

ANNOUNCEMENT NO. 109 - 3 May 2023

INTERIM REPORT FIRST QUARTER 2023

DAMPSKIBSSELSKABET NORDEN A/S 52, STRANDVEJEN, DK-2900 HELLERUP, DENMARK CVR NUMBER 67758919

NORDEN 

HIGHLIGHTS - FIRST QUARTER 2023



RESULTS

- USD 150 million in profit for the first quarter of 2023
 - Earnings per share of DKK 31.
- Profit for the quarter split across:
 - Freight Services & Trading: USD 67 million.
 - Assets & Logistics: USD 83 million.
- Return on equity (annualised):
 - 40% for the first quarter of 2023.



BUSINESS HIGHLIGHTS

- Freight Services & Trading generated a margin of USD 1,672 per vessel day, driven by strong tanker earnings and a short position, meaning more cargo than tonnage, in a weak dry cargo market.
- Net asset value (NAV) of Assets & Logistics decreased by DKK 41 per share to DKK 381, following pay-out of year-end dividend of DKK 30 per share and slightly lower tanker values.
- Sales gains of USD 42 million through asset trading in both market segments, selling 4 dry cargo and 2 tanker vessels.
- Increasing dry cargo exposure by building long position in Freight Services & Trading and by adding capacity in Assets & Logistics, most notably with the purchase of four Capesize vessels in line with strategy to enter this segment.



GUIDANCE

- NORDEN expects profit for the year in the range of USD 330-430 million, in line with announced guidance in February.
- The Board has decided to pay out an interim dividend of DKK 15 per share to be distributed to shareholders on 9 May. The interim dividend will count as part of the dividend policy of paying out minimum 50% of the full-year profit.

“NORDEN generated USD 150 million in profit for Q1 and a return on equity of 40%. Our asset-light freight service and high contract cover adds stability in earnings in volatile spot markets. During the quarter, we also captured significant profits from vessel sales, while widening our portfolio to cover all dry cargo segments with the purchase of Capesize vessels. Following a strong start to the year, NORDEN will pay an interim dividend of DKK 15 per share as we continue to focus on delivering value to our shareholders.”

CEO Jan Rindbo

KEY FIGURES AND RATIOS FOR NORDEN

Amounts in USD million	Q1 2023	Q1 2022	FY 2022
Income statement			
Revenue	999.2	1,087.9	5,312.4
Contribution margin	244.4	247.7	1,365.9
EBITDA	208.2	211.2	1,159.1
Profit/loss from sale of vessels etc.	41.7	28.4	79.4
Depreciation, amortisation and impairment losses	-93.8	-107.8	-449.7
EBIT	155.8	131.5	791.6
Financial items, net	-3.1	-12.6	-39.7
Profit for the period	150.2	117.1	743.5
Statement of financial position			
Total assets	2,576.5	2,577.5	2,755.4
Equity	1,237.0	1,014.2	1,330.7
Liabilities	1,339.5	1,563.3	1,424.7
Invested capital	1,224.6	1,725.1	1,303.2
Net interest-bearing debt	12.4	-710.9	27.5
Cash and securities	772.0	364.8	842.3
Statement of cash flows			
Cash flow from operating activities	146.3	152.1	1,342.9
Cash flow from investing activities	112.9	83.2	57.9
- hereof investments in property, plant and equipment	-64.4	-60.8	-205.5
Cash flow from financing activities	-287.2	-269.4	-1,151.7
Environmental and social figures			
EEOI (gCO ₂ /tonnes-mile) ¹⁾	9.5	9.3	9.9
LTIR (days per million working hours) ²⁾	0.0	0.8	0.8
Fatalities incl. subcontractors ³⁾	0	0	2

	Q1 2023	Q1 2022	FY 2022
Share-related key figures and financial ratios			
No. of shares of DKK 1 each (including treasury shares)	37,000,000	39,200,000	37,000,000
No. of shares of DKK 1 each (excluding treasury shares)	32,865,817	35,861,431	33,751,988
Number of treasury shares	4,134,183	3,338,569	3,248,012
Earnings per share (EPS), DKK ⁴⁾	31	21	150
Diluted earnings per share (diluted EPS), DKK ⁴⁾	31	21	149
Book value per share (excluding treasury shares) (DKK) ⁴⁾	258	189	275
Share price at end of period, DKK	461.2	236.4	418.3
Other key figures and financial ratios ⁵⁾			
EBITDA ratio	20.8%	19.4%	21.8%
ROIC ⁶⁾	49.3%	31.3%	54.0%
ROE ⁶⁾	39.8%	39.7%	64.0%
Equity ratio	48.0%	39.3%	48.3%
Total no. of vessel days for the Group	41,924	41,964	171,932
USD/DKK rate at end of the period	684.9	670.02	697.22
Average USD/DKK rate	693.7	663.50	708.30

For full definitions, please refer to the "Definitions of key figures and financial ratios" and "ESG accounting policies" sections within the 2022 Annual Report.

- ¹⁾ The Energy Efficiency Operational Indicator (EEOI) is a measurement of energy efficiency and is defined as the amount of CO₂ emitted per tonne of cargo transported 1 nautical mile.
- ²⁾ Lost-Time Incident Rate (LTIR) is calculated based on the number of work-related accidents which causes a seafarer to be unable to work for more than 24 hours per 1 million working hours due to work-related injury.
- ³⁾ Fatalities incl. subcontractors include the number of fatalities reported on owned vessels by NORDEN's vessel technical manager. Aligned to the SASB Marine Transportation standard (TR-MT-540a.1.).
- ⁴⁾ Converted at the USD/DKK rate at end of period.
- ⁵⁾ 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. The figures are adjusted for the Company's holding of treasury shares.
- ⁶⁾ Figures are annualised.

COMMENTS ON THE DEVELOPMENT OF THE FIRST QUARTER 2023

Results

The profit for the first quarter of 2023 amounted to USD 150 million (USD 117 million) of which profit from vessel sales amounted to USD 42 million (USD 28 million).

The improved result is driven by a strong tanker market, higher profits in Assets & Logistics including net profit from vessel sales, and lower net financial expenses due to the positive net interest-bearing cash/debt position.

Cash flows & liquidity

Cash flow from operating activities during the first quarter of 2023 was USD 146 million, and was at level with the first quarter of 2022 (USD 152 million).

During the first quarter of 2023, cash and cash equivalents was reduced by USD 70 million from USD 842 million to USD 772 million. This was due to distribution to shareholders in the form of dividends and share buy-backs totalling USD 170 million net of withholding tax, and partly offset by positive cash flow generation from operating activities and vessel sales. As of 31 March 2023, NORDEN had undrawn committed credit facilities of USD 200 million of which USD 143 million were directly accessible.

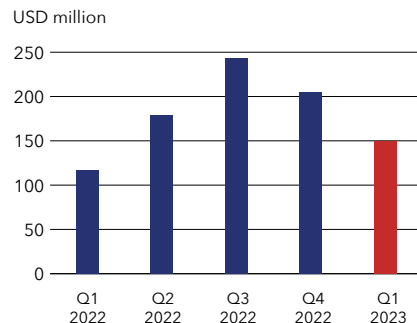
Equity and capital allocation

Despite dividend payments and share buy-backs, the equity ratio remained unchanged from 2022 at 48%, supported by a reduction in invested capital. The strong earnings and lower

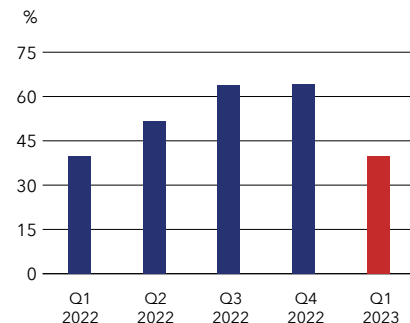
invested capital resulted in an annualised return on invested capital of 49% (31%). The annualised return on equity for the first quarter of 2023 remained high at 40% (40%).

The Board of Directors has decided to pay out an interim dividend of DKK 15 per share. The interim dividend will expectedly be paid on 9 May 2023, and will count as part of the dividend policy of paying out minimum 50% of the full-year profit. The ex-dividend date for the interim dividend will be 4 May 2023.

Profit for the period

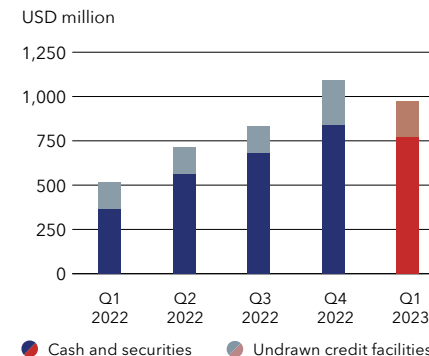


Return on equity



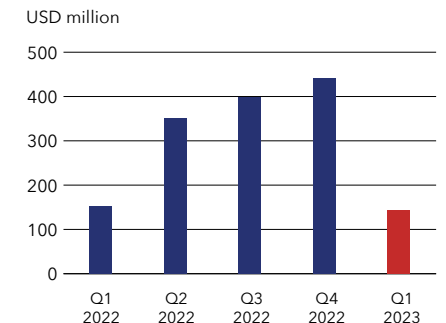
Note: Quarterly figures are annualised

Available liquidity



● Cash and securities ● Undrawn credit facilities

Cash flow from operations



MARKET DEVELOPMENTS

DRY CARGO MARKET

- **Market development and spot rates**

The dry cargo spot market was weak during the quarter in line with normal seasonal patterns. Average Supramax spot rates declined by 32% from USD 14,800 to USD 10,100 per day. However, towards the end of the quarter, spot rates started to improve driven by strong Chinese imports of especially coal and iron ore, which more than offset weakness in rest-of-world volumes.

- **Period rates and asset prices**

Compared to the weakened spot market, dry cargo period rates and asset prices have maintained strength, with 1-year T/C rates for Supramax vessels increasing by 18% from USD 15,500 to USD 18,300 per day. Similarly, asset prices for 5-year old Supramax vessels improved by 8% to USD 29 million.

- **Market outlook**

Gradual market improvements are expected in the near term, supported by increased Chinese activity. However, in the second half of the year, weaker economic growth in the rest of the world is likely to limit the upside. Asset values are expected to be well supported by historically low orderbooks. Ongoing market volatility is expected to provide attractive trading opportunities in both asset and freight markets.

PRODUCT TANKER MARKET

- **Market development and spot rates**

Average MR spot rates in Q1 decreased by 29% compared to Q4, mainly as a result of weakness in January. Overall, the market remains very strong and extremely volatile. Large rate differences across world regions provided ongoing opportunities for regional arbitrage. While the market scramble for diesel to Europe has subsided since 2022, sanctions against Russian oil continue to sustain elevated market rates. The volume of refined oil products on water has increased by 20%, as Russian exports are directed to unsanctioning regions combined with higher levels of floating storage and ship-to-ship transfers. This leads to longer distances and higher utilisation of the world fleet.

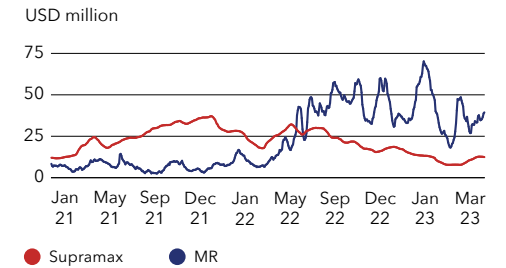
- **Period rates and asset prices**

The 1-year T/C rate for MR Eco vessels remained stable around USD 33,250 per day. Asset prices for 5-year MR vessels slightly decreased by 4% to USD 42 million at the end of Q1.

- **Market outlook**

Product tanker market conditions are expected to remain strong, supported by the inefficiencies created by sanctions and changing trading patterns. However, risks to the strong base case remain high due to political uncertainty, and possible weakness in oil demand as a result of high prices and expected weaker economic growth.

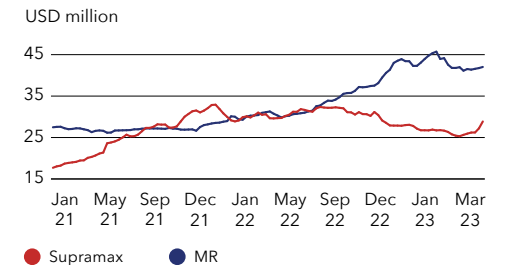
Spot rates



Source: Baltic Exchange

Asset values

5-year old vessels



Source: VesselsValue

FREIGHT SERVICES & TRADING

RESULTS

- Profit of USD 67 million for the quarter (USD 76 million).
- Result per vessel day of USD 1,672, increasing average margin per vessel day since 2019 to USD 1,400.
- Activity levels maintained, despite not transporting Russian products in line with current sanctions and war in Ukraine.

BUSINESS HIGHLIGHTS

- Strong tanker earnings, utilising high exposure to a volatile market.
 - Trade flows increasingly shifted towards Far East region, in the absence of transporting oil products from Russia.
 - Actively captured value amid large rate volatility across regions.
 - Benefitted from long position (more tonnage than cargo), while gradually easing high tanker exposure going forward.
 - Secured forward earnings into 2024 by reletting vessels on time-charter contracts to customers.
- Maintained dry cargo volumes despite weak market and exit from Russian activity.
 - Increasingly shifted trade flows towards China and India, where coal, grains and ore products were in high demand.
 - Benefitted from short dry cargo position (more cargo than tonnage) in first half of quarter, as rates bottomed out.
 - Added tonnage for second half of 2023 in line with market improvements, enabling a slightly long position.
- Continued focus on achieving operational cost efficiencies at scale across global freight services. Supporting operational earnings.

Freight Services & Trading key figures

Amount in USD million	Q1 2023	Q1 2022	Last 4 Quarters
Contribution margin	151.8	176.4	1,003.0
O/A costs	-30.3	-32.3	-182.4
Profit/loss for period	67.1	75.6	541.9
Vessel days	40,123	40,724	166,333
Result per vessel day (USD/day)	1,672	1,856	3,258

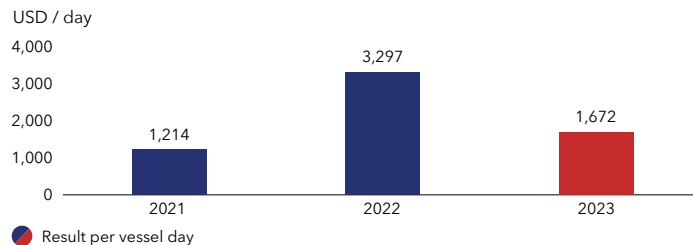
Historical performance

	Annual avg. since 2019 ²⁾
Result per vessel day (USD)	1,400
Vessel days	154,540
Activity growth ¹⁾	2.8%

¹⁾ Based on 12-month rolling average compared to same period 2 years prior.

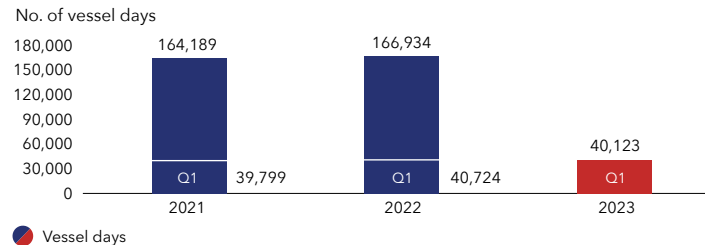
²⁾ Figures based on historical track record from former operator business units, with comparative figures dating back to 2019.

Result per vessel day



Note: 2023 figures based on year-to-date profit and number of vessel days

Activity levels



Average no. of operated vessels

Dry cargo:

315

Product tanker:

130

ASSETS & LOGISTICS

RESULTS

- Assets & Logistics generated a profit of USD 83 million for the quarter (USD 41 million) with sales gains of USD 42 million.
- Net asset value (NAV) of the business unit portfolio (including NORDEN's net cash position) was USD 1,827 million or DKK 381 per share. While the market value of dry cargo vessels increased following the addition of vessels contracted for future delivery and improved market conditions, the combined effect of lower tanker values and a year-end dividend pay-out of DKK 30 per share lowered the total NAV.
- Market value of both owned and leased vessels was USD 1,304 million at the end of Q1. The market value of owned vessels exceeded book values by USD 180 million.

Net asset value of Assets & Logistics¹⁾

Amount in USD million	Dry cargo	Tankers	Total
Market value of owned vessels ²⁾	405	455	860
Estimated market value of leased vessels & cover portfolio ³⁾	198	246	444
Total Assets & Logistics portfolio value	603	701	1,304
Net cash position			591
Instalments			-177
Other net assets (book values)			109
Total business unit NAV			1,827
Business unit NAV per share, DKK			381
Market value of owned vessels vs. carrying amounts	55	125	180

BUSINESS HIGHLIGHTS

- Strong dry cargo earnings and increased exposure.
 - Sales gains from 4 vessels sold at peak asset prices in 2022. 2 of the sales were based on declaring purchase options on leased vessels.
 - Profitable dry cargo cover earnings.
 - Started to gradually add more owned and leased vessels in line with improved market conditions, after reducing portfolio at end of 2022
 - Entered Capesize segment, enabling NORDEN to capitalise on attractive asset trading opportunities in a high exposure segment.
- Cashing in on elevated tanker values and maintaining high exposure.
 - Realised nearby tanker values through 2 vessel sales and leasing out to third parties, while maintaining high exposure for years ahead.
 - 2023 cover at much higher rates, ensuring value for coming quarters.
- Future vessel sales gains of approx. USD 28 million from sales of 3 dry cargo and 2 tanker vessels. 2 of the sales were based on declaring purchase options on leased vessels.
- Number of extension option days increased by over 4,200, based on added long-term lease capacity in both dry cargo and tankers.

¹⁾ Including NORDEN's net cash position.

²⁾ Including vessels contracted for future delivery. Vessels are included from the date of their purchase or newbuilding agreement until the delivery date according to the respective sales contract. The market value of each included vessel is based on either broker valuations or sales value, if such a value exists.

³⁾ Including estimated market value of optionality.

⁴⁾ Minimum lease period in excess of 2 years

Owned vessels in portfolio values and portfolio overview are excl. owned vessels from financial leasing transactions. NAV per share based on USD/DKK rate and share count as of balance sheet at end of quarter, excluding treasury shares held by NORDEN.

Assets & Logistics key figures

Amount in USD million	Q1 2023	Q1 2022	Last 4 Quarters
Contribution margin	92.6	71.3	361.1
O/A costs	-5.9	-4.2	-22.7
EBIT	83.1	48.9	254.9
Profit/Loss from sale of vessels	41.7	28.4	92.8
Profit/loss for the period	83.1	41.5	234.7

Assets & Logistics fleet overview

	Dry cargo	Tankers	Total
Active fleet			
Owned vessels	6	13	19
Leased vessels ⁴⁾	47	23	70
Total active	53	36	89
Contracted future changes			
Owned vessels (net entries & exits)	3	-2	1
Leased vessels ⁴⁾ (entries only)	8	6	14
Total future changes	11	4	15
Total vessels	64	40	104
Purchase options	51	29	80
Extension option days	40,959	23,034	63,993
	Floating transfer station	Tug-boats	Barges
Logistics assets			
Project-based assets (active)	1	6	3
Contracted future changes (entries)	1	-	-
Total	2	6	3

OUTLOOK FOR 2023

Guidance

NORDEN expects profit for the year in the range of USD 330-430 million. Driven primarily by attractive cover and vessel sales gains in Assets & Logistics, combined with expected strong tanker earnings in Freight Services & Trading.

Assets & Logistics

Assets & Logistics expects slightly improved earnings compared to 2022, based on high coverage of the tanker fleet at considerably improved rates, and a fully covered dry cargo fleet at profitable rates. Furthermore, vessel sales gains are expected to contribute positively during the year.

Freight Services & Trading

Coming from a very strong performance in 2022, Freight Services & Trading expects a result that is significantly lower. The expectation is based on a margin per vessel day lower than the four-year average margin per vessel day of USD 1,381 (FY 2019-2022), and activity levels in line with 2022. The business unit is well positioned to capture value in a highly volatile tanker market that is expected to stay at elevated levels, while still generating a positive contribution from dry cargo activities in a weaker market.

Seasonality and uncertainty

Given the war in Ukraine, full effect of sanctions on Russia and macroeconomic uncertainties in general, the freight market uncertainty and volatility is expected to remain high in 2023. With an agile business model and strong operating platform, NORDEN is well-equipped to manage this uncertainty and adjust exposure accordingly.

At the beginning of May, NORDEN had a total of 6,057 open tanker vessel days across both business units.

Events after the reporting date

The Company's share capital has been reduced by nominally DKK 3,000,000 from DKK 37,000.000 to DKK 34,000.000 by cancellation of treasury shares. The capital reduction has been registered with the Danish Business Authority on 25 April 2023.

“NORDEN expects profit for the year in the range of USD 330-430 million”

Financial calendar 2023

10 August Interim report – second quarter and first half-year

2 November Interim report – third quarter

Further information

Thomas France
Investor Communications Partner
+45 3315 0451

Forward-looking statements

This interim report contains certain forward-looking statements reflecting Management's present judgement of future events and financial results. Statements relating to 2023 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 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 2023 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 2022.

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 2023 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 2022.

Hellerup, 3 May 2023

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

Robert Hvide Macleod

Ian McIntosh

Vibeke Bak Solok

William Boatwright
(employee-elected)

Christina Lerchedahl Christensen
(employee-elected)

Henrik Røjel
(employee-elected)

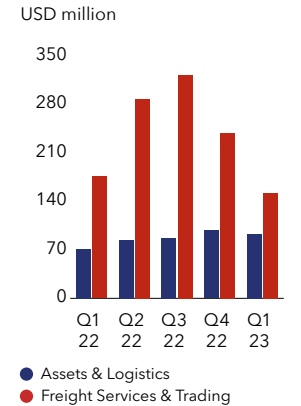
CONSOLIDATED INCOME STATEMENT

Amounts in USD million	Note	Q1 2023	Q1 2022	FY 2022
Revenue	2	999.2	1,087.9	5,312.4
Other operating income		7.7	8.8	27.7
Vessel operation costs	3	-762.5	-849.0	-3,974.2
Contribution margin		244.4	247.7	1,365.9
Overhead and administration costs	3	-36.2	-36.5	-206.8
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)		208.2	211.2	1,159.1
Profit/loss from sale of vessels etc.		41.7	28.4	79.4
Depreciation, amortisation and impairment losses, net	4	-93.8	-107.8	-449.7
Profit/loss from investments in joint ventures	5	-0.3	-0.3	2.8
Profit from operations (EBIT)		155.8	131.5	791.6
Financial income	6	12.3	0.3	12.3
Financial expenses	6	-15.4	-12.9	-52.0
Profit/loss before tax		152.7	118.9	751.9
Tax		-2.5	-1.8	-8.4
Profit/loss for the period		150.2	117.1	743.5
Attributable to:				
Owners of Dampskibsselskabet NORDEN A/S		150.2	117.1	743.5
Earnings per share (EPS)				
Earnings per share (USD)		4.5	3.2	21.2
Earnings per share, diluted (USD)		4.5	3.2	21.1

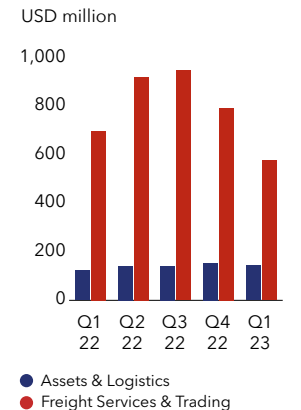
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in USD million	Note	Q1 2023	Q1 2022	FY 2022
Profit for the period		150.2	117.1	743.5
Items which will be reclassified to the income statement:				
Fair value adjustment for the period, cash flow hedges	7	-42.5	28.3	94.3
Other comprehensive income, total		-42.5	28.3	94.3
Total comprehensive income for the period, after tax		107.7	145.4	837.8
Attributable to:				
Owners of Dampskibsselskabet NORDEN A/S		107.7	145.4	837.8

Contribution margin



T/C equivalent revenue



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

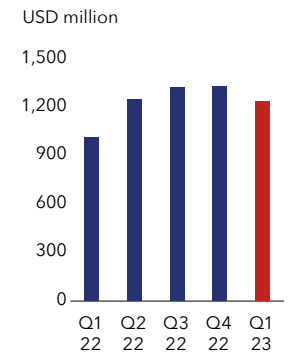
Assets

Amounts in USD million	Note	31/3 2023	31/3 2022	31/12 2022
Vessels	8	521.0	762.2	525.6
Right-of-use assets	9	412.1	618.5	454.0
Property and equipment		50.3	49.8	50.4
Prepayments on vessels and newbuildings	10	24.3	28.5	32.1
Total tangible assets		1,007.7	1,459.0	1,062.1
Investments in joint ventures		-	9.9	-
Receivables from subleasing		20.0	7.9	14.0
Total financial assets		20.0	17.8	14.0
Total Non-current assets		1,027.7	1,476.8	1,076.1
Inventories		123.2	177.0	134.2
Receivables from subleasing		68.5	19.5	77.9
Freight receivables		303.5	322.7	328.9
Receivables from joint ventures		-	6.2	1.5
Other receivables		53.7	31.1	45.5
Prepayments		141.4	159.1	139.0
Cash and cash equivalents		772.0	364.8	842.3
		1,462.3	1,080.4	1,569.3
Vessels held for sale		86.5	20.3	110.0
Total current assets		1,548.8	1,100.7	1,679.3
TOTAL ASSETS		2,576.5	2,577.5	2,755.4

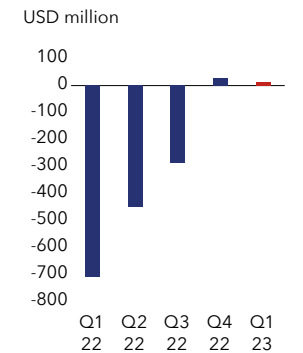
Equity and liabilities

Amounts in USD million	Note	31/3 2023	31/3 2022	31/12 2022
Share capital		5.9	6.2	5.9
Reserve for hedges		20.6	-2.9	63.1
Retained earnings		1,210.5	1,010.9	1,261.7
Total equity		1,237.0	1,014.2	1,330.7
Loans		190.5	297.4	200.6
Lease liabilities	9	197.9	274.5	243.3
Bonds		73.9	73.4	73.7
Total non-current liabilities		462.3	645.3	517.6
Loans		21.5	40.3	21.0
Lease liabilities	9	275.8	390.1	276.2
Trade payables		273.0	284.9	279.5
Debt to joint ventures		-	0.1	-
Tax payables		2.5	0.6	0.3
Other payables		172.5	92.7	224.5
Deferred income		115.5	107.3	84.6
		860.8	916.0	886.1
Liabilities relating to vessels held for sale		16.4	2.0	21.0
Total current liabilities		877.2	918.0	907.1
Total liabilities		1,339.5	1,563.3	1,424.7
TOTAL EQUITY AND LIABILITIES		2,576.5	2,577.5	2,755.4

Equity



Net interest-bearing debt

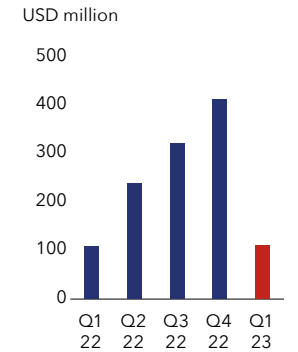


CONSOLIDATED STATEMENT OF CASH FLOWS

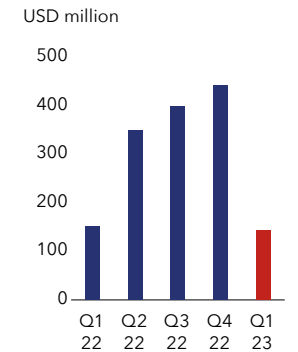
Amounts in USD million	Note	Q1 2023	Q1 2022	FY 2022
Profit for the period		150.2	117.1	743.5
Reversal of items from the income statement		48.5	92.1	371.1
Change in working capital		-79.2	-65.0	183.5
Instalments on sublease receivables		27.1	9.1	52.9
Income tax, paid		-0.3	-1.2	-8.1
Cash flows from operating activities		146.3	152.1	1,342.9
Investments in vessels, vessels held for sale and other tangible assets	8	-64.4	-60.8	-205.5
Prepayments on newbuildings	10	-29.1	-95.0	-122.6
Investment in joints ventures		0.3	-	7.2
Proceeds from sale of vessels and newbuildings		163.8	227.6	574.0
Change in financial receivables		2.7	-	-12.6
Change in money market investments with rate agreements of more than three months, etc.		39.6	11.4	-182.6
Cash flows from investing activities		112.9	83.2	57.9
Free cash flow		111.4	108.9	1,078.8
Dividend paid to shareholders		-110.9	-96.7	-376.2
Acquisition of treasury shares		-58.7	-30.2	-129.8
Proceeds from share options		-	2.1	4.2
Proceeds from loans		0.3	23.5	60.6
Repayment of bonds		-	-25.5	-25.5
Repayment of loans		-9.7	-27.6	-180.4
Instalments on lease liabilities	9	-104.6	-103.9	-466.4
Financial payments, received	6	10.2	0.3	12.3
Financial payments, paid	6	-13.8	-11.4	-50.5
Cash flow from financing activities		-287.2	-269.4	-1,151.7
Net cash flow		-28.0	-34.1	249.1

Amounts in USD million	Note	31/3 2023	31/3 2022	FY 2022
Liquidity at beginning of the period		638.3	389.3	389.3
Exchange rate adjustments		-2.7	-0.4	-0.1
Change in liquidity for the period		-28.0	-34.1	249.1
Liquidity at end period		607.6	354.8	638.3
Money market investments with rate agreements of more than three months, etc.		164.4	10.0	204.0
Cash and cash equivalents at end period acc. to the statement of financial position		772.0	364.8	842.3
<i>Which can be explained as follows</i>				
Demand deposits and cash balance		498.4	217.8	267.1
Money market investment		210.0	74.7	503.5
Other cash and cash equivalents		63.6	72.3	71.7
		772.0	364.8	842.3

Free cash flow



Cash flow from operations

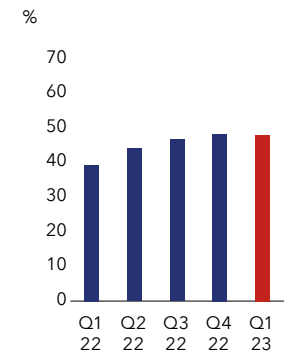


CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

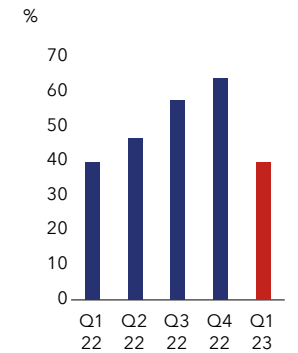
Amounts in USD million	Shareholders of NORDEN			
	Share capital	Reserve for hedges	Retained earnings	Total equity
Equity at 1 January 2023	5.9	63.1	1,261.7	1,330.7
Total comprehensive income for the period	-	-42.5	150.2	107.7
Acquisition of treasury shares	-	-	-58.7	-58.7
Exercise of share options	-	-	-	-
Dividends paid	-	-	-159.9	-159.9
Dividends related to treasury shares	-	-	16.7	16.7
Share-based payment	-	-	0.5	0.5
Changes in equity	-	-42.5	-51.2	-93.7
Equity at 31 March 2023	5.9	20.6	1,210.5	1,237.0

Amounts 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
Dividends paid	-	-	-105.4	-105.4
Dividends related to treasury shares	-	-	8.7	8.7
Share-based payment	-	-	0.3	0.3
Changes in equity	-	28.3	-7.4	20.9
Equity at 31 March 2022	6.2	-2.9	1,010.9	1,014.2

Equity ratio



Return on equity



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 2023 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 2022.

The accounting policies, judgements and estimates are consistent with those applied in the consolidated annual report for 2022, 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 2023. 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 2023. 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 2022, pages 85-88 in the consolidated annual report for 2022.

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 87 for a further description in the consolidated annual report for 2022.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

2. Segment information

Amounts in USD million	Q1 2023				Q1 2022			
	Assets & Logistics	Freight Services & Trading	Eliminations	Total	Assets & Logistics	Freight Services & Trading	Eliminations	Total
Revenue – services rendered, external	63.2	934.8	-	998.0	38.2	1,049.3	-	1,087.5
Revenue – services rendered, internal	87.5	-	-87.5	-	91.7	-	-91.7	-
Revenue – sublease financial income	0.8	0.4	-	1.2	0.3	0.1	-	0.4
Voyage costs*	-7.2	-358.2	1.0	-364.4	-7.0	-350.5	3.9	-353.6
T/C equivalent revenue	144.3	577.0	-86.5	634.8	123.2	698.9	-87.8	734.3
Other operating income	0.4	7.3	-	7.7	-	9.0	-0.2	8.8
Charter hire and OPEX element*	-39.4	-432.5	86.5	-385.4	-35.5	-531.5	88.0	-479.0
Operating costs*	-12.7	-	-	-12.7	-16.4	-	-	-16.4
Contribution margin	92.6	151.8	-	244.4	71.3	176.4	-	247.7
Overhead and administration costs	-5.9	-30.3	-	-36.2	-4.2	-32.3	-	-36.5
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	86.7	121.5	-	208.2	67.1	144.1	-	211.2
Profit/loss from sale of vessels, etc.	41.7	-	-	41.7	28.4	-	-	28.4
Depreciation, amortisation and impairment losses	-45.0	-48.8	-	-93.8	-46.3	-61.5	-	-107.8
Profit/loss from investments in joint ventures	-0.3	-	-	-0.3	-0.3	-	-	-0.3
Profit from operations (EBIT)	83.1	72.7	-	155.8	48.9	82.6	-	131.5
Financial income	9.3	3.0	-	12.3	0.1	0.2	-	0.3
Financial expenses	-9.1	-6.3	-	-15.4	-7.3	-5.6	-	-12.9
Profit/loss before tax	83.3	69.4	-	152.7	41.7	77.2	-	118.9
Tax	-0.2	-2.3	-	-2.5	-0.2	-1.6	-	-1.8
Profit/loss for the period	83.1	67.1	-	150.2	41.5	75.6	-	117.1

* Included in the item "Vessel operating costs" in the income statement.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

3. Expenses by nature

Amounts in USD million	Q1 2023	Q1 2022	FY 2022
Vessel operating costs	762.5	849.0	3,974.2
Overhead and administration costs	36.2	36.5	206.8
Total	798.7	885.5	4,181.0
These costs can be split by nature:			
Voyage costs excluding bunker oil	137.2	169.9	703.4
Bunker oil	227.2	183.7	1,046.1
Service component of right-of-use assets	68.1	66.2	285.7
Expenses related to short-term leases	317.3	412.8	1,866.0
Operating costs owned vessels	12.8	16.4	73.0
Other external costs	6.0	5.3	27.1
Staff costs and remuneration	30.1	31.2	179.7
Total	798.7	885.5	4,181.0

4. Depreciation, amortisation and impairment losses, net

Amounts in USD million	Q1 2023	Q1 2022	FY 2022
Vessels	7.1	10.4	28.7
Right-of-use assets	86.4	97.2	420.0
Property and equipment	0.3	0.2	1.0
Total	93.8	107.8	449.7

5. Share of profit/loss of joint ventures

Amounts in USD million	Q1 2023	Q1 2022	FY 2022
Profit/loss from shares in joint ventures	-0.3	-0.3	2.8
Share of profit/loss from sale of vessels	-	-	-
Share of impairment of tangible assets	-	-	-
Total	-0.3	-0.3	2.8

6. Financial income and expenses

Amounts in USD million	Q1 2023	Q1 2022	FY 2022
Interest income	10.2	0.3	12.3
Exchange rate adjustments	2.1	-	-
Total financial income	12.3	0.3	12.3
Interest expenses	5.5	3.5	18.2
Fair value adjustment, derivatives	1.6	-	0.3
Exchange rate adjustments	-	1.5	1.2
Interest expense on lease liabilities	8.3	7.9	32.3
Total financial expense	15.4	12.9	52.0

7. Fair value adjustment - hedging instruments

Amounts in USD million	31/3 2023	31/3 2022	31/12 2022
Fair value of cash flow hedges			
Fair value adjustment at the beginning period	63.1	-31.2	-31.2
Fair value adjustment for the period, net	-42.5	28.3	94.3
End	20.6	-2.9	63.1

The fair value of cash flow hedges for the period can be specified as follows:

Bunker hedging	-3.9	54.8	-10.8
FFA hedging	24.5	-58.6	71.9
Foreign currency risk hedging	-	0.9	2.0
End	20.6	-2.9	63.1

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

Amounts in USD million	31/3 2023	31/3 2022	31/12 2022
As of 31 March 2023, outstanding hedging contains:			
Bunker hedging			
Fair value at 1 January	-10.8	7.4	7.4
Fair value adjustments	4.3	44.0	26.2
Realised contracts, transferred to revenue	-0.2	50.9	54.7
Realised contracts, transferred to operating costs	2.8	-47.5	-99.1
End	-3.9	54.8	-10.8
FFA hedging			
Fair value at 1 January	71.9	-39.0	-39.0
Fair value adjustments	-9.6	-41.4	101.7
Realised contracts, transferred to revenue	-53.3	47.5	67.1
Realised contracts, transferred to operating costs	15.5	-25.7	-57.9
End	24.5	-58.6	71.9
Foreign currency risk hedging			
Fair value at 1 January	2.0	0.4	0.4
Fair value adjustments	-2.0	0.5	1.6
End	-	0.9	2.0

8. Vessels

Amounts in USD million	31/3 2023	31/3 2022	31/12 2022
Cost at 1 January	663.2	951.3	951.3
Additions	-	60.5	99.2
Disposals	-	-	-
Transferred from prepayments on vessels and newbuildings	36.9	45.2	56.8
Transferred to tangible assets held for sale	-47.6	-83.6	-444.1
Cost	652.5	973.4	663.2
Depreciation and impairment losses at 1 January	-137.6	-248.3	-248.3
Depreciation	-7.1	-10.4	-37.2
Impairment loss from sale of vessels	-	-15.8	-17.4
Reversal of impairment losses	-	-	4.9
Disposals related to derecognised assets	-	-	-
Transferred to tangible assets held for sale	13.2	63.3	160.4
Depreciation and Impairment losses	-131.5	-211.2	-137.6
Carrying amount	521.0	762.2	525.6

9. Leases - lessee

Amounts in USD million	31/3 2023	31/3 2022	31/12 2022
Right-of-use assets			
Cost at 1 January	1,147.6	958.3	958.3
Additions	33.0	133.2	244.7
Remeasurements	14.9	26.0	78.1
Disposals	-94.8	-25.4	-133.5
Cost	1,100.7	1,092.1	1,147.6
Depreciation at 1 January	-693.6	-401.8	-401.8
Depreciation	-86.4	-97.2	-420.0
Disposals	91.4	25.4	128.2
Depreciation	-688.6	-473.6	-693.6
Carrying amount	412.1	618.5	454.0
Lease Liabilities			
Lease liabilities at 1 January	519.5	607.7	607.7
Additions	43.7	134.9	300.4
Remeasurements	19.0	25.9	83.2
Instalments made	-104.6	-103.9	-466.4
Disposals	-3.9	-	-5.4
Lease liabilities at end of period	473.7	664.6	519.5

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

10. Prepayments on vessels and newbuildings

Amounts in USD million	31/3 2023	31/3 2022	31/12 2022
Cost at 1 January	32.1	11.3	11.3
Additions	29.1	95.0	122.6
Transferred to vessels	-36.9	-45.2	-56.8
Transferred to tangible assets held for sale	-	-32.6	-45.0
Transferred to other items	-	-	-
Cost	24.3	28.5	32.1
Impairment	-	-	-
Carrying amount	24.3	28.5	32.1

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 2022.

12. Contingent assets and liabilities

Since the end of 2022, no significant changes have occurred to contingent assets and liabilities other than those referred to in this interim report.

13. Overview of deliveries of owned vessels and CAPEX

Deliveries of owned vessels

Number of vessels	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Total
MR	-	-	-	-	-	-	-	-
Panamax	1	-	-	-	-	-	-	1
Supramax	1	-	-	-	-	-	-	1
Capesize	3	1	-	-	-	-	-	4
Logistics assets	-	1	-	-	-	-	-	1

CAPEX

Amounts in USD million	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Total
Newbuilding payments and secondhand purchases	121	29	-	-	-	-	-	150
Other CAPEX*	6	-	-	-	-	1	1	8

Future payments to NORDEN from sold vessels: USD 145.8 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.