



**FSL Trust Management Pte. Ltd.**

as Trustee Manager for First Ship Lease Trust

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## **FSL Trust Records Positive Results with a Net Profit of US\$ 6.2 million for the Full Year 2020 Amid Market Headwinds**

### **Key Financial Highlights**

- Adjusted EBITDA<sup>1</sup> of US\$ 29.1 million and net profit of US\$ 6.2 million for the full year 2020
- Adjusted EBITDA<sup>1</sup> of US\$ 3.1 million and net loss of US\$ 2.2 million for the 4<sup>th</sup> quarter 2020, due to non-cash impairments for vessels
- Agreed to extend the bareboat charters for the Trust's 5 smaller product tankers, adding a minimum of US\$ 21.5 million to contracted revenue
- Strong liquidity position, sustainable leverage and contracted revenue safeguard the Trust from challenging market conditions

**Singapore, 4<sup>th</sup> February 2021** – FSL Trust Management Pte. Ltd. (“FSLTM”), as trustee-manager of First Ship Lease Trust (“FSL Trust” or the “Trust”), today announced the results of FSL Trust for the 4<sup>th</sup> quarter and full year ended 31 December 2020 (“4Q2020” and “FY 2020”).

For the full year, the Trust achieved an adjusted EBITDA<sup>1</sup> of US\$ 29.1 million and a net profit of US\$ 6.2 million, representing a decline of 37.6% and 38.3%, respectively, compared to the year before.

The decline of adjusted EBITDA and net profit, reflects the reduced fleet compared to last year as the Trust diligently follows its original plan to divest from older tonnage. During 2020, the Trust completed the sales of its 3 containerships and 3 of its tankers, which enabled the prepayment of US\$ 23.0 million of debt and the distribution of US\$ 79.6 million to its unitholders.

For the fourth quarter of 2020, the Trust generated an adjusted EBITDA<sup>1</sup> of US\$ 3.1 million (minus 80.4% y-o-y) and realised a net loss of US\$ 2.2 million. In addition to the reduced fleet, the fourth quarter results were adversely affected by the COVID-19 pandemic which weighed on tanker markets during the 2<sup>nd</sup> half of the year, as well as, by non-cash vessel impairment charges of US\$ 3.1 million.

The Trust continues to maintain a solid capital structure and ended the year with US\$ 20.7 million of cash and cash equivalents compared to US\$ 29.8 million of loans outstanding, resulting in net debt of US\$ 9.1 million only (equal to a net leverage<sup>2</sup> of 0.3x, previous year: 0.6x). Capitalising on the strong liquidity position and in addition to scheduled debt amortisation, the Trust made voluntary loan prepayments of US\$ 4.5 million in 2020. The equity ratio<sup>3</sup> further improved to 80%, from 74% at the end of 2019.

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

<sup>2</sup> Net interest-bearing debt to adjusted EBITDA

<sup>3</sup> Total equity to total assets

During the 4<sup>th</sup> quarter 2020, the Trust agreed the extension of the bareboat charters for 5 product tankers for periods of up to 8 years. The extended charters are expected to generate contracted revenue of at least US\$ 21.5 million, excluding US\$ 5.7 million from optional periods.

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

“Reduced global demand for oil and oil products due to the COVID-19 pandemic has weighed on freight rates and market values for tankers in the 2<sup>nd</sup> half of 2020 and our results for the 4<sup>th</sup> quarter. Yet, we have reported a profit for the full year and maintained a healthy financial position. We are also very pleased that we reached an agreement with James Fisher Everard for the extension of the charters for the Trust’s 5 smaller product tankers, significantly contributing to our contracted revenue in these trying times.”

**Stathis Topouzoglou, Chairman of the Board of Directors, said:**

“Admittedly, 2020 has been a very difficult year and challenged our personal, professional and cultural lives. So, first and foremost, the Board of Directors is thankful to the entire FSL team and especially to the crews on board our vessels, for their patience, commitment and dedication.

During the year, the Trust continued to adhere to its strategy of divesting from older tonnage by selling 6 vessels built between 2006 and 2008, while distributing US\$ 79.6 million to its unitholders. Meantime, the regulatory framework is reshaping to conform with climate change and the strong ESG norms, in response to the world’s call for environmental innovation. This proves our fleet strategy to be in the right direction and will be a core consideration in the Trust’s future.”

## **4Q FY20/FY 2020 Results Live Webcast**

FSLTM will host a live webcast for all registered participants on Friday, 5<sup>th</sup> February 2021 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](http://www.firstshiplease.com) from 12:00 pm (Singapore time) on Monday, 8<sup>th</sup> February 2021.

### **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 on order will be delivered to FSL Trust early 2021.

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

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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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