JULY 2023

TORM INTRODUCTION

INVESTOR PRESENTATION

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 including central bank policies intention to combat overall inflation and rising interest rates, inflationary pressure, the general domestic and international political conditions or events, including “trade wars” and the conflict between Russia and Ukraine, including the end of the conflict, the highly cyclical natures of our business causing fluctuations in charter hire rates and vessel values caused by changes in supply vessels and constructions of newbuildings and changes in “ton-mile” demand caused by changes in worldwide OPEC petroleum production, consumption and storage, the duration and severity of the ongoing COVID-19 pandemic, including its impact on the demand for petroleum products and the seaborne transportation of clean products, the operations of our customers including, losses of large customers, failures of our contract counterparties to meet their obligations and changes in their credit risks, the operations of our business including availability of skilled crew members, labor disruptions, our ability to attract and retain employees, adequacy of insurance coverage, arrests of our vessels, disruption of shipping routes due to adverse weather, accidents and political events, the length and number of off-hire periods our ability to complete vessel transactions as planned, the changes in governmental rules and regulations including changes to US trade policies, applicable regulations related to bribery, our limitations under incorporation under the laws of England and Wales, the new environmental regulations and increasing scrutiny towards our ESG policies, the potential for technological innovation to reduce vessel value and charter income, the interruption or failure of our information technology and communication system including cyber-attacks, the increased cost of capital or limited access to funding due to EU taxonomy and the potential liability from future litigation and future costs due to environmental damage and vessel collision, the potential conflicts of interest involving our board of directors and senior management .

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.

Today’s presenters



JACOB MELDGAARD

- Executive Director of TORM plc
- CEO of TORM A/S since 2010
- Member 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 Group CFO of CASA A/S and DLG A.M.B.A
- Member of the Board of several financial institutions and non-financial institutions
- More than 30 years of finance experience

01 TORM: Introduction

02 Market update: Demand

03 Market update: Supply

04 TORM: Recent financial performance

AGENDA

01 **TORM: Introduction**

02 **Market update: Demand**

03 **Market update: Supply**

04 **TORM: Recent financial performance**

AGENDA

TORM: A leading global pure-play product tanker company with a modern fleet of 87 vessels

ONE TORM

Integrates both commercial and technical management in-house



~9
OFFICES

~3,400
SEAFARES

~350
LAND BASED EMPLOYEES

MARKET CAPITALIZATION

as of 07 July 2023

2.1 USD Bn

DUAL-LISTED:

NASDAQ COPENHAGEN

NASDAQ NEW YORK

THE FLEET[1]

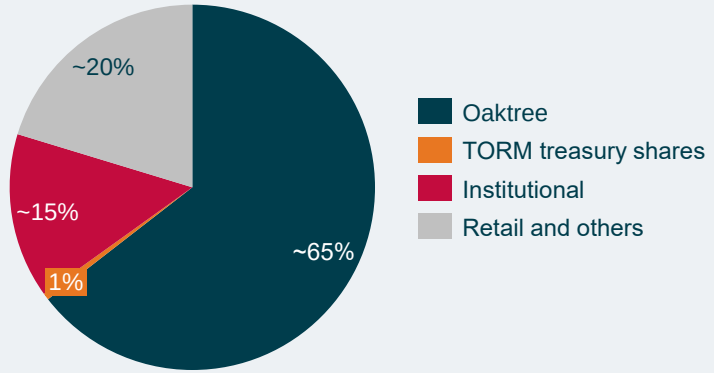
87 OWNED AND LEASED



1) On a fully delivered basis

SHAREHOLDER STRUCTURE

as of 07 July 2023



TORM transports clean product and operates in a highly fragmented market



- TORM operates on a highly fragmented market where Top 5 owners account for 13% of the total fleet capacity
  - **LR2 fleet**: Top 5 owners' fleet account for 22% of the total global fleet[1]
  - **LR1 fleet**: Top 5 owners' fleet account for 21% of the total global fleet[2]
  - **MR fleet**: Top 5 owners' fleet account for 13% of the total global fleet[3]

- TORM's market share is 3% with TORM's vessel segments resembling the structure of the global product tanker fleet (LR2, LR1, MR)

Note: 1. Top 5 owners for LR2 includes Scorpio, Frontline, COSCO, TORM, BoCom 2.Top 5 owners for LR1 includes Hafnia, TORM, Chemikalien Seetrans, COSCO, Prime Tanker Management 3. Top 5 owners for MR includes TORM, Scorpio, Sinokor, Hafnia, CMG Nanjing Tankers (based on existing fleet)

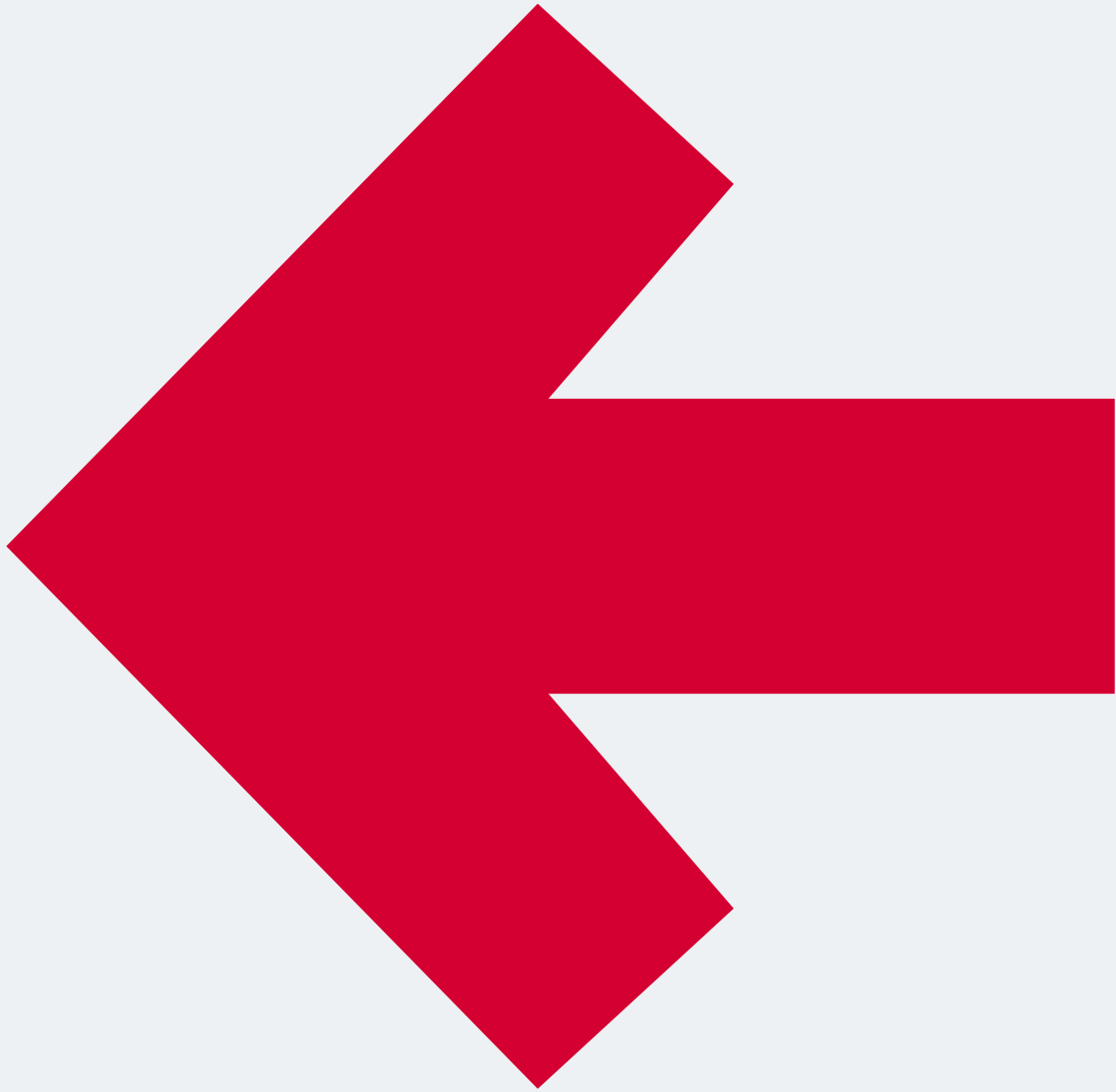
AGENDA

01 TORM: Introduction

02 Market update: Demand

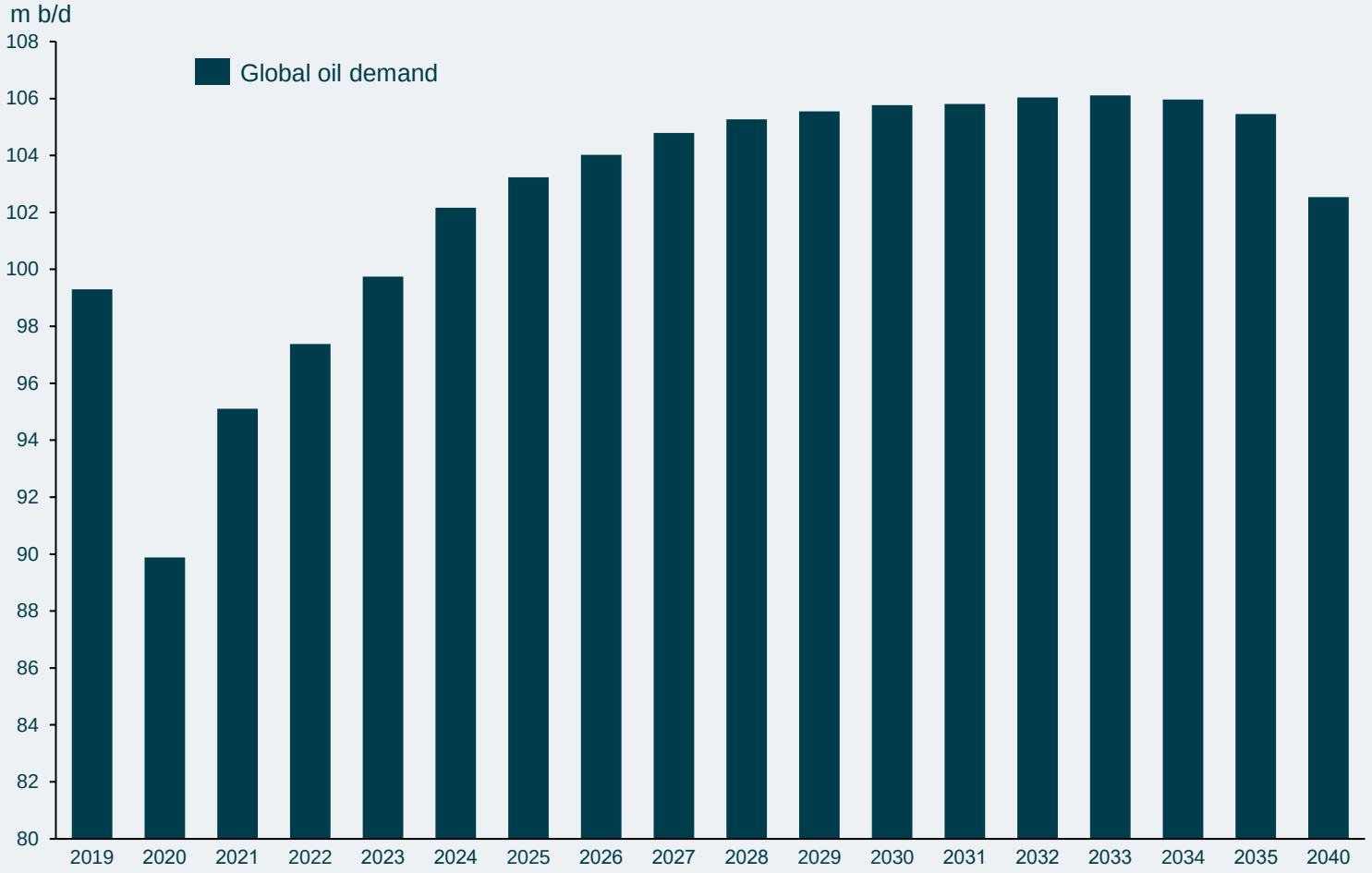
03 Market update: Supply

04 TORM: Recent financial performance



Oil demand is growing due to economic growth and lack of alternatives

Global demand for clean petroleum products



Sources: WoodMackenzie, TORM. Global oil demand excludes biofuels.

- Global oil demand is expected to exceed pre-COVID-19 levels in 2023, while catch-up in international flights and industrial weakness require another year for jet fuel and diesel to fully recover
- While the electrification of road transport caps growth in demand for gasoline in particular, it is more difficult to find alternatives in the aviation sector (jet fuel) and in the petrochemical industry (naphtha)
- Consequently, demand for road transport fuels (gasoline, diesel) is expected to peak in late 2020s, while continued growth in demand for naphtha and jet fuel means that total global oil demand peaks at106m b/d in early 2030s, before slowing to 102.5m b/d in 2040 and 89m b/d in 2050

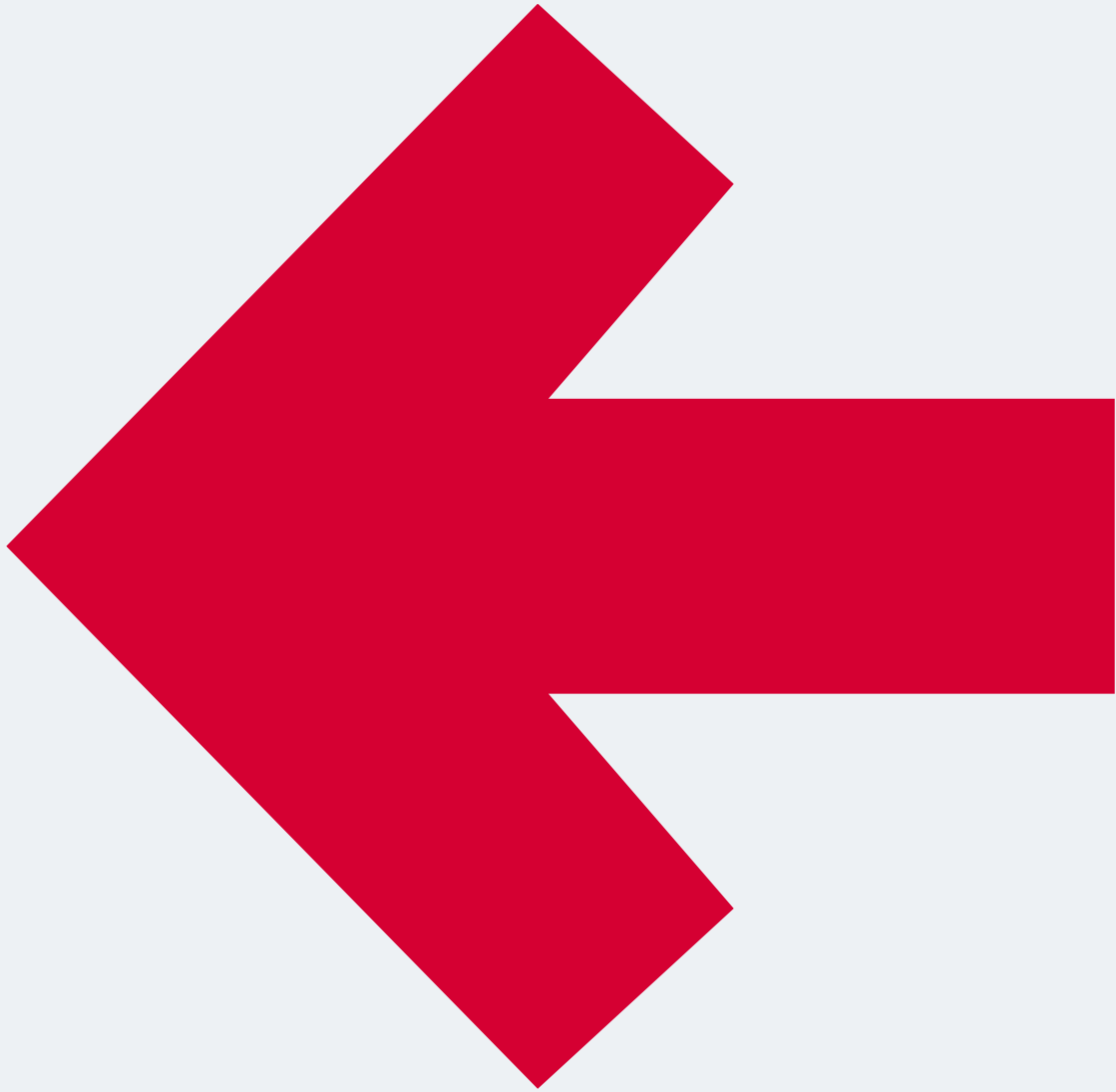
AGENDA

01 TORM: Introduction

02 Market update: Demand

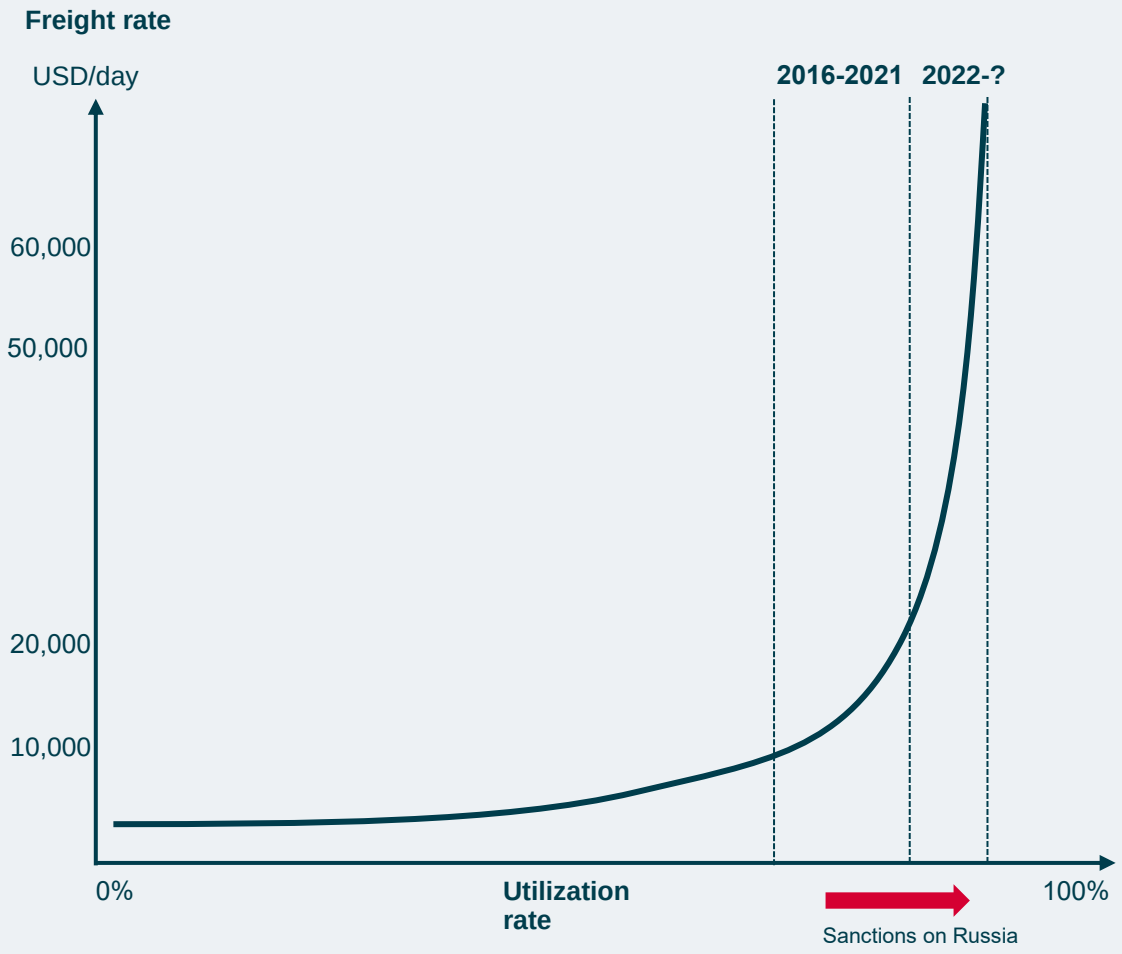
03 Market update: Supply

04 TORM: Recent financial performance



Higher product tanker utilization leading to increase in freight rates

The correlation between freight rates and fleet utilization



The product tanker fleet utilization has reached a level where small changes in utilization lead to large changes in freight rates

Increased ton-miles

Strong growth in Europe's middle distillate imports from the Middle East/Asia/US as a result of the EU sanctions against Russia coming into effect on 05 February 2023

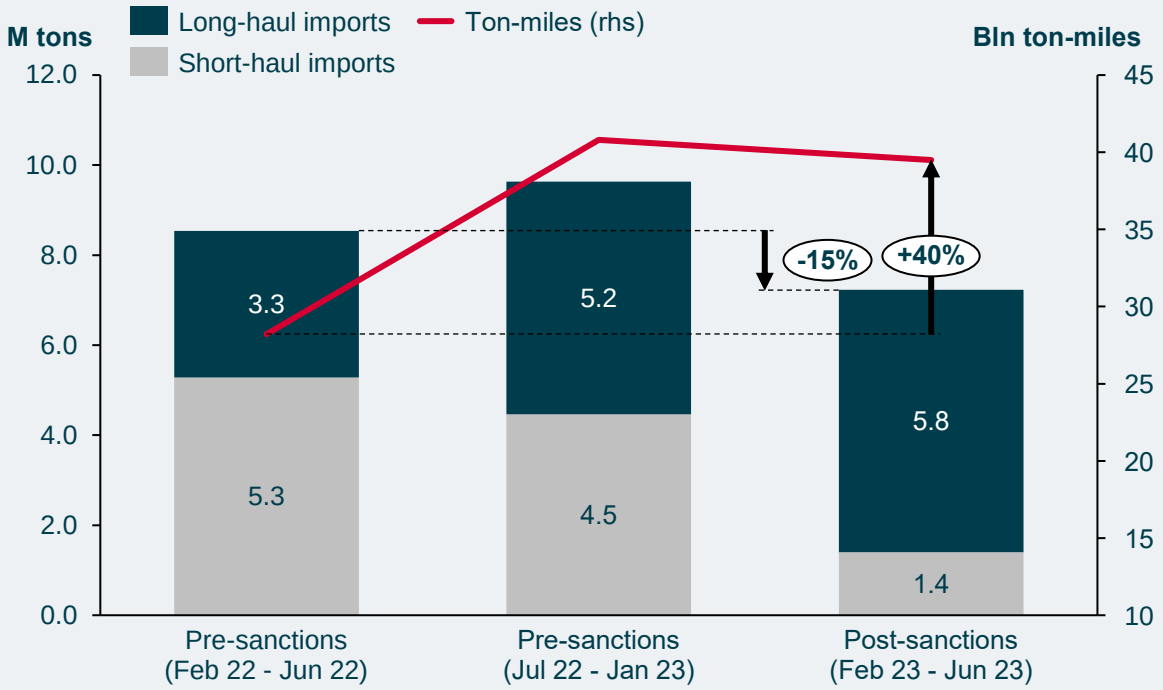
Changes in refinery landscape with closures in importing regions (e.g. Australia, New Zealand) and capacity additions in exporting regions (Middle East, China)

Increased inefficiencies

Longer ballast distances as a result of changing trade flows and less triangulation

Trade recalibration is increasing ton-miles even with lower EU import volumes

EU/UK CPP imports (monthly average)

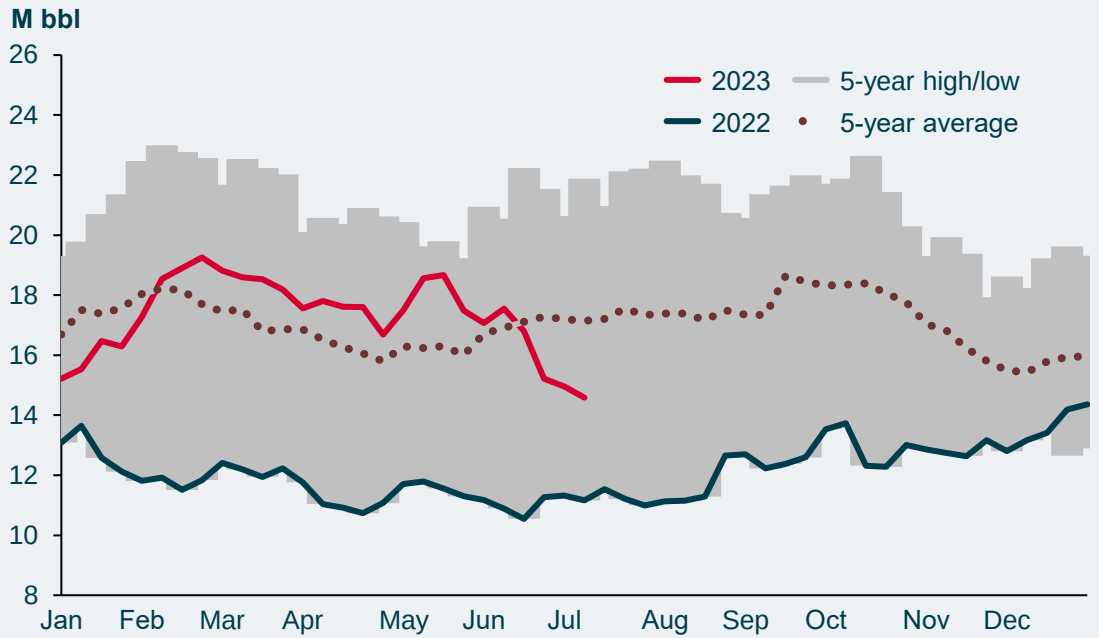


- Despite EU/UK total CPP import volumes having declined by 15% y-o-y post-sanctions (driven by weaker demand y-o-y and stockbuilding ahead of the sanctions), increased long-haul imports have resulted in 40% y-o-y increase in overall ton-mile
- Pre-sanctions, ~60% of EU imports were short-haul, post-sanctions 80% of imports are long-haul

Note: Short-haul imports originate from Russia, Turkey and Africa while long-haul imports originate from the Middle East, Asia and the Americas.

Sources: Kpler, TORM.

Amsterdam-Rotterdam-Antwerp weekly diesel stockpiles



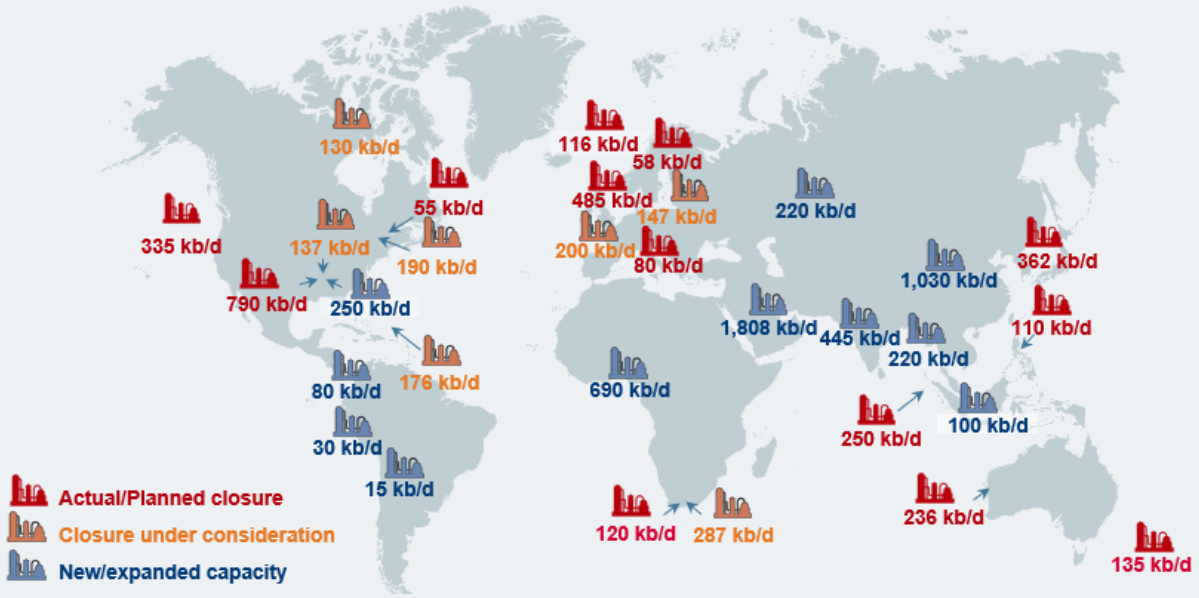
- With increased imports from Russia and non-Russian sources, ARA diesel stockpiles increased by more than 30% from end-2022 to February 2023
- By early July, more than 70% of that increase had been drawn down amid lower imports

Latest data as per 06 July 2023.

Sources: Reuters, TORM.

Refinery dislocation is adding ton-mile demand

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



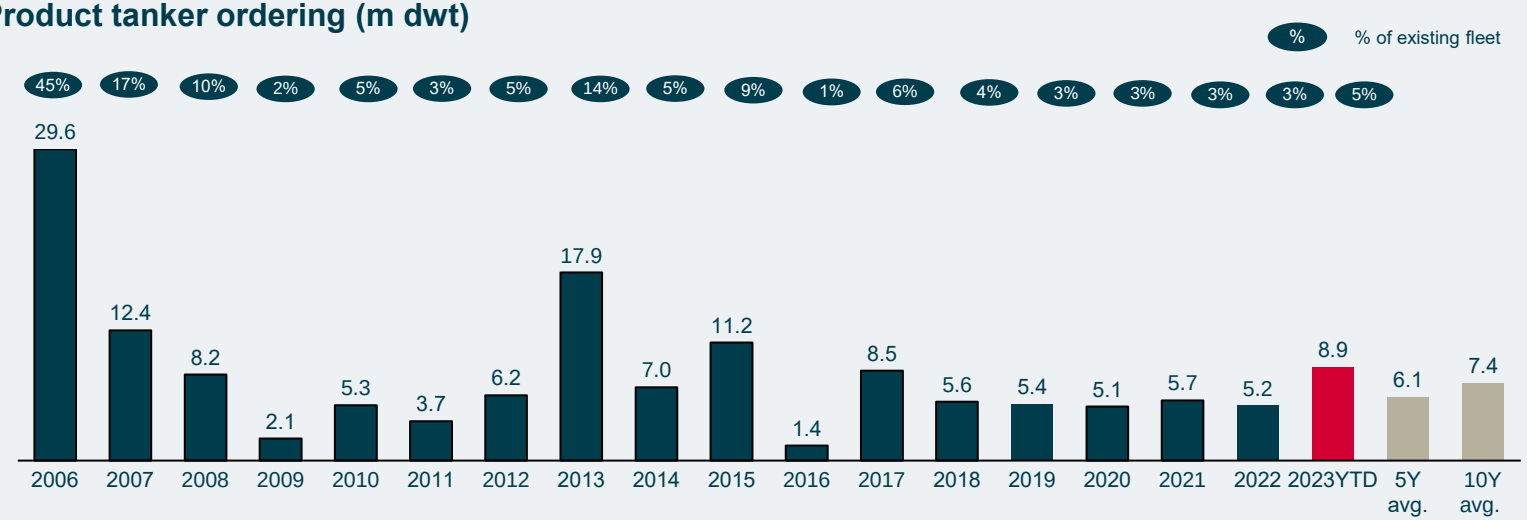
Note: Includes Total's 100 kb/d Grandpruits refinery, Eni's 80 kb/d Livorno refinery, Shell's 147 kb/d Wesseling refinery and Phillips 66's 120 kb/d Rodeo refinery, which will be closed down temporarily in order to be converted into renewable fuel plants. China's refinery capacity additions are shown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

Source: TORM, industry sources.

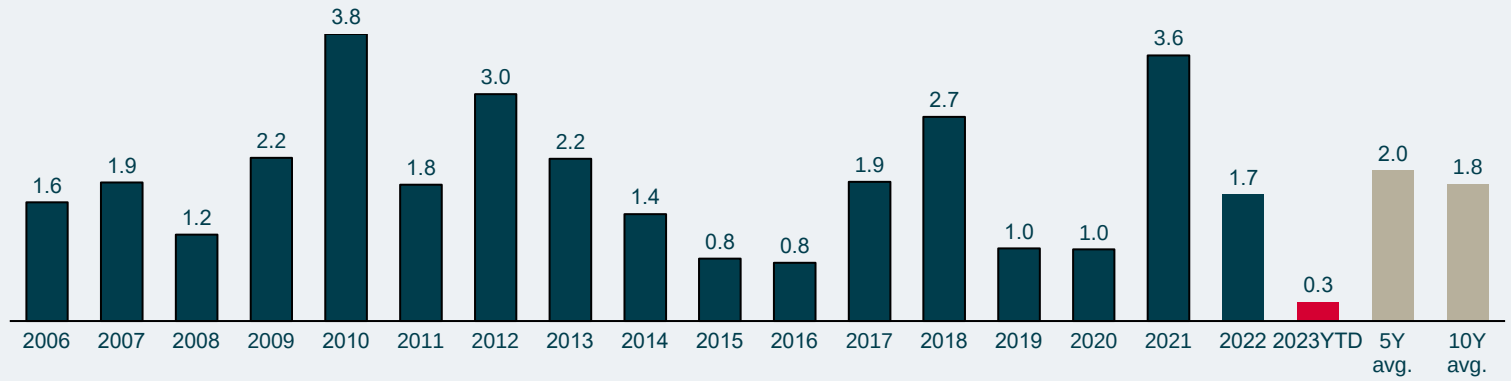
- Since 2020, 2.5m b/d of refining capacity has been closed down permanently and a further 0.6m b/d is set to be closed down during 2023-2024
- The actual and potential closures compare with planned global capacity expansion of ~4 mb/d during 2020-2023
- Most of the capacity which has been shut down is in net importing regions, while new capacity comes online mainly in the Middle East and China, supporting the ton-mile development
- New refining capacity ramping up in 2023 is largely concentrated towards middle distillates, facilitating the trade recalibration resulting from the EU sanctions against Russia

Fleet growth remains low

Product tanker ordering (m dwt)



Scrapping of product tankers (m dwt)

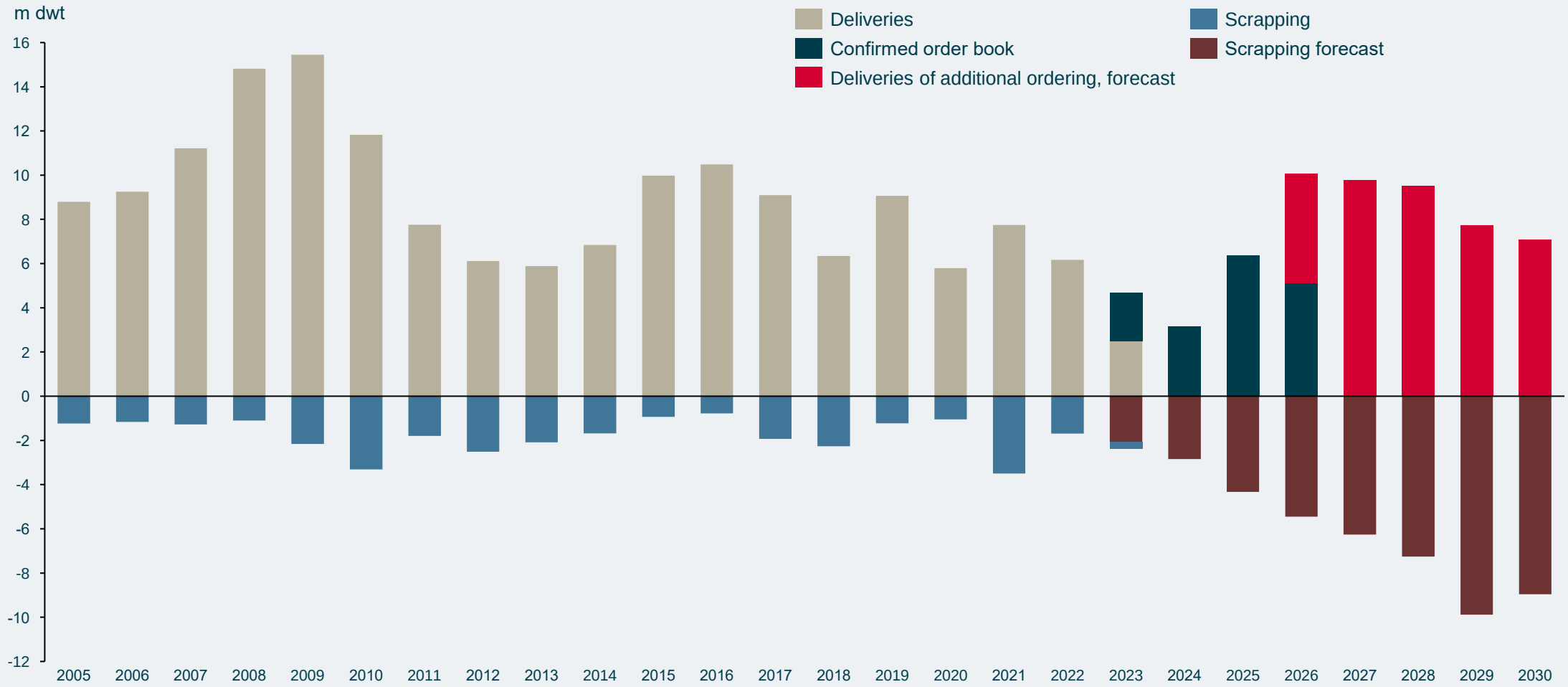


Sources: TORM, Clarksons

- Product tanker order book to fleet ratio is at 9%, which is low in historical context
- Earliest delivery date at renowned yards is 2026, which means that fleet growth in 2023-2025 remains limited
- Potential higher deliveries from 2026 onwards will be met by increased likelihood for recycling as an increasing share of the fleet reaches 25 years of age
- Low product tanker order book is further supported by a historically low crude tanker order book at 3%, which suggests less crude cannibalization in the medium/long-term

Product tanker long-term supply outlook remains positive

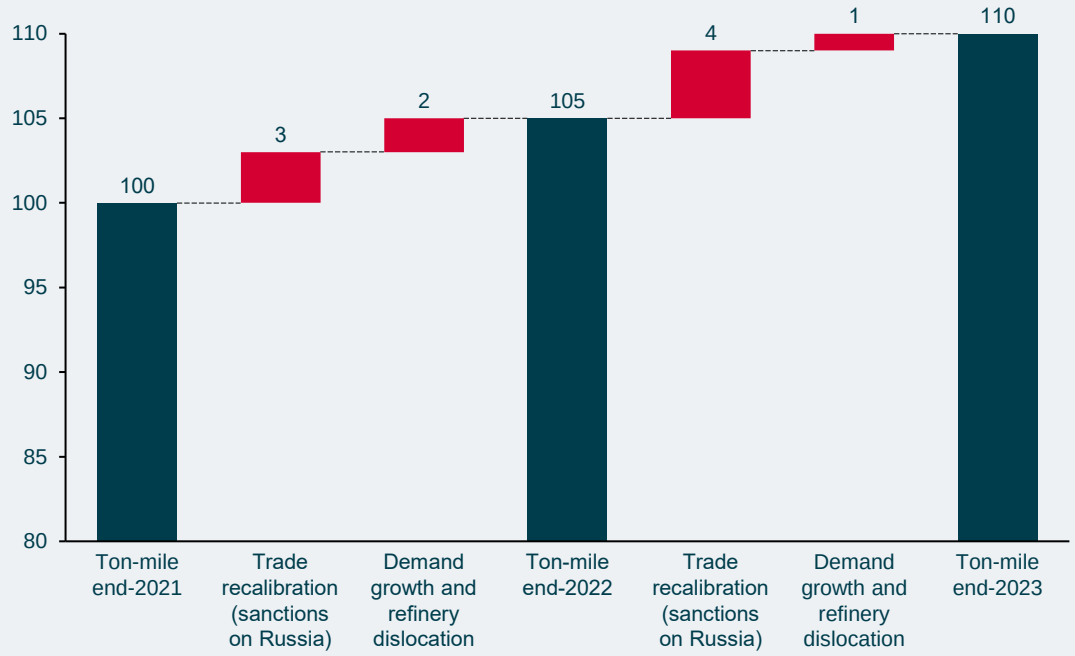
Product tanker deliveries and removals



Note: 30% delivery slippage from 2025 to 2026 is assumed.
Sources: TORM, Clarksons

Demand and supply factors remain positive

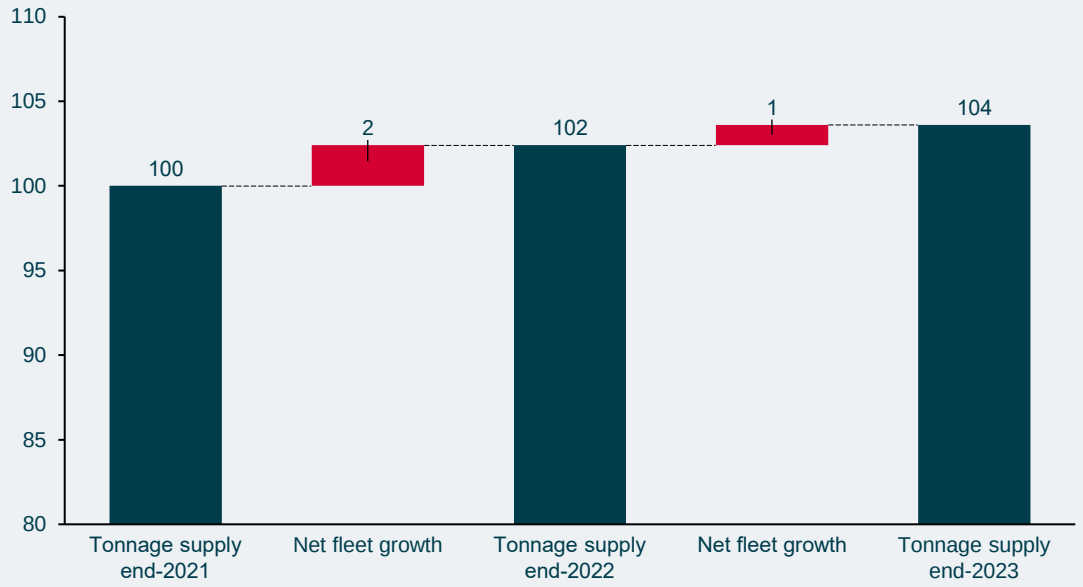
Ton-mile demand



Note: Data basis Q4.

- The EU ban on Russian oil products from 05 February 2023 and the corresponding trade recalibration is estimated to add a net 7% to product tanker ton-miles. Prior to the deadline, this effect mainly stemmed from an increase in Europe's imports from non-Russian sources, rather than replacement of Russian barrels
- Oil demand growth and refinery dislocation effects add ~3% to ton-miles over the 2022-2023 period

Tonnage supply



- With a low product tanker order book, fleet growth is estimated to slow down to 1% in 2023, followed by a sub 1% growth in 2024
- Low product tanker deliveries are further supported by a historically low crude tanker order book

01 TORM: Introduction

02 Market update: Demand

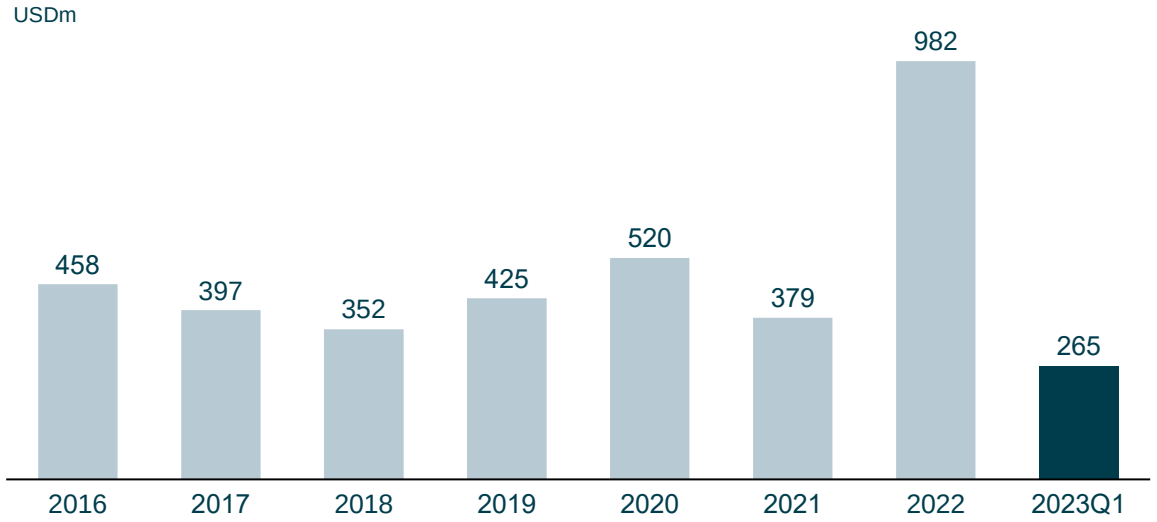
03 Market update: Supply

04 **TORM: Recent financial performance**

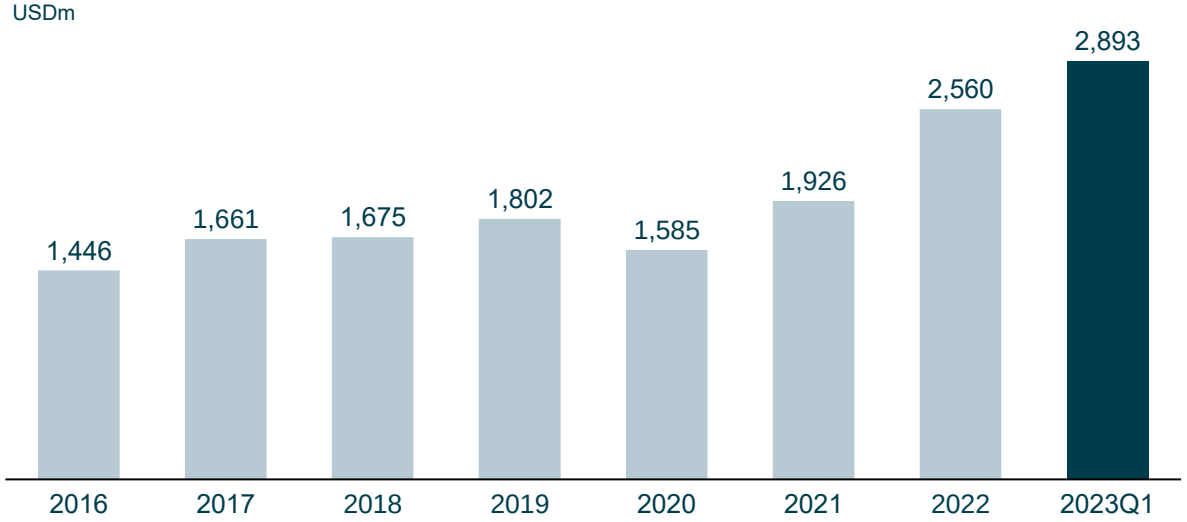
AGENDA

The strong market has provided TORM with high earnings, enabling high vessel values and deleveraging

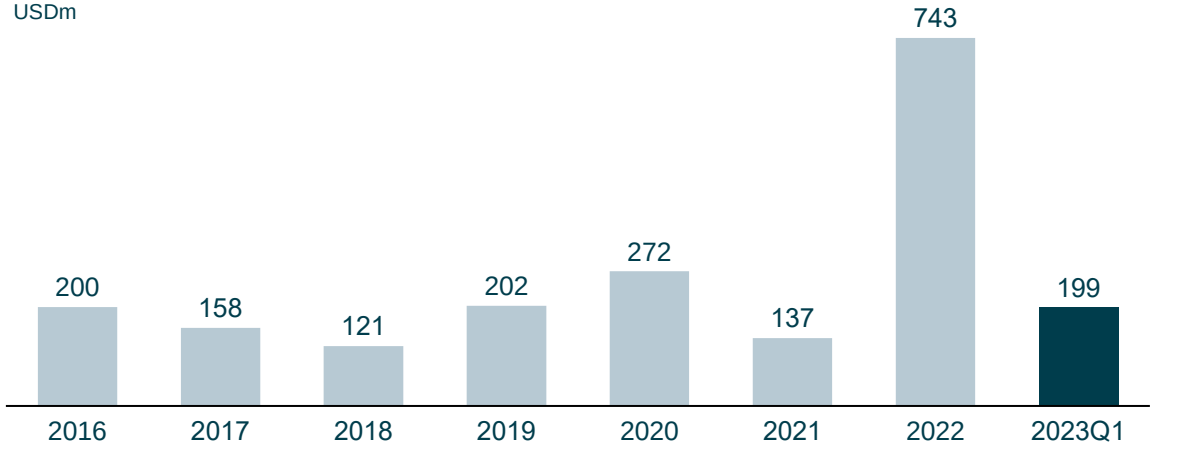
TCE



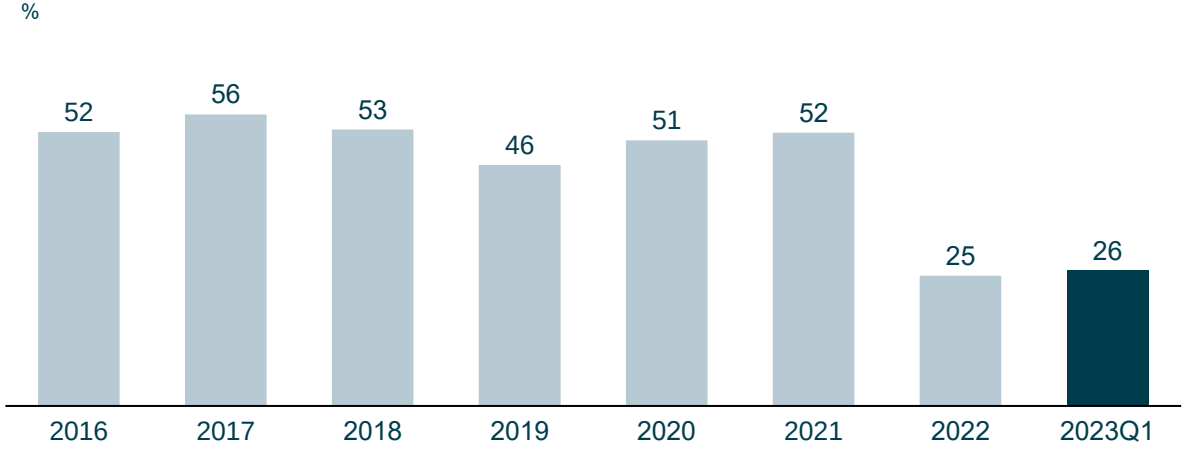
Vessel values (brokers)



EBITDA



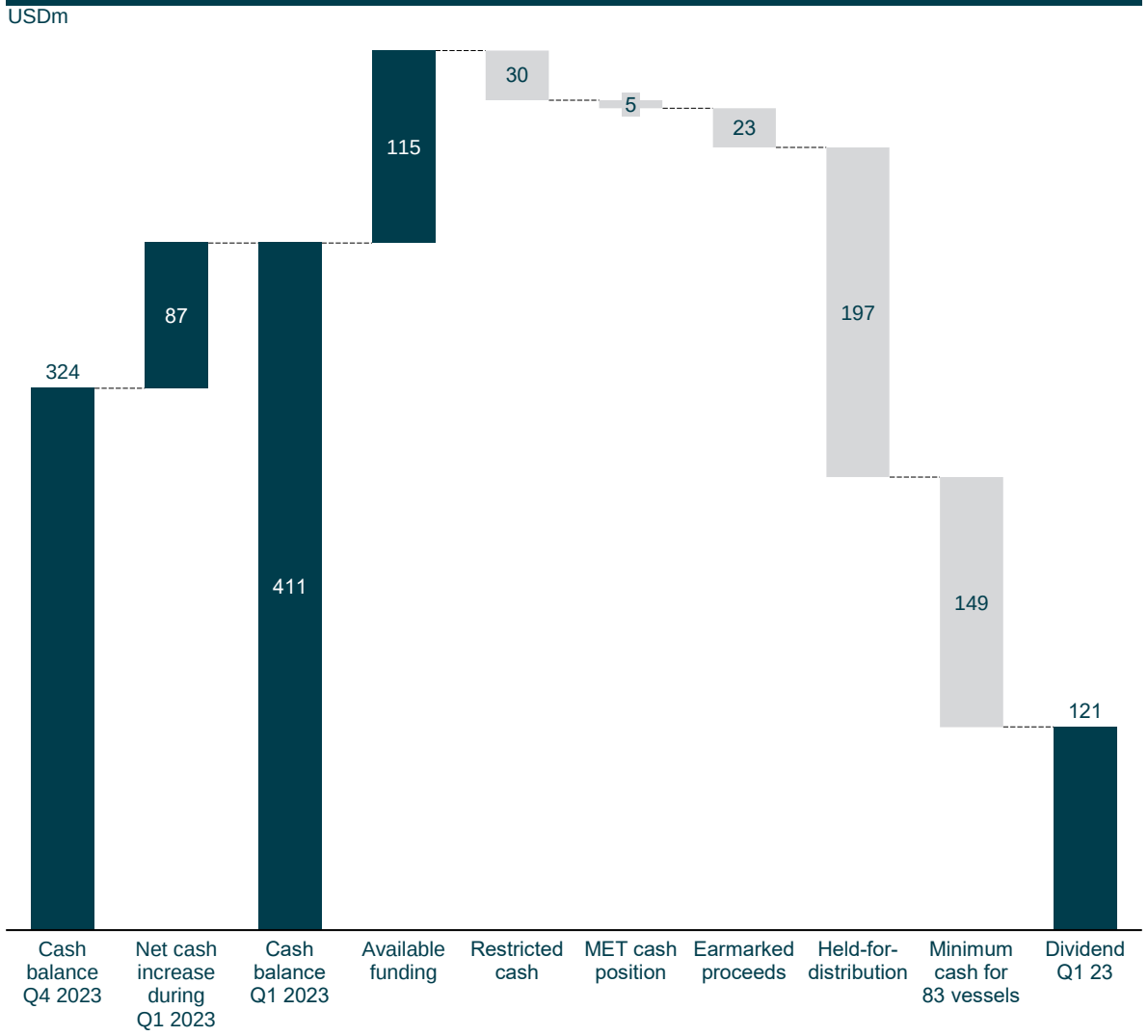
Net LTV



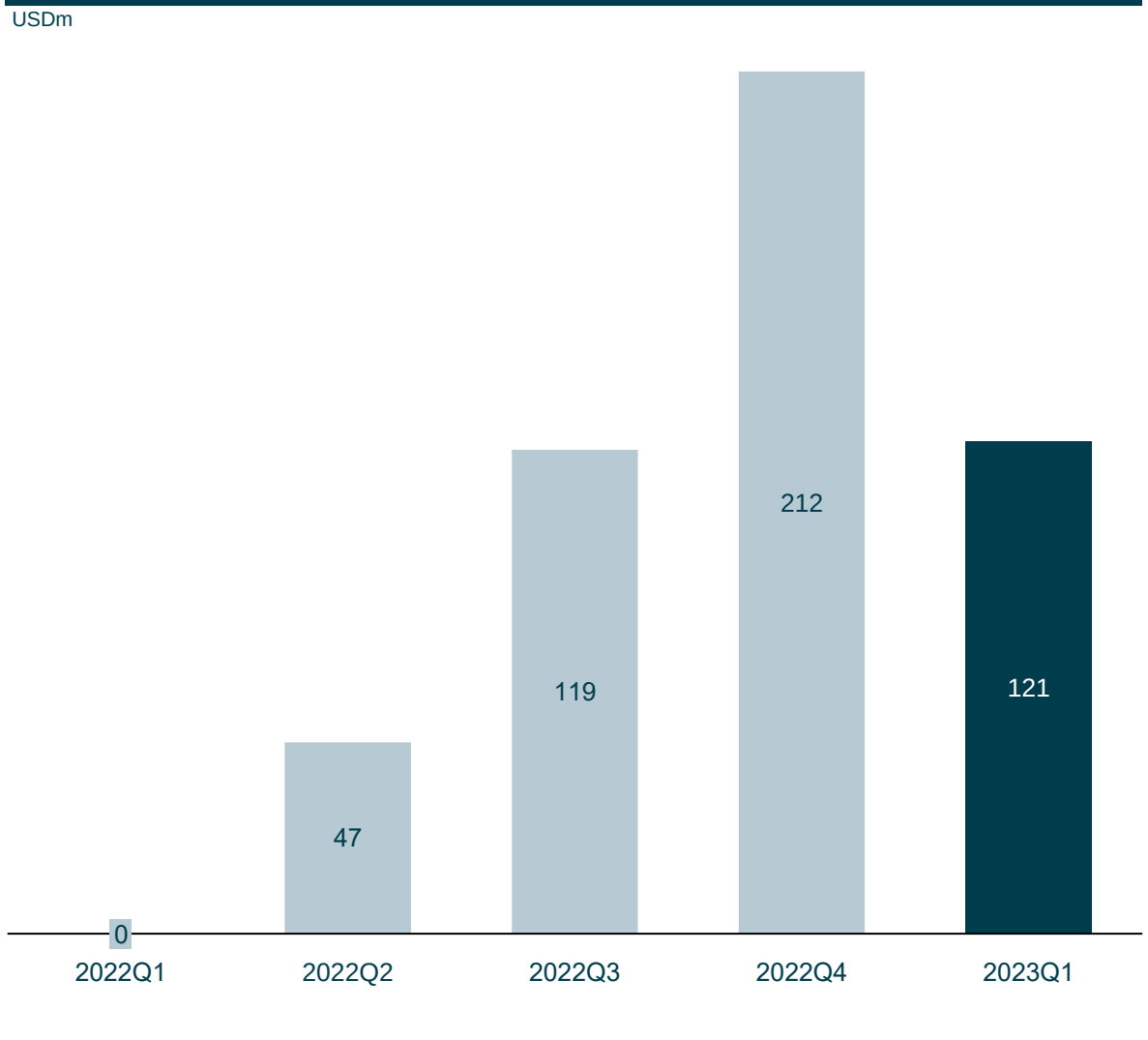
Note: 1.) Consolidated NIBD incl. committed Capex 2. Tank segment net LTV

The strong market has provided TORM with high earnings, enabling high dividend payments

Dividend breakdown Q1 2023



Historical dividend



Note: 1.) Consolidated NIBD incl. committed Capex 2. Tank segment net LTV