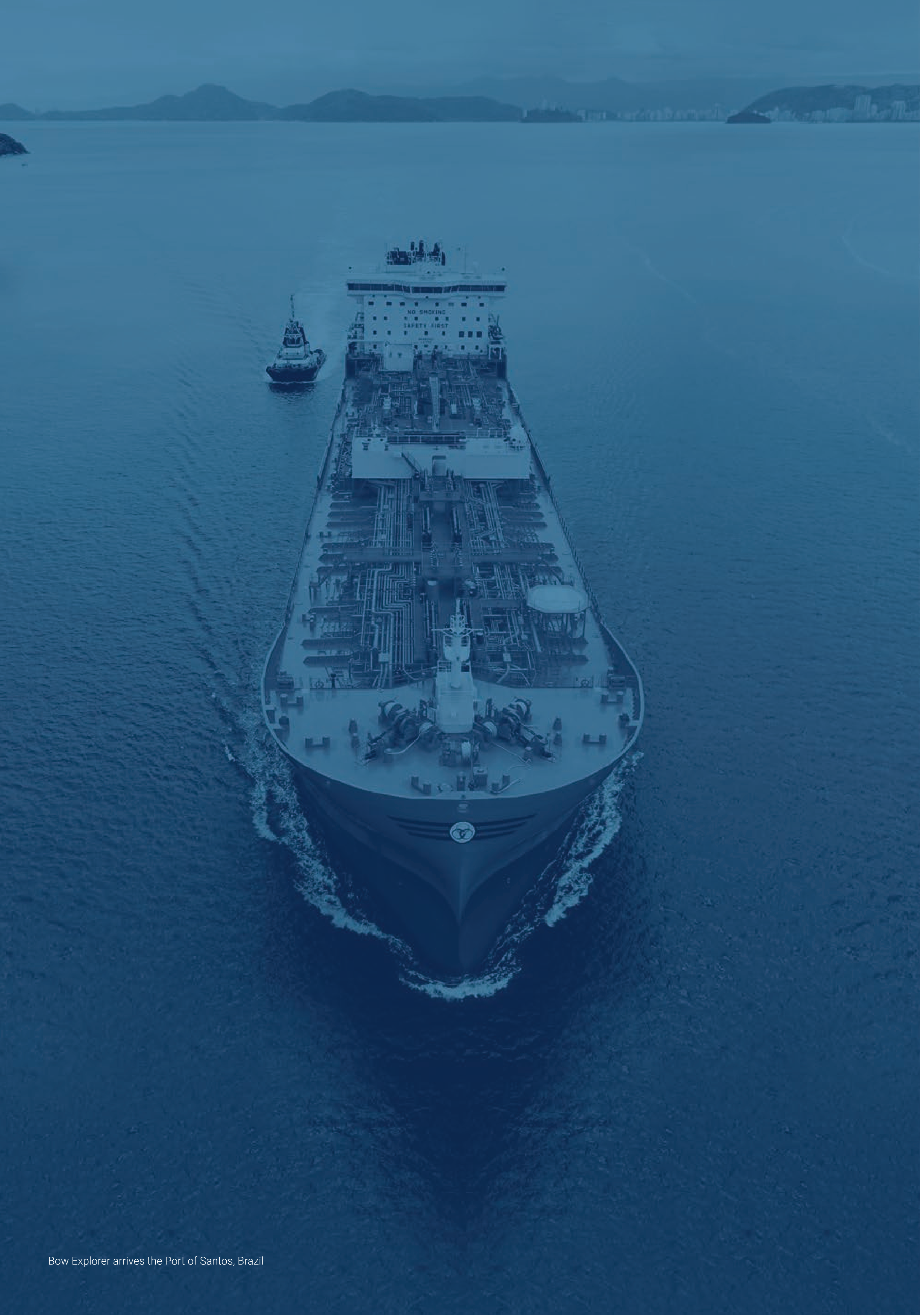
2021

ANNUAL REPORT

ODFJELL



Bow Explorer arrives the Port of Santos, Brazil

Odfjell's core business is transporting and storing chemicals and liquids; safely, sustainably, efficiently. All over the world, industries use chemicals as building blocks to create the everyday products we all take for granted. From your laptop, phone, shoes and sports gear, to lifesaving medicines and the virus protection items we have all come to depend on these past two years.

Our chemical tankers never rest – they operate 24/7/365, delivering the liquids and chemicals needed to fuel production worldwide. Our terminals connect sea and land at core locations, providing quality handling and storage. It may sound simple, but the logistics behind each port call, each storage, is a complex process. The expertise of our around 2,300 colleagues at sea and ashore makes all the difference.

From its inception in 1914, Odfjell has positioned itself at the heart of global trade. Always developing, improving, innovating. Today, we are a frontrunner in the race towards zero-emission shipping, and aim to reach our ambitious climate targets before 2050. Sustainability is ingrained in everything we do.

ODFJELL

Annual report 2021

Key highlights & Strategy

Operations & Markets

Environmental, Social, & Governance (ESG)

Shareholder information

Annual accounts

Letter from CEO 6

Encouraging end to a challenging year

Our people 61

Recruiting for the long run

Operations 34

Seafarers at the frontline

Annual accounts 84

Board of Directors' report

Financial calendar 2022

1st quarter report	May 5, 2022
2nd quarter report	August 18, 2022
3rd quarter report	November 3, 2022
4th quarter report	February 9, 2023

The Annual General Meeting will be held May 4, 2022.

Encouraging end to a challenging year

Going into 2021, most of us felt optimistic that the pandemic was coming to an end, but it soon became clear that it was far from over. Throughout the year, Covid-19 kept impacting all aspects of our lives, our operations and our business.

At Odfjell, we experienced it at its worst when we lost three dear colleagues to Covid-19. This tragic outcome moved us deeply, and will continue to influence us as we move forward.

By the end of 2021, nearly 100% of our seafarers, and a vast majority of our shore organization, were vaccinated. This has been a priority for us, in combination with one of the industry's most comprehensive virus protection policies.

Everyone should return home from their shifts safe and healthy, and we will continue our relentless work to protect our people, at sea and ashore.

Unpredictability prevails

Our markets and operations were heavily affected by external factors in 2021, the most influential being the consequences of the pandemic. Unpredictability continued with full force, making it difficult to navigate.

One example: On the business side, Covid-19 indirectly led to major supply chain disruptions throughout the year, negatively impacting chemical exports from the US. This in turn led to depressed markets for chemical tankers in the US, as the US is one of the key export hubs. However, the challenges in the US led to a strong export market from Asia to replace the reduced US output, with markets and freight rates reaching highs not seen since 2008. An unpredictable turn of events, rooted in the pandemic.

Keeping up performance and efficiency through the pandemic marathon

Most of our shore organization had to work from home for the majority of the year, and the crew change crisis continued through 2021. Still, Odfjell's operational efficiency and safety performance remained strong through yet another pandemic-ridden year, thanks to the extraordinary team efforts of our people on board, at the terminals, and at their (home) offices around the world.

The common denominator in our success is the dedication and expertise of our people. It is a privilege to lead this team and experience first-hand their ability to adapt and mobilize, and to reach new milestones:

- Safety first: Strong safety record despite a long-term pandemic
- We report negative net results for the year, but are encouraged by the quick recovery in earnings towards year-end
- We are ahead of the trajectory to reach our target of 50% reduced carbon intensity by 2030
- We issued a sustainability-linked bond, marking a first not only in the shipping industry, but also a first in the Nordics, across industries
- We keep implementing technical innovations to increase our fleet's energy efficiency
- Our terminal portfolio is streamlined and we are now ready to grow
- It was another year of improved results from operations in Odfjell Terminals
- We exited the short-sea trade of small ships in Asia, and the gas segment, as planned
- A final investment decision was concluded for a significant expansion of Odfjell Terminals Houston
- Expansion continues at the Noord Natie Odfjell Antwerp Terminal
- Average COA rate renewal rates were positive for the third consecutive year, and is now up 13% since the market turned in 2018. A positive momentum in COA rate renewals has continued also at the start of 2022
- Digitalization continues, and we have introduced several tailored systems to increase operational efficiency and enhance our customer service
- We have been recognized, with several awards and nominations, for our work within recruitment/training and ESG

A positive outlook

Moving forward, our strategy is to capitalize on the short term, while de-risking the long term. That means being ready to benefit from the expected upturn in our markets, without "betting the farm".

In de-risking the long term, we mean to strengthen our balance sheet by reducing debt, and make sure we understand the technology shift and take wise decisions on fleet developments. We have a solid and efficient platform to do this from. Our ambitious approach to ESG has become an integrated part of our operations, and is a key driver in maintaining our leading competitive position; from diversity and inclusion to anti-corruption and decarbonization.

We are optimistic about 2022 and the next few years. Despite the pandemic, the trends point in the right direction for our markets, and for the chemical tanker segment. We are encouraged by the quick recovery seen in our sector during the fourth quarter, an indication of the strong, underlying fundamentals.

However, the devastating outbreak of war between Russia and Ukraine immediately created global uncertainty and sent shockwaves across the financial markets. We are actively monitoring the situation and implementing the measures required to ensure the safety of our people and minimize the impact on our operations. While the outcome is uncertain at the time of writing, the horrific war will undoubtedly impact us all for some time to come.

Chemicals are, and will remain, vital building blocks for numerous products that we all use and depend on in our daily lives. Shipping is, and will remain, the bedrock of global trade. We have the people, the platform, the expertise and the ambitions to keep and strengthen our position as a global leader in our segment. Our goals are clear: We shall be a world-class provider of transportation and storage of specialty bulk liquids, and offer the safest, most efficient, and sustainable services for our customers worldwide.

Stay safe,

Kristian Mørch, CEO

Key highlights 2021

Financial performance

2021 was another year in which our financial performance was impacted by the ongoing pandemic.

- Net result for the Group was USD -33 million, influenced by a USD 21 million impairment, a market still struggling to adjust in the aftermath of Covid-19, and inventory destocking and supply chain challenges.
- Net result for Odfjell Terminals was USD 3.8 million. Activity improved across all terminals and our operations remained stable and cost-effective.
- The positive development in our contract portfolio continued, COA renewals being positive for a third consecutive year, signaling a sustained improvement in our markets, and results, in the years to come.
- Our determination to reduce debt levels continues, and after completion of our newbuilding program, we generated free cash flow of USD 132 million that was utilized to reduce debt.
- Our relentless focus on cost control, together with financial initiatives to reduce our cash break-even levels, will ensure Odfjell is well-positioned for the future.

Odfjell Group (equity method)

Gross revenue	USD	1 038 million
EBITDA	USD	245 million
Operating result (EBIT)	USD	47 million
Total assets	USD	2 073 million

Sustainability

In 2021 we committed to our climate targets by issuing a Sustainability Linked Bond – the first in the world for our industry. We continued our decarbonization journey and set a new record low on carbon intensity. We maintain our industry leading position within sustainability, continue to develop our ESG reporting, and are pleased to receive top ratings for our work in 2021.

Annual Efficiency Ratio (AER), operated fleet:

8.24

grams CO_2 per dwt mile

All time low and further improvement from 2020.

93 Chemical tankers

15.5 million dwt cargo shipped

582 different chemicals and liquids

3 284 port calls

10 957 cargo operations

4 884 530 nautical miles sailed.

14 Offices

Bergen
Manila
Houston
Sao Paulo (2)
Singapore
Durban
Seoul
Ulsan
Shanghai
Tokyo
Buenos Aires
Santiago
Mumbai

Odfjell Tankers & Ship Management

2021 was another unpredictable year for Odfjell, with the continued pandemic and a weak CPP market. Global supply chain disruptions and accelerated inflation have added to the uncertainty and risk. Despite the challenges, we have maintained our commercial and operational standards and are encouraged by the quick recovery seen in our markets during the fourth quarter. Odfjell is fully prepared to take advantage of the strong, underlying fundamentals in our markets in the years ahead.

5 Terminals

Tank terminals in 15 ports, including 10 terminals owned by related parties

Odfjell Terminals

Despite unforseen events and a challenging environment, Odfjell Terminals' performance during 2021 has proven the resilience of our people, our platform, and our organization. It is particularly gratifying to note that Odfjell Terminals has continued to improve on key safety metrics, is delivering good financial results across the portfolio, and maintains momentum on its strategic priorities.

1.3 million cbm storage capacity

2 299 Employees

27 Nationalities

Safety at work

	Target	2021
LTIF ships managed by Odfjell	0.00	0.00
TRCF ships managed by Odfjell	1.50	1.13
LTIF Terminals operated and managed by Odfjell	0.00	0.45

See definition on page 56.

- **World's** largest deep-sea chemical tanker operator with a global platform and a versatile fleet offering cargo flexibility
- **Restructured** and well-performing tank terminals, providing diversified source of income and growth opportunities
- **Operator** of the world's most energy-efficient chemical tanker fleet with ambitious targets to further reduce carbon footprint
- **Zero** outstanding capex after concluding largest fleet renewal in the history of the company
- **Strong** free cash flow geared towards an improved chemical tanker cycle
- **Capital** allocation steered towards de-leveraging and dividends
- **Historically** low orderbook, lack of new orders and strong demand fundamentals underline strong market outlook

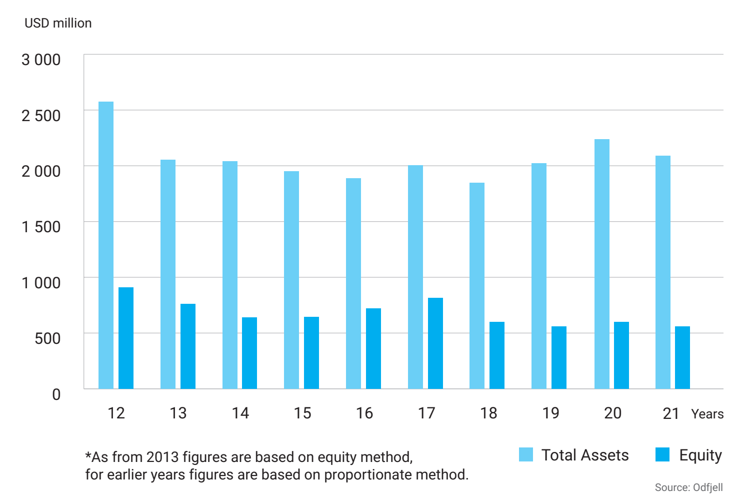
Key figures/Financial ratios

ODFJELL GROUP	Figures in	2021	2020	2019	2018	2017	2016 *)	2015 *)	2014 *)	2013 *)	2012 *)
From Profit and Loss Statement											
Gross revenue	USD mill.	1 038	939	872	851	843	825	929	1 053	1 027	1 212
EBITDA [1)]	USD mill.	245	268	196	(31)	255	218	137	66	41	93
Depreciation and impairment	USD mill.	(201)	(153)	(146)	(100)	(111)	(101)	(109)	(94)	(89)	(132)
Capital gain (loss) on non-current assets	USD mill.	3	–	–	–	–	13	–	7	(9)	(4)
EBIT [2)]	USD mill.	47	115	50	(131)	144	130	28	(22)	(57)	(43)
Net financial items	USD mill.	(77)	(84)	(84)	(75)	(51)	(23)	(58)	(53)	(46)	(68)
Net result allocated to shareholders' equity before extraordinary items [*)]	USD mill.	(33)	28	(37)	(211)	91	100	(36)	(75)	(108)	(111)
Net result allocated to shareholders' equity	USD mill.	(33)	28	(37)	(211)	91	100	(36)	(75)	(108)	(111)
Net result	USD mill.	(33)	28	(37)	(211)	91	100	(36)	(75)	(108)	(111)
Dividend paid	USD mill.	–	–	–	–	14	14	–	–	–	–
From Balance Sheet											
Total non-current assets	USD mill.	1 806	1 993	1 796	1 556	1 674	1 589	1 679	1 761	1 791	1 993
Current assets	USD mill.	267	227	223	286	326	293	264	271	258	576
Shareholders' equity	USD mill.	549	576	551	601	816	719	645	638	759	908
Minority interests	USD mill.	–	–	–	–	–	–	–	–	–	7
Total non-current liabilities	USD mill.	1 165	1 302	1 173	928	855	878	1 095	880	1 055	1 141
Current liabilities	USD mill.	359	342	294	313	329	286	203	514	235	514
Total assets	USD mill.	2 073	2 220	2 018	1 842	2 000	1 883	1 943	2 032	2 049	2 569
Profitability											
Earnings per share - basic/diluted - before extraordinary items [3)]	USD	(0.4)	0.4	(0.5)	(2.7)	1.2	1.3	(0.4)	(1.0)	(1.4)	(1.4)
Earnings per share - basic/diluted [4)]	USD	(0.4)	0.4	(0.5)	(2.7)	1.2	1.3	(0.4)	(1.0)	(1.4)	(1.4)
Earnings per share - basic/diluted [5)]	NOK	(3.7)	3.0	(4.1)	(23.3)	9.5	11.0	(3.6)	(7.1)	(8.2)	(7.7)
Return on total assets - before extraordinary items [*) 5)]	%	2.6	4.6	2.5	(7.1)	7.8	7.9	0.4	(1.6)	(3.6)	(2.3)
Return on total assets [6)]	%	2.0	5.2	2.5	(7.1)	7.8	7.9	0.4	(1.6)	(3.6)	(2.3)
Return on equity - before extraordinary items [*) 7)]	%	(3.7)	3.0	(8.0)	(29.8)	11.8	14.6	(5.6)	(10.8)	(12.8)	(11.6)
Return on equity [8)]	%	(5.9)	4.9	(6.4)	(29.8)	11.8	14.6	(5.6)	(10.8)	(12.8)	(11.6)
Return on capital employed [9)]	%	2.4	6.1	2.8	(8.1)	8.8	7.9	1.7	(0.9)	(6.4)	(2.0)
Financial Ratios											
Average number of shares	mill.	78.9	78.6	78.6	78.7	78.6	78.7	86.8	78.7	79.4	80.6
Basic/diluted equity per share [10)]	USD	7.0	7.3	7.0	7.6	10.4	9.2	7.4	7.4	9.7	10.5
Share price per A-share	USD	3.8	3.2	3.0	3.4	3.9	3.4	3.2	3.9	6.7	4.3
Interest bearing debt	USD mill.	1 138	1 239	1 132	1 123	1 084	1 042	1 168	1 163	1 136	1 221
Bank deposits and securities [11)]	USD mill.	89	103	101	168	207	174	126	105	94	170
Debt repayment capability [12)]	Years	5.4	5.9	–	N/A	4.4	4.6	14.3	124.8	15.7	45.1
Current ratio [13)]		0.7	0.7	0.8	0.9	1.0	1.0	1.3	0.5	1.1	1.1
Equity ratio [14)]	%	26.5	25.9	27.0	32.6	40.8	38.2	33.2	31.4	37.2	35.6
Other											
USD/NOK rate at year-end		8.84	8.54	8.78	8.69	8.24	8.65	8.80	7.43	6.08	5.59
Employees at year-end [15)]		2 299	2 294	2 383	2 530	2 693	2 890	3 034	3 311	3 352	3 540

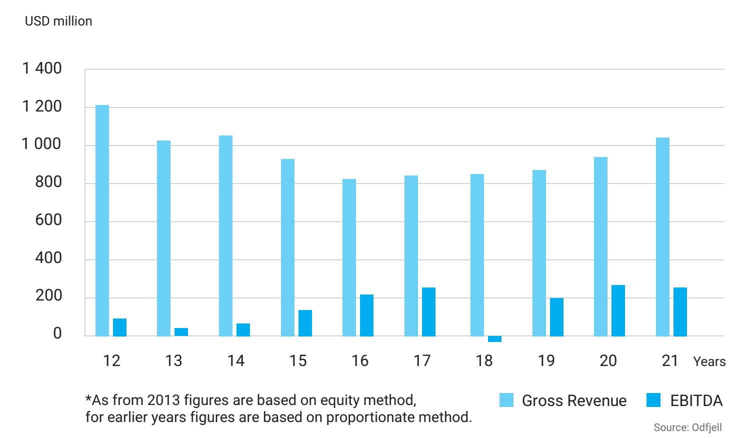
*) As from 2013 figures are presented based on equity method, for earlier years figures are based on proportionate method. Balance sheet 2012 has been adjusted for pension corridor.

1) Operating result before depreciation, amortisation and capital gain (loss) on non-current assets.
2) Operating result.
3) Net result allocated to shareholders' equity before non-recurring items divided by the average number of shares.
4) Net result allocated to shareholders' equity divided by the average number of shares.
5) Net result plus interest expenses and non-recurring items divided by average total assets.
6) Net result plus interest expenses divided by average total assets.
7) Net result plus non-recurring items divided by average total equity.
8) Net result divided by average total equity.
9) Operating result divided by average total equity plus net interest-bearing debt.
10) Shareholders' equity divided by number of shares per 31.12.
11) Bank deposits and securities includes cash and cash equivalents and available-for-sale investments.
12) Interest-bearing debt less bank deposits and securities, divided by cash flow before capital gain (loss) on non-current assets.
13) Current assets divided by current liabilities.
14) Total equity as percentage of total assets.
15) Including employees in Joint Ventures.

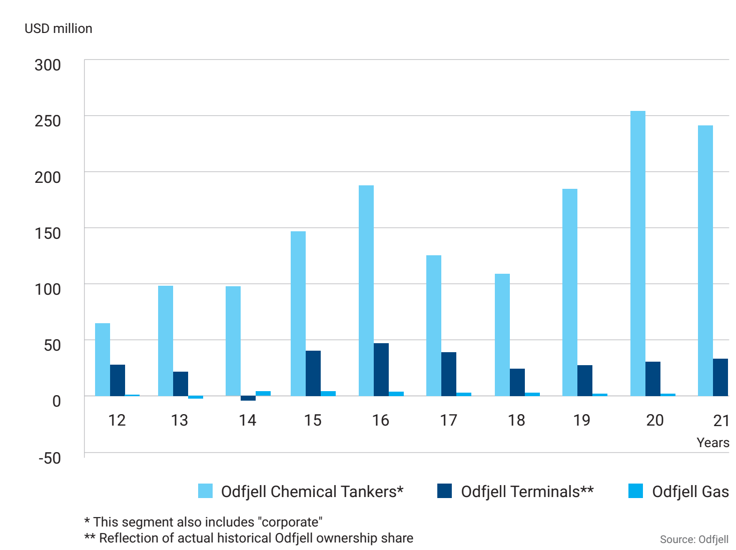
Assets / Equity per year*



Gross revenue / EBITDA per year*



EBITDA per segment (Proportionate method)



Terje Iversen
Chief Financial Officer

Sustainable financing

A first in the international shipping industry and a first in the Nordics, Odfjell SE successfully issued a sustainability-linked bond in January 2021. Aligned with Odfjell's long-term climate targets, the bond marks another milestone in our ambitious work to reduce shipping's environmental impact.

Sustainable finance and ESG have become increasingly important when it comes to access to, and the cost of, financing. This is a welcome trend that we encourage and wish to contribute to, given our strong track record and active role in various ESG initiatives. In 2021, all new mortgaged loans were sustainability-linked. We are convinced that this trend will continue.

Heading towards cash break-even

Odfjell is exposed to the natural cyclicality of the shipping industry. As such, it is important that we have a sustainable cash flow generation across cycles, to secure flexibility on capital allocation and reduce overall market risk. A strategic focus therefore, is to reduce our cash break-even levels by deleveraging and extending amortization profiles to better match our vessels' trading strategy and economic life, in addition to keeping down the various costs for operating the vessels.

Despite lower results than the year before, Odfjell delivered improved free cash flow in 2021. This was as expected, due to the very limited capex program. In 2021, our cash break-even was approximately USD 21,200, down from a high of around USD 23,500. We find this satisfactory, given the market challenges we have seen over the last two years.

Even though we expect cash break-even to increase slightly in 2022, due to a changed fleet mix, our long-term target remains to reach levels of USD 18,000 to USD 19,500 per trading day, to ensure that we can generate positive cash flow throughout the cycle in the long term.

Climate risk is financial risk

A focus on energy efficiency, in an effort to decarbonize shipping, may reshape the competitive landscape in the coming years, as shipping companies face new regulations, and potentially higher fuel costs. These developments may give Odfjell a significant competitive advantage, as we have one of the world's most modern and energy-efficient chemical tanker fleets. The inclusion of shipping in the EU emission trading system (EU ETS) from 2023, is one such example where the cost of emissions may give us a competitive edge.

Navigating by the Odfjell Compass

Our strategic direction is founded on a set of ambitious targets for our operational excellence in all parts of the organization: the Odfjell Compass. A compass helps set direction while still allowing for new routes if conditions change along the way, giving us the flexibility to maneuver through a rapidly changing landscape.

Guiding principles

Safe
We do not compromise on safety

World class
We have world class ambitions in everything we do, every day

Core business
Chemical tankers and terminals are our core business

Mission
Our core business is handling hazardous liquids – safely, sustainably and more efficiently than anyone else in the industry.

Vision
We shall be a world-class and preferred global provider of transportation and storage of specialty bulk liquids.

Customer commitment
We are committed to generating value for our customers, by offering safe and reliable transportation and storage of their products, at a competitive cost.

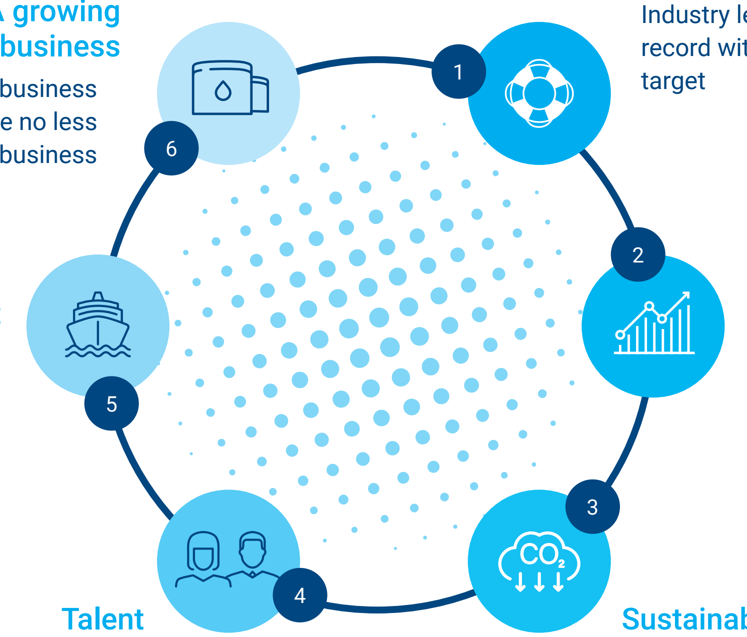
Our goal is to deliver on-spec, on-time and adapt our services to cater to the needs of our customers.

Odfjell is committed to:
- Never compromise on safety
- Always care, have integrity and be reliable
- Be accessible and responsive
- Offer competitive services and products

Impact
At Odfjell, we recognize that our company has an impact on the environment, people and societies.

We are committed to operating a sustainable business, to continuously seek improvements and to actively support the achievement of relevant UN Sustainable Development Goals.

Our long term goals



Safety
Industry leading safety record with a zero-incident target

Cash flow
Positive cash flow across the cycles, a strong balance sheet and a competitive cost of capital

Sustainability
A leadership in sustainability, which we use to our advantage

Talent
An organization that attracts, develops and retains the best talent in the industry

Market leadership
A clear market leadership position in chemical tankers

A growing terminal business
A growing terminal business that should with time be no less than 1/3 of our business

Values

Professional
- Skilled, dedicated and compliant
- Show the right behavior and attitude

Proactive
- Assess risk and give highest priority to safety
- Take proper precautions and share knowledge

Sustainable
- Aim for long-term success
- Provide safe and enduring solutions

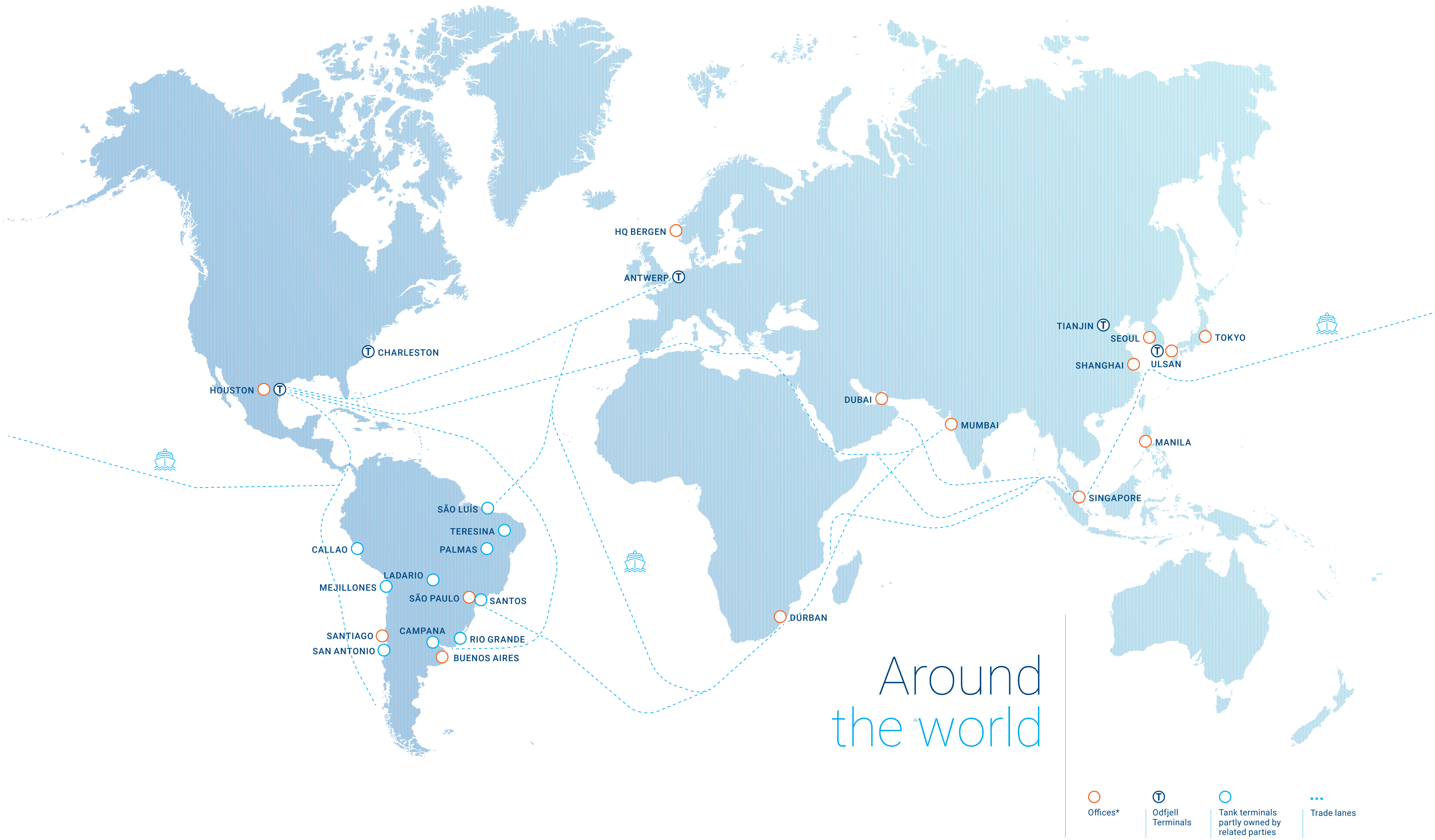
Innovative
- Embrace change
- Look for new and improved solutions

"Our strategy is designed to capitalize on the short-term while minimizing risks and taking advantage of future opportunities. In 2021, we strengthened our platform, our leading position in ESG, and our market position. We have solved the challenges of the past and are preparing for the future."

Kristian Mørch
CEO

For more information about the Odfjell Compass, visit Odfjell.com/about/our-business

Around the world



*Offices in Argentina, India and Chile are manned by authorized representatives.

History highlights

Since 1914, we have chartered a course that has taken us to every corner of the world. What started as a Norwegian family business with one vessel, is now a publicly listed company and a world-leading logistics service provider for chemicals and other specialty bulk liquids.

1914
The first Odfjell ship owning company is formally registered: AS DS Birk.

1915
The Odfjell brothers, Fredrik and Abraham Odfjell, incorporate AS Rederiet Odfjell.

1940
World War II: The Odfjell fleet is split. Three ships in home waters and four on the high seas. Home fleet suffers devastating losses.

1946
'Bow' is used as a prefix on an Odfjell vessel for the first time.

1950s
Most Odfjell ships are dry cargo line vessels, but small specialized tankers become increasingly important.

1960
Delivery of the world's first stainless tanker, MT Lind, built at the Stord yard in Norway.

1963
Dan Odfjell establishes Minde Chartering, Odfjell's own marketing organization.

1969
The first Odfjell tank terminal opens: TAGSA in Buenos Aires.

1973
The business is split into two parts: AS Rederiet Odfjell in shipping, Odfjell Drilling in offshore oil exploration.

Opening of the new Odfjell headquarters at Minde, Bergen.

1975
Delivery of the first 12 Polish built chemical tankers.

1979
The company is split into two independent parts, one for each branch of the family.

1980
Cooperation with Westfal-Larsen is strenghtened through the establishment of OWL Tankers.

Filipino seafarers join the ships' crew.

1983
Opening of Baytank in Houston, later named Odfjell Terminals Houston (OTH).

1986
Storli – original company name – is listed on Oslo Stock Exchange.

1990
NCC replaces Westfal-Larsen as main chemical tanker partner.

1994
Delivery of first of 16 new state-of-the-art stainless chemical tankers; the Kværner series.

Establishment of Odfjell Terminals Dalian (OTD).

1998
Company name changes from Storli to Odfjell.

1999
The second Poland class is delivered; four small stainless chemical tankers.

2000
A merge of Odfjell Tankers and Seachem makes the company the premier deep-sea chemical tanker operator in terms of overall carrying capacity.

Through the decade, Odfjell becomes a partner in several terminals, in the Netherlands, Singapore, Iran, China and Oman. As part of a restructuring process, Odfjell exited from these terminals and OTD between 2016 and 2020.

2002
Odfjell becomes a partner in Odfjell Terminals Korea, located in Ulsan.

2003-2008
The third Poland class is delivered; eight stainless chemical tankers.

2004
Fleet Asia is established, including ship management of selected vessels in Singapore.

2007
Gross revenue exceeds USD 1 billion for the first time.

2008
Odfjell Philippines, Inc. is established.

2009
Odfjell commits to the Carbon Disclosure Project.

2011
Signatory of the UN Global Compact (UNGC).

Lindsay Goldberg (LG) becomes joint venture partner for the terminals business.

2012
Construction of Odfjell Nangang Terminals (Tianjin) in China, and Odfjell Terminals becomes a partner in Noord Natie Terminals in Antwerp, Belgium.

Re-entry into the gas segment: Odfjell Gas Carriers is established (exit in 2021).

2013
Odfjell becomes a member of the Maritime Anti-Corruption Network (MACN).

2014
Opening of Odfjell Terminals Charleston (OTC).

2015
Exit from European regional trade.

Restructuring of organization reduced annual cost by more than USD 100 million.

2017
A new company strategy is launched, the Odfjell Compass.

Initiation of the biggest fleet renewal program in the company's history.

Establishment of pools in cooperation with other chemical tanker owners: Chempool 25 and Chempool 40.

2018
Odfjell SE takes a stronger role in Terminals by establishing Odfjell Terminals as a 100% controlled holding company.

2019
Delivery of the world's four largest stainless steel chemical tankers, the Hudong class.

LG exits and Northleaf Capital Partner becomes new joint venture partner for Odfjell Terminals US.

Odfjell signs the UNGC Sustainable Ocean Principles and becomes a member of the Getting to Zero Coalition.

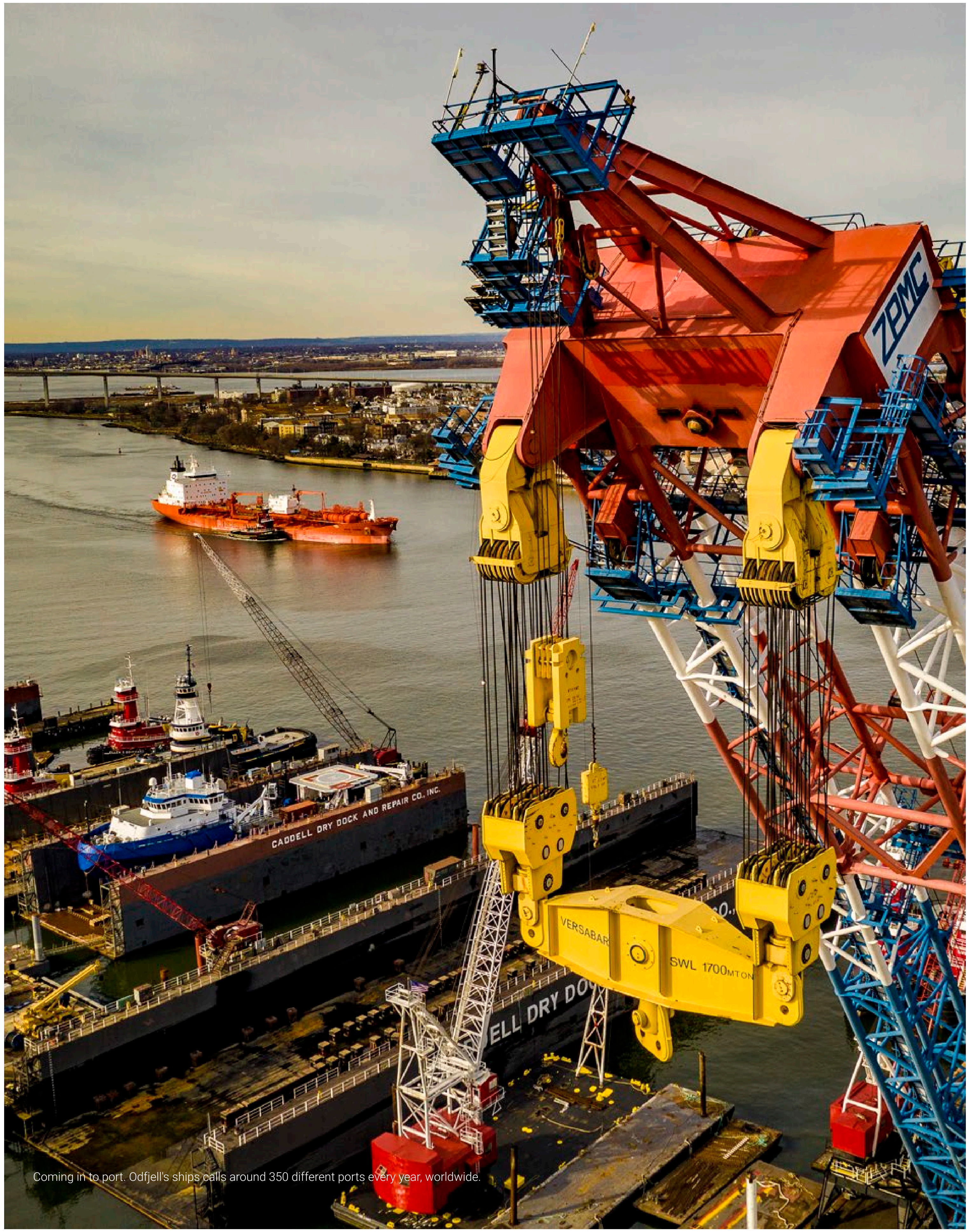
2020
Odfjell Terminals increases ownership of Korea terminal to 50%.

Odfjell sets ambitious climate and gender diversity targets, and appoints first Chief Sustainability Officer.

2021
Successful placement of shipping's first Sustainability-Linked Bond.

2021 marked an important shift in Odfjell's strategy when it decided to focus exclusively on deep-sea shipping by exiting the short-sea trade in Asia.

For more information about Odfjell history, visit Odfjell.com/about/our-history


Coming in to port. Odfjell's ships calls around 350 different ports every year, worldwide.

Our organization

ODFJELL SE

The ultimate parent company of the Odfjell Group.
Public limited company traded on the Oslo Stock Exchange.

ODFJELL GROUP

Includes Odfjell SE, subsidiaries incorporated in several countries, and the share of investments in joint ventures.

BOARD OF DIRECTORS

EXECUTIVE MANAGEMENT

CORPORATE FUNCTIONS AND FINANCE

ODFJELL TANKERS

- Chartering and operations organization. In charge of sales, customer relations, contract management and commercial operations worldwide.
- Controls and operates a fleet of 93 ships per December 31, 2021, including owned, pools, time- and bareboat chartered vessels.
- Operates globally with tonnage ranging from 16,000 dwt to 75,000 dwt. The majority of the tonnage is owned and managed by Odfjell.

SHIP MANAGEMENT

- Offers complete in-house services, including crewing, HSSEQ, technology support and digital innovation, newbuilding, energy efficiency solutions and overall fleet management.
- Provides direct support to the ships and professional crew management.
- Monitors the services of external ship managers.

ODFJELL TERMINALS

- Owns five tank terminals at strategic locations in USA, Korea, Belgium and China.
- Offers a total 1.3 million cbm of storage space in 469 tanks.
- Cooperation with another ten terminals in South America, partly owned by related parties.

Locations* & Teams

Odfjell Tankers

Bergen, Norway
- Asia
- Asia Pacific
- Middle East, India & Africa
- Transatlantic / South America
- US / South America
- Fleet Scheduling / CPP
- Pool Management

Houston, USA
Singapore
São Paulo, Brazil
- Flumar
- Odfjell Brazil

Dubai, UAE
Durban, South Africa
Ulsan, Korea
Seoul, Korea
Shanghai, China
Tokyo, Japan
Buenos Aires, Argentina
Santiago, Chile
Mumbai, India

Ship Management

Bergen, Norway
- Management, Fleet Bergen
- Management, external fleet
- Maritime Personnel
- Procurement
- Technology
- HSSEQ

Manila, Philippines
- Crewing
- Shared services

Sao Paulo
- Ship Management, Fleet Flumar

Singapore
- Procurement

Odfjell Terminals

Antwerp, Belgium
Charleston, USA
Houston, USA
Ulsan, Korea
Nangang, China

Associated terminals, South America:
- One in Argentina
- Six in Brazil
- Two in Chile
- One in Peru

*Offices in Argentina, India and Chile are manned by authorized representatives.

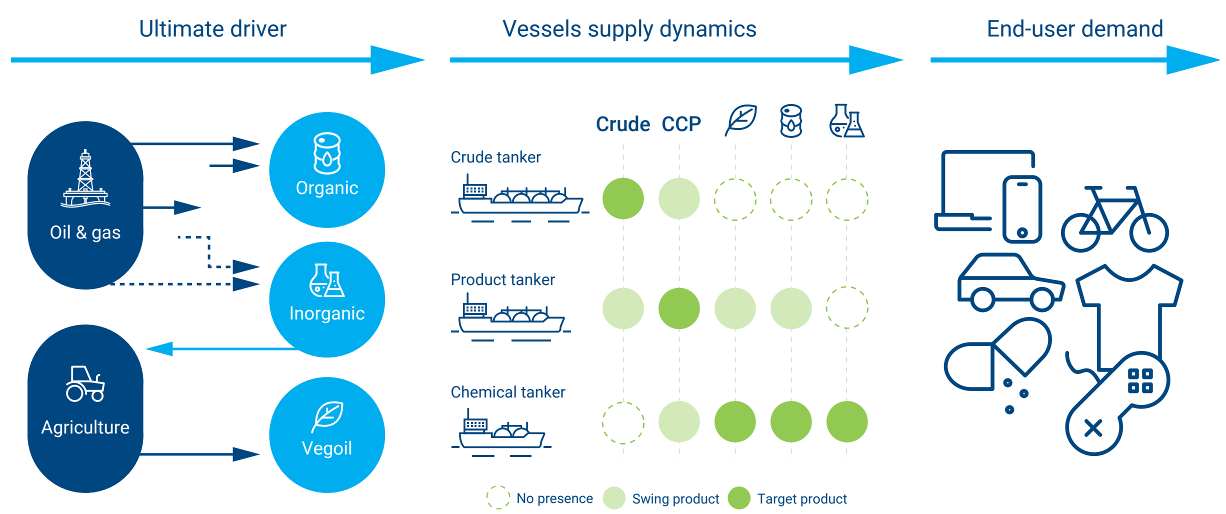
For more information, visit Odfjell.com/about/our-organization

Around 600 different chemicals and liquids are carried on board our ships, from the most toxic chemicals to cooking oil and red wine. It takes a skilled and professional team to secure safe and efficient delivery and handling of any cargo to any port and terminal. Every single person, on board and ashore, is vital for keeping the global supply chain turning, for making sure that you and I get the everyday products for our everyday life.

Kjell H. Christensen,
Ship Broker,
Odfjell Tankers

Our markets

Our markets are fundamentally exposed to the same market dynamics as crude and product tankers. From a demand perspective, this links with oil and gas and its respective derivatives being feedstocks to produce petrochemicals. From a supply perspective, vessels carrying chemicals and oil products have capability to carry both products, hence this impacts the competitive environment across the segments. While we share directional market drivers, the industrial nature of our markets differentiates us by having less volatility and more predictability than the more commoditized crude and product tanker markets.



Feedstocks for the products we ship are primarily derived from Oil, Gas and Agricultural sector

Interchangeable fleets lead to correlation with crude and product tankers

Most people are in daily contact with products that were once transported on our vessels

Odfjell's business model stands out from competitors with our global integrated platform and our large flexible fleet. Our vessels are mainly equipped with stainless steel tanks that are able to carry 'anything liquid', from vegetable oils used in our meals to hazardous and toxic chemicals that are vital for production in the pharmaceutical industry. This flexibility gives us the opportunity to quickly adapt to changing market terrain within the various types of products we carry, and gives us access to a wide range of products that allows for valuable diversification of our income. As history shows, this business model makes Odfjell's earnings less cyclical than for most competitors within the broader tanker segment.

The fundamental outlook for the chemical tanker market is solid, both in the short- and long-term. In the short-term, fleet growth is projected to be minimal, driven by a low orderbook, ageing fleet and lack of new orders.

Demand the next couple of years will be driven by an expected strong recovery following the pandemic across the globe. In addition, structural drivers in the chemical industry involving new low-cost production capacity in the US and Middle East, and rationalization of high cost production capacity in demand centers, is expected to improve tonne-mile demand.

The world is dependent on chemicals, and the demand is expected to be fast-growing also in the long term. Chemical demand per capita in the developed world is low. We see that refineries are already starting to adapt to produce a higher share of petrochemicals, bearing in mind a bleaker demand outlook for transportation fuels. When adding the trade related structural shifts, with dislocation between production and demand, production facilities predominantly being built in coastal areas, and rationalization of older and inefficient production facilities nearby demand centers, the long-term demand in our markets are both sustainable and healthy.

Odfjell is fundamentally exposed to the same market fluctuations as crude and product tankers. However, the industrial nature of our segment differentiates us, as our core vessels are very sophisticated with stainless steel tanks, equipped to serve complex trades and carrying a wide range of contracted high-margin products.

Chemical tanker market trends

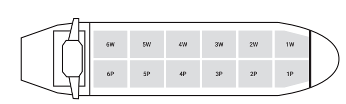
DEMAND
- Global economic activity
- New low-cost production capacity
- Decarbonization
- Self-sufficiency rate in China
- Geopolitical disruptions

SUPPLY
- Historically low orderbooks
- Ageing fleet
- Decarbonization
- Increased construction costs
- Reduced swing tonnage

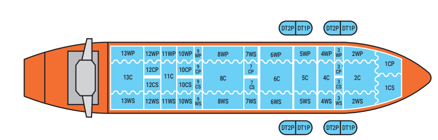
Operational dynamics and cargo characteristics

Cargo group	Cargo characteristics	Odfjell exposure	Trend
Speciality chemicals	• High barriers to entry & consolidated market • High margin cargoes • Small lot sizes (base and completion cargoes) • High COA coverage	Core business	Mature market with modest demand growth prospects
Easy chemicals	• Medium barriers to entry & fragmented market • Medium margin cargoes • Bigger lot sizes (base and completion cargoes) • Mixed COA and spot coverage	Core business	Mature market with high demand growth prospects
Vegetable oils	• Low barriers to entry & fragmented market • Medium to low margin cargoes, but volatile • Big lot sizes (completion, but often one ship, one cargo) • Mainly spot exposure and often back-haul routes	Medium/ opportunistic	Mature market with demand growth closely linked to GDP, population growth and some structural drivers driven by decarbonization (biofuels)
CPP Clean Petroleum Product	• Low barriers to entry & fragmented market • Low margin cargoes, but volatile • Big lot sizes (mostly one ship, one cargo and completion) • Opportunistic exposure and only spot cargoes	Low/ opportunistic	Mature market with strong growth prospects in the short-term but long-term decline is anticipated as decarbonization efforts accelerate

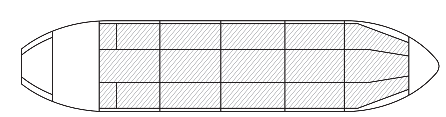
Basic Chemical/Product tanker



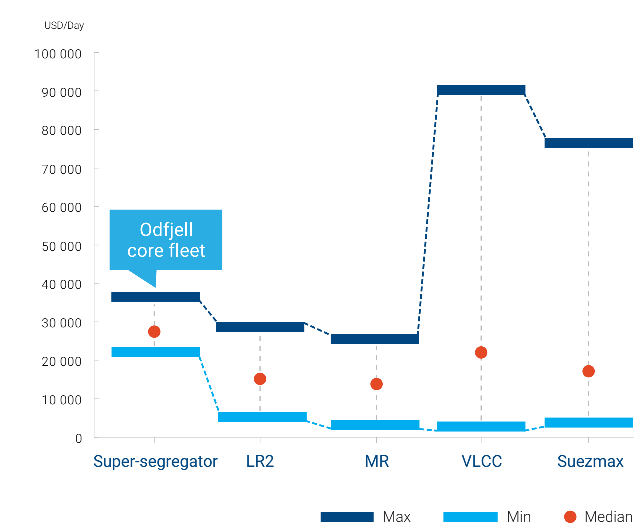
Super-segregator



Crude tanker



Average annual TCE rates tanker fleet



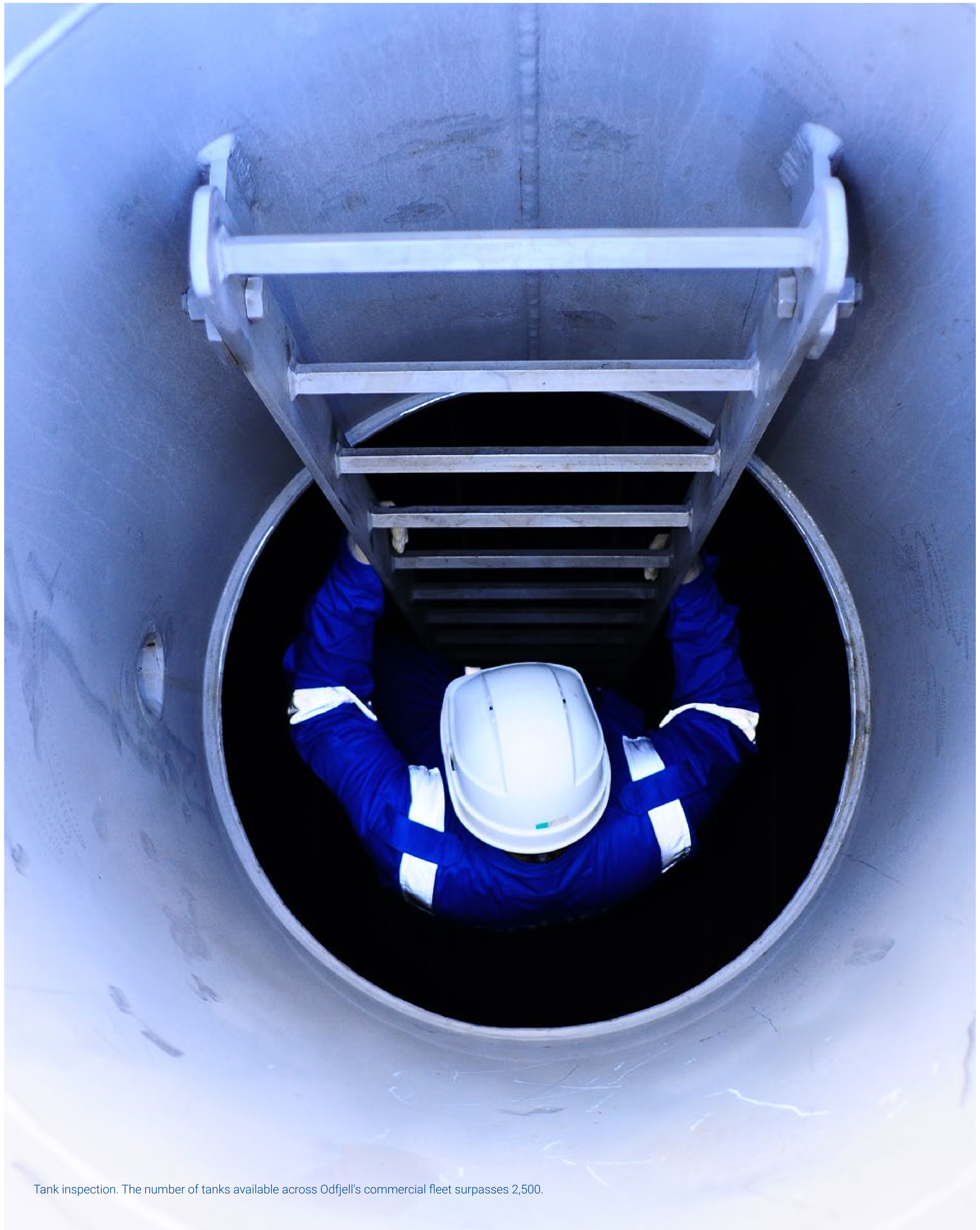
Operations & Markets

Odfjell is a fully integrated logistics provider for chemical producers, oil majors and traders, a leader in the global chemical tanker segment, and quality storage provider at core ports.

Onshore in the USA, Belgium, China, and Korea, Odfjell has ownership in five tank terminals, offering a total of 469 tanks with a capacity of 1.3 million cubic meters. At sea, our 90+ sophisticated chemical tankers transport around 16 million tonnes in a year, make more than 3,000 port calls, and sail a distance equal to 224 times around the equator.

In 2021, our people and business were heavily affected by the prolonged Covid-19 pandemic, yet we continued to operate to the highest efficiency, safety and service standards.

2020 built chemical tanker Bow Prosper.



Tank inspection. The number of tanks available across Odfjell's commercial fleet surpasses 2,500.

Odfjell Tankers and Ship Management

2021 was another challenging and unpredictable year for Odfjell, already impacted by the Covid-19 pandemic and a weak CPP market. Our operations were also affected, but 2021 introduced another layer of uncertainty and risk caused by global supply chain disruptions and accelerated inflation. Chemical tanker demand recovered quickly, in line with higher economic activity, although rapid changes in trade flows, caused by the supply chain challenges, took their toll on our operations and results. Despite these challenges, and a large share of the labor force working from home, we have kept up our commercial and operational standards and recorded another year of good safety performance. We are encouraged by the quick recovery seen in our markets during the fourth quarter, and Odfjell is fully prepared to take advantage of the strong, underlying fundamentals in our markets in the years to come.

93
ships

15.4 million
tonnes shipped

582
different chemicals

2021 highlights

- We maintained safety, commercial and operational standards despite disruption of working from home, market uncertainty, seafarers on overtime and persistent difficulties with crew changes
- Our integrated model for Odfjell Tankers and Ship Management has yielded meaningful benefits, especially in these unpredictable times
- Thanks to the flexibility of our people and platform, we managed to efficiently turn around and respond rapidly to market movements, despite a scattered organization working from home
- We concluded an exit from the short-sea trade in Asia, and the planned exit from gas with the sale of our two Ethylene LPG carriers
- The AER for our managed fleet was reduced to 7.83 and the Odfjell fleet is on track to hit the IMO's average baseline by 2030

The 2021 chemical tanker market

The market's decline, which began in the second half of 2020, continued, driven by chemical producers consuming inventories and a historically weak CPP market, which was itself exacerbated by a destocking cycle.

The soft market was further weakened by the Texas Freeze, which reduced US exports, and by worsening supply chain challenges induced by Covid-19. This led to price spikes for chemicals, especially in the US, and a lack of arbitrage opportunities that drastically reduced export activity. Asian exports increased significantly, to make up for lost US output unable to service import regions like Europe, and because of the US increasing their imports, as lower priced products could be sourced from the Far East. This development caused the markets west of Suez to be considered soft, while the markets east of Suez were considered strong, with freight rates reaching levels not seen since 2008 during the fourth quarter.

As for the tanker markets in general, 2021 was, overall, a challenging year for chemical tankers, although in line with history, the chemical tanker market was far less volatile and depressed than for crude and product tankers.

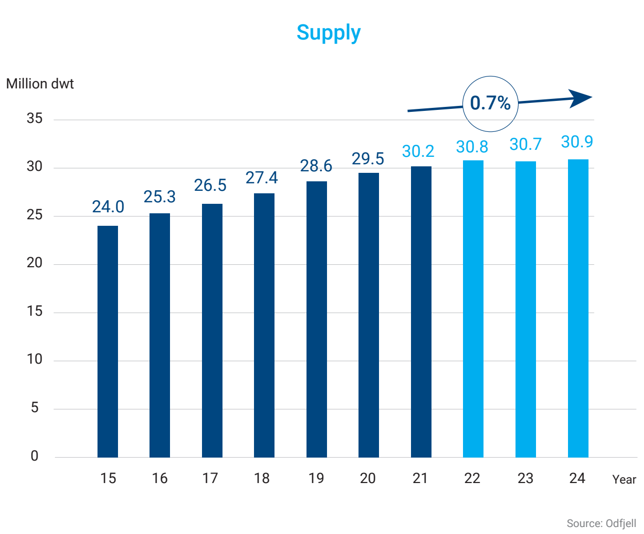
We find it encouraging that the chemical tanker market improved towards the end of the year and showed that it can, to some extent, de-couple from soft crude and product tanker markets. Beyond the risks and opportunities related to Covid-19, the crude and CPP tanker markets are expected to benefit from positive underlying fundamentals with an upcoming restocking cycle, a low orderbook, and limited fleet growth in the years to come.

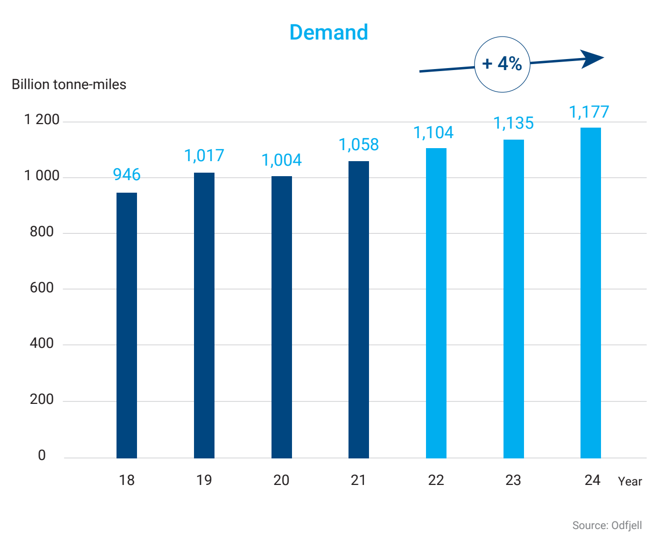
For chemical tanker demand, preliminary figures report a growth of 5.2% in 2021, compared to a fleet growth of 1.8%. Tonne-mile demand is forecast to grow fast in 2022, according to Odfjell's research department, and lead to a tonne-mile demand growth of 4.3%. For the next three years, chemical tanker demand is expected to average 4% per year, versus a net fleet growth of 1% per year. This, in turn, should lead to chemical tanker fleet utilization surpassing 90%, which indicates a stronger cycle in the coming years.

Chemical tanker market outlook

The economic growth forecasts played out as expected for 2021, with policy stimuli and an ongoing recovery from the pandemic leading to higher economic activity. This, however, has led to higher inflation and many commodity prices reaching, and remaining, at all-time highs. By and large, this represents an opportunity for the chemical tanker market; as low-cost feedstock producers in the US and Middle East exploit their price advantage, we expect an increased number of high-cost producers, predominantly in Europe and the Far East, to reduce, and in some instances cease, production.

Change in trade flows has been a driver for our markets in 2021 and looks set to continue in 2022, most recently with the tragic events in Ukraine leading to the rerouting of Russian cargoes. Russian exports largely supply Europe with methanol, caustic soda, benzene and styrene, and based on initial developments, these are very likely to be sourced elsewhere. As Russian exports are mainly short-haul, replacement volumes will add additional miles and therefore drive tonnage demand higher. In time, it is also likely that Russian cargoes will be shipped to other regions, again leading to incremental tonnage demand. Odfjell will not ship Russian cargoes.





The supply fundamentals for chemical tankers are encouraging, with a record low orderbook and limited new orders taking place.

Traditionally, a low orderbook leads to increased orders, but the uncertainty around future propulsion systems could mean the next few years becoming an exception to the rule. Ordering new vessels today is associated with high residual risk for shipowners, and for lenders too, which also limits available financing to fund larger, newbuilding orders. This situation is not unique to chemical tankers and affects shipping in general. It means that neighboring tanker segments are experiencing declining orderbooks and lack of orders as well, which is something we depend upon for reduced competition from swing tonnage in the years to come.

We therefore believe that the fundamentals in our markets are strong, and this should bolster the continued recovery of the chemical tanker markets over the next few years.

The way forward

In 2022, we remain committed to improving our core activities and to the following key targets:

- Safe and efficient operations
- Generating positive cash flow through the cycles
- Further growth
- Improving digital solutions
- Exploiting our leading position in sustainability to maximize our competitive advantage
- Talent development to ensure we foster, maintain, and cultivate the best people in the industry

The Odfjell fleet

Per December 31, 2021

- 33 supersegregators
- 12 large stainless steel
- 20 medium stainless steel
- 21 coated
- 7 regional

Fleet distribution

- 31 owned
- 19 leased
- 13 time charter
- 6 bareboat
- 24 pool

Harald Fotland
Chief Operating Officer

Continuously improving

2021 was characterized by significant operational challenges due to the pandemic, and an unbalanced freight market with declining volumes west of Suez. However, improvements were observed towards the end of the year. We expect these improvements to continue into 2022, and strengthen as the effects of the pandemic diminish.

Safety first

Safe operations remain our priority. Good progress was made in 2021, as in previous years, particularly for cargo handling. Important contributing factors were new and improved systems for monitoring our operations, improved transparency and information sharing, and a higher degree of predictability. This vital work will continue in 2022, with a focus on digitalized solutions for improved decision-making.

Improving energy efficiency

Energy efficiency has been high on our agenda since the beginning of this century, and significant achievements have been made. Compared to average IMO baseline for the 2008 Odfjell fleet, we have improved our energy-efficiency by 46%, and we have reported the all-time lowest AER three quarters in a row. We are determined to reduce our environmental footprint further. These reductions will be achieved through a combination of retrofitting of energy-saving devices, operational improvements such as port efficiency and route optimization, in addition to future fleet renewals. Our customers are also increasingly focused on climate efforts, and this cooperation will be key in our drive to improve utilization and reduce time in port.

Building competence

Access to qualified people has become increasingly challenging. At Odfjell, this is solved through a program of in-plant training, offered to a continuous inflow of young recruits. In 2021, more than 30 students got their start in a shipping career at Odfjell. We will keep up this active recruitment and training program in the years to come, and value the younger generation challenging old habits, while whole-heartedly sharing our improvement efforts and ambitions.

Focusing on the deep-sea segment

2021 marked an important shift in Odfjell's strategy when it decided to focus exclusively on deep-sea shipping. We are present in all markets, and we now operate the world's largest fleet of deep-sea chemical tankers. First and foremost, this allows us to serve our customers in the best possible way: We can deliver reliable, cost-effective logistic solutions for every need, at any time, and in any market. However, our size also allows us to maintain quality standards at every level of our business, and develop the segment through safe, innovative and cost-effective solutions.

Odfjell Tankers

- Odfjell's chartering and operations organization, in charge of sales, customer relationships, contract management and commercial operations worldwide
- Works closely with Odfjell's subsidiary Flumar, which covers the intra-regional South American markets
- Operates a total fleet of 93 vessels as of December 31, 2021
- Strategically located marketing offices worldwide
- Headquartered in Bergen, Norway

Odfjell Ship Management

- One of Europe's largest and most complete teams for ship management
- Technical operator of 39 Odfjell vessels as of December 31, 2021
- Ensures safe and efficient operations of the vessels, in compliance with governing rules and regulations
- Monitors the services of external ship managers, who oversee the technical management of 9 vessels
- Subsidiary Flumar has technical management of 5 vessels
- Headquartered in Bergen, Norway
- Crewing and Shared Service office in Manila

Launch of Customer Portal

In 2021, we launched a tailor-made digital Customer Portal as part of our ongoing effort to provide exceptional customer service.

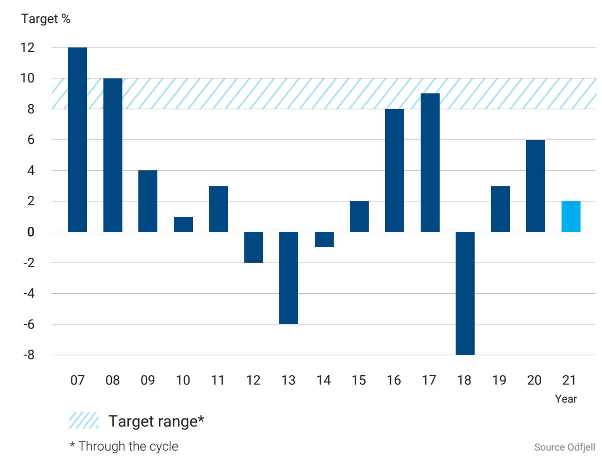
If you buy a book, a pair of shoes, or just about any item online, you can track its whereabouts right up until the moment it lands on your doorstep. We wanted to offer our customers the same service for monitoring their cargoes.

Our integrated team of commercial and IT experts put their heads together and created a unique customer platform that keeps track of each customer's active orders. It offers a portal service for vessel tracking, cargo overviews, port operations, and the option of data integration with customer systems.

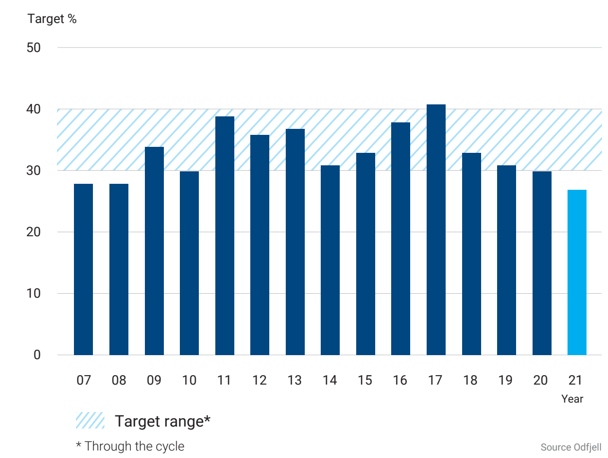
The available information includes estimated time of arrival and offers insights into port activities, statistics relating to the customer's business with Odfjell, loading times, etc. The Customer Portal is easily accessible via Odfjell.com.

Financial target and historical developments, including relevant performance measures

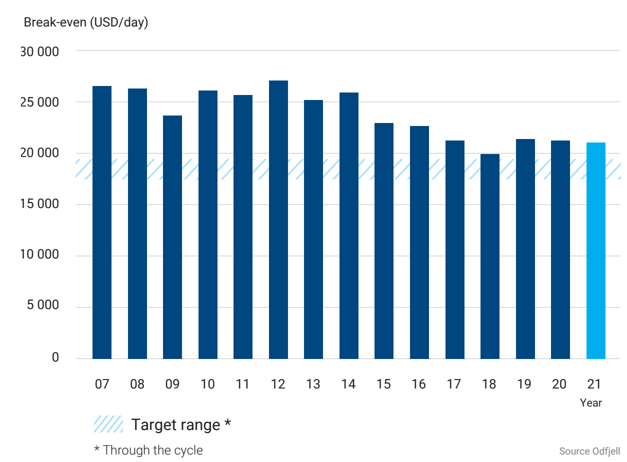
ROCE (Return On Capital Employed)



Equity ratio

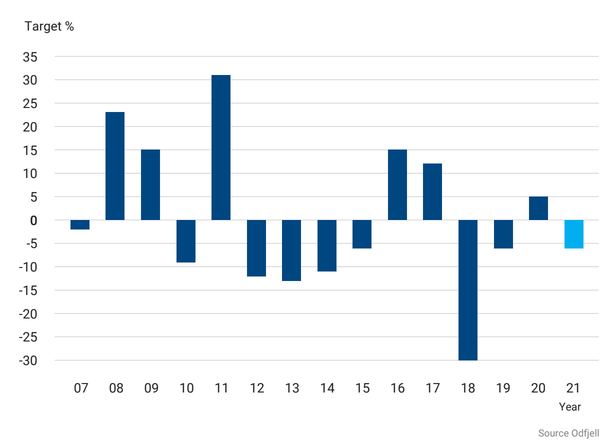


Tankers cash break-even

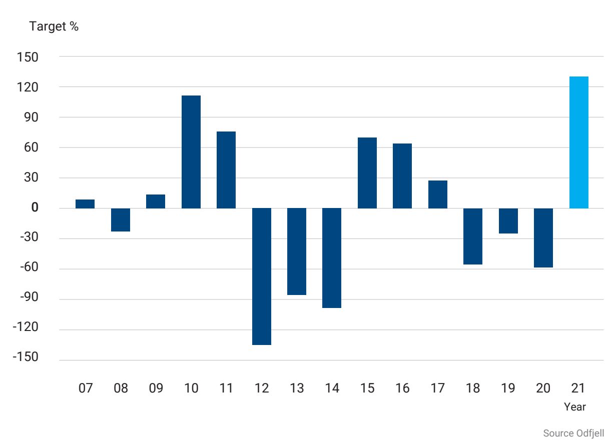


Total debt

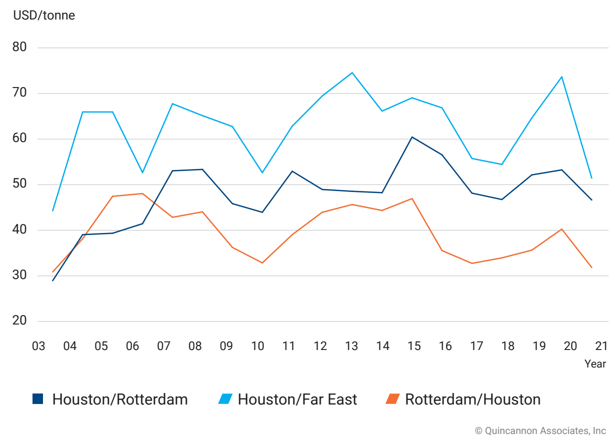
ROE (Return On Equity)



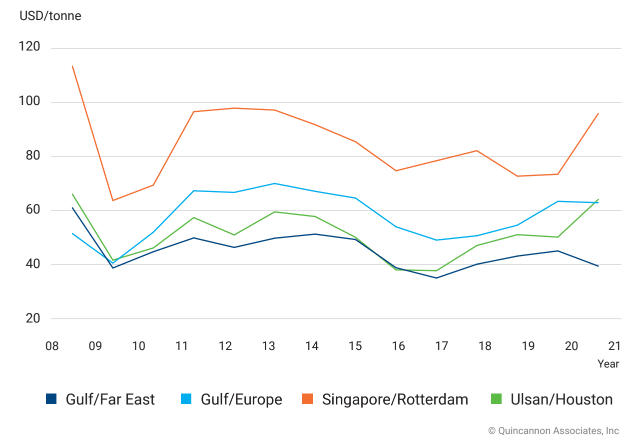
Free cash flow



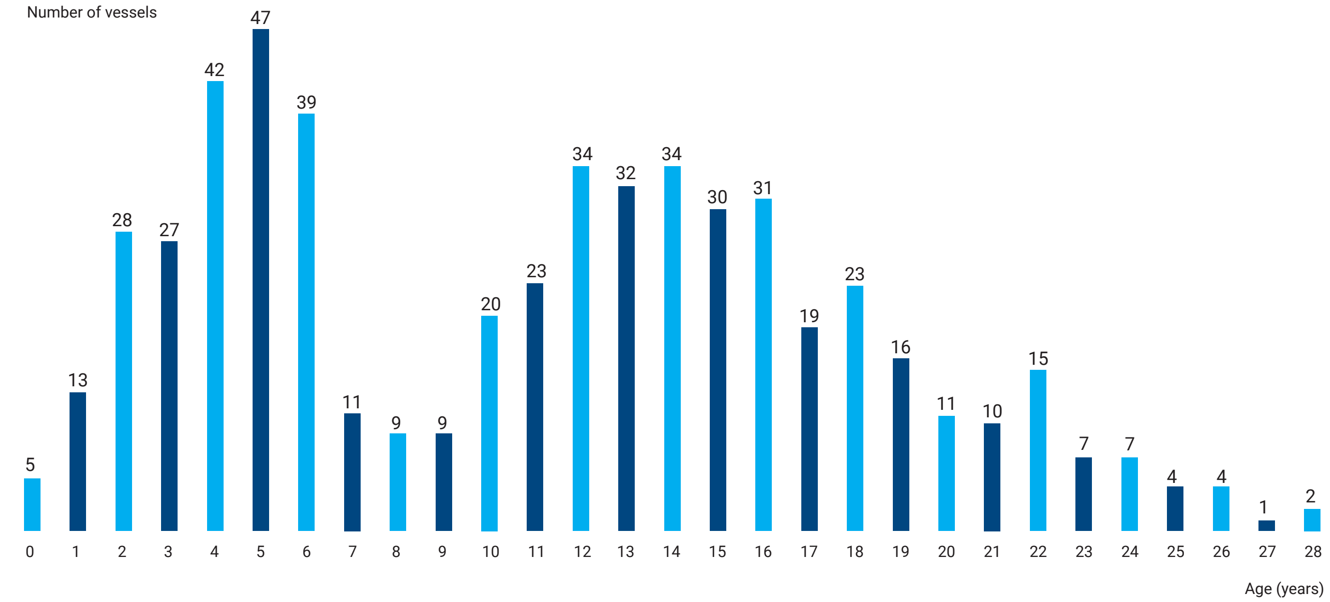
Freight rates West of Suez



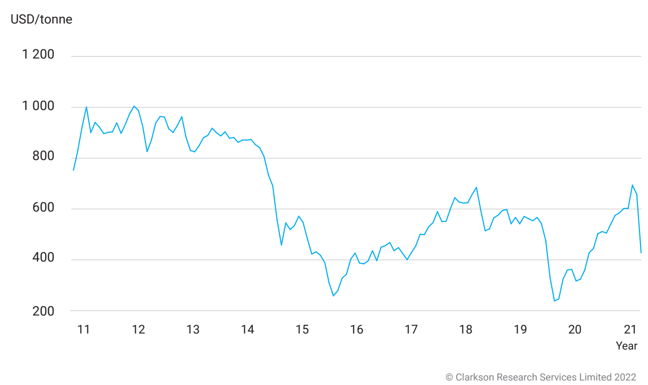
Freight rates East of Suez



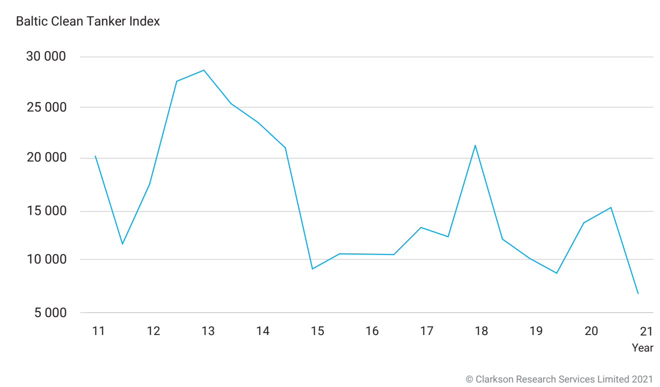
Distribution of vessels by age in total deep-sea chemical tanker market
(chemical tankers with at least 50% stainless steel capacity from 18,000 to 55,000 dwt)



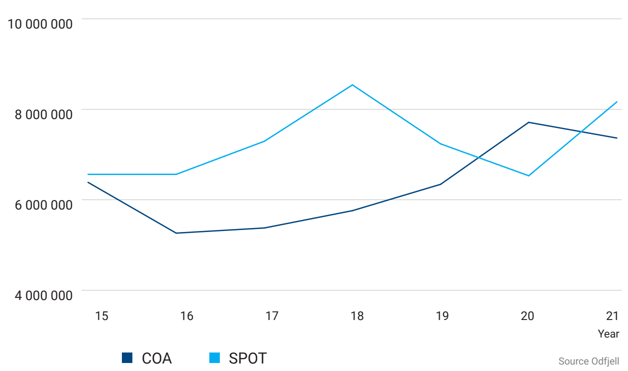
MGO Bunker Prices Rotterdam



Average MR spot rates (Clean Petroleum Product Tanker)



Volume development, COA vs. Spot



Chemical tankers*	Figures in	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Odfjell TC earnings	USD mill.	504	514	462	470	523	552	530	557	539	680
Operating result before depreciation and gain (loss) on sale of fixed assets (EBITDA)	USD mill.	241	256	184	109	125	188	147	97	98	65
Operating result (EBIT)	USD mill.	43	102	39	8	14	98	37	3	3	(35)
Total assets	USD mill.	1 888	2 039	1 851	1 664	1 643	1 544	1 586	1 654	1 625	1 749
Volume shipped	1 000 tonnes	15 540	15 210	14 400	15 126	13 648	13 510	13 630	15 440	18 215	19 546
Number of ships per December 31		93	89	75	83	79	73	74	77	81	96
Total deadweight per December 31	1 000 tonnes	3 387	3 218	2 493	2 628	2 408	2 217	2 187	2 236	2 273	2 684

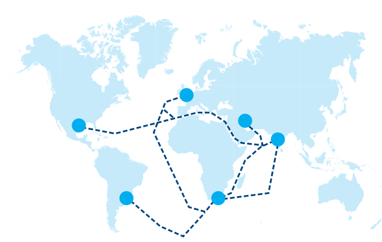
*This table also includes "corporate".

For more information about Odfjell Tankers and Ship Management, visit Odfjell.com/tankers

Trades lanes

Round the world

Middle East



South America

Asia

Transatlantic

Seafarers
at the frontline

Keeping the global supply chain intact is critical to secure provisions for people around the globe. It is perhaps even more important during a pandemic, and it would not be possible without seafarers. Still, our people at sea have been subjected to onerous restrictions and unpredictable conditions ever since the outbreak of Covid-19, two years ago.

New mutations and infection waves affected country after country in 2021, leading to ever-changing regulations from port to port. As in 2020, this created herculean obstacles for seafarers traveling to and from work. It also affected safety measures, port calls, the interaction between ship and shore, sailing time, vacation time, training opportunities, etc. All in all, it added yet another layer of responsibility for our people at sea, and increased the uncertainties for their families ashore.

Mental and physical well-being on board

A range of extra measures have been implemented to ensure the well-being of our seafarers through this challenging time. These include added virus protection procedures for enhanced safety and to limit infection risks, plus a raft of social initiatives to support their, and their families', well-being.

> "Our seafarers continue to impress us with their stamina and handling of the Covid-19 marathon. They adjust, adapt and manage the related unpredictability in a very professional way, even when unprecedented situations arise on board and while traveling."
>
> COO Harald Fotland

We have experienced more Covid-19 cases on board in 2021 than in 2020 due to the increased infectiousness of new mutants. The crews involved have worked together, followed procedures and taken care of each other in a difficult time. It is world-class, but we wish they did not have to go through it, and hope that the challenges of the pandemic will soon be a thing of the past.

Vaccinations on board

One of the most important initiatives has been a program of vaccination. Access to vaccines varies significantly from country to country, and we have been proactive in our efforts to obtain vaccines for our seafarers. The first, and very successful, initiative was rolled out in May 2021, in Houston, after a concerted effort from the maritime community secured vaccinations for visiting seafarers. Other ports and countries followed.

By the end of 2021, almost 100% of Odfjell's seafarers were vaccinated through such initiatives, or through their home country's vaccination schemes.

> From a safety and health perspective, it has been a priority for us to ensure that our seafarers are offered the opportunity to become vaccinated. It is reassuring to know that everyone is as well protected as they can be, and we are very grateful for the health, port and local authorities who have contributed to making this happen in various ports.

The crew change crisis continues

Different countries have different requirements for travelers, often changing at short notice. Flights have been canceled or delayed, quarantine requirements have varied (anything from a few days to several weeks), documentation, processing, and certificates have been hard to obtain due to work-from-home policies and closed administrations. All these factors have affected every seafarer who needs to travel to and from work, and have led to extreme difficulties in securing timely, safe and efficient crew changes.

We diligently work to comply with all requirements. Our crewing department works relentlessly to find solutions, in cooperation with each seafarer, our trade teams, management, agents, local authorities and shipping organizations. Our integrated model, with in-house chartering, operations and ship management, has proven very valuable as we strive to facilitate crew changes through the pandemic waves.

In 2022, as parts of the world open up, we expect it to become even more challenging to keep our ships Covid-19 free. An infection on board is unlikely to pose any serious threat to our people, given our high vaccination rate. However, as long as some states maintain strict Covid-19 protocols, we still face the risk of long quarantine periods should any crew member test positive.

Industry appeals

The crew change crisis cannot be solved by one company alone; we are part of an international framework, and subject to individual government's regulations. Odfjell has taken an active role in the many industry initiatives advocating the need to ensure safe crew changes, and seafarers' welfare around the world.

Via maritime organizations such as the Norwegian Shipowners' Association, ICS, INTERTANKO, BIMCO and IMO, we have issued multiple appeals for urgent action to secure seafarers a status as key workers, and ensure their health and safety through the pandemic. Sadly, the response from governments and authorities has not been sufficient to solve the situation. The work continues.

With signs of an end to the strictest restrictions and reopening of society, we hope, and believe, that key workers will again be able to travel in a safe, efficient and timely manner, and resume work on board without worrying about Covid-19.

The combination of shipping and tank terminals puts Odfjell in a unique position. Around 2,300 colleagues, on board and ashore, located in 14 countries across five continents, work together to offer the highest quality services and the safest, most efficient handling of our customers' cargoes.

Karoline Gjellestad,
Ship Operator,
Odfjell Tankers


Noord Natie Odfjell Antwerp Terminals.

Odfjell Terminals

Odfjell Terminals is a global provider of independent tank storage solutions for the chemical industry, with a track record in developing, owning, and operating tank terminals for more than five decades. We currently own five tank terminals, through different partnerships, at strategic locations in the USA, Korea, Belgium, and China: Houston, Charleston, Ulsan, Antwerp, and Nangang. These terminals offer a total of 1.3 million cbm of storage capacity. Odfjell Terminals is also part of a network of 10 terminals in South America, partly owned by related parties.

5
terminals

1.3 million
cbm storage capacity

469
storage tanks

Solid performance in a challenging environment

The year got off to a difficult start, with a fire at our Houston terminal in December 2020, the Texas Freeze in February 2021, and the pandemic continuing to challenge the way we do business. Despite the unforeseen events and the problematic environment caused by Covid-19, our terminal business has continued to perform well. We have continued to improve our safety performance and we are in line with, or above, our financial targets in most regions.

Covid-19

As for everyone, Covid-19 has continued to be a challenge in 2021. Through efficient and well-established procedures, and lessons learned during the first year of the pandemic, we have been quite successful in preventing Covid-19 from interfering with our operations. This year, we experienced more Covid -19 cases within our organization, especially in the US, although mainly with employees being infected outside of the workplace. We have procedures in place that have worked well. On the back of all of this, one key takeaway has been that our portfolio has proven highly resilient.

> Faced with unforeseen events and a challenging environment, our performance during 2021 has proven the resilience of our platform, our people, and our organization.

2021 highlights

- Started construction of a new 35,000 cbm tank pit at Noord Natie Odfjell Antwerp Terminals
- Final Investment Decision (FID) taken on a new, modern, and automated 32,000 cbm tank bay at Odfjell Terminals Houston (OTH)
- Installed a new vapor treatment facility at our terminal in Korea, contributing to reducing emissions
- Launched a multi-year Digital Transformation program at our US terminals, aimed at harnessing the latest technologies to drive down cost, boost efficiency, and provide a solid foundation for business scalability and future growth

Business performance

Odfjell Terminals US (OTUS) experienced a tough start to the year, with a fire at our Houston terminal in December 2020, and extreme winter weather conditions in Texas in February 2021.

The fire incident is a reminder of how critical safety, and investments in training, are to our business. The quick and effective actions by the Houston organization ensured that no one was injured, that products were kept safe, and that the terminal was efficiently brought back to normal operations.

In February 2021, the Texas petrochemical complex experienced widespread supply chain disruptions caused by extreme winter weather conditions, shutting down significant chemical capacity along the US Gulf Coast.

The Freeze proved to have substantial and prolonged adverse effects on product flows and market dynamics, well beyond the US market. Due to the interruptions, inventory levels were low in the first half of the year, and most US production was focused on the domestic market, temporarily lowering demand for storage capacity.

With supply chain challenges alleviated and idled capacity coming back online, the US chemical industry witnessed a strong recovery during the second half of 2021, with increased demand from major end markets and a resurgence of US exports.

Odfjell Terminals Houston (OTH) and **Odfjell Terminals Charleston (OTC)** finished the year well, with strong demand for storage and commercial occupancy rates of 97% and 96%, respectively. OTUS delivered a financial performance above its 2021 budget, helped by strict cost control and insurance proceeds.

Despite the unforeseen events and a challenging environment, OTUS continued to advance on key strategic initiatives with the launch of a multi-year Digital Transformation Program (DT Program) and FID being taken on a new, modern, and automated 32,000 cbm tank bay. By enhancing and expanding current capabilities, and phasing out old systems in favor of cutting-edge digital tools and solutions, OTUS will ensure the future viability of its digital platform, and its ability to fulfill future client demands.

OTUS plans to break ground on the new tank bay in the first quarter of 2022, with a combination of nine stainless steel and carbon steel tanks. The tank bay will be highly automated, require less manual intervention, and benefit from the ongoing digitalization initiatives. The project, scheduled to be finished by the end of 2023, will be financed under the terminal's existing credit facility and is expected to generate attractive returns. Once finished, the tank bay will add approximately 9% to the local capacity, bringing it to 412,414 cbm.

Odfjell Terminals Korea (OTK) experienced a reduction in storage demand compared to last year, and while activity levels remained high, the average commercial occupancy ended at 93% in 2021. The slowdown experienced in 2021 mainly relates to the continued threat of Covid-19, continued supply chain disruptions in the region, and import regulation changes in China.

Due to the lower product price index for selected products in the Asian markets, OTK also noticed a shift in import and export activities throughout the year. With product shortages and higher prices in the European and US markets, exports to these markets increased throughout the year, reducing the demand for storage. Despite the challenges, OTK exceeded its financial targets for the year, helped by higher spot volumes and careful cost control.

In 2021, OTK installed a new vapor treatment facility, contributing to reducing emissions at our terminal in Korea.

Noord Natie Odfjell Antwerp Terminal (NNOAT) noted another successful year, with an average commercial occupancy of 98% and record-high activity levels contributing to a strong financial performance. The terminal continued to show a positive development in key safety indicators in 2021.

As part of its ongoing expansion effort, NNOAT has constructed three new tank pits, with a combined capacity of 45,500 cbm, during the last two years, bringing the terminal's total capacity to 389,531 cbm. NNOAT began construction on its latest addition in 2021, a fully automated and state-of-the-art 35,000 cbm tank pit comprised of seven 5,000 cbm stainless steel tanks. By mid-2022, the tank pit is expected to be operational. With over 18,000 m^2 of land available, NNOAT plans to continue its expansion program in future years.

In 2021, the terminal was awarded a Silver EcoVadis certification for its commitment to continuously improving its ESG performance, and integrating sustainability into all aspects of its business and operations (NNOAT published its first Sustainability report in 2021).

Outlook for 2022

The recovery of the US chemical industry, experienced in the second half of 2021, is expected to continue well into 2022, as economies continue to reopen and as restrictions are lifted.

The absolute demand for chemicals is expected to stay strong throughout the year, but may normalize toward the end of 2022 as pent-up demand starts to clear out. Continued strong demand for chemicals should keep the prices robust throughout the year.

> An increase in capital expenditure by leading industry players, along with governmental infrastructure investments and support programs, should sustain robust demand for chemicals in 2022. Continued high inflation rates, the current turmoil in Europe and war in Ukraine, are potential sources of concern.

In the Korean market, the expectation is that refinery and chemical production will increase throughout the year, which will help support a higher demand for petrochemicals. While it is still difficult to predict future developments in storage demand, due to the continued uncertainty caused by Covid-19 and geopolitical issues in China and other parts of the world, the outlook remains positive.

In Northwestern Europe, the market for base oil volumes is expected to remain strong. The year-on-year growth in specialty chemicals experienced in the port of Antwerp during 2021 is anticipated to continue in 2022, with continued high demand in the European market. The demand for glycols is expected to stabilize at 2021 levels. All in all, we expect there to be a healthy demand for storage also in 2022.

On the back of interruptions caused by Covid-19 and the Texas Freeze, we see end-customers in Europe and the US securing bulk storage for greater certainty of supply. This is an interesting trend that could drive an absolute increase in demand for storage capacity throughout the value chain.

2021 has been a year for Odfjell to evaluate and reaffirm its commitment to the liquid bulk storage sector. After restructuring our terminal organization and portfolio, we are now positioned to look ahead.

> For Odfjell, 2022 will be dedicated to carrying out the initiatives we have in place at our terminals in terms of digitalization, expansion, and continuous operational improvements. We will also launch more targeted ESG initiatives for Odfjell Terminals and continue laying the foundations for future growth.

Adrian Lenning
Global Head
of Odfjell Terminals

A resilient platform, poised for growth

2021 got off to a tough start, with a fire at our Houston terminal in December 2020, and the Texas Freeze in February 2021. All the while, the Covid-19 pandemic continued to present challenges to operations and cause global supply chain interruptions.

Against this backdrop, the key takeaway has been that our organization and portfolio have proven extremely resilient. Our people have worked tirelessly through the challenges and continued to deliver for our customers, and our assets have performed well.

In a year such as 2021, it is particularly gratifying to note that Odfjell Terminals has continued to improve on key safety metrics, is delivering good financial results across the portfolio and maintains momentum on its strategic priorities.

We are currently constructing some 67,000 cbm of new capacity at OTH and NNOAT, while also investing heavily in automation and digitalization of our terminals.

2022 will be dedicated to executing on the initiatives we have in place at our terminals in terms of digitalization, expansion, and continuous operational improvements. We will also launch more targeted ESG initiatives for Odfjell Terminals and continue laying the foundations for future growth.

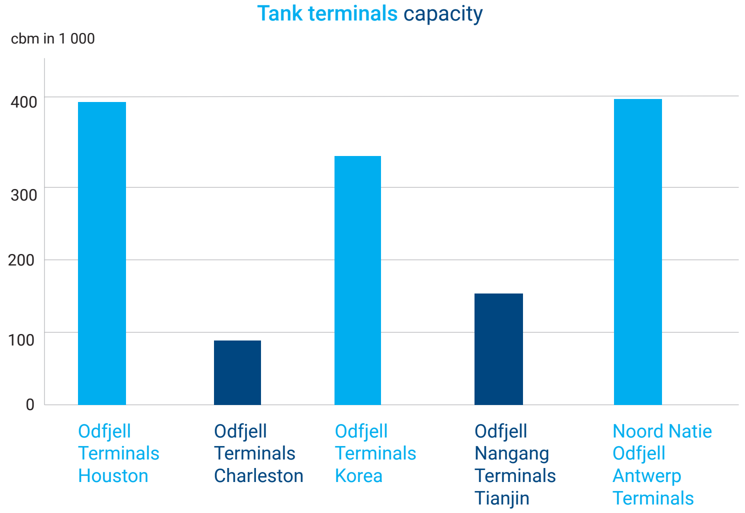
Growth and investments in our platform

Odfjell has a stated objective to grow its terminal business from where we are today. We have a unique platform for doing so, building on a portfolio of strong assets, more than half a century of track record and know-how, and the synergies of being both a shipping and terminal company.

First and foremost, we will focus on improving and growing our existing footprint. Beyond the ongoing investments in Antwerp and in Houston, all our terminals hold potential for further expansion. We intend to evaluate and develop these, and other opportunities, in a disciplined manner along with an improving market.

We will stick to our 'bread and butter': To be our customers' trusted partner for the safe and efficient storage and handling of complex chemicals and other specialty bulk liquids.

Tank terminals capacity



Tank terminals*	Figures in	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Gross revenue	USD mill.	72	66	70	91	111	123	112	94	129	145
Operating result before depreciation and gain (loss) on sale of fixed assets (EBITDA)	USD mill.	33	30	27	24	38	47	40	(4)	21	27
Operating result (EBIT)	USD mill.	9	18	18	(84)	118	53	4	(31)	(73)	(8)
Total assets	USD mill.	381	381	353	351	580	578	629	650	685	1 062
Tank capacity (100% of the terminal)	1 000 cbm	1 300	1 293	1 412	1 512	3 115	3 539	4 672	4 643	4 658	4 551

*Reflection of actual historical Odfjell ownership share.

Odfjell Terminals Charleston.

Odfjell Terminals Houston (OTH), USA

- Houston
- 379 981 cbm total storage capacity
- 113 180 cbm stainless steel storage capacity
- 119 tanks
- 4 berths for barges
- 2 docks for deep-sea ships
- Opened in 1983
- Odfjell share: 51%

Houston is a major international hub for import and export of chemicals to and from the USA, and the hub for Odfjell's global and regional trades to and from the US Gulf. OTH will commence construction of a new 35,000 cbm tank bay in 2022. The tank bay comprised of a mix of stainless steel and carbon steel tanks is expected to be operational by end of 2023.

Odfjell Terminals Charleston (OTC), USA

- Charleston
- 79 243 cbm total storage capacity
- 9 tanks
- 1 deep-sea berth
- Opened in 2014
- Commercially operated by OTH
- Odfjell share: 51%

Strategically located on Charleston's Cooper River, OTC offers tank storage solutions to the south-eastern United States.

Odfjell Terminals Korea (OTK), Korea

- Ulsan
- 313 710 cbm total storage capacity
- 15 860 cbm stainless steel capacity
- 85 tanks
- 4 operational berths
- Opened in 2002
- Odfjell share: 50%

OTK is strategically located in Ulsan, the central petrochemical distribution and transshipment hub in Northeast Asia. It is one of the most sophisticated terminals in Ulsan.

Noord Natie Odfjell Antwerp Terminals (NNOAT), Belgium

- Port of Antwerp
- 389 321 cbm total storage capacity
- 84 832 cbm stainless steel storage capacity
- 230 tanks
- Odfjell share: 25%

NNOAT offers a unique combination of storage and related value-added services for several types of liquids. The construction of another tank bay with a capacity of 35,000 cbm in stainless steel tanks is on its way and is expected to be operational by 2Q 2022.

Odfjell Nangang Terminals Tianjin (ONTT), China

- Tianjin Port, Bohai Bay, Nangang Industrial Zone
- 137 800 cbm total storage capacity
- 7 000 cbm stainless steel storage capacity
- 26 tanks
- 3 ship docks
- Opened in 2016
- Odfjell share: 25%

ONTT is located in the nearest port to Beijing, close to the production areas of the north and northwestern China hinterlands and link to middle and west Asia. Our shareholding is held for sale.

For more information about Odfjell Terminals, visit Odfjell.com/terminals

ESG
Environmental, Social & Governance

Ascending Bow Optima.

The founders of Odfjell adopted three interlocked rings in red, blue and yellow as their logo. This is in use to this very day as our ships' bowmark.

Sustainability in 2021

2021 was another year dominated by the pandemic, but we continued to operate safely and efficiently. We set new records in energy efficiency, keeping us on track with our sustainability goals, and preparing us for new regulations and stakeholders' expectations. The year was also marked by a number of significant, global sustainability events.

In August, the Intergovernmental Panel on Climate Change (IPCC) presented their sixth assessment report, 'The Physical Science Basis'. The report answers important questions on how emissions of greenhouse gases and other pollutants are altering our climate, how plants, soil, and the ocean store and release carbon, how the climate responds to human influence, and what we can expect from any increase in global warming.

The report is unequivocal in its assessment that human influence has warmed the atmosphere, ocean, and land. The UN Secretary-General said the report was a "code red for humanity." However, strong and sustained reductions in emissions of carbon dioxide (CO_2), and other greenhouse gases, would limit climate change. This is yet another incentive for Odfjell's ongoing efforts to reduce emissions and reach our climate targets.

In July, the European Commission launched the first tranche of measures that will support Europe's climate policy framework and put the EU on track for a 55% reduction in carbon emissions by 2030, and net-zero emissions by 2050. The interconnected proposals, named 'Fit for 55', cover the areas of climate, land use, energy, transport, and taxation to bring them in line with the targets agreed in the European Climate Law. Many of these new proposals will directly affect shipping. The most significant one is the inclusion of shipping in the Emission Trading Scheme (ETS), a move Odfjell supports.

We believe that putting a price on carbon will be a strong incentive to reduce emissions, and encourage charterers to select energy-efficient transport.

In November, the parties of the Paris Agreement and UN Framework Convention on Climate Change met at COP26 in Glasgow. Leading up to, and during COP26, nations and organizations committed to new pledges and agreements to reduce emissions, and agreed on how best to achieve the goals of the Paris Agreement. As a result, the prevailing consensus is that zero is the only target.

Weather routing effects 2021

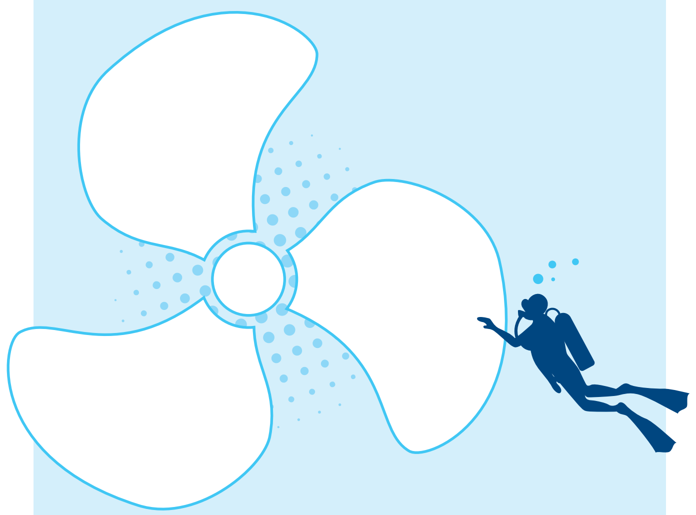
Route optimization for vessels has significant effect on safety and efficiency:

1 033 voyages routed

32 days gained

= **830** tonnes fuel

= **2 573** tonnes reduced CO_2



67 hull grooming and propeller polishing operations performed in 2021.

Depending on the vessel, this can equal savings of up to three tonnes bunkers and 9.3 tonnes reduced CO_2 emissions per day.

Odfjell Tankers'

operated fleet[1)] consumed 471 362 tonnes marine fuels, of which 82 639 tonnes are marine distillates.

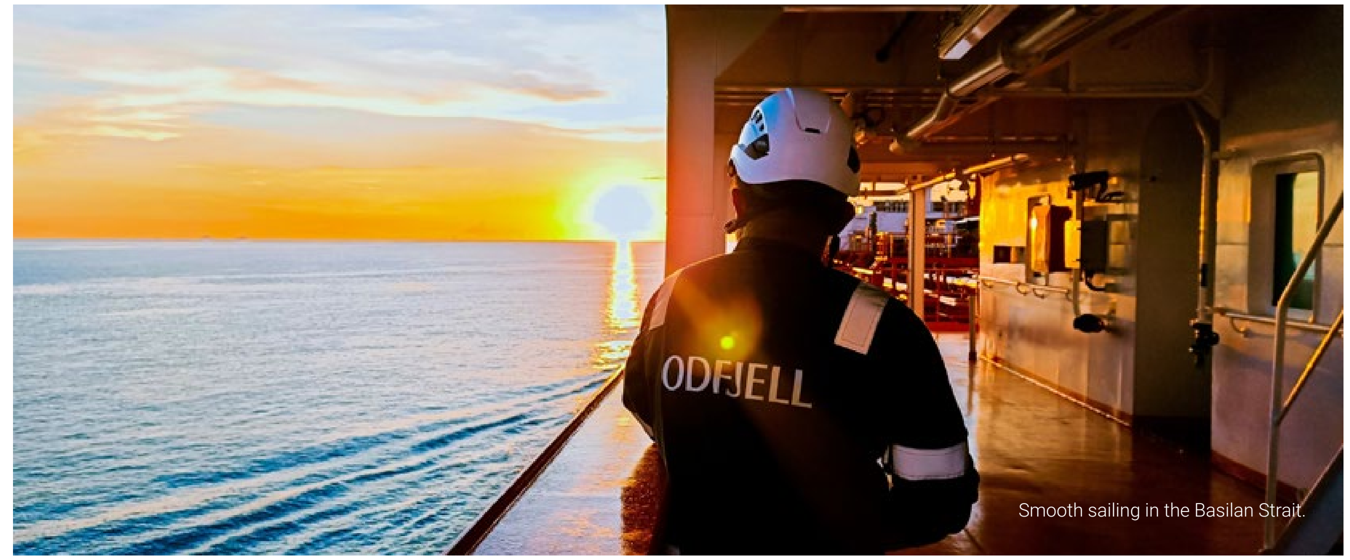
CO_2 emissions

Total emissions of CO_2 in 2021 amounted to 1 488 913 tonnes[2)]

SO_2 emissions

Based on all consumption in 2021 (in port and at sea), Odfjell's vessels emitted on average 0.04 grams SO_2 per tonnes cargo transported one nautical mile.

[1)] Vessels included: All vessels commercially operated and/or managed by Odfjell.
[2)] Increase of 9% since 2020. The increase is due to a growing number of vessels in the Odfjell fleet. While the total is up, the AER is down.



Smooth sailing in the Basilan Strait.

Climate targets and commitments
In 2020, Odfjell launched its own ambitious climate targets to reduce carbon intensity by 50% from 2008 reference, and to be climate neutral by 2050. In advance of COP26, Odfjell also signed up to the Global Maritime Forum's 'Call for Action for Shipping Decarbonization'. We stated our climate commitments, and supported the call on governments to work together with industry to deliver the policies and investments needed to reach critical tipping points in decarbonizing global supply chains, and the global economy.

> In January 2021, we launched the world's first Sustainability-Linked Bond within the maritime industry. It was also the first issued in the Nordics.

The bond was the first instrument under the Sustainability Finance Framework. The framework demonstrates our commitment to our climate targets, and to go beyond industry targets for emission reduction.

Outperforming the trajectory
Odfjell continues to expand the fleet with new, modern, energy efficient ships, and to upgrade the existing fleet. We have installed around 100 energy-saving devices on our vessels. 13 of these in 2021, and another 24 planned for 2022. We now operate the most energy-efficient stainless steel chemical tanker fleet in the world. These investments and improvements in fuel efficiency will benefit both Odfjell and our customers, especially when the emission trading scheme comes into force and the customer will have to pay for CO_2 emissions.

We measure carbon intensity by the Annual Efficiency Ratio (AER). This is the same calculation used by the IMO for their Carbon Intensity Indicator (CII). In 2021, we reduced our AER by 5%, to 8.24 for our operated fleet. This is a new record for Odfjell, and we are ahead of our stated target to reduce carbon intensity by more than 50% by 2030.

Scope 3 emissions and working with suppliers
The majority of our emissions come from our direct emissions (Scope 1). We also monitor and report indirect emissions from energy use (Scope 2) and report this to CDP, where we achieve a B- score. Tracking emissions in the value chain is challenging. To this end, we have teamed up with the company Re-Flow to develop models and dashboards of our value chain emissions Scope 3 from our suppliers. We collaborate with our most significant suppliers to get a better understanding of Scope 3 emissions and then work to reduce them.

Through our corporate suppliers conduct principles, we have communicated our expectations on ethics, human rights, anti-corruption etc. All suppliers need to sign up to these principles. We have an ongoing dialogue with our major suppliers on important ESG matters. Following the new transparency act, we plan to increase audits and supplier reporting vis-à-vis human rights.

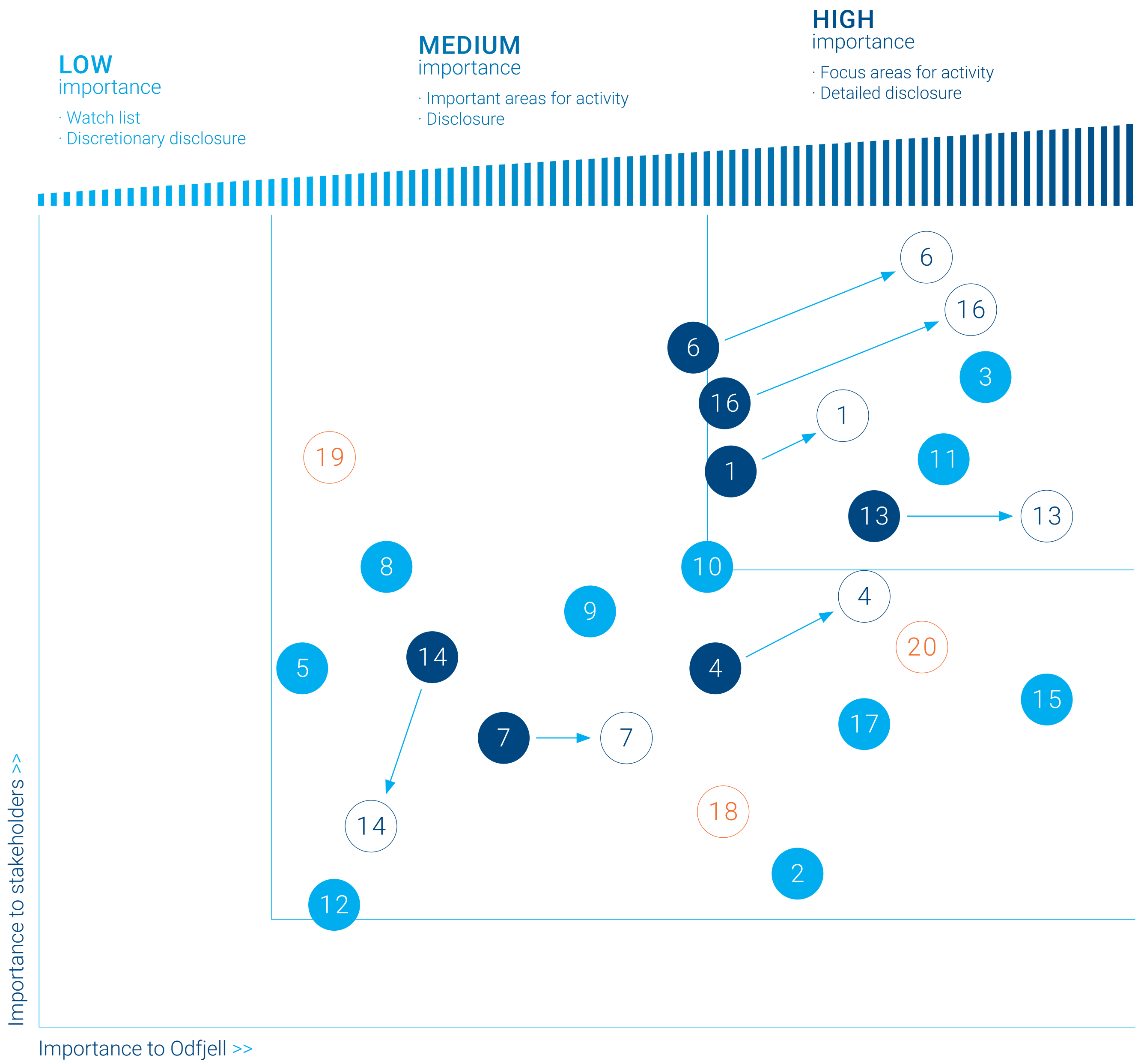
The social agenda
Safety is at the top of our social agenda. It has been another challenging year for our seafarers, and we, alone or acting with other organizations, have worked hard to ensure our crew's health and safe rotation (see page 34). We are pleased to report a year without any Lost Time Injuries (LTIs) in our shipping business.

> We believe that diversity is an asset. We are an international organization, and culturally diverse, but we recognize that we need to increase gender diversity. This challenge is not Odfjell's alone; it is a challenge for our industry as a whole.

We have set clear gender diversity targets and follow action plans to achieve them. We are preparing for the new Norwegian Transparency Act, and have collaborated with The Rafto Foundation for Human Rights to update our Human Rights policies. Human Rights Impact assessments are conducted in line with OECD guidelines and the new act.

ESG Reporting
Our ESG reporting follows the Norwegian Shipowner Association's 'Guidelines for ESG reporting'. In addition, our reporting is in line with 'Euronext Guidelines to issuers for ESG Reporting', 'Task Force for Climate-Related Financial Disclosures', and uses standards from the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) for Marine Transportation. The ESG reporting is presented in the Annex to this annual report (see pages 144-155). Further information on our sustainability strategy is available on our website.

Materiality assessment



- 2021
- Change for 2022
- 2022, unchanged from 2021
- New 2022

1 ESG reporting and transparency
2 Talent and competence development
3 Health and safety
4 Responsible procurement
5 Ship recycling
6 GHG emissions
7 Diversity, Equity, Inclusion
8 Innovation
9 Ocean health
10 Local environment
11 Ethics, anti-corruption
12 Lobbying
13 Human rights
14 Up/Downstream impact
15 Information and cyber security
16 Climate risk
17 Governance structure
18 Biodiversity
19 Infections/diseases
20 Water management

Materiality

In 2021, we presented our ESG materiality assessment which has been updated for 2022 (see illustration to the left). The materiality assessment is built on continuous dialogue with all our stakeholders. The growing attention to climate and climate risk after the IPCC report, the industry's transformation and decarbonization efforts, new regulations, and increased expectations, have pushed most ESG matters further up the materiality agenda.

The proposed EU regulations, and new transparency regulations, are major drivers for ESG reporting. However, not all areas are equally material to our various stakeholders. For example, our banks and investors are very interested in most of our ESG performance, but our customers have not yet made ESG an essential factor when selecting transportation providers. We believe it is just a question of time before this becomes a critical consideration for charterers, as shipping will be a significant part of our customers' Scope 3 emissions, and customers will have to pay carbon credits for the transportation.

EU Taxonomy

On April 21, 2021, the European Commission approved, in principle, the first two sets of technical screening criteria (climate change mitigation and adaption), establishing which economic activities can qualify as environmentally sustainable under the EU Taxonomy.

The Taxonomy Regulation sets out four overarching criteria for environmentally sustainable economic activities. For the purposes of establishing the degree to which an investment is environmentally sustainable, an economic activity shall qualify as environmentally sustainable when it:

1. Contributes substantially to one or more of the environmental objectives
2. Does not significantly harm any of the environmental objectives
3. Is carried out in compliance with the minimum safeguards
4. Complies with technical screening criteria

Odfjell's shipping activity is covered under 'Sea and Coastal Freight' technical screening criteria. The screening criteria are comprehensive and contain several terms relating to maritime transport. Technical screening criteria for terminals are not yet developed.

In the table on page 155, we refer to EU Taxonomy Regulations, Commission Delegated Regulation (EU) 2021/2139 of June 4, 2021 (The Regulation). All references to annexes/appendixes refer to The Regulation.

Odfjell has one of the world's most energy-efficient chemical tanker fleets. However, the screening criteria for marine transport does not allow traditional deep-sea shipping to be taxonomy aligned for the time being. Odfjell meets all taxonomy screening criteria, except the criteria for climate mitigation. As there are no criteria for terminals yet, Odfjell's activity cannot be classified as green under the EU Taxonomy criteria.

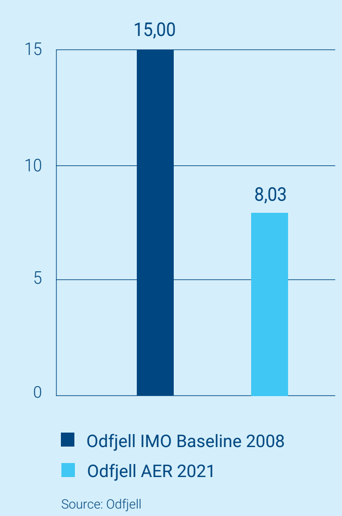
- EU taxonomy-compliant share of turnover: 0%
- Capital expenditure (CapEx) aligned with the EU taxonomy: 0%
- Operating expenses (OpEx) aligned with the EU taxonomy: 0%

Climate Risk

Climate risk has been integral to Corporate Risk assessment. We assess direct/physical and transitional risks based on a 1.5, 2, and 3 degrees or more scenario, in conjunction with up-to-date climate change information. The methodology follows guidance from the Task Force on Climate-related Financial Disclosures (TCFD). In addition, we integrate climate risk and opportunities into our strategy and priorities.

The Board of Directors and Executive Management discuss the risk picture at all meetings, and allocate separate sessions for climate risk and opportunities. Given the business sensitive nature of these assessments, we have only disclosed high-level risk and opportunities, albeit more detailed analysis are done.

Carbon intensity and IMO Baseline



In 2018, the International Maritime Organisation (IMO) launched its Initial Strategy for the reduction of greenhouse gas (GHG) emissions from ships. One of the levels of ambition in the strategy is to reduce the carbon intensity of all ships by 40%, from a vessel-specific 2008 baseline, by 2030. As such, an essential part of the initial strategy has been to collect enough data, through the IMO Data Collection System (DCS), to calibrate and set baselines for 2019, and determine a trajectory to achieve its goals by 2030. These data were ready in 2021.

IMO adopted several short-term measures to reduce emissions at the IMO Maritime Environment Protection Conference (MEPC) 76, in June 2021. IMO also agreed to employ the Carbon Intensity Indicator (CII), a rating system based on a ship's Annual Efficiency Ratio (AER), to evaluate the progress and success of these measures. From 2023, all ships will be subject to a CII rating.

IMO also adopted the guidelines for calculating vessel-specific 2019 baselines, which will require most ships to reduce AER by 21.5%, resulting in an overall reduction of 40% compared to 2008 baselines.

IMO regulates ships, not companies, so it has not established reduction targets or baselines for a fleet or company. Odfjell calculates the company's 2008 baseline based on the average vessel-specific 2008 baseline, as per the IMO MEPC document 336-338 (76). In 2021, Odfjell's AER is 46% below the Odfjell IMO Baseline.

Our ESG report covers AER both for the operated and controlled fleet. The AER in the graph to the left refers to the controlled fleet by year-end 2021, and vessel composition is as per MARPOL Annex VI, regulation 2.49.

Climate Risk Assessment

Risks	
Transition	**Policy and Legal** • Carbon pricing and reporting obligations • Mandates on, and regulation of, existing products and services • IMO Regulation drives investments • EU/other regulation **Technology** • Substitution of existing services with lower emissions options • Unsuccessful investment in new technologies • Investment made too early/too late • Stranded assets **Market** • Changing customer behavior • Uncertainty in market signals • Increased cost • Disputed products **Reputation** • Shift in consumer preferences • Increased stakeholder concern/negative feedback • Stigmatization of shipping sector
Physical	• **Acute:** Extreme weather events: heat waves, cold waves, wildfires, storms • **Chronic:** Changing weather patterns and rising mean temperature and sea levels, heat stress, erosion

Opportunities	
Resource Efficiency	• More efficient fleet than competitors • Efficient handling of waste and material • Better use of energy on board, at terminals and offices • Reduce cost
Energy Source	• New fuel/Fuel Flex • Use of lower-emission sources of energy • Use of supportive policy incentives • Use of new technologies • Build knowledge
Technology	• Twin transition: digitalization and decarbonization • Future deep-sea zero emission tanker concept
Products & Services	• Use or position as competitive advantage • Demonstrate lower transport/product footprint and lower cost
Markets	• Access to new markets • Access to new products and new customers • Preferred transporter • Sustainable financing
Resilience	• Flexibility in fuel and energy • Build knowledge • Understand regulation and drivers

Strategic planning
Risk management

For more information about ESG in Odfjell, visit Odfjell.com and see pages 144-155 in this report.

Achievements

In 2021, Odfjell received several premium ratings and awards for our work on sustainability:

- Tanker Operator of the year – Green4Sea
- Sustainable Shipowner Award – Hamburg Maritime Forum
- Responsible Supplier Award – Chemours
- Gold rating – Eco Vadis
- A-rating of Sustainability Reporting – The Governance Group
- Top Rating within our industry on ESG risk – Sustainalytics
- The Norwegian bond deal of the year - Marine Money

Risk and opportunities

Øistein Jensen
Chief Sustainability Officer

Sustainability is about having a long-term perspective on people, the planet, and profitability, taking steps every day to create positive change. We are satisfied with the progress we made in 2021. Although the pandemic was an obstacle, we ended the year ahead of the trajectory to reach our ambitious climate targets. Of course, decarbonization will remain high on our agenda, but many new elements of sustainability will become increasingly essential for mitigating risk and making the most of opportunities in coming years.

Climate change

Climate change is the greatest challenge of our time, threatening billions of people's lives and livelihoods. It is not enough to reduce greenhouse gas emissions to achieve the goal of the Paris Agreement. We need to get to zero. That is why Odfjell has set a clear target to be climate neutral by 2050. Today, we are ahead of the curve, and our efforts continue at full speed.

Opportunities

The zero transition also provides many new opportunities within technology development, sustainable finance, cooperation, and partnerships. For shipping, the biggest obstacle to achieving zero is not the technology on board; it is the fuel infrastructure and availability of green fuels at a competitive price.

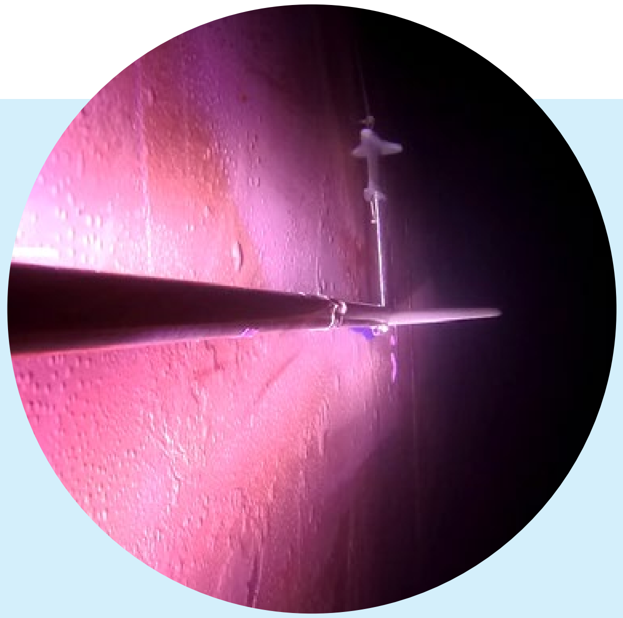
New technology and ongoing digitalization give us deeper insights into our business, increase efficiency, and solve sustainability issues. We will continue developing solutions to expand our knowledge, mitigate emissions and further improve circularity in our value chain. Today, we have the most energy-efficient fleet in our sector. We believe that this pole position will open new opportunities. We are well placed to be the preferred provider for our customers when a price on carbon is implemented, and new IMO regulations come into force in 2023.

Nature and Biodiversity

At Odfjell, decarbonization is, and will continue to be, integrated in our ship management and tankers business. But there are also new areas of sustainability emerging and growing in importance: The EU taxonomy, regulation, and reporting requirements will continue to drive our efforts, not only on climate but on water, circular economy, pollution prevention, restoration of ecosystems, and bio-diversity. One example is the 'Task Force for Nature-related Financial Disclosures' (TNFD), where we support developing a framework for nature-related actions and reporting. This goes hand in hand with the new EU taxonomy objectives, the G7 Nature Compact, and the IMO's attention to shipping's impact on marine life. Our world must become not only net zero, but nature positive.

Social

Securing human rights and strengthening Diversity, Equity, and Inclusion (DE&I) will remain a priority moving forward. It is a part of our responsibility as a global business, and essential to ensure our future success. Odfjell, and our industry, will go through a significant transition in the coming years and we need a diverse team of employees to succeed. We need to attract and retain the best talent to maintain our strong organization, seize opportunities, reach our ambitious targets, and keep our leading position.



Shaving carbon emissions through new technologies

For more than a decade, we have worked actively to reduce our fleet's emissions. We can document more than a 30% increase in energy efficiency so far, but this is not enough to reach our ambitious climate targets by 2030. In our continuous search for improvements, we test multiple innovations at an early stage. Some of the new technologies we put to work in 2021 show very promising potential.

Shaving the marine beard of the ship

Using the hydrodynamics from the ship's forward movement during transit, the Shipshave ITCH robot brushes the vertical side of the ship, removing marine growth and fouling at its early stages. The innovation is developed by Shipshave and was piloted on our 46,000 dwt chemical tanker Bow Elm.

> "The ITCH robot is a lightweight, cost-effective, plug-and-play system with a built-in camera to monitor growth. It not only saves fees on manual maintenance inspections and cleaning, but also time and fuel as it is done while the ship is on the move. This means that the vessel can be cleaned much more frequently – while sailing."

Jan Opedal, Manager Projects,
Technology Section

Using ultrasound to prevent biofilm

While ITCH covers the vertical side, HASYTEC's Dynamic Biofilm Protection system is installed on the propeller. Its high-frequency ultrasound prevents biofilm – the thin layer that turns into fouling and marine growth on underwater ship parts – from settling.

Both of these systems minimize maintenance costs, and remain environment-friendly, as they only target biofilm and single-cell organisms, leaving fish and marine mammals unharmed. A clean hull and clean propellers mean increased fuel efficiency, and a significant reduction of carbon dioxide emissions.

These technologies join a line-up of projects that Odfjell has already adopted in its quest for energy efficiency, from an over-consumption alarm system to weather routing, and upgrades to more efficient and sustainable propulsion systems. They all play a part in reaching our target of reducing carbon intensity by 50% by 2030 (compared to 2008), and eventually having a climate-neutral fleet from 2050.

Safety – at the heart of our business

We transport and store some of the world's most hazardous liquids through some of the world's most fragile environments. We store chemicals at our terminals, close to people's homes. These chemicals are part of our everyday life. They are vital to countless industries and materials we use every day. Society, and our customers, trust us to handle these chemicals while adhering to the highest standards of safety and quality control. It is a great responsibility. That is why safety is integral to everything we do and is our number one priority.

Safety fundamentals

Safety is an indispensable part of our business and daily operations, at sea and ashore. We believe that all accidents related to people, the environment, and assets can be prevented. The safety and well-being of our people are essential to achieving our business goals.

> As a company, we have a holistic approach to safety, focusing on minimizing the risks for anyone involved in our business, setting high standards, and actively building an exemplary safety culture.

Our core business, operating ships and terminals, is governed by regulations that put health and safety front and center. Odfjell complies with all relevant health and safety regulations and requirements. The safety management system for our ships is certified according to the ISM Code, and the safety management system for terminals is certified and audited through the CDI-T process.

Safety in 2021

2021 has been another difficult year for our seafarers. Sadly, we lost three colleagues to Covid-19 during the year.

For our people at sea, the uncertainty of not knowing when they might get back home to their family and friends is challenging. Onshore, our people have spent most of their working days away from colleagues, and working from home. During the pandemic, we have monitored the well-being of our people through surveys on an almost monthly basis.

We have had no major incidents or accidents in 2021. We had zero LTI[1)]s in our fleet or offices, and the LTIF[2)] improved from 0.21 in 2020, to zero in 2021. At the terminals, we unfortunately experienced two LTIs. One person got burned by hot water, and one person slipped while stepping down from a trailer during a loading operation.

[1)] LTI: Lost Time Injury
- See our ESG reporting for more details.

[2)] LTIF: Lost Time Injury Frequency
- See our ESG reporting for more details.

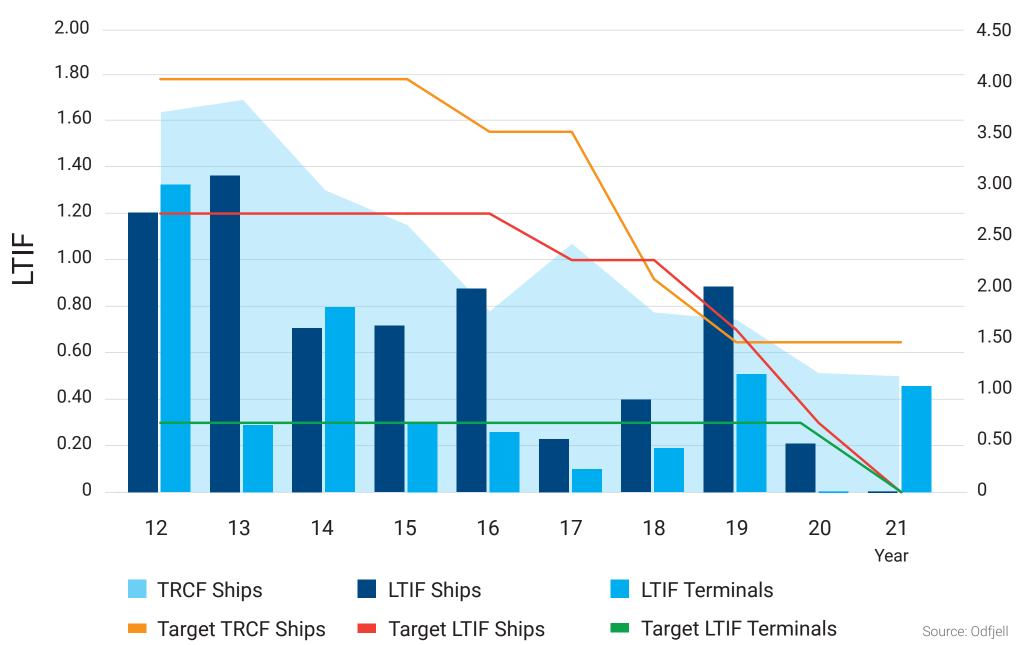
Safety focus areas

- Risk assessment and work permits for all tasks done on board and at our terminals
- Process safety, including spill and release reduction at our terminals
- Stop work authority for all employees
- Collaboration, learning, and continuous improvement of safety management systems
- Reflective learning and continuous advancement of safety culture
- In 2021, we started implementing life-saving rules to reinforce the most critical rules from existing procedures at our US terminals. Life-saving rules will be implemented for offices and shipping in 2022, as an addition to the already extensive safety procedures.

Security

At Odfjell, we have dedicated emergency preparedness policy procedures and systems, dedicated contingency/operations teams, and conducts regular training and exercises. Safety and security are everyone's responsibility. We routinely carry out risk assessments, including security-related risk, to understand the threats we face and how best to mitigate them. Our vessels regularly sail through piracy-prone areas. When deemed necessary, we take advantage of external expertise to assess the threat and safeguard voyages.

We have seen a rise in cyber attacks and cyber risk throughout the pandemic. Cyber and information risks are included in our risk assessments and are continuously assessed and monitored. Cybersecurity is vital, and we are continually testing our systems and organization, improving our technical solutions, and training our employees to counter the danger posed by cyber threats.



Source: Odfjell

Lost time injuries
2021

	2019	2020	2021
LTIF Ships managed by Odfjell	0.89	0.21	0.00
TRCF Ships managed by Odfjell	1.68	1.16	1.13
LTIF Terminals operated and managed by Odfjell	0.51	0.00	0.45

LTIF for ships is calculated as lost time injuries * 1,000,000 / number of exposure hours. For terminals, LTIF is calculated using 200,000 as multiplier.

A 'lost time injury' is a fatality, permanent total or partial disability, or a lost workday case. The Total Recordable Case Frequency (TRCF) also includes restricted work cases and medical treatment cases.

Our people

We are grateful for our global team and very proud of it. All around the world, our people continue to work together – on board, at the terminals, in the offices and at home – toward our shared mission of handling hazardous liquids safely, sustainably, and more efficiently than anyone else in the industry.

2 299 employees | 1634 seafarers | 298 employees at terminals | 367 employees onshore | 27 nationalities

The safety of people and protection of the environment come first, and is the cornerstone of everything we do. This requires a shared sense of commitment, and success depends on our people and the decisions they make every hour, day, and week on behalf of the organization. Every employee has a duty and a right to stop unsafe work.

A global 2021 engagement survey highlights Odfjell's excellent health and safety standards. Our high score shows that safety is seen as a priority. Amongst employees that joined in the past year, 100% feel comfortable raising safety concerns without fear of negative consequences, and 96% see their line managers as good examples of safety culture.

The new normal

What started in 2020, continued throughout 2021:

> It is worth highlighting how well our employees around the world responded to an ever-changing pandemic, learning new ways of working and collaborating, while remaining resilient and dedicated.

The various teams, in close collaboration with IT, continue their digitalization progress across the organization.

Even though the organization has coped well, the pandemic has affected us all, in one way or another. Illness, loneliness, or prolonged distance from loved ones, have all taken a toll. While we do our best to improve employee well-being and mental health, we welcome the fact that our benefit vendors are offering new and improved mental health services.

> Online mental health services are now easily accessible to employees, offering a combination of online programs and individual sessions with psychologists.

These services have been developed to provide help with challenges such as stress, sleeping problems, anxiety, and loneliness. There are also long-standing preventative measures in place to ensure the health of our employees, including regular medical checks, quality medical coverage, and continuous health awareness initiatives. We also believe that flexibility has contributed to the well-being of employees coping with the pandemic in their personal lives. We have long had flexible leave and working hours policies in place at our headquarters and other locations.

Virtual meetings are now an established way of working for many. Regular 'live stream' townhalls have become the new norm for all our employees, ashore and at sea, and a means to access the same information and engage directly with senior leadership. It has proved to be an effective mechanism for developing shared ownership in the company's strategy and direction. In this way, we have been able to engage in a constructive exchange of information, despite the limitations on travel and physical presence.

Employee voice

We believe in involving our people and support freedom of association. In countries where we have offices, we involve employees/representatives/committees/councils as appropriate by local norms and regulations. We also conduct employee surveys, as we strive for a more data-driven approach. In the past year, we conducted a global employee engagement survey and ran numerous pulse surveys aimed at employees working from home. Pulse surveys gave important insights that supported decision-making relevant to the remote leadership of the organization during the pandemic.

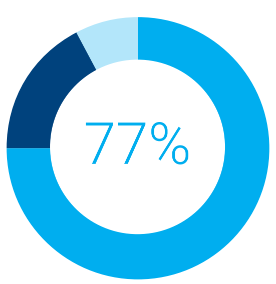
The surveys also helped to better support our employees when working from home, and during periods when it was possible to work from the office. Such surveys allowed us to better understand our employees and learn how to leverage, rather than just mitigate, the effects of the pandemic.

As we finally see an increased opportunity to engage face-to-face, we hope that this, coupled with our new virtual habits, will maintain a closeness with colleagues both near and far.

For the aforementioned 2021 global engagement survey, we partnered with KornFerry to survey all employees for onshore shipping and terminals. The survey measured a broad range of themes within engagement and enablement, such as collaboration, confidence in leaders, and inclusion. We had a remarkably high response rate; nine out of ten took part, providing us with representative data and valuable insights.

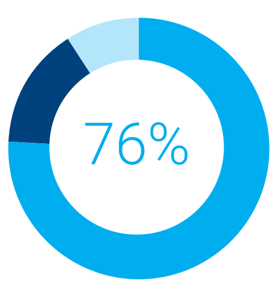
The results showed that our global organization is highly engaged and enabled. This is also supported by our below-industry absence rate, ashore and at sea.

Employee engagement



Favorable • Neutral • Unfavorable

Employee enablement



Favorable • Neutral • Unfavorable

© Source: Employee Engagement Survey 2021, global shipping and terminals

Our results outperform high performing companies on long-term commitment, collaboration within teams, and access to resources to perform. Even though there is a pandemic element, the results show a strong employee connection with the business, with eight in ten employees planning to stay with the company for more than five years. All in all, the survey results provide us with important feedback on what we are doing right, and conversely, what we need to work on.

Competence and development

For more than a century, the Odfjell team has proven its ability to adapt and develop to remain competitive. Maintaining that competitive edge would not be possible without one of the world's largest, most qualified workforces in chemical shipping.

> We are committed to keep delivering world-class services, and to take on the challenges and opportunities of sustainability and digitalization.

We aspire to build a learning organization, one in which our employees understand how they fit into the bigger picture, are motivated to contribute and empowered to perform well. Achieving this means creating a psychologically and physically safe working environment.

A global performance process for our shipping organization aims to drive, differentiate, and recognize performance. This process includes several structured opportunities for managers and employees to discuss performance, and align on direction, objectives, training, and career development. These are supplemented by more informal check-ins, as requested by employees or managers.

The 2021 global engagement survey also shows that work is perceived as well-organized in work groups, with average scores well above the external benchmark. We are pleased, as this shows strong collaboration within teams, and 81% agree that they have the resources they need to perform their roles. In addition, the survey shows a good understanding of individual and group commitments, with 85% understanding how they can contribute at an individual level, and 78% understanding the company's strategy and goals. Clarity on goals is even stronger at team level, with 90% of employees understanding their group's goals and objectives.

In the last year, we have gathered valuable input, from employees and managers alike, on how they view the current performance processes. Following this input and survey results, we have initiated changes to improve the process/experience for employees and managers.

> Ensuring safe and efficient operations in an ever-changing landscape has been, and continues to be, the priority of our leaders throughout the pandemic. It has exposed them to new ways of leading, collaborating and learning.

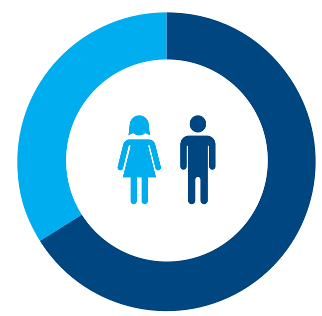
In terms of leadership development, we are shifting from group to one-on-one, from in-person to virtual, and from mandated to on-demand. In the past year, we have offered our people managers virtual coaching sessions with certified coaches, and access to online learning sessions in key leadership areas such as building trust under pressure and shaping a motivational workplace. In addition to the option of on-demand course attendance, several employees are going through continuing education programs, including executive MBAs, and shorter programs such as digital leadership.

For our seafarers, we managed to re-start Elite Pro courses for promotion to captains and chief engineers in 2021. In addition, we re-designed the Odfjell Leadership Courses for senior officers into a practical, four-day, virtual training program for a limited number of attendees.

EMPLOYEES / **By section**

/ Onshore: Corporate staff	96
Tankers	159
Ship management	90
Flumar	22
Terminals	298
/ At sea: PHP seafarers	1 405
NWE seafarers	105
Flumar seafarers	124

GENDER / **Onshore**



Female 34%

Male 66%

ONSHORE SHIPPING / **Target 2030**

30%

gender balance at all levels

Talent acquisition and onboarding

We have recruited and onboarded many new colleagues over the past few years, some at the office, some working from home, but most of them through a hybrid set-up. Despite the pandemic, we have also had students, from some of Norway's highest-ranking universities and colleges, join us at our headquarters for practical training periods, student consultancy work and internships.

Sourcing and selecting new hires to multiple locations, while working remotely, has been made possible through virtual interviews, shifting more processes to the cloud, and a greater reliance on digital tools. To understand what the onboarding has been like for our new hires during such a time, and as a follow-up to the global engagement survey, a study has been conducted, including semi-structured one-to-one interviews, with new hires and their mentors. This has provided insights into how best to enhance the onboarding experience. To that end, increased standardization, shared platforms for collaboration, and explicit process ownership, are some of the measures planned.

Diversity, Equity and Inclusion

Diversity goes beyond gender, and it goes beyond age and nationality. It is about all people, all backgrounds, all phases of life. It is about ethnicity, experience, educational background, age, competence, culture, point of view, sexual orientation, religion, and disability. It is also about different perspectives and diversity of thought. Inclusion puts diversity into action by creating an environment of belonging, respect, and connection.

As we develop and renew our workforce, we see greater collaboration between managers and recruiters to increase the diversity of our talent pool. We strive to foster an organization that values diversity, equality and collaboration – and a working environment where employees are valued for their uniqueness, where they can contribute. Looking ahead, we seek to develop more diverse and inclusive teams, where people with a broad range of skills, experience, perspectives and backgrounds will work together to solve the challenges of tomorrow. We have made several specific changes to our recruitment processes to drive improved gender balance, at sea and onshore.

> Odfjell's Executive Management and Board are committed to increasing the diversity of our organization and in 2019, we set a key target for our shipping shore-based organization to reach a minimum 30% gender balance, at all levels, by 2030.

This includes increasing the ratio of women in leadership positions. Given our current state, this is an ambitious target for Odfjell.

Getting to increased diversity starts with leadership commitment. It will require thoughtful and intentional efforts, clear targets, and transparency. It materializes through systematic actions over time, through day-to-day decisions related to recruitment, development, promotions, compensation, and leadership. We have begun that process.

To date, many changes have been made relating to internal and external communications, increased reporting and transparency, decoding verbiage in job postings, removal of self-rating in our performance management, compensation analysis by job architecture, bundling of promotions and recruitment processes, policy review and increased use of people analytics.

There are encouraging signs that we are moving in the right direction, such as a better balance in job applicants, more female cadets, more female new hires within ship management, and improved gender balance in promotion nominations.

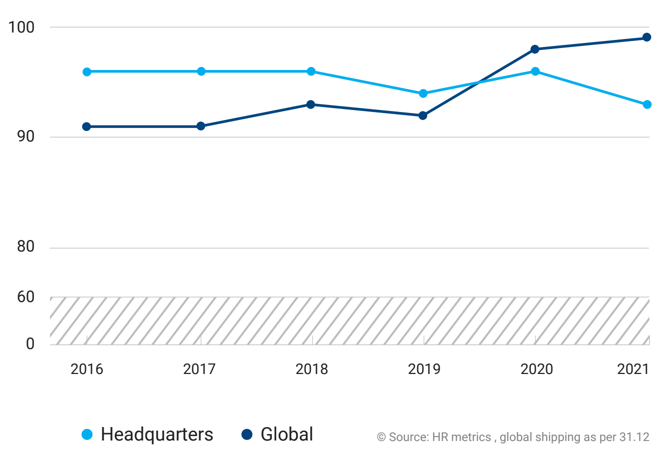
Looking beyond Odfjell, we also work with, and support, industry networks in parallel initiatives and encourage all our employees to join organizations such as WISTA (Women's International Shipping & Trading Association) and Young Ship. We have joined EY's SHE Index in Norway, and we participated in the 2021 EPCA/McKinsey industry survey. We currently have WISTA members at all levels of the organization, both male and female. We also have strong participation by both mentors and mentees in their mentor program for women in the industry.

At Odfjell, we promote a safe, non-discriminating and inclusive working environment where everyone is valued for their qualifications and contributions. We work to ensure equal opportunity and equitable compensation. We aim to be an attractive and engaging place to work for our employees, today and in the future.

We are proud of our professional and engaged organization, and we are proud to offer a variety of exciting and meaningful jobs to people around the world.

> "We are here to stay. We aim for sustainable and long-term success. We want to provide a representative and inclusive workplace for all, where uniqueness is valued, and everyone is treated with respect. A workforce that will retain and attract tomorrow's talent. We believe that increased diversity will improve our ability to innovate, solve problems and stay relevant."
>
> Kristian Mørch, CEO

Retention rate % - shipping



Ingjerd Morland Nettestad
VP Corporate HR

Way forward

2021 was another challenging and unpredictable year, with the continued pandemic and waves of restrictions and lockdowns impacting us all in various ways, depending on our location.

Embracing change

The ever-changing situation has repeatedly required us to adjust. Change is difficult, and our fear of losing something that we have can be a barrier when we consider trying something new. The pandemic, however, left us with no choice and we had to find new ways of working, communicating, and collaborating. Looking back at the two years, we are proud to see how the Odfjell team managed this disruption, and how colleagues and teams quickly adapted and embraced the change.

The long-term effect of the pandemic is still uncertain. How will it impact our health, our relationships, and our work? An increased focus on well-being and mental health will hopefully mitigate some of the downside of the pandemic.

One upside is that we have all exercised our learning ability and proved that we can adapt to new ways of working, utilize new technology and work together across geographies without traveling. Our many surveys over the past year show that our employees have managed the situation very well and, despite all the challenges, have a high level of engagement and experience.

This experience confirms what the research says: ability is malleable. Ability changes with effort and practice. We are all able to learn and develop, throughout our careers and throughout our lives. To do so, we need perseverance and commitment to long-term goals, followed by deliberate work. As people and organizations, we come out on the other end of the pandemic with new knowledge and a proven resilience.

Retain and renew

We will need the same effort and continued learning agility as we, together, figure out how best to transition towards a low- and zero-carbon industry.

We will continue to deliver customer value and operational excellence, and work to renew our organization through increased diversity. We need to foster a working environment that is inclusive, with a variety of backgrounds and perspectives. If we succeed with this, research shows that we can expect a positive return in our ability to make decisions, be innovative and drive business value.

Recruiting for the long run

Odfjell has, for many years, actively recruited and trained young talent, and is one of the leading recruiters in the Norwegian maritime industry. We deliberately enroll a surplus of cadets and trainees to support maritime education and recruitment in the industry as a whole.

In 2021, we received the Foundation for Norwegian Maritime Competence's annual award. The award was established to encourage recruitment, and recognizes shipowners who offer training programs for young, maritime newcomers.

Recruit to retain

Norwegian maritime schools saw a growing interest from students in 2021. The most popular courses recorded an overall growth of 35%, a very positive trend.

Through the years, Odfjell has recruited several hundred Norwegian trainees and cadets. An in-house study showed that more than 80% continue their career in the maritime industry, whether at Odfjell or elsewhere. The growing interest bodes well for maintaining competence and developing the maritime trade in the years to come.

Building diversity

In 2021, we took on 18 recruits for trainee positions at sea, as we did in 2020. It is a priority for us to increase diversity in our organization, and one-third of the enrolled students were women. The cadets joining Odfjell receive training in a multi-cultural environment, while sailing worldwide. They get hands-on experience in the multitude of tasks involved in the specialized chemical tanker trade. Many stay on with Odfjell, some to continue their career on board, others to move to positions ashore.

Competitive competence

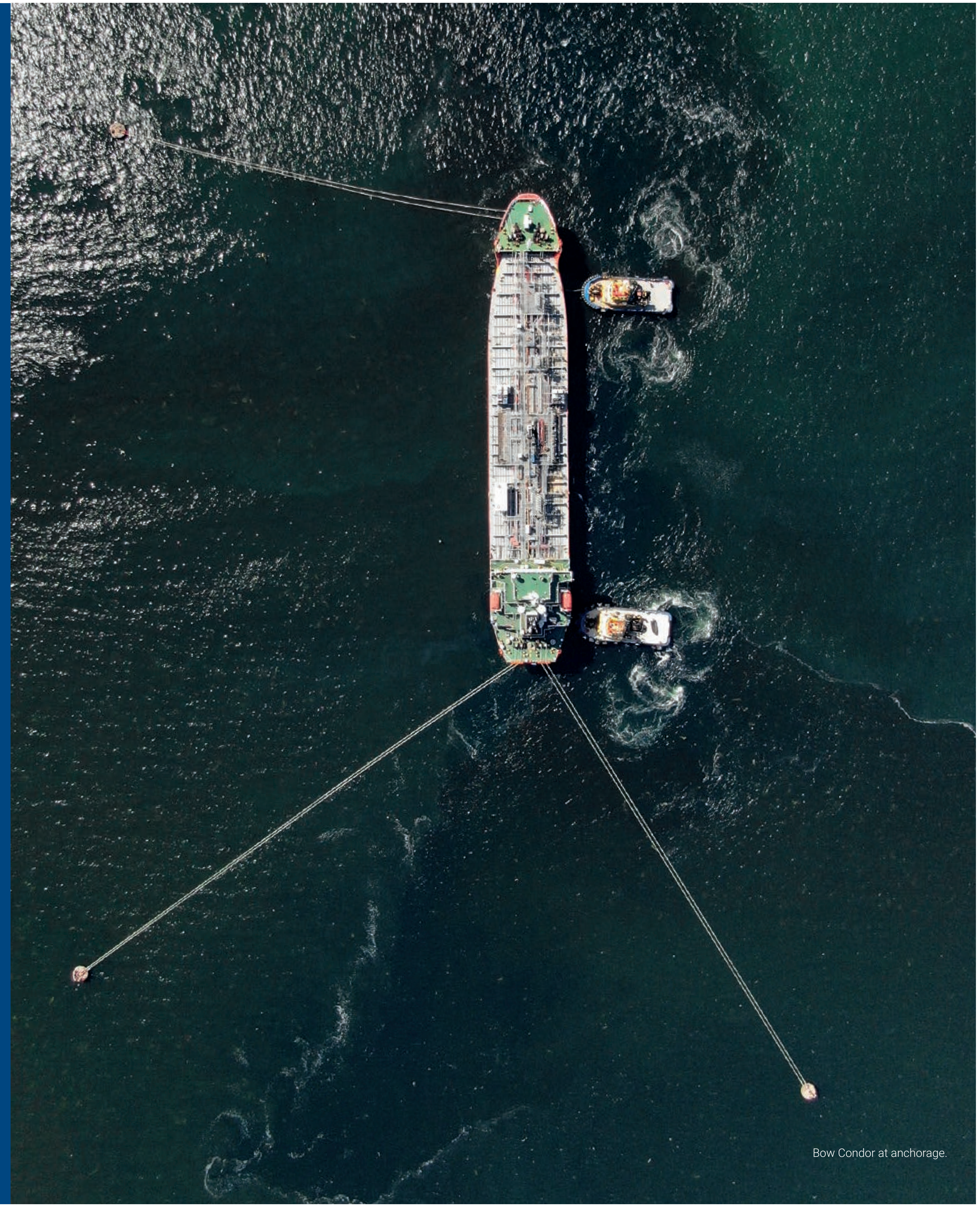
When accepting the award, COO Harald Fotland said: "We are proud to receive this award, and pleased that we have the opportunity to give young talent a start in their career on board our ships. To stay competitive, we depend on continuously attracting new and motivated seafarers with high competence."

Most of us take the products we use every day for granted: our car, PC, phone, clothes, food, the medicine we need, the hand sanitizer and disinfectants, all those gadgets and household items that make our lives a little easier, better, safer.

What these products are made of is probably not something you give much thought to. But they are all made with chemicals, treated by our people, handled at our terminals and carried by sea to producers who use them as building blocks for an almost endless array of items.

Yoana León Valdivia,
Manager Drydocking, Ship Management

Shareholder information



Bow Condor at anchorage.

Shareholder information

Odfjell SE shares have been listed on the Oslo Stock Exchange since 1986. We have two share classes split into A- and B-shares, where B-shares do not include voting rights. We seek to be open and clear in our communications with the capital markets and investors, and to deliver attractive returns to our shareholders across the shipping cycles.

At year-end, Odfjell A- and B-shares were trading at NOK 33.60 and NOK 32.00 respectively, with a market capitalization of NOK 2,881 million. Total return for Odfjell SE shareholders in 2021 was 23%. Over the same period, the Oslo Stock Exchange Benchmark index increased by 23% and the Shipping Index increased by 61%.

Dividend policy

The Board proposes a dividend of NOK 1.00 per share for 2021 for the Annual General Meeting, to be held on May 4, 2022.

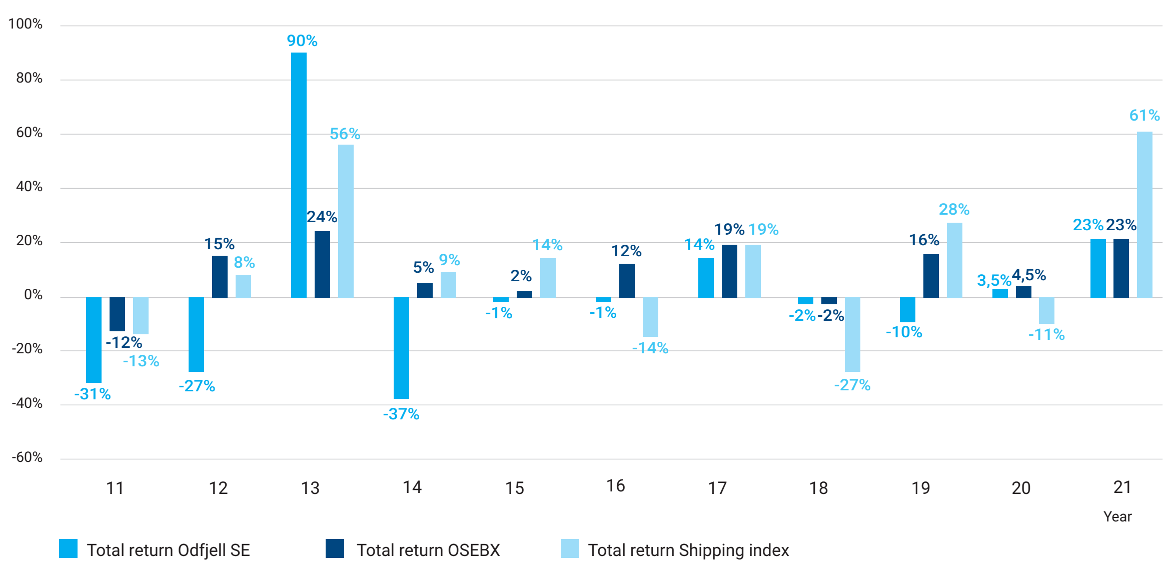
Starting from FY 2022, Odfjell's dividend policy is the following: "Odfjell will pay out 50% of net income adjusted for extraordinary items. Other excess capital will be earmarked for extraordinary debt reductions, but may also be used for value creative investments, share buybacks and dividends. Dividends will be paid out semi-annually. The Board of Directors will propose to the General Meeting or decide on the timing and the final size of dividends, always contingent on the financial strength of the company."

The first dividend payment reflecting this policy will be 1H 2022, should the company generate a positive net income.

Shareholders

At the end of 2021, there were 1,253 holders of Odfjell A-shares and 507 holders of Odfjell B-shares. Our 20 largest shareholders hold 89% of our shares. The total number of shareholders was 1,500, as some shareholders own shares in both classes. The majority of our shares are held in Norway and Sweden.

Historical total return Odfjell vs Oslo Stock Exchange & Shipping index



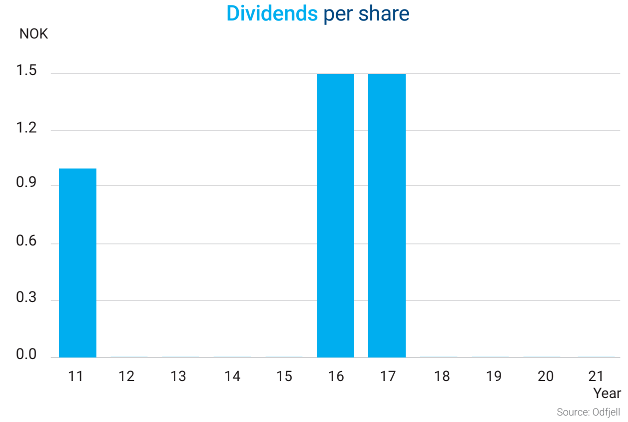
20 largest shareholders as per December 31, 2021 (based on shareholders analysis)

	Name	A-shares	B-shares	Total shares	Percent of votes	Percent of shares
1	Laurence Ward Odfjell [1)]	29 463 964	8 181 462	37 645 426	48.98%	43.39%
2	Odfjell SE	5 532 827	2 322 482	7 855 309	[2)]	9.05%
3	Berger Ingeborg SE	2 580 270	1 070 480	3 650 750	4.29%	4.21%
4	Rederiet Jacob Christensen AS	2 880 516	572 546	3 453 062	4.79%	3.98%
5	Farvatn Capital AS	3 225 000	-	3 225 000	5.36%	3.72%
6	Pareto Asset Management AS	2 018 516	1 105 261	3 123 777	3.36%	3.60%
7	Dnb Markets Aksjehandel/-Analyse	2 845 147	19 611	2 864 758	4.73%	3.30%
8	Holmen Fondsforvaltning AS	2 000 000	-	2 000 000	3.32%	2.30%
9	Axelsson Anna SE	640 000	1 010 000	1 650 000	1.06%	1.90%
10	Egd Shipholding AS	1 630 964	-	1 630 964	2.71%	1.88%
11	B.O. Steen Shipping AS	315 000	952 000	1 267 000	0.52%	1.46%
12	Forsvarets Personellservice	987 700	-	987 700	1.64%	1.14%
13	Credit Suisse Securities Europe Ltd (Switzerland)	549 600	288 500	838 100	0.91%	0.97%
14	AS SS Mathilda	600 000	150 000	750 000	1.00%	0.86%
15	Meteva AS	-	700 000	700 000	0.00%	0.81%
16	Nordea Investment Management AB (Norway)	-	583 108	583 108	0.00%	0.67%
17	Dimensional Fund Advisors LP	520 429	-	520 429	0.87%	0.60%
18	H. Lundén Holding AB	465 935	-	465 935	0.77%	0.54%
19	Dbs Bank (Hong Kong) Ltd. (Private Banking)	-	463 012	463 012	0.00%	0.53%
20	Petter Goldenheim	163 000	255 000	418 000	0.27%	0.48%
	Total 20 largest shareholders	56 418 868	17 673 462	74 092 330	84.59%	85.39%
	Other shareholders	9 271 376	3 405 242	12 676 618	15.41%	14.61%
	Total	65 690 244	21 078 704	86 768 948	100.00%	100.00%

1) Shares owned/controlled by and includes related parties
2) No voting rights for own shares ref. Public Limited Companies Act § 5 -4

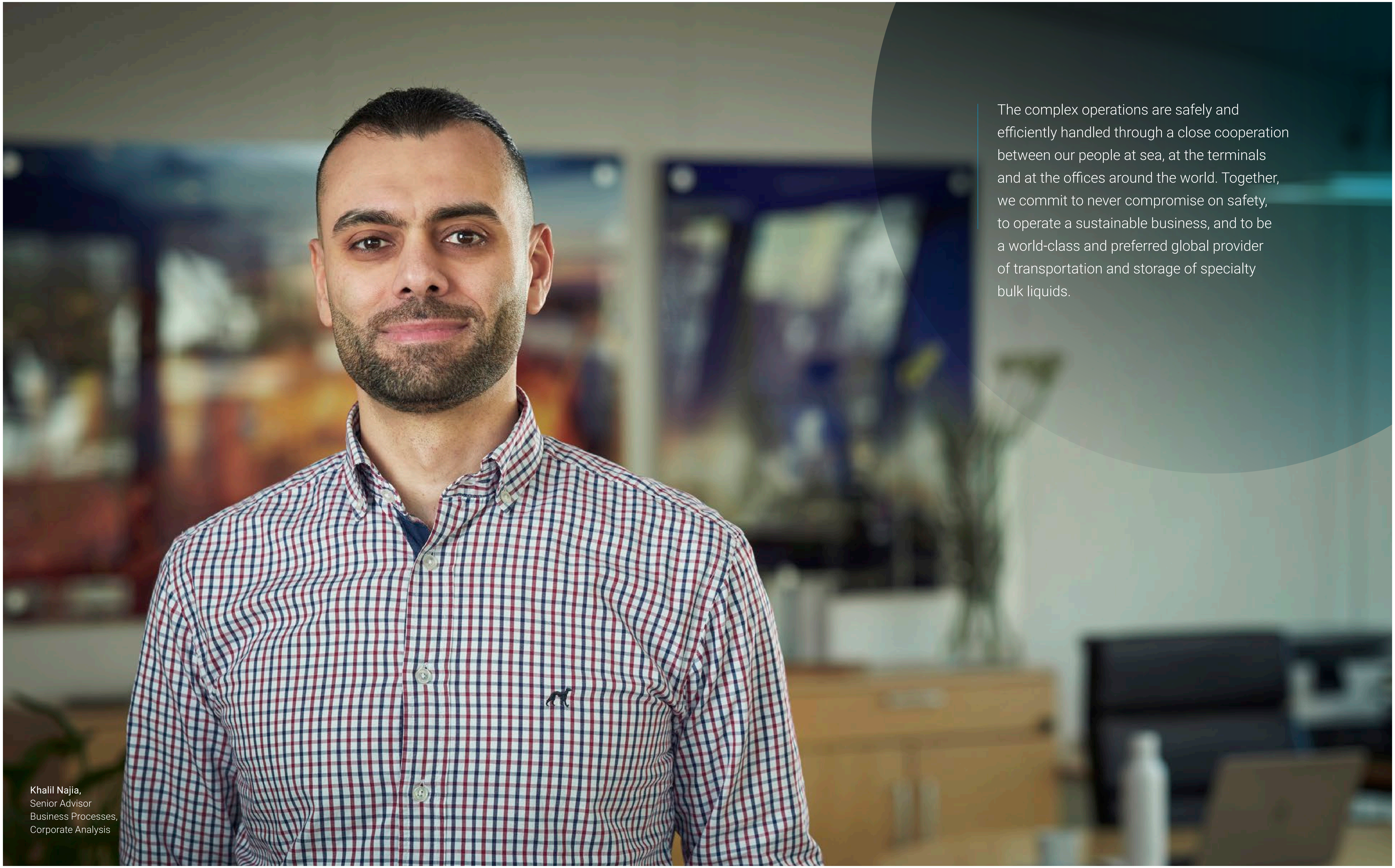
Source: Euronext

Dividends per share



Development Odfjell shares 2021

Share data	Figures in	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Market capitalization	USD mill.	300	252	237	266	306	266	278	335	530	372
Enterprise value	USD mill.	1 598	1 676	1 482	1 220	1 168	1 120	1 299	1 392	1 572	1 430
Price book values	(x)	0.6	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.7	0.4
EV/EBITDA	(x)	6.8	6.7	8.2	11.4	9.6	5.8	9.0	13.3	17.6	16.2
Share price high	USD	4.2	3.6	3.7	4.6	4.4	4.1	4.2	7.7	7.7	7.4
Share price low	USD	3.0	1.6	2.6	3.1	3.2	2.5	2.3	2.8	4.2	2.9
EPS	USD	(0.4)	0.4	(0.5)	(2.6)	0.3	1.7	(0.2)	(1.0)	(1.3)	(1.2)
DPS	USD	–	–	–	–	0.2	0.2	–	–	–	–
Pay-out ratio	%	–	–	–	–	66.7	10.6	–	–	–	–



The complex operations are safely and efficiently handled through a close cooperation between our people at sea, at the terminals and at the offices around the world. Together, we commit to never compromise on safety, to operate a sustainable business, and to be a world-class and preferred global provider of transportation and storage of specialty bulk liquids.

Khalil Najia,
Senior Advisor
Business Processes,
Corporate Analysis

Financial risk management & Sensitivities

With the global market as our arena, Odfjell is exposed to a number of risk factors. Our financial strategy aims to ensure we have a business model that is robust yet flexible. We should be able to withstand prolonged adverse conditions in the chemical and financial markets, while also being able to take advantage of favourable trends and opportunities at any given time.

Odfjell adopts an active approach to financial risk management with a focus on attracting funding from diversified sources, maintaining high liquidity and credit reserves, and systematic monitoring and management of financial risks related to currencies, interest rates, and bunkers.

Financial derivatives are used to reduce the Company's exposure to fluctuations in net income and cash flow caused by movements in currencies, interest rates and bunkers. This may also limit our upside from favourable movements in the same financial markets. We do not use derivatives for speculative arbitrage or investments and closely monitor the risk related to market valuation of our hedging instruments, and the effect this may have on the equity ratio.

Earnings

Earnings within the chemical tanker markets are less volatile than in many other shipping segments. The universe of cargo products we transport is diversified, and our customers are to a large extent industrial with stable logistics needs, unlike other tanker segments where traders can play a larger part in the overall demand drivers.

Demand for our chemical tankers is influenced by external market factors such as global economic growth, regional feedstock and production capabilities, and customer trading patterns. Time charter earnings is further influenced by the general freight markets, cargo type and volume, contract and spot rates, bunkers prices, and operational efficiency.

The average historical fluctuation in time charter earnings for our chemical tanker fleet has been less than 10% per annum over the last five years. Sensitivity analysis shows that a change in time charter earnings of 5% will impact our pre-tax net income by approximately USD 25 million.

The largest single cost component affecting time charter earnings is bunkers, and Odfjell makes physical purchases of bunkers worldwide. In 2021, this amounted to USD 243 million excluding financial hedges, equivalent to 55% of voyage costs. A substantial part of our consumption is hedged through bunkers adjustment clauses in contracts of affreightments. There is a correlation between spot freight rates and bunkers prices, but uncovered consumption from spot volumes, or contracts without bunkers adjustment clauses, is also considered for financial hedging. In 2021, we hedged approximately 25% of our uncovered bunkers consumption which contributed USD 9.8 million to net income and cash flow. As of December 31, 2021, we have no bunkers hedges in place though this may change during 2022.

Odfjell is not engaged in the derivative markets for forwarding freight agreements or CO_2 emissions.

Our tank terminal activities have historically shown more stable earnings than shipping activities. The main drivers for earnings are occupancy rate, the volume of cargoes handled through and by our terminals, and operational efficiency. A substantial part of the tank terminal costs is fixed.

Interest rates

All interest-bearing debt, except bonds in the Norwegian bond market and debt borne by tank terminals outside the USA, is denominated in USD. Loans have various amortization profiles, but the majority are floating rate with USD LIBOR as a benchmark. NOK denominated bonds are also swapped to USD with USD LIBOR as benchmark. Sensitivity analysis shows that a 1% point increase in the benchmark interest rate would impact our pre-tax net income by approximately USD 10 million, before hedges.

We use financial interest rate derivatives, mainly interest rate swaps, to reduce the variability of interest expenses because of changes in USD LIBOR. Our coverage rate will vary, and we have enjoyed a modest cover ratio while rates have been at historical lows throughout 2021. As of December 31, 2021, we have USD 300 million of interest rate hedges in place, covering approximately 27% of floating interest-bearing debt.

Currency

The Group's revenues are primarily denominated in USD. Non-financial currency risk relates mainly to the net income and cash flow from voyage related expenses, ship operating expenses including crew costs, and general and administrative expenses denominated in non-USD currencies, mainly NOK and EUR. Sensitivity analysis shows that a 10% decrease in the USD against the NOK would reduce our pre-tax net income by approximately USD 7 million, before hedges. Our NOK exposure is relatively long-term, visible and stable, and we have hedged expected NOK cash flows, for up to two years, through forward exchange contracts. In 2021, approximately 45% of our recurring NOK expenditure was hedged through forward exchange contracts, contributing a total of USD 2.7 million to cash flow. As of December 31, 2021, we have NOK 336 million of currency hedges in place, at weighted average USDNOK 9.0, covering approximately 46% of NOK expenses for the next 12 months, and 17% for the next 13-24 months.

Financial currency risk, relating to non-USD denominated debt, being our NOK denominated bonds, is hedged 100%, as interest payments and principal in NOK is swapped for principal and interest payments in USD at the time of issuance. As of December 31, 2021, we have total bonds outstanding of NOK 2,156 billion, and the swapped amount is USD 252 million.

Financing and liquidity

Odfjell has a diversified debt structure and has access to a wide range of funding sources and structures from top-tier banks, leasing houses and from the bond markets. Shipping debt markets are changing, and we continue to see traditional Western lenders becoming more selective, and new financial structures, mainly leases, gaining market share and driving up leverage and cost. We are adapting to these trends to remain competitive. Much of our recent tonnage renewal and growth initiatives were financed by financial and operating leases, but in 2021, we also refinanced leases in the bank market to lower our overall cost of capital.

Sustainable finance and ESG have become increasingly important when it comes access to – and the cost of – financing. This is a welcoming trend that we encourage and wish to contribute to, given our strong track record and active role in various ESG initiatives. In 2021, we issued the first sustainability-linked bond in shipping, and all new mortgaged loans were sustainability-linked.

As of December 31, 2021, Odfjell's total nominal debt was USD 1,396 million[1)], of which 27% was mortgaged loans, 38% was financial leases, 18% was senior unsecured bonds, and 18% was debt related to long-term time charter and bareboat agreements. The average maturity of the Group's total interest-bearing debt is 5.1 years. To lower interest rate expenses and overall cost of capital, surplus liquidity is placed in bank deposits and money market funds, or as repayment on our revolving credit facilities. Historical low interest rates in 2021 have favoured revolving credit prepayments, and as of December 31, 2021, we have USD 36 million undrawn under long-term credit facilities.

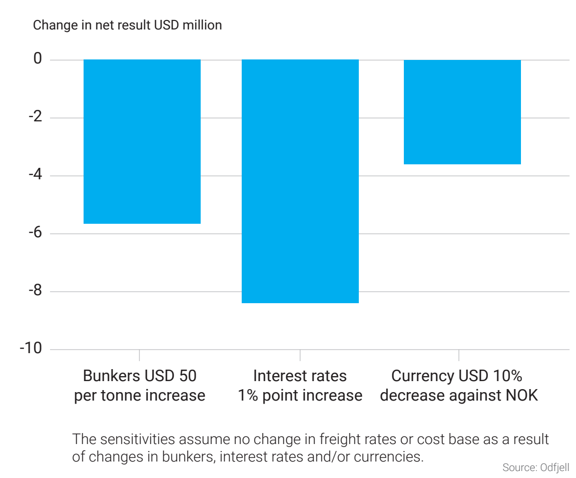
Cash break-even

Odfjell is exposed to the natural cyclicality of the shipping industry, and it is important that we have sustainable cash flow generation across cycles, to secure flexibility on capital allocation and reduce overall market risk. A strategic focus is, therefore, to reduce our cash break-even levels by deleveraging and extending amortization profiles to better match our vessels' trading strategy and economic life. In 2021, our break-even was approximately USD 21,200 per trading day, although our long-term target is to reach levels of USD 18,000 to USD 19,500 per trading day.

Tax

The Odfjell Group operates within a number of jurisdictions and tax regimes, including the Norwegian tonnage tax system and the Approved International Shipping system in Singapore. In addition, we operate under the local tax systems in Brazil. In 2021, we decided to transfer ownership of our Singapore fleet to Norway, in an effort to consolidate and simplify our vessel ownership structure. We expect this transfer to be completed in 2022. Our tank terminal activities are generally subject to ordinary corporate tax rates within the countries where they are located.

Sensitivity
(after derivatives and bunker adjustment clauses)



The sensitivities assume no change in freight rates or cost base as a result of changes in bunkers, interest rates and/or currencies.

Source: Odfjell

Bunkers
(0.5% VLSFO)

Source: Bloomberg

1) Includes the swapped USD nominal amount for NOK bonds total USD 252 million. The revalued USD amount using the exchange rate per December 31, 2021 is USD 244 million.

Board of Directors

Laurence Ward Odfjell

Chair of the Board since May 4, 2010

Laurence Ward Odfjell (1965) is a member of the founding family of the company. He holds a Master's Degree in Architecture from Yale University. Norwegian citizen. Owns 513,012 B-shares, Norchem AS, in which Laurence Odfjell has a controlling interest, owns 25,966,492 A-shares and 7,668,450 B-shares, and in addition he controls A/S Rederiet Odfjell, which owns 3,497,472 A-shares*, no options.

Jannicke Nilsson

Board member since May 8, 2012

Jannicke Nilsson (1965) is Executive Vice President for Safety, Security and Sustainability at Equinor. She has held various executive and management positions in the upstream oil and gas industry through her career, among them Chief Operating Officer at Equinor. Nilsson also serves on the board of Jotun. Norwegian citizen. Independent board member, owns no shares or options.

Åse Aulie Michelet

Board member since May 11, 2017

Åse Aulie Michelet (1952) has extensive experience as a board member of major Norwegian listed corporations. She is currently Chair of Spin Chip Diagnostics AS, CSAM Health Group AS and BI Norwegian Business School, and a board member of Terveystalo Plc. Previously, Michelet was CEO of the leading seafood producer Marine Harvest ASA (now Mowi), and has held several CEO and managerial positions at international medical companies. Norwegian citizen. Independent board member, owns no shares or options.

Christine Rødsæther

Board member since May 4, 2010

As a partner in Simonsen Vogt Wiig law firm, Christine Rødsæther's (1964) practice areas are international shipping and offshore related transactions, restructurings, banking and finance. Previously, she was a partner in Andersen Legal ANS and a lawyer at Wikborg, Rein & Co. Rødsæther has extensive board experience, and currently also serves on the board of Tufton Oceanic Assets Limited and Gram Car Carriers ASA. Norwegian citizen. Independent board member, owns no shares or options.

Åke Gregertsen

Board member since May 6, 2013

Åke Gregertsen (1955) has held several positions in Odfjell, including President of Odfjell Terminals Houston from 1996 to 2001, and SVP at Odfjell Terminals from 2001 to 2002. Previously a consultant for Odfjell Terminals BV, of which he was also interim President in 2012. CEO of Star Shipping from 2002 to 2008 and Jebsen Management AS from 2009 to 2011. Norwegian citizen. Independent board member, owns 3,000 A-shares and 28,332 B-shares*, no options.

Nils Petter Dyvik

Board member since January 20, 2020

Nils P. Dyvik (1953) has served in various capabilities for the global maritime group Wilh. Wilhelmsen. He was appointed Deputy CEO of Wilhelmsen Lines AS in 1996, followed by a period as Deputy CEO of Wilh. Wilhelmsen, CEO of Wallenius Wilhelmsen, and finally as Group CFO from 2007 to 2016. Previously, he held several managerial positions at various industry and financial companies. He has extensive board experience, lately of TGS NopecGeophysical Co. AS, and currently at the Norwegian Society for Sea Rescue. He is also member of the election committee of Nordic Defence Club and Norwegian Hull Club. Norwegian citizen. Independent board member, owns 2,719 A-shares*, no options.

From left: Laurence Ward Odfjell, Christine Rødsæther, Jannicke Nilsson, Åke Gregertsen, Åse Aulie Michelet, Nils Petter Dyvik.

Executive Management

Kristian Mørch

CEO

Kristian Mørch (1967) joined Odfjell as Chief Executive Officer (CEO) in 2015. He came to Odfjell from the position as Partner and Group CEO of Clipper Group, and prior to that, from a career at A.P.Moller-Maersk, where he rose to become COO of Maersk Tankers. Mørch has extensive board experience, and was a member of the Odfjell Board of Directors from 2014 until he assumed the role of CEO on August 1, 2015. He is currently Chair of Maersk Broker, Vice Chair of J.Lauritzen, and board member of BW Epic Kosan. Danish citizen. Owns 242,329 A-shares (including related parties), 3,500 B-shares*, no options.

Harald Fotland

COO

Harald Fotland (1964) was appointed as Odfjell's first Chief Operating Officer (COO) in January 2018. He joined Odfjell in 2010 as Chief of Staff, and was appointed Senior Vice President of Odfjell Tankers in 2015. Since January 2017, he also held the position of intermediate Senior Vice President of Odfjell's Ship Management. Before joining Odfjell, Fotland was Vice President for Gard AS, and held various positions within the Royal Norwegian Navy. He has extensive board experience, and is currently a member of the board of the Norwegian Shipowners' Association and the Norwegian Shipowners' Mutual War Risks Insurance Association. He is also Vice Chair of the Bergen Shipowners' Association. Norwegian citizen. Owns 44,822 A-shares, 4,000 B-shares*, no options.

Øistein Jensen

CSO

Øistein Jensen (1972) joined Odfjell as Chief of Staff in February 2016. He came from the position as Director at PWC, and has previously held various managerial positions in the Royal Norwegian Navy. In August 2020, he was appointed as Odfjell's first Chief Sustainability Officer (CSO). Jensen also serves as a member on the board of the Maritime Anti-Corruption Network (MACN). Norwegian citizen. Owns 43,700 A-shares* (including related parties), no options.

Terje Iversen

CFO

Terje Iversen (1969) joined Odfjell as Senior Vice President Finance/ Chief Financial Officer (CFO) in 2011. Previous positions include CFO of Bergen Group, and various managerial positions at Odfjell Drilling and PWC. Norwegian citizen. Owns 47,422 A-shares*, no options.

From left: Kristian Mørch, Øistein Jensen, Harald Fotland, Terje Iversen.

* Shareholding as per December 31, 2021.

Corporate Governance

Odfjell SE (Odfjell or the Company), which is the parent company in the Odfjell Group of companies (the Group), is established and registered in Norway and is governed by Norwegian law, including laws and regulations pertaining to companies and securities. The Group aims to comply with all relevant laws and regulations in all jurisdictions it operates in, as well as the Code of Practice for Corporate Governance issued by the Norwegian Corporate Governance Board (NUES) on October 14, 2021 (the Code of Practice or the Code).

The Company's Board of Directors has, on February 8, 2022, approved the Corporate Governance Policy as the Company's policy for sound corporate governance in accordance with the Code of Practice. This statement is in compliance with the Corporate Governance Policy approved by the Board of Directors.

Background and applicable regulations

The Company is an SE company (Societas Europaea), subject to the Norwegian Act no. 14 of April 1, 2005 relating to European companies, as well as the Norwegian Public Limited Liability Companies Act. The Company is listed on the Oslo Stock Exchange, and thus subject to Norwegian securities legislation and stock exchange regulations.

The Norwegian Public Limited Liability Companies Act section 5-6 (4), requires that the Annual General Meeting approve the statement of Corporate Governance. Consequently, this report will be presented at the Annual General Meeting.

In accordance with the Norwegian Accounting Act section 3-3b, Odfjell is required to give a statement on our corporate governance. The information required by the Accounting Act is included below:

1. "An overview of the recommendations and regulations concerning corporate governance that the enterprise is subject to or otherwise chooses to comply with" is included in section 1 below.

2. "Information on where the recommendations and regulations mentioned in no. 1 are available to the public" is included in section 1 below.

3. "Reasons for any non-conformance with the recommendations mentioned in no. 1" is covered under sections 4 and 7 below.

4. "A description of the main elements in the enterprises, and for entities that prepare consolidated financial statements, also the Group's (if relevant) internal control and risk management system linked to the financial reporting process" is covered under section 10 below.

5. "Articles of Association which entirely or partly expand or depart from provisions of Chapter 5 of the Public Limited Liability Companies Act" is covered under section 6 below.

6. "The composition of the Board of Directors, the Corporate Assembly, the Committee of Shareholders' Representatives and the Control Committee and any working committees related to these bodies, as well as a description of the main instructions and guidelines that apply to the work of the bodies and any committees" is covered under sections 8 and 9 below.

7. "Articles of Association governing the appointment and replacement of Directors" is covered under section 8 below.

8. "Articles of Association and authorizations empowering the Board of Directors to decide that the enterprise is to buy back or issue its own shares or equity certificates" is described in section 3 below.

Odfjell SE follows the Norwegian Code of Practice for Corporate Governance. A full description of the Code is available from the NUES website (https://nues.no/eierstyring-og-selskapsledelse-engelsk/). The following sections explain how Odfjell SE has addressed the various 15 issues covered by the Code.

Odfjell SE has reviewed our reporting on Corporate Governance based on the latest Code of Practice for Corporate Governance. The company is fully compliant with the Code, except for section 5, regarding two classes of shares, and section 7, regarding members of the Nomination Committee.

	Issues covered by the Norwegian Code of Practice for Corporate Governance	Compliance to the Code
1	Implementation and Reporting of Corporate Governance Principles	Compliant
2	Business	Compliant
3	Equity and Dividends	Compliant
4	Equal Treatment of Shareholders and Transactions with Related Parties	Compliant
5	Freely Negotiable Shares	Partially Compliant *
6	General Meetings	Compliant
7	Nomination Committee	Deviation **
8	Corporate Assembly and Board of Directors: Composition and Independence	Compliant
9	The Work of the Board of Directors	Compliant
10	Risk Management and Internal Control	Compliant
11	Remuneration of the Board of Directors	Compliant
12	Remuneration of Executive Management	Compliant
13	Information and communications	Compliant
14	Takeovers	Compliant
15	Auditor	Compliant

* Deviation from the Code: Odfjell has two classes of shares due to historical reasons
** Two of the members of the Nomination Committee are also members of the Company's Board of Directors

1

Implementation and reporting on Corporate Governance

The framework for corporate governance, the Norwegian Code of Practice for Corporate Governance, was last updated on October 14, 2021. The code can be found at Nues.no. The Code is based on a principle of 'comply or explain', implying that eventual deviations from the Code shall be explained.

Odfjell is committed to ethical business practices, honesty, fair trading and compliance with all laws and regulations affecting our business. This includes adherence to high standards of corporate governance. The Board of Directors reviews, on an annual basis, the Company's Corporate Governance Policy.

In addition to the Company's Corporate Governance Policy, Odfjell has a Corporate Social Responsibility Policy which emphasizes quality, health, safety and care for the environment, as well as human rights, non-discrimination and anti-corruption. The Company's Corporate Code of Conduct also addresses several of these issues. All Odfjell employees are obliged to comply with the Corporate Code of Conduct. The Company's Corporate Governance Policy, Corporate Social Responsibility Policy and Corporate Code of Conduct can all be found on the Company's website.

The statement below describes Odfjell's compliance with respect to each of the elements of the Norwegian Code of Practice for Corporate Governance, including explanations of any deviations.

Deviations from the Code: None.

2

Business

Odfjell is a leading company in the global market for the transportation and storage of bulk liquid chemicals, acids, edible oils and other specialized products. Odfjell owns and operates chemical tankers in global and regional trades, as well as a joint venture network of tank terminals.

Article 3 of Odfjell's Articles of Association states: The object of the Company is to engage in shipping, ship agency, tank terminals, real estate, finance and trading activities, including the transportation of freight in the Company's own vessels or chartered vessels, the conclusion of freight contracts, co-ownership agreements and cooperation agreements, ownership and operation of tank terminals, as well as investment and participation in other enterprises with a similar object and other activities related thereto.

The Article of Association can be found on the Company's website under the heading 'Corporate Governance', the Company's sustainability reporting can be found under the heading 'Sustainability'. The Company's Mission Statement and strategy can be found on page 12 of this Annual Report.

The Company's strategy is to maintain its position as a leading logistics service provider for customers across the world through the safe, sustainable and efficient operation of deep-sea and regional chemical tankers and tank terminals worldwide.

Deviations from the Code: None.

3

Equity and dividends

Equity

Odfjell shall maintain an equity base deemed sufficient to support the Company's objectives and strategy, and to be able to withstand a prolonged period of adverse market conditions. The normal target is that the equity ratio for the Group shall remain between 30% and 40% of total assets. The Group had book equity of USD 549 million as of December 31, 2021, corresponding to an equity ratio of 26.5% using the equity consolidation method.

Subscription rights

There are currently no outstanding subscription rights as of December 31, 2021. The issuance of subscription rights must be approved by the General Meeting.

Dividend policy
Odfjell aims to provide competitive, long-term returns on investments for its shareholders. The Company embraces an investor-friendly dividend policy and seeks to make regular dividend payments at a sustainable level.

The Board of Directors may be authorized by the General Meeting to pay dividends based on the annual accounts.

Mandates granted to the Board of Directors
According to the Norwegian Code of Practice for Corporate Governance, mandates granted to the Board of Directors to increase the Company's share capital, or purchase own shares, should be intended for a defined purpose. Mandates granted to the Board shall be limited in time to no later than the date of the next Annual General Meeting.

Power of Attorney to the Board of Directors to increase the share capital
The Board has not been assigned authority to issue new shares. Any such mandate must be approved by the General Meeting and shall be limited in time until the next Annual General Meeting.

Power of Attorney to acquire own shares
The Annual General Meeting on May 5, 2021 re-authorized the Board of Directors to acquire treasury shares limited to 17,353,788 shares with a total nominal value of NOK 43,384,474. However, the Company may not at any time own more than 10% own shares. The minimum and maximum price that is payable for the shares is respectively NOK 2.50 and NOK 250.

Within this mandate, the Board decides if, and in what way, the own shares shall be acquired and sold. New own shares can be acquired as compensation for own shares that are sold. Both the Company and its subsidiaries can acquire shares in the Company.

The present authorization is valid until the next ordinary General Meeting, but at any rate no later than June 30, 2022.

Deviations from the Code: None.

4

Equal treatment of shareholders and transactions with close associates

Transactions in own shares
Any transactions carried out by the Company in own shares shall be conducted over the Oslo Stock Exchange, or at prevailing arm's length prices if carried out in any other way. Such transactions will be reported to the Oslo Stock Exchange and to the wider market through immediate stock exchange releases and press releases.

Deviations from the Code: None.

5

Shares and negotiability

Class of shares
The Company's share capital is NOK 216,922,370, divided between 65,690,244 class A-shares, each with a nominal value of NOK 2.50, and 21,078,704 class B-shares, each with a nominal value of NOK 2.50. The Company's shares shall be registered with the Norwegian Central Securities Depository (VPS).

Only holders of class A-shares shall have voting rights at Annual and Extraordinary General Meetings. In all other respects, the two classes of shares are equal, and have the same rights to dividends. In the event of issuance of bonus shares, holders of class A-shares shall be entitled to new class A-shares, and holders of class B-shares shall be entitled to new class B-shares, unless otherwise decided by the General Meeting.

The existence of two classes of shares is due to historical reasons. This is no longer a common practice on the Oslo Stock Exchange.

The Company's shares are listed on the Oslo Stock Exchange and are freely negotiable. There is no form of restriction or pre-emptive rights affecting negotiability included in the Company's Articles of Association. The Board is not aware of any agreements that may secure any shareholder beneficial rights to own or trade shares at the expense of other shareholders. The shares are registered in the Norwegian Central Securities Depository (VPS).

A Primary Insider shall not, directly or indirectly, for its own or others' account, carry out any transaction in the Financial Instruments, later than 30 calendar days before the publication of the yearly and the half yearly financial statements of the Company. This means that, during this trade prohibition period, Primary Insiders are prohibited from trading in financial instruments issued by and/or relevant to Odfjell, or by companies in the same group.

Deviation from the Code: Odfjell has two classes of shares due to historical reasons.

6

The General Meetings of shareholders

Articles 7 and 8 of the Company's Articles of Association regulates the agenda of the Annual General Meeting, notice period and attendance.

The Board is responsible for convening both Annual and Extraordinary General Meetings. The Company shall arrange for the Annual General Meeting to be held within six months of the end of each financial year. Extraordinary General Meetings may be called in accordance with the provision of the Norwegian Limited Liability Companies Act.

The General Meeting shall elect the Chair of the Meeting.

The Chair of the Board, representatives of the Board, the Nomination Committee, the Company's auditor and representatives from the Management shall participate in the Annual General Meeting.

The Annual General Meeting represents an important venue for the Board to meet and discuss with shareholders face-to-face, and to decide on important issues such as dividend payments, election and re-election of Board Members and the appointment of the auditor.

The notice convening the meeting, and other documents regarding the General Meeting, shall be available on the Company's website no later than 21 days before the date of the General Meeting. The notice shall provide sufficient information on all resolutions to be considered by the General Meeting, voting instructions and how to vote by proxy. When documents concerning matters that are to be considered by the General Meeting have been made available to the shareholders on the Company's website, the requirement of the Norwegian Public Limited Liability Companies Act, that the documents shall be sent to shareholders, does not apply. This also applies to documents that are required by law to be included in, or enclosed with, the notice of the General Meeting. A shareholder may nonetheless ask to have documents sent that concern matters to be considered by the General Meeting. Shareholders who wish to attend the General Meeting must notify the Company no later than five days before the General Meeting. It is possible to register for the Annual General Meeting by mail or email.

Matters discussed at the General Meeting are restricted to those set forth in the agenda. The following matters shall be the business of the Annual General Meeting:

1. Adoption of the annual accounts and the Board of Directors' report

2. Application of any profit for the year, or coverage of any loss for the year, in accordance with the adopted balance sheet, and the declaration of dividend

3. Election of members of the Board of Directors

4. Adoption of the remuneration of the Board of Directors and election of Chair of the Board

5. Any other matters required by law or pursuant to the Company's Articles of Association or as stated in the notice of the Annual General Meeting

The Board, and the person that chairs the General Meeting, shall organize the election of Board Members in such a manner that the shareholders can vote on each of the proposed candidates separately. Proposals that shareholders wish the General Meeting to consider must be submitted in writing, to the Board of Directors, in sufficient time to be included in the notice of the General Meeting.

Deviations from the Code: None.

7

Nomination Committee

The Company has a Nomination Committee regulated by Article 9 of the Articles of Association. The general meeting should stipulate guidelines for the duties of the nomination committee, elect the chair and members of the nomination committee, and determine the committee's remuneration.

According to Article 9, the Nomination Committee shall consist of three members, of which at least one member shall be independent of the Board and the Company's senior management. According to the Code, the majority of the Nomination Committee shall be independent of the Board and Management. The Nomination Committee should not include any executive personnel or any member of the Company's Board of Directors. The Nomination Committee should be composed in a manner to safeguard the common interests of all the shareholders.

The Nomination Committee shall propose candidates to the Board and also propose the remuneration to the Board Members.

The Nomination Committee must justify its recommendations. The Nomination Committee shall aim to achieve a Board composition that acknowledges the objective of generating shareholder results, independence and experience in the relevant sectors of the Group's business activities.

The Nomination Committee currently consists of Christine Rødsæther, Laurence Ward Odfjell and (Chair) Bjørg Ekornrud.

In its work of suggesting new Board Members, the Nomination Committee should have contact with shareholders, members of the Board and the Company's Management.

Deviation from the Code: Two of the members of the Nomination Committee are also members of the Company's Board of Directors.

8

Board of Directors - composition and independence

The Board of Directors is regulated by Article 5 of the Company's Articles of Association. The Company's Management is organized in accordance with a single-tier system and it shall have an administrative body (Board of Directors).

The Company's Board of Directors shall consist of between five and seven members.

The Annual General Meeting shall elect the Board. According to Article 5 of the Articles of Association, the Chair of the Board is elected by the Annual General Meeting for one year at a time. Board Members shall be elected for two years at a time.

The Company has no Corporate Assembly. The interests of the employees are safeguarded through an agreement between the employees and Odfjell, ensuring the involvement of employees. The employees have established a permanent Employee Representative Body. The Employee Representative Body consists of up to six representatives, from the main office in Bergen and the maritime Officers' Council.

Employee involvement at corporate level, and in most subsidiaries abroad, is also secured by various committees and councils in which Management and employee representatives - both onshore personnel and seafarers - meet to discuss relevant issues.

The Board shall be composed in a manner to safeguard the joint interests of the shareholders while taking into account the Company's need for expertise, capacity and diversity. It must be taken into consideration that the Board is able to function like a collegiate body.

The Board shall also be composed such that it can act independently of special interests. The majority of the Board Members shall be independent of the Management and important business connections, and no member of Management shall be a Board Member. In addition, at least two of the Board Members shall be independent of the Company's principal shareholders, i.e. shareholders owning more than 10% of the Company's shares or votes.

Since May 5, 2021, the Board has comprised Laurence Ward Odfjell (Chair), Christine Rødsæther, Åke Gregertsen, Åse Aulie Michelet, Jannicke Nilsson and Nils Petter Dyvik. Laurence Ward Odfjell, and related parties, control a significant shareholding in Odfjell SE. Åke Gregertsen, Christine Rødsæther, Åse Aulie Michelet, Jannicke Nilsson and Nils Petter Dyvik are all independent Board Members. The Company believes that the Board is well positioned to act independently of the Company's Management and exercise proper supervision of the Management and its operations.

The annual report and the Company's home page contain a presentation of the Board of Directors and details of the shareholdings of all Directors, as well as information on the experience, expertise and capacity of the Board Members.

Four of the existing Board Members, Laurence Ward Odfjell, Christine Rødsæther, Nils Petter Dyvik and Jannicke Nilsson are up for election at the Annual General Meeting in May 2022.

The proportionate representation of gender of the Board is within the legislated target.

Deviations from the Code: None.

9

The work of the Board of Directors

The Company shall be led by an effective Board with collective responsibility for the success of the Company. The Board represents, and is answerable to, the Company's shareholders.

The Board of Directors shall ensure that its members and its Executive Management make the Company aware of any material interests that they may have in items to be considered by the Board.

The Board's obligations include strategic management of the Company, effective monitoring of the Management, control and monitoring of the Company's financial situation, and the Company's responsibility to, and communication with, the shareholders. The Board is ultimately responsible for determining the Company's objectives, and for ensuring that the necessary means for achieving them are in place. The Board of Directors determines the Company's strategic direction and decides on matters of significance in relation to the Company's overall activities. Such matters include strategic guidelines, approval of the budgets as well as decisions on major investments and divestments. Furthermore, the Board ensures a correct capital structure and defines the dividend policy. The Board also appoints the CEO and determines his/her remuneration.

The Board shall ensure that the Company is well organized, and that activities are managed in accordance with relevant laws and regulations, the Company's objectives pursuant to the Articles of Association, and the applicable guidelines set by the shareholders through the General Meeting.

It is the responsibility of the Board to ensure that the Company, its management and employees operate in a safe, legal, ethical and socially responsible manner. To emphasize the importance of these issues, a company-specific Corporate Social Responsibility Policy and a Corporate Code of Conduct have been decided and implemented and apply to all throughout the organization. The Corporate Code of Conduct focuses on aspects of ethical behavior in day-to-day business activities. The Company also adheres to the UN Global Compact and reports its Corporate Social Responsibility performance accordingly. The Board shall perform such reviews which it deems necessary to fulfill its tasks. The Board shall also perform reviews requested by one or more Board Members.

Members of the Board of Directors shall notify the Board, in advance, if they have any direct or indirect not immaterial interest in any transaction planned to be entered into by the Company. In this case they are biased and not eligible to participate in the discussions. A deputy Chair shall be elected to function as Chair of the Board when the Chair of the Board for such or other reasons cannot, or should not, lead the Board's work. The Board shall plan its work, as well as the work of the Management, according to a cycle of setting objectives, performance reviews, risk reviews, periodic reporting, regular reviews of short- and long-term strategy formulation and implementation. The roles of the Board and the CEO are separate, and the allocation of responsibilities shall be specified in writing through existing chart of authorities and job descriptions.

Each year the Board shall evaluate its performance over the previous year. The Board shall evaluate its own efforts, the performance of the Committees and the individual Board Members. In order for the evaluation to be effective, the Board shall set objectives at both the collective and individual levels, against which the performances shall be measured. The results from the evaluation will not be made public but shall be available to the Nomination Committee.

The Board held seven ordinary meetings in 2021, with 100% Director attendance. The Board carried out a self-assessment of its work.

	Attendance
Laurence Ward Odfjell (Chair)	100 %
Christine Rødsæther	100 %
Åke Gregertsen	100 %
Åse Aulie Michelet	100 %
Jannicke Nilsson	100 %
Nils Petter Dyvik	100 %

Table showing Director attendance

Transactions with close associates

Any not immaterial transaction between the Company and any shareholder, Board Member, member of Management or any related party of these shall be reviewed by an external third party before being concluded. Material agreements shall be approved by the General Meeting according to the Norwegian Public Limited Liability Companies Act. The Board of Directors should also present any such agreements in their annual directors' report.

Independent valuations shall also be obtained in respect of transactions between companies in the same group where any of the companies involved have minority shareholders.

The Board has established a policy in respect of share trading. The policy is in line with the Guidelines for Insiders issued by the Oslo Stock Exchange and applies to all employees who, in connection with their work, may gain access to price sensitive, non-public information.

Audit Committee

The Audit Committee is elected by the Board and consists of a minimum of two Board Members; currently Åke Gregertsen (Chair), Jannicke Nilsson and Nils Petter Dyvik. The Audit Committee reports to, and acts as a preparatory and advisory working committee for the Board. The Audit Committee acts according to an audit charter. The Company's auditor, CFO, VP Financial Control, Chief Sustainability Officer and Head of Group Controlling usually attend the committee's meetings. The establishment of the Committee does not alter the Board's legal responsibilities or tasks.

Deviations from the Code: None.

10

Risk management and internal control

The Board shall ensure that the Company has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the Company's activities. Internal controls and the systems should also encompass the Company's corporate values and ethical guidelines.

The Board shall carry out an annual review of the Company's most important areas of exposure to risk and its internal control arrangements. The risk management process and the system of internal control of Odfjell shall be sufficient to ensure safe, controlled, legal and ethical business conduct and operations in all its activities around the world. Business strategies are prepared at executive level and approved by the Board. In addition, the Board reviews annual budgeting and strategic planning processes. Financial forecasts are prepared every quarter. Actual performance is compared to budget, latest forecast and prior year on a monthly basis. Significant variances are investigated and explained through normal monthly reporting channels.

The Company has established an organizational structure supporting clear lines of communication and accountability, and rules for delegation of authority that specify responsibility.

The Company focuses on regular and relevant management reporting of both operational and financial matters in order to ensure adequate information for decision making, and to quickly respond to changing conditions. Evaluation and approval procedures for major capital expenditure and significant treasury transactions are established.

The Board receives monthly reports on the Company's financial performance and status reports on the Group's key individual projects. The Group also regularly conducts internal audits of individual units' adherence to systems and procedures.

Financial performance is also reported on a quarterly basis to the Board, and to the Oslo Stock Exchange.

The Company's Board is kept updated on Management and Company activities through monthly reports and board updates. A safety (QHSE) update is normally the first item on the agenda of all ordinary meetings of the Board of Directors.

Odfjell's Compliance Officer ensures that the Company, and its employees, act in accordance with applicable laws and regulations, the Company's Code of Conduct, and that the Company acts in an ethical and socially responsible way. Particular attention is paid to competition law compliance, environmental licenses to operate and anti-corruption measures. Regular updates on new rules and regulations are issued to all relevant personnel in order to ensure continuous compliance. The Compliance Officer reports directly to the CEO.

The Company also conducts regular internal audits of individual units' adherence to systems and procedures. The internal audit function provides additional assurance to the Board, and the Audit Committee, that key controls are operating as intended. The Company is also subject to external control functions, including auditors, ship classification societies, customer vettings, port and flag state control, and other regulatory bodies including the IMO.

Deviations from the Code: None.

11

Board Members' remuneration

The remuneration of the Board shall reflect the Board's responsibilities, expertise, time commitment and complexity of the Company's activities. Remuneration of Board Members shall be determined by the shareholders at the General Meeting. The Nomination Committee shall provide recommendations, and give its reasons thereof, to the General Meeting for annual remuneration to all Board Members.

Board Members are encouraged to own shares in the Company and can be paid part of their remuneration in shares.

Members of the Board do not take part in any incentive or share option schemes. The remuneration of the Board of Directors is not linked to the Company's performance. Board Members should not take on assignments for the Company.

Information regarding all remuneration to the individual Board Members shall be provided in the annual report. If remuneration has been paid in addition to normal directors' fees, this shall be specifically identified.

Deviations from the Code: None.

12

Management remuneration

Pursuant to Section 6-16 b) of the Norwegian Public Limited Companies Act, supplemented by regulation on guidelines and report on remuneration for leading personnel, the Board of Directors issue a yearly report on salary and other remuneration to leading personnel for an advisory vote at the General Meeting.

Management shall be offered competitive terms of employment in order to ensure continuity in the Management and to enable the Company to recruit suitably qualified personnel. The company's remuneration shall be competitive, but not compensation leading.

A basic, fixed salary is the main component of the remuneration. However, in addition to the basic salary, other supplementary benefits may be provided, including, but not limited to, payments in kind, incentive/recognition pay, termination payments and pension and insurance schemes.

Deviations from the Code: None.

13

Information and communication

Through its Corporate Governance Policy, the Board has implemented guidelines for disclosure of Company information. Reporting of financial and other information shall be based on openness and equal treatment of all interested parties. The Company provides shareholders, and the market as a whole, with information about the Company. Such information takes the form of annual reports, quarterly reports, stock exchange bulletins, press releases, information on the Company website and investor presentations, when appropriate. The Company seeks to treat all shareholders equally, in line with applicable regulations. Information distributed through the Oslo Stock Exchange, or otherwise in press releases, is published simultaneously on the Company's website, Odfjell.com. The Company aims to hold regular presentations. The financial calendar is available through stock exchange announcements and on the Company's website.

Open investor presentations are held at least twice a year in connection with Odfjell's quarterly reports. The CEO reviews and makes comments on results, market developments and prospects. Odfjell's CFO also participates in these presentations.

The presentations of the annual and quarterly reports are published via the Oslo Stock Exchange and posted on the corporate website at the same time as presented. The annual and mid-year results are presented via a live presentation, whereas reports following publication of first and third quarter results are made available through webcasts. Odfjell also maintains an ongoing dialogue with, and makes presentations to, selected analysts and investors. Care is taken to secure impartial distribution of information when dealing with shareholders, investors and analysts.

The Board shall ensure that the Company's quarterly and annual financial statements provide a correct and complete picture of the Group's financial and business position, including the extent to which operational and strategic goals have been achieved.

The Chair of the Board shall ensure that valid and relevant views of the shareholders are communicated to the entire Board.

Deviations from the Code: None.

14

Takeovers

During the course of any take-over process, the Board and Management shall do their best to ensure that all the shareholders of the Company are treated equally. The Board shall also do its best to ensure that sufficient information to assess the takeover bid is provided to the shareholders.

In the event of a take-over bid for the shares in the Company, the Board shall not seek to prevent or obstruct take-over bids for the Company's activities or shares, unless there are particular reasons for such actions. The Board shall not exercise mandates or pass any resolutions with the intention of obstructing the take-over bid unless this is approved by the General Meeting following the announcement of the bid. In particular, the Board shall not, in such circumstances, without the prior approval of the General Meeting (i) issue shares or any other equity instruments in the Company, (ii) resolve to merge the Company with any other entity, (iii) resolve on any transaction that has a material effect on the Company's activities, or (iv) purchase or sell any shares in the Company.

If an offer is made for the shares in the Company, the Board shall issue a statement evaluating the offer and make a recommendation as to whether the shareholders should accept the offer. If the Board finds itself unable to provide such a recommendation, it shall explain and state the reasons why. The Board's statement on a take-over bid shall state whether the Board's view is unanimous, and if not, the statement shall explain the basis on which members of the Board have a deviating view. The Board shall consider whether to engage financial advisors in this respect and whether to have a valuation from an independent expert. If any member of the Board or the Management, or close associates of such persons, or anyone who has recently held such a position, is either the bidder or has a similar particular interest in the bid, the Board shall in any case arrange an independent valuation. This shall also apply if the bidder is a major shareholder in the Company. Any such valuation should be either attached to the Board's statement, be reproduced in the statement or be referred to in the statement.

Deviations from the Code: None.

15

Auditor

The Company emphasizes keeping a close and open relationship with the Company's auditor. The auditor participates in Board meetings for approval of the annual accounts. The Company's auditor shall present an annual plan for its audit work to the Audit Committee. In addition, the auditor shall review and report on the Company's internal control procedures, including identifying weaknesses and proposing improvements. The Board shall meet at least once a year with the auditor, and without the Management's presence. The auditor's fees for auditing and other services are presented to the Annual General Meeting and are included in the notes to the annual accounts. Fee for Non-audit services shall be approved by the Audit Committee. The Board continuously evaluates the need for written guidelines concerning the employment of the auditor for services other than auditing. The Board believes that the auditor's independence of the Company's Management is assured. The auditor shall issue a written annual declaration confirming the auditor's independence.

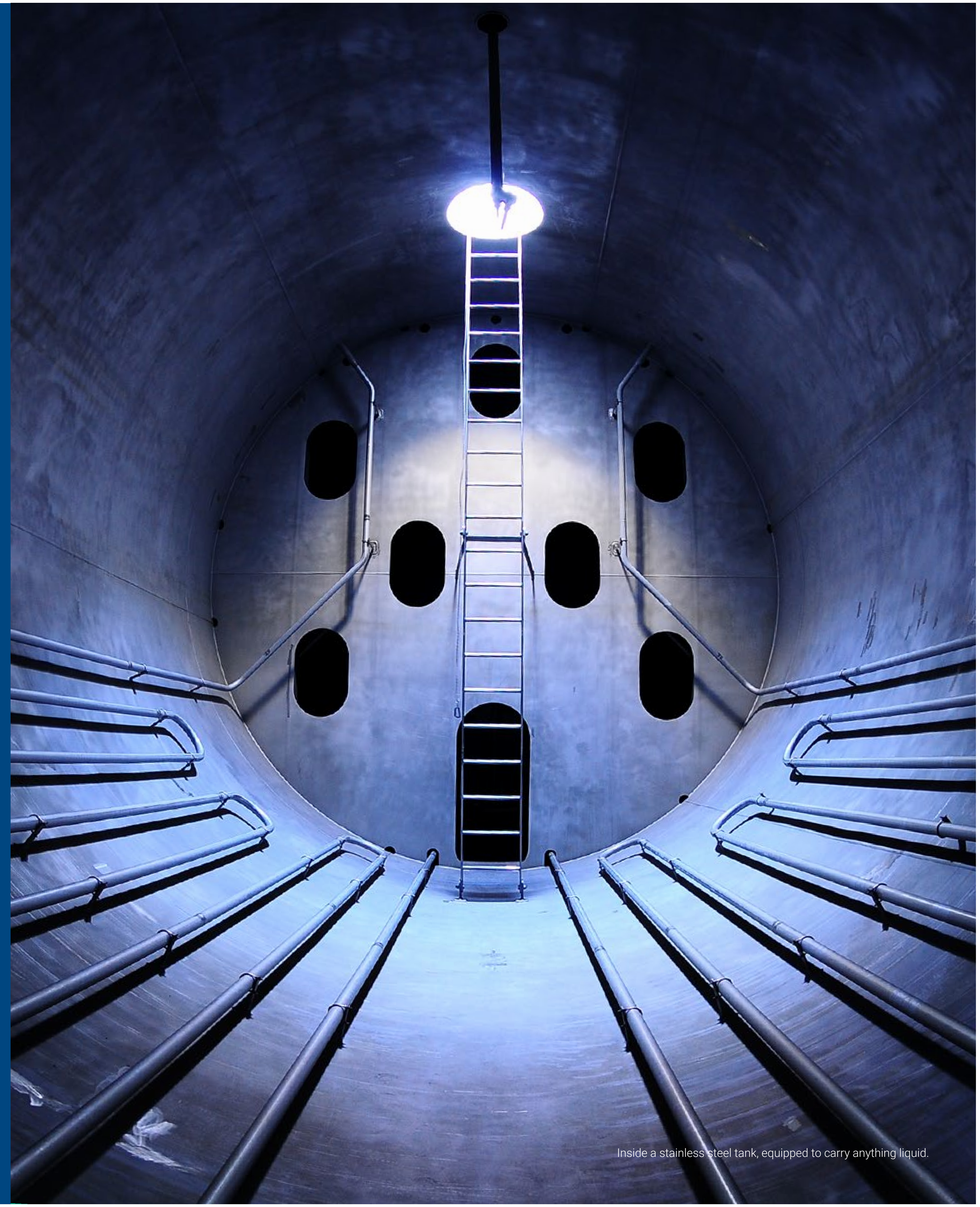
In order to secure consistency in control and audits of the Group, Odfjell generally uses the same audit firm for all its subsidiaries worldwide, and currently engages EY as the Company's independent auditor.

Deviation from the Code: None.

For more Shareholder information, visit Odfjell.com/investor

The distance Odfjell's ships sail in a year equals 224 times around the equator.

Annual accounts



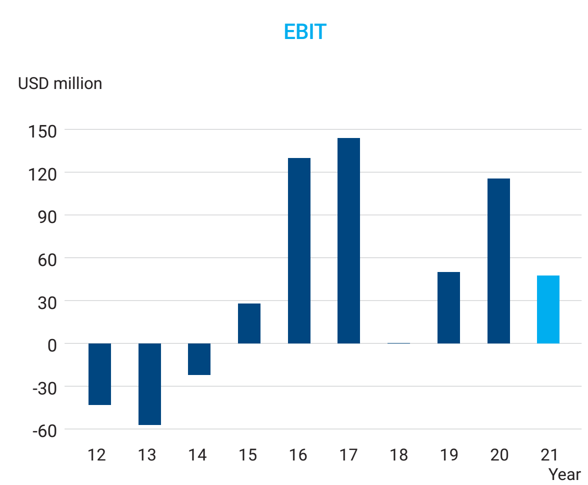
Inside a stainless steel tank, equipped to carry anything liquid.

Board of Directors' report 2021

The consolidated 2021 net result for the Odfjell Group amounted to a loss of USD 33 million, compared with a net profit of USD 28 million in 2020. Total assets by year-end amounted to USD 2,073 million, down from USD 2,220 at the end of 2020. The cash flow from operations was USD 153 million in 2021, compared with USD 155 million in 2020. Cash and cash equivalents end of 2021 were USD 73 million, in addition to undrawn loan facilities of USD 36 million. Total equity at the end of 2021 amounted to USD 549 million, compared to USD 576 million at the end of 2020, and the equity ratio increased to 26.5% from 25.9% during the year, principally due to depreciation of assets and repayment of debt.

The operating result (EBIT) was positive with USD 47 million in 2021, compared to USD 115 million in 2020. The Company showed decreased financial results in 2021, and the year ended with a negative net result of USD 33 million, due in part to a USD 21 million impairment. 2021 was another unpredictable year, with global supply chain issues and other Covid-19 related challenges affecting the industry. The results from our chemical tankers were negatively impacted by supply chain disruptions in the US, but we saw stable occupancy and healthy activity levels at our terminals.

The Board is disappointed with the financial results, but recognizes that we continue to operate well, despite the challenging environment. After the Company concluded the largest fleet renewal program in our history, in 2020, we have seen increasing free cash flow in 2021. In line with our financial strategy, surplus cash will mostly be allocated for deleveraging to ensure we can generate positive cash flow throughout the often-volatile shipping cycles.



Source: Odfjell

Sustainability is an integral part of our business strategy, and the Board is pleased to see that we are ahead of our ambitious plans to reduce emissions. We take an active role in various industry Environmental, Social and Governance (ESG) related initiatives, and continuously seek improvements to remain at the forefront of our industry. In 2020, Odfjell announced new climate targets to reduce the carbon intensity of our own fleet by 50% by 2030, compared to 2008 levels, and to be climate-neutral by 2050. These targets go beyond the targets set by the International Maritime Organization (IMO). Sustainable financing and ESG have become increasingly important when it comes to access to, and the cost of, financing. In 2021, we issued the first sustainability-linked bond in shipping globally, and all new mortgaged loans were sustainability-linked, something our lending partners have a strong appetite for.

Following the terminal restructuring in 2020, we now control a healthy terminal portfolio and have been focusing on accretive growth at our existing terminals. In 2021, we started construction of an additional 35.000 cbm of stainless-steel capacity at our terminal in Antwerp. In addition, we approved an expansion of 32.000 cbm at the terminal in Houston, with a mix of stainless steel and carbon-steel tanks.

Odfjell has an uncompromising stance on matters of Health and Safety. Across all our operations, new projects and initiatives, the long-term planning and the everyday tasks – whether on board the ships, at the terminals or in the office – the single, most important precept is safety. During 2021, Covid-19 continued to impact our business and operations. We have faced unprecedented challenges on board our ships, at our terminals, in our offices and in our private lives. Sadly, we lost three of our colleagues due to Covid-19-related diseases last year. Thanks to the extraordinary efforts, diligence and agility of the Odfjell team, we have reduced the risk to our people, our ships sailing and our terminals operational, and despite the pandemic, we also saw a continued good safety performance, with no work-related injuries resulting in permanent disability.

Odfjell paid dividends for FY 2016 and 2017, with a dividend of NOK 1.50 per share, both of which were supported by gains from divestments of terminals. Based on the uncertainty driven by Covid-19, and the still challenging markets, our primary goal has been to ensure we maintain a strong balance sheet. However, in 2021 the company generated free cash flow of USD 132 million, versus negative USD 59 million in 2020. The Board will propose a dividend of NOK 1.00 per share for FY 2021 at the 2022 Annual General Meeting. The Board has also recently announced a dividend policy that aims at predictable and sustainable dividends going forward, stating that: Odfjell will pay out 50% of net income adjusted for extraordinary items. Other excess capital will be earmarked extraordinary debt reductions, but may also be used for value creative investments, share-buybacks and dividends. Dividends will be paid out semi-annually. The Board of Directors will propose to the General meeting or decide on the timing and the final size of dividends, always contingent on the financial strength of the company.

Despite the negative net result in 2021, our balance sheet strengthened slightly due to limited new investments and a corresponding reduction in total assets. Due to negative results, and increased debt associated with our fleet renewal in recent years, we consider the IFRS 16 adjusted equity ratio of 30% by year-end to be at the lower end of our targeted equity ratio of between 30% and 40%. However, considering the very low capital commitments for the next few years, a well-diversified debt structure, and access to a wide range of funding sources and structures, we find the balance sheet to be adequate. During 2021, Odfjell secured USD 195 million of new credit facilities, of which USD 100 million was from the issuance of a four-year sustainability-linked bond. Delivering on our strategy to lower leverage and reduce our cost of capital, we also repaid USD 308 million on existing credit facilities during 2021, of which USD 110 million were scheduled installments, and USD 198 million were repayments and prepayments. In November, we completed a NOK 269 million conditional buy-back of the bonds maturing in June 2022, and a subsequent tap issue of NOK 275 million in the bonds maturing in September 2023. Except for the June 2022 bond maturity with outstanding USD 39 million, we have very limited refinancing needs in the Group before 3rd quarter 2023.

Odfjell continues to make strategic progress and we now operate the world's largest, most fuel efficient, and competitive deep-sea stainless steel chemical tanker fleet. In 2021, we concluded an exit from small ships operating in the short-sea trade in Asia and the planned exit from gas carriers. The market was driven by soft US exports and strong Asian exports to the West, although US exports improved towards the end of the year. The momentum in COA renewals, which began in 2019, continued but at a weaker pace. In 2021 we saw an average increase in the COA rates of 2%, however with a better distribution of contract volumes to optimize our sailing patterns. Future tonne-mile demand outlook appears robust, and very limited supply growth should ensure a continued recovery of our markets. The main risk to the demand picture is an economic slowdown due to resurgence of Covid-19 or due to geopolitics. On the supply side, the main risk is the potential influx of more swing tonnage. As a company we need to be prepared for such scenarios and we update our contingency plans regularly.

Chemical tanker spot freight rates improved materially east of Suez, but weakened, as the year progressed, west of Suez. Chemical tanker front-haul routes have been challenging from the US, while the back-haul routes, from Asia to the US and Europe, have been at historically high levels. The number of trading days, including external pool vessels, increased to 32,319, from 29,453 days, while trading days, excluding external pool vessels, increased to 25,424 days, from 24,013 days in 2020. Total volumes carried in 2021 were 15.4 million tonnes, compared to 15.2 million tonnes in 2020.

Nominations under our Contracts of Affreightment (COA) increased, compared to 2020 levels. The contract coverage for the year increased to 52% of total volume shipped, against 46% in 2020, a rebound to normal levels. The main reason for the comparative increase in COA coverage was the large drop in the second quarter in 2020, because of Covid-19.

2021 marked the second year of the pandemic and another year of unpredictable dynamics affecting Odfjell, and the industry. Despite the challenges, Odfjell performed well on important operational and safety measures and despite the negative financial results, showed the resilience of our platform by outperforming relevant peers within the tanker segment.

The biggest fallout from the pandemic has been the heavy burden placed on our seafarers. Even today, crew changes remain a challenge. We have had to contend with unreasonable port states across the globe, a severe lack of flights, community lockdowns by governments, greatly increased response times from relevant authorities, and extensive quarantine arrangements. We have made a determined effort to ensure the vaccination of our seafarers, which is now close to 100%. We have also managed to reduce the number of seafarers not finishing their contracts, and unable to get back home, on time, to just 3% of the workforce. We will continue to work steadfastly to bring our seafarers to and from our ships in a safe and timely manner in order to protect their physical and mental health.

The pandemic entered a new phase in 2021, with a lot of volatility and further changes in market dynamics. The unpredictability and rapid changes in our markets over the last two years have proved to be a significant test of our global platform and it has demonstrated just how resilient and flexible it is. The supply chain challenges, affecting US exports, led to a negative impact on our results from a key export region. Countering this, we saw a steep increase in earnings from Asia to the West. When a sudden reduction in regular chemical export volumes occurred in the US, we managed to mitigate the negative impact from these challenges by loading alternative, non-core volumes. This would not have been possible without the robust operational platform of our global, experienced, and dedicated team, operating our versatile fleet.

Anticipating and preparing for enhanced environmental regulations remain a focus for Odfjell, as it should be for the industry as a whole. We successfully launched the industry's first Sustainability-Linked Bond in 2021, and in doing so, committed to ambitious targets to further reduce the carbon intensity of our fleet by 2030, from our already industry-leading low levels. We are well-positioned and have a detailed road map to meet regulations for 2030. We have set a target of operating a climate-neutral fleet by 2050 and to achieve this target we will only order vessels with zero-emission technology from 2030. Numerous external sources confirm Odfjell's dominant lead when it comes to having the most energy-efficient fleet in our segment. We support the upcoming taxes on carbon, as we believe these will serve as impetus to further reduce emissions. We are in pole position to use this to our commercial advantage, given our energy-efficient fleet and the significant progress we have made already in reducing our carbon footprint. We expect that the cost of emissions will become increasingly visible and significant, which will benefit owners who invest in efficiency.

The results and performance of our tank terminal division continued to improve in 2021, following the negative impact from the Texas Freeze, and activity levels remained high. Our terminals in the US, Europe and Asia all generated improved EBITDA results, as activity increased, and cost levels improved. After reducing our footprint over the last few years, we have now made final investment decisions on expanding our Antwerp and Houston terminals. These investments will generate attractive returns for Odfjell. We will remain focused on chemical terminals where we can exploit synergies with Odfjell Tankers, and possibly develop other projects of strategic value to the business.

At the end of 2021, our total chemical tanker fleet was made up of 93 vessels, including 50 owned/financial leased, six bareboat chartered, 13 time chartered vessels and 24 pool vessels. We are predominantly a deep-sea operator and of the 93 vessels, 90 are larger than 12,000 dwt.

Since May 5, 2021, the Board has comprised Laurence Ward Odfjell (Chair), Christine Rødsæther, Åke Gregertsen, Åse Aulie Michelet, Jannicke Nilsson, and Nils Petter Dyvik. The Audit Committee is made up of Åke Gregertsen (Chair), Jannicke Nilsson and Nils Petter Dyvik. The Nomination Committee consists of (Chair) Bjørg Ekornrud, acting as an external, independent member, Christine Rødsæther, and Laurence Ward Odfjell. The Board also has a separate Remuneration Committee which is composed of Laurence Ward Odfjell (Chair), Åse Aulie Michelet and Nils Petter Dyvik.

Sustainability (ESG)

Climate risk is an integral part of the Board's work on risk and strategy. The 2021 report from the Intergovernmental Panel on Climate Change (IPCC) confirms that human actions directly relate to climate change. Odfjell set clear climate targets in 2020 out of concern for the environment. The Board is pleased to see that Odfjell is ahead of the industry in achieving and setting ambitious climate goals. Climate risk also drives new regulation and objectives. We have seen this in several initiatives and agreements before, and during COP26 in Glasgow, in the EU's new regulatory plan "Fit for 55", and in the regulations and plans for a new emissions strategy at the IMO. Climate risk is included in the corporate risk reporting at our board meetings and follows the recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD). Risk and opportunities are a part of the Board's agenda, and our latest assessment is presented in the Annual Report.

Odfjell has, in 2021, reported the carbon intensity of the fleet as a part of our quarterly reporting, using the Annual Efficiency Ratio (AER). The Board is pleased to see that Odfjell has reduced the AER of its operated fleet by 5.0%, from 8.64 to 8.24, which is the best in our industry segment. In July, the International Maritime Organization (IMO) adopted guidelines for AER baselines. The Odfjell fleet's AER in 2021 are 46% below Odfjell IMO baseline for 2008. Odfjell's efforts and investments, to operate the world's most energy-efficient chemical tanker fleet, will give it a competitive advantage when shipping is included in the EU's Emission Trading Scheme, from January 2023, and when the IMO's CII EEXI regulation comes into force, also in January 2023. As of 2022, carbon intensity reduction is included as a KPI in the company's incentive plan for the shore organization.

Odfjell reports, through the Annual Report and the Communication on Progress, to the UN Global Compact and participates in the Carbon Disclosure Project (CDP). In addition, details on emissions are presented in the sustainability section of the Annual Report.

Odfjell promotes diversity, inclusion, and equal opportunities for our employees. We believe it is of value to the business to have a diverse team, and it is also essential for us to attract talent from a broad community. Our industry is male-dominated, which is why Odfjell has set targets to achieve a minimum 30% gender balance before 2030, and reports its progress in the SHE index.

Odfjell, as well as being a member of the Maritime Anti-Corruption Network (MACN), is also represented on its board, and plays an active role in the fight against global corruption and facilitation payments. Human rights are non-negotiable at Odfjell. The Board has participated in Odfjell's human rights impact assessment, which will be made public in 2022, in accordance with the Norwegian Transparency Act.

EU taxonomy reporting will come into force in 2022. As for most deep-sea shipping, our industry will not meet the taxonomy screening criteria for climate change mitigation before zero-carbon fuel and infrastructures are available. Odfjell now reports on all EU Taxonomy screening criteria in the Annual Report. The Board is pleased to see the performance and alignment with all other taxonomy criteria.

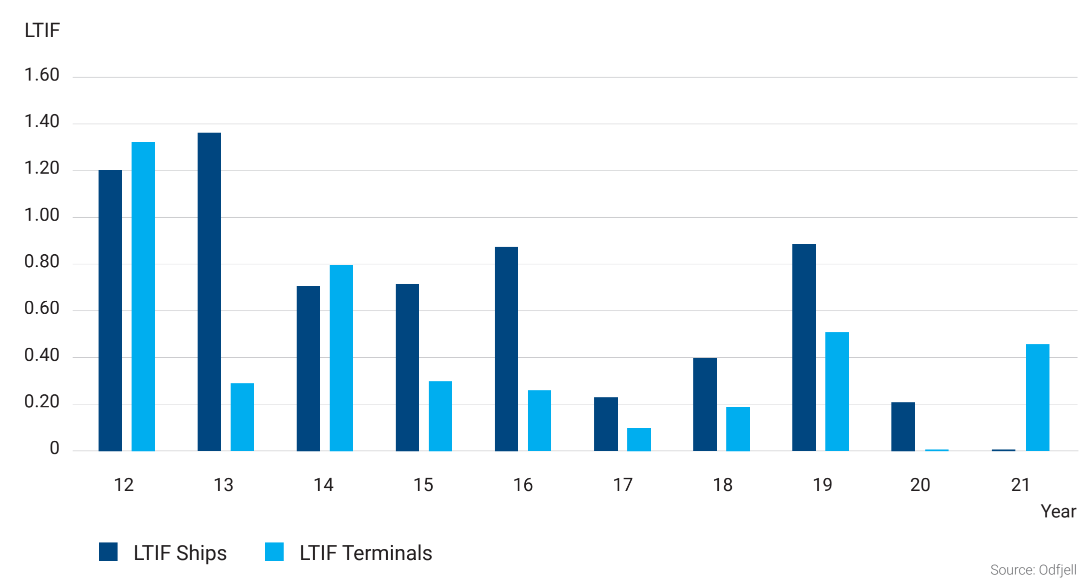
Odfjell received an EcoVadis Gold award in 2021, in addition to other awards for sustainability. A gold medal from EcoVadis means Odfjell is rated as top 5%, among 75,000 companies rated on sustainability performance. We see a growing interest from stakeholders in our ESG performance. As a result, we are more transparent than ever and welcome more to follow suit. We follow the Norwegian Shipowners' Association's (NSA's) guidelines for ESG reporting, Euronext's guidance on ESG, and use Sustainability Accounting Standards Board (SASB) standards.

Health, Safety, Security (HSS)

2021 was another challenging year for our seafarers, with crew rotation problems and some difficult infection cases during the pandemic. Most onshore employees spent much of their working week away from colleagues, working from home. The short and long-term physical and mental effects of the pandemic were on the Board's agen√155da in 2021. We are pleased to report a year without any Lost Time Injuries (LTI) in our shipping business, despite the challenges. Our shipping-related Lost Time Injury Frequency (LTIF) indicator was 0.0, improved from 0.21 in 2020. The LTIF of the terminals operated and managed by Odfjell was 0.41, compared to 0 in 2020, due to two LTIs. The Board is pleased to see this very positive development in the LTI shipping results. The goal is zero incidents and injuries. The onshore organization has LTIF as a KPI in the incentive system. We have taken extensive measures to avoid Covid-19 infection on our ships, including a vaccine program, but sadly, we lost three colleagues to Covid-19 related illnesses in 2021.

There have been no significant safety or security incidents on Odfjell ships in 2021, although piracy and armed robberies continue to be a concern. Privately contracted security personnel are still being used to protect some transits. There have been no security incidents at our terminals. Cybercrime continues to pose a threat and as such, the Board monitors risks, preparedness, and mitigation in the relentless work on cybersecurity.

LTIF* development



Source: Odfjell

* See definition on page 56.

Corporate Governance

The framework for our corporate governance is the Norwegian Code of Practice for Corporate Governance of October 14, 2021. Odfjell is committed to ethical business practices, honesty, fair dealing and compliance with all laws affecting our business. This includes adherence to high standards of corporate governance. The Board's statement regarding corporate governance is part of the Group's Annual Report. Our Corporate Social Responsibility Policy also focuses on quality, health, safety and care for the environment, as well as human rights, non-discrimination and anti-corruption. The Company has its own Code of Conduct that addresses several of these matters. All Odfjell employees are obliged to comply with the Code of Conduct. Likewise, our main suppliers must adhere to our Supplier Code of Conduct.

Odfjell has purchased and maintain a Directors and Officers Liability Insurance on behalf of the members of the Board of Directors and CEO. The insurance additionally covers any employee acting in a managerial capacity and includes subsidiaries. The insurance policy is issued by a reputable, specialized insurer with an appropriate rating.

Business summary

We remain committed to our long-term strategy of enhancing our position as a leading company in the global market for the transportation and storage of bulk liquid chemicals, acids, edible oils and other specialty products.

We want to enhance product stewardship and reduce the carbon footprint in the solutions we provide to our customers. We achieve this by focusing on the safe and efficient operation of a versatile, sophisticated, fuel efficient, and flexible fleet of global and regional chemical tankers, with cargo consolidation at our tank terminal network. The fleet is operated in complex and extensive trading patterns, all while meeting our customers' demand for safety, quality, reduced emissions, and the highest standards of service. Our fleet has a critical mass that enables efficient trading patterns and optimal fleet utilization. However, the industry in general continues to suffer from congestion in port due to lagging investment in port infrastructure.

Comments to segment figures below are by the proportionate consolidation method.

Chemical Tankers

Gross revenues from our chemical tanker activities amounted to USD 1,037 million in 2021, an increase from USD 943 million in 2020. EBITDA came in at USD 241 million and EBIT at USD 43 million, compared with USD 256 million and USD 102 million respectively in 2020. An impairment of USD 21 million in 2021 impacted our figures, while there were no impairments in 2020. Corporate cost related to Odfjell SE are included in the general and administrative expenses for chemical tankers. Total assets at year-end stood at USD 1,888 million.

Chemical Tankers segment	Figures in	2021	2020	2019
Revenue	USD mill	1 037	943	871
EBITDA	USD mill	241	256	184
EBIT	USD mill	43	102	39
Net result	USD mill	(37)	14	(47)
Assets	USD mill	1 888	2 039	1 851
ROCE	%	2.4	5.9	3.5

The operation of chemical tankers is complex. During 2021, our ships loaded around 600 different products comprising close to 6,000 individual parcels. Unlike vessels in most other shipping segments, our vessels may call at several berths in each port, both for loading and discharging. This is a time-consuming and costly process. During 2021, the focus has been on our operational performance, to ensure we remain responsive and deliver on our commitments, despite the almost innumerous challenges caused by the pandemic. The considerable changes implemented by the company in recent years, with respect to cost, fleet renewals and strategic focus, have allowed us to concentrate on the here and now and operate successfully in 2021.

In combination with, and as an extension of, our worldwide deep-sea service, our regional shipping activities encompass two distinct geographical regions: The Far East and the South America East Coast. In 2021, we concluded an exit from the short-sea trade in the Far East with the sale of three smaller ships. These ships were no longer a necessary complement to the deep-sea Odfjell platform and had limited opportunities to reach their full potential within our fleet. We also 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.

In South America, five vessels are managed and operated by Flumar, our wholly owned Brazilian subsidiary,. The fleet is supplemented by our deep-sea vessels trading in South America. Odfjell also owns and operates one smaller chemical tanker which mostly trades on the West Coast of South America. Flumar has chartered two LPG carriers and these have, in turn, been chartered out to a major chemical producer on time charter contracts.

All our fleet initiatives in recent years have ensured that we now operate a balanced, flexible fleet that is ready to meet any potential change in market dynamics. We now have zero capital expenditure for fleet renewal in the coming years and are well placed to benefit from an expected upturn in the market. We have the most modern and fuel-efficient fleet within our core markets, leaving us with lower unit costs through reduced fuel consumption and increased cbm. In addition, we are positioned to capture the growth and opportunities within easy chemicals, vegetable oils and CPP with our larger, coated fleet.

Tank Terminals

For 2021, gross revenues from Odfjell's tank terminal activities came in at USD 72 million, compared with USD 66 million in 2020, while EBITDA for 2021 amounted to USD 33 million, up from USD 30 million in 2020. EBIT amounted to USD 9 million, compared with an EBIT of 18 million in the previous year. Included in the EBIT of 2020 is the gain of USD 10 million from the sale of Odfjell Terminals (Dalian) Co Ltd. At year-end 2021, the book value of Odfjell's share of tank terminal assets was USD 381 million, on par with USD 381 million at the end of 2020.

Terminals segment	Figures in	2021	2020	2019
Revenue	USD mill	72	66	70
EBITDA	USD mill	33	30	27
EBIT	USD mill	9	18	18
Net result	USD mill	4	14	9
Assets	USD mill	381	381	353
ROCE	%	3.3	6.5	7.0

Odfjell's liquid bulk terminal platform comprises five tank terminals at strategic locations in the USA, Korea, Belgium and China, with a total capacity of 1.3 million cbm. 2021 got off to a challenging start in Houston due the fire incident in December 2020 and the Texas Freeze in February 2021, but our platform demonstrated its strength and resilience. Following a comprehensive and multi-year reorganization, 2021 has also been an occasion to revisit and reaffirm our long-term strategic vision for Odfjell Terminals. Odfjell is a legacy player in global liquid bulk storage, and we see a strong rationale to maintain and expand our presence in this sector. This will involve Odfjell continuing to invest in the development and growth of our current terminals, and to consider opportunities outside of our existing footprint.

In 2021, our terminal in Antwerp commenced the construction of a new, 35,000 cbm, fully automated stainless-steel tank pit that will enter into full operation by mid-2022. At our Houston terminal, we took a Final Investment Decision on a new 32,000 cbm tank bay that will be commissioned during second half of 2023. We are also investing heavily in automation and digitalization at our terminals. This will allow us to make more data-driven decisions and realize operational improvements. We will reduce manual processes, become more efficient, increase earnings and ultimately, better serve our customers.

Safety and quality of service remain at the core of what Odfjell Terminals do. Faced with the Covid-19 pandemic, the priority in 2021 has been for the terminals to continue operating safely and provide uninterrupted service to our customers. Extensive preventive measures have allowed all terminals to maintain normal operations and service to our customers, despite the pandemic. Considering the unprecedented circumstances, we are particularly pleased to note a continued positive development in key safety indicators for 2021.

Due to the fire incident in December 2020, and extreme cold in February of 2021, our Houston terminal experienced a steep drop in activity and commercial occupancy during the first half of the year. Aided by a recovering market, OTH ended the year with a commercial occupancy rate of 97% and high activity levels. With 98% average commercial occupancy and record-high activity levels, our terminal in Europe recorded another strong year. In Korea, activity levels remained healthy, but we experienced a decline in commercial occupancy during the year. The slowdown experienced at the terminal mainly relates to the continued threat of Covid-19 in the region, supply chain disruptions, and changes to import regulation in China. The average commercial occupancy for the portfolio ended at 95% in 2021, versus 98% in 2020.

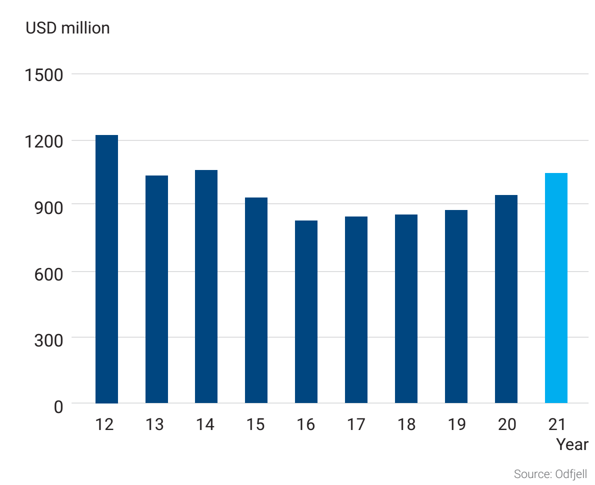
Gas Carriers

In August 2021, Odfjell SE entered into a transaction agreement with BW Epic Kosan Ltd. (BWEK) for the sale of the two remaining gas carriers. The purchase price was partly settled in cash, and following the sale, Odfjell holds 6.9 million freely transferable shares in BWEK.

Profit & loss for the year - consolidated

The Group's accounts have been prepared in accordance with IFRS. Gross revenues for the Odfjell Group came in at USD 1.038 million, up 10.6% from the preceding year. The consolidated result before taxes in 2021 was negative USD 30 million, compared with positive USD 31 million in 2020. The tax in 2021 amounted to an expense of USD 3 million, the same as in 2020.

Revenue



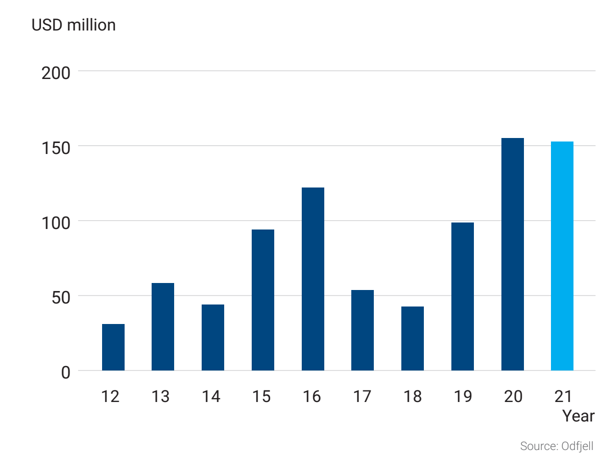
EBITDA for 2021 totaled USD 245 million, compared with USD 268 million the preceding year. The decrease in EBITDA in 2021 was mainly driven by weak chemical tanker markets out of the US impacting results from Odfjell Tankers. EBIT was positive USD 47 million in 2021, compared with positive USD 115 million in 2020. The net result for 2021 was negative with USD 33 million, compared to a net profit of USD 28 million in 2020.

Net result from associates and joint ventures was down, from a positive USD 13 million in 2020, to positive 5 million in 2021, mainly due to gain from the sale of Odfjell Terminals Dalian, in 2020.

Net financial expenses for 2021 totaled USD 77 million, compared with USD 84 million in 2020. The average USD/NOK exchange rate in 2021 was 8.59, compared to 9.37 in 2020. The NOK strengthened against the USD to 8.84 by December 31, 2021, from 8.54 at year-end 2020.

The cash flow from operations was USD 153 million in 2021, compared with USD 155 million in 2020. The net cash flow from investments was negative USD 20 million, mainly related to investments in our vessels for scheduled maintenance and efficiency measures. The cash flow from financing activities in 2021 was negative USD 161 million as we repay debt.

Cashflow from operations



The parent company (Odfjell SE) delivered a net result for the year of negative USD 6 million, compared to negative USD 37 million in 2020. The net loss for 2021 will be allocated to other equity. As of December 31, 2021, total equity amounted to USD 744 million.

The Annual General Meeting will be held May 4, 2022 at 16:00 hours CET at the Company's headquarters in Bergen, Norway.

According to §3.3 of the Norwegian Accounting Act, we confirm that the financial statements have been prepared on the going concern assumption.

Shares and shareholders

The Company is an SE (Societas Europaea) company subject to Act No 14 of April 1, 2005 relating to European companies. The Company's registered office is in the city of Bergen, Norway. The object of the Company is to engage in shipping, ship agency, tank terminals, real estate, finance and trading activities, including the transportation of freight in the Company's own vessels or chartered vessels, the conclusion of freight contracts, ownership and operation of tank terminals, as well as investment and participation in other enterprises with a similar object and other activities related thereto.

Total shares as of end of December were 86,768,948 shares, with 65,690,244 A-shares and 21,078,704 B-shares. The total shares include Odfjell SE treasury shares of 5,532,827 A-shares and 2,322,482 B-shares. By end of December 2021, Odfjell A- and B-shares were trading at NOK 33.60 and NOK 32.00 respectively, against NOK 27.40 and NOK 26.40 respectively at the close of 2020. In the same period, the Oslo Stock Exchange Shipping Index was positive with 61%.

Key figures

The return on equity for 2021 was negative 5.9%, and the return on total assets was positive 2.0%. The corresponding figures for 2020 were 4.9% and the return on total assets was 5.2%. The return on capital employed (ROCE) was 2.4% in 2021. Earnings per share in 2021 amounted to negative USD 0.42 (NOK 3.7), compared with USD 0.35 (NOK 3.0) in 2020.

Financial risk and strategy

With the global market as our arena, Odfjell is exposed to a number of risks. Our financial strategy is to ensure we have a business model that is robust, yet flexible. We should be able to withstand prolonged adverse conditions in the chemical and financial markets, while also being able to take advantage of favorable trends and opportunities at any given time.

Odfjell adopts an active approach to financial risk management, with a focus on attracting funding from diversified sources, maintaining high liquidity and credit reserves, and systematic monitoring and management of financial risks related to currencies, interest rates, and bunkers. Financial derivatives may be used to reduce our exposure to movements in currencies, interest rates and bunkers, which may also limit our upside from favorable movements in the same financial markets.

Earnings within the chemical tanker markets are less volatile than in many other shipping segments, and the average historical fluctuation in time charter earnings for our chemical tanker fleet has been less than 10% per annum over the last five years. Sensitivity analysis shows that a change in time charter earnings of 5% will impact our pre-tax net income by approximately USD 25 million. The largest single cost component affecting time charter earnings is fuel (bunkers), and Odfjell makes physical purchases of bunkers worldwide. In 2021, this amounted to USD 243 million excluding financial hedges, equivalent to 55% of voyage cost. A substantial part of our consumption is hedged through bunkers adjustment clauses in contracts of affreightments. There is a correlation between spot freight rates and bunkers prices, but uncovered consumption from spot volumes, or contracts without bunkers adjustment clauses, is also considered for financial hedging. In 2021, we hedged approximately 25% of our uncovered bunkers consumption, while as of December 31, 2021, we have no bunkers hedges in place. Odfjell is not engaged in the derivative markets for forwarding freight agreements or CO_2 emissions.

All interest-bearing debt, except bonds in the Norwegian bond market and debt borne by tank terminals outside the USA, is denominated in USD. Loans have various amortization profiles, but the majority (98%) are floating rate with USD LIBOR as a benchmark. A 1% increase in the interest rate would reduce our pre-tax net income by approximately USD 10 million, before hedges. As of December 31, 2021, we have USD 300 million of interest rate hedges in place, covering approximately 27% of floating interest-bearing debt.

The Group's revenues are primarily denominated in USD. Non-financial currency risk relates mainly to the net income and cash flow from voyage related expenses, ship operating expenses including crew costs, and general and administrative expenses denominated in non-USD currencies, mainly NOK and EUR. We have estimated that a 10% decrease in the USD against the NOK would reduce our pre-tax net income by approximately USD 7 million, before hedges. Our NOK exposure is relatively long-term, visible and stable, and we have hedged expected NOK cash flows, for up to two years, through forward exchange contracts.

Financial currency risk, relating to non-USD denominated debt, being our NOK denominated bonds, is hedged 100%, as interest payments and principal in NOK is swapped for principal and interest payments in USD at the time of issuance.

Liquidity and financing

Total nominal interest-bearing debt as of December 31, 2021, was USD 1,163 million, compared with USD 1,256 million at the start of the year. Total debt, including debts related to rights of use of assets (IFRS16 leases) was USD 1,396 million. Cash and cash equivalents totaled USD 73 million as of December 31, 2021, and undrawn commitments under long-term bank facilities totaled USD 36 million. The equity ratio was 26.5% at year-end compared to 25.9% as of December 31, 2020.

Odfjell has a diversified capital structure with few material balloon installments. Upcoming maturities are good opportunities to optimize our debt portfolio, and we also refinance facilities early to reduce outstanding debt and lower our cost of capital.

In January 2021, we issued a NOK 850 million sustainability-linked bond – the first in shipping markets globally and also a first in the Nordic high-yield markets – to refinance an existing bond maturing same month. The sustainability link had a positive impact on bond investors' interest, which successfully expanded our bond investor base. In May 2021, we refinanced four vessels early, two of which were on lease structures, with a sustainability-linked bank loan, replacing our most expensive facility with a much less expensive alternative. In November 2021, we completed a conditional buyback and tap issue in two of our bonds. The transaction was cash neutral and designed to reduce refinancing risk in the short term, take advantage of favorable pricing in the secondary market, and improve our long-term refinancing options in the same two bonds.

The average maturity of the Group's total interest-bearing debt is 5.1 years (5.9 years in 2020). Average maturity on mortgaged loans from financial institutions is 2.6 years (3.2 years in 2020), financial leases mature on average in 8.3 years (8.6 years in 2020) and unsecured bonds mature on average in 2.1 years (2.9 years in 2020). Odfjell has limited refinancing needs until the third quarter 2023 but will continue to optimize its debt portfolio, including the refinancing of vessels, to reduce outstanding debt and cash break-even for our fleet.

Organization, working environment and job opportunities

In 2021, the pandemic continued to challenge our organization around the world. Once again, our strong, safety-first culture prevailed and we proved our ability to adjust, adapt, and work in new ways. We made full use of virtual solutions to ensure our work continued uninterrupted, across functions and geographies.

We take steps to develop our leaders and to create good, constructive ship-shore interactions. Increased digitization over the past years has improved matters in this regard. The Covid-19 pandemic restricted most physical leadership courses and external assessments of senior officers in 2021. Despite these restrictions, we managed to re-start Elite Pro courses for promotion of captains and chief engineers.

In addition, we re-designed the Odfjell Leadership Courses for senior officers into a practical, four-days, virtual training program for a limited number of attendees. In 2021, we scheduled five Odfjell Leadership Training courses. In addition to Elite Pro and Odfjell Leadership courses, most deck and engine officers have completed Bridge Resource Management (BRM) and Engine Resource Management (ERM) training.

Our organization has maintained a below-industry absence rate. In 2021, the recorded absence rate at headquarters was 1.69%. For our own pool of Odfjell and Flumar seafarers, the 2021 absence was 1.55%. The turnover rate was 7.4% at our headquarters, and 2.8% for seafarers. Strong engagement and enablement scores in our global engagement survey onshore, and our low absence rates onshore and at sea, indicate a healthy working environment. With the continued pandemic, we remain conscious of the hardship endured by many seafarers, terminal operators, office employees and their families, and all the extra effort needed to perform their duties and support their loved ones.

We support freedom of association and, in line with local norms and regulations, adhere to various collective bargaining agreements for members of our workforce, onshore and at sea. Through various councils, committees and surveys, we listen to employees. Our annual wheel for performance management ensures a one-on-one dialogue between our onshore employees and their direct manager. This way, we can align the employee's objectives with organizational objectives to better support our overall strategic direction, as well as the individual's development goals for competence, growth, and training.

As an organization, we aim to foster a safe, sustainable, and inclusive workplace for all, where everyone can contribute and is treated with respect. We believe that such a workforce will retain and attract tomorrow's talent.

We promote diversity, inclusion, and equal opportunities for our employees. Of about 171 employees at our Bergen headquarters, 68% are men (68% in 2020), 32% are women (32% in 2020), while the corresponding global figures are 66% (66% in 2020) and 34% (34% in 2020) respectively. Three of the six Directors of the Board of Odfjell SE are women. We have set a target to increase gender balance at all levels and are taking appropriate measures to achieve it. Our reporting follows the requirements of the Equality and Anti-Discrimination Act §26.

The Board would like to thank all employees for the many positive achievements in 2021. A special thanks to all our seafarers, for enduring the difficulties of crew changes, and for all those working tirelessly to make each and every crew change possible.

Remuneration of the Executive Management group

The Remuneration Committee handles the salary and other remuneration for the Executive Management group and makes its recommendations to the Board. A description of the remuneration of the Executive Management group and the group's remuneration policy, including the scope and organization of incentive and share price related programs, is given in the Board of Directors' statement of guidelines for the remuneration of the Executive Management group. A ceiling has been set for performance-related remuneration.

The Board of Directors' report on salary, and other remuneration, to leading personnel is considered by the General Meeting and made available to shareholders together with the Notice of the Annual General Meeting. Also see Note 21 in the Odfjell Group accounts for details about the remuneration of management in 2021.

Market development

The market continued on the weakening trend from second half 2019, driven by chemical producers consuming inventories, together with a historical weak CPP market, also caused by a destocking cycle. The soft market was further exacerbated by the Texas Freeze reducing US exports, followed by intensified supply chain challenges driven by Covid-19. This led to price spikes for chemicals, especially in the US, with lack of arbitrage opportunities that drastically reduced export activity. Asian exports increased significantly, particularly to Europe, to make up for lost US output and due to the US increasing their imports, as lower-priced products could be sourced from the Far East. This development caused the markets west of Suez to be considered soft, while the markets east of Suez were considered strong, with freight rates reaching levels not seen since 2008.

Following the material drop in GDP growth in 2020, a meaningful recovery has taken place in 2021, recuperating lost ground caused by Covid-19. GDP growth in 2021 reached 5.9% according to the IMF. Economic activity has been high across the globe, bolstered by end-user demand for chemicals, which in turn boosted the demand for the seaborne transportation of chemicals. During 2021, we have seen a recovery in demand from the construction and automotive industry, which were heavily affected in 2020. These sectors are major drivers for chemical demand, and their recovery would have been even quicker but for the supply chain crisis in 2021. The recovery was strong across the globe, with advanced economies recording GDP growth of 5% and emerging markets and developing economies recording a growth of 6.5%.

The US is our biggest and most important hub for exports. However, a strong GDP growth of 5.6%, paired with domestic prices at record levels due to supply chain challenges, negatively impacted exports. Brazil, a key area in our trade, saw its GDP improve by 4.7% in 2021 and as a result, South American imports have also recovered in 2021.

Asia, the most important demand driver for chemicals, has coped better than the Western Hemisphere through the pandemic. Despite the region's strategy of imposing strict lockdowns to tackle the pandemic, in marked contrast to the Western Hemisphere's tactics, economic activity and chemical demand has remained steady. This has led to a continued improvement in chemical tanker demand and time will tell if this accelerates once lockdown measures are further relaxed. The key growth region for chemical tanker demand going forward is Asia, especially China, which recorded a GDP growth of 8.1% in 2021, followed by India. This is expected to impact chemical demand positively, but it will also affect commodity prices. The Asian region is, by and large, dependent on crude-based Naphtha feedstock. Oil prices are therefore an important consideration that will impact trade flow into Asia from low-cost producers in the US and the Middle East in the years to come, generating favorable conditions for an uptick in chemical tanker tonne-mile demand.

As for the tanker markets in general, 2021 was, overall, a challenging year for chemical tankers, although as history has shown, it was far less volatile and depressed than for crude and product tankers. We find it encouraging that the chemical tanker market improved towards the end of the year and showed that it can, to some extent, de-couple from soft crude and product tanker markets. Beyond the risks and opportunities related to Covid-19, the crude and CPP tanker markets are expected to benefit from positive underlying fundamentals with an upcoming restocking cycle, a low orderbook, and limited fleet growth in the years to come.

For chemical tanker demand, preliminary figures report a growth of 5.2% in 2021, compared to a fleet growth of 1.8%. Tonne-mile demand is forecast to grow fast in 2022, according to Odfjell's research department, and lead to a tonne-mile demand growth of 4.3%. For the next three years, chemical tanker demand is expected to average 4% per year, versus a net fleet growth of 1% per year. Because of this, fleet utilization for the chemical tanker fleet is expected to surpass 90%, an indicator for a stronger cycle in the coming years. We expect that the IMO regulations on EEXI/CII will force a significant part of the global fleet to reduce speed/speed capacity to comply with regulations. This will reduce supply side as ships will spend longer time on the voyages.

Company strategy and prospects

Odfjell strives to provide safe, efficient, and cost-effective chemical tanker and tank terminal services to our customers worldwide. Cooperation between our shipping activities and our tank terminals offers operational and commercial benefits. In addition, the tank terminals have generally proven to be a stabilizing factor in our overall financial performance over time, as earnings from this area are less volatile compared to earnings from our shipping activities.

2021 was another challenging and unpredictable year for Odfjell. Already impacted by the Covid-19 pandemic, we are now facing an unreliable global supply situation, after several years of high fleet growth. Ordering of new chemical tankers has drastically fallen over the last few years, and the chemical tanker orderbook is now at 6.7% of current fleet, which is considered low from a historical perspective. Consequently, we expect the supply/demand imbalance to continue to improve in the near-term. New environmental regulations will require new propulsion systems and designs, which may discourage the shipping industry from making large orders for vessels running on conventional fossil fuels in the coming years. Moreover, tighter environmental regulation, louder calls to decarbonize from investors, cargo owners, banks and insurers alike, higher steel and newbuild prices, and rising financing costs are all curbing fleet renewal initiatives.

Our strategy, best summed up as 'Capturing the short term and de-risking and taking advantage of the long term', is about being ready to exploit the expected upswing in our markets, but future-proofing our business should the short term disappoint. That means focusing on energy transition and sustainability, building financial strength and bolstering the resilience of the organization. We have six long-term goals embedded in our strategy that we strive to achieve:

- **Safety.** Industry-leading safety record with a zero-incident target
- **Cash flow.** Positive cash flow across the cycles, a strong balance sheet and competitive cost of capital
- **Sustainability.** Leadership in sustainability, which we use to our advantage
- **Talent.** To be an organization that attracts, develops, and retains the best talent in the industry
- **Market leadership.** A clear market leadership position in Chemical Tankers
- **A growing terminal business.** A growing terminal business that should, in time, return to be no less than 1/3 of our business portfolio

World GDP growth, one of the main factors affecting overall chemical tanker demand, is expected to strengthen considerably after the pandemic, driven by large policy stimuli and energetic commercial activity to rebuild economies around the world. The outlook for the next 12 to 18 months is generally positive, as the supply side is manageable, and demand has recovered strongly, in line with expectations. Risks that could hamper a recovery would be negative impact on the world economy from Russia's war against Ukraine, a continued weak CPP market, a further influx of swing tonnage, and a slower economic recovery from the pandemic than currently expected. Increasing inflation, and corresponding hikes in interest rates, is also a growing concern.

Not long after the Covid-19 infection had begun to recede in most Western affluent countries, a new tragedy arose in the form of a devastating war on European soil. While the outcome is currently unknown, it is clear that the war Russia initiated against Ukraine will have severe ramifications on the world.

Apart from endangering peace in Europe and resulting in the tragic loss of human life, the war has sent shockwaves across the global financial markets. The shipping sector is no exception, as it is intertwined with most aspects of the worldwide economy. Odfjell has a limited presence in the areas immediately affected by the current war, and we have observed limited direct consequences thus far. We are actively monitoring the situation and implementing the measures required to minimize the adverse impact on our employees, operations, and financial results. Our top priority is to ensure the safety and well-being of our crew, vessels, and cargo.

Our hearts and thoughts go out to the people who have been affected by this devastating event, and we hope for a quick and peaceful resolution to the current conflict. While it is highly uncertain how this will develop in the coming months, the war will undoubtedly impact us all for some time to come.

Other main risks relate to enduring competitive markets in 2022, fuel cost, and growing protectionism on intercontinental trade and cooperation. Increased geopolitical threats could potentially add further risk to all shipping segments, including chemical tankers. However, longer term, we believe that the chemical tanker market is fairly healthy, and we believe that the continued growth in chemical tanker tonne-mile demand throughout the pandemic is a strong testament to the sustainability of our business model.

Going forward, the shipping business, both general shipping and chemical tankers, will continue to face new challenges and opportunities. In 2018, the IMO outlined their initial 2050 strategy to reduce overall emissions from shipping by 50%. Odfjell is well prepared to meet stricter regulations but needs to act both in the short and long term to ensure that we stay ahead. As an integrated company, with in-house chartering, operation and ship management, Odfjell has a history of being at the forefront of the industry, and we plan to continue playing an active role in shaping our industry and staying ahead of the curve.

Today, Odfjell is the world's largest deep-sea chemical tanker operator managing the world's most energy-efficient chemical tanker fleet, with big ambitions to reduce our carbon footprint. With zero capital expenditures on fleet renewal in the next couple of years, we will continue to build financial strength so we can deleverage, reduce our cash break-even level, and get to a position where we pay dividends to shareholders throughout the shipping cycles. Longer term, we are well-positioned and have a detailed road map to meet regulations for 2030. We have set a target of operating a climate-neutral fleet by 2050 and to achieve this target we will only order vessels with zero-emission capability from 2030.

Having a leadership position in ESG and having the most energy-efficient fleet in the industry is not enough. We must continue to strive to be world-class when it comes to safety and quality performance, across the board. We must improve our performance to ensure that we maintain, and increase, our profitability levels. Our mission remains clear: our core business is handling hazardous liquids, safely and more efficiently than anyone else in the industry.

March 17, 2022, Odfjell announced that after seven years at the helm of Odfjell SE, Kristian Mørch has informed the Board of Directors that he will step down as CEO. He will continue in his current role until his successor is in place. The Board has initiated a process to identify the next CEO of the Company. Mørch has led Odfjell through seven intense years of transformation. Under his leadership, Odfjell has made significant progress and as a company, we are in a much better place today than we were in 2015. The Board would like to express our gratitude for his contributions over these years, and we value his commitment to ensuring an orderly process to find his successor.

Continuous maintenance, upgrades and quality controls ensure that Odfjell's fleet remains the safest, most energy-efficient in the industry.

Odfjell Group | Financial statements & Notes

Consolidated statement of profit or loss and other comprehensive income

(USD 1 000)	Note	2021	2020
Consolidated statement of profit or loss			
Gross revenue	4, 24, 25	1 038 367	939 060
Voyage expenses	18	(432 507)	(346 970)
Pool distribution	3	(101 063)	(79 641)
Time charter earnings		**504 797**	**512 449**
Time charter expenses	12	(20 486)	(32 689)
Operating expenses	12, 19	(191 057)	(166 165)
Gross result		**293 254**	**313 594**
Share of net result from associates and joint ventures	28	5 117	13 450
General and administrative expenses	20, 21	(59 344)	(58 740)
Other operating income	33	6 203	–
Operating result before depreciation, amortization and capital gain (loss) on non-current assets (EBITDA)		**245 230**	**268 305**
Depreciation and amortization	11, 12	(179 900)	(153 019)
Impairment of property, plant and equipment	13	(21 087)	–
Capital gain (loss) on property, plant and equipment	11	3 204	20
Operating result (EBIT)		**47 446**	**115 306**
Interest income		608	889
Interest expenses	8, 12	(75 547)	(83 238)
Other financial items	22, 23	(2 277)	(1 647)
Net financial items		**(77 216)**	**(83 996)**
Result before taxes		**(29 770)**	**31 310**
Income tax expense	9	(3 437)	(3 481)
Net result		**(33 206)**	**27 829**
Other comprehensive income			
Net other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Cash flow hedges changes in fair value	6	11 694	(23 186)
Cash flow hedges reclassified to profit or loss on realization	6	(3 394)	15 465
Share of comprehensive income on investments accounted for using equity method	28	(3 953)	5 853
Net other comprehensive income not being reclassified to profit or loss in subsequent periods:			
Net actuarial gain/(loss) on defined benefit plans		1 113	(538)
Other comprehensive income		**5 460**	**(2 406)**
Total comprehensive income		**(27 746)**	**25 423**
Total comprehensive income allocated to:			
Non-controlling interests		–	–
Equity holders of Odfjell SE		(27 746)	25 423
Earnings per share (USD) - basic/diluted	14	(0.42)	0.35

Consolidated statement of financial position

Assets as per December 31 (USD 1 000)	Note	2021	2020
Non-current assets			
Deferred tax assets	9	926	669
Real estate	11	1 230	1 498
Ships	3, 11, 13	1 392 772	1 515 109
Right of use assets	12	219 944	258 846
Office equipment and cars	11	7 690	8 206
Investments in associates and joint ventures	28	179 470	200 446
Derivative financial instruments	6	–	1 675
Net defined pension assets	10	1 644	1 805
Non-current receivables		2 747	4 756
Total non-current assets		**1 806 423**	**1 993 010**
Current assets			
Current receivables	24	117 192	92 136
Bunkers and other inventories		38 754	25 169
Derivative financial instruments	6	671	6 663
Other current financial assets	6	15 594	–
Cash and cash equivalents	17	73 477	103 111
Assets classified as held for sale	29	21 019	–
Total current assets		266 707	227 079
Total assets		**2 073 130**	**2 220 089**

Equity and liabilities as per December 31 (USD 1 000)	Note	2021	2020
Equity			
Share capital	26	29 425	29 425
Treasury shares		(2 504)	(2 546)
Share premium	26	172 388	172 388
Other equity		349 280	376 628
Total equity		**548 587**	**575 896**
Non-current liabilities			
Deferred tax liabilities	9	268	299
Pension liabilities	10	5 296	6 140
Derivative financial instruments	6	17 263	25 652
Non-current interest bearing debt	8	969 049	1 059 763
Non-current debt, right-of-use assets	8, 12	172 562	209 562
Other non-current liabilities		841	437
Total non-current liabilities		**1 165 280**	**1 301 853**
Current liabilities			
Current portion of interest bearing debt	8	169 073	178 790
Current debt, right-of-use assets	8, 12	60 732	59 649
Taxes payable	9	123	333
Derivative financial instruments	6	9 156	8 442
Other current liabilities	8, 25	120 179	95 126
Total current liabilities		**359 263**	**342 340**
Total liabilities		**1 524 543**	**1 644 193**
Total equity and liabilities		**2 073 130**	**2 220 089**
Guarantees	16	181	6 987

The Board of Directors of Odfjell SE

Bergen, March 22, 2022

Laurence Ward Odfjell
Chair

Christine Rødsæther

Åke Gregertsen

Jannicke Nilsson

Åse Aulie Michelet

Nils Petter Dyvik

Kristian Mørch
CEO

Consolidated statement of cash flow

(USD 1 000)	Note	2021	2020
Cash flow from operating activities			
Result before taxes		(29 770)	31 310
Taxes paid in the period		(4 051)	(3 639)
Depreciation, impairment and capital (gain) loss fixed assets	11, 12, 13	198 424	153 137
Change in inventory, trade debtors and creditors (increase) decrease		(10 631)	(9 511)
Share of net result from associates and joint ventures	28	(5 095)	(13 356)
Net interest expenses		74 939	82 325
Interest received		605	992
Interest paid		(73 920)	(85 265)
Effect of exchange differences and changes in unrealized derivatives		(613)	(1 287)
Other current accruals		2 731	460
Net cash flow from operating activities		**152 620**	**155 166**
Cash flow from investing activities			
Sale of ships, property, plant and equipment	11	20 440	4 113
Investment in ships, property, plant and equipment	11	(34 371)	(207 167)
Dividend received / share capital reduction in joint ventures	28	2 890	1 403
Investment in associates and joint ventures	28	—	(19 000)
Acquisition of subsidiary [1]	28	(11 739)	—
Changes in non-current receivables		2 509	6 067
Net cash flow from investing activities		**(20 271)**	**(214 584)**
Cash flow financing activities			
New interest bearing debt (net of fees paid)	8	222 102	323 111
Loans from associates and joint ventures	8	—	19 000
Repayment of interest bearing debt	8	(312 635)	(175 112)
Repayment of drawing facilities	8	(9 900)	(50 000)
Repayment of lease debt related to right of use assets	8	(60 729)	(53 920)
Net cash flow from financing activities		**(161 161)**	**63 079**
Effect on cash balance from currency exchange rate fluctuations		(821)	(1 352)
Net change in cash and cash equivalents		**(29 634)**	**2 309**
Cash and cash equivalents as per January 1		103 111	100 802
Cash and cash equivalents as per December 31	17	**73 477**	**103 111**

[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.

Consolidated statement of changes in equity

(USD 1 000)	Share capital	Treasury shares	Share premium	Translation differences	Cash flow hedge reserve	Pension remea-surement	OCI associates and joint ventures	Retained earnings	Total other equity	Total equity
Equity January 1, 2020	29 425	(2 546)	172 388	268	(13 699)	(1 260)	4 660	361 919	**351 888**	**551 156**
Other comprehensive income	—	—	—	—	(7 721)	(538)	5 853	—	**(2 406)**	**(2 406)**
Net result	—	—	—	—	—	—	—	27 829	**27 829**	**27 829**
Total comprehensive income	**—**	**—**	**—**	**—**	**(7 721)**	**(538)**	**5 853**	**27 829**	**25 423**	**25 423**
Other adjustments	—	—	—	—	—	(200)	—	(483)	**(683)**	**(683)**
Equity as at Equity December 31, 2020	**29 425**	**(2 546)**	**172 388**	**268**	**(21 420)**	**(1 998)**	**10 513**	**389 265**	**376 628**	**575 896**
Equity January 1, 2021	29 425	(2 546)	172 388	268	(21 420)	(1 998)	10 513	389 265	**376 628**	**575 896**
Other comprehensive income	—	—	—	—	8 300	1 113	(3 952)	—	**5 460**	**5 460**
Net result	—	—	—	—	—	—	—	(33 206)	**(33 206)**	**(33 206)**
Total comprehensive income	**—**	**—**	**—**	**—**	**8 300**	**1 113**	**(3 952)**	**(33 206)**	**(27 746)**	**(27 746)**
Sale of treasury shares	—	42	—	—	—	—	—	395	**395**	**437**
Equity December 31, 2021	**29 425**	**(2 504)**	**172 388**	**268**	**(13 120)**	**(885)**	**6 561**	**356 454**	**349 278**	**548 587**

Notes to the Financial statement

Note 1
Corporate information

Odfjell SE, Conrad Mohrs veg 29, Bergen, Norway, is the ultimate parent company of the Odfjell Group. Odfjell SE is a public limited company traded on the Oslo Stock Exchange with the tickers ODF and ODFB. The consolidated financial statement of Odfjell for the year ended December 31, 2021 was authorized for issue in accordance with a resolution of the Board of Directors on March 22, 2022. The Odfjell Group includes Odfjell SE, subsidiaries incorporated in several countries (see note 27 for an overview of consolidated companies), and our share of investments in joint ventures (see note 28).

Odfjell is a leading company in the global market for transportation and storage of bulk liquid chemicals, acids, edible oils and other specialty products. Through its various subsidiaries and joint ventures, Odfjell owns and operates chemical tankers and tank terminals. The principal activities of the Group are described in note 4.

Unless otherwise specified, the 'Company', 'Group', 'Odfjell' and 'we' refer to Odfjell SE and its consolidated companies.

Note 2
Summary of significant accounting principles

2.1 Basis for preparation

The Odfjell Group has prepared its consolidated financial statements according to International Financial Reporting Standards (IFRS) approved by the EU. The consolidated financial statements have been prepared on a historical cost basis, except for derivatives which are measured at fair value.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.2 Changes in accounting principles

The following new standards and amendments became effective as at January 1, 2021:

- Amendments to IFRS 7, IFRS 9 and IAS 39 Interest rate benchmark reform phase 2
- Amendments to IFRS 16 Covid-19 related rent concessions beyond 30 June 2021 Amendments to IFRS 16

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that the reforms should not generally cause the hedge accounting to terminate.

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022.The amendment applies to annual reporting periods beginning on or after 1 April 2021. However, the Group has not received Covid-19-related rent concessions, but may apply the practical expedient if it becomes applicable within allowed period of application.

Standard issued but not yet effective
The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. Only changes to existing standards and new standards regarded as relevant for the Group is commented.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current
In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgments to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.

Amendments to other standards for which the Group does not believe the amendments will have material impact on the financial statements:

- IFRS 17 Insurance Contracts (standard not applicable for the Group)
- Reference to the Conceptual Framework – Amendments to IFRS 3 (amendments effective for annual reporting periods beginning on or after 1 January 2022)
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 (amendments effective for annual reporting periods beginning on or after 1 January 2022)
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37 (amendments effective for annual reporting periods beginning on or after 1 January 2022)
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter (amendments effective for annual reporting periods beginning on or after 1 January 2022)
- IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities (amendments effective for annual reporting periods beginning on or after 1 January 2022)
- Definition of Accounting Estimates - Amendments to IAS 8 (amendments effective for annual reporting periods beginning on or after 1 January 2023)

2.3 Revenues from contract with customers

Revenue from contracts with customers is recognized when control of the services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the services before transferring them to the customer.

Freight revenue from transportation of liquids by sea
The Group recognizes revenue from rendering of transportation services over time, because the customer simultaneously receives and consumes the benefits provided by the Group. The Group recognizes freight revenue over time from load port to discharge port by measuring the progress towards complete satisfaction of the services. Number of days sailed from load port compared to total estimated days until discharge port is used as a measure of progress. The method applied is the one that most faithfully depicts our progress towards complete satisfaction of the performance obligation.

Variable consideration
If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the service to the customer. The variable consideration is estimated at contract inception or when changes in circumstances occur and is recognized as revenue if it is highly probable that there will not be a significant reversal of revenue in a future period. The Group is estimating demurrage revenue as a variable consideration when delays occur and the vessel is prevented from loading or discharging cargo within the stipulated lay time. The variable consideration based on contracted price terms and estimated excess time taken to discharge or load are being recognized as part of the freight service revenue over time for the remaining voyage (from the delay occur to the discharge port).

Contract balances
Contract assets: A contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract assets are recognized revenue for freight services partly satisfied from voyages that have commenced but are not completed and invoices that have not been issued as per December 31. Contract assets are reclassified to receivables from contracts with customers once the freight service is being invoiced to the customer, at the latest when the voyage is completed. Contract assets include variable consideration only when it is highly probable there will be no significant reversal at a later date when the uncertainty related to the variable payment is resolved.

Trade receivables: A receivable represents the Group's right to an amount of consideration that is unconditional.

Contract liabilities: A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Group fulfills the performance obligation (s) under the contract.

Cost to obtain a contract
The Group has elected to apply the optional practical expedient for costs to obtain a contract, e.g. broker commissions, which allows the Group to immediately expense such costs when the related revenue is expected to be recognized within one year.

External pool vessels
Odfjell operates pools of ships delivering freight services to customers and external ships participate in the pools. Under IFRS 15, Odfjell acts as a principal for the external ships in the pool since the freight service delivered to the customer is controlled by Odfjell. Revenues generated by external ships in the pool are therefore recognized as gross revenue in the income statement.

2.4 Segments

Operating segments are reported in the manner consistent with the internal financial reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Board and Executive Management which makes the strategic decisions. In the internal reporting, the proportionate consolidation method is used for the Group's share of investments in joint ventures and associates. The proportionate consolidation method means that we include the Group's share of revenue and expenses in addition to our share of assets and liabilities. In the consolidated financial statements, investments in joint ventures and associates are accounted for according to the equity method. Transactions between the individual business areas are priced at market terms and are proportionately eliminated in the consolidated accounts.

2.5 Property, plant and equipment

Property, plant and equipment – including ships, newbuilding contracts, real estate, office equipment and cars - are measured at historical cost, which includes purchase price, capitalized interest and other expenses directly related to the assets. The carrying value of property, plant and equipment represents the cost less accumulated depreciation and any impairment charges. Newbuilding contracts include payments made under the contracts, capitalized loan interest and other costs directly associated with the newbuilding and are not depreciated until the asset is available for use.

The investment is depreciated over the remaining useful life of the asset. We estimate residual value at the estimated time of disposal of assets, which is generally at the end of their useful life. To assess the residual value of ships we use the current estimated recycling value. The residual value for ships is estimated by distributing the total lightweight of the ships in a stainless steel part and a carbon steel part. Steel are estimated to the market value of steel at year-end. Stainless steel is valued at 10% of the quoted nickel price at London Metal Exchange at the balance sheet date. The residual values are measured on a yearly basis and any changes have an effect on future depreciation.

Each component of property, plant and equipment that is significant to the total cost of the item is depreciated separately. The Company allocates the amount initially recognized in respect of an item of property, plant and equipment to its significant components and depreciates separately each such component over their useful lives. The carrying amount of ships is split into two components, ships and periodic maintenance.

Day-to-day repairs and maintenance costs are charged to the income statement in the period they are incurred. The cost of major renovations and periodic maintenance is included in the asset's carrying amount. At the time of investing in a ship a portion of the purchase price is defined as periodic maintenance, and this component is depreciated over the period until the next periodic maintenance. Expected useful lives of property, plant and equipment are reviewed at each balance sheet date, and where they differ significantly from previous estimates, depreciation are adjusted accordingly. Changes are valid as from the dates of estimate changes.

Capital gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the operating result. When the carrying amount of a property, plant and equipment will be recovered principally through a sale transaction rather than through continued use they are reported at the lower of the carrying amount and the fair value less selling costs.

Property, plant and equipment are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

Impairment of property, plant and equipment
The carrying amount of the Group's tangible assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated in order to determine the extent of any impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Assets held for sale are excluded from the cash generating units and are assessed separately for impairment.

The recoverable amount is the highest of the fair market value of the asset, less cost to sell, and value in use. The value in use is the net present value of future estimated cash flow from the employment of the asset. The net present value is calculated using the weighted average cost of capital as discount rate. If the recoverable amount is lower than the book value, impairment has occurred and the asset shall be revalued. Impairment losses are recognized in income statement.

Impairment losses recognized in the income statement for previous periods are reversed when there is information that the basis for the impairment loss no longer exists. This reversal is classified in the income statement as an impairment reversal. The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

2.6 Leasing

To a large extent, the Group leasing activity relates to ships where Odfjell is the lessee. The leasing contract are either bareboat or time charter parties. They are typically made for fixed periods of 1 year to 10 years. Lease payments are normally fixed for the whole lease period.The Group also leases offices in various areas. Most charter contracts entitle the Group to either extend the lease period and/or to purchase the asset after a certain period.

Bareboat lease contracts relates to the lease of a specific ship, while time charter contracts include the lease of the specific ship and in addition a non-lease component (crew and maintenance; operating expense). We have separated the non-lease component by estimating the operating expense based on internal and external sources (benchmark of ships on external management) for ships of similar classes as ships on time charter contracts. Therefore, only payments for the bareboat element are included when estimating the lease liability.

The existence of extension options and option to purchase the ships are used to maximize operational flexibility and to reduce residual value risks associated with legal ownership. The extension and purchase options are exercisable only by Odfjell. Consideration payable for extension or purchasing the underlying ship are included when estimating the lease payments and lease term only to the extent it is reasonably certain that Odfjell will exercise its options. A significant part of the leased assets relates to ships where the minimum lease term is up to 8-10 years. The likelihood of exercising options is made at commencement date, the date when the underlying asset is made available to Odfjell.

If significant circumstances change as a consequence of significant events within the control of the Group, the likelihood of exercising the options is reassessed. Such event could be that one or more of the leased ships are needed to fulfill the Group's contracts obligations towards customers. Refer to note 3 for further information on the assessment of lease terms and options.

Leases are recognized as a right of use of assets and a corresponding liability at the date which the leased asset is available for use by Odfjell. Assets and liabilities are measured on a present value basis. The discount rate used is the lessee's incremental borrowing rate. The incremental borrowing rate is the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions. Lease liabilities include the net present value of the bareboat element.

Right of use assets are measured at cost comprising the amount initial measurement of the lease liability and direct external cost associated with negotiation of the lease contract.

For right of use assets where Odfjell is obliged to ensure dry-docking, we estimate the expense for the first dry-docking, separate this from the right of use asset and depreciate the estimated dry-docking over the period from the commencement of the lease until the estimated time of dry-docking. Once the dry-docking has taken place, the Group capitalizes these expenses and depreciate over the shorter period until the next scheduled dry-docking or the remaining lease term.

The non-lease element, deducted from nominal lease payments when calculating the net present value of the lease liability, is charged to the income statement classified as 'Operating expenses'.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period producing a constant periodic rate of interest on the remaining balance of the liability each period.

Payments associated with short term leases of ships, other equipment and all leases of low value assets are recognized on a straight line basis as an expense in the income statement. Assets regarded as low value assets are equipment which need electricity to operate (e.g. copy machine, coffee machine). Short term leases of ships are classified as 'time charter expenses' in the Group's income statement. Other short term leases and leases of low value assets are classified as 'General and administrative expenses'.

Short term leases are those where the lease term are 12 months or less. Options to extend the lease term are included in assessment of the lease term once the extension is agreed.

The Group regularly enters into sale-leaseback transactions related to ships. For these transactions, the Group evaluates whether the transfer of the asset satisfies the requirements of IFRS 15 to account for the transfer as a sale. For transactions where the Group retains control of the asset, and obtains substantially all of the remaining benefits based on the length of the lease and/or rights to purchase the asset through options, the transaction is accounted for as a financial arrangement in accordance with IFRS 9.

For transactions which meet the criteria as a sale and leaseback and the leaseback exceeds 12 months, the asset is derecognized and the Group recognizes a right-of-use asset equal to a proportion of the previous carrying amount consistent with the right of use retained in the transaction. Gain from such sale is calculated as the proportion of the rights transferred to the buyer. For leaseback where the lease term is less than 12 months, no right of use asset is recognized and the whole gain from the sale is recognized in the income statement.

The Odfjell Group is acting as pool manager for pools with external pool participants. The lease payments to external pool participants are entirely variable and therefore not included when calculating the lease liability. The variable lease payment, less management fee to pool manager, is charged to income statement as 'pool distributions'.

2.7 Consolidation

The consolidated statements consist of Odfjell SE and its subsidiaries as at December 31 each year. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtained control, and continues to be consolidated until the date that such control ceases. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights results in control, but the Group considers all facts and circumstances when assessing whether it has power over the investee.

Identified excess values have been allocated to those assets and liabilities to which the value relates. Fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the exchange rate at the balance sheet date. Excess values are depreciated over the estimated useful lives for the relevant asset and liabilities.

Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

2.8 Investment in joint ventures and associates

A joint venture is a type of joint arrangement whereby the parties that have joint control have the right to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of the arrangement, which exists only when decisions about relevant activities require unanimous consent of the parties sharing control.

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in joint ventures and associates are accounted for by using the equity method. Under this method, the investment is initially recognized at cost. Goodwill relating the associate or joint venture is included in the carrying amount of the investment and not tested for impairment individually. The income statement reflects the Group's share of the net result after tax of the associate or joint venture. Any depreciation or amortization of the Group's excess values, net of deferred tax, are included in the net result from the joint ventures.

Any change in other comprehensive income of the associate or joint venture is presented separately in the Group's other comprehensive income.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting principles in line with those of the Group.

Impairment of joint ventures and associates
The Group determines whether it is necessary to recognize an impairment loss on its investments in joint ventures or associates. At each reporting date, the Group determines whether there is objective evidence that the investments are impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount and the carrying amount of the investment. Any impairment loss is recognized as 'share of profit or loss from joint venture and associates'. The recoverable amount is the higher of value in use and fair value less cost to sell. The entire carrying amount of the investments are tested for impairment as one single asset.

2.9 Currency

The consolidated financial statements are presented in USD as the Group operates in an international market where the functional currency is mainly USD. The functional currency of the parent company is USD.

Transactions in non-USD currency are recorded at the exchange rate on the date of the transaction. Receivables and liabilities in non-USD currencies are translated at the exchange rate on the balance sheet date. All exchange rate differences are taken to the Income statement.

The balance sheet of foreign subsidiaries with functional currency other than USD is translated at the rate applicable on the balance sheet date, while the income statement is translated using the monthly average exchange rate for the accounting period. Exchange rate differences that arise as a result of this are included as exchange rate differences in other comprehensive income. When a foreign subsidiary is sold, the accumulated translation adjustment related to that subsidiary is taken to the income statement.

2.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Recognition and derecognition
Financial assets and liabilities are recognized in the statement of financial position at the date the Group becomes a party to the contractual provisions of the financial instruments. Financial instruments are recognized at fair value, which normally equals their transaction price. Trade receivables are measured at transaction price. Transaction costs are recognized in profit or loss, with the exception of transaction costs related to financial instruments measured at amortized cost or fair value through OCI where transaction costs adjust the instruments carrying amount and are amortized over the expected life of the instruments.

A financial asset is derecognized when the right to receive and retain cash flows from the asset has expired, or when the rights to receive the cash flows from the financial asset and substantially all the risks and rewards from ownership of the financial asset has been transferred. A financial liability is derecognized when it is extinguished, i.e. when the financial liability is discharged, canceled or expires.

Classification and measurement
Financial assets are measured at amortized cost if their contractual cash flows are solely payment of principal and interest on the principal amount outstanding, and they are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. All financial assets of the Group that are not derivatives or equity instruments meet these conditions and are measured at amortized cost. Derivatives and equity instruments are measured at fair value through profit or loss, with the exception of derivative instruments that are designated as hedging instruments in qualifying hedging relationships.

The Odfjell Group has the following financial assets; loan to associates and joint ventures, trade receivables (included in current receivables), derivative financial instruments and cash and cash equivalents.

Financial liabilities are accounted for at amortized cost, unless they are held for trading, designated at fair value through profit or loss or are derivatives. Financial liabilities of the Group are measured at amortized cost, with the exception of derivatives which are either measured at fair value through profit or loss or are designated as hedging instruments in qualifying hedging relationships.

The Odfjell Group has the following financial liabilities; Long and short term interest bearing debt, trade and other payables (included in 'other current liabilities' in the statement of financial position) and derivative financial instruments.

Impairment
Impairments are recognized based on a three-step model, where assets are classified in step 1 at initial recognition and in subsequent periods if the credit risk of the assets has not increased significantly after initial recognition. Impairment losses for assets classified in step 1 is measured as the 12-months expected credit loss. If the credit risk has increased significantly after initial recognition, the financial assets shall be classified in step 2 or 3, and expected credit loss is measured at lifetime expected credit loss. When estimating expected credit loss, the Group takes into consideration historical loss experience, information about current conditions and expectations for future developments.

A simplified impairment model applies for trade receivables, where impairment losses are measured at lifetime expected credit loss irrespective of whether credit risk has increased significantly or not.

Derivative financial instruments and hedge accounting
The Group uses derivative financial instruments to hedge interest rates, foreign currency risk and commodity price risk (bunkers). Derivative financial instruments are forward currency contracts, interest rate swaps and forward commodity contracts. Such derivative financial instruments are initially recognized at fair value on the date on which the contract is entered into and are subsequently remeasured at fair value. Derivatives are recognized as assets if the fair value is positive and as a liability when the fair value is negative.

For the purpose of hedge accounting, the derivatives are classified as cash flow hedges and hedges highly probable future cash flows. Forward currency contracts hedges future highly probable cash outflows in NOK and forward commodity contracts hedges highly probable future purchase of bunkers nominated in USD. Interest rate swaps hedges future interest payments.

At the inception of the hedging relationship, the Group formally designates and documents the hedge relationship aligned with the risk management objective and hedging strategy.

Until the highly probable future transaction occurs, the effective portion of the gain or loss on the hedging instrument is recognized in other comprehensive income in the cash flow hedge reserve. Any ineffective portion is recognized in the income statement immediately as other financial items. The amount accumulated in the cash flow reserve is reclassified to profit and loss as an adjustment in the same period as the hedged cash flow affect profit and loss. In the income statement, adjustments related to forward commodity contracts are included in the line voyage expense. The adjustments related to forward currency contracts are recognized in operating expenses and general and administrative expenses. Adjustments associated with interest rate swaps are included as interest expense.

Derivative financial contracts used as hedging instruments are classified as current assets or current liabilities if they mature within 12 months after the balance sheet date. Derivative financial contracts maturing more than 12 months after the balance sheet date are classified as non current assets or non current liabilities.

2.11 Inventories

Bunkers, spare parts and consumables are accounted for at purchase price, on a first-in, first-out basis.

Inventories are measured at the lower of cost and net realizable value. If inventory is written down to net realizable value, the write down is charged to the income statement.

2.12 Cash and cash equivalents

The cash flow statement is prepared using the indirect method. Cash and cash equivalents include cash in hand and in bank, deposits held at call with banks and other short-term highly liquid investments with maturities of three months or less from the date of acquisition.

The amount of cash and cash equivalents in the cash flow statement does not include available credit facilities.

2.13 Equity

Paid in equity
(i) Share capital
Ordinary shares (A- and B-shares) are classified as equity. The paid in equity equals the nominal value per share.

(ii) Treasury shares
Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are canceled or reissued.

When such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(iii) Share premium
The excess value of the total paid-in-capital is not reflected in the nominal value of the shares. Transaction costs of an equity transaction are accounted for as a deduction in share premium, net of any related income tax benefit.

Other equity
(i) Translation differences
Translation differences arise in connection with currency differences when foreign entities, joint ventures and associates are consolidated. When a foreign operation is sold, the accumulated translation differences linked to the entity are reversed and recognized in profit or loss in the same period as the gain or loss on the sale is recognized.

(ii) Cash flow hedge reserve
The cash flow hedge reserve includes the total net unrealized change in the fair value of the cash flow hedge derivatives. When the hedged cash flow matures or is no longer expected to occur, the net change in fair value is transferred to the income statement.

(iii) Retained earnings
The net result attributable to and available for distribution to the shareholders. Dividends are recorded as a deduction to Other equity in the period in which they are approved by the shareholders.

(iv) Pension remeasurement
The Group holds some minor defined benefit plans. Remeasurement of these defined pension obligations as a consequence of changes in assumptions, are recognized directly in equity.

(v) Other comprehensive income from associates and joint ventures
Our share of items charged directly to equity in associates and joint ventures are charged directly to Odfjell's equity as classified into this sub item of the equity.

2.14 Taxes

The shipping activities are operated in several countries and under different tax schemes, including the ordinary tax system in Norway, the Norwegian shipping tax system and the Approved International Shipping system in Singapore. In addition, we operate under local tax systems, most importantly in Brazil. The Group's taxes include taxes of Group companies based on taxable profit for the relevant financial period, together with tax adjustments for previous periods and any change in deferred taxes. Withholding tax on dividend received and withholding tax on capital gains are classified as income tax. Tax credits arising from subsidiaries' distribution of dividends are deducted from tax expenses.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available to offset the temporary differences. We recognize formerly unrecognized deferred tax assets to the extent that it has become probable that we can utilize the deferred tax asset. Similarly, the Company will reduce its deferred tax assets to the extent that it no longer can utilize these.

Deferred tax and deferred tax assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the relevant tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax and deferred tax assets are recognized irrespective of when the differences will be reversed. Deferred tax and deferred tax assets are recognized at their nominal value and are classified as non-current liabilities (non-current assets) in the balance sheet.

Companies taxed under special shipping tax systems will generally not be taxed on the basis of their net operating profit. A portion of net financial income and other non-shipping activities are normally taxed at the ordinary applicable tax rate. Taxation under shipping tax regimes requires compliance with certain requirements, and breach of such requirements may lead to a forced exit of the regime. Tax payable and deferred taxes are recognized directly in equity to the extent that they relate to factors that are recognized directly in equity.

2.15 Borrowing cost

General and specific borrowing costs directly attributable to the acquisition, construction and production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

2.16 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation. Provisions are based on best estimates. Provisions are reviewed on each balance sheet date and reflect the best estimate of the liability. If the effect of the time value of money is material, normally more than twelve months, provisions are discounted using a current pre tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

2.17 Pension cost and liabilities

The Group operates a number of pension plans in accordance with the local conditions and practices in the countries in which it operates. Such pension plans are defined benefit plans or contribution plans according to the customary pension plans prevailing in the country concerned.

Defined benefit pension plans are pension plans with retirement, disability and termination income benefits. The retirement income benefits are generally a function of years of employment and final salary with the Company. Generally, the schemes are funded through payments to insurance companies. The liability in respect of defined benefit pension plans is the present value of the accumulated defined benefit obligation at the balance sheet date less the fair value of plan assets. The net pension liability is calculated based on assumptions with regards to interest rates, future salary adjustments etc. These assumptions are based on historical experience and current market conditions. The cost of providing pensions is charged to income statement so as to spread the regular cost over the vesting period of the employees. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income.

For defined contribution plans, contributions are paid to pension insurance plans. Once the contributions have been paid, there are no further payment obligations. Contributions to defined contribution plans are charged to the income statement in the period to which the contributions relate.

2.18 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the year.

2.19 Comparatives

Comparative figures have been reclassified to conform to changes in presentation in the current year when there are changes in accounting principles, corrections of errors or operations defined as discontinued.

2.20 Related parties

In the normal course of the conduct of its business, the Group enters into a number of transactions with related parties. The Company considers these arrangements to be on reasonable market terms.

2.21 Classification in the financial statement

Odfjell has used a classification based on a combination of nature and function in the income statement.

Note 3
Critical accounting judgment and key sources of estimation uncertainties

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving higher degree and judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are:

Revenue from contract with customers
The Group applied the following judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers:

(i) Timing of freight revenue
The Group generates its revenue from contract with customers from the transportation of liquids by sea. After commencement of a sea voyage, estimated revenue is recognized and prorated over time from a cargo is loaded to the estimated time of discharge. Estimated revenue and time from load to discharge is being updated as the voyage processes to include most recent data, and changes in estimates will impact revenue and contract balances. See note 24 and note 25 for information about contract balances.

(ii) Variable consideration - demurrage
The Group is estimating demurrage revenue as a variable consideration when delays occur and the vessel is prevented from loading or discharging cargo within the stipulated lay time. The variable consideration based on contracted price terms and estimated excess time taken to discharge or load are being recognized as part of the freight service revenue over time for the remaining voyage (from the delay occur to the discharge port). Changes in estimates related to demurrage will impact revenue and contract balances.

(iii) Principal versus agent considerations
Odfjell operates pools of ships delivering freight services to customers and external ships participate in the pools. The Group determined that it does act as a principal, not as an agent, for those external ships in the pool since the operations of the external vessels and the freight service delivered to the customer is controlled by Odfjell. Revenues generated by external ships in the pool are therefore recognized as gross revenue in the income statement.

If some vessels have been on commercial management with Odfjell (prior to entering into pool participation agreements), the Group determines that it does act as an agent, not a principal, for the ships on commercial management since Odfjell does not have the risk or ability to direct and control the freight services provided by these ships. Revenues generated by ships on commercial management are therefore not recognized as gross revenue in the income statement.

Climate and regulatory risk
In preparing the financial statements, the Group has considered the impact of regulatory changes in particular in the context of climate change risks. The considerations did not impact our judgements and estimates in the current year. When preparing financial statements medium and longer term cash flow impact of climate risks are also considered.

The most important key assumptions and sources of uncertainties identified are:
- Useful life of vessels
- Residual value of vessels
- The cash inflows from continuing use of the Group's vessels when assessing the recoverable amount

In the sections 'Depreciation and residual value of ships' and 'Estimation of useful life of vessels' we have described our assessment of the useful life of vessels and recycling values and consequences if our assessments are wrong. When assessing residual value of vessels we assume that the vessel are recycled according to prevailing regulatory requirements and at the location where the best recycling price is achieved.

The established remaining useful life of vessels are used as basis for the time period over which we consider cash flows from our vessels when assessing the recoverable amount, see note 13 of impairment assessment.

Depreciation and residual value of ships
Ships are recognized at historical cost less accumulated depreciation and any impairment charges. The cost of the ships includes the contract price, expenses related to site team and pre-delivery borrowings incurred. The cost less residual value is depreciated on a straight-line basis over the ships' estimated useful life.

The cost of the ships is divided into separate components for depreciation purposes. Estimated cost of first time dry-docking is deducted from the cost of the ship and depreciated separately over a period until the next dry-docking. The residual value of these the dry-docking components is zero.

Residual value is estimated based upon the latest available steel price/stainless steel price and the lightweight of the ships. Stainless steel part of the lightweight of the ships is separately assessed and valued as part of the total residual value. Residual values are updated once a year.

Estimated useful life of the ships is 25-30 years. Estimated cost of dry-docking is depreciated over an estimated period of 5 years for ships not older than 15 years. Capitalized dry-docking for ships older than 15 years are depreciated over 2.5 years. If actual useful life of the ships differs from estimated useful life, an impairment loss could occur.

If residual value is incorrect, the future depreciation would be affected, either as a reduction if residual value is understated or as an increase in depreciation if residual value is overstated.

Estimation of useful life of vessels
The useful life of the Group's owned vessels is the

expected economic life of the vessels. Economic life is the period over which it is economically profitable to use the vessel. Wear and tear, technical and commercial obsolescence and environmental requirements are factors affecting the assessment of the useful life.

Over the last years, fuel efficiency initiatives have improved the fuel efficiency and also made the vessels more competitive than the industry at large. Internal assessments show that owned vessels will, over their remaining useful life, be compliant with current IMO requirement of carbon emission reductions (40% reduction within 2030 compared to 2008 levels).

Investments due to new environmental requirements and periodic dry-dockings are conducted to comply with requirements from various stakeholders.

The Odfjell Group has applied 25-30 years as estimated useful life of its owned vessels consistently over the years.

If useful life is shortened, the annual depreciation will increase and value in use calculated when testing assets for impairment would be reduced.

Determination of the lease term for right of use assets
In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Extension options and / or purchase options for ships are not included in the lease liability because the group could replace the ships without significant cost or business disruption. Further, future technological development increases the likelihood of not exercising the options to extend and not to exercise purchase options. Thus, it is assessed that exercising the options is not reasonably certain. The nominal amount of lease payments not included in the lease liability is included in Note 12.

Impairment test chemical tanker vessels
The chemical tanker fleet is reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of the fleet may not be recoverable. Management measures the recoverable amount of an asset or Cash Generating Unit (CGU) by comparing its carrying amount to the higher of its fair value less cost of disposal or value in use that the asset or CGU is expected to generate over its remaining useful life.

In determining fair value less cost of disposal we use indicative broker values from independent ship brokers. In assessing value in use, the estimated future cash flows are discounted to their present value using an average weighted cost of capital that reflects current market assessments.

CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. The Group has identified two CGUs within the chemical tanker segment, the deep-sea trade together with the regional South America trade, and the regional Asia trade. The Group's right-of-use assets in the Ships category are included in the deep-sea CGU. As the Odfjell vessels within each CGU are interchangeable through a logistical system / fleet scheduling and that customer contracts are not linked to a specific vessel, cash inflows are therefore dependent of this scheduling and chemical tankers vessels are seen together as a portfolio of vessels. In addition, the pool of officers and crew are used throughout the fleet. Odfjell has a strategy of a total crew composition and how the crew is dedicated to the individual vessels varies. Changing the crew between two vessels can change the net present value per vessel without any effect for the Group. Vessels will only be impaired if the total recoverable amount of the vessels within each CGU is lower than the carrying amount related to that CGU.

If an asset or CGU is considered to be impaired, impairment is recognized in an amount equal to the excess of the carrying amount of the asset or CGU over its recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable since the last impairment loss was recognized. Any reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss be recognized for the asset in prior years.

Factors that indicate impairment which trigger impairment testing may be significant decline in chemical tanker freight rates, significant decline in market values of vessels, significant underperformance compared to projected operating results, change in strategy for the business, significant negative industry or economic trends, significant loss of market share, significant unfavorable regulatory decisions. In addition, the company's market capitalization below the book value of equity would be an indicator of impairment.

The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in note 13.

Impairment test of investments in joint ventures
According to the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investments in joint ventures. At each reporting date, the Group determines whether there is objective evidence that the investments are impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount and the carrying amount of the investment. Any impairment loss is recognized in the Income Statement as 'share of profit or loss from joint venture and associates'.

The recoverable amount is the higher of value in use and fair value less cost to sell. The entire carrying amount of the investment is tested for impairment as one single asset/one cash generating unit. If the joint venture is a group itself (a joint venture sub-group), we estimate our share of the recoverable amount of the total investment in the joint venture by adding up estimated share of the fair value less cost to sell or value in use for each underlying cash generating unit in the joint venture sub-group.

We test the investment in the Tank Terminals joint ventures for impairment. We estimate the fair value less cost to sell or value in use for the investment based on adding up Odfjell's share of the estimated values for each tank terminal which represents underlying CGUs in the joint venture.

Note 4
Segment information and disaggregation of revenues

The operating segments are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Company has two reportable operating segments: Chemical Tankers and Tank Terminals.

The Chemical Tankers involve a 'round the world' service, servicing ports in Europe, North and South America, the Middle East and Asia, Australia and Africa. Our fleet composition enables us to offer both global and regional transportation.

The Tank Terminals segment offers storage of various chemical and petroleum products and is operated through joint ventures with our share owned by the subsidiary Odfjell Terminals BV. In addition, this segment plays an important operational role in our cargo consolidation program so as to reduce the time our vessels spend in ports, reduce thereby emission in port, and enable us to be one of the world leaders in combined shipping and storage services.

Pricing of services and transactions between operating segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expenses and segment results include transactions between operating gross segments. These transactions are proportionately eliminated in below operating segment data.

The Group provides geographical data for revenue and total assets, as the reliability measurement criteria cannot be met for other items. The Group's activities are mainly divided among the following regions: Europe, North and South America, the Middle East and Asia, Australia and Africa. Vessels and newbuilding contracts are not allocated to specific geographical areas as they generally trade worldwide.

The Chemical Tankers segment also includes Corporate functions for the Group. Investments in joint ventures are presented according to the proportionate consolidation method in the segment reporting, and according to the equity method in the consolidated income statement and balance sheet.

Operating segment data (according to the proportionate consolidation method):

	Chemical Tankers [1]		Tank Terminals		Eliminations		Total	
(USD mill)	2021	2020	2021	2020	2021	2020	2021	2020
Gross revenue	1 037	943	72	66	–	–	**1 110**	**1 009**
Voyage expenses	(433)	(350)	–	–	–	–	**(433)**	**(350)**
Pool distribution	(101)	(80)	–	–	–	–	**(101)**	**(80)**
Time charter expenses	(21)	(33)	–	–	–	–	**(21)**	**(33)**
Operating expenses	(191)	(168)	(28)	(25)	–	–	**(219)**	**(194)**
General and administrative expenses	(58)	(58)	(11)	(10)	–	–	**(69)**	**(68)**
Operating result before depreciation (EBITDA)	**241**	**256**	**33**	**30**	**–**	**–**	**274**	**286**
Depreciation	(116)	(96)	(23)	(21)	–	–	**(139)**	**(117)**
Depreciation, IFRS 16	(64)	(58)	(1)	–	–	–	**(64)**	**(58)**
Impairment	(21)	–	–	(1)	–	–	**(21)**	**(1)**
Capital gain/loss on fixed assets/sale of business	3	–	–	10	–	–	**3**	**10**
Operating result (EBIT)	**43**	**102**	**9**	**18**	**–**	**–**	**52**	**120**
Net finance	(77)	(85)	(4)	(4)	–	–	**(81)**	**(89)**
Income taxes	(3)	(4)	(2)	–	–		**(5)**	**(3)**
Net result	**(37)**	**14**	**4**	**14**	**–**	**–**	**(33)**	**28**
Non current assets	1 627	1 804	332	326	–	–	**1 959**	**2 130**
Cash and cash equivalents	68	99	35	39	–	–	**103**	**139**
Other current assets	172	136	14	15	–	(2)	**186**	**149**
Assets Held-for-sale	21	–	–	–	–	–	21	–
Total assets	**1 888**	**2 039**	**381**	**381**	**–**	**(2)**	**2 269**	**2 417**
Equity	384	408	165	168	–	–	**549**	**576**
Non-current interest bearing debt	969	1 060	139	136	–	–	**1 108**	**1 196**
Non-current debt, right of use assets	173	209	3	3	–	–	**176**	**212**
Other non-current liabilities	24	33	29	29	–	–	**52**	**61**
Current interest bearing debt	169	182	9	7	–	–	**178**	**189**
Current debt, right of use assets	61	56	1	–	–	–	**61**	**57**
Other current liabilities	109	92	37	38	–	(2)	**146**	**128**
Total equity and liabilities	**1 888**	**2 039**	**381**	**381**	**–**	**(2)**	**2 269**	**2 417**
Reconciliations:								
Total segment revenue	1 037	943	72	66	–	–	**1 110**	**1 009**
Segment revenue from joint ventures	–	(6)	(71)	(64)	–	–	**(71)**	**(70)**
Consolidated revenue in income statement	**1 037**	**937**	**1**	**2**	**–**	**–**	**1 038**	**939**
Total segment EBIT	43	102	9	18	–	–	**52**	**120**
Segment EBIT from joint ventures	–	–	(10)	(18)	–	–	**(10)**	**(18)**
Share of net result from joint ventures	–	–	5	14	–	–	**5**	**14**
Consolidated EBIT in income statement	**43**	**102**	**4**	**13**	**–**	**–**	**47**	**115**
Total segment asset	1 888	2 039	381	381	–	(2)	**2 269**	**2 417**
Segment asset	1	(20)	(376)	(373)	–	(5)	**(375)**	**(398)**
Investment in joint ventures	–	16	180	185	–	–	**180**	**200**
Total consolidated assets in statement of financial position	**1 889**	**2 035**	**184**	**192**	**–**	**(7)**	**2 073**	**2 220**
Total segment liabilities	1 504	1 631	216	212	(1)	(2)	**1 720**	**1 841**
Segment liability	1	(4)	(196)	(209)	–	15	**(195)**	**(198)**
Total consolidated liabilities in statement of financial position	**1 505**	**1 627**	**20**	**3**	**(1)**	**13**	**1 525**	**1 644**
Capital expenditure	**(34)**	**(207)**	**(34)**	**(20)**	**–**	**–**	**(68)**	**(227)**

[1] In the first quarter of 2021, the Group discontinued its reporting of the gas carriers segment and the two LPG/Ethylene carriers were included in the chemical tankers segment in our reporting. Both LPG/Ethylene carriers are now sold, and the Group is no longer involved in the gas carrier segment. The 2020 figures for the chemical tankers segment have been restated to include the Gas segment in accordance with IFRS 8.

Gross revenue and assets per geographical area (according to the equity method)

Shipping revenue is allocated on the basis of the area in which the cargo is loaded. Total assets are allocated to the area where the respective assets are located while ships and new building contracts are not allocated to a certain area as the ships sail on a worldwide basis.

	Gross revenue		Assets	
(USD 1 000)	2021	2020	2021	2020
North America	257 530	263 925	7 945	4 424
South America	183 584	164 869	32 041	16 532
Norway	1 131	4 261	211 818	197 505
The Netherlands	73 163	72 533	8 164	7 728
Other Europe	74 231	55 652	—	—
Middle East and Asia	384 241	305 881	16 936	17 309
Africa	61 232	60 510	4 040	2 189
Australasia	3 255	11 428	—	—
Investment in associates and joint ventures	—	—	179 470	200 446
Unallocated ships and newbuilding contracts	—	—	1 612 716	1 773 956
Total	1 038 367	939 060	2 073 130	2 220 089

Disaggregation of revenue (according to the equity method)

The Group's gross revenue (Chemical Tankers segment only) has been disaggregated and presented in the tables below:

(USD 1 000)	2021	2020
Revenue from contract with customers	1 029 674	931 024
Other revenue	8 693	8 036
Gross revenue	**1 038 367**	**939 060**
Revenue from contract with customers disaggregated by type of contract:		
Charter of Affreightment contracts	552 542	482 774
Spot contracts	477 132	448 250
Revenue from contract with customers	**1 029 674**	**931 024**

Note 5
Financial Risk Management

Financial risk management is carried out by the Group's treasury function. The Group has an active approach to managing financial risk, through systematic monitoring and management of risks related to currencies, interest rates and bunkers. Financial derivatives are used to reduce unwanted fluctuations in net result and cash flows caused by movements in currencies, interest rates and bunkers to which the Group is exposed to. Similarly, financial derivatives may be used to lock-in a target return on an investment, financing, project or contract. This may also limit the Group's upside potential from favorable movements in the same financial risks.

Derivatives may not be used for speculative arbitrage or investment purposes, and may not be leveraged.

Financial hedging instruments used are presented in note 6.

The table below shows sensitivities to the Group's net result before taxes, before and after financial derivatives and bunkers adjustment clauses (BAC), due to changes in major cost components on an annual basis. The Group applies hedge accounting for bunkers, interest rates and currency hedging.

Sensitivity analysis as per December 31, 2021:

Cost component	Net result effect before hedges and BACs	Effect of hedges and BACs	Net result effect after hedges and BACs	Impact on fair value of derivatives included in other comprehensive income	Net impact on equity including OCI [2]
Bunkers, USD 50 per tonne increase [1]	(16.5)	10.9	(5.7)	—	(5.7)
Interest rates, 1% increase	(11.4)	3.0	(8.4)	10.1	1.7
Currency, USD 10% decrease vs NOK	(6.6)	3.0	(3.6)	4.1	0.5

Sensitivity analysis as per December 31, 2020:

Cost component	Net result effect before hedges and BACs	Effect of hedges and BACs	Net result effect after hedges and BACs	Impact on fair value of derivatives included in other comprehensive income	Net impact on equity including OCI [2]
Bunkers, USD 50 per tonne increase [1]	(19.1)	10.8	(8.3)	2.3	(6.0)
Interest rates, 1% increase	(11.6)	3.8	(7.9)	13.9	6.0
Currency, USD 10% decrease vs NOK	(6.8)	3.2	(3.6)	5.2	1.6

[1] VLSFO equivalent.
[2] Sum of net result effect after hedges and BACs and impact on derivatives in the statement of financial position.

Credit risk

Credit risk includes the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by assessing the credit quality of all customers. Outstanding customer receivables and contract balances are regularly monitored, and an impairment analysis is performed at each reporting date on outstanding trade receivables and demurrage claims. The Group considers the concentration of risk with respect to trade receivables as low.

Credit risk from balances with banks and financial institutions is managed by the Group's treasury function in accordance with the Group's policy for financial risk management, deposits and placements. The Group maintains a low risk profile in its placement of surplus funds, and considers the concentration of risk with respect to financial derivatives and placements as low.

Maximum credit risk exposure is the carrying amount of derivatives and financial assets at amortized cost. See note 6 for details.

Liquidity risk

The Group's strategy is to ensure sufficient liquidity is available at all times to withstand prolonged adverse conditions in the markets where we operate. Surplus liquidity is placed in deposits, money market funds or bonds with a high credit rating. The Group also has a revolving credit facility with undrawn commitments of USD 36 million as of December 31, 2021 (USD 42 million in 2020).

Total interest-bearing debt (excluding IFRS 16 leases) as of December 31, 2021 was USD 1 138.1 million, while cash and cash equivalents amounted to USD 73.5 million, both figures exclude joint venture companies not consolidated in the Group's accounts. The equity ratio was 26.5% compared to 25.9% per December 31, 2020.

In 2021, Odfjell drew down USD 70 million on new credit facilities. Odfjell also issued the world's first sustainability-linked bond in shipping for a total of NOK 850 million and completed a tap issue in outstanding unsecured bond issue (ODF10) for a total of NOK 275 million. In total the proceeds were swapped to USD 132 million. See note 8 for information about interest-bearing debt maturities.

Currency risk

Currency risk relates mainly to the net result and cash flow from voyage related expenses, ship operating expenses, general and administrative expenses and financial expenses denominated in non-USD currencies, mainly NOK and EUR. As of December 31, 2021, approximately 46% of the estimated recurring NOK exposure in FY2022 is covered by forwards. For further information on currency exposure, see notes 6 and 23.

Bunkers risk

Bunkers is the single largest component of voyage related expenses, and the Group makes physical purchases of bunkers worldwide. A substantial part of the Group's exposure is hedged through bunkers adjustment clauses in contracts of affreightments. Bunkers consumption from contracts without bunkers adjustment clauses and spot volumes are considered for financial hedges. As of December 31, 2021, Odfjell has no financial bunkers hedges in place.

Interest rate risk

The Group uses financial interest rate derivatives, mainly interest rate swaps, to reduce the variability of interest expenses on loans that arise because of changes in the USD LIBOR. Per 31 December, 2021, interest rate payments corresponding to USD 300 million of loans has been swapped from floating to fixed rate (USD 375 million as per December 31, 2020).

Interest rate benchmark reform

The Group's interest bearing debt and interest rate swaps use USD LIBOR as benchmark. From June 30, 2023, USD LIBOR will no longer be quoted, and it will be replaced by a secured overnight funding rate (SOFR) as benchmark for USD denominated loans and derivatives.

Approximately 80% of the Group's interest bearing debt per December 31, 2021, and all of our interest rate swaps, mature after June 30, 2023, and will transition to SOFR. Some of our loan agreements already contain transition clauses and others will be amended to support the new benchmark. We have also signed up to the ISDA LIBOR transition protocol for our derivatives. The transfer is expected to be completed in batches as the year progresses, and the Group will close its first SOFR loan at the end of March 2022.

SOFR is a backward looking risk free rate that is quoted at a discount to the forward looking interbank borrowing rate that is LIBOR. A credit adjustment factor will be added to the interest rate calculation for SOFR loans and swaps, such that the total interest rate will be substantially unaffected by the transition. The benchmark reform is thus not expected to have an impact on the Group's cost of capital.

Note 6
Financial assets and financial liabilities

Assets and liabilities are classified in the Statement of Financial position sheet as follows:

Classification of assets and liabilities as at December 31, 2021:

(USD 1 000)	Other current financial assets through profit and loss	Derivatives held as hedge instrument [1]	Derivatives at fair value through profit and loss [1]	Financial assets at amortized cost	Financial liabilities at amortized cost	Non-financial assets/ liabilities	Carrying amount 2021
Assets							
Cash and cash equivalents	–	–	–	73 477	–	–	**73 477**
Other current financial assets	15 594	–	–	–	–	–	**15 594**
Derivative financial instruments	–	671	–	–	–	–	**671**
Current receivables	–	–	–	111 531	–	5 661	**117 192**
Non-current receivables	–	–	–	2 747	–	1 644	**4 391**
Other non-financial assets	–	–	–	–	–	1 861 805	**1 861 805**
Total assets	**15 594**	**671**	**–**	**187 755**	**–**	**1 869 110**	**2 073 130**
Liabilities							
Other current liabilities	–	–	–	–	50 863	69 316	**120 179**
Derivative financial instruments	–	15 648	10 771	–	–	–	**26 419**
Interest bearing debt	–	–	–	–	1 371 416	–	**1 371 416**
Other non-current liabilities	–	–	–	–	841	–	**841**
Other non-financial liabilities	–	–	–	–	–	5 687	**5 687**
Total liabilities	–	**15 648**	**10 771**	**–**	**1 423 120**	**75 003**	**1 524 543**

[1] Items measured at fair value.

Classification of assets and liabilities as at December 31, 2020:

(USD 1 000)	Derivatives held as hedge instrument [1]	Derivatives at fair value through profit and loss [1]	Financial assets at amortized cost	Financial liabilities at amortized cost	Non-financial assets/ liabilities	Carrying amount 2020
Assets						
Cash and cash	–	–	103 111	–	–	**103 111**
Derivative financial instruments	–	8 338	–	–	–	**8 338**
Current receivables	–	–	86 549	–	5 588	**92 136**
Non-current receivables	–	–	4 756	–	1 805	**6 561**
Other non-financial assets	–	–	–	–	2 009 943	**2 009 943**
Total assets	**–**	**8 338**	**194 415**	**–**	**2 017 337**	**2 220 089**
Liabilities						
Other current liabilities	–	–	–	38 547	56 579	**95 126**
Derivative financial	33 432	661	–	–	–	**34 094**
Interest bearing debt	–	–	–	1 507 764	–	**1 507 764**
Other non-current	–	–	–	437	–	**437**
Other non-financial	–	–	–	–	6 773	**6 773**
Total liabilities	**33 432**	**661**	**–**	**1 546 747**	**63 352**	**1 644 193**

[1] Items measured at fair value.

Fair value of financial instruments

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The measurement used by Odfjell is either level 1 or 2, where level 1 is quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity accesses at the measurement date, and level 2 is input other than quoted prices that are observable for the asset or liability, either directly or indirectly. For derivatives classified as level 2, fair value is calculated by using observable forward curves. For interest rate swaps, fair value is determined by the expected cash flows for the floating rate leg using the forward interest rate curve at the balance sheet date, less fixed rate payments. Currencies and commodities are determined based on the current forward rate compared to contractual rates for the same time period. For some non-derivative financial assets and liabilities, we consider carrying amount to be the best estimate of fair value due to short maturity date and valid terms, i.e. interest bearing debt except bond loans, current receivables and payables.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Derivative financial instruments are recognized in the balance sheet at the fair value at the balance sheet date. For cash and cash equivalents and current liabilities the carrying amount is considered to be a reasonable estimate of fair value of these instruments due to the short maturity date. Receivables are measured at nominal value reduced by any impairment. Carrying amount is considered to be a reasonable estimate of fair value due to short maturity date and valid terms. Fair value of bonds is calculated based on quoted market prices.

The Group's bond debt had a market value of USD 251 million as per December 31, 2021 compared to carrying amount of USD 244 million. Correspondingly market value was USD 234 million as per December 31, 2020 compared to carrying amount of USD 234 million.

	2021		2020	
(USD 1000)	Level 1	Level 2	Level 1	Level 2
Recurring fair value measurement				
Financial assets at fair value:				
Derivatives instruments - non hedging	–	671	–	8 338
Derivatives instruments - hedging	15 594	–	–	–
Financial liabilities at fair value:				
Bond debt	251 022	–	234 056	–
Derivatives instruments - non hedging	–	10 606	–	341
Derivatives instruments - hedging	–	15 648	–	33 432

Other current financial assets

In 2021, the Group received shares in BW Epic Kosan Ltd as part of the settlement for the sale of vessels Bow Gallant and Bow Guardian, for a total of USD 15.8 million. The shares are listed on Oslo Stock exchange and subsequent changes in fair value will be booked through profit or loss according to the published price quotation at the balance sheet date.

Cash flow hedging

The Group's currency, interest and bunkers exposure is long-term, visible and relatively stable. Derivatives used to hedge these expenses is usually classified as cash flow hedges and accounted for at fair value. Changes in fair value prior to maturity is accounted for under assets or liabilities and other comprehensive income. At maturity, the result of the hedging transactions is accounted for in the account to the underlying exposure e.g. voyage-, operating-, general and administrative-, or financial expenses.

Currency
Future expenses in the major non-USD currencies are estimated based on actual periodic expenses, adjusted for anticipated changes. Expected cash flows are hedged in accordance with the Group's guidelines, primarily by the use of forward exchange contracts for a period of up to two years.

Significant non-recurring exposures relating to e.g. dividends, investments or sales, can be hedged as the obligation is fixed and definite, but would typically not qualify for hedge accounting and thus be classified as non-hedging.

Bunkers
A substantial part of the Group's bunkers exposure is covered through bunkers adjustment clauses in contracts of affreightments. Bunkers consumption from contracts without bunkers adjustment clauses and spot volumes are considered for financial hedges using forward purchase contracts and options for a period of up to two years. Bunkers adjustment clauses in new contracts for larger volumes or longer contract periods can be tightened in the financial markets on a case-by-case basis.

Interest rates
The Group uses financial interest rate derivatives, mainly interest rate swaps for a period of up to ten years, to reduce the variability of interest expenses that arises because of changes in the USD LIBOR on mortgaged loans, other financial liabilities and unsecured bonds.

Fair value hedging

From time to time, the Group will issue non-USD denominated debt instruments and swap interest payments and principal back to USD if the combined cost of the debt instrument and swap is deemed lower than issuing the same in USD. These cross-currency derivatives are classified as fair value hedges and measured at market value with a corresponding offsetting change in market value of the underlying debt instrument.

Per December 31, 2021, unsecured NOK bonds of total NOK 2 156 million has been hedged to USD 252 million (NOK 2 000 million was hedged to USD 234 million as per December 21, 2020).

Non hedging

Changes in market value prior to maturity for derivatives that do not qualify for hedge accounting, and the result of the derivative transaction at maturity, are accounted for under Other financial items in the Group's net result.

The below overview reflects status of hedging and non-hedging exposure December 31, 2021 (figures in 1 000):

							Time to maturity – USD amounts			
Currency		Sold		Bought	Avg. rate	MTM 1)	<1 year	1 – 5 years	> 5 years	Total
Cash flow hedging	USD	37 334	NOK	336 250	9.01	611	27 150	10 184	—	37 334
Non hedging, NDF	USD	910				(15)	910	—	—	910

						Time to maturity – USD amounts			
Interest rates		Sold		Avg. rate	MTM1)	<1 year	1 – 5 years	> 5 years	Total
Cash flow hedging	USD	300 000		2.59%	(15 588)	—	300 000	—	300 000

						Time to maturity – USD amounts			
Cross currency interest rate swaps		Sold		Avg. rate	MTM1)	<1 year	1 – 5 years	> 5 years	Total
Fair value 2)	USD	252 015	From NOK to USD	5.91%	(10 759)	38 615	213 400	—	252 015

1) Mark to market valuation
2) Related to NOK bonds issued by Odfjell SE

The below overview reflects status of hedging and non-hedging exposure December 31, 2020 (figures in 1 000):

							Time to maturity – USD amounts			
Currency		Sold		Bought	Avg. rate	MTM 1)	<1 year	1 – 5 years	> 5 years	Total
Cash flow hedging	USD	42 556	NOK	401 250	9.43	4 308	26 017	16 539	—	42 556
		1 128	EUR	1 000	1.13	99	1 128	—	—	1 128

						Time to maturity – USD amounts			
Interest rates				Avg. rate	MTM 1)	<1 year	1 – 5 years	> 5 years	Total
Cash flow hedging	USD	375 000		2.87%	(33 432)	100 000	100 000	175 000	375 000

						Time to maturity – USD amounts			
Cross currency interest rate swaps				Avg. rate	MTM 1)	<1 year	1 – 5 years	> 5 years	Total
Fair value 2)	USD	234 357	From NOK to USD	5.83%	(661)	82 500	151 857	—	234 357

						Time to maturity – USD amounts			
Bunker				Avg. Price	MTM 1)	<1 year	1 – 5 years	> 5 years	Total
Cash flow hedging	VLSFO	38 400	tonnes	285.75	3 236	38 400	—	—	38 400
	MGO	7 200	tonnes	325.63	695	7 200	—	—	7 200

1) Mark to market valuation
2) Related to NOK bonds issued by Odfjell SE

Negative MTM value of the cross currency swaps related to the three outstanding bond loans of total USD 244.0 million (USD 234.3 million in 2020), amounts to USD 10.8 million per December 31, 2021 (USD 1.0 million in 2020). Accumulated currency gain recognized related to the same bond loans amounts to USD 11.3 million as of December 31, 2021 (USD 2.3 million as of December 31, 2020).

Derivative financial instruments recognized as assets/liabilities on the balance sheet:

(USD 1000)	2021	2020
Bunkers	—	3 931
Currency	596	4 407
Basis swaps (interest and currency)	(26 344)	(34 094)
Derivative financial instruments	**(25 748)**	**(25 756)**

Hedging reserve recognized in statement of other comprehensive income

The table below shows fluctuations in the hedging reserve in the statement of other comprehensive income from cash flow hedges (see Statement of other comprehensive income) divided between the different types of hedging contracts:

(USD 1 000)	Interest rate swaps	Currency exchange contracts	Bunker contracts	Total hedging reserve
Balance sheet as at January 1, 2020	**(13 495)**	**(204)**	**—**	**(13 699)**
Fluctuations during the period:				
-Gains/losses due to changes in fair value	(24 198)	(623)	1 635	(23 186)
-Transfer to income statement	9 932	3 236	2 296	15 465
-Transfers to investment	—	—	—	—
Balance sheet as at December 31, 2020	**(27 762)**	**2 410**	**3 932**	**(21 420)**
Fluctuations during the period:				
-Gains/losses due to changes in fair value	7 486	1 183	3 025	11 694
-Transfer to income statement	9 361	(2 981)	(9 773)	(3 393)
Balance sheet as at December 31, 2021	**(10 915)**	**612**	**(2 816)**	**(13 120)**

Note 7
Capital management

The main objective of the Group's capital management policy is to maintain healthy capital ratios and ensure sufficient availability of liquidity to support the general business and take advantage of investment opportunities. Another objective is to ensure the Group has a robust capital structure that is able to withstand prolonged adverse conditions in significant risk factors, such as long-term down-cycles in our markets and unfavorable conditions in the financial markets.

The Group manages the capital structure and makes adjustments to maintain a structure adapted to current economic conditions. In order to maintain or adjust the capital structure, the Company may adjust dividend payments, buy treasury shares, redeem shares or issue new shares.

The Group monitors its capital using the book equity ratio and available liquidity, being the sum of cash and cash equivalents and available drawing facilities, as the primary measurements. The Group's policy is to maintain an equity ratio between 30% and 40% and available liquidity of USD 150 - 200 million throughout market cycles.

(USD 1 000)	2021	2020
Equity	548 587	575 896
Total assets	2 073 130	2 220 090
Assets held for sale	21 019	—
Equity ratio (equity method)	26.5%	25.9%
Current ratio	0.7	0.7
Cash and cash equivalents	73 447	103 111
Undrawn loan facilities	**35 597**	**41 915**
Total available liquidity	**109 074**	**145 026**

For liquidity risk see note 6.

Note 8
Total debt

Total debt includes Interest bearing debt and Debt related to right of use of assets. Interest bearing debt includes mortgage loans from financial institutions, unsecured bonds and other financial liabilities. Interest rates are generally floating rate. Debts related to right-of-use of assets are fixed rate.

(USD 1 000)	Interest rate year-end 1)	2021	2020
Mortgaged loans from finance institutions	2.61%	381 178	371 838
Other financial liabilities 2)	2.92%	529 822	650 295
Unsecured bonds	6.04%	243 994	234 261
Lease liabilities, right-of-use assets	5.12%	233 294	269 211
Subtotal debt	**3.76%**	**1 388 287**	**1 525 605**
Debt transaction fees 3)		(16 871)	(17 841)
Total debt		**1 371 417**	**1 507 764**
Current portion of interest bearing debt		(169 073)	(178 790)
Current portion, right-of-use assets		(60 732)	(59 649)
Non-current total debt		**1 141 612**	**1 269 326**

1) Interest rate is the weighted average of interest rates (margin plus benchmark), excluding hedges, as per end of 2021
2) Includes debt related to sale-leaseback transactions
3) Amortized and included in interest expense

During 2021, the Group refinanced and drew down on mortgaged loans from financial institutions for a total of USD 70 million. Net financing on existing revolving credit facility amounted to USD 10 million and balloon installments totaled USD 31 million for the year. As of December 31, 2021 we had USD 36 million in undrawn loan commitments.

The Group terminated a sale-leaseback agreement of USD 69 million in 2021 and refinanced the vessels in the bank market to lower overall cost of capital. Scheduled lease payment for the year totaled USD 103 million.

In January 2021, the Group issued the world's first sustainability-linked bond in shipping and the first in the Nordic across industries for total NOK 850 million. Proceeds were swapped to USD 100 million with a weighted average interest rate of LIBOR + 6.13%. ODF08 (NOK 700 million) matured in January 2021 and was repaid in full. In November 2021, the Group completed a tap issue for total NOK 275 million in ODF10. Proceeds were swapped to USD 32 million with a weighted average interest rate of LIBOR + 5.7%. The Group also completed a buyback of NOK 269 million under its outstanding senior unsecured bond issue with maturity in June 2022 (ODF09).

The lease liability after IFRS 16 (right-of-use assets) is mainly related to time charter and bareboat agreements with tenors longer than 12 months from delivery. From January 1, 2019, the liability is recognized as part of Total debt in the Group's balance sheet. During 2021, debts related to right-of-use assets decreased with total USD 36 million. The decrease in 2021 is due to USD 56.8 million in installments, USD 39.6 million related to new and extended time charter contracts and USD 18.8 million in remeasurement. The remeasurement is due to early cancellation of a time charter contract in 2021, docking adjustments and IFRS 16 adjustments related to purchase of the remaining 50% shares in Odfjell Gas AS.

Transaction expenses from financing transactions are charged to net result over the life of the underlying debt facility using the effective interest rate method. During 2021, transaction expenses charged to the net result totaled USD 3.7 million (USD 4.2 million in 2020).

Summary of changes in total debt during 2021:

Changes in liabilities arising from financing activities	Jan 1, 2021	Cash inflows	Cash outflows	Foreign exchange movements	Changes in fair values	New leases	Other [1]	Dec 31, 2021
Current interest-bearing loans and borrowings	178 790	—	(178 790)	—	—	—	169 073	169 073
Current lease liabilities, right-of-use assets	59 649	—	(60 729)	—	—	—	61 812	60 732
Non-current interest-bearing loans and borrowing	1 059 763	222 102	(143 745)	(8 571)	—	—	(160 500)	969 049
Non-current lease liabilities, right-of-use assets	209 562	—	—	—	—	43 488	(80 488)	172 562
Derivatives	25 756	—	—	—	(8)	—	—	25 748
Total liabilities from financing activities	**1 533 520**	**222 102**	**(383 264)**	**(8 571)**	**(8)**	**43 488**	**(10 103)**	**1 397 164**
Loans from associates and joint ventures classified as other current liabilities (see note 25)	19 000	—	—	—	—	—	—	19 000
Total	**1 552 520**	**222 102**	**(383 264)**	**(8 571)**	**(8)**	**43 488**	**(10 103)**	**1 416 164**

[1] Other includes movements between non-current and current liabilities due to the passage of time, as well as remeasurement of leases due to early cancellation.

Summary of changes in total debt during 2020:

Changes in liabilities arising from financing activities	Jan 1, 2020	Cash inflows	Cash outflows	Foreign exchange movements	Changes in fair values	New leases	Other [1]	Dec 31, 2020
Current interest-bearing loans and borrowings	153 428	—	(153 428)	—	—	—	178 790	178 790
Current lease liabilities, right-of-use assets	46 263	—	(53 920)	—	—	26 930	40 376	59 649
Non-current interest-bearing loans and borrowing	978 838	323 111	(71 684)	8 286	—	—	(178 790)	1 059 763
Non-current lease liabilities, right-of-use assets	167 302	—	—	—	—	82 636	(40 376)	209 562
Derivatives	31 094	—	—	—	(5 338)	—	—	25 756
Total liabilities from financing activities	**1 376 925**	**323 111**	**(279 032)**	**8 286**	**(5 338)**	**109 566**	**—**	**1 533 520**
Loans from associates and joint ventures classified as other current liabilities (see note 25)	**—**	**19 000**	**—**	**—**		**—**	**—**	**19 000**
Total	**1 376 925**	**342 111**	**(279 032)**	**8 286**	**(5 338)**	**109 566**	**—**	**1 552 520**

[1] Other includes movements between non-current and current liabilities due to the passage of time, along with implementation effects of IFRS 16 from January 1st, 2019.

Debt agreements do not contain restrictions on the Group's dividend policy. Financial covenants are aligned across all debt agreements. The Group shall at all times maintain free liquid assets of the minimum the higher of USD 50 million and 6% of interest bearing debt (excluding debts related to rights of use of assets). The Group's leverage shall not at any time exceed 75% (excluding debts related to right-of-use of assets).

The Group was in compliance with its financial covenants throughout 2021 and 2020.

Maturity of total debt as at December 31, 2021:

(USD 1 000)	2022	2023	2024	2025	2026	2027+	Total
Mortgaged loans from financial institutions	80 617	69 986	150 216	36 154	44 206	—	**381 178**
Other financial liabilities	50 997	51 155	75 200	43 131	38 055	271 283	**529 822**
Unsecured bonds [1]	37 459	110 340	—	96 194	—	—	**243 994**
Lease liabilities, right-of-use assets	60 732	4 834	41 640	31 507	18 915	32 160	**233 294**
Subtotal debt	**229 804**	**279 821**	**267 056**	**206 986**	**101 176**	**303 443**	**1 388 287**
Estimated interest payable	58 822	60 699	56 233	45 208	40 735	20 865	**282 563**
Total debt	**288 627**	**340 520**	**323 289**	**252 195**	**141 911**	**324 308**	**1 670 850**

[1] Values excluding hedging effects from interest and currency swaps which is recognized as derivative financial instruments in the statement of financial position.

Maturity of total debt as at December 31, 2020:

(USD 1 000)	2021	2022	2023	2024	2025	2026+	Total
Mortgaged loans from financial institutions	43 555	58 102	73 095	151 904	45 182	—	**371 838**
Other financial liabilities	53 244	53 841	54 271	136 270	43 131	309 538	**650 295**
Unsecured bonds [1]	81 991	70 278	81 991	—	—	—	**234 261**
Lease liabilities, right-of-use assets	59 649	47 619	39 316	40 321	31 945	50 361	**269 211**
Subtotal debt	**238 439**	**229 841**	**248 673**	**328 494**	**120 258**	**359 900**	**1 525 605**
Estimated interest payable	61 041	53 132	48 863	45 231	23 118	52 773	**284 157**
Total debt	**299 479**	**282 972**	**297 536**	**373 726**	**143 376**	**412 672**	**1 809 752**

[1] Values excluding hedging effects from interest and currency swaps which is recognized as derivative financial instruments in the statement of financial position

The average maturity of the Group's total interest-bearing debt is 5.1 years (5.6 years in 2020). Average maturity on mortgaged loans from financial institutions is 2.6 years (3.2 years in 2020), other financial liabilities mature on average in 8.3 years (8.6 years in 2020) and unsecured bonds mature on average in 2.1 years (1.4 years in 2020).

Security for mortgaged loans from financial institutions is made through first priority vessel mortgage, Group guarantees and assignments of earnings and insurances from the relevant vessels. Other financial liabilities are secured by Group guarantees and assignment of earnings and insurances from the relevant vessels. Debts related to right-of-use of assets are generally unsecured.

The table below provides an overview of the carrying amount of vessel financing and related assets.

(USD 1 000)	2021	2020
Mortgaged loans from financial institutions	381 178	371 838
Other financial liabilities	529 822	650 295
Lease liabilities, right-of-use assets	233 294	269 211
Nominal amount preferred vessel financing	**1 144 295**	**1 291 344**
Carrying amount of assets under mortgaged loans	708 563	746 808
Carrying amount of assets under other financial liabilities	634 179	735 407
Carrying amount of right-of-use of assets	219 944	258 846
Total carrying amount of assets financed	**1 562 686**	**1 741 061**

The Group's sale-leaseback transactions, presented under 'Other financial liabilities' above, vary from 3 to 14 years from inception. In addition to the payment of hire, the Group has obligations relating to the insurance and maintenance of the relevant vessels, similar to owning the vessels. Based on the terms of the agreement, they are considered financial arrangements in accordance with IFRS 9. All sale-leasebacks have embedded purchase options to the Group.

The table below summarizes total debt by currency:

(USD 1 000)	2021	2020
USD	1 144 294	1 291 344
NOK	243 994	234 261
Debt transaction fees	(16 871)	(17 841)
Total debt	**1 371 417**	**1 507 764**

Interest expenses on total debt:

(USD 1 000)	2021	2020
Interest expense, interest bearing debt	(62 207)	(69 290)
Interest expense, right-of-use assets	(13 340)	(13 948)
Total interest expense	**(75 547)**	**(83 238)**

Note 9
Taxes

(USD 1 000)	2021	2020
Change in deferred tax, Norway – ordinary tax	–	–
Change in deferred tax, other jurisdictions	403	276
Taxes payable, other jurisdictions	(3 840)	(3 757)
Total tax income (expenses)	**(3 437)**	**(3 481)**

(USD 1 000)	2021	2020
Result before taxes	(29 770)	31 310
Tax calculated at Odfjell's statutory income tax rate 22%	6 549	(6 888)
Tax effect of:		
Income and expenses not subject to tax	(9 468)	5 683
Share of result from joint ventures and associates	1 126	2 959
Withholding tax	(97)	(103)
Non deductible expenses for tax purposes - impairment	–	–
Differences in tax rates	(506)	(388)
Deferred tax asset not recognized	794	(3 160)
Other differences	(1 835)	(1 584)
Tax income (expenses)	**(3 437)**	**(3 481)**
Effective tax rate	(5.38%)	6.06%

Specification of deferred taxes (deferred tax assets):

(USD 1 000)	2021	Change in temporary differences	2020
Pensions	1 925	58	1 867
Financial instruments/finance items	23 997	(9 463)	33 460
Provisions	–	(1 968)	1 968
Long-term temporary differences	1 384	1 384	–
Loss carried forward	255 027	13 104	241 923
Non-deductible interest carried forward	33 015	6 239	26 776
Total negative temporary differences	**315 349**	**9 355**	**305 994**
Differences related to depreciation of non-current assets	4 188	(1 127)	5 315
Deferred gain related to sale of non-current assets	2 567	(755)	3 322
Differences related to long-term debt	–	(1 212)	1 212
Total positive temporary differences	**6 756**	**(3 093)**	**9 849**
Net temporary differences	**308 594**	**12 449**	**296 145**
Temporary differences not accounted for [1]	305 618	11 150	294 468
Temporary differences – basis for calculation of deferred tax	**(2 976)**	**(1 299)**	**(1 677)**
Deferred tax liability (asset) in statement of financial position [2]	**(658)**		**(370)**
Tax rate	17% - 34%		17% - 34%

[1] This applies to temporary differences for companies with losses where deferred tax assets are not recognized.
[2] For 2021 and 2020 this is classified as a deferred tax asset and deferred tax liability

The Group's Norwegian companies have a total loss carried forward of USD 255 million at December 31, 2021 (USD 242 million in 2020), that is available indefinitely to offset against future taxable profits of the companies in which the losses arose. Tax Group contributions are also available within the same country and within the same tax regime.

Deferred tax assets are not recognized for companies where there is uncertainty regarding the future utilization of temporary differences.

Any distribution of dividend to Odfjell SE's shareholders does not affect the Company's payable or deferred tax.

Note 10
Pension liabilities

The Group operates different types of pension schemes for the employees.

Defined benefit plan expenses

(USD 1 000)	2021	2020
Defined benefit plan cost - Norway	–	498
Defined benefit plan cost - Overseas offices	1 935	1 111
Total	**1 935**	**1 609**

In 2020, The Group converted its defined benefit plan in Norway for crew, to a defined contribution plan. Subsequent pension benefits are therefore included in defined contribution costs for Norway.

Defined contribution plan expenses

(USD 1 000)	2021	2020
Defined contribution cost - Norway	2 182	1 852
Defined contribution cost – overseas offices	811	975
Total contribution	**2 993**	**2 826**
Number of employees	440	449

In the Norwegian companies all employees are included in a defined contribution plan. The Odfjell Group pays a fixed percentage of the salary as contribution to the plan limited to 12 times the base amount (G). In addition, Executive Management are entitled to additional annual contribution limited to 18G. Several of the Group foreign subsidiaries have defined contribution plans in accordance with local legislation.

Pension liabilities

(USD 1 000)	2021	2020
Crew - Norway	–	–
Executive Management - Norway	460	417
Other - Norway	1 544	1 409
Overseas offices	3 292	4 314
Total	**5 296**	**6 140**

Some of the Group's Norwegian subsidiaries are bound to have mandatory occupational pension scheme pursuant to the Norwegian law of Occupational pension scheme. The Group's pension scheme meets the requirements of this Act.

Other pension liabilities for employees in Norway relates to defined contribution (12G-18G) not paid, and 'other Norway' relates to fully vested contribution for former employees.

Net defined pension assets in the balance sheet total USD 0.4 million is prepaid premium related to defined contribution plan. In addition, a total USD 1.3 million is paid into a secured bank account for one former employee, expats and the additional pension scheme for the Executive Management, ref. note 21.

Note 11
Property, plant and equipment

(USD 1 000)	Real estate	Ships and newbuilding contracts	Periodic maintenance	Office equipment and cars	Total
Net carrying amount January 1, 2020	1 712	1 393 026	10 013	7 309	**1 412 061**
Investment	25	179 257	24 902	3 133	**207 317**
Depreciation 2020	(239)	—	(15 331)	(2 237)	**(94 564)**
Net carrying amount December 31, 2020	**1 498**	**1 495 525**	**19 584**	**8 206**	**1 524 813**
Investment	—	13 344	18 696	2 097	**34 137**
Sale at book value	—	(16 797)	—	—	**(16 797)**
Assets from acquistion of Odfjell Gas	—	34 148	—	—	**34 148**
Depreciation 2021	(268)	(90 186)	(22 755)	(2 613)	**(115 822)**
Impairment 2021 [1]	—	(21 087)	—	—	**(21 087)**
Net carrying amount Reclassified to assets held for sale (book value)	—	(37 700)	—	—	**(37 700)**
Net carrying amount December 31, 2021	**1 230**	**1 377 247**	**15 525**	**7 690**	**1 401 692**
Cost	4 640	2 664 581	26 322	33 218	**2 728 761**
Accumulated depreciation	(2 928)	(1 265 054)	(16 309)	(25 566)	**(1 309 857)**
Impairment	—	(2 385)	—	(342)	(2 727)
Reclassified to assets held for sale	—	(4 116)	—	—	(4 116)
Net carrying amount January 1, 2020	**1 712**	**1 393 026**	**10 013**	**7 309**	**1 412 060**
Cost	4 665	2 839 722	51 224	36 351	**2 931 962**
Accumulated depreciation	(3 167)	(1 341 812)	(31 640)	(27 803)	**(1 404 422)**
Impairment	—	(2 385)	—	(342)	**(2 727)**
Net carrying amount December 31, 2020	**1 498**	**1 495 525**	**19 584**	**8 206**	**1 524 813**
Cost	4 665	2 853 066	69 920	38 448	**2 966 098**
Accumulated depreciation	(3 435)	(1 435 734)	(54 395)	(30 416)	**(1 523 980)**
Impairment	—	(2 385)	—	(342)	**(2 727)**
Reclassified to assets held for sale	—	(37 700)	—	—	**(37 700)**
Net carrying amount December 31, 2021	**1 230**	**1 377 247**	**15 525**	**7 690**	**1 401 692**

[1] Refer to note 13 for details on impairment recognized in 2021.

Depreciation periods

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows (in years):

Real estate	up to 50
Ships	25 - 30
Periodic maintenance of ships	2.5 - 5
Office equipment and cars	3 - 5

Assets financed under sale-leaseback

The carrying amount of ships financed under sale-leaseback were USD 634.2 million and USD 735.4 million at December 31, 2021 and December 31, 2020 respectively. See note 8 for future sale-leaseback obligations.

Depreciation

Starting from fiscal year 2021, the Group has elected to present depreciation expense from property, plant and equipment and right of use assets as a single line item in the income statement. The amount of depreciation expense from each item is as follows.

(USD 1 000)	2021	2020
Depreciation property, plant and equipment	(115 822)	(94 564)
Depreciation right of use assets	(64 078)	(58 455)
Total	**(179 900)**	**(153 019)**

Note 12
Leases

(USD 1 000)	Real estate	Ships	Periodic Maintenance	Total
Capitalized right-of-use assets January 1, 2021	9 965	246 309	2 571	258 846
Additions	331	34 833	—	35 164
Remeasurement	31	(9 850)	—	(9 819)
Depreciation	(2 469)	(60 896)	(713)	(64 078)
Carrying amount right-of-use assets December 31, 2021	**7 857**	**210 397**	**1 858**	**219 944**

(USD 1 000)	Real estate	Ships	Periodic Maintenance	Total
Capitalized righ-of-use assets January 1, 2020	11 066	194 824	2 014	207 904
Additions	1 277	107 370	750	109 397
Depreciation	(2 378)	(55 885)	(193)	(58 455)
Carrying amount right-of-use assets December 31, 2020	**9 965**	**246 309**	**2 571**	**258 846**

Remeasurement in 2021 of USD 9.8 million is mainly due to a time charter contract cancelled prior to the originally expiry date.

Variable lease payments made in 2021 are related to pool distributions to external participants in the pools. The total amount distributed in 2021 equals USD 101.1 million, including non-lease component (USD 79.6 million in 2020).

Information about lease payments made	2021	2020
Total nominal lease payments (including short term, long term and variable leases)	221 707	201 365
Of which short term lease expenses (including non-lease component)	20 486	32 689

Information about commitments for commenced leases (not included in lease liability)	2021	2020
Lease commitments associated with short term leases (undiscounted)	14 930	32 689
Non-lease component (opex) right of use assets, not included in lease liability (undiscounted)	53 905	44 636

The decrease in short-term lease commitments from 2020 to 2021 is related to long term extensions of previous short-term leases.

The non-lease component refers to time charter contracts including a service element. Refer to note 2.6 for a description of the Groups accounting policies related to said contracts.

Information about extension options	2021	2020
Extension options (undiscounted) not included in lease liability, bareboat element	110 595	103 312
Extension options (undiscounted) not included in lease liability, opex element	46 287	33 742
Total extension options (undiscounted) not included in lease liability	**156 881**	**137 054**

Information about leases not yet commenced but where the Group is Committed	2021	2020
Nominal amount of future lease payments for time charter and bareboat leases where lease term exceeds 12 months	191 980	142 448

Maturity of debt related to right-of-use assets as per December 31, 2021:

(USD 1000)	2022	2023	2024	2025	2026	2027+	Total
Installments	60 732	48 340	41 640	31 507	18 915	32 161	**233 295**
Interest expense	10 405	7 675	5 365	3 317	1 953	2 476	**31 192**
Sum	**71 374**	**56 015**	**47 005**	**34 824**	**20 868**	**34 637**	**264 486**

Maturity of debt related to right-of-use assets as per December 31, 2020:

(USD 1000)	2021	2022	2023	2024	2025	2026+	Total
Installments	59 649	47 619	39 316	40 321	31 945	50 362	**269 211**
Interest expense	12 636	9 748	7 483	5 367	3 335	4 955	**43 525**
Sum	**72 285**	**57 367**	**46 799**	**45 688**	**35 280**	**55 317**	**312 722**

Refer to note 8 for an analysis of the maturity of total debt.

Sale-leasebacks

The Group entered into two sale-leaseback agreements in 2020 which are considered financial agreements and accounted for in accordance with IFRS 9. Refer to note 8 for further details.

Note 13
Impairment of non-current assets

As of December 31, 2021, the market capitalization for the Group was below the book value of its equity. Management has therefore tested assets and cash generating units for impairment.

In 2021, the Group recognized a total of USD 21 million in impairment associated with the agreed sale of our three regional vessels. These vessels have been an important part of our regional Asia trade which now has been exited with the delivery of the last vessel in February 2022. At the end of 2021, these vessels are classified as held for sale in our balance sheet and valued at sales price less cost of disposal.

When calculating the value in use at the balance sheet date for the deep-sea/regional South-America CGU, the following key assumptions are applied. This CGU also contains the Group's right-of-use assets in the Ships category.

Key assumptions	2021	2020
Weighted average cost of capital	7.8%	7.7%
Average annual growth in time charter earnings the first four years after the balance sheet date (arithmetic average)	4.5%	4.0%
Estimated useful life of vessels	25-30 years	25-30 years

After the first four years, an average annual growth of 2% in time charter earnings is applied. Operating expenses and general and administrative expenses are assumed to increase with 2% in the entire remaining useful life of the vessels. The above table indicates assumptions used in the base case.

Applying the above assumptions, the value in use calculation did not reveal any need for impairment.

Three different scenarios have been prepared when testing the vessels for possible impairment. The Group has also performed a sensitivity analysis on the discount rate, with an increase of 50bp. The analysis did not indicate any impairment in the specified range.

A similar analysis was performed on annual growth in time charter earnings with a decrease from 4.5% to 3.0% in the first four years after the balance sheet date. A reduction of time charter earnings in the specified range for the first four years did not result in any impairment of the vessels in the deep-sea/regional South-America CGU.

Recycling value for vessels has increased significantly compared to year-end 2020. As part of the impairment assessment at year-end 2021, the Group has prepared a scenario where recycling values are reduced with 50% compared to the recycling values applied. The result of this analysis did not reveal any need for impairment.

In all impairment test scenarios, the expected future increase in fuel cost stemming from carbon taxes are assumed to be charged to charterer.

In 2020 an impairment of USD 2.7 million was recognized. This impairment was related to one vessel held for sale (USD 2.4 million) and the remaining to office equipment (USD 0.3 million). The vessel was valued separately and was not part of the CGU. The recoverable amount was the estimated sales price less cost of disposal.

Note 14
Earnings per share

The basic earnings per share are calculated by dividing the net profit for the year attributable to ordinary equity holders of the parent by weighted average number of ordinary shares outstanding during the year. Basic and diluted earnings per share are the same, as the Company has no convertible bond loan or stock option plan.

(USD 1 000/1 000 shares)	2021	2020
Profit/(loss) and diluted profit for the year due to the holders of ordinary shares	(33 206)	27 829
Weighted average number of ordinary shares for basic earnings per share /diluted average number of shares outstanding [1]	78 891	78 630
Basic/diluted earnings per share	**(0.42)**	**0.35**

[1] The weighted average number of shares are adjusted for the weighted average effect of changes in treasury shares during the year. See note 26.

Note 15
Transactions with related parties

The Group has carried out various transactions with related parties. All transactions have been carried out as part of the ordinary operations, based on the arm-length principle. Transactions with related parties are settled on a regular basis and the balances as per December 31, 2021 were immaterial.

The Odfjell Group shares offices in Brazil with a local terminal company related to Chair of the Board, Laurence Ward Odfjell. The Chair's family also has ownership interest in a company, which acts as Brazilian port agent for Odfjell. In addition to reimbursement of actual expenses and expenditures incurred, Odfjell Tankers AS and Flumar Transportes de Quimicos e Gases Ltda paid these companies USD 1.1 million in agency fees in 2021 (USD 1.5 million in 2020), while Flumar Transportes de Quimicos e Gases Ltda and Odfjell Brasil – Representacoes Ltds paid USD 0.4 million for administrative services in 2021 (USD 0.5 million in 2020).

Odfjell Management AS rents offices in Norway from a company related to Chair of the Board, Laurence Ward Odfjell. The annual lease for 2021 was USD 1.7 million.

Note 16
Commitments, guarantees and contingencies

Capital commitment

Odfjell has no capital commitment as per December 31, 2021.

Guarantees

(USD 1 000)	2021	2020
100% owned subsidiaries (third party guarantees)	181	187
Joint ventures (credit facilities)	–	6 800
Total guarantees	**181**	**6 987**

See also note 28 for guarantees within the joint venture structure.

Contingencies

The Group maintains insurance coverage for its activities consistent with industry practice. The Group is involved in claims typical to the Chemical Tanker, Gas Carriers and Tank Terminal industry, but none of these claims have resulted in material losses for the Group since such claims have been covered by insurance or have been settled.

Note 17
Cash and cash equivalents

Cash at banks earn interest at floating rates based on bank time deposit rates. Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term rates. Restricted cash consists of USD 1.6 million (USD 3.0 million in 2020) in funds for withholding taxes relating to employees in Odfjell Management AS and Odfjell Maritime Services AS.

(USD 1 000)	2021	2020
Cash at banks and in hand	70 258	39 807
Short-term deposits	3 219	63 304
Total cash and cash equivalents	**73 477**	**103 111**

Note 18
Voyage expenses

Voyage expenses are expenses directly related to the ship voyage.

(USD 1 000)	2021	2020
Port expenses	108 979	95 226
Canal expenses	33 451	25 627
Bunkers expenses [1]	233 087	171 713
Transshipment expenses	12 612	10 252
Commission expenses	29 888	29 434
Other voyage related expenses	14 491	14 718
Total voyage expenses	**432 507**	**346 970**

[1] Inclusive financial hedging

Note 19
Operating expenses

Operating expenses consist of expenses for operating ships (for example wages and remunerations for crew and operational personnel, and materials and equipment for ships).

(USD 1 000)	2021	2020
Crew expenses	77 638	72 937
Other ship management expenses	88 274	70 430
Currency hedging	(1 016)	1 266
Other	314	278
Total operating expenses excluding service element of leases	**165 210**	**144 911**
Service element of leases	25 847	21 254
Total operating expenses	**191 057**	**166 165**

Note 20
General and administrative expenses

General and administrative expenses consist of expenses for headquarter activities and activities internationally for brokerage and agency.

(USD 1 000)	2021	2020
Salary expenses	49 291	47 086
Other expenses	11 822	9 683
Currency hedging	(1 649)	1 971
Total general and administrative expenses	**59 464**	**58 740**

Including in the above is auditor's remuneration for (exclusive of VAT):

(USD 1 000)	2021	2020
Statutory auditing	535	534
Other assurance services	17	21
Other non-audit services	19	73
Total remuneration	**571**	**628**

Note 21
Salary expenses, number of employees and benefits to Board of Directors and Management

Salary expenses are included in ship operating expenses and general and administrative expenses according to the activity.

(USD 1 000)	2021	2020
Salaries	109 220	103 884
Social expenses	12 043	11 766
Pension expenses defined benefit plans (note 10)	1 935	1 609
Pension expenses defined contribution plans (note 10)	2 993	2 826
Other benefits	738	738
Total salary expenses	**126 929**	**120 023**

Average man-years of employees including crew:

(USD 1 000)	2021	2020
Europe	280	281
North America	23	23
Southeast Asia	1 526	1 520
South America	162	161
Other	15	15
Total average man-years of employees	**2 006**	**1 999**

At the end of 2021 the Board of Directors consists of six members. Compensation and benefits to the Board of Directors:

(USD 1 000)	2021	2020
BoD Remuneration	378	346

For more specification – see Odfjell SE note 11.

Compensation and benefits paid to the Management Group in 2021:

(USD 1 000)	Salary	Bonus [1]	Pension cost	Other benefits	Total
CEO, Kristian V. Mørch	836	342	28	31	**1 236**
COO, Harald Fotland	356	92	28	25	**502**
CFO, Terje Iversen	286	76	28	24	**414**
CSO, Øistein H. Jensen	226	60	28	24	**337**
Total	**1 703**	**570**	**112**	**104**	**2 489**

[1] The bonus relates to expensed amount in 2021 for both short and long term incentive scheme.

Compensation and benefits paid to the Management Group in 2020:

(USD 1 000)	Salary	Bonus [2]	Pension cost	Other benefits	Total
CEO, Kristian V. Mørch	747	525	26	28	1 326
COO, Harald Fotland	305	107	26	23	462
CFO, Terje Iversen	257	90	25	22	394
CSO, Øistein H. Jensen	203	71	26	21	321
Total	**1 512**	**794**	**102**	**94**	**2 502**

[2] The bonus relates to expensed amount in 2020 for both short and long term incentive scheme.

In 2021, the bonus related to the long-term incentive program, net of withholding tax, have been used to acquire Restricted Shares in accordance with the long-term incentive program.

Only the CEO of the Executive Management has a defined agreement with regard to severance pay. In case the Company terminates the employment, the CEO is, in addition to payment of salary and other remuneration during the notice period, also entitled to 6 months base salary and annual short term incentives earned but not paid prior to such termination.

Refer to our Report on Salary and other Remuneration to Leading Personnel in Odfjell SE for the financial year 2021. The Report will be published on the Company's website once approved by the General Meeting.

Note 22
Other financial items

(USD 1 000)	2021	2020
Financial assets and liabilities at fair value through profit or loss statement	(11 323)	10 761
Currency gains (losses) – see note 23	8 191	(10 820)
Other financial income	1 749	114
Other financial expenses	(895)	(1 701)
Total other financial items	**(2 277)**	**(1 647)**

See note 6 for overview of hedging exposure, and note 23 for specification of currency gains (losses).

Note 23
Currency gains and losses

(USD 1 000)	2021	2020
Currency gains (losses) on non-current receivables and liabilities	9 020	(10 077)
Currency gains (losses) on cash and cash equivalents	342	177
Currency gains (losses) on other current assets and current liabilities	(1 171)	(920)
Total currency gains (losses)	**8 191**	**(10 820)**

See note 6 for overview of currency hedging exposure.

Note 24
Current receivables

(USD 1000)	2021	2020
Trade receivables from contract with customers	89 908	58 250
Other receivables	21 432	16 542
Contract asset (accrued revenues)	2 270	13 913
Prepaid costs	5 661	5 588
Allowance for expected credit losses	(2 079)	(2 156)
Total current receivables	**117 192**	**92 136**

Trade receivables are for a major part related to revenue from contract with customers with payment terms shortly after bill of lading to upon delivery. Allowance for expected credit losses relates to trade receivables; see Note 5 for information on credit risk management.

Contract assets are recognized revenue for freight services partly satisfied from voyages that have commenced but are not completed and invoices that have not been issued as per December 31. Contract assets are reclassified to receivables from contracts with customers once the freight service is being invoiced to the customer, at the latest when the voyage is completed (at the latest a few months after it commences). Contract assets include variable consideration only when it is highly probable there will be no significant reversal at a later date when the uncertainty related to the variable payment is resolved.

As the voyages and related contracts have a duration of less than a year, the Group does not disclose separately the transaction price related to partially unfulfilled contracts at the reporting date, refer to IFRS 15.121.

As at December 31, the aging analysis of trade receivables, contract assets and other current receivables are as follows:

				Days past due			
(USD 1000)	Total [1]	Contract asset	Current	<30 days	30-60 days	60-90 days	>90 days
2021	113 611	2 270	81 919	14 536	3 473	3 407	8 006
2020	88 705	13 913	20 707	27 572	9 081	3 549	13 883

[1] Not including prepaid cost and allowance for expected credit losses.

The table below summarizes total current receivables into different currencies:

(USD 1000)	2021	2020
USD	111 729	86 396
EUR	2 548	3 296
SGD	93	122
Other currencies	2 822	2 321
Total current receivables	**117 192**	**92 136**

Note 25
Other current liabilities

(USD 1000)	2021	2020
Trade payables	42 785	27 987
Accrued voyage expenses	13 978	12 250
Accrued expenses Ship Management	5 481	6 112
Accrued interest expenses	4 400	4 888
Other accrued expenses	10 732	5 355
Employee taxes payable	8 078	10 560
Contract liabilities (prepaid revenue from customer contracts)	—	207
Working capital liabilities to pool partners	13 652	5 339
Other current liabilities	2 001	3 429
Loans from Joint Ventures	19 073	19 000
Total other current liabilities	**120 179**	**95 126**

Contract liabilities are being recognized as revenue from contracts with customers within the completion of the voyage (at the latest a few months after the prepayment).

As per December 31, 2021 the Group has the following remaining performance obligations (amounts not disclosed): For voyages in progress, revenues related to the remaining freight services will be recognized as the voyage progress. All voyages in progress will be completed within a few months. In addition the Group has freight commitments related to contracts of affreightment entered into for future shipments.

The table below summarizes the maturity profile of the Group's other current liabilities:

(USD 1000)	Total	On demand	< 3 months	3-6 months	6-9 months	> 9 months
2021	120 179	111 469	5 106	1 087	330	2 187
2020	95 126	85 603	6 533	1 060	1 349	581

The table below summarizes other current liabilities into different currencies:

(USD 1 000)	2021	2020
USD	101 114	75 978
EURO	2 072	—
SGD	904	505
Other currencies	16 089	18 643
Total current liabilities	**120 179**	**95 126**

Note 26
Share capital and premium

	Number of shares (1 000)		Share capital (USD 1 000)		Share premium (USD 1 000)	
	2021	2020	2021	2020	2021	2020
A-shares	65 690	65 690	22 277	22 277	130 511	130 511
B-shares	21 079	21 079	7 148	7 148	41 877	41 877
Total	**86 769**	**86 769**	**29 425**	**29 425**	**172 388**	**172 388**

Per December 31, 2021 Odfjell SE holds 5,532,827 A-shares and 2,322,482 B-shares.

The shares are all authorized, issued and fully paid. Nominal value is NOK 2.50, equivalent to USD 0.28 as per December 31, 2021. All the shares have the same rights in the Company, except for B-shares which have no voting rights.

Shares owned/controlled by members of the Board of Directors, CEO and other members of the Executive Management (including related parties) are:

	2021		2020	
	A-shares	B-shares	A-shares	B-shares
Chair of the Board of Directors, Laurence Ward Odfjell	29 463 964	8 131 462	29 463 964	8 131 462
Director, Åke Gregertsen	3 000	28 332	3 000	28 332
Director, Nils Petter Dyvik	2 719	—	2 719	—
CEO, Kristian Mørch	242 329	3 500	179 622	3 500
CFO, Terje Iversen	47 422	—	31 744	—
COO, Harald Fotland	44 822	4 000	27 555	4 000
CSO, Øistein Jensen	43 700	—	31 320	—

Note 27
List of subsidiaries

The following subsidiaries are fully consolidated in the financial statements as per December 31, 2021:

Company	Country of registration	Ownership share	Voting share
Odfjell Argentina SA	Argentina	100%	100%
Odfjell Chemical Tankers Ltd	Bermuda	100%	100%
Flumar Transportes de Quimicos e Gases Ltda	Brazil	100%	100%
Odfjell Brasil Ltda	Brazil	100%	100%
Odfjell Chile Ltd	Chile	100%	100%
Odfjell Japan Ltd	Japan	100%	100%
Odfjell Korea Ltd	Korea	100%	100%
Odfjell Terminals BV	Netherlands	100%	100%
Odfjell Terminals Management BV	Netherlands	100%	100%
Norfra Shipping AS	Norway	100%	100%
Odfjell Chemical Tankers AS	Norway	100%	100%
Odfjell Chemical Tankers II AS	Norway	100%	100%
Odfjell Gas Shipowning AS	Norway	100%	100%
Odfjell Insurance & Properties AS	Norway	100%	100%
Odfjell Management AS	Norway	100%	100%
Odfjell Maritime Services AS	Norway	100%	100%
Odfjell Tankers AS	Norway	100%	100%
Odfjell Terminals AS	Norway	100%	100%
Odfjell Terminals II AS	Norway	100%	100%
Odfjell Peru S.A.C.	Peru	100%	100%
Odfjell Ship Management Philippines Inc	Philippines	100%	100%
Odfjell Asia II Pte Ltd	Singapore	100%	100%
Odfjell Singapore Pte Ltd	Singapore	100%	100%
Odfjell Durban South Africa Pty Ltd	South Africa	100%	100%
Odfjell Mazibuko SA Pty Ltd	South Africa	55%	55%
Odfjell Middle East DMCC	United Arab Emirates	100%	100%
Odfjell USA (Houston) Inc	United States	100%	100%
Odfjell Terminals Management Inc	United States	100%	100%

Note 28
Investments in joint ventures and associates

Odfjell Terminals BV, is acting as holding company for the Group's investments in terminals. In Odfjell Terminals BV, the terminal investments are structured as joint ventures, with a separate holding company owned by the respective joint venture partners.

The holding company in USA is Topco LLC. This holding company owns the terminals in USA (Houston and Charleston) 100%. Odfjell Terminals BV owns 51% of Topco LLC, while Northleaf owns the remaining 49% of the shares.

The holding companies for the Asia terminals are Odfjell Terminals Asia Holding Pte Ltd and Odfjell Terminals AS, which owns the terminals in China and Korea. Odfjell Terminals Asia Holding Pte Ltd ownership in the Asia terminals varies from 40%-50%. Odfjell Terminals AS owns 50% in the terminal in Korea. In December 2020 Odfjell Terminals BV acquired 50% of the shares in Odfjell Terminal AS, and now owns 100% of Odfjell Terminals AS and indirectly 50% of Odfjell Terminals (Korea) Co Ltd. Lindsay Goldberg owns the remaining 49% of Odfjell Terminals Asia Holding Pte Ltd.

The investment in Noord Natie Odfjell Terminals NV is owned directly by Odfjell Terminals BV.

Odfjell and its joint venture partner continues to share control over the investments, thus the investments in the terminal holding companies are accounted for as investments in joint ventures, applying the equity method.

Odfjell had also established a joint venture with Breakwater Capital and Oak Hill Advisors, L.P. to include Odfjell's Gas Carriers business. This investment was done through the holding company Odfjell Gas AS (ref. note 4). In March 2021, Odfjell SE acquired the remaining 50% of shares in Odfjell Gas AS, and the companies were fully consolidated in the financial statements the remaining months of 2021.

The acquisition of the shares in Odfjell Gas AS is considered an asset acquisition and not a business combination. The acquisition was booked at fair value, where the majority of the assets acquired were the two vessels Bow Gallant and Bow Guardian for a total value of USD 34.1 million. In relation to the purchase, the Group also assumed USD 6.8 million in debt and cash and cash equivalents of USD 4.9 million. The agreed purchasing price was USD 16.7 million, for a net cash outflow of USD 11.7 million.

The two gas vessels acquired through the acquisition were sold in the third and fourth quarter of 2021, and Odfjell Gas AS was therefore liquidated at the end of 2021. The only remaining subsidiary from the Gas Carriers business, Odfjell Gas Shipowning AS, will be liquidated in 2022.

See note 16 for further information about guarantees issued on behalf of joint ventures.

The investment in joint ventures and associates includes the following companies accounted for according to the equity consolidation method during 2021:

Joint ventures and associates	Country of registration	Business segment	Ownership share
Gas Carriers:			
Odfjell Gas AS - company owned 100% from March - 21, closed in December - 21	Norway	Gas Carriers	50.0%
Odfjell Gas Shipowning AS - company owned 100% from March - 21	Norway	Gas Carriers	50.0%
Odfjell Gas Carriers AS - company owned 100% from March - 21, closed in December- 21	Norway	Gas Carriers	50.0%
Tank Terminals:			
Tank Terminals entities in Europe			
Noord Natie Odfjell Terminals NV	Belgium	Tank Terminals	25.0%
Tank Terminals entities in USA			
Topco LLC	United States	Tank Terminals	51.0%
Odfjell Holdings (USA) Inc	United States	Tank Terminals	51.0%
Odfjell Terminals (Charleston) LLC	United States	Tank Terminals	51.0%
Odfjell Terminals (Houston) Inc	United States	Tank Terminals	51.0%
Odfjell USA Inc	United States	Tank Terminals	51.0%
Tank Terminals entities in Asia			
Odfjell Nangang Terminals (Tianjin) Co Ltd	China	Tank Terminals	25.0%
Odfjell Dalian Port Consulting Co. Ltd. - closed in 2021	China	Tank Terminals	25.5%
Odfjell Changxing Terminals (Dalian) Co Ltd	China	Tank Terminals	20.4%
Odfjell Terminals (Korea) Co Ltd	South Korea	Tank Terminals	50.0%
Odfjell Terminals Asia Pte Ltd	Singapore	Tank Terminals	51.0%
Odfjell Terminals (China) Pte Ltd	Singapore	Tank Terminals	51.0%
Odfjell Terminals Asia Holding Pte Ltd	Singapore	Tank Terminals	51.0%

The share of result and balance sheet items for investments in joint ventures and associates are recognized based on equity method:

(USD 1 000)	2021 Tank Terminals Europe	2021 Tank Terminals USA	2021 Tank Terminals Asia	2021 Total Tank Terminals	2021 Gas Carriers	2021 Total	2020 Tank Terminals Europe	2020 Tank Terminals USA	2020 Tank Terminals Asia	2020 Total Tank Terminals	2020 Gas Carriers	2020 Total
Gross revenue	49 962	94 371	11 111	155 444	1 855	**157 299**	46 863	89 701	14 132	150 697	12 621	**163 318**
EBITDA	24 514	43 936	4 365	72 815	1 244	**74 059**	22 670	41 424	6 361	70 455	2 879	**73 334**
EBIT	11 587	26 022	1 876	39 485	700	**40 185**	9 630	23 412	24 815	57 856	281	**58 137**
Net result	**8 131**	**15 205**	**1 151**	**24 487**	**659**	**25 146**	**6 614**	**14 674**	**21 982**	**43 270**	**(229)**	**43 040**
Total comprehensive income	**8 131**	**15 205**	**1 151**	**24 487**	**659**	**25 146**	**6 614**	**14 674**	**21 982**	**43 270**	**(229)**	**43 040**
Odfjell owner interest	2 033	7 754	1 622	11 410	330	**11 739**	1 654	7 484	11 211	20 348	(115)	**20 233**
Depreciation excess values net of deferred tax	(1 718)	(4 905)	–	(6 623)	–	**(6 623)**	(1 683)	(5 100)	–	(6 783)	–	**(6 783)**
Group's share of profit for the year	**315**	**2 850**	**1 622**	**4 787**	**330**	**5 117**	**(29)**	**2 384**	**11 211**	**13 565**	**(115)**	**13 450**
Dividend received	1 471	–	1 263	2 734	–	**2 734**	1 403	–	–	1 403	–	**1 403**
Non-current assets	106 579	275 379	123 912	505 870	–	**505 870**	97 352	243 677	128 324	469 353	34 484	**503 837**
Current assets	10 823	38 773	65 482	115 079	–	**115 079**	10 164	43 845	63 284	117 293	4 959	**122 253**
Total assets	**117 403**	**314 152**	**189 394**	**620 949**	**–**	**620 949**	**107 516**	**287 522**	**191 609**	**586 646**	**39 444**	**626 090**
Non-current liabilities	60 548	227 276	63 568	351 393	–	**351 393**	43 531	225 112	69 436	338 079	–	**338 079**
Current liabilities	12 360	35 490	31 306	79 156	–	**79 156**	18 500	27 156	23 373	69 029	7 755	**76 785**
Total liabilities	**72 908**	**262 766**	**94 874**	**430 549**	**–**	**430 549**	**62 031**	**252 268**	**92 809**	**407 108**	**7 755**	**414 864**
Total equity closing balance	**44 494**	**50 808**	**94 520**	**189 822**	**–**	**189 822**	**45 484**	**34 894**	**98 800**	**179 178**	**31 688**	**210 867**
Odfjell owner interest	11 124	25 912	69 229	106 264	–	**106 264**	11 371	17 796	73 080	102 247	15 844	**118 091**
Excess values	29 942	43 265	–	73 206	–	**73 206**	34 185	48 170	–	82 355	–	**82 355**
Carrying amount	**41 065**	**69 177**	**69 229**	**179 471**	**–**	**179 471**	**45 556**	**65 966**	**73 080**	**184 601**	**15 844**	**200 446**
Capital expenditure, Odfjell share	(7 415)	(24 982)	(1 943)	(34 340)	–	**(34 340)**	(4 184)	(14 832)	(1 033)	(20 049)	–	**(20 049)**

The table above illustrates that Odfjell now owns its terminal investments through separate joint ventures. Tank Terminals Europe include financial information for the Noord Natie Terminals NV. Tank Terminals USA represent the summarized financial information from the consolidated US Holdings Inc for the whole year. Similarly, Tank Terminals Asia represent the summarized financial information from the consolidated Odfjell Terminals Asia Holding Pte Ltd, and Odfjell Terminals Korea Co. Ltd, for the whole year.

The Group received dividend from Noord Natie Terminals NV in 2021, USD 1.5 million (USD 1.4 million in 2020), and from Odfjell Terminals Korea Co. Ltd in 2021, USD 1.3 million.

Included in the 2020 total comprehensive income for Tank Terminals, is a capital gain of USD 10.6 mill (Odfjell share) related to the sale of Odfjell Terminal (Dalian) Co Ltd.

The book value of the investment in the Odfjell Nangang Terminal (Tianjin) is zero. A subsidiary of Odfjell Terminals Asia Holding Pte Ltd has issued a guarantee for its share of the interest bearing debt in the Odfjell Nangang Terminal (Tianjin). At the end of 2021, the Odfjell share of this debt was USD 28.2 million. Accumulated net loss of USD 2.6 million related to Odfjell Nangang Terminal (Tianjin) is not recognized in 2021 (USD 1.4 million in 2020).

(USD 1000)	2021	2020
Loan to / from associates and joint ventures	19 000	19 000

All transactions are considered being at commercial reasonable market terms.

Note 29
Held for sale

As per December 31, 2021, the vessels Bow Dalian, Bow Fuling and Bow Nangang are classified as held for sale. The vessels are included in the Chemical Tankers reporting segment, refer to note 4. An impairment loss of USD 21 million related to the vessels was recognized in the third quarter of 2021, see note 13.

No assets were classified as held for sale in 2020.

Note 30
Contingent liabilities

In the ordinary course of business, the Group is party to certain disputes etc. of various scopes. The resolution of these disputes etc. is associated with uncertainty, as they depend on legal proceedings, such as negotiations between the parties affected. At the end of 2021, neither the parent company nor its consolidated subsidiaries were involved in disputes etc. where the likely outcome could be material for the Group.

Note 31
Subsequent events

Subsequent events are events that occur between the end of the reporting period and the date when the financial statements are authorized for issue.

Based on the Company's 2021 result and overall financial position, the Board of Directors recommends a dividend payment of NOK 1 per share, total estimated NOK 78 915 000 (USD 8.9 million). Dividend to be approved at the Annual General Meeting in May 2022.

Not long after the Covid-19 infection had begun to recede in most Western affluent countries, a new tragedy arose in the form of a devastating war on European soil. While the outcome is currently unknown, it is clear that the conflict between Russia and Ukraine will have severe ramifications on the world.

Apart from endangering peace in Europe and resulting in the tragic loss of human life, the war has sent shock waves across the global financial markets. The shipping sector is no exception, as it is intertwined with most aspects of the worldwide economy. Odfjell has a limited presence in the areas immediately affected by the current war, and we have observed limited direct consequences this far. We are actively monitoring the situation and implementing the measures required to minimize the adverse impact on our staff, operations, and financial results. Our top priority is to ensure the safety and well-being of our crew, vessels and cargo.

Note 32
Covid-19

The outbreak of the Coronavirus (Covid-19) continues to put constrains on businesses around the world. During 2021, the outbreak did not have a severe negatively effect on the Group's financial performance. The impact from Covid-19 continues in 2022.

The extent and duration of these conditions over the longer term remain largely uncertain and dependent on future developments that cannot be accurately predicted at this time. Odfjell is closely monitoring the impact of the ongoing virus outbreak and will implement measures required to minimize the adverse impact on our employees, operations and financial results.

Note 33
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 34
Exchange rates of the Group's major currencies against USD

	Norwegian kroner (NOK)		Euro (EUR)		Singapore dollar (SGD)	
	Average	Year-end	Average	Year-end	Average	Year-end
2021	8.59	8.84	1.18	1.13	1.34	1.35
2020	9.37	8.54	1.14	1.23	1.38	1.32

Odfjell SE

Financial statements & Notes

Statement of profit or loss and other comprehensive income

(USD 1 000)	Note	2021	2020
Statement of profit or loss			
Operating revenue (expenses)			
Gross revenue		–	–
General and administrative expenses	6, 11	(8 548)	(7 535)
Operating result (EBIT)		**(8 548)**	**(7 535)**
Financial income (expenses)			
Income on investment in subsidiaries and joint ventures	8	6 210	2 400
Interest income	8	580	1 027
Interest expenses	8	(26 719)	(26 604)
Other financial items	8	14 630	3 516
Currency gains (losses)	9	7 825	(9 565)
Net financial items		**2 526**	**(29 227)**
Result before taxes		**(6 023)**	**(36 762)**
Income taxes	4	–	–
Net result		**(6 023)**	**(36 762)**
Total comprehensive income		**(6 023)**	**(36 762)**

Statement of financial position

Assets as per December 31 (USD 1 000)	Note	2021	2020
Non-current assets			
Shares in subsidiaries	12	1 025 640	1 008 925
Shares in joint ventures	12	–	15 068
Loans to Group companies and joint ventures	10	3 702	–
Other non-current receivables		–	27
Total non-current assets		**1 029 342**	**1 024 020**
Current assets			
Current receivables		741	598
Receivables from Group companies and joint ventures	15	79 969	64 314
Available-for-sale investments		15 594	–
Cash and bank deposits	15	35 438	69 544
Total current assets		**131 741**	**134 456**
Total assets		**1 161 083**	**1 158 476**

Equity and liabilities as per December 31	Note	2021	2020
Equity			
Share capital	5,13	29 425	29 425
Treasury shares	5,13	(2 504)	(2 546)
Share premium	5	172 388	172 388
Other equity	5	544 408	550 040
Total shareholders' equity		**743 716**	**749 307**
Non-current liabilities			
Derivatives financial instruments	2	17 203	25 652
Loans from subsidiaries	3	6 860	6 496
Long-term interest bearing debt	3	222 062	188 733
Total non-current liabilities		**246 124**	**220 880**
Current liabilities			
Derivative financial instruments	2	9 141	8 441
Current portion of long term interest bearing debt	3	57 280	95 071
Other current liabilities		2 816	3 032
Loans from Group Companies	15	102 005	81 744
Total current liabilities		**171 243**	**188 289**
Total liabilities		**417 367**	**409 169**
Total equity and liabilities		**1 161 083**	**1 158 476**
Guarantees	14	855	949

The Board of Directors of Odfjell SE

Bergen, March 22, 2022

Laurence Ward Odfjell
Chair

Christine Rødsæther

Åke Gregertsen

Jannicke Nilsson

Åse Aulie Michelet

Nils Petter Dyvik

Kristian Mørch
CEO

Statement of cash flow

(USD 1 000)	2021	2020
Cash flow from operating activities		
Result before taxes	(6 023)	(36 762)
Taxes paid	–	–
Change in fair value of available-for-sale investments	252	–
Effect of currency loss/(gain)	(6 543)	9 642
Unrealized changes in derivatives	(7 750)	3 185
Dividends and (gain)/loss from sale of shares	(6 210)	(2 400)
Other short-term accruals	2 153	(294)
Net cash flow from operating activities	**(24 121)**	**(26 630)**
Cash flow from investing activities		
Sale of non-current assets	4	–
Dividend received	19 951	2 400
Purchase of shares	(32 501)	–
Loans to/from subsidiaries	2 172	3 031
Net cash flow from investing activities	**(10 374)**	**5 431**
Cash flow from financing activities		
New interest bearing debt	130 939	32 333
Repayment of interest bearing debt	(129 830)	(13 486)
Net cash flow from financing activities	**1 109**	**18 847**
Effect on cash balances from currency exchange rate fluctuations	(722)	(1 356)
Net change in cash balances	**(34 106)**	**(3 708)**
Cash balances as per January 1	69 544	73 252
Cash balances as per December 31	**35 438**	**69 544**

Note 1
Accounting principles

The parent's separate financial statements have been prepared in accordance with the simplified IFRS. The functional and presentation currency of the company is USD. The accounting principles are based on the same accounting principles as the Group financial statement with the following exceptions:

Investments in subsidiaries and joint ventures

Subsidiaries and investments in joint ventures are presented according to the cost method. Group relief received is presented as dividend from subsidiaries. Group contribution and dividends from subsidiaries are recognized in the year for which it is proposed by the subsidiary to the extent the parent company can control the decision of the subsidiary through its shares holdings.

Shares in subsidiaries, joint ventures and associates are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may exceed the fair value of the investment. Accordingly, a reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

Derivative financial instruments

The Company, on behalf of subsidiaries, enters into derivative financial instruments to reduce currency and bunkers exposure in subsidiaries. Fair value and changes in fair value of these financial instruments are charged to the respective subsidiary and therefore not recognized in the balance sheet nor net result.

The Company uses various derivative financial instruments to reduce fluctuations in earnings and cash flow caused by volatility in foreign exchange rates and interest rates. Derivatives are classified as current asset/liability if payments occur within 12 months after the balance sheet date. Derivatives where payment takes place more than 12 months after the balance sheet date are classified as non-current.

Changes in fair value of derivatives are recognized in the income statement together with changes in the fair value of the hedged item. This also applies to derivatives that qualify for hedge accounting in the Group financial statements.

See note 5 to the Group Financial Statements for more details regarding risk management.

Income taxes

Deferred tax is calculated using the liability method on all temporary differences arising between the tax base of the assets and liabilities and their carrying amount in the financial statements.

Deferred tax is determined using the tax rate and laws which have been enacted on the balance sheet date. Deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available. Deferred tax asset/deferred tax is not calculated on temporary differences arising on investments in subsidiaries, joint ventures and associates.

Note 2
Financial assets and financial liabilities

Classification of financial assets and liabilities as at December 31, 2021:

(USD 1000)	Other current financial assets through profit and loss	Derivatives held as hedge instrument	Derivatives at fair value through profit and loss	Financial assets at amortized cost	Financial liabilities at amortized cost	Non-financial assets/ liabilities	Carrying amount 2021
Assets							
Cash and cash equivalents	–	–	–	–	35 437	–	35 437
Other current financial assets	15 594	–	–	–	–	–	15 594
Current receivables	–	–	–	–	80 710	–	80 710
Loan to Group companies	–	–	–	–	3 702	–	3 702
Other non-financial assets	–	–	–	–	–	1 025 640	1 025 640
Total assets	**15 594**	**–**	**–**	**–**	**119 849**	**1 025 640**	**1 161 083**
Liabilities							
Other current liabilities	–	–	–	–	2 816	–	2 816
Loan from subsidiaries	–	–	–	–	108 865	–	108 865
Derivative financial instruments	–	15 588	10 756	–	–	–	26 344
Interest bearing debt	–	–	–	–	279 342	–	279 342
Total liabilities	**–**	**15 588**	**10 756**	**–**	**391 023**	**–**	**417 367**

Classification of financial assets and liabilities as at December 31, 2020:

(USD 1000)	Derivatives at fair value through profit and loss	Financial assets at amortized cost	Financial liabilities at amortized cost	Non-financial assets/ liabilities	Carrying amount 2020
Assets					
Cash and cash equivalents	–	69 544	–	–	69 544
Current receivables	–	64 912	–	–	64 912
Other non-financial assets	–	–	–	1 024 020	1 024 020
Total assets	**–**	**134 456**	**–**	**1 024 020**	**1 158 476**
Liabilities					
Other current liabilities	–	–	84 776	–	84 776
Loan from subsidiaries	–	–	6 496	–	6 496
Derivative financial instruments	34 094	–	–	–	34 094
Interest bearing debt	–	–	283 804	–	283 804
Total liabilities	**34 093**	**–**	**375 076**	**–**	**409 169**

Fair value of financial instruments

Odfjell SE classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The measurement used by Odfjell is either level 1 or 2, where level 1 is quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date, and level 2 are inputs other than quoted prices that are observable for the assets or liabilities, either directly or indirectly. For some non-derivative financial assets and liabilities, we consider carrying amount to be the best estimate of fair value due to short maturity date and valid terms, i.e. current receivables and payables.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Derivative financial instruments and available-for-sale-investments are recognized in the balance sheet at the fair value at the balance sheet date. The fair value is obtained from active markets or based on third party quotes. For cash and cash equivalents and current liabilities the carrying amount is considered to be the best estimate of fair value of these instruments due to the short maturity date. Receivables are measured at nominal value reduced by any impairment. Carrying amount is considered to be best estimate of fair value due to short maturity date and valid terms. For dividend payable the carrying amount is considered to be best estimate of fair value due to short maturity date and valid terms. Fair value of bonds is calculated based on market values on the bonds.

Bond debt has a market value of USD 251 million per December 31, 2021 compared to carrying amount of USD 244 million. Correspondingly market value was USD 234 million as per December 31, 2020 compared to carrying amount of USD 234 million.

(USD 1 000)	2021		2020	
Recurring fair value measurement	Level 1	Level 2	Level 1	Level 2
Financial assets at fair value:				
Derivatives instruments - non hedging	–	–	–	–
Financial liabilities at fair value:				
Bond debt	251 022	–	234 056	–
Derivatives instruments - non hedging	–	10 756	–	34 094
Derivatives instruments - hedging	–	15 588	–	–

Hedging

The Company uses various derivative financial instruments to reduce fluctuations in earnings and cash flow caused by volatility in foreign exchange rates, interest rates and bunker prices. Derivatives are classified as current asset/liability if payments occur within 12 months after the balance sheet date. Derivatives where payment takes place more than 12 months after the balance sheet date are classified as non-current asset/liability.

See note 5 to the Group Financial Statements for more details regarding risk management.

Below overview shows status of hedging exposure per December 31, 2021 (figures in 1 000):

(USD 1 000)					Time to maturity – USD amounts			
Interest rates	Sold		Avg. rate	MTM[1]	<1 year	1 – 5 years	> 5 years	Total
Cash flow hedge, interest rate swaps	USD 300 000		2.59%	(15 588)	–	300 000	–	300 000
					Time to maturity – USD amounts			
Cross currency interest rate swaps	Sold		Avg. rate	MTM[1]	<1 year	1 – 5 years	> 5 years	Total
Fair value/Non hedge [2]	USD 252 015	From NOK to USD	5.91%	(10 756)	38 615	213 400	–	252 015

[1] Mark to market valuations
[2] Related to NOK bonds issued by Odfjell SE

Below overview shows status of hedging exposure per December 31, 2020 (figures in 1 000):

(USD 1 000)					Time to maturity – USD amounts			
Interest rates	Sold		Avg. rate	MTM[1]	<1 year	1 – 5 years	> 5 years	Total
Cash flow hedge, interest rate swaps	USD 375 000		2.87%	(33 432)	100 000	100 000	175 000	375 000
					Time to maturity – USD amounts			
Cross currency interest rate swaps	Sold		Avg. rate	MTM[1]	<1 year	1 – 5 years	> 5 years	Total
Fair value/Non hedge [2]	USD 234 357	From NOK to USD	5.83%	(661)	82 500	151 857	–	234 357

[1] Mark to market valuation
[2] Related to NOK bonds issued by Odfjell SE

Negative value MTM of the cross currency swaps related to the three outstanding bond loans of total USD 244 million (USD 234 million in 2020), amounts to USD 10.8 million per December 31, 2021 (USD 1.0 million in 2020). Positive accumulated currency gain booked related to the same bond loans per December 31, 2021 amounts to USD 11.3 million (USD 2.3 million in 2020).

In addition to the derivatives above, Odfjell SE held currency forwards to reduce exposure in subsidiaries. The result of these contracts is transferred to the respective subsidiary at maturity and therefore not recognized in Odfjell SE's separate financial statement. Fair values of these contracts are:

(USD 1 000)	2021	2020
Bunkers	–	3 931
Currency	611	4 407
Derivative financial instruments	**611**	**8 338**

Note 3
Interest bearing debt

The long-term debt is a combination of debt guaranteed by subsidiaries and unsecured bonds in the Norwegian bond market. Interest rates are generally based on floating LIBOR-rates on less than 12 months. See note 8 to the Group Financial Statements for more information about interest bearing debt and covenants.

(USD 1 000)	Interest rate year-end [1]	2021	2020
Mortgage loans from finance institutions	2.42%	37 912	50 956
Bonds – unsecured	6.04%	243 994	234 261
Subtotal interest bearing debt	5.55%	281 906	285 216
Debt transaction fees		(2 564)	(1 413)
Total interest bearing debt		**279 342**	**283 804**
Current portion of long term interest bearing debt		(57 280)	(95 071)
Total non-current interest bearing debt		**222 062**	**188 732**

[1] Average interest rate is the weighted average of interest rates, excluding hedging, as per end of 2021.

Maturity of interest bearing debt as per December 31, 2021:

(USD 1 000)	2022	2023	2024	2025	2025	2027+	Total
Mortgage loans from financial institutions	19 821	18 091	–	–	–	–	**37 912**
Bonds – unsecured [1]	37 459	110 340	–	96 194	–	–	**243 994**
Sub total interest bearing debt	**57 280**	**128 431**	**–**	**96 194**	**–**	**–**	**281 906**
Estimated interest payable	16 323	14 805	8 224	2 043	–	–	**41 395**
Total interest bearing debt	**73 604**	**143 236**	**8 224**	**98 237**	**–**	**–**	**323 301**

[1] Values excluding hedging effects from interest and currency swaps which is recognized as derivative financial instruments in the statement of financial position

Maturity of interest bearing debt as per December 31, 2020:

(USD 1 000)	2021	2022	2023	2024	2025	2026+	Total
Mortgage loans from financial institutions	13 080	20 739	17 137	–	–	–	**50 956**
Bonds – unsecured [1]	81 991	70 278	81 991	–	–	–	**234 261**
Sub total interest bearing debt	**95 071**	**91 017**	**99 128**	**–**	**–**	**–**	**285 216**
Estimated interest payable	15 748	15 738	15 931	–	–	–	**47 417**
Total interest bearing debt	**110 819**	**106 754**	**115 060**	**–**	**–**	**–**	**332 633**

[1] Values excluding hedging effects from interest and currency swaps which is recognized as derivative financial instruments in the statement of financial position

The average maturity of the Company's total interest-bearing debt is about 1.9 years (1.5 years in 2020). Average maturity of loans from financial institutions is 1.0 years (1.9 years in 2020), while average maturity of bonds is 2.1 years (1.4 years in 2020).

Long term loans from subsidiaries:

	Currency	Average interest rate	2021	2020
Loans from Group companies	USD	5.52%	6 860	6 496

Loans from Group companies generally have no fixed repayment schedule. Repayment is based on available liquidity. Loans to and from Group companies are priced on an arms-length basis.

Note 4
Taxes

(USD 1 000)	2021	2020
Taxes payable related to withholding tax on received dividend	–	–
Prior years adjustments	–	–
Total tax expenses (income)	–	–
Effective tax rate	N/A	N/A

Taxes payable:

(USD 1 000)	2021	2020
Result before taxes	(6 023)	(36 762)
Permanent differences	(20 306)	(2 166)
Changes temporary differences	(7 506)	3 252
Basis taxes payable	**(33 835)**	**(35 676)**
Group contribution with tax effect (received)	347	377
Utilization of carried forward losses	–	–
Losses brought forward	33 488	35 299
Basis taxes payable after Group contribution	**–**	**–**

Specification of deferred taxes (deferred tax assets):

(USD 1 000)	2021	2020
Non-current assets	1 055	1 213
Other long-term temporary differences	1 742	2 253
Financial instruments/finance expenses	(23 996)	(33 460)
Tax-loss carried forward	(216 734)	(202 276)
Non-deductible interest	(23 516)	(17 098)
Net temporary differences	**(261 450)**	**(249 367)**
Tax rate	22%	22%
Total deferred tax (deferred tax assets)	(57 519)	(54 861)
Total deferred tax assets not recognized	57 519	54 861
Deferred tax assets	**–**	**–**

Deferred tax asset is not accounted for due to uncertainty of future utilization of temporary differences. Temporary differences are translated to USD from NOK at closing rate. Basis for calculating taxes payable is average exchange rate, while deferred tax/deferred tax assets are calculated using end exchange rate.

Note 5
Shareholders' equity

	Share capital	Treasury shares	Share premium	Retained earnings	Total equity
Shareholders' equity as per December 31, 2019	**29 425**	**(2 545)**	**172 388**	**586 803**	**786 069**
Comprehensive income	–	–	–	–	–
Purchase of Treasury shares	–	–	–	–	–
Proposed dividend	–	–	–	–	–
Net result	–	–	–	(36 762)	**(36 762)**
Shareholders' equity as per December 31, 2020	**29 425**	**(2 545)**	**172 388**	**550 040**	**749 307**
Comprehensive income	–	–	–	–	–
Sale of Treasury shares	–	41	–	391	**432**
Proposed dividend	–	–	–	–	–
Net result	–	–	–	(6 023)	**(6 023)**
Other adjustments	–	–	–	–	–
Shareholders' equity as per December 31, 2021	**29 425**	**(2 504)**	**172 388**	**544 408**	**743 716**

Note 6
Related parties

In the normal course of the conduct of its business, Odfjell enters into a number of transactions with related parties. The Company considers these arrangements to be according to arm-length principles and on commercially reasonable market terms. There were no material outstanding balances as per December 31, 2021.

Odfjell SE also has service fee agreements and several financial transactions with Group companies, all considered being at commercial reasonable market terms. Management fee from wholly owned subsidiaries is charged with USD 6.9 million (USD 6.7 million in 2020).

Note 7
Subsequent events

Subsequent events are events that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Refer to note 31 in the Group financial statements for subsequent events for the Group as a whole.

Based on the Company's 2021 result and overall financial position, the Board of Directors recommends a dividend payment of NOK 1 per share, total estimated NOK 78 915 000 (USD 8.9 million). Dividend to be approved at the Annual General Meeting in May 2022.

Note 8
Financial income and expenses

(USD 1 000)	2021	2020
Dividend/Sale of shares/Group contribution	6 210	2 400
Impairment of shares in subsidiaries (ref. note 12)	–	–
Inter-company interest income	132	446
Other interest income bank deposit	448	581
Total interest income	**580**	**1 027**
Inter-company interest expenses	(364)	(437)
Interest expenses, loans	(26 355)	(26 168)
Total interest expenses	**(26 719)**	**(26 604)**
Other financial income	9 441	9 252
Other financial expenses	(349)	(234)
Financial assets and liabilities at fair value through net result	5 537	(5 503)
Sum other financial income/expenses	**14 630**	**3 516**
Net currency gains (losses) - see note 9	7 825	(9 565)
Net financial items	**2 526**	**(29 227)**

Note 9
Currency gains (losses)

(USD 1 000)	2021	2020
Non-current receivables and debt	8 548	(8 288)
Cash and cash equivalents	(824)	(1 356)
Other current assets and current liabilities	100	78
Total currency gains (losses)	**7 825**	**(9 565)**

Note 10
Loans to Group Companies and joint ventures

(USD 1 000)	Currency	2021	2020
Odfjell Chemical Tankers AS	USD	3 702	–
Total loans to Group companies and joint ventures		**3 702**	**–**

Note 11
Salaries, number of employees, benefits to Board of Directors, CEO, other members of the Management Group and auditor's remuneration

For 2021 the Company has no employees and the Company is not bound to have mandatory occupational pension scheme pursuant to the Norwegian law of Occupational pension scheme.

Compensation and benefits paid to Board of Directors in 2021:

(USD 1 000)	Compensation	Other benefits	Total
Laurence Ward Odfjell (Chair)	128	–	128
Åke Gregertsen	67	–	67
Åse Aulie Michelet	50	–	50
Jannicke Nilsson	50	–	50
Christine Rødsæther	47	–	47
Nils Petter Dyvik	37	–	37
Total	378	–	378

Auditor´s remuneration (exclusive of VAT):

(USD 1 000)	2021	2020
Statutory auditing	141	154
Other assurance services	1	–
Tax advisory services	–	9
Non-audit services	–	5
Total remuneration	**142**	**168**

Note 12
Shares in subsidiaries and joint ventures

Subsidiaries and activities under joint control are included in the parent company financial statement based on historical cost.

Subsidiaries

	Registered office	Share/voting rights	Book value	Result 2021	Equity 2021
Odfjell Argentina SA [1]	Argentina	90%	129	–	195
Odfjell Chemical Tankers Ltd	Bermuda	100%	319 100	361	325 689
Odfjell Brasil - Representacoes Ltda	Brazil	100%	983	(48)	1 073
Odfjell Terminals BV [2]	Netherland	100%	199 172	3 763	164 843
Norfra Shipping AS	Norway	100%	444 848	21 108	486 860
Odfjell Insurance & Properties AS	Norway	100%	843	(23)	615
Odfjell Management AS	Norway	100%	21 858	8 344	28 241
Odfjell Maritime Services AS	Norway	100%	1 929	7	950
Odfjell Tankers AS	Norway	100%	9 858	1 563	11 345
Odfjell Terminals II AS	Norway	100%	5 248	(364)	15 057
Odfjell Gas Shipowning AS	Norway	100%	17 104	3 215	17 358
Odfjell Peru	Peru	100%	195	–	70
Odfjell Ship Management (Philippines) Inc	Philippines	100%	2 600	323	1 988
Odfjell Singapore Pte Ltd	Singapore	100%	13	162	633
Odfjell Korea Ltd	South Korea	100%	43	(142)	(107)
Odfjell Middle East DMCC	United Arab Emirates, Dubai	100%	1 717	63	607
Odfjell USA (Houston) Inc	USA	100%	–	667	4 791
Total			**1 025 640**		

[1] The company Odfjell Argentina SA is directly and indirectly 99% owned by Odfjell SE.
[2] Odfjell Terminals BV became a subsidiary in December 2018. Odfjell's terminal activity is operated through joint ventures owned by Odfjell Terminals BV. The result and equity presented are consolidated figures for the terminal segment (see note 4 to the Group Financial Statements).

Shares in joint ventures

Odfjell had established a joint venture with Breakwater Capital and Oak Hill Advisors, L.P. to include Odfjell's Gas Carriers business. This investment was done through the holding company Odfjell Gas AS. In March 2021, Odfjell SE acquired the remaining 50% of shares in Odfjell Gas AS, and the companies were fully consolidated in the financial statements the remaining months of 2021. The two gas vessels acquired through the acquistion were sold in the third and fourth quarter of 2021. Odfjell Gas AS and Odfjell Gas Carriers AS were therefore liquidated at the end of 2021. The only remaining subsidiary from the Gas Carriers business, Odfjell Gas Shipowning AS, will be liquidated in 2022.

The Company has tested investments for impairment in accordance with requirements in IAS 36. No impairment has been recognized for 2021.

Note 13
Share capital and information about shareholders

	Number of shares	Nominal value (NOK)	(NOK 1 000) 2021	(NOK 1 000) 2020
A-shares	65 690 244	2.50	**164 226**	164 226
B-shares	21 078 704	2.50	**52 697**	52 697
Total	**86 768 948**		**216 922**	**216 922**

All shares have the same rights in the Company, except that B-shares have no voting rights.

20 largest shareholders as per December 31, 2021 according to VPS:

	Name	A-shares	B-shares	Total	Percent of votes	Percent of shares
1.	Norchem A/S	25 966 492	7 668 450	33 634 942	43.16%	38.76%
2.	Odfjell SE	5 532 827	2 322 482	7 855 309	2)	9.05%
3.	Svenska handelsbanken AB 1)	3 226 705	2 080 480	5 307 185	5.36%	6.12%
4.	Rederiet Odfjell AS	3 497 472	–	3 497 472	5.81%	4.03%
5.	Rederiet Jacob Christensen AS	2 880 516	572 546	3 453 062	4.79%	3.98%
6.	Farvatn capital AS	3 225 000	–	3 225 000	5.36%	3.72%
7.	Pareto aksje norge verdipapirfond	2 018 516	1 105 261	3 123 777	3.36%	3.60%
8.	DNB Markets Aksjehandel/-analyse	2 845 147	19 611	2 864 758	4.73%	3.30%
9.	Holmen spesialfond	2 000 000	–	2 000 000	3.32%	2.30%
10.	EGD shipholding AS	1 630 964	–	1 630 964	2.71%	1.88%
11.	B.O. Steen shipping AS	315 000	952 000	1 267 000	0.52%	1.46%
12.	Forsvarets personellservice	987 700	–	987 700	1.64%	1.14%
13.	Credit Suisse (Switzerland) Ltd. 1)	549 600	288 500	838 100	0.91%	0.97%
14.	AS SS Mathilda	600 000	150 000	750 000	1.00%	0.86%
15.	Meteva AS	–	700 000	700 000	–	0.81%
16.	Skandinaviska Enskilda Banken AB 1)	465 935	–	465 935	0.77%	0.54%
17.	The Bank of New York Mellon 1)	–	463 012	463 012	–	0.53%
18.	Goldenheim	163 000	255 000	418 000	0.27%	0.48%
19.	Intertrade shipping AS	100 000	300 000	400 000	0.17%	0.46%
20.	Bergen kommunale pensjonskasse	–	400 000	400 000	–	0.46%
	Total 20 largest shareholders	**56 004 874**	**17 277 342**	**73 282 216**	**83.90%**	**84.46%**
	Other shareholders	9 685 370	3 801 362	13 486 732	16.10%	15.54%
	Total	**65 690 244**	**21 078 704**	**86 768 948**	**100%**	**100%**
	International shareholders	6 329 535	4 446 885	10 776 420	10.52%	12.42%
	Treasury shares 2)	5 532 827	2 322 482	7 855 309	–	9.05%
	Cost price treasury shares (USD 1 000)	1 879	788	2 667		

1) Nominee account
2) No voting rights for own shares ref. Public Limited Companies Act §5 -4

Source: Norwegian Central Securities Depository (VPS).

For an analysis of the 20 largest shareholders of December 31, 2021, see text in section Shareholder Information. See note 26 in the Group Financial Statements for details regarding shares owned by members of the Board and Executive Management (including related parties).

Note 14
Guarantees

(USD 1 000)	2021	2020
100% owned subsidiaries (credit facilities)	851 770	939 630
Joint ventures (credit facilities)	–	6 800
100% owned subsidiaries (third party guarantees)	3 000	3 000
Total guarantees	**854 770**	**949 430**

Odfjell SE issues guarantees on behalf of subsidiaries as part of our day-to-day business, and to joint ventures on a case-by-case basis.

The Company has issued guarantees on behalf of 100% owned subsidiaries for bunkers purchases and credit facilities totaling USD 855 million (USD 943 million in 2020). Odfjell SE has no longer guaranteed for credit facilities on behalf of JVs (USD 6.8 million in 2020).

Guarantees to and from Group companies are entered into on arms-length basis.

Note 15
Cash and Cash Equivalents

The Group uses a cash pool arrangement with Odfjell SE as the legal entity maintaining the accounts. Other participants' deposits into the arrangement are considered intercompany balances and are presented as such in the financial statements.

Responsibility statement

We confirm that, to the best of our knowledge, the financial statements for the period January 1 to December 31, 2021, have been prepared in accordance with current applicable accounting standards, and give a true and fair view of the Group and Company's consolidated assets, liabilities, financial position and results of operations, and that the report from the Board of Directors provides a true and fair view of the development and performance of the business and the position of the Group and the Company, together with description of the principal risks and uncertainties facing the Company and the Group.

ODFJELL

The Board of Directors of Odfjell SE
Bergen, March 22, 2022

Laurence Ward Odfjell
Chair

Christine Rødsæther

Jannicke Nilsson

Åke Gregertsen

Nils Petter Dyvik

Åse Aulie Michelet

Kristian Mørch
CEO

Auditor's report

Statsautoriserte revisorer
Ernst & Young AS

Thormøhlens gate 53 D, 5006 Bergen
Postboks 6163, 5892 Bergen

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Odfjell SE

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Odfjell SE (the Company) which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise the statement of financial position as at 31 December 2021, statement of profit or loss and other comprehensive income, statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements of the Group comprise the consolidated statement of financial position as at 31 December 2021, consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable legal requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act,
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the audit committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company since before the listing in 1986, for more than 36 years from the election by the general meeting of the shareholders.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Impairment evaluation of vessels

Basis for the key audit matter	*Our audit response*
Due to continuing challenging market conditions and price/book ratio below 1, management identified impairment indicators and tested recoverable amounts of the Group's vessels and right of use assets (vessels). Management measured the recoverable amounts of vessels or cash generating units ("CGUs") by comparing its carrying amount to the highest of fair value less cost to sell and value in use. The Group's vessels operate within trades (the deep-sea/regional South America trade and the regional Asia trade), which are assessed to be separate CGUs. Right of use assets (vessels) were part of the deep-sea/ regional South America CGU. In 2021 the Group agreed sale of the vessels within the regional Asia trade CGU. As per 31 December 2021 these vessels are classified as held for sale and recognized at the agreed amount less cost to sell. As per 31 December 2021 book value of the Group's vessels including right of use assets (vessels) amounted to USD 1 605,0 million, representing 77,4 % of Group's total assets. The Group recognized an impairment charge of USD 21 million in 2021 related to the regional Asia vessels held for sale. No impairment charge was recognized on other vessels and right of use assets (vessels) in the fleet. The recoverable amounts of the deep-sea/regional South America CGU were determined based on value in use calculations. Key assumptions for the value in use calculation were forecasted time-charter earnings, estimated useful life of vessels, and discount rate. Considering the extent of estimates and assumptions applied in the impairment evaluation, and management's involvement and significant judgement in establishing them, we assess impairment evaluation of vessels and right of use assets (vessels) as a key audit matter.	We evaluated the appropriateness of management's identification of the Group's CGUs. For the value in use calculation, we compared estimated time charter earnings to the Group's historical data and external long-term expectations for the chemical tanker market. We compared expenses to approved budget, historical data and external long-term expectations. We performed an assessment of the reliability of management's forecast through a review of actual performance against previous forecasts and the consistency of valuation methodology applied. We involved an internal valuation specialist in testing of the mathematical accuracy of the value in use calculation, in the assessment of the model and the discount rate applied. Furthermore, we performed sensitivity analysis of management's assumptions. We refer to note 2.5, 3 and 13 of the consolidated financial statements.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and Chief Executive Officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility contain the information required by applicable legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by applicable legal requirements is not included, we are required to report that fact.

Building a better working world

We have nothing to report in this regard, and in our opinion, the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility are consistent with the financial statements and contain the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act and of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Building a better working world

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirement

Report on compliance with regulation on European Single Electronic Format (ESEF)

Opinion

As part of our audit of the financial statements of Odfjell SE we have performed an assurance engagement to obtain reasonable assurance whether the financial statements included in the annual report, with the file name odf-2021-12-31-en.zip, has been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation given with legal basis in Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements included in the annual report have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of an annual report and iXBRL tagging of the consolidated financial statements that complies with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary to enable the preparation of an annual report and iXBRL tagging of the consolidated financial statements that is compliant with the ESEF Regulation.

Auditor's responsibilities

Our responsibility is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation based on the evidence we have obtained. We conducted our engagement in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance that the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we performed procedures to obtain an understanding of the company's processes for preparing its annual report in XHTML format. We evaluated the completeness and accuracy of the iXBRL tagging and assessed management's use of judgement. Our work comprised reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Bergen, 22 March 2022
ERNST & YOUNG AS

Jørn Knutsen
State Authorized Public Accountant (Norway)

Sustainability is at the heart of our work – it is our responsibility and licence to operate. We continuously search for ways to further elevate our operations and services, and take the best care of our customers, partners and investors, the environment, and each other – keeping safety as our number one guiding principle.

Christophe Mediavilla,
Operational Excellence Manager, Odfjell Terminals

ESG report

In 2018, we presented our approach and sustainability strategy in the document 'Global Operations – Our Responsibility'. For the 2021 ESG reporting, we follow the guidance of the Norwegian Shipowners' Association and the SASB framework. The climate risk assessment follows the TCFD framework, and the reporting is in line with the Euronext ESG reporting guidelines.

We also report emissions to the EU MRV, the IMO DCS, the CDP, and the Poseidon Principles. We annually present Communication of Progress to the UN Global Compact and also report sustainability data to EcoVadis. Our sustainability strategy and documentation are published on Odfjell.com.

ENVIRONMENT

TOPIC	ACCOUNTING METRIC	UNIT	REF
Climate risk and climate footprint	**Scope 1 GHG emissions** Gross global Scope 1 GHG emissions to the atmosphere are reported in line with the GHG Protocol. Scope 1 emissions are direct greenhouse (GHG) emissions that occur from sources that are controlled or owned by an organization (e.g. emissions associated with fuel combustion). In 2021, Odfjell's CO_2 emissions increased by 9%, compared to 2020, due to a number of vessels in the Odfjell fleet. While the total CO_2 emissions are up, the Annual Efficiency Rate (AER) is down (please see GHG emission intensity below). Odfjell reports CO_2 emissions to the Carbon Disclosure Project (CDP), the source for metrics used for banks, in accordance with the Poseidon Principles. Odfjell also reports CO_2 via the EU MRV and the IMO DCS protocol according to required scope. Shipping emissions represent 99% of our total Scope 1 emissions. Odfjell has set a target to have a climate-neutral fleet by 2050. Vessels included in the emission calculations are all vessels operated by Odfjell, including time charter and pool vessels.	1,488,913 metric tonnes CO_2, compared to 1,375,770 in 2020.	SASB TR-MT-110a.1 GRI 305-1 Poseidon Principles SDG 13 CDP C6-C8 IMO strategy on reduction of GHG emissions 2030-2050 IMO DCS EU MRV
	Scope 2 GHG emissions Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling. Odfjell converts purchased electricity to metric tonnes of CO_2 equivalents location-based. These numbers are reported in the Carbon Disclosure Project (CDP). Scope 2 emissions represent less than 2% of Scope 1. Scope 2 emissions data for 2021 are not available yet due to CDP reporting cycle. Terminals represent 98.4% of our total Scope 2 emissions.	10,998 metric tonnes CO_2 in 2020, compared to 18,290 in 2019.[1]	GRI 305-2 GRI 305-2 SDG 13 CDP C6-C8
	Scope 3 GHG emissions We have initiated a program to monitor and measure value chain emissions Scope 3 with our major suppliers. We have requested emission numbers from our suppliers, and intend to build models for Scope 3 emissions for our business.	4,343 metric tonnes CO_2 in 2020, compared to 10,047 in 2019.[1]	GRI 305-4 SDG 13
	GHG emission intensity Odfjell uses the Annual Efficiency Ratio (AER) and the Energy Efficiency Operational Indicator (EEOI) to monitor fleet efficiency performance over time. The indicators enable us to measure the fuel efficiency of the fleet, and to gauge the effect of any improvement initiatives. AER is used by the IMO for its official Carbon Intensity Indicator (CII). Odfjell reports preliminary AER, for controlled fleet and operated fleet, every quarter. Odfjell has set a climate target to improve carbon intensity (using AER) by 50%, by 2030, compared to 2008 baseline.	In 2021, Odfjell improved its AER by 5% to 8.24, compared to 2020 (8.64). In 2021, Odfjell maintained the same EEOI level, 15.70, as in 2020 (15.69) for our operated fleet.	

TOPIC	ACCOUNTING METRIC	UNIT	REF
	GHG emission management Odfjell supports the Paris Agreement and the IMO strategy to reduce GHG emissions and global warming. Odfjell will contribute to the achievement of SDG 13, to combat climate change and its impacts, by reducing GHG emissions. Odfjell has, in 2020, set ambitious **climate targets** that go beyond those set by the IMO. Odfjell's climate targets are approved by the Board of Directors. Odfjell: 1) will cut the carbon intensity of our fleet by 50% by 2030, compared to 2008 baseline 2) is dedicated to pursuing a zero-emission strategy, and will only order vessels with zero-emission technology from 2030 3) will have a climate-neutral fleet from 2050 4) will actively support initiatives to develop technology and infrastructure for zero emissions, and support international regulation to drive zero emission for our industry By setting ambitious climate targets, Odfjell is committed to reducing GHG emissions, and has prepared a fleet transition plan to achieve that goal. The plan and performance of targets are audited annually by a third-party assessor under the Sustainability-Linked Bond Framework. Scope 2 emissions represent less than 2% of Scope 1, and targets have not yet been set. Still, we are dedicated to the efficient use of energy, and have made several energy improvements at our headquarters.	For 2021, we are ahead of target to achieve our 2030 carbon intensity reduction goals.	SASB TR-MT-110a.2 GRI-DMA 305-1 GRI 305-5 SDG 13 IMO strategy on reduction of GHG emissions 2030-2050 Odfjell Sustainability Linked Finance Framework
	Climate risk reporting See separate table on climate risk reporting in accordance with the TCFD Recommended Disclosures and the guidelines of Euronext ESG reporting (page 154).		TCFD GRI 201-2 SDG 18 CDP C1-C4
	Energy mix In 2020, Odfjell switched from Heavy Fuel Oil (HFO) to Very Low Sulphur Fuel Oil (VLFSO) and Marine Gas Oil (MGO). Seven scrubber-fitted pool-vessels are included in the reporting. Fuel consumption in 2021 was as follows: • 5.18% HFO (0.06% in 2020) • 17.53% MGO (16.3% in 2020) • 77.29% VLSFO (83.6% in 2020) Total energy consumption is calculated based on a model from CDP that includes all energy consumed related to purchased electricity for terminals and offices, as well as consumed fossil fuels and gases for vessels, terminal sites, and owned cars. Energy consumption data for 2021 are not available yet due to CDP reporting cycle.	1) Total energy consumption of 18,086,312 GJ in 2020, compared to 18,646,860 GJ in 2019 [1] 2) 5.18% Heavy Fuel in 2021 3) 3% Renewable/ Low carbon energy in 2020, compared to 3,7 % in 2019 [1]	SASB TR-MT-110a.3 GRI 302-1 SDG 13 CDP C8
Air pollution	**Other air emissions** We are not able to monitor SO_2 emissions directly, but we can calculate a weighted average based on all bunker delivery notes for purchase in 2021. None of Odfjell's owned ships are fitted with open- or closed-loop scrubbers. Odfjell's current policy is that we do not retrofit our fleet with scrubbers to ensure sulphur regulation. Seven ships owned by TRF entered an Odfjell commercial pool in 2021. These vessels are fitted with an open-loop scrubber. At Odfjell Terminals, our storage tanks are sealed and pressurized. This reduces emissions more than regular atmospheric storage tanks for chemicals. Vapors generated by product movements are managed through vapor balancing to reduce emissions, and any remaining vapors are flared, along with breathing losses from products requiring vapor treatment.	Total SO_2 emissions in 2021 were 4,705 tonnes, slightly up from 3,264 in 2020. Sulphur emission, based on total fuel consumption, was 2,356 tonnes, slightly up from 1,634 tonnes in 2020.	SASB TR-MT-120a.1 GRI 305-7 SDG 3

[1] Scope 2, scope 3 emissions and energy consumption data for 2021 are not available yet due to CDP reporting cycle.

TOPIC	ACCOUNTING METRIC	UNIT	REF
Sea and land pollution	The Odfjell fleet is, or will be, fitted with ballast water treatment systems (BWTS) to prevent the spread of harmful aquatic organisms from one region to another, thus complying with the BWM Convention. As of the end of 2021, Odfjell has 53 ships that fall within the scope of the requirements and of those, 48 have BWTS. All pool and time charter vessels in the Odfjell fleet are in compliance with the BWM Convention. The fleet is fitted with compliant and class-approved systems to handle effluent water, wastewater, and oily water. The systems are registered, and subject to inspections by authorities. At our terminals, we have wastewater treatment systems for effluent management. The remaining waste at our Houston terminal is treated off-site by the Houston terminal Gulf Coast Waste Disposal Authority (GCWDA), to which we are connected by pipeline for wastewater. Our storage tanks are designed to reduce hazardous waste. The sloped design of the tank bottoms limits residual product in tanks, making cleaning easier and better. We use infrared inspection techniques to detect heat leaks due to damaged insulation. This is then repaired, reducing heat losses and thereby reducing energy consumption. We also employ acoustic inspection techniques for nitrogen and compressed air systems to eliminate small leaks and reduce energy consumption.	In 2021, 90% of our fleet was fitted with BWTS. All ships in scope will be fitted by March 2023.	International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM)
Ship recycling	**Responsible ship recycling** Odfjell supports and follows the recommendations of the Norwegian Shipowners' Association, the EU and the IMO. Responsible and compliant ship recycling is a significant part of the circular economy, keeping resources in use for as long as possible and minimizing waste. Ship recycling is an essential industry for sustainable production, and it supports the developing economies of several countries. Steel production represents 8% of global CO_2 emissions, three times more than international shipping. Increased use of recycled steel will reduce global emissions. Recycling one tonne of steel saves 1.67 tonnes of CO_2. Using recycled steel reduces CO_2 emissions by 58%, air pollution by 86%, water use by 40%, and water pollution by 76% (Source: EuRIC Metal Recycling Factsheet). We are an active participant in the Recycling Forum of the Norwegian Shipowners' Association and have dedicated personnel to follow up on recycling issues. We encourage ratification and implementation of the IMO Hong Kong convention to have a mandatory international regulation for ship recycling. Odfjell has not sent a ship for recycling since 2016. Should an Odfjell ship be earmarked for recycling, the process shall be in full compliance with applicable rules and regulations of the ship's flag state and applicable international rules and regulations. The Ship Recycling Facility shall be compliant with the rules and regulations of the ship's flag state and applicable international conventions.	Zero ships recycled since 2016.	EU Ship Recycling Regulation (EU 1257/2013) FOR-2018-12-06-1813 Hong Kong Convention Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal and Ban Amendment EU Regulation on Shipments of Waste. Responsible Ship Recycling Standard SDG 8, 12, 14

TOPIC	ACCOUNTING METRIC	UNIT	REF
Ecological Impacts	**Shipping duration in marine protected areas and areas of protected conservation status** Our shipping operations follow the main routes between major ports around the world. We follow international and local regulations and guidance to avoid protected areas. We do not currently track time and operations in areas of protected conservation status in accordance with UNEP WCMC. Emission Control Areas (ECAs), or Sulphur Emission Control Areas (SECAs), are sea areas in which stricter controls are established to minimize airborne emissions from ships, as defined by the MARPOL Protocol.	The Odfjell fleet operated 7,184 days in ECA areas (including days in port), representing 22.1% of total days (including days in port).	SASB TR-MT-160a.1 SDG 14 Annex VI of the 1997 MARPOL Protocol GRI 304-2 UNEP World Conservation Monitoring Centre (UNEP WCMC)
	Number and aggregate volume of spills and releases to the environment For our fleet, all spills of any substance – harmful or not – are registered and handled as a spill. We also register whether the spill has been contained on board or affected the environment beyond. At our terminals, we strive to further reduce the number of spills through better inspections and additional operational training. There was no pollution outside the terminals caused by spills in 2021. One reportable spill was recorded, in June 2021, at the Houston terminal. The spill exceeded reportable quantity, but all product was contained within the terminal. No spill to the environment. Terminals are complying with the regulations mentioned in their permits.	44 registered spills contained on board and no pollution of the environment in 2021 on our managed ships. Terminals' number of spills > 5 liters was 19 (19 in 2020). LOPC (Loss of Primary Containment) was 30 (improved from 35 in 2020).	SASB TR-MT-160a.3 SDG 14 GRI 306-3
Sustainable Procurement	Sustainable procurement is important to Odfjell, and we verify and ensure suppliers follow our Corporate Supplier Conduct Principles. We also meet with our major suppliers, and have initiated requests for reporting of CO_2 for the products we buy. Every year, Odfjell reports its status on green and sustainable procurement to EcoVadis, including information on our interactions with our suppliers and the suppliers' performance in ESG audits, ESG clauses in contracts, training etc. We are developing a dashboard with various ESG KPIs for suppliers that will be implemented in 2022. Following the new Transparency Act, Odfjell will increase follow up, audits and cooperation with suppliers on Human Rights in the value chain.		

SOCIAL

TOPIC	ACCOUNTING METRIC	UNIT	REF
Safety, Human and Labor Rights	**Lost Time Incident Frequency (LTIF)** At Odfjell, we have a goal of zero accidents and incidents. We monitor and track all Lost Time Injuries (LTIs), Restricted Work Cases (RWC), Medical Treatment Cases (MTC) and First Aid Cases (FAC). Management and the organization have incentive KPIs related to LTIF. LTIF for shipping is calculated as lost time injuries* 1,000,000 / number of Exposure Hours. LTIF for terminals is calculated as lost time injuries* 200,000 / number of Working Hours.	For 2021 LTIF for our managed fleet is 0 compared to 0.21 in 2020. For 2021, LTIF for Terminals consolidated is 0.45, compared to 0 in 2020.	SASB TR-MT-320a.1 GRI 403-9 IMO ISM Code SDG 8
	Safety Safety is more than a priority at Odfjell. It is a core value and part of our license to operate.We are relentless about ensuring the safety of our employees and surrounding communities by improving the way we operate as a company. We continually review personal protective equipment to find the best for our employees, so that they can safely perform their tasks. We strive to ensure our employees do things the right way, and only the right way. We continuously develop and monitor our safety training, and we do not compromise on safety. We conduct safety hazard identification and safety risk assessment to ensure that all risks are mitigated, and to ensure the safety of our people and the environment. Odfjell has dedicated emergency preparedness policy procedures and systems, a dedicated contingency/operations room, and we conduct regular training and exercises with the Emergency Response Management Team (ERMT). Odfjell has implemented safety standards in accordance with the requirements of the flag state of vessels and Odfjell's policies. To raise awareness and employee involvement, Odfjell has implemented a minimum target of safety observation rounds (SOR) per employee, per month at our terminals.	Total Recordable Case Frequency for our managed fleet is 1.13 in 2021. This is an improvement of 2.6% since 2020 (1.16).	ISM Code
	Diversity, equity and inclusion Odfjell promotes diversity, equity and inclusion (see chapter Our people on pages 57-63, and Diversity & Inclusion at Odfjell.com), and equal opportunities for our employees. We believe that recruiting from a wide talent pool, increasing diversity, and creating an inclusive organization adds business value. We have taken steps to collaborate with industry networks in driving the diversity agenda, as we believe that this is a missed opportunity in our industry today. We support offshore career and recruiting initiatives to promote gender balance. We have a goal to increase the ratio of females in leadership positions, and to improve the gender balance at all levels. In 2020, we set a diversity target to realize a minimum 30% gender balance by 2030, at all levels of our shipping shore-based organization. The same year, Odfjell participated for the first time to the Ernst & Young SHE index for Norway. We have submitted 2020 and 2021 data and will report diversity status and progression under this framework. Our scores and ranking confirms the need for structured and long-term efforts. Odfjell follows up the requirements of the Norwegian Equality and Anti-Discrimination Act §26. Odfjell Management AS and Odfjell Maritime Services AS' analysis and reporting for 2021 are made available in the annual report and under the ESG reporting framework. As per regulations, Groups <5 are not represented. Both permanent and temporary employees on Odfjell's payroll are included in the analysis. However, temporary and part-time employees (voluntary and non-voluntary) are not represented in the tables below (fewer than 5 for each group).	Board of Directors of Odfjell SE is 50% female. Executive Management is 100% male. Odfjell Management AS (shore-based employees HQ): 68% male/32% female (68/32% in 2020), Odfjell Maritime Services AS (seafarers): 95% male/5% female (95/5% in 2020). SHE Index ranking Norway 2021: 65 out of 84 (+4 points from 2020). Average income of women 63% of those for men (all levels, total of 172 shore-based employees). On average in 2021, women in Odfjell Management AS took 13 weeks parental leave while men took 6 weeks. No parental leave was taken in Odfjell Maritime Services AS.	GRI 405-1 SDG 5 SDG 10

TOPIC	ACCOUNTING METRIC	UNIT	REF
	The workforce organization is sorted into four (4) levels. Each level comprises several sub-levels and thereby captures a wide scope of positions: • Executive and Leadership • Front line management and senior professional • Professional • Business support The table below shows the average income of women in % of the average income for men broken down by levels and based on full-time position for Odfjell Management AS. Basic salary and benefits (cash and non-cash) are included in the wage gap calculation.		
	Labor rights Odfjell is a signatory to the UN Global Compact and supports all the ten principles. Principles 3 to 6 concern labor rights. Odfjell supports freedom of association and, in line with local norms and regulations, adheres to various collective bargaining agreements for elements of our workforce. Odfjell has established work councils with employee representatives and local management. Odfjell complies with the Maritime Labor Convention (MLC), and all our vessels are externally audited and carry a certificate of compliance with the MLC. Odfjell has no people < 18 years working or living at sites.	No incidents or legal actions required in 2021.	MLC 2006 GRI 102-41 SDG 8

Groups	Women's earning as % of men's earning	Total number of employees
Executive and Leadership	N/A fewer than 5 women	26
Front line management and senior professional	N/A fewer than 5 women	19
Professional	88%	108 (35 women, 73 men)
Business support	N/A fewer than 5 women	19
Total	63%	172

At Odfjell Maritime Services AS, wages are tariff regulated. Salary levels are linked to specific positions and equal regardless of gender. Salary levels will therefore not be represented in a table format.

TOPIC	ACCOUNTING METRIC	UNIT	REF
	Human Rights Human rights actions are managed by our Human Rights Management System, and policies are reflected in several of Odfjell's policies and reporting, such as our Human Rights policy. We also expect the same from our suppliers, who must sign our Suppliers Code of Conduct principles, which also covers human rights. Odfjell expects suppliers to support and respect the protection of internationally proclaimed human rights, and to ensure that they are not complicit in human rights abuses or child labor. As part of Human Rights Due Diligence process, a Human Rights Impact Assessment was carried out in 2021 and presented to the Board of Directors. Odfjell uses the UN Guiding Principles on Business and Human Rights, chapter II, and the OECD Guidelines for Multinational Enterprises as key frameworks. Odfjell has identified the following priorities in its management of human rights impacts: • Ensure health and safety (including workplace health and safety, prevention of emissions and pollution) • Prevent forced labor and human trafficking • Prevent child labor • Health, freedom and safety of refugees at sea • Ensure non-discrimination in hiring, employment and pay • Ensure a non-harassing work environment In our reviews and risk assessment, we score the risk of direct non-compliance with the regulation on human rights and child labor as low. Odfjell cooperates with the Rafto Foundation for Human Rights to continuously develop and improve our policies and best practice on human rights, and we also support the development of Ship Lifecycle Principles with the Rafto Foundation, Institute for Human Rights and Business, and the Danish Institute for Human Rights. Our policies on human rights are in line with Norwegian Transparency Act.	No ethical incidents or legal actions required in 2021.	GRI 412 GRI 408 SDG 8 SDG 4 SDG 16 ILO Maritime Labour Convention (MLC), International Maritime Organisation (IMO) Conventions, UN Convention on the Law of the Sea (UNCLOS), Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal. UNGP and OECD Guidance. Norwegian. Transparency Act.
	Working Hours Odfjell has a policy on working hours, but due to our global presence, this will differ from country to country depending on local regulations. The policies are built into our HR systems to ensure overtime and/or extra time is calculated, monitored, compensated and to ensure that it is compliant with local regulation. Work and rest hours on board are regulated under ILO MLC regulations. Any violations of work/rest are reported and monitored, and records are audited.		MLC 2006 ML 2.3
	Port State Control (PSC) is the inspection of foreign ships in national ports to verify that the condition of the ship and its equipment comply with the requirements of international regulations and that the ship is manned and operated in compliance with these rules. Management and organization in Odfjell have incentives with KPIs related to Port State Control (PSC) findings.	In 2021, Odfjell had 0.9 findings per PSC inspection (0.66 in 2020). We had no detentions in 2021.	SASB TR-MT-540a.3 SDG 8, 14
	Marine casualties Odfjell defines a marine casualty in accordance with the UN IMO's Code of International Standards and Recommended Practices for a Safety Investigation into a Marine Casualty or Marine Incident, MSC resolution 255(84).	Odfjell vessels have not been involved in any such incidents in 2021.	SASB TR-MT-540a.1 SDG 8
	Process Safety Terminals Odfjell follows the reporting guidelines and practices of the American Petroleum Institute (API) Recommended Practice (RP) 754, Process Safety Performance Indicators for the Refining and Petrochemical Industries. Tier 1 and 2 include LOPC (see more on page 124).	Tier 1 and 2 events in 2021 were 0, compared to 6 in 2020.	API RP 754

GOVERNANCE

TOPIC	ACCOUNTING METRIC	UNIT	REF
Business Ethics	**Anti-corruption and integrity framework** Odfjell has a clearly stated zero-tolerance policy on corruption. We have an anti-corruption and integrity framework based on the UK Bribery Act Guidance and Norwegian anti-corruption regulation. We conduct an annual risk assessment from which we devise an action plan on anti-corruption work for the company. We do annual mandatory training and signing of Code of Conduct and anti-corruption policies and procedure for Board members, all of our employees, consultants and we include relevant integrity clauses in all our contracts. Odfjell is a member of the Maritime Anti-Corruption Network (MACN), and we have implemented and supported the MACN 'Say No' campaign on all our ships. We also track requests for facilitation globally with mandatory reporting from all port visits. We have established a reporting hotline, available internally and externally, for the reporting of any compliance-related matters. Odfjell has an Integrity Council that coordinates all actions under the framework from all areas of our business. All employees sign the Code of Conduct and the Anti-corruption policy , among other corporate policies, in an annual compliance sign-off campaign based in our compliance management system (GAN Integrity Solutions). The Board of Directors has annual training in Anti-Corruption. The Corporate Compliance Officer delivers a status and progress report on an integrity work plan to the Board's Audit Committee. The Board of Directors is involved in the work of Odfjell's integrity risk assessment and integrity work plan.		UK Bribery act
	Corruption risk Number of port calls or net revenue in countries that rank in the bottom of Transparency International's Corruption Perception Index (CPI).	1 port call (Nicaragua) in 2021 and 103.434 USD revenue (cargo being discharged) in the 20 lowest CPI ranked countries in 2021.	SASB TR-MT-510a.1 SDG 16
	Facilitation payments The number of incidents where facilitation payments or bribes have been requested. Odfjell follows MACN's 'Say No' campaign adopted for Suez, and has implemented the same policy and reporting globally for all ports. We believe the increased number of incidents reported is due to a new mandatory reporting system that includes incidents that would not have been previously recorded.	23 registered incidents compared to 7 in 2020.	SDG 16
	Fines The total monetary value of significant fines and the total number of non-monetary sanctions for non-compliance with laws and/or regulations.	Zero	GRI 419-1 SASB TR-MT-510a.2 SDG 16
	Anti-Money Laundering (AML) Odfjell has established a new training module and policy on AML and counter-terrorist financing. All relevant employees will have to go through mandatory training and testing of AML risks and policy.		GRI 205-2

TOPIC	ACCOUNTING METRIC	UNIT	REF
ESG governance	**Main policies** Corporate Strategy and Values, Code of Conduct, Health/Safety and Environmental Policy, Governance Policy, Anti-corruption Policy, Environmental Policy of Ship Management, Human Rights Policy, Supplier Conduct Principles, Supplier Audits incl. ESG, Audits of yards, Sanctions Policy, Antitrust/Competition Compliance Policy, Whistleblowing Policy, Security & Contingency Policy, Anti-Money Laundering & Counter-Terrorist Financing Policy, Data Privacy & Protection Policy, among many others. Our document "Global Operations – Our Responsibility" describes our ESG strategy and actions.		GRI Disclosure of Management Approach IMO MARPOL OCIMF TMSA-3
	Environmental policy Odfjell is committed to environmental protections and creates environmental awareness within our organization. The climate targets have been approved by the Board of Directors. Odfjell has published an impact statement that commits Odfjell to work to achieve the Sustainability Development Goals as a part of the strategy. Our environmental policy is presented in our policies and our document "Global Operations – Our responsibility", available on our website.		
	Environmental Management System We have implemented an environmental management system to ensure we are in compliance with the IMO MARPOL convention. Odfjell has a fleet transition plan that is audited by a third party, that outlines details on how to achieve climate targets for the fleet. In addition, ships have the following certifications covering compliance with international environmental rules and policies (not complete list): • Document of compliance for the company covering International Safety Management (ISM) certification. • Document of compliance for the ship covering International Safety Management (ISM) certification. • IOPP (International Oil Pollution Prevention) Certificate. • ISPP (International Sewage Pollution Prevention) Certificate. • IAPP (International Air Pollution Prevention) Certificate. • International Anti-Fouling System Certificate. • International Energy Efficiency Certificate. • International Ballast Water Management Certificate. • Certificates of Civil Liability for Oil Pollution. Environmental Management systems are also audited as a part of the TMSA audit, in accordance with OCIMF TMSA-3 Best Practice Guidance. The Board of Directors' role in ESG Governance is described under the Climate Risk assessment framework. ESG matters are reported to the Board of Directors' Audit Committee through Corporate Compliance.		
Emergency Response	Odfjell is committed to environmental protections and creates environmental awareness within our organization. The climate targets have been approved by the Board of Directors. Odfjell has published an impact statement that commits Odfjell to work to achieve the Sustainability Development Goals as a part of the strategy. Our environmental policy is presented in our policies and our document "Global Operations – Our responsibility", available on our website.		

TOPIC	ACCOUNTING METRIC	UNIT	REF
Standards	International standardization continues to be a focus across the terminal organization. All terminals are compliant with the international standards ISO 9001, ISO 14001, and Chemical Distribution Institute-Terminals (CDI-T), and are audited by a third party to ensure compliance with these standards. The focus on standardization allows the terminals to have consistent management processes and common systems.		ISO 9001 ISO 14001 CDI-T
Whistle-blowing	Odfjell has a whistleblowing policy and procedure, including an anonymous reporting hotline, available both internally and externally.	Total 18 reports compared to 14 in 2020. None regarded as material.	
Executive pay	Executive pay policy is explained in the declaration in the annual report. Incentive plans are in place for the different parts of the business and approved annually by the Board of Directors. The incentive systems have KPIs linked to safety, climate, quality, performance, and financial results.		Norwegian Code of Practice for Corporate Governance Ch 12
Corporate tax	The shipping activities are operated in several countries and under different tax schemes, including the ordinary tax system in Norway, the Norwegian shipping tax system and the Approved International Shipping system in Singapore. In addition, we operate under local tax systems, most importantly in Brazil. Companies taxed under special shipping tax systems will generally not be taxed on the basis of their net operating profit. A portion of net financial income and other non-shipping activities are normally taxed at the ordinary applicable tax rate. Taxation under shipping tax regimes requires compliance with certain requirements, and breach of such requirements may lead to a forced exit of the regime. We report tax in our annual reports in accordance with IFRS and accounting regulations.		GRI 207
Political contributions	Political involvement is regulated by our Code of Conduct. Odfjell does not make political contributions.		Norwegian Code of Practice for Corporate Governance Ch 12

SASB Activity metric table		UNIT OF MEASURE	CODE
Number of shipboard employees	1 634	Number	TR-MT-000.A
Total distance traveled by vessel	4 844 530	Nautical miles	TR-MT-000.B
Operating days	32 506	Days	TR-MT-000.C
Deadweight tonnage (Operated fleet as of December 2021)	3 387	Thousand Deadweight tonnes	TR-MT-000.D
Number of vessels in total shipping fleet (Operated fleet as of December 2021)	93	Number	TR-MT-000.E
Number of port calls	341 ports, 3 284 port calls	Number	TR-MT-000.F

Climate risk assessment in accordance with TCFD recommended disclosures

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	Disclose how the organization identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Recommended Disclosures

Governance

a) Describe the Board's oversight of climate-related risks and opportunities.

- The corporate risk assessment (including climate-related risks) is presented and discussed at all Board meetings.
- Management reports status and progress on ESG at all Board meetings.
- The Chief Sustainability Officer also reports to the Board's Audit Committee.
- The global and geopolitical long-term risk is always a part of the Board's risk discussions and strategy agenda.
- The risks and opportunities are fundamental for setting Odfjell's ambitious climate targets and are integral to our strategy.

b) Describe Management's role in assessing and managing climate-related risks and opportunities.

- Management discusses current risk assessment, including climate risk, bi-weekly.
- Management adopts transition risk as an integrated part of strategic planning, fleet development and capex plans. Climate-related transition risk is one of the key drivers for the fleet transition plan.
- The physical risk, with a focus on weather and rising sea levels, is particularly relevant for route planning and how we design, operate, and draw up contingency plans for our terminals.
- Odfjell Management has appointed a Chief Sustainability Officer as a part of Executive Management.
- Management has established a new R&D department in the organization to drive the fleet transition towards zero-carbon.

Strategy

a) & b) Describe a) the climate-related risks and opportunities the organization has identified over the short, medium, and long term, and b) the impact on the organization's businesses, strategy, and financial planning.

Opportunities

- The Odfjell fleet has recently been renewed to be modern and fuel efficient. Reducing emissions is good for business, and we are ahead on the journey towards decarbonization. Solving the issue of zero emissions creates opportunities.
- Odfjell's fleet is one of the world's most energy-efficient chemical tanker fleets.
- Reduced cost when a price on carbon is introduced.
- We are partnering with the industry for new solutions, e.g. fuel cell project.
- Increased use of technology drives changes in business models.
- Being a leader in ESG is viewed positively by stakeholders.
- We link ambitious climate targets with financing, attracting new capital, and improving capital cost.

Risks

- Climate change is a source of long-term geopolitical risk. (e.g., instability, conflicts, growth, disruptions, migrations).
- Severe weather can impact ships and our terminals. We are collaborating with Storm Geo, and we have a separate performance section to analyze and optimize route planning to avoid severe weather on our voyages.
- Storm/Freeze contingency plans at our terminals.
- In the move to low carbon operation, there is a risk that assets will not meet the demands of the future. This risk is mitigated through the fleet transition plan, with continuous improvement and renewal.
- Capex and technology risk related to renewal and upgrades. We have a dedicated department to work on this.
- Increased taxation on carbon will increase costs. We are closely monitoring the effects and design of possible tax and ETS, and how any increased costs would be distributed across the value chain.

c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

- Odfjell is resilient to the risk of a 2-degree climate change scenario in the short-term.
- The long-term effects of more severe weather and rising sea-levels are assessed in investment processes and how we operate and manage our terminals.

Risk Management

a) Describe the organization's processes for identifying and assessing climate-related risks.

- Efficiency and emission reduction are material for Odfjell.
- GHG emissions are central to our business. We have made ambitious plans to reduce emissions, mitigating the climate risk of capex, taxation, non-compliance, and negative attractiveness of the sector.
- For the long term risk assessment, we have used the 2-degree scenario in our risk assessment, focusing on:
  - Oceans
  - Economy
  - Storms and flooding
- Using the Carbon Brief, extracted data from 70 peer-reviewed climate studies and IPCC reports as reference for the scenarios[1].

b) Describe the organization's processes for managing climate-related risks.

- Climate risk is a part of the integrated enterprise risk assessment.
- Climate change mitigation and adaptation is integrated into our business.
- Odfjell has created an executive role to focus on sustainability, including climate risk.
- Climate risk assessment is a tool in the risk management process.
- Emission reduction is a KPI in the short-term incentive plan for management and management and the organization.

c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

- Climate risks are included in the risk assessment and are an integral part of the corporate risk assessment.
- We are using a 2-degree scenario to estimate the impact of climate change and risk to our business.
- Our work to reduce emissions and our environmental footprint is never-ending. We seek climate-neutral solutions to contribute to climate targets, investigating new avenues at every opportunity.

Metrics and Targets

a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

- In the ESG report pages 144-153, we provide metrics for emissions in line with the SASB metrics and the metrics in the ESG reporting framework developed for the Norwegian Shipowners' Association.
- Primary metrics for CO_2 emissions are metric tons in accordance with SASB TR-MT-110a1. These numbers are used in the calculations of Energy Efficiency Indicator (EEOI) and Annual Efficiency Ratio (AER) as used by IMO.
- Odfjell discloses AER in all quarterly reports

b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks

- GHG emissions are listed in the ESG report page 144.

c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

- Odfjell has in 2020 set four climate targets as described in the chapter on sustainability in the 2020 annual report.

[1] https://interactive.carbonbrief.org/impacts-climate-change-one-point-five-degrees-two-degrees/

EU Taxonomy alignment reporting 2021

Contributing to climate mitigation	Odfjell's response
Contribution criteria 1. The activity complies with one or more of the following criteria: (Short version) a. the vessels have zero direct (tailpipe) CO_2 emissions; b. derive at least 25% of their energy from zero direct (tailpipe) CO_2 emission fuels or plug-in power; c. vessels are used exclusively for operating coastal and short sea services designed to enable a modal shift of freight currently transported by land to sea d. vessels have an attained (EEDI) value 10% below the EEDI requirements applicable on April 1, 2022, if the vessels are able to run on zero direct (tailpipe) CO_2 emission fuels or on fuels from renewable sources. 2. Vessels are not dedicated to the transport of fossil fuels.	1. Odfjell does not currently have vessels that meet the criteria in pt 1. This is because Odfjell ships are using traditional combustion engines with fossil fuel. Currently, there are no deep-sea vessels in the world fleet that run on zero carbon fuel. 2. Odfjell's vessels meet criteria 2, as they are not dedicated to the transport of fossil fuel.
Do no significant harm criteria 1. Climate adaptation 2. Water 3. Circular Economy 4. Pollution Prevention 5. Biodiversity	1. Odfjell's activity complies with Appendix A in the Annex to the regulation, and is reflected in the Climate Risk Assessment. 2. Odfjell's activity complies with Appendix B in the Annex on sustainable use and protection of water and marine resources, as outlined in our ESG reporting. 3. Odfjell's activity complies with the circular criteria and EU regulation on waste management, inventory of hazardous materials, discharge from ships, and MARPOL regulation, and is covered in our ESG reporting. 4. Odfjell's activity complies with EU regulation and the IMO and MARPOL convention on sulphur nitrogen oxides, black and grey water, and anti-fouling, and is covered in our ESG reporting on emissions and pollution. 5. Odfjell's activity complies with EU regulation on ballast water and guidelines for a reduction in underwater noise, and is covered in our ESG reporting on Ecological impact.

Minimum safeguards criteria	Odfjell's response
Criteria 1. The minimum safeguards shall be procedures implemented to ensure the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Also including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights. 2. When implementing the procedures referred to in paragraph 1 of this Article, undertakings shall adhere to the principle of 'do no significant harm' (DNSH) in the EU regulation.	1. Odfjell meets the criteria for minimum safeguards on human and labor rights. This is covered in our ESG reporting under Social, our work with suppliers, and our compliance with the Norwegian Transparency Act. 2. Odfjell complies with the DNSH criteria in the implementation of the procedures.

Contributing to climate adaptation	Odfjell's response
Substantial contribution criteria: 1. Implementation of physical and non-physical solutions to reduce climate risk. 2. Physical climate risk and vulnerability assessment. 3. Climate risk methodology. 4. Implementation of adaptation solutions.	1-3. Odfjell substantially contributes to climate change adaptation through its Climate Risk Assessment (CRA), as presented separately. The CRA follows guidelines from the TCFD, and physical climate risks listed in Appendix A to Annex of the Regulation. The CRA and vulnerability assessment used 1.5, 2, and 3 degrees or more increase scenarios, building on the IPCC's, and more than 70 peer-reviewed, climate studies. 4. The adaptation solutions implemented in Odfjell do not adversely affect the adaptation efforts, or the level of resilience to physical climate risks, of other people, nature, cultural heritage, assets, and other economic activities.
Do no significant harm (DNSH) criteria: 1. Climate mitigation 2. Water 3. Circular Economy 4. Pollution Prevention 5. Biodiversity	1-5. Odfjell's DNSH criteria on climate change adaptation are the same as for climate change mitigation.

* EU Taxonomy Regulations, Commission Delegated Regulation (EU) 2021/2139 of June 4, 2021(The Regulation)

Fleet overview

as per December 31, 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
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

3rd party * vessel type	Class	Chemical tankers	dwt	Built	Ownership	cbm	Stainless steel, cbm	Tanks
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	651 861	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:

Chemicals 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		

For more information about our fleet, visit Odfjell.com/tankers/the-fleet

Odfjell Terminals overview

as per December 31, 2021

Tank terminals	Location	Ownership 1)	cbm	Stainless steel, cbm	Number of tanks
Odfjell Terminals (Houston) Inc.	Houston, USA	51%	379 981	113 180	119
Odfjell Terminals (Charleston) LLC	Charleston, USA	51%	79 243	0	9
Odfjell Terminals (Korea) Co. Ltd	Ulsan, Korea	50%	313 710	15 860	85
Odfjell Nangang Terminals (Tianjin) Co. Ltd	Tianjin, China	24.99%	137 800	7 000	26
Noord Natie Odfjell Antwerp Terminal NV	Antwerp, Belgium	25%	389 321	84 832	230
Total terminals	5 terminals		1 300 055	220 872	469

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 partly owned by related parties	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		96 933	35 000	

Grand total (incl. related tank terminals partly owned by related parties)	15 existing terminals	1 764 515	235 562

1) Odfjell SE's indirect ownership share
2) Partly owned by related parties

For more information Odfjell Terminals, visit Odfjell.com/terminals

CREDITS
Design/Production: Apriil Media
Photo: Archie Gaddie, B&M Agencia Maritima, Danny Cornelissen, Jonathan Atkin, Malin Gåsvær Haugen, Morten Wanvik, Noel Santos, NNOAT, William Marcia

Printing with Eco Friendly Recycled Paper

Contact

Headquarters

Odfjell SE
Conrad Mohrs veg 29 | P.O. Box 6101 Postterminalen
5892 Bergen | NORWAY
Tel: +47 5527 0000
Email: mail@odfjell.com

Odfjell Brasil Ltda
Av. Paulista 460 - 18 andar Bela Vista,
São Paolo SP | 01310-904 BRAZIL
Tel: +55 11 3549 5800
Email: sao.mail@odfjell.com

Odfjell Durban Pty Ltd
Suite 301, 2 Richefond Circle, Ridgeside Office
Park Umhlanga 4139 | P.O.Box 4045
The Square, 4201 | SOUTH AFRICA
Tel: +27 31 942 0353
Email: dur.mail@odfjell.com

Flumar Transportes de Quimicos e Gases Ltda
Av. Paulista 460 - 18 andar Bela Vista,
São Paolo SP | 01310-904 BRAZIL
Tel: +55 11 3549 5800
Email: contact@flumar.com.br

Odfjell USA Houston Inc.
13100 Space Center Blvd. Suite 600
Houston, TX 77059 | USA
Tel: +1 713 844 2200
Email: hou.chr@odfjell.com

Odfjell Japan Ltd
Ogawa Bldg. 8F
2-2 Uchikanda 1-Chome, Chiyoda-ku
Tokyo 101-0047 | JAPAN
Tel: +81 3 3259 8555
Email: tyo.mail@odfjell.com

Odfjell Tankers AS, Korea Branch
Room 1815, Gwanghwaumun Officia Bldg.
92 Saemoonan-ro, Jongno-gu,
Seoul 03186 | SOUTH KOREA
Tel: +82 2 775 9760
Email: sel-mail@odfjell.com

Odfjell Korea Ltd.
283, Jangsaengpogorea-ro, Nam-gu
Ulsan 44780 | SOUTH KOREA
Tel: +82 52 227 5527
Email: uns.mail@odfjell.com

Odfjell Middle East DMCC
Unit Nos. 2402-2403, Platinum Tower Jumeirah
Lakes Towers | P.O.Box 75450
Dubai | UNITED ARAB EMIRATES
Tel: +971 4 426 9700
Email: dxb.chr@odfjell.com

Odfjell in the Philippines
5F Unit 501 W.Mall Building
Diosdado Macapagal Avenue corner Coral Way
Pasay City 1300 | PHILIPPINES
Tel: +63 2 8405 5020
Email: manila@odfjell.com

Odfjell Singapore Pte Ltd
6 Shenton Way, # 27-08/09 OUE Downtown 2
SINGAPORE 068809
Tel: +65 6349 1300
Email: sin.mail@odfjell.com

Odfjell Shanghai
Suite B, 13F
Huamin Empire Plaza 728 Yan An West Road
Changing District
Shanghai 200050 | P.R. CHINA
Tel: +86 21 5239 9469
Email: sha.chr@odfjell.com

Operation & Commercial, Argentina*
Alicia Moreau de Justo 1960 Office No. 202
Puerto Madero
1107 Buenos Aires | ARGENTINA
Tel: +54 114 313 7837
Email: bue.chr@odfjell.com

Operation & Commercial, Chile*
Rosario Norte 100, Of 304. Las Condes
Santiago 7561258 | CHILE
Tel: +56 9 9632 6138
Email: lorenzo.salas@odfjell.com

Operation & Commercial, India*
SPACES A Wing, 4th Floor,
Kanakia Wall Street,
Andheri – Kurla Road, Chakala
Andheri East,
Mumbai 400093 | INDIA
Tel: +91 9820 34 7222
Email: smita.kharat@odfjell.com

Terminals

Odfjell Terminals Charleston LLC (OTC)
1003 East Montague Avenue
North Charleston S.C 29405 |
P.O. Box 62589 | USA
Tel: +1 843 714 6350
Email: hou.sales@odfjell.com

Odfjell Terminals Houston Inc. (OTH)
13100 Space Center Blvd., Suite 600
Houston, TX 77059 | USA
Tel: +1 713 844 2300
Email: hou.sales@odfjell.com

Odfjell Terminals Korea Co, Ltd (OTK)
594 Dangwol-ro Onsan-eup, Ulju-gun
Ulsan | SOUTH KOREA
Tel: +82 522 311 600
Email: otkcommercial@odfjell.com

Odfjell Nangang Terminals Tianjin Co., Ltd (ONTT)
No. 6 Nangang Street Nangang Industrial Zone
TEDA Tianjin 300280 | P.R. CHINA
Tel: +86 022 6311 7236
Email: lianjing.xin@odfjell-nangang.com

Noord Natie Odfjell Antwerp Terminal NV (NNOAT)
Haven 225-253
Blauwe Weg 44
2030 Antwerp | BELGIUM
Tel: +32 (0)3 543 99 38
Email: degraeff.p@noordnatie.be

Terminals partly owned by related parties

Granel Quimica Ltda
Av. Paulista, 460, 18th floor
São Paulo – SP 01310-904 | BRAZIL
Tel: +55 11 3549 5800
Email: edson.souki@odfjellterminals.com.br

DQM S.A
Av. Enrique Meiggs, 240 Urb. Chacaritas
Callao – Lima 07006 | PERU
Tel: +51 1 614 0800
Email: information@odfjellterminals.com.pe

Terquim S.A
Molo Sur, s/n, Recinto Portuario Casilla 148
San Antonio
Región de Valparaíso | CHILE
Tel: +56 35 2211 050
Email: diego.rodriguez@odfjellterminals.cl

*Offices in Argentina, India and Chile are manned by authorized representatives.

For more information about our offices visit Odfjell.com/contact-us/offices

ODFJELL

ODFJELL SE

Conrad Mohrs veg 29, P.O. Box 6101 Postterminalen - 5892 Bergen, Norway
Tel: +47 5527 0000 - media@odfjell.com - CRN: 930 192 503

Odfjell.com

Join us on Linkedin, Instagram, Facebook, Twitter and Youtube