



# **FIRST SHIP LEASE TRUST – CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SIX-MONTHS AND FULL YEAR ENDED 31 DECEMBER 2025**

## **Corporate Information**

First Ship Lease Trust ("FSL Trust" or the "Trust") is a Singapore-based business trust which owns a fleet of well-maintained, oceangoing tankers across different segments.

As at 31 December 2025, the vessel portfolio comprised 6 tankers of different sizes, all of which are employed under fixed-rate period charters.

The combined portfolio of vessels had an average age of approximately 19 years and a dollar-weighted average remaining lease period of approximately 3 years.

References to the term "Group" mean FSL Trust and its subsidiaries on a consolidated basis.

## **Summary of FSL Trust Consolidated Results**

	<b>2H 2025</b>	<b>2H 2024</b>	<b>Change</b>	<b>FY 2025</b>	<b>FY 2024</b>	<b>Change</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>%</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>%</b>
Revenue	3,051	4,358	(30.0)	6,051	8,454	(28.4)
Adjusted EBITDA <sup>(1)</sup>	2,063	3,380	(39.0)	4,105	6,447	(36.3)
Profit for period/year	5,109	6,882	(25.8)	6,857	8,259	(17.0)
Average number of vessels	6.0	7.9	(24.1)	6.1	8.0	(23.8)

Note(s):

(1) Excluding gains/losses from the disposal of vessels and reversal of vessel impairment.

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**1(a)(i) Condensed Interim Consolidated Income Statement**

		Group					
		2H 2025	2H 2024	Change	FY 2025	FY 2024	Change
Note		US\$'000	US\$'000	%	US\$'000	US\$'000	%
	<b>Revenue</b>	3,051	4,358	(30.0)	6,051	8,454	(28.4)
	Depreciation expense on vessels	(1,054)	(1,446)	(27.1)	(2,173)	(2,930)	(25.8)
(a)	Gain on disposal of ves- sels	1	2,281	(100.0)	737	2,281	(67.7)
(b)	Reversal of impairment on vessels	3,725	1,968	89.3	3,725	1,968	89.3
	Management fees	(700)	(700)	-	(1,400)	(1,400)	-
	Trustee fees	(4)	(4)	-	(8)	(9)	(11.1)
	Other Trust expenses	(284)	(274)	3.6	(538)	(598)	(10.0)
	<b>Results from operat- ing activities</b>	4,735	6,183	(23.4)	6,394	7,766	(17.7)
(c)	Other income	150	1,000	(85.0)	150	1,000	(85.0)
	Finance income	352	58	506.9	640	377	69.8
	Finance expenses	(85)	(369)	(77.0)	(291)	(868)	(66.5)
	<b>Profit before tax</b>	5,152	6,872	(25.0)	6,893	8,275	(16.7)
	Income tax (expense)/ credit	(43)	10	N.M.	(36)	(16)	125.0
	Profit for the period/year	5,109	6,882	(25.8)	6,857	8,259	(17.0)
	<b>Earnings per unit (US cents)</b>						
	Basic	0.29	0.39	(25.6)	0.39	0.47	(17.0)
	Diluted	0.29	0.39	(25.6)	0.39	0.47	(17.0)

Note(s):

- (a) This relates to the sale of one product tanker (mainly *Clyde Fisher*) in February 2025.
- (b) This relates to the reversal of vessel impairment on three product tankers (*Speciality, Seniority and Superiority*).
- (c) Settlement received on insurance claim filed by FSL-10 Pte Ltd (*FSL London*).

**1(a)(ii) Condensed Interim Statement of Comprehensive Income**

		Group			
		2H 2025	2H 2024	FY 2025	FY 2024
		US\$'000	US\$'000	US\$'000	US\$'000
	<b>Profit for the period/year</b>	5,109	6,882	6,857	8,259
	<b>Total comprehensive income, net of tax</b>	5,109	6,882	6,857	8,259

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**1(a)(iii) Distribution Statements**

		2H 2025	2H 2024	FY 2025	FY 2024
	Note	US\$'000	US\$'000	US\$'000	US\$'000
<b>Profit for the period/year</b>		5,109	6,882	6,857	8,259
Add: Non-cash adjustments	(a)	(2,672)	(2,803)	(2,289)	(1,319)
<b>Net cash generated from operations</b>		2,437	4,079	4,568	6,940
Less: Repayment of secured loans		(282)	(1,397)	(1,055)	(3,179)
Less: Prepayment of secured loans	(b)	(1,693)	(945)	(4,143)	(1,945)
<b>Income available for distribution</b>		462	1,737	(630)	1,816
Add: Utilisation of cash retained from previous periods		-	-	630	-
Less: Cash retained in the current period/year		(462)	(1,737)	-	(1,816)
<b>Net distributable amount</b>	(c)	-	-	-	-
Amount available for distribution		-	-	-	-
Comprising:(i) Tax-exempt distribution		-	-	-	-
(ii) Tax-exempt (one-tier) distribution		-	-	-	-
<b>Amount to be distributed</b>		-	-	-	-
Units at end of period/year ('000)		1,768,058	1,768,058	1,768,058	1,768,058
<b>Distribution per unit (US Cents)</b>		-	-	-	-

Note(s):

(a) Non-cash adjustments

	Group			
	2H 2025	2H 2024	FY 2025	FY 2024
	US\$'000	US\$'000	US\$'000	US\$'000
Depreciation expense on vessels	1,054	1,446	2,173	2,930
Reversal of impairment on vessels	(3,725)	(1,968)	(3,725)	(1,968)
Gain on disposal of vessels	(1)	(2,281)	(737)	(2,281)
	(2,672)	(2,803)	(2,289)	(1,319)

- (b) In 2H 2025, prepayment of US\$1.7 million was made to clear the outstanding loan balance.
- (c) No distribution has been recommended by the Board for the second half year ended 31 December 2025.

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**1(b)(i) Condensed Interim Statements of Financial Position**

		<b>31 December 2025</b>		<b>31 December 2024</b>	
		<b>Group</b>	<b>Trust</b>	<b>Group</b>	<b>Trust</b>
		<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Non-current assets</b>					
Vessels	(a)	22,491	-	26,693	-
Subsidiaries		-	35,993	-	35,072
		22,491	35,993	26,693	35,072
<b>Current assets</b>					
Trade and other receivables		614	89	1,178	83
Cash and cash equivalents	(b)	20,834	18,932	14,788	10,682
		21,448	19,021	15,966	10,765
<b>Total assets</b>		43,939	55,014	42,659	45,837
<b>Equity attributable to unitholders of FSL Trust</b>					
Units in issue		561,332	561,332	561,332	561,332
Reserves		(517,925)	(540,858)	(524,782)	(541,993)
<b>Total equity</b>		43,407	20,474	36,550	19,339
<b>Non-current liabilities</b>					
Secured loans	(c)	-	-	2,645	-
<b>Current liabilities</b>					
Trade and other payables		472	34,480	944	26,453
Secured loans	(c)	-	-	2,475	-
Income tax payable		60	60	45	45
		532	34,540	3,464	26,498
<b>Total liabilities</b>		532	34,540	6,109	26,498
<b>Total equity and liabilities</b>		43,939	55,014	42,659	45,837

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**1(b)(i) Condensed Interim Statements of Financial Position (cont'd)**

Note(s):

(a) Vessels

<b>Group</b>	<b><u>Vessels</u></b> <b>US\$'000</b>	<b><u>Initial</u></b> <b><u>direct costs</u></b> <b>US\$'000</b>	<b><u>Total</u></b> <b>US\$'000</b>
<b>As at 31 December 2025</b>			
<u>Cost</u>			
At 1 January 2025	97,636	719	98,355
Disposal	(22,179)	-	(22,179)
At 31 December 2025	<u>75,457</u>	<u>719</u>	<u>76,176</u>
 <u>Less:</u>			
<u>Accumulated depreciation/</u> <u>amortisation and impairments</u>			
At 1 January 2025	70,980	682	71,662
Depreciation/amortisation charge for the period	2,173	4	2,177
Reversal of impairment recognised in the income statement	(3,725)	-	(3,725)
Disposal	(16,429)	-	(16,429)
At 31 December 2025	<u>52,999</u>	<u>686</u>	<u>53,685</u>
 <u>Carrying amount</u>			
At 31 December 2025	<u>22,458</u>	<u>33</u>	<u>22,491</u>
 <b>As at 31 December 2024</b>			
Cost	97,636	719	98,355
Less: Accumulated depreciation/ amortisation and impairments	70,980	682	71,662
Carrying amount	<u>26,656</u>	<u>37</u>	<u>26,693</u>

During the financial year ended 31 December 2025, the Group disposed one product tanker (*Clyde Fisher*) in February 2025 for a net cash consideration of approximately US\$6,495,000, resulting in a gain on disposal of US\$745,000.

For the financial year ended 31 December 2025, the Group recognised a reversal of impairment on vessels amounting to US\$3,725,000 based on value in use calculations (FY 2024: US\$1,968,000 based on fair value less costs of disposal). As at 31 December 2025, the carrying amount of the vessels was US\$22,491,000 (FY 2024: US\$26,693,000).

The value in use calculations use discounted cash flow projections based on the projected cash flows over the remaining useful life of each vessel and its projected residual value, which was based on the average scrap steel price per lightweight ton in recent years.

The fair value less costs of disposal was based on the sale of similar vessels and was therefore within Level 2 of the fair value hierarchy.

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**1(b)(i) Condensed Interim Statements of Financial Position (cont'd)**

Note(s):

(a) Vessels (cont'd)

Vessel portfolio as at 31 December 2025:

<u>Name</u>	<u>Type</u>	<u>Built</u>	<u>Capacity</u>	<u>Employment Type</u>
Pelican Fisher	Product Tanker	2008	9,596 DWT	Bareboat Charter
Shannon Fisher	Product Tanker	2006	5,421 DWT	Bareboat Charter
Solway Fisher	Product Tanker	2006	5,421 DWT	Bareboat Charter
Speciality	Product Tanker	2006	4,426 DWT	Bareboat Charter
Seniority	Product Tanker	2006	4,426 DWT	Bareboat Charter
Superiority	Product Tanker	2007	4,426 DWT	Bareboat Charter

(b) Cash and cash equivalents comprise:

	<b>31 December 2025</b>		<b>31 December 2024</b>	
	<b>Group</b>	<b>Trust</b>	<b>Group</b>	<b>Trust</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Cash at banks	2,834	932	4,488	382
Short-term deposits with a maturity period of less than 3 months	18,000	18,000	10,300	10,300
Cash and cash equivalents	20,834	18,932	14,788	10,682
Cash and cash equivalents in the Consolidated Statement of Cash Flows	20,834	18,932	14,788	10,682

(c) Aggregate amount of the Group's borrowings and debt securities

	<b>31 December 2025</b>		<b>31 December 2024</b>	
	<b>US\$'000</b>		<b>US\$'000</b>	
<b>Secured loans</b>				
<u>Repayable within one year</u>				
Secured loans	-			2,525
Less: Unamortised debt transaction costs	-			(50)
	-			2,475
<u>Repayable after one year</u>				
Secured loans	-			2,673
Less: Unamortised debt transaction costs	-			(28)
	-			2,645

**1(b)(i) Condensed Interim Statements of Financial Position (cont'd)**

Note(s):

**(c) Aggregate Amount of the Group's Borrowings and Debt Securities (cont'd)**

In May 2021, the Trustee-Manager, on behalf of FSL Trust, through six of its subsidiaries, entered into a US\$15 million term loan facility agreement with Chailease International Financial Services (Singapore) Pte. Ltd. for the refinancing of six vessels. In October 2021, the Trustee-Manager, on behalf of FSL Trust, through one of its subsidiaries, entered into another US\$3.95 million term loan facility agreement with Chailease International Financial Services (Singapore) Pte. Ltd. for the refinancing of one vessel. The pricing of the two loans was USD LIBOR plus 3.975%. Both term loan facilities with Chailease International Financial Services (Singapore) Pte. Ltd. with LIBOR-based benchmark rate had been replaced by Term SOFR-based benchmark rate. The revised pricing of the two loans was Term SOFR plus 4.08948% with effect from Q3 2023. Each of the loans was secured by the following collaterals:

- (i) a first priority mortgage over the relevant vessel(s);
- (ii) a first priority assignment of the relevant vessels' rights, title, interest in the insurances to and for each relevant vessel, including insurance for hull and machinery, protection and indemnity and war risks;
- (iii) a first priority assignment of the relevant vessels' rights, title and interest in and to the charter agreements and the charter income of each relevant vessel;
- (iv) pledges of the shares of the relevant vessel-owning subsidiaries and their bank accounts; and
- (v) a corporate guarantee by the Trustee-Manager, on behalf of FSL Trust.

During the financial year 2025, FSL Trust's subsidiaries fully prepaid the outstanding loan under the US\$15 million and US\$3.95 million term loan facility agreement with Chailease International Financial Services (Singapore) Pte Ltd.

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**1(c) Condensed Interim Consolidated Statement of Cash Flows**

	<b>Group</b>			
	<b>2H 2025</b>	<b>2H 2024</b>	<b>FY 2025</b>	<b>FY 2024</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Operating activities:</b>				
Profit before tax	5,152	6,872	6,893	8,275
Adjustments for:				
Depreciation expense on vessels	1,054	1,446	2,173	2,930
Reversal of impairment on vessels	(3,725)	(1,968)	(3,725)	(1,968)
Amortisation of debt transaction costs	32	69	78	134
Amortisation of initial direct costs	2	2	4	4
Interest income	(352)	(58)	(640)	(377)
Interest expense	52	300	209	739
Gain on disposal of vessels	(1)	(2,281)	(737)	(2,281)
	2,214	4,382	4,255	7,456
Changes in working capital:				
Trade and other receivables	22	(136)	166	205
Trade and other payables	(35)	(77)	26	(180)
<b>Cash generated from operations</b>	<b>2,201</b>	<b>4,169</b>	<b>4,447</b>	<b>7,481</b>
Income tax refunded/(paid)	-	29	(21)	(133)
<b>Net cash generated from operating activities</b>	<b>2,201</b>	<b>4,198</b>	<b>4,426</b>	<b>7,348</b>
<b>Investing activities:</b>				
Interest received	330	45	618	377
Net proceeds on disposal of vessels	-	7,108	5,998	7,108
<b>Net cash generated from investing activities</b>	<b>330</b>	<b>7,153</b>	<b>6,616</b>	<b>7,485</b>
<b>Financing activities:</b>				
Distribution to unitholders	-	-	-	(26,521)
Security deposits received	100	180	420	180
Prepayment of secured loans	(1,693)	(945)	(4,143)	(1,945)
Repayment of secured loans	(282)	(1,397)	(1,055)	(3,179)
Interest paid	(53)	(305)	(218)	(754)
<b>Net cash used in financing activities</b>	<b>(1,928)</b>	<b>(2,467)</b>	<b>(4,996)</b>	<b>(32,219)</b>
Net increase/(decrease) in cash and cash equivalents	603	8,884	6,046	(17,386)
Cash and cash equivalents at beginning of period/year	20,231	5,904	14,788	32,174
Cash and cash equivalents at end of period/year	20,834	14,788	20,834	14,788
<b>Comprising:-</b>				
Cash at Banks	2,834	4,488	2,834	4,488
Short-term deposits with a maturity period of less than 3 months	18,000	10,300	18,000	10,300
	20,834	14,788	20,834	14,788



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**1(d)(i) Condensed Interim Statements of Changes in Unitholders' Funds**

**2025 Group**

At 1 January 2025

Total comprehensive income for the year

At 31 December 2025

Units in Issue	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
US\$'000	US\$'000	US\$'000	US\$'000
561,332	(6,725)	(518,057)	36,550
-	-	6,857	6,857
561,332	(6,725)	(511,200)	43,407

**2024 Group**

At 1 January 2024

Total comprehensive income for the year

Contribution by and distribution to unitholders:

Distribution to unitholders

At 31 December 2024

Units in Issue	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
US\$'000	US\$'000	US\$'000	US\$'000
561,332	(6,725)	(499,795)	54,812
-	-	8,259	8,259
-	-	(26,521)	(26,521)
561,332	(6,725)	(518,057)	36,550

**2025 Trust**

At 1 January 2025

Total comprehensive income for the year

At 31 December 2025

Units in Issue	Accumulated Losses	Total Equity
US\$'000	US\$'000	US\$'000
561,332	(541,993)	19,339
-	1,135	1,135
561,332	(540,858)	20,474

**2024 Trust**

At 1 January 2024

Total comprehensive income for the year

Contribution by and distribution to unitholders:

Distribution to unitholders

At 31 December 2024

Units in Issue	Accumulated Losses	Total Equity
US\$'000	US\$'000	US\$'000
561,332	(530,932)	30,400
-	15,460	15,460
-	(26,521)	(26,521)
561,332	(541,993)	19,339

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**1(d)(ii) and 1(d)(iii) Details of any changes in Units and total number of issued units**

	<b>2H 2025 Units</b>	<b>FY 2024 Units</b>
At the beginning of the period/ year	1,768,057,636	1,768,057,636
Units issued during the period/ year	-	-
At the end of the period/year	1,768,057,636	1,768,057,636

There were no treasury shares and no subsidiary holdings as at 31 December 2025 and as at 31 December 2024.

**1(d)(iv) Sales, transfers, cancellation and/or use of treasury units**

Nil.

**1(d)(v) Sales, transfers, cancellation and/or use of subsidiary holdings**

Nil.

**1(e) Notes to the Condensed Interim Consolidated Financial Statements**

**(i) Basis of preparation**

The condensed interim financial statements for the financial year ended 31 December 2025 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and the Group's performance since the most recent audited annual financial statements for the year ended 31 December 2024.

The financial statements are presented in United States Dollars (US\$), which is the Trust's functional currency. All financial information presented in US\$ have been rounded to the nearest thousand (US\$'000), unless otherwise stated.

The Group has applied the same accounting policies and methods of computation applied in the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2024.

**(ii) Changes to accounting policies**

The Group has adopted new and revised International Financial Reporting Standards ("IFRSs"), that are mandatory for application from 1 January 2025. The adoption of these IFRSs Interpretations and amendments to IFRSs did not result in material changes to the Group's accounting policies and has no material effect on the amounts reported for the current financial period.

**(iii) Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

**1(e) Notes to the Condensed Interim Consolidated Financial Statements (cont'd)**

**(iii) Use of judgements and estimates (cont'd)**

*Critical accounting estimates and assumptions*

The following are the key sources of estimation and assumptions at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next interim period.

Estimated useful lives of vessels

The Group estimates the useful lives of the vessels based on the period over which the vessel is expected to be available for use. The estimated economic useful lives of the vessels (25 years) are reviewed annually and are updated if expectations differ from previous estimates due to physical wear and tear, technical obsolescence and legal or other limits on the use of the relevant asset. In addition, the estimation of the useful lives of the vessels is on the collective assessment of industry practice, internal technical evaluation and experience with similar vessels.

Estimated residual values of vessels

The Group reviews the residual values of the vessels at each reporting date to ensure that the carrying amounts are consistent with the estimated value of a future disposal.

The residual values of the vessels are estimated based on the average scrap steel price per light weight ton in recent years. In determining the residual values of vessels leased on a long-term bareboat charter basis under operating lease agreements, the Group has considered various factors such as the type, size, age of these vessels and the existing lease arrangements.

Impairment assessment of vessels

Impairment is recognised when events and circumstances indicate that the vessel may be impaired and the carrying amount of the vessel exceeds the recoverable amount. The recoverable amount for each vessel is determined based on the higher of the fair value of the vessel less the estimated costs of disposal and the carrying value of the vessels based on a "value-in-use" methodology.

For the value-in-use calculations, the Group determined the cash flows based on past performance and their expectation of market development. The Group prepared the value-in-use calculation based on projected cash flows over the remaining useful life of each vessel and its projected residual value.

The projected cash inflows are based on existing charter contract rates and/or inflation-adjusted daily rates from observable historical trends of 5 to 10 years. Management has adjusted the projected cash flows with management's assessment of the achievable cash flows based on recent performance of the vessels and the age of the vessels.

The projected cash outflows take into consideration each vessel's inflation-adjusted actual and budgeted operating expenses using a post-tax discount rate of 14.73% (December 2024: 15.56%) and takes into account the time value of money and the risks specific to the vessels' estimated cash flows.

**1(e) Notes to the Condensed Interim Consolidated Financial Statements (cont'd)**

**(iii) Use of judgements and estimates (cont'd)**

*Critical judgements*

In the process of applying the Group's accounting policies, the application of judgements that are expected to have a significant effect on the amounts recognised in the interim financial statements are as follows:

Classification of leases

The Group owns vessels and leases them to lessees under fixed rate bareboat arrangements. These charters are classified as operating leases. In determining lease classification at inception, the Group evaluated the terms and conditions of the charter arrangement. As the present values of minimum lease payments do not amount to substantially the fair values of the vessels, and the purchase options, where applicable, are not expected to be sufficiently lower than the fair values at the date the options become exercisable, the Group has assessed that substantially all the risks and rewards of the vessels remain with the Group.

**(iv) Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

**(v) Segment reporting**

The Trustee-Manager has determined the Group as one reportable segment as the Group is involved in the leasing and chartering of vessels which is carried out in international waters.

**Geographical information**

Revenue from external customers are attributed to the regions based on the customers' country of origin.

	Revenue	
	FY 2025	FY 2024
	US\$'000	US\$'000
Europe	6,051	8,454
<b>Total</b>	<b>6,051</b>	<b>8,454</b>

With respect to the presentation of vessels by geographical information, the vessels under the Group are deployed to various parts of the world at the discretion and direction of the lessees. Accordingly, the Trustee-Manager does not consider it meaningful to allocate vessels to specific geographical locations.

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**1(e) Notes to the Condensed Interim Consolidated Financial Statements (cont'd)**

**(vi) Disaggregation of revenue**

	<b>Group</b>	
	<b>FY 2025</b>	<b>FY 2024</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<u>Performance obligations satisfied over time</u>		
Bareboat charter lease income	6,051	8,454
<b>Total</b>	<b>6,051</b>	<b>8,454</b>

Bareboat charter lease income relates to lease income derived from operating leases.

**(vii) Significant items**

	<b>Group</b>	
	<b>FY 2025</b>	<b>FY 2024</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<u>Income</u>		
Gain on disposal of vessels	737	2,281
Reversal of impairment on vessel	3,725	1,968
Other income	150	1,000
<u>Expenses</u>		
Depreciation on vessels	(2,173)	(2,930)
Finance expenses		
- secured loans	(209)	(739)
- amortisation of debt transaction costs	(78)	(134)
Net foreign exchange (loss)/gain	(4)	5
Total finance expenses	(291)	(868)

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**FIRST SHIP LEASE TRUST – CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SIX-MONTHS AND FULL YEAR ENDED 31 DECEMBER 2025**

**1(e) Notes to the Condensed Interim Consolidated Financial Statements (cont'd)**

**(viii) Related party transactions**

Significant transactions with related parties are as follows conducted at terms agreed between the parties.

	<b>Group</b>	
	<b>FY 2025</b>	<b>FY 2024</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<u>Transactions with the Trustee-Manager</u>		
Management fees	1,400	1,400
Trustee fees	8	9
Disposal fees	35	36
<u>Transactions with other related parties</u>		
Directors' fees paid to non-executive directors <sup>(1)</sup>	112	110
Corporate secretarial fees paid to FSL Asset Management Pte Ltd <sup>(2)</sup>	11	17

<sup>(1)</sup> Directors' fees paid to the three non-executive, independent directors.

<sup>(2)</sup> FSL Asset Management Pte Ltd is the 100% shareholder of FSL Trust Management Pte Ltd, who is deemed interested in 77 of the Trust's issued units as at 31 December 2025.

**(ix) Taxation**

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated income statement are:

	<b>Group</b>	
	<b>FY 2025</b>	<b>FY 2024</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<u>Income tax</u>		
Current tax expense	(60)	(16)
Over provision in prior year	24	-
<b>Total</b>	<b>(36)</b>	<b>(16)</b>

**(x) Commitments**

**(a) Operating lease commitments**

The undiscounted lease payments from the operating leases, excluding options, to be received after the reporting date are as follows:

	<b>Group</b>	
	<b>31 December 2025</b>	<b>31 December 2024</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Within one year	5,814	6,112
Between one to two years	4,328	1,670
Between two to three years	4,319	1,077
Between three to four years	2,645	1,080
Between four to five years	-	764
<b>Total</b>	<b>17,106</b>	<b>10,703</b>

**1(e) Notes to the Condensed Interim Consolidated Financial Statements (cont'd)**

**(xi) Fair Value Measurement**

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group and the Trust. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**(a) Vessels**

Fair value measurement disclosure of vessels is disclosed in paragraph 1(b)(i) Note (a).

**(b) Non-derivative financial liabilities**

The carrying amount of the variable rate loans, which were repriced on a monthly or quarterly basis at prevailing market interest rates (Level 2), closely reflects the corresponding fair values.

**(c) Other financial assets and liabilities**

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents and trade and other payables) approximate their fair values due to their short period to maturity and where the effect of discount is immaterial.

The Group does not have financial assets at fair value through comprehensive income.

**(xii) Subsequent events**

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

**2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice**

The condensed statements of financial position of the Group and the Trust as at 31 December 2025 and the related condensed consolidated income statements, condensed statements of comprehensive income and condensed consolidated statement of cash flows of the Group and the condensed statements of changes in unitholders' funds of the Group and the Trust for the financial year then ended and certain explanatory notes have not been audited or reviewed.

**3. Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied**

Refer to paragraph 1(e)(ii).

**FIRST SHIP LEASE TRUST – CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SIX-MONTHS AND FULL YEAR ENDED 31 DECEMBER 2025**

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Refer to paragraph 1(e)(ii).

6. Earnings per unit (“EPU”) and Distribution per unit (“DPU”) for the current financial period/year reported on and the corresponding period of the immediately preceding financial year

	Group			
	2H 2025	2H 2024	FY 2025	FY 2024
Basic and diluted earnings per unit is based on:				
Profit for the period/year (US\$'000)	5,109	6,882	6,857	8,259
Weighted average number of issued units (basic and diluted) ('000)	1,768,058	1,768,058	1,768,058	1,768,058
Basic and diluted earnings per unit based on weighted average number of units in issue (US Cents)	0.29	0.39	0.39	0.47
Number of issued units at end of period/year ('000)	1,768,058	1,768,058	1,768,058	1,768,058
Distribution per unit (US Cents)	-	-	-	-

As at 31 December 2025, the Trust did not have any outstanding instrument with potentially dilutive effect.

7. Net Asset Value (“NAV”) per unit based on units at the end of the current financial year reported on and immediately preceding financial year

	Note	31 December 2025		31 December 2024	
		Group	Trust	Group	Trust
Net asset value per unit (US\$)	(a)	0.02	0.01	0.02	0.01

Note(s):

- (a) Net asset value (based on book value) per unit was calculated based on the applicable number of units issued as at the end of the respective year.

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**FIRST SHIP LEASE TRUST – CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SIX-MONTHS AND FULL YEAR ENDED 31 DECEMBER 2025**

**8. Review of Performance**

The breakdown of the revenue and the net result from operations is as follows:

2H 2025 vs 2H 2024

	Group		
	2H 2025	2H 2024	Change
	US\$'000	US\$'000	%
<b>Revenue</b>	3,051	4,358	(30.0)
Management fees	(700)	(700)	-
Trustee fees	(4)	(4)	-
Other Trust expenses <sup>^</sup>	(284)	(274)	3.6
<b>Adjusted EBITDA<sup>^^</sup></b>	<b>2,063</b>	<b>3,380</b>	<b>(39.0)</b>
Depreciation expense on vessels	(1,054)	(1,446)	(27.1)
Reversal of impairment on vessels	3,725	1,968	89.3
Gain on disposal of vessels	1	2,281	(100.0)
<b>Results from operating activities (EBIT)</b>	<b>4,735</b>	<b>6,183</b>	<b>(23.4)</b>
Other income	150	1,000	(85.0)
Finance income	352	58	506.9
Finance expenses	(85)	(369)	(77.0)
<b>Profit before tax (EBT)</b>	<b>5,152</b>	<b>6,872</b>	<b>(25.0)</b>
Income tax expense	(43)	10	N.M.
<b>Profit for the period</b>	<b>5,109</b>	<b>6,882</b>	<b>(25.8)</b>

<sup>^</sup> Included in the other Trust expenses are vessel inspection fees, valuation fees, insurance, directors' fees, professional fees, printing, investor relations and others.

<sup>^^</sup> Excluding gains/losses from the disposal of vessels and reversal of vessel impairment.

a. Adjusted EBITDA

Bareboat charter

i) Specialised tankers

All six vessels are on bareboat charter to James Fisher Everard Limited and generated an adjusted EBITDA of US\$2.32 million in aggregate in the period under review. The Trust sold the product tanker, *Clyde Fisher*, in February 2025.

b. Other operating expenses

i) Depreciation expense on vessels

Depreciation expense on vessels decreased by 27.1% (US\$0.39 million) due to the disposal of two product tankers in December 2024 and February 2025.

ii) Reversal of impairment on vessels

Upon re-assessment, the recoverable amount of *Speciality, Seniority and Superiority* had exceeded the carrying amount and a reversal of impairment of US\$3.7 million for the three vessels was recognized in the period under review.

**8. Review of Performance (cont'd)**

c. Results from operating activities

FSL Trust generated an operating profit of US\$4.74 million in the period under review, compared to US\$6.18 million in the same period last year.

d. Finance expenses

Finance expenses during the second half year ended 31 December 2025 decreased by 77.0% (US\$0.28 million) mainly due to the lower outstanding indebtedness and amortisation of debt transaction costs.

For the second half year ended 31 December 2025, FSL Trust achieved a net profit of US\$5.11 million (2H 2024: US\$6.88 million).

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**FIRST SHIP LEASE TRUST – CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SIX-MONTHS AND FULL YEAR ENDED 31 DECEMBER 2025**

**8. Review of Performance (cont'd)**

The breakdown of the revenue and the net result from operations is as follows:

FY 2025 vs FY 2024

	<b>Group</b>		
	<b>FY 2025</b>	<b>FY 2024</b>	<b>Change</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>%</b>
<b>Revenue</b>	6,051	8,454	(28.4)
Management fees	(1,400)	(1,400)	-
Trustee fees	(8)	(9)	(11.1)
Other Trust expenses^	(538)	(598)	(10.0)
<b>Adjusted EBITDA^^</b>	<b>4,105</b>	<b>6,447</b>	<b>(36.3)</b>
Depreciation expense on vessels	(2,173)	(2,930)	(25.8)
Reversal of impairment on vessels	3,725	1,968	89.3
Gain on disposal of vessels	737	2,281	(67.7)
<b>Results from operating activities (EBIT)</b>	<b>6,394</b>	<b>7,766</b>	<b>(17.7)</b>
Other income	150	1,000	(85.0)
Finance income	640	377	69.8
Finance expenses	(291)	(868)	(66.5)
<b>Profit before tax (EBT)</b>	<b>6,893</b>	<b>8,275</b>	<b>(16.7)</b>
Income tax expense	(36)	(16)	125.0
<b>Profit for the year</b>	<b>6,857</b>	<b>8,259</b>	<b>(17.0)</b>

^ Included in the other Trust expenses are vessel inspection fees, valuation fees, insurance, directors' fees, professional fees, printing, investor relations and others.

^^ Excluding gains/losses from the disposal of vessels and reversal of vessel impairment.

a. Adjusted EBITDA

Specialised tankers

i) Product tankers

All seven vessels are on bareboat charter to James Fisher Everard Limited with one vessel having profit share. The seven vessels generated an adjusted EBITDA of US\$4.57 million in FY 2025 (FY 2024: US\$6.95 million). The Trust sold the product tanker, *Clyde Fisher*, in February 2025.

**8. Review of Performance (cont'd)**

b. Other operating expenses

i) Depreciation expense on vessels

Depreciation expense on vessels decreased by 25.8% (US\$0.76 million) due to the disposal of two product tankers in December 2024 and February 2025.

ii) Reversal of impairment on vessels

Upon re-assessment, the recoverable amount of *Speciality*, *Seniority* and *Superiority* had exceeded the carrying amount and a reversal of impairment of US\$3.7 million for the three vessels was recognized.

c. Results from operating activities

On an overall basis, FSL Trust generated an operating profit of US\$6.39 million in FY 2025 (FY 2024: US\$7.77 million).

d. Finance expenses

Finance expenses in FY 2025, including an exchange loss of US\$4,000 (FY 2024: exchange gain of US\$5,000), decreased by 66.5% (US\$0.58 million) mainly due to the lower outstanding indebtedness and amortisation of debt transaction costs.

For the year ended 31 December 2025, FSL Trust generated a net profit of US\$6.86 million (FY 2024: US\$8.26 million).

**9. Variance from Prospect Statement**

Not applicable.

**10. Outlook and Prospects**

Despite the frequent changes in global trading environment, the shipping markets have performed relatively well. This results in historically elevated asset prices, making long-term shipping investment challenging.

All of the Trust's vessels operate under fixed-rate period charters.

**11. Distribution**

**(a) Current financial period**

Any distributions declared for the current financial period : No

**(b) Corresponding Period of the Immediate Preceding Financial Period**

Any distributions declared for the previous corresponding period : No

**12. If no distribution has been declared/recommended, a statement to that effect and the reason(s) for the decision**

To conserve liquidity for investment opportunities.

**13. If the Group has obtained a general mandate from unitholders for Interested Party Transaction (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect**

FSL Trust does not have any unitholders' mandate for IPT.

**14. Confirmation Pursuant to Rule 720(1) of the Listing Manual**

The Trustee-Manager, FSL Trust Management Pte. Ltd. confirms that it has procured undertakings from all its directors and executive officers in the form as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

**15. Confirmation pursuant to Rule 705(5) of the Listing Manual**

The Board of Directors of the Trustee-Manager has confirmed that, to the best of their knowledge, that nothing has come to their attention which may render these interim financial results to be false or misleading in any material aspect.

**16. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year**

Not applicable.

**17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Please refer to Section 8.

**18. Breakdown of Revenue and Net Profit**

	Group		
	FY 2025	FY 2024	Change
	US\$'000	US\$'000	%
(a) Revenue reported for first half year	3,000	4,096	(26.8)
(b) Net profit after tax reported for first half year	1,748	1,377	26.9
(c) Revenue reported for second half year	3,051	4,358	(30.0)
(d) Net profit after tax reported for second half year	5,109	6,882	(25.8)

**FIRST SHIP LEASE TRUST – CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SIX-MONTHS AND FULL YEAR ENDED 31 DECEMBER 2025**

**19. Breakdown of the total distribution (in dollar value) for the financial year ended 31 December 2025**

In respect of the period:

1 January 2025 to 30 June 2025  
1 July 2024 to 31 December 2024  
1 January 2024 to 30 June 2024

<b>FY 2025</b>	<b>FY 2024</b>
<b>US\$'000</b>	<b>US\$'000</b>
-	-
-	-
-	-

**20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement**

There is no person occupying a managerial position in FSL Trust Management Pte. Ltd. ("FSLTM"), Trustee-Manager of First Ship Lease Trust, or any of its principal subsidiaries who is related to a director, chief executive officer or substantial shareholder of FSLTM.

This announcement 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 current view of management on future events.

By Order of the Board  
FSL Trust Management Pte. Ltd.  
(Company Registration No. 200702265R)  
as Trustee-Manager of First Ship Lease Trust

Roger Woods  
Chief Executive Officer  
10 February 2026