



FIRST SHIP LEASE TRUST – CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SIX-MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024

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 2024, the vessel portfolio comprised 7 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 18 years and a dollar-weighted average remaining lease period of approximately 2 years (excluding optional extension periods and early termination options).

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

Summary of FSL Trust Consolidated Results

	2H 2024	2H 2023	Change	FY 2024	FY 2023	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	4,358	4,410	(1.2)	8,454	8,510	(0.7)
Adjusted EBITDA ⁽¹⁾	3,380	3,322	1.7	6,447	6,368	1.2
Profit for period/year	6,882	1,849	272.2	8,259	3,670	125.0
Net distributable amount	-	7,043	(100.0)	-	7,043	(100.0)
Amount to be distributed	-	26,521	(100.0)	-	26,521	(100.0)
Distribution per unit (US Cents)	-	1.50	(100.0)	-	1.50	(100.0)
Average number of vessels	7.9	8.0	(1.3)	8.0	8.0	-

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 2024	2H 2023	Change	FY 2024	FY 2023	Change
Note		US\$'000	US\$'000	%	US\$'000	US\$'000	%
	Revenue	4,358	4,410	(1.2)	8,454	8,510	(0.7)
	Depreciation expense on vessels	(1,446)	(1,476)	(2.0)	(2,930)	(2,912)	0.6
(a)	Gain on disposal of vessels	2,281	62	N.M.	2,281	463	392.7
(b)	Reversal of impairment on vessel	1,968	-	100.0	1,968	-	100.0
	Voyage expenses	-	-	-	-	31	(100.0)
	Vessel operating expenses	-	(4)	(100.0)	-	(19)	(100.0)
	Management fees	(700)	(700)	-	(1,400)	(1,400)	-
	Trustee fees	(4)	(7)	(42.9)	(9)	(13)	(30.8)
	Other Trust expenses	(274)	(377)	(27.3)	(598)	(741)	(19.3)
	Results from operating activities	6,183	1,908	224.1	7,766	3,919	98.2
(c)	Other income	1,000	-	100.0	1,000	-	100.0
	Finance income	58	661	(91.2)	377	1,191	(68.3)
	Finance expenses	(369)	(617)	(40.2)	(868)	(1,281)	(32.2)
	Profit before tax	6,872	1,952	252.0	8,275	3,829	116.1
	Income tax credit/(expense)	10	(103)	N.M.	(16)	(159)	(89.9)
	Profit for the period/year	6,882	1,849	272.2	8,259	3,670	125.0
	Earnings per unit (US cents)						
	Basic	0.39	0.10	290.0	0.47	0.21	123.8
	Diluted	0.39	0.10	290.0	0.47	0.21	123.8

Note(s):

- (a) This relates to the sale of one product tanker (*Cumbrian Fisher*) in December 2024.
(b) This relates to the reversal of vessel impairment on a product tanker (*Clyde Fisher*).
(c) Settlement received on claim filed by FSL-10 Pte Ltd (*FSL London*).

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

		Group			
		2H 2024	2H 2023	FY 2024	FY 2023
		US\$'000	US\$'000	US\$'000	US\$'000
	Profit for the period/year	6,882	1,849	8,259	3,670
	Total comprehensive income, net of tax	6,882	1,849	8,259	3,670

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1(a)(iii) Distribution Statements

		2H 2024	2H 2023	FY 2024	FY 2023
	Note	US\$'000	US\$'000	US\$'000	US\$'000
Profit for the period/year		6,882	1,849	8,259	3,670
Add: Non-cash adjustments	(a)	(2,803)	1,414	(1,319)	2,449
Net cash generated from operations		4,079	3,263	6,940	6,119
Less: Repayment of secured loans		(1,397)	(1,782)	(3,179)	(3,564)
Less: Prepayment of secured loan	(b)	(945)	-	(1,945)	-
Income available for distribution		1,737	1,481	1,816	2,555
Add: Utilisation of cash retained from previous periods	(c)	-	5,562	-	4,488
Less: Cash retained in the current period/year		(1,737)	-	(1,816)	-
Net distributable amount		-	7,043	-	7,043
Capital distribution		-	19,478	-	19,478
Total distribution	(d)	-	26,521	-	26,521
Comprising:(i) Tax-exempt distribution		-	25,382	-	25,382
(ii) Tax-exempt (one-tier) distribution		-	1,139	-	1,139
Amount to be distributed		-	26,521	-	26,521
Units at end of period/year ('000)		1,768,058	1,768,058	1,768,058	1,768,058
Distribution per unit (US Cents)		-	1.50	-	1.50

Note(s):

(a) Non-cash adjustments

	Group			
	2H 2024	2H 2023	FY 2024	FY 2023
	US\$'000	US\$'000	US\$'000	US\$'000
Depreciation expense on vessels	1,446	1,476	2,930	2,912
Reversal of impairment on vessel	(1,968)	-	(1,968)	-
Gain on disposal of vessels	(2,281)	(62)	(2,281)	(463)
	(2,803)	1,414	(1,319)	2,449

(b) Prepayment of US\$0.9 million was made to reduce the outstanding loan balance in 2H 2024.

(c) Distributions are not limited to the amount of the net distributable amount as distributions can also be made from proceeds from the sale of vessels.

(d) No distribution has been recommended by the Board for the second half year ended 31 December 2024.

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

		31 December 2024		31 December 2023	
		Group	Trust	Group	Trust
Note		US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets					
Vessels	(a)	26,693	-	31,997	-
Subsidiaries		-	35,072	-	27,427
		26,693	35,072	31,997	27,427
Current assets					
Trade and other receivables		1,178	83	1,563	94
Cash and cash equivalents	(b)	14,788	10,682	32,174	27,273
		15,966	10,765	33,737	27,367
Total assets		42,659	45,837	65,734	54,794
Equity attributable to unitholders of FSL Trust					
Units in issue		561,332	561,332	561,332	561,332
Reserves		(524,782)	(541,993)	(506,520)	(530,932)
Total equity		36,550	19,339	54,812	30,400
Non-current liabilities					
Secured loans	(c)	2,645	-	6,661	-
Current liabilities					
Trade and other payables		944	26,453	650	24,232
Secured loans	(c)	2,475	-	3,449	-
Income tax payable		45	45	162	162
		3,464	26,498	4,261	24,394
Total liabilities		6,109	26,498	10,922	24,394
Total equity and liabilities		42,659	45,837	65,734	54,794

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

Note(s):

(a) Vessels

Group	<u>Vessels</u> US\$'000	<u>Initial direct costs</u> US\$'000	<u>Total</u> US\$'000
As at 31 December 2024			
<u>Cost</u>			
At 1 January 2024	119,398	719	120,117
Disposal	(21,762)	-	(21,762)
At 31 December 2024	97,636	719	98,355
Less:			
<u>Accumulated depreciation/ amortisation and impairments</u>			
At 1 January 2024	87,442	678	88,120
Depreciation/amortisation charge for the period	2,930	4	2,934
Reversal of impairment recognised in the income statement	(1,968)	-	(1,968)
Disposal	(17,424)	-	(17,424)
At 31 December 2024	70,980	682	71,662
<u>Carrying amount</u>			
At 31 December 2024	26,656	37	26,693
As at 31 December 2023			
Cost	119,398	719	120,117
Less: Accumulated depreciation/ amortisation and impairments	87,442	678	88,120
Carrying amount	31,956	41	31,997

During the financial year ended 31 December 2024, the Group disposed one product tanker (*Cumbrian Fisher*) in December 2024 for a net cash consideration of approximately US\$6,619,000, resulting in a gain on disposal of US\$2,281,000.

For the financial year ended 31 December 2024, the Group recognised a reversal of impairment on vessel amounting to US\$1,968,000 based on fair value less costs of disposal (FY 2023: NIL). As at 31 December 2024, the carrying amount of the vessels was US\$26,693,000 (FY 2023: US\$31,997,000).

The fair value less costs of disposal is based on the sale of similar vessels and is 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 2024:

<u>Name</u>	<u>Type</u>	<u>Built</u>	<u>Capacity</u>	<u>Employment Type</u>
Clyde Fisher	Product Tanker	2005	12,984 DWT	Bareboat Charter
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:

	31 December 2024		31 December 2023	
	Group	Trust	Group	Trust
	US\$'000	US\$'000	US\$'000	US\$'000
Cash at banks	4,488	382	5,474	573
Short-term deposits	10,300	10,300	26,700	26,700
Cash and cash equivalents	14,788	10,682	32,174	27,273
Cash and cash equivalents in the Consolidated Statement of Cash Flows	14,788	10,682	32,174	27,273

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

	31 December 2024	31 December 2023
	US\$'000	US\$'000
Secured loans		
<u>Repayable within one year</u>		
Secured loans	2,525	3,564
Less: Unamortised debt transaction costs	(50)	(115)
	2,475	3,449
<u>Repayable after one year</u>		
Secured loans	2,673	6,758
Less: Unamortised debt transaction costs	(28)	(97)
	2,645	6,661

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 has been replaced by Term SOFR-based benchmark rate. The revised pricing of the two loans is Term SOFR plus 4.08948% with effect from Q3 2023. Each of the loans is 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 2024, two of FSL Trust's subsidiaries fully prepaid the outstanding loan under the US\$15 million term loan facility agreement with Chailease International Financial Services (Singapore) Pte Ltd.

The aggregate outstanding balance under the loans was US\$5.20 million as at 31 December 2024 and, as at 31 December 2024, the Group is in compliance with the terms of the loans.

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1(c) Condensed Interim Consolidated Statement of Cash Flows

	Group			
	2H 2024	2H 2023	FY 2024	FY 2023
	US\$'000	US\$'000	US\$'000	US\$'000
Operating activities:				
Profit before tax	6,872	1,952	8,275	3,829
Adjustments for:				
Depreciation expense on vessels	1,446	1,476	2,930	2,912
Reversal of impairment on vessel	(1,968)	-	(1,968)	-
Amortisation of debt transaction costs	69	74	134	163
Amortisation of initial direct costs	2	2	4	4
Interest income	(58)	(661)	(377)	(1,191)
Interest expense	300	538	739	1,109
Gain on disposal of vessels	(2,281)	(62)	(2,281)	(463)
	4,382	3,319	7,456	6,363
Changes in working capital:				
Trade and other receivables	(136)	(333)	205	(140)
Trade and other payables	(77)	(38)	(180)	310
Cash generated from operations	4,169	2,948	7,481	6,533
Income tax refunded/(paid)	29	3	(133)	(3)
Net cash generated from operating activities	4,198	2,951	7,348	6,530
Investing activities:				
Costs incurred for vessel equipment	-	(634)	-	(1,000)
Interest received	45	670	377	1,206
Net proceeds on disposal of vessels	7,108	-	7,108	-
Net cash generated from investing activities	7,153	36	7,485	206
Financing activities:				
Distribution to unitholders	-	-	(26,521)	-
Security deposits	180	-	180	-
Prepayment of secured loans	(945)	-	(1,945)	-
Repayment of secured loans	(1,397)	(1,782)	(3,179)	(3,564)
Interest paid	(305)	(538)	(754)	(1,114)
Net cash used in financing activities	(2,467)	(2,320)	(32,219)	(4,678)
Net increase/(decrease) in cash and cash equivalents	8,884	667	(17,386)	2,058
Cash and cash equivalents at beginning of period/year	5,904	31,507	32,174	30,116
Cash and cash equivalents at end of period/year	14,788	32,174	14,788	32,174
Comprising:-				
Cash at Banks	4,488	5,474	4,488	5,474
Short-term deposits	10,300	26,700	10,300	26,700
	14,788	32,174	14,788	32,174

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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
2024 Group				
At 1 January 2024	561,332	(6,725)	(499,795)	54,812
Total comprehensive income for the year	-	-	8,259	8,259
Contribution by and distribution to unitholders:				
Distribution to unitholders	-	-	(26,521)	(26,521)
At 31 December 2024	561,332	(6,725)	(518,057)	36,550

	Units in Issue	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000
2023 Group				
At 1 January 2023	561,332	(6,725)	(503,465)	51,142
Total comprehensive income for the year	-	-	3,670	3,670
At 31 December 2023	561,332	(6,725)	(499,795)	54,812

	Units in Issue	Accumulated Losses	Total Equity
	US\$'000	US\$'000	US\$'000
2024 Trust			
At 1 January 2024	561,332	(530,932)	30,400
Total comprehensive income for the year	-	15,460	15,460
Contribution by and distribution to unitholders:			
Distribution to unitholders	-	(26,521)	(26,521)
At 31 December 2024	561,332	(541,993)	19,339

	Units in Issue	Accumulated Losses	Total Equity
	US\$'000	US\$'000	US\$'000
2023 Trust			
At 1 January 2023	561,332	(531,952)	29,380
Total comprehensive income for the year	-	1,020	1,020
At 31 December 2023	561,332	(530,932)	30,400

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

	2H 2024 Units	FY 2023 Units
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 2024 and as at 31 December 2023.

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 2024 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 2023.

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 2023.

(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 2024. 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 15.56% (December 2023: 15.34%) 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 2024	FY 2023
	US\$'000	US\$'000
Asia	-	21
Europe	8,454	8,338
North America	-	151
Total	8,454	8,510

With respect to the presentation of vessels by geographical information, the Group deals with several lessees and the vessels are deployed to various parts of the world at the discretion and direction of these 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

	Group	
	FY 2024	FY 2023
	US\$'000	US\$'000
<u>Performance obligations satisfied over time</u>		
Bareboat charter lease income	8,454	8,338
Pool income	-	21
Freight income	-	151
Total	8,454	8,510

Bareboat charter lease income relates to lease income derived from operating leases, pool income relates to income substantially derived from vessels deployed on pool arrangements, and freight income relates to income substantially derived from vessel trading in the spot market.

(vii) Significant items

	Group	
	FY 2024	FY 2023
	US\$'000	US\$'000
<u>Income</u>		
Gain on disposal of vessels	2,281	463
Reversal of impairment on vessel	1,968	-
Other income	1,000	-
<u>Expenses</u>		
Depreciation on vessels	(2,930)	(2,912)
Finance expenses		
- secured loans	(739)	(1,109)
- amortisation of debt transaction costs	(134)	(163)
Net foreign exchange gain/(loss)	5	(9)
Total finance expenses	(868)	(1,281)

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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.

	Group	
	FY 2024	FY 2023
	US\$'000	US\$'000
<u>Transactions with the Trustee-Manager</u>		
Management fees	1,400	1,400
Trustee fees	9	13
Disposal fees	36	-
<u>Transactions with other related parties</u>		
Directors' fees paid to non-executive directors ⁽¹⁾	110	109
Corporate secretarial fees paid to FSL Asset Management Pte Ltd ⁽²⁾	17	17

⁽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 31 December 2024.

(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:

	Group	
	FY 2024	FY 2023
	US\$'000	US\$'000
<u>Income tax</u>		
Current tax expense	16	159
Total	16	159

(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	
	31 December 2024	31 December 2023
	US\$'000	US\$'000
Within one year	6,112	8,130
Between one to two years	1,670	6,038
Between two to three years	1,077	1,670
Between three to four years	1,080	1,077
Between four to five years	764	1,080
After five years	-	764
Total	10,703	18,759

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 are 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 2024 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 2024

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 2024	2H 2023	FY 2024	FY 2023
Basic and diluted earnings per unit is based on:				
Profit for the period/year (US\$'000)	6,882	1,849	8,259	3,670
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)	0.39	0.10	0.47	0.21
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)	-	1.50	-	1.50

As at 31 December 2024, 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 2024		31 December 2023	
		Group	Trust	Group	Trust
Net asset value per unit (US\$)	(a)	0.02	0.01	0.03	0.02

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 2024

8. Review of Performance

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

2H 2024 vs 2H 2023

	Group		
	2H 2024	2H 2023	Change
	US\$'000	US\$'000	%
Revenue	4,358	4,410	(1.2)
Vessel operating expenses	-	(4)	(100.0)
Management fees	(700)	(700)	-
Trustee fees	(4)	(7)	(42.9)
Other Trust expenses [^]	(274)	(377)	(27.3)
Adjusted EBITDA^{^^}	3,380	3,322	1.7
Depreciation expense on vessels	(1,446)	(1,476)	(2.0)
Reversal of impairment on vessel	1,968	-	100.0
Gain on disposal of vessels	2,281	62	N.M.
Results from operating activities (EBIT)	6,183	1,908	224.1
Other income	1,000	-	100.0
Finance income	58	661	(91.2)
Finance expenses	(369)	(617)	(40.2)
Profit before tax (EBT)	6,872	1,952	252.0
Income tax expense	10	(103)	N.M.
Profit for the period	6,882	1,849	272.2

[^] 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

Bareboat charter

i) Specialised tankers

All eight vessels are on bareboat charter to James Fisher Everard Limited with one vessel having profit share. The eight vessels generated an adjusted EBITDA of US\$3.61 million in aggregate in the period under review. The Trust sold the product tanker, *Cumbrian Fisher*, in December 2024.

b. Other operating expenses

i) Depreciation expense on vessels

Depreciation expense on vessels decreased by 2% (US\$0.03 million) due to the disposal of one product tanker in December 2024.

ii) Reversal of impairment on vessel

Upon re-assessment, the fair value less costs of disposal of *Clyde Fisher* had exceeded the carrying amount and a reversal of impairment of US\$1.97 million for the vessel 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\$6.18 million in the period under review, compared to US\$1.91 million in the same period last year.

d. Finance expenses

Finance expenses during the second half year ended 31 December 2024 decreased by 40.2% (US\$0.25 million) mainly due to the lower outstanding indebtedness and amortisation of debt transaction costs.

For the second half year ended 31 December 2024, FSL Trust achieved a net profit of US\$6.88 million (2H 2023: US\$1.85 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 2024

8. Review of Performance (cont'd)

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

FY 2024 vs FY 2023

	Group		
	FY 2024	FY 2023	Change
	US\$'000	US\$'000	%
Revenue	8,454	8,510	(0.7)
Voyage expenses	-	31	(100.0)
Vessel operating expenses	-	(19)	(100.0)
Management fees	(1,400)	(1,400)	-
Trustee fees	(9)	(13)	(30.8)
Other Trust expenses [^]	(598)	(741)	(19.3)
Adjusted EBITDA^{^^}	6,447	6,368	1.2
Depreciation expense on vessels	(2,930)	(2,912)	0.6
Reversal of impairment on vessel	1,968	-	100.0
Gain on disposal of vessels	2,281	463	392.7
Results from operating activities (EBIT)	7,766	3,919	98.2
Other income	1,000	-	100.0
Finance income	377	1,191	(68.3)
Finance expenses	(868)	(1,281)	(32.2)
Profit before tax (EBT)	8,275	3,829	116.1
Income tax expense	(16)	(159)	(89.9)
Profit for the year	8,259	3,670	125.0

[^] 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 eight vessels are on bareboat charter to James Fisher Everard Limited with one vessel having profit share. The eight vessels generated an adjusted EBITDA of US\$6.95 million in FY 2024 (FY 2023: US\$6.85 million). The Trust sold the product tanker, *Cumbrian Fisher*, in December 2024.

8. Review of Performance (cont'd)

b. Other operating expenses

i) Depreciation expense on vessels

Depreciation expense on vessels increased by 0.6% (US\$0.02 million) as a result of:

(a) higher depreciation expense of US\$0.06 million from additional vessel equipment cost incurred.

(b) lower depreciation expense of US\$0.04 million due to the disposal of one product tanker in December 2024.

ii) Reversal of impairment on vessel

Upon re-assessment, the fair value less costs of disposal of *Clyde Fisher* had exceeded the carrying amount and a reversal of impairment of US\$1.97 million for the vessel was recognized.

c. Results from operating activities

On an overall basis, FSL Trust generated an operating profit of US\$7.77 million in FY 2024 (FY 2023: US\$3.92 million).

d. Finance expenses

Finance expenses in FY 2024, including an exchange gain of US\$5,000 (FY 2023: exchange loss of US\$9,000), decreased by 32.2% (US\$0.41 million) mainly due to the lower outstanding indebtedness and amortisation of debt transaction costs.

For the year ended 31 December 2024, FSL Trust generated a net profit of US\$8.26 million (FY 2023: US\$3.67 million).

9. Variance from Prospect Statement

Not applicable.

10. Outlook and Prospects

All of the Trust's vessels operate under fixed-rate period charters and the market exposure of the Trust is limited to one vessel that has an additional profit share.

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 : Yes

Amount : US\$26,520,865

Distribution Period : 1 July 2023 to 31 December 2023

Distribution Type : Cash, Tax-exempt Distribution

Distribution Rate : US1.50 cents per unit

Par Value of units : Not applicable

Tax Rate : Distributions received by either Singapore tax resident unitholders or non-Singapore tax resident unitholders are exempt from Singapore income tax and are also not subject to Singapore withholding tax. The unitholders are not entitled to tax credits for any taxes paid by the Trustee-Manager of FSL Trust.

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.

FIRST SHIP LEASE TRUST – CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SIX-MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024

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 2024	FY 2023	Change
	US\$'000	US\$'000	%
(a) Revenue reported for first half year	4,096	4,100	(0.10)
(b) Net profit after tax reported for first half year	1,377	1,821	(24.4)
(c) Revenue reported for second half year	4,358	4,410	(1.2)
(d) Net profit after tax reported for second half year	6,882	1,849	272.2

19. Breakdown of the total distribution (in dollar value) for the financial year ended 31 December 2024

	FY 2024	FY 2023
	US\$'000	US\$'000
In respect of the period:		
1 January 2024 to 30 June 2024	-	-
1 July 2023 to 31 December 2023	26,521	-
1 January 2023 to 30 June 2023	-	-

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
 11 February 2025