

15 AUGUST 2019

Q2 2019 RESULTS

TORM

SAFE HARBOR STATEMENT

Matters discussed in this release may constitute forward-looking statements. Forward-looking statements reflect our current views with respect to future events and financial performance and may include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and statements other than statements of historical facts. The words "believe," "anticipate," "intend," "estimate," "forecast," "project," "plan," "potential," "may," "should," "expect," "pending" and similar expressions generally identify forward-looking statements.

The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Although the Company believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies that are difficult or impossible to predict and are beyond our control, the Company cannot guarantee that it will achieve or accomplish these expectations, beliefs or projections.

Important factors that, in our view, could cause actual results to differ materially from those discussed in the forward- looking statements include the strength of the world economy and currencies, changes in charter hire rates and vessel values, changes in demand for "ton miles" of oil carried by oil tankers, the effect of changes in OPEC's petroleum production levels and worldwide oil consumption and storage, changes in demand that may affect attitudes of time charterers to scheduled and unscheduled dry-docking, changes in TORM's operating expenses, including bunker prices, dry-docking and insurance costs, changes in the regulation of shipping operations, including requirements for double hull tankers or actions taken by regulatory authorities, potential liability from pending or future litigation, domestic and international political conditions, potential disruption of shipping routes due to accidents, political events or acts by terrorists.

In light of these risks and uncertainties, you should not place undue reliance on forward-looking statements contained in this release because they are statements about events that are not certain to occur as described or at all. These forward-looking statements are not guarantees of our future performance, and actual results and future developments may vary materially from those projected in the forward-looking statements.

Except to the extent required by applicable law or regulation, the Company undertakes no obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this release or to reflect the occurrence of unanticipated events.



AGENDA

1	Introduction to TORM and Q2 2019 highlights
2	Product tanker market overview and outlook
3	IMO 2020 preparations
4	Financial metrics

TORM AT A GLANCE

A world-leading product tanker company

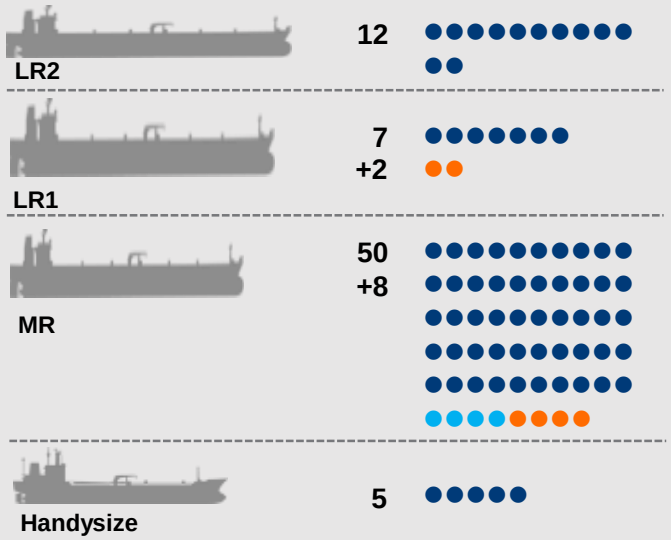
- A leading pure-play product tanker owner
- Large commercial footprint with presence in all key product tanker segments
- Strong capital structure to support disciplined growth strategy
- Dual-listed on Nasdaq in Copenhagen and Nasdaq in New York

One TORM

- Large, global organization with ~300 on-shore employees and ~3,100 seafarers
- Integrated in-house operating and technical platform
- Focused on maintaining highest safety, environment and CSR standards, while delivering cost-efficient operations
- Driving performance improvements and creating value for stakeholders

Fleet overview*

74 Owned **10** On order



* As of 15 August 2019, owned vessels include four financially leased vessels. Vessels on order include four second-hand MR vessels.

Q2 2019 FINANCIAL HIGHLIGHTS

TORM

HISTORICAL PERFORMANCE

TIME CHARTER EQUIVALENT
Increase in time charter equivalent is driven by general market development

USD/day 15,405
Q2 2019

USD/day 12,944
Q2 2018

EBITDA
Increase in EBITDA is driven by higher freight rates

USD 41m
Q2 2019

USD 29m
Q2 2018

ROIC
Increase in RoIC is driven by higher EBITDA

3.9%
Q2 2019

0.1%
Q2 2018

CAPITAL STRUCTURE
as of 30 June 2019

LIQUIDITY
Well-positioned to service future commitments

USD 367m
Q2 2019

NET ASSET VALUE
Broker-based valuation of TORM's assets

USD 897m
Q2 2019

NET LOAN TO VALUE
Strong capital structure

51%
Q2 2019

OPERATIONAL LEVERAGE
as of 12 August 2019

OPEN DAYS

9,063
Q3-Q4 2019

COVERED DAYS

4,067
Q3-Q4 2019

COVERAGE RATES

USD/day 13,738
Q3-Q4 2019

THE REFERENCE COMPANY IN THE PRODUCT TANKER SEGMENT

TORM

TORM is a large-scale, **pure-play product tanker owner**, active in all key product tanker segments in order to meet customer needs

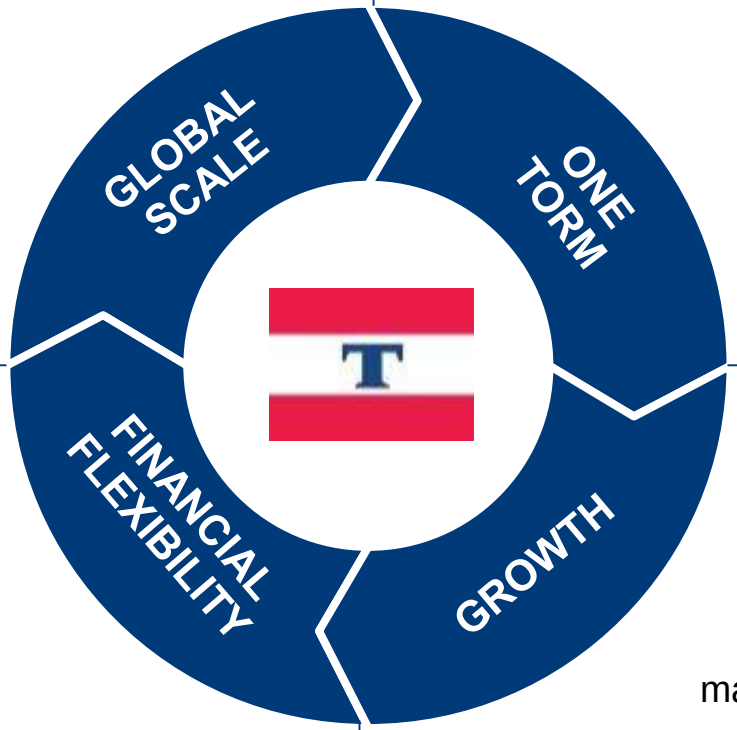
Our product tankers are primarily deployed in the spot market

Limited charter-in commitment (off-balance sheet)

TORM's superior integrated operating platform includes in-house technical and commercial management (preferred by customers)

Enhanced responsiveness to TORM's customers, resulting in higher TCEs

Scale and focus driving cost-efficient results



TORM has a solid capital structure with financial strength to pursue growth

Competitive advantage when pursuing vessel acquisitions from yards

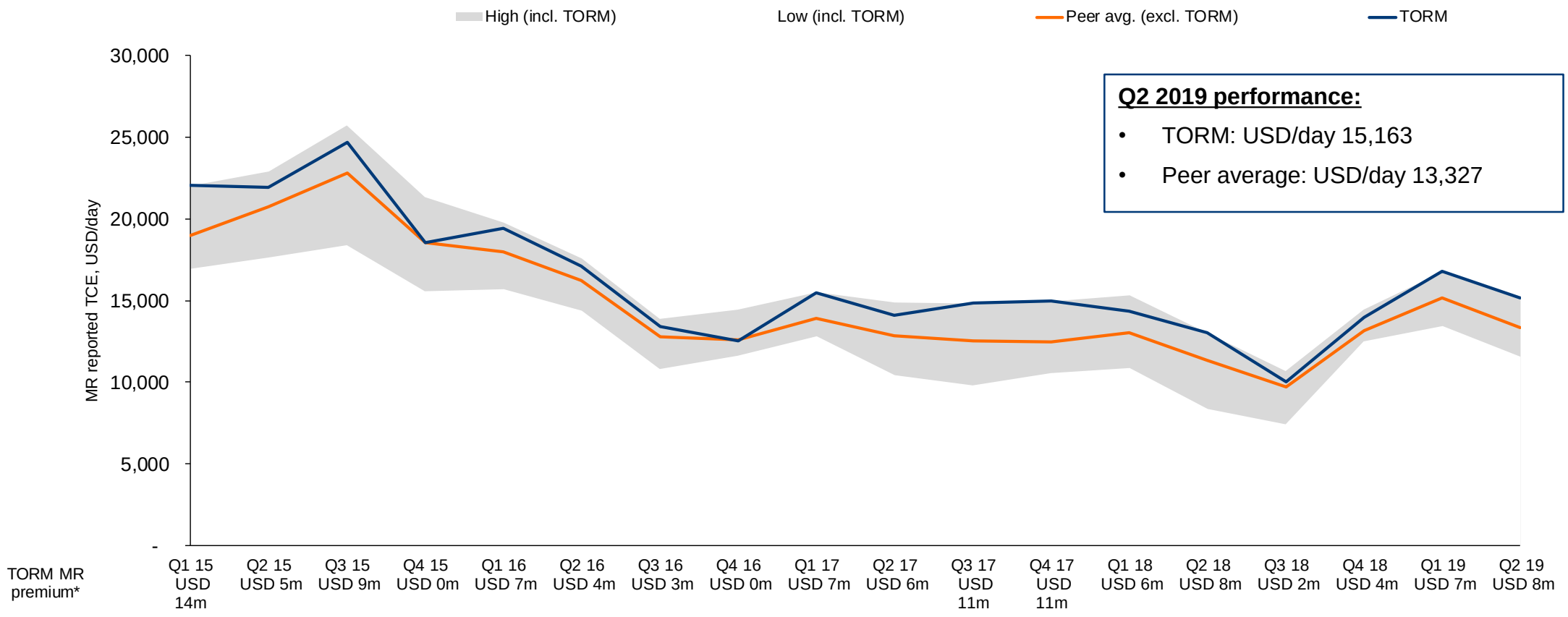
Semi-annual distribution policy of 25-50% of net income

TORM pursues **selective fleet growth and renewal through rigorous financial hurdles**

Well-positioned to increase competitiveness through asset management, scrubber installations and market consolidation

In-house S&P team with relationships with brokers, yards, banks and shipowners

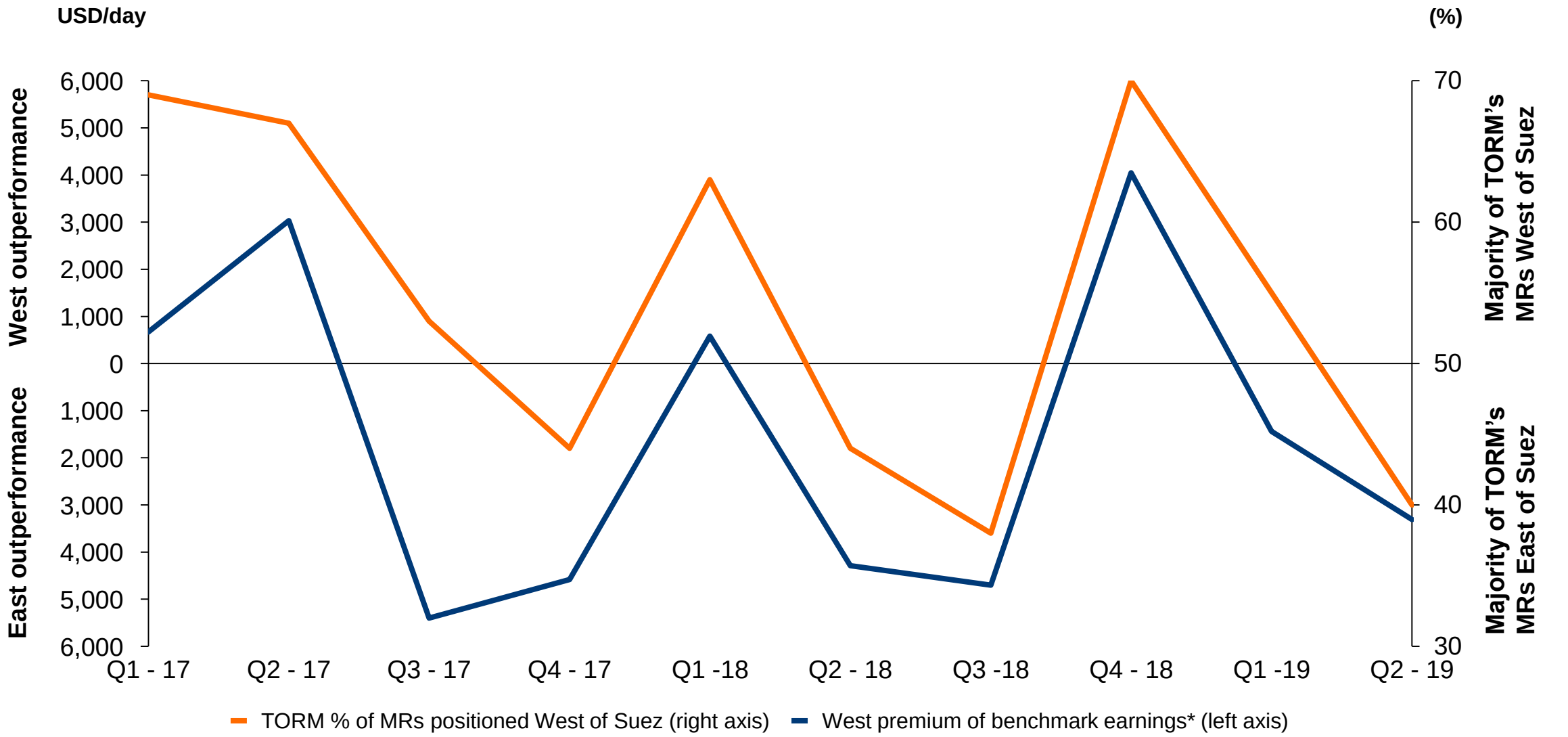
TORM COMMERCIALLY OUTPERFORMS PEERS IN ITS KEY MR SEGMENT



FY 2015: USD 28m | FY 2016: USD 14m | FY 2017: USD 35m | FY 2018: USD 20m | H1 2019: USD 15m

Note: Peer group is based on Ardmore, d'Amico (composite of LR1, MR and Handy), Diamond S, Frontline 2012, Hafnia Tankers, NORDEN, Maersk Tankers, Teekay Tankers, Scorpio and International Seaways.
For Q2 2019, the peer group only consists of Ardmore, Diamond S, Maersk Tankers, Scorpio Tankers, Norden and International Seaways. Earning releases from other peers are pending.
* TORM premium calculation is based on a TORM MR fleet of 50 vessels earning TORM's TCE rate compared to the peer average.

TORM'S COMMERCIAL CAPABILITIES ARE FOCUSED ON OPTIMIZING GEOGRAPHICAL POSITIONING

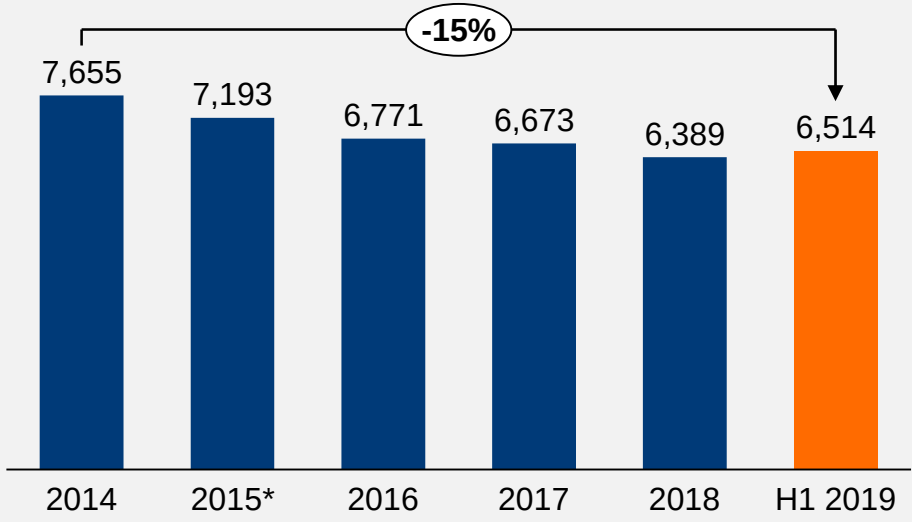


* West premium calculated as spread between Atlantic triangulation (TC2 & TC14) and Transpacific voyage (TC10).
Source: Clarksons, TORM.

FULLY INTEGRATED BUSINESS MODEL WITH COMPETITIVE COST STRUCTURE

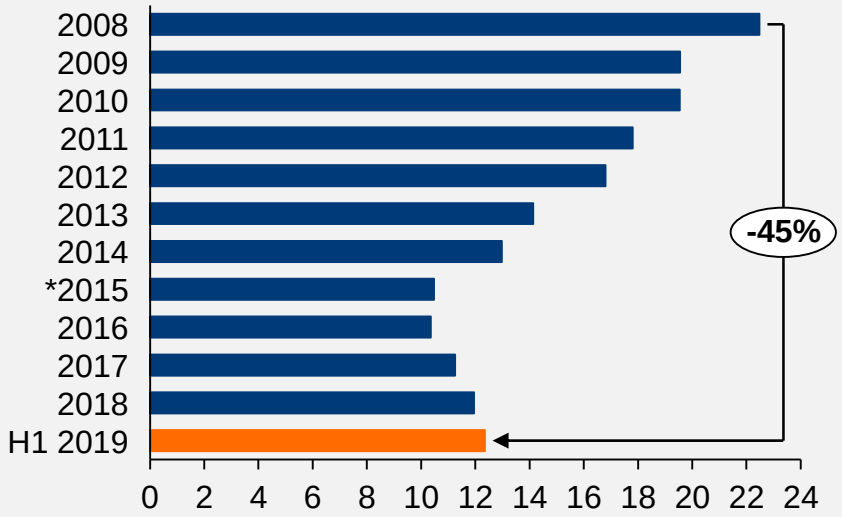
Significant reduction in OPEX

OPEX per day (yearly, weighted avg. in USD/day)



TORM has trimmed administration expenses

Admin. expenses (quarterly avg. in USDm)



Compared to 2014, TORM has reduced the annual OPEX cost base of approx. USD 31m by an OPEX/day reduction of USD/day 1,141

EBITDA break-even rate H1 2019: USD/day 8,800

Profit before tax break-even rate H1 2019: USD/day 14,500

TORM operates a fully integrated commercial and technical platform

- TORM's operational platform handles commercial and technical operations in-house
- The integrated One TORM business model provides TORM with the highest possible trading flexibility and earning power
- Outsourced technical and commercial management would affect other line items of the P&L

* Pro forma figures for 2015 presented as though the Restructuring occurred as of 1 January 2015 and include the combined TORM and Njord fleet.

CORPORATE TRANSACTIONS AND SCRUBBER UPDATE

Corporate transactions

- The purchase of four 2011-built MR second-hand vessels for a total consideration of USD 83m with expected delivery in August 2019. The vessels are financed through a sale and leaseback transaction with USD 66m in proceeds
- Two sale and leaseback agreements signed for TORM Torino (built in 2016) and TORM Titan (Built in 2016), providing total proceeds of USD 52m and USD 18m debt repaid
- Three vessels sold since the beginning of Q2 2019
  - The MR vessel TORM Gunhild (built in 1999) was sold during Q2 2019
  - After the quarter ended two additional vessels were sold, the MR vessel TORM San Jacinto (built in 2002) and the Handy sized vessel TORM Saone (Built in 2004)

Scrubber update

- Balanced approach towards compliance with approx. half of the fleet having scrubbers installed ahead of the IMO 2020 sulfur regulation. As of 15 august TORM has installed six scrubbers
- 28 out of a total of 34 scrubbers will be delivered from TORM's scrubber JV ME Production China
- 28 scrubbers are expected to be installed in 2019 and six in the first quarter of 2020 (including the delivery of three newbuildings)

INVESTMENT HIGHLIGHTS

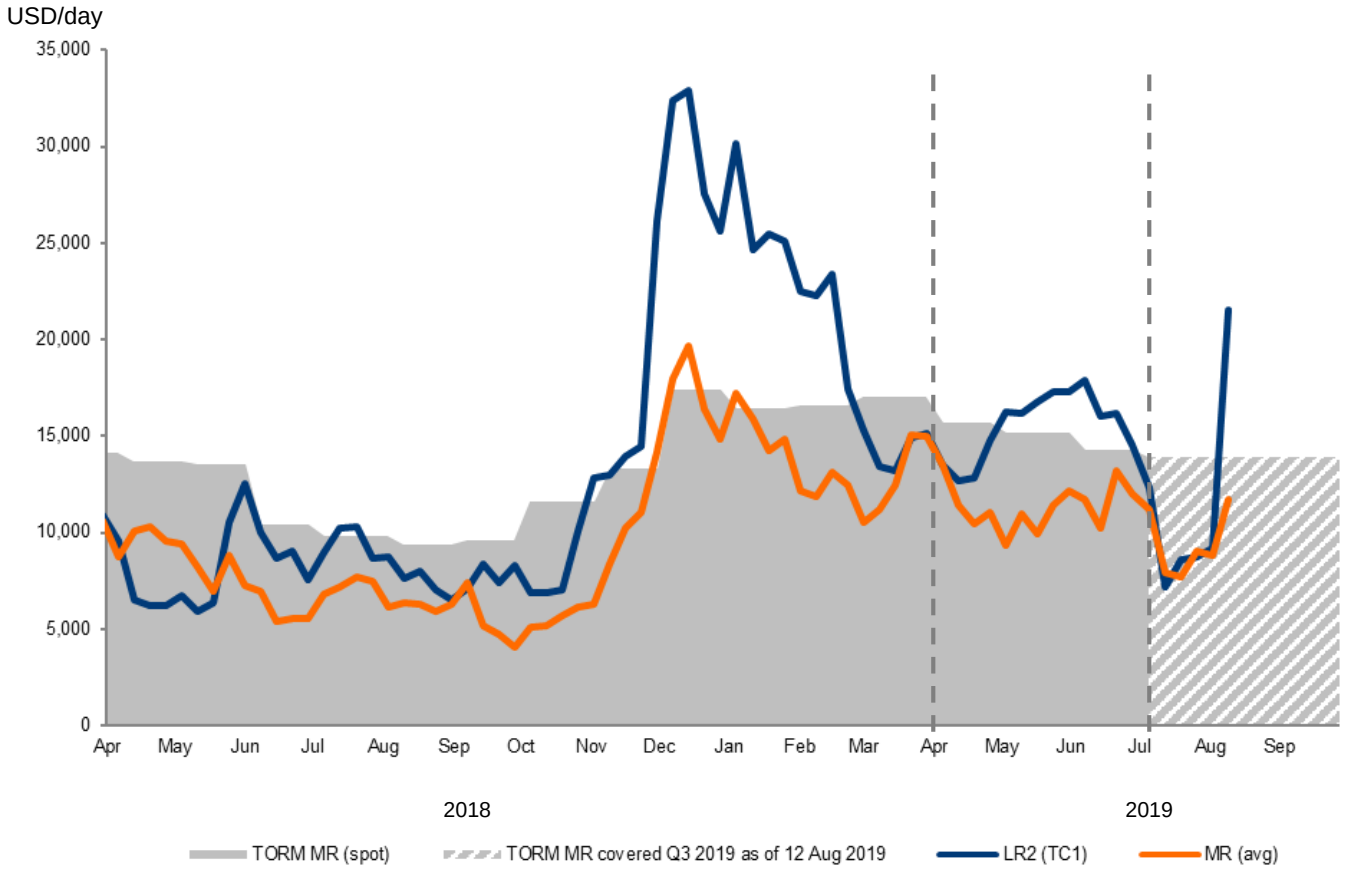
Pure-play product tanker exposure	~75 vessels deployed in the spot market across all four larger product tanker segments
Superior commercial performance	One TORM approach with in-house commercial and technical management provides superior earnings while maintaining a balanced cost structure without leakage
Solid capital structure	Conservative balance sheet and a strong liquidity position provide room for potential growth while maintaining break-even rates at low levels
Significant operating leverage	Significant operating leverage through spot-orientation allowing TORM to benefit from the recent increase in TCE rates
Balanced approach towards IMO 2020	Ready for IMO 2020 sulfur compliance with a balanced approach and committed to scrubber installations on 34 vessels, or close to half of our fleet
Positive market fundamentals	Prospective market outlook impacted by increased demand from the upcoming IMO 2020 sulfur regulation, Middle East refinery expansions and low order book

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ELEVATED REFINERY MAINTENANCE AHEAD OF IMO 2020 DRIVING SOFTER RATES



Q2 2019

- Particularly heavy refinery maintenance in Asia (+47% y-o-y) limited westbound diesel movements
- Naphtha flows from the West to the East were under pressure due to petrochemical maintenance and competition from LPG in Asia
- Unplanned outages at a number of US refineries supported transatlantic and transpacific gasoline flows
- Crude oil contamination at Druzhba pipeline abrupted work at a number of European refineries and temporarily closed transatlantic gasoline arbitrage in the second half of the quarter
- Cannibalization from crude newbuildings continued at elevated levels, corresponding to around 30% of East to West gasoil volumes

Q3 2019 – to date

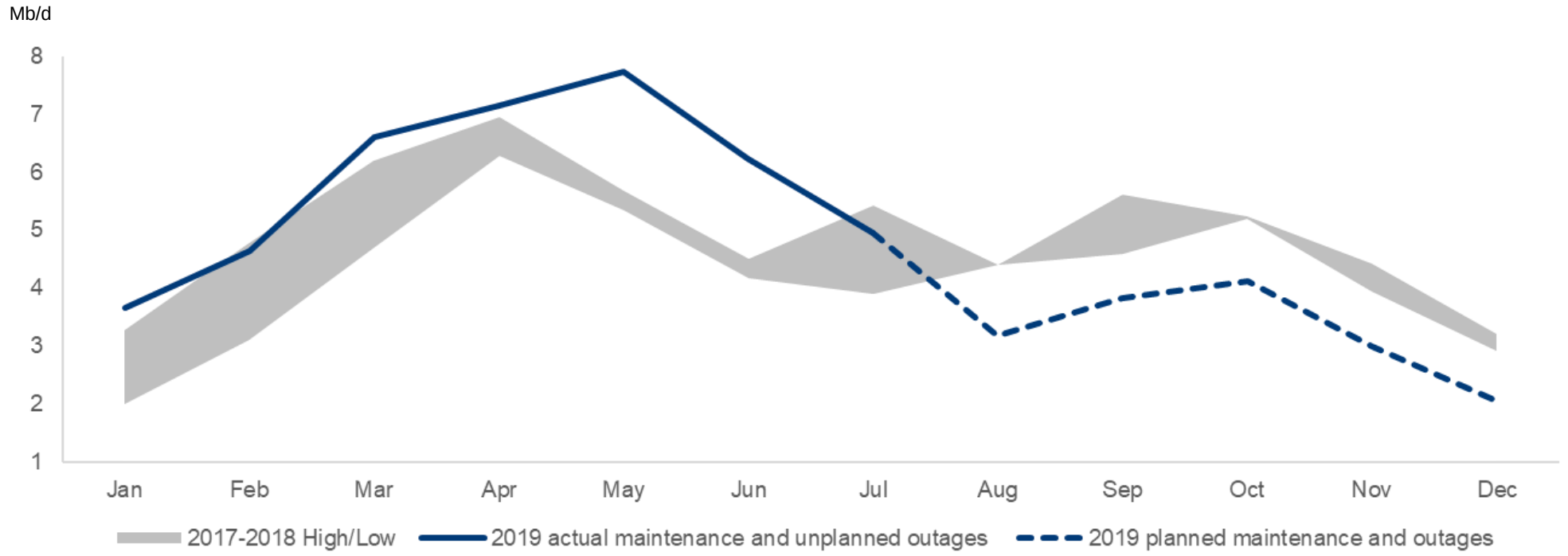
- Refinery run cuts and unplanned outages East of Suez continued to limit westbound diesel flows in July
- The return of a number of export-oriented refineries in the Middle East/India from outages and maintenance in early August lifted freight rates – globally, 60% of refining capacity is expected to have returned from the prolonged maintenance and outages compared to the peak in May
- The outage/closure of the largest refinery on the US East Coast (almost 30% of the region's total capacity) continues to support transatlantic gasoline flows

Source: Clarksons. Spot earnings: LR2: TC1 Ras Tanura-> Chiba, MR: average basket of Rotterdam->NY, Bombay->Chiba, Mina Al Ahmadi->Rotterdam, Amsterdam->Lome, Houston->Rio de Janeiro, Singapore->Sydney.

HEAVY AND PROLONGED SPRING REFINERY MAINTENANCE COUPLED WITH A SERIES OF UNPLANNED OUTAGES

TORM

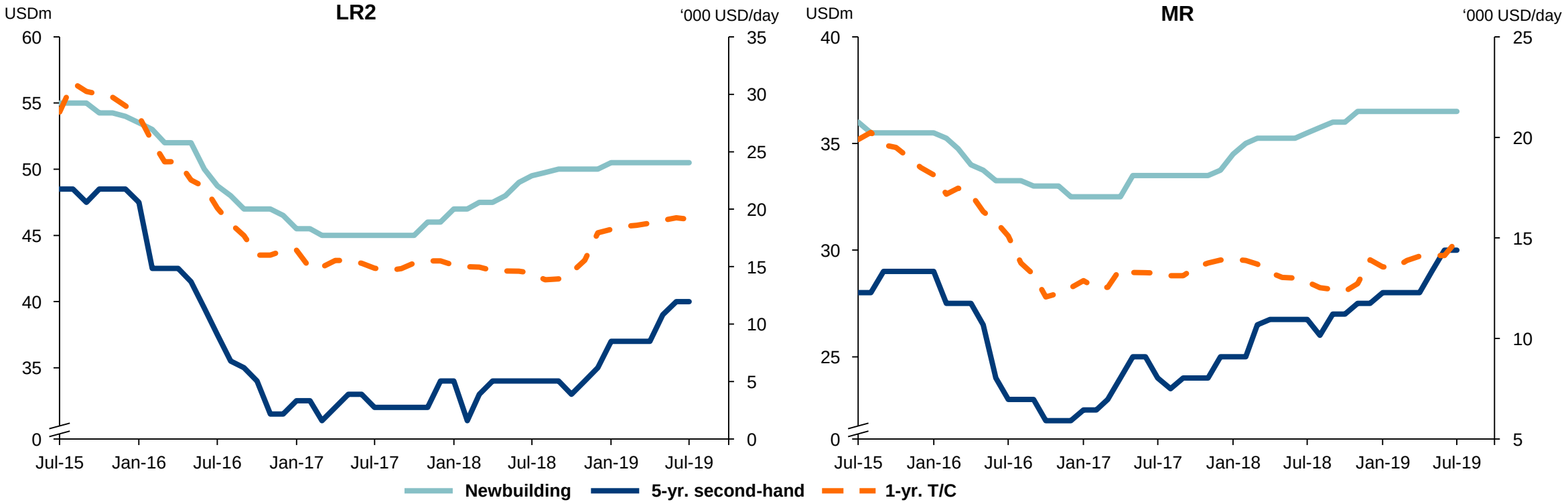
Global CDU maintenance and unplanned outages*



- Spring maintenance (coupled with unplanned outages) ahead of IMO 2020 has been heavier and longer than in recent years (y-o-y, +17% in Q1 and +23% in Q2)
- Estimates for maintenance in Q3 and Q4 point towards lower-than-usual offline capacity in H2 2019 (-21% y-o-y)

* Data covers refineries in North America, Latin America, Europe, Russia, Asia and the Middle East. These accounted for 96% of the global refining capacity in Q2 2019. Numbers for Aug-Dec 2019 are estimates based on planned maintenance and outages (incl. PES refinery in the USEC).
Source: WoodMackenzie.

VESSEL VALUES HAVE CONTINUED TO IMPROVE AS NEWBUILDING ACTIVITY REMAINS LOW



- Vessel values for modern tonnage have been trending upwards in H1 and are currently up 19% for LR2s and 13% for MRs compared to last year's average
- Product tanker newbuilding activity has remained low in Q2
- Currently concluded prices remain around 12% above the lows seen in 2017. Newbuilding prices for larger vessels remain 9% below the last peak seen in 2015, while MR prices are on par with the last peak

Source: Clarksons.

MEDIUM TO LONG-TERM MARKET DRIVERS REMAIN POSITIVE

Key medium to long-term market drivers

- Global oil demand growth remains positive albeit slower than in previous years
- Global CPP stockpiles have returned to normal levels
- Refinery capacity addition in the Middle East potentially increasing sailing distances
- IMO 2020-induced increase in inter- and intra-regional product tanker trade
- Product tanker order book to fleet ratio at historically low level

- Macroeconomic uncertainty
- Geopolitical situation in the Middle East

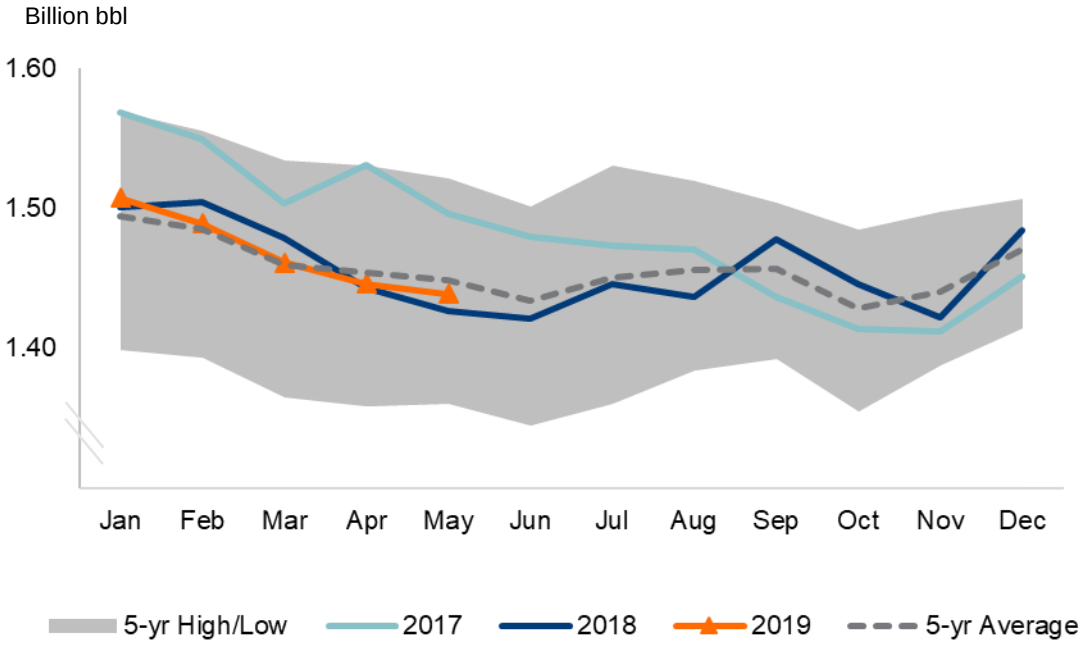
The market drivers are expected to result in an annual growth of 5% for demand and 3% for supply in 2019-2021.

Source: TORM.

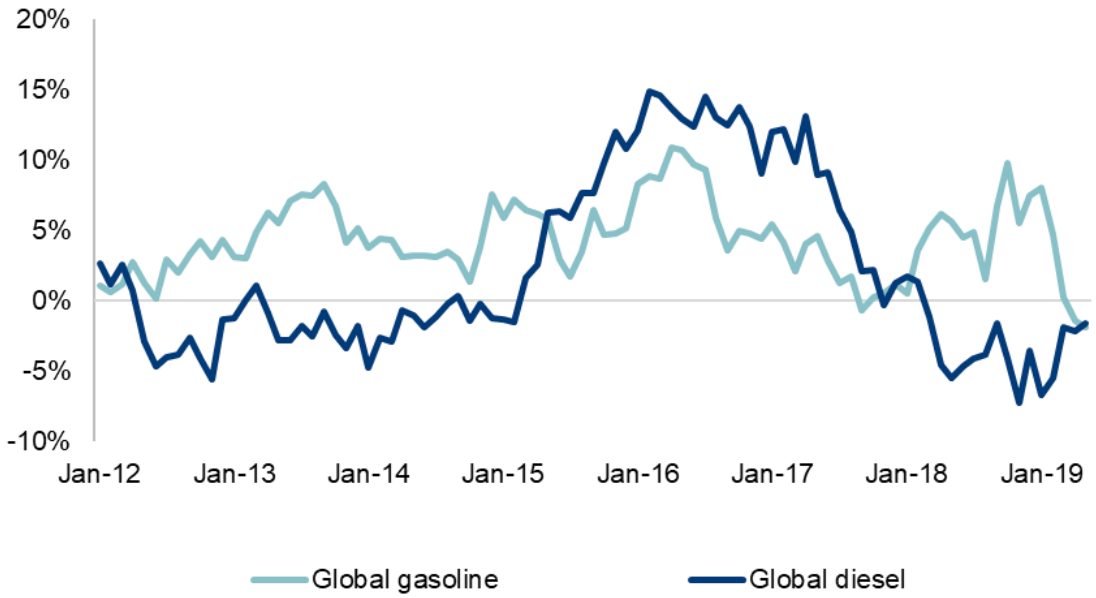
PRODUCT INVENTORIES BACK TO NORMAL LEVELS

TORM

Aggregated global CPP inventories*



Inventories compared to 5-year average levels

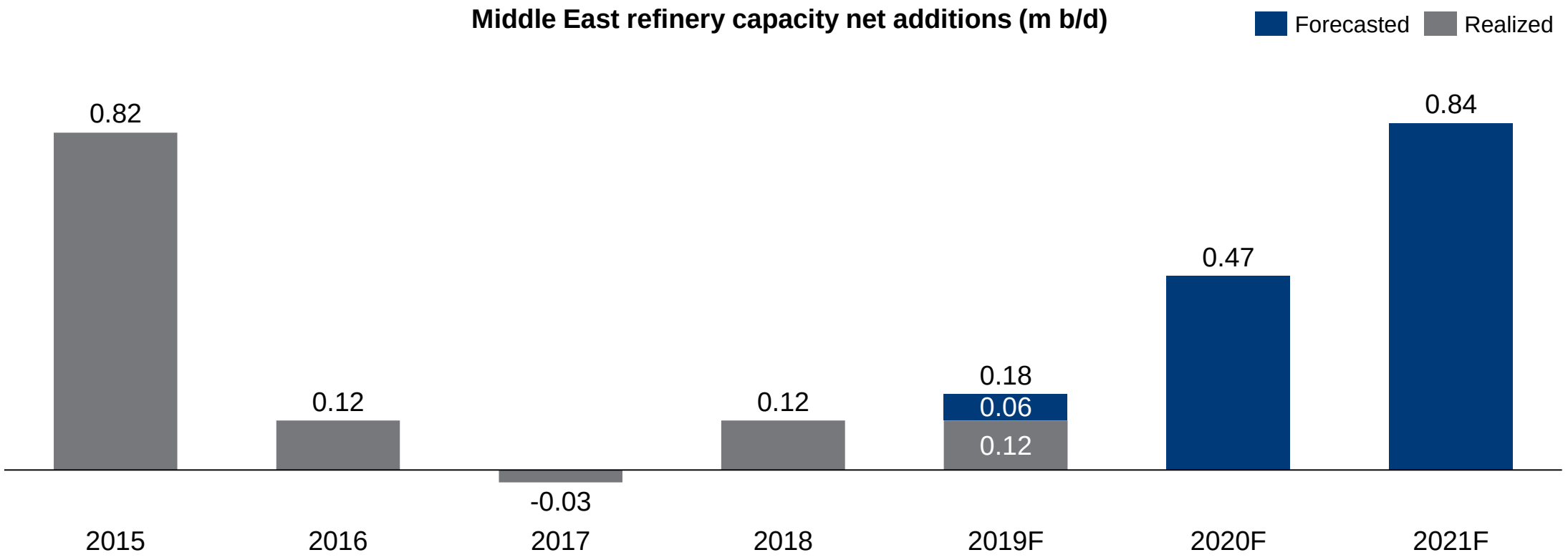


- Global CPP inventories are back to 5-year average levels
- Diesel inventories in main import areas have stabilized at around historical levels
- Low gasoline inventories on the US East Coast coupled with abundant levels in the ARA region are supporting trade flows

Note: Includes countries for which March 2019 data is available. These account for approximately 87% of global visible CPP (naphtha, gasoline, jet/kero, diesel/gasoil) stocks.
ARA stands for Amsterdam-Rotterdam-Antwerp.
Source: JODI, TORM.

MIDDLE EAST REFINERY CAPACITY ADDITIONS SET TO INCREASE SIGNIFICANTLY IN 2021

TORM

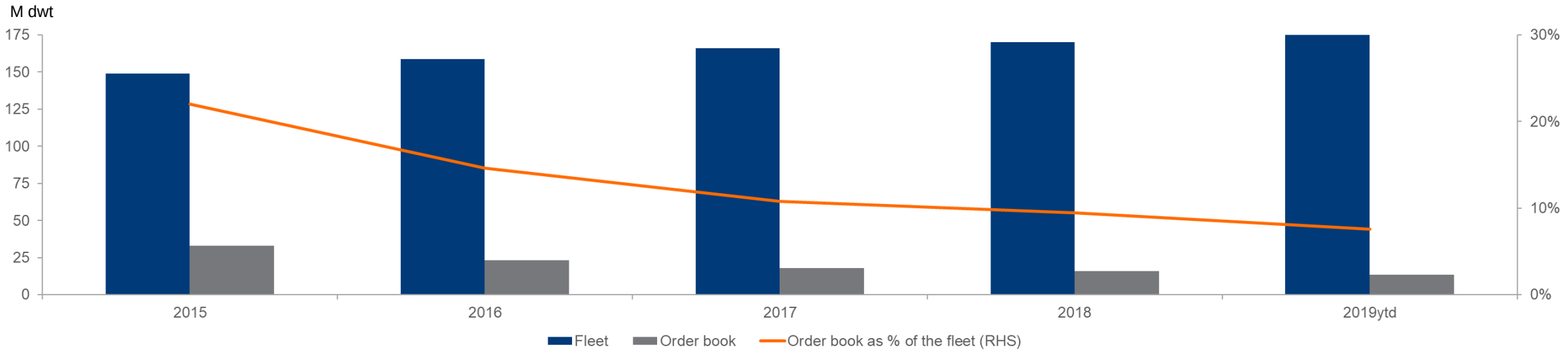


- As oil product demand increases, the ton-mile demand is positively impacted by increasing geographic dislocations between the demand for and supply of clean petroleum products (CPP)
- Middle East refinery capacity additions are expected to accelerate in 2020-2021, placing a renewed pressure on less competitive refineries in e.g. Europe and subsequently leading to increased CPP movements across regions

Source: WoodMackenzie, TORM.

PRODUCT TANKER ORDER BOOK CONTINUES TO SHRINK

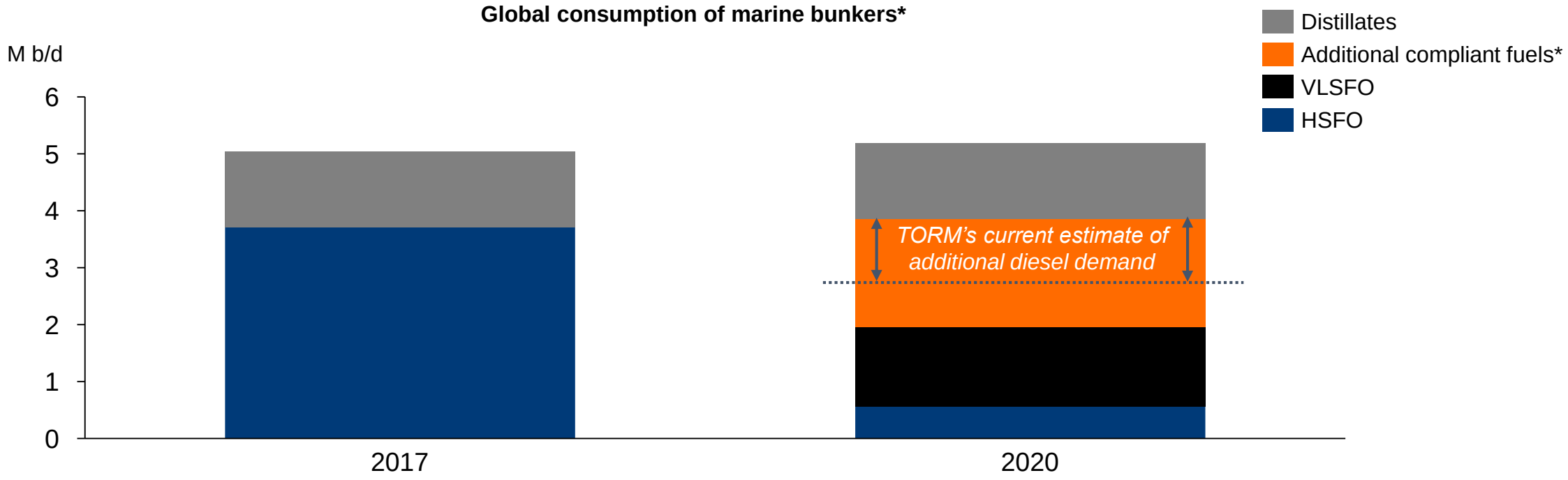
Product tanker order book as percentage of the fleet



- The product tanker order book to fleet ratio is at a historically low level of 7.4% (10% for MRs, 3% for LR1s and 8% for LR2s)
- In H1 2019, the product tanker fleet grew by 2.8% with 4.3% growth expected for FY 2019 (vs. 2.5% in 2018, 4.5% in 2017 and 6.5% in 2016)
- TORM conservatively estimates that the product tanker fleet will grow by an average of ~3.2% p.a. in the period 2019-2021, excluding any potential acceleration of scrapping in response to new regulations*

* These calculations are based on the known order book and TORM's estimates for additional ordering and scrapping in line with historical average activity.
Source: TORM.

IMO 2020 SULFUR CAP WILL POTENTIALLY LEAD TO ~5% INCREMENTAL GROWTH IN THE PRODUCT TANKER TRADE



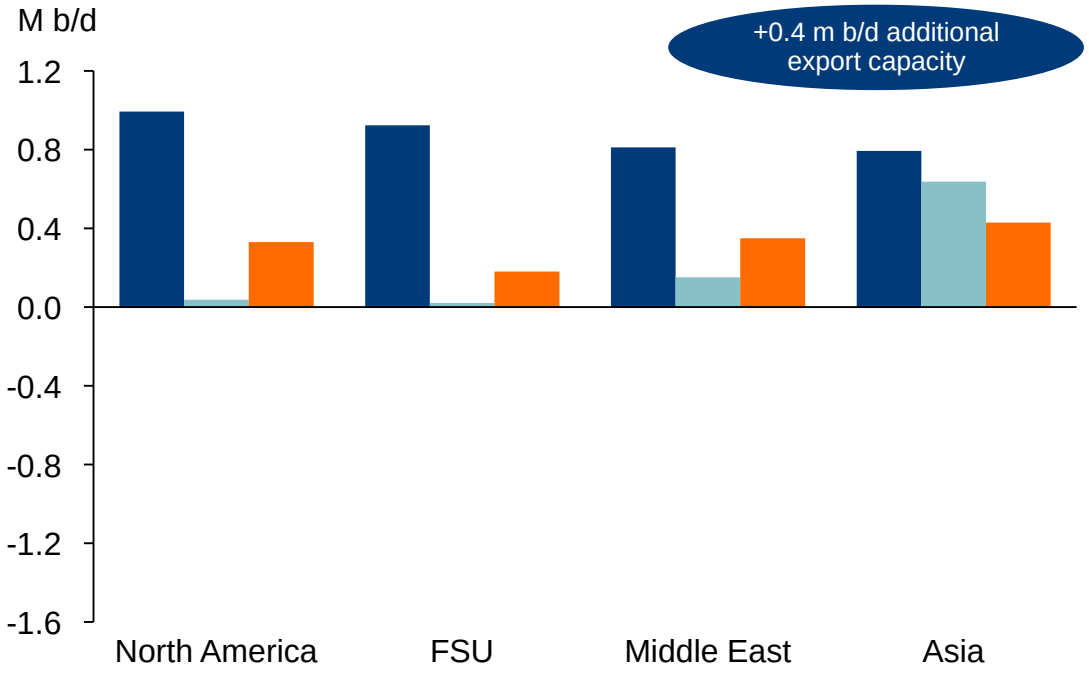
- Up to 2 mb/d of HSFO potentially shifting to MGO or other 0.5% sulfur fuels, leading to increased inter- and intra-regional product tanker trade
- TORM currently expects the IMO 2020 regulation to lead to 1.1 mb/d of additional diesel demand, corresponding to around 5% incremental growth in the product tanker trade, with a downside dependent on higher availability of VLSFO from the refinery sector
- Temporary fleet capacity reduction is expected due to increased off-hire time in connection with preparations for the IMO 2020 regulation estimated at around 0.4% of the total fleet capacity
- The effects are likely to start emerging already in H2 2019

* Additional compliant fuels include distillates (MGO), 0.5% sulfur fuel oil blends, desulfurized residual fuel oil and blended VGO streams for VLSFO production. In case of initial non-compliance, this also covers unscrubbed HSFO.
Source: TORM.

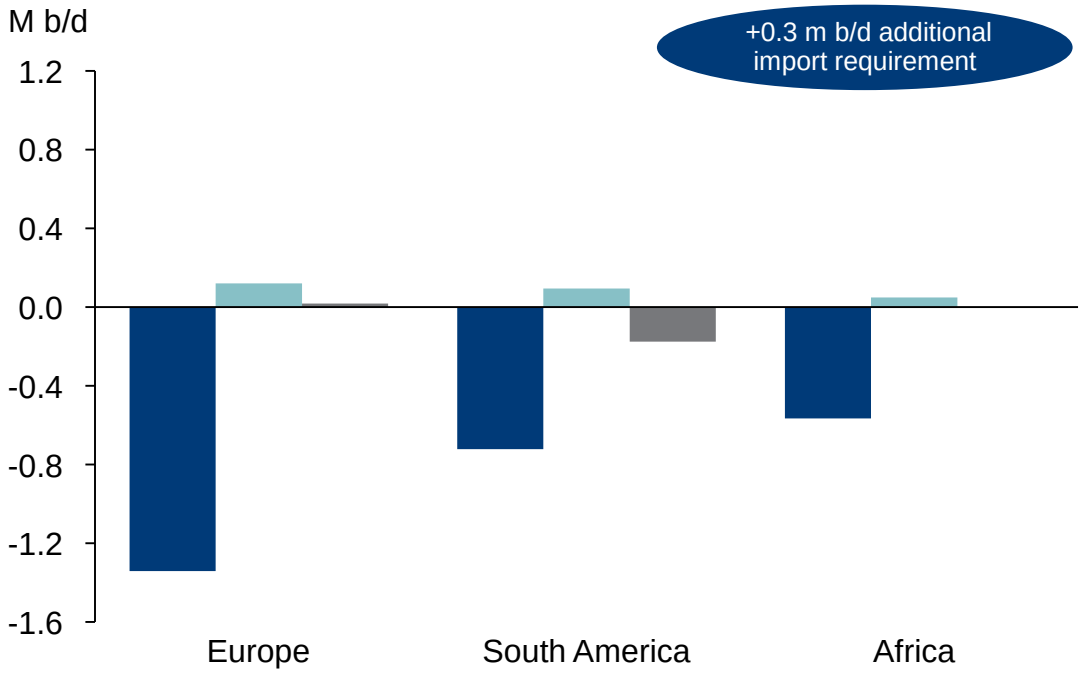
NET EXPORTING REGIONS HAVE MORE FLEXIBILITY TO PRODUCE ADDITIONAL DIESEL

TORM

Exporting regions increase diesel production capacity…



…while IMO 2020 will increase the deficit in importing regions



Diesel balance in 2018 | Additional diesel demand in 2020 | Potential additional diesel supply in 2019 and 2020 | Net refining capacity growth in 2019 and 2020

- The Middle East and Asia will add a total of 3.3 mb/d of new refining capacity during 2019-2020, resulting in increased diesel supply
- In the US and the FSU[1)], additional diesel supply is mainly the result of increased secondary feedstock use and refinery upgrades

- No new refineries coming online in diesel deficit regions
- Additional diesel supply limited to changes in refinery runs and yield shifts

1. Former Soviet Union.

Source: IEA, WoodMackenzie, TORM.

BOTH MEDIUM-HAUL REGIONAL TRADE AND LONG-HAUL TRADE WILL BE SUPPORTED BY THE IMO 2020 REGULATION

Examples of trade routes enforced by the IMO 2020 sulfur regulation



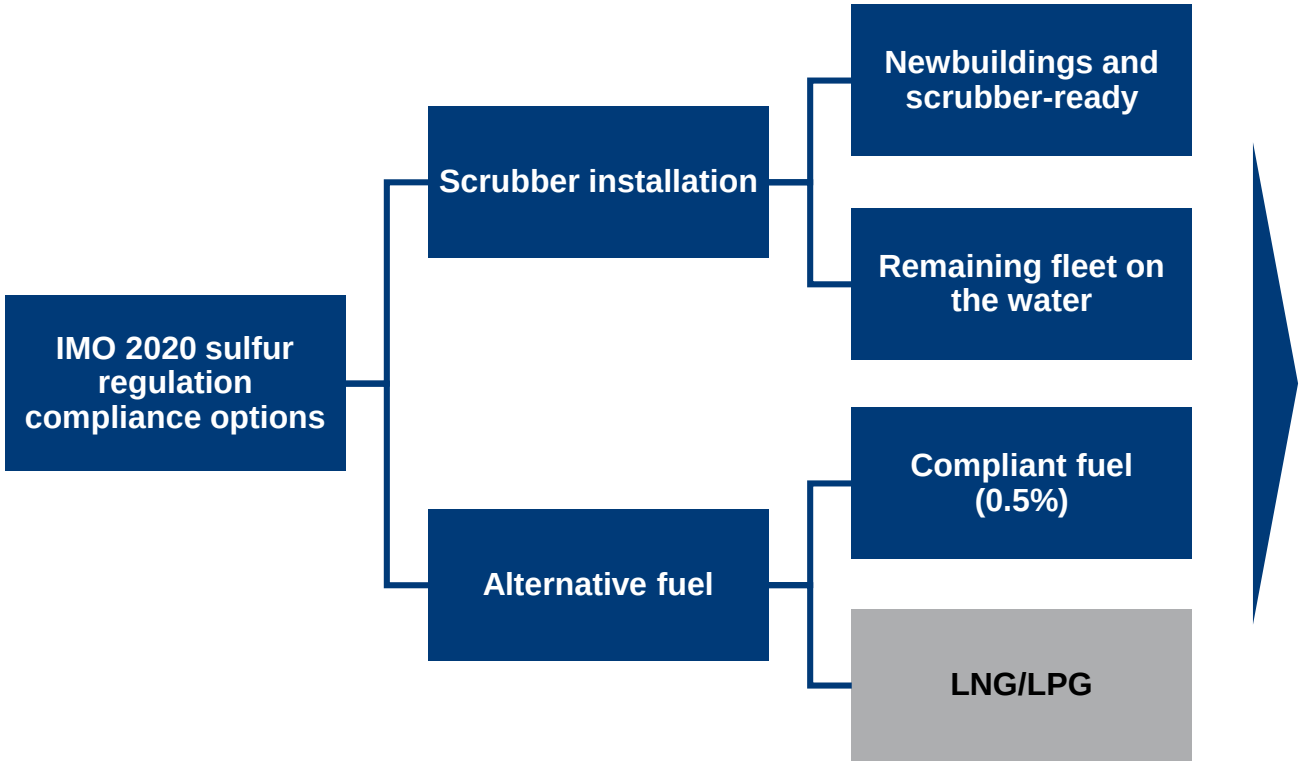
- Increased flexibility to produce additional diesel in net exporting regions and refinery expansion support long-haul and medium-haul trade routes across the world
- Additional routes will be impacted including shorter distance regional and coastal trades

AGENDA

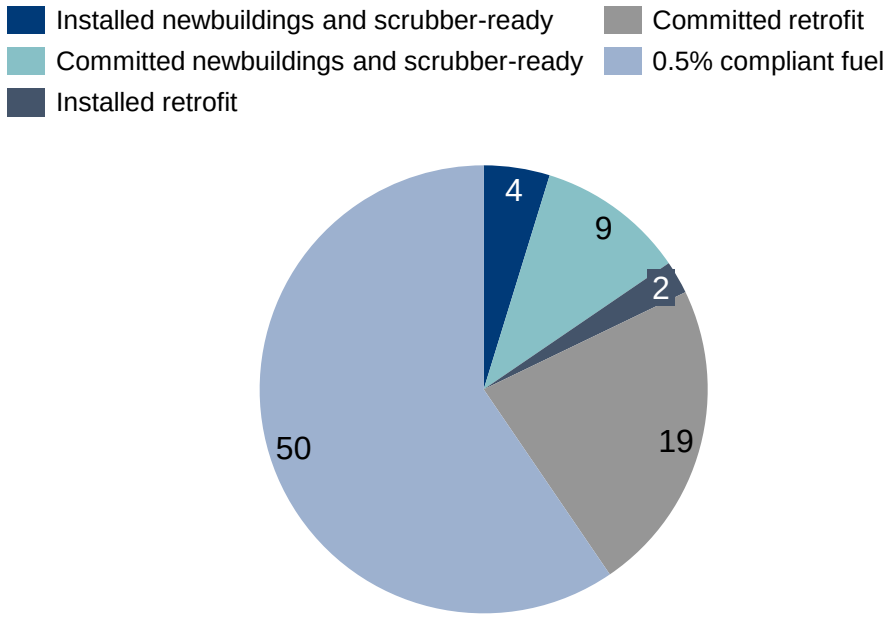
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TORM HAS COMMITTED TO 34 SCRUBBER INSTALLATIONS, OR CLOSE TO 50% OF THE TOTAL FLEET

IMO 2020 sulfur regulation compliance options



Significant number of vessels committed to scrubbers[1)]



- Additional retrofit installations are under consideration
- LNG/LPG is not applicable due to trading pattern

- Total average scrubber cost incl. installation is around USD 2m
- Decided scrubber investments are based on attractive business cases with a short payback time and with corresponding high IRRs
- Further installations will be based on a business case assessment, e.g. remaining lifetime of vessel, fuel consumption, sailing pattern and investment costs

1. Including the recent acquisition of four MR vessels.

MAJORITY OF 34 SCRUBBER INSTALLATIONS WILL BE DELIVERED AHEAD OF THE 2020 DEADLINE SUPPORTED BY TORM'S SCRUBBER JV

TORM's scrubber JV, ME Production China

TORM

Ownership share: 27.5%

ME Production China

MEPRODUCTION

Leading scrubber manufacturer

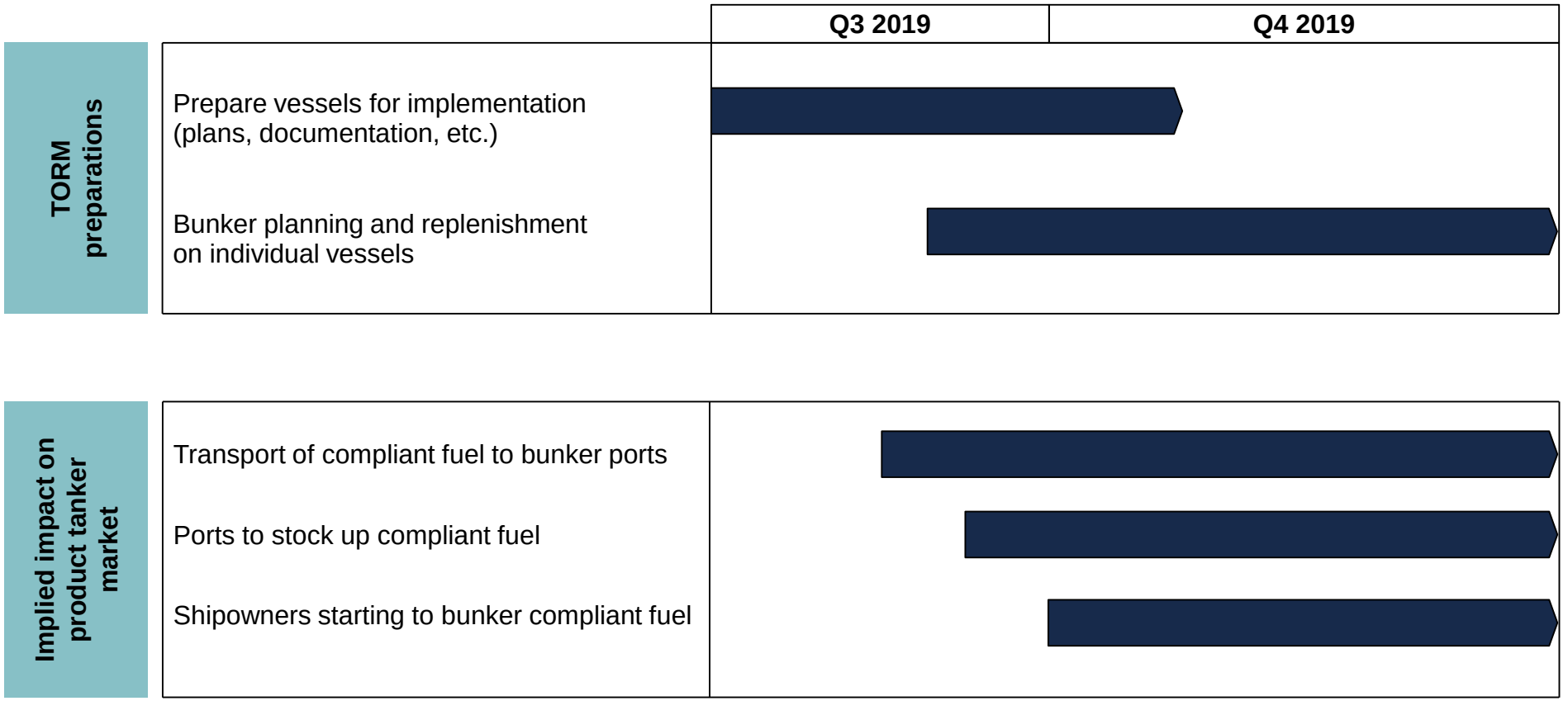
GSI 广船国际 广船国际有限公司 GUANGZHOU SHIPYARD INTERNATIONAL COMPANY LIMITED

Part of one of the largest shipyards groups



- One of the largest risks with scrubber installations is the potential delay during both the production and the installation phase
- Due to the strategic partnership with ME Production and GSI, TORM has secured production slots at ME Production China securing delivery of the majority of scrubbers ahead of the 2020 deadline
- 28 out of the 34 scrubbers will be delivered from TORM's scrubber JV, ME Production China

THE IMO 2020 SULFUR REGULATION IS EXPECTED TO KICK IN TOWARDS THE END OF THE THIRD QUARTER OF 2019



- TORM plans to gradually change bunkers on board vessels during the fourth quarter of 2019
- Other owners are expected to follow the same approach implying a gradual increase in demand from the IMO 2020 sulfur regulation starting at end of the third quarter

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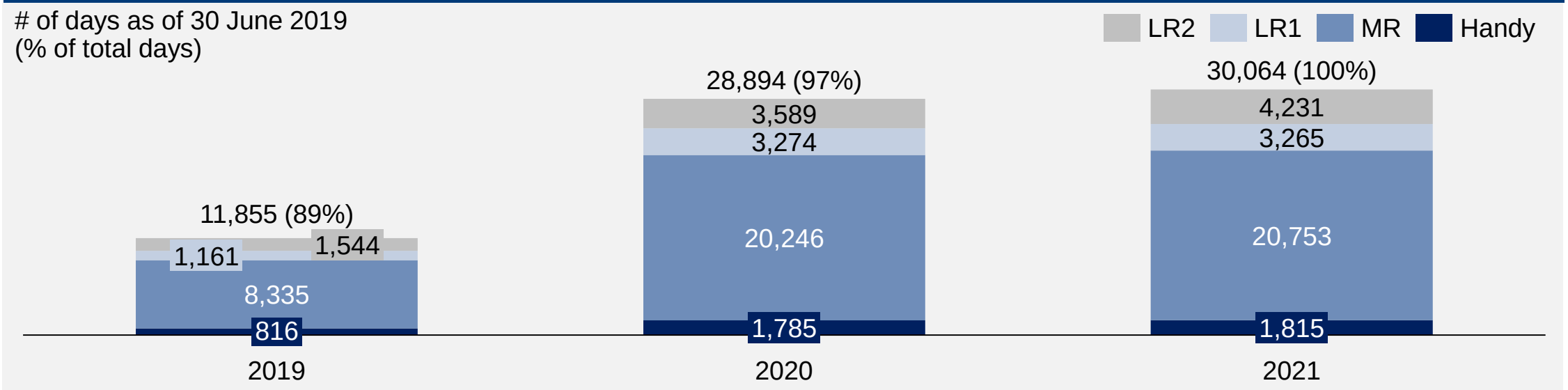
PROFITABLE IN Q2 2019

USDm	Q2 2019	Q2 2018	2018
P&L			
TCE earnings	98	90	352
Gross profit	55	42	169
Sale of vessels	0	0	1
EBITDA	41	29	121
Profit before tax	5	-9	-33
Balance sheet			
Equity	864	882	847
NIBD	623	598	627
Cash and cash equivalents	106	159	127
Key figures			
Earnings per share (USD)	0.07	-0.12	-0.48
Return on Invested Capital	3.9%	0.1%	0.1%
Net Asset Value (NAV)	897	840	856
Number of vessels (#)	70	78	75
Tanker TCE/day (USD)	15,405	12,944	12,982
Tanker OPEX/day (USD)	6,580	6,573	6,389

SPOT-ORIENTATION PROVIDES SIGNIFICANT OPERATING LEVERAGE

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Unfixed days



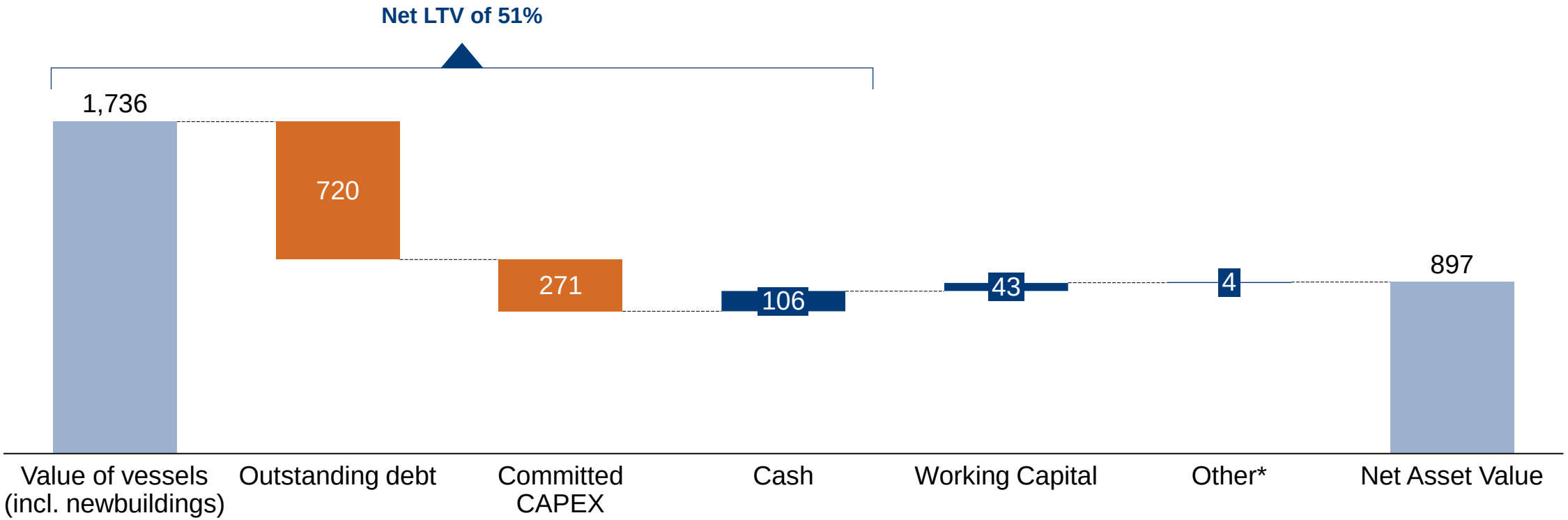
Illustrative change in cash flow generation potential for the TORM fleet

Change in average TCE/day	2019	2020	2021
+/- USD 1,000	11.9	28.9	30.1
+/- USD 2,500	29.6	72.2	75.2
+/- USD 5,000	59.3	144.5	150.3

- As of 30 June 2019, 11% of the total earning days in 2019 were covered at USD/day 15,197
- As of 12 August 2019, 60% of the total earning days in the third quarter of 2019 were covered at USD/day 13,636, and 31% of the total earning days in the second half of 2019 were covered at USD/day 13,738

NET ASSET VALUE ESTIMATED AT USD 897M

30 June 2019 figures, USDm



- Net Loan-to-Value was 51% ensuring a strong capital structure
- Net Asset Value (NAV) was estimated at USD 897m (USD 12.1/DKK 79.8 per share)
- Market cap as of 30 June 2019 was USD 643m, or DKK 57 per share**

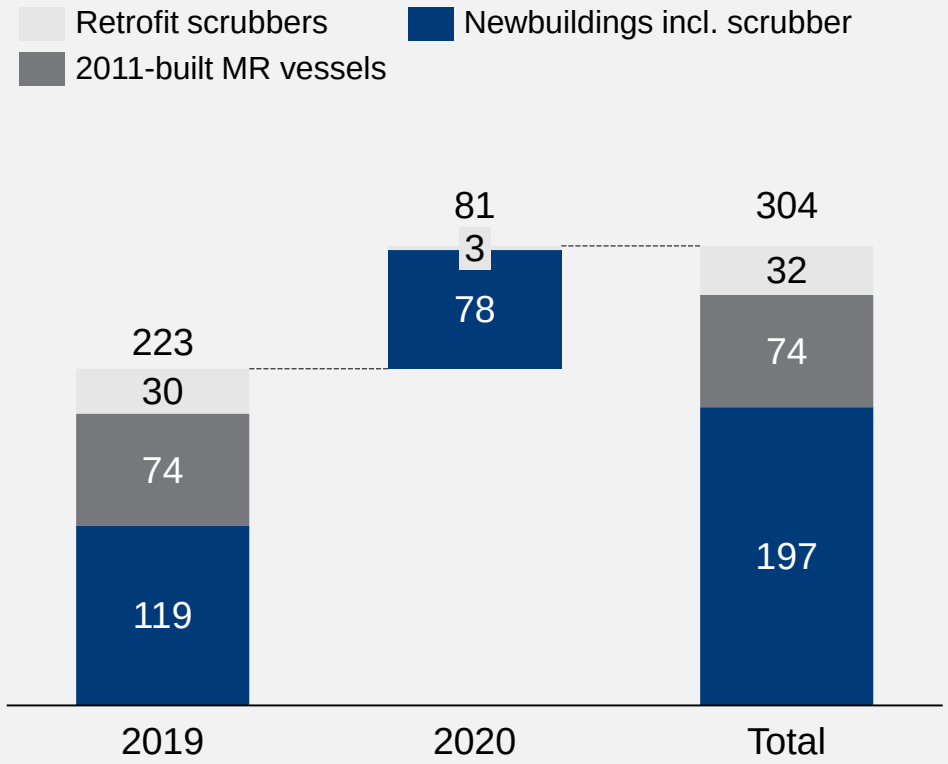
* Other includes Other plant and operating equipment and total financial assets.
** Calculated based on 74,218,846 shares and USD/DKK FX rate of 6.58.

WELL-POSITIONED TO SERVICE FUTURE CAPEX COMMITMENTS

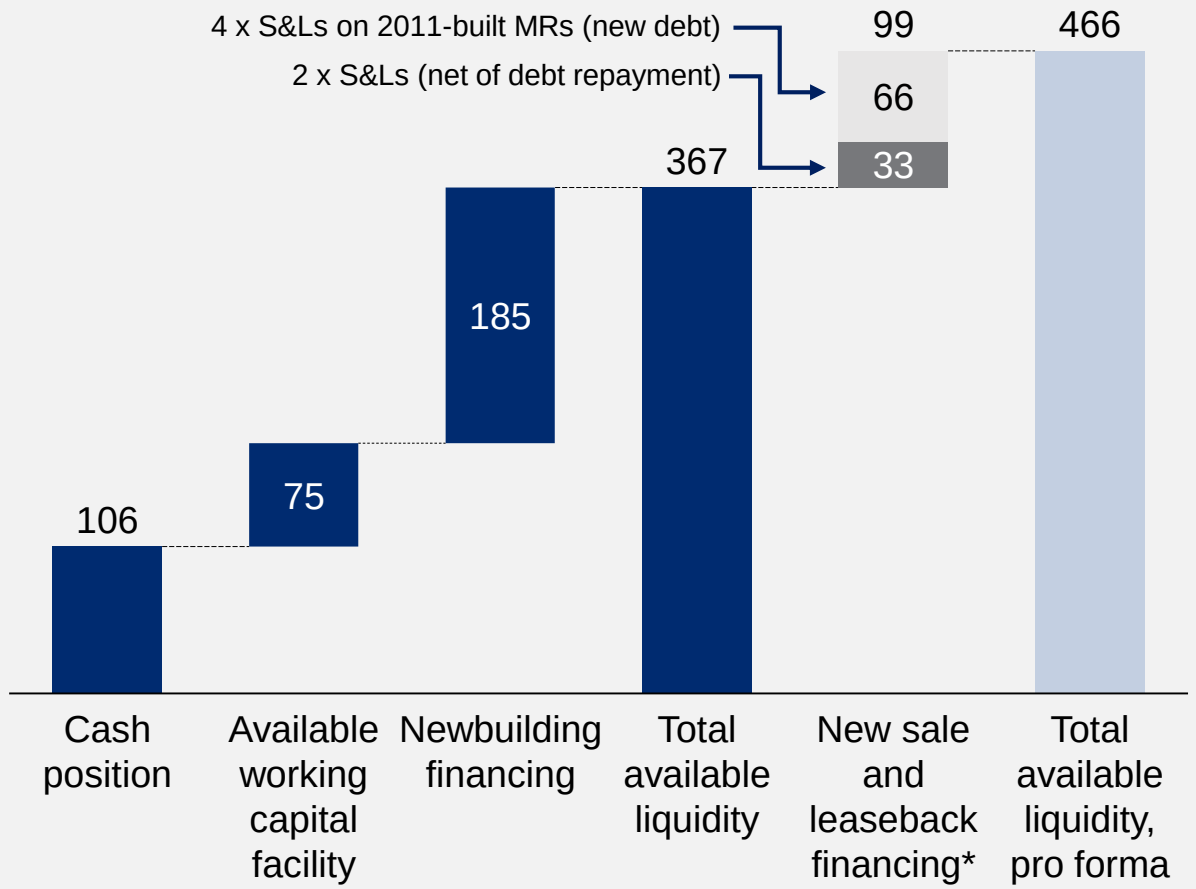
CAPEX and liquidity as of 30 June 2019

USDm

CAPEX commitments



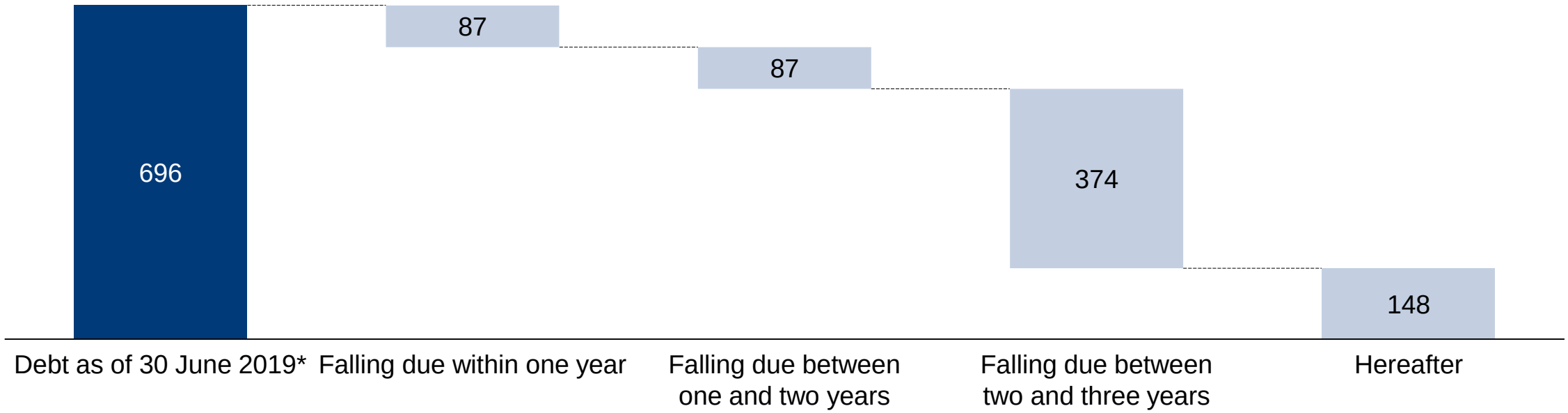
Available liquidity



* In July and August, TORM has entered into sale and leaseback (S&L) agreements on six vessels with an estimated liquidity effect of USD 99m, net of debt repayment on the existing facilities.

FAVOURABLE FINANCING PROFILE WITH NO NEW NEAR-TERM MATURITIES

Scheduled debt repayments as of 30 June 2019
USDm



Ample headroom under our attractive covenant package:

- Minimum liquidity: USD 75m**
- Minimum book equity ratio: 25% (adjusted for market value of vessels)

* Total debt does not include directly related costs arising from the issuing of the loans of USD 4.8m, which are amortized over the term of the loans. Debt figure excludes vessel-related financial lease liabilities of USD 24m, IFRS16 liabilities of USD 9m and the impact of the six sale and leaseback transactions.
** Of which USD 40m must be cash or cash equivalent.



APPENDIX

TORM

MANAGEMENT TEAM WITH AN INTERNATIONAL OUTLOOK AND MANY YEARS OF SHIPPING EXPERIENCE

TORM

Executive Director



Jacob Meldgaard

- Executive Director in TORM plc
- CEO of TORM A/S since April 2010 and Head of Tanker Division since 2015
- Chairman of the Board of Danish Shipping and member of the Board of Danish Ship Finance
- Previously Executive Vice President of the Danish shipping company NORDEN, where he was in charge of the company's dry cargo division
- Prior to that, he held various positions with J. Lauritzen and A.P. Møller-Maersk
- More than 25 years of shipping experience

Senior Management



Kim Balle

- Chief Financial Officer
- Will join TORM on 1 December 2019 at the latest
- Previously CFO of CASA A/S and DLG
- More than 25 years of banking experience



Lars Christensen

- Head of Projects
- With TORM since 2011
- Previously with Navita Ship, Maersk Broker and EA Gibson
- More than 25 years of shipping experience



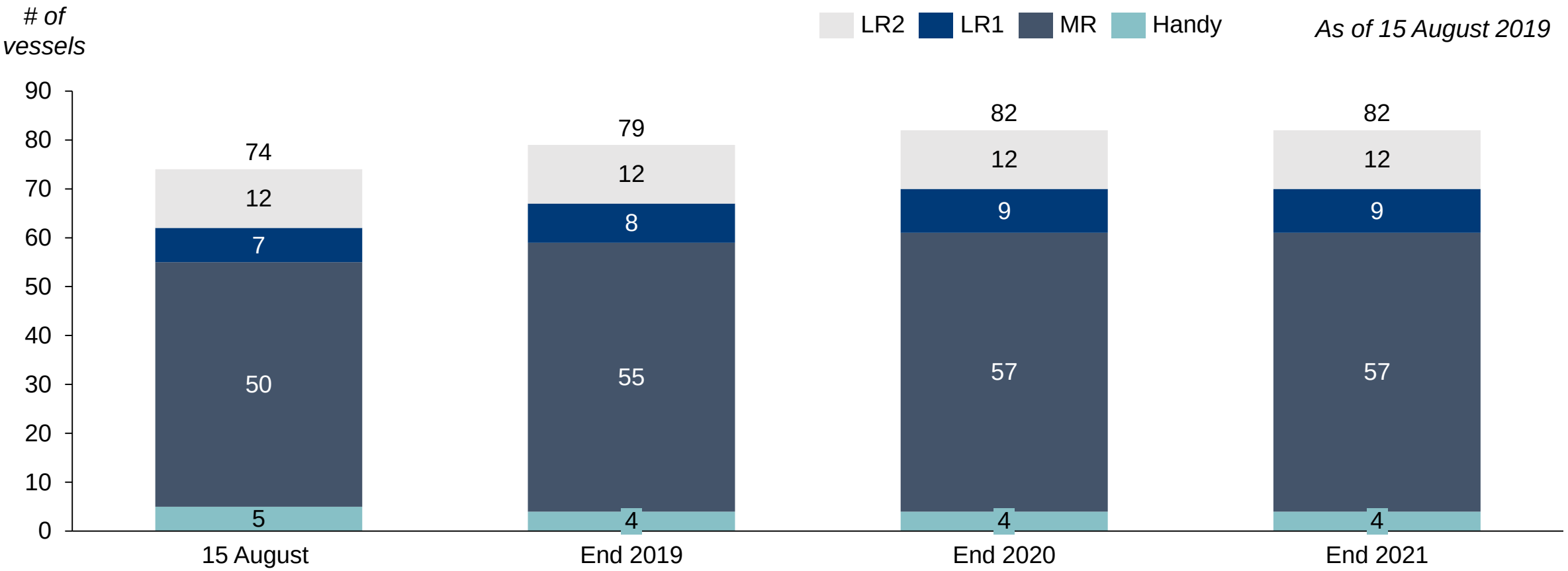
Jesper S. Jensen

- Head of Technical Division
- With TORM since 2014
- Previously with Clipper and Maersk
- More than 25 years of shipping experience

KEY FIGURES

USDm	Q2 2019	Q2 2018	Q1-Q2 2019	Q1-Q2 2018	2018
Revenue	166	163	353	326	635
EBITDA	41	29	102	67	121
Profit/(loss) before tax	5	-9	29	-8	-33
Net profit/(loss)	5	-9	28	-8	-35
Balance sheet					
Total assets	1,718	1,744	1,718	1,744	1,714
Equity	864	882	864	882	847
NIBD	623	598	623	598	627
Cash and cash equivalents	106	159	106	159	127
Cash flow statement					
Operating cash flow	38	25	93	43	71
Investment cash flow	-78	-47	-78	-119	-176
Financing cash flow	-16	7	-43	102	96
Financial related key figures					
EBITDA margin	24%	18%	29%	20%	19%
Equity ratio	50%	51%	50%	51%	49%
Return on Invested Capital (RoIC)	4%	0%	6%	1%	0%

FLEET OVERVIEW



Graph includes sale and leaseback vessels

15 August	End 2019	End 2020	End 2021
4	9	9	9

INDUSTRY COOPERATION AND TRANSPARENCY ARE KEY TO TORM'S CORPORATE SOCIAL RESPONSIBILITY AND INDUSTRY INITIATIVES

TORM

TORM is committed to support…

Corporate Social Responsibility	UN Sustainable Development Goals	TORM supports the SDGs based on an assessment of our CSR activities and areas of impact.
	UN Global Compact	TORM became signatory to the UNGC in 2009 as the first Danish shipping company.
	Maritime Anti-Corruption Network	TORM is founding member of a global business network working towards a maritime industry free of corruption that enables fair trade.
Industry initiatives	Danish Shipping	As part of Danish Shipping, TORM is pushing for international regulation and standards on e.g. emissions through the International Maritime Organization.
	Clean Shipping Alliance 2020	TORM joined the CSA 2020 as one of the first shipping companies in Denmark and hereby supports the enforcement of the IMO 2020 Sulfur Directive as of 1 January 2020.

SUPPORTING EDUCATION AND CLIMATE ACTION

TORM

- In 2018, TORM extended its support to the UN Sustainable Development Goals (SDGs) as a natural progression of its commitment to the UN Global Compact
- TORM focuses on two specific SDGs, which are linked to the Company's current CSR activities. Activities and efforts made within these areas also make good business sense for the Company



- Long-standing supporter of maritime education – supporting potential future employees of TORM and strengthening the overall competence level among seafarers
- Supporting education has positive effects on TORM's core business – developing the pipeline of available competences in the industry and positively impacting retention and brand recognition
- Cooperating with educational institutions and universities – offering trainee and internship positions



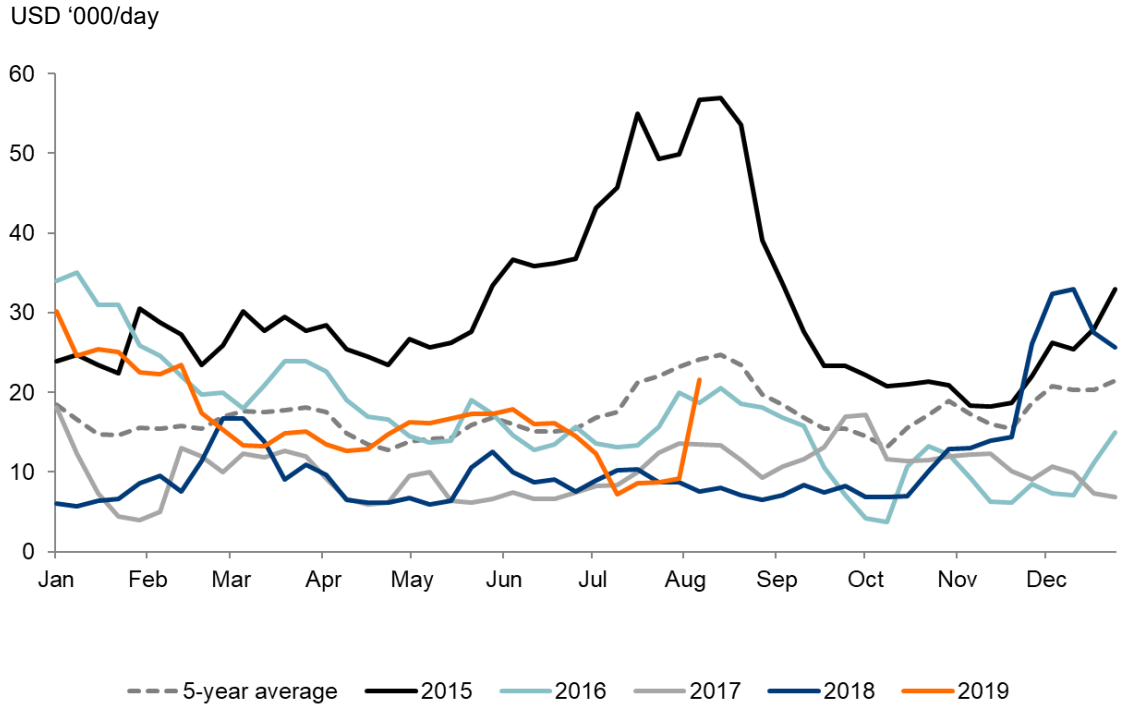
- Marine pollution constitutes the largest environmental risk in shipping. A key priority for TORM is to avoid pollution of the seas and the atmosphere
- Founding member of the Clean Shipping Alliance 2020 – supporting the enforcement of the global 0.5% sulfur cap as of 1 January 2020
- Fuel efficiency minimizes environmental impact while also making good business sense – TORM achieved fuel efficiency improvements of 6.9%* in 2018 and the target for 2019 is a 1% further improvement

* Compared to the 2015 baseline.

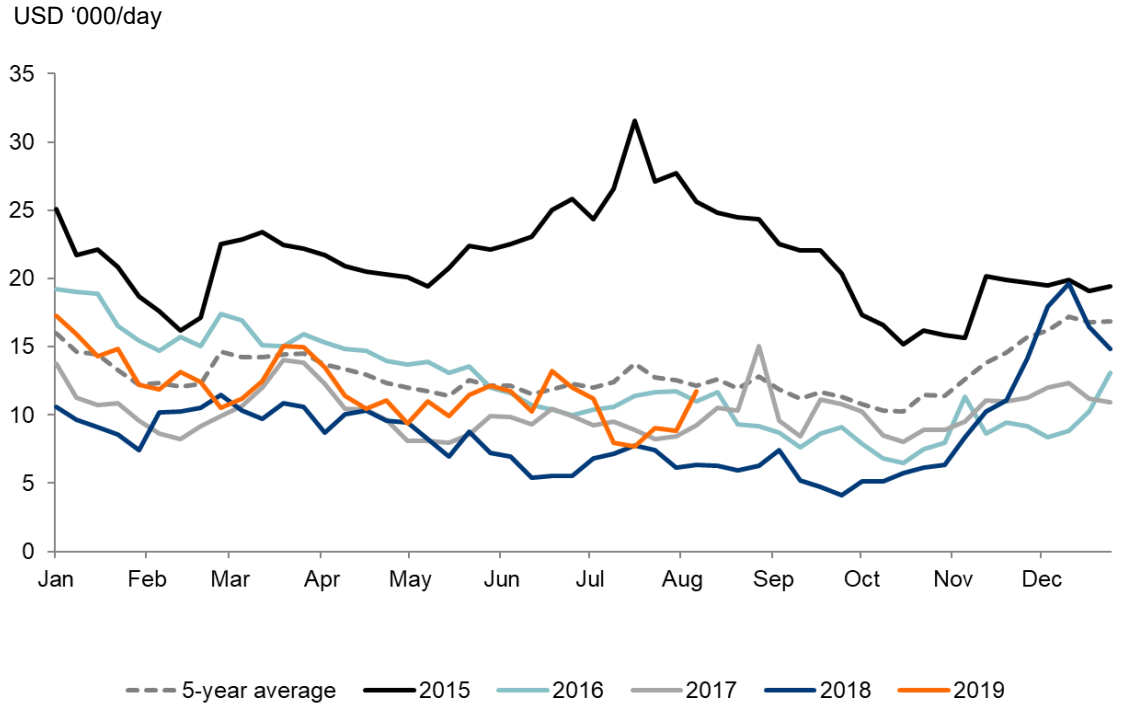
STRONG START TO THE YEAR FOLLOWED BY SEASONAL SOFTENING

TORM

LR2 (TC1)



MR (average)



Source: Clarksons. Spot earnings: LR2: TC1 Ras Tanura-> Chiba, MR: average basket of Rotterdam->NY, Bombay->Chiba, Mina Al Ahmadi->Rotterdam, Amsterdam->Lome, Houston->Rio de Janeiro, Singapore->Sydney.

TORM MONITORS THE GEOPOLITICAL SITUATION IN KEY PRODUCT TANKER SEGMENT AREAS IN THE MIDDLE EAST

Prior events in the Persian Gulf region

- 5 November 2018: US reinstates all sanctions against Iran
- 8 April 2019: US labels an Iranian guard corps as a foreign terrorist organization (IRGC)
- 5 May 2019: US announces the deployment of additional military assets to the Persian Gulf region
- 12 May 2019: Four tankers damaged by explosions at the Fujairah anchorage
- 13 June 2019: Two tankers are damaged by explosions whilst transiting the Gulf of Oman
- 20 June 2019: Iran shoots down US military drone
- 10 July 2019: Isle of Man-flagged vessel is approached by the Iranian guard corps while under naval escort through the Strait of Hormuz
- 19 July 2019 MR tanker 'Stena Impero' under UK flag was seized by IRGC

Impact of less trade in the Middle East area

- More than 40% of global crude oil flows stem from the Middle East region
- The Middle East accounts for around 12% of global CPP exports and 3% of global CPP imports
- Long-haul naphtha trades on LR1s and LR2s to Far East
- Diesel and jet fuel trades on LR2s, LR1s and MRs to primarily Europe
- Hence the potential impact would be larger for the crude tanker market



- The safety of our crew and vessels are of highest priority, and TORM has taken several precautionary measures
- The Middle East remains an important area for TORM, and we have ongoing business in the area
- TORM monitor the situation in the area closely based on dialogue with and information from our security advisors, public authorities and other relevant sources

OAKTREE IS THE MAJORITY SHAREHOLDER WITH A REMAINING FREE FLOAT OF 36%

Share information

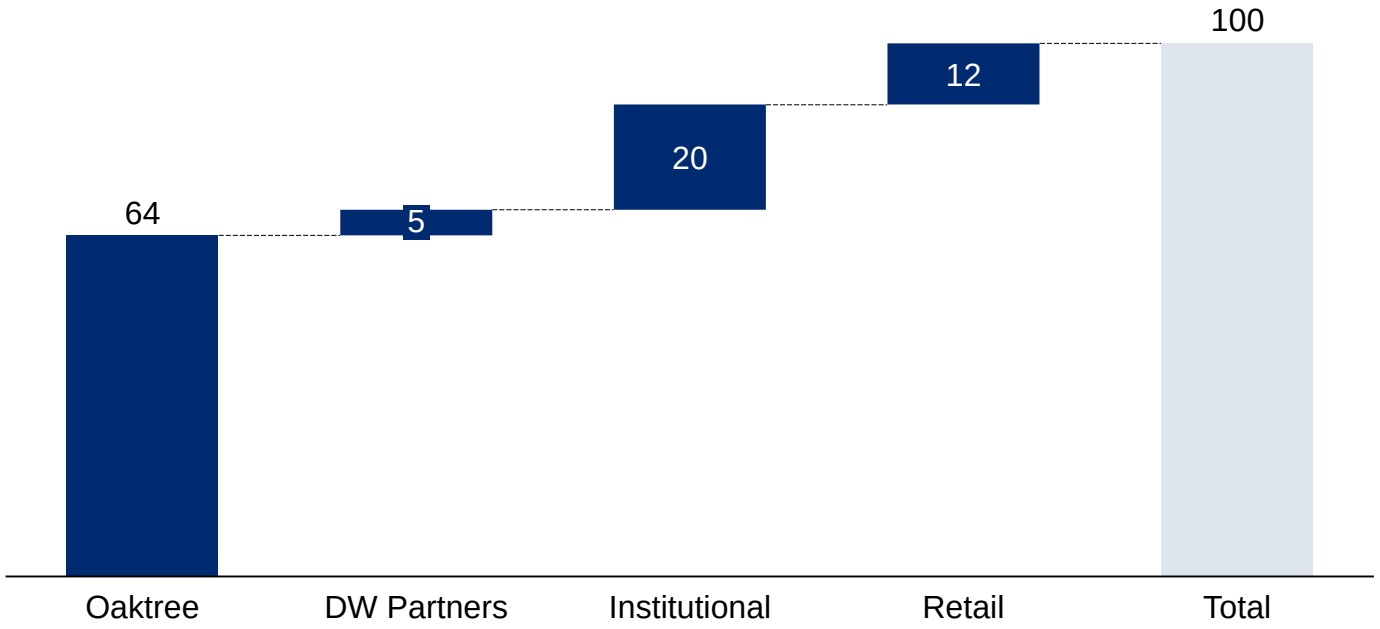
TORM's shares are listed on Nasdaq in Copenhagen and Nasdaq in New York under the tickers TRMD A and TRMD, respectively.

Shares

- 74.2m A-shares, one B-share and one C-share
- The B- and the C-shares have certain voting rights
- A-shares have a nominal value of USD/share 0.01

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

Estimated shareholdings as of August 2019 (%)*



* Based on major shareholder announcements and shareholder ID from Q1 2019.

TORM EXPECTS A POSITIVE TCE IMPACT FOR THE TORM FLEET DUE TO THE SCRUBBER INVESTMENTS

Vessel type	Avg. fuel consumption, tons/day[1)]		Compliant HSFO fuel spread assumption, USD/t		TCE impact per vessel, USD/day[2)]	Annual TCE impact per vessel, USDm
MR Eco vessel	~11	×	200 (Example)	=	~2,200	0.8
MR Non-eco vessel	~14	×	200 (Example)	=	~2,700	1.0

- Scrubber vessels will have lower expected fuel costs which in turn will positively impact TCE compared to a non-scrubber vessel
- The financial effect will be bigger for the larger vessels with higher fuel consumption
- Based on 34 scrubber vessels and an assumed fuel spread of USD/t 200, an estimated annual TCE increase of up to USD ~35m is estimated

1) Assumptions: 365 operational days per year, MR scrubber utilization of 90%; based on 2018 actual fuel consumption; assuming 55% steaming ratio.
2) Calculation includes an extra scrubber fuel consumption of 2%.