



Capital Markets Day 2021

Capturing the near-term while de-risking the long-term



ODFJELL

Agenda

- Capturing the near term while de-risking the long-term – CEO, Kristian Mørch
- Energy Transition – VP Technology, Erik Hjortland
- Finance update – CFO, Terje Iversen
- Odfjell in a stronger chemical tanker cycle – Global Head of Tanker Trading, Bjørn Hammer
- Final remarks – CEO, Kristian Mørch



Strategy

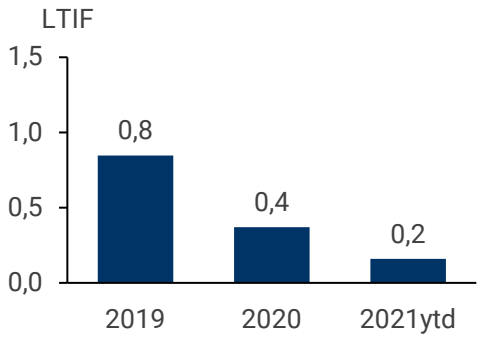
Kristian Mørch, CEO

- Covid-19
- Strategy update
- Market outlook
- Our fleet renewal and its advantages
- Carbon Emissions



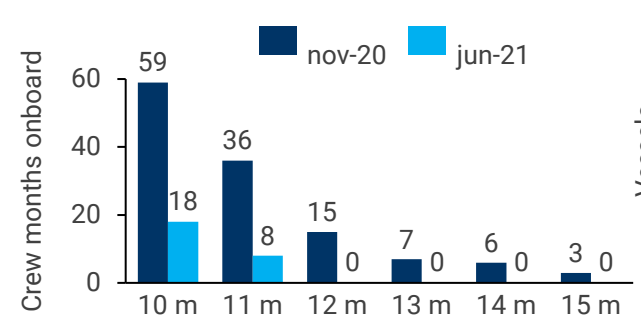
Covid-19

Covid-19 has been a significant operational challenge, but our operating platform more than passed the test



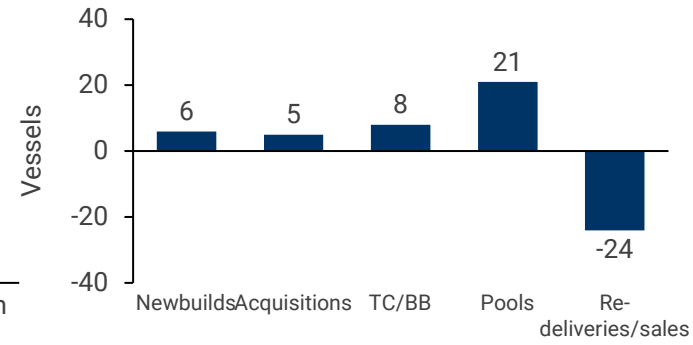
SAFETY

- Strong safety record
- SIRE and CDI observations consequently below target
- LTIF at very low levels



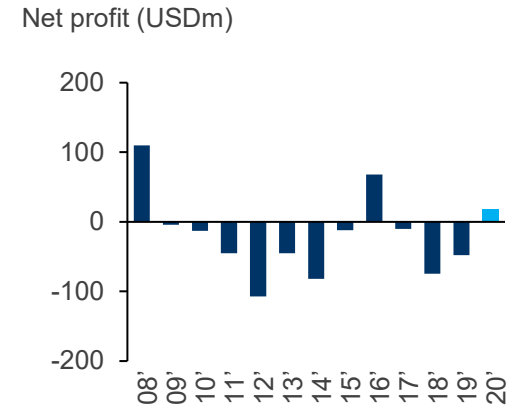
OPERATIONS

- “Unaffected” despite home office
- Crew change challenges
- Repair challenges



COMMERCIAL

- Concluded fleet renewal
- Improved COA portfolio
- Captured tanker market spike



FINANCE

- Strongest year since 2016
- First issuer of SLB bond
- Reduced break-even levels



The transformation of Odfjell is completed, and it is time to look forward

Odfjell has been undergoing a transformation in the past six years, and today the past challenges have been solved. We have significant challenges ahead of us, but they are no longer structural problems, nor are they based on internal inefficiencies. We stand on a strong platform from which to compete, and it is therefore time to focus on the future and the external challenges and opportunities.

Our strategy in a nutshell

- Keep capacity free
- Sell intelligently
- Efficiency is key
- Focus on operations



“Our strategy is designed to **capture** the short term, and to **de-risk** the long term”



- Strong demand story
- Limited supply growth



- Strengthen balance sheet
- Reduce cost of debt
- Reduce exposure to conventional technology
- Maintain market leadership position in ESG



- Technology shift
- Regulatory pressure
- Customer pressure
- Inflation risk
- World GDP risk

Our long term key targets remain unchanged



→ Zero incidents



→ Average revenue growth of 10% per year (over time)



→ Industry leading EBITDA margins
→ Attractive returns for shareholders



→ Tankers: benefit from scale advantages. Towards customers by better service (cost, efficiency and predictability)
Internally through efficiency gains and unit cost
→ Maintain market leadership within ESG



→ Terminals: have a meaningful global network of terminals, ideally where operational synergies with Odfjell Tankers are possible
→ Terminals should be minimum 33% of our activities

Chemical demand has recovered for most product groups

Customers are all highlighting that the recovery is well underway, and it appears that we are lining up for a strong chemical demand cycle post Covid-19



Strong recovery in demand for durable goods, end-user electronics, personal care and packaging. Medical applications have been fairly unaffected by the pandemic and show modest growth. Importantly, we see continued strong development in the recovery from the automotive and construction sectors



High demand for petrochemicals has led to supply constraints in the petrochemical value chain



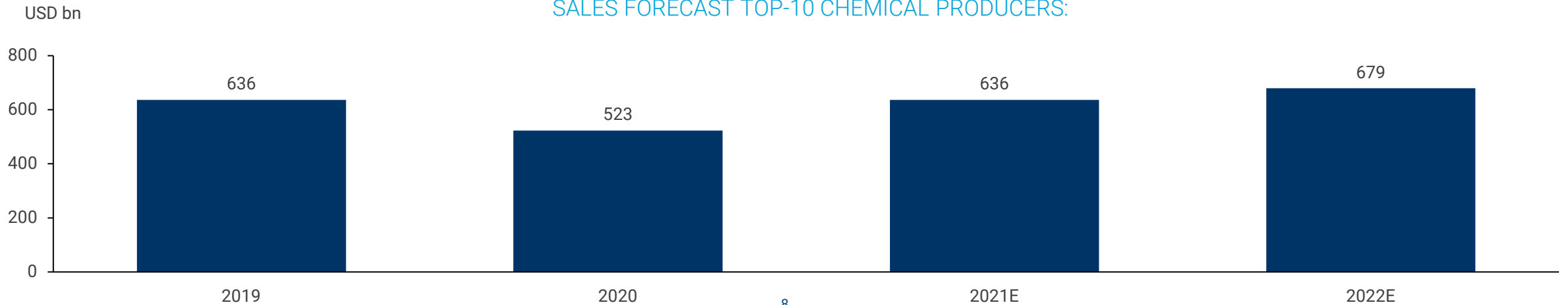
Low inventory!

Inventories are low after being consumed the last six months and a restocking cycle is fast approaching



Various Covid-19 and weather related events have led to dislocation in shipping demand worldwide

SALES FORECAST TOP-10 CHEMICAL PRODUCERS:

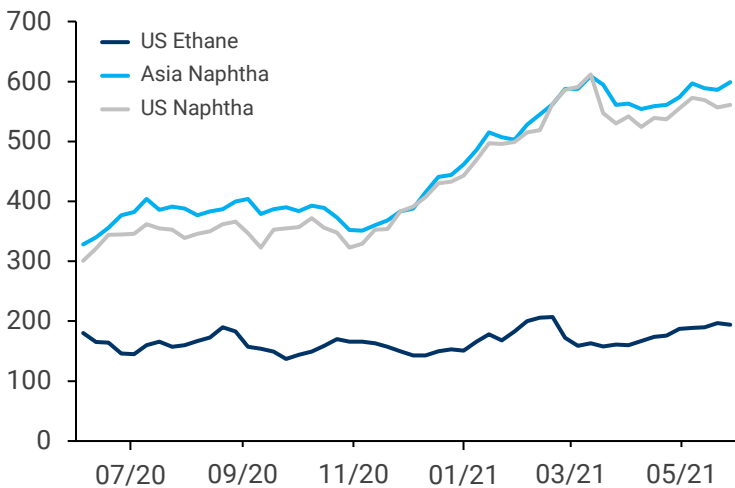


The positive drivers in the chemical market to positively impact shipping

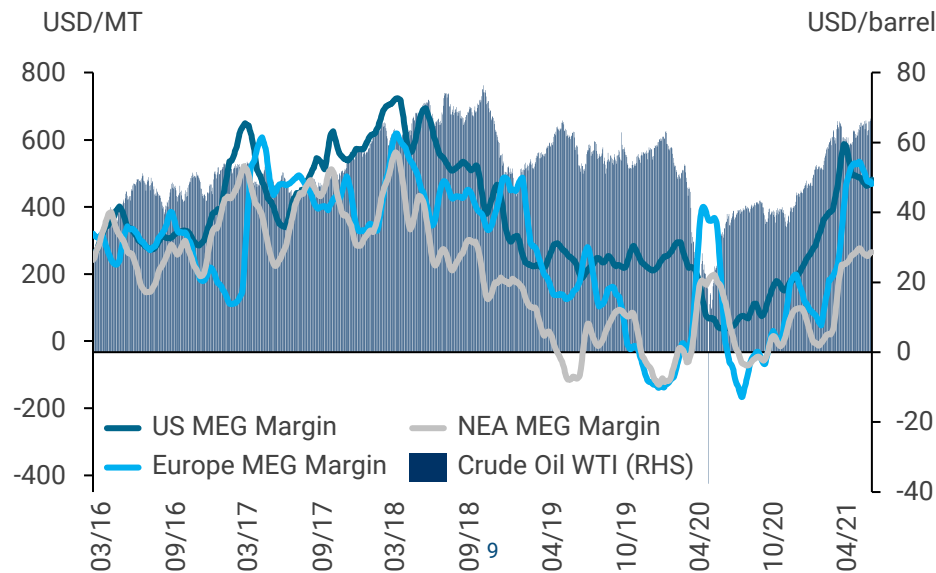
Feedstock and chemical prices have increased considerably latest month and low inventories should benefit shipping into the second half of 2021

- Increasing oil prices give further advantages to low-cost producers in the US and Middle East to gain market shares from high-cost producers
- New liquid chemical plant capacity to be completed the next two years will slow down, but new volumes are still meaningful from a shipping perspective
- We expect to see increased utilization of last year's new capacity with the ongoing margin improvements that will contribute with increased long-haul volumes
- Stronger chemical prices reduce freight cost share of logistics cost and room for rate hikes increase

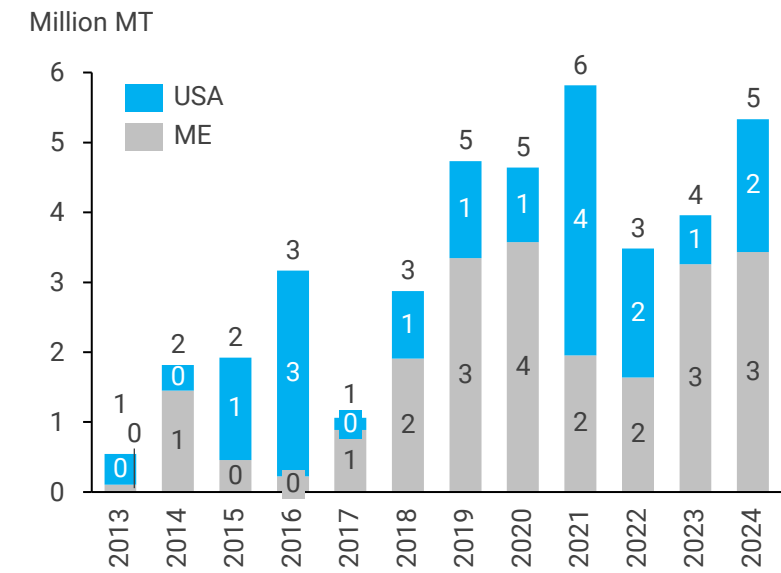
CHEMICAL FEEDSTOCK PRICE DEVELOPMENT (USD TONNE)



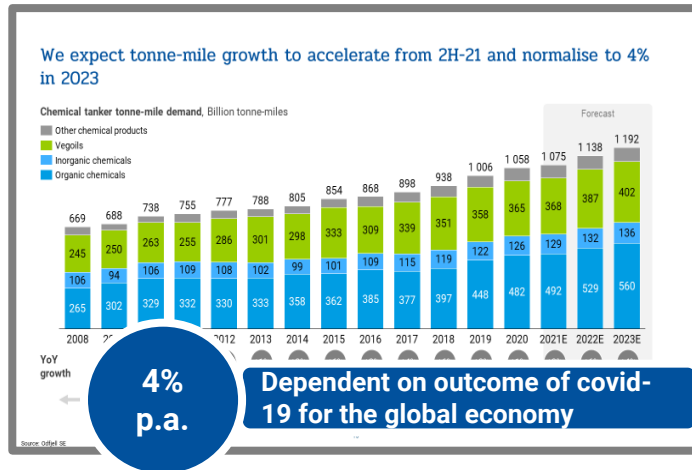
ETHYLENE BASED CHEMICAL MARGINS VS OIL PRICE DEVELOPMENT



LIQUID CHEMICAL PLANT DEVELOPMENT

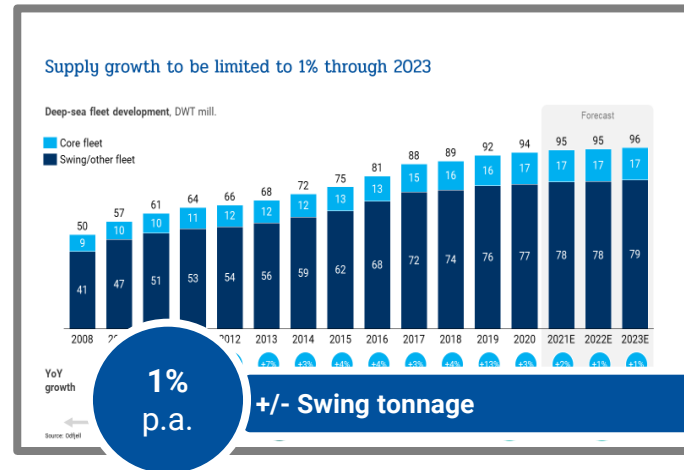


We believe that we will see an upturn/high cycle in the coming 2-3 years



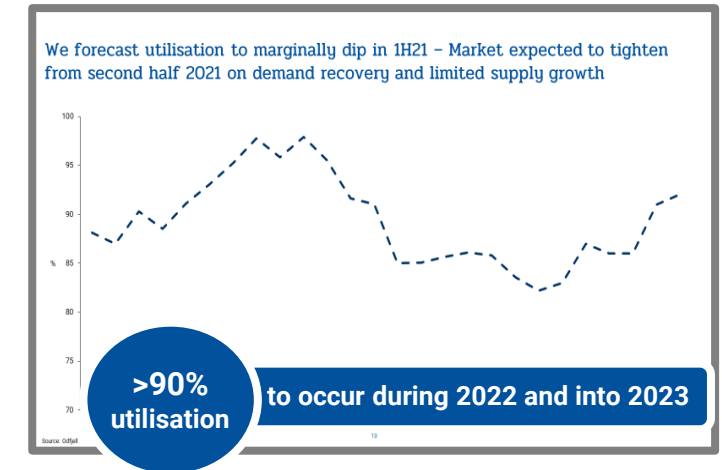
DEMAND

"Underlying demand drivers are strong and growth lined up to accelerate in 2H21"



SUPPLY

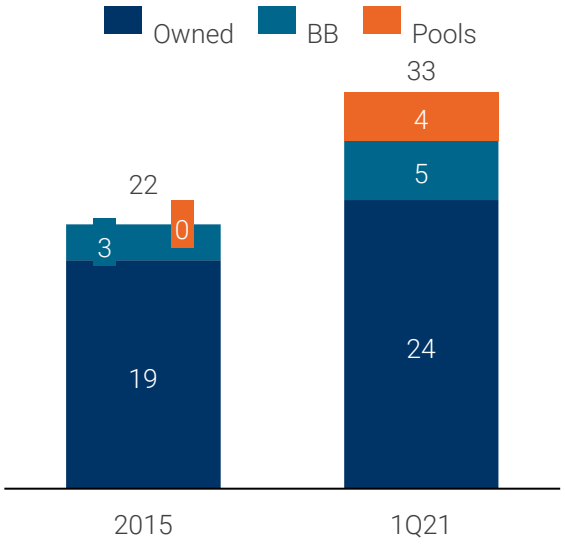
"Limited supply growth the next 2-3 years gives limited downside risk"



FLEET UTILIZATION

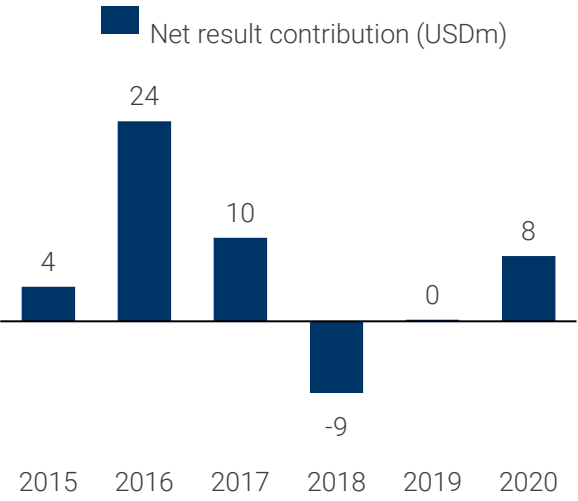
"Chemical tanker fleet utilization climbing above 90% indicates a stronger market"

We are positioned to capture the upside after concluding the largest fleet renewal in the company's history with a flexible fleet



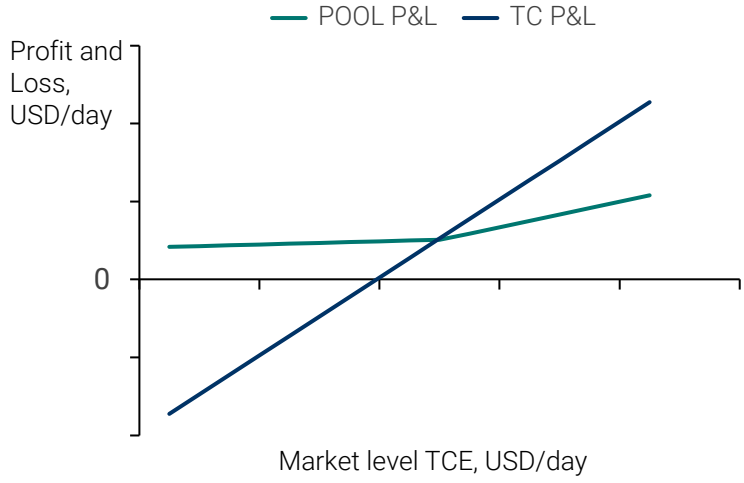
SUPER-SEGREGATOR TONNAGE

- Avg age owned tonnage 1Q18: 18 years
- Avg age owned tonnage 1Q21: 14 years



TIMECHARTER TONNAGE

- Average TC-in rate reduced by 15% since 2016
- 23% less TC-in exposure than 2016 but lower cost means net result contribution is higher in a similar market scenario as 2016
- Offers flexibility to adapt fleet to changes in market dynamics



POOL TONNAGE

- Fixed income through management fees
- No downside for Odfjell
- Upside exposure through profit splits

Our fleet renewal and zero capex give us advantages to face long term challenges from a capital allocation stand-point



Capex

- Zero capex needs in Odfjell Tankers
- Zero capital injection to Odfjell Terminals

- Fleet renewal gives us no immediate renewal needs...
- ...and our fleet growth make it possible to wait even longer



De-leveraging

- Dedicated and detailed plan on de-leveraging
- Improved free-cash flow ensures funds to reduce debt

- The speed of our de-leveraging is market dependent...
- ...and any upside in rates could accelerate the process



Dividend policy

- We want to establish a fixed dividend policy
- Free cash flow also needs to be directed to dividends

- Establishing a fixed dividend policy is market dependent...
- ...and de-leveraging process key to make it sustainable

We are experiencing increased carbon emission focus from customers – charterers are still uncertain on how to resolve this

CUSTOMER REQUESTS ON EMISSIONS ARE INCREASING...

Customers are increasingly reaching out to get an overview on their value chain emissions as they feel the pressure from various stakeholders. This has the potential to disrupt our industry if efficient operators/vessels are preferred over less efficient vessels. Still, focus among charterers remains on chartering the vessel at the lowest cost possible - regardless of emissions

...STILL MUCH UNCLARITY ON HOW TO RESOLVE REPORTING

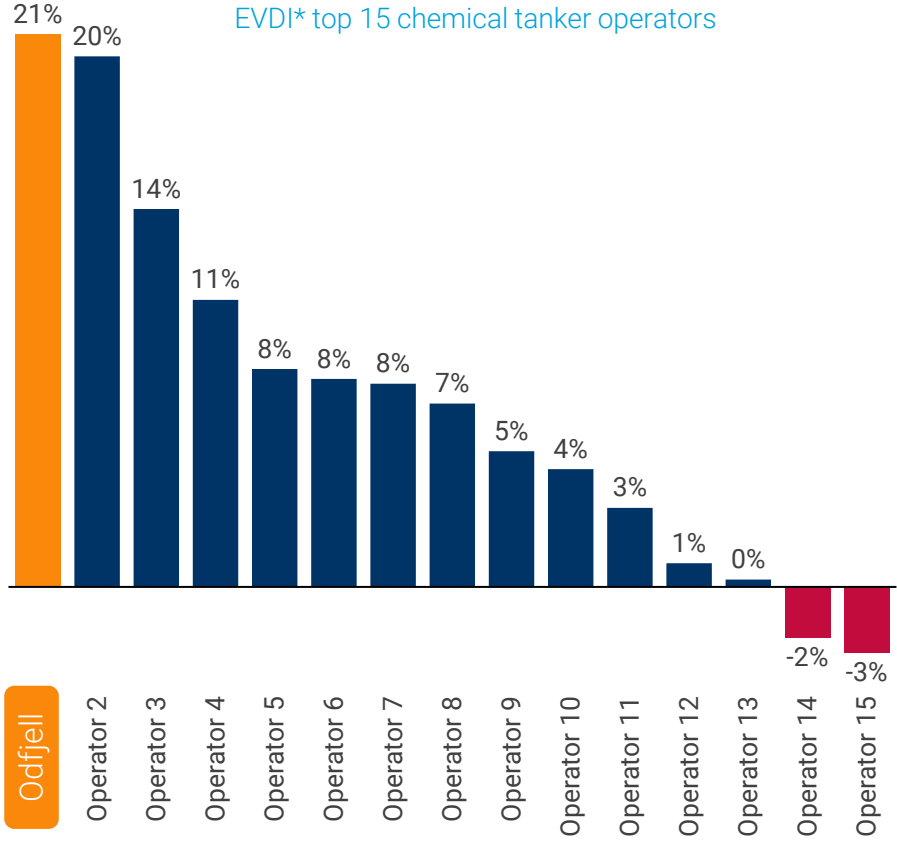
Parcel Tankers is different and more complex when it comes to how do we split the emission per customer. No clear guidance or knowledge among charterers or within the Sea Cargo charter framework on how to get to a unified and clear way of solving this



Odfjell's leadership position in lowest carbon emissions per tonne is a competitive advantage we will ensure we maintain also in the future

Analyzing vessels within the chemical tanker sector on emissions per ton-mile (EEDI/EVDI/EEXI) shows that Odfjell controls the most fuel-efficient chemical tanker fleet in the world

- EVDI measures the theoretical emissions per tonne mile based on vessel design. 21% of our fleet scores the lowest among chemical tankers relative to 2008 baseline. This has laid the foundation for the 30% reduction in our emissions
- We are today controlling the most fuel-efficient chemical tanker fleet in the world. This gives us an important competitive advantage
- We are confident that we will meet and exceed IMO 2030 regulations on 40% reduction in carbon intensity through already planned initiatives





Towards zero-emission: Energy transition & Odfjell's perspective

Erik Hjortland, Vice President Technology – Odfjell SE

- Where do we come from
- What can we do with future ships to make them 2050 proof
- What will the future fuel be
- Odfjell's strategy
- What does it take to go zero emission
- Summary

The key long-term focus is to ensure we are positioned to meet future regulatory landscape

Governed by banks, regional initiatives, local regulations, but first and foremost by the International Maritime Organization (IMO) and the 2018 GHG Strategy

2023

- 20%

Existing ships will need to reduce consumption per transport work by 20% compared to 2008

2030

- 40%

Shipping sector to reduce emissions per transport work by 40% compared to 2008. We have plans for how to achieve this

2050

-70-90%

Shipping sector to reduce total emissions by 50% compared to 2008. Carbon intensity therefore needs to improve around 70-90% = zero emission

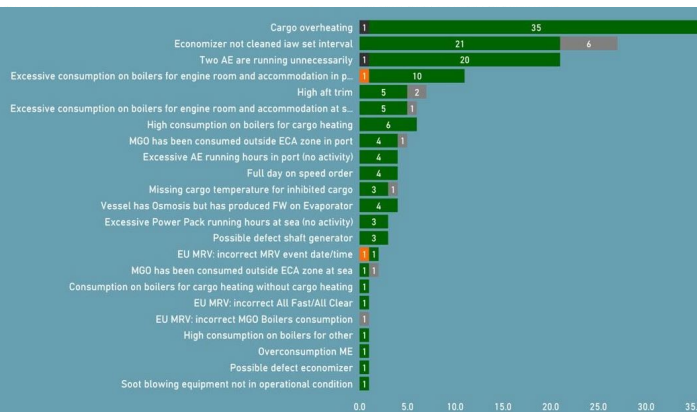
Where do we come from: 2007-2021

We have targeted energy-efficiency and emission reductions since 2007, and we have established several teams that handle this from both an operational and technical point of view

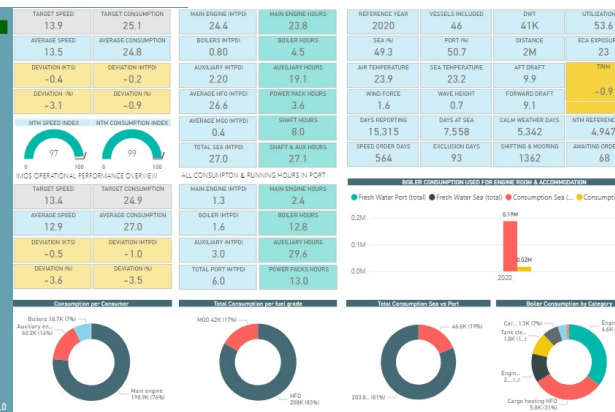
DAILY LOG (2007/2014)



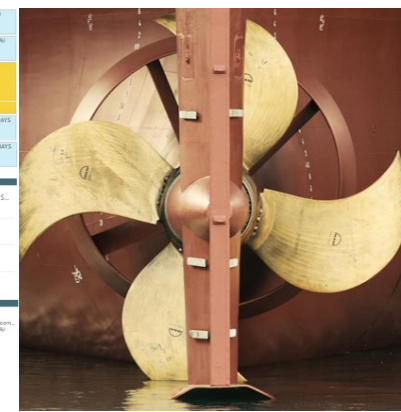
AUTOMATIC OVER-CONSUMPTION/ENERGY IN-EFFICIENCY ALARMS SYSTEM (2014)



BUSINESS INTELLIGENCE TOOLS ON ALL DATA (2015)



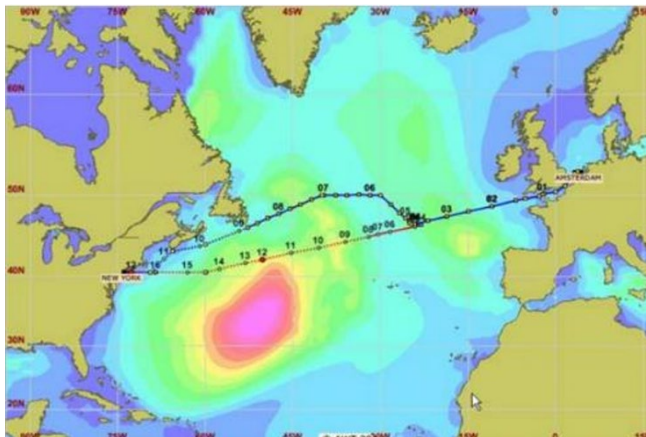
MEWIS DUCT (2010-) 26 INSTALLATIONS SO FAR



PBCF (2020-) 10 INSTALLATIONS SO FAR



WEATHER ROUTING (2009) 800 VOYAGES PER YEAR



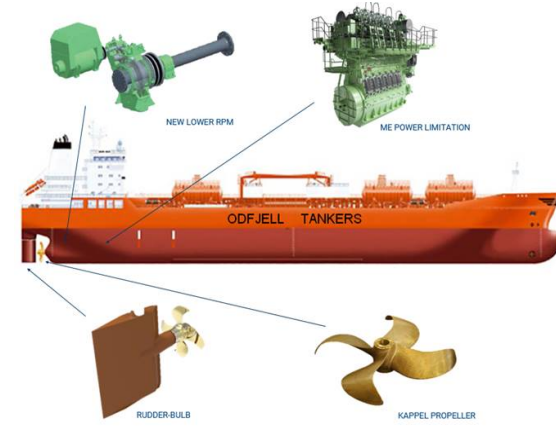
INTERMEDIATE HULL/PROPELLER POLISHING/GROOMING (2014)



REVERSED OSMOSIS (2013-) >30 INSTALLATIONS SO FAR

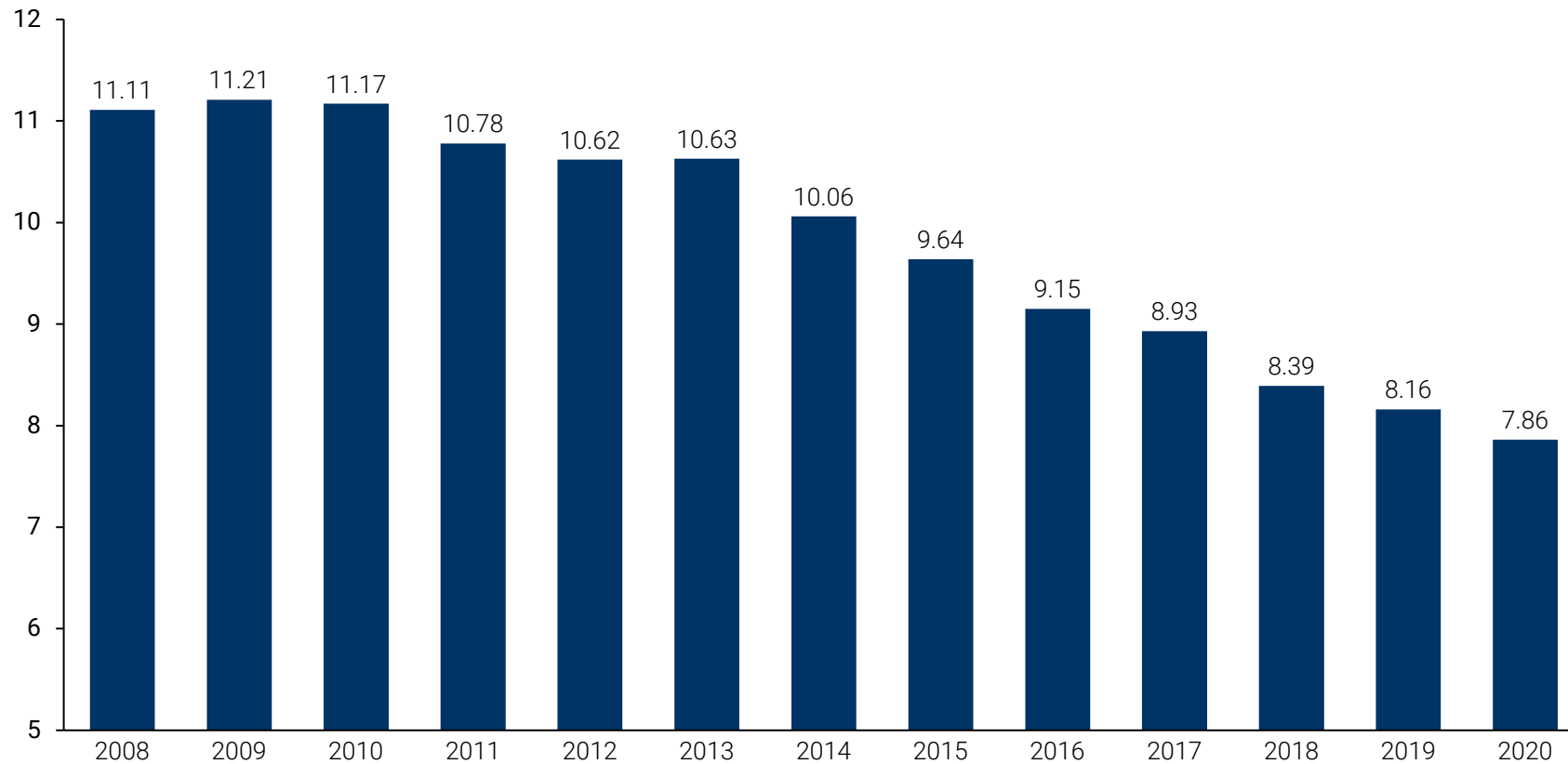


PROPULSION PROJECT (2014-2018) 19 SHIPS



Results from our energy efficiency program

Annual Efficiency Ratio (AER: gram CO² emitted per dwt-mile) for the Odfjell managed fleet since 2008



30%

Our energy efficiency has improved 30% since 2008

Clarification: Who owns the emissions?

Emission owner is responsible to meet the IMO carbon reduction targets

- Marpol regulations mandate the ship to be compliant, and this is the responsibility of the “company”
- Regulation 2.49 in Marpol Annex VI defines that the “Company” “.....means the owner of the ship or any other organization or person such as the manager, or the bareboat charterer, who has assumed the responsibility for operation of the ship from the owner of the ship and who on assuming such responsibility has agreed to take over all the duties and responsibilities imposed by the International management Code for the Safe Operation of Ships and for Pollution prevention, as amended”.
- In principle, emission owner is therefore the holder of the Document of Compliance (DOC)
- Holder of DOC = Ship Manager/Bareboat charterer
- CII- and EEXI compliance is therefore ship managers/bareboat charterers responsibility



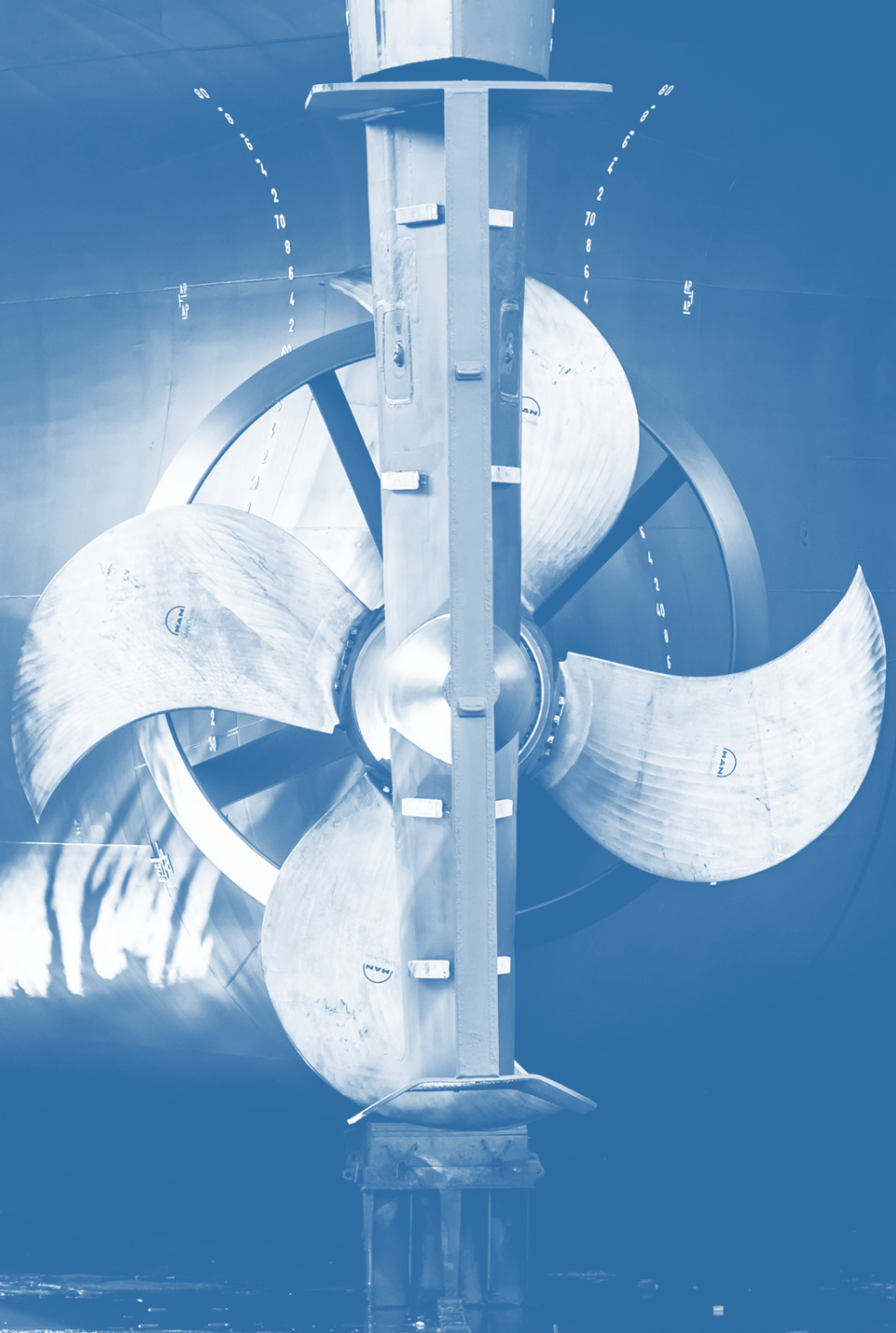


Clarifications on the EEXI- regulations

2023

- 20%

Existing ships will need to
reduce consumption per
transport work by 20%
compared to 2008



Clarifications on the CII regulations

2030

- 40%

Shipping sector to reduce emissions per transport work by 40% compared to 2008 (AER).

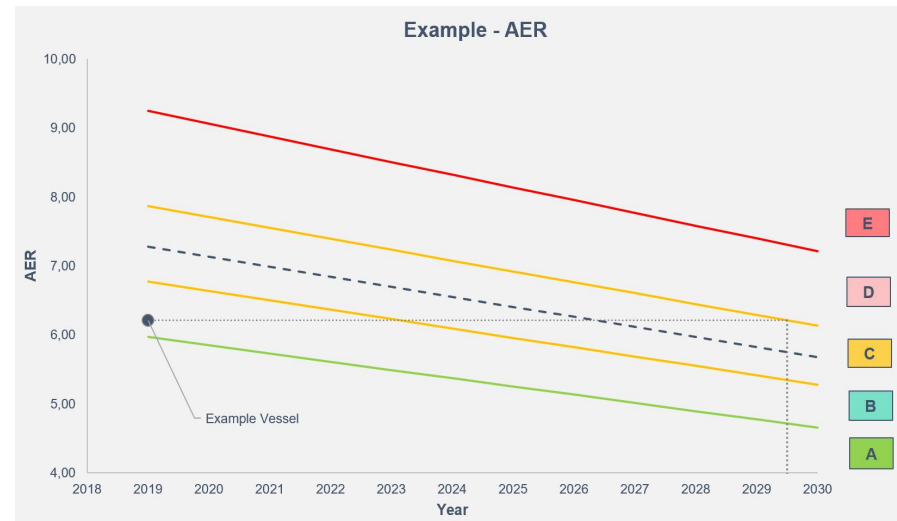
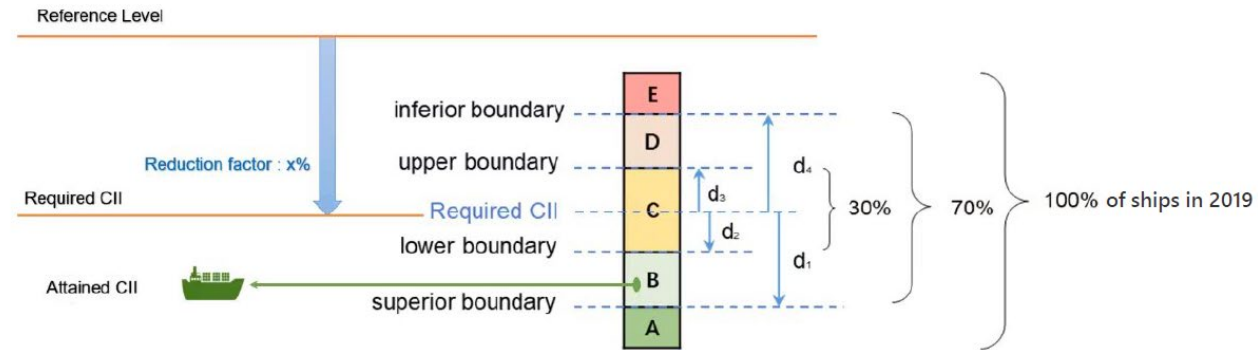
We have developed vessel specific plans for how to achieve this

Clarification on the CII regulations

Yearly vessel specific reduction requirements from 2019 – 2030 to achieve the overall 2030 ambition of 40 % reduction compared to 2008. Vessel specific plans developed. 11 ESD installations done since 2019, 25 currently ongoing/in pipe-line

CII (AER)

- 40 % reduced emissions per dwt-mile compared to 2008
- Yearly reduction requirements from 2019 to 2030
- A-E rating every year
- Need C-rating or better
- If D-rating three years – a class approved plan is needed
- If E-rating one year, a class approved plan is needed





What can we do with
future ships to make them
2050 proof?

2050

-70-90%

Shipping sector to reduce
total emissions by 50%
compared to 2008.

Carbon intensity therefore
need to improve around 70-

90% = **zero emission**

Our energy carrier options

Tank-to-wake. All figures relative change to conventional fuel (VLSFO)

Alternative Fuel Properties - Relative difference

Fuel Type	Specific Energy	Density	Energy Density	Carrying temperature	Deadweight requirements	Tank Volume requirements	Emission
HFO (Baseline)	40,5	0,870	35,2	Ambient	870	1000	2741
LPG (Liquified Petroleum Gas)	4 %	-31 %	-28 %	-42	-4 %	40 %	-8 %
Methanol	-56 %	-9 %	-60 %	Ambient	125 %	148 %	-2 %
Ethanol	-36 %	-8 %	-41 %	Ambient	56 %	69 %	-5 %
DME (Dimethyl Ether)	-30 %	-23 %	-46 %	-24	2 %	32 %	-38 %
LNG (Liquified Natural Gas)	21 %	-48 %	-37 %	-163	-17 %	60 %	-28 %
LBM (Liquid Biomethane)	23 %	-51 %	-39 %	-163	-19 %	64 %	-29 %
Ammonia NH ₃ (Liquid)	-54 %	-22 %	-64 %	-33	115 %	176 %	-100 %
Ammonia NH ₃ (Compressed)	-54 %	-31 %	-68 %	Ambient	115 %	214 %	-100 %
Hydrogen H ₂ (Compressed)	251 %	-97 %	-91 %	Ambient	-71 %	979 %	-100 %
Hydrogen H ₂ (Liquid)	251 %	-92 %	-72 %	-252,9	-71 %	252 %	-100 %
Battery	-99 %	32 %	-99 %	Ambient	13866 %	10465 %	-100 %
Thorium (m-LTFR)	195999 %	1245 %	2637090 %	Ambient	-99,9 %	-100,0 %	-100 %

Where do we need zero emission fuel infrastructure?

Odfjell fleet's bunkers profile last 12 months



1.200

Bunker operations

90

Bunker ports

Currently there is great uncertainty to which alternative fuel will see the highest adoption in the longer term

Betting the future on a **specific fuel** for tomorrow's vessels would be a high-risk strategy for Odfjell due to lack of infra-structure of zero emission fuels

Deep sea vessels built today cannot commit to zero emission operation from day one

While companies such as [A.P. Moller - Maersk](#), [Ardmore Shipping Corporation](#), [Exmar](#) and [Shell](#) have a hard time agreeing on the fuel solution of the future, they do agree on one thing.

The time to act is now.

"The way we choose to view this is that the time for sort of 'wait and see' is now entering the phase of 'do and act'," said [Mark Cameron](#) COO at Ardmore, during this week's [Capital Link](#) conference.

One of the solutions Ardmore has chosen to bet on is hydrogen.

Earlier in the week, ShippingWatch reported that [Wärtsilä](#) does not think hydrogen will play a significant role in shipping going forward.

Major players thus clearly disagree on which solution holds the greatest future perspective, with some saying that solutions may consist of a "mix".

[#shipping](#) [#maritime](#) [#energytransition](#) [#energy](#) [#renewableenergy](#) [#hydrogen](#) [#LNG](#) [#LPG](#) [#methanol](#) [#greentransition](#) [#greenhydrogen](#) [#fuel](#) [#bunker](#)



Solution – picking engine, not fuel type

Engine technology / Dual Fuel matrix						
FUEL / ENGINE TECH	Internal Combustion Technology			Fuel Cell Technology		Atomic
	Conventional ICE Diesel Cycle	Gas Injection LP Otto Cycle	Gas Injection HP Diesel Cycle	SOFC (Solid Oxide Fuel Cell)	PEM (Proton Exchange Membrane)	m-MSR (Marine Molton Salt Reactor)
HFO (Heavy Fuel Oil)	Design	Design	Design	2)	-	-
LSFO (Low Sulphur Fuel Oil)	Design	Design	Design	2)	-	-
LGO (Light Gas Oil)	Design	Design	Design	2)	-	-
Bio-Fuel	Design	Design	Design	2)	-	-
FAME	Design	Design	Design	2)	-	-
E-Fuels (Drop-in)	Design	Design	Design	2)	-	-
Natural Gas, LNG	-	Design	Design	2)	-	-
Synthetic Natural Gas	-	Design	Design	2)	-	-
Bio-Gas	-	Design	Design	2)	-	-
LPG (Liquified Petroleum Gas)	-	-	Retrofit	2)	-	-
Methanol	-	-	Retrofit	2)	-	-
Ethanol	-	-	Retrofit	2)	-	-
DME (Dimethyl Ether)	-	-	Retrofit	2)	-	-
Ammonia NH ₃	-	-	Retrofit ¹⁾	2)	-	-
Hydrogen H ₂	-	-	-	2)		-
Thorium	-	-	-	-	-	



Fuel Cell Project

Significant emission reductions at sea, with zero emission capability. Patented solution currently under construction, with Odfjell represented in the project group as the only ship owner. The fuel cell will be installed and piloted on Bow Orion after testing at Norwegian Catapult Centre

Features & Mechanisms

- CHEOP/CMP: Clean, highly efficient offshore power
- Solide oxide fuel cell (SFOC), with fuel-flex capability
- FC to be installed as a 1200 kW aux engine onboard one of the newest vessels over the next years.

Conservative Emission Reductions (on LNG):

35 % fuel oil consumption

45 % CO2 emissions

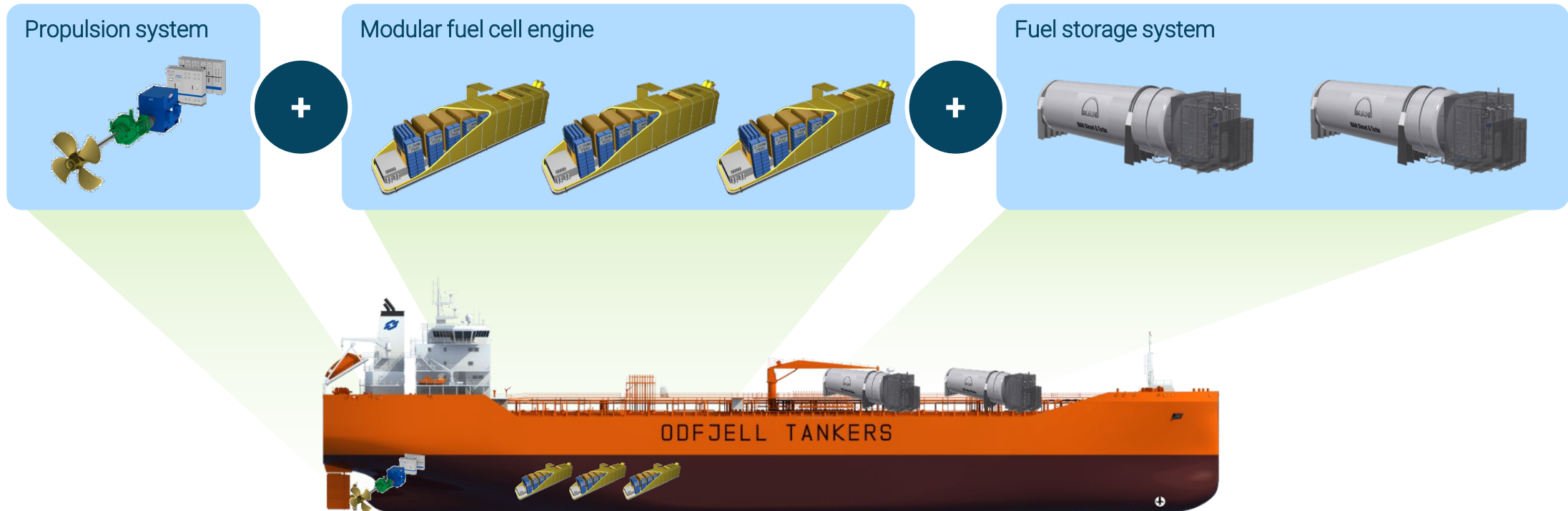
90 % Sox emissions

80 % NOx emissions

On ammonia, CO2 emissions will be **zero**



A fuel flexible system could consist of building blocks, and potentially also enable us to change other structures in our vessels



With fuel tanks on deck and a less complex engine structure, we could potentially move cargo holds towards rear to increase vessel cargo capacities

Solution – picking engine, not fuel type

Engine technology / Dual Fuel matrix						
FUEL / ENGINE TECH	Internal Combustion Technology			Fuel Cell Technology		Atomic
	Conventional ICE Diesel Cycle	Gas Injection LP Otto Cycle	Gas Injection HP Diesel Cycle	SOFC (Solid Oxide Fuel Cell)	PEM (Proton Exchange Membrane)	m-MSR (Marine Molton Salt Reactor)
HFO (Heavy Fuel Oil)	Design	Design	Design	2)	-	-
LSFO (Low Sulphur Fuel Oil)	Design	Design	Design	2)	-	-
LGO (Light Gas Oil)	Design	Design	Design	2)	-	-
Bio-Fuel	Design	Design	Design	2)	-	-
FAME	Design	Design	Design	2)	-	-
E-Fuels (Drop-in)	Design	Design	Design	2)	-	-
Natural Gas, LNG	-	Design	Design	2)	-	-
Synthetic Natural Gas	-	Design	Design	2)	-	-
Bio-Gas	-	Design	Design	2)	-	-
LPG (Liquified Petroleum Gas)	-	-	Retrofit	2)	-	-
Methanol	-	-	Retrofit	2)	-	-
Ethanol	-	-	Retrofit	2)	-	-
DME (Dimethyl Ether)	-	-	Retrofit	2)	-	-
Ammonia NH ₃	-	-	Retrofit ¹⁾	2)	-	-
Hydrogen H ₂	-	-	-	2)	-	-
Thorium	-	-	-	-	-	-



Closing remark: What must be in place for us to go zero emission?

1

TECHNOLOGY

Safe Fuel flex engines,
fuel systems and fuel tanks
commercially available for
our vessels

2

R&R

Rules and regulations,
technical codes, carbon
factors, TTW vs WTW,
Class requirements

3

INFRASTRUCTURE

Zero-emission fuels in our
main bunker ports:
ARA, Houston, Singapore,
Santos, ME, Korea

4

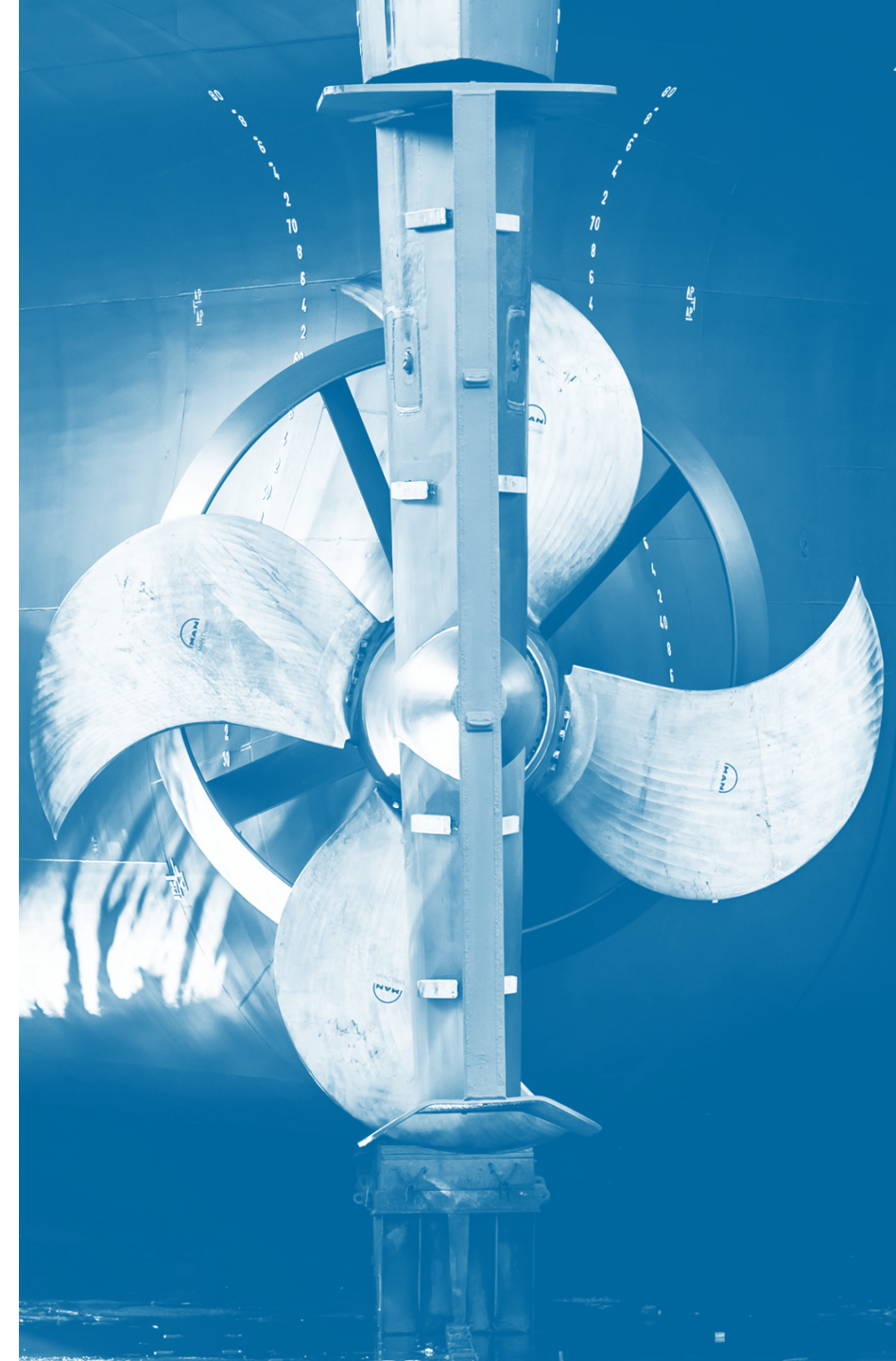
PRICE

Carbon tax/levy eliminating
the price gap between VLSFO
and the greener fuels until
only greener fuels are allowed

Summary

ZERO EMISSION

- Difficult to see what the future fuel will be and how IMO regulations will play out (carbon-factors)
- Zero emissions is not about technology, but zero emission fuel infrastructure/logistics – this is out of our control
- Challenge: Need to make new-build decisions before the picture is clearer
- Our next vessel will sail into 2050, and must therefore be zero-emission capable in order to meet the 2050 regulation
- Deep sea differs greatly in complexity compared to short sea (ref hydrogen and battery)
- For deep sea, **fuel flexibility** is key - and will de-risk and leave most doors open
- Our fuel flex fuel cell project answers directly to this
- Fuel-flex combustion engine also answers to this, and this technology is available



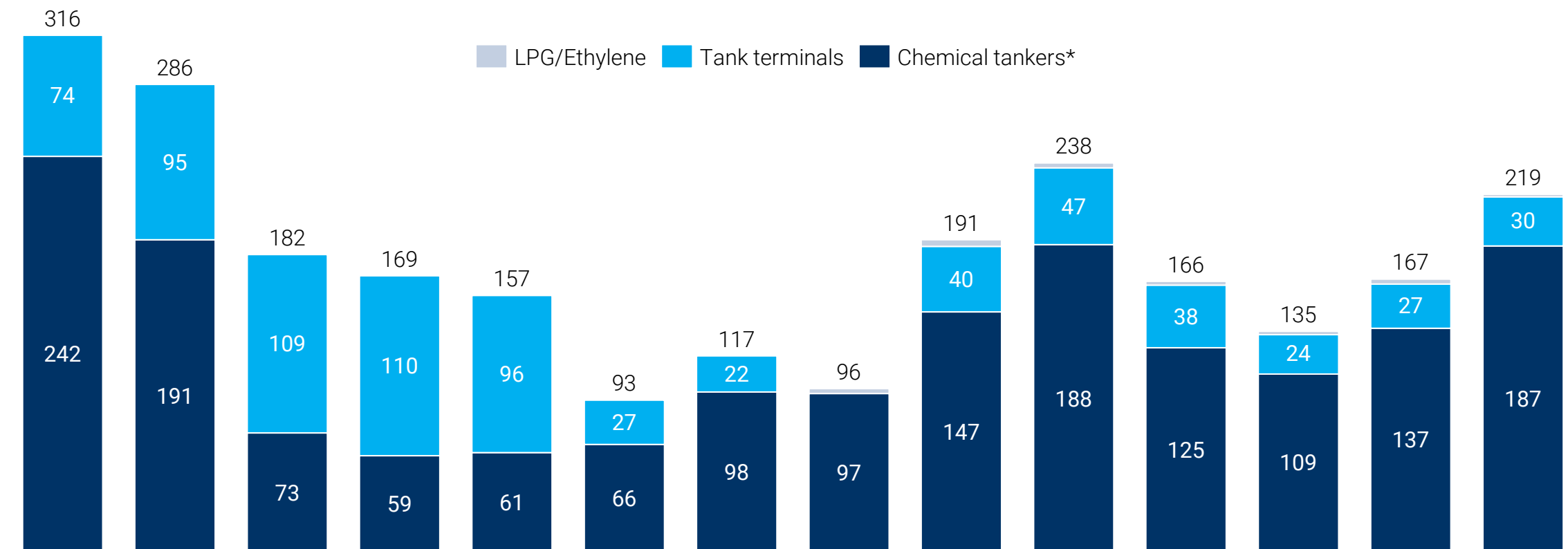


Finance update

Terje Iversen, CFO

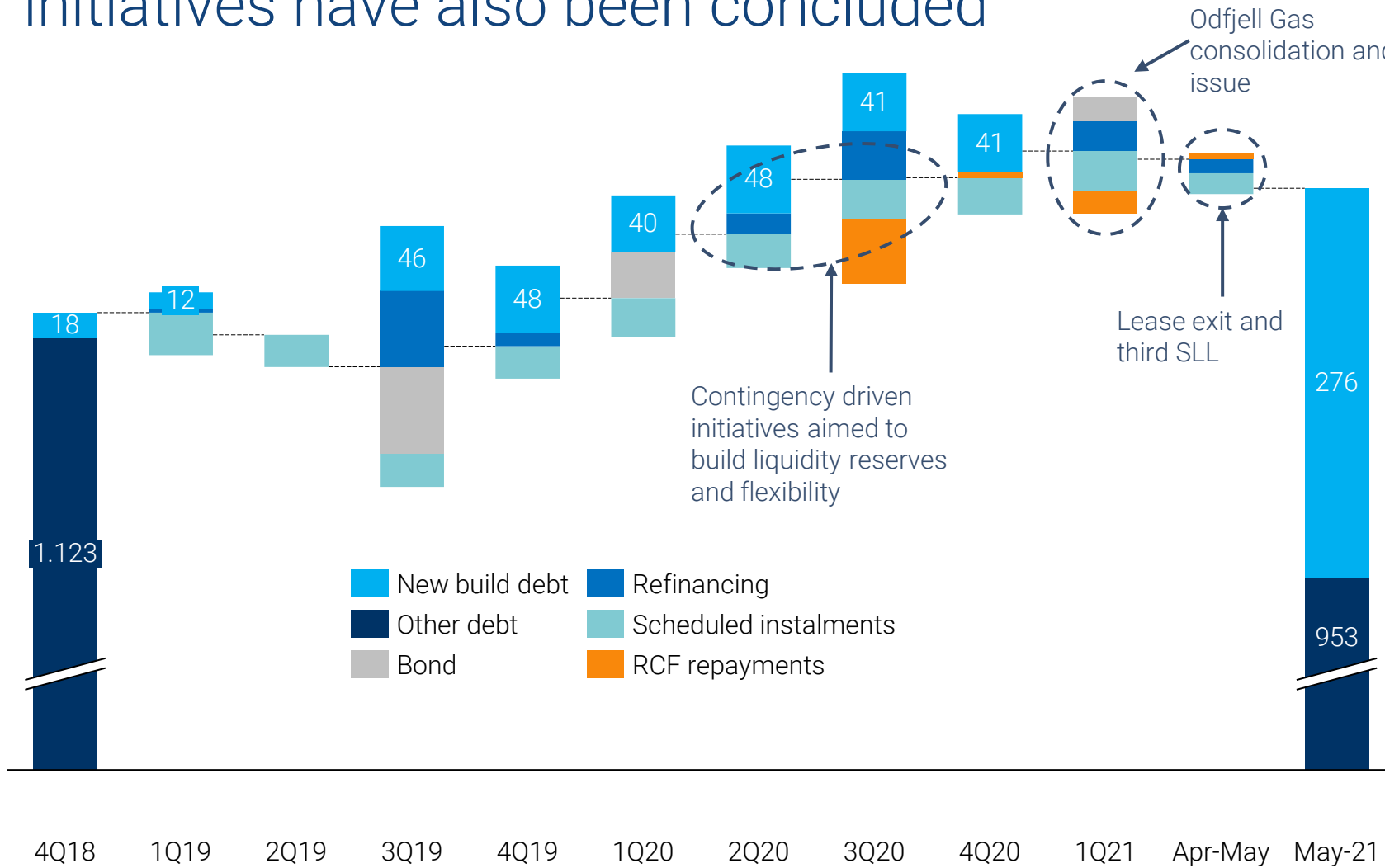
- Financial development
- Last years' debt development
- Recap of financing initiatives to reduce cash break-even
- Projected debt development and initiatives
- Free cash flow development
- Our financial strategy

Our financial performance has improved the last years, but we are still not where we want to be



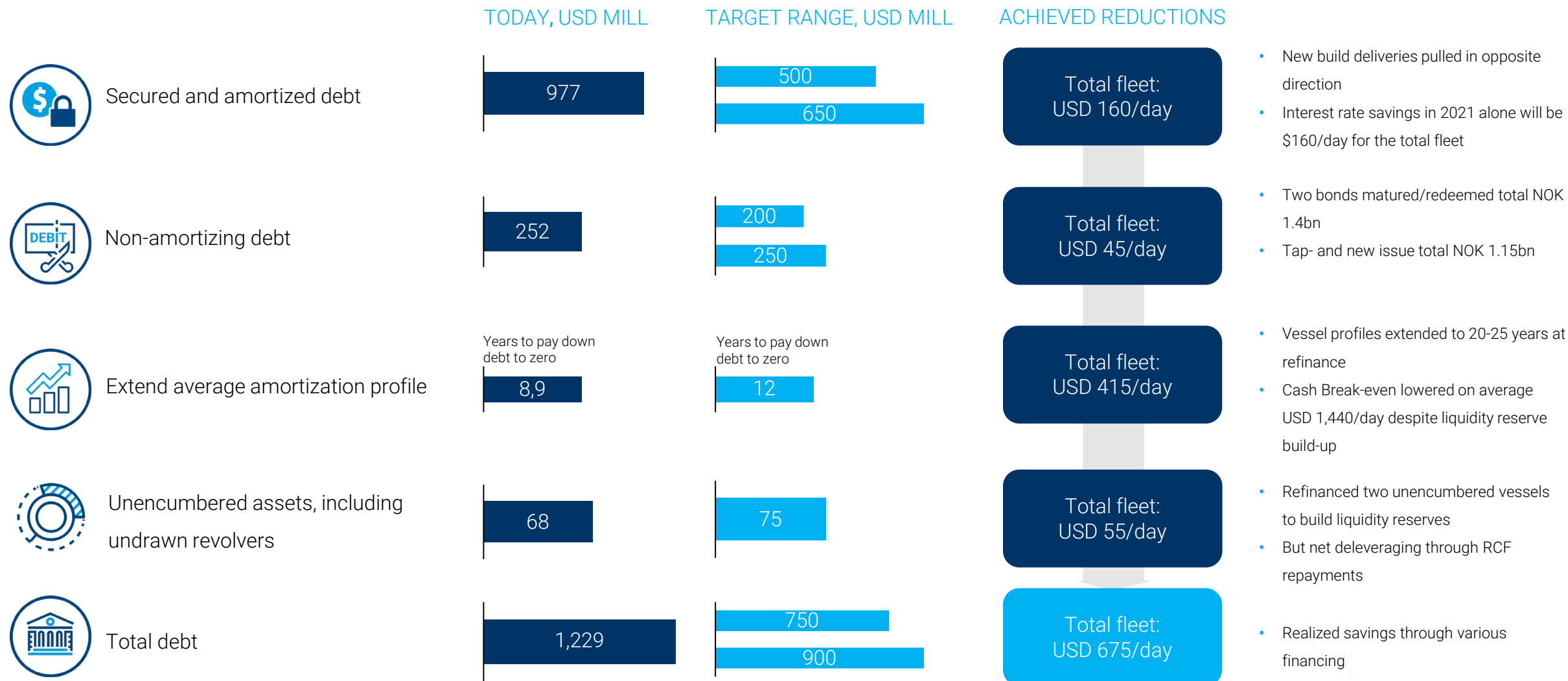
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Equity ratio*	28%	28%	34%	30%	39%	36%	37%	31%	33%	38%	41%	33%	31%	30%
LTV	33%	36%	50%	49%	56%	55%	45%	50%	56%	59%	62%	63%	63%	65%
Break-even	26,748	26,524	23,883	26,315	25,864	27,279	25,370	26,099	23,137	22,851	21,393	20,084	21,544	21,400
ROCE	12.0%	10.2%	3.6%	0.8%	2.5%	(2.0%)	(6.4%)	(0.9%)	1.7%	7.9%	8.8%	(8.1%)	2.8%	6.1%
ROE	(1.5%)	23.3%	14.9%	(9.4%)	30.6%	(11.6%)	(12.8%)	(10.8%)	(5.6%)	14.6%	11.8%	(29.8%)	(6.4%)	4.9%

Debt levels driven by newbuilding deliveries, but various deleveraging initiatives have also been concluded



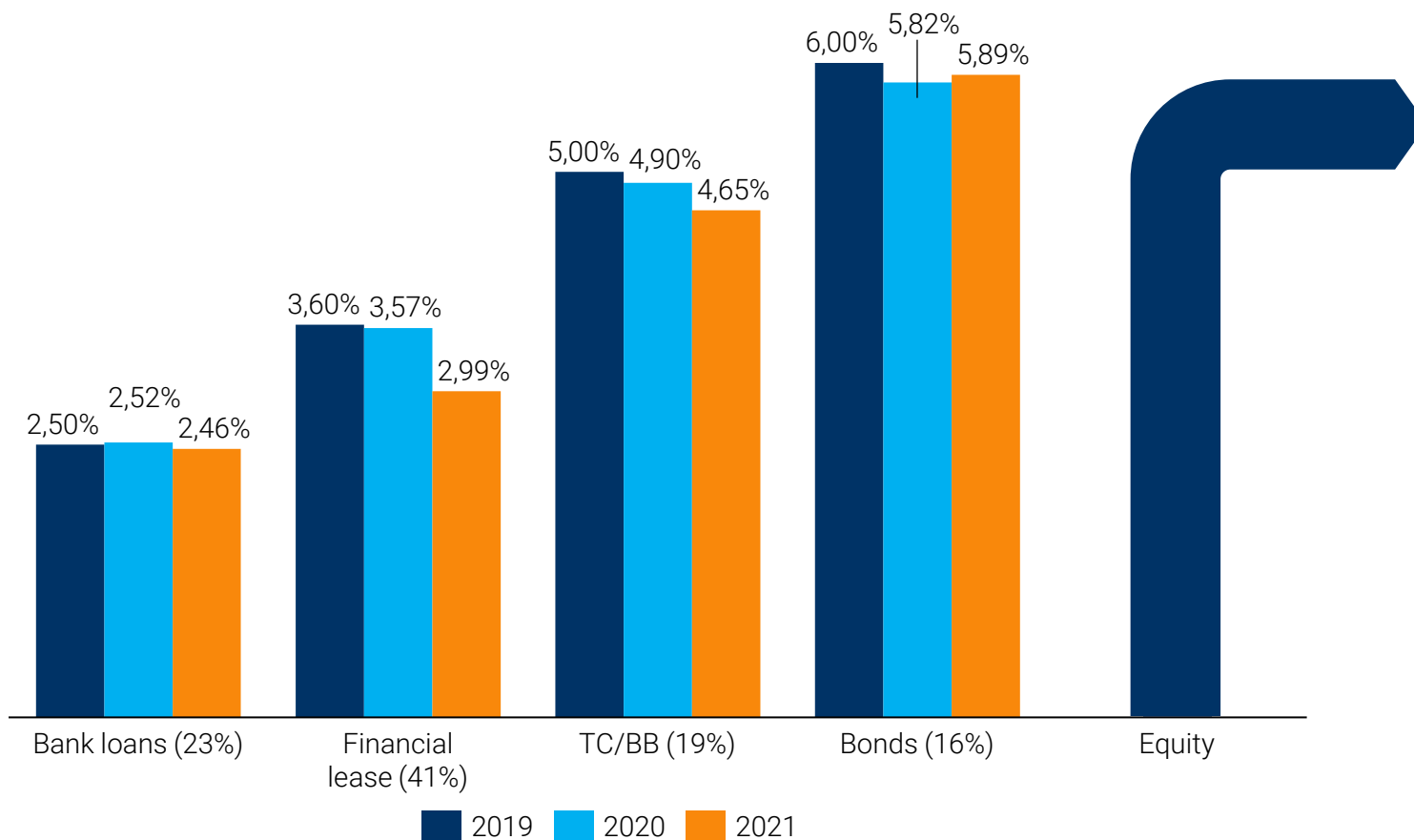
- Total USD 293m in new build debt was added over the years 2018-2020
- Since 2018, 'other debt' has been reduced by USD 160m, despite challenging market conditions
 - Building liquidity reserves through Covid-19 uncertainties, total USD 47.4m
 - Two bonds have been redeemed/refinanced and total bond debt reduced by USD 11.5m¹
 - Odfjell Gas consolidation adds USD 21m of debt to balance sheet in March, but overall LTV on the fleet is reduced
 - Reducing debt by USD 10m in May, and substantially improvement in break-even by moving two vessels from lease- to bank market
 - USD 70m repayments on revolving credit facilities to ensure sustainable interest expenses and high flexibility

Cash Break-even is being lowered in accordance with our financing strategy, and the trend is now set to accelerate



Cost of debt moves in the right direction, but our shares continue to trade at a significant discount to underlying values

FUNDING SOURCES & SHARE OF PORTFOLIO



EQUITY

ODFJELL TANKERS EXTERNAL FLEET VALUATION¹ (USD MILL) (EXCLUDES TC/BB VESSELS)

Market value fleet	1,581
Vessel debt	977
Net fleet value	603
% LTV	62%

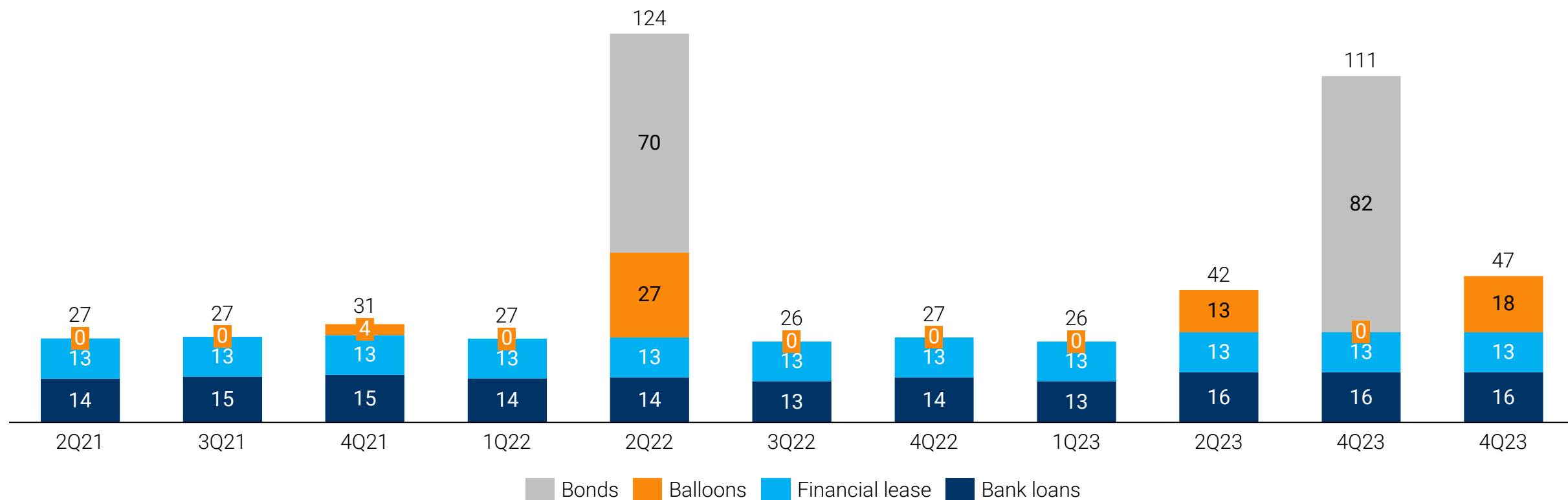
ODFJELL BOOK VALUE MAR-21 (USD MILL)

Odfjell Terminals book equity value	181
Total equity	569
Market cap (excl. treasury shares)	261
Net asset value ²	628

1. Per 31 May assuming 31 Dec. values (or values reconfirmed at a later date) amortized to recycling value over the economic life of the vessels
2. Per 31 Mar assuming 31 Dec. values (or values reconfirmed at a later date) amortized to recycling value over the economic life of the vessels

Limited refinancing need enables us to focus on optimizing our capital structure even further...

Scheduled repayments and upcoming maturities next three years



- Zero CAPEX commitments and no material balloons on chemical tanker debt
- Bond maturities are being addressed, but also represent opportunities to reduce debt and lower overall break-even

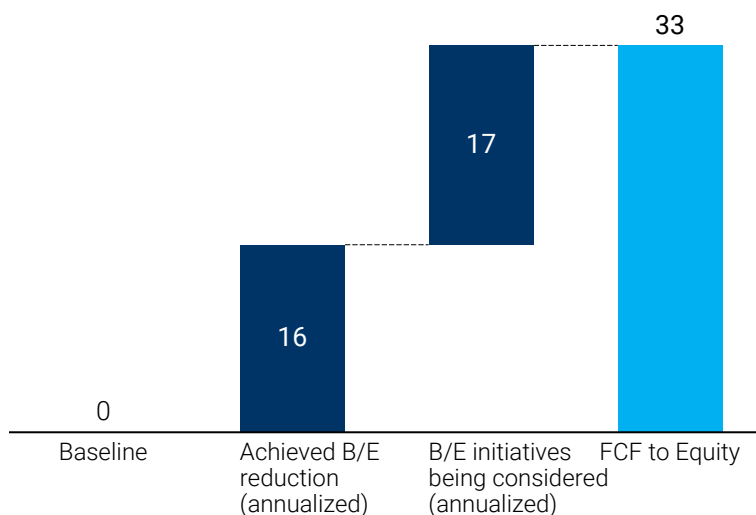
... and we have several tools to reduce debt and deliver on our deleveraging strategy

Examples of deleveraging initiatives currently being assessed

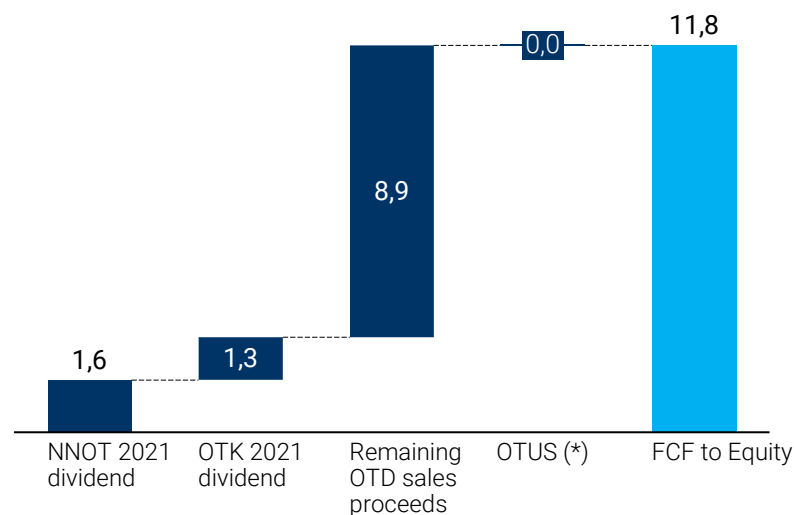
INITIATIVE	DESCRIPTION	TARGET DEBT EFFECT	ANNUALIZED SAVINGS / CASH EFFECT
Additional repayments on revolving credit facilities	<ul style="list-style-type: none"> • USD 70m repaid on the existing RCF (USD 54m undrawn outstanding per 31 Mar) • USD 98m additional capacity 	<USD 25m	~USD 500k
Early repayment of maturing loans	<ul style="list-style-type: none"> • 7 vessels on bilateral loans mature over the course of the next 12 months. Limited balloon instalments, total USD 30m • A few of the vessels are likely not to be refinanced in the bank market due to age • Early repayment of some of these facilities is being considered as an alternative to other (and higher yielding) medium term placements 	<USD 30m	~USD 740k
Move additional vessels from lease to bank market	<ul style="list-style-type: none"> • 9 vessels financed by high-LTV/high-cost structures. The average age of these is low at 3.6yrs 	USD 25-50m ¹	USD 6-12m (~USD 3,650/day per vessel involved)
Combine selected leases and mortgaged loans into one sustainability-linked loan	<ul style="list-style-type: none"> • Up to 10 vessels being considered in a LTV neutral transaction • Aimed to reduce break-even through profile and margin adjustments • Fleet loan vs. bilateral loans considerations 	~zero (LTV neutral)	~USD 5.7m (~USD 1,500/day per vessel involved)
Redeem bonds at maturity	<ul style="list-style-type: none"> • ODF09 matures in Jun 2022, total NOK 600m (USD 70m) • Redeem with proceeds from cash from b/s or lower yielding debt 	Up to USD 70m	Up to USD 4.1m

Gradual improvement of free cash flow to equity is paving the way for a sustainable dividend policy that is more linked to earnings

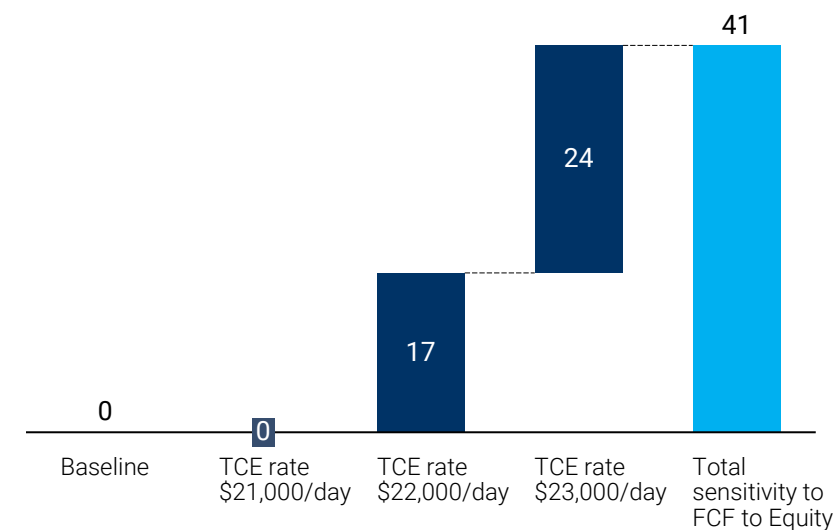
Financing initiatives is lowering break-even and facilitating wanted deleveraging...



... and there's positive cash flow from Terminals in 2021



Operating cash flow will also be earmarked dividends



- Several initiatives concluded since 2018
- Trend to accelerate with the completion of our new build program
- Achieved and new initiatives improve free cash flow to equity which contributes to deleveraging

- Steady positive cash flow from NNOT and OTK and moderate leverage
- Odfjell share of remaining cash in LG joint venture is approximately USD 8.9m
- Headroom under existing OTUS debt facility and positive cash flow from operations, but dividends will depend on future CAPEX

- 2022 projected break-even levels of \$21,300/day vs. long-term target of \$18,000-19,500
- Approximately USD 24m of free cash flow to equity generated for every \$1,000/day higher freight rates

Innovative, flexible and proven platform for issuing sustainability-linked securities

ODFJELL

DNV-GL

ODFJELL SE SUSTAINABILITY-LINKED FINANCE FRAMEWORK

PRE-ISSUANCE 2ND PARTY OPINION

Scope and objectives

ODFJELL SE Business Assurance Norway AS (hereafter referred to as "DNV GL") has been commissioned by ODFJELL SE (hereafter referred to as "ODFJELL" or "ISSUER") to provide a 2nd party opinion on ODFJELL's Sustainability-Linked Finance Framework dated 21 December 2020 (the "Framework").

ODFJELL is the parent company of ODFJELL Group, consisting of ODFJELL Tankers, ODFJELL Terminals and other subsidiaries/joint ventures. ODFJELL is specialized in the shipping of chemicals and liquids. ODFJELL is listed on the Oslo Stock Exchange and headquartered in Bergen, Norway.

The Framework enables issuance of Sustainability-Linked Bonds and Sustainability-Linked Loans (together referred to as "Sustainability-Linked Securities" or "SECURITIES"), in finance general purposes in ODFJELL, where ODFJELL commits to future sustainability improvements within a predefined timeline. ODFJELL will assess its sustainability performance against annual Sustainability Performance Targets (SPTs) for the period 2020 to 2025, providing a trajectory towards:

- Reducing the carbon intensity of its Controlled Fleet¹ by a minimum of 50% by 2025, compared to 2020

ODFJELL has chosen to measure performance against the SPT through one Key Performance Indicator (KPI):

- The Average Efficiency Ratio (AER) of the Controlled Fleet in gCO₂ per tonne-nautical mile

Our objective has been to provide an assessment on whether the Sustainability-Linked Securities to be issued under the Framework meet the criteria established on the basis set out below. The scope of this DNV GL opinion is limited to the Sustainability-Linked Bond Principles June 2020 (SLBP) set out by the International Capital Market Association (ICMA) and the Sustainability-Linked Loan Principles May 2020 (SLLP) set out by the Loan Market Association (LMA), AFPM and LSTA. Our methodology to achieve this is described under "Work Undertaken".

Responsibilities of the Management of ODFJELL and DNV GL

The management of ODFJELL has provided the information and data used by DNV GL during the delivery of this review. Our statement represents an independent opinion and is intended to inform ODFJELL, management and other interested stakeholders in the SECURITIES as to whether the established criteria have been met, based on the information provided to us. In our work we have relied on the information and the facts presented to us by ODFJELL. DNV GL is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimated, predicted, opinions, or conclusions are incorrect. Thus, DNV GL shall not be held liable if any of the information or data provided by ODFJELL's management and used as a basis for this assessment were not correct or complete.

¹ Controlled Fleet defined as ODFJELL's owned tonnage, chartered tonnage through wet and lump-sum chartered tonnage, joint venture where ODFJELL owns 50% or more, and ODFJELL's owned tonnage and ODFJELL's chartered tonnage.

ODFJELL SE Business Assurance Norway AS, Vestergaten 11, 5015, Bergen, Norway. TEL: +47 52 17 00 00. www.odfjell.no

ODFJELL

Bergen March 29, 2021

Sustainability-Linked Finance Progress Report for the calendar year 2020

Executive summary and comment by the Chief Sustainability Officer

We refer to the Sustainability-Linked Finance Framework (SLFF) of 21 December 2020.

This report is a status of the KPI under the SLFF, the Average Efficiency Ratio (AER) performance of the Controlled Fleet for the calendar year 2020. This report should be read in conjunction with the ESG report included in our annual report for 2020 published on 19 March 2021 for a complete update on our sustainability strategy and performance. The annual report is available on www.odfjell.no/annualreport2020

The year 2020 has been a remarkable year for pandemic, we have had a steady focus on our fleet transition plan's continued stable levels. DNV's verification and Fleet Transition Plan Review (FTPR) is available on www.odfjell.no/annualreport2020

We are pleased to report that our AER is below the Controlled Fleet was 8.29 versus a target to our Fleet Transition Plan's continued stable levels. DNV's verification and Fleet Transition Plan Review (FTPR) is available on www.odfjell.no/annualreport2020

ODFJELL is ahead of our trajectory and on track that alignment with the AER trajectory in any ODFJELL control, as the overall AER calculation, port, and port rotation program. Trading port developments, will also impact vessel AER.

1. KPI Performance and alignment with the We hereby confirm as follows:

AER for the Controlled Fleet per 31 December 2020

Period	2020
No. of assets included in the Controlled Fleet	1
Total carbon emissions	8,290 tCO ₂ e
Total tonnage	1,000,000 t
Total distance travelled	1,000,000 nmi

Key Performance Indicator (KPI) 2020:

Exposition to IMO DCS reporting

Sustainability Performance Target trajectory 2020

Alignment with the SPT trajectory

Work undertaken

Our work constituted a high-level review of the available information, based on the information provided to us by ODFJELL. Our work was performed on an information provided to us. The work undertaken to form our opinion include:

- Discussions with ODFJELL management and technology department
- Review of ODFJELL's Fleet Transition Plan dated 21 December 2020
- Review of implemented GHG reduction measures vs. planned in the Framework, thereby providing part of a credible trajectory for DNV Business Assurance Norway AS

Findings and DNV's opinion

On the basis of the information provided by ODFJELL and the work under Fleet Transition Plan dated 21 December 2020, data provide a clear that it is in line with the Framework, thereby providing part of a credible trajectory for DNV Business Assurance Norway AS

Oslo, 29th of March 2021

Mark Rubin
Senior Advisor

Mark Rubin
Senior Advisor

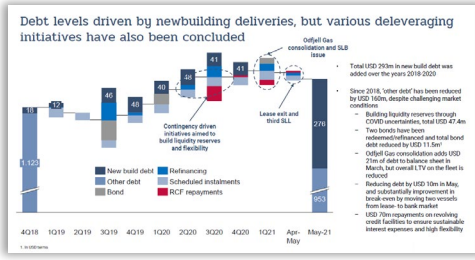
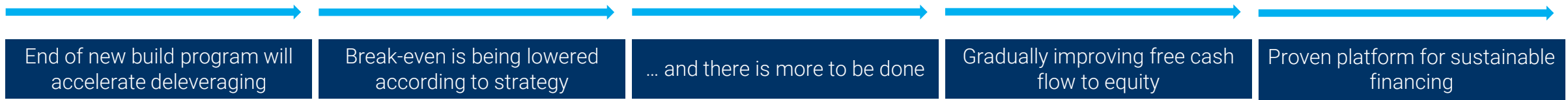
DNV Headquarters, Vestergaten 1, P.O. Box 300, 1322 Høvik, Norway. Tel: +47 61 30 30 00

FRAMEWORK AND 2ND OPINION FROM DNV

1ST PROGRESS REPORT, AER ALIGNMENT VERIFICATION AND FLEET TRANSITION PLAN REVIEW

- First sustainability-linked bond within shipping worldwide
- The framework is aligned with both sustainability-linked-loan and bond principles
- Solid reception by bond investors and lenders (including Poseidon banks)
- USD 215m securities issued under the framework (17% of interest-bearing debt)
- Modest direct pricing effect from achieving targets, but considerable indirect effect from improved access to capital
- Alignment with our SPT trajectory in 2020
- The sustainable market is fast evolving (maturing), and we will continue to develop to ensure we remain at the forefront of developments
- A combination of green and sustainability-linked financing could be fitting for future projects

Summary: on course with our finance strategy to reduce cash break-even to sustainable (and dividend generating) levels



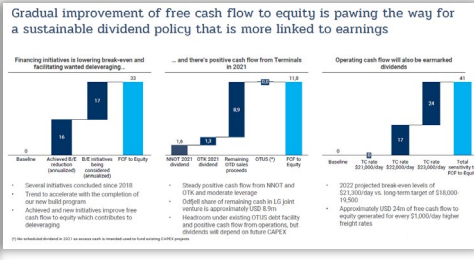
Break-even is being lowered in accordance with our financing strategy, and the trend is now set to accelerate

Description	Today, USD mill	Target range, USD mill	Achieved reduction	Comments
Secured and amortized debt	977	100-120	Total fleet USD 70/day	New build debtors pulled in opposite direction, interest rate savings in 2021 above will be \$10/day for the total fleet
Non amortizing debt	294	200-250	Total fleet USD 45/day	Two bonds redeemed/refinanced total NOK 1.4bn Tap and new issue total NOK 1.1bn
Extended average amortization profile	87	70-80	Total fleet USD 41.5/day	Vessel profiles extended to 20-25 years at reference break-even based on average USD 1,480/day despite liquidity reserves build-up
Unencumbered assets, including lock-in models	68	0%	Total fleet USD 10/day	Refinanced non-unencumbered vessels to build liquidity reserves But not deleveraging through RCF repayments
Total debt	1,299	100-150	Total fleet USD 170/day	Realized savings through vintage financing

... and we have several tools to reduce debt and deliver on our deleveraging strategy

Examples of deleveraging initiatives currently being assessed

Initiative	Description	Target debt effect	Annualized savings / cash effect
Additional repayments on revolving credit facilities	USD 70m repaid on the existing RCF USD 54m undrawn outstanding per 19 Mar	-USD 25m	-USD 50K
Early repayment of maturing loans	USD 70m repaid on the existing RCF USD 54m undrawn outstanding per 19 Mar	-USD 25m	-USD 50K
Move additional vessels from lease to bank market	11 vessels financed by high LTIV/high-cost structures. The average age of fleet is low at 5 years	USD 15-50m*	USD 6-12m (-USD 3,650/day per vessel loaded)
Redeem bonds at maturity	Combine selected leases and mortgages loans into one sustainability-linked loan	Up to USD 70m	Up to USD 4.1m



Innovative, flexible and proven platform for issuing sustainability-linked securities

- First sustainability-linked bond within shipping worldwide
- The framework is aligned with both sustainability-linked loan and bond principles
- Solid reception by bond investors and lenders (including Position bank)
- USD 215m occurred issued under the Framework (17% of interest bearing debt)
- Added direct pricing effect from achieving targets, but considerable indirect effect from improved access to capital
- Alignment with our GFT trajectory in 2020
- The sustainable financing market is fast evolving (maturing), and we will continue to develop to ensure we remain at the forefront of developments
- A combination of green and sustainability-linked financing could be fitting for future projects

- Access to attractive capital resources
- Accommodate operational strategy
- Competitive cost of capital
- Secure growth and flexibility
- Manage risk
- Attractive returns to shareholders



Odfjell in a stronger chemical tanker cycle

Bjørn Hammer, Global Head of Tanker trading

- Market outlook and impact on chemical tanker dynamics
- How we are positioned to capture a stronger chemical tanker cycle

The underlying drivers are in place for a stronger chemical tanker cycle, but we are not completely there yet...

Chemical demand is back...

End-user demand for chemicals has coped well during the pandemic and key markets are back to pre-covid levels

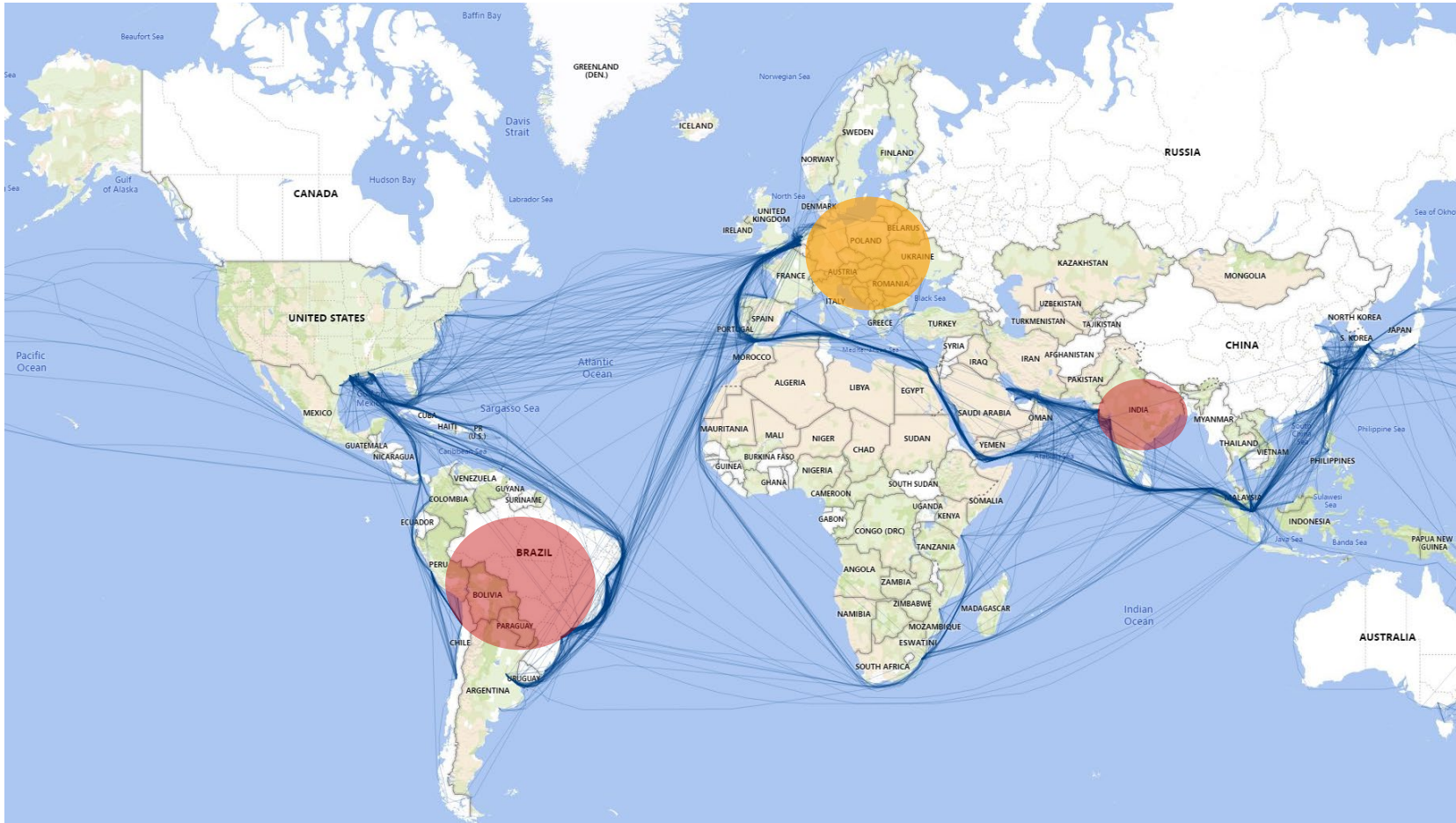
...Fleet growth remains limited...

Fleet growth has remained limited and growth from swing tonnage into our markets looks to have peaked

...Chemical tanker market not yet fully functional

Still there are remaining pieces that need to be in place before the chemical tanker market become fully functional again

Lockdowns need to be eased in all key markets to make the chemical tanker market fully functional again

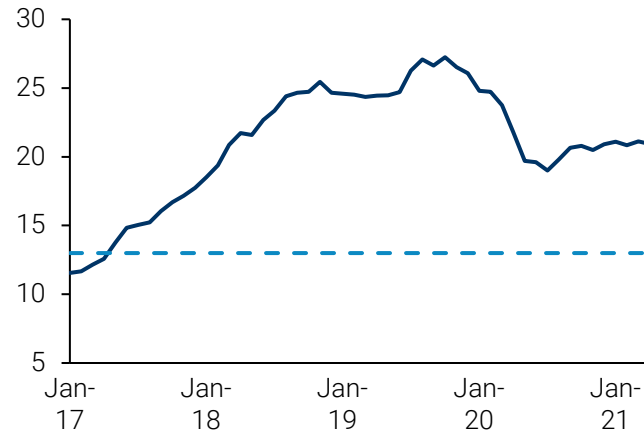


The global chemical tanker market is currently very challenging

- The majority of key demand centres has recovered well during/after the pandemic...
- ...However, we are depending on all key markets to get attractive roundtrip economics...
- ...Meaning, every time we have seen increased lockdowns, roundtrip economics are immediately challenged...
- ...Today we are seeing the European markets beginning to recover...
- ...Leaving South America and India the remaining puzzles to be solved...
- ...And lastly, we are seeing challenges from the outburst in South East Asia
- When the last lockdowns are history, the underlying strong fundamentals will become visible and we are able to optimize the use of our vessels and achieve healthy economics

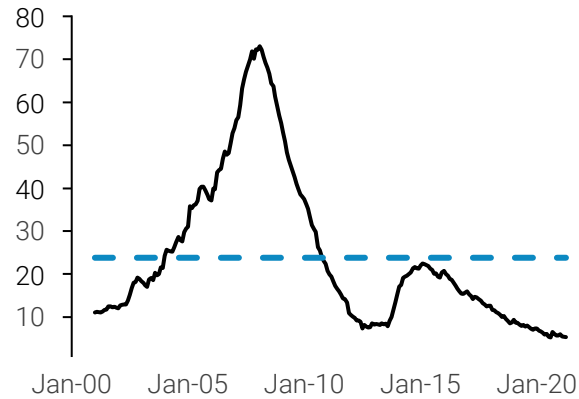
Demand has never been the issue for chemical tankers, the underlying supply drivers are strong and will lift our markets yet again

The supply outlook remains under control with a historically low orderbook while swing tonnage competition is expected to reverse in the years to come



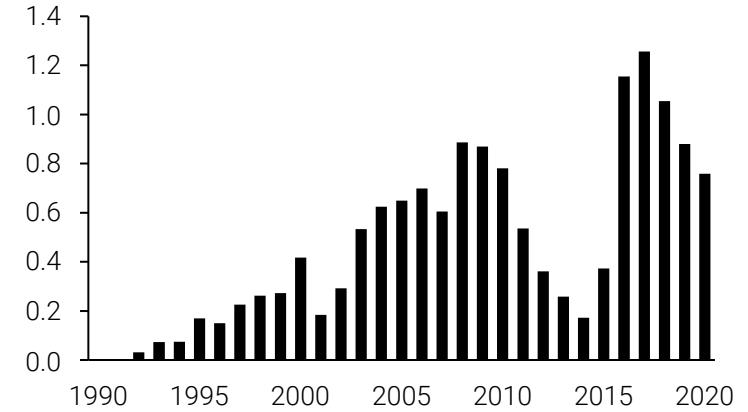
SWING TONNAGE (%)

Swing tonnage into our markets looks to have peaked. With inventory levels for CPP normalizing, increased mobility lifting demand and limited fleet growth, we expect CPP markets to improve and ease supply pressure from product tanker tonnage in the years to come



ORDERBOOK SIZE (%)

Orderbook to fleet ratio stands at 4.8% and although we have seen some orders lately, the supply growth the next years is under control



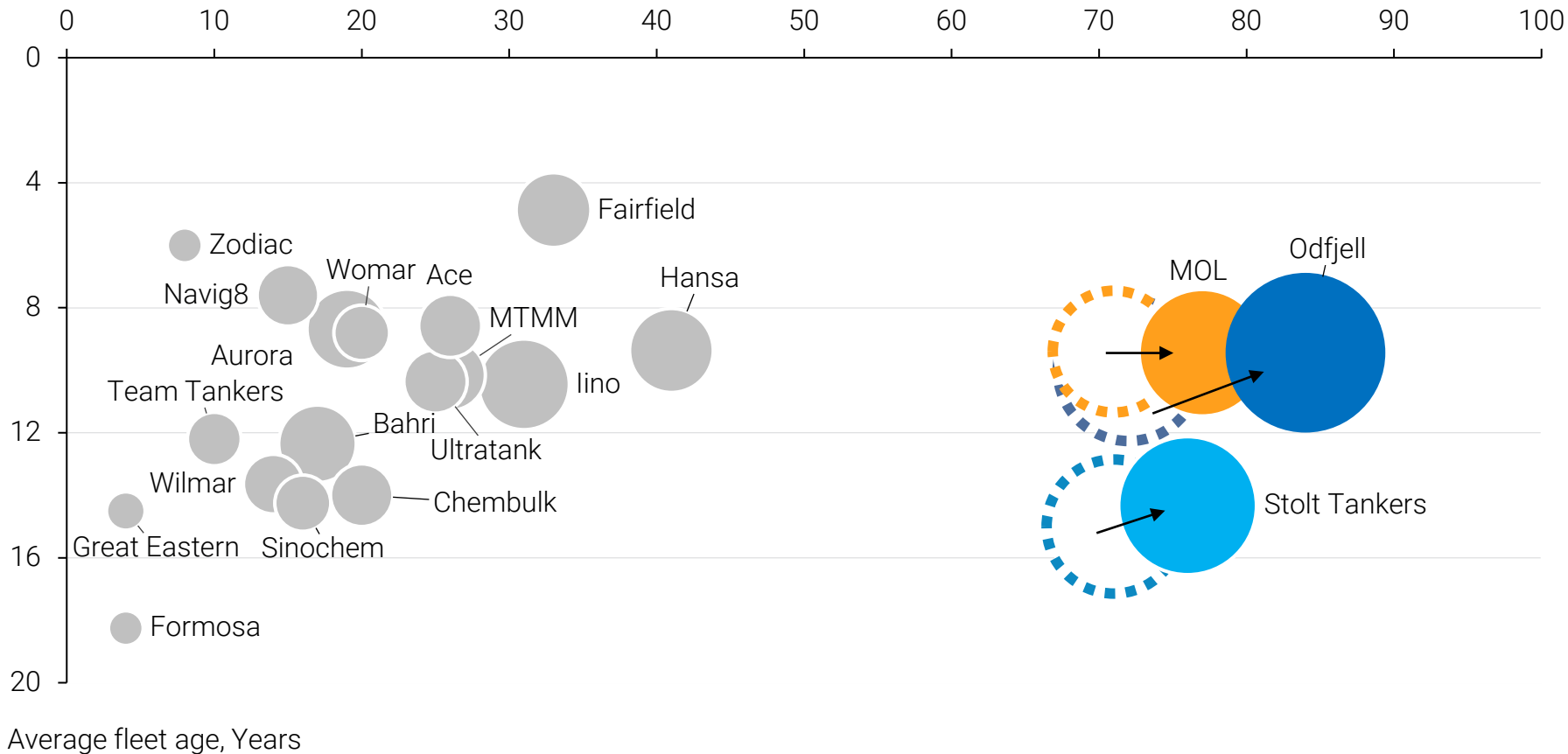
FLEET AGE DISTRIBUTION (MILL DWT)

6.1% of current chemical tankers will be above 25 years and 18% will be above 20 years by 2023. Supersegregators are overrepresented in the over 25 years category

Consolidation has helped our markets already and we believe in continued consolidation as financial investors are still in divestment mode

Operated fleet and order book, rebased to December 2021¹

CORE DEEP SEA FLEET (CURRENT OPERATED FLEET AND ORDER BOOK), # OF VESSELS



- During the last five years we have seen a gradual increase in consolidation in the chemical tanker market
- This trend is expected to continue as financial investors are still in divestment mode
- While the spot market will remain competitive due to strong competition from swing tonnage and many chemical tanker players...
- ...The consolidation is pivotal to make competition in the COA market less fragmented

Source: Odfjell Fleet Overview

Core deep sea defined as: more than 13 tanks, average CBM/tank less than 3000, IMO 2 capacity and is considered a "core chemical operator". Not accounting for recycling

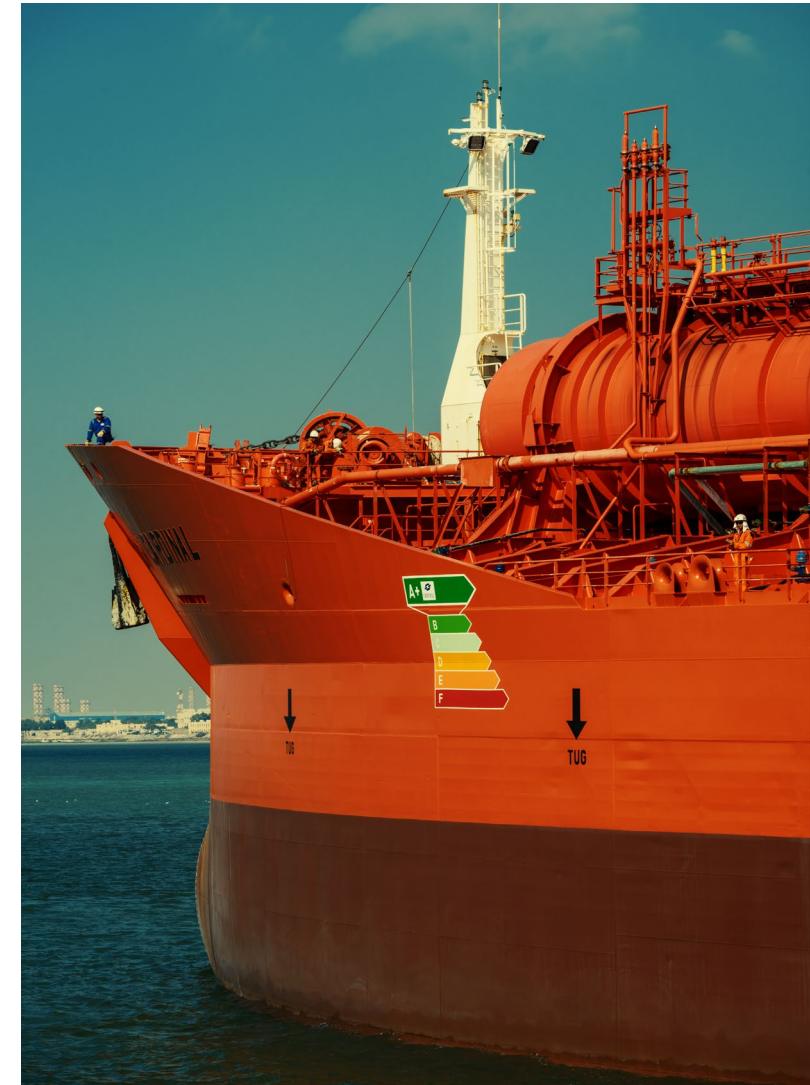
After many years in the doldrums, the stronger markets are set to change the dynamic in ship owner's favor

IMPROVED DYNAMICS IN SPOT MARKET

- Recovery of demand in remaining key markets post pandemic will bring global chemical tanker demand back to the positive trajectory we saw prior to Covid
- Supply outlook remains under control as swing tonnage will leave chemical tanker market and the ageing chemical fleet is not renewed as newbuilding activity remains at record low levels

IMPROVED COA DYNAMICS

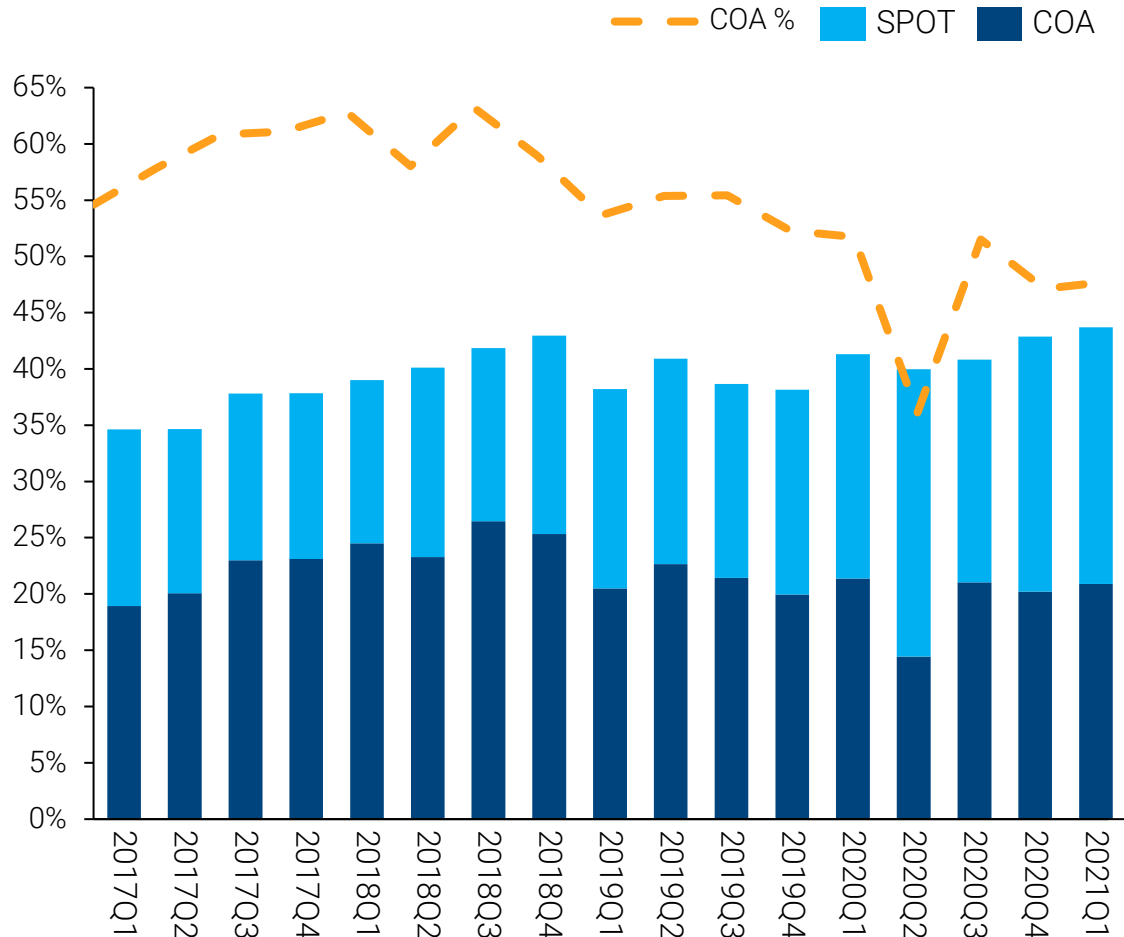
- Stronger spot market reduces owner's willingness to pursue CoA volumes
- The ongoing consolidation leads to less a fragmented market for contract volumes giving owners the opportunity to optimize contract portfolios and increase contract rates



Agenda

- Supply Outlook
- How we are uniquely positioned to capture upside in market

Our trading platform is designed to give us full flexibility to capture the upside and limit the downside



GLOBAL TRADING PATTERN

Presence in all major deep sea chemical trade routes

MARKET KNOWLEDGE

Organization with worldwide presence and solid understanding of both COA and Spot markets

DIVERSIFIED COA PORTFOLIO

Well diversified contract portfolio with more than 90 different CoAs across trades and products

VERSATILE FLEET

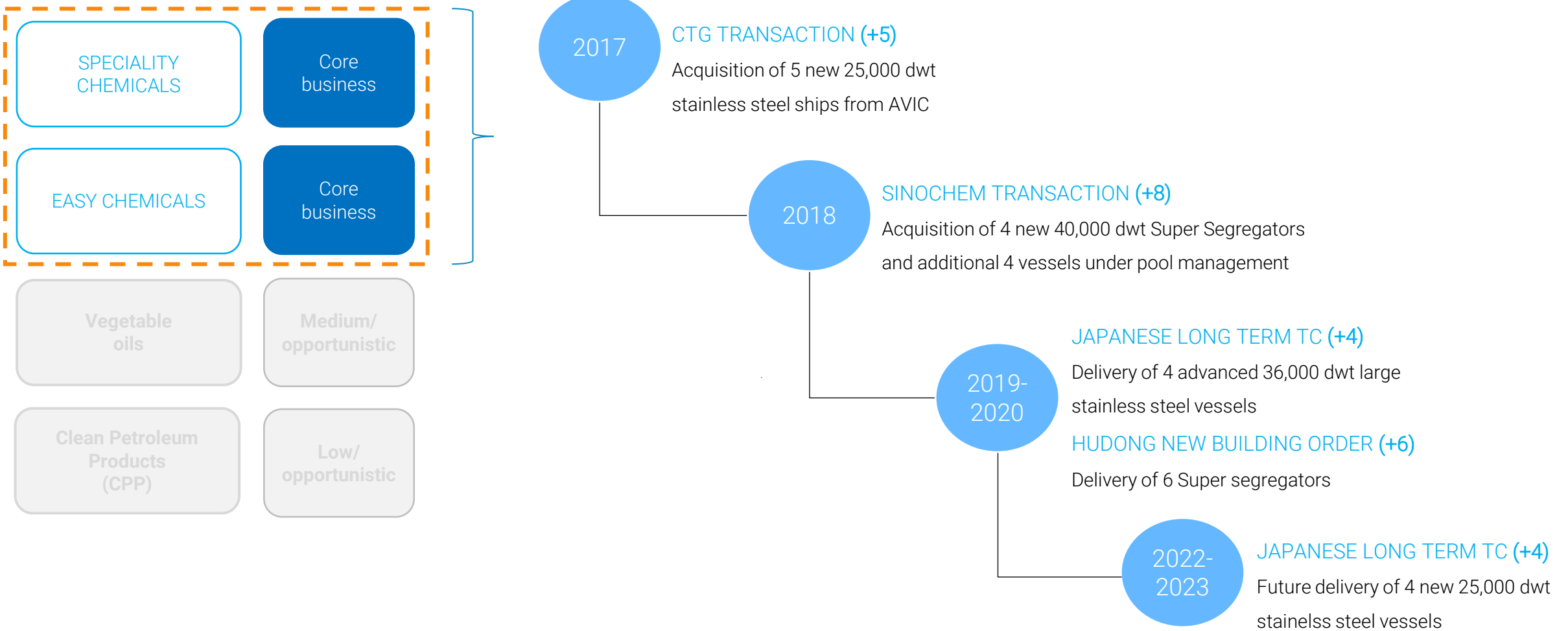
Large interchangeable fleet capable of carrying anything from speciality chemical programs to full cargo CPP

We operate in four different market segments with different characteristics and market outlooks

Odfjell operational dynamics and cargo characteristics

		CHARACTERISTICS	MARKET OUTLOOK
SPECIALITY CHEMICALS	Core business	<ul style="list-style-type: none"> High barriers to entry & consolidated market High COA coverage 	<ul style="list-style-type: none"> Mature market with growth +/- GDP levels Continued benefit from market consolidation Capable stainless steel tonnage in structural decline
EASY CHEMICALS	Core business	<ul style="list-style-type: none"> Medium barriers to entry & fragmented market Bigger lot sizes Mixed COA and spot coverage 	<ul style="list-style-type: none"> Fast growing market driven by structural shifts in the chemical industry Reduced competition from coated IMO 2 MR tonnage expected
VEGETABLE OILS	Medium/opportunistic	<ul style="list-style-type: none"> Low barriers to entry & fragmented market Big lot sizes often up to full cargo Mainly spot exposure and often back-haul routes 	<ul style="list-style-type: none"> Mature market with growth at +/- GDP levels Fast growth in trade of biofuels expected the next 3 to 5 years To be less preferred by product tankers
CLEAN PETROLEUM PRODUCTS (CPP)	Low/opportunistic	<ul style="list-style-type: none"> Low barriers to entry & fragmented market Full cargo Only spot exposure 	<ul style="list-style-type: none"> Mature market boosted by trading activity to grow at GDP+ Refinery throughput expected to increase in 2H21 after hike in crude production Inventory destocking approaching an end

We have the most modern fleet within our core markets, leaving us with lower unit costs through reduced fuel consumption and increased cbm...



...In addition, we are uniquely positioned to capture the growth and opportunities within easy chemicals, vegetable oils and CPP with our larger coated fleet



As result, we operate the largest and most flexible deep-sea fleet in our industry able to capture opportunities within each market segment

	SUPER SEGREGATORS 33 vessels	LARGE STAINLESS STEEL 12 vessels	MEDIUM STAINLESS STEEL 19 vessels	REGIONAL 7 vessels	COATED 21 vessels
SPECIALITY CHEMICALS	✓	✓	✓	✓	✗
EASY CHEMICALS	✓	✓	✓	✓	✓
VEGETABLE OILS	✓	✓	✓	✓	✓
CPP	✓	✓	✗	✗	✓

Our platform is well positioned to capture the market upside in the years to come

Positive Market Outlook	Demand is expected to recover and supply outlook remains under control
Strong Trading Platform	Designed to give us full flexibility to capture the upside and limit the downside
Most competitive speciality tonnage owner	Lower unit costs through reduced fuel consumption and increased cbm
Unique split of stainless steel and coated tonnage	Positioned to capture the growth and opportunities within easy chemicals, vegetable oils and CPP



Final remarks

Kristian Mørch, CEO

Summary

We are well prepared and positioned to capture near-term and de-risk the long-term

Short-term Covid-19	We have focused on operations, operations, operations but we have also succeeded by meeting several milestones
Short-term Market outlook	Chemical demand already back on track and supply outlook remains very favorable
Short-term How we are positioned	We have a unique platform designed to capture the upside in a chemical tanker cycle
Long-term Energy transition	A clear strategic priority to maintain our leadership position on having the lowest carbon emission within our segment
Long-term Finance update	High focus on de-risking our balance sheet and improving our free cash flow generation

Contact

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