

PRESENTATION OF **FIRST QUARTER RESULTS 2023**

Copenhagen, Denmark, 3 May 2023

Trust powered by intelligence **NORDEN** 

AGENDA FOR TODAY

01. First quarter 2023 highlights
02. Business unit performance
 - Freight Services & Trading
 - Assets & Logistics
03. Market development & outlook
04. Guidance for 2023 and sum-up



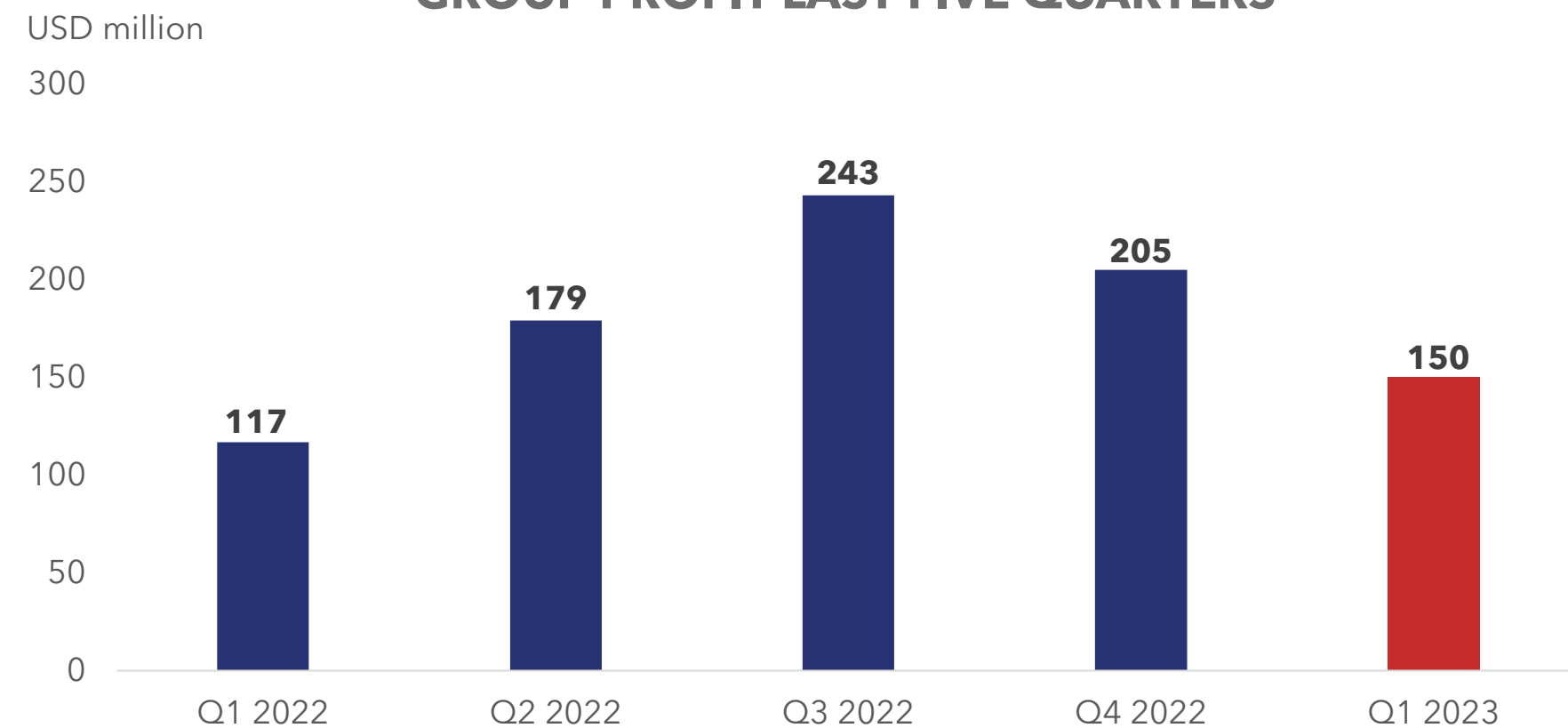


01. FIRST QUARTER HIGHLIGHTS

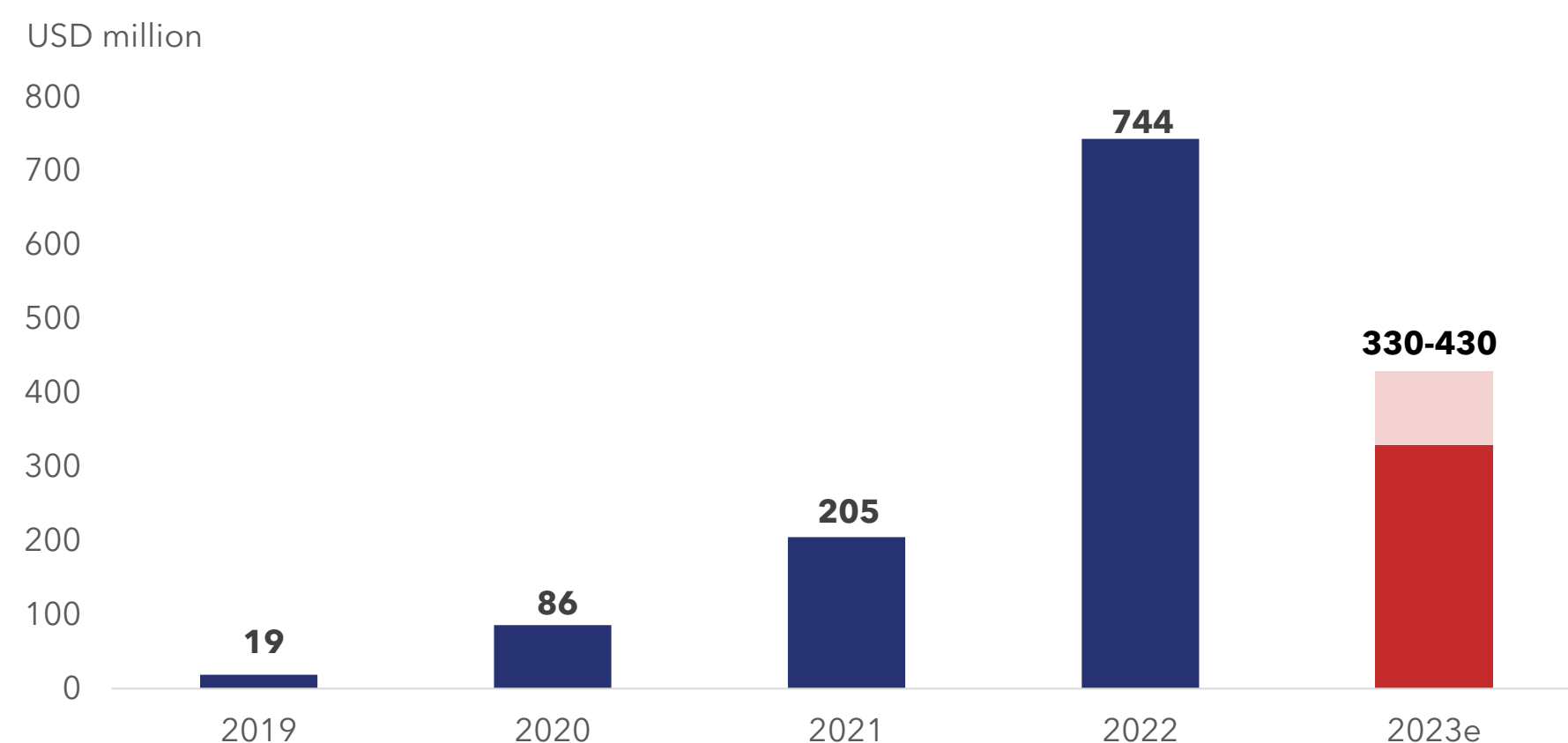
01. Q1 2023 HIGHLIGHTS

BUSINESS UPDATE

GROUP PROFIT LAST FIVE QUARTERS



GROUP PROFIT BY YEAR



PROFIT FOR Q1 2023: USD 150 MILLION

- **Freight Services & Trading:** USD 67 million
- **Assets & Logistics:** USD 83 million

BUSINESS HIGHLIGHTS

- Strong margins in FST of USD 1,672 per day, driven by strong tanker earnings and a short position in a weak dry cargo market
- Asset Management NAV at DKK 381 - lower due to dividend and slightly lower tanker values
- Increasing dry cargo exposure by
 - Building long position in Freight Services & Trading
 - Adding capacity in Assets & Logistics, entering Capesize segment
- Paying out interim dividend of DKK 15 per share
- Guidance maintained at USD 330-430 mill.

01. Q1 2023 HIGHLIGHTS

ADDING DRY CARGO CAPACITY

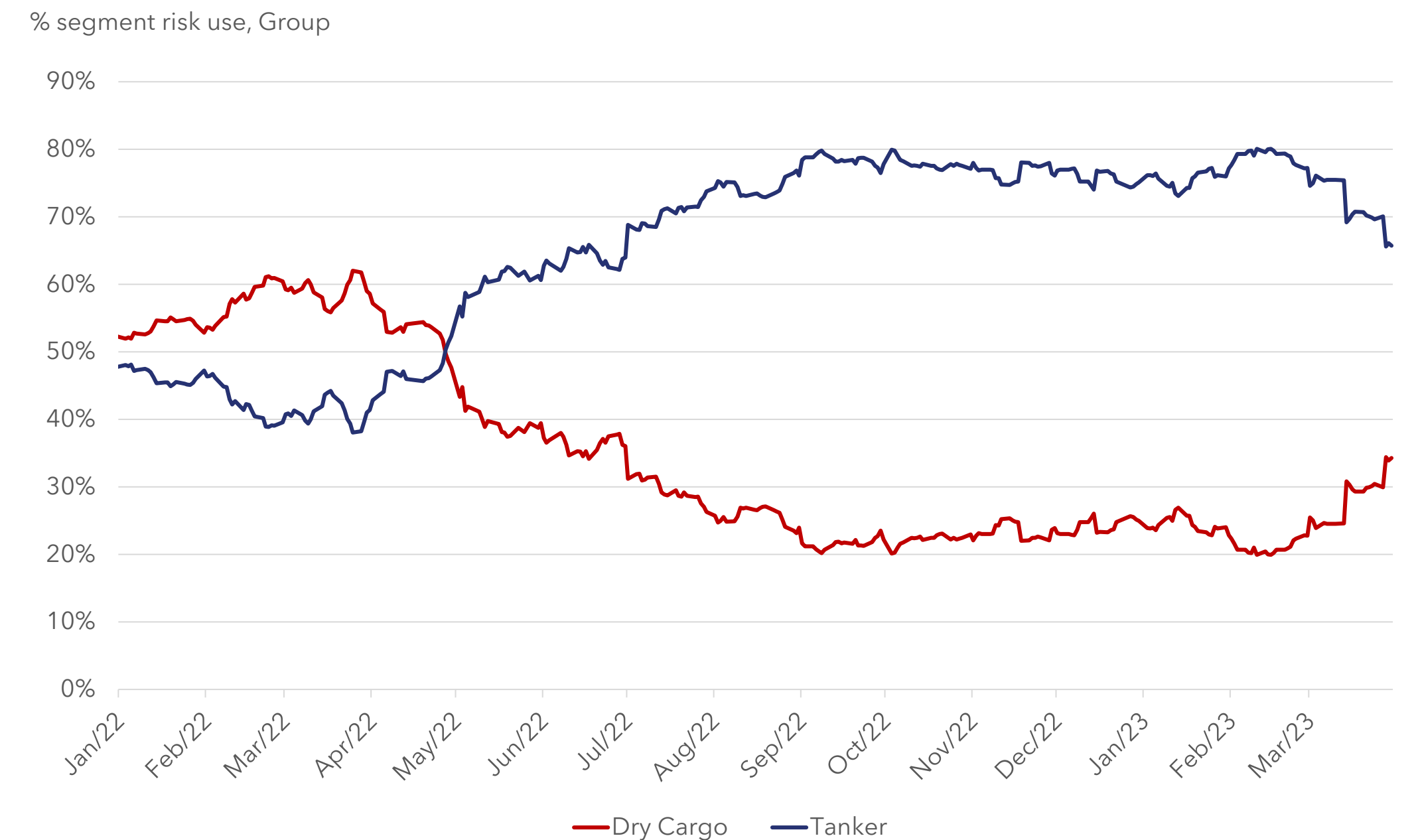
Increased net dry cargo vessel days in line with improved market outlook

FST total dry cargo forward position in vessel days



Gradually reducing high tanker exposure, while adding capacity in dry cargo

Relative segment exposure - entire NORDEN business

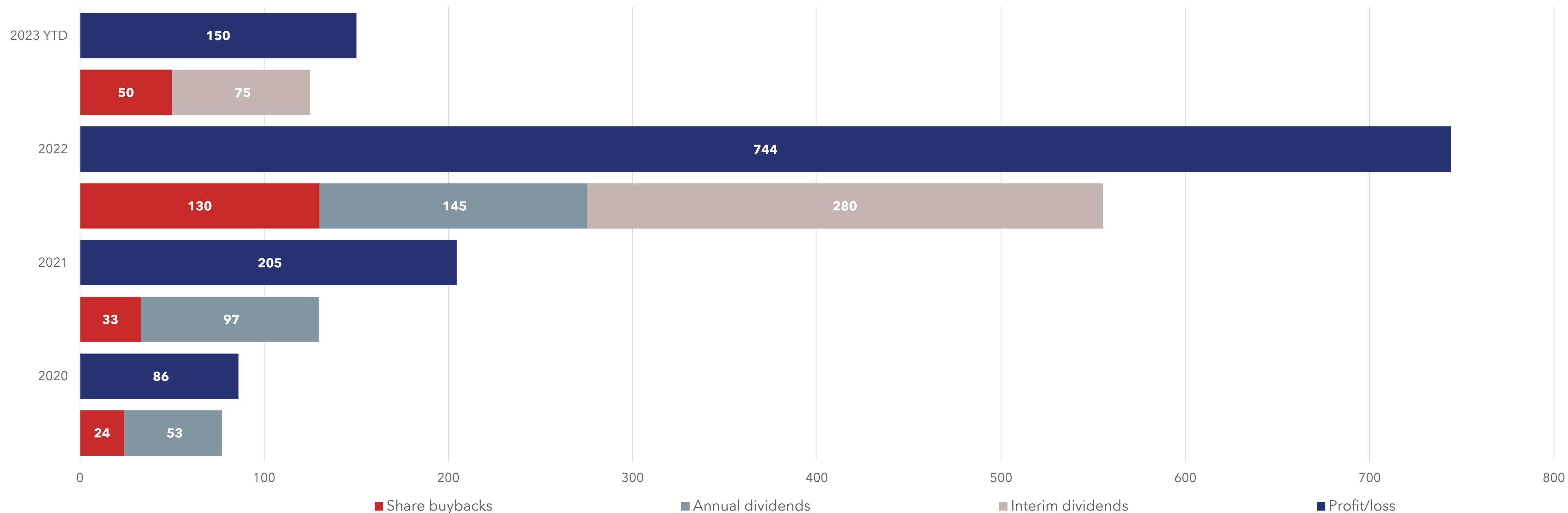


01. Q1 2023 HIGHLIGHTS

SHAREHOLDER CASH DISTRIBUTION

- Interim dividend of DKK 15 per share for Q1
- Returned approx. USD 885 million to shareholders since 2020
- Net share count reduced by 19% since start of 2020

Shareholder cash distributions since 2020



02. BUSINESS UNIT PERFORMANCE



| | | | | |
|-----|-----|-----|-----|-----|
| TIN | 879 | 552 | SIT | --- |
| CDT | 521 | GES | --- | --- |
| ASE | 225 | 112 | EVI | --- |
| ISD | --- | 654 | TIN | --- |

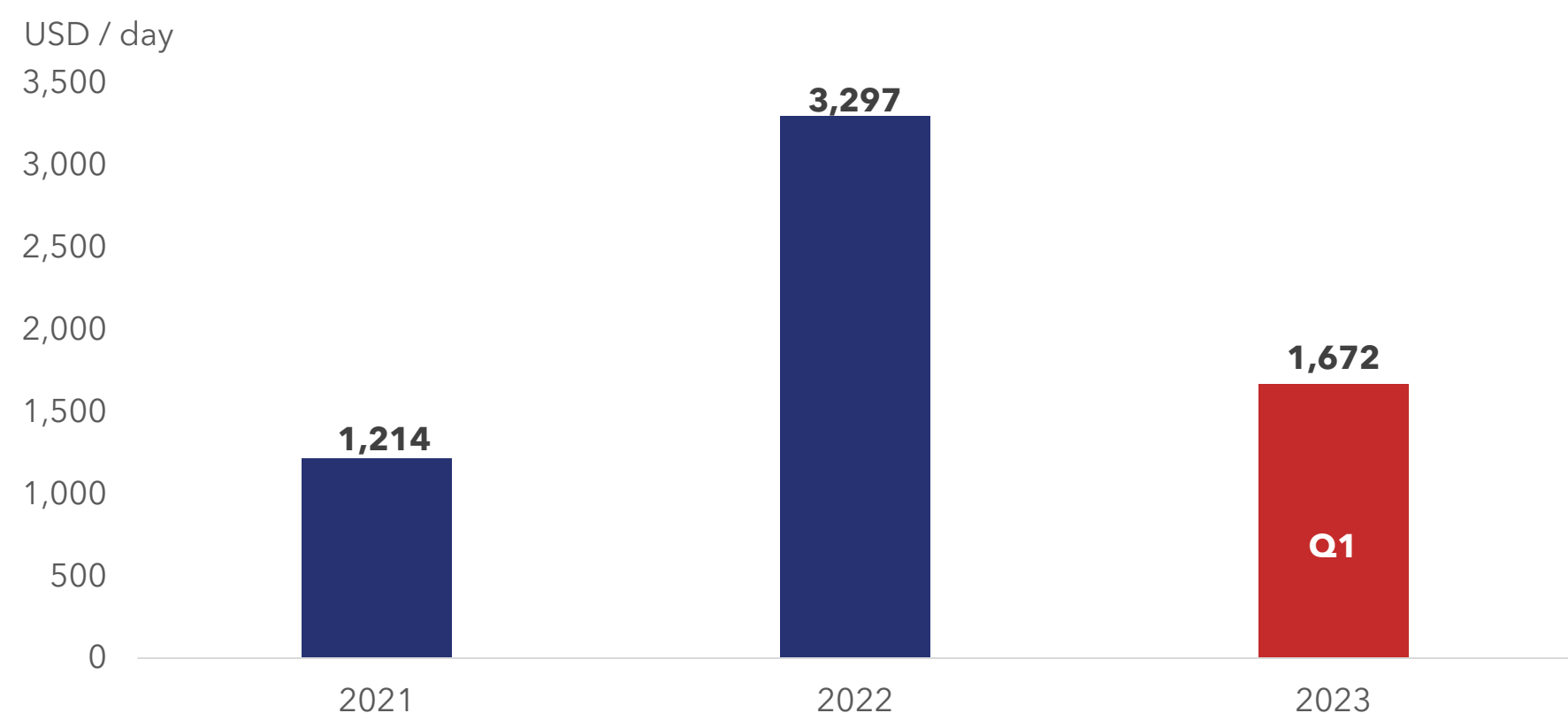
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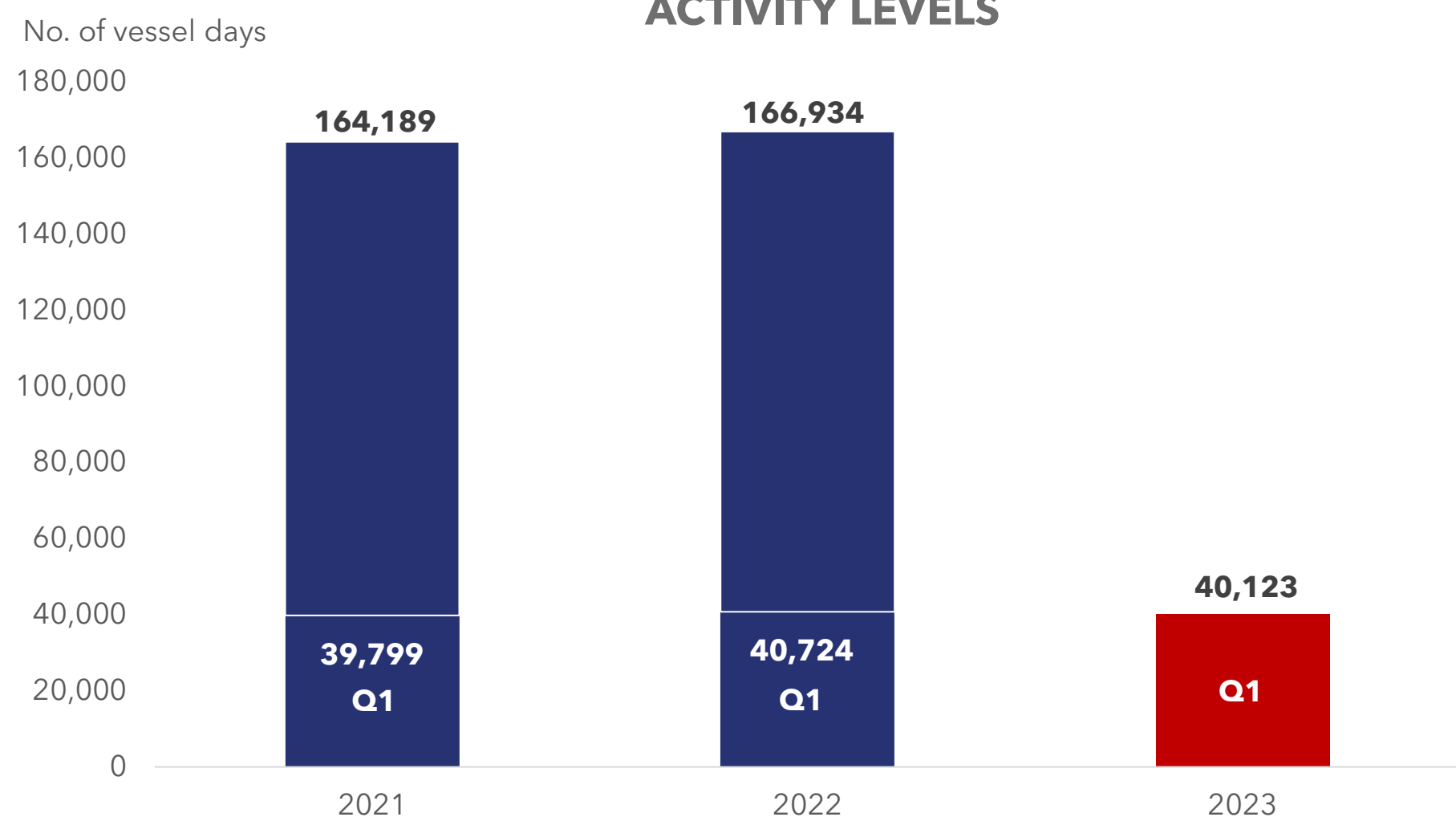
02. FREIGHT SERVICES & TRADING

STRONG TANKER EARNINGS WHILE MAINTAINING DRY CARGO VOLUMES

RESULT PER VESSEL DAY



ACTIVITY LEVELS



Q1 PROFIT 2023: USD 67 MILLION

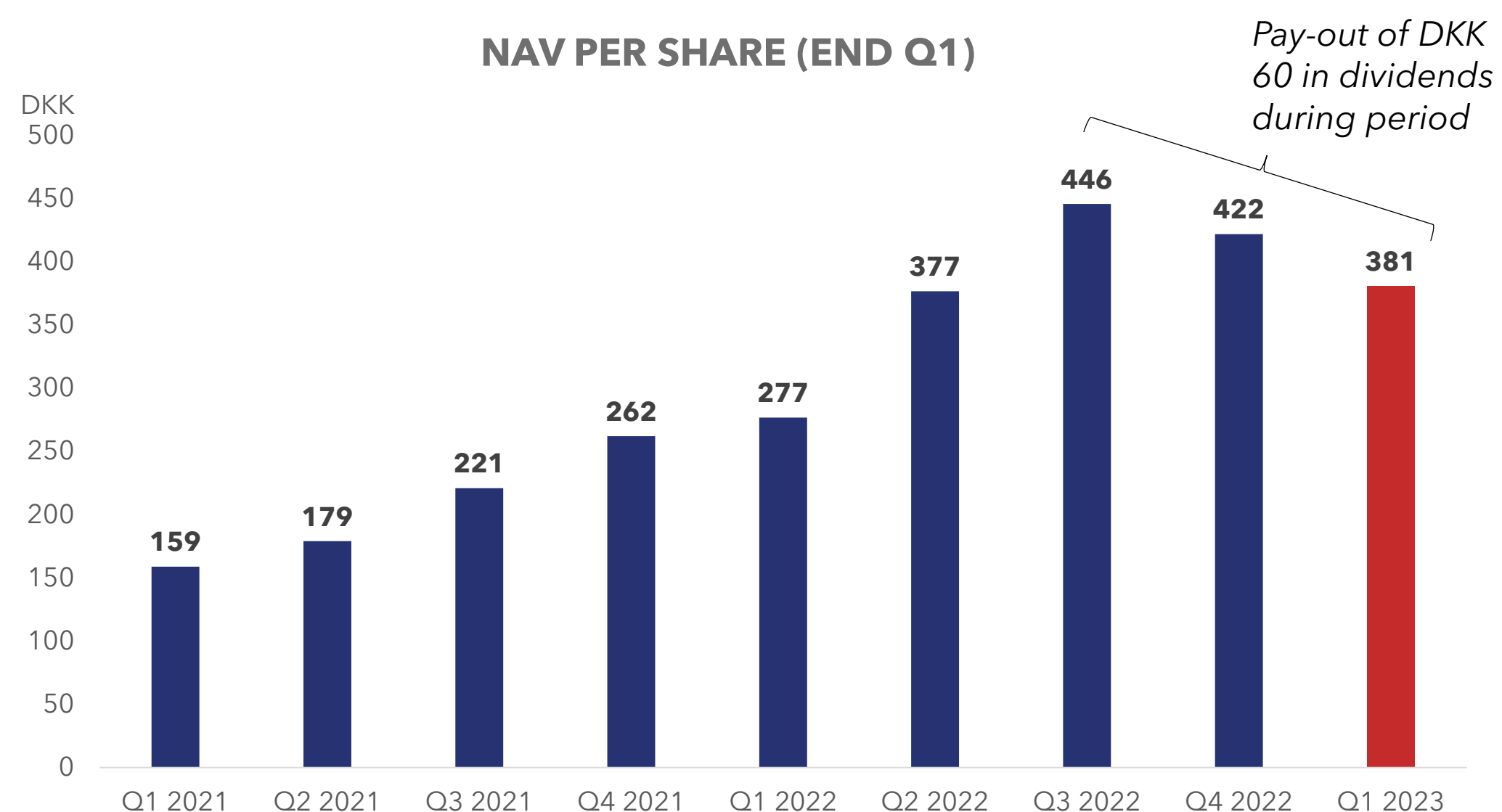
- Strong tanker earnings, utilising high exposure to a volatile market
 - Trade flows increasingly shifted towards Far East region, actively captured value amid large rate volatility across regions
 - Benefitted from long position, gradually easing high tanker exposure going forward
 - Secured forward earnings into 2024 by reletting vessels on time-charter
- Maintained dry cargo volumes and increased market share despite market slowdown.
 - Increasingly shifted trade towards China and India (coal, grains and ore products)
 - Benefitted from short dry cargo position, as rates bottomed out.
 - Added tonnage for second half of 2023 in line with market improvements
- Continuous focus on operational cost efficiencies at scale. Supporting base margins

KEY FIGURES FY 2022



02. ASSETS & LOGISTICS

CONVERTING MARKET VALUES TO STRONG SALES GAINS AND COVER EARNINGS



Q1 PROFIT 2023: USD 83 MILLION

- Slight decrease in BU NAV, ending at USD 1.8 billion, equal to DKK 381 per share
- Generating sales gains of USD 42 million
- Gradually adding more dry cargo capacity in line with improved market conditions
 - Entered Capesize segment with 4 acquisitions
- Cashing in on elevated tanker values and maintaining high exposure
- Realised nearby tanker values through vessel sales and leasing out to third parties,
 - 2023 cover at much higher rates, ensuring value for coming quarters.
- Future vessel sales gains for 2023 of approx. USD 28 million

KEY FIGURES FY 2022



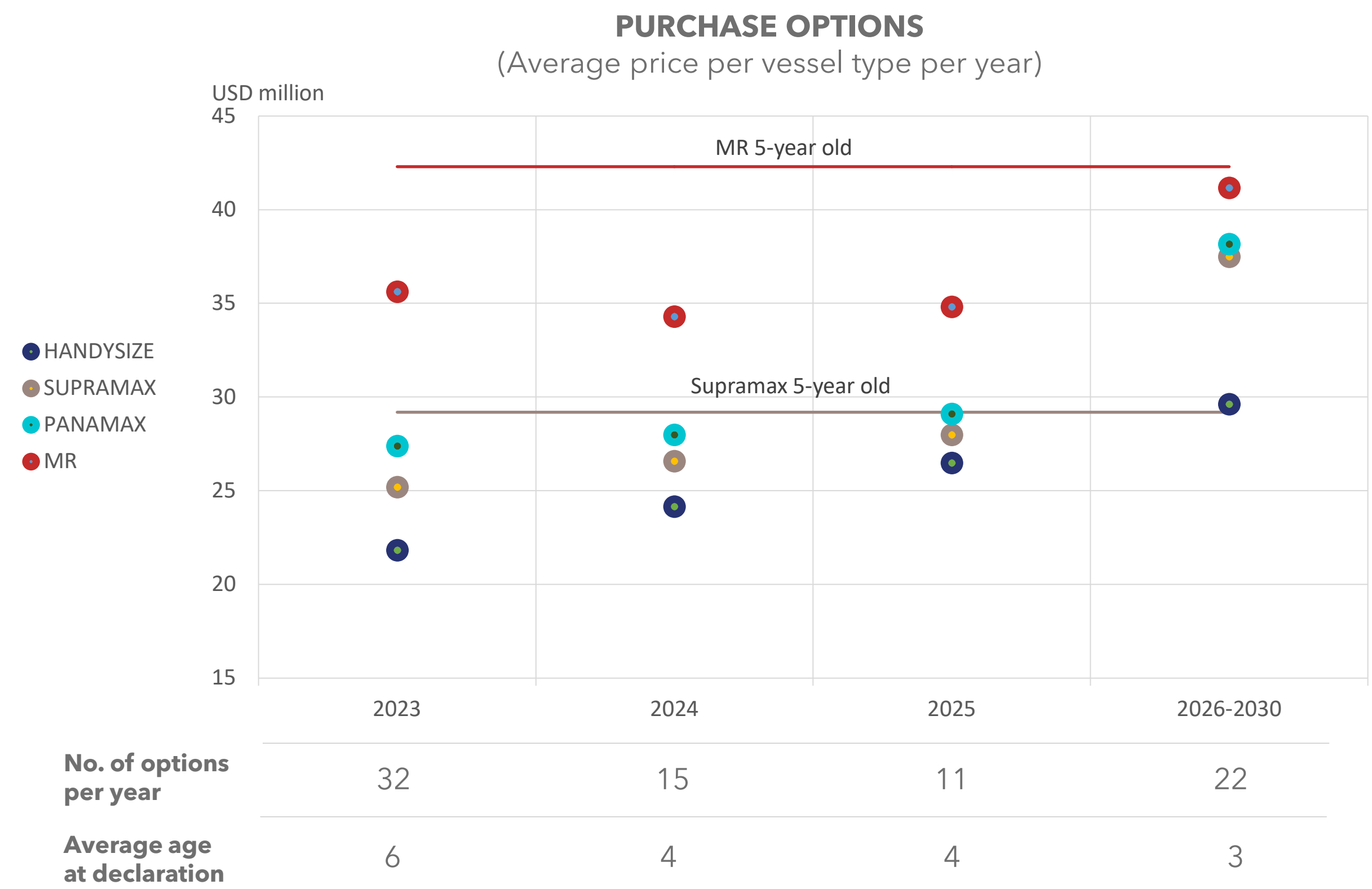
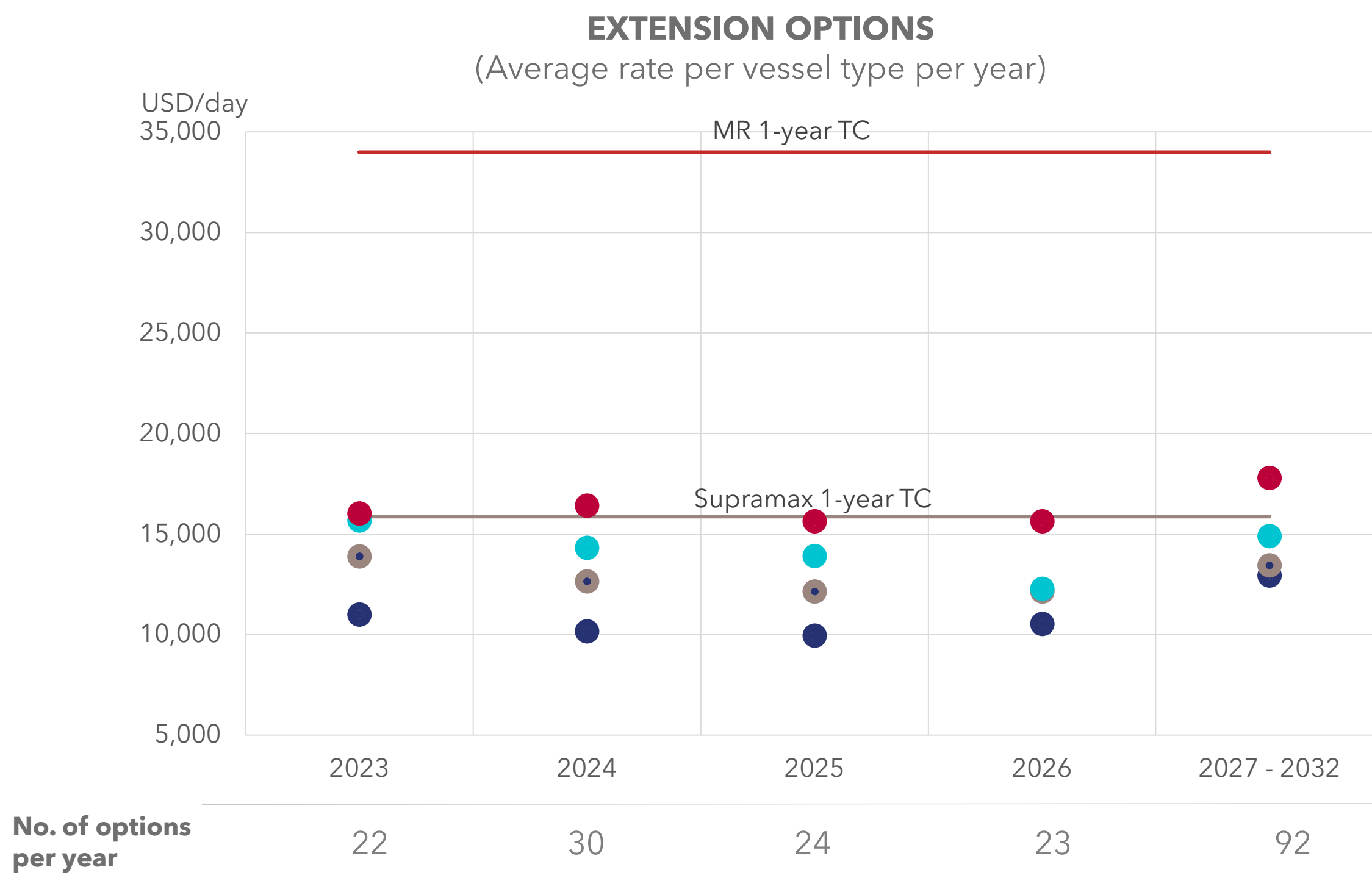
Net asset value of Assets & Logistics (incl. NORDEN's net cash position)

| USD million | Dry Cargo | Tankers | Total |
|--|------------|------------|--------------|
| Market value of owned vessels | 405 | 455 | 860 |
| Estimated market value of T/C and cover portfolio (incl. estimated value of optionality) | 198 | 246 | 444 |
| Total Asset & Logistics portfolio value | 603 | 701 | 1,304 |
| Net cash position | | | 591 |
| Newbuilding 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 |

02. ASSET & LOGISTICS

EXTENSIVE OPTIONALITY PROVIDES UPSIDE VALUE

- ~64,000 extension option days in total
- Extension options: 191 options in total (118 options on dry cargo vessels and 73 on tanker vessels)
- Purchase options: 80 options in total (51 in dry cargo, 29 in tankers)



02. BUSINESS UNITS VALUATION

ASSETS & LOGISTICS

Asset trading and active portfolio management of owned and leased vessels. Investments in port logistics aimed at optimising supply chains

NAV-based valuation

Per 31/3/2023

| | USDm |
|---------------------------------------|-------|
| Market value of own vessels | 860 |
| Market value of T/C & Cover portfolio | 444 |
| Net cash position | 591 |
| N/B instalments | -177 |
| Other net assets (book values) | 109 |
| Total business unit NAV | 1,827 |
| Business unit NAV per share, DKK* | 381 |

FREIGHT SERVICES & TRADING

Global freight services and trading in the dry cargo and product tanker markets

Earnings-based valuation

| | Average since 2019 |
|---|--------------------|
| Result per vessel day (USD) | 1,400 |
| Annual vessel days | 154,540 |
| Annual activity level growth | 2.8% |
| | Average since 2019 |
| Profit for the year (USDm) | 216 |
| Value per share with multiple of 5x (DKK)* | 225 |
| Value per share with multiple of 10x (DKK)* | 450 |

* NAV per share and value per share based on USD/DKK rate and share count as of latest balance sheet date, excluding treasury shares held by NORDEN on this date.

03. MARKET DEVELOPMENT AND OUTLOOK



03. MARKETS

DRY AND TANKER MARKET IN Q1

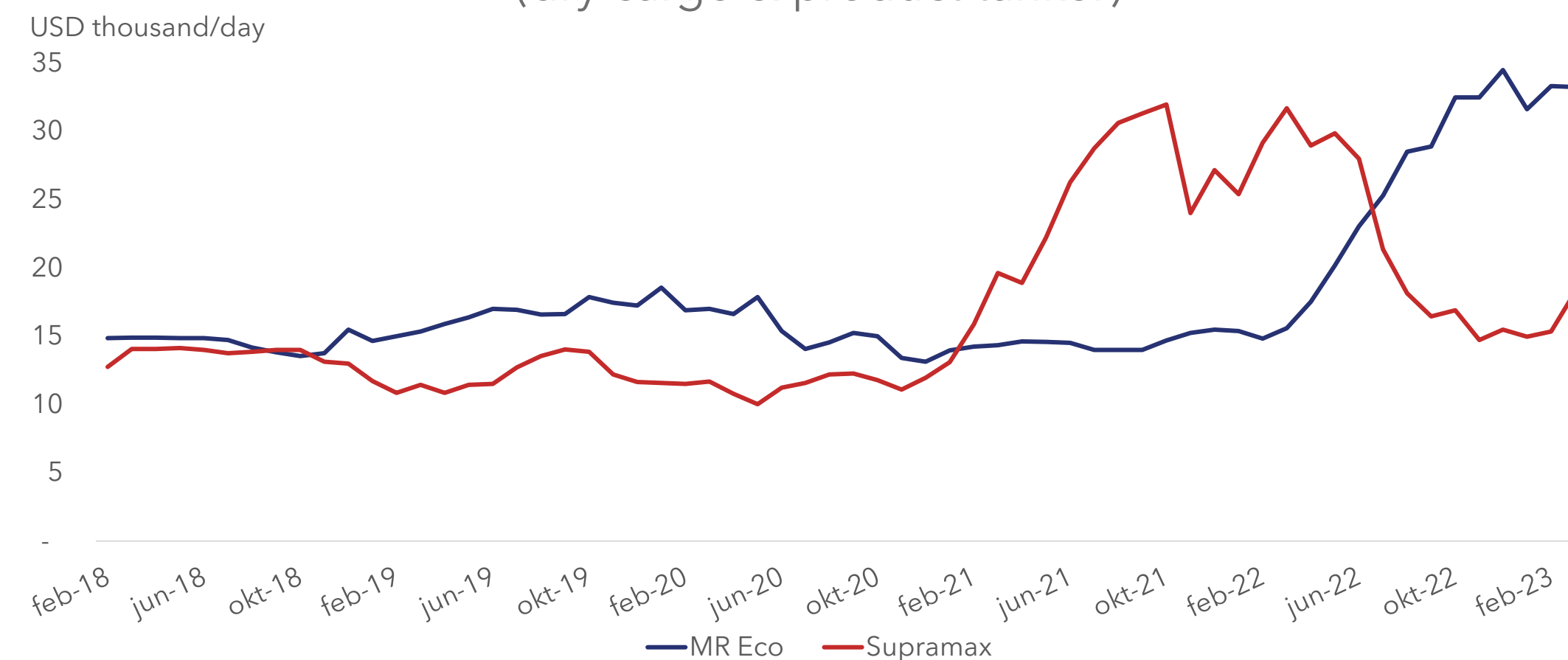
Dry cargo market bottomed out

- Dry cargo rates bottoming out in early Q1, followed by strong upturn
- Gradual improvements at end of quarter following China reopening
 - High coal and iron ore imports from China
 - More than offset weakness in rest-of-world volumes
- 1-year T/C Supramax rate increased by 18% to USD 18,300 per day
- Price of a 5-year old Supramax increased by 8% to USD 29 million

Continued strong and volatile tanker market

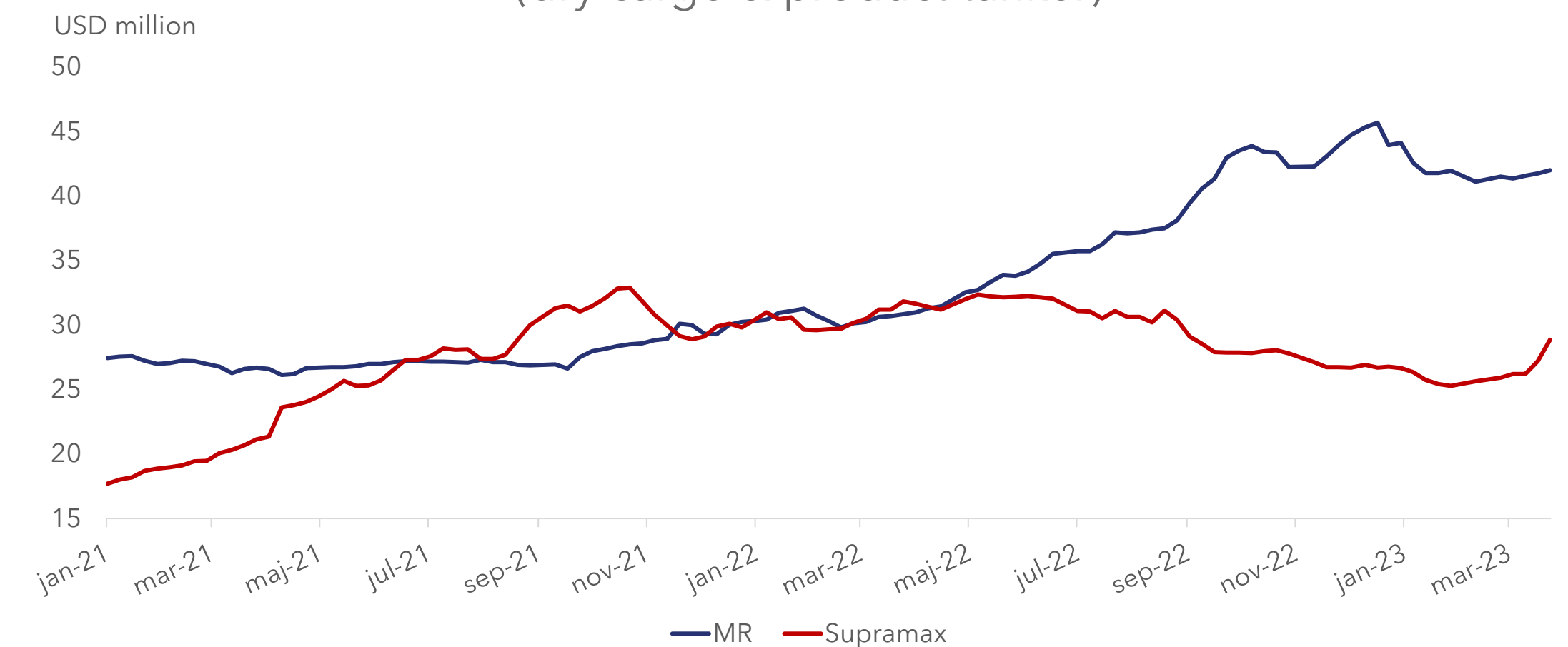
- Spot rates on MR vessels remain highly volatile across regions
- Sanctions leading to longer distances and higher utilisation of world fleet
- Volume of refined oil products on water increased by 20%
- 1-year T/C MR rate remained stable at USD 33,250 per day
- Price of a 5-year old MR slightly decreased by 4% to USD 42 million

1-year T/C rate
(dry cargo & product tanker)



Source: Clarksons

5-year secondhand asset values
(dry cargo & product tanker)



Source: VesselsValue

03. MARKETS

MARKET OUTLOOK IN DRY CARGO

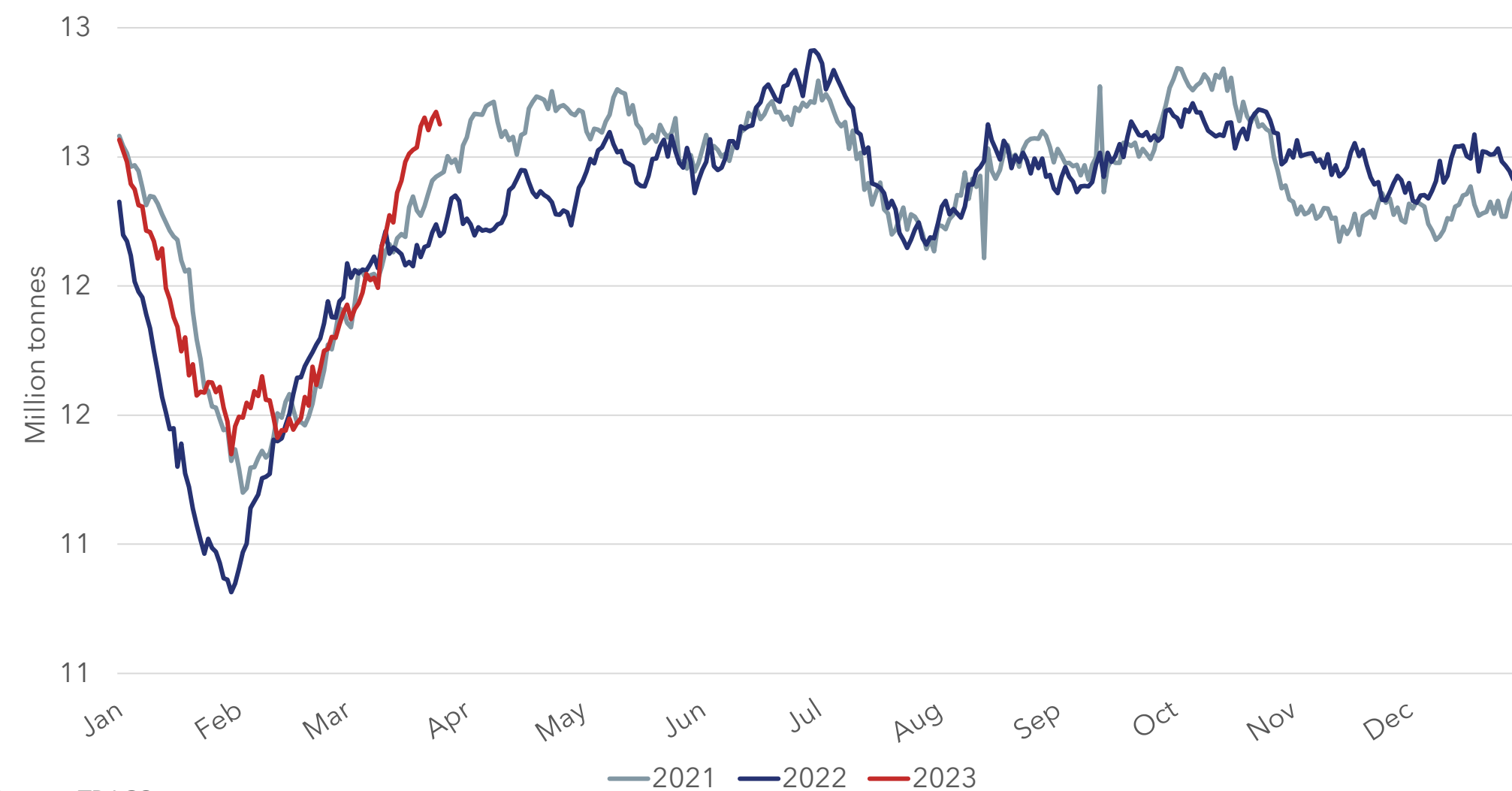
Gradual improvements on the horizon

- Continued gradual improvement in line with China reopening
- Weaker economic growth in rest of the world likely to limit upside
- No support from congestion and container spillover effects

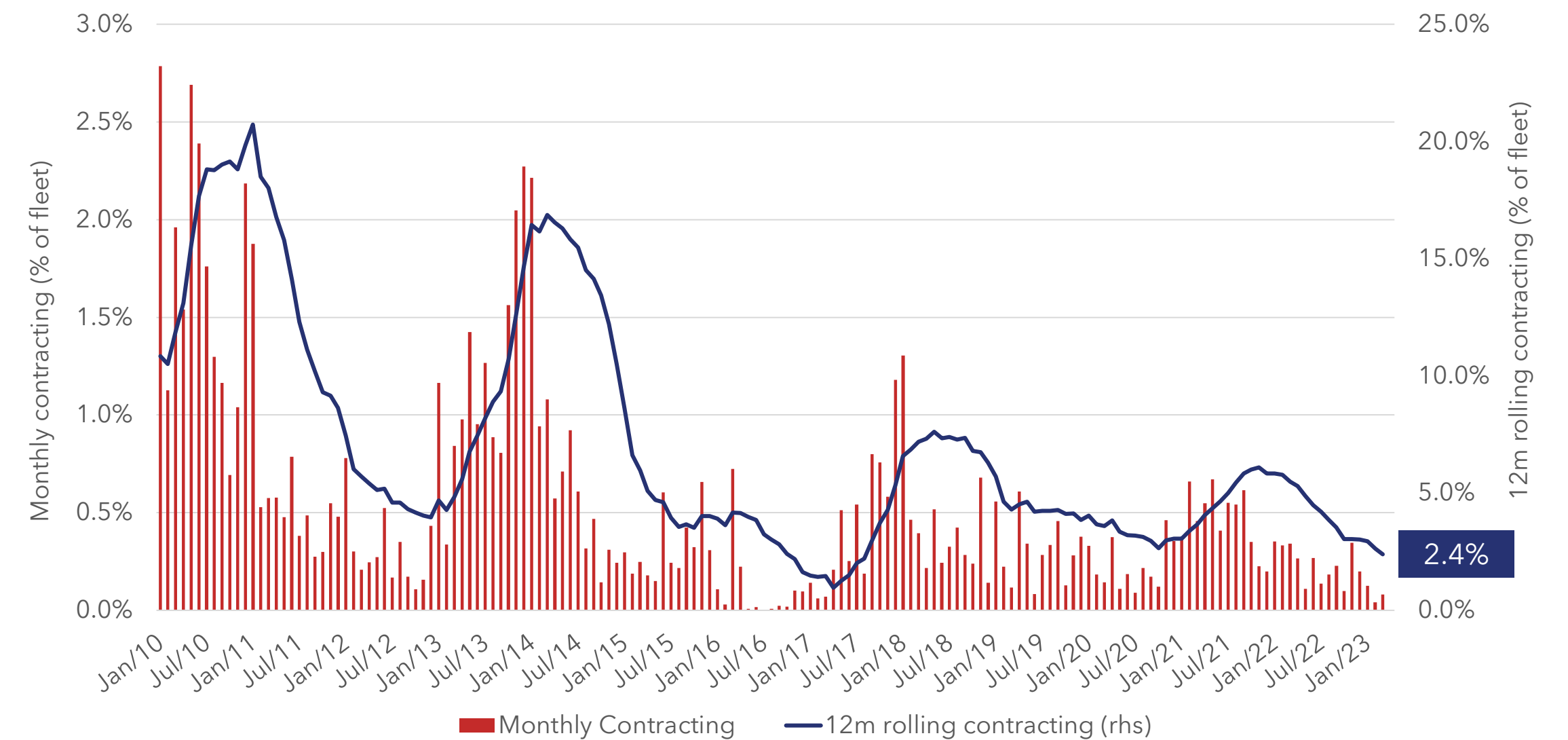
Vessel supply growth remains low

- Asset values expected to be supported by historically low orderbooks
- Expected global fleet growth of 2-2.5% for 2023-24

Global volumes transported (30-day moving average)



Dry Cargo Y/Y Fleet Growth & Monthly contracting



03. MARKETS

MARKET OUTLOOK IN TANKER

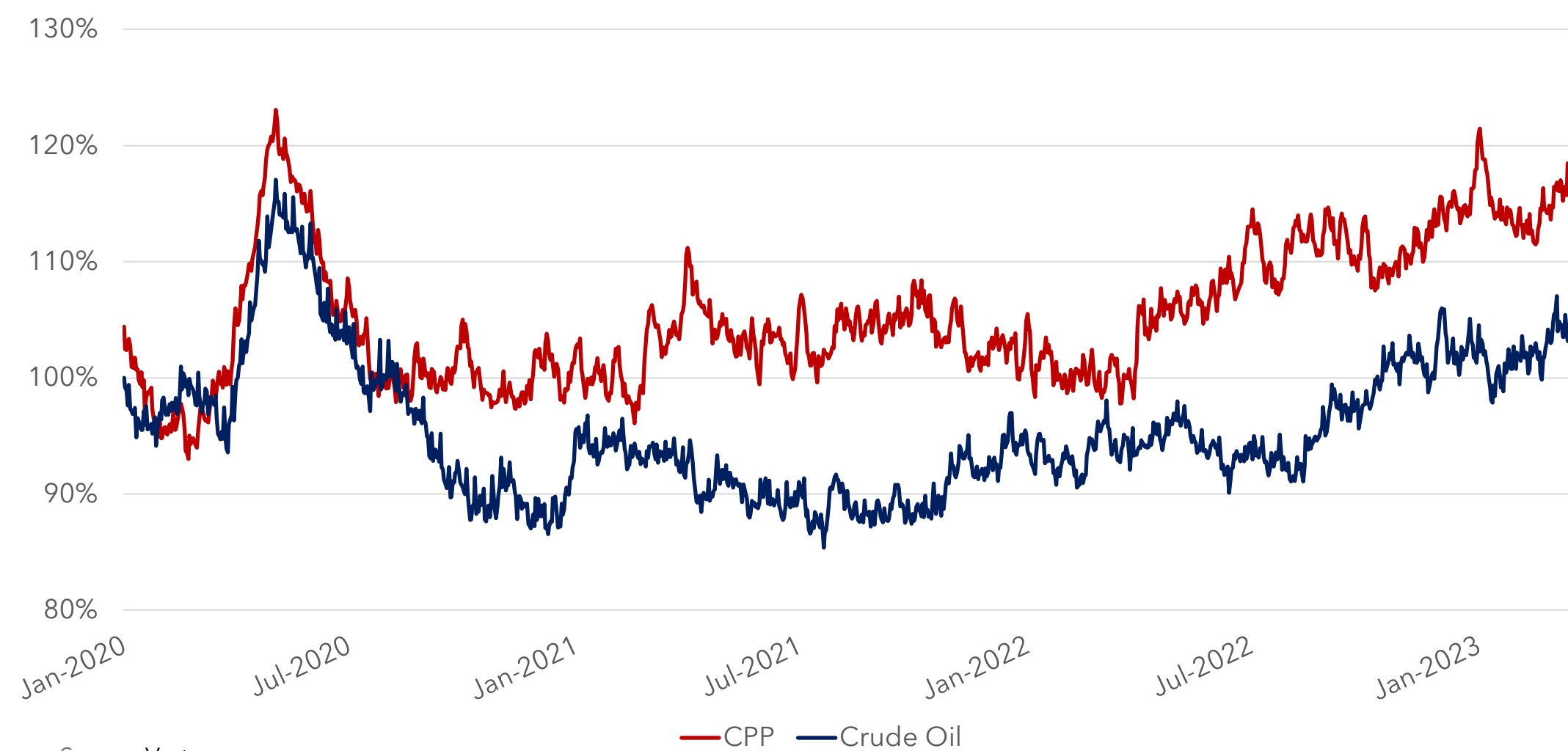
Strong and volatile tanker rates expected to remain

- Product tanker market expected to remain strong
 - Support from inefficiencies incl. sanctions and changing trading patterns
- Risks to the strong base case remain high
 - Political uncertainty
 - Possible weaker oil demand as a result of high prices
 - Expected weaker economic growth

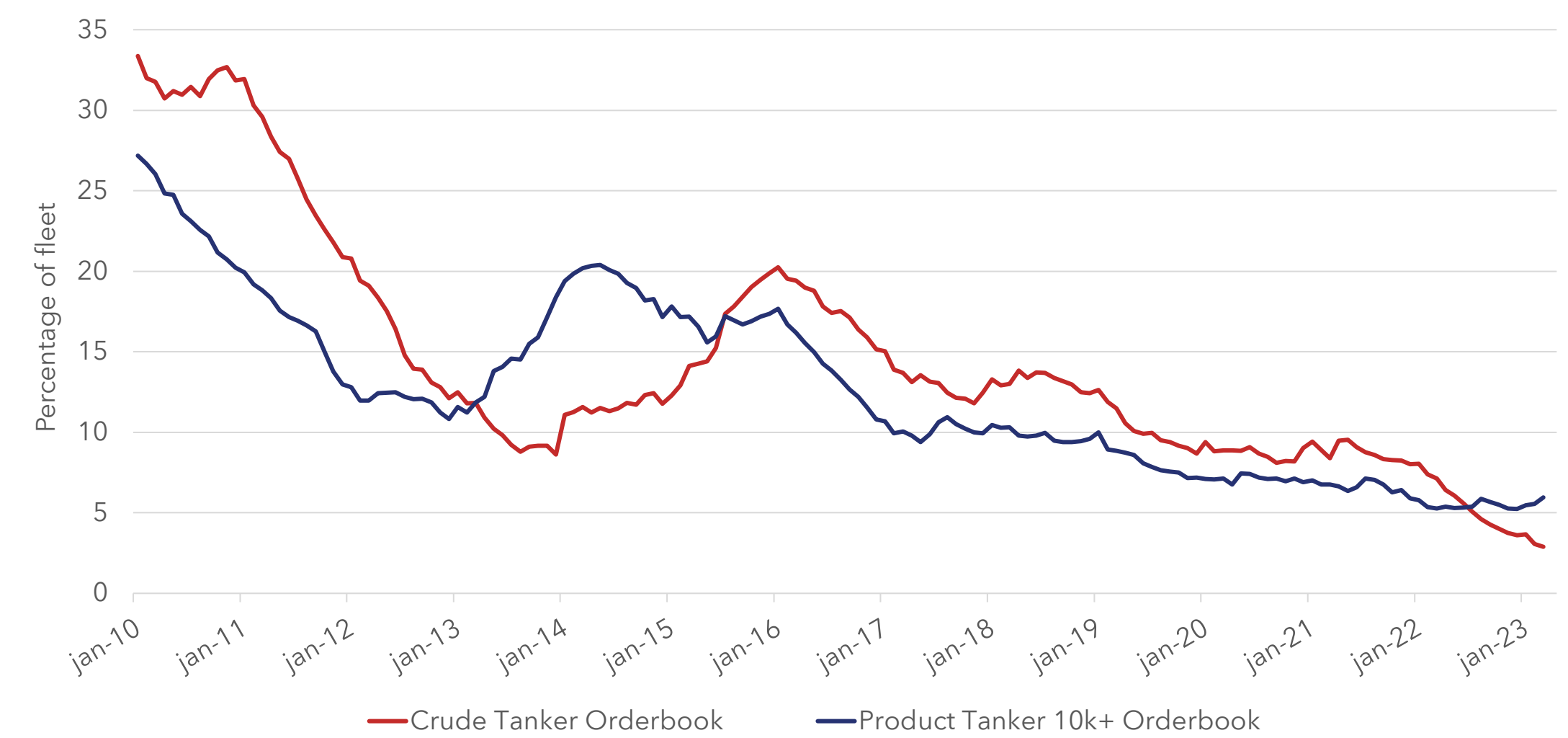
Low fleet growth supporting asset prices and period rates

- Historically low orderbook at 6%, but ordering picking up slightly
- Limited yard capacity on MR tankers
- Expected global fleet growth of 2% in 2023-24

Clean products and crude oil in transit
(amount of barrels in transit compared to January 2020 in %)



Orderbooks in % of fleet



An aerial photograph showing a dense, vibrant green forest on the left side of the frame, which meets a bright blue lake on the right. The forest is composed of various types of trees, creating a rich, textured canopy. The lake's surface is calm with subtle ripples, and its color is a striking, clear blue. The boundary between the forest and the water is irregular and natural. In the bottom left corner, there is a small wooden dock extending into the water.

04. 2022 GUIDANCE AND SUM-UP

04. GUIDANCE

2023 GUIDANCE

Full-year guidance for 2023 profit: USD 330-430 million

ASSETS & LOGISTICS

- Expects slightly improved earnings in 2023 compared to 2022
- High coverage of tanker fleet at considerably improved rates
- Fully covered dry cargo fleet at profitable rates
- Vessel sales gains expected to contribute positively to the year

FREIGHT SERVICES & TRADING

- Significantly lower result expected for 2023 compared to 2022
- Margin per vessel day expected below 4-year average (at year-end 2022)
- 2023 activity levels expected to be in line with 2022 levels
- Well positioned to capitalise on highly volatile tanker market
- Positive contribution from dry cargo activities in weaker market

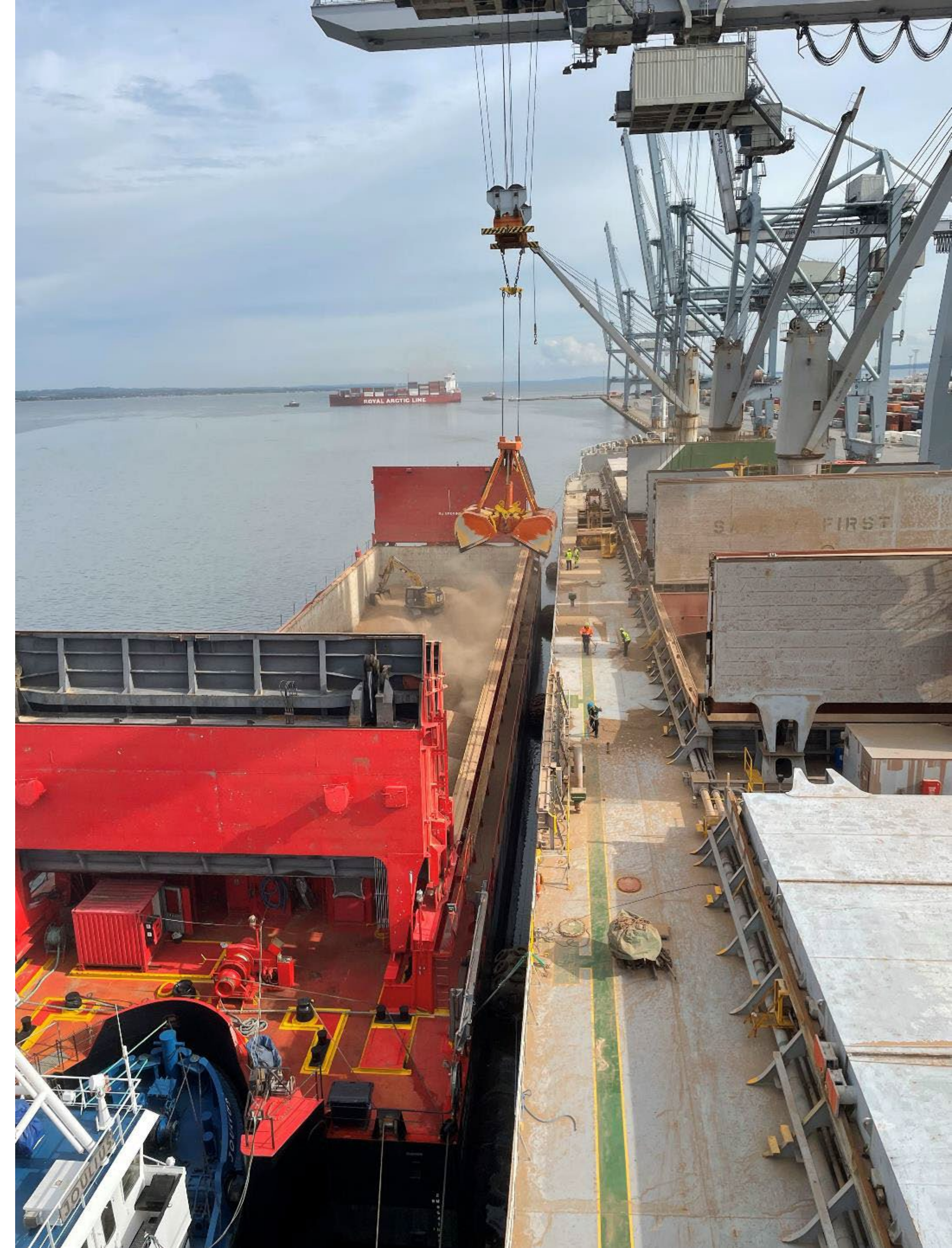
Open tanker days: 6,057 open MR tanker vessel days at start of May 2023

Dividend policy: to pay out minimum 50% of the profit for the year

04. FINAL WORDS

STRONG START TO THE YEAR

- Profit of USD 150 million and ROE of 40%
- Paying out interim dividend of DKK 15 per share
- Good margins in FST of USD 1,700 per day
- BU NAV at USD 1.8 billion, equal to DKK 381 per share
- Solid sales gains and cover earnings
- Entering Capesize segment, purchased four vessels in Q1
- Gradually changing exposure towards dry cargo
- Guidance for 2023: USD 330-430 million





04. FINAL WORDS – DISCLAIMER

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 2023 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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APPENDIX - ABOUT NORDEN



WE ENABLE SMARTER GLOBAL TRADE



We are more than

425

employees

Tonnes of cargo carried

140 m

In 2022

Data points processed daily

9.4 bn

to support decisions

More than

450

vessels operated

BUSINESS UNITS

ASSETS & LOGISTICS

Asset Management



Dry cargo vessels



Product tanker vessels

Logistics & Climate solutions



Port logistics & decarbonisation

- Asset trading of owned vessels
- Leased vessels with significant optionality upside
- High contract cover with visible and recurring earnings

- Integrated port logistics and freight services
- Optimising customer supply chains

FREIGHT SERVICES AND TRADING

Asset-Light Freight Services



Construction



Foods & oils



Energy



Industrial

- Scalable platform highly responsive to customer needs and market changes
- Recurring earnings with protection against market downside and exceptional upside potential in strong markets
- Multiple trading and arbitrage strategies based on timing, geographies and vessel types

FOUNDATION

People & Culture

Data & Advanced analytics

NORDEN Brand

Customer relevance

Governance & Risk management

NORDEN STRATEGY

2023-2025



THE CUSTOMER

- Structured approach to large customers
- Securing the next projects in Logistics & Climate Solutions
- Expanding the NORDEN Tanker Pool



HIGH-PERFORMING ORGANISATION

- Next-level leadership and development of our people
- Improve feedback culture
- Data and analytics integrated in all decision-making processes

FOCUS AREAS



TRADING UP

- Sophisticate our trading discipline and strategies
- Explore market opportunities for large deals
- Enter Capesize vessel segment in both business units



ESG

- Introduction of low-emission freight products
- Reduction in emissions per tonne-mile
- Increased focus on diversity, equity & inclusion

NORDEN AT A GLANCE

1871:



Mads C. Holm founds NORDEN; first vessel delivered in 1872

1923:



NORDEN's first motor vessel, NORDBO is delivered

1973:



The first of 5 dry cargo vessels is delivered from Japan, and NORDEN enters what today is the core business of the Company.

2008:



NORDEN moves into its new domicile Bryghuset.

2013:



NORDEN finalises its first sustainability strategy with focus on e.g. reducing CO2 emissions

2021:



NORDEN celebrates 150 years of sailing the seven seas.

1892:

Dampskibsselskabet NORDEN acquires a new domicile only a few hundred metres from the Royal place, at No. 49 Amaliegade



1946:



NORDEN's last steamship, NORDLYS is sold

1979:

The last liner-type vessel, NORDFARER, is sold



2005:

NORDEN establishes Norient Product Pool with pool-partner Interiorient Navigation Company Ltd., Cyprus.

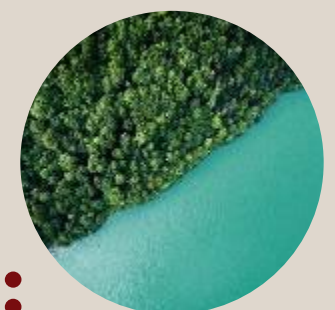


2019:




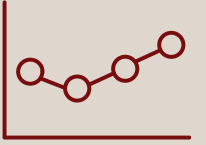
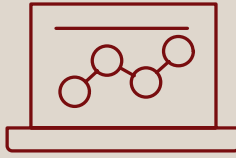

NORDEN celebrates its first test voyage with a large ocean-going vessel powered solely on CO2 neutral biofuel.

2022:



NORDEN launches its new climate strategy and commits to five climate initiatives to help its customers decarbonise their supply chains

Macrotrends affecting shipping

-  Geopolitical complexity
-  Market volatility
-  Digitalisation
-  Decarbonisation



NORDEN strategy

-  Delivering smarter global trade for our customers and partners
-  High-performing organisation in a value-based culture
-  Tradable positions and focus on optionality
-  Data, analytics and risk management integrated into all decisions
-  Decarbonise our customers' supply chains