



Second quarter/First half 2021 report

August 19, 2021



ODFJELL

# Second quarter and First Half year 2021 report

## Highlights – 2Q21

- Slightly improved results driven by operational improvements as the chemical tanker market remained challenging
- Timecharter earnings in Odfjell Tankers of USD 123 mill compared to USD 120 mill 1Q21
- Net result contribution from Odfjell Terminals of USD 1 mill, in line with previous quarter
- EBIT of USD 11 mill compared to USD 8 mill 1Q21
- Net result of USD -8 mill compared to USD -16 mill 1Q21
- A minor part of our COA portfolio was renewed since last reporting with rate renewals up 5%

## Subsequent events

- Entered into a sales agreement for our two Ethylene/LPG carriers to BW EPIC Kosan Ltd with proceeds received partly in cash and partly in freely transferable shares

## Key figures, USD mill

(USD mill, unaudited)	3Q20	4Q20	1Q21	2Q21	2Q20	YTD21	YTD20
<b>Timecharter earnings</b>	128.4	125.0	120.4	<b>123.4</b>	137.4	<b>243.8</b>	259.1
Total opex, TC, G&A	(64.5)	(65.9)	(67.9)	<b>(67.3)</b>	(63.7)	<b>(135.4)</b>	(127.5)
Net result from JV's	<b>0.9</b>	<b>0.0</b>	<b>0.8</b>	<b>0.5</b>	<b>11.7</b>	<b>1.3</b>	12.6
EBITDA	64.9	59.0	53.2	<b>56.6</b>	85.5	<b>109.7</b>	144.2
<b>EBIT</b>	<b>26.1</b>	<b>17.6</b>	<b>7.8</b>	<b>11.1</b>	<b>48.7</b>	<b>18.9</b>	<b>71.3</b>
Net financial items	(21.1)	(19.9)	(22.1)	(18.3)	(16.8)	(40.3)	(42.8)
<b>Net result</b>	<b>3.9</b>	<b>(2.6)</b>	<b>(15.6)</b>	<b>(7.8)</b>	<b>30.9</b>	<b>(23.4)</b>	<b>26.5</b>
EPS**	0.05	(0.03)	(0.20)	(0.10)	0.39	(0.30)	0.34
ROE***	3.5 %	(2.0 %)	(9.9 %)	<b>(6.4 %)</b>	13.6 %	<b>(8.2 %)</b>	7.4 %
ROCE***	5.4 %	3.6 %	1.5 %	<b>2.1 %</b>	8.2 %	<b>1.9 %</b>	6.9 %

\*Includes figures from Odfjell Gas

\*\*Based on 78.8 million outstanding shares

\*\*\* Ratios are annualised

"We continue to operate well, but the near term market remains unpredictable due to Covid-19 and the weak CPP markets. We maintain our fundamentally positive view on the chemical tanker markets and the markets in the key hubs for our terminals, but the third quarter is usually a seasonally slow quarter, which together with a continued challenging CPP market may result in a slightly weaker 3Q21 compared to 2Q21".

*Kristian Mørch, CEO Odfjell SE*

# Result development

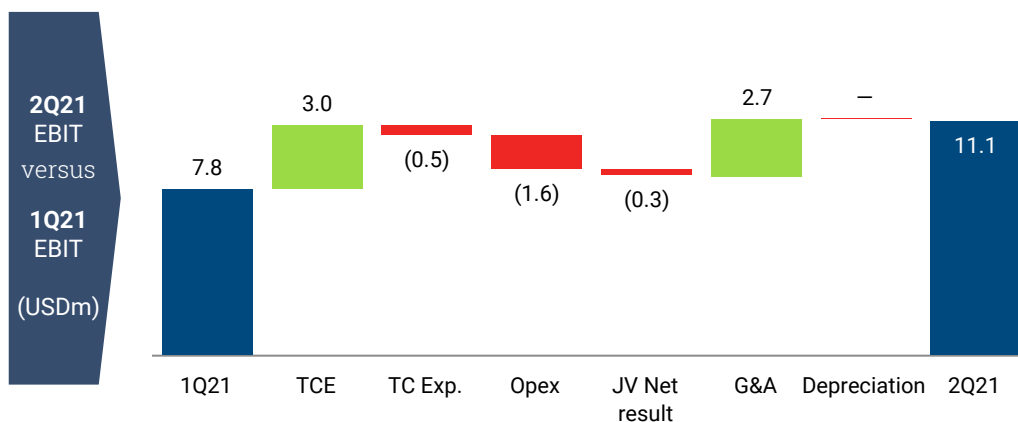
## Profit & Loss

In 2Q21, the company reported timecharter revenues of USD 123 mill compared to USD 120 mill in 1Q21. In a quarter with high number of offhire days due to scheduled drydockings, the slightly improved TC earnings reflect easing of the negative effects from the Texas freeze during the quarter leading to increased volumes and fleet utilization. The commodity chemical tanker market remained challenging.

Operating expenses increased by USD 1.6 mill compared to previous quarter related to higher insurance cost. We reduced G&A by USD 2.7 mill. EBIT including net result from Odfjell Terminals of USD 1 mill was USD 11 mill compared to USD 8 mill in 1Q21.

Net result was USD -8 mill compared to USD -16 mill in 1Q21. Excluding one-offs and extraordinary items, net result was USD -10 mill compared to USD -14 mill previous quarter.

Cash break-even in 2Q21 was USD 20,990/day improving compared to a break-even of USD 22,924/day in 1Q21. Break-even is projected to be approximately USD 21,300/day in 2021.



## Balance sheet & Cash flow

Odfjell's cash balance end 2Q21 was USD 57 mill plus undrawn commitments on long-term bank facilities of USD 54 mill, resulting in total available liquidity of USD 111 mill. Scheduled installments and capital repayments on mortgaged loans and leases totaled USD 23 mill in 2Q21, and we reduced interest-bearing debt by an additional USD 10 mill through the refinancing of four vessels, in line with our financial strategy.

Working capital stabilized during the quarter, despite the rising fuel costs, but this is still on the high-side. Net cash flow from operating activities was USD 37 mill in 2Q21.

## Corporate Development

We have signed an agreement to sell our two LPG/Ethylene carriers to BW Epic Kosan Ltd (BWEK). The transaction is expected to close in 4Q21. The purchase price will be settled partly in cash and partly in freely transferable shares in BWEK. The pro forma 30 June balance sheet effect is a reduction in total debt of USD 20 mill, resulting in an improvement in our equity ratio of 0.4%. Final outcome to Odfjell will depend on BWEK's share price at a point of realization, and a smaller earn-out due in 1H23. The sale will result in a minor positive impact on our P&L in 4Q21 and this will conclude our exit from the Chemical Gas segment.

Key figures (USD mill)	31.12..20	31.03..21	30.06..21	30.06..20
Cash and available-for-sale investments	103.1	71.9	56.9	148.4
Interest bearing debt	1,238.6	1,231.9	1,198.8	1,192.2
Debt, right of use assets	269.2	278.3	259.7	285.0
Net debt	1,404.7	1,438.3	1,401.5	1,328.9
Available drawing facilities	41.9	57.9	53.8	—
Total equity	575.9	569.1	562.5	549.6
Equity ratio	25.9 %	25.5 %	25.9 %	25.1 %
Equity ratio in covenants (IFRS 16 Adj.)	29.5 %	29.1 %	29.4 %	28.8 %

## Chemical Tankers

The commodity chemical tanker market remained challenging during the quarter. The negative impact from the Texas freeze still impacted the market but the effects eased during the quarter, and markets began to normalize, although still at depressed levels. New deliveries of dedicated chemical tanker tonnage remains low and the main challenges relate to volume disruptions related to Covid-19, and a historically weak CPP market leading to supply pressure from swing tonnage.

Speciality chemicals in our COA portfolio saw increased volumes, driven by a marginal recovery from the Texas freeze and improved volumes from areas still affected by Covid-19. Availability of spot volumes had large regional variations, with a lackluster market in the Atlantic Basin while Asian spot volumes were strong as they replaced US and Middle Eastern exports to supply the western hemisphere this quarter.

Off-hire days increased compared to the previous quarter. This was related to regular dockings, of which 261 days of 579 off-hire days was related to external pool ships.

Key result drivers	2Q20	3Q20	4Q20	1Q21	2Q21
TCE/day*	22,523	21,235	21,102	19,676	20,143
Average annual break-even (2021 estimate)	21,386	21,386	21,386	21,300	21,300
Total volumes carried (Million tonnes)	3,8	3,8	4,1	4,0	4,2
– Volumes Odfjell vessels	3,2	3,1	3,3	3,0	3,3
– Volumes external pool vessels	0,6	0,7	0,8	1,0	1,0
– COA volumes	1,3	1,9	1,9	1,9	2,1
Total calendar revenue days	7,344	7,528	7,610	8,058	8,391
Commercial revenue days	7,166	7,150	7,266	7,751	7,908
Commercial revenue days - external pools	1,067	1,130	1,309	1,637	1,747
Off-hire days	178	378	293	343	579
Fleet (number of vsls/Mdwt)	82/2.8	83/2.9	89/3.1	91/3.3	94/3.5

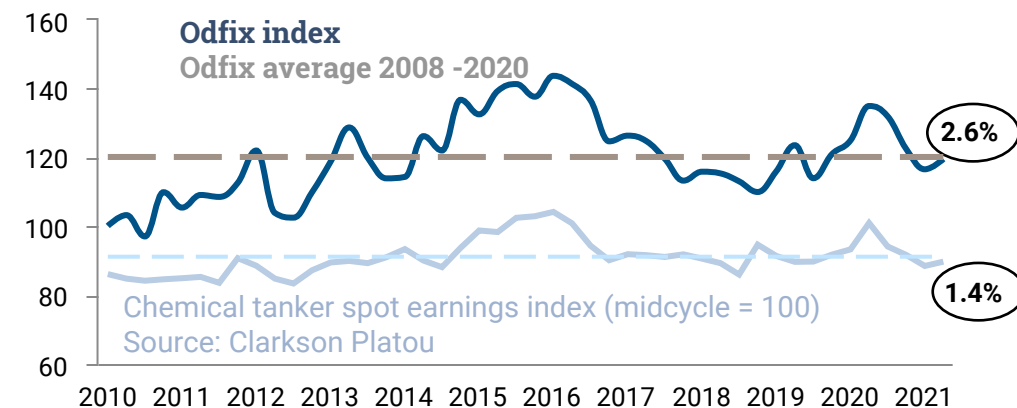
COA coverage was 50% in 2Q21 and COA volumes increased compared to the previous quarter. We renewed a minor part of our COA portfolio since last reporting, of which average COA renewal rates were up 5%.

We took delivery of two externally owned vessels to our newly established pool of 33,000 dwt large stainless steel tankers during the quarter. One externally owned 25,000 dwt vessel will enter our CP25 pool in August.

During the quarter, we initiated a further efficiency project. This is to ensure that we continuously improve our efforts and tools to operate as cost effective as possible and keep looking into areas where we can reduce costs further. The identified initiatives will be implemented through 2H21 and into 2022.

We have zero outstanding newbuilding capex. Future capex end 2Q21 only includes drydocking expenses and investments related to energy efficiency initiatives in our fleet.

### ODFIX vs Clarksons Chemical tanker spot earnings index



# Tank Terminals

## Overview

In spite of challenging circumstances due to Covid-19, all terminals managed by Odfjell continued to maintain safe and efficient operations.

## Market development

The commercial occupancy of the terminal portfolio ended at 94.8% in 2Q21, as compared to 95.9% in 1Q21. The negative variance mainly relates to a reduction in the occupancy level at the terminal in Korea. In terms of activity levels (throughput and handlings), the terminals experienced a significant pick-up in 2Q21 as compared to 1Q21. The pick-up largely relates to the Houston terminal recovering from the two Force Majeure events that took place at our terminal in Houston in 4Q20/1Q21.

The US market is still being impacted by low inventory levels and an unbalanced value chain. At the end of 2Q21, the US experienced an increase in inquiries for storage. With production in the Houston area mostly being back-on-track, we expect to see a continued recovery in storage demand in 2H21.

In Europe, Antwerp noted another strong quarter with the highest activity levels experienced at the terminal since the outbreak of COVID-19.

In Asia, our terminal in Ulsan experienced a moderate reduction in occupancy levels during 2Q21. This was in part caused by lower production in the region and the continued threat of COVID-19 negatively impacting oil, petrochemical and base oil demand. The business environment for petrochemicals in Korea is expected to improve in 2H21 together with a continued increase in exports as the US and Chinese economies recovers.

## Capital expenditure & expansions

- In Antwerp, the construction of an additional 35k cbm of stainless steel capacity is progressing according to schedule. The new tankpit will be operational during 2Q22
- At Odfjell Terminals US, the digital transformation program encompassing both Houston and Charleston is ongoing
- The events in 4Q20 and 1Q21 at Houston have contributed to a delay in the engineering of the Bay 13 expansion project. Subject to final investment decision, commissioning of the new tank pit will be pushed to 2023
- All CAPEX will be funded locally in the respective JVs

Odfjell Terminals key figures (Odfjell share)	4Q20	1Q21	2Q21	2Q20	FY20
Gross revenues	15.9	16.4	18.1	16.0	65.6
Odfjell Terminals US EBITDA	4.8	4.3	5.1	5.4	21.1
Odfjell Terminals Asia EBITDA	0.6	1.5	1.0	1.0	3.5
Noord Natie Odfjell EBITDA	1.5	1.4	1.8	1.3	5.7
Total Odfjell Terminals EBITDA*	6.6	7.1	7.6	7.6	14.7
EBIT	0.3	1.3	1.3	12.5	17.7
Net financials	(1.8)	(1.0)	(1.0)	(0.7)	(4.3)
Net results	(0.6)	0.2	0.0	11.6	13.5
Cash flow from operations	5.4	(2.8)	3.6	16.8	27.6
Cash flow from investments	(31.1)	(5.1)	(10.2)	16.7	(23.4)
Cash flow from financing	18.0	8.2	(0.9)	(2.2)	19.5
Net debt	103.3	109.8	116.8	90.8	103.3
Commercial average occupancy rate (%)	96.5	95.9	94.8	99.4	97.9
Commercial available capacity (1,000 cbm)	1,148	1,146	1,143	1,148	1,148

\*Including corporate items

# Sustainability

## Carbon emissions

Odfjell presented ambitious climate targets in 2020. One of these targets was a 50% reduction of carbon intensity from 2008 to 2030 for our managed fleet. We intend to report regularly on the progress of this target.

We will use the Annual Efficiency Ratio (AER) as a measure for carbon intensity. The reason for using AER and not the Energy Efficiency Operational Index (EEOI) are mainly:

- IMO has in the MEPC 76 meeting held in June, decided AER as the selected operational efficiency indicator for carbon intensity (CII). The CII is based on IMO Data Collection System (DCS) reporting and regulation. IMO will rate ships based on CII performance.
- AER creates incentives for improving fuel consumption and retrofit energy saving devices in the fleet and selecting efficient vessels on charter
- AER removes market uncertainty and gives the manager/owner predictability to work on achieving CII trajectory/targets
- The IMO regulations on CII certification are coming into effect from 1 January 2023, with the first rating given in 2024.

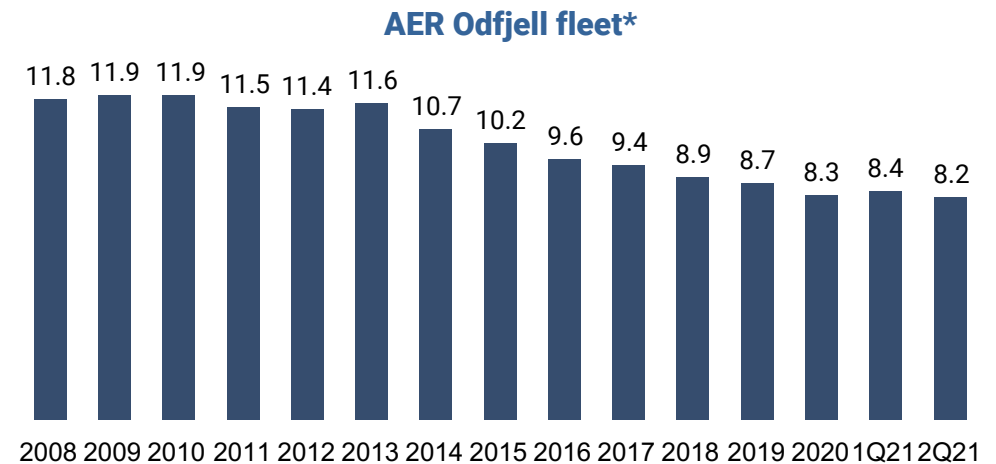
## Carbon Emission Trading

EU has proposed including shipping into the EU Emission Trading Scheme (ETS) as part of the "Fit for 55" package released in July 21. Phase-in of ETS will start with 20% up to 100% for the next four years. The ETS will be based on 50% of the scope of existing EU Monitoring, Reporting and Verification of carbon dioxide emissions from maritime (EU MRV) reporting. Transposition of Directive into national law is planned end of 2023. In 2020, Odfjell's carbon emissions under MRV was 31% of total emissions.

## Odfjell AER development

AER for our managed fleet in 2Q21 is reduced to 8.2 which compares to 8.4 in the corresponding quarter 2020, our best result on record. The AER for our operated fleet is 8.39 in 2Q21, also a record.<sup>1</sup>

The AER will on a quarterly basis be sensitive to seasonal variations on factors like temperature, weather, port congestions. The figures should be regarded as preliminary and will be reviewed by a 3<sup>rd</sup> party once a year.



\*AER: Unit grams of CO<sub>2</sub> per tonne-mile (gCO<sub>2</sub>/dwt-nm)

1. Managed fleet includes owned, financial lease and bareboat. Operated fleet includes all vessels operated by Odfjell Tankers in Managed fleet, Timcharter (TC) and pool vessels

# Prospects

## Market outlook

Global economic activity gained some momentum in recent months, driven by increasing vaccination rates and political stimulus. This has been reflected by record high growth in industrial production around the globe. The outlook for economic growth in 2021 remains unchanged, and the forecast for 2022 has been revised upwards, with the global GDP projected to grow by 4.9%. However, the Covid 19 Delta mutant is an important factor for uncertainty. Recovery prospects in Emerging Asia have been revised downwards, and IMF expects that in 2H21 and 2022 the global economic recovery will be led by advanced economies, where improved access to vaccines and fiscal support are expected to sustain further normalization of activity. This development could bode well for chemical demand and support a recovery in our markets to commence during 2H21 and into 2022.

The weak crude and corresponding CPP markets are the main challenge to secure a sustainable recovery for the chemical tanker market. Although Covid-19 related lockdowns makes the recovery in Crude and CPP markets unpredictable, there are expectations that demand will recover during 2H21. This will lead to stronger CPP markets and reduce supply pressure in the chemical tanker market the next six to nine months.

Supply growth is expected to remain low for the next two to three years. The chemical tanker fleet is aging and we expect more scrapping due to regulatory environment in combination with vessels being removed from core chemical tanker trades due to age restrictions. This will mitigate supply growth from potential newbuilding orders in the near term.

We expect annual chemical tanker demand growth to average 3% between 2021 and 2023 and exceed supply growth, which is forecasted to grow by 1% per year on average in the same time period.

## 3Q21 guidance

The near term market remains unpredictable due to Covid-19 and the weak CPP markets, but we maintain our fundamentally positive view on the chemical tanker markets and the markets in the key hubs for our terminals.

The third quarter is usually a seasonally slow quarter, which together with a continued challenging CPP market may result in a slightly weaker 3Q21 compared to 2Q21.

Bergen, 19 August 2021

THE BOARD OF DIRECTORS OF ODFJELL SE

## Statement of Responsibility

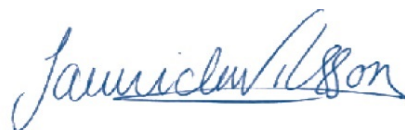
We confirm that, to the best of our knowledge, the condensed set of financial statements for the first six months of 2021, which have been prepared in accordance with IAS 34 Interim Financial Statements, gives a true and fair view of the Company's consolidated assets, liabilities, financial position and results of operations, and that the interim management report includes a fair review of the information required under the Norwegian Securities Trading Act section 5-6 fourth paragraph.

Bergen, 19 August 2021

THE BOARD OF DIRECTORS OF ODFJELL SE



Laurence Ward Odfjell




Jannicke Nilsson



Christine Rødsæther



Åke Gregertsen



Nils Petter Dyvik



Åse Aulie Michelet



Kristian V. Mørch  
CEO



## Interim financial information – ODFJELL GROUP

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Figures based on equity method

(USD mill)	Note	1Q21	2Q21	2Q20	YTD21	YTD20	FY20
Gross revenue	1, 9	243.3	253.1	234.8	496.4	475.1	939.2
Voyage expenses	1	(99.0)	(106.0)	(76.9)	(205.0)	(179.4)	(347.0)
Pool distribution		(23.9)	(23.7)	(20.5)	(47.6)	(36.6)	(79.6)
<b>Time-charter earnings</b>		<b>120.4</b>	<b>123.4</b>	<b>137.4</b>	<b>243.8</b>	<b>259.1</b>	<b>512.6</b>
Time-charter expenses		(3.6)	(4.1)	(9.2)	(7.7)	(17.6)	(32.7)
Operating expenses	8	(47.4)	(49.0)	(40.4)	(96.5)	(80.5)	(166.2)
<b>Gross result</b>		<b>69.3</b>	<b>70.3</b>	<b>87.8</b>	<b>139.6</b>	<b>161.0</b>	<b>313.7</b>
Share of net result from associates and joint ventures	5	0.8	0.5	11.7	1.3	12.6	13.4
General and administrative expenses		(16.9)	(14.2)	(14.1)	(31.2)	(29.4)	(59.1)
<b>Operating result before depreciation, amortization and capital gain (loss) on non-current assets (EBITDA)</b>		<b>53.2</b>	<b>56.6</b>	<b>85.5</b>	<b>109.7</b>	<b>144.2</b>	<b>268.0</b>
Depreciation and amortization	4, 7	(45.4)	(45.8)	(36.9)	(91.2)	(73.0)	(153.0)
Capital gain (loss)	4	—	0.4	0.1	0.3	0.1	—
<b>Operating result (EBIT)</b>		<b>7.8</b>	<b>11.1</b>	<b>48.7</b>	<b>18.9</b>	<b>71.3</b>	<b>115.0</b>
Interest income		0.1	0.1	0.1	0.2	0.7	0.9
Interest expenses	9	(20.3)	(19.7)	(21.1)	(40.0)	(42.7)	(83.2)
Other financial items	6	(1.9)	1.4	4.2	(0.5)	(0.8)	(1.4)
<b>Net financial items</b>		<b>(22.1)</b>	<b>(18.3)</b>	<b>(16.8)</b>	<b>(40.3)</b>	<b>(42.8)</b>	<b>(83.7)</b>
<b>Result before taxes</b>		<b>(14.3)</b>	<b>(7.2)</b>	<b>31.9</b>	<b>(21.4)</b>	<b>28.5</b>	<b>31.3</b>
Income tax expense		(1.3)	(0.6)	(1.1)	(1.9)	(2.1)	(3.5)
<b>Net Result</b>		<b>(15.6)</b>	<b>(7.8)</b>	<b>30.9</b>	<b>(23.4)</b>	<b>26.5</b>	<b>27.8</b>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME** Figures based on equity method

(USD mill)	Note	1Q21	2Q21	2Q20	YTD21	YTD20	FY20
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods:</b>							
Net changes in cash-flow hedges		10.1	(0.7)	6.3	9.4	(25.4)	(7.7)
Translation differences on investments of foreign operations		0.1	–	–	0.2	(0.1)	5.9
Share of comprehensive income on investments accounted for using equity method		(2.0)	0.9	(0.2)	(1.0)	(1.8)	–
Share of other comprehensive income reclassified to income statement on disposal		–	–	–	–	–	–
<b>Net other comprehensive income not being reclassified to profit or loss in subsequent periods:</b>							
Net actuarial gain/(loss) on defined benefit plans		–	–	–	–	–	(0.5)
<b>Other comprehensive income</b>		<b>8.2</b>	<b>0.2</b>	<b>6.1</b>	<b>8.6</b>	<b>(27.3)</b>	<b>(2.3)</b>
<b>Total comprehensive income</b>		<b>(7.4)</b>	<b>(7.6)</b>	<b>37.1</b>	<b>(14.8)</b>	<b>(0.8)</b>	<b>25.5</b>
Earnings per share (USD) – basic/diluted		(0.20)	(0.10)	0.39	(0.30)	0.34	0.35

Net result and total comprehensive income is allocated 100% to the owners of the parent.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** (Figures based on equity method)

(USD mill)	Note	31.03.21	30.06.21	30.06.20	31.12.20
Deferred tax assets		0.7	0.9	0.5	0.7
Ships	4	1,531.1	1,509.8	1,459.4	1,515.1
Property, plant and equipment	4	9.7	9.4	9.4	9.7
Right of use assets	7	266.9	247.3	276.2	258.8
Investments in associates and joint ventures	5	181.2	179.8	171.8	200.4
Derivative financial instruments		1.1	0.7	–	1.7
Non-current receivables		4.6	4.7	9.2	6.6
<b>Total non-current assets</b>		<b>1,995.2</b>	<b>1,952.7</b>	<b>1,926.6</b>	<b>1,993.0</b>
Current receivables		123.9	121.5	99.7	92.1
Bunkers and other inventories		32.3	34.9	17.3	25.2
Derivative financial instruments		8.2	7.5	–	6.7
Cash and cash equivalents	3	71.9	56.9	148.4	103.1
<b>Total current assets</b>		<b>236.3</b>	<b>220.9</b>	<b>265.4</b>	<b>227.1</b>
<b>Total assets</b>		<b>2,231.4</b>	<b>2,173.6</b>	<b>2,192.0</b>	<b>2,220.1</b>
<b>Equity</b>		<b>569.1</b>	<b>562.5</b>	<b>549.6</b>	<b>575.9</b>
Non-current interest bearing debt	3	1,132.1	1,005.2	972.8	1,059.8
Non-current debt, right of use assets	7	220.6	201.9	234.2	209.6
Derivatives financial instruments		19.9	20.2	43.0	25.7
Other non-current liabilities		9.1	7.3	5.6	6.9
<b>Total non-current liabilities</b>		<b>1,381.7</b>	<b>1,234.6</b>	<b>1,255.7</b>	<b>1,301.9</b>
Current portion interest bearing debt	3	99.8	193.5	219.4	178.8
Current debt, right of use assets	7	57.7	57.8	50.8	59.6
Derivative financial instruments		6.0	6.4	32.3	8.4
Other current liabilities		117.1	118.8	84.2	95.5
<b>Total current liabilities</b>		<b>280.6</b>	<b>376.5</b>	<b>386.7</b>	<b>342.3</b>
<b>Total equity and liabilities</b>		<b>2,231.4</b>	<b>2,173.6</b>	<b>2,192.0</b>	<b>2,220.1</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Figures based on equity method

(USD mill)	Paid in equity	Exchange rate differences	Cash-flow hedge reserves	Pension remeasurement	OCI associates and JVs	Retained equity	Total other equity	Total equity
<b>Equity as per January 1, 2020</b>	<b>199.2</b>	<b>0.3</b>	<b>(13.7)</b>	<b>(1.2)</b>	<b>4.7</b>	<b>361.9</b>	<b>351.9</b>	<b>551.2</b>
Other comprehensive income	—	—	(7.7)	(0.5)	5.9	—	(2.4)	(2.4)
Net result	—	—	—	—	—	27.8	27.8	27.8
Dividend payment	—	—	—	—	—	—	—	—
Sale of treasury shares	—	—	—	—	—	—	—	—
Other adjustments	—	—	—	(0.2)	—	(0.5)	(0.7)	(0.7)
<b>Equity as at December 31, 2020</b>	<b>199.2</b>	<b>0.3</b>	<b>(21.4)</b>	<b>(1.9)</b>	<b>10.6</b>	<b>389.2</b>	<b>376.7</b>	<b>575.9</b>
<b>Equity as per January 1, 2021</b>	<b>199.2</b>	<b>0.3</b>	<b>(21.4)</b>	<b>(1.9)</b>	<b>10.6</b>	<b>389.2</b>	<b>376.7</b>	<b>575.9</b>
Other comprehensive income	—	0.2	9.4	—	(1.0)	—	8.6	8.6
Net result	—	—	—	—	—	(23.4)	(23.4)	(23.4)
Sale of treasury shares 1)	—	—	—	—	—	0.4	0.4	0.4
Other adjustments	—	—	—	—	—	1.2	1.1	1.1
<b>Equity as at June 30, 2021</b>	<b>199.2</b>	<b>0.5</b>	<b>(12.0)</b>	<b>(1.9)</b>	<b>9.5</b>	<b>367.4</b>	<b>363.4</b>	<b>562.5</b>

(1) In the first quarter of 2021 senior management received a total of 137,127 shares related to long-term incentive programs for a total value of NOK 3.6 million.

**KEY FIGURES**

Figures based on equity method

	1Q21	2Q21	2Q20	YTD21	YTD20	FY20
<b>PROFITABILITY</b>						
Earnings per share (USD) – basic/diluted	(0.20)	(0.10)	0.39	(0.30)	0.34	0.35
Return on equity <sup>1)</sup>	(9.9 %)	(6.4 %)	13.6 %	(8.2 %)	7.4 %	4.9 %
Adjusted return on equity <sup>3)</sup>	(9.6 %)	(6.7 %)	10.4 %	(8.2 %)	5.2 %	3.0 %
Return on capital employed <sup>1)</sup>	1.5 %	2.1 %	8.2 %	1.9 %	6.9 %	6.1 %
Adjusted return on capital employed <sup>3)</sup>	1.5 %	2.1 %	7.6 %	1.8 %	6.2 %	5.4 %
<b>FINANCIAL RATIOS</b>						
Average number of outstanding shares (mill) <sup>2)</sup>	78.6	78.6	78.6	78.6	78.8	78.6
Basic/diluted equity per share (USD)	7.24	7.15	6.99	7.15	6.98	7.31
Share price per A-share (USD)	3.3	3.7	2.2	3.7	2.2	3.2
Current ratio	0.8	0.6	0.7	0.6	0.7	0.7
Equity ratio	25.5 %	25.9 %	25.1 %	25.9 %	25.1 %	25.9 %
IFRS 16 adjusted equity ratio	29.1 %	29.4 %	28.8 %	29.4 %	28.8 %	29.5 %
USD/NOK rate at period end	8.55	8.56	9.75	8.56	9.75	8.54

<sup>1)</sup> Return ratios are based on annualized results, except for non-recurring items that are included in the relevant period.

<sup>2)</sup> Per end of June 2021 Odfjell holds 5,819,093 Class A shares and 2,322,482 Class B shares.

<sup>3)</sup> Adjusted for non-recurring items.

**CONSOLIDATED CASH FLOW STATEMENT**

Figures based on equity method

(USD mill)	1Q21	2Q21	2Q20	YTD21	YTD20	FY20
Profit before income taxes	(14.3)	(7.2)	31.9	(21.5)	28.5	31.3
Taxes paid in the period	(1.5)	(0.8)	(0.8)	(2.3)	(1.9)	(3.6)
Depreciation, impairment and capital (gain) loss fixed assets	45.6	45.7	36.9	91.2	73.0	153.1
Change in inventory, trade debtors and creditors (increase) decrease	(20.2)	7.7	3.1	(12.5)	1.6	(9.5)
Share of net result from associates and JV's	(0.8)	(0.5)	(11.7)	(1.3)	(12.6)	(13.4)
Net interest expenses	20.2	19.6	20.9	39.8	42.0	82.3
Interest received	0.1	0.1	0.1	0.2	0.8	1.0
Interest paid	(18.7)	(19.6)	(21.0)	(38.4)	(43.0)	(85.3)
Effect of exchange differences and changes in unrealized derivatives	1.6	0.1	(4.0)	1.6	1.7	(1.1)
Change in other current accruals	7.4	(8.1)	(1.3)	(0.6)	(4.4)	0.5
<b>Net cash-flow from operating activities</b>	<b>19.3</b>	<b>37.0</b>	<b>54.1</b>	<b>56.2</b>	<b>85.8</b>	<b>155.2</b>
Sale of ships, property, plant and equipment	—	—	—	—	4.1	4.1
Investment in ships, property, plant and equipment	(10.5)	(8.4)	(54.4)	(18.9)	(102.0)	(207.2)
Dividend/other from investments in associates and JV's	—	2.9	1.4	2.9	1.4	1.4
Investments in associates and joint ventures	—	—	—	—	—	(19.0)
Acquisition of subsidiary <sup>1)</sup>	(11.7)	—	—	(11.7)	—	—
Other non-current receivables and investments	1.0	0.5	1.6	1.6	3.9	6.1
<b>Net cash-flow from investing activities</b>	<b>(21.1)</b>	<b>(5.0)</b>	<b>(51.4)</b>	<b>(26.1)</b>	<b>(92.6)</b>	<b>(214.6)</b>
New interest bearing debt (net of fees paid)	121.2	69.1	61.4	190.3	132.5	323.1
Loans from associates and joint ventures	—	—	—	—	—	19.0
Repayment of interest bearing debt	(114.3)	(101.8)	(24.3)	(216.1)	(51.7)	(175.1)
Repayment of drawing facilities	(20.0)	—	—	(20.0)	—	(50.0)
Repayment of lease debt related to right of use assets	(15.6)	(14.8)	(12.4)	(30.4)	(24.5)	(53.9)
<b>Net cash-flow from financing activities</b>	<b>(28.6)</b>	<b>(47.5)</b>	<b>24.7</b>	<b>(76.2)</b>	<b>56.4</b>	<b>63.1</b>
Effect on cash balance from currency exchange rate fluctuations	(0.7)	0.6	(0.2)	(0.1)	(2.0)	(1.4)
<b>Net change in cash and cash equivalents</b>	<b>(31.2)</b>	<b>(15.0)</b>	<b>27.3</b>	<b>(46.2)</b>	<b>47.6</b>	<b>2.3</b>
Opening cash and cash equivalents	103.1	71.9	121.1	103.1	221.9	100.8
<b>Closing cash and cash equivalents</b>	<b>71.9</b>	<b>56.9</b>	<b>148.4</b>	<b>56.9</b>	<b>269.5</b>	<b>103.1</b>

1) Odfjell SE purchased the remaining 50 % of shares in Odfjell Gas AS in March 2021. The purchase price was USD 16.7 million, fully settled in cash. Cash and cash equivalents in the Odfjell Gas group at the time of purchase was USD 4.9 million for a net cash outflow of USD 11.7 million, presented under investing activities.

Through the purchase, the Group acquired two gas vessels for a total of USD 34.1 million and assumed current interest bearing debt of USD 6.8 million, see note 3 and 4.

# NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## Note 1 – Accounting principles

Odfjell SE is ultimate parent company of the Odfjell Group. Odfjell SE is a public listed company traded on the Oslo Stock Exchange. The company's address is Conrad Mohrs veg 29, Bergen, Norway.

### Basis of preparation and changes to the Group's accounting policies

The interim consolidated financial statements ended June 30, 2021 for the Odfjell Group and have been prepared in accordance with International Accounting Standard IAS 34 "Interim Financial Reporting". The interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at December 31, 2020. The interim financial statements are unaudited.

The accounting principles used in the preparation of these financial statements are consistent with those used in the annual financial statements for the year ended December 31, 2020.

### Impairment assessment

The Group last performed an impairment test at the end of 2020. The Group considers the relationship between its market capitalization and its book value, among other factors, when reviewing for indicators of impairment. As at June 30, 2021, the market capitalization of the Group was below the book value of its equity. As a result, the Group performed an impairment test at the end of second quarter 2021 for the deep sea and regional cash generating units.

### Deep sea

The Group used the cash-generating unit's value-in-use to determine the recoverable amount, which exceeded the carrying amount. Cash flows are estimated through the useful life of the owned ships and over the lease term for right of use assets, consistent with previous years impairment tests. The estimates for 2021 have been updated from our previous assessment, reflecting current market conditions. The Group has maintained its view of future earnings assumptions in subsequent periods as applied in the impairment test at year end 2020.

Performing impairment test, the Group has conducted three scenarios. The key uncertainties in all scenarios are related to the development of the economic recovery and potential effects of further Covid-19 outbreaks on our operations and the economy as a whole. Estimated time-charter earnings are aligned with our view of the long-term fundamental supply and demand of tonnage.

For all scenarios, the weighted average cost of capital is used as discount rate. The discount rate used is the same as per end of 2020 (7.7%). This is also an assumption when performing impairment assessment.

The book value of the cash generating unit is USD 1,707 million. The impairment test did not reveal any need for impairment.

### Regional

The book value of this cash generating unit is 43 million. Updated value estimates at the end of second quarter 2021 did not reveal any need for impairment.

### Investment in terminals

The estimated cash flows used when performing impairment test at the end of 2020 have been updated and do not reveal any need for impairment at the end of the second quarter.



**Changes in presentation**

As of the first quarter of 2021, Odfjell has changed its presentation of expenses related to IFRS 16 by aggregating them into their related line items. The information will be made available in separate disclosures which are listed below. The changes made relate to the following line items:

'Operating expenses' and 'Operating expenses, right of use assets' are now aggregated into a single line item. The information is now shown in note 8.

'Depreciation and amortization' and 'Depreciation expense, right of use assets' are now aggregated into a single line item. The information is now shown in note 4.

'Interest expenses' and 'Interest expenses, right of use assets' are now aggregated into a single line item. The information is now shown in note 9.

**Acquisition of shares in Odfjell Gas AS**

The acquisition of the shares in Odfjell Gas AS is considered an asset acquisition and not a business combination. The acquisition of the 50% of the shares in March 2021 is booked at fair value. When the Odfjell Gas AS group is consolidated, the cost price of the two gas vessels is booked at historical cost. This implies that 50% of the cost price represent the agreed price for the vessels in March 2021, and the remaining 50% of the cost price represent 50% of the book value at 1 March 2021 from the former Odfjell Gas AS joint venture.

## Note 2 – Segment information

Management has determined the operating segments based on the information regularly reviewed by executive management. In accordance with the internal financial reporting, investments in joint venture are reported by applying the proportionate consolidation method.

As of the first quarter of 2021, the Group has discontinued its reporting of the gas carriers segment as the two LPG/Ethylene carriers have been included in the chemical tankers segment in our internal reporting from this quarter. Comparative figures for the chemical tankers segment have been restated to include the Gas segment in accordance with IFRS 8.

The Group therefore has two remaining reportable segments:

**Chemical Tankers:** The Chemical Tankers segment involves a 'round the world' transportation of chemicals with ships. The composition of the ships enables the Group to offer both global and regional transportation. The segment also includes two LPG/Ethylene carriers and corporate entities.

**Tank Terminals:** The tank terminal segment offers storage and distillation of various chemical and petroleum products. The segment is operated through joint ventures owned by the subsidiary Odfjell Terminals BV.

## Note 2 – Segment information - continued

USD mill	Chemical Tankers				Tank Terminals				Total			
	1Q21	2Q21	2Q20	YTD21	1Q21	2Q21	2Q20	YTD21	1Q21	2Q21	2Q20	YTD21
Gross revenue	243.0	252.8	236.4	495.7	16.4	18.1	16.0	34.5	259.4	270.9	252.4	530.2
Voyage expenses	(99.0)	(106.0)	(77.8)	(205.0)	—	—	—	—	(99.0)	(106.0)	(77.8)	(205.0)
Pool distribution	(23.9)	(23.7)	(20.5)	(47.6)	—	—	—	—	(23.9)	(23.7)	(20.5)	(47.6)
<b>TC earnings</b>	<b>120.1</b>	<b>123.1</b>	<b>138.1</b>	<b>243.1</b>	<b>16.4</b>	<b>18.1</b>	<b>16.0</b>	<b>34.5</b>	<b>136.4</b>	<b>141.2</b>	<b>154.1</b>	<b>277.6</b>
TC expenses	(3.6)	(4.1)	(9.2)	(7.7)	—	—	—	—	(3.6)	(4.1)	(9.2)	(7.7)
Operating expenses	(41.0)	(42.5)	(35.6)	(83.5)	(6.6)	(7.6)	(6.2)	(14.2)	(47.6)	(50.0)	(41.8)	(97.6)
Operating expenses - right of use assets	(6.4)	(6.6)	(5.3)	(12.9)	—	—	—	—	(6.4)	(6.6)	(5.3)	(12.9)
General and administrative expenses	(16.5)	(13.6)	(13.7)	(30.0)	(2.7)	(2.9)	(2.2)	(5.7)	(19.2)	(16.5)	(15.9)	(35.7)
<b>EBITDA</b>	<b>52.6</b>	<b>56.4</b>	<b>74.3</b>	<b>109.0</b>	<b>7.1</b>	<b>7.6</b>	<b>7.6</b>	<b>14.7</b>	<b>59.7</b>	<b>64.0</b>	<b>81.9</b>	<b>123.7</b>
Depreciation	(29.1)	(29.7)	(23.4)	(58.8)	(5.6)	(6.0)	(5.2)	(11.6)	(34.7)	(35.7)	(28.6)	(70.3)
Depreciation - right of use assets	(16.1)	(16.1)	(14.0)	(32.2)	(0.2)	(0.1)	(0.1)	(0.3)	(16.3)	(16.2)	(14.1)	(32.5)
Impairment	—	—	—	—	—	—	—	—	—	—	0.1	—
Capital gain/loss	—	0.4	0.1	0.4	—	(0.3)	10.3	(0.3)	—	0.1	10.4	0.1
<b>Operating result (EBIT)</b>	<b>7.4</b>	<b>10.9</b>	<b>37.1</b>	<b>18.3</b>	<b>1.3</b>	<b>1.3</b>	<b>12.5</b>	<b>2.5</b>	<b>8.7</b>	<b>12.2</b>	<b>49.7</b>	<b>20.9</b>
Net interest expense	(16.6)	(16.1)	(17.6)	(32.7)	(0.7)	(0.8)	(0.7)	(1.5)	(17.3)	(16.9)	(18.2)	(34.1)
Interest expense - right of use assets	(3.6)	(3.5)	(3.4)	(7.1)	—	—	—	(0.1)	(3.6)	(3.6)	(3.4)	(7.2)
Other financial items	(1.8)	1.4	4.1	(0.4)	(0.2)	(0.2)	(0.1)	(0.4)	(2.0)	1.2	4.1	(0.8)
Taxes	(1.3)	(0.4)	(1.1)	(1.7)	(0.1)	(0.3)	(0.2)	(0.5)	(1.4)	(0.8)	(1.3)	(2.2)
<b>Net result</b>	<b>(15.8)</b>	<b>(7.8)</b>	<b>19.2</b>	<b>(23.6)</b>	<b>0.2</b>	<b>—</b>	<b>11.6</b>	<b>0.2</b>	<b>(15.6)</b>	<b>(7.8)</b>	<b>30.9</b>	<b>(23.4)</b>
Non current assets	1,814.0	1,772.9	1,771.7	1,772.9	325.5	329.6	290.7	329.6	2,139.5	2,102.5	2,061.8	2,102.5
Cash and cash equivalents	67.8	51.3	144.6	51.3	39.5	31.9	45.4	31.9	107.3	83.3	190.0	83.3
Other current assets	157.1	155.3	116.9	155.3	14.7	16.2	32.7	16.2	171.8	170.9	129.5	170.9
<b>Total assets</b>	<b>2,039.0</b>	<b>1,979.5</b>	<b>2,033.2</b>	<b>1,979.5</b>	<b>379.7</b>	<b>377.7</b>	<b>368.9</b>	<b>377.7</b>	<b>2,418.6</b>	<b>2,356.6</b>	<b>2,381.3</b>	<b>2,356.6</b>
Equity	404.7	397.1	389.6	397.1	164.4	165.4	160.7	165.4	569.1	562.5	549.6	562.5
Non-current interest bearing debt	1,132.1	1,005.2	972.8	1,005.2	140.5	139.6	132.1	139.6	1,272.5	1,144.9	1,104.9	1,144.9
Non-current debt, right of use assets	220.6	201.9	234.2	201.9	3.1	3.0	0.6	3.0	223.8	204.9	234.8	204.9
Other non-current liabilities	26.9	27.3	48.6	27.3	29.8	29.5	27.6	29.5	56.7	56.9	76.2	56.9
Current interest bearing debt	99.8	193.5	223.7	193.5	8.8	9.1	4.1	9.1	108.6	202.6	227.8	202.6
Current debt, right of use assets	57.7	57.8	50.8	57.8	0.3	0.3	0.3	0.3	58.0	58.1	51.1	58.1
Other current liabilities	97.2	96.7	113.4	96.7	32.7	30.8	43.4	30.8	129.9	126.7	136.8	126.7
<b>Total equity and liabilities</b>	<b>2,039.0</b>	<b>1,979.5</b>	<b>2,033.2</b>	<b>1,979.5</b>	<b>379.7</b>	<b>377.7</b>	<b>368.9</b>	<b>377.7</b>	<b>2,418.6</b>	<b>2,356.6</b>	<b>2,381.3</b>	<b>2,356.6</b>
Cashflow from operating activities	18.8	39.3	52.6	58.1	(2.8)	3.6	16.8	0.7	16.0	42.9	69.4	58.8
Cashflow from investment activities	(21.1)	(7.9)	(52.8)	(29.0)	(5.1)	(10.2)	16.7	(15.4)	(26.2)	(18.1)	(36.0)	(44.4)
Cashflow from financing activities	(29.2)	(47.9)	24.0	(77.1)	8.2	(0.9)	(2.2)	7.3	(21.0)	(48.8)	21.8	(69.9)
<b>Net change in cash and cash equivalents</b>	<b>(31.5)</b>	<b>(16.5)</b>	<b>23.8</b>	<b>(48.0)</b>	<b>0.2</b>	<b>(7.6)</b>	<b>31.4</b>	<b>(7.4)</b>	<b>(31.3)</b>	<b>(24.1)</b>	<b>55.2</b>	<b>(55.4)</b>

## Note 2 – Segment information - reconciliation of segment reporting to group figures

The following table reconciles reported revenue, EBIT, assets and liabilities in our segments to the income statement and statement of financial position.

USD mill	Chemical Tankers (2)				Tank Terminals				Total (1)			
	1Q21	2Q21	2Q20	YTD21	1Q21	2Q21	2Q20	YTD21	1Q21	2Q21	2Q20	YTD21
Total segment revenue	243.0	252.8	236.4	495.7	16.4	18.1	16.0	34.5	259.4	270.9	252.4	530.2
Segment revenue JV's	—	—	(1.8)	—	(16.2)	(17.9)	(15.8)	(34.2)	(16.2)	(17.9)	(17.6)	(34.2)
<b>Consolidated revenue in income statement</b>	<b>243.0</b>	<b>252.8</b>	<b>234.6</b>	<b>495.7</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.3</b>	<b>243.1</b>	<b>252.9</b>	<b>234.8</b>	<b>496.0</b>
Total segment EBIT	8.1	11.7	37.8	19.8	1.3	1.3	12.5	2.5	9.4	12.9	50.5	22.3
Segment EBIT JV's	—	—	(0.1)	—	(1.5)	(1.6)	(13.0)	(3.1)	(1.5)	(1.6)	(13.1)	(3.1)
Share of net result JV's (4)	—	—	—	—	(0.5)	(0.5)	11.7	(1.0)	(0.5)	(0.5)	11.7	(1.0)
<b>Consolidated EBIT in income statement</b>	<b>8.1</b>	<b>11.7</b>	<b>37.8</b>	<b>19.8</b>	<b>(0.7)</b>	<b>(0.9)</b>	<b>11.2</b>	<b>(1.6)</b>	<b>7.4</b>	<b>10.8</b>	<b>49.1</b>	<b>18.2</b>
Total segment asset	2,039.0	1,979.5	2,033.2	1,979.5	379.7	377.7	368.9	377.7	2,418.6	2,356.6	2,381.3	2,356.6
Segment asset (3)	2.0	0.8	(20.2)	0.8	(383.2)	(378.2)	(360.6)	(378.2)	(381.2)	(377.4)	(361.1)	(377.4)
Investment in JV's (4)	—	0.1	15.8	0.1	181.2	179.9	156.0	179.9	181.2	179.8	171.8	179.8
<b>Total consolidated assets in statement of financial position</b>	<b>2,041.0</b>	<b>1,980.4</b>	<b>2,028.8</b>	<b>1,980.4</b>	<b>177.6</b>	<b>179.4</b>	<b>164.3</b>	<b>179.4</b>	<b>2,218.5</b>	<b>2,159.1</b>	<b>2,192.1</b>	<b>2,159.1</b>
Total segment liabilities	1,634.3	1,582.4	1,643.6	1,582.4	215.2	212.3	208.2	212.3	1,849.4	1,794.1	1,831.7	1,794.1
Segment liability (3)	2.0	0.8	(20.2)	0.8	(202.0)	(198.3)	(203.9)	(198.3)	(200.0)	(197.6)	(189.2)	(197.6)
<b>Total consolidated liabilities in statement of financial position</b>	<b>1,636.3</b>	<b>1,583.2</b>	<b>1,623.4</b>	<b>1,583.2</b>	<b>13.2</b>	<b>14.0</b>	<b>4.3</b>	<b>14.0</b>	<b>1,649.4</b>	<b>1,596.5</b>	<b>1,642.5</b>	<b>1,596.5</b>

<sup>(1)</sup> The table is shown without eliminations, therefore Total doesn't equal sum of Chemical Tankers ad Tank Terminals..

<sup>(2)</sup> This segment also includes «corporate».

<sup>(3)</sup> Investments in joint ventures are presented according to the proportionate consolidation method in the segment reporting.

<sup>(4)</sup> Investments in joint ventures are presented according to the equity method in the consolidated income statement and balance sheet.

**Note 3 – Net interest bearing liabilities**

<b>(USD mill)</b>	<b>31.03.21</b>	<b>30.06.21</b>	<b>30.06.20</b>	<b>31.12.20</b>
Mortgaged loans from financial institutions	361.5	411.6	472.2	371.8
Financial leases and sale-lease back	637.0	555.3	529.5	650.3
Unsecured bonds	251.5	251.1	205.0	234.3
Lease liability, right of use assets	278.3	259.7	285.0	269.2
<b>Subtotal debt</b>	<b>1,528.3</b>	<b>1,477.7</b>	<b>1,491.8</b>	<b>1,525.6</b>
Debt transaction fees	(18.1)	(19.2)	(14.6)	(17.8)
<b>Total debt</b>	<b>1,510.2</b>	<b>1,458.5</b>	<b>1,477.2</b>	<b>1,507.8</b>
Cash and cash equivalent <sup>1)</sup>	71.9	56.9	148.4	103.1
<b>Net debt</b>	<b>1,438.3</b>	<b>1,401.5</b>	<b>1,328.9</b>	<b>1,404.7</b>

1) Of USD 56.9 million, a total of USD 1.3 million is restricted cash related to withholding taxes for employees in Odfjell Management AS and Odfjell Maritime Services AS. Available drawing facilities end June 2021 amounts to USD 53.8 million.

<b>(USD mill)</b>	<b>1Q21</b>	<b>2Q21</b>	<b>2Q20</b>	<b>YTD21</b>	<b>YTD20</b>	<b>FY20</b>
Total debt, beginning of period	1,507.8	1,510.2	1,395.5	1,507.8	1,345.8	1,345.8
New loans, financial leases and bonds	121.4	70.2	62.7	191.6	135.1	328.9
Repayment of loans, financial leases and bonds	(127.5)	(101.8)	(24.3)	(229.3)	(51.7)	(225.1)
Change in debt, lease liability right of use assets	9.1	(18.7)	30.2	(9.5)	71.5	55.6
Debt transaction fees, net paid and amortized	(0.3)	(1.1)	(1.3)	(1.3)	(2.5)	(5.8)
Currency translation differences	(0.4)	(0.4)	14.4	(0.8)	(20.9)	8.3
<b>Total debt, end of period</b>	<b>1,510.2</b>	<b>1,458.5</b>	<b>1,477.2</b>	<b>1,458.5</b>	<b>1,477.2</b>	<b>1,507.8</b>

Odfjell SE acquired the remaining 50% of shares in Odfjell Gas AS in March 2021 and the Gas entities are therefore consolidated as of the first quarter in 2021. The total effect of the acquisition on net interest bearing liabilities equals USD 6.8 million.

For debt related to right of use assets see note 7.

**Note 4 – Ships, property, plant and equipment**

<b>(USD mill)</b>	<b>1Q21</b>	<b>2Q21</b>	<b>2Q20</b>	<b>YTD21</b>	<b>YTD20</b>	<b>FY20</b>
Net carrying amount, beginning of period	1,524.8	1,540.7	1,437.3	1,524.8	1,412.1	1,412.1
Investments in ships, property, plant and equipment	10.5	8.2	54.4	18.7	102.0	207.4
Depreciation	(28.8)	(29.7)	(22.9)	(58.5)	(45.3)	(94.6)
Acquisition of remaining 50 % share of two gas vessels	34.1	–	–	34.1	–	–
<b>Net carrying amount, end of period</b>	<b>1,540.7</b>	<b>1,519.2</b>	<b>1,468.8</b>	<b>1,519.2</b>	<b>1,468.8</b>	<b>1,524.8</b>

<b>(USD mill)</b>	<b>1Q21</b>	<b>2Q21</b>	<b>2Q20</b>	<b>YTD21</b>	<b>YTD20</b>	<b>FY20</b>
Depreciation property, plant and equipment	(28.8)	(29.7)	(22.9)	(58.5)	(45.3)	(94.5)
Depreciation right of use assets	(16.6)	(16.1)	(14.0)	(32.7)	(27.7)	(58.5)
<b>Total</b>	<b>(45.4)</b>	<b>(45.8)</b>	<b>(36.9)</b>	<b>(91.2)</b>	<b>(73.0)</b>	<b>(153.0)</b>

## Note 5 – Investments joint ventures

The share of result and balance sheet items from investments in associates and joint ventures are recognized based on equity method in the interim financial statements. The figures below show our share of revenue and expenses, total assets, total liabilities and equity. See note 2 for further details about joint ventures.

(USD mill)	YTD21			YTD20		
	Tank Terminals	Gas Carriers <sup>1)</sup>	Total	Tank Terminals	Gas Carriers	Total
Gross revenue	34.2	0.9	<b>35.1</b>	33.6	3.5	37.1
EBITDA	15.2	0.6	<b>15.8</b>	15.9	0.8	16.7
EBIT	3.1	0.3	<b>3.4</b>	15.4	(0.1)	15.3
<b>Net result</b>	<b>1.0</b>	<b>0.3</b>	<b>1.3</b>	<b>12.8</b>	<b>(0.2)</b>	<b>12.6</b>
Depreciation of excess values net of deferred tax						
USA	(2.5)	–	<b>(2.5)</b>	(2.6)	–	(2.6)
Europe	(0.9)	–	<b>(0.9)</b>	(0.8)	–	(0.8)
<b>Total</b>	<b>(3.4)</b>	<b>–</b>	<b>(3.4)</b>	<b>(3.4)</b>	<b>–</b>	<b>(3.4)</b>
Non current assets	329.6	–	<b>329.6</b>	289.1	17.9	307.0
Cash and cash equivalents	27.1	–	<b>27.1</b>	40.0	1.6	41.6
Other current assets	21.4	–	<b>21.4</b>	31.9	0.6	32.5
<b>Total assets</b>	<b>378.2</b>	<b>–</b>	<b>378.2</b>	<b>361.0</b>	<b>20.2</b>	<b>381.2</b>
Total equity closing balance	179.9	–	<b>179.9</b>	156.0	15.8	171.8
Long-term debt	139.6	–	<b>139.6</b>	132.1	–	132.1
Other non-current liabilities	30.4	–	<b>30.4</b>	27.6	–	27.6
Short-term debt	9.1	–	<b>9.1</b>	4.2	4.4	8.6
Other current liabilities	19.3	–	<b>19.3</b>	41.1	–	41.1
<b>Total equity and liabilities</b>	<b>378.2</b>	<b>–</b>	<b>378.2</b>	<b>361.0</b>	<b>20.2</b>	<b>381.2</b>

1) Odfjell SE acquired the remaining 50% of shares in Odfjell Gas AS in March 2021. The amount's represent revenue and net result in the period 1.1.2021 to 15.3.2021. Going forward, the entities formerly in the Gas segment are accounted for as subsidiaries under the chemical tankers segment.

**Note 6 – Other financial items**

(USD mill)	1Q21	2Q21	2Q20	YTD21	YTD20	FY20
Changes in fair value in derivatives	(1.3)	(1.0)	18.6	(2.3)	(20.7)	10.8
Currency gains (losses)	(0.4)	0.7	(15.5)	0.3	19.3	(10.8)
Other	(0.2)	1.7	1.1	1.5	0.5	(1.4)
<b>Total other financial items</b>	<b>(1.9)</b>	<b>1.4</b>	<b>4.2</b>	<b>(0.5)</b>	<b>(0.8)</b>	<b>(1.4)</b>

**Note 7 - Right of use assets**

The Odfjell Group has a number of operating leases, mainly vessels under time charter and bare boat contracts, which are recognized as right of use assets as from January 1, 2019.

(USD mill)	1Q21	2Q21	2Q20	YTD21	YTD20	FY20
Net carrying amount, beginning of period	258.8	266.9	247.5	258.8	207.9	207.9
New right of use assets	24.7	6.7	42.7	31.4	96.0	109.4
Depreciation	(16.9)	(16.1)	(14.0)	(33.0)	(27.7)	(58.5)
Remeasurement <sup>1)</sup>	0.3	(10.2)	–	(9.9)	–	–
<b>Net carrying amount, end of period</b>	<b>266.9</b>	<b>247.3</b>	<b>276.2</b>	<b>247.3</b>	<b>276.2</b>	<b>258.8</b>

(USD mill)	31.03.21	30.06.21	30.06.20	30.06.21	30.06.20	31.12.20
Non current debt, right of use assets	220.6	201.9	234.2	201.9	234.2	209.6
Current debt, right of use assets	57.7	57.8	50.8	57.8	50.8	59.6
<b>Total</b>	<b>278.3</b>	<b>259.7</b>	<b>285.0</b>	<b>259.7</b>	<b>285.0</b>	<b>269.2</b>

1) In 2Q 2021 a time charter contract was cancelled prior to the the original expiry date. The Group's right of use assets have been adjusted accordingly, with an effect of USD 10.2 million on the net carrying amount.



**Note 8 - Operating expenses**

<b>(USD mill)</b>	<b>1Q21</b>	<b>2Q21</b>	<b>2Q20</b>	<b>YTD21</b>	<b>YTD20</b>	<b>FY20</b>
Operating expenses right of use assets	(6.7)	(6.6)	(5.3)	(13.3)	(11.0)	(144.9)
Other operating expenses	(40.7)	(42.5)	(35.2)	(83.2)	(69.5)	(21.3)
<b>Total</b>	<b>(47.4)</b>	<b>(49.0)</b>	<b>(40.4)</b>	<b>(96.5)</b>	<b>(80.5)</b>	<b>(166.2)</b>

**Note 9 - Interest expenses**

<b>(USD mill)</b>	<b>1Q21</b>	<b>2Q21</b>	<b>2Q20</b>	<b>YTD21</b>	<b>YTD20</b>	<b>FY20</b>
Interest expenses - right of use assets	(3.6)	(3.5)	(3.4)	(7.1)	(6.7)	(13.9)
Other interest expenses	(16.7)	(16.2)	(17.7)	(32.9)	(36.0)	(69.3)
<b>Total</b>	<b>(20.3)</b>	<b>(19.7)</b>	<b>(21.1)</b>	<b>(40.0)</b>	<b>(42.7)</b>	<b>(83.2)</b>

Fleet list June 30, 2021

VESSEL TYPE	CHEMICAL TANKERS	DWT	BUILT	OWNERSHIP	CBM	STAINLESS		VESSEL TYPE	CHEMICAL TANKERS	DWT	BUILT	OWNERSHIP	CBM	STAINLESS	
						STEEL, CBM	TANKS							STEEL, CBM	TANKS
Super-segregator	Bow Sea	49 592	2006	Owned	52 244	52 244	40	Coated	Bow Pioneer	75 000	2013	Owned	87 330	0	31
Super-segregator	Bow Summer	49 592	2005	Owned	52 252	52 252	40	Coated	Flumar Brasil	51 188	2010	Owned	54 344	0	12
Super-segregator	Bow Saga	49 559	2007	Owned	52 243	52 243	40	Coated	Bow Triumph	49 622	2014	Leased	54 595	0	22
Super-segregator	Bow Sirius	49 539	2006	Owned	52 242	52 242	40	Coated	Bow Trident	49 622	2014	Leased	54 595	0	22
Super-segregator	Bow Star	49 487	2004	Owned	52 222	52 222	40	Coated	Bow Tribute	49 622	2014	Owned	54 595	0	22
Super-segregator	Bow Sky	49 479	2005	Leased	52 222	52 222	40	Coated	Bow Trajectory	49 622	2014	Owned	54 595	0	22
Super-segregator	Bow Spring	49 429	2004	Owned	52 252	52 252	40	Coated	Bow Elm	46 098	2011	Owned	49 996	0	29
Super-segregator	Bow Sun	42 459	2003	Owned	52 222	52 222	40	Coated	Bow Lind	46 047	2011	Owned	49 996	0	29
Super-segregator	Bow Chain	37 518	2002	Owned	40 966	40 966	47								
Super-segregator	Bow Faith	37 479	1997	Leased	41 960	34 681	52	Regional	Bow Oceanic	17 460	1997	Owned	19 224	19 224	24
Super-segregator	Bow Cedar	37 455	1996	Owned	41 947	41 947	52	Regional	Bow Atlantic	17 460	1995	Owned	19 848	19 848	24
Super-segregator	Bow Cardinal	37 446	1997	Owned	41 953	34 674	52	Regional	Bow Condor	16 121	2000	Owned	16 642	16 642	30
Super-segregator	Bow Firda	37 427	2003	Owned	40 994	40 994	47	Regional	ASL Orchid	12 571	2011	Time charter	14 419	14 419	16
Super-segregator	Bow Fortune	37 395	1999	Leased	41 000	41 000	47	Regional	Bow Nangang	9 124	2013	Owned	11 074	11 074	14
Super-segregator	Bow Fagus	37 375	1995	Owned	41 952	34 673	52	Regional	Bow Dalian	9 156	2012	Owned	11 094	11 094	14
Super-segregator	Bow Flora	37 369	1998	Leased	41 000	33 721	47	Regional	Bow Fuling	9 156	2012	Owned	11 080	11 080	14
Super-segregator	Bow Cecil	37 369	1998	Leased	41 000	33 721	47								
Super-segregator	Bow Clipper	37 221	1995	Owned	40 775	33 496	52								
Super-segregator	Bow Flower	37 221	1994	Owned	41 492	34 673	52								
Super-segregator	Bow Hercules	40 847	2017	Bareboat	44 085	44 085	30								
Super-segregator	Bow Gemini	40 895	2017	Bareboat	44 205	44 205	30								
Super-segregator	Bow Aquarius	40 901	2016	Bareboat	44 403	44 403	30								
Super-segregator	Bow Capricorn	40 929	2016	Bareboat	44 184	44 184	30								
Super-segregator	Bow Orion	49 042	2019	Owned	55 186	55 186	33								
Super-segregator	Bow Olympus	49 000	2019	Leased	55 186	55 186	33								
Super-segregator	Bow Odyssey	49 000	2020	Owned	54 175	54 175	33								
Super-segregator	Bow Optima	49 042	2020	Leased	55 186	55 186	33	Super-segregator	SC Taurus	40 963	2017	Pool	44 156	44 156	30
Super-segregator	Bow Explorer	38 236	2020	Leased	45 118	45 118	40	Super-segregator	SC Scorpio	40 964	2017	Pool	44 150	44 150	30
Super-segregator	Bow Excellence	38 234	2020	Leased	45 118	45 118	40	Super-segregator	SC Virgo	40 870	2017	Pool	42 787	42 787	30
								Super-segregator	SC Draco	40 870	2017	Pool	42 787	42 787	30
Large Stainless steel	Bow Persistent	36 225	2020	Bareboat	39 221	39 221	28								
Large Stainless steel	Bow Performer	35 118	2018	Time charter	37 987	37 987	28	Medium Stainless steel	Navig8 Stellar	25 193	2016	Pool	29 709	29 709	18
Large Stainless steel	Bow Prosper	36 221	2020	Bareboat	39 234	39 234	28	Medium Stainless steel	Navig8 Spark	25 197	2016	Pool	29 718	29 718	18
Large Stainless steel	Bow Precision	35 155	2018	Time charter	36 668	36 668	28	Medium Stainless steel	Navig8 Spica	25 269	2017	Pool	28 570	28 570	18
Large Stainless steel	Bow Harmony	33 619	2008	Leased	39 758	39 758	16	Medium Stainless steel	Navig8 Sky	25 193	2016	Pool	29 710	29 710	18
Large Stainless steel	Bow Compass	33 609	2009	Owned	38 685	38 685	16								
Large Stainless steel	Bow Engineer	30 086	2006	Leased	36 970	36 970	28	Coated	TRF Mobile	37 596	2016	Pool	41 619	0	16
Large Stainless steel	Bow Architect	30 058	2005	Leased	36 956	36 956	28	Coated	TRF Moss	37 596	2016	Pool	41 619	0	16
Large Stainless steel	Sagami	33 615	2008	Time charter	37 238	37 238	16	Coated	TRF Marquette	37 596	2016	Pool	41 619	0	16
								Coated	TRF Memphis	37 596	2016	Pool	41 619	0	16
								Coated	TRF Mandal	37 596	2016	Pool	41 619	0	16
Medium Stainless steel	Southern Quokka	26 077	2017	Time charter	29 049	29 049	26	Coated	TRF Mongstad	37 596	2016	Pool	41 619	0	16
Medium Stainless steel	Southern Owl	26 057	2016	Time charter	29 048	29 048	26	Coated	TRF Bergen	50 698	2015	Pool	49 126	0	22
Medium Stainless steel	Southern Puma	26 071	2016	Time charter	29 055	29 055	26	Coated	Navig8 Tanzanite	49 780	2016	Pool	51 723	0	16
Medium Stainless steel	Southern Shark	26 051	2018	Time charter	27 112	27 112	26	Coated	Navig8 Topaz	49 560	2015	Pool	51 723	0	16
Medium Stainless steel	Bow Platinum	27 500	2017	Leased	28 059	28 059	24	Coated	Navig8 Tourmaline	49 513	2016	Pool	51 723	0	16
Medium Stainless steel	Bow Neon	27 500	2017	Leased	29 041	29 041	24	Coated	Navig8 Turquoise	49 516	2016	Pool	51 723	0	16
Medium Stainless steel	Bow Titanium	27 500	2018	Leased	29 006	29 006	24	Coated	Navig8 Victoria	49 126	2015	Pool	50 699	0	20
Medium Stainless steel	Bow Palladium	27 500	2017	Leased	28 051	28 051	24	Coated	Navig8 Violette	49 126	2015	Pool	50 699	0	20
Medium Stainless steel	Bow Tungsten	27 500	2018	Leased	28 067	28 067	24								
Medium Stainless steel	Southern Koala	21 290	2010	Time charter	20 008	20 008	20								
Medium Stainless steel	Bow Santos	19 997	2004	Owned	22 626	22 626	22								
Medium Stainless steel	Flumar Maceio	19 975	2006	Owned	21 713	21 713	22								
Medium Stainless steel	Moyra	19 806	2005	Time charter	23 707	23 707	18								
Medium Stainless steel	Pacific Endeavor	26 197	2011	Time Charter	27 591	27 591	16								
Medium Stainless steel	Southern Xantis	25 887	2020	Time Charter	27 078	27 078	26								
								<b>Total 3rd party:</b>		<b>938 326</b>	<b>24</b>		<b>1 009 810</b>	<b>402 680</b>	<b>462</b>
								* Pool participation and commercial management							
								<b>SUMMARIZED</b>		<b>NUMBER</b>	<b>DWT</b>	<b>CBM</b>	<b>STEEL, CBM</b>	<b>TANKS</b>	<b>STAINLESS</b>
								Owned	31	1 168 997	1 287 959	908 447	1 025		
								Time charter	12	313 895	338 960	338 960	272		
								Leased	19	704 110	782 888	651 861	615		
								Bareboat	6	236 018	255 332	255 332	176		
								Pool	24	938 326	1 009 810	402 680	462		
								<b>Total Chemical Tankers:</b>	<b>92</b>	<b>3 361 346</b>	<b>3 674 949</b>	<b>2 557 280</b>	<b>2 550</b>		

**NEWBUILDINGS ON ORDER:**

<b>CHEMICAL TANKERS</b>	<b>NUMBER</b>	<b>DWT</b>	<b>CBM</b>	<b>STEEL, CBM</b>	<b>TANKS</b>	<b>DELIVERY</b>	<b>OWNERSHIP</b>
Asakawa/Nissen	4	26 000			26	2022 / 2023	Time Charter
<b>Total newbuildings:</b>	<b>4</b>	<b>104 000</b>	<b>0</b>	<b>0</b>	<b>104</b>		

<b>GAS CARRIERS</b>	<b>BUILT</b>	<b>DWT</b>	<b>CBM</b>	<b>TYPE</b>	<b>TANKS</b>	<b>OWNERSHIP</b>
Bow Gallant	2008	10 282	8 922	LPG/Ethylene	2	Owned
Bow Guardian	2008	10 282	8 922	LPG/Ethylene	2	Owned
<b>Total Gas Carriers:</b>	<b>2</b>	<b>20 564</b>	<b>17 844</b>		<b>4</b>	

**FLEET CHANGES SINCE LAST QUARTER:**

<b>CHEMICAL TANKERS</b>	<b>BUILT</b>	<b>DWT</b>	<b>CBM</b>	<b>STAINLESS STEEL, CBM</b>	<b>TANKS</b>	<b>OWNERSHIP</b>	<b>MONTH</b>
<b>Fleet additions:</b>							
Bow Agathe	2009	33 609	37 218	37 218	16	Pool	01.04.2021
Bow Caroline	2009	33 609	37 236	37 236	16	Pool	01.06.2021
<b>Fleet redeliveries:</b>							
Bristol Trader	2016	35 863	39 828	39 828	18	Time charter	01.05.2021

<b>TANK TERMINALS</b>	<b>LOCATION</b>	<b>OWNERSHIP<sup>1</sup></b>	<b>CBM</b>	<b>STAINLESS STEEL, CBM</b>	<b>NUMBER OF TANKS</b>
Odfjell Terminals (Houston) Inc.	Houston, USA	51 %	379 658	113 180	119
Odfjell Terminals (Charleston) LLC	Charleston, USA	51 %	79 400	0	9
Odfjell Terminals (Korea) Co. Ltd	Ulsan, Korea	50,00 %	313 710	15 860	85
Odfjell Nangang Terminals (Tianjin) Co.,Ltd	Tianjin, China	24.99%	137 800	7 000	26
Noord Natie Terminals NV	Antwerp, Belgium	25,00 %	382 061	71 542	253
<b>Total terminals</b>	<b>5 terminals</b>		<b>1 292 629</b>	<b>207 582</b>	<b>492</b>

<b>TANK TERMINALS PARTLY OWNED BY RELATED PARTIES</b>	<b>LOCATION</b>	<b>CBM</b>	<b>STAINLESS STEEL, CBM</b>	<b>NUMBER OF TANKS</b>
Depositos Quimicos Mineros S.A.	Callao, Peru	66 230	1 600	55
Granel Quimica Ltda	Rio Grande, Brazil	70 150	2 900	32
Granel Quimica Ltda	Sao Luis, Brazil	125 390	0	49
Granel Quimica Ltda	Ladario, Brazil	8 050	0	6
Granel Quimica Ltda	Teresina, Brazil	7 640	0	6
Granel Quimica Ltda	Palmas, Brazil	16 710	0	12
Granel Quimica Ltda	Santos, Brazil	51 190	0	17
Odfjell Terminals Tagsa S.A.	Buenos Aires, Argentina	38 720	530	60
Odfjell Terminals Tagsa S.A.	Campana, Argentina	68 670	10 190	102
Terquim S.A.	San Antonio, Chile	33 590	0	25
Terquim S.A.	Mejillones, Chile	16 840	0	7
<b>Total tank terminals partly owned by related parties</b>	<b>11 terminals</b>	<b>503 180</b>	<b>15 220</b>	<b>371</b>

<b>PROJECTS AND EXPANSIONS TANK TERMINALS PARTLY OWNED BY RELATED PARTIES</b>	<b>LOCATION</b>	<b>CBM</b>	<b>ESTIMATED COMPLETION</b>
Granel Quimica Ltda	Sao Luis, Brazil	24 800	4Q 2021
<b>Total expansion tank terminals partly owned by related parties</b>		<b>24 800</b>	<b>0</b>

<b>Grand total (incl. related tank terminals partly owned by related parties)</b>	<b>16 existing terminals</b>	<b>1 795 809</b>	<b>222 802</b>
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<sup>1</sup>Odfjell SE's indirect ownership share

