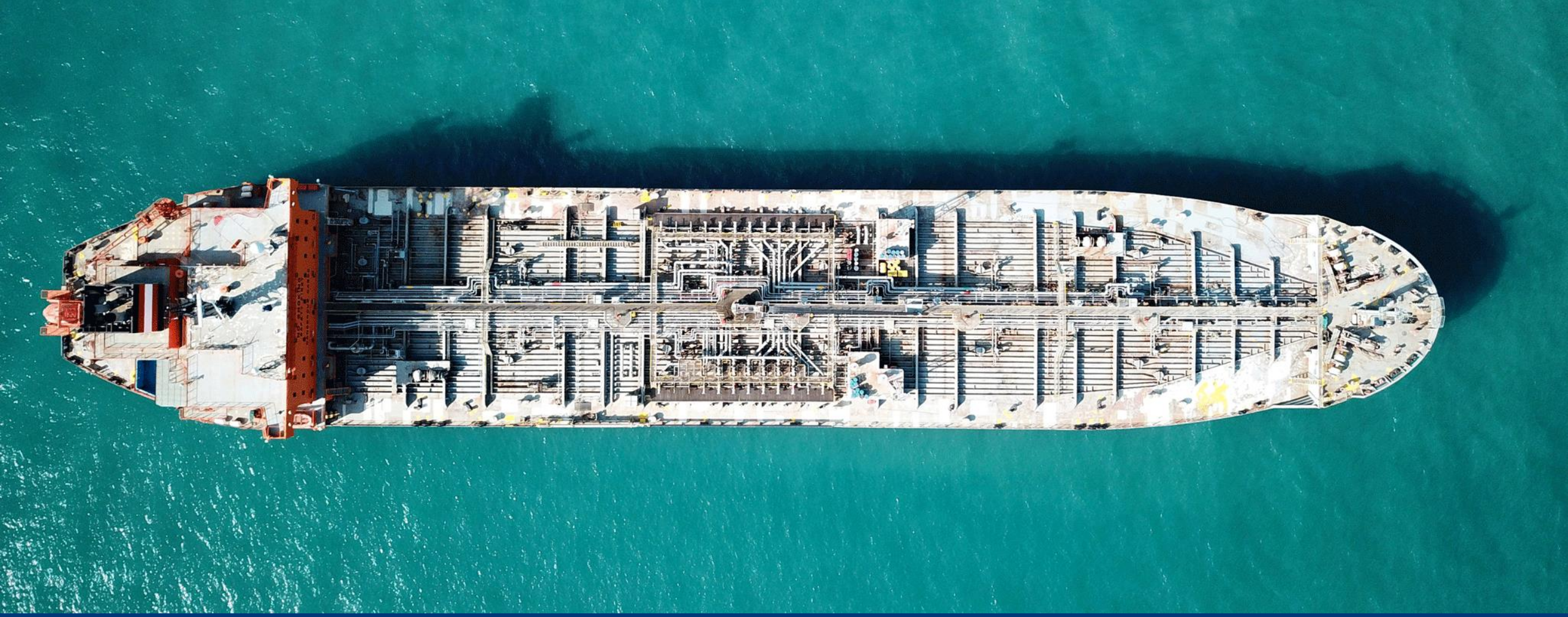


17 AUGUST 2020

Q2 2020 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, general market conditions, including fluctuations in charter hire rates and vessel values, the duration and severity of the COVID-19, including its impact on the demand for petroleum products and the seaborne transportation thereof, the operations of our customers and our business in general, changes in demand for "ton-miles" of oil carried by oil tankers and changes in demand for tanker vessel capacity, 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 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 including "trade wars," 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 2020 highlights
2	Product tanker market overview and outlook
3	Financial metrics
4	Asset management & scrubber investments

TORM AT A GLANCE

A world-leading product tanker company

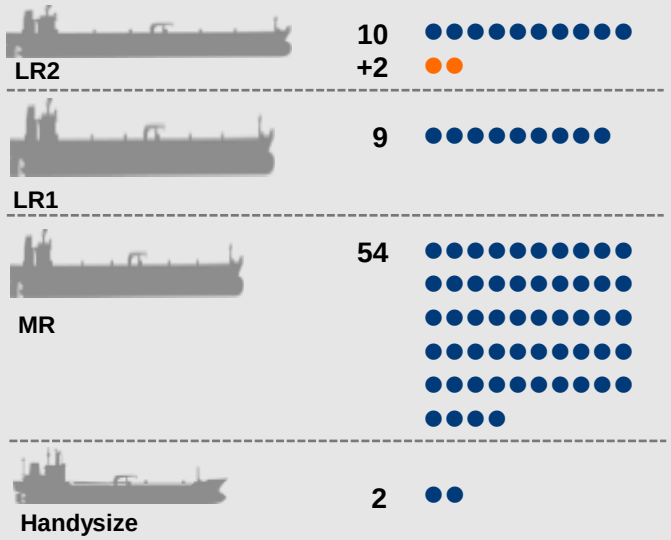
- A leading pure-play product tanker owner
- Large commercial footprint with presence in all key product tanker segments
- Strong capital structure to support disciplined growth strategy
- Dual-listed on Nasdaq in Copenhagen and Nasdaq in New York

One TORM

- Large, global organization with ~340 land-based 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*

75 Owned **2** On order



* As of 17 August 2020, owned vessels include financially leased vessels.

Q2 2020 FINANCIAL HIGHLIGHTS

TORM

PERFORMANCE

TIME CHARTER EQUIVALENT

USD/day	USD/day
25,274	15,405
Q2 2020	Q2 2019

EBITDA

USD	USD
119M	41M
Q2 2020	Q2 2019

ROIC

18.5%	3.9%
Q2 2020	Q2 2019

BALANCE SHEET

as of 30 June 2020

NET ASSET VALUE

USD	USD
985M	897M
Q2 2020	Q2 2019

NET LOAN TO VALUE

47%	51%
Q2 2020	Q2 2019

LIQUIDITY

USD	USD
302M	367M
Q2 2020	Q2 2019

OPERATIONAL LEVERAGE

as of 13 August 2020

OPEN DAYS

2,290
Q3 2020

COVERED DAYS

4,525
Q3 2020

COVERAGE RATES

USD/day
17,928
Q3 2020

THE REFERENCE COMPANY IN THE PRODUCT TANKER SEGMENT

TORM

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

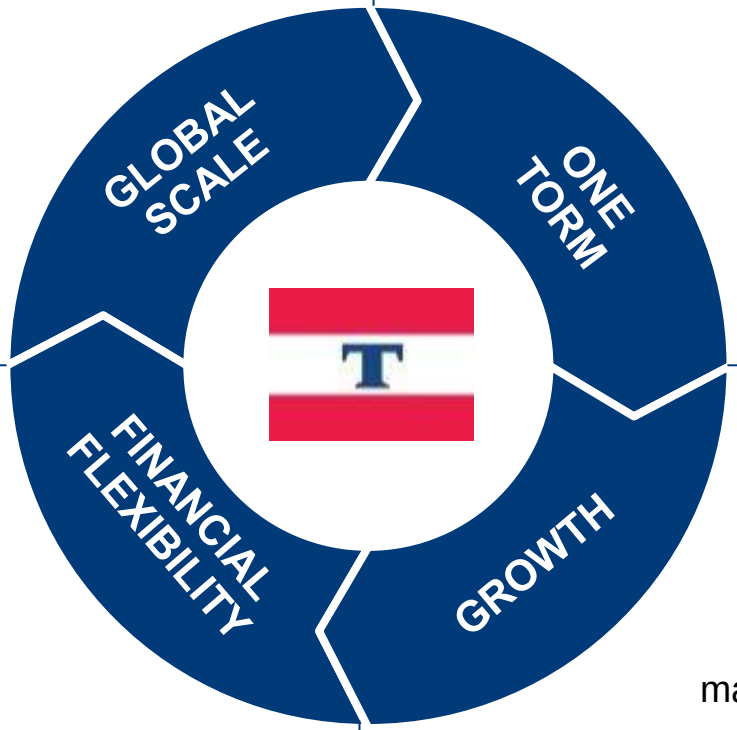
Our product tankers are primarily deployed in the spot market.

Limited charter-in commitment (off-balance sheet).

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

Second to none responsiveness to our customers, resulting in higher TCEs.

Scale and digitalization driving cost-efficient results.

TORM utilizes financial thresholds to pursue **selective fleet growth and renewal.**

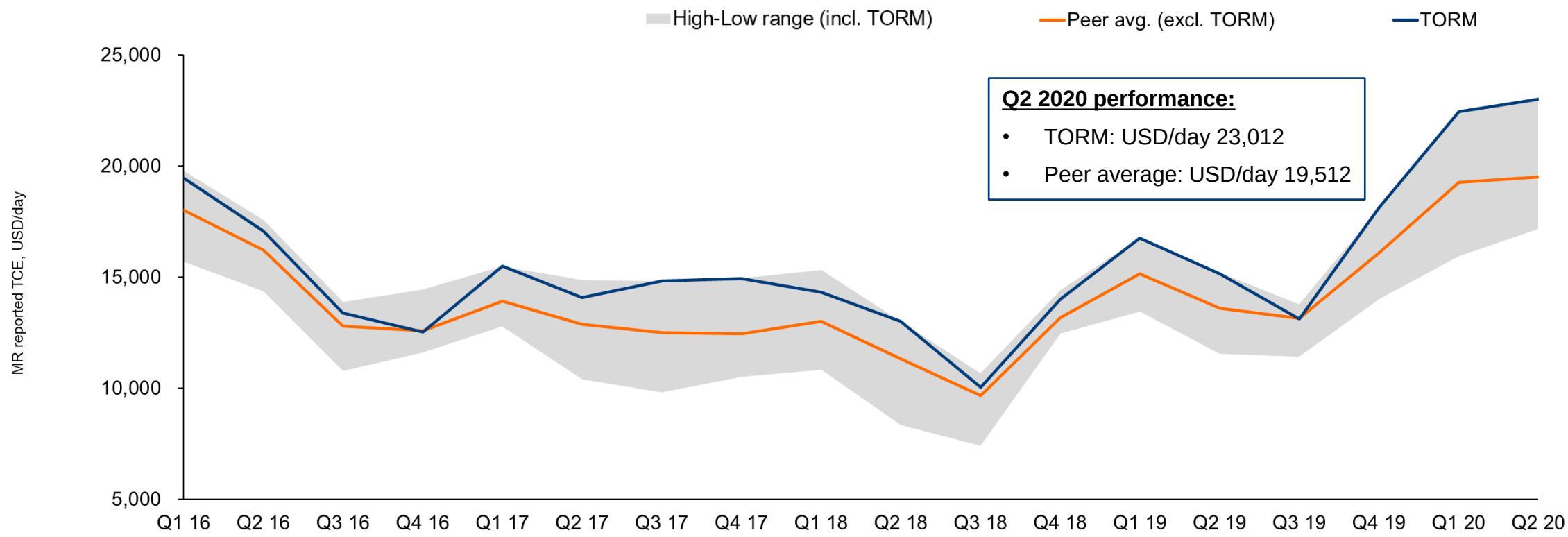
Well-positioned to increase competitiveness through asset management, scrubber installations and market consolidation.

In-house S&P team with long-lasting relationships with brokers, yards, financial partners and shipowners.

TORM COMMERCIALLY OUTPERFORMS PEERS IN ITS KEY MR SEGMENT CORRESPONDING TO USD 34M IN H1 2020

TORM

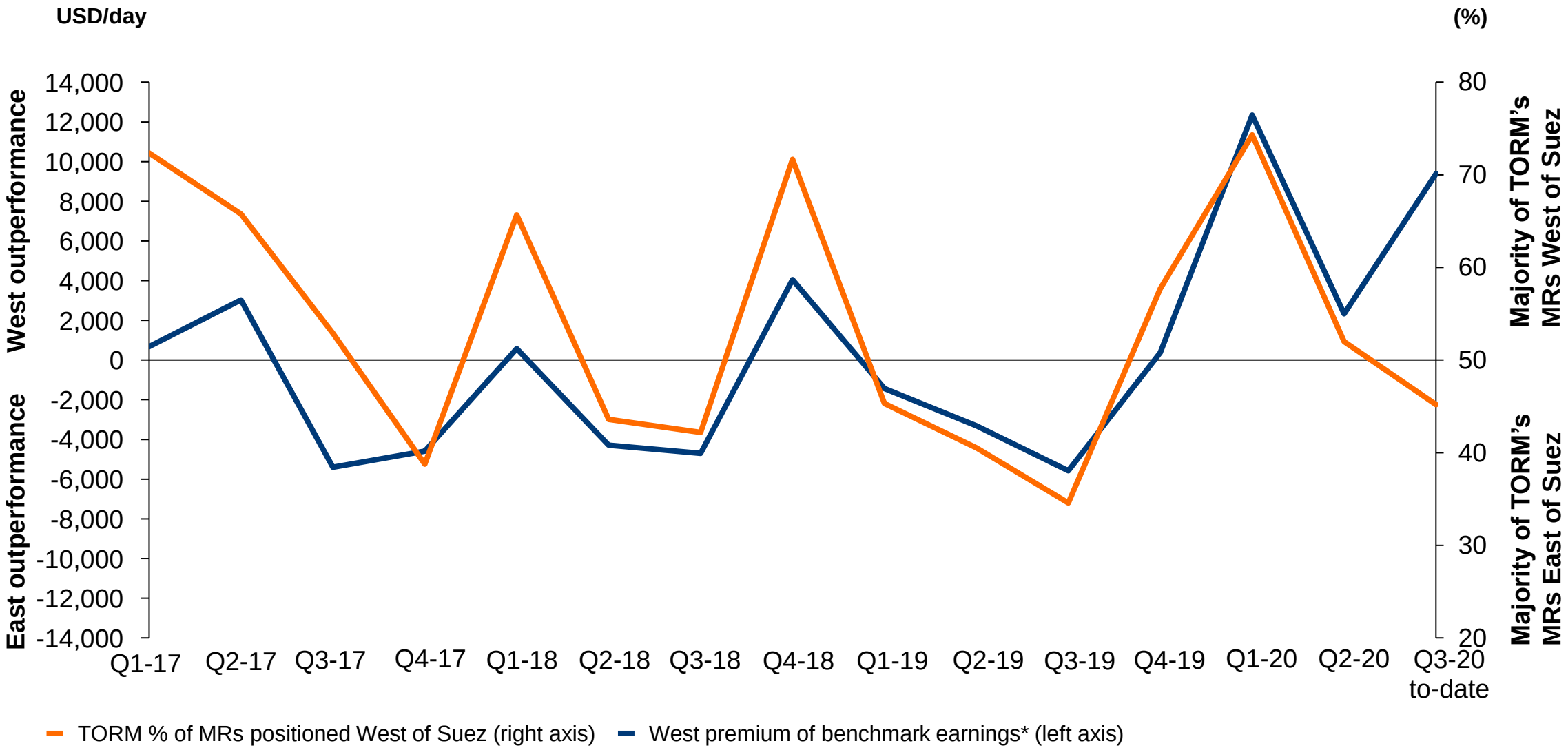
MR reported TCE, USD/day



TORM MR premium*	USD 14m	USD 36m	USD 19m	USD 24m	USD 34m

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 2020, the peer group only consists of Ardmore, d'Amico, Diamond S, Scorpio and International Seaways. Earning releases from other peers are pending.
* TORM's premium calculation is based on the individual quarters with those vessels in TORM's MR fleet earning TORM's TCE rate compared to the peer average.

TORM'S COMMERCIAL CAPABILITIES ARE FOCUSED ON OPTIMIZING GEOGRAPHICAL POSITIONING

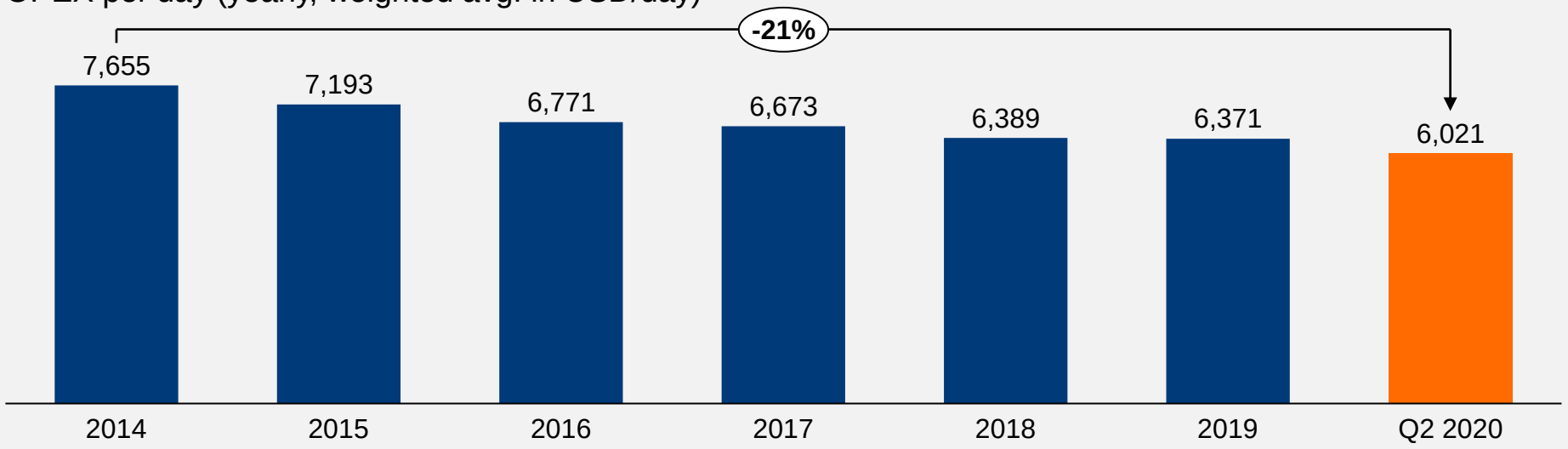


* West premium calculated as spread between Atlantic triangulation (TC2 & TC14) and Transpacific voyage (TC10).
Source: Clarksons, TORM.

COST FOCUS MAINTAINED WITH CURRENT LOW LEVELS PARTLY IMPACTED BY COVID-19 FACTORS

Significant reduction in OPEX

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



Compared to the full year of 2014, TORM has reduced the OPEX cost base by approx. USD 44m on an annualized basis by an OPEX/day reduction of USD/day 1,634.

TORM maintains a low cost base with an EBITDA break-even rate in Q2 2020 of USD/day 8,200.

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 while maintaining a low cost structure

CSR HIGHLIGHTS

TORM

TORM remains committed to taking an active role in caring for communities and our environment. It is not just our shared duty, but our shared responsibility. Therefore, TORM continues the work to combat carbon, sulfur and other emissions and remains committed to enabling quality education, as this is a matter of concern for TORM and its employees. We believe that by having all involved stakeholders working together on this, great results can be achieved.





SUSTAINABLE DEVELOPMENT GOALS

GENDER DIVERSITY

34% WOMEN IN THE SHORE-BASED WORKFORCE

22% WOMEN IN LEADERSHIP POSITIONS



93 SCHOLARS SUPPORTED BY TORM AND OUR EDUCATION FOUNDATION

0.42 LOST TIME ACCIDENT FREQUENCY IN 2019

FUEL EFFICIENCY IMPROVEMENT



RESULTS

9.3%

compared to 2015 baseline



TARGET

1%

Additional savings

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

TORM

TORM is committed to support…

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.
Danish Shipping	As part of Danish Shipping, TORM is pushing for international regulation and standards on e.g. emissions through the International Maritime Organization.
Getting to Zero Coalition	TORM is supporting the efforts to make commercially viable zero-emission vessels a scalable reality by 2030.

SECOND QUARTER HIGHLIGHTS

Q2/H1 FINANCIAL HIGHLIGHTS

- Q2 2020 TCE of USD/day 25,274
- Q2 EBITDA of USD 119m
- Q2 Profit Before tax of USD 71m
- Q2 RoIC of 18.5%
- Q2 EPS of 0.96 USD (6.5 DKK)
- H1 2020 TCE of USD/day 24,465
- H1 EBITDA of USD 221m
- H1 Profit Before tax of USD 128m
- H1 RoIC of 17.1%
- H1 EPS of 1.71 USD (11.6 DKK)
- H1 Dividend of 0.85 USD (5.35 DKK)

VESSEL INVESTMENTS

One MR delivered during Q2 2020.

Seven older vessels sold covering two LR2s and five MRs.

As of 17 August 2020, TORM has installed 40 scrubbers out of a total program of 49 scrubbers.

FINANCING

TORM received commitment for four scrubber and ballast water treatment system installations covering approx. USD 12m.

TORM refinanced USD 35m on five vessels, postponing the maturity from 2021 to 2025.

CREW CHANGE CHALLENGE BEING RESOLVED BY THE ONE TORM PLATFORM AND IN DIALOGUE WITH AUTHORITIES

	22 June 2020	14 August 2020
Crew onboard TORM's vessels[1]	1,620	1,558
Crew with overdue employment contracts	625 *(~40% of total crew)*	189 *(~10% of total crew)*
Crew changes since 15 March 2020	287	988

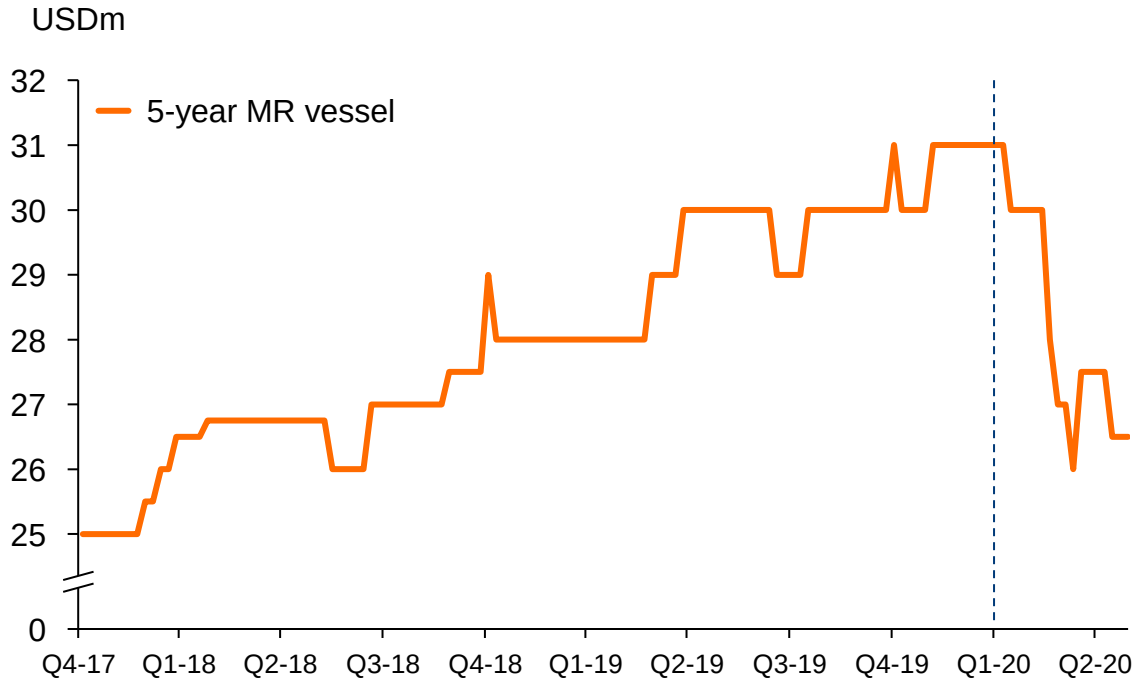
- Safety is the top priority for TORM and an integral part of the One TORM platform
- Safety is especially important during the COVID-19 pandemic and TORM has implemented several precautionary measures both at sea and on shore
- Travel bans and quarantine restrictions have especially during the second quarter of 2020 provided challenges with respect to crew change
- However, towards the end of June and during the third quarter to date much of the issue has been resolved following a constructive dialogue with authorities and customers
- The positive change has been driven by TORM's integrated platform which through coordination between the commercial and technical departments has enabled crew changes as opportunities arise during the vessels' commercial operations

1) Crew on board TORM's vessels is calculated as 20.5 crew per vessel

TORM'S RECENT VESSEL SALES WERE WELL TIMED AND DONE ABOVE PREVAILING BROKER VALUES

TORM

Vessel name	Vessel segment	Delivery date	Age	Sales price, net of commission, USDm	Q1 2020 broker values, USDm
TORM Mary	MR	Q2-20	18.1		
TORM Gertrud	MR	Q3-20	17.6		
TORM Kristina	LR2	Q3-20	21.5		
TORM Helene	LR2	Q3-20	23.0		
TORM Vita	MR	Q4-20	18.3		
TORM Gerd	MR	Q4-20	17.8		
TORM Caroline	MR	Q4-20	17.9		
Total			**19.2**	**~66**	**~64**



- During the second quarter of 2020 and during the third quarter to date, TORM has sold seven older vessel supporting an ongoing fleet renewal
- TORM has realized prices above 31 March 2020 broker valuations, thereby capitalizing on the strong market observed during the first and second quarter of 2020
- The sales proceeds will support TORM to actively pursue attractive opportunities in the market as they arise
- USD 37m of debt will be repaid in connection with the transactions

STRONG PERFORMANCE AND CAPITAL STRUCTURE HAVE ENABLED A SIGNIFICANT RETURN TO SHAREHOLDERS

TORM

TORM's financial position and H1 2020 result…	
Total TCE rates	USD/day 24,465
EBITDA	USD 221m
Net income	USD 128m
Cash position	USD 181m
Net debt, LTV	47%

…has enabled a meaningful return to shareholders	
Payout ratio	50% of Net income
Total dividend	USD 63m (DKK 397m)
Dividend per share	USD 0.85 (DKK 5.35)
Semi-annual dividend yield	10.7%

Dividend decision in line with TORM's policy to distribute 25-50% of Net Income on a semi-annual basis

[1]Share price and FX-rate as of 14 August 2020 (Share price DKK 49.80 and USD/DKK 6.30)

EQUITY INVESTMENT HIGHLIGHTS

TORM

PURE-PLAY PRODUCT TANKER EXPOSURE

~75 vessels deployed in the spot market across all 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.

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 debt maturities.

SIGNIFICANT OPERATING LEVERAGE

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

SCRUBBER INVESTMENTS

TORM has committed to install scrubbers on 49 vessels, just above half of our fleet.

POSITIVE MARKET FUNDAMENTALS

Despite market volatility caused by the COVID-19 the market fundamentals remain intact and the market outlook is positive.

AGENDA

1	Introduction to TORM and Q2 2020 highlights
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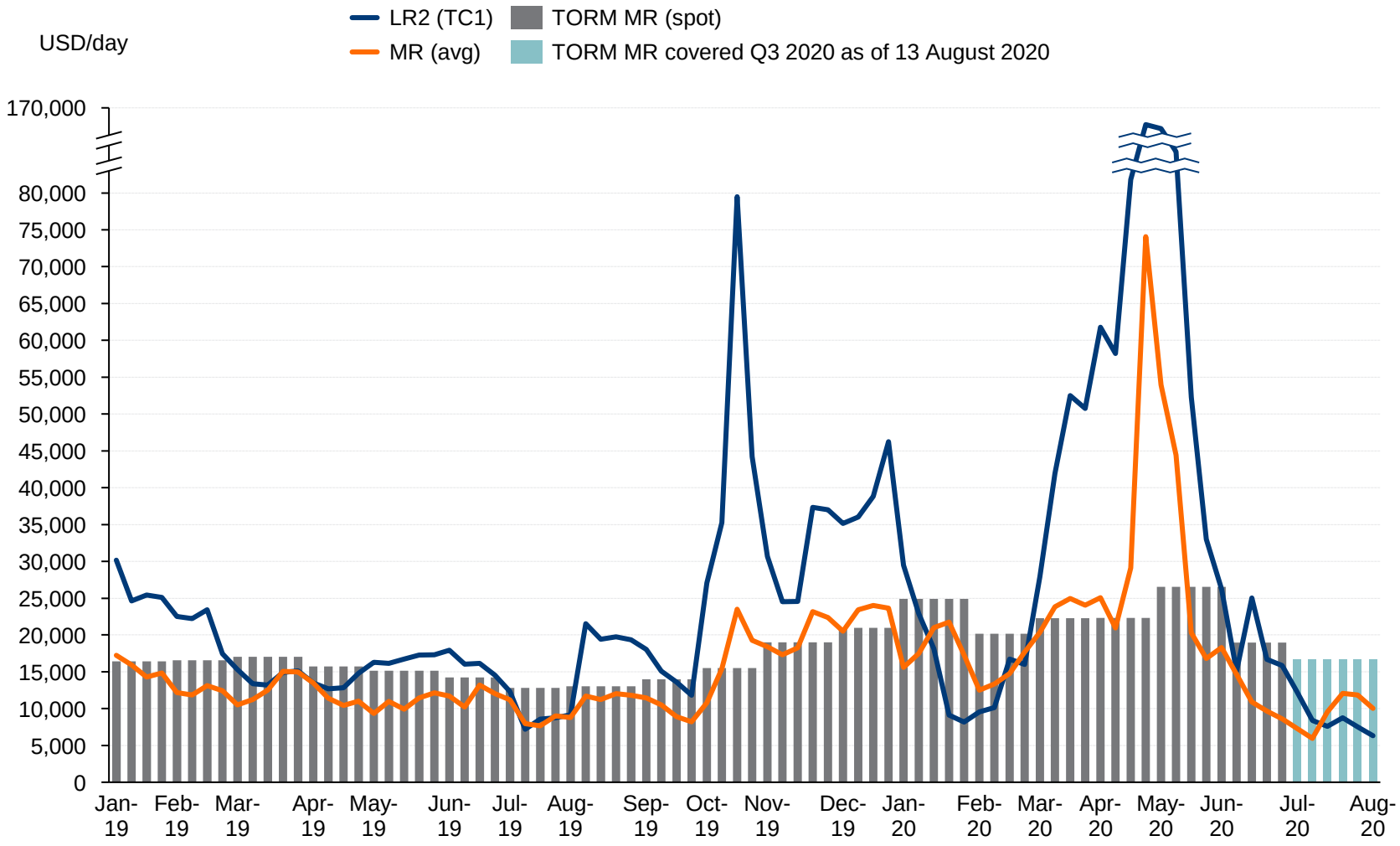
COVID-19 RELATED FACTORS SENDING PRODUCT TANKER FREIGHT RATES ON A ROLLERCOASTER RIDE



Q2 2020

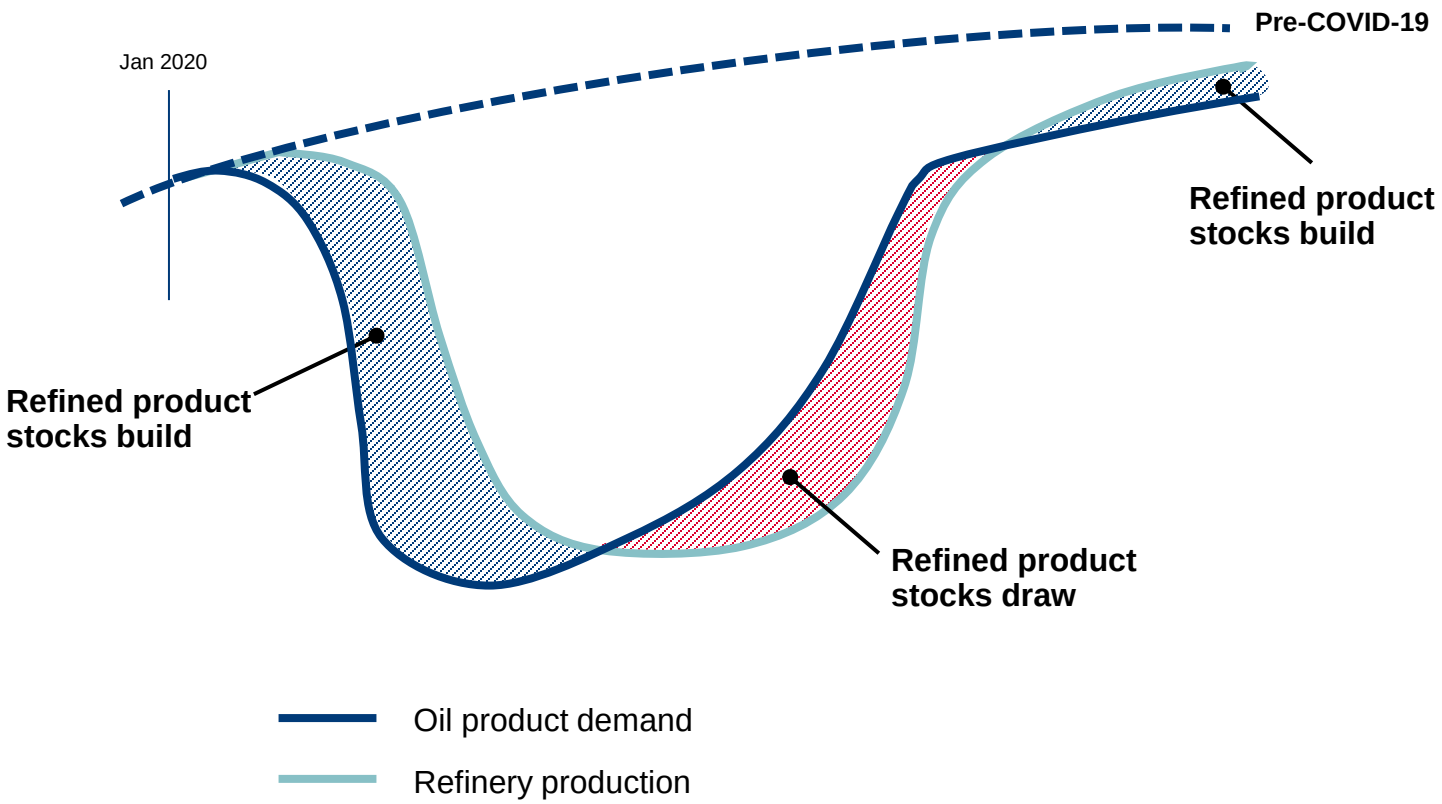
- Unprecedented decline in local oil demand leading to regional dislocations and long-haul trade (e.g. US/Europe to Asia, MEG to Europe and Asia)
- Floating storage primarily from limited storage space at terminals, peaking at 14% of tonnage
- Cargo discharge constraints leading to inefficient trading patterns as charterers are searching for new buyers
- Some LR2 switch-back to clean trade

Q3 2020-to-date

- Unwinding of product tanker floating storage, limiting demand for transportation and releasing tonnage to the market
- In the East, rates are negatively affected by the abundance of tonnage combined with a lack of cargoes due to low refinery runs, although China's exports have started to rise recently
- Strong rates in the US Gulf amid doubling of US CPP exports from May lows, coinciding with record low vessel availability

Source: TORM, 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.

THE OIL MARKET HAS MOVED FROM STOCKBUILDING TO STOCKDRAWING PHASE



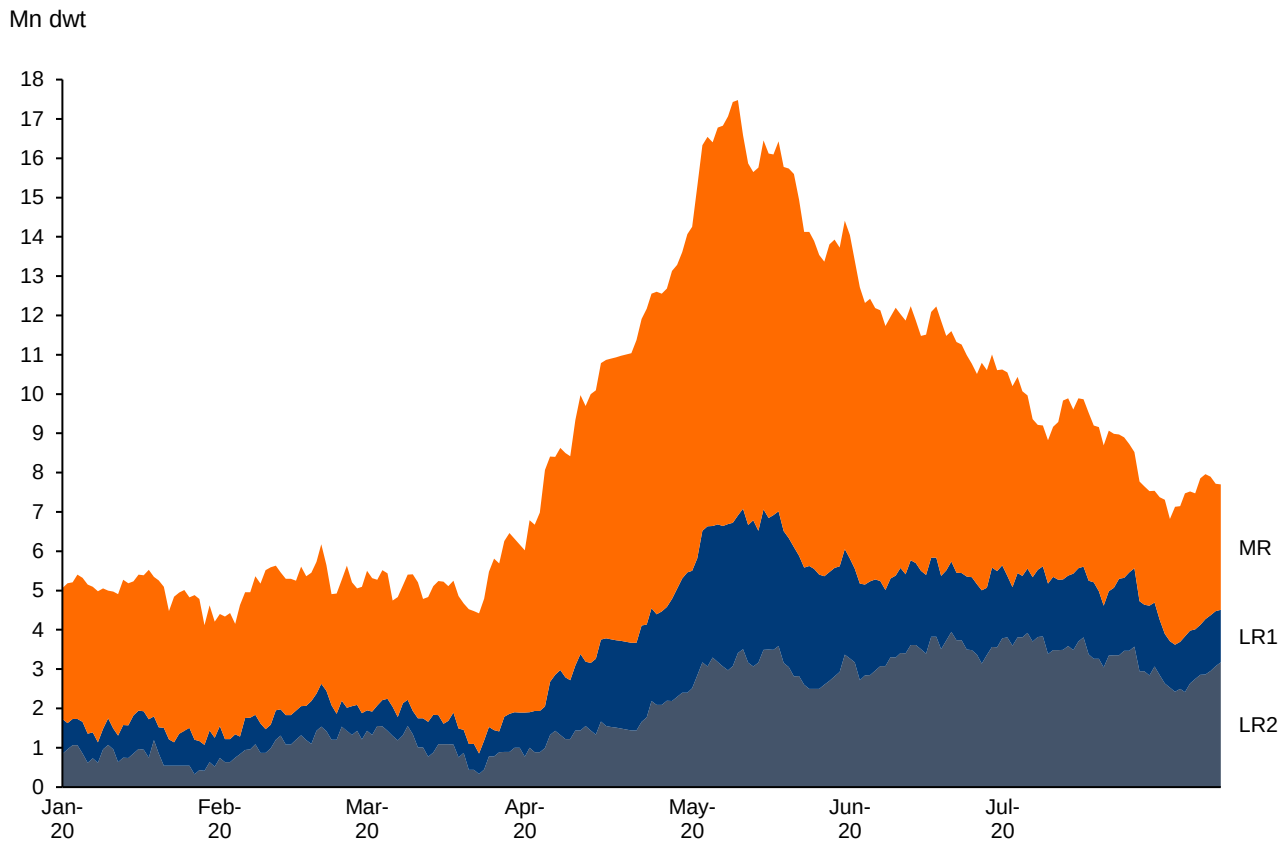
- The COVID-19 pandemic has led to an unprecedented oil demand destruction
- Initially, refinery runs have been lagging declines in demand, leading to unprecedented inventory builds bringing the onshore spare storage capacity to its limits
- Currently, demand has started to recover but weak refinery margins have capped refinery runs, leading to stock draws
- Destocking has started with offshore inventories

Sources: TORM.

FLOATING STORAGE HAS COME DOWN AS A FIRST STEP TOWARDS REBALANCING

TORM

Vessels in floating storage



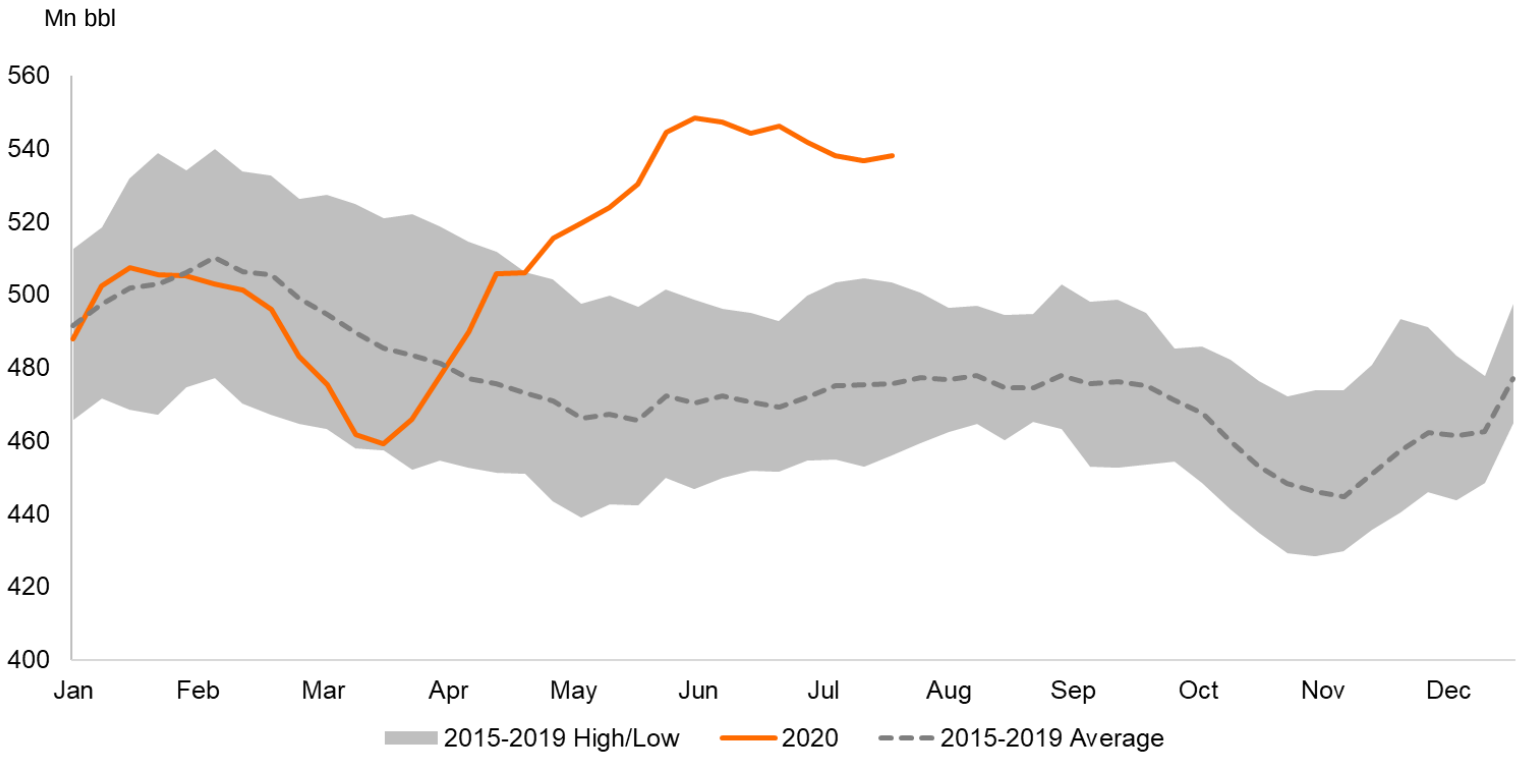
- The unprecedented decline in oil product demand has resulted in limited storage space at terminals and refineries, resulting in a spate of logistical floating storage
- At its peak in early May, 14% of the clean trading tonnage was tied up in floating storage, with ~90% of this is in logistical floating storage with the remainder being committed floating storage
- Currently, 6% of the clean trading tonnage is in floating storage, slightly above the “normal” level of ~4%
- While MR floating storage has almost cleared (currently 4% of the MR fleet), LR2 floating storage has been more resilient and is currently estimated at 14% of the fleet (down from 18% at the peak)
- Potentially, a temporary pick-up in floating storage demand could occur, although at a lower magnitude than seen over April-June

Source: TORM. Vessels idle for at least seven days with cargo on board. Latest data as per 14 August 2020.

ONSHORE INVENTORIES HAVE STABILIZED AND STARTED TO SLOWLY DECLINE AFTER UNPRECEDENTED BUILDS

TORM

CPP inventories in key trading hubs*



- The COVID-19 caused demand destruction and resulted in a counter-seasonal growth of CPP inventories in the US, ARA and Singapore to an all-time high
- This put onshore storage capacity under pressure, leading to floating storage
- Since early June, onshore CPP inventories have stabilised and started to slowly decline

Note: Based on weekly data for the US, Amsterdam-Rotterdam-Antwerp (ARA) area and Singapore.
Sources: EIA, Reuters, TORM.

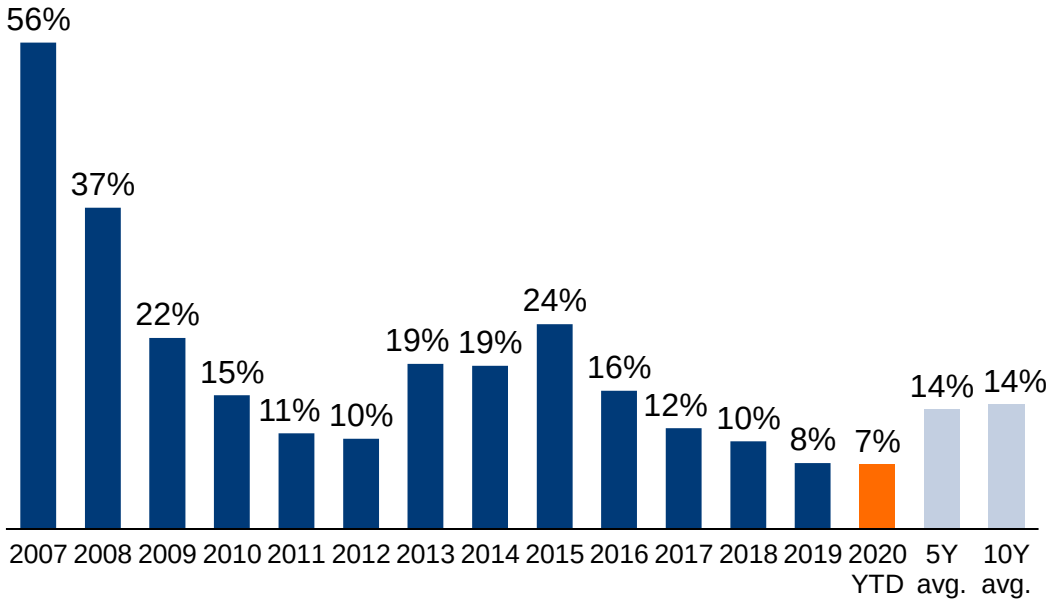
LOW TONNAGE SUPPLY GROWTH ALLEVIATING EFFECTS FROM DESTOCKING

TORM

Fundamental effects on demand and supply from the COVID-19

	Short-term	Medium-term
Tonnage demand	✚ Increased product exports in initial phases of demand weakness ➗ As oil demand is negatively affected around the world, some trade flows will decline	✚ Potential economic stimulus in China and other countries will restore usual demand and trading patterns ➗ Once oil demand improves, product will be released from storage and thereby likely negatively affecting trade flows
Tonnage supply	✚ Discharge delays as unprecedented product oversupply is resulting in full storage tanks at terminals (“logistical floating storage”) ✚ Full onshore storage capacity necessitating floating storage, removing tonnage from the market ✚ Delays with scrubber installations might temporarily reduce effective tonnage supply	➗ Release of vessels from floating storage once oil demand starts to recover ✚ Newbuilding delivery delays from the Chinese shipyards, and lower ordering interest lead to lower fleet growth in the medium and long term, at a time when the order book is already historically low

Product tanker order book at historical low level as % of total fleet

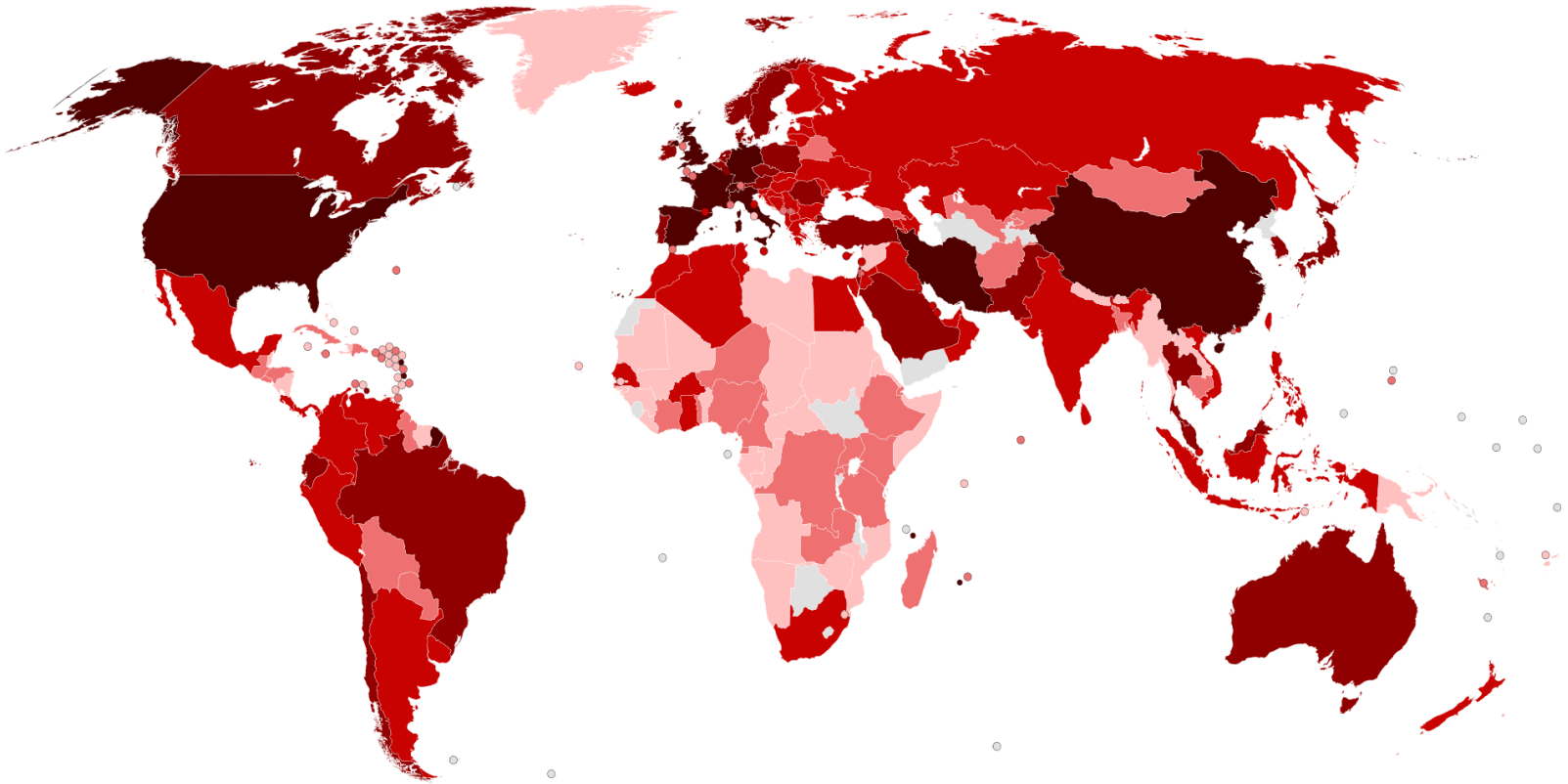


Source: TORM.

CONTINUOUS CHANGES IN THE COVID-19 SITUATION, AND ECONOMIC ACTIVITIES IN DIFFERENT COUNTRIES, IMPACT THE PRODUCT TANKER MARKET

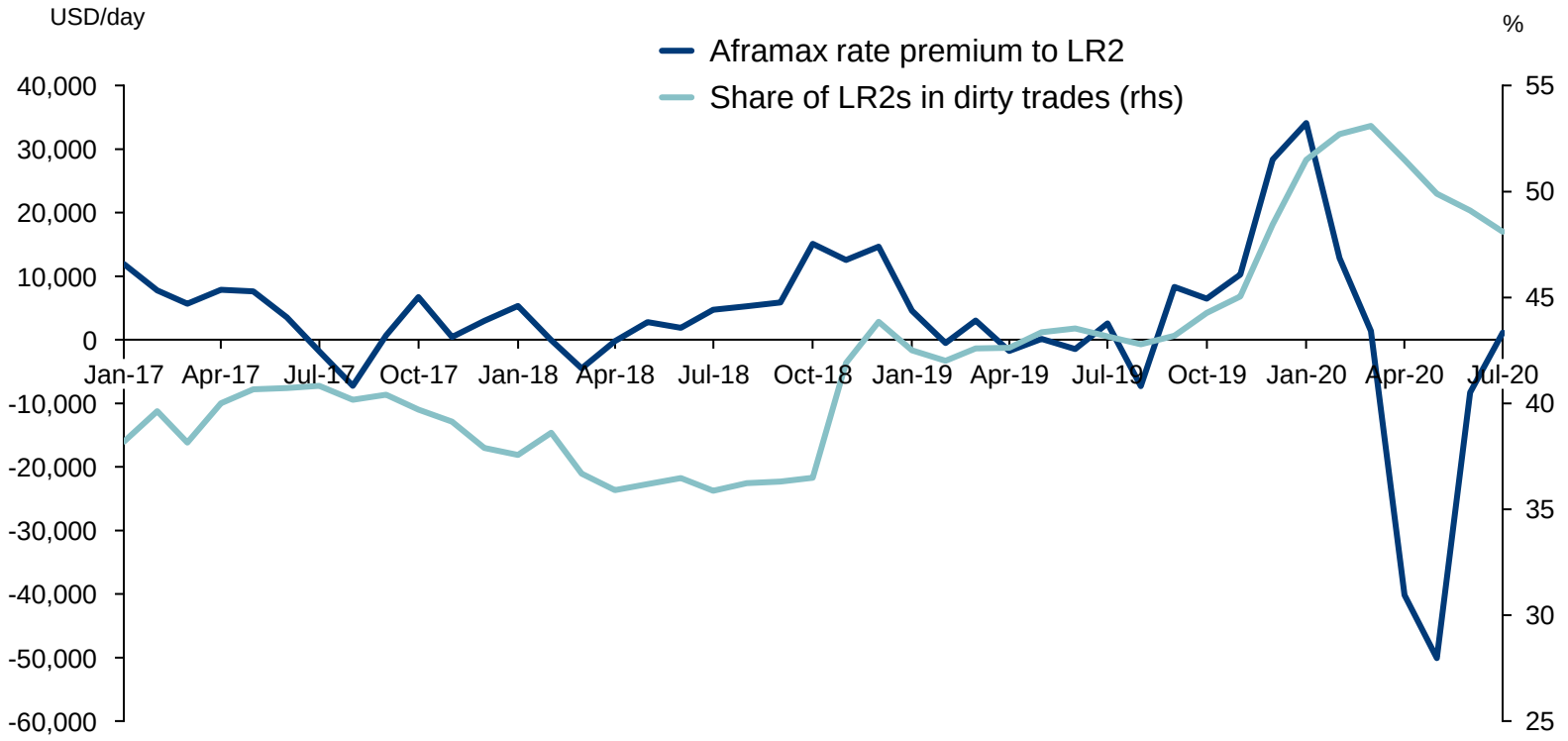
TORM

THE COVID-19 SITUATION CONTINUES TO IMPACT THE GLOBAL TANKER MARKET



- The initial unprecedented decline in oil demand due to the COVID-19, led to significant regional demand-supply imbalances, supporting demand for transportation of refined oil products
- As the COVID-19 pandemic continues, further imbalances will arise across the world impacted by the local economic development, although likely at a smaller scale

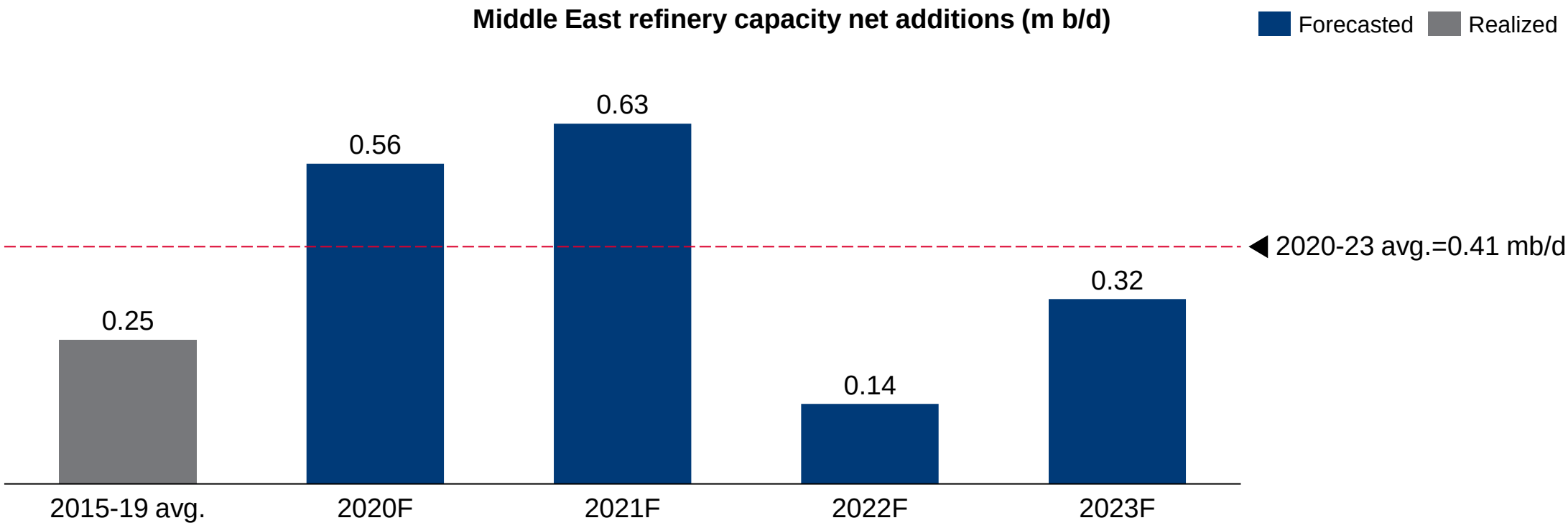
DESPITE SOME LR2 CLEANING-UP, THE SHARE OF TONNAGE IN THE DIRTY TRADE REMAINS RELATIVELY HIGH



- Over Q4 2019 and Q1 2020, the product tanker market was supported by around 40 LR2s switching to dirty trades, resulting in more than 50% of the LR2 fleet trading in dirty
- With the clean tanker rates rising to an all-time high, some LR2s switched back to clean in Q2 2020
- This is nevertheless from a multi-year low number of LR2s in the clean trade, last seen in mid-2015

Source: Industry sources, Clarksons, TORM.

MIDDLE EAST REFINERY CAPACITY ADDITIONS EXPECTED TO HAVE A POSITIVE LONG-TERM IMPACT



- 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.

COVID-19 CAUSING MEDIUM-TERM MARKET VOLATILITY

Key medium- to long-term market drivers

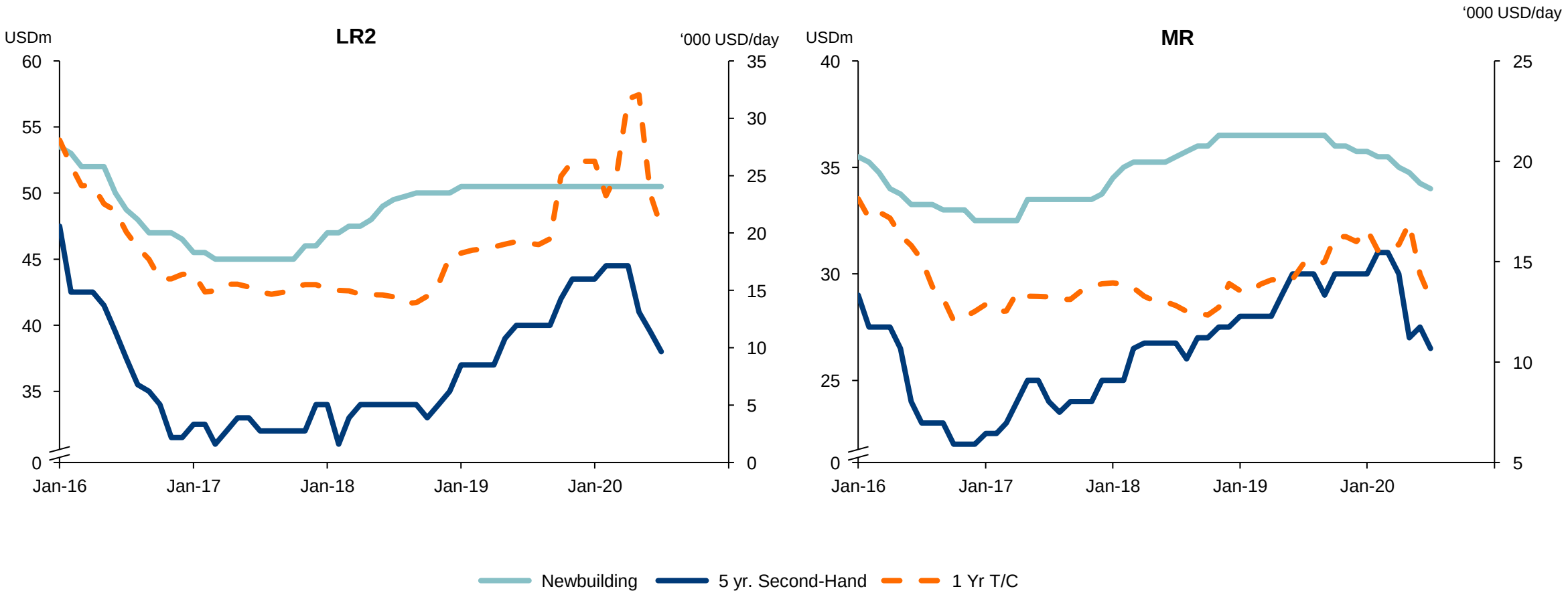
- Economic stimulus supporting recovery in oil demand in H2 2020, and restoring some of the trades distorted by the COVID-19 once the initial stock draw is over
- Product tanker order book to fleet ratio at historically low level, and ordering activity expected to remain limited
- Refinery consolidation in the West and capacity additions in the Middle East potentially increasing sailing distances

- Macroeconomic uncertainty related to the fall-out of the COVID-19
- Geopolitical situation in the Middle East
- Potential new climate-related regulations

Source: TORM.

VESSEL VALUES FOLLOW DECLINES IN MARKET RATES

TORM



Source: Clarksons. T/C rate for non-eco, non-scrubber vessels.

AGENDA

TORM

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Q2 2020 FINANCIALS

USDm	Q2 2020	Q2 2019	H1 2020	H1 2019	2019
P&L					
TCE earnings	174	98	333	215	425
Gross profit	131	55	246	129	252
Sale of vessels	0	0	0	0	1
EBITDA	119	41	221	102	202
Profit before tax	71	5	128	29	167
Profit before tax excl. impairment reversal	71	5	128	28	47
Balance sheet					
Equity	1,111	864	1,111	864	1,008
NIBD	730	623	730	623	786
Cash and cash equivalents	181	106	181	106	73
Key figures					
Earnings per share (USD)	0.96	0.07	1.71	0.38	0.62[1)]
Return on Invested Capital	18.5%	3.9%	17.1%	6.2%	4.9%[1)]
Net Asset Value (NAV)	985	897	985	897	1,016
Number of vessels (#)[2)]	78	70	78	70	76
Tanker TCE/day (USD)	25,274	15,405	24,465	16,689	16,526
Tanker OPEX/day (USD)	6,021	6,580	6,055	6,514	6,371

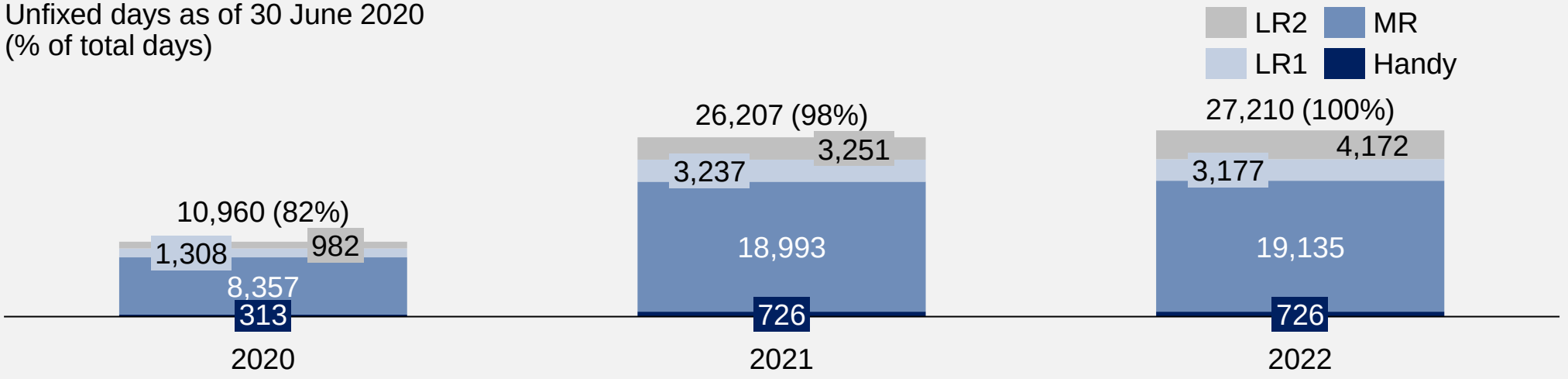
1) Adjusted for impairment reversal of USD 120m.
2) Including financially leased vessels.

SPOT-ORIENTATION PROVIDES SIGNIFICANT OPERATING LEVERAGE WITH HIGH NEAR-TERM COVERAGE

TORM

Significant operational leverage

Unfixed days as of 30 June 2020
(% of total days)

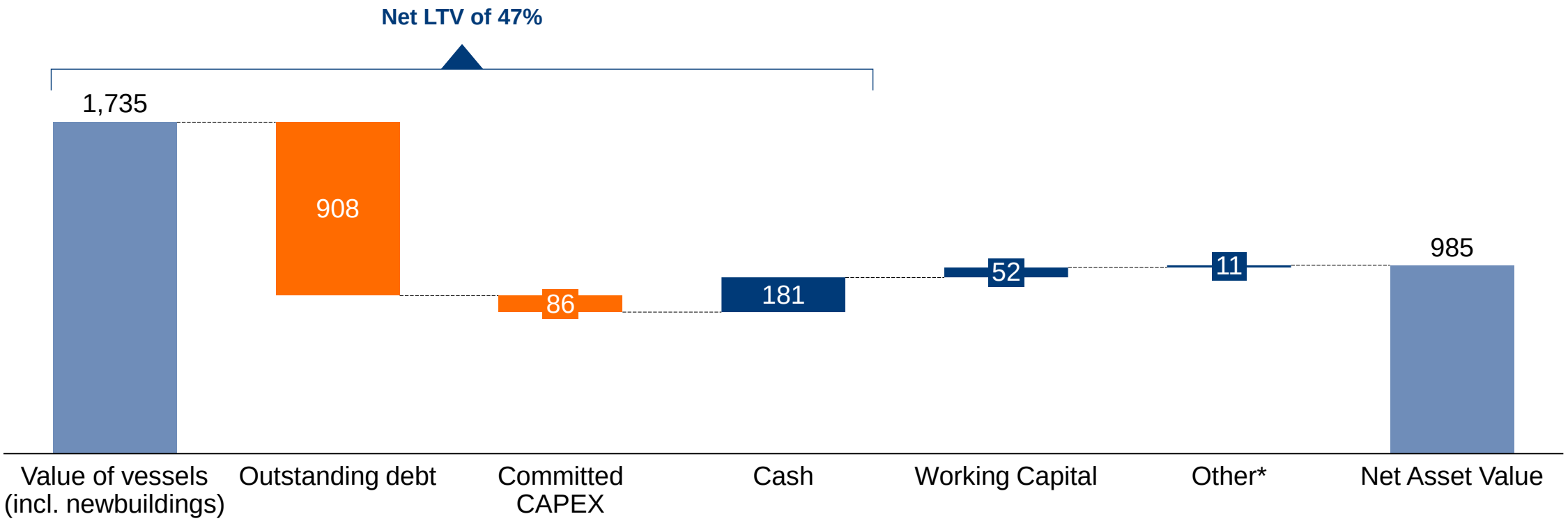


Q2 2020 coverage above Q1 realized freight rates (USD/day)

	Q2 2020 TCE per day	Q3 2020 cover as of 13 August 2020	
		% of total days	TCE per day
LR2	32,732	86%	22,357
LR1	31,655	69%	21,003
MR	23,012	64%	16,633
Handy	15,270	63%	7,100
Total	**25,274**	**68%**	**17,928**

NET ASSET VALUE ESTIMATED AT USD 985M WHILE NET LOAN-TO-VALUE OF JUST 47%

30 June 2020 figures, USDm



- Net Loan-to-Value was 47% ensuring a strong capital structure
- Net Asset Value (NAV) was estimated at USD 985m (USD 13.3/DKK 88.2 per share)
- Market cap as of 30 June 2020 was USD 500m, or DKK 45.55 per share**
- Market cap as of 14 August 2020 was USD 587m, or DKK 49.80 per share***

* Other includes Other plant and operating equipment and total financial assets.
** Calculated based on 74,334,414 shares and USD/DKK FX rate of 6.77.
*** Calculated based on 74,334,414 shares and USD/DKK FX rate of 6.30.

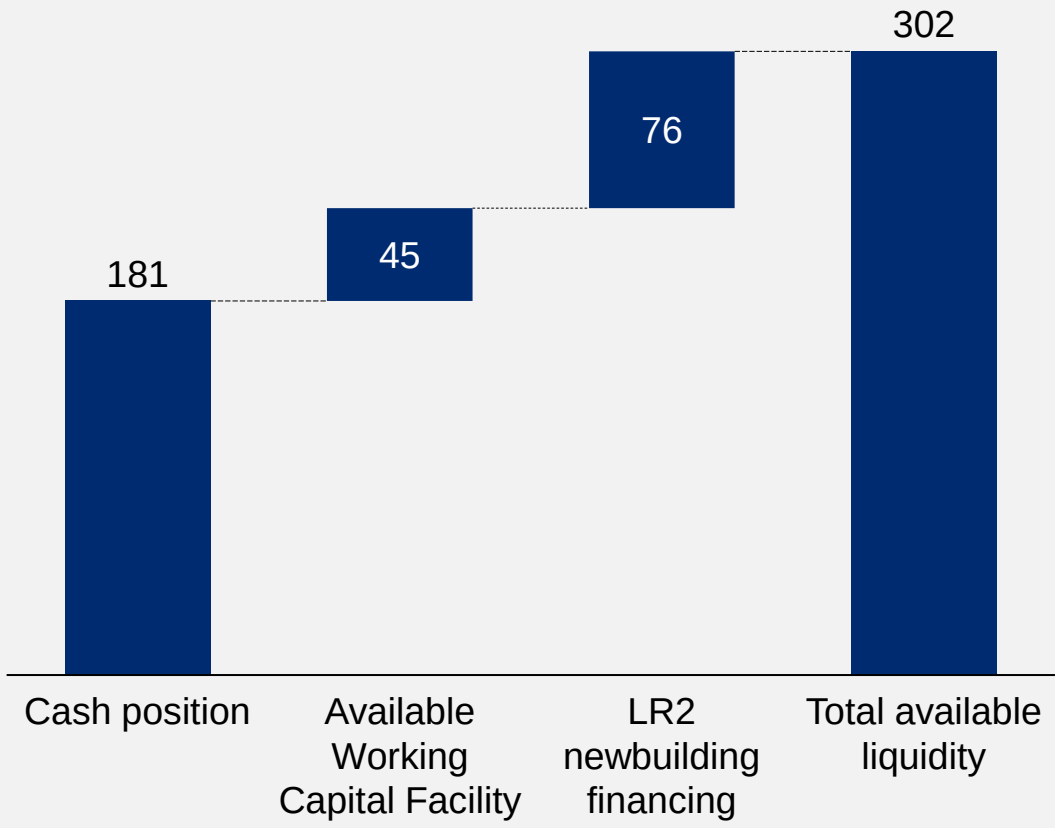
WELL-POSITIONED TO SERVICE FUTURE CAPEX COMMITMENTS AND FURTHER LEVERAGE MARKET OPPORTUNITIES

TORM

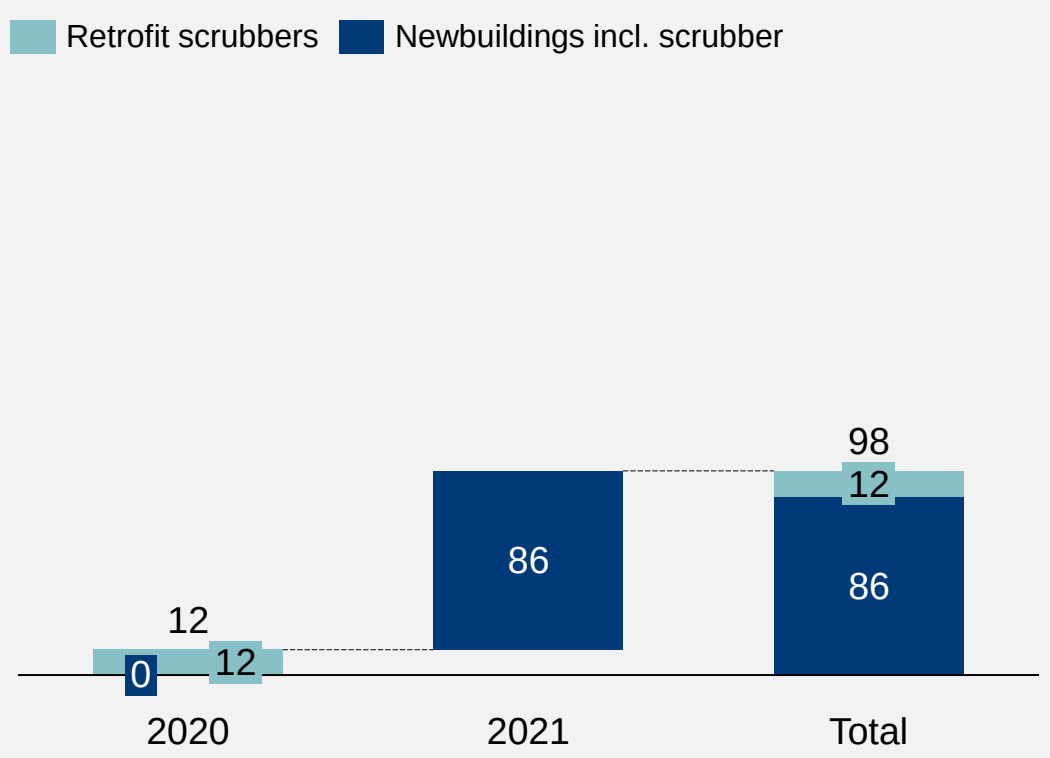
Liquidity and CAPEX as of 30 June 2020

USDm

Available liquidity



CAPEX commitments

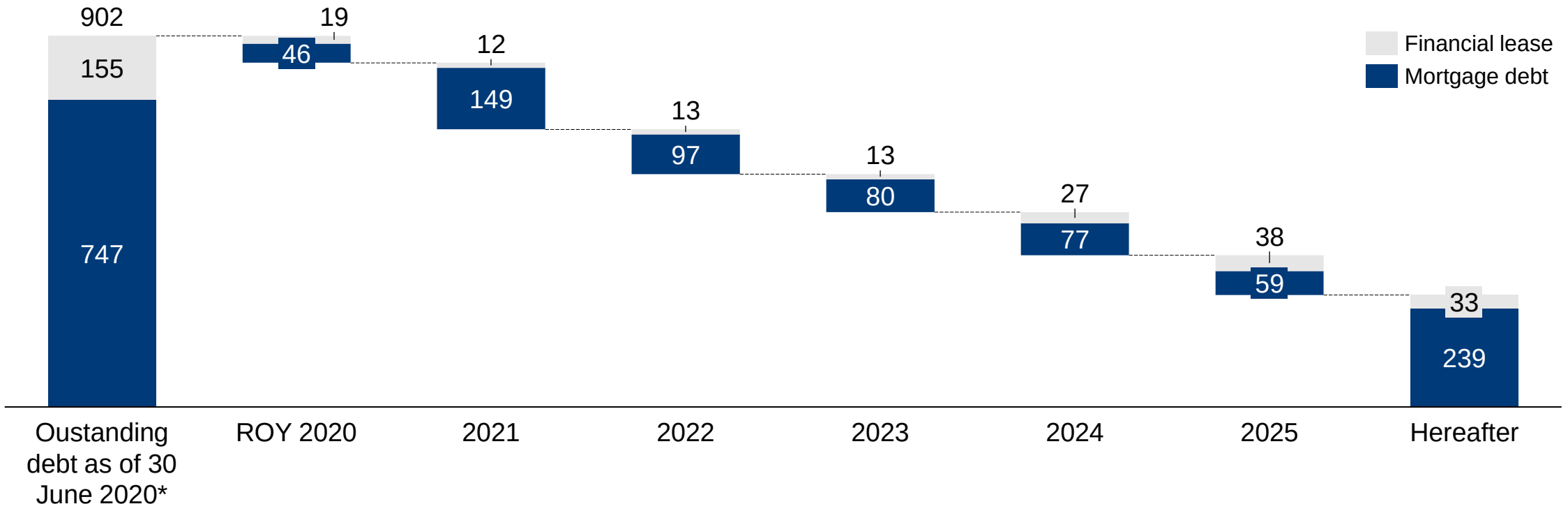


FAVORABLE FINANCING PROFILE WITH NO MAJOR NEAR-TERM MATURITIES

TORM

Scheduled debt repayments as of 30 June 2020

USDm



Ample headroom under our attractive covenant package:

- Minimum liquidity: USD 45m
- Minimum book equity ratio: 25% (adjusted for market value of vessels)

* Financial lease excludes non-vessel related IFRS16 liabilities of USD 8.6m and is adjusted for loan receivables of USD 4.6m.

AGENDA

1	Introduction to TORM and Q2 2020 highlights
2	Product tanker market overview and outlook
3	Financial metrics
4	Asset management & scrubber investments

TORM IS A LONG-TERM INDUSTRIAL PLAYER WITH FOCUS ON SUPERIOR OPERATIONAL PERFORMANCE

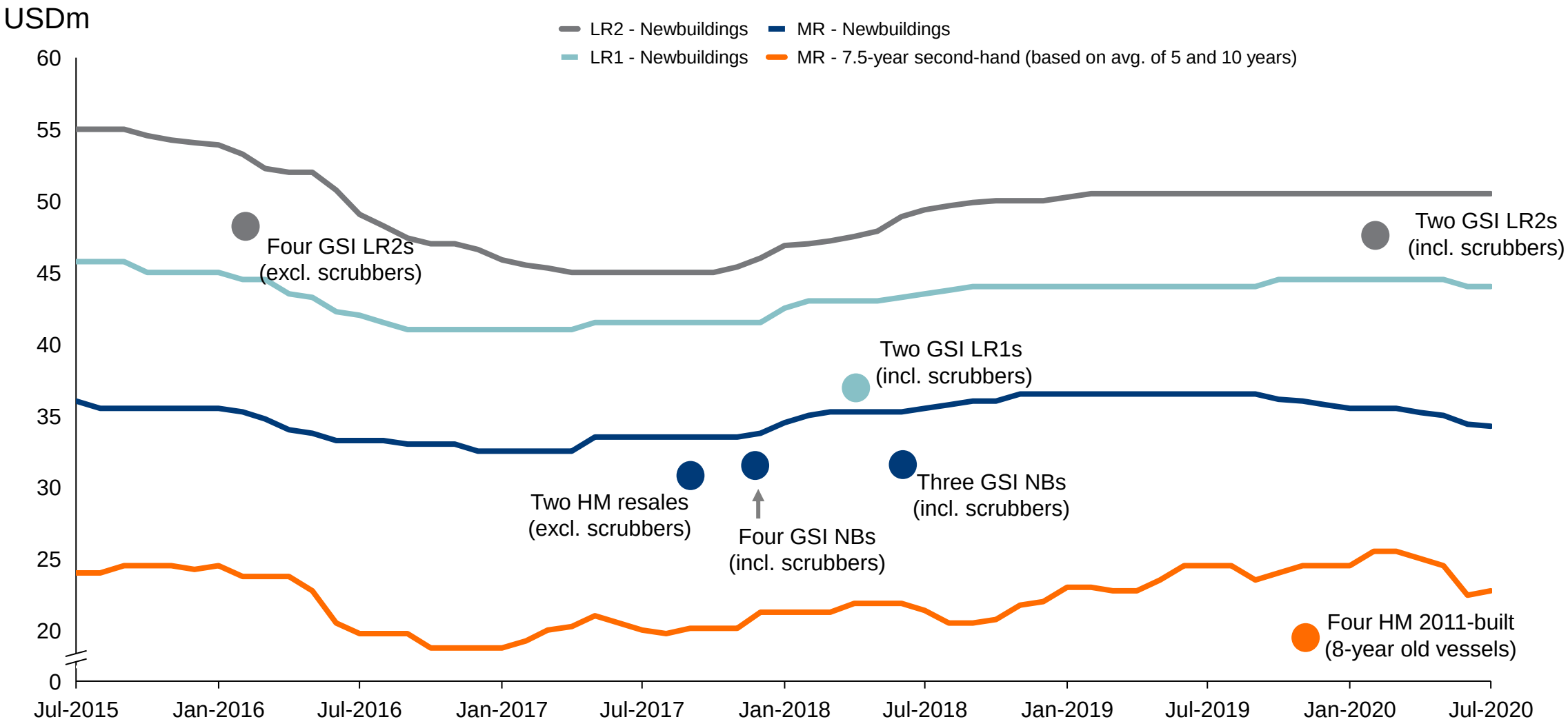
TORM

Long-term industrial player with an integrated operational platform



- Industrial player with a long-term time horizon in the product tanker market
- Prevalent platform through several cycles with superior financial returns
- Optimized asset acquisitions and disposals at market
- Sufficient scale of the integrated One TORM operational platform allows for great benefits
- Long-term relationships with key customer segments:
  - International oil majors
  - State-owned oil companies
  - Trading houses

HISTORICAL TRANSACTIONS AND VESSEL VALUE DEVELOPMENT



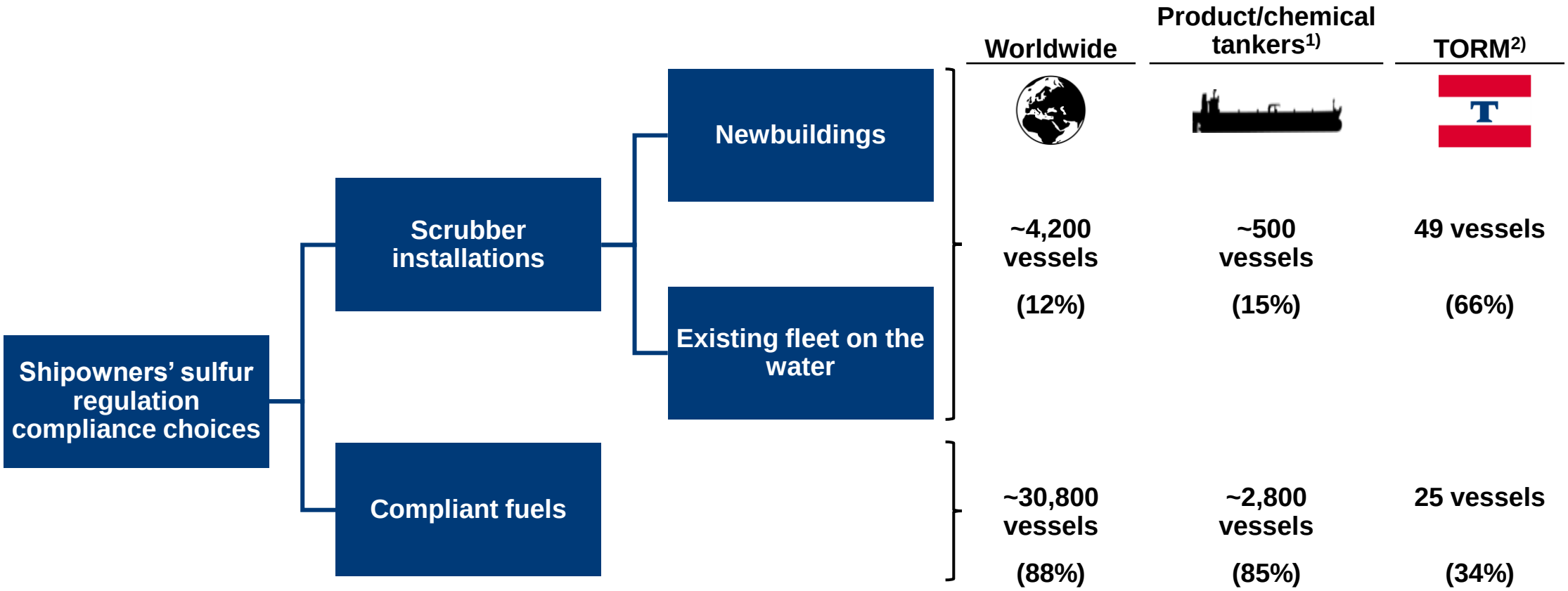
Source: Clarksons, TORM.

TORM'S RECENT VESSEL SALES ARE DONE AT BROKER VALUE

Vessel name	Vessel segment	Delivery date	Age	Sales price, net of commission, USDm	Broker values, USDm
TORM Ohio	Handy	Q3-18	16.7		
TORM Neches	MR	Q3-18	18.0		
TORM Clara	MR	Q4-18	17.9		
TORM Charente	Handy	Q4-18	17.2		
TORM Amazon	MR	Q1-19	17.1		
TORM Cecilie	MR	Q1-19	18.1		
TORM Gunhild	MR	Q2-19	20.0		
TORM San Jacinto	MR	Q3-19	17.0		
TORM Saone	Handy	Q3-19	15.0		
TORM Garonne	Handy	Q4-19	15.7		
TORM Rosetta	MR	Q4-19	16.7		
TORM Loire	Handy	Q1-20	15.9		
TORM Mary	MR	Q2-20	18.1		
TORM Gertrud	MR	Q3-20	17.6		
TORM Kristina	LR2	Q3-20	21.5		
TORM Helene	LR2	Q3-20	23.0		
TORM Vita	MR	Q4-20	18.3		
TORM Gerd	MR	Q4-20	17.8		
TORM Caroline	MR	Q4-20	17.9		
Total 2018			**17.5**	**~26**	**~27**
Total 2019			**17.1**	**~55**	**~57**
Total 2020			**18.7**	**~76**	**~73**
Total			**17.9**	**~157**	**~156**

- Since Q3 2018, TORM has sold 19 vessels at broker value
- Proceeds from vessel sales used for fleet modernization and scrubber investments

THERE ARE TWO MAIN OPTIONS FOR OCEAN-GOING VESSELS TO COMPLY WITH THE IMO 2020 SULFUR REGULATION



- As of 17 August 2020, TORM has installed 40 scrubbers
- The scrubber installations have been conducted on three LR2 vessels, six LR1 vessels and 31 MR vessels
- Six additional scrubbers are expected to be installed within 2020, one additional scrubber is expected to be installed in 2021 and two will be installed on TORM's two LR2 newbuildings with expected delivery in the fourth quarter of 2021

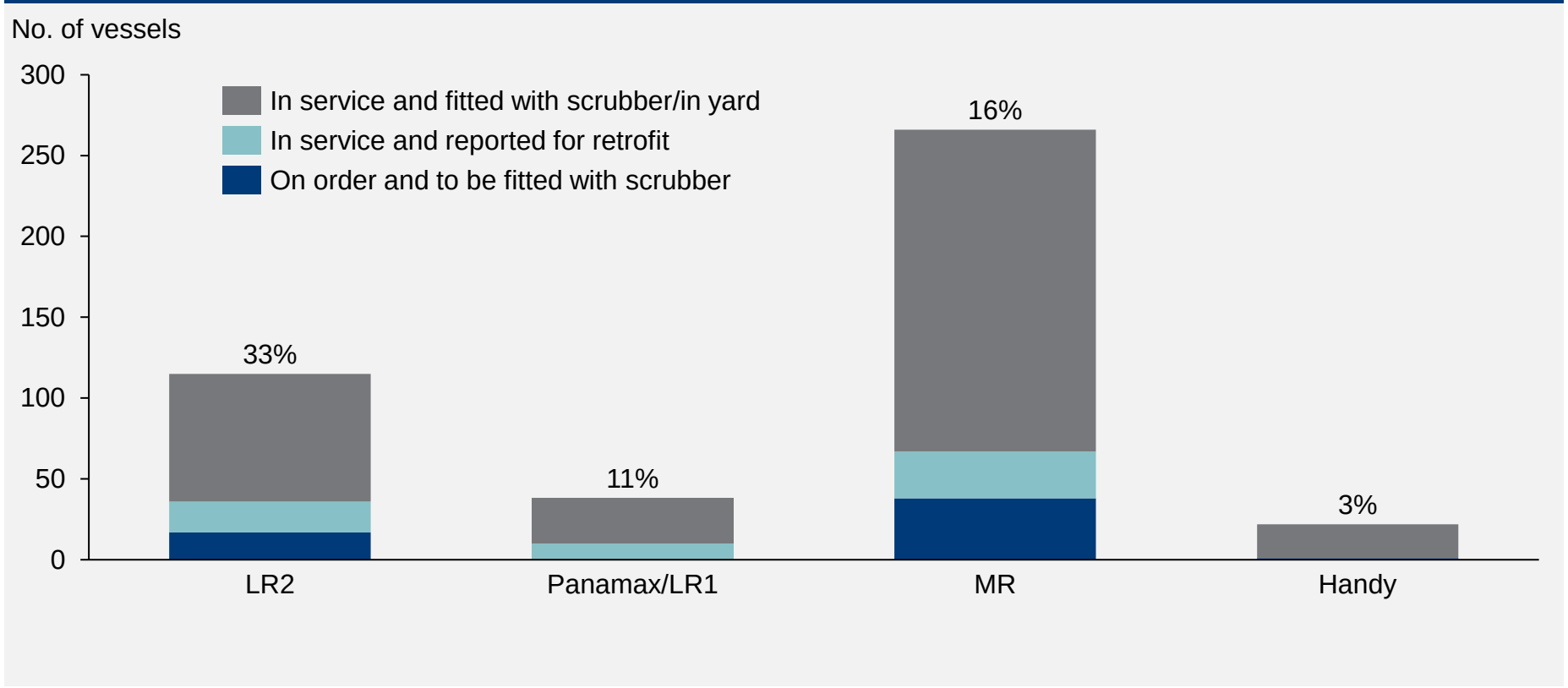
1. Product tankers and chemical tankers 25k dwt+.
2. As of Q4 2021 where the two LR2 newbuildings will be delivered and excluding sold vessels.

Source: IHS, DNV GL's Alternative Fuels Insight platform.

SCRUBBER INSTALLATIONS ACROSS SHIPPING SEGMENTS

TORM

Product tankers to be fitted with scrubbers (% of current fleet)



Source: Clarksons, compiled by TORM.
Note: Product tanker segment does not cover chemical tankers. Data as of 12 August 2020.

49 SCRUBBER INSTALLATIONS WILL BE CONDUCTED 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

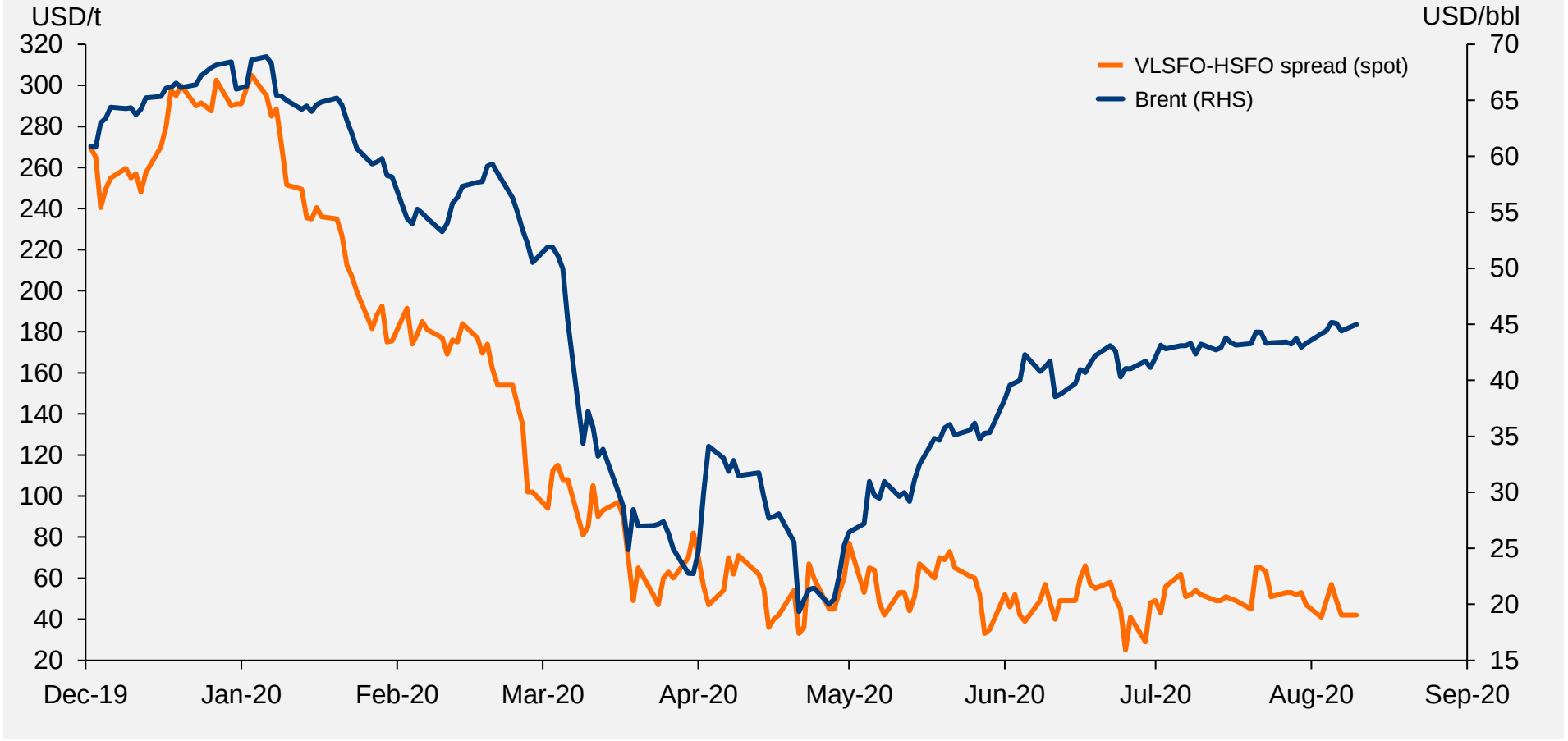


- One of the largest risks with scrubber installations is the potential delay during both the production and the installation phase
- Due to the strategic partnership with ME Production and GSI, TORM has secured production slots at ME Production China
- 43 out of the 49 scrubbers will be delivered from TORM's scrubber JV, ME Production China

FUEL SPREAD HAS NARROWED ALONG WITH LOWER CRUDE OIL PRICE

TORM

Price spread between 0.5% compliant fuels and 3.5% HSFO, Rotterdam delivery vs Brent



- The spread between 0.5% compliant fuel and 3.5% HSFO is currently trading at USD 69 for BAL2020, and USD 88 for the calendar year 2021[1)]

1. Rotterdam data as of 14 August 2020.

Source: Industry sources.



APPENDIX

TORM

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

Executive Director



Jacob Meldgaard

- Executive Director of TORM plc
- CEO of TORM A/S since April 2010
- 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. Moller-Maersk
- More than 25 years of shipping experience

Senior Management



Kim Balle

- Chief Financial Officer
- With TORM since 1 December 2019
- Previously CFO of CASA A/S and DLG
- More than 25 years of finance 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

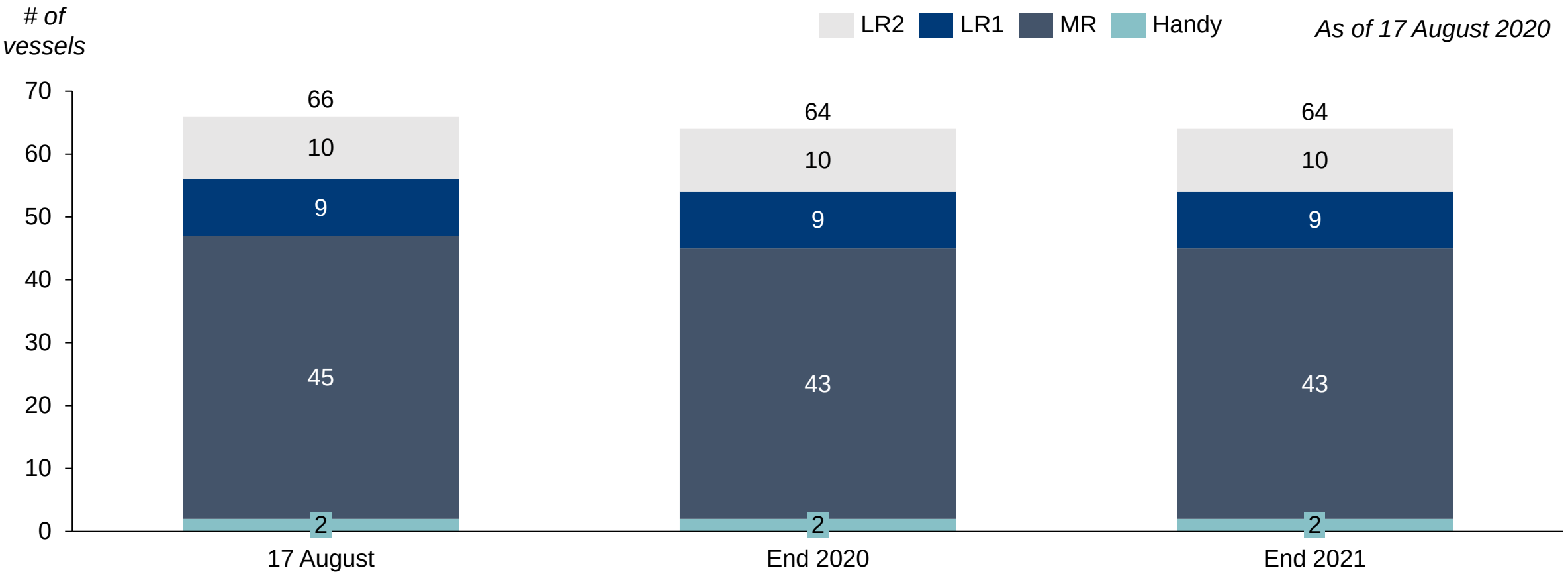
KEY FIGURES

USDm	Q2 2020	Q2 2019	Q1-Q2 2020	Q1-Q2 2019	2019
Revenue	232	166	479	353	693
EBITDA	119	41	221	102	202
Profit/(loss) before tax	71	5	128	29	167
Net profit/(loss) excluding impairment charges	71	5	128	28	46
Balance sheet					
Total assets	2,135	1,718	2,135	1,718	2,004
Equity	1,111	864	1,111	864	1,008
NIBD	730	623	730	623	786
Cash and cash equivalents	181	106	181	106	73
Cash flow statement					
Operating cash flow	113	38	163	93	171
Investment cash flow	-38	-78	-97	-78	-323
Financing cash flow	-24	-16	39	-43	85
Financial related key figures					
EBITDA margin	51%	24%	46%	29%	29%
Equity ratio	52%	50%	52%	50%	50%
Return on Invested Capital (RoIC)	19%	4%	17%	6%	5%*

* Adjusted for impairment reversal of USD 120m.

FLEET OVERVIEW

TORM



Graph excluding sale and leaseback vessels

9

8

10

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

Examples of trade routes impacted by the IMO 2020 sulfur regulation

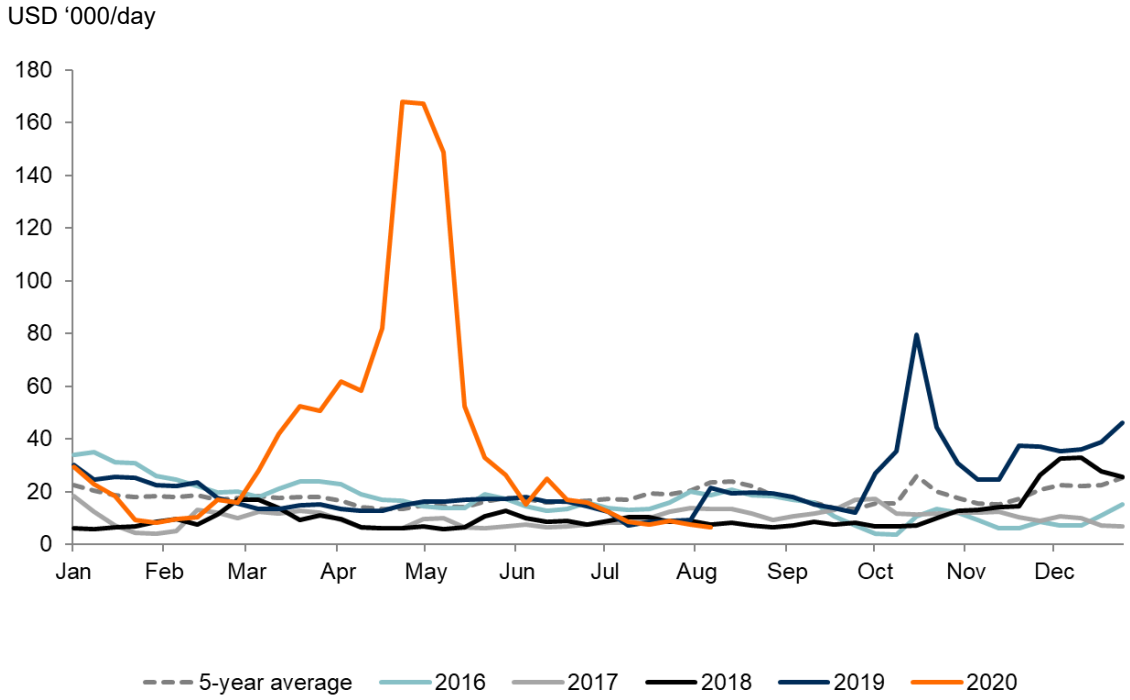


- Increased flexibility to produce additional diesel in net exporting regions and refinery expansion support long-haul and medium-haul trade routes across the world
- Additional routes will be impacted including shorter distance regional and coastal trades

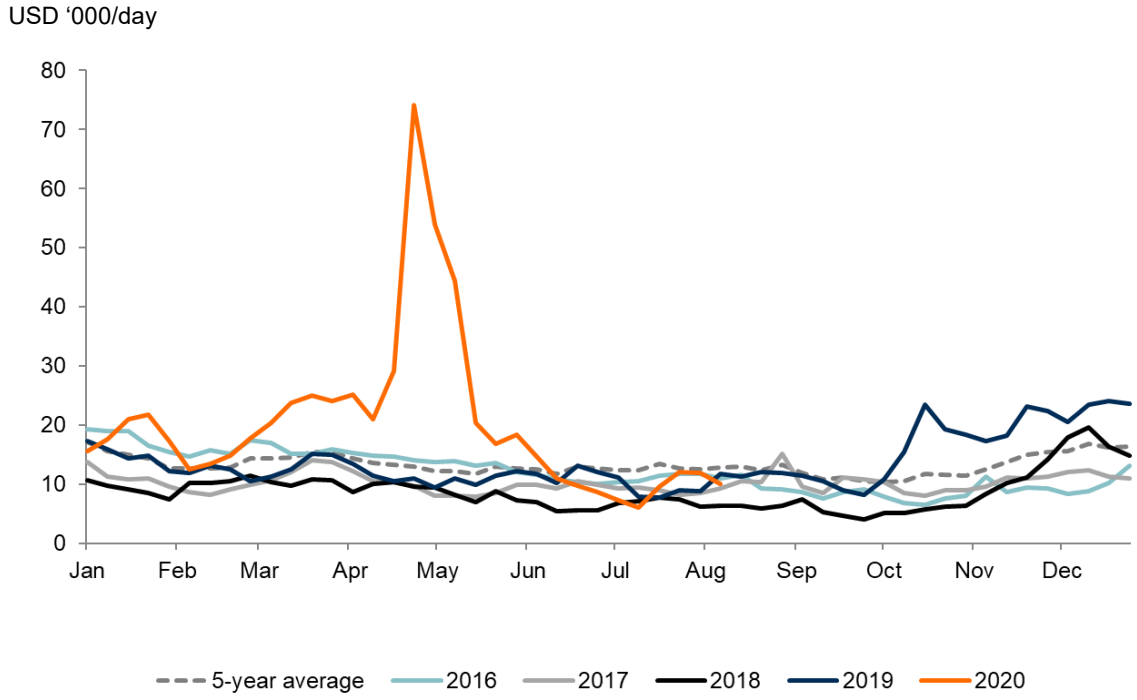
PRODUCT TANKER FREIGHT RATES AT AN ALL-TIME HIGH

TORM

LR2 (TC1)



MR (average)

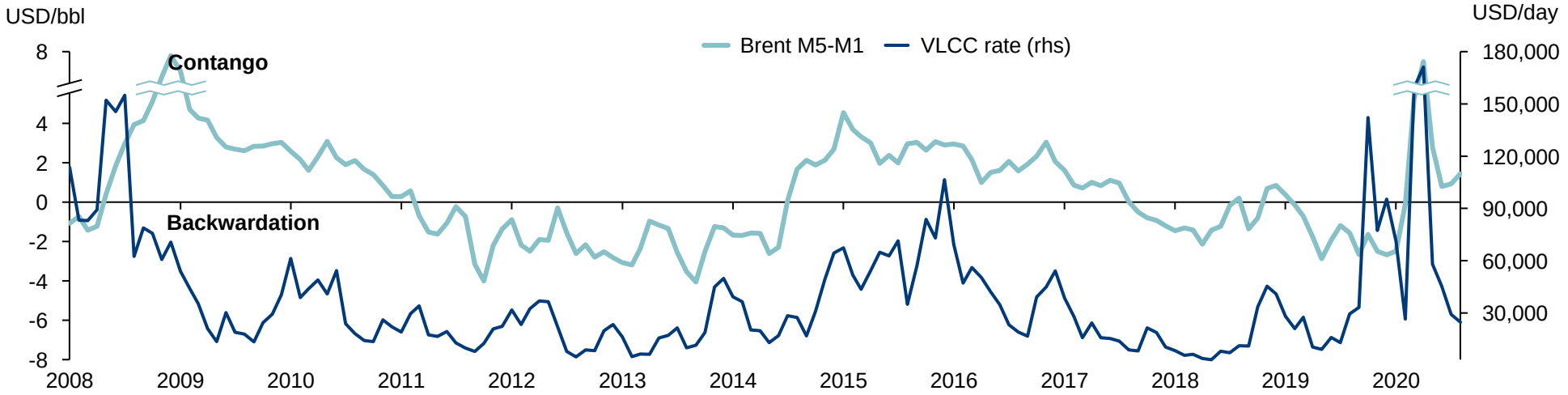


Source: Clarksons. Spot earnings: LR2: TC1 Ras Tanura-> Chiba, MR: average basket of Rotterdam->NY, Bombay->Chiba, Mina Al Ahmadi->Rotterdam, Amsterdam->Lome, Houston->Rio de Janeiro, Singapore->Sydney.

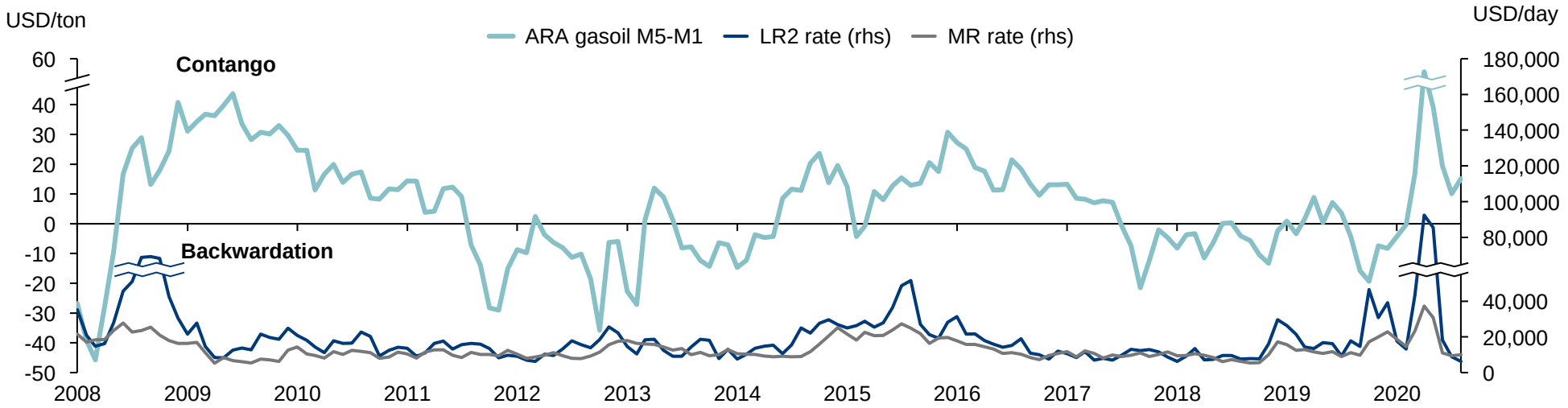
CONTANGO IN OIL PRICES SUPPORTS FLOATING STORAGE

TORM

Brent forward spreads and VLCC rates



ARA gasoil forward spreads and LR2/MR rates

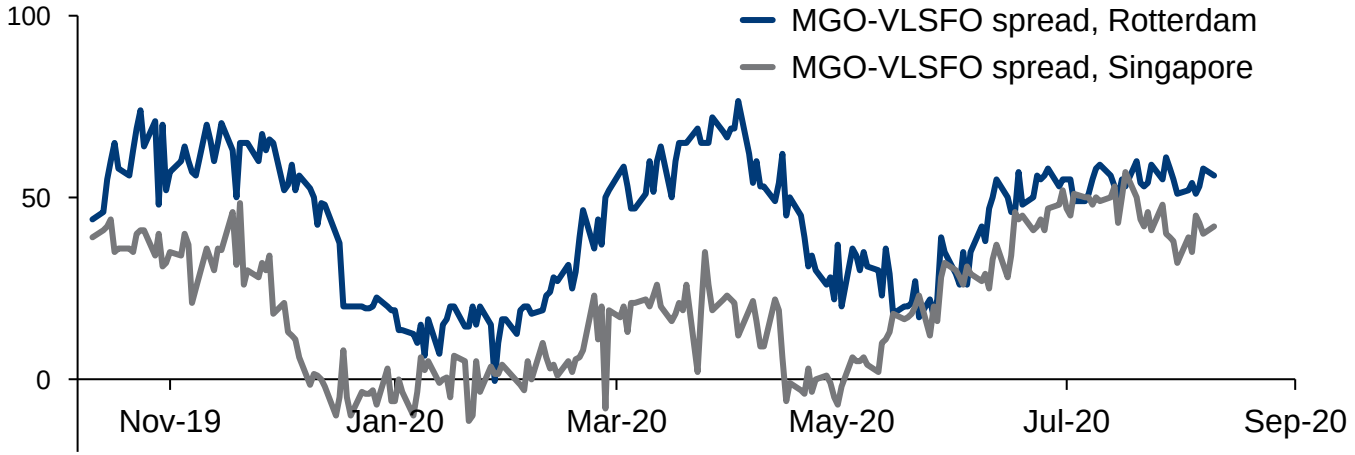


Source: Clarksons, Reuters, TORM.

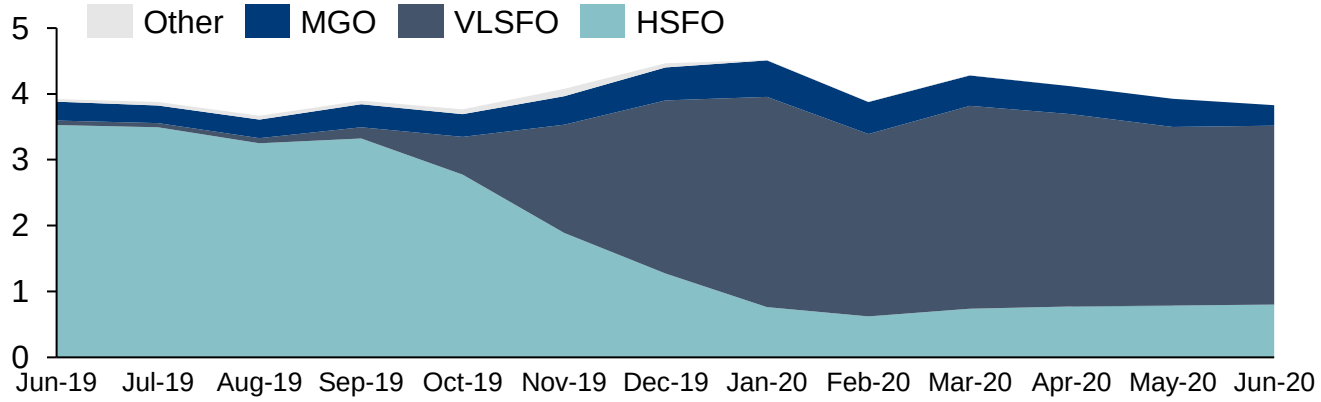
IMO 2020 EFFECTS ON CLEAN TRADING HAVE NOT FULLY UNFOLDED YET

TORM

MGO and VLSFO price spreads (USD/t)



Bunker sales in Singapore (million tons)



- The tight price spread between MGO and VLSFO in early 2020, incentivized the use of MGO in Europe, with MGO share in bunker sales increasing to 31% in January from 21% a year earlier
- VLSFO uptake in Singapore has been larger than expected, partly due to high inventories built up towards the end of 2019
- China's issuance of fuel oil export quotas will significantly contribute to the VLSFO availability in the region
- Post-COVID-19, increasing competition for feedstocks during peak gasoline demand season can lead to lower VLSFO supplies and increased demand for MGO during that period

Source: Reuters.

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

TORM

Vessel type	Avg. fuel consumption, tons/day[1)]		Compliant fuel and HSFO fuel spread assumption, USD/t		TCE impact per vessel, USD/day[2)]	Annual TCE impact per vessel, USDm
MR Eco vessel	~11	×	100 (Example)	=	~1,100	0.4
MR Non-eco vessel	~14	×	100 (Example)	=	~1,400	0.5

- Scrubber vessels are expected to have lower fuel costs which, in turn, will positively impact the TCE compared to non-scrubber vessels
- The financial effect will be bigger for the larger vessels with higher fuel consumption
- Decided scrubber investments are based on attractive business cases with a short payback time and with corresponding high IRRs

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%.

OAKTREE IS THE MAJORITY SHAREHOLDER WITH A REMAINING FREE FLOAT OF 31%

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

- 74.8m 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 2020 (%)

