

PRESIDENT & CEO'S MESSAGE

2020 had been a year of extraordinary challenges for tanker owners and operators. Like many in the industry, we found ourselves managing the impact of a crisis due to the collapse in oil demand, while navigating uncharted territories unleashed by COVID-19. AET, however, has been very fortunate to ride out these challenges, emerging stronger from the trying year. An accomplishment like this would not have been possible if not for our people. Therefore, I must applaud every member of our global workforce for their incredible teamwork. They have truly gone an extra mile to keep AET on an even keel.

For AET, employee safety is our top priority. Our people-centric approach to business continuity meant that under these unprecedented conditions we were able to balance our approach in keeping our employees safe while delivering on our service commitments to our customers.

The commitment and discipline exemplified by our employees, especially those on the frontlines, had been critical to AET's business continuity. Our seafarers, in particular, were affected by the increasingly stringent restrictions on crew changes. In complying with the safety protocols, many have had to serve extended periods onboard vessels. Because of their dedication, we were able to deliver on our commitments to our customers and carry out our service promise of "Moving energy to build a better world" despite the lockdowns.

We worked proactively with the respective port authorities and spared no effort in obtaining the permits to bring our crews home swiftly and safely. Standing in solidarity with the industry, we took action by being among the 300 maritime companies who



“**While ensuring a financially sustainable business, AET remains committed to moving energy in a responsible and eco-efficient way which aligns with our purposeful sustainability agenda while contributing to a resilient maritime industry.**”

signed the Neptune Declaration on Seafarer Wellbeing and Crew Change, signalling our resolve to end the crew change crisis caused by the pandemic. We invested in digital platforms and virtual communication tools to accommodate remote working arrangements, as well as to stay connected with our teams. Staff engagement was stepped-up to support a workforce undergoing the strain of shifting work patterns while staying on track on their jobs and responsibilities.

Breaking new ground in a challenging year
Despite a very challenging year, we pressed on with our business strategy to diversify our portfolio and rejuvenate our fleet. An important breakthrough for AET in 2020 was the agreement to construct two world-first LNG dual-fuel VLCCs. Upon delivery in 2022, both vessels will enter into service with Total under a long-term charter arrangement. A separate agreement with Shell was signed in March 2021 for the construction and time charter of three LNG dual-fuel VLCCs. As one of the world's most environmentally friendly VLCCs in the market, these vessels represent a significant step forward in our aspiration to align with IMO 2030 Greenhouse Gas goals while meeting our customers' energy transition needs. The ground-breaking vessels will also contribute to the growth of our long-term secured income base and eco-efficient vessel fleet – affirming our belief that the environmental agenda and commercial viability can co-exist in sustainable shipping.

2020 also marked the delivery of two LNG dual-fuel DPSTs (Eagle Blane and Eagle Balder) to Equinor, four eco-efficient DPSTs (Eagle Petrolina, Eagle Paulinia, Eagle Paraiso, Eagle Passos) to Petrobras, and an eco-efficient DPST (Eagle Pilar, arriving in January 2021) to Shell. Neither pandemic nor shifting regulations had deterred our will

to complete and comply with the stringent acceptance tests that were scheduled as part of the vessel deliveries. All seven DPSTs are now operating on long-term charters with major international energy players in the North Sea and Brazilian Basin.

AET was also awarded long-term charter contracts for three Suezmax second-generation DPSTs by Petrobras in 2020. With a total of 13 vessels plying in Brazilian waters by 2022, we would be well-positioned to tap into the growing market for crude trades in Latin America. We also look forward to expanding our footprint and building closer and more supportive relationships with customers operating in the Latin American region.

Various lightering contracts in both North and South America were also successfully renewed in the year. Our lightering teams at AET Offshore have done well, recording their fifth successive year in 2020 without any lost time injury. This translates to the safe delivery of 3,800 lightering operations accomplished over the period.

We also fast-tracked our digitalisation journey in our efforts to enhance the operational excellence of our fleet and crew. On our ships, we have invested and implemented new digital solutions such as safety, inventory, and data-driven shipmanagement systems for vessel reliability, and availability.

Embracing stakeholder partnerships for sustainable growth

We have been conscientious in our efforts to exceed customer expectations, recognising that safe, efficient and responsibly executed maritime logistics solutions would be the cornerstone to improved customer retention and loyalty. The outcomes of these efforts had been reflected in our customer survey results

for 2020. They have also been evident in our investment choices over the years, including pioneering the use of dual-fuel technologies across different vessel segments.

We have in place a robust process for assessing our CAPEX investments, with a view towards lowering our exposure to market volatilities and increasing our financial stability to weather the market cycles. By focusing on a balanced asset portfolio and improving our secured recurring income, our goal is not only to drive profitability, but to strengthen our financial resilience. As of 31 December 2020, our total assets were valued at US\$4.1 billion, while our secured income base stood at 54% of total EBITDA. We expect this to improve further to about 70% of total EBITDA in the next 24 months.

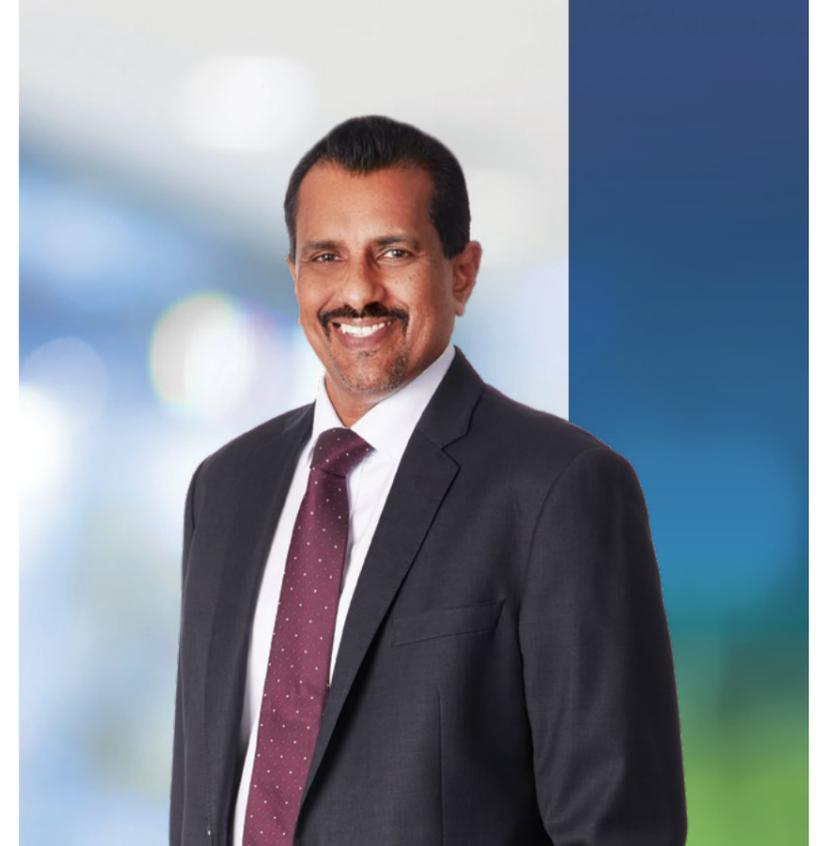
Through prudent capital management approaches, we have continued to maintain a healthy cash flow and strong balance sheet, which improves our financial viability for future growth. We have also continued to strengthen the long partnerships that we have with our bankers and financial institutions. In an extremely difficult 2020, these efforts have enabled us to obtain strong credit lines for AET's fleet rejuvenation plans, as well as secure attractive and longer-term debt financing rates for our next wave of vessel deliveries.

Driving business excellence through our Sustainability goals

I have no doubt that the energy transition would bring with it both opportunities and challenges ahead. To anchor these opportunities, we will actively explore and appraise new business areas, models and portfolios, and build new capabilities for a new era.

While there is currently much uncertainty on which fuels and propulsion systems will lead the sector in decarbonisation, we do not believe in sitting on the side-lines. A testimony to this is the fact that, in the past four years, we have invested approximately US\$2 billion in new assets, of which about US\$1 billion had been invested in dual-fuel assets. Focused on doing what is right rather than what is convenient, our ambition is to have a larger percentage of our operating fleet running on cleaner fuels, including LNG, by 2025.

Our robust governance and compliance policies ensure that AET continues to conduct business according to industry best practices. Upholding a high standard of compliance and values, we provided our onshore staff with refresher training on the Code of Conduct and Business Ethics (CoBE) using an e-learning platform. Our efforts to foster a culture of integrity, transparency, openness and



compliance was rewarded by the attainment of the ISO 37001 Anti-Bribery Management System (ABMS) certification during the year. ABMS training modules were also developed and delivered to staff across our global offices.

As part of business excellence, we introduced a Diversity and Inclusion statement to demonstrate that we value the contributions of our diverse teams. A diverse and inclusive work culture enables AET employees to feel recognised, appreciated and valued for as individuals. To have an engaged workforce, we must develop and nurture human capital. Notwithstanding the pandemic, and driven by desire to develop our talent, we achieved a total of 4,000 training hours for our shore staff in 2020.

AET is committed to promoting maritime careers to our young generation and sponsored the training of close to 400 ALAM cadets through our integrated marine services, Eaglestar since 2016. We also provide these cadets berth on our assets and about 10% to 15% of the sea staff aboard our ships are trainees from ALAM. Increased digitalisation and automation of shipping operations and reporting demands new skills from our seafarers. It is the responsibility of the maritime industry to develop the capabilities of seafarers who are entering an industry that is rapidly changing.

Despite the current challenges, our global intern programme continues to grow, and in 2020, we welcomed 19 undergraduates into the AET family. Paying attention to leadership succession and developing

our next generation of maritime talent, we proudly sponsored our first scholar under the Singapore Maritime Foundation's MaritimeOne scholarship programme. During this global pandemic, we are looking to do more for the communities where we are based. In 2020, we contributed US\$600,000 to fund over two million meals for the underprivileged in regions where we have offices or significant presence.

More details on our sustainability achievements can be found under the section "Anchoring Sustainability" on pages 72-91.

Together, we keep moving

In closing, I would like to thank all the stakeholders who have supported us over the years. A special word of thanks to the customers who have placed their continued confidence in AET. I am also grateful to our shareholder, MISC, for their unwavering support; our Chairman and the Board of Directors for their leadership and insights; and the Executive Leadership Team for their focus and positivity in navigating the new normal.

Last but not least, I would like to convey my deepest appreciation to my colleagues across our global teams, both on and offshore, for their loyalty, perseverance and valued contributions. 2020 has not been an easy year, but I am heartened by your endeavours to make AET larger than the sum of its parts in our aspiration to build a better world.

CAPT. RAJALINGAM SUBRAMANIAM
President & CEO