FINANCIAL PERFORMANCE

Our financial performance this year tells a tale not just of our commitment to meeting the expectations of our customers but also our unswerving focus on long-term sustainability goals.

Despite an uncertain economic outlook characterised by high inflation and tight monetary policy in the financial markets, the tanker market ended 2022 on an extraordinarily strong note due to several factors.

The Russia-Ukraine war set off a chain reaction of self-imposed sanctions and oil embargoes that severely impacted global oil trade. These events created great volatility in oil prices, reshaped oil trades, redrew the global oil map and drove up demand for shipping oil far more than was projected before the invasion.

Another contributing factor was a surge in oil production growth of 4.5 Mbpd[1], primarily driven by increases in the Americas and the gradual lifting of OPEC+ production cut. Refinery throughputs also increased by 2.2 Mbpd[2], as diesel refining margins improved due to recovering demand.

As a result of this unique interaction of events, what was expected to be a gradual recovery for the tanker sector in 2022 turned into a sustained upturn. Against this complex and fast-changing backdrop, our focus was on delivering exceptional levels of service to our customers, while adapting to various external factors including changing trade flows, new regulations and geopolitical threats. In this dramatically changing business environment, AET performed well, demonstrating resilience and flexibility. AET's strategic focus has been on growing the proportion of assets that generate stable long-term income while maintaining flexibility to capture the upside when the cycles turn in its favour. We witnessed the benefits of this strategy in 2022 when we were able to capture the upside while mitigating downturns.

AGILITY TO RESPOND

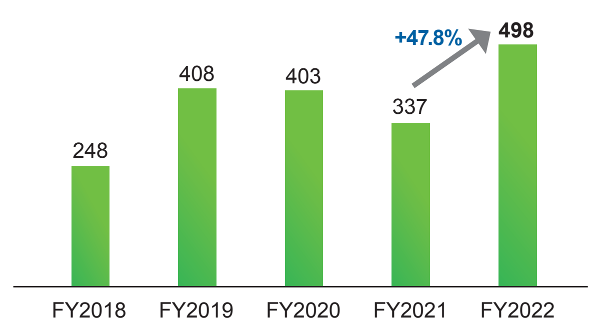
Although tanker markets were challenged at the beginning of 2022, they experienced a positive turn following the Russia-Ukraine war. AET took decisive steps in 2022 to capitalise on these changing market conditions. We leveraged our strong presence in the Atlantic region to take advantage of an improved MST market segment. A favourable combination of factors including European demand for cargoes from the US Gulf and West Africa, high US crude exports and weather-related vessel delays in crucial loading regions led to a tight MST fleet and high fleet utilisation. Steered by our focus on achieving long-term profitability, we secured five new lightering contracts during the year – four in South America and one in North America – and renewed 13 lightering contracts in 2022 – nine in North America and four in South America.

In the VLCC segment, we took advantage of the buoyant market to place more assets into the spot market. At the same time, we secured three new time charters for VLCCs.

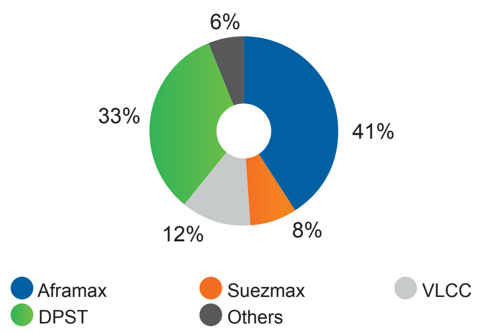
The addition of six newbuild DPSTs and two newbuild VLCCs expanded our fleet and grew our secured income portfolio.

As a result of these gains, AET delivered a strong set of results in FY2022, posting US$1,038 million in total revenue, US$498 million in EBITDA and US$190 million in NPAT.

EBITDA (US$ MILLION)



EBITDA BY SEGMENTS – FY2022



1 Source: IHS, Global Crude Oil Markets Short-Term Outlook, February 2023: The triangle of price determination, 17 Feb 2023
2 Source: IHS, Global Refining and Marketing Short-Term Outlook, February 2023: The product embargo on Russia initially sputters in the market, 28 Feb 2023

EMERGING STRONGER

Our performance this year strengthened our balance sheet. AET maintained a healthy balance sheet with approximately US$4,438 million in assets and a low net debt to equity ratio of 0.60. As of the end of December 2022, our Weighted Average Cost of Debt was 2.69%, and we had a closing cash balance of US$220 million. Through disciplined capital management, AET favourably outperformed its targets for debt servicing ratios, liquidity positions and cost of debt.

US$4,438 million
in Total Assets +5.7% from FY2021

US$220 million
as Cash Balance +24.6% from FY2021

In FY2022, we enjoyed a strong cash balance that allowed us to meet our financial obligations and capital commitments while maintaining a solid financial base and strong relationships with our lenders. We were able to secure debt financing for the new assets delivered in 2022 and strategically hedged these rates, protecting the company from multiple rate hikes that were subsequently rolled out by key central banks during the year. We continue to have sufficient credit lines with our key banking partners, which provide us flexibility in our loans. This hands us a significant competitive advantage. Additionally, we partially redeemed the Redeemable Cumulative Preference Shares from our shareholder.

Overall, our strong financial position and disciplined capital management have positioned us well to navigate market uncertainties and capitalise on future opportunities.

A COMMITMENT TO THE LONG GAME

A pioneer of low and no-carbon fuel alternatives, we are investing in developing the fuel alternatives of tomorrow and greening our portfolio so that we can support our customers in their decarbonisation goals. In 2022, AET took delivery of two vessels that are game-changers in conventional energy shipping. Among the first dual-fuel VLCCs in the world, the two vessels are able to reduce their CO_2 emissions by up to 25% through a combination of LNG dual-fuel technology, energy-saving devices and innovative features.

> "Our financial performance in 2022 is a testament to how the sustainability story can sit well with the value creation story. Strategically, we are in a good position."
>
> **Winnie Cruz-Ding**
> Global Director, Finance

These assets will also contribute substantially to our secured income portfolio while helping us meet our 2030 emission targets. One of the first movers in LNG dual-fuel vessels, AET has invested over US$1 billion in dual-fuel vessels since 2017. As a result of our investment, 14% of AET's gross revenue in FY2022 came from our greener dual-fuel fleet. We are targeting to have the majority of our fleet operating on lower carbon fuels by 2030.

Another highpoint of the year was the addition of six DPSTs to our fleet. All six vessels operate to the highest operational and environmental standards, including full compliance with the IMO's NOx Tier 3 and SOx emission requirements.

Our commitment to environmental stewardship, sound corporate governance practices and having a positive impact on the industry is underscored by the listing of our parent company MISC in the Dow Jones Sustainability Indices (DJSI) in the Emerging Markets category. MISC is the only Malaysian transportation sector company listed in DJSI Emerging Markets and one of only three Malaysian companies listed in DJSI Emerging Markets.

8 low-carbon LNG dual-fuel vessels in our fleet, contributing 14% to our gross revenue.

As we look ahead to 2023, we are committed to maintaining a strong financial position that supports our worldwide operations and decarbonisation efforts. Our secured income strategy will continue to protect us from market volatility and downsides. Meanwhile our access to capital will allow us to invest in new assets that meet our long-term sustainability goals. With a rejuvenated asset portfolio and an expanding secured income base, we are confident in our ability to grow from strength to strength, generating sustained profits in 2023 and beyond.

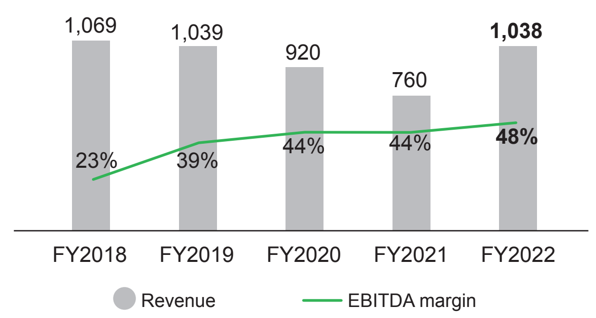
FINANCIAL PERFORMANCE

KEY FIGURES AT A GLANCE*

Profitability (US$ million)	FY2018	FY2019	FY2020	FY2021	FY2022
Revenue	1,069	1,039	920	760	1,038
EBITDA	248	408	403	337	498
(NLAT)/NPAT (operations)	(46)	41	85	41	187
Impairment/Gain or Loss on Sale of Assets	(15)	(31)	9	7	3
(NLAT)/NPAT after Minority Interest	(61)	9	94	46	190

Key Balance Sheet (US$ million)	FY2018	FY2019	FY2020	FY2021	FY2022
Total Assets (including fixed assets and cash)	3,723	3,876	4,134	4,198	4,438
Total Liabilities (including borrowings)	1,536	1,756	1,987	2,034	2,036
Shareholder's Equity	2,187	2,120	2,147	2,164	2,402
Net Debt/Equity (times)	0.51	0.62	0.63	0.69	0.60

REVENUE (US$ MILLION) AND EBITDA MARGIN (%)

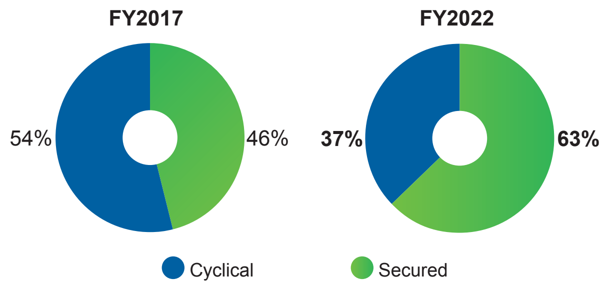


EBITDA Margin: **48%**

Insights
AET's EBITDA margin has improved steadily since 2018, reflecting AET's increasing ability to translate its revenue into operating profits.

* EBITDA: Earnings before interest, taxes, depreciation and amortisation
NPAT: Net profit after tax
NLAT: Net loss after tax
2018 figures are pre-IFRS16

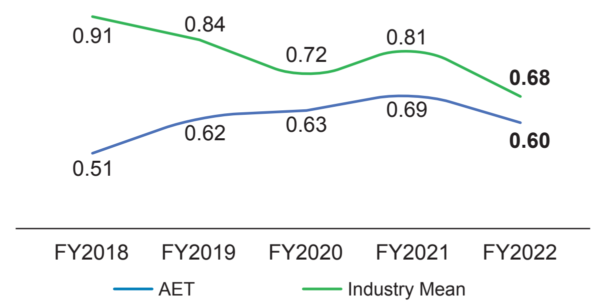
EBITDA BY INCOME TYPE



Projected Secured EBITDA (2025):
80% of the total

Insights
Since FY2017, we have steadily improved our secured income percentage contribution and we aim to achieve a portfolio composition of 80% secured income by 2025. This strategy provides us with financial stability and liquidity while we innovate and invest in a low-carbon future.

NET DEBT/EQUITY (TIMES)

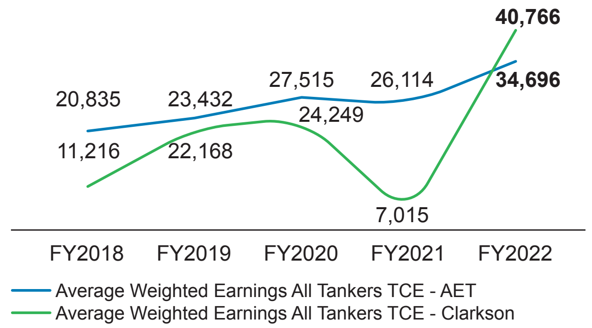


AET: **0.60**
Industry Mean: **0.68***

* The mean data is for large tanker players we identified as our peers in the industry

Insights
Both AET and the industry's Net Debt/Equity dropped in 2022 as compared to 2021, driven by improved market conditions which resulted in lower net debt level and higher equity. AET's Net Debt/Equity was consistently below the industry's average, indicating higher financial stability and resilience.

OUR TCE PERFORMANCE VS OVERALL MARKET TCE (US$/DAY)



TCE: Time Charter Equivalent

TCE-AET: **US$34,696**
TCE-All Tankers: **US$40,766**

Insights
Our focus on financial sustainability through long-term charters with quality customers allowed us to record steady earnings despite market cyclicity.

For details on the Financial Pillar of our Sustainability Strategy, refer to page 108.