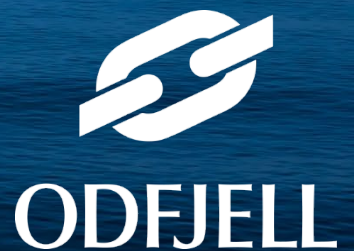




Third quarter presentation 2020

November 5, 2020





Agenda

- Highlights
- Financials
- Operational review/Strategy
- Prospects and Market update

Highlights

- Another quarter with positive results despite a seasonally slower market, a high number of drydockings and an unclear macro environment
- EBITDA of USD 72 mill, compared with USD 82 mill in 2Q20
- EBITDA of USD 64 mill from Odfjell Tankers, compared to USD 74 mill 2Q20
- EBITDA of USD 8 mill from Odfjell Terminals, same as 2Q20
- Net result was USD 4 mill compared to USD 31 mill last quarter
- Adjusted for non-recurring items, net results were USD 5 mill in 3Q20 compared to adjusted net results of USD 17 mill last quarter
- COA rate renewals were up 4.5% in 3Q20 and continue the firming trend
- COA coverage normalized at 50% in 3Q20, compared to 35% in 2Q20
- We have set ambitious targets to reduce our carbon intensity by 50% by 2030 compared to 2008 levels and have a climate neutral fleet from 2050. Both targets go beyond targets set by IMO

Subsequent events

- We have established a new pool for coated IMO2 chemical tankers, initially adding 6 vessels, and we are actively working on a further expansion of the pool

Key figures, USD mill

(USD mill, unaudited)	4Q19	1Q20	2Q20	3Q20	3Q19	FY19
Odfjell Tankers	215.6	240.2	234.6	229.7	214.2	871.3
Odfjell Terminals	18.0	17.5	16.0	16.3	16.4	69.8
Revenues*	235.3	259.3	252.4	247.7	232.7	949.5
Odfjell Tankers	50.1	57.9	73.9	63.6	44.7	184.4
Odfjell Terminals	7.8	8.1	7.6	7.8	6.0	26.7
EBITDA*	58.0	66.3	81.9	71.7	51.4	213.4
EBIT	11.7	24.3	49.7	27.1	25.9	59.0
Net result	(10.0)	(4.4)	30.9	3.9	(1.1)	(36.6)
EPS**	—	(0.06)	0.39	0.05	(0.01)	(0.47)
ROE***	(5.6 %)	(0.5 %)	13.6 %	3.5 %	(7.6 %)	(6.4 %)
ROCE***	2.8 %	5.1 %	8.2 %	5.4 %	2.7 %	2.8 %

*Includes figures from Odfjell Gas

** Based on 78.8 million outstanding shares

*** Ratios are annualised

"3Q20 was impacted by seasonality and a high number of drydockings. We are satisfied with our ability to continue to report positive results in this challenging environment. We keep renewing contract rates at higher rates, which is an encouraging sign. We have taken further steps to consolidate the chemical tanker market by establishing a new coated pool which will further strengthen our operational platform in a capital efficient way. We expect 4Q20 results to be in line with 3Q20".

Kristian Mørch, CEO Odfjell SE



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Income statement¹ – Odfjell Group by division

USD mill	Tankers		Terminals		Total*	
	2Q20	3Q20	2Q20	3Q20	2Q20	3Q20
Gross revenues	234.6	229.7	16.0	16.3	1.8	1.7
Voyage expenses	(76.9)	(80.6)	–	–	(77.8)	(81.3)
Pool distribution	(20.5)	(21.1)	–	–	(20.5)	(21.1)
Net Timecharter Earnings (TCE)	a 137.2	128.0	d 16.0	16.3	154.1	145.3
TC expenses	(9.2)	(8.1)	–	–	(9.2)	(8.1)
Operating expenses**	b (40.4)	(42.0)	(6.2)	(6.1)	(47.1)	(48.8)
General and administrative expenses	(13.8)	(14.4)	(2.2)	(2.4)	(15.9)	(16.8)
EBITDA	73.9	63.6	7.6	7.8	81.9	71.7
Depreciation**	(36.9)	(38.6)	(5.3)	(5.4)	(42.7)	(44.5)
Impairment	–	–	–	–	0.1	–
Capital gain/loss	0.1	–	10.3	(0.1)	10.4	(0.1)
EBIT	37.1	25.0	12.5	2.2	49.7	27.1
Net interest expenses**	(20.9)	(19.9)	(0.7)	(0.6)	(21.6)	(20.7)
Other financial items	c 4.1	(1.3)	–	0.1	4.1	(1.5)
Taxes	(1.1)	(1.1)	(0.2)	(0.3)	(1.3)	(1.4)
Net results	19.3	2.6	e 11.6	1.5	f 30.9	3.9
EPS	0.24	0.03	0.15	0.02	0.39	0.05
Voyage days	6,184	6,205	–	–	6,184	6,205

Key quarterly deviations:

- a** Timecharter revenues reduced driven by lower spot rates compared to the previous quarter
- b** Higher operating expenses and depreciation driven by newbuilding deliveries
- c** Changes in net finance driven by reduced mark-to-market value of our financial derivative portfolio
- d** Odfjell Terminals revenues improved slightly driven by a rebound in activity following reduced throughput in 2Q20
- e** Odfjell Terminals net profit of USD 1.5 mill. Adjusted for depreciation of excess values net of deferred tax, net result was USD 3.2 mill
- f** Adjusted for non-recurring items related to M-t-M valuation of derivatives, adjusted net result for the group was USD 5 mill compared to adjusted net result of USD 17 mill previous quarter

Balance sheet 30.09.2020¹ – Odfjell Group

Assets, USD mill	2Q20	3Q20
Ships and newbuilding contracts	1,459.4	1,483.5
Right of use assets	276.2	261.4
Investment in associates and JVs	171.8	174.4
Other non-current assets/receivables	19.2	20.1
Total non-current assets	1,926.6	1,939.5
Cash and cash equivalent	148.4	92.4
Other current assets	117.0	123.1
Total current assets	265.4	215.4
Total assets	2,192.0	2,154.9

Equity and liabilities, USD mill	2Q20	3Q20
Total equity	549.6	560.1
Non-current liabilities and derivatives	48.6	43.0
Non-current interest bearing debt	972.8	1,006.7
Non-current debt, right of use assets	234.2	222.3
Total non-current liabilities	1,255.7	1,271.9
Current portion of interest bearing debt	219.4	167.8
Current debt, right of use assets	50.8	49.2
Other current liabilities and derivatives	116.5	105.9
Total current liabilities	386.7	322.9
Total equity and liabilities	2,192.0	2,154.9

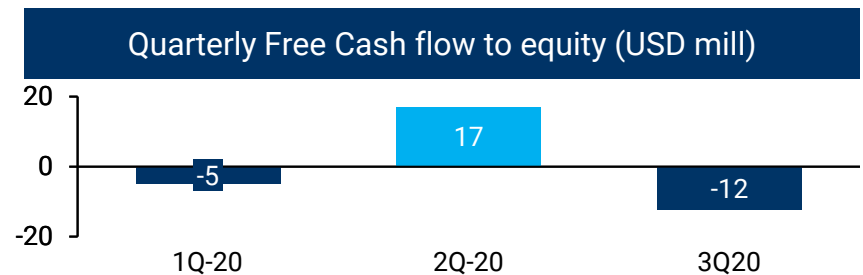
- Cash position reduced following downpayment of USD 50 mill on our revolving credit facility. Available liquidity including revolver is USD 138 mill
- Investments in associates and JVs includes our Equity value of Odfjell Terminals of USD 164 mill including cash of USD 47 mill and the remainder our ownership of Odfjell Gas
- 3Q20 equity ratio of 30% excluding debt related to right of use assets compared to 29% in 2Q20

Cash flow – 30.09.2020¹ – Odfjell Group

Cash flow, USD mill	1Q20	2Q20	3Q20	FY19
Net profit	(4.5)	31.1	3.7	(35.9)
Adjustments	41.9	32.9	38.2	147.5
Change in working capital	(1.5)	a 3.1	(10.1)	(7.3)
Other	(4.2)	(13.0)	(1.7)	(5.6)
Cash flow from operating activities	31.7	54.1	30.1	98.7
Sale of ships, property, plant and equipment	4.1	—	—	2.0
Investments in non-current assets	(47.6)	b (54.4)	(48.2)	(146.8)
Dividend/ other from investments in Associates and JV's	—	1.4	—	20.7
Other	2.3	1.6	(0.5)	0.8
Cash flow from investing activities	(41.2)	(51.4)	(48.7)	(123.1)
New interest bearing debt	71.1	c 61.4	127.9	369.9
Repayment of interest bearing debt	(27.4)	d (24.3)	(101.7)	(367.2)
Payment of operational lease debt	(12.1)	(12.4)	(13.5)	(44.9)
Dividends	—	—	—	—
Repayment of drawing facilities	—	e —	(50.0)	—
Cash flow from financing activities	31.6	24.7	(37.3)	(42.2)
Net cash flow*	20.4	27.3	(55.9)	(67.0)
Opening cash and cash equivalents	100.8	121.1	148.4	167.8
Closing cash and cash equivalents	121.1	f 148.4	92.4	100.8

- a** USD 10 mill change in working capital weighing on operating cash flow, but this is expected to be reversed
- b** Final instalment on fifth super-segregator newbuilding of USD 41 mill. Other capex amounts to USD 7 mill
- c** Drawdown on debt for newbuilding of USD 41 mill and refinancing of vessels totalling USD 88 mill
- d** Repaid USD 32 mill on debt facility for vessels that is now unencumbered, but will be refinanced in 4Q20. Regular amortisation amounted to USD 22 mill
- e** Repaid USD 50 mill on our revolving credit facility
- f** Total available cash of USD 138 mill including cash on balance and amount available under revolving credit facility

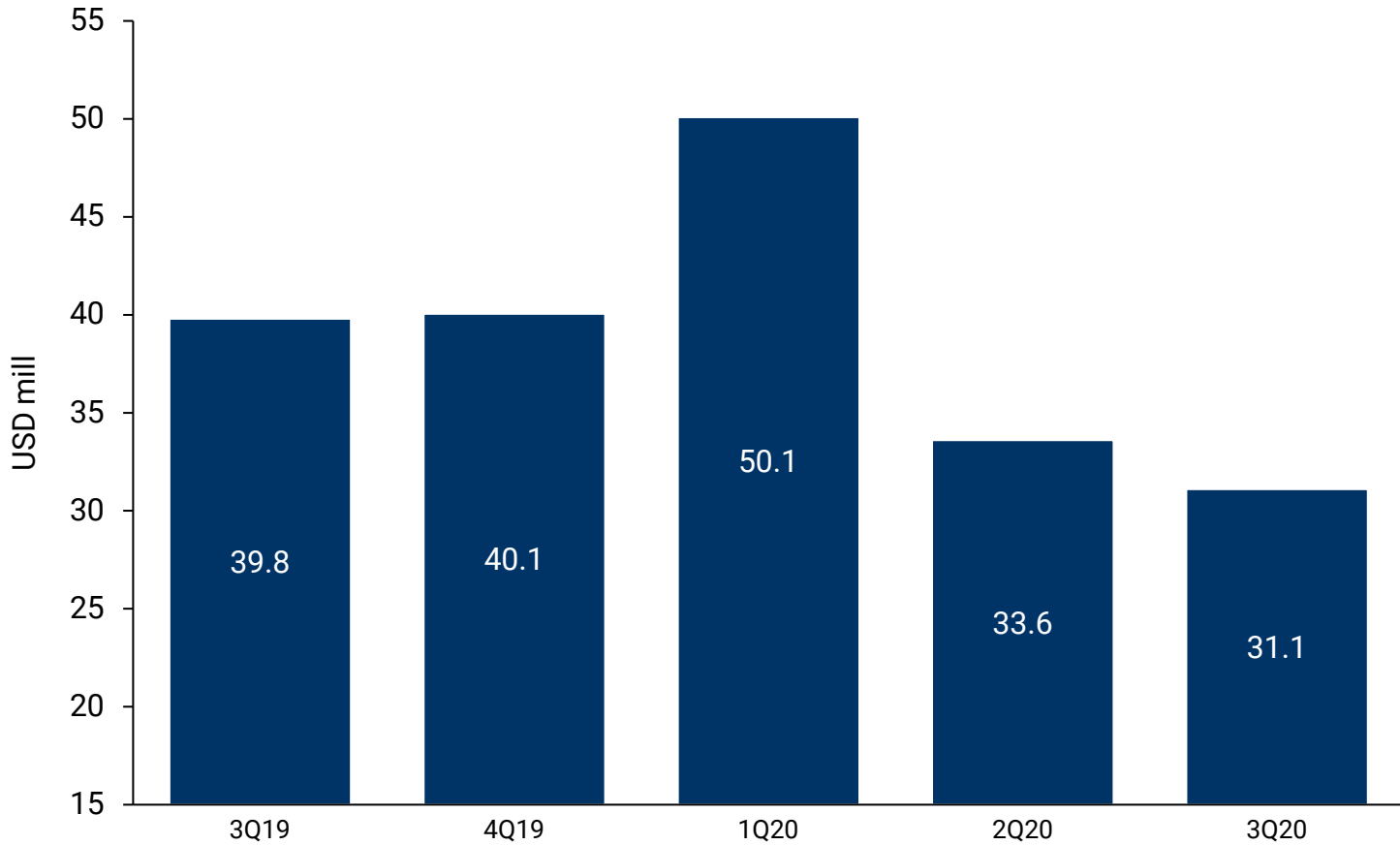
3Q20 quarterly free cash flow to equity of USD -12 mill mainly with short-term effects from working capital a main driver



* Equity method and after FX effects

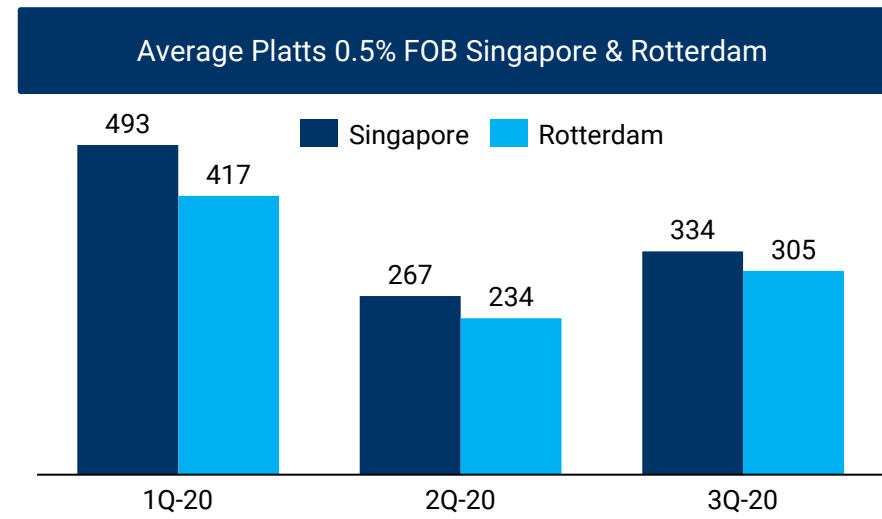
** Free Cash flow to equity: Excludes capex related to newbuildings and new interest bearing debt

Bunker expenses – 30.09.2020 – Odfjell Tankers



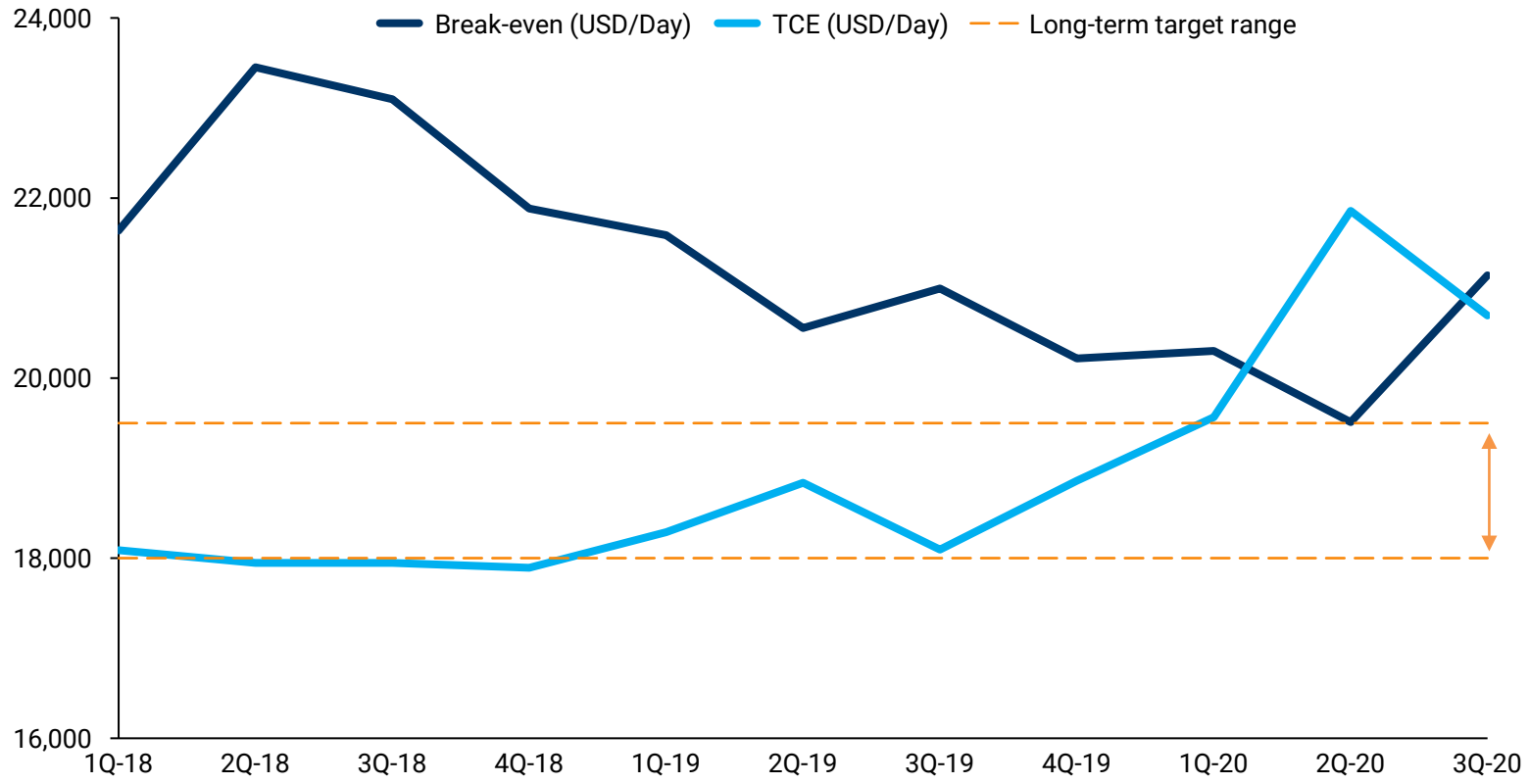
	3Q19	4Q19	1Q20	2Q20	3Q20
Gross bunker cost	47.0	46.0	60.3	35.1	34.4
Financial hedging	(0.1)	0.1	-	1.4	0.6
Adj. Clauses	(1.7)	(1.3)	(4.9)	2.4	2.1
3rd party vessels	(5.1)	(4.7)	(6.1)	(5.3)	(6.0)
Net bunker cost	39.8	40.1	49.4	33.6	31.1

- Bunker costs after bunker adjustment clauses was USD 31 mill, a decrease from the previous quarter with a cost of USD 34 mill
- Bunker adjustment clauses hedged 50% of our total volumes during the quarter
- We have hedged 25% of our uncovered bunker exposure for 2021 (about 12.5% total volumes) at an average price of USD 286 per tonne for VLSFO and USD 326 per tonne for MGO



Our TCE per day decreased during the quarter and our break-even levels increased due to increased amortisations and drydockings

Odfjell Tankers Break-even per day vs TCE per day (USD)

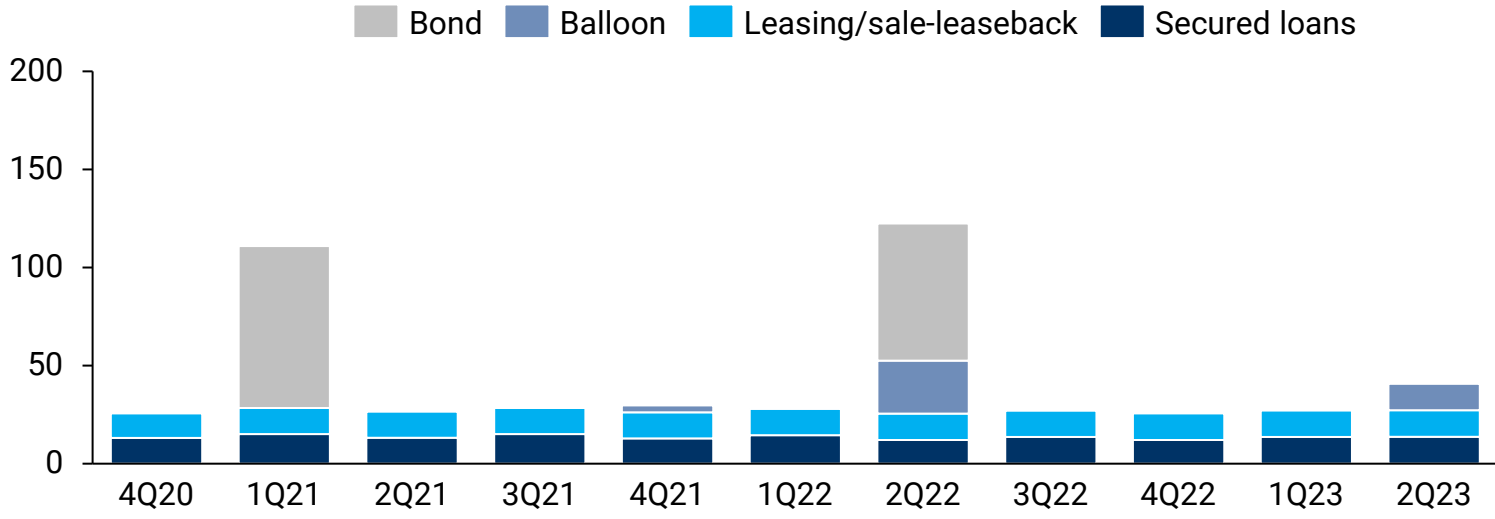


Comments

- Our break-even increased compared to 2Q20 mainly driven by increased amortisations related to newbuilding deliveries together with increased drydockings
- TCE net of pool distribution was USD20,620 per day in 3Q20
- Projected average break-even level is USD 21,400/day for 2021
- We have a target to reach a break-even level between USD 18,000 and USD19,500 to ensure we can generate positive cash flow throughout market cycles
- This target will be met by reducing our debt levels, optimising our debt portfolio and ensure amortisation profile match the economic lifetime of our vessels
- We believe we can meet these break-even levels in 2022, but timing will be market dependent

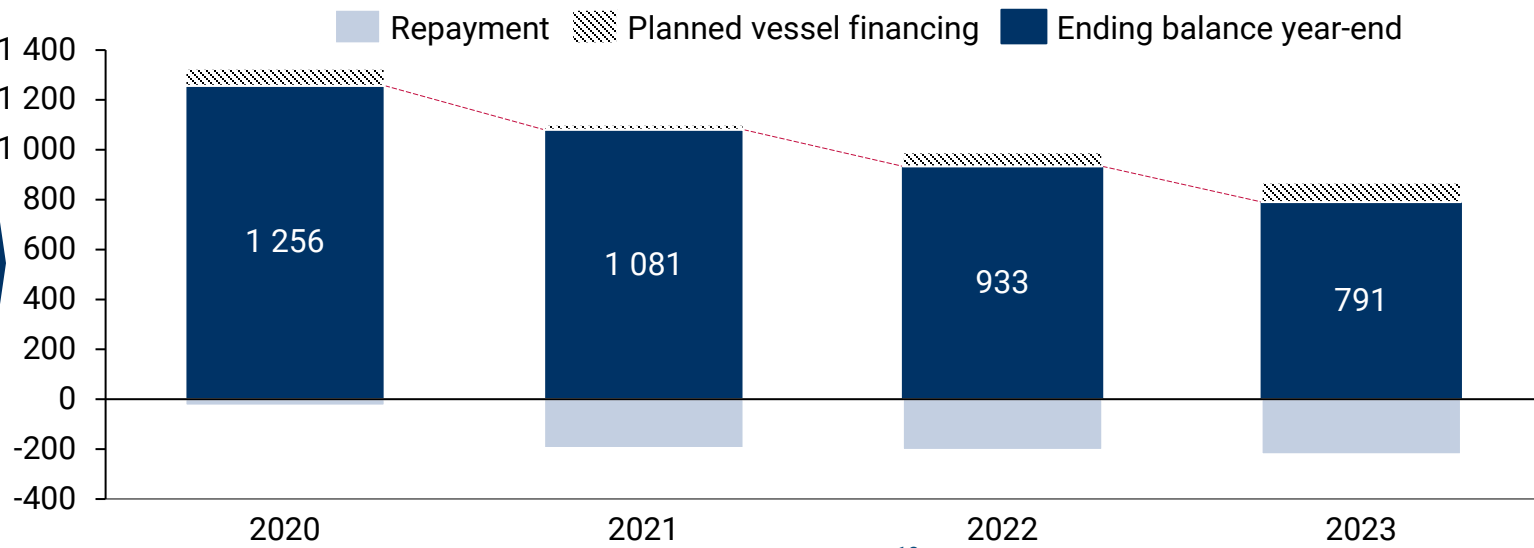
Debt development – Corporate and chemical tankers

Scheduled repayments and planned refinancing, USD mill



- USD 50 mill liquidity facility is secured and will be used to redeem Jan-21 bond...
- ...We might consider to refinance the bond if the price is right for Odfjell
- Except for the Jan-21 bond maturity, we do not have any maturing balloons before 2Q22

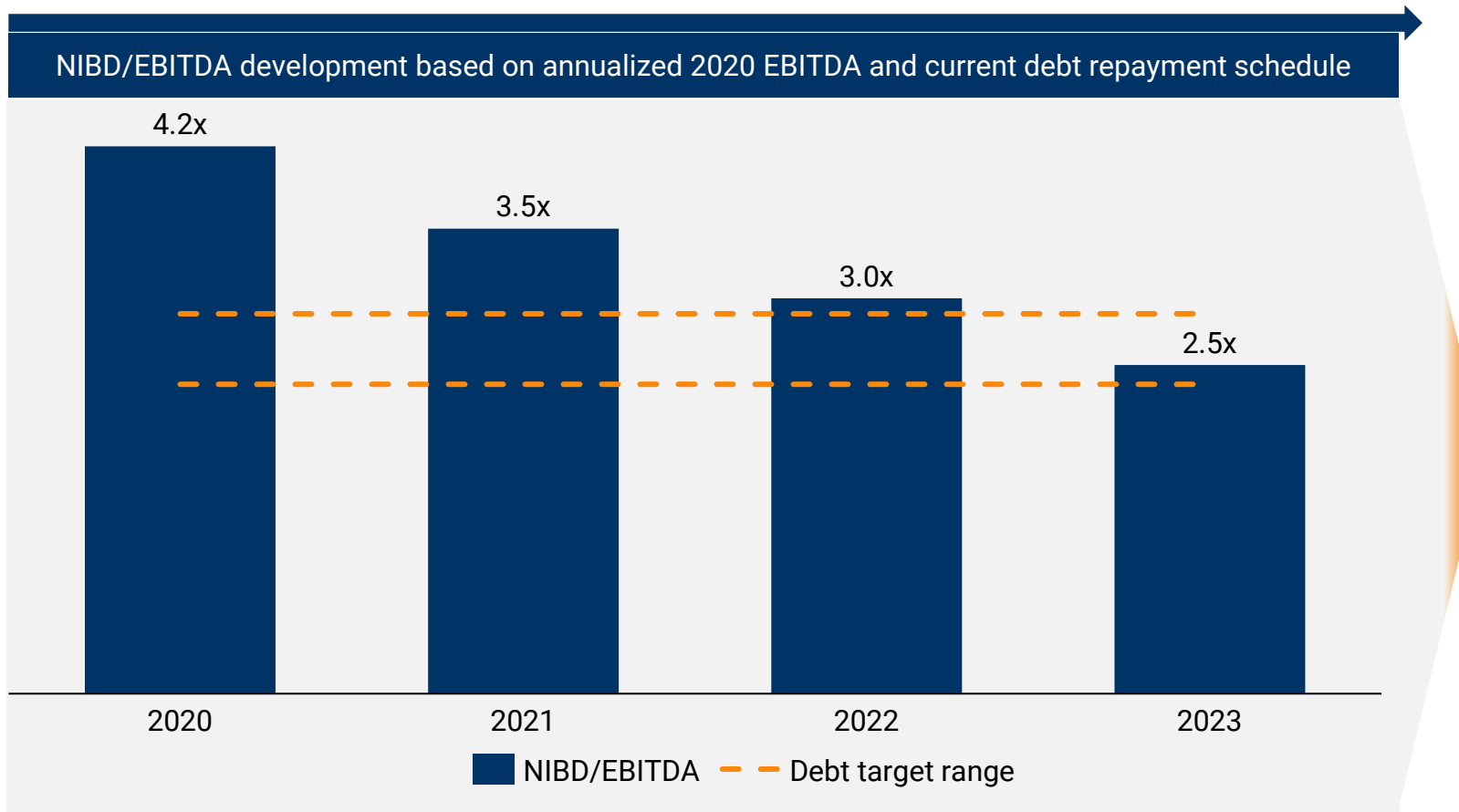
Gross interest bearing debt ending balance, USD mill*



- Last newbuilding delivery and new debt concluded in October 2020
- Scheduled amortisations through 2023 will bring us in the lower end of our target total debt range of USD 750 - USD 900 mill...
- ...Timing is however, contingent on the market development

* Nominal bank, lease and bond debt. Bond debt swapped to USD

Assuming annualized 2020 results in the years to come – We will succeed on our de-leveraging strategy which will considerably strengthen our leverage profile



Observations

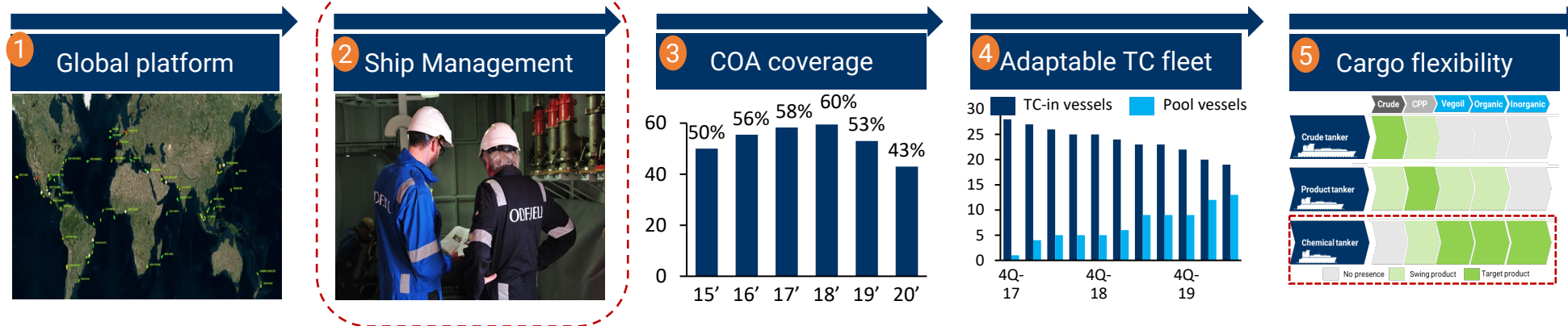
- With the latest newbuilding delivered in October, our deleveraging strategy will become more visible
- Our current gross debt balance will be reduced by USD 465 mill by 2023 solely based on scheduled amortizations of USD 644 mill and an estimated new debt of USD 221 mill refinanced
- This would take us within our debt level targets and considerably strengthen our leverage profile
- Our target is to reach a gross debt level between USD 750 mill and USD 900 mill.
- This target would yield a NIBD/EBITDA of 2.4x - 2.9x based on annualised 2020 EBITDA and our 3Q20 cash position



Agenda

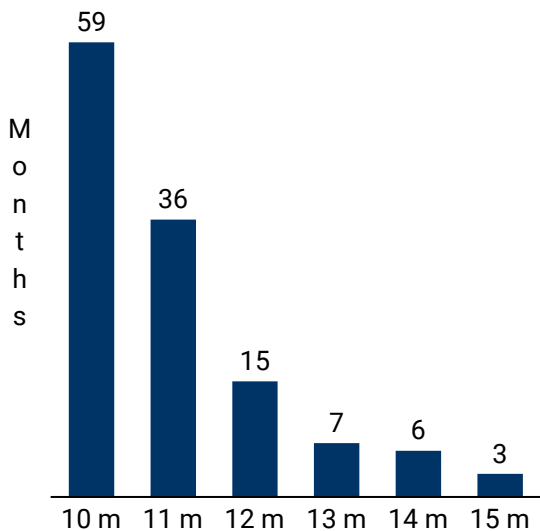
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Our activities may appear unaffected by the ongoing pandemic but in reality, this has been the ultimate test of the strength of our platform and our crew



Key challenges under the pandemic from a ship management perspective:

Onboard crew reached 10 months and up



Key obstacles needed to be tackled:

- 1/3 of our crew is currently overdue and 126 has served 10 months or more
- Maritime personnel has worked from home since March with poor internet connectivity, closed embassies for visa applications, unreasonable port states across the globe, severe lack of flights, community lockdowns by governments, heavily increased response time from relevant authorities, extensive quarantine arrangements, covid testing of crew before onboarding among others
- Ships needed to be diverted to non-planned ports for crew changes impacting costs and customers. We have performed 13 dockings, however with severe challenges bringing in spare parts and service personnel to supervise dockings
- Onboard repairs increasingly conducted by our experienced crew, with remote shore support. We benefit from a loyal crew pool with many being with us of Odfjell for more than 25 years

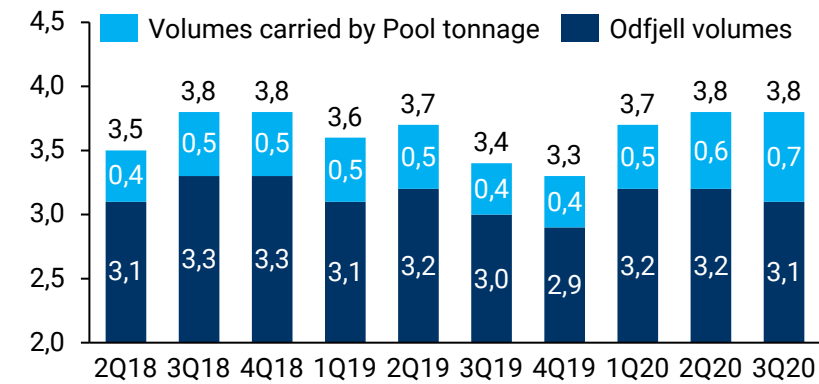
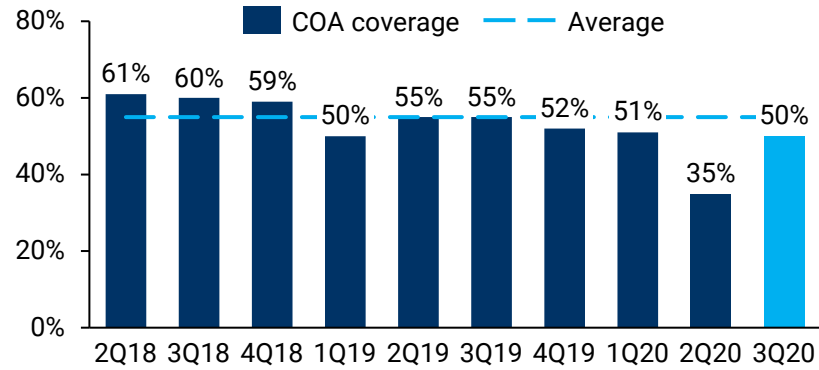
Despite these challenges, we are:

- Record low on accidents with no LTI's since Aug-19
- All-time high vetting performance
- Our predictably KPI to customers remains strong despite the many challenges

COA volumes normalized in 3Q20 – COA rates keeps being renewed at increased levels and our stance to not renew COAs at unsustainable levels remains

Odfjell Tankers COA liftings (%)

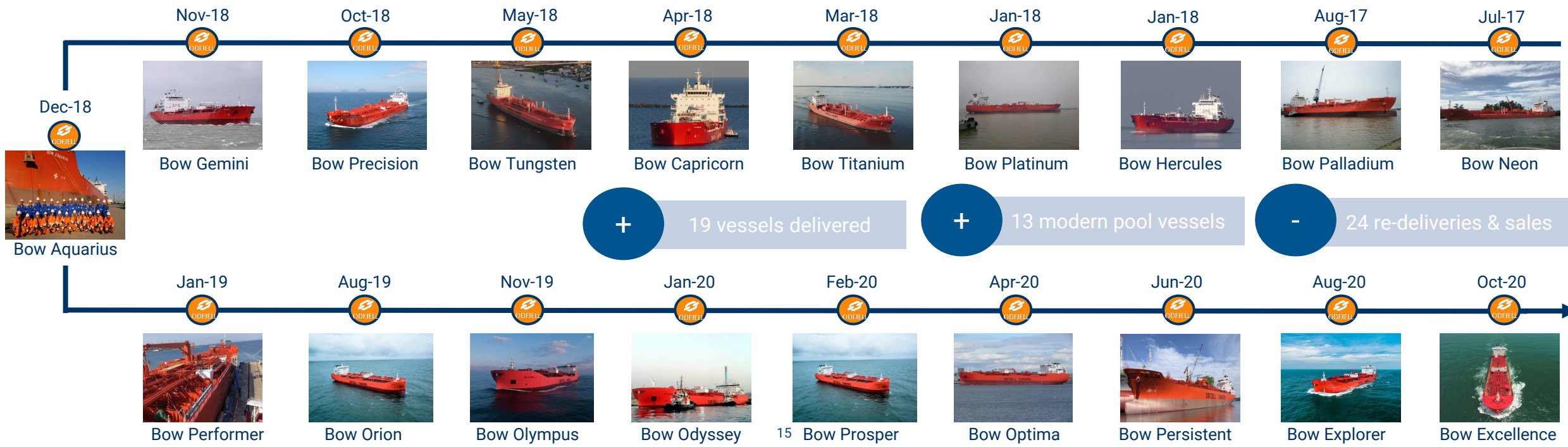
Odfjell Tankers volume development (Mill tonnes)



- COA coverage**
 - Contract volumes normalised during the quarter
 - Mainly driven by a normalisation of cargo flow after an extraordinary 2Q
- Spot fixtures**
 - We reduced our exposure to weakening CPP and Vegoil spot trades
 - Spot markets for chemicals weakened, but activity levels remains decent
- Future development**
 - We expect COA volumes to remain stable going forward
 - The vast majority of our COAs are up for renewal during 4Q20
- Renewals**
 - Our stance to not renew COA rates at unsustainable levels remains
 - Average COA rate renewals in 3Q20 was up 4.5% on average

We have completed the largest fleet renewal program in the history of Odfjell – We now have the most energy efficient fleet in the industry and zero capex outstanding for growth

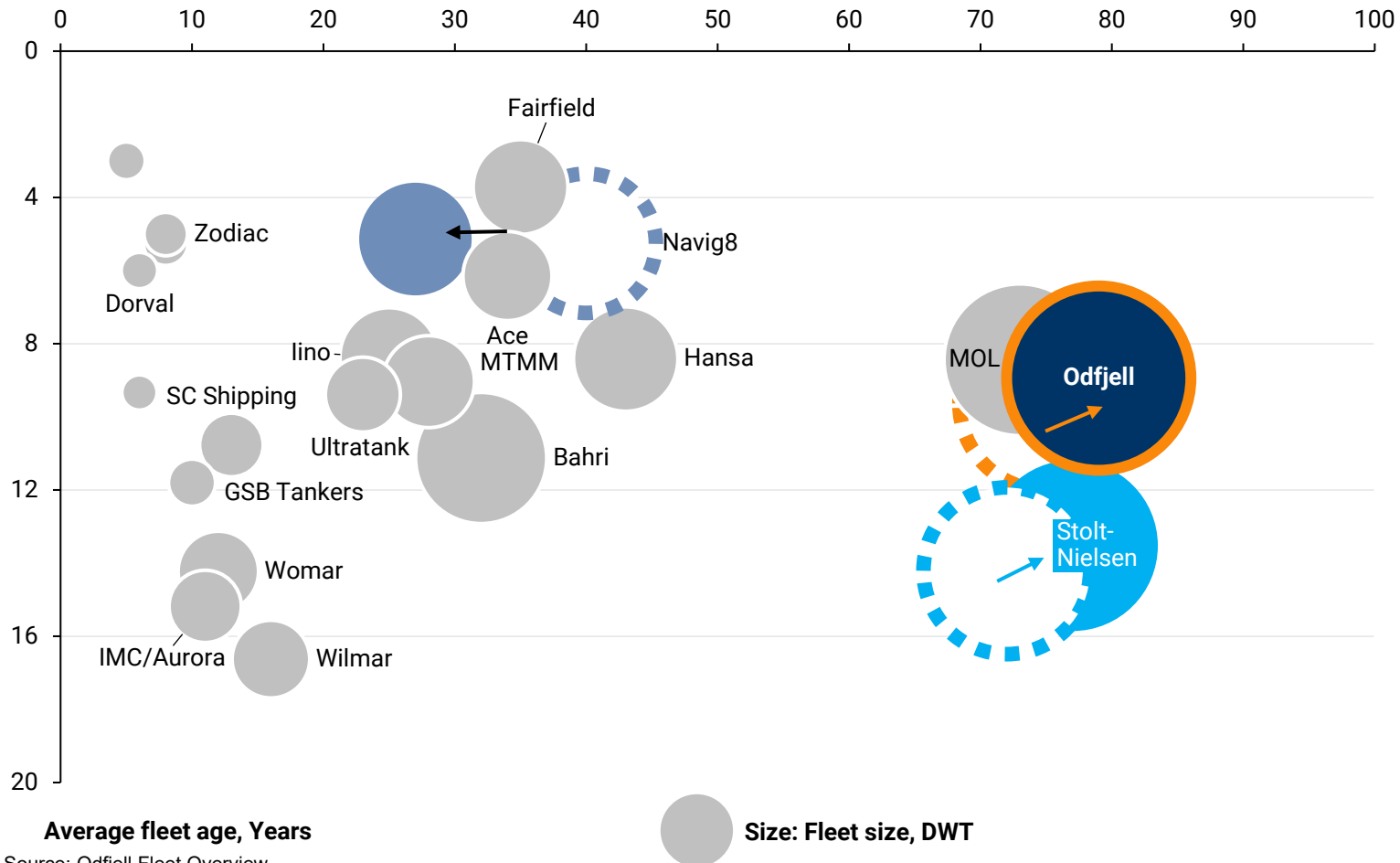
- We took delivery of one super-segregator newbuilding in August, and the delivery of the last newbuilding was concluded in end-October
- We have no capital commitments for chemical tankers beyond 2020 and fleet renewals are limited to three 25,000 dwt stainless steel tankers as right of use assets
- Other chemical tanker investments for 2021 is USD 6 mill mainly related to ballast water treatment systems and investments to improve the efficiency on our vessels
- We expect the average annual docking capitalization to be about USD 15 million in the years ahead



Our fleet renewal program and our consolidation efforts have given us a leading position in our markets

Operated fleet and order book, rebased to December 2021¹

Core deep sea fleet (Current operated fleet and order book), # of vessels



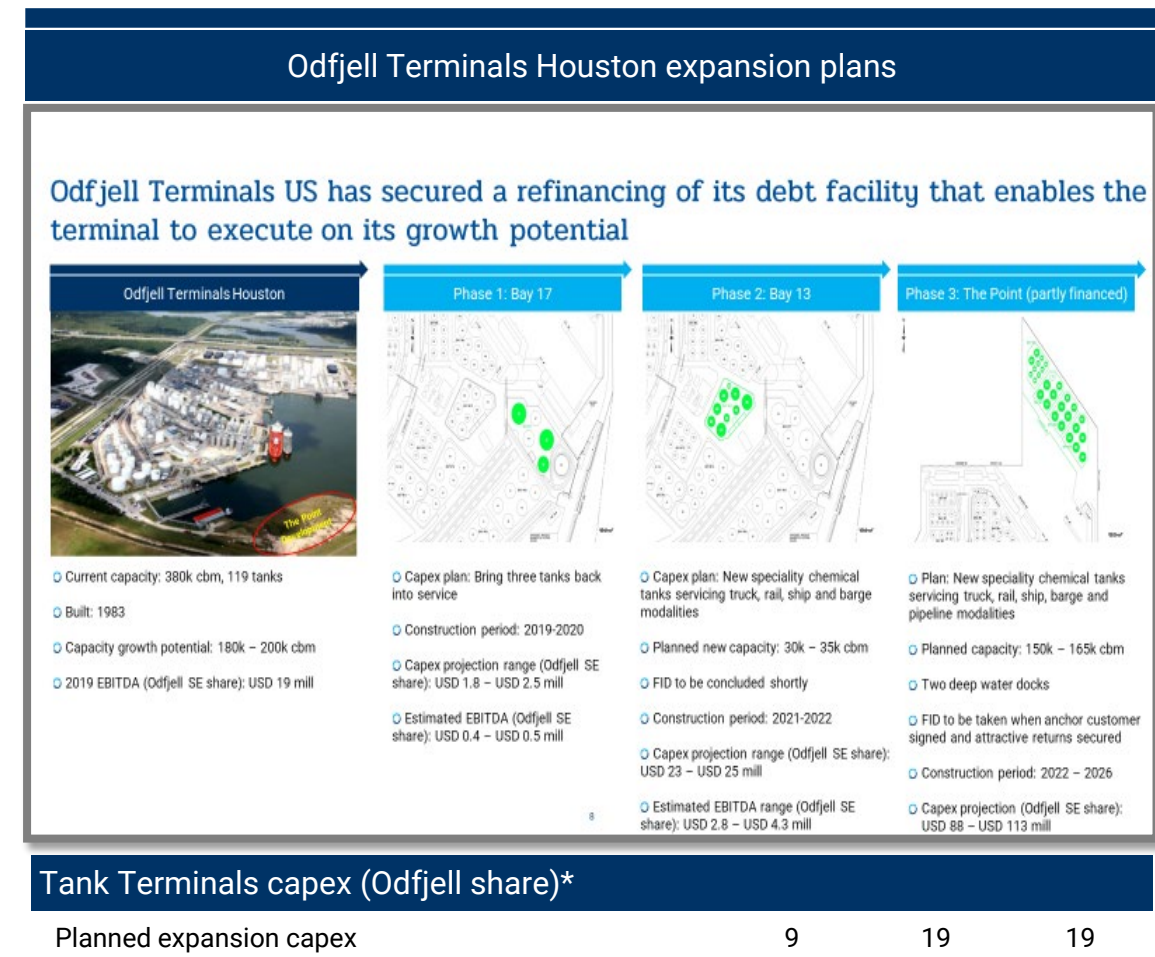
- We have established one chemical tanker MR pool
- Navig8 Chemical Tankers will contribute with six chemical MR tankers and Odfjell will contribute with six of our coated MR vessels
- By this, Odfjell contributes to further consolidate the chemical tanker market in a capital efficient way
- The growing presence will improve our customer service, fleet flexibility and increase our presence in the commodity chemical market
- The vessels joining our pools are young and efficient vessels that further reduces the average age of our fleet and improves our competitiveness
- We are actively working on further expansion of the pool
- CTG exited their investment in the chemical tanker market and vessels were acquired by Stolt-Nielsen

Source: Odfjell Fleet Overview

Core deep sea defined as: more than 15 tanks, average CBM/tank less than 3000, IMO 2 capacity and is considered a "core chemical operator". Not accounting for scraping

Our US terminals continue to perform well, and we are progressing with our expansion plans

- Stable results compared to previous quarter
- The terminals are following local regulations and guidelines with respect to Covid-19, and all terminals are operating at normal capacity
- Underlying demand for storage continues to be strong with average commercial occupancy of 99% for the quarter
- Activity levels is rebounding with average total number of handlings up by 16% compared to 2Q20
- We are putting back into service the refurbished tanks at Bay 17 on schedule in 4Q20
- We are progressing towards FID on the Bay 13 expansion project in Houston that is planned to come on stream in 2022. This will include additional storage capacity for specialty chemicals, catering to truck, rail, ship and barge modalities
- All near-term capex, including Bay 13, will be funded locally in the Odfjell Terminals US joint venture
- Planned expansion capex for Odfjell Terminals is USD 48 mill of which the majority relates to our Houston terminal, where expansion of Bay-13 has been added to our plan. Planned maintenance capex amounts to USD 37 mill, but this also includes maintenance that will improve efficiencies and operations at our terminals.



ESG – We are launching new and ambitious climate targets, which goes further than IMO targets on emissions

1 Odfjell will cut greenhouse gas emission by 50% by 2030 compared to 2008*

2 Odfjell is dedicated to pursuing a zero-emission strategy and will only order vessels with zero-emission technology from 2030

3 Odfjell will have a climate neutral fleet from 2050

4 Odfjell will actively support initiatives to develop technology and infrastructure for zero emissions and support international regulation to drive zero emission for our industry



Sustainability-linked finance framework in place. The framework is based on planned emission cuts, in-line with the sustainability-linked bond and loan principles and is supported by a 2nd party opinion

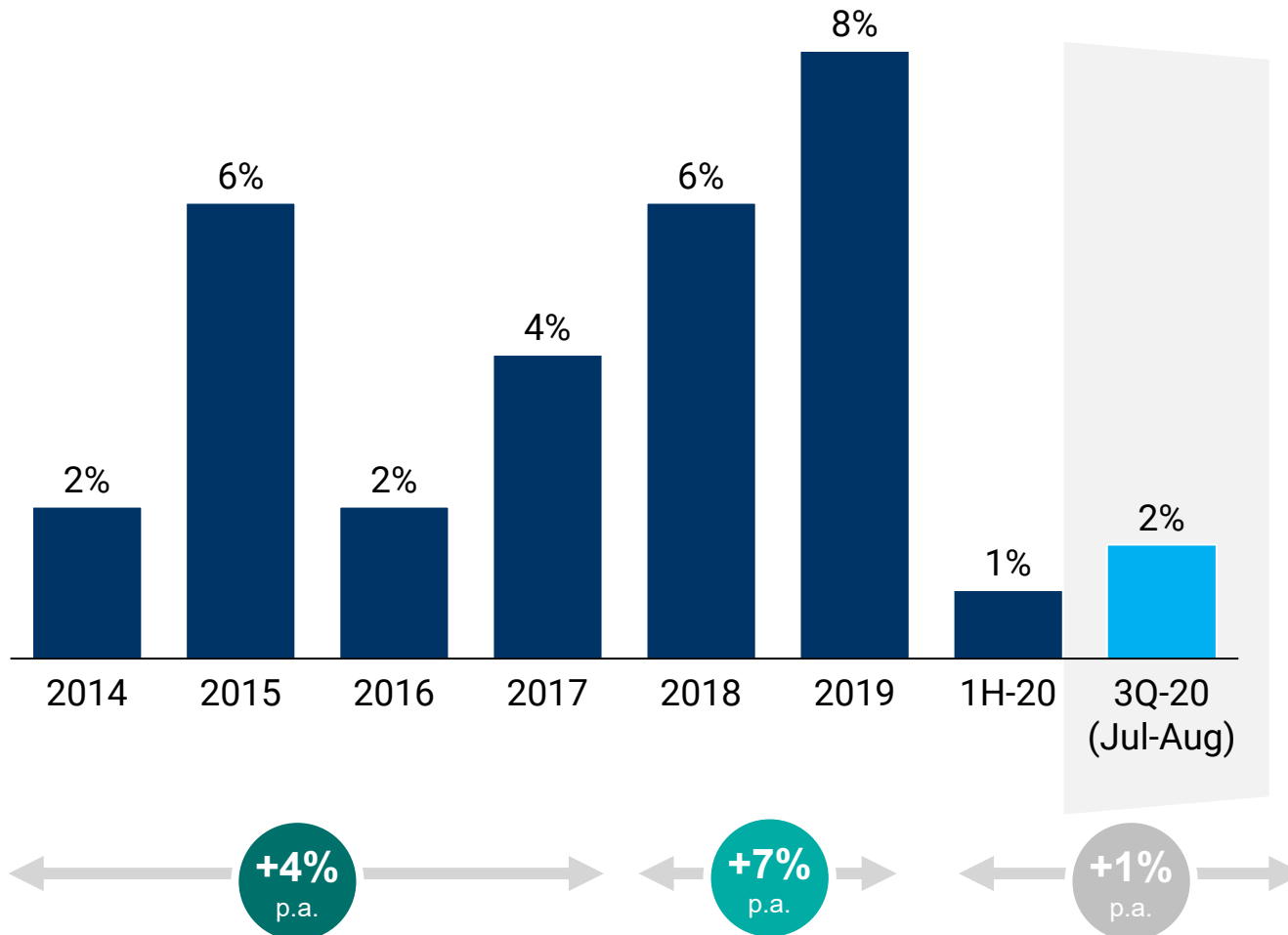


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Demand growth remains positive and appears to have bottomed out in the second quarter

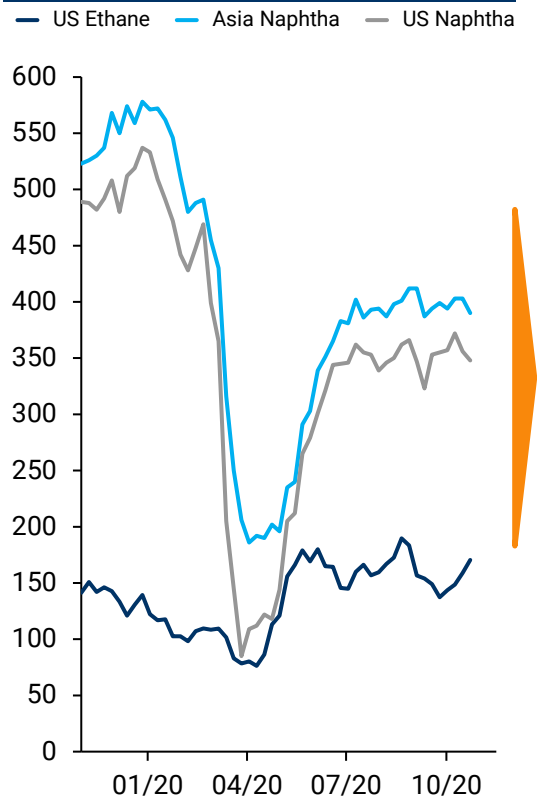
Chemical tanker tonne-mile demand development



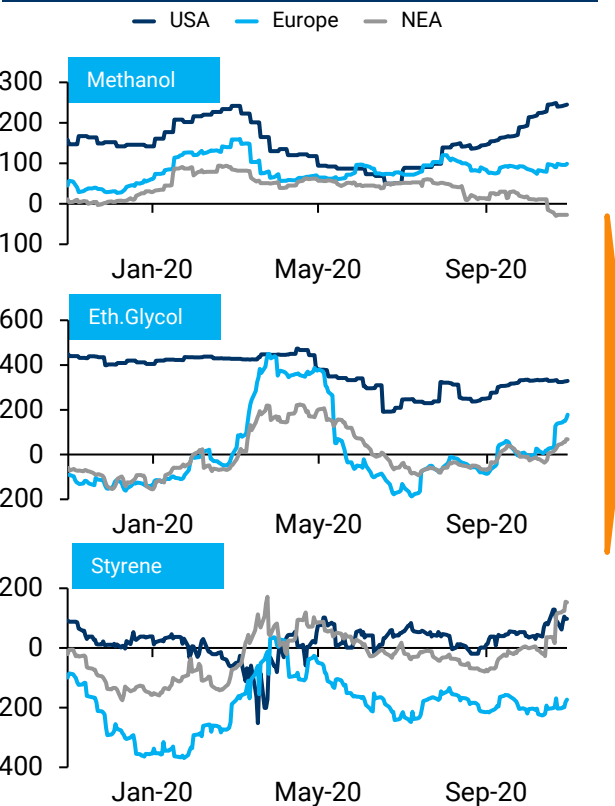
- Chemical tanker demand has remained in positive territory through 2020 except for the month of March and May
- The third quarter has reflected a recovery in demand in the Atlantic hemisphere and a slowdown in the eastern hemisphere
- The trend has been less volumes trading over materially longer distances as a consequence of regional differences stimulating long-haul shipments

Low-cost producers are gaining market share and seaborne traded volumes are expected to grow faster than end-user demand

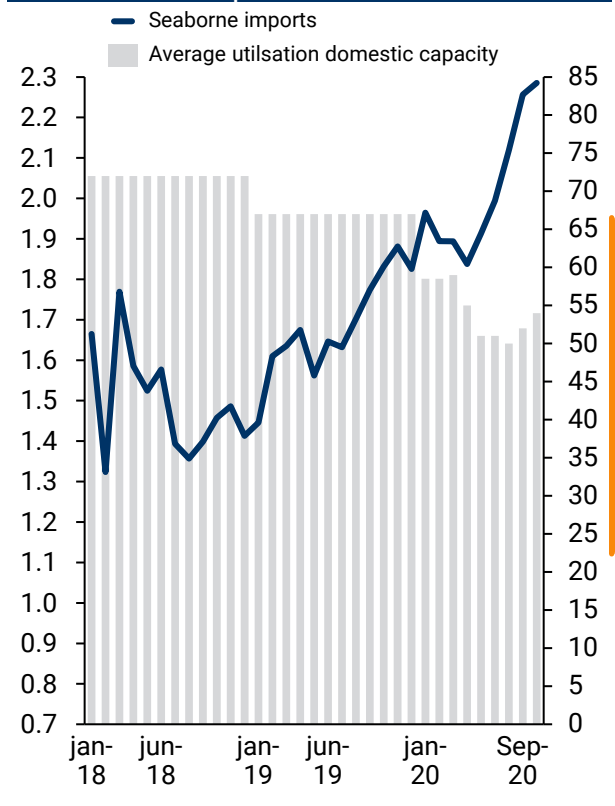
Feedstock prices...



...Ensured US Competitiveness restored



...Chinese Imports replacing Domestic production



Observations

Less US & AG export capacity coming online going forward. However, last years new capacity to gain market share from high cost domestic producers is estimated to support continued higher shipping demand relative to end-user demand both in a tonne and a tonne-mile perspective

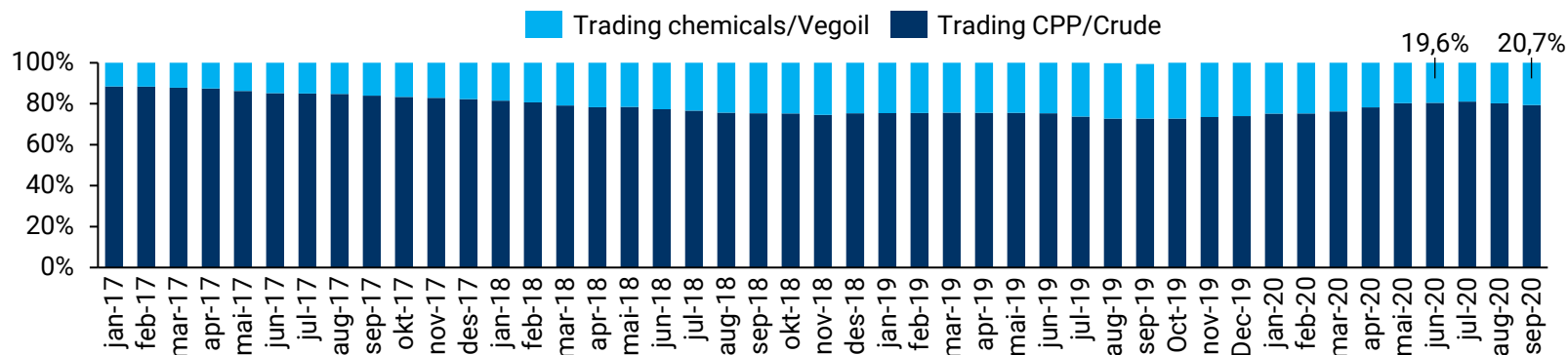
- US still has the most competitive feedstock...
- Leading to superior producer margins...
- And lost market share for high cost producers...

Source: Argus, ICIS, Odfjell*Seaborne imports includes a selection of products and domestic utilisation of these respective products

The supply side continues to look favorable for the next year, and with historically low orderbook it will continue to do so for the coming years

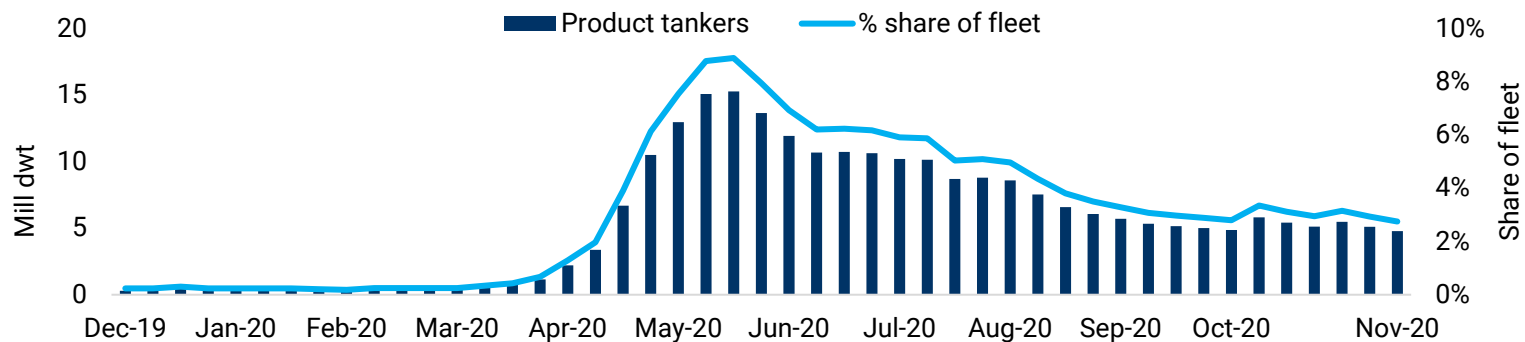
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Swing tonnage



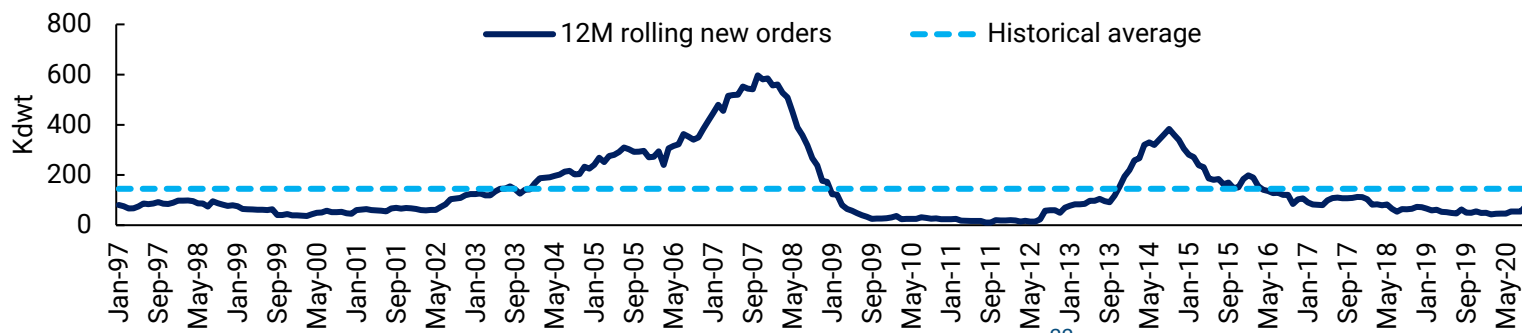
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Floating storage



3

Order activity



Comments

- Swing tonnage players has reduced its exposure in the chemical/Vegoil market so far in 2020
- We are experiencing increased competition from swing players in the Middle East especially
- We therefore expect some increased swing tonnage into our markets, but not to the same extent as seen in 2018/19
- The CPP market is currently weak and adds risk for increased swing tonnage going forward
- The vast majority of floating storage of CPP has been unwinded...
- ... A recovery in demand to improve utilisation of the product tanker fleet is key to avoid accelerated competition in chemicals/vegoils
- The orderbook to fleet ratio for chemical tankers remains close to all-time low of 5.6%
- Orders were placed during the quarter, but many of the vessels are replacement tonnage
- Uncertainty surrounding new future propulsion system and environmental regulations keeps reducing the orderbook...
- Low supply growth the next years is encouraging

Future market developments are highly dependent on the restart of the global economy following the pandemic, but fundamentals continue to look very strong

Market drivers

Covid-19

Demand has continued to grow despite Covid19, albeit at a lower rate. Recovery in auto and automotive is ongoing

GDP

GDP growth expected to be weak but to recover in 2H20 and to rebound in 2021 by 5.2% (IMF)

Swing tonnage

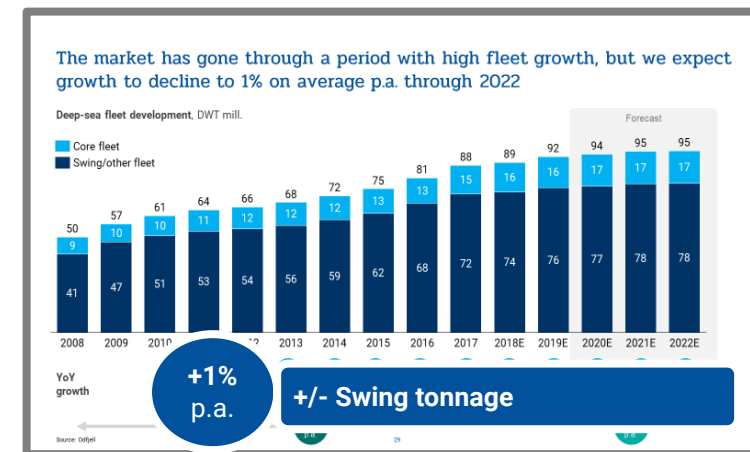
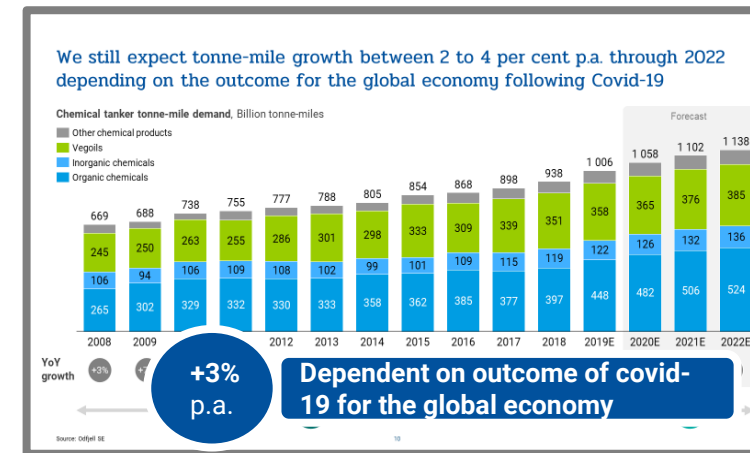
Influx of swing tonnage re-emerging on selected routes, but is not expected to reach previous peaks. Vast majority of floating storage for CPP unwinded and dependend new demand

Reduced fleet growth

Very limited growth in supply with an orderbook of only 5.6% which means a likely quick recovery when demand normalize

Risk factors

Prolonged global economic slowdown – More influx of swing tonnage



Summary and Prospects

3Q20 results

A quarter with positive results despite a seasonally slower market, a high number of drydockings and an unclear macro environment

Covid-19

We continue to operate well despite the challenging environment

Consolidation

We have contributed further in the ongoing consolidation of the chemical tanker market by establishing two new pools

ESG targets

We have announced ambitious ESG commitments and have prepared sustainability linked framework giving us access to attractive financing

Outlook

We expect 4Q20 results to be in line with 3Q20



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