



3rd Quarter 2022 Financial Results

3 November 2022



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3RD QUARTER 2022 HIGHLIGHTS: EARNINGS REBOUND AMID STRONG MARKETS AND VESSEL SALE



OPERATIONAL

- **Strong tanker markets despite macro-economic uncertainties**
 - > Tanker market sentiment supported by continued cargo dislocations and changed trade patterns
 - > High macro-economic risks, triggered by geopolitical tensions, high inflation and weak consumer confidence
- **Fleet utilisation of 99.9%**
- **Disposal of *FSL London* in July 2022, realising a net gain of US\$ 2.0m⁽¹⁾**
- **Up to US\$ 30.0m of contracted future revenue**
 - > US\$ 22.9m of firm contracted future revenue
 - > US\$ 7.1m of optional contracted future revenue

FINANCIAL

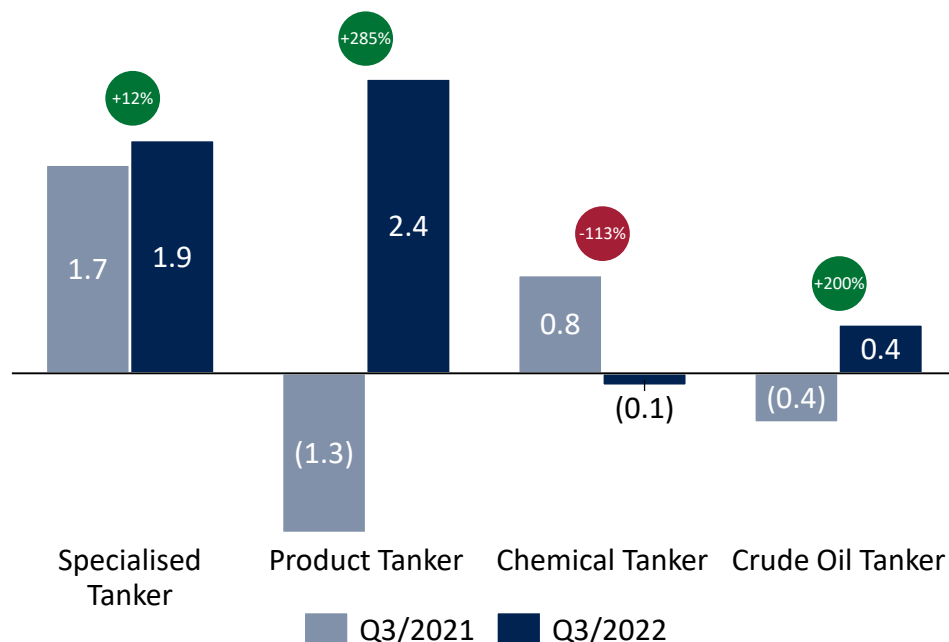
- **Net profit of US\$ 5.4m⁽¹⁾ in the 3rd quarter and US\$ 7.7m⁽¹⁾ in the 9-months period 2022**
 - > 3rd quarter 2022 net profit US\$ 7.9m higher than previous year (US\$ 2.5m net loss)⁽¹⁾
 - > 9-months 2022 net profit US\$ 9.3m higher than previous year (US\$ 1.6m net loss)⁽¹⁾
- **Adjusted EBITDA⁽²⁾ of US\$ 4.5m⁽¹⁾ in the 3rd quarter and US\$ 7.6m⁽¹⁾ in the 9-months period 2022**
 - > 3rd quarter 2022 adjusted EBITDA⁽²⁾ US\$ 3.9m higher than previous year (US\$ 0.6m)⁽¹⁾
 - > 9-months 2022 adjusted EBITDA⁽²⁾ US\$ 2.3m higher than previous year (US\$ 5.3m)⁽¹⁾
- **Healthy capital structure**
 - > Strong liquidity position of US\$ 11.1m⁽¹⁾
 - > Low net leverage with 0.4x net interest-bearing debt to adjusted EBITDA⁽¹⁾⁽²⁾

Note(s): ⁽¹⁾ Unaudited

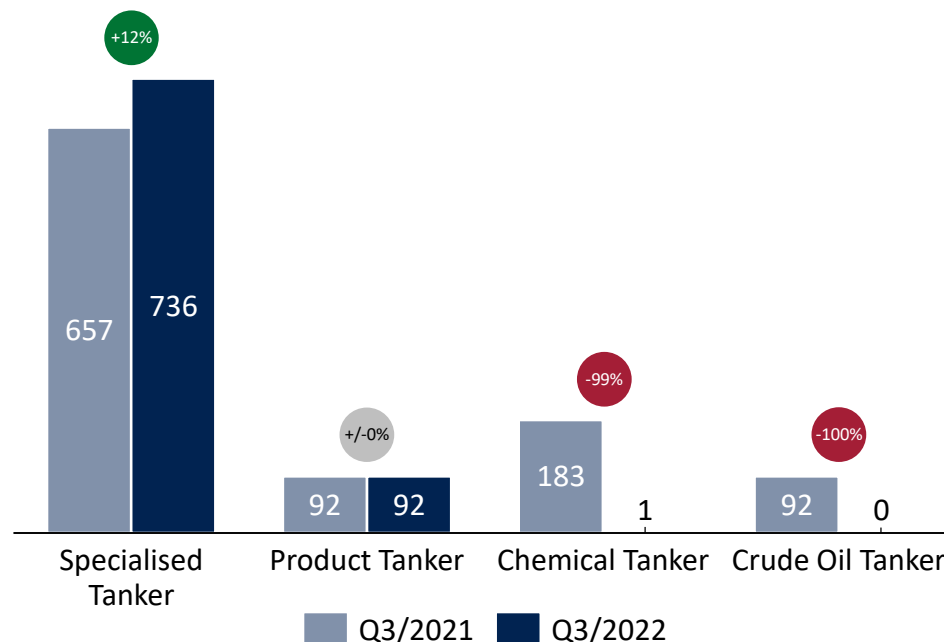
⁽²⁾ Excluding gains/losses from the disposal of vessels and vessel impairments

OPERATING PERFORMANCE REVIEW: PERFORMANCE REFLECTS TANKER MARKET REBOUND

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



OWNERSHIP DAYS BY VESSEL TYPE



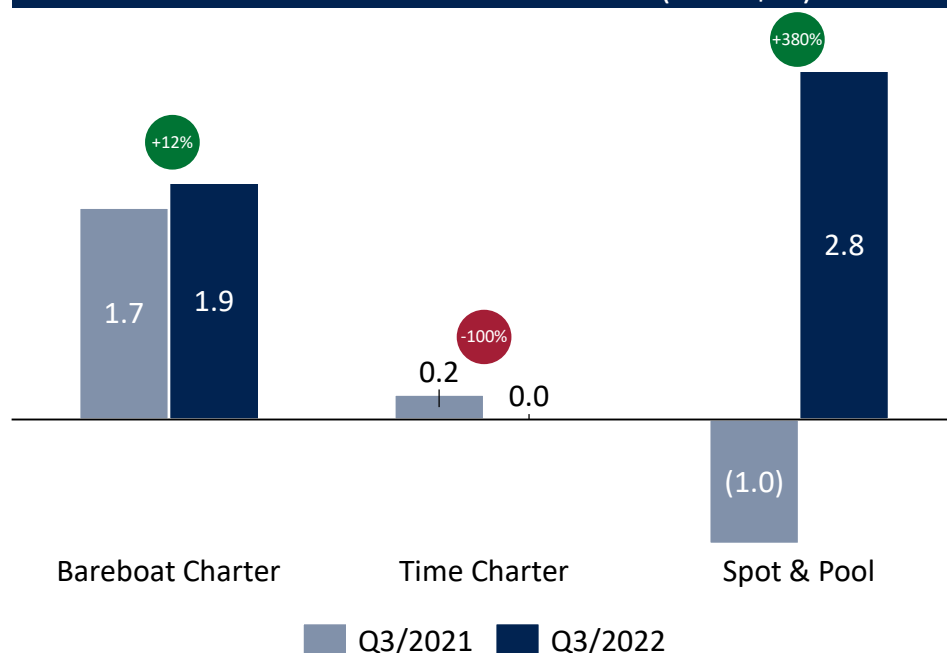
- > Adjusted EBITDA and ownership days of core fleet (specialised tanker) increased after the *Pelican Fisher*-acquisition in 2021
- > With equal ownership days, adjusted EBITDA⁽¹⁾ for product tanker reversed amid product tanker market rebound
- > Slightly negative adjusted EBITDA⁽¹⁾ for chemical tanker following disposal of *FSL London* in July 2022
- > Positive adjusted EBITDA⁽¹⁾ for the crude oil tanker after profitable disposal in June 2022

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

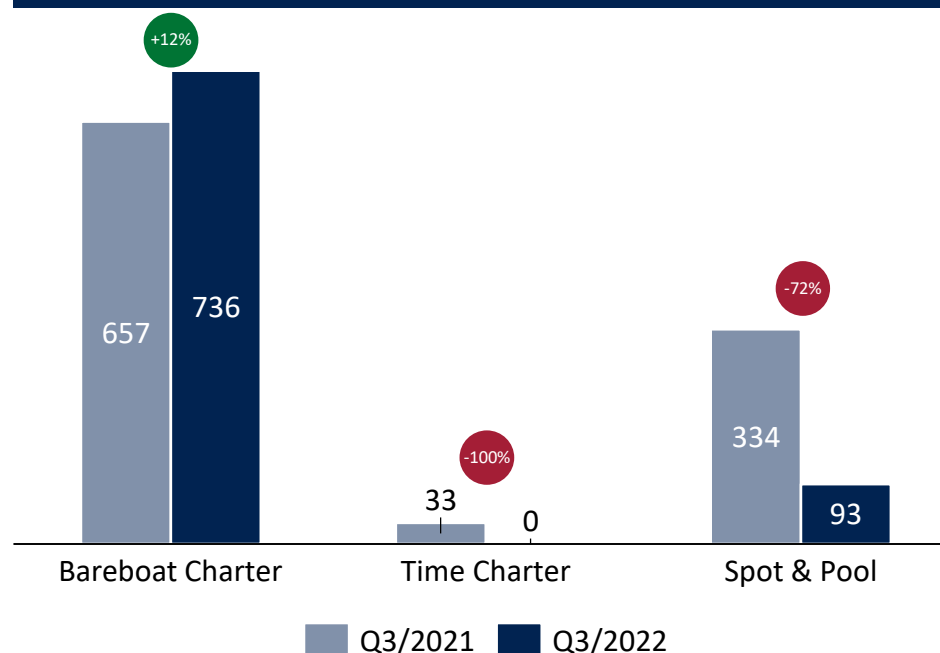
OPERATING PERFORMANCE REVIEW (CONT'D): PERFORMANCE REFLECTS PRODUCT TANKER MARKET REBOUND



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



OWNERSHIP DAYS BY EMPLOYMENT TYPE

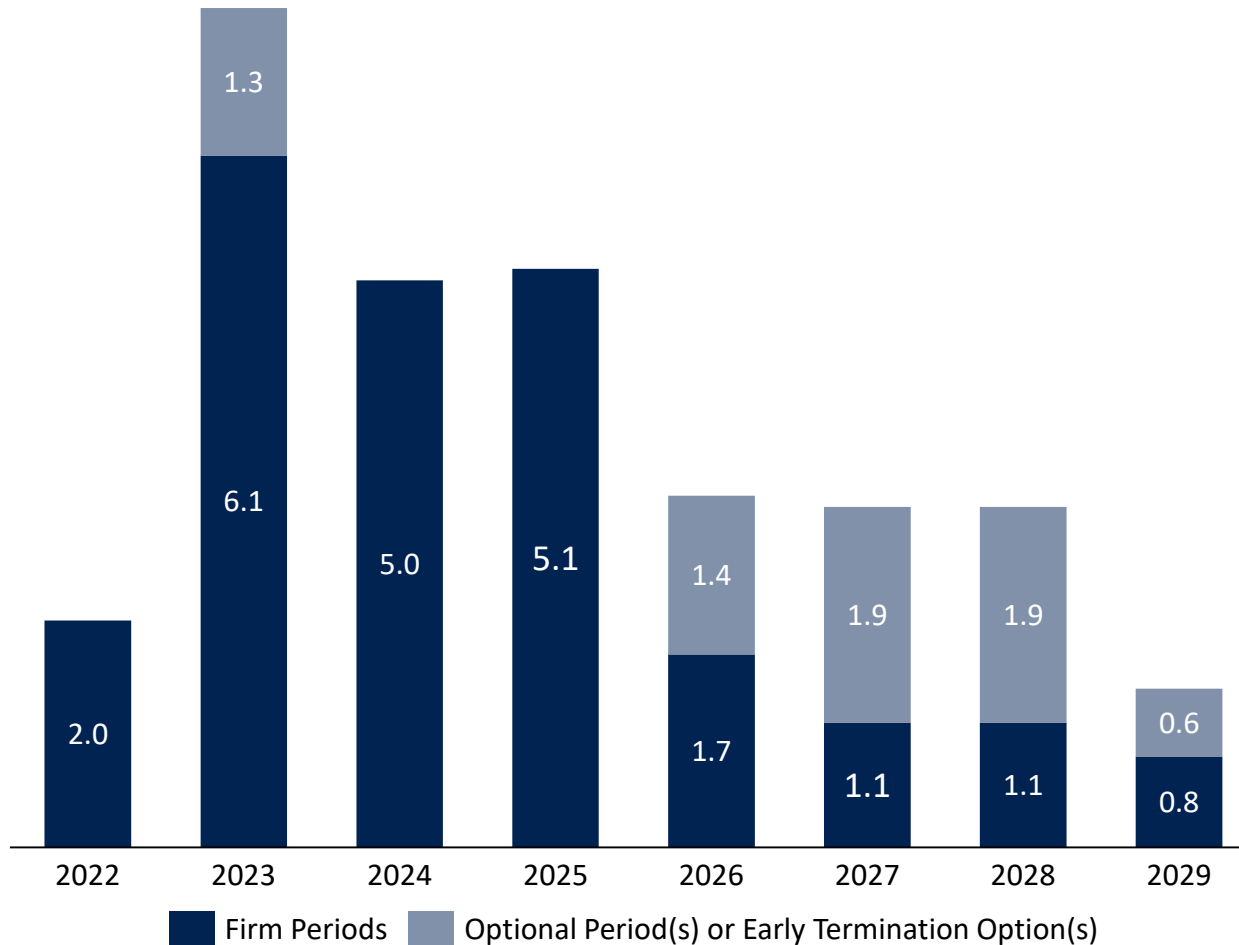


- > Increase in adjusted EBITDA⁽¹⁾ and ownership days for bareboat charters after the *Pelican Fisher*-acquisition in 2021
- > Decline in adjusted EBITDA⁽¹⁾ and ownership days for time charters following maturity of the charters for the chemical tankers in summer 2021 and subsequent switch to spot trading amid unsatisfactory period charter markets and sale of one unit
- > Despite lower ownership days, result from spot and pool trading vessels substantially improved reflecting strong freight rates in the product tanker markets

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

FLEET EMPLOYMENT: CONTRACTED REVENUE UP TO US\$ 30.0 MILLION⁽¹⁾

CONTRACTED REVENUE (IN US\$m)⁽¹⁾



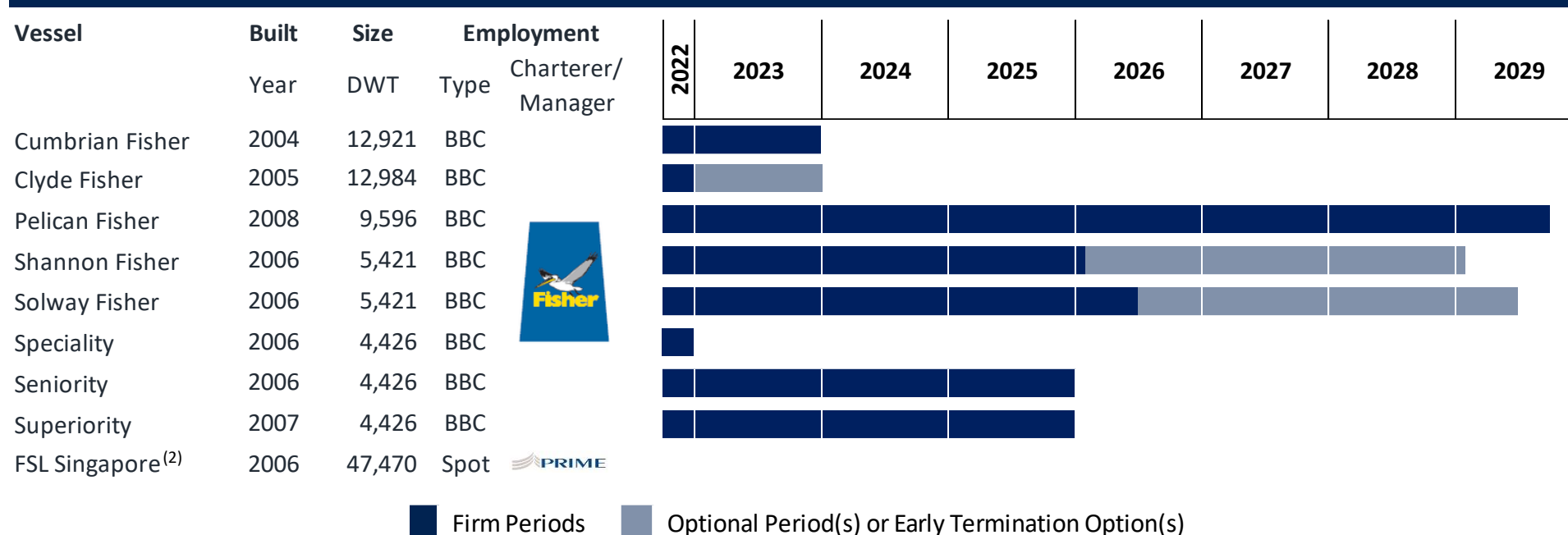
EMPLOYMENT UPDATE

- > Charters for two specialised tankers (*Clyde Fisher* and *Speciality*) mature in December 2022.
- > Charterer has the option to extend the charter for *Clyde Fisher* by one year until December 2023
- > Discussions ongoing for the extension of the charters for both vessels

Note(s): ⁽¹⁾ As at 30 September 2022

FLEET EMPLOYMENT: ALL VESSELS ARE NOW EMPLOYED ON PERIOD CHARTERS

FLEET EMPLOYMENT PROFILE⁽¹⁾



- > Charter maturities for period employed vessels spread over the next years with certain optionality
- > One vessel (*FSL Singapore*) operated in the spot market until disposal in October 2022

Note(s): ⁽¹⁾ As at 30 September 2022

⁽²⁾ Sold in October 2022, post quarter end

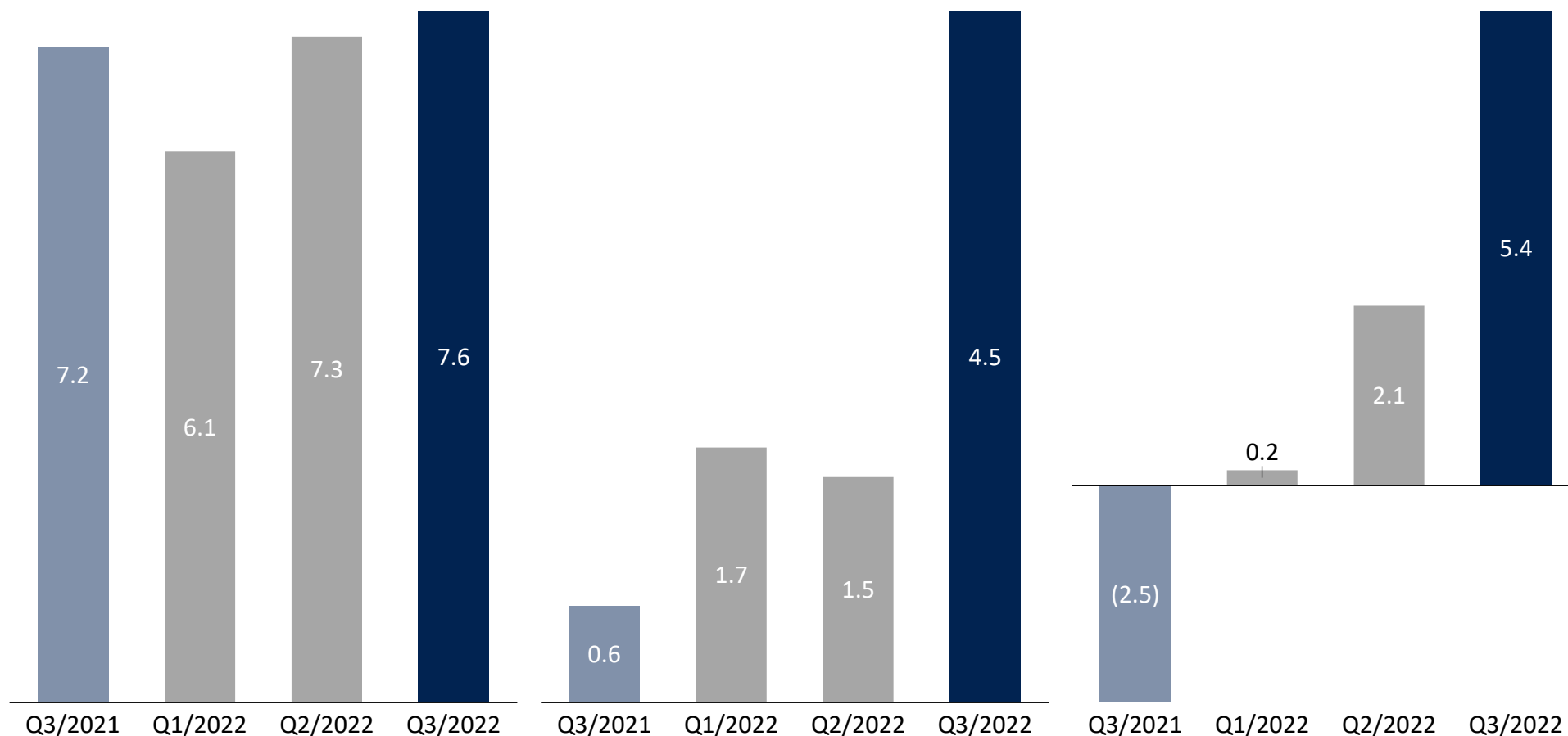
FINANCIAL PERFORMANCE REVIEW: SIGNIFICANTLY IMPROVED ADJUSTED EBITDA AND NET INCOME



REVENUE (IN US\$m)⁽¹⁾

ADJUSTED EBITDA (IN US\$m)⁽¹⁾⁽²⁾

NET INCOME (IN US\$m)⁽¹⁾

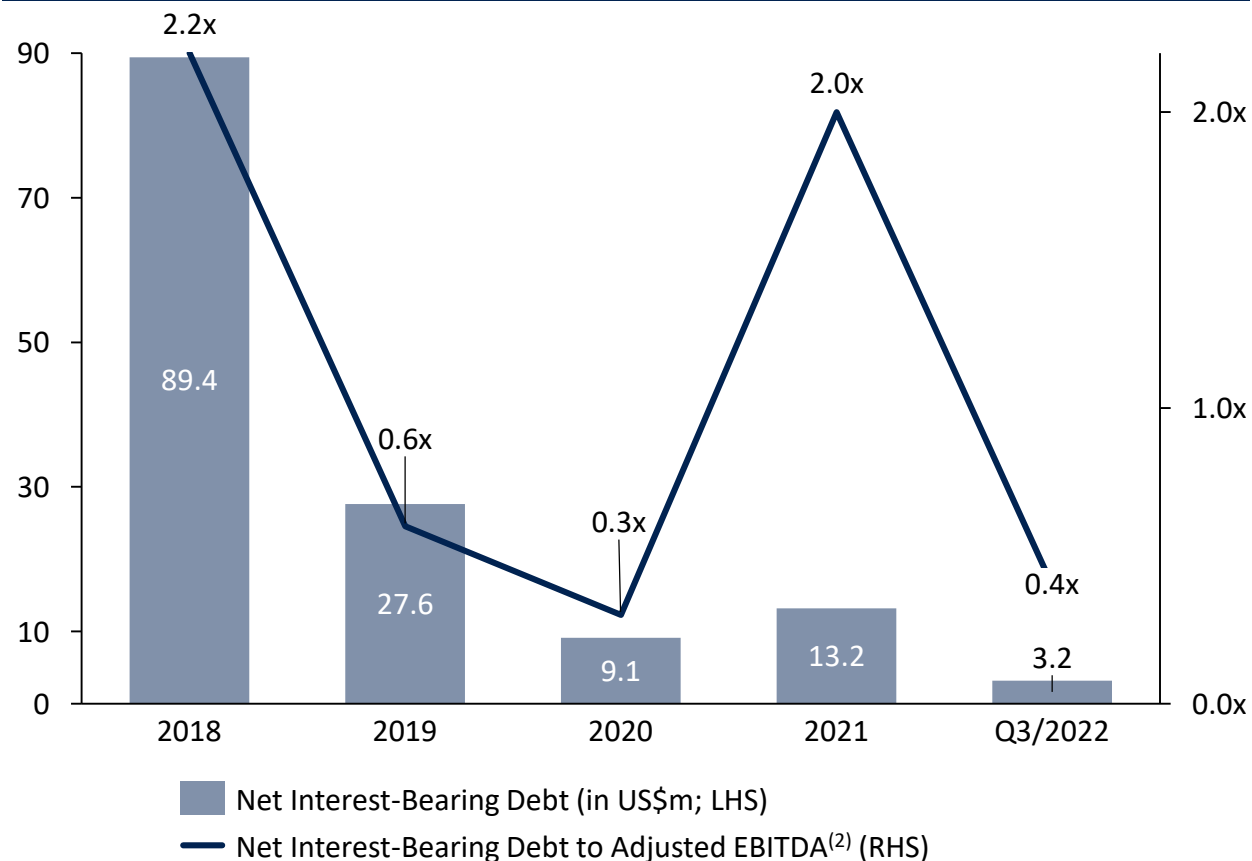


Note(s): ⁽¹⁾ Unaudited

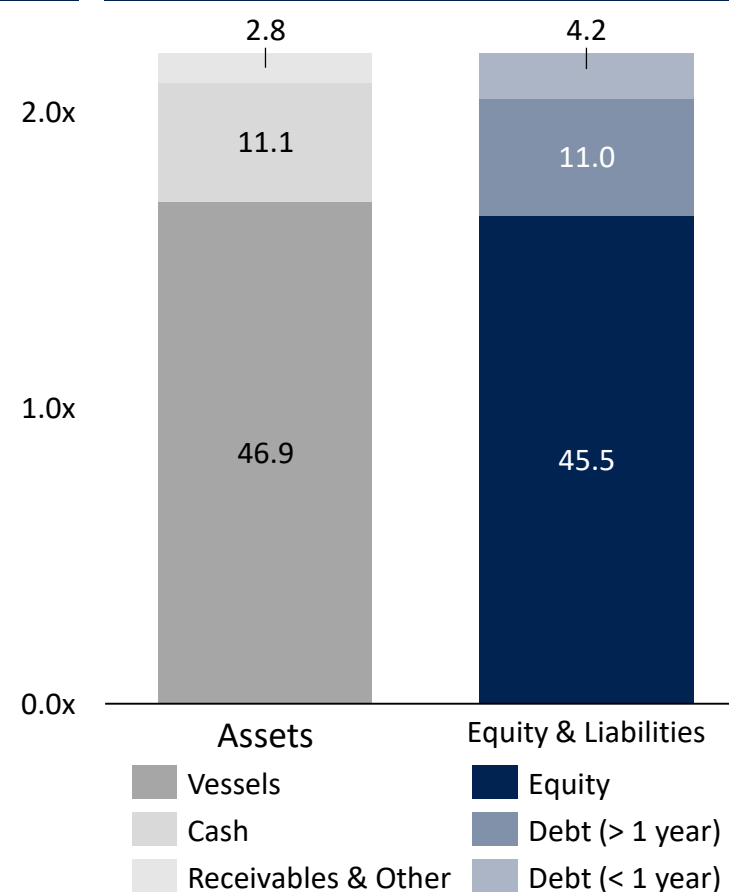
⁽²⁾ Excluding gains/losses from the disposal of vessels and vessel impairments

FINANCIAL PERFORMANCE REVIEW: VERY LOW LEVERAGE AND HEALTHY BALANCE SHEET

DEBT REDUCTION⁽¹⁾



BALANCE SHEET (IN US\$m)⁽¹⁾



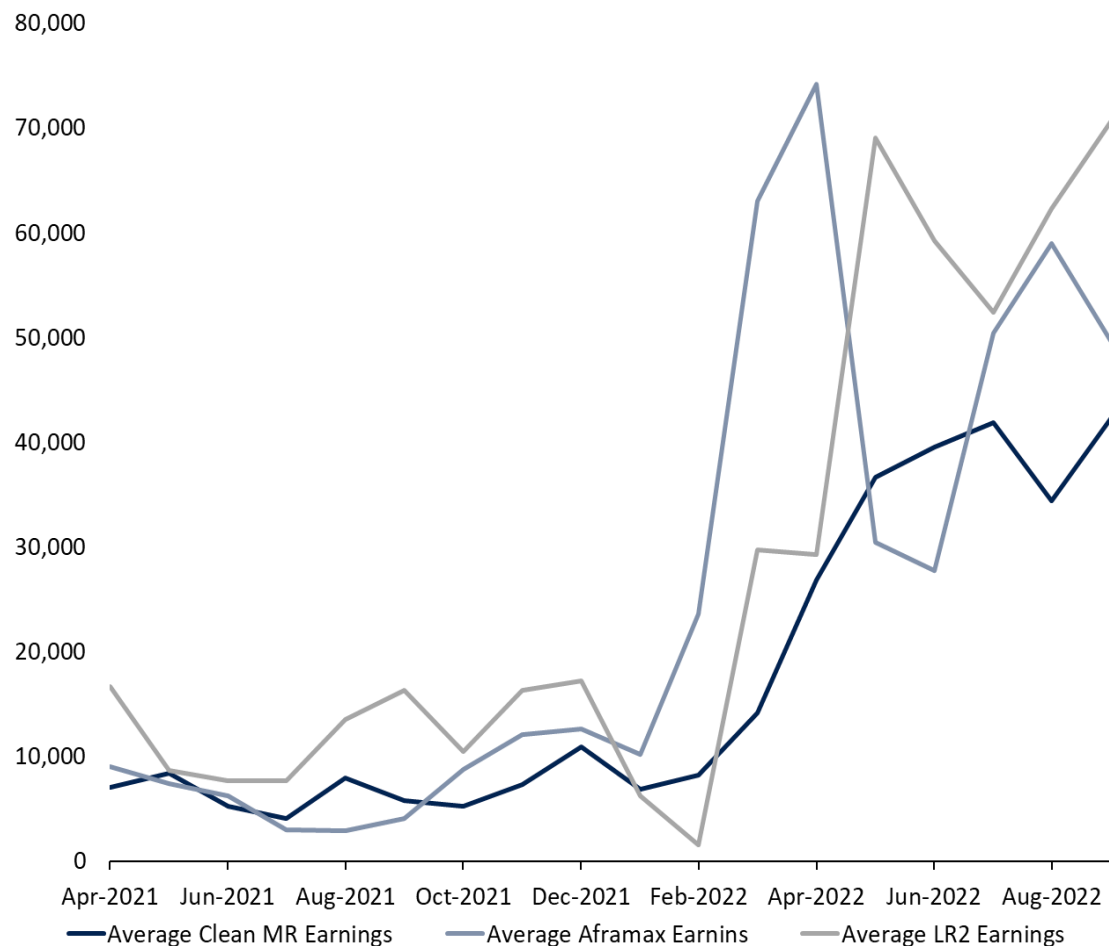
> Conservative financing approach, utilising contracted revenue, leads to healthy net-leverage and low cash break-even rates for the fleet vessel

Note(s): ⁽¹⁾ Unaudited; as at 30 September 2022

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

TANKER MARKET SNAPSHOT: CONTINUOUSLY STRONG TANKER MARKET ENVIRONMENT

TANKER EARNINGS (IN USD/DAY)⁽¹⁾



COMMENTARY

- > Firm markets for relevant tanker sizes continued to be strong driven by cargo dislocations due to the Russia-Ukraine conflict and sanctions on Russia, resulting in shifts in trade patterns and higher ton-mile demand
- > Despite rebound of oil demand in key regions, OPEC+ announced to reduce production despite healthy oil prices and political pressure
- > Newbuilding markets remain relatively quiet, resulting in a historically low orderbook whilst the fleet is aging and introduction of new environmental regulations is anticipated to reduce effective tonnage supply from 2023, which is anticipated to provide further 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)

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APPENDIX: INCOME STATEMENT



INCOME STATEMENT (IN US\$m)⁽¹⁾

	Three months period ended			Nine months period ended		
	30 Sept 2022	30 Sept 2021	Change in %	30 Sept 2022	30 Sept 2021	Change in %
Revenue	7.63	7.22	5.6%	21.05	20.03	5.1%
Voyage expenses	(1.97)	(2.92)	(32.5)%	(7.27)	(4.11)	76.8%
Vessel operating expenses	(0.76)	(2.77)	(72.5)%	(4.88)	(8.87)	(45.0)%
Management fees	(0.24)	(0.11)	119.1%	(0.50)	(0.35)	43.1%
Trustee fees	(0.01)	(0.01)	unch	(0.01)	(0.02)	(35.0)%
Other Trust expenses	(0.14)	(0.79)	(82.5)%	(0.75)	(1.37)	(45.2)%
Adjusted EBITDA⁽²⁾	4.51	0.63	617.3%	7.65	5.32	43.7%
Depreciation	(0.82)	(1.32)	(37.5)%	(3.16)	(4.62)	(31.5)%
Impairment charges	-	(1.95)	(100.0)%	-	(2.57)	(100.0)%
Gain on disposal of vessel(s)	2.02	0.34	497.9%	3.92	0.91	333.1%
Operating result (EBIT)	5.71	(2.30)	n.m.	8.40	(0.96)	n.m.
Finance income	0.01	0.01	16.7%	0.01	0.03	(61.5)%
Finance expenses	(0.28)	(0.20)	41.3%	(0.74)	(0.68)	9.2%
EBT	5.44	(2.49)	n.m.	7.67	(1.61)	n.m.
Income tax	-	-	unch	-	-	Unch
Net income	5.44	(2.49)	n.m.	7.67	(1.61)	n.m.
per unit (basic) (in US cents) ⁽³⁾	0.31	(0.14)	n.m.	0.43	(0.09)	n.m.
per unit (diluted) (in US cents) ⁽³⁾	0.31	(0.14)	n.m.	0.43	(0.09)	n.m.

Note(s):

⁽¹⁾ Unaudited

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

APPENDIX: BALANCE SHEET



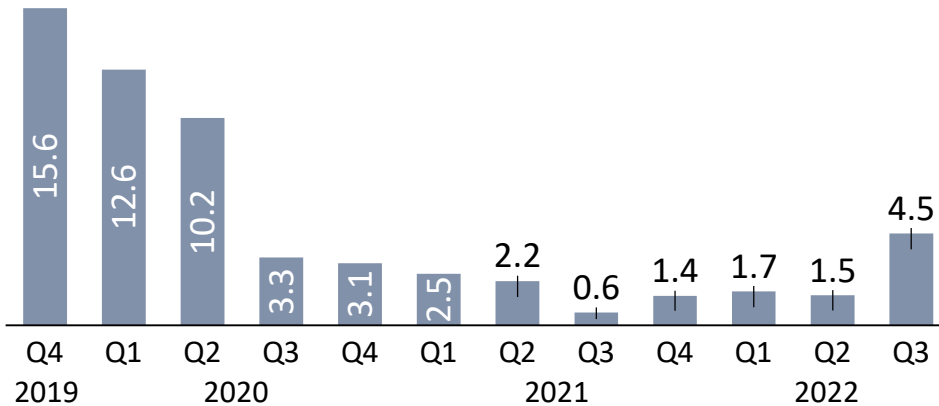
BALANCE SHEET (IN US\$m)⁽¹⁾

	30 Sept 2022	31 Dec 2021		30 Sept 2022	31 Dec 2021
Assets			Equity and liabilities		
Vessels	35.12	66.17	Units in issue	561.33	561.33
Non-current assets	35.12	66.17	Reserves	(515.79)	(495.17)
Trade and other receivable	2.77	4.94	Total unitholder's equity	45.54	66.16
Cash and cash equivalents	11.11	3.67	Bank loans	10.96	13.51
Non-current assets held-for-sale	11.74	8.89	Non-current liabilities	10.96	13.51
Current assets	25.62	17.50	Trade and other payables	0.84	0.64
			Bank loans (current portion)	3.39	3.36
			Current liabilities	4.23	4.00
			Total liabilities	15.19	17.51
Total assets	60.74	83.67	Total equity and liabilities	60.74	83.67

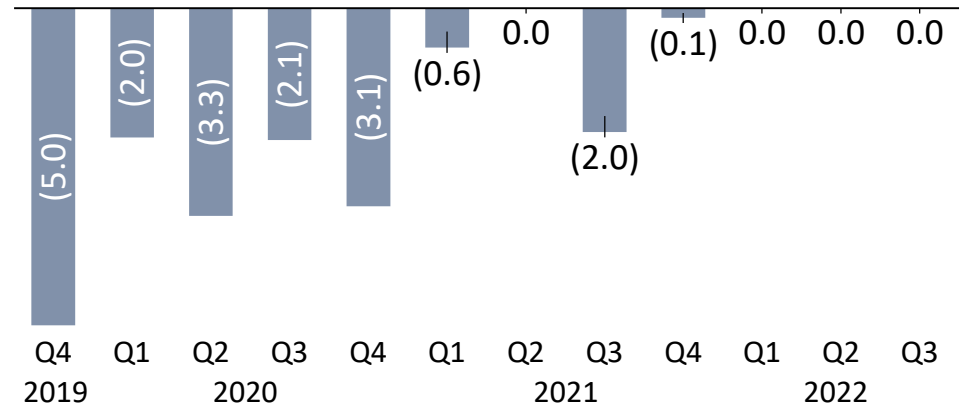
Note(s): ⁽¹⁾ Unaudited

APPENDIX: HISTORICAL FINANCIAL PERFORMANCE

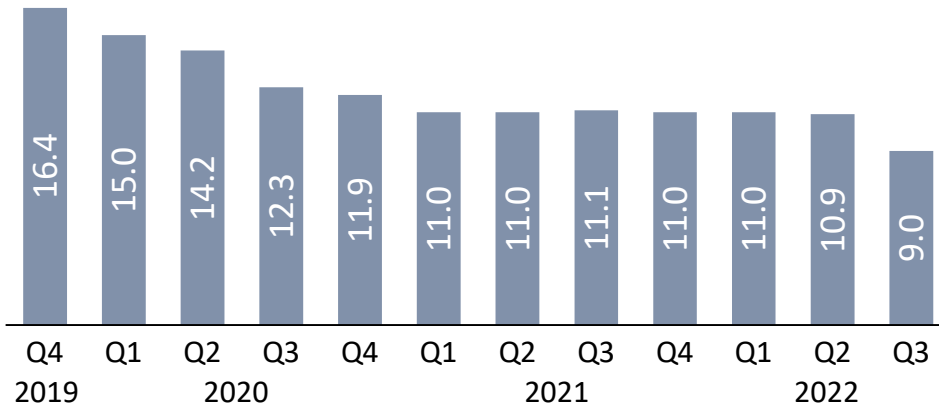
ADJUSTED EBITDA (IN US\$m)⁽¹⁾⁽²⁾



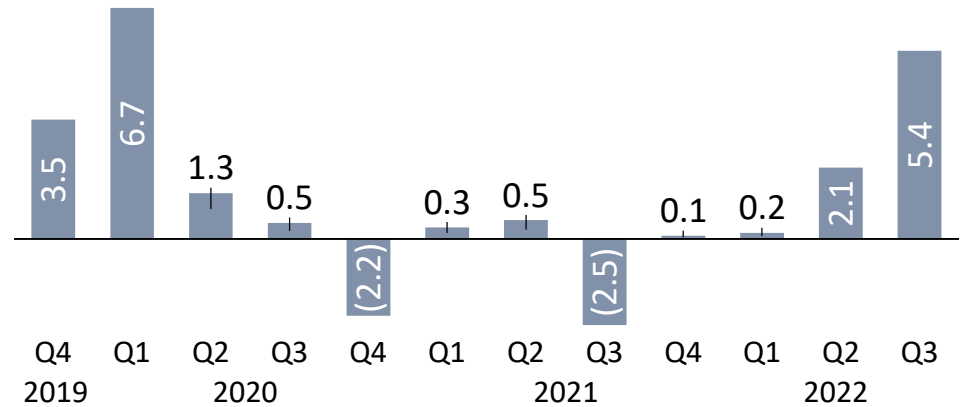
VESSEL IMPAIRMENTS (IN US\$m)⁽¹⁾



AVERAGE NUMBER OF VESSELS



NET INCOME (IN US\$m)⁽¹⁾



Note(s): ⁽¹⁾ Unaudited

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