FIRST SHIP LEASE TRUST – CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 JUNE 2026

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 30 June 2026, the vessel portfolio comprised 6 tankers of different sizes, 5 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 2 years.

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

Summary of FSL Trust Consolidated Results

	1H 2026	1H 2025	Change
	US$’000	US$’000	%
Revenue	3,317	3,000	10.6
Adjusted EBITDA[(1)]	1,810	2,042	(11.4)
Profit for the period	758	1,748	(56.6)
Average number of vessels	6.0	6.3	(4.8)

Note(s):

(1) Excluding gains/losses from the disposal of vessels.

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

		Group		
		1H 2026	1H 2025	Change
	Note	US$'000	US$'000	%
Revenue		3,317	3,000	10.6
Depreciation expense on vessels		(1,384)	(1,119)	23.7
Gain on disposal of vessels	(a)	-	736	(100.0)
Vessel operating expenses		(254)	-	100.0
Management fees		(700)	(700)	-
Trustee fees		(4)	(4)	-
Other trust expenses		(549)	(254)	116.1
Results from operating activities		426	1,659	(74.3)
Finance income		316	288	9.7
Finance expenses		2	(206)	N.M.
Profit before tax		744	1,741	(57.3)
Income tax credit		14	7	100.0
Profit for the period		758	1,748	(56.6)
Earnings per unit (US cents)				
Basic		0.04	0.10	(60.0)
Diluted		0.04	0.10	(60.0)

Note(s):

(a) This relates to the sale of one product tanker (mainly Clyde Fisher) in February 2025.

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

	Group	
	1H 2026	1H 2025
	US$'000	US$'000
Profit for the period	758	1,748
Total comprehensive income, net of tax	758	1,748

1(a)(iii) Distribution Statements

	Note	1H 2026	1H 2025
		US$'000	**US$'000**
Profit for the period		758	1,748
Add: Non-cash adjustments	(a)	1,384	383
Net cash generated from operations		2,142	2,131
Less: Repayment of secured loans		-	(773)
Less: Prepayment of secured loan		-	(2,450)
Income available for distribution		2,142	(1,092)
Add: Utilisation of cash retained from previous periods		-	1,092
Less: Cash retained in the current period		(2,142)	-
Net distributable amount	(b)	-	-
Amount available for distribution		-	-
Comprising:(i) Tax-exempt distribution		-	-
(ii) Tax-exempt (one-tier) distribution		-	-
Amount to be distributed		-	-
Units at end of period ('000)		1,768,058	1,768,058
Distribution per unit (US Cents)		-	-

Note(s):

(a) Non-cash adjustments

	Group	
	1H 2026	**1H 2025**
	US$'000	**US$'000**
Depreciation expense on vessels	1,384	1,119
Gain on disposal of vessels	-	(736)
	1,384	383

(b) No distribution has been recommended by the Board for the half year ended 30 June 2026.

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

		30 June 2026		31 December 2025	
		Group	Trust	Group	Trust
	Note	US$'000	US$'000	US$'000	US$'000
Non-current assets					
Vessels	(a)	21,885	-	22,491	-
Subsidiaries		-	35,993	-	35,993
		21,885	35,993	22,491	35,993
Current assets					
Trade and other receivables		649	103	614	89
Cash and cash equivalents	(b)	22,572	20,229	20,834	18,932
		23,221	20,332	21,448	19,021
Total assets		45,106	56,325	43,939	55,014
Equity attributable to unitholders of FSL Trust					
Units in issue		561,332	561,332	561,332	561,332
Reserves		(517,167)	(540,750)	(517,925)	(540,858)
Total equity		44,165	20,582	43,407	20,474
Current liabilities					
Trade and other payables		925	35,727	472	34,480
Income tax payable		16	16	60	60
		941	35,743	532	34,540
Total equity and liabilities		45,106	56,325	43,939	55,014

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

Note(s):

(a) Vessels

Group	Vessels	Initial direct costs	Total
	US$'000	US$'000	US$'000
As at 30 June 2026			
Cost			
At 1 January 2026	75,457	719	76,176
Addition	780	-	780
At 30 June 2026	76,237	719	76,956
Less:			
Accumulated depreciation/ amortisation and impairments			
At 1 January 2026	52,999	686	53,685
Depreciation/amortisation charge for the period	1,384	2	1,386
At 30 June 2026	54,383	688	55,071
Carrying amount			
At 30 June 2026	21,854	31	21,885
As at 31 December 2025			
Cost	75,457	719	76,176
Less: Accumulated depreciation/ amortisation and impairments	52,999	686	53,685
Net book value	22,458	33	22,491

Vessel portfolio as at 30 June 2026:

Name	Type	Built	Capacity	Employment Type
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:

	30 June 2026		31 December 2025	
	Group	Trust	Group	Trust
	US$'000	US$'000	US$'000	US$'000
Cash at banks	4,072	1,729	2,834	932
Short-term deposits with a maturity period of less than 12 months	18,500	18,500	18,000	18,000
Cash and cash equivalents	22,572	20,229	20,834	18,932
Cash and cash equivalents in the Consolidated Statement of Cash Flows	22,572	20,229	20,834	18,932

1(c) Condensed Interim Consolidated Statement of Cash Flows

	Group	
	1H 2026	**1H 2025**
	US$'000	**US$'000**
Operating activities:		
Profit before tax	744	1,741
Adjustments for:		
Depreciation expense on vessels	1,384	1,119
Amortisation of debt transaction costs	-	46
Amortisation of initial direct costs	2	2
Interest income	(316)	(288)
Interest expense	-	157
Gain on disposal of vessels	-	(736)
	1,814	2,041
Change in working capital:		
Trade and other receivables	(15)	144
Trade and other payables	453	61
Cash generated from operations	2,252	2,246
Income tax paid	(30)	(21)
Net cash generated from operating activities	2,222	2,225
Investing activities:		
Costs incurred for dry-docking	(780)	-
Interest received	296	288
Net proceeds on disposal of vessels	-	5,998
Net cash (used in)/generated from investing activities	(484)	6,286
Financing activities:		
Security deposits received	-	320
Prepayment of secured loan	-	(2,450)
Repayment of secured loans	-	(773)
Interest paid	-	(165)
Net cash used in financing activities	-	(3,068)
Net increase in cash and cash equivalents	1,738	5,443
Cash and cash equivalents at beginning of period	20,834	14,788
Cash and cash equivalents at end of period	22,572	20,231
Comprising:-		
Cash at banks	4,072	2,731
Short-term deposits with a maturity period of less than 12 months	18,500	17,500
	22,572	20,231

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

	Units in Issue	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	US$'000	US$'000	US$'000	US$'000
2026 Group				
At 1 January 2026	561,332	(6,725)	(511,200)	43,407
Total comprehensive income for the period	-	-	758	758
At 30 June 2026	561,332	(6,725)	(510,442)	44,165

	Units in Issue	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	US$'000	US$'000	US$'000	US$'000
2025 Group				
At 1 January 2025	561,332	(6,725)	(518,057)	36,550
Total comprehensive income for the period	-	-	1,748	1,748
At 30 June 2025	561,332	(6,725)	(516,309)	38,298

	Units in Issue	Accumulated Losses	Total Equity
	US$'000	US$'000	US$'000
2026 Trust			
At 1 January 2026	561,332	(540,858)	20,474
Total comprehensive income for the period	-	108	108
At 30 June 2026	561,332	(540,750)	20,582

	Units in Issue	Accumulated Losses	Total Equity
	US$'000	US$'000	US$'000
2025 Trust			
At 1 January 2025	561,332	(541,993)	19,339
Total comprehensive income for the period	-	88	88
At 30 June 2025	561,332	(541,905)	19,427

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

	Note	1H 2026 Units	FY 2025 Units
At the beginning of the period		1,768,057,636	1,768,057,636
Units issued during the period		-	-
At the end of the period		1,768,057,636	1,768,057,636

There were no treasury shares and no subsidiary holdings as at 30 June 2026 and as at 30 June 2025.

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 half year ended 30 June 2026 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 2025.

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 2025.

(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 2026. 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 2025: 14.73%) 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	
	1H 2026	1H 2025
	US$'000	US$'000
Europe	3,317	3,000
Total	**3,317**	**3,000**

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.

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

(vi) Disaggregation of revenue

	Group	
	1H 2026	**1H 2025**
	US$'000	**US$'000**
Performance obligations satisfied over time		
Bareboat charter lease income	3,317	3,000
Total	**3,317**	**3,000**

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

(vii) Significant items

	Group	
	1H 2026	**1H 2025**
	US$'000	**US$'000**
Income		
Gain on disposal of vessels	-	736
Expenses		
Depreciation on vessels	(1,384)	(1,119)
Finance expenses		
- bank loans	-	(157)
- amortisation of debt transaction costs	-	(46)
Net foreign exchange gain/(loss)	2	(3)
Total finance expenses	2	(206)

(viii) Related party transactions

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

	Group	
	1H 2026	**1H 2025**
	US$'000	**US$'000**
Transactions with the Trustee-Manager		
Management fees	700	700
Trustee fees	4	4
Disposal fees	-	35
Transactions with other related parties		
Directors' fees paid to non-executive directors[1]	58	55
Corporate secretarial fees paid to FSL Asset Management Pte. Ltd.[2]	6	5
Technical management fees paid to Prime Tanker Management Inc.[3]	41	-

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

(2) 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 30 June 2026.

(3) Prime Tanker Management Inc. is an affiliate of Prime Shareholdings Inc., who is deemed interested in 1,283,671,008 of the Trust's issued units as at 30 June 2026.

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

(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 credit in the condensed interim consolidated income statement are:

	Group	
	1H 2026	**1H 2025**
	US$'000	**US$'000**
Income tax		
Current tax expense	(16)	(17)
Over provision in prior year	30	24
Total	**14**	**7**

(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:

	Group	
	1H 2026	**1H 2025**
	US$'000	**US$'000**
Within one year	2,496	3,052
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
Total	**13,788**	**7,643**

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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) Non-derivative financial liabilities

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

(b) 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 30 June 2026 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 six-month period 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).

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 reported on and the corresponding period of the immediately preceding financial year

	Group	
	1H 2026	**1H 2025**
Basic and diluted earnings per unit is based on:		
Profit for the period (US$'000)	758	1,748
Weighted average number of issued units (basic and diluted) ('000)	1,768,058	1,768,058
Basic and diluted earnings per unit based on weighted average number of units in issue (US Cents)	0.04	0.10
Number of issued units at end of period ('000)	1,768,058	1,768,058
Distribution per unit (US Cents)	-	-

As at 30 June 2026, 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 period reported on and immediately preceding financial year

		30 June 2026		31 December 2025	
	Note	**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 period.

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8. Review of Performance

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

1H 2026 vs 1H 2025

	Group		
	1H 2026	**1H 2025**	**Change**
	US$'000	**US$'000**	**%**
Revenue	3,317	3,000	10.6
Vessel operating expenses	(254)	-	100.0
Management fees	(700)	(700)	-
Trustee fees	(4)	(4)	-
Other Trust expenses^	(549)	(254)	116.1
Adjusted EBITDA^^	**1,810**	**2,042**	**(11.4)**
Depreciation expense on vessels	(1,384)	(1,119)	23.7
Gain on disposal of vessels	-	736	(100.0)
Results from operating activities (EBIT)	**426**	**1,659**	**(74.3)**
Finance income	316	288	9.7
Finance expenses	2	(206)	N.M.
Profit before tax (EBT)	744	1,741	(57.3)
Income tax credit	14	7	100.0
Profit for the period	**758**	**1,748**	**(56.6)**

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

^^ Excluding gains/losses from the disposal of vessels.

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$2.05 million in aggregate in the period under review. *Speciality* was redelivered back to the Trust on 08 May 2026 and proceeded to the shipyard for dry-docking.

b. Other operating expenses

i) Depreciation expense on vessels

Depreciation expense on vessels increased by 23.7% (US$0.27 million) as a result of:

(a) higher depreciation expense of US$0.33 million from revision of depreciation for three product tankers due to reversal of vessel impairment in December 2025.

(b) lower depreciation expense of US$0.06 million due to the disposal of one product tanker in February 2025.

8. Review of Performance (cont'd)

c. Results from operating activities

FSL Trust generated an operating profit of US$0.43 million in the period under review, compared to US$1.66 million in the same period last year.

d. Finance expenses

No finance expenses incurred in 1H 2026 as FSL Trust's subsidiaries fully prepaid the outstanding loans in 2025. FSL Trust recognized an exchange gain of US$2,000 (1H 2025: exchange loss of US$3,000).

For the half year ended 30 June 2026, FSL Trust achieved a net profit of US$0.76 million (1H 2025: US$1.75 million).

9. Variance from Prospect Statement

Not applicable.

10. Outlook and Prospects

The global trading environment is experiencing significant impact from geopolitical events in various parts of the market. Shipping demand will continue to be influenced by these events until some stability returns.

Five 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.

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
04 August 2026