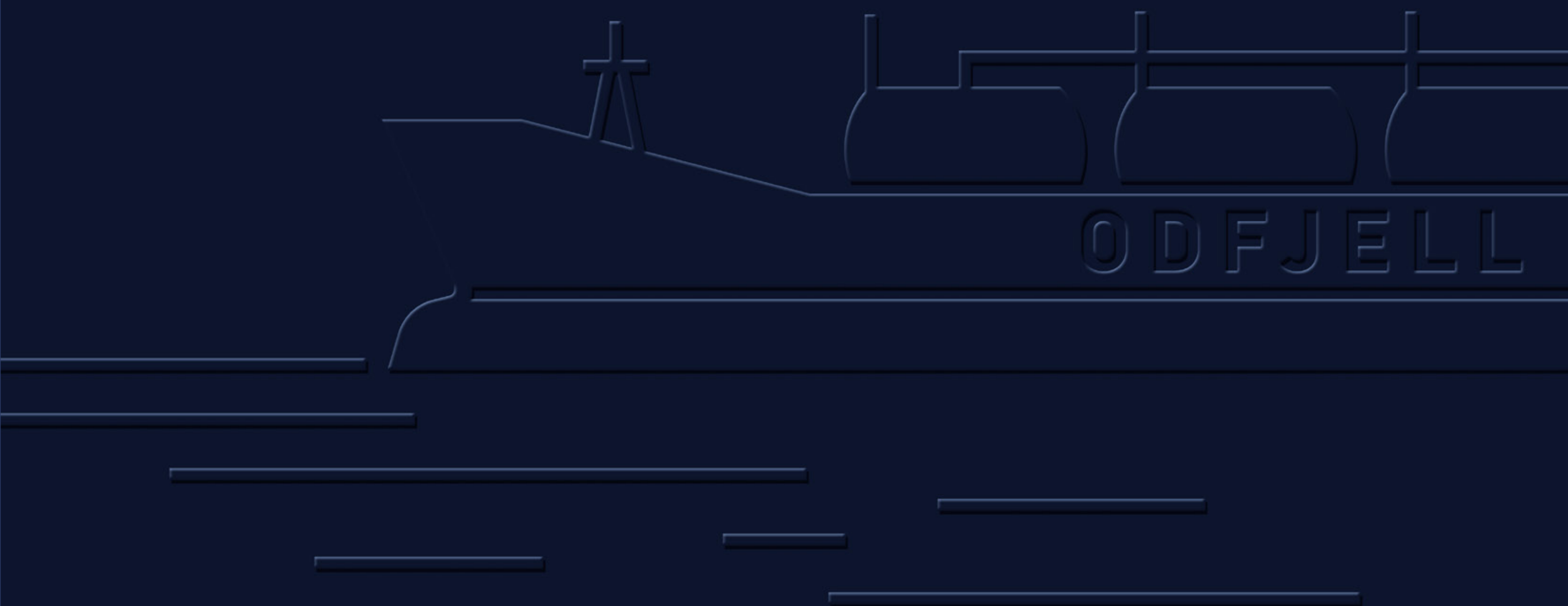
ODFJELL

Annual report 2023



Odfjell's core business is to transport and store chemicals and liquids — safely, sustainably and efficiently.

We continued our robust performance through 2023, even as global tensions and economic headwinds dominated the news. Our chemical tankers sail around the world, supporting vital production on all continents. Our terminals connect sea and land at core locations, providing quality storage. We operate around the clock to ensure that industries get the necessary building blocks to create everyday items that we all depend on.

For more than a century, Odfjell's team at sea and ashore has driven business innovation and growth together with our customers and partners. Today, we operate at the heart of global trade and have one of the world's most energy-efficient chemical tanker fleets. Our strategic direction is anchored in ambitious decarbonization targets, paving the way for a greener industry.

You can always rely on us to put safety first. More than 2,300 colleagues pull together to provide world-class services to our customers, offering the safest, most efficient storage and transportation solutions for hundreds of different chemicals, oils and acids, each one requiring specific handling. When navigating unpredictable waters, the expertise of our team makes all the difference.

Bow Harmony alongside in Antwerp

Key highlights & strategy

Operations & markets

Environmental, social & governance (ESG)

Shareholder information

Annual accounts

Charting a steady course of sustainable growth

In 2023, we truly saw the results of our organization's long-term strategic work to ensure the safest, most efficient and sustainable operations. In combination with a robust market, Odfjell delivered its best financial results to date, marking a significant milestone in our company's 110-year history.

SAFETY FIRST

Safety remains our number one priority, and the well-being of our people is paramount. We are pleased to report another year of industry-leading safety records at sea and ashore. Towards the end of the year, the Houthi attacks on mercantile ships in the Red Sea posed a potential threat, and we decided early to reroute all our vessels. We do not compromise on safety.

OUR DECARBONIZATION JOURNEY: ACTING NOW FOR A BETTER TOMORROW

In 1Q23, we reached a new milestone when we reported a 50% reduction in the carbon intensity of our owned fleet, compared to the IMO (International Maritime Organization) 2008 baseline. This significant reduction is the result of our long-standing commitment to utilize and further develop existing technology to reduce our carbon intensity.

At this stage, we have taken advantage of the many available solutions and are now venturing into new territory by pioneering novel technologies. We remain determined to do what we can to minimize our environmental footprint.

A CULTURE OF CONTINUOUS IMPROVEMENT

Our stellar 2023 performance is a testament to the dedication of our team across all levels of the organization. It is our people who make Odfjell a leading operator. Colleagues work together every day, on board our ships, at our terminals and in our offices, to further improve the services rendered to our customers. Of the many notable achievements in 2023, highlights include:

- **Safety:** Our focus on safety continues to guide our organizational culture, reinforcing our position as a safe place to work and a trusted partner for our stakeholders.
- **Decarbonization:** We are well ahead of the trajectory towards our 2030 targets. We welcome the EU ETS (European Union Emissions Trading System) as a unified framework for all ship owners and comply fully with its regulations. Our ESG (Environmental, Social and Governance) accomplishments have been recognized with several awards and nominations.
- **Sustainable finance:** We have introduced innovative solutions for sustainable finance practices in the Nordic shipping industry, this time with our Transition Finance Framework.
- **Fiscal results:** Our record financial performance has allowed us to pay substantial dividends to our shareholders for the second year in a row. We continue to reduce debt, strengthen our balance sheet and refinance at attractive terms.
- **Contract coverage:** The historically high freight rates seen in 2022 continued into 2023. Despite variances in local markets, we achieved strong – and growing – average time charter earnings. We secured a solid contract portfolio, which reduced our dependence on volatile spot markets.

- **Fleet:** We are steadily growing and developing our fleet through our extensive maintenance program and introducing new tonnage through long-term time charters. 12 new 25–40,000 dwt stainless steel vessels will be delivered between 2024 and 2027 with minimal Capex involved.
- **Terminals:** New tank pits have been commissioned at our terminals in USA and Belgium. Our terminal expansion projects are proceeding as planned, and we continue to realize the full potential of our existing assets by utilizing inherent funding capacity at the terminals. This enhances our financial capabilities and strengthens our presence in key markets.
- **Digitalization:** Digitalization brings both serious threats and incredible opportunities. We keep combating cybersecurity risks with training and digital tools, while exploring the potential uses and benefits of AI (Artificial Intelligence) and other digital solutions. New digitalization initiatives improved efficiency and led to significant results in analysis and reporting, further improving our work processes.
- **Diversity:** We are making positive progress towards our gender balance targets. In our drive to prepare our workforce for the future, we have clear objectives: retain and develop our current employees, establish a diverse talent pool, and create an inclusive workplace for all.

STRONG FUNDAMENTALS AND MARKET OUTLOOK

Our 2023 financial performance is, to a large extent, market dependent. The positive market development that started in 2022 continued into 2023 despite geopolitical tensions, and in some cases because of them. 2023 saw a significant strengthening of our contract portfolio.

We operate one of the most energy efficient fleets within our segment. This is first and foremost good for the environment, but it is also proving beneficial to our customers as we contribute to improving their scope-3 reporting, thereby reducing their carbon taxes within the EU. Our strategy to capture the short term and de-risk the long term has proven efficient, and to this end, we have taken full advantage of the robust markets. Our solid contract coverage and portfolio will support earnings should the spot markets soften. This, combined with limited vessel supply in the global chemical tanker market along with our fleet composition and expected growth, puts us in a firm position.

The promising outlook is encouraging and supports our collective efforts to deliver the highest quality of operations and services, and to keep advancing. Together, we will navigate safely while staying agile in an unpredictable global environment.

Stay safe,

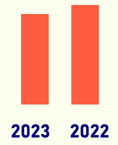
HARALD FOTLAND
CEO

Key highlights 2023 Odfjell Group

Financial Performance

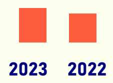
Gross revenue
(million USD)

1 194



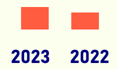
EBITDA
(million USD)

451



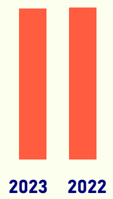
EBIT
(million USD)

294



Total assets
(million USD)

1 994



In 2023, Odfjell generated a net result of USD 203 million, our strongest financial year on record.

This year was the fifth consecutive year of positive CoA renewals, and we utilized the persisting strong markets to reset our contract portfolio to a significantly higher level than just two years ago. With a contract coverage of 50-60%, this improvement will also support earnings should the spot markets soften, although there are few signs of this in the near term.

Our strategy is to capture the short term and de-risk the long term and in that regard, the finances show that 2023 was a successful year. We lowered our interest-bearing debt by USD 149 million through the year, ending at USD 849 million. At the same time, the board approved dividends of USD 99 million for the financial year, amounting to 50% of adjusted net income, excluding extraordinary items.

We continue to generate a healthy free cash flow which has gone towards dividends and reducing our debt, in turn strengthening our balance sheet. We are well-positioned for what is to come.

Odfjell Tankers & Ship Management

Total dwt
vessels (million dwt)

2.5

Number of
chemicals/products

508

Number of
vessels

68

Number of
port calls

2 438

Volume shipped
(mill. mt)

13.7

Number of
cargo operations

8 451

The tanker markets in 2023 continued to be affected by geopolitical events and climate change. Sanctions on Russian refined products were imposed, and just as vessels started to be rerouted from the draught-stricken Panama Canal towards Suez, commercial shipping became a target for the Houthis out of Yemen.

We work every day to keep our vessels and crews safe, while trading our fleet efficiently and meeting the demands from our customers. We also continue the work to decarbonize our fleet and have just begun testing novel technologies.

Odfjell Terminals

Number of
terminals

4

CBM storage
capacity (million)

1.2

2023 reflects a year of growth, resilience, and sustained focus on safety performance and operational excel-lence. The terminal platform grew normalized EBITDA by more than 20% compared to the previous year, and continued to improve on key safety metrics.

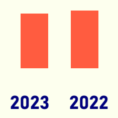
Aligned with our growth strategy, we continued our expansion program with the addition of 36,000 cbm tank capacity, along with the ongoing construction of two additional tank pits totaling close to 60,000 cbm.

Key highlights 2023 Sustainability

In 2023, Odfjell achieved a landmark 5% reduction in carbon intensity across our controlled fleet, surpassing our 2030 target ahead of schedule with a total decrease of 52% against the 2008 IMO baseline. This accomplishment underscores our steadfast dedication to sustainability and marks a significant step towards our commitment to carbon neutrality by 2050. Our efforts were further recognized when all our ships received IMO CII ratings of between A and C, reflecting our fleet's efficiency and lower environmental impact.

Annual Efficiency Ratio for controlled fleet

7.15



grams CO_2 per dwt mile

All time low and further improvement from 2022.

Safety at work

In 2023, Odfjell's outstanding safety performance underscored its dedication to safety as a core value and integral part of its operations. Odfjell improved on all safety KPIs from 2022 to 2023. Odfjell Terminals was recognized for its safety excellence with awards such as the Korea Safety Award and the Global Tank Storage Awards' 2023 Safety Excellence Award, highlighting the company's industry-leading safety practices. These safety KPIs reflect Odfjell's holistic approach to minimizing risks, and unequivocal commitment to safety and security in our global operations.

	2023	Target
LTIF Ships managed by Odfjell	0.00	0.00
TRCF ships managed by Odfjell	0.69	1.50
LTIF Terminals managed and operated by Odfjell	0.00	0.00
TRIF Terminals managed and operated by Odfjell	0.00	–

See definition on page 57.

Number of employees

2 303

Number of nationalities

25

Key facts

1. A leading deep-sea chemical tanker operator, with a global platform and a versatile fleet offering cargo flexibility
2. A solid contract portfolio providing stability, while at the same time enabling us to take advantage of strong spot markets
3. Operator of the world's most energy-efficient fleet of chemical tankers, with ambitious targets to further reduce the carbon footprint of our vessels
4. Several incoming long-term time charter vessels allowing us the flexibility to time the market before growing further
5. Restructured and well-performing tank terminals platform/portfolio, providing a diversified source of income and opportunities for further growth
6. A healthy free cash flow allowing Odfjell to deleverage while simultaneously paying out dividends to our shareholders
7. A persistent low order-book, combined with stable demand and inefficient global trading patterns, underlining a strong market outlook

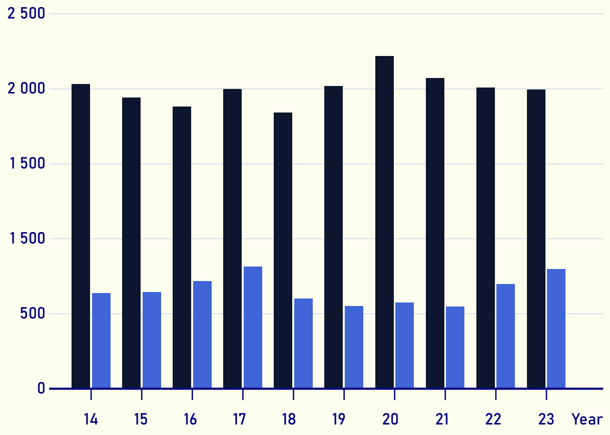
Key figures | Financial ratios

ODFJELL GROUP	Figures in	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
FROM PROFIT AND LOSS STATEMENT											
Gross revenue	USD mill.	**1 194**	1 310	1 038	939	872	851	843	825	929	1 053
EBITDA [1]	USD mill.	**451**	381	245	268	196	(31)	255	218	137	66
Depreciation and impairment	USD mill.	**(158)**	(161)	(201)	(153)	(146)	(100)	(111)	(101)	(109)	(94)
Capital gain (loss) on non-current assets	USD mill.	**1**	4	3	—	—	—	—	13	—	7
EBIT [2]	USD mill.	**294**	224	47	115	50	(131)	144	130	28	(22)
Net financial items	USD mill.	**(84)**	(79)	(77)	(84)	(84)	(75)	(51)	(23)	(58)	(53)
Net result allocated to shareholders' equity before non-recurring items	USD mill.	**203**	133	(19)	15	(45)	(70)	(47)	20	(13)	(82)
Net result allocated to shareholders' equity	USD mill.	**203**	142	(33)	28	(37)	(211)	91	100	(36)	(75)
Net result	USD mill.	**203**	142	(33)	28	(37)	(211)	91	100	(36)	(75)
Dividend paid	USD mill.	**97**	26	—	—	—	14	14	—	—	—
FROM BALANCE SHEET											
Total non-current assets	USD mill.	**1 712**	1 721	1 806	1 993	1 796	1 556	1 674	1 589	1 679	1 761
Current assets	USD mill.	**282**	287	267	227	223	286	326	293	264	271
Shareholders' equity	USD mill.	**799**	697	549	576	551	601	816	719	645	638
Total non-current liabilities	USD mill.	**831**	919	1 165	1 302	1 173	928	855	878	1 095	880
Current liabilities	USD mill.	**365**	393	359	342	294	313	329	286	203	514
Total assets	USD mill.	**1 994**	2 009	2 073	2 220	2 018	1 842	2 000	1 883	1 943	2 032
PROFITABILITY											
Earnings per share - basic/diluted before non-recurring items items [3]	USD	**2.5**	1.7	(0.2)	0.4	(0.6)	(0.9)	(0.6)	0.3	(0.2)	(1.0)
Earnings per share - basic/diluted [4]	USD	**2.6**	1.8	(0.4)	0.4	(0.5)	(2.7)	1.2	1.3	(0.4)	(1.0)
Earnings per share - basic/diluted [5]	NOK	**26.3**	17.8	(3.7)	3.4	(4.4)	(23.5)	9.9	11.2	(3.5)	(7.4)
Return on total assets - before non-recurring items [6]	%	**14.1**	10.5	2.6	4.6	2.2	0.2	0.7	3.7	1.6	(1.9)
Return on total assets [7]	%	**14.4**	11.0	2.0	5.2	2.6	(7.1)	7.8	7.9	0.4	(1.6)
Return on equity - before non-recurring items [8]	%	**26.4**	21.3	(3.4)	2.7	(7.8)	(9.9)	(6.2)	2.9	(2.0)	(11.7)
Return on equity [9]	%	**27.2**	22.7	(5.9)	4.9	(6.4)	(29.8)	11.8	14.6	(5.6)	(10.8)
Return on capital employed [10]	%	**16.7**	12.2	3.0	6.1	2.8	(8.1)	8.8	7.9	1.7	(0.9)
FINANCIAL RATIOS											
Average number of outstanding shares	mill.	**79.0**	78.8	78.9	78.6	78.6	78.7	78.6	78.7	86.8	78.7
Basic/diluted equity per share [11]	USD	**10.1**	8.8	7.0	7.3	7.0	7.6	10.4	9.1	7.4	8.1
Share price per A-share	USD	**11.4**	9.0	3.8	3.2	3.0	3.4	3.9	3.4	3.2	3.9
Interest-bearing debt	USD mill.	**824**	957	1 138	1 239	1 132	1	1 084	1 042	1 168	1 163
Bank deposits and securities [12]	USD mill.	**112**	131	89	103	101	—	207	174	126	105
Debt repayment capability [13]	years	**2.05**	2.9	5.4	5.9	6.8	8.8	4.4	4.6	14.3	124.8
Current ratio [14]		**0.8**	0.7	0.7	0.7	0.8	0.9	1.0	1	1.3	0.5
Equity ratio [15]	%	**40.0**	34.7	26.5	25.9	27.0	32.6	40.8	38.2	33.2	31.4
OTHER											
USD/NOK rate at year-end		**10.20**	9.91	8.84	8.54	8.78	8.69	8.24	8.65	8.8	7.43
Employees at year-end [16]		**2 303**	2 271	2 299	2 294	2 383	2 530	2 693	2 890	3 034	3 311

1. Operating result before depreciation, amortization and capital gain (loss) non-current assets.
2. Operating result (Earnings Before Interest and Tax).
3. Net result allocated to shareholders' equity before non-recurring items divided by the average number of outstanding shares.
4. Net result allocated to shareholders' equity divided by the average number of outstanding shares.
5. Net result allocated to shareholders' equity divided by the average number of outstanding shares expressed in NOK using USD/NOK at year-end.
6. Net result plus interest expenses and non-recurring items divided by average total assets.
7. Net result plus interest expenses divided by average total assets.
8. Net result plus non-recurring items divided by average total equity.
9. Net result divided by average total equity.
10. Operating result divided by average total equity plus net interest-bearing debt.
11. Shareholders' equity divided by number of outstanding shares per 31.12.
12. Bank deposits and securities includes cash and cash equivalents and other current financial assets.
13. Interest-bearing debt less bank deposits and securities, divided by cash flow before capital gain (loss) on non-current assets.
14. Current assets divided by current liabilities.
15. Total equity as percentage of total assets.
16. Including employees in Joint Ventures.

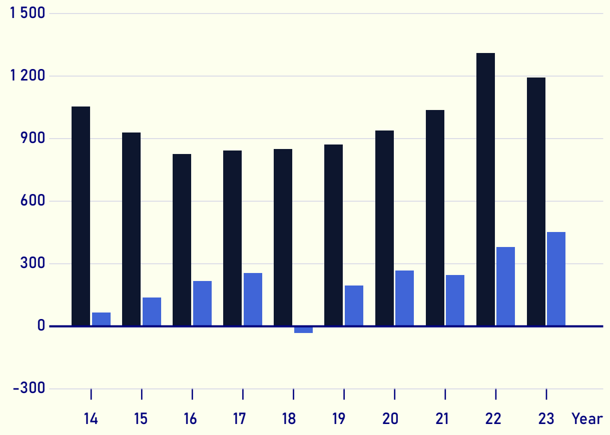
Assets | Equity per year

USD million



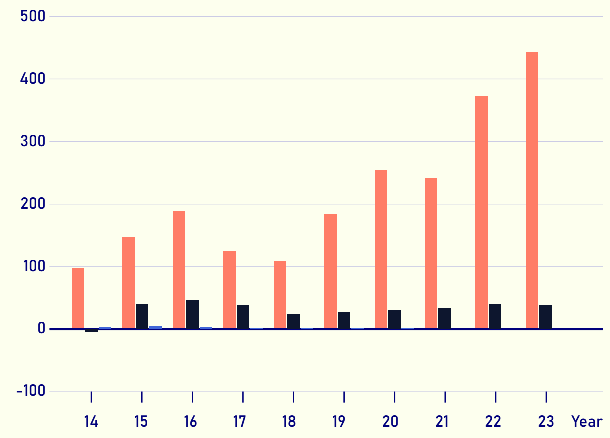
Gross revenue | EBITDA per year

USD million



EBITDA per segment (proportionate method)

USD million



* This segment also includes "corporate"

TERJE IVERSEN
CHIEF FINANCIAL OFFICER (CFO)

Capitalizing on strong markets and taking new steps in sustainable financing

The goal of Odfjell's financial strategy is to have a capital structure and business plan that is both resilient to market cycles, yet adaptable enough to seize opportunities and trends. We need to be able to withstand prolonged adverse conditions in the chemical and financial markets, while also being able to act on opportunities and challenges, at any given time.

Our balance sheet improved dramatically this year because of a solid financial performance and only a few investments in new assets. Our book equity ratio stood at 40% at the end of 2023, well within our long-term target range of 30% to 40%.

We view the balance sheet as sound, with access to a range of financing sources and arrangements, a well-diversified debt structure, strong projected cash flow, and minimal financing requirements for additional capital commitments in the next years.

We focused on debt repayment in 2023 to reduce capital costs and cash break-even. Interest-bearing debt at year's end was USD 849 million, down USD 149 million overall and equal to 2.4 times NIBD/EBITDA.

Our cash break-even point for 2023 was roughly USD 23,500 each trading day. Higher benchmark interest rates, cost inflation, and fleet reductions have out-weighed the break-even gains from better financing conditions and reduced debt in recent years, but we are optimistic that the trend will reverse and the break-even level will improve in the short- to medium-term.

All new loans made in 2023 were made using our Sustainability-Linked Finance Framework; at the end of year, these loans made up 65% of our total interest-bearing debt. We developed a new Transition Financing Framework in January 2024 to help fund both our large, and small, decarbonization projects. Although we have limited debt maturities in 2024, we will continue to streamline our debt portfolio, further reducing debt and our cost of capital.

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

MISSION

VISION

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

IMPACT

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

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

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 to adapt our services to cater to the needs of our customers.

Navigating by the Odfjell Compass

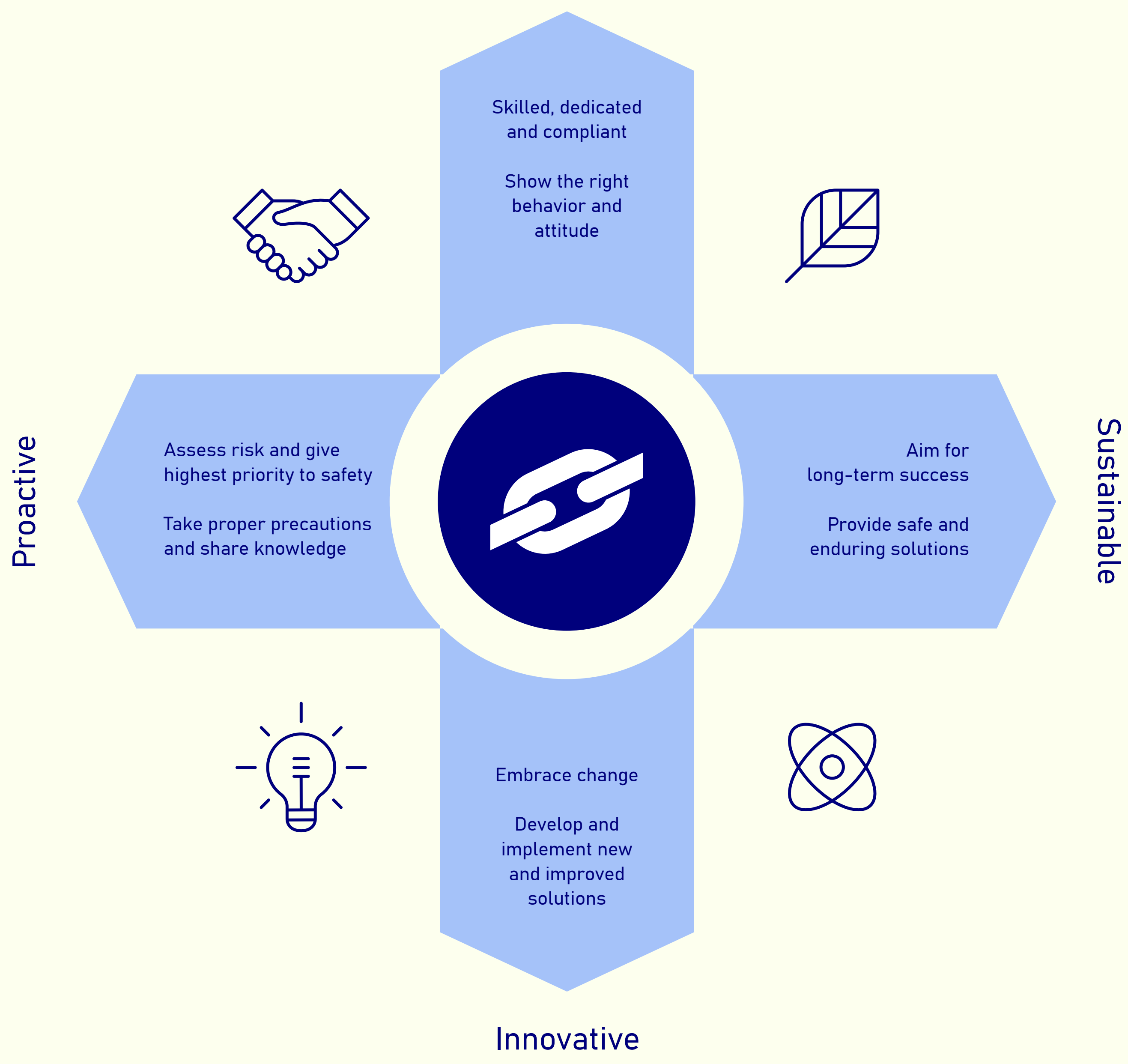
Our strategic direction is founded on a set of ambitious targets for our operational excellence in all parts of the organization: the Odfjell Compass. A compass helps set direction while still allowing for new routes if conditions change along the way, giving us the flexibility to maneuver through a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

Odfjell is committed to:

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

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

Our values



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

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

MARKET LEADERSHIP
A clear market leadership position in chemical tankers

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

Around the world

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

Historical 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 shipowning 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 strengthened 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 merger 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 between 2016 and 2022.

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.

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

2023
Odfjell delivers its best annual results in history, with strong earnings in all quarters.

Meanwhile, the first two ships in a series of Japanese stainless steel vessels are delivered on long-term time charters.

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

Our organization

Odfjell Group

Board of Directors

Executive Management

Corporate Functions and Finance

Odfjell SE is the ultimate parent company of the Group, a public limited company traded on the Oslo Stock Exchange. The Group includes subsidiaries in several countries, and the share of investments in joint ventures.

Odfjell Tankers

- Chartering and operations organization. In charge of sales, customer relations, contract management and commercial operations worldwide.
- Controls and operates a fleet of 68 ships as of December 31, 2023, including owned, pools, time- and bareboat chartered vessels.
- Operates globally with tonnage ranging from 16,000 dwt to 51,000 dwt. Most of the tonnage is owned and managed by Odfjell.

Locations & Teams

BERGEN, NORWAY
- Ship Brokers & trade lane teams:
  - — Asia
  - — Asia Pacific
  - — Middle East, India & Africa
  - — Transatlantic/South America
  - — US/South America
- Ship Operations
- Fleet Scheduling
- Pool Management

SÃO PAULO, BRAZIL
- Flumar, separate vessel owning entity
- Commercial, ship management and commercial operator

Odfjell Tankers has commercial and brokerage offices in the following locations:
Houston, USA
Singapore
São Paulo, Brazil
Dubai, UAE
Durban, South Africa
Ulsan, Korea
Seoul, Korea
Shanghai, China
Buenos Aires, Argentina
Santiago, Chile
Mumbai, India

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.

Locations & Teams

BERGEN, NORWAY
- Management, own fleet
- Management, external fleet
- Maritime Personnel
- Procurement
- Technology & Development
- HSSEQ

MANILA, PHILIPPINES
- Crewing
- Shared services

SÃO PAULO, BRAZIL
- Ship Management, Fleet Flumar

SINGAPORE
- Procurement

Odfjell Terminals

- Owns four tank terminals at strategic locations in USA, Korea, Belgium.
- Offers a total 1.3 million cbm of storage space in 459 tanks.
- Cooperation with another ten terminals in South America, partly owned by related parties.

Locations & Teams

BERGEN, NORWAY
- Corporate Management and headquarters

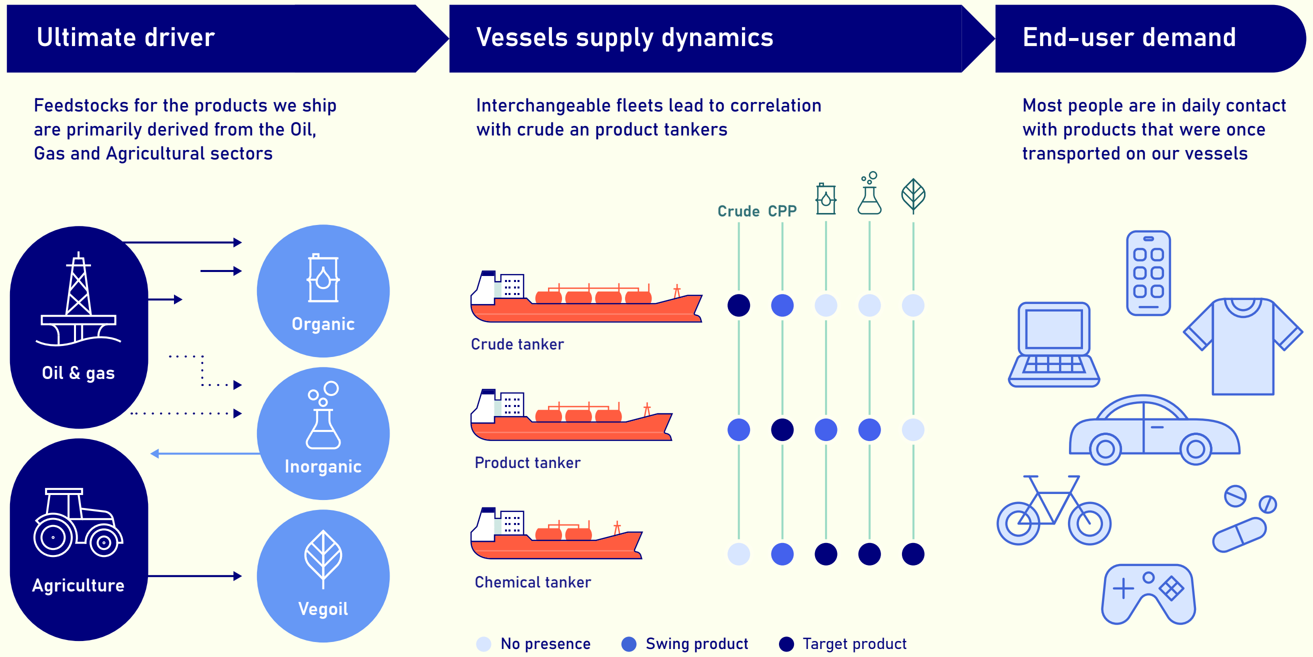
Odfjell Terminals has terminals in the following locations:
Antwerp, Belgium
Charleston, USA
Houston, USA
Ulsan, Korea

In addition there are ten associated terminals located in the South Americas (one in Argentina, six in Brazil, two in Chile and one in Peru).

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

Our markets

Our markets are fundamentally exposed to the same dynamics as those of crude and product tankers. From a demand perspective, oil and gas and its respective derivatives, as the feedstocks to produce petrochemicals, are key. From a supply perspective, vessels carrying chemicals and oil products can carry both, impacting the competitive environment across the segments. While we share the same directional market drivers, the industrial nature of our markets differentiates us by being less volatile, and more predictable than the more commoditized crude and product tanker markets.



Odfjell's business model, with its global, integrated platform and large, flexible fleet, distinguishes us from our competitors. Our vessels are mainly equipped with stainless steel tanks that can carry "anything liquid", from vegetable cooking oils to hazardous and toxic chemicals, vital for industrial and agricultural production. This flexibility gives us the opportunity to adapt to the rapidly changing market conditions that the products we carry are subject to. This diversification of our income is invaluable, and as history shows, our business model makes Odfjell's earnings less cyclical than those of our 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 or negative, driven by limited ordering combined with an aging fleet. Despite some new orders in 2023, persistently high newbuild prices and uncertainty regarding what will be the "fuels of the future" are contributing to keeping the orderbook at historically low levels. Product tankers trade CPP more efficiently than chemicals, and with clean tanker earnings expected to remain high, minimal tonnage is expected to "swing" into the chemical trades.

Demand for shipping capacity is driven by two variables: The volume of product and the distance it needs to travel. For two years, global chemical production has been challenged by spiking energy prices and macroeconomic headwinds leading to muted downstream demand.

Despite this, seaborne volumes have been relatively stable, and longer distances from producer to buyer have led to de facto increased demand. Further contributing to this development are disruptions due to drought restrictions in Panama and violence in the Red Sea. On the macroeconomic side, inflation seems to have been reigned in, potentially leading central banks to ease interest rates. Thus, there is renewed hope of a "soft landing" scenario as opposed to a broad recession, positively affecting demand outlook.

Longer-term demand outlooks are always blurry, but here we also find grounds for optimism. Global demand for transportation of fuels is expected to decline as decarbonization efforts yield results, efforts that were accelerated after the Kremlin weaponized energy supply. Refineries have adapted by producing a higher share of petrochemicals at the expense of fuel quantity, and several new plants coming online are optimized to produce up to 60-80% chemicals. Adding to this, per capita chemical demand is still low in the developed world, providing significant downstream growth potential.

Combined, all these factors lead us to expect sustainable and healthy tonne-mile demand for the foreseeable future. With limited or non-existent supply growth, the chemical tanker market balance is poised to remain firm, contributing to strong earnings in the years to come.

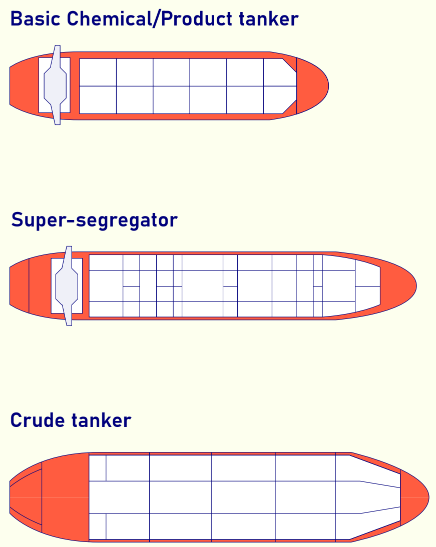
Chemical tanker market drivers

DEMAND

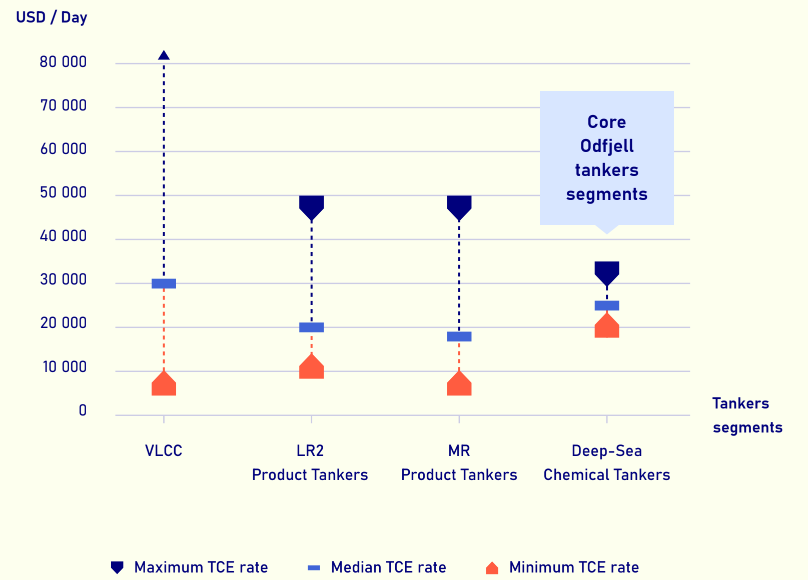
- Improved macroeconomic outlook
- New, low-cost production capacity maximizing chemical output instead of fuels
- Increased volume of "sustainable" products to drive decarbonization
- Supply chain inefficiencies leading to longer distances from producer to market

SUPPLY

- Historically low orderbook due to uncertainty about future propulsion and high newbuilding costs
- Aging fleet soon to be recycled or leave core trades
- Low swing tonnage from product tankers
- Limited fleet speed to reduce emissions



Compared to other tanker segments, deep-sea chemical shipping tends to experience more stable TCE levels through an average year



Source: Odfjell / Clarksons

Key highlights & strategy
Operations & markets
Environmental, social & governance (ESG)
Shareholder information
Annual accounts

Operational dynamics and cargo characteristics

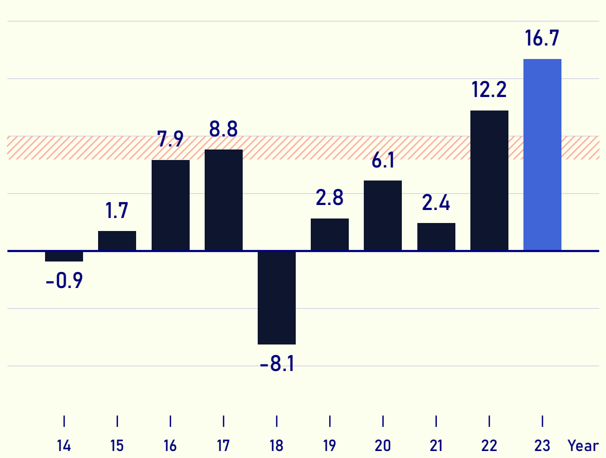
Cargo group	Cargo characteristics	Odfjell Exposure	Trend
Speciality chemicals	• High barriers to entry and consolidated market • High margin cargoes • Small lot sizes (base and completion cargoes) • High CoA coverage	Core business	Mature market with modest demand growth prospects
Easy chemicals	• Medium barriers to entry and 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 and 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	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 and fragmented market • Low margin cargoes, but volatile • Big lot sizes (mostly one ship, one cargo and completion) • Opportunistic exposure and only spot cargoes	Opportunistic	Mature market with strong growth prospects in the short-term but long-term decline is anticipated as decarbonization efforts accelerate

Financial target and historical developments, including relevant performance measures

Return on capital employed (ROCE)

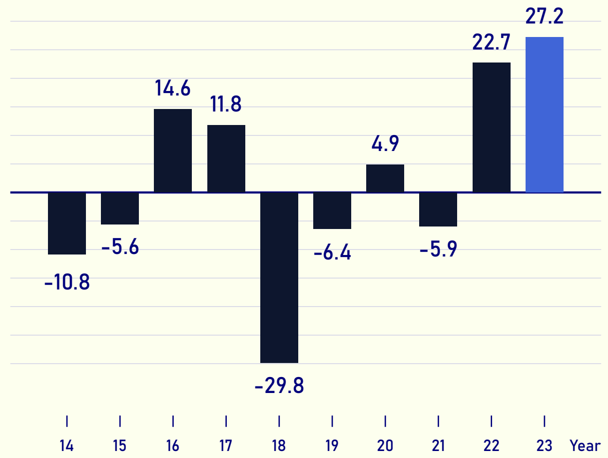
%

Target range through the cycle 8% – 10%



Return on equity (ROE)

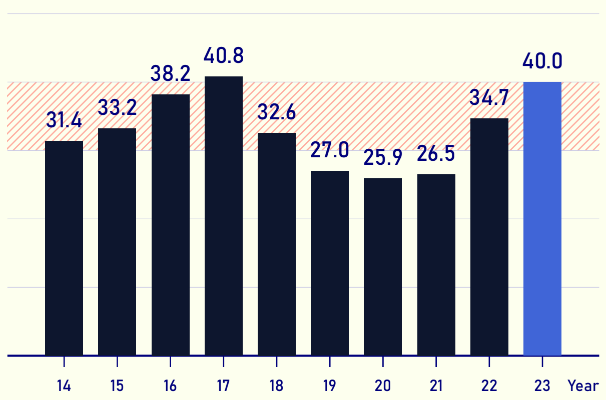
%



Equity ratio*

%

Target range through the cycle 30% – 40%

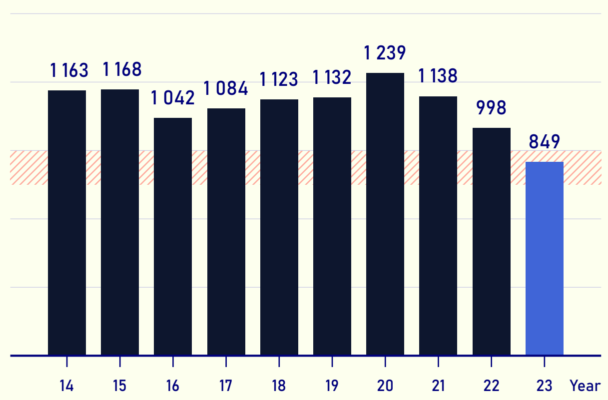


*Total equity as percentage of total assets

Total interest-bearing debt*

USD million

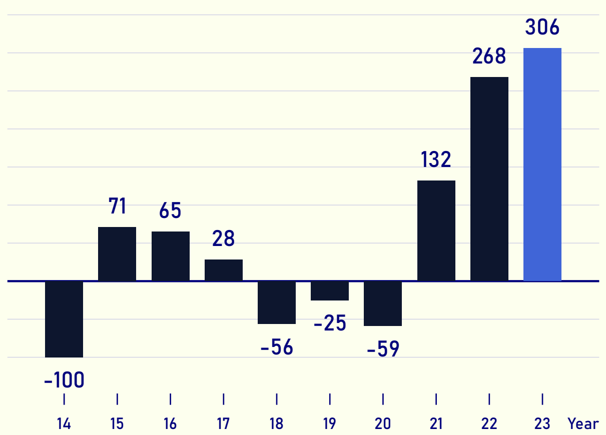
Target range through the cycle 750 – 900



*Nominal and swapped to USD

Free cash flow

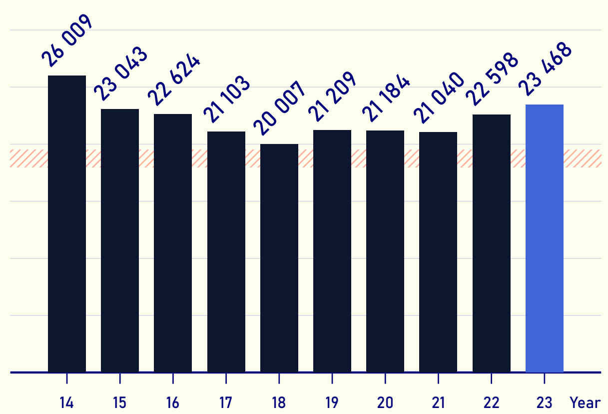
USD million



Tankers cash break-even

USD per day

Target range through the cycle 18000 – 19500



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 a quality storage provider, strategically located at key ports.

Odfjell has ownership of four tank terminals in USA, Belgium, and Korea, offering a total of 459 tanks with a capacity of 1.2 million cubic meters. At sea, our 68 sophisticated chemical tankers transport around 14 million tons a year, make more than 2 100 port calls, and sail a distance equal to 185 times around the equator.

Odfjell Tankers and Ship Management

2023 was another year in which Odfjell demonstrated high standards of efficiency, safety, and service. Whether responding to geopolitical events or drought-stricken waterways, we will always prioritize the safety of our people and our surroundings.

At the same time, our integrated team of shipping professionals works hard to minimize the impact of these disruptions on our customers. This is how we achieve our goal of being a world-class and preferred global provider of transportation and storage of specialty bulk liquids.

Number of vessels

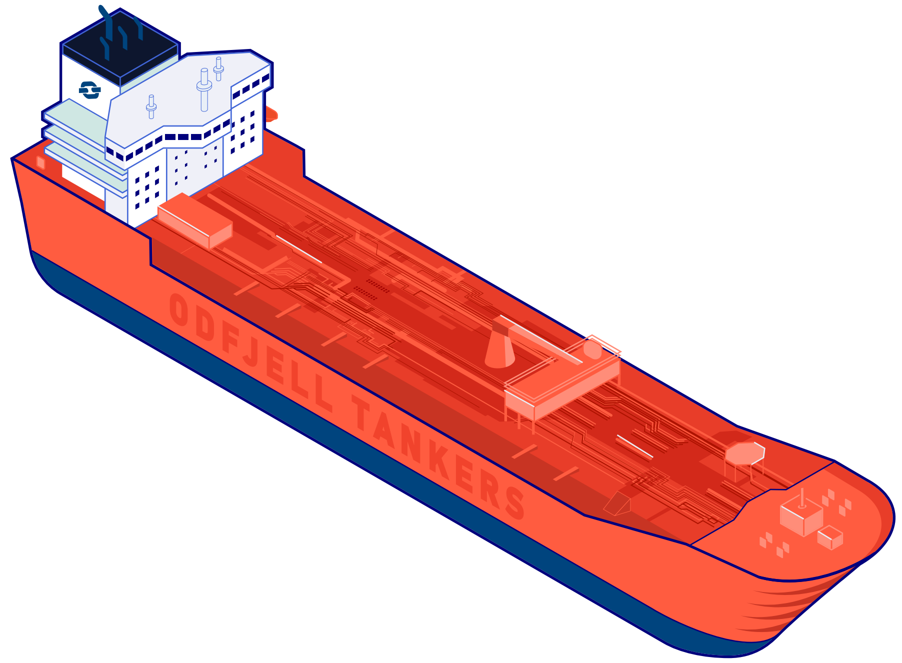
68

Volume shipped (mill. mt)

13.7

Number of chemicals/products

508



Fleet distribution

BY VESSEL TYPE	BY OWNERSHIP TYPE
32 super-segregators	34 owned
8 large stainless steel	12 leased
18 medium stainless steel	14 time charter
7 coated	5 bareboat
3 regional	3 pool

Odfjell Tankers

- Odfjell's worldwide chartering and operations organization, in charge of:
  — Sales
  — Customer relationships
  — Contract management
  — Commercial operations
- Works closely with Odfjell's wholly owned subsidiary Flumar, which covers the intra-regional South American markets
- Operates a total fleet of 68 vessels as of December 31, 2023
- 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 38 Odfjell vessels as of December 31, 2023
- Ensures safe and efficient operations of the vessels in compliance with governing rules and regulations
- Monitors fleet emissions and develops decarbonization projects targeting both quick and long-term emissions reduction
- Monitors the services of external ship managers, who oversee the technical management of eight vessels
- Subsidiary Flumar, located in São Paolo, Brazil, has technical management of five vessels
- Crewing and Shared Service office in Manila
- Procurement services in Singapore
- Headquartered in Bergen, Norway

MARKET DEVELOPMENT
As we started 2023, much of the world's attention was focused on reigning in soaring inflation and imposing sanctions on Russia for their aggressions in Ukraine. The two were not entirely unrelated, as inflation was partly triggered by the Kremlin's restrictions on natural gas exports to Europe. Energy prices reached record levels, leading major chemical producers to reduce run rates and lay off workers.

The G7 price caps on Russian crude oil and refined products were imposed in December 2022 and February 2023, respectively, and further contributed to the inefficient trade patterns which formed in 2022. Buyers were looking for new suppliers, producers for new customers, and the tanker fleet increasingly divided into one "compliant" and one "shadow" fleet.

On the macro side, however, falling global oil demand and OPEC+ production cuts begun to affect tanker markets negatively. The return of China from its zero-Covid policy's economic slumber had been long-awaited, and it did manifest in 2023, but the hefty growth of the early 2000's seems to be history. Towards the end of the year, inflation increasingly seemed to be under control and a macroeconomic "soft landing" scenario was within reach.

The temperature of the world's oceans in 2023 was the warmest on record following an unusually warm period of "La Niña," sparking worries that the effects of the current "El Niño" might be more severe than usual. Low water levels in the Rhine, Mississippi, and Yangtze caught the headlines first, before draught limitations in the Panama Canal rocked the shipping markets.

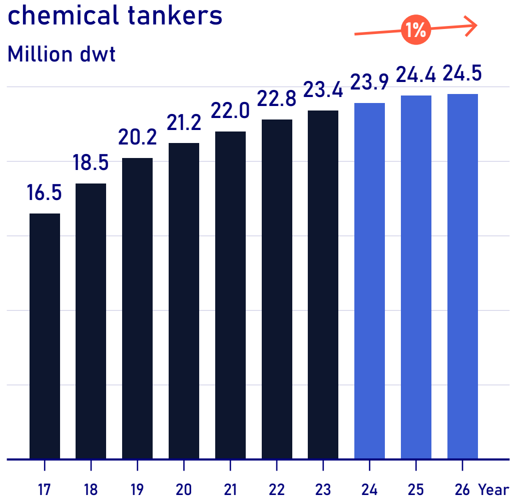
As the year before, 2023 was a year of escalating geopolitical turmoil. Israel retaliated with full force after Hamas conducted a massive terrorist attack on Israeli soil, with civilians in the Gaza strip caught in the middle. The conflict has also, to a limited degree, spread to the West Bank, Lebanon, and the wider Middle East area. Most importantly for shipping companies, however, is the situation in the Red Sea. The hijacking of an Israeli-owned car carrier turned out to be just a taste of what was to come. While Iran-backed Houthis attacked commercial shipping from the north-east, a resurgence of Somali piracy threatened from the south-west, rendering the southern Red Sea and the Gulf of Aden a no-go zone for an increasing share of ship operators.

For the chemical tanker market overall, while the extreme highs of 2022 did not return last year, rates bottomed out at levels far above historical averages. The outlook is promising, with a limited new supply likely to lead to further tightening of the markets. More tankers were ordered in 2023 compared to the year before, but the overall orderbook is limited even before we consider the aging fleet.

With the cost of carbon emissions gradually more internalized, older and less efficient vessels will be less competitive, leading either to vessel recycling, prolonged dry dockings to install energy-saving devices, or sales of vessels into non-core tanker markets. Demand is expected to grow steadily and disruptions such as the sanctions on Russia, restrictions in Panama, and the security situation in the Red Sea means longer average trading distances are likely to persist. Consequently, we believe the solid market fundamentals should support healthy earnings in a high-cycle which will last longer than usual. Odfjell will utilize this situation to strengthen our balance sheet and solidify our contract portfolio, de-risking ahead of leaner days.

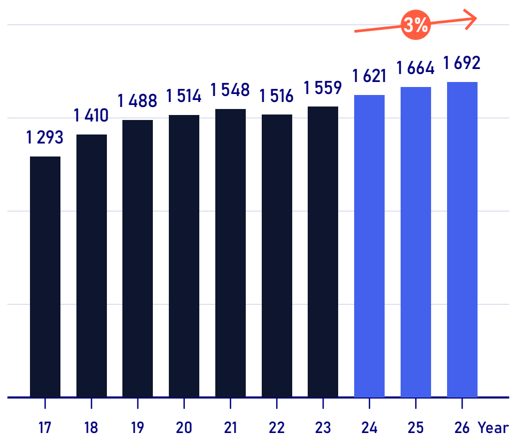
FLEET AND OPERATIONS
Odfjell has a setup tailored to capture the benefits of a strong market, to protect our earnings if the market softens, and to keep our customers happy in both scenarios. With our technical managers, ship operators, and brokers located under the same roof, we have the ability to adjust rapidly when needed, and in 2023, it was needed. While handling the more typical operational challenges within shipping, we also had to adjust restrictions in the Panama Canal, a key waterway for Odfjell.

Total supply, core deep-sea chemical tankers
Million dwt



Source: CKB Fleet, Odfjell

Total demand, chemical tanker tonne-miles
Billion tonne-miles



Source: Clarksons, MSI

BJØRN HAMMER
CHIEF COMMERCIAL OFFICER (CCO)

The turmoil continues

2023 was a tale of two markets. In the first half, we saw a cooling of the market after peaking at record levels towards the end of 2022. This continued until the middle of 3Q by which time spot rates had come down around 25% from the top, yet still at historically high levels. We then started to see a turnaround in the market, in line with seasonal effects, and further accelerated by the low water levels and reduced capacity through the Panama Canal leading to increased inefficiency. Towards the very end of the year, the market experienced yet another disruption as Houthi rebels attacked commercial vessels in the Red Sea, and the consequent rerouting of vessels. Our own TC earnings were supported by our robust CoA portfolio, and Odfjell delivered stable and strong earnings throughout the year.

SOME THINGS DO NOT CHANGE
In the midst of all the turmoil, global trade does not end, and the products we carry remain vital to just about every industry from agriculture to pharmaceuticals. A prolonged period of oversupply and near-zero profitability led to low newbuilding activity in the chemical tanker sector, and with steadily growing demand, we find ourselves in a tight supply situation.

In this environment, we have renewed most of our contracts at significantly higher levels than two years ago. With a contract coverage of between 50-60%, we are also able to maintain healthy earnings during periods of softer spot markets. It has also allowed us to strengthen our balance sheet while delivering dividends to our owners. These conditions did not come a day too soon, as capital is required to renew an aging global fleet.

THE GREAT REJUVENATION IS STILL PENDING
The orderbook is still at low levels, and a limited global supply of "green fuels" means that the propulsion technology of the future is uncertain. As such, a growing number of our customers are willing to accept older vessels in good condition, giving our sophisticated and well-maintained fleet a competitive edge.

Still, we need to renew our fleet, and to this end, two stainless steel vessels were delivered to us in 2023, with 12 more vessels, ranging between 25,000-40,000 dwt, expected before the end of 2026. All are taken on long-term time charter agreements with Japanese owners, and most have purchase options. This allows us to postpone a major decision on fuel types until the technologies and supply chains are developed and matured, all while retaining our market position.

FAIR WINDS
In the short and medium term, we believe the outlook is promising, in no small part due to the low number of imminent newbuilding deliveries. If inflationary pressures continue their downward trajectory, the global economy could return to health quicker than initially expected, leading to more demand for the products we carry. The Suez and Panama Canal issues have led to longer sailing distances, effectively reducing the chemical tanker supply by a significant amount. While the duration of these conditions is unknown, they will likely have a big impact on 2024. Volatility will remain, but Odfjell is in a strong position and well prepared for potential challenges ahead.

Just as vessels began diverting towards Suez, the Houthi attacks on commercial shipping began, and we could no longer safely traverse the southern Red Sea or the Gulf of Aden. Somalian piracy added to the risk. Adjusting our trading patterns and sailing routes impacts everything, from customer requirements to bunkering and crewing, and it puts a strain on our operations. We are glad that our world class commercial and ship management organizations handled the situations well, minimizing negative impacts on earnings and our customers while prioritizing the safety of our colleagues at sea.

Odfjell has a goal of zero accidents and injuries, and we have ambitious decarbonization targets. To reach these ambitions, we strive for a proactive safety culture, industry-leading use of real-time and historical data, and close cooperation and knowledge sharing between, and within, departments. This contributes to the safe operation of our vessels with as low a carbon intensity as possible. As one of the first in our industry to do so, we began detailed measurement of emissions more than 15 years ago, while simultaneously installing energy-saving devices on our ships to reduce these emissions. This way, we have built one of the most energy-efficient fleets in the chemical tanker industry. We have nearly exhausted the potential of conventional technologies, leading us to turn our attention to novel technologies. With the EU's ETS scheme implemented in shipping as of January 1, 2024, emissions have also caught the customers' attention. We are glad to see our peers increasingly prioritize carbon intensity.

Still, we are committed to retaining our leading market position, and our strong track record and performance gives us a head start.

THE WAY FORWARD

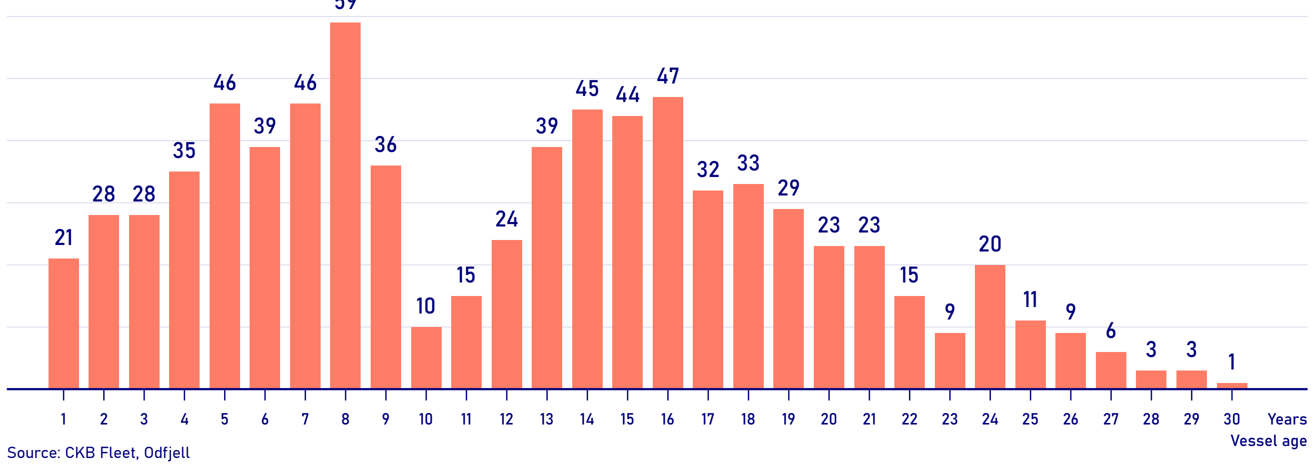
- Our contract portfolio is largely reset to a strong level compared to two years ago, lifting earnings and reducing volatility
- The chemical tanker supply remains tight due to a low orderbook, an aging fleet, and a persistently low level of swing tonnage
- Demand for chemical tankers is stable, and has been boosted by inefficient trade patterns following geopolitical events and the restrictions through the Panama Canal
- Prolonging the lifetime of our tonnage is a highly effective way to reduce CO_2 emissions, and we are working closely with customers and class to achieve this
- With conventional energy-saving devices installed on most of our fleet, we have turned our attention to novel technologies and have several ongoing projects
- We are currently renewing our fleet through a range of long-term time charter agreements with Japanese owners, most with purchase options, providing valuable flexibility
- When sustainable fuel is widely available, and when it is the best option from a "well-to-wake" perspective, we shall be prepared to invest in a zero-carbon fleet

CHEMICAL TANKERS*	Figures in	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Odfjell TC earnings	USD mill.	731	653	504	514	462	470	523	552	530	557
Operating result before depreciation and gain (loss) on sale of fixed assets (EBITDA)	USD mill.	443	372	241	254	184	109	125	188	147	97
Operating result (EBIT)	USD mill.	286	215	43	102	39	8	14	98	37	3
Total assets	USD mill.	1 809	1 829	1 888	2 019	1 851	1 664	1 643	1 544	1 586	1 654
Volume shipped	1 000 tonnes	13 741	15 192	15 540	15 210	14 400	15 126	13 648	13 510	13 630	15 440
Number of ships per December 31		68	69	93	89	75	83	79	73	74	77
Total deadweight per December 31	1 000 tonnes	2 463	2 524	3 387	3 218	2 493	2 628	2 408	2 217	2 187	2 236

* This table also includes "corporate"

Global fleet by vessel age, core deep-sea chemical tankers

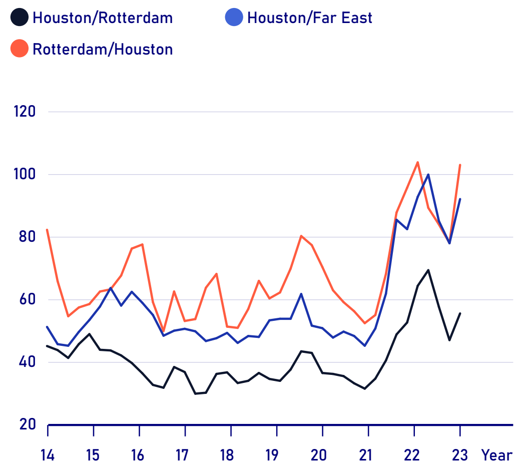
Number of vessels



Source: CKB Fleet, Odfjell

Freight spot rates, West of Suez

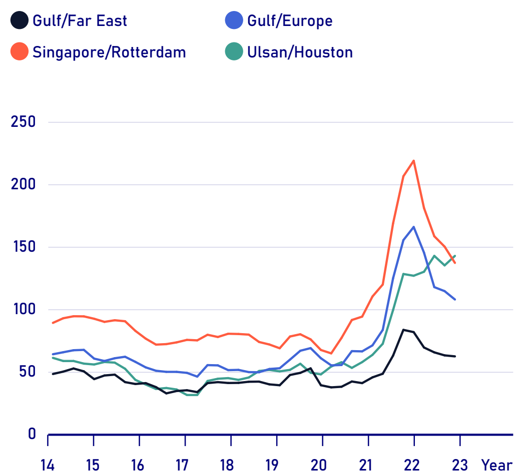
USD/metric tonne



Source: Clarksons SIN

Freight spot rates, East of Suez

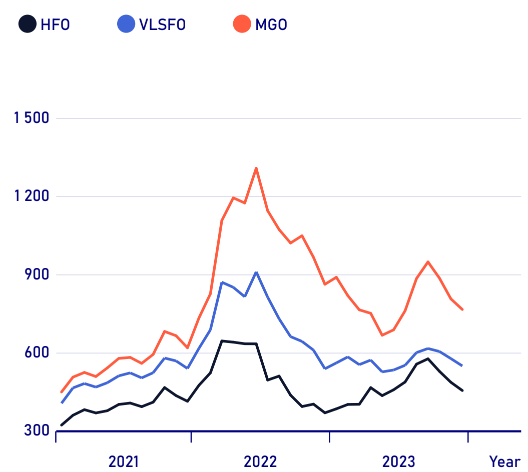
USD/metric tonne



Source: Clarksons SIN

Bunker prices, Rotterdam

USD/metric tonne



Source: Clarksons SIN

TORGER TRIGE
CHIEF TECHNICAL OFFICER (CTO)

Building a world-class safety culture

Odfjell has various objectives but chief among them is the safety of our people and the communities our ships visit. Our crew is instrumental in promoting an unparalleled safety culture, and as the pandemic finally loosened its grip, we were able to resume our training programs, in full, for both new and experienced seafarers.

Part of this training revolves around creating a good work environment, free of harassment and bullying, and one where everyone feels safe. Internationally, the maritime industry remains male dominated. While it should be an inherent expectation, we are proud that our gender diversity is improving both at sea and ashore. In 2023, we promoted our first female captain after she rose through the Odfjell ranks from her first day as a deck cadet in 2010. May she be the first of many! A female president of crewing was also appointed in 2023 which will further steer us towards a more diverse workforce.

COMPETING ON QUALITY

Diversity is not the objective in itself, though. Research has shown it may promote well-being, contribute to improved decision-making, and help attract and retain talent. In the long run, that will contribute to safety and the quality of our operations. Odfjell is already a leading shipping company when it comes to quality, giving us an edge with the new vetting program SIRE 2.0. A rising tide lifts all boats, and the new regime will hopefully improve the quality of tanker shipping overall. At Odfjell, we have competent people who have worked diligently to digitalize our processes for years, leaving us well prepared for more stringent vetting.

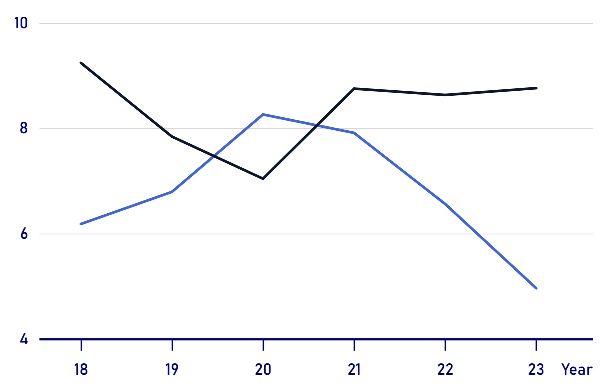
A NEW DECARBONIZATION CHAPTER

Last but not least, reducing our fleet's carbon intensity remains high on the agenda. Since 2008, and well ahead of our peers, we have measured emissions meticulously and installed energy saving devices on our vessels. Currently we are focused on novel technologies. Air lubrication is being tested on one vessel, fuel-cell technology will be tested on another in 2024, and we aim to install suction sails on an Odfjell ship before 2025.

For our vintage vessel classes, the data reveals a stellar safety performance, and an increasing number of our customers are comfortable raising the maximum vessel age stated in our contracts, a clear sign of successful technical ship management. For now, improving the efficiency and extending the lifetime of our current vessels is the best way forward. When the infrastructure, technology, and supply of sustainable, zero-carbon fuels are in place, Odfjell Ship Management shall be prepared.

Odfjell volumes, CoA vs. spot cargo

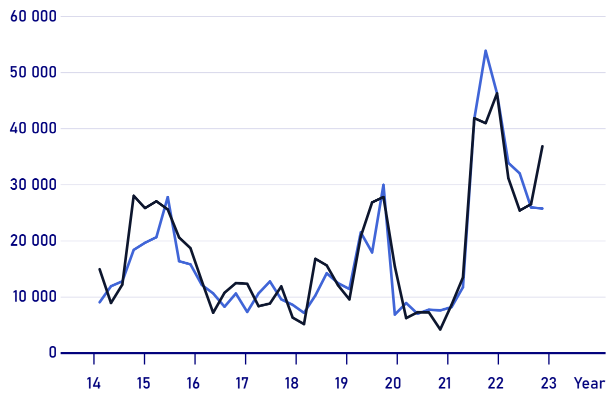
Mill. metric tonnes ● COA ● Spot



Source: Odfjell

Average MR earnings, CPP market

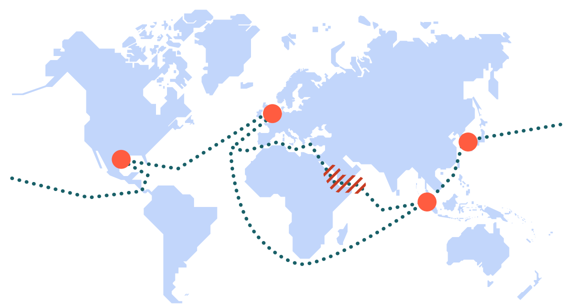
USD/day ● West of Suez ● East of Suez



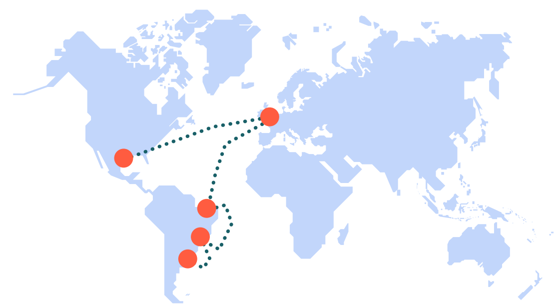
Source: Clarksons SIN

Trade lanes

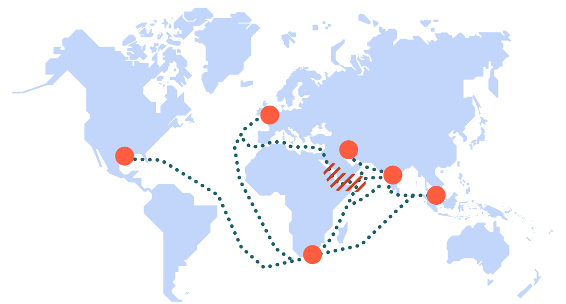
Around the world



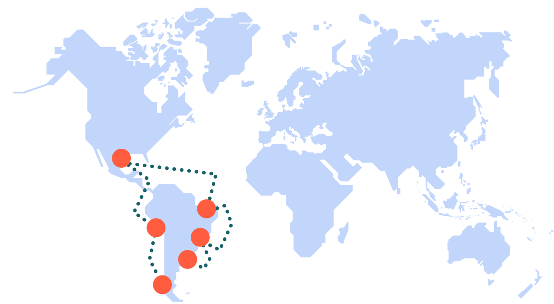
Transatlantic



Middle East

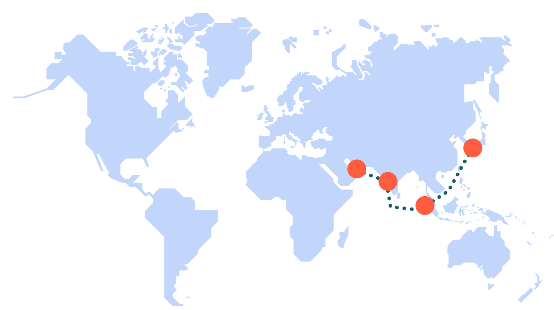


South America



Currently not used

Asia



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

"With every voyage, we contribute to an industry that ultimately serves people all around the world. I am proud that we do this in the safest, most efficient and sustainable way."

NICOLE ASHLEY CANINDO
DECK CADET, BOW SUMMER

1 YEAR IN ODFJELL
ENTRY YEAR: 2023

Odfjell Terminals Charleston

Odfjell Terminals

Odfjell Terminals is a global provider of independent tank storage solutions for the chemical industry, with more than five decades of experience in developing, owning, and operating tank terminals. Through different partnerships, we currently own four terminals at strategic locations: Houston and Charleston in the US, Ulsan in Korea, and Antwerp in Belgium. Odfjell Terminals is also part of a network of ten terminals in South America, partly owned by related parties.

Number of terminals

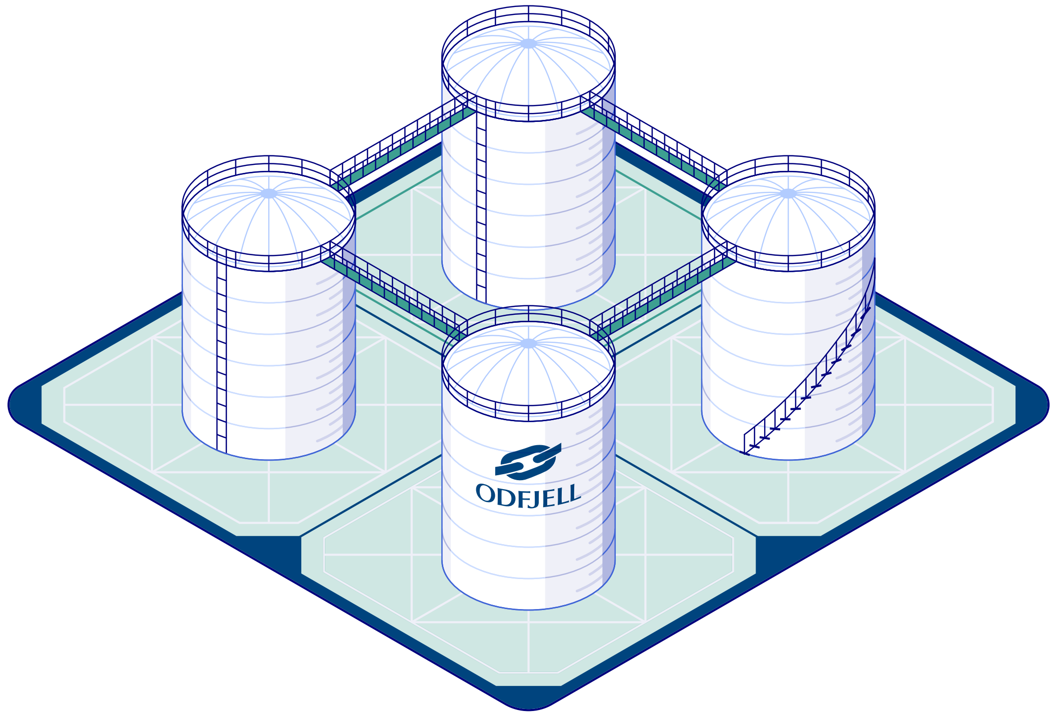
4

CBM storage capacity (million)

1.2

Number of storage tanks

459



Key highlights & strategy
Operations & markets
Environmental, social & governance (ESG)
Shareholder information
Annual accounts

2023 Highlights

- Odfjell Terminals Houston (OTH) is on track with finalizing the construction of a new 32,400 cbm tank pit, Bay 13. The expansion features six carbon steel and three stainless steel tanks and will be commissioned during the first quarter of 2024
- Odfjell Terminals US (OTUS) is making steady progress with its extensive multi-year Digital Transformation Program. This year, multiple operational workstreams have transitioned from paper to digital platforms, improving safety, operator occupational health, operational efficiency, and customer service
- In July, Odfjell Terminals Korea (OTK) made history by enabling the green methanol bunkering of the world's first methanol engine container vessel, Laura Maersk. Green bunkering activity at OTK is set to continue in 2024. Consistent with our commitment to sustainability, we are expanding our scope of services to support the transition towards more energy-efficient vessels and greener marine fuels
- Noord Natie Odfjell Antwerp Terminal (NNOAT) commissioned a new 36,000 cbm duplex stainless steel tank pit (Tankpit-U) in November, ahead of the projected timeline and below budget. As a continuation of our large-scale expansion program in Antwerp, the final investment decision of a subsequent project (Tankpit-R) was taken before year-end, comprising ten additional tanks and a new loading bay
- During 2023, both OTK and NNOAT launched new digital Terminal Management Systems (TMS), enhancing operational efficiencies and management capabilities

A year of growth and resilience

In the ever-evolving landscape of 2023, Odfjell Terminals continued to show resilience and adaptability amid changing economic and geopolitical conditions. 2023 reflects a year of growth, resilience, and sustained focus on safety performance and operational excellence.

COMMITMENT TO SAFETY

Odfjell Terminals maintained a strong safety record in 2023, with no recordable injuries. The number of spills remained at the same level as 2022. To further enhance safety performance, multiple targeted safety initiatives were rolled out across the terminal platform throughout the year. As an example, a portfolio-wide push for all employees to conduct regular Safety Observation Rounds (SORs) has, since 2020, highlighted how safety is a team effort that involves all levels and areas of the organization.

Since 2019, our managed terminals have reduced spills and process safety incidents (Tier 1 and 2[1]) by 50% and 100%, respectively. Although these achievements are encouraging, every spill or incident is one too many. We use each occurrence as an opportunity to learn, refine our safety measures, and further improve our performance.

> Safety remains our number one priority.

In 2023, Odfjell Terminals' commitment to safety was notably recognized. Safety is our license to operate and at the core of everything we do. This persistent focus was evident as OTK received the Korea Safety Award and the Global Tank Storage Awards' 2023 Safety Excellence Award for its strong safety record and industry-leading practices. OTUS was also honored with the ILTA Safety Excellence Award, underscoring our group-wide dedication to safety.

> These accolades are a testament to our commitment to handle liquids and chemicals with the utmost safety and regard for quality control, and to the trust placed in us by our customers and broader society to carry out this critical task.

DIGITAL TRANSFORMATION

Odfjell invests extensively in digitalization and automation initiatives across its terminal portfolio, enabling us to better serve our customers and ensuring safer operations and more robust, data-driven decision-making processes. Launched in 2021, the multi-year Digital Transformation Program at OTUS is a crucial component in unlocking the potential that lies within our footprint. Designed to enhance safety, efficiency, and scalability, the initiative has brought

[1] Process Safety Event (PSE): an unplanned or uncontrolled release of any material from a process, as defined by the American Petroleum Institute (API). Tier 1 and 2 refer to the consequence level following a loss of primary containment

Odfjell Terminals Houston (OTH)

USA

- Houston
- 379 982 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 US import and export of chemicals, and the hub for Odfjell's global and regional trades to and from the US Gulf. OTH is constructing a new, fully automated and state-of-the-art tank bay, consisting of six carbon steel and three stainless steel tanks. The 32,400 cbm tank bay will be commissioned during the first quarter of 2024.

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 quality solutions to the bulk liquid, vegetable oil, and petrochemicals industries in the US Southeast Coast.

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%

Multiply awarded, state-of-the-art terminal located in the most important petrochemical distribution and transshipment hub in Northeast Asia. OTK handles virtually all kinds of chemicals.

Noord Natie Odfjell Antwerp Terminal (NNOAT)

BELGIUM

- Port of Antwerp
- 460 098 cbm total storage capacity
- 155 832 cbm stainless steel storage capacity
- 246 tanks
- Odfjell share: 25%

A leader in the European chemical storage market, NNOAT offers a unique combination of storage and related value-added services. In 2023, NNOAT commissioned a new 36,000 cbm tank pit. Currently constructing 27,500 cbm of storage, scheduled for completion in 1Q25.

significant operational improvements through advanced systems in terminal management, asset management, and data analytics.

During 2023, multiple operational workstreams have transitioned from paper to digital platforms, improving safety, operator occupational health, operational efficiency, and customer service. This transformative journey reflects Odfjell's dedication to continuous technological evolution and innovation.

> The commitment to embracing new technology and digitalization extends across all our terminals.

New digital Terminal Management Systems (TMS) were implemented at both NNOAT and OTK in 2023. These systems provide our customers with complete transparency of their activities and ensure better insight and oversight, and a high degree of automation in invoicing and reporting processes.

RESILIENT BUSINESS PERFORMANCE

The year unfolded against a backdrop of uncertainties, including volatile energy prices, rising costs, and changing trade flows. Despite these challenges, Odfjell Terminals has demonstrated a steady business performance in 2023, underpinned by continued strong demand for storage capacity with our terminals operating at, or close to, full capacity.

The average annual commercial occupancy for the portfolio reached 97%, in line with last year. We noted a slowdown in activity levels from the second quarter, primarily driven by a decrease in end-consumer demand, aggravated by increased transportation costs. Despite a reduction in activity levels, the overall financial impact has remained limited due to high occupancy levels and the take-or-pay nature of our business.

> The terminal platform grew normalized EBITDA by more than 20%, compared to the previous year², driven by capacity growth and rate increases.

Odfjell Terminals continued its global expansion initiatives in 2023, building on our long-term growth strategy. During the year, we commissioned Tankpit-U at NNOAT, adding 36,000 cbm to our portfolio.

Adding another 32,400 cbm to the portfolio with the commissioning of OTH's Bay 13 in the first quarter of 2024, the platform will have a 5% increase (Odfjell share) of revenue-generating storage capacity in 2024, compared to the previous year. Furthermore, NNOAT has broken ground on Tankpit-R, a 27,500 cbm tank pit consisting of ten stainless steel tanks, which will come onstream at the start of 2025. Odfjell Terminals continuously evaluates opportunities for further growth, both within our current footprint and beyond.

Odfjell Terminals Houston (OTH) achieved an average commercial occupancy of 97% in 2023. Although the global economic slowdown has impacted terminal activity, the impact on financial performance has been limited. Excluding insurance proceeds received in 2022, EBITDA generated by OTH increased compared to the previous year. This growth was supported by efficiency initiatives and increased rates.

The construction of Bay 13, a new, automated, state-of-the-art tank pit, is progressing according to the projected timeline and budget. This expansion features six carbon steel and three stainless steel tanks, with a combined capacity of 32,400 cbm. Once operational (first quarter of 2024), the tank bay will increase OTH's capacity by 9%, bringing its total storage capacity above 410,000 cbm.

Odfjell Terminals Charleston (OTC) continued to operate at full capacity, maintaining a 100% average commercial occupancy for the second consecutive year. Although occupancy remained high, the terminal experienced reduced activity levels, as several customers were affected by the market slowdown. Despite reduced activity levels, the year concluded with EBITDA slightly surpassing last year's figures, which may be attributed to efficiency initiatives and increased rates.

Odfjell Terminals Korea (OTK) achieved an average commercial occupancy of 91% in 2023, marginally surpassing the previous year. This was amidst a backdrop of challenges that adversely influenced occupancy and activity levels, such as weak demand from China and decreased activity levels at production facilities in the region due to maintenance. In spite of these challenges, OTK still managed to increase its EBITDA compared to the previous year, supported by higher spot volumes and careful cost control.

² Adjusted for insurance proceeds received at OTH in 2022

TANK TERMINALS*	Figures in	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Gross revenue	USD mill.	**82**	84	72	66	70	91	111	123	112	94
Operating result before depreciation and gain (loss) on sale of fixed assets (EBITDA)	USD mill.	**38**	40	33	30	27	24	38	47	40	(4)
Operating result (EBIT)	USD mill.	**15**	15	9	18	18	(84)	118	53	4	(31)
Total assets	USD mill.	**362**	352	381	381	353	351	580	578	629	650
Tank capacity (100% of the terminal)	1 000 cbm	**1 233**	1 198	1 300	1 293	1 412	1 512	3 115	3 539	4 672	4 643

* Reflection of actual historical Odfjell ownership share

Noord Natie Odfjell Antwerp Terminal (NNOAT) sustained its solid performance in 2023, achieving a 100% average commercial occupancy for the second year in a row. Despite the slowdown of the global economy in 2023, the demand for storage in the Antwerp region remains robust. The ongoing influx of imports into Europe, driven by the competitive pressure from low-cost countries, is expected to continue. NNOAT's prime location in Antwerp uniquely positions it to benefit from these market dynamics. This strategic position, coupled with recent expansions in tank capacity, contributed to NNOAT's financial performance in 2023, with EBITDA exceeding 2022 levels by 15%.

NNOAT took a significant step forward in 2023 with the commissioning of Tankpit-U, adding 36,000 cbm of state-of-the-art storage capacity, the latest in its ambitious expansion program. The tank pit consists of six duplex stainless steel tanks and was completed ahead of the projected timeline and below budget. This expansion increases the terminal's capacity by 8%, bringing its storage capacity above 460,000 cbm. This marked NNOAT's fifth expansion in the last five years, adding 116,400 cbm in combined capacity. In December, NNOAT broke ground on the build-out of a further ten stainless steel tanks and a new loading bay (Tankpit-R). The new expansion will contribute an additional 27,500 cbm of storage, scheduled for completion in the first quarter of 2025.

OUTLOOK FOR 2024

The global business landscape continues to be shaped by significant geopolitical events and regional tensions, influencing trade flows and transportation costs. The 2024 economic outlook is cautiously optimistic, with a downward trend in inflation and interest rates. With the current outlook, Odfjell Terminals anticipates sustained demand for storage capacity at our terminals. Should the overall economic climate improve as predicted, particularly with normalizing inflation rates, we may see strengthening activity levels and throughput volumes.

The terminal platform is well-positioned to navigate the complexities of the year ahead. Our commitment to expanding, improving operational processes through digitalization and automation efforts, and maintaining the highest safety and sustainability standards will serve as a robust foundation as we transition into 2024.

> 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.

ADRIAN LENNING
MANAGING DIRECTOR TERMINALS

Value creation in a year of turbulence

In 2022, we predicted that 2023 would hold new "unknown unknowns", but also that Odfjell Terminals would continue to show resilience and deliver profitable growth. Looking back, this is indeed descriptive. Amidst a challenging geopolitical and macroeconomic backdrop, Odfjell Terminals has continued its positive trajectory across a number of dimensions, from safety and financial results, to capacity expansions and digitalization.

Safety is a continuous effort and to a large extent a result of organizational culture. In recent years, we have seen a notable reduction in incidents such as spills and process safety events, reflecting an unwavering commitment to a safety culture. The fact that both OTK and OTUS were recognized in global and local industry awards during 2023 is a testament to this work.

Odfjell Terminals continues to deliver strong financial performance. Our terminals are an integrated part of our customers' supply chains, contributing to an acyclical resilience amidst challenging global events. This highlights the infrastructure-like nature of our business, but also the perfect complementarity with Odfjell Tankers.

As a group, we have a stated ambition to grow our Terminal platform. Our priority is to develop new capacity at our existing terminals, where we see projects with highly attractive risk-return profiles. In 2023, we have continued to deliver on this ambition, with the completion of Tankpit-U at NNOAT, the building of Bay 13 in Houston, and the final investment decision taken on our next expansion in Antwerp. Looking beyond our existing footprint, the current environment with "higher interest rates for longer" will favor industrial owners like Odfjell, where value creation derives from active asset management.

We continue to invest heavily in digitalization, enabling us to work safer and more efficiently, provide a better service to our customers, and make more data-driven decisions. In Houston, we have taken major leaps and in 2023 we digitalized the core operational processes across all modalities. This is a really exciting step-change which, in addition to boosting employee satisfaction and efficiency, will provide us with a completely new level of operational insights.

As we restructured Odfjell Terminals a few years back, we shifted to a more decentralized operating model, with a leaner headquarters structure and more responsibility transferred to our terminals. Beyond reduced overhead costs and improved visibility, we see that this change has been powerful in nurturing a culture of ownership and empowerment. Under the leadership of our strong local management teams, our colleagues at all levels have the power to drive change. The positive trajectory that we now enjoy across multiple dimensions, be it safe operations, accretive expansion projects, and robust financial results, is a direct reflection of this culture.

As we look ahead to 2024, we are filled with enthusiasm for the opportunities it holds for Odfjell Terminals.

Terminal expansions

Odfjell Terminals is highly complementary to our tanker business, leveraging the Odfjell know-how, brand, and customer reach to build a leading storage infrastructure business, while providing diversification and de-risking benefits to the group. To capture the potential of the platform, Odfjell has a stated objective to grow its terminal business from where it is today.

Building on a portfolio of strong assets, more than half a century of track record, and the benefits of being both a shipping and terminal company, we have established a healthy platform for future growth. Our priority is to fully develop the potential within our existing footprint by developing new capacity on available land. Such expansions represent some of the most attractive and accretive investment opportunities available to us. Economies of scale, disciplined and modular execution, and a clear view of market demand provide for projects with highly attractive risk-adjusted returns.

Since 2018, Odfjell has completed the build-out of six new tank pits across NNOAT and OTH, totaling 148,800 cbm and an aggregate investment of USD 158 million. All projects are generating attractive returns, with estimated equity IRRs ranging from the mid-teens to high twenties. These expansions stand as an example of what can be achieved with a clear vision and a disciplined approach to growth.

Looking ahead, all terminals have land available for further expansion. Together with its joint venture partners, Odfjell seeks to realize the full potential of its existing terminal assets, while also assessing opportunities to expand the platform beyond its current footprint.

NOORD NATIE ODFJELL ANTWERP TERMINAL (NNOAT)
With the commissioning of Tankpit-U in November 2023, one month ahead of schedule, NNOAT marked the fifth new tank pit at the Antwerp terminal that has been commissioned since 2018. During this period, 116,400 cbm of storage capacity has been added, all while maintaining safe and steady operations throughout the construction periods.

Owing to the dedication and expertise of our engineering and project management teams, and with valuable contributions from our contractors, Tankpit-U was successfully commissioned over a month ahead of schedule. All six tanks, each with a capacity of 6,000 cbm, are now active and have begun receiving product.

At the end of 2023, ground was broken on NNOAT´s most recent expansion, Tankpit-R. The project will add 27,500 cbm to the terminal's capacity, and it is targeted to be operational by the first quarter of 2025. With an eye always on the horizon, NNOAT has identified opportunities to develop further capacity of up to 92,000 cbm across the terminal. We anticipate that these projects will be developed in a gradual fashion, in line with market demand, as well as local execution and funding capacity.

ODFJELL TERMINALS HOUSTON (OTH) AND ODFJELL TERMINALS CHARLESTON (OTC)
Moving across the Atlantic, OTH holds substantial potential for further growth. The Bay 13 expansion project is a testament to the organization's engineering, planning, and execution capacity. Bay 13 is set to contribute 32,400 cbm (+9%) of fully automized storage capacity across nine tanks, to be commissioned in the first quarter of 2024.

These expansions collectively illustrate Odfjell's commitment and ability to grow our terminal infrastructure platform in a disciplined and accretive manner. The projects exemplify Odfjell's strategic approach to meeting our customers' storage demands and reinforcing our market position.

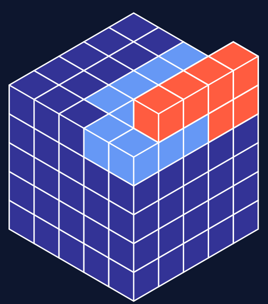
Furthermore, "The Point" is an undeveloped plot with an additional expansion capacity of around 140,000 cbm (+34%), and this land has unique characteristics: direct access to the Gulf of Mexico, advantageous location avoiding the congested Houston Ship Channel, and easy access to main pipeline networks. In addition, it is one of the few plots of land available on the Houston Ship Channel that could accommodate two new wharves with a draft of up to 45 feet for large chemical vessels up to 45,000 dwt.

Similarly, Odfjell Terminals Charleston (OTC), serving customers on the US East Coast, has land available to double its current capacity of 79,200 cbm on Charleston's Cooper River.

ODFJELL TERMINALS KOREA (OTK)
OTK is an example of the inherent option value of available land and terminal infrastructure. The terminal has vacant land that can cater for an expansion of up to 90,000 cbm, adding 29% to OTK's existing storage capacity. As the local petrochemical industry expands, we see unique opportunities for OTK to be an integral and long-term partner to neighboring plants and facilities.

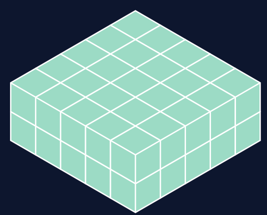
Terminal platform
(Current and under construction)

1.3
million cbm

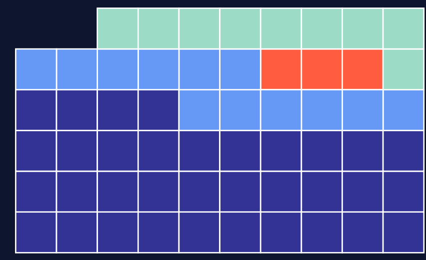


Expansion potential

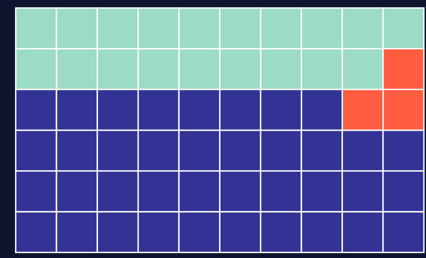
0.5
million cbm



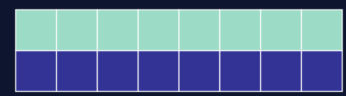
NNOAT	Tankpit N&O Completed August 2018	32 700 cbm	13 tanks
	Tankpit-P Completed July 2020	12 700 cbm	7 tanks
	Tankpit-T Completed June 2022	35 000 cbm	7 tanks
	Tankpit-U Completed November 2023	36 000 cbm	6 tanks
	Tankpit-R Completed 1Q-2025	27 500 cbm	10 tanks
OTH	Bay 13 Completed 1Q-2024	32 400 cbm	9 tanks



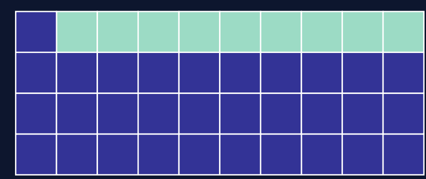
NNOAT	CAPACITY
2017	343 700 cbm
Recent expansions	116 400 cbm
Tankpit-R	27 500 cbm
Expansion potential	92 000 cbm



OTH	CAPACITY
Current	380 000 cbm
Bay 13	32 400 cbm
Expansion potential	190 000 cbm



OTC	CAPACITY
Current	79 200 cbm
Expansion potential	79 200 cbm



OTK	CAPACITY
Current	313 700 cbm
Expansion potential	90 000 cbm

Key highlights & strategy
Operations & markets
Environmental, social & governance (ESG)
Shareholder information
Annual accounts

Environmental, social and governance (ESG)

Amidst a challenging year marked by record-breaking global temperatures and heightened climate awareness, we continued our transition, preparing for regulatory shifts and adopting new technology to further reduce our climate footprint. Our comprehensive approach, extending beyond emissions reduction to social responsibility, governance and sustainable financing, exemplifies our role as a leader in driving the shipping industry towards a more sustainable future.

Our commitment to sustainability

The shipping industry forms the backbone of international trade, enabling economic growth and connectivity. At Odfjell, we are aware of our operations' environmental and social footprint on the world. Recognizing this, we have embraced a proactive approach to sustainability, aiming to minimize our negative impact wherever possible.

Our sustainability strategy is not just a response to external expectations but a core part of our corporate identity, meticulously aligned with the United Nations Sustainable Development Goals (SDGs) and stringent International Maritime Organization (IMO) regulations. This alignment reflects our commitment to adhere to global standards and spearhead the sustainable transformation of the maritime sector.

OUR SUSTAINABILITY REPORTING

As we navigate the evolving landscape of corporate responsibility, Odfjell is adapting to the upcoming Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). A significant part of our reporting for 2023 has been prepared in line with the ESRS but still follows the existing reporting regulations and standards. This approach sets a foundation for full compliance with the CSRD by 2025 for the fiscal year 2024.

This year, we have expanded our reporting scope to include a comprehensive assessment of double materiality, climate and nature risks, and carbon accounting, among other critical sustainability aspects. These efforts are available in a supplementary report: 'Sustainability reporting 2023. This report should be read in conjunction with this annual report, providing a holistic view of our sustainability journey.

GLOBAL WARMING IN 2023: A RECORD-BREAKING YEAR

According to the World Meteorological Organization (WMO), 2023 shattered previous temperature records, a direct consequence of long-term global warming trends exacerbated by the occurrence of "El Niño". These unprecedented temperatures have highlighted the relentless advance of climate change and catalyzed a series of devastating environmental events. Droughts, wildfires, and extreme weather conditions have become more frequent and severe, contributing to a food crisis that has impacted millions globally. These events serve as a grim illustration of the immediate and tangible effects of climate change on our planet.

For businesses, the implications of climate change are multifaceted. Extreme weather events disrupt supply chains, while changes in climate patterns affect agricultural productivity, leading to fluctuations in commodity prices and availability. Moreover, the regulatory landscape is evolving as governments worldwide implement policies to reduce carbon emissions, necessitating strategic adjustments in operations and investments.

SHIPPING INDUSTRY'S ROLE IN MITIGATING CLIMATE CHANGE

The shipping industry, responsible for almost three percent of global CO_2 emissions, has an essential role to play in the fight against climate change. As the most efficient mode for transporting large volumes over long distances, shipping can be pivotal in reducing global emissions. It is incumbent on us to adopt more sustainable practices and technologies.

In 2023, the International Maritime Organization (IMO) adopted a revised strategy to reduce greenhouse gas emissions from international shipping. This strategy marks a significant leap towards decarbonizing the global shipping industry, in step with the broader goal of mitigating the impacts of climate change. Central to the 2023 strategy is the ambitious commitment to achieve net-zero GHG emissions from international shipping by, or around, 2050. This target underscores the industry's dedication to significantly reducing its environmental footprint and aligning with global climate objectives.

> A noteworthy aspect of the new strategy is the adoption of a well-to-wake approach to emissions reduction.

This comprehensive method considers the entire lifecycle of marine fuels, from production to consumption, ensuring a holistic assessment of emissions and promoting the development and uptake of truly sustainable fuel options.

Odfjell recognizes the urgency of this challenge and is committed to leading by example. We understand that mitigating the effects of climate change requires a comprehensive approach, encompassing not only the reduction of emissions from our fleet but also a broader engagement with our stakeholders to promote sustainability throughout the supply chain.

Our Climate Targets

Odfjell will cut greenhouse gas emissions by 50% by 2030, compared to 2008

Odfjell will have a zero-emission capable fleet from 2050

Odfjell is dedicated to pursuing a zero-emissions strategy and will only order newbuilds that are zero-emission capable

Odfjell will actively support initiatives to develop technology and infrastructure for decarbonization, energy efficiency, and zero-emissions, and support international regulation to drive zero emissions for our industry and our value chain

STATUS ON THE TARGETS

In 2023, we achieved a 5% reduction in carbon intensity in our controlled fleet compared to the previous year, marking a record low reported carbon intensity. This reduction brings our total decrease in carbon intensity, measured by the Annual Efficiency Ratio (AER*), to 52% compared to 2008 IMO baseline, thus meeting our 2030 target ahead of schedule. This milestone is a testament to our dedication and proactive approach to sustainability. Our absolute emissions were reduced by 8.6%, but this number is also sensitive to fleet size.

Furthermore, all Odfjell ships received IMO CII (measured by AER) ratings of between A and C in 2023, reflecting our fleet's efficiency and lower environmental impact. The path to decarbonizing shipping is complex, requiring access to renewable energy sources for green fuel production, comprehensive bunker infrastructure, and the adoption of zero-emission technologies. Acknowledging these challenges, Odfjell is committed to improving our ships' energy efficiency and ensuring that our future newbuilds are zero-emission capable.

ACTIONS TO ACHIEVE TARGETS

Since 2007, Odfjell has been at the forefront of energy efficiency and emissions reduction. Our dedicated departments employ both operational and technical strategies to achieve our goals. In 2023, we installed 18 new energy saving devices (ESD) in our fleet. Recognizing the need for new and innovative solutions, we plan to test two novel technologies in 2024. One project is an air lubrication system to reduce friction while increasing efficiency. This system was installed in 2023 and is in testing phase. Another initiative involves wind-assisted propulsion, and we plan to place suction sails on one of our vessels late 2024. In addition, we will receive 12 new energy-efficient vessels on long-term charter in the following years, which will further reduce our carbon footprint while reducing fuel technology risk.

SUSTAINABILITY AWARDS

In 2023, Odfjell was again recognized for our position on sustainability at the forefront of the chemical logistics industry. At the 2023 International Tanker Shipping & Trade Awards, we were proud to secure both the Tanker Operator of the Year Award and the Environmental Award. The annual awards serve as a commendation for outstanding accomplishments, innovations, and contributions within the tanker shipping and trade sector. We received acclaim also on land, as our terminal in Ulsan secured both the Korea Safety Award and the Safety Excellence Award at two separate occasions, in recognition of its impeccable safety record and ability to adhere to best practices to ensure the safety of all employees. Safety comes first at Odfjell, and we are happy to be recognized for our hard work to safely and sustainably operate our ships and terminals.

EMISSION TRADING SYSTEM

The implementation of the EU Emission Trading Scheme (ETS) presents a unique opportunity for Odfjell. Our energy-efficient fleet, characterized by low emissions, benefits our customers. Not only from an emissions perspective, but also from a cost perspective. We have developed and adopted a system to allocate relevant ETS costs to charterers in line with the polluter pays principle.

* Measured in carbon intensity, using the Annual Efficiency Ratio, compared to benchmark 2008.

FUELEU MARITIME
FuelEU Maritime is a pivotal regulation designed to accelerate the decarbonization of the shipping industry within the EU. Set to come into force on January 1, 2025, it mandates an increased use of renewable and low-carbon fuels in the maritime sector to significantly lower greenhouse gas (GHG) emissions from ships operating in the EU and European Economic Area (EEA).

It introduces stringent well-to-wake GHG emission intensity requirements for energy used aboard ships trading in the EU from 2025 onwards.

Odfjell is actively preparing for the implementation of FuelEU Maritime. Our ongoing investments in energy efficiency, exploration of alternative fuels, and adoption of technologies, like wind-assisted propulsion and use of biofuels, put us well ahead of these regulatory requirements.

SCOPE-3 EMISSIONS
In 2023, Odfjell undertook its first full life cycle assessment (LCA) of a ship class, providing invaluable insights into total emissions (scope 1-3) over a ship's lifetime. Our comprehensive analysis of scope-3 emissions reveals that 46% of our total emissions originate from our value chain, with fuel production being the predominant source. This analysis, detailed in our supplementary carbon accounting report, underscores the importance of a holistic approach to emission reduction.

Because our customers need to improve their scope-3 reporting, we created a system that generates a scope-3 report for each cargo shipment which we can share with our customers.

NATURE RISK
Odfjell recognizes the importance of addressing nature-related risks, such as biodiversity loss and ecosystem degradation. Following the Taskforce on Nature-related Financial Disclosures (TNFD) guidance, we have detailed our nature risk assessments in a separate report, available on our website, reflecting our commitment to preserving the oceans and natural environment.

Carbon intensity

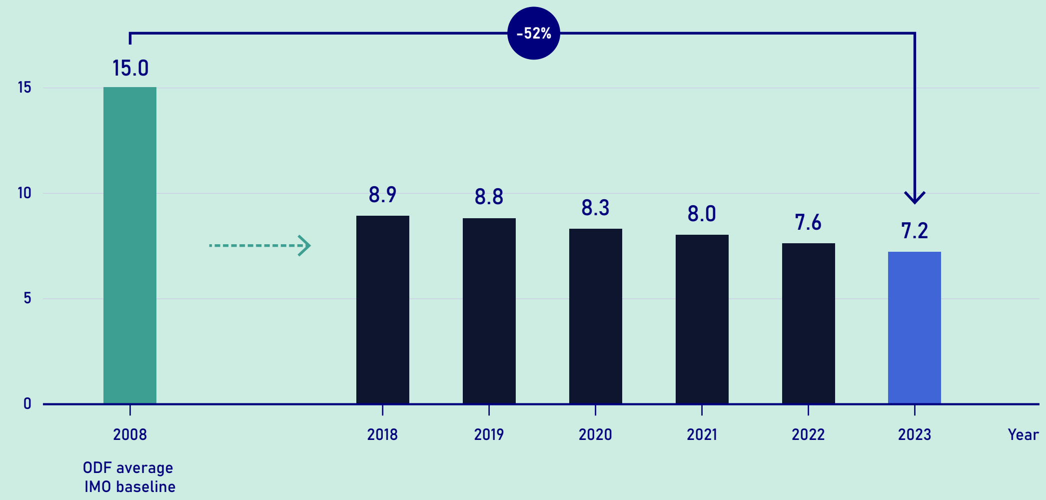
Odfjell has reported the carbon intensity (CI) for its fleet since 2008, calculated using the Annual Efficiency Ratio (AER). The results are published in our quarterly reports.

In 2018, the International Maritime Organization (IMO) introduced a strategy to reduce the carbon intensity of all ships by 40% by 2030 compared to a vessel-specific 2008 baseline.

Because the IMO regulates ships, not companies, Odfjell established its 2008 company baseline on the average vessel-specific 2008 baseline.

In 2023, the AER for Odfjell's fleet was 52% lower than its 2008 baseline. The AER in the graph below refers to Odfjell's controlled fleet[1].

Odfjell carbon intensity



[1] Odfjell owned/managed fleet. Calculations done in accordance with IMO regulations as per Marpol Annex VI regulation 2.49, and document MEPC.336 (76), MEPC.337 (76), MEPC.338 (76), MEPC.339 (76)

SOCIAL AGENDA
At Odfjell, safety transcends policy; it is our highest priority, guiding every decision and operation. We are proud to report no serious incidents aboard our vessels or at our terminals in 2023, a testament to our stringent safety protocols and the dedication of our employees. Further, we have intensified our human rights due diligence in alignment with OECD guidelines, actively working to mitigate negative impacts on human rights within our business operations and value chain. Our efforts in this domain are transparently reported in accordance with the Norwegian Transparency Act, underscoring our commitment to ethical and responsible business practices. Our efforts to improve gender diversity are paying off, and we have a 50/50 gender balance among new hires as of 2023. We have also launched a program to significantly raise the number of female seafarers and cadets.

SUSTAINABLE FINANCE
Since 2020, Odfjell has innovatively linked its climate targets to its financing. In January 2021, we issued the first sustainability-linked bond in the shipping industry, a groundbreaking move that paved the way for all subsequent loan issues under the same framework. As of December 31, 2023, sustainability-linked loans constitute 65% of our total interest-bearing debt, highlighting our commitment to sustainable growth and transition to carbon neutrality by 2050. In January 2024, we were the first shipping company in the Nordics to develop and pilot a transition finance framework to support the funding of our large and small decarbonization projects, further tightening the link between financing and our transition activities.

EU TAXONOMY
Odfjell has reported under the EU taxonomy since 2021 and has issued a separate EU taxonomy report for 2023, available at Odfjell.com. Key numbers from the report:

- Share of EU Taxonomy eligible revenue: 94%
- EU Taxonomy aligned Revenue: 0%
- EU Taxonomy aligned CAPEX: 0%
- EU Taxonomy aligned OPEX: 0%

Odfjell's commitment to sustainability is unwavering. Through strategic initiatives, rigorous reporting, and a forward-looking approach, we aim to lead by example in the shipping industry, driving positive change for a sustainable future. Our journey is ongoing, and we remain dedicated to achieving our sustainability goals, mitigating our environmental impact, and contributing positively to society.

ØISTEIN JENSEN
CHIEF SUSTAINABILITY OFFICER (CSO)

Our industry is facing significant transformations in a world increasingly shaped by the urgent need for climate action. These changes, driven by both the growing impact of climate change and a rapidly evolving regulatory environment, present unique challenges and opportunities. At Odfjell, we approach these with a sense of optimism, confidence, and a forward-looking strategy that positions us in the forefront of sustainable shipping and terminal operations.

Climate change influences global shipping and terminal operations, necessitating adjustments to ensure resilience and sustainability. The introduction of new regulations, including the EU Emissions Trading System (ETS), FuelEU Maritime, IMOs CII/EEXI regulation and scope-3 emissions reporting, are reshaping the industry landscape. Far from viewing these developments as challenges, we at Odfjell see them as opportunities to leverage our competitive edge. Our proactive approach to sustainability positions us well ahead of regulatory standards, allowing us to turn new requirements into drivers for innovation and efficiency.

The 2023 IMO Strategy on Reduction of GHG Emissions from Ships, and its schedule for adopting a comprehensive basket of measures, is a welcome framework that will guide our industry towards reduced GHG emissions. We anticipate these measures to take effect in the coming years, with an amended 2028 IMO GHG Strategy set to refine our path forward. Odfjell is not only prepared for these changes but is actively involved in shaping the future of sustainable shipping.

Our organization is preparing to meet the European Union's Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS). Our commitment to transparency and sustainability is reflected in our comprehensive reporting practices, which comply with regulatory mandates and provide our stakeholders with clear insights into our environmental and social impacts.

Odfjell is developing a robust energy transition plan that addresses the critical areas identified in our double materiality assessment and requirements under the ESRS. In 2024, we will set new mid-term carbon intensity targets, reflecting our ambition to significantly reduce our environmental footprint. These targets are part of a broader strategy that includes fleet renewal and the adoption of cutting-edge technologies to achieve our long-term sustainability objectives.

Our responsibility extends beyond environmental stewardship to ensuring the well-being of people within our value chain. We continue to enhance our efforts to reduce any negative impact on human rights, upholding our commitment to ethical business practices and the dignity of all individuals affected by our operations.

At Odfjell, we are navigating towards the future with a clear vision, ambitious goals, and a steadfast commitment to sustainability. Our forward-thinking approach, combined with a deep understanding of the challenges and opportunities ahead, ensures that we are well-prepared for new reporting requirements and to lead the transition towards a more sustainable maritime industry.

Odfjell's novel technology projects

Since 2007, Odfjell has worked systematically on improving the fleet's energy efficiency. We are committed to innovation and sustainability and constantly seek to improve our performance and reduce our environmental impact.
We have retrofitted more than 135 energy-saving devices (ESD) since 2014 and have more than 50 installations planned for 2024 to 2030. Two new ESD technology projects were started in Odfjell in 2023: An air lubrication system (ALS) and a wind-assisted propulsion system (WAPS).

AIR LUBRICATION SYSTEM
The ALS injects air bubbles under the vessel's hull, creating a cushion of air that reduces friction and drag. This results in lower fuel consumption and emissions. The ALS can be installed on newbuildings or retrofitted on existing vessels, and it is compatible with any type of engine and fuel. Odfjell partnered with Alfa Laval, a world leader in marine solutions, to install OceanGlide ALS on one of our 49,000 dwt chemical tankers. The installation was completed in November 2023, and the system will be tested in 2024.

WIND-ASSISTED PROPULSION SYSTEM
In 2023, we launched our WAPS project with Bound4Blue, who will deliver four suction sails to one of our 49,000 dwt chemical tankers in 4Q 2024. This technology has significant potential to reduce emissions by harvesting the wind energy on the ship itself and transforming it directly into a forward thrust. The power generated by the sails is expected to be significant. Therefore, this initiative should be seen with the upcoming Fuel EU Maritime regulation in mind, which will enter into force in 2025. The technology has the potential to provide a two-digit percentage reduction in fuel consumption and emissions.

Our commitment to safety

We are acutely aware of the responsibilities that come with transporting and storing some of the world's most hazardous liquids. These substances are integral to people's daily lives, supporting various industries and contributing to the materials we use every day. Our operations span the globe, reaching into some of the most sensitive environmental areas and operating near communities. This places us at the heart of a critical supply chain, entrusted by society and our customers to manage these chemicals with the utmost care and adherence to the highest safety and quality control standards.

Safety is the cornerstone of our operations. It is not just a priority but a core value that is embedded in every aspect of our business activities, both at sea and on land. We believe that all accidents, affecting people, the environment, or assets, are preventable.

> Our commitment to safety is driven by the well-being of our people, which is fundamental to achieving our business objectives.

Odfjell adopts a holistic approach to safety, aiming to minimize risks for all involved in our operations. We set rigorous standards and are dedicated to cultivating an exemplary safety culture.

Our operations, encompassing ships and terminals, are regulated by strict health and safety standards. Odfjell is in full compliance with all applicable health and safety regulations. Our ships' safety management systems are certified according to the International Safety Management (ISM) Code, while our terminals' safety management systems undergo certification and audits in line with the Chemical Distribution Institute - Terminals (CDI-T) process.

SAFETY PERFORMANCE IN 2023

We have not experienced any serious accidents or injuries in 2023. We recorded only one Lost Time Injury (LTI) across our entire operation, which was promptly addressed, and the individual involved was quickly deemed fit for duty. Our proactive measures and safety initiatives have substantially decreased the Lost Time Injury Frequency (LTIF) for our shipping operations, dropping to 0.09 from 0.45 in 2022. This achievement extends to our managed terminals, where we reduced the LTIF to zero, an improvement from 0.44 in the previous year. Furthermore, our Total Recordable Case Frequency (TRCF) for the managed fleet improved to 0.69, down from 1.53 in 2022, with our managed terminals also achieving a TRCF of zero, improved from 0.66 in 2022.

Our innovative system for reporting unsafe conditions and unsafe acts, alongside traditional reporting mechanisms for near misses and accidents, has enhanced our safety reporting culture. This initiative encourages the reporting of potential incidents, fostering a proactive safety environment. The introduction of an integrated incident handling system has marked a significant advancement in our safety operations. Developed by our in-house team, this system enhances data quality and centralizes incident management, supporting proactive health, safety, security, environment, and quality (HSSEQ) efforts.

TERMINALS

Odfjell Terminals maintained a strong safety record in 2023 with no Total Recordable Injuries (TRI), an improvement from the previous year. The number of spills remained the same as 2022.

> Multiple targeted safety initiatives were rolled out across the terminal platform throughout the year to further enhance safety performance.

Since 2019, our managed terminals have reduced spills and process safety incidents (Tier 1 and 2) by 50% and 100%, respectively. Although these achievements are encouraging, every spill or incident is one too many. We use each occurrence as an opportunity to enhance our performance and further refine our safety measures.

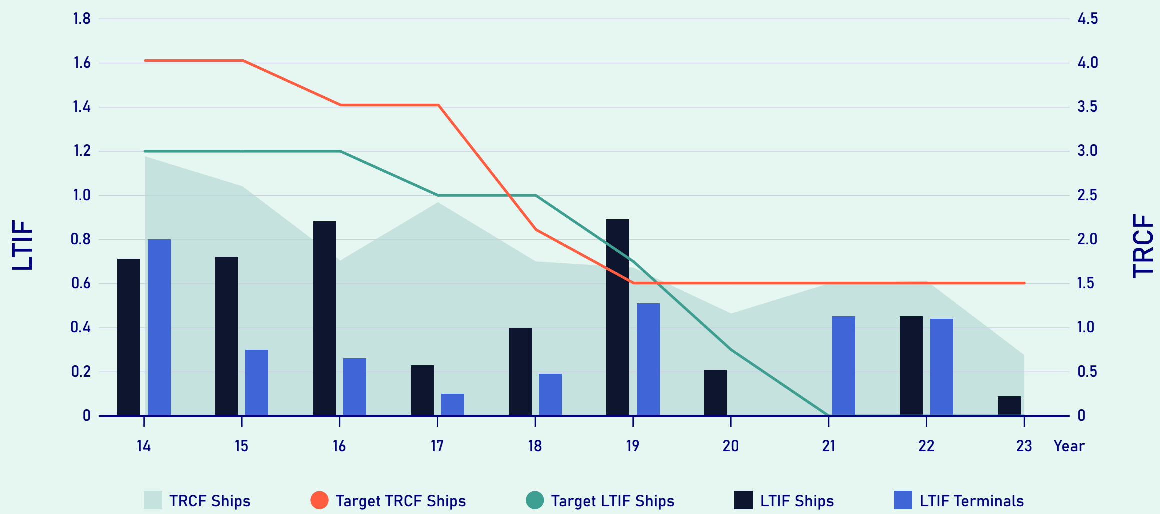
In 2023, Odfjell Terminals' commitment to safety was recognized when OTK received the Korea Safety Award and the Global Tank Storage Awards' 2023 Safety Excellence Award for its exemplary safety record and industry-leading practices. OTUS was also honored with the ILTA Safety Excellence Award, underscoring our group-wide dedication to safety.

SECURITY IN AN EVER-CHANGING WORLD

Security remains a paramount concern, especially given the increasing reports of piracy and attacks on shipping around the east coast of Africa, Gulf of Aden, and Arabian Sea. The recent escalation of conflict in the Red Sea and Gulf of Aden has prompted us to reroute our vessels around Africa, prioritizing the safety of our crew and cargo. Odfjell has remained vigilant, monitoring these developments closely, and making informed decisions to mitigate risks.

Our dedicated emergency preparedness policies, procedures, and systems, complemented by our contingency/operations teams, ensure we are prepared to respond to any threats. Regular training and exercises keep our teams sharp and ready. We conduct thorough risk assessments, including security-related risks, to understand and mitigate potential threats. When necessary, we engage external expertise to assess threats and safeguard our voyages, ensuring the safety and security of our operations.

Our commitment to safety and security is unwavering. We understand the immense responsibility that comes with our operations and remain dedicated to upholding the highest standards of safety and security, for the well-being of our employees, the protection of the environment, and the satisfaction of our customers. Odfjell is committed to being a reliable and responsible partner in the global supply chain, today and into the future.



LOST TIME INJURIES	2023	2022	2021
LTIF Ships managed by Odfjell	**0.09**	0.45	0.00
TRCF Ships managed by Odfjell	**0.69**	1.53	1.13
LTIF Terminals operated and managed by Odfjell	**0.00**	0.44	0.45
TRIF Terminals operated and managed by Odfjell	**0.00**	0.66	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.

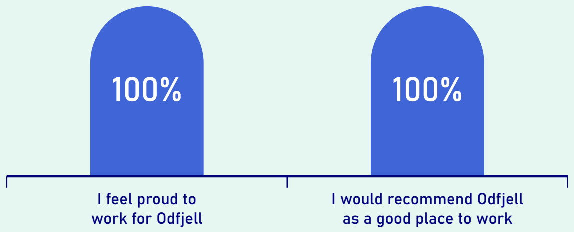
TRIF for terminals is calculated as Total recordable injury * 200,000/total hours worked.

'Total recordable injury (TRI)' is the sum of Lost time injuries, Restricted work cases and Medical treatment cases.

People at Odfjell

At Odfjell, we take pride in the expertise, enthusiasm, and determination of our global team, both onshore and at sea, as they continuously strive to improve the way we work. Our shared dedication to safely, efficiently, and sustainably handle liquids sets us apart. We are proud that our experienced employees remain with us and that new employees are welcomed into our inclusive work environment, where their perspectives are valued from day one. Our 2023 survey shows fantastic results from new hires, who are proud to work for Odfjell and would recommend it as a good place to work. The same survey shows a strong employee commitment, with 80% of our employees planning to stay with us for more than five years.

New hires' feedback employee engagement survey 2023 — Headquarters



At Odfjell, the safety of our people and the environment is a number one priority and informs all our operations. Achieving this requires the collective effort of our employees, who make conscious decisions every day to prioritize safety.

> Every employee has both the right, and the responsibility, to report any unsafe conditions and to stop unsafe work.

Every employee is encouraged to be a role model for their peers when it comes to safety. Past survey results confirm that safety is viewed as a top priority within the organization, and our line managers are seen as positive role models for our QHSE culture.

All employees
2 303

Our seafarers
1 708

Our employees at terminals
245

Our employees in shipping
350

Nationalities employed
25

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 and benefit structures for employees at all stages of their work life. We aim to be an attractive and engaging place to work, today and in the future.

We promote a culture of health and wellness at Odfjell. Initiatives include offering healthy food options, encouraging physical activity, and – through partnerships with reputable vendors - offering programs for stress management and mental health. Our flexible work arrangements and leave policies support work-life balance. Additionally, we seek to ensure that the physical work environment is safe and conducive to good health by providing ergonomic workstations, good air quality, and adequate lighting. Regular health screenings and access to on-site or virtual healthcare services are offered to employees to help them maintain their health and well-being.

We are committed to providing our employees with challenging, meaningful work that allows them to make an impact and grow, personally and professionally, while feeling as though they belong. We offer a wide range of opportunities around the world and are grateful that our employees choose to stay with us, contributing their skills and expertise while developing alongside the organization.

ENHANCING EMPLOYEE ENGAGEMENT AND ENABLEMENT

We recognize the importance of creating a workplace that engages our employees and equips them with the tools they need to succeed. But engagement is more than job satisfaction. It is about the employee feeling truly motivated and having a sense of belonging. This is cultivated through meaningful assignments, being recognized, and having the chance to grow. Equally, having the tools to succeed, or enablement, means our employees have everything they need to do their work, to collaborate, and to feel empowered to do their best. In collaboration with external partners, we ran two surveys in 2023 to get honest feedback on how we are doing across all our locations. These surveys cover areas like engagement, enablement, diversity and inclusion, and management quality.

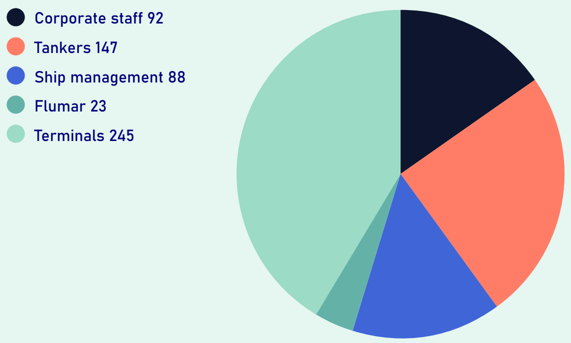
We saw an impressive 88% participation rate, providing us with representative data and valuable insights. The findings reveal that our team worldwide is both engaged and enabled, with scores of 78% in both areas. This is a slight improvement from our last survey and positions us above industry benchmarks.

REFINING PERFORMANCE MANAGEMENT

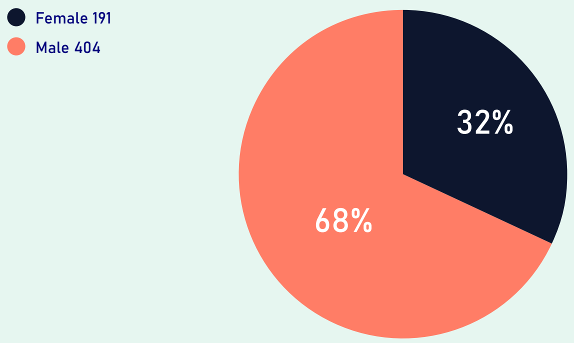
Following insights from the 2021 employee engagement survey and constructive organizational feedback, we launched a project to refine our approach to Performance Management. This project included evaluating best practices, learning from peer companies, and collaborating with master's students from the University of Bergen. We worked closely with leaders from different departments to ensure a broad perspective.

The result was the introduction of a new Main Performance Dialogue, which we pilot tested with a representative group of employees in 2022. The feedback led to further improvements before a global implementation for our shipping shore organization. We now have a more forward-looking and team-based approach to performance, which seeks, above all, to foster meaningful dialogue about employee development and build trust between employees and their managers.

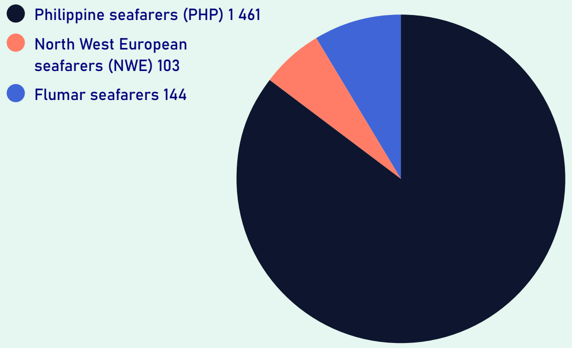
Employees onshore



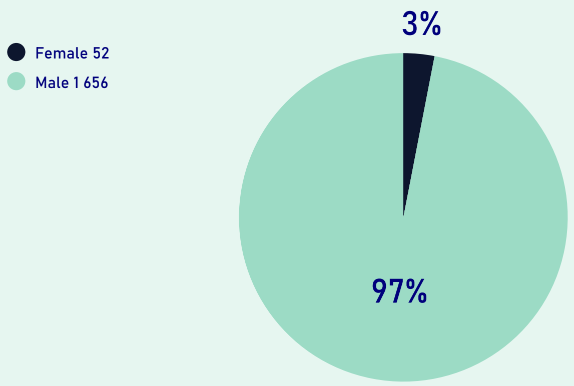
Gender onshore



Employees at sea



Gender at sea



COMMITMENT TO DIVERSITY, EQUITY, AND INCLUSION

2020
First target for diversity, equity and inclusion is set: achieving a minimum of 30% gender balance at all levels by 2030

2021
Joined the SHE index survey and participate each year

2023
Included Diversity and Inclusion in employee engagement survey

2024 onwards
Psychological safety, and harassment & discrimination training. Introduction of DE&I KPIs aligned with Odfjell goals and values

In our drive to prepare our workforce for the future, we have clear objectives: retain and develop our current employees, bring in a diverse talent pool, and create an inclusive workplace where everyone feels valued and can make meaningful contributions. This effort starts with strong commitment from the top.

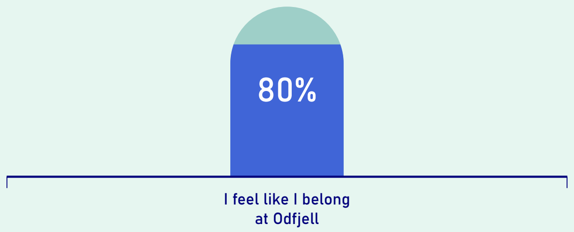
Our Executive Management and Board at Odfjell are committed to increasing diversity within our organization. Back in 2020, we set a significant target for our shore-based shipping operations: achieving a minimum of 30% gender balance at all levels by 2030. To reach this goal, we have adopted a systematic approach across various areas, including recruitment, development, promotion, and compensation equity. We proactively address bias in our people processes. Other initiatives to support the strategy include the revision of job advertisements to ensure neutrality, the elimination of self-assessment in performance dialogues, comprehensive compensation analyses, generous parental leave policies, and the optimization of our promotion and recruitment strategies. Our commitment to gender equality, and the prevention of discrimination, is carried out systematically and continuously and in collaboration with employee representatives.

To drive progress, we have established Diversity, Equity, and Inclusion (DE&I) metrics to track our progress over time. Transparency is a priority for us, as it fosters awareness and accountability. We actively participate in EY's SHE Index survey in Norway. Additionally, we make our gender pay gap reporting accessible on our website, thereby promoting openness and transparency.

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.

> Odfjell is one of the leading recruiters of the Norwegian maritime industry, in recent years with a record number of women hired. We believe that increased diversity will improve our ability to innovate, solve problems and stay relevant. We look forward to continuing this positive trend.
>
> HARALD FOTLAND, CEO

Feedback employee engagement survey 2023 — Headquarters



DIGITALIZATION OF PEOPLE PROCESSES

Our digitalization strategy revolves around three core principles: digitization, automation, and technology-enabled value. We are dedicated to using digital tools to streamline processes, automate tasks, and extract valuable, data-driven insights. This approach enhances efficiency, reduces duplication of effort, and supports strategic decision-making. We have recently adopted a cloud-based infrastructure to facilitate seamless collaboration within HR and across departments, and while in its infancy, we have already seen meaningful results. We have also automated routine recruitment tasks and are exploring how to enhance data analytics tools for workforce analysis and decision support.

While mitigating risk and ensuring safe use, we anticipate further improvements from AI functionality in our work tools.

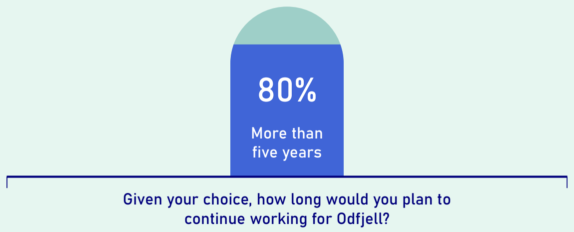
COMPETENCE AND DEVELOPMENT

The context in which we operate is ever changing. We need to continuously evolve, as individuals and as an organization, to deliver strong results across the board, from safety and sustainability to financials and digitalization. This takes people with know-how, curiosity, and resilience. Key to our success is our ability to create physically and psychologically safe work environments. As we onboard new hires into our highly qualified teams, we make a conscious effort to ensure that they feel a sense of belonging from the very start.

Over the past year, we have worked systematically to create a holistic development program for our onshore employees and managers, based on the results of our 2021 and 2023 employee engagement surveys. The aim of the program is to provide professional and personal development opportunities, foster a positive work environment, and introduce a shared leadership model for Odfjell.

The program, which will be delivered in partnership with a professor of organizational psychology, will consist of an Engagement and Enablement Program that includes several training sessions for all employees on topics such as psychological safety, team collaboration, and emotions at work. We have also launched a Leadership Forum for managers with short training sessions tailored for leaders of people and technical managers. In the Leadership Forum we will spend time on the Odfjell Leadership Model, learn and discuss what kind of leadership works best, what we should avoid doing, and how we can best lead in different situations, across organizational levels, cultures, and geographies.

Feedback employee engagement survey 2023 — Shipping global



> Every employee has talent and unrealized potential, and it is our responsibility as leaders to identify, utilize and develop this potential.
>
> ALENA PEDERSEN, VICE PRESIDENT OF CORPORATE IT

HR collaborates with people managers to ensure they are well-prepared for key organizational processes, such as performance dialogues and annual salary reviews. In global calls, process information is presented, including content designed to raise awareness of potential unconscious biases and promote fair decision-making.

In 2023, the Fleet Week knowledge-sharing concept continued with three conferences attended by the shore organization, Captains, and Chief Engineers from predominantly Norway, Brazil, and the Philippines. The goal of Fleet Week is to drive strategic alignment and build stronger teams. It is an arena for proactive learning with a high degree of interaction, experience exchange and knowledge-sharing. The concept continues to be very well received and will continue in 2024.

> Odfjell Ship Management has carefully defined five long-term targets to underpin the overall company strategy. Fleet Week is instrumental in achieving these long-term targets and we are very pleased with its impact.
>
> TORGER TRIGE, CTO

SUPPORTING INDUSTRY RECRUITMENT, TRAINING AND DEVELOPMENT INITIATIVES

At Odfjell, we continue to support industry initiatives designed to attract and retain the best people for the maritime industry. We participate in recruitment events for sea and shore, take part in structured mentoring programs, and send employees to leadership training. A couple of examples:

- In 2022, ten employees from around the world attended the One Ocean Leadership Program on the three-masted Statsraad Lehmkuhl during a five-day voyage. It was a once in a lifetime experience that provided opportunities for both personal and professional growth.
- Another voyage will be offered in 2024 on board the same ship and five employees have been selected to attend.
- The first class of a new leadership program, named Next Wave, graduated in 2023. Three Odfjell employees attended the program which was offered by Maritime Bergen, in cooperation with BI Norwegian Business School and Western Norway University of Applied Sciences. Such industry training offers opportunities to build networks across the sector and to gain insights into topics such as the green transition, strategic digitalization, diversity as a tool, and innovation and scaling.
- For several years now, employees and leaders at Odfjell have taken part in WISTA's Maritime MeetUp program, seeking to support individual development and improve the gender balance in our industry.

RECRUITMENT & ONBOARDING

Over the past few years, our organization has successfully recruited and onboarded numerous new

INGJERD MORLAND NETTESTAD
VP CORPORATE HR

We can observe behavior; what people say and do not say, what people do and do not do. But there are a number of processes that usually take place before an action is actually taken. Often, it starts with an intention. Studies show that our intentions trigger what we think, how we perceive things and how we feel about something. At this point, we can choose to act or not. It is a choice because we are not our emotions, and we are not our thoughts.

The first point we would like to make by starting like this is that it is truly impressive that our colleagues around the world, onshore and at sea, show up and choose to behave in a way that continues to put safety first. The second point is that if we want the observed behavior to change, we can adjust when and how to act, we can seek to close the famous "intention-action" gap, one behavior at a time.

As we look forward, we will clearly need to solve new challenges. Solutions used for past challenges may no longer apply. Together with our competent colleagues, we need to find answers that allow us to continue our clear trajectory toward a low- and zero-carbon industry. We believe that gathering diverse perspectives, experiences, and know-how will help us find better solutions and make better decisions. As we find solutions to new challenges, we will make some mistakes. That is human nature. However, it is an essential process which allows us to learn and fine-tune the next – and improved – iteration.

Getting to the future takes leadership. It takes leadership to positively influence colleagues and culture so that we all continue to deliver great results on safety, quality, and financials. However, you do not have to be a leader to lead. We were recently reminded, in an Odfjell Leadership Forum, of the importance of caring when we lead, caring for our teams and for our colleagues. If we allow ourselves to be curious and interested in our colleagues and to build strong relations with each other, this will – as research clearly shows – have a positive performance impact.

So, in the time ahead, let's care for each other, seek diverse perspectives, and choose the behavior that we want others to observe.

colleagues. Our recruitment efforts have encompassed both seasoned professionals and recent graduates. We are actively collaborating with students from some of Norway's most renowned universities and colleges. These students have joined us at our headquarters for practical training periods, student consultancy work, and internships.

Our recruitment drives have been successful, and we are seeing a higher number of trainees and interns, both in commercial and technical areas. Getting exposure to a variety of experiences, including site visits, onshore learning opportunities, and hands-on training via apprenticeships and student placements, ensures a solid foundation for our newcomers.

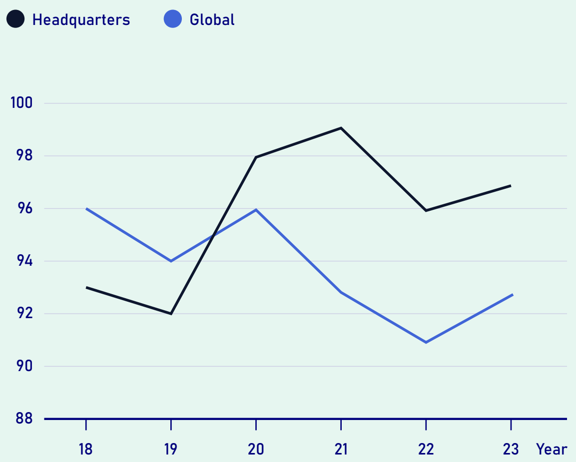
Welcoming interns and trainees is a mutually beneficial endeavor. For our organization, it injects fresh know-how, innovative ideas, and diverse perspectives. For trainees and interns, it provides invaluable industry experience and an opportunity to develop their skills.

At sea, we continue our long-term strategy to hire cadets on board with the potential to become competent officers in the years to come. Competence is more than expert knowledge and excellent skills; it is also about having the right attitude, which is built through instruction and safety culture programs, on the job training and exposure to role models in the organization.

In 2023, we hired 19 Norwegian deck cadets and trainees and 12 Engine cadets and trainees from various schools. Additionally, Odfjell welcomed a further six cadets as part of a pilot project with the Western Norway University of Applied Sciences which is offering a 4-year Bachelor Program with integrated work practice. Our new hires primarily come from the Bergen area and we are encouraged by the increase in applicants wanting to join Odfjell. In 2023, Odfjell Philippines took in 17 new deck cadets and 16 engine cadets. We are proud that many of our cadets and officers are female and celebrate that in 2023, Odfjell appointed its first female Captain.

During 2023, we continued with training programs for all our crew and officers such as the Odfjell Leadership Training for Management Level Officers, Bridge Resource Management (BRM), and Engine Resource Management (ERM), among others. For shore-based positions, a new, all-company development program was created in 2023, and launched in 2024.

Retention rate onshore



Source: HR metrics, global shipping as per 31.12

Odfjell promotes first female Captain

On July 14, 2023, Lise Henriksen set foot on Bow Sky, not just as a seasoned seafarer but as Captain, marking a significant milestone in Odfjell's 110-year history.

BORN WITH SEA LEGS
Lise's journey started in a remote village in Northern Norway, where the sea, much like her strong work ethic, was ingrained in her upbringing. Having grown up on a fishing boat in the maritime haven of Finnmark, her passion for the sea was evident from a young age. She had the opportunity to accompany her father on fishing excursions, which laid the foundation for her future as a seafarer.

TRAILBLAZING CAREER
Lise joined Odfjell as a Deck Cadet on Bow Chain in 2010. Rising through the ranks, Lise's career saw her work on board ten different Odfjell vessels.

From Third Officer to Second Officer and then Chief Officer in 2019, Lise's dedication to her profession has steered her to the distinguished position of Captain.

> Lise's expertise and leadership abilities have led her to this prestigious role – a historic appointment at Odfjell and in an international maritime field currently dominated by men. We are thrilled that we have arrived at a goal we have been systematically pursuing for a long time: To appoint our first female Captain.
>
> HARALD FOTLAND, CEO

SHAPING THE FUTURE OF SHIPPING

Lise recognizes the significance of her appointment but remains humble, expressing a preference for the sea over the spotlight. Beyond her maritime duties, she actively contributes to shaping the future of shipping by teaching nautical engineering and chemical tanker shipping at the University of Tromsø. Her efforts are yielding results, noting that the gender balance is improving among the students.

PROMOTING GENDER EQUALITY
Odfjell has long been committed to talent recruitment and equality within the maritime sector. As of today, we have 27 female seafarers working at various levels and positions, including one Captain, two Chief Officers, two Third Engineers, and an Electrical trainee, to name a few.

The upcoming round of trainees and cadets includes 25 new and talented individuals, 11 of whom are women, signaling another record-breaking year for us in terms of promoting gender diversity. That said, we realize we still have a way to go. The work continues.

In a statement that reflects Odfjell's ongoing dedication to gender equality, CEO Harald Fotland concludes:

> We look forward to welcoming more women on board in various roles in the coming years. Lise is the first of many to come.

Digitalization

Did you know that one of the most important digital tools we use at Odfjell was developed in-house? Here's a short story of Orca, one of our success stories.

Orca is the primary operational software for all vessels in Odfjell Tankers' commercial fleet. Introduced in 2013, Orca innovated the cargo planning and stowage process, facilitating the seamless transfer of data between ships and shore. This success paved the way for the development of several new, business-critical applications on the same platform. Today, Orca stands as a purpose-built operational software tailored to our goals and needs. Some of its applications include:

- Vessel master data: contextualizes and customizes vessel configurational data
- Stowage tool: streamlines workflow, reduces complexity, and improves safety
- Commodity book: provides info on cargo requirements, cargo properties and restrictions
- Event log: records operational, navigational, and technical events at sea and in port
- AoL: data collection system used to gather essential vessel performance intel
- Verification module: digitalization of regulatory requirements (EU/UK MRV, IMO DCS)
- Cargo temperatures: tracks temperatures, oxygen level and pressure within each cargo tank, also mapping requirements in adjacent tanks for safety purpose
- Cargo consumables: used for the reporting of tank cleaning chemicals and related material
- Centralized alert dashboard: displays metrics to understand energy efficiency status.

The key to Orca's success is our decade-long commitment to innovate from within, and to create solutions that streamline reporting, improve safety and that meet our specific requirements in parcel trade. With each release, Orca has become more robust and efficient, catering to a constantly changing landscape affecting our core business. Today, Orca is a powerful, cloud-based software platform which we can use to swiftly deploy new features, thereby accelerating our digital agility, all while enhancing cyber security.

WITH ORCA WE ARE:

- Tackling connectivity challenges by creating offline solutions to support our cloud-based platform with the aim of achieving high software responsiveness globally
- Solving the regulatory requirements of the EU and IMO by creating a fully digital workflow, where data is seamlessly shared with DNV via an application programming interface (API). This means that carbon intensity indicators and emission allowances for Odfjell's controlled fleet are based on a continuous stream of data, verified by DNV
- Striving for full transparency with our customers, sharing autogenerated scope-3 emission and EU ETS reports, per applicable voyage, in our Customer Portal
- Monitoring critical metrics related to energy efficiency and fuel cost reduction measures
- Innovating how information is communicated with the fleet by embedding Power BI content, allowing us to share tailored reports, based on real time insights and observations

In 2024, Odfjell will migrate the stowage tool in the Orca platform to the cloud, further enhancing cargo safety and collaboration across business units. And once these initiatives are deployed, we plan to explore an AI-based stowage co-pilot for swift cargo assessments and optimization and install sensors to further improve fuel reductions measures.

Our digital journey continues, and with a fully cloud-based platform, our course is all set to accelerate in 2024.

"Safety first. In the heart of every Odfjell seafarer lies a commitment to never compromise the safety of our colleagues, ourselves, our ships, and our environment."

KEITH JOHN LICATAN
ORDINARY SEAMAN,
BOW PERSISTENT

5 YEARS IN ODFJELL
ENTRY YEAR: 2019

Shareholder information

Financial calendar 2024

- **FEBRUARY 8**
  Fourth quarter/preliminary full-year 2023 report
- **MARCH 26**
  Annual report 2023
- **MAY 7**
  First quarter 2024 report
- **MAY 7**
  General Meeting
- **AUGUST 20**
  Second quarter/1H 2024 report
- **NOVEMBER 7**
  Third quarter 2024 report

Shareholder information

Odfjell SE shares have been listed on the Oslo Stock Exchange since 1986. We have two share classes, A- and B-shares, where B-shares do not have 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 throughout the shipping cycles.

THE HISTORY

Odfjell SE started as a Norwegian family business in 1914 with one vessel. During the next decades, the majority of Odfjell's vessels are dry cargo liners. Towards the middle of the century, small specialized tankers become increasingly important, and in 1960 Odfjell builds the world's first stainless tanker, MT Lind, at the Stord yard in Norway. In 1969 the first Odfjell tank terminal is opened in Buenos Aires, and in 1983 the Baytank terminal in Houston is opened. Over the coming years Odfjell grows its global business, both organically and through partnerships, and today Odfjell is a world-leading logistics service provider for chemicals and other specialty bulk liquids.

Since the beginning, Storli was a central company and name in the Odfjell group, and in 1986 the Odfjell SE shares were listed on the Oslo Stock Exchange under the name Storli. The name was changed to Odfjell in 1998.

DIVIDEND POLICY

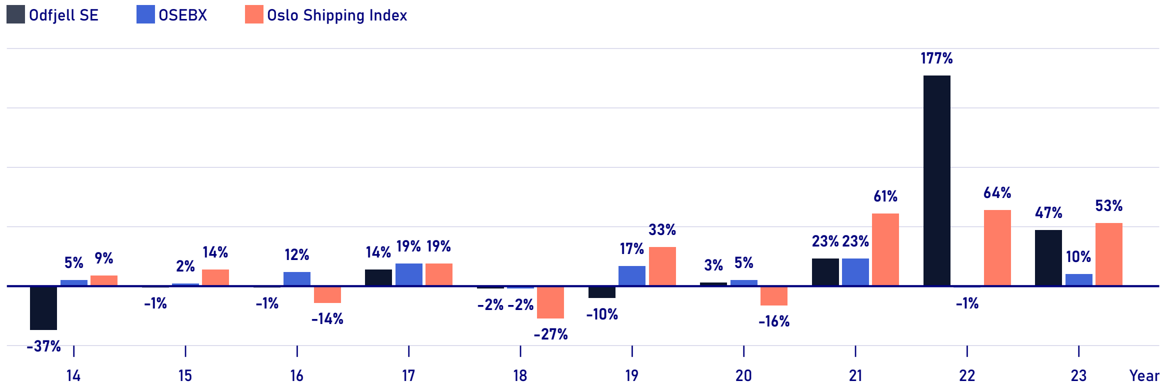
Odfjell will pay out 50% of net income adjusted for extraordinary items. Other excess capital will be earmarked for extraordinary debt reductions, but may also be used for value creating investments, share buybacks and dividends. Dividends will be paid out semi-annually. The Board of Directors will propose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

Odfjell A, year-end share price	NOK 116.50
Odfjell B, year-end share price	NOK 116.50
Odfjell SE, year-end market capitalization	NOK 9.21bn
2023 Total return for Odfjell SE shareholders	47.0%
2023 Oslo Stock Exchange benchmark index	9.8%
2023 Shipping Index	51.9%

SHAREHOLDERS

At the end of 2023, there were 1,927 holders of Odfjell A-shares and 680 holders of Odfjell B-shares. Our 20 largest shareholders hold 83% of our shares. The total number of shareholders was 2,314, as some shareholders own shares in both classes. The majority of our shares are held in Norway and Denmark.

Total return, Odfjell vs. Oslo Stock Exchange and Shipping Index*



* Total return equals change in market capitalization current year plus dividend paid in the year, divided by market capitalization at the beginning of the year.

SHAREHOLDERS BY COUNTRY	Number of shares 2023	2022	2021	Shareholding % 2023	2022	2021
Norway	**38 029 968**	39 585 477	42 569 302	**47.7%**	45.60%	49.10%
Denmark	**33 098 626**	33 135 464	33 855 840	**41.5%**	38.20%	39.00%
Luxembourg	**3 148 883**	917 724	1 312 111	**3.9%**	5.90%	6.90%
Ireland	**2 817 415**	1 747 461	1 625 457	**3.5%**	5.80%	1.90%
Sweden	**1 642 384**	5 123 604	5 973 676	**2.1%**	2.00%	1.50%
Other	**982 570**	6 259 218	1 432 562	**1.2%**	2.50%	1.70%
Total number of shares	**79 719 846**	**86 768 948**	**86 768 948**	**100.0%**	**100.0%**	**100.0%**

20 LARGEST SHAREHOLDERS AS PER DECEMBER 31, 2023

Based on shareholders analysis

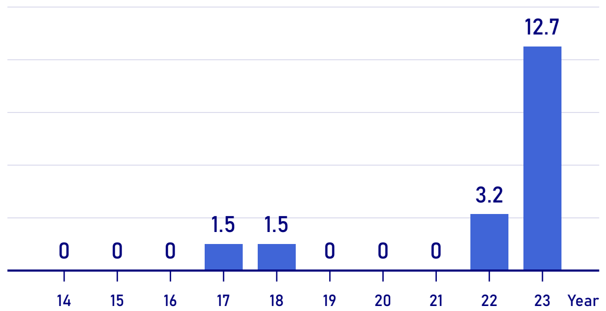
	Name	A-shares	B-shares	Total shares	Percent of votes	Percent of shares
1	Laurence Ward Odfjell [1]	29 463 964	7 524 160	36 988 124	48.89%	46.40%
2	Stolt-Nielsen Norway AS	5 008 612	5 055	5 013 667	8.31%	6.29%
3	Pareto Asset Management AS	2 907 955	1 276 076	4 184 031	4.83%	5.25%
4	Farvatn II AS	3 225 000	–	3 225 000	5.35%	4.05%
5	B.O. Steen Shipping AS	250 000	1 886 300	2 136 300	0.41%	2.68%
6	Rederiet Jacob Christensen AS	1 617 104	405 868	2 022 972	2.68%	2.54%
7	Holmen Fondsforvaltning AS	2 000 000	–	2 000 000	3.32%	2.51%
8	Agnete Berger	892 400	464 800	1 357 200	1.48%	1.70%
9	Carl Berger	891 500	460 900	1 352 400	1.48%	1.70%
10	Karl Erik Magnus Berger	745 000	355 000	1 100 000	1.24%	1.38%
11	Forsvarets Personellservice	1 026 700	–	1 026 700	1.70%	1.29%
12	Eriko AS	169 484	750 516	920 000	0.28%	1.15%
13	Gunvald Magnus Svante Berger	549 600	288 500	838 100	0.91%	1.05%
14	Anna Axelsson	340 000	410 000	750 000	0.56%	0.94%
15	Odfjell SE	200 000	500 000	700 000	[2]	0.88%
16	Meteva AS	–	700 000	700 000	0.00%	0.88%
17	Petter Goldenheim	168 000	382 000	550 000	0.28%	0.69%
18	Frode Tobiasson	369 774	169 577	539 351	0.61%	0.68%
19	Kontrari AS	158 728	255 448	414 176	0.26%	0.52%
20	Bjørn Arvid Olsen	167 129	244 639	411 768	0.28%	0.52%
Total 20 largest shareholders		**50 150 950**	**16 078 839**	**66 229 789**	**82.89%**	**83.08%**
Other shareholders		10 312 674	3 177 383	13 490 057	17.11%	16.92%
Total		**60 463 624**	**19 256 222**	**79 719 846**	**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

NOK



Development Odfjell shares 2023

Source: Euronext

SHARE DATA	Figures in	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Market capitalization	USD mill.	**903**	701	300	252	237	266	306	266	278	335
Enterprise value	USD mill.	**1 986**	1 895	1 598	1 676	1 482	1 220	1 168	1 120	1 299	1 392
Price book values	Ratio	**1.1**	1.0	0.6	0.4	0.4	0.4	0.4	0.4	0.4	0.5
EV/EBITDA	Ratio	**4.4**	5.0	6.8	6.7	8.2	11.4	9.6	5.8	9.0	13.3
Share price high	USD	**11.8**	9.0	4.2	3.6	3.7	4.6	4.4	4.1	4.2	7.7
Share price low	USD	**8.0**	3.5	3.0	1.6	2.6	3.1	3.2	2.5	2.3	2.8
Earnings per share	USD	**2.6**	1.8	(0.4)	0.4	(0.5)	(2.6)	0.3	1.7	(0.2)	(1.0)
Dividends per share	USD	**1.2**	0.8	0.1	–	–	–	0.2	0.2	–	–
Pay-out ratio	%	**47.5**	46.9	–	–	–	–	66.7	10.6	–	–

Financial risk management & sensitivities

With the global market as our arena, Odfjell is exposed to a number of risk factors. Our financial strategy is to ensure we have a business model and capital structure that is robust throughout market cycles, yet flexible to take advantage of trends and opportunities. We need to be able to withstand prolonged adverse conditions in the chemical and financial markets, while also being able to act on opportunities, and challenges, at any given time. To achieve this, Odfjell has an active approach to financial risk management with focus on attracting funding from diversified sources, maintain high liquidity and credit reserves, and systematic monitoring and management of financial risks related to currencies, interest rates, bunkers and emission allowances.

Financial derivatives may be used to reduce the Company's exposure to fluctuations in net income and cash flow caused by movements in currencies, interest rates, bunkers, and emission allowances. This may also limit our upside from favourable movements in the same financial- or commodity 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 are further influenced by the general freight market sentiment, including the highly correlated product market, cargo type and volume, contract and spot rates, bunkers prices, and operational efficiency.

The average historical fluctuation in time charter earnings per day for our chemical tanker fleet has been approximately 12% per annum over the last five years, although the increase in earnings in 2022 and 2023 was above historical trends. Sensitivity analysis shows that a change in time charter earnings of 10% will impact our pre-tax net income by approximately USD 73 million. Odfjell is not engaged in the derivatives market for forward freight agreements.

The largest single cost component affecting time charter earnings is bunkers, and Odfjell makes physical purchases of bunkers worldwide. In 2023, this amounted to USD 247 million, equivalent to 57% of voyage costs. A substantial part of our consumption is hedged through bunkers adjustment clauses in contracts of affreightments. Uncovered consumption from spot volumes, or contracts without bunkers adjustment clauses, are considered for financial hedging, however we did not have any financial bunkers hedges in place during 2023, though this may change in 2024. A USD 50 increase in the average bunkers price per metric ton would reduce our pre-tax net income by approximately USD 7 million.

In 2024, shipping was included in EU ETS. Our vessels call EU ports on a regular basis, and as a commercial operator we are economically liable for ETS and will compensate vessel owners who have the legal responsibility to surrender emission allowances to the EU. In 2023, we would have been liable for approximately 158 thousand tonnes allowances if ETS was fully implemented, at a total cost of EUR 13 million at EUR 80 per allowance.

The main part of our exposure is hedged through ETS clauses in our contracts of affreightments, while for spot voyages and contracts without an ETS clause, the estimated ETS cost is added to the agreed freight rate in the chartering terms upon fixture. A EUR 25 increase in the average price for an EU emission allowance unit would increase our gross voyage expense by EUR 4 million, however the effect on pre-tax net income is likely limited as the cost is passed through to charterers.

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 USA, is denominated in USD. Loans have various amortization profiles, but the majority are floating rate with SOFR as a benchmark. NOK denominated bonds are also swapped to USD with SOFR as benchmark. We use financial interest rate derivatives, mainly interest rate swaps, to reduce the unwanted variability of interest expenses because of changes in the benchmark. Our coverage rate has been stable around 25-35% of floating interest-bearing debt during the last five years, while our base exposure has been reduced substantially through the repayment of debt. As of December 31, 2023, we have USD 300 million of interest rate hedges in place, covering 36% of interest-bearing debt. A 1% increase in the interest rate would reduce our pre-tax net income by approximately USD 8 million, before hedges.

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. A 10% decrease in the USD against the NOK would reduce our pre-tax net income by approximately USD 9 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 and a half years, through forward exchange contracts. In 2023, approximately 60% of our NOK expenditure was hedged. As of December 31, 2023, we have NOK 740 million of currency hedges in place, at weighted average USDNOK 10.3, covering approximately 47% of NOK expenses for the next 12 months, and 42% next 13–24 months. We had no outstanding EUR hedges as of December 31, 2023, though this may change in 2024.

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, 2023, we have total bonds outstanding of NOK 850 million swapped to USD 100 million.

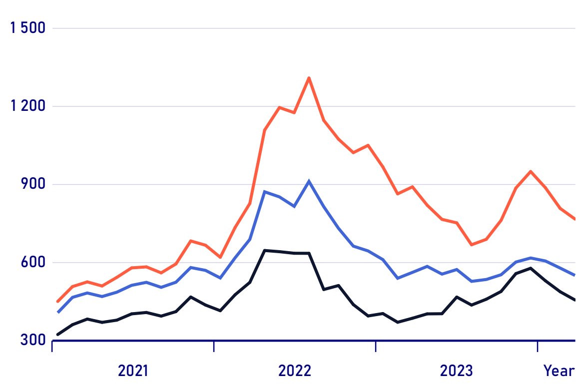
FINANCING AND LIQUIDITY
Odfjell has a diversified debt structure and has solid access to a wide range of funding sources and financing structures from top-tier banks, leasing houses and the bond markets. Our cost of financing has improved in all credit markets over the last few years, driven by our strengthened balance sheet, positive chemical tanker market fundamentals, and ESG. Indeed, ESG and decarbonization of shipping are becoming increasingly important to lenders and can impact the access to- and the cost of financing just as much as traditional credit metrics. We are capturing this trend through our continued high focus on sustainable finance. 65% of our interest-bearing debt per December 31, 2023, was sustainability-linked, and in January 2024 we piloted and developed a transition finance framework to support the funding of our large and small decarbonization projects.

In 2023, we completed three refinancing transactions, involving six vessels, and we repaid a maturing bond. All transactions were done at improved terms and contributed to lowering our cost of capital, though higher interest benchmark rates reduce some of the positive effect on interest expenses in the short term.

As of December 31, 2023, Odfjell's total nominal debt was USD 1,097 million[1], of which 48% was mortgaged loans, 20% was financial leases, 9% was senior unsecured bonds, and 23% was debt related to long-term time charter and bareboat agreements. The average maturity of the Group's total interest-bearing debt[2] is 3.8 years. We have few material balloon instalments.

Bunker prices, Rotterdam

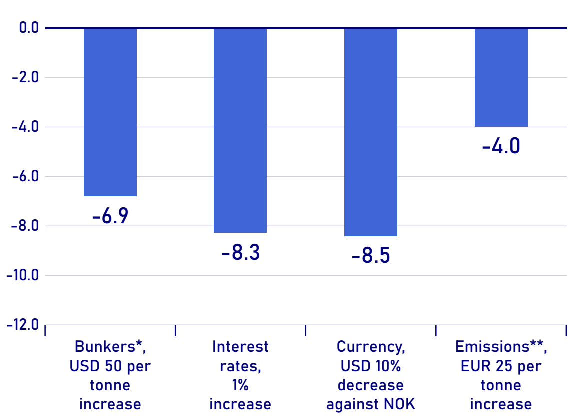
USD/metric tonne



Source: Clarksons SIN

Sensitivity (before derivatives but after bunker adjustment clauses)

Change in net result | In USD million



[1] Bonds swapped to USD. Excluding capitalized transaction expenses.
[2] Interest-bearing debt includes mortgaged loans, financial leases and unsecured bonds.

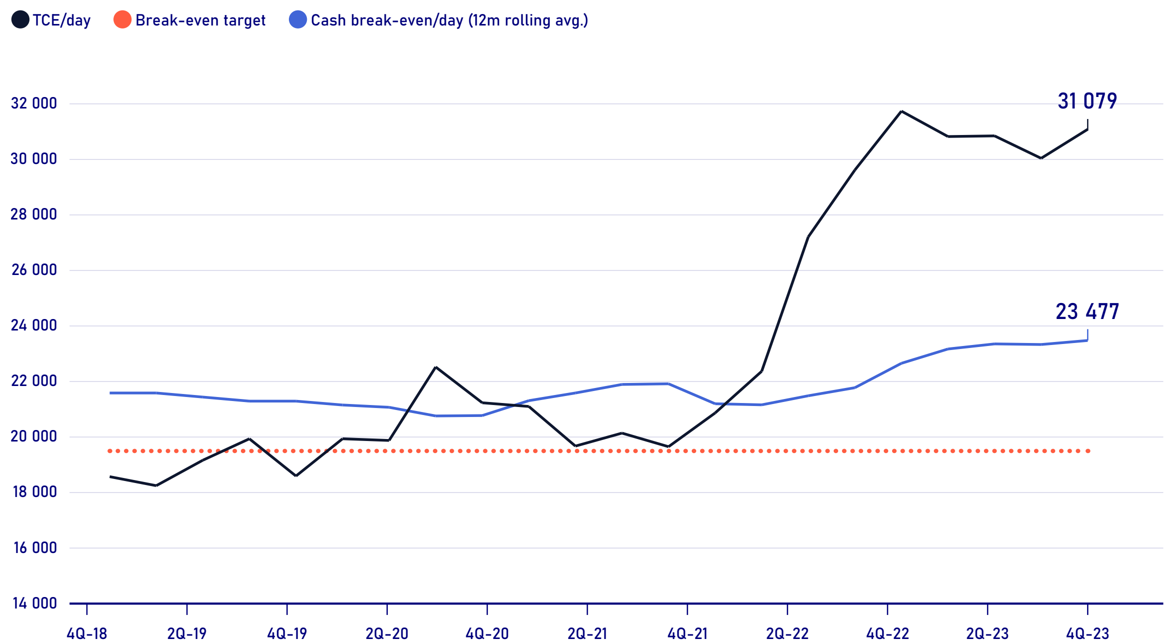
* 50% of the bunker exposure is hedged through bunker adjustment clauses
** before pass-through to charterers through ETS clauses and extra freight element

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. As of December 31, 2023, we had USD 112 million in cash and cash equivalents on balance, and USD 45 million undrawn commitments under long-term bank 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 2023, our break-even was approximately USD 23,500 per trading day. Recent years' break-even gains from improved financing terms and lower debt have been offset by higher benchmark rates, cost inflation and fleet reductions, but we are positive about reversing the trend and improve break-even level in the short to medium term.

TAX
The Odfjell Group operates within several jurisdictions and tax regimes, though the main part of our fleet is subject to the Norwegian tonnage tax system. We also operate under the local cabotage tax system in Brazil through a wholly owned subsidiary. Our tank terminal activities are generally subject to ordinary corporate tax rates within the countries where they are located.

Cash break-even and TCE per day, Odfjell Tankers



Executive Management

HARALD FOTLAND | CHIEF EXECUTIVE OFFICER (CEO)
Harald Fotland (1964) was appointed as Odfjell's CEO in May 2022. Previous to this he was appointed as Odfjell's first Chief Operating Officer (COO) in 2018. He joined Odfjell in 2010 as Chief of Staff, and was appointed Senior Vice President of Odfjell Tankers in 2015. From 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 President of the Norwegian Shipowners' Association and Vice Chair of the Norwegian Shipowners' Mutual War Risks Insurance Association. Norwegian citizen. Owns 72,188 A-shares, 4,000 B-shares, no options*.

TERJE IVERSEN | CHIEF FINANCIAL OFFICER (CFO)
Terje Iversen (1969) joined Odfjell as Senior Vice President Finance/Chief Financial Officer in 2011. Previous positions include CFO of Bergen Group and various managerial positions at Odfjell Drilling and PWC. Iversen holds an MSc in Business from HHN and is a CPA from NHH, Norwegian School of Economics. He has extensive experience as a board director, having served as a non-executive director on boards in Europe, USA, and Asia. Norwegian citizen. Owns 59,287 A-shares, no options*.

ØISTEIN JENSEN | CHIEF SUSTAINABILITY OFFICER (CSO)
Øistein Jensen (1972) joined Odfjell as Chief of Staff in 2016. He came from the position of Director at PWC, and has previously held various managerial positions in the Royal Norwegian Navy. In 2020, he was appointed as Odfjell's first Chief Sustainability Officer. Jensen also serves as a board member of the Maritime Anti-Corruption Network (MACN). Norwegian citizen. Owns 54,153 A-shares (including related parties), no options*.

TORGER TRIGE | CHIEF TECHNICAL OFFICER (CTO)
Torger Trige (1970) was appointed CTO in 2022. He joined Odfjell in 1999, serving on board. Since coming ashore in 2007, he has held various managerial positions within Odfjell in the Netherlands, the Philippines, and Norway. Previous positions include Vice President/ Manager Overseas Office and Global Head of Odfjell Ship Management. Norwegian citizen. Owns 12,461 A-shares, 190 B-shares, no options*.

BJØRN HAMMER | CHIEF COMMERCIAL OFFICER (CCO)
Bjørn Hammer (1982) joined Odfjell in 2007. Prior to being appointed CCO, he held the position of Global Head of Tanker Trading. He has held various managerial positions within Odfjell Tankers, both in Norway and USA. Norwegian citizen. Owns 25,997 A-shares (including related parties), no options*.

ADRIAN LENNING | MANAGING DIRECTOR TERMINALS (MD)
Adrian Lenning (1980) joined Odfjell as Global Head of Terminals in 2019. Prior to Odfjell, he held various managerial roles in infrastructure-focused private equity and M&A advisory. Lenning holds an MSc in Economics from NHH, Norwegian School of Economics and is a CFA charterholder. He has extensive experience as board director, having served as a non-executive director on boards in Europe, USA, Brazil and Asia. Norwegian citizen. Owns 23,317 A-shares, no options*.

* Shareholding as per December 31, 2023.

Board of Directors

LAURENCE WARD ODFJELL
CHAIR OF THE BOARD
SINCE MAY 4, 2010

Laurence Ward Odfjell (1965) is a member of the company's founding family. He holds a Master's Degree in Architecture from Yale University. Odfjell is a member of Intertanko Executive Committee. Norwegian Citizen. Laurence Odfjell owns 29,463,964 A-shares and 7,524,160 B-shares, privately and through Norchem AS, Norchem LWO Holding AS and A/S Rederiet Odfjell where he has a controlling interest. No options*.

CHRISTINE RØDSÆTHER
BOARD MEMBER SINCE
MAY 4, 2010

Christine Rødsæther (1964) is a partner in Simonsen Vogt Wiig law firm. Her 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*.

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*.

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 wide board experience, lately TGS (Nopec Geophysical Co. AS), and currently at the Norwegian Society for Sea Rescue. He is also a member of the election committee of the Norwegian Hull Club. Norwegian citizen. Independent board member, owns 2,719 A-shares, no options*.

ERIK NYHEIM
BOARD MEMBER SINCE
MAY 4, 2023

Erik Nyheim (1972) has extensive experience in the maritime industry and shipping. He is currently President and CEO at Höegh LNG and was previously Managing Director and Partner at Boston Consulting Group (BCG). He also held a number of leadership positions (during his time) at Wallenius Wilhelmsen and the Wilhelmsen Group. Nyheim has served on several boards, including VesselMan, Survitech, Wilnor Governmental Services and Wilhelmsen Ship Services. Norwegian citizen. Independent board member, owns no shares or options.

TANJA EBBE DALGAARD
BOARD MEMBER SINCE
MAY 4, 2023

Tanja Ebbe Dalgaard (1972) has for the past 25 years advised on leadership, strategy, corporate transformations, and top-level business development in large international energy companies such as ØRSTED and INEOS, as well as in her current work as Chief Strategy & Operations Officer at the Mærsk McKinney Møller Center for Zero Carbon Shipping. Although based in Denmark, Dalgaard's leadership prowess is truly international and she is motivated by a profound commitment to driving climate action and collaboration for a net-zero future in the maritime industry. Danish citizen. Independent board member, owns no shares or options.

* Shareholding as per December 31, 2023.

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 January 24, 2024, 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.
9. "A description of the enterprise's equality and diversity guidelines regarding, for example, age, gender and educational/professional background in relation to the composition of the board of directors, management and control bodies and any subcommittees of these. The guidelines' goals, how the guidelines have been implemented and their effect during the reporting period shall be stated. If the enterprise does not have such guidelines, reasons for this shall be stated".

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.

The framework outlining the principles of equality and diversity within the Company is described in the Code of Conduct (most recently updated on December 1, 2022) and the Human Resources Mission and Policies (last updated on August 2, 2022).

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 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, last updated February 8, 2023, Odfjell has a set of policies covering social responsibility matters: Corporate Human Rights Policy last updated January 12, 2022, Corporate Health, Safety and Environmental Policy last updated April 1, 2022, and Anticorruption Policy last updated January 1, 2022. 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 Human Rights Policy, Corporate Health, Safety and Environmental Policy, Anticorruption 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 'Our business/ Corporate Governance', the Company's sustain-ability reporting can be found under the heading 'Sustainability'. The Company's Mission Statement and strategy can be found on page 14 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 799 million as of December 31, 2023, corresponding to an equity ratio of 40%.

SUBSCRIPTION RIGHTS

There are currently no outstanding subscription rights as of December 31, 2023. The issuance of subscription rights must be approved by the General Meeting.

DIVIDEND POLICY

Odfjell aims to provide competitive, long-term returns on the investments for its shareholders. The Company embraces an investor-friendly dividend policy and seeks to make regular dividend payments at a sustainable level. The current dividend policy states that the company 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 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 3, 2023 resolved as follows:

"In accordance with section 9-4 of the Public Limited Liability Companies Act, the Board of Odfjell SE is hereby authorized to acquire own shares, limited to 15,943,969 shares with a total nominal value of NOK 39,589,923, provided always that the company at any time cannot own more than 10% own shares".

"The Board is free to decide the acquisition methods and the sale of own shares. Own shares can e.g. be acquired as compensation for own shares that have been sold. The minimum and maximum price that is payable for the shares acquired in accordance with this authorization 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 not longer than until June 30, 2024.

Deviations from the Code: None.

4 Equal treatment of shareholders

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 199,299,615, divided between 60,463,624 class A-shares, each with a nominal value of NOK 2.50, and 19,256,222 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 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 attend the Annual General Meeting. If the General Meeting is held as a physical meeting, the Chair of the Board and the Chief Executive Officer must be present at the physical 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
5. Any other matters that 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 considering 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.

The board is comprised of Laurence Ward Odfjell, Chair of the Board since May 4, 2010, Christine Rødsæther member since May 4, 2010, Jannicke Nilsson member since May 8, 2012, Nils Petter Dyvik member since January 20 2020, Erik Nyheim member since May 4, 2023, and Tanja Ebbe Dalgaard member since May 4, 2023.

Laurence Ward Odfjell and related parties control a significant shareholding in Odfjell SE. Christine Rødsæther, Jannicke Nilsson, Nils Petter Dyvik, Erik Nyheim and Tanja Ebbe Dalgaard 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 proportionate representation of gender of the Board is within the legislated target.

The annual report and the Company's website 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.

Three of the existing board members, Laurence Ward Odfjell, Christine Rødsæther and Jannicke Nilsson are up for election at the 2024 Annual General Meeting. The Chair is up to election every year.

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 responsible to, the Company's shareholders.

The Board of Directors should ensure that members of the Board of Directors and executive personnel make the company aware of any material interests that they may have in items to be considered by the Board of Directors.

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 2023, and seven extraordinary meetings for the purpose of e.g. approval of refinancing and sale of vessels, with 98.6% Director attendance. The Board carried out a self-assessment of its work.

Name	Year elected	Number of meetings attended
Laurence Ward Odfjell (Chair*)	2022	14/14
Christine Rødsæther	2022	14/14
Jannicke Nilsson	2022	13/14
Nils Petter Dyvik	2022	14/14
Tanja Ebbe Dalgaard**	2023	10/14
Erik Nyheim**	2023	10/14

Table showing Director attendance
* The Chair position is elected annually
** Elected in May, present from June

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 minimum two Board Members; current members are Nils Petter Dyvik (Chair) and Jannicke Nilsson. 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 and Financial Systems 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.

REMUNERATION COMMITTEE
The Company has also established a Remuneration Committee comprising three board members including the Chair. The Members of the Remuneration Committee shall serve while they remain part of the Board of Directors, or until the Board of Directors decide otherwise or they wish to retire from their appointment as Members of the Remuneration Committee. The primary purpose of the Remuneration Committee is to assist the Board of Directors in discharging its duty relating to determining the Management's compensation. The Remuneration Committee shall report and make recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

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, both 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 to ensure continuous compliance. The Compliance Officer reports directly to CEO and the Board through the Audit Committee.

The Company also regularly conducts 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 vetting, 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 the complexity of the Company's activities. Remuneration to 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 a) of the Norwegian Public Limited Companies Act, the Board of Directors has issued a statement regarding the determination of salaries and other remuneration for the Management. The statement is disclosed in the Note 20 of the annual accounts and as a separate document presented to the Annual General Meeting. The guidelines for remuneration to the Management must set out the main principles applied in determining the salary and other remuneration. The guidelines should help to ensure convergence of the financial interests of the shareholders and the Management. The existing guidelines were approved by the General Meeting May 5, 2021. In the event of changes, the Company shall consider the shareholders' views and vote on the guidelines. The guidelines shall be submitted to the General Assembly for approval at least every four years.

Management shall be offered competitive terms of employment to ensure continuity in the Management and to enable the Company to recruit suitably qualified personnel. The remuneration shall not be of such a nature or magnitude that it may impair the Company's interest or reputation.

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.

13 Information and communication

Deviations from the Code: None.

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 normally presented via a live presentation, whereas reports following publication of first and third quarter results normally 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.

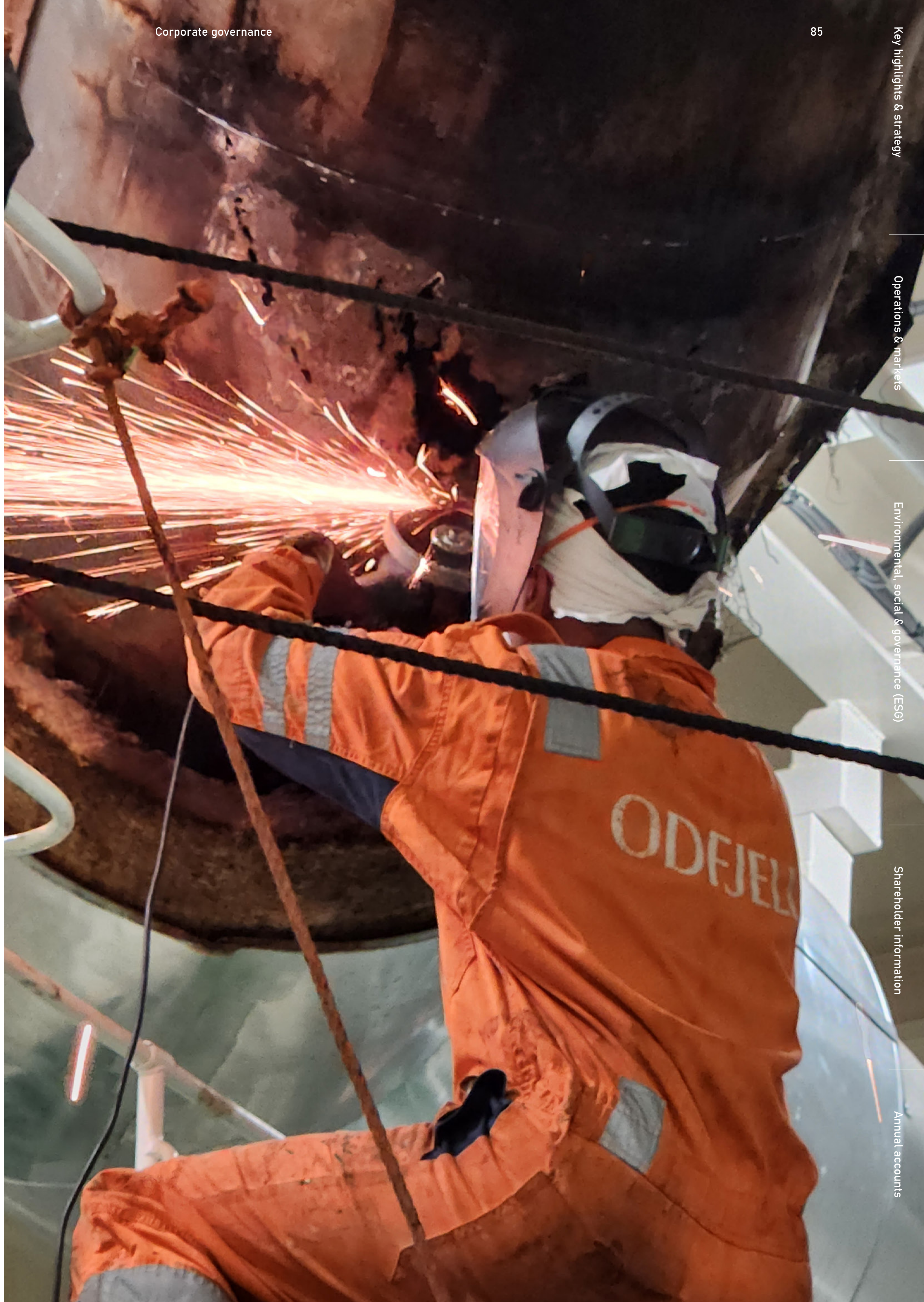
Deviations from the Code: None.

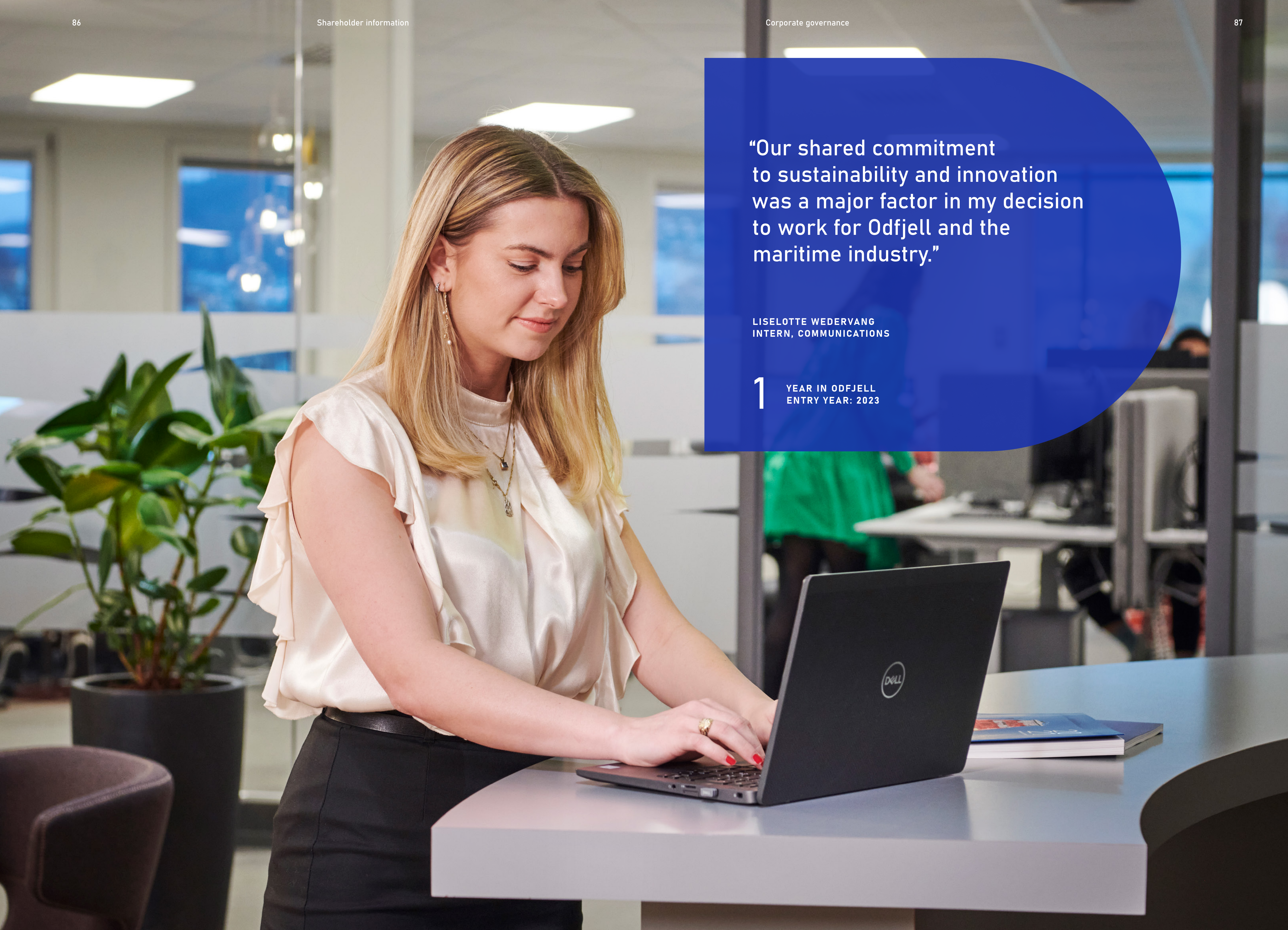
15 Auditor

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. 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.





"Our shared commitment to sustainability and innovation was a major factor in my decision to work for Odfjell and the maritime industry."

LISELOTTE WEDERVANG
INTERN, COMMUNICATIONS

1 YEAR IN ODFJELL
ENTRY YEAR: 2023

Annual accounts

Board of Directors’ report 2023

The consolidated 2023 net result for the Odfjell Group amounted to a net profit of USD 203 million, compared with a net profit of USD 142 million in 2022. Total assets by year-end amounted to USD 1 994 million, down from USD 2 009 million at the end of 2022. The cash flow from operations was USD 340 million in 2023, compared with USD 289 million in 2022. Cash and cash equivalents end of 2023 were USD 112 million in addition to undrawn loan facilities of USD 45 million. Total equity at the end of 2023 amounted to USD 799 million compared to USD 697 million at the end of 2022, and the equity ratio increased to 40.0% from 34.7% during the year, primarily driven by strong net result combined with depreciation of assets and repayment of debt. Including dividend for 2H 2023 paid in February 2024, the Company paid a total dividend of USD 99 million for FY 2023 compared to USD 66 million for FY 2022.

The operating result (EBIT) was positive with USD 294 million in 2023, compared to USD 224 million in 2022. The Company showed further improved results in 2023, and the year ended with a positive net result of USD 203 million, driven by strong markets and improved contract rates. Chemical tanker spot rates weakened during the first half of the year but strengthened towards the end of the year. Swing tonnage in our market was at low levels due to high margins in the CPP trade, contributing to the tight chemical tanker supply. Over the last 18 months we have increased the average Contract of Affreightment (CoA) rates by approximately 30% and improved other contractual terms. Achieved spot rates are up around 32% for the same period. We saw supply contraction and market inefficiencies more than offset volume reductions during 2023. The Board is satisfied with the record strong results and recognizes that several years of continuous focus on reducing cost, efficiency, and quality has started to pay-off.

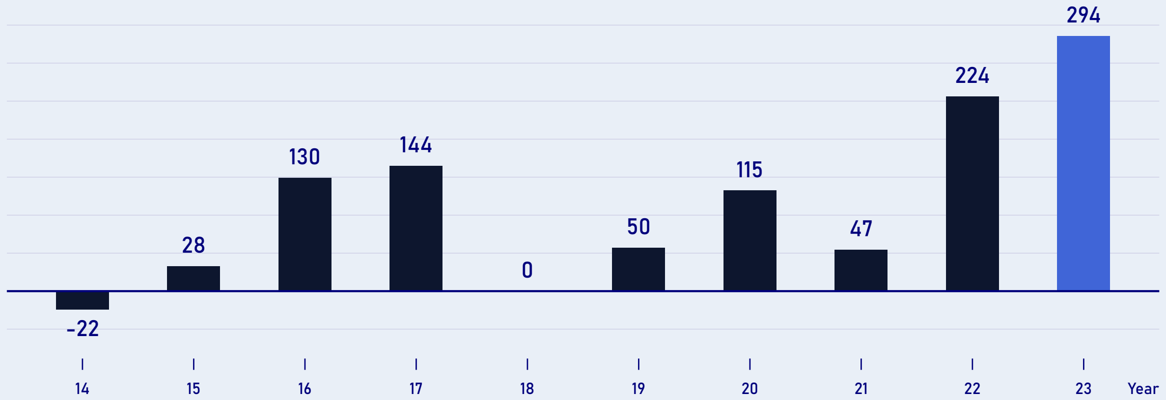
As 2023 came to an end, most major countries seem to have steered clear of recession, and declining inflation rates leads to higher probability of a “soft landing” for the global economy. The global manufacturing sector still struggles, especially at the European continent, where recession probability remains high also in 2024. However, the overall picture is more optimistic than what we expected only a few months back. The geopolitical situation, on the other hand, seems to be deteriorating. The Russian invasion of Ukraine continues with no apparent end in sight. The war in Gaza has spread to the wider region, and shipping has become the center of attention after Houthi attacks on civilian vessels in the Red Sea and Gulf of Aden. Meanwhile, there is persistent tension between China and some of its neighbors in the South China Sea.

Odfjell has not been directly affected by the war in Ukraine, as we do not operate in the area, nor do we have any dealings with sanctioned trades. Nevertheless, we monitor the situation and implement measures to minimize any 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. For the coming weeks and

EBIT

USD million



months, rates are expected to firm as most operators now send their vessels around Africa to avoid the Suez Canal. This has led to a significant increase in tonne-mile demand, which could positively impact freight rates. Restrictions at the Panama Canal remain, further contributing to this development.

We analyze and assess geopolitical risk as part of our overall corporate risk assessment. The risk picture is dynamic and is frequently updated. According to our assessment, Russia and tensions between the US/the West and China posed the most significant geopolitical risks in 2023 and this continues into the first half of 2024. The direct and indirect consequences of Russia’s war pose a risk to regional operations, as do sanctions risks. We are also concerned about other potential ripple effects on global trade. Security remains a paramount concern, especially given the increasing reports of piracy and attacks on shipping around the east coast of Africa, Gulf of Aden, and Arabian Sea. The recent escalation of conflict in the Red Sea and Gulf of Aden has prompted us to reroute our vessels around Africa, prioritizing the safety of our crew and cargo. Odfjell has remained vigilant, monitoring these developments closely, and making informed decisions to mitigate risks.

Sustainability is an integral part of our business strategy. 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. Climate risk is an essential part of the Board’s strategic work. We have continued to reduce carbon intensity, and now have the world’s most energy-efficient deep-sea chemical tanker fleet. Sustainable financing and ESG have become increasingly important when it comes to access to, and the cost of, financing. In 2022, we issued the first sustainability-linked bond in shipping in the world, and all new mortgaged loans since then have been sustainability-linked. During 2023 we received several prizes as recognition for our ESG focus and initiatives.

Following the terminal restructuring a few years back, we now control a healthy terminal portfolio and have been focusing on accretive growth at the existing terminals. In November, our terminal in Antwerp opened a new 36,000 cbm, duplex stainless steel tank pit (Tankpit-U), and before year-end, we also commenced site preparation for another 27,500 cbm tank pit (Tankpit-R), scheduled to be commissioned in the first quarter of 2025. Our Houston terminal is on track with the construction of a new 32,400 cbm tank pit (Bay 13). Odfjell Terminals intends to expand through a combination of organic growth and acquisitive growth, targeting brownfield opportunities in our core markets and segments.

Odfjell has an uncompromising stance on matters of health and safety. Across all our operations, new projects and initiatives, long-term planning, and everyday tasks - whether on board the ships, at the terminals or in the offices – the single, most important precept is safety. There have been no serious process safety incidents in 2023, and we had only one LTI which was promptly addressed, and the individual involved was quickly deemed fit for duty.

The Board announced in 2022 a new dividend policy; Odfjell will pay out 50% of net income adjusted for extraordinary items. The policy is designed to deliver predictable and sustainable dividends going forward. Other excess capital will be earmarked for extraordinary debt reductions, but may also be used for value creative investments, future fleet renewal, share-buybacks and dividends. Dividends will be paid out semi-annually. For FY 2023, including dividend for 2H 2023 paid in February 2024, the company paid a total dividend of USD 99 million.

Due to strong financial performance, and only a limited number of investments in new assets, our balance sheet has significantly improved over the course of this year. At year-end, the IFRS 16 adjusted equity ratio was 46%, up from 39% at the end of 2022. At the end of 2023, our book equity ratio was at 40%, and our equity ratio was well within our long-term goal equity ratio range of 30% to 40%. We consider the balance sheet to be sound, with limited financing needs for new capital commitments in the upcoming years, a strong anticipated cash flow, a well-diversified debt structure, and access to a variety of finance sources and arrangements. We concluded three refinancing deals involving 6 vessels in 2023, and we also fully repaid a bond when due. All transactions were completed on more favorable terms, which reduced our cost of capital. We used our Sustainability-Linked Finance Framework for all new loans, and these loans currently account for 65% of our total interest-bearing debt. In January 2024 we piloted and developed a transition finance framework to support the funding of our large and small decarbonization projects. We have limited maturities coming up during 2024, but we will keep refining our debt portfolio to reduce debt and lower our cost of capital.

Odfjell now operates the world’s largest, most efficient, and competitive deep-sea stainless steel fleet. With limited capex for our tankers in 2023, the main priorities have been operations, cash flow generation, and debt reduction. The spot market has been strong and the momentum in CoA renewals continued at an increased pace in 2023. Renewed contracts in 2023 saw an average rate increase of 19%, and rates are now up around 30% on average since the market upswing started. Although geopolitical unrest has caused market conditions to be volatile, a solid future tonne-mile demand outlook and very little supply growth together with market inefficiencies should ensure continued healthy, and possibly further improved, markets for our tankers. An economic downturn, and perhaps an influx of swing tonnage, are the biggest risks. We need to be ready for such scenarios.

As we entered 2023, the headlines were the ongoing war in Ukraine and the recently implemented price cap on Russian crude oil and refined products, persistently high inflation and increased interest rates as well as anticipation ahead of China´s reopening of its economy after its zero-Covid policies. The first half of 2023 saw a cooling of chemical tanker spot freight prices as the world economy encountered some challenges and sluggish growth. Simultaneously, our time charter earnings were bolstered by our strong CoA portfolio, contract renewal rates continued to rise, and Odfjell consistently produced high earnings. After falling around 25% from the peak at the end of 2022, spot rates began to increase again in the second half of the year, driven by seasonal uptick in demand and tight supply.

Even though rates had come down significantly from the peak, they were still around 50% above the ten-year average. This firming of rates was accelerated by the trade flow disruption due to drought and reduced capacity in the Panama Canal. Safety concerns arising from Houthi rebels' attacks on commercial vessels in the Red Sea, which commenced towards the year's end without immediate market impact, have now impacted 2024 significantly. To mitigate risks, vessels are rerouted from the Red Sea and Suez Canal to navigate the Cape of Good Hope, resulting in increased sailing distances.

The number of trading days for the Odfjell fleet including external pool vessels decreased to 24,850 from 28,944 days, an expected reduction due to the termination of several pools in the second half of 2022. Trading days excluding external pool vessels increased modestly to 23,826 days from 23,603 days in 2022. Total volume carried in 2023 was 13.7 million tonnes, compared to 15.2 million tonnes in 2022, where again the main reason for the decline is the termination of several pools. Spot volumes as a relative share declined, with more nominations under our Contracts of Affreightments (CoAs). The contract coverage for the year increased to 64% of total volume shipped against 58% in 2022, highlighting the importance of our contract portfolio, which has significantly strengthened in the last two years.

Supply and demand fundamentals continue to be favorable for the chemical tanker industry. Demand is resilient despite a somewhat slower economy, with chemical products being an integral part of a broad range of end products. Volumes for seaborne trade of chemical and vegoil saw a flat development year on year, while distances continued to increase, in sum leading to an increase in tonne mile. Supply remains constrained as the orderbook continues to be small and the fleet is aging. We did see an increase in orders for new vessels placed in 2023 compared to the year before, with most of these orders placed towards the end of the year. With relatively long lead times, limited new supply will be added over the next two-three years. A significant part of the outstanding orderbook are the 12 vessels that Odfjell will take on long-term time charters in the years to come. In addition, the CPP market remains at strong levels, discouraging swing tonnage from entering our segment. This fundamental picture should give support to continued healthy earnings both on contract and spot cargoes.

As chemical tankers face increasingly stringent emissions monitoring and regulations from the IMO and the EU, we expect that the lower average speed of the global fleet will persist, despite the fact that owners of particularly efficient vessels, including Odfjell, may choose to increase speed to capitalize on market momentum. At the end of 2023, our total chemical tanker fleet counted 68 vessels, including 46 owned/leased, 5 operational bareboat, 14 time chartered, and 3 pool vessels. We are a deep-sea operator, and all our vessels are larger than 16,000 dwt.

Odfjell remains a market leader within sustainability and fleet efficiency, and we are well prepared for new regulations and emerging zero-emissions technologies. Odfjell has set ambitious targets to reduce our environmental footprints: We aim to reduce our carbon intensity by 50% by 2030 compared to 2008 levels and have a climate-neutral fleet from 2050. Odfjell will only order newbuildings with zero-emission capable technology going forward. In 2023, Odfjell began reporting on the actual Carbon Intensity Indicator (CII) of our vessels and was able to achieve our target of minimum C-rating for all our vessels. In addition, more than 50% of our vessels obtained a B-rating or better. We were fully prepared for the implementation of the EU Emissions Trading Scheme (ETS), which commenced from the start of 2024. In the longer term, we have a detailed road map towards 2030 and clear targets through to 2050. We actively support initiatives to develop technology and infrastructure for decarbonization, energy efficiency, and zero emissions, and we support international regulation to drive zero-emissions for our industry and our value chain. Odfjell has a history of being at the forefront of our industry, and we are committed to continue playing an active role in shaping the industry and staying ahead of the curve.

Odfjell's terminal platform comprises four tank terminals at strategic locations in the United States, Korea, and Belgium with a total capacity of 1.2 million cbm. Our tank terminal division produced stable good results throughout 2023, and when adjusting for one-off insurance proceeds received in 2022, the results were slightly up. Towards the end of 2023, the Antwerp terminal successfully completed an expansion for 36,000 cbm, yielding an 8% increase in capacity at that terminal. Our terminal in Houston also began expansions which will add 32,000 cbm and increase capacity by 9% once operational in first quarter 2024. Both expansion projects are done through adding new tank capacity on existing footprint. The portfolio achieved a high average commercial occupancy of 97% in line with 2022, this was achieved even with extensive maintenance at the Ulsan terminal during the third quarter which resulted in a temporary drop in occupancy. Activity levels decreased slightly by 5%, as we have seen some effects of softer downstream demand for chemical products. Our strategic ambition is to further grow the platform both organically and through acquisitions.

Since May 3, 2023, the Board has comprised Laurence Ward Odfjell (Chair), Christine Rødsæther, Jannicke Nilsson, Nils Petter Dyvik, Tanja Jo Ebbe Dalsgaard and Erik Nyheim. The Audit Committee is made up of Nils Petter Dyvik (Chair) and Jannicke Nilsson. The Nomination Committee consists of Bjørg Ekornrud (Chair), 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) and Nils Petter Dyvik.

We have Directors' and Officers' liability insurance (D&O) in place for the Odfjell SE group. This is a liability insurance policy that covers a company's directors, officers, and the organization(s) itself when an employee holds a managerial position. It serves as defense cost advancement or loss indemnification in the event that an insured party experiences a loss due to a lawsuit brought against them for alleged wrongdoings while serving as directors and officers.

Sustainability

At Odfjell SE, our commitment to sustainability is deeply rooted in our corporate ethos, aligned with global standards and principles such as the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, and the core conventions of the International Labor Organization (ILO).

In the face of 2023 being the warmest year on record, the imperative for action against climate change has never been more apparent. This urgency is also felt acutely in the shipping and terminals industry, which accounts for 3% of global emissions, positioning us at the front and center of the fight against climate change.

Odfjell has undertaken rigorous climate and nature risk assessments and Double Materiality Assessments (DMA). These assessments shape our sustainability strategy and set the foundation of our ambitious climate targets and actions. These efforts drive our strategy and operational focus, allowing us to identify and prioritize key ESG topics, including risks and opportunities.

We are pleased that our decarbonization initiatives have already generated considerable results, meeting our 2030 carbon intensity target in 2023, well ahead of schedule. This milestone marks just the beginning of our journey towards net-zero emissions as we prepare to introduce new long and short-term climate targets in 2024.

Our achievements were formally recognized in June 2023, when Odfjell was awarded a certificate by DNV for achieving a 52% improvement in carbon intensity, compared to the 2008 baseline, and surpassing the International Maritime Organization's (IMO) target of a 40% reduction by 2030. Odfjell reduced the AER for the operated fleet by a further 4.5 %, from 7.9 to 7.6. Our controlled fleet's AER has, in 2023, been reduced by 5%, from 7.6 to 7.2, placing us first in our industry segment. Going forward, we expect reducing the fleet's carbon intensity significantly further, with existing measures and technology, will be more challenging. That is why we invest in testing and innovation of new technology with the potential to further reduce emissions.

Innovation remains at the heart of our decarbonization strategy, exemplified by our ongoing investment in wind-assisted propulsion technology and air lubrication systems. These pioneering technologies for a chemical tanker have the capability to further reduce our carbon intensity. Given successful trials, we plan for a broader implementation.

Looking ahead, our integration into the EU's Emission Trading System in 2024, coupled with increasing demands for scope-3 reporting, underscores the importance of our investment in the world's most energy-efficient deep-sea chemical tanker fleet. Our proactive approach to sustainability is evidenced by our adherence to the Energy Efficiency Existing Ship Index (EEXI) rules and our achievement of A to C ratings for all ships under the Carbon Intensity Indicator (CII).

In 2022, we incorporated sustainability-related Key Performance Indicators (KPIs) into short and long-term incentive plans because of the importance of aligning incentives with our sustainability goals. This move underscores our commitment to environmental stewardship as a core component of our business strategy. Details of these incentive plans are presented in our Report on salary and other remuneration to leading personnel which are disclosed on the company's website.

Diversity and inclusion are integral to our corporate culture, prompting initiatives to improve gender balance within our workforce. Despite the challenges inherent to our industry, we are making strides towards our goal of a minimum 30% gender balance for the onshore shipping organization by 2030 and reporting our efforts in the SHE index. Although progress has been made, female representation in leadership positions remains too low (10%). In 2023, we promoted our first female from chief officer to captain and significantly increased the number of female cadets in crew training.

Our participation in the Maritime Anti-Corruption Network (MACN) and our comprehensive ethics training programs exemplify our dedication to ethical business practices. Odfjell works continuously to assess and mitigate negative human rights impacts in our value chain. The Board has actively participated in Odfjell's human rights impact assessment. The report, prepared in line with the Norwegian Transparency Act, is available at Odfjell.com

In 2023, Odfjell was honored with the Tanker Operator of the Year and Environmental Award by Riviera Maritime Media, affirming our leadership in sustainable shipping.

As we prepare to implement the Corporate Sustainability Reporting Directive (CSRD) and the European Sustain-ability Reporting Standards (ESRS), the Board remains actively engaged in ensuring compliance and excellence in what will be the Sustainability Statement, in line with ESRS, for the next year.

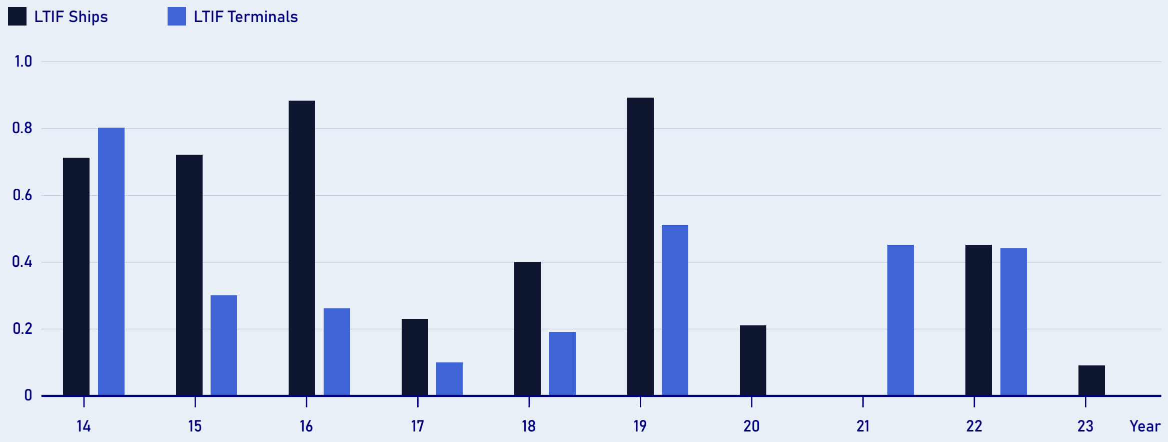
The Board refers to the specific ESG reporting in the annual report and the additional sustainability reporting that is available alongside the annual report on the company's website. Strategic foresight, innovative solutions, and an unwavering commitment to ethical and environmental excellence characterize Odfjell SE's journey towards sustainability.

Health, Safety, Security (HSS)

In 2023, we continued our unwavering commitment to health, safety, and security across all our operations in Odfjell. Our dedication to creating a safe and secure work environment was reflected in our performance for the year, and we were able to report a significant reduction in incidents and injuries across our fleet, offices, and managed terminals.

We recorded just one Lost Time Injury (LTI) throughout the year, a testament to our rigorous safety protocols and the effectiveness of our preventative measures.

LTIF



This incident, while not serious, reinforces our belief that one LTI is one too many and underscores our goal of achieving zero incidents and injuries.

Our shipping operations saw a substantial decrease in Lost Time Injury Frequency (LTIF), dropping to 0.09 from 0.45 in 2022. This achievement was mirrored in our managed terminals, where LTIF was reduced to zero, an improvement from 0.44 in the previous year. Similarly, our Total Recordable Case Frequency (TRCF) for the managed fleet improved to 0.69, down from 1.53 in 2022, with our managed terminals also reporting a TRCF of zero, improved from 0.66 in 2022.

In 2023, we saw no significant safety or security incidents on our ships or terminals, reflecting our proactive and diligent risk assessment and mitigation strategies. Despite this, we remain vigilant, especially in the face of increasing threats such as the attacks on civilian shipping in the Red Sea, and the rise in piracy east of Africa. Our ongoing risk assessments and the implementation of comprehensive protection measures are crucial in safeguarding our crew and vessels against such threats.

Cybercrime continues to be a significant concern within the maritime industry. At Odfjell, we have taken a holistic approach to address this challenge. Our work in combating cyber threats covers both the technical and human elements and focuses on behaviors that can mitigate these risks effectively. Odfjell has sophisticated technology to protect our systems and conducts regular training for all employees to mitigate cyber risk.

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 on 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, and the same applies to our main suppliers who have to adhere to our Supplier Code of Conduct.

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.

By focusing on the safe and efficient operation of a versatile and sophisticated fleet of global and regional chemical tankers, with cargo consolidation at our tank terminal network, we aim to enhance product stewardship in the solutions we provide to our customers. The fleet is operated in complex and extensive trading patterns, meeting our customers' demand for safety, quality, and the highest standards of service. Our fleet has a critical mass that enables efficient trading patterns and optimal fleet utilization. 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 1,192 million in 2023, a decrease from USD 1,308 million in 2022. EBITDA came in at USD 443 million and EBIT at USD 286 million, compared with USD 372 million and USD 215 million respectively in 2022. Corporate costs related to Odfjell SE are included in the general and administrative expenses for chemical tankers. Total assets at year-end stood at USD 1,809 million.

The operation of chemical tankers is complex. During 2023, our ships loaded approximately 500 different

Chemical Tankers segment	Figures in	2023	2022	2021
Revenue	USD mill.	**1 192**	1 308	1 037
EBITDA	USD mill.	**442**	372	256
EBIT	USD mill.	**286**	215	43
Net result	USD mill.	**195**	133	(37)
Assets	USD mill.	**1 809**	1 829	1 888
ROCE	%	**17.9**	13.0	2.4

Terminals segment	Figures in	2023	2022	2021
Revenue	USD mill.	**82**	84	72
EBITDA	USD mill.	**38**	40	33
EBIT	USD mill.	**15**	15	9
Net result	USD mill.	**8**	9	4
Assets	USD mill.	**362**	352	381
ROCE	%	**5.0%**	5.4%	3.3%

products over nearly 10,000 cargo operations. Unlike ships in most other shipping segments, our ships may call at several berths in each port, both for loading and discharging. This is a time-consuming and costly process. We have a strong focus on our operational performance, paying particular attention to port turnover, to ensure we remain responsive and deliver on our commitments. This operational expertise in combination with our robust contract portfolio and a dedicated deep-sea fleet which has been through significant renewal in recent years, puts Odfjell in a strong position to maximize the current firm market.

In recent years, Odfjell has moved away from regional trades to focus on the deep-sea chemical market. The exception is our operation in South America where due to local regulations, we remain committed and five vessels are operated by our wholly owned Brazilian subsidiary, Flumar. These vessels are supplemented by our deep-sea fleet trading in South America.

During the first half of 2023, Odfjell took delivery of two 25,000 dwt, Japanese built vessels on long-term time charter, and we have signed agreements to have 12 more Japanese built advanced chemical tankers to be delivered to us on long-term time charter between 2024 and 2027. We are committed to protecting and strengthening our leading market position within the deep-sea chemical tanker market. All our fleet initiatives in recent years have ensured that we now operate a balanced and flexible fleet with market-leading efficiency. We were well placed to benefit from the current upturn in the market as it emerged, and the reduced fuel consumption also contributed to lower unit costs. Consequently, we have flexibility to time the market in our pursuit of growth. We always analyze AER, fuel and emission improvement opportunities, and the impact on our fleet AER when considering both short- and long-term shipping commitments. We want to ensure that new ships entering our fleet contribute to our AER leadership.

Tank Terminals

For 2023, gross revenues from Odfjell's tank terminal activities came in at USD 82 million, compared with USD 84 million in 2022, while EBITDA for 2023 amounted to USD 38 million, down from USD 40 million in 2022. Adjusted for insurance proceeds received at our Houston terminal in 2022, the EBITDA generation of the underlying business ended approximately USD 7 million higher than the previous year. At year-end 2023, the book value of Odfjell's share of tank terminal assets was USD 362 million, compared with USD 352 million at the end of 2022. The increase mainly relates to expansion projects at our Antwerp and Houston terminals.

Odfjell's terminal platform comprises four tank terminals at strategic locations in the United States (Houston and Charleston), Korea (Ulsan), and Belgium (Antwerp) with a total capacity of 1.2 million cbm. Odfjell is a legacy player in the tank terminal sector, and we see a strong rationale to maintain and expand our presence in this space. Our expansion strategy is twofold, comprising both organic and acquisitive growth. Our number one priority is to expand capacity within the existing footprint, while also evaluating brownfield M&A opportunities in our core markets and segments.

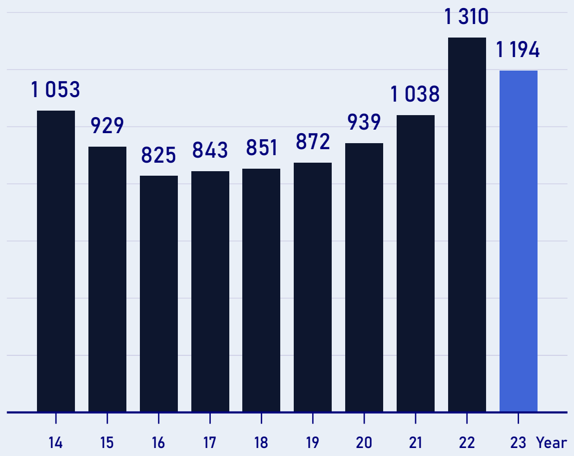
In November, our terminal in Antwerp opened a new 36,000 cbm, duplex stainless steel tank pit (Tankpit-U), ahead of schedule and below budget. Before year-end, we also commenced site preparation for another 27,500 cbm tank pit (Tankpit-R), scheduled to be commissioned in the first quarter of 2025. Our Houston terminal is on track with the construction of a new 32,400 cbm tank pit (Bay 13). This expansion features six carbon steel and three stainless steel tanks and will be commissioned during the first quarter of 2024. The new tank pit is designed to be fully automated, comprising state-of-the-art technology, and well aligned with our digitalization efforts at Odfjell Terminals US. Including Tankpit-R, we will have added 16% of new capacity across the portfolio since 2018. These are all robust projects with very attractive risk-adjusted returns. With land available at all our terminals, we are determined to continue our expansion program in the coming years.

Odfjell Terminals maintained a strong safety record in 2023 with no Total Recordable Injuries (TRI) in 2023, marking an improvement from the previous year. To further enhance safety performance, multiple targeted safety initiatives were rolled out across the terminal platform throughout the year.

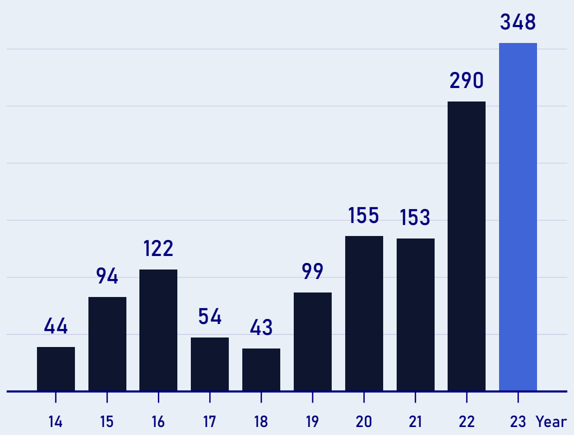
We invest extensively in digitalization and automation initiatives across our portfolio of terminals, enabling us to better serve our customers, ensuring safer operations and more robust, data-driven decision-making processes. An ongoing multi-year Digital Transformation Program (DT Program) at our USA terminals is aimed at leveraging the economies of scale inherent in our business, reducing costs, and providing a solid foundation for business scalability and growth.

Odfjell Terminals continued to perform well in 2023, underpinned by continued strong demand for storage capacity with our terminals operating at or close to full capacity. The average annual commercial occupancy for the portfolio reached 97%, in line with last year. We noted a slowdown in activity levels from the second quarter, primarily driven by a decrease in end-consumer demand, aggravated by increased transportation costs. Nevertheless, we see that the financial performance holds up well, due to the

Revenue
USD million



Cashflow from operations
USD million



take-or-pay nature of our business, combined with a diversified product and customer mix.

Looking ahead, we will remain focused on delivering safe, reliable, and efficient services to our customers, while enhancing the quality of our operations through investments in automation and digitalization. We will continue to pursue growth opportunities, both within and outside our current footprint.

Profit & loss for the year – consolidated

The Group's Financial statements have been prepared in accordance with IFRS. Gross revenues for the Odfjell Group came in at USD 1 194 million, down 8.8 % from the preceding year. The majority of the decrease in gross revenue can be attributed to Odfjell managing fewer external pool vessels. The consolidated result before taxes in 2023 was positive USD 210 million, compared with positive USD 145 million in 2022. The income tax expense in 2023 amounted to USD 7 million, compared with USD 3 million in 2022.

EBITDA for 2023 totaled USD 451 million, compared with USD 381 million the preceding year. The increase in EBITDA in 2023 was mainly driven by a stronger chemical tanker market impacting results from Odfjell Tankers. EBIT was positive USD 294 million in 2023, compared with positive USD 224 million in 2022. The net result for 2023 was positive with USD 203 million, compared to a net profit of USD 142 million in 2022.

Net result from associates and joint ventures was down to positive 9 million in 2023 from a positive USD 13 million in 2022, mainly driven by compensation from insurers in 2022 related to fire incident late 2021.

Net financial expenses for 2023 totaled USD 84 million, compared with USD 79 million in 2022. The average USD/NOK exchange rate in 2023 was 10.56 compared to 9.60 in 2022. The NOK weakened against the USD to 10.20 by December 31, 2023, from 9.91 at year-end 2022.

The cash flow from operations was USD 340 million in 2023, compared with USD 289 million in 2022.The net cash flow from investments was negative USD 34 million, which includes docking expenses and acquisition of two vessels previously on time charter and bareboat, and proceeds from the sales of two vessels and divestment of our shares in BW Epic Kosan. The cash flow from financing activities in 2023 was negative USD 312 million as we aggressively reduced debt.

The parent company (Odfjell SE) delivered a positive net result for the year of USD 34 million compared to positive net result of USD 51 million in 2022. The net result for 2023 will be allocated to other Equity. As of December 31, 2023, total equity amounted to USD 597 million.

The Annual General Meeting will be held online May 7, 2024.

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 79 719 846 shares, with 60 463 624 A-shares and 19 256 222 B-shares. The total shares include Odfjell SE treasury shares of 200 000 A-shares and 500 000 B-shares. By end of December 2023, Odfjell A- and B-shares were trading at NOK 116.5 and NOK 116.5 respectively, against NOK 89 and NOK 84.5 respectively at the close

of 2022, reflecting a total return (including dividend paid during 2023) of 47%. In the same period, the Oslo Stock Exchange Shipping Index was positive with 51.9%.

In August 2023, the share capital was decreased to NOK 199,299,615 from NOK 216,922,370 by deletion of 5,226,620 A-shares and 1,822,482 B-shares, each with a nominal value of NOK 2.50. The total number of outstanding shares did not change with the deletion of these treasury shares.

Key financial figures

The return on equity for 2023 was 27.2% and return on total assets was positive 14.1%. The corresponding figures for 2022 were positive 22.7% and the return on total assets was 11.0%. The return on capital employed (ROCE) was 16.7% in 2023. Earnings per share in 2023 amounted to positive USD 2.6 (NOK 26.3), compared with positive USD 1.8 (NOK 17.8) in 2022.

Financial risk and strategy

Odfjell's financial strategy is to ensure that we have a business model and capital structure that is robust throughout market cycles, yet flexible enough to take advantage of trends and opportunities. We need to be able to withstand prolonged adverse conditions in the chemical and financial markets, while also being able to act on opportunities and challenges, at any given time. To achieve this, Odfjell has 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, bunkers and emission allowances. Derivatives may be used to reduce our exposure to some of these financial risks.

Earnings within the chemical tanker markets are less volatile than in many other shipping segments. The average historical fluctuation in time charter earnings per day for our chemical tanker fleet has been approximately 12% per annum over the last five years, although the increase in earnings in 2022 and 2023 was above historical trends. Sensitivity analysis shows that a prolonged change in time charter earnings of 10% would impact on our pre-tax net income by approximately USD 73 million.

The largest, single cost component affecting time charter earnings is bunkers, and Odfjell makes physical purchases of bunkers worldwide. A substantial part of our consumption is hedged through bunkers adjustment clauses in contracts of affreightment. Uncovered consumption from spot volumes, or contracts without bunkers adjustment clauses, are considered for financial hedging, however we did not have any financial bunkers hedges in place during 2023, though this may change in 2024. A USD 50 increase in the average bunkers price per metric ton would reduce our pre-tax net income by approximately USD 7 million.

In 2024, shipping was included in the EU ETS in 2024, introducing a new voyage cost component in the form of emission allowances. A EUR 25 increase in the average price for an EU emission allowance unit would increase our gross voyage expense by EUR 4 million. We aim to pass the cost through to end-charterers, with full transparency on actual emissions, which is in line with the intention of the new ETS regulations but may consider financial hedging of emission allowances to reduce inefficiencies. However, our best risk-reduction action to counter new emissions regulations is to continue improving the energy efficiency of our fleet. Odfjell is not engaged in the derivatives market for forward freight agreements.

All interest-bearing debt, except bonds in the Norwegian bond market and debt borne by tank terminals outside USA, is denominated in USD. Loans have various amortization profiles, but the majority are floating rate with SOFR as a benchmark. A 1% increase in the interest rate would reduce our pre-tax net income by approximately USD 8 million, before hedges. As of December 31, 2023, we have USD 300 million of interest rate hedges in place, covering approximately 36% of interest-bearing debt. Debts related to right of use of assets are mainly related to fixed USD denominated charter hire for long-term charted vessels.

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. A 10% decrease in the USD against the NOK would reduce our pre-tax net income by approximately USD 9 million, before hedges. Our NOK exposure is relatively long term, visible and stable, and we have hedged parts of our expected NOK cash flows, for up to two and a half years, through forward exchange contracts. Financial currency risk, relating to non-USD denominated debt, being our NOK denominated bond, 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, 2023, was USD 849 million, compared with USD 998 million at the start of the year. Total debt, in carrying currency and including debts related to rights of use of assets (IFRS16 leases) and capitalized transaction expenses was USD 1,073 million. Cash and cash equivalents totaled USD 112 million as of December 31, 2023, compared with USD 118 million at the start of the year. Undrawn commitments under long-term bank facilities totaled USD 45 million, bringing total available liquidity to USD 157 million at year-end 2023. The equity ratio was 40.0% at year-end, compared to 34.7% as of December 31, 2022. Available liquidity and equity ratio are both in the upper end of our long-term targeted range.

Odfjell has a diversified capital structure and has solid access to a wide range of funding sources from top-tier banks, leasing houses and from the bond market. Our cost of financing has improved in all credit markets over the last few years. In 2023, we completed three refinancing transactions, involving six vessels, and we repaid a maturing bond. All transactions were done at improved terms and contributed to lowering our cost of capital, though higher interest benchmark rates reduced some of the positive effect on interest expenses in the short term. 65% of our interest-bearing debt per December 31, 2023, was sustainability-linked, and in January 2024 we piloted and developed a transition finance framework to support the funding of our large and small decarbonization projects.

The average maturity of the Group's total interest-bearing debt is 3.8 years (4.4 years in 2022). Average maturity on mortgaged loans from financial institutions is 3.3 years (3.2 years in 2022), financial leases mature on average in 6.4 years (7.6 years in 2022) and unsecured bonds mature on average in 1.1 years (1.3 years in 2022). The average loan margin for the Group's interesting-bearing debt per end of 2023 is 2.86% versus 3.36% end of 2022. Odfjell has a bond maturing in January 2025 for a total of NOK 850 million that has been swapped to USD 100 million. We are prepared to repay the bond with available liquidity reserves, but it may also be refinanced. We have few other upcoming and material maturities in 2024 but will continue to optimize our debt portfolio to reduce debt and further improve our cost of capital. Debts related to the right of use of assets totaled USD 249 million per December 31, 2023. This obligation is mainly related to fixed USD denominated charter hire for long-term chartered vessels with an average maturity of 8.4 years (5.1 years in 2022).

Organization, working environment and job opportunities

In 2023, we have continued to operate safely, efficiently and with high quality. We have seen solid results from the hard work our organization has delivered over several years. We have reached our financial targets, and we have further strengthened our balance sheet. We are proud to see that we uphold our leading position within ESG within the shipping segment.

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. In 2023 the regular internal Fleet Week conferences that were introduced in 2022 continued with positive feedback. At Fleet Week, we bring together people from sea and shore to share information, discuss challenges as well as opportunities, and learn.

For sea, our leadership courses and external assessments of senior officers are continuing. In 2023, we scheduled 4 Odfjell Leadership Training courses, 10 Elite Pro assessments and several Bridge Resource Management (BRM) and Engine Resource Management (ERM) training courses.

In 2023, we achieved gender parity in our global recruitment, successfully attracting an equal number of men and women, reflecting our commitment to diversity, equity, and inclusion. With 163 employees at our Bergen headquarters, the composition stands at 66% men (compared to 65% in 2022) and 34% women (slightly down from 35% in 2022), while globally, our figures are 68% men and 32% women, consistent with the previous year. Three of the six Directors of the Board of Odfjell SE are women. We have set specific targets to further improve our gender balance in line with our strategy and the requirements of the Equality and Anti-Discrimination Act §26.

Our commitment to freedom of association and adherence to local norms and collective bargaining agreements, both onshore and at sea, remains steadfast. Through councils, committees, and surveys, we actively listen to our employees. Our annual performance management wheel fosters a personal dialogue between onshore employees and their direct managers, aligning individual objectives with our organizational goals. This approach supports our overall direction and fosters each employee's development in 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. Moving forward, our focus will intensify on leadership development, laying a solid foundation for future leadership within our diverse and inclusive workforce.

Our organization has maintained a below-industry absence rate, albeit with an increase compared to last year. In 2023, the absence rate at our headquarters was 2.82% (up from 1.85% in 2022). Among our own pool of Odfjell and Flumar seafarers, the absence rate for 2023 stood at 1.35% (rising from 0.91% in 2022). The turnover rate at our headquarters decreased significantly to 3.6% (from 8.5% in 2022), and for seafarers, it was 3.4% (up from 2.4% in 2022). High scores in engagement and enablement surveys, coupled with our low absence rates onshore and at sea and high retention, indicate a robust and healthy working environment.

The Board would like to thank all employees for the many positive achievements in 2023.

Remuneration of the Executive Management

The Remuneration Committee handles the salary and other remuneration for the Executive Management and makes its recommendations to the Board. A description of the remuneration of the Executive Management and the Group's remuneration policy, including the scope and organization of bonus and share-price-related programs, is provided in the Board of Directors' Statement of Guidelines for the Remuneration of the Executive Management.

A ceiling has been set for performance-related remuneration. The Board of Directors' report on salary, and other remuneration for leading personnel, is considered at the General Meeting and made available to shareholders, together with the Notice of the Annual General Meeting. It is also available on the company's website. Also see Note 20 in the Odfjell Group accounts for details about the remuneration of management in 2023.

Market development

The chemical tanker market in 2023 saw rates remaining at historically strong levels, although coming down from the extreme peaks seen the year before. Rates slid steadily in the first half of the year, while the second half of the year saw strengthening seaborne exports and an improved macroeconomic sentiment lifting rates. The restrictions in the Panama Canal also supported higher rates in the latter months, especially on Trans-Pacific trade lanes. Overall, seaborne chemical and vegoil exports in 2023 were only slightly below the previous year. Combined with a tight supply situation and limited newbuilding deliveries, this supported healthy earnings both on contract and spot cargoes.

As we started 2023, the world's attention was largely focused on fighting inflation and imposing sanctions on Russia for their aggressions in Ukraine. Inflation was partly triggered by the Kremlin restricting natural gas exports to Europe starting 2021, which in turn led energy prices to reach record levels on the continent. Consequently, major chemical producers reduced run rates and laid off workers. Europe fought the development by ramping up LNG import capacity, drawing in the natural gas from around the world, in in turn leading to higher energy prices globally, at least partly mitigating European chemical producers' competitive disadvantage. While LNG prices in 2023 were lower than the year before, they remained high in a historical context.

On the sanctions side, the G7 imposed price caps on Russian crude oil and refined products in December 2022 and February 2023, respectively. Some sanctions had been present for a while already, and many ship owners and operators, Odfjell included, had self-sanctioned. Through 2022, this had led to inefficient trade patterns, and the new price cap regime solidified the inefficiencies. With buyers looking for new suppliers and producers looking for new customers, the tanker fleet became increasingly divided into one "compliant" and one "shadow" fleet. This continues to this day, and more stringent USA enforcement of the price cap recently has led some ship owners to pull out of the Russia trades. Ripples will continue to ebb and flow through the tanker markets from these developments.

Despite strong tanker earnings, there have been some headwinds on the macro side. As central banks hiked interest rates globally to bring inflation back down, consumer spending fell. This effect was exacerbated for a manufacturing sector that had been boosted through covid lockdown. With limited options to travel and dine out, consumers spent their money on refurbishing their homes and buying "things." With inflation and rising interest rates, the disposable income was shifted to the service sector or to savings accounts. This was notable for our terminals which faced reduced activity levels, although occupancy remained high throughout the year, and it also affected global oil demand. OPEC+ responded by imposing production cuts affecting especially crude and CPP tanker markets negatively. The second half of the year brought early optimism, however, as inflation was increasingly brought under control. While still uncertain, a macroeconomic "soft landing" scenario seems to be within reach, and besides Europe, recessions are deemed "unlikely" in 2024.

In 2023, the world's oceans hit record highs, likely the warmest in a millennium, heating faster than in 2,000 years. Despite a three-year La Niña without a preceding strong El Niño, oceans remained warmer than usual, raising concerns for an intense El Niño's impact. Due to these climate changes shipping faces some immediate uncertainty; reduced crop output may cut vegoil production. Shifts in vegoil sources, like in 2022 from European sunflower to Asian palm and soy oil, impact tanker owners. Low water levels, affecting waterways such as the Rhine, Mississippi, and Yangtze, persist. Draft limitations in the Panama Canal rocked shipping in 2023, leading to reroutes through the Suez Canal, albeit temporarily.

As the year before, 2023 was a year of escalating geopolitical turmoil. For most of the year, the persisting war in Ukraine was in focus, although increasingly sharing the scene with Eastern Asia, where a growing number of non-lethal confrontations between China and its neighbors' sparked worries. In October, however, Hamas conducted a massive terrorist attack on Israeli soil. Israel retaliated by full force, conducting thousands of air strikes as well as a ground invasion in the Gaza Strip, and being one of the most densely populated territories in the world, civilians are caught in the middle. The conflict has also, to a limited degree, spread across the wider Middle East area, and most importantly for shipping companies, to the Red Sea. The Iran-backed Houthi movement has conducted both hijackings and missile attacks on a growing number of commercial ships, rendering the southern Red Sea and the Gulf of Aden a no-go zone for an increasing share of ship operators. A resurgence of Somali piracy adds further risk to the situation.

For the chemical tanker market overall, while the extreme highs of 2022 did not return last year, rates bottomed out at levels far above historical averages. The outlook is promising, with limited new supply likely to lead to further tightening of the markets. More tankers were ordered in 2023 compared to the year before, but the overall orderbook is limited even before we consider the aging fleet. As the cost of carbon emissions is gradually more internalized, older and less efficient vessels will be less competitive, leading either to vessel recycling, prolonged dry dockings to install energy-saving devices, or sales of vessels into non-core tanker markets. Demand is expected to grow steadily, and disruptions such as the sanctions on Russia, restrictions in Panama, and the security situation in the Red Sea means longer average trading distances are likely to persist. Consequently, we believe the solid market fundamentals should support healthy earnings in a high cycle which will last longer than usual. In the terminal segment, activity may remain muted in the short-term. The longer-term outlook is beneficial, however, and earnings remain stable on the back of persisting strong occupancy levels in our tank terminals. All in all, Odfjell will utilize the market situation to strengthen our balance sheet and solidify our contract portfolio, de-risking ahead of leaner days.

Company strategy and prospects

Odfjell strives to provide safe, efficient, and cost-effective chemical tanker and tank terminal services to our customers worldwide. Whereas our tanker business accounts for most of our revenues, the tank terminals have proven to be a stabilizing factor in our financial performance as earnings from this area are less volatile. We also target commercial advantages from regular cooperation and knowledge sharing between the two segments.

Odfjell's strategy is "Capturing the short term while de-risking and preparing for the long term". Simplified, we want to take advantage of the upswing in our markets, but also be prepared if the market should weaken. We lower risk by being on the forefoot regarding energy transition and fleet efficiency, improving the sustainability of our business, strengthening our balance sheet, and building a robust organization. Our strategy is backed up by six 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 competitive cost of capital
- **Sustainability:** A leader in sustainability, which we use to our advantage
- **Talent:** An organization that attracts, develops and maintains 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 be no less than 1/3 of our business

With stably growing demand and persisting tight supply, we expect the supply/demand imbalance to remain in the owners' favor in the medium term. Seaborne chemical and vegoil exports have remained at solid levels even in a macro economically slow period, and with inflation letting up and sentiment improving, global chemical production is likely to rebound.

Adding supply chain inefficiencies derived from geopolitical events or closed waterways, the exported volumes are shipped further and ton-miles strengthen. Despite a slight uptick in new tanker orders in 2023, the orderbook remains limited, and the aging fleet is bound to result in more recycling in the coming years.

Finally, recent new orders for super-segregator have had estimated delivery dates as far ahead as 2028–2029, indicating that net fleet growth is unlikely the next years.

In terms of downsides to the chemical tanker market outlook in the medium-term, there are two primary risks. Firstly, a slow-down in the CPP market could see product tankers "swinging" into chemicals. This was prominent as late as 2021 and would have a decidedly negative impact on our earnings. However, similar to chemical tankers, the clean tanker markets face strong demand, an aging fleet and a limited orderbook. As such, we consider this a low probability risk, but certainly a scenario we are planning for in case it materializes.

The second risk is Chinese self-sufficiency in petrochemicals. China has been an important growth driver for seaborne petrochemical exports but has had significant production capacity growth the last years, and is now ramping up operating rates. This could in theory lead China to produce exactly what the country needs for itself, reducing global seaborne export. However, the Chinese economy struggles under the weight of indebted property developers and a bursting housing bubble. The export of petrochemicals to the global market would be a steady flow of income, improving the country's trade balance and marking a clear shift from its previous dependence on foreign suppliers. We believe this is the most likely of the two outcomes.

Looking ahead, our integration into the EU's Emission Trading System (ETS) in 2024, coupled with increasing demands for scope-3 reporting, underscores the importance of our investment in the world's most energy-efficient deep-sea chemical tanker fleet.

Odfjell is well prepared for the inclusion of shipping in EU's ETS, and will pass through the ETS cost to the charterers Compliance with the EEXI regulations and achieving A to C ratings for all ships under the Carbon Intensity Indicator (CII) also demonstrate our proactive stance on sustainability.

Innovation remains at the heart of our decarbonization strategy, exemplified by our ongoing investment in wind-assisted propulsion technology and air lubrication systems. These pioneering technologies for a chemical tanker hold the promise of further reducing our carbon intensity, with plans for a broader implementation following successful trials.

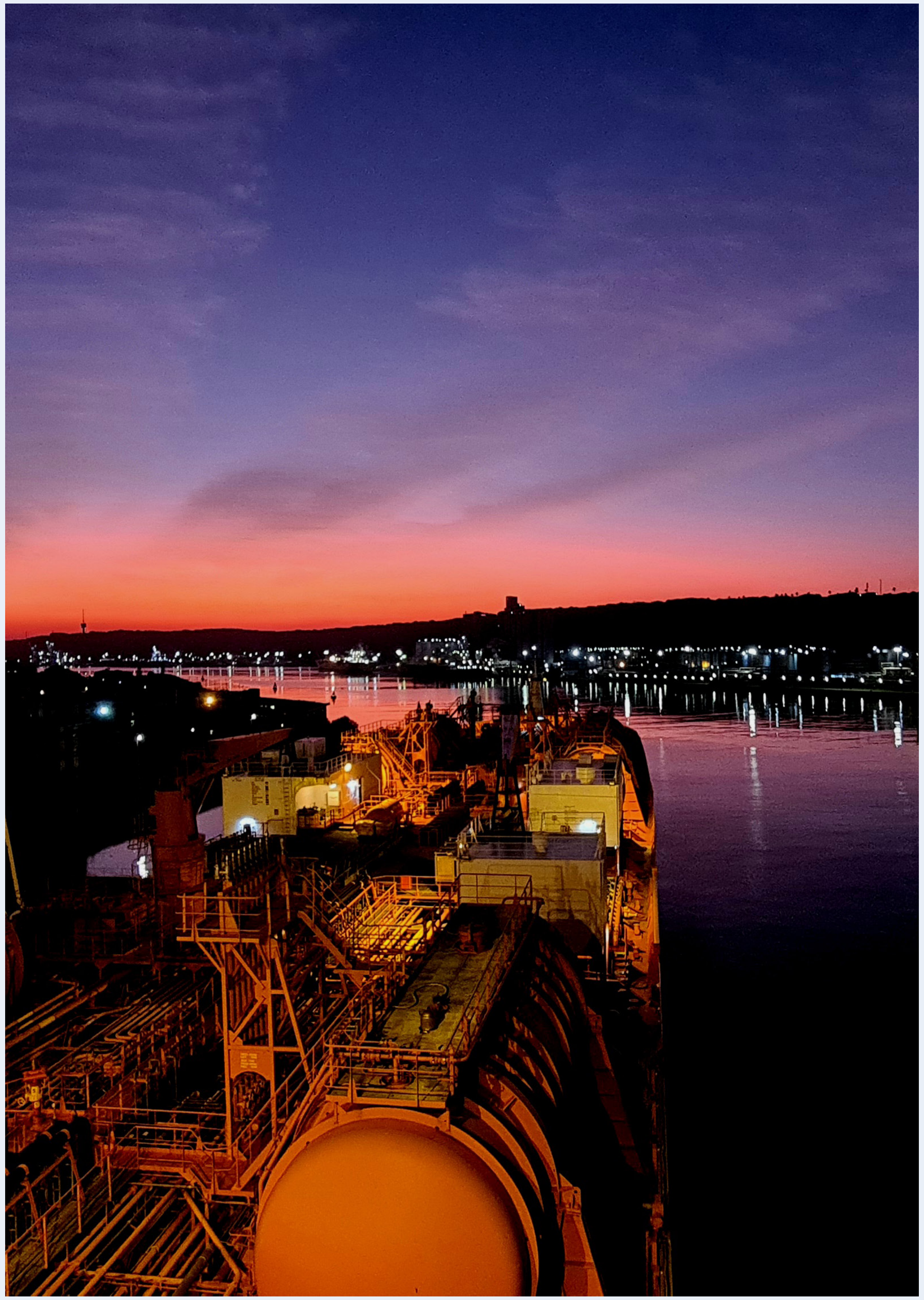
We maintain our focus on deleveraging to build financial strength, reducing our cash break-even level, and delivering positive free cash flow throughout the cycles. We have a clear target to increase our market share, and our long-term ambition is to expand our fleet withing our core markets. However, the infrastructure for sustainable fuels are all but non-existent, and the net effect on carbon emissions is not clear-cut positive.

With newbuilding costs persistently high, we are currently focusing on long-term time charters with purchase options to renew our fleet while at the same time retaining flexibility. We also monitor opportunities in the second-hand market and potential new pool arrangements, and we may evaluate M&A prospects if they present themselves.

Nevertheless, Odfjell has established programs and roles to evaluate technologies and develop solutions and concepts for next-generation chemical tankers. We are well-positioned, have a detailed road map to meet regulations for 2030, and will only order newbuildings with zero-emission capable technology going forward.

From 2050, we aim to have a zero-emissions capable fleet. We actively support initiatives to develop technology and infrastructure for decarbonization, energy efficiency, and zero emissions, and we support international regulation to drive zero-emissions for our industry and our value chain.

As a result, Odfjell is well prepared to invest in newbuildings when we believe the time is right and may place a newbuilding order within the next 12 to 24 months. Our mission remains clear no matter what propulsion technology is utilized: We aim to handle hazardous liquids, safely, and more efficiently than anyone else in the industry.



"The people at Odfjell represent diverse nationalities and backgrounds, each contributing with their unique perspectives. Our shared objective binds us together as a unified team."

AGNES ENESIO
PRESIDENT, ODFJELL PHILS. INC

16 YEARS IN ODFJELL
ENTRY YEAR: 2008

Financial statements and notes, Odfjell Group

Consolidated statement of profit or loss and other comprehensive income

(USD 1 000)	Note	**2023**	2022
CONSOLIDATED STATEMENT OF PROFIT OR LOSS			
Gross revenue	4, 23, 24	1 193 979	1 309 545
Voyage expenses	17	(436 355)	(547 845)
Pool distribution	3	(26 460)	(108 583)
Time charter earnings		**731 164**	**653 117**
Time charter expenses	12	(21 419)	(21 830)
Operating expenses	12, 18	(197 369)	(187 266)
Gross result		**512 376**	**444 021**
Share of net result from associates and joint ventures	27	8 844	12 694
General and administrative expenses	19, 20	(70 394)	(73 707)
Other operating income/expense	29	—	(1 735)
Operating result before depreciation, amortization and capital gain (loss) on non-current assets (EBITDA)		**450 825**	**381 274**
Depreciation and amortization	11, 12	(158 119)	(161 217)
Impairment of property, plant and equipment		—	—
Capital gain (loss) on property, plant and equipment	11	1 193	3 808
Operating result (EBIT)		**293 899**	**223 865**
Interest income		5 910	4 482
Interest expenses	8, 12	(95 304)	(81 887)
Other financial items	21, 22	5 372	(1 761)
Net financial items		**(84 021)**	**(79 166)**
Result before taxes		**209 878**	**144 699**
Income tax expense	9	(6 575)	(3 090)
Net result		**203 304**	**141 609**
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	(6 685)	20 673
Cash flow hedges reclassified to profit or loss on realization	6	4 108	6 416
Share of comprehensive income on investments accounted for using equity method	27	(3 030)	5 610
NET OTHER COMPREHENSIVE INCOME NOT BEING RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS:			
Net actuarial gain/(loss) on defined benefit plans		—	1 124
Other comprehensive income		**(5 607)**	**33 823**
Total comprehensive income		**197 697**	**175 432**
Total comprehensive income allocated to:			
Non-controlling interests		—	—
Equity holders of Odfjell SE		197 697	175 432
Earnings per share (USD) - basic/diluted	13	2.57	1.79

Consolidated statement of financial position

ASSETS AS PER DECEMBER 31 (USD 1 000)	Note	**2023**	2022
NON-CURRENT ASSETS			
Deferred tax assets	9	2 559	1 795
Real estate	11	860	979
Ships	3, 11	1 279 355	1 319 620
Right-of-use assets	12	237 720	208 735
Office equipment	11	6 788	7 023
Investments in associates and joint ventures	27	171 083	167 791
Derivative financial instruments	6	5 743	9 302
Net defined pension assets	10	1 601	1 578
Non-current receivables		6 431	4 638
Total non-current assets		**1 712 141**	**1 721 462**
CURRENT ASSETS			
Current receivables	23	123 896	117 821
Bunkers and other inventories		39 768	32 960
Derivative financial instruments	6	5 259	5 123
Other current financial assets	6	—	12 935
Loan to associates and joint ventures	27	975	750
Cash and cash equivalents	16	112 285	117 667
Total current assets		**282 182**	**287 257**
Total assets		**1 994 323**	**2 008 719**

EQUITY AND LIABILITIES AS PER DECEMBER 31 (USD 1 000)	Note	**2023**	2022
EQUITY			
Share capital	25	27 764	29 425
Treasury shares		(959)	(2 486)
Share premium		172 388	172 388
Other equity		599 316	497 892
Total equity		**798 510**	**697 220**
NON-CURRENT LIABILITIES			
Deferred tax liabilities	9	10	15
Pension liabilities	10	3 612	3 534
Derivative financial instruments	6	1 120	8 168
Non-current interest-bearing debt	8	658 239	739 090
Non-current debt, right-of-use assets	8, 12	154 297	156 636
Other non-current liabilities		13 519	11 090
Total non-current liabilities		**830 798**	**918 533**
CURRENT LIABILITIES			
Current portion of interest-bearing debt	8	165 954	218 061
Current debt, right-of-use assets	8, 12	94 313	63 354
Taxes payable	9	610	214
Derivative financial instruments	6	16 608	25 351
Other current liabilities	8, 24	87 530	85 987
Total current liabilities		**365 015**	**392 966**
Total liabilities		**1 195 813**	**1 311 499**
Total equity and liabilities		**1 994 323**	**2 008 719**
Guarantees	15	28	45

The Board of Directors of Odfjell SE, Bergen, March 21, 2024

LAURENCE WARD ODFJELL, CHAIR   CHRISTINE RØDSÆTHER   JANNICKE NILSSON

NILS PETTER DYVIK   ERIK NYHEIM   TANJA EBBE DALGAARD   HARALD FOTLAND, CEO

Consolidated statement of cash flow

(USD 1,000)	Note	**2023**	2022
CASH FLOW FROM OPERATING ACTIVITIES			
Result before taxes		209 878	144 699
Taxes paid in the period		(6 617)	(4 100)
Depreciation, impairment and capital (gain) loss fixed assets	11, 12	156 926	157 563
Change in inventory, trade debtors and creditors (increase) decrease		(9 451)	(12 633)
Share of net result from associates and joint ventures	27	(8 844)	(12 694)
Net interest expenses		89 393	77 405
Interest received		6 038	4 544
Interest paid		(95 110)	(80 842)
Gain from sale of shares		(2 658)	—
Effect of exchange differences and changes in unrealized derivatives		714	(3 371)
Other current accruals		(476)	18 053
Net cash flow from operating activities		**339 793**	**288 624**
CASH FLOW FROM INVESTING ACTIVITIES			
Sale of ships, property, plant and equipment	11	47 493	34 734
Investment in ships, property, plant and equipment	11	(97 774)	(37 314)
Dividend received/share capital reduction in joint ventures	27	2 823	2 683
Acquisition of subsidiary [1]	27	—	(19 076)
Sale of available for sale investments		15 528	—
Changes in non-current receivables		(2 062)	(1 891)
Net cash flow from investing activities		**(33 992)**	**(20 864)**
CASH FLOW FROM FINANCING ACTIVITIES			
New interest-bearing debt (net of fees paid)	8	212 900	236 553
Loans from associates and joint ventures	8	—	26 754
Repayment of interest-bearing debt	8	(338 829)	(376 715)
Realized derivates related to interest-bearing debt		(23 216)	(4 818)
Repayment of drawing facilities	8	—	(15 000)
Repayment of lease debt related to right-of-use assets	8	(66 104)	(61 990)
Payment of dividend		(96 646)	(26 250)
Re-purchase/sale of treasury shares		322	—
Net cash flow from financing activities		**(311 574)**	**(221 466)**
Effect on cash balance from currency exchange rate fluctuations		391	(2 102)
Net change in cash and cash equivalents		**(5 382)**	**44 191**
Cash and cash equivalents as per January 1		117 667	73 477
Cash and cash equivalents as per December 31	**16**	**112 285**	**117 667**

[1] In July 2022, Odfjell SE purchased the remaining 49% of shares in Odfjell Terminals Asia Holdings for a net cash outflow of USD 19.1 million.

Consolidated statement of changes in equity

(USD 1 000)	Share capital	Treasury shares	Share premium	Translation differences	Cash flow hedge reserve	Pension remeasure-ment	OCI associates and joint ventures	Retained earnings	Total other equity	Total equity
Equity January 1, 2022	29 425	(2 504)	172 388	268	(13 120)	(885)	6 561	356 454	349 278	548 587
Other comprehen-sive income	—	—	—	—	27 089	1 124	5 610	—	33 823	33 823
Net result	—	—	—	—	—	—	—	141 609	141 609	141 609
Total comprehensive income	**—**	**—**	**—**	**—**	**27 089**	**1 124**	**5 610**	**141 609**	**175 432**	**175 432**
Dividend payment	—	—	—	—	—	—	—	(26 250)	(26 250)	(26 250)
Sale of treasury shares	—	18	—	—	—	—	—	—	—	18
Other adjustments	—	—	—	—	—	—	—	(567)	(567)	(567)
Equity as at Equity December 31, 2022	**29 425**	**(2 486)**	**172 388**	**268**	**13 969**	**239**	**12 171**	**471 247**	**497 892**	**697 220**
Equity January 1, 2023	29 425	(2 486)	172 388	268	13 969	239	12 171	471 247	497 892	697 220
Other comprehen-sive income	—	—	—	—	(2 577)	(1)	(3 030)	—	(5 607)	(5 607)
Net result	—	—	—	—	—	—	—	203 304	203 304	203 304
Total comprehensive income	**—**	**—**	**—**	**—**	**(2 577)**	**(1)**	**(3 030)**	**203 304**	**197 697**	**197 697**
Dividend payment	—	—	—	—	—	—	—	(96 646)	(96 646)	(96 646)
Sale of treasury shares	—	10	—	—	—	—	—	312	312	322
Deletion of treasury shares	(1 661)	1 518	—					143	143	—
Other adjustments	—	—	—	—	—	—	—	(82)	(82)	(82)
Equity December 31, 2023	**27 764**	**(959)**	**172 388**	**268**	**11 392**	**238**	**9 141**	**578 278**	**599 316**	**798 510**

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, 2023 was authorized for issue in accordance with a resolution of the Board of Directors on March 21, 2024. The Odfjell Group includes Odfjell SE, subsidiaries incorporated in several countries (see note 26 for an overview of consolidated companies), and our share of investments in joint ventures (see note 27).

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 MATERIAL ACCOUNTING PRINCIPLES

2.1 BASIS FOR PREPARATION

The Odfjell Group has prepared its consolidated financial statements according to International Financial Reporting Standards ® (IFRS) as adopted 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, 2023:

- Definition of accounting estimates - Amendments to IAS 8
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
- International Tax Reform - Pillar Two Model Rules - Amendments to IAS 12

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Group's consolidated financial statements.

The amendments to IAS 1 and IFRS Practice Statement 2 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 have had an minor impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

The Amendments to IAS 12 have been introduced in response to the OECD's BEPS (Base Erosion and Profit Shifting) Pillar Two and include disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

Pillar Two legislation was enacted in Norway in January 2024, and the Group is within the scope of the OECD Pillar Two model. Since the legislation was not effective at the reporting date, the Group has no related current tax exposure. Under the legislation, the Group is liable to pay a top-up tax for the difference between the Global Anti-Base Erosion Model Rules (GloBE) effective tax rate per jurisdiction and the 15% minimum tax rate. The Group is in the process of assessing the exposure to the Pillar Two legislation.

A key in the assessment is to calculate the effective tax rate for each jurisdiction where the Group's subsidiaries operate. This effective tax rate is not calculated in the same manner as the effective tax rate that the Group has stated in Note 9, which is below the threshold of 15%. The effective tax rate for the Group is calculated according to IAS 12.86.

Arriving at an effective tax rate according to Pillar Two legislation is affected by specific adjustments envisaged, including exclusion of shipping income and amongst other adjustments to reflect deferred tax asset not recognized in the balance sheet. Further, if the GloBE income for each jurisdiction is below EUR 10 million, the safe harbor rules applies and any GloBE income is deemed to be zero for this jurisdiction. There are also other safe harbor rules that can be applied under certain circumstances.

Due to the complexities in applying the legislation and calculating the GloBE income, any quantitative impact of the enacted legislation is not yet reasonably estimable.

Certain amendments to accounting standards have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the group. These amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

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 that there will be no significant reversal at a later date when the uncertainty related to the variable payment is resolved. Contract assets are classified as part of current receivables in the balance sheet.

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 represent 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's leasing activity relates to ships where Odfjell is the lessee. The leasing contract are either bareboat or timecharter parties. They are typically made for fixed periods of one year to ten years. Lease payments are normally fixed for the whole lease period. The Group also leases offices in various areas. Most charter contracts entitles 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 reasonable 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 eight to ten 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 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, 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 sometimes 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 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.

2.14 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.

2.15 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.

2.16 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. 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.

2.17 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.

2.18 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.

2.19 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.

2.20 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 23 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 considers transition to a low carbon economy and the potential impact of climate change. A new Strategy on Reduction of GHG Emissions from Ships was adopted by the International Maritime Organization (IMO) in 2023. This Strategy includes reinforced targets aimed at addressing harmful emissions. The revised IMO GHG Strategy includes an enhanced common ambition to reach net-zero GHG emissions from international shipping by or around, i.e. close to 2050, a commitment to ensure an uptake of alternative zero and near-zero GHG fuels by 2030, as well as indicative check-points for international shipping to reach net-zero GHG emissions for 2030 (by at least 20%, striving for 30%) and 2040 (by at least 70%, striving for 80%). The Strategy envisages a reduction in carbon intensity of international shipping by at least 40% by 2030 compared to 2008.

The Carbon Intensity Indicator (CII) is a rating system for ships which is a mandatory measure that came into effect at the beginning of 2023. The CII rating is on a scale from A–E where D rating over three years or an E rating for one single year requires a corrective action plan to bring the performance to C or above rating. In 2025 IMO will conduct a review to adjust or correct CII to ensure they hit their 70% reduction target.

The Group has worked consistently over several years with propulsion efficiency measures and other initiatives to improve the fuel efficiency for the vessels. As a result, internal analysis indicates that all our owned vessels are in compliance with the carbon Intensity Indicator (CII), achieving a C-rating or better in 2023. To achieve the same ratings in 2030, the analysis shows that for some vessels we will either have to increase the fuel efficiency further by investing in additional energy-saving devices or alternatively adjust the speed for these vessels.

The shipping industry will become incrementally subject to the EU Emission Trading System (EU ETS) in 2024 which will require the Group to purchase carbon-offset credits. As a consequence, the Group's voyage expenses will increase and could negatively impact the profitability and cash flows unless offset by an increase in revenue. In addition to the Group's strategy to operate a fuel-efficient fleet, Odfjell will seek to implement clauses in freight contracts ensuring recovery for the added voyage expenses. At the end of 2023, Odfjell did not hold any material EU allowances.

The future impact from climate change may encompass an increase in extreme weather resulting in re-routing, increased risk of port and infrastructure damages causing disruption to regular operations for both the Group and its customers, lower productivity and increased operational cost. These sources of uncertainties are primarily related to our vessels including right-of-use assets impacting the:

- Useful life of vessels
- Residual value of vessels
- 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 the residual value of vessels, we assume that the vessels are recycled according to prevailing regulatory requirements and at the location where the best recycling price is achieved.

Management has evaluated the useful life of vessels in conjunction with the existing regulatory framework and concluded that the estimated useful life of vessels are kept unchanged compared to previous periods.

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 deprecation if residual value is overstated.

For vessels where the Group's intended use is shorter than its economic life, the estimated sales price less cost of disposal is used as residual value.

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 economic 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 the their remaining useful life, be compliant with current IMO requirement of carbon emission reductions (40% reduction within 2030 compared to a 2008 baseline).

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

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 assessment 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 one CGUs within the chemical tanker segment, the deep-sea trade together with the regional South America trade. The Groups right-of-use assets in the vessel 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 amount 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 indicates 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.

At the end of 2023, the market capitalization of the Group's equity exceeded the book value of its equity. Furthermore, the Group assessed and found no other indications of impairment.

Impairment assessment 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. At the end of 2023, the market capitalization of the Group's equity exceeded the book value of its equity. Furthermore, the Group assessed and found no other indications of impairment.

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 provide 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		Tank Terminals		Eliminations		Total	
(USD mill)	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Gross revenue	1 192	1 308	82	84	—	—	1 274	1 392
Voyage expenses	(436)	(548)	—	—	—	—	(436)	(548)
Pool distribution	(27)	(109)	—	—	—	—	(27)	(109)
Time charter expenses	(21)	(22)	—	—	—	—	(21)	(22)
Operating expenses	(197)	(187)	(30)	(30)	—	—	(228)	(217)
General and administrative expenses	(68)	(69)	(13)	(14)	—	—	(81)	(82)
Other operating income/expenses	—	(1)	—	(1)	—	—	—	(2)
Operating result before depreciation (EBITDA)	**443**	**372**	**38**	**40**	**—**	**—**	**481**	**412**
Depreciation	(92)	(98)	(23)	(24)	—	—	(115)	(122)
Depreciation, IFRS 16	(66)	(63)	(1)	(1)	—	—	(66)	(64)
Impairment	—	—	—	—	—	—	—	—
Capital gain/loss on fixed assets/sale of business	1	4	—	—	—	—	1	4
Operating result (EBIT)	**286**	**215**	**15**	**15**	**—**	**—**	**300**	**230**
Net finance	(84)	(79)	(4)	(4)	—	—	(89)	(83)
Income taxes	(6)	(3)	(2)	(3)	—		(8)	(6)
Net result	**195**	**133**	**8**	**9**	**—**	**—**	**203**	**142**
Non current assets	1 541	1 554	317	304	—	—	1 858	1 858
Cash and cash equivalents	104	111	19	19	—	—	122	130
Other current assets	164	164	26	29	(2)	(2)	188	191
Assets Held-for-sale	—	—	—	—	—	—	—	—
Total assets	**1 809**	**1 829**	**362**	**352**	**(2)**	**(2)**	**2 168**	**2 178**
Equity	613	519	186	178	—	—	799	697
Non-current interest-bearing debt	682	739	116	111	—	—	798	850
Non-current debt, right-of-use assets	154	157	2	3	—	—	157	159
Other non-current liabilities	18	23	25	27	—	—	43	49
Current interest-bearing debt	142	218	5	4	—	—	147	222
Current debt, right-of-use assets	94	63	1	1	—	—	95	64
Other current liabilities	105	110	28	29	(2)	(2)	130	137
Total equity and liabilities	**1 809**	**1 829**	**362**	**352**	**(2)**	**(2)**	**2 168**	**2 178**
Reconciliations:								
Total segment revenue	**1 192**	1 308	82	84	—	—	1 274	1 392
Segment revenue from joint ventures	**—**	—	(81)	(82)	1	—	(80)	(82)
Consolidated revenue in income statement	**1 192**	**1 308**	**1**	**2**	**1**	**—**	**1 194**	**1 310**
Total segment EBIT	**286**	215	15	15	—	—	300	230
Segment EBIT from joint ventures	**—**	—	(15)	(19)	—	—	(15)	(19)
Share of net result from joint ventures	**—**	—	9	13	—	—	9	13
Consolidated EBIT in income statement	**286**	**215**	**8**	**9**	**—**	**—**	**294**	**224**
Total segment asset	**1 809**	1 829	362	352	(2)	—	2 168	2 181
Segment asset	**—**	—	(344)	(337)	—	—	(344)	(337)
Investment in joint ventures	**—**	—	171	168	—	—	171	168
Total consolidated assets in statement of financial position	**1 809**	**1 829**	**188**	**182**	**(2)**	**—**	**1 994**	**2 009**
Total segment liabilities	**1 196**	1 310	176	174	(2)	(1)	1 370	1 481
Segment liability	**—**	—	(173)	(169)	—	—	(173)	(169)
Total consolidated liabilities in statement of financial position	**1 196**	**1 310**	**3**	**4**	**(2)**	**(1)**	**1 196**	**1 312**
Capital expenditure	**(98)**	**(34)**	**(41)**	**(33)**	**—**	**—**	**(138)**	**(68)**

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.

(USD 1 000)	Gross revenue		Assets	
	2023	2022	**2023**	2022
North America	350 174	308 149	11 384	9 271
South America	258 377	244 851	23 437	23 724
Norway	3 965	3 741	247 376	256 911
The Netherlands	60 861	80 418	7 661	6 276
Other Europe	73 945	70 861	—	—
Middle East and Asia	391 654	539 952	14 436	13 832
Africa	53 701	61 574	1 871	2 559
Australasia	1 303	—	—	—
Investment in associates and joint ventures	—	—	171 083	167 791
Unallocated ships and newbuilding contracts	—	—	1 517 075	1 528 355
Total	**1 193 979**	**1 309 545**	**1 994 323**	**2 008 719**

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)	**2023**	2022
Revenue from contract with customers	1 183 545	1 300 103
Other revenue	10 433	9 443
Gross revenue	**1 193 979**	**1 309 545**
Revenue from contract with customers disaggregated by type of contract:		
Charter of Affreightment contracts	710 127	611 557
Spot contracts	473 418	688 546
Revenue from contract with customers	**1 183 545**	**1 300 103**

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, emission allowances 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.

Sensitivity analysis as per December 31, 2023:

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]	(19.4)	12.6	(6.9)	—	(6.9)
Interest rates, 1% increase	(8.3)	3.0	(5.3)	5	(0.4)
Currency, USD 10% decrease vs NOK	(8.5)	3.9	(4.5)	3.9	(0.6)

Sensitivity analysis as per December 31, 2022:

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]	(14.0)	8.4	(5.6)	—	(5.6)
Interest rates, 1%	(9.8)	3.0	(6.8)	7.9	1.1
Currency, USD 10% decrease vs NOK	(6.9)	4.3	(2.6)	4.3	1.7

[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' 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 revolving credit facilities with undrawn commitments of USD 45 million as of December 31, 2023 (USD 68 million in 2022).

Total nominal interest-bearing debt (excluding IFRS 16 leases) as of December 31, 2023 was USD 849 million, while cash and cash equivalents amounted to USD 112 million, both figures excludes joint venture companies not consolidated in the Group's accounts. The equity ratio was 40.0% compared to 34.7% per December 31, 2022. In 2023, we completed three refinancing transactions, involving six vessels, and we repaid a maturing bond.

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, 2023, approximately 47% of the estimated recurring NOK exposure in FY2023 and approximately 42% of estimated recurring NOK exposure in FY2024 are 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 world-wide. 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, 2023, Odfjell has no financial bunker 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 arises because of changes in the US SOFR. Per 31 December, 2023, interest rate payments corresponding to USD 300 million of loans has been swapped from floating to fixed rate (USD 300 million as per December 31, 2022) covering approximately 36% of interest-bearing debt.

Emission allowances risk

In 2024, shipping was included in EU Emission Trading Scheme (EU ETS). Our vessels call EU ports on a regular basis, and as a commercial operator we are economically liable for ETS and will compensate vessel owners who have the legal responsibility to surrender emission allowances to the EU. In 2023, we would have been liable for approximately 158 thousand tonnes allowances if EU ETS were fully implemented, at a total cost of EUR 13 million at EUR 80 per allowance. The main part of our exposure is hedged through ETS clauses in our contracts of affreightments, while for spot voyages and contracts without an ETS clause, the estimated ETS cost is added to the agreed freight rate in the chartering terms upon fixture. Financial hedging of emission allowances may be considered to reduce price inefficiencies.

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, 2023:

(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 2023
ASSETS							
Cash and cash equivalents	—	—	—	112 285	—	—	112 285
Other current financial assets	—	—	—	—	—	—	—
Derivative financial instruments	—	11 002	—	—	—	—	11 002
Current receivables	—	—	—	122 188	—	1 708	123 896
Non-current receivables	—	—	—	6 399	—	1 601	8 000
Loan to associates and joint ventures	—	—	—	1 007	—		1 007
Other non-financial assets	—	—	—		—	1 738 133	1 738 133
Total assets	**—**	**11 002**	**—**	**241 879**	**—**	**1 741 442**	**1 994 323**
LIABILITIES							
Other current liabilities	—	—	—	—	39 610	47 816	87 530
Derivative financial instruments		205	17 523	—	—	—	17 727
Interest-bearing debt	—	—	—	—	1 072 803	—	1 072 803
Other non-current liabilities	—	—	—	—	13 519	—	13 519
Other non-financial liabilities	—	—	—	—	—	4 233	4 233
Total liabilities	**—**	**205**	**17 523**	**—**	**1 125 932**	**52 048**	**1 195 813**

[1] Items measured at fair value.

Classification of assets and liabilities as at December 31, 2022:

(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 2022
ASSETS							
Cash and cash equivalents	—	—	—	117 667	—	—	117 667
Other current financial assets	12 935	—	—	—	—	—	12 935
Derivative financial instruments	—	14 425	—	—	—	—	14 425
Current receivables	—	—	—	116 202	—	1 619	117 821
Non-current receivables	—	—	—	4 638	—	1 578	6 216
Loan to associates and joint	—	—	—	750	—	—	750
Other non-financial assets	—	—	—	—	—	1 738 905	1 738 905
Total assets	**12 935**	**14 425**	**—**	**239 257**	**—**	**1 742 102**	**2 008 719**
LIABILITIES							
Other current liabilities	—	—	—	—	44 838	41 150	85 988
Derivative financial instruments	—	2 697	30 822	—	—	—	33 519
Interest-bearing debt	—	—	—	—	1 177 141	—	1 177 141
Other non-current liabilities	—	—	—	—	11 090	—	11 090
Other non-financial liabilities	—	—	—	—	—	3 761	3 761
Total liabilities	**—**	**2 697**	**30 822**	**—**	**1 233 069**	**44 911**	**1 311 499**

[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 access 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 constitutes one bond, ODF11, with a carrying amount of USD 83 million (NOK 850 million). The market value per December 31, 2023, was USD 87 million. The bond was swapped at issuance to USD 100 million. The carrying amount and market value of the two bonds outstanding per December 31, 2022, ODF 10 and ODF 11, were total USD 184 million and total USD 189 million. ODF10 matured in September 2023. The carrying amount and market value per December 31, 2022 for this bond was USD 98 million and USD 100 million respectively. ODF10 was swapped to USD 113 million.

	2023		2022	
(USD 1000)	Level 1	Level 2	Level 1	Level 2
RECURRING FAIR VALUE MEASUREMENT				
Financial assets at fair value:				
Derivatives instruments - hedging	—	11 002	—	14 156
Other current financial assets	—	—	12 935	—
Financial liabilities at fair value:				
Bond debt	86 754	—	188 884	—
Derivatives instruments - non hedging	—	17 519	—	30 876
Derivatives instruments - hedging	—	205	—	1 496

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 nominal value of USD 15.8 million. The shares were listed on Euronext Growth. Changes in fair value was booked through profit or loss according to the published price quotation at the balance sheet date. As per December 31, 2022, the book value of the shares was USD 12.9 million. On November 24, 2023, all shares were sold to a third-party for NOK 24 per share and total consideration of USD 15.5 million.

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 are 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 US SOFR 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, 2023, unsecured NOK bonds of total NOK 850 million has been hedged to USD 100 million (NOK 1 825 million was hedged to USD 213 million as per December 21, 2022).

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, 2023 (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	72 135	NOK	740 000	10.26	1 154	35 800	36 335	—	72 135

					Time to maturity – USD amounts			
Interest rates		**Sold**	**Avg. rate[3]**	**MTM[1]**	**<1 year**	**1-5 years**	**> 5 years**	**Total**
Cash flow hedging	USD	300 000	2.32%	9 643	—	300 000	—	300 000

						Time to maturity – USD amounts			
Cross currency interest rate swaps		**Sold**		**Avg. rate[3]**	**MTM[1]**	**<1 year**	**1-5 years**	**> 5 years**	**Total**
Fair value [2]	USD	100 000	From NOK to USD	6.39%	(17 519)	—	100 000	—	100 000

[1] Mark to market valuation
[2] Related to NOK bonds issued by Odfjell SE
[3] SOFR adjusted by way of ISDA fallback or bilateral conversion agreements

The below overview reflects status of hedging and non-hedging exposure December 31, 2022 (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	56 539	NOK	535 000	9.46	(1 513)	41 253	15 286	—	56 539
	USD	7 803	EUR	7 500	1.04	262	7 803	—	—	7 803

					Time to maturity – USD amounts			
Interest rates			**Avg. rate[3]**	**MTM[1]**	**<1 year**	**1-5 years**	**> 5 years**	**Total**
Cash flow hedging	USD	300 000	2.59%	13 911	—	300 000	—	300 000

						Time to maturity – USD amounts			
Cross currency interest rate swaps				**Avg. rate[3]**	**MTM[1]**	**<1 year**	**1-5 years**	**> 5 years**	**Total**
Fair value[2]	USD	213 400	From NOK to USD	5.96%	(30 876)	113 400	100 000	—	213 400

[1] Mark to market valuation
[2] Related to NOK bonds issued by Odfjell SE
[3] SOFR adjusted by way of ISDA fallback or bilateral conversion agreements

Negative value MTM of the cross currency swap related to the outstanding bond loan swapped to USD 100 million (USD 213 million in 2022), amounts to USD 17.5 million per December 31, 2023 (USD 30.9 million in 2022). Accumulated currency gain booked related to the same bond loan per December 31, 2023 amounts to USD 17.0 million (USD 8.0 million in 2022).

Derivative financial instruments recognized as assets/liabilities on the balance sheet:

(USD 1000)	**2023**	2022
Currency	1 154	(1 250)
Basis swaps (interest and currency)	(7 875)	(16 965)
Derivative financial instruments	**(6 721)**	**(18 215)**

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, 2022	**(10 915)**	**612**	**(2 816)**	**(13 120)**
Fluctuations during the period:				
- Gains/losses due to changes in fair value	17 857	—	2 816	20 673
-Transfer to income statement	4 006	2 410	—	6 416
Balance sheet as at December 31, 2022	**10 948**	**3 022**	**—**	**13 969**
Fluctuations during the period:				
- Gains/losses due to changes in fair value	(6 685)	—	—	(6 685)
-Transfer to income statement	(2 204)	6 312	—	4 108
Balance sheet as at December 31, 2023	**2 059**	**9 334**	**—**	**11 392**

Note 7

CAPITAL MANAGEMENT

The main objective of the Group's capital management policy is to maintain healthy capital ratios and ensure sufficient liquidity to support the general business and take advantage of investment opportunities. Further, we aim to ensure the Group has a robust capital structure that can withstand prolonged adverse conditions in the chemical- and financial markets. To achieve this, we have an active approach capital management and will make adjustments to our capital structure depending on the current economic conditions. This may include extraordinary debt repayments or additional debt issuance, adjustments to our dividend policy, and share transactions including share buybacks, redemption of treasury shares and issuance of new shares.

Our primary capital key performance indicators are book equity ratio and available liquidity. Available liquidity includes cash and cash equivalents and available undrawn commitments under bank loan facilities. 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)	**2023**	2022
Equity	798 510	697 220
Total assets	1 994 323	2 008 719
Equity ratio (equity method)	40.0%	34.7%
Current ratio	0.8	0.7
Cash and cash equivalents	112 285	117 667
Undrawn loan facilities	44 771	67 933
Total available liquidity	**157 056**	**185 600**

For liquidity risk see note 5.

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, financial lease obligations classified as Other financial liabilities, and unsecured bonds denominated in the issuing currency. Interest rates are generally floating rate while Debts related to Rights of use of assets are fixed rate.

(USD 1 000)	Interest rate year end [1]	**2023**	2022
Mortgaged loans from finance institutions	7.55%	527 161	435 807
Other financial liabilities [2]	8.11%	222 103	349 194
Unsecured bonds	11.71%	83 313	184 221
Lease liabilities, right-of-use assets	6.50%	248 610	219 990
Subtotal debt	**7.75%**	**1 081 187**	**1 189 212**
Debt transaction fees [3]		(8 383)	(12 071)
Total debt		**1 072 803**	**1 177 141**
Current portion, interest-bearing debt		(165 954)	(218 061)
Current portion, right-of-use assets		(94 313)	(63 354)
Non-current total debt		**812 536**	**895 727**

1) Interest rate is the weighted average of interest rates (margin plus benchmark), excluding hedges, as per end of 2023
2) Debt classified as financial leases
3) Amortized and included in interest expenses over the term of the respective loan facilities

Mortgaged loans from finance institutions include debt from eight different facilities backed by nine different lenders and covers 29 vessels with an average age of 13.6 years. Seven of the facilities are sustainability-linked whereby the margin is linked to the AER performance of the Group, as measured annually, and the Group's continuous and overall plan to meet our 2030 ambitions. Financial leases, classified as Other financial liabilities are made up from 10 different facilities from eight different lease providers and covers 12 vessels with an average age of 16.5 years. Unsecured bonds include one senior unsecured Norwegian bond issue, denominated in NOK and swapped to USD. The bond is classified as sustainability-linked, whereby the redemption price of the bond is linked to the AER performance of the Group, measured on June 30, 2024, and the Group's continuous and overall plan to meet our 2030 ambitions.

In 2023, the Group refinanced three loan facilities covering four vessels, repaid a maturing bond and made an extraordinary prepayment on a revolving credit facility. We also financed the acquisition of two vessels. New mortgaged loans from financial institutions totaled USD 213 million, and balloon installments totaled USD 149 million. The bond that was repaid, ODF10 maturing in September 2023, had a total outstanding nominal amount of NOK 950 million and a swapped amount of USD 113 million. Extraordinary prepayments on revolving credit facilities totaled USD 25 million. Scheduled installments on loans and leases totaled USD 75 million in 2023, bringing the total reduction in nominal and USD swapped debt to USD 149 million for the year.

Lease liabilities related to IFRS16 right-of-use assets is mainly related to 18 time charter- and bareboat agreements with tenors longer than 12 months from delivery. Total debt related to right-of-use of vessels per December 31, 2023 was USD 243 million. Lease obligations from long-term office rental agreements totaled USD 6 million. During 2023, debts related to right-of-use assets increased with total USD 29 million. Capital repayments totaled USD 103 million, while new and extended agreements totaled USD 132 million.

Transaction expenses from financing transactions are charged to net result over the life of the underlying debt facility using the effective interest rate method, or in full at repayment if repaid ahead of maturity. During 2023, transaction expenses charged to the net result totaled USD 5.4 million (USD 6.2 million in 2022) of which USD 2.8 million related to an early refinancing of two lease vessels.

Summary of changes in total debt during 2023:

Changes in liabilities arising from financing activities (USD 1 000)	Jan 1, 2023	Cash inflows	Cash outflows	Foreign exchange movements	Changes in fair values	New leases	Other [1]	Dec 31, 2023
Current interest-bearing loans and borrowings	218 061	—	(218 061)	—	—	—	165 954	165 954
Current lease liabilities, right-of-use assets	63 354	—	(66 104)	—	—	78 320	18 743	94 313
Non-current interest-bearing loans and borrowing	739 091	212 900	(120 769)	(10 724)	—	—	(162 259)	658 239
Non-current lease liabilities, right-of-use assets	156 636	—	—	—	—	53 785	(56 124)	154 297
Derivatives	33 518	—	(23 216)	—	7 426	—	—	17 728
Dividends payable	—	—	(96 646)	—	—	—	96 646	—
Sale of treasury shares	—	—	300	—	—	—	(300)	—
Total liabilities from financing activities	**1 210 660**	**212 900**	**(524 496)**	**(10 724)**	**7 426**	**132 105**	**62 660**	**1 090 531**
Loans from associates and joint ventures classified as other current liabilities (see note 27)	—	—	—	—	—	—	—	—
Total	**1 210 660**	**212 900**	**(524 496)**	**(10 724)**	**7 426**	**132 105**	**62 660**	**1 090 531**

1) Other includes movements between non-current and current liabilities due to the passage of time, approval of dividends, and effects of acquistions of a subsidiary formerly recognized as a joint venture.

Summary of changes in total debt during 2022:

Changes in liabilities arising from financing activities (USD 1 000)	Jan 1, 2022	Cash inflows	Cash outflows	Foreign exchange movements	Changes in fair values	New leases	Other [1]	Dec 31, 2022
Current interest-bearing loans and borrowings	169 073	—	(169 073)	—	—	—	218 061	218 061
Current lease liabilities, right-of-use assets	60 732	—	(61 990)	—	—	4 186	60 426	63 354
Non-current interest-bearing loans and borrowing	969 049	236 553	(222 642)	(26 210)	—	—	(217 660)	739 090
Non-current lease liabilities, right-of-use assets	172 562	—	—	—	—	45 333	(61 259)	156 636
Derivatives	26 419	—	(4 818)	—	11 918	—	—	33 519
Dividends payable	—	—	(26 250)	—	—	—	26 250	—
Total liabilities from financing activities	**1 397 835**	**236 553**	**(484 773)**	**(26 210)**	**11 918**	**49 519**	**25 818**	**1 210 660**
Loans from associates and joint ventures classified as other current liabilities (see note 27)	19 000	26 754	—	—	—	—	(45 754)	—
Total	**1 416 835**	**263 307**	**(484 773)**	**(26 210)**	**11 918**	**49 519**	**(19 936)**	**1 210 660**

1) Other includes movements between non-current and current liabilities due to the passage of time.

Financial covenants are aligned across all debt agreements, and debt agreements do not contain restrictions on the Group's dividend policy. 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 right-of-use assets and debts related to rights of use assets).

The Group was in compliance with its financial covenants throughout 2023 and 2022.

Maturity of total debt as at December 31, 2023:

(USD 1 000)	2024	2025	2026	2027	2028	2029+	Total
Mortgaged loans from financial institutions	106 480	35 585	69 284	194 673	121 139	—	527 161
Other financial liabilities	59 474	27 405	22 069	14 339	15 474	83 342	222 103
Unsecured bonds [1]	—	83 313	—	—	—	—	83 313
Lease liabilities, right-of-use assets	94 313	44 071	29 619	20 760	21 614	38 230	248 607
Subtotal debt	**260 267**	**190 374**	**120 972**	**229 771**	**158 227**	**121 565**	**1 081 177**
Estimated interest payable	80 372	48 375	36 796	28 057	15 040	21 400	230 040
Total debt	**340 639**	**238 749**	**157 768**	**257 828**	**173 267**	**142 965**	**1 311 217**

[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, 2022:

(USD 1 000)	**2023**	2024	2025	2026	2027	2028+	Total
Mortgaged loans from financial institutions	78 694	93 225	24 699	133 031	106 158	—	435 807
Other financial liabilities	40 947	64 992	32 923	27 587	21 552	161 194	349 194
Unsecured bonds [1]	98 419	—	85 801	—	—	—	184 221
Lease liabilities, right-of-use assets	63 354	45 472	32 777	24 081	15 007	39 298	219 990
Subtotal debt	**281 415**	**203 689**	**176 200**	**184 699**	**142 707**	**200 492**	**1 189 212**
Estimated interest payable	84 219	65 280	42 154	29 076	20 770	47 205	288 704
Total debt	**365 633**	**268 970**	**218 354**	**213 775**	**163 487**	**247 697**	**1 477 916**

[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 3.8 years (4.4 years in 2022). Average maturity on mortgaged loans from financial institutions is 3.3 years (3.2 years in 2022), other financial liabilities mature on average in 6.4 years (7.6 years in 2022) and unsecured bonds mature on average in 1.1 years (1.3 years in 2022). Debts related to right of use of assets have an average maturity of 8.4 years (5.1 years in 2022).

Security for mortgaged loans from financial institutions is made through first priority vessel mortgages, Group guarantees, and assignments of earnings and insurances for the relevant vessels. Other financial liabilities (financial leases) are secured by Group guarantees and assignment of earnings and insurances for the relevant vessels. Bonds and debts related to rights of use of assets are guaranteed by the Group, but otherwise unsecured.

The table below provides an overview of the carrying amount of vessel financing and related assets:

(USD 1 000)	**2023**	2022
Mortgaged loans from financial institutions	527 161	435 807
Other financial liabilities	222 103	349 194
Lease liabilities, right-of-use assets	248 610	219 990
Nominal amount preferred vessel financing	**997 874**	**1 004 992**
Carrying amount, assets under mortgaged loans	884 643	846 800
Carrying amount, assets under other financial liabilities	312 586	440 270
Carrying amount, right-of-use assets	237 720	208 735
Total carrying amount of assets financed	**1 434 949**	**1 495 806**

The Group's financial leases, classified as Other financial liabilities, vary from 5 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 financial leases have embedded purchase options to the Group.

The table below summarizes total debt by currency:

(USD 1 000)	**2023**	2022
USD	997 874	1 004 992
NOK [1]	83 313	184 221
Debt transaction fees	(8 383)	(12 071)
Total debt	**1 072 803**	**1 177 141**

[1] Unsecured bonds, nominal amounts. Swapped to USD 100 million (USD 213 million in 2022).

Interest expenses on total debt:

(USD 1000)	**2023**	2022
Interest expense, interest-bearing debt	(79 504)	(70 808)
Interest expense, right-of-use assets	(15 800)	(11 079)
Total interest expense	**(95 304)**	**(81 887)**

Note 9

TAXES

(USD 1 000)	**2023**	2022
Change in deferred tax, Norway – ordinary tax	—	—
Change in deferred tax, other jurisdictions	439	1 101
Taxes payable, other jurisdictions	(7 014)	(4 191)
Total tax income (expenses)	**(6 575)**	**(3 090)**

(USD 1 000)	**2023**	2022
Result before taxes	209 878	144 699
Tax calculated at Odfjell's statutory income tax rate 22%	(46 173)	(31 834)
Tax effect of:		
Income and expenses not subject to tax	40 385	31 587
Share of result from joint ventures and associates	1 936	2 793
Withholding tax	(333)	(151)
Non deductible expenses for tax purposes - impairment	—	—
Differences in tax rates	(2 032)	(703)
Deferred tax asset not recognized	161	(3 687)
Other differences	(519)	(1 096)
Tax income (expenses)	**(6 575)**	**(3 091)**
Effective tax rate	3.13%	2.14%

Specification of deferred taxes (deferred tax assets):

(USD 1 000)	2023	Change in temporary differences	2022
Pensions	1 470	90	1 380
Financial instruments/finance items	8 700	(7 297)	15 997
Provisions	1 666	(1 229)	2 895
Long-term temporary differences	7 526	2 246	5 280
Loss carried forward	363 017	12 369	350 648
Non-deductible interest carried forward	51 969	13 618	38 351
Total negative temporary differences	**434 348**	**19 797**	**414 551**
Differences related to depreciation of non-current assets	2 689	(411)	3 100
Deferred gain related to sale of non-current assets	1 423	(409)	1 832
Differences related to long-term debt	—	—	—
Total positive temporary differences	**4 112**	**(820)**	**4 932**
Net temporary differences	**430 236**	**20 617**	**409 619**
Temporary differences not accounted for [1]	422 740	18 357	404 383
Temporary differences – basis for calculation of deferred tax	**(7 496)**	**(2 260)**	**(5 236)**
Deferred tax liability (asset) in statement of financial position [2]	**(2 549)**		**(1 780)**
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 2023 and 2022 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 363 million at December 31, 2023 (USD 351 million in 2022), 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 utilisation 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)	2023	2022
Defined benefit plan cost - Overseas offices	1 785	1 191
Total	**1 785**	**1 191**

Defined contribution plan expenses

(USD 1 000)	2023	2022
Defined contribution cost - Norway	2 089	1 952
Defined contribution cost – overseas offices	333	386
Total contribution	**2 422**	**2 338**
Number of employees	409	410

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)	2023	2022
Other - Norway	1 470	1 380
Overseas offices	2 143	2 155
Total	**3 612**	**3 534**

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.

In 2023, the additional pension contribution payment (18G) to Executive Management was secured by payment to an insurance company instead of holding a secured bank account. Bank deposit was transferred to the insurance company and the pension liability removed from the balance sheet. The contribution/benefit was not changed. 'Other - Norway' in the table above relates to one former employee. For pension expenses for the Executive Management, see note 20.

Note 11

PROPERTY, PLANT AND EQUIPMENT

(USD 1 000)	Real estate	Ships and newbuilding contracts	Periodic maintenance	Office equipment	Total
Net carrying amount January 1, 2022	1 230	1 377 247	12 528	7 690	**1 398 694**
Investment	—	13 428	21 884	2 002	**37 314**
Sale at book value	—	(10 062)	—	—	**(10 062)**
Depreciation 2022	(251)	(70 643)	(24 761)	(2 669)	**(98 324)**
Net carrying amount December 31, 2022	**979**	**1 309 970**	**9 650**	**7 023**	**1 327 622**
Investment	85	70 716	24 537	2 436	**97 774**
Sale at book value	—	(46 010)	—	—	**(46 010)**
Depreciation 2023	(204)	(69 527)	(19 979)	(2 671)	**(92 380)**
Impairment 2023	—	—	—	—	**—**
Reclassified to assets held for sale (book value)	—	—	—	—	**—**
Net carrying amount December 31, 2023	**860**	**1 265 148**	**14 208**	**6 788**	**1 287 004**
Cost	4 665	2 812 981	66 923	38 106	**2 922 674**
Accumulated depreciation	(3 435)	(1 435 734)	(54 395)	(30 416)	**(1 523 980)**
Net carrying amount January 1, 2022	1 230	1 377 247	12 528	7 690	**1 398 694**
Cost	4 665	2 812 981	66 923	38 106	**2 922 674**
Accumulated depreciation	(3 686)	(1 506 377)	(79 156)	(33 085)	**(1 622 304)**
Investment	—	13 428	21 884	2 002	**37 314**
Sale	—	(10 062)	—	—	**(10 062)**
Net carrying amount December 31, 2022	**979**	**1 309 970**	**9 650**	**7 023**	**1 327 622**
Cost	4 665	2 816 347	88 806	40 108	**2 949 926**
Accumulated depreciation	(3 890)	(1 575 904)	(99 135)	(35 756)	**(1 714 685)**
Investment	85	70 716	24 537	2 436	**97 774**
Sale	—	(46 010)	—	—	**(46 010)**
Net carrying amount December 31, 2023	**860**	**1 265 148**	**14 208**	**6 788**	**1 287 004**

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	3 - 5

Assets financed under sale-leaseback
The carrying amount of ships financed under sale-leaseback were USD 312.6 million and USD 440.3 million at December 31, 2023 and December 31, 2022 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 1000)	**2023**	2022
Depreciation property, plant and equipment	(92 380)	(98 324)
Depreciation right-of-use assets	(65 739)	(62 895)
Total	**(158 119)**	**(161 217)**

Note 12

LEASES

(USD 1 000)	Real estate	Ships	Periodic Maintenance	Total
Capitalized right-of-use assets January 1, 2023	5 579	199 201	3 955	208 735
Additions	1 702	131 409	72	133 183
Remeasurement	—	—	—	—
Purchase of leased vessel	—	(38 569)	—	(38 569)
Depreciation	(2 291)	(63 187)	(151)	(65 629)
Carrying amount right-of-use assets December 31, 2023	**4 989**	**228 855**	**3 876**	**237 720**

(USD 1 000)	Real estate	Ships	Periodic Maintenance	Total
Capitalized right-of-use assets January 1, 2022	7 857	210 229	1 858	219 944
Additions	209	49 083	2 394	51 686
Remeasurement	—	—	—	—
Depreciation	(2 487)	(60 111)	(297)	(62 894)
Carrying amount right-of-use assets December 31, 2022	**5 579**	**199 201**	**3 955**	**208 735**

Variable lease payments made in 2023 are related to pool distributions to external participants in the pools. The total amount distributed in 2023 equals USD 26.4 million, including non-lease component (USD 108.6 million in 2022).

INFORMATION ABOUT LEASE PAYMENTS MADE	**2023**	2022
Total nominal lease payments (including short term, long term and variable leases)	158 401	228 074
Of which short term lease expenses (including non-lease component)	21 419	21 830

INFORMATION ABOUT COMMITMENTS FOR COMMENCED LEASES (NOT INCLUDED IN LEASE LIABILITY)	**2023**	2022
Lease commitments associated with short term leases (undiscounted)	13 796	11 313
Non-lease component (OPEX) right-of-use assets, not included in lease liability (undiscounted)	102 723	82 842

The non-lease component refers to time charter contracts including a service element. Refer to note 2.6 for a description of the Group's accounting policies related to said contracts.

INFORMATION ABOUT EXTENSION OPTIONS	**2023**	2022
Extension options (undiscounted) not included in lease liability, bareboat element vessels	82 182	95 573
Extension options (undiscounted) not included in lease liability, OPEX element vessels	38 346	58 622
Extension options (undiscounted) not included in lease liability, office buildings	7 890	7 907
Total extension options (undiscounted) not included in lease liability	**128 418**	**162 102**

INFORMATION ABOUT LEASES NOT YET COMMENCED BUT WHERE THE GROUP IS COMMITTED	**2023**	2022
Nominal amount of future lease payments for time charter and bareboat leases where lease term exceeds 12 months	636 037	304 926

MATURITY OF DEBT RELATED TO RIGHT-OF-USE ASSETS AS PER DECEMBER 31, 2023:

(USD 1000)	2024	2025	2026	2027	2028	2029+	Total
Installments	94 313	44 071	29 619	20 760	21 614	38 223	248 601
Interest expense	14 533	7 841	5 673	4 208	2 987	2 177	37 419
Sum	**108 846**	**51 912**	**35 292**	**24 968**	**24 601**	**40 400**	**286 020**

MATURITY OF DEBT RELATED TO RIGHT-OF-USE ASSETS AS PER DECEMBER 31, 2022:

(USD 1000)	**2023**	2024	2025	2026	2027	2028+	Total
Installments	63 354	45 472	32 777	24 081	15 007	39 298	219 990
Interest expense	12 250	7 613	5 270	3 668	2 598	2 901	34 300
Sum	**75 604**	**53 085**	**38 047**	**27 749**	**17 605**	**42 199**	**254 290**

Refer to note 8 for an analysis of the maturity of total debt.

Note 13

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)	**2023**	2022
Profit/(loss) and diluted profit for the year due to the holders of ordinary shares	203 304	141 609
Weighted average number of ordinary shares for basic earnings per share/diluted average number of shares outstanding [1]	79 011	78 964
Basic/diluted earnings per share	**2.57**	**1.79**

1) The weighted average number of shares are adjusted for the weighted average effect of changes in treasury shares during the year. See note 25.

Note 14

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, 2023 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 0.9 million in agency fees in 2023 (USD 1.0 million in 2022), while Flumar Transportes de Quimicos e Gases Ltda and Odfjell Brazil – Representacoes Ltds paid USD 0.1 million for administrative services in 2023 (USD 0.1 million in 2022).

Odfjell Management AS rent offices in Norway from a company related to Chair of the Board, Laurence Ward Odfjell. The annual lease for 2023 was USD 1.6 million.

Note 15

COMMITMENTS, GUARANTEES AND CONTINGENCIES

Capital commitment
Odfjell has no capital commitment as per December 31, 2023.

Guarantees

(USD 1 000)	**2023**	2022
100% owned subsidiaries (third party guarantees)	28	45
Joint ventures (credit facilities)	—	—
Total guarantees	**28**	**45**

See also note 27 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 and Tank Terminal industry, but no claims have resulted in material losses to the Group.

Note 16

CASH AND CASH EQUIVALENTS

A substantial part of the Group's cash and cash equivalents are held by overseas offices, management companies and pools as part of normal working capital. The main Norwegian entities are included in a cash pool that allows for automatic borrowing between entities and currencies. In order to earn a higher rate of interest on excess liquidity, we seek to minimize the top balance in the cash pool through placements in other financial instruments.

Excess liquidity is defined as cash in excess of normal working capital, and include funds earmarked upcoming bank payments, CAPEX and dividends. The Group considers the end-use of our cash and cash equivalent balance and match the risk, tenor and liquidity of placements accordingly. As an example, funds earmarked for working capital is usually placed in regular bank and cash pool accounts with up to a week's tenor, while funds earmarked for debt repayments, yard installments, and dividends, are usually split on various time deposits and in money market instruments with an investment horizon of 3-12 months.

(USD 1 000)	**2023**	2022
Cash at banks and in hand	60 473	48 707
Time deposits and Money Market instruments	51 812	68 960
Total cash and cash equivalents	**112 285**	**117 667**

Restricted cash consists of USD 1.4 million (USD 2.0 million in 2022) in funds for withholding taxes relating to employees in Odfjell Management AS and Odfjell Maritime Services AS.

Note 17

VOYAGE EXPENSES

Voyage expenses are expenses directly related to the ship voyage.

(USD 1 000)	**2023**	2022
Port expenses	100 249	106 203
Canal expenses	28 056	29 579
Bunkers expenses	247 070	328 996
Transshipment expenses	10 475	11 966
Commission expenses	33 122	35 704
Other voyage related expenses	17 383	35 397
Total voyage expenses	**436 355**	**547 845**

Note 18

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)	**2023**	2022
Crew expenses	78 762	76 704
Other ship management expenses	85 934	84 626
Currency hedging	1 529	651
Other	323	329
Total operating expenses excluding service element of leases	**166 549**	**162 310**
Service element of leases	30 820	24 956
Total operating expenses	**197 369**	**187 266**

Note 19

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses consist of expenses for headquarter activities and activities internationally for brokerage and agency.

(USD 1 000)	**2023**	2022
Salary expenses	50 332	54 961
Other expenses	16 807	17 638
Currency hedging	3 255	1 108
Total general and administrative expenses	**70 394**	**73 707**

Including in the above is auditor's remuneration for (exclusive of VAT):

(USD 1 000)	**2023**	2022
Statutory auditing	492	496
Other assurance services	62	27
Other non-audit services	64	68
Total remuneration	**619**	**591**

Note 20

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)	**2023**	2022
Salaries	110 937	113 470
Social expenses	13 304	14 058
Pension expenses defined benefit plans (note 10)	1 784	1 191
Pension expenses defined contribution plans (note 10)	2 422	2 338
Other benefits	647	608
Total salary expenses	**129 094**	**131 665**

Average man-years of employees including crew:

(USD 1 000)	**2023**	2022
Europe	266	260
North America	26	25
Southeast Asia	1 576	1 563
South America	183	172
Other	13	13
Total average man-years of employees	**2 064**	**2 033**

At the end of 2023 the Board of Directors consists of six members. Compensation and benefits to the Board of Directors:

(USD 1 000)	2023	2022
BoD Remuneration	342	347

For more specification – see Odfjell SE note 11.

Compensation and benefits to the Management Group, paid and earned in 2023:

(USD 1 000)	Salary	Bonus[1]	Pension cost	Other benefits	Total
CEO, Harald Fotland	521	521	25	26	1 093
CFO, Terje Iversen	263	219	25	22	529
CSO, Øistein H. Jensen	200	166	25	21	412
Managing Director Terminals, Adrian Lenning	237	197	24	21	479
CCO, Bjørn Hammer	265	220	24	21	531
CTO, Torger Trige	197	170	25	38	429
Total	**1 683**	**1 492**	**148**	**149**	**3 473**

1) The bonus relates to earned amount in 2023 for both short and long term incentive scheme.

Compensation and benefits paid to the Management Group in 2022:

(USD 1 000)	Salary	Bonus[1]	Pension cost	Other benefits	Total
CEO, Kristian V. Mørch (until 05.05.2022)	765	—	11	326	1 102
CEO, Harald Fotland (COO until 05.05.2022)	452	508	27	64	1 050
CFO, Terje Iversen	266	202	27	42	536
CSO, Øistein H. Jensen	210	159	26	37	432
CCO, Bjørn Hammer[2]	23	18	2	22	65
MD Terminals, Adrian Lenning [2]	20	16	2	20	58
CTO,Torgeir Trige[2]	17	13	2	17	49
Total	**1 753**	**915**	**96**	**528**	**3 292**

1) The bonus relates to earned amount in 2022 for both short and long term incentive scheme. This is a change in methodology compared to 2021, where paid, not earned was reported.

2) Included as member in the Management Group from December 1st 2022. The compensation presented above relates to their Executive Management Positions from December 2022.

In 2023, 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.

Refer to our Report on Salary and other Remuneration to Leading Personnel in Odfjell SE for the financial year 2023. The Report will be published on the Company's website once approved by the General Meeting.

Note 21

OTHER FINANCIAL ITEMS

(USD 1 000)	**2023**	2022
Financial assets and liabilities at fair value through profit or loss statement	13 357	(20 120)
Realized gain/losses on other current financial assets	2 658	(2 494)
Currency gains (losses) – see note 22	(11 294)	21 513
Other financial income	956	2 221
Other financial expenses	(305)	(2 881)
Total other financial items	**5 372**	**(1 761)**

See note 6 for overview of hedging exposure, and note 22 for specification of currency gains (losses).

Note 22

CURRENCY GAINS AND LOSSES

(USD 1 000)	**2023**	2022
Currency gains (losses) on non-current receivables and liabilities	10 254	26 900
Currency gains (losses) on cash and cash equivalents	912	(111)
Currency gains (losses) on other current assets and current liabilities	(22 460)	(5 276)
Total currency gains (losses)	**(11 294)**	**21 513**

See note 6 for overview of currency hedging exposure.

Note 23

CURRENT RECEIVABLES

(USD 1000)	**2023**	2022
Trade receivables from contract with customers	88 328	97 720
Other receivables	31 644	17 799
Contract asset (accrued revenues)	3 975	3 578
Prepaid costs	1 708	1 619
Allowance for expected credit losses	(1 758)	(2 895)
Total current receivables	**123 896**	**117 821**

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.

At the end of 2023, the group recognized gross revenues of USD 78 million related to voyages in progress. The remaining freight services (performance obligations) for voyages in progress at year-end 2023, which will be recognized as freight income in 2024, is estimated to USD 76 million.

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
2023	123 946	3 975	58 616	33 282	6 617	6 548	14 910
2022	119 097	3 578	41 907	35 105	11 024	5 055	22 429

[1] Not including prepaid cost and allowance for expected credit losses

The table below summarizes total current receivables into different currencies:

(USD 1 000)	**2023**	2022
USD	113 400	110 622
EUR	3 421	2 676
SGD	77	112
Other currencies	6 999	4 409
Total current receivables	**123 896**	**117 821**

Note 24

OTHER CURRENT LIABILITIES

(USD 1000)	**2023**	2022
Trade payables	28 995	34 717
Accrued voyage expenses	16 340	13 801
Accrued expenses Ship Management	8 898	3 693
Accrued interest expenses	3 596	5 904
Other accrued expenses	11 220	8 413
Employee taxes payable	8 779	10 121
Working capital liabilities to pool partners	5 999	5 697
Other current liabilities	3 703	3 642
Total other current liabilities	**87 530**	**85 987**

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
2023	87 530	77 696	8 027	252	1 301	253
2022	85 987	77 216	6 783	457	887	644

The table below summarizes other current liabilities into different currencies:

(USD 1 000)	**2023**	2022
USD	66 820	65 011
EUR	2 075	—
SGD	856	1 068
Other currencies	17 779	19 908
Total current liabilities	**87 530**	**85 987**

Note 25

SHARE CAPITAL AND PREMIUM

	Number of shares (1 000)		Share capital (USD 1 000)		Share premium (USD 1 000)	
	2023	2022	2023	2022	2023	2022
A-shares	60 464	65 690	21 057	22 277	130 748	130 511
B-shares	19 256	21 079	6 706	7 148	41 640	41 877
Total	**79 720**	**86 769**	**27 763**	**29 425**	**172 388**	**172 388**

Per December 31, 2023 Odfjell SE holds 200 000 A-shares and 500 000 B-shares.

The shares are all authorized, issued and fully paid. Nominal value is NOK 2.50, equivalent to USD 0.25 as per December 31, 2023. 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:

	2023		2022	
	A-shares	B-shares	A-shares	B-shares
Chair of the Board of Directors, Laurence Ward Odfjell	29 463 964	7 524 160	29 463 964	7 574 160
Director, Nils Petter Dyvik	2 719	—	2 719	—
CEO, Harald Fotland	72 188	4 000	52 935	4 000
CFO, Terje Iversen	59 287	—	53 923	—
CSO, Øistein Jensen	54 153	—	48 932	—
CTO, Torger Trige	12 461	190	8 332	190
CCO, Bjørn Hammer	25 997	—	18 886	—
MD, Adrian Lenning	23 317	—	18 341	—

Note 26

LIST OF SUBSIDIARIES

The following subsidiaries are fully consolidated in the financial statements as per December 31, 2023

Company	Country of registration	Ownership share	Voting share
Odfjell Argentina SA	Argentina	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 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 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 Peru S.A.C.	Peru	100%	100%
Odfjell Management Philippines Inc	Philippines	100%	100%
Odfjell Asia II Pte Ltd	Singapore	100%	100%
Odfjell Singapore Pte Ltd	Singapore	100%	100%
Odfjell Terminals Asia Holdings Pte Ltd	Singapore	100%	100%
Odfjell Terminals Asia Pte Ltd	Singapore	100%	100%
Odfjell Terminals China 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 27

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 company for the Asia terminal is Odfjell Terminals AS. Odfjell Terminals AS owns 50% in the terminal in Korea. Up to July 2022, Odfjell Terminals Asia Holding Pte Ltd and its subsidiaries were 51% owned by Odfjell Terminals BV and 49% owned by Lindsay Goldberg. Lindsay Goldberg sold its 49% share of Odfjell Terminals Asia Holding Pte Ltd to Odfjell Terminals BV, so the company is now 100% owned by the Odfjell Group. The acquisition is considered an asset acquisition and not a business combination. The acquistion was booked at fair value and the majority of assets were receivables and cash. The agreed purchasing price was USD 26.7 million and net cash outflow resulting from the transaction was USD 19.1 million.

The investment in Noord Natie Odfjell Antwerp Terminals NV is owned directly by Odfjell Terminals BV.

Odfjell and its joint venture partner continue 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.

The investment in joint ventures and associates includes the following companies accounted for according to the equity consolidation method during 2023:

JOINT VENTURES AND ASSOCIATES	Country of registration	Business segment	Ownership share
Tank Terminals:			
Tank Terminal entities in Europe			
Noord Natie Odfjell Antwerp Terminals NV	Belgium	Tank Terminals	25.0 %
Tank Terminal 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 Terminal entities in Asia			
Odfjell Changxing Terminals (Dalian) Co Ltd	China	Tank Terminals	40.0 %
Odfjell Terminals (Korea) Co Ltd	South Korea	Tank Terminals	50.0 %

The share of result and balance sheet items for investments in joint ventures and associates are recognized based on equity method:

	2023				2022			
(USD 1 000)	Tank Terminals Europe	Tank Terminals USA	Tank Terminals Asia	**Total**	Tank Terminals Europe	Tank Terminals USA	Tank Terminals Asia	**Total**
Gross revenue	55 720	110 969	20 274	**186 963**	49 883	118 972	20 069	**188 923**
EBITDA	27 678	53 960	9 344	**90 982**	24 625	63 164	9 214	**97 003**
EBIT	12 450	26 284	4 793	**43 527**	11 180	41 898	4 741	**57 819**
Net result	**8 276**	**13 623**	**3 506**	**25 406**	**7 947**	**27 877**	**3 558**	**39 382**
Total comprehensive income	**8 276**	**13 623**	**3 506**	**25 406**	**7 947**	**27 877**	**3 558**	**39 382**
Odfjell owner interest	2 069	6 948	1 753	**10 770**	1 987	14 217	2 360	**18 564**
Depreciation excess values net of deferred tax	(1 120)	(806)	—	**(1 926)**	(1 356)	(4 514)	—	**(5 870)**
Group's share of profit for the year	**949**	**6 142**	**1 753**	**8 844**	**631**	**9 703**	**2 360**	**12 694**
Dividend received	1 496	—	1 327	**2 823**	1 330	—	1 353	**2 683**
Non-current assets	131 357	337 922	87 719	**556 998**	107 432	314 565	93 114	**515 111**
Current assets	17 995	41 268	6 260	**65 522**	14 245	53 831	5 934	**74 010**
Total assets	**149 351**	**379 190**	**93 979**	**622 520**	**121 677**	**368 396**	**99 048**	**589 121**
Non-current liabilities	77 048	233 065	3 494	**313 608**	49 984	233 187	7 766	**290 936**
Current liabilities	22 184	40 208	9 049	**71 441**	24 866	37 616	7 823	**70 305**
Total liabilities	**99 232**	**273 273**	**12 543**	**385 049**	**74 850**	**270 803**	**15 589**	**361 241**
Total equity closing balance	**50 119**	**105 245**	**81 436**	**236 800**	**46 826**	**96 899**	**83 273**	**226 999**
Odfjell owner interest	12 530	53 675	40 122	**106 327**	11 707	49 418	40 962	**102 086**
Excess values	26 811	37 945	—	**64 756**	26 954	38 751	—	**65 705**
Carrying amount	**39 341**	**91 620**	**40 122**	**171 083**	**38 660**	**88 169**	**40 961**	**167 791**
Capital expenditure, Odfjell share	(8 851)	(30 668)	(1 004)	**(40 523)**	(4 410)	(27 662)	(1 244)	**(33 316)**

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 Odfjell Antwerp Terminals NV. Tank Terminals USA represent the summarized financial information from the consolidated US Holdings Inc for the whole year. Similar, Tank Terminals Asia represent the summarized financial information from the consolidated Odfjell Terminals Asia Holding Pte Ltd up to July 2022, and Odfjell Terminals Korea Co. Ltd for the whole year.

The Group received dividend from Noord Natie Odfjell Antwerp Terminals NV in 2023, USD 1.5 million (USD 1.3 million in 2022), and from Odfjell Terminals Korea Co. Ltd in 2023, USD 1.3 million (USD 1.4 million in 2022).

(USD 1000)	2023	2022
Loan to/from associates and joint ventures	—	—

All transactions between the Group, Joint Ventures and Associates are considered being at commercial reasonable market terms.

Note 28

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 2023 and 2022, neither the parent company nor its consolidated subsidiaries were involved in disputes etc. where the likely outcome could be material for the Group.

Note 29

OTHER OPERATING INCOME/EXPENSES

Other operating expenses in 2022 primarily relates to expenses incurred in Group restructurings.

Note 30

IMPACT FROM THE WAR IN UKRAINE

Following the conflict in Ukraine, the EU and Western countries imposed a number of sanctions against Russian companies, individuals, and products. These sanctions are complicated and rapidly evolving. Breach of the sanctions could have serious consequences. Odfjell has taken a strict stance, refusing to operate in the Black Sea or engage in trade with Russia, Russian individuals/owners, or Russian cargo. To ensure that we comply with sanctions, we have updated our sanctions policies and procedures. We have also used external assistance to ensure that we are doing enough due diligence to keep us safe and to support the sanctions' goal.

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.

On February 8 2024, the Board approved, based on proxy granted by the General Meeting, a dividend of USD 0.63 per share, totaling USD 49.7 million. The dividend was paid out February 21, 2024.

Note 32

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
2023	10.56	10.20	1.08	1.11	1.34	1.32
2022	9.60	9.91	1.05	1.07	1.38	1.34

Financial statements and notes, Odfjell SE

Statement of profit or loss and other comprehensive income

(USD 1 000)	Note	**2023**	2022
STATEMENT OF PROFIT OR LOSS			
Operating revenue (expenses)			
Gross revenue		—	—
General and administrative expenses	6, 11	(8 209)	(8 830)
Operating result (EBIT)		**(8 209)**	**(8 830)**
FINANCIAL INCOME (EXPENSES)			
Reversal impairment shares	12	53 400	—
Income on investment in subsidiaries and joint ventures	8	1 686	48 800
Interest income	8	5 398	1 840
Interest expenses	8	(25 589)	(24 053)
Other financial items	8	19 208	12 965
Currency gains (losses)	9	(11 928)	20 748
Net financial items		**42 175**	**60 299**
Result before taxes		**33 967**	**51 469**
Income taxes	4	—	—
Net result		**33 967**	**51 469**
Total comprehensive income		**33 967**	**51 469**

Statement of financial position

Assets as per December 31 (USD 1 000)	Note	**2023**	2022
Non-current assets			
Shares in subsidiaries	12	939 218	885 818
Loans to Group companies and joint ventures	10	4 382	3 939
Derivative financial instruments	2	4 384	9 056
Total non-current assets		**947 984**	**898 813**
Current assets			
Current receivables		591	620
Derivative financial instruments		5 259	5 123
Receivables from Group companies and joint ventures	15	11 090	25 158
Other current financial assets		—	12 935
Cash and bank deposits	15	79 276	68 539
Total current assets		**96 216**	**112 375**
Total assets		**1 044 200**	**1 011 187**
Equity and liabilities as per December 31	Note	**2023**	2022
Equity			
Share capital	5,13	27 764	29 425
Treasury shares	5,13	(959)	(2 486)
Share premium	5	172 388	172 388
Other equity	5	397 425	459 648
Total shareholders' equity		**596 618**	**658 974**
Non-current liabilities			
Derivatives financial instruments	2	1 120	8 168
Long-term interest-bearing debt	3	82 884	85 018
Total non-current liabilities		**84 004**	**93 186**
Current liabilities			
Derivative financial instruments	2	16 399	22 654
Current portion of long term interest-bearing debt	3	—	115 119
Other current liabilities		1 150	2 586
Loans from Group Companies	15	346 030	118 668
Total current liabilities		**363 578**	**259 028**
Total liabilities		**447 582**	**352 213**
Total equity and liabilities		**1 044 200**	**1 011 187**
Guarantees	14	734	747

The Board of Directors of Odfjell SE, Bergen, March 21, 2024

LAURENCE WARD ODFJELL, CHAIR · CHRISTINE RØDSÆTHER · JANNICKE NILSSON

NILS PETTER DYVIK · ERIK NYHEIM · TANJA EBBE DALGAARD · HARALD FOTLAND, CEO

Statement of cash flow

(USD 1 000)	**2023**	2022
CASH FLOW FROM OPERATING ACTIVITIES		
Result before taxes	33 967	51 469
Taxes paid	—	—
Change in fair value of available-for-sale investments	—	4 480
Reversal of impairment shares in subsidiaries	(53 400)	—
Effect of currency loss/(gain)	13 186	(19 628)
Unrealized changes in derivatives	(8 768)	(9 701)
Gain from sale of shares	(2 658)	—
Dividends and (gain)/loss from sale of shares	(1 686)	(40 762)
Other short-term accruals	(987)	125
Net cash flow from operating activities	**(20 346)**	**(14 017)**
CASH FLOW FROM INVESTING ACTIVITIES		
Dividend received	1 686	40 762
Sale of available for sale investments	15 528	—
Loans to/from subsidiaries	240 986	92 746
Net cash flow from investing activities	**258 200**	**133 508**
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of interest-bearing debt	(130 794)	(58 329)
Dividend payment	(96 646)	(26 250)
Repurchase/sale of treasury shares	322	236
Net cash flow from financing activities	**(227 118)**	**(84 343)**
Effect on cash balances from currency exchange rate fluctuations	—	(2 047)
Net change in cash balances	**10 737**	**33 101**
Cash balances as per January 1	68 539	35 438
Cash balances as per December 31	**79 276**	**68 539**

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, 2023:

(USD 1000)	Other current financial assets through profit and loss	Derivatives held as hedge instrument [1]	Derivatives at fair value through profit and loss	Financial assets at amortized cost	Financial liabilities at amortized cost	Non-financial assets/ liabilities	Carrying amount 2023
ASSETS							
Cash and cash equivalents	—	—	—	79 276	—	—	79 276
Other current financial assets	—	—	—	—	—	—	—
Derivative financial instruments	—	9 643	—	—	—	—	9 643
Current receivables	—	—	—	11 681	—	—	11 681
Loan to Group companies	—	—	—	4 382	—	—	4 382
Other non-financial assets	—	—	—	—	—	939 218	939 218
Total assets	**—**	**9 643**	**—**	**95 339**	**—**	**885 818**	**1 044 200**
LIABILITIES							
Other current liabilities	—	—	—	—	1 150	—	1 150
Loan from subsidiaries	—	—	—	—	346 030	—	346 030
Derivative financial instruments	—	—	17 519	—	—	—	17 519
Interest-bearing debt	—	—	—	—	82 884	—	82 884
Total liabilities	**—**	**—**	**17 519**	**—**	**430 063**	**—**	**447 582**

Classification of financial assets and liabilities as at December 31, 2022:

(USD 1000)	Other current financial assets through profit and loss	Derivatives held as hedge instrument [1]	Derivatives at fair value through profit and loss	Financial assets at amortized cost	Financial liabilities at amortized cost	Non-financial assets/ liabilities	Carrying amount 2022
ASSETS							
Cash and cash equivalents	—	—	—	68 539	—	—	68 539
Other current financial assets	12 935	—	—	—	—	—	12 935
Derivative financial instruments	—	14 179	—	—	—	—	14 179
Current receivables	—	—	—	25 777	—	—	25 777
Loan to Group companies	—	—	—	3 939	—	—	3 939
Other non-financial assets	—	—	—	—	—	885 818	885 818
Total assets	**12 935**	**14 179**	**—**	**98 255**	**—**	**885 818**	**1 011 187**
LIABILITIES							
Proposed dividend	—	—	—	—	2 586	—	2 586
Other current liabilities	—	—	—	—	118 668	—	118 668
Loan from subsidiaries	—	—	30 822	—	—	—	30 822
Derivative financial instruments	—	—	—	—	200 137	—	200 137
Total liabilities	**—**	**—**	**30 822**	**—**	**321 391**	**—**	**352 213**

[1] Items measured at fair value.

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.

The Group's bond debt constitutes one bond, ODF11, with a carrying amount of USD 83 million (NOK 850 million). The market value per December 31, 2023, was USD 87 million. The bond was swapped at issuance to USD 100 million. The carrying amount and market value of the two bonds outstanding per December 31, 2022, ODF 10 and ODF 11, were total USD 184 million and total USD 189 million. ODF10 matured in September 2023. The carrying amount and market value per December 31, 2022 for this bond was USD 98 million and USD 100 million respectively. ODF10 was swapped to USD 113 million.

(USD 1 000)		**2023**		2022
Recurring fair value measurement	Level 1	Level 2	Level 1	Level 2
FINANCIAL ASSETS AT FAIR VALUE:				
Derivatives instruments - hedging	—	9 643	—	14 179
FINANCIAL LIABILITIES AT FAIR VALUE:				
Bond debt	86 754	—	188 884	—
Derivatives instruments - hedging	—	—	—	—
Derivatives instruments - non-hedging	—	17 519	—	30 822

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 6 in the Group Financial Statements for more details regarding risk management.

Below overview shows status of hedging exposure per December 31, 2023 (figures in 1 000):

(USD 1 000)					**Time to maturity – USD amounts**			
Interest rates	**Sold**		**Avg. rate 3)**	**MTM 1)**	**<1 year**	**1-5 years**	**>5 years**	**Total**
Cash flow hedge, interest rate swaps	USD 300 000		2.32%	9 643	—	300 000	—	300 000

					Time to maturity – USD amounts			
Cross currency interest rate swaps	**Sold**		**Avg. rate 3)**	**MTM 1)**	**<1 year**	**1-5 years**	**>5 years**	**Total**
Fair value/Non hedge 2)	USD 213 400	From NOK to USD	6.39%	(17 519)	—	100 000	—	100 000

Below overview shows status of hedging exposure per December 31, 2022 (figures in 1 000):

(USD 1 000)					**Time to maturity – USD amounts**			
Interest rates	**Sold**		**Avg. rate 3)**	**MTM 1)**	**<1 year**	**1-5 years**	**>5 years**	**Total**
Cash flow hedge, interest rate swaps	USD 300 000		2.59%	14 179	—	300 000	—	300 000

					Time to maturity – USD amounts			
Cross currency interest rate swaps	**Sold**		**Avg. rate 3)**	**MTM 1)**	**<1 year**	**1-5 years**	**>5 years**	**Total**
Fair value/Non hedge 2)	USD 213 400	From NOK to USD	9.84%	(30 822)	113 400	100 000	—	213 400

1) Mark to market valuation
2) Related to NOK bonds issued by Odfjell SE
3) SOFR adjusted by way of ISDA fallback or bilateral conversion agreements

Negative value MTM of the cross currency swap related to the outstanding bond loan swapped to USD 100 million (USD 213 million in 2022), amounts to USD 17.5 million per December 31, 2023 (USD 30.9 million in 2022). Accumulated currency gain booked related to the same bond loan per December 31, 2023 amounts to USD [16.0] million (USD 8.0 million in 2022).

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)	**2023**	2022
Currency	1 154	(1 250)
Derivative financial instruments	1 154	(1 250)

Note 3

INTEREST-BEARING DEBT

Long-term debt per December 31, 2023 consists of one unsecured bond issued in the Nordic bond market. Interest is based on floating US SOFR. 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)	**2023**	2022
Mortgage loans from finance institutions		—	16 700
Bonds – unsecured	11.71%	83 313	184 221
Subtotal interest-bearing debt	**11.71%**	**83 313**	**200 921**
Debt transaction fees		(429)	(783)
Total interest-bearing debt		**82 884**	**200 137**
Current portion of long term interest-bearing debt		—	(115 119)
Total non-current interest-bearing debt		**82 884**	**85 018**

1) Average interest rate is the weighted average of interest rates, excluding hedging, as per end of 2023.

Maturity of interest-bearing debt as per December 31, 2023:

(USD 1 000)	2024	2025	2026	2027	2028	2029+	Total
Mortgage loans from financial institutions	—	—	—	—	—	—	—
Bonds – unsecured 1)	—	83 313	—	—	—	—	83 313
Sub total interest-bearing debt	**—**	**83 313**	**—**	**—**	**—**	**—**	**83 313**
Estimated interest payable	11 603	2 817	—	—	—	—	14 420
Total interest-bearing debt	**11 603**	**86 130**	**—**	**—**	**—**	**—**	**97 733**

Maturity of interest-bearing debt as per December 31, 2022:

(USD 1 000)	**2023**	2024	2025	2026	2027	2028+	Total
Mortgage loans from financial institutions	16 700	—	—	—	—	—	16 700
Bonds – unsecured 1)	98 419	—	85 801	—	—	—	184 221
Sub total interest-bearing debt	**115 119**	**—**	**85 801**	**—**	**—**	**—**	**200 921**
Estimated interest payable	20 147	10 849	2 576	—	—	—	33 573
Total interest-bearing debt	**135 267**	**10 849**	**88 378**	**—**	**—**	**—**	**234 494**

1) Values excluding hedging effects from interest 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 1.1 years (1.3 years in 2022).

Long term interest-bearing loans to and from subsidiaries:

	Currency	Average interest rate	2023	2022
Loans from Group companies	USD	4.61%	7 319	7 053
Loans to Group companies	USD	11.10%	4 382	3 939

Loans to and 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)	2023	2022
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)	2023	2022
Result before taxes	33 967	52 041
Permanent differences	(59 488)	(75 679)
Changes temporary differences	(8 281)	(5 668)
Basis taxes payable	**(33 802)**	**(29 306)**
Group contribution with tax effect (received)	—	9 721
Utilization of carried forward losses	—	—
Losses brought forward	33 802	19 585
Basis taxes payable after Group contribution	**—**	**—**

Specification of deferred taxes (deferred tax assets):

(USD 1 000)	2023	2022
Non-current assets	740	847
Other long-term temporary differences	965	1 242
Financial instruments/finance expenses	1 230	(16 312)
Tax-loss carried forward	(320 327)	(202 182)
Non-deductible interest	(43 668)	(29 801)
Net temporary differences	**(361 060)**	**(246 206)**
Tax rate	22%	22%
Total deferred tax (deferred tax assets)	(79 433)	(54 165)
Total deferred tax assets not recognized	79 433	54 165
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	Other equity	Total equity
Shareholders' equity as per December 31, 2022	**29 425**	**(2 504)**	**172 388**	**544 408**	**743 716**
Comprehensive income	—	—	—	—	—
Sale of treasury shares	—	18	—	218	236
Dividend paid	—	—	—	(26 250)	(26 250)
Net result	—	—	—	51 469	51 469
Liquidation/sale of subsidiaries [1]	—	—	—	(110 196)	(110 196)
Shareholders' equity as per December 31, 2022	**29 425**	**(2 486)**	**172 388**	**459 648**	**658 974**
Comprehensive income	—	—	—	—	—
Sale/deletion of treasury shares	(1 661)	1 528	—	456	322
Dividend paid	—	—	—	(96 646)	(96 646)
Net result	—	—	—	33 967	33 967
Shareholders' equity as per December 31, 2023	**27 764**	**(959)**	**172 388**	**397 425**	**596 618**

[1] The liquidation of the subsidiaries Odfjell Chemical Tankers Bermuda Ltd. and Odfjell Gas Shippowning AS were accounted for with continuity in book values. The difference between the book value of shares in subsidaries and assets and liabilities assumed in the transactions resulted in a negative adjustment of 110.2 million USD booked against other equity.

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, 2023.

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 7.7 million (USD 6.6 million in 2022).

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.

On February 8, 2024, the Board approved, based on proxy granted by the General Meeting, a dividend of USD 0.63 per share, totaling USD 49.7 million. The dividend was paid out February 21, 2024.

Refer to note 31 in the Group financial statements for subsequent events for the Group as a whole.

Note 8

FINANCIAL INCOME AND EXPENSES

(USD 1 000)	2023	2022
Reversal impairment shares	53 400	—
Dividend/Sale of shares/Group contribution	1 686	48 800
Inter-company interest income	443	237
Other interest income bank deposit	4 955	1 603
Total interest income	**5 398**	**1 840**
Inter-company interest expenses	(242)	(349)
Interest expenses, loans	(25 347)	(23 705)
Total interest expenses	**(25 589)**	**(24 053)**
Guarantee income from related company	7 264	7 994
Sale of shares and other financial income	3 615	689
Other financial expenses	(47)	(5 419)
Financial assets and liabilities at fair value through net result	8 376	9 701
Sum other financial income/expenses	**19 208**	**12 965**
Net currency gains (losses) - see note 9	(11 928)	20 748
Net financial items	**42 175**	**60 299**

Note 9

CURRENCY GAINS (LOSSES)

(USD 1 000)	**2023**	2022
Non-current receivables and debt	10 724	25 976
Cash and cash equivalents	937	(2 047)
Other current assets and current liabilities	(23 589)	(3 181)
Total currency gains (losses)	**(11 928)**	**20 748**

Note 10

LOANS TO GROUP COMPANIES

(USD 1 000)	Currency	**2023**	2022
Odfjell Chemical Tankers AS	USD	4 382	3 939
Total loans to Group companies and joint ventures		**4 382**	**3 939**

Note 11

SALARIES, NUMBER OF EMPLOYEES, BENEFITS TO BOARD OF DIRECTORS, CEO, OTHER MEMBERS OF THE MANAGEMENT GROUP AND AUDITOR'S REMUNERATION

For 2023 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 2023:

(USD 1 000)	Compensation	Other benefits	Total
Laurence Ward Odfjell (Chair)	104	–	104
Nils Petter Dyvik	53	–	53
Åke Gregertsen	52	–	52
Jannicke Nilsson	45	–	45
Åse Aulie Michelet	45	–	45
Christine Rødsæther	43	–	43
Total	**342**	**–**	**342**

Auditor's remuneration (exclusive of VAT):

(USD 1 000)	**2023**	2022
Statutory auditing	168	194
Other assurance services	26	–
Tax advisory services	–	–
Non-audit services	–	–
Total remuneration	**194**	**194**

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 2023	Equity 2023
Odfjell Argentina SA [1]	Argentina	90%	129	–	195
Odfjell Brasil - Representacoes Ltda	Brazil	100%	983	253	1 415
Odfjell Terminals BV [2]	Netherlands	100%	199 172	8 844	171 083
Norfra Shipping AS	Norway	100%	694 630	11 592	659 661
Odfjell Insurance & Properties AS	Norway	100%	6 090	335	18 875
Odfjell Management AS	Norway	100%	21 858	3 615	26 916
Odfjell Maritime Services AS	Norway	100%	1 929	(153)	627
Odfjell Tankers AS	Norway	100%	9 858	622	6 975
Odfjell Peru	Peru	100%	195	–	70
Odfjell Management (Philippines) Inc	Philippines	100%	2 600	194	2 156
Odfjell Singapore Pte Ltd	Singapore	100%	13	277	1 184
Odfjell Korea Ltd	South Korea	100%	43	(73)	(125)
Odfjell Middle East DMCC	United Arab Emirates, Dubai	100%	1 717	80	758
Odfjell USA (Houston) Inc	USA	100%	–	1 744	8 795
Total			**939 218**		

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).

The Company has tested investments for impairment in accordance with requirements in IAS 36. No impairment has been recognized for 2023. In 2023 Odfjell SE made a reversal of previous impairment loss of USD 53.4 million related to shares in subsidiaries.

Note 13

SHARE CAPITAL AND INFORMATION ABOUT SHAREHOLDERS

	Number of shares	Nominal value (NOK)	(NOK 1 000) **2023**	(NOK 1 000) 2022
A-shares	60 463 624	2.50	151 159	164 226
B-shares	19 256 222	2.50	48 141	52 697
Total	**79 719 846**		**199 300**	**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, 2023 according to VPS:

	Name	A shares	B shares	Total	Percent of votes	Percent of shares
1	Norchem A/S	25 966 492	7 061 148	33 027 640	43.09%	41.43%
2	Stolt-Nielsen Norway AS	5 008 612	5 055	5 013 667	8.31%	6.29%
3	Pareto Aksje Norge Verdipapirfond	2 907 955	1 276 076	4 184 031	4.83%	5.25%
4	Rederiet Odfjell AS	3 497 472	—	3 497 472	5.80%	4.39%
5	Farvatn II AS	3 225 000	—	3 225 000	5.35%	4.05%
6	B.O. Steen Shipping AS	250 000	1 886 300	2 136 300	0.41%	2.68%
7	Rederiet Jacob Christensen AS	1 617 104	405 868	2 022 972	2.68%	2.54%
8	Holmen Spesialfond	2 000 000	—	2 000 000	3.32%	2.51%
9	Credit Suisse (Switzerland) Ltd. [1]	1 331 303	643 500	1 974 803	2.21%	2.48%
10	Agnete Berger	892 400	464 800	1 357 200	1.48%	1.70%
11	Carl Berger	891 500	460 900	1 352 400	1.48%	1.70%
12	Svenska Handelsbanken AB [1]	685 905	415 580	1 101 485	1.14%	1.38%
13	Forsvarets Personellservice	1 026 700	—	1 026 700	1.70%	1.29%
14	Eriko AS	169 484	750 516	920 000	0.28%	1.15%
15	Odfjell SE	200 000	500 000	700 000	[2]	0.88%
16	Meteva AS	—	700 000	700 000	—	0.88%
17	Petter Goldenheim	168 000	382 000	550 000	0.28%	0.69%
18	Frode Tobiasson	369 774	169 577	539 351	0.61%	0.68%
19	Norchem Lwo Holding AS	—	463 012	463 012	—	0.58%
20	Kontrari AS	158 728	255 448	414 176	0.26%	[1] 0.52%
	Total 20 largest shareholders	**50 366 429**	**15 839 780**	**66 206 209**	**83.24%**	**83.05%**
	Other shareholders	10 097 195	3 416 442	13 513 637	16.76%	16.95%
	Total	**60 463 624**	**19 256 222**	**79 719 846**	**100.00%**	**100.00%**
	International shareholders	31 806 778	9 883 100	41 689 878	52.78%	52.3%
	Treasury shares [2]	200 000	500 000	700 000	—	0.88%

[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, 2023, see text in section Shareholder Information. See note 25 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)	**2023**	2022
100% owned subsidiaries (credit facilities)	733 697	743 643
100% owned subsidiaries (third party guarantees)	—	3 000
Total guarantees	**733 697**	**746 643**

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.

Per December 31, 2023, the Company has issued guarantees on behalf of 100% owned subsidiaries for credit facilities totaling USD 734 million (USD 747 million in 2022).

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 statement.

Responsibility statement

We confirm that, to the best of our knowledge, the financial statements for the period January 1 to December 31, 2023, 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 perforce 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 21, 2024

LAURENCE WARD ODFJELL, CHAIR

CHRISTINE RØDSÆTHER | JANNICKE NILSSON | NILS PETTER DYVIK

ERIK NYHEIM | TANJA EBBE DALGAARD | HARALD FOTLAND, CEO

Auditor's report

Statsautoriserte revisorer
Ernst & Young AS

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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 2023, 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 2023, consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended and notes to the financial statements, including material accounting policy information.

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 2023 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 2023 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting 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 38 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 2023. 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.

Revenue recognition of voyages in progress at year end

Basis for the key audit matter

The Group's total gross revenues amounted to USD 1 194 million as of 31 December 2023. Gross revenues consist of freight revenues and variable considerations, with demurrage being a material variable consideration. As per 31 December 2023 the Group recognized gross revenues of USD 78 million related to voyages in progress at year end. The remaining freight services (performance obligation) for voyages in progress at year end, to be recognized in 2024, amounted to USD 76 million.

The Group recognizes freight revenue over time from the load port to discharge port. Key estimate for recognizing freight revenues for voyages in progress at year end is the number of days sailed from load port compared to the total estimated days until discharge port. Demurrage (based on contracted price terms and estimated excess time taken to discharge or load) are being recognized when highly probable. Estimates relates to the excess time taken to load or discharge cargo, and number of days from the delay occur to the discharge port.

Considering the estimation uncertainty, the magnitude of such revenues on the group consolidated financial statement, we have determined revenue recognition of voyages in progress at year end as a key audit matter.

Our audit response

We re-calculated the client's calculation of accrued revenues for all voyages in progress at year end. We tested completeness and accuracy of data used in the calculation, such as freight revenues, demurrage and days in operation, to the Group's voyage system. Furthermore, we reconciled terms for recorded freight revenues back to charter contracts and Bill of Lading. For demurrage we agreed terms for recorded revenue back to charter contracts and vessel reports.

We assessed accuracy of management's estimates through a review of actual revenues from voyages in progress at year end 2022 against last year's forecast. In addition, we compared estimated revenues for voyages in progress at year end 2023 against updated revenues after the balance sheet date.

We refer to note 2.3, 3, and 23 of the consolidated financial statements.

Building a better working world

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 the other information is materially inconsistent with the financial statements, there is a material misstatement in this other information or that the information required by applicable legal requirements is not included in the board of directors' report, the statement on corporate governance or the statement on corporate social responsibility, we are required to report that fact.

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 of the financial statements of the Company that give a true and fair view in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible 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

Building a better working world

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.

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 the audit of the financial statements of Odfjell SE we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name odf-2023-12-31-en, have 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 pursuant to 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 the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

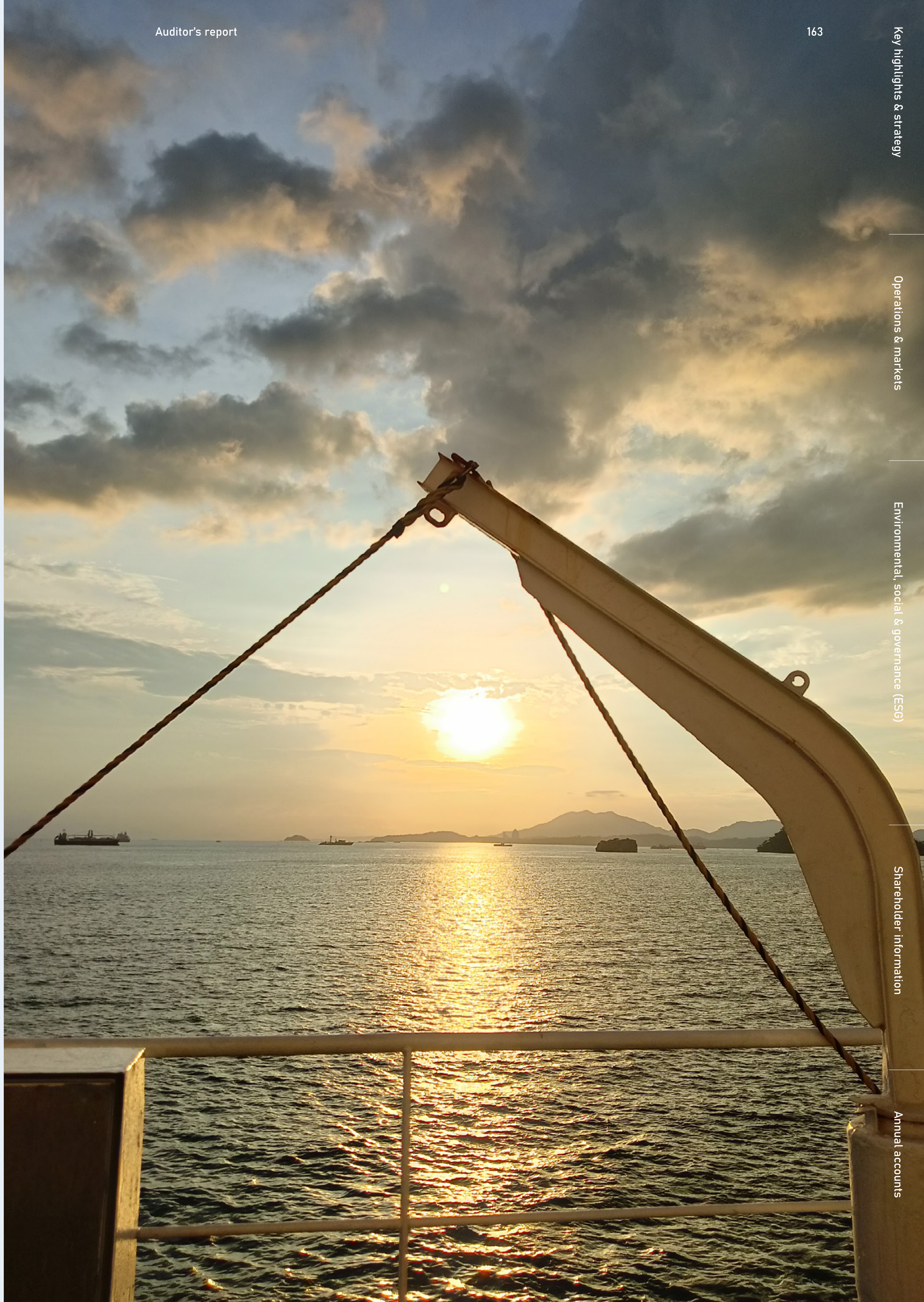
Auditor's responsibilities

Our responsibility, based on audit evidence obtained, 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. We conduct our work 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 about whether the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we perform procedures to obtain an understanding of the company's processes for preparing the financial statements in accordance with the ESEF Regulation. We test whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include 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, 21 March 2024
ERNST & YOUNG AS

Jørn Knutsen
State Authorised Public Accountant (Norway)



"Sustainability is not just a question of technology and decarbonization. It is ingrained in our everyday tasks, from port logistics and route planning to customer commitment and team culture."

DAN FOO
SENIOR SHIP BROKER

14 **YEARS IN ODFJELL**
ENTRY YEAR: 2010

ESG report

For our ESG reporting, we follow the guidance of the Norwegian Shipowners' Association and the Sustainability Accounting Standards Board (SASB) framework. The climate risk assessment follows the Taskforce on Climate-related Financial Disclosures (TCFD) framework, and the reporting is in line with the Euronext ESG reporting guidelines. In 2023, we have added the initial European Sustainability Reporting Standards (ESRS) references without making a claim to be complete. The ESG report has three parts: Environment, Social and Governance (incl. SASB Activity metrics).

We also report emissions to the EU Monitoring, Reporting and Verification (MRV), the IMO Data Collection System (DCS), the Carbon Disclosure Project (CDP) and the Poseidon Principles. We annually present Communication of Progress to the UN Global Compact and also report sustainability performance 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 2023, Odfjell's absolute CO_2 emissions decreased by 8.6% compared to 2022. 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 emissions via the EU MRV and the IMO DCS protocol according to required scope. Shipping emissions represent 98.7% of our total scope-1 emissions. Odfjell has set a target to have a zero-emission capable fleet by 2050. Vessels included in the emission calculations are all vessels operated by Odfjell, including time charter and pool vessels. The absolute number is sensitive to number of ships operated by Odfjell at any time.	1,170,139 metric tonnes CO_2 for operated fleet in 2023 compared to 1,279,741 for operated fleet in 2022, which is a reduction of 8.6% of absolute emissions.	SASB TR-MT-110a.1 GRI 305-1 SDG 13 CDP C6-C8 GHG Poseidon Principles IMO strategy on reduction of GHG emissions 2030-2050 IMO DCS EU MRV ESRS E1-6
	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 our total GHG emissions. Terminals represent 98.5% of our total scope-2 emissions.	12,041 metric tonnes CO_2 in 2023, compared to 8,877 in 2022.	GRI 305-2 SDG 13 CDP C6-C8 GHG Protocol ESRS E1-6
	SCOPE-3 GHG EMISSIONS Scope-3 emissions covers our upstream and downstream value chain emissions. Odfjell has since 2022 in additon to former reporting started to use a spend-based approach to measure scope-3 emissions in category 1 Purchased Goods and Services and category 3 Fuel-and energy-related activities (fuel production). Odfjell's former scope-3 emissions reporting included mainly category 5 Waste generated in operations, category 6 Business travel and category 7 Employee commuting. For this reason, the scope-3 emissions data from 2022 onwards are not comparable to former years. Our biggest scope-3 emissions source is related to production of fuel, and represent 86% of our scope-3 emissions. The calculated scope-3 emissions data on category 1 and 3 represent a confidence fraction of 97.4%. The project to calculate scope-3 category 1 and 3 emissions was accomplished by following the GHG Protocol methodology, more specifically in what refers the spend-based approach. We resort to the Simapro 9.5 software for data modulation, supported by Re-Flow, where we have access to Exiobase database to select the necessary emission factors for the spend-based approach. We have invested in multiple electrical charging stations at the headquarters in Bergen in order to incentivize the use of electrical cars for commuting.	861,498 metric tonnes CO_2 in 2023, compared to 890,707 metric tonnes in 2022. Please see details on scope-3 emissions on our website Odfjell.com.	GRI 305-4 SDG 13 GHG Protocol ESRS E1-6

Topic	Accounting metric	Unit	Ref
	GHG EMISSIONS 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. The IMO guidelines are applied to the CII calculation of the attained annual operational CII. Odfjell has set a climate target to improve carbon intensity (using AER) by 50%, by 2030, compared to 2008 baseline. This represents a GHG scope-1 emission reduction target. *Operated fleet – vessels commercially operated and/or managed by Odfjell, controlled fleet – operated vessels excl. TC/Pool vessels and incl. owned vessels operated by others.	In 2023, Odfjell improved its AER for the operated fleet* by 4.6% to 7.55, compared to 2022 (7.91). For the controlled fleet* AER improved by 5.8% to 7.15, compared to 2022 (7.59). In 2023, the EEOI level for the operated fleet was 14.42, compared to 13.80 in 2022.	GRI 305-4 SDG 13 CDP C-TS6/C-TS8 Poseidon Principles ESRS E1-6
	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 set ambitious climate targets that go beyond those set by the IMO. Odfjell's climate targets are approved by the Board of Directors. Our climate targets are: 1. We will cut greenhouse gas emission by 50% by 2030, compared to 2008 (intensity target for carbon, measured in Annual Efficiency Ratio of CO_2) 2. We are dedicated to pursuing a zero-emission strategy, and will only order newbuildings with zero-emission capable technology 3. We will have a zero-emission-capable fleet from 2050 4. We will actively support initiatives to develop technology and infrastructure for decarbonization, energy efficiency and support international regulation to drive zero emission for our industry and our value chain By setting ambitious climate targets, Odfjell is committed to reducing GHG emissions. In 2022 we have reduced carbon intensity by 49% compared to IMO baseline for 2008, and we expect to achieve the 50% reduction target in 2023. We are in process to set new intensity targets going forward. Scope-2 emissions represent less than 1% of our total GHG emissions, 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 2022, we are ahead of target to achieve our 2030 carbon intensity reduction goals. Our target is to reduce 50% carbon intensity by 2030.	SASB TR-MT-110a.2 GRI-DMA 305-1 GRI 305-5 SDG 13 GHG IMO strategy on reduction of GHG emissions 2030-2050 Odfjell Sustainability Linked Finance Framework
	CLIMATE RISK REPORTING Odfjell conducts climate risk assessments and reporting in line with Task Force on Climate-related Financial Disclosures (TCFD) and the Non-financial Reporting Directive. This assessment is updated and available on our website here. The nature risk assessment follows the Taskforce on Nature-related Financial Disclosures (TNFD) framework.		TCFD GRI 201-2 SDG 13 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 2023 was as follows: • 0% HFO (5.10% in 2022) • 17.17% MGO (17.53% in 2022) • 82.83% VLSFO (77.37% in 2022) 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.	1) Total energy consumption of 15,596,681 GJ in 2023, compared to 17,020,121 GJ in 2022. 2) 0% Heavy Fuel in 2023. 3) 25.6% Renewable/ Low carbon electricity consumption in 2023, compared to 13.5% in 2022.	SASB TR-MT-110a.3 GRI 302-1 SDG 13 CDP C8 ESRS E1-5
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. 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. 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 2023 were 2,846 tonnes, down from 3,131 in 2022. Sulphur emission, based on total fuel consumption, was 1,425 tonnes, down from 1,568 tonnes in 2022.	SASB TR-MT-120a.1 GRI 305-7 SDG 3 ESRS E1-6

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 2023, Odfjell has 43 ships that fall within the scope of the requirements and of those, 41 have BWTS installed. One ship operate with flag dispensation due to cabotage trade and one is scheduled for installation in February 2024. 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. Marpol Annex V is strictly enforced on our vessels by company procedures and all have their ship specific Garbage Management Plan (GMP). The GMP includes familiarization/training of personnel, posters to be displayed and detailed process for garbage disposal with record keeping requirements. All garbage is segregated onboard with dedicated containers for plastics, food wastes, domestic wastes, used cooking oil, incinerator ashes and electronic waste. Further to these measures we have also implemented garbage compactors on all our vessels to further improve handling and recycling. As for operational wastes and mooring-lines, this is collected and delivered to reception facilities. 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 2023, 95% of our fleet was fitted with BWTS. All ships in scope will be fitted by March 2024.	International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM) ESRS E2
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.	No ship was sold for recycling in 2023.	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 ESRS E5
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 UN Environment Programme World Conservation Monitoring Centre (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 5,376 days in ECA areas (including days in port), representing 21.7% of total days (including days in port).	SASB TR-MT-160a.1 SDG 14 GRI 304-2 Annex VI of the 1997 MARPOL Protocol UNEP World Conservation Monitoring Centre (UNEP WCMC) ESRS E2
	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, investments in the installations and additional operational training. There was no pollution outside the terminals caused by spills in 2023. Terminals are complying with the regulations mentioned in their permits.	35 registered spills (25 in 2022) contained on board and two pollutions of the environment in 2023 on our managed ships. Terminals' number of spills > 5 liters was 16 (15 in 2022). LOPC (Loss of Primary Containment) was 28 (26 in 2022).	SASB TR-MT-160a.3 SDG 14 GRI 306-3 ESRS E2-4

Topic	Accounting metric	Unit	Ref
Sustainable Procurement	Sustainable procurement is important to Odfjell, our suppliers are assessed through a combination of prequalification, annual performance meetings, supplier visits, audits, checklists, questionnaires, and our Suppliers Conduct Principles (CSCP). The extent of the assessment is depending on the supply risk, criticality, and profit impact. Odfjell is also a member of a procurement collaboration that screens suppliers on ethics, the environment, and human rights, accounting for 25% of total procurement volume at ship management. Odfjell reports into the EcoVadis platform and has a silver rating for 2023. Every year, we reports our 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. In 2023 we started reporting scope-3 emissions using a spend-based methodology, and going forward we are aiming to challenge our suppliers on an activity-based approach. We conducted ESG screening & risk assessment and classified our suppliers concerning further investigation required. Following the new Transparency Act, Odfjell will increase follow up, audits and cooperation with suppliers on Human Rights in the value chain and improve our supplier monitoring with new ESG questionnaire and dashboards.	100% of targeted suppliers have signed the CSCP. 80% of targeted suppliers with contracts have included clauses on environmental, labor, and human rights requirements. 75% of targeted suppliers have gone through a ESG assessment (e.g. questionnaire). 32% of targeted suppliers have gone through a CSR (ESG) on-site audit. 100% of buyers across all locations have received training on sustainable procurement.	ESRS G1-2

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 incidents * 1,000,000 / number of Exposure Hours. LTIF for terminals (including contractors) is calculated as lost time injuries * 200,000 / total hours worked. LTI is a KPI in the incentive system for shore-based personnel.	For 2023 LTIF for our managed fleet is 0.09 compared to 0.45 in 2022. LTIF for our terminals, managed and operated by Odfjell, is 0 in 2023, compared to 0.44 in 2022.	SASB TR-MT-320a.1 GRI 403-9 IMO ISM Code SDG 8 ESRS S1
	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, our contractors 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. For all operations, 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 Terminals has implemented a minimum target of safety observation rounds (SOR) per employee, per month at our terminals. Throughout the year, multiple targeted safety initiatives were rolled out across the terminal platform including; revised training and trainee program at Odfjell Terminals Houston and implementation of near-miss reporting at Odfjell Terminals Korea. A contractor safety management system is in place at our terminals. Total Recordable Case Frequency (TRCF) for ships is calculated as number of total recordable cases * 1,000,000 / number of exposure hours. Total Recordable Injury Frequency (TRIF) for terminals is calculated as number of total recordable injuries* 200,000 / total hours worked.	TRCF for our managed fleet is 0.69 in 2023 compared to 1.53 in 2022. TRIF for our terminals is 0 in 2023, compared to 0.66 in 2022.	IMO ISM Code ESRS S1
	TRAINING AND DEVELOPMENT In addition to attending a variety of external courses, conferences, and continuing education programs, employees at Odfjell have attended industry-specific leadership development programs in 2023, such as the Next Wave Maritime Leadership Program and WISTA's Maritime Mentorship Program. Our annual wheel for performance management ensures a one-on-one dialogue between our onshore employees and their direct manager. This is an opportunity to align the employee's objectives with organizational objectives to best support our overall strategic direction, and to enable employees to set individual development goals for competence development and training. For sea, our leadership courses and external assessments of senior officers are continuing. In 2023, we scheduled 4 Odfjell Leadership Training courses, 10 Elite Pro assessments and several Bridge Resource Management (BRM) and Engine Resource Management (ERM) training courses.		ESRS S1-13

Topic	Accounting metric	Unit	Ref
	DIVERSITY, EQUITY AND INCLUSION Odfjell promotes diversity, equity and inclusion (Social | Odfjell 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 strengthens our team and adds business value. We collaborate with industry networks in driving the diversity agenda, as we believe that this is a missed opportunity in our industry today. We support onshore and offshore career and recruiting initiatives that promote gender balance. We participate in industry mentoring programs and leadership programs. We have a goal to increase the ratio of females in leadership positions as well as graduate 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. Since 2020, Odfjell participates to the E&Y SHE index for Norway. We have since submitted data annually, and will report diversity status and progression under this framework. Our scores and ranking confirm 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 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). The workforce is sorted into four (4) levels. Each level comprises several sub-levels and thereby captures a wide scope of positions: • Executive and Leadership • Frontline 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.	Board of Directors of Odfjell SE is 50% female. Executive Management is 100% male. Total onshore 68% male/32% female employees in 2023, Total onboard 97% male/3% female seafarers in 2023, in Odfjell Management AS (shore-based employees HQ Bergen): 66% male/34% female (68/32% in 2022), Odfjell Maritime Services AS, Bergen (seafarers): 87% male/13% female (87/13% in 2022). SHE Index ranking Norway 2023: 65 out of 85 participants (65 out of 84 participants in 2022). Average income of women (basic salary and benefits): 61% of those for men. Average income of women (basic salary): 66% of those for men (all levels, total of 163 shore-based employees). On average in 2023, women in Odfjell Management AS took 8 weeks parental leave while men took 5 weeks. Less than 5 of the employees of Odfjell Maritime Services AS took parental leave, hence they are not shown.	GRI 405-1 SDG 5, 10 Norwegian Equality and Anti-Discrimination Act §26. ESRS 2 GOV-1 ESRS S1-9

Groups	Women's earning as % of men's earning	Total number of employees
Executive and leadership	Not disclosed - fewer than 5 women	26
Frontline management and senior professional	Not disclosed - fewer than 5 women	26
Professional	84%	95 (34 women, 61 men)
Business support	Not disclosed - fewer than 5 men	16
Total	**61%**	**163**

The total gender pay gap for the company is a reflection of the composition of the workforce, with men holding a greater share of senior-level positions.

Topic	Accounting metric	Unit	Ref
	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, onshore and at sea. Odfjell has established work councils and different workers representative committees with employee representatives and local management. In 2021 and 2023, we executed employee engagement surveys for all employees working onshore in shipping and terminals. The survey measured drivers of engagement and enablement, such as collaboration, confidence in leaders, and inclusion. 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. The performance management system (one-on-one dialogue) for our shore-based shipping organization ensures that managers and employees check in multiple times a year (at least annually) to discuss performance, and align on training, development, and objectives.	No labor rights incidents or legal actions were recorded in 2023. Employee turnover rate for 2023 is for Seafarers 3.4%, for the Headquarter Bergen 3.6% and for the biggest offices/terminal locations Manila 15.9%, Singapore 0%, São Paulo 18.2%, Houston 19.2%, Ulsan 3.2%	MLC 2006 GRI 102-41 SDG 8 ESRS S1-7 ESRS S1-6

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. Our policies on human rights are in line with The Norwegian Transparency Act. 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, an annual Human Rights Impact Assessment is carried out 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 provides Account of Human Rights Due Diligence pursuant to Section 4 of the Norwegian Transparency Act on our website. No ethical incidents were reported in or outside the reporting system, and no legal actions were taken against Odfjell on human or labor rights in 2023. Odfjell has not been involved in providing or enabling remedy, as no human or labor rights incidents were recorded in 2023.	No ethical or human rights incidents or legal actions were recorded in 2023. Please see separate report on our website Odfjell.com.	GRI 412 GRI 408 SDG 4, 8, 16 ILO Maritime Labour Convention (MLC) 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 ESRS S1-7
	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 STCW Code for seafarers
	PORT STATE CONTROL (PSC) 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 2023, Odfjell had 0.92 findings per PSC inspection by a sum of 104 inspections (0.83 in 2022). We had no detentions in 2023.	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).	None of our vessels have been involved in such incident in 2023.	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 events in 2023 were 0, compared to 1 in 2022.	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. 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. Odfjell SE, the parent company in the Odfjell Group of companies, is established and registered in Norway and is governed by Norwegian law, including laws and regulations pertaining to companies and securities. For more information please sse our Corporate Governance report.	Completion rate Code of Conduct sign-off (inc. Anti-corruption policy) conducted and tracked in 2023. Completion rate for the Competition Law Training conducted and tracked in 2023.	UK Bribery act Norwegian Code of Practice for Corporate Governance ESRS G1-3
	CORRUPTION RISK We measure and report number of port calls or net revenue in countries that rank in the bottom of Transparency International's Corruption Perception Index (CPI). We conduct an annual integrity risk assessment with all units resulting in a corruption risk map from which we devise an action plan on integrity incl. anti-corruption work for the company.	No port calls in countries that rank in the bottom of CPI in 2023.	SASB TR-MT-510a.1 SDG 16 ESRS G1-3
	FACILITATION PAYMENTS REQUESTS Odfjell has a mandatory reporting system for all port calls, where all request for facilitation payments are reported. The reports are discussed in the Integrity council every quarter and are registered in MACN's incident reporting system. Odfjell follows MACN's 'Say No' campaign for all ports. Please see also Anti-corruption and integrity framework above.	25 registered incidents compared to 25 in 2022.	SDG 16 ESRS G1-3
	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 training module and policy on AML and counter-terrorist financing. All relevant employees have to go through mandatory training and testing of AML risks and policy.	AML training conducted and tracked in 2023.	GRI 205-2 ESRS G1-3
	SANCTIONS Sanctions are measures imposed by governments and international bodies (such as the United Nations, the United States and the European Union) to restrict dealings with certain countries, entities and individuals. Odfjell maintain effective measures to ensure compliance with and awareness of our sanctions-related obligations in the due diligence process. The responsibility for sanctions screening lays in the concerned units: Commercial, Finance, Legal & Insurance. Odfjell has established a Sanctions screening process and procedure.		

Topic	Accounting metric	Unit	Ref
ESG Governance	**MAIN POLICIES** Corporate Strategy and Values, Code of Conduct, Health, Safety and Environmental Policy, Corporate Governance policy, Anti-corruption Policy, Human Rights Policy, Corporate Supplier Conduct Principles, Sanctions Policy, Antitrust/Competition Policy, Whistleblowing Policy, Security & Contingency Policy, Anti-Money Laundering & Counter-Terrorist Financing Policy and Data Privacy & Protection Policy are main policies among many others. All policies are approved by the Board of Directors. We also conduct or have access to supplier audits incl. ESG and audits of yards.	See our website Odfjell.com	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 UN's Sustainability Development Goals as a part of the strategy.	See our website Odfjell.com	
	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.	See our website Odfjell.com	IMO MARPOL OCIMF
Emergency Response	Odfjell has a Security & Contingency Policy in place including emergency response. Odfjell has dedicated teams and procedures for emergency notification and emergency response management teams (ERMT's). Odfjell conducts frequent emergency drills, with external facilitators. The emergency response procedures are audited according to ISM Code. Oil majors and hired experts will do the TMSA audit of the Emergency Response in accordance with OCIMF TMSA-3 Best Practice Guidance.		
Standards	International standardization continues to be a focus across the terminal organization, however not for the shipping sector (please see also Environmental Management System above). 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.	100% of terminals compliant with ISO 9001, ISO 14001 and CDI-T 33% of the terminals are ISO 45001 certified	ISO 9001 ISO 14001 CDI-T

Topic	Accounting metric	Unit	Ref
Whistleblowing	Odfjell has a whistleblowing policy and procedure, which describes the mechanisms for reporting and investigating concerns about unlawful behavior and behavior that contradicts our Code of Conduct. This includes an anonymous reporting hotline, available both internally and externally. The whistleblowing channel secures confidential and anonymous reporting to Odfjell of issues that should be brought to our attention, and where other reporting procedures cannot be used. The whistleblowing reporting system is provided by an external impartial, independent provider to ensure anonymity. The communication channel is encrypted and password protected. The cases are handled by Odfjell Compliance team. According to our Whistleblowing Policy, all employees shall have access to reliable channels for whistleblowing and protection from retaliations. Potential whistleblowers shall be protected from all forms of retaliation, disadvantage or discrimination at the workplace linked to or resulting from whistleblowing. Cases are categorized in the following categories Competition law or Antitrust, Corruption, Criminal offences, Environmental issues, Fraud, Harassment or Discrimination, Health & Safety, Human or Labor Rights, Insider trading, IT security or data privacy, Mismanagement, Other serious misconduct to Code of Conduct and Violations of applicable laws, rules, permits or regulations. 89% of the 9 reported cases are closed in 2023. There were no discrimination cases during 2023. One harassment case was handled during 2023.	Total 9 reports compared to 10 in 2022. One handled harassment case during 2023. 8 reports regarded not material.	ESRS G1-4
Executive pay	Executive pay policy is explained in the declaration in the annual report and separately reported on our webpage in the Report on salary and other remuneration to leading personnel in Odfjell SE. Short-Term Incentive programs are in place for the different parts of the business including incentives for the Executive Management and are approved annually by the Board of Directors. The incentive systems have ESG KPIs linked to safety targets (LTIF), Odfjell's climate targets (AER Controlled fleet), performance and financial results (EBIT, Net result, ROCE, Share price). Executive Management has in addition a Long-Term Incentive Program (LTIP). This program's KPIs are related to Share price, ROCE, and emission reduction (AER).	Please see separate report on our website Odfjell.com	Norwegian Code of Practice for Corporate Governance Ch. 12 ESRS S1-9
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. Odfjell commits to responsible tax practices. 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 will not participate in party political activity and will make no political contributions anywhere in the world. Odfjell does not make political donations.	None	Norwegian Code of Practice for Corporate Governance Ch. 12 ESRS G1-5

SASB Activity metrics

(according to Sustainability Accounting Standards Board (SASB) Standards, Operated fleet per December 31, 2023)

Topic	Accounting metric	Unit	Ref
Number of shipboard employees	1634	Number	TR-MT-000.A
Total distance traveled by vessel	4,003,070	Nautical miles (nm)	TR-MT-000.B
Operating days	24,931	Days	TR-MT-000.C
Deadweight tonnage	2,463	Thousand deadweight tonnes	TR-MT-000.D
Number of vessels in total shipping fleet	68	Number	TR-MT-000.E
Number of vessels port calls	2,438	Number	TR-MT-000.F
Twenty-foot equivalent unit (TEU) capacity	NA	TEU	TR-MT-000.G

Fleet overview

AS PER DECEMBER 31, 2023

Vessel type	Class	Chemical tankers	dwt	Built	Ownership	cbm	Stainless steel, cbm	Tanks
Super-segregator	POLAND	Bow Sea	49 511	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	Bareboat/Financial lease	52 222	52 222	40
Super-segregator	POLAND	Bow Spring	49 429	2004	Owned	52 252	52 252	40
Super-segregator	POLAND	Bow Sun	49 466	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	Bareboat/Financial lease	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	Bareboat/Financial lease	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	Bareboat/Financial lease	41 000	33 721	47
Super-segregator	KVAERNER	Bow Cecil	37 369	1998	Bareboat/Financial lease	41 000	33 721	47
Super-segregator	KVAERNER	Bow Clipper	37 455	1995	Owned	40 775	33 496	52
Super-segregator	CP 40	Bow Hercules	40 847	2017	Bareboat/Operational lease	44 085	44 085	30
Super-segregator	CP 40	Bow Gemini	40 895	2017	Bareboat/Operational lease	44 205	44 205	30
Super-segregator	CP 40	Bow Aquarius	40 901	2016	Bareboat/Operational lease	44 403	44 403	30
Super-segregator	CP 40	Bow Capricorn	40 929	2016	Owned	44 184	44 184	30
Super-segregator	HUDONG 49	Bow Orion	49 042	2019	Owned	55 186	55 186	33
Super-segregator	HUDONG 49	Bow Olympus	49 120	2019	Owned	55 186	55 186	33
Super-segregator	HUDONG 49	Bow Odyssey	49 100	2020	Owned	54 175	54 175	33
Super-segregator	HUDONG 49	Bow Optima	49 043	2020	Owned	55 186	55 186	33
Super-segregator	HUDONG 40	Bow Explorer	38 236	2020	Bareboat/Financial lease	45 118	45 118	40
Super-segregator	HUDONG 40	Bow Excellence	38 234	2020	Bareboat/Financial lease	45 118	45 118	40
Super-segregator	TC 35 X 28	Bow Persistent	36 225	2020	Bareboat/Operational lease	39 221	39 221	28
Super-segregator	TC 35 X 28	Bow Performer	35 118	2019	Time Charter/Operational lease	37 987	37 987	28
Super-segregator	TC 35 X 28	Bow Prosper	36 222	2020	Bareboat/Operational lease	39 234	39 234	28
Super-segregator	TC 35 X 28	Bow Precision	35 155	2018	Time Charter/Operational lease	36 668	36 668	26
Large Stainless steel	TC 33-35 x 16-18	Bow Harmony	33 619	2008	Bareboat/Financial lease	39 758	39 758	16
Large Stainless steel	TC 33-35 x 16-18	Bow Compass	33 609	2009	Owned	38 685	38 685	16
Large Stainless steel	TC 30 X 28	Bow Engineer	30 086	2006	Bareboat/Financial lease	36 970	36 970	28
Large Stainless steel	TC 30 X 28	Bow Architect	30 058	2005	Bareboat/Financial lease	36 956	36 956	28
Large Stainless steel	TC 33-35 x 16-18	Sagami	33 615	2008	Time Charter/Operational lease	37 238	37 238	16
Medium Stainless steel	CP 25	Southern Quokka	26 077	2017	Time Charter/Operational lease	29 049	29 049	26
Medium Stainless steel	CP 25	Southern Owl	26 057	2016	Time Charter/Operational lease	29 048	29 048	26
Medium Stainless steel	CP 25	Southern Puma	26 071	2016	Time Charter/Operational lease	29 055	29 055	26
Medium Stainless steel	CP 25	Southern Shark	26 051	2018	Time Charter/Operational lease	27 112	27 112	26
Medium Stainless steel	CP 25	Bow Platinum	27 500	2017	Owned	28 059	28 059	24
Medium Stainless steel	CP 25	Bow Neon	27 500	2017	Owned	29 041	29 041	24
Medium Stainless steel	CP 25	Bow Titanium	27 500	2018	Owned	29 006	29 006	24
Medium Stainless steel	CP 25	Bow Palladium	27 500	2017	Owned	28 051	28 051	24
Medium Stainless steel	CP 25	Bow Tungsten	27 500	2018	Owned	28 067	28 067	24
Medium Stainless steel	TC 20	Southern Koala	21 290	2010	Time Charter	20 008	20 008	20
Medium Stainless steel	FLUMAR	Flumar Maceio	19 975	2006	Owned	21 713	21 713	22
Medium Stainless steel	FLUMAR	Moyra	19 806	2005	Time Charter/Operational lease	23 707	23 707	18
Medium Stainless steel	CP 25	Bow Endeavor	26 197	2011	Owned	27 591	27 591	18
Medium Stainless steel	CP 25	Southern Xantis	25 887	2020	Time Charter/Operational lease	27 078	27 078	26
Medium Stainless steel	CP 25	Bow Cheetah	26 029	2022	Time Charter/Operational lease	27 682	27 682	26
Medium Stainless steel	CP 25	Bow Panther	26 029	2022	Time Charter/Operational lease	27 682	27 682	26
Medium Stainless steel	CP 25	Bow Lion	26 029	2023	Time Charter/Operational lease	27 682	27 682	26
Medium Stainless steel	CP 25	Bow Leopard	26 029	2023	Time Charter/Operational lease	27 682	27 682	26

Vessel type	Class	Chemical tankers	dwt	Built	Ownership	cbm	Stainless steel, cbm	Tanks
Coated	FLUMAR	Flumar Brasil	51 188	2010	Owned	54 344	—	12
Coated	MIPO	Bow Triumph	49 622	2014	Bareboat/Financial lease	54 595	—	22
Coated	MIPO	Bow Trident	49 622	2014	Bareboat/Financial lease	54 595	—	22
Coated	MIPO	Bow Tribute	49 622	2014	Owned	54 595	—	22
Coated	MIPO	Bow Trajectory	49 622	2014	Owned	54 595	—	22
Coated	SLS	Bow Elm	46 098	2011	Owned	49 996	—	29
Coated	SLS	Bow Lind	46 047	2011	Owned	49 996	—	29
Regional	FLUMAR	Bow Oceanic	17 460	1997	Owned	19 224	19 224	24
Regional	FLUMAR	Bow Atlantic	17 460	1995	Owned	19 848	19 848	24
Regional	OT 16-17 x 20-30	Bow Condor	16 121	2000	Owned	16 642	16 642	30
Total chemical tankers:			**2 362 293**	**65**		**2 576 752**	**2 160 362**	**2 029**

3rd party* vessel type	Class	Chemical tankers	dwt	Built	Ownership	cbm	Stainless steel, cbm	Tanks
Large Stainless steel	TC 33-35 x 16-18	Bow Agathe	33 609	2009	Pool	37 218	37 218	16
Large Stainless steel	TC 33-35 x 16-18	Bow Caroline	33 609	2009	Pool	37 236	37 236	14
Large Stainless steel	TC 33-35 x 16-18	Bow Hector	33 694	2009	Pool	36 639	36 639	16
Total 3rd party:			**100 912**	**3**		**111 093**	**111 093**	**46**

* Pool participation and commercial management

DISPONENT OWNERSHIP SUMMARIZED	Number	dwt	cbm	Stainless steel, cbm	Tanks
Owned	34	1 319 392	1 427 634	1 142 271	1 112
Time charter	14	379 243	407 678	407 678	342
Bareboat	17	663 658	741 440	610 413	575
Pool	3	100 912	111 093	111 093	46
Total operated chemical tankers:	**68**	**2 463 205**	**2 687 845**	**2 271 455**	**2 075**

CHEMICAL TANKER NEWBUILDINGS ON ORDER

Chemical tankers	Number	dwt	cbm	Stainless steel, cbm	Tanks	Delivery	Ownership
Kitanihon	2	40 000	44 184	44 184	28	2026	Time Charter
Asakawa	4	26 029	27 682	27 682	26	2024	Time Charter
Asakawa	2	26 029	27 682	27 682	26	2026	Pool
Fukuoka	4	25 000	27 000	27 000	24	2025–2026	Time Charter
Total newbuildings:	**12**	**336 174**	**362 460**	**362 460**	**308**		

FLEET CHANGES SINCE LAST QUARTER

Fleet redeliveries and sales	dwt	Built	Ownership	cbm	Stainless steel, cbm	Tanks
Bow Emma	25 595	2009	Time Charter	27 562	27 562	16
Xanthia	17 042	2003	Time Charter	18 379	18 379	20

GAS CARRIERS

Vessel name	Class	Built	dwt	cbm	Type	Tanks	Ownership
BWEK Anholt	FLUMAR	2008	10 282	8 922	LPG/Ethylene	2	Time Charter
Total Gas Carriers:		**1**	**10 282**	**8 922**		**2**	

Odfjell Terminals overview

AS PER DECEMBER 31, 2023

Tank terminals	Location	Ownership [1]	cbm	Stainless steel, cbm	Number of tanks
Odfjell Terminals (Houston) Inc.	Houston, USA	51%	379 982	113 180	119
Odfjell Terminals (Charleston) LLC	Charleston, USA	51%	79 243	–	9
Odfjell Terminals (Korea) Co. Ltd	Ulsan, Korea	50%	313 710	15 860	85
Noord Natie Odfjell Antwerp Terminals NV	Antwerp, Belgium	25%	460 098	155 832	246
Total terminals	**4 terminals**		**1 233 033**	**284 872**	**459**

Projects and expansions tank terminals	Location	cbm	Stainless steel, cbm	Scheduled completion
Bay 13	Houston, USA	32 433	7 632	1Q24
Tankpit-R	Antwerp, Belgium	27 500	27 500	1Q25
Total expansion tank terminals partly owned by related parties		**59 933**	**35 132**	

Tank terminals partly owned by related parties	Location	cbm	Stainless steel, cbm	Number of tanks
Depositos Quimicos Mineros S.A.	Callao, Peru	70 830	1 600	57
Granel Quimica Ltda	Rio Grande, Brazil	70 385	2 900	35
Granel Quimica Ltda	Sao Luis, Brazil	150 085	–	55
Granel Quimica Ltda	Ladario, Brazil	8 050	–	6
Granel Quimica Ltda	Teresina, Brazil	7 640	–	6
Granel Quimica Ltda	Palmas, Brazil	17 120	–	12
Granel Quimica Ltda	Santos, Brazil	51 910	–	17
Odfjell Terminals Tagsa S.A.	Campana, Argentina	68 670	10 190	102
Terquim S.A.	San Antonio, Chile	34 210	–	26
Terquim S.A.	Mejillones, Chile	16 870	–	7
Total tank terminals partly owned by related parties	**10 terminals**	**495 770**	**14 690**	**323**

Projects and expansions tank terminals partly owned by related parties	Location	cbm	Stainless steel, cbm	Scheduled completion
Terquim	Mejillones	22 000	–	1Q24
Granel	Rio Grande	24 000	–	2Q24
Granel	Santos	19 520	–	1Q25
Total expansion tank terminals partly owned by related parties		**65 520**	**–**	

Grand total (incl. related tank terminals partly owned by related parties)	**14 existing terminals**	**1 728 803**	**299 562**	**782**

1. Odfjell SE's indirect ownership share

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PRINT | Aksell

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