Preliminary full year / fourth quarter presentation 2020

February 11, 2021

ODFJELL

Agenda

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

Highlights

- Stable chemical tanker rates but a very weak CPP market and increasing fuel prices kept pressure on earnings
- EBITDA of USD 66 mill, compared with USD 72 mill 3Q20
- Net result was USD-3 mill compared to USD 4 mill last quarter
- COA rate renewals was up 2.7% in 4Q20 and continue the firming trend
- Established two new pools, Odfjell Coated MR and Odfjell Handy pool
- Odfjell SE acquired Lindsay Goldberg's (LG) indirect 24.5% shareholding in Odfjell Terminals Korea (OTK)
- A fire occurred at our terminal in Houston in December. A force majeure was declared and subsequently lifted in January

Subsequent events

- In January, Odfjell concluded shipping's first Sustainability Linked bond of NOK 850 mill

Key figures, USD mill

(USD mill, unaudited)	1Q20	2Q20	3Q20	4Q20	4Q19	FY20	FY19
Odfjell Tankers	240.2	234.6	229.7	**233.7**	215.6	938.2	871.3
Odfjell Terminals	17.5	16.0	16.3	**15.9**	18.0	65.6	69.8
Revenues*	**259.3**	**252.4**	**247.7**	**249.6**	**235.3**	**1,009.0**	**949.5**
Odfjell Tankers	57.9	73.9	63.6	**59.1**	50.1	254.4	184.4
Odfjell Terminals	8.1	7.6	7.8	**6.6**	7.8	30.0	26.7
EBITDA*	**66.3**	**81.9**	**71.7**	**66.0**	**58.0**	**285.9**	**213.4**
EBIT	24.3	49.7	27.1	**18.9**	11.7	120.0	59.0
Net result	(4.4)	30.9	3.9	**(2.5)**	(10.0	27.9	(36.6)
EPS**	**(0.06)**	**0.39**	**0.05**	**(0.03)**	**(0.13)**	**0.35**	**(0.47)**
ROE***	(0.5 %)	13.6 %	3.5 %	**(2.0 %)**	(5.6 %)	4.9 %	(6.4%)
ROCE***	5.1 %	8.2 %	5.4 %	**3.6 %**	2.8 %	6.1 %	(2.8%)

**Includes figures from Odfjell Gas*
*** Based on 78.6 million outstanding shares*
**** Ratios are annualised*

"4Q20 concluded a year with challenging circumstances, but despite the pandemic, we have delivered stronger results and performed on important operational and safety measures. We have concluded the largest fleet renewal programme in our history and taken important steps by further streamlining our terminal division. We are fully prepared to take advantage of underlying strong fundamentals in our markets once Covid-19 reduces its impact on the global economy. 2021 has started with a continued weak CPP market and high fuel cost, so although rates in chemicals remain stable, we expect to report a weaker 1Q21."

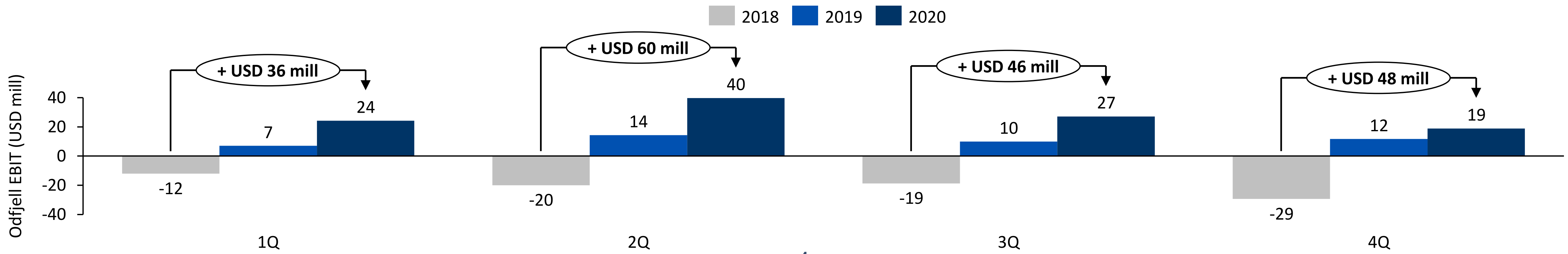
Kristian Mørch, CEO Odfjell SE

1. Proportional consolidation method

FY2020: Continued improvement in results despite pandemic, concluded our fleet renewals and are close to conclude terminal restructuring

2020	A challenging year where we, despite challenging circumstances, delivered stronger results and proved the resilience and strenght of our platform
Our results	EBIT of USD 120 mill compared to EBIT of USD 59 mill in 2019. Net profit of USD 28 compared to Net profit of USD - 37 mill in 2019
Odfjell Tankers	Concluded the largest fleet renewal program in the history of our company and now control the world's most efficient chemical tanker fleet
Odfjell Terminals	Took further steps in our terminal restructuring, control a smaller and healthier terminal portfolio and can start to focus on accretive growth at existing terminals
Way forward	With zero capex and a self-funded terminal division, we are positioned to strengthen our balance sheet and gain from underlying strong market fundamentals post Covid-19

Odfjell SE: Quarterly EBIT development (2018-2020)



1. Proportionate method, Excludes capital gain on OTJ and OTD and 2018 impairments related to OTR

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Income statement[1] – Odfjell Group by division

USD mill	Tankers		Terminals		Total*	
	3Q20	4Q20	3Q20	4Q20	3Q20	4Q20
Timecharter earnings	149.1	146.7	16.3	15.9	166.4	162.4
Pool distribution	(21.1)	(22.0)	–	–	(21.1)	(22.0)
Net Timecharter Earnings (TCE)	a **128.0**	**124.7**	d **16.3**	**15.9**	**145.3**	**140.4**
TC expenses	(8.1)	(8.1)	–	–	(8.1)	(7.0)
Operating expenses**	b (42.0)	(43.2)	d (6.1)	(6.5)	(48.8)	(50.2)
General and administrative expenses	(14.4)	(14.4)	(2.4)	(2.9)	(16.8)	(17.2)
EBITDA	**63.6**	**59.1**	**7.8**	**6.6**	**71.7**	**66.0**
Depreciation**	c (38.6)	(40.8)	(5.4)	(5.6)	(44.5)	(46.4)
Impairment	–	–	d –	(0.9)	–	(0.9)
Capital gain/loss	–	–	(0.1)	0.2	(0.1)	0.2
EBIT	**25.0**	**18.2**	**2.2**	**0.3**	**27.1**	**18.9**
Net interest expenses**	(19.9)	(20.5)	(0.6)	(0.9)	(20.7)	(17.8)
Other financial items	(1.3)	0.3	0.1	(0.9)	(1.5)	(0.7)
Taxes	(1.1)	(0.3)	(0.3)	1.0	(1.4)	0.7
Net results	**2.6**	**(2.3)**	**1.5**	**(0.6)**	e **3.9**	**(2.6)**
EPS	0.03	(0.03)	0.02	(0.01)	0.05	(0.03)
Voyage days	6,372	6,248	–	–	6,205	6,248

Key quarterly deviations:

a Timecharter revenues reduced driven by lower spot rates compared to the previous quarter

b Higher operating expenses driven by new deliveries and higher technical expenses

c Higher depreciations driven by newbuilding deliveries in 2H20

d Main change in results compared to 3Q20 relates to fire at OTH in December, leading to lower revenues and higher opex. A USD 0.9 mill impairment has been made in relation to destroyed equipment from the fire

e Adjusted for non-recurring items related to M-t-M valuation of derivatives, a minor impairment and capital gain, adjusted net result for the group was USD -1 mill compared to adjusted net result of USD 5 mill previous quarter

[1]*Proportional consolidation method *Total Includes contribution from Gas Carriers,** Includes right of use assets*

Balance sheet 31.12.2020[1] – Odfjell Group

Assets, USD mill	3Q20	4Q20
Ships and newbuilding contracts	1,483.5	1,515.1
Right of use assets	261.4	258.8
Investment in associates and JVs	174.4	200.4
Other non-current assets/receivables	20.1	17.0
Total non-current assets	**1,939.5**	**1,993.0**
Cash and cash equivalent	92.4	103.1
Other current assets	123.1	124.0
Total current assets	215.4	227.1
Total assets	**2,154.9**	**2,220.1**

Equity and liabilities, USD mill	3Q20	4Q20
Total equity	**560.1**	**575.9**
Non-current liabilities and derivatives	43.0	32.6
Non-current interest bearing debt	1,006.7	1,059.8
Non-current debt, right of use assets	222.3	209.6
Total non-current liabilities	**1,271.9**	**1,301.9**
Current portion of interest bearing debt	167.8	178.8
Current debt, right of use assets	49.2	59.6
Other current liabilities and derivatives	105.9	103.9
Total current liabilities	**322.9**	**342.3**
Total equity and liabilities	**2,154.9**	**2,220.1**

- Available liquidity including revolver is USD 145 mill
- 4Q20 equity ratio of 30% excluding debt related to right of use assets

1. Equity method

Cash flow – 31.12.2020[1] – Odfjell Group

Cash flow, USD mill	1Q20	2Q20	3Q20	4Q20	FY19
Net profit	(4.5)	31.1	3.7	(2.6)	(35.9)
Adjustments	41.9	32.9	38.2	39.0	147.5
Change in working capital	(1.5)	3.1	(10.1)	-1.0	(7.3)
Other	(4.2)	(13.0)	(1.7)	3.9	(5.6)
Cash flow from operating activities	**31.7**	**54.1**	a **30.1**	**39.3**	**98.7**
Sale of ships, property, plant and equipment	4.1	–	–	–	2.0
Investments in non-current assets	(47.6)	(54.4)	b (48.2)	(56.9)	(146.8)
Dividend/ other from investments in Associates and JV's	–	1.4	–	–	20.7
Other	2.3	1.6	(0.5)	(16.3)	0.8
Cash flow from investing activities	**(41.2)**	**(51.4)**	**(48.7)**	**(73.2)**	**(123.1)**
New interest bearing debt	71.1	61.4	c 127.9	62.7	369.9
Repayment of interest bearing debt	(27.4)	(24.3)	d (101.7)	(21.7)	(367.2)
Payment of operational lease debt	(12.1)	(12.4)	(13.5)	(15.9)	(44.9)
Dividends	–	–	–	–	–
Repayment of drawing facilities	–	–	(50.0)	–	–
Other	–	–	–	19.0	–
Cash flow from financing activities	**31.6**	**24.7**	**(37.3)**	**44.1**	**(42.2)**
Net cash flow*	**20.4**	**27.3**	**(55.9)**	**10.8**	**(67.0)**
Opening cash and cash equivalents	100.8	121.1	148.4	92.4	167.8
Closing cash and cash equivalents	**121.1**	**148.4**	**92.4**	**103.1**	**100.8**

a Improved operating cash flow compared to 3Q20 mainly driven by stable development in working capital in 4Q20

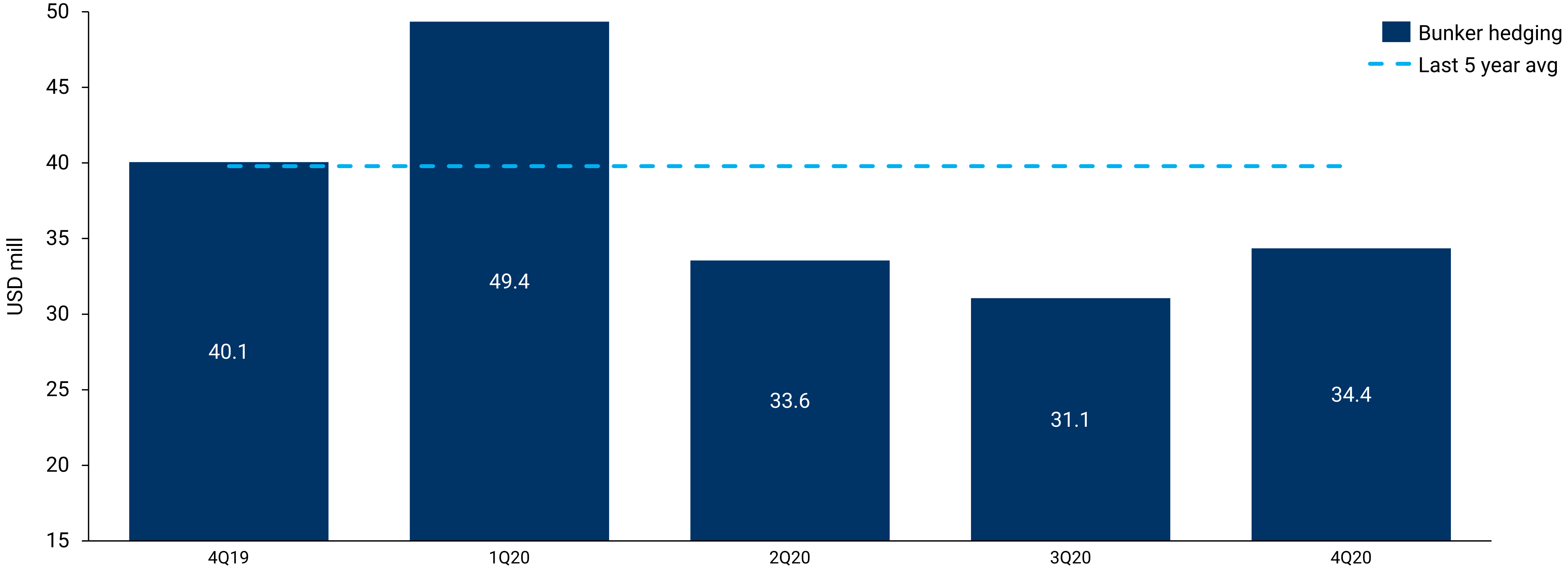
b Final instalment on last supersegregator newbuilding of USD 41 mill. Other capex amounts to USD 17 mill of which USD 15 mill related to drydockings

c Drawdown on debt for newbuilding of USD 41 mill and refinancing of vessels totalling USD 23 mill

d Regular amortisations amounted to USD 22 mill

* Equity method and after FX effects

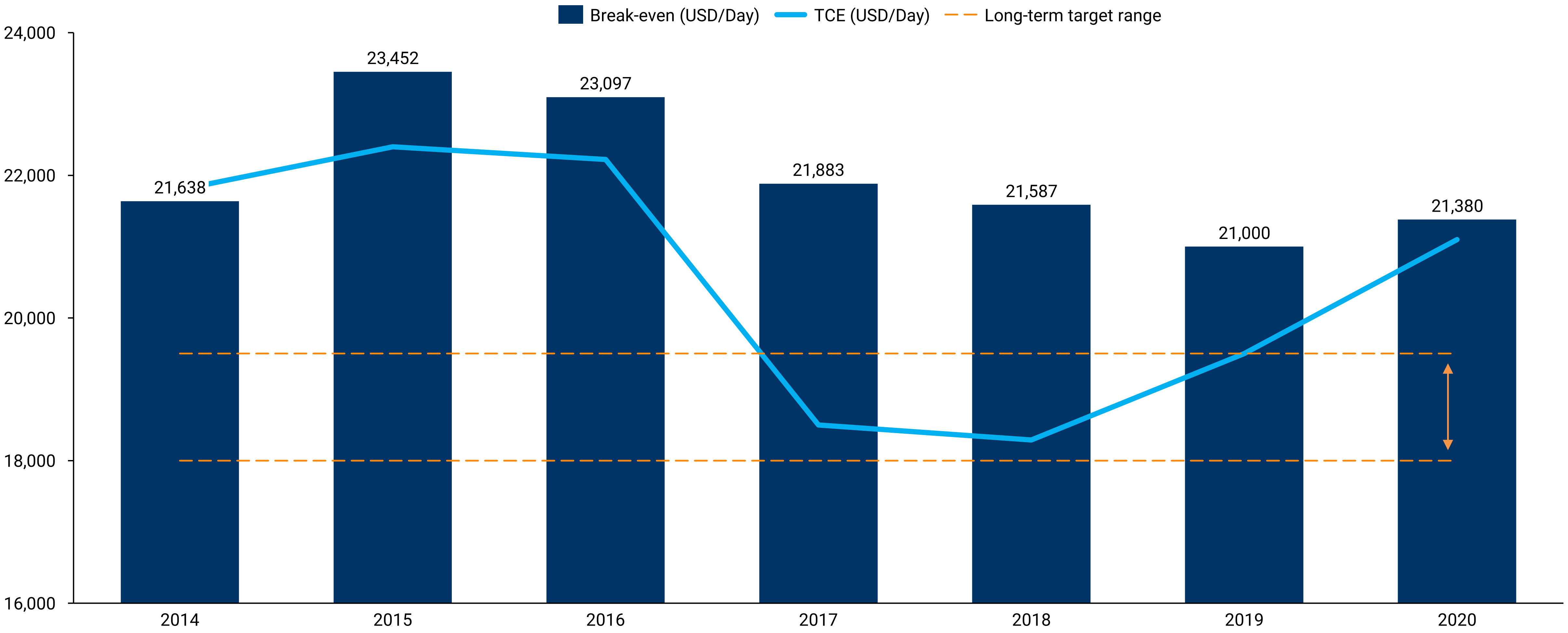
Bunker expenses increased during the quarter but remain well below levels paid the last five years



	4Q19	1Q20	2Q20	3Q20	4Q20
Gross bunker cost	46.0	60.3	35.1	34.4	39.4
Financial hedging	0.1	—	1.4	0.6	0.3
Adj. Clauses	(1.3)	(4.9)	2.4	2.1	1.8
3rd party vessels	(4.7)	(6.1)	(5.3)	(6.0)	(7.1)
Net bunker cost	40.1	49.4	33.6	31.1	34.4

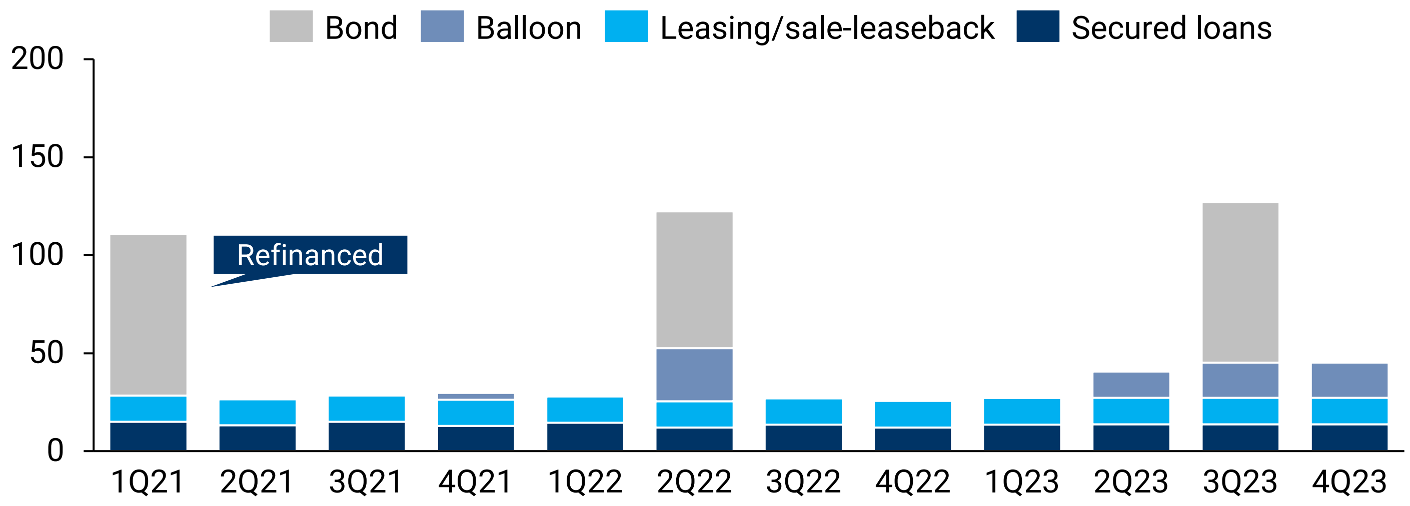
We continue to focus on reducing our break-even levels

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



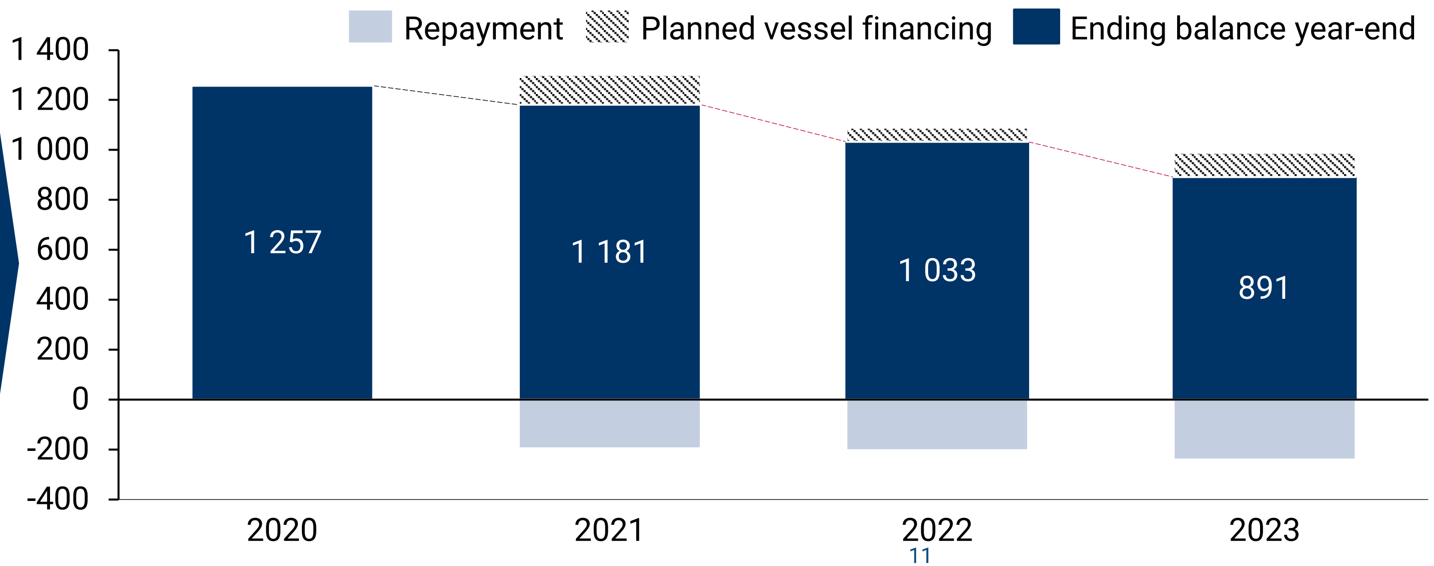
Debt development – Corporate and chemical tankers

Scheduled repayments and planned refinancing, USD mill



- USD 82 mill bond refinanced in January
- Limited refinacning needs until 2Q22...
- We continue our work to optimize our debt portfolio
- In the process to refinance two vessels on financial leases to reduce outstanding debt and reduce cash break-even

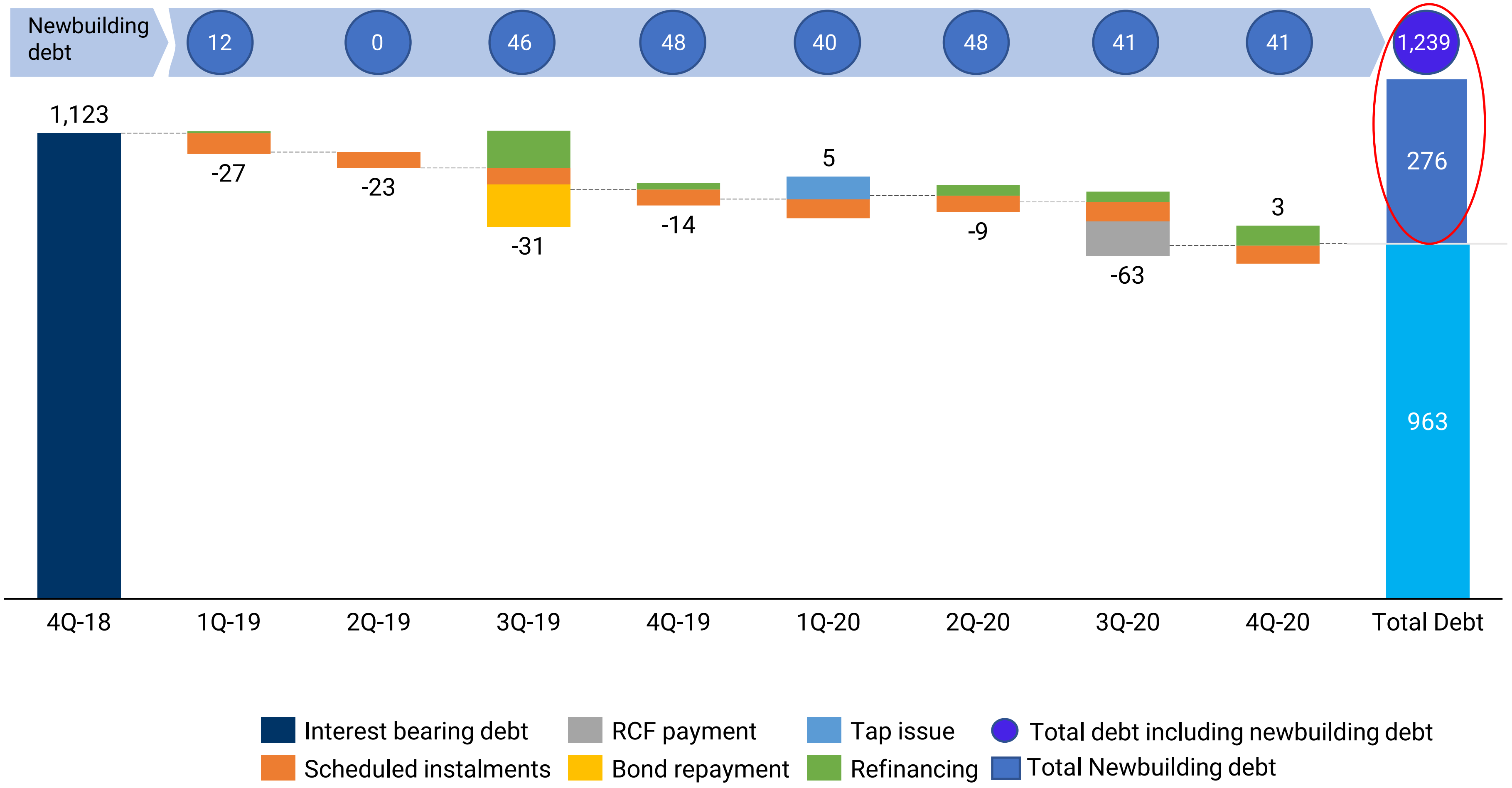
Gross interest bearing debt ending balance, USD mill*



- With zero capex commitments, debt levels should be reduced in the years to come
- Scheduled amortisations through 2023 could bring us in the lower end of our target total debt range of USD 750 - USD 900 mill
- ...Timing is depending on market developments

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

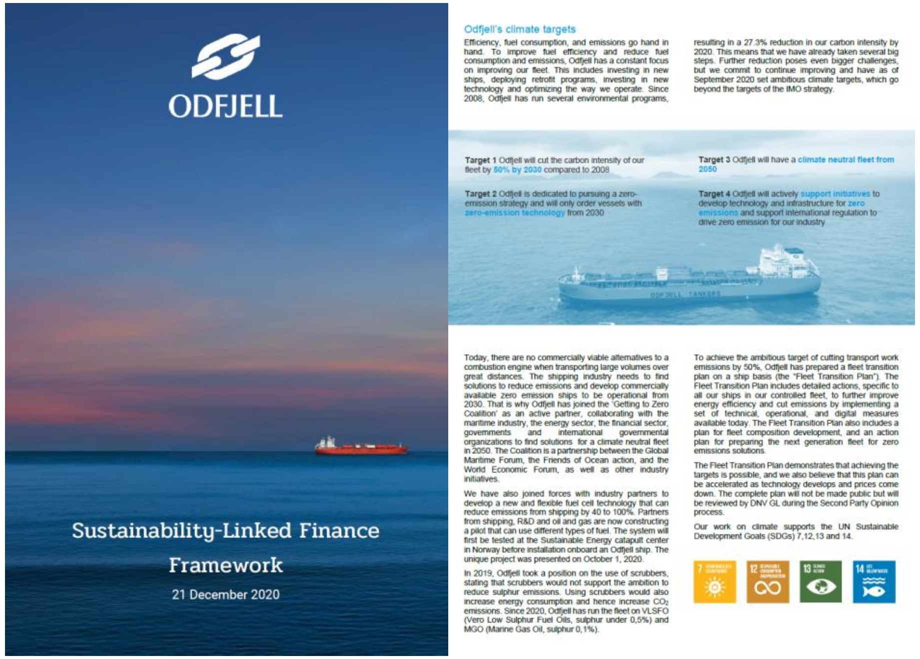
Changes to total debt levels have been influenced by newbuilding deliveries the last years, while remaining debt is reduced through various initiatives



- Total debt level has increased since year-end 2018 but this is solely related to newbuilding deliveries…
- …as we have reduced the debt portfolio by USD 160 mill in the corresponding period
- LTV of our vessels has been reduced by 4 percentage points in the same period
- With the conclusion of our newbuilding program in 4Q20, our de-leveraging will accelerate going forward

By utilizing our Sustainability-Linked Finance Framework we concluded a SLB bond – we are now benefitting by lowering cost of debt within our debt portfolio

- Issued the first Sustainability Linked Bond in the Nordics and within the shipping sector in January
- We secured USD 100 mill of debt to refinance Jan-20 maturity securing continued strong liquidity
- We will use available proceeds to optimize our debt portfolio and redeem debt with higher cost
- We are in the process of further utilizing our Sustainability-Linked Finance framework also for traditional mortgage debt



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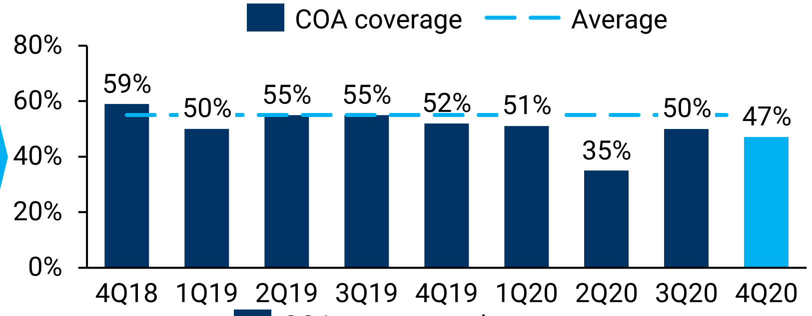
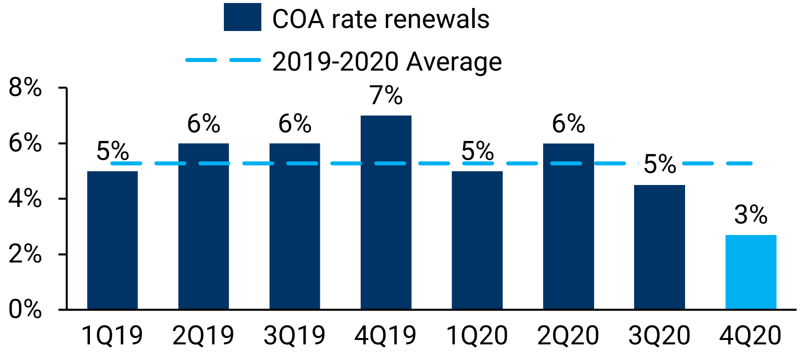
COA nominations are stable but we have secured increased spot volumes following delivery of new tonnage – COA rate renewals keep being renewed at higher levels

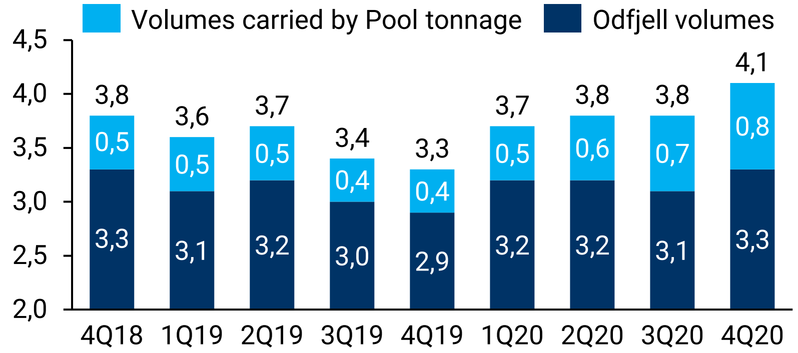
Odfjell Tankers COA liftings (%)



COA rate renewal development (%)



Odfjell Tankers volume development (Mill tonnes)



COA coverage

- COA volumes were 47% of total volumes in 4Q20
- COA volumes were stable but spot volumes increased

Spot fixtures

- We have reduced our spot exposure to the weak CPP market
- But competition for spot chemical cargoes has increased

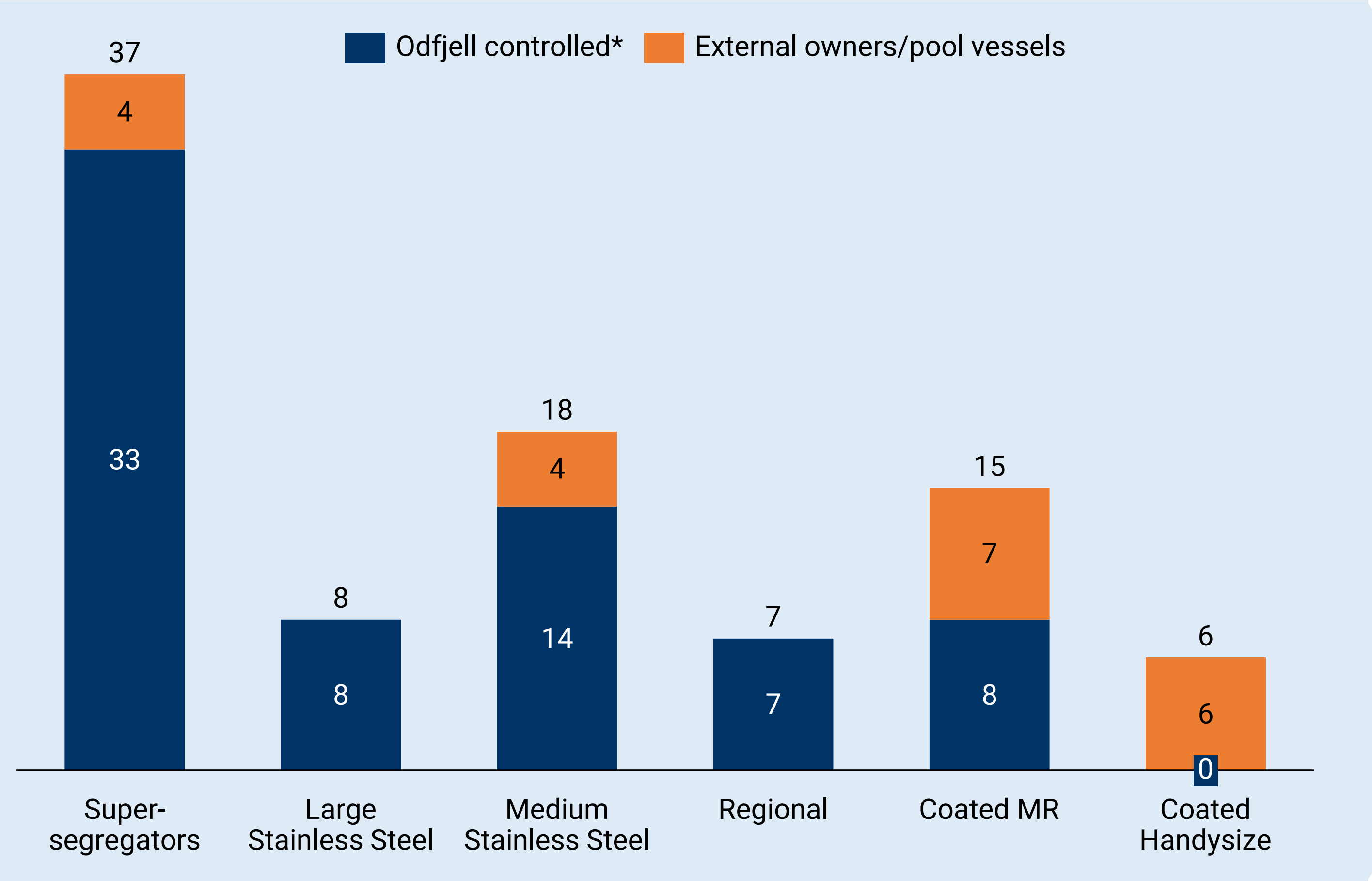
Future development

- We expect COA volumes to remain stable going forward
- We keep optimizing our COA portfolio and add new COAs to our portfolio

Renewals

- Our stance to not renew COA rates at unsustainable levels remains
- Average COA rate renewals in 4Q20 were up 2.7% on average

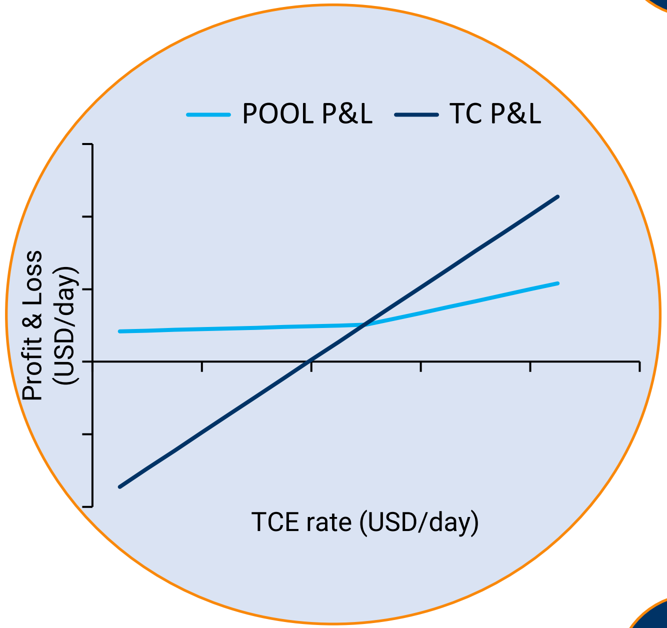
We have concluded our newbuilding program, but have secured further capital light growth through establishing two new coated pools



- Our fleet counts 91 vessels today
- Newbuilding programe of our core tonnage of super-segregators concluded in 4Q20
- We keep optimizing and renew our TC vessels at lower rates
- We have concluded two new pools during 1Q21, Odfjell Coated MR pool and Odfjell Handy Pool
- After redelivery of five CTG ships, 21 external vessels are operated by Odfjell in four different pool structures

* Includes owned, BB,TC & Financial lease vessels,* Includes one coated LR1

We have added 13 coated vessels to our fleet and further consolidated the chemical tanker market – pool vessels are now a sizeable share of our portfolio



- Zero downside for Odfjell and still upside exposure through fixed Management fee and profit splits
- Scale effects through utilizing our platform with neglectable costs
- Consolidation
- Accumulating tonnage without utilizing our balance sheet
- Positively impacts our bottom line in every market scenario

Terminals: We have acquired LG's shareholding of our terminal in Korea – Fire at our terminal Houston to have limited impact on our results

Results

- 4Q20 EBITDA of USD 7 mill compared to USD 8 mill in 3Q20
- Results slightly impacted by OTH fire while markets and operations were stable

OTH fire

- A fire occurred at OTH in December and a force majeure was declared
- The force majeure was lifted late January 2021 and operations have resumed

OTK acquisition

- Acquired LG's 24.5% shareholding in Odfjell Terminals Korea at a price of USD 19 mill
- The purchase price reflects an EV/EBITDA multiple of 8x and the acquisition will have a positive effect on results, return and cash flow and ensure a simpler governance structure

Outlook

- Underlying demand for storage continues to be strong and activity levels to be stable
- We expect positive result contributions from expansions at OTH and NNOT from 2022/23

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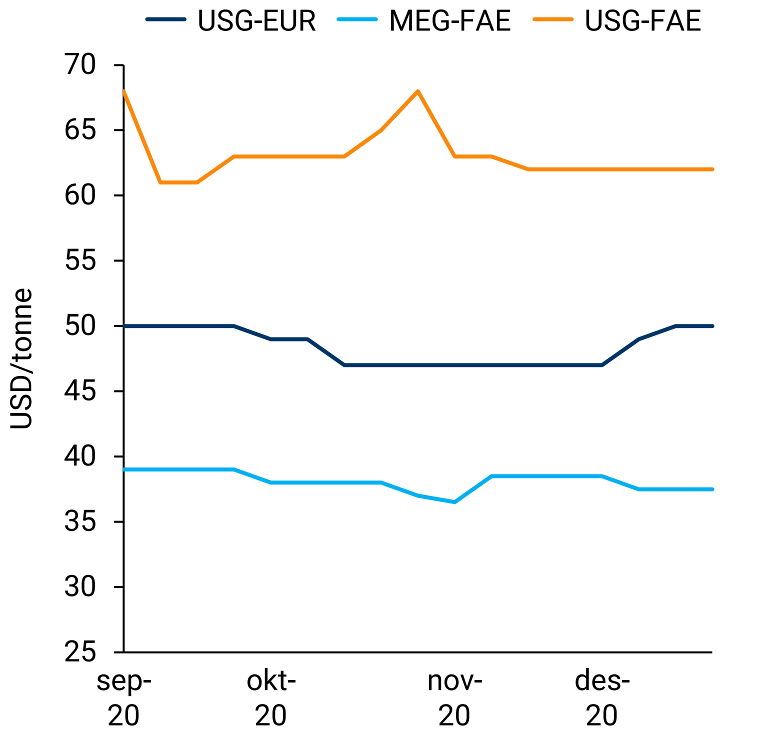
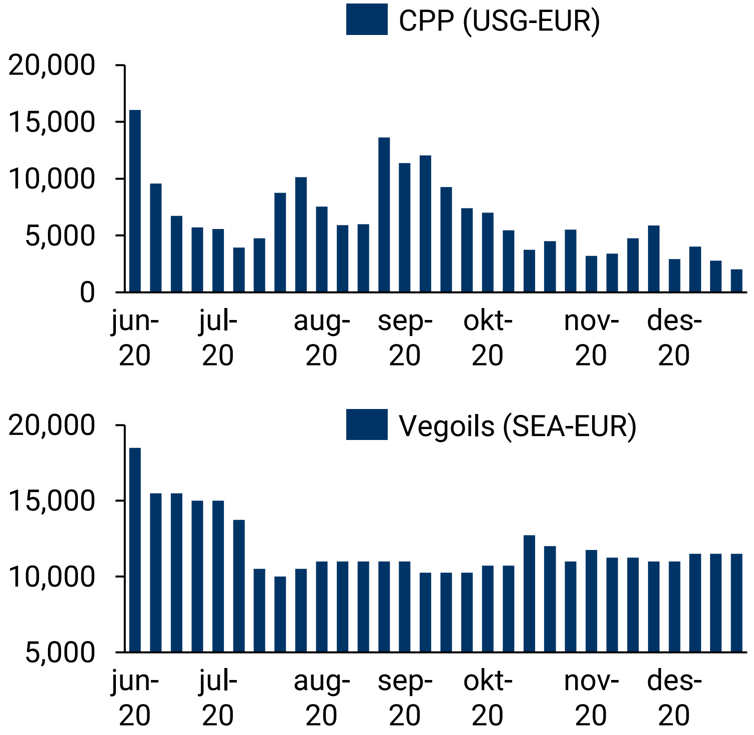
Spot rates on chemical front hauls have been stable and COA nominations are healthy – but increased swing tonnage and lack of spot volumes on back-haul trades are a challenge

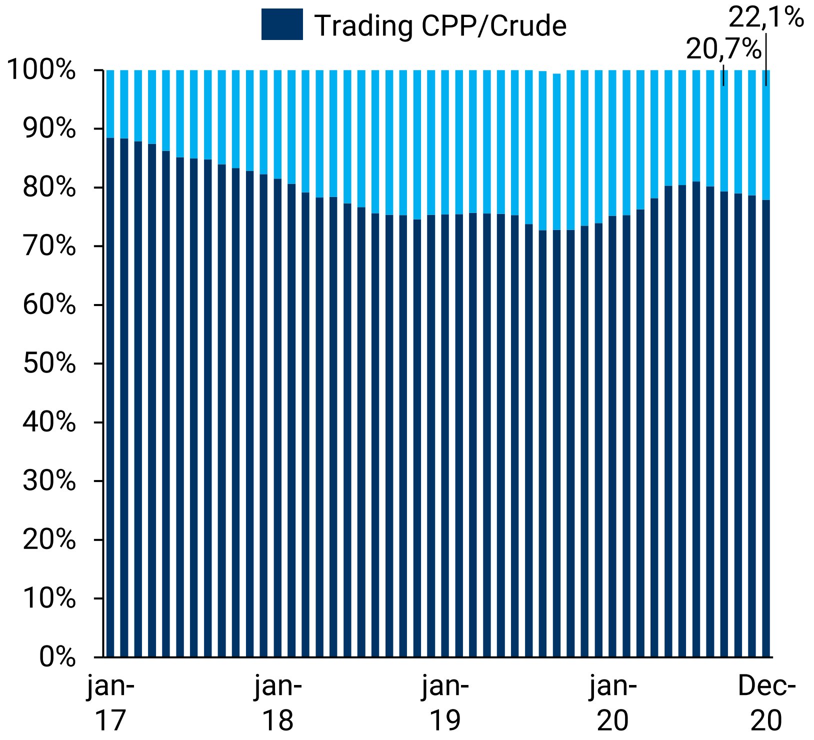
Chemical tanker spot rates



CPP and Vegoil rates



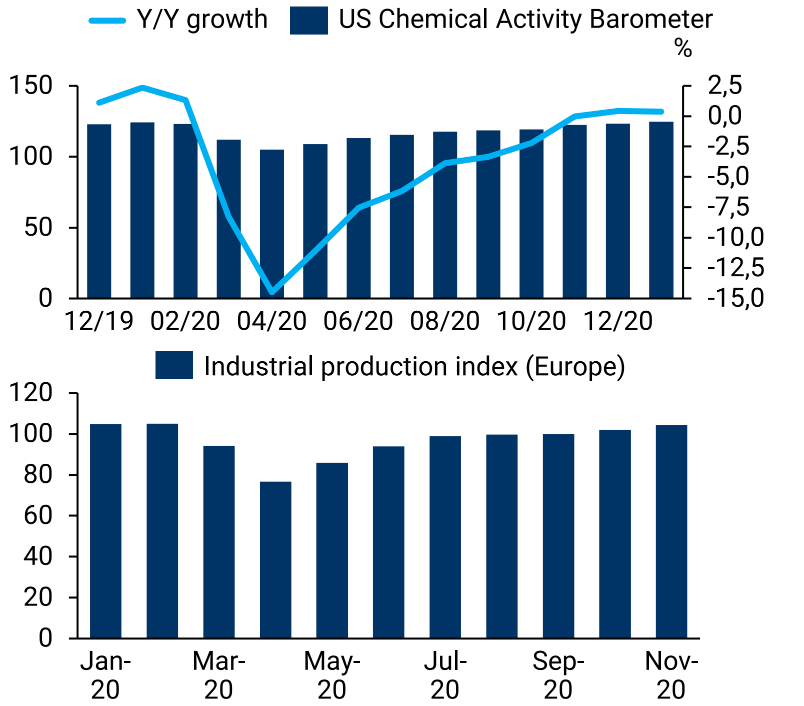
Share of MRs operating in chemicals/vegoils



Source: Clarksons Platou, Odfjell SE

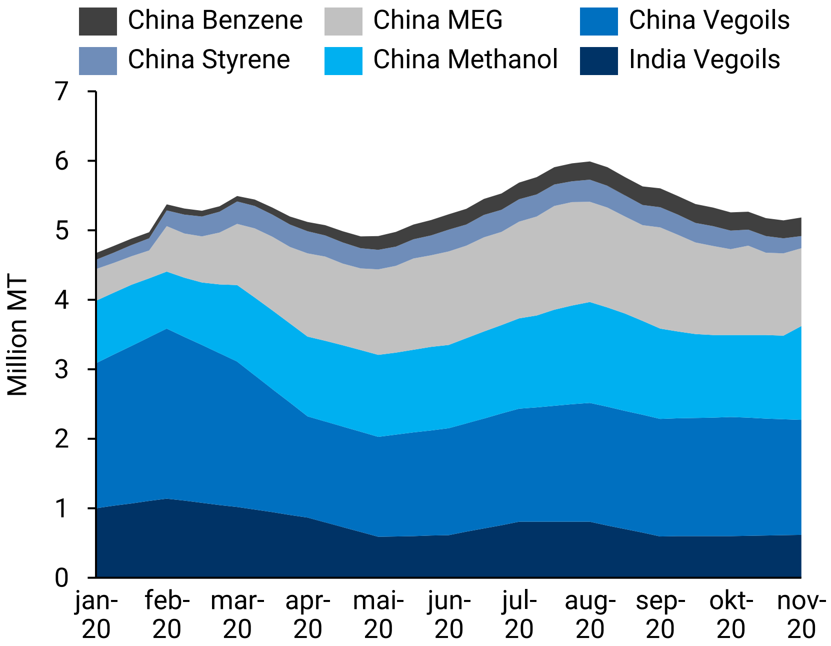
As chemical end-user demand is recovering, the recovery in shipping demand halted after the summer as inventories were consumed

Industrial production and Chemical activity barometer



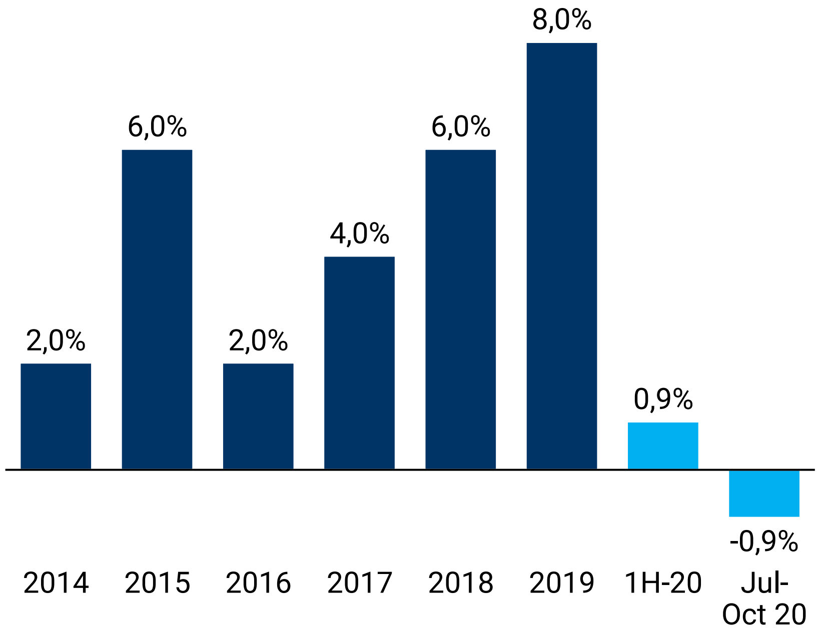
- The global economic recovery has continued in the west but there are set-backs after 2nd round of lockdowns
- Activity levels remain high in Asia, the most important demand driver for liquid chemicals

Inventory development of major chemical/vegoils



- A restocking following low prices in 2Q20 stimulated shipping demand in the first half and into the summer
- Since August, we have seen a destocking of major liquid chemical and vegoils negatively impacting shipping demand

Chemical tanker tonne-mile demand

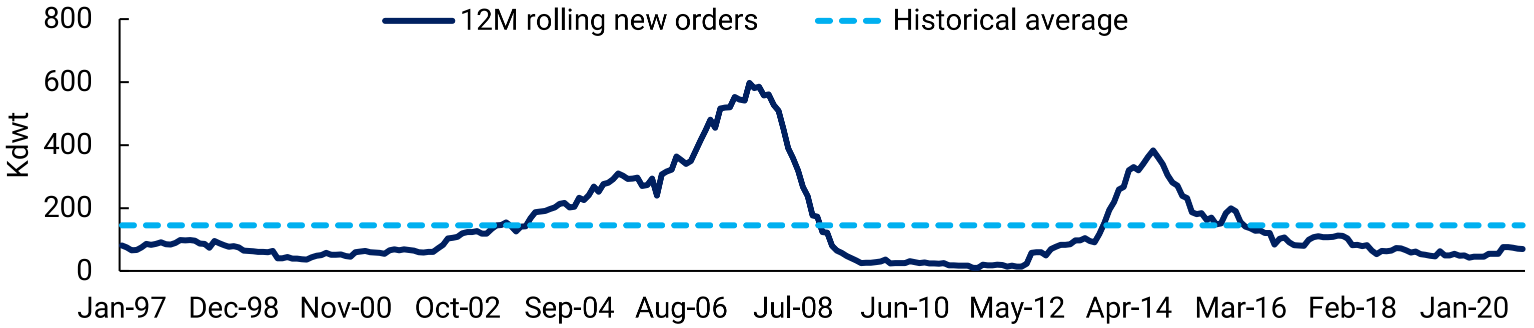


- This means the recovery in demand has paused after the summer, with especially September and October being weak
- The majority of the impact is felt from vegoils that has also been impacted by political decisions hurting trade in 2H

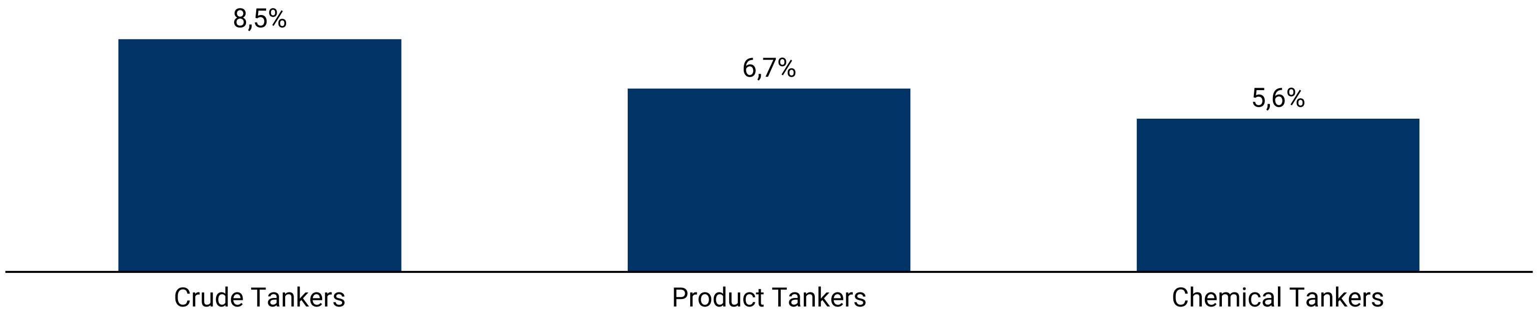
Source: Odfjell SE

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

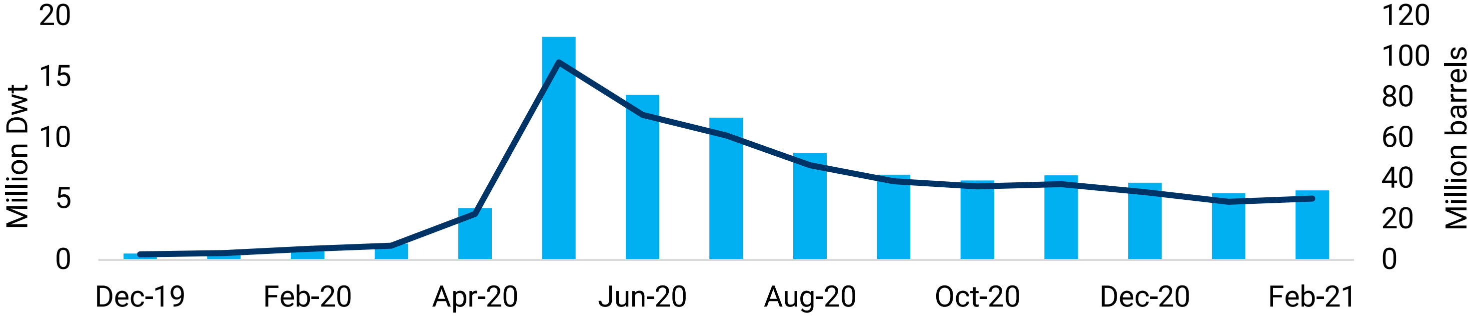
1 Order activity



2 Orderbook



3 Floating storage



Comments

- Order activity remains low and far below historical averages…
- …Soft markets and reduced availability of financing play a part…
- …but the uncertainty of future propulsion is the number one factor limiting orders in the foreseeable future

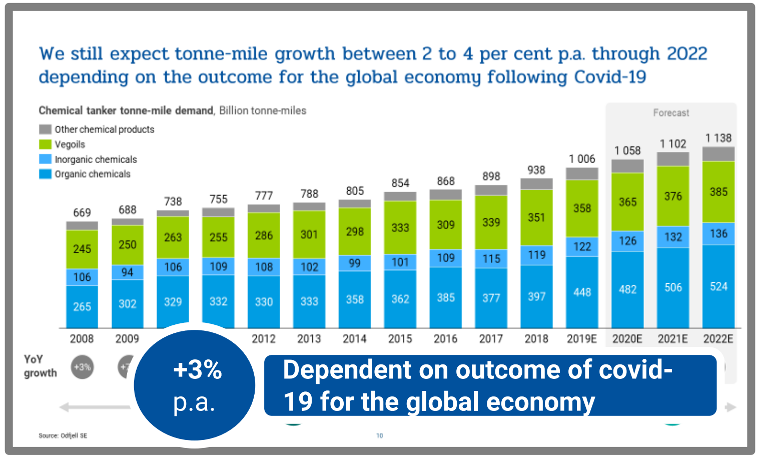
- The chemical tanker orderbook is the lowest among the tanker segments…
- …And we are encouraged to see a low orderbook within the crude and product tanker fleet as well
- … As we ultimately depend on improved crude and product tanker markets to reap the benefits of the underlying strong fundamentals within our market

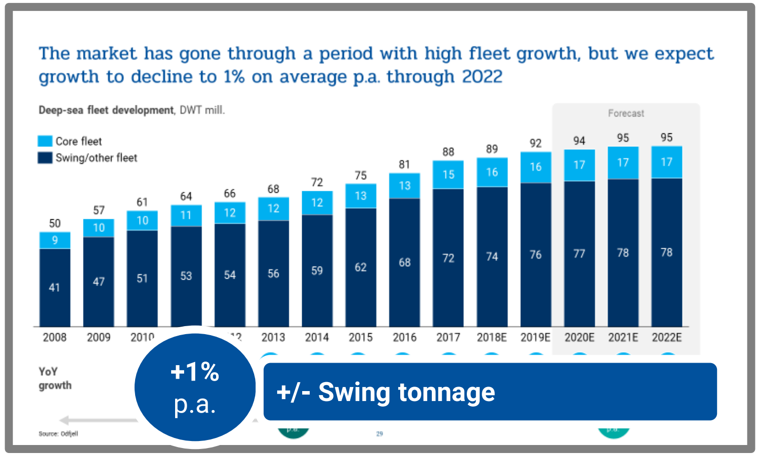
- Crude and Product tankers are suffering from weak demand due to heavy destocking and lack of demand due to reduced mobility…
- …Floating storage for product tankers has declined significantly since peak and added further supply pressure to this market…
- …Increased vaccine coverage across the globe and opening up of economies and increased mobility are expected to give a boost to crude and CPP markets and indirectly reduce supply within chemical tankers' core markets

Future market developments are highly dependent on the restart of the global economy following the pandemic, and on a normalization of the CPP markets, but chemical fundamentals continue to look very strong

Market drivers

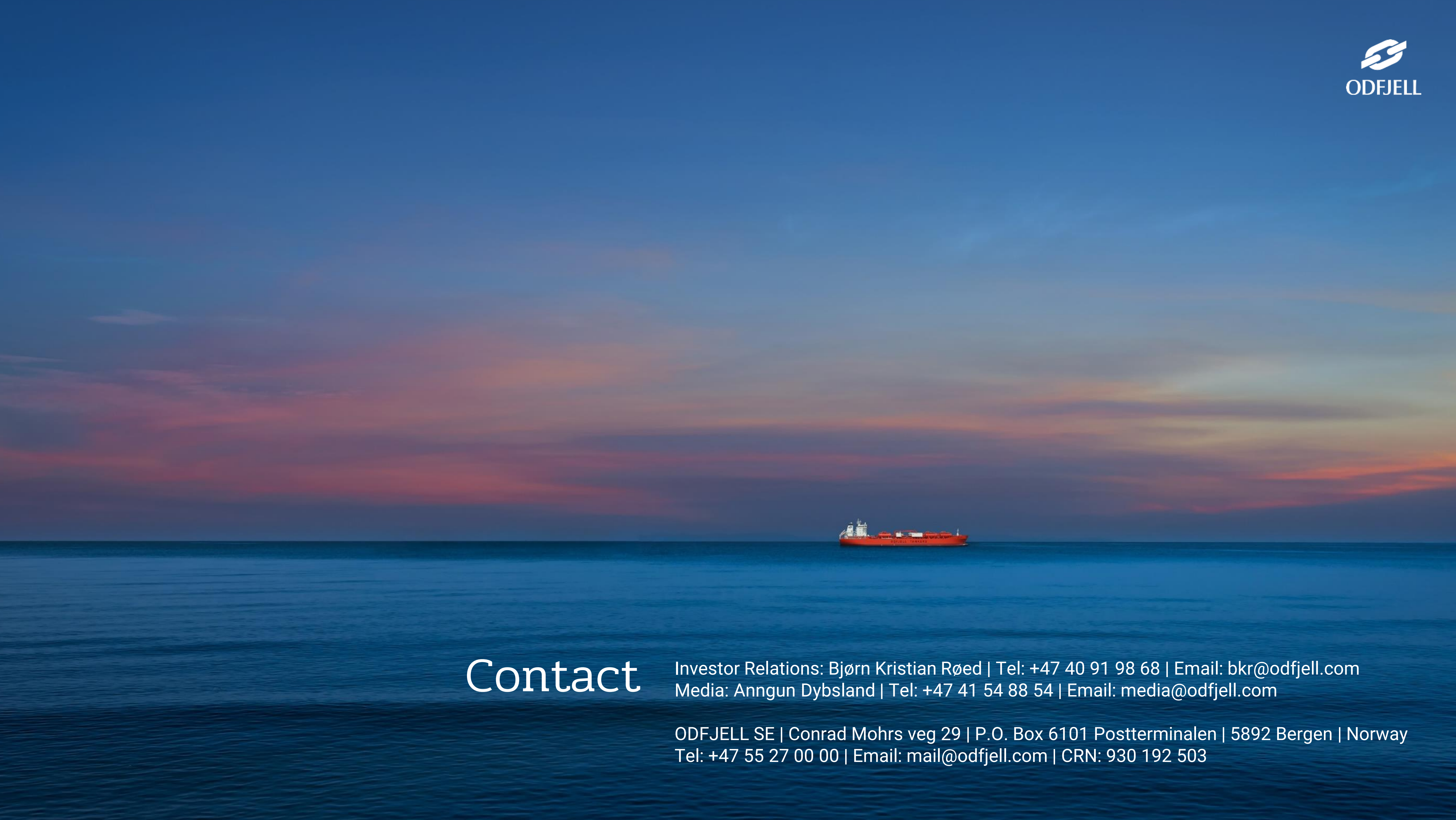
Covid-19	Covid-19 keeps impacting volumes and after a strong recovery in 2Q/3Q volumes have slowed down. Recovery expected to gather pace alongside reopening of economies
GDP	Despite a challenging start to 2021, IMF still believes in a 5.5% growth for 2021, this will support a recovery in chemical tanker demand
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 depending on 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 and a similar pattern is expected for crude and product tankers
Risk factors	Prolonged global economic slowdown – More influx of swing tonnage





Summary and Prospects

4Q20 results	Stable chemical tanker rates with weak CPP markets and supply pressure keeping a lid on a fourth quarter improvement
Operations	We continue to operate well despite the challenging environment
Covid-19	We continue to operate well despite the challenging environment, but inventory drawdowns following a relatively strong 2Q and 3Q are currently impacting our markets
Market outlook	The market is currently weak and suffering from the aftermath of a relatively strong 2Q and 3Q. We expect an improvement from 2H21 alongside Covid-19 developments
Outlook	2021 has started with a continued weak CPP market and high fuel cost, so although rates in chemicals remain stable, we expect to report a weaker 1Q21



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