

SEPTEMBER 2022

Investor Presentation

TORM

Safe Harbor Statement

Matters discussed in this release may constitute forward looking statements. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. 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 other statements, which are other than statements of historical facts. The Company desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbor legislation. Words such as, but not limited to, "believe", "anticipate", "intend", "estimate", "forecast", "project", "plan", "potential", "may", "should", "expect", "pending" and similar expressions or phrases may identify forward-looking statements.

The forward-looking statements in this release are based upon various assumptions, many of which are, in turn, based 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, but are not limited to, 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 ongoing COVID-19 pandemic, including its impact on the demand for petroleum products and the seaborne transportation of these and the ability to change crew and operate a vessel with COVID-19 infected crew, the operations of our customers and our business in general, the failure of our contract counterparties to meet their obligations, 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 including but not limited to CO2 tariffs or trade tariffs, potential liability from pending or future litigation, domestic and international political conditions, potential disruption of shipping routes due to accidents, weather, political events including "trade wars", the geopolitical crisis related to Russia and Ukraine or acts of terrorism.

In light of these risks and uncertainties, undue reliance should not be placed 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 or updates to these forward-looking statements to reflect events or circumstances after the date of this release or to reflect the occurrence of unanticipated events. Please see TORM's filings with the U.S. Securities and Exchange Commission for a more complete discussion of certain of these and other risks and uncertainties. The information set forth herein speaks only as of the date hereof, and the Company disclaims any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this communication.

Non-IFRS Financial Measures

This presentation makes reference to certain financial information that differ from what is reported under the International Financial Reporting Standards (IFRS). These measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and may not be comparable to similar measures reported by other companies. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. Rather ,these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective.

This presentation shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such state or jurisdiction.



Today’s presenters



Jacob Meldgaard

- Executive Director of TORM plc
- CEO of TORM A/S since 2010
- Chairman of the Board of Danish Shipping
- Member of the Board of Danish Ship Finance
- Member of the Board of the International Chamber of Shipping
- More than 30 years of shipping experience



Kim Balle

- Chief Financial Officer of TORM A/S since 2019
- Previously CFO of CASA A/S and DLG
- Prior to that, he held various senior leadership positions with Danske Bank
- More than 30 years of finance experience

Today’s agenda

I. Company Overview

II. Market Update

III. Q2 2022 Highlights and Q3 Trading Update

IV. Q&A

Appendix



I. Company Overview

Key Investment Highlights



Leading global pure-play product tanker company



Superior, integrated platform that maximizes profitability, eliminates conflicts and aligns interests



Robust industry fundamentals expected to support high rates for an extended time period



Strong balance sheet and liquidity that allows for a robust shareholder-friendly distribution policy and flexibility for opportunistic fleet management



Accelerating NAV as asset values rise and cash accumulates



Ambitious and ongoing CO_2 emission reduction targets

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

ONE TORM

Integrates both commercial and technical management in-house



THE FLEET[1]

78 OWNED AND LEASED



~8 OFFICES

~3,400 SEAFARES

~350 LAND BASED EMPLOYEES

Note: 1) As of 12 September 2022

The One TORM platform ensures TORM is the reference company in the product tanker industry

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 CO_2 reductions for reaching 2030 industry target already in 2025.

Zero CO_2 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.

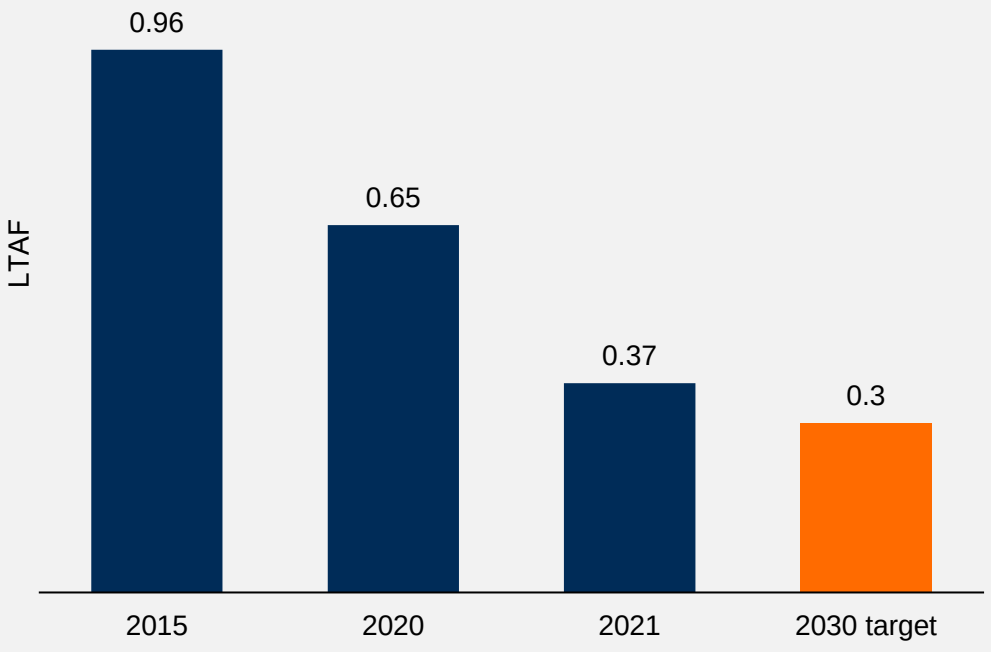
Efficiency supported by digitalization

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

Digital foundation

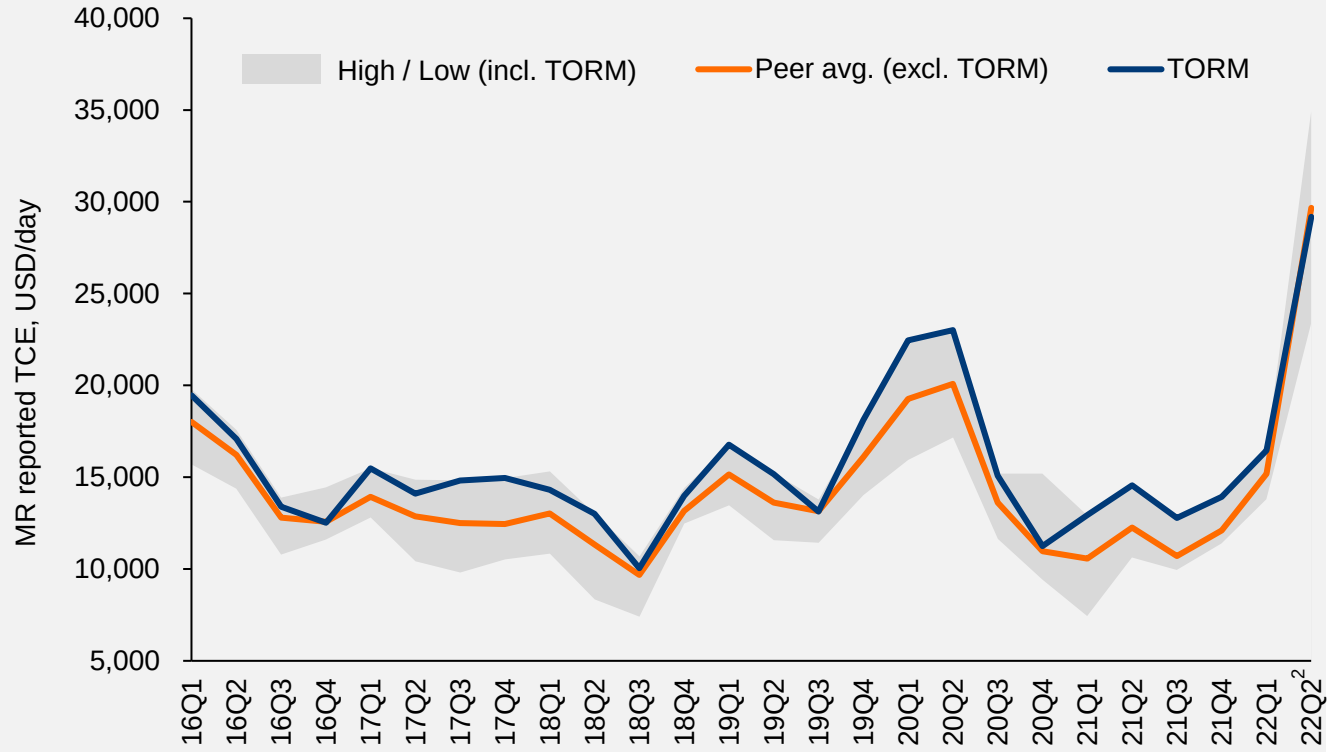
Superior operating platform (1/2)

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

Commercial outperformance of peers[1]



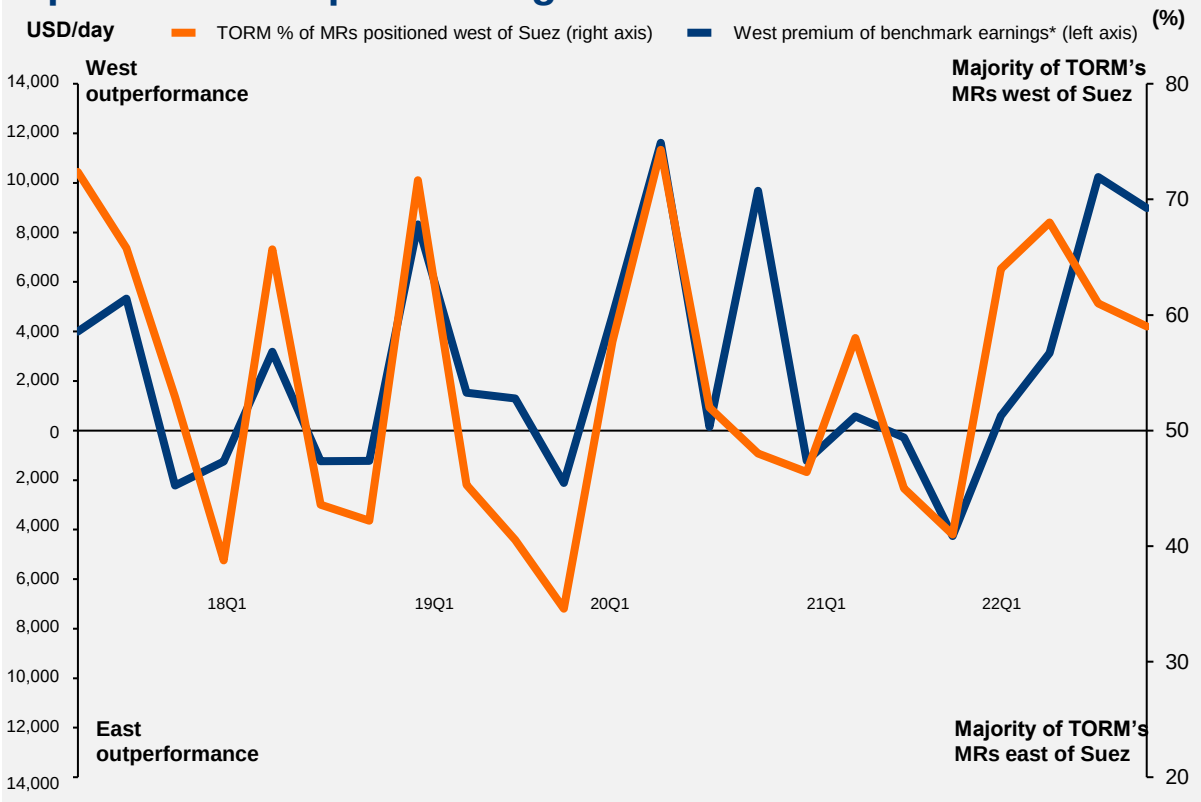
TORM MR Premium[3]	USD 14m	USD 36m	USD 20m	USD 24m	USD 39m	USD 42m	USD 4m

Approximately USD 180m of cumulative MR premium since 2016

Note: 1) Peer group is based on Ardmore, d'Amico (composite of LR1, MR and Handy), Frontline 2012, Hafnia Tankers, NORDEN, Maersk Tankers, Scorpio and International Seaways.
2) For Q2 2022, the peer group only consists of Scorpio, International Seaways, Ardmore and D'Amico
3) 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

Superior operating platform (2/2)

Optimal vessel positioning

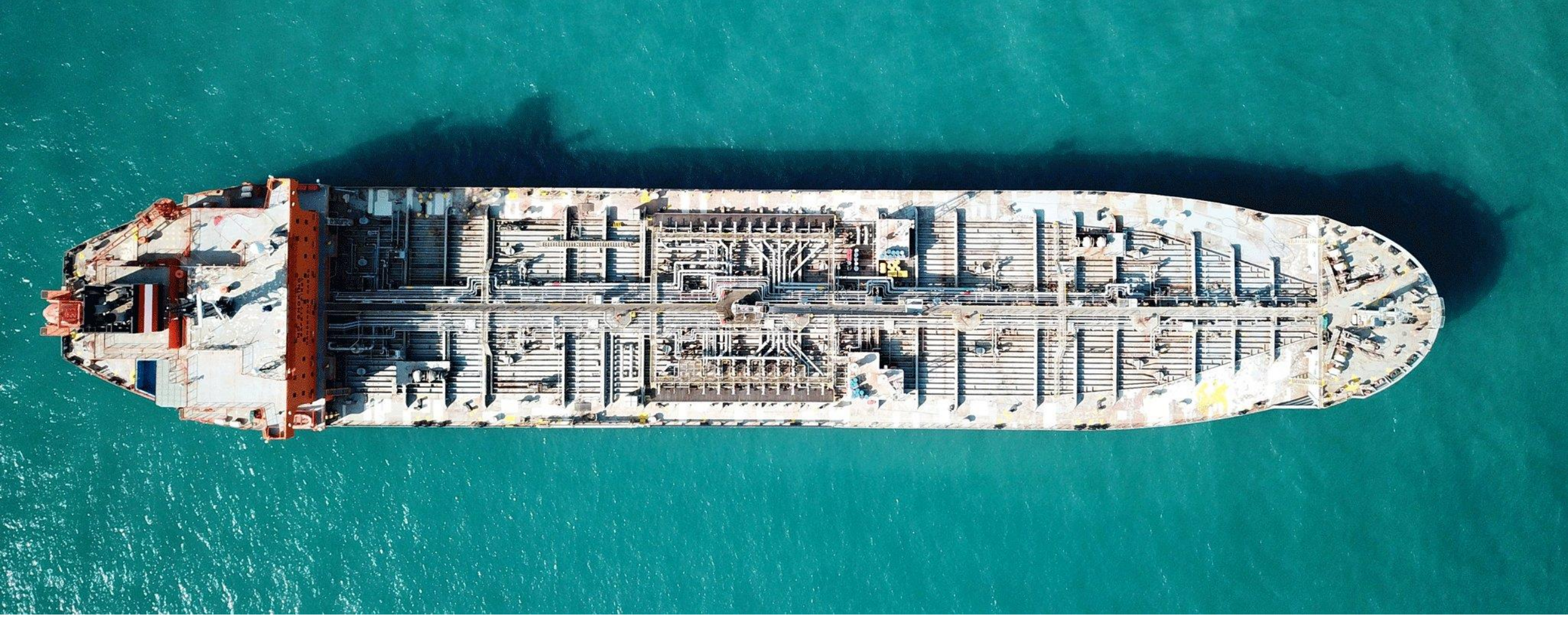


- Our strong TCE earnings are driven by our continued focus on positioning our vessels in the basins with the highest earning potential

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
- TORM also maintains a technical decarbonization team working on several energy efficient tech projects, such as connected IOT vessels
- These projects are expected to reduce CO_2 emissions



II. Market Update

Strong, sustainable industry fundamentals



Accelerating freight rates and asset values



Historically low product stock levels



Dislocation of energy chain and new refining capacity adding significant ton-mile demand



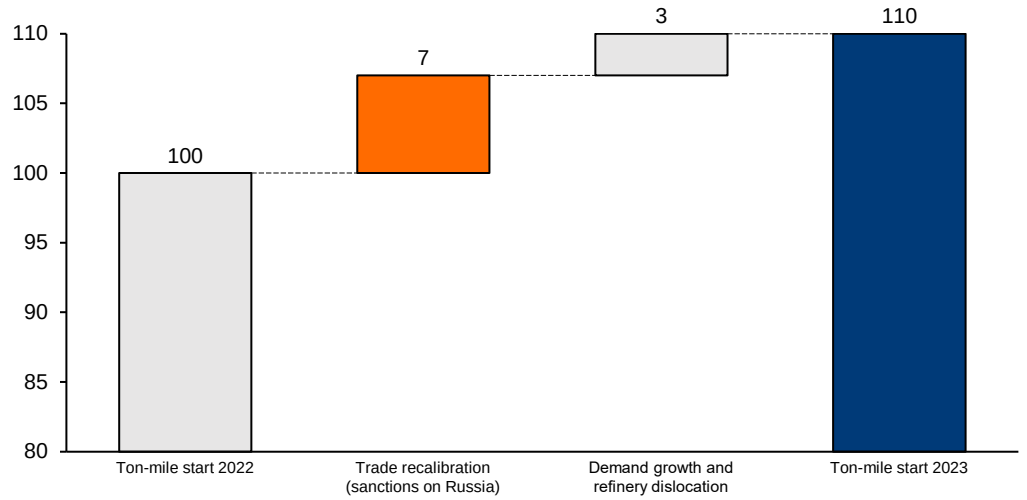
Very constrained supply with modest newbuilds planned through 2025

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

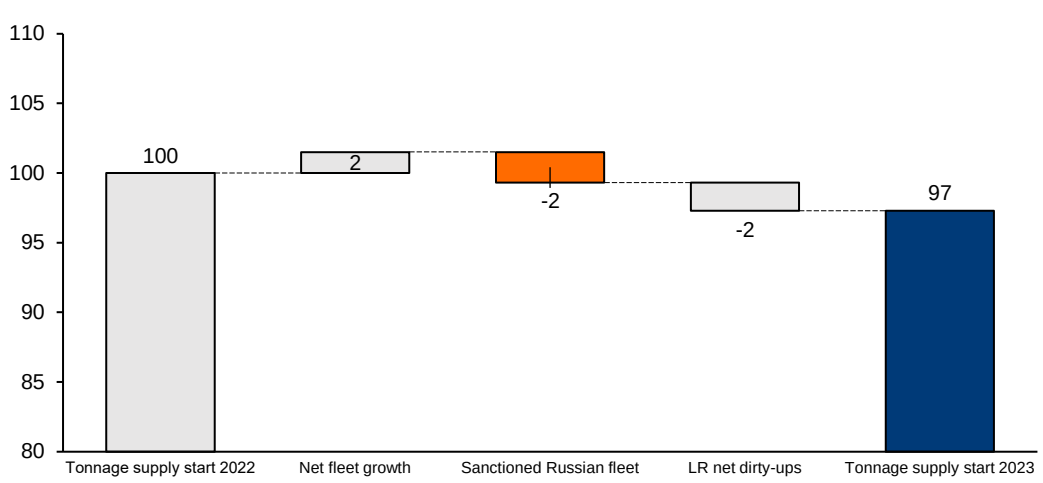
	Demand	Supply
Key drivers	• Additional sanctions on Russia leading to trade recalibration towards longer distances • Refinery dislocation adding to ton-miles • Low inventory levels	• Historically low order book • High newbuilding prices and limited shipyard space limiting go-forward ordering activity • No cannibalization of market from crude carriers
Risks	• Economic slowdown and inflationary pressure leading to oil demand destruction • Intensified political instability	• High earnings could lead to higher ordering activity (delivery from 2025 onwards)

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

Ton-mile demand index



Tonnage supply index

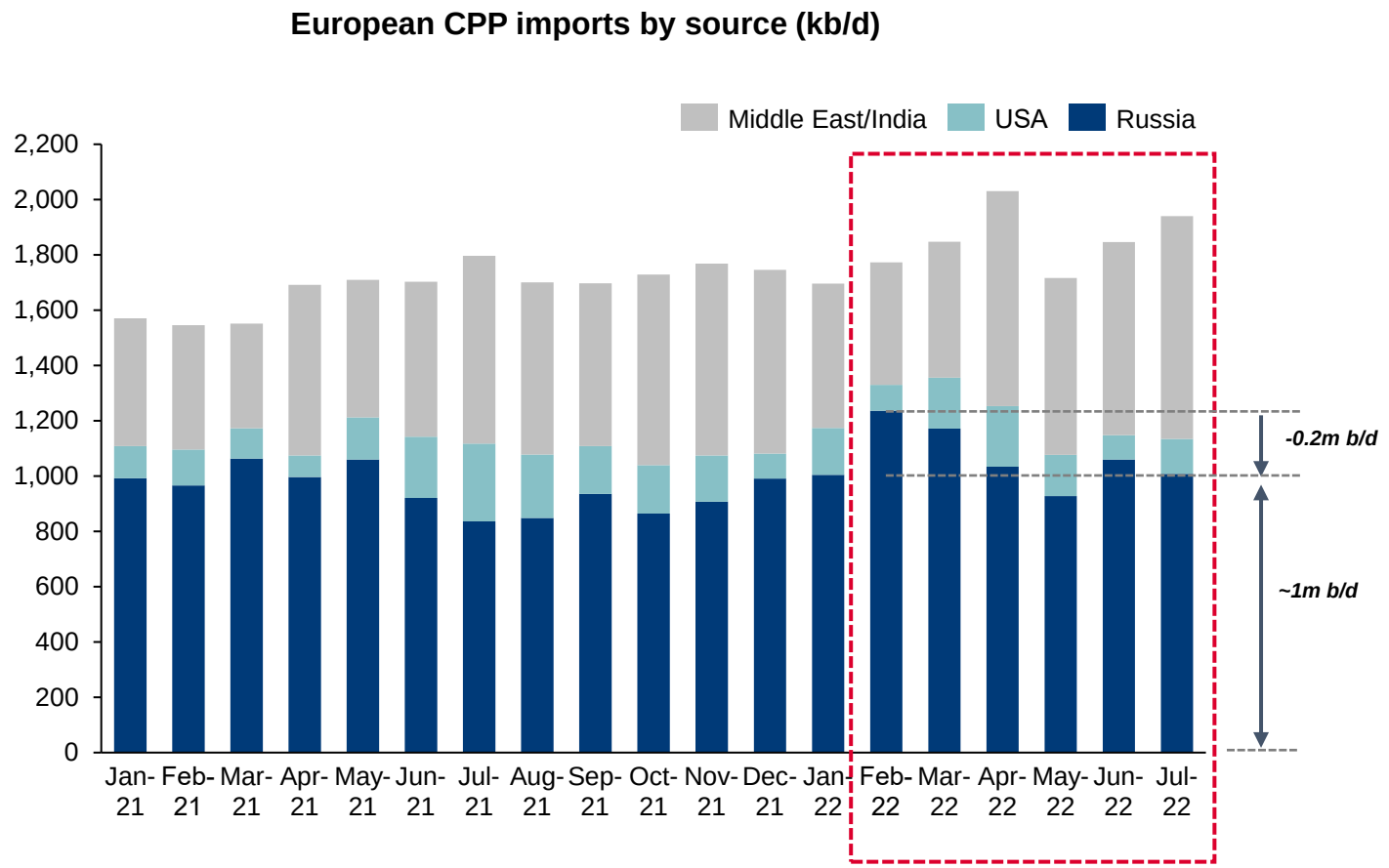


- The EU ban on Russian oil products from February 2023 will lead to trade recalibration, adding a net 7% to product tanker ton-miles. This is a permanent effect which will bring the fleet utilization rate to a new, higher level[1]
- This is in addition to the 3% growth forecasted for 2022 from oil demand growth and refinery dislocation effects[2]
- 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

- 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%[3]
- 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: 1) It is assumed that Europe will replace diesel from Russia with supplies from the US and the Middle East/India, while Russian barrels go to South America and Africa.
2) 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.
3) 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.
Sources: TORM.

Trade recalibration has only started as Europe still imports 60% of its diesel from Russia

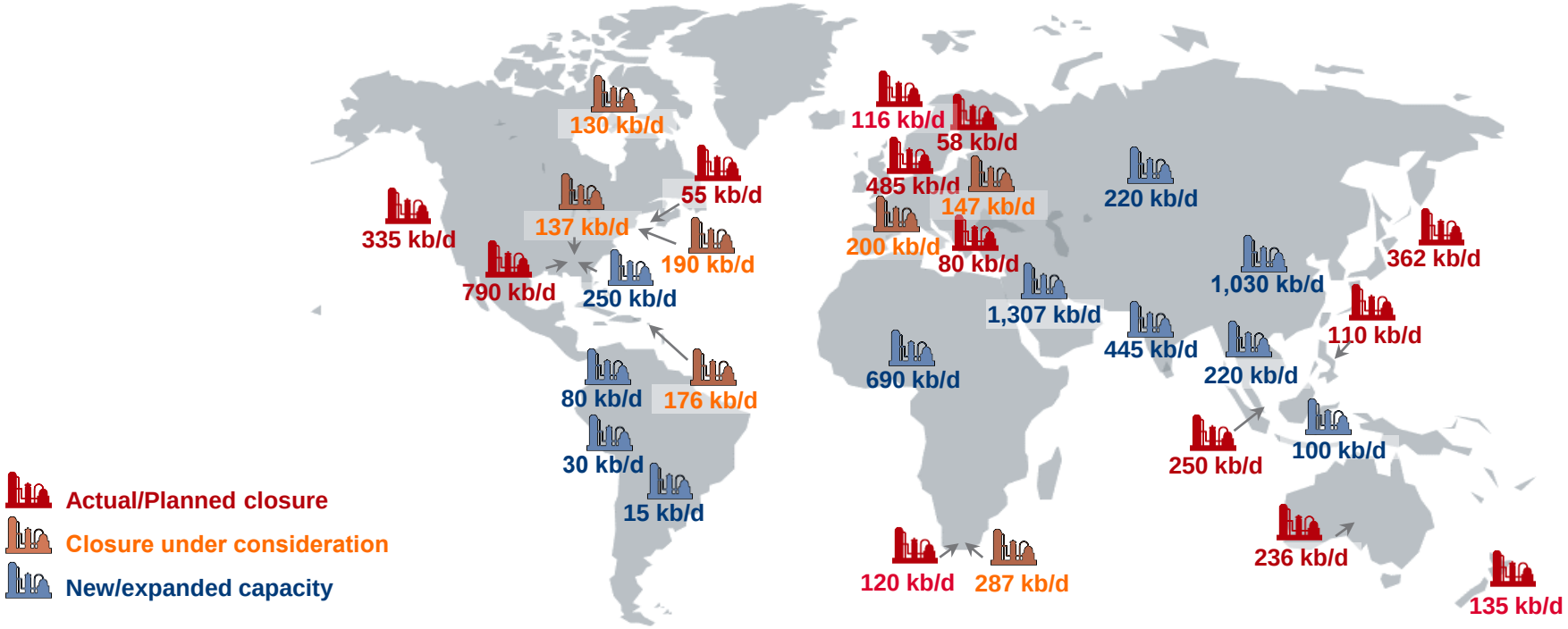


- Sanctions and self-sanctioning by Western oil companies is increasingly pushing Russian oil products away from Europe, being replaced by supplies from further afield such as the Middle East and the US
- Since February 2022, Europe's CPP imports from Russia have fallen by 230 kb/d, indicating that only a small share of the trade re-routing has occurred
- Full trade recalibration effect is expected from **February 2023** when the EU ban on Russian oil comes fully into effect

Sources: TORM, Kepler

Refinery closures increase ton-miles

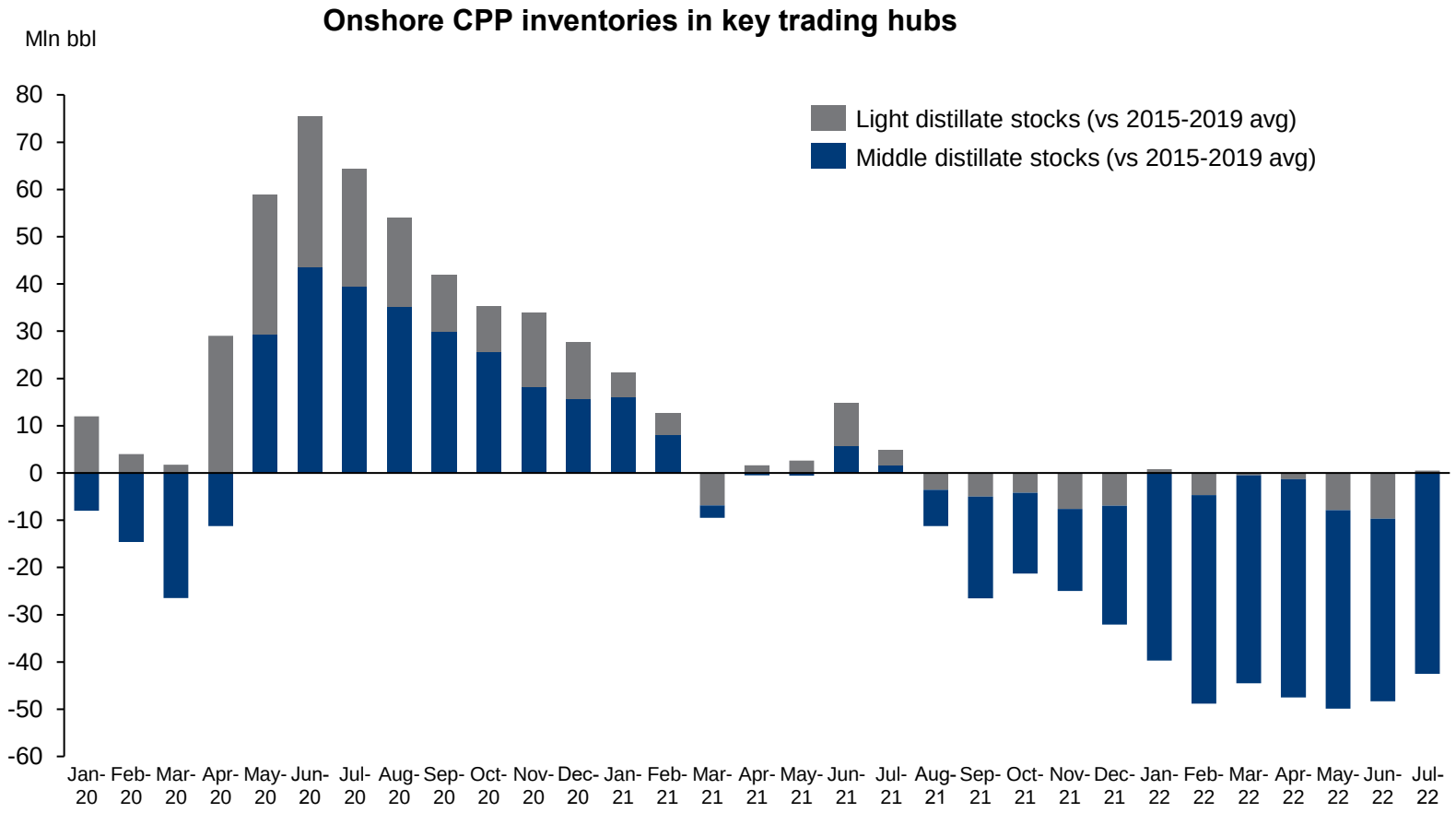
Refinery closures and capacity additions in 2020-2023 (kb/d)



- Since 2020, 2.4m b/d of refining capacity has been closed down permanently and a further 0.6m b/d is set to close down during 2022-2023. In addition, 1.1m b/d of capacity is at risk of closure and a further 0.4m b/d of refining capacity will be temporarily closed to convert into biorefineries
- The 4.2m b/d of actual and potential closures compares with planned global capacity expansion of 4.4 mb/d during 2020-2023
- Most of the capacity which has been shut down is in the net importing regions, while new capacity comes online mainly in the Middle East and Asia, supporting the ton-mile development

Note: Includes Total's 100 kb/d Grandpruits refinery, Eni's 80 kb/d Livorno refinery, Shell's 147 kb/d Wesseling refinery and Phillips 66's 120 kb/d Rodeo refinery which will be closed down temporarily in order to be converted into renewable fuel plants. China's refinery capacity additions are shown net of expected closures of smaller independent refineries.
Source: TORM, industry sources.

In the medium-term, the need to replenish product stocks adds further support to trade

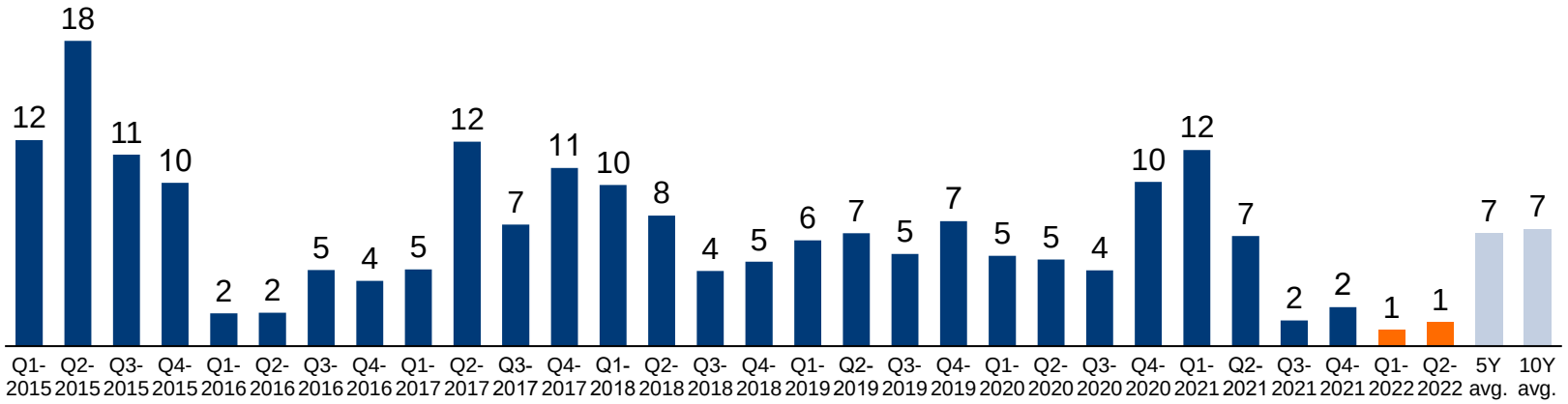


- Middle distillate stocks in key trading hubs have fallen to ~20% below the 2015-2019 seasonal average – for comparison, they were 20% above the 2015-2019 average level in June 2020 (~2/3 of the total excess CPP stocks)
- The need to replenish commercial and strategic product stockpiles is estimated to add an extra 2% to ton-mile (the timing of this effect is, nevertheless, uncertain)

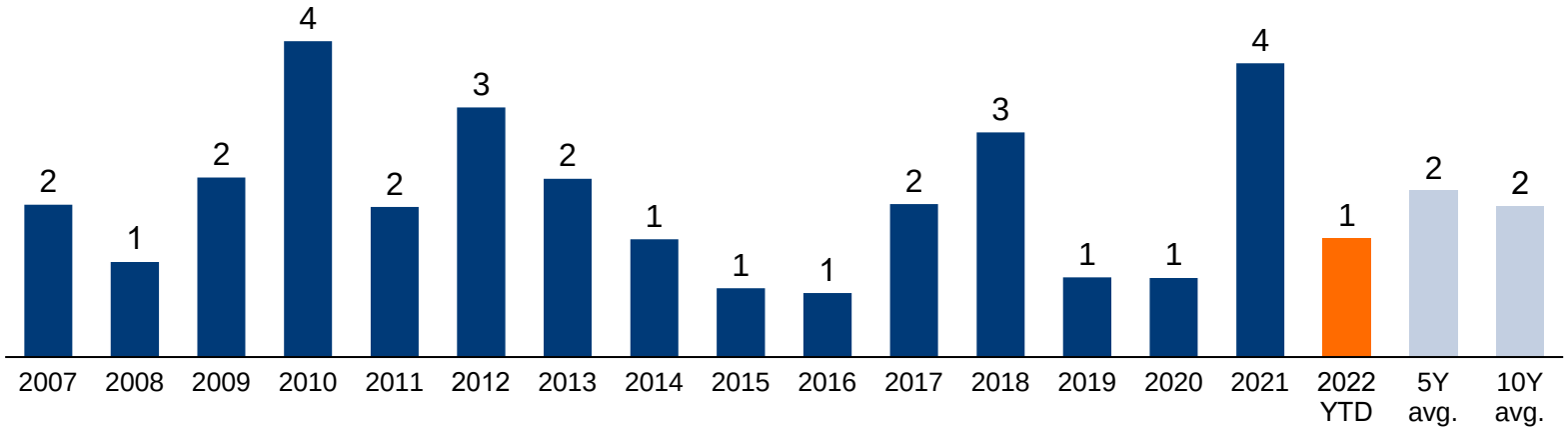
Note: Onshore inventories: based on weekly data for the US, Amsterdam-Rotterdam-Antwerp (ARA) area and Singapore (the US accounts for 75-80% of the combined stockpiles). Shown countries/regions together account for around 20% of the global product stockpiles.
Sources: EIA, Reuters, TORM.

General tanker ordering activity in 1H 2022 was at the lowest level for at least two decades

Total crude and product tanker ordering (m dwt)



Scrapping of product tankers (m dwt)

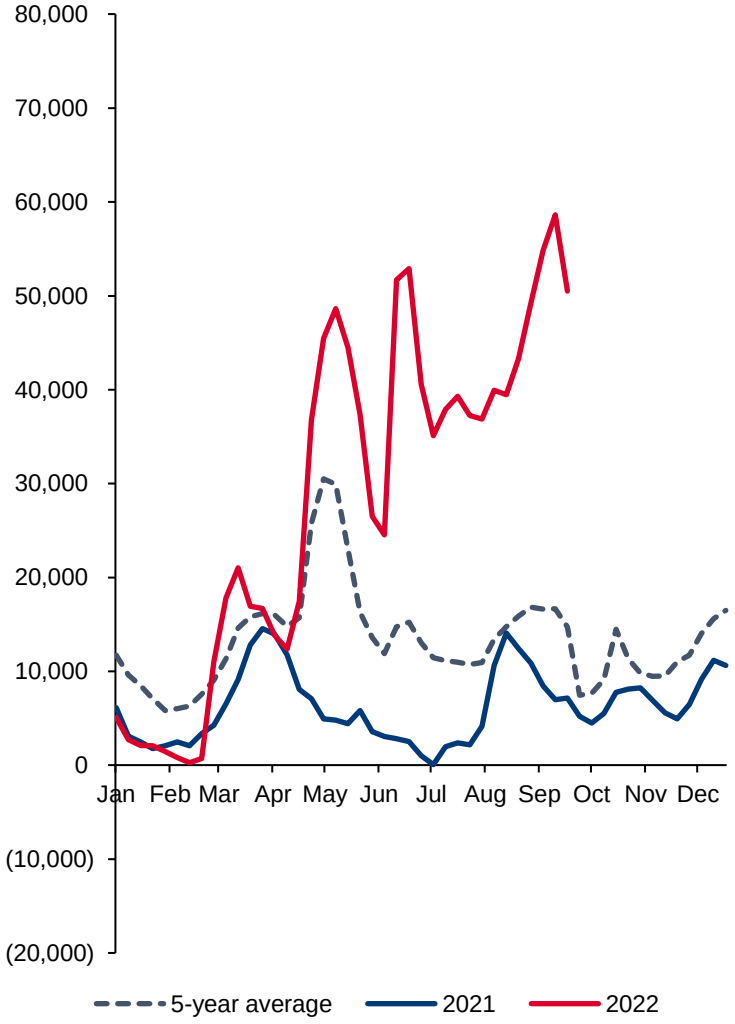


- Total tanker ordering in 1H 2022 was at the lowest six-month level since at least 1996, driven by record high newbuilding prices and limited shipyard space
- This will limit the fleet growth in 2022-2023, with the order book to fleet ratio at a record low of 5% (excl. chemical vessels)
- Low product tanker order book is further supported by a historically low crude tanker order book at similarly 5%, which combined with returning OPEC barrels suggests less crude cannibalization in the medium/long term

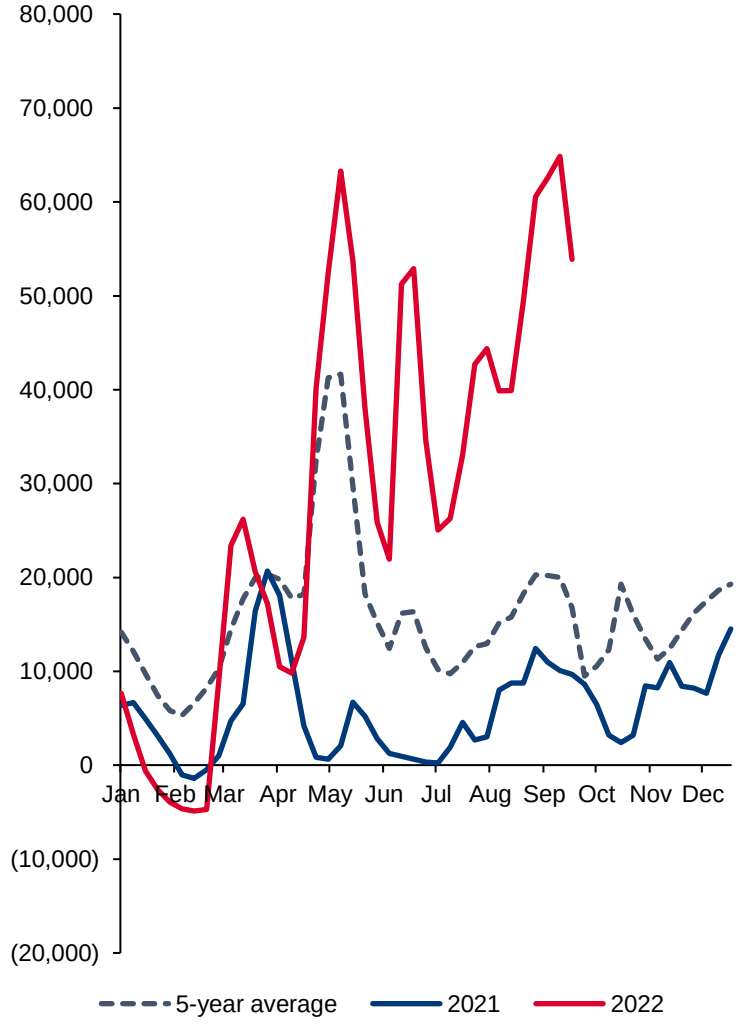
Source: TORM, Clarksons.

Product tanker freight rates (USD/day)

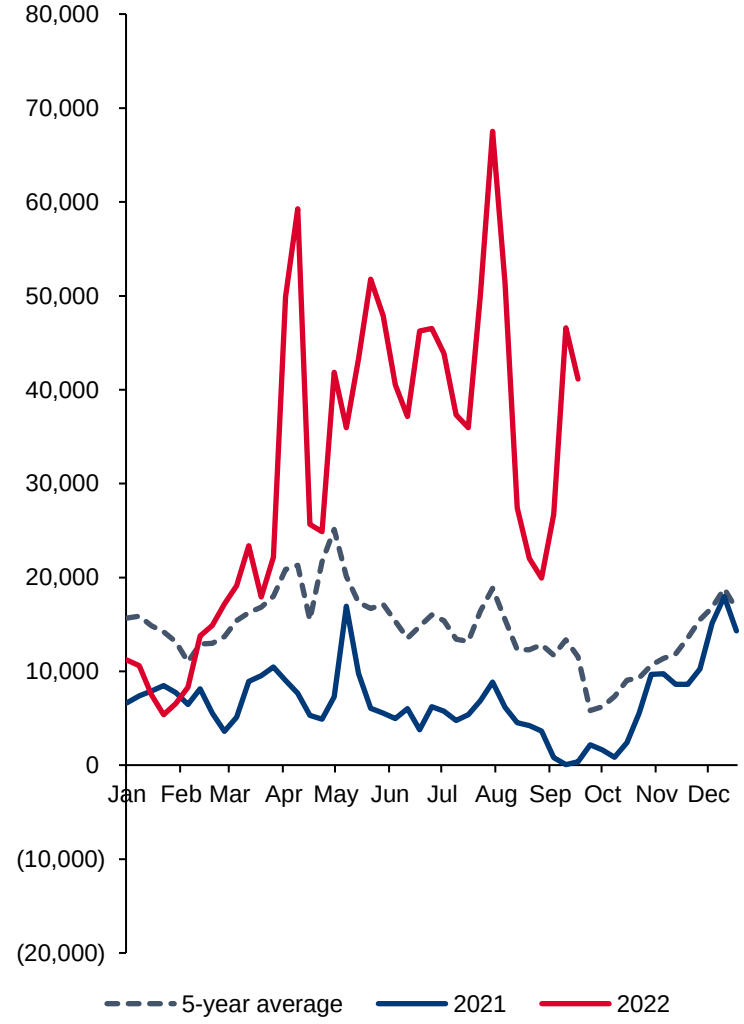
LR2 (BCTI-TC1)



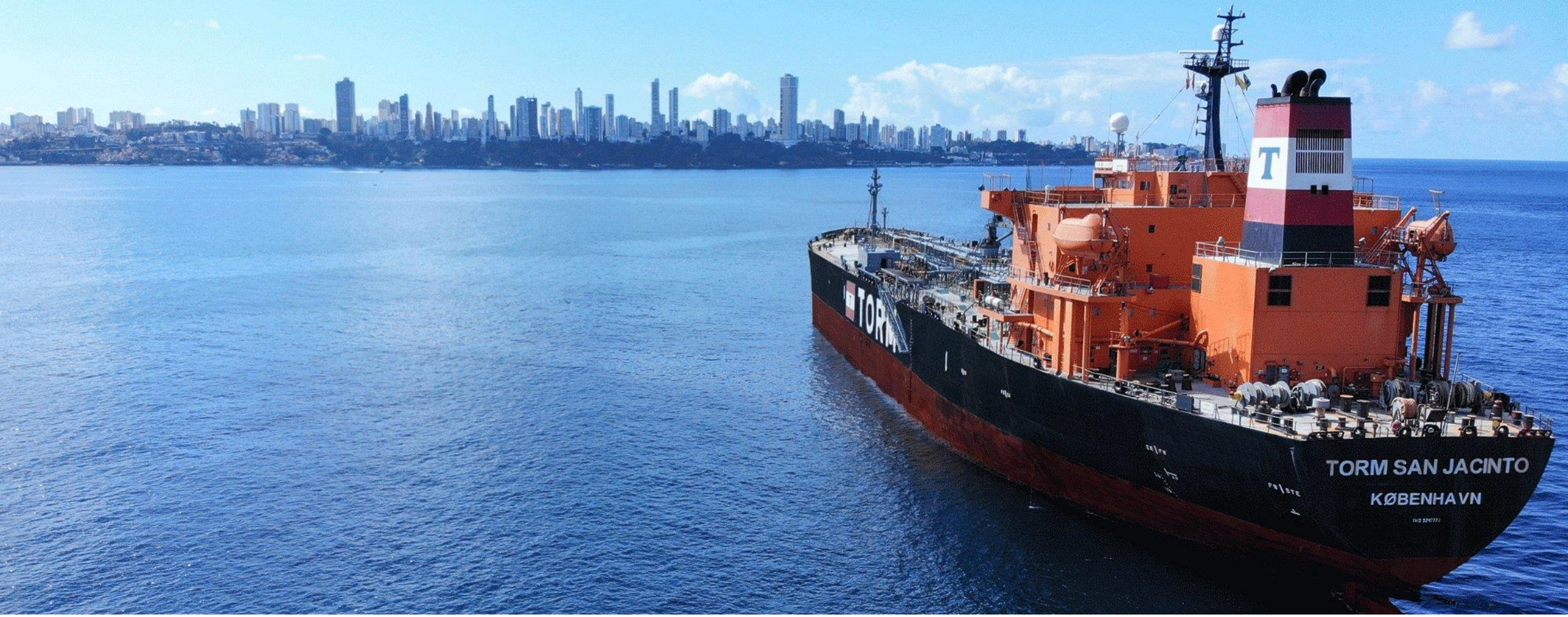
LR1 (BCTI-TC5)



MR (BCTI-Atlantic Basket)



Source: Clarksons, Baltic Exchange



III. Q2 2022 Highlights and Q3 Trading Update

Q2 2022 highlights

FINANCIAL HIGHLIGHTS

	Unit	Q2 2022	Q2 2021
EBITDA[1]	USDm	153.4	44.7
Profit before tax	USDm	107.0	2.4
RoIC[1,2]	%	22.7	2.6
EPS	USD/share	1.31	0.03
EPS	DKK/share	9.16	0.19
TCE[1]	USD/day	29,622	14,591

COMPANY ACQUISITION

After Q2 2022, TORM purchased 75% of the shares in Marine Exhaust Technology A/S, a Danish-based company owning ME Production A/S (”MEP”), which among others produces solutions to reduce air pollutants in connection with marine transportation.

BREAK-EVEN

During Q2 2022, TORM achieved a low cost-base with OPEX/day being USD/day 6,809 and admin expenses were USD 12.5m.

Through this low cost-base, TORM had a normalized break-even rate of USD/day 8,500 during Q2 2022 and FY 2022 break-even is expected to be approximately USD/day 8,600.

VESSEL TRANSACTIONS AND SCRUBBERS

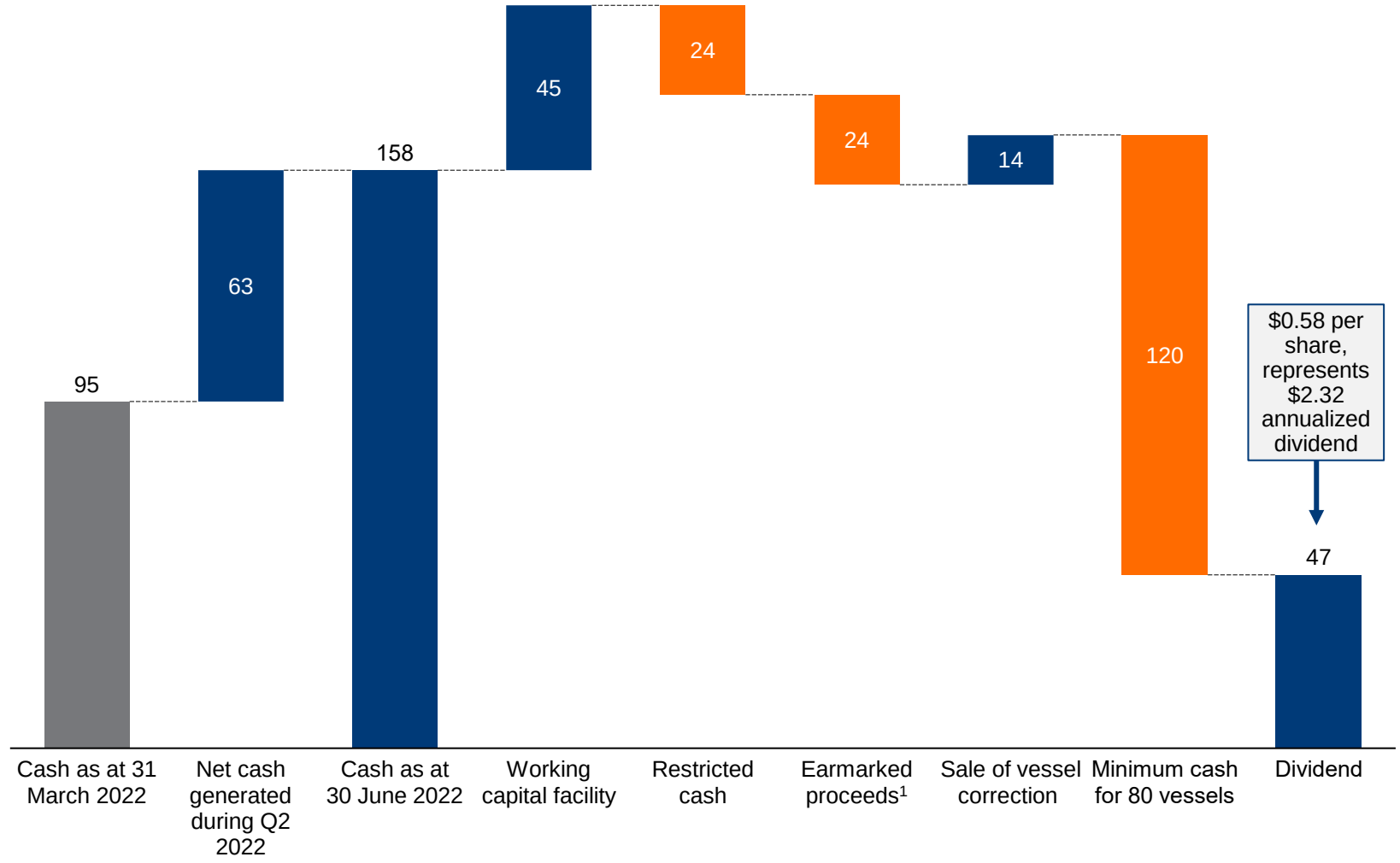
TORM utilized the high second-hand prices to divest seven of the oldest vessels in our fleet from late 2021 until the end of Q2 2022. The vessels sold have an average age of 18 years and have added USD 62.8m in liquidity after debt repayment.

After Q2 2022, TORM planned to order eight additional scrubbers before the end of Q3 2023. As per mid August 2022, TORM had installed a total of 53 scrubbers out of 68 planned.

Notes: 1) Non-IFRS measure: reconciliation available in the appendix
2) RoIC defined as earnings before interest and tax (EBIT) less tax, divided by the average invested capital for the period

TORM is distributing ~74% of net cash generated to shareholders related to Q2 2022 results

Dividend distribution during Q2 2022 ($ in millions)

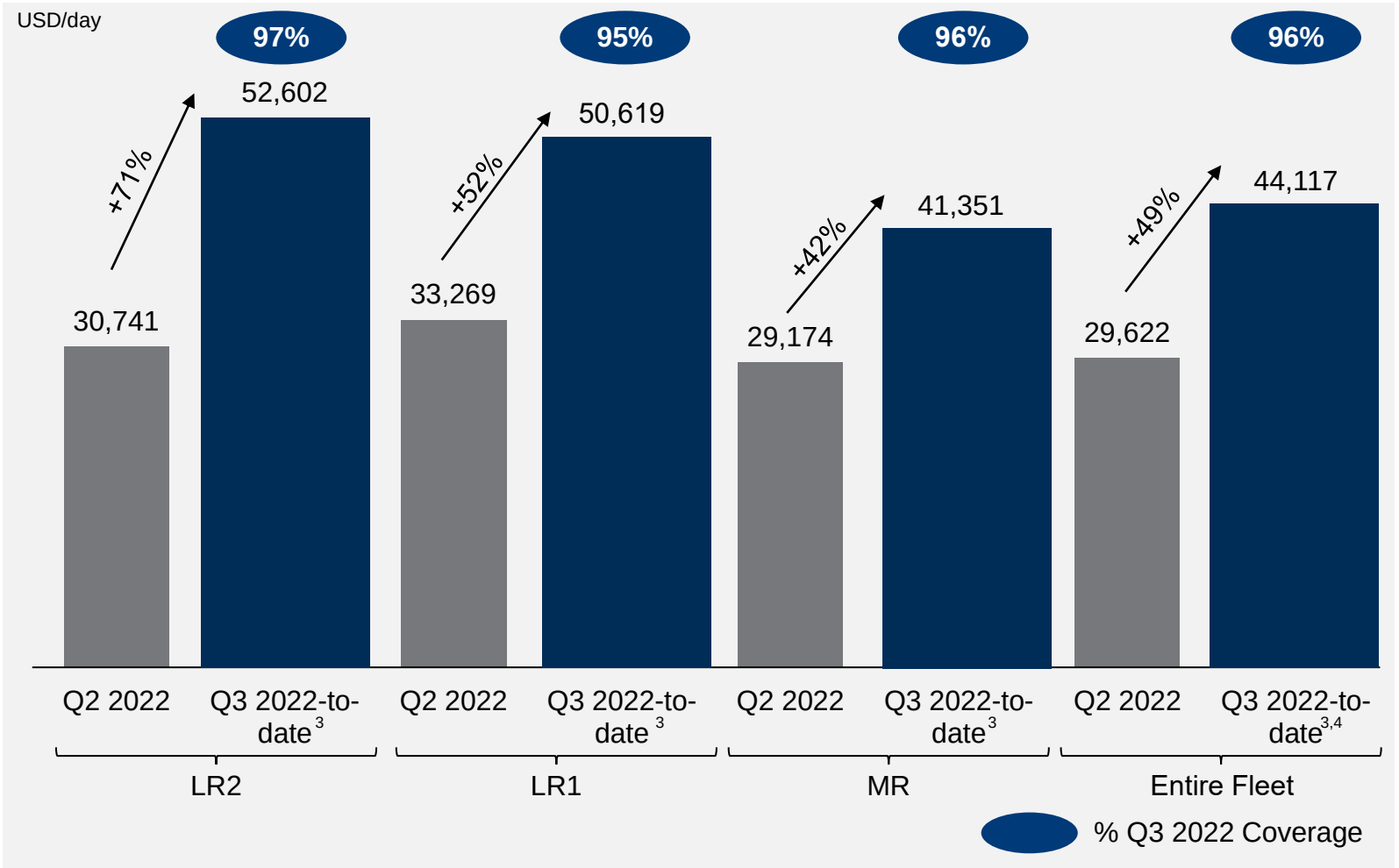


- Based on the cash position at the end of Q2 2022, earmarked proceeds and 80 vessels in our fleet, TORM will distribute USD 0.58 per share as dividends estimated to be USD 47m
- Cash per vessel is set at USD 1.5m at the end of Q2 2022 and will increase to USD 1.8m per vessel at the end of Q3 2022
- Earmarked proceeds are applied from May 2022 and calculated as net proceeds from the sale of vessels with net liquidity related to purchases deducted
- A quarter's earmarked proceeds are carried on for four quarters, whereafter it is excluded from the calculation
- USD 47m out of USD 63m cash generated is expected to be distributed

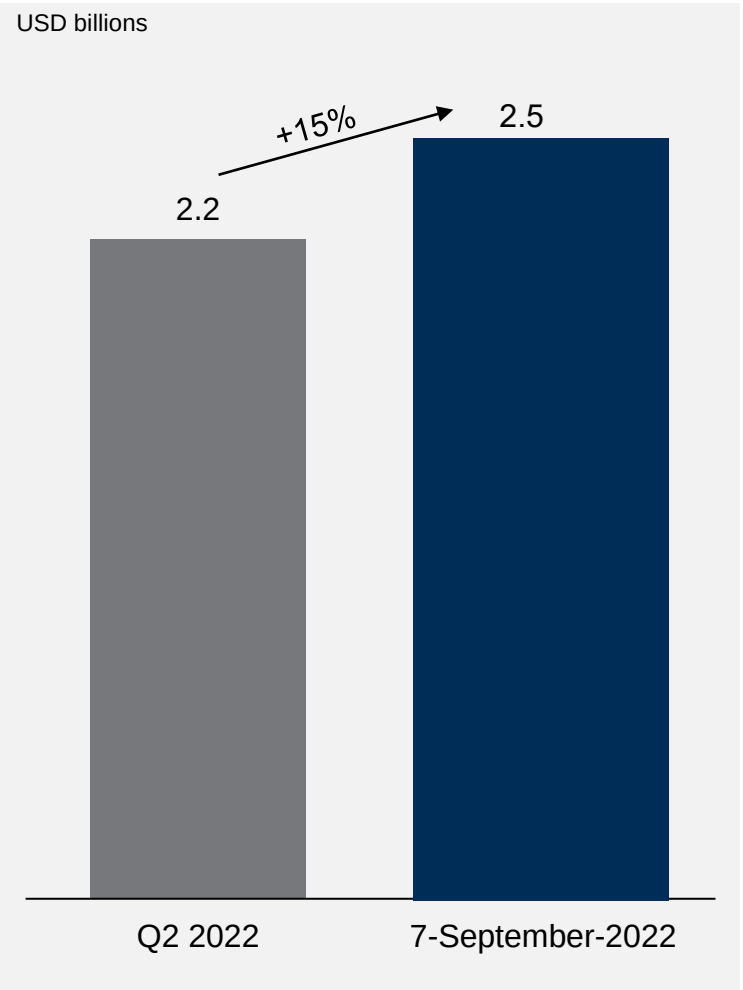
1) Vessels included in the Earmarked proceed calculation are Sold: TORM Tevere, TORM Emilie, TORM Horizon, TORM Gyda and TORM Gudrun. Acquired: TORM Hannah

Q3 2022 Update

TCE per day[1] (period)



Vessel value (broker)[2]



1) Non-IFRS measure: TCE reconciliation available in the appendix
2) Average of Braemar and Clarksons broker appraisals
3) As of 22 September 2022
4) Includes 5 days of handysize revenue at $12,505 / day at 100% coverage



IV.Q&A

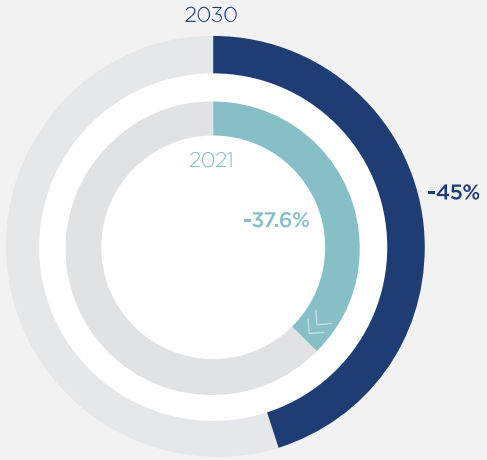


Appendix

Greener future with a zero emission ambition

2030 climate target

TORM continues to work to reduce our CO_2 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.

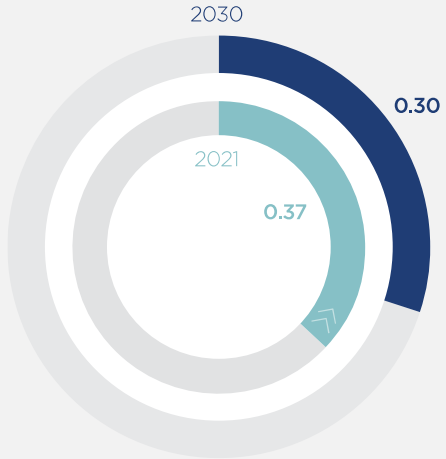
2050 climate ambition

TORM is pursuing an ambitious climate agenda, whereby we will have zero CO_2 emissions from operating our fleet by 2050.



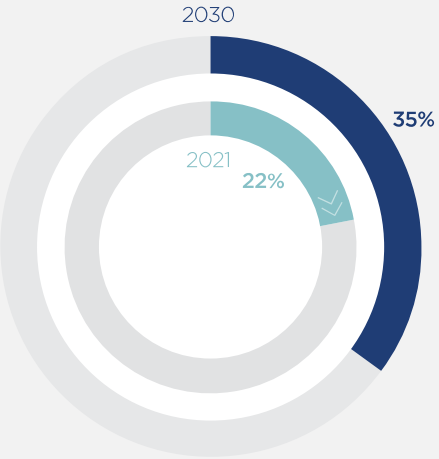
2030 safety target

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



Condensed consolidated balance sheet

USDm	30 June 2022	30 June 2021	31 December 2021
ASSETS			
NON-CURRENT ASSETS			
Tangible fixed assets			
Land and buildings	3.7	5.5	4.8
Vessels and capitalized dry-docking	1,836.8	1,878.3	1,937.8
Prepayments on vessels	4.3	33.2	12.0
Other plant and operating equipment	5.6	7.2	6.3
Total tangible fixed assets	**1,850.4**	**1,924.2**	**1,960.9**
Financial assets			
Investments in joint ventures	1.3	1.6	1.5
Loan receivables	4.6	4.6	4.6
Deferred tax asset	0.6	0.7	0.7
Other investments	0.4	-	-
Total financial assets	**6.9**	**6.9**	**6.8**
Total non-current assets	**1,857.3**	**1,931.1**	**1,967.7**
CURRENT ASSETS			
Bunkers	78.3	39.4	48.8
Freight receivables	171.9	61.5	84.0
Other receivables	77.3	40.8	40.0
Prepayments	9.4	3.2	5.6
Cash and cash equivalents incl. restricted cash	157.7	111.3	171.7
Current assets, excluding assets held-for-sale	**494.6**	**256.2**	**350.1**
Assets held-for-sale	69.2	-	13.2
Total current assets	**563.8**	**256.2**	**363.3**
TOTAL ASSETS	**2,421.1**	**2,187.3**	**2,331.0**

USDm	Note	30 June 2022	30 June 2021	31 December 2021
EQUITY AND LIABILITIES				
EQUITY				
Common shares		0.8	0.8	0.8
Share premium		165.2	143.6	159.8
Treasury shares		-4.2	-4.2	-4.2
Hedging reserves		35.7	-13.8	-3.6
Translation reserves		-0.1	0.2	0.2
Retained profit		1,017.3	921.0	899.2
Total equity		**1,214.7**	**1,047.6**	**1,052.2**
LIABILITIES				
NON-CURRENT LIABILITIES				
Non-current tax liability related to held over gains		45.2	45.2	45.2
Borrowings		910.7	823.7	926.4
Total non-current liabilities		**955.9**	**868.9**	**971.6**
CURRENT LIABILITIES				
Borrowings		133.6	170.1	209.0
Trade payables		50.1	29.9	35.3
Current tax liabilities		1.1	1.3	0.9
Other liabilities		53.7	51.2	43.7
Provisions		12.0	18.3	18.3
Total current liabilities		**250.5**	**270.8**	**307.2**
Total liabilities		**1,206.4**	**1,139.7**	**1,278.8**
TOTAL EQUITY AND LIABILITIES		**2,421.1**	**2,187.3**	**2,331.0**

Non-IFRS reconciliations

TCE earnings reconciliation

USDm	Q2 2022	Q2 2021	Q1-Q2 2022	Q1-Q2 2021	FY 2021
Reconciliation to revenue					
Revenue	338.5	150.8	547.9	274.9	619.5
Port expenses, bunkers and commissions	-128.9	-47.3	-214.9	-94.7	-240.9
TCE earnings	**209.6**	**103.5**	**333.0**	**180.2**	**378.6**

Return on Invested Capital (RoIC)

USDm	Q2 2022	Q2 2021	Q1-Q2 2022	Q1-Q2 2021	FY 2021
Operating profit/(loss) (EBIT)	118.7	12.4	141.3	0.8	1.4
Tax	-0.4	-0.3	-0.7	-0.5	-1.3
EBIT less Tax	**118.3**	**12.1**	**140.6**	**0.3**	**0.1**
EBIT less Tax - Full year equivalent	**473.2**	**48.4**	**281.2**	**0.6**	**0.1**
Invested capital, opening balance	2,081.5	1,735.0	2,011.3	1,719.4	1,719.7
Invested capital, ending balance	2,096.7	1,925.5	2,096.7	1,925.5	2,011.3
Average invested capital	**2,089.1**	**1,830.3**	**2,054.0**	**1,822.5**	**1,865.5**
Return on Invested Capital (RoIC)	**22.7%**	**2.6%**	**13.7%**	**0.0%**	**0.0%**

EBITDA reconciliation

USDm	Q2 2022	Q2 2021	Q1-Q2 2022	Q1-Q2 2021	FY 2021
Reconciliation to net profit/(loss)					
Net profit/(loss) for the year	106.6	2.1	117.0	-19.2	-42.1
Tax	0.4	0.3	0.7	0.5	1.3
Financial expenses	12.0	10.0	23.9	19.7	42.4
Financial income	-0.3	-	-0.3	-0.2	-0.2
Depreciation	34.5	31.5	69.7	62.0	130.9
Impairment losses and reversal of impairment on tangible assets	0.2	0.8	2.8	0.8	4.6
EBITDA	**153.4**	**44.7**	**213.8**	**63.6**	**136.9**

Invested capital

USDm	30 June 2022	30 June 2021	31 December 2021
Tangible and intangible fixed assets	1,850.4	1,924.2	1,960.9
Investments in joint ventures	1.3	1.6	1.5
Deferred tax asset	0.6	0.7	0.7
Other investments	0.4	-	-
Bunkers	78.3	39.4	48.8
Accounts receivables	258.6	105.5	129.6
Assets held-for-sale	69.2	-	13.2
Non-current tax liability related to held over gains	-45.2	-45.2	-45.2
Trade payables	-103.8	-81.1	-79.0
Provisions	-12	-18.3	-18.3
Current tax liabilities	-1.1	-1.3	-0.9
Invested capital	**2,096.7**	**1,925.5**	**2,011.3**