

PRESENTATION

NORDEN 

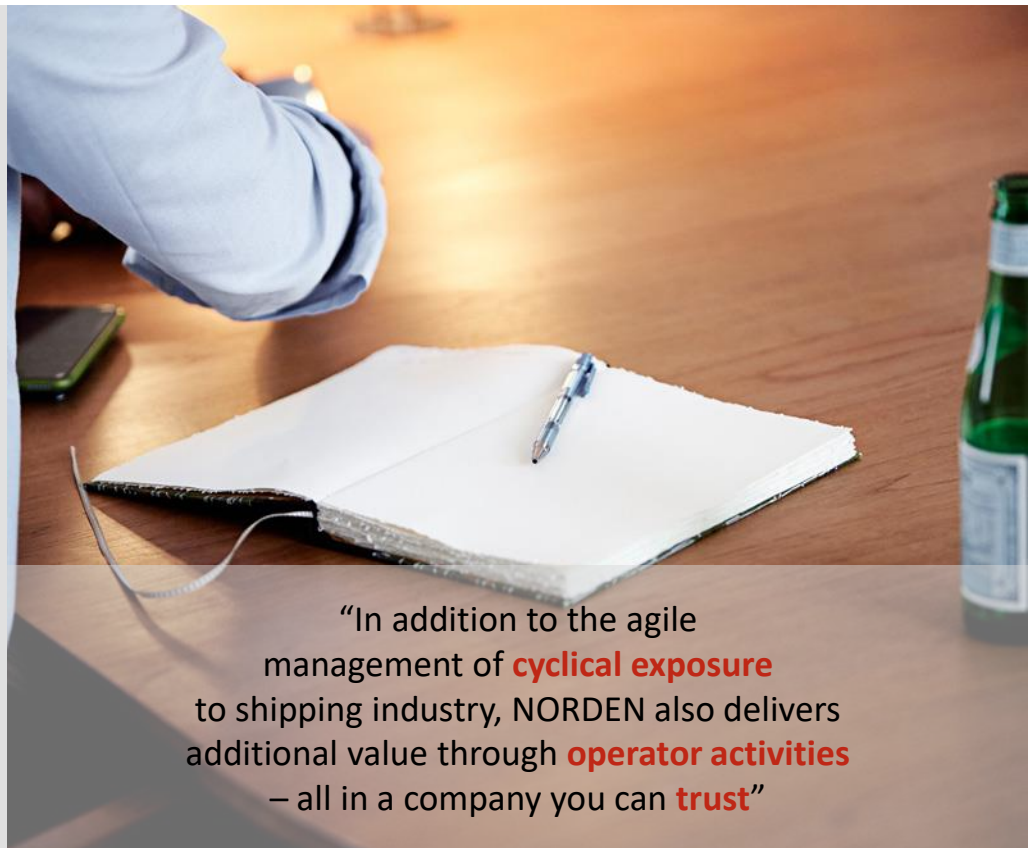
Q2 results

Copenhagen, Denmark
14 August 2019

*NORDEN Singapore
office entrance*

AGENDA

- Business update
- Dry Operator
 - Q2 2019 update
- Dry Owner
 - Q2 2019 update
 - Market outlook
- Tankers
 - Q2 2019 update
 - Market outlook
- Final words



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

Business update



SEASONALLY WEAK TANKER MARKET – CHALLENGING TRADING ENVIRONMENT FOR DRY OPERATOR

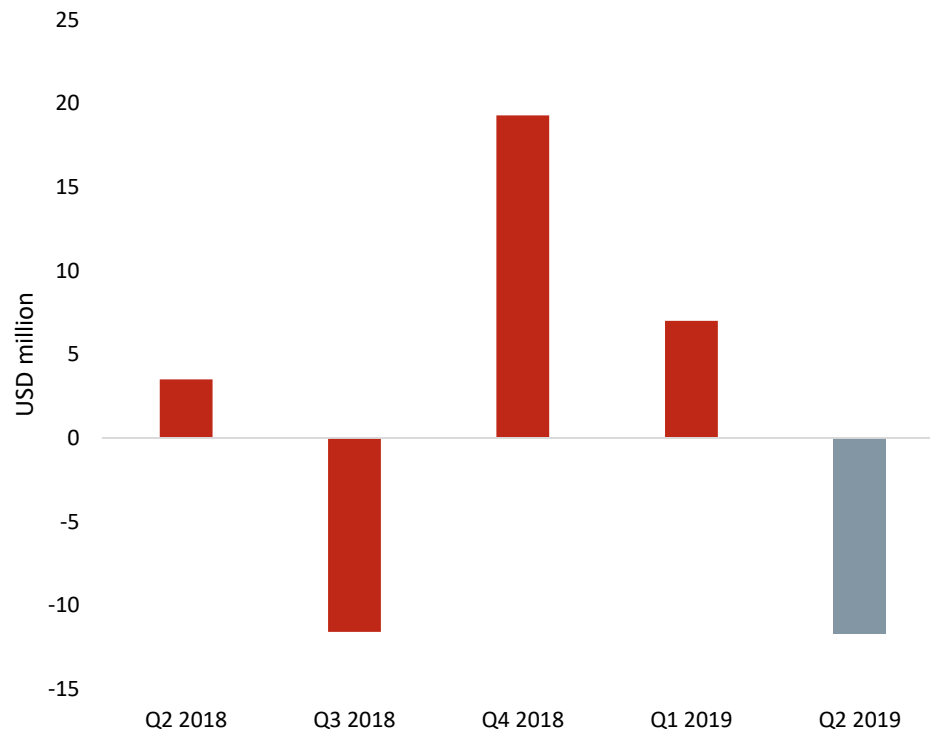
Financial highlights

- Q2 2019 Adjusted Result USD -12 million
 - Dry Operator USD -6 million due to challenging trading environment
 - Dry Owner USD -2 million
 - Tankers USD -3 million due to seasonally weak tanker market
- Overall Guidance maintained at USD 25 to 60 million, however adjustments to individual business units

Business highlights Q2 2019

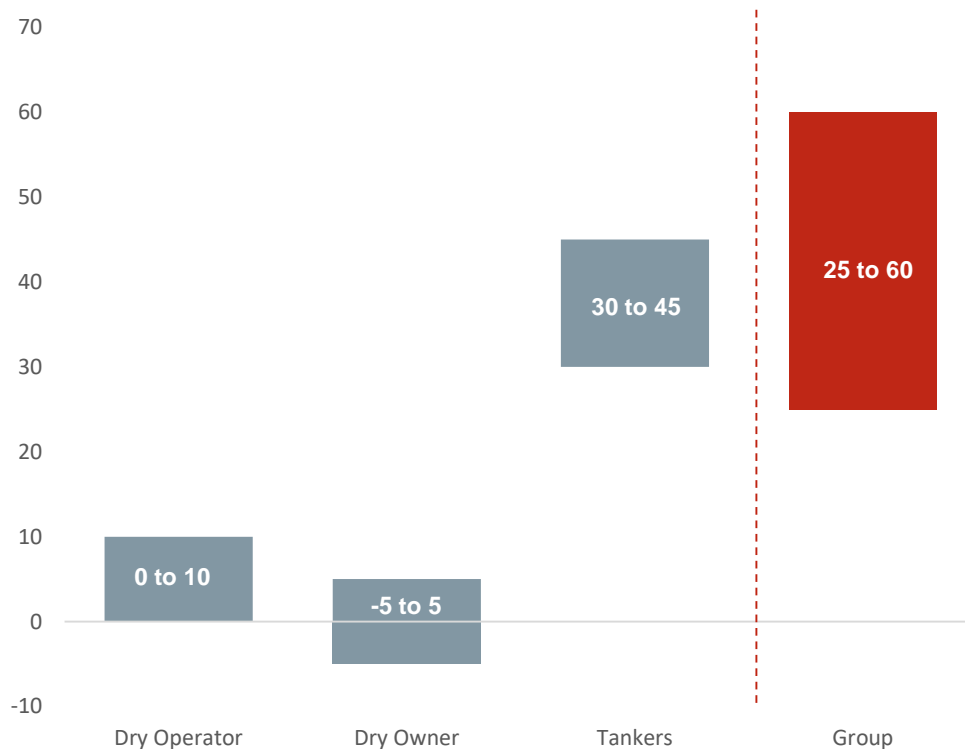
- Reaching tradable fleet size in Dry Cargo
- Increased value of TC portfolio
- Strong liquidity position and improved debt repayment profile

Quarterly results



GUIDANCE MAINTAINED – BUSINESS UNITS ADJUSTED

Guidance – Adjusted result



* Include effect of IFRS 16

Guidance

Dry Operator adjusted to 0 to 10 million
(previously 15 to 25 million)

- Expectations for the full year result remain positive despite a disappointing first half year result

Dry Owner maintained at -5 to 5 million

- High coverage reduces the impact of market rates during the rest of the year

Tankers adjusted to USD 30 to 45 million
(previously USD 15 to 30 million).

- IMO 2020 regulation to strengthen the product tanker market

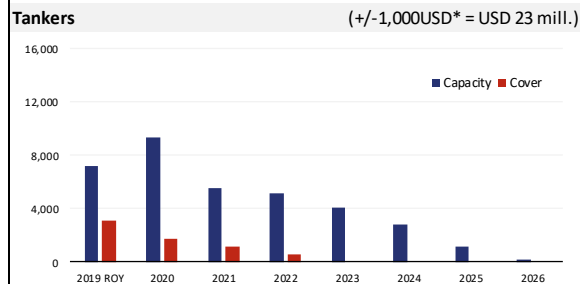
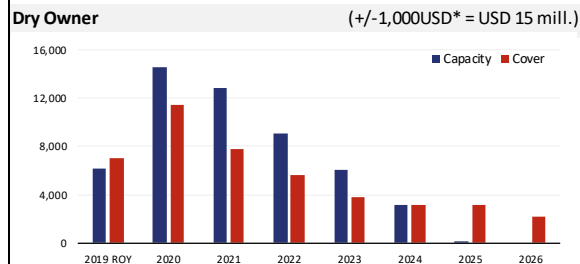
SIGNIFICANT VALUE BEYOND ASSET VALUES

Owned Assets NAV

Dry Cargo Vessels (ex CP)	331
Tanker Vessels (ex CP)	448
Cash and Securities	188
Interest Bearing Debt**	-312
Newbuilding installments	-43
Net Working Capital	126
Property and Equipment	49
Owned Assets NAV	786
Number of Outstanding Shares (million)	40
Owned Assets NAV per share (USD)	20
Owned Assets NAV per share (DKK)***	130



Value of TC/cover portfolio



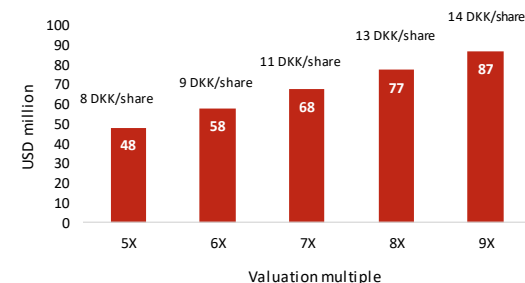
Value of options in addition to firm days (USD million) 43
Value per share (DKK) 7



Value of Dry Operator

Adjusted Result last 4 quarters (USD million)	9
Vessel days last 4 quarters	97,288
Adjusted result per day last 4 quarters (USD)	97

Value at USD 97 /day in Adjusted Result with 100,000 annual vessel days



*Given a change in the next 5 years forward rate

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

*** DKK/USD exchange rate of 6.6

Dry Operator



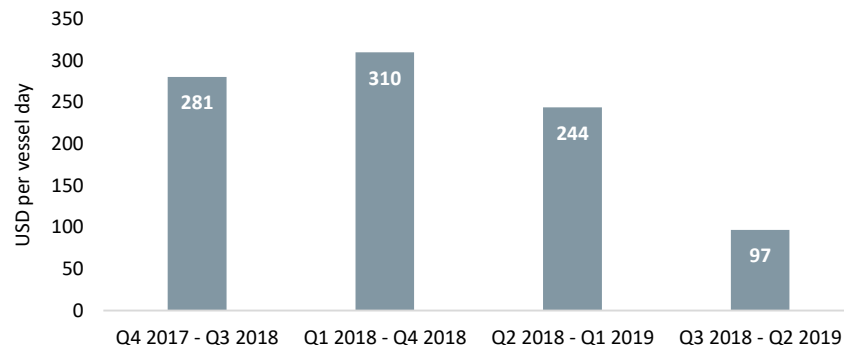
CHALLENGING TRADING ENVIRONMENT

- Disappointing result in Q2 2019 with Adjusted Result of USD -6 million
- Entered Q2 with a short position - market more resilient than expected
 - Swift adjustment of position securing positive trading margins
- Maintain expectations of a positive full year result
- Continuously investing in growth and capabilities

Dry Operator key figures

USD million	Q2 18	Q3 18	Q4 18	Q1 19	Q2 19	Last 4 quarters
Contribution margin	18	12	27	11	8	57
Overhead and admin	-9	-9	-10	-10	-9	-38
Adjusted result	8	3	17	-3	-6	9
Vessel days	25,190	23,833	22,685	25,088	25,709	97,288
Adj. result per vessel day	310	92	732	-124	-245	97

4 Quarter adjusted result per vessel day



Dry Owner



OWNED FLEET REDUCED TO TRADEABLE POSITION

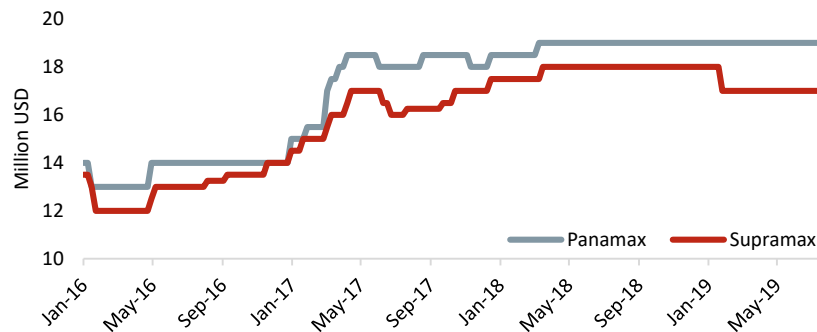
- Q2 2019 Adjusted Result of USD -2 million – high coverage protected against weak rates
 - negatively impacted by one-time increase in financial expenses
- Optimizing portfolio through further vessel sale and attractive pre-payment of hire on T/C contract
- High coverage with significant optionality
 - 33,798 optional days from 2H 2019 onwards and 33 purchase options on vessels
- Owned fleet within tradable position after sale of 1 Handysize vessel during the quarter

Dry Owner key figures

USD million	Q2 18*	Q3 18*	Q4 18*	Q1 19	Q2 19	Last 4 quarters
Contribution margin	11.6	10.9	11.0	23.9	21.1	66.9
Overhead and admin	-2.1	-2.2	-2.5	-3.0	-2.3	-10.0
Adjusted Result	3.2	4.0	5.3	0.4	-2.4	7.3
Vessel days	4,709	4,647	4,876	4,963	4,254	18,740

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

5-year secondhand asset values



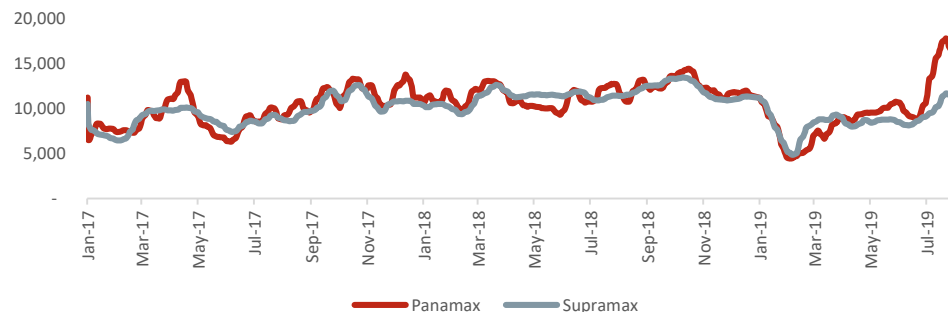
Source: Clarksons

MARKET STABILISED IN Q2

Key developments

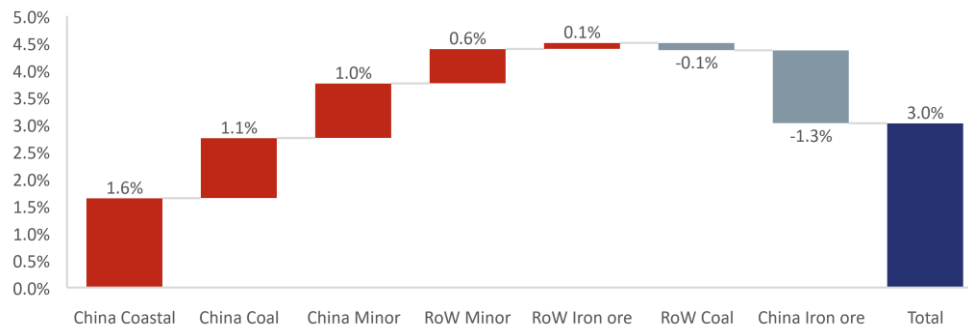
- Stable rate levels throughout the quarter
 - Panamax average earnings down 10% compared to Q2 2018
 - Supramax average earnings down 26% compared to Q2 2018
- Uncertainties from trade tensions, reduced iron ore supply and macroeconomic concerns continued to weigh down the market
- Strong imports of coal to China and India
- At the end of the quarter a rebound in the supply of iron ore out of Brazil and Australia made rates strengthen

Panamax and Supramax rates



Source: Baltic Exchange

Demand growth Q2 2019 (tonnes)

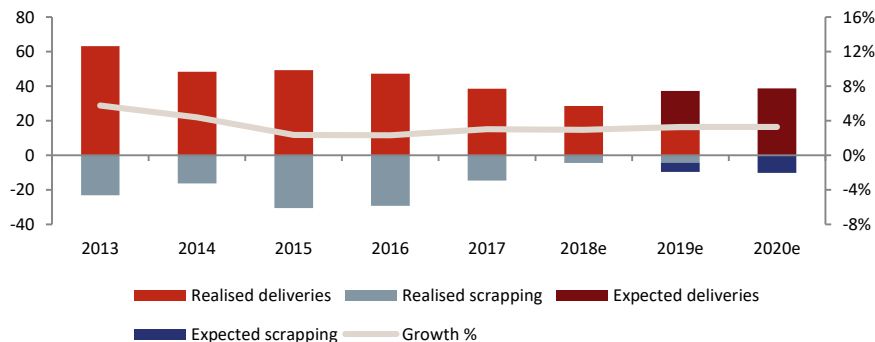


Source: TRACS

IMO2020 IMPACTS AVAILABLE TONNAGE

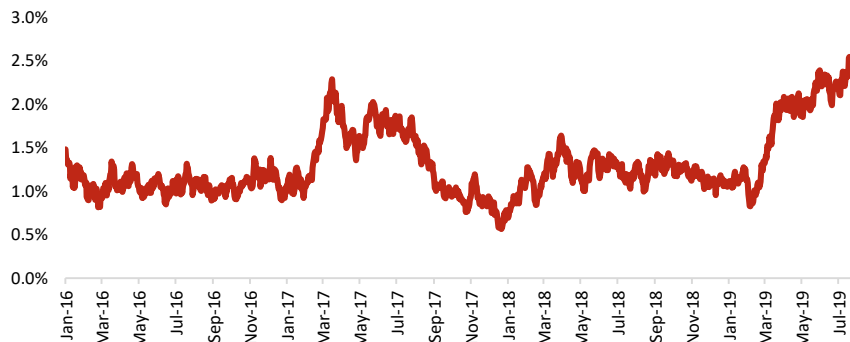
- Weakening of the global economy combined with high coal stocks may weigh down market
- Reduced fleet supply from scrubber and ballast water treatment system installations
- Temporary rate spikes in the larger segments a possibility
- Greater uncertainty due to IMO 2020 market impact in Q4

Supply



Source: Clarkson and NORDEN

Dry docking (% of fleet)



Source: AIS data

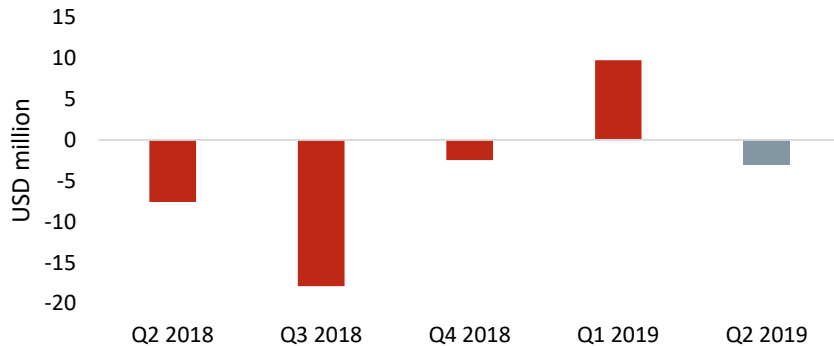
Tankers



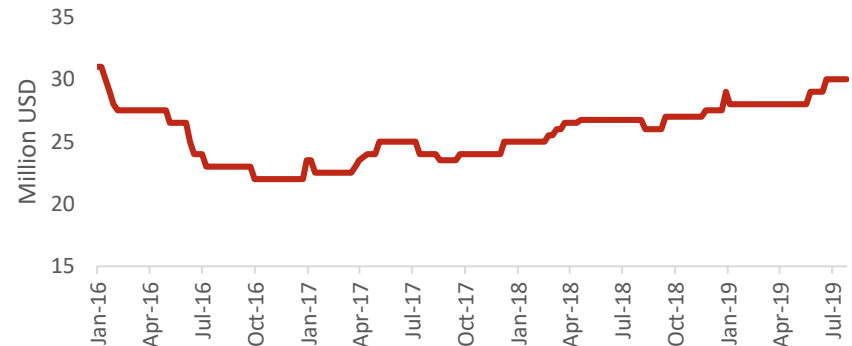
MARKET EXPECTATIONS ON THE RISE

- Q1 2019 Adjusted Result of USD -3 million due to seasonally weak tanker market
- Expanding time-chartered capacity through 2 scrubber fitted MR tankers delivering Q1 2020
- Increase in forward rates and asset values during the quarter
- Capturing value of firming period and forward rates
 - Chartered out 4 vessels at rates in the USD 17-19,000 per day range

Quarterly adjusted result



MR 5-year secondhand asset values

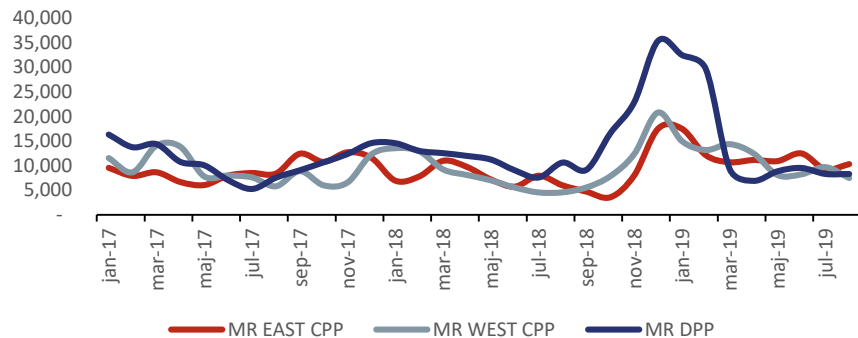


Source: Clarksons

SEASONALLY WEAK MARKET IN Q2

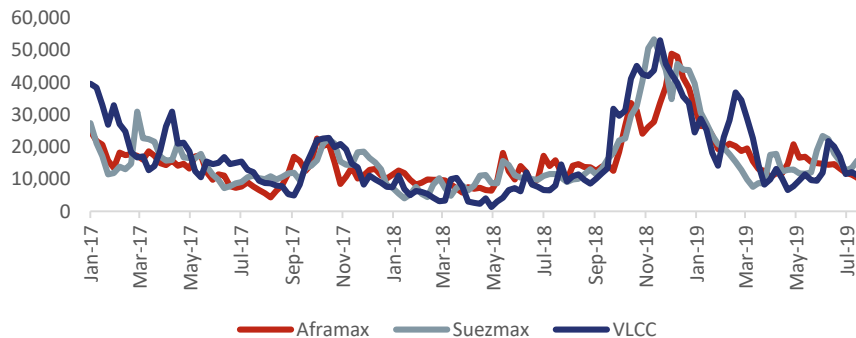
- Product tanker rates at weak levels through the quarter
 - Demand growth for refined oil products slumped to below 1% year over year
 - Increased stock draws
- Rates were higher than in Q2 2018
 - Increased sailing distances
 - Smaller share of the tanker fleet trading clean cargoes

Product rates (USD/day)



Source: ACM

Crude market rates (USD/day)

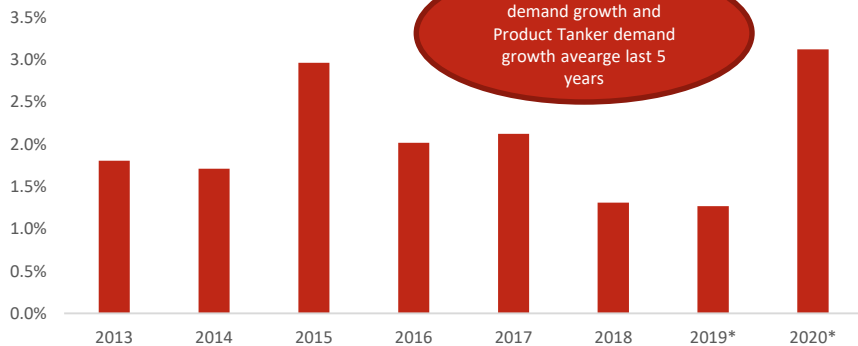


Source: Clarksons

IMPROVEMENTS STILL EXPECTED

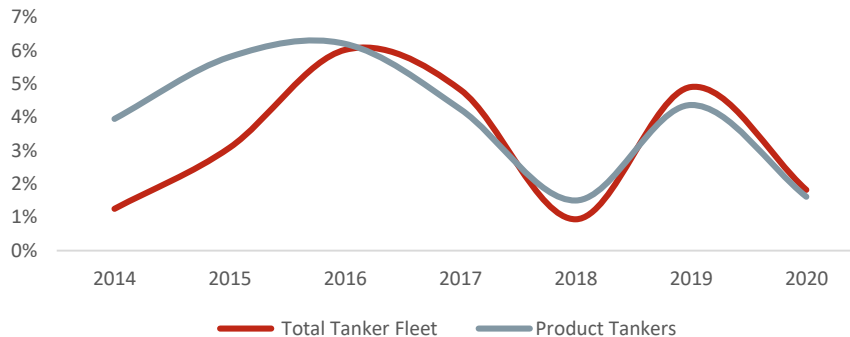
- NORDEN expects the market to strengthen during H2
 - From around the end of Q3 refineries are expected to increase refinery runs to produce the necessary IMO 2020 compliant fuel
 - Refinery runs and Increased off-hire from scrubber installations is expected to yield considerable market improvements inspite of generally weaker world economy and low overall oil demand
- Significant open position during the rest of the year to benefit from market improvements

CPP volume demand (YoY%)



Source: Energy Aspects

Tanker fleet growth (YoY%)



Source: Clarksons and NORDEN

Final words



SO MUCH MORE THAN JUST OWNED VESSELS

- True value of NORDEN is more than the market value of owned vessels
- Increasing asset light business and less dependent on long term market cycles
- Attractive long-term coverage in Tankers with a significant near-term open position
- Dry Owner fleet reaches tradable position
- Increased value of the time-chartered portfolio



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 the remainder of 2019 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

Dampskibsselskabet NORDEN A/S

52, Strandvejen
DK-2900 Hellerup
Denmark

Phone: +45 3315 0451
www.ds-norden.com



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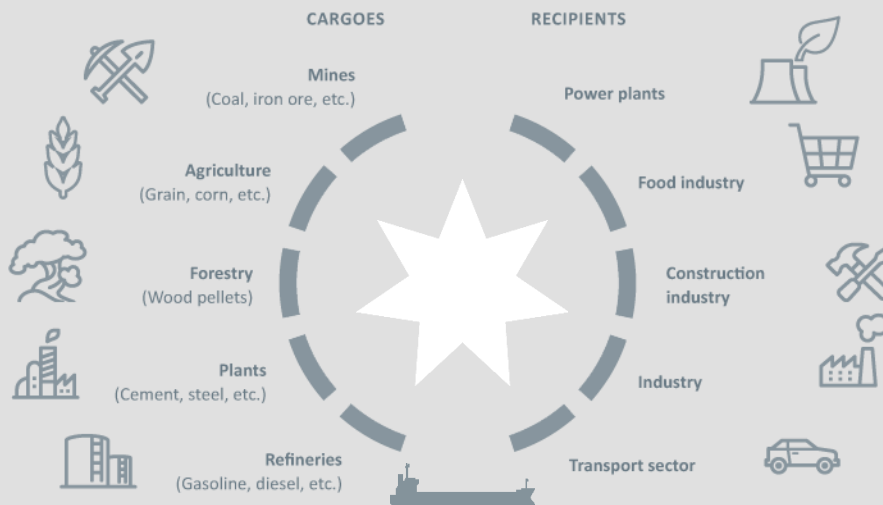
Back-up slides

ENABLING SMARTER GLOBAL TRADE

Characteristics

- Active in Dry Cargo and Product Tankers
 - Cyclical exposure to market developments (~100 vessels)
 - Large scale independent operator activities (~300 vessels)
- Agile portfolio management
- Strong track record of maintaining financial strength through the cycles
- Transparency and clear corporate governance
- Established in 1871
- Listed on Nasdaq Copenhagen, market cap of USD ~600 mill.
- 299 employees at the office and 792 employees at sea
- 10 Offices across the globe

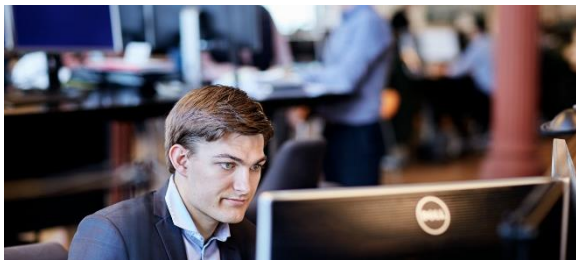
Connecting the world



NORDEN'S 3 BUSINESS UNITS

Dry Operator

Global transport solutions to dry cargo customers



Generate a margin by:

- Logistical and operatorial optimisation, matching cargoes and vessels
- Taking short-term market positions

Dry Owner

Cyclical market exposure to dry cargo market

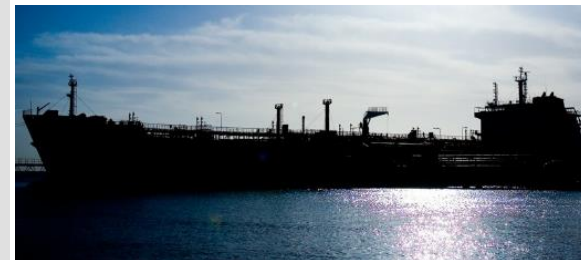


Generate superior long-term returns by:

- Timing and negotiating transactions of owned and long-term charter contracts

Product Tankers

Transport services and cyclical market exposure in product tanker market



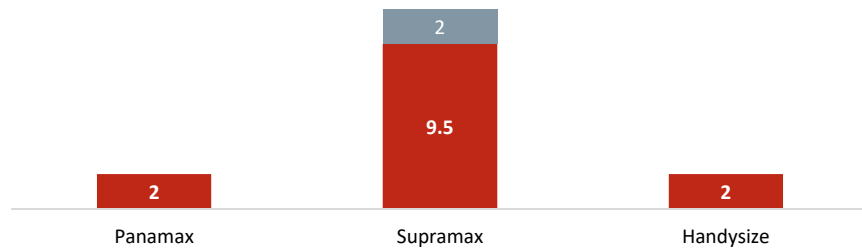
Generate superior long-term returns by:

- Maximising earnings through positioning and voyage optimisation
- Timing and transactions of own vessels and long-term charter contracts

DRY OWNER PORTFOLIO

Owned Fleet

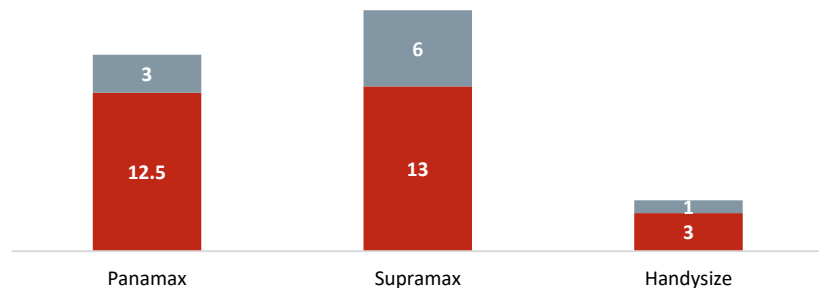
Owned Vessels (Red) Owned NB (Grey)



	Owned fleet average age		
Norden	8.5	3.1	6.5
World	9.7	9.6	10.7

Time chartered fleet

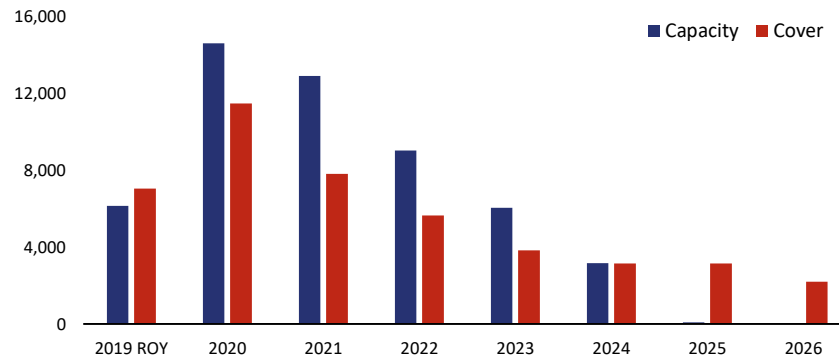
In Operation (Red) To be delivered (NB) (Grey)



Dry Owner at a glance

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

TC-in and cover position (vessel days)



TANKERS PORTFOLIO

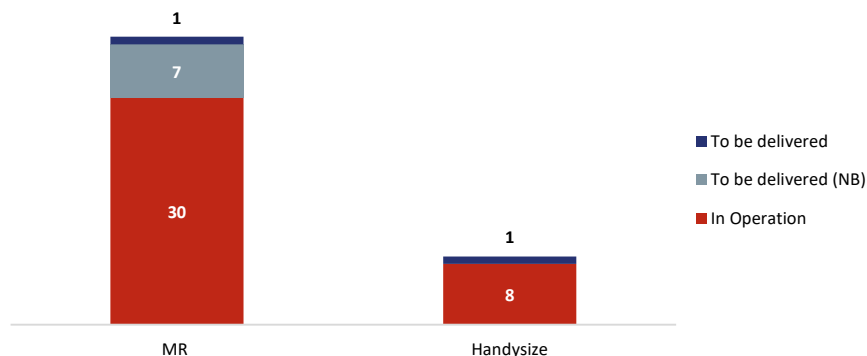
Owned Fleet



Owned fleet average age

Norden	7.5	9.8
World	9.9	12.9

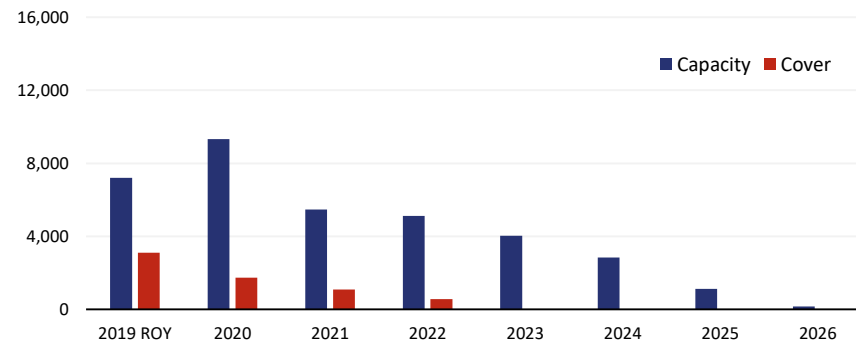
Time chartered fleet



Tankers at a glance

- MR and Handysize vessels
- Primarily own technical management
- Portfolio of 41 chartered in vessels
- All short-term chartering-out conducted via Norient Product Pool (NPP) of which NORDEN owns 100%
- Long track record of earnings beating the market benchmarks and peers

TC-in and cover position (vessel days)

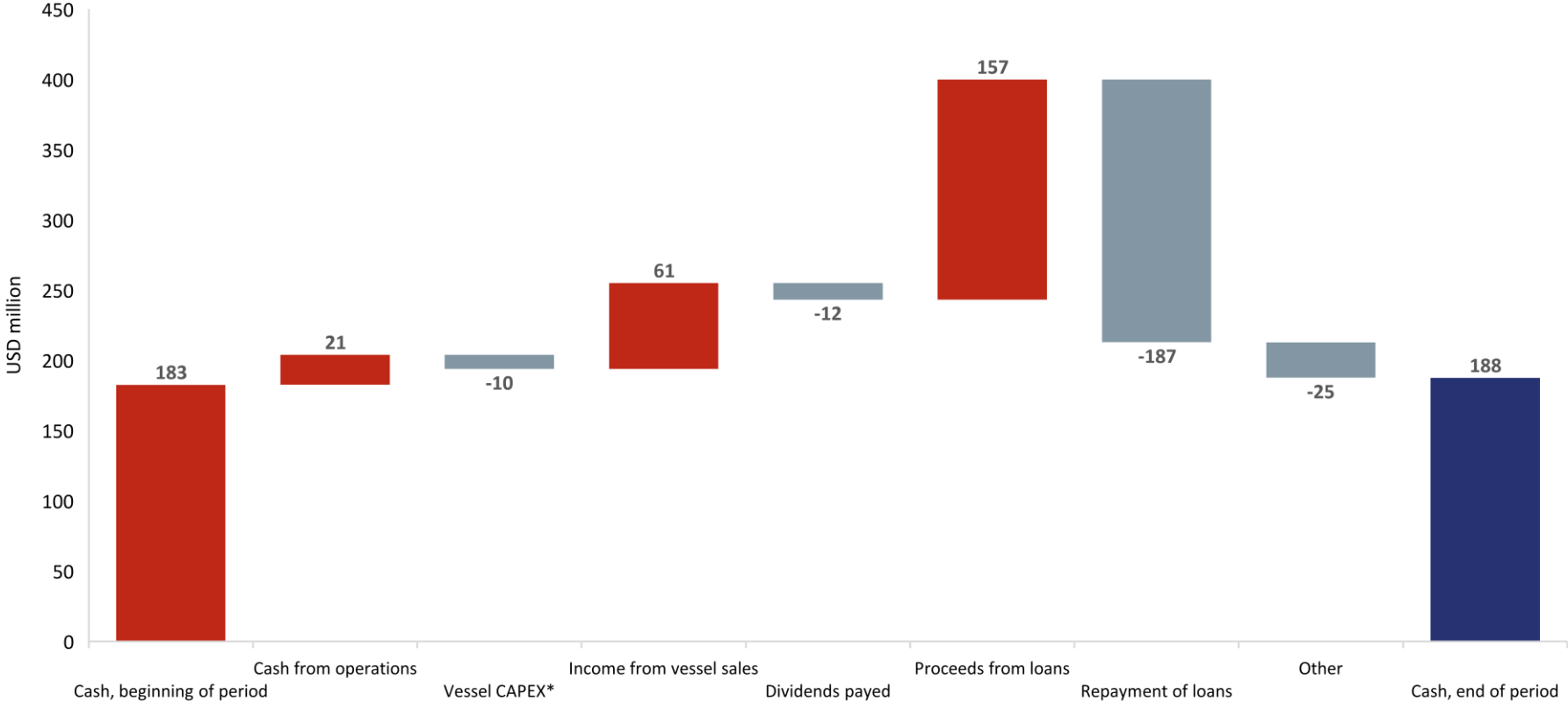


Q2 2019 INCOME STATEMENT

USD million	Q2 2019				
	Dry Operator	Dry Owner	Tankers	Eliminations	Total
Revenue - services rendered, external	508.4	13.5	102.2	0.0	624.1
Revenue, services rendered, internal	6.5	37.0	12.4	-55.9	0.0
Revenue - sublease financial income	0.0	0.5	0.0	0.0	0.5
Voyage costs	-233.2	-0.4	-38.9	0.0	-272.5
T/C equivalent revenue	281.7	50.6	75.7	-55.9	352.1
Other operating income	-0.1	0.4	3.5	0.0	3.8
Charter hire and OPEX element	-274.1	-23.9	-41.3	55.9	-283.4
Operating costs owned vessels	0.0	-6.0	-13.6	0.0	-19.6
Contribution margin	7.5	21.1	24.3	0.0	52.9
Overhead and administration costs	-8.9	-2.3	-6.7	0.0	-17.9
Profit/loss before depreciation, amortisation and Impairment losses, etc. (EBITDA)	-1.4	18.8	17.6	0.0	35.0
Profit/loss from sale of vessels, etc.	0.0	3.4	0.0	0.0	3.4
Depreciation, amortisation and impairment losses	-3.5	-16.2	-17.9	0.0	-37.6
Share of profit/loss of joint ventures	0.0	0.1	0.0	0.0	0.1
Profit/loss from operations (EBIT)	-4.9	6.1	-0.3	0.0	0.9
Financial income	0.3	0.8	0.6	0.0	1.7
Financial expenses	-0.2	-5.8	-3.1	0.0	-9.1
Profit/loss before tax	-4.8	1.1	-2.8	0.0	-6.5
Tax	-1.5	-0.1	-0.2	0.0	-1.8
Profit/loss for the period	-6.3	1.0	-3.0	0.0	-8.3
Adjusted for:					
Profit/loss from sale of vessels, etc.	0.0	-3.4	0.0	0.0	-3.4
Adjusted Result for the period*	-6.3	-2.4	-3.0	0.0	-11.7

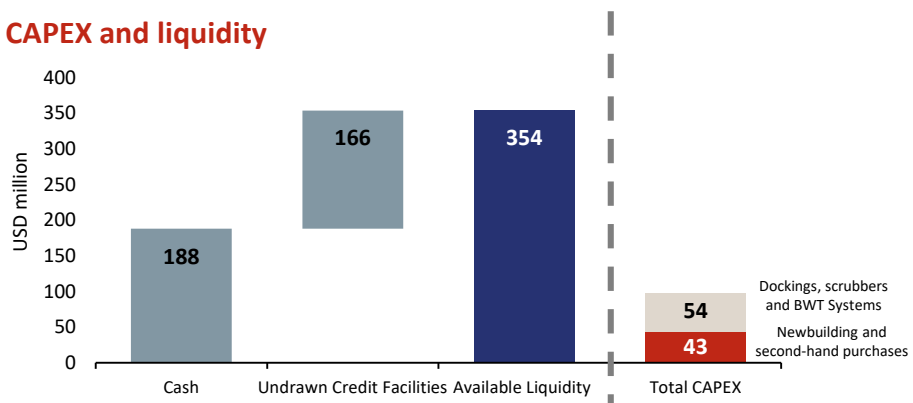
* Adjusted Result for the period was computed as "Profit/loss for the period" adjusted for "Profit/loss from sale of vessels, etc." including vessels in joint ventures.

CASH FLOWS DURING THE SECOND QUARTER

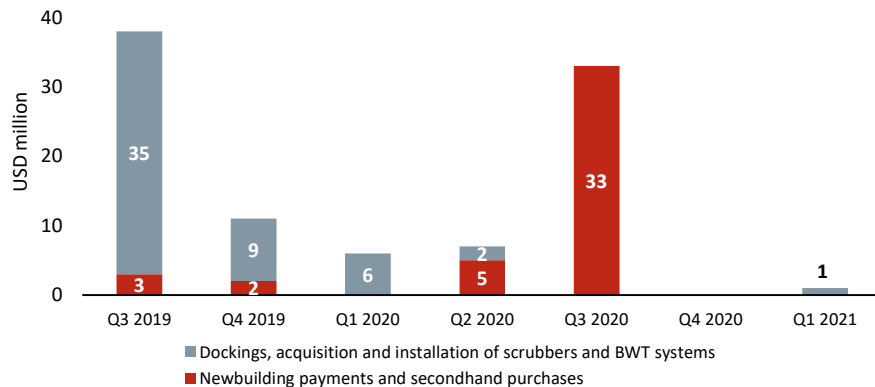


STRONG BALANCE AND LIQUIDITY POSITION

CAPEX and liquidity



Newbuilding installments, BWT and scrubber CAPEX



ASSETS (USD MILLION)

Current assets

Cash and cash equivalents	187.6
Other current assets	361.5

Non-current assets

Vessels (incl. newbuildings)	775.8
Other non-current assets	359.8

Total assets	1,684.7
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EQUITY AND LIABILITIES (USD MILLION)

Equity	825.1
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Current liabilities

Current loans	92.0
Other current liabilities	325.0

Non-current liabilities

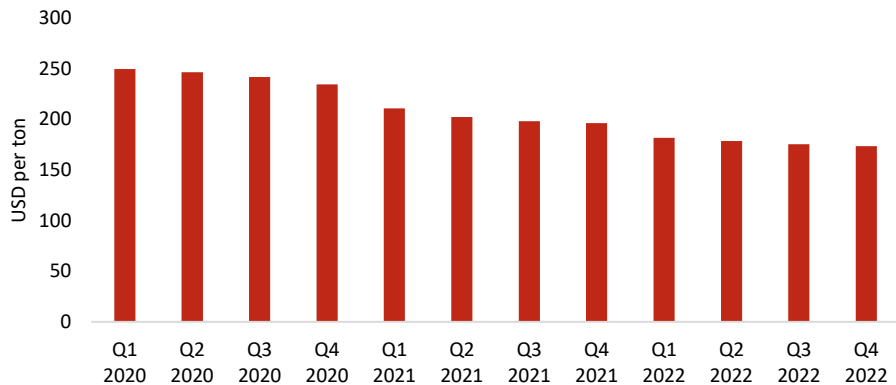
Non-current loans	207.2
Other non-current liabilities	235.4

Total equity and liabilities	1,684.7
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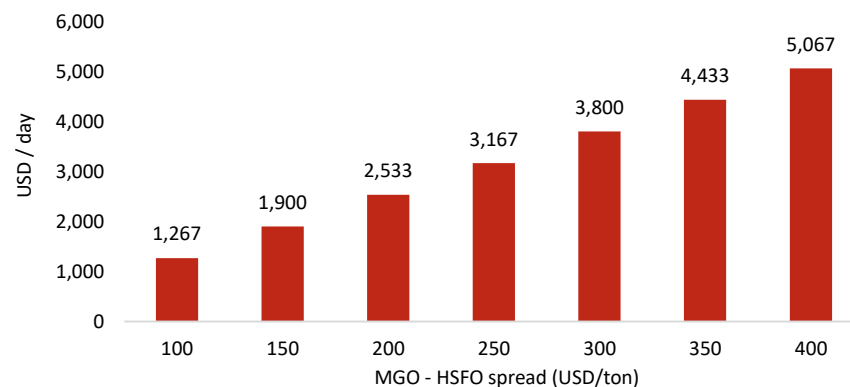
SCRUBBER ECONOMICS REMAIN ATTRACTIVE

- Scrubbers expected to yield significant cost savings from 2020
 - Daily TCE earnings of approximately USD 2,500
 - 5-year return of more than 25 %
 - Payback period of less than 2.5 years

Rotterdam VLSFO – HSFO forward spread*



Supramax average TCE from scrubber*



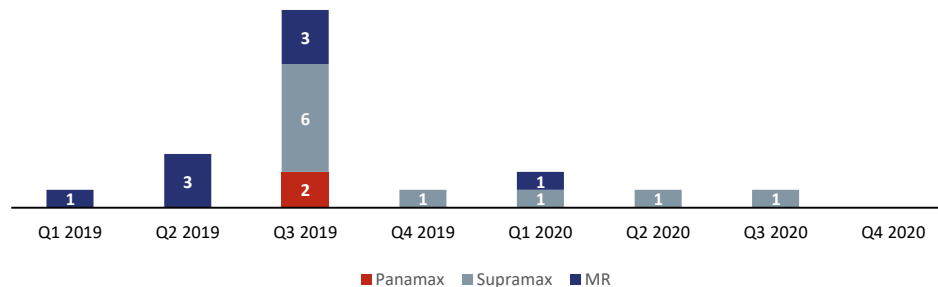
*VLSFO price estimated from a USD 50-100 per ton discount to ICE Gasoil futures
Source: Thomson Reuters

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

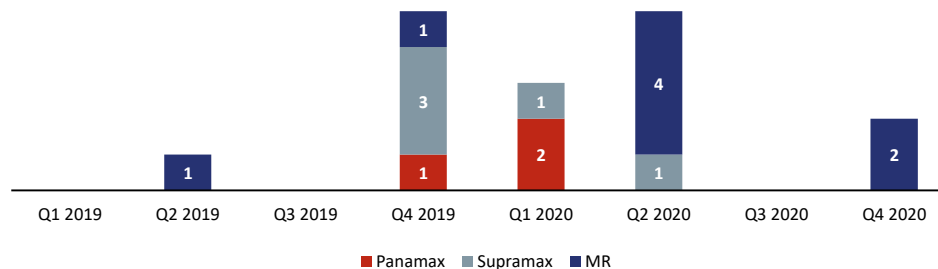
SCRUBBER INSTALLATION SCHEDULE

- 36 scrubbers secured
 - A mix of Panamax, Supramax and MR
- 22 scrubber installation on own vessels
 - Capex of approximately USD 44 million
 - Majority installed by end 2019
- 14 firm scrubbers on long term time charters
 - Owners provide scrubber installation
 - Scrubber payment through increased hire
 - No upfront payment

Owned vessel scrubber installation schedule



Time-chartered in vessels scrubber installation schedule



DRY OWNER POSITIONING

	Q3 2019	Q4 2019	2020	Q3 2019	Q4 2019
Own vessels		Ship days			
Panamax	170	184	732		
Supramax	837	874	3,725		
Handysize	184	184	732		
Total	1,191	1,242	5,189		
Chartered vessels				Cash costs for T/C capacity (USD per day)	
Panamax	1,334	1,301	5,860	12,835	13,000
Supramax	1,139	1,288	6,541	12,016	11,999
Handysize	487	579	2,164	9,515	9,537
Total	2,960	3,168	14,565	11,973	11,960
Total capacity	4,151	4,410	19,754		
Coverage				Revenue from coverage (USD per day)	
Panamax	1,213	1,151	4,128	14,166	13,245
Supramax	1,754	1,581	4,839	11,460	11,517
Handysize	670	671	2,484	11,042	11,106
Total	3,637	3,402	11,451	12,286	12,020
Coverage in %					
Total	88%	77%	58%		

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

Projected Dry docking days are not included in own vessels. For off-hire days see slide 33

The table presents the cash costs and revenue of Tanker capacity and coverage and accounting effects from IFRS 16 standards are therefore not included

TANKER POSITIONING

	Q3 2019	Q4 2019	2020	Q3 2019	Q4 2019	2020
Own vessels	Ship days					
MR	1,277	1,363	5,490			
Handysize	736	736	2,928			
Total	2,013	2,099	8,418			
Chartered vessels				Cash costs for T/C capacity (USD per day)		
LR1	184	184	277	18,600	18,600	18,600
MR	2,951	2,981	7,733	13,840	13,885	14,495
Handysize	446	460	1,321	11,728	11,572	11,153
Total	3,581	3,625	9,331	13,821	13,831	14,144
Total capacity	5,594	5,724	17,749			
Coverage				Revenue from coverage (USD per day)		
LR1	184	184	277	18,520	18,520	18,520
MR	1,327	736	1,363	15,050	15,365	16,809
Handysize	370	301	88	13,094	13,203	13,998
Total	1,880	1,220	1,728	15,005	15,308	16,940
Coverage in %						
Total	34%	21%	10%			

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

Projected Dry docking days are not included in own vessels. For off-hire days see slide 33

The table presents the cash costs and revenue of Tanker capacity and coverage and accounting effects from IFRS 16 standards are therefore not included

SUPPLEMENTARY SLIDES

Employment and rates, Dry Owner, Q2 2019

Vessel type	Panamax	Supramax	Handysize
Dry Owner days	1,640	2,000	614
NORDEN TCE (USD per day)	13,782	11,108	10,841

Scheduled Off-hire days on own vessels

	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Total
Panamax	30	0	0	0	0	0	0	30
Supramax	150	51	30	0	0	0	20	251
MR	108	30	21	21	0	0	0	180
Handysize Tank	10	0	0	0	0	0	0	10

THE SHARE (DNORD)

Master data

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

Composition of shareholders

- 15.835 registered shareholders owning 91.8%
- Approx. 25.7% international ownership

