



21 SEPTEMBER 2022

COMPANY PRESENTATION



Leading global pure-play product tanker company with approximately 80 vessels



ONE TORM

Integrates both commercial and technical management in-house



MARKET CAPITALIZATION¹



THE FLEET¹ 78 OWNED AND LEASED



Note: (1) As of 20 September 2022

Strategic framework of a reference product tanker company



Our strategy

The reference product tanker company. Safely leading the way with environmentally responsible results.

Our business model

Leading product tanker owner

Financial flexibility and fleet growth

TORM's solid capital structure and our solid liquidity position support selective and efficient fleet growth, while returning value to our shareholders.

Spot exposure

TORM has scale in all major product tanker vessel classes and is actively managing the spot market exposure through charter agreements, FFAs, and fleet composition.

Green future with a zero emission ambition

Ambitious and ongoing decarbonization

Imminent CO₂ reductions for reaching 2030 industry target already in 2025.

Zero CO₂ emissions

Long-term industry collaborations supporting our pledge of zero carbon emissions from operating our fleet in 2050.

How we do it

Superior operating platform (One TORM)

Integrated operations

Commercial, technical, sale & purchase, and support divisions work towards common goals in a network-based organization with easy internal access supporting efficient data-based decision making.

Optimal vessel positioning

TORM uses advanced data-driven modelling and commercial experience to assess customers' needs and provide for optimal vessel positioning supporting superior performance.

Safe technical management

The highest safety standards are the cornerstones in our in-house technical operations. This is obtained through continued training and development of our +3,000 seafarers.

Efficiency supported by digitalization

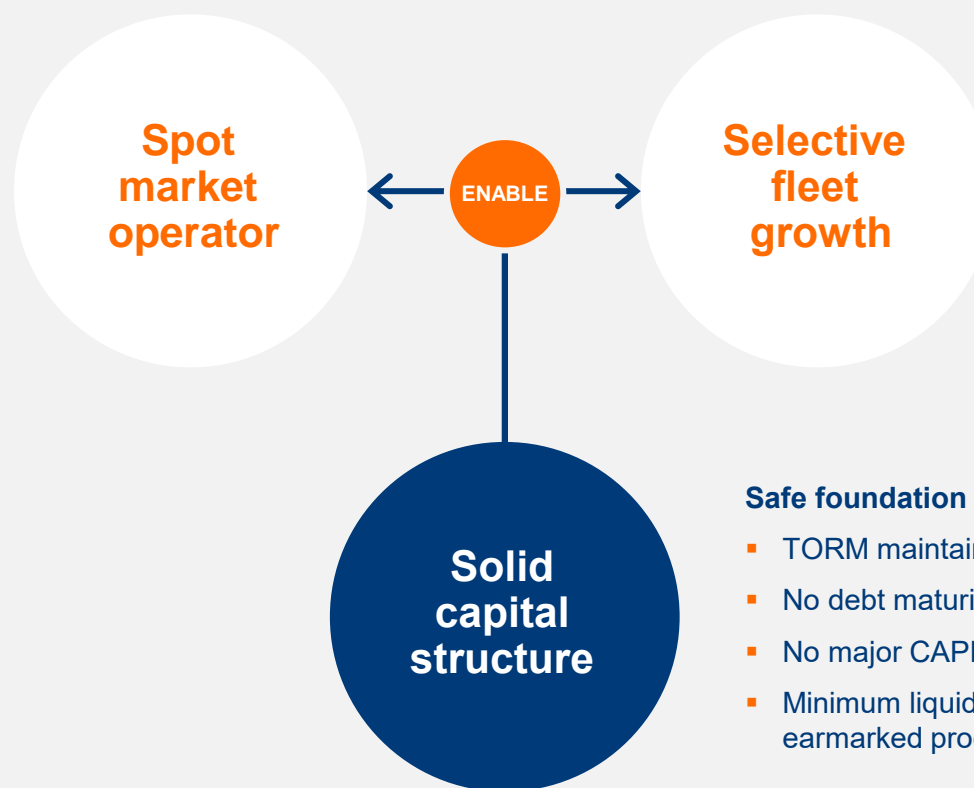
A transparent and data-driven platform with focus on optimizing processes and advanced modelling for supporting efficient commercial and technical operations.

Digital foundation

TORM's solid capital structure enables TORM's fleet renewal strategy, which allows TORM to operate effectively in the spot market.

Clear market position

- TORM owns approximately 80 vessels
- TORM operates mainly in the spot market, but tactically explores derivatives and the time-chartered market
- +/- USD 1,000/day has net profit impact of approximately USD 29m
- Due to our solid capital structure and fleet renewal strategy including scrubber investments, TORM is well positioned to meet customers' requirements and reduce fuel costs



Selective fleet renewal

- TORM takes advantage of the market to divest older vessels and purchase newbuildings/second-hand vessels to maintain its average fleet age of ~11 years
- TORM's diverse fleet age secures strong RoIC compared to peers

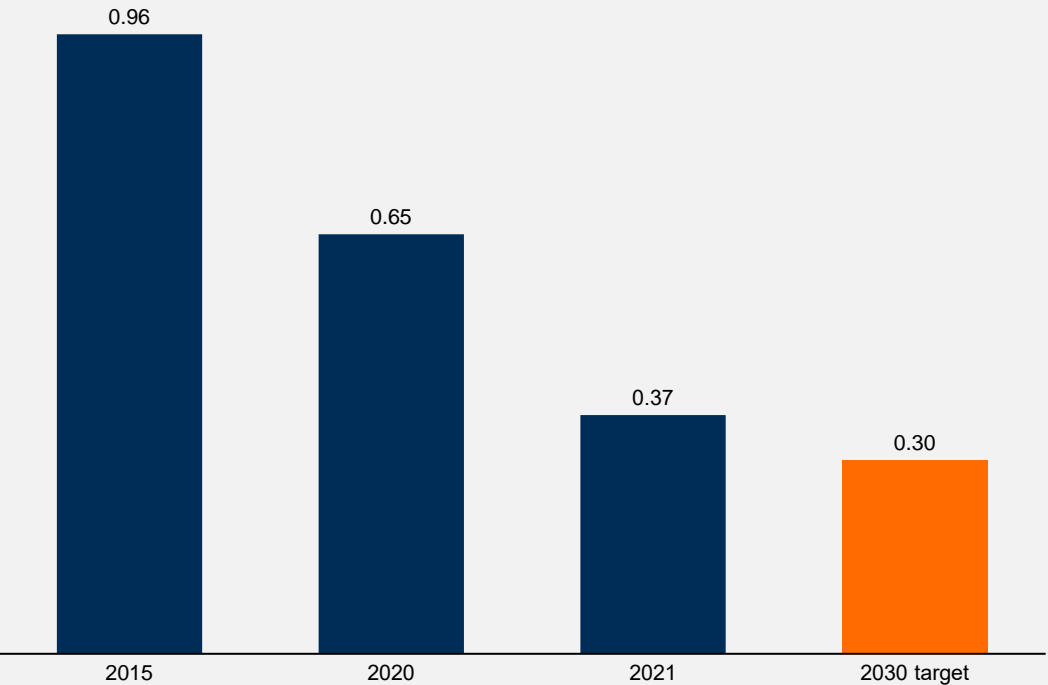
Safe foundation

- TORM maintains a conservative capital structure
- No debt maturity until 2026
- No major CAPEX commitments
- Minimum liquidity of USD 1.8m per vessel plus earmarked proceeds

Superior operating platform (1/2)

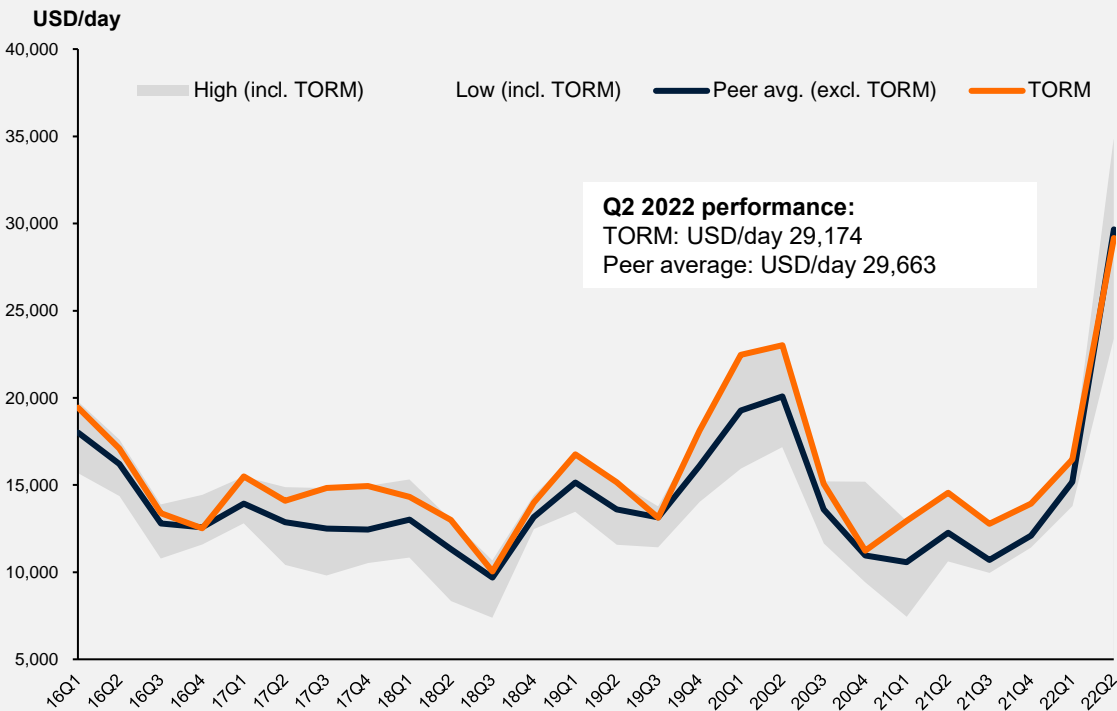


Safe technical management



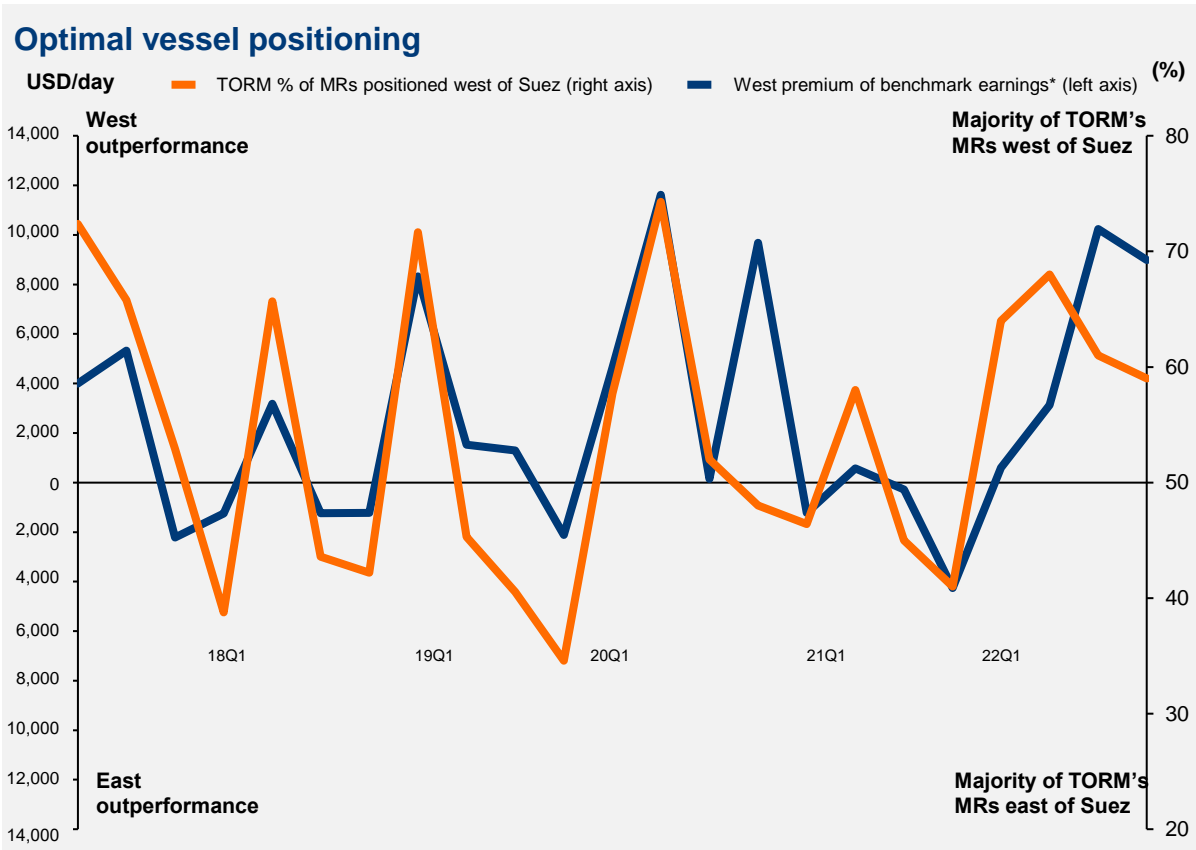
- Lost Time Accident Frequency (LTAF) and near-miss accidents is one of our important measures for safe technical management
- During 2021, TORM's LTAF measure decreased to 0.37 compared to 0.65 in 2020
- Each injury has been investigated and corrective measures have been taken as required

Integrated operations



- For the past 27 quarters out of 30 quarters, TORM has outperformed its peers on its key MR segment

Superior operating platform (2/2)



- Our strong TCE earnings are driven by our continued focus on positioning our vessels in the basins with the highest earning potential

Efficiency supported by vessel optimization



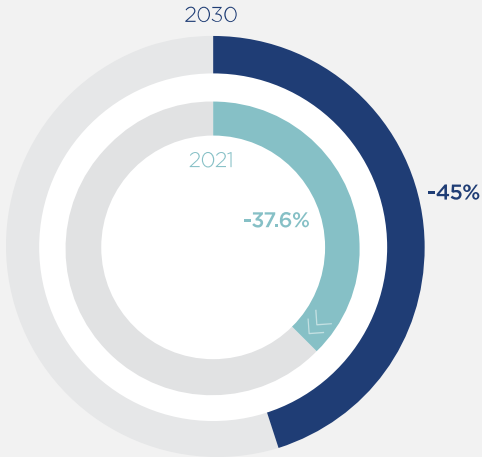
- TORM has an internal business intelligence team consisting of 14 people based in Mumbai and Copenhagen who works with various prediction projects
- The team is currently developing an internal Artificial Intelligence algorithm to optimize vessel positioning and routes for the TORM vessels
- Once ready, the project is expected to reduce CO₂ emissions

Greener future with a zero emission ambition



2030 climate target

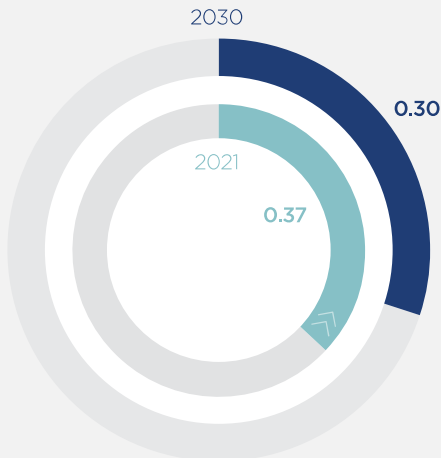
TORM continues to work to reduce our CO₂ emissions from -37.6% in 2021 to -45% by 2030 compared to 2008.*



* % reduction compared to IMO's 2008 base year using the CII reference line using CO₂ g/dwt x nm.

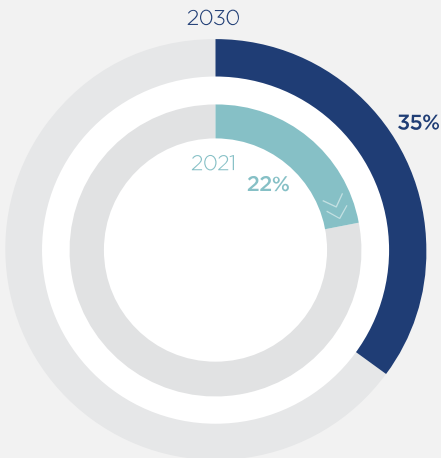
2030 safety target

Safety is measured as lost-time accident frequency per million exposure hours. In 2022, TORM's safety performance was 0.37, and our target was for 2030 is 0.30.



2030 leadership diversity target

We believe that diverse teams led by diverse leaders deliver better business performance, and by 2030 at least 35% of our leaders will be female.



2050 climate ambition

TORM is pursuing an ambitious climate agenda, whereby we will have zero CO₂ emissions from operating our fleet by 2050.



Optimizing performance now (1/2)



1. Silicone hull paint

- TORM has more than 50 vessels coated with silicone paint on the wet bottom to reduce friction in water and increase resilience against marine fouling
- The result is less fuel used, hence reducing CO₂ emissions
- The CO₂ emission reduction is more than 110,000 MT yearly for TORM's fleet



2. Air bubbles

- TORM entered into a pilot project with Marine Performance Systems B.V. (MPS) which will explore air lubrication as a method to reduce CO₂ emissions
- With the use of MPS' air lubrication solution, the friction in water will be reduced as will the main engine power and CO₂ emissions
- The pilot vessel for this project is TORM Hermia (LR2, built 2018), with planned installation in October 2022
- It is expected that 1,700-1,800 MT CO₂ emissions will be eliminated annually from TORM Hermia



3. Ultrasound propeller protection

- TORM is at the forefront in developing an ultrasound technology to prevent marine fouling on the propellers
- Removing marine fouling will increase sailing efficiency, hence reduce energy usage
- The project began in 2017 and was expanded to 11 vessels in 2021. Today another 50 vessels are in progress of receiving the equipment onboard
- CO₂ emission reduction is expected to be approximately 141 MT yearly per vessel totaling 8,600 MT CO₂ per year



Optimizing performance now (2/2)



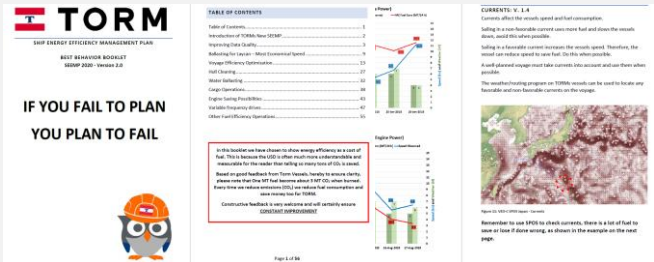
4. Variable Frequency Drives (VFDs)

- TORM uses Variable Frequency Drives to reduce unnecessary power consumption avoiding excessive power used for cooling and heating
- Vessels' auxiliary systems are designed to enable vessels to operate in the warmest climate, meaning using excessive power for cooling and heating
- Mostly, vessels are not subjected to these conditions
- For cooling water systems, the typical power reduction is 50-85%
- It is expected that the CO₂ emission reduction will be 42,000 MT per year for TORM's fleet



5. Energy saving booklet

- TORM has created the Ship Energy Efficiency Management Plan "Best behavior booklets on energy management and CO₂ savings" which has been available for all crew members since end 2018
- The booklet is designed to be an easy read for all crew members
- Small actions that our 3,400 crew members can contribute all year round has potential to translate into substantial energy savings onboard



6. Technical decarbonization team

- The technical decarbonization team monitors each vessel's energy performance.
- The team verifies the data quality and monitor the behavior of the crew. They engage with the onboard team as well as the onshore team to eliminate avoidable excess fuel consumption.
- It is a continuous voyage for the entire company and have so far resulted in a yearly reduction of CO₂ emissions approximately 82,000 MT

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		Auxiliary Engines										Boilers									
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Half year 2022 financial highlights



Performance

Time charter equivalent	EBITDA	Adjusted ROIC
USD/day 23,152 1H2022	USD 214M 1H2022	USD/day 13.2% 1H2022
USD/day 14,056 1H2021	USD 64M 1H2021	USD/day 0.1% 1H2021

Balance sheet as of 30 June 2022

Net asset value	Net LTV	Available liquidity
USD 1,498M 1H2022	USD/day 43% 1H2022	USD 241M 1H2022
USD 931M 1H2021	USD/day 54% 1H2021	USD 267M 1H2021

Well-timed divestments and high cash flow generation to the benefits of investors



Distribution policy



- In Q2 2022, TORM declared a dividend of USD 0.58/share (corresponding to approximately USD 47.0m)
- The above distribution is in line with TORM's new Distribution Policy announced in Q1 2022
- The distribution amount is based on 80 vessels (threshold level of USD 120m) with cash requirement fixed at USD 1.5m per vessel
- After Q2 2022, TORM's distribution based on cash requirement per vessel will be fixed at USD 1.8m for 30 September 2022 onwards plus earmarked proceeds

Transactions

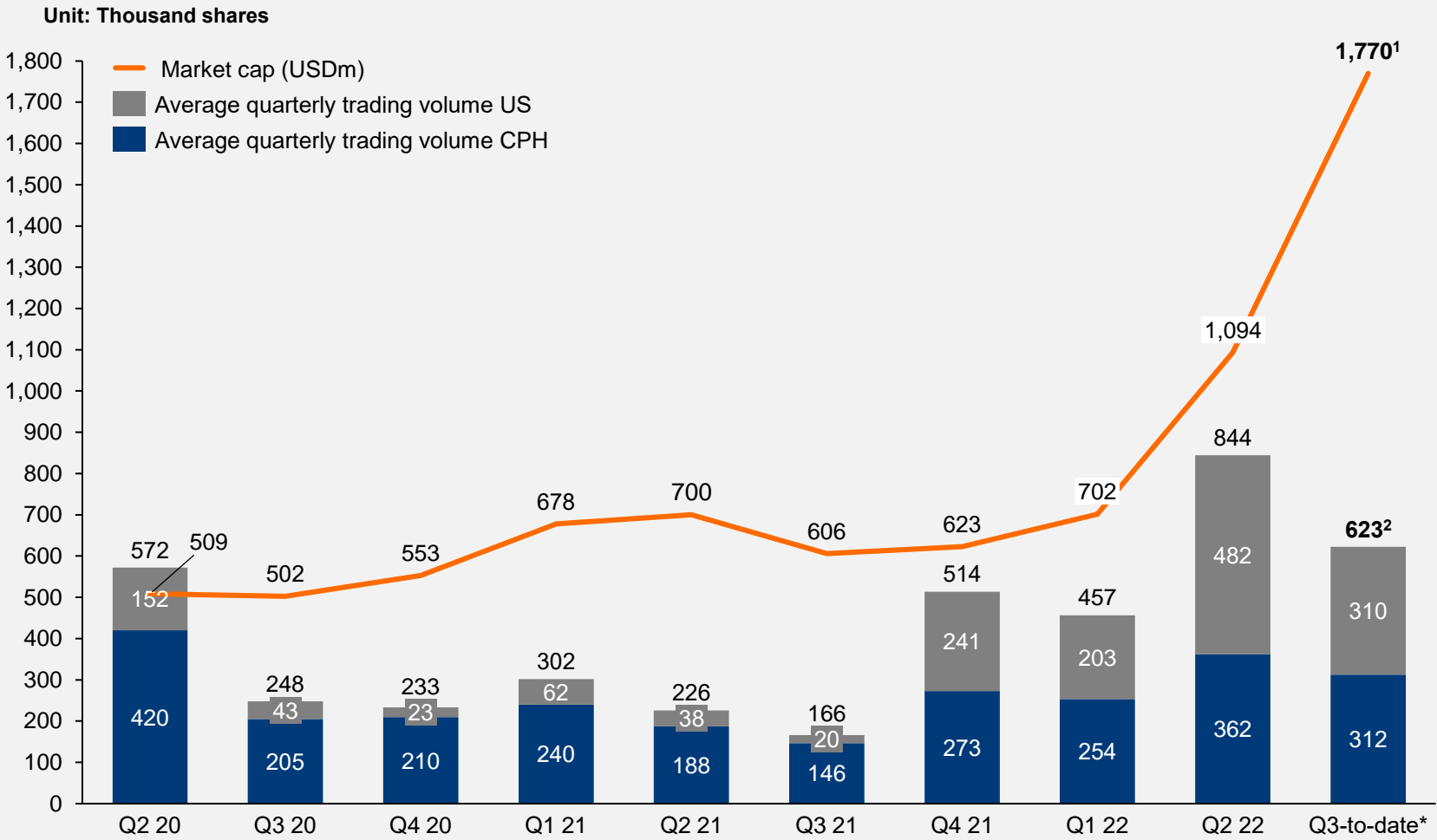


- Since late 2021, TORM has utilized high second-hand prices to divest seven of our oldest vessels adding USD 62.8m in liquidity after debt repayment
- TORM plans to order eight additional scrubbers before Q3 2022 and has already installed 53 scrubbers out of 68 scrubbers planned
- In August 2022, TORM purchased 75% of the shares in Marine Exhaust Technology A/S, a Danish-based company owning ME Production, acquiring 70 people with R&D and production capabilities

TORM's market capitalization and liquidity has increased significantly



Average daily TORM shares traded on Nasdaq Copenhagen and Nasdaq New York



- TORM's market capitalization as of 20 September 2022 was approximately USD 1.8 bn, increasing by 60% compared to Q2 2022
- Trading volume in the US market accounts for approximately 50% of the total trading volume, marking a significant increase from Q3 2021

Note: (1) As of 20 September 2022 (2) Calculated from 01 July 2022 – 20 September 2022

Key drivers for the next two-three years point towards a strong product tanker market

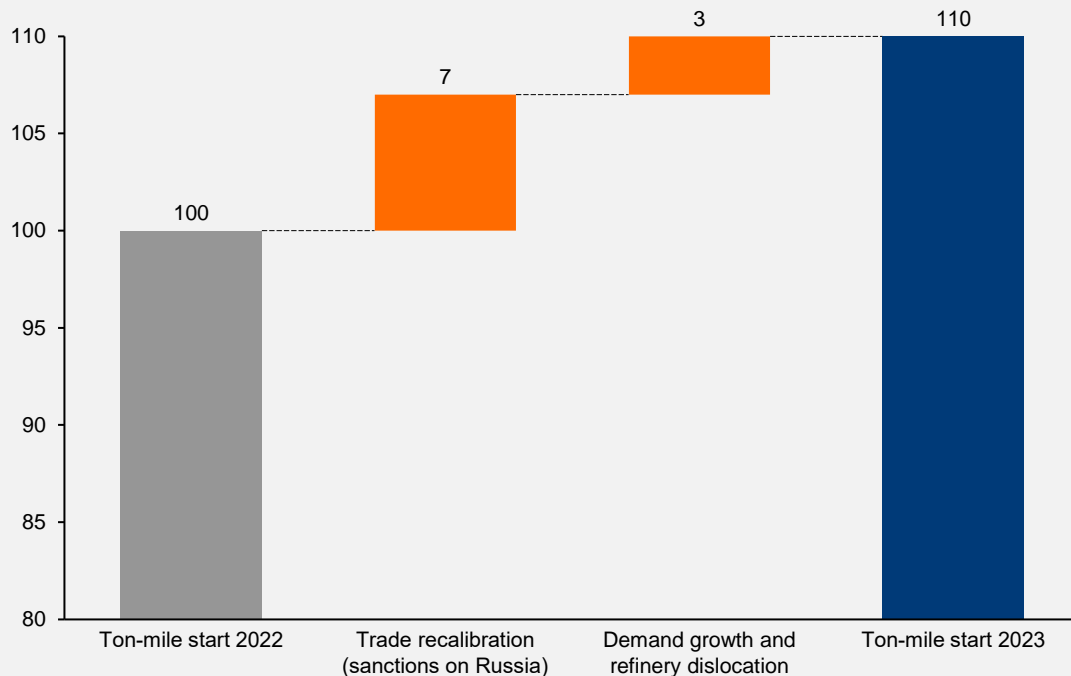


	Demand	Supply
Key drivers	<ul style="list-style-type: none">▪ Sanctions on Russia leading to trade recalibration towards longer distances▪ Refinery dislocation adding to ton-miles▪ The need to replenish inventories adding to trade volumes	<ul style="list-style-type: none">▪ Historically low order book to fleet ratio meaning low fleet growth▪ High newbuilding prices and limited shipyard space limiting ordering activity▪ Tailwinds for the product tanker market from a stronger crude tanker market
Risks	<ul style="list-style-type: none">▪ Economic slowdown and inflationary pressure leading to oil demand destruction▪ Intensified political instability	<ul style="list-style-type: none">▪ High earnings could lead to higher ordering activity (delivery from 2025 onwards)

EU ban on Russian oil sets to lead to trade recalibration towards longer distances

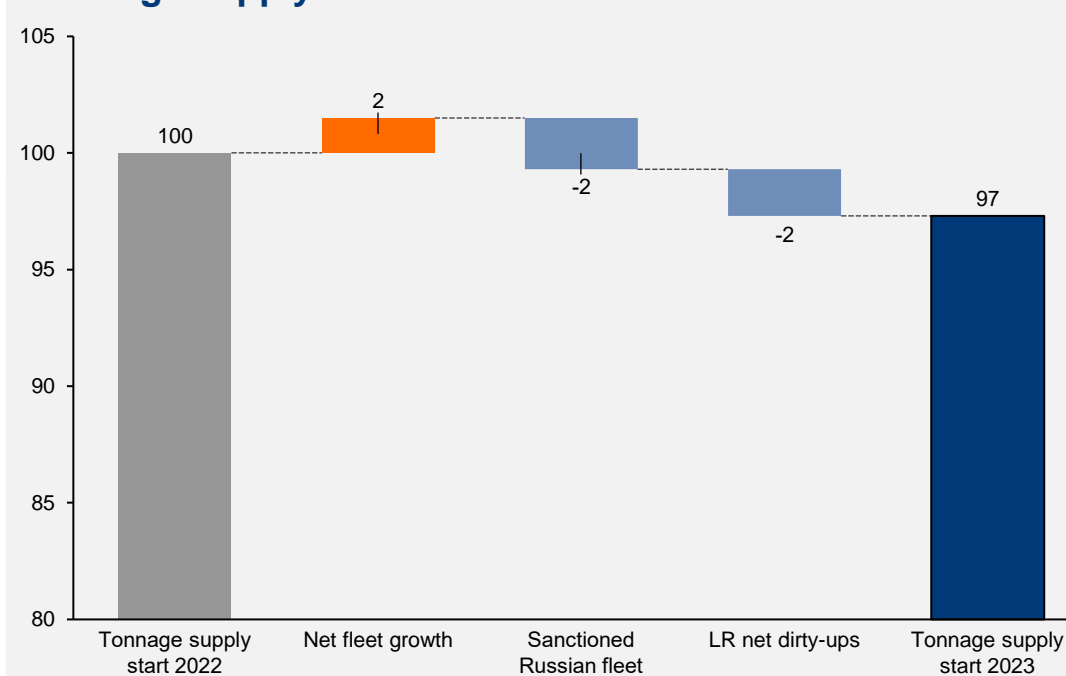


Ton-mile demand



- The EU ban on Russian oil products from February 2023 will lead to trade recalibration, adding a net 7% to product tanker ton-miles. This is a permanent effect which will bring the fleet utilization rate to a new, higher level*
- This is in addition to the 3% growth forecasted for 2022 from oil demand growth and refinery dislocation effects**
- A further 2% ton-mile effect from the need to replenish commercial and strategic product stockpiles is estimated, however, the timing of this is expected to fall after 2022

Tonnage supply



- With a low product tanker order book, fleet growth is estimated to slow to 2% in 2022, followed by a 1% growth in 2023-2026 as a result of low contracting activity
- Sanctioning/self-sanctioning of the Russian fleet reduces the effective product tanker fleet by 2%***
- Since the start of 2022, the clean-trading LR2 fleet has declined by a net of 2%, as the initial dirty-up of LR2s immediately after the outbreak of the Russia/Ukraine war exceeded the number of LR2 clean-ups in Q2 2022 in a stronger product tanker market

Notes: * It is assumed that Europe will replace diesel from Russia with supplies from the US and the Middle East/India, while Russian barrels will go to South America and Africa.

** E.g., increasing imports to regions with recent refinery closures (Australia/New Zealand and South Africa), while additional exports become available from the Middle East where new refineries are ramping up.

*** 2% of the global product tanker fleet above 25,000 dwt is Russian-owned. Combining the LR2 and Aframax segments, Russian-owned vessels account for 5% of the global fleet.

Investor information



Share information

Listing venue

Nasdaq Copenhagen (Ticker: TRMD A)

Nasdaq New York (Ticker: TRMD)



Major shareholder

Oaktree is the majority shareholder with 66% ownership

Distribution policy

TORM intends to distribute on a quarterly basis excess liquidity above a fixed threshold cash level as at the balance sheet day. For each quarter, the threshold cash level will be determined as the product of cash requirement per vessel and the number of owned and leased vessels in TORM's fleet as at the balance sheet day. Excess liquidity is determined as TORM's readily available liquidity less the threshold cash level. The readily available liquidity is defined as i) TORM's cash balance at the last day of the quarter preceding the relevant distribution date excluding restricted cash, plus ii) undrawn amounts on TORM's working capital facilities, minus iii) proceeds received from vessel sales, or additional proceeds from vessel refinancing, or securities offerings in the past 12 months earmarked for share repurchases, debt prepayment, vessel acquisitions, or general corporate purposes.

The cash requirement per vessel is fixed at:

- USD 1.5m for 30 June 2022
- USD 1.8m for 30 September 2022 onwards

For further company information, visit TORM at www.torm.com.

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ONE TORM platform ready to benefit from strong market fundamentals



Spot operating model

Significant operating leverage through spot orientation allowing TORM to benefit from increases in TCE rates.



Solid capital structure

Conservative balance sheet and a strong liquidity position provide room for potential growth while maintaining break-even rates at low levels and no near-term major debt repayments.



Superior commercial performance

Advanced data driven platform with in-house commercial and technical management providing superior earnings while maintaining a balanced cost structure.



Positive market fundamentals

Low product stock levels, low global fleet growth and refinery dislocation are positive fundamentals for the product tanker market in the near and medium term.



Ambitious and ongoing CO₂ reduction

TORM is already well advanced in meeting IMO's emission targets and has engaged in long-term collaborations for decarbonization



Track record of excellent timing

TORM has maintained a well diversified fleet and acquired vessels at attractive price points as well as sold vessels at market values.