



Preliminary full year/Fourth quarter 2021 report

February 8, 2022



ODFJELL

Preliminary full year/Fourth quarter report 2021

Highlights – 4Q21

- Encouraging finish to a difficult year driven by improving Chemical tanker markets in the West and continued strong markets in the East
- Timecharter earnings in Odfjell Tankers of USD 136 mill, up USD 11 mill compared to USD 125 mill 3Q21
- Net result contribution from Odfjell Terminals of USD 3 mill, compared to USD 1 mill 3Q21
- EBIT of USD 35 mill, up USD 42 mill compared to USD -7 mill 3Q21
- Net result of USD 15 mill, up USD 40 mill compared to USD -25 mill 3Q21
- Adjusted for one-offs, the 4Q21 net result of USD 10 mill, up USD 14 mill compared to adjusted net result of USD -4 mill previous quarter
- During the COA renewal season, we renewed a large part of our portfolio, with average rate increases of 2%. Average increases throughout 2021 was 2%
- FID concluded on Bay-13 at Odfjell Terminals Houston, which will increase our capacity by 32,000 cbm to total 411,758 cbm

Highlights - FY 2021

- Disappointing Net result of USD -33 mill mainly due to weak chemical tanker markets in the West impacting results from Odfjell Tankers, yet another year of improved results from operations in Odfjell Terminals
- Concluded an exit from the short-sea trade in Asia, and also the planned exit from Gas (via the sale of our two Ethylene LPG carriers)
- Continued to operate well with strong safety performance despite another year of Covid-19 related challenges

Key figures, USD mill

(USD mill, unaudited)	1Q21	2Q21	3Q21	4Q21	4Q20	FY21	YTD20
Timecharter earnings	120.4	123.4	125.0	135.9	124.9	504.8	512.6
Total opex, TC, G&A	(67.9)	(67.3)	(68.1)	(67.4)	(65.7)	(270.9)	(257.6)
Net result from JV's	0.8	0.5	1.1	2.6	0.0	5.1	13.5
EBITDA	53.2	56.6	58.2	77.3	59.3	245.2	268.3
EBIT	7.8	11.1	(6.8)	35.3	17.8	47.4	115.3
Net financial items	(22.1)	(18.3)	(17.6)	(19.3)	(20.1)	(77.2)	(84.0)
Net result	(15.6)	(7.8)	(25.3)	15.4	(2.6)	(33.2)	27.8
EPS*	(0.20)	(0.10)	(0.32)	0.20	(0.03)	(0.42)	0.35
ROE**	(9.9%)	(6.4%)	(7.7%)	7.5%	(2.0%)	(5.9)%	4.9%
ROCE**	1.5%	2.1%	1.6%	5.9%	3.6%	2.4%	6.1%

* Based on 78.8 million outstanding shares

** Ratios are annualised

"2021 was another challenging and unpredictable year for Odfjell impacted by the Covid-19 pandemic and a weak CPP market. We continue to operate well despite the challenging environment, and we are also ahead of our ambitious plan to reduce emissions. While we are not satisfied reporting negative results, we are encouraged by the quick recovery seen in our markets during the fourth quarter which is an indicator of the underlying strong fundamentals in our markets. In line with seasonality, the chemical tanker market has seen slightly reduced activity at the start of 2022, we therefore expect to report slightly lower results in 1Q22".

Kristian Mørch, CEO Odfjell SE

Result development

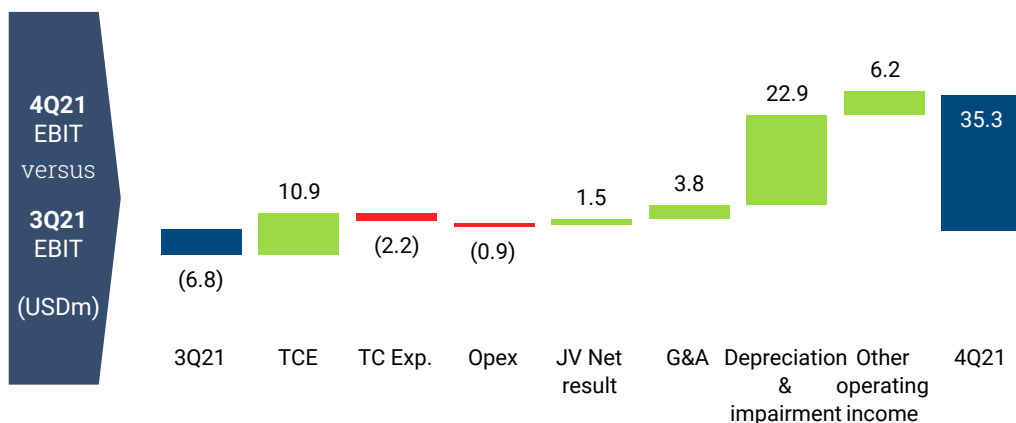
Profit & Loss

In 4Q21, the company reported timecharter earnings of USD 136 mill compared to USD 125 mill in 3Q21. The improved TCE reflects a strong market in the eastern hemisphere and an improved market in the western hemisphere.

EBIT was USD 35 mill compared to USD -7 mill in 3Q21. The improvement reflects in addition to the improved timecharter revenues and improved net results from Odfjell Terminals, also USD 6 mill in distribution from Den Norske Krigsforsikring for Skip (DNK) and reduced G&A due to reversal of provisions.

Net result was USD15 mill compared to USD -25 mill in 3Q21. Excluding one-offs and extraordinary items, net result was USD 10 mill compared to USD -4 mill previous quarter. Extraordinary items include USD 6 mill in proceeds from DNK, USD 1.7 mill in sales gain related to sale of the last gas vessel and a USD 2 mill negative impact from mark to market valuation of shares held for sale.

Break-even for the full year 2021 ended at USD 21,192 per day. We expect our cost base to be further reduced in 2022, however due to a decrease in trading days following vessel sales, the full-year 2022 cash break-even is expected to be approximately USD 21,800 per day.



Balance sheet & Cash flow

Odfjell's cash balance end 4Q21 was USD 74 mill plus undrawn commitments on long-term bank facilities of USD 36 mill, resulting in total available liquidity of USD 109 mill. Our Free Cash flow continues to improve following the conclusion of our newbuilding program, with free cash flow reaching USD 50 mill including repayment of debt related to right of use assets during the fourth quarter. In November, we took advantage of a positive sentiment towards our bonds and completed a NOK 269 mill conditional buy-back of the bonds maturing in June 2022 and a subsequent tap issue total NOK 275 mill in the bonds maturing in September 2023. The June 2022 maturity was reduced to NOK 331 mill.

Corporate Development

Further to our announcement on 3 November about the sale of three short-sea vessels, the last vessel will be delivered to new owners in mid-February and a total of USD 21 mill of mortgaged loans has been repaid. To simplify ownership and legal structure, Odfjell has decided to move ownership of the Singapore fleet to Norway. The transition is planned to be completed within 2022.

Key figures (USD mill)	31.12.20	30.06.21	30.09.21	31.12.21
Cash and available-for-sale investments	103.1	56.9	62.5	89.1
Interest bearing debt	1,238.6	1,198.8	1,171.0	1,138.1
Debt, right of use assets	269.2	259.7	244.9	233.3
Net debt	1,404.7	1,401.5	1,353.4	1,282.3
Available drawing facilities	41.9	53.8	39.6	35.6
Total equity	575.9	562.5	531.9	548.6
Equity ratio	25.9%	25.9%	25.3%	26.5%
Equity ratio in covenants (IFRS 16 Adj.)	29.5%	29.4%	28.6%	29.8%

Chemical Tankers

The chemical tanker market improved in 4Q21, as freight rates on Asian exports to Europe and the US remained strong and US exports began to improve on several routes. The pick-up in US exports occurred together with reduced supply in the region and improved momentum in the CPP market, which combined lifted freight rates and led to a stronger market at the end of the quarter.

Total volumes shipped increased during the quarter and was mainly driven by increased COA volumes. While US exports improved, spot volumes were still subdued. In our cargo-mix, a higher share of chemicals replaced vegoil volumes, while we did not lift significant CPP volumes this quarter. Speciality chemical volumes keep being stable and less volatile than easy chemicals and vegoils.

Off-hire days declined during the quarter, driven by a lower share of pool vessels in drydock compared to above average levels in previous quarters.

COA coverage was 55% in 4Q21 and COA volumes increased compared to previous quarter. We renewed a large part of our contract portfolio, with average rate increases of 2%.

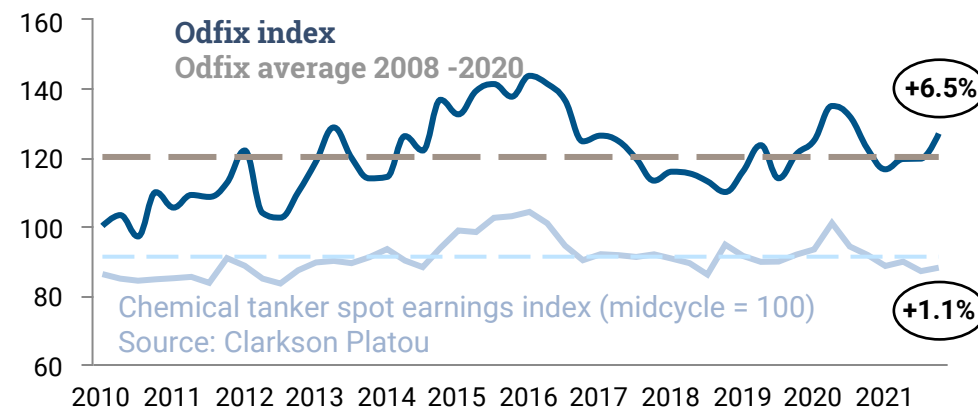
Key result drivers	4Q20	1Q21	2Q21	3Q21	4Q21
TCE/day*	21,102	19,676	20,143	19,654	20,868
Average annual break-even (2021 estimate)	21,386	21,192	21,192	21,192	21,192
Total volumes carried (Million tonnes)	4,1	4,0	4,2	4,1	4,4
- Volumes Odfjell vessels	3,3	3,0	3,3	3,2	3,3
- Volumes external pool vessels	0,8	1,0	1,0	0,9	1,1
- COA volumes	1,9	1,9	2,1	2,1	2,4
Total calendar revenue days	7,610	8,058	8,391	8,543	8,735
Commercial revenue days	7,266	7,751	7,908	8,056	8,379
Commercial revenue days - external pools	1,309	1,637	1,747	1,695	1,873
Off-hire days	293	343	579	517	356
Fleet (number of vsls/Mdwt)	89/3.1	91/3.3	92/3.4	93/3.4	93/3.4

We have experienced Covid-19 cases on board vessels during the quarter which impacted our operations and scheduling negatively. During the fourth quarter, these added cost/loss of revenues were estimated to USD 1 mill. Odfjell has now successfully vaccinated 95% of our crew, but timely crew changes remain a challenge.

Delivery of the three short-sea vessels in Asia is developing as planned, with the last vessel being delivered in February. The sale and redelivery of the regional vessels in Asia will reduce our TCE by approximately USD 4 mill per quarter going forward, but will have a marginally positive impact on our net result.

We have zero outstanding newbuilding capex. Future capex end 4Q21 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 continuous operations.

Market development

The average commercial occupancy of the terminal portfolio ended at 96.1% in 4Q21, compared to 93.9% in 3Q21. The positive variance mainly relates to increased occupancy levels at the terminals in Houston and Korea.

After reaching record throughput levels in 3Q21, the portfolio experienced a minor reduction in 4Q21 but remained at high levels.

The terminals in the US noted another strong quarter, with a significant uplift in commercial occupancy and healthy activity levels. Despite 2022 starting at a slower pace than anticipated, partly due to the continued threat of the Omicron variant, we remain optimistic about the outlook for 2022.

In Europe, the positive trend experienced in 2Q21 and 3Q21 continued in 4Q21 with an occupancy rate close to 100% and high activity levels at our terminal in Antwerp. The positive development is expected to continue into 2022 with continued high demand for storage.

In Asia, our terminal in Ulsan reported a moderate increase in commercial occupancy and a significant uplift in activity levels in 4Q21. We expect to see a gradual increase in commercial occupancy throughout 2022.

In terms of financial performance of the terminal portfolio, revenues are up by approx. USD 2.0 million in 4Q21 as compared to 3Q21. The positive quarter-on-quarter variance in revenues mainly relates to the terminal in Houston experiencing an uplift in revenues in 4Q21 and a one-off related to insurance proceeds in relation to the OTH Fire incident and the Texas freeze.

Capital expenditure & expansions

In Antwerp, the construction of an additional 35k cbm of stainless steel capacity is progressing according to schedule. The new tank pit will be fully operational by the end of 2Q22.

At Odfjell Terminals Houston, FID has been taken for the Bay 13 expansion project. The tank pit will consist of a total capacity of 32k cbm and is expected to be operational by the end-2023. Even in the context of high material prices impacting investment cost, we anticipate the project to generate attractive returns

All CAPEX will be funded locally in the respective JVs.

Odfjell Terminals key figures (Odfjell share)	1Q21	2Q21	3Q21	4Q21	FY21	FY20
Gross revenues	16.4	18.1	17.9	19.9	65.6	65.6
Odfjell Terminals US EBITDA	4.3	5.1	5.6	7.4	22.4	21.1
Odfjell Terminals Asia EBITDA	1.5	1.0	1.0	1.3	4.8	3.5
Noord Natie Odfjell EBITDA	1.4	1.8	1.5	1.4	6.1	5.7
Total Odfjell Terminals EBITDA*	7.1	7.6	7.9	10.3	32.9	30.0
EBIT	1.3	1.3	2.3	4.3	9.2	17.7
Net financials	(1.8)	(1.0)	(1.0)	(1.0)	(3.9)	(4.3)
Net results	0.2	0.0	0.9	2.7	3.8	13.5
Cash flow from operations	(2.8)	3.6	5.8	13.3	19.8	27.6
Cash flow from investments	(5.1)	(10.2)	(5.4)	(8.6)	(29.3)	(23.4)
Cash flow from financing	8.2	(0.9)	(1.8)	(0.1)	5.3	19.5
Net debt	109.8	116.8	117.0	112.5	112.5	103.3
Commercial average occupancy rate (%)	95.9	94.8	93.9	96.1	95.2	98.0
Commercial available capacity (1,000 cbm)	1,146	1,143	1,154	1,146	1,146	1,148

*Including corporate items

Sustainability

Carbon emissions

In advance of COP26, Odfjell signed the Global Maritime Forum Call to Action for shipping decarbonization, stating our commitment and actions to zero carbon in 2050. We continue our efforts to reduce carbon intensity of our fleet and we are using the Annual Efficiency Ratio* (AER) as an indicator for carbon intensity. This is the same calculation decided by IMO for their Carbon Intensity Indicator (CII).

Cost of carbon and competitive advantage

From 2023 we expect the EU Emission Trading Scheme (ETS) to enter into force, where shipping needs to buy EU Carbon Allowances (EUA) when trading in Europe. The price of EUA has increased by 140% through 2021 and is currently trading above 90 USD/tonne. The price for VLSFO bunker fuel across a selection of ports are currently in the range of USD 630 and USD 785 per tonne and adding the USD 90 USD/tonne cost of carbon, the cost increase will be meaningful (1 tonne of fuel equals 3 tonnes of CO₂). This is a cost increase that will have to be carried by charterers.

With added cost of carbon becoming more apparent, we experience a growing interest from customers in our emissions, as they will be linked to the transportation cost. This is reflecting charterers themselves having clear emission reduction targets, and they are therefore looking to monitor emissions from their service providers, where we are included as a part of their scope three emissions². We are therefore seeing early signals that chartering an energy-efficient fleet will benefit the customers on their direct cost, total emission performance and therefore competitiveness. By this, Odfjell is well positioned to benefit commercially from controlling the segment's most energy efficient fleet.

Odfjell AER development

AER for our controlled fleet in 4Q21 is reduced to 7.83 which compares to 8.1 in the corresponding quarter 2020, our best result on record. The AER for our operated fleet is 8.17 in 4Q21, which compares to 8.47 in the corresponding quarter in 2020.¹

The AER will on a quarterly basis be sensitive to seasonal variations on factors like e.g. temperature, weather and port congestions. The figures should be regarded as preliminary and will be reviewed by a 3rd party once a year and reported in the annual report and progress report on our Sustainability Linked Bond (SLB).

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

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

2. Scope 3 emissions are all indirect emissions that occur in the value chain of the reporting company, including both upstream and downstream emissions

Prospects

Market outlook

Global demand for chemicals rebounded in 2021, as the reopening of economies boosted demand for goods. Growth in liquid chemical tanker demand followed suit but was more muted due to supply chain challenges in the US and inventory destocking depressing the crude and product tanker markets.

As lockdown measures become less stringent, downstream industries including automotive and construction are forecasted to ramp up further in 2022. Combining this with expectations of easing supply chain and inflationary pressures, this supports a positive outlook on chemical tanker demand in 2022.

OPEC forecast global oil demand to increase by 4 mbpd in 2022 with demand to surpass 100 mbpd during the third quarter. Oil inventories are currently below historical averages and it is expected that the increased demand will have to be met by higher production, which should stimulate a demand growth for crude and product tankers, which again should ease the supply pressure from swing tonnage for chemical tankers throughout 2022.

Recycling of older tonnage has increased the last months across the tanker fleet with fleet growth in the various segments ranging from flat to negative. Chemical tanker orderbook remains low and interest to order new tonnage is limited. This combination will limit fleet growth the next years. Chemical tanker fleet growth is forecasted to average 1% per year through 2023. Aging of the fleet, lower influx of swing tonnage and expectations of slow steaming triggered by EEXI* regulations are expected to further reduce real supply.

*EEXI = Energy Efficiency Existing Ship Index

1Q22 Guidance

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

In line with seasonality, the chemical tanker market has seen reduced activity at the start of 2022. We therefore expect to report slightly lower results in 1Q22.

Bergen, 8 February 2022

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	4Q21	4Q20	FY21	FY20
Gross revenue	1, 9	243.3	253.1	259.1	282.8	233.9	1,038.4	939.2
Voyage expenses	1	(99.0)	(106.0)	(109.0)	(118.5)	(87.0)	(432.5)	(347.0)
Pool distribution		(23.9)	(23.7)	(25.1)	(28.4)	(22.0)	(101.1)	(79.6)
Time-charter earnings		120.4	123.4	125.0	135.9	124.9	504.8	512.6
Time-charter expenses		(3.6)	(4.1)	(5.3)	(7.5)	(7.0)	(20.5)	(32.7)
Operating expenses	8	(47.4)	(49.0)	(46.8)	(47.7)	(43.7)	(191.1)	(166.2)
Gross result		69.3	70.3	73.0	80.7	74.3	293.3	313.6
Share of net result from associates and joint ventures	5	0.8	0.5	1.1	2.6	0.0	5.1	13.5
General and administrative expenses		(16.9)	(14.2)	(16.0)	(12.2)	(15.0)	(59.3)	(58.7)
Other operating income	10	—	—	—	6.2	—	6.2	—
Operating result before depreciation, amortization and capital gain (loss) on non-current assets (EBITDA)		53.2	56.6	58.2	77.3	59.3	245.2	268.3
Depreciation and amortization	4, 7	(45.4)	(45.8)	(45.1)	(43.6)	(41.5)	(179.9)	(153.0)
Impairment of ships, property, plant and equipment	4	—	—	(21.0)	(0.1)	—	(21.1)	—
Capital gain (loss)	4	—	0.4	1.2	1.7	—	3.2	—
Operating result (EBIT)		7.8	11.1	(6.8)	35.3	17.8	47.4	115.3
Interest income		0.1	0.1	0.2	0.2	0.1	0.6	0.9
Interest expenses	9	(20.3)	(19.7)	(18.0)	(17.5)	(20.5)	(75.5)	(83.2)
Other financial items	6	(1.9)	1.4	0.2	(2.0)	0.3	(2.3)	(1.6)
Net financial items		(22.1)	(18.3)	(17.6)	(19.3)	(20.1)	(77.2)	(84.0)
Result before taxes		(14.3)	(7.2)	(24.4)	16.0	(2.3)	(29.8)	31.3
Income tax expense		(1.3)	(0.6)	(0.9)	(0.6)	(0.3)	(3.4)	(3.5)
Net Result		(15.6)	(7.8)	(25.3)	15.4	(2.6)	(33.2)	27.8

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME Figures based on equity method

(USD mill)	Note	1Q21	2Q21	3Q21	4Q21	4Q20	FY21	FY20
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)	0.2	12.5	8.3	(7.7)
Translation differences on investments of foreign operations		0.1	–	(0.1)	–	0.1	–	5.9
Share of comprehensive income on investments accounted for using equity method		(2.0)	0.9	(3.5)	1.6	6.6	(3.0)	–
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		–	–	–	–	(0.5)	–	(0.5)
Other comprehensive income		8.2	0.2	(4.9)	1.8	18.7	5.3	(2.3)
Total comprehensive income		(7.4)	(7.6)	(30.1)	17.2	16.1	(27.9)	25.5
Earnings per share (USD) – basic/diluted		(0.20)	(0.10)	(0.32)	0.20	(0.03)	(0.42)	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	30.09.21	31.12.21	31.12.20
Deferred tax assets		0.7	0.9	0.9	0.9	0.7
Ships	4	1,531.1	1,509.8	1,413.2	1,392.8	1,515.1
Property, plant and equipment	4	9.7	9.4	9.2	8.9	9.7
Right of use assets	7	266.9	247.3	232.1	219.9	258.8
Investments in associates and joint ventures	5	181.2	179.8	177.6	179.5	200.4
Derivative financial instruments		1.1	0.7	0.3	–	1.7
Non-current receivables		4.6	4.7	4.6	4.4	6.6
Total non-current assets		1,995.2	1,952.7	1,837.8	1,806.4	1,993.0
Current receivables		123.9	121.5	125.9	117.2	92.1
Bunkers and other inventories		32.3	34.9	38.1	38.8	25.2
Derivative financial instruments		8.2	7.5	4.2	0.7	6.7
Available-for-sale investment	11	–	–	7.8	15.6	–
Cash and cash equivalents	3	71.9	56.9	54.6	73.5	103.1
Assets classified as held for sale	4	–	–	37.7	21.0	–
Total current assets		236.3	220.9	268.4	266.7	227.1
Total assets		2,231.4	2,173.6	2,106.2	2,073.1	2,220.1
Equity		569.1	562.5	531.9	548.6	575.9
Non-current interest bearing debt	3	1,132.1	1,005.2	981.2	969.0	1,059.8
Non-current debt, right of use assets	7	220.6	201.9	187.2	172.6	209.6
Derivatives financial instruments		19.9	20.2	20.4	17.3	25.7
Other non-current liabilities		9.1	7.3	7.0	6.4	6.9
Total non-current liabilities		1,381.7	1,234.6	1,195.8	1,165.3	1,301.9
Current portion interest bearing debt	3	99.8	193.5	189.8	169.1	178.8
Current debt, right of use assets	7	57.7	57.8	57.7	60.7	59.6
Derivative financial instruments		6.0	6.4	9.1	9.2	8.4
Other current liabilities		117.1	118.8	122.0	120.3	95.5
Total current liabilities		280.6	376.5	378.5	359.3	342.3
Total equity and liabilities		2,231.4	2,173.6	2,106.2	2,073.1	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	—	—	8.3	1.0	(4.0)	—	5.3	5.3
Net result	—	—	—	—	—	(33.2)	(33.2)	(33.2)
Sale of treasury shares 1)	—	—	—	—	—	0.4	0.4	0.4
Other adjustments	—	—	—	—	—	—	—	—
Equity as at December 31, 2021	199.2	0.3	(13.1)	(0.9)	6.6	356.5	349.2	548.5

(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	4Q21	4Q20	FY21
PROFITABILITY						
Earnings per share (USD) – basic/diluted	(0.20)	(0.10)	(0.32)	0.20	(0.03)	(0.42)
Return on equity ¹⁾	(9.9%)	(6.4%)	(7.7%)	7.5%	(2.0%)	(5.9%)
Adjusted return on equity ³⁾	(9.6%)	(6.7%)	(4.1%)	6.2%	(2.0%)	(3.7%)
Return on capital employed ¹⁾	1.5%	2.1%	1.6%	5.9%	3.6%	2.4%
Adjusted return on capital employed ³⁾	1.5%	2.1%	2.6%	5.4%	3.6%	3.0%
FINANCIAL RATIOS						
Average number of outstanding shares (mill) ²⁾	78.7	78.8	78.8	78.8	78.6	78.8
Basic/diluted equity per share (USD)	7.23	7.14	6.75	6.96	7.31	6.96
Share price per A-share (USD)	3.3	3.7	3.3	3.8	3.2	3.8
Current ratio	0.8	0.6	0.7	0.7	0.7	0.7
Equity ratio	25.5%	25.9%	25.3%	26.5%	25.9%	26.5%
IFRS 16 adjusted equity ratio	29.1%	29.4%	28.6%	29.8%	29.5%	29.8%
USD/NOK rate at period end	8.55	8.56	8.78	8.84	8.54	8.84

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

²⁾ Per end of December 2021 Odfjell holds 5,681,966 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	4Q21	4Q20	FY21
Profit before income taxes	(14.3)	(7.2)	(24.3)	16.0	(2.3)	(29.7)
Taxes paid in the period	(1.5)	(0.8)	(0.9)	(0.8)	(0.3)	(4.1)
Depreciation, impairment and capital (gain) loss fixed assets	45.6	45.7	65.2	42.0	41.5	198.6
Change in inventory, trade debtors and creditors (increase) decrease	(20.2)	7.7	(3.6)	5.5	(1.0)	(10.6)
Share of net result from associates and JV's	(0.8)	(0.5)	(1.2)	(2.6)	–	(5.2)
Net interest expenses	20.2	19.6	17.9	17.3	20.5	74.9
Interest received	0.1	0.1	0.2	0.2	0.1	0.6
Interest paid	(18.7)	(19.6)	(18.1)	(17.4)	(21.8)	(73.9)
Effect of exchange differences and changes in unrealized derivatives	1.6	0.1	(4.2)	2.0	(2.5)	(0.6)
Change in other current accruals	7.4	(8.1)	4.0	(0.7)	5.1	2.6
Net cash-flow from operating activities	19.3	37.0	34.8	61.7	39.3	152.6
Sale of ships, property, plant and equipment ²⁾	–	–	10.1	10.3	–	20.4
Investment in ships, property, plant and equipment	(10.5)	(8.4)	(8.7)	(6.8)	(56.9)	(34.7)
Dividend/other from investments in associates and JV's	–	2.9	–	–	–	2.9
Acquisition of subsidiary ¹⁾	(11.7)	–	–	–	–	(11.7)
Other non-current receivables and investments	1.0	0.5	0.6	0.3	2.7	2.8
Net cash-flow from investing activities	(21.1)	(5.0)	2.0	3.9	(73.2)	(20.3)
New interest bearing debt (net of fees paid)	121.2	69.1	–	31.8	62.7	222.1
Repayment of interest bearing debt	(114.3)	(101.8)	(33.8)	(62.7)	(21.7)	(312.6)
Repayment of drawing facilities	(20.0)	–	10.1	–	–	(9.9)
Repayment of lease debt related to right of use assets	(15.6)	(14.8)	(14.8)	(15.6)	(15.9)	(60.7)
Net cash-flow from financing activities	(28.6)	(47.5)	(38.5)	(46.5)	44.1	(161.2)
Effect on cash balance from currency exchange rate fluctuations	(0.7)	0.6	(0.6)	(0.1)	0.7	(0.8)
Net change in cash and cash equivalents	(31.2)	(15.0)	(2.3)	18.8	10.8	(29.6)
Opening cash and cash equivalents	103.1	71.9	56.9	54.6	92.4	103.1
Closing cash and cash equivalents	71.9	56.9	54.6	73.5	103.1	73.5

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 vessels Bow Gallant and Bow Guardian. An additional USD 15.8 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 December 31, 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 considers the relationship between its market capitalization and its book value, among other factors, when reviewing for indicators of impairment. As at December 31, 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 fourth 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 2022 have been updated from our previous assessment, reflecting current market conditions.

Performing the 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 1,606 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 when performing an impairment test at the end of 2021 do not reveal any need for impairment at the end of the fourth 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 agreed to sell the Asia regional vessels. The first vessel was delivered early January 2022. A total of USD 21 million has been reclassified to assets held for sale as a result of the agreed-upon transactions.

Available-for-sale investments

The sales of Bow Gallant and Bow Guardian were partly settled in equity, resulting in shares received for a total of USD 15.8 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	4Q21	4Q20	FY21	FY20	1Q21	2Q21	3Q21	4Q21	4Q20	FY21	FY20	1Q21	2Q21	3Q21	4Q21	4Q20	FY21	FY20
Gross revenue	243.0	252.8	258.8	282.7	233.7	1,037.2	943.3	16.4	18.1	17.9	19.9	15.9	72.4	65.6	259.4	270.9	276.7	302.6	249.6	1,109.5	1,009.0
Voyage expenses	(99.0)	(106.0)	(109.0)	(118.5)	(87.2)	(432.5)	(349.5)	—	—	—	—	—	—	—	(99.0)	(106.0)	(109.0)	(118.5)	(87.2)	(432.5)	(349.5)
Pool distribution	(23.9)	(23.7)	(25.1)	(28.4)	(22.0)	(101.1)	(79.6)	—	—	—	—	—	—	—	(23.9)	(23.7)	(25.1)	(28.4)	(22.0)	(101.1)	(79.6)
TC earnings	120.1	123.1	124.7	135.8	124.5	503.6	514.2	16.4	18.1	17.9	19.9	15.9	72.4	65.6	136.4	141.2	142.7	155.7	140.5	575.9	579.8
TC expenses	(3.6)	(4.1)	(5.3)	(7.5)	(7.0)	(20.5)	(32.7)	—	—	—	—	—	—	—	(3.6)	(4.1)	(5.3)	(7.5)	(7.0)	(20.5)	(32.7)
Operating expenses	(41.0)	(42.5)	(40.9)	(41.2)	(39.0)	(165.5)	(147.3)	(6.6)	(7.6)	(7.1)	(7.2)	(6.5)	(28.4)	(25.4)	(47.6)	(50.0)	(48.0)	(48.3)	(45.4)	(193.9)	(172.6)
Operating expenses - right of use assets	(6.4)	(6.6)	(6.0)	(6.6)	(4.8)	(25.5)	(20.8)	—	—	—	—	—	—	—	(6.4)	(6.6)	(6.0)	(6.6)	(4.8)	(25.5)	(20.8)
General and administrative expenses	(16.5)	(13.6)	(15.5)	(12.2)	(14.4)	(57.7)	(57.7)	(2.7)	(2.9)	(2.9)	(2.5)	(2.9)	(11.1)	(10.2)	(19.2)	(16.5)	(18.3)	(14.6)	(17.2)	(68.6)	(67.8)
Other operating income	—	—	—	6.2	—	6.2	—	—	—	—	—	—	—	—	—	—	—	6.2	—	6.2	—
EBITDA	52.6	56.4	57.2	74.6	59.4	240.7	255.8	7.1	7.6	7.9	10.3	6.6	32.9	30.0	59.7	64.0	65.1	84.8	66.0	273.6	285.9
Depreciation	(29.1)	(29.7)	(29.8)	(27.5)	(25.3)	(116.1)	(95.9)	(5.6)	(6.0)	(5.6)	(5.8)	(5.5)	(23.0)	(21.3)	(34.7)	(35.7)	(35.7)	(33.3)	(30.8)	(139.1)	(117.3)
Depreciation - right of use assets	(16.1)	(16.1)	(15.3)	(16.1)	(15.5)	(63.6)	(57.8)	(0.2)	(0.1)	—	(0.1)	(0.1)	(0.5)	(0.4)	(16.3)	(16.2)	(15.3)	(16.2)	(15.6)	(64.0)	(58.2)
Impairment	—	—	(21.0)	(0.1)	—	(21.1)	—	—	—	—	—	(0.9)	—	(0.9)	—	—	(21.0)	(0.1)	(0.9)	(21.1)	(0.8)
Capital gain/loss	—	0.4	1.2	1.7	—	3.2	0.1	—	(0.3)	—	—	0.2	(0.3)	10.3	—	0.1	1.5	1.7	0.2	2.9	10.4
Operating result (EBIT)	7.4	10.9	(7.8)	32.6	18.6	43.2	102.1	1.3	1.3	2.3	4.3	0.3	9.2	17.7	8.7	12.2	(5.4)	36.9	18.9	52.4	120.0
Net interest expense	(16.6)	(16.1)	(14.7)	(14.3)	(16.9)	(61.6)	(68.6)	(0.7)	(0.8)	(0.8)	(0.7)	(0.9)	(3.0)	(3.3)	(17.3)	(16.9)	(15.5)	(15.0)	(17.8)	(64.6)	(71.9)
Interest expense - right of use assets	(3.6)	(3.5)	(3.2)	(3.0)	(3.6)	(13.3)	(13.9)	—	—	—	—	—	(0.2)	(0.1)	(3.6)	(3.6)	(3.2)	(3.1)	(3.6)	(13.5)	(14.0)
Other financial items	(1.8)	1.4	0.3	(1.9)	0.1	(2.0)	(2.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.9)	(0.7)	(1.0)	(2.0)	1.2	0.1	(2.1)	(0.8)	(2.8)	(3.0)
Taxes	(1.3)	(0.4)	(0.9)	(0.6)	(0.3)	(3.2)	(3.5)	(0.1)	(0.3)	(0.4)	(0.7)	1.0	(1.5)	0.2	(1.4)	(0.8)	(1.3)	(1.3)	0.7	(4.7)	(3.3)
Net result	(15.8)	(7.8)	(26.2)	12.8	(2.0)	(37.0)	14.2	0.2	—	0.9	2.7	(0.6)	3.8	13.5	(15.6)	(7.8)	(25.3)	15.4	(2.5)	(33.2)	27.9
Non current assets	1,814.0	1,772.9	1,660.2	1,626.9	1,803.8	1,626.9	1,803.8	325.5	329.6	329.3	331.9	326.1	331.9	326.1	2,139.5	2,102.5	1,989.5	1,958.8	2,129.9	1,958.8	2,129.9
Cash and cash equivalents	67.8	51.3	50.0	68.3	99.3	68.3	99.3	39.5	31.9	30.5	35.1	39.3	35.1	39.3	107.3	83.3	80.5	103.4	138.6	103.4	138.6
Other current assets	157.1	155.1	164.8	171.9	135.2	171.9	135.2	14.7	16.2	15.9	14.1	15.2	14.1	15.2	171.8	170.9	180.1	185.2	148.7	185.2	148.7
Total assets	2,038.9	1,979.3	1,912.7	1,888.1	2,038.3	1,888.1	2,038.3	379.7	377.7	375.8	381.1	380.6	381.1	380.6	2,418.6	2,356.6	2,287.9	2,268.5	2,417.1	2,268.5	2,417.1
Equity	404.7	397.1	368.8	383.7	407.6	383.7	407.6	164.4	165.4	163.0	164.8	168.3	164.8	168.3	569.1	562.5	531.9	548.6	575.9	548.6	575.9
Non-current interest bearing debt	1,132.1	1,005.2	981.2	969.0	1,059.8	969.0	1,059.8	140.5	139.6	138.8	138.8	136.1	138.8	136.1	1,272.5	1,144.9	1,120.0	1,107.8	1,195.9	1,107.8	1,195.9
Non-current debt, right of use assets	220.6	201.9	187.2	172.6	208.7	172.6	208.7	3.1	3.0	3.0	3.0	2.9	3.0	2.9	223.8	204.9	190.2	175.5	211.6	175.5	211.6
Other non-current liabilities	26.9	27.3	27.4	23.7	32.6	23.7	32.6	29.8	29.5	28.6	28.7	28.5	28.7	28.5	56.7	56.9	56.0	52.3	61.0	52.3	61.0
Current interest bearing debt	99.8	193.5	189.8	169.1	182.2	169.1	182.2	8.8	9.1	8.7	8.8	6.5	8.8	6.5	108.6	202.6	198.4	177.9	188.7	177.9	188.7
Current debt, right of use assets	57.7	57.8	57.7	60.7	56.4	60.7	56.4	0.3	0.3	0.3	0.5	0.3	0.5	0.3	58.0	58.1	58.0	61.2	56.7	61.2	56.7
Other current liabilities	97.2	96.5	100.7	109.3	91.5	109.3	91.5	32.7	30.8	33.3	36.6	38.0	36.6	38.0	129.9	126.7	133.4	145.2	127.4	145.2	127.4
Total equity and liabilities	2,038.9	1,979.3	1,912.7	1,888.1	2,038.8	1,888.1	2,038.8	379.7	377.7	375.8	381.1	380.6	381.1	380.6	2,418.6	2,356.6	2,287.9	2,268.5	2,417.1	2,268.5	2,417.1
Cashflow from operating activities	18.8	39.3	35.2	60.9	39.1	152.4	149.2	(2.8)	3.6	5.8	13.3	5.4	19.8	27.6	16.0	42.9	41.0	74.2	44.5	172.2	176.8
Cashflow from investment activities	(21.1)	(7.9)	2.0	3.9	(53.0)	(23.1)	(195.8)	(5.1)	(10.2)	(5.4)	(8.6)	(31.1)	(29.3)	(23.4)	(26.2)	(18.1)	(3.4)	(4.7)	(84.1)	(52.4)	(219.2)
Cashflow from financing activities	(29.2)	(47.9)	(38.5)	(46.5)	24.6	(160.3)	46.2	8.2	(0.9)	(1.8)	(0.1)	18.0	5.3	19.5	(21.0)	(48.8)	(40.3)	(46.6)	42.6	(155.0)	65.7
Net change in cash and cash equivalents	(31.5)	(16.5)	(1.3)	18.3	10.7	(31.0)	(0.4)	0.2	(7.6)	(1.4)	4.6	(7.7)	(4.2)	23.6	(31.3)	(24.1)	(2.7)	22.9	3.0	(35.2)	23.2

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	4Q21	4Q20	FY21	FY20	1Q21	2Q21	3Q21	4Q21	4Q20	FY21	FY20	1Q21	2Q21	3Q21	4Q21	4Q20	FY21	FY20
Total segment revenue	243.0	252.8	258.8	282.7	233.7	1,037.2	943.3	16.4	18.1	17.9	19.9	15.9	72.4	65.6	259.4	270.9	276.7	302.6	249.6	1,109.5	1,009.0
Segment revenue JV's	—	—	—	—	(1.1)	—	(6.3)	(16.1)	(17.8)	(17.6)	(19.6)	(15.3)	(71.1)	(63.5)	(16.1)	(17.8)	(17.6)	(19.6)	(16.4)	(71.1)	(69.8)
Consolidated revenue in income statement	243.0	252.8	258.8	282.7	232.6	1,037.2	937.0	0.3	0.3	0.4	0.3	0.6	1.3	2.1	243.2	253.0	259.2	283.0	233.2	1,038.4	939.2
Total segment EBIT	7.4	10.9	(7.8)	32.6	18.6	43.2	102.1	1.3	1.3	2.3	4.3	0.3	9.2	17.7	8.7	12.2	(5.4)	36.9	18.9	52.4	120.0
Segment EBIT JV's	—	—	—	—	(0.3)	—	(0.1)	(1.5)	(1.6)	(2.5)	(4.1)	(0.4)	(9.7)	(18.0)	(1.5)	(1.6)	(2.5)	(4.1)	(0.7)	(9.7)	(18.1)
Share of net result JV's (4)	—	—	—	—	0.3	—	(0.1)	0.5	0.5	1.2	2.6	(0.3)	4.7	13.6	0.5	0.5	1.2	2.6	—	4.7	13.5
Consolidated EBIT in income statement	7.4	10.9	(7.8)	32.6	18.5	43.2	101.9	0.3	0.2	1.0	2.7	(0.4)	4.3	13.3	7.7	11.1	(6.8)	35.3	18.1	47.4	115.4
Total segment asset	2,038.9	1,979.3	1,912.7	1,888.1	2,038.3	1,888.1	2,038.3	379.7	377.7	375.8	381.1	380.6	381.1	380.6	2,418.6	2,356.6	2,287.9	2,268.5	2,417.1	2,268.5	2,417.1
Segment asset (3)	2.0	0.8	(0.3)	1.0	(19.7)	1.0	(19.7)	(377.4)	(372.4)	(370.5)	(375.6)	(372.5)	(375.6)	(372.5)	(375.3)	(371.6)	(370.8)	(374.6)	(397.5)	(374.6)	(397.5)
Investment in JV's (4)	—	0.1	0.1	—	15.8	—	15.8	181.2	179.9	177.6	179.5	184.6	179.5	184.6	181.2	179.8	177.6	179.5	200.4	179.5	200.4
Total consolidated assets in statement of financial position	2,041.0	1,980.2	1,912.5	1,889.1	2,034.4	1,889.1	2,034.4	183.5	185.1	183.0	185.0	192.7	185.0	192.7	2,224.4	2,164.8	2,094.7	2,073.4	2,220.1	2,073.4	2,220.1
Total segment liabilities	1,634.3	1,582.2	1,543.9	1,504.4	1,631.2	1,504.4	1,631.2	215.2	212.3	212.8	216.3	212.3	216.3	212.3	1,849.4	1,794.1	1,756.0	1,719.9	1,841.2	1,719.9	1,841.2
Segment liability (3)	2.0	0.8	(0.4)	1.0	(19.7)	1.0	(19.7)	(196.2)	(192.6)	(192.8)	(196.2)	(208.9)	(196.2)	(208.9)	(194.2)	(191.8)	(193.2)	(195.2)	(197.0)	(195.2)	(197.0)
Total consolidated liabilities in statement of financial position	1,636.3	1,583.0	1,543.5	1,505.4	1,611.5	1,505.4	1,611.5	19.0	19.7	20.0	20.1	3.4	20.1	3.4	1,655.3	1,602.3	1,562.8	1,524.8	1,644.2	1,524.8	1,644.2

⁽¹⁾ The table is shown without eliminations, therefore Total doesn't equal sum of Chemical Tankers and 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	31.12.21	31.12.20
Mortgaged loans from financial institutions	361.5	411.6	400.7	381.2	371.8
Financial leases and sale-lease back	637.0	555.3	542.6	529.8	650.3
Unsecured bonds	251.5	251.1	245.2	244.0	234.3
Lease liability, right of use assets	278.3	259.7	244.9	233.3	269.2
Subtotal debt	1,528.3	1,477.7	1,433.3	1,388.3	1,525.6
Debt transaction fees	(18.1)	(19.2)	(17.4)	(16.9)	(17.8)
Total debt	1,510.2	1,458.5	1,415.9	1,371.4	1,507.8
Cash and cash equivalent ¹⁾	71.9	56.9	54.6	73.5	103.1
Net debt	1,438.3	1,401.5	1,361.2	1,297.9	1,404.7

1) Of USD 73.5 million, a total of USD 1.6 million is restricted cash related to withholding taxes for employees in Odfjell Management AS and Odfjell Maritime Services AS. Available drawing facilities end December 2021 amounts to USD 35.6 million.

(USD mill)	1Q21	2Q21	3Q21	4Q21	FY21	FY20
Total debt, beginning of period	1,507.8	1,510.2	1,458.5	1,415.9	1,507.8	1,345.8
New loans, financial leases and bonds	121.4	70.2	10.1	31.2	232.9	328.9
Repayment of loans, financial leases and bonds	(127.5)	(101.8)	(33.8)	(62.7)	(325.8)	(225.1)
Change in debt, lease liability right of use assets	9.1	(18.7)	(14.8)	(11.6)	(35.9)	55.6
Debt transaction fees, net paid and amortized	(0.3)	(1.1)	1.8	0.6	0.9	(5.8)
Currency translation differences	(0.4)	(0.4)	(5.9)	(1.9)	(8.5)	8.3
Total debt, end of period	1,510.2	1,458.5	1,415.9	1,371.4	1,371.4	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	4Q21	4Q20	FY21
Net carrying amount, beginning of period	1,524.8	1,540.7	1,519.2	1,422.4	1,493.2	1,524.8
Investments in ships, property, plant and equipment	10.5	8.2	8.4	6.8	56.9	34.0
Depreciation	(28.8)	(29.7)	(29.8)	(27.5)	(25.3)	(115.8)
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	1,401.7	1,524.8	1,401.7

(USD mill)	1Q21	2Q21	3Q21	4Q21	4Q20	FY21
Depreciation property, plant and equipment	(28.8)	(29.7)	(29.8)	(27.5)	(25.3)	(115.8)
Depreciation right of use assets	(16.6)	(16.1)	(15.3)	(16.1)	(16.2)	(64.1)
Total	(45.4)	(45.8)	(45.1)	(43.6)	(41.5)	(179.9)

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 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 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 resulting in a gain of 1.7 million USD in the fourth quarter. This sale was also partly settled in shares, with total proceeds from shares amounting to USD 15.8 million for the two vessels.

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	71.7	0.9	72.7	64.7	6.3	71.0
EBITDA	33.4	0.6	34.0	30.3	1.4	31.7
EBIT	9.7	0.3	10.0	18.0	0.1	18.1
Net result	4.7	0.3	5.1	13.6	(0.1)	13.5
Depreciation of excess values net of deferred tax						
USA	(4.9)	–	(4.9)	(5.1)	–	(5.1)
Europe	(1.7)	–	(1.7)	(1.7)	–	(1.7)
Total	(6.6)	–	(6.6)	(6.8)	–	(6.8)
Non current assets	331.9	–	331.9	326.1	17.3	343.4
Cash and cash equivalents	29.9	–	29.9	33.4	2.1	35.5
Other current assets	13.8	–	13.8	11.5	0.4	11.9
Total assets	375.6	–	375.6	371.0	19.8	390.8
Total equity closing balance	179.5	–	179.5	184.6	15.8	200.4
Long-term debt	138.8	–	138.8	136.1	–	136.1
Other non-current liabilities	29.5	–	29.5	31.3	–	31.3
Short-term debt	8.8	–	8.8	6.5	3.4	10.0
Other current liabilities	19.1	–	19.1	12.4	0.5	13.0
Total equity and liabilities	375.6	–	375.6	371.0	19.8	390.8

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	4Q21	4Q20	FY21
Changes in fair value in derivatives	(1.3)	(1.0)	(5.6)	(1.9)	24.9	(9.8)
Currency gains (losses)	(0.4)	0.7	5.9	2.0	(23.6)	8.2
Other	(0.2)	1.7	(0.1)	(2.1)	(1.0)	(0.7)
Total other financial items	(1.9)	1.4	0.2	(2.0)	0.3	(2.3)

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	4Q21	4Q20	FY21
Net carrying amount, beginning of period	258.8	266.9	247.3	232.1	261.4	258.8
New right of use assets	24.7	6.7	–	3.9	13.6	35.2
Depreciation	(16.9)	(16.1)	(15.3)	(16.1)	(16.2)	(64.1)
Remeasurement ¹⁾	0.3	(10.2)	–	–	–	(9.8)
Net carrying amount, end of period	266.9	247.3	232.1	219.9	258.8	219.9

(USD mill)	31.03.21	30.06.21	30.09.21	31.12.21	31.12.20
Non current debt, right of use assets	220.6	201.9	187.2	172.6	209.6
Current debt, right of use assets	57.7	57.8	57.7	60.7	59.6
Total	278.3	259.7	244.9	233.3	269.2

1) In 2Q 2021 a time charter contract was cancelled prior to 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	4Q21	4Q20	FY21
Operating expenses right of use assets	(6.7)	(6.6)	(6.0)	(6.6)	(5.2)	(25.8)
Other operating expenses	(40.7)	(42.4)	(40.8)	(41.1)	(38.5)	(165.3)
Total	(47.4)	(49.0)	(46.8)	(47.7)	(43.7)	(191.1)

Note 9 - Interest expenses

(USD mill)	1Q21	2Q21	3Q21	4Q21	4Q20	FY21
Interest expenses - right of use assets	(3.6)	(3.5)	(3.2)	(3.0)	(3.6)	(13.3)
Other interest expenses	(16.7)	(16.2)	(14.8)	(14.5)	(16.9)	(62.2)
Total	(20.3)	(19.7)	(18.0)	(17.5)	(20.5)	(75.5)

Note 10 - Other operating income

A distribution from Den Norske Krigsforsikring for Skib to its members was approved in October 2021. The distribution of USD 6.2 million less withholding tax of USD 1.6 million (net USD 4.6 million) was received in December 2021. The withholding tax is assumed to be refunded from Norwegian tax authorities. Hence, no tax expense is booked.

The USD 1.6 million in withholding tax is recognized as a receivable in the balance sheet per end December 2021.

Note 11 - Available-for-sale investments

As of 31.12.2021, the Group holds shares in BW Epic Kosan Ltd for a total of USD 15.6 million.

The shares are classified as an available-for-sale investment with any changes in fair value booked through profit or loss. As the shares are listed on the stock exchange, fair value is determined by using the closing rate at the balance sheet date.

Fleet list December 31, 2021

VESSEL TYPE	Class	CHEMICAL TANKERS	DWT	BUILT	OWNERSHIP	STAINLESS		TANKS
						STEEL_CBM	CBM	
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 Xantix	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	STAINLESS		TANKS
						STEEL_CBM	CBM	
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	STAINLESS		TANKS
						STEEL_CBM	CBM	
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	Hafnia Stellar	25,193	2016	Pool	29,709	29,709	18
Medium Stainless steel	CP25	Hafnia Spark	25,197	2016	Pool	29,718	29,718	18
Medium Stainless steel	CP25	Hafnia Spica	25,269	2017	Pool	28,570	28,570	18
Medium Stainless steel	CP25	Hafnia 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	Hafnia Tanzanite	49,780	2016	Pool	51,723	0	16
Coated	MR Pool	Hafnia Topaz	49,560	2015	Pool	51,723	0	16
Coated	MR Pool	Hafnia Tourmaline	49,513	2016	Pool	51,723	0	16
Coated	MR Pool	Hafnia Turquoise	49,516	2016	Pool	51,723	0	16
Coated	MR Pool	Hafnia Viridian	49,126	2015	Pool	50,699	0	20
Coated	MR Pool	Hafnia 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	STAINLESS	
				STEEL_CBM	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	651,661	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

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		

FLEET CHANGES SINCE LAST QUARTER:

CHEMICAL TANKERS	BUILT	DWT	CBM	STAINLESS STEEL, CBM	TANKS	OWNERSHIP	MONTH
Fleet additions:	-	-	-	-	-	-	-
Fleet redeliveries:							
Bow Gallant	2008	10,282	8,922		2	Timecharter	
Bow Guardian	2008	10,282	8,922		2	Timecharter	

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.	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	10 terminals	464,460	14,690	311

PROJECTS AND EXPANSIONS TANK TERMINALS	LOCATION	CBM		ESTIMATED COMPLETION
Granel Quimica Ltda ²	Sao Luis, Brazil	24,800	0	2Q 2022
Depositos Quimicos Mineros ²	Callao, Peru	4,600	0	3Q 2022
Tank Pit T	Antwerp, Belgium	35,000	35,000	2Q 2022
Bay 13	Houston, United States	32,433	To be specified	4Q 2023
Total expansion tank terminals		96,833	35,000	

Grand total (incl. related tank terminals partly owned by related parties)	15 existing terminals	1,757,089	222,272	
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¹Odfjell SE's indirect ownership share

²Partly owned by related parties

