ODFJELL

Third quarter presentation 2022

By CEO Harald Fotland & CFO Terje Iversen | November 3, 2022

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Highlights 3Q22

The chemical tanker market continued to improve in the third quarter despite what normally is a seasonally slower quarter

- Time charter earnings in Odfjell Tankers increased to USD 171 mill, up from USD 160 mill 2Q22
- Net result contribution from Odfjell Terminals of USD 8 mill compared to USD 2 mill 2Q22. Excluding insurance proceeds and variations in FX-rates, results in 3Q22 were stable from last quarter
- EBIT reached USD 71 mill compared to USD 53 mill 2Q22
- Net result of USD 50 mill compared to USD 30 mill 2Q22. Net result adjusted for one-off items was USD 46 mill compared to USD 30 mill in 2Q22
- COA rate renewals were up 9% on average, but with a limited number of contract renewals concluded during the quarter
- The first of eight 25,000 dwt stainless steel newbuildings was delivered on long-term time charter in September, the second newbuilding will be delivered in November

KEY FIGURES, USD MILLION

USD million, unaudited	4Q21	1Q22	2Q22	3Q22	3Q21	YTD22
Timecharter earnings	135.9	135.6	159.9	171.3	125.0	466.7
Total opex, TC, G&A	(61.2)	(71.5)	(71.8)	(67.2)	(68.1)	(210.7)
Net result from JV's	2.6	3.3	1.5	7.6	1.1	12.5
EBITDA	77.3	67.4	89.5	111.6	58.2	268.4
EBIT	35.3	26.7	52.8	71.1	6.8	150.5
Net financial items	(19.3)	(15.3)	(21.4)	(20.4)	(17.6)	(57.1)
Net result	15.4	11.1	30.0	50.2	(25.3)	91.2
EPS*	0.20	0.14	0.38	0.64	(0.32)	1.16
ROE**	7.5%	4.9%	20.3%	33.5%	(7.7%)	20.1%
ROCE**	5.9%	5.3%	10.8%	14.7%	1.6%	10.7%

** Based on 79.0 million outstanding shares*
*** Ratios are annualized*

"We are pleased to report another strong quarter for Odfjell driven by a robust chemical tanker market. We continue to perform well both operationally and commercially, capturing the ongoing momentum in our markets. The improved cash flow generation enables us to strengthen our balance sheet and also secures attractive returns to our shareholders. We expect continued strong spot rates across most trade lanes, and foresee slightly improved TCE results in 4Q22."

Harald Fotland, CEO Odfjell SE

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Income statement – Odfjell Group

KEY QUARTERLY DEVIATIONS:

A. TCE of USD 171 mill, a growth of USD 11 mill from 2Q22
- Stable number of revenue days for Odfjell vessels but reduced volumes driven by redelivery of pool tonnage
- Main driver behind the higher TCE is improved spot market across most trades

B. Contribution from Odfjell Terminals of USD 7.6 mill.
- Underlying results were stable when correcting for insurance proceeds and variations in FX rates

C. Reduced G&A expenses, but a minor decrease after correcting for non-recurring items recorded in 2Q22

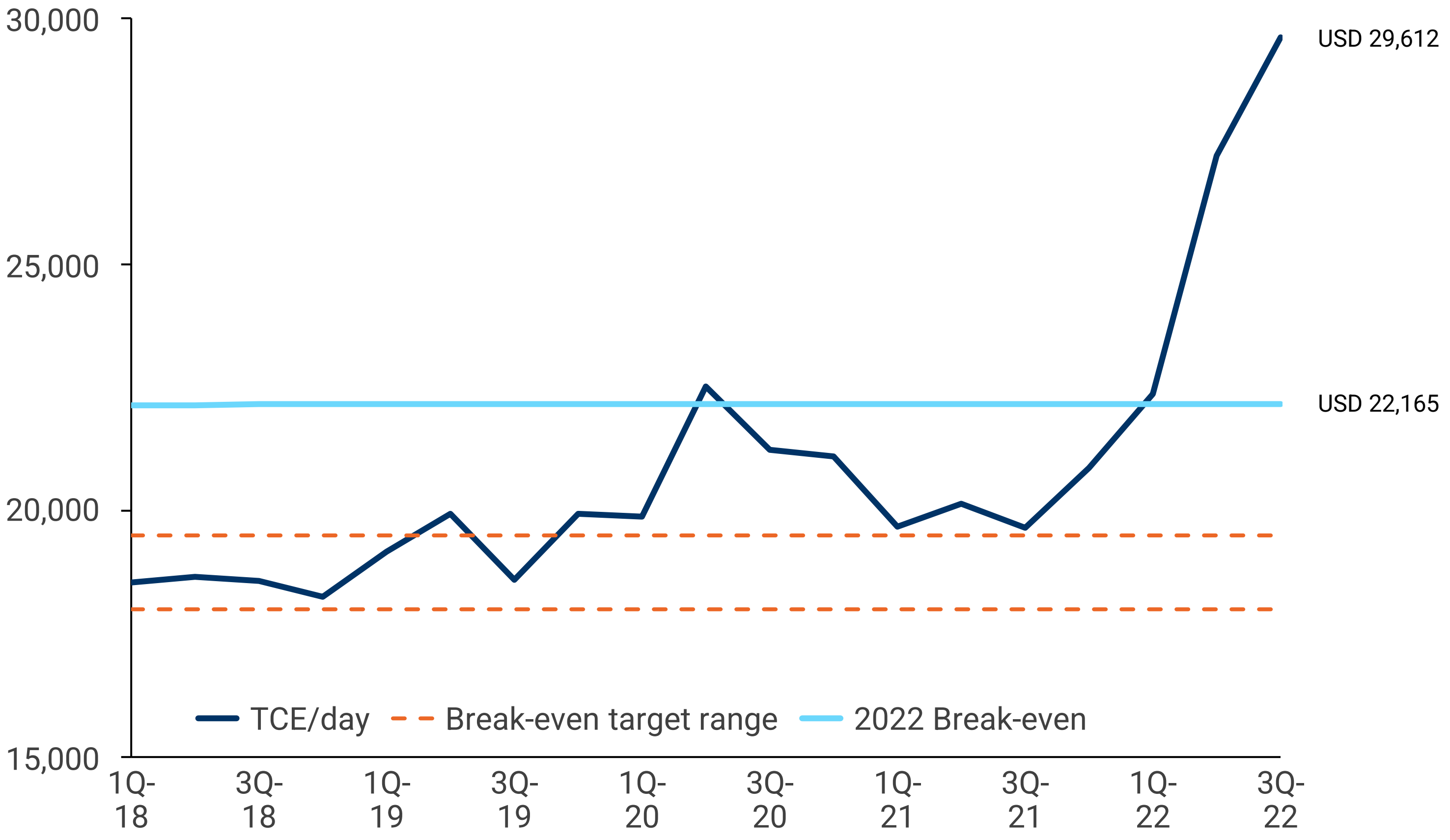
D. EBIT of USD 71 mill compared to USD 53 mill in 2Q22

E. Net result of USD 50 mill compared to USD 30 mill in 2Q22
- Adjusted net result of USD 46 mill after adjusting for USD 1.7 mill of other financial items and insurance proceeds in Odfjell Terminals

USD MILLION	1Q22	2Q22	3Q22
Net Timecharter Earnings (TCE)	135.6	159.9	A 171,3
TC expenses	(7.1)	(5.5)	(4.7)
Operating expenses	(45.8)	(45.9)	(45.9)
Share of net result from associates and JV	3.3	1.5	B 7.6
General and administrative expenses	(18.0)	(19.3)	C (16.6)
Other operating income (expense)	(0.6)	(1.1)	-
EBITDA	67.4	89.5	111.6
Depreciation	(40.7)	(40.6)	(40.6)
Capital gain (loss)	-	3.9	0.1
EBIT	26.7	52.8	D 71.1
Net interest expenses	(18.3)	(17.9)	(18.8)
Other financial items	3.0	(3.5)	(1.7)
Taxes	(0.3)	(1.4)	(0.4)
Net results	11.1	30.0	E 50.2
EPS	0.14	0.38	0.64
Commercial revenue days (exc. external pool vsls)	6,062	5,877	5,785
Off-hire days	295	261	234

Our TCE per day increased further during the quarter, while the annual break-even level remained stable

ODFJELL TANKERS BREAK-EVEN PER DAY VS TCE PER DAY (USD)



- Our TCE/day increased to USD 29 612 in 3Q22 from USD 27 206 in 2Q22.
- This is well above the annual break-even level for 2022 of USD 22 165/day
- Cash break-even in 3Q22 was USD 22,694 per day vs. USD 22,291 per day in 2Q22. The q/q increase was driven by higher interest rate costs and increased drydocking expenses

Balance sheet per September 30, 2022 – Odfjell Group

A. Reduction in investments in associates and JVs due to payment of proceeds from previous terminal transactions to external partner of USD 27 mill

B. Odfjell's cash position including undrawn loan facilities end 3Q22 was USD 157 mill

- During the quarter, an extraordinary debt repayment of USD 15m was made on top of scheduled instalments of USD 20m

C. IFRS 16 adjusted equity ratio was 36% as of 3Q22

D. Bond maturing in September 2023 classified as short-term debt

ASSETS, USD MILL	1Q22	2Q22	3Q22
Ships and newbuilding contracts	1372.8	1348.6	1332.2
Right of use assets	204.4	189.0	197.5
Investment in associates and JVs	187.4	182.9	A 159.2
Other non-current assets/receivables	14.9	17.9	24.5
Total non-current assets	1779.5	1738.4	1713.4
Cash and cash equivalent	61.5	94.8	B 99.7
Other current assets	211.1	210.5	176.7
Total current assets	272.5	305.3	267.0
Total assets	2052.0	2043.7	1989.3

EQUITY AND LIABILITIES, USD MILL	1Q22	2Q22	3Q22
Total equity	579.1	597.3	C 630.5
Non-current liabilities and derivatives	10.7	24.6	28.6
Non-current interest bearing debt	953.9	939.3	790.9
Non-current debt, right of use assets	159.1	146.9	154.3
Total non-current liabilities	1123.7	1110.8	973.8
Current portion of interest bearing debt	144.5	94.6	D 195.6
Current debt, right of use assets	59.1	55.3	53.7
Other current liabilities and derivatives	145.7	185.7	135.8
Total current liabilities	349.3	335.6	385.1
Total equity and liabilities	2052.0	2043.7	1989.3

Cash Flow statement – Odfjell Group

A. Operating cash flow increased from USD 68 mill in 2Q22 to USD 105 mill in 3Q22 driven by improved profits and working capital

B. USD 20 mill in negative other investment cash flow relates to internal transaction with Odfjell Terminals that contributed with USD 27 mill in positive cash flow from financing activities in 2Q22

C. Net reduction in debt of USD 35 mill from scheduled and additional debt reductions

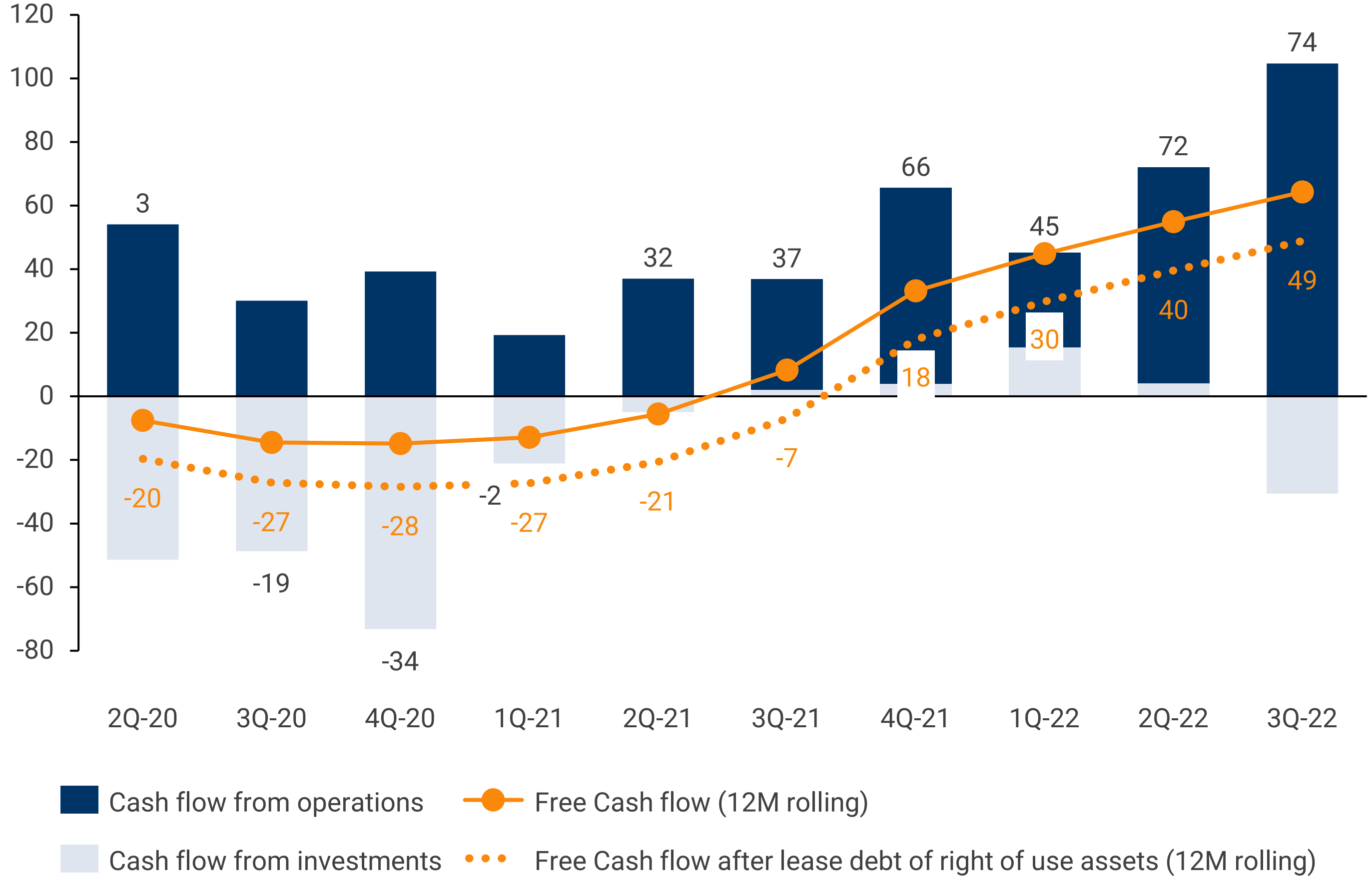
D. USD 18 mill related to dividend payment paid in August

Cash flow, USD mill	1Q22	2Q22	3Q22
Net profit	10.9	29.6	A 49.3
Adjustments	37.4	35.5	33.0
Change in working capital	(14.8)	(6.2)	15.3
Effect of exchange differences and changes in derivatives	(6,6)	3.0	4.5
Other	3.0	6.2	2.5
Cash flow from operating activities	29.7	68.0	104.7
Sale of ships, property, plant and equipment	21.0	13.7	-
Investments in non-current assets	(5.1)	(10.8)	(11.1)
Dividend/other from investments in Associates and JV	-	1.4	-
Other	(0.4)	(0.2)	B (19.5)
Cash flow from investing activities	15.5	4.1	(30.6)
New interest bearing debt	81.7	49.0	C (15.0)
Loans from associates and joint ventures	-	26.8	-
Repayment of interest bearing debt	(123.6)	(84.5)	(19.6)
Payments related to realized derivatives	-	(4.8)	-
Repayment of operational lease debt	(15.0)	(16.0)	(15.4)
Dividends	-	(8.1)	D (18.2)
Net cash flow from financing activities	(56.9)	(37.6)	(68.2)
Net change in cash and cash equivalents*	(12.0)	33.3	4.9
Opening cash and cash equivalents	73.5	61.5	94.8
Closing cash and cash equivalents	61.5	94.8	99.7

* Including FX effects

The stronger markets led to another quarter of improved free cash flow

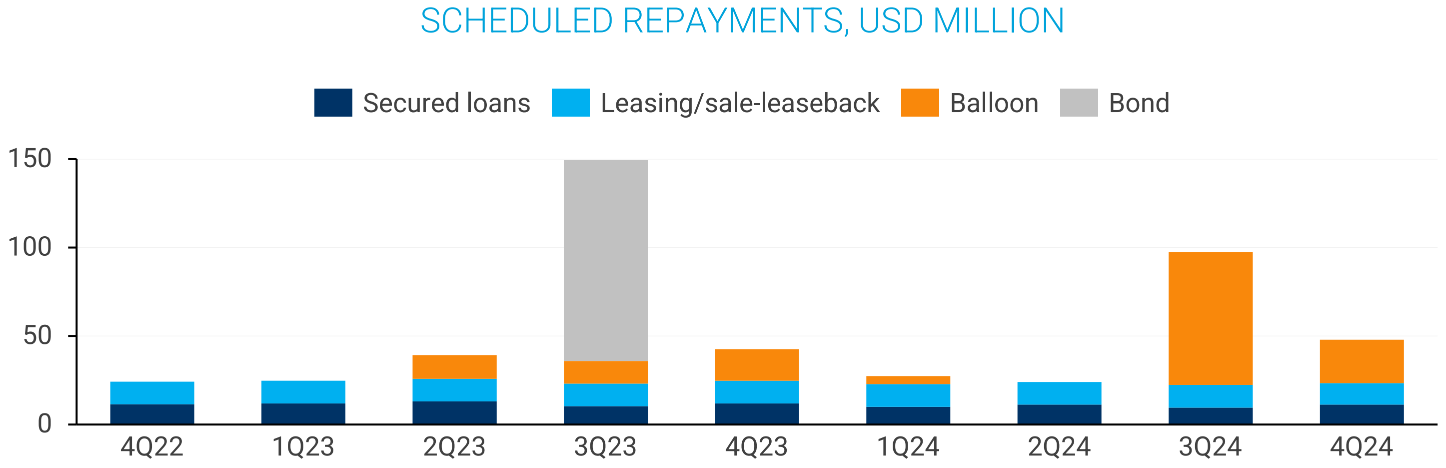
ODFJELL FREE CASH FLOW PER QUARTER (MUSD)

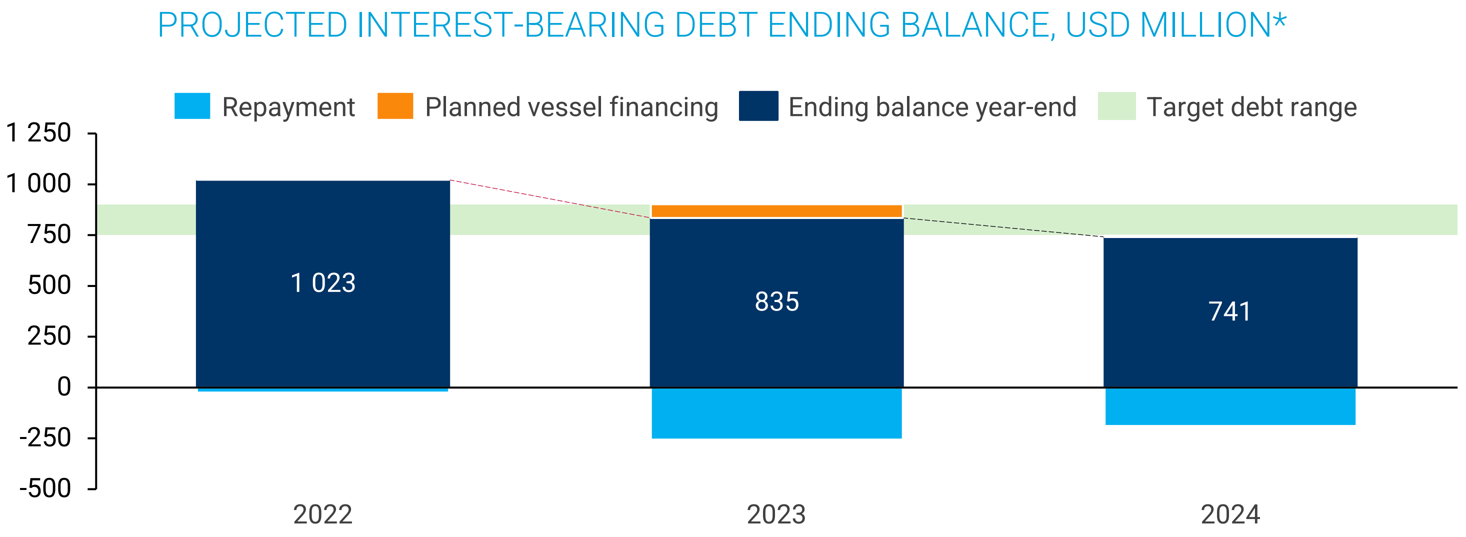


- In 3Q22, 12-month rolling free cash flow reached USD 64 mill, and adjusted for debt repayments related to right of use assets, free cash flow reached USD 49 mill
- Improved working capital in 3Q22 led to ytd increase in working capital being reduced to USD 6 mill
- Free Cash flow was allocated to scheduled and additional debt repayments
- Note that the free cash flow includes an extraordinary element related to an internal transaction that would add another USD 19 mill to free cash flow generation in 3Q22

* Free cash flow equals cash flow from operations less cash flow from investments and less debt repayments related to right of use assets (IFRS-16 debt)

Few upcoming maturities, but we are accelerating our debt repayment and are on track to reach our target debt range in 2023





- We have exercised the option to buy back five vessels on lease, and aim to refinance them in the bank market prior to year-end. This will further lower our leverage and reduce our break-even levels
- We repaid an additional USD 15 mill on a revolving credit facility in 3Q. Total undrawn/repaid is now USD 57 mill
  - Scheduled loan instalments include reduction of undrawn commitments total USD 4.5 mill per quarter
- Headroom to repay an additional USD 110 mill on revolving loans, but we are also targeting higher cost facilities for early refinancing and/or permanent repayments

- Scheduled instalments on loans and leases reduce gross interest-bearing debt by approx. USD 99 mill p.a. (of which USD 18 mill is a reduction of undrawn commitments)
- Extraordinary debt repayments in 4Q22 should bring us below USD 1 bn in interest-bearing debt
- On track to reach our debt targets in 2023

* Nominal bank, lease and bond debt. Bond debt swapped to USD

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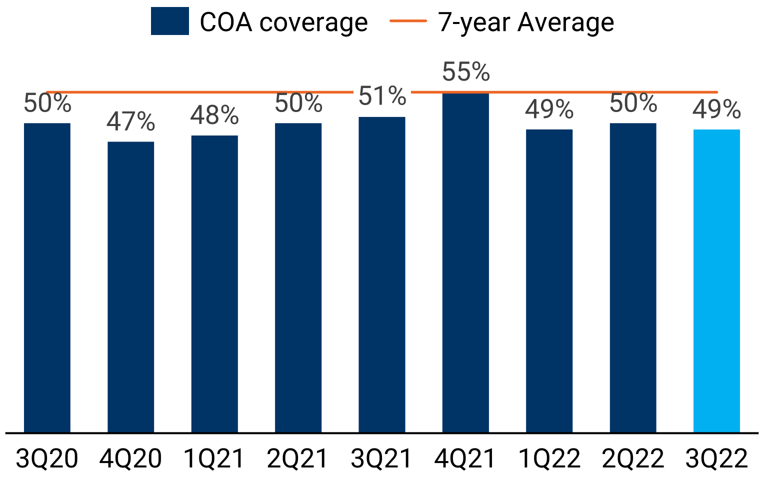
COA and volume development

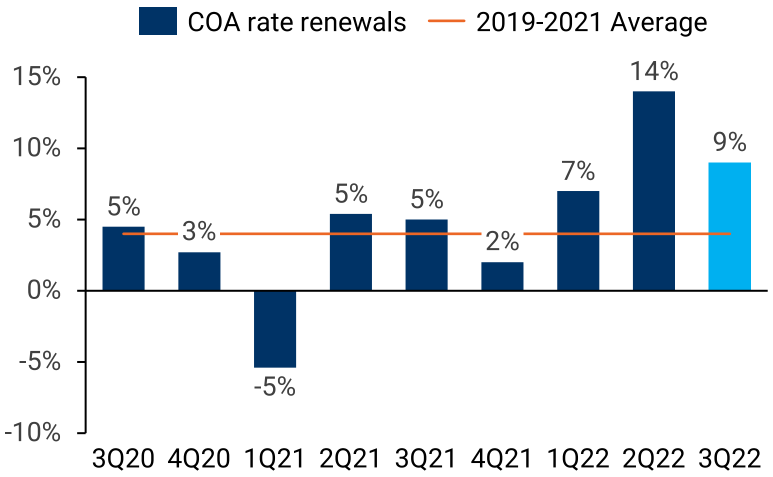
Total volumes lifted decreased in 3Q22 due to redelivery of pool tonnage. Chemical demand remained healthy, and a strong spot market has led to strong demand for COAs at the same time as we begin to see shortage of available COA capacity within the chemical tanker fleet

- In 3Q22 our COA coverage reached 49%, with a corresponding decrease in COA volumes of about 0,2m tonnes
- COA rate renewals increased by 9% on the back of tight supply of chemical tanker tonnage, but only 6% of our total COA's were up for renewal in 3Q22
- Demand from charterers to enter into COAs is high and available space for COAs limited. This should support continued strong momentum for COA rate renewals and other contractual improvements into 4Q22, when a large share of our COA pool will be renewed
- Volumes are set to decrease through 4Q22 as further pool vessels are redelivered, offset somewhat by the delivery of Bow Panther expected in November. Financial impact is expected to be limited as volumes are consolidated on Odfjell owned ships with strong earnings profiles

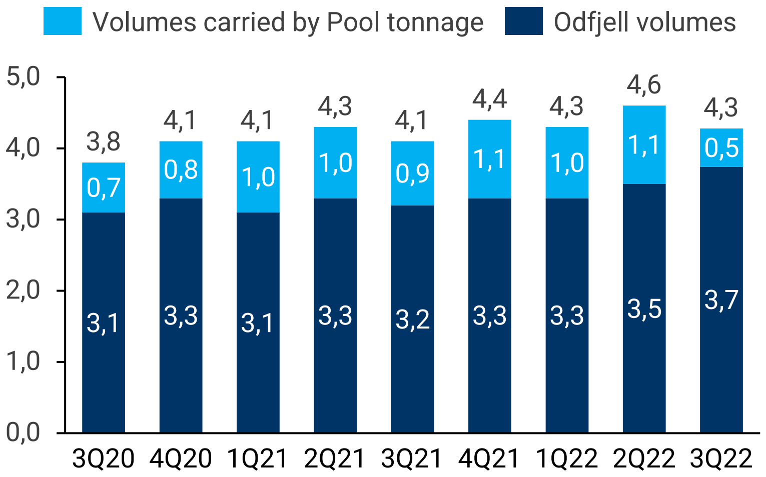
ODFJELL COA COVERAGE (%)



COA RATE RENEWALS (%)



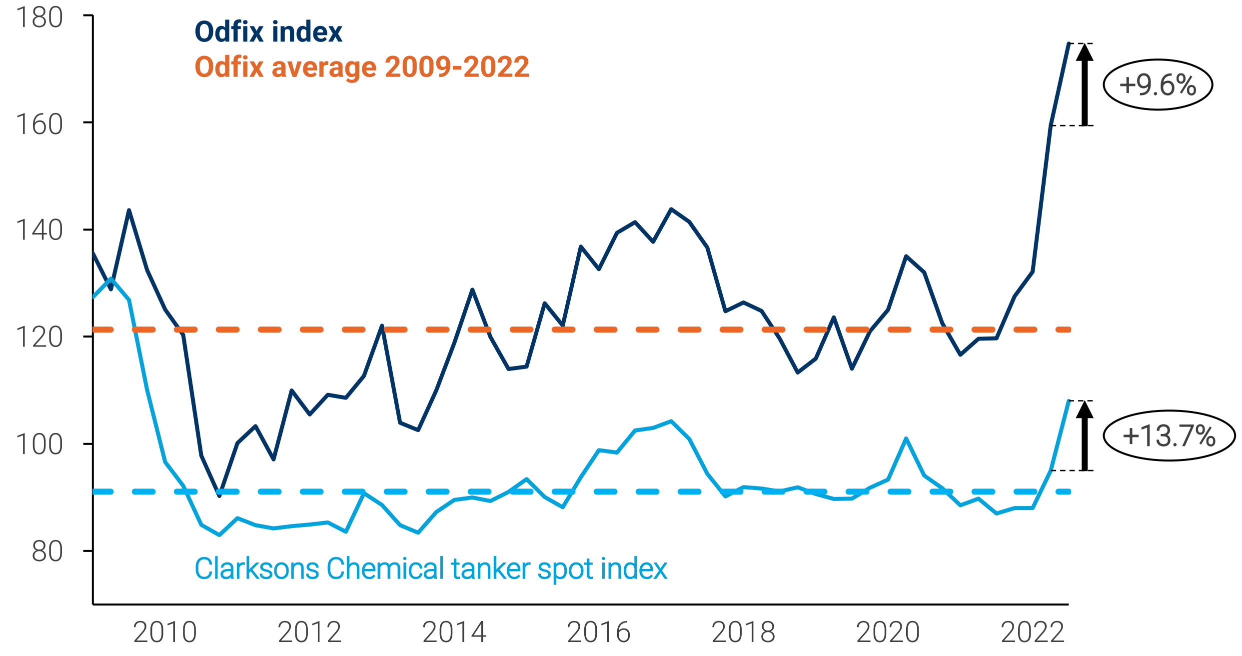
VOLUME DEVELOPMENT (MILL TONNES)



Odfjell capitalise on a strong chemical tanker market

High freight rates drive strong earnings in 3Q22. Volumes of clean petroleum products decline due to a changed fleet composition.

ODFIX VERSUS CLARKSONS CHEMICAL TANKER SPOT INDEX



SPECIALITIES

Volumes were stable in 3Q22 compared with previous quarter

EASY CHEMICALS

Stable level of easy chemicals lifted in 3Q22 compared to previous quarter

VEGOILS

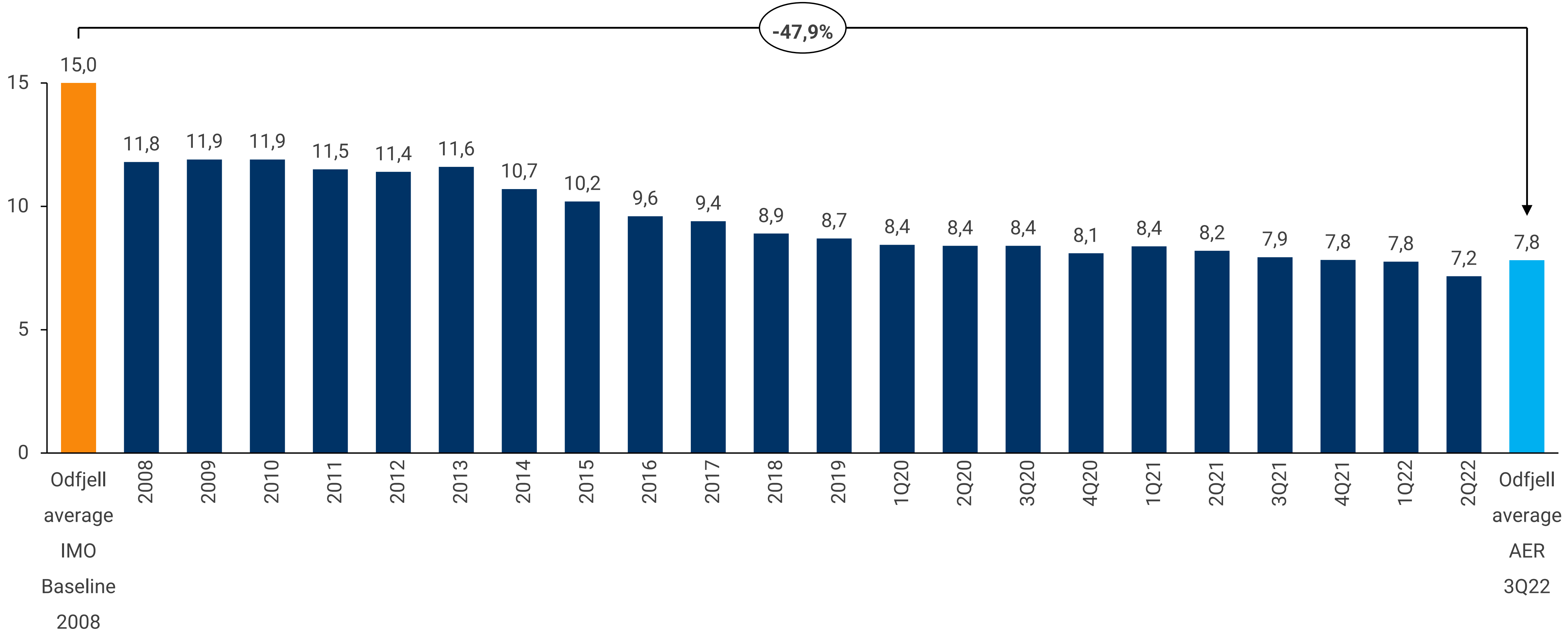
Stable volumes of vegoil dominated by soybean oil and still-high levels of UCO

CPP

CPP volumes decreased to 3,5% of total volumes (from 5% 2Q22) due to a changed fleet composition and high freights rates in the chemical market as well

Following all-time low levels in the previous quarter, Odfjell average AER in 3Q22 increased due to speed adjustments

Odfjell average AER development



Tank Terminals

Financial performance

- 3Q22 EBITDA ended at USD 13.8 million as compared to USD 8.5 million in 2Q22. Underlying results were stable when adjusting for non-recurring insurance proceeds

Market development

- The average commercial occupancy for the terminal portfolio ended at 97.5% in 3Q22, slightly above 2Q22.
- Our terminals in the United States and Europe continued to operate at or close to 100 percent average commercial occupancy, with continued strong activity levels.
- In Asia, our terminal in Ulsan experienced a quarter-on-quarter increase in average commercial occupancy and a modest reduction in activity levels.

Outlook

- While the outlook for the upcoming quarters remains positive, the present environment of high inflation and recession risk in a number of regions create a scenario of increased uncertainty going into 2023. Despite this, we anticipate resilient occupancy levels at our terminals due to their strategic locations.

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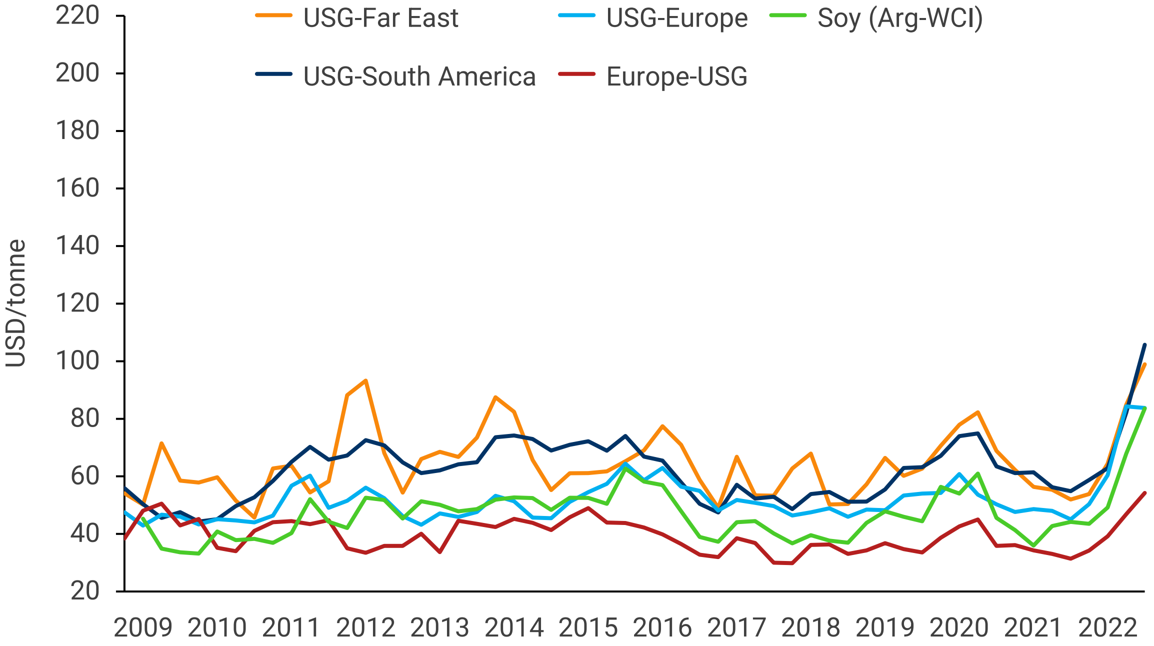
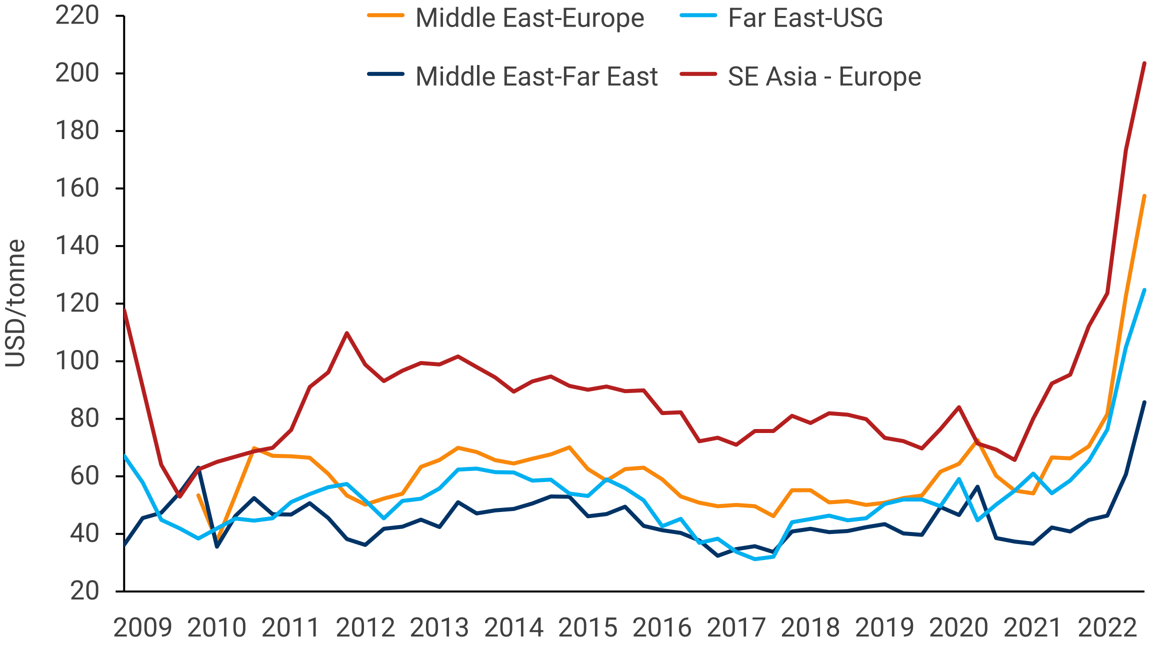
Chemical tanker spot rates climbed further through the third quarter, with all-time high freight rates in all trades

WEST OF SUEZ – CHEMICAL FREIGHT RATES, BUNKER ADJUSTED



EAST OF SUEZ – CHEMICAL FREIGHT RATES , BUNKER ADJUSTED



3Q22 highlights

- Chemical tanker spot rates strengthened further in the third quarter in the Atlantic Basin, with an average rate increase of 15%
- Vegoil spot rates (Soy) from South America climbed further through the quarter, and is now at levels 90% above the corresponding quarter in 2021

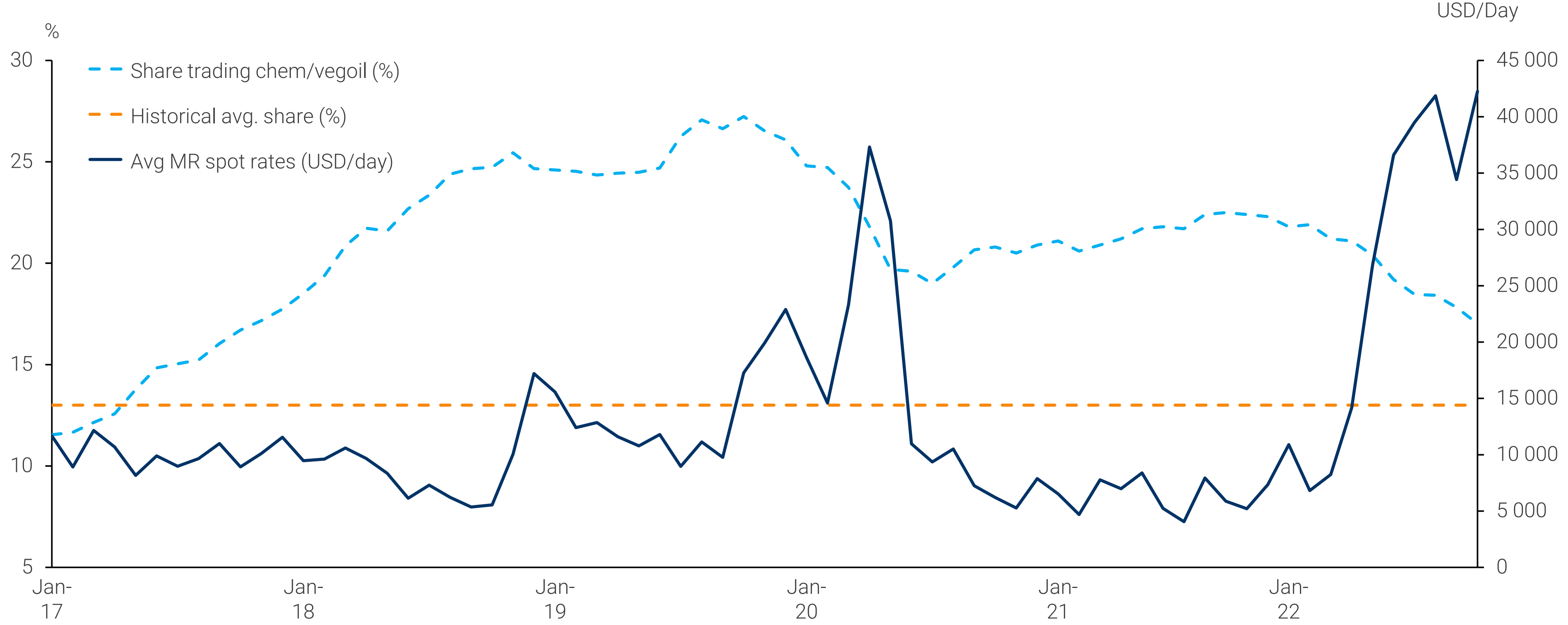
3Q22 highlights

- Asia to Europe and US Gulf spot rates climbed to new record levels in 3Q22, with average rate increases of 27 %
- Exports from the Middle East to Europe and the Far East were particularly strong, recording 28% and 41% rate increases respectively

Source: Clarksons, Platts, Odfjell *Freight rates are adjusted for changes in bunker costs

The chemical tanker market sees reduced supply from swing tonnage due to strong CPP spot rates, while cargo availability remains stable

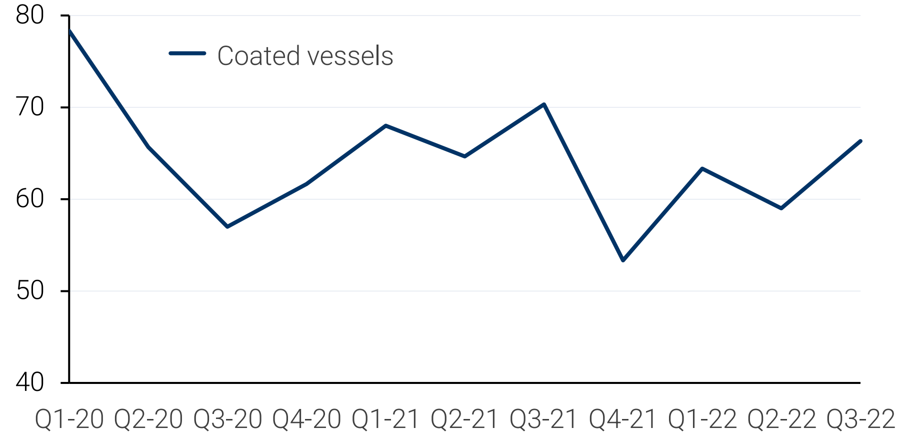
Swing tonnage development

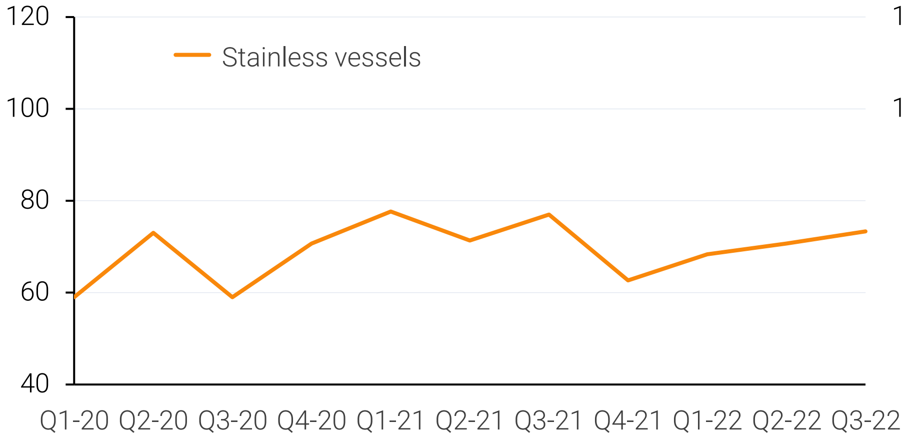


Source: Odfjell, Clarksons

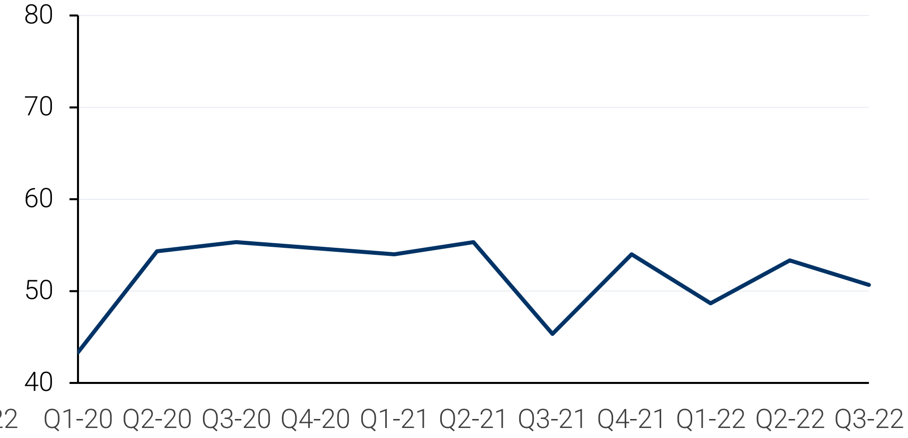
Supply is further constrained as coated chemical vessels increasingly focus on the CPP trade and stainless steel tonnage is tight in both basins

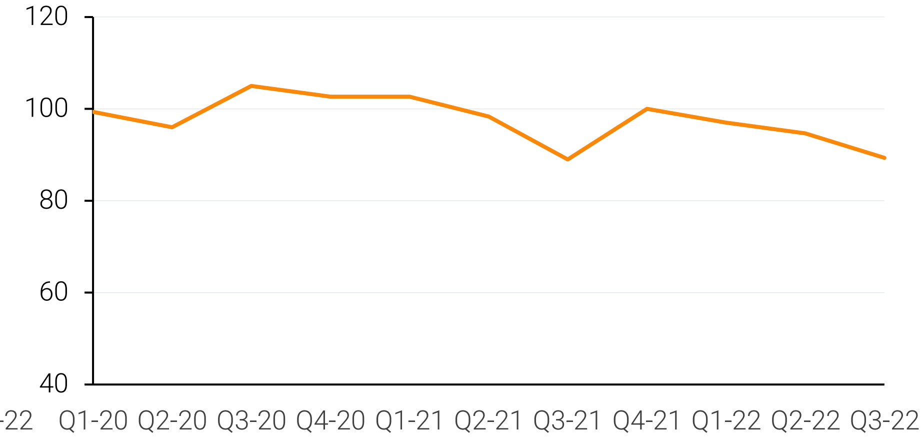
VESSEL SUPPLY AT KEY CHEMICAL HUBS*
WEST OF SUEZ





VESSEL SUPPLY AT KEY CHEMICAL HUBS*
EAST OF SUEZ





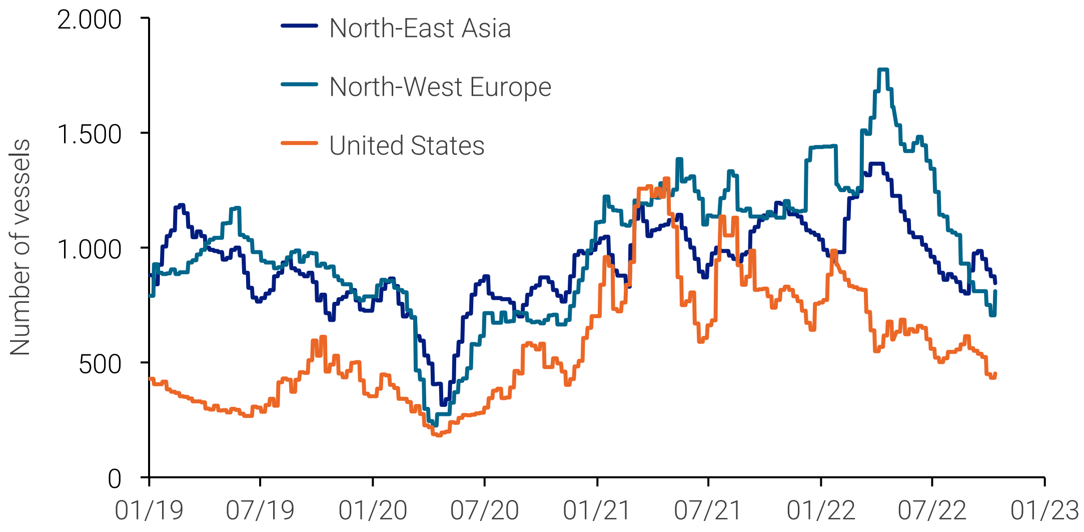
- Coated chemical tonnage is also swinging out of the core chemical trade both east and west of Suez…
- ..This adds further pressure to supply when considering the 5% ytd tonne-mile demand growth for liquid chemicals

- Stainless steel tonnage calling key chemical hubs in the west is increasing slightly, but still below levels seen last year
- Following the strengthening Atlantic market, we see tonnage moving west…
- …This is again leading to a further tightening in the eastern markets

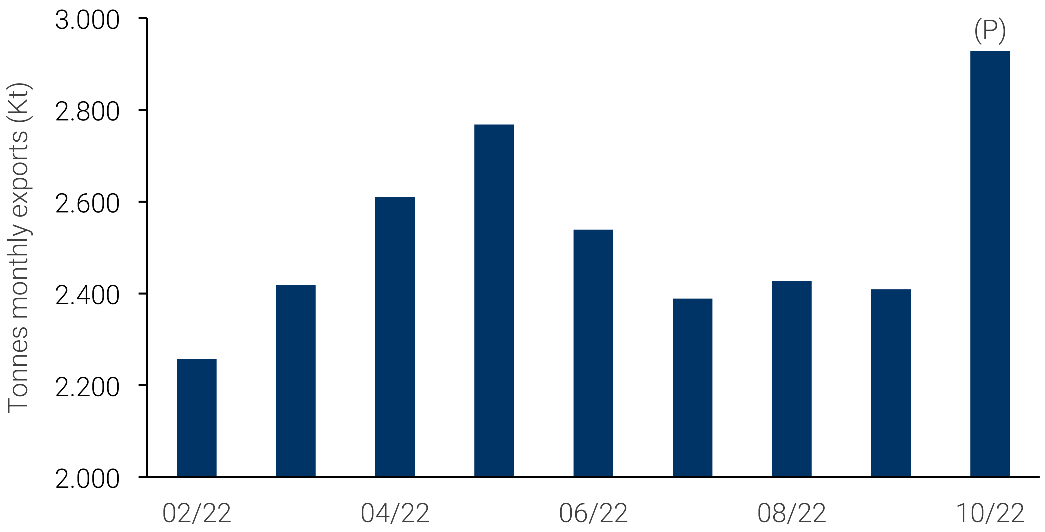
* Average monthly number of vessels calling at ports defined as key chemical hubs
Source: VesselsValue, Odfjell

The economic downturn in the US to add more volumes for exports

ETHYLENE PRICE DEVELOPMENT



US LIQUID CHEMICAL EXPORTS PER MONTH



- Ethylene accounts for roughly 70% of input to liquid petrochemical production in the US
- Due to supply chain challenges and strong domestic demand, the price advantage of US based producers have been challenged since mid-2021
- Due to softening domestic demand and easing supply chain challenges, we now see this price competitiveness returning and stimulating exports

- We have seen strong COA nominations throughout the period of weak arbitrage economics in the US
- We now see early signals that export spot volumes are returning to the market due to lower domestic prices
- This is the final piece of the puzzle, which will make all trade lanes see strong volumes, further tightening the market

Source: Kpler (exports), Argus (price data)

Volatile market conditions remain, but key underlying drivers to support strong rates in the chemical tanker market

EXTERNAL FACTORS

MACROECONOMIC

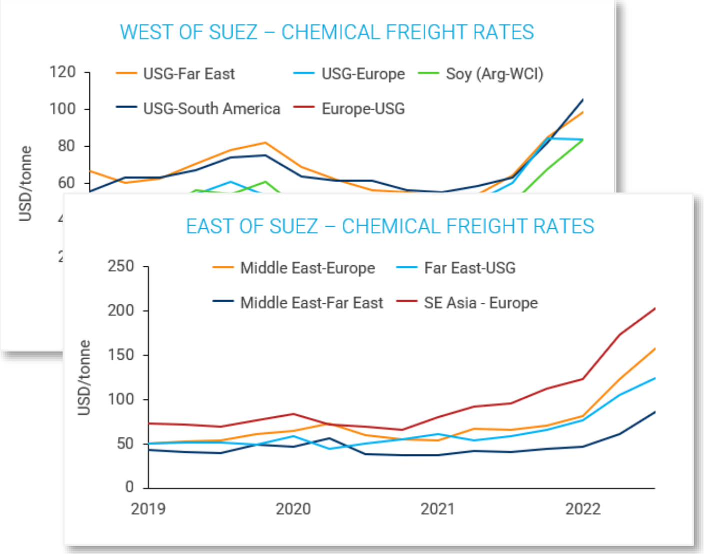
- High inflation and climbing interest rates
- Slowing economic growth and recessions
- Energy crisis in Europe with global impact
- Increasing political tension

DEMAND

- Chemical production (volume)
- Export share of production (distance)

SUPPLY

- Chemical tanker fleet growth
- Swing tonnage from product tankers
- Older tonnage leaving core trades
- Average fleet speed



Summary

Our results	• Another strong quarter for Odfjell driven by a robust chemical tanker spot market
Odfjell Tankers	• Strong markets across all trades as demand remains stable while supply tightens further due to swing tonnage leaving our markets
Odfjell Terminals	• Odfjell Terminals performed well in 3Q22, recording high occupancy rate levels and stable underlying results adjusted for one-offs
Market outlook	• Market to remain strong on the back of high tonne-mile demand and product tankers/coated chemical tankers swinging toward CPP
Guiding	• We expect continued strong spot rates across most trade lanes that, together with improved terms in our COA portfolio, should translate into slightly improved TCE results in 4Q22

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