

FRONTLINE



Second Quarter Presentation Aug 2020

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.



- Net income of \$199.7 million, or \$1.01 per diluted share
- Adjusted net income of \$206.1 million, or \$1.04 per diluted share



- Declared a cash dividend of \$0.50 per share
- Repaid \$60 million of the \$275.0 million senior unsecured facility



- Signed loan facility of up to \$328.6 million
- Secured term loan facility of up to \$133.7 million - subject to final documentation
- Two newbuildings delivered, the VLCC Front Dynamic and Suezmax Front Cruiser



Reported earnings basis load to discharge

	Q2 2020	Q3 2020 est.	% done
VLCC	\$75,800	\$60,900	76%
Suezmax	\$51,100	\$29,500	77%
LR2/Aframax	\$36,900	\$14,500	67%

Income Statement – Highlights

	2020 Apr - Jun	2020 Jan - Mar	2019 Jan - Dec
<i>(in thousands of \$ except per share data)</i>			
Total operating revenues (net of voyage expenses)	301 120	288 518	561 841
Other operating gain	12 886	11 333	3 422
Contingent rental (income) expense	3 534	4 736	(2 607)
Ship operating expenses	38 866	40 965	157 007
Charter hire expenses	2 415	2 039	8 471
Administrative expenses	9 249	11 355	45 019
EBITDA	259 942	240 756	357 373
EBITDA adj (*)	258 635	234 254	359 473
Interest expense	(18 225)	(22 634)	(94 461)
Net income	199 661	165 331	139 973
Net income adj (*)	206 109	179 306	146 625
Diluted earnings per share	1,01	0,84	0,78
Diluted earnings per share adjusted	1,04	0,91	0,82

Adjustment items for Q2 2020:

- \$0.9 million unrealized gain on marketable securities
- \$5.9 million loss on derivatives
- \$2.7 million share of losses of associated companies
- \$1.3 million amortization of acquired time charters

Note: Diluted earnings per share is based on 197,810 and 197,764 weighted average shares (in thousands) outstanding for Q2 2020 and Q1 2020, respectively

*See Appendix 1 for reconciliation to nearest comparable GAAP figures



Balance Sheet - Highlights

	2020 Jun 30	2020 Mar 31	2019 Dec 31
<i>(in millions \$)</i>			
Assets			
Cash	241	231	177
Other current assets	227	268	271
Non-current assets			
Vessels and newbuildings	3 450	3 366	3 067
Goodwill	112	112	112
Other long-term assets	20	20	70
Total assets	4 052	3 998	3 698
Liabilities and Equity			
Short term debt and current portion of long term debt	532	494	439
Obligations under finance and operational lease	18	10	288
Other current liabilities	116	136	121
Non-current liabilities			
Long term debt	1 653	1 683	1 254
Obligations under finance and operating lease	60	61	84
Other long-term liabilities	6	9	1
Frontline Ltd. stockholders' equity	1 666	1 604	1 510
Total liabilities and stockholders' equity	4 052	3 998	3 698

Notes

- \$462 million in cash and cash equivalents, including undrawn amount of unsecured facility, marketable securities and minimum cash requirements bank as per 30.06.20
- Short term debt includes \$240.0 million debt maturity of the \$466.5 million facility in April 2021 and \$80.3 million debt maturity of the \$109.2 million facility in June 2021, which are expected to be refinanced

Cash Breakeven and Cash Generation Potential

Well positioned to generate significant cash flow

Daily cash breakeven and OPEX



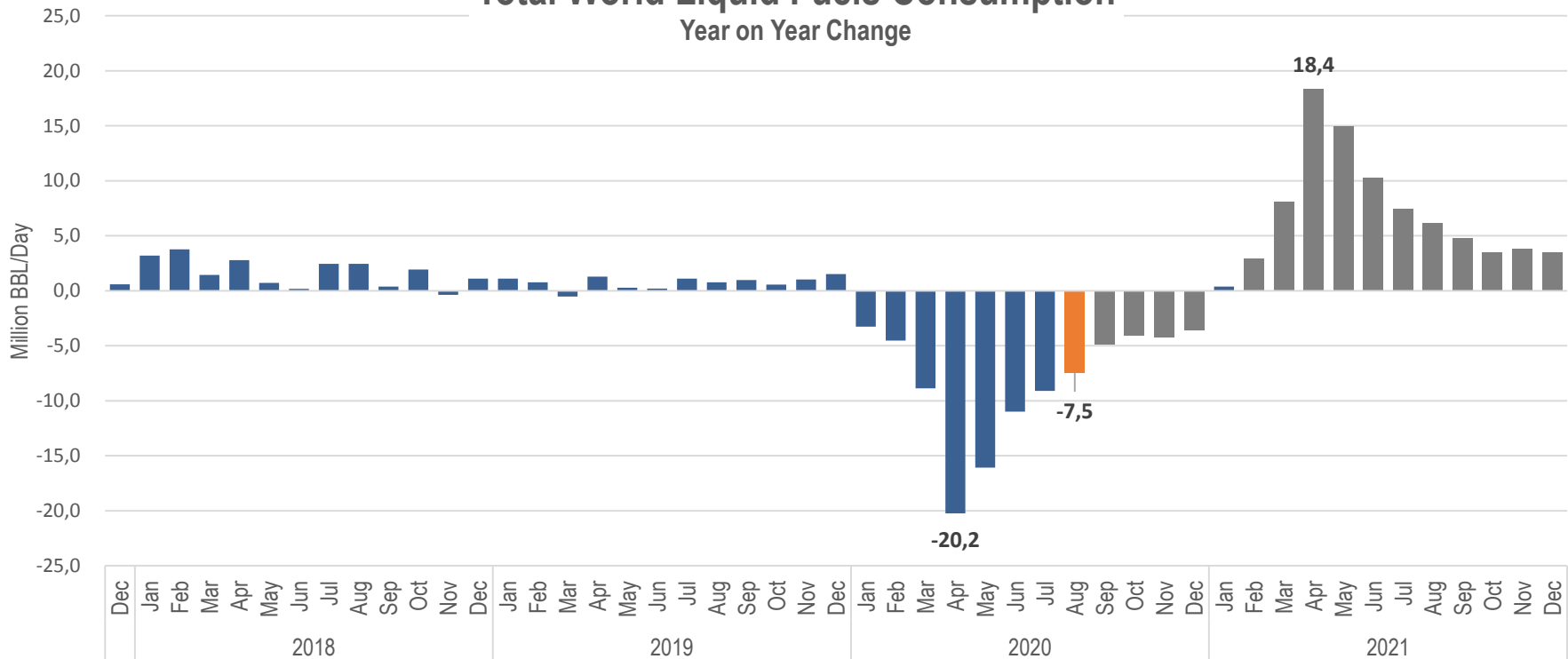
Cash sensitivity above breakeven levels



Note: Daily cash breakeven in USD based on estimate for the remainder of 2020. Cash generation 365 days from 1. July 2020 and adjusted for NB deliveries

- Seismic oil demand fall, but strong recovery throughout the quarter
- Rallying crude oil prices reversed floating storage incentives and freight rates slipped
- Covid-19 related challenges extensive throughout the shipping industry
- Freight rate correction has been gradual due to delays and capacity on storage
- Tanker markets still relatively balanced despite the violent fall in volumes

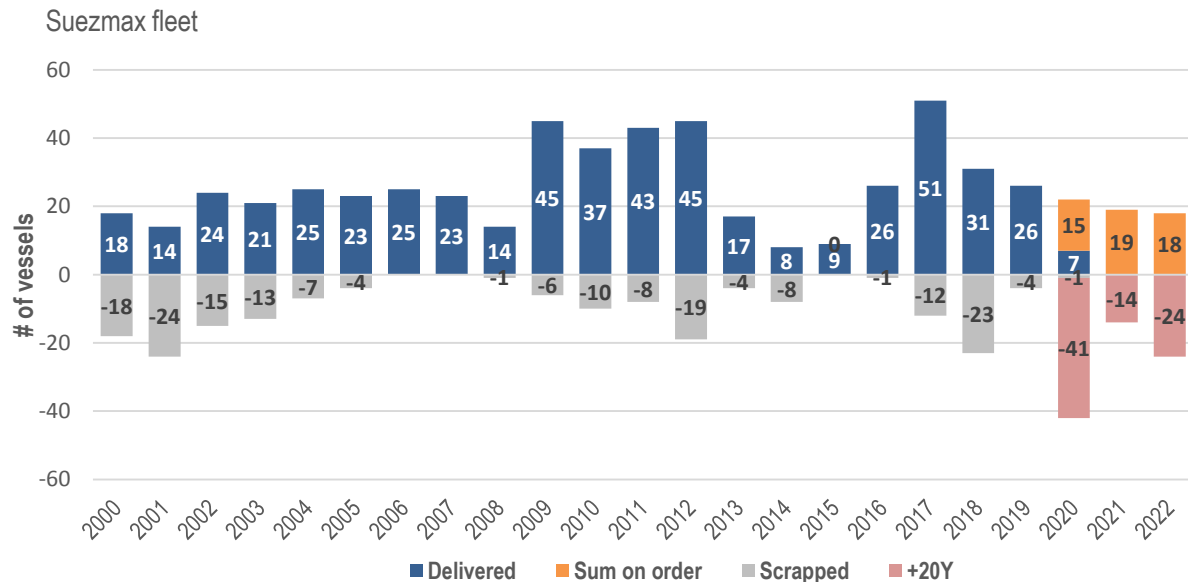
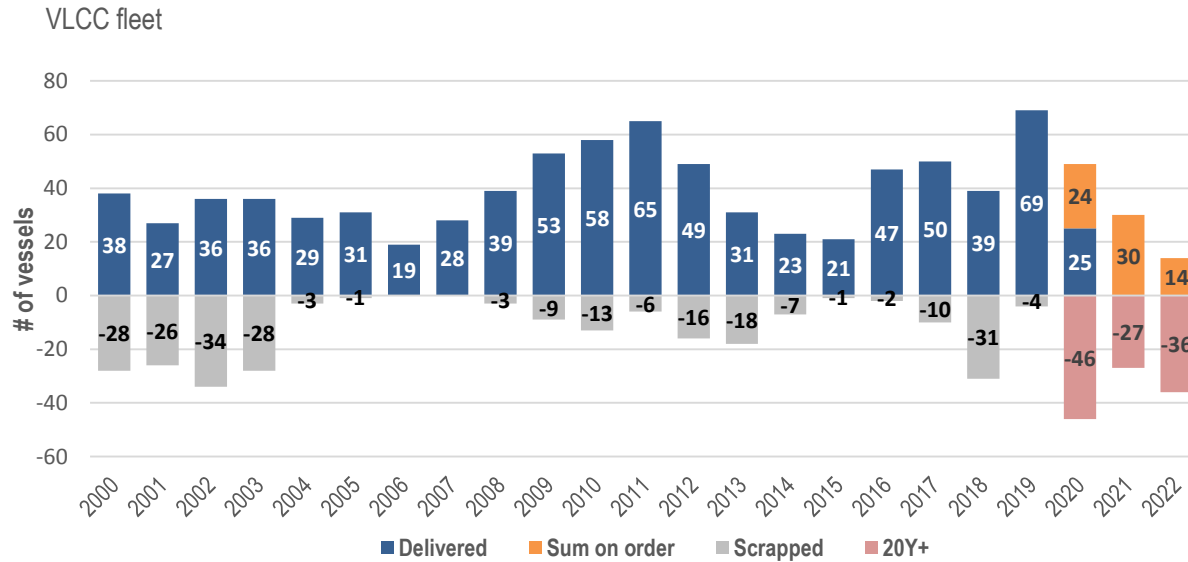
Total World Liquid Fuels Consumption Year on Year Change



Source: EIA Aug-20

Global fleet capacity continue to slow

Core market metrics favorable, low order books and aging fleet



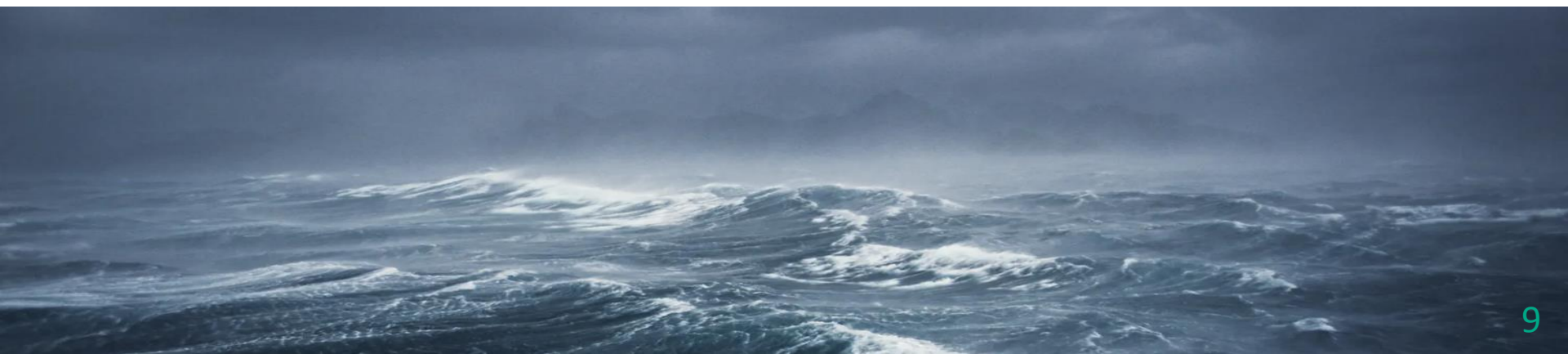
Commentary

- New vessels enter the market, at a controlled pace
- Periodical survey backlog likely significant after Q2 disruptions
- Fleet continues to age, scrapping muted as alternative use attractive (storage)
- Order book continues to shrink as few new orders are placed

- Demand shock likely behind us, but significant month on month volatility expected
- Freight market soft as volumes and ton-miles under pressure
- Significant portion of OPEC+ cuts expected to return in the coming quarters
- Vessel supply muted due to Covid-19 related challenges
- Few new orders placed and order books at historical lows
- Volatility expected to continue going forward

In the short-term, Frontline has secured sufficient charter coverage to reduce the effective breakeven levels for our vessels trading in the spot market and lessen the impact of market volatility. The Company is also well-positioned to generate significant cash on the back of an improving market outlook.

Frontline enjoys the youngest fleet and lowest breakeven levels in the history of the company.



Questions & Answers





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Appendix 1 Reconciliation

(Million \$ except per share)

	Q2 2020	Q1 2020	YTD 2020	Q2 2019	FULL YEAR 2019
Total operating revenues net of voyage expenses					
Total operating revenues	387	412	799	193	957
Voyage expenses	-86	-123	-209	-91	-395
Total operating revenues net of voyage expenses	301	289	590	103	562

Net income adj.

Net income attributable to the Company	200	165	365	1	140
Add back:					
Unrealized loss on marketable securities	0	5	5	0	1
Share of losses of associated company	3	0	3	0	1
Loss on derivatives	6	16	22	6	12
Less:					
Gain on termination of lease (net of cash received)	0	-4	-4	0	0
Share of results of associated company	0	-1	-1	-1	-3
Gain on settlement of claim	0	-2	-2	0	0
Unrealized gain on marketable securities	-1	0	-1	-2	-3
Gain on derivatives	0	0	0	0	-2
Amortization of acquired time charters	-1	0	-1	0	0
Net income adj.	206	179	385	4	147

(in thousands)

Weighted average number of ordinary shares (basic)	197 692	189 427	193 559	170 069	173 579
Weighted average number of ordinary shares (diluted)	197 810	197 764	197 807	170 069	179 315

(in \$)

Basic earnings per share adjusted for certain non-cash items	1.04	0.95	1.99	0.02	0.84
Diluted earnings per share adjusted for certain non-cash items	1.04	0.91	1.95	0.02	0.82

EBITDA adj.

Net income attributable to the Company	200	165	365	1	140
Add back:					
Interest expense	18	23	41	23	94
Depreciation	34	32	67	28	118
Income tax expense	0	0	0	0	0
Net income attributable to the non-controlling interest	0	0	0	0	0
Share of losses of associated company	3	0	3	0	1
Unrealized loss on marketable securities	0	5	5	0	1
Loss on derivatives	6	16	22	6	12
Less:					
Gain on termination of lease (net of cash received)	0	-4	-4	0	0
Unrealized gain on marketable securities	-1	0	-1	-2	-3
Gain on settlement of claim	0	-2	-2	0	0
Share of results of associated company	0	-1	-1	-1	-3
Gain on derivatives	0	0	0	0	-2
Amortization of acquired time charters	-1	0	-1	0	0
EBITDA adj.	259	234	493	56	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.