



Annual report 2025

# Board of Directors' report



The consolidated net result for the Odfjell Group in 2025 amounted to a net profit of USD 155 million, compared with USD 278 million in 2024. Total assets at year-end were USD 2 036 million, down from USD 2 168 the previous year. The cash flow from operations was USD 311 million in 2025, compared with USD 406 million in 2024. Cash flow from operations was USD 311 million, reflecting solid cash generation despite softer market conditions. Cash and cash equivalents totaled USD 149 million at year-end, and undrawn loan facilities amounted to USD 196 million, providing strong liquidity.

The operating result (EBIT) for 2025 was USD 225 million, compared with USD 354 million in 2024. While chemical tanker markets softened during the year, particularly in the spot segment, contract coverage remained stable and contributed to earnings resilience. The Board is satisfied with the Group's operational and financial performance and considers the business model to be robust and fit for the current market.

Total equity increased to USD 993 million at year-end 2025, compared with USD 930 million at the end of 2024. The equity ratio improved to 48.8%, well above the Group's long-term target range, reflecting strong profitability, disciplined capital allocation, and limited investments in new assets during the year.

During the year, the Group continued to optimize its capital structure. A new bank debt facility was established to refinance vessels in the existing fleet on improved terms, contributing to a lower cost of capital. In addition, a five-year NOK 1 billion bond was issued and swapped to USD 97 million, with proceeds used to reduce drawings under revolving credit facilities. At year-end, the Group had a well-diversified debt structure, with 43% of interest-bearing debt sustainability-linked.

In line with the Group's dividend policy, a total dividend of USD 78 million was paid for the 2025 financial year, including the dividend for the second half of 2025 paid in February 2026. This corresponds to a dividend per share of USD 0.98. The Board considers the Group's financial position to be sound, with limited financing needs in the coming years, strong anticipated cash flow, and continued flexibility to balance dividends, debt reduction, and value-creating investments.

The Board would like to express its appreciation to all employees, both at sea and ashore, for their professionalism, commitment, and contributions throughout 2025.

## Sustainability

Odfjell further strengthened its environmental performance in 2025 through operational improvements and deployment of new technologies. We achieved a new record-low carbon intensity, reinforcing our position as operator of the world's most energy-efficient deep-sea chemical tanker fleet. Absolute emissions increased slightly due to longer sailing distances resulting from rerouting away from the Red Sea.

A key milestone was the installation of suction sails on Bow Olympus in March 2025. The retrofit has delivered fuel and emission reductions of 15–20%, with higher savings under favorable conditions. During the year, the vessel completed a transatlantic voyage combining wind-assisted propulsion with 100% certified sustainable biofuel, achieving an 85%

reduction in carbon intensity and demonstrating regulatory compliance 25 years ahead of schedule. This illustrates a credible pathway to net-zero emissions by 2050 using available technologies and fuels.

Building on positive operational experience, we have decided to expand investments in wind-assisted propulsion systems for several Japanese newbuildings, some of which will also be equipped with energy-efficient gate rudders.

In 2025, Odfjell launched the world's first operational deep-sea green corridor, comprising 12 sailings between Brazil and Europe, powered by certified sustainable biofuel. The initiative supports FuelEU Maritime compliance and helps scale sustainable biofuel production.

We maintained full compliance with the Carbon Intensity Indicator (CII) framework, ensuring a minimum C-rating for all vessels. Our controlled fleet achieved an AER of 6.8, versus 7.1 at the end of last year. This AER result is on track with our target for 2030. Our climate ambition remains firm: a 57% reduction in carbon intensity by 2030 (from 2008 levels) and a climate-neutral fleet by 2050.

Odfjell reports in accordance with CSRD and ESRS, and in 2025 we developed a comprehensive transition plan aligned with these standards. Our Sustainability Statement, including ESG disclosures and EU Taxonomy reporting, is an integral part of this Directors' Report.

## Health, Safety, Security (HSS)

Health, safety, and security remain fundamental priorities across all Odfjell operations. We are firmly committed to providing a safe and secure working environment for our seafarers and onshore employees and to protecting our assets and operations.

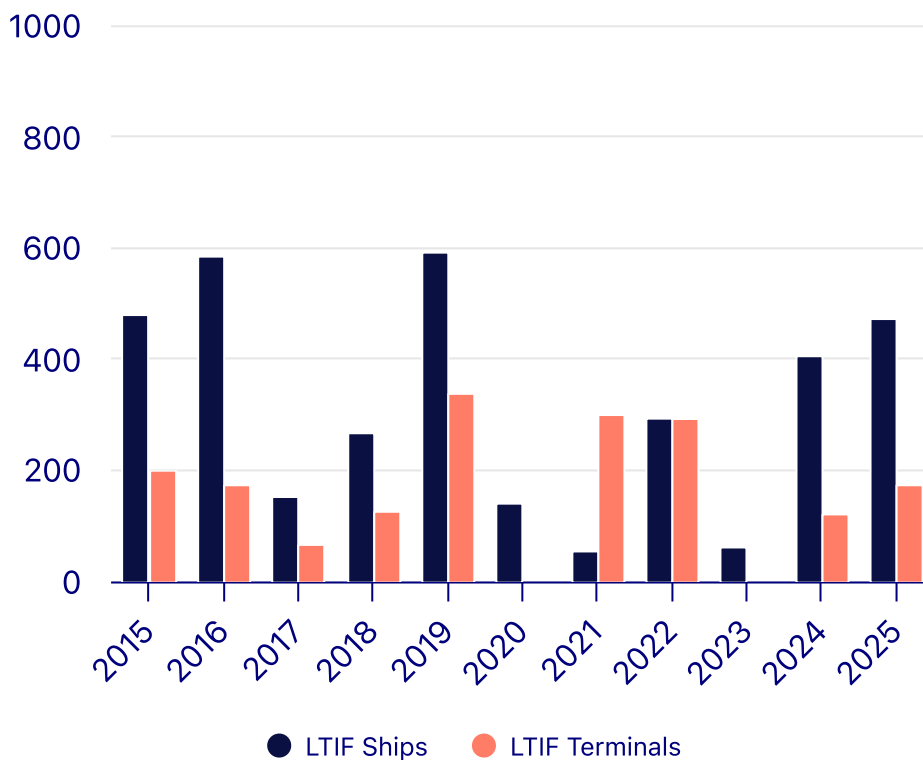
In 2025, we recorded seven Lost Time Injuries (LTIs) in our managed fleet, unchanged from the previous year. None of the incidents were severe, and all affected colleagues have recovered and returned to service. The Lost Time Injury Frequency (LTIF) for our shipping operations increased to 0.71 in 2025, compared to 0.61 in 2024. At our managed terminals, one LTI was recorded during the year, resulting in an LTIF of 0.26, compared to 0.18 in 2024. The Board has emphasized the importance of reducing the level of LTIs and strengthening preventive efforts.

In line with the new Sustainability Statement under the European Sustainability Reporting Standards (ESRS), we now provide comprehensive safety reporting, including general disclosures and social reporting requirements under S1 – Own Workforce.

We did not experience any significant safety or security incidents affecting our vessels or terminals during the year. However, the threat landscape continues to evolve, and attempted fraud and phishing attacks increased in

2025. These were effectively mitigated through strong technical safeguards and vigilant employees, reflecting our proactive approach to security risk management. Cybersecurity remains a critical risk for the maritime industry. Odfjell applies a holistic framework covering both technology and human behavior, supported by advanced security solutions and regular training to maintain high awareness and preparedness across the organization.

Geopolitical instability continued to affect maritime operations in 2025. Odfjell maintained a dedicated task force to monitor developments in high-risk areas, including the Red Sea, the Persian Gulf and piracy-prone waters in the Gulf of Aden. In response to elevated threat levels, vessels were rerouted away from affected areas, with voyages redirected around Africa where necessary. These measures were taken to protect our crews, vessels and cargo, and contributed to longer sailing distances during the year.



## Corporate Governance

The framework for our corporate governance is the Norwegian Code of Practice for Corporate Governance of August 28, 2025. Odfjell is committed to ethical business practices, honesty, fair dealing, and compliance with all laws affecting our business. This includes adherence to high standards of corporate governance. The Board's statement on corporate governance is part of the group's annual report. Our policies for sustainability also focuses on safety, health and environmental care, as well as human rights, non-discrimination, and anti-corruption. The company has its own code of conduct that addresses several of these matters. All Odfjell employees are obliged to comply with the code of conduct, and the same applies to our main suppliers, who must adhere to our supplier code of conduct.

Since May 7, 2025, the Board has comprised Laurence Ward Odfjell (Chair), Christine Rødsæther, Jannicke Nilsson, Tanja Jo Ebbe Dalgaard, Erik Nyheim and Jan Kjærvik. The Audit Committee is made up of Jan Kjærvik (Chair), Jannicke Nilsson, and Tanja Jo Ebbe Dalgaard. The Nomination Committee consists of Bjørg Ekornrud (Chair), acting as an external, independent member, Christine Rødsæther, and Laurence Ward Odfjell. The Board also has a separate Remuneration Committee, which is composed of Laurence Ward Odfjell (Chair) and Christine Rødsæther.

The Odfjell SE group has directors' and officers' liability insurance (D&O) in place, covering board members and executive management for their potential liability.

## Business summary

Odfjell operates one of the world's largest, most efficient, and competitive deep-sea stainless steel fleets. We remain committed to our long-term strategy of enhancing our position as a leading company in the global market for the transportation and storage of bulk liquid chemicals, acids, edible oils, and other specialty products.

By focusing on the safe and efficient operation of a versatile and sophisticated fleet of global and regional chemical tankers, with cargo consolidation at our tank terminal network, we aim to enhance product stewardship in the solutions we provide to our customers. The fleet operates in complex, extensive trading patterns, meeting our customers' demand for safety, quality, and the highest standards of service. Our fleet has a critical mass that enables efficient trading patterns and optimal fleet utilization. The industry in general continues to suffer from congestion in port due to lagging investment in port infrastructure.

The comments to the segment figures below are based on how we present this in our segment reporting.

## Chemical Tankers

Gross revenues from our chemical tanker activities amounted to USD 1,113 million in 2025, a decrease from USD 1,247 million in 2024. EBITDA came in at USD 380 million and EBIT at USD 226 million, compared with USD 506 million and USD 344 million respectively in 2024. Corporate costs related to Odfjell SE are included in the general and administrative expenses for chemical tankers. Total assets at year-end stood at USD 1,860 million, down from USD 1,983 million in the previous year.

Chemical Tankers segment	Figures in	2025	2024	2023
Revenue	USD mill.	1 113	1 247	1 192
EBITDA	USD mill.	380	506	443
EBIT	USD mill.	226	344	286
Net result	USD mill.	157	268	195

Assets	USD mill.	1 860	1 983	1 809
ROCE	%	13.5%	20.4%	17.9%

Contract of Affreightment (CoA) renewals during the year's first three quarters saw flat rate development, whereas fourth quarter renewals saw a reduction. CoA share of total volume transported ended at 57%, the same as for 2024. Total volume transported increased from 13.2 mt in 2024 to 13.4 mt in 2025.

Odfjell Ship Management delivered strong performance on safety and quality measures in 2025 while also meeting financial targets, and Odfjell Tankers delivered strong earnings in a volatile market affected by geopolitical events.

In 2025, Odfjell SE established a joint venture with its long-standing Japanese partner Nissen Kaiun, with participation from Mitsui. The transaction represents a capital-efficient way for Odfjell to expand and secure access to high-quality Japanese tonnage, while increasing commercial scale and operational flexibility.

The Japanese shipowner and Odfjell will initially contribute five vessels each to the JV, all operated by Odfjell Tankers. Odfjell also concluded contracts for four newbuildings in 2025, leaving us with 22 newbuildings on order, two of which are owned and 20 time chartered. This amounts to 14% of the global orderbook in our core segments. The fleet growth is largely structured through long-term time charters, reflecting a capital-light approach that preserves balance-sheet flexibility and limits upfront capital commitments. This structure, however, increases the Group's operational gearing, as a larger share of costs becomes fixed over the charter period, making earnings more sensitive to utilisation and market conditions. The ability to commercially deploy the additional tonnage is therefore an important execution factor, particularly in periods of weaker or more volatile markets. This risk is mitigated through a phased delivery profile, a balanced mix of contract and spot exposure, and embedded flexibility in the existing fleet, as several long-term charters mature over the coming years, allowing the Company to adjust fleet size through extensions or redeliveries should market conditions warrant.

## Tank Terminals

For 2025, gross revenues from Odfjell's tank terminal activities amounted to USD 90.2 million, compared with USD 88.0 million in 2024. EBITDA for 2025 amounted to USD 32.5 million, compared with USD 43.8 million in 2024. The 2025 financial results were negatively affected by one-offs and non-operating expenses related to a shareholder dispute in Odfjell Terminals US (OTUS). Adjusted for these items, EBITDA ended at approximately USD 44.1 million, in line with 2024 (adjusted: USD 44.3 million). At year-end 2025, the book value of Odfjell's share of tank terminal assets was USD 362 million, compared with USD 357 million at the end of 2024.

Even though the full-year results are unsatisfactory, the underlying operational performance of the terminals portfolio remained solid, with the terminals in Korea and Belgium delivering record financial results for the second consecutive year. These achievements are a product of incremental capacity brought on stream,

combined with continuous operational improvement. Tariff uncertainty has directly impacted our customers in the US and contributed to a softer financial performance at OTUS.

Terminals segment	Figures in	2025	2024	2023
Revenue	USD mill.	90	88	82
EBITDA	USD mill.	33	44	38
EBIT	USD mill.	7	19	15
Net result	USD mill.	-2	10	8
Assets	USD mill.	362	357	362
ROCE	%	2.6%	6.7%	5.0%

Odfjell's terminal platform comprises four strategically located tank terminals in the United States (Houston and Charleston), Korea (Ulsan), and Belgium (Antwerp), with a total capacity of 1.3 million cbm. With a portfolio of strong assets, a legacy spanning over half a century, and the strategic advantages of also being a shipping company, we are uniquely positioned as an active, long-term industrial owner of terminal infrastructure assets.

Odfjell Terminals maintained a strong safety record in 2025, with a reduction in the number of spills compared with the previous year, while Lost Time Injuries (LTI) remained at the same level as in 2024.

From a commercial perspective, the terminal portfolio continued to perform well in 2025, maintaining a high average commercial occupancy of 96%, in line with previous years. Demand for storage of essential chemicals remained robust, particularly in Antwerp and Ulsan, while activity in the US market was softer. The business model's take-or-pay structure, combined with long-term customer relationships, helps deliver stable results despite market volatility.

Odfjell Terminals continues to expand capacity to meet long-term demand. At our Antwerp terminal, two new tank pits were commissioned during 2025: Tankpit-R (27,500 cbm) and Tankpit-Q (12,000 cbm). Groundwork also commenced for the terminal's next expansion project, Tankpit-S (36,000 cbm). At Odfjell Terminals Korea, the E5 expansion project moved into execution during the year. The project will increase the terminal's capacity by 28% to over 400,000 cbm, adding ten carbon steel tanks with a total capacity of 87,940 cbm. Commissioning is planned from the fourth quarter of 2026. Since 2018, Odfjell has undertaken ten new tank pit expansions across the portfolio, including the ongoing Tankpit-S and E5 projects. These capacity additions total approximately 313,000 cbm, representing a 28% increase compared with our 2018 footprint.

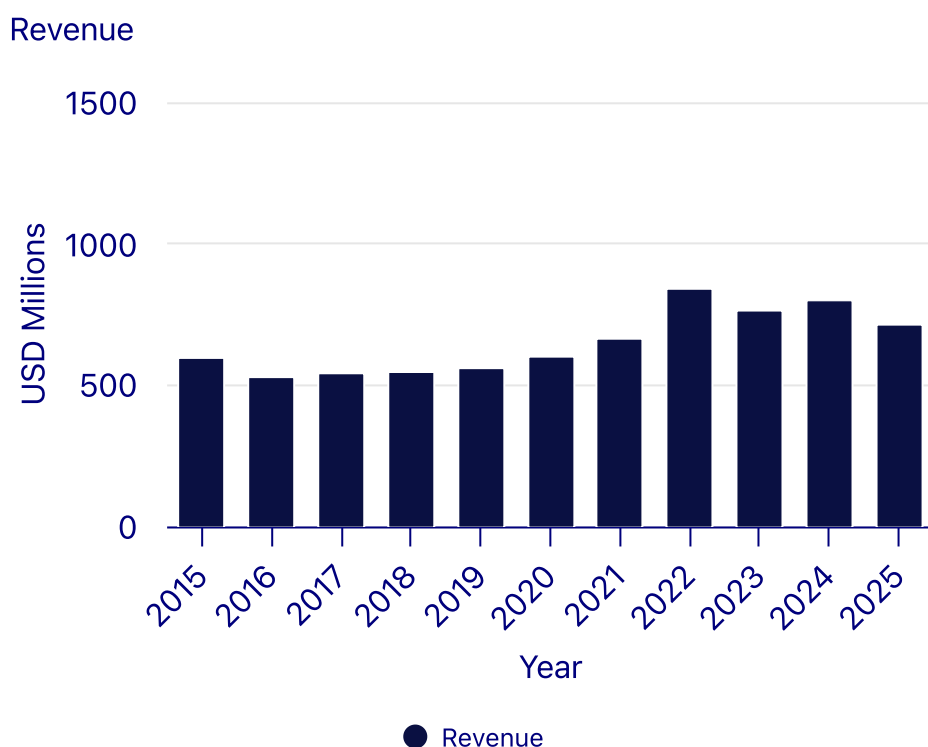
As previously disclosed, a shareholder dispute within Odfjell Terminals US Holding LLC regarding leverage was heard by the Delaware Court of Chancery in Q3 2025, with a ruling expected in the first half of 2026. We remain confident in the outcome and do not expect any material financial impact in 2026.

Looking ahead, Odfjell Terminals will remain focused on delivering safe, reliable, and efficient services to our customers, while enhancing the quality of our operations through continued investments in automation and

digitalization. We remain committed to disciplined growth, seeking accretive opportunities both within and beyond our existing footprint.

## Profit & loss for the year - consolidated

The Group's financial statements have been prepared in accordance with IFRS Accounting Standards. Gross revenues for the Odfjell Group came in at USD 1,115 million, down 10.7% from the preceding year. The decrease in gross revenue is attributed to lower freight rates. The consolidated result before taxes in 2025 was positive USD 157 million, compared with positive USD 280 million in 2024. The income tax expense in 2025 was USD 2 million unchanged from 2024.

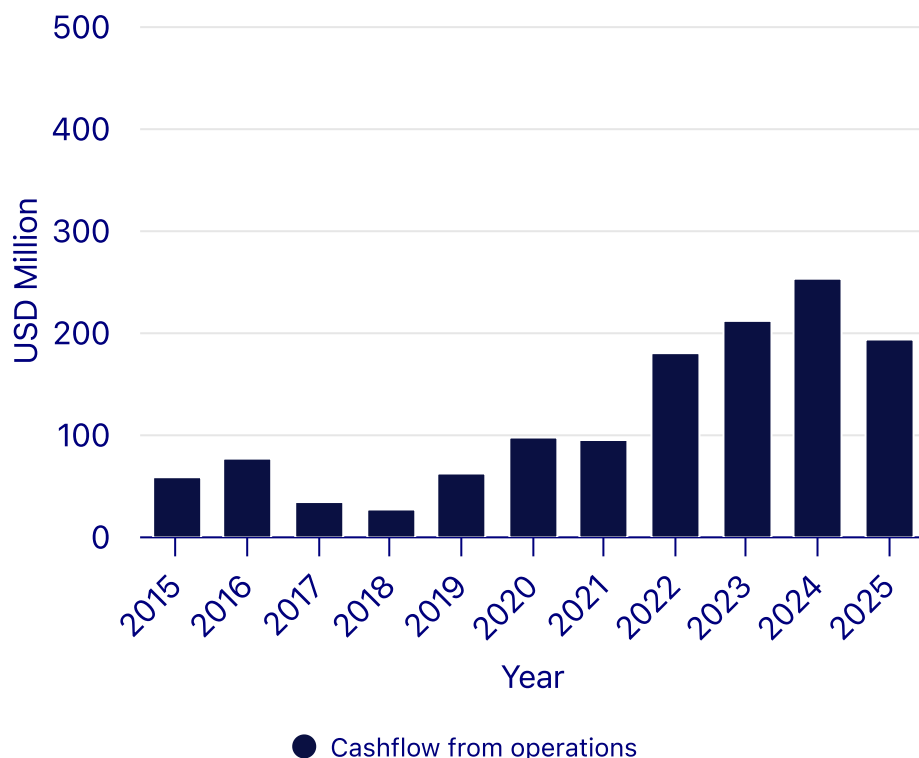


EBITDA for 2025 totaled USD 378 million, compared with USD 517 million the preceding year. The decrease in EBITDA in 2025 was mainly driven by weaker chemical tanker markets, impacting results from Odfjell Tankers. EBIT was positive USD 225 million in 2025, compared with positive USD 354 million in 2024. The net result for 2025 was positive with USD 155 million, compared to a net profit of USD 278 million in 2024.

The net result from associates and joint ventures was down to positive 9 million in 2025 from positive USD 11 million in 2024, the lower result driven by one-off items at the US terminals. In 2025, the Odfjell Group received USD 9.1 million in dividends from the investment in the US terminals.

Net financial expenses for 2025 totaled USD 68 million, compared with USD 75 million in 2024. The average USD/NOK exchange rate in 2025 was 10.38 compared to 10.74 in 2024. The NOK strengthened against the USD to 10.06 by December 31, 2025, compared to 11.34 at year-end 2024.

The cash flow from operations was USD 311 million in 2025, compared with USD 406 million in 2024. The net cash flow from investments was negative USD 78 million, which includes docking expenses and the acquisition of two vessels previously on bareboat charter, and the recycling and sale of four vessels. The cash flow from financing activities in 2025 was negative USD 230 million as we continued to reduce debt and pay dividends.



The parent company (Odfjell SE) delivered a negative net result of USD 1 million for the year compared to positive net result of USD 402 million in 2024. The 2025 results primarily reflect a lower level of dividends received from subsidiaries during the year. The net result for 2025 will be allocated to other equity. As of December 31, 2025, total equity amounted to USD 771 million.

The Annual General Meeting will be held online on May 6, 2026.

According to §2-2 of the Norwegian Accounting Act, we confirm that the financial statements have been prepared on the going concern assumption.

## Shares and shareholders

The company is an SE (Societas Europaea) company subject to Act No 14 of April 1, 2005, relating to European companies. The company's registered office is in the city of Bergen, Norway. The object of the company is to engage in shipping, ship agency, tank terminals, real estate, finance, and trading activities, including the transportation of freight in the company's own vessels or chartered vessels, the conclusion of freight contracts, ownership and operation of tank terminals, as well as investment and participation in other enterprises with a similar object and other activities related thereto.

Total shares as of end of December were 79,719,846 shares, with 60,463,624 A-shares and 19,256,222 B-shares. The total shares include Odfjell SE treasury shares of 92,032 A-shares and 491,771 B-shares. By end of December 2025, Odfjell A- and B-shares were trading at NOK 127 and NOK 121.2 respectively, against NOK 116.8 and NOK 115.8 respectively at the close of 2024, reflecting a total weighted return (including dividend paid during 2025) of 19.6%. In the same period, the Oslo Stock Exchange Shipping Index was positive with 13.2%.

## Key figures

The return on equity for 2025 was 16.7%, and the return on total assets was positive 10.8%. The corresponding figures for 2024 were 32.1% and 17.4%, respectively. The return on capital employed (ROCE) was 12.2% in 2025. Earnings per share in 2025 amounted to positive USD 2.0 (NOK 19.8), compared with positive USD 3.5 (NOK 39.9) in 2024.

## Financial risk and strategy

Odfjell's financial strategy is to ensure that we have a business model and capital structure that is robust throughout the market cycles, yet flexible enough to take advantage of trends and opportunities. We need to be able to withstand prolonged adverse conditions in the chemical and financial markets, while also being able to act on opportunities that arise. To achieve this, Odfjell has an active approach to financial risk management, focusing on attracting funding from diversified sources, maintaining high liquidity and credit reserves, and systematically monitoring and managing

financial risks related to currencies, interest rates, bunkers, and emission allowances. Derivatives may be used to reduce our exposure to some of these financial risks. In parallel, Odfjell continuously updates its contingency plans to remain prepared for potential disruptions and changing market, financial, or geopolitical circumstances.

The average historical fluctuation in time charter earnings per day for our chemical tanker fleet has been approximately 16% per annum over the last five years. Sensitivity analysis shows that a prolonged change in time charter earnings of 10% will impact our pre-tax net income by approximately USD 68 million.

The single largest cost component affecting time charter earnings is bunkers, and Odfjell makes physical purchases of bunkers worldwide. A substantial part of our consumption is hedged through bunker adjustment clauses in contracts of affreightment. Uncovered consumption from spot volumes, or contracts without bunker adjustment clauses, are considered for financial hedging. However, we did not have any financial bunker hedges in place during 2025. A USD 50 increase in the average bunkers price per metric ton would reduce our pre-tax net income by approximately USD 8 million.

In 2024, shipping was included in the EU ETS, introducing a new voyage cost component in the form of emission allowances. At the start of 2026, after a two-year phase-in period, it has now been fully implemented. Most of the cost is passed through to end-charterers, with full transparency into actual emissions, which aligns with the intention of the new ETS regulations, but we may consider financial hedging of emission allowances to reduce inefficiencies. Our best risk-reduction action to counter new emissions regulations is to continue improving the

energy efficiency of our fleet. Odfjell is not engaged in the derivatives market for forward freight agreements. A EUR 25 increase in the average price for an EU emission allowance unit would increase our gross voyage expense by EUR 6 million.

All interest-bearing debt, except bond in the Norwegian bond market and debt borne by tank terminals outside the US, is denominated in USD. Loans have various amortization profiles, and the majority are floating-rate loans with SOFR as the benchmark. A 1% point increase in the interest rate would reduce our pre-tax net income by approximately USD 7 million, before hedges. As of December 31, 2025, we have USD 300 million of interest rate hedges in place, covering approximately 43% of interest-bearing debt. Debts related to right-of-use assets are mainly related to fixed USD denominated charter hire for long-term chartered vessels. By including our lease liabilities related to right-of-use assets, we have fixed interest rates for 57% of our total debt.

The Group's revenues are primarily denominated in USD. Non-financial currency risk relates mainly to the net income and cash flow from voyage-related expenses, ship operating expenses, including crew costs, and general and administrative expenses denominated in non-USD currencies, mainly NOK and EUR. A 10% decrease in the USD against the NOK would reduce our pre-tax net income by approximately USD 9 million, before hedges. Our NOK exposure is relatively long-term, visible, and stable, and we have hedged parts of our expected NOK cash flows, for up to two and a half years, through forward exchange contracts. Financial currency risk, relating to non-USD-denominated debt, being our NOK-denominated bond, is hedged 100%, as interest payments and principal in NOK are swapped for principal and interest payments in USD at the time of issuance.

## Liquidity and financing

Total nominal interest-bearing debt as of December 31, 2025, was USD 709 million, compared with USD 745 million at the start of the year. Total debt, in carrying currency and including debts related to right-of-use assets (IFRS16 leases), was USD 948 million. Cash and cash equivalents totaled USD 149 million as of December 31, 2025, compared with USD 147 million at the start of the year. Undrawn commitments under long-term bank facilities totaled USD 196 million, bringing total available liquidity to USD 344 million at year-end 2025. The equity ratio was 48.8% at year-end, compared

to 42.9% as of December 31, 2024. Available liquidity and equity ratio are both in the upper end of our long-term targeted ranges.

Odfjell has a diversified capital structure and solid access to a wide range of funding sources from top-tier banks, leasing houses, and the bond market. Our financing costs have improved across all credit markets over the last few years. In 2025, the Group established a new bank-debt facility, refinancing six vessels in our operating fleet. Four of these vessels were previously leased (right-of-use-assets) and two had been financed through "sale-leaseback" structures with purchase options. Ownership was transferred from 4Q24 to 3Q25 through declared purchase options, with nearly all purchase amounts financed by the new bank debt. The transaction was done at improved terms and contributed to lowering our cost of capital. 43% of our interest-bearing debt as of December 31, 2025, was sustainability-linked.

The average maturity of the Group's total interest-bearing debt is 3.2 years as of year-end 2025 (2.9 years in 2024). Average maturity on mortgaged loans from financial institutions is 2.8 years (2.3 years in 2024), financial leases mature on average in 5.4 years (6.6 years in 2024), and unsecured bonds mature in 4.4 years (0.1 years in 2024). The average loan margin for the Group's interest-bearing debt as of end 2025 is 2.07%, versus 2.77% end 2024. In January 2025, Odfjell repaid a bond upon maturity amounting to NOK 850 million, swapped to USD 100 million. At the time, this was the Group's final outstanding bond, and it was repaid with available liquidity reserves. In June 2025, a new bond for a total of NOK 1 billion was issued, which was swapped to USD 97 million. Two bank debt facilities, maturing in the first half of 2026, were refinanced in January 2026 in a new single bank debt facility. We only have a few upcoming maturities in 2026, but we will continue to optimize our debt portfolio to further improve our cost of capital. Debts related to right-of-use assets totaled USD 239 million as of December 31, 2025. This obligation is mainly related to fixed USD-denominated charter hire for long-term chartered vessels with an average maturity of 3.9 years.

## Organization, working environment, and job opportunities

2025 was another year of strong safety and sustainability. Our ongoing efforts to improve safety, profitability, and efficiency ensure that we maintain a leading role within our segments. At Odfjell, we put safety first. It is key to creating a physically and psychologically safe work environment, where employees can learn, collaborate, and solve complex challenges together to bring us forward as a company. Over the past year, we have continued with our holistic all-company development program that we launched in 2024 for onshore employees and managers, which is based on the results of employee engagement surveys. Our 2025 surveys show meaningful progress on key parameters. Fleet Week conferences, where we bring together personnel from sea and shore to share information and align objectives, also continued in 2025 with positive feedback.

Our leadership courses and external assessments of senior officers at sea are continuing. In 2025, we scheduled five Odfjell leadership training courses and 11 elite pro assessments, as well as several Bridge Resource Management (BRM) and Engine Resource Management (ERM) training courses. In 2025, a specific ship handling course was introduced for deck officers.

In 2025, we remained on target to reach a minimum 30% gender balance at all levels by 2030. With 168 employees at our Bergen headquarters, the overall composition stands at 67% men and 33% women. Globally, our figures are the same as in Bergen, with 67% men and 33% women. Three of the six directors on Odfjell SE's board are women. We have set specific targets to further improve our gender balance in line with our strategy and the requirements of the Equality and Anti-Discrimination Act §26.

Our commitment to freedom of association and adherence to local norms and collective bargaining agreements, both onshore and at sea, remains steadfast. Through councils, committees, and surveys, we actively listen to our employees. Our annual performance management wheel enables a structured dialogue between onshore employees and their direct managers, supports our overall direction, and fosters competence development and employee growth.

Through the training programs mentioned above, we continue to ensure a safe, sustainable, and inclusive workplace for all, where everyone can contribute and is treated with respect. We believe that such a workplace will retain and attract tomorrow's talent.

Our organization has maintained a below-industry absence rate, down from last year. In 2025, the absence rate at our headquarters was 1.63% (down from 2.37% in 2024). The turnover rate at our headquarters increased to 2.9% (from 1.2% in 2024), and for seafarers, the rate for 2025 was 1.5% (compared to 2.6% in 2024). High scores in engagement and enablement surveys, coupled with our low absence rates onshore and at sea and high retention, indicate a robust and healthy working environment.

The Board would like to thank all employees for the many positive achievements in 2025.

## Remuneration of the Executive Management group

The Remuneration Committee handles the salary and other remuneration for the Executive Management and makes its recommendations to the Board. A description of the remuneration of the Executive Management and the Group's remuneration policy, including the scope and organization of bonus and share-price-related programs, is provided in the Board of Directors' guidelines for salary and other remuneration to leading personnel. A ceiling has been set for performance-related remuneration. The Board of Directors' report on salary, and other remuneration for leading personnel is considered at the general meeting and made available to shareholders, together with the notice of the annual general meeting. It is also available on the company's website. Also see Note 20 in the Odfjell Group accounts for details about the remuneration of management in 2025.

## Market development

The downward trend that began after the summer of 2024 continued in 2025. While global economic growth remained resilient, market conditions were characterised by significant volatility. Geopolitics and trade policy developments took centre stage, with tariffs and port fees announced, imposed, delayed, or cancelled at short notice, sometimes before markets could react and at other times after trade flows and shipping patterns had already adjusted. Despite these disruptions, global economic activity held up better than initially expected, with growth expectations revised upwards during the second half of the year.

Demand growth for chemical tankers was around 1% in 2025, following two years of growth of between 3–4%. Sanctions regimes and the continued avoidance of the Red Sea added distance between producers and end markets, supporting tonne-mile demand. Chemical and vegoil volumes increased by 1–2% compared with 2024, and demand growth of 1–2% annually is expected going forward. The Red Sea remains off-limits to most chemical tanker operators.

While the second half of 2025 saw periods of increased optimism around potential normalisation, the recent conflict between Iran and the US/Israel has introduced a higher degree of uncertainty, and further developments in the region could significantly impact market stability, trade flows, and the overall outlook. Based on the current security situation, we expect rerouting via the Cape of Good Hope to continue through 2026.

On the supply side, the orderbook in our core segments stands at 22% of the fleet, although ordering activity slowed significantly in 2025 compared with the previous year. Net fleet growth ended at a moderate 2.9% in 2025 but is expected to increase to over 7% in 2026. A significant share of this growth will take place in the medium stainless steel segment, primarily consisting of 25,000 dwt Chinese-built vessels. In the more specialised large stainless steel and superseggregator segments, new deliveries are expected mainly to replace ageing tonnage. Recycling in 2026 and 2027 is expected to remain moderate, but a sustained softer market could trigger increased scrapping activity given the number of potential recycling candidates.

Overall, we are somewhat cautious about prospects for 2026, as demand remains resilient and strong earnings in the crude and CPP segments continue to discourage swing tonnage. Increased OPEC+ oil production, a more assertive crackdown on the shadow fleet, and stricter sanctions on Russian energy products and derivatives produced from Russian feedstock were supporting the crude tanker market, pulling product tankers into the dirty segment and swing tonnage into CPP trades, a development which may continue in the near and medium term. At the same time, the outlook is subject to a higher degree of uncertainty, driven by geopolitical developments and an expected increase in fleet growth, which could amplify earnings sensitivity in periods of weaker or more volatile spot markets. In such an environment, the ability to manage utilisation and commercially deploy capacity becomes increasingly important. Fleet growth therefore represents a downside risk to earnings across all segments, including chemical tankers, should spot markets weaken, while increased ship recycling provides a potential buffer against significantly weaker markets. Geopolitical and macroeconomic developments nevertheless continue to add uncertainty to the market balance and earnings outlook.

## Company strategy and prospects

Odfjell aims to provide safe, efficient, and cost-effective chemical tanker and tank terminal services to our customers worldwide. Our strategy can be summed up as "Capturing the short term while de-risking and preparing for the long term." We work to have the flexibility and agility to take advantage of strong markets while staying prepared for leaner periods through an efficient fleet, sustainability leadership, a strong balance sheet, and a well-run organization.

Our strategy is backed up by six long-term goals:

- Safety:  
Industry leading safety record with zero incident target
- Finance:  
Positive Cash Flow across the cycles, a strong balance sheet and a competitive cost of capital

- Chemical Tankers:  
The leader within deep-sea Chemical Tankers
- Tank Terminals:  
A growing terminal business that is robust, profitable and significant in scale
- Sustainability:  
Embed sustainability to gain a competitive edge in the market and drive positive change
- People and Organization:  
An organization that attracts, develops and retains the best people

As discussed in the Market development section, our outlook is somewhat cautious. Demand is expected to be overall resilient and stable, and swing tonnage is low. Net fleet growth will outpace demand, adding downside risk, but the downside is limited by a large number of recycling candidates in the event of prolonged market weakness.

We assess geopolitical risk as an integral part of our overall corporate risk management framework. The risk landscape is dynamic and subject to continuous monitoring and reassessment. In 2026, the most significant geopolitical risks relate to Russia, rising tensions between the West and China, and increasing strain in relations among traditional Western allies. Recent developments involving the United States and Iran have further heightened uncertainty, particularly regarding regional stability and global energy markets. Growing protectionism and the introduction of new trade barriers also form an important part of the overall risk picture.

Decarbonization of our fleet is central to reducing risk. Our decarbonization strategy follows three parallel tracks: operational measures, technical solutions, and sustainable biofuels:

- Operational measures remain important and demand constant attention to maintain or improve performance.
- On the technical front, wind-assisted systems look very promising and will likely be scaled up and installed on more Odfjell vessels, both retrofits and newbuildings.
- We promoted the viability of sustainable biofuel in 2025 with the operational launch of our Europe-Brazil green deep-sea corridor. It is the first of its kind globally.

As we view sustainable biofuel as the most realistically scalable low- or zero-carbon fuel available in the short to middle term, we hope the green corridor can help accelerate adoption.

We are on track to meet 2030 emissions regulations and will only order newbuildings that are zero-emission-capable going forward. By 2050, we aim to operate a fully zero-emission-capable fleet.

Our long-term ambition is to increase our market share within our core markets, and in total, Odfjell has 22 newbuildings on order, of which ten vessels will be delivered in 2026. These consist of two owned and 20 time chartered, amounting to 14% of the global orderbook in our core segments. Long-term time charters with purchase options account for a significant portion of our planned fleet development, providing flexibility during

the energy transition. We also keep an eye on prospective new collaboration arrangements, possible mergers and acquisitions, and secondhand ship purchase opportunities within our core businesses.

In the short term, we remain focused on deleveraging, reducing our cash break-even level, and delivering positive free cash flow throughout the cycles.

Our mission remains clear: to handle hazardous liquids safely, sustainably, and more efficiently than anyone else in the industry.