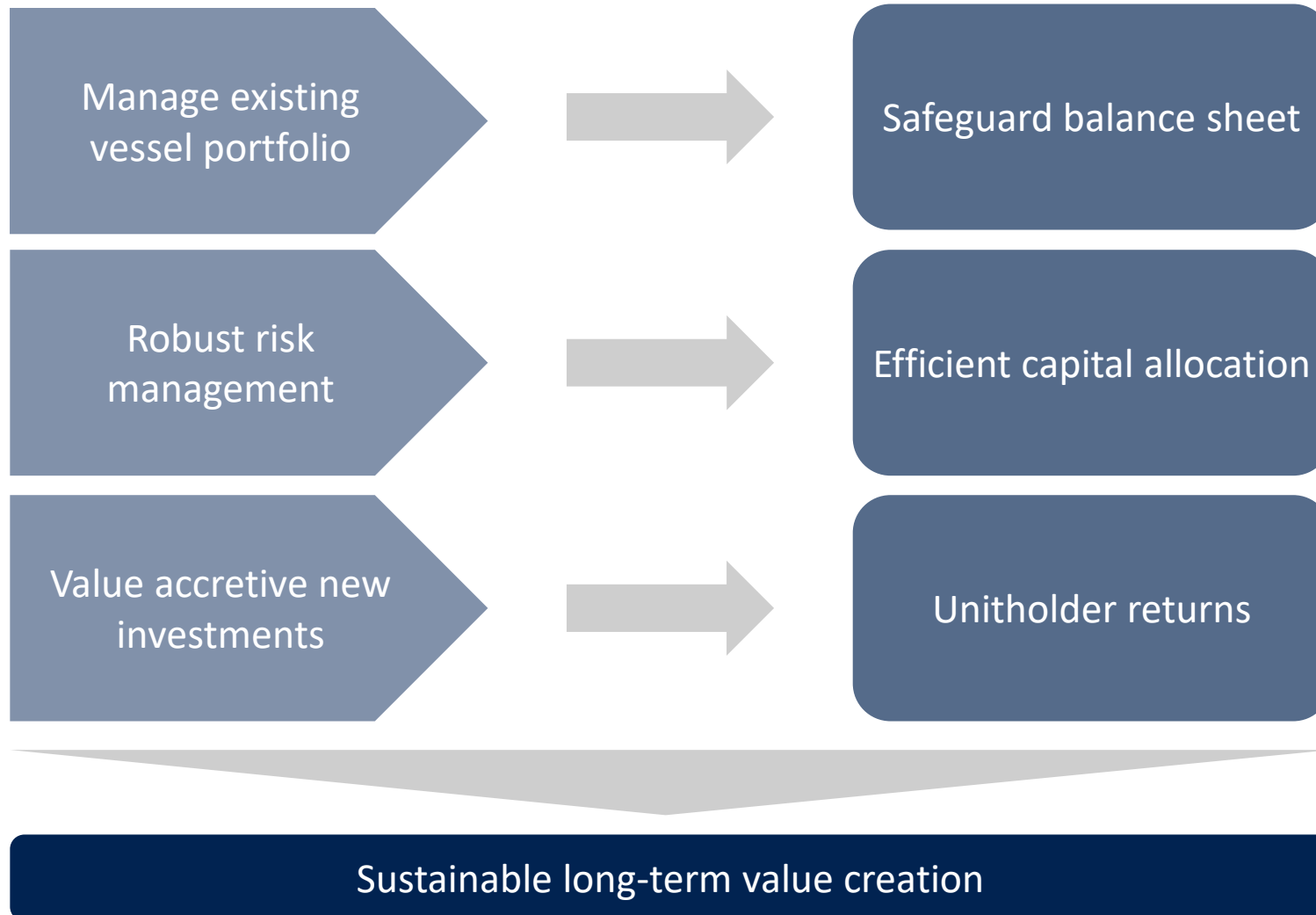


**> Conservative financing approach, utilising contracted revenue, leads to healthy net-leverage and low cash break-even rates for the fleet vessel**

Note(s): <sup>(1)</sup> Unaudited; as at 31 December 2022

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

# THE STRATEGIC FOCUS REMAINS ON IDENTIFYING ACCRETIVE INVESTMENTS WHILST MANAGING MARKET EXPOSURE





**T R U S T**