



ODFJELL



DNB Energy & Shipping Conference

Presentation by CEO Harald Fotland | March 9, 2023

Odfjell has a long history of transporting and storing products that are important building blocks in virtually all industries globally

69 Vessels

- 32 Super-segregators
- 8 Large Stainless steel
- 18 Medium Stainless steel
- 8 Coated vessels
- 3 Regional vessels



4 Tank Terminals JV

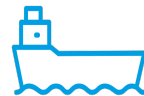
- Houston
- Charleston
- Antwerp
- Ulsan

Organization



- 2,300 Employees
- 27 Nationalities
- 13 Offices

Fleet ownership



- 32 Owned/Leased
- 14 Time Charter
- 20 Bareboat
- 3 Pool Vessels

Ship Management



- In-house management of specialized chemical tankers
- Management of commoditized tonnage outsourced to partners

Cargoes carried



- We handle more than 600 different products every year:
- Specialty chems
 - Easy chems
 - Vegoils & CPP

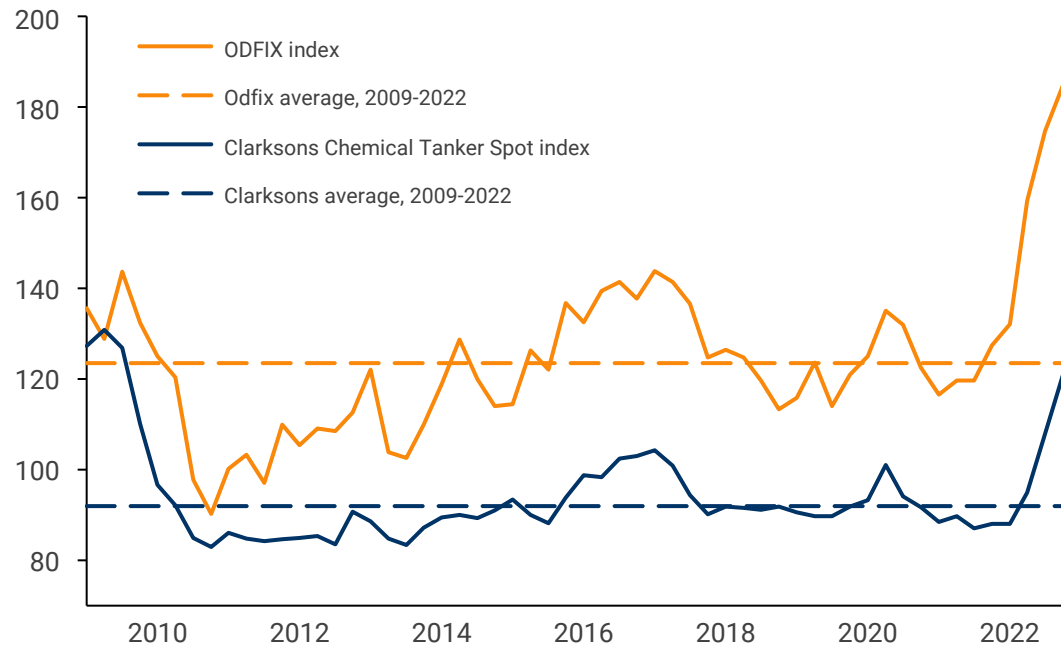
End-user demand



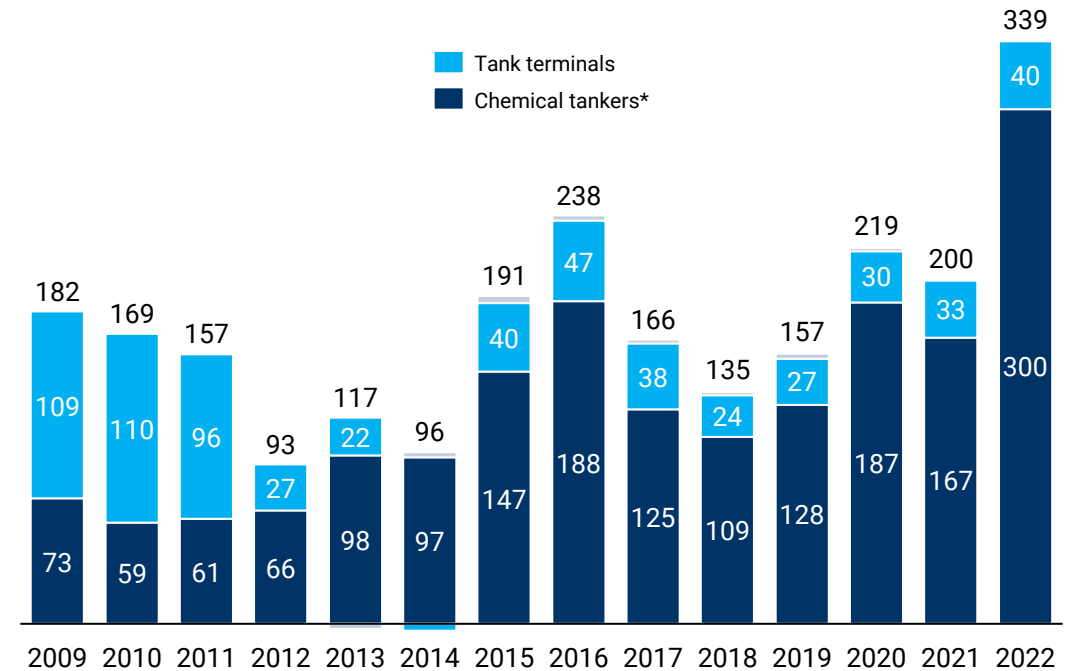
- Everyday products used globally by companies and individuals:
- Pharma, medicine
 - Agriculture, fertilizers
 - Electronics, clothing +++

We capitalize on the strong market, generating solid earnings and a healthy cash flow steered toward deleveraging and dividends

ODFIX VS. CLARKSONS CHEMICAL TANKER SPOT INDEX

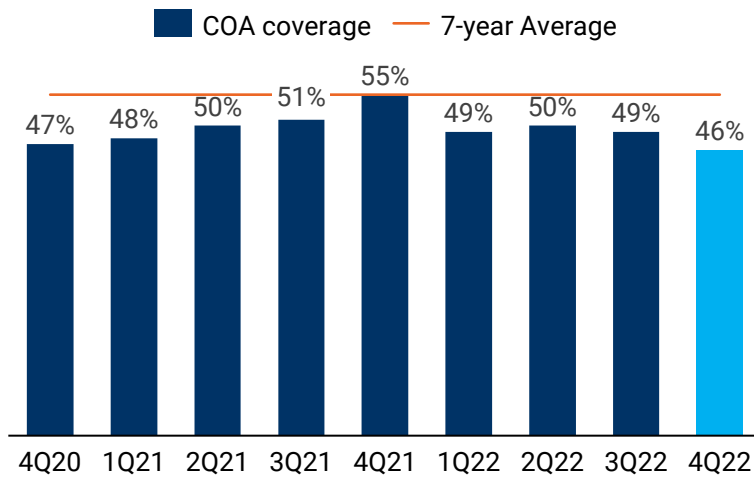


ODFJELL EBITDA DEVELOPMENT (2007-2021)

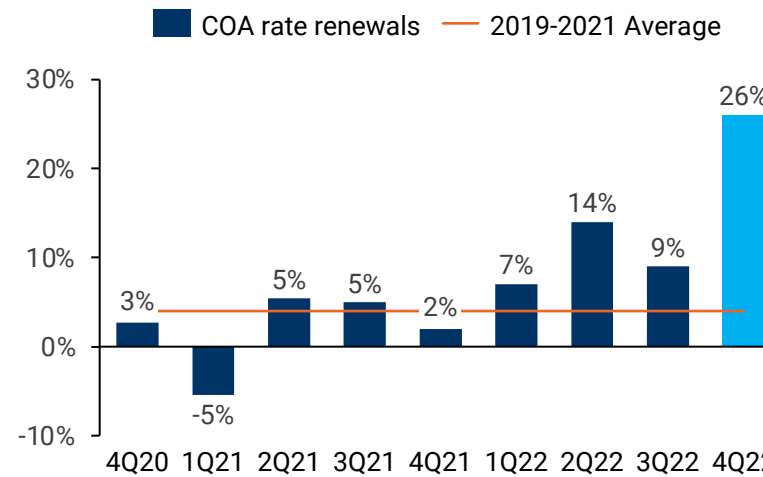


The market momentum supports our position in contract negotiations

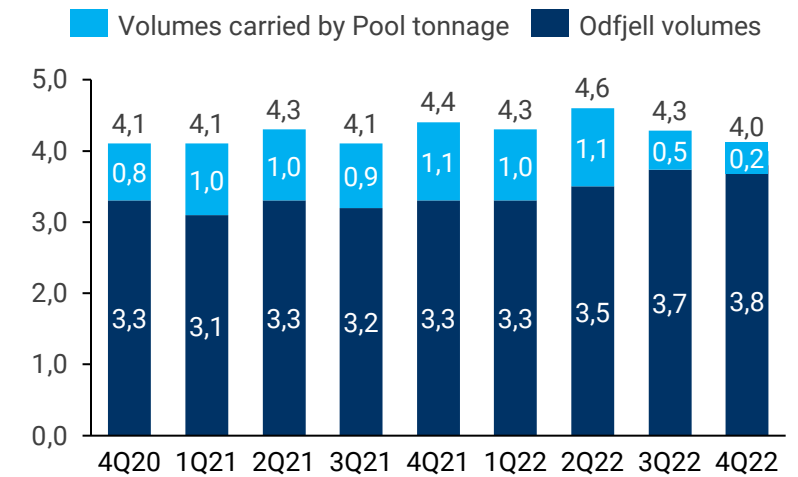
ODFJELL COA COVERAGE (%)



COA RATE RENEWALS (%)

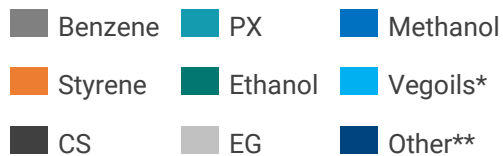
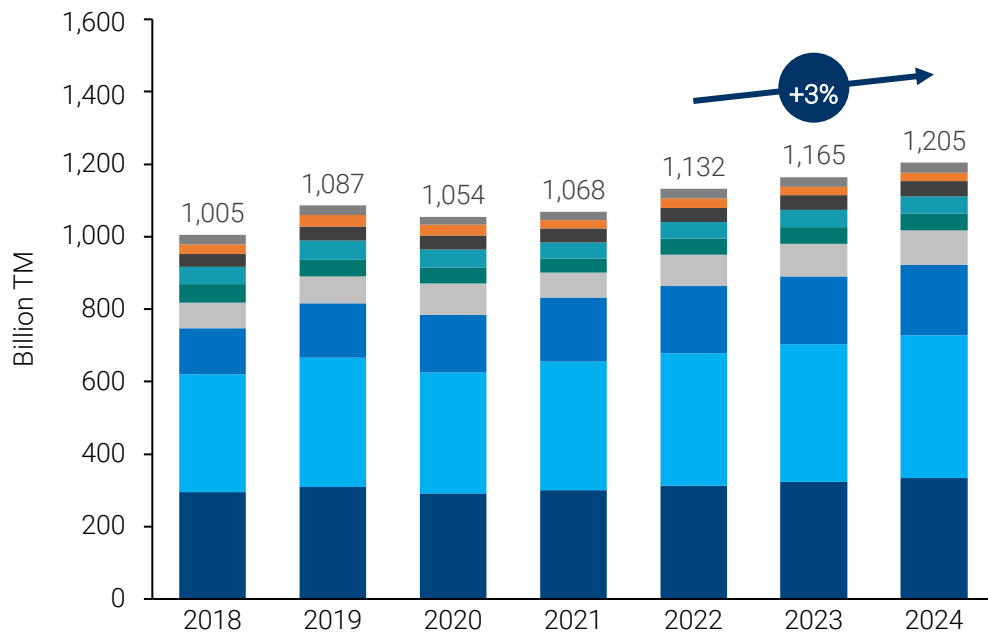


VOLUME DEVELOPMENT (MILL TONNES)

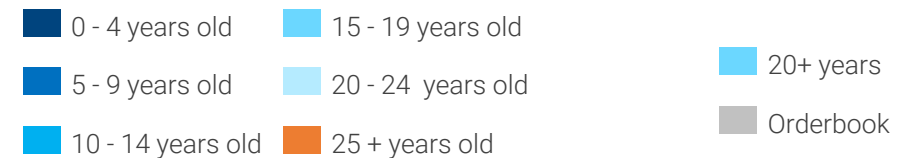
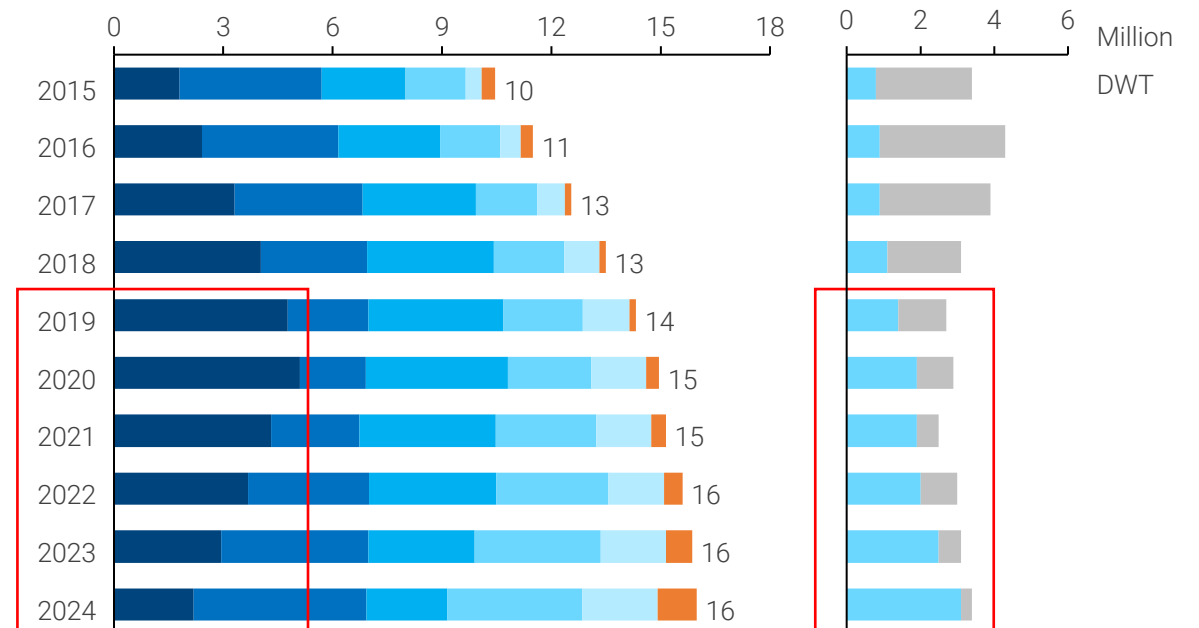


While demand remains firm, negative net fleet growth is expected in the chemical tanker sector, especially in our core stainless steel segments

TONNE-MILE DEMAND BY CHEMICAL



STAINLESS STEEL FLEET, AGE DISTRIBUTION



Market conditions are volatile, but fundamentals should support a market balance not seen since 2003-2008

EXTERNAL FACTORS' IMPACT GOING FORWARD





MACROECONOMIC

- We are eyeing the end of interest rate increases
- Slow economic growth ahead, but adjusted up by IMF
- Covid relaxation in China opens up the country to world markets, setting a target of 5% growth for 2023
- Tight long-term energy supply in Europe, but currently eased due to the mild winter behind us
- High geopolitical tension remains
- Embargo and price cap for Russian CPP

DEMAND OUTLOOK

3Q









4Q

- Chemical production (tonnes)  
- Distance producer to market (n.miles)  

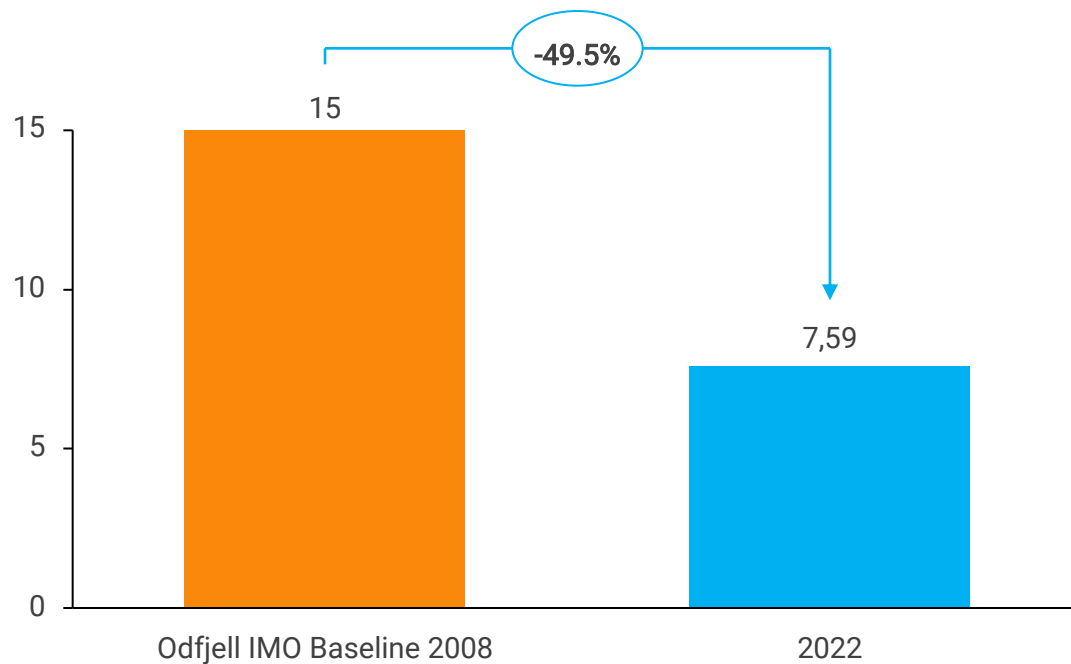
SUPPLY OUTLOOK

3Q

4Q

- Chemical tanker fleet growth  
- Swing tonnage impact on chem trade  
- Older chem tonnage leaving core trades  
- Average fleet speed  

With the world's most energy efficient chemical tanker fleet, we are well positioned to earn a competitive advantage from the energy transition



ODFJELL IS COMMITTED TO RETAIN OUR MARKET LEADERSHIP WITHIN ENERGY EFFICIENCY

Our market leading fleet efficiency and organizational preparedness for decarbonization is an increasingly strong competitive advantage through:

- **Lower cost** incurred via carbon taxes
- **Fewer operational adjustments** to remain compliant
- **A preferred partner**, as our customers face growing pressure to decarbonize their value chain through scope 3 emissions

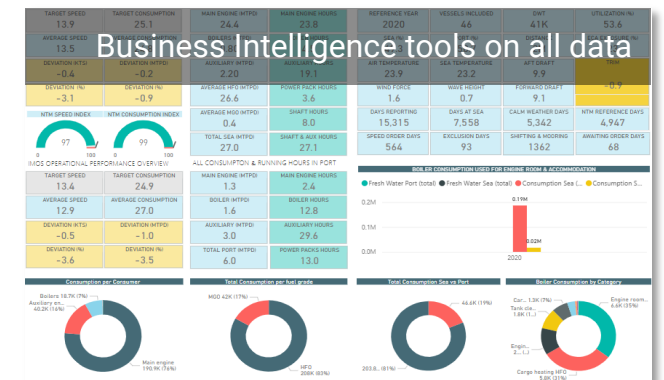
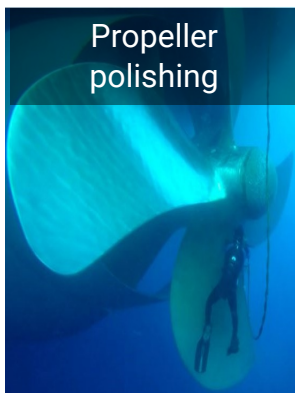
Odfjell has a continuous focus on energy efficiency

RECENT DEVELOPMENTS

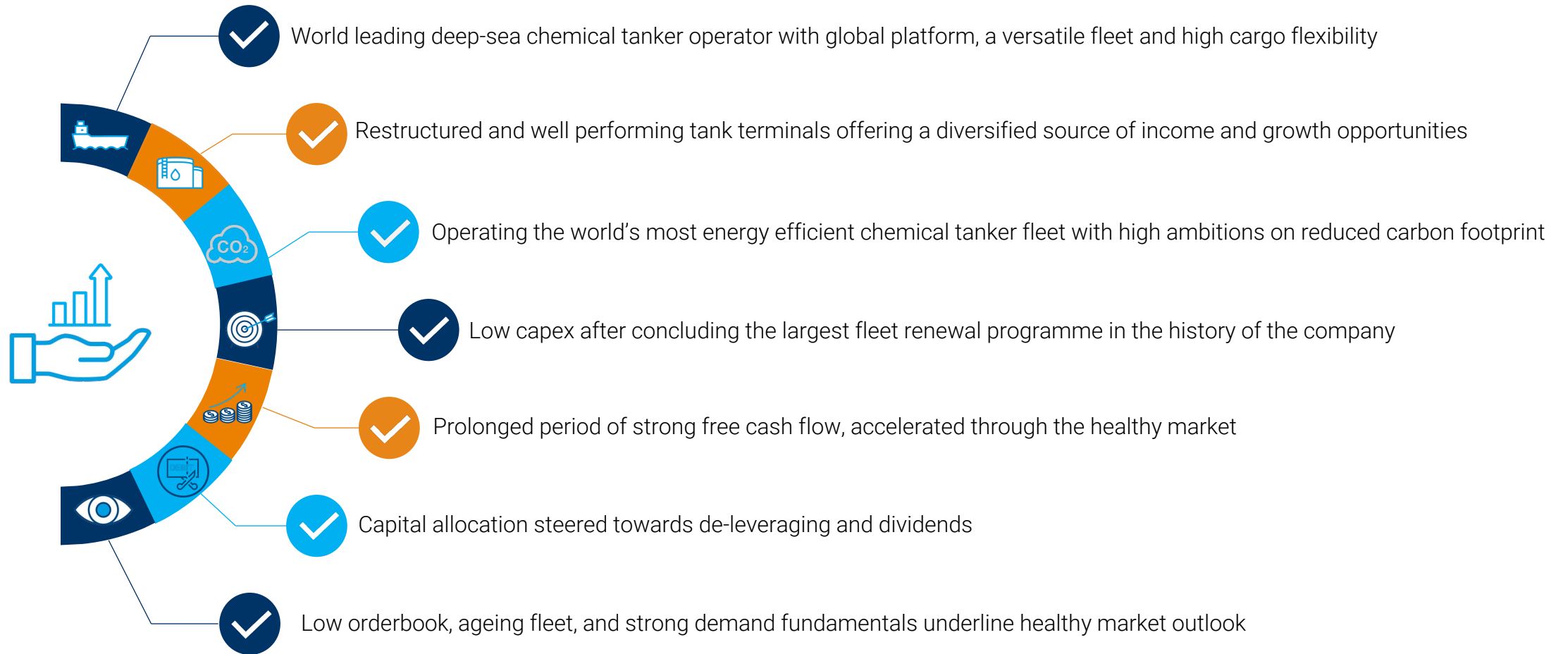
- New IMO regulations**
 Mandatory reporting on actual CII per vessel as of 2023 will force less efficient vessels to reduce speed, and set higher demands for reporting.
- EU Emissions Trading Scheme (ETS)**
 Implementation in 2024 will increase customers' shipping cost as the cost of emissions allowances are passed through, something which will benefit owners with more efficient fleets.

ENERGY EFFICIENCY

- Operational Improvements**
 Odfjell has targeted energy efficiency and emission reductions since **2007**, and has **dedicated teams** that drive the operational improvements.
- Technical Improvements**
 Odfjell has invested more than **30 million USD** in retrofit of energy saving devices (ESD). We have done **more than 130 ESD-installations** since 2014. In 2022 we did 33 installations. Vessel specific plans developed for each ship to ensure CII-compliance from 2023 onwards.
- Novel but available Technology**
 Going forward, we have several novel technology initiatives that will deliver further efficiency gains without mandating substantial capex.



Key investment highlights





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