

FRONTLINE



Pareto Securities Energy Conference Sep 2024

MATTERS DISCUSSED IN THIS DOCUMENT 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 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.

FRONTLINE 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. THE WORDS "BELIEVE," "ANTICIPATE," "INTENDS," "ESTIMATE," "FORECAST," "PROJECT," "PLAN," "POTENTIAL," "MAY," "SHOULD," "EXPECT" "PENDING" AND SIMILAR EXPRESSIONS IDENTIFY FORWARD-LOOKING STATEMENTS.

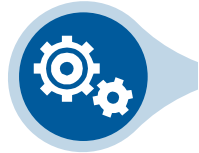
THE FORWARD-LOOKING STATEMENTS IN THIS DOCUMENT ARE BASED UPON VARIOUS ASSUMPTIONS, MANY OF WHICH ARE BASED, IN TURN, UPON FURTHER ASSUMPTIONS, INCLUDING WITHOUT LIMITATION, MANAGEMENT'S EXAMINATION OF HISTORICAL OPERATING TRENDS, DATA CONTAINED IN FRONTLINE'S RECORDS AND OTHER DATA AVAILABLE FROM THIRD PARTIES. ALTHOUGH FRONTLINE BELIEVES THAT THESE ASSUMPTIONS WERE REASONABLE WHEN MADE, BECAUSE THESE ASSUMPTIONS ARE INHERENTLY SUBJECT TO SIGNIFICANT UNCERTAINTIES AND CONTINGENCIES WHICH ARE DIFFICULT OR IMPOSSIBLE TO PREDICT AND ARE BEYOND FRONTLINE'S CONTROL, YOU CANNOT BE ASSURED THAT FRONTLINE WILL ACHIEVE OR ACCOMPLISH THESE EXPECTATIONS, BELIEFS OR PROJECTIONS. THE INFORMATION SET FORTH HEREIN SPEAKS ONLY AS OF THE DATES SPECIFIED AND FRONTLINE UNDERTAKES NO DUTY TO UPDATE ANY FORWARD-LOOKING STATEMENT TO CONFORM THE STATEMENT TO ACTUAL RESULTS OR CHANGES IN EXPECTATIONS OR CIRCUMSTANCES.

IMPORTANT FACTORS THAT, IN FRONTLINE'S VIEW, COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE DISCUSSED IN THE FORWARD-LOOKING STATEMENTS INCLUDE, WITHOUT LIMITATION: THE STRENGTH OF WORLD ECONOMIES AND CURRENCIES, GENERAL MARKET CONDITIONS, INCLUDING FLUCTUATIONS IN CHARTERHIRE RATES AND VESSEL VALUES, CHANGES IN DEMAND IN THE TANKER MARKET, INCLUDING BUT NOT LIMITED TO CHANGES IN OPEC'S PETROLEUM PRODUCTION LEVELS AND WORLD WIDE OIL CONSUMPTION AND STORAGE, CHANGES IN FRONTLINE'S OPERATING EXPENSES, INCLUDING BUNKER PRICES, DRYDOCKING AND INSURANCE COSTS, THE MARKET FOR FRONTLINE'S VESSELS, AVAILABILITY OF FINANCING AND REFINANCING, ABILITY TO COMPLY WITH COVENANTS IN SUCH FINANCING ARRANGEMENTS, FAILURE OF COUNTERPARTIES TO FULLY PERFORM THEIR CONTRACTS WITH US, CHANGES IN GOVERNMENTAL RULES AND REGULATIONS OR ACTIONS TAKEN BY REGULATORY AUTHORITIES, POTENTIAL LIABILITY FROM PENDING OR FUTURE LITIGATION, GENERAL DOMESTIC AND INTERNATIONAL POLITICAL CONDITIONS, POTENTIAL DISRUPTION OF SHIPPING ROUTES DUE TO ACCIDENTS OR POLITICAL EVENTS, VESSEL BREAKDOWNS, INSTANCES OF OFF-HIRE AND OTHER IMPORTANT FACTORS. FOR A MORE COMPLETE DISCUSSION OF THESE AND OTHER RISKS AND UNCERTAINTIES ASSOCIATED WITH FRONTLINE'S BUSINESS, PLEASE REFER TO FRONTLINE'S FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION, INCLUDING, BUT NOT LIMITED TO, ITS ANNUAL REPORT ON FORM 20-F.

THIS PRESENTATION IS NOT AN OFFER TO PURCHASE OR SELL, OR A SOLICITATION OF AN OFFER TO PURCHASE OR SELL, ANY SECURITIES OR A SOLICITATION OF ANY VOTE OR APPROVAL.

One of the world's largest tanker companies

World leader in the international seaborne transportation of crude oil and refined products



- Large, diverse fleet of modern tankers, representing one of the youngest and most energy efficient fleets in the industry
- Strong industry relationships with long and successful track record dealing with Lenders, Shipyards, Charterers and Brokers
- Professional and experienced teams with full authority and focus on efficiency and safety



- Strong balance sheet and liquidity position
- Competitive cost structure and low breakeven levels to generate significant cash flow
- Transparent corporate structure and operations embracing high standards for regulatory compliance



- Proven ability of accessing the capital markets throughout different market cycles and world economies
- Strong commitment from largest shareholder since 2001 IPO



~99 %
ECO vessels

~56 %
Scrubber installed

Operates 82 vessels
significant scale & a diversified fleet

Modern fleet ~6 years
average age of owned vessels

~\$7.3 billion dividend
returned to shareholders since 2001

Market Cap ~\$5 billion
public listed on both NYSE & OSE

Reported earnings basis load to discharge

	Q2 2024	Q3 2024 spot TCE currently contracted	% done
VLCC	\$49,600	\$47,400	79%
Suezmax	\$45,600	\$41,900	85%
LR2 / Aframax	\$53,100	\$50,100	65%



- Profit of \$187.6 million, or \$0.84 per basic and diluted share for the second quarter of 2024
- Adjusted profit of \$138.2 million, or \$0.62 per basic and diluted share for the second quarter of 2024
- Reported revenues of \$556.0 million for the second quarter of 2024



- Declared a cash dividend of \$0.62 per share for the second quarter of 2024
- Entered into an agreement to sell our oldest Suezmax tanker built in 2010, for a net sales price of \$48.5 million. The transaction is expected to generate net cash proceeds of approximately \$36.5 million



- Repaid an aggregate of \$395.0 million under both the Hemen shareholder loan and the \$275.0 million senior unsecured revolving credit facility with an affiliate of Hemen in the second and third quarters of 2024
- Secured a commitment for a sale-and-leaseback agreement in an amount of up to \$512.1 million to refinance 10 Suezmax tankers, which is subject to final transaction documents to both parties' satisfaction. The refinancing is expected to generate net cash proceeds of approximately \$101.0 million in the fourth quarter of 2024, which is expected to be partly used to repay the remaining \$75.0 million drawn under the \$275.0 million senior unsecured revolving credit facility



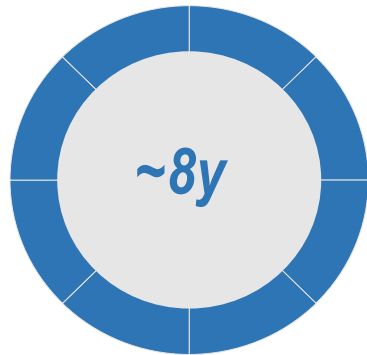
Completed the strategy of re-leveraging and divesting older vessels

Optimizing the capital structure through refinancing of 36 vessels and divesting eight older vessels

~\$1.55bn

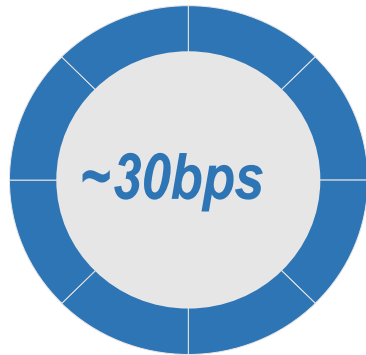
Recent and ongoing refinancings have secured long-term financing at highly attractive terms

Extended Maturities ✓



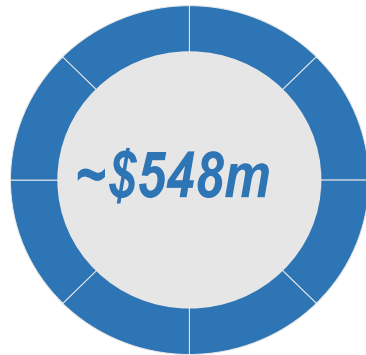
Maturity of above eight years*

Improved Margins ✓



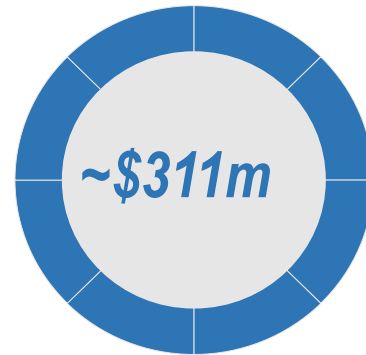
Improved debt margins of above 30bps*

Freeing up capital ✓



Expected net cash proceeds of ~\$548m

Divesting older vessels ✓



Expected net cash proceeds of ~\$311m

*Weighted average number

Fleet Composition and Cash breakeven / Opex

One of the youngest and most energy-efficient fleets in the industry

~ 6 Years
Average age

99%
ECO vessels

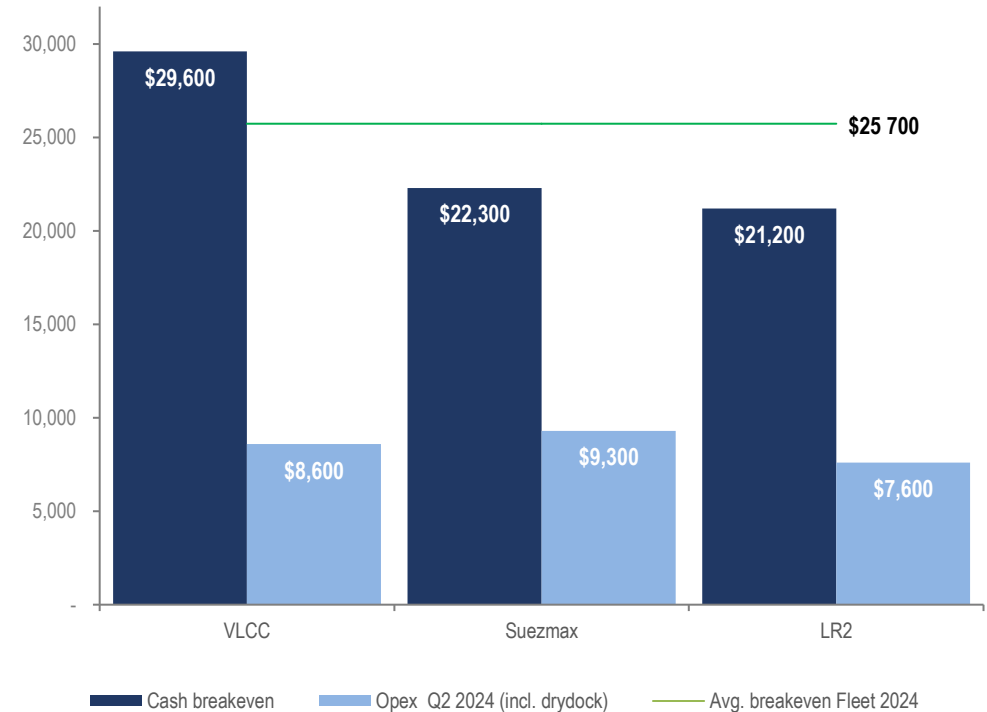
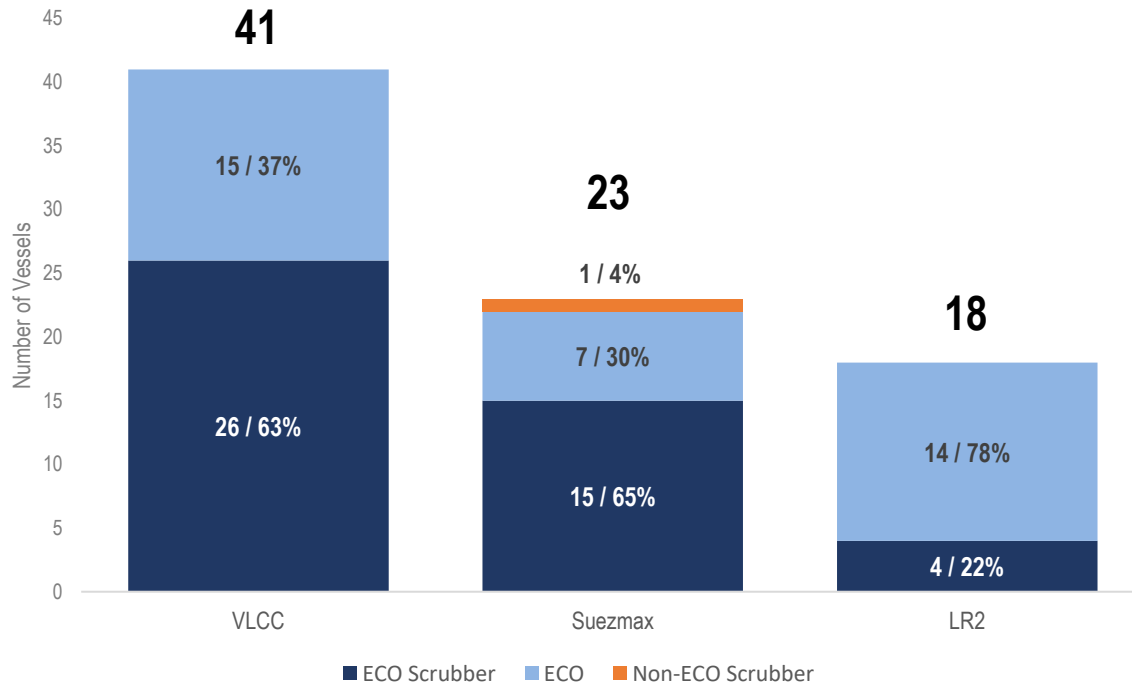
56%
Scrubber fitted



Cash breakeven rates and Opex

Cash breakeven rates of \$25.700 fleet average for the next 12 months, including dry dock costs for four VLCCs and two Suezmax tankers

Q2-24 fleet average opex excl. drydock \$7.600



Note: Fleet as of 30.06.2024.

Note: Daily cash breakeven in USD based on 12-month rolling period

Cash Generation

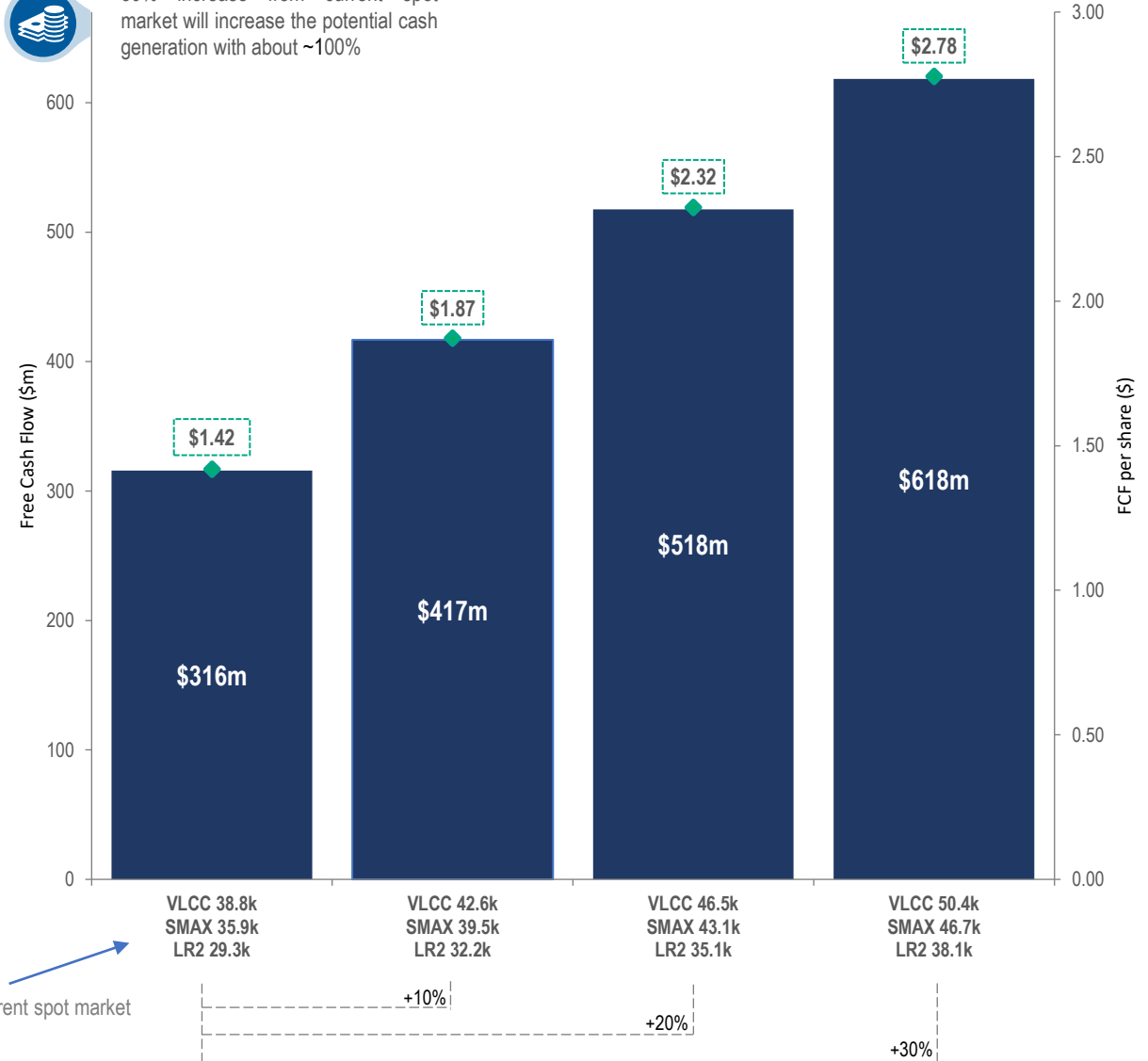
~30,000 earnings days annually

Daily Overview - Average Earnings

Crude Tankers 2011 built	Last	Prev	Scrubber premium
VLCC	\$27,600	\$26,000	\$7,400
Suezmax	\$31,500	\$31,300	\$2,500
Aframax	\$23,200	\$21,600	\$1,800
Crude Tankers 2015 built			
VLCC Eco	\$35,500	\$34,000	\$5,200
Suezmax Eco	\$34,700	\$34,600	\$2,000
Aframax Eco	\$26,000	\$24,600	\$1,400
Product Tankers 2011 built			
LR2	\$25,300	\$24,800	\$3,600
LR1	\$22,200	\$22,100	\$3,100
MR	\$20,900	\$20,800	\$2,000
Product Tankers 2015 built			
LR2 Eco	\$28,900	\$28,500	\$2,700
LR1 Eco	\$25,100	\$25,000	\$2,400
MR Eco	\$24,400	\$24,300	\$1,300



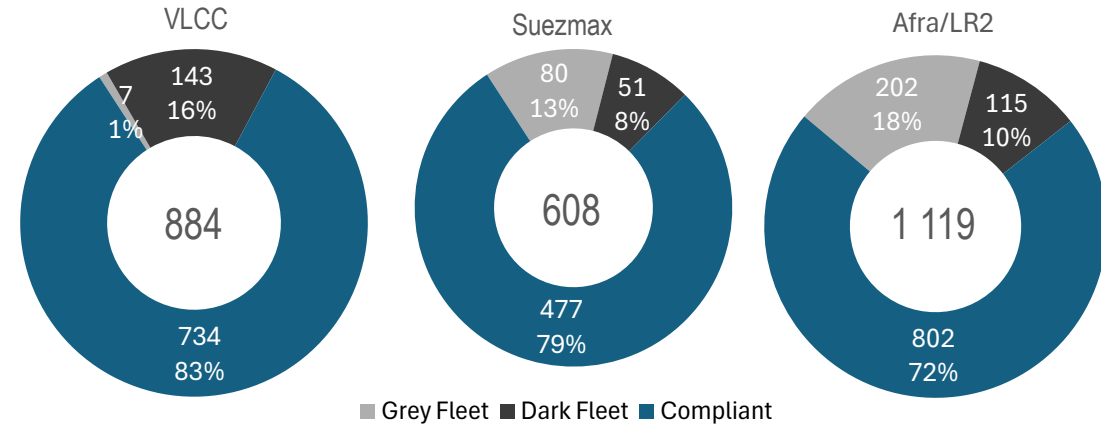
30% increase from current spot market will increase the potential cash generation with about ~100%



Note: Free cash flow based on current fleet and spot market earnings from Clarkson Research (Sep 9th, 2024), assumed all spot LR2 / Aframax tankers trading clean
Source: Clarkson Research

- The compliant and non-compliant 'market divide' grows as sanctions expand
- Geopolitical risk linked to the Middle East ever increasing
- Chinese imports in question after soft July. Aug tracking imply +1.2mbd month over month
- Global oil demand on track, oil-in-transit in a rising trend, world inventories at historical lows, limited cushion for adverse events
- Orderbook expansion slowing, available delivery window moves into 2028, and other asset classes takes centrestage

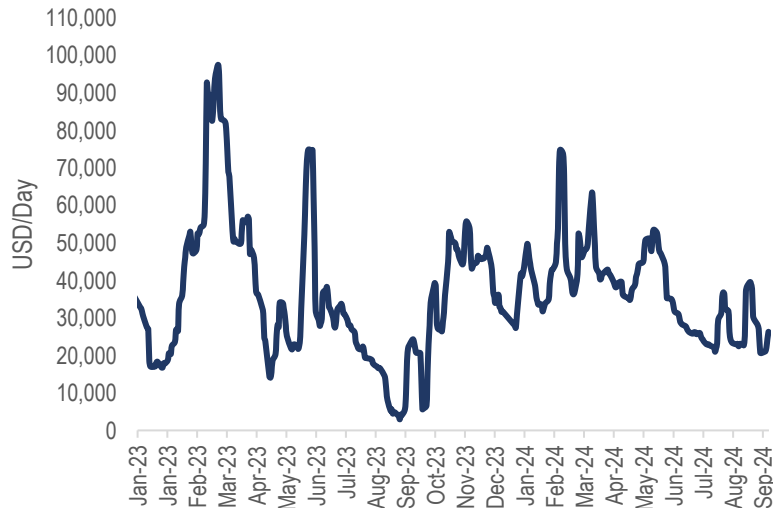
23% of the Global fleet is suspected to be involved in sanctioned trade



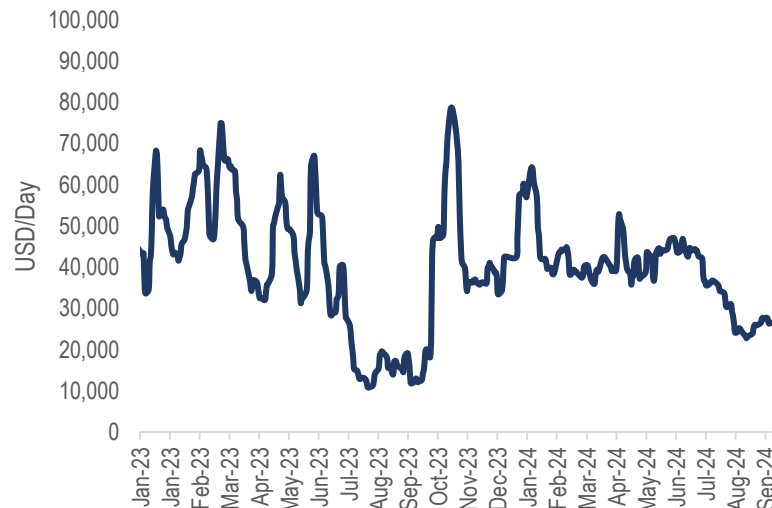
* Dark fleet: Vessels listed by OFAC or UANI

* Grey fleet: Vessels suspected of carrying sanctioned cargo based on AIS tracking

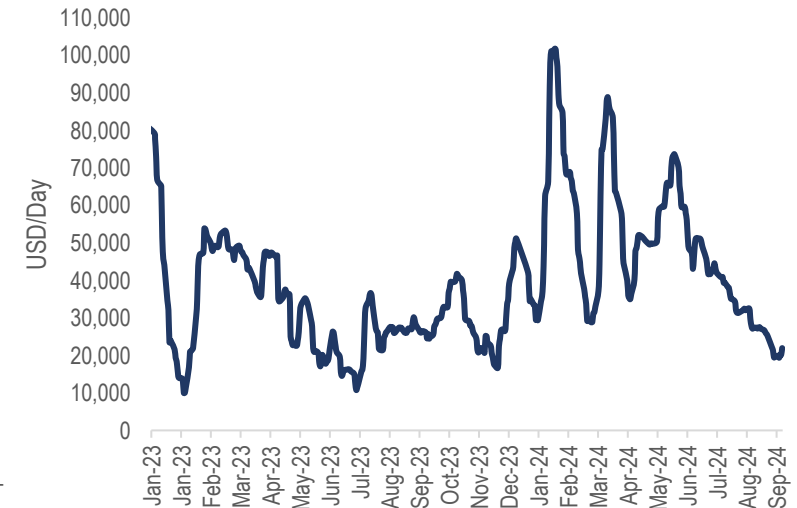
BDTI TD3C-TCE 270,000t Middle East Gulf to China



BDTI TD20-TCE 130,000t West Africa - Continent



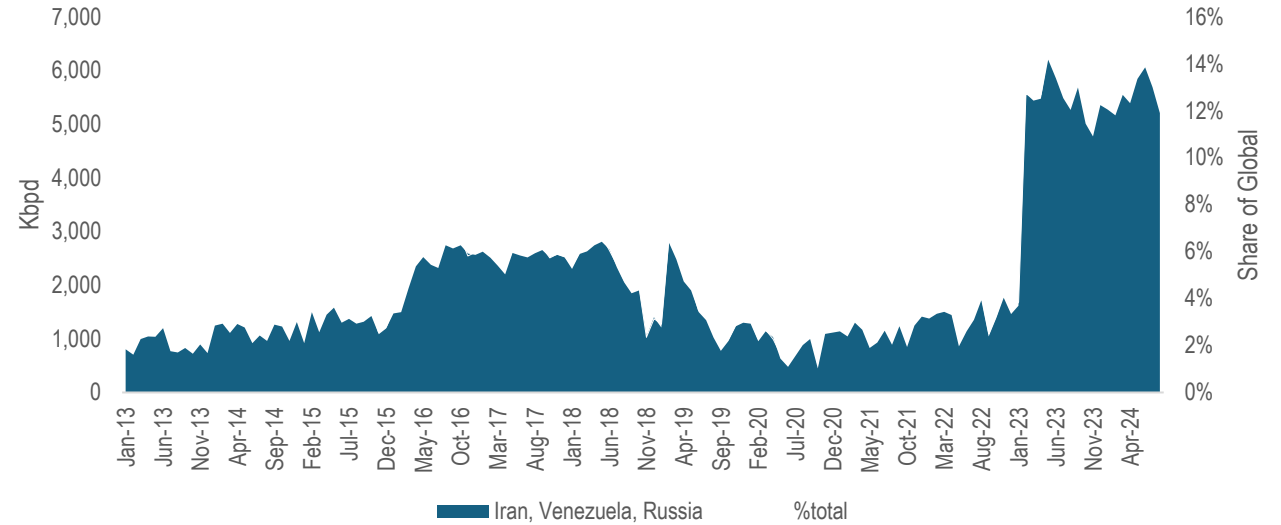
BCTI TC1-TCE 75,000t Middle East Gulf to Japan



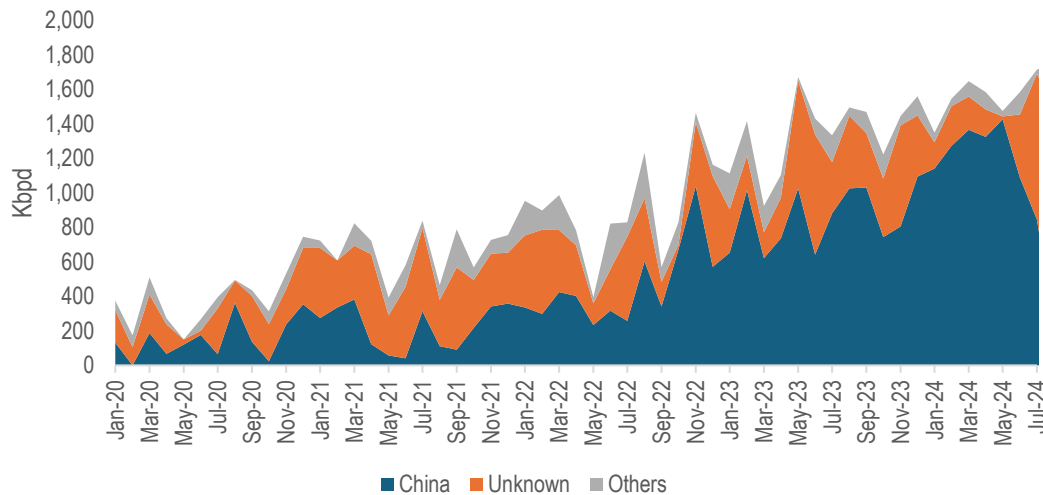
Sanctions exposed trade growth

- Increased scrutiny on Russian trade and growth in Iranian exports creates a growing two-tier market in shipping
- 12-18% of all transported oil is exposed to sanctions
- Dark and grey fleets supplied by the aging of the overall tanker fleet, over 20-year-old vessels do not trade in the conventional market
- Unless non-conventional trade continues to grow, the illicit market will soon be oversupplied, as overall fleet aging accelerates
- The 'parallel' oil trade carries an increasing risk to any sanction's reversal as 'grey' becomes 'dark'

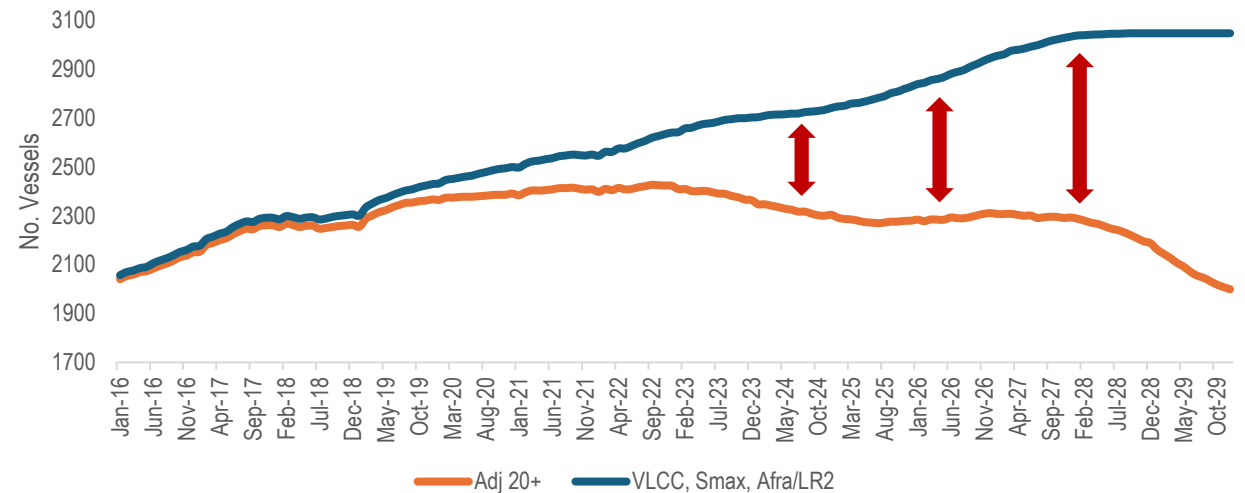
Sanctioned Crude/Co Flows
(assuming 25% of Russian volumes are compliant)



Iranian Crude/Co Exports

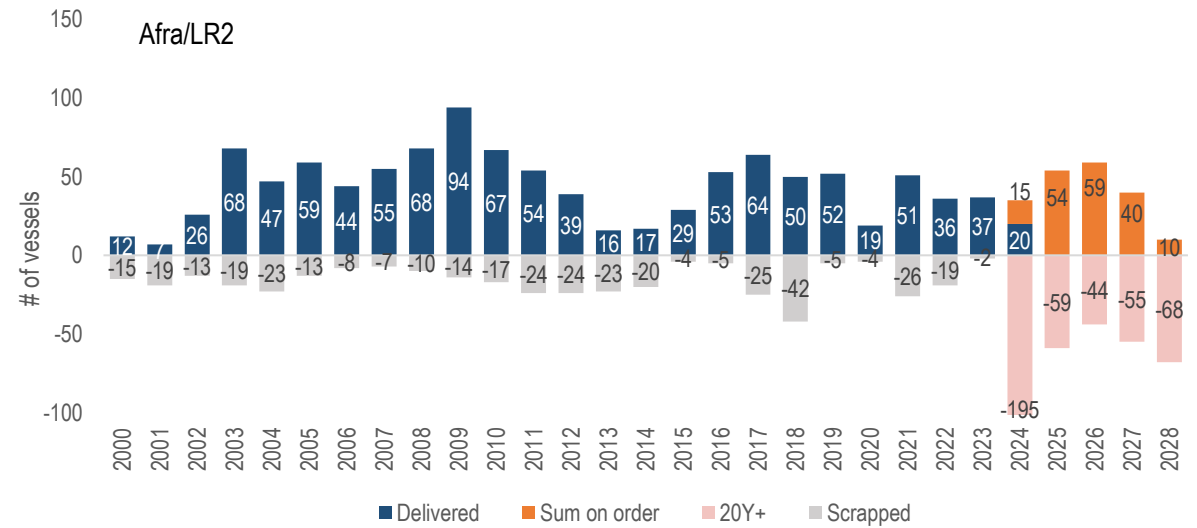
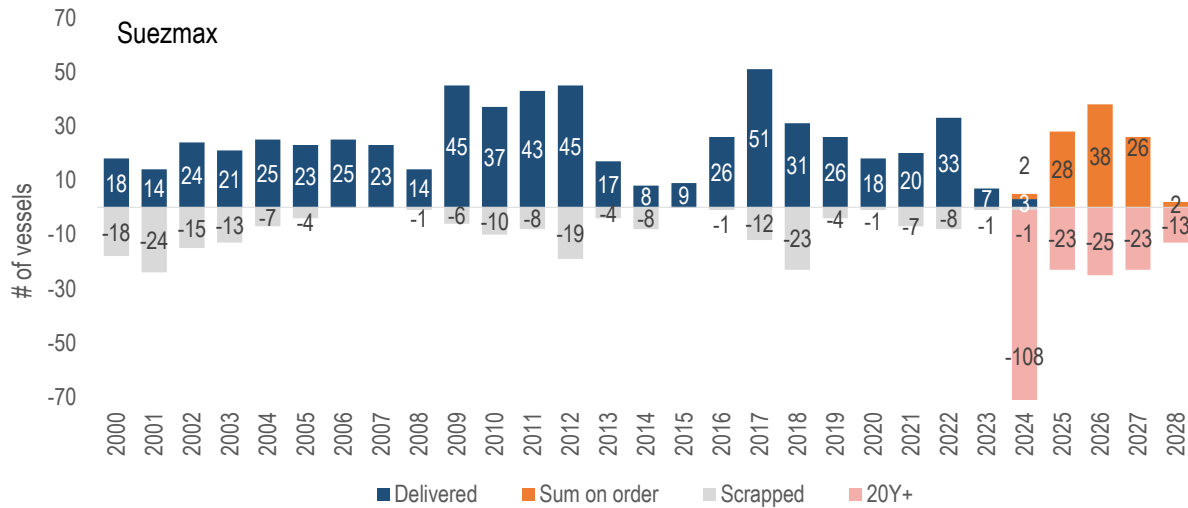
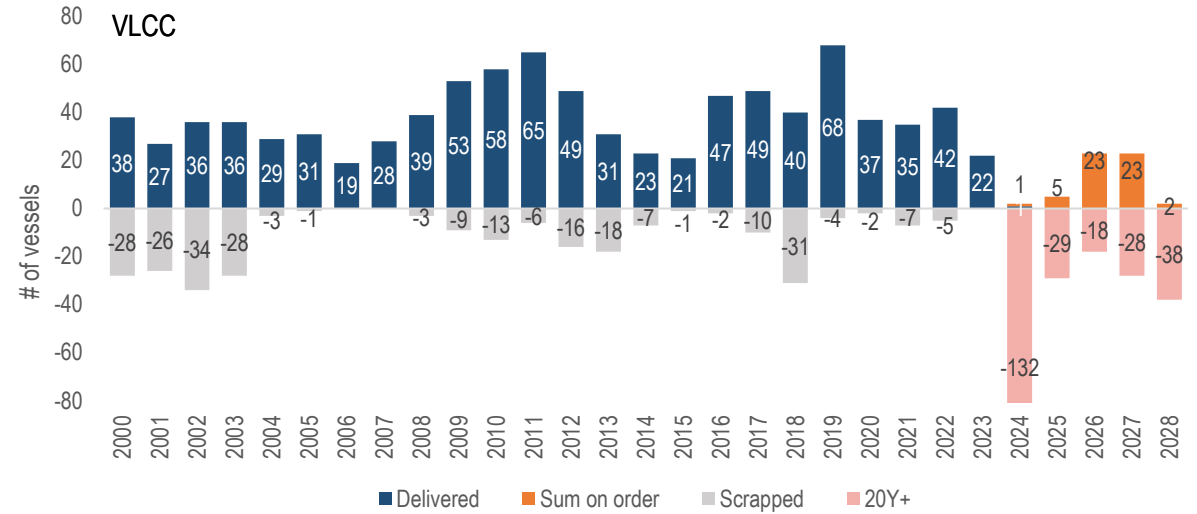


Fleet Development



Orderbooks

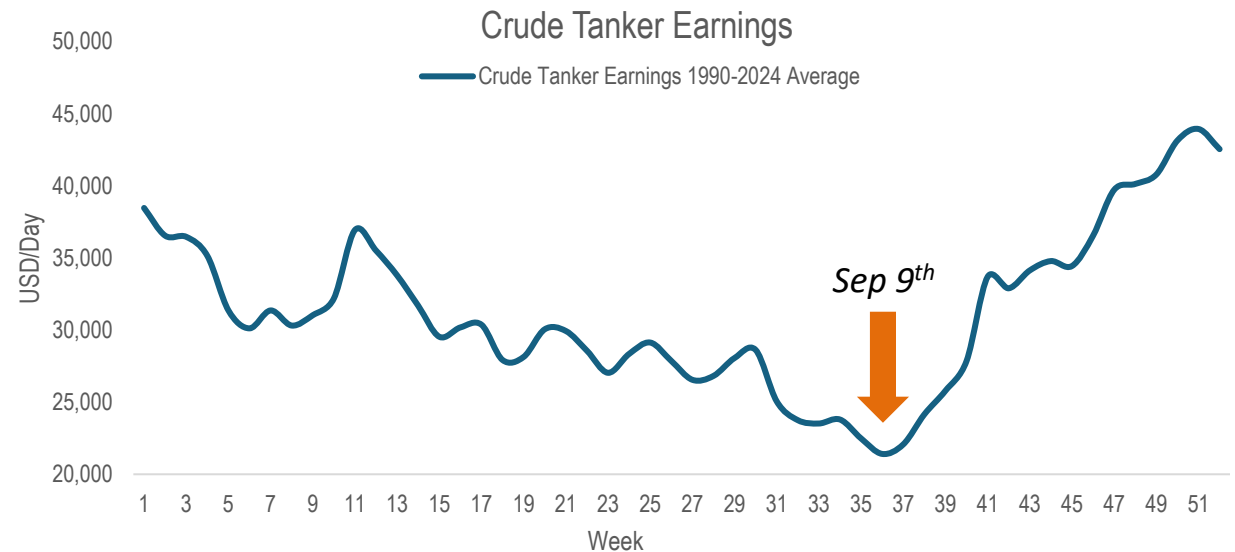
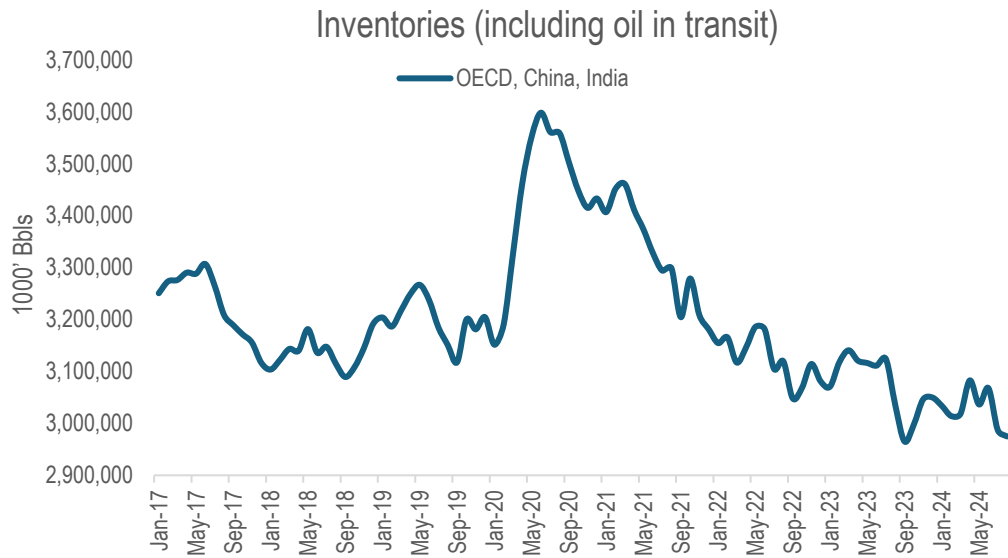
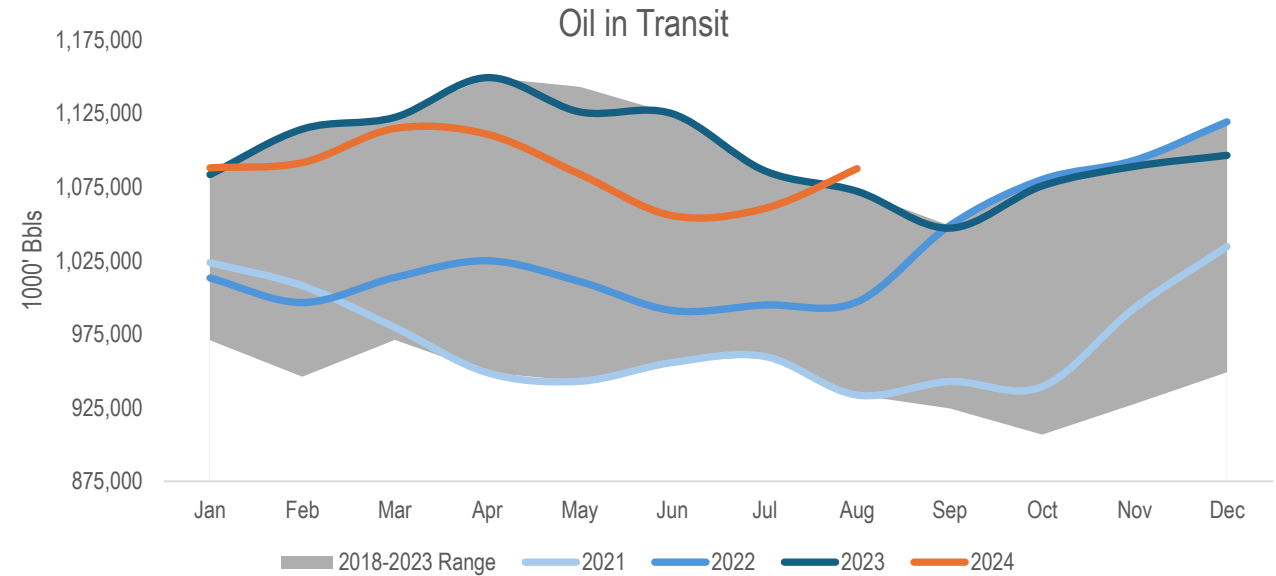
Sep 2024	Fleet	15 +	% above 15	20 +	% above 20	Orderbook	% of Fleet
VLCC	884	296	33.5 %	132	14.9 %	54	6.1 %
Suezmax	610	236	38.7 %	108	17.7 %	96	15.7 %
LR2	441	129	29.3 %	31	7.0 %	145	32.9 %
Aframax	678	386	56.9 %	164	24.2 %	33	4.9 %
Total Fleet	2613	1047	40.1 %	435	16.7 %	328	12.6 %



Source: Feamleys

Tankers Seasonality

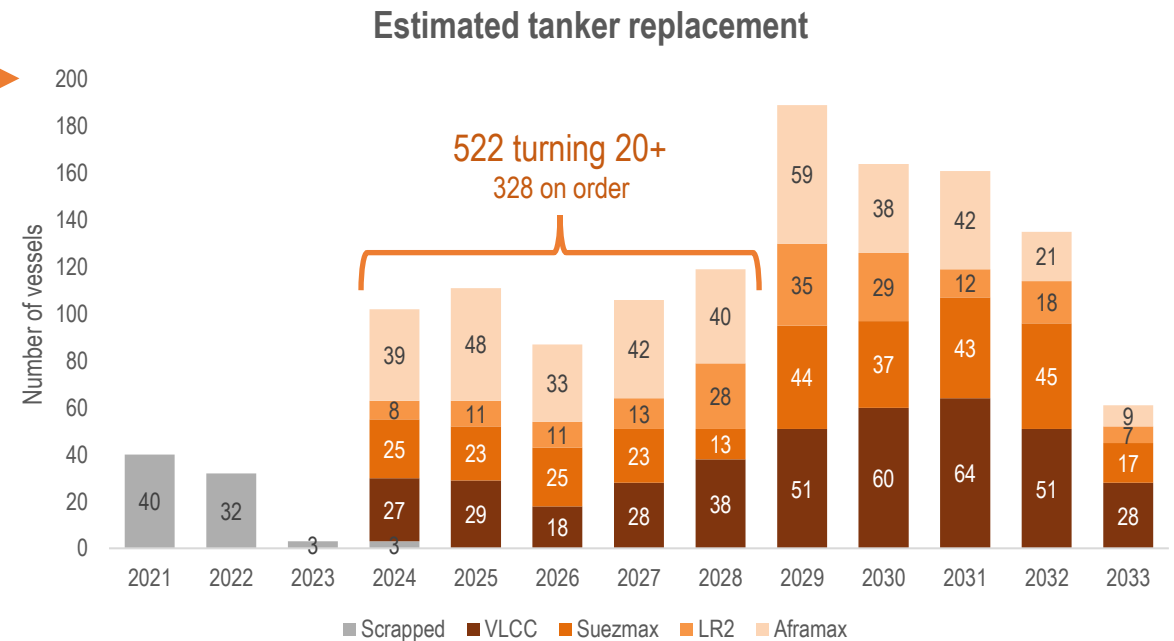
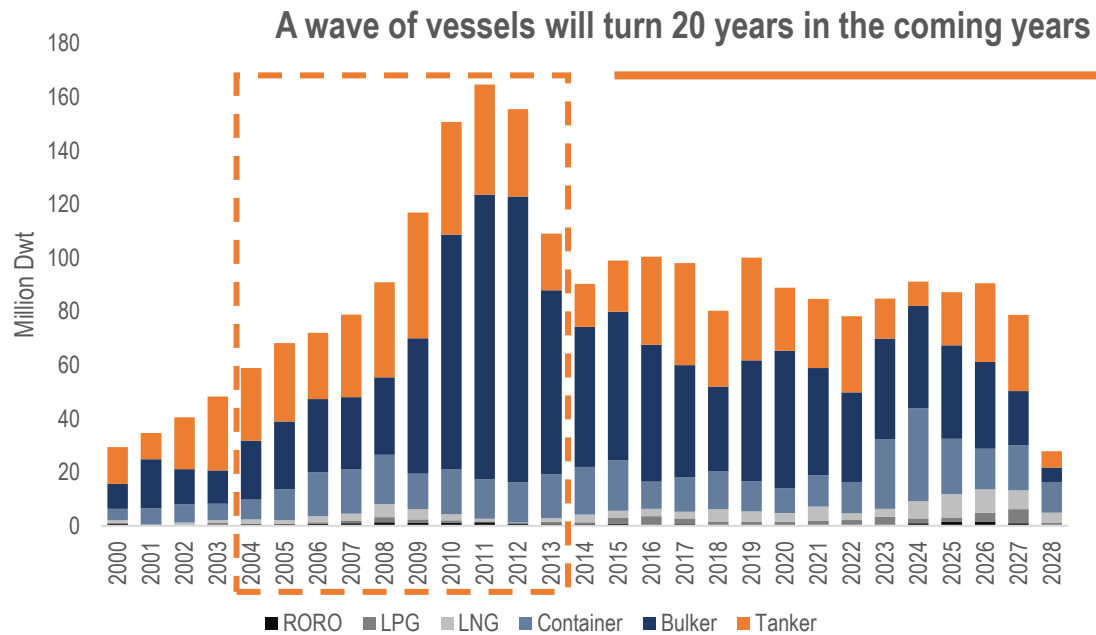
- 90% of the global population lives in the Northern Hemisphere
- EIA expect World Consumption up by 1.5mbd by December
- Well pronounced long term historical seasonality in Oil-In-Transit and freight earnings as we approach winter, starting in Sep
- Record low inventories in OECD, China and India offers limited cushion in the event of unexpected disruptions
- OPEC+ still to increase supply from Oct. Is that 'the lid' on crude prices?
- Shrinking compliant tanker fleet capacity - to serve conventional oil demand growth



The Structural Supply Story Remains

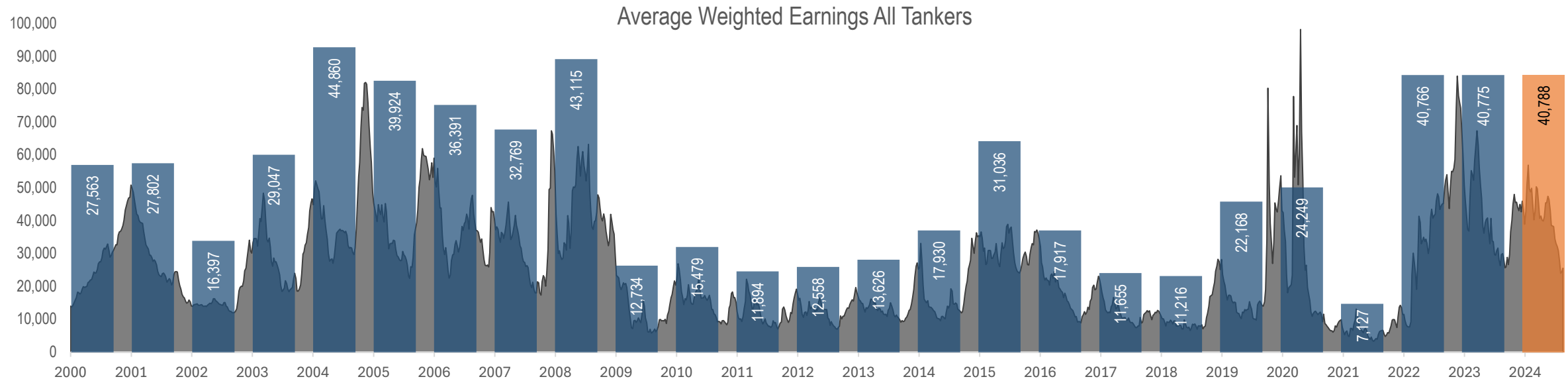
- From 2024 onwards we hit a “wall” of replacement needs, based on tonnage facing phase-out between 20-25 years of age
- Global Yard capacity is down 52% basis number of yards compared to 2011 building peak, ~40% basis CGT capacity.
- All market intelligence agree oil demand will continue to grow, ton-miles may contract short to medium term, but one cannot escape the fact that shipping supply growth looks to be challenged long term.

Active Yards:	South Korea	China	Japan	World
2011	24	275	64	519
2024	10	125	51	247
Change:	-58%	-55%	-20%	-52%



Decades high earnings capacity into second half.....

- **Strong balance** sheet with sensible leverage on our modern fleet
- Growing divide between the **compliant and sanction exposed** trade
- **Security situation** in Red Sea / Gulf of Aden and the Middle East ever increasing
- As delivery slots for **newbuildings move into 2028**, container ordering accelerates (again)
- Short- and medium-term **Oil demand on track** – but China in question
- The seasonal play is on and..... **Winter is Coming !**





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