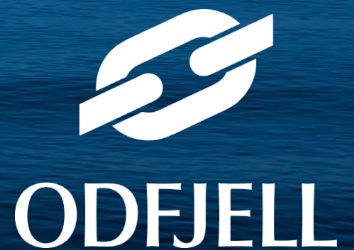


Second quarter/First half 2020
presentation

August 20, 2020





Agenda

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

Highlights

- Good performance in 2Q20 which was mainly due to increased chemical tanker earnings
- EBITDA of USD 82 mill, compared with USD 66 mill in 1Q20
- EBITDA of USD 74 mill from Odfjell Tankers, compared to USD 58 mill 1Q20
- EBITDA of USD 8 mill from Odfjell Terminals, same as 1Q20
- Net result was USD 31 mill compared to USD -4 mill last quarter
- Adjusted for non-recurring items, net results were USD 17 mill in 2Q20 compared to adjusted net results of USD 1 mill last quarter
- COA rate renewals were up 6% in 2Q20
- COA coverage dropped to 35% during the quarter, which enabled us to take advantage of a strong spot market. COA coverage increased towards the end of the quarter and has continued to do so into the third quarter where we expect it to stay within a range of 45% - 55%
- We have so far only experienced limited financial negative effects from Covid-19, but we are taking precautionary measures if the slowdown in the global economy should accelerate
- Crew changes continues to be extremely difficult despite many governments having signed statement to define seafarers as essential workers

Key figures, USD mill

(USD mill, unaudited)	3Q19	4Q19	1Q20	2Q20	2Q19	FY19
Odfjell Tankers	214.2	215.6	240.2	234.6	223.1	871.3
Odfjell Terminals	16.4	18.0	17.5	16.0	17.9	69.8
Revenues*	232.7	235.3	259.3	252.4	243.2	949.5
Odfjell Tankers	44.7	50.1	57.9	73.9	49.9	184.4
Odfjell Terminals	6.0	7.8	8.1	7.6	6.2	26.7
EBITDA*	51.4	58.0	66.3	81.9	56.8	213.4
EBIT	25.9	11.7	24.3	49.7	14.4	59.0
Net result	(1.1)	(10.0)	(4.4)	30.9	(10.2)	(36.6)
EPS**	–	(0.01)	(0.06)	0.39	(0.13)	(0.47)
ROE***	(6.1%)	(7.6%)	(0.5%)	13.6%	(6.1%)	(6.4%)
ROCE***	2.8%	2.7%	5.1%	8.2%	2.8%	2.8%

*Includes figures from Odfjell Gas

** Based on 78.8 million outstanding shares

*** Ratios are annualised

"2Q20 was a good quarter for Odfjell, due to a continued firming chemical tanker market and a firm spot market. We are happy to report positive figures in light of the unprecedented times of the global economy. This shows the agility and resilience of our global platform and business model. Covid-19 continues to cast high uncertainty about the future, but we are so far not experiencing any major negative impact overall in our markets. We expect 3Q20 to be impacted by usual seasonality and we therefore anticipate to report weaker, but still positive, results in the next quarter".

Kristian Mørch, CEO Odfjell SE



Agenda

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

Income statement¹ – Odfjell Group by division

USD mill	Tankers		Terminals		Total*	
	1Q20	2Q20	1Q20	2Q20	1Q20	2Q20
Gross revenue	240.2	234.6	17.5	16.0	259.3	252.4
Voyage expenses	(102.4)	(76.9)	–	–	(103.2)	(77.8)
Pool distribution	(16.1)	(20.5)	–	–	(16.1)	(20.5)
Timecharter Earnings	121.7	137.2	17.5	16.0	140.0	154.1
TC expenses	(8.4)	(9.2)	–	–	(8.4)	(9.2)
Operating expenses	(34.5)	(35.1)	(6.6)	(6.2)	(41.7)	(41.8)
Operating expenses – right of use assets	(5.6)	(5.3)	–	–	(5.6)	(5.3)
General and administrative expenses	(15.1)	(13.8)	(2.7)	(2.2)	(17.8)	(15.9)
EBITDA	57.9	73.9	8.1	7.6	66.3	81.9
Depreciation	(22.4)	(22.9)	(5.3)	(5.2)	(28.1)	(28.6)
Depreciation – right of use assets	(13.7)	(14.0)	(0.1)	(0.1)	(13.8)	(14.1)
Impairment	–	–	–	–	–	0.1
Capital gain/loss	–	0.1	(0.1)	10.3	(0.1)	10.4
EBIT	21.8	37.1	2.7	12.5	24.3	49.7
Net interest expenses	(17.8)	(17.5)	(1.2)	(0.7)	(18.9)	(18.2)
Net interest expenses – right of use assets	(3.3)	(3.4)	–	–	(3.3)	(3.4)
Other financial items	(4.9)	4.1	(0.1)	–	(5.2)	4.1
Net finance	(26.0)	(16.8)	(1.3)	(0.7)	(27.4)	(17.5)
Taxes	(1.0)	(1.1)	(0.3)	(0.2)	(1.3)	(1.3)
Net results	(5.2)	19.3	1.0	11.6	(4.4)	30.9
EPS	(0.07)	0.24	0.01	0.15	(0.06)	0.39
Voyage days	6,234	6,184	–	–	6,234	6,184

Key quarterly deviations:

- Timecharter earnings in Odfjell Tankers of USD 137.2 compared to USD 121.7 mill in 1Q20
- Odfjell Tankers EBIT of USD 37 mill, the strongest quarter since 1Q16
- Lower G&A partly driven by favorable development in USD/NOK
- Changes in net finance driven by improved mark-to-market value of our financial derivative portfolio
- Odfjell Terminals revenues of USD 16 mill compared to USD 17.5 mill in 1Q20 driven by sale of Odfjell Terminals Dalian (OTD)
- USD 12 mill of equity gain related to sale of OTD of which USD 10.3 mill classified as capital gain and USD 2 mill in currency translation differences classified as equity gain in our balance sheet
- Adjusted for non-recurring items related to M-t-M valuation of derivatives and sales gain from OTD, adjusted net result for the group was USD 17 mill compared to adjusted net result of USD 1 mill previous quarter

Balance sheet 30.06.2020¹ – Odfjell Group

Assets, USD mill	1Q20	2Q20
Ships and newbuilding contracts	1,428.1	1,459.4
Right of use assets	247.5	276.2
Investment in associates and JVs	161.0	171.8
Other non-current assets/receivables	20.6	19.2
Total non-current assets	1,857.3	1,926.6
Cash and cash equivalent	121.1	148.4
Other current assets	115.8	117.0
Total current assets	236.9	265.4
Total assets	2,094.2	2,192.0

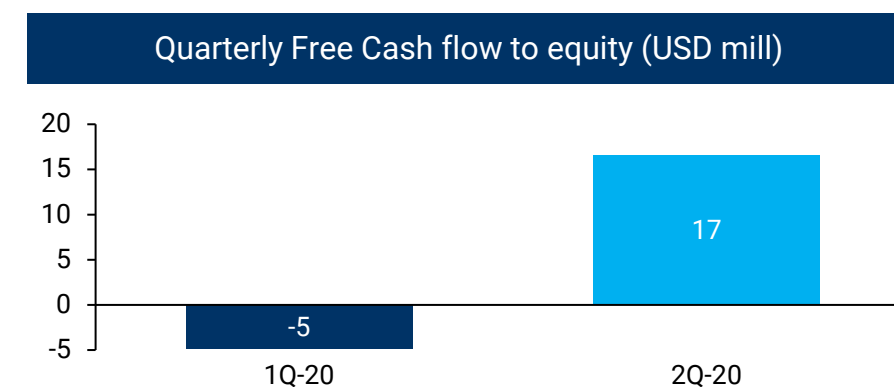
Equity and liabilities, USD mill	1Q20	2Q20
Total equity	513.3	549.6
Non-current liabilities and derivatives	59.7	48.6
Non-current interest bearing debt	920.4	972.8
Non-current debt, right of use assets	206.8	234.2
Total non-current liabilities	1,186.9	1,255.7
Current portion of interest bearing debt	220.3	219.4
Current debt, right of use assets	48.0	50.8
Other current liabilities and derivatives	125.7	116.5
Total current liabilities	393.9	386.7
Total equity and liabilities	2,094.2	2,192.0

- Cash position improved driven by improved operating cash flow and one refinancing
- Investments in associates and JVs includes our Equity value of Odfjell Terminals of USD 161 mill including cash of USD 45 mill and the remainder our ownership of Odfjell Gas
- 2Q20 equity ratio of 29% excluding debt related to right of use assets compared to 28% in 1Q20

Cash flow – 30.06.2020¹ – Odfjell Group

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

- Continued positive development in operating cash flow driven by stronger results from Odfjell Tankers
- Final instalment on fourth super-segregator and final instalment paid on sixth newbuilding scheduled for delivery in 4Q20
- New interest bearing debt related to one newbuilding delivery and refinancing concluded during the quarter
- Cash balance of USD 148 mill as of 2Q 20 of which surplus cash has been allocated to reduce outstanding balance on revolving credit facility post 2Q20
- Received annual dividend of USD 1.4 mill from Antwerp terminal

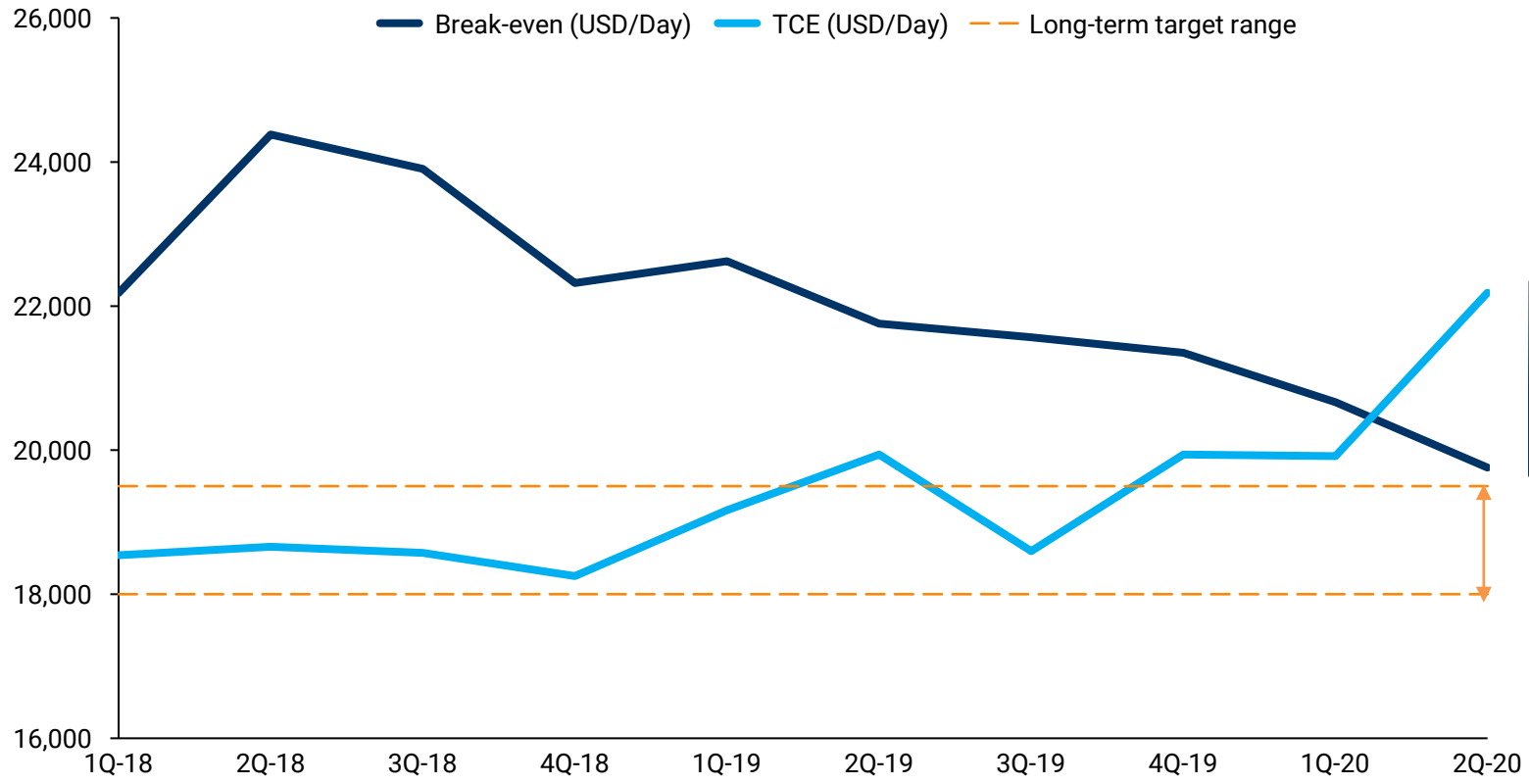


* Equity method and after FX effects

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

We continue to improve our competitiveness as our break-even level continue to drop. In 2Q20 TCE performance exceeded our break-even levels

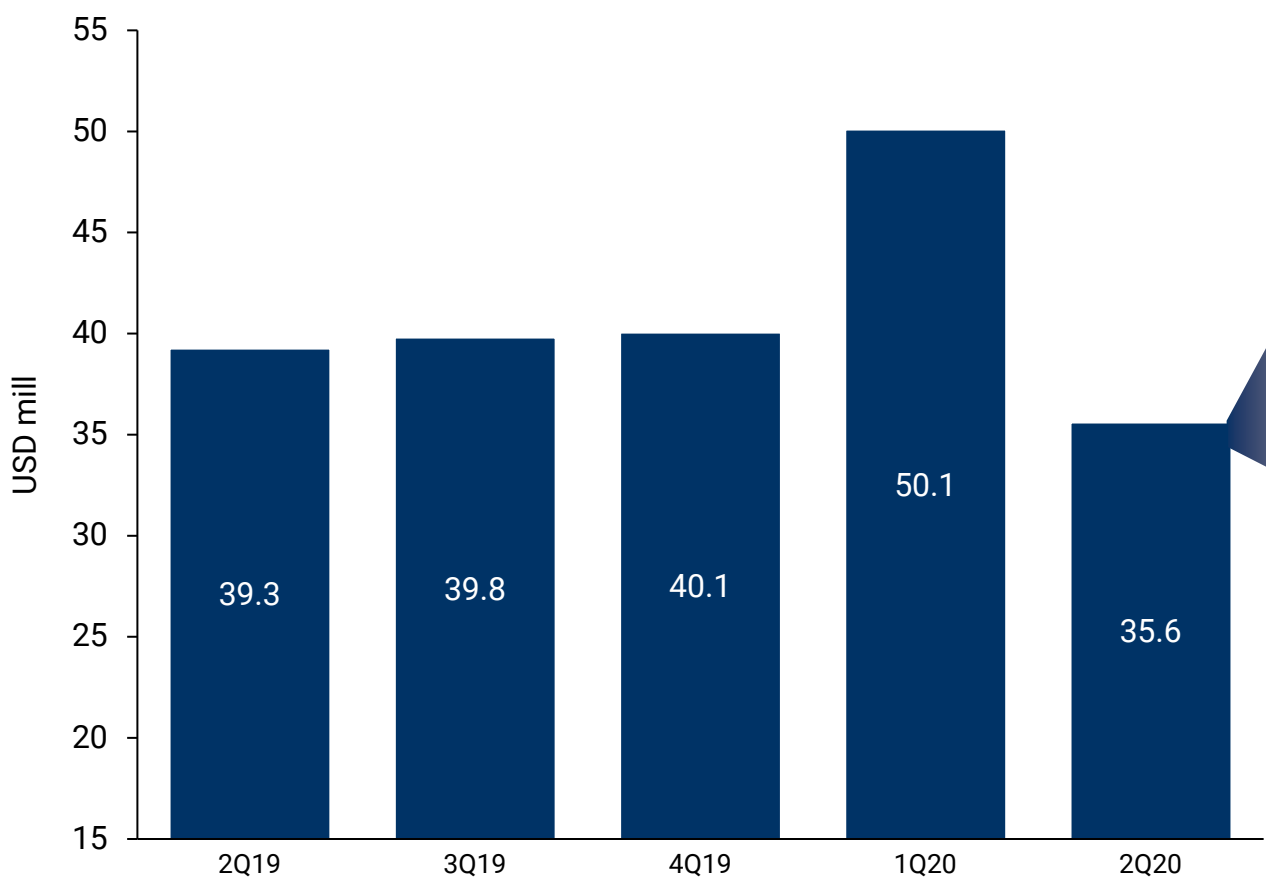
Odfjell Tankers Break-even per day vs TCE per day (USD)



Comments

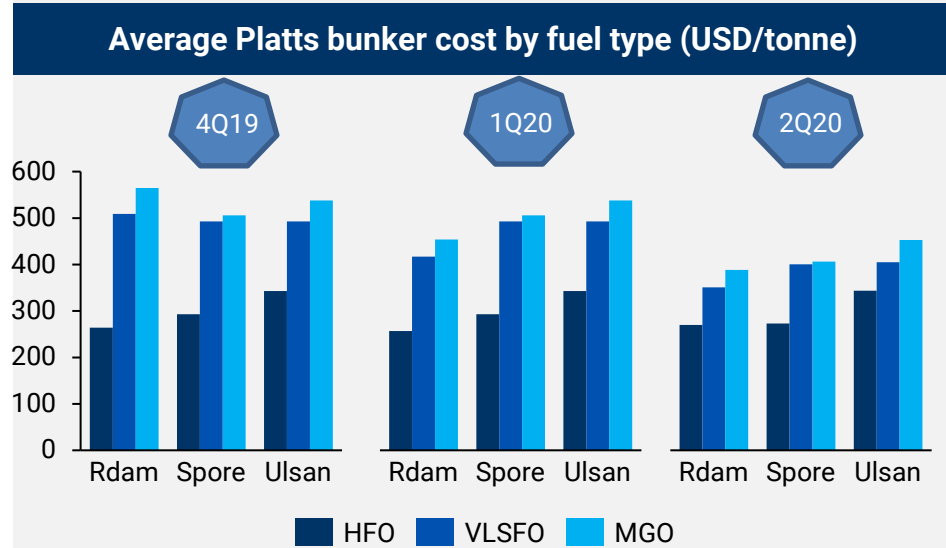
- Continued ambition to reduce our daily break-even levels
- We have a target to reach a break-even level between USD 18,000 and USD 19,500 to ensure we can generate positive cash flow throughout market cycles
- Our break-even levels has been on a declining trend since 2018 and since the peak of average break-even levels of USD 27,279 in 2012
- 1H20 break-even was USD 20,226/day and this is projected to be higher due to increased drydockings for 2H20
- TCE net of pool distribution was USD 22,186 per day in 2Q20
- Projected average break-even level is USD 21,400/day for 2021

Bunker expenses – 30.06.2020 – Odfjell Tankers



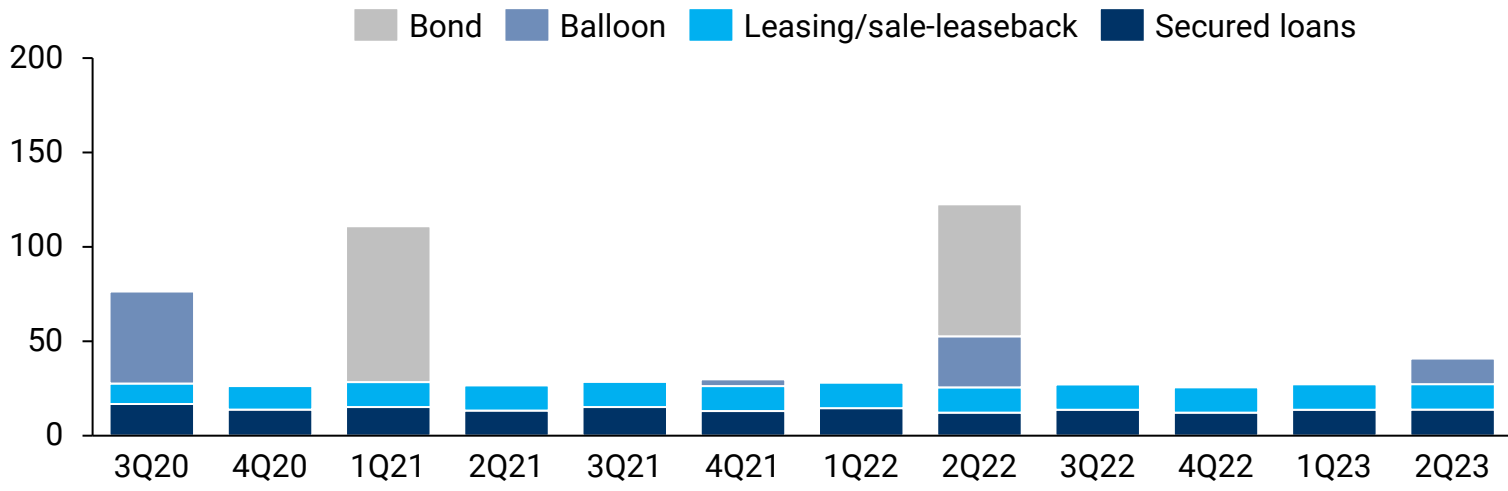
	2Q19	3Q19	4Q19	1Q20	2Q20
Gross bunker cost	46.9	47.0	46.0	60.3	35.1
Financial hedging	(0.6)	(0.1)	0.1	–	1.4
Adj. Clauses	(1.8)	(1.7)	(1.3)	(4.9)	2.6
3rd party vessels	(5.3)	(5.1)	(4.7)	(5.4)	(3.5)
Net bunker cost	39.3	39.8	40.1	50.1	35.6

- Bunker costs after bunker adjustment clauses was USD 36 mill, a decrease from the previous quarter with a cost of USD 50 mill.
- Bunker adjustment clauses hedged 35% of our total volumes during the quarter
- We have hedged 25% of our uncovered bunker exposure (about 12.5% total volumes) at an average price of USD 345 per tonne for VLSFO and USD 412 per tonne for MGO.
- Bunker market appears to have stabilised following the IMO 2020 transition with price spreads being relatively stable the last 6 months



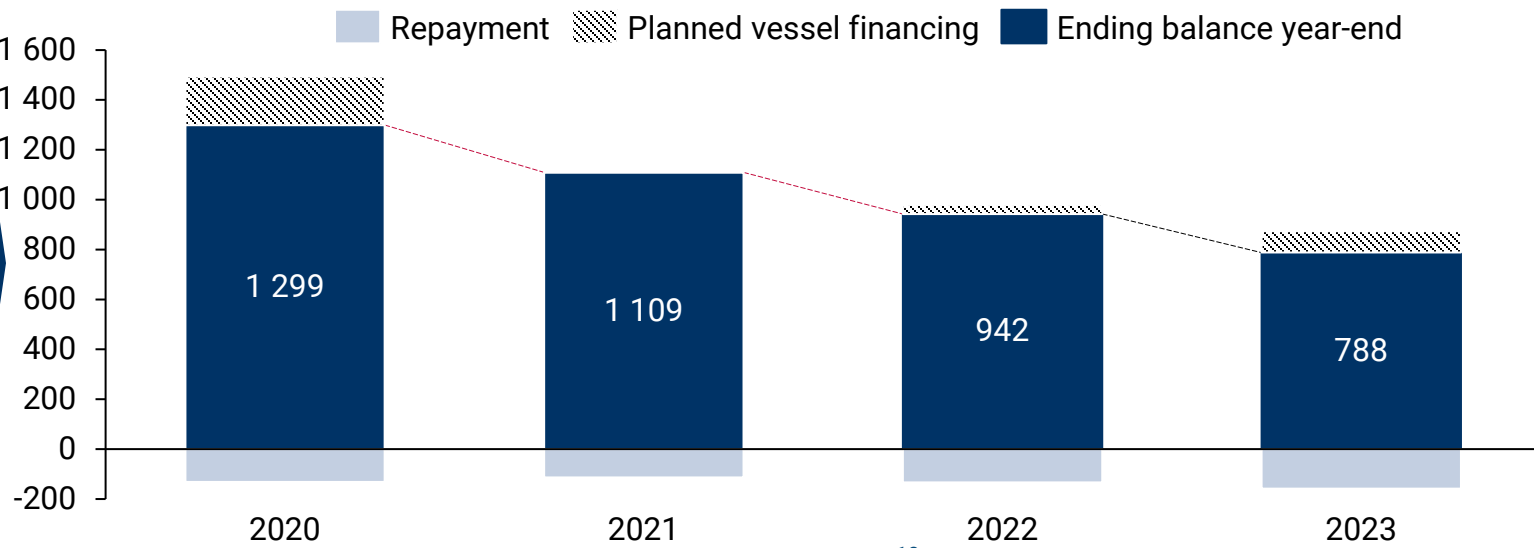
Debt development – Corporate and chemical tankers

Scheduled repayments and planned refinancing, USD mill



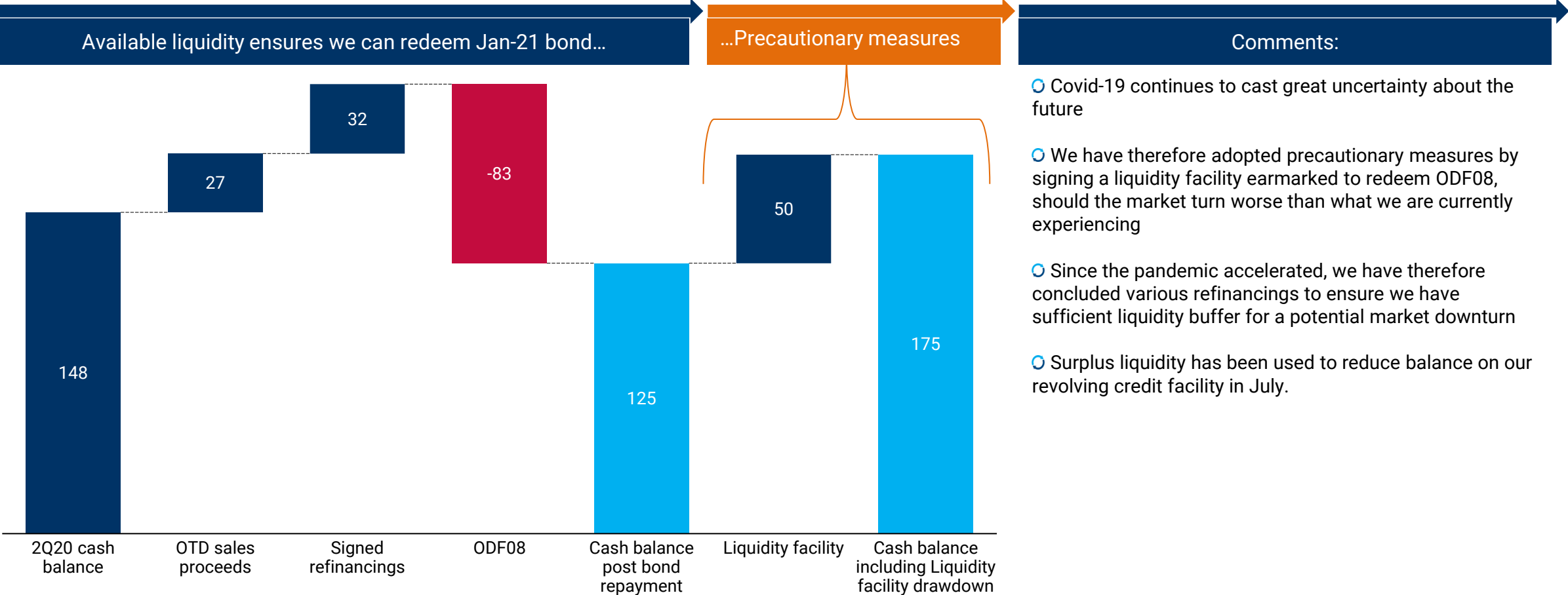
- Terms have been signed to refinance 3Q20 balloon
- Except for the Jan-21 bond maturity, we do not have any maturing balloons before 2Q22
- USD 50 mill was paid down on our revolving credit facility in July
- We might consider to refinance the Jan-21 bond maturity if the price is right for Odfjell. If not, the bond will be redeemed at maturity with available liquidity

Gross debt ending balance, USD mill



- Increased debt in 2020 relates to newbuilding deliveries
- Scheduled amortisations in 2021 and 2022 totals USD 216 mill and will reduce our debt levels by 17% if the market development remains favorable

We have sufficient liquidity to redeem the bond maturity in Jan-21 and have also entered into further precautionary measures to protect our balance sheet



- Comments:**
- Covid-19 continues to cast great uncertainty about the future
 - We have therefore adopted precautionary measures by signing a liquidity facility earmarked to redeem ODF08, should the market turn worse than what we are currently experiencing
 - Since the pandemic accelerated, we have therefore concluded various refinancings to ensure we have sufficient liquidity buffer for a potential market downturn
 - Surplus liquidity has been used to reduce balance on our revolving credit facility in July.

Capital expenditure programme – 30.06.2020

USD mill	2020	2021	2022
Chemical Tanker newbuildings			
Hudong 2 x 38,000 dwt (USD 58 mill)	82	–	–
Total	82	–	–
Instalment structure - Newbuildings			
Debt installment	82	–	–
Equity installment	–	–	–
Tank Terminals (Odfjell share)*			
Planned expansion capex	6	22	10
Planned expansion capex is fully financed through new debt facility plus operating cash flow			

○ We took delivery of one super-segregator newbuilding in August, and the delivery of the last newbuilding is scheduled for delivery during the fourth quarter

○ We have no capital commitments for chemical tankers beyond 2020

○ Other chemical tanker investments for the next three years amounts to about USD 18 mill, mainly related to installation of ballast water treatment systems.

○ We expect the average annual docking capitalization to be about USD 15 million in the years ahead

○ Planned expansion capex for Odfjell Terminals is USD 38 mill of which the majority relates to our Houston terminal. Planned maintenance capex amounts to USD 33 mill, but this also includes maintenance that will improve efficiencies and operations at our terminals.

* Tank Terminals to be self-funded meaning no cash flow from Odfjell SE to meet guided capital expenditures – Tank terminal Capex listed in table is expansions that will impact our P&L



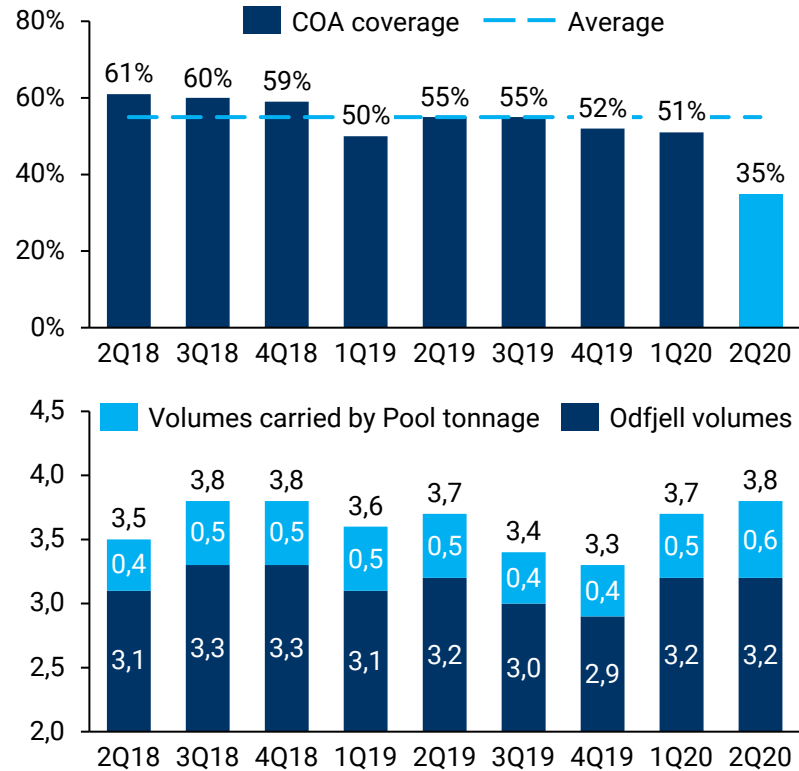
Agenda

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

COA volumes were low during the quarter but has since then recovered – Our stance to not renew COA rates at unsustainable levels remains firm

Odfjell Tankers COA liftings (%)

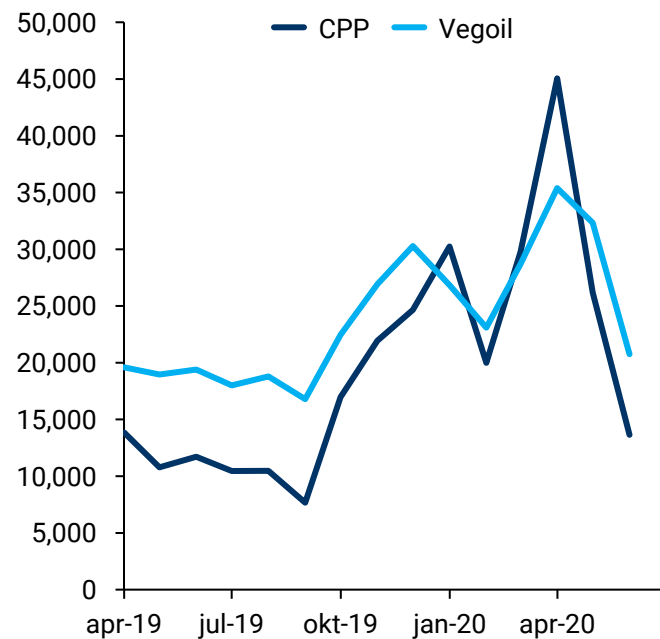
Odfjell Tankers volume development (Mill tonnes)



- COA coverage**
 - Contract coverage reduced during the quarter
 - Main driver being customers trying to manage their global inventory levels
- Spot fixtures**
 - Reduced COA volumes was replaced in full by more spot cargoes
 - Spot voyages was 11% shorter than in 1Q which resulted in spot volumes being higher than normal and keeping COA coverage unusually low
- Future development**
 - COA volumes recovered towards the end of 2Q and into 3Q
 - COA volumes expected to range between 45 and 55 per cent in 3Q20
- Renewals**
 - Our stance to not renew COA rates at unsustainable levels remains
 - Average COA rate renewals in 2Q20 was up 6% on average

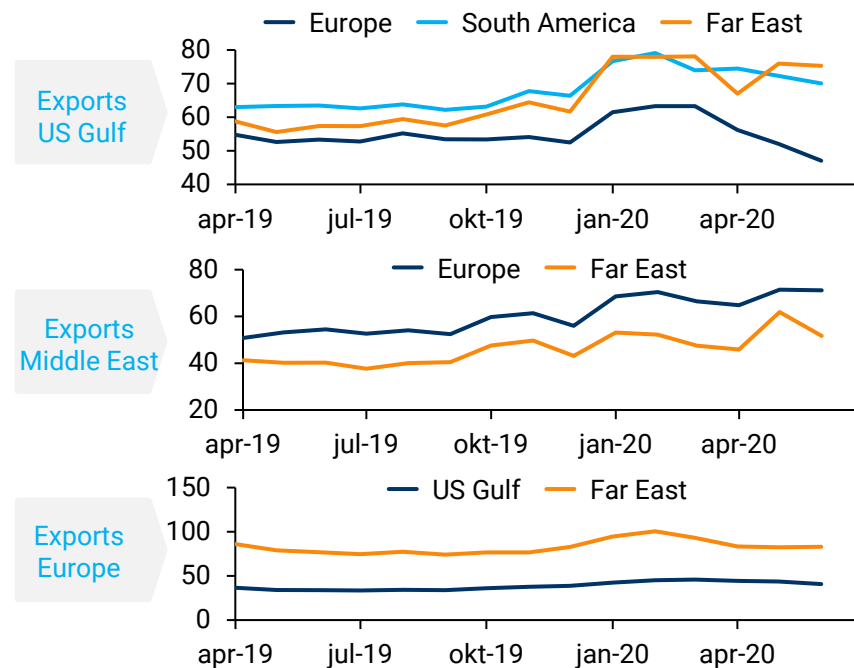
The flexibility of our platform enabled us to reschedule part of our fleet to trade in “non core” markets, which helped boost earnings in Q2

Strong CPP and Vegoil rates in 2Q...



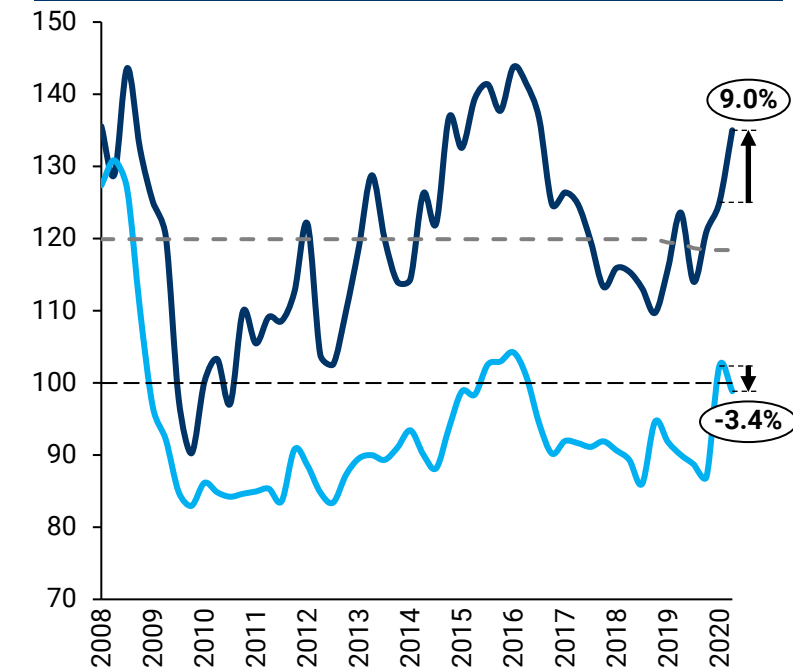
- CPP rates improved alongside crude tanker rates...
- ...In turn reducing competition for Vegoil cargoes...
- ...With Vegoil rates following suit

...which positively impacted Chemical tanker spot rates



- Strong rates in CPP and Vegoil also led to less competition for chemicals...
- ...With regional variances in Covid-19 impact stimulating spot activity....
- ...Enabling us to opportunistically position our fleet where rates were attractive

Odfjell Tankers relative performance

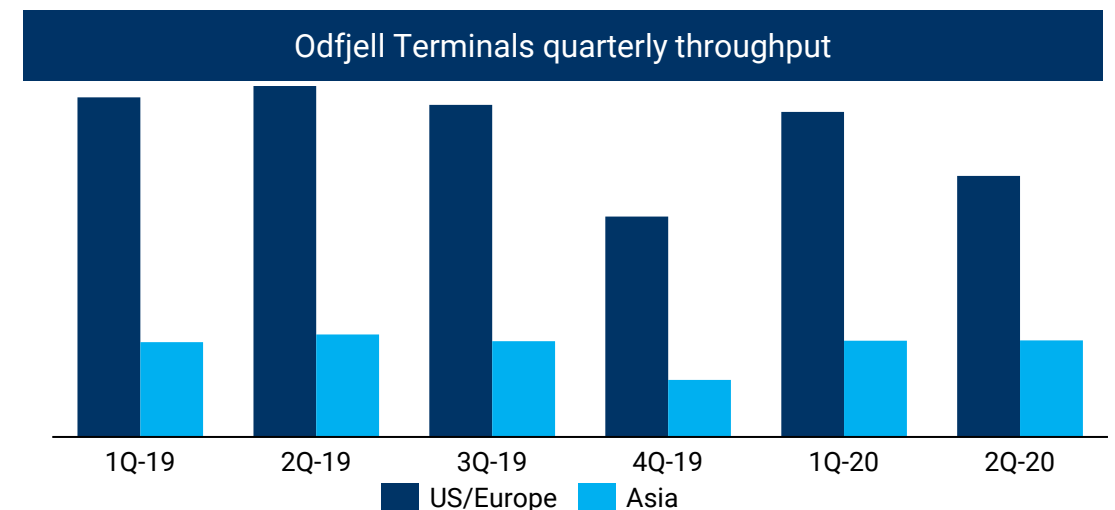
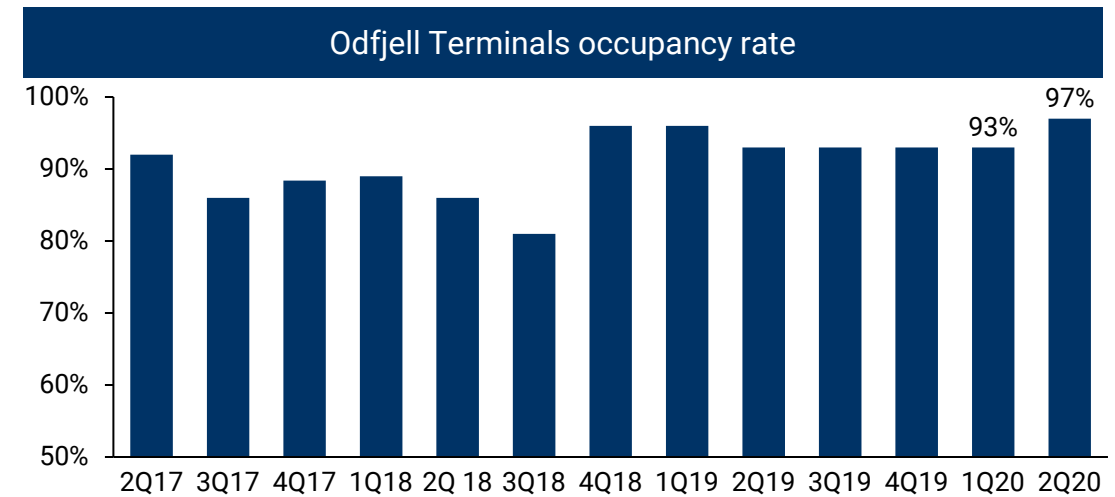


- ODFIX outperformed the market indexes as we:
- Benefitted from attractive combination cargoes
 - Adds higher paying Vegoil and CPP cargoes onboard
 - Relatively higher share of speciality chemicals with more stable rates than chemicals included in index

Terminals: Higher storage occupancy countered by lower throughput in the US during the quarter. Our results remains stable

Comments

- Stable EBITDA compared to previous quarter when adjusting for reduced contribution from Odfjell Terminals Dalian which was sold in May
- Increased utilisation during the quarter driven by terminals in Asia, while US and Antwerp was stable
- Covid-19 has kept demand for storage high but has impacted throughput at the terminals. Stable throughput in Asia and Antwerp, while throughput in the US declined
- Occupancy rate is expected to remain high going forward, while we see some signs of recovery in activity levels in the US in 3Q20.
- Antwerp commissioned 12,700 cbm of new fully automated capacity for storage of speciality chemicals during the quarter
- Dividend payment of USD 1.5 mill paid to Odfjell SE from Antwerp in 2Q20



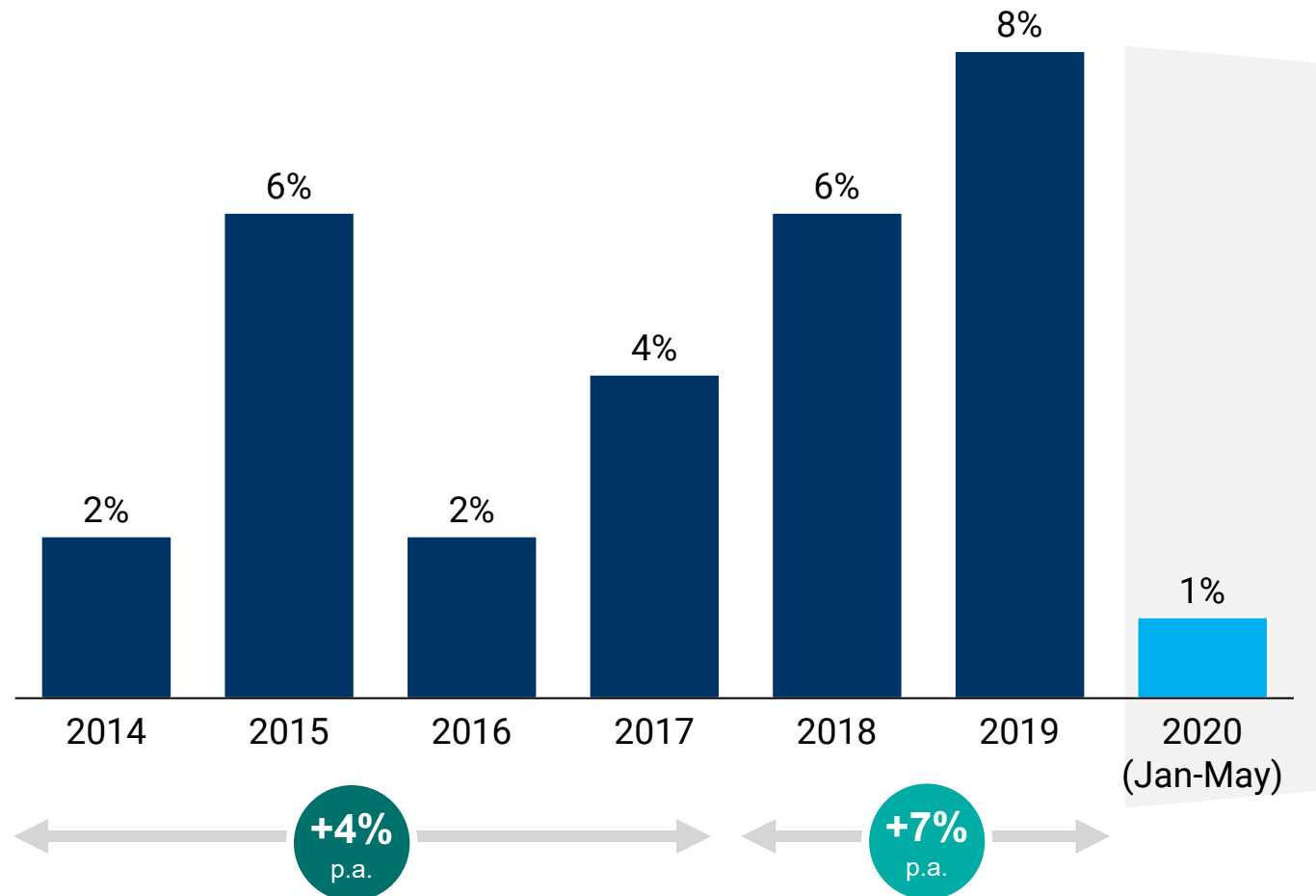


Agenda

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

Tonne-mile demand growth has been trending down following Covid-19, but remains in positive territory, which proves the resilience of our markets

Chemical tanker tonne-mile demand development



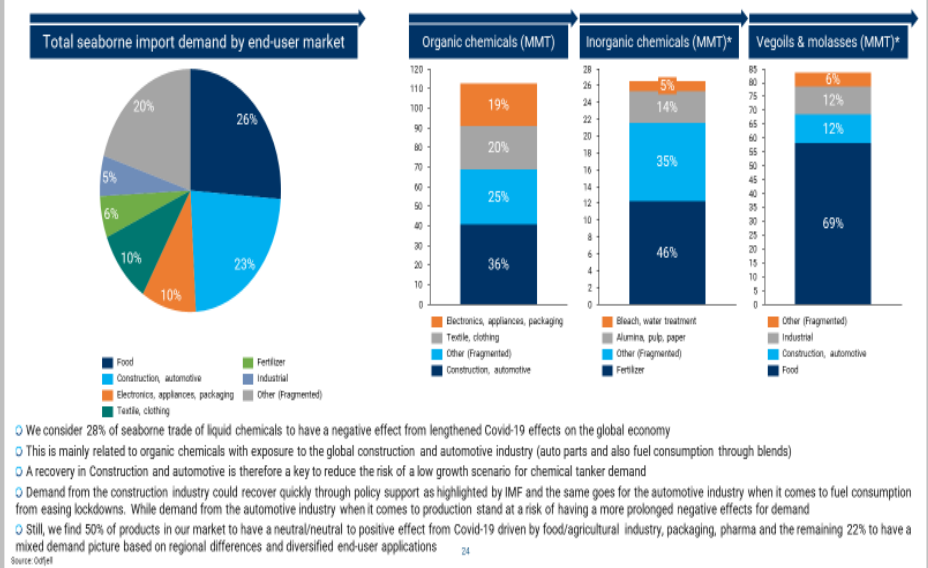
○ 1Q20 Tonne-mile demand growth was +1.6% with a growth that slowed down when the Pandemic struck Asia in February and March

○ April-May Tonne-mile demand was -1% driven by lockdowns in the western hemisphere and preliminary figures points to a marginally negative demand development in the second quarter

○ The trend has been less volumes trading over materially longer distances as a consequence of regional differences stimulating long-haul shipments

For demand to improve in 2H20, we need to see improvements from construction and automotive related industries – There are early signs of a recovery emerging

... And our end-user demand and cargo mix is highly diversified – The food industry followed by the construction and automobile sector are key drivers



23 July 2020: We captured solid demand growth in packaging, health and hygiene, home care and pharma end markets, which partially offset weakness in consumer durable goods. Extended economic lockdowns shifted the inflection point for demand recovery in key markets and geographies into June, where we began to see gradual improvements across most industries”.



31 July 2020: “Demand for our products is improving with increased economic activity. In June and July, we raised operating rates and prices in response to increased demand for North American polyethylene exports to Asia. With increased mobility and reductions in fuel inventories, we expect improving demand for our Refining and Oxyfuels & Related Products businesses. Similarly, our Advanced Polymer Solutions segment is benefiting from rebounding demand for our plastics used in automotive manufacturing



21 July 2020: “Q2 2020 is expected to be the low point of the crisis, as countries across the world emerge from lockdown and gradually return to normal. The automotive sector is still weak, but is now slowly improving, and there are encouraging signs from the construction sector. Overall core market conditions for all of the businesses are now improving from the lows seen in the second quarter”

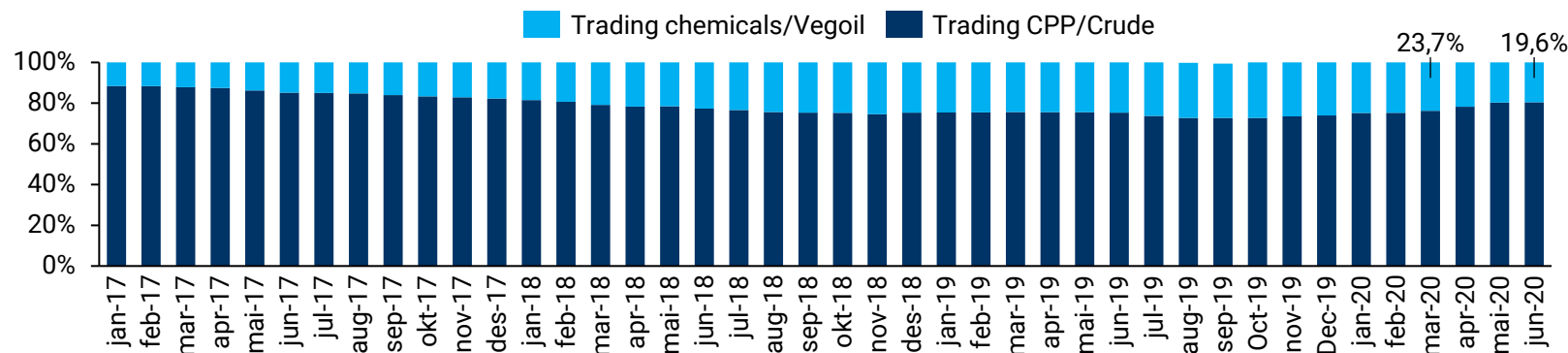
A wide range of cargoes has shown resilience through the pandemic, but demand from construction and automotive industries has suffered...

...But there appears to be some early signs of a recovery emerging

The supply side continues to look strong, with reduced swing tonnage, a limited orderbook and generally a low appetite for new orders

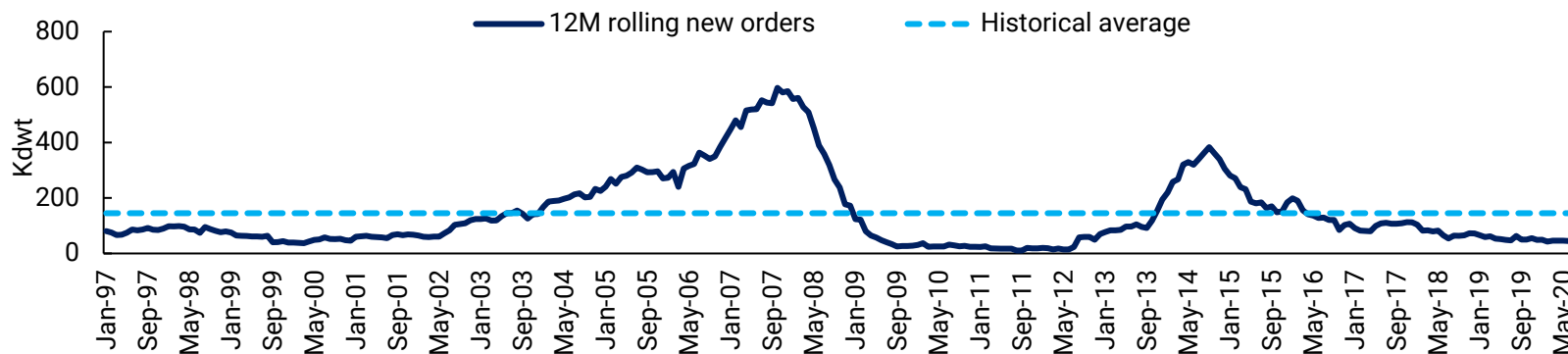
1

Swing tonnage



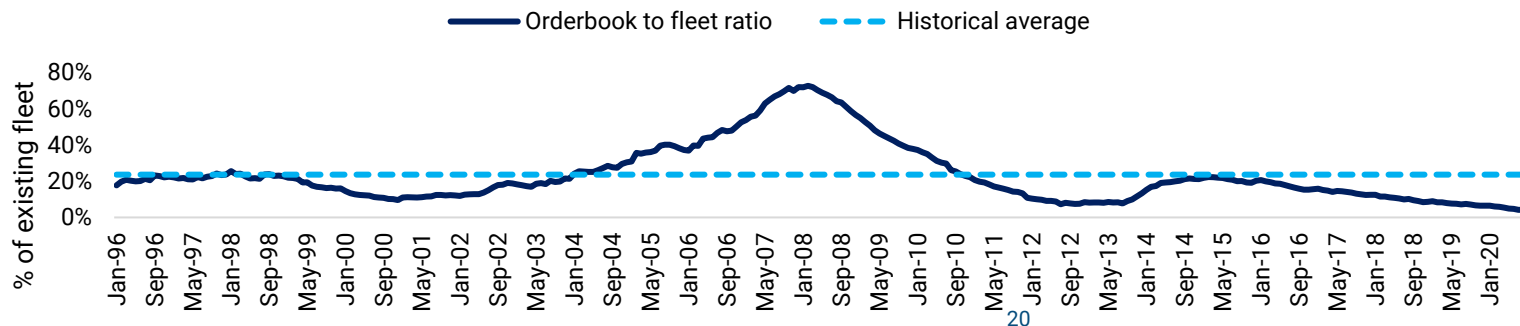
2

New orders



3

Orderbook to fleet ratio



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 expect some increased swing tonnage into our markets, but not to the same extent as seen in 2018/19

- Zero new orders was concluded in 2Q20
- New orders has been below historical trends the last four years, in line with the period after the financial crisis
- We do not see signals of major new orders to materialise in the foreseeable future

- The orderbook to fleet ratio for chemical tankers is at an all-time low of 4.1%
- Uncertainty surrounding new future propulsion system and environmental regulations keeps reducing the orderbook...
- The uncertainty on the outcome of the Pandemic also adds uncertainty...
- Low supply growth the next years is encouraging

Future market developments are highly dependent on how the “restart” of the global economy will develop post covid-19

Market drivers

Covid-19

Demand has continued to grow despite Covid19, albeit at a lower rate. Recovery in volumes are depending on Automotive and Construction

GDP

GDP growth expected to be weak but to recover in 2H20 and to rebound in 2021 by 5.4% (IMF)

Swing tonnage

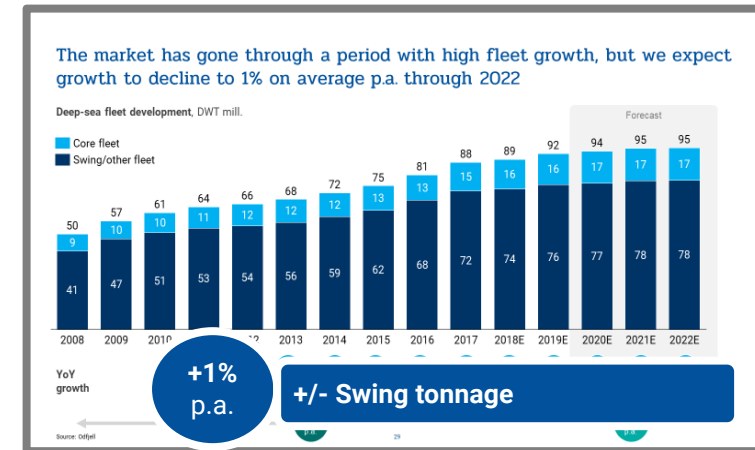
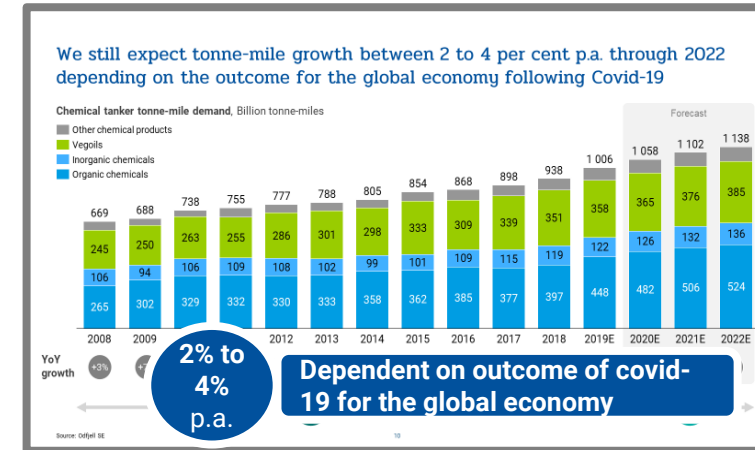
Some influx of swing tonnage re-emerging on selected routes, but is not expected to reach previous peaks

Reduced fleet growth

Very limited growth in supply with an orderbook of only 4.1% which means a likely quick recovery when demand normalize

Risk factors

Prolonged global economic slowdown – More influx of swing tonnage



Summary and Prospects

2Q20 results

A good quarter for Odfjell where we benefitted from our global platform and business model to take advantage of a firm spot market

Covid-19

Main challenges relates to port closures and crew change restrictions - Odfjell has taken precautionary measures to protect our balance sheet if a downturn escalates

Operations

Reduced COA share in 2Q20, but COA volumes increased towards the end of the quarter and into 3Q20

Market Outlook

The pandemic continues to cast great uncertainties about the future, but the chemical tanker industry has so far proven to be fairly resilient

3Q20 guidance

We expect 3Q20 to be impacted by usual seasonality and we therefore anticipate to report weaker, but still positive, results in the third quarter



Contact

Investor Relations: Bjørn Kristian Røed | Tel: +47 40 91 98 68 | Email: bkr@odfjell.com
Media: Anngun Dybsland | Tel: +47 41 54 88 54 | Email: media@odfjell.com

ODFJELL SE | Conrad Mohrs veg 29 | P.O. Box 6101 Postterminalen | 5892 Bergen | Norway
Tel: +47 55 27 00 00 | Email: mail@odfjell.com | CRN: 930 192 503