

ANNOUNCEMENT NO. 111 - 5 May 2022

INTERIM REPORT

FIRST QUARTER 2022

KEY POINTS

FIRST QUARTER 2022

Results

- Profit for the period: USD 117 million (Q1 2021: USD -15 million).
- Profit/loss for the period per business unit*:
 - Assets & Logistics: USD 41 million (USD -7 million).
 - Freight Services & Trading: USD 76 million (USD -8 million).

* Q1 2021 comparison based on Asset Management and combined Dry Operator and Tanker Operator profit/loss for the period, respectively.

Business highlights

Assets & Logistics

- Market value of owned and leased vessels at USD 1,238 million.
 - Market value of owned vessels exceeded book values by USD 110 million.
- Realised gains on strong dry cargo market through:
 - Profitable dry cargo cover at high rates.
 - 6 dry cargo vessels sold at 10-year high price levels.
 - Declared extension options on lease portfolio.
- Commenced operations on 10-year port logistics contract in Gabon.

Freight Services & Trading

- High exposure to a stronger product tanker market means increased forward values.
- Secured strong margins amid high market volatility:
 - Increased exposure on the right vessel types.
 - Regional arbitrage across Atlantic/Pacific markets.

Guidance

- NORDEN expects profit for the year in the range of USD 270-350 million (incl. sales gains of USD 28 million from already sold vessels), in line with recently announced guidance in late April.
- For both business units, the distribution of earnings per quarter is expected to be more front loaded than normal.
- Given the war in Ukraine, sanctions on Russia, ongoing COVID-19 disruptions and macroeconomic uncertainties, freight market uncertainty and volatility is expected to remain high. However, NORDEN's business model is well equipped to manage this uncertainty.

“Great Q1 result based on strong performances in both business units as we continue to capture value in the dry cargo market through vessel sales, profitable cover and by utilising regional market volatility. By shifting our market exposure from dry cargo to tankers, combined with excellent vessel positioning towards a much-improved tanker market in recent weeks, NORDEN expects a full-year result between USD 270-350 million”.

CEO Jan Rindbo

KEY FIGURES AND RATIOS FOR NORDEN

Amount in USD million	Q1 2022	Q1 2021	FY 2021
Income statement			
Revenue	1,087.9	603.9	3,551.8
Contribution margin	247.7	75.3	649.6
EBITDA	211.2	58.3	532.2
Profit/(loss) from sale of vessels etc.	28.4	-9.2	7.7
Depreciation, amortisation and impairment losses	-107.8	-57.0	-295.5
EBIT	131.5	-7.6	245.5
Financial items, net	-12.6	-6.6	-34.8
Profit for the period	117.1	-14.9	204.5
Statement of financial position			
Total assets	2,577.5	1,903.2	2,453.5
Equity	1,014.2	786.6	993.3
Liabilities	1,563.3	1,116.6	1,460.2
Invested capital	1,725.1	1,362.4	1,631.0
Net interest-bearing debt	-710.9	-575.8	-637.7
Cash and securities	364.8	261.8	410.7
Cash flows			
From operating activities	152.1	-51.7	433.9
From investing activities	83.2	52.2	2.6
- hereof investments in property, plant and equipment	-60.8	-1.5	-92.1
From financing activities	-269.4	-21.8	-261.9
Environmental and social figures			
EEOI (gCO ₂ /tonnes-mile) ¹⁾	9.3	9.1	8.6
LTIF (days per million working hours) ²⁾	0.8	1.3	0.8

	Q1 2022	Q1 2021	FY 2021
Share-related key figures and financial ratios			
No. of shares of DKK 1 each (including treasury shares)	39,200,000	40,700,000	39,200,000
No. of shares of DKK 1 each (excluding treasury shares)	35,861,431	37,419,993	36,763,061
Number of treasury shares	3,338,569	3,280,007	2,436,939
Earnings per share (EPS), DKK	21	-2	34
Diluted earnings per share (diluted EPS), DKK	21	-2	34
Book value per share (excluding treasury shares) (DKK) ³⁾	189	133	170
Share price at end of period, DKK	236	147	166
Other key figures and financial ratios⁴⁾			
EBITDA ratio	19.4%	9.7%	15.0%
ROIC ⁵⁾	31.3%	-2.3%	17.1%
ROE ⁵⁾	39.7%	-7.2%	21.6%
Equity ratio	39.3%	41.3%	40.5%
Total no. of vessel days for the Group	41,964	40,453	170,270
USD/DKK rate at end of the period	670.02	634.31	656.12
Average USD/DKK rate	663.50	617.35	629.18

¹⁾ The Energy Efficiency Operational Indicator (EEOI) is a measurement of efficiency and is defined as the amount of CO₂ emitted per tonne of cargo transported 1 mile. The calculation of EEOI has changed as of FY2021 onwards, and now also includes vessels and voyages on T/C-out to third parties. Previously, only own voyages were included.

²⁾ Lost Time Injury Frequency (LTIF) is the frequency a seafarer is unable to work for more than 24 hours per 1 million working hours. NORDEN is working closely together with technical management partner Synergy Marine Group to ensure safety onboard our vessels and makes continuous efforts towards safe working practices during all aspects of the operations.

³⁾ Converted at the USD/DKK rate at end of period.

⁴⁾ The ratios were computed in accordance with "Recommendations and Financial Ratios" issued by the Danish Association of Financial Analysts. However, "Profit and loss from the sale of vessels, etc." is not included in EBITDA. Please see definitions in the section "Definitions of key figures and financial ratios" in the Annual Report for 2021. The figures are adjusted for the Company's holding of treasury shares.

⁵⁾ Figures are annualised.

COMMENTS ON THE DEVELOPMENT OF THE FIRST QUARTER 2022

Results

The profit for the first quarter of 2022 amounted to USD 117 million (USD -15 million). Profit from the sale of vessels contributed with USD 28 million.

Both depreciations and financial expenses increased significantly compared to Q1 2021, which is mainly due to IFRS 16 lease accounting as more timecharter vessels are being recognised as right-of-use assets.

Equity

Equity amounted to USD 1,014 million at the end of Q1, compared to USD 993 million at the end of 2021. The development is mainly due to the result for the period, offset by dividends paid and acquisition of treasury shares. The strong profit for the period increased return on equity to 40% in Q1 (-7%).

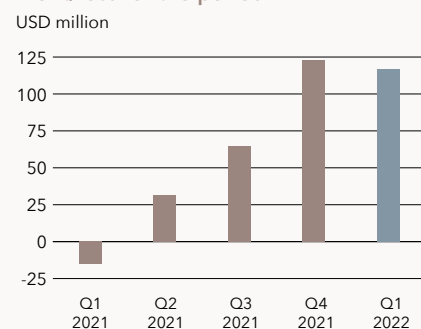
Cash flows & liquidity

Cash flow from operating activities for the first quarter was positive by USD 152 million (USD -52 million), driven by a positive change in EBITDA, partly offset by a change in working capital.

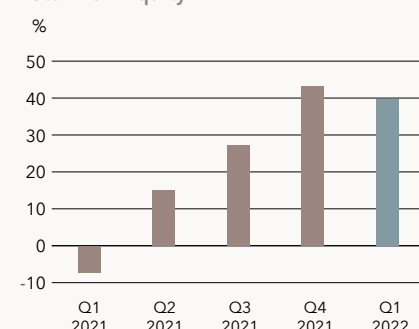
At the end of the first quarter (before payment of dividend for the year), NORDEN had available liquidity of USD 515 million, which consists of USD 365 million in cash and cash equivalents supplemented by USD 150 million in undrawn credit facilities.

Based on the strong liquidity position NORDEN bought back USD 25.5 million of own bonds in the first quarter of 2022.

Profit/loss for the period

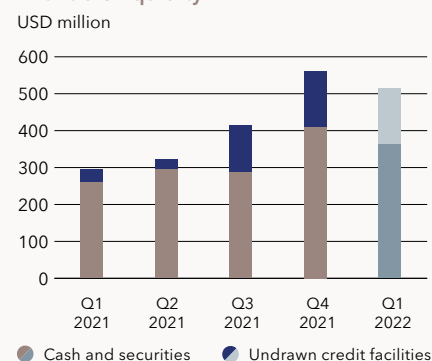


Return on Equity



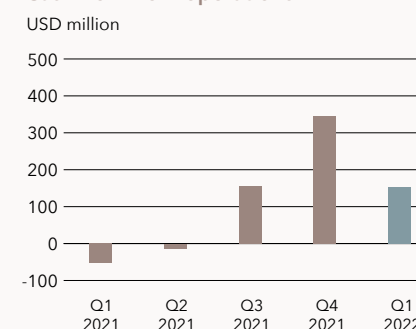
Note: Quarterly figures are annualised

Available liquidity



● Cash and securities ● Undrawn credit facilities

Cash flow from operations



MARKET DEVELOPMENTS

Dry cargo market

- **Market development and spot rates**

Although average spot rates were lower than in Q4 2021, the levels are still indicating a very strong market, considering that Q1 is typically the weakest season of the year. Rates continue to be supported by market inefficiencies including historically high congestion levels. The war in Ukraine and sanctions on Russia created longer voyage distances, although commodity volumes are not easily replaced. In contrast to normal patterns, Pacific rates were stronger than Atlantic rates, creating opportunities for regional arbitrage. Average Supramax spot rates decreased 17% from USD 30,500 per day in Q4 2021 to USD 25,150 per day in Q1 2022.

- **Period rates and asset prices**

After stabilising in late 2021, the 1-year T/C rates for Supramax vessels increased by 16% from USD 24,125 per day to USD 27,875 per day. Asset prices for 5-year old Supramax vessels increased by 6% from USD 29.8 million to USD 31.7 million.

- **Market outlook**

Although the market is expected to trend lower, it is expected that levels will remain above historical averages. The long-term market impact of the war in Ukraine and sanctions on Russia is expected to be marginally negative as the effect of lost commodity volumes outweighs the effect of longer distances. Chinese stimulus of its economy will be an important driver, as will the impact of global inflation on commodity demand. Easing of congestion levels and slower global growth are expected to add to the gradual loosening of the market.

Product tanker market

- **Market development and spot rates**

Market continued to be poor during most of Q1, characterised by a lack of oil volumes to transport. The war in Ukraine and sanctions on Russia have impacted trading patterns considerably, creating a spike in oil prices at the end of the quarter. Particularly gasoil was in high demand in the Atlantic market, driving up exports and long distances originating from the Pacific basin. As a result, average MR spot rates increased by 49% from USD 8,500 to 12,600 per day. Since the beginning of April, MR spot rates have increased significantly.

- **Period rates and asset prices**

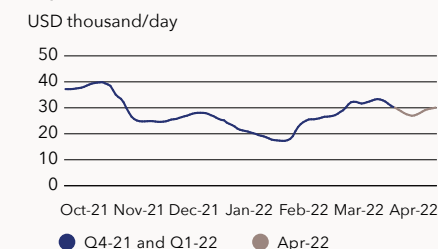
The 1-year T/C rate for MR Eco vessels remained stable around USD 15,600 per day during Q1, yet period rates increased at the end of the quarter moving into Q2. Asset prices for 5-year MR vessels increased 2% to USD 31 million at the end of Q1.

- **Market outlook**

Q2 rates for especially MR vessels started strong. Based on a tight oil market, volatility in product tanker rates is expected to remain high across regions, with global stock levels nearing historically low levels. Particularly the Ukraine-Russia war and sanctions against Russia are altering trading patterns, creating strong MR demand. The strong product tanker rates are expected to continue in coming quarters.

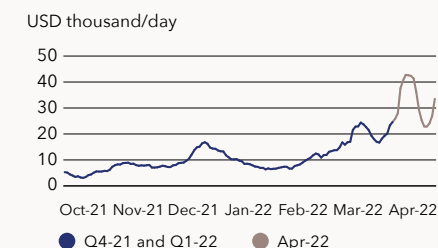
Spot rates

Supramax



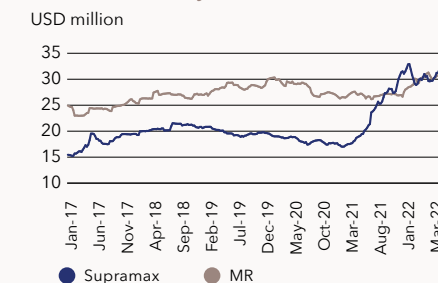
Source: Baltic Exchange

MR (avg. between Atlantic and Pacific)



Source: Baltic Exchange

Asset values - 5-year old vessels



Source: VesselsValue

ASSETS & LOGISTICS

PROFITABLE DRY CARGO COVER & STRONG SALES GAINS

Results

- Assets & Logistics delivered a profit of USD 41 million for the quarter (USD -7 million). Included in this amount is profit from vessel sales of USD 28 million.
- Market value of both owned and leased vessels at USD 1,238 million at the end of Q1.
- The market value of owned vessels exceeded book values by USD 110 million.

Business highlights

- Realised gains on strong dry cargo market through:
 - Profitable dry cargo cover in 2022 at high rates.
 - Increasing dry cargo forward cover for 2023.
 - 6 dry cargo vessels sold at 10-year high price levels.
 - Declared extension options on dry cargo lease portfolio.
- Adjusting portfolio exposure slightly towards tankers:
 - Renewing tanker fleet with modern, fuel efficient vessels.
 - 3 Handysize tankers sold, 4 MR Eco vessels purchased.
- Upward trend in dry cargo period rates and asset values providing significant upside value on extension and purchase options.
- Current portfolio of leased vessels includes a total of 64,989 extension option days. In addition comes 77 purchase options.
- Commenced operations on 10-year port logistics contract in Gabon, Africa, operating a client transshipment solution.

Portfolio values

Amount in USD million	Dry Cargo	Tankers	Total
Market value of owned vessels and newbuildings (charter free)	442	446	888
Estimated market value of T/C and cover portfolio (incl. estimated value of optionality)	295	55	350
Total Asset Management portfolio value	737	501	1,238
Market value of owned vessels vs. carrying amounts	119	-9	110

Note: Owned vessels in portfolio values and portfolio overview are excl. owned vessels from financial leasing transactions.

Assets & Logistics key figures

Amount in USD million	2022 Q1	2021 Q1	Last 4 Quarters
Contribution margin	71.3	48.9	226.5
O/A costs	-4.2	-2.4	-13.2
Profit/loss from sale of vessels	28.4	-9.2	44.4
Profit/loss for period	41.5	-7.1	53.7

Portfolio overview

	Dry Cargo	Tankers	Total
Active fleet			
Owned vessels ¹⁾	12	18	30
Leased vessels ¹⁾²⁾	51	19	70
Total active	63	37	100
For delivery			
Owned vessels ¹⁾	-	2	2
Leased vessels ¹⁾²⁾	7	2	9
Total for delivery	7	4	11
Total	70	41	111

Purchase options	55	22	77
Extension option days	48,980	16,009	64,989

¹⁾ Incl. sold vessels for future delivery

²⁾ Minimum lease period in excess of 2 years

FREIGHT SERVICES & TRADING

SUBSTANTIAL PROFIT FROM UTILISING VOLATILITY

Results

- Generated a profit of USD 76 million in Q1 2022 (USD -8 million).
- Result per vessel day amounted to USD 1,856 per day in Q1, increasing average result per vessel day since 2019 to USD 769.
- Annualised profit since 2019 reaching USD 116 million.

Business highlights

- High exposure to a stronger product tanker market means increased forward values.
- Secured strong margins amid high market volatility through:
 - Increased exposure on right vessel types (Handysize in dry cargo, MR in product tankers).
 - Regional arbitrage with good fleet distribution across basins.
- Reducing dry cargo exposure in line with market outlook.
- Cargo cancellations and disruptions following sanctions on Russia have had an operational effect. However, the business unit is well equipped to manage market volatility.

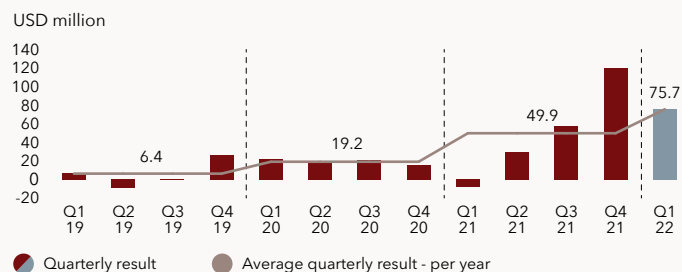
Freight Services & Trading key figures

Amount in USD million	2022 Q1	2021 Q1	Last 4 Quarters
Contribution margin	176.4	26.4	595.5
O/A costs	-32.3	-14.6	-123.7
Profit/loss for period	75.6	-7.8	282.8
Vessel days	40,724	39,799	165,114
Result per vessel day (USD/day)	1,856	-196	1,713

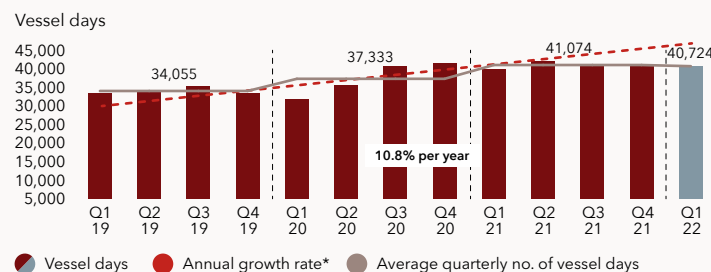
Historical earnings since 2019

Annualised profit (USD million)	116.1
Average result per vessel day (USD)	769
Average annual activity growth	10.8%

Quarterly Results



Quarterly Activity levels



* Based on 12-month rolling average compared to same period 2 years prior.

Average no. of operated vessels

Dry cargo vessels:

320

Product tanker vessels:

132

OUTLOOK FOR 2022

Guidance

In line with its recent announcement in late April, NORDEN expects profit for the year in the range of USD 270-350 million (incl. sales gains of USD 28 million from already sold vessels). This is based on good geographical positioning and active trading in a continued strong and volatile dry cargo market, combined with substantial increases in product tanker market rates and strong regional positioning.

Assets & Logistics

The Assets & Logistics business unit expects much better earnings in 2022 based on high coverage at attractive rates on the dry cargo fleet.

In addition, dry cargo vessel sales gains are expected to contribute positively.

Freight Services & Trading

The Freight Services & Trading business unit expects a net result above the combined result for the two operators in 2021. The expectation is based on a margin per vessel day which is higher than the average realised over the last 3 years and in line with the record level from 2021 (see table), combined with continued 5-10% growth in activity levels. The business unit remains well positioned in both a strong and volatile dry cargo market, and a significantly improved tanker market.

Seasonality and uncertainty

For both business units, the distribution of earnings per quarter is expected to be more front loaded than normal. Given the war in Ukraine, sanctions on Russia, remaining COVID-19 disruption and macroeconomic uncertainties in general, the freight market uncertainty and volatility is expected to remain high. New sanctions targeted at Russian exports may emerge which on balance is expected to be slightly negative for dry cargo rates and positive for tanker rates. With its agile business model and strong operating platform, NORDEN is well equipped to manage this uncertainty.

Events after the reporting date

No significant events have occurred between the reporting date and the publication of this annual report, which have not already been included and adequately disclosed in the quarterly report, and which materially affect the assessment of the Company's and Group's results of operations or financial position.

Historic results - Freight Services & Trading

Year	2021
Vessel days	164,189
Margin per vessel day	1,214
3-year average margin per vessel day*	638

* Average of last three financial years.

Financial calendar for 2022

18 August	Interim report, second quarter and first half-year 2022
4 November	Interim report, third quarter 2022

“NORDEN expects profit for the year in the range of USD 270-350 million (incl. sales gains of USD 28 million from already sold vessels)”

Further information

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Forward-looking statements

This annual report contains certain forward-looking statements reflecting Management's present judgement of future events and financial results. Statements relating to 2022 and the years ahead are inherently subject to uncertainty, and NORDEN's realised results may therefore differ from projections. Factors that may cause NORDEN's realised results to differ from the projections in this annual report include, but are not limited to: Changes to macroeconomic and political conditions - particularly in the Group's principal markets; changes to NORDEN's rate assumptions and budgeted operating expenses; volatility in freight rates and tonnage prices; regulatory changes; counterparty risks; any disruptions to traffic and operations as a result of external events etc.

STATEMENT BY THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

The Board of Directors and the Executive Management have today reviewed and approved the Interim Report for the period 1 January to 31 March 2022 of Dampskibsselskabet NORDEN A/S.

The interim consolidated financial statements of Dampskibsselskabet NORDEN A/S have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and additional Danish disclosure requirements for interim financial reporting of listed companies.

The interim consolidated financial statements have not been subject to audit or review by the Independent Auditors of Dampskibsselskabet NORDEN A/S.

We consider the accounting policies applied to be appropriate and the accounting estimates made to be adequate. Furthermore, we find the overall presentation of the Interim Report to present a true and fair view.

Besides what has been disclosed in the Interim Report, no other significant changes in the Group's risks and uncertainties have occurred relative to what was disclosed in the consolidated annual report for 2021.

In our opinion, the interim consolidated financial statements give a true and fair view of Dampskibsselskabet NORDEN A/S' consolidated assets, equity and liabilities and the financial position at 31 March 2022 as well as the result of Dampskibsselskabet NORDEN A/S' consolidated

activities and cash flows for the period 1 January to 31 March.

Furthermore, in our opinion the Management Review gives a fair representation of the Group's activities and financial position as well as a description of the material risks and uncertainties which the Group is facing, relative to the disclosures in the Annual Report for 2021.

Hellerup, 5 May 2022

Executive Management

Jan Rindbo
Chief Executive Officer

Martin Badsted
Chief Financial Officer

Board of Directors

Klaus Nyborg
Chairman

Johanne Riegels Østergård
Vice Chairman

Karsten Knudsen

Stephen John Kunzer

Helle Østergaard Kristiansen

Robert Hvide Macleod

Stine Gøttrup
(employee-elected)

Christina Lerchedahl Christensen
(employee-elected)

Henrik Røjel
(employee-elected)

CONSOLIDATED INCOME STATEMENT

Amount in USD million	Note	Q1 2022	Q1 2021	FY 2021
Revenue	2	1,087.9	603.9	3,551.8
Other operating income		8.8	1.5	6.7
Vessel operation costs	3	-849.0	-530.1	-2,908.9
Contribution margin		247.7	75.3	649.6
Overhead and administration costs		-36.5	-17.0	-117.4
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)		211.2	58.3	532.2
Profit/loss from sale of vessels etc.		28.4	-9.2	7.7
Depreciation, amortisation and impairment losses	4	-107.8	-57.0	-295.5
Share of profit/loss of joint ventures	5	-0.3	0.3	1.1
Profit/loss from operations (EBIT)		131.5	-7.6	245.5
Financial income	6	0.3	0.3	0.3
Financial expenses	6	-12.9	-6.9	-35.1
Profit/loss before tax		118.9	-14.2	210.7
Tax		-1.8	-0.7	-6.2
Profit/loss for the period		117.1	-14.9	204.5
Attributable to:				
Shareholders of NORDEN		117.1	-14.9	204.5
Earnings per share (EPS)				
Earnings per share (USD)		3.2	-0.4	5.5
Earnings per share, diluted (USD)		3.2	-0.4	5.4

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amount in USD million	Note	Q1 2022	Q1 2021	FY 2021
Profit/loss for the period		117.1	-14.9	204.5
Other comprehensive income to be reclassified to the income statement:				
Fair value adjustment for the period, cash flow hedges	7	28.3	-39.9	-35.3
Other comprehensive income, total after tax		28.3	-39.9	-35.3
Total comprehensive income for the period, after tax		145.4	-54.8	169.2
Attributable to:				
Shareholders of NORDEN		145.4	-54.8	169.2

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amount in USD million	Note	31/3 2022	31/3 2021	31/12 2021
Assets				
Vessels	8	762.2	730.9	703.0
Right-of-use assets	9	618.5	368.1	556.5
Property and equipment		49.8	48.5	49.7
Prepayments on vessels and newbuildings	10	28.5	27.3	11.3
Total Tangible assets		1,459.0	1,174.8	1,320.5
Investments in joint ventures		9.9	11.7	10.0
Receivables from subleasing		7.9	10.3	9.1
Total Financial assets		17.8	22.0	19.1
Total Non-current assets		1,476.8	1,196.8	1,339.6
Inventories		177.0	101.6	117.1
Receivables from subleasing		19.5	12.3	23.7
Freight receivables		322.7	190.0	255.7
Receivables from joint ventures		6.2	9.9	1.0
Other receivables		31.1	15.1	18.9
Prepayments		159.1	98.3	136.0
Cash and cash equivalents		364.8	261.8	410.7
		1,080.4	689.0	963.1
Vessels held for sale		20.3	17.4	150.8
Total Current assets		1,100.7	706.4	1,113.9
Total Assets		2,577.5	1,903.2	2,453.5

Amount in USD million	Note	31/3 2022	31/3 2021	31/12 2021
Equity and liabilities				
Share capital		6.2	6.5	6.2
Reserve for hedges		-2.9	-35.8	-31.2
Retained earnings		1,010.9	815.9	1,018.3
Total Equity		1,014.2	786.6	993.3
Loans		297.4	307.1	302.1
Lease liabilities	9	274.5	238.9	269.9
Bonds		73.4	-	98.7
Total Non-current liabilities		645.3	546.0	670.7
Loans		40.3	107.6	39.9
Lease liabilities	9	390.1	184.0	337.8
Trade payables		284.9	157.5	226.1
Debt to joint ventures		0.1	-	13.9
Tax payables		0.6	1.5	-
Other payables		92.7	51.1	73.0
Deferred income		107.3	68.9	89.4
		916.0	570.6	780.1
Liabilities relating to vessels held for sale		2.0	-	9.4
Total Current liabilities		918.0	570.6	789.5
Total Liabilities		1,563.3	1,116.6	1,460.2
Total Equity and liabilities		2,577.5	1,903.2	2,453.5

CONSOLIDATED STATEMENT OF CASH FLOWS

Amount in USD million	Note	Q1 2022	Q1 2021	FY 2021
Profit/loss for the period		117.1	-14.9	204.5
Reversal of items from the income statement		92.1	73.5	308.6
Change in working capital		-65.0	-114.9	-96.4
Instalments on sublease receivables		9.1	5.2	24.8
Income tax, paid		-1.2	-0.6	-7.6
Cash flows from operating activities		152.1	-51.7	433.9
Investments in vessels and vessels held for sale and other tangible assets	8	-60.8	-1.5	-92.1
Additions in prepayments on newbuildings	10	-95.0	-11.8	-155.8
Investment in Joints Ventures		-	-	-2.4
Proceeds from sale of vessels and newbuildings		227.6	17.1	159.8
Change in cash and cash equivalents with rate agreements of more than 3 months, etc.		11.4	48.4	93.1
Cash flows from investing activities		83.2	52.2	2.6
Dividend paid to shareholders		-96.7	-53.0	-53.0
Acquisition of treasury shares		-30.2	-8.4	-33.1
Proceeds from share options		2.1	-	6.6
Proceeds from issue of bonds		-	-	98.7
Proceeds from loans		23.5	109.6	417.1
Repayment of bonds		-25.5	-	-
Repayment of loans		-27.6	-14.9	-395.1
Instalments on lease liabilities	9	-103.9	-48.4	-268.4
Interest, received		0.3	0.2	0.3
interest, paid		-11.4	-6.9	-35.0
Cash flows from financing activities		-269.4	-21.8	-261.9
Cash flow from operating, investing and financing activities		-34.1	-21.3	174.6

Amount in USD million	Note	31/3 2022	31/3 2021	FY 2021
Liquidity at beginning of the period		389.3	217.1	217.1
Exchange rate adjustments		-0.4	-0.1	-2.4
Change in liquidity for the period		-34.1	-21.3	174.6
Liquidity at end period		354.8	195.7	389.3
Cash and cash equivalents with rate agreements of more than 3 months, etc.		10.0	66.1	21.4
Cash and cash equivalents at end period acc. to the statement of financial position		364.8	261.8	410.7

Amount in USD million	Note	31/3 2022	31/3 2021	31/12 2021
Which can be explained as follows				
Demand deposits and cash balance		217.8	135.9	200.1
Money market investment		74.7	97.1	154.1
Other cash and cash equivalents		72.3	28.8	56.5
		364.8	261.8	410.7

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amount in USD million	Shareholders of NORDEN			
	Share capital	Reserve for hedges	Retained earnings	Total equity
Equity at 1 January 2022	6.2	-31.2	1,018.3	993.3
Total comprehensive income for the period	-	28.3	117.1	145.4
Acquisition of treasury shares	-	-	-30.2	-30.2
Exercise of share options	-	-	2.1	2.1
Share-based payment	-	-	0.3	0.3
Dividends paid	-	-	-105.4	-105.4
Dividends related to treasury shares	-	-	8.7	8.7
Changes in equity	-	28.3	-7.4	20.9
Equity at 31 March 2022	6.2	-2.9	1,010.9	1,014.2

Amount in USD million	Shareholders of NORDEN			
	Share capital	Reserve for hedges	Retained earnings	Total equity
Equity at 1 January 2021	6.5	4.1	891.9	902.5
Total comprehensive income for the period	-	-39.9	-14.9	-54.8
Acquisition of treasury shares	-	-	-8.4	-8.4
Exercise of share options	-	-	-	-
Share-based payment	-	-	0.3	0.3
Dividends paid	-	-	-57.8	-57.8
Dividends related to treasury shares	-	-	4.8	4.8
Changes in equity	-	-39.9	-76.0	-115.9
Equity at 31 March 2021	6.5	-35.8	815.9	786.6

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation and changes to NORDEN's accounting policies

1.1 Basis of preparation

The interim consolidated financial statements for the 3 months ended 31 March 2022 have been prepared in accordance with IAS 34 Interim financial reporting as adopted by the EU and additional Danish disclosure requirements for the interim financial reporting of listed companies.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2021.

The accounting policies, judgements and estimates are consistent with those applied in the consolidated annual report for 2021, apart from changes described below.

1.2 Changes in accounting policies and disclosures

The Group has adopted standards and interpretations effective as of 1 January 2022. The Group has not early adopted any other standard, interpretation or amendments that have been issued but are not yet effective.

Adoption of new or amended IFRSs

NORDEN has implemented amendments and interpretations to existing standards effective as of 1 January 2022. None of these interpretations or amendments have had any significant effect on the accounting policies applied by NORDEN.

For a complete description of accounting policies, see the notes to the consolidated financial statements for 2021, pages 76-114 in the consolidated annual report for 2021.

Standards not yet in force

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

New and amended financial reporting standards are either irrelevant or insignificant to NORDEN.

Significant accounting estimates and judgements

The accounting estimates and judgements, which Management deems to be significant to the preparation of the consolidated financial statements, are impairment test and non-lease component for leases under IFRS 16 Leases. Reference is made to note 1.4 "Significant accounting estimates and judgements" on page 79 for a further description in the consolidated annual report for 2021.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

2. Segment information

Amount in USD million	Q1 2022				Q1 2021			
	Assets & Logistics	Freight Services & Trading	Eliminations	Total	Assets & Logistics	Freight Services & Trading	Eliminations	Total
Revenue - services rendered, external	38.2	1,049.3	-	1,087.5	19.4	584.2	-	603.6
Revenue - services rendered, internal	91.7	-	-91.7	-	78.5	-	-78.5	-
Revenue - sublease financial income	0.3	0.1	-	0.4	0.3	-	-	0.3
Voyage costs	-7.0	-350.5	3.9	-353.6	-4.0	-241.9	3.4	-242.5
T/C equivalent revenue	123.2	698.9	-87.8	734.3	94.2	342.3	-75.1	361.4
Other operating income	-	9.0	-0.2	8.8	-0.3	2.1	-0.3	1.5
Charter hire and OPEX element	-35.5	-531.5	88.0	-479.0	-27.3	-318.0	75.4	-269.9
Operating costs owned vessels	-16.4	-	-	-16.4	-17.7	-	-	-17.7
Contribution margin	71.3	176.4	-	247.7	48.9	26.4	-	75.3
Overhead and administration costs	-4.2	-32.3	-	-36.5	-2.4	-14.6	-	-17.0
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	67.1	144.1	-	211.2	46.5	11.8	-	58.3
Profit/loss from sale of vessels, etc.	28.4	-	-	28.4	-9.2	-	-	-9.2
Depreciation, amortisation and impairment losses	-46.3	-61.5	-	-107.8	-39.2	-17.8	-	-57.0
Share of profit/loss of joint ventures	-0.3	-	-	-0.3	0.3	-	-	0.3
Profit/loss from operations (EBIT)	48.9	82.6	-	131.5	-1.6	-6.0	-	-7.6
Financial income	0.1	0.2	-	0.3	0.5	-0.2	-	0.3
Financial expenses	-7.3	-5.6	-	-12.9	-5.9	-1.0	-	-6.9
Profit/loss before tax	41.7	77.2	-	118.9	-7.0	-7.2	-	-14.2
Tax	-0.2	-1.6	-	-1.8	-0.1	-0.6	-	-0.7
Profit/loss for the period	41.5	75.6	-	117.1	-7.1	-7.8	-	-14.9
Adjusted for:								
Profit/loss from sale of vessels, etc.	-28.4	-	-	-28.4	9.2	-	-	9.2
Adjusted Results for the period*	13.1	75.6	-	88.7	2.1	-7.8	-	-5.7

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

3. Expenses by nature

Amount in USD million	Q1 2022	Q1 2021	FY 2021
Vessel operating costs	849.0	530.1	2,908.9
Overhead and administration costs	36.5	17.0	117.4
Total	885.5	547.1	3,026.3
These costs can be split by nature:			
Voyage costs excluding bunker oil	169.9	118.6	609.6
Bunker oil	183.7	123.9	659.0
Expenses related to the service component of right-of-use assets	66.2	43.0	205.9
Expenses related to short-term leases	412.8	226.9	1,361.1
Operating costs owned vessels*	16.4	17.7	73.3
Other external costs	5.3	4.0	20.4
Staff costs	31.2	13.0	97.0
Total	885.5	547.1	3,026.3

* Technical management services (inclusive of cost related to seafarers) is included in operating costs owned vessels.

4. Depreciation

Amount in USD million	Q1 2022	Q1 2021	FY 2021
Vessels	10.4	11.4	42.6
Right-of-use assets	97.2	45.5	252.1
Property and equipment	0.2	0.1	0.8
Total	107.8	57.0	295.5

5. Share of profit/loss of joint ventures

Amount in USD million	Q1 2022	Q1 2021	FY 2021
Profit/loss from shares in joint ventures	-0.3	0.3	2.3
Share of Profit/loss from sale of vessels	-	-	-0.9
Share of impairment of tangible assets	-	-	-0.3
Total	-0.3	0.3	1.1

6. Financial income and expenses

Amount in USD million	Q1 2022	Q1 2021	FY 2021
Interest income	0.3	0.2	0.3
Exchange rate adjustments	-	0.1	-
Total financial income	0.3	0.3	0.3
Interest costs	3.5	2.2	11.1
Fair value adjustment, cross currency swaps	-	-	0.1
Interest expense on lease liabilities	7.9	4.7	23.9
Exchange rate adjustments	1.5	-	-
Total financial expenses	12.9	6.9	35.1

7. Fair value adjustment - hedging Instruments

Amount in USD million	31/3 2022	31/3 2021	31/12 2021
Fair value of cash flow hedge			
Fair value adjustment at the beginning period	-31.2	4.1	4.1
Fair value adjustment for the period, net	28.3	-39.9	-35.3
End	-2.9	-35.8	-31.2
Fair value adjustment for the period, cash flow hedges can be specified as follows:			
Bunker hedging	54.8	15.6	5.5
- of which has been transferred to the income statement due to inefficiency	-	-1.8	1.9
FFA hedging	-58.6	-49.4	-39.0
Foreign currency risk hedging	0.9	-0.2	0.4
End	-2.9	-35.8	-31.2

The fair value measurement hierarchy of hedging is measured based upon significant observable inputs (level 2).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

7. Fair value adjustment - hedging Instruments - continued

Amount in USD million	31/3 2022	31/3 2021	31/12 2021
As of 31 March 2022, outstanding hedging contains:			
Bunker hedging			
Beginning, 1 January	7.4	9.2	9.2
Fair value adjustments	44.0	20.4	42.3
Realised contracts, transferred to revenue	50.9	16.3	29.4
Realised contracts, transferred to operating costs	-47.5	-32.1	-73.5
End	54.8	13.8	7.4
FFA hedging			
Beginning, 1 January	-39.0	-5.2	-5.2
Fair value adjustments	-41.4	-68.8	-288.1
Realised contracts, transferred to revenue	47.5	60.4	546.5
Realised contracts, transferred to operating costs	-25.7	-35.8	-292.2
End	-58.6	-49.4	-39.0
Foreign currency risk hedging			
Beginning, 1 January	0.4	0.1	0.1
Fair value adjustments	0.5	-0.3	0.3
End	0.9	-0.2	0.4

8. Vessels

Amount in USD million	31/3 2022	31/3 2021	31/12 2021
Cost at 1 January	951.3	1,079.7	1,079.7
Additions	60.5	1.5	104.1
Disposals	-	-1.3	-1.3
Transferred during the year	45.2	-	76.6
Transferred to tangible assets held for sale	-83.6	-58.9	-307.8
Cost	973.4	1,021.0	951.3
Depreciation at 1 January	-209.8	-249.8	-249.8
Depreciation	-10.4	-11.4	-42.6
Depreciations related to derecognised assets	-	1.3	1.3
Transferred to tangible assets held for sale	40.5	30.1	81.3
Depreciation	-179.7	-229.8	-209.8
Impairment at 1 January	-38.5	-62.5	-62.5
Impairment losses for the year	-15.8	-	-14.4
Transferred to tangible assets held for sale	22.8	2.2	38.4
Impairment	-31.5	-60.3	-38.5
Carrying amount	762.2	730.9	703.0

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

9. Leases - lessee

Amount in USD million	31/3 2022	31/3 2021	31/12 2021
Right-of-use assets			
Cost at 1 January	958.3	527.3	527.3
Additions	133.2	81.2	443.1
Remeasurements	26.0	34.5	67.5
Disposals related to redelivered vessels	-25.4	-15.2	-79.6
Cost	1,092.1	627.8	958.3
Depreciation at 1 January	-401.8	-228.6	-228.7
Depreciation	-97.2	-45.5	-252.1
Depreciations related to redelivered vessels	25.4	14.4	79.0
Depreciation	-473.6	-259.7	-401.8
Carrying amount	618.5	368.1	556.5
Lease Liabilities			
Lease liabilities at 1 January	607.7	355.4	355.4
Additions	134.9	81.8	454.7
Remeasurements	25.9	34.9	66.9
Instalments made	-103.9	-48.4	-268.4
Disposals related to cancelled leases	-	-0.8	-0.9
Lease liabilities at end of period	664.6	422.9	607.7

10. Prepayments on vessels and newbuildings

Amount in USD million	31/3 2022	31/3 2021	31/12 2021
Cost at 1 January	11.3	15.5	15.5
Additions	95.0	11.8	155.8
Transferred to vessels	-45.2	-	-76.6
Transferred to vessels held for sale	-32.6	-	-83.4
Cost	28.5	27.3	11.3
Impairment	-	-	-
Carrying amount	28.5	27.3	11.3

11. Related party disclosure

No significant changes have occurred to related parties or types and scale of transactions with these parties other than what is disclosed in the consolidated annual report for 2021.

12. Contingent assets and liabilities

Since the end of 2021, no significant changes have occurred to contingent assets and liabilities other than those referred to in this interim report.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

13. Overview of deliveries of owned vessels and CAPEX

Deliveries of owned vessels

Number of vessels	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Total
MR	-	-	2	-	-	-	-	2
Logistics assets	-	-	-	-	-	1	-	1

CAPEX

Amount in USD million	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Total
Newbuilding payments and secondhand purchases	12	5	47	-	5	5	-	74
Other CAPEX*	2	-	-	-	5	1	5	13

Future payments to NORDEN from sold vessels: USD 57.7 million.

* Capex includes ordinary dockings, acquisition and installation of scrubbers and ballast water treatment systems.

14. Events after the reporting date

See page 8 in the Management Review.