

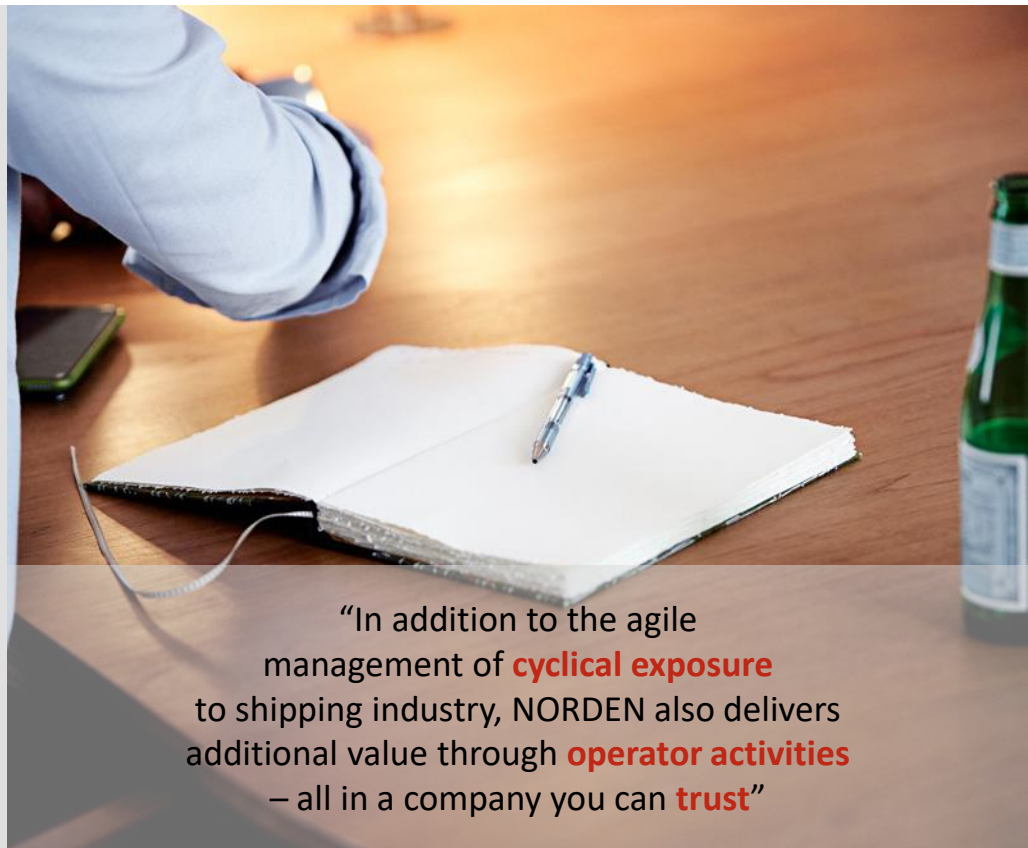
ANNUAL REPORT 2019 Investor presentation

Copenhagen, Denmark
4 March 2020



AGENDA

- Highlights 2019
- Q4 and 2019 results
 - Dry Operator
 - Dry Owner
 - Tanker
- New business unit structure
- Market outlook
- Guidance 2020
- Final words



“In addition to the agile management of **cyclical exposure** to shipping industry, NORDEN also delivers additional value through **operator activities** – all in a company you can **trust**”

A photograph of a man in a light-colored shirt and headset working at a computer workstation with multiple monitors. The text "Highlights 2019" is overlaid on the left side of the image.

Highlights 2019

HIGHLIGHTS 2019

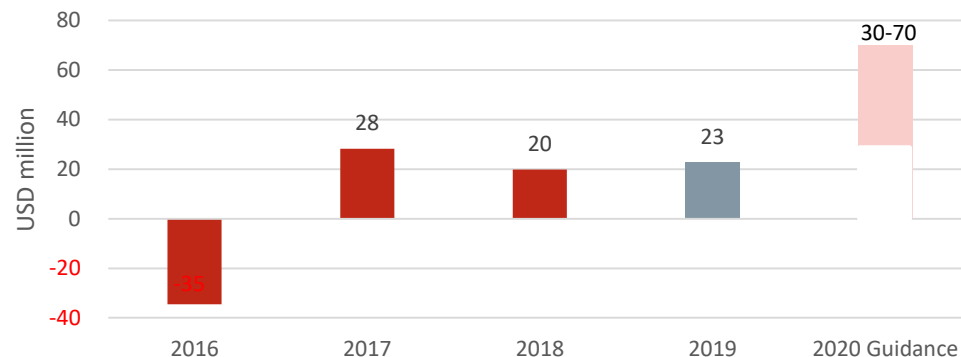
Strong finish to the year

- Q4 2019 Adjusted Result USD 31 million
- 2019 Adjusted Result USD 23 million
 - Last updated guidance for 2019 was USD 10 to 45 million
 - Negative impact due to IFRS 16 USD 14 million
- Dividend of 2.50 per share (77% pay-out ratio)
- New dividend policy - NORDEN targets dividends pay-out ratio of minimum 50% of the annual adjusted net profit.

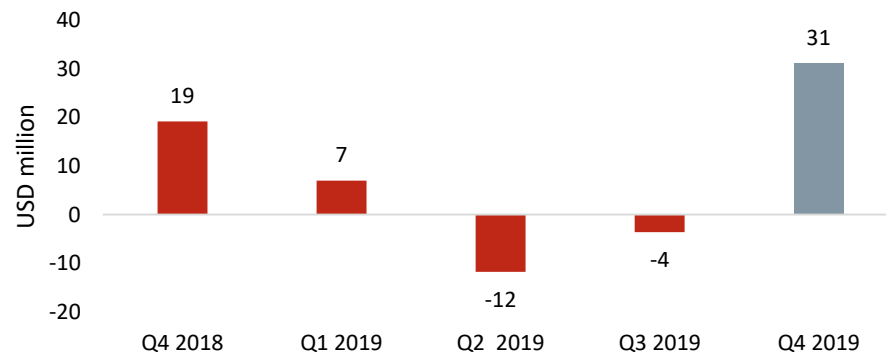
Business highlights

- Increased value of TC portfolio
- 16 out of 18 scrubbers in place on own vessels and 4 installed on leased vessels
- New business unit structure

Yearly results development



Quarterly results





Business unit performance Q4 and 2019

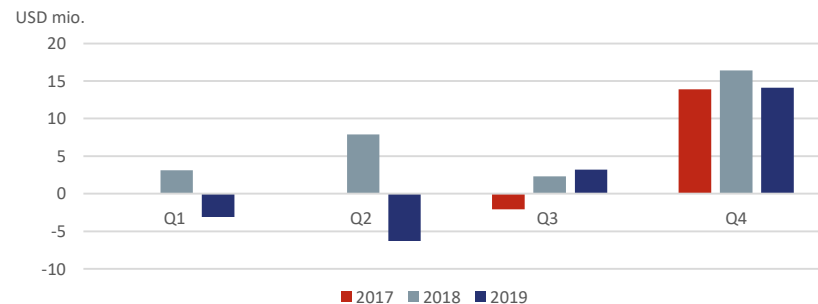
DRY OPERATOR - Q4 AND 2019

- Adjusted Result of USD 14 million in Q4 – USD 8 million for 2019
- 2019 was a challenging trading environment with events such as the Vale dam accident, Chinese swine flu and escalating trade tensions between the USA and China
- The Dry Operator successfully navigated a market in strong decline in the fourth quarter
- The fleet was actively reduced to an average of 261 vessels due to significant uncertainties related to IMO 2020 in late Q4
- Ambition to grow the overall size of the Dry Operator

Dry Operator key figures

USD million	Q4 18	Q1 19	Q2 19	Q3 19	Q4 19	2019
Contribution margin	27	11	8	19	30	67
Overhead and admin	-10	-10	-9	-9	-11	-39
Adjusted result	17	-3	-6	3	14	8
Vessel days	22,658	25,088	25,709	26,185	24,015	100,997

Dry Operator adjusted result by quarter



DRY OWNER - Q4 AND 2019

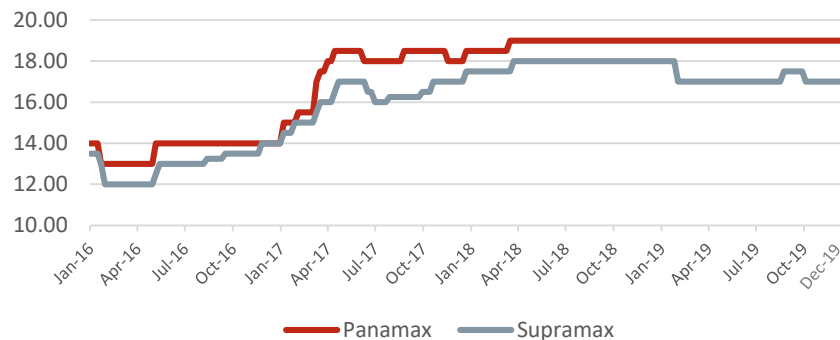
- Q4 2019 Adjusted Result of USD 2 million – USD 2 million for 2019
 - Negative effect in 2019 due to IFRS 16 USD 12 million
 - Good protection from coverage in a weak market
- Reduced forward exposure
 - Selling 2 Panamax, 2 Supramax and 2 Handysize vessels in anticipation of a weaker dry cargo market in 2020
 - Secured approximately 6,000 days of long-term cover through various employment contracts for the period 2020 to 2029

Dry Owner key figures

USD million	Q4 18*	Q1 19	Q2 19	Q3 19	Q4 19	2019
Contribution margin	11	24	21	27	24	95
Overhead and admin	-3	-3	-2	-3	-3	-11
Adjusted Result	5	0	-2	2	2	2

*Financial figures prior to 2019 are not restated to reflect IFRS 16

5-year secondhand asset values

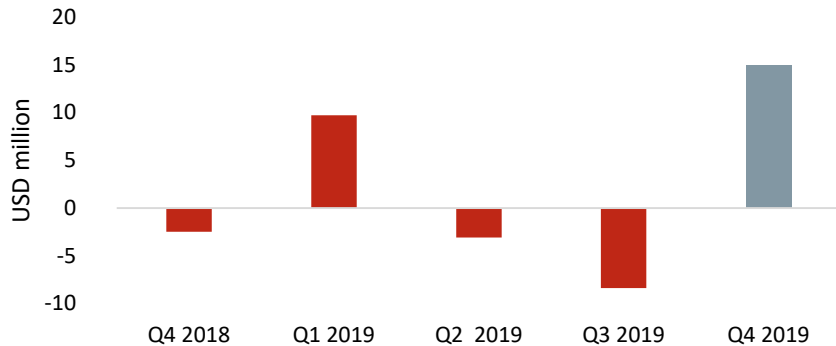


Source: Clarksons

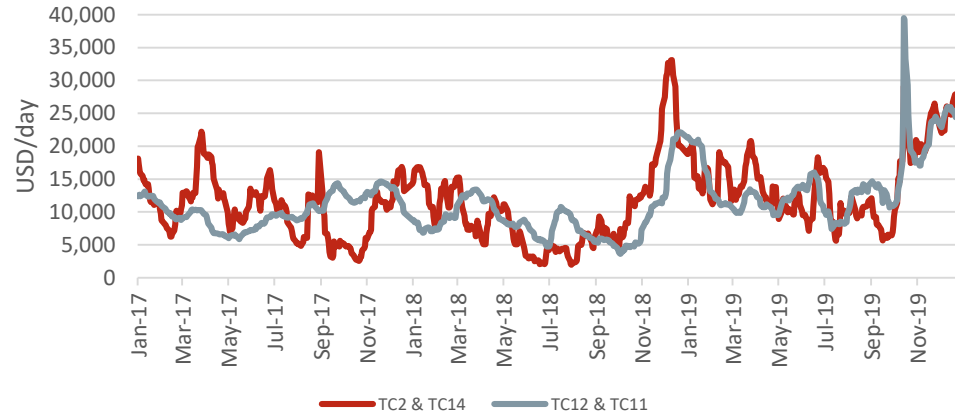
TANKERS - Q4 AND 2019

- Q4 2019 Adjusted Result of USD 15 million – USD 13 million for 2019
 - Negative effect in 2019 due to IFRS 16 USD 2 million
- Seasonally strong market in Q4
 - Handysize rates increased in early Q4, MR rates increased in December
- Optimised the tanker fleet during 2019
 - Continued the move from handysizes to MR by purchasing 2 MR vessels and selling 2 handysize vessels
 - Leased in 5 vessels and leased out 8 vessels

Quarterly adjusted result



Product rates (USD/day)



**New business unit structure
-“Trading to the next level”**

MAJOR SHIPPING TRENDS



Decarbonisation

- Climate change is a driver
- Decreased global use of oil and coal
- Reluctance to order newbuildings with current fossil-based technology

A changing China story

- Chinese economy develop towards being less commodity intensive
- Iron ore imports face headwinds

Shorter shipping cycles

- Increased uncertainty and complexity
- Opportunities for trading and earning margins in a volatile market

Digitalisation

- The industry is still highly analogue
- Opportunities to use growing data volume for decision making and process optimisation

NORDEN'S TRANSFORMATION



NORDEN has transitioned to a new business unit structure, which brings more agility and focus. This transition will facilitate:

Higher risk adjusted returns

- Short term trading-oriented operator activities
- Active exposure management

Better performance

- Transparency by establishment of individual bottom-lines
- Less dependent on long-term cyclical market developments

Beyond NAV

- Clear value assigned to each activity by reporting value in each unit
- Increasing dividend payments to shareholders

New business unit structure



ASSET MANAGEMENT






DRY OPERATOR



TANKER OPERATOR

NEW BUSINESS UNIT STRUCTURE

NORDEN is after the transformation is less dependent on long-term cyclical market exposure and more focused on advanced analytics and risk systems.

 <p>ASSET MANAGEMENT</p> <p>Active management of cyclical market exposure within dry cargo and product tanker segments.</p>	 <p>DRY OPERATOR</p> <p>Providing efficient global transport solutions to customers and active management of short-term market exposure in the dry cargo market.</p>	 <p>TANKER OPERATOR</p> <p>Providing efficient global transport solutions to and active management of short-term market exposure in the product tanker market.</p>
<p>Key performance measure: Return on allocated risk capital</p>		
<ul style="list-style-type: none"> • Time and negotiate transactions of owned and leased vessels • Attractive optionality through long-term leases • Safe and cost-efficient technical management 	<ul style="list-style-type: none"> • Maximise operational base margin between spot earnings and timecharter vessel costs • Maximise positioning margin by taking short-term directional and regional positions 	<ul style="list-style-type: none"> • Maximise operational base margin between spot earnings and timecharter vessel costs • Maximise positioning margin by taking short-term directional and regional positions • Commercial management of third party tanker vessels

SUBSTANTIAL VALUE BEYOND ASSET VALUES



ASSET MANAGEMENT

NAV-BASED VALUATION

Dry Cargo and Tanker	USDm
Market value of own vessels	833
Cash & equivalents	209
Interest bearing debt	-303
N/B installments	-38
Other net assets (book values)	151
Total NAV (excl. TC/Cover portfolio)	851
NAV per share, DKK	145



DRY OPERATOR

EARNINGS BASED VALUATION

	USDm
Adjusted net result last 12 months	8
Annualised since beginning in mid 2017	20



TANKER OPERATOR

EARNINGS BASED VALUATION

	USDm
Adjusted net result last 12 months	17

Historical performance

While the Tanker Operator is a newly established business unit, NORDEN's Tanker business has had a long track record of earning a positive TC margin (measured as realised TCE earnings less the average level of the 1 year TC market).

The average realised TC margin

- Since 2006: USD 1.300 pd
- Last 10 years: USD 1.377 pd
- Last 5 years: USD 1.589 pd

The valuation is excluding the value of the TC capacity, cover contracts and period and purchase options

**Excluding operational lease liabilities (IFRS16), Includes NORDEN's share of debt in Joint Ventures*

*** DKK/USD exchange rate of 6.87 and 39.3m shares*

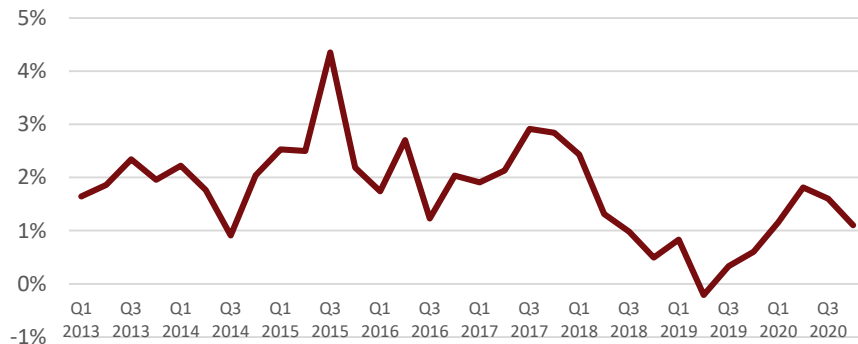
Market outlook



TANKER MARKET OUTLOOK 2020

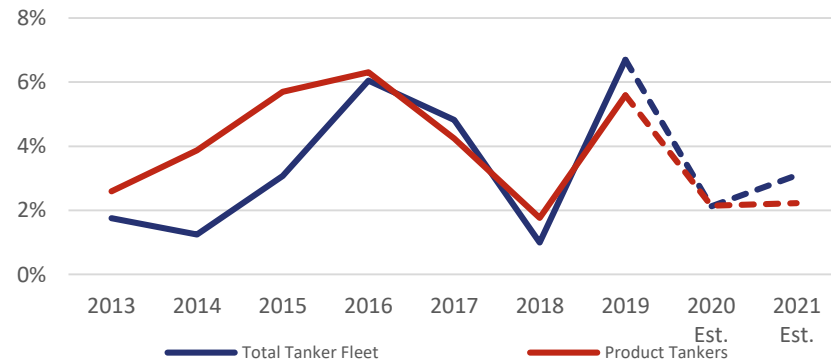
- NORDEN expects an overall stronger tanker market in 2020 than in 2019
- Forward rates and asset values remain high despite global uncertainty
- Strong tonnes-mile demand expected
 - Increased refinery runs
 - Longer transportation distance due to Atlantic crude going to east refineries
- Relatively low fleet growth expected in 2020

CPP volume demand (YoY%)



Source: Energy Aspects

Tanker fleet growth

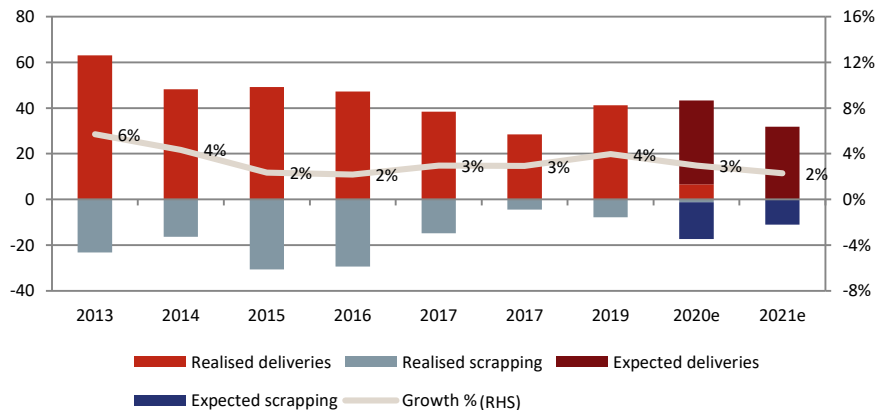


Source: SSY and NORDEN

DRY CARGO MARKET OUTLOOK 2020

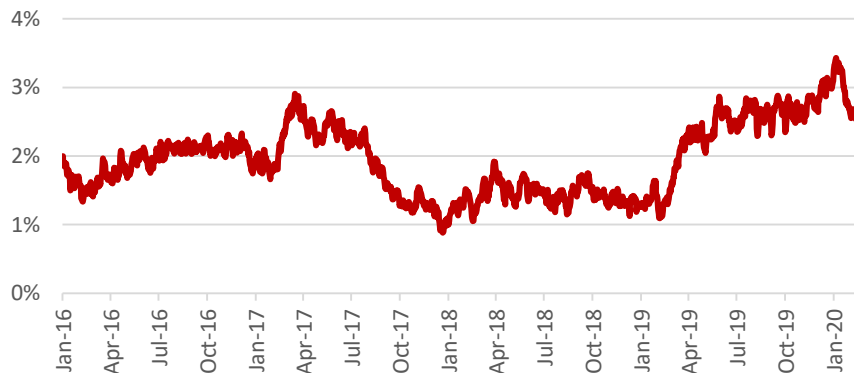
- Overall the dry cargo market is expected to be weaker than in 2019
- Good demand growth driven by acceleration in Brazilian iron ore exports and good grain seasons
- However, supply growth is expected to be higher
 - Order book of 10%, and lower slippage
 - Added supply pressure from large number of vessels leaving scrubber dry dock
 - Higher scrapping levels needed in order to balance the market

Supply



Source: Clarkson and NORDEN
16 | Annual Report 2019

Dry docking (% of fleet)






Source: TRACS

Guidance



GUIDANCE 2020

In challenging markets, NORDEN expects to continue to deliver improved earnings with an expected Adjusted Result for 2020 of USD 30-70 million

 <p>ASSET MANAGEMENT</p>	 <p>DRY OPERATOR</p>	 <p>TANKER OPERATOR</p>
<ul style="list-style-type: none"> • Expects significant improvement in profits • Stronger tanker market; high coverage in dry cargo • Earnings to be positively influenced by an average of 16 active scrubber fitted vessels 	<ul style="list-style-type: none"> • Adjusted Result above that for 2019 • Based on higher margins and similar activity level • Seasonality similar to past years 	<ul style="list-style-type: none"> • Net result similar to or slightly below that of 2019 • Substantial open position • Expect normal seasonality: Earnings mainly expected in Q1 and Q4

FINAL WORDS



SO MUCH MORE THAN JUST OWNED VESSELS

- True value of NORDEN is more than the market value of owned vessels
- Well positioned into Q1 despite the negative effect from the Corona virus
- New business unit structure
- New dividend policy: Min. 50% pay-out
- Guidance 2020: USD 30-70 million



FORWARD LOOKING STATEMENTS

This presentation contains certain forward-looking statements reflecting the management's present judgment of future events and financial results.

Statements relating to 2020 and subsequent years are subject to uncertainty, and NORDEN's actual results may therefore differ from the projections.

Factors that may cause such variance include, but are not limited to, changes in macro-economic and political conditions, particularly in the Company's principal markets; changes to the Company's rate assumptions and operating costs; volatility in rates and tonnage prices; regulatory changes; any disruptions to traffic and operations as a result of external events, etc.

THANK YOU FOR YOUR ATTENTION

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Back-up slides

NORDEN – enabling smarter global trade

Since 1871, NORDEN has built a reputation for providing reliable and efficient transport solutions to customers across the world. The Copenhagen-listed company offers shareholders earnings from industry-leading operator and owner activities generated by a highly skilled organisation in addition to cyclical exposure to the dry cargo and product tanker markets.

~400

Vessels

~127

million tonnes cargo transported

>600

Customers

1,110

Employees

32

Employee nationalities

~9,600

port calls

VANCOUVER, CANADA

ANNAPOLIS, USA

RIO DE JANEIRO, BRAZIL

SANTIAGO, CHILE

ABIDJAN, IVORY COAST

COPENHAGEN, DENMARK

LIMASSOL, CYPRUS

MUMBAI, INDIA

SINGAPORE

MELBOURNE, AUSTRALIA

SHANGHAI, CHINA

With 11 offices across 6 continents, NORDEN operates at the heart of global trade, transporting dry cargo and product tanker commodities across the globe.

DRY OWNER PORTFOLIO

Vessel type	Panamax	Supramax	Handysize	Total
Vessels in operation				
Owned vessels	2.0	8.5	2.0	12.5
Chartered vessels	13.5	14.0	3.0	30.5
Total active fleet	15.5	22.5	5.0	43.0
Vessels to be delivered				
Owned vessels	0.0	2.0	0.0	2.0
Chartered vessels	2.0	5.0	1.0	8.0
Total vessels to be delivered	2.0	7.0	1.0	10.0
Total gross fleet	17.5	29.5	6.0	53.0

Dry Cargo fleet values at 31 December 2019 (USD million)

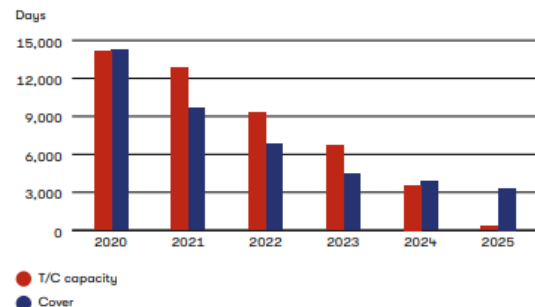
Average age of owned vessels	6.0	2.8	7.0	4.0
Market value of owned vessels and newbuildings*	46	259	25	330
Broker estimated value of certain charter parties attached to owned vessels	5	0	9	14
Carrying amount / cost	52	252	40	344
Value added	-1	7	-5	0
Value of purchase and extension options on chartered tonnage	9.0	7.8	0.1	16.9

* Charter free and including joint ventures and assets held for sale, if any.

Dry Owner at a glance

- Primarily Supramax and Panamax vessels
- Large portfolio of long-term charters from Japan with significant optionality incl. purchase options
- Cover portfolio based on cargo contracts with major commodity owners

T/C capacity and cover



The long-term T/C-In and cover portfolio at year-end consisted of 56,983 vessel days, and of these 81% were covered at fixed rates.

DRY OWNER POSITIONING

	2020	2021	2022	2020	2021	2022
Owned vessels	Ship days					
Panamax	730	730	730			
Supramax	3,351	3,833	3,833			
Handysize	730	730	730			
Total	4,811	5,293	5,293			
Chartered vessels				Cash costs for T/C capacity (USD per day)		
Panamax	5,740	4,983	3,293	13,078	12,888	12,691
Supramax	6,269	6,205	5,411	12,069	12,219	12,025
Handysize	2,134	1,680	569	9,523	9,518	10,169
Total	14,143	12,867	9,273	12,094	12,126	12,148
Total capacity	18,954	18,160	14,565			
Coverage				Revenue from coverage (USD per day)		
Panamax	5,678	3,288	2,699	13,062	12,888	13,163
Supramax	6,103	4,022	2,437	11,883	11,149	11,710
Handysize	2,484	2,304	1,663	11,257	11,336	11,198
Total	14,265	9,613	6,799	12,243	11,789	12,161
Coverage in %						
Panamax	88%	58%	67%			
Supramax	63%	40%	26%			
Handysize	87%	96%	128%			
Total	75%	53%	47%			

Costs are cash T/C hire costs, excluding O/A.

* Including cash running costs of owned vessels. Costs are excluding O/A.

Cash costs and revenue of the Dry Owner capacity and coverage are excluding accounting effects from IFRS 16 standards.

TANKERS PORTFOLIO

Vessel type	LR1	MR	Handysize	Total
Vessels in operation				
Owned vessels	0.0	17.0	7.0	24.0
Chartered vessels	2.0	27.0	8.0	37.0
Total active fleet	2.0	44.0	15.0	61.0
Vessels to be delivered				
Owned vessels	0.0	0.0	0.0	0.0
Chartered vessels	0.0	12.0	0.0	12.0
Total vessels to be delivered	0.0	12.0	0.0	12.0
Total gross fleet	2.0	56.0	15.0	73.0
Tanker fleet values at 31. december 2019 (USD million)				
Average age of owned vessels	0	8.1	10.9	8.9
Market value of owned vessels and newbuildings*	0	406	97	503
Broker estimated value of charter parties	0	4	0	4
Carrying amount / cost	0	424	133	557
Value added	0	-15	-35	-50
Value of purchase and extension options on chartered tonnage				
	0.4	13.1	14.8	28.3

* Charter free and including joint ventures and assets held for sale, if any.

Tankers at a glance

- MR and Handysize vessels
- Primarily own technical management
- Portfolio of 36 chartered in vessels
- All short-term chartering-out conducted via Norient Product Pool (NPP) of which NORDEN owns 100%
- Long track record of earnings beating the market benchmarks and peers

TANKER POSITIONING

	2020	2021	2022	2020	2021	2022
Owned vessels	Ship days					
MR	6,194	6,205	6,205			
Handysize	2,555	2,555	2,555			
Total	8,749	8,760	8,760			
Chartered vessels				Cash costs for T/C capacity (USD per day)		
LR1	277	0	0	18,600	0	0
MR	9,205	6,766	6,185	14,761	15,345	15,252
Handysize	1,943	85	0	13,359	13,233	0
Total	11,424	6,851	6,185	14,616	15,319	15,252
Total capacity	20,173	15,611	14,945			
Coverage				Revenue from coverage (USD per day)		
LR1	277	0	0	18,520	0	0
MR	4,450	2,887	1,824	17,415	17,235	17,087
Handysize	359	0	0	16,139	0	0
Total	5,086	2,887	1,824	17,385	17,235	17,087
Coverage in %						
LR1	100%					
MR	29%	22%	15%			
Handysize	8%	0%	0%			
Total	25%	18%	12%			

* Including cash running costs of owned vessels. Costs are excluding O/A. Cash costs and revenue of the Tanker capacity and coverage are excluding accounting effects from IFRS 16 standards

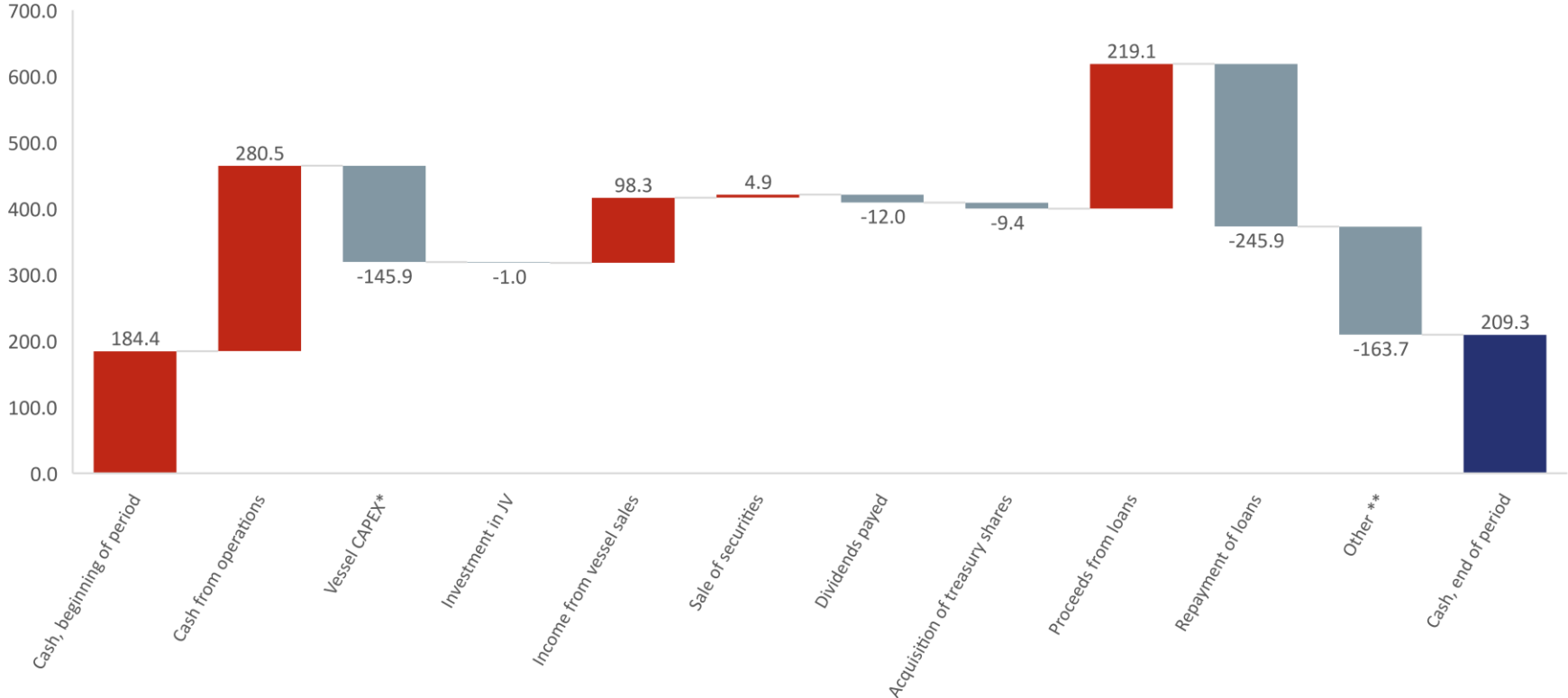
2019 AND Q4 INCOME STATEMENT

USD million	2019	2018*	2017*	2016*	2015*
INCOME STATEMENT					
Revenue	2,581.9	2,451.4	1,808.6	1,251.2	1,653.4
Contribution margin	295.0	132.3	116.8	76.1	70.9
EBITDA (excl. provision)	217.5	72.5	68.1	30.6	165.5
Provision (excl. joint ventures)	0.0	0.0	0.0	0.0	-145.0
EBITDA	217.5	72.5	68.1	30.6	20.5
Profit/loss from sale of vessels etc.	-3.6	8.8	0.9	-45.5	-31.0
Depreciation, amortisation and impairment losses	-156.9	-44.3	-42.2	-49.6	-248.6
EBIT	56.8	39.4	23.3	-64.5	-282.0
Financial items, net	-32.7	-6.8	-0.9	-12.2	-9.4
Profit/loss for the year	19.2	28.8	24.6	-45.6	-284.9
Adjusted Result for the year ¹	22.8	20.0	28.4	-34.6	-263.0
STATEMENT OF FINANCIAL POSITION					
Total assets	1,742.4	1,464.4	1,326.5	1,301.0	1,604.7
Equity	859.0	826.8	834.4	801.4	856.1
Liabilities	883.4	637.6	492.1	499.6	748.6
Invested capital	1,283.5	970.2	836.7	753.8	788.7
Net interest-bearing debts/assets	-424.5	-143.4	-2.3	47.6	67.3
Cash and securities	209.3	188.6	219.4	263.9	365.7
CASH FLOWS					
From operating activities	276.9	-24.7	6.3	-79.7	76.9
From investing activities	-90.9	-78.4	-0.2	102.1	-112.9
- hereof investments in property, plant and equipment	-102.7	-181.4	-75.4	-36.8	-131.6
From financing activities	-207.6	104.5	3.0	-85.3	67.5
ENVIRONMENTAL AND SOCIAL KEY FIGURES					
EEOI** (gCO ₂ /tonnes-mile)	8.70	8.60	8.75	9.03	8.78
LTIF*** (million working hours)	1.45	0.29	1.58	0.89	0.88

USD million	Dry Operator	Dry Owner	Tankers	Total Q4 2019	Total Q4 2018
Contribution margin	29.9	23.7	52.2	105.8	47.9
EBITDA	19.4	20.8	44.2	84.4	31.7
EBIT	14.6	3.6	20.0	38.2	19.9
Profit/loss for the period	14.1	2.2	16.1	32.4	19.2
Adjusted Result Q4 2020	14.1	2.2	14.9	31.2	19.2

* Adjusted Result for the period was computed as "Profit/loss for the period" adjusted for "Profit/loss from sale of vessels, etc." including vessels in joint ventures.

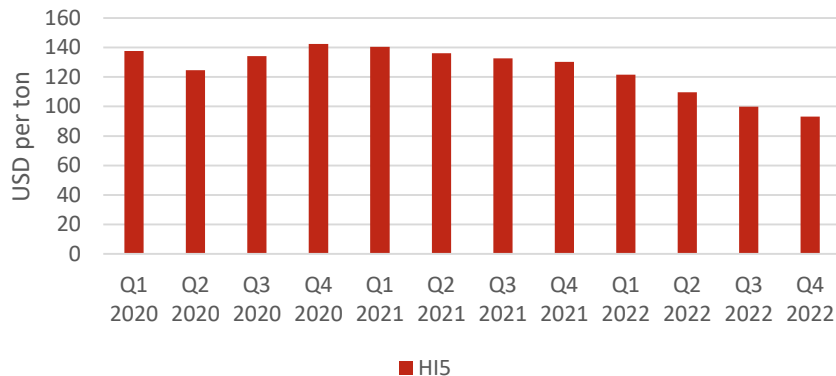
CASH FLOWS DURING 2019



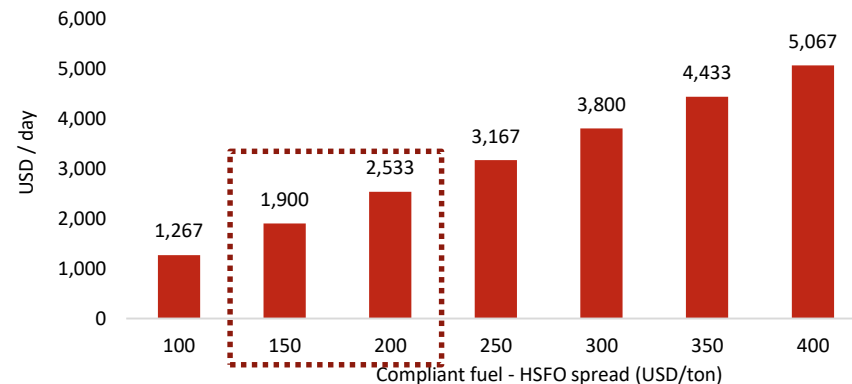
SCRUBBER UPDATE

- 16 out of 18 scrubber installations have been completed on own vessels
- 4 scrubbers installed on leased vessels
- VLSFO is the preferred compliant fuel
- VLSFO – HSFO spread is very volatile
 - Down with oil price
 - Spread = 158

Rotterdam VLSFO – HSFO forward spread*













Supramax average TCE from scrubber*



*VLSFO price estimated from a USD 50-100 per ton discount to ICE Gasoil futures
Source: ICE

* Average consumption of 24 / 3 tonnes per day with 50 % sailing intensity and 50 % port calls

BUSINESS UNIT VALUE DRIVERS

	 Market exposure Taking a view on market direction and manage exposure	 Regional exposure Taking a view on regional rate developments	 Options Securing and re-aliasing value of optionality (period and purchase options)	 Employment arbitrage Choosing between cargoes, T/C-out and FFAs to fix income	 Clip deals Securing margin on a single voyage performed on a third party vessel with a minimum of market risk	 Vessel selection Evaluating earnings capacity of owned and chartered tonnage	 Vessel operation Speed setting, cargo handling and port operations	 Minimising ballast Optimise the matching of COA and market cargoes with available vessels	 Technical management Safe, reliable and costefficient technical management of the owned fleet	 Pool Management Generating fees as commercial manager of Norient Product Pool
ASSET MANAGEMENT	★		★			★			★	
DRY OPERATOR	★	★	★	★	★	★	★	★		
TANKER OPERATOR	★	★	★	★		★	★	★		★

Positioning margin

Base margin

THE SHARE (DNORD)

Master data

Shareholder capital	DKK 42,200,000
Number of shares and denomination	42,200,000 shares of DKK 1
Classes of shares	1
Voting and ownership restrictions	None
Stock exchange	NASDAQ Copenhagen
Ticker symbol	DNORD
ISIN code	DK0060083210
Bloomberg code	DNORD.DC
Reuters code	DNORD.CO

Composition of shareholders

- International ownership share counted 634 registered shareholders, in aggregate owning 28.1% of the share capital.

