

FRONTLINE



Fourth Quarter Presentation Feb 2022

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 2022	Q1 2023 est.	% done
 VLCC	\$63,200	\$58,300	87%
 Suezmax	\$57,900	\$72,400	77%
 LR2 / Aframax	\$58,800	\$63,900	68%



- Highest quarterly net income since the second quarter of 2008 of \$240.0 million, or \$1.08 per basic and diluted share
- Adjusted net income of \$215.5 million, or \$0.97 per basic and diluted share



- Declared a cash dividend of \$0.30 per share for the third quarter of 2022 and a cash dividend of \$0.77 per share for the fourth quarter of 2022
- Repaid \$60.0 million of its \$275.0 million senior unsecured revolving credit facility in February 2023



- Took delivery of the three remaining VLCC newbuildings from HHI
- Sold one 2009-built VLCC and one 2009-built Suezmax tanker, for aggregate gross proceeds of approximately \$100.5 million. After repayment of existing debt on the vessels, the transactions are expected to generate net cash proceeds of approximately \$63.8 million



- Terminated the Combination Agreement with Euronav on January 9, 2023 and received from Euronav an emergency arbitration request for urgent interim and conservatory measures on January 17, 2023, which was fully dismissed by the Emergency Arbitrator on February 7, 2023
- Received from Euronav an arbitration request for proceedings on the merits of the termination on January 28, 2023



Large, diverse fleet of modern tankers

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

~5 years

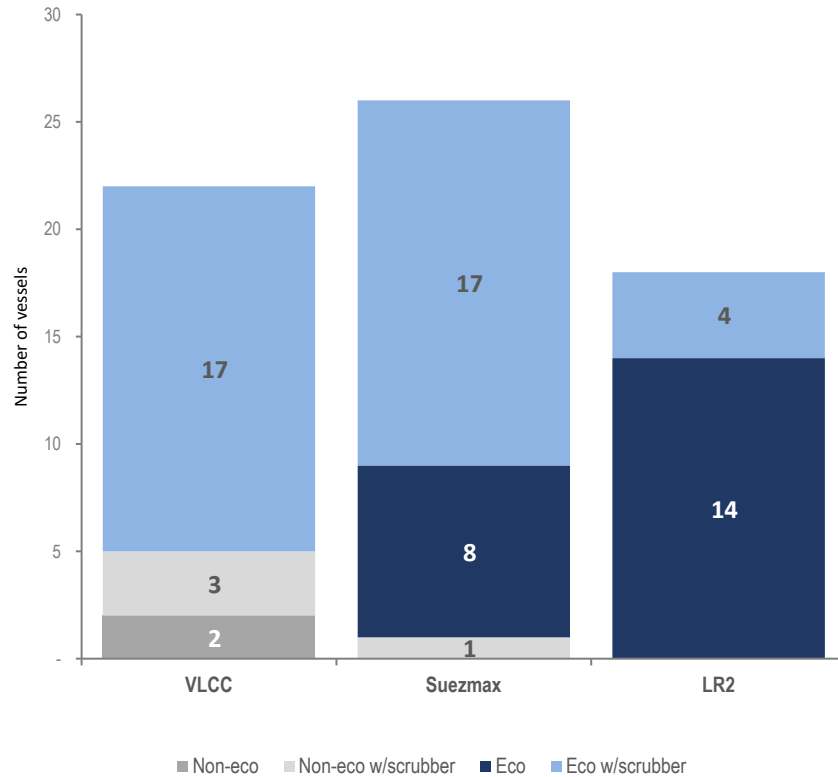
Average age

~91 %

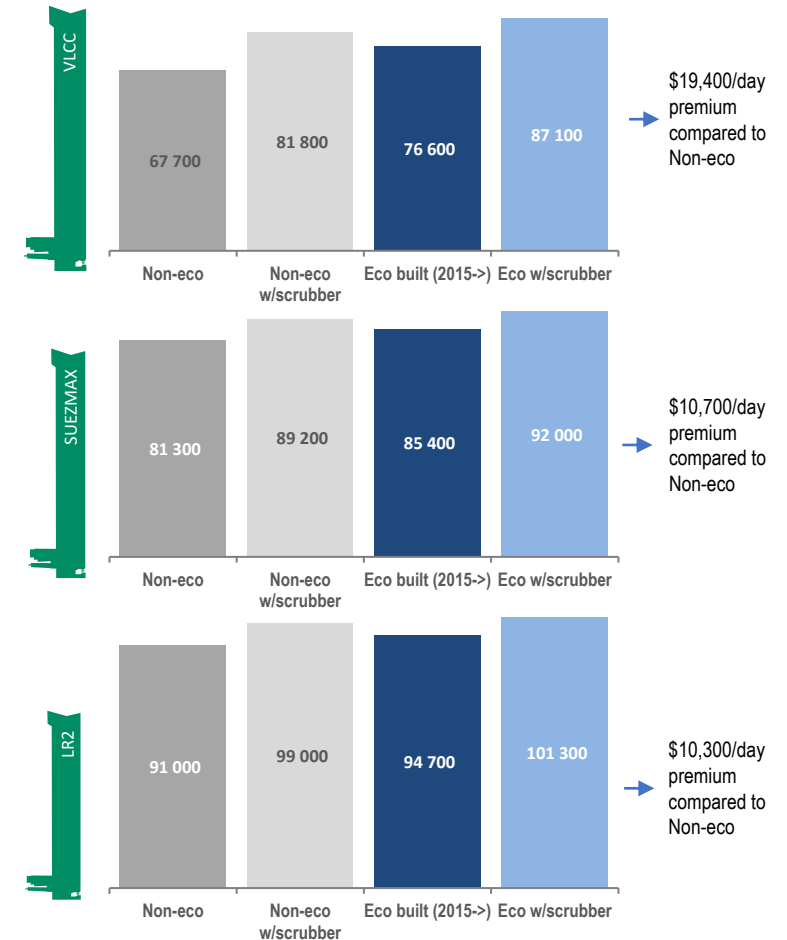
ECO vessels

~64 %

Scrubber installed*



The average TCE (\$/day) for VLCCs, Suezmax and LR2s in Q4-2022, demonstrates the advantage of running a fleet with Eco and scrubber



*Scrubber to be installed on two vessels in Q1/Q2 2023
Source: Frontline, Clarkson Research

Income Statement – Highlights

	2022	2022	2022	2021
<i>(in thousands of \$ except per share data)</i>	Oct - Dec	Jul - Sep	Jan - Dec	Jan - Dec
Total operating revenues (net of voyage expenses)	352 846	208 843	824 664	356 684
Other operating gain	451	1 944	9 477	5 893
Contingent rental (income) expense	-	-	(623)	(3 606)
Ship operating expenses	49 482	48 696	193 014	175 607
Charter hire expenses	-	-	-	2 695
Administrative expenses	18 393	13 667	48 300	27 891
EBITDA	315 127	219 339	719 686	197 677
EBITDA adj (*)	286 891	147 866	583 839	154 187
Interest expense adj (*)	(32 160)	(25 474)	(95 081)	(67 188)
Net income	240 034	154 439	472 718	(11 148)
Net income adj (*)	215 495	82 858	337 696	(55 077)
Diluted earnings per share	1,08	0,69	2,21	(0,06)
Diluted earnings per share adjusted	0,97	0,37	1,58	(0,28)
Dividend per share	0,77	0,30	1,22	-

Highest quarterly net income since the second quarter of 2008!

Adjustment items for Q4 2022:

- \$1.1 million unrealized loss on derivatives
- \$2.6 million share of results of associated companies
- \$23 million gain on marketable securities

Note: Diluted earnings per share is based on 222,623 and 222,623 weighted average shares (in thousands) outstanding for Q4 2022 and Q3 2022, respectively

*See Appendix 1 for reconciliation to nearest comparable GAAP figures



Balance Sheet - Highlights

	2022	2022	2021
(in millions \$)	Dec 31	Sep 30	Dec 31
Assets			
Cash	255	127	113
Other current assets	627	566	220
Non-current assets			
Vessels and newbuildings	3 709	3 670	3 657
Goodwill	112	112	112
Other long-term assets	73	73	15
Total assets	4 776	4 549	4 117
Liabilities and Equity			
Short term debt and current portion of long term debt	258	257	189
Obligations under finance and operational lease	1	1	9
Other current liabilities	132	167	95
Non-current liabilities			
Long term debt	2 112	2 092	2 127
Obligations under finance and operating lease	2	3	44
Other long-term liabilities	2	1	1
Noncontrolling interest	(0)	(0)	(0)
Frontline Ltd. stockholders' equity	2 268	2 028	1 653
Total liabilities and stockholders' equity	4 776	4 549	4 117

Notes

- \$556 million in cash and cash equivalents, including undrawn amount of unsecured facility, marketable securities and minimum cash requirements bank as per 31.12.22

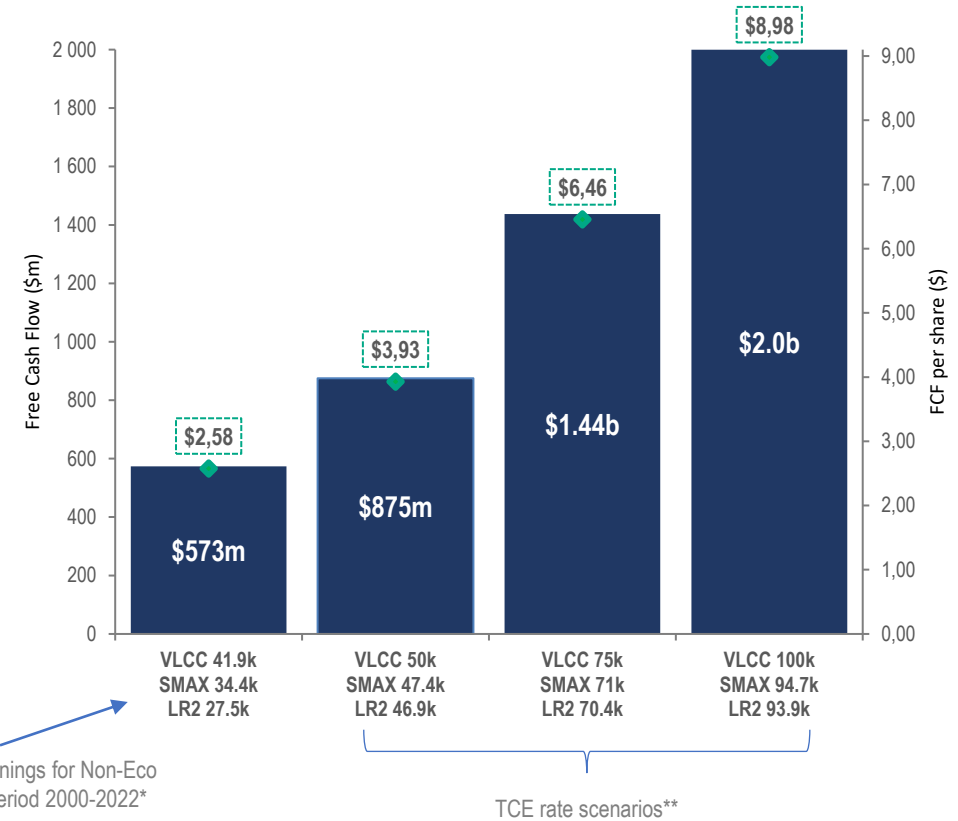
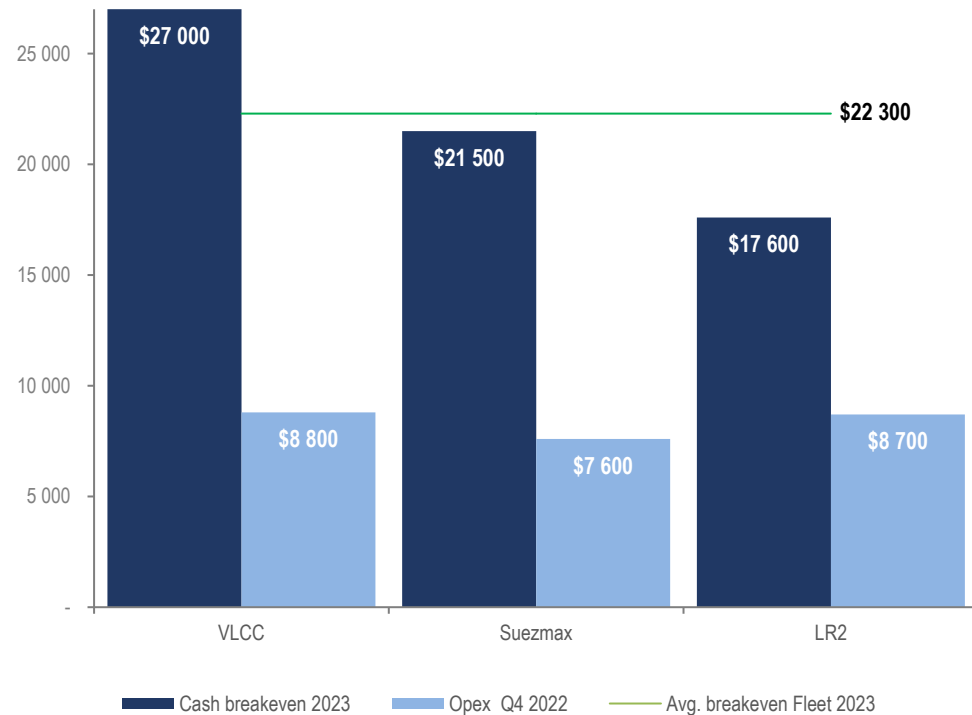




Our industry leading cash break even rates are \$22,300 on average, including dry dock costs for 2023



Huge cash generation potential – Free Cash Flow indicates strong potential return

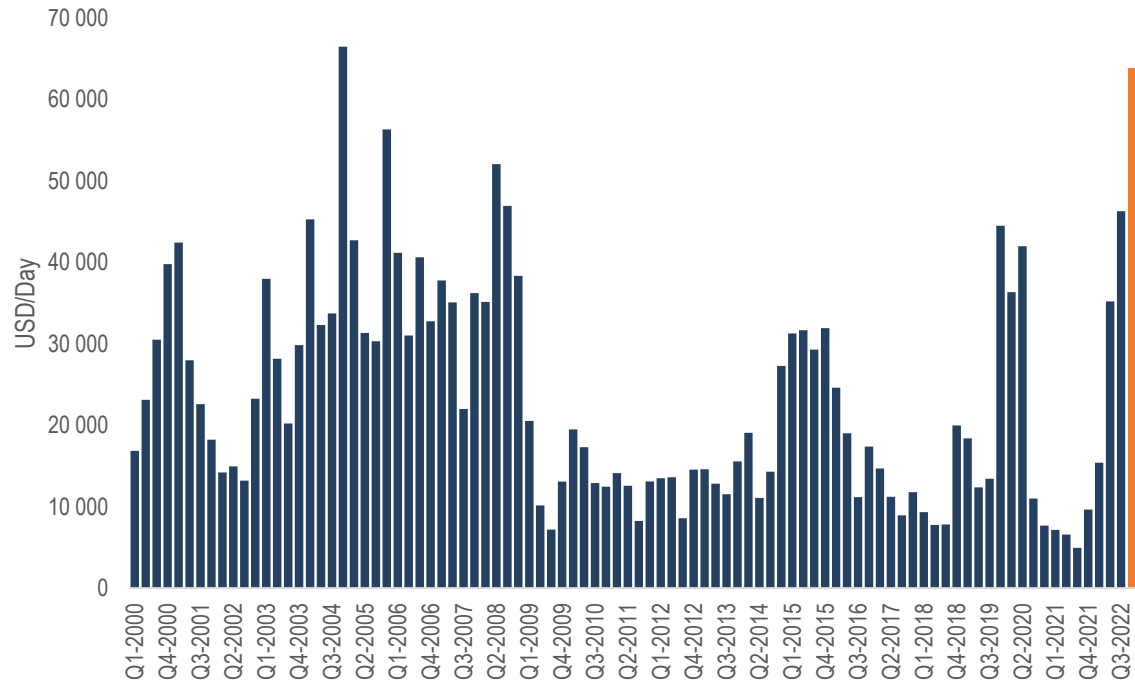


Note: Daily cash breakeven in USD based on estimate for 2023.
 Free cash flow based on current fleet. (*) TCE rates based on Clarkson Research for the period 2000-2022 and (**) hypothetical TCE rates basis recent market, adjusted for same relative performance as historical average (2018-2022) between the three segments. Both (*) and (**) adjusted for Eco / Scrubber (2022 data).
 Source: Clarkson Research

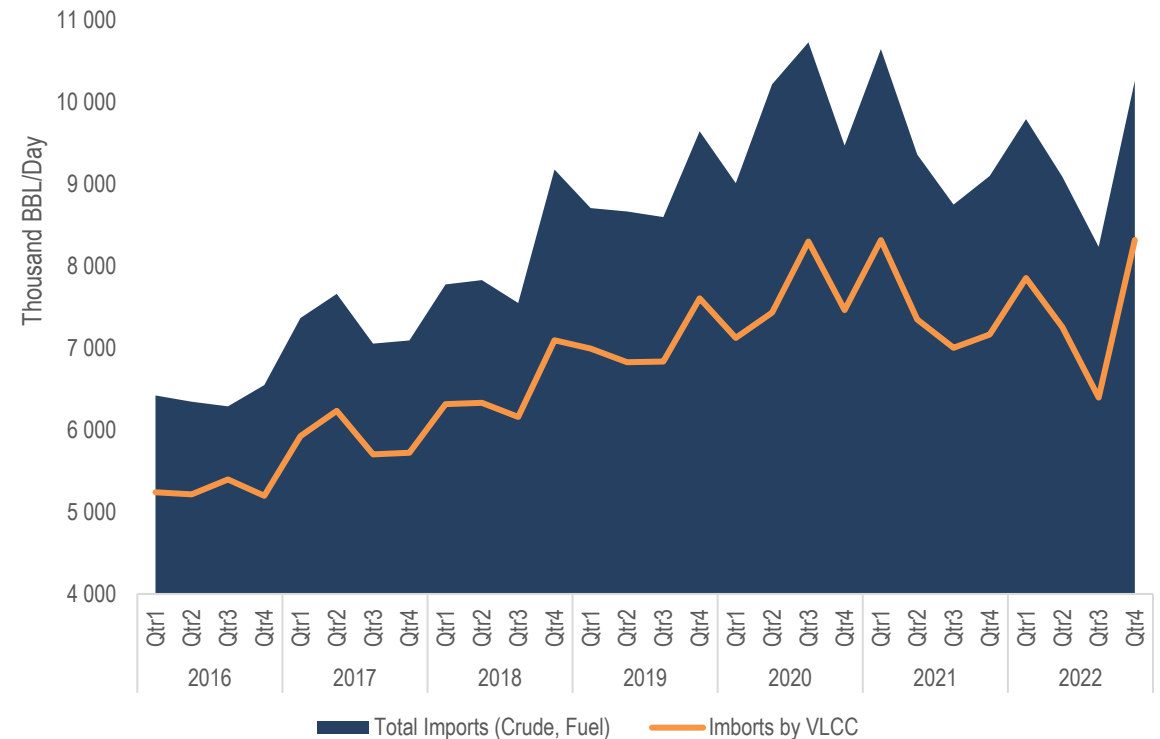
Sneak peek of what's to come?

- All segments Frontline operates performed during the quarter
- Average weighted market earnings for tankers, flirting with '04 highs
- Chinese imports above pre-covid levels (~10mbd)
- VLCC shipments to China at all-time-high, the big ships are back
- G7 Crude oil price cap - effect muted as crude flows already re-directed
- Mild winter in the Northern hemisphere muted demand in the quarter

Average Weighted Earnings All Tankers



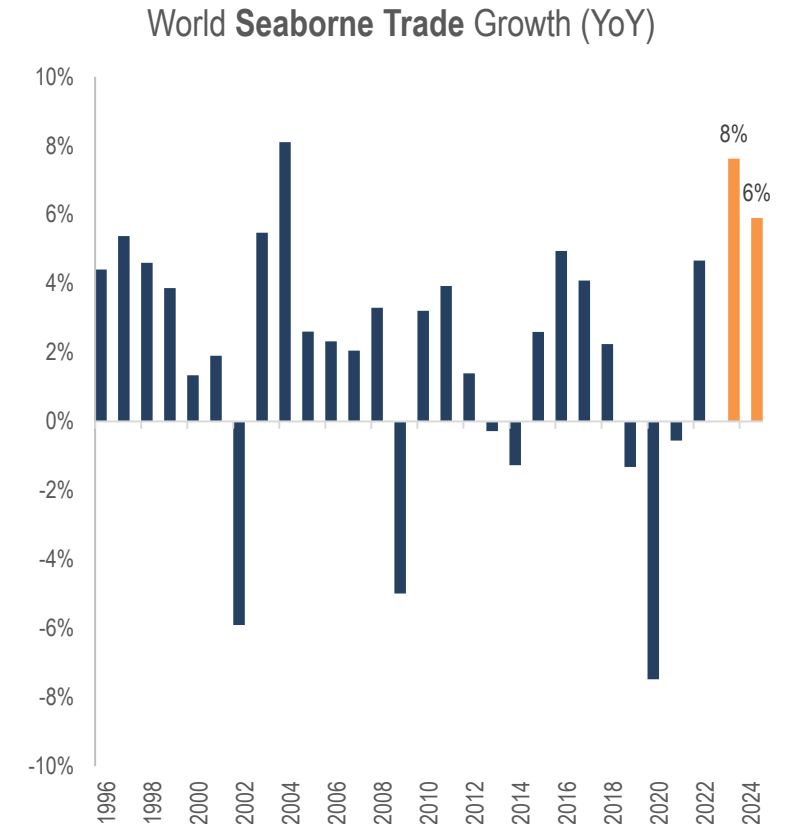
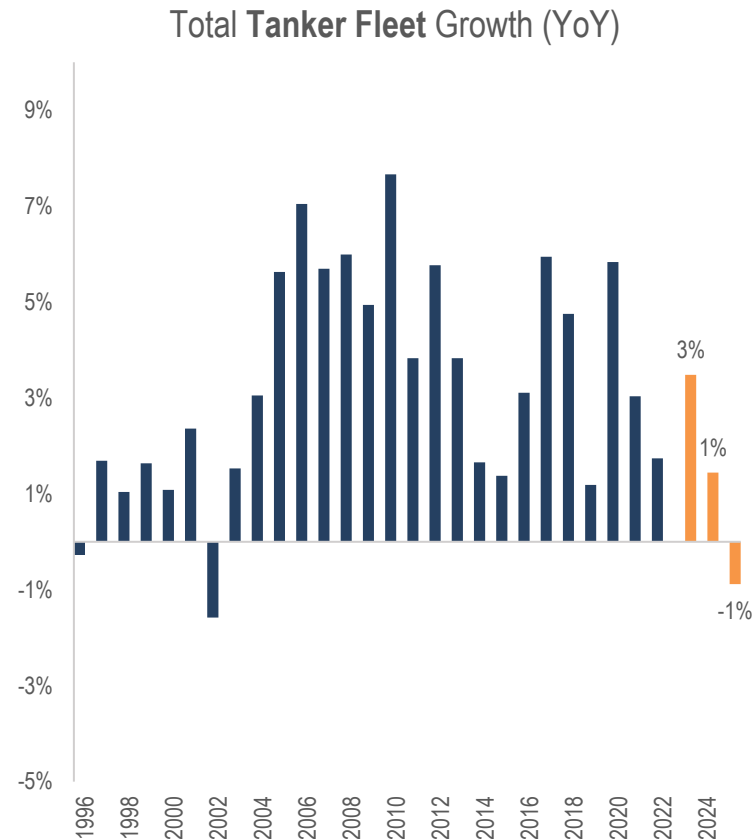
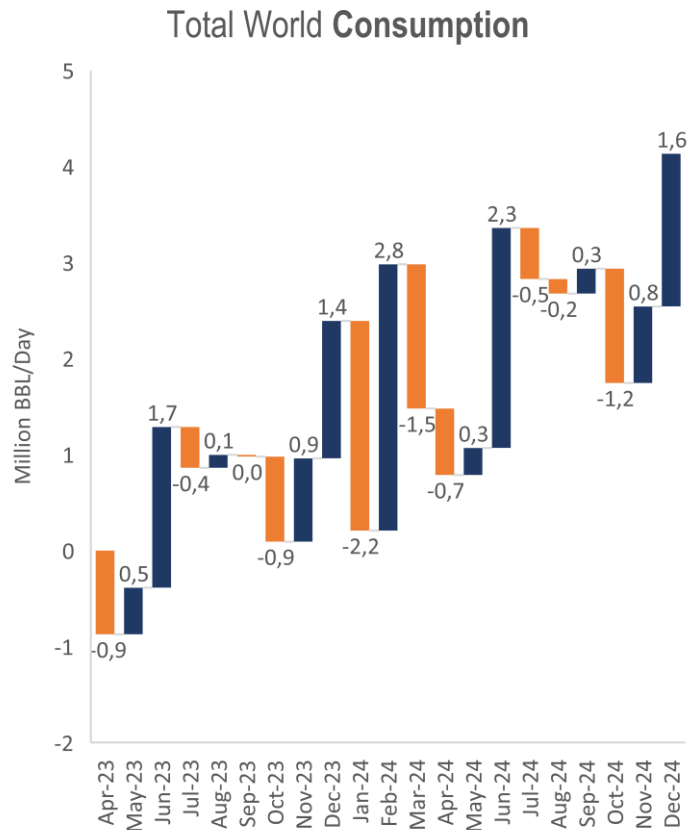
Chinese Imports



Three major themes – as we embark on an upcycle

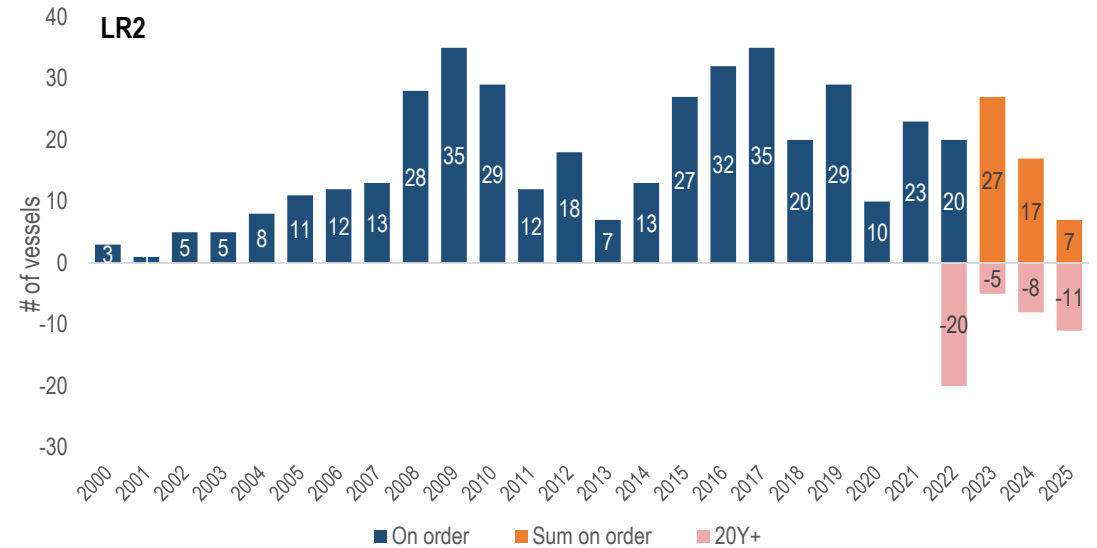
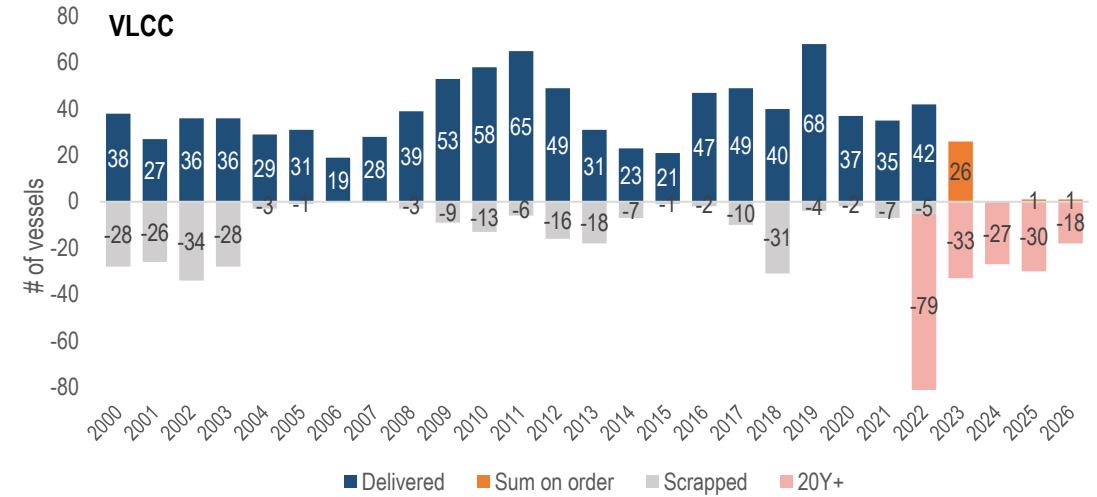
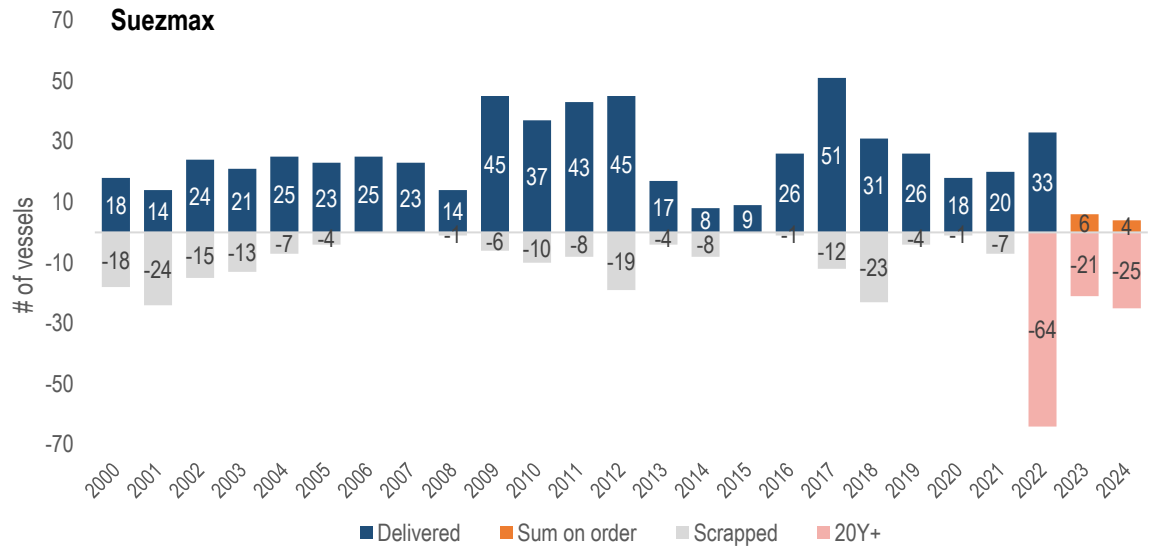
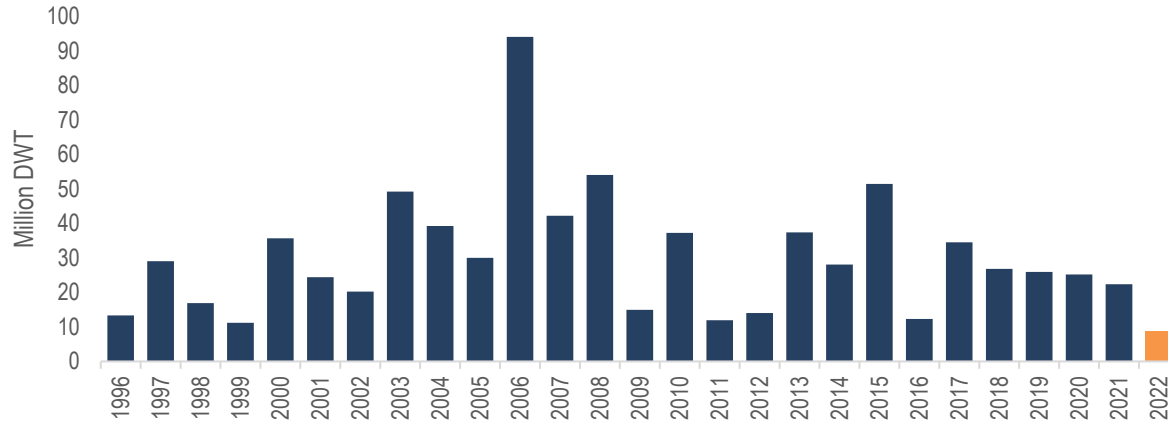
Oil Demand, Fleet supply, Distances

- Global oil consumption expected to grow by more than 4mbd
- Asia, and China the expected driver, returning from Covid lock-downs
- Total tanker fleet growth to turn negative in 2024, last seen in '02
- Change in trade dynamics may accelerate this, ~12% of fleet above 20Y
- World seaborne trade to grow 6-7% annually next two years
- Overall orderbook stands below 5%, delivery window now focused on 2026



Lowest contracting activity in decades

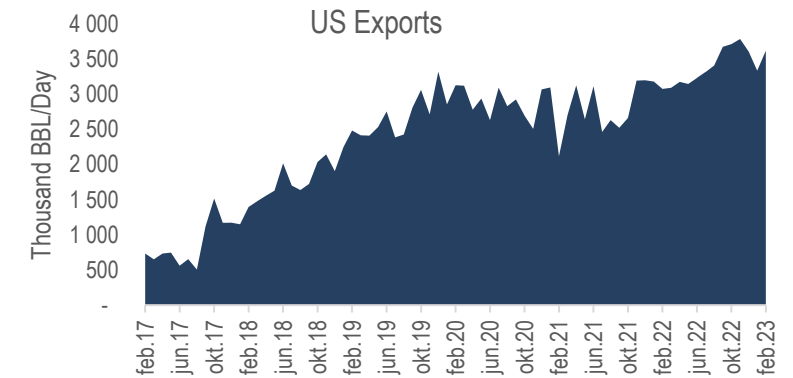
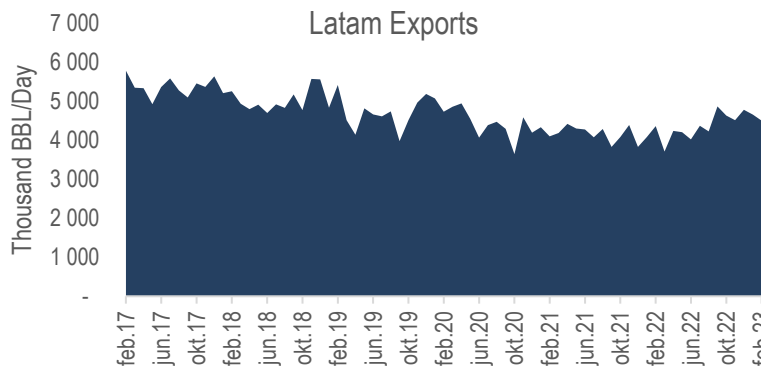
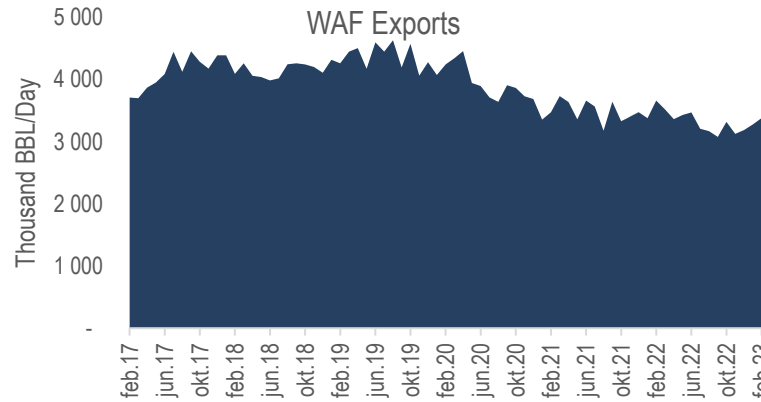
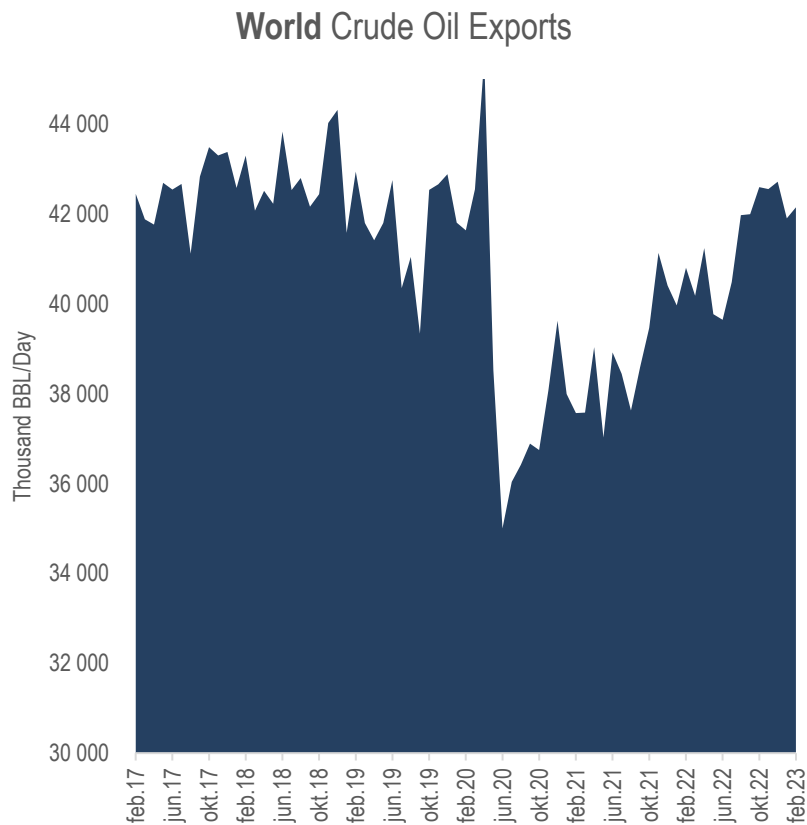
Tankers 10k + DWT Contracting



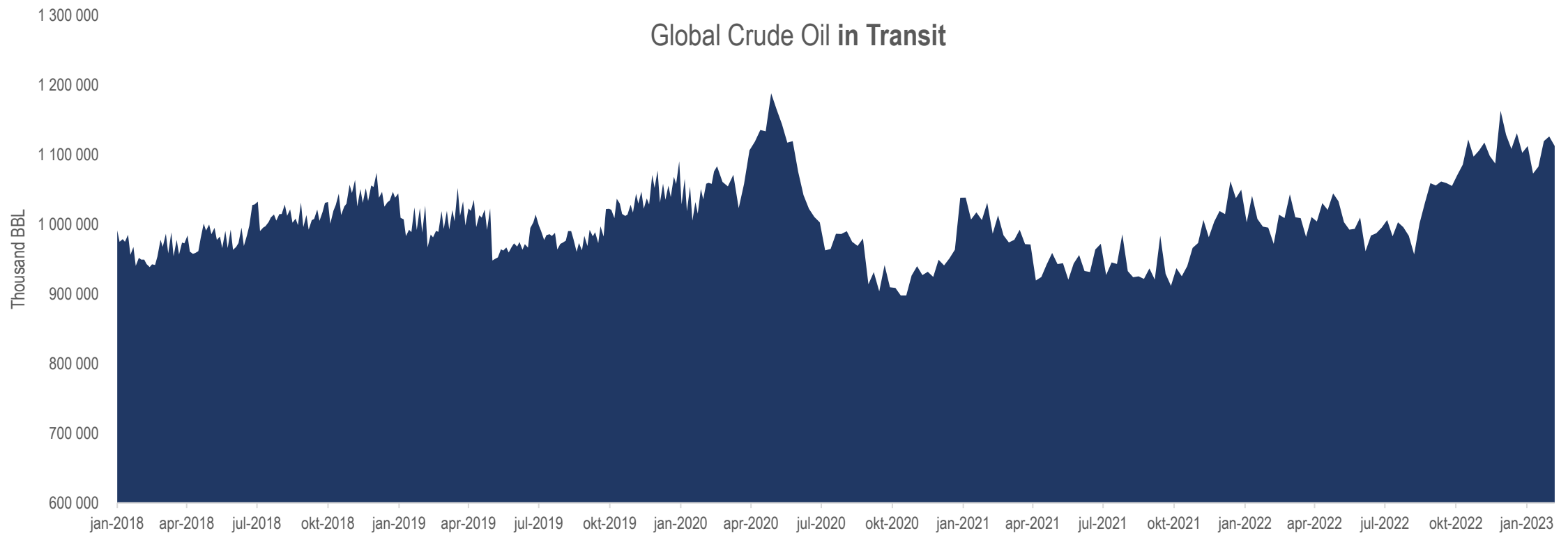
Key Exporting Regions

Global production and exports are catching up

- World crude oil exports are back to pre-covid levels
- ~42 Million bbl/day of oceangoing volumes
- West Africa continue to struggle but saw modest improvement in Q4
- Latin America performs, Brazil and recently Guyana key for growth
- Russian exports surprisingly resilient, exports back to pre-invasion levels
- US exports continue to be firm, despite SPR release tailing off



- Highest quarterly net income since 2008 - \$240.0 million - Cash dividend of \$1.07 for Q3 and Q4 2022
- Took delivery of the three remaining VLCC newbuildings from HHI, sold one VLCC and one Suezmax tanker, both 2009 builds
- China took centerstage in the fourth quarter, imports back to pre covid levels
- Oil demand continue to recover, limited fleet supply and increasing ton-mile demand key drivers for the years to come
- Frontline's efficient and transparent business model - generating shareholder returns !



Questions & Answers





FRONTLINE

www.frontline.bm



Appendix 1
Non-GAAP measures reconciliation
(Million \$ except per share)

	Q4 2022	Q3 2022	Q2 2022	Q1 2022	FY 2022	FY 2021
Total operating revenues net of voyage expenses and commission						
Total operating revenues	530	382	300	217	1,430	749
Voyage expenses and commission	(177)	(173)	(141)	(114)	(606)	(393)
Total operating revenues net of voyage expenses and commission	353	209	159	104	825	357

Adjusted net income (loss)

Net income (loss)	240	154	47	31	473	(11)
Add back:						
Loss on marketable securities	—	—	12	—	12	—
Share of losses of associated companies	—	—	—	—	—	1
Unrealized loss on derivatives (1)	1	—	—	—	1	3
Tax expense on dividend received	—	—	—	—	—	4
Loss on termination of leases	—	—	—	—	—	—
Less:						
Share of results of associated companies	(3)	(6)	(6)	—	(14)	—
Gain on settlement of insurance and other claims	—	(3)	(1)	—	(4)	—
Gain on marketable securities	(23)	(47)	—	—	(70)	(4)
Gain on sale of vessels	—	—	—	(6)	(6)	(5)
Dividends received	—	—	—	—	—	(18)
Unrealized gain on derivatives (1)	—	(16)	(9)	(26)	(51)	(27)
Amortization of acquired time charters	—	—	(1)	(1)	(3)	(5)
Adjusted net income (loss)	215	83	42	(3)	338	(61)

(in thousands)

Weighted average number of ordinary shares (basic and diluted)	222,623	222,623	206,965	203,531	214,011	198,965
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(in \$)

Adjusted basic and diluted earnings (loss) per share	0.97	0.37	0.20	(0.01)	1.58	(0.31)
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EBITDA

Net income (loss)	240	154	47	31	473	(11)
Add back:						
Interest expense	36	27	19	17	99	61
Depreciation	39	38	36	37	151	148
Income tax benefit (expense)	—	—	—	—	—	5
Less:						
Amortization of acquired time charters	—	—	(1)	(1)	(3)	(5)
EBITDA	315	219	101	84	720	198

Adjusted EBITDA

EBITDA	315	219	101	84	720	198
Add back:						
Net income attributable to the non-controlling interest	—	—	—	—	—	—
Loss on marketable securities	—	—	12	—	12	—
Share of losses of associated company	—	—	—	—	—	1
Loss on derivatives	—	—	—	—	—	5
Loss on termination of leases	—	—	—	—	—	—
Less:						
Share of results of associated company	(3)	(6)	(6)	—	(14)	—
Gain on settlement of claim	—	(3)	(1)	—	(4)	—
Gain on marketable securities	(23)	(47)	—	—	(70)	(4)
Gain on sale of vessels	—	—	—	(6)	(6)	(5)
Dividend received	—	—	—	—	—	(18)
Gain on derivatives	(3)	(17)	(9)	(25)	(54)	(22)
Adjusted EBITDA	287	146	98	52	584	155

Adjusted Interest expense

Interest expense	36	27	19	17	99	61
Interest income (expense) on derivatives	4	1	—	(1)	4	(6)
Adjusted Interest expense	32	25	19	18	95	67

This presentation describes: Total operating revenues net of voyage expenses and commission ("Total operating revenues (net of voyage expenses)", Adjusted net income (loss) ("Net income adj") and related per share amounts, Adjusted Earnings Before Interest, Tax, Depreciation & Amortisation ("Adjusted EBITDA" or "EBITDA adj") and Adjusted Interest Expense ("Interest expense adj"), which are not measures prepared in accordance with US GAAP ("non-GAAP").

We believe the non-GAAP financial measures provide investors with a means of analyzing and understanding the Company's ongoing operating performance.

The non-GAAP financial measures should not be considered in isolation from, as substitutes for, or superior to financial measures prepared in accordance with GAAP.

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided.

(1) Adjusted net income (loss) has been revised to only exclude the unrealized gain on derivatives to give effect to the economic benefit/cost provided by our interest rate swap agreements. A reconciliation of the gain on derivatives is as follows:

<i>(Million \$)</i>	YTD 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022	FY 2021
Unrealized gain (loss) on derivatives	50	(1)	16	9	26	23
Interest income (expense) on derivatives	4	4	1	—	(1)	(6)
Gain on derivatives	54	3	17	9	25	18