

FRONTLINE



Fourth Quarter Presentation Feb 2021

Forward Looking Statements

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.

Reported earnings basis load to discharge



	Q4 2020	Q1 2021 est.	% done
VLCC	\$17,200	\$22,600	78%
Suezmax	\$9,800	\$17,800	68%
LR2/Aframax	\$12,500	\$12,200	65%



- Net loss of \$9.2 million, or \$0.05 per diluted share
- Adjusted net loss of \$20.2 million, or \$0.10 per diluted share
- Net income of \$412.9 million or \$2.09 per diluted share and adjusted net income of \$421.6 million or \$2.13 per diluted share for the full year 2020 – strongest yearly result since 2008



- Entered into three term loan facilities of up to \$485.2 million;
 - \$351.5 million to refinance two existing term loan facilities maturing in the 2nd quarter of 2021 and
 - up to \$133.7 million to partially finance the 4 LR2 tankers under construction
- Extended the terms of the senior unsecured revolving credit facility of up to \$275.0 million by 12 months to May 2022

Income Statement – Highlights

	2020	2020	2020	2019
	Oct - Dec	Jul - Sep	Jan - Dec	Jan - Dec
<i>(in thousands of \$ except per share data)</i>				
Total operating revenues (net of voyage expenses)	100 633	177 815	868 089	561 841
Other operating gain	6 996	(1 313)	29 902	3 422
Contingent rental (income) expense	2 472	3 827	14 568	(2 607)
Ship operating expenses	50 456	52 775	183 063	157 007
Charter hire expenses	2 547	2 556	9 557	8 471
Administrative expenses	13 178	10 456	44 238	45 019
EBITDA	38 976	106 888	646 565	357 373
EBITDA adj (*)	31 144	108 374	632 407	359 473
Interest expense	(15 197)	(16 104)	(72 160)	(94 461)
Net income	(9 187)	57 068	412 875	139 973
Net income adj (*)	(20 224)	56 411	421 602	146 625
Diluted earnings per share	(0,05)	0,29	2,09	0,78
Diluted earnings per share adjusted	(0,10)	0,29	2,13	0,82

Adjustment items for Q4 2020:

- \$6.9 million gain on the sale of SeaTeam
- \$1.9 million unrealized gain on marketable securities
- \$2.5 million gain on derivatives
- \$1.6 million share of losses of associated companies
- \$1.3 million amortization of acquired time charters

Note: Diluted earnings per share is based on 197,692 and 197,796 weighted average shares (in thousands) outstanding for Q4 2020 and Q3 2020, respectively

*See Appendix 1 for reconciliation to nearest comparable GAAP figures



Balance Sheet - Highlights

	2020 Dec 31	2020 Sep 30	2019 Dec 31
<i>(in millions \$)</i>			
Assets			
Cash	190	211	177
Other current assets	189	194	271
Non-current assets			
Vessels and newbuildings	3 418	3 443	3 067
Goodwill	112	112	112
Other long-term assets	10	24	70
Total assets	3 918	3 984	3 698
Liabilities and Equity			
Short term debt and current portion of long term debt	167	221	439
Obligations under finance and operational lease	12	15	288
Other current liabilities	102	127	121
Non-current liabilities			
Long term debt	1 969	1 936	1 254
Obligations under finance and operating lease	53	58	84
Other long-term liabilities	4	5	1
Noncontrolling interest	(0)	0	0
Frontline Ltd. stockholders' equity	1 612	1 621	1 510
Total liabilities and stockholders' equity	3 918	3 984	3 698

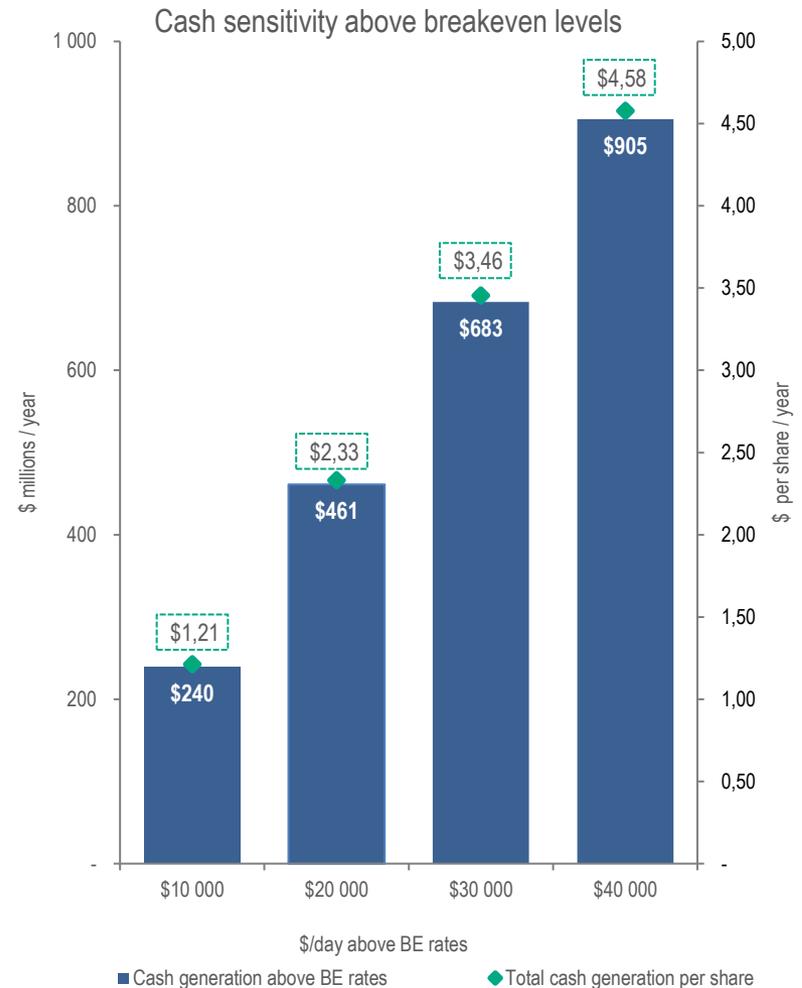
Notes

- \$413 million in cash and cash equivalents, including undrawn amount of unsecured facility which was extended by 12 months to May 2022, marketable securities and minimum cash requirements bank as per 31.12.20
- “Fully funded” Newbuilding Program
- No material debt maturities until 2023



Cash Breakeven and Cash Generation Potential

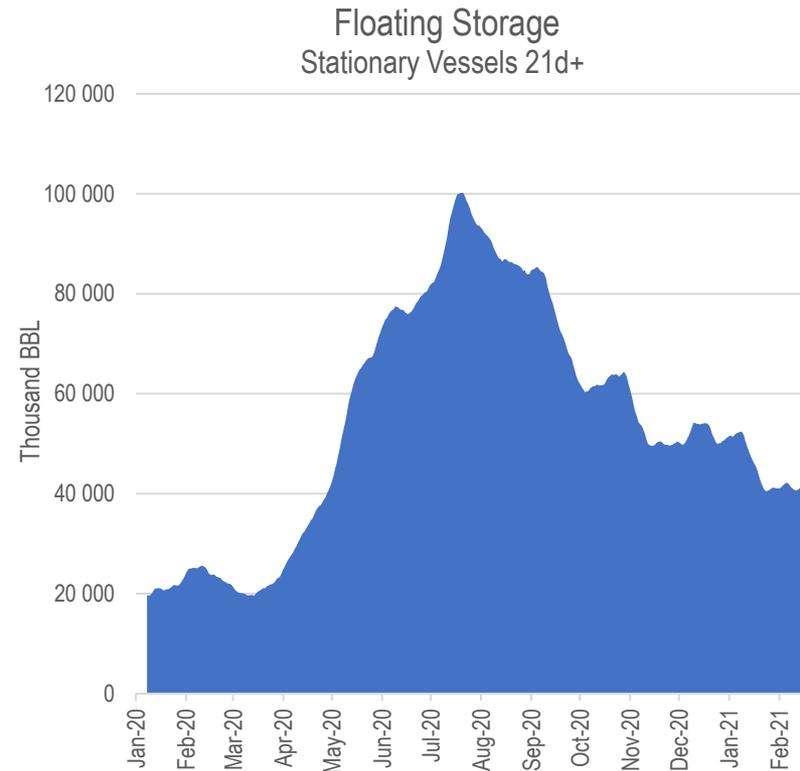
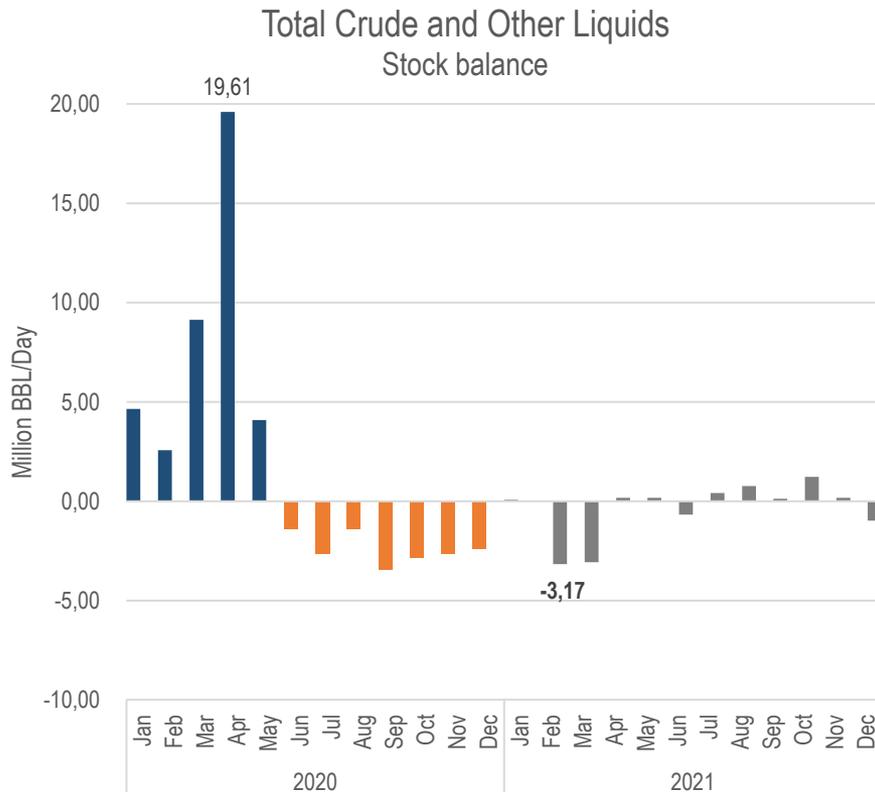
Low cash breakeven levels provide significant operating leverage & protect our cash flows during periods of market weakness



Note: Daily cash breakeven in USD based on estimate for 2021. Cash generation 365 days from 1. January 2021 and adjusted for NB deliveries

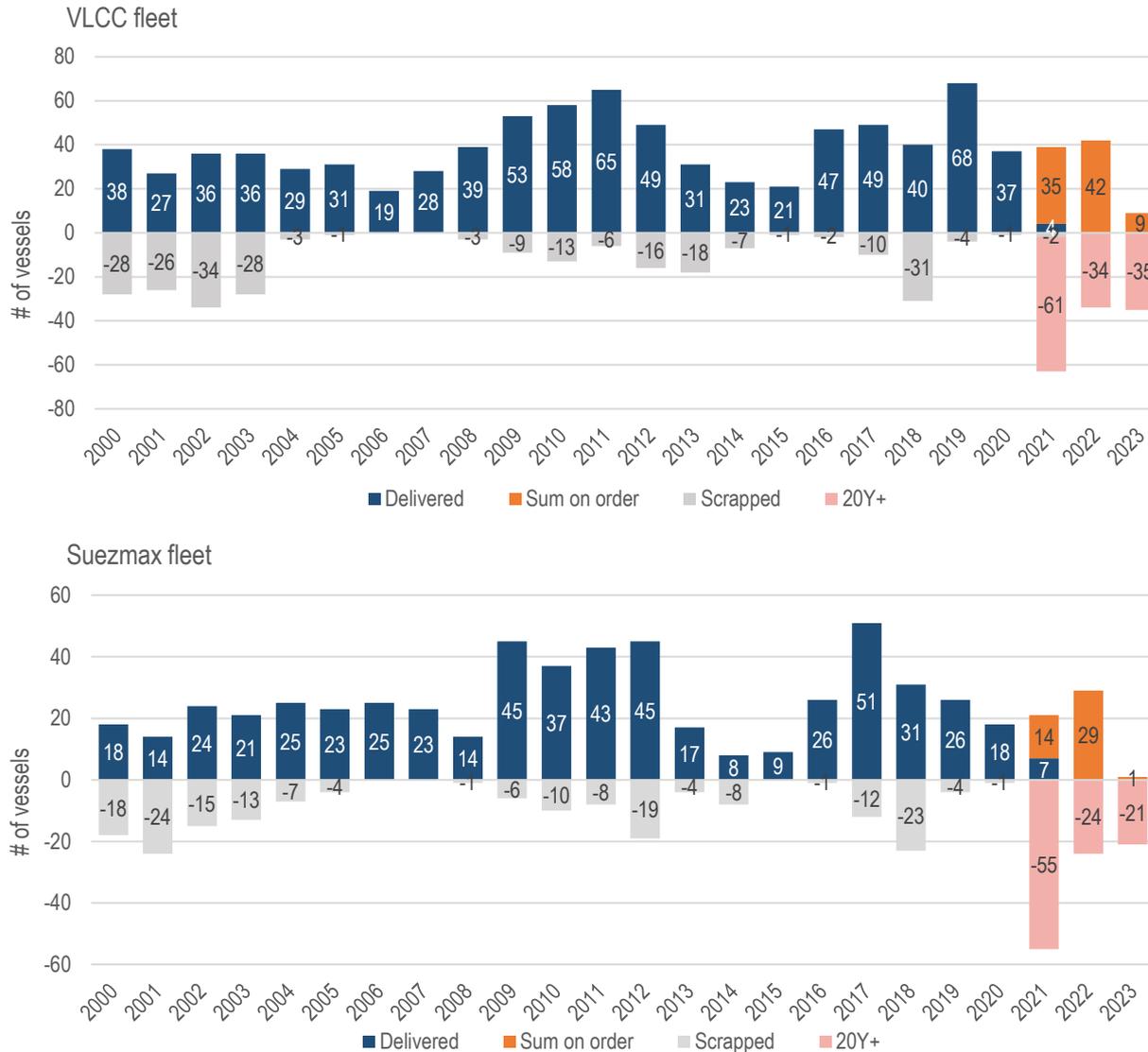
Q420 Tanker Market

- Oil inventories drew at a record pace in Q4-20, both in floating and land-based capacity
- Global Oil Demand recovered to 95.4mbd in Dec-20, nearly 10 mbd above lows in Q2-20
- Crude oil prices rallied to \$50 USD/bbl, all major commodity prices firmed significantly
- Vessel supply weighted on the market as floating storage was released
- Chinese oil consumption reached all time high in Dec-20 at 15.6 mbd.



Global fleet capacity continue to slow

Tanker recycling activity muted as the fleet continues to age

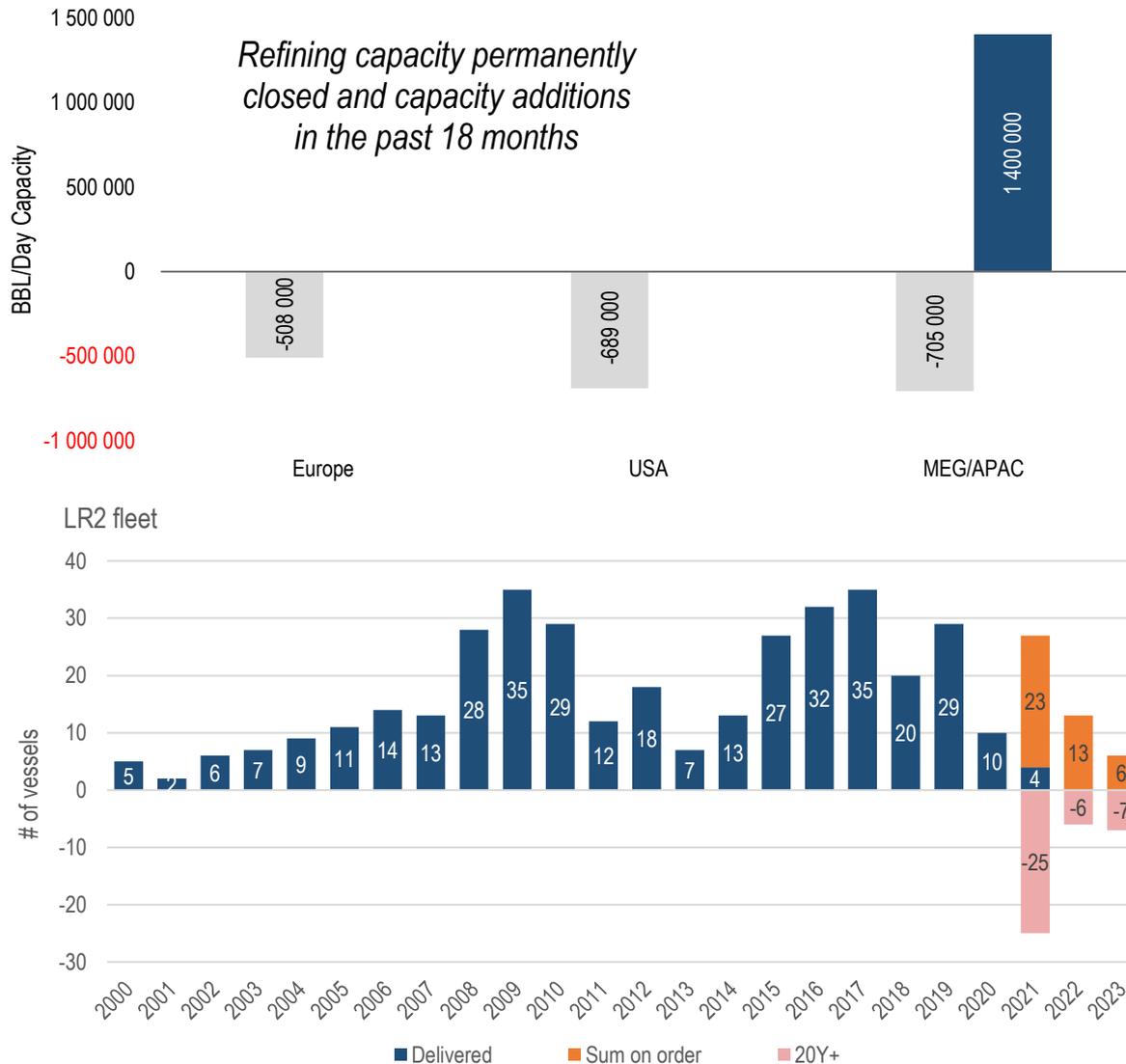


Commentary

- The argument that ships older than 20 years struggle to trade in the conventional oil market is undisputed.
- With freight rates at zero to negative for non-eco tonnage, we struggle to see the prospects for this portion of the fleet.
- There is a limited demand for storage, in a steeply backwardated market.
- The upcoming regulatory changes with regards to GHG emissions will challenge the fleet going forward.
- Ordering activity is muted and does not match the age profile of the fleet.

Clean Product Market, a ton-mile story

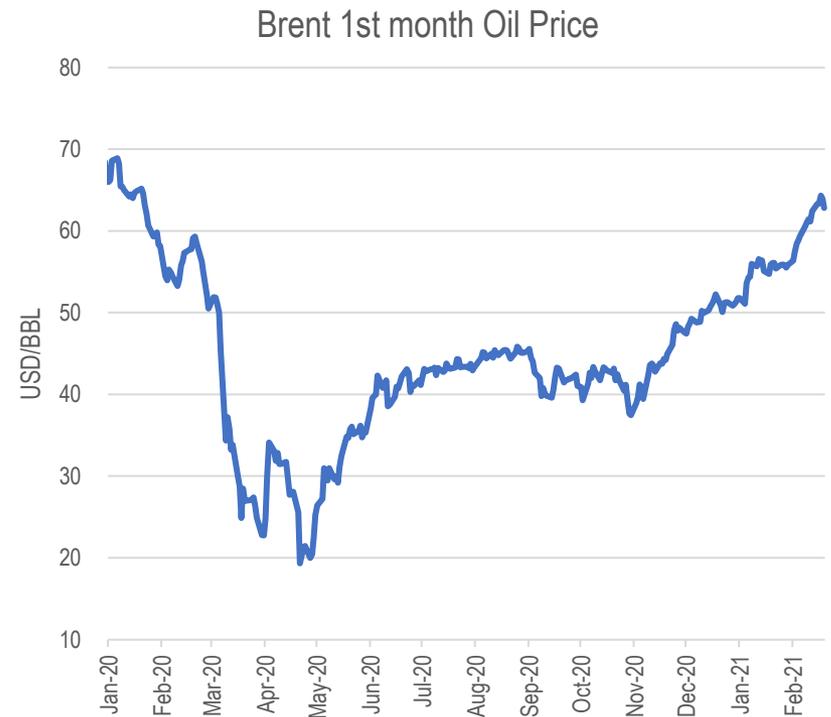
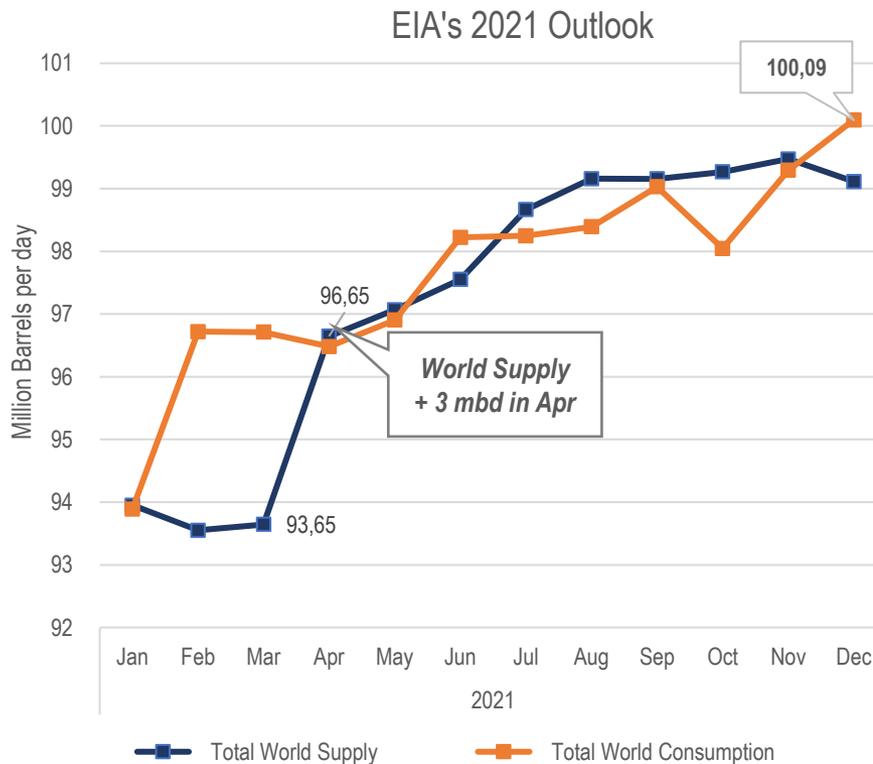
COVID-19 refinery margin squeeze, closure of old inefficient capacity



Commentary

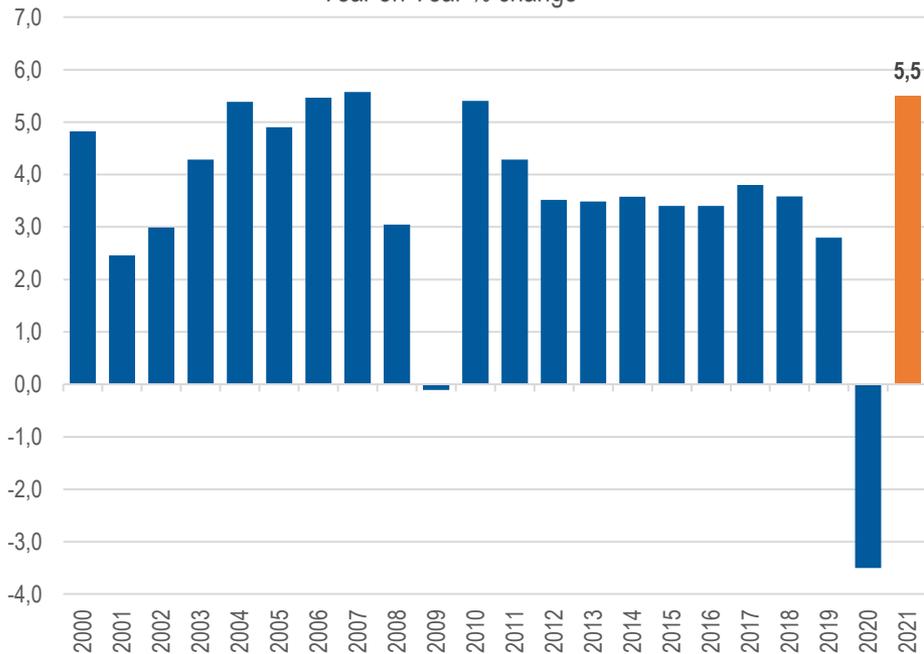
- The reduction in Jet-fuel demand as travel got restricted in 2020 hit refinery margins severely.
- Refinery margins in Europe and US have been under pressure for years, last years depressed margins accelerated decisions to permanently close or convert.
- Asia in general, and particularly Middle East and China have over the last 3 years expanded refining capacity significantly.
- Modern refineries can process a wider range of crudes more efficiently.
- As product demand normalizes post COVID-19 pandemic in Europe and US, Jet-fuel and other products will to a larger degree be sourced in Asia, incurring longer ton-miles.
- LR2 offers great economies of scale for the expected development in product trade flows.

- Saudi Arabia signaled a reversal of their voluntary 1 mbd cut in April-21
- Unusual cold weather in the northern hemisphere distorts usual demand patterns for oil.
- Oil demand continue to recover, despite extended lock downs. Oil prices indicate tightening markets.
- Floating storage no longer a significant factor weighing on the tanker market.
- In April alone, oil supply is expected to increase by ~3mbd according to EIA.

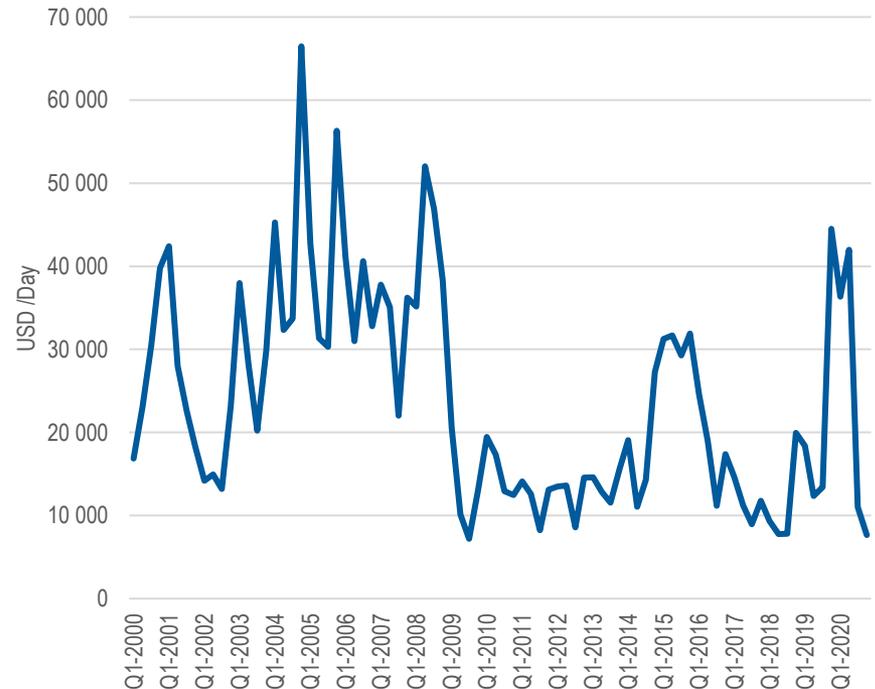


- Global tanker markets have corrected sharply during 2H-20, after a significant retraction in world growth.
- Leading commodity markets are 'pricing in' a strong recovery in 2021, global GDP expected to grow by 5.5%.
- Oil demand is recovering, global production is expected to increase by ~5.3 mbd in 2021.
- When the recovery starts for tankers is unknown, but we are low in the cycle.
- OPEC+ is expected to ease on cuts from Q2-21 onwards.
- Frontline is well positioned for a recovery in tanker markets with our modern, spot exposed fleet.

Annual GDP World
Year on Year % change



Average Weighted Earnings - All Tankers



Questions & Answers





www.frontline.bm



Appendix I Reconciliation

(Million \$ except per share)

	Q4 2020	Q3 2020	Q2 2020	Q1 2020	FY 2020	FY 2019
Total operating revenues net of voyage expenses						
Total operating revenues	175	247	387	412	1 221	957
Voyage expenses	-74	-70	-86	-123	-353	-395
Total operating revenues net of voyage expenses	101	178	301	289	868	562
Net income adj.						
Net income attributable to the Company	-9	57	200	165	413	140
Add back:						
Unrealized loss on marketable securities	0	0	0	5	5	1
Share of losses of associated company	2	1	3	0	6	1
Loss on derivatives	0	0	6	16	22	12
Less:						
Gain on sale of subsidiary	-7				-7	0
Gain on termination of lease (net of cash received)	0	0	0	-4	-4	0
Share of results of associated company	0	0	0	-1	-1	-3
Gain on settlement of claim	0	0	0	-2	-2	0
Unrealized gain on marketable securities	-2	0	-1	0	-3	-3
Gain on derivatives	-3	-1	0	0	-3	-2
Amortization of acquired time charters	-1	-1	-1	0	-4	0
Net income adj.	-20	56	206	179	422	147

(in thousands)

Weighted average number of ordinary shares (basic)	197 692	197 692	197 692	189 428	195 637	173 576
Weighted average number of ordinary shares (diluted)	197 692	197 796	197 810	197 764	197 808	179 315

(in \$)

Basic earnings per share adjusted for certain non-cash items	-0,10	0,29	1,04	0,95	2,16	0,84
Diluted earnings per share adjusted for certain non-cash items	-0,10	0,29	1,04	0,91	2,13	0,82

EBITDA adj.

Net income attributable to the Company	-9	57	200	165	413	140
Add back:						
Interest expense	15	16	18	23	72	94
Depreciation	36	36	34	32	139	118
Income tax expense	0	0	0	0	0	0
Net income attributable to the non-controlling interest	0	0	0	0	0	0
Share of losses of associated company	2	1	3	0	6	1
Unrealized loss on marketable securities	0	0	0	5	5	1
Loss on derivatives	0	0	6	16	22	12
Less:						
Gain on sale of subsidiary	-7				-7	
Gain on termination of lease (net of cash received)	0	0	0	-4	-4	0
Unrealized gain on marketable securities	-2	0	-1	0	-3	-3
Gain on settlement of claim	0	0	0	-2	-2	0
Share of results of associated company	0	0	0	-1	-1	-3
Gain on derivatives	-3	-1	0	0	-3	-2
Amortization of acquired time charters	-1	-1	-1	0	-4	0
EBITDA adj.	31	108	259	234	632	359

This presentation describes: total operating revenues net of voyage expenses, net income attributable to the Company adjusted for certain non-cash items ("Net income adj.") and related per share amounts and Earnings Before Interest, Tax, Depreciation & Amortisation adjusted for the same non-cash items ("EBITDA adj."), which are not measures prepared in accordance with US GAAP ("non-GAAP").

We believe the non-GAAP financial measures presented in this press release provides investors with a means of evaluating and understanding how the Company's management evaluates the Company's operating performance.

These non-GAAP financial measures should not be considered in isolation from, as substitutes for, nor superior to financial measures prepared in accordance with GAAP.