



Third quarter 2021 report

November 3, 2021



ODFJELL

Third quarter report 2021

Highlights – 3Q21

- Strong market in the eastern hemisphere, but challenging market in the west
- Timecharter earnings in Odfjell Tankers of USD 125 mill compared to USD 123 mill 2Q21
- Net result contribution from Odfjell Terminals of USD 1 mill, in line with previous quarter
- Impairment of USD 21 mill related to sale agreement of our last remaining short-sea regional vessels in Asia
- EBIT of USD -7 mill compared to USD 11 mill 2Q21
- Net result of USD -25 mill compared to USD -8 mill 2Q21
- Adjusted for one offs, the 3Q21 net result of USD -4 mill compared to adjusted net result of USD -10 mill in the previous quarter
- We are entering COA renewal season. In 3Q21 we only renewed a minor part of our portfolio, but at an average rate increase of 5%

Subsequent events

- Concluded the sale of our two Ethylene/LPG carriers to BW EPIC Kosan Ltd with proceeds received partly in cash and partly in freely transferable shares
- Entered into a sales agreement for the sale of three short-sea vessels. This will mark the exit of Odfjell's presence in the short-sea trade in Asia
- Distribution of USD 6 mill from Den Norske Krigsforsikring for Skib to be booked in our 4Q21 results

Key figures, USD mill

(USD mill, unaudited)	4Q20	1Q21	2Q21	3Q21	3Q20	YTD21	YTD20
Timecharter earnings	125.0	120.4	123.4	125.0	128.4	368.8	387.5
Total opex, TC, G&A	(65.9)	(67.9)	(67.3)	(68.1)	(64.5)	(203.4)	(192.0)
Net result from JV's	0.0	0.8	0.5	1.1	0.9	2.5	13.5
EBITDA	59.0	53.2	56.6	58.2	64.9	167.9	209.0
EBIT	17.6	7.8	11.1	(6.8)	26.1	12.1	97.5
Net financial items	(19.9)	(22.1)	(18.3)	(17.6)	(21.1)	(57.9)	(63.9)
Net result	(2.6)	(15.6)	(7.8)	(25.3)	3.9	(48.6)	30.4
EPS**	(0.03)	(0.20)	(0.10)	(0.32)	0.05	(0.62)	0.39
ROE***	(2.0 %)	(9.9 %)	(6.4 %)	(7.7 %)	3.5 %	(10.5 %)	6.7 %
ROCE***	3.6 %	1.5 %	2.1 %	1.6 %	5.4 %	1.1 %	6.7 %

*Includes figures from Odfjell Gas

** Based on 78.6 million outstanding shares

*** Ratios are annualised

"The chemical tanker market was strong in the eastern hemisphere, but continued supply disruptions in the west (in particular the US) remain a challenge. Fundamental demand is high, which supports our positive outlook. The exit from Gas and our last short-sea vessels operating in Asia concludes the streamlining of our deep-sea platform. There are signs of improvements in our markets, but it will take time for a recovery to materialize and we therefore expect the underlying results in 4Q21 to be in line with 3Q21".

Kristian Mørch, CEO Odfjell SE

Result development

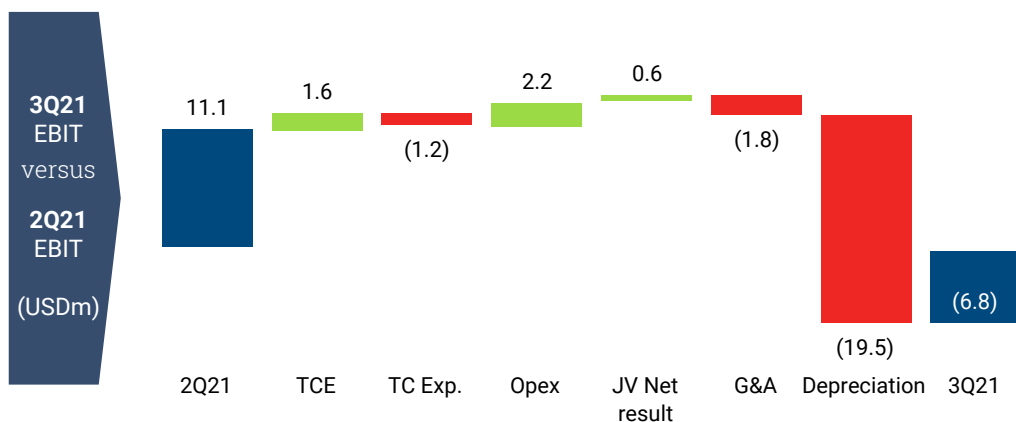
Profit & Loss

In 3Q21, the company reported timecharter revenues of USD 125 mill compared to USD 123 mill in 2Q21. The improved TCE reflects a strong market in the eastern hemisphere countering the weak market in the western hemisphere.

EBIT including net result from Odfjell Terminals of USD 1 mill was USD -7 mill compared to USD 11 mill in 2Q21. The sale of our regional vessels resulted in an impairment of USD 21 mill as the vessels were reclassified as assets held for sale. Adjusted for the impairment, 3Q21 EBIT was USD 14 mill.

Net result was USD -25 mill compared to USD -8 mill in 2Q21. Excluding one-offs and extraordinary items, net result was USD -4 mill compared to USD -10 mill previous quarter.

Cash break-even in 3Q21 was USD 21,731/day, slightly up from 2Q21 due to a higher scheduled number and cost of dry dockings. We expect the full-year break-even to be approximately USD 21,300/day as earlier projected.



Balance sheet & Cash flow

Odfjell's cash balance end 3Q21 was USD 55 mill plus undrawn commitments on long-term bank facilities of USD 40 mill, resulting in total available liquidity of USD 94 mill. Scheduled installments and capital repayments on mortgaged loans and leases totaled USD 23 mill during 3Q21, and a balloon installment from sale of an LPG/Ethylene vessel in September totaled USD 10 mill. Interest-bearing debt was reduced a further USD 10 mill in October after sale of the second LPG/Ethylene vessel. Cash flow from operations was steady at USD 32 mill during the quarter.

Corporate Development

Further to our announcement on 16 August 2021 about the sale of our two LPG/Ethylene carriers, vessels Bow Gallant and Bow Guardian were delivered to a subsidiary of BW Epic Kosan Ltd. (BWEK) on 17 September and 5 October respectively. Odfjell now holds 6,889,611 freely transferable shares in BWEK and we have engaged Skandinaviska Enskilda Banken AB (publ) (SEB) to explore strategic options including a potential sale of shares.

Key figures (USD mill)	31.03..21	30.06..21	30.09..21	30.09..20
Cash and available-for-sale investments	71.9	56.9	62.5	92.4
Interest bearing debt	1,231.9	1,198.8	1,171.0	1,174.4
Debt, right of use assets	278.3	259.7	244.9	271.5
Net debt	1,438.3	1,401.5	1,353.4	1,353.6
Available drawing facilities	57.9	53.8	39.6	—
Total equity	569.1	562.5	531.9	560.1
Equity ratio	26.0 %	25.9 %	25.3 %	26.0 %
Equity ratio in covenants (IFRS 16 Adj.)	29.7 %	29.4 %	28.6 %	29.7 %

Chemical Tankers

The chemical tanker market remained challenging during 3Q21 as the ongoing US supply disruptions were exacerbated by additional weather related shutdowns, influx of swing tonnage due to the weak CPP market, and seasonality. Lower US chemical exports were partially offset by strong nominations out of Far East, as increased demand for replacement volumes from lost output in the US improved backhaul routes.

Total volumes lifted was stable during the quarter, while the cargo-mix was less favorable driven by reduced US exports of chemicals as impacted vessels lifted CPP volumes for their repositioning voyage mainly out of the US. Similarly, vegoil volumes were marginally lower due to increased competition from swing tonnage, caused by the weak CPP market. The core speciality chemical market remained stable.

Off-hire days remained higher than normal due to a large share of pool vessels being in drydock in 3Q21. We experienced limited unscheduled off-hire during the quarter and we expect reduced drydockings going forward.

Key result drivers	3Q20	4Q20	1Q21	2Q21	3Q21
TCE/day*	21,235	21,102	19,676	20,143	19,654
Average annual break-even (2021 estimate)	21,386	21,386	21,300	21,300	21,300
Total volumes carried (Million tonnes)	3,8	4,1	4,0	4,2	4,1
- Volumes Odfjell vessels	3,1	3,3	3,0	3,3	3,2
- Volumes external pool vessels	0,7	0,8	1,0	1,0	0,9
- COA volumes	1,9	1,9	1,9	2,1	2,1
Total calendar revenue days	7,528	7,610	8,058	8,391	8,543
Commercial revenue days	7,150	7,266	7,751	7,908	8,056
Commercial revenue days - external pools	1,130	1,309	1,637	1,747	1,695
Off-hire days	378	293	343	579	517
Fleet (number of vsls/Mdwt)	83/2.9	89/3.1	91/3.3	92/3.4	93/3.4

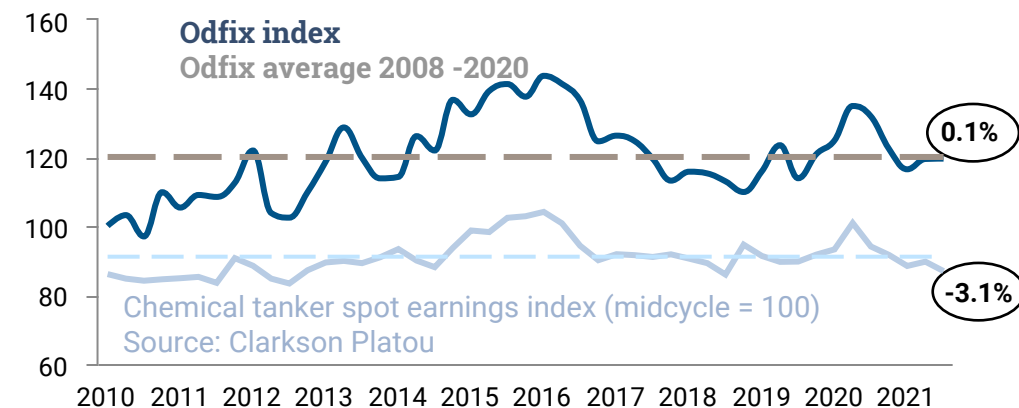
COA coverage was 51% in 3Q21 and COA volumes was stable compared to the previous quarter. We renewed a minor part of our COA portfolio since last reporting, of which average COA renewal rates were up 5%.

The sale of two Ethylene Gas carriers were concluded during the quarter and was delivered to its new owners. One externally owned vessel was delivered to our CP25 pool in August.

We entered into a sales agreement for the sale of three smaller short-sea vessels and this marks an exit from the short-sea regional trade in Asia. The vessels are no longer a strategically good fit with the deep-sea Odfjell platform and have limited opportunities to reach their full potential within our fleet today. The last short-sea vessel on timecharter operating in Asia will be redelivered to its owner in January 2022.

We have zero outstanding newbuilding capex. Future capex end 3Q21 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

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

Market development

The average commercial occupancy of the terminal portfolio ended at 93.9% in 3Q21, as compared to 94.8% in 2Q21. The negative variance mainly relates to a reduction in the occupancy level at the terminal in Korea.

The portfolio experienced another quarter of strong growth in throughput with 3Q21 ending with the highest throughput levels experienced since 1Q19. The pick-up largely relates to continued recovery at the terminal in Houston and high activity levels at the terminal in Antwerp.

The terminals in the US noted a strong quarter, with high demand for storage capacity and increased activity levels. The US market is still experiencing disruption in production and low inventory levels resulting in reduced exports and a focus on meeting local demand. With a build-up of inventory levels, we expect to see a continued recovery in export activity.

In Europe, we saw a continuation of the positive trend from 2Q21 with high demand for storage capacity at our terminal in Antwerp and healthy activity levels also in 3Q21.

In Asia, our terminal in Ulsan experienced another quarter with a reduction in occupancy levels. This was in part caused by lower production in the region and the continued threat of COVID-19 negatively impacting petrochemical and base oil demand. In 3Q21, the region was also negatively impacted by port congestion and bottlenecks in several key ports in China as well as power outages in selected areas.

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
- 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 is scheduled for completion in 4Q23
- All CAPEX will be funded locally in the respective JVs

Odfjell Terminals key figures (Odfjell share)	1Q21	2Q21	3Q21	3Q20	YTD21	FY20
Gross revenues	16.4	18.1	17.9	16.3	52.5	65.6
Odfjell Terminals US EBITDA	4.3	5.1	5.6	5.4	15.0	21.1
Odfjell Terminals Asia EBITDA	1.5	1.0	1.0	0.6	3.5	3.5
Noord Natie Odfjell EBITDA	1.4	1.8	1.5	1.7	4.7	5.7
Total Odfjell Terminals EBITDA*	7.1	7.6	7.9	7.8	22.7	30.0
EBIT	1.3	1.3	2.3	2.2	4.9	17.7
Net financials	(1.8)	(1.0)	(1.0)	(0.5)	(2.9)	(4.3)
Net results	0.2	0.0	0.9	1.5	1.1	13.5
Cash flow from operations	(2.8)	3.6	5.8	7.6	6.5	27.6
Cash flow from investments	(5.1)	(10.2)	(5.4)	(6.8)	(20.7)	(23.4)
Cash flow from financing	8.2	(0.9)	(1.8)	0.8	5.5	19.5
Net debt	109.8	116.8	117.0	90.6	117.0	103.3
Commercial average occupancy rate (%)	95.9	94.8	93.9	98.9	94.9	97.9
Commercial available capacity (1,000 cbm)	1,146	1,143	1,154	1,147	1,154	1,148

*Including corporate items

Sustainability

Carbon emissions

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

We are using the Annual Efficiency Ratio (AER) as a measure for carbon intensity. This is the same calculations decided by IMO for their Carbon Intensity Indicator (CII). AER creates incentives to improve fuel consumption and retrofit energy-saving devices in the fleet and select efficient charter vessels. The AER also removes market uncertainty and gives the manager/owner predictability to work on achieving CII trajectory/targets.

The future cost of carbon

Through their "fit-for-55"-package, the EU has proposed including shipping into the EU Emission Trading Scheme (ETS). Phase-in of ETS will start with 20% up to 100% for the next four years. The current price of CO₂ is 55 Eur/Tonnes. The ETS is based on 50% of the existing EU Monitoring, Reporting and Verification (EU MRV) scope, starting at the end of 2023. In 2020, Odfjell's carbon emissions under MRV were approximately 31% of total emissions.

Under the "Fit for 55 package" EU also proposes a separate fuel tax in the new Energy Tax directive. This will be a minimum tax rate on fuel (USD42/Tonnes fuel). Under the Fuel EU Maritime regulation, there will be a maximum limit on the greenhouse gas intensity of energy used on-board, to incentivize the increase of renewable and low carbon fuel.

International Chamber of Shipping (ICS) and Intercargo have proposed a levy-based MBM (market-based measures), per tonne of CO₂ emissions, to expedite the uptake and deployment of zero-carbon fuels to the IMO. Previous proposals of such levy are in the price of 100 USD/Tonnes CO₂. This levy comes in addition to the suggested 2 USD tonnes/fuel R&D fund. The proposals are on IMO's table for the MEPC meeting in November. These are costs that will be transferred to charterers upon implementation.

Odfjell Efficiency

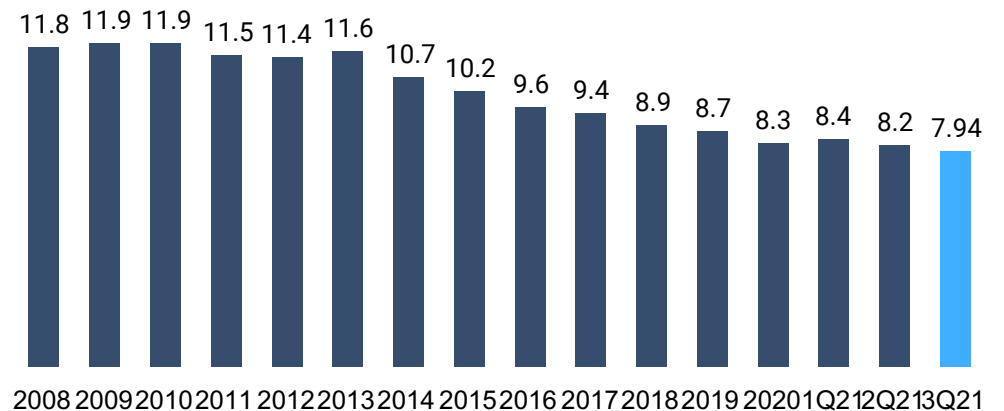
As the total cost of emissions becomes more apparent, we see a growing interest from customers in our emissions. Emissions will be linked to the transportation cost. Many companies have also stated clear emission reduction targets, including emissions from their service providers (so-called scope 3 emissions). An energy-efficient fleet will benefit the customers both on their direct cost and total emission performance. As more shipping companies disclose their AER performance, this has so far confirmed our competitive advantage gained from our energy efficiency program and fleet renewal program.

Odfjell AER development

AER for our managed fleet in 3Q21 is reduced to 7.9 which compares to 8.4 in the corresponding quarter 2020, our best result on record. The AER for our operated fleet is 8.18 in 2Q21, also a record.¹

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 3rd party once a year.

AER Odfjell fleet*



*AER: Unit grams of CO₂ per tonne-mile (gCO₂/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

The global economy continued to expand at a healthy but more muted rate during 3Q21. Increasing vaccination rates and continued easing of lockdown restrictions were partially offset by supply chain issues leading to strained manufacturing activities and potential risks of a slowdown in leading economies. IMF projects the global economy to grow by 5.9% in 2021 and 4.9% in 2022. The consensus remains unchanged and the global economy will be led by advanced economies, driven by faster vaccine rollouts and policy support.

The ongoing weakness in crude and CPP markets continues to impede a recovery in the chemical tanker market. Although uncertainty regarding when these markets will rebound persists, there are indicators that point to improved markets going forward. Stronger crude and CPP markets are expected to reduce supply pressure from swing tonnage in the chemical tanker market.

The rising energy prices have increased the relative competitiveness of US chemical producers by driving up the cost base in Europe and NE Asia. Naphtha prices are still more than double in Asia and Europe compared with US ethane and the current trend remains supportive of increased US exports once supply chain issues ease. This combined with new export-oriented chemical plants ramping up production in the US and Middle East is expected to support strong tonne-mile demand growth in the years to come.

Interest for newbuilding orders remains limited due to weak markets, emission regulations and uncertainty regarding future propulsion systems. This combined with an aging fleet is expected to limit fleet growth for chemical tankers through 2023.

We forecast annual chemical tanker demand growth to average 4% between 2021 and 2023, which compares to supply growth of 1% per year on average in the corresponding time period.

4Q21 guidance

There are signs of improvements in our markets, but it will take time for a recovery to materialize and we therefore expect the underlying results in 4Q21 to be in line with 3Q21.

Bergen, 3 November 2021

THE BOARD OF DIRECTORS OF ODFJELL SE

Interim financial information – ODFJELL GROUP

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Figures based on equity method

(USD mill)	Note	1Q21	2Q21	3Q21	3Q20	YTD21	YTD20
Gross revenue	1, 9	243.3	253.1	259.1	230.1	755.5	705.2
Voyage expenses	1	(99.0)	(106.0)	(109.0)	(80.6)	(314.0)	(260.0)
Pool distribution		(23.9)	(23.7)	(25.1)	(21.1)	(72.7)	(57.7)
Time-charter earnings		120.4	123.4	125.0	128.4	368.8	387.5
Time-charter expenses		(3.6)	(4.1)	(5.3)	(8.1)	(13.0)	(25.7)
Operating expenses	8	(47.4)	(49.0)	(46.8)	(42.0)	(143.3)	(122.5)
Gross result		69.3	70.3	73.0	78.4	212.6	239.3
Share of net result from associates and joint ventures	5	0.8	0.5	1.1	0.9	2.5	13.5
General and administrative expenses		(16.9)	(14.2)	(16.0)	(14.4)	(47.1)	(43.8)
Operating result before depreciation, amortization and capital gain (loss) on non-current assets (EBITDA)		53.2	56.6	58.2	64.9	167.9	209.0
Depreciation and amortization	4, 7	(45.4)	(45.8)	(45.1)	(38.6)	(136.3)	(111.5)
Impairment of ships, property, plant and equipment	4	–	–	(21.0)	–	(21.0)	–
Capital gain (loss)	4	–	0.4	1.2	(0.1)	1.5	–
Operating result (EBIT)		7.8	11.1	(6.8)	26.1	12.1	97.5
Interest income		0.1	0.1	0.2	0.1	0.4	0.8
Interest expenses	9	(20.3)	(19.7)	(18.0)	(20.0)	(58.0)	(62.7)
Other financial items	6	(1.9)	1.4	0.2	(1.2)	(0.3)	(2.0)
Net financial items		(22.1)	(18.3)	(17.6)	(21.1)	(57.9)	(63.9)
Result before taxes		(14.3)	(7.2)	(24.4)	5.1	(45.8)	33.6
Income tax expense		(1.3)	(0.6)	(0.9)	(1.2)	(2.8)	(3.2)
Net Result		(15.6)	(7.8)	(25.3)	3.9	(48.6)	30.4

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME Figures based on equity method

(USD mill)	Note	1Q21	2Q21	3Q21	3Q20	YTD21	YTD20
Net other comprehensive income to be reclassified to profit or loss in subsequent periods:							
Net changes in cash-flow hedges		10.1	(0.7)	(1.3)	5.2	8.1	(20.2)
Translation differences on investments of foreign operations		0.1	–	(0.1)	–	–	(0.1)
Share of comprehensive income on investments accounted for using equity method		(2.0)	0.9	(3.5)	1.0	(4.5)	(0.8)
Share of other comprehensive income reclassified to income statement on disposal		–	–	–	–	–	–
Net other comprehensive income not being reclassified to profit or loss in subsequent periods:							
Net actuarial gain/(loss) on defined benefit plans		–	–	–	–	–	–
Other comprehensive income		8.2	0.2	(4.9)	6.2	3.6	(21.1)
Total comprehensive income		(7.4)	(7.6)	(30.1)	10.1	(45.0)	9.3
Earnings per share (USD) – basic/diluted		(0.20)	(0.10)	(0.32)	0.05	(0.62)	0.39

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	30.09.21	30.09.20	31.12.20
Deferred tax assets		0.7	0.9	0.9	0.5	0.7
Ships	4	1,531.1	1,509.8	1,413.2	1,483.5	1,515.1
Property, plant and equipment	4	9.7	9.4	9.2	9.7	9.7
Right of use assets	7	266.9	247.3	232.1	261.4	258.8
Investments in associates and joint ventures	5	181.2	179.8	177.6	174.4	200.4
Derivative financial instruments		1.1	0.7	0.3	0.2	1.7
Non-current receivables		4.6	4.7	4.6	9.7	6.6
Total non-current assets		1,995.2	1,952.7	1,837.8	1,939.5	1,993.0
Current receivables		123.9	121.5	125.9	101.6	92.1
Bunkers and other inventories		32.3	34.9	38.1	21.5	25.2
Derivative financial instruments		8.2	7.5	4.2	–	6.7
Available-for-sale investment		–	–	7.8	–	–
Cash and cash equivalents	3	71.9	56.9	54.6	92.4	103.1
Assets classified as held for sale	4	–	–	37.7	–	–
Total current assets		236.3	220.9	268.4	215.4	227.1
Total assets		2,231.4	2,173.6	2,106.2	2,154.9	2,220.1
Equity		569.1	562.5	531.9	560.1	575.9
Non-current interest bearing debt	3	1,132.1	1,005.2	981.2	1,006.7	1,059.8
Non-current debt, right of use assets	7	220.6	201.9	187.2	222.3	209.6
Derivatives financial instruments		19.9	20.2	20.4	37.4	25.7
Other non-current liabilities		9.1	7.3	7.0	5.6	6.9
Total non-current liabilities		1,381.7	1,234.6	1,195.8	1,271.9	1,301.9
Current portion interest bearing debt	3	99.8	193.5	189.8	167.8	178.8
Current debt, right of use assets	7	57.7	57.8	57.7	49.2	59.6
Derivative financial instruments		6.0	6.4	9.1	26.2	8.4
Other current liabilities		117.1	118.8	122.0	79.7	95.5
Total current liabilities		280.6	376.5	378.5	322.9	342.3
Total equity and liabilities		2,231.4	2,173.6	2,106.2	2,154.9	2,220.1

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
Equity as per January 1, 2020	199.2	0.3	(13.7)	(1.2)	4.7	361.9	351.9	551.2
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)
Equity as at December 31, 2020	199.2	0.3	(21.4)	(1.9)	10.6	389.2	376.7	575.9
Equity as per January 1, 2021	199.2	0.3	(21.4)	(1.9)	10.6	389.2	376.7	575.9
Other comprehensive income	—	0.1	8.0	—	(4.5)	—	3.6	3.6
Net result	—	—	—	—	—	(48.7)	(48.7)	(48.7)
Sale of treasury shares 1)	—	—	—	—	—	0.4	0.4	0.4
Other adjustments	—	—	—	—	—	0.5	0.5	0.5
Equity as at September 30, 2021	199.2	0.4	(13.4)	(1.9)	6.1	341.5	332.6	531.9

(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	3Q21	3Q20	YTD21	YTD20
PROFITABILITY						
Earnings per share (USD) – basic/diluted	(0.20)	(0.10)	(0.32)	0.05	(0.62)	0.39
Return on equity ¹⁾	(9.9 %)	(6.4 %)	(7.7 %)	3.5 %	(10.5 %)	6.7 %
Adjusted return on equity ³⁾	(9.6 %)	(6.7 %)	(4.1 %)	3.8 %	(6.9 %)	4.7 %
Return on capital employed ¹⁾	1.5 %	2.1 %	1.6 %	5.4 %	1.1 %	6.7 %
Adjusted return on capital employed ³⁾	1.5 %	2.1 %	2.6 %	5.4 %	2.1 %	6.0 %
FINANCIAL RATIOS						
Average number of outstanding shares (mill) ²⁾	78.6	78.6	78.6	78.6	78.6	78.8
Basic/diluted equity per share (USD)	7.24	7.15	6.76	7.12	6.76	7.10
Share price per A-share (USD)	3.3	3.7	3.6	2.3	3.6	2.3
Current ratio	0.8	0.6	0.7	0.7	0.7	0.7
Equity ratio	25.5 %	25.9 %	25.3 %	26.0 %	25.3 %	26.0 %
IFRS 16 adjusted equity ratio	29.1 %	29.4 %	28.6 %	29.7 %	28.6 %	29.7 %
USD/NOK rate at period end	8.55	8.56	8.78	9.47	8.78	9.47

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

²⁾ Per end of September 2021 Odfjell holds 5,819,093 Class A shares and 2,322,482 Class B shares.

³⁾ Adjusted for non-recurring items.

CONSOLIDATED CASH FLOW STATEMENT

Figures based on equity method

(USD mill)	1Q21	2Q21	3Q21	3Q20	YTD21	YTD20
Profit before income taxes	(14.3)	(7.2)	(24.3)	5.1	(45.8)	33.6
Taxes paid in the period	(1.5)	(0.8)	(0.9)	(1.4)	(3.3)	(3.3)
Depreciation, impairment and capital (gain) loss fixed assets	45.6	45.7	65.2	38.6	156.4	111.6
Change in inventory, trade debtors and creditors (increase) decrease	(20.2)	7.7	(3.6)	(10.1)	(16.2)	(8.5)
Share of net result from associates and JV's	(0.8)	(0.5)	(1.2)	(0.9)	(2.5)	(13.5)
Net interest expenses	20.2	19.6	17.9	19.9	57.6	61.9
Interest received	0.1	0.1	0.2	0.1	0.4	0.9
Interest paid	(18.7)	(19.6)	(18.1)	(20.5)	(56.5)	(63.5)
Effect of exchange differences and changes in unrealized derivatives	1.6	0.1	(4.2)	(0.4)	(2.6)	1.3
Change in other current accruals	7.4	(8.1)	4.0	(0.3)	3.4	(4.7)
Net cash-flow from operating activities	19.3	37.0	34.8	30.1	91.0	115.9
Sale of ships, property, plant and equipment ²⁾	–	–	10.1	–	10.1	4.1
Investment in ships, property, plant and equipment	(10.5)	(8.4)	(8.7)	(48.2)	(27.6)	(150.3)
Dividend/other from investments in associates and JV's	–	2.9	–	–	2.9	1.4
Acquisition of subsidiary ¹⁾	(11.7)	–	–	–	(11.7)	–
Other non-current receivables and investments	1.0	0.5	0.6	(0.5)	2.2	3.4
Net cash-flow from investing activities	(21.1)	(5.0)	2.0	(48.7)	(24.1)	(141.3)
New interest bearing debt (net of fees paid)	121.2	69.1	–	127.9	190.3	260.4
Repayment of interest bearing debt	(114.3)	(101.8)	(33.8)	(101.7)	(249.9)	(153.4)
Repayment of drawing facilities	(20.0)	–	10.1	(50.0)	(9.9)	(50.0)
Repayment of lease debt related to right of use assets	(15.6)	(14.8)	(14.8)	(13.5)	(45.1)	(38.0)
Net cash-flow from financing activities	(28.6)	(47.5)	(38.5)	(37.4)	(114.6)	19.0
Effect on cash balance from currency exchange rate fluctuations	(0.7)	0.6	(0.6)	–	(0.7)	(2.0)
Net change in cash and cash equivalents	(31.2)	(15.0)	(2.3)	(56.0)	(48.5)	(8.4)
Opening cash and cash equivalents	103.1	71.9	56.9	148.4	103.1	100.8
Closing cash and cash equivalents	71.9	56.9	54.6	92.4	54.6	92.4

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.

2) Cash proceeds from the sale of the vessel Bow Gallant. An additional USD USD 7.8 million from the transaction was settled in shares in BW Epic Kosan Ltd. and is classified as an available-for-sale investment.

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 September 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 September 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 the third quarter 2021 for the deep sea cash generating unit.

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 the discount rate. The discount rate used is 7.8 %. This is also an assumption when performing the impairment assessment.

The book value of the cash generating unit is USD 1,645 million. The impairment test did not reveal any need for impairment.

Regional

The regional cash generating unit has been reclassified to assets held for sale. An impairment loss of USD 21 million has been recognized in connection to the agreed-upon sale.

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 third 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. The cost price of the two gas vessels was booked at historical cost until the third quarter of 2021, where one vessel was sold and the other reclassified to assets held for sale awaiting final delivery in October.

Assets held for sale

The Group has finalized a sale of the vessel Bow Guardian in October, and has agreed to sell the Asia regional vessels to be finalized this year. A total of USD 37.7 million has been reclassified to assets held for sale as a result of the agreed-upon transactions.

Available-for-sale investments

The sale of Bow Gallant was partly settled in equity, resulting in shares received for a total of USD 7.8 million using the market value at the closing date of the transaction. The shares are classified as an available-for-sale investment and subsequent changes in the fair value will be booked through profit or loss.

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. From the third quarter of 2021, one LPG carrier has been sold and the remaining reclassified to assets held for sale pending final delivery.

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 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	3Q21	3Q20	1Q21	2Q21	3Q21	3Q20	1Q21	2Q21	3Q21	3Q20
Gross revenue	243.0	252.8	258.8	231.4	16.4	18.1	17.9	16.3	259.4	270.9	276.7	247.7
Voyage expenses	(99.0)	(106.0)	(109.0)	(81.3)	—	—	—	—	(99.0)	(106.0)	(109.0)	(81.3)
Pool distribution	(23.9)	(23.7)	(25.1)	(21.1)	—	—	—	—	(23.9)	(23.7)	(25.1)	(21.1)
TC earnings	120.1	123.1	124.7	129.0	16.4	18.1	17.9	16.3	136.4	141.2	142.7	145.3
TC expenses	(3.6)	(4.1)	(5.3)	(8.1)	—	—	—	—	(3.6)	(4.1)	(5.3)	(8.1)
Operating expenses	(41.0)	(42.5)	(40.9)	(37.6)	(6.6)	(7.6)	(7.1)	(6.1)	(47.6)	(50.0)	(48.0)	(43.7)
Operating expenses - right of use assets	(6.4)	(6.6)	(6.0)	(5.1)	—	—	—	—	(6.4)	(6.6)	(6.0)	(5.1)
General and administrative expenses	(16.5)	(13.6)	(15.5)	(14.4)	(2.7)	(2.9)	(2.9)	(2.4)	(19.2)	(16.5)	(18.3)	(16.8)
EBITDA	52.6	56.4	57.2	63.9	7.1	7.6	7.9	7.8	59.7	64.0	65.1	71.7
Depreciation	(29.1)	(29.7)	(29.8)	(24.4)	(5.6)	(6.0)	(5.6)	(5.3)	(34.7)	(35.7)	(35.7)	(29.8)
Depreciation - right of use assets	(16.1)	(16.1)	(15.3)	(14.6)	(0.2)	(0.1)	—	(0.1)	(16.3)	(16.2)	(15.3)	(14.7)
Impairment	—	—	(21.0)	—	—	—	—	—	—	—	(21.0)	—
Capital gain/loss	—	0.4	1.2	—	—	(0.3)	—	(0.1)	—	0.1	1.5	(0.1)
Operating result (EBIT)	7.4	10.9	(7.8)	24.8	1.3	1.3	2.3	2.2	8.7	12.2	(5.4)	27.1
Net interest expense	(16.6)	(16.1)	(14.7)	(16.3)	(0.7)	(0.8)	(0.8)	(0.6)	(17.3)	(16.9)	(15.5)	(16.9)
Interest expense - right of use assets	(3.6)	(3.5)	(3.2)	(3.6)	—	—	—	—	(3.6)	(3.6)	(3.2)	(3.7)
Other financial items	(1.8)	1.4	0.3	(1.3)	(0.2)	(0.2)	(0.2)	0.2	(2.0)	1.2	0.1	(1.2)
Taxes	(1.3)	(0.4)	(0.9)	(1.1)	(0.1)	(0.3)	(0.4)	(0.3)	(1.4)	(0.8)	(1.3)	(1.4)
Net result	(15.8)	(7.8)	(26.2)	2.4	0.2	—	0.9	1.5	(15.6)	(7.8)	(25.3)	3.9
Non current assets	1,814.0	1,772.9	1,660.2	1,780.1	325.5	329.6	329.3	292.0	2,139.5	2,102.5	1,989.5	2,072.9
Cash and cash equivalents	67.8	51.3	50.0	88.6	39.5	31.9	30.5	47.0	107.3	83.3	80.5	135.6
Other current assets	157.1	155.3	164.8	122.4	14.7	16.2	15.9	31.8	171.8	170.9	180.1	134.7
Total assets	2,038.9	1,979.5	1,912.7	1,991.0	379.7	377.7	375.8	370.9	2,418.6	2,356.6	2,287.9	2,343.2
Equity	404.7	397.1	368.8	397.0	164.4	165.4	163.0	163.7	569.1	562.5	531.9	560.1
Non-current interest bearing debt	1,132.1	1,005.2	981.2	1,006.7	140.5	139.6	138.8	132.9	1,272.5	1,144.9	1,120.0	1,139.5
Non-current debt, right of use assets	220.6	201.9	187.2	222.3	3.1	3.0	3.0	0.6	223.8	204.9	190.2	222.9
Other non-current liabilities	26.9	27.3	27.4	43.0	29.8	29.5	28.6	27.2	56.7	56.9	56.0	70.1
Current interest bearing debt	99.8	193.5	189.8	171.7	8.8	9.1	8.7	4.7	108.6	202.6	198.4	176.3
Current debt, right of use assets	57.7	57.8	57.7	49.2	0.3	0.3	0.3	0.2	58.0	58.1	58.0	49.4
Other current liabilities	97.2	96.5	100.7	101.1	32.7	30.8	33.3	41.7	129.9	126.7	133.4	124.8
Total equity and liabilities	2,038.9	1,979.5	1,912.7	1,991.0	379.7	377.7	375.8	370.9	2,418.6	2,356.6	2,287.9	2,343.2
Cashflow from operating activities	18.8	39.3	35.2	24.5	(2.8)	3.6	5.8	7.6	16.0	42.9	41.0	32.1
Cashflow from investment activities	(21.1)	(7.9)	2.0	(48.7)	(5.1)	(10.2)	(5.4)	(6.8)	(26.2)	(18.1)	(3.4)	(55.5)
Cashflow from financing activities	(29.2)	(47.9)	(38.5)	(31.9)	8.2	(0.9)	(1.8)	0.8	(21.0)	(48.8)	(40.3)	(31.1)
Net change in cash and cash equivalents	(31.5)	(16.5)	(1.3)	(56.0)	0.2	(7.6)	(1.4)	1.6	(31.3)	(24.1)	(2.7)	(54.4)

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	3Q21	3Q20	1Q21	2Q21	3Q21	3Q20	1Q21	2Q21	3Q21	3Q20
Total segment revenue	243.0	252.8	258.8	231.4	16.4	18.1	17.9	16.3	259.4	270.9	276.7	247.7
Segment revenue JV's	—	—	—	(1.7)	(16.2)	(17.9)	(17.8)	(15.9)	(16.2)	(17.9)	(17.8)	(17.6)
Consolidated revenue in income statement	243.0	252.8	258.8	229.7	0.2	0.2	0.2	0.4	243.1	252.9	259.0	230.1
Total segment EBIT	7.4	10.9	(7.8)	24.8	1.3	1.3	2.3	2.2	8.7	12.2	(5.4)	27.1
Segment EBIT JV's	—	—	—	0.1	(1.5)	(1.6)	(2.5)	(1.9)	(0.4)	(0.5)	(0.2)	(1.8)
Share of net result JV's (4)	—	—	—	(0.2)	(0.5)	(0.5)	(1.2)	1.1	(0.5)	(0.5)	(1.2)	0.9
Consolidated EBIT in income statement	7.4	10.9	(7.8)	24.8	(0.7)	(0.9)	(1.3)	1.4	7.8	11.1	(6.8)	26.2
Total segment asset	2,038.9	1,979.5	1,912.7	1,991.0	379.7	377.7	375.8	370.9	2,418.6	2,356.6	2,287.9	2,343.2
Segment asset (3)	2.0	0.8	(0.3)	(19.5)	(370.3)	(363.7)	(358.9)	(364.3)	(368.3)	(362.9)	(359.2)	(362.7)
Investment in JV's (4)	—	0.1	0.1	15.6	181.2	179.9	177.6	158.8	181.2	179.8	177.6	174.4
Total consolidated assets in statement of financial position	2,041.0	1,980.3	1,912.5	1,987.1	190.5	193.9	194.5	165.4	2,231.4	2,173.6	2,106.2	2,154.9
Total segment liabilities	1,634.3	1,582.2	1,543.9	1,595.9	215.2	212.3	212.8	207.2	1,862.3	1,808.7	1,773.3	1,783.1
Segment liability (3)	2.0	0.8	(0.4)	(19.5)	(189.1)	(183.7)	(181.4)	(204.0)	(200.0)	(197.6)	(199.1)	(188.3)
Total consolidated liabilities in statement of financial position	1,636.3	1,583.0	1,543.5	1,576.4	26.1	28.6	31.4	3.2	1,662.3	1,611.1	1,574.3	1,594.8

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

⁽²⁾ This segment also includes «corporate».

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

⁽⁴⁾ 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

(USD mill)	31.03.21	30.06.21	30.09.21	30.09.20	31.12.20
Mortgaged loans from financial institutions	361.5	411.6	400.7	462.0	371.8
Financial leases and sale-lease back	637.0	555.3	542.6	451.3	650.3
Unsecured bonds	251.5	251.1	245.2	187.2	234.3
Lease liability, right of use assets	278.3	259.7	244.9	223.0	269.2
Subtotal debt	1,528.3	1,477.7	1,433.3	1,323.4	1,525.6
Debt transaction fees	(18.1)	(19.2)	(17.4)	(7.9)	(17.8)
Total debt	1,510.2	1,458.5	1,415.9	1,315.5	1,507.8
Cash and cash equivalent ¹⁾	71.9	56.9	54.6	111.5	103.1
Net debt	1,438.3	1,401.5	1,361.2	1,204.0	1,404.7

1) Of USD 54.6 million, a total of USD 1.0 million is restricted cash related to withholding taxes for employees in Odfjell Management AS and Odfjell Maritime Services AS. Available drawing facilities end September 2021 amounts to USD 39.6 million.

(USD mill)	1Q21	2Q21	3Q21	YTD21	YTD20	FY20
Total debt, beginning of period	1,507.8	1,510.2	1,458.5	1,507.8	1,345.8	1,345.8
New loans, financial leases and bonds	121.4	70.2	10.1	201.7	264.5	328.9
Repayment of loans, financial leases and bonds	(127.5)	(101.8)	(33.8)	(263.1)	(203.4)	(225.1)
Change in debt, lease liability right of use assets	9.1	(18.7)	(14.8)	(24.3)	58.0	55.6
Debt transaction fees, net paid and amortized	(0.3)	(1.1)	1.8	0.4	(4.1)	(5.8)
Currency translation differences	(0.4)	(0.4)	(5.9)	(6.7)	(14.8)	8.3
Total debt, end of period	1,510.2	1,458.5	1,415.9	1,415.9	1,446.0	1,507.8

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

(USD mill)	1Q21	2Q21	3Q21	3Q20	YTD21	YTD20
Net carrying amount, beginning of period	1,524.8	1,540.7	1,519.2	1,468.8	1,524.8	1,412.1
Investments in ships, property, plant and equipment	10.5	8.2	8.4	48.4	27.2	150.5
Depreciation	(28.8)	(29.7)	(29.8)	(24.0)	(88.3)	(69.3)
Impairment ¹⁾	–	–	(21.0)	–	(21.0)	–
Sale of property, plant and equipment ²⁾	–	–	(16.8)	–	(16.8)	–
Acquisition of remaining 50 % share of two gas vessels	34.1	–	–	–	(16.8)	–
Assets classified as held for sale ³⁾	–	–	(37.7)	–	(37.7)	–
Net carrying amount, end of period	1,540.7	1,519.2	1,422.4	1,493.2	1,422.4	1,493.2

(USD mill)	1Q21	2Q21	3Q21	3Q20	YTD21	YTD20
Depreciation property, plant and equipment	(28.8)	(29.7)	(29.8)	(24.0)	(88.3)	(69.2)
Depreciation right of use assets	(16.6)	(16.1)	(15.3)	(14.6)	(48.0)	(42.3)
Total	(45.4)	(45.8)	(45.1)	(38.6)	(136.3)	(111.5)

1) Odfjell has agreed to the sale of three vessels in the Asia regional trade. An impairment loss of USD 21 million has been recognized related to the agreed-upon sale, while a remaining book value of USD 21.1 million has been reclassified to assets held for sale.

2) Odfjell has finalized the sale of the vessel Bow Gallant with a book value of USD 16.8 million. A gain of USD 1.2 million has been recognized related to the sale. The sale was partly settled in equity resulting in a USD 7.8 million asset classified as an available-for-sale investment.

3) Total assets of USD 37.7 million has been reclassified to assets held for sale in the third quarter. The amount consists of USD 21.1 million for the Asia regional trade vessels and USD 16.6 million related to the vessel Bow Guardian. The sale of Bow Guardian was finalized in October.

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 ¹⁾	Total	Tank Terminals	Gas Carriers	Total
Gross revenue	52.5	0.9	53.4	49.7	5.2	54.9
EBITDA	22.4	0.6	23.0	24.3	1.1	25.4
EBIT	4.6	0.3	4.9	16.2	(0.2)	16.0
Net result	0.8	0.3	1.1	13.9	(0.4)	13.5
Depreciation of excess values net of deferred tax						
USA	(3.8)	–	(3.8)	(3.8)	–	(3.8)
Europe	(1.3)	–	(1.3)	(1.3)	–	(1.3)
Total	(5.1)	–	(5.1)	(5.1)	–	(5.1)
Non current assets	329.3	–	329.3	292.0	17.5	309.5
Cash and cash equivalents	26.4	–	26.4	41.7	1.5	43.2
Other current assets	30.6	–	30.6	29.0	0.5	29.5
Total assets	386.4	–	386.4	362.8	19.6	382.4
Total equity closing balance	177.6	–	177.6	158.8	15.6	174.4
Long-term debt	141.8	–	141.8	132.9	–	132.9
Other non-current liabilities	28.6	–	28.6	27.7	–	27.7
Short-term debt	9.0	–	9.0	4.8	3.9	8.7
Other current liabilities	29.4	–	29.4	38.7	–	38.7
Total equity and liabilities	386.4	–	386.4	362.8	19.6	382.4

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	3Q21	3Q20	YTD21	YTD20
Changes in fair value in derivatives	(1.3)	(1.0)	(5.6)	6.5	(7.9)	(14.2)
Currency gains (losses)	(0.4)	0.7	5.9	(6.6)	6.2	12.7
Other	(0.2)	1.7	(0.1)	(1.1)	1.4	(0.5)
Total other financial items	(1.9)	1.4	0.2	(1.2)	(0.3)	(2.0)

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	3Q21	3Q20	YTD21	YTD20
Net carrying amount, beginning of period	258.8	266.9	247.3	276.2	258.8	207.9
New right of use assets	24.7	6.7	–		31.2	96.0
Depreciation	(16.9)	(16.1)	(15.3)	(14.6)	(48.2)	(42.3)
Remeasurement ¹⁾	0.3	(10.2)	–	(0.2)	(9.8)	(0.2)
Net carrying amount, end of period	266.9	247.3	232.1	261.4	232.1	261.4

(USD mill)	31.03.21	30.06.21	30.09.21	30.09.20	30.09.21	30.09.20
Non current debt, right of use assets	220.6	201.9	187.2	222.3	187.2	222.3
Current debt, right of use assets	57.7	57.8	57.7	49.2	57.7	49.2
Total	278.3	259.7	244.9	271.5	244.9	271.5

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, and a reduction of USD 10 million in debt related to right of use assets.

Note 8 - Operating expenses

(USD mill)	1Q21	2Q21	3Q21	3Q20	YTD21	YTD20
Operating expenses right of use assets	(6.7)	(6.6)	(6.0)	(5.1)	(19.3)	(16.0)
Other operating expenses	(40.7)	(42.4)	(40.8)	(36.9)	(124.0)	(106.5)
Total	(47.4)	(48.9)	(46.8)	(42.0)	(143.3)	(122.5)

Note 9 - Interest expenses

(USD mill)	1Q21	2Q21	3Q21	3Q20	YTD21	YTD20
Interest expenses - right of use assets	(3.6)	(3.5)	(3.2)	(3.6)	(10.3)	(10.4)
Other interest expenses	(16.7)	(16.2)	(14.8)	(16.4)	(47.7)	(52.3)
Total	(20.3)	(19.7)	(18.0)	(20.0)	(58.0)	(62.7)

Note 10 - Subsequent events**Distribution**

Distribution from Den Norske Krigsforsikring for Skib to its members was approved in October 2021. Odfjell Group considers the receipt of distribution as a repayment of previously paid insurance premiums and will therefore recognize the received dividend within the operating result in its fourth quarter 2021 report.

The distribution to be received is estimated to USD 6 million with an estimated withholding tax of USD 0.4 million which will be booked as a tax expense.

Cash is expected to be received during the first quarter of 2022. Until cash is received, the distribution will be classified as a short-term receivable in the balance sheet.

Fleet list September 30, 2021

VESSEL TYPE	Class	CHEMICAL TANKERS	DWT	BUILT	OWNERSHIP	CBM	STAINLESS	
							STEEL_CBM	TANKS
Super-segregator	POLAND	Bow Sea	49 592	2006	Owned	52 244	52 244	40
Super-segregator	POLAND	Bow Summer	49 592	2005	Owned	52 252	52 252	40
Super-segregator	POLAND	Bow Saga	49 559	2007	Owned	52 243	52 243	40
Super-segregator	POLAND	Bow Sirius	49 539	2006	Owned	52 242	52 242	40
Super-segregator	POLAND	Bow Star	49 487	2004	Owned	52 222	52 222	40
Super-segregator	POLAND	Bow Sky	49 479	2005	Leased	52 222	52 222	40
Super-segregator	POLAND	Bow Spring	49 429	2004	Owned	52 252	52 252	40
Super-segregator	POLAND	Bow Sun	42 459	2003	Owned	52 222	52 222	40
Super-segregator	KVAERNER	Bow Chain	37 518	2002	Owned	40 966	40 966	47
Super-segregator	KVAERNER	Bow Faith	37 479	1997	Leased	41 960	34 681	52
Super-segregator	KVAERNER	Bow Cedar	37 455	1996	Owned	41 947	41 947	52
Super-segregator	KVAERNER	Bow Cardinal	37 446	1997	Owned	41 953	34 674	52
Super-segregator	KVAERNER	Bow Firda	37 427	2003	Owned	40 994	40 994	47
Super-segregator	KVAERNER	Bow Fortune	37 395	1999	Leased	41 000	41 000	47
Super-segregator	KVAERNER	Bow Fagus	37 375	1995	Owned	41 952	34 673	52
Super-segregator	KVAERNER	Bow Flora	37 369	1998	Leased	41 000	33 721	47
Super-segregator	KVAERNER	Bow Cecil	37 369	1998	Leased	41 000	33 721	47
Super-segregator	KVAERNER	Bow Clipper	37 221	1995	Owned	40 775	33 496	52
Super-segregator	KVAERNER	Bow Flower	37 221	1994	Owned	41 492	34 673	52
Super-segregator	CP40	Bow Hercules	40 847	2017	Bareboat	44 085	44 085	30
Super-segregator	CP40	Bow Gemini	40 895	2017	Bareboat	44 205	44 205	30
Super-segregator	CP40	Bow Aquarius	40 901	2016	Bareboat	44 403	44 403	30
Super-segregator	CP40	Bow Capricorn	40 929	2016	Bareboat	44 184	44 184	30
Super-segregator	HUDONG49	Bow Orion	49 042	2019	Owned	55 186	55 186	33
Super-segregator	HUDONG49	Bow Olympus	49 000	2019	Leased	55 186	55 186	33
Super-segregator	HUDONG49	Bow Odyssey	49 000	2020	Owned	54 175	54 175	33
Super-segregator	HUDONG49	Bow Optima	49 042	2020	Leased	55 186	55 186	33
Super-segregator	HUDONG40	Bow Explorer	38 236	2020	Leased	45 118	45 118	40
Super-segregator	HUDONG40	Bow Excellence	38 234	2020	Leased	45 118	45 118	40
Large Stainless steel	35x28	Bow Persistent	36 225	2020	Bareboat	39 221	39 221	28
Large Stainless steel	35x28	Bow Performer	35 118	2018	Time charter	37 987	37 987	28
Large Stainless steel	35x28	Bow Prosper	36 221	2020	Bareboat	39 234	39 234	28
Large Stainless steel	35x30	Bow Precision	35 155	2018	Time charter	36 668	36 668	28
Large Stainless steel	CP33	Bow Harmony	33 619	2008	Leased	39 758	39 758	16
Large Stainless steel	CP33	Bow Compass	33 609	2009	Owned	38 685	38 685	16
Large Stainless steel	30x28	Bow Engineer	30 086	2006	Leased	36 970	36 970	28
Large Stainless steel	30x28	Bow Architect	30 058	2005	Leased	36 956	36 956	28
Large Stainless steel	CP33	Sagami	33 615	2008	Time charter	37 238	37 238	16
Medium Stainless steel	CP25	Southern Quokka	26 077	2017	Time charter	29 049	29 049	26
Medium Stainless steel	CP25	Southern Owl	26 057	2016	Time charter	29 048	29 048	26
Medium Stainless steel	CP25	Southern Puma	26 071	2016	Time charter	29 055	29 055	26
Medium Stainless steel	CP25	Southern Shark	26 051	2018	Time charter	27 112	27 112	26
Medium Stainless steel	CP25	Bow Platinum	27 500	2017	Leased	28 059	28 059	24
Medium Stainless steel	CP25	Bow Neon	27 500	2017	Leased	29 041	29 041	24
Medium Stainless steel	CP25	Bow Titanium	27 500	2018	Leased	29 006	29 006	24
Medium Stainless steel	CP25	Bow Palladium	27 500	2017	Leased	28 051	28 051	24
Medium Stainless steel	CP25	Bow Tungsten	27 500	2018	Leased	28 067	28 067	24
Medium Stainless steel	CP20	Southern Koala	21 290	2010	Time charter	20 008	20 008	20
Medium Stainless steel	CP20	Bow Santos	19 997	2004	Owned	22 626	22 626	22
Medium Stainless steel	FLUMAR	Flumar Maceio	19 975	2006	Owned	21 713	21 713	22
Medium Stainless steel	CP20/FLUMAR	Moyra	19 806	2005	Time charter	23 707	23 707	18
Medium Stainless steel	CP25	Pacific Endeavor	26 197	2011	Time Charter	27 591	27 591	16
Medium Stainless steel	CP25	Southern Xantis	25 887	2020	Time Charter	27 078	27 078	26
Medium Stainless steel	CP25	Bow Emma	25 595	2009	Time charter	27 562	27 562	18

VESSEL TYPE	Class	CHEMICAL TANKERS	DWT	BUILT	OWNERSHIP	CBM	STAINLESS	
							STEEL_CBM	TANKS
Coated	PIONEER	Bow Pioneer	75 000	2013	Owned	87 330	0	31
Coated	FLUMAR	Flumar Brasil	51 188	2010	Owned	54 344	0	12
Coated	MR POOL	Bow Triumph	49 622	2014	Leased	54 595	0	22
Coated	MR POOL	Bow Trident	49 622	2014	Leased	54 595	0	22
Coated	MR POOL	Bow Tribute	49 622	2014	Owned	54 595	0	22
Coated	MR POOL	Bow Trajectory	49 622	2014	Owned	54 595	0	22
Coated	MR POOL	Bow Elm	46 098	2011	Owned	49 996	0	29
Coated	MR POOL	Bow Lind	46 047	2011	Owned	49 996	0	29
Regional	BRAGE/FLUMAR	Bow Oceanic	17 460	1997	Owned	19 224	19 224	24
Regional	BRAGE/FLUMAR	Bow Atlantic	17 460	1995	Owned	19 848	19 848	24
Regional	OT16-17x20-30	Bow Condor	16 121	2000	Owned	16 642	16 642	30
Regional	TC-ASIA	ASL Orchid	12 571	2011	Time charter	14 419	14 419	16
Regional	CHUANDONG	Bow Nangang	9 124	2013	Owned	11 074	11 074	14
Regional	CHUANDONG	Bow Dalian	9 156	2012	Owned	11 094	11 094	14
Regional	CHUANDONG	Bow Fuling	9 156	2012	Owned	11 080	11 080	14
Total Chemical Tankers:			2 448 615	69		2 692 701	2 182 162	2 106

VESSEL TYPE	Class	CHEMICAL TANKERS	DWT	BUILT	OWNERSHIP	CBM	STAINLESS	
							STEEL_CBM	TANKS
3rd party*								
Large Stainless steel	CP33	Bow Agathe	33 609	2009	Pool	37 218	37 218	16
Large Stainless steel	CP33	Bow Caroline	33 609	2009	Pool	37 236	37 236	16
Large Stainless steel	CP33	Bow Hector	33 694	2009	Pool	36 639	36 639	16
Super-segregator	CP40	SC Taurus	40 963	2017	Pool	44 156	44 156	30
Super-segregator	CP40	SC Scorpio	40 964	2017	Pool	44 150	44 150	30
Super-segregator	CP40	SC Virgo	40 870	2017	Pool	42 787	42 787	30
Super-segregator	CP40	SC Draco	40 870	2017	Pool	42 787	42 787	30
Medium Stainless steel	CP25	Navig8 Stellar	25 193	2016	Pool	29 709	29 709	18
Medium Stainless steel	CP25	Navig8 Spark	25 197	2016	Pool	29 718	29 718	18
Medium Stainless steel	CP25	Navig8 Spica	25 269	2017	Pool	28 570	28 570	18
Medium Stainless steel	CP25	Navig8 Sky	25 193	2016	Pool	29 710	29 710	18
Coated	Handy Pool	TRF Mobile	37 596	2016	Pool	41 619	0	16
Coated	Handy Pool	TRF Moss	37 596	2016	Pool	41 619	0	16
Coated	Handy Pool	TRF Marquette	37 596	2016	Pool	41 619	0	16
Coated	Handy Pool	TRF Memphis	37 596	2016	Pool	41 619	0	16
Coated	Handy Pool	TRF Mandal	37 596	2016	Pool	41 619	0	16
Coated	Handy Pool	TRF Mongstad	37 596	2016	Pool	41 619	0	16
Coated	MR Pool	TRF Bergen	50 698	2015	Pool	49 126	0	22
Coated	MR Pool	Navig8 Tanzanite	49 780	2016	Pool	51 723	0	16
Coated	MR Pool	Navig8 Topaz	49 560	2015	Pool	51 723	0	16
Coated	MR Pool	Navig8 Tourmaline	49 513	2016	Pool	51 723	0	16
Coated	MR Pool	Navig8 Turquoise	49 516	2016	Pool	51 723	0	16
Coated	MR Pool	Navig8 Victoria	49 126	2015	Pool	50 699	0	20
Coated	MR Pool	Navig8 Violette	49 126	2015	Pool	50 699	0	20

Total 3rd party:			938 326	24		1 009 810	402 680	462
* Pool participation and commercial management								
SUMMARIZED				NUMBER	DWT	CBM	STEEL_CBM	STAINLESS TANKS
Owned				31	1 168 997	1 287 959	908 447	1 025
Time charter				13	339 490	366 522	366 522	290
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
Total Chemical Tankers:				93	3 386 941	3 702 511	2 584 842	2 568

NEWBUILDINGS ON ORDER:

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

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

FLEET CHANGES SINCE LAST QUARTER:

CHEMICAL TANKERS	BUILT	DWT	CBM	STAINLESS STEEL, CBM	TANKS	OWNERSHIP	MONTH
Fleet additions:							
Bow Emma	2009	25 595	27 562	27 562	18	Time Charter	
Fleet redeliveries:							

TANK TERMINALS	LOCATION	OWNERSHIP¹	CBM	STAINLESS STEEL, CBM	NUMBER OF TANKS
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
Total terminals	5 terminals		1 292 629	207 582	492

TANK TERMINALS PARTLY OWNED BY RELATED PARTIES	LOCATION	CBM	STAINLESS STEEL, CBM	NUMBER OF TANKS
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
Total tank terminals partly owned by related parties	11 terminals	503 180	15 220	371

PROJECTS AND EXPANSIONS TANK TERMINALS PARTLY OWNED BY RELATED PARTIES	LOCATION	CBM	ESTIMATED COMPLETION
Granel Quimica Ltda	Sao Luis, Brazil	24 800	1Q 2022
Total expansion tank terminals partly owned by related parties		24 800	0

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



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